

2022

ECONOMIC UPDATE:
**Ad Spend in
Economic
Downturns**

NBCUniversal



As headlines conflict on the health of the economy, we wanted to revisit **how ad spend is impacted during economic downturns**



So we wanted to revisit our old thought leadership on
What happens to advertising during economic downturns?



1929
The Great Depression



2000
Dot Com Bust



2020
COVID-19 Pandemic

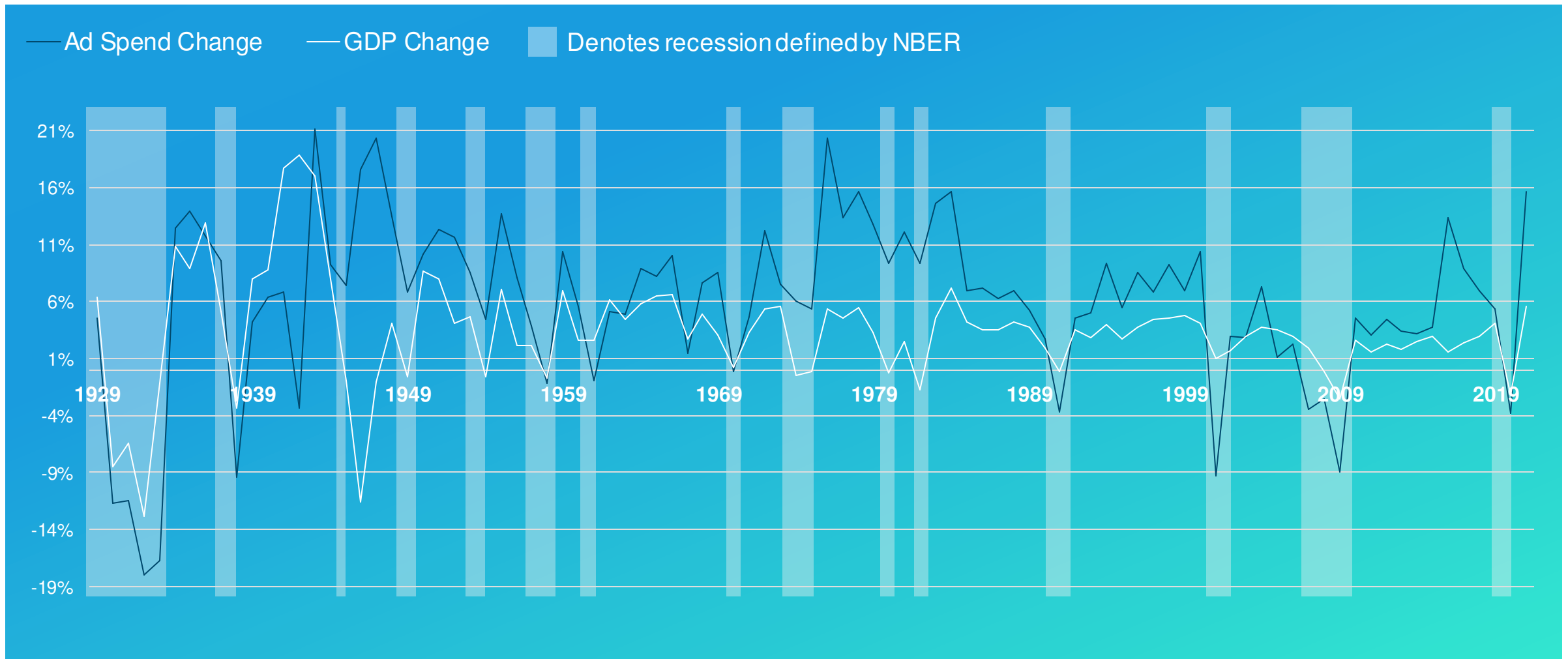
1973
OPEC Oil Embargo



2007
The Great Recession

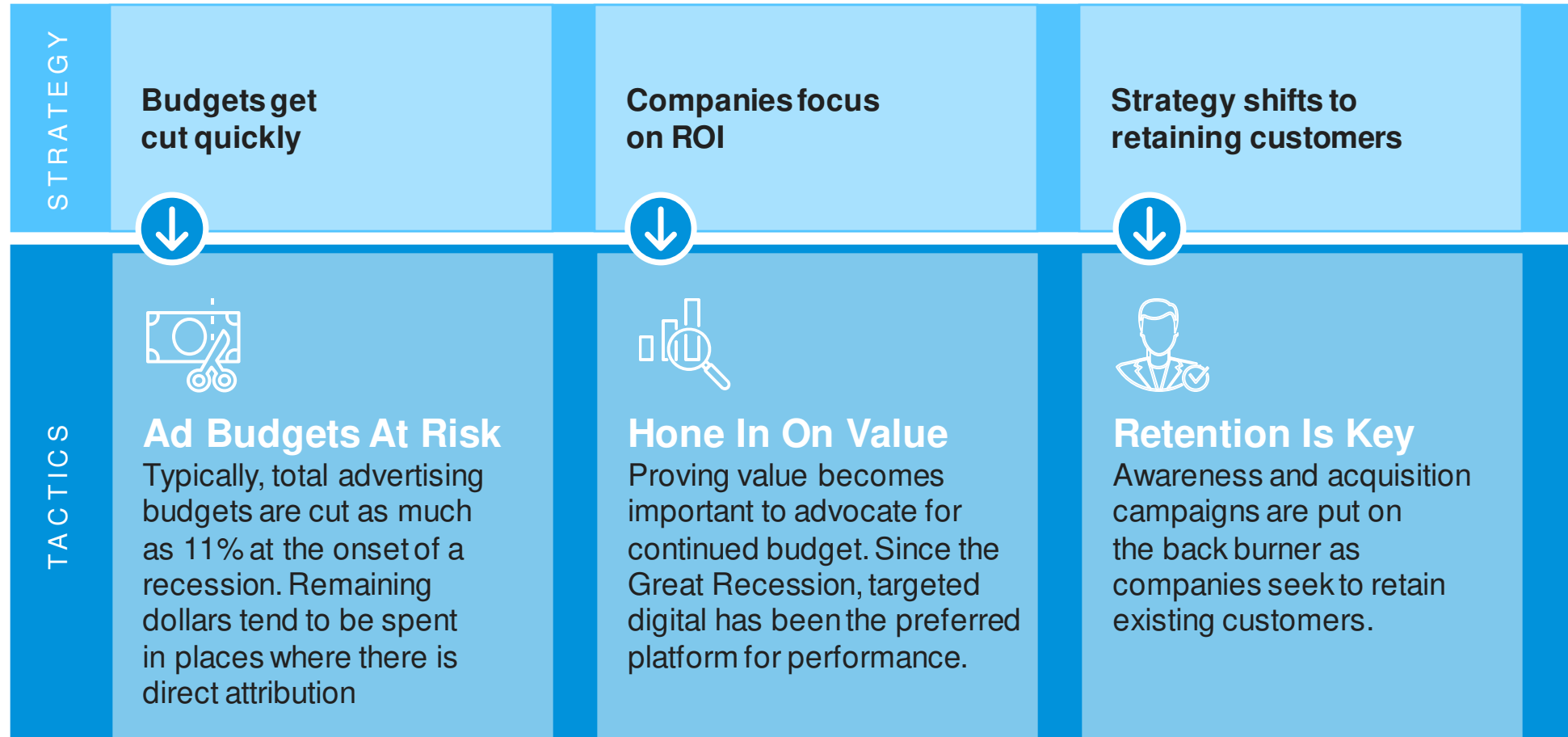


Since the Great Depression, US GDP is Actually Pretty Good at Predicting Future Advertising Spend



