

## **Statistics are no use to me**

Are you sick of it yet? Marketing people all over the world telling you that the biggest mistake you can make in this economic crisis is to cut your marketing budgets. You need to spend more, you must borrow budgets from other departments, hell, sell a kidney if you have to but for God's sake DON'T STOP MARKETING!!!!!!

Sure, there are lots of statistics to back up the advice. Companies who spent more on marketing in the last recession saw sales grow by as much as 70%. Such firms included Kraft, Pizza Hut and my personal favourite – Taco Bell, not that they have them over here any more, so I'm left to fend for myself with an Old El Paso Taco Kit and frankly, chopping tomatoes is a bloody pain.

OK, so we know that it works – not the tomatoes, the marketing. We also know that companies all over the world are cutting back on their marketing despite all of the evidence screaming at them that they're wrong. The trouble is that statistics don't actually answer the fundamental question – just exactly WHY is it important to spend more and HOW will it make my sales increase.

For me, I think it's important to strip away all of the maths and economic theorem. I didn't go to university and I don't really have a firm grasp of economics. My view of money is a simple one – either you have it or you don't, and it doesn't matter which one of those groups you're in, you always want more.

So once you strip it all away what are you really left with? Emotion. Trust. Confidence. These are commodities that you can actually use.

Let's say that word gets out that one of your competitors is not doing so well. Their own customers are going to start to lose that confidence. They're going to feel like it would be a good idea to see what else is available. That once loyal customer goes back out into the marketplace. They're a brand new prospect facing all of the noise and confusion that goes with looking for a new supplier. Who do they call first? You guessed it – they call the company who made the most noise. In other words, they called the company that utilised the best marketing strategy.

It's really very simple. When things are going well, you market yourself to attract new customers. There's a pool of potential clients out there just waiting to be approached. But then if you think about it, it's *always* been that way, and it *always* will be, only when things are bad, there are more people in that pool, and they're screaming to be taken out.

But wait, you say – what if there is no rumour that my competitor is in trouble? What if things are actually fine? Well they're not fine are they? Any newspaper can tell you that. All of a sudden everybody wants to negotiate, they've turned the entire commercial world into one big Middle Eastern street market – not just because they have less to spend, but because they are working on the assumption that suppliers are dropping prices just to undercut the competition. “What do you mean five quid? That's daylight robbery. I'll give you four quid and that's my final offer”. I see, so five pounds is robbery but four is socially acceptable. Lovely.

None the less our competitors' once loyal customers have started browsing in that stall across the street. They're enticed by all the shiny trinkets on display, the scent of ethnic snacks that fill the air and the shopkeeper that's such a colourful character. Put the analogy back in the box and you'll realise the stall in question is you. Your marketing concept is slicker than your competitors and you will win that business.

It's all about emotion. People don't feel confident right now. Your competitors didn't do anything wrong, but their customers are under increasing pressure to ensure that they are getting the absolute best deal that they can, so whilst it's more important than ever to hang on to your existing clients, it would be crazy not to take advantage of the fact that your competitors might be struggling to do just that.

How do you do that? Marketing. Do it right and the costs will quickly disappear in a sea of profit. Don't do it all and.....well, do we really need to spell it out?

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