

POST-RECESSION MARKETING

The Great Recession that the world faced in 2008 has caused meaningful changes in business sphere. The degree of uncertainty in business and consumer markets has soared. Recession-challenged consumers are buying less, looking for deals, or switching to different brands, product categories, or stores. Some are even changing long-held attitudes towards consumption. According to experts, the after-effects of the world's crises tend to alleviate, however, the strategies of after-recession marketing must be worked out.

The starting point is the fact that downturn has fundamentally changed people's buying habits. According to experts, there are 7 main recommendations for marketers to cope with recession.

Stay focused. Savvy marketers focus their research on the products, brands, and markets that are key to their marketing strategy. It is important to remember the 80/20 rule: 80% of your business comes from 20% of your customers. In a recession, it's essential to get a clear vision of core customers, including those who are most loyal to the brand and those who are most profitable, rather than fritter away research resources on potential or peripheral consumers.

Focus on high-potential customers. It is also advisable to focus on building relationships with ambitious customers in growth industries where pent-up demand is going to be unleashed once the economy turns the corner. Running a B2C business, for example, it is efficiently to focus on cash-rich or long-term-oriented consumers to lead company into recovery.

Assess target customers' trust in a brand. Trust in financial services brands has taken a beating. Moreover, it has bruised trust in all corporate brands. It is important to add service support and hold customer's hand more firmly in the short term.

Stay focused on costs. Many manufacturing industries (as opposed to services industries) are plagued by global overcapacity, relative even to pre-recession demand. Combined with excess inventories in the supply chain, especially in consumer durables, the result will be continuing downward pressure on prices. Economic recovery will not allow producers to let up on tightening cost

controls and improving productivity.

Redefine Value. Customers can think about price in three ways: the absolute cost per one package, the cost per measure of weight, and, less common in this category, the monthly consumption cost. Customers short on cash focus much more on the absolute price. To motivate cash-poor consumers, marketers must reverse engineer products and packaging to hit key retail price points. This may mean downsizing package sizes.

Maintaining marketing strategy. It is important to understand that recession is not the time to cut down on promotion. Rather, it is the time to be more aggressive in marketing and this doesn't mean expensive marketing. This is the best time to work on printing business cards and postcards as inexpensive means to promote business. Businesses are more likely to increase their market share and return on investment when competitors are cutting back.

Investing in market research. The recession is making it harder to articulate consumer's needs. The market research is vital to understand consumer's pain points and how the consumer changes attitudes and behaviours in response to price inflation. It is important to quantify these shifts and develop product and pricing strategies that balance the need to maintain both profitability and market share. Eventually, the recession will end, and future success depends on being well-positioned, based on sound research.

One of the most discussed questions among marketers is about cutting down marketing budget. The aim of the action is to slash costs, but as the result it creates problems for marketers when the recession period ends. A lot of marketers after implementing such strategies during the recession period lose customers as they have not marketed their products timely and then they have to put an extra budget on marketing to attract more customers.