



## **Four in five UK finance directors support greater marketing investment in recession**

**New KDB study shows that people holding corporate purse strings accept that marketing through the current downturn is important**

More than four out of five finance directors in the UK believe that by investing more in marketing and customer analysis during the current downturn, companies are more likely to enjoy a competitive advantage during a recovery period, according to a new survey by database marketing and consumer insight firm KDB.

The survey, conducted by KDB as part of a study on marketing spend during a recession and how finance directors view it, revealed that 84% of finance directors across the UK believe that strengthening investment in marketing and consumer insight during the current downturn will benefit firms in the long run. In conducting its research, KDB surveyed 1,000 finance directors in various regions, from a range of industry sectors and from firms of different sizes.

The report notes that historical evidence indicates that increasing marketing spend during a recession does, in fact, help position companies to gain market share coming out of a downturn. And the survey results show that the directors in charge of corporate budgets are, in fact, largely aware of the need to invest in marketing during tough times.

Respondents from big business were significantly more supportive of the idea of boosting investment in marketing and customer insight in the current economic climate than those from small business. The survey showed that 100% of respondents belonging to firms that employ 250-1,000 people and 98% of those working for companies with more than 1,000 employees supporting the idea compared to 80% of those from companies with 10 employees or fewer and 83% with 11-50 employees.

Support for the idea of increasing marketing investment for the long-term health of a company varied regionally, and was not as high as the national average in two of the country's biggest business hubs, London and the Midlands, where support was 79% and 81% respectively.

The industry sectors in which respondents most strongly supported the notion of increasing marketing spend were the hotel and catering segment and, unsurprisingly, media and

marketing, where 100% of respondents felt that increasing spend on marketing and customer analysis would give a company a competitive advantage in the long run. Other sectors in which support for the idea exceeded the national average included: banking, insurance and finance at 89%; business services at 98%; IT, communications and hi-tech at 93%; travel and transport at 90%; and utilities and telecommunications at 91%.

The weakest support for boosting investment in marketing and insight during a recession came from the retail sector with just 72% of respondents backing the idea.

Matt Boot, chief analyst at KDB, comments: "This survey shows that finance directors do understand the historic importance of marketing through a recession. People often assume that those holding the corporate purse strings are totally against spending on marketing, but as this survey indicates, they are for it when the money is spent effectively. What finance directors do want is ROI and accountability from their marketing departments if they are going to maintain or even boost budgets at a time when they have to watch every penny closely.

"Nonetheless, companies have to put their money where their mouth is where marketing is concerned if they really want to emerge from the current downturn in a position to gain ground on competitors. That doesn't mean simply writing a blank cheque to marketing, but it does mean supporting investment in activities that make sense and provide measurable results."

"Many companies are achieving a much bigger share of voice in the current economic climate by securing better deals on above-the-line advertising while making use of data to better target prospects and customers through more accountable communication channels such as direct marketing."

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### **About KDB**

KDB is a data and database marketing consultancy whose services include analysis for campaigns, insight into customer patterns and behaviour, database hosting, and campaign management. KDB is retained by household name organisations in the retail, financial services, travel and utilities sectors.