



Warrillow: A good time to market to small biz

By Kate Maddox

Story posted: November 10, 2008 - 9:30 am EDT

Despite concerns about the failing economy, small-business owners are optimistic about their own business prospects and are investing in certain types of products and services—making now a good time to market to them, according to a study by Warrillow & Co.

“This is a fantastic time to be advertising and marketing to small businesses,” said John Warrillow, president of small-business advisory firm Warrillow & Co.

In a recent report, “Marketing to Small Business in a Downturn Economy,” Warrillow & Co. presents several strategies for marketers that are trying to reach this market.

Citing a survey by the National Federation of Independent Businesses in June, the Warrillow research notes that the single most important problem facing small businesses is the economy (cited by 20% of respondents), which is up from only 4% of small businesses that cited this as their biggest concern last year.

“Although incredibly pessimistic about the overall economy, most small businesses remain relatively optimistic about their own potential,” Warrillow said.

This summer, Warrillow & Co. conducted an online survey of more than 2,000 small-business owners at companies with fewer than 100 employees. It found that 41% were optimistic about their own sales prospects. “They are interested in spending more on some products,” Warrillow said.

When asked whether they agreed with certain strategies during an economic downturn (on a scale of 1 to 5, with 5 representing “completely agree”), the average score for the statement “switching vendors” was 3.2, and the average score for “adopt products or services that improve productivity” was 3.2.

“One thing they are expecting to spend more on is sales and marketing,” Warrillow said.

When asked where they planned to invest over the next six months, the top area cited was sales (25%), followed by utilities (24%), travel and entertainment (23%), general and administrative expenses (22%), marketing (22%), computer and software technology (18%), staff (12%) and telecommunications (11%). Respondents could select more than one answer.

“Another thing small businesses are seeking out now are government contracts, to compensate for the lack of demand among consumer or corporate customers,” Warrillow said. “Small businesses are trying to navigate the whole process of bidding on government contracts. There is a demand for companies that can help them understand the forms and processes for doing this.”

He pointed to the recent growth spurt reported by Sales Spider, a lead generation company that helps small businesses find government contracts.

Sales Spider estimates it had 10,000 unique monthly visitors to its site in October, up from 3,000 in March and only 600 in October 2007.

NEW RESEARCH: VIRTUAL EVENTS

Find out why virtual events have become an instrumental tool for business technology buyers — and how you can maximize leads.

Download Today
▶ CreateYourNextCustomer.com

Warrillow said another advantage to marketing to small businesses in the down economy is the ability to select industries that are more resilient.

“If your job is marketing to large enterprises, every single one of your prospects is hurting right now,” Warrillow said. “If your job is marketing to small businesses, you have 25 million prospects to pick from (the estimated number of small businesses in the U.S.). You can hand-pick industries.”

For example, marketing to medical and dental offices might be a good strategy now, since those industries are typically insulated from economic changes, he said. “And you can deselect those industries, such as retail and construction, that are hurting right now,” he said. “You don't have that opportunity when you are talking to *Fortune* 1,000 companies.”

PRINTED FROM: <http://www.btobonline.com/apps/pbcs.dll/article?AID=/20081110/FREE/311109950&template=printart>

Entire contents © 2008 [Crain Communications, Inc.](#)
