



MARKETING

Wanda Kenton Smith

<< INSIGHT

'A great time to be in marketing' if you seek out the opportunities

Like many of you, I shudder at the media's daily dose of negative economic news.

A trip to the gas station to fill up my sports car took three diversions before I was willing to pay the price. I can't remember the last time I shopped comparatively for fuel.

And I don't buy other things like I used to. In the past, if I wanted something, I bought it. Today, I have several things on my "lust list" that are on indefinite hold.

Such is the attitude of the boat buyer. A boat isn't a necessity, so many who have the means to buy are holding off.

Some people who already own boats are sitting this season out with boats still in storage. Others who typically do a lot of cruising are staying close to port and entertaining more at the dock.

We're all fidgety about the economy. We're praying for some bolt of confidence to strike before we step back into the buying zone with the sense of security we once took for granted.

For marine marketers, it's a challenge to get buyers off the mark. Even outrageous sums of rebate cash and discounts have failed to move the needle.

A recent article in Advertising Age by Jack Neff titled "Recession can be a marketer's friend," boldly claimed, "It's a great time to be in marketing." Neff goes into great detail on how previous downturns opened the door for product development opportunities.

One example he gives is the marketing of fuel-efficient Japanese cars in the first energy crisis in the 1970s. Recessionary times in the late '70s and early '80s also gave rise to The Home Depot, CNN, MTV and the IBM personal computer, he points out. Delta and American Airlines introduced mileage-based loyalty programs.

Good things happened to those who saw opportunity, seized it and marketed intelligently.

How might we use this opportunity to develop and market innovative products and services? Companies whose products embody fuel-saving features such as sailboats and electric power or hybrids should be advertising their advantages.

There was a sentence in Neff's article that particularly grabbed me. "Consumers are forced to make tougher choices when the economy is bad, and the role of marketing just gets amplified." In other words, it becomes more critical, more necessary.

Neff cites former McDonald's CEO Ed Rensi, a business owner, NASCAR team owner and a motivational speaker. Rensi believes too many companies reduce staff and marketing during recessionary times, a strategy he says "props up profits short term, but erodes market share down the road."

I've been involved with cost-cutting firsthand, so I know the gut-wrenching tasks many companies face today. But I submit that layoffs and production cutbacks will only worsen if you're not marketing.

When you slash marketing to the bone, you bleed. No marketing means no sales. Limited marketing means limited sales. Invested, targeted marketing means better sales and increased market share.

When you fail to market, you not only lose sales, you run the longer-term risk of sacrificing market share. While Company X is marketing on cruise control, Company Y can aggressively plunder. It happens every time there is a downturn. A few win big; others lose.

Another article in the same issue of Advertising Age by Natalie Zmuda titled "How to market through recession jitters," addresses strategies to influence sales.

To address the fear factor spawned by negative economic news, Zmuda points to the need for targeted consumer messaging that "offers reassurance, empower(s) the consumer and emphasize(s) value, not price." She quotes Tom Agan, executive director and head of consulting for Interbrand Corporation, who said, "We're going into an environment where (marketers) have to ... acknowledge a little bit of that reality."

Why shouldn't we commiserate with our buyers and empathize with their fears and concerns? We're like the emperor walking around without clothes. Our marketing and sales approach needs to shift. We must not be afraid to acknowledge market conditions. Equally important, we must be prepared to provide tangible solutions.

Have you asked customers specifically what

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would give them the confidence to buy now? Or what it is that's preventing them from making a purchase? Get on the phone and set up appointments with prospects. Listen carefully to understand their fears. In today's climate, we must truly become valued resources to our customers.

From a boating consumer's perspective, this is a grand time to buy. There is a plethora of inventory and deals available. But as we've learned, pricing alone will not do the trick.

Can we also bring to the deal attractive, turnkey financing options, creative ways to take in trades, provide slip spaces or offer other incentives? What else besides bottom-line pricing can make the transaction compelling?

The car guys are giving away a year's worth of fuel. Furniture companies are sucking up interest for a few years and passing on the savings. Retailers and mass merchandisers are spending wads on direct mail, e-mail, broadcast and print with "best-ever" promotions. We're not just competing against other boats or products, we're fighting tooth-and-nail against every other hungry industry.

Zmuda makes an interesting prediction. As soon as we think we have it all figured out, she says, "then it will be time to change tack." In a recession, she says, consumers will start seeking distractions. "Messages that invoke humor, promote escapism, emphasize affordable indulgences and even take a shot at authority will likely be well received," she says.

Whatever the stage of the economic cycle, it's all about shifting your marketing to meet the mood and mindset of your customers, while providing sound resolutions to overcome their fears.

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