

GIANT RESOURCE DOWNLOAD

# NAVIGATING MARKETING IN CHALLENGING TIMES

In tough times, businesses often cut marketing costs, but this may lead to more harm than good. Discover the importance of maintaining marketing efforts during economic challenges.

Sleeping **GIANT** media





## Introduction: 15 Years of Insight

Historically, when times are tough, one of the first costs to be cut for businesses has been marketing. We've seen it time and time again. From pausing the progress of campaigns to telling partners or agencies to hold off on their efforts, unfortunately, marketing activity is usually the first to fall during a rough patch.

However, this commonly-held belief can actually do more harm than good. Halting marketing efforts in a rough patch may mean eliminating the chances to bring in any new activity – right when you need it the most.

Established in 2008, (in the midst of one of the worst economic recessions since the 1920s), and recently celebrating our 15th year, we know a thing or two about the importance of continuing your marketing efforts through economic challenges.

Consider this your handy guide to investing in marketing activity – even when the economy seems to be working against you and your business.

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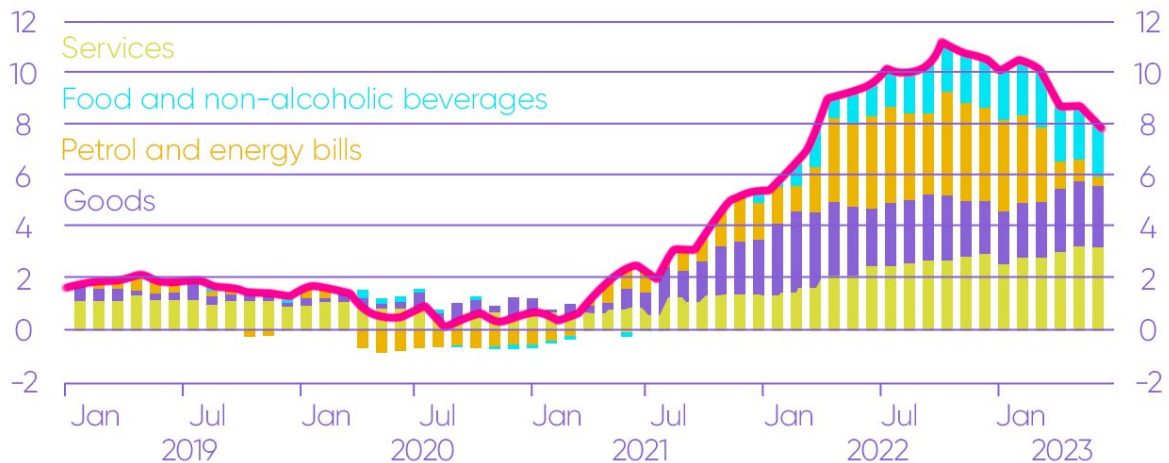
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## Annual inflation rate (% change) and respective contributions



## Navigating the current economic landscape

We're not fans of sugar-coating things. So, we're starting off where many businesses are scared to: with the dreaded 'current state of affairs'.

For businesses and customers alike, things are tough at the moment. As it stands, the UK's economy is not in the best position since the COVID-19 pandemic – with talk of [another recession](#), rising unemployment rates, and inflation to boot. As of the end of August 2023, statements from the Bank of England show that:

**While inflation is falling, it is still extremely high.** As an example, in June 2023, prices were [7.9% higher](#) than a year ago. And, while this is better than the 11.1% of October 2022, **it is still well above the national target of 2%.**

But how do these abstract figures translate into the everyday lives, pain points, and choices of consumers and businesses? To put it simply, increases in prices have a knock-on effect on four core areas:

### 1. Budgets

For businesses, budgets have to go further, resources are spread thinner and, seemingly, there is less scope to take risks and undergo 'new' activity.

### 2. Leads

During tough times, it is likely that the number of people able to spend their income on products and services will drop.

### 3. Perception of services

Since essentials such as energy bills, fuel prices, and food have increased significantly in cost, consumers have less disposable income to spend on things deemed 'non-essential'.

