

## Press Information

Contact details:

Bill Daddi

Daddi Brand Communications Inc,

Phone: 646-370-1341

917-620-3717

Email: [Bill@DaddiBrand.com](mailto:Bill@DaddiBrand.com)

### **Kantar Media Reports U.S. Advertising Expenditures Increased 6.4 Percent In The First Nine Months Of 2010**

**New York, NY, January 4, 2011** – Total advertising expenditures in the first nine months of 2010 grew 6.4 percent from a year ago and finished the period at \$94.06 billion, according to data released today by Kantar Media, the leading provider of strategic advertising and marketing information. Ad spending during the third quarter of 2010 was up 8.7 percent versus last year, the largest quarterly gain since the end of 2004.

“The advertising recovery expanded during the third quarter to include stronger participation by the long-tail of marketers beyond the Top 1000,” said Jon Swallen, SVP Research at Kantar Media. “Having fewer resources, this segment was previously cautious about raising budgets and it lagged behind the early year rebound in ad spending. Smaller advertisers are now as fully vested as their large counterparts and in that sense, the advertising recovery has reached a significant milestone.”

#### **Measured Ad Spending By Media**

Television media continued to pace the advertising recovery. Spot TV expenditures surged 27.8 percent behind the swell of political advertising and sustained demand from automotive marketers and retailers. Spanish Language TV spending rose 11.9 percent, aided by the World Cup event during June and July. Gains for Cable TV (+9.0 percent) and Network TV (+6.1 percent) were driven by sharply higher spending from the auto, financial service and consumer package goods categories.

Internet display advertising had the second largest growth rate among the media sectors, up 7.7 percent compared to the year ago period. Outdoor was close behind with a gain of 7.3 percent.

Within the Radio sector, all types achieved year-to-date growth. Spending in National Spot Radio jumped 15.9 percent and Local Radio rose 3.8 percent with each being paced by larger outlays from auto dealer and financial service advertisers. Network Radio registered a small increase of 1.7 percent.

Consumer Magazines, after a weak first quarter, rebounded solidly in subsequent months and year-to-date expenditures have risen 2.8 percent. Sunday Magazines (+8.1 percent) benefitted from higher spending by pharmaceutical companies and home improvement retailers.

National Newspaper spending rose 6.8 percent, primarily from gains at the *Wall Street Journal*. Local Newspaper expenditures fell 4.4 percent despite stable volume of ad space sold. Local Newspaper spending has now declined for 20 consecutive quarters.

### Percent Change in Measured Ad Spending<sup>1</sup>

<b>MEDIA SECTOR</b> • Media Type (Sectors and types listed in rank order of spending)	<b>Jan-Sep 2010 vs. 2009</b>
<b>TELEVISION MEDIA</b>	<b>10.5%</b>
• Network TV	6.1%
• Cable TV <sup>2</sup>	9.0%
• Spot TV <sup>3</sup>	27.8%
• Spanish Language TV <sup>4</sup>	11.9%
• Syndication – National	-8.3%
<b>MAGAZINE MEDIA<sup>5</sup></b>	<b>2.6%</b>
• Consumer Magazines	2.8%
• B-to-B Magazines	-2.6%
• Sunday Magazines	8.1%
• Local Magazines	-1.8%
• Spanish Language Magazines	5.2%
<b>NEWSPAPER MEDIA<sup>6</sup></b>	<b>-2.9%</b>
• Local Newspapers	-4.4%
• National Newspapers	6.8%
• Spanish Language Newspapers	2.0%
<b>INTERNET (display ads only)<sup>7</sup></b>	<b>7.7%</b>
<b>RADIO MEDIA</b>	<b>6.2%</b>
• Local Radio	3.8%
• National Spot Radio	15.9%
• Network Radio	1.7%
<b>OUTDOOR</b>	<b>7.3%</b>
<b>FSIs<sup>8</sup></b>	<b>6.7%</b>
<b>TOTAL</b>	<b>6.4%</b>

