

Is now the right time?

Why rail companies are investing in marketing to win work

Marketing

Success

Growth

Team

Concepts

Plan

Vision

Reviewing marketing

As the UK rail supply chain continues to face the unprecedented challenges as a result of Covid, organisations are having to respond to a changed business environment.

With rail franchise agreements being suspended and the government spending £3.5bn to cover train companies' losses since the pandemic started, the industry is in a real state of flux. The drop in passenger numbers is well documented; national rail was below 5% in May returning to just over a third by August, and London Underground passengers falling to 42%. The impact is however not just on train operators but also the supply chains whether it is rolling stock, advertising channels or advisors.

As a result, companies are cutting marketing spend. This can be seen throughout the UK where marketing budgets are being cut and marketing resource reduced; the Chartered Institute of

Marketing reports that within the UK just under 10% of marketers have been made redundant and over 15% have been furloughed; and the rail industry is no different.

Marketing is changing radically within the rail industry. The TOCs' marketing budgets have been severely cut; advertising spend dramatically reduced. With the Government message of 'no travel' it would be socially unacceptable for trains to be advertising.

That doesn't mean companies should stop marketing though; there is work within the industry although it is a clear public sector / private sector split, with financiers and supply chains becoming less active. DfT frameworks are still providing opportunities for advisors to help address the current challenges they face as well as continuing with the rail sector reforms.

Getting smarter

Reviewing an organisation's approach to work winning is one of the key agenda items for many Executive teams. The need to retain a steady flow pipeline, while not having access to the usual marketing resources and spend means taking a smarter approach to marketing.

Smarter Marketing in this context means the company's approach needs to be agile and responsive; the ability to effectively plan, do and review. It means making sure the value proposition is tight and that the efforts are focused.

Unsurprisingly we have a number of clients who are using us because they want to review their marketing plans," Anna Hutton-North, Director at Sabre Associates. "Executive Teams want the reassurance that their plans are achievable and deliverable; that they are getting the best ROI on their marketing spend.

"This year more than ever companies are looking to be smarter about their marketing activity to ensure it supports winning more work."

While firms saw work continuing in the first lockdown, competition is definitely becoming tighter and companies are competing on price to secure work.



Reviewing your marketing approach to support work winning



Becoming smarter also means being agile during this period. Reviewing and monitoring the following areas will allow the marketing to be concentrated so it generates the required results.

Be clear on what you want to achieve

While the obvious one is to win more work, there is also client retention to consider. If opportunities aren't there then the marketing objective should be around relationship development in preparation for future opportunities. For those looking at entering new markets or launching new products then the marketing focus should be on brand awareness.

Triage your customer base

B2B organisations need to recognise that not all clients will be in the same position; classifying clients into critical, profitable and low revenue providers allows you to focus attention on key clients. Once the critical clients have been identified the next step is to establish vulnerability status. The four vulnerable status categories are:

- Highly susceptible to business collapsing
- Demonstrating vulnerability to going bust
- Experiencing difficulties but will survive
- No obvious impact to the business

Consider the amount of marketing resource and investment you want to invest against the companies appearing in each category. Using the same categories when it comes to bidding also allows you to assess the impact of winning work with a vulnerable organisation.

Manage what clients need right now

In the same way as your business is having to adapt find out what would help your clients; this is particularly important for your critical clients. It may be an informal discussion about flexing the current way of working or a more formalised plan with contractual changes.

Understanding the likelihood of survival will help to determine how much support you provide to a client. Reducing prices is not the only way of helping clients out; other options include developing joint bids or sharing resources. For smaller firms adopting a partnership approach may help both parties longer-term.

Review what you know and about who

Use the time to understand who you are trying to win work from and whether the company needs to look outside the traditional market, either to other geographic regions (who aren't in hard lockdowns), allied industries or even different specialisms within the rail industry.

Decide how to engage

The way of interacting with clients and targets has radically changed for B2B businesses. Organisations need to determine which channels will be the most effective for them. It's not just about reach but also engagement.

Digital channels are growing in importance; not just website and social media, but also webinars have replaced events; Zoom and Team calls have replaced face-to-face meetings; and video and podcasts are supplementing content.

Maximising the budget ROI

Whatever the marketing budget ensuring you get the highest return on investment is essential. Determining the ROI is easier when there is marketing data to show where there has been more engagement. However, if there is no data then looking at each channel and prioritising by volume and then by levels of engagement allows you to determine the most effective budget spend.

Remove distractions on time

Covid is triggering a constant change in the business environment, which means becoming disciplined about allocating time for work winning. If there is no longer a marketing function to support the business then the Executive Team need to be very clear on expectations and activities. Focusing on how to retain critical clients and building the pipeline for 2021 have to be the two main work winning objectives for the organisation.



Start planning for the future

While it feels like the future is unknown, starting to consider the future landscape is important. Reviewing current performance through 'plan, do, review' means the lessons learnt from Covid will help to make your marketing smarter longer-term.

Every element of the rail supply chain should be considering their work winning plan for 2021; there may be limited resources and budget but the need to continue to engage with clients and attract new business is vital to an organisation's existence. Whatever happens with Covid adopting a smarter marketing approach will contribute to the business surviving.

Developing smarter marketing

Using our Smarter Marketing programme we work with CEOs, CFOs and Marketing Directors who want to understand the realistic returns for their marketing.

We validate your marketing, helping you to understand whether your marketing is generating the right return to maximise opportunities.

Looking at the budget spend and performance of your marketing activities, we identify the correct allocations of spend and most effective marketing for your business. Showing you how to improve your marketing ROI.

The Smarter Marketing score shows your overall performance and how improvements will grow your marketing ROI. Resulting in increased opportunities and greater revenues from your marketing.

To find out more about ensuring your company's marketing is delivering the right ROI, contact the team or follow us on LinkedIn.

Anna Hutton-North
Director
Sabre Associates

“After 12 months, the improvements made make us look like a completely different company.

Press coverage, social media and web presence are unrecognisable compared to where we were a year ago.”

CFO, IBM Business Partner

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