



When bad markets happen to good companies

by Loa Fridfinnson

TURNING DOUBT AND FEAR INTO OPPORTUNITY

Instead of seeing the glass half empty, try viewing it half full with opportunity created through positive action.

As entrepreneurs, owners, CEOs and marketers of our businesses we know contraction in the financial system makes most people stop dead in their tracks, frozen in fear. An extremely wise investor and one of the most successful business men alive once said:

“Investors should remember that excitement and expenses are their enemies. And, if they insist on trying to time their participation in equities, they should try to be fearful when others are greedy and greedy when others are fearful.” – Warren Buffet

In an ideal world, our marketing activities would be self supporting and provide immediate payback but in reality, we understand this just isn't the case. It takes time, effort and an ongoing investment to create integrated marketing programs that yield positive results. Studies have proven that marketing is the lifeblood of recognition, building trust, increasing sales and maintaining a professional image in the minds of customers, investors and all stakeholders in your business.

There are many factors influencing a company's decision to continue delivering its message versus tightening the purse strings when economic conditions are uncertain. The largest of all reasons (next to a low cash position) is usually fear and mass panic. This creates a herd mentality, where everyone is doing nothing in the hopes that the pain will go away.

The problem with this type of reaction is that it is often the worst thing a business can do. This negatively affects its reputation and can result in greater reductions of stock prices, market share and growth. Many com-

panies view marketing as a luxury, or as a tactical manoeuvre that is executed when the company has cash to burn.

Do you think your brand is strong enough to defend against time? Think again. While you are doing the bare minimum or perhaps nothing at all to communicate with your respective audience, savvy and strategic competitors are gaining an advantage and getting in front of your prospects, customers and shareholders.

Whose advertisements or media stories do you think will be read, noticed and remembered when all others companies are in hibernation? Whose calls do you think will be accepted by financial professionals or the media when the markets turn around?

There are smart investors this very minute looking for an opportunity to cherry pick when the markets are being beaten down.

Studies by research groups and think tanks conclude that companies who reduce their marketing activities during times of economic contraction lose presence in their core markets and end up spending far more to reach a minimum level of exposure, never mind returning to where they were before.

Starting from scratch to rebuild trust with an audience costs you so much more than just money. Don't lose the goodwill you have built up. Those that stay focused on their goal of building a loyal following end up taking market share away from their less aggressive counterparts.

POINTS TO REMEMBER

Any marketing activity that is undertaken should have specific and measurable goals. Don't waste your funds on poorly thought out campaigns – the one ad approach will not do the trick. Even in tough times, it

is imperative that you increase your presence and exposure through strategies that will yield the best results. There are many strategies that can be undertaken that are affordable yet effective in reaching your audience.

For example, your database is a gold mine (excuse the pun). If investors are thinking about selling your company's stock, making contact via phone or email to let them know you are alive and well will put their minds at ease and possibly stop any selling action.

- The best time to be out there is when no one else is! In other words, there is less competition for eyeballs when others are not promoting
- Be strategic in your IR, PR and marketing goals. Have a plan, execute it carefully, measure and fine-tune for best results
- Negotiate deals on advertising as media companies are hungry to fill their advertising quotas
- Be easy to find for cherry picking investors or consumers looking for sales

In summary, halting all IR, PR and marketing efforts because times are uncertain is not a strong strategy for growth or even maintaining what you already have. An analogy for marketing would be putting gas in the tank of your car – without it you won't get very far.

In relation to recent market and economic conditions, as the ancient Sufism motto goes, “This too shall pass.” Where will your company be when it does? Hopefully, not starting from scratch. Be resilient and it will pay off.

As I have noted in past articles – when you don't promote, a terrible thing happens – nothing. ■