



Global Consumer Views

Consumers Sacrifice New Products and Usual Brands During Economic Downturn

Consumers around the world are more wary of trying new consumer goods products when they sense the economy is slowing down. In fact, more than half of global consumers shy away from new grocery, personal and household products during these times. 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. 80% of global consumers say they are very or somewhat likely to switch from their usual brand to a lower-priced brand or brand that is on sale during an economic downturn. Moreover, 72% of consumers say they would switch to a store or generic brand.



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According to Sunando Das, Vice President, Ipsos Marketing, Global Consumer Goods Sector, "It is discouraging to think that new product introductions and carefully planned brand strategies might suffer from bad timing, 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. 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 might 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."

Complimentary Access to Market-Level Data

Consumer responses to these questions are available for 18 countries, with a sample size of 1,000 respondents per country. Contact your Ipsos representative for complimentary access to this data.

During an Economic Downturn, Global Consumers Less Likely to Try...



During an Economic Downturn, Consumers Very/Somewhat Likely to Switch from Usual Brands to...





Methodology

This report contains data from the Ipsos Global @dvisor, an online survey of citizens around the world. The questions in this Ipsos Marketing, Consumer Goods Alert were asked in 18 countries: Australia, Belgium, Brazil, Canada, China, France, Germany, Great Britain, India, Italy, Japan, Mexico, Poland, Russia, South Korea, Spain, Turkey and the U.S.

Interviews were carried out between October and November 2008. Approximately 1,000 interviews were carried out in each country.

Where possible, Ipsos online panels were utilized – in cases where this was not possible the survey was administered through carefully vetted partnership alliance panels.

About Ipsos Marketing

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Ipsos Marketing is present in 55 countries, with a leading position in both mature and emerging markets. In 2007, it achieved global revenues of 445 million euros, contributing to 48% of Ipsos' total global revenues.

Pierre Le Manh is the global head of Ipsos Marketing. Its Consumer Goods business area is led by Lauren Demar and its Industry & Services business area, including Ipsos Vantis, is led by Ed Wolkenmuth.

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