

# Are You Prepared For The Downturn?

## Summer '22



Some very interesting discussions have been consuming the media recently, particularly around cybersecurity and cost-of-living. These reflect turbulent times that pose significant challenges to many organisations moving into 2023. To help you meet these challenges, we explore ways to frame opportunities and develop new strategies.

### **Retaining Brand Loyalty in an Economic Downturn**

As the global economy enters a downturn, aligning product, pricing and promotional activity with a customer's financial reality requires investment and a change in tactical thinking towards strategy.

In this environment, financial reality becomes the driving force for many customers over brand loyalty, leading to a review of household and lifestyle choices. To retain customers, brands must strengthen their focus by increasing investment in delivering an exceptional customer experience - beyond customer expectations.



Altered consumer behaviour towards preserving home finances leads on to a decrease in purchasing power. It's essential therefore that your product is delivering on adding value to and integral to customers lives and well-being. If not, they will be persuaded to substitute it with a cheaper, more economical offering or give it up altogether.

To remain competitive, it becomes critical to invest in reframing, repositioning and re-promoting your product into a new territory of greater value relative to others in your marketplace. Communication messaging requires creativity to demonstrate brand empathy, good value and exceptional customer service.

Together these elements will contribute to consumer commitment to your brand, ensuring your organisation's survival through the most challenging economic times.

### **Risk Management**

Staying ahead of risk to protect your business and preserve its value has never been more critical as we have seen with the recent Optus, Medibank, and other data breaches.

By identifying the early signals of risk you can ensure the right controls are in place and develop strategies before you need them.

Agility and responsiveness provide the best opportunities to both control and manage risk should the worst happen.

Past data on risk events are an instructive source of learning and can be shaped to create protocols and provide alert thresholds to contain future issues. Software tools can now examine internet traffic to predict nefarious breaches or hacks. Similarly media health can be tracked to pre-empt reputation damage.

Trust and reputation are indelibly linked and communications are crucial to shaping how those relationships are formed and maintained. There are endless examples of organisations missing the early signs of reputation risk in the media or allowing crises to emerge without a well-planned response and the immediate implementation of risk minimisation strategies.

As points of view are very dynamic and the media narrative can turn hourly, keeping your communications team/ senior executives aware of the context, so that it can be addressed with well-conceived responses, is essential to managing reputation risk.

The learning from this analysis can actually become a risk mitigation method, and in this context, understanding how media relates to shifts in share price is a powerful example. Interpretation of the results ensures senior management are informed, have the confidence, and can be effective in how they manage financial and stakeholder risk as soon as it happens.

## **ESG and Corporate Impact**

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Corporates are wrestling with how to shape their ESG strategies to project a desirable and progressive image as it becomes a more critical element of success and ROI. The goal is to create a positive point of differentiation in a competitive market.

## Closing the Gap to Business Value

### Smarter Integration of data and technology

Businesses are increasingly being disrupted by innovative tech and related issues, like cyber-security. New thinking is becoming critical to finding value in the exploding landscape of data surrounding us. Digital Transformation, Web 3.0 and AI are just some of the technologies offering opportunities to develop new business models and platforms and success. However, navigating this landscape to integrate commercial advantage, requires a roadmap that understands and invests in the essential roles of data and analytics.

A significant benefit of Digital Transformation is the opportunity it provides to better understand and fulfill internal/ external customer needs and at great speed. Planning out how data can become the currently of understanding is key to delivering increased sales and financial success. Yet most organisations struggle to define a plan where metrics, dashboards and data can be converted into value.

A recent Gartner Marketing Survey (September 2022) highlighted a number of significant issues relating to that including: 58% of Australian companies fail to provide workplace technologies and capabilities which enable their employees to work effectively in a digital world - this is double the global figure. Only 14% of organisations have achieved a 360 degree view and comprehensive understanding of all their customers' needs. This is because much of the information is siloed within organisations.

Leveraging data to understand customer needs drives change, creates new value and can significantly increase revenue. The challenge is shaping analytics to systematically create **strategic** value by alignment with an organisation's business goals. This requires a smarter integration of customer insights, metrics, customer data, media health and brand health. Without these essential ingredients businesses are seriously self-limiting their own success.

## CEO Look-Ahead

Michael presented at a US Summit last month on synergies between Communications and Marketing - playing well together in an integrated sandpit and help attribute business results from communications activities. If you are interested, his session can be viewed [here](#).

We look forward to hearing from you with any challenges or questions that we may be able to assist you with and, in the meantime, we hope the lead up to end of year is not too frenetic as it will soon be upon us. Do enjoy a relaxing holiday break.

Best regards,

Michael & team

Opinion - [Go Further on Your Tank of Evaluation Gas](#)

The Boatshed, 14 William Street, Henley, Sydney NSW 2111

Aurora, L3, 147 Pirie Street, Adelaide SA 5000

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