

MarketWise



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I don't know how many recessions I have been through in this business, but they seem to come around about every 6 or 7 years and we have the same reactions from clients. . . "Cut the budget, cancel projects, we've decided to go in another direction". Here is a letter to your clients that states the case for staying the course and not pulling back.

How to Make Your Sales Go Up When the Economy Goes Down

Dear Client:

One of the biggest mistakes you can make is to cut back on your marketing effort when the economy shows signs of weakening. Smart marketers do just the opposite because they know that their competition will cut back and will be vulnerable.

In a soft economy, the best defense is a strong offense, and that means an aggressive marketing program.

Six survival strategies that will help you survive a soft economy include:

1. Become more visible. Cutting your advertising budget and reducing your promotional activities is like hanging out a "we give up" sign. What you really have to do is take business away from your competitors. Let the marketplace know you're out there. Remember that when you advertise and your competition does not, you'll be seen as the leader and customers will come to you.

2. Beef up your guarantees. When customers look at competing businesses, they look for quality. And the most effective way to demonstrate quality is with iron-clad guarantees. Show the marketplace that your

product or service is the best by standing behind it 100 percent. There's no better way to attract customers than with an exciting guarantee.

3. Get out where the action is. Whether your sales are made in the field or on the selling floor, that's where you belong when the economy is soft. When customers are face-to-face with the president of a company, their response is always positive. In some industries, the response can be overwhelming and an increase in sales is virtually automatic. Sitting in your office is a sure way to contribute absolutely nothing to improving sales.

4. Don't cut prices. When everyone's worried about the economy, it's tempting to lower prices. This may give you a temporary sales boost, but it may also lead you down the road to bankruptcy. Instead of selling low prices, sell value, quality and service.

5. Think about what your customers want. When the economic scene is gloomy, customers' needs change. Don't forget that your customers are facing the same problems that you are facing. If you find solutions to their problems, you'll make sales. Satisfied customers buy.

6. Stay focused. It's easy to spend your time looking for reasons why your business has problems. You can blame the sales force, slow delivery from production or a weak product line. Don't spend your energy looking for "reasons why." Instead, stay on track and concentrate on implementing an aggressive marketing program that will produce more sales.

Remember that making sales go up when the economy goes down means getting more customers. That will never happen if you cut back your marketing effort. Be bold, focused, innovative and single-minded. You'll not only survive, you'll prosper. ■

Seven Steps to Stay Ahead in 2009 – Tips for Successful Agencies

One of my mentors, Peter Wolfe, Mission Associates, San Louis Obispo, CA (now deceased) told me in 1985 the seven steps I needed to employ to stay ahead in the tough transitional times of the eighties. He encouraged me to set a positive course and not fall victim to "self-fulfilling prophecies" and "gloom-and-doom mentality." His advice is good for business every year, not just in times of change. Peter's advice still rings true today.

(1) Don't hire anyone looking for a job. If they're job seeking, that probably means they were let go from their previous employment. Always try to hire people who are presently working and doing well. I know there are some talented people on the street in agency cutbacks right now, but why hire from the bottom of your competitors' staff. Look for the ones they want to keep because they are better than the ones they laid off or just let go.

(2) Refuse to call or attend any meeting without an agenda. Your time is a precious asset. Your insistence on tight agendas can lead to shorter, more focused and more productive meetings. Sometimes when there isn't enough real work to do, meeting frequency increases. Don't get caught in the trap of mindless exchanges.

(3) Focus all your attention and energy on your customers. Don't get distracted into blaming "soft" sales times on problems, the competition, low prices, etc. Instead, forge ahead to win yet more customers. Keep your eyes on the horizon and your goals. Look at the opportunities a changing market offers.

(4) Beware of anyone who wants to save you money. Of course everybody wants to save money. If you answer "yes" to a salesperson's obvious questions regarding your desire to do so, you're opening yourself up to buying -- not saving. Trim costs, reduce expenditures.

(5) Don't waste your time on deadbeat clients and prospects. These people are usually easy to identify. They'll waste your time and end up not giving you the order. "Price is not an object" and "We buy on price

alone" are two phrases often used by deadbeats. Seller beware! If your business slows down in the recession, don't get sucked in by these guys. You will always be ahead if you focus on clients that are willing to pay your price for the work you are going to do for them.

(6) Let everyone know that the agency is in top fighting shape. Don't let your staff be timid, nervous, jittery or cautious. Clients and prospects pick up on these things and will be gone. Instead, keep your company streamlined, focused, goal-oriented and aggressive.

(7) Most of all, say "thank you" a hundred times a day. Just because we are in a service business and we don't transact business across a counter, doesn't mean we shouldn't let our clients know we appreciate their business and loyalty. Appreciation is powerful -- and all too often neglected. Clients are under pressure to perform too. When clients feel you don't care, they may take their business elsewhere. Being appreciated and respected are basic human needs. ■

Form Alliances Now or Forfeit Future

Companies that fail to form strategic business alliances with other firms imperil their future prospects. The rapid pace of technology means that even large companies with substantial research capabilities can no longer operate independently in some markets.

Besides gaining technical knowledge and expertise, forming strategic alliances offers companies three important advantages: (1) development cycles can be shortened significantly; (2) financial risks can be shared; and (3) access to national and international markets of their transnational partners is increased.

Companies are realizing that in-house R&D must be supplemented with other people's technologies (OPT). OPT will be to the information age what OPM (other people's money) was to the industrial age.

Mutual dependence and mutual learning, rather than cost avoidance, should be the objective of a strategic alliance. ■