

## Communicating in a Down Turn –Why smart communication is crucial

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### **The New World**

There once was a company - let's call it Company A - that started full of enthusiasm and direction. Buoyed by good skills and great previous results, the company was born. Clear with warnings of 'not being the technician but the business owner', 'cash is king' and 'work on your business not in it' and dreaming of the 'four hour week', heightened flexibility and the power of being your own boss – the company was started.

Word of mouth worked a treat. People, inspired by the new widget maker, told their friends. A good reputation meant the referrals came in the door. People had money, it was the height of the boom – things were good. What was needed was bought and new staff were hired. They were busy, a website was thrown up, the sales were made from the heart and everyone just got on with it.

Then, the world financial wizardry unfolded, strand by strand, stitch by stitch until there wasn't anything left to hold it all together. Houses in the United States were repossessed by banks and then sold for a dollar whilst families huddled with their possessions in the street. 100 year old companies collapsed before our eyes and loved ones were retrenched, staying home for dinner became hip again and people who worked in finance were jeered rather than admired. A black man became the leader of the free world, the art of speech making returned, home domestics became interesting and a 38 year old, mother of three boys won a competition on the coolest show on television!

The downturn arrived, we beat recession by 4% and it got to be the second half of the year.

So what are we to make of this new world? How can we as business owners, managers and communication managers make head or tails of this? What are people thinking? Feeling? How have consumption practices changed? What do our customers now want from us? How can we change? Do we want to? Who do we need to do the work? What shifts have occurred in our industry? How do we face uncertainty not familiar to anyone under 30 years old? How do we communicate in a downturn?

### **Business Communication**

Business Communication is concerned with how you manage the message of and about a company and its products to its internal stakeholders i.e. staff, suppliers, tenants etc. and its external stakeholders i.e. clients, industry, the media, competitors etc.

As business communicators we sit on the rim of an organisation, with one foot on the inside and one on the outside. We have to translate what is happening in the world for the company and what is happening in the company for the world.

### **Challenges and opportunities that arise from a downturn**

There are many challenges facing businesses in the current climate. Here are just a few:

- One of the biggest challenges facing businesses is a crisis of confidence. Many are thinking, will we survive the GFC?
- Many employees are concerned about being made redundant. Fear is not a motivator for people to work harder or be more productive. This is a real fear and needs to be managed.
- Understanding what information and messages will compel people to buy now.
- Understanding changing needs and consumer habits.
- For companies with larger staff numbers, finding the balance between telling staff enough of what is going on and scaring them with too much.
- How to add value and still keep a margin.
- How to keep an eye on trends and changing needs.
- How to see the opportunities.

### **There are also opportunities that arise from a downturn...**

- The chance to redesign your company. If you have had to make employees redundant or cut back contractor hours, now is the time to re-evaluate your plan of attack. Refocus and rethink what you are doing and how you are doing it. It is the time to come up with a new strategic plan and start afresh.
- Relook at your marketing strategies; what messages are now relevant, what mediums? What is working, what is costly, what is that website looking like?
- Can partnerships be formed? Are there people you can join up with that provide complementary services?
- Reconnecting with your clients, taking the time to listen to their changing needs and think about how you can respond to that. You can either do this face to face or through a client evaluation survey – printed or online.
- Look at developing new products, off shoots – additional services to your inventory.
- Innovation – many people are saying you need to innovate out of the downturn, how can you be innovative? Not just with products but what services can you offer? What advice?
- Examine suppliers, renegotiate agreements, move offices etc.

There are also many things that companies can do to address their communications in this time.

### **Communications Strategy – Review, Refresh, Refocus**

Review, Refresh and Refocus your communications strategy and realign it with your business goals.

Now is the time to have a strategic planning or review day. Everyone needs to review what they are doing to determine what is working, what's not, what needs to change, cease or extend.

If communication activities have been happening on their own, now is the time to align them with new business goals and objectives. It is important to remember that the goal of communications and marketing is to support a company to achieve their business goals. So if you are changing your business goals, you need to change your sales and marketing goals too.

It is important to feed this strategy development with input from your clients. What is changing for them, what are their concerns and worries, and how can you address them?