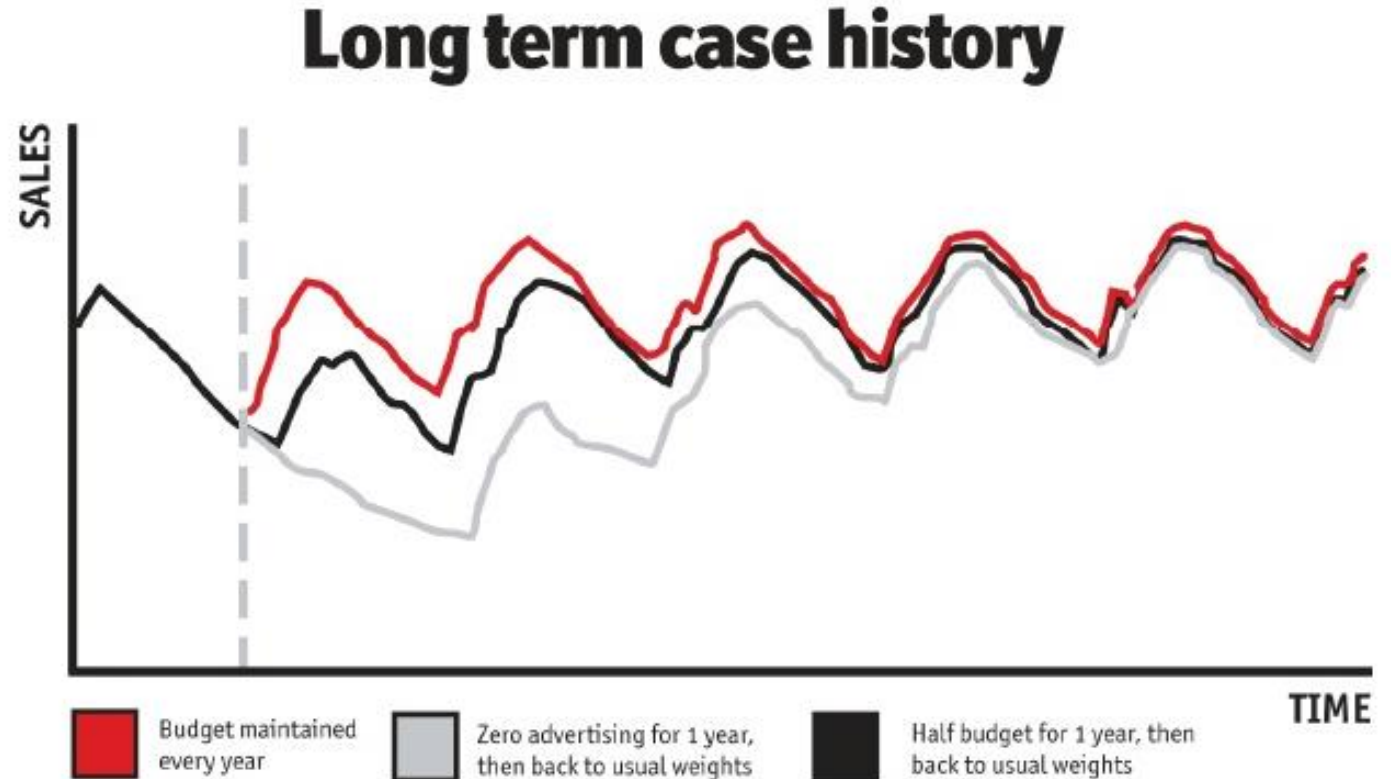
Sources: Biel, A. & King, S. Advertising during a recession. NTC Publications. 1999; WARC. What we know about advertising during a recession. May 2019; Long, D. The history of advertising during a recession. F&I Magazine. 2009; Tenhulzen, Bre; Advertising During the COVID-19 Global Pandemic: The Rise of Influencer Marketing Strategies in a Recession. March 2021

How do companies shift tactics and budgets during a recession?



Maintaining Budgets Helps Sales

Advocate for maintaining ad spend. Since Harvard Business Review conducted a study in 1927, almost every study since has shown that maintaining ad spend helps companies hold market share and grow faster post-recession



- Clients who cut budgets at the onset of a recession will take 5x longer to recover sales compared with clients who maintain spend
- Clients preserving ad spend increase SOV on networks and programs given cutting budgets is a common tactic
- Clients who maintain current levels may see 30-40% revenue increases over clients who cut budgets post recession

Thank You!

For questions, please reach out to:
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