



# 6 reasons to market harder when business is booming

“A man who stops advertising to save money is like a man who stops the clock to save time.”

Henry Ford (maybe)



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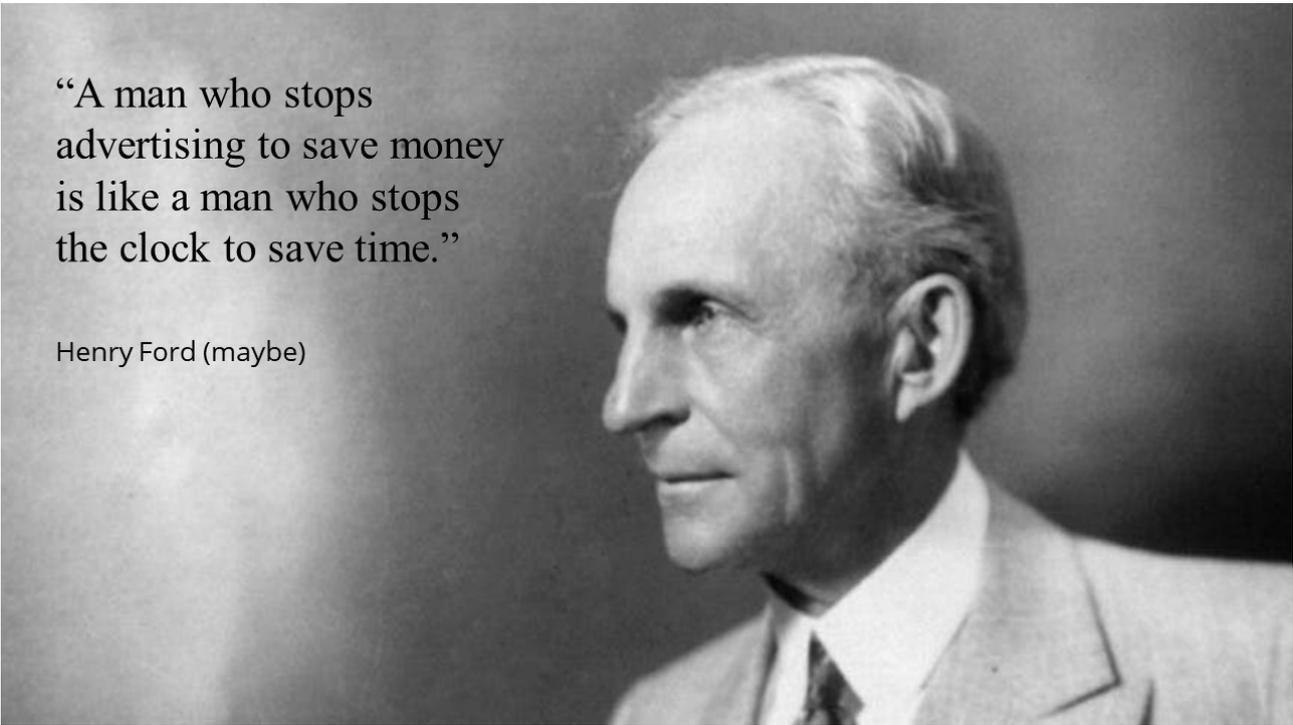
Research has proved an uncomfortable truth: when things are going well, when all your sales and marketing efforts are starting to pay off, the last thing you want to do is take your foot off the gas.

It would be nice to think that when you've reached a position of dominance in your industry – or at least prominence – you can start to reap the rewards. You can take money out of the business.

### Stop marketing, crash the plane.

Research from the Ehrenberg Bass Institute shows that this is a recipe for disaster. They use the analogy of a plane to explain their findings. When it reaches cruising altitude, a plane can't just switch off its engines. If it does, it'll crash. The same will happen to your sales performance if you stop advertising.

The problem with this analogy is that when planes reach cruising altitude they do exactly that – cruise. They knock the engines back and coast along. In fact, if you're talking about a long haul flight (and the Ehrenberg Bass Institute is all about long-term), the plane spends far more time cruising at high altitude than it does struggling to reach it.



