

Is it time to cut the Marketing Budget?

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Revenue is tight and the markets are getting tighter, do we cut our marketing budget and push all the funds to sales? First, let me answer the question - NO!

This is a difficult question for many companies around the world, but many of the actions taken are reactive and the result is that the marketing budget is cut. Sales are driven by results, with many sales personnel functioning from a commission position, so they have a vested interest in working a customer segment and closing deals. This is not to say that Marketing does not have a vested interest, but with the Internet explosion and the transition to the new marketing channels, there seems to be more reactive marketing to the perceived channels of 'opportunity' with less due diligence applied than there should be, and less traceable and tangent results.

The Internet allows a company to create dynamic visibility to a regional or international market segment depending on their business focus. The Internet is a powerful entity that is still evolving, and as such there are still a lot of solutions that have not yet matured, but the desire to react to a perceived opportunity, especially in a challenging economy, becomes even more desirable as companies search for that elusive quick fix.

There is a feeling that a quick fix exists just around the corner, and companies continue to look for it with regards to the Stock Market, business growth, and marketing solutions, but those days are behind us, and in many ways, like the Dot-com period, they were just vapor solutions when they did exist.

This reactive marketing has not yielded the results desired and as such the budget cutting reaction is to pull from the marketing budget and apply to the sales budget. So, should there be a cut in the marketing budget? Well, I would have to say yes if there is no focus, no attention to detail, and no follow-up being performed with your current marketing, but this will also affect the sales team that relies on marketing to create press releases, case-studies, and other success oriented visibility.

Though the smart investment is in marketing, but like any investment there needs to be due diligence performed. This is not the time to cut your marketing presence; this is the time to keep your image in front of prospective customers and your target market.

If you are a service industry then it is important to reach out to your customer and show them that you understand their pain and challenges. Show them that you are in touch with their predicament, be flexible with your solutions, but keep your marketing image in front of prospective customers, and keep assessing your results. If you are selling a product, you need to connect with your customer on the emotion and passion level, be flexible in your pricing if possible, engage your customer, and like the service industry, keep your marketing image in front of prospective customers.

The focus should be on setting a strategy to generate a targeted message that will reach out to a targeted customer market. Evaluate the program that you are running, look at the results and see if you are not only seeing results to your bottom-line, but if you are meeting your other objectives (ex. exposure, people responding to free offers, or request of additional information). It may not be now that a customer will look for your services or products, but by keeping the offering in their mind it should reap rewards in the long term. In addition, you will be in a much better position when the markets turn positive.

This is also the time to invest in your marketing analytics and learn more about your customers. This should include how your customers interact with your website, where they start their viewing, where they end their

viewing, and what they click on. The information will allow you to walk through and engage your website as your customers do. Many websites are set up page-by-page, but how a customer engages may not follow how you constructed the site, thus this information will allow you to see the message your website is projecting in the same manner as your customer sees it.

So, do not cut your marketing budget, but do step back and look at your marketing strategy differently. Keep your presence alive and in-front of your markets, be more selective in the customer market(s) that you will target, be flexible, and show that you understand your customer's challenges and connect with their emotions or passions during the purchasing cycle.

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