

What to do when PR and ad budgets are cut due to a stagnant economy

 By [Chris Moerdyk](#)

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The biggest challenge faced by PR and advertising agencies is to persuade their clients not to cut their budgets when the economy turns sour. Like right now when the Business Confidence Index in South Africa is as low as it was when PW Botha made his ill-fated Rubicon Speech.

The usual approach is to try and get clients to understand that it is precisely during bad times when budgets need to be increased and not cut. This is a stupid argument and never works with clients who are forced to reduce overall costs to stay vaguely profitable.

The fact is that when companies start cutting budgets it's usually across all departments, all of which respond with wailing and gnashing of teeth, so when an outside supplier like a PR or ad agency tries the same thing they are so far down the food chain that they become the easiest targets for cuts.

The best thing to do is to persuade clients that it is at times like these that they need to have a hard look at what value they are getting from their current budgets or, if they go ahead with cutting these, how they can get added value from less money.

Now that is something no right-minded client could possibly resist because that is exactly what they are looking for from all departments.

It is a win-win situation for the client as well as PR and ad agencies. Because extracting higher value will logically result in more efficient PR and advertising which in turn will result in a more solid relationship between client and agency not to mention great ammunition for client to actually increase budgets.

It is certainly worth a shot because, believe me, clients are going to cut budgets anyway and if all you do is complain about it or try and persuade them to spend more, you will probably be fired for providing nothing to the client except nuisance value.

If you don't know how to go about determining current or added value, give me a call and I will show you. It's what I do.

ABOUT CHRIS MOERDYK

Apart from being a corporate marketing analyst, advisor and media commentator, Chris Mberdyk is a former chairman of Bizcommunity. He was head of strategic planning and public affairs for BMW South Africa and spent 16 years in the creative and client service departments of ad agencies, ending up as resident director of Lindsay Smithers-FCB in KwaZulu-Natal. Email Chris on mberdykc@gmail.com and follow him on Twitter at [@chrisMBERDYK](https://twitter.com/chrisMBERDYK).

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