5 Reasons Why Crypto Projects Need PR in a Bear Market

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In economic downturns, companies will cut costs, tighten the belt and retreat. It's ingrained in human DNA, because those who didn't adapt didn't survive. But with both the personal and the economic, merely shrinking or hiding is not enough.

The data is in. Research proves that those who maintain — or even increase — their PR spends do best in such times. They are also best positioned for the better times, too. Some of the biggest changes in crypto have come in bear markets. For those positioned to take advantage, there are opportunities in the lean times.

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1. Don't cut your signal when sailing in choppy waters

For those responding to such moments as if truly a crisis or emergency, the last thing you want to do is reduce ties to the world. Cutting PR at such times is a little like being stranded and ignoring the radio or flare sitting next to you. PR pros are a lifeline — a crucial resource to be tapped, not saved for another time.

It is at such times that evolutionary pressures come most into play, such as the "survival of the fittest." This includes the concept of "adaptation." It may not be enough to sit still until the storm passes, relying on previously amassed

“fitness.” It’s a time when selective pressures are brought to bear, sorting the reactive and dynamic from the complacent. And that process can be a brutal one, rewarding only a few.

2. Ensure the glass is seen as half full

It may also be a time when it becomes necessary, due to market pressures, to relay bad news to audiences. This could be about enforced price increases, reductions in headcount, lengthening delivery times and so on.

Delivering such messages is fraught with reputational risk, including giving the accidental impression of going out of business. PR pros can help navigate with strategies and storylines that deliver difficult messages within broader contexts that emphasize a more optimistic long-term positioning.

Difficult messaging can be delivered within the context of milestones, positioning the information within a wider context of development and progress. As ever, care should be taken to avoid the insincere and the contrived. But such well-crafted campaigns in such times can ensure that the “glass” is at least seen as half full.

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3. The opportunity to boost “share of voice”

Much more than crisis management and sweetening difficult pills, PR can unlock opportunities in such times. Bear markets and recessions trigger cuts in PR and marketing budgets, which reduces industry noise. For those happy not to cut, this is an

opportunity to stand out, with far less effort than usual.

The added association for your audience is that, unlike your competitors, you are transmitting the message of going strong. It’s an opportunity to leave a lasting impression, overtake competing narratives and establish your project as an industry leader. As others cut their PR efforts, journalists will also be on the lookout for content.

Like the “cash is king” strategy of those investors who avoid taking positions when prices are high and conserve their cash for market dips, PR likewise can go a lot further at such times. At such quieter times, without changing a thing in PR spend or strategy, a project or company’s share of voice (SOV) instantly grows as competitors cut costs. Such times are opportunities for those more willing, or better positioned, to adopt proactive tactics.

4. Brand loyalty fends off the bear

Crypto projects in a bear market are susceptible to losing a section of supporters who are apt to sell their currency and disappear. This causes many problems, not least low liquidity. To retain supporters, long-term brand loyalty must be established.

Creating and maintaining a community of supporters is one of the best strategies for weathering downturns. One need only look at Ethereum’s online community. Even when token value has plummeted or the developer team missed crucial deadlines, the community remained strong. Hiring a PR team to build and maintain such a community may be vital to surviving bear markets, as well as optimizing at other times.

Ensuring your brand is protected means being smart about budgetary changes and being open to variations in the usual strategy. PR is actually a budget-friendly strategy for maintaining relevance during downturns. While PR and marketing

are often grouped together, the distinction becomes crucial at such times. PR can yield earned media, for example, rather than the paid media of marketing. Sacrificing PR at such times means going silent to your audience, potentially also sacrificing essential lifelines of trust and brand loyalty.

Unlike with advertising, earned media is an evergreen investment, potentially living on far past the bear market, perhaps for years on end. Those who maintain PR at such times tend to not just survive the downturns, but come out stronger than competitors when the good times return.

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5. The data is clear

Though it may seem counterintuitive, the companies that maintain their PR investment during downturns, even those who increase it, tend to be the winners. There's also plenty of research to prove it.

Those cutting costs more than competitors have the lowest probability (just 21%) of pulling ahead of rivals when times improve, according to a recession study published in a 2010 Harvard Business Review article. The same study shows that 9% of companies actually come out stronger than ever from such times.

In another study (Field & Binet, 2008), researchers found that cutting budgets may help safeguard short-term profits, but it comes at a post-recession cost to brand and profits. Once again, they found that it's those increasing investments that are best positioned to achieve long-term profitability, gaining a larger share of voice against their competitors.

A measured and balanced approach

It’s easy to attract attention in a bull market, but bear markets sort the wheat from the chaff. The right PR professionals are skilled in securing vital coverage at such times. This is the time when the audience needs to hear from projects the most.

The decision to reduce, maintain or increase PR efforts during such times should be based on a careful analysis of the project’s financial situation, market position and long-term goals. An adaptive, measured approach that balances resources with the need to maintain a strong brand presence is proven to be the best strategy in tough times.

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