

How to maintain prestige (and sales) in a down market

By [Kyle Priest](#)

10 Nov 2011

DAYTON, US: When the economy is troubled we all face the same issues... of maintaining sales and our company's profile. So here are some ideas on how to do just that - without depreciating brand value.



Now that we're all experts at - or, at least, veterans of - navigating a real-life troubled economy, we can conclude with fairly decent certainty that 1) things will eventually get better, and 2) the ultra affluent will likely remain so. For those who work in the luxury space, these two factors shouldn't only confirm what they've learned along the way, they should also act as rules of the road going forward - guiding their approach to brand marketing and management in light of an unpredictable economy.

It may seem as though I'm going to tell you to hunker down and brave the storm, knowing that things are destined to get better, but that's way too passive. So, instead, I'm going to tell you how to actively preserve your brand's prestige when times are tough. After all, retaining brand equity and price points during a down economy is no easy feat - and sometimes just letting your brand "be itself" is actually a lot of work. For smart brands, though, it can be a counter-cyclical - and definitely counterintuitive - time to actually increase value...and prices.

Following are five ways to drive brand equity and maximum dollars during a fluctuating market:

1. Go big in small ways: A down economy is the perfect time to take market share through innovation (whether product- or promotion-wise). Instead of dumbing down your brand, make it better. Sometimes going big can be accomplished in small forms. Invest in a mobile app that sets your services apart. Introduce brand extensions that increase loyalty (think: the luxury equivalent of the LiveStrong wristband). Or draw attention to a single location - such as your flagship store or website - with initiatives like Ralph Lauren's touch-sensitive windows and customer QR codes, or Louis Vuitton's interactive show, in order to spread the news far and wide.

2. Breathe "rarer" air: Becoming even more exclusive for your endearing customers will further ingratiate them in the long term. Do this by creating limited editions that spike sales but preserve (or even escalate) brand value. Consider introducing

online concierge services or other exclusive privileges that don't cost much to develop, but make a big difference in terms of retaining exclusivity and maintaining price points.

3. Manage your inventory: This is important no matter what the market's doing. Knowing that you have just enough - not too much, not too little - may seem like the antithesis of conveying "abundance." But the type of abundance that luxury brands want to exude is less a function of overage, and more a function of access to a particular lifestyle. By managing your inventory, you can maintain your prices, which allows you to run a smart and stress-free business. And really, what's more luxurious than ridding one's life of stress? (This is not a trick question.) Now that we've unlocked one of life's greater mysteries, here are a few ways to accomplish inventory nirvana:

- Place a smart content management system central to all of your operations: warehousing, vendors, eCommerce sales, physical store locations, and so forth.
- Once you know your inventory, use a reduced percentage of it to create exclusivity at the retail level (limited quantity creates demand). This helps the price as much as it does your cost structure.
- Create long-term agreements with suppliers to offset the negative impact on their businesses that may result from penalising you for a temporary decrease in volume. They are critical to your value chain, so keep them committed to quality by committing to a partnership.

4. "Six degrees of penetration:" Leverage your faithful to bring their friends and family into the brand. This may manifest in "recommend/invite a friend" promotions, the introduction of most-talked-about items, or advertising that perpetuates the idea of a brand community. Here are some other specific ways you can help your brand loyalists help you spread the word to their own trusted communities:

- Create social media-specific, yet still exclusive, offers that result in "in-the-know" savings for select friends of your customer.
- Use flash sales with "member plus one" privileges that allow your elite customers to invite a friend.
- Incorporate QR codes on receipts (retailers) and on product tags (wholesalers) to drive your best customers to unique purchase-related sites; then give them "pay-it-forward promos" that allow them to share their elite access with friends.

5. Collaborate: Create special relationships with other elite brands that elevate both brands' statuses, while simultaneously creating another outlet for distribution/promotion. One way to come together is by creating a special product that allows you both to enter into a niche consumer market and augment typical sales with market-specific products. Make the partnership the basis of a marketing campaign: splash the media, online and offline, in all the ways you already know how...

You may notice that one thing I didn't recommend: creating a value-version of your brand to cater to, gulp, the masses, out of fear. I'm not saying it never makes sense to do that. I am saying, however, that a down economy shouldn't be the motivator. Just as it needn't be a motivator to do any of the above.

Article courtesy: [MediaPost](#).

ABOUT THE AUTHOR

Kyle Priest is a partner with [\[http://www.crownpartners.com/ Crown Partners\]](http://www.crownpartners.com/). The company aims to make a difference by growing business for its clients by leveraging what's next in technology and is based in Dayton, US.

For more, visit: <https://www.bizcommunity.com>