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Handling the “in this recession” objections

We’ve all heard about the old Chinese curse: “May you live in interesting times.” For advertising sales people perhaps this should be modified to: “May you sell in interesting economic times.” We are living through the longest economic downturn in living memory. This makes the difficult job of selling free paper advertising an even bigger challenge. The recession hit in the fall of 2007 and though the worst is over, the economy is far from a full recovery. A recent survey conducted by the National Small Business Association found that 47% of their members feel that the economy is worse than it was six months ago and that 43% see no growth for their business in the next six months. The lingering recession has not only affected the financial well being of our advertisers and prospects, but it has also impacted them psychologically. Business people are weary of struggling to keep their businesses afloat and wary of the future. These perceptions are reinforced by every news report and every pundit in the media. All of this has combined to create a “perfect storm” of objections that we encounter every day in the field. Since the economy is unlikely to miraculously recover any time soon, we must learn to deal with the objections that stem from the current conditions.

Taking a proactive stance

Like sales people, many small business people are natural optimists but the events of the past few years have shaken their belief in the future and changed the way they see the world. Businesses that thought they could wait out the recession now realize that it is here to stay. This has caused many of them to become fearful and hopeless. Fear tends to make people very conservative and reluctant to make any kind of investment in the future. Customers, who once thought of themselves as risk takers, are now inclined to cut back on everything and avoid commitments. If we try to pretend that the recession doesn’t exist or try to minimize its impact on our customers, we will lose all credibility. We need to acknowledge that times are tough and then ask, “What are we going to do to get through this?” Neither our customers or ourselves can do anything to fix the economy, the only thing we can do is make the best of the situation. This attitude is best expressed by this unofficial U. S. Marine Corps motto: “Improvise, Adapt, Overcome.” The best response to the recession is to help our customers improvise new marketing tactics; adapt their approach to attracting new shoppers and to overcome the challenges they face in a shrunken economy.



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“Have you been hiding under a rock, I can’t afford to advertise in this economy!”

Many customers and prospects look at us like we’re crazy when we suggest that they advertise. While eliminating non-essential expenses in tough times is good practice, cutting back too far or cutting the wrong things can actually accelerate a business’s decline. When customers tell you they “can’t afford to advertise”, they are actually telling you that they consider marketing as “non-essential”. At its root, this objection stems from a fundamental misunderstanding of what they are paying for when they place an ad. The one thing businesses cannot do without is customers. In the post recession period there are fewer shoppers in the market and many of them are spending significantly less than they spent in the past. It is a simple “supply and demand” issue; each individual customer is far more valuable today than ever before. Businesses need to work harder and invest more in winning them. Effective advertising is proven to increase the volume of customers coming through business’s front door. Studies of businesses going back to the depression of the 1930’s prove that a business that invests in advertising is much more likely to maintain profitability than their non-advertising competitors. True, advertising is an expense, but like the electric bill, it is an essential expense vital to the survival of the customer’s enterprise.

“I’m counting on my regular customers to get me through this rough patch.”

Consumers are just as concerned about cutting expenses as your advertiser, so they are shopping around more than ever. Research into consumer behavior has shown that the majority of shoppers have changed suppliers for one or more items that they purchase since the onset of the recession. Consumers who once gave little thought to where they spent their money or how much they spent for individual items are becoming increasingly value conscious. They will desert a store they have patronized for years to save a few pennies. In a robust economy people tend to value time over money, so they will go to a business that is convenient and quick. When the economy gets tight, price predominates over convenience; customers will take the time to research a purchase and consider their options. They gravitate toward the business that they perceive as offering the best value. This change in consumer behavior is a double-edged sword for your advertisers. They may lose their current customer base if they fail to stay in front of them, but on the flip side, they have an unprecedented opportunity to take market share away from competitors who don’t advertise.



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“My ads don’t work like they used to.”

This is where you get to tell the customer, “Have you been hiding under a rock?” Ads that worked well before the recession may prove ineffectual in the current environment. Many large businesses have increased their marketing budgets and are offering deep discounts to maintain and grow their share of a reduced market. Branding ads that just give the customer’s “name rank and serial number” may have worked when consumers weren’t so value conscious. Advertisers need to clearly communicate the value they offer to shoppers to attract their carefully spent dollars. Businesses may need to sacrifice some of their margin to bring in customers. The remarkable rise in coupon usage in the last two years indicates that this is a wise strategy. Remind your customers that each person who comes through their door has the potential to become a long term and highly valuable customer. They just need to bite the bullet and invest in motivating potential clients to come in for the first time.

You can be sure competing media reps are also hearing this objection and this opens doors for you. When their current program is not working, business owners are much more open to trying a different approach. This is a way to sell businesses that were reluctant to buy into a free paper in the past. Our high readership and targeted circulation give us a distinctive competitive advantage in a tight economy.

“I’ll still run an ad now and then, but I have to cut back somewhere.”

This objection also takes the form of, “I’ll keep running but I’m just going to do a little business card ad.” As stated above, recessions tend to make people fearful. This objection is driven by a “damned if you do, damned if you don’t” mindset. They are afraid of spending too much on advertising and at the same time afraid of what will happen if they stop. This is a classic story of trying to jump a chasm in several short jumps. This is guaranteed to be the beginning of the end. The customer cuts back and their response drops, suddenly they’re thinking, “Wow, my ads aren’t working like they used to.” We all have taken a toboggan ride down this slippery slope, yet many reps, happy just to keep the account; will acquiesce to the customer’s smaller program without a fight. Sometimes the best strategy is to say to the customer, “Why don’t we stop the program altogether. I really don’t want to run an ad that is not going to pay for itself.” This will shock the customer and gives you a chance to open a discussion about the value of his/her program. This is a good opportunity to suggest ways



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to increase the effectiveness of the ad. It is our responsibility to help the customer make good marketing decisions. Running a program that just creates the “illusion” of advertising is not in their best interest or ours.

“These are the times that try men’s souls”—Thomas Paine

Paine wrote these words at the depth of the American Revolution when every indicator pointed to the death of the colony’s dream of freedom. The American Army fought on and refused to be beaten when logic dictated that they quit and begin singing, “God save the King.” This spirit has been a feature of the American character for almost 250 years. Well these are the times that try sales people’s souls...and selling skills. To get through these tough times we have to do everything in our power to keep customers from making bad business decisions. We have to remind them that cutting their advertising budget is a top line solution to a bottom line problem. Ultimately, our customers want to increase the profitability of the business; they would prefer to do this by serving more consumers. Survival experts know that people who die of thirst when lost in the desert are often found with water remaining in their canteens. They were so focused on conserving their water that they would not use it, even to save their lives. This can happen to businesses as well. There is a limit to how much a business can cut back, at a certain point you have to either close or find a way to cover the remaining expenses. By helping our customers to focus on the top line, we automatically solve their bottom line problems as well. The best way to ensure a positive cash flow is to have a steady flow of customers through the front door. Our job is to remind advertisers that while cutting back on advertising can save them money when times are tight, effective advertising can save something even more valuable than money...their business!

This article was written by Jim Busch of the Pittsburgh Pennysaver.

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