### **Cut the Right Costs and Stay Visible**

If you do have to cut costs, make sure that you cut the right ones. An analysis by PIMS (Profit Impact of Marketing Strategy) of how over 1,000 firms have reacted to previous downturns shows that some cost-cutting strategies are more profitable than others. Firms that cut manufacturing and administrative costs tend to do well, as do firms that cut spare capacity. But firms that reduce product quality or cut budgets for marketing tend to underperform.

Studies consistently show that companies which continue or boost their PR activity during economic downturns, outperform competitors that cut their budgets.

Cutting the ad budget is a quick way to cut costs, but beware that research shows that firms that cut ad spend during a recession typically see sales and income fall by 20-30 percent over the next two years as a result. So any boost to the bottom line is usually small and short term.

The worst-case scenario is a marketer who lowers an ad budget while a competitor increases theirs, so be very aware of what your competitors are doing. Doing a competitor analysis is very important at this time.

But the flip side is that a recession can be a marvellous opportunity to deal competitors a killer blow.

As media prices tend to fall much faster than sales for most, the ROI from advertising often increases in a recession. The combination of low media prices and weak competition gives companies a unique opportunity to buy market share on the cheap.

### **Visibility**

The most important thing is to stay highly visible to clients – a risk for those who are afraid to or don't value business communication. Even saying you don't know what your next step is but that you are going to re-strategise and let them know, is better than slowly fading away from the limelight. This is especially true for websites. Keep it updated and relevant – don't let it fade away.

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### **Use Content Marketing – share what you know and become an expert**

If you are good at what you do, and you want your prospects and customers to be successful, why not position yourself as the expert by sharing your knowledge? The key to success is to give your ideas and information freely, without any strings attached. You can write articles, white papers or even produce 'How To' guides and start trying to get them published in industry publications, business magazines, blogs, websites – even if it is only your own.

If you are really short of time and don't fancy yourself as a writer you can always commission an article or you can become a regular responder to relevant online news stories or industry blogs. Find a couple of blogs that you like, book mark them and follow the discussion. It is a quick and easy way to start getting your company name out there. Don't forget to add a link to your website or recently published article under your name.

While increasing your budget may be a scary thought, the risk may come with its own set of benefits. This is about beginning or building a relationship by being the one who gives first.

#### ***Tactics include:***

- Creating an e-newsletter
- Identifying information that your audience is seeking and building a robust series for your website. This will position your company as a trusted source for information and keep your audience returning to your site
- Launching a business blog (however, don't start it if you aren't serious about keeping at it)

### **Communicate Regularly**

A regular presence in the market place and ongoing reminders of support for your customers and business partners will position you as a constant in what can be a difficult and changing environment, building trust in your brand, and relationships for your business.

A good way of remaining consistent is giving a cleverly crafted e-newsletter or e-zine (electronic magazine) but it needs to be consistent. Don't start one if you're not going to send them frequently or if you are only going to put one out when you have something new to sell.

### **Be Consistent**

A note on consistency – the most important element of a communications campaign is consistency of message. Make sure you are telling your staff, customers and market place the same message because a 'consistent' organisation goes a long way in creating a clear thinking and strong company and delivers the certainty that clients need.

### **Be Frank**

In a downturn people are anxious, uncertain and unsure. Therefore, we need to invest care into crafting all messages that leave our desks. This is for all communication, as you need to be prepared for how and in what context your memo, newsletter, blog or brochure is being received.

**Internal Communications: Always communicate transparently, honestly and regularly with your staff, shareholders and clients**

"It's during tough economic times that it's especially important to communicate with our key stakeholders -- employees, customers, communities and political leaders...They need to be reassured that we will continue to partner with them and value their support and input," says Doug Hock [Director of Community and Public Relations for EnCana Oil & Gas (USA) Inc. Denver.

It is important to communicate openly with your internal stakeholders.

Do NOT:

- Say nothing
- Be overly optimistic
- Make promises you can't keep
- Imply you know what's going to happen next

Never assume your stakeholders understand what is happening or potentially what stress you are under as a business owner or manager. Remember all stakeholders are concerned with 'what's in it for me', so be sure to explain how different actions or circumstances will affect them.

