



## Getting a Bigger Piece of The Pie

Perhaps we could all learn something from our friends in the car industry. We know that the industry, especially our American companies, have been hit pretty hard by the economic woes of the day. But, there is a lesson we can take away if we're brave enough to take the gamble.

Ford announced in June that it is ramping up production of cars and trucks by about 10%. At first glance this might seem like a crazy idea right now, but Ford sees it differently. "This is a once-in-a-lifetime opportunity to separate us from our other domestic competitors," said a person familiar with the matter at Ford. "No one is going to gift-wrap it for us. You have to deliver the product people want to buy. That said, you have to take this historic opportunity to grab market share."

Clearly, Ford sees the payoff that can come from going all in on the hand they've been dealt. As we've said in previous newsletters (March 2008) an industry downturn provides ripe opportunity to get a leg up on your competition. In a time when others are pulling back on marketing efforts and cutting down on production, anyone who stays alive in the market place stands a much better chance of walking away with bigger market share when the downturn finally turns up again.

Our November 2008 newsletter addressed some specific ways to change your approach to marketing during a downturn. But, another car manufacturer gives us insight into some more out-of-the-box thinking. Hyundai, a Korean based manufacturer, has been plagued for years by a stigma of low-quality product when their first introduction to the American market bombed in the early 90's. Since then, they've been fighting an uphill battle. In 2001, they launched a major effort to combat this stigma by offering a 10-yr/100,000 mile warranty on all their vehicles. This was a "put your money where your mouth is" kind of move. It helped give consumers confidence in the purchase they were making. In January, Hyundai announced the Hyundai Assurance program. This provided buyers the offer to take back a leased or financed car if the buyer loses their job. In a time where job security seems more threatened by the day, this was a bold move to again provide consumer confidence in making a car purchase. This was a ground-breaking offer and many companies soon launched their own version of it. What makes both of these strategies work is that it reduces the risk to the consumer.

### So what can we learn from these car manufacturers? A few things:

1. Get creative: Are there ways you can reduce the risk to your consumer? Right now, few people are willing to spend large sums of money on anything; but you can get them to think twice if you're willing to meet them in the middle and minimize their risk.
2. Provide a quality product and stand by it: This isn't the time to cut costs by cutting corners on quality. Consumers need to feel confident in the purchases they're making, so anything you can do to promote the quality of your product will carry weight.
3. Make a substantial investment in carrying out the plan: Nothing in life is easy, and nothing good in life is quick. Once you've created your plan, stick with it. It's not going to be an overnight transition.
4. Don't be afraid to spend money: The long-term benefits of this can be great if you can handle the heat of the gamble.

If we've said it once, we've said it a million times – don't hibernate during a downturn! It might seem risky, but there really is a bigger piece of the pie out there if you play your cards right.

### Sources:

Ford Seeks to Gain Amid Rivals' Pain; *Wall Street Journal*; June 2, 2009

How Hyundai Sells More When Everyone Else Is Selling Less; *Knowledge @ Wharton*; June 10, 2009

Fresh Creative is a communications and design firm that specializes in marketing real estate development and hospitality properties. We use strategic process and experience to develop comprehensive solutions that create distinctive impressions.

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