

It Pays to Advertise

Proactive marketing during a
recession *WORKS*

January 2009

Advertising Works

- History has shown that **companies who either steadily continued or aggressively increased their advertising efforts during times of economic uncertainty:**
 - **Experienced overall revenue growth** at the expense of their competition who either reduced or eliminated advertising budgets
 - **Experienced continual growth up to three years** after the economic downturn, winning a stronger position in their market and in the eyes of the buyer



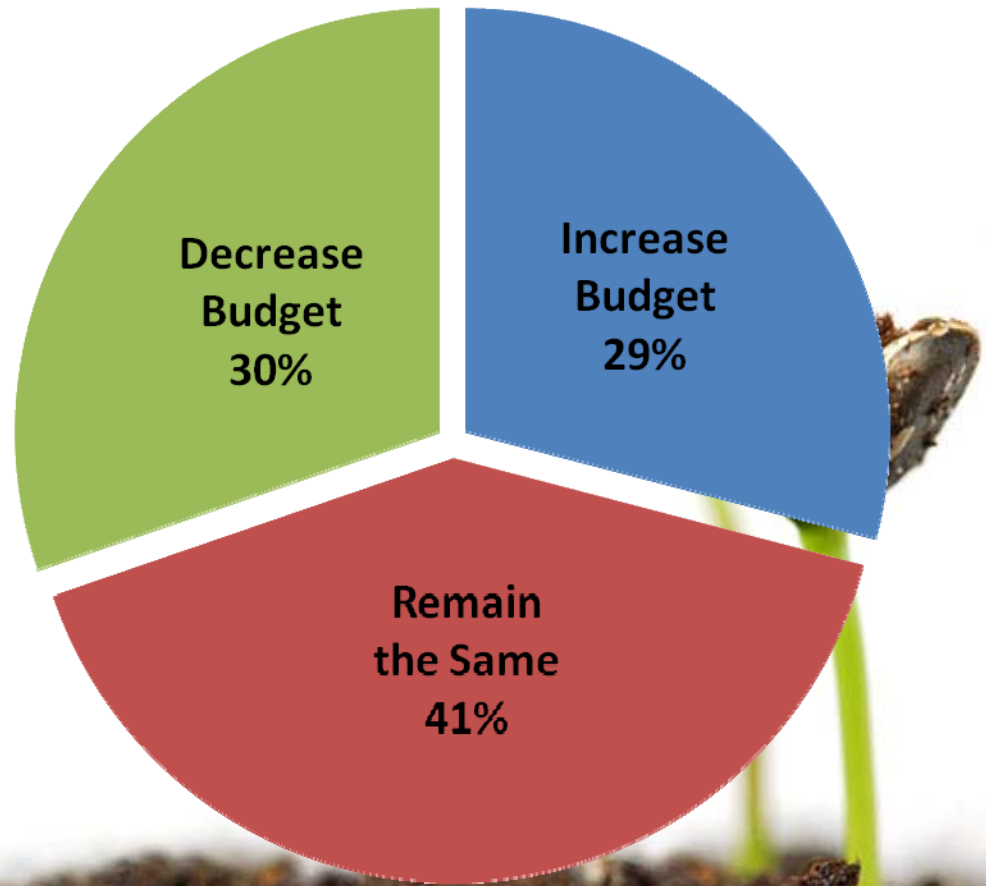
B2B Marketing Budgets*

Despite current economic conditions, 29% of marketers indicate they will increase spending in 2009.

Over 40% say that their 2009 budgets will remain the same as 2008.

*October 2008 poll of 162 business-to-business marketers

Budget Variables



B2B Marketing Budgets

Marketers who plan to increase spending in 2009 will focus on business media's four primary platforms

Source: BtoB survey of 684 business-to-business marketers conducted in early 2008



Winning New Customers

- Even in a down economy, virtually all your customers acknowledge the **importance of keeping abreast of new products and services** in their industry, and continuing to invest for the future (99%).
- Advertising in a down economy clearly creates a **competitive advantage**. The vast majority of your customers agree that when they see a company advertising in a down economy:
 - It makes them **feel more positive about the company's commitment to its products and services** (86%)
 - It keeps those companies **top-of mind when purchase decisions are made** (86%)

Source: 2001 Yankelovich Harris Study



Winning New Customers

- More than 95% of your customers say they continue learning about and investing in new products and services, even in a down economy
- Over 85% of your customers believe advertising in a down economy is extremely important
- Your customers react favorably to companies that advertise in a down economy: the companies stay top-of-mind and are viewed more positively

