

Surviving the Digital Economy Meltdown

By Lee Traupel

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Surviving the Digital Economy Meltdown!

“Dying isn’t hard for men like us, when everything around you has been butchered or slaughtered.... living is what’s hard.”

Clint Eastwood to Chief Ten Bears in “The Outlaw Josey Wales”

The bloom is off the rose, the roosters are coming home to roost – use whatever metaphor fits your business or culture! But, get the net/net – the “new digital economy” is starting to get down to some real fundamentals. Don’t get caught in the downturn, learn to grow organically using targeted marketing and customer referenceability. New rules for surviving the meltdown:

1) Cash is king – husband your marketing resources as much as you can by driving hard bargains with all suppliers - or perish the thought, use equity to leverage your cash on hand. If your vendor/partners take some equity (as we do in our clients) then you know they are really committed to the success of your company! And, with the downturn in the IPO market, you may be saving yourself some money in the long run.

2) Love your customers – be absolutely committed to your customers, do what it takes to make them successful in the marketplace and they will respond in kind by recommending your firm to members of their community. And, yes, you can ask them if they will recommend other potential clients.

3) Give you customers some equity in your company – this marries them to your firm (see two above) and helps to motivate them to help your company grow and prosper.

4) Co-brand or partner where you can – meaning, find a partner in your market segment who is doing well and develop a revenue share (classic win/win) model which helps both of you grow by sharing market information.

5) Get digital in your marketing processes, if your business model is focused on delivering goods and services via the web. Every marketing type is recommending opt-in e-mail this Fall, but they are right, it works well; prices are dropping - YesMail for instance, has an \$150 gross CPM Holiday Promo underway for most of the categories, with about 7M opt-in addresses available!

6) Search Engine positioning/ranking still provides the best ROI of any interactive marketing. But,

you have to be patient and persistent in your processes – build the right keywords, integrate these with your site content, then manually submit your pages to the top tier Search Engines. Or, if the sheer complexity of the task overwhelms you then hire a specialized marketing firm to do this.

7) Build sound fundamentals into your business – grizzled marketing veterans like your author experienced the post PC downturn in the mid 80's. I don't think we are going to see such a radical meltdown in our new economy, but look at the declining valuations via the stock markets, slowing PC penetration, and Internet access signups. Yes, it's still a solid global economy with plenty of niche marketing opportunities for growth, but the "digital high tide" is starting to recede. So, don't count on mega million advertising revenue as your "path to profitability" the VC buzz word du jour, develop fundamental profit centers in your business.

8) There are lots of free marketing resources out there, but be wary of the proliferation of snake oil salesmen (sorry John D) – there is a new industry springing up of people who are hyping free or low cost ways to instant riches. Here's how I set my hype filter – if it sounds too good to be true, then it is, so click your browser and move on.

9) Build a web site that's popular, one that's linked and listed by many others sites. This helps you get high listings via Google, HotBot and other top tier search engines. Here is a free resource that helps you setup and participate in a LinkPopularity program – it can be set up in a couple of minutes via the Fantomaster.com web site.

10) Recruit and hire with an eye to the variances in the market. Meaning, don't hire until you absolutely have to and use outsourced companies for jobs, which are not part of your company's core attributes. This saves money in the long run and lets you quickly scale up your business when and as you need to, in turn minimizing your fixed human resources and/or payroll costs.

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