



Rethinking Marketing to sustain in economic slowdown. "Hit the bull's eye"

Megha Mathur

Institute of Marketing and Management, New Delhi

ABSTRACT

A period of slow down in economic activities is always an alarm for marketers; it gives an opportunity to prove themselves through their innovative strategies. The basic problem which is being faced by the marketers is how to sell their product & fulfill the objective of business. In order to tackle this problem the marketing strategies plays a major role. The marketers are facing enormous challenges from the inception of the product till its distribution to the end user. The emerging marketers should rethink away from "Buy 1 get 2 free" to "Think Hatke". Marketeers need to reexamine their strategies at the slow down period. This paper is an endeavour to make the makers aware to revamp their marketing strategies in order to be little ahead of competitor as well as to position themselves in the mindset of society (consumers) as Markets are part of society. This paper is a mix of Primary as well as secondary research work. Primary work was done making use of Questionnaire and analysis was done making use of Chi Square test.

KEYWORDS: Slowdown, Environment, Marketing strategies. Competitor, Positioning

Introduction:

Rethinking Marketing demonstrates a misfit between the existing theoretical toolbox and important development trends in the marketplace. The marketers must build a strong bond between people. **Connecting people to people!** The characteristics of today and tomorrow's marketplace realities require marketers who are capable of entertaining, and creating, multiple interpretations of reality for manifold stakeholders. It has therefore become critically important for marketers to broaden their repertoire of response by *rethinking* marketing.

Research Methodology:

This paper is a blend of Primary as well as secondary research work. For Primary research a questionnaire was prepared and given to 60 people belonging to different income groups living in 2 different areas of Delhi NCR. Another questionnaire was prepared and was given to the employers of 40 companies out of them 15 were branded companies and 25 were local based companies of the region of Delhi NCR.

H1. There exists a direct relationship between income level of people living in the society and growth / slowdown of markets.

Table 1.

Income Level	Response		
	YES	NO	Total
Up to 10,000	15	10	25
Between 10,000-50,000	9	11	20
Above 50,000	6	9	15
	30	30	60
Chi-Square value	1.8		
Degree of Freedom	2		
Table Value	5.99		

Analysis of the findings:

From table 1 it is depicted that in the income slot of Upto 10,000 15 people agree that the markets grow with the growth of income level in the society as the spending capacity increases or falls with fall in the income level of people and 10 people do not agree. In the band of income level between 10,000/-50,000/-out of 20 people, 9 people agree & 11 do not agree with the statement. In the income group above 50,000/- out of 15 people 6 agree & 9 do not agree with the statement..

After applying the statistical tool it is observed that the Chi Square Value (1.8) is much less than the Table value (5.99) at a significance level of .05% and degree of freedom is 2.

Chi square value is less than the Table value so the Hypothesis (H1) is accepted stating that significant relationship exists between the income level of customers and growth of the Markets as the discretionary income of society increases the money starts circulating in the market thus showing the growth of the markets similarly at the time of slow down the purchasing power of people diminishes to a great extent

leading to slow market growth.

CV is less than TV H1 is accepted

Another hypothesis is taken stating that retaining employees is as vital as retaining the old customers especially at the time of slowdown. This was discussed with 40 employers who are at top ranks in the well reputed companies situated in only one region of Delhi NCR. 15 were branded companies and 25 were local companies.

H2: Retaining of employee is as essential as retaining of old customers especially during slow down.

Table 2:

Outlet	Yes	No	Total
Branded Companies	10	5	15
Non Branded companies	15	10	25
	25	15	40
Chi-Square value	0.4525		
Degree of Freedom	1		
Table Value	3.841		

Analysis of the findings:

From the above table it is clearly visible that out of 15 Branded companies 10 agree & 5 do not agree with the statement. Similarly from the bunch of 25 people 15 agree & 10 do not agree with the statement.

After applying the statistical tool it is observed that the Chi Square Value (0.4525) is much less than the Table value (3.841) at a significance level of .05% and degree of freedom is 1.

Chi square value is less than the Table value so the Hypothesis (H1) is accepted stating that Retaining of employee is as essential as retaining of old customers especially during slow down.

CV is less than TV H2 is accepted.

Interrelationship of Market & Society:

Society interacts with, and shapes marketing, rather than taking the classic approach of marketing shapes society. There is a growing trend towards accepting marketing concepts and process for managing various social change programs. The companies such as Unilever, Colgate Palmolive amply demonstrated the viability of mass markets in emerging economies, as well as the benefits of rapidly transferring knowledge gained in one emerging market to others.

The emerging market consumers are rapidly becoming more like their prosperous market counterparts, is true. But the rate of change is not as rapid as contended. In most emerging markets, the mass market will remain poor well beyond the current planning horizons of most multinationals. A better strategy for any serious emerging market player is to

understand and cater to local consumers’.

Companies today are resorting to unique ways to foster their brand image not through large hoardings, large tie-ups or celebrity endorsements as it is an expensive affair especially at the time of recession. The motto of all companies is protect employees as employees are loyal they can turn the bad times into bright sunny days. Other strategies to be followed can be as follows:

- **It’s important to protect share—and ideally to boost the brand:**

The goal of advertising during a recession is generally to guard market share at minimum and ideally to expand it, positioning the brand to perform well post-recession.

- **Absence is often damaging and more costly in the long run.**

When a brand significantly slows its marketing, consumers are quick to forget it’s there and the brand image can get distorted. It’s more costly to get momentum. going again than to maintain it.

- **Advertising should be considered an investment, not merely an expense:**

Marketing is a strategic asset: Numerous studies show that the downside of reducing spend is most likely greater than any short-term benefits to the bottom line.

