

Marketing Your Way Through the Recession

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Ok, we're officially in a recession and business is down. You've probably been looking for ways to cut costs to maintain your bottom line. You've looked at all your expenses and that section labeled "Marketing & Advertising" looks like a very tempting place to save money. BUT WAIT! Those expenditures (think investments;) may be the ones that make you prosperous in these hard times and beyond.

Businesses that slash their marketing budgets and pull their advertising in tough economic times miss a huge opportunity to jump ahead of their competitors. Winners in down economic times are those companies who are smarter and more strategic with their investments. This is not an opinion; it is a proven fact.

In a study of U.S. recessions, McGraw-Hill Research analyzed 600 companies from 1980 to 1985. The results showed that firms that maintained or increased their advertising expenditures during the 1981-1982 recession averaged significantly higher sales growth than those that eliminated or decreased their advertising. This increased growth not only occurred during the recession, but continued for the following three years. By 1985, sales of companies that were aggressive recession advertisers had risen 256 percent over those that didn't keep up their advertising!

In addition, a series of six studies conducted by the research firm Meldrum & Fewsmith showed conclusively that advertising aggressively during recessions not only increases sales, but also increases profits. This fact has held true for all post-World War II recessions starting in 1949, as studied by The American Business Press.

This is not to say that you should simply maintain your existing pre-recession marketing. The economic climate has changed dramatically and the attitudes of your customers are different. Your marketing strategies must respond to this change accordingly in order to be effective.

Of course there are many ways you can save money and be more effective with your marketing budget. The most important method is to carefully target your customers. Spending money to speak to people who would never buy your product is a waste. Everyone knows it's absurd to advertise retirement communities to skateboarders, and while this is an exaggerated example, many businesses do not take the time to really look at who their customers are and where they come from. Analyze your customers. Get to know them. What are their passions? Where do they find meaning? How does your product or service make their life better? Then use communication vehicles that your potential customers use. With the variety of media options available today, it is possible to pinpoint your customers like never before. Your marketing efforts should also include the high value and high impact non-advertising venues such as public relations, word of mouth and social media.

Now is the time to invest in strategic business planning and strong marketing. This is your opportunity to outsmart your competition and gain market share while at the same time positioning your company for prosperity today, tomorrow and the future.