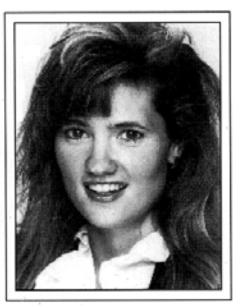
Advertising in a Recession Economy

By LINDA JENNINGS with RON TREISTER

"Those firms that continue to promote, continue. Those that don't, don't."

A few evenings ago, we attended a hospitality event in downtown Chicago given by one of America's largest publishing companies, where we spent some time with the media sales representative from one of the firm's magazines that we work closely with.

Our rep mentioned to us that in the nearly 30 years he had been selling advertising space for his publication, 1991 was by far the "worst, most devastating, horrendous" year he had ever experienced. He went on to declare that even though his advertisers "didn't experience the loss in business they anticipated, most were scared to spend promotional dollars and simply cut back or cut out media expenditures last year."

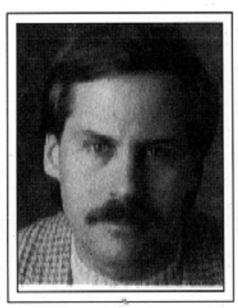


Linda Jennings

Don't think we in the advertising and public relations business haven't heard this tune played loud and clear recently. Even though we preach to our clients that when you're at the base of the mountain, you've got to push a little harder on the accelerator pedal to get to the top, invariably, during scary times, most firms indeed do cut back on their ad budgets.

Our firm, by way of perspective, specializes to a degree in putting together and implementing marketing programs for companies that focus on the architectural and design community. (This industry certainly *was* hard-hit last year). When our customers cut back, of course we suffer. But because our bottom line is totally dependant upon theirs, we've put together "recession programs" that allow them to continue to promote even at reduced dollar amounts. Although every customer's marketing focus is quite different, and there really is no set formula applicable to everyone relative to tightening the old belt, here are some ideas that you may want to consider:

1. Cut back your media mix, but increase spending on individual advertising vehicles. Up until the "Big R" hit, you may have been utilizing a multi-media mix. Your ads and commercials could very well have been appearing in two or three magazines, two local newspapers, three radio stations, etc. Cutting back altogether would be silly; would you fire *all* of your salespeople when times got tough?



Ron Treister

We recommend focusing on one advertising vehicle per market, and increasing the dollar volume you invest in it. Let your representative know that your relationship with his/her publication is now exclusive, and that you want to get the biggest return for your dollar. This return may come in terms of excellent ad positioning, free publisher's mailings to a list you provide, etc. The advertising medium, just like any other business, knows that it has to work a little harder for loyal customers that are sticking with it during tough times.

2. Continue your direct mail work. Distributor, *now* is the time to cash in on whatever co-op promotional dollars your factories have promised you over the years. Surprisingly, most distributors simply don't ask for these stipends and thus, don't receive them. These co-op dollars, combined with the photography that all manufacturers will readily supply, can give a distributor the basis for a nice quarterly newsletter project, a product update postcard, and more.

Manufacturers simply have to watch literature production costs. Again, as with the media, don't stop your mailings. But consider using existing photography over again, and design your brochures to "pick up" same-size existing printing films. Speak with your printer about alternative, less costly paper stock. Whatever cutbacks you