



## So Now What?

*In This Weak Economy – Success Favors Those With Favors*

**F**or a long time, businesses have been able to keep the second economic slowdown at arm's length due to the fact that they were still running lean from the first. But as the economic recovery continues to remain sluggish, running lean simply isn't enough. According to the *Economist*, real consumer spending fell 8% between 2007 and 2010. Although some markets were hit worse than others, overall economic growth has been lower than expectations and there doesn't appear to be a quick fix anywhere in sight.

The uncomfortable truth is that current economic conditions may become the new normal for the foreseeable future. The year 2011 will go down as a particularly challenging year for businesses as consumers continue to tighten their belts and cut back on expenditures. And while the economy will improve, (repeat after me, it will improve), the question we all face is, "now what?"

First the bad news—there are no quick fixes or one-size-fits-all solutions. The hole is deep, the pain is real and the headwinds are strong. The good news is that there are fixes and solutions. But this kind of economy favors the fighter; the small business owner who's not afraid to mix it up a bit in the marketing arena when the going gets tough.

When it comes to our current economic situation, there's no shortage of perpetrators that you can (accurately) point a finger towards. But remember this—each time you point a finger, there are four other businesses hustling to get rich while you're getting mad. Frustration abounds in us all—but to what end? It seems like this economy has taken a pound of flesh for every ounce of sweat equity we've invested. And still it isn't satisfied.

Right now, what we don't know is impacting us more than what we do know. The one thing we can be certain of is that for those of us who are willing to work hard...those of us who are willing to pick ourselves up when we've been knocked down...those of us ready to build security for our family by creating a robust and profitable business...it's go time. You're either one of us, or you're wondering what I'm talking about. And judging by the fact that you're still reading, I'm ready to call you an ally.

So back to the original question...now what? As we said before, there are no quick fixes or sweeping solutions. So instead of going with the prevailing headwind and focusing on addition by subtraction, we're going to try something truly bizarre and focus on addition by addition.

## Success Favors

In the 1950's, fledgling automaker Volkswagen included a fifty cent vase with each \$8,000 Beetle that it sold. It turns out this seemingly minute detail gave buyers a sense of empowerment in the purchasing process and enabled them to "customize" their car. Sixty years later, we're still talking about it. *Adweek* raved that this "seemingly insignificant perk was actually one hell of a smart little marketing idea." Go ahead and Google "VW flower vase" and see how many hits you get. It seems success favors the innovative.

In 2004, Chik-fil-a promised to give away a free meal to anyone who showed up to one of their stores in a cow costume. Exactly one person showed up. Today this annual event draws more than 100,000 individuals to more than 1,500 stores across the country. It's become a huge PR generator and helped them net them more than 4.6 million "Likes" on Facebook. It seems success favors the unconventional.

And finally, TiVo offered free DVRs to Comcast customers (their chief rival) who brought in their cable bills and a gift for charity. In fact, TiVo's promotion was almost too successful, resulting in almost two thousand DVRs going out. *Fast Company* magazine said of the promotion "short-term giveaways generate buzz, trial, and referrals". It seems success favors the aggressive.

The moral here is that success favors those who aren't afraid to offer favors. Look, merchandising and internal marketing are nothing new. And it's not going to replace that hole in your bottom line that the economy has taken out. At least not in one fell swoop. But when it's done well—as the above examples show—it can be a tremendous boost to your business. Let's not forget that many families are also struggling this economy and looking for the best deal. Your innovative giveaway may be just the incentive consumers need to choose your business over the competition.

## Do Yourself a Favor

As we said earlier, 2011 is when the secondary economic slowdown really hit home for many businesses. But knocked down does not mean knocked out, and today's consumers could use a little motivation when it comes to showing their faces as often as they did in the past. Merchandising can take many shapes and forms, and when done tactfully, it can help shape patient behavior while reshaping your branded image. Don't be afraid to think outside the box.

*If you're ready to actualize your perception and maximize your potential, then let's sit down and talk about your brand. Because we know there's a powerhouse lurking within every company, and we'll make a believer out of you. **Please contact us at 410.727.8800 or by email at [duane.levine@blakesleeadv.com](mailto:duane.levine@blakesleeadv.com).***