### 4. Risk aversion

With money feeling like an uncertain factor for many, it's common for people to revert to options and processes that feel safe – avoiding anything that might be deemed risky, even if the potential pay-off could be positive.

## Why marketing is more important now than ever

While spending more on digital marketing during a recession or rough patch might sound counterintuitive, it can be one of the most insightful decisions your business makes.

In fact, cutting marketing spend during a recession not only makes it harder to advertise your products and services but has a detrimental effect on customer retention too.

***"Companies that cut their marketing budgets due to recession not only make it harder to retain customers but also to bring back new and existing customers once economic growth returns."***

(International Business Barometer report from Sapio Research)

As such, some businesses have actually opted to increase their marketing spend. Elsewhere in the report from [Business Barometer](#), data shows that some 37% of businesses plan to use the recession, and the promise of more captive audiences, as an opportunity to **increase** their marketing spend overall.





## What can history teach us?

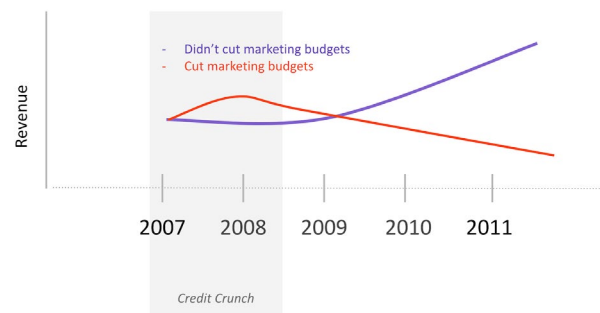
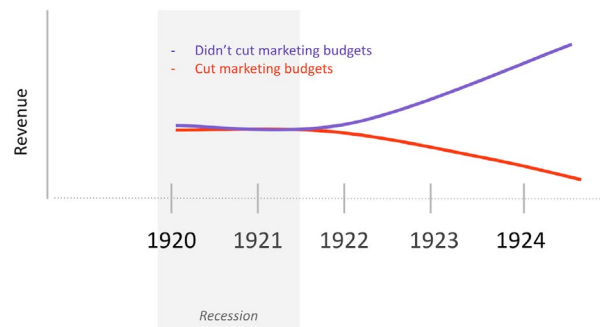
Still not convinced of the benefits that continuing your marketing efforts throughout periods of financial hardship can bring? In the past 100 years, there have been multiple periods of recession and financial crisis. However, this has allowed us to learn the best way to tackle these situations from a business perspective.

Marketers have studied the recession of 1920/21 (data taken from KMBTelemarketing). The findings showed that companies that kept investing in marketing continued to grow their sales once the economy picked back up, whereas **competitors that cut their budgets saw sales decline for the next 3 years (on average).**

Similar research into the 2007/08 credit crunch found that businesses that reduced their marketing budgets did actually perform **better throughout the duration of the crisis.** However, once the economic crisis had passed, their revenue began to fall.

Comparably, companies that had continued their marketing efforts throughout the crisis performed much better in the period following the recession.

This research strongly backs up how a short-term save on marketing costs can have a long-term, negative effect on your business.



# The business benefits of marketing during a recession

Let's dive into the core reasons why loosening your grip on marketing efforts during an economic downturn could be one of the worst things you do as a business owner.

## 1. Build online presence

One of the core pillars of any successful marketing strategy is a business's ability to cultivate a strong online presence. Irrespective of your industry, the extent to which your business is 'seen' online directly correlates to its perceived authority, trustworthiness, and expertise, all of which are ranking factors in Google's famed 'E-E-A-T' acronym.

During tough times, consumers are going to be making cutbacks where they can, ruling out anything that they deem non-essential or a 'nice to have'. So, keeping your brand front-of-mind, with enhanced online visibility, becomes critical.

And how do you increase online visibility? Through an effective digital marketing strategy.

