

VOTED BEST BUSINESS MAGAZINE FOR ENTREPRENEURS

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SARA MURRAY INTRODUCES US TO THE TRACKING DEVICE FOR THE VULNERABLE

VISION OF SUCCESS

EXPERT ADVICE ON ACHIEVING A SOLID BUSINESS PLAN

SMALL BUSINESS SERVICE PROVIDER AWARDS
PAGE 30

PUKKKA!

THE BUSINESS VENTURES OF A SOCIAL ENTREPRENEUR & WORLD CLASS CHEF

WIN! WIN! WIN! £30,000 OF BUSINESS SUPPORT FOR YOUR COMPANY - TECHNIUM PAGE 17



ONLINE TACTICS IN A RECESSION

E-BUSINESS STRATEGIST DEBORAH COLLIER OF ECHO E-BUSINESS SHARES SOME VALUABLE ONLINE TACTICS THAT SMALL BUSINESSES CAN ADOPT TO BEAT THE ECONOMIC CRISIS.

The economic crisis has had a huge impact on businesses and start-ups, which struggle with limited resources and budgets. Fortunately today's entrepreneurs have a new and powerful tool at their fingertips. The growth of the Internet, as both a business and social channel has opened up opportunities which were unavailable to businesses in previous recessions.

In poor economic climates, when budgets are tight and new business is scarce, companies must focus resources on customer retention, innovation and low-cost effective marketing strategies. Digital channels such as the web and mobile, are valuable and essential elements to a business strategy. New technologies such as social media applications and the exponential growth of downloadable mobile phone applications, have delivered promising mechanisms to interact and engage with our customers, through discussion, education and entertainment. Individuals and businesses can purchase small mobile phone applications for a few pounds or less, talk about them online and buy full computer versions from an e-commerce store on a vendor's web site.

Innovative e-business ideas coupled with superior customer experience, both before and after sales, both offline and online, will help businesses fight through tough economic times. Lets have a look at my top e-business tips for surviving the recession.

E-Lesson 1: Consider offering Lower Cost Product and Service Alternatives: It's much easier to sell lower cost products or services. The higher the price, the greater the risk to a client. Lets look at the Internet as a sales channel. Brand loyalty is the number one reason why consumers choose to buy online from one vendor over another and pricing is number two.

Unless your offering is essential to your customer, high cost products or services will simply be a luxury. Consider your product or service range and whether you can offer smaller lower cost alternatives. To demonstrate this example, lets look at training, which is one of the first services to be cut in a recession. Echo E-Business, which offers public and custom training courses in online businesses, needed to

focus its efforts on other services in its portfolio, but also consider the benefits its training channel offered to its business and clients. As online experts, it made sense to offer an alternative low-cost form of training, with a wide audience reach. What better way than using the Internet? So I developed EbusinessKnowHow.com – a suite of low-cost online courses for SMEs. This service has allowed us access to a wider and larger global audience, but is also acting as a marketing tool for our knowledge and expertise.

E-Lesson 2: Assess Social Media against Email Marketing: Despite the low costs and accessibility of email marketing, businesses should look at social media applications such as Facebook, LinkedIn, Ecademy and Twitter as a potential economical marketing substitute. Email marketing offers a channel to directly target subscribers, however the return on investment, particularly for smaller businesses, is still fairly low in comparison to other media channels. The biggest email marketing value for many businesses, particularly in the B2B markets, is in relationship and brand building over a period of time, which supports the overall sales process. Now we have social media applications such as Twitter to do that and it's free.

From restaurant bookings to product launches, Twitter has now become a de-facto tool, not only for relationship building, but also sales. However, it is not just the small companies that are cashing in to the potential of social media. According to 'Internet Retailing Magazine', June reports from Dell Computers show that they generated \$3m in sales from Twitter.

Email marketing is still an important tool for business, particularly for online stores, but it is essential to weigh up the cost and value to your organisation. It's important to remember, however, that it's not what tool you use, but also why, how and when to use it. With any strategy it's important to ensure that you are in the right place at the right time and that your message is communicated effectively.

E-Lesson 3: Gain New Business from Existing Customers: Our studies show that it costs on average five times more to acquire a new customer than it does to

gain business from an existing client. How can businesses nurture these existing relationships when budgets have been cut? Special offers are a good incentive and online tools such as email and social media are excellent low-cost ways of communicating these offers. You should focus on high-quality customer service. Many businesses make the mistake of reducing client support resources and costs during a recession. This is a false economy. If you provide good service, customers will appreciate it, remain loyal and potentially refer you to new clients. Make it easy for your customers to contact you, by displaying a choice of communication methods clearly on your web site. Web support tools such as chat, are one extremely effective online customer service mechanism.

E-Lesson 4: Bite the Bullet on Delivery Costs: National postal strikes can cause a tremendous strain on businesses, particularly e-commerce stores and mail order companies. Brand reputation and delivering excellent customer service are essential to any business. Consider looking at alternative postal methods and fulfilment companies. In the UK, we rely so much on Royal Mail, but there are other courier services out there. If pricing works out more costly, it is still worth a lower profit margin, to retain and acquire new customers. Customers who are essentially seeking good value and pricing will be unhappy to pay additional charges, and so you should consider absorbing these costs. In the long-term, your customers will appreciate and respect you for fast and efficient delivery, will be more likely to purchase and refer you to their friends and associates. If your competitors are struggling due to the postal strike and you can still deliver, then you have the competitive edge and your customers will remember it.

A recession is just one of many challenges that a business will face during its lifetime. It's important for a company to consider what will give it the competitive edge at all times. Focusing on providing their customers with an excellent customer experience from first contact, to sales and after sales service, as well as having the ability to stay flexible and agile, will help businesses succeed in this economy and the next.