

Increase Market Share and reinforce your existing customer base in challenging economic conditions



Tough Times can be Good Times for Smart Businesses

The media reinforces the tough times that we are all currently experiencing and the business world cautiously looks at market developments. The spill over from the banking and mortgage crisis has weakened consumer confidence and consumer spending - this has had an inevitable effect on both B-to-B and B-to-C business.

Obviously this downturn in spending and confidence sees many companies 'retreat' (cut their marketing budgets) in order to weather the financial storm. But now really is an opportunity to strengthen your business.

"You can come out the other side of the current 'tough times' in a much better position than you may be in now and certainly better than your competitors who may take the 'retreat' option"

Don't invest less on marketing – just invest smarter

This is not the time to cut marketing – it is time to cut yourself a bigger slice of the pie, because the pie itself isn't getting any bigger. It is well documented that companies who maintain their marketing during a recession increase their market share and their return on investment at a lower cost than during good economic times. In a recession you grow by taking customers from your competitors.

Without increasing your marketing spend you can improve the yield and effectiveness of your marketing by concentrating your efforts in the areas of known (marketing) productivity. Even better, your more panic-stricken competitors will probably cut their budgets so you get the benefits of your marketing being promoted in a less busy arena.

Companies also have a stronger negotiating position when dealing with media, printers and suppliers who will be keener than ever to win your business.

Get close to your customers

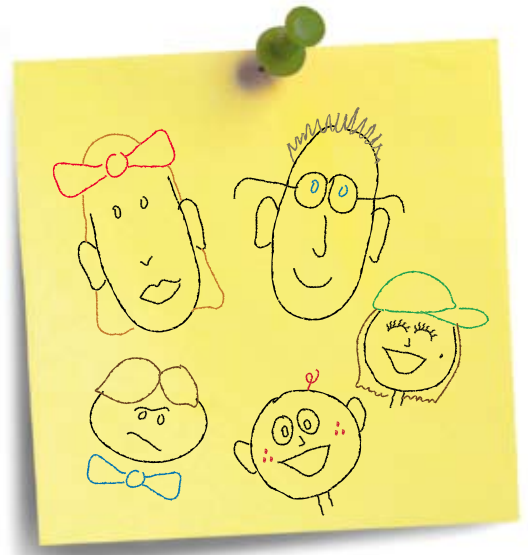
During tough times, customers are more likely to postpone purchases, trade down to a lesser quality, or simply buy less. It's important to remember that many of your customers are also feeling the pinch – so offer them a reward for their custom. Make sure the offer is seen as 'specially' prepared for them and based on the 'past relationship' and their loyalty.



Focus on your customers

These are your most precious tangible (marketing) assets and you need to nurture them through these times. Find ways to get even closer and how you might be able to assist them even more. Deferred payments, improved 'fast-track' delivery, better terms, bonus 'added values'.

To simply continue to do what you've always done for these customers may not be enough when the going gets tough. Remember Einstein's definition of insanity: "doing the same thing over and over again with the expectation of different results".



Reassess your pricing tactics

Don't deceive yourself. Even the most loyal of customers will become promiscuous during tough times. Make no mistake they will be shopping around for the best deals – not necessarily the lowest price. Some businesses will go under, but some companies will emerge stronger. If you want yours to be among the latter, you need to be careful about which costs you cut and which deals you offer your customers. If you cut your prices, be sure you can afford to do it long term – your customers won't be happy to go back to paying full price for a very long time. So, you may want to offer more temporary price promotions, implement quantity discounts, create 'bundled services' but above all, keep in touch with them - regularly.

Reinforce your core values – internally and externally

Companies are made up of people. In times like these companies (just like people) need reassurance that even though times are hard some things never change.

Especially don't cut corners in any way, shape or fashion that a customer or a customer-facing employee might perceive you to be 'reducing your service'. At times such as these your key staff and current customer base is paramount and your service and core values may be the very reasons that a customer feels reassured and comfortable – and stays with you.

Deploying the above strategies and uniting your marketing and sales and admin teams will help a company emerge stronger than its competitors and will place the organisation at a distinct advantage when the current business climate improves.

Talk to AIT about developing a cost-effective marketing strategy to help strengthen your business in challenging market conditions.