## 2. Target only the most relevant of users

While it is logical to consider increased engagement a goal for marketing efforts, in an ideal world, you don't just want higher numbers of random traffic rolling in. You want the users visiting your site to be relevant and interested in your products or services. This is where tailored digital marketing comes in.

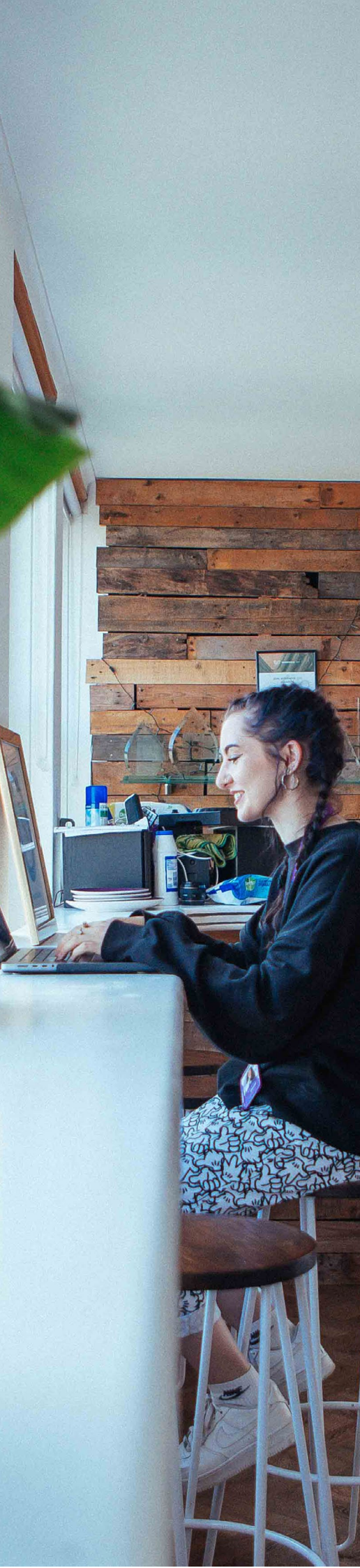
With paid social ads or PPC, you can target the users who:

- Are the most relevant to your site
- Have visited your site before
- Are in the demographic most likely to do business with your company
- Have interests similar to your brand
- Have recently abandoned their cart halfway through a purchase

While it is tempting to want to bring in as much traffic as possible, it's much more viable and cost-effective to put your brand in front of the select individuals most likely to complete a conversion, such as buy a product or sign up for a newsletter.

**If you could invite 100 strangers to your store but only 2 would buy, or invite 20 interested buyers with a 100% purchase rate, what would you opt for?**





## Build customer relationships

Another reason why investing in marketing is so important during economic downturns has much to do with **consumer psychology**. Let's break things down a little.

By definition, marketing is 'the activity or business of promoting and selling products or services'. That is, how you sell or 'market' something. Marketing involves targeting users, persuading them to buy your products or services, demonstrating how your brand can help solve their problems, and profiling the benefits of choosing your brands over others.

Without marketing, then, you're essentially just trying to hard sell products without consideration for consumer pain points or what people are looking for.

In an economic downturn, a period where people are going to be the most reluctant to part with their hard-earned cash, marketing becomes essential. In order to convince consumers that your brand is worth their money.

And how can digital marketing do this? Through some pretty genius consumer psychology.



# Consumer psychology & digital marketing

It's been proven time and time again that connection with consumers breeds loyalty and growth of that bottom line.

In fact, according to a recent study from [Sprout Social](#), 57% of customers will increase their spending when they feel connected to a brand. This connection can be nurtured in a multitude of ways, all of which form part of a holistic marketing strategy.

## 1. Creative content

Make sure that your website has a blog where relevant, relatable, useful creative content is shared regularly about your business, company culture, products and services. A [blog](#) is one of the best places for potential customers to 'meet' your brand.

## 2. Email marketing & newsletters

Sending personalised content right to potential customers' inboxes is a surefire way to close that distance between your brand and them, ensuring you remain front of mind for your audience.

