



Press Information

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TNS MEDIA INTELLIGENCE REPORTS U.S. ADVERTISING EXPENDITURES DECLINED 14.3 PERCENT IN FIRST HALF 2009

New York, NY, September 16, 2009 – Total measured advertising expenditures in the first six months of 2009 fell 14.3 percent versus a year ago, to \$60.87 billion, according to data released today by TNS Media Intelligence, the leading provider of strategic advertising and marketing information. Ad spending during the second quarter of 2009 was off 13.9 percent compared to last year, the fifth consecutive quarter of year-over-year declines.

“The rate of decline in ad spending was level throughout the second quarter,” said Jon Swallen, SVP Research at TNS Media Intelligence. “While it’s tempting to interpret this as a positive indicator that things aren’t getting worse, the fact remains that the market has been steadily tracking at around 14 percent declines for several consecutive months and this represents billions of lost revenue. Early data from third quarter hint at possible improvements for some media due to easy comparisons against distressed levels of year ago expenditures.”

Ad Spending by Media

Internet display (+6.5%) and FSI’s (+4.6%) were the only media to achieve expenditure growth in the first half of 2009. Each benefitted from larger budget allocations by CPG marketers. Online publishers also capitalized on a spending surge from wireless telecom operators.

Print media continued to suffer large rollbacks in ad pages from key categories and this resulted in aggregate spending declines of 24.2 percent for Newspaper media and 20.9 percent for Magazine media. Within these broad sectors, there was little difference in the performance of individual media sub-types. Total spending in Radio media was down 24.6 percent due to ongoing weakness in automotive, retail and local services.

Among Television media, ad spending on Network TV declined 5.5 percent and Cable TV slipped 3.6 percent in the first half of 2009. For both, Q2 results were slightly worse than Q1. Spot TV expenditures dropped 27.1 percent, buffeted by the slump in auto and retail activity.

**Percent Change in Measured Ad Spending:
Jan-June 2009 vs. Jan-June 2008 ¹**

MEDIA SECTOR • Media Sub-Type <i>(Listed in rank order of 2009 spending)</i>	% CHANGE
TELEVISION MEDIA	-10.0%
• Network TV	-5.5%
• Cable TV	-3.6%
• Spot TV ²	-27.1%
• Syndication - National	-0.7%
• Spanish Language TV ³	-12.7%
MAGAZINE MEDIA ⁴	-20.9%
• Consumer Magazines	-20.1%
• B-to-B Magazines	-26.7%
• Sunday Magazines	-18.6%
• Local Magazines	-25.7%
• Spanish Language Magazines	-27.3%
NEWSPAPER MEDIA ⁵	-24.2%
• Newspapers (Local)	-24.1%
• National Newspapers	-24.9%
• Spanish Language Newspapers	-20.5%
INTERNET (display ads only)	6.5%
RADIO MEDIA	-24.6%
• Local Radio ⁶	-25.5%
• National Spot Radio	-29.2%
• Network Radio	-8.7%
OUTDOOR	-15.7%
FSIs ⁷	4.6%
TOTAL	-14.3%

Source: TNS Media Intelligence

1. Figures are based on the TNS Media Intelligence Strategy™ multimedia ad expenditure database across all TNS MI measured media, including: Network TV; Spot TV (122 DMAs); Cable TV (67 networks); Syndication TV; Hispanic Network TV (4 networks); Consumer Magazines (230 publications); Sunday Magazines (7 publications); Local Magazines (21 publications); Hispanic Magazines (16 publications); Business-to-Business Magazines (318 publications); Local Newspapers (145 publications); National Newspapers (3 publications); Hispanic Newspapers (48 publications); Network Radio (5 networks); Spot Radio; Local Radio (32 markets); Internet; and Outdoor. Figures do not include public service announcement (PSA) data.

2. Spot TV figures do not include Hispanic stations.

3. Spanish Language TV includes 4 Hispanic broadcast networks, 4 Hispanic cable networks and 71 local Hispanic TV stations.

