

MAINTAINING SALES MOMENTUM IN A RECESSION — OR WHATEVER THIS IS

By Mary Sullivan

Although economic reports continue to be gloomy, if you have been around through several business cycles, you know that this, too, will pass. In the meantime, maintaining your revenue stream in an economic downturn calls for a shift in marketing and sales strategies.

No doubt about it, business is feeling the effects of the current economy. A few feel only the pain of unavailability of credit. But the majority of businesses are experiencing a slowdown in sales, too. Customers are cutting budgets, focusing on cost savings, and buying patterns are changing.

Your sales cycle is lengthening and customer projects are suddenly on the back burner. How can you keep up your sales momentum? Sharpen your selling strategies!

Narrow your target markets – A salesperson’s instinct is to go after any prospect that is breathing when sales are tough, but this is not the time to broaden your target market. If you have been targeting segments, stick with it, and take a laser focus.

- B2B companies should identify recession-resistant industries that can use their products or services. (Healthcare and energy continue to do well at this writing.)
- Identify the best-performing companies within the sectors you target.
- In consumer markets, focus on demographic groups that are feeling the least pain.

Rethink pricing – Yikes, don’t cut prices just to undercut the competition unless you *know* that your margins will still be better than theirs. Go for profitability. More revenue at the expense of profitability is a dangerous move.

- Update pricing models. If you have been selling bundled products, consider unbundling and offering products *a la carte*. A smaller unit sale may drive up transaction volume which is better than no sale at all.
- Experiment. Test pricing with limited-time offers and see what motivates buyers.
- Take calculated risks. Be cautious with promotional pricing that produces a short-term spike in sales. You may accelerate purchase decisions, but the spike may be followed by an artificial sales slump when buyers’ purses are empty.
- Consider try-and-buy offers. Give customers a taste of your product and, assuming your product is irresistible, you only defer revenue briefly.

Fine tune messaging – In any economy, your messages need to be customer-focused, as opposed to product-focused. Address prospects’ pain points. In a down economy, customers’ needs and concerns change, so adjust your messaging accordingly.

- More than ever, it is time to demonstrate value and return on investment.
- Show customers that what you offer extends their resources and makes their employees more productive.
- If your product is exceptionally easy to use, demonstrate how that translates into saved time.
- Decision-makers may be more wary about their jobs now, so show them that buying from you is a safe, reasoned decision.

Engage customers – Focus your marketing on “conversations” with customers. The days of one-way marketing are over. Customers want to talk with you on their terms, so narrow the gap between you and them. Make it personal. Be accessible.

- Nurture prospects until they are ready to buy.
- Encourage customers to be part of the conversation by building online communities that provide value to them while keeping you front-of-mind.
- Stay close to existing customers and maintain the relationships. Consider customer appreciation events.

Focus on existing customers – It is more important than ever to nurture your customer base. They are more likely to buy from a trusted existing vendor if their customer experience has been acceptable. And, we all know, establishing new customers is a lot more costly than selling to existing customers.

- Find other departments or locations in your existing customers’ businesses where your current product or a new product offers business benefits.
- Contact previous years’ customers and see how they might benefit from buying an add-on to last year’s purchase. They may not be able to afford your latest product, but can gain value from enhancing what they currently have.

Consider using more than one of the above strategies. And remember that when budgets are pinched in uncertain economic times like these, you will still need to demonstrate hard-dollar ROI.

Mary Sullivan is a co-founder of KickStart Alliance. She is a 20+ year veteran of technology sales and marketing, with experience in both product marketing and outbound marketing, as well as in sales. She can help you segment your market, tailor your positioning and messaging, create effective sales tools, and build online communities that engage your customers. You can reach Mary at marys@kickstartall.com for more information on how to maintain and even accelerate your marketing and sales momentum.