

Marketing Strategies – Current Recession Scenario

The current economic recession forces us to adapt and create opportunities to generate revenues to sustain the downward trend which started in September 2008.

For additional info, please feel free to write to us at info@aerevna.com.



About the company

aristos erevna is an end to end global market research service provider, providing solutions to clients through innovative methodologies to enable them take key decisions about their strategies, communication, brands, products and services, with increased effectiveness and improved cost efficiency.

We are also recognized as one of the best telephone data collection companies, helping clients internationally with their research needs. aristos erevna has a reputation as being the telephone data collection company that can handle the largest, most complex market research projects that range from B2C to B2B, across North America, Europe, internationally and in many different languages.

We specialize in continuous tracking studies, customer satisfaction and business to business studies. We have extensive subject matter expertise in various verticals like Information Technology, Telecommunication, CPG, FMCG, Energy, Utilities, Travel and Transportation, Real Estate, Finance and Insurance, Pharma and Bio Pharma.

As a research professional you demand the very best quality and timelines for your projects. We take these responsibilities very seriously. When you outsource your project to us, your data will be delivered with speed, best in the industry quality and within cost effective budgets.

Executive Summary

A recession is a decrease of less than 10% in a country's Gross Domestic Product (GDP). The decrease must last for more than one consecutive quarter of a year. The GDP is defined as the sum of private spending and government spending on goods, services, labor and investment.

The terms recession and depression are often confused. It can be said that a recession is in general not as severe as a depression. A recession tends to resolve more quickly.

Either significant drop in prices or significant increases in prices can occur. A drop indicates that people may spend less money, thus the GDP is decreased. An increase in price may also reduce both private and public spending and thus decrease the GDP.

Most of the countries all over the world are going through this phase of economic recession. Many old and big companies have been hit by recession. Many companies as well as countries have become bankrupt or are on the verge of it. Millions of people have lost their jobs. As might be expected, national and overseas sales have been affected, investment has been cut back, plants have surplus capacity and there are cash-flow This is not the first time that the global economy is going through recession.

"The Organization for Economic Co-operation and Development (OECD) has issued a forecast predicting that the Gross domestic product is likely to decline by 0.3 per cent in 2009". "The Global Economic decline will be to the tune of 1.3% in 2009".

In a study conducted with a sample group of people to understand the impact of recession yielded the following findings:

70% of respondents said that there has been a reduction in their organizations marketing budgets as a result of the recession.

Views of respondents on marketing being used as a tool to combat recession:

32% say that it is playing a big role

39% say it is playing a minor role. Balance saying the role is moderate.

Over half of respondents (57%) are of the view that their organization's speed of response to the current economic environment has been about right in making the required strategic changes

36% of the respondents feel that their organization's speed of response was not fast enough.

Recession cycle: Turn of Events

Financial crisis that erupted in September 2008

Economic activity in high-income and developing countries alike fell abruptly in the final quarter of 2008 and in the first quarter of 2009.

Unemployment is on the rise, and poverty is set to increase in developing economies, bringing with it a substantial deterioration.



The outbreak of the financial crisis provoked a broad liquidation of investments, substantial loss in wealth worldwide, a tightening of lending conditions, and a widespread increase in uncertainty.

Higher borrowing costs and tighter credit conditions, coupled with the increase in uncertainty provoked a global flight to quality, caused firms to cut back on investment expenditures, and households to delay purchases.



This rapid increase in precautionary saving led to a sharp decline in global investment, production, trade, and gross domestic product (GDP) during the fourth quarter of 2008, a trend that continued in the first quarter of 2009.



Change in Strategies for companies. What would you do?

Need of the hour: Change in marketing strategies

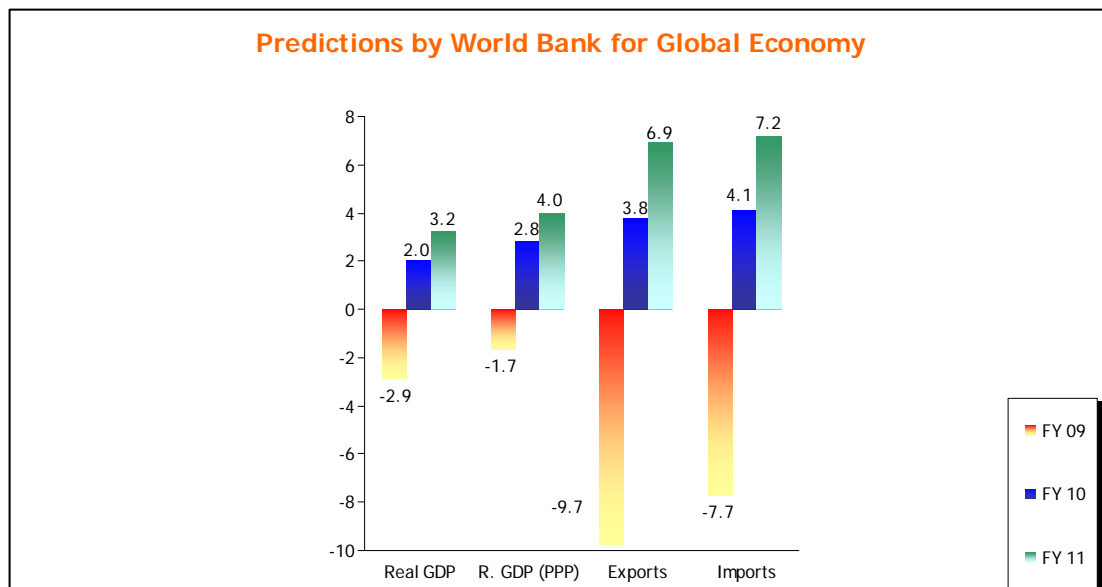
Start-up organizations are much more inclined to pursue revenue generating strategies as a means to weathering recession rather than cost reductions, which tended to be the preferred strategy of larger firms.

Most organizations have partly completed their strategic responses to the recession. Only a third of organizations claim that they have fully responded and are unlikely to change their strategy. That said, the strategies for the recession are currently have more emphasis on value marketing, finding new opportunities in different industry sectors and channels to market.

Electronic marketing is seeing a huge boost as a result of the current recession.

Most organizations have been quick to respond to the recession. Organizations have already taken action by cutting costs while some have (re)aligned their focus from a wider offering to core products and services, have delayed their capital expenditure, reducing prices, reducing staff, merger with other organizations etc.

Forecast





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