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PUBLIC RELATIONS

MEMORANDUM

TO:

FROM: Saxum Public Relations; C. Renzi Stone

SUBJECT: Gaining Market Share in Uncertain Times

DATE: Friday, November 21, 2008

“Buy low, sell high.”

“Remember, I am neither a bear nor a bull; I am an agnostic opportunist. I want to make money short- and long-term. I want to find good situations and exploit them.”

-- Jim Cramer

“Failure is the opportunity to begin again, more intelligently.”

--Henry Ford

The Opportunity

While national attention is focused on the troubled stock market and world economy, a rare opportunity is beginning to take shape: *The opportunity to buy low, acquire new customers, lead with a clear message and grow your business.*

Recent weeks of economic turmoil have caused many Americans unrest about their current financial state. In a time of great uncertainty and distress, lifestyle changes are inevitable. It's incumbent on every corporate leader to provide key stakeholders with security and comfort through clear and encouraging communication.

As a part of the corporate management team, we recognize these are unprecedented times for business. Fortunately, markets dip on average once every five years and then recover. Employees and investors are especially hungry for reassurance from their respected leaders that a plan is in place.

Now more than ever, it's imperative to communicate effective investment messages that are well-received by all audiences.



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Secondary Research

- The RBC Consumer-Confidence Index dropped 32 points in October – its largest single-month drop since the RBC Consumer Attitudes and Spending by Household Index began in 2002. The index is at 37, down from 69.2 in September. The monthly survey of 1,000 U.S. adults reflects attitudes on the current and future state of local economies, personal finance situations, savings and confidence to make large investments.

Other survey findings include:

- 27 percent of those polled believe their local economy will be weaker in six months, up from 13 percent last month;
- 69 percent say they are less comfortable making a major purchase than they were six months ago, up from 55 percent in September; and
- 62 percent are less confident in their ability to save and invest this month, up from 51 percent in September.
- According to a recent poll conducted by the American Psychological Association, eight out of 10 Americans say they're stressed by the economy. Of the 7,000 people polled, 47 percent said financial anxiety caused them to have headaches, and 35 percent reported upset stomachs. More than one-third also said they were experiencing muscular tension.

How to Win

Every company or organization with a strong balance sheet should have an action plan that can begin to be implemented now. With proper execution, we believe we can help move your message forward to key stakeholders during this challenging market environment and reach those who have lost confidence. Below are a few key recommendations to follow:

1. Talk to your current clients regularly.
 - ❖ When there is panic or uncertainty, there is often a change in behavior. Do not let your current clients and customers find a new home with your competition. Call them. Email them. Invite them to your office. Go to their office. Take them out to lunch. Secure their loyalty for the long term.
2. Educate your employees about what this means for your industry.
 - ❖ Create an army of experts for your business. In the hustle and bustle of daily business, internal communications can become a low priority item. No longer. Customers and clients may look to others for advice.

Make yourself available and share valuable information with all internal audiences.

3. Create valuable media relationships and convey key corporate messages.
 - ❖ Media will cover this story for at least the next year. Soon, the story will move from “what happened” to “what’s next” in every sector. Media will likely cover “before and after” stories. There is nothing more cost effective or credible to reach new audiences than obtaining meaningful media coverage during this time.
4. Establish your company’s benefit to the community.
 - ❖ There is a saying in politics that “late money is great money.” Nonprofits in this country have experienced incredible growth in the past decade. There is a lot of discussion now about how these organizations will continue to grow with less money for development officers to go after.
 - ❖ You likely have less money, too. Do more than write a check. Get involved. Get your staff involved. Instead of sending out holiday cards, perhaps let clients give a meager amount to a charity of their choice, and then see which one adds up to the most. The \$2,500 gift from last year just became a lot more valuable.
 - ❖ Corporate social responsibility is more important now than ever, so highlight your charitable giving. Make sure you promote the fact that your company continues to support nonprofits at this time.
5. Engage in paid communication.
 - ❖ If you can afford it, the next six months (11/08 – 4/09) is the time to use paid media. For the remainder of the year, use direct mail, billboards and/or other niche advertising to reach your clients or consumers. The first quarter after an election year is always the least expensive broadcast and print media you can buy. Buy it cheap, and use a clear message to gain market share. If your stakeholders or industry leaders are mainly online, look for online opportunities. In short, be bullish about finding new customers while the rest of your competitors are bears.
6. Be transparent.
 - ❖ Honest communication with key stakeholders will provide them with the confidence and comfort they have been seeking. Trust has never been at a higher premium. Trying to hide bad news or just hope it will go away is not a good strategy. With bad news around every corner, your stakeholders will forgive you, but you must disclose any issues.

7. Smile.

- ❖ The sun will rise. The market will recover. Your 401k will survive and grow again. Remember, you lost nothing if you held your assets. Only people who sell lose something. America will have a new president and Congress in January. I predict the market will gain confidence and begin the recovery.

Recommendations

This challenging time is an opportunity in disguise. As you outline your company's communication goals, please know the Saxum team is here to help you develop your strategy and implement your plan.

Saxum can provide you with the following services:

- Message development
- Investor relations (events, reports)
- Customer relations (general outreach strategies, e.g. digital newsletters, direct mail)
- Media relations
- Competitor intelligence reporting
- Paid media planning
- Creative services (print, broadcast, digital)
- Research (primary and secondary)
- Crisis communications training
- Media training
- Public affairs/issue advocacy

Conclusion

Good luck! Saxum | PR is here to help.