

Create a Competitive Advantage - Advertise in Any Economy

“Think of a snowball rolling down a mountain; consistent advertising has a cumulative effect. The more familiar buyers are with your brand, the more likely they are to purchase the brand.”

OK, fine. Nobody likes the “R”; word. But like it or not, we are smack dab in the middle of a recession. The question we all face is what do we do about it? You want to cut costs, but where? For some companies the decision is easy, the first cut they make is advertising. But you are not so sure.

I can think of eight solid reasons to continue advertising during a recession. They might even justify boosting your budget, but only if you are prepared to come out the other end as a market leader!

Aggressive advertising can help you capture market share while your weaker competitors are slashing ad budgets and waiting out the storm. Your sales team needs help, now more than ever. While existing customers are cutting orders, advertising is needed to identify new prospects. Memories are short. Buyers can easily forget your name. If a competitor continues to advertise, he is the one most likely to be called upon and remembered.

Advertising is an important part of your sales team. You aren't going to eliminate your sales staff just because business is slow. Why would you cut off the most important element of sales support? It takes time to make a sale. Advertising has a cumulative effect. If you cut your ads today, you'll lose the ground you've gained. Continuity is the single most important factor in effective advertising.

Good advertising generates sales. If you cut your advertising, the sales slump you experience may be self-inflicted. There is more to advertising than immediate sales. It is an inexpensive way to keep in touch with customers, to let them know that you are alive and well in spite of the slow-down. New conditions create new needs. The recession may be creating new prospects for your products or services and advertising will help you find them.

*by Ken Sethney
Marketing Coach*

rkenneth.wordpress.com/2008/02/23/eight-great-reasons-to-advertise-in-any-economy/

Competitive Advantage

Businesses that continue to advertise regardless of economic times have a competitive advantage over businesses that trim their ad budgets. Advertising during a sluggish economy clearly creates a competitive advantage, according to the study, with a majority of executives agreeing that seeing a company advertise during slower times makes them feel more positive about the company's commitment to its products and services. But perhaps most important is staying at the top of buyers' minds when purchase decisions are made.

“For advertisers interested in maximum profit from their investment in b-to-b media, these research results indicate that advertising frequently - and capitalizing on the synergistic effect of print, Web sites and trade shows - is a sure path to increasing awareness, interest and purchase,” said the study authors.

Add to that the fact that there has been dramatic increases in the time executives spend visiting b-to-b Web sites over the past three years and online advertising is a winning strategy. Moreover, the study findings are consistent across industry sectors, making results relevant regardless of business category.

Long-Term Investing

While the Yankelovich/Harris study offers compelling data to support the benefit of advertising especially in slower times, other business gurus also support the theory.

“Advertising in a down economy is even more important than advertising during the good times,” says Joyce Gioia, president of the Herman Group, a firm of strategic business futurists in Greensboro, N.C. “That's when you can build market share. That's when you have less competition for share of mind. While others are in a cocoon, hibernating until things blow over, it's a great time to invest in your business.” Gioia says halting advertising during tough times is counteractive to that goal.

The bottom line is clear: If a company is not communicating with customers when they enter the market, then that company will not be considered in the buying decision. That fundamental truth does not change, regardless of the economy. While many companies readily understand the value of short-term advertising - generating new sales, generating repeat business from existing customers and generating new leads that turn into future sales - it can be more difficult to comprehend the long-term value. Think of a snowball rolling down a mountain; consistent advertising has a cumulative effect. The more familiar buyers are with your brand, the more likely they are to purchase the brand.