

U.S. ADVERTISING REPORT 2011, HARBINGER OF BETTER TIMES IN 2012



Advertising plays a huge role in America's economy and its economic importance can be gauged from the statistic that US advertising spending totaled an astounding \$144 billion in 2011. Kantar Media, the leading provider of strategic advertising and marketing information has said, "total advertising expenditures increased 0.8 percent in 2011." eMarketer principal analyst, David Hallerman, validated the reasons for the increase in Advertising saying, "Advertisers' comfort level with integrated marketing is greater than ever, and this is helping more advertisers—and more large brands—put a greater share of dollars online." Kantar Media reports that "Ad spending during the fourth quarter of 2011 dropped 1.0 percent versus the year ago period, the first quarterly decline since the end of 2009. Since reaching a post-recession peak in Q3 2010, advertising growth rates have slowed successively for five consecutive quarters." Jon Swallen, SVP Research at Kantar Media Intelligence North America, reasoned that the drop in Ad spending in the fourth quarter was owing to resilient TV spending and declining advertising budget allocations. He wondered, whether this was an "isolated occurrence or an early sign of digital dollars moving more quickly towards emerging and unmeasured digital platforms bears watching as 2012 unfolds." Television sustained its number one position and continued to lead the ad market in the fourth quarter. Network TV expenditures increased by 7.7 percent year-over-year, thanks mainly to a strong pricing for football, a popular baseball World Series that went the maximum seven games and the launch of The X Factor singing competition program. Spanish language TV ad spending, powered by a 19.1 percent in fourth quarter, increased by 8.3 percent over the year. A similar growth in the fourth quarter, saw Syndication TV benefitting, a result of higher spending by department stores and health & beauty brands, saw their spending over the year increase by 15.4 percent. The pace of spending in the print media and radio sagged by almost equal percentages, of around 3.8 percent, validating fears that the reductions were owing to advertisers opting for other media channels. For the ninth consecutive year, Procter & Gamble was the top advertiser with spending of \$2,949.1 million, whilst AT & T was the second largest Advertiser with advertising expenditures of \$1,924.6 million. Even though they were the top two, they spent less this year than the last year. The largest growth rate among the Top Ten marketers was posted by Chrysler, up 36.2 percent to \$1,193.0 for the full year. Analysts predict a bountiful year for the ad industry and say that growing technology will continue to invade and rejuvenate every aspect of advertising in 2012. "In 2012, advertising will be more than ever the intersection of technology and storytelling," says Christian Haas, executive creative director at Goodby Silverstein & Partners