



## Industry Focus: Marketing

Recently, 14 marketing professionals gathered at the offices of Holland & Hart, LLP to discuss the current landscape of public relations and advertising such as advancements in technology and its effects on communications and the increasing importance of strong client/agency relationships in challenging times. Connie Brennan, publisher of Nevada Business, served as moderator for this monthly event that brings leaders together to discuss issues pertinent to their professions. Following is a condensed version of the roundtable discussion.

### A Changing Landscape

*The executives discussed industry changes such as increasing consumer cynicism, lack of marketing budgets, new media outlets and refining client programs to fit with emerging attitudes.*

**Bill Marion:** We are in a time where the public, the media and other audiences are growing more cynical. We have a whole new field of editors that are changing constantly and the challenge comes when you try to determine what their personalities are like, the angles they look for and how to deal with them.

**Holly Silvestri:** We've struggled with educating current clients on the importance of marketing yourself during a down economy and understanding that to position yourself right now is extremely crucial because the economy is a temporary thing.

**Melissa Warren:** Most clients get the fact that they need to maintain a presence. Their problem is coming up with the money to maintain that presence.

**Stephanie Kruse:** We've always been focused on communicating the return on investment to our clients and right now we are really struggling with that. We don't want to embark on any program before we can establish how it will work for the client; that has become increasingly difficult.

**DJ Allen:** When the market was extremely positive, there was no barrier to entry to what we do. What you're seeing now is the people in this industry who are better at business are the ones who are going to succeed. As with any economic downturn, the strongest will survive.

**Art Green:** There are a lot of new doors opening. As some of us are forced to get smaller, the easiest thing for someone to do is go freelance when they're let go. How many of us have been approached by freelance artists and writers in the last six months? It's countless.

**Kruse:** Our clients are definitely moving from traditional advertising to new media because it's often less expensive, it tends to be more focused and it's much more measurable.

**Allen:** We're getting extremely involved with helping our clients retain their clientele or trying to raise their current clientele. Those are areas where the client doesn't have to spend the bigger dollars.

**Jerry Kramer:** One of the things that we're working on is trying to help our clients redefine their offerings. People are not in the mood to spend because the future is uncertain; they don't know if they're going to need their ammo for another day. There's a different attitude out there and we have to adjust to it.

## Emerging Trends

*The industry is seeing the emergence of several trends. Cause marketing, prescriptive plans, rise in small firms and core competency refocusing are reshaping the industry.*

**Warren:** What I'm finding with all of our luxury retailers is that they are now aligning themselves with nonprofit organizations. You've probably all been invited to a lot of private VIP shopping events to benefit Shade Tree or Opportunity Village and it basically allows people to take part in responsible consumerism. They call this type of alignment cause marketing and it's a growing trend.

**Kruse:** One of the things that we found in this particular type of market is clients are coming to us and saying, "Can you tell us how to fix this?" A lot of them are with little or no budget to implement, so you have to be strategic, creative, use a lot of PR and lot of new media outlets. We are getting more into the prescriptive plan business which is probably the biggest segment of growth in our business.

**Murphy:** As a small independent firm, I don't have a lot of overhead, I don't have a lot of staff or office space so I can work with clients on a smaller budget and do just as much as they were doing before, but for less money. They don't have to pay my healthcare, they don't have to pay for my desk in their office.

**Kruse:** We've seen that trend in Reno as well, where there are one and two person agencies that companies are looking to. Smaller firms have lower rates and their overhead

is lower. We're finding ourselves, for the first time, up against one and two person agencies or firms. Sometime we don't even get a seat at the table because they're seen as very nimble.

## **Client/Agency Relationships**

*The participants talked at length about the increasing importance of a strong relationship between agency and client. Communication, strong partnership and flexibility are all key to successful relationships.*

**Knott:** I think it's important to be proactive and go to the client and say, if this is between paying your employees or paying me, then let's review what we're doing and look at your plan. Let's make sure that you stay in the market and stay focused and maybe we'll do some special project stuff. But I think by keeping the line of communication open and keeping your foot in the door and maybe scaling down, going to some project work and some freelance writing with that client, you'll make sure that when they come back, you're still there.

