

MARKETING TACTICS DURING RECESSION

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Abstract

Purpose

This article aims in identifying all elements involved in recession, clarifying their impact on companies & finally recommending strategies for organizations to optimized profits during recession. This study identifies marketing strategies, consumer behavior, problem faced by firms, mistakes made by organizations & possible opportunities/ threats present during recession.

Design/methodology/approach

Qualitative research methodology has been used to have a better insight in this topic. For this purpose extensive literature has been probed.

Findings

Extensive probing in literature shows that consumer behavior trembles during recession, it makes them risk averse, savvy etc. For this organizations are left under demand. The biggest dilemma is organizations immediately start layoffs, no improvement, no innovation & cutoffs. Recommendations given to organization is do not take decision haphazardly, empower employees, enhance their skills, adopt proper marketing tactics, focus on one-to one marketing, make consumer your brand ambassador. During this time marketing through social networking websites are preferred.

Research limitations/implications

Constraints of data being old in qualitative study cannot be neglected. However this research helps students, business men and policy makers in knowing different spending patterns during recession. This research also opens new avenues for organizations which are looking at recession as only being a downfall. Finally, looking into the issues pertaining to successful factors to be adopted during recession it provides organizations with a better understanding of such issues and assists in planning and control process.

Keywords: Marketing tactics, recession, strategies

Introduction

Among all the factors that have a direct or indirect influence on decision making a prominent factor is the overall economic activity going on in any nation. Even if the business is going well once there is flip in the economic activity from a prosperous period to a downturn it can make the business touch its sore spots. This down turn can have many impacts on the business as shutting down a non viable unit, cutting off sales and advertisement expenses, beginning the downsizing process, slashing of profit margins, customers now stick towards purchasing necessity items rather than going for entertainment or luxury products.

Many authors have defined recession in their own ways some definitions are “A difficult time for the economy of a country, when there is less trade and industrial activity than usual and more people are unemployed” Or we can say “A situation when demand is sluggish, real output is not rising and unemployment is increasing. A recession is usually identified when real gross domestic product (GDP) falls for two successive quarters. It is not as severe as a depression”. If we study recession on a global basis, no single definition can explain recession completely but for the purpose of understanding we can say, when global growth is less than 3% than it is regarded as

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global recession (IMF). Four period starting from 1985 (1990–1993, 1998, 2001–2002 and 2008–2009) qualify to fulfill this definition.

Recession can be categorized into many types and shapes depending on the time, activity and severity involved as L-shaped, V-shaped, U-shaped, W-shaped and double-dip recession.

Recession does not come alone, it brings many uninvited guests that are harmful for the economy which include economic as well as psychological components, economic components comprising of slowing down of investment, consumption, Government policies and imbalance in net exports. "When animal spirits are on ebb, consumers do not want to spend and businesses do not want to make capital expenditures or hire people."

Although recession means a down word trend in the economy but investing in items such as FMCG, pharmaceuticals and tobacco can be helpful in converting these threats to opportunities.

The reasons by which a recession can arise are many but we can see that past recessions came because of decline in stock markets, 1973 oil crisis, monetarist government policies to reduce inflation, US savings and loan crisis and financial crisis of 2007-2010.

While predicting recession is a difficult task but many predictions have been made, which are although not perfect but also not completely incorrect, these comprises of Inverted yield curve (takes yields on 10-year and three-month Treasury securities as well as the Fed's overnight funds rate), the three-month change in the unemployment rate and initial jobless claims, Index of Leading (Economic) Indicators, lowering of asset prices, such as homes and financial assets, or high personal and corporate debt levels.

United Kingdom as being a huge economy has faced recessions many times as Mid 1970s recession starting from 1973 constituting a tenor 2 years during which GDP declined 3.9% and the reason for this recession was 1973 oil crisis. Recession of early 1980s starting from 1980 lasting 2 years during which GDP declined 5.8% and the cause was monetarist government policies to reduce inflation. Recession named as early 1990s recession beginning on 1990 covering a period of 2 years faced a GDP fall of 2.5%, US savings and loan crisis was the reason for this recession. Current recession going on is the Late-2000 recession date 2008 to Present, this recession has started after the financial crisis of 2007-2010 and till now from the post-war Britain, this recession is the longest one.

Current recession as named Late-2000 recession has infected many countries as UK, Estonia, Ireland, Latvia, New Zealand, Hong Kong, Japan, Italy, Singapore, Germany, Russia, USA, European nations and many Asian nations but only Poland from the member European Union have been successful in bypassing a decline GDP growth.

Recession is not a storm which can never be dealt with but it requires managers to be more tactful in order to be consumers responsive as well as cost effective. It may require new strategies as changing the mix or even target markets and segments being served.

Marketing techniques are only effective when one properly understands its meaning and its impact upon their businesses.

Statement of the Problem

The research rests on the problem that there is lack of a single literature which covers all aspects of recession as problems being faced by organizations, there solutions, consumer behavior patterns, Attributes of organizations dealing with recession successfully, available marketing alternatives during recession, mistakes companies make during recession and Opportunities available during recession.

Research Questions

- What are the possible characteristics and marketing strategies which enables a firm to deal with recession successfully?
- What are the consequences of economic meltdown on consumer behavior pattern?
- Which problems do a firm face while in recession?
- What blunders do organizations make while in recession?
- Are there any opportunities present in a recession or only threats?

Objectives

- To identify those elements in marketing strategies that allows an organization to hold out the negative impact of a recession.
- To determine the consumer behavior, its impact on organizational strategies and suggest strategies enabling a firm to retain and increase its customer profile during recession.
- To recommend solutions to the problems being faced by organizations in recession.
- To determine characteristics of organizations that has successfully handled recession.
- To develop the best possible strategies pertaining to marketing mix during recession.
- To identify the common marketing mistakes made by companies during recession.
- To establish strategies for capitalizing opportunities during recession.

Significance of the Study

The significance of the study is that it will facilitate organizations to prosper in the time of recession by acquainting them with all relevant tact's and techniques. This study intends to clarify every issue pertaining to recession thus enabling an organization with complete understanding of such issues. Another significance of the study is that it will open whole new avenues for the organizations to make them competitive in domestic as well as in global market. The significance can also be seen in the following words "Marketing seeks to sell the products that provide jobs and pump dollars into the economy".

This study and the recommendations generated will benefit people concerning to a variety of fields in a manner that can aid the planning and control process

which will be fruitful for not only the firm but also the nation on a wider span.

This dissertation is designed in a manner to highlight the importance of marketing during recession. Arrangement of article is in such a manner which ensures coherence and symmetry of ideas. The data is collected using various resources as internet, journals and magazines etc. Research type which is used is qualitative which reduces the hindrance of making standardized questionnaire and allowing feeling to be expressed openly. Proper citation and references are provided in the end of article.

Literature Review

Recession is defined as a process of decreasing demand of products, raw material, labour and services for prolonged time. The overall economy of the country slows down during recession (Kentent). Recession is part of normal economic cycle but the effects are always terrible.

Studies undertaken by researchers for the marketing tactics during recession shows different results. Warden et al, (1990) suggested marketing strategies to cope with recession. Usually sales declines during recession. Before developing a marketing strategy to cope with recession, it is important to forecast its duration, depth and diffusion. Duration describes the extensiveness and depth of the recession; and diffusion, how wide it spreads. Diffusion is important in a sense that recessions don't affect all customers at the same level.

