



4 Big Business Predictions For 2023

Transcript

Ryan Moran [00:00:03]

The first thing to know is that we are in a recession. This nonsense about we might be going into a recession, it doesn't matter. We're in one right now. Of course, the Biden administration changed the definition of a recession. Apparently you can do that when you're president. But we are in a recession.

Ryan Moran [00:00:22]

It's my opinion that we are in an asset price recession, not a productivity recession. And there is a difference. An asset price recession is when just the prices of things keep coming down, whereas a productivity recession is when there are mass layoffs, people can't find work, and the output of people goes down.

Ryan Moran [00:00:41]

There's a big difference. An asset price recession hurts the rich the most because asset prices like stocks and real estate and Bitcoin, of course, come way down. But the costs of everything come down as a result of that. That's good news for new entrepreneurs, because the things that you want to buy at the beginning of a business are going to become cheaper, at least when compared to the last two years.

Ryan Moran [00:01:08]

There are two areas where that is very good news for entrepreneurs, and that is in advertisers and influencers. So, put differently, traffic costs are going to come down in 2023 because there are fewer people advertising on Facebook and on Google, and there are fewer brand deals going to influencers, which means that the cost of traffic is coming down and the cost to advertise your product or service is going to be easier and cheaper for you to get into the hands of the people who want to buy from you.

Ryan Moran [00:01:38]

So, the real thing to take away from this is just because we're going into a recession does not mean that there are not opportunities. In fact, it creates some really great opportunities to get started that didn't exist over the last two years. It's kind of like how you wish you had bought Bitcoin a few years ago, and then it goes to \$50,000 and you're like, I should have bought it earlier.

Ryan Moran [00:02:00]



And now it comes crashing down and you're like, maybe I don't want to buy it. Most entrepreneurs do the same thing. They say, I wish I had started a business two years ago when everything was going up. Well, now that it's coming crashing down, it's actually the best time to start a business but most people are scared to do it.

Ryan Moran [00:02:16]

Don't be one of those. Be one of the people who is aggressive when everybody else is scared, because costs of things like traffic and inventory and even some agencies has come down over the last two years. Second trend that you'll notice in 2023 is the importance of front end, low cost offers. Here's what this means.

Ryan Moran [00:02:37]

Over the last two and even three years, it was popular to advertise your most expensive item upfront. So, you saw a lot of coaching programs and mentorships and agencies running ads for the most expensive thing. Now that we're in a recession, customers have a much longer period that they take in order to make a transaction, and they want to buy lower cost front end items in order to gain trust with you rather than buying your most expensive thing.

Ryan Moran [00:03:07]

So, in 2023, you're going to see a return of the front end offer. This used to be very common in marketing back five, six, even ten years ago, but it's faded from popularity because it's been relatively easy to advertise really expensive things and get customers. If you want to succeed in 2023, as we're entering a recession, be thinking about what the front end thing that a customer wants to buy from you.

Ryan Moran [00:03:32]

For example, my lowest cost mentorship inside of my business is \$5,000 a year, but we just developed a less than \$100 starter kit for someone to get a taste of what we do so they can decide to work with us later. We'll run advertising to the \$100 thing rather than the \$5,000 thing.

Ryan Moran [00:03:54]

The profit margins will be nonexistent. In fact, we might lose money getting \$100 customers, but we want to do that so that the most number of people get a taste of what I can help them do so that they want to work with us later in the future. The people who focus on front end offers will win over the long term, and there are going to be a lot of business owners that don't know how to do that because they're so used to running ads for their most expensive product.



Ryan Moran [00:04:21]

This is also true if you sell physical products. Since traffic will be cheaper, it's possible for you to run ads to your least expensive item so that you get the most number of customers. And if you're good to those customers, then they'll come back and buy your higher price products, too.

Ryan Moran [00:04:36]

If you combine these two trends, the fact that traffic will be cheaper and front end offers are going to make a return, let's go to the third thing, and I'll share with you how to build a big audience that buys in the way that makes the most sense heading into 2023. The fastest way to build an audience is to run advertising to either your lowest cost product or a free email opt in that warms people up for your front end product.

Ryan Moran [00:05:09]

For example, in one of my businesses, which is a supplement company, it markets to fit fathers, because that's what I like to think I am. We put together a book called From Dad Bod to Father Figure. It's seven biohacks to optimize your hormones, build muscle, and be the fittest father on the playground.

Ryan Moran [00:05:30]

This is a free book that we run traffic to, and it warms people up for some of our frontend low cost products, and we make recommendations for biohacks that other companies sell, too. It's not just ours. What that does is it builds trust and credibility with the people who read the book, and it allows us to get email opt-ins that are monetized through the links throughout the book.

Ryan Moran [00:05:55]

If we can acquire an email address and break even as a result of selling some of our products, then we can build an audience very quickly, especially since traffic costs are going down. The key here is being willing to lose money for the first 90 days. Up until now, a lot of marketers and entrepreneurs have been obsessed over what the day one cost and profitability is of getting an email opt in or a customer.

Ryan Moran [00:06:22]

But since we're in a recession, the buying trends are changing, and you'll have to think about a longer customer lifecycle. So, I don't care if we break even for the first 90 days or even the first six months. My focus is on building the biggest audience as possible, and that's the fastest way to do it heading into this recession and heading into 2023.