4. Magazine media includes Publishers Information Bureau (PIB) data and reflect print editions of publications.

5. Newspaper media figures reflect print editions of publications.

6. Local Radio includes expenditures for 32 markets in the U.S.

7. FSI data represents distribution costs only.

Ad Spending by Advertiser

The top 10 advertisers in the first six months of 2009 spent a combined total of \$7,866.4 million, a 3.5 percent decrease from last year. Across the top 100 companies, a more diversified group of marketers representing almost one-half of total ad expenditures, spending fell by 6.2 percent.

Verizon Communications edged out Procter & Gamble to claim the top spot in the rankings. The telecom behemoth spent \$1,188.4 million, up 3.1 percent from last year. Its two leading competitors also landed in the top ten. AT&T was the third largest advertiser with total ad expenditures of \$976.8 million, up 6.3 percent versus a year ago. Sprint Nextel, after slashing its ad budgets in 2008, reversed course and spent \$631.1 million, a gain of 55.3 percent.

Procter & Gamble slipped to second position in the rankings after reducing its half-year spending by 20 percent, to \$1,178.4 million. The company pared its TV budgets by 30 percent while leaving magazine spending untouched. The only other packaged goods marketer in the top 10 was Johnson & Johnson which spent \$805.9 million, up 18.0 percent.

General Motors had the largest budget reduction among the Top 10 with spending down 25.9 percent to \$773.1 million and was the only auto maker to make the list.

Media companies rounded out the Top 10 with General Electric posting a spending increase of 5.1 percent while News Corp., Time Warner and Walt Disney each finished the period with decreases. At each of these advertisers, results were primarily shaped by their movie studio divisions.

Top Ten Advertisers: Jan-June 2009 vs. Jan-June 2008¹

Rank	Company	Jan-June 2009 (Millions)	Jan-June 2008 (Millions)	% Change
1	Verizon Communications Inc	\$1,188.4	\$1,152.6	3.1%
2	Procter & Gamble Co	\$1,178.4	\$1,472.9	-20.0%
3	AT&T Inc	\$976.8	\$919.3	6.3%
4	Johnson & Johnson	\$805.9	\$683.1	18.0%
5	General Motors Corp	\$773.1	\$1,043.5	-25.9%
6	News Corp	\$672.3	\$722.4	-6.9%
7	Sprint Nextel Corp	\$631.1	\$406.5	55.3%
8	Time Warner Inc	\$574.3	\$645.7	-11.1%
9	General Electric Co	\$548.3	\$521.5	5.1%
10	Walt Disney Co	\$517.6	\$585.9	-11.7%
	Total	\$7,866.4	\$8,153.3	-3.5%

Source: TNS Media Intelligence

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

Ad Spending by Category

The ten largest advertising categories in the first half of 2009 spent a total of \$33,588.8 million, a drop of 14.5 percent from a year ago. Automotive barely held on to the top spot after expenditures plunged 31.1 percent to \$4,449.5 million in response to depressed sales of new vehicles. Dealer spending was off more sharply than manufacturers. Through June, auto advertising is pacing at a level one-half its 2005 peak.

Heightened competition among wireless phone companies and TV service providers boosted Telecommunications category spending to \$4,276.4 million, an increase of 7.5 percent. The only other top category to achieve a gain in the period was Restaurants, up 0.6 percent to \$2,886.4 million.

Financial Services advertising sank 24.3 percent to \$3,752.1 million. As consumer lending seized up, credit card companies and loan providers severely curtailed their marketing programs.

Consumer-packaged goods, traditionally looked to as a pillar of strength in advertising recessions, performed better than the overall ad market but still wound up in negative territory. The Food & Candy category slipped 4.7 percent to \$3,031.9 million and Personal Care Products declined 9.7 percent to \$2,662.5 million. Further down the rankings, other CPG segments also fell. Non-Rx Remedies was 5.7 percent lower, at \$1,799.4 million. Household Products was down 2.7 percent to \$1,027.9 million.

