

How To Come Out Of This Recession Stronger

By Zac Nelles

In light of the global financial crisis, it is probably a good time to write something about how businesses can survive.

I was talking with some wiser friends and marketing veterans about what can be done to get through the current economic climate and be ready to ride the upswing.

There are more important things to do now than just survive the short term, especially if you want to prosper in the longer term.

In a recession (or whatever you choose to call it) the marginal players are the most affected. Usually these are the businesses that have the least margin in the products and the least effective advertising, the poorest customer service, etc.

Given long enough these guys will go under. When these companies go under someone has to service their old customers and it can be you. Some people will no longer be in the market but your share of the market can grow as your competition falls to the curb.

The companies with the most profit and the best advertising will still maintain the biggest share of the market and can continue to rely on their advantage. If they decide to press home their advantage they can look to swallow an even bigger chunk of the market.

Focus on serving your existing customers

If your market of new customers is shrinking the best way to begin to offset this is by finding new ways to serve your existing customers. They already know you, like you and trust you. When presented with products and services that really are of value to them, are likely to buy from you again. New products can more than make up for the lack of purchases coming from new customers in these times and can still be sold after the recovery.

As your backend sales improves, you can start spending more money on acquiring new customers because the amount that they are likely to spend with you over their lifetime is now higher than it was before.

Build trust, start a relationship first and then build sales

Right now there is a shortage of trust. Banks don't trust other banks to come good on their loans. Governments around the world are flooding the economies with cash in order to make good. So there should be plenty of money to go around just that the trust that was propping everything up has gone now.

The low-trust climate is reducing customers trust in you. To overcome this natural lack of trust you have to work harder at building a relationship with your customer. Nobody buys from some-

one they don't trust. Getting purchases will take longer and require more effort on your part.

But on the bright side, they don't trust your competition either. Sales success is becoming a war of attrition, all you have to do is be willing to keep going until your competition packs it in and you are the only one left standing and naturally the supplier of choice.

Many businesses are too impatient, too lazy and for them sales and marketing consists of demanding that your customers buy now and then pressuring when they don't buy. Not a strategy that engenders much trust. Am I right?

Invest in your Sales and Marketing Systems

Remember sales are what counts in this game. During a recession most companies cut their sales and marketing spending, which reduces their presence in the mind of their customers. Their reduced spending reduces competition for media, which in turn reduces the cost to advertise because newspapers, TV, radio, tradeshows etc are charging less just because they are desperate to get the spaces filled.

So if you increase your spending on advertising you will get more media for less money against less competition. Bargain!

There is one final thing you can do to absolutely bury your competition now. Invest in higher quality advertising. Make sure that your ads are absolutely the most persuasive they can be, maximising response rates. Give them all the facts, make them an offer they can't refuse. Finally make sure they know exactly why they should buy from you today and you'll have your best chance of surviving the recession.

There are ways to survive and flourish in a recession. What you do now will not only determine your short term chances of survival but will also determine how well you recover once the economy turns around.

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