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### **KANTAR MEDIA REPORTS U.S. ADVERTISING EXPENDITURES INCREASED 6.5 PERCENT IN 2010**

**New York, NY, March 17, 2011** – Total advertising expenditures increased 6.5 percent in 2010 and finished the year at \$131.1 billion, according to data released today by Kantar Media, the leading provider of strategic advertising and marketing information. Ad spending during the fourth quarter of 2010 was up 7.0 percent versus last year, propelled by the long-tail of small advertisers outside the Top 1000.

“The feel good headline is the ad economy grew by 6.5 percent in 2010,” said Jon Swallen, SVP Research at Kantar Media North America. “The more comprehensive assessment is that increased spending has not benefitted all sectors equally. While television media have recouped their losses from the 2009 advertising downturn, several other large segments are still 15 to 20 percent below their 2008 peaks.”

#### **Measured Ad Spending By Media**

TV ad spending remained robust through year end. Spot TV expenditures jumped 24.2 percent in 2010 due to the biennial surge in political advertising, a revived automotive category and a pronounced budget allocation shift among retail bank advertisers. Spanish Language TV spending rose 10.7 percent, assisted by the World Cup event. Higher sell out levels helped lift Cable TV expenditures by 9.8 percent and healthy demand from CPG marketers and credit card companies pushed Network TV spending ahead by 5.3 percent.

Internet display advertising increased 9.9 percent compared to the prior year, the second largest growth rate among media sectors. Outdoor advertising was close behind with a gain of 9.6 percent.

Improvements in Radio advertising were tilted towards local markets. National Spot Radio brought in 18.6 percent more ad dollars versus 2009 and Local Radio achieved a 4.9 percent increase. For each of these, higher spending was driven by the financial service, media and auto dealer categories.

Growth rates for print media trailed the overall ad market. Expenditures in Consumer Magazines were up a modest 3.3 percent while National Newspapers rose 2.7 percent, primarily due to publishing expansion at the *Wall Street Journal*. Ad spending in Local Newspapers sank 4.6 percent versus a year ago despite

a small uptick in the volume of space sold. Local Newspaper spending has now declined for 21 consecutive quarters.

### Percent Change in Measured Ad Spending<sup>1</sup>

<b>MEDIA SECTOR</b> • Media Type <i>(Listed in rank order of 2010 spending)</i>	<b>Full Year 2010 vs. 2009</b>
<b>TELEVISION MEDIA</b>	<b>10.3%</b>
• Network TV	5.3%
• Cable TV <sup>2</sup>	9.8%
• Spot TV <sup>3</sup>	24.2%
• Spanish Language TV <sup>4</sup>	10.7%
• Syndication – National	-2.8%
<b>MAGAZINE MEDIA<sup>5</sup></b>	<b>2.9%</b>
• Consumer Magazines	3.3%
• B-to-B Magazines	-1.2%
• Sunday Magazines	4.6%
• Local Magazines	0.9%
• Spanish Language Magazines	5.5%
<b>NEWSPAPER MEDIA<sup>6</sup></b>	<b>-3.5%</b>
• Local Newspapers	-4.6%
• National Newspapers	2.7%
• Spanish Language Newspapers	2.0%
<b>INTERNET (display ads only)<sup>7</sup></b>	<b>9.9%</b>
<b>RADIO MEDIA</b>	<b>7.6%</b>
• Local Radio	4.9%
• National Spot Radio	18.6%
• Network Radio	2.2%
<b>OUTDOOR</b>	<b>9.6%</b>
<b>FSIs<sup>8</sup></b>	<b>5.4%</b>
<b>TOTAL</b>	<b>6.5%</b>

