

Managing Marketing Budgets in Tough Economic Times

By Jefferson Davis, Competitive Edge

There's no question we are facing tough economic conditions. But it's not those conditions that determine our future; it's our response to those conditions. How is your company responding to current economic conditions?

When the economy tightens -- as it always does at times -- many companies first response is to cut costs. And too often marketing and sales is one of the first cuts. Now stop for a moment and think about this response. To help you do so, I'll share an eye-opening fact, ask a few smart questions, and present a proven solution to get maximum value from your marketing investments in tough times.

A FACT: This is our sixth recession since 1970.

Did you know our country made it through recessions in 1970, 1974-75, 1981-82, 1990-91, as recent as 2001, and now? Think about this for a moment. Was your company in business during any of these recessions? Did you stay in business? Did you keep your job and avoid ending up broke and on the streets? You probably answered yes to all three questions. Are you still in business today? If so, let's take a collective deep breath and realize we've been here before and we've made it through OK. We'll make it through this time too -- if we all "keep on, keeping on."

A QUESTION: In tough economic times, what does your company need most?

If you're like most you need sales revenue and customers. So, please ask yourself and your team how reducing or cutting the very thing (the marketing budget) that brings revenue and customers is a prudent and smart thing to do for your company? For our economy? A Harvard Business Review report said "The rationale that a company can afford to cut back in marketing because everyone else is cutting back is fallacious."

A SOLUTION: Keep your marketing budget the same or increase it, and make sure your marketing investments are delivering what you need most; sales revenue and customers.

I have read six different studies on the impact of marketing spending during various recessions and they all point to the same conclusion:

"Companies who maintain or increase their marketing budgets during recessions experience sales growth two to three times higher than those who reduce or cut their budget. And not just during the recessionary period but for up to two years after."

So go forward with your marketing with the quiet and calm confidence that in times like these, many of your less informed competitors will reduce their marketing budgets. They'll back-down, step-aside, and drop-out. They'll do what they see others doing. And in doing so they'll create more space for your company to capture and increase mindshare and build market share. What a great opportunity!

Once you and your team make this forward thinking, positive, proactive decision, then commit to learning and doing everything you can to make sure your marketing and tradeshow investments are positioned for maximum success. Because your show organizer cares, they provide you with free access to an online Exhibitor Service Center and Exhibitor Education Program. You can read articles like this in monthly exhibitor bulletins, view free web-based e-courses on Pre-show Planning, Marketing Your Exhibit, Lead Management and Exhibit Measurement. You can attend live webcasts, view webcast replays and more. So get involved, use the ideas that make sense for you and keep your company and our economy strong and growing.

Jefferson Davis, president of Competitive Edge is known as the "Tradeshow Turnaround Artist". Since 1991, his consulting and training services have helped clients improve their tradeshow performance and results to the tune of over \$500M. Mr. Davis is a creator of the HITEC Exhibitor Education Program. He can be reached at 704-814-7355 or jdavis@compedgetraining.com.