Bonoma (1991) gave some suggestions to marketing managers to compete recession. These suggestions are (1) Avoid empty middle marketing. (2) "Don't spend money on the expensive lifestyle of empire" (3) "Do more for less". Goerne (1991) stated in his study that to prevent the negative impact of recession, marketing managers should significantly focus on the promotion strategy. Recession is usually determined by federal agencies and economic investigational organizations on a national level. In America the department of commerce collected two extreme of statistical data i.e. GNP and the LEIs. The GNP is the entire monetary value of the services and goods consumed and produced in the public, domestic, private and international sectors of the economy (Economic Indicators guide 1990). The LEIs index indicates the overall trend of the U. S. economy. In another study conducted by Feder (1991) concluded that recessionary economic situations mostly affects small businesses.

The idea of innovation has attracted the attention of business managers and organizations in recent times. The idea was supported by Porter and Linde (1995). They mentioned that whenever there is global economic crisis, innovation plays a vital role as a survival policy. They explained their idea by giving the example of Bangladesh. In Bangladesh, economic stress may come from a variety of external resources. This includes the situation where external resources flowing from highly developed industrial countries. If these highly developed western nations face problems

in their economies, this could lead to them reducing their foreign aid commitment.

The economic sector all over the world was affected by economic crisis. The marketing managers should change their marketing strategy according to the need of their customer which changes with crisis. During downturn costumers restrict their expenditure and switch to cheaper products (Leong & Kotler 2000). In another study Ang et al., (2000) found that financial crisis has a very adverse effect on consumer not financially but also psychologically. People start to worry about their future, and do not enjoy shopping anymore. The shopping strategy of consumer changes. So there in need for good marketing strategy for survival of firms. Generating indicative information is secret of marketing (Samli, 1993). The research in marketing plays a major role in determining firm's business strategies. A firm can adopt proactive marketing during recession because it has a positive effect on firm's performance (Raji Srinivasan et al, 2002). Greater the proactive marketing during recession greater is the performance of the firm. In the course of crisis taking risk is very essential for the survival. All those firms which are capable of investment in the hostile environment perform well. Senior marketing Executive plays a key role in formulating marketing expenditures. In another study the idea of proactive marketing was given. By adopting that strategy the effects of recession can be minimized. The results of the study showed that all those companies which adopt proactive strategy during recession can not only survive in period of crisis but also gets profit after recession (Srinivasan et al, 2005).

During the Asian crisis marketing managers changed their business policies by reducing their expenditure to remain viable. This survey was conducted by Swee Hoon (2001) to understand how the crisis has affected consumers and businesses. Comparisons of impacts and adjustments from the Asian crisis were made across other crises, namely, the 1973 US oil crisis, the 1990 Yugoslavian stagflation, the mid-1980s Filipino stagflation and the 1989 economic democracy in Eastern Europe. Explanations based on moderating factors such as nature of the crisis, socio-economic characteristics, trade dependencies, market sophistication, and culture are discussed for managerial insights.

In Asian countries marketing decisions are mostly taken by retailers and their non constructive decisions results in economic recession. The authors propose a contingent model, based on organizational resources and consumer. The results show that only retailers are able to use valuable strategies to thrive in a recession. Economic recession of the past 25 years had very adverse effects on many companies. When the economy is in downturn, many business expenditures such as promotional activities, sales and market research are cut first. Some companies reduced their production and few were forced to close down. This was the period of high poverty, low profit and high unemployment. All this negatively affects their market

(Zehir and Savi, 2004). The recession also reminds the importance of keeping accounts current and keeping expenses and saving in proper balance sheet.

Mehmet and Engin (2007) studied the relationship between marketing strategies and performance during economic crisis. The methodology they used was based on questionnaire contained questions relating to 21 marketing policies. The results shows that Companies that change their strategies properly can improve their performance in times of crisis. Future studies include data analysis. The results give effective ideas which may help in taking decision and marketing managers in times of economic crisis. In another study Ang et al. (2000) explains the importance of marketing for the growth and survival of organization. In his study he gave few suggestions for marketing by giving two different policies of pricing in the period of crisis. The company can increase their market share by adopting second strategy which is lowering the price of normal products. I should strict is not recommended that they should strictly follow all these plans but can use some of them of them

It is essential for manufacturers to know that both internal and external relationships are affected by channel strategies. For example, to distribute or sell services or products different manufacturing firms are adopt multiple channel strategies mainly for enhancing industry competitiveness and achieving specific market objectives (Reda 1999; Lee& Rhee 2007).

According to Anna Maria (2008) fear factor should be avoided during recession marketing. During the 2001 recession, companies such as Dell and Wal-Mart saw the slump and take it as opportunity to invest more in marketing than weaker rivals. They clients are less interested in image advertising and campaigns because they are more interested in the outcome.

Pajunen (2008) found that new technologies help to grow new business markets after recession. But there is no guarantee whether essential reform will do well for the growth of business. The findings suggest that firms should observe business cycle closely and be there to adopt different marketing strategies during growth and recession periods. *Shao-Yu Chuang et al*, investigates the relationship among company's brand strategy, brand equity, channel strategy and market performance. The purpose of this investigation was to develop a model showing the linkages among brand tactic, brand equity, channel policy and market performance. the model of the cosmetic industry is developed to demonstrate these interactions by using linear structural relations (LISREL). The questionnaire is mainly used in methodology. The results show that channel strategy has significant impact on market performance. And also, brand strategy has significant influence on channel strategy when company's channel strategy is more supported by its brand strategy.

Carral and Kajanto (2008) in his study gives a very successful example of Nokia. They took a very bold action by disposed of many non-core activities to concentrate on the telephone market. The purpose of

the study was that always look ahead to predict environmental changes that will impact upon them.

Today's researchers like Hooley et al, (2008) consider marketing recession as an opportunity to develop new products to meet the demands of their customer. This is marketing manager's ability to serve it for a long-term benefit. Managers need to analyze the requirement of market and what their company can offer in the current situation. The organizational structure, resources and the company's performance together can help to achieve. The purpose of marketing strategy is to develop valuable ideas to change market environments. Killing is very common due to these problems the world's largest market is bound to harm many countries including India. Financial sector is facing lot of problems but analysts are expecting that consumer will face this problem in coming days. Marketers are going to face this critical situation in the next three quarters. Housing markets are already facing the music. This is good time for marketers to think again about their brand. Recession is high to think which brand will attract costumer and is profitable for their organization. If sales are decreasing, it's right time to re-engineer the brand and negotiate rates with the media. During recession marketers need to cut down market cost for their survival. This is long term thinking and only those companies will survive who prepared themselves for crisis. Brand managers play a vital role during marketing recession. Marketing manager can play a vital role in marketing their product y expending less in advertisement and raw material. One may not survive recession without the support of stakeholders. In another study by Kotler et al, (2009) they found that during recession many costumers reduce their expenditures. A consecutively sharp cut in marketing budget is seen by organizations. The marketing department should accept these cuts. To make company successful in a long run the company should cut down the prices of goods. The economic crisis is also taking a duty on the foreign payment flowing into the Bangladesh economy (Rashid, 2009).

