

Communicating in Tough Economic Times

Without question, tough economic times call for difficult decisions. How, what, when and to whom a business communicates during such times is often a key determinant of sustained success.

Nature abhors a vacuum. In the absence of truthful and timely information, good people may assume the worst; others may spread rumors or innuendos. Neither is good for your business.

In times like these, communicating to your customers, key stakeholders, prospects, vendors, suppliers, employees and others is vitally important.

What can you do to minimize risks and maximize opportunities when your competitors may hunker down, cut to the bone and try to ride out the storm? Here are a few tips:

- **Don't Panic:** Panicking won't improve the economy but it can create many things: nervous employees, tentative customers, skeptical vendors and missed opportunities. People who rely on you are looking for leadership. Provide it.
- **Communicate:** Your key audiences deserve to hear the truth directly from you. Be honest, even if the information is hard for people to hear. Remember your company's core competency and pound away at it. Share contingency plans. Again, be the leader you are expected to be.

- **Spend Wisely:** Watch your costs, of course, but don't be afraid to spend if you think it can add value. Invest to generate top-line revenue; strengthen key customer, vendor or media relationships; develop your leading professionals; build market share of voice; attack your competition's weaknesses; etc.
- **Seek Earned Media:** Whether offline or online, people place greater trust and value in articles written by others. Commit resources to placing stories about your company or product. Include testimonials from users as third-party validation. Offer your experts to the media as sources for their stories.



In many companies, the first budgets to be cut in tight times are marketing and advertising. This is easier for many businesses. But not all marketing and advertising dollars are created equal. Some, like PR, offer greater ROI.

Vehr Communications' colleagues in [IPREX](#), an international partnership of 80+ independently owned communications

firms, recently shared some practical and relevant advice about communicating in tough economic times:

- "The reduction of a monthly PR retainer from \$10,000 to \$7,650 is equivalent to saving one full-page print ad a quarter. PR means more and delivers more."
(Tom Gable, Gable PR, San Diego CA, USA)
- "The percentage spent on PR from the marketing budget is comparatively small. Saving money from the advertising or events budget would save a company considerably more and allow PR (which has lower cost and higher ROI) to position the company well in tougher times."
(Nick Leighton, NettResults, Dubai, UAE)
- "Don't try to do a 'lite' version of a full communications program. Make choices. Cut some things out altogether. Concentrate on doing a few PR (high ROI) things well."
(Jim Walsh, Walsh PR, Dublin, Ireland)

At Vehr Communications, we can help you to understand how best to communicate in tough economic times. We have another *Insights* column on [PR Measurement](#), and encourage you to read it as well. Check out our [Web site](#) to learn more about us.

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