

Marketing and Economy

Given the uncertainty in the economy, many people are cutting back on discretionary spending. Restaurants are especially hard hit during economic downturns, as people stop eating out. And in marketing, you can see two extremes: cutting out marketing dollars or excessive/over the top marketing spending. Which approach makes sense?

To cut out marketing completely is really akin to shooting yourself in the foot. Perhaps you keep your shoes, but you will no longer be able to walk very far. It is conventional wisdom that advertising and public relations agencies lose clients during economic recessions. Advertisers look to cut back on something so they go for what seems to be frivolous. But is advertising your business frivolous? How else are you going to get customers? On the other hand, the concept of guerilla marketing is successful because it uses cheaper methods of attracting and retaining customers. But the key to both is that businesses only survive if they have customers and must do SOMETHING to get them or retain them.

To go over the top in marketing is probably unnecessary. And wasteful. As I was thumbing through a women's interest magazine yesterday, I came across an elaborate three dimensional print ad for Fruit of the Loom. It caught my interest but did not make me any more likely to buy than a regular print ad. It got me to thinking that Fruit of the Loom feels it has to do what it can to attract customers. Of course, this ad was probably conceptualized well before our financial meltdown, but I won't be surprised if we see this type of excessive spending from some advertisers in spite of finances. Christmas will be very telling, as retailers especially look to increase their revenue.

So in sum, a tough economy means that you have to get tougher in looking for customers. Keep marketing yourself, perhaps in

different ways. Maybe this is the time to try something different. But don't cut out advertising or go over the top. Neither will help your bottom line.