Top Ten Advertising Categories: Jan-June 2009 vs. Jan-June 2008

Rank	Category	Jan-June 2009 (Millions)	Jan-June 2008 (Millions)	% Change
1	Automotive	\$4,449.5	\$6,462.0	-31.1%
	• (Manufacturers)	(\$3,168.7)	(\$4,039.7)	(-21.6%)
	• (Dealers)	(\$1,280.9)	(\$2,422.3)	(-47.1%)
2	Telecom	\$4,276.4	\$3,976.9	7.5%
3	Financial Services	\$3,752.1	\$4,955.0	-24.3%
4	Local Services & Amusements	\$3,723.2	\$4,423.3	-15.8%
5	Direct Response	\$3,277.4	\$3,824.2	-14.3%
6	Miscellaneous Retail ¹	\$3,142.1	\$3,833.1	-18.0%
7	Food & Candy	\$3,031.9	\$3,181.2	-4.7%
8	Restaurants	\$2,866.4	\$2,848.0	0.6%
9	Personal Care Products	\$2,662.5	\$2,947.6	-9.7%
10	Travel & Tourism	\$2,407.3	\$2,840.6	-15.3%
	TOTAL	\$33,588.8	\$39,291.8	-14.5%

Source: TNS Media Intelligence

Note: Figures do not include FSI or PSA activity. The sum of the individual categories may differ from the total due to rounding.

¹ *Miscellaneous Retail does not include these retail segments: Department Stores, Home Furnishing & Appliance Stores.*

Elsewhere, the impact of the housing market slowdown was reflected in sharply lower ad spending from housing-related categories.

Housing-Related Advertising Categories: Jan-June 2009 vs. Jan-June 2008

Category	Jan-June 2009 (Millions)	Jan-June 2008 (Millions)	% Change
Home & Building Retailers	\$1,696.7	\$2,220.6	-23.6%
Real Estate	\$551.3	\$1,118.2	-50.7%
Home Furnishings & Appliances	\$428.7	\$530.3	-19.2%
Building Materials	\$357.2	\$428.4	-16.6%
TOTAL	\$3,033.9	\$4,297.5	-29.4%

Source: TNS Media Intelligence

Note: Figures do not include FSI or PSA activity..

Branded Entertainment

TNS Media Intelligence 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 in the commercial breaks.

In the second quarter of 2009, an average hour of monitored prime time network programming contained 9 minutes, 51 seconds (9:51) of in-show Brand Appearances, a 19 percent increase from a year ago. In addition, there was 14:05 per hour of network commercial messages. The combined total of 23:56 of marketing clutter represents 40 percent of a prime-time hour.

Unscripted reality programming had an average of 16:42 per hour of Brand Appearances as compared to just 5:52 per hour for scripted programs such as sitcoms and dramas.

Late night network talk shows averaged 11:31 per hour of Brand Appearances. The combined clutter level of Brand Appearances and network ad messages in these shows reached 26:48 per hour, or 45 percent of total programming time.

Brand Appearances vs. Advertising: Q2 2009 (minutes:seconds per hour)

	BRAND APPEARANCES	AD MESSAGES ¹
PRIME TIME NETWORK	9:51	14:05
<i>Unscripted Programs</i>	16:42	14:49
<i>Scripted Programs</i>	5:52	13:40
LATE NIGHT NETWORK (Kimmel, Leno, Letterman)	11:31	15:17

Source: TNS Media Intelligence

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

Among all monitored network programming during the period, *Hell's Kitchen* had the highest average volume of Brand Appearance time at 58 minutes, 14 seconds (58:14) per hour. Rounding out the top five were *Celebrity Apprentice* (49:58); *Biggest Loser: Couples* (45:02); *American Idol* (42:44); and *Chopping Block* (33:13).

About TNS Media

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TNS Media combines the deepest expertise in the industry to provide media and marketing intelligence including advertising expenditure monitoring, advertising creation monitoring, audience measurement, market influence analytics, online consumer behavior tracking, news monitoring, sports sponsorship evaluation and more. The TNS Media companies track more than 3 million brands and provide vital market intelligence to 16,000 customers around the world. For further information, please visit www.tnsmediagroup.com

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