

Recession-Proof Your Park's Marketing Plan



This column was written by Jeff Beyer, CEO of Big Rig Media, a TACO Vendor Member, and a marketing firm that focuses on developing comprehensive and integrated branding, website development and digital marketing platforms.

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A recent headline in *The Wall Street Journal* read, "Life Is So Expensive, People Are Nostalgic for 2021." We used to wax wistfully about the price of a gallon of milk in the '90s or the cost of a movie ticket in the '80s. But these days, we're wistfully noting the price of eggs from just a year ago.

And with the Federal Reserve raising interest rates and consumer spending cooling, economic experts have warned the dark clouds of a recession are looming. "Start saving now to save yourselves!" they say.

Saving is never a bad idea, but when it comes to the success of your business, scaling back your marketing budget as if it were as useless as a set of flat tires will likely throw your business into a downward spiral of profit loss and disappearing market share that will take several (very expensive) quarters to recover from.

Here's how to protect your business from the depths of profit darkness and win the recession game.

THE PERILS OF CUTTING BACK.

History will continue to repeat itself and so will the lessons. Let's use history to our advantage and avoid the mistakes of those who've marketed before us.

In the mass of studies and opinions on how businesses fare during a recession, a 2008 analysis by Nitin Nohria, a former dean of the Harvard Business School, offers a clear picture of how to succeed. (1)

Nohria's analysis of the 1980, 1990 and 2000 recessions found that out of the 4,700 businesses he examined, 9% came out in better shape than when the downturns started and outperformed their rivals by 10%; 17% didn't survive and about 80% still had not regained their prerecession growth rate three years later.

How did the 9% work the recession gains magic? Nohria concluded, "These companies selectively reduce costs by focusing more on operational efficiency than their rivals do, even as they invest relatively comprehensively in the future by spending on marketing, R&D and new assets."

Simply put, they turned the air conditioner to 78 degrees, cut out the pizza parties and bumped up their marketing efforts.

The businesses that took drastic cutbacks, especially staff, performed the worst. Those that came out on top reduced operational costs while still investing in growth strategies that would allow them to survive the recession and maintain growth after it was over.

Just for fun, let's look at a study from 1927. There was no internet or digital marketing—most of the marketing was direct mail, newspaper ads, magazine ads and posters. Does the data tell the same story?

Budding marketing professor Roland Vaile's analyses of magazine advertising proved the same to be true even then. He studied 250 businesses in seven industries during 1920-24. Across all industries, the businesses that decreased advertising during the depression of 1920-21 lost profits and struggled to recover. And the companies that increased advertising? They grew sales faster than competitors—during the depression and after. (2)

SEIZE THE DAY!

What will happen during a recession is relatively predictable because human behavior is predictable. Business owners who view marketing solely as an expense will instantly cut their marketing budgets to save cash.

And these business owners are your competitors. So, this is one time when it pays to be an opportunist!