Silvia Puiu examined how Romanian retailers modify their marketing policies during economic crisis. The methodology the used comprised qualitative research and for this empirical data was collected from two companies i.e. Hypermarket and Carrefour in the Romanian sector. Important data was collected by means of their annual reports and different articles present at their websites.th findings of the study shows changes in the behavior of customers. Then they suggested some marketing strategies to deal with financial crisis.

Another study was conducted by Shih Lan Su and Yang Chen (2010) in which they pointed all those factors that influences good performance during financial crisis. In 2007 financial crises leads to global recession. At that time many firms faces severe financial loss. This study was performed during the crises period and they found the relationship between firm variables and firm performance. The result showed that some variables have an impact on

performance, among which industry effect was the most influential variable. By expanding business or commercial organizations into new areas has a positive impact on performance. This strategic choice is made by the manager of the organization because they are more focused on the benefits of diversification. The results indicated that diversification strategy plays an important role in the long-term success of firms.

A study was conducted in 980 hotels around the world by Sheryl E. Kimes from December 2009 through February 2010. He found that discounting was the best method used to balance the impacts of the recession of 2008–2009. Different groups have different opinion as most respondents disagreed the idea of discounting by cutting down their prices because they think this was not good choice for maintaining income levels. Discounting is one of four categories of strategy applied to compensate the effects of recession. The other three categories are marketing initiatives, obscuring room rates, and cutting costs. Hotels that sought to attract new market by making little changes in their marketing strategies survived during recession. These policies implicate free nights stay before purchasing. About one-quarter of respondents reported cutting costs.

These respondents opposed discounting and would like to focus on market, typically by taking the opportunity for renovation, reducing operating hours or closing facilities. The respondents recommended that discounting should be avoided and focus should be made on market plan for the next recession. In 2010, the respondents said that they planned to emphasis on value-added packages with addition to marketing plans.

Mark DeRuiter in his study indicates that marketing impacts our profession in a variety of ways. As in Marketing the most important thing is advertising. He gives us the idea of four "Ps" of marketing (product, price, place, promotion). Developing a marketing plan takes time, faculty, and consistent energy. In this study the relationship between four "Ps" of marketing, was explored.

In another study by Samli and Coskun (2010) gives the key of success and counter chaos marketing policies. Chaos theory has been in existence for some time. Conditions that are creating chaotic shock waves are very real in both global and national markets. Chaotic markets need immediate solutions because they are creating disorder in markets. Marketing executives need to rule out the cause of disorder and must learn to manage them. This situation will call for the creation of a counter chaos culture in the organization and developing a counter chaos marketing strategy that is proactive. It transforms the conditions that are creating chaos into new market opportunities.

Research Design and Methodology

Quantitative and Qualitative Research

There are many types of research strategies as case studies, quantitative, qualitative, experimentation,

exploratory, explanatory, descriptive etc. The choice of any specific strategy depends on the researcher exclusively. Choosing an appropriate type helps the researcher complete his/her research in a systematic manner. Among all these strategies no single can be said to be the best or worse but a strategy to be either best or worse depends on the type of data and analysis involved. Generically speaking research is of two types either quantitative or qualitative for the purpose of finding the result of the research topics in consideration. It is always of debate that which method among both has more limitations or advantages, well in this section we will fore mostly highlight the major plus and negative points pertaining to both the researches. Any of the above research type to be better or bad does not depend exclusively on the type to be used but on the situation in which it is used. As far as quantitative research is concerned it is of less debate because the data involved in such research is quantitative (absolute) which is unbiased. This argument of quantitative research being neutral and unbiased is supported by many principles and arguments. The technique involved in quantitative research is primarily to collect and segregate the data so that it can be used for the purpose of modeling by using statistical tools. This segregation process can be used to eliminate the factors that can be the cause of distraction. Even though the researcher has a clear understanding about the topic but the tools are to lessen the biasness. Quantitative research drives results in the form of numeric's using statistical analysis. Researcher in quantitative research does not have any emotions attached to the data being collected. Quantitative research best suits when any hypothesis is to be tested or any specific question is to be answered.

On the contrary qualitative research is a form of research in which research is done through subjective opinions of the researcher thus it has biasness. The best time to choose qualitative research is when situation under research is unclear, requires further interpretations or it is up to the researcher to decide whether the data is useful and important. In quantitative research situation is clear from the beginning but in case of qualitative research the situation is only clear when it comes to the ending stage of the research. When it comes to qualitative research, concreteness of the data can be challenged due to non-numerical nature of the data. Analysis of the data involved is based on descriptions and stories blended with emotions of the researcher. The data collected is assigned weights and then conclusions are derived due to which biasness's are involved.

Strengths of Qualitative Method

Although quantitative research has many good points but it remains unblessed with the ability to provide realistic feeling as of the real world which is a plus point in case of qualitative research. In quantitative research only numerical data is collected and analysis is made by applying statistical tools. While in qualitative research events and responses are

explained rather than measured. One benefit of using qualitative technique is that data can be collected in any form which is in the convenience of the researcher rather than being rigid, similarly data analysis technique can also vary from case to case; in brief qualitative research reaps the benefits of being flexible. Qualitative research provides a holistic view of the topic in the research being conducted. This type relaxes the researcher by allowing interactions to be held in any research topic with convenient language and style by the researcher. Descriptive analysis is used as the data in this type of research is often primary and unstructured.

Qualitative strategy studies are motivations between different factors. In order to answer any particular question as “why” or “How” is impossible to answer in one single go, but requires many contingent and related questions to be answered accordingly in order to get the desired response. Some times in order to have such answers it may require explanation of many unrelated issues. This type of research is pivotal in explaining and defining interrelations and associations among various factors based and backed from surveys and large data pools. One of the biggest advantages of qualitative research is its cost effectiveness and convenience. Because research can be conducted with a minimal budget and within a shorter span of time comparative to quantitative research, with an exception to be conducted by agencies specializing in this field.

Weaknesses of Qualitative Method

As this research is backed by detailed analysis of the situation under consideration, deviation is much more expected. Researcher in case of qualitative research can shift from the main objectives of the research due to ever changing nature of the situations involved. Conclusions drawn on the basis of qualitative research are relative in nature, they vary according to different situations. Because analysis and results are based on personal attributes of the researcher, analysis of cause and effect relationship between various elements is difficult to conclude. Often the conclusions which are drawn are inconsistent because some terms as quality and quantity are not easy to explain. Skillful researchers are required in order to do qualitative research.

The elements such as reliability and validity of research are usually on stake because the results generated through qualitative research are based on questionnaires which are exclusively on the discretion of respondent to choose or not. The problem of generalizability also rests in case of qualitative research. This type of research is considered to be a weak form of research because of its association with the concerns such as validity and reliability.

