



Slow Down, Speed Up

by Dave Emanuel

When the economy slows down, it's time to speed up promotional programs. Here are some tips for bringing in new customers and bringing back your existing ones.

If you build it, they will come. Then again, they may not. Unfortunately, life doesn't always imitate art, so what works in a movie may flop in the real world. Even if you have an extensive inventory of sought-after parts combined with knowledgeable, friendly counter and service personnel, sales may well be lodged in the porcelain convenience. It's funny how recessions have a way of persuading people to alter their spending habits. Then again, we may not be in a recession.

A "recession" is nothing more than a period of negative growth. (The formal definition is a period of two or more quarters with negative gross domestic product growth.) Certainly, a recession, economic slowdown or period of stagnation don't constitute the best business environment, but, like it or not, they are part of the economic cycle. And the reality of the situation may not be as bad as the perception - even in the midst of a full-blown recession, the fact remains that there are still more people with jobs than without.

We won't know if we're officially in a recession until after the fact, but that's really irrelevant - politics and semantics aside, the sales environment was a lot tougher in 2008 than it was in 2007. There are some small pockets of strength, but they're the exceptions rather than the rule.

Of far more significance than a general economic slowdown are the rising costs of essential products and services, which

are cutting into discretionary income. At some point, even extremely wealthy people feel the sting. It's not that they can't afford to maintain their lifestyle, it's that they become aware of the cost of things that they used to ignore.

The housing / mortgage debacle is another factor that has cut into the overall amount of discretionary income available. (I'm still trying to get this straight - bankers provide mortgage loans to people who are poor credit risks and have no actual investment and then they're surprised when these loans end up in default?) Fewer people buying houses means fewer people

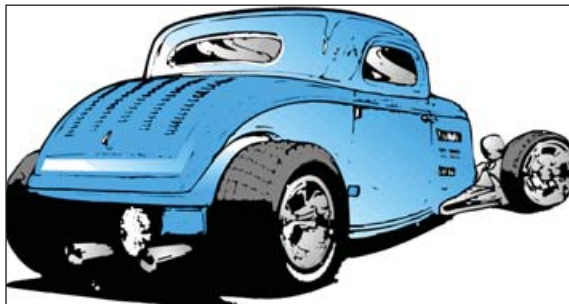
building, selling and financing houses. It also translates to reduced income for people in those businesses, and all that has a negative effect on disposable income.

One ray of light in all this gloom is that it takes more than a recession or threat of economic problems to keep most hard-core racers off the track. While some will literally buy race car equipment using money that could put shoes on their kids' bare feet, most have sufficient discretionary income to comfortably afford their hobbies. The same holds true of performance enthusiasts, but unfortunately a stable income and money in the bank may not be enough to overcome the uncertainty of what's to come and the doomsday orientation of the media. Many people will cut back spending dramatically, even though the current economic condition has had little or no direct effect on them.

New Approaches

All of this is relevant because it establishes not only the direction that

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