

# Just the facts.

***“Consumers don’t stop buying when economies go through down cycles. They look harder for value.”***

Kevin Roberts  
Saatchi & Saatchi, a top advertising agency

A study by the Kelsey Group showed 81 percent of entrepreneurs plan to either increase (34%) or maintain (47%) their level of ad spending in the next 12 months.

---

*“If you stop advertising, they’re going to forget you. There are too many other messages out there grabbing for their attention. It is not something you can be flip about. We push a lot of dollars into our ads, and it is a huge investment. But when you look at our retail sales and how they’ve stayed consistent even in tough times, it makes sense.*”

*An unstable economy is an important time to market yourself to the consumer. Because there are less people advertising, your ad dollars face less competition and therefore go further. You will truly stand out more. Even if the money is tight, you have to understand that you’re investing in the future profits of your business.”*

John Green of Lux  
Bond & Green in West Hartford, Conn.

---

Advertising executive Roland S. Valle tracked some 200 companies through the recession of 1923. In the April 1927 issue of Harvard Business Review, he reported that the biggest sales increases throughout the period were rung up by companies that advertised the most.

---

Following the 1981-82 recession, McGraw-Hill Research Laboratory of Advertising Performance reported “that business-to-business firms that maintained or increased their advertising expenditures during the 1981-82 recession averaged significantly higher sales growth both during the recession and for the following three years than those which eliminated or decreased advertising.”

MarketSense compared 101 household name brands during the recessionary period of 1989-91. Jell-O, Crisco, Helman’s, Green Giant, and Doritos saw sales drop by as much as 26.64%. Jiff peanut butter raised ad support and sales went up by 57%; Kraft salad dressings saw a rise of 70%. In the beer category, overall spending was down 1% while Bud Light and Coors Light each spending ahead of the category, saw sales increases of 15% and 16% respectfully. Pizza Hut sales rose 61% and Taco Bell’s 40% thanks to strong advertising support, with McDonald’s volume down approximately 28%.

Businesses that aggressively increased media advertising expenditures during the last recession (just 25% of all businesses) increased their market share 2 ½ times the average of all businesses in the post-recession period.

CARR Report, Aug. 13th 2001

---

## Advertising aggressively in a recession can:

- boost sales and market share
- open a lead on the more timid competition
- skillfully reposition a product to take advantage of new purchasing concerns
- give the image of corporate stability within a chaotic business environment
- give an advertiser the chance to dominate the advertising media

One major industrial advertiser summed it up best:

***“When times are good, you should advertise. When times are bad, you MUST advertise.”***



P.O. Box 7209 | Chico, CA 95927 | (530) 342-3235 | Fax: (530) 342-0712

[www.stottoutdoor.com](http://www.stottoutdoor.com)