Theoretical Frame Work

Research Methods and Sampling Techniques

Interpretive philosophy is helpful in assigning meaning to socially-constructed philosophies and

more carefully defining key concepts and ideas that is why interpretivism philosophy is to be used along with inductive approach and qualitative data in research. While inductive approach has got the advantage of being flexible, less concern with generalizability, more credible and in-depth research. Thus the main strategy utilized in this research is qualitative research which helps the researcher to be flexible and provides more confidence for the purpose of explaining and shaping social behaviors going on in the society. As far as sample is concerned, rather than sampling on people or organizations, incidents and events shall be sampled. This research technique is used because it would be possible for us to collect the information in a timely and cost effective manner. Qualitative study in terms offers an outstanding chance to study the available materials of the current or more isolated past to achieve knowledge for both methodological and theoretical issues. To make the research procedure more meaningful and systematic utmost priority have been given to ensure that proper documentation is done during the secondary analysis of qualitative data. In order to analyze the data in a real time environment case study method shall be used. This technique has been chosen so that instead of examining limited information and studying samples, in depth understanding of a single instance can be taken. This will enable us to gain a detailed understanding of what took place during the past recessionary phases and what was the organizations response to that.

Limitations of the Research

Every study whether qualitative or quantitative related to any field or subject has limitations which the researcher faces during the research. This research also had few limitations and measures were taken to minimize these limitation. Following are the limitations of the present research,

Outdated data

One primary concern of the secondary data is its lack of freshness as data on the previous research may be available in abundance but it is according to that time when it was collected but now the time and nature of businesses have changed a lot. To overcome this limitation to the maximum, researcher focused on most recent case studies and these studies were included in the research for analyses.

Limited Useful Data

With new researcher going on throughout the world, daily a large number of documents and researches are uploaded on the internet by the researcher. Though data is sufficiently available but it would be quite difficult to generate data that is exactly on the specific research topic. This limitation has been overcome by collecting and going through only specific literatures and journals so as to get only data relevant to the present study.

Inaccurate Data

The validity of data on the internet is the biggest issue being faced by everyone whether a researcher or student or businessman. With increase in number of data on internet its validity and accuracy decrease. So

researchers have to be carefully in only selecting authentic data. Utmost care has been taken to select only reliable sources with proper references.

Time constraint

Even though the cost in having secondary data is negligible but the time while surfing and filtering out relevant material is too much. This comprises of both internet and books. Internet has many documents on single topic which makes it difficult to see which data is authentic and which is not. This involved through reading and search, so as to only select data relevant to the research topic.

Ethical Considerations

Ethical considerations are important which should be followed by researchers. The researcher has followed ethical standards pertaining to the research. Some ethical consideration which are explicitly followed by the researcher are not using others data without proper referencing, using only openly available data, not using sensitive data. Data in this regards have been taken only with the consent of the concerned party.

Validity and Reliability

In order to judge the validity of qualitative data, Guba and Lincoln suggests that the data must contain four elements credibility, transferability, dependability and conformability. These four components are used to judge the validity and reliability of qualitative data as the respondents must be credible, results must have the ability to be transferred to other context or settings, any change in the situation would not impact the study and lastly the research will contain valid arguments to be confirmed by others. As the internet has extensive literature now available on all topics and it is important to take into consideration the validity and authenticity of the data referenced, this research shall be made valid and reliable by taking the data with valid references and official figures have been used. Authentic publications have been used for analyses and properly referenced.

Data Collection and Analysis

Sources of data

Data is collected from a variety of different sources. Sources comprises of the compilation of data through surveys, questionnaires, web resources, interviews and libraries. There are also primary and secondary sources of data collection. Choice of the sources for the compilation of data is dependent on the research topic and the existing resources that can be used for the research. This comprises of financial resources also including the availability of time for the research. For a good quality research, it is important and compulsory to select suitable methods for data collection. All above given points have been considered while selecting different sources for collection and compilation of the data.

Internet

Internet has been selected as primary source of data collection due to the extensive accessibility of inclusive and exceptional information on the Web. Taking into consideration that the data on the internet to be more easily accessible increase in availability of

information on the internet during the course of recent years, efficiency, and in expensive, this method of data collection was selected.

Libraries

Data was gathered from different libraries which provided a variety of information for research related to the topic. For this purpose the University library and local libraries were consulted. Both had different data's. One benefit of collection of data from libraries is that they have a vast variety of books and articles and that the librarian can help in finding the required data as they are much aware of what is present in the library and what is not.

Published sources

To get much more authentic data on the topic, different publications were consulted. These were consulted from online sources and from different journals. As publications helped in better understanding of the present scenario related to the topic and in collection of appropriate data. It helped in analyzing in a better way the situation and in formulating a better conclusion.

Other Sources

Apart from the above mentioned sources, variety of different sources were consulted so as to understand in a better way the concept of recession and its effects and management so as to reach to better recommendations.

Data Analysis

After the collection of useful data related to the research from different sources, it was analyzed. Data was analyzed theoretically because qualitative data was collected which does not require questionnaires or survey. Different literatures were surveyed and analyzed in detail. An in-depth analysis has been made of the collected data. Journals and Articles have been analyzed to give an insight of the study while case studies have been analyzed in order to relate theory to practice. After analyzing all the possible secondary sources data has been arranged as per categories and a through report has been generated, answering all the research questions and covering all the research objectives. The utmost priority while doing analysis was to address all the relevant issues.

Discussion and Interpretation

Findings

As recession hits the shore of society, businesses tremble and the first down fall to be seen is in sales. Consumer's attitude towards purchasing a particular product/ service is evident to be the major cause of such a downfall. They feel terribly under confident along with a reduced purchasing power. The below figure shows a glimpse of such behavior, the first type is shock and horror which increased immediately at the start of recession while started to settle down in mid 2008 showing consumers know accepting the arrival of recession.

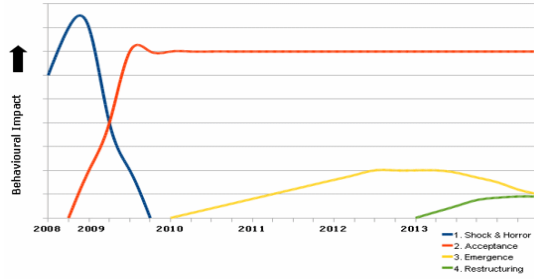


Figure 1

As evident from the graph shock and horror is the first set of behavior perceived by the consumer's, this in term makes the consumers resistant in spending whilst efficient in savings. Consumers can be categories into four categories in order to have a better understanding of the behavioral issues being faced. First type of category is price conscious, they lean towards low cost items therefore brand loyalty is a phenomenon that is difficult to accept from them, they are termed as "Slam on the brakes". Second category of consumers is a bit more loyal than the first ones but always searching for price favors from their brands. Brand loyalty is evident in the third type of consumers known as financially sound, they are concern with quality more than anything. The final category of consumers show little bit behavioral changes.

| Category: | Behavioural Issues: |
|---------------------------|---|
| Slam on the Brakes | <ul style="list-style-type: none"> Will seek out the lowest price Little if any loyalty Will downgrade to a 'basic' product |
| Pained but Patient | <ul style="list-style-type: none"> Will seek out better price deals from known brands More loyalty May buy extended products |
| Financially Sound | <ul style="list-style-type: none"> Probably will stay with current brands at existing prices Very loyal Will buy extended products but will seek a 'good deal' |
| Live for Today | <ul style="list-style-type: none"> Very little behavioural change |

Source: J. Quelch and K. Jocz, "How to Market in a Downturn," Harvard Business Review, 2009, pp. 52-62.

