

The impact of recession on procter and gamble essay sample



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Introduction

According to the World Bank on Independent Evaluation Group website, the 2008 global economic crisis originated in developed countries weakening world economies and threatening progress that developing countries have made during the past several years. The crisis spread quickly and took many governments and international organizations by surprise. This is to say the world was not aware of the event been around the corner and has such they were no preparation toward the aftershock. The global financial crisis which started as a mortgage crisis in the United State of America (U. S.) financial market later graduated into a national and subsequently into a global crisis.

According Kehinde (2009) in the European Journal of Humanities and Social Sciences Vol. 3, No. 1 (2011) “ The theory of economic shocks posited that when economic recession occurred, it is only sectoral decline that occurred leading to unemployment, reduced wages, reduced saving and reduced pushed investment. However, a bounce back is expected with autonomous investment in other sector of the economy. In a nutshell, there exists nothing like recession in the long run, only economic change occurred with temporary unemployment, reduced pushed investment while autonomous investment remains a high potentials.” Kehinde’s assertion could not be disputed as the resultant economy downturn stemming from the global recession of 2008-2010 has left varying degree of impact on countries and business organizations in the developed economies, developing economies.

Effect of the downturn on the P&G

Procter & Gamble a global player in the FMCG sector was one affected as a result of the fact that the resulting implication of the downturn are as follows; * Consumers' confidence did suffer a dip as result of the economy going down from boom to burst thereby reducing the power of the consumers to make purchase, a lot of people curtail their spending and having to go for what is high on their scale of preference, this change have a biting effect on the ability of the organization to make sales turnover.

This was also contributed to by fact that people were been laid off and High level of low confidence, organization * Marketing strategies were reconfigured to respond to prevailing condition this include the changing of packaging to make products avoidable to the consumers in smaller sizes, as the period of recession only encourage consumers to look for the best buy in form cheap but quality products and service offerings or example Ariel detergent are now been packed in 30 and 90 grams

* Exploring New Markets

This downturn has made P&G to re prioritized its focus and strategies to increasing its market share in the emerging markets, the company expects developing markets to contribute 37% of its total earning given the background that the developed world is still struggling to come out of the recession while the developing world economy has return to the part of growth.

REFERENCES

www. P&G. com

Kehinde (2009) -European Journal of Humanities and Social Sciences Vol. 3, <https://assignbuster.com/the-impact-of-recession-on-procter-gamble-essay-sample/>

No. 1 (2011) Independent Evaluation Group- www.ieg.worldbankgroup.org
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I strongly believe by the end of Marketing Management (MODULE 4) I hope to have a new knowledge in the field of marketing because that is my core responsibility at work , so that I can enhance on my professional and personal effectiveness to the marketing of the organization, i. e I want to be able to bring in new ideas that will be profitable to the organization, surviving in a highly competitive environment, I also hope to have enhance my knowledge in global marketing trends.