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So although the plane makes a simple analogy, there may be a better one.

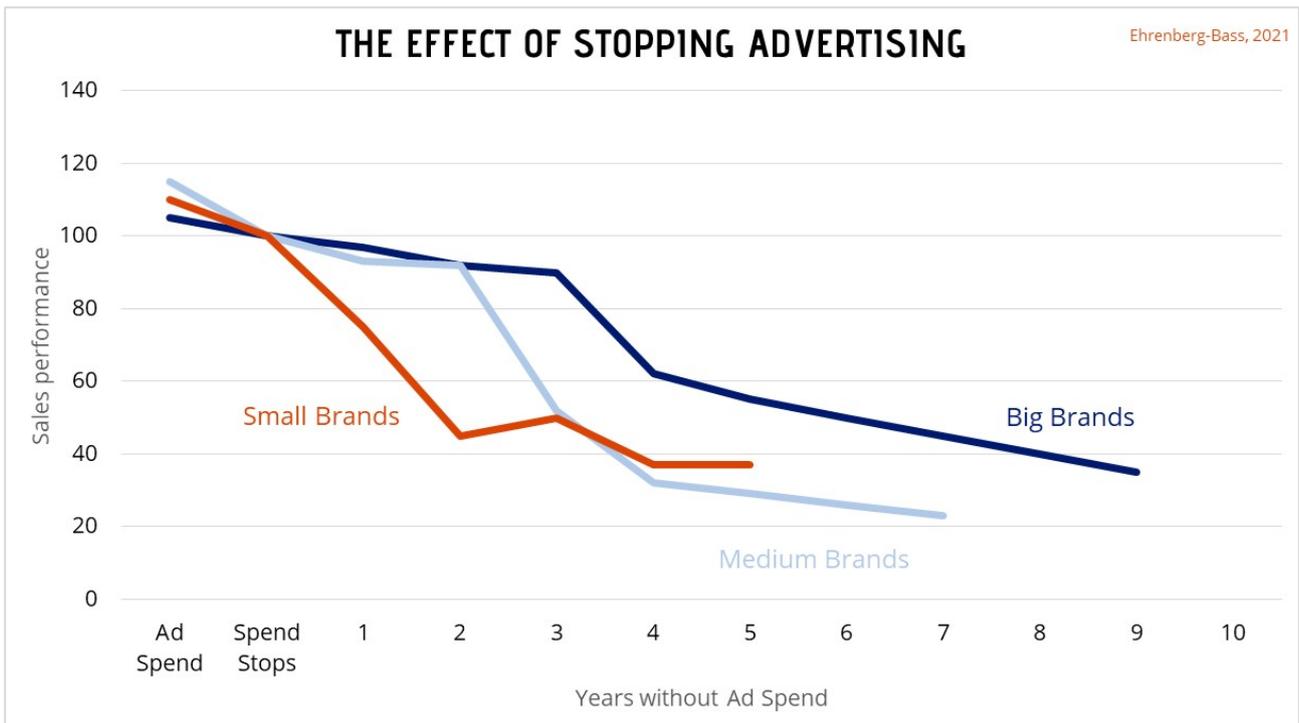
How's this? If you cook a meal in good times when the pantry's full, you get a Sunday roast with all the trimmings. If you cook a meal in bad times, you get tinned peas on toast.

Think of your marketing and advertising as that meal. If your plan is to start marketing and advertising when you hit a sales slump, you're too late. The best marketing happens when you have a budget to support it, when the pantry's full.

