

HOLIDAY ADVERTISING BUDGETS INCREASE SLIGHTLY



As the holiday shopping season ramps up, the spending for advertising will continue to occur. Retailers across the country are armed with budgets for advertising that are either equal to or slightly higher than those of last year. Retailers are using a combination of mobile, print, television, digital, radio and outdoor advertising to promote products and services during the holiday shopping season. A study performed by BDO USA found that chief marketing officers at retailers across the country decided to keep their advertising budgets the same this year. 65 percent of businesses surveyed from September to October said that their 2011 holiday advertising budgets remained the same compared to that of 2010. 20 percent of those companies told the survey that their advertising budgets increased, but by less than one percent. 36 percent of respondents said they use mobile advertising for their holiday campaign in 2011. Steve Ferrara is a BDO retail partner, who had the following to say: "Eighty-four percent said they focused less than 10 percent on mobile marketing. Ninety-three percent said less than 20 percent was on mobile for marketing efforts," Ferrara said. Ferrara also went on to discuss the fact that social networking websites have also become a major part of retailers' holiday advertising campaigns in 2011. The reason for this is the fact that it does not cost a ton of money to send out emails that include electronic newsletters and coupons. 82 percent of survey respondents said that social media was included in their campaign, which is an increase from the 75 percent in 2010 and the 51 percent back in 2009. In 2007, only four percent of respondents used social media in their holiday advertising campaigns. John Shelton is the chief executive officer of STRATA, who had the following to say: "As a matter of fact, we had some agencies say that they witnessed ad budgets increase more than 20 percent compared to the 2010 holiday season. This does make sense as many advertisers focus on the holiday season to 'save their year,'" said Shelton. "In general, digital advertising is less expensive and easier to produce than TV advertising, so they can quickly change to accommodate the Cyber Monday frenzy. That being said, we did see that many brick-and-mortar retailers are still focusing on TV and traditional avenues that cost more to produce, buy and place — which is a positive economic indicator. We are also seeing more retail campaigns utilize cross-platform promotions and reaching clients in more ways than ever before. Instead of relying on one or two mediums, a strong media mix has become increasingly important for advertisers from brick and mortar to online to push their products/services this shopping season." According to the study released not too long ago, the focus of the retailers' advertising campaigns seems to be centered around electronics. "It seems like tablets and phones and other electronic devices seem to be the hot items once again, and the advertising is following that demand. Behind the big lead of electronics for the retail area is clothing and apparel, followed closely by music and movies," Shelton said.