#### Source: Kantar Media

1. Figures tabulated from Kantar Media's Strategy™ application and cover all measured media, including: Network TV (6 networks); Spot TV (125 DMAs); Cable TV (71 networks); Syndication TV; Hispanic Network TV (4 networks); Consumer Magazines (226 publications); Sunday Magazines (7 publications); Local Magazines (27 publications); Hispanic Magazines (19 publications); Business-to-Business Magazines (288 publications); Local Newspapers (147 publications); National Newspapers (3 publications); Hispanic Newspapers (48 publications); Network Radio (5 networks); National Spot Radio (205 markets); Local Radio (32 markets); Internet (1,989 sites); and Outdoor. Figures do not include public service announcements (PSA) or House ads.
2. Cable TV figures do not include Hispanic cable networks.
3. Spot TV figures do not include Hispanic local stations.
4. Spanish Language TV includes 4 Hispanic broadcast networks, 4 Hispanic cable network and 70 local Hispanic TV stations.
5. Magazine media includes Publishers Information Bureau (PIB) data and reflect print editions of publications.
6. Newspaper media figures reflect print editions of publications.
7. Internet display expenditures are based on 1,989 sites with measured activity for an equal number of months in both time periods
8. FSI data represents distribution costs only

## Measured Ad Spending by Advertiser

Spending among the ten largest advertisers increased 5.9 percent to \$11.91 billion in the first nine months of 2010.

Procter & Gamble maintained its number one ranking by spending \$2,252.7 million, an 18.7 percent increase versus a year ago. However, its third quarter budgets were flat.

AT&T boosted expenditures 15.7 percent to \$1,510.7 million. Much of the additional money was directed towards its consumer television service and this segment accounted for nearly one-tenth of the company's ad dollars. Rival Verizon Communication cut its spending by 13.1 percent, to \$1,406.8 million.

Despite a widespread surge in automotive category spending, General Motors was the lone auto advertiser in the Top Ten. GM invested \$1,480.5 million, up 20.6 percent from a year ago.

Smaller increases were posted by News Corp. (+8.0 percent, to \$984.8 million), General Electric (+5.4 percent, to \$793.2 million) and Walt Disney (+4.0 percent to \$776.9 million). Results for each of these companies were primarily shaped by their movie studio divisions.

### Top Ten Advertisers: January-September 2010<sup>1</sup>

Rank	Company	Jan – Sep 2010 (\$Millions)	Jan - Sep 2009 (\$Millions)	% Change
1	Procter & Gamble Co	\$2,252.7	\$1,897.1	18.7%
2	AT&T Inc	\$1,510.7	\$1,305.4	15.7%
3	General Motors Corp	\$1,480.5	\$1,227.4	20.6%
4	Verizon Communications Inc	\$1,406.8	\$1,618.9	-13.1%
5	News Corp	\$984.8	\$911.5	8.0%
6	Johnson & Johnson	\$950.4	\$1,024.9	-7.3%
7	Pfizer Inc	\$895.7	\$893.5	0.2%
8	Time Warner Inc	\$863.3	\$872.3	-1.0%
9	General Electric Co	\$793.2	\$752.6	5.4%
10	Walt Disney Co	\$776.9	\$746.9	4.0%
	<b>TOTAL<sup>2</sup></b>	<b>\$11,914.7</b>	<b>\$11,250.6</b>	<b>5.9%</b>

**Source: Kantar Media**

1. Figures do not include FSI, House Ads or PSA activity.

2. The sum of the individual companies may differ from the Total shown due to rounding.

Across the Top 1000 advertisers, a diversified group representing three-fourths of the measured ad economy, expenditures rose 7.3 percent in the first nine months of the year. The comparable growth rate for the long-tail of small advertisers beyond the Top 1000 was just 3.3 percent. However, in the third quarter the respective figures for these two segments were very similar at 9.1 percent and 8.1 percent.

## Measured Ad Spending by Category

Expenditures for the ten largest advertising categories rose 7.4 percent in the first nine months of 2010 and totaled \$53.55 billion.

Automotive was the leading category in both dollar volume and growth rate as spending accelerated 23.7 percent to \$9,151.5 million, reflecting the improved climate for vehicle sales. Within the category, manufacturers and dealers had comparable rates of increase.

Telecom was the second largest category with nine month expenditures growing a modest 4.7 percent to \$6,369.4 million. Slowing rates of spend in the wireless segment were offset by vigorous competition and larger budgets among TV service providers.

Year-to-date spending in Financial Services increased 9.4 percent, to \$5,604.6 million, although growth rates slackened in the third quarter. Results were skewed by a sustained marketing barrage from a handful of leading credit card issuers. More telling is the ongoing weakness in retail bank advertising and a recent slowdown by marketers of investment products.