Source: 2001 Yankelovich Harris Study

Proactive Marketing Works

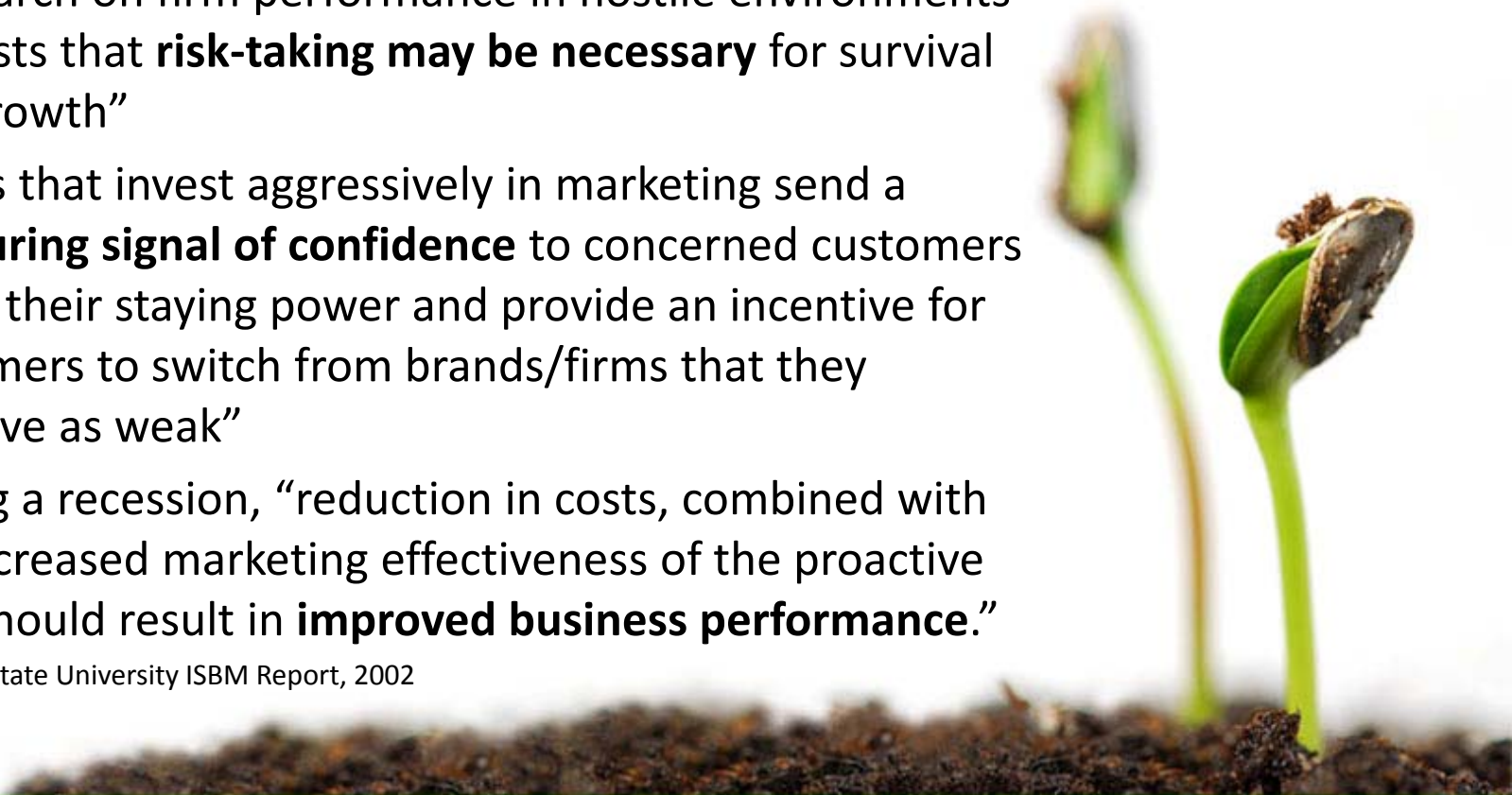
- **“The greater the proactive marketing of a firm during a recession, the better its Market performance and Business performance”***

*Pennsylvania State University ISBM Report, 2002

Proactive Marketing Works

- “Research on firm performance in hostile environments suggests that **risk-taking may be necessary** for survival and growth”
- “Firms that invest aggressively in marketing send a **reassuring signal of confidence** to concerned customers about their staying power and provide an incentive for customers to switch from brands/firms that they perceive as weak”
- During a recession, “reduction in costs, combined with the increased marketing effectiveness of the proactive firm should result in **improved business performance.**”

*Pennsylvania State University ISBM Report, 2002



Proactive Marketing Works

- Companies that **cut back on advertising**, saw sales and profits drop off, “almost without exception.” Post recession, those companies continued to “lag behind” companies that maintained their advertising budgets.*
- Companies that **advertised the most** during a recessionary year reported the largest sales increases in a *Harvard Business Review* report of 200 companies**