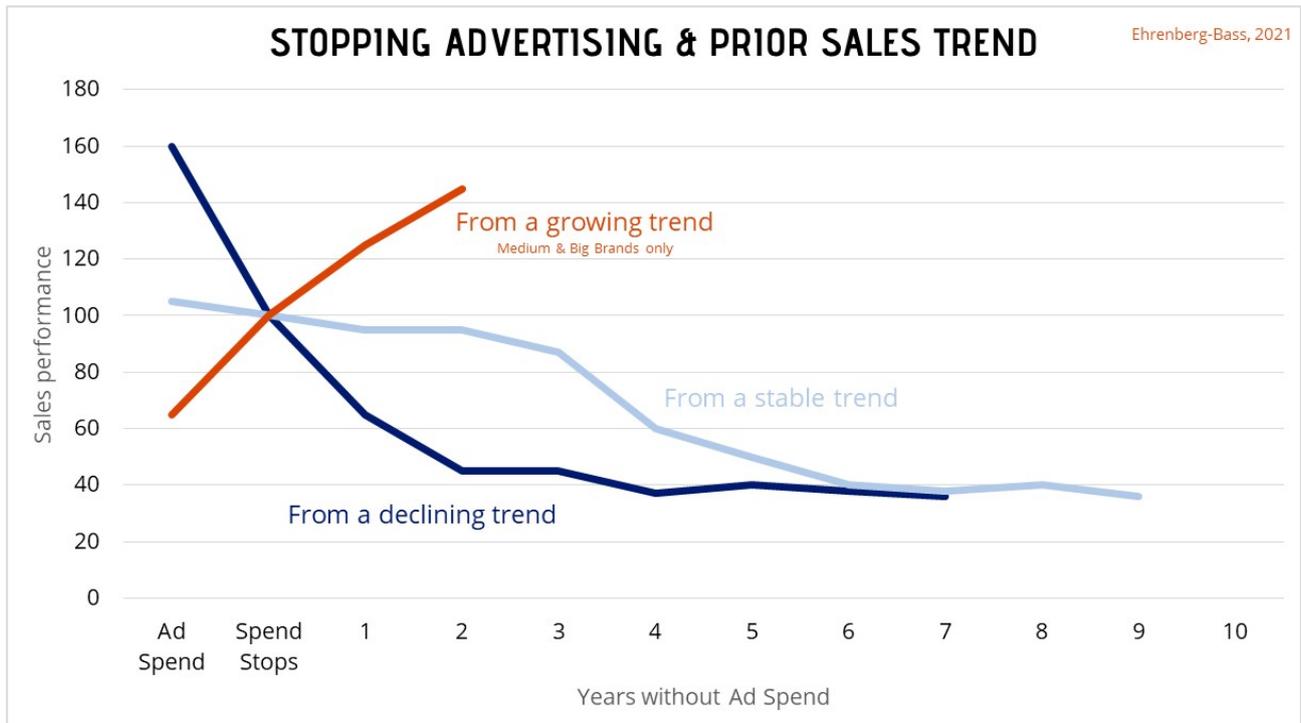
### Trust the data.

Instead of relying on analogies, you're safer to rely on data. This is what the Ehrenberg Bass folks have provided. Their research shows that year-on-year sales decline by 16% the year after a business stops advertising and by 25% the year after that. The picture just carries on getting worse as time passes.

That's the average position that takes all businesses into account. The situation is much worse for normal businesses – the non-enterprise companies among us. In this sector, you could be losing 25% of your sales in the first year after you stop advertising and over 50% after the second.



The research goes on to contradict one of the most common business behaviours: cutting advertising when budgets are tight. Ehrenberg Bass analysed their data to compare businesses whose sales were either growing, stable or already declining when they stopped advertising.



The data shows that a business that stops advertising when its sales are already declining basically cuts its own throat. It may save some money in the short term – any money not spent on advertising can go straight back onto the bottom line – but sales will plummet, ultimately leaving the business without the revenue it needs to finance a recovery. It's a suicide strategy.

The only exception to this trend were big or medium-sized businesses who were already growing. These businesses could afford to take a short advertising holiday.

The lesson from the Ehrenberg Bass Institute is clear: keep the pedal to the metal even when times seem to be good.