## 3. Organic social posts

Perhaps one of the most effective ways to make consumers feel close to your brand, being active across social media channels really brings your business to the 'human' level of the audience. Sharing relevant, perhaps even humorous, content on your social platforms – we're thinking Lidl's Twitter or Innocent's TikTok here – allows your brand to become instantly more personable.

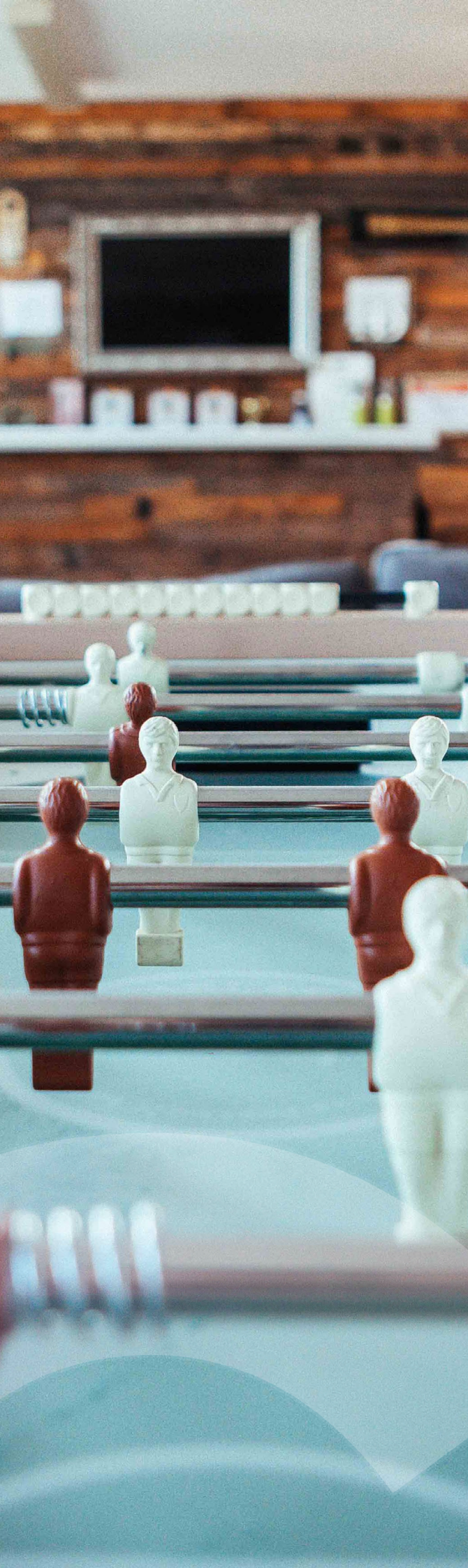
And that applies to the individuals within your business too! Fun fact: Did you know that 70% of consumers report feeling more connected to a brand if its CEO is active on social media? What's more, [72% of consumers](#) reported similar feelings when employees share information about a brand online.

Turn your people into advocates for your business, and you'll see growth in results without any additional marketing expenditure. Win-win, right?

## It pays to market your brand

So, putting that all together in the form of a holistic, multichannel creative marketing strategy sounds like a recipe for success to us. Spending the time to organically gain trust and build rapport with your audiences through marketing is just as, if not *more*, effective than investing hundreds into sales-heavy adverts.

**Now that we've established how critical a marketing strategy can be when funds are low, let's explore whether real-life businesses feel the same.**



## How do other businesses fare?

Are companies investing in marketing in economic downturns? Let's look at the stats.

Each year, hundreds of different 'State of Marketing' reports come out from various accredited sources in the industry – we're talking big names from SEMrush to Bynder. These reports are a gold mine – giving marketing professionals and businesses alike plenty of data to see how they fare in relation to wider marketing trends, both globally and nationally.

Looking at some of the most recent data from these reports gives us plenty of insight into whether businesses are investing in marketing during tough times or not. Let's dive into the core findings.

