

# Surviving This Recession

## Strategies to Gain Market Share During the Recession

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### **About The Internet Research Group**

[www.irg-intl.com](http://www.irg-intl.com)

The Internet Research Group (IRG) provides market research and market strategy services to product and service vendors. IRG services combine the formidable and unique experience and perspective of the two principals: John Katsaros and Peter Christy, each an experienced industry veteran. The overarching mission of IRG is to help clients make faster and better decisions about product strategy, market entry, and market development. Katsaros and Christy recently published a book on high tech business strategy *Getting It Right the First Time* – Praeger, 2005 [www.gettingitrightthefirsttime.com](http://www.gettingitrightthefirsttime.com).



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# 1. Introduction

## **Surviving this Recession – Strategies to Gain Market Share During this Recession.**

It's easy to blame your present frustrations on "Market Conditions." By all appearances times are tough, especially when compared to those good old days of bubble economics. It's gotten so that you don't want to turn on the TV. By now we've all seen Sequoia's October PowerPoint of Doom telling their portfolio companies that the GOOD TIMES were over and to get real (cut down expenses) or go home. In times like this we can't help but recall Charles Kettering's famous quote from a speech he gave in the 1930s during the depression to a group of advertising executives, "I believe business will come back when we get some products that people want to buy." Kettering, the inventor of the electric car-starter, founder of Delco and head of GM's research labs to 1947 after he sold Delco to GM in 1916, was one of the leading technologists in the early half of the twentieth century. In the same speech, Kettering also said, "Research is simply to find out what you are going to do when you can't keep on doing what you are doing now." A lot of companies are caught up in the same dilemma. In the past few months, the world has changed – products that made perfect sense 24 months ago may have little relevance today. Other ideas which previously didn't get traction might now be big hits. It's time to sort this out and figure out "what people want to buy."

# 2. Strategies to Gain Market Share During this Recession.

This isn't the first recession that tech companies have had to weather through and this won't be the last, although it may be the deepest and the longest. It's time to put into action some proven defensive strategies, and to get a bigger part of a (perhaps smaller) pie.

**1. Change your value proposition to suit the times** – Vendors often recycle the same value proposition without any regard to how effective it's been. Startups often take the value proposition that they used for raising money from a VC and put it in their sales presentation thinking "well, the VC's thought it was good" regardless of whether their customers think the same way. Companies often use the same value proposition without realizing that times have changed