

Selling Through The Storm: Sales Growth Strategies For Turbulent Economic Times *By David L. Clark*

Change is a fundamental aspect of business. It feeds innovation, drives efficiency and fuels strategies for expansion. But how can businesses effectively adapt to abrupt and monumental changes in the marketplace?

Today, many companies face their first major recession. Even legacy, Blue Chip operations that have weathered the storm through several economic downturns are finding it difficult to stay afloat. Asset values, available credit and consumer buying power have all plunged simultaneously. As a result, many business owners and executives have raised the white flag.

But studies spanning several recessions indicate that this behavior is exactly what savvy business leaders need to gain a competitive advantage. In fact, a study conducted by American Business Press and Meldrum & Fewsmith concluded that both “sales and profits can be maintained and increased in recession years and [during the years] immediately following by those who are willing to maintain an aggressive marketing posture, while others adopt the philosophy of cutting back on promotional efforts when sales appear to be harder to get.” This is because most businesses face fewer competitors due to the rise in bankruptcy and due to reduced marketing expenditure and efforts. Furthermore, those remaining competitors are far less motivated than they were in the past.

McGraw-Hill Research’s Laboratory of Advertising Performance also analyzed the 600 industrial companies during the 1981 to 1982 recession. They found that business-to-business companies that were able to achieve higher sales growth during this period had also maintained or increased their marketing expenditure.

As you ramp-up sales and marketing, it’s also wise to start thinking even further outside of the box. Consider creative financing to assist credit- and cash-strapped consumers. Leverage web-based marketing opportunities. Most importantly, use abundant free-time to boost customer relations.

Web-based marketing options are an extremely cost-effective strategy that can provide continual benefits. For example, online video delivers a high-end, personal connection with existing and prospective customers, generating leads, raising product awareness and building enthusiasm for new product or service introductions. Studies show that viewers are six times more likely to respond to a video offer for more information, and that video expedites buying decisions by 72 percent over print. Similarly, email marketing can effectively populate a company’s short- and long-term pipeline. Resist the temptation to ask your sales professionals to ‘just make more calls.’ Invest in email marketing to better leverage their time and exponentially increase qualified prospect leads. On the other hand, traditional cold calling is not leveraged. It limits production and can be an inefficient use of their time. Businesses can also share their knowledge and ideas on professional blogs and networking sites.

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Businesses can further recession-proof their bottom line by implementing creative pricing options. Make purchasing more attainable by offering one-time or limited-time discounts, financing plans or delayed payments. That said, resist the temptation to slash price in order to boost sales volume. During a down economy, buyers opt to pay premium prices in exchange for risk reduction. No longer can they afford to risk purchasing from an unknown yet lower-priced vendor. They instead choose the safe and predictable, yet often more expensive, alternative.

Finally, strengthen your existing customer relationships to enhance purchase loyalty, foster strong customer relationships and encourage word-of-mouth referrals. Regardless of the state of the economy, Pareto's rule dictates that 20 percent of your customer base will contribute to 80 percent of your revenue. So use this time to connect with customers and conduct face-to-face visits. Work even harder, listening to and understanding your customer's needs while pitching real solutions that address the pressing challenges they face.

At the end of the day, make a concerted effort to stay upbeat, optimistic and positive. Celebrate wins. Pessimism never closed a deal. Commend yourself and your employees for successfully enduring – and thriving – through some of the most challenging times in history.

About The Author

David L. Clark is founder of 40 North, Inc., a consulting firm specialized in devising and implementing growth strategies for a diverse range of clientele – from business start-ups to Fortune 500 corporations. David is an accomplished senior executive and inspirational leader recognized for his ability to break revenue, growth and profitability records within both domestic and international markets. He's played a key role in negotiating and closing multi-million dollar contracts, transforming failing territories into thriving regions and attaining record-breaking gross profit margins and sales amidst a declining economy. Mr. Clark earned his bachelor's degree in Finance from Indiana University's Kelly School of Business, later receiving its Growth 100 Award. David was nominated for Ernst & Young's Entrepreneur of the Year Award and has received recognition from several mass multi-media outlets for his innovative business development initiatives and technology advancements. He can be reached at dclark@40northinc.com.

