



Consumers Sacrifice New Products and Usual Brands During Economic Downturn Recession Challenges Consumers to Change Spending Habits, Marketers to Get Creative

New York, NY, April 30, 2009 – Consumers around the world are more wary of trying new consumer goods products when they sense the economy is slowing down. This is the finding of a recent Ipsos study on global consumer attitudes and behavior that covered 18 countries around the world. In fact, more than half of global consumers shy away from new grocery, personal and household products during an economic downturn.

Not surprisingly, new beauty products are especially vulnerable during an economic downturn, with 70% of global consumers saying they are not likely to try a new beauty product. Not only are new products at risk of low trial, but established brands are in danger of low repeat. The study showed 80% of global consumers say they are very or somewhat likely to switch from their usual brands to lower-priced brands or brands that are on sale during an economic downturn. Moreover, 72% of consumers say they would switch to store or generic brands.

“It is discouraging to think that new product introductions and carefully planned brand strategies might suffer from bad timing,” says Sunando Das, Vice President with Ipsos Marketing’s Global Consumer Goods business. “But Marketers must remember that innovation and brand management are continuous internal processes that cannot be disrupted by external events, even recessions. That is not to say that these processes should not be flexible and adaptive. During economic downturns, Marketers must uncover new consumer needs and seek out opportunities to fulfill these needs.”



One area on which Marketers can (and must) focus is value. Value is typically a higher priority for consumers during an economic downturn. While pricing does not necessarily need to change, consumer perceptions about expensiveness versus benefits should be explored to make sure consumers think there is a fair trade-off. Consumer behavior resulting



from an economic downturn should also be investigated to uncover new product and positioning opportunities.

“Consumers may dine out less often, visit beauty salons less often, and forego outside entertainment such as movie going,” Das adds. “But these possible changes present Marketers with opportunities to offer consumers products that will enable them to replicate these experiences at home for less money. Savvy Marketers will always find a way to fulfill consumers’ changing needs.”

For example, Marketers could offer gourmet-style food that can be prepared in the kitchen, spa products that can give a luxury experience at home, and snack products that can be used to re-create the movie theater experience.

For more information on this news release (including data for specific countries), please contact:

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