



## Press Information

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### **TNS MEDIA INTELLIGENCE REPORTS U.S. ADVERTISING EXPENDITURES DECLINED 1.6 PERCENT IN FIRST HALF 2008**

**New York, NY, September 23, 2008** – Total measured advertising expenditures in the first six months of 2008 declined by 1.6 percent as compared to the same period in 2007, 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 2008 was off 3.7 percent versus last year, the steepest quarterly drop since 2001.

“Advertising expenditures started to contract in March, well before the September turbulence on Wall Street renewed concerns about the health of the economy and possible collateral damage to the ad market,” said Jon Swallen, SVP Research at [TNS Media Intelligence](#). “Second half results, particularly for television media, will be bolstered by the Summer Olympics and political elections. However, sustained improvement will most likely depend on a turnaround in consumer spending that rejuvenates corporate profits and encourages marketers to expand their advertising efforts.”

“While expenditures are certainly indicative of the challenges being presented by the economy, they also suggest the continuation of the long-term trend of marketing dollars migrating to media such as the internet, cable TV and syndication that provide the ability to more effectively target specific audiences,” said Dean DeBiase, CEO of [TNS Media](#). “With advertising budgets and CMOs under pressure and uncertainties continuing to exist relative to consumer spending, it appears marketers are placing an emphasis upon enhanced efficiencies for their brands and the ability to engage with well defined audiences to ensure ever greater return on investment.”

#### **Ad Spending by Media**

Every one of the 19 measured media types posted weaker year-over-year performance in the second quarter as compared to the first three months of 2008. For the half year, Internet display advertising expenditures increased 8.0 percent as marketers continued to expand their online programs. Cable TV (+3.1 percent) and Syndication TV (+10.2 percent) were aided by limited exposure to the TV writer’s strike. Outdoor ad spending advanced by 1.8 percent.

Spot TV expenditures fell 4.4 percent as reductions in automotive, retail and telecommunications advertising more than offset gains from political spending. Network TV slipped 2.4 percent on weaker

prime time results. Newspaper media (-7.4 percent) and Radio media (-6.5 percent) continued to lag on further slowdowns in spending from the auto, financial, retail and telecom categories.

**Percent Change in Measured Ad Spending:  
Jan-June 2008 vs. Jan-June 2007 <sup>1</sup>**

<b>MEDIA SECTOR</b> • Media Type (Sectors and types listed in rank order of spending)	<b>% CHANGE</b>
<b>TELEVISION MEDIA</b>	<b>-0.4%</b>
• Network TV	-2.4%
• Cable TV	3.1%
• Spot TV <sup>2</sup>	-4.4%
• Spanish Language TV	-0.1%
• Syndication - National	10.2%
<b>MAGAZINE MEDIA <sup>3</sup></b>	<b>-1.8%</b>
• Consumer Magazines	-1.8%
• B-to-B Magazines	-5.9%
• Sunday Magazines	4.8%
• Local Magazines	-2.8%
• Spanish Language Magazines	7.1%
<b>NEWSPAPER MEDIA</b>	<b>-7.4%</b>
• Local Newspapers	-7.1%
• National Newspapers	-9.5%
• Spanish Language Newspapers	-11.0%
<b>INTERNET <sup>4</sup></b>	<b>8.0%</b>
<b>RADIO MEDIA</b>	<b>-6.5%</b>
• Local Radio <sup>5</sup>	-7.5%
• National Spot Radio	-7.4%
• Network Radio	3.4%
<b>OUTDOOR</b>	<b>1.8%</b>
<b>FSIs <sup>6</sup></b>	<b>2.0%</b>
<b>TOTAL</b>	<b>-1.6%</b>

**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 (6 networks); Spot TV (101 markets); Cable TV (52 networks); Syndication TV; Hispanic Network TV; Consumer (PIB) Magazines (215 publications); Sunday Magazines (6 publications); Local Magazines (23 publications); Hispanic Magazines (26 publications); Business-to-Business Magazines (317 publications); Local Newspapers (144 publications); National Newspapers (3 publications); Hispanic Newspapers (51 publications); Network Radio; Spot Radio; Local Radio; 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.