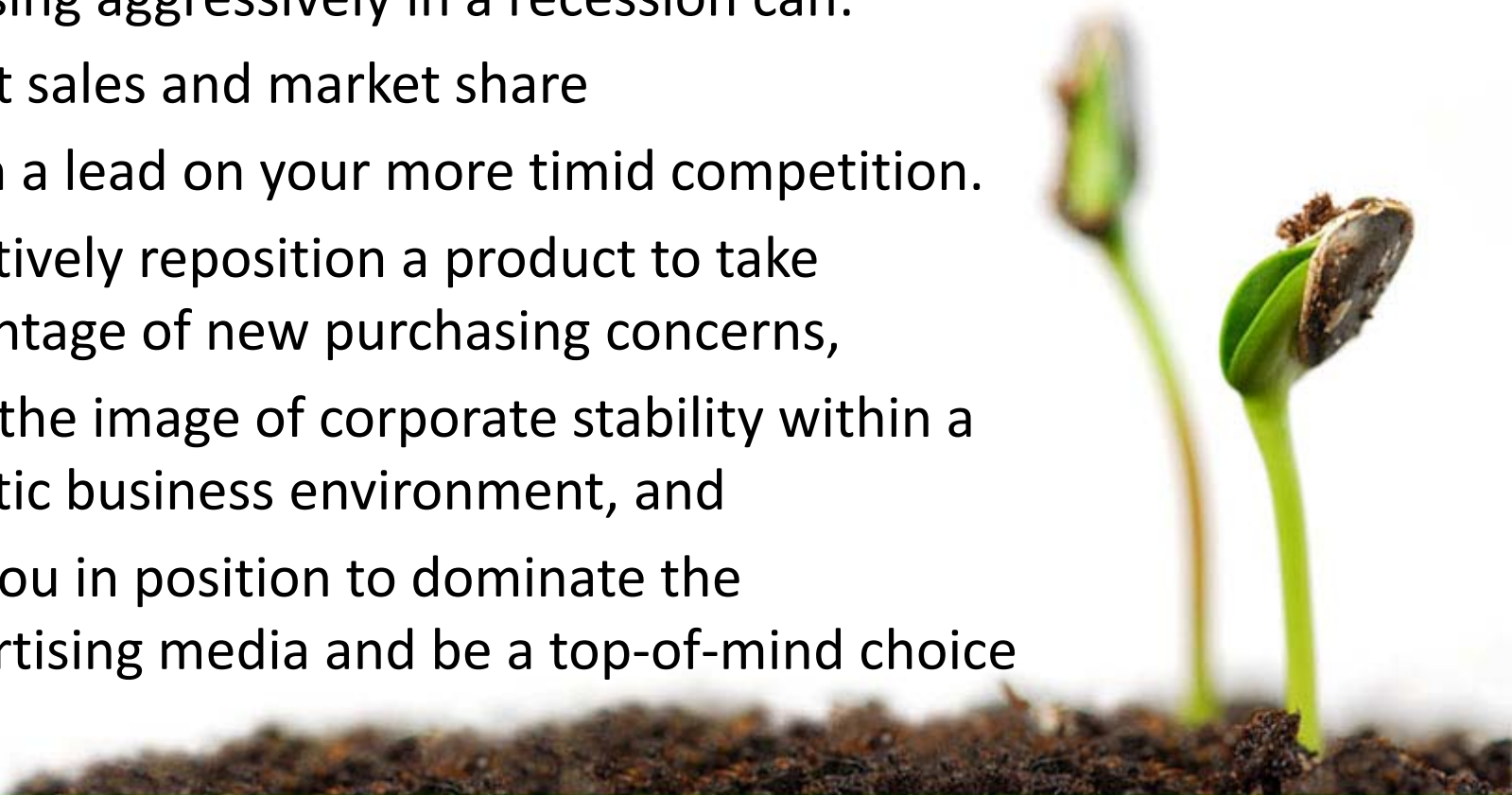
*Buchen Advertising Study

**Harvard Business Review Study

Proactive Marketing Works

Advertising aggressively in a recession can:

- Boost sales and market share
- Open a lead on your more timid competition.
- Effectively reposition a product to take advantage of new purchasing concerns,
- Give the image of corporate stability within a chaotic business environment, and
- Put you in position to dominate the advertising media and be a top-of-mind choice



It Pays to Advertise

Let the experts at Meister Media Worldwide help you develop unique ways to generate new business in 2009 and beyond.

To discuss your marketing objectives and explore how we can help achieve them, call Michael DeLuca, VP Sales and Integrated Media at 440-602-9193, mldeluca@meistermedia.com

For a sample of custom, new-business ideas, visit <http://www.meistermedia.com/media/portfolio.html>

