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Direct marketers are expecting more layoffs, hiring freezes and cutbacks in hiring until at least spring, according to the first 2009 Employment Outlook Report, which is based on a recent study by the Direct Marketing Association and Bernhart Associates Executive Search LLC.

At the same time, many CMOs who are hiring say they are unsatisfied with the current talent pool, according to another employment survey by Epsilon.

“‘What's going to happen in three months?’ Everyone's asking me that question,” said Jerry Bernhart, principal, Bernhart Associates, which released its findings last week. “Based on the data I see now, I do not see any signs of a bottom.”

Among the 264 companies responding, 21% said they will add to staff during the first quarter of 2009, down from 31% last quarter. The percentage of companies planning to reduce staff rose from 17% last quarter to 20% this quarter, and 48% report they currently have a hiring freeze, up from 34% last quarter.

“We haven't really been in this kind of environment before,” Bernhart said. “This is new ground for a lot of us.”

However, direct marketing may be more well positioned to weather the economic storm than other sectors, due to its measurability and cost-effectiveness as an advertising medium.

“A closer look at our numbers also shows that while quarter-to-quarter changes in planned staffing and hiring freezes are both sharply deteriorating, layoffs are going up at a much more moderate pace,” Bernhart said. “All of this suggests that direct marketers are being spared the massive job cuts that we're seeing in some other sectors of the economy.”

Recent published surveys show that many businesses are actually planning to increase their direct marketing budgets in 2009 while reducing their spending on less targeted advertising campaigns, he said.

“I think that is helping to ease the blow,” Bernhart said.

Tougher economic times also make the search for the right candidate all the more important.

While more than half of CMOs interviewed in Epsilon's survey — 59% — said they were somewhat to very satisfied with their hires, 39% said they were somewhat to very unsatisfied with the availability of qualified candidates for employment.

“These survey results show a significant number of unsatisfied hiring decision-makers who are anxious to find candidates with marketing talent,” said Epsilon CMO Steve Cone. “The results suggest that while hiring may be slow in 2009, job seekers who combine creativity and leadership with data mining or digital experience will have ample opportunities in corporate marketing or the agency side of the business.”

One reason why CMOs might be unsatisfied with the current talent pool even as many marketers are laying people off is because hiring decisions become much more important in tough economic times, Bernhart said.

“It's a bigger decision when the economy is in a downturn. You really want to make sure you get the right person,” he said. “Making a hiring mistake is more costly during a time of economic downturn.”

Cone said that as marketing budgets become tighter and companies look for more measurable and cost-effective marketing programs, it should be easier for experienced direct and database marketers to be able to find work. However, there is a caveat to this point.

“The problem is those are hard people to find in the marketplace,” Cone said. “[Direct marketing] has never been too popular a field for those coming out of marketing programs.”

Agencies tend to have “very little direct marketing expertise,” and it's usually found more on the client side, Cone said.

But in general, Cone said, companies are looking to incorporate more direct marketing in these difficult economic times.

“Everyone's looking at response now, and they should have been looking at it for the past 20 years,” he said.

More jobs are being cut in various industries every day. Last week, tens of thousands of American jobs were lost, in companies including Pfizer, Home Depot and Caterpillar.

While direct marketing is trying to weather the storm by implementing hiring and salary freezes, the sector will not be immune if massive layoffs across industries continue, Bernhart said.

“You have to think that if these widespread layoffs continue, it will continue to impact direct marketing,” he said.

The survey conducted by the Direct Marketing Association and Bernhart Associates Executive Search LLC was e-mailed in mid-January to a combined list of DMA members and past participants of the Bernhart employment survey.