



In a Tough Economy, It's All About Efficiency

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Everyone's nervous about the economy. Given the news lately, who wouldn't be? Unfortunately, economic jitters are often followed by slashed budgets. And, marketing is usually first to go. At one time this might have made sense (when return on marketing was difficult to measure), but not today. These tough times may in fact present opportunities for growth and give you a much stronger competitive footing when the market does start to turn around.

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While your competitors are pulling back, you can target, measure and adjust marketing investments to capitalize on existing opportunities. You can strengthen your customer relationships and start picking off the most profitable customers from your hunkered-down competitors.

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The name of the game is efficiency. And, there is no better place to start than by targeting your investments to reach the right customers. Here are five ideas to help you better target your marketing dollars for stronger returns in a tough economy.

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Get to Know Your Best Customers

Knowing who your profitable customers are, what they buy, and why they buy can help you dial-in your marketing message and sell more to those who are already proven buyers. Targeting existing, profitable customers can be your lowest cost path to incremental sales growth and it will help you keep the relationships you'll need to weather a prolonged recession.

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Find Your Best Customer Look-a-Likes

The next best things to your existing profitable customers are others in the markets who share your best customers' characteristics. By augmenting customer data with additional geographic, demographic and behavioral data you can create a profile of your profitable customers. This profile can then be scored and matched against the market universe to identify target lists. You can now target best customer look-a-likes with messaging and offers that have already proven successful with your existing profitable customers.

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Ask for Referrals

Referral programs work. If you don't already have a formal referral program, you should quickly move to start one. A good referral program will reward the referrer and offer the referee an incentive to buy. But most importantly, a good referral program is actively marketed to customers, it is easy to understand and easy to participate in. Operationalize a good referral program and you'll be surprised how well it works.

Invite Defected Customers Back

You'll never know why your past customers left unless you ask them. You might be surprised by how many are willing to come back just because you asked them why they left and if they'd consider coming back. Sending past customers an invitation to come back, giving them an incentive, and asking them a few questions can give your sales a real boost and give you real insight into why some customers leave in the first place.

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Use Search

Search is an odd (and somewhat uncomfortable) media for many traditional marketers. Instead of the marketer doing what they've always done - pushing promotions out to the market and hoping to find buyers - search involves buyers entering a query and hoping to find relevant products or services to buy. Both sponsored (paid) and organic (unpaid) search - particularly on relevant - long-tail - and local market queries - can deliver steady supply of new customers at a very low cost of acquisition. There are a number of factors involved in doing search marketing well, but the benefits are significant. Anyone who has not embraced search as an important channel for new customer acquisition should do it now.

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