



By Edd Pratt

Marketing in a Down Economy

When you are trying to survive a drastic downturn in the economy, you'd better be able to "do the math" if you want to survive. (Apologies to Jay Goltz for borrowing the name of his column and one of his favorite lines.) This especially applies to your marketing efforts. It's never a good idea to let your marketing expenses get away from you, but ineffective marketing or marketing that provides a negative return can kill your business. Here are a few ideas on how to do that as you work to hone your marketing strategies for the foreseeable future:

What was your most recent, most successful marketing effort? Is it repeatable, meaning can you run another similar campaign or effort? What did it cost exactly and what did it return exactly? If you didn't do good jobs of tracking the expenses and/or returns, can you recapture the information?

Now, do the math. What kind of return can you expect if you repeat the effort? What if you expand it, reduce it, or refocus it? Can you determine an accurate worst-case scenario if you spend those valuable dollars and you get less than a stellar response the second time around? Obviously, the worst case would be no success at all, but that isn't likely if you had success with the same effort in the past.

People rarely pay attention to the basic concept of tracking the return on investment from their marketing efforts. How much return do you actually get from your Yellow Pages ads or Internet website? How many actual sales do you get from your magazine ads or that tabletop show at the distributor open house? Do you really make money going to that national trade show?

If you aren't tracking all of your results, implement a program now! That includes using a customer relationship management (CRM) tool of some kind. If you don't want to pay for a customized system, grab an off-the-shelf program like Goldmine or ACT, or if \$100 is more than you want to spend to track your customers, use Outlook. In fact, the Outlook version in the Microsoft Office Small Business package includes a basic

CRM program.

Always ask your new customers how they found you. You might be shocked. Make sure everyone on your staff is asking new customers how they found you. Then, do the math and find out which efforts are bringing in the most new customers and providing the largest percentage returns—not in total dollars but as a percentage compared to the money you spent. Remember, numbers don't lie. You may find that redirecting a few dollars might give you even greater returns.

Finally, are you maximizing free or inexpensive marketing opportunities? Does your business use social networking sites (Facebook, MySpace, LinkedIn, etc.) to tout your products or services? Are there blogs you can register with and offer opinions or make replies to comments?

Do your employees socially network your business for you? You certainly can't require them to do so, but I suspect that most of them are interested in helping your business survive, so arm-twisting probably won't be necessary. Remember the "Six Degrees of Separation" concept? You are only a few people separated from someone who desperately needs your products. Social networking will undoubtedly bring in some business for you. When you do the math on free advertising/marketing, the return on investment is phenomenal.

None of this is new or exciting rocket science or a magic formula, but in tough times you need to focus on the fundamentals and always do your math. ■

Edd Pratt is a marketing and business development consultant with the Valiani Company. Edd has worked in and around the picture framing industry since 1999. He served as Wizard International's Sales & Marketing Manager from 1999 through 2005. In 2007 Edd began working with The Valiani Company as an International Business Development Consultant leading to the introduction of Valiani of North America. Edd has taught numerous Sales & Marketing classes at the West Coast Art and Frame Show as well as the Decor Expo in Atlanta.