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creative thinking

The economy is down. Make the most of it.

Call it economic uncertainty. Call it a pending recession.

We call it an opportunity. Especially for challenger brands.

When the economy gets tight, many of your competitors will hunker down, thinking they can ride it out, promising to kick that marketing program back in when times are better. That's your cue to step in and snatch their customers. Slow and steady isn't going to win this race. Neither is short-term thinking.

There is a lot of research evidence to support this point of view. Here's some: A McGraw-Hill study of 600 companies showed that those who cut advertising during the recession of the early 80's saw sales increase by 19% between 1980 and 1985. Companies that continued to advertise during the recession had sales increases of 275% during the same period.

“Suddenly the one person who's still talking can be heard loud and clear.”

That is not a typo. **Two hundred seventy-five percent.** OK, this isn't the 80's, but if anything, there is more competition for your customer's dollar now.

However you care to define “advertising”— print, broadcast, web, e-mail, whatever — companies that maintain or increase their advertising (their customer outreach) during a recession typically do better than those who don't. That's a fact. And when those who

don't advertise get back into it, they have to spend more money over a longer period of time just to get even.

“When your competition decides to hide out, it's time to go for the throat.”

The best analogy for this we have seen was in a column by Alf Nucifora a few years ago and attributed to Jamie Turner of Turner Fernandez Turner: “Think of it this way. If you're in a room with 20 people and they're all talking, all you hear is noise. But if 19 stop talking, suddenly the one person who's still talking can be heard loud and clear.”

Cutting efforts to generate new business when business is tight is, for all intents and purposes, like saying: “Business is bad, so we're going to cut back on our investment in attracting customers to build our business until our business gets better all by itself.”

Think about it. When your competition decides to hide out for a while, it's time for you to go for the throat. Because if you decide to hide out along with them, you're going to bleed with them.

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