



Special Event Sales in a Tough Economic Environment

Lately, the hottest question I seem to be addressing from the field has to do with drooping sales due to economic factors. I thought I would address a few key issues that may help you in analyzing where your challenges are and how to act and react in order to minimize negative financial impact

“Business is off 40%. What should I do?”

This is a very common question and I would start by answering it this way...First off, let's remember that strategy is all about clarifying priorities. Which business should you be in? And when your sales are off 40%, we need to understand which part of your business is off 60%. Obviously there's a signal here that the market has shifted and as a result we need to shift our business strategy. What was working in the past is no longer working. Break down your business by market segments – weddings, corporate, social, charitable, etc. Determine if one or many of those segments are “off”, contributing to your overall decrease in business.

It is just as important to know WHAT IS working as it is to know WHAT ISN'T working. So, look at what segments *are* working. How can you look at maybe magnifying, increasing and focusing on that business? And then, understand why the other segments of your business are down and if there is anything you can do to be proactive in providing a solution on that end. Especially at this time of year, when we are building our budgets for 2009, we may want to look at re-distributing sales into different categories.

Also, now is the time to think about the market segments that you've never chased in the past. In any given economic environment, there are companies that are struggling and companies that are doing well. Focus your short-term marketing on those companies that are doing well and are able to spend dollars now. Long-term strategy, though, must focus on all of your market segments that are relevant to your marketplace. When the economy improves for the struggling companies, you still want to be right there in front of them. Weddings, of course, are one of those markets that never goes away. They happen year-round, in any type of economy. Budgets may change, but weddings still happen!

Also, research your client spending history by market segment, particularly those clients or businesses that have booked short-term with you. You've probably heard the rule – “It cost six times more to acquire a new customer, than to maintain an existing one.” When communicating back to that past customer, don't just communicate that you're still alive and you're still there and that you would love for them to come back. Communicate something with some value-added proposition for a repeat booking.

Value-Added Elements

Value-added elements can differentiate you from your competition when economic times

seem to turn everything into a “price war”. For hotels and resorts, maybe you offer a free anniversary stay for couples booking before January '09. Upgrades to the “next level” of whatever your product or service is can also be enticing. And, don’t keep it a secret! Maybe you publicize it locally or nationally depending on your product or service with press releases. And also, take a look at, if you have availability on Fridays, Sundays or during the week, and see what sort of special offers you can put together, particularly for short-term events. For more info, see view last month’s newsletter article in the “newsletter archive” on [“Price Wars – Making Your Sales Approach NOT About the Price!”](#)

No one has ever grown their revenues or achieved profitability through cost-cutting measures!

Resist the common tactic of cutting your marketing and sales dollars through tough economic times. At least keep them at current levels at minimum. Explore other resources that are available to you in the industry as well, including cooperative opportunities. You're not alone in the current conditions.

Breathe

As professionals in this industry, we have seen business ebb and flow and increase and decrease with the times, and in order to feel as few of the “speedbumps” as possible, we have to be extremely flexible and adaptable. We can prepare and strategize the optimum marketing plan, make adjustments and “gap plans” along the way, and remain the ultimate professional, but sometimes we can still fall short. In times like this, know that you will eventually “come out the other side”, so take the opportunity of the quieter times to really research your marketing options, market your self and your product or service and re-position yourself in the marketplace if need be. Re-define your product or service. Re-define your target markets. Improve yourself with industry classes and educational opportunities. Do all the things you mean to do but never have the time when things are really busy!

Stay tuned to next month’s newsletter for the second part of this series...”How to Protect Your Position in Tough Economic Times”

For more information on the **Beverly Clark Hospitality Training Programs**, please contact **Lynne LaFond DeLuca** at lynne@beverlyclarkenterprises.com and visit our website at www.beverlyclarktraining.com

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