

FROM CHAOS TO CLARITY

The keys to portfolio strategy during economic uncertainty

#1 Downturn to continue in 2024

Economic downturns typically introduce various risks to product portfolios. While it is not clear as to whether we will land in a recession or stagflation in 2024, both will bring reduced purchasing power, increased price sensitivity, decreased consumer confidence, and reduced consumption.

#2 Keep innovating

A tricky economic climate doesn't mean brands should stop innovating and renovating. Ipsos' Innovation Testing database suggests that consumers are still receptive to innovation during tough times, as their status quo and behavior significantly shift.

#3 Know the threats

Brands can mitigate risk by quantifying the threats their portfolio face. Clients can dodge the dangers of consumer downtrading, SKU proliferation, reduced consumption and the loss of premium positioning.

#4 Embracing opportunity

Brands can emerge victoriously by simultaneously prospecting for growth. With the right strategy, brands should rethink certain challenges as opportunities by spotting trends, hunting for white spaces, mapping adjacent areas and rapidly adapting to consumers' shifts in behavior.

