

Facing Cuts to the Marketing Budget

by Wendy Baird, Insight 180

The directive begins like this: “Although we stand firm that marketing plays an important role in sales, and marketing is a valued department in this company, we are once again asking that you cut costs and work toward maximizing our marketing dollars. . . [Yada, yada, yada].” The truth is, you understand, companies are having to trim costs to operate more efficiently and stay profitable, and that’s sometimes the reality. Before throwing your hands in the air and giving up, consider the following strategies that will help you build your organization’s brand equity even while spending less money. You can be successful in this altered economic landscape.

Mindset Shift

The first step when facing marketing reductions is to change your mindset from broad to narrow. Mass marketing to target marketing. Put your efforts toward communicating to a smaller group of customers – hundreds instead of thousands, or dozens instead of hundreds.

Why shift? Because when you cut back on your visible presence in trade publications and cut direct mail postings, your industry and customers notice – maybe

not right away, but surprisingly quickly. They might wonder if you’re in trouble. Rumors start, exaggerations, and before you know it, vendors are guarded and asking questions. What’s worse, your sales force notices. Even if they’re in on the conversation very early and have had the situation “spun” in the best possible light, they are in the trenches – already a little paranoid about the “downturn” they keep fearing will find them right around the corner. And suddenly, they become less motivated to approach new prospects and cultivate existing contacts, for fear they will have to combat the rumors and concerns of which the industry has taken note. The next thing you know, fewer calls are being made and the sales force is blaming the marketing department for failing to provide adequate leads. Not a good place to be.

Shrinking your focus

Step One: Increased Visibility

To combat the perception of downfall, you need to increase the amount of publicity and press on your company. Write articles, host and attend events – become more visible in the community and be seen. It takes some lead-time – articles can sometimes take months to get published, but becoming more

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visible is something you can do right away, both within your industry and within your customers' arena. If you can manage it, volunteer to speak or sponsor someone else's event.

Step Two: Market for Brand-Building

Continue to advertise, even if you have to cut significantly, but run brand-building corporate ads instead of product- and feature-specific ads. You may be fearful that less visibility of the products will decrease product sales, but unless your products are highly disposable, your greater threat is often from concerns about your company's stability and ability to service the product. If you're a service company, it's everything to you.

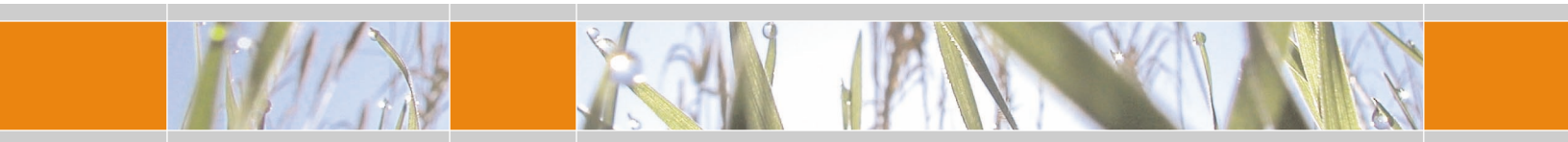
Start a new campaign – change something significant about your ads or create a new corporate campaign based on your core positioning and competencies. Focusing on increasing brand awareness and generating a positive brand attitude among a select set of customers will signal rebirth and rejuvenation in the company – cause for excitement and growth, not decline. You'll run the ads less frequently, but you'll still gain impact.

Add an unconventional component to your campaign – direct mail, specialty

item or email campaign. With only several hundred recipients, each piece of communication can be customized – hand written addresses, personalized web access, even personalized messages. Focus on clean, well-designed pieces with thoughtful messaging that coordinates with your advertising.

Step Three: Boost the Sales Team

Involve the sales force early to gather contacts, past customer and prospect names to help you create the short list of your qualified target audience. Have them synchronize their sales calls and touch points to the timing of the campaign. They can send copies of the ads or call prospects and talk about the new campaign just launched. Allow your sales force to engage their own creativity in how they approach these prospects. Consider creating a clever three-dimensional promotional item – you can afford one of high quality since you'll be narrowing to a smaller number of prospects – and package it in a memorable way so your sales force can use it as a reason for making drop-in visits. Don't be hokey, but fresh and creative – take some risk to be different and amusing. Remember your goal is to reintroduce the company or brand and to build awareness of its positive qualities to a select audience of prospects



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identified to have specific need. Your sales force will feel empowered and sales calls will become easier and more fun.

Better Targeting

Once you've worked with your sales force to identify the micro group on which you're going to focus, you can put more attention on strategic tasks that will address the specific concerns of that target group, and speak more effectively in your marketing pieces and sales collateral. Your leave-behind materials don't have to be extensive, lengthy or complex, because your message will be focused to a narrower list of concerns. Your success rate will be significantly higher.

The bottom-line--be optimistic. You have options to combat your budget challenge. By targeting a narrower market segment, you allow a continuation of your marketing message, reinvigorate the sales team and foster brand equity. product or service.

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