

# VERTEXERA

## Whitepaper

### Smart Marketing in an Economic Slump

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## Smart Marketing in an Economic Slump

### Introduction

When the economy slows down, many businesses react by slashing budgets across the board. Unfortunately, when those cuts hit the marketing budget, they cause more harm than good. While changes may be necessary to help a company weather the economic storm, simply reducing budgets will not work.

Research has shown that the companies who come out on top after an economic slump are those that market smarter, not cheaper.

### Marketing on a Budget 101

When times are tough, the focus of a company strategy needs to be return on investment (ROI), which requires concentrating on what has already worked in the past. Implementing a new or costly marketing approach during this time simply is not a wise way to use the budget.

The other rule smart marketers keep in mind during times like these is that objectives are critical. In order to succeed, a company must have a clear understanding of where they want to be.

With those things in mind, decisions on how to effectively market should be broken into two categories:

- 1) Lead Generation
- 2) Lead Follow-up

### Generating Quality Leads: The Key to Success

While during strong economic times, a company can afford to be lax on its lead generation activities, once the boom ends, finding good sales leads becomes crucial.

There is, however, a substantial difference between a lead and a quality lead. In fact, a thousand leads are not worth a hundred quality ones. The secret, however, is knowing how to spot the difference.

- Quality leads are cost-effective
- Quality leads come from a targeted market
- Quality leads are likely to turn into sales
- Quality leads open up opportunities for finding more quality leads
- Quality leads are company decision-makers

All lead generation activities should be concentrated on developing the types of leads described above, but the question remains: What types of lead generation activities are most likely to find quality leads for a company?

- 1) Publicity
- 2) Targeted Email Lists
- 3) Targeted Contact Lists
- 4) Webinars
- 5) Web Sites
- 6) Referral Programs
- 7) Trade Shows

## **Publicity**

Anything a company can do to draw positive attention to itself is ideal for lead generation, including publishing articles, sending speakers to organizations, or providing valuable services to the business community. Companies should also publicize their current success. After all, people are more likely to do business with companies perceived as successful, especially during economic slowdowns.

## **Targeted Email List**

One of the most convenient ways to get quality leads quickly is to purchase targeted email lists from a reputable company. These lists generally include hundreds, even thousands, of email addresses and can be used to generate leads at a fraction of the other lead generation methods. Another good thing about these lists is that companies can purchase lists targeted specifically to the industries or positions; and can focus on the contacts related to the decision-makers, managers, and other important individuals within the companies.

## **Targeted Contact Lists**

If a company wants to use direct mail or fax methods for contacting leads, then they can invest in a targeted contact list. Like the email lists, these contain hundreds or thousands of quality leads. These lists, however, also contain additional data about the leads, such as fax numbers, addresses, sometimes even phone numbers. Purchasing a list like this from a reputable seller is incredibly cost-effective, plus it allows the marketing efforts to move ahead to turning leads into sales.

## **Webinars**

In the past, holding informational workshops and seminars were excellent ways to generate quality leads, but in a tight economic situation they can also be costly. Webinars, however, are a more effective alternative. Essentially a Webinar is an Internet workshop that requires no presenters, no travel, and no pricey collateral. Plus, Webinars can attract a larger audience because it's simply more convenient to attend.

## Web Sites

More companies are recognizing the value of the Internet in their marketing. In fact, a web site is becoming the virtual business card of most companies. A web site, however, not only allows individuals to easily purchase a company's products and services, but also provides an opportunity to gather leads through newsletter subscriptions, free information product distributions, and opt-in lists. Via the Internet, a company can develop an extensive database of quality leads for minimal cost, but a mechanism does need to be in place to capture visitor information. Also, a web site is no good if no one visits it, so optimizing every page for search engine placement is also critical.

## Referral Programs

Referral programs are an efficient method of viral marketing which rewards visitors for referring a company's site or services to someone else. A well-developed program can generate dozens of quality leads from a single visitor. One of the other good points of referral programs is that they are inexpensive, especially if the reward offered is an ebook, subscription, white paper, or other item of high perceived value.

## Trade Shows

While not always cost-effective, trade shows can be an excellent way to generate quality leads, but only if the shows have been successful in the past. When a trade show has consistently failed to produce quality leads, however, the benefits simply aren't worth the expense.

## Turning Leads into Sales: A Cost-Effective Approach

Once a company accumulates a plethora of quality leads, they can begin to focus on turning those leads into sales. When budgets needs tightening, a wise marketing team develops cost-effective collateral that can be distributed easily and inexpensively. Options, such as the following, make excellent choices:

- 1) Email
- 2) Fax
- 3) Telemarketing
- 4) PDF
- 5) Direct Mail

### Email

Probably the most cost-effective ways to initially contact leads is through email. Email contacts can also save a company valuable time, especially if they have in place some type of automated email application which takes care of incoming and outgoing communications, optin/optout process and bounced backs easily and effectively. Another ideal thing about email is it allows companies to directly contact decision-makers who generally cannot be reached without going through layers of receptionists, assistants, and managers.

## **Fax**

Another inexpensive method of distributing initial business materials is via fax. Again, companies should remember to limit the materials being sent to simple black and white business letters and, as with email, the faxes should include an opt-out method, such as a telephone number. Fax machines are also valuable for follow-ups to mailings or phone calls.

## **Telemarketing**

The old reliable method of contacting sales leads via the telephone is still widely practiced. However during economic slumps, the price of equipment and staffing may be too much for some companies' budgets. Outsourcing telemarketing needs has become popular in recent years as a way to have all the benefits of an on-site call center at a fraction of the cost.

## **PDF Files**

For those brochures and pieces of more in-depth collateral, many companies are transforming them into Adobe .PDF (portable document format) files and are making them downloadable from the Internet. Research has shown that 70% of a company's prospects will be happy with these web versions which translates into a 70% savings on printing and distribution costs. However, these types of files are only good for following up on serious inquiries from leads and cannot substitute for initial contact.

## **Direct Mail**

Sending collateral through the post office has always been an inexpensive and popular option, but rising postage rates may not make it the best choice for a tight economy. However, for companies opting for this traditional method, they can save money by only sending out simple materials, such as black and white business letters. The full-color brochures and CD-Rom presentations should be saved for serious inquiries from leads instead of for initial contact.

## **Conclusion**

The fact is that in slow economic times, a business cannot succeed by cutting budgets alone, especially when it comes to marketing. The reality is that marketing is more crucial than ever during these times and must be approached with a careful strategy in mind.

A company that's marketing approach is focused on goals and ROI will have a better chance of staying profitable, especially when that company realizes the myriad of ways they can find leads and close sales without expending all of their budget.

Companies that learn to market smarter, not just cheaper, will still be kicking when the hard times recede and the next economic boom begins.