



# **Marketing Communications in a Down Economy; Evaluate, Engage and Empower**

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Down economy? Declining sales? Layoffs on the horizon? Hunker down and wait it out? Never! Any company that intentionally pulls itself from the radar screens of potential and existing customers will find itself on a slippery road to the scrap heap and seriously behind more forward-thinking competitors when things turn around.

Smart companies exploit an economic downturn by identifying and meeting customer needs that their competitors can't. Needs that often customers don't even see. The market is changing, the world is changing. Companies can't just stay on the sidelines and wait for the playing field to level out. Customers need new and innovative products and services. These are things your company has the brainpower to design, develop and bring to market. Unfortunately, this outlook is counter-intuitive in many traditional-thinking firms.

Faced with economic hard times, many companies look to eliminate communications and marketing budgets as a way to reduce costs. However, the actual effect is to reduce revenues, and the medium- and long-term consequences are often worse than the illusory short-term benefits.

In this era of near-instant communication and media saturation, an opportunity lost is not easily won back and the being "quick to market" generates momentum that becomes a hurdle to competitors. Conversely, absence from the marketplace sends the wrong message to customers, suppliers, potential investors, employees and bold competitors. For these reasons, it is vital to maintain a presence, engage the marketplace, and be visible – with the right message – to all stakeholders.

Communicating during a recession is not business as usual. A recession should shake up the creative juices of a company. The phrase – *"but we've always done it that way,"* should be banished from a company's vocabulary and replaced with *"what can we do that is different?"* *"How can we be of greater value?"* A recession creates the opportunity and motivation for shift in thinking and opportunities for success.

If your marketing and communications activities have been operating in their own little world, now is the time to evaluate, engage and empower – partnering inward focus with outward success. This is the heart of what we call our P2R E<sup>3</sup> Process™.



**Evaluate** – review and audit perceptions and programs. This can be done by interviewing company executives, managers, sales force, admins, customers and suppliers, industry and media, and assessing company marketing materials and brands. This method produces some surprises, but in the end almost always leads to a stronger company with a more thorough understanding of its strengths, market and opportunities for growth.

**Engage** – with the information garnered from the evaluation stage, create a road map for communications, utilizing all the elements and attributes of your business and marketing plan – both informal and formal. Leave no constituency unattended. Now is the time to be creative. This approach paves the way through the clutter and helps companies reach customers, investors and other key audiences with a clear, unified message.

**Empower** – give employees a role in creating and strategically executing the new marketing communications plan – one fully aligned with business objectives, and launched through integrated communications activities aimed at employees, customers, suppliers and all other critical stakeholders. Leave no stone unturned. Now is the time to innovate. Build on your strengths, radiate optimism, seize the marketing initiative.

Many companies think the job is done when the communications program has been launched. Nothing could be farther from the truth. Companies need to constantly monitor communications programs, assess progress, re-evaluate and adjust where necessary, re-engage audiences and track success. Get rid of what doesn't work, refine and hone what does. Reach out to customers, employees and all other stakeholders. Question assumptions, encourage adventure and reward smart thinkers.

This continuous improvement cycle brings a focus on objectives and a freshness to the effort. It maintains a “front-of-mind” presence with your stakeholders through the positive messages you create, making you – not competitors or external forces – the manager of your reputation and the keeper of your brand. Success should be measured against pre-determined metrics established during evaluate and engage activities.

Developing and maintaining a consistent cadence of information to the marketplace is crucial to communication, marketing and branding success. The idea is to keep your message constant and your voice clear.

Wise CEOs refuse to let other priorities cloud a steadfast focus on their marketing, brand communications and public relations. Instead, they work to build and leverage their brand reputation through integrated communications activities directed to all stakeholders.



In a recent American Marketing Association survey, 63 percent of respondents said companies investing in brand building activities during an economic downturn can lessen its effect – and history supports their view. Companies that maintain or even increase marketing spending benefit from the silence of others. In fact, a recent study by the World Advertising Research Center concluded “that brands with sustained advertising expenditure through recessions have a competitive advantage.”

Another study International Survey Research underscored the importance of employee communications. It found dramatically better financial performance in companies with highly engaged employees compared to those with low employer engagement. While the competition mindlessly cuts costs, fully engaged and empowered firms were better positioned to both increase market share *and* maximize revenue.

Even McKinsey makes the point. In a 2002 study of best and worst performers, researchers found that one of the most significant differences between winners and losers was with respect to their spending on marketing and advertising during a recession. The best performers actually increased spending in these areas – not just relative to their competitors, but compared to their own spending in better times. Interestingly, a 2005 study conducted by the International Journal of Research in Marketing reached the very same conclusions.

During a recession, many companies grow. After a recession, some companies grow faster than the competition. This is more likely if they have: new products and services that fit customer needs better; engaged, enthusiastic people who creatively collaborate; an absence of assumptions and an aligned and streamlined business that continues to execute its strategic vision. Focused communications across the spectrum of the business environment is the means through which these things are achieved.

While communication is an often-overlooked, misunderstood and underutilized business tool; in reality it is a vital, integrated “force-multiplier” for a business and as critical to its success as cash management. Indeed – an effective and sustained integrated brand communications effort is a fundamental driver of cash-flow, stability and long-term success.



### **About the author**

Gordon Cole is president of P2R Associates and a seasoned executive with a depth of operational, business development, sales, marketing and corporate communications experience. His extensive background in marketing communications and public relations spans more than 25 years and reflects a track record of success in both agency and corporate environments.

### **About P2R Associates**

P2R Associates is an award-winning, strategic public relations and brand communications firm serving a diverse mix of international, national and local companies in a range of industries. Headquartered in Livonia, Mich., P2R provides clients with strategy-driven tactics, superior service and measurable results. For more information, visit [www.p2rassociates.com](http://www.p2rassociates.com).