



Press Information

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TNS MEDIA INTELLIGENCE REPORTS U.S. ADVERTISING EXPENDITURES DECLINED 4.1 PERCENT IN 2008

New York, NY, May 4, 2009 – Total advertising expenditures declined 4.1 percent in 2008 to \$141.7 billion as compared to 2007, according to data released today by TNS Media Intelligence, the leading provider of strategic advertising and marketing information. Ad spending during the fourth quarter of 2008 plunged 9.2 percent against the same period in 2007.

“The ad market at 2008 year end was buffeted by a souring economy, deteriorating consumer confidence and weakening corporate balance sheets,” said Jon Swallen, SVP Research at TNS Media Intelligence. “Preliminary figures from the first quarter of 2009 indicate little change in the health of the overall ad economy as total spending continues to contract sharply.”

Measured Ad Spending By Media

Internet display advertising expenditures grew by 4.6 percent in 2008, the weakest full-year results for the medium since the dot.com bust of 2002. The only other media types achieving full-year growth were Syndication TV (+6.5 percent); Spanish Language Magazines (+4.9 percent); Cable TV (+2.1 percent); Free Standing Inserts (+1.8 percent); and Spanish Language TV (+0.1 percent).

Print media felt the harsh effects of accelerating and deep cutbacks across core ad categories. Measured ad spending in the Newspaper sector was 11.8 percent lower in 2008 as compared to the prior year. Consumer Magazine expenditures declined by 7.5 percent.

Despite the extra ad spending associated with the Summer Olympics and political elections, broadcast TV also saw total ad revenue shrink in 2008 with Spot TV down 2.8 percent and Network TV off by 0.8 percent. Besides the well-documented pullbacks from the Automotive, Financial Service and Retail categories, broadcasters were also hit with more conservative outlays from a broad range of consumer package goods marketers.

Percent Change in Measured Ad Spending ¹

MEDIA SECTOR • Media Type <i>(Sectors and types listed in rank order of spending)</i>	Full Year 2008 vs 2007	4th Quarter 2008 vs 2007
TELEVISION MEDIA	0.1%	-5.1%
• Network TV	-0.8%	-10.6%
• Cable TV	2.1%	-2.3%
• Spot TV ²	-2.8%	-3.6%
• Spanish Language TV	0.1%	-0.1%
• Syndication - National	6.5%	0.0%
MAGAZINE MEDIA ³	-7.5%	-13.9%
• Consumer Magazines	-7.5%	-13.6%
• B-to-B Magazines	-10.5%	-18.3%
• Sunday Magazines	-4.8%	-12.0%
• Local Magazines	-4.6%	-13.0%
• Spanish Language Magazines	4.9%	3.4%
NEWSPAPER MEDIA	-11.8%	-16.5%
• Local Newspapers	-11.8%	-16.3%
• National Newspapers	-11.5%	-17.9%
• Spanish Language Newspapers	-14.2%	-18.3%
INTERNET ⁴	4.6%	7.0%
RADIO MEDIA	-10.3%	-14.8%
• Local Radio ⁵	-11.1%	-17.7%
• National Spot Radio	-11.2%	-11.6%
• Network Radio	-2.7%	-3.2%
OUTDOOR	-1.7%	-11.2%
FSIs ⁶	1.8%	5.0%
TOTAL	-4.1%	-9.2%

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 (101 DMAs); Cable TV (52 networks); Syndication TV; Hispanic Network TV (4 networks); Consumer Magazines (241 publications); Sunday Magazines (8 publications); Local Magazines (18 publications); Hispanic Magazines (24 publications); Business-to-Business Magazines (264 publications); Local Newspapers (144 publications); National Newspapers (3 publications); Hispanic Newspapers (49 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 Spot TV data.

3. Magazine media includes Publishers Information Bureau (PIB) data.

4. Internet figures are based on display advertising only.

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

6. FSI data represents distribution costs only.

Measured Ad Spending by Advertiser

The top ten advertisers of 2008 spent a combined total of \$17,306.3 million in measured media, a drop of 2.1 percent compared to 2007. Among the top 100 marketers, a diversified group representing over 40 percent of the measured ad economy, 2008 spending fell 3.8 percent, to \$61,400.0 million.

Procter & Gamble was again the largest advertiser with \$3,178.0 million in spending, off 7.0 percent versus a year ago. Verizon Communications held onto the second position with expenditures of \$2,393.1

million, a gain of 4.3 percent, and distanced itself from rival AT&T which reduced its outlays by 10.4 percent, to \$1,979.2 million.

General Motors expenditures, despite a 4th quarter retrenchment, were up 11.3 percent to \$2,229.1 million for the full year. Toyota Motor was the only other automaker to crack the Top Ten rankings. Its spending was \$1,021.3 million, a drop of 3.8 percent from 2007.

The largest increase among the Top 10 was registered by General Electric, up 17.3 percent to \$1,200.6 million. The largest decline came from Time Warner, down 20.9 percent to \$1,298.1 million. For both companies, the results were primarily shaped by their movie studio divisions.

