

Invest in the future

"A man who stops advertising to save money is like a man who stops a clock to save time." - Henry Ford

Successful B2B marketers, like their consumer counterparts, know that advertising generates brand awareness and leads that turn into sales. But even veterans are sometimes surprised by how much harder advertising works in tough times.

Plenty of research shows that companies who maintain or increase advertising in a down economy enjoy more sales growth than companies who cut it — 43 percent more, in one major study. And those advertisers maintain their advantage through the three years after the recession.

It stands to reason. In a less crowded field, advertisers can stand out simply by being visible, and be top-of-mind when purchasing decisions are made. As Muhtar Kent, president and CEO of The Coca-Cola Company, told Fortune magazine last month:

"One thing we don't do in this crisis is cut marketing around the world. We continue to make sure that our brands stay healthy and that we exit this tunnel with more market share than

when we went in. Crises offer the best opportunity to communicate with customers because airways are cleaner; there's much less congestion there."

Of course, advertising produces a solid return on investment (ROI) in good times as well as bad. Recent studies have documented returns of over \$3 for every \$1 spent on magazine advertising in a year, and \$12.20 over a decade. Longer-term results can be harder to quantify, but are just as real. Advertising introduces brands to future customers, building awareness among new prospects and nurturing it into preference. As landmark research by Harvard Business School and the Strategic Planning Institute made clear years ago, awareness and preference are crucial stages in increasing market share and profitability.

Advertising also provides invaluable sales support to business-to-business salespeople, who typically have only four minutes a day to speak to new prospects. In trade magazines and on computer screens, ads pave the way for sales calls, reach executives who don't see salespeople, change (or reinforce) market perceptions, and drive traffic to an advertiser's website.

By the way, despite what some would have you believe, print advertising is alive and well in today's increasingly-digital age. Research shows that trade magazines continue to be a leading source of information for B2B decision-makers, many of whom have made a purchase after seeing a magazine ad or visited an advertiser's website (57% and 41%, respectively, according to Yankelovich Partners and Harris Interactive).

Here's the bottom line: advertising is not overhead, like people and facilities... it's an investment in greater awareness, growth and market share. With measurable objectives, a sound strategy and good creative, you can demonstrate a return on that investment that will satisfy any CEO.

All these facts and more are presented, with sources, in a PowerPoint show titled, "20 Reasons Why Advertising Makes Sense — Especially Today," available at the Brewer Associates website, www.brewer-associates.com.

(The above first appeared at the FF Journal website in June, 2009.)