

HOW WOULD YOU SPEND YOUR **LAST MARKETING DOLLAR?**

The Van
Communications
Essay #3

The recession offers significant opportunities for businesses and brands that have an interesting story to tell says Van Communications' Matt de Leon



Photograph by Phil Adams

MARCO PIERRE WHITE was recently quoted as saying that a recession is a great time to open a restaurant. This wasn't just a typically contrarian comment from the maverick celebrity chef. Falling property and construction prices have changed the cost economics of opening a restaurant, but of equal importance is the fact that a lack of launch activity in the sector means that restaurant publicity teams do not have to compete so hard for media attention.

During the heady days of the

most recent spending boom, every restaurant owner and celebrity chef was fighting for column inches. Now the balance has shifted and it is the media who are looking for positive stories to balance the overwhelmingly negative news agenda. Businesses smart enough to recognise this opportunity stand to benefit from a significant publicity dividend.

PR has always tended to do well during economic recessions. In fact you could go as far as to say that the latest recession could prove to be

the making of the UK PR industry. According to the London Business School, during the last recession at the beginning of this decade, the UK PR industry actually increased its share of overall marketing spend.

Tough economic conditions and shrinking marketing budgets place a premium on cost effectiveness, which tends to favour PR over other marketing disciplines. Media monitoring company Metrica claims to have empirical research that shows that media relations can be ten times

more cost effective than advertising. It is hardly surprising therefore that many business experts are advising companies to increase their reliance on PR as a way of cutting overall marketing communications costs, whilst remaining visible to their customers. The barriers to entry for PR are relatively small: you can initiate a national campaign for a fraction of the cost of an advertising, sponsorship or direct marketing programme, so long as you have an interesting story to tell.

There is also evidence from experts in behavioural psychology that the editorial coverage generated through media relations can become more influential in a recession. When times are tough, people will tend to make more considered purchasing decisions, weighing up the pros and cons before they buy. In this increasingly rational climate, credible or authoritative sources of information, such as a recommendation of a respected journalist, will become even more powerful.

The PR industry will also benefit from the financial problems faced by the news media. The downsizing of media editorial teams in response to falling commercial revenues has made them more dependent on news and other content supplied from outside their organisations. The Independent and Telegraph newspaper groups have already announced that they are reducing the size of their editorial teams and if advertising revenues continue to decline, the other media owners are bound to follow suit. This doesn't mean that editorial standards will become lower and that weak publicity stories will start appearing in the media, but editors will definitely be more receptive to strong editorial content supplied by PR professionals.

The main reason why the recession could benefit the PR industry is that it is likely to accelerate the long term trend away from mass advertising. Over the past few years, many brand owners have shifted their focus from expensive advertising campaigns to ideas-led programmes, which rely on creating stories that can spread from media channel to media

Smart businesses save millions of pounds on advertising because they can rely on positive word of mouth to maintain their profile

channel, from blog to blog, without the need for large media budgets.

Brands such as Google and Innocent have become household names without spending large amounts of money on mass media. Instead they have generated a sustained stream of positive publicity by generating interesting stories. Rolf Jensen described this trend in his book, *The Dream Society*: 'What's the future of business after the information age? It won't be the latest technology or newest product, but the story behind the product that will provide the competitive edge. The company with the best story wins; consumers will pay for the story that sparks the imagination.'

It is a theory that we have been able to put into practice. By sparking the imagination of comedy fans with an editorially-based search for the perfect face for comedy, we were able to increase Christmas bookings at Jongleurs comedy clubs by 12%. Similarly, a Save our Darts publicity campaign, sponsored by betting site Blue Square, interested enough



ABOVE: JONGLEURS - INCREASED CHRISTMAS TICKET BOOKING SALES BY 12%

darts fans to increase site traffic by 13% and revenue on darts-related betting by 35%. And by creating a media debate around the age at which childhood ends, we helped double book sales for the author Jacqueline Wilson.

Russell Davies, founder of the Open Intelligence Agency and a former advertising agency planner, is a strong advocate of this approach. When he worked on Honda's 'Power of Dreams' campaign in the UK, one of the client's primary objectives was to reduce the amount of money that needed to be spent on paid-for media. In doing so, the agency team was challenged to deliver big ideas that were capable of generating a significant impact, without being dependent on high levels of television ratings. He speculated in *Campaign* magazine on what could happen if clients decided to eliminate their media budgets entirely; 'What would you do to achieve your marketing goals? Maybe you'd persuade the product and service folks to bake some more brand-oriented ideas into the actual delivery of the product. And swap some of your archive of funny old ads for a bit of broadcast sponsorship. Perhaps you'd talk to the sales people and helpdesk and the delivery drivers; make sure they understand the brand story and are telling it well. Maybe you'd turn your retailers into media channels. Maybe you'd borrow £10,000 from somewhere and do something bold and innovative – because that's all you can really do with £10K.'

This is where the recession could prove to be a blessing in disguise. It will remove the comfort blanket of the multi million pound media budget and force everyone to be more creative; to spend more time coming up with publicity ideas that can travel. 2009 may prove a to be a difficult year for clients and agencies alike, but PR professionals should be excited by the opportunity; and clients should remember Bill Gates' famous quote – "If I was down to my last dollar, I would spend it on PR".

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