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MARKETER URGES AGGRESSIVE APPROACH IN SLOW CLIMATE

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Manufacturers who expand marketing in a sluggish economy will gain market share from competitors.

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Jim McMahon, president of Zebra Communications, www.zebracom.net, urges manufacturers to exploit the opportunities available during an economic slowdown.

"In today's economic climate, industrial manufacturers need to promote more than ever in order to compensate for worsening market conditions," says McMahon. "Those that expand marketing and sales during these times will emerge with increased market share captured from those that did not."

However, McMahon says he has witnessed most companies to do the opposite. "Most companies instead reduce their marketing, which is exactly the wrong thing to do. This reduction leaves their market share wide open to be usurped by their competitors," he states.

According to McMahan, market share is a fluid commodity that is influenced by the acceptance or confidence that consumers display toward a company or brand. That can be affected by name recognition, among other factors. "The market share of both the brand and the company are further modified, and quite significantly, by the strength of their market positioning," says McMahon.

"The positioning of these factors in the mind of the [customer] is mainly affected by advertising and public relations," he continues. "These have a major impact on shifting market share, which is far easier to accomplish during economic slowdowns when competitors are reducing their marketing efforts."

McMahon contends that companies that retreat from their marketing efforts in a slowdown are being penny wise but pound foolish. "It is amazing that industrial and high-tech companies who have fought so hard to build market share in an 'up' market will now abandon their efforts based upon a knee-jerk reaction to a slackened economy," he says. "The few companies that expand their marketing in hard times then come in and snatch that market share away. These competitors emerge with sizably more market share after a downturn than before."

Companies both large and small should consider the long-term benefits of promoting their brand, says McMahon. "What a small manufacturer lacks in market share can be remedied with an enhanced positioning capability," he remarks. "There is no faster way to shift the attitudes of an industrial market segment than with a strong positioning broadly promoted through trade publications. Over a period of months, this shift will create significant market share for any company or product, no matter what its size and no matter how sluggish the market."

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- We are likely to purchase used or rebuilt equipment
- We will only do so if a machine fails
- We are unlikely to do so
- We will not
- We are likely to do so
- We've already done so

