



Why Sharp Advertisers Lean on News Advertising During a Recession

Learn how diversification and news ads help marketers successfully navigate tough economic times



Whether we're **already in a recession** or one is **just around the corner**, it seems clear that we have some bumpy economic times ahead. With businesses bracing, advertisers feel pressure to continue achieving marketing goals no matter the circumstances.

As trying as the near future may be, there are tactics advertisers can deploy to lessen the blow — or even get ahead. Media mix diversification and investing in news advertising are two such approaches. Here's why sharp advertisers use them to navigate a bad economy.

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Why diversification is the secret to marketing in a recession

While the traditional business playbook may encourage you to tighten your belt during downturns, especially around marketing, there's a more effective tactic: diversification. Here are three reasons why:

- 1. You can adapt to your customers:** Recessions cause a shift in consumer buying behavior, encouraging your customers to cut out luxuries and hone in on the essentials. They also may change their media consumption by opting to keep a closer eye on the news or following experts on social media to stay informed of the developing economic situation. Regardless of the specifics, a recession will impact your target audience, so adapt to them by diversifying your media mix.
- 2. You can avoid single points of failure:** Paring down your media mix to the bare bones may seem like wisdom, but the truth is relying on a handful of go-to channels leaves you vulnerable to sudden changes in consumer behavior. If, for instance, your strategy is built around Facebook ads and your audience starts spending more time on Twitter, your lead flow could plummet for weeks before you figure out why.
- 3. You can gain ground on the competition:** Even though it isn't the best idea, many of your competitors will significantly reduce advertising spending in response to an economic downturn. This decision will help them save money over the short term, but it will also allow you to claim a long term advantage. As your competitors' ads show up less and less across different channels, you'll be able to buy up unused ad inventory — quite possibly at a significant discount — greatly boosting brand awareness with a strategic investment that could pay dividends for years to come.

Why news ads should be part of your marketing mix

With search and social media as standard components of any modern digital marketing strategy, savvy advertisers are increasingly looking to other channels to bolster performance — especially during this period. Stickiness, premium audience, and potential broad-base appeal have made news apps a hot target.

- **News apps are stickier:** When it comes to average active days per month, news app users outperform users across all other app types, including social media, sports, shopping, education, entertainment, finance, and health and fitness. News app users average nearly 15 active days every month¹, 24% higher than social media, the number two category.
- **News apps cater to premium audiences:** In tough economic times, only a minority of consumers will be able to keep their spending levels relatively unchanged: the middle and upper classes. Interestingly, those are precisely the kind of consumers who tend to pay the most attention to the news. SmartNews users, for example, have higher educational attainment (52% have at least a bachelor's degree), earning potential (nearly 39% have at least \$100,000 in annual household income), and news consumption (85% check the app every day) than the general population.
- **News apps can have broad appeal:** Innovative news apps can cut across bias barriers — and increase their audiences — by providing content for people of all perspectives. SmartNews, for instance, aggregates content from all news outlets for its users, ensuring that everyone can find something they're interested in. It also drives high engagement, as SmartNews is the top news app in the US according to time spent per month²: In fact, its rates are higher than Google and Apple news combined.

1,2 <https://docs.google.com/presentation/d/1OngR2b4iXxj9ZlrN2OPHJf3RFUdQFIsg-f7jcz2aQn0/edit?usp=sharing>

SmartNews versus Facebook and Google

So earmarking news channels for marketing spend is a sound strategy during a recession, but which news channels? Let's explore how specific news apps like SmartNews match up against mainstream advertising channels like Google and Facebook. Overall, SmartNews has a higher Click-Through Rate (CTR), lower Cost Per Mille (CPM), and lower saturation:

- **Higher CTR:** Facebook's average [CTR across all industries is 0.9%](#), and Google Ads' average [CTR across all industries is 0.5%](#) on the Google Display Network. While CTR rates for Google Ads can reach as high as 0.64% (business & industrial), they can dip as low as 0.37% (health). SmartNews matches Facebook's average CTR across industries (~0.9%) while having certain verticals with CTRs of 1.4%.
- **Lower CPM:** Although SmartNews has a strong average CTR, average CPM is where the advertising channel truly shines. The average [CPM for Google Display is \\$3.12](#). Facebook's average CPM is \$8.60. SmartNews? \$1.5.
- **Lower saturation:** Along with these advantages, SmartNews is a much less saturated ad channel than Google or Facebook. Consequently, advertisers who tap SmartNews will have much more spending runway before they hit the [point of diminishing returns](#).

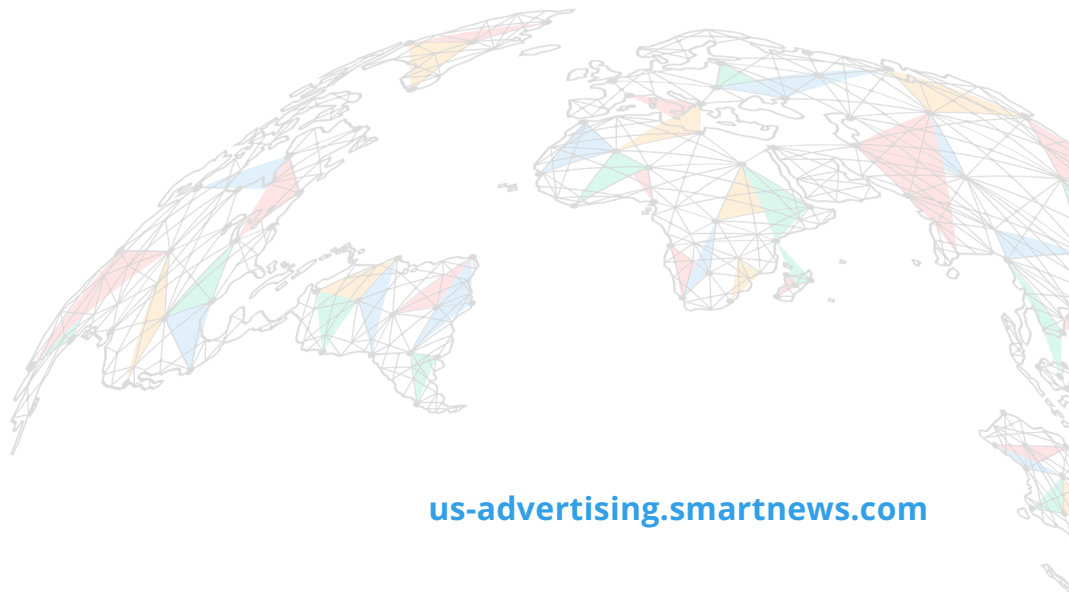
How to beat the bear

[Record high inflation](#), [multiple waves of layoffs](#), a [sustained bear market](#) — it doesn't take a prophet to know that our economy is struggling. But, as rough as the waters are and will likely continue to be, advertisers don't need to halve their budgets or panic. They just need to find a partner to help them effectively diversify their marketing mix.

With the most engaged news app audience in the country, rock-solid average CTRs, and rock-bottom CPMs, SmartNews is your ally in tough times. [Reach out today](#) to take your first step towards a recession-resistant strategy.



SmartNews



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