Only two of the top ten categories posted spending declines. Direct Response budgets shrank by 6.2 percent, to \$4,549.9 million. Pharmaceutical advertising was down 8.5 percent, to \$3,160.9 million, on broad reductions across top spending brands.

### Top Ten Advertising Categories: January-September 2010<sup>1</sup>

Rank	Category	Jan - Sep 2010 (\$Millions)	Jan - Sep 2009 (\$Millions)	% Change
1	Automotive	\$9,151.5	\$7,399.8	23.7%
	• (Manufacturers)	(\$5,761.2)	(\$4,691.8)	22.8%
	• (Dealers)	(\$3,390.3)	(\$2,708.0)	25.2%
2	Telecom	\$6,369.4	\$6,083.1	4.7%
3	Local Services	\$5,932.8	\$5,577.3	6.4%
4	Financial Services	\$5,604.6	\$5,122.3	9.4%
5	Miscellaneous Retail <sup>2</sup>	\$5,108.8	\$4,639.5	10.1%
6	Food & Candy	\$4,961.7	\$4,516.5	9.9%
7	Direct Response	\$4,549.9	\$4,852.2	-6.2%
8	Personal Care Products	\$4,446.7	\$4,050.2	9.8%
9	Restaurants	\$4,267.4	\$4,190.4	1.8%
10	Pharmaceutical	\$3,160.9	\$3,455.5	-8.5%
	<b>TOTAL<sup>3</sup></b>	<b>\$53,553.6</b>	<b>\$49,886.8</b>	<b>7.4%</b>

**Source: Kantar Media**

1. Figures do not include FSI or PSA activity.

2. Miscellaneous Retail does not include these retail segments: Department Stores, Home Furnishing/Building Supply Stores.

3. The sum of the individual categories may differ from the total due to rounding.

## Branded Entertainment

Kantar Media continuously monitors Branded Entertainment within network prime time and late night programming. The tracking identifies Brand Appearances and measures their duration and attributes. Given the short length of many Brand Appearances, duration is a more relevant metric than a count of occurrences for quantifying and comparing the gross amount of brand activity that viewers are potentially exposed to in the program versus the commercial breaks.

In the third quarter of 2010, an average hour of monitored prime time network programming contained nine minutes, four seconds (9:04) of in-show Brand Appearances and 14:47 of network commercial messages. The combined total of 23:51 of marketing content represents 40 percent of a prime-time hour.

Unscripted reality programming had an average of 11:10 per hour of Brand Appearances as compared to just 6:17 per hour for scripted programs such as sitcoms and dramas. Late night network talk shows had an average of 10:49 per hour. The combined load of Brand Appearances and network ad messages in these late night shows was 25:32 per hour, or 43 percent of total content time.

### Brand Appearances vs. Advertising: Q3 2010

(minutes:seconds per hour)

	Brand Appearances	Network Ad Messages <sup>1</sup>	TOTAL
PRIME TIME NETWORK	9:04	14:47	23:51
<i>Unscripted Programs</i>	<i>11:10</i>	<i>14:59</i>	<i>26:09</i>
<i>Scripted Programs</i>	<i>6:17</i>	<i>14:33</i>	<i>20:50</i>
LATE NITE NETWORK (Kimmel, Leno, Letterman)	10:49	14:43	25:32

Source: Kantar Media

<sup>1</sup> Figures include network advertisements, station promotions and PSAs. Local commercial time is excluded.

The top five brands ranked by total amount of Brand Appearance time were Chef Revival, Viking appliances, Bud Light beer, Yamaha music equipment and Ford.

## About Kantar Media

Established in more than 50 countries, Kantar Media helps clients master the world's multimedia momentum through analysis of print, radio, TV, internet, cinema, mobile, social media, and outdoor worldwide. Kantar Media offers a full range of media insights and audience measurement services through its global business sectors – Intelligence, Audiences, TGI and Custom. Kantar Media companies also include Compete, Cymfony and SRDS. Drawing upon the deepest expertise in the industry, Kantar Media tracks more than 3 million brands and delivers insight to more than 22,000 customers worldwide. [www.KantarMediaNA.com](http://www.KantarMediaNA.com)