

Capitalizing on Current Economics

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One of the great truths of life is that successful people often do the exact opposite of their not-so-successful peers. All nonprofits and businesses go through various revenue cycles. Traditionally people spend a lot of money advertising in times of high economic growth. Conversely in times of poor economic growth, most organizations quickly cut their marketing dollars. People who take this approach are missing out on the chance to capitalize on the opportunities that even the worst economic situations provide. Why is this so? The answer is three-fold.

First, in poor economic times, other similar organizations or businesses are closing. This can be for a variety of reasons including: carrying too much debt, failure to have proper reserve funds and/or management problems. In good economic times, these problems are often not life-threatening to an organization, but in poor economic times—as dollars tighten—these organizations often cannot survive. When this happens, there are increased opportunities for surviving companies, churches and nonprofits. People, who are used to having their needs met by an organization that no longer exists, have to go someplace. If they are aware of what a surviving organization has to offer, they are likely to turn to it. Profits and donations may go down in poor economic times, but such times also provide good opportunities for organizations to increase their client base.

Second, in poor economic times, media providers are often hurting financially and the cost of purchasing most marketing methods will decrease. As a result, costs for the same marketing that might be purchased in good economic times may only cost half as much during down economic times. It is as if

media companies were offering a sale to reach new clients. Not only are there more clients available during poor economic times, but the price for reaching them is also cheaper. With the proper marketing approach—such as we can provide at Nehemiah Communications—the return on your marketing dollars can be much more effective.

Third, in poor economic times, people are looking more than ever to be a part of successful ventures. For instance,

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look at donations to universities when their football teams are having winning seasons versus when they are having losing seasons. Look at church attendance for the first month after a congregation moves into a new sanctuary. People love to be a part of success. Organizations that can continue to market during poor economic times create a positive buzz. With fewer marketing organizations, the remaining ones seem to be the only successful ones around.

Often people forget or are not willing to reduce or eliminate their debt, pay for necessary upgrades and/or properly train staff during times of economic growth. Then when poor economic times hit their organizations, they are ill-equipped to handle the decrease in the cash flow. As the pressures to their cash flow increase, these organizations cannot capitalize on the opportunities that a poor economy provides.

In a growing economy, you should continue to market, but you should put special emphasis on reducing or eliminating debt and positioning your organization for a reversal of the economy. In slowing economic times, your emphasis should be on acquiring new clients and providing them with the services they need but can no longer get from the companies they previously used. Being prepared for the down times is ultimately the hallmark of a high-quality organization, because it demonstrates its ability to serve its clients no matter what the economy is doing!

In poor or good economies, Nehemiah Communications stands ready to help your organization grow.



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