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Foresight, tech savvy helped some steer clear of economic roadblocks

Chris Casacchia

Despite big obstacles as the recession lingers, some Valley advertising and public relations firms are boosting business as their competitors sink.

Zion & Zion has tripled its size from a year ago, outgrowing its space at Hayden Ferry Lakeside and moving into a 2,800-square-foot office at the downtown Tempe Architekton property.

Zion & Zion employs 13 full-time staffers and eight interns. A year ago, the company had five staffers and no interns.

"If no one told us there was an economic downturn, no one would know it," said co-founder Aric Zion. "We're just on fire."

He said most of the ad firms in Phoenix focus on creative, and the economic crisis has affected companies beyond branding. It has changed how they do business, making them evaluate every item on the balance sheet. Many marketing firms are not prepared to handle these problems, he said.



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Aric Zion

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Because of his corporate background, which includes management positions at Nortel Networks worldwide, Zion's company provides expertise in cross-selling, up-selling and converting leads. His wife and business co-founder, DuGue Zion, has served as a global corporate consultant for retail and telecom companies.

When the downturn hit, the firm tightened up financials, secured operating lines, sat on its cash and hired business development experts, Aric Zion said.

Zion & Zion, which has yet to see a month in the red, has 50 active clients.

Tempe-based SiteWire Marketplace Solutions, which built its revenue from \$24 million in 2007 to \$33.2 million in 2008, credits its renewed focus on emerging and social media for much of its success.

"While all revenue growth is not tied to that, it is helping open some doors," said President Greg Chapman.

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The company brought in new talent, including a social media guru from Intel Corp., and evolved from search engine optimization and pay-per-click campaigns to the next iteration of Web 3.0, such as augmented reality.

Defero has seen triple-digit growth since opening in late 2005. In 2008, the Phoenix interactive marketing firm hit \$4 million in capitalized billings and secured a spot this year on the Business Journal's list of advertising agencies ranked by full-time staff.

Its strategy centers on transparency and showing a return on investment. Defero CEO Eric Brandt said his company was quick to react to the downturn, unlike many of his competitors, which were reluctant to adopt new technologies.

With the paradigm shift toward convergence, every marketing campaign uses multimedia, evidenced by Defero's work for Cold Stone Creamery and parent Kahala Corp., and LeBron James' new shoe release for Nike Inc.

The company's roots were in project work, and today it still garners up to 40 percent of its business from big firms such as Edelman Worldwide and Ogilvy & Mather Worldwide.

Defero has 35 to 40 key clients and does projects for more than 70, Brandt said.

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