**Darcy Neighbors:** During these times, we want to create unique processes and programs for clients so they can truly see the value in what we bring to the table and pay us for that value versus getting pigeon holed into a commodity which many agencies have gotten themselves into.

**Glenn:** I think it gets back to the whole notion of partnership between the agency and the clients. I know that with a number of our clients we're both making sacrifices. We're certainly willing to do what we can to cut back and help them during this time because we're all in survival mode. There's been a lot of give and take within our client relationships that speaks nicely for the partnership where there isn't that vendor mentality. I also would add that one of the things that we've noticed with a number of our clients is that they are thankfully expending some dollars to do some research to really enable us to do a better job strategically with what we're trying to help them communicate because it is tougher out there.

**Marion:** They're recognizing that the communications portion of their overall strategy is as significant as the legal part, as significant as the economic part. They're realizing the value of having the public relations firm. Basically, the importance of having the messaging entity in the room as the decisions are being made, not just after they've been made and then, "Now how do we sell it?"

**Solveign Thorsrud:** In this market, it is tempting to take a piece of business that you normally wouldn't take because the work is so sparse. We are really focusing on staying with what we have offered our clients for the last 16 years and not trying to capture a slice of market that wouldn't be the right fit for us or the client.

## New vs. Traditional Media

*The group debated the growth of new media, such as social networking and blogging, against the decline of traditional media outlets like newspapers, magazines and television. Additionally, they talked about challenges in managing clients' wishes with regards to choosing the appropriate outlet.*

**Kramer:** As far as traditional media being a thing of the past, well, I watched television last night, I read the newspaper today and I listened to the radio on the way over here. So not totally.

**Silvestri:** I think it's a thing of the past for some people, but there's a lot of generations out there that's still very much part of their lives. It will be a thing of the past at some point. I think we're trying to reach younger audiences and more specific audiences and so we have to really evaluate that in all of our plans and decide what's the best way to reach our client's target markets and their audiences.

**Glenn:** I don't really think it's any different today than it was 20 or 30 years ago. There are just more choices. It's always been a matter of, "Who it is you need to talk to?"

**Green:** Those that are of retirement age and older, are still seeking out the news as they did 10 or 20 years ago, but according to the survey that I saw, every other demographic is dropping in terms of the number of people who are actually out there seeking the news, watching the evening news, or reading the paper. They're getting all their information from a number of other places, from niche magazines, online, Facebook, Twitter, etc.

**Marion:** Look at what happened in the presidential election. How did they decide to announce who his selection for vice president was? It wasn't to the Chicago Tribune, it was on the Internet. It was, sign in and you're going to be the first to know who my candidate pick is. Now what did that do for Obama? It gave him a database. It was a tool they used as a way to reach their target audience and then their target audience was able to interact back with them. It was one of the most successful personal mass communication efforts I've ever seen and I think that's gonna be the wave of the future.

**Knott:** I have clients who say, "I want an article in the newspaper." And then, I'll call up and ask, "Did you see your article?" and they'll say, "I don't think so." I get that every day because ego still drives our industry, and this will never change. Our clients want to see their name somewhere and they prefer to see it in the newspaper or somewhere tangible.

**Silvestri:** For the most part, traditional media is accurate, but with the Internet, you have blogs, people journaling and there is a lot of misinformation. And yet, a lot of people turn to the Internet for their news source.

**Kramer:** The traditional media isn't necessarily more accurate, but it's more accountable because you can call them on what they said.

**Glenn:** I think that one of the biggest challenges that we face from a public relation's standpoint is managing and monitoring the whole blogging world out there. There is some sort of accountability or responsibility associated with traditional media, but with the new type of media, people can go out and blog on whatever topic and they're not necessarily reliable or accountable.

**Warren:** Regarding blogging, it's something that's not going to go away. It is only going to continue to escalate, so we decided to embrace the bloggers. We've done a lot of research and we actually e-mailed them or called them, and said, "Would you like to receive information from us on an ongoing basis about this project?" They are so excited that we give them enough credibility to add them to our distribution list. We're actually trying to embrace them and bring them in. We know that they're still going to write negative things, but it manages the message a little.