Marketers who cut spend risk losing 15% of their revenue during a recession

New Report from Analytic Partners outlines the rules for recession-proofing a brand based on analyses of hundreds of billions in marketing spend

MIAMI, FLORIDA, UNITED STATES, August 2, 2022 /EINPresswire.com/ -- Analytic Partners, the leader in commercial mix analytics, has released its latest ROI Genome Intelligence Report, which shows the dangers of cutting marketing spend in a recession and the opportunities for bold marketers who maintain or increase advertising.

Analytic Partners Releases Latest ROI Genome Intelligence Report: "How to Maintain Advertising Effectiveness in Challenging Times"

How to Maintain Advertising Effectiveness in Challenging Times found that 60% of brands that increased their media investment during the last recession saw ROI improvements, according to analyses of hundreds of billions in marketing spend. Brands that increased paid advertising also saw a 17% rise in incremental sales, while those who slashed spend risked losing 15% of their business to competitors who boosted theirs.

> "The best way to get through a possible recession and prosper on the other side of it is to think long term by investing in your brand and your relationships with customers.”
>
> *Mike Menkes, SVP at Analytic Partners*

Data shows that organizations that cut spend are likely to lose ground to rivals during and after a recession, while those who maintain or even increase spend stand to boost their ROI, becoming even more efficient at a time when efficiency is all the more important. This challenges the consensus that the first move during a recession should be to cut paid ad spend and marketing headcount to preserve margins. However, this actually undermines margins and is counter to what most businesses should be doing to drive success and shareholder value.

The report also revealed strategies for brands to recession-proof their marketing strategies. For example:

- Using multiple marketing channels can increase advertising impact by 35%
- Half of brands that increased marketing investment during the last recession saw ROI growth in back-to-back years
- Brand messaging outperforms performance messaging 80% of the time, so refocusing exclusively on performance messaging will lead to losses
- Two thirds of the opportunities to improve video advertising performance lie in improving the quality of creative

Overall, Analytic Partners identified five main factors in advertising success, which are, in order of impact: amount of investment, creative quality, halo (the power of advertising for one product to boost another product), mix of media and channel optimization.

“The best way to get through a possible recession and prosper on the other side of it is to think long term by investing in your brand and your relationships with customers,” said Mike Menkes, SVP at Analytic Partners, “Short-term thinking might make some shareholders happy at the next earnings report, but it undermines growth and therefore margins and true shareholder value over both the short and long term. A strong advertising strategy will lead to continued brand success that is stable and here to stay.”

For over two decades, Analytic Partners has collected vast quantities of marketing intelligence across more than 750 brands, 45 countries, and hundreds of billions in spend across industries. ROI Genome presents that intelligence to help marketers understand the tactics, channels, and strategies that drive ROI and performance.

About Analytic Partners
Analytic Partners is the leading cloud-based, managed software platform which provides adaptive solutions for deeper business understanding and right-time planning and optimization for marketing and beyond. We turn data into expertise so that our clients can create powerful connections with their customers and achieve commercial success. For more information on Analytic Partners, visit its website at www.analyticpartners.com

Kendall Allen Rockwell
WIT Strategy
kallen@witstrategy.com
Visit us on social media:
Facebook
Twitter
LinkedIn
