

Checklist for Developing Recession Marketing Plans

Phillips W. Goodell
and
Charles L. Martin

PHASE I: ASSESSMENT OF EXTERNAL FACTORS

- **Timing:** When is the recession likely to begin and end? How long will the recovery take?
- **Industry Impact:** Does the industry/business typically lead or lag the recessionary cycles? In past recessions, how deeply have the industry and the company been affected relative to other industries and competitors?
- **Technology:** Historically, what is the industry's commitment to technological developments? Might the company or its competitors gain a long-term advantage by emphasizing R & D during recessionary periods?
- **Competition:** How have major competitors reacted to previous economic downturns? How will they most likely react to future recessions, given their strengths and weaknesses? How can the firm best respond to likely actions of competitors?
- **Customers:** How are customers likely to change their purchasing behavior during economic downturns? To what extent are they likely to move down the consumption chain, postpone purchases, negotiate for concessions, or seek less expensive suppliers?
- **Market Segments:** How is demand likely to vary across market segments? For example, which segments are more [or less] likely to be price sensitive or to opt for product offerings with fewer bells and whistles? Ultimately, are some segments apt to be more profitable during recessions than are other segments?
- **Value:** How do customers define value in the industry? In what ways may value be enhanced without increasing costs or jeopardizing the brand/company's image?

PHASE II: ASSESSMENT OF INTERNAL FACTORS

- **Financial Resources:** What are the firm's financial strengths and weaknesses, such as profit margins, cash flow, access to capital, and cost structure? How might these be managed more effectively to minimize the impact of a recession? How might financial resources be invested to leverage the firm's future market position [e.g., in advertising to build market share while competitors slash their advertising budgets]?
- **Human Resources:** How critical are employees to the firm's success? Do their skills [or lack thereof] enhance the attractiveness of some strategic alternatives relative to other alternatives? What is the firm's commitment to the work force? How difficult would it be to expand or contract the work force as market demand for the firm's output fluctuates?
- **Physical Resources:** How difficult would it be to expand or contract the company's operations, if such is necessary? For example, if a strategy such as build market share is selected, will the firm's plant and equipment be adequate to fill the demand both during and after the recession?
- **Marketing Strengths and Weaknesses:** How strong is the brand or product lines customer franchise? What are the company's image and reputation among customers? How does market share compare with that of competitors? How may these strengths be leveraged and weaknesses addressed before and during a recession?

PHASE III: STRATEGY DETERMINATION

- **Stance:** Given the above considerations and the firm's objectives, will the business take primarily an offensive stance to exploit opportunities and take advantage of competitors' vulnerability, or largely a defensive stance in an effort to survive?
- **Offensive Options:** If an offensive stance is selected, which potential options present the greatest opportunity: build market share, innovate, appeal to additional market segments, diversify product offerings, or enhance reputation for quality or service?
- **Defensive Options:** If a defensive stance is chosen, which potential options will best satisfy the firm's short-term survival goals: price cutting to maintain volume or cost cutting to maintain margins?

PHASE IV: REVIEW AND CONTROL

- **Relationships:** How are vital business relationships with customers, distributors, employees, suppliers, and other constituencies likely to change during economic downturns? Are there mechanisms in place to monitor these changes, as well as an action plan to mend weakened relationships?
- **Damage Control:** Have implemented recession marketing strategies met short-term objectives? If not, how might the plans be modified?
- **Position for Future:** Have implemented recession marketing plans met long-term objectives positioning the company for growth and prosperity during the post-recession era? If not, what modifications of the plans are most feasible?
- **Responsibility:** Who is responsible for monitoring the implementation and success of the company's recession marketing plan?

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World Advertising Research Center Ltd.
Farm Road, Henley-on-Thames, Oxon, United Kingdom, RG9 1EJ
Tel: +44 (0)1491 411000, Fax: +44 (0)1491 418600

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