**Top Ten Advertisers:
Jan-Dec 2008 vs. Jan-Dec 2007¹**

Company	Jan - Dec 2008 (\$Millions)	Jan - Dec 2007 (\$Millions)	% Change
Procter & Gamble Co	\$3,178.0	\$3,417.9	-7.0%
Verizon Communications Inc	\$2,393.1	\$2,293.3	4.3%
General Motors Corp	\$2,229.1	\$2,002.3	11.3%
AT&T Inc	\$1,979.2	\$2,208.4	-10.4%
News Corp	\$1,403.0	\$1,346.9	4.2%
Johnson & Johnson	\$1,360.7	\$1,353.5	0.5%
Time Warner Inc	\$1,298.1	\$1,641.7	-20.9%
Walt Disney Co	\$1,243.2	\$1,323.8	-6.1%
General Electric Co	\$1,200.6	\$1,023.1	17.3%
Toyota Motor Corp	\$1,021.3	\$1,061.8	-3.8%
TOTAL	\$17,306.3	\$17,672.7	-2.1%

Source: TNS media intelligence

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

Measured Ad Spending by Category

Expenditures for the ten largest advertising categories slipped 4.4 percent in 2008 and totaled \$77,850.5 million. In aggregate this group accounts for more than one-half of all measured ad spending.

Automotive remained the largest category by dollar volume even though expenditures tumbled 15.4 percent to \$12,783.8 million. Dealers cut their marketing investments more aggressively (-24.4%) than manufacturers (-9.9%) and the reductions accelerated in Q4. Automotive spending has now declined for fourteen consecutive quarters.

Financial Services held onto the second position with full-year expenditures of \$9,649.1 million, a small decline of 0.3 percent. Rising budgets from retail bankers were offset by lower ad spending at credit card companies and consumer lenders.

Significant increases occurred in the Restaurant category, where heightened competition pushed spending ahead 6.3 percent to \$5,637.9 million; and also in Food & Candy which advanced 4.0 percent to \$5,990.3 million as manufacturers sought to defend their brand-label businesses against the growing threat of generic and private label offerings.

Notable spending reductions included Miscellaneous Retail (-7.1 percent, to \$8,330.4 million); Telecom (-5.7 percent, to \$8,447.0 million); and Direct Response (-4.5 percent, to \$7,250.2 million).

**Top Ten Advertising Categories:
Jan-Dec 2008 vs. Jan-Dec 2007**

Rank	Category	Jan-Dec 2008 (Millions)	Jan-Dec 2007 (Millions)	% Change
1	Automotive	\$12,783.8	\$15,107.8	-15.4%
	• (Foreign)	(\$7,276.6)	(\$8,112.4)	-10.3%
	• (Domestic)	(\$5,507.2)	(\$6,995.4)	-21.3%
2	Financial Services	\$9,649.1	\$9,676.6	-0.3%
3	Local Services	\$8,593.0	\$8,565.8	0.3%
4	Telecom	\$8,447.0	\$8,958.3	-5.7%
5	Miscellaneous Retail ¹	\$8,330.4	\$8,963.4	-7.1%
6	Direct Response	\$7,250.2	\$7,595.1	-4.5%
7	Food & Candy	\$5,990.3	\$5,760.5	4.0%
8	Personal Care Products	\$5,975.5	\$6,221.0	-3.9%
9	Restaurants	\$5,637.9	\$5,301.6	6.3%
10	Travel & Tourism	\$5,193.4	\$5,313.9	-2.3%
	TOTAL	\$77,850.5	\$81,464.0	-4.4%

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.*

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 the commercial breaks.

In the fourth quarter of 2008, an average hour of monitored prime time network programming contained seven minutes, fifty nine seconds (7:59) of in-show Brand Appearances and 13:52 of network commercial messages. The combined total of 21:51 of marketing content represents 36 percent of a prime-time hour.

Unscripted reality programming had an average of 13:52 per hour of Brand Appearances as compared to just 5:56 per hour for scripted programs such as sitcoms and dramas. Late night network talk shows had

an average of 13:54 per hour. The combined load of Brand Appearances and network ad messages in these late night shows was 29:34 per hour, or 49 percent of total content time.

Brand Appearances vs. Advertising: Q4 2008

(minutes:seconds per hour)

	Brand Appearances	Network Ad Messages ¹	TOTAL
PRIME TIME NETWORK	7:59	13:52	21:51
<i>Unscripted Programs</i>	13:52	14:31	28:23
<i>Scripted Programs</i>	5:56	13:37	19:33
LATE NITE NETWORK (Kimmel, Leno, Letterman)	13:54	15:40	29:34

Source: TNS media intelligence

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

The regularly scheduled prime time programs with the largest volume of Brand Appearance time in Q4 2008 were *America's Toughest Jobs* (44:50 per hour); *The Biggest Loser* (40:37); and *Knight Rider* (30:27).

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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