Table 1

This behavioral change is more devastating than the financial one, because it becomes the root cause of such vicious circle. Along with consumers organizations also show different behavioral shifts during recession which are as Reactor, prospector, analyser and defenders as shown in the following table

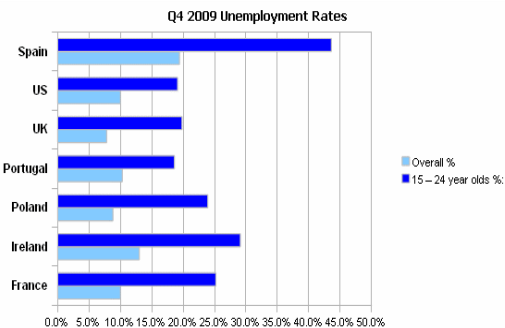
| Behavioural Type: | Issues: |
|---------------------|---|
| 'Reactor' | <ul style="list-style-type: none"> 'We'll sit this one through' 'The old ways will win through' One step from corporate death |
| 'Prospector' | <ul style="list-style-type: none"> Primary objective to seek out new opportunities Wants to be first in May forget current customers |
| 'Analyser' | <ul style="list-style-type: none"> Two priorities – (I) defending and building current markets and (II) researching new opportunities Probably second in Potentially best positioned |
| 'Defender' | <ul style="list-style-type: none"> Priority – defence of current markets But are current markets viable in the long-term? |

Source: Miles, R E and Snow, C C (1978) Organizational Structure Strategy and Process. McGraw Hill

Table 2

Reactors are those types of organizations which believe that always the old methods of success will still be successful, therefore are not ready to change and are considered to be in the most dangerous times. Rigid in their believes and always focus on cost cutting during a recessionary trend to be the best solution either by decreasing marketing budget or by reducing the workforce. Prospectors are those organizations that believe, innovation to be the only solution to capture market in time of an economic downfall, therefore they compete the market with ever new innovations but doing this they can negate consumers preferences, as they do innovation randomly without any in-depth research. The organizations that also are innovators like prospectors, which focus on prior research and sticks to the core value of the business are termed as analysers. Defenders on the other hand are always looking into ways by which they can keep their current position sustained in the market. For defenders if the business in which they deal, sustains for a long time than they surely can be the market leaders.

Decline in sales hinders the profits for organizations which in term reduces the production. As a result of which layoffs are made. A glimpse of unemployment is shown.



Source: Cukier, J Tough times for the young. OECD Factblog Apl. 14, 2010 Figure 2

Overall Findings

Recession starts with a twist in behavior from a spending to a saving consumer, brand conscious to a price sensitive consumer,

A series of problems occur in recession as increasing unemployment, reduced purchasing power, colossal deficit, sudden fall in demand etc

Most of the organizations which fail in a recession is due to lack of proper planning due to which they make sudden wrong and unrelated decisions as cutting costs through heavy layoffs, increasing the work load, reducing the benefits and incentives and the biggest of all blunders is cutting off marketing budget. Recession is a time when although demand is low but consumers are more educated than ever they have got more choices than ever. They are not willing to spend. Competitors are busy collecting their torn pieces. This is the appropriate time to give heavy discounts and also advertise heavily to be fixed in the mind of consumers.

Organizations which deal successfully with recession are always having an eye on the business cycle and the environmental indicators for recession. Due to which they can predict any phase recession or even depression in advance, giving them appropriate time to make new strategies and alter old ones.

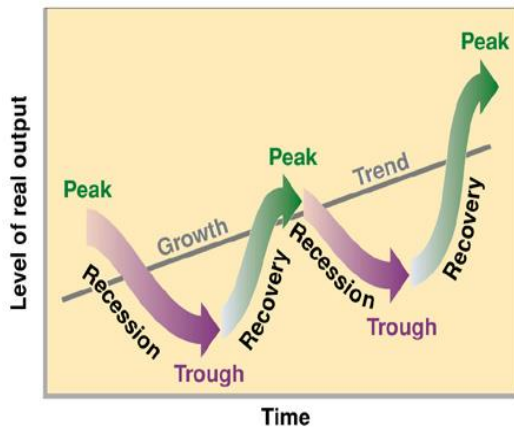


Figure 3

That is why on approaching recession organizations that are future sighted do not panic but have an in depth understanding of the environment. Thus make right decision at the right spot. Recession gives organizations opportunities to explore their potentials because it gives tough time and tough time demands hard work. Constant communication with customers whether internal or external enables the organization to gain success in both short and long runs.

For some recession can be a blessing, while for others it can act as a curse. All depends on how you perceive it. This is the time when organizations must combine their resources to reap fruits. They must know that at this time employees and customers are the only ones who are loyal to you, if either you can retain them or they can retain you. Organizations have to see recession as an opportunity by increasing marketing budget to be the top priority or recallable factor in the

eyes of consumers. Importance must be given to innovation and exploring of new territories.

Research Questions

Recession on approaching the society tends to impacts professions pertaining to all fields of life including consumers, businesses, distributors, suppliers, government etc. If the manager of any company is vigilant enough to identify how and which factor is impacted the most only than it is possible for him to deal successfully with the problems faced during such a downturn.

Characteristics of Organization Dealing with Recession Successfully

Organizations which become successful in bypassing the adverse effect of recession do it with some attributes which are undoubtedly unique in the market. A list of few is given as:

Proactive

Companies that remain competitive in the market during a downturn always do it because of prior identification of such a downturn through constant analysis of the environment in which the organization works. Proper analysis of the economic indicators gives the company an opportunity to identify the recessionary phase in advance so that they can make strategies accordingly.

Calm decisions:

Successful companies neither panic nor make decisions haphazardly but take time to have a proper analysis of the environment around the company, find out available alternatives and evaluate them according to company's resources. This analysis open new avenues for the organizations to remain competitive and profitable even during recession. On the contrary the biggest and foremost mistake made by organizations in time of economic meltdown is many haphazard and unrelated decisions.

Considering recession as an opportunity

During recession, one decision which is made in the beginning is decreasing the marketing efforts by reducing the sales force or cutting down marketing budget. Which is against the attributes of successful organizations, because this is the time when many media outlets are willing to decrease rates and increase placements. In time of recession the awareness level of consumer is increased so successful organizations always maintain or increase their budgets and take advantage of this opportunity.

Constant communication with customers

Another important trait that successful organizations possess is never neglecting their customers even if they are switching or reorganizing their resources. Always listening to customers is the top priority of organizations because they believe that customer is the king and his/her need is to be satisfied in order to compete in the market successfully.

Proper evaluation of operations

Recession is a good time in a sense that it provide successful organizations with an opportunity to look critically on the business operations which do not yield profit. Thus this helps them in eliminating

operations which are useless and cut costs accordingly.

Importance given to team members

Among all the resources in an organization, employees are considered to be the most important ones because it is only their hard work, commitment and dedication which keep the company cost effective and competitive during economic crisis. Therefore, giving them proper incentives and recognizing their work. Organizations believe that employees who are standing with them in bad times are real assets to the company hence, they do not axe them with an intension to reduce the cost.

Hard time faced with hard actions

Companies consider recession as a hard time where the challenge is to get the work done more efficiently and effectively than in the past. So they monitor the activities, quality and results of their staff more closely to ensure everything is performing up to the mark.