**Ad Spending by Advertiser**

The top 10 advertisers in the first six months of 2008 spent a combined total of \$8,442.7 million, a 3.0 percent decrease from last year. Across the top 50 companies, a more diversified group of marketers representing nearly one-third of total ad expenditures, spending fell by 4.7 percent.

Procter & Gamble maintained its position as the largest advertiser with \$1,490.2 million in expenditures for the January-June period, a 7.6 percent decrease versus a year ago. The company sharply reduced outlays in April-June, its fiscal fourth quarter. Other packaged goods marketers in the top 10 had mixed results. Johnson & Johnson (-11.8 percent, to \$690.5 million) and Kraft Foods (-6.7 percent, to \$528.5 million) lowered their ad budgets while Pepsico (+5.0 percent, to \$586.5 million) had a modest increase.

Among the auto manufacturers, Ford Motor Company fell out of the top 10, leaving General Motors as the lone industry representative. GM's ad spending was \$1,037.1 million, an increase of 12.9 percent. Model redesigns for the Chevrolet Malibu and Cadillac CTS were responsible for much of the lift.

The leading telecommunication companies have recently taken opposite paths. Verizon Communications spent \$1,102.3 million in the first half of 2008, a gain of 7.6 percent. AT&T spent \$940.1 million, a reduction of 15.6 percent. Over the most recent twelve months, Verizon has raised ad spending by \$200 million while AT&T has lowered its budgets by \$100 million.

#### Top Ten Advertisers: Jan-June 2008 vs. Jan-June 2007<sup>1</sup>

RANK	COMPANY	JAN-JUNE 2008 (Millions)	JAN-JUNE 2007 (Millions)	% CHANGE
1	Procter & Gamble Co	\$1,490.2	\$1,613.1	-7.6%
2	Verizon Communications Inc	\$1,102.3	\$1,024.7	7.6%
3	General Motors Corp	\$1,037.3	\$919.0	12.9%
4	AT&T Inc	\$940.1	\$1,113.6	-15.6%
5	News Corp	\$728.1	\$658.4	10.6%
6	Time Warner Inc	\$717.1	\$789.5	-9.2%
7	Johnson & Johnson	\$690.5	\$783.0	-11.8%
8	Walt Disney Co	\$601.9	\$659.8	-8.8%
9	Pepsico Inc	\$586.5	\$558.8	5.0%
10	Kraft Foods Inc	\$528.5	\$566.6	-6.7%
	<b>TOTAL</b>	<b>\$8,422.7</b>	<b>\$8,686.4</b>	<b>-3.0%</b>

Source: TNS Media Intelligence

<sup>1</sup> Figures do not include FSI, House Ads or PSA activity.

#### Ad Spending by Category

The top 10 advertising categories in the first quarter of 2008 spent a total of \$36,336.3 million, down 0.7 percent from a year ago. Automotive was the top-spending category at \$6,478.4 million, a decline of 11.2% as the industry continued to grapple with a sales slowdown. Spending reductions were most pronounced for light truck models. Automotive expenditures have now declined for twelve consecutive quarters.

Financial services advertising remained stalled and finished the half year flat at \$4,498.7 million. Credit card marketers pulled back on spending toward the end of the period, while retail bank advertising picked up momentum, an outcome of the need to attract consumer deposits in the face of widening liquidity concerns.

The largest percentage gain was achieved by Food & Candy, up 7.4 percent to \$3,171.1 million. Local Services & Amusements (+3.5 percent to \$4,514.5 million) and Restaurants (+5.0 percent to \$2,835.6 million) also turned in positive performances.

Telecommunications spending tumbled 8.9 percent to \$4,070.1 million. Continuing a recent trend, higher expenditures from leading cable and satellite TV providers were more than offset by reductions from the wireless segment. Miscellaneous Retail, which includes all retail segments except department stores and home furnishings/appliance stores, was down 4.2 percent to \$3,990.0 million during a period when consumer spending was also easing.

