

The Story of Small Business and Tough Economic Times

A man lived by the side of the road and sold hot dogs. He was hard of hearing, so he had no radio or computer. He had trouble with his eyes, so he read no newspapers, he didn't watch television. He didn't know much about the outside world, but he sold good hot dogs.

He put up a sign on the highway telling how good they were. he had a web site built. He stood by the side of the road and cried "Buy a hot dog, folks!" And people bought and bought and bought.

He increased his meat and roll orders. He bought a bigger stove to take care of his growing trade. He got his son home from university to help him. He hired a hotdog chef.

But then something happened.

His son said "Dad, haven't you been listening to the radio? Haven't you been reading the newspapers? Haven't you been watching the television? There's a credit crisis. If money stays tight, we are bound to have bad business!

There may be a big recession coming on! You'd better prepare for poor trade!"

Whereupon the father thought "Well, my son has gone to university. He reads the papers and listens to the radio and television, and he ought to know".

So the father cut down his meat and roll orders. He took down his advertising signs and turned off his web site. And he no longer bothered to stand on the side of the highway crying "Buy a hot dog, folks!"

And his hot dog sales plummeted almost overnight.'

"You're right son," the father said, "We're certainly headed for a recession!"

The moral of the story is…

History has proven companies that maintain or increase their advertising investments in periods of economic downturn increase their sales and share of market, both during and after the downturn.

Here are the facts:

• Maintaining or increasing advertising budget levels during economic downturns may be necessary in terms of protecting market position vis-a-vis forward looking competitors.

• If a company fails to maintain its "Share of Mind" during an economic downturn, current and future sales are jeopardized. Maintaining "Share of Mind" costs much less than rebuilding it later on.

• If during an economic downturn you maintain a strong advertising presence while your competitor cuts his budget, you will automatically increase your "Share of Mind."

• Advertising through both boom and down times sustains the necessary brand recognition.

Economic downturns reward the aggressive advertiser and penalize the timid one. Maintaining a company's advertising during an economic downturn will give the image of corporate stability within a chaotic business environment, and give the advertiser the chance to dominate the advertising media.

During an economic downturn, a strong advertising/marketing effort enables a firm to solidify its customer base, take business away from less aggressive competitors, and position itself for future growth during the recovery.

When times are good, you should advertise; when times are bad, you MUST advertise.

Advertising in an economic downturn should be regarded not as a drain on profits, but as a contributor to profits and insurance for the future.

About the Author

Advertising now includes have a fast and efficient web site that can be found on the internet. For [web design Brisbane](#), visit [johnhacking.com](#). John is a [web designer located in Brisbane](#). If you are looking for a [business for sale](#), visit [business2sell BSJHAT1002](#)

Source: <http://www.thewritemarket.com>