- **Tough times can open up opportunities:**

Gains and losses are more pronounced than usual. Advertising can help a brand be a gainer: Research shows that boosting ad spend in a recession is more beneficial than at other times.

- **World-beating work can change the game:**

Difficult times require firing on all cylinders— heightening the level of creative becomes more important than ever. Aside from market size, creative is the biggest potential multiplier of profit, according to a recent meta-analysis of econometric sales.

- **Re-evaluate messages and media channels:** Justify the customer’s spending: Assure consumers they’re getting real value and making the smart choice. Or add an emotional component that can override a rational response. the Internet and mobile phones fit these criteria perfectly and as consumer research purchases more carefully, there are new opportunities to connect at every touch point.

- **Focus on existing customers rather than new ones:**

Anxious consumers tend to stick with brands they know. Work overtime to keep these customers happy.

- **Premium brands:** Advertising helps keep lower-priced players at bay. Price may not be a barrier if the consumer believes in the brand. The worst thing the marketers do is they drag their brand-building spending and become more of a commodity.

- **Plan a post-recession strategy now.** How will the brand retain any new customers and win back those who have abandoned it? The cycle will swing back up—be ready to make the most of it.

- **Discount brands:** Now’s the time to shine.

Wal-Mart is advertising aggressively, telling consumers: *“Save money. Live better.”*

The marketers should make the policy in an empathetic manner as a friend, philosopher & guide of customers.

- **Strong brands:** This is the opportunity to quash weaker rivals, which may not have the resources or the stomach to keep spending. And at a time when consumers want to make the safe, comfortable choice, well established brands have a lot of leverage.

Some marketers have increased corporate image advertising to assure customers that they’re choosing a solid, valuable brand.

- **Weaker brands: Spend to retain core customers and to avoid digging a deeper hole.**

- **Image driven brands:** Marketing is at the heart of the brand’s success. The goal is to build a brand over the long term. E.g. Levis Strauss believes in selling originality, independence & youthfulness.

Such brands remain constant no matter where is the economy moving.

- **Reputation Marketing:** Another important aspect which comes into picture is the concept of Reputation Marketing. *“The reputation of a man is like his shadow gigantic when it precedes him & pygmy in its proportions when it follows”*. Mc. Donald’s has a reputation as a company that redefines both the fast food & franchising industries through its efficiency, excellence in locating its units at profitable sites & most importantly promotional key element of successful marketing. The advertisement & punch line *“I am lovin it”* has left a deep impact in the minds of consumers & because of this positive response the have opted for *“Mc. Nuggets”*.

Marketing strategies should also be studied from different perspective which is the most important aspect i.e. fulfilling the **corporate social responsibility**. (The CSR – approach)

While many companies try to deepen the market and reach the un-reached, very few consider socio-economically disadvantaged people as potential supplier of innovative solutions. If such people cannot be clients of the products and services, they are sought to be reached, sometimes through the window of corporate social responsibility (CSR).

Local operations now realize that the three to five percent of consumers in emerging markets who have global preferences and purchasing power no longer suffice as the only target market. Instead, they must delve deeper into the local consumer base in order to deliver on the promise of tapping into billion-consumer markets *The time has come to go beyond the boundaries of the organisation and look for creative but economically disadvantaged people.

Conclusion:

It is proved from the hypothesis (H1) that there exists a direct relationship between income level of people living in the society and growth / slowdown of markets thus at the time of slow down such practices should be followed by marketers which are not proved to be burden on society or members of society. As business is part of society thus it is essential for employers to take care of their employees which is analyzed from hypothesis 2 (H2) that retaining of employee is as essential as retaining of old customers especially during slow down. Looking at the need of the hour the marketers have to bring changes in their strategies whether it is for selling a product locally or globally but in order to make these strategies successful, firms need to rapidly transfer learning across markets. This requires a fundamental mindshift, from viewing emerging market subsidiaries as mere delivery mechanisms for programs developed elsewhere, to learning centers. globally standardized strategies.

REFERENCES

- <http://adage.com/article/cmo-strategy/digital-marketing-reinvent-direct-marketing/138045/> | • http://www.aef.com/on_campus/classroom/speaker_pres/data/7001 | • <http://www.amazon.com/Age-Engage-Reinventing-Collaborative-Hyperinteractive/dp/0979802806> | • <http://www.bus.umich.edu/KresgeLibrary/Collections/Workingpapers/wdi/wp320.pdf> | • [http://www.bus.umich.edu/KresgeLibrary/Collections/Workingpapers/wdi/wp320.pdf](http://www.bus.ucf.edu/sгарcia/MAR3641/Part%20III.%20Marketing%20Intelligence%20An%20Analytical%20Approach/bcg%20analysis.doc) | • [http://www.businessweek.com/small-business/rethinking-marketing-strategy-in-2012-01132012.html](http://www.bus.ucf.edu/sгарcia/MAR3641/Part%20III.%20Marketing%20Intelligence%20An%20Analytical%20Approach/bcg%20analysis.doc) | (Rethinking Marketing Strategy in 2013 by Steve Mc. Kee Jan 13. 2012) | • <http://dSPACE.iimk.ac.in/bitstream/2259385/1/79-85.pdf> | • <http://link.springer.com/article/10.1007%2F112109-999-0015-1#page-1> | • http://www.mckinsey.com/insights/marketing_sales/were_all_marketers_now | • <http://www.questia.com/library/1G1-234135664/reinventing-marketing-we-need-to-rediscover-the-real> | • <http://deepblue.lib.umich.edu/bitstream/handle/2027.42/39704/wp320.pdf;jsessionid=E488D0-808F88B07375B218082E66B20D?sequence=3> | • * Rethinking Marketing Programs for Emerging Markets | By: (Dawar Niraj & Chattopadhyay Amitava, Working Paper Number 320, pp 2 para 1, June 2000)