How to market effectively in an uncertain economy

A five-point plan that starts with rule number one: don’t overlook your own established customers

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Whether you are a contractor, a distributor or a manufacturer doing business in the wall and ceiling industry, your marketing strategy in this uncertain economy is becoming increasingly critical.

So, here’s a five-point marketing approach that should help you to win a greater share of the business out there in the marketplace you serve. It flows from a very basic rule: The 80/20 Formula. Keep in mind that you will be most likely to sell 80 percent of your work to 20 percent of the market. Your returns, accordingly, will be the greatest when you put your energies with your old, established customers.

Here’s why the 80/20 Formula is a good tool for marketing in today’s economic climate:

1. Your best source of new work is your old customers. These are people who know you, the quality of your work, and your ability to do what you say you can do. Go back to these customers to get new work.

2. Your best type of work is your old, tried-and-true work. It is what you’ve done the most, the best, what is most standardized and what is the most likely to be profitable, regardless of the economy.

If old customers do not need your tried-and-true work, offer them a newer type of work. Your risk will be greater, because you and your people might not know the work as well, but your chances of selling to old, satisfied customers are great.

Next, sell tried-and-true work to new customers. This task requires real salesmanship, because your customer doesn’t know you or your capabilities. So, how do you gain an entrance? Use your old customers as testimonials to heighten your credibility with new customers and to show off past jobs you are proud of.

Finally, sell your newer types of work to new customers. This is your toughest marketing route and will require your most skilled salespeople for the effort. Of course, yours and your customer’s risks are the greatest here, but if you have already captured the markets presented in steps 1-4, any new work here is a definite bonus.

Editor’s Note: Marita H. Kennihan is the development manager for the Fails Management Institute. Fails has one of the most extensive backgrounds of any management consulting firm dealing in areas of construction. Kennihan distributes a monthly management tip letter, from which this article is drawn. For information, call (919) 787-8400.