## Trust common sense.

If you don't trust analogies or data, then you can always fall back on good old-fashioned common sense. There are six reasons to push marketing harder when business is booming:

1. **Good times don't last.** The saddest thing we ever see on TV is a politician promising to end the boom-bust cycle. The only chance they have of achieving that is by eradicating booms.
2. When they slow up, **you can't switch orders on like a tap.** If you don't think your orders are ever going to slow up, see Point 1.
3. You need to **strengthen your brand** to support future lead generation.
4. **You've got the budget now.** Do you want that Sunday roast with all the trimmings, or tinned peas on toast?
5. **You advertise to defend your position.** It's much easier to keep that plane cruising at 34,000 feet than it is to get there in the first place. Consider this: Amazon was the world's biggest ad spender in 2020, despite Jeff Bezos originally saying "advertising is the price you pay for having an unremarkable product or service." He changed his mind in 2018.
6. **You're not panicking** so you'll get better results by balancing brand building and lead generation.

## Marketing when business is booming: brand-building.

Good times are the perfect times to double down on your brand building activities. As [research has shown](#) time and time again, brand building has a strong effect on long-term profitability. The main reason businesses shy away from it is that it only has a weak effect on short-term sales. But if your sales are already booming, that doesn't matter. You're making sure you get jam tomorrow while still enjoying jam today.

If you're wondering why you need a strong brand, imagine this scenario. Think about the car you drive. In its place, I'm going to offer you the Baxterwagon. It's every bit as good as your car, but 25% less expensive. Will you buy it?



No, of course you won't. Because you don't have a clue whether Baxterwagons are any good. And there are already lots of cars that are 25% less expensive than yours. You don't know Baxterwagons. I have no brand equity as a car manufacturer.

If you already know what your brand attributes are, you can move straight to the [brand promotion](#) stage. If you're willing to commit to a long-term campaign, you'll find your media buying rates are about half what they would otherwise be, from TV to local lifestyle publications and all the digital media in between.

Just remember to abide by the rules of a good brand promotion: keep it simple, consistent, and non-technical. Run it for years and [aim for an emotional response](#).

If you don't know what your brand attributes are now is the perfect time to find out with [a brand attributes survey](#). Are you seen as responsive or slow? Cheap or expensive? Expert or not? Approachable or aloof? Important or insignificant?

A brand attributes survey is a win-win activity. It either gives you ways to promote yourself or it tells you what you need to fix. And while you're talking to customers, you may as well gather other essential business intelligence such as understanding their purchasing processes.

### **Marketing when business is booming: research a new market.**

Business crises are often outside your control. Think of COVID. Or Brexit. Or anyone who supplies to the oil & gas industry. While business is booming in your existing markets, research the next one.

### **Marketing when business is booming: case studies.**

Populate your [case study matrix](#). To market yourself effectively you need a case study that promotes every product/service you sell and every brand attribute you promote to every market you target. Your customers will never be more inclined to put their name to a case study than right now.

### **Marketing when business is booming: improve sales & marketing integration.**

Your resources are probably stretched by the volume of business you're doing. Automating tasks frees up time for your staff. Now is the time to improve your marketing automation systems, your CRM, the processes they run and the integration between them.

More details on the Ehrenberg Bass research [can be found here](#).

## Next steps

1. The DIY route. Most businesses can run all 4 “Marketing when business is booming” activities without outside assistance. Even if you've not done it before, you can learn all you need to know from our [Little Black Books on \(Sales &\) Marketing Strategy](#), [Lead Generation](#), [Market Research](#) and [Brand Marketing](#). You don't need a PhD. But you do need time.
2. The Assisted route. By using an outside consultancy, the activities are completed accurately, efficiently and on time. They don't get hijacked by day-to-day activities. If you don't have the time, people or system to do this yourself, well, that's what we're here for. Give us a call. We're surprisingly friendly.

Remember, Forbes Baxter Associates is a [marketing development agency](#) so we develop your in-house marketing skills while we help you grow your business.

Some links to services you may find useful

**Marketing Strategy**

**Events & Webinars**

**Marketing Department**

**Training & Developing**

**Brand Marketing**

**Lead Generation**

**Market Research**

**Marketing Automation**

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