Eliminating chaos among members

The biggest threat which organizations face during recession is shattering of employee confidence which is dealt successfully by giving them job security, motivating them, boosting their morale, inspiring hope, reducing anxiety among them, involving each layer of management in the decision making process and matching employees goal with the organizations.

Constant innovation

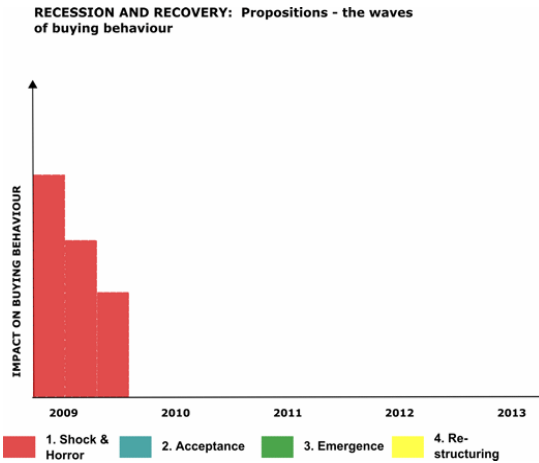
The thing which is changing constantly is change itself and this phrase is well understood by successful organizations. They always innovate their products, processes and match them with the ever changing needs of the consumers. One mistake by organization which fails to bear the pressure of recession is stay at a certain point for a long time. Successful organizations always look for ways to improve along with the new market opportunities.

Impact of Economic Downturn on Consumer Behavior

Recession impacts consumer in all possible ways including the way they think, believe and act. Some of the ways are:

- Psychologically
- Price sensitivity
- Brand loyalty
- Quality sensitivity
- Increased Information

Recession has multiple psychological and structural shifts in the consumer's behavior each will act either as an opportunity or a threat for the business world. Among the foremost impact which recession has on the consumers are sudden shock and horror.



6. SELF-FULFILMENT

74% of Americans intend to cut back on eating out and entertainment [1].

Title: “Navigating the Recession: The waves of change” Dr Robert Davies: Strategy Blog (*Phase 1: Shock and Horror.*)

Figure 4

Psychologically consumers feel insecure about their jobs. Consumers are fearful about losing their jobs and are ready to compromise on even a low salary thus reducing their purchasing power.

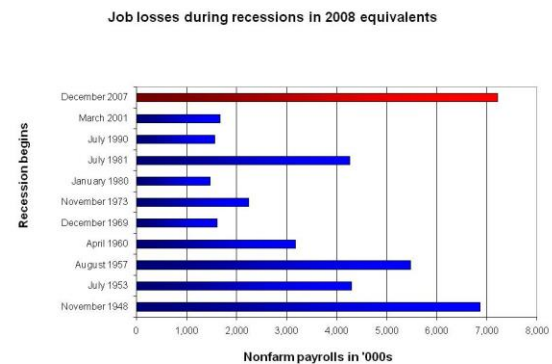


Figure 5

This fear contributes largely in shifting consumer's behavior patterns giving rise to new purchasing patterns as now they prefer to save rather than spend, they are more risk averse than ever, focusing on short term purchase rather than going for long ones, always looking for discounts in the form of price reduction.

Fig. 1: How Much Shopping Behavior Has Changed Due to the Economy

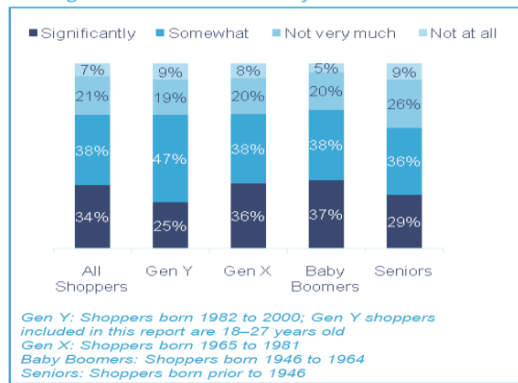


Figure 6

During this course of time they have to manage their expenses by spending on only necessary items and avoiding leisure ones, Recession eats up three levels (self-actualization, esteem, love/belonging) of Maslow’s Hierarchy of Needs due to which only the last two levels (safety, psychological) remain.

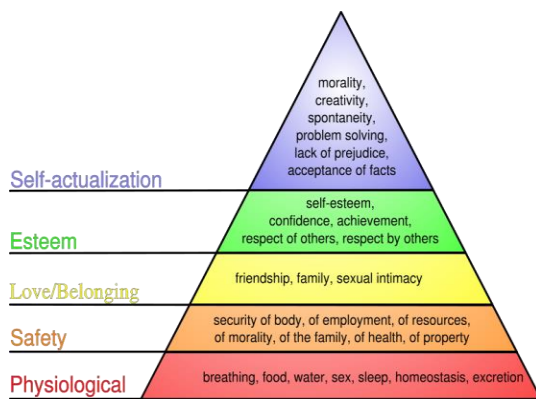


Figure 7

Most consumers are less brand conscious in the recessionary phase because they prefer low price over brand. During this time consumers are more aware about “value” and products launched by different competitors hence they are well versed with information on different products their value and prices. Sensitivity towards the price is extremely high in an economic downturn due to this sensitivity consumers tend to shift excessively. Brand loyalty is due to many factors as price, quality, durability and style of a particular product, during recession price is the most sensitive among all these factors. Price relates more to value consumers now are ready to purchase a product which is of either less cost and same value or a product with same price but more value than its competitors. Importance of media can not be neglected because it acts as a sales driver throughout recession. As in recession consumers are more acquainted with information than before to keep your brand in the mind of consumer’s media plays a pivotal role.

Problems Faced While In Recession

Recession on arriving brings many problems; these problems are not faced by any one organization alone but for the whole society in general. Organizations who deal tactfully with these problems are to get out of recession safely. Problems include falling output, unemployment, huge government deficit, currency devaluation, falling of share prices, shattering of consumer confidence and huge list of many others.

As in any economy investors invest with a belief that their investment will be recovered. Recession weakens this belief therefore now an investor reduces the production which starts the vicious circle when output falls revenue of the business man falls who in turn starts cutting cost by reducing the task force due to this firing, massive audience comes on the road with poor purchasing power now they do not have money to buy, which subsequently reduces the demand, when the real demand slashes business man avoid production which becomes the reason of lower GDP.

This also has an effect on public’s capacity to pay taxes due to which government faces huge cuts in revenues in the form of taxes and faces budget deficit. During recession Governments revenue goes down but expense climb up the ladder due to more people now unemployed.

Other problems which are being faced by a nation during recession are that people receive less interest rate so they demand less currency due to which exchange rate devaluates. Unemployment is often considered to be a cause of economic meltdown, while one major cause has been identified which is Governments policies which support and secure the rich while discouraging the less wealthy. Economy faces low growth and high inflation.

The major problem being faced by organizations are the imbalance between demand and supply, supply by passes demand with a greater margin thus leaving no room for investors to bear their costs. Another problem being faced by organization is that already due to recession purchasing power contracts but further contraction in purchasing power is due to inflation. People are now saving rather than spending.

