

Advertising in a down economy

*He who stops advertising to try to save money...
could just as easily stop his clock to try to save time.*

To advertise or not to advertise... that is the question.

Recently, it's become almost impossible to turn on the TV or listen to the radio without hearing a steady barrage of negative press about the current economy.

By most indications, the outlook for 2008 is a gloomy one at best. The housing markets are in the tank, home foreclosures are at record highs, credit sources have dried up and lenders have wracked up billions in losses due to bad mortgage investments. On top of all that, throw in the rising cost of oil coupled with a weak dollar and it's no surprise that there's a bit of panic out there.

Unfortunately, the media, in this country is very powerful and what is broadcast on TV and radio directly influences the way a large percentage of the population thinks and acts. So whenever the talking heads say, "Times are getting tough," usually the first thing to get cut is a company's marketing budget.

Traditionally, U.S. companies have responded to a slowing economy by cutting back, hunkering down and trying to "tough it out," but tightening the belt a few notches is really not a good solution to the situation. In fact, if your competitor should happen to adopt such a tactic, he would actually be making a very good choice – for you.

That's because when your competition pulls back on their marketing efforts it weakens their position and in doing so offers you a perfect opportunity to strengthen yours. Since, in a slow economy, many other companies will also be cutting back on their advertising expenses, media of all types become more negotiable and, therefore, cheaper. The result is that with a much less cluttered landscape, your message can become more visible since you're not lost in a sea of advertising.

In addition, since there is less competition, it's not as necessary to make the same kinds of deep discounts that so many cleaners are making now in order to get noticed and be recognized. Instead, it becomes much easier to attract business in more productive and creative ways.

For example, at the beginning of World War II, Cadillac factories were converted to the production of military equipment such as tanks and fighter aircraft. Not a single car was produced, but the company still promoted its product... but with a twist.

Cadillac's advertising turned to patriotic themes by citing Cadillac's role in war production. "In peace or war there is no substitute for quality," said one ad, proclaiming that Cadillac engines provided "peacetime power for a wartime job." Another, which depicted a P-38 Lightning fighter plane in combat, declared, "Craftsmanship is still our stock in trade."

Of course, I realize that all of this is much easier to say than it is to actually do and, in reality, only a very small handful of cleaners will ever view an economic downturn as an opportunity that can be turned into a long-term competitive advantage.

Also, it should come as no surprise that, as a marketer, I think advertising plays a key role in driving a company's success during bad times as well as good... assuming, of course, that the product and service being offered are excellent and the means of promotion is sound.

Through all of this, the big payoff really comes when bad economic times rebound into good. When people have more money to spend, your business will have a higher position and a better mind share than will that

of the folks that chose not to advertise. Higher mind share leads to higher market share when people begin using your service again with greater frequency.

In the case of Cadillac, the end of the war released a tremendous pent-up demand for Cadillac cars. One 1946 ad proclaimed that the engine "Improved even more in war than in peace!" which cited improvements to the V8 engine and the Hydra-Matic transmission during the military campaign. By the end of the model year, there were nearly 100,000 back orders for Cadillacs. In much the same way, these very principles that worked for Cadillac during a significantly extended period of no sales can work for any industry... including the cleaning industry.

It's important to remember that during a recession consumers don't stop buying... they just become more selective. They look for "value" in their purchases. They are going to buy from someone. They're likely to buy from businesses that they know and like. Why not make sure they know YOU?

Here's the key: In both good times and bad, marketing is everything. If it weren't, your company would only subsist on word of mouth and chance... and who can depend on that? You can't control word of mouth and in the end, only the casinos win the game of chance.

The more visible you are, the more confident your customers and prospects become. The more they are reminded of your legitimacy and staying power, the more they'll be inclined to believe you'll be there for them tomorrow.

Remember too that during any period of economic downturn your best customers become someone else's best prospects. When you stop inviting them to do business with you, a more aggressive competitor may become much more attractive.

In addition to advertising heavily when the economy is soft, what else do you need to do?

1. Never take your focus off your customers. Value them, and make sure they know it.
- 2) Don't depend on deep discounts. Craft your marketing messages in a more creative manner.
- 3) Don't be afraid to negotiate for a better price when choosing media sources and buying space.
- 4) Focus on improving relationships with your customers. Learn their names, sizes, starch preferences, etc.
- 5) Define your core values and share these regularly with your customers, and your prospects, through your advertising and public relations messages.

Finally, a negative economy can be a crisis situation for many businesses, but it was president Kennedy who reminded the nation "When written in Chinese the word *crisis* is composed of two characters. One represents danger while the other represents opportunity." It means opportunity for those who are prepared to take advantage and danger for those who aren't.

Think. What should your company be doing to protect itself? What can you do now to prepare for a negative sales climate? How can you counter the talking heads' message and transform a negative outlook into a positive opportunity and succeed when others fail?