

Marketing Budgets– Another Casualty of War

As world markets took a turn for the worse, in the wake of the apocalyptic September 11 terrorist attacks, you could almost hear the sound of marketing budgets all over the world being slashed simultaneously.

Jittery CEOs, aided and abetted by their myopic Chief Financial Officers reacted in a very predictable manner by making significant marketing budgets cuts. In short they *reacted*; so much for all that management hyperbole on the importance of being proactive. Large corporations and two dollar companies across the world put their marketing activities on hold.

Instead of pushing the panic buttons, decision makers would have benefited from a brief history lesson about the peril of reducing marketing communications during economic down turns. Those companies that maintain or increase marketing expenditures during the difficult times, are most well placed to capitalise when the economy becomes more buoyant.

While others quake in fear of the fallout, global heavyweights like Coca Cola and Levi Strauss and Gillette, for example, are in fact increasing their marketing expenditures, seizing upon a rare opportunity to gain even greater market share. With their competitors either silenced or asleep at the wheel, their message is amplified. Their brand becomes stronger and more confident as their competitors fade into the obscurity.

What separates tomorrow's success stories from the pack, is their steadfast focus on the big picture and their ability to learn from past mistakes – their own or others. They also tend to view marketing as an investment, rather than a cost or liability. And of course we should remember that these brands have only attained superbrand status through their adherence to focussed, integrated and generously funded marketing strategies. In short they do more than understand marketing communications, they live and breathe it.

Some brands have successfully weathered the changing marketplace trends for decades. Take for example, Procter & Gamble, and Eastman Kodak - market leaders in 1913 and market leaders today. Or take Ford automobiles - Henry Ford opened his assembly lines in 1913 and 85 years on, the brand is still a household name. According to market research company Nielsen, 19 out of the top 22 American brands in 1925, still led their product category 60 years on. Likewise, Britain's top 10 grocery brands have an average age of 42.

How is it that some brands survive the perilous marketplace – through wars, major economic upheavals and social revolutions? Not by ducking for cover at the first sight of trouble.

While panicked investors sell when the market is down, the astute and robust investors know a bear market really signifies a time to buy. Likewise, now is not the time to adapt a conservative marketing approach. Certainly strategies need to be adjusted, but they shouldn't be discarded all together.