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# Beating Brexit

Outrunning  
the bear...



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## Two men are hiking in a forest when they come across a ferocious bear.

One of the men drops to his knees, rummages in his bag, pulls out his trainers and puts them on, ditching his hiking boots.



“You’re never going to outrun that bear!” his friend says incredulously. “I don’t have to outrun the bear, I only have to outrun you.”

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Unless you’ve been living in the wilderness, you’ll be aware of the uncertainty Brexit is causing for many businesses across the UK.

But every cloud has a silver lining. This is not so different to a recession, so where’s the upside you ask?

**The answer is simple: this is the opportune time for companies to outrun their competition.**

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Only 28% of UK companies are **increasing their marketing spend** in 2017/18.



IPA Bellwether Report 2017.

15% of UK companies are **decreasing their marketing spend** in 2017/18.



IPA Bellwether Report 2017.

That means 57% of UK companies are simply **maintaining the same budget** as before.



IPA Bellwether Report 2017.



**Take IBM. During the Great Depression, IBM grew while the US economy nosedived. When other companies scaled back, IBM invested. When others retrenched, IBM introduced employee benefits, including paid vacation! When others shut down or brought production to a halt, IBM opened new divisions and, you guessed it, kept producing new machines.**

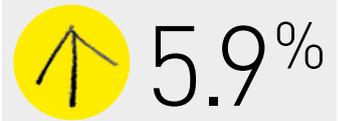
When the Social Security Act of 1935 came into effect, IBM was the only company with the inventory to fulfil the government contract and a skilled workforce to do this effectively. Orders from other government departments started flowing in soon after.

Whilst innovating in operations or product development may be out of reach in some businesses, investing in your brand, fortunately, is not. A study by advertising guru, Stephen King (no, not that Stephen King), found unsurprisingly that hard times hit profits. It also found that reducing marketing spend made very little impact on profits. But it made a big impact on market share. Companies that cut their marketing budgets lost share, those that increased them gained share; and 2008 TNS data showed that brands that cut marketing spend during a recession had a much harder time regaining it afterwards.

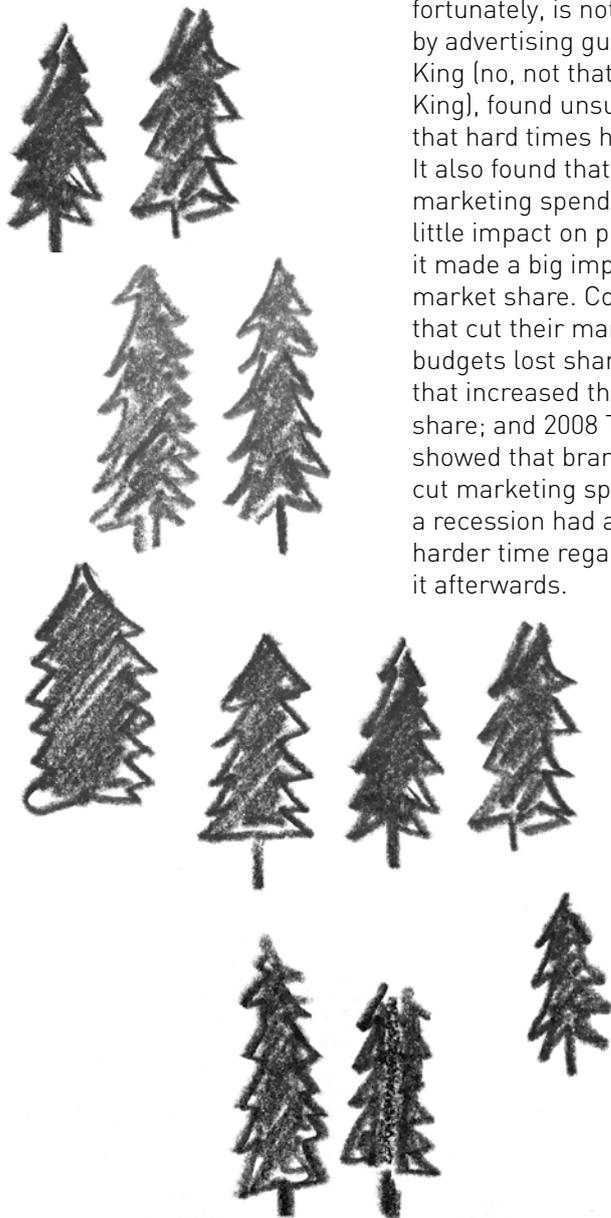
This doesn't mean you need to increase your marketing spend dramatically, but it does mean you should focus on value. Return on investment will come under greater scrutiny, so it's critical that marketers make every pound work hard. It's unsurprising then that digital marketing spend has increased by 16.9% over the last year as marketers look for more accurate ways to demonstrate performance in the channels they use.