Ryan Moran [00:06:45]

The next trend that I think we'll see happen this year is mass entrepreneur burnout. Entrepreneurs got put through the ringer over the last two years. I guess most of us did. But entrepreneurs had a special kind of ringer. You see, most of us dealt with the trauma of fearing that our businesses would go away when the whole world shut down.

Ryan Moran [00:07:09]

And then, right when things opened up, the economy took off like a rocket ship and people made bad business decisions because of all the inflation that was going on. Then, just as quickly as it started, the economy started to crash. Every entrepreneur that I know wishes they could go back and undo a lot of decisions that they made over the last two years.

Ryan Moran [00:07:31]

They spent too much because they were trying to grow, they borrowed money because it was cheap, they hired a big team because the economy was growing. And then everything started to crash. Their investments in their portfolios and in the stock market started to come down, and a lot of entrepreneurs are dealing with confusion about what to do next.

Ryan Moran [00:07:52]

I know a lot of people dealing with sleepless nights and fear about things continuing to get even worse. So, I think we're going to see a massive amount of entrepreneurial burnout, and it's going to really suck in the short term, but be very good in the long term. The truth is, a lot of entrepreneurs have been doing things that they don't want to do simply because they could justify it based on how much money they were making.

Ryan Moran [00:08:17]

When the economy is really good, it's tempting to chase this rabbit and go over here and try a little bit of this because it feels like everything is working and everybody's making money and you've got to hustle in order to keep up. But when things come back to earth, we tend to prioritize the things that actually have long term value, and those are the things that are usually most meaningful to both you and your customers.

Ryan Moran [00:08:42]

So, my advice would be to take the time that you need to be able to come through this on top, which means having the mental focus and the physical energy to be able to crush this next chapter because there's going to be so much burnout that if you allow yourself to recover, you're going to come out ahead of most people in this space.



Ryan Moran [00:09:00]

The next trend that you will see in 2023 is that communities are paramount. You might remember that Gary Vaynerchuk used to say you have to think about your company as a media company first and then whatever it is that you do. So, if you're an attorney, you should think about yourself as a media company and then you're an attorney.

Ryan Moran [00:09:21]

I now think that will be replaced by thinking about yourself as a community first, and then. The difference between media and community is that media is to the masses. Community is to your targeted raving fans and customers. And if you think about creating a community instead of building a huge following, you will have loyal followers that will get you through this recession.

Ryan Moran [00:09:45]

One of the ways that we do this inside of our company is we hold live in-person events. There are only a few hundred people, but those few hundred people are our most loyal raving fans and we spoil them at this event by creating an experience that they remember for the rest of their lives.

Ryan Moran [00:10:03]

It only takes a few hundred or a few thousand really loyal fans to carry you through any economic hardship because those are the fans that will support you. They'll never cancel their memberships, they'll buy every product that you release, and they'll tell their friends about you as well.

Ryan Moran [00:10:21]

So, put your attention on building community first. Media is a way to amplify the community, but the stronger and the more loyal your community, the more you're going to come out ahead and get through this recession unscathed. People now buy on values alignment more than anything else.

Ryan Moran [00:10:41]

People buy the coffee company that matches their values. Just look at Black Rifle coffee. They buy their jackets and outdoor gear from companies that match their values. Just look at Patagonia. And communities have the shared values. So, share your company values and what you stand for.

Ryan Moran [00:10:58]



That is how you'll build community, and when you amplify that through media, now you're playing the game in the way it needs to be played in 2023. And the last trend that we'll see in 2023 is that profit is cool again. Over the last several years, profit didn't matter because money was cheap to borrow and investment capital was being flown around all over the place.

Ryan Moran [00:11:22]

That has dried up and now you have to be profitable if you're going to be cool. It used to sound cool that you raised \$5 million at a \$50 million valuation, but now that you're not profitable, you're not going to do that anymore. And with scandals like FTX in the media, investors are more skeptical of any business that isn't producing profit.

Ryan Moran [00:11:47]

So, this is the time to get lean, to get creative, and to build communities, because those are the things that are going to create profit and long term value. One final thing that I see happening in the marketplace is that I think we're going to have a window of opportunity for the next two to four years for people to get fabulously wealthy, because fewer people are starting businesses right now.

Ryan Moran [00:12:09]

That always happens in recessions. So, as a result, the businesses that do get started during recessions often have less competition and they have lower costs, so they're able to hire the best people, they're able to buy more traffic. And so, now is this really cool window of opportunity to start a business that lasts.

Ryan Moran [00:12:27]

Also, with investments like cryptocurrency and the stock market and now real estate coming down in value, it's a really good time to invest the profits from your business into long term assets and create a fabulous amount of wealth over the next five to ten years.

Ryan Moran [00:12:43]

So, the more you can think long term during this window, the richer you're going to become. I'm Ryan Daniel Moran from Capitalism.com. Thanks so much for watching. Let me know what you think is going to happen in 2023 in the comments of this video, and I'll see you next time. Take care.

Ryan Moran [00:12:58]



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Ryan Moran [00:13:14]

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