

## **Economic recession is not the time to pull back on marketing efforts**

When Sam Walton, founder of Wal-Mart, was asked several years ago what he was going to do about the recession, he replied, "We don't plan to participate." What he meant was that he saw the economic downturn as a chance to intensify his marketing efforts and increase market share while others pulled back. He thought that when times are good, you should market your business and when times are bad you MUST market it.

A McGraw-Hill Research study of US recessions, which analyzed 600 companies over 5 years concluded that companies that had maintained or increased advertising during the recession had an average sales growth of 275% over those 5 years, while companies that cut advertising expenditures had grown by only 19%. Historically, companies that maintain or increase direct mail efforts during an economic downturn seize sales and market share from more timid competitors.

### **Measure, Optimize and Forge Ahead**

During uncertain economic times, it's important to become more efficient in how you allocate your marketing resources. Stick with what you know works. Work to optimize your return on investment through refinements. An integrated marketing effort across multiple media works best, but difficult economic times demand efficiency in the ways you reach customers and prospects.

The aspects of direct marketing that make it the perfect vehicle to carry your advertising message are its measurability and its flexibility. Direct marketing has the ability to reach different customer segments and prospects with different offers. Devoting the effort to refining the list, creative and offer elements of your direct marketing initiatives will result in higher response

at a lower cost per sale.

"The Cyclical Analysis of the Direct Mail Market," a study by the Winterberry Group, concludes that "direct mail is the most dynamic part of the overall marketing communications mix". Regardless of the economic environment, the use of direct mail has grown consistently over the last 50 years. Projections expect the growth in the use of direct mail to be 7% from 2003 through 2005.

Businesses that regard direct marketing as an investment rather than a cost enjoy greater long term benefits. If a company's market presence diminishes as a result of a cutback in marketing expenditures, trying to regain that lost ground is much more costly than the original budget savings.

An economic downturn is not an obstacle. It's an opportunity to create stronger relationships with your customers, pick up new customers from competitors who decrease their marketing communications, and optimize your marketing efforts so you're getting the biggest bang for your buck.

Continue with what you know works. Increase expenditures on advertising that delivers proven results and gain on hesitant competitors.

### ***Mailmark Gets Personal!***

No two customers are the same. Soon Mailmark's new digital print capability will let you send each one truly personalized 1 to 1 communications. Fully variable, full color personalization means a significant increase in your response and ROI.

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