

A PURPLE PAPER

# How to Strengthen Your Market Position During a Recession

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Economic downturns tend to be self fulfilling. If enough economists prognosticate that a recession is a foregone conclusion then generally it will be so. Even if they have not felt the effects yet, companies tend to pull back in preparation.

Below are some thoughts on how you might leverage this shift:

**Product Portfolio.** Now is the perfect time for a “Spring Cleaning.” Take a critical look at your product lines...it’s very likely that someone in your organization is. Be prepared to take a position and rationalize your direction. While many companies may be consolidating there may be distinct opportunities for diversification into new markets, helping to mitigate reliance on a few hero products.

**Advertising Spending/Allocation.** Most are aware of the contrarian view of maintaining or even increasing ad spend during recessionary periods, creating a competitive advantage through increased share of voice. Theoretically speaking, this approach has been proven and can have significant pay back. Yet, practically speaking, very few companies are culturally prepared to take this risk.

Advertising spend is, and always will be, about accountability. What is the return? “Zagging” while others “Zig” may be a very smart move to accelerate your market position; but be prepared to also demonstrate the commensurate projected return on your spend. If you are simply trying to maintain current budget levels you should challenge your current media mix to achieve greater efficiencies and accountability (online spending increases).

**Pricing.** How elastic is your pricing? How would a price increase translate to share impact or demand? If you’re assuming a price increase would translate to a decline in demand you could be leaving money on the table. Every brand has varying degrees of latitude, defining yours could allow you to take opportunistic increases which were previously not considered.

**Messaging.** It can be easy for brands to get stuck in a messaging rut. There is no alert signal sent out saying that a campaign has worn out...you have to track message perception as you would your spending. Assuming your messaging is on strategy, a new communication platform can help revitalize your brand and your sales team.

## Conclusion

Economic downturns challenge us to think creatively and to take risks. These can be difficult to accomplish when our first nature is to hold on tight and weather the course with consistency. Yet trying times may require that we adapt our current business and brand practices – even if we are not entirely comfortable doing so.

## ABOUT THE PERT GROUP

**Our goal is simple: to help our clients grow their businesses and their brands. How? By establishing business decision clarity.**

We are The Pert Group, a top research-based consulting firm for business leaders who require straightforward, meaningful results that lead to clear, significant decision making.

We begin with fact-based evidence integrating attitudinal and behavioral research, which allows us to create clear strategies for business growth based on fact-based insights, and our team of **market-focused experts** works closely with our clients to consistently relate our work back to their goals and strategies.

Using a balance of creativity, forward thinking and pragmatism, we **completely immerse** ourselves in our clients' businesses and apply strategic methods to help them increase business and brand performance, differentiate their companies from the competition and take advantage of all opportunities in the market space.

**The result? Clarity established.**