

## Finding Opportunities in the Economic Downturn

### Part 2 – Recession Success Stories

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Last month in e-News we discussed how most companies cut back on marketing because of economic recessions. We also observed how recent studies by [McKinsey](#) and others show that contrarian companies (those that increase their marketing in recessions) were the ones that **significantly increased sales and profits** when the economy got back on track.

In fact the McKinsey study was quite specific:

“The companies who increased their spend in a recession were the only ones whose profits rose substantially when the economy recovered.”

Here are a few “recession success stories” to drive the point home.

The De Beers "Shadows" campaign, which ran at a time of recession, is estimated to have increased sales by an annual average of 8% over three years. What's more, De Beers profits recovered by 21% in 1993 compared to the previous year.

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In the 1930s depression, Kellogg's maintained its marketing spend while Post did not. Kellogg then dominated the dry cereal market for the next half-century.

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In the recession of the early 90s, Barclaycard (UK) doubled its adspend while their leading competitor Access halved theirs. Barclaycard saw advertising awareness almost triple: Access's awareness halved.

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15 years of consistent advertising helped BMW to triple sales volume and market share. In 1993, BMW estimated that their advertising had been responsible for creating 35,000 enquiries to dealers.

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