

## RECESSION: AN OPPORTUNITY TO LABEL BRANDS

While the economic recession can be viewed by companies as an evil set-back, using these difficult periods to re-evaluate your brand position and strategy can mean seeing new opportunity for growth and development

"The adage to never waste a good crisis has never been more relevant," says Alison Tucker, Innovations Director for Added Value. Tucker explains that in good times, companies run the risk of becoming complacent and reactive instead of genuinely looking at the market and spotting areas of potential growth.

The downturn in the economy has raised the alarm bells in most companies as the official recession figures of -6.4% for the first quarter look to continue into the second half of 2009.

When businesses begin experiencing the difficulties that come with an economic recession, weaknesses in business strategy are likely to pose a major threat to the business's livelihood, encouraging re-evaluation of the brand's positioning and strategy.

In short, this economic downturn offers the opportunity to readjust goals and strategies to ensure survival through the recession and success beyond it.

"Bad times are a good time to critically evaluate the brand's weaknesses and to innovate," states Tucker, suggesting that an open mindset is needed to take advantage of this environment.

Looking at new consumer needs, how to remove weak competitors and how to make your brand fit better within this changed market is imperative for brand success amidst a tough financial period.

Tucker gives brands some valuable pointers on how to innovate. To begin with, she stress innovation is not simply

New product development. Instead, innovation should be seen as finding fresh and new ways of doing things such as looking at how a brand talks to or reaches its customers.

Woolworths has used the recession to change consumer perception that it is expensive to shop there with their innovative R100 meal deals, a good example of using the economic downturn and ensuing shift in consumer buying habits as an opportunity.

As businesses are on tight financial constraints, it is important that innovation is intelligent. Innovators should identify the most important areas of the brand that need evaluation and then focus energy on these. This may mean looking at your target market and evaluating its mindset change, or re-evaluating your target market altogether.

Recessionary periods are crisis periods and this means that genuine creativity should be visited. Encouraging employees to come up with creative solutions and ideas is essential. Managers should recognise the power of brand innovation to maintain energy and motivation amongst employees in tough times.

Tucker advises that brands allow 'thinking' to drive innovation rather than 'process'. "When resources are limited, it is important to get the most out of ideas whilst also acting on these ideas quickly and effectively," says Tucker, giving Nandos' advertising campaign as an example. This campaign reaches its target market by making light of country politics, helping the brand to stay topical and addressing the mindset of the target market.

Brands shouldn't always think of innovating via lower priced offers. Amounting value to the lowering of price, advised Tucker, may lead to a perception that the brand