In tough times, companies tend to focus their marketing more on the now, using tactical marketing to generate leads. But relying on this alone will not help customers understand why they should buy from you other than on price. Including more strategic, awareness driving channels into the mix is more likely to build your value proposition.

Main media advertising spend saw its biggest jump in three years.



That may well be why main media advertising spend saw its biggest rise in three years, jumping from 5.1% to nearly 11%. Smart marketers are beginning to see the value in having a healthy mix of channels to support both brand and sales.

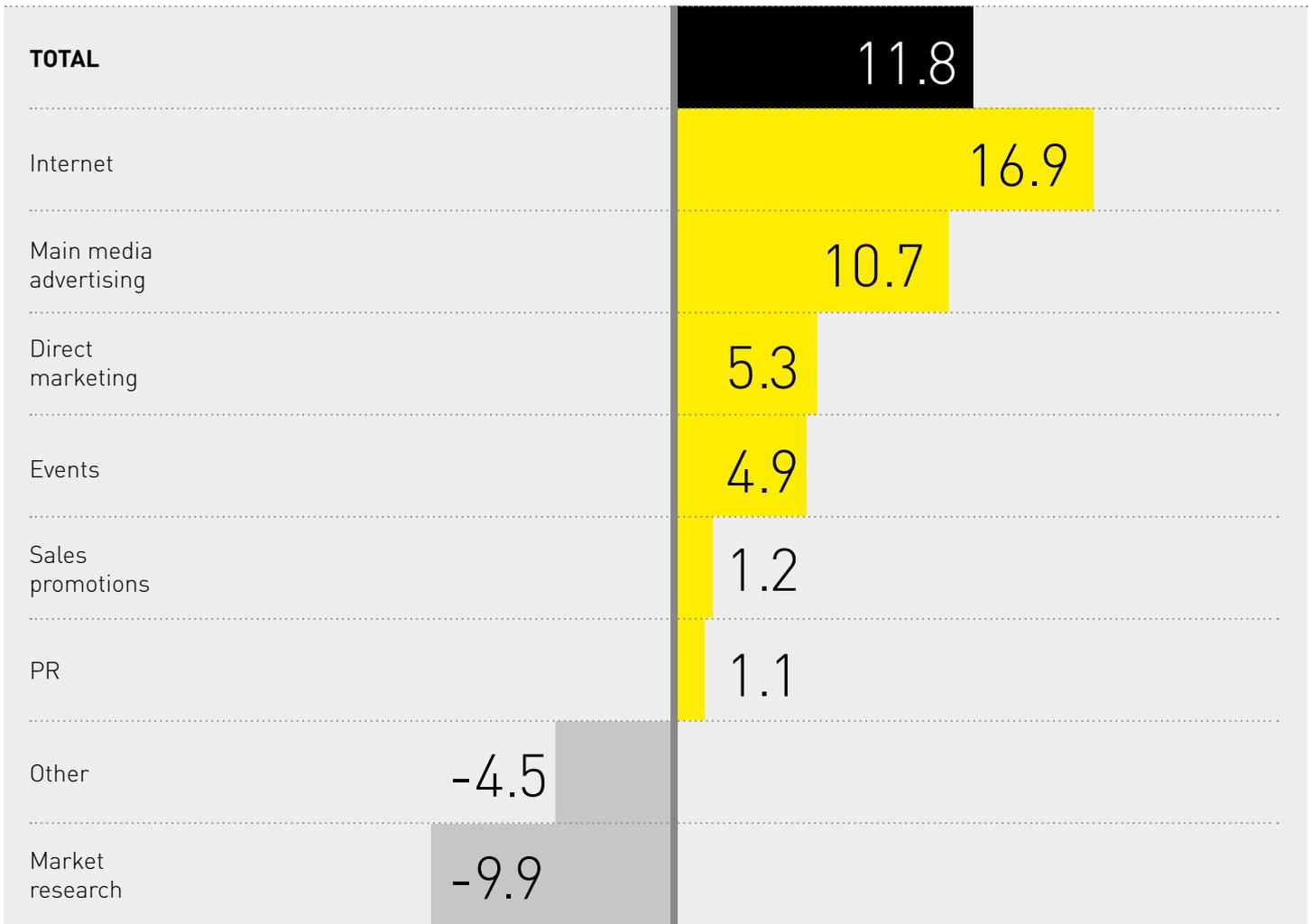


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DOWNWARD REVISION 

 UPWARD REVISION



According to a study by the World Advertising Research Centre, campaigns focusing on emotional engagement tend to be more profitable than a rational approach. Companies should look at what made them successful in the first place, leverage their green and other CSR credentials, and focus on building reputation rather than promoting price, product or service features.

And just because the market is volatile, doesn't mean customers are noticing ads or other forms of marketing less.

**In fact, increasing your visibility in tough times can send out a message of confidence and entice customers to switch from perceived weaker brands.**

