

True or False:  
It's Way Past Time To Cut Your Marketing Budget



# White Paper

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## **False.**

There's no question that we are in a serious recession. Given that fact, how should a business react when orders start to slow?

Cutting expenses (people, travel, marketing, etc.) is the knee jerk reaction by many companies. In cases where the business is in critical condition, this may be a necessary action. But history shows that many companies make this draconian move too early. Trimming staff, cutting travel budgets and reducing the marketing budget can produce a self-fulfilling prophecy. If a business cuts these areas before it is necessary, it won't have the people to actively seek new business and properly service existing customers. Cutting travel does not allow salespeople to have necessary face-to-face meetings with customers and prospects and cutting marketing takes your brand out of play at the time it is most important to keep it in front of your current and potential customers. In short, cutting your marketing budget cuts your marketing opportunities.

A Cahners study titled "Media Advertising When Your Market Is In A Recession" clearly documents that companies that spent more during a recession recovered *three times faster* when "normal" times returned.

## **This is the time to invest in your company.**

### ***Protect your high-value customers –***

Keeping your name in front of customers during a downturn shows them you are a confident and dedicated player and reinforces their decision to do business with you.

### ***Reel in prospects who are ready to buy –***

Even in a down market, customers are out there who need your products and services. They need to find you when they are looking. With many of your competitors cutting marketing, this is your time to "rise to the top" and reel in opportunities.

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***Optimize your marketing budget –***

Making the right choices as to where you invest your marketing dollars is critical in a downturn. You have no room for waste or missteps. This is the time to optimize your knowledge of who your customers and prospects are, where they live and what they need.

***Narrow your focus –***

This may not be the best time to begin a broad marketing campaign. Rather, this is the time to concentrate on your markets and execute a focused campaign designed to speak directly to your target audience.

***Support your market pricing strategies –***

It is an understatement to say that there have been tremendous fluctuations in most raw materials costs in the past 12-18 months. Fuel, plastics and metals are three quick examples. Make every effort to stay glued to these changes and how your competitors are reacting and try not to react too early or too late. Read your trade journals. Go to your association meetings and talk to customers and reps to stay abreast of the market.

*-- Larry Clayman is the President and owner of Clayman Advertising.*