

12 Tips to help small retailers thrive in a slump

(excerpted from “Building the Buzz to Beat the Big Boys: Word of Mouth Marketing for Small Businesses” by Steve O’Leary and Kim Sheehan.)

1. **Continue advertising.** History shows that marketers who stop advertising during a recession lose market share.
2. **Focus on existing customers.** You know your customers better than anyone. You know what types of product mixes are most appropriate for them. Use this information to create offers that are most valuable to them.
3. **Listen. Collect customer feedback.** Use either formal (surveys) or informal (asking people in store) feedback instruments to find out how your customers are dealing with the recession and how your store could help them. Ask them what types of specials they would like to see.
4. **Focus on the neighborhood.** With record high gas prices, people are likely to drive less. Allocate some of your marketing budget to current and potential customers who live close to your store (also known as your retail trading area). Print media is great for this effort, especially flyers and/or direct mail.
5. **Value messages are critical.** Think about the prices you can offer as well as the discounts that might be available. Make both prices clear in your messages.
6. **Politeness counts, more than ever.** Greet customers when they enter your store. Thank them when they leave.
7. **Consider a loyalty program.** If you don't have one in place, think about a punch card-type loyalty program that is quick and easy to implement.
8. **Create benefit offers.** Select specific products or services and package them into a value offer that you can advertise in store and through traditional channels.
9. **Dial up the service.** Make sure your employees understand the value of exceptional customer service during this time when customers may be looking for reasons to switch.
10. **Think treats.** Even though customers are cutting back, according to Money Magazine, they plan to spend a small amount of their tax refund, or rebate check, on a small treat for themselves. Think about what you might offer your customers as a special, one-time discount on a treat to get people in your store.
11. **Partner with a local cause.** During a recession, many of your customers may cut back on philanthropic giving. Partnering with a charitable cause reflects well on you, and can somewhat assuage your customer's guilt about not donating more to charity.
12. **Evaluate advertising messages and response.** If you are promoting sales and discounts in different vehicles (such as in the local newspaper, in ADVO, and online), track your response from each vehicle.