

Marketing In a Downturn



25 Actionable Ideas to Consider Now
for an Immediate and Lasting
Impact on Sales

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Stephen L. Eckert

Preface

Marketing in a downturn... "Just a way for him to sell marketing services," a cynic might say. True, I do want to sell marketing services and coaching. It is what I do. Yet the motivation for this document is to deliver solid advice that can be used by business owners and managers to better position their companies to not only survive, but perhaps thrive, in the current (or any) economic times.

This piece is not called "Marketing in the Current Economic Crisis", for two reasons: the techniques, strategies and tactics are focused on use in a downturn in general, not one specifically caused by the market forces as they appear today; and second, the principles are just as applicable if the general economy is fine and your particular industry is in a slow period.

It was motivated in part in response to the simplistic ideas on the subject that I read in the business press. Articles that claimed to give strategies for dealing with the current economic conditions, but gave such winsome advice as:

- minimize the number of revisions/edits you make when you develop materials
- make sure your agency has a timeline/benchmarks for producing materials
- question whether your marketing partners are smart, strategic, creative thinkers
- justify the choices of media and elements on a financial basis

These are actual ideas gleaned from articles in the business press. To save the status of the authors and publications, I will not cite them here.

Our goal is to go much deeper and examine strategies and tactics that you can use in your business right away. We are taking this subject much more seriously than the articles I've read in the business press. Business owners and management teams need solid, thoughtful help, and that is my goal in this work.

A friend said to me once that not all problems are marketing problems. We can argue the semantics, but by his definition: true. Marketing can't solve all problems. It can't stop emotionally and/or market-driven slide of real estate prices. Yet for most companies in a geographic or business sector/industry slow down, marketing can aid in helping companies to think more strategically, gain more customers, and perhaps, make more profit. That is what this treatise is about.

The point of this work is to help you to think a little differently, see new opportunities, and gain some positive perspective. Even when all around you (especially media), are bringing "rotten" messages.

As I often quote, marketing and sales are a lot like Thomas Edison's description of genius: 1% inspiration and 99% perspiration. Hopefully this work will help you with both sides of that equation...providing ideas to provoke your inspiration plus practical help to lessen the perspiration.

A handwritten signature in black ink that reads "Stephen L. Eckert". The signature is written in a cursive, slightly slanted style.

Stephen L. Eckert
November, 2008

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Three strata of marketing principles considered in this work on dealing with an economic or industry slowdown:

- **First, fundamentals;** basics that should be considered all the time...no matter the economic conditions.
- **Second, strategic considerations.** Those things that a business owner or management team should be thinking about as new ways to look at and go after business.
- **Third, tactical help.** Techniques and tips to make your marketing more cost-efficient and effective.

The information is provided in short narrative form, organized under the three sections and subsections as needed. However, each “article” is a stand-alone subject and can be read and used in any order.

Preface

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Create a Market

Every marketing textbook worth its salt will teach the concept of developing new markets for your product. In fact, this article could be in the “Fundamentals” section of this work. In a down market or industry, it is imperative to develop strategies for opening new markets.

New markets may consist of completely different customers than you’ve sold before. This may be an effort of reaching out with a marketing and sales campaign for the first time. This new group of prospects may not have been targeted before because they were not known or because they were not deemed as profitable as other market segments. Or you may just not have gotten around to contacting them due to the constraint of resources – time, people, energy, and money.

If this is the case, a downturn might be the time to consider your return on investment for engaging this new market segment. It may require only effort or time, which may be in surplus in a downturn. Or it may require a commitment to different ad placements, a larger direct mail list, etc. as you add this new market segment to your marketing mix.

In other cases, a new market may emerge because of a new selling proposition. These are probably not underserved suspect and prospect types that are a subset of your existing market. If you create a new or different purpose for your product, or reason to buy, a new market may emerge. They are new because the profile and reasons for being a prospect are different than existing prospects and customers.

I heard a radio ad for a car warranty. Not by a car dealer selling an add-on value (see “Cut or Add?”) but rather by a company that sells used car warranties. I am aware of these warranties offered through car dealers when you purchase a used car. They sometimes come (add-on value) with a car purchased from a rental company. Used car dealers typically sell them and get a commission from the warranty price.

This was something different. Perhaps they have been doing this for years, and their marketing has been expanded to the radio station to

which I was tuned. Either way, it is a great example of creating a new market. The ad, in a very straightforward manner, explains how expensive car repairs can be and introduces the benefits of an extended warranty. The new angle is this: they specifically site the bad economy and that as a result, “a new car is out of the question...you need to get protection for the vehicle you already own”. Do you see the new market?

They are going direct to potential customers who already have a car, not selling their service as part of the sale of the car. Typically people consider a warranty at the time of purchase (electronics retailers make sure you consider an extended warranty), not at some time after. With the economic downturn, fewer cars are being sold. This warranty company has proactively developed a specific strategy and selling proposition for marketing their product in the downturn. Instead of protecting your new purchase, they are now offering to save you money on repairs to the car that you know, because of the economy, you can't replace now/as soon.

This is a great example. The product hasn't changed, the market may or may not have changed, but at a minimum it has been expanded (from people buying used cars to people who own used cars with a target of those owners who are keeping their car longer than they thought). What has changed dramatically is the selling proposition and therefore the message, media and method of marketing that proposition.

The opportunities vary, but necessity truly can be the mother of invention. Consider how your company can target new markets for your product or service:

- go after less profitable segments
- renew relationships with past customers
- develop a new user profile for your product
- scan your customer data for one that “doesn't fit” the profile and call them and ask them why they bought/how they use the product/service...they may have discovered a new market for you

- contact your competitors' customers
- change one variable of the profile customer and consider how the product/service might sell with a new proposition...If males 20 – 29 are the heaviest users, is there a way to make 30 – 35 year olds still “need” the product?

As with any new marketing theory, be sure your new selling proposition works (see “Pass the Test”) before mounting a full campaign.

Takeaways:

1. Create a new market for your product by considering:
 - a new use,
 - a different customer profile, or
 - a set of prospects overlooked in the good times
2. Test your new concepts before scaling a large campaign
3. Consider asking customers why they buy; if there are reasons that are out of the ordinary consider this a possible new buying variable that could open a new market

Marketing In a Downturn

Written in short article format, "Marketing in a Downturn" delivers thought-provoking ideas for business owners and management teams. The two dozen articles fall into three categories:

- **Fundamentals.** Basics that should be considered all the time...no matter the economic conditions.
- **Strategic considerations.** Those things that a business owner or management team should be thinking about as new ways to look at and go after business.
- **Tactical help.** Techniques and tips to make your marketing more cost-efficient and effective.

The goal of this work is to help you to think a little differently, see new opportunities, and gain some positive perspective. Even when all around you (especially media), are bringing "rotten" messages.

About the Author

Stephen L. Eckert is a marketing coach and consultant working from Pittsburgh, Pennsylvania. A 20-plus year veteran of corporate, agency, and small-business marketing, Stephen brings a straight-forward approach to uncovering and solving marketing issues.

Focused on process, he helps organizations understand and build the steps to success from product development to closing sales. He has been published in the Marketing News and served as judge on national business and strategic marketing plan competitions.

ISBN 978-0-557-03130-6



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