Common Mistakes by Organizations during Recession

Since the recession has hit UK dozens of organizations are going bankrupt every day. As reported by Andrew Hough, and Myra Butterworth (Published: 07 Aug 2010) “More than 4000 firms were forced into liquidation over the past three months”. Nick Hood, executive chairman of Begbies Traynor, told the Evening Standard that as many as 50,000 firms in the UK could become insolvent in 2010 and then again in 2011.

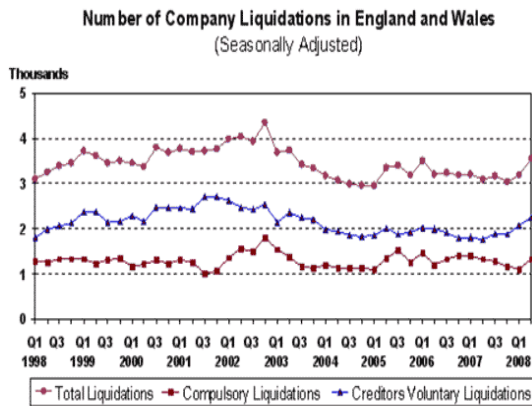


Figure 8

This massive liquidation is due to many factors which are either internal or external. Some factors that are internal pertaining to the management of the organization, which if avoided can save the organization from such a cataclysm. The common mistake in a time of such a sudden downfall made by organizations is, they become more offensive by trying to handle the situation rather than going on with it, they make decisions haphazardly as immediately cutting costs either by downsizing or by halting marketing budgets considering them to be unnecessary. By doing this organizations are not aware that they are compromising on their long term profitability, on the other hand reducing task force at this time means cutting your potential to sale. It is rightly said "if you fail to plan, you plan to fail" organizations failing in recession have not done any prior planning because they were never vigilant for the changes going on in the market by means of market research, which gives predictions in advance. Due to lack of planning these organizations face recession as a shock and horror because of which they make unimportant and wrong decisions. Managers must always be finding opportunities even in the time of economic downfall by looking into the lines and having a constant communication with their customers. Business is done for selling your products to customers but organizations which fail to fulfill the needs of their customers seldom progress. Needs of customers are only known to the management by means of constant communication with their target market. At this time of recession organizations require to have a proper evaluation of operations in order to eliminate unnecessary phases which are only a wastage of time and cost as some identified by Gilbreth's studies. Organizations that treat their employees with value always get commitment and dedication from them especially in the time of slashing revenues in the form of long working hours. Employees although do require salary and incentives but the thing which keeps an employee committed is recognition of his/her work. While hard time means that tasks should be also tough but at this moment in time organizations lack the initiation to go for risky and tough tasks. Another mistake committed by

organizations in time of economic decline is increasing the fear of excessive firing, by which employees feel under confident and less committed in fulfilling their jobs. Innovation is the only thing which keeps new customers entering your terrain, as in economic downturn the rate at which customers shift is the greatest, innovation can be the best tool to grasp such an audience.

Opportunities Present In Recession

Recession is considered to be a curse which can be turned into a blessing by making a plan which must be practical in which you should evaluate all business operations deeply to eliminate those which are only adding cost, now give the customers extreme importance while making a plan, decisions either about shutting a business or opening a new one. Keep a constant communication with your clients because at this time of increasing cost they will not only be a source of your revenue but also be your brand ambassador. You can also reward them by discounts or gift cards. Keep in touch with your regular customers as they are a source of permanent income. Be flexible and change according to the market trends. Act according to the needs of the customers and the market in which you are dealing.

The businesses which are considered to be an opportunity in a recession are Scooter and bicycle (due to rising oil prices), Services at homes, Discount Store (more and more expenses lead people towards discount stores), Online business (Latest emerging concept which saves costs on both consumer and business end, having no boundaries to serve), Consultancy (including business, job, career, consumer and even personal consultancy), Energy alternatives and conservatives (emerging need as energy resources are depleting day by day), Outsourcing (Primary tool to reduce the business cost) At this time organizations have to reduce the chaos between the employees due to which the best ones shift. Organizations must retain the best one by giving them benefits in the form of bonuses try to gain their confidence. Proper training of employees in time of recession also pays back.

Aggressive marketing is the only way to bring in customers not only during any recession but also after it because at this time competitors are busy in collecting their tears while you could pass your time increasing your customer profile. This aggressive marketing can be done by offering customer special discounts, doing advertisements and offering gifts or coupons.

Innovation is the best way to capitalize on any opportunity available in the market as it pays itself. Offer new products or services innovate the way you deal with customers to be a head of your competitors in time of economic meltdown. Use of technology at this time may increase the cost of one time but it reduces the per unit cost by using (accounting or inventory software's, hit counters, motion sensors etc).

Conclusions and Recommendations

Analysis and discussion in light of the purpose

Recession is not like a bullet which when triggered affects only the place where it hits but it is like a virus or more preferably I can say like a disease referring to AIDS because once it strikes the nation it becomes the originator of many catastrophes which in term of dollar can cost even more than a flood in tsunami or the recent (2010) in Pakistan. Recession affects the life pattern of every kind and class of people resting in any nation. Some are disturbed because of low purchasing power, some do not find any job, some are not finding any supplier, health insurance and government benefits are down, cost of living increases dramatically, taxes are raised and organizations are bailing out etc. There is not a possibility that recession on passing a nation leave every person and organization residing and operating in the nation unharmed. Now due to the global dependences of nations even a single nation cannot bypasses untouched with the problems of recession. Looking into the previous downfalls either it is generated in the US or Japan it spreads across the globe no matter where the nations are placed. Organizations that fail are those that do not treat recession as a situation but feel it to be a verdict which is there to only and only destroy. Managers must be wise in normal situations but wiser in a recession in order to out pass the adverse effects of it. Similarly hard work is the key to success but in recession tough work with determination leads to success. Recession being a phase of business cycle has and will come again and again there is no by pass to it. So organizations and individuals must know what factors that are affected the most during recession, which factor is of the most significance and how to deal with it. This research provides an insight to the issues being faced during recession with practical solutions. Organizations fail to recognize and understand the changing nature of consumers in a recession. They are out of their jobs due to which have a low buying potential that is why now they focus on needs rather than luxuries. At this time they are more conscious than before hence do not take risk with items that are costly. Organizations must consider the fact that at this time consumers require an item which is less prone to change and be kept with them for a long time (durability). Quality has been one of the most secured investments whether it is a downfall or breakthrough. As, consumers show different behavior organizations also show distinct characteristics, only those are successful that always proactive, keep their customers (internal or external) in the priority list, maintain a proper communication with them, are always finding for opportunities and make innovation as a part and parcel of their corporate policies.

