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Why keep up marketing and PR in down times? Mary Teresa Bitti, Financial Post

J.P. Moczulski/National Post

Why maintain marketing and public relations budgets during down times? Simply put: Because you can't afford not to. At least, that's the message coming from the experts.

"Regardless of the size of the company, marketing is typically the first area to be cut when numbers are not being met," says Brent Barr, a marketing instructor at the Ted Rogers School of Retail Management at Ryerson University in Toronto and owner of Falcon Innovation Group Inc. "There is a long-term effect if you don't maintain a brand development program. For small business, it is critical to maintain that presence in the marketplace even if the market is in a recessionary mode, as it [currently] is. It allows consumers to see your name. If you are moving to action in this time of cutbacks and you are one of the only ones marketing, then you are going to be the ones given the business."

Of course, there is an added benefit. "Companies that maintain marketing efforts through a recessionary time will always recover faster and stronger than those businesses that do not," Mr. Barr says.

In fact, this downturn presents opportunities for companies on solid footing. "There are a lot of healthy companies out there; it is a total opportunity," says Pat McNamara, a small business owner and president of Apex Public Relations in Toronto. "For example, say your competitors are big multinationals who have taken a big hit. You may be able to catapult over them and stand out in the crowd because they have stepped back. You need to look for those opportunities. There is not so much noise out there right now. Take advantage of that."

What should an effective marketing plan include? The 4 Ps: product, price, place and promotion. "Do you have the right product that fits what the market needs? Is the price right? Are you putting your products/services where the consumer would want to buy them? You have to get these three right before you tackle to fourth P: promotion," Mr. Barr says. "Every business has an image. You need to be consistent with that image across the board. You shouldn't be promoting unless you have everything else right."

Within the area of promotion there are five components: advertising, public relations, personal selling, sales promotion and direct marketing.

"Most people do some form of advertising, personal selling and direct marketing but many don't do much in the way of public relations, and I wish they would," Mr. Barr says.

Advertising is an area many businesses are pulling back on. It's easy to see why: It rarely generates a direct result. Instead, it creates a brand image and a level of awareness. And that is why Mr. Barr suggests small business owners get strategic with advertising budgets instead of just cutting.

"Business owners should be looking at their advertising to make sure it's working for them. Many people keep doing the same thing over and over again and don't pay attention to it. This is the time you have to pay close attention. Is the advertising generating the return you need? When a customer comes in the door, ask: 'How did you find us? How did you get to know us?'

"That is important, because it makes them step back and think about exactly where and how they learned of you. Once you know what's working and what isn't, up the things that are working for you and decrease the ones that aren't. That's a smart move in a downturn economy."

Public relations is an area many small business owners shy away from but it can be a cost-effective way to build community and get the word out. When it comes down to it, public relations is about generating a newsworthy story that gets picked up by any and all media.

"It's about doing the right thing for the right reason and letting people know about it," says Brian Bonney, director of provincial affairs for British Columbia for the Canadian Federation of Independent Business. "That's the key around earned media or editorial as opposed to advertising."

Apex Public Relations recently did a study to track where people get their information and what they view as most credible.

"We learned that advertising is great but only 14% of consumers consider it credible because they know it's purchased," Ms. McNamara says. "Editorial media is still tops. And the fact is, newspapers are looking for content. Call them directly. It may take more time, but persistence pays off."

Mr. Bonney suggests striving to gain earned media in conjunction with the community. "Recognize community efforts; people in the community who have done things in relation to the product or service you are marketing. It could be people who have gone above and beyond in relationship to your business," Mr. Bonney says.

"It can be as simple as running a contest to look for these people. Involve your local Chamber of Commerce, Rotary Club, Lion's Club, and have them help you. It's a benefit to the community and it's a benefit to your business, because everyone will be out there talking about who you are and what you are doing. When you determine who should get recognized by your campaign, the local media will likely see it as a relevant community story they should be reporting on."