

ADVERTISING MOGULS SAY FISCAL CRISIS TO IMPACT AD SPENDING IN 2013



Senior advertising and media executives gathered at the 40th annual global media and communications conference, in Midtown Manhattan to debate and discuss various issues regarding the advertising industry. Among the many issues discussed, the advertising bigwigs also conferred about the possible repercussions of the fiscal crisis that the United States was going through and the never-ending economic problems that the euro zone was facing. They averred that it would probably entail a deep cut in the ad spending for their industry in the ensuing year concluding that whilst there was genuine cause for concern, it wasn't time yet, to sound the alarm bells. Mr. Sorrell, whose umpteen agencies include Grey, JWT, MEC, Mindshare, Ogilvy & Mather and Y&R said that it he would "err on the side of caution at the moment." He acknowledged that there was considerable uncertainty and there was further ambiguity as to how the current situation would unravel. An example of the wariness that prevailed, he said, was that whereas earlier clients made plans for the year they now "look at quarters." Martin Sorrell, chairman of WPP, the largest advertising holding group moneywise said that the high improbability of the fiscal crisis being averted is one of four "gray swans" that is disturbing and confusing markets, and marketers. He said that it had become increasingly hard to predict the behavior of consumers, their needs varying from month to month. Mr. Sorrell said that his agencies are being cautious about the ensuing year, which could mean a drop in projected profits for 2013. Regarding the financial turmoil in the euro zone, which Mr. Sorrell believes will also seriously impact, next year's revenue, he appeared more confident saying that somehow they'll manage to "muddle through." Advertising executives concurred with Mr. Sorrell that even though predictions for 2013 are not so heartening, the following year 2014, could offset decreased revenues in 2013 by bringing huge benefits to the ad industry as that is the year when the Winter Olympics and the FIFA Football World Cup will be held and these are bound to bring in a huge amount of ads. Yet another speaker, Michael Roth, chairman and chief executive of the Interpublic Group of Companies said that even though there was a lot of uncertainty, amidst these indecisive times was the opportunity to tell clients and prove to them that they had it in them to help them get out of the sluggish economy and increase their sales – he said that he took it as a challenge for Interpublic to demonstrate that "we have the resources to move the needle" in selling goods and services for their clients. He said unlike the fourth quarter of four years ago, when the financial crisis forced marketers to drastically slash their ad budgets, their existing clients were sitting on lots of cash. He said that he was optimistic and hopeful about having a vibrant December. The Magna Global unit of Interpublic had forecast just a couple of days ago that, provided the fiscal cliff impasse is solved, ad spending in the US next year would increase by 0.6 percent in the next year. Steve King, international chief executive of ZenithOptimedia, said that the fiscal crisis was not the only cause for worry and that the ad industry could also be impacted by the unrelenting unrest in the Middle East and the impact that it would have on the price of oil. Moreover, he said that the fiscal crisis would affect his company more than the others because most of his company's revenue came from the US whilst his competitors were not as dependent on it. Brian Wieser, an analyst at the Pivotal Research Group, said that contrary to popular opinion that ad spending would increase in 2013, failure to resolve the fiscal crisis, would see it decline by 4 percent, or \$9 billion. Where can you find the most Advertising Media jobs? [Click here.](#)