Marketers Reveal Their Response To The Recession

Contributed by B2B International
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A survey of 400 companies, many in the FTSE 350 and S&P 500, provides the basis for a new report on the impact of the recession and how marketing teams are responding around the world.

The new report, based on a recent survey*, shows that the principles of marketing remain the same in a recession but it is the practice of marketing that changes.

Two-thirds of respondents have seen their organisations reduce their marketing budgets as a result of the recession whilst 29% are confident that marketing is playing an important role as a weapon to fight the economic downturn.

Global business-to-business market research and intelligence consultancy B2B International reveals that in the current downturn the sales function of a business is displacing the role of marketing and that so-called â€˜savingsâ€™ can actually slash profits.

B2B International has learned that the effect of the recession has been very significant, according to marketers in four out of ten organisations surveyed.Â

Respondents are noticing a variety of effects: national and overseas sales have been affected, investment has been cut back, plants have surplus capacity and there are cash-flow constraints.

There is concern about the degree to which senior management supports marketing as a tool to fight the recession, with over a quarter of organisations believing that marketing is not valued as a tool for this purpose. Â

Whilst over half of respondents feel their organisationâ€™s speed of response in the current business environment has been about right, a good third express concern that it was not fast enough.

Continued investment in marketing during hard times certainly appears to be working, given that 58% of organisations with a higher-than-average spend on marketing were optimistic, versus only 44% with a lower-than-average marketing spend.

B2B Internationalâ€™s Research and Business Development Manager, Julia Cupman, led the survey and is author of the new report.Â

The survey was conducted online with senior management in multi-national blue chip organisations, designed to find out how marketing teams across continents were responding to the recession. Â

It appears that one of the most effective strategies, cited by three-quarters of respondents, is to seek more business from existing products in existing markets.

There were polarised views on the economic outlook over the next 12 months, with more optimism in the consumer sector.

44% of organisations supplying business-to-business markets were optimistic (45% were pessimistic) compared with 60% of business-to-consumer organisations being optimistic (29% were pessimistic). Â

The most important issue faced by b2b companies is the struggle to keep their sales high enough while for b2c businesses the two main challenges are maintaining sales levels and keeping costs low.

The survey shows changes in marketing strategies over time.Â Cupman comments:
â€œMost organisations have been quick to respond to the recession even if this response has been only partial.

Around 9 out of 10 organisations have already taken action by cutting costs while 7 out of 10 have (re)aligned their focus from a wider offering to core products and services.â€•

The top strategies used by marketers are: value marketing; market/customer segmentation; customer satisfaction and loyalty; branding and differentiation; product development and innovation; new market opportunities in industry sectors.

The most common tactical measures in response to the recession include cutting costs; (re)aligning focus from a wider offering to core products and services; delaying capital expenditure and putting investment plans on hold; and the introduction of new products.

A huge boost in online marketing is the most noticeable change to the marketing toolkit, with the use of traditional media, such as magazine advertising and trade shows & events, very much in decline.Â The internet is considered a powerful and cost-effective tool for stringent times.
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Cupman says:
â€œThe research has been very insightful and should be considered a positive indicator for the economy.Â The survey provides a clear indication of how marketing strategies and business decisions have been affected in the current economic environment.Â It is evident that good marketing is necessary at all times, and those who have committed to marketing will emerge from the recession stronger than before.â€•

The full report - Effective Marketing Strategies For A Recession â€“ which includes the main survey findings, can be downloaded at: http://www.b2binternational.com/recession-ebook/

This is a comprehensive assessment of whether and how organisations are adapting their marketing strategies in reaction to current recessionary pressures, and aims to determine which of these strategies can be considered the most effective in an economic downturn. Â

* METHODOLOGY:Â The survey was conducted by Julia Cupman for academic purposes and was hosted and managed by B2B International.Â It yielded 396 responses from a range of organisations across a broad spread of industries and several b2c sectors. Â

Respondents represented many countries across the Americas, Europe and beyond.Â Three-quarters of respondents work in organisations that employ over 250 people and many are occupied in some of the largest global corporates.

About B2B International
B2B International is a specialist business-to-business market research consultancy that provides customised business-to-business market research and intelligence studies on a global scale. Â

In the last decade alone, it has carried out over a thousand surveys in almost every industry for corporations, government departments, educational institutions, and medical specialists alike.

With 30 yearsâ€™ experience in business-to-business market research, B2B International has built up an impressive client portfolio and has published books, white papers and articles on marketing and market research. Â

It has offices in three continents (North America, Europe and Asia) where its research specialists have researched all the major geographical areas of the world. Â

B2B Internationalâ€™s offering includes market assessment and market entry studies, segmentation studies, product development studies, branding studies, customer satisfaction and employee satisfaction research, pricing strategy and advertising studies. Â

B2Bâ€™s leading practitioners have also run a large number of training courses on marketing and market research.

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