

Marketing in a tough climate

The first step to creating a recession-proof marketing plan is to review your current goals and budgets. Ask yourself – will your current marketing activities drive enough customers to your business to meet sales targets? If not, you may need to update your marketing plan based on realistic goals within the current climate.

There are five key strategies to consider when reviewing your plan:

- Expand your customer base
- Expand your products and services
- Nurture your existing customer base
- Raise your profile
- Keep marketing!

Expand your customer base

It may sound obvious, but one way to make more sales is to get more customers. Businesses will often look at ways of expanding their customer base during periods of growth, but it can also be considered when existing customers are not generating enough sales.

The main growth areas are:

Target audience/sector: Try targeting a completely different group of potential customers from your existing customer base. For example, if you currently sell to consumers you may wish to target businesses as well, or if your clients are in one business segment then consider selling into others. Finding a niche in a crowded market could result in sustained growth.

Geographical coverage: Review your existing geographical coverage to find out if there is potential to increase your market reach. For example, if your customer base is quite local you may wish to target new customers at a regional level, or if you currently trade nationally you may find there are opportunities overseas.

Business referrals: Approach other businesses that provide supplementary products or services to you. Make an agreement to cross-sell to each others' businesses, getting access to a completely new customer database. For example, if a printing company knows that a client wants a website they could recommend a new media company, and vice versa.

Expand your products and services

Another way to move your business forward and attract sales during a tough economic climate is to identify new products and services to sell into your existing customer base. Be aware that launching new products and services at any time is risky, especially when margins are tight.

The main ways to expand your products and services are:

New products/services: One of the more risky growth areas, nevertheless it is worth considering developing a new product or service. In particular, pay attention to what your customers say they want, or look at ways of exploiting new technologies yet to have a commercial application.

Extensions/peripherals: A more obvious choice is to consider extending or updating your existing product or service line. You could also look at doing this through an affiliation or joint venture with another business, which will help to minimise the risk.

CE Associates

41 Blackhorse Lane, Redbourn, St Albans, AL3 7ES, UK
tel: 0870 240 3139 email: info@ce-associates.co.uk
www.ce-associates.co.uk

Competitors: You may also want to look at what your competitors are doing and see what's proving successful for them. Identify areas in which your competitors are no longer operating and see whether there's an opportunity for you to pick up their customers.

Nurture your existing customer base

Research shows that it's more cost effective to focus on growing your existing customer base than to find new customers. According to the Chartered Institute of Marketing (CIM), it costs five times as much to acquire a new customer than to keep a current one, and improving customer retention by just five per cent can double profits.

The CIM believes that customer retention is where small businesses can excel – even during a difficult period – as having an intimate knowledge of the customer base enables a company to better sustain and nurture it.

There are a number of tactics you can use to aid customer retention:

Communicating - Keep talking to your customers at all times. Be proactive and ask them what they want and what you can improve. If you let them know how valuable they are to you during tough times you'll reap the benefits when the market improves.

Incentives & promotions - Provide your customers with a reason to keep coming back. Popular promotions include loyalty cards, competitions, interest-free options and discounted products or services. If possible, set up a scheme that ties customers into a long-term relationship with you.

Cross-selling: Brief your salespeople on the opportunities of cross-selling. The obvious time to do this is at the point of sale, when you can offer them related products or services which they might also find useful. By analysing your customer data effectively you can ensure that your offer is relevant and timely – but just make sure you don't try to 'over-sell'.

Referral schemes - Encourage them to bring new customers to you. Set up a referral scheme so that if one of your existing customers recommends someone to your business which leads to a sale, you reward them. This can include cash incentives, gift vouchers or free membership.

Reconnecting - Old customers are not necessarily lost forever. Devise ways to tempt back lapsed customers, such as phoning or emailing them with a special offer, or asking them what would prompt them to come back to you.

Raise your profile

During tough market conditions it's important to retain your presence at all times as customers are more likely to think of you first when business picks up. A strong brand inspires confidence in customers, and may also motivate new customers to purchase your products and services.

There are many ways in which you can raise your profile, including:

Networking – Many smaller businesses find that networking is a great way of making new contacts and generating leads. Attend networking events, many of which are free, and subscribe to email discussion groups where you can share ideas and get your name in front of other companies.

Events - Offer to speak at events. This will raise your profile and present you as an authority in your industry sector, as well as provide an opportunity for networking.

CE Associates

41 Blackhorse Lane, Redbourn, St Albans, AL3 7ES, UK
tel: 0870 240 3139 email: info@ce-associates.co.uk

www.ce-associates.co.uk

PR/Editorials – Public relations can be a cost-effective way of attracting new customers. Contact relevant publications or radio programmes and put yourself forward as a spokesperson for your industry sector, available for comment at short notice. You can also submit copy yourself, whether it's a letter to the editor or an opinion piece about a relevant subject.

Email newsletters - Providing customers with a regular email newsletter keeping them up-to-date with news and events in your sector, along with company news and offers, can help to establish you as an authority in that sector and build up a good relationship with your customers. However, don't bore them with PR puff or sales pitches and make sure you always give them an option to unsubscribe.

Community involvement – Doing something good for other people - whether at a local level such as sponsoring a sports day, or at a national level such as supporting a charity – will help raise awareness of your business and build your reputation as a company that cares.

Keep marketing!

Your marketing budget is an investment in future sales, not an expense to be cut at the first sign of a drop in profitability. However, it's possible that budgets will need to be reviewed, so it's worth considering a range of lower cost marketing options available:

Contra-deals - In tough times, contra-deals are an effective way of raising your profile and reaching new customers for little or no outlay. This can include placing advertising in a magazine in return for some free services.

Direct marketing – According to the Institute of Practitioners in Advertising (IPA), businesses have increased their direct marketing (DM) spend for this year because of the greater efficiency and lower costs it affords. Popular methods of DM include direct mail, media inserts and telemarketing – all DM generates responses so that you can measure return on investment.

Internet advertising – Online advertising is a cost effective approach when budgets are tight and, similarly to direct marketing, has also seen an increase in marketing spend this year. E-marketing methods can range from placing simple banner ads on relevant websites to sending personalised emails to customers or targeted email lists.

Using your website – A company website is a low-cost marketing tool which can also be an effective sales and communications channel through which you can reach new and existing customers. Cost effective marketing methods to drive traffic to your website include:

- **Cost per click campaign** - If you want to run a short-term campaign for a specific product or service or would like to boost your profile at a time when business is tough, buying keywords on major search engines is a cost-effective option which allows you to manage your budget as you only pay each time a user clicks through to your site.
- **Affiliate schemes / Reciprocal linking** - Attract traffic to your site through affiliate schemes, where you feature a logo or link to another site, or by reciprocal linking to relevant companies.

Summary

There are a number of different strategies to consider when updating your marketing plan to take account of current market conditions. Your specific approach will depend on your goals, budgets, industry sector and any constraints. However, now is the time to think 'outside the box' and look at ways of moving your business forward rather than just surviving!

CE Associates

41 Blackhorse Lane, Redbourn, St Albans, AL3 7ES, UK
tel: 0870 240 3139 email: info@ce-associates.co.uk

www.ce-associates.co.uk