

# Investing During a Recession

## Do's and Don'ts for Brands & Retailers

A recession often ignites the urge to cinch budgets and avoid new investments. But ecommerce brands and retailers that make the right investments during economic downturns often come out on top.



Here are five investments to make — and five to avoid — during the recession.

### DO ✓

#### ✓ DO INVEST IN MORE PERSONALIZATION.

Delivering personalized experiences for shoppers **increases customer loyalty and improves conversion rates**. This can include using retargeting ads, building customized email campaigns, segmenting your audience for hyper-targeted campaigns, working with Amazon influencers, responding to reviews and questions quickly, and more.



### DON'T ✗

#### ✗ DON'T INVEST EXCLUSIVELY IN NEW CUSTOMERS.

Gaining a new customer is less cost-effective than retaining an existing one. While you still want to dedicate resources to customer acquisition, **prioritizing retention can help you maximize returns** on promotional efforts during a recession.

#### ★ JUNGLE SCOUT PRO TIP

Further maximize returns by using [Jungle Scout's advertising solution](#) to minimize spend risk on ad campaigns that do target new customers. Use Rulebooks to automate ad changes based on custom rules that are as simple or as complex as you decide. Use Keyword Harvesting to automatically find the best keyword targets to drive conversions.

### DO ✓

#### ✓ DO INVEST IN COMPETITOR RESEARCH.

Invest in the right tools and strategies to conduct highly detailed competitor research. It reveals some of the most valuable intel you can get during a recession, **including:**

- Ways to beat competitors with **better pricing**
- New **bidding** tactics
- Potential **product improvements**
- Ideas for **optimizing** your own listings
- And more



### DON'T ✗

#### ✗ DON'T INVEST TOO MUCH IN DEFENDING YOUR BRAND.

In a recession, **prioritize paid campaigns that deliver the most incremental sales**. While defending your brand through efforts like bidding on branded keywords is still important, shifting some of that investment to ads that improve overall sales has a bigger impact on revenue.

#### ★ JUNGLE SCOUT PRO TIP

Deep-dive into competitors' strategies and mine for opportunities to overtake them with [Cobalt](#). View the keywords that competing products are ranking for, track competitors' market share, view competitors' share of voice for important terms, and more. Identify keywords that have high search volume and low PPC bids that you can use to optimize your listings and ads.

### DO ✓

#### ✓ DO INVEST IN PAID ADVERTISING.

Advertising is often quick to the chopping block when tightening expenses, so some of your competitors are likely to cut their budgets. **Maintaining and even increasing yours can help you overtake them and increase your market share.**

While you should focus heavily on promoting high-performing products, brand awareness efforts like Sponsored Brands and DSP ads are still a worthwhile investment as well.



### DON'T ✗

#### ✗ DON'T INVEST IN TOP-TIER INFLUENCERS.

Influencer marketing can be a huge win when brand loyalty is less sticky than usual. But don't mistake the highest follower counts for the highest returns on your investment. Partnerships with influencers who have smaller audiences often deliver a better ROI because those influencers have a closer connection to their followers, **making those followers more likely to act on their recommendations.**

#### ★ JUNGLE SCOUT PRO TIP

Control spend on different paid efforts down to the hour with [Jungle Scout's advertising solution's](#) Advanced Budget Controls, or set custom bidding rules by keyword, ad type, campaign, click-through-rate, and more. To improve your bidding strategies, use [Cobalt](#) Share of Voice to view the PPC bids that are currently winning for certain keywords.

### DO ✓

#### ✓ DO INVEST IN STRATEGIES TO INCREASE AVERAGE ORDER VALUE.

Combat lower sales by investing in efforts to increase average order value. These include **creating bundles, offering subscriptions, providing free shipping above a certain threshold, using Sponsored Products to advertise listings on complementary product pages,** and more. For highly price-sensitive audiences, downselling can be a great preventative for missed sales. By offering customers lower-priced alternatives, you can retain sales that would otherwise be lost.



### DON'T ✗

#### ✗ DON'T INVEST WHERE YOU'RE ALREADY WINNING.

A recession impacts consumer price sensitivity differently based on the product or category, so **assess all strategies within the context of your current market position.** If your product is ranking well organically for a competitive keyword, it may not be worth it to fight for top-of-page sponsored placement as well. And if a product's price point is not impacting sales, offering a discount may reduce order value without significantly increasing conversions.

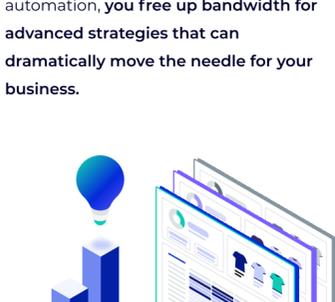
#### ★ JUNGLE SCOUT PRO TIP

To build effective cross-selling plans, use [Cobalt](#) to analyze product trends in your market, along with data on how price fluctuations are affecting sales. Maximize conversions on best sellers by using [Jungle Scout's advertising solution's](#) ASIN Harvesting to identify the best-performing ASINs across all of your Amazon ads and build new campaigns around those products.

### DO ✓

#### ✓ DO INVEST IN INCREASING EFFICIENCY.

Time is money. By investing in resources that make research faster, reporting easier, and enable you to take full advantage of automation, **you free up bandwidth for advanced strategies that can dramatically move the needle for your business.**



### DON'T ✗

#### ✗ DON'T INVEST IN MAJOR R&D PROJECTS.

Projects requiring significant research and development, like new product launches, become riskier during a recession. **Not only do changing shopping habits make success harder to predict, these initiatives may also struggle to generate revenue effectively in the short term.**

#### ★ JUNGLE SCOUT PRO TIP

Conduct more detailed research in less time by using [Cobalt](#) to track product trends, keyword searches, emerging brands, and more in your markets. Cut hours of ad management out of your schedule with [Jungle Scout's advertising solution](#) automations that make the most of limited budgets while ensuring the best possible ROI and customizable Dashboards that make it easier to report on, visualize, and securely share data.

