

New Messages for a New Era

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Some economists and commentators say this recession is driving a fundamental change in American consumers' habits. If what they claim is true and government pump-priming programs fail, public relations is looking at a different conversation with audiences. The conversation will go back to the future in some ways and into a new world in others. It is hard to predict what the US economy will look like should the recession drag on, but there are precedents in countries that have had prolonged downturns. Think, for example, of Japan that sat in the doldrums for nine years during the 1990s before it could make headway, and the advance didn't last long. Japan fell again in the current recession.

If millions of consumers have only enough income to buy food, shelter and basic transportation, what can a business say that will help it realign sales in a shrunken market or take market share from competitors? Public relations may need to adopt new messages for an era of lower consumer spending, greater savings and more investment. While it is unclear what the messages might be, here are some ideas drawn from the media to frame a discussion.

- **Savings not consumption.** There is evidence that Americans are paying down debt. The message for the new environment may be that savings are good and ostentatious consumption is bad. A corollary to this assumption is that credit is bad and cash is good. This has profound implications for financial services that have relied on consumer debt for growth and earnings. It has implications as well for manufacturers and service providers who rely on consumer debt. From a public relations point of view, urging consumers to take on debt might become anachronistic and advertising from Visa and Mastercard out of touch. Rather, PR might emphasize the ability of financial services to help consumers maintain budget control through use of consolidated accounts, debit cards and other instantaneous electronic information. Debt prevention and layaway may be a new watch phrase.
- **Low cost is good: High margin is bad.** We see this in Wal-Mart, Target and Costco. Millions of Americans have made these retailers shopping destinations of choice to cut food, clothing and other costs. High-margin operators have come under pressure as customers drift. (This has already happened to stores such as Whole Foods.) Consumers will focus on acquiring commodities to live rather than luxuries they want. Belt-tightening will become a new trend with people sharing tips for making do rather than showing off new furniture, drapes and SUVs in driveways. PR may need to emphasize the role of occasional luxury in a consumer's life – a treat for keeping the budget balanced. PR also may need to spotlight

quality in low-cost goods and services to help consumers feel better about purchasing them.

- **Do It Yourself, not Do It For Me.** Purchasing service assistance, such as carpentry, plumbing and electrical may be out of reach for many Americans, particularly those who are under-employed or unemployed. American consumers may return to “Do It Yourself” rather than the category of “Do It For Me.” This will help retailers like Home Depot, Lowe’s and Michaels, the arts and crafts store, but it will be difficult for Americans who are not used to working with their hands and who had substituted brainpower for muscles. This suggests PR messages that teach American consumers how to do things for themselves and growth of media that focus on DIY topics. This also suggests a rise in the popularity and number of online and other resources that tell consumers how to do things for themselves.
- **Working with one’s hands is good: Service jobs are bad.** The idea that one labors in a factory and earns more than serving coffee at McDonald’s or working as a cashier in a mall may appeal to more Americans, even though most factories have left the US. This suggests pressure from American workers to bring production back to America. It suggests an increase in unionization activity as well with increased pressure on employers. PR may find itself in a position of defending globalization against nascent nationalism.
- **Less pay, more work.** If the pain of this recession continues for more than a year, more people will take any job they can get, even if the job is below their skill sets. They will realize that education is good but not sufficient to secure employment. Look for a rise of over-educated and under-employed workers. There could be growing pressure from college graduates who cannot find work competing to be low-level information technologists, carpenters, plumbers and electricians. There could be growing conflict between high school and college graduates competing for the same work. There also may be a return to education as an end in itself and not necessarily a ticket to higher employment. This suggests that colleges and universities may have to change recruiting messages to focus more on the life of the mind than higher income with a four-year degree and the need to get selective advanced degrees to insure better job prospects.
- **Work first, self-fulfillment second.** The “me generation” is passé. The “you generation” is emerging. Those who want a family, a place to live and a job may be forced to look beyond their dreams to the reality of what the market offers. This would not be unusual. Those who came before us – especially, World War II veterans with memories of the Depression – returned home with less complicated desires than those of their children – the now-aging Baby Boomers. This suggests PR that is realist and pragmatic in its depiction of the American dream. There will be those who

will not own a home for most of their lives. There will be children of downscaled consumers and workers who will have a hard time making progress in US society. There will be less room for those unwilling to work hard.

- **Building for the future is good. Living for now is bad.** Those forced to do without because of a decline in income are more likely to look forward to a time when things will get better, if not for them then at least for their children. Their anger at being thrust back may eventually be overcome by a desire to make US society a better place again for their children. Baby Boomers wrecked the economy. The young now have to fix it for the next generation.
- **Connectivity is good. Travel is bad.** Should oil prices climb and stay high, the cost of travel will rise proportionately. On the other hand, as high speed networks improve, the cost of connectivity will decline. This may give rise to an era of continuous connectivity rather than frequent travel. Winners in this scenario would be network providers, losers airlines and auto manufacturers. High-speed connectivity augurs for more telepresence meetings and more remote demonstrations for reporters and news media. With the reduction in journalism jobs that is underway, reporters that remain have to do more in the same amount of time as before. Leaving the office for meetings is harder.

Connectivity also means that competition for jobs will no longer be local but regional and national. Job postings already have moved online, and connectivity has reinforced information distribution and response. People from across the nation will compete for good jobs no matter where they are.

- **Connectivity is good. Isolation is bad.** A corollary of connectivity is reduction in isolation. Citizens will connect more to overcome less travel. There will be a premium on mobile devices that allow one to stay in touch all of the time anywhere. We see this happening already with students in high school and college. Geographic barriers have been overcome by network portability. PR may need to emphasize the role of connectivity in maintaining relationships at a distance.
- **Low-cost energy is good. High-cost energy is bad.** With high fuel prices, Americans will adopt less expensive means of mobility, including mass transportation where available. This would decrease demand for oil in the US as it rises in other countries, especially in China. The message won't be entirely clear, however, because alternative energy sources may be more expensive than oil, and coal will continue as a vital part of American energy generation. PR may need to emphasize the realities behind achieving energy independence and the hard work needed to get there.
- **Staying home is good. Going out is unaffordable.** There will be an increasing demand for home entertainment that network connectivity will

supply in lieu of trips to a Six Flags, Disneyworld or a national park. Entertainment venues won't necessarily go broke but they will have to struggle more to keep crowds coming. PR emphasizing fun destinations may not be enough to help sustain crowd flow, and it may need to find new reasons to keep people coming, including package trips and lower overall costs, as is already happening.

- **Fear is evident, but self-confidence is essential.** Millions of Americans who have watched live savings and retirement funds ebb will learn to live with queasy uncertainty. This provides an opening for PR messages to bolster confidence and provide ways to return to self-confidence.
- **Do for others, not just oneself.** A community with less tends to borrow and share more. There is a message in service and an opportunity in PR to make sharing easier for people to do through community organizations, online, church and service groups and other venues.

It is too early to know how deep and long the recession will be, but PR practitioners should prepare for the worst and hope the country sees a turnaround before too long. If not, the time will come soon enough to examine the assumptions on which we communicate and to find new messages that are appropriate to audiences that are no longer feeling wealthy or capable of consuming goods and services.

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