#### Top Ten Advertising Categories: Jan-June 2008 vs. Jan-June 2007

RANK	CATEGORY	JAN-JUNE 2008 (Millions)	JAN-JUNE 2007 (Millions)	% CHANGE
1	Automotive	\$6,478.4	\$7,296.2	-11.2%
	• (Domestic)	(\$3,666.7)	(\$3,914.4)	(-6.3%)
	• (Foreign)	(\$2,811.7)	(\$3,381.8)	(-16.9%)
2	Local Services & Amusements	\$4,514.5	\$4,361.8	3.5%
3	Financial Services	\$4,498.7	\$4,500.4	0.0%
4	Telecom	\$4,070.1	\$4,467.7	-8.9%
5	Miscellaneous Retail <sup>1</sup>	\$3,990.0	\$4,164.0	-4.2%
6	Direct Response	\$3,690.7	\$3,595.8	2.6%
7	Food & Candy	\$3,171.1	\$2,952.3	7.4%
8	Personal Care Products	\$2,959.7	\$3,097.0	-4.4%
9	Travel & Tourism	\$2,939.3	\$2,851.2	3.1%
10	Restaurants	\$2,835.6	\$2,701.7	5.0%
	<b>TOTAL</b>	<b>\$36,336.3</b>	<b>\$36,606.2</b>	<b>-0.7%</b>

**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.  
<sup>1</sup> 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 in the commercial breaks.

In the second quarter of 2008, an average hour of monitored prime time network programming contained 8 minutes, 15 seconds (8:15) of in-show Brand Appearances, a two percent increase from a year ago. In addition, there was 14:17 per hour of network commercial messages. The combined total of 22:32 of marketing content represents 38 percent of a prime-time hour.

Unscripted reality programming had an average of 10:19 per hour of Brand Appearances as compared to just 6:04 per hour for scripted programs such as sitcoms and dramas. Late night network talk shows averaged 14:00 per hour. The combined load of Brand Appearances and network ad messages in these shows reached 29:25 per hour, or 49 percent of total programming time.

**Brand Appearances vs. Advertising: Q2 2008**  
(minutes:seconds per hour)

	<b>BRAND APPEARANCES<sup>1</sup></b>	<b>AD MESSAGES<sup>1</sup></b>
PRIME TIME NETWORK	8:15	14:17
<i>Unscripted Programs</i>	10:19	14:02
<i>Scripted Programs</i>	6:04	14:36
LATE NITE NETWORK (Kimmel, Leno, Letterman)	14:00	15:25

**Source: TNS Media Intelligence**

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

Among all monitored network programming during the period, *The Biggest Loser Couples* had the highest average volume of Brand Appearance time at 44 minutes, 20 seconds (44:20) per hour. Rounding out the top five were *The Price is Right: Million Dollar Spectacular* (35:18); *Dance Machine* (28:31); *Oprah's Big Give* (26:28); and *Big Bang Theory* (23:07).

**About TNS Media**

Established in more than 30 countries, TNS Media explores all media - print, radio, TV, Internet, social media, cinema and outdoor worldwide, 24 hours a day, seven days a week, and offers a full range of insights, analyses and audience measurement services.

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 in the world.

[www.tnsglobal.com/media](http://www.tnsglobal.com/media)

**About TNS**

TNS is a global market information and insight group. Its strategic goal is to be recognized as the global leader in delivering value-added information and insights that help its clients make more effective business decisions. TNS delivers innovative thinking and excellent service across a network of 80 countries. Working in partnership with clients, TNS provides high-quality information, analysis and insight that improves understanding of consumer behavior.

TNS is the world's leading provider of customized services, combining sector knowledge with expertise in the areas of Product Development & Innovation, Brand & Communications, Stakeholder Management and Retail & Shopper. TNS is a major supplier of consumer panel, media intelligence and audience measurement services.

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