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# Marketing in Tough Times—Now Is Not the Time to Stop



*Steve Lewis is the President of Wordman, Inc., a marketing/public relations firm in Atlanta, Georgia. He served as Editor of the National Real Estate Investor for eight years. He was also the Real Estate Editor of Business Atlanta and the editorial Director of the Real Estate Group of publications at Communications Channels Inc., which includes Southeast Real Estate News, Southwest Real Estate News, and Shopping Center World. His firm represents developers and contractors in the Atlanta area, and he continues to write freelance articles about the real estate industry.*

**By Steve Lewis**

It happens with every economic downturn. Business executives become discouraged by a sudden drop in revenue and worry that the slowdown will continue. Concerned about controlling costs, they inevitably will look first to their marketing budget as a source of savings.

That is precisely the wrong decision to make; a wise stock market investor would never “buy high and sell low,” so why abandon your marketing efforts just when you need them the most? A recent report from American Business Media (ABR) put it this way: “When times are good, you should advertise. When times are bad, you must advertise.”<sup>1</sup>

The ABM report cites several studies to support its claim. One

study by *B2B Magazine* indicated that companies who either steadily continued or aggressively increased their advertising efforts during times of economic uncertainty “Experienced overall growth of their businesses at the expense of their competition.” And they “Experienced continual growth post the period of economic uncertainty (tracked post uncertainty for three years in most cases).”

A 2001 Yankelovich/Harris Study found that: Advertising in a down economy clearly creates a competitive advantage. The vast majority of executives agree that when they see a company advertising in a down economy, it makes them feel more positive about the company’s commitment to its

products and services, and, more importantly, it also keeps those companies top-of-mind when purchase decisions are made.

The ABM report also cites a Penn State study that found:

- “Firms that invest aggressively in marketing send a reassuring signal of confidence to concerned customers about their staying power and provide an incentive for customers to switch from brands/firms that they perceive as weak”; and
- During a recession, “reduction in input costs, combined with the increased marketing effectiveness of the proactive firm should result in improved business performance.”<sup>2</sup>

The ABM message applies across the entire spectrum of marketing—from advertising, to public relations, to your online presence—even to speaking at and attending industry meetings. In all of these cases, the cardinal rule of marketing applies: Always be aware of the message you want to deliver and the audience you want to receive that message.

Remember, when it comes to marketing, perception is often reality. The stark reality is that even when you don’t market—no, especially when you don’t market—you are nevertheless communicating a message to existing and potential clients. And, chances are it is not the message you intended to communicate.

## Public Relations and the Message

Public relations—one of the major foundations of any marketing campaign—offers a distinct competitive advantage in good times and in bad: third-person credibility. When others are writing about you or your company or are interviewing you on other topics which highlight your expertise, they are implicitly giving you their imprimatur as a company or person of importance—otherwise, why would they be seeking you out for your opinion or covering you and or your firm?

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A constant presence in the media is a critical part of a successful marketing strategy—especially in down times. That is because people will draw conclusions from your absence, just as they draw conclusions from your presence. If you have been appearing in the press regularly, talking about deals or commenting on the market, and then you suddenly disappear, your target audience will assume that you are not doing as well as you have in previous years. Regardless of the reality, you can maintain a

perception of continuing business activity and importance by steadily publicizing the deals that you are making, and making yourself available to comment as an industry expert.

Although this type of publicity is often referred to as free because you are not paying the publication to print your comments, a good, steady public relations effort is far from free. If you have been using a public relations agency, now is not the time

to drop them or slash their activities. In times like these, when you may not have the makings of easy publicity, such as major deals, you need the creativity and expertise of a marketing/public relations professional to come up with unique story angles and interview possibilities that will grab the attention of a writer. The same holds true for your in-house marketing staff—this is not the time for staff cuts; it is the time to rely even more heavily on your internal marketing department.

### **A Disadvantage Becomes an Advantage**

Public relations and advertising, as marketing tools, each have their positive and negative aspects. It is fascinating to note, however, that during down times, the biggest “negative” of advertising actually becomes a positive.

*... attending industry meetings ... can be an invaluable form of marketing ... your absence may send a negative message.*

Ads are always excellent vehicles for the advertiser because the message can be tailored to a specific audience in a specific way. You can say virtually whatever you want—publish the deals you want publicized, focus on your company’s unique selling points—and put yourself in the best possible light.

The downside is that everyone knows you are paying for your ads and therefore controlling the message. For that reason, as a rule, ads tend to lack credibility.

However, when you advertise in down times, the primary message may not be the one explicitly stated in your ad; instead, it may be the underlying message of stability and success due to the fact that you are advertising at all! Individuals know that these ads are costly, and they assume, therefore, that those businesses that are advertising are having more success in these

tough times than businesses that are lacking a presence. So, even if it will cause a strain on your budget, an ongoing investment in advertising may indeed be a worthwhile expenditure.

Not doing many deals right now? Still, that is no reason to avoid advertising altogether. Create “institutional” ads in which you describe your expertise, the services you offer, and what sets you apart from the competition. Pepper your ad copy with testimonials from satisfied clients to strengthen the credibility of your message.

## Show Your Face

Travel budgets also suffer during down times, but again, attending industry meetings (and speaking on panels, if possible) can be an invaluable form of marketing. Once again, your absence may send a negative message.

If colleagues are used to seeing you at meetings, for example, and all of a sudden, you are no longer showing up, they will assume—perhaps correctly—that your budget is strained, but they also may incorrectly assume the worse. That is not the message you want to communicate to colleagues or associates.

The perception of success can sometimes be as important as the reality of success, so, whenever possible, attend all important meetings. The recommendation is not that you should overspend, but rather, keep all of your marketing efforts at the top of your business priority list.

Now also might be a good time to refresh your Web site, and to make sure you are doing all you can to generate Internet traffic.

## *Keep marketing efforts at the top of your priority list.*

Again, if deal announcements are down, consider adding new features to the site, such as a column offering expert advice or a collection of news items about industry happenings. A little creativity can go a long way!

Business leaders are starting to get the message that down times call for more marketing, not less. According to the B2 B survey, despite concerns about a recession, more than 70 percent of marketers indicated they would either hold or increase their marketing budgets.

Will you be among them?

## Endnotes

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1. *American Business Media 2008* – “The Importance & Value of B2B Advertising During Times of Economic Uncertainty.”
2. *ISBM Report 2002* – Penn State University, by Raji Sriniva, Gary Lilien, and Arvind Rangaswamy