

QUIRK'S

Marketing Research Review



Recession lessons: how research buyers and suppliers can cope

Editor's note: Michael Lieberman is founder and president of Multivariate Solutions, a New York research consulting firm. He can be reached at 646-257-3794 or at michael@mvsolution.com. Jon Montgomery is a partner at Hudson Group, a New York research firm. He can be reached at 212-724-2566 or at jonmont@hudsongroup.net.

In a recession, lower sales means lower marketing budgets, which means that companies have less money for marketing research. The secret to making it out of a recession - and perhaps to making it out even stronger than before - is resisting knee-jerk reactions to accommodate the current dire times. Instead, consult with colleagues and trusted business partners to define the mission and vision for your work and formulate a plan to make that happen effectively and affordably.

Harvard Business School's John Quelch recommended a few strategies a May 2009 blog titled "How to Use Market Research in a Recession":

Stay focused. Farsighted marketers focus their research on the products, brands and markets that are key to their marketing strategy.

Stick with trusted partners. Marketers and research suppliers who trust each other and have established long-term relationships can jointly plan how to extract more insights and make better decisions based on lower expenditures.

Value experience and judgment. Marketing executives should tap the knowledge and intuition of managers and researchers who've lived through previous recessions.

Go online with a sprinkle of skepticism. Online research is cheap, fast and the wave of the future. Tools like Zoomerang allow non-expert users to create custom surveys in minutes. "Taking the do-it-yourself approach rather than outsourcing to a market research firm is attractive in a cost-cutting era, but you risk getting no more than what you pay for," says Quelch. Put another way, you may get what you pay for.

Keep an eye on the new consumer. No one has a perfect record of predicting the future, and the recession is making it harder for consumers to envision or articulate their needs. Still, savvy marketers need to devote a portion of their marketing research efforts to getting a handle on future changes in consumer behavior. Mark Penn's book *Microtrends* details 72 new marketing groups, such as Wordy Women, Shy Millionaires, Newly Released Ex-Cons and Late-Breaking Gays - not just soccer moms or rednecks.

Three basic options

Research buyers and research providers have three basic options when responding to a recession, in terms of costs and deliverables:

More stuff for the same money. This is the aggressive option for research agencies in the face of a recession. It means working better/smarter, or using better tools, to produce an improved product without increasing costs. Providing a little extra, such as a visual biplot map that was not included in the project specs, can go a long way.

Less stuff for less money. This is a strong option for both clients and research providers in the face of a recession. Make

suggestions. Jointly discuss ways the project could be revised without affecting the overall objectives. Can the deliverables be cut back? Sample size adjusted? Or perhaps the interviews shortened. In the research field, time is money.

The same stuff for less money. Not a wise long-term strategy. Lowering fees (or living with reduced margins) lowers the clients' perception of the value of your expertise and good work. After all, recessions do end ... eventually.

The big picture

Remember to keep the big picture in mind. Tighter budgets don't have to mean compromised service and value. Companies that maintain professional integrity and still get the job done efficiently and affordably are those that will find success on the other side. A recession can be an opportunity to make better use of available resources, trim the fat and find creative ways to make business happen. | Q