### **Brands still invest in content during economic downturns**

One study from Bynder found that brands have maintained an increased investment in the creation, management, and distribution of content in their marketing efforts.

As mentioned above, content is the core form of communication between a business and a customer – be it in the form of organic social posts, long-form blog content, or email newsletters. And it seems like most businesses know this.

According to the study, 69% of marketers worldwide consider investments in content creation, management, and distribution a tactical decision to safeguard their finances during uncertain times.



## Make your digital marketing budget go further

So, if by now you're convinced of the business benefits of digital marketing activity – even in a rough patch – let's learn how to make that marketing budget go further. Here are our top tips.

### 1. Content atomisation

You've heard of the maxim 'reduce, reuse, recycle' in an eco-friendly context, but what about in a content production context?

One of the easiest ways to make your marketing spend go further is by reusing what you already have. Instead of paying for – or creating – a collection of social media posts, then a handful of blogs, then a whitepaper, and maybe some video content too, why not try strategising first?

Begin at the top with a long-form piece of content you can break down. The effort, time, and money will sit here in the highly valuable resources that are geared towards positioning your brand as an expert in its field. This can be a whitepaper (a bit like this one), a longer-form blog, an e-book, or even a piece of statistical research.

From there, break that down into some creative content, and break those down into some filmed videos. And then even into smaller social media posts. By investing in one piece of content, and using it strategically, you've tripled your output.

### Content atomisation in action

Here at Sleeping Giant Media, we're a huge fan of recycling – both as part of our sustainability efforts and in our content strategy. So, when [Kelly Sheppard](#), our [Senior Technical SEO Lead](#), filmed a 30-minute video about entities with CEO, Luke, as part of our Ideas to Results series, we knew there was potential for atomisation. From Kelly's filming alone, we were able to produce the following:

- 4 long-format videos
- 32 short-form videos in both portrait and landscape (so, technically 64 videos) for our various social media platforms
- 10 graphic carousels
- A whitepaper
- [Three blogs](#)
- Numerous social media text posts
- And a partridge in a pear tree!



## ...and further

### 2. Repurpose existing resources

Similarly, not everything your brand puts out has to be new. Users have short attention spans after all, so if you've read this far down – congratulations!

Take time to **conduct an in-depth audit of the assets your brand already has** – in the form of image libraries, testimonials, unpublished content, or even content sitting on your site from a while ago. With a few tweaks and some optimisation in line with SEO best practices, you can repurpose older content to serve newer purposes – without spending a single penny.

### 3. Multi-channel marketing

Another way to enact cost-effective digital marketing is by aligning your efforts across multiple channels.

Having a focused campaign to promote a product or service across paid advertising channels, which is then supported by creative content and organic social posts, is likely to be much more effective than a series of smaller, uncoordinated efforts that may compete for user attention.

### 4. Focus on the least impacted industries

Lastly, it's not a crime to go for the low-hanging fruit or to strike where you know you'll be successful. If you're able, try targeting markets that are the least affected by the economic downturn and, therefore, the most likely to want to invest in digital marketing activity.

## 5. Innovate

Sometimes all it takes is a little innovation and to keep your finger on the pulse of what's trending to make your marketing budget go that little bit further. Targeting 'what's hot right now' is always useful.

Using tools like [Google Trends](#) and [BuzzSumo](#) to gain a deeper insight into what your audience is searching for or, for example, 'worrying about' right now becomes crucial during tough times. The more you know, the closer you can tie your marketing activities to your users' pain points – delivering them customised content that resonates with them best.

