

READEX REVIEW

Online

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Overcoming Challenges to Selling Ads During Economic Downturns

With the “R” word being bandied about, you might worry about maintaining advertising levels. The good news is that reports traditionally have illustrated that companies aggressively, or at least, consistently advertising during economic downturns will increase their share of market and generate higher sales during and after a recession over companies that retreat and reduce their advertising investments. Furthermore, consistent advertisers will have an easier time ramping up once spending turns around.

It is just as easy to eliminate the research budget when margins wear thin, but the same logic described above about advertising should be applied to research. The publications able to retain advertisers will be the ones that have demonstrated how ad investments create awareness of the advertiser’s brand among members of the target market. By pulling back on your research investment now, you may not be able to convince ambivalent advertisers that their advertising produces results. As a result, you might lose their business...or worse yet, you might lose their business to your biggest competitor.

To reinforce the importance of consistent advertising in your publication, the results of a brand awareness survey can be coupled with ad purchasing history. You’ll demonstrate that the stronger advertisers are more likely to dominate the marketplace, while the timid may be no more than a faint bleep on the radar.

Evaluating reader familiarity and purchase willingness of the brands advertised in your publication can help strengthen your sales story with data that reinforces the value of ad space purchases in your publication. The following example shows you how:

| | <i>Familiar with Brand</i> | <i>Advertising Frequency</i> |
|----------------|----------------------------|------------------------------|
| Brand A | 90% | Aggressive |
| Brand B | 70% | Moderate |
| Brand C | 30% | Minimal |

Using the table above, imagine Brand A wants to stop advertising in your publication. Up until now they’ve had a very consistent advertising schedule. With the information from a brand awareness study, you can show the relationship between advertising and awareness. Use the data from Brand C to show that decreased advertising leads to decreased familiarity. Your results reinforce the adage “out of sight, out of mind.” Brand A should continue to advertise in order to maintain their superior market awareness.

On the flip side, if Brand C wants to stop advertising, you have a different story for them. Although you won’t show that their minimal schedule has brought them high familiarity, you can show Brand A’s results and reinforce the relationship between aggressive advertising and familiarity. If Brand C were to stop now, they would fall further and further behind. It would be in their best interest not only to continue to advertise, but to increase their ad frequency as well.

By shying away from the opportunity to retain advertisers, you’ll offer competing publications the chance to lure them away. Cutting advertising or research investments may appear attractive in times of economic uncertainty, but the opportunity lost may cost much more than face value. Use your research results to provide the information that proves advertisers cannot afford to stop advertising in your publication.



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