

Advertising in a Recession Economy

Tough Economy? Global Unrest? Keep advertising to win in the end

Understanding consumer concerns is key to surviving economic downturns

Accurate information and sensitivity to customer needs result in marketing programs that attract business. Because consumers change their behaviour more quickly in a recession or in times of global unrest, businesses need to be more vigilant about customer behavior.

Consumers want more information, not less

In times of uncertainty, consumers are careful and a little reluctant to spend. They want to be sure before they buy. They want even more information!

Businesses that maintain advertising in an economic slump fare better in sales — and profits — both during and after a slump

Research proves it: companies that reduce advertising in downturns lose ground to their competitors. The best way to overcome revenue loss from a recession is to gain new customers and increase market share through advertising.

Cutting back disadvantages you at a time when you most need an edge

Whether business is bad or good, you have to get your share of available business. Instead of increasing profits, advertising cutbacks only reduce demand for your products and prolong recessionary effects on your business.

Most down periods are shorter than expected

The history of every post-war recession is that it didn't last as long as predicted. Why gamble your market position for short-term gain?

Watch your competitors

Be very aware of your competitors' activities. If your competitor continues to advertise, be equally aggressive. People only have so many dollars to spend and if they don't spend them on what you sell, they'll spend them elsewhere.

Consider lead times

Some products are bought on impulse or to meet immediate needs. But most purchases can be postponed. The advertising you do, or don't do, will have effect years from now.

Advertising works cumulatively

Consumers don't read all of your ads. Advertising just doesn't work that way. To be most effective, advertising must have continuity to keep your brand name top-of-mind.