During economic recessions, users' priorities change – as do their search habits. As an example:

**Searches for [buy 1 get 1](#) have grown globally by over 60% year over year.**

TOP SEARCHES INCLUDE:

buy 1 get 1 free  
buy 1 get 1 movie ticket offer credit card

**Searches for [promo code for existing user](#) have grown globally by over 100% year over year.**

TOP SEARCHES INCLUDE:

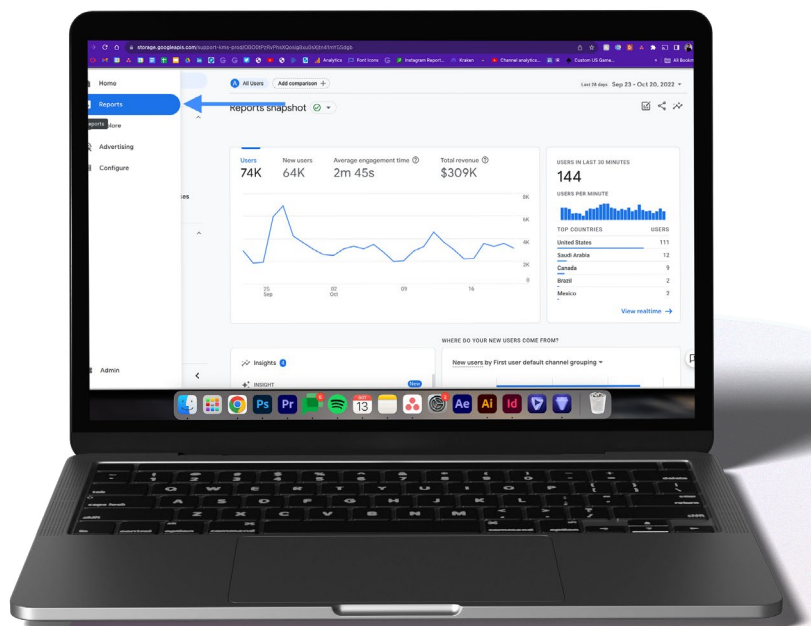
doordash promo code for existing user  
uber eats promo code for existing user  
get upside promo code for existing user 2022

## 6. Use data to your advantage

When marketing on a budget, you simply can't afford to just see what sticks. During tough times, data and insights become your best friend, allowing you to see what works – and what isn't worth wasting your time, money, and attention on.

The more you can find out about the impact of your marketing efforts, the better, which is why we suggest getting familiar with tools to make reporting as transparent and insightful as possible. One of the most useful tools that gives valuable data insight is [GA4](#) (formerly Google Analytics) which can tell you about the following:

- Website performance
- Competition positioning
- CMS data
- Client insights
- Social media insights
- Consumer trends



# Measuring marketing success

When times are tough, it's likely that you – and your boss – will be keeping a much closer eye on the success (or lack thereof) of any campaigns. So, it is essential to be able to understand the impact of any marketing efforts you choose to invest in.

Do you know your ROAS from your ROI? When it comes to digital marketing, there are a whole host of key performance indicators that have been enlightening and confusing boards in equal measure for decades. Get ready for the acronyms.

## **Conversion rate**

This measures the percentage of visitors to a website who take a desired action, such as making a purchase, signing up for a newsletter, or filling out a contact form.

## **Customer Acquisition Cost (CAC)**

This metric measures the amount of money it takes to convert a potential lead into a customer with marketing efforts. The lower the CAC, the more persuasive your marketing activity is.

## **Return on Investment (ROI)**

This refers to the amount of money you make in comparison to the cost of the marketing efforts. To calculate this, subtract the marketing expenses from sales growth – the higher the figure the better. This can be a bit of a tricky metric to get your head around, as it isn't always 100% clear which sales were attributed to which marketing effort, which is why things like UTM parameters become so important to track where users come from.

## **Return on Ad Spend (ROAS)**

This KPI is specific to paid advertising activity – usually PPC or paid social activity – and measures the revenue generated in compromise to every pound you spend on an advertising campaign, usually in a ratio. A ROAS of 10:1 would display that, for every £1 you spent on ads, you made £10 in sales.

## **Organic traffic**

This is the number of users who visit your website as a result of directly searching for it or coming across a link to your site in the SERPs (Search Engine Results Pages) for a query they were looking for information about. Just as you may have found this whitepaper for a query you had about marketing in an economic downturn.

