

# Market in a recession

[Business](#), [Marketing](#)



## Market Research in a Recession

Times are changing in period of prolonged recessionary figures in majority of developed countries. This is also affecting the consumption patterns of developing countries to an extent. Chief marketing officers (CMOs) are concerned about managing the market research costs in light of decreasing revenues. The spending on market research has fallen for consecutive 4 quarters in the US and companies are planning to shave off at least 10-20% of their research costs.

But Market research in today's world is indispensable and hence CMOs need to figure out ways to minimize the impact of reduced spending. The author lists down 7 steps on which if acted upon will help CMOs to take better decisions. Broadly they speak about staying focused on research criteria, to join up with existing market research partners to optimize the use of available funds, use experience of managers who have seen previous recessions, try online research as a mode, selectively cut research funds and keeping an eye on the new evolving consumer.

## Influence of Article

For any CMO who is reading this article will start thinking of making changes to his or her approach towards using market research as a tool for making strategic decisions in light of the associated costs of it. Even for market research companies who will be crucially hit by the reduced spending of clients can start brain storming on new approach which is cost effective so that they don't end up losing its business.

A marketing decision is directly affected by this article because it indicates that in current situation of decreased consumer spending, the trends and

patterns have changed quite substantially making it difficult for any marketing person to take decision on its basis. Consumers are switching brands, changing preferences and looking for deals. Consumer loyalty is shaken in current times where the consumer has become highly cost conscious. Hence a marketing decision should be taken by consider these changes and trying to apply the seven points mentioned in the article.

#### Points to ponder

In addition to the current points made by the writer, he himself could have done a small study of companies in different sectors to clearly prove the trend of reduced spending on market research. The writer could have done two distinct things, by using market research himself to prove his point.

One, telephonic interview session with CMOs of Marketing Managers involved in strategic decision and understand their view point on the current scenario. This small study would have helped him to fortify his claims and support these seven points better.

Two, the writer could have used online market research, as he himself advocates, to gather first hand data from consumers as to how their spending patterns are changing with changing times. This would have given a deeper insight to the CMOs and Market research companies reading it.

#### Summary

It is undeniable that recession has hit the globe and the impact is being felt now in all areas of business including market research. Businesses needs to be more selective and focused in their approach towards use of market research tools as it's a cost to the company. In current times it is imperative for marketers to pare down research expenditures while keeping in mind

minimum impact on the quality of data for making critical business decisions.

## Conclusion

To conclude I would like to summarize the seven points and highlight how market research contribute in making decisions in marketing planning process

**Stay Focused:** Companies should focus their research on the target segment only which needs to be defined very clearly. This way the market research will be more specific and company will not waste money in doing a general research. Once the market research results are analyzed, company can move a step ahead in devising the product promotion strategy to the targeted group.

**Enlist trusted partners:** It's not only the data produced by market research that helps decision making. It's the comfort level of top managers of a company with bosses of market research firm which also gives many insights. Use the power of experience of market research managers in this field to get more out of the research done.

**Value experience and Judgment:** market research done in one country need not be exclusively used for that region. If the conditions are similar, the data can be used as a proxy for another region. By this means market research not only helps in the standard way but also can be applied globally to other regions, products or brands from similar industry.

**Seize opportunities overseas:** research can be carried out in BRIC countries to tap the growing consumerism instead of focusing on western world.

Market research here helps to understand these new economies, as they in

their nascent stage, but growing at a rapid rate. They are worlds apart from the western world in terms of their preferences and priorities when it comes to consumer spending on goods and services. Market research becomes critical in such cases and has to be used before entering such new but competitive markets.

Do it yourself online approach: Market research need not always be outsourced to a professional company. For smaller decision of packaging, mode of transport or color options in a product, a local online research can come very handy and cheap.

Don't cut across the board: market research gives an insight into consumer mind and thought process when done by the way of a questionnaire.

Questions can be made more specific and fewer to decrease cost, increase the speed of research done and optimize results. This will give the necessary data to make the decision and cancel the extra information which could have been helpful, but not required at current stage.

Keep any eye on the new consumer: no recession is permanent and hence no market research can aid in decision making process permanently. Some efforts will need to put into researching that how the attitude of the consumer is going to change in coming times when the recession ends is it going to permanently alter his through process or he is going to switch back to his regular preferences.

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