**Be in the Know**

It is vital to understand what your competition is doing right now. Competitor analysis is vital to understanding how others are faring and what they are doing about it.

Some things you can do:

- Read your industry specific literature and e-newsletters thoroughly
- Attend networking functions regularly with the aim to listen rather than talk about yourself
- Set up Google Alerts to track what is being said about your industry, company and competitors.

**Current and Potential Clients**

In your strategic planning processes, spend time developing strategy and actions specifically and uniquely around your two customer bases:

- Your current clients
- Your prospective clients

You can look at rewarding your current clients through a series of strategies. It would be best to research with your clients what would help them; however here are a few ideas:

- Feature them in your newsletter as case studies or news
- Share links with each other
- Link up in social networking sites and give each other recommendations
- Personally endorse them
- Take them to events and introduce them to others

- Charge different rates for retainer clients versus project or one off clients
- Have all your staff briefed and knowledgeable about every client
- Have existing customer only specials and offers
- Have client appreciation events

You can develop your relationship with prospective clients by:

- Providing information through articles and white papers
- Sending links of interest
- Offering to provide free consultations
- Keeping in contact with phone calls, emails and e-zines
- Being keen, interested and doing some research for them
- Having new customer specials and offers

### **Keep Brand Identity Strong**

A common thread running through these ideas is strong brand identity. Some may think customers will gravitate toward the cheap generic when cash is tight, but there are compelling arguments to the contrary. A familiar brand is a safe place in uncertain times. This makes it simpler for a customer to make a decision.

Some things you can do to keep your branding strong are:

- Be consistent in your messaging and visuals
- Reassess your logo placement: same colours, same taglines, etc
- Review your brand values with employees at staff meetings and reviews
- Refresh your website to put your brand promise front and centre and use client testimonials to demonstrate you “walk the talk”
- Ask your brand ambassadors – your staff - on ideas to bring your brand’s values to life
- Be sure you are living up to your values in everything your company does in all points of contact, for example: SMS, emails, web, e-zines, brochures, tradeshows, blogs, press releases, business cards, signage, uniforms, office space, directory listings, advertising and networking opportunities.

### **Get Online**

The business world is online and therefore most business people are too. Firstly, refresh your website with cost effective changes like:

- Copy – make sure it is clear, written in the genre of the web, using key words, calls-to-action, headings, bullet points, and directions to move people throughout the site. Be clear on what you want people to do when they are there.
- If writing for the web or copy writing is generally not your thing, pay someone to do it.

Engage with organic search engine optimisation tactics such as:

- Key wording your site

- Linking to business and social networking sites – but have something to say and be consistent
- Link to business directories, book marking sites, and post your articles to free e-zine sites

### **Get Creative**

Now is the time to get innovative. Think about getting an external facilitator to help you start thinking differently from the way you are now. Invite trusted colleagues to join brainstorming sessions for fresh input.

Think about developing partnerships; sharing resources, databases, mailing costs, people and space.

Think about how to develop sustainable practice, which is a very good place to start for changing behaviour.

Think about how you could be expressing your brand values in different ways and matching them with the new needs of your clients.

### **Be Enthusiastic**

The Company called **A** who started full of enthusiasm and direction could be any number of organisations across Australia and the world; it is a common and shared experience of many.

We are experiencing a remarkable time in which change is occurring faster than ever before. How quickly confidence can be followed by panic and then confidence again – and how at each time our perspective changes.

We'll have the ups and downs but it is important to also find a way through – develop your strategy and stick to it.

Communicating in current times is about three things:

1. It is about thinking for now and for the future at the same time
2. It is about acting now and for the future at the same time
3. It is about embracing change for now and the future at the same time

Stick to your guns, see the opportunity in every conversation you have. Listen, learn, go back to the drawing board, ask for help, create ideas, plan, educate yourself, be innovative and plan on being successful in all that you do.

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Felicity is inspired by supporting companies to grow and develop through excellent communications. Established in 2007, Zadro Communications was borne from this dedication to see businesses evolve and change and to be the best they can be for their owners, staff and customers.