## **Social media engagement & follower growth**

This one's pretty self-explanatory, referring to the rate at which your social profiles grow based on month-on-month (or year-on-year) comparisons of follower counts and engagement rates.

If you understand what a good ROAS, ROI, or CAC should look like, you're halfway there. And, more importantly, you can set your achievable, realistic targets and forecast sensibly for the future.



## Getting results in recessions

Still not convinced by the value of marketing in tough times? Allow us to showcase some of the results we have achieved for our clients in some of the most trying times for their respective businesses.

It can certainly feel like a commitment – or even a ‘risk’ – to invest more in something when you’re making less. However, if you keep one eye on the market and the other on a logical, future-proof strategy, your marketing efforts will essentially pay for themselves. Let’s look at some of our most recent success stories.

### Charity sector success

Since the pandemic, and with the rapidly increasing cost of living, it’s safe to say that people have been considerably less likely to donate to charitable causes.

Working for the Heart of Kent Hospice, we had to tackle this problem head-on. So, we began optimising their PPC campaigns and maximising spend and bidding strategies. We also reviewed the ad copy to promote their fundraising

events and ensure that donations are the main CTA. As such, we saw constant improvements in the account.

*(The data shown below is for the last 6 months compared with the same period YoY)*

#### CHARITY SECTOR

# +310%

YEAR ON YEAR INCREASE  
FOR PPC IMPRESSIONS

# +110%

YEAR ON YEAR INCREASE  
FOR PPC CONVERSIONS

# +244%

YEAR ON YEAR INCREASE  
FOR PPC CLICKS

## Getting leads in the legal sector

Similarly, as part of our work with John Charcol and their in-house marketing team, we supported them during the cost of living crisis using Pay Per Click services.

In 2022, we saw from trends data that mortgage queries were seeing a marked decline as confidence began to dwindle thanks to rate increases and the cost of living crisis, directly affecting John Charcol as an independent mortgage broker.

To combat this, we regularly tested new daily spend splits, with the budget being reduced by 20% after 7 p.m. and gradually reducing daily budgets Monday to Friday to ensure optimum performance across all campaigns, ensuring the right spend in all areas.

The results? The client actually had to reduce their spend at one point due to an influx of too many leads! Imagine that.

## Green shoots for a gardening centre

Chessington Garden Centre is an independent garden centre based in Surrey. As part of our work with Chessington Garden Centre and their in-house team, we supported them in promoting their Garden Centre during the COVID-19 pandemic using both PPC and SEO.

As everything was closing due to the pandemic, the Garden Centre was one of the few destinations that could open. Therefore, we looked into driving online visibility to ensure audiences could find them when they were searching.

As an outcome of our efforts, they experienced significant YOY traffic growth as well as significant revenue growth as a result of increased traffic.

### LEGAL SECTOR

**+9%**

MONTH ON MONTH INCREASE  
FOR CONVERSIONS

**-0.69%**

MONTH ON MONTH REDUCTION  
IN COST PER CONVERSION

### CHESSINGTON GARDEN CENTRE

**+959.9%**

YEAR ON YEAR INCREASE  
FOR PPC IMPRESSIONS

**+721.9%**

YEAR ON YEAR INCREASE  
FOR PPC CLICKS

**+225.9%**

YEAR ON YEAR INCREASE  
IN ALL REVENUE



## Got all that?

We understand that this might feel like a bit of information overload. So, here are our core takeaways:

- 1. Educate at all levels to get that extra 5% across the board, especially in your marketing teams.**
- 2. Don't panic and hit the pause button! Where others stop, you have opportunities.**
- 3. Use actual data to back up decisions.**
- 4. Innovate into new marketing avenues and create space for thinking.**



## Thank you for reading

If you've got any questions about the material covered here today, [get in touch](#) with our team of experts. Or, for more strategic marketing advice, keep up with our [blogs](#), [events](#), and [Marketing Leadership Series](#).

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