

RECESSION-PROOF BUSINESSES

THE TOP TEN

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SOUP

Most of the time, it's sex that sells. But in a down economy, soup ain't bad either. It's one of the few things, besides hamburgers, that you can eat when you're broke. And most people will tell you it's healthy. Campbell reports that its soup sales were up 12% in the most recent quarter. Not surprisingly, one of the key messages in the company's stepped-up marketing efforts is value. Campbell touts five of its condensed soups as part of its original dollar menu.

MOUTHGUARDS

More layoffs and fewer bonuses lead to greater stress. And more stress leads to...mouthguard sales? Indeed, according to anecdotal reports. Patients at dental practices have been flocking to the dentist to seek reprieve from stress-induced teeth grinding, which can damage teeth and lead to tooth loss. Of course, custom-fitted mouthguards are hardly recession-priced they run between \$300 and \$500.



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BANKRUPTCY LAW

This should start with a good joke about bankruptcy lawyers, but it turns out there aren't any. But, hey, they've got job security, which is more than can be said for the rest of the legal industry for the first time in many years. Bankruptcy practices started staffing up back in 2006, when the wave of business closures began to appear inevitable. Meanwhile some major law firms, including Orrick, Herrington & Sutcliffe, have been laying people off.

WALMART

It's only natural the name synonymous with low prices would fare well in a recession. Thanks in part to the giant retailer's laser-like focus on its economically downtrodden clientele via its "Save money. Live better" ads and the downturn in getting a lift from lower gas prices, this is Walmart time, as President-CEO Lee Scott said.



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THRIFT STORES

Even before Sarah Palin emerged as the industry's celebrity endorser, thrift stores were doing quite nicely in the recession. Sales were up 7% through the first 10 months of 2008 at US Goodwill stores, beating even Walmart's (especially on the apparel side). Maybe Ms. Palin's favorite Wasilla thrift store will attract some more fuel to the fire. She's also been spotted at a Nordstrom and Bloomingdale's on consignment, adding some more fuel to the fire.

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LAXATIVES

Apparently nothing clenches the sphincter quite like plunging stocks soaring and unemployment. But consumers are doing their part to restore liquidity. Laxatives traditionally do well in recessions and this one is no exception. Information Resources Inc. data show laxative liquids and powders up 20.9% for the 52 weeks ended Nov. 2. All that growth came from Miralax, which switched from prescription to over-the-counter in April 2007.

CABLE TV

Finally, cable TV's failure in advertising is starting to pay. It will keep the likes of Comcast, Time Warner Cable and Cablevision getting hurt as badly as their brethren in a killer media recession. Comcast: In Q3, ad revenue took a 10% hit, but since advertising is only a tiny portion of Comcast's business (less than 7%), overall revenue was up 10%. Sure, some strapped consumers will look to their cable bills trying to reduce home expenses, but will many do without cable?



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GUNS

Maybe people do cling to their guns after all. Barack Obama's stance on gun control and the teetering economy have proven to be a potent stimulant for the gun industry. Government and trade-association data reveal a 10% increase in sales of firearms and ammunition in the months leading up to the election. Now, with Mr. Obama on his way to the White House and the nation off a recession, we can only imagine that rifles will top many a holiday wish list.

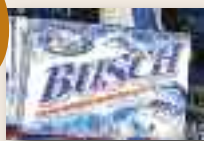
SPAM

Spam the canned meat, not the unwanted e-mail was invented during the Great Depression. Sales are up by double digits and it has strong marketing support from BBDO, Minneapolis. A Hormel exec told Ad Age that the company wouldn't peg Spam's success to the economy, but The New York Times noted last month that Hormel's Austin, Minn., plant has two shifts running.



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CHEAP BEER

Goodbye, Budweiser; hello, Busch. If you are selling cheap beer, you have nothing to fear in a recession. Bottom-shelf dwellers such as Keystone, Miller High Life have seen sales surge as the economy has bottomed out. Consumers have traded down from pricier brews like Corona and Heineken, which have seen once-hot sales cool.

*Source: Adapted from *Advertising Age*, December 15, 2008.

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