

FINDING THAT X-FACTOR WHEN TIMES ARE TOUGH

BY DAVID POWELL

IT'S a question that companies of all shapes and sizes are wrestling with at the moment – how are we going to get through the recession?

The options are straightforward enough – spend less or sell more – although in both cases, finding the right strategy is easier said than done.

Cost-cutting is rampant, with marketing budgets often the first to go. However, experts agree that cutting back on marketing during a recession is one of the worst strategies a business can implement.

Many companies in the retail sector are tackling the crisis in a different way – instead of cutting costs, they are becoming more 'customer-centric' in a bid to attract new business.

"Unlocking pockets" the challenge

Question is, how? The media manager of Ireland's largest home entertainment renter/retailer says the answer is obvious – offer a great deal, that appeals to customers, all the time.

"Our business is all about customer recruitment and retention," says Paul Cullen of Xtra-vision. "We operate in very competitive sectors throughout the island of Ireland, and we are con-



A constant media presence: open any national newspaper and chances are you'll spot an Xtra-vision ad.

stantly changing how we connect with our customers.

"Like all retailers, we're trying to unlock consumers' pockets and that's very challenging at the moment," says Paul Cullen. "But there's still plenty of potential spend available in Ireland, so it's a question of making the offer good enough to entice them to spend.

"The current cliché of staying in being the new going out is extremely relevant to our core business," he says. "The retail business is challenging, but it comes back to price and value.

"We work very hard to keep our offers as attractive as possible," he adds. "We also try and make it easy and convenient for people to avail of our rental offers, like by minimising

late fees.

"We're pulling huge numbers of customers into our stores every week," says Cullen. "Those people are not coming in on a whim, they're responding to an offer they have seen. That's where our marketing comes in."

"Newspapers offer that bit more"

Marketing is something Xtra-vision does a lot of. The company runs an extensive number of ad campaigns every year and has a consistent media presence.

"We probably over-invest in marketing but we also try to maximise the return on our investment – and we do

get results," Cullen states.

"While we use the range of traditional media channels, newspapers are especially important to us because we can get across a product-price call to action in an environment where people are paying attention.

"What I like about press is their willingness to work with you and help you find the best way to execute your communications strategy," he says.

"That can-do attitude is more important than ever in the current recession, and newspapers have certainly stepped up to the mark," he says. "They offer that bit more, especially a title like the Sunday World which gives us access to all 32 counties.

"Newspapers have really expanded their offering," Cullen says. "All the new supplements, colour magazines, all that is good news for advertisers because it gives us more ways to reach the people we're trying to reach.

"At the end of the day newspapers are like all companies right now," he adds. "They're under pressure to maintain revenue and margin and manage costs – yet they're still trying to deliver added value. It's a good way to reach out and say 'do business with us'."

At a time when reaching out to customers is Step 1 in most smart companies' survival plan, the Xtra-vision model is certainly reaping rewards.

Record readership for Irish newspapers

A record 3.1 million people or 88% of the adult population are now regular newspaper readers, according to the influential JNRS report for 2008/09.

The research also shows that newspapers attracted an impressive 64,000 new readers in the past 12 months alone.

Frank Cullen of National Newspapers of Ireland (NNI) said the report was "a good news story for newspapers at a tough time".

"When it comes to news coverage, people are looking for more than sound-bites," Cullen went on. "They want the range, coverage and convenience that only newspapers can provide."

Report highlights "deep insight" of newspapers

Meanwhile, one of the key strengths of newspapers has been highlighted in a major new report by global giant PricewaterhouseCoopers (PwC).

The report, based on surveys of 5000 people in seven countries, found that newspaper readers place a high value on the "deep insight and analysis" provided by journalists.

"People still choose the newspaper as their main source for news and background information," said Marieke Van der Donk, author of the report.