

Should You Cut Your Marketing Budget During a Recession?

By [Laura Lake](#), Your Guide to [Marketing](#).

Oh my, the sky is falling and we are in an economic downturn. It's on the news and it is in the papers. Everywhere I turn we hear of the downward spiral of our economic state. I know what you are thinking; it's time to cut that marketing budget. Signs of recession are all around us. Let's start slashing costs and marketing is the first to go. Makes sense, right? No! Let me explain.

Don't you dare cut your marketing budget. That is one of the first mistakes businesses make during times of economic crisis.

It's time to get smarter about your marketing dollar and spend it to bring results. Sounds good doesn't it? However, I can hear you - how do you do it? If ever customer intelligence was important it's now.

The key is to look at your marketing dollars as an investment not an expense. Use the customer knowledge that you have and implement SMART marketing during these times of financial distress.

SMART marketing consists of the following

- S - Strategize
- M - Maintain market spend
- A - Assess and allocate the budget
- R - Research your customer thoroughly
- T - Target and reach out to them

Stand fast during this time. I can not stress to you the importance of seeing your marketing spend as an investment during this time and not an expense. Companies have survived difficult times and have come out strong. You don't have to take my word for it. I came across a fantastic and informative study done by Penn State's Smeal College of Business entitled [Research: Proactive Marketing During Recession](#). All business owners should read this article. In this study they remind of us of companies that weathered the storm and succeeded. A few examples include:

- Proctor and Gamble - During the Great Depression they pushed Ivory soap.
- Intel - In 1990-1991 during economic difficulty they pushed out the campaign "Intel Inside".
- Wal-mart - Walmart launched their "Every Day Low Prices" campaign in 2000-2001.

I am sure you recall all of these campaigns as I do. Even when there are difficult times well-positioned companies can in fact survive and thrive in them. It truly is about being SMART and taking marketing seriously now more than ever.

A major key is to know your consumer. Know them inside and out. Know what they think and know where they are. Know how these economic times are hitting them. Create your message around that pain. Reach out to them. Look and revise your product line if necessary. Look at developing lower cost solutions if possible. Be flexible, but at the same time be aware and always assessing.

Consider this - if you in fact cut your marketing budget, how will your consumers find you? You have severed your business lifeline and future hope of potential growth. Perhaps you have a secret that I'm not aware of and can reach that success without marketing. If you do I'm always willing to learn and I'd love to hear from you.

I stand with you during these times and wish you most prosperous marketing campaigns. Success can happen and it can be done, but marketing is involved.

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