Issues from the Literature Review

Literatures have been of keen help whether we are doing a social, business or any sort of science research. The issues which are highlighted in the

literature are many but major ones include, organizations must think seriously in building there army of employees and equip them with the latest skills pertaining to business by providing them proper state of the art training. Organizations in this time of sorrow are in search of cost reduction which they feel to be solved perfectly by a cut in their sales force. They must realize that at this time they need to cut costs but not at the cost of success. Consumer's behaviors in general are characterized by factors internal as well as external to the environment. Looking into the diverse nature of their behavior, diversification strategies are preferred the most. Among other strategies include discounting which is also considered to be of worth at this time of meltdown. Some mistakes during strategy making are reducing operating hours, not taking opportunities for innovation and closing facilities. It is only the right set of variables that enable an organization to reap out benefits during this downturn. Literature shows that organizations must reconsider their expenditures and reallocate budgets. Tough times does not mean that organization have to sit down and relax waiting for the storm to be over but it is the time when organizations have got a golden opportunity to evaluate their strategic policies in a real tough time. A time of economic downfall also gives opportunities for organizations to know which employees and customers are loyal. For the purpose of gaining long term profits short ones should be compromised by reducing the prices because of customers reduced purchasing power. Literature highlights American and European consumers to be the major reason and culprits of the current global and financial crisis because of severe job losses in their countries giving rise to extremely low purchasing power. Studies by Williamson and Zing in 2009 suggested the organizations to focus on research but with a lower cost this can help them have an eye on the competition, consumer's, suppliers and the changing nature of the environment. Thus organizations can take timely and accurate decisions and be safe from the sudden effects of such a meltdown. It is beneficial for the organizations to realize and understand that they cannot survive and reap the benefits of success without the support of stakeholders. In this time if sales are shattering it is not the time to panic but to be calm and re-engineer your brand / policies. Marketing costs can be reduced by choosing alternative Medias as social networks etc. Recession is a good time to develop new products and services. Organizations at this time of meltdown fail to consider it as an opportunity and have an eye on the business cycle closely. Organizations they do not change their strategies during recession cannot be blessed with benefit of improved performance during this tenor. In order to reduce the impact of recession on profitability organizations must have a quick response on the market indicators and symptoms. Recession never stays for a longer period of time and this fact must be realized by organizations therefore change their strategies accordingly

Practical Application

The importance of qualitative research is increasing day by day for its ability to explain human behavior in a more cohesive and detailed manner. The research focuses on qualitative research by explaining behaviors of organizations and consumers during recession, making the research to be useful for the decision makers present in all fields of life in general and business men in specific. Research also helps students, business men and policy makers in knowing different spending patterns during recession. This research also opens new avenues for organizations which are looking at recession as only being a downfall. Finally, looking into the issues pertaining to successful factors to be adopted during recession it provides organizations with a better understanding of such issues and assists in planning and control process.

Conclusion

Use of extensive literature enabled me to identify different behaviors by consumers in a recession as they are more risk averse than ever, spend less and save more, most of consumers in recession are less brand loyal and more price sensitive. Those who show some linking for the brands are still seeking price favors from their brands. Due to heavy layoffs by organizations consumers are left with low purchasing power which results in a sudden reduction of demand. Recession forces consumers to stick towards the fulfillment of their basic needs rather than going for self actualization and esteem needs. One important factor to highlight is, consumers become more aware and educated about different brands during recession which forces organizations to market in recession, in spite of many difficulties including huge costs. Along with consumers increasing awareness organizations face many problems as demand reduction and inflation etc. Unemployment in a recession adds fuel to the burning fire which impacts the society in many ways as reducing government revenues resulting in huge deficits, currency devaluation and falling output etc. Many organizations outrun in recession because of prior planning and research. Successful organizations never make decisions haphazardly but consider all the factors in the environment there consequences and then arrange for appropriate resources to gain an edge over competitors. Successful managers believe that recession is a situation which is filled with opportunities, the required skill is focus on your core, innovate and fill the consumers need. Organizations that become successful in recession never lose their employees but involve them in decision making by empowering them. They believe the good times are brought by good people so they never let go them in bad period. Organizations that lack behind during economic meltdown do not recognize the opportunities in the market, they only believe in traditional methods and philosophies.

Recommendations

In the lights of literature I suggest the following points to be considered by organizations in order to keep away from the adverse effects of recession. Observe the market, its trends and especially the business cycle, which enables an organization to respond quickly. It is said "when there is a will, than there is a way" so the primary thing to do is have a will to win. Train the staff how to deal with tough times, give them confidence and a job grantee, equip your staff with multi skills and give them decision power. Focus on performance by giving performance based incentives. Work with the environment by becoming flexible to changes and change marketing strategies accordingly. This change can be made in target market or product. Reduction in price at this point can be helpful but compromising on quality can be a huge blunder. At this moment either provide, a low price item with the same quality as that of competitors or match the price with competitors and provide superior quality. Cost cutting is essential in recession but only in a tactful manner, do not fire employees especially old and skilled ones, never cut marketing budgets. Innovation in the product and processes enables your product to stand out of the crowd. Innovation can be gained through slight changes in products, packaging, Improvement in technology or in services etc. Without risk it cannot be possible for organization to find new avenues and by pass recession. Tough times provide organizations with an opportunity to examine more closely their brands and marketing policies, so this is the perfect time to re-evaluate them and make modifications if required. Diversification can also be fruitful during recession. It is impossible to out stand recession on your own, every organization whether big or small requires the support of stake holders (consumers in terms of their loyalty, employees in term of their dedication, suppliers by providing quality material with least cost, government by providing business friendly policies and even competitors who keep you on the track with continuous competition). Organizations that have a constant communication with their customers and act according to their needs are hard to fail during recession.

The problem on which the study rests is lack of a single literature which deals with almost every issue related to recession. Through this research I have tried my level best to address every related issue which are faced by organizations during recession and suggested a strategy accordingly. Thus my recommendations are explaining how organizations can be safe from the adverse effect of recession and still gain profits.

Marketing Strategies during Recession

In marketing there are many strategies to follow as cost leadership, differentiation, market penetration, market development or product development. But in recession there is a need of a more generic one, residing on the philosophy that "You take care of your

customers and employees and they will take care of your business". First part is, the needs of customers are to be satisfied through constant communication and research. Although price reduction may bring in customers but quality is the only tool which retains them. Second part of the strategy is your employees who are to be given confidence as well as benefits because they were with you when the times were good. Marketing budgets are to be increased in order to constantly blink in the minds of consumers. If marketing becomes difficult and costly with traditional media as TV and radio use a latest one as social networks (Facebook, orkut, twitter, MySpace etc). Recession is a problem which is difficult deal and requires patients and constant hard work on behalf of the organization. After going through this research I have come to know how much customers and their needs are important for any organization. Lastly, this study tells what magic marketing can do when every other tool becomes useless.

Future Prospect

World has faced four recessions during the past, how many to go is still the question which I think is not possible to answer. The only thing that organizations along with nations can do is minimize its effect by predicting it through various indicators and making strategies accordingly. Marketing is that factor which can never be avoided or cut off whether an organization is big or small, time is good or bad. This research suggests different marketing tactics which can help organizations minimize the hardships brought by recession. Although I have tried my utmost, to highlight every issue pertaining to recession but it is not possible to cover all such issues in such a short time. As far as other study is concerned, more research is required to identify other issues and suggestions related to recession. Case studies and success stories of different managers and organizations are required, covering this topic.

Marketing and recession both have a huge impact on the way we live, think and act in life. Organizations can never work in isolation, many factors affect the organization and the organization also affects many. So when recession strikes any nation, every person academics, managers, policy makers or students etc all are having an effect. Through this research, student researchers now have a new dimension to think and study on, managers shall be more acquainted with new strategies and know the areas which are to be given more and least importance during recession. Policy makers shall know that recession is a phenomenon which shall be dealt with tactfully by not forcing their policies on it.

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