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THE BUSINESS

Matters of the moment



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The importance of marketing in the current economic climate

Well-targeted marketing has never been more important, and cutting investment in this area should be approached with real caution. Simply put, good marketing delivers sales. Businesses cannot afford to be passive and must chase sales from both new and existing customers.

Companies and brands that maintain, or increase, marketing spend during a recession ultimately tend to do far better than their rivals. Hatchet-wielding finance directors, however, find cutting marketing spend a quick fix - they need to be repelled!

Customers want to deal with a company as a strong, positive, successful business, which offers the right products at the right price, delivered on time. Marketing gets this message out effectively by word of mouth, the internet, print media or at exhibitions and networking events. None should be overlooked during these tough times.

Marketing budgets should focus on products or services that deliver the highest profit margins, avoiding uneconomic use of reduced budgets. Linking word of mouth with powerful, positive advertising attracts business.

The best people in marketing can seem expensive, but it makes no sense to cut marketing staff only to re-employ them as 'consultants' at a higher rate. Just be clear as to what individuals must

do and relate these actions to clear goals, markets, customers and margins. You may even find you need fewer people.

There is a high level of internet use in motorsport and this is one of the most powerful marketing tools. Whether blogging, Twittering, using Face book, emailing or otherwise, well-targeted internet activity, backed by a good website, is really effective.

Choose media partners carefully and

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be sure they really reach your customer targets. Media relationships can involve offering articles, speaking at conferences or attending networking events. Always engage in positive conversation and show enthusiasm for new business.

Historically, somewhere between four and six per cent of sales turnover should be spent on marketing activity. Currently, many companies are investing more than this to ensure they drive their sales to secure business growth. Marketing is a vital investment, not a cost, as without customers there is no future. Far better to reduce travel spend, entertaining or limit some asset purchases, as to avoid attracting new business would be fatal.

In motorsport, success breeds success and customers want to do business with positive, up-beat suppliers. The size of the 'business cake' will reduce in

recession, but by taking every available marketing advantage - even if it involves the sad demise of good competitors - this is exactly the time to grow market share. Dynamic, aggressive organisations will gain strength, security and a long-term future when this current period is behind us. 



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Cut luxuries, not marketing, and *always* remain positive

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