

DIGITAL ADVERTISING TAKES A HIT IN FOURTH QUARTER



Rich Antoniello is the CEO of Complex Media, who had been looking at the digital sales pipeline for the fourth quarter prior to the end of the third quarter, which had two weeks remaining. What he saw made him extremely happy because he saw that digital revenue was on pace to double over the past 12 months. A month and a half later, advertisers began pulling 30 percent of qualified revenue off the table. Qualified revenue means that the negotiations for the advertisements had already begun. This number is compared to the normal monthly percentage of ten. The company will still be able to finish the fourth quarter up 74 percent on digital revenue year-over-year, which Antoniello considers excellent news. Marketing companies have been taking a cautious approach this holiday season, which means advertisers for online publishers are taking a hit in the fourth quarter. As the final quarter of the fiscal year comes to a close, online publishers are suffering from the conservatism employed by marketers right now. The conservatism has been due to the global economic problems and the marketers focus on social media. Marketers can now send ads to customers' smartphones and tablets. "More of a concern is what is happening broadly at the portals. Are some of these dollars going to Facebook and YouTube? The answer seems to be yes," Ben Schachter said. Schachter is an analyst for Macquarie Capital. Horizon Media's Donnie Williams, the chief digital officer, claims that the fourth quarter digital spending decline has been popular conversation between tier one publishers and video-ad networks. Williams claims that his company has not suffered from the decline because the company focuses on adding clients rather than upping the budgets. Analysis performed by Schachter found weaknesses in financial services as well as ad drop off in daily deals advertising. Other companies are struggling with package goods spending, consumer electronics, and pharmaceutical categories. The CEO for North America at Digitas, Colin Kinsella, claims that his company sat down with its clients late in the summer of 2011 in order to lower projections for the end of the year. Digitas has seen increasing spending in the mobile sector, including search for mobile, as well as on social media campaigns. Advertising spending is slowly switching to digital, but caution practiced by marketers is affecting the ambitious programs that can make a quarter successful or a failure. "We continue to see share-shift toward digital but less of an appetite for experimental digital solutions and more focus on things that they know," said Wes Nichols, CEO of Marketshare Partners. A weak fourth quarter is being expected off the internet as well. The magazine industry has seen advertisers commit to spending well ahead of time, because advertisement pages run a month later. The issues for October, November and December saw advertising decline by 6.8 percent from the fourth quarter of 2010 to this year.

<https://blog.granted.com/>