



**Article : Sales and Marketing Strategies in the Era of Economic Uncertainty**

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**Abstract:**

This is the era of economic crisis and uncertainties. Numerous experts have tried to predict the reasons of these uncertainties and also tried to predict when it will be over, but in vain. Above all, this is equally true that every company wants to survive and also expects to get some pay back investment.

Whilst the principles of marketing remain the same regardless the prevailing economic environment-it is the application or practice that changes according to the demand of situation. Companies have adopted different strategies such as slashing marketing budgets, delaying in capital investments, development of overseas, introduction of new products, using promotional tactics. But in the situation of continuously changing market condition & changing customer needs mean it is difficult for marketers to determine what marketing strategy to employ?

One strategy cannot be fit for every company as the resources available, goals, geographical scope, and elasticity of demand, need of particular product, competitor's strategy, etc. to name but a few examples. The most important thing is that the adopted strategy should seek to provide a return on investment

This paper tries to discuss the problem of economic uncertainties and excellence remedial options available for the companies in order to overcome the problem and survive with growth in long-run.

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- **Methodology:**

This research paper is designed to focus the problems faced in the era of economic uncertainty, which is a 'Global Issue'. The paper is based on the secondary data collected from different journals, magazines, newspapers, reference publications and the internet.

- **Objectives of the study:**

1. To study the meaning of uncertainties with special reference to recession.
2. To study the effects of uncertainties on business.
3. To study common reactions to uncertainties.
4. To study whether marketing plays a vital role in overcoming uncertainties.
5. To analyze different measures for effective marketing strategy.

**Introduction:**

A widely acknowledged definition of an uncertainty-recession is the reduction of a country's Gross Domestic Product (GDP) for at least two quarters. It

is also taken for granted that economic uncertainties cause decrease in personal income, industrial production, whole sale-retail sales, employment etc. which are the most important constituent of economic health of any country.

Virtually, as the whole world gradually came under the pressure of uncertainty, demand in all markets has shrunk, pressure on suppliers to reduce prices has been created, and profit margins are squeezed. Many of the marketers are taking steps to decrease spending power or curtailing existing prices. Is it the remedy? Actually, it is the crucial time to understand customer's requirements and meet their needs as Gandhiji addressed 'the customer' as 'the king of the market'.

Hence the paper deals in collecting the secondary data relating to effects of economic uncertainties on business, the reactions of most of organizations and more beneficial strategies taken in the period of uncertainties.

### **Effects of uncertainties on business:**

Due to recessionary phase or continuous fluctuations in the market, an atmosphere of chaos and fear is created. Following are some of the effects of uncertainties on business -

#### **1. Pressure on suppliers:**

A pressure has been casted on the suppliers to curtail the price and to grant credit. This pressure caused inconvenience for suppliers too due to uncertain conditions.

#### **2. Customer postpones consumption:**

Customer tries to arrange his requirements in order to priorities. Less prior needs are postponed which causes hoarding of cash. This cash is not available for circulation purpose which makes cession more severe.

#### **3. Manufacturers have fear about return on investments:**

Manufacturers are doubtful about the gain on investment. This situation does not allow them to invest more they are hesitant to take risks. Safe stepping discourages new investments.

#### 4. Profit Margins squeezed:

Profit is the life blood of any business. Due to uncertain conditions prevailing, naturally,

Profit margin are squeezed which discourages existing entrepreneurs and also to new entrants.

#### Attitudes towards Marketing Economic uncertainties:

Through a survey made online with the top management professionals, who are marketing executives, clears it that 55% of the businessman are relax up to time they are not directly affected. **(Listed on B 2 B International's client – March 2009).**

- “A time of turbulence is a dangerous time but its greatest danger is a temptation to deny reality” **(Drucker – 1980).**
- 40% of manufacturers try to curtail the price as they think; it will be the right remedy to increase the sale.
- Only 5% of the alert manufacturers try to find out a rational and research based solution to this problem.

#### Common reaction to uncertainty (Recession):

##### 1. Inertia:

As discussed above, most of the businessman takes a ‘deaf ear’ to the problem of uncertainties and many a time they try to be inactive that means they don't want to give any response to the changing situation. They are of the opinion that as good time passed away – so the bad time will also passed away. So they accept – ‘Wait and Watch policy’. **(Charan 2009)**

But this attitude is quite harmful for business health. It may slash future prosperity of the business.

**2. Lowering the prices:**