**Source: Kantar Media**

1. Figures tabulated from Kantar Media's Strategy™ application and cover all measured media, including: Network TV (6 networks); Spot TV (125 DMAs); Cable TV (67 English language networks); Syndication TV; Spanish Language TV (4 Hispanic broadcast networks; 4 Hispanic cable networks; 71 Hispanic local TV stations); Consumer Magazines (226 publications); Sunday Magazines (87 publications); Local Magazines (27 publications); Hispanic Magazines (14 publications); Business-to-Business Magazines (277 publications); Local Newspapers (147 publications); National Newspapers (3 publications); Hispanic Newspapers (48 publications); Network Radio (5 networks); National Spot Radio (205 markets); Local Radio (32 markets); Internet (1,883 sites); and Outdoor. Figures do not include public service announcements (PSA) or House ads.
2. Cable TV figures do not include Hispanic cable networks.
3. Spot TV figures do not include Hispanic local stations.
4. Spanish Language TV includes 4 Hispanic broadcast networks, 4 Hispanic cable network and 71 local Hispanic TV stations.
5. Magazine media includes Publishers Information Bureau (PIB) data and reflect print editions of publications.
6. Newspaper media figures reflect print editions of publications.
7. Internet display expenditures are based on 1,883 sites with reportable activity for an equal number of months in both time periods
8. FSI data represents distribution costs only

## Measured Ad Spending By Advertiser

Spending among the ten largest advertisers in 2010 reached \$16,345.8 million, a 3.7 percent increase compared to last year. Among the Top 100 marketers, a diversified group accounting for close to one-half of all measured ad expenditures, investments climbed 8.8 percent.

For the eighth consecutive year, Procter & Gamble was the top advertiser with spending of \$3,123.9 million, up 17.7 percent compared to a year ago.

L'Oreal posted the largest rate of increase among the Top Ten with expenditures soaring 30.6 percent to \$1,112.4 million. The company boosted marketing support broadly across its portfolio of mass market and prestige cosmetics brands.

Among auto manufacturers, Ford Motor upped its total ad budgets by 11.1 percent to \$1,132.2 million. Rival General Motors reduced spending slightly, down 1.3 percent to \$2,130.7 million. For both companies, exceptionally high levels of ad support in Q4 2009 timed to the leading edge of the auto sales rebound made for difficult comparisons in Q4 2010 and pulled down the full year growth rates.

AT&T raised expenditures by 12.1 percent, to \$2,092.8 million as it continued to expand marketing efforts for its residential and mobile TV services. Verizon Communications trimmed ad spending 15.2 percent to \$1,823.2 million.

Significant reductions were seen in the ad budgets of Pfizer (down 11.7 percent to \$1,228.7 million) and Johnson & Johnson (down 7.5% to \$1,139.7 million).

### Top Ten Advertisers: Full Year 2010 vs. Full Year 2009<sup>1</sup>

Rank	Company	Full Year 2010 (\$Millions)	Full Year 2009 (\$Millions)	% Change
1	Procter & Gamble Co	\$3,123.9	\$2,653.8	17.7%
2	General Motors Corp	\$2,130.7	\$2,157.9	-1.3%
3	AT&T Inc	\$2,092.8	\$1,867.0	12.1%
4	Verizon Communications Inc	\$1,823.2	\$2,149.7	-15.2%
5	News Corp	\$1,368.4	\$1,238.8	10.5%
6	Pfizer Inc	\$1,228.7	\$1,391.5	-11.7%
7	Time Warner Inc	\$1,193.6	\$1,200.0	-0.5%
8	Johnson & Johnson	\$1,139.7	\$1,232.6	-7.5%
9	Ford Motor Co	\$1,132.2	\$1,019.0	11.1%
10	L'Oreal Sa	\$1,112.4	\$852.0	30.6%
	<b>TOTAL<sup>2</sup></b>	<b>\$16,345.8</b>	<b>\$15,762.3</b>	<b>3.7%</b>

**Source: Kantar Media**

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

2. The sum of the individual companies may differ from the Total shown due to rounding.

## **Measured Ad Spending By Category**

Expenditures for the ten largest advertising categories increased 6.5 percent and totaled \$74,125.1 million.

Automotive was the leading category in both dollar volume and growth rate, finishing 2010 at \$13,026.0 million, up 19.8 percent. Category spending grew almost twice as fast as new vehicle sales (19.8 percent versus 11.1 percent), reflecting a fiercely competitive marketing environment for manufacturers and dealers.

Telecom was the second largest category with 2010 budgets rising a modest 4.0 percent to \$8,751.5 million. Lower spending by wireless carriers and satellite TV companies was offset by higher outlays from cable TV service providers.

Package goods advertising remained active at year end as a broad range of manufacturers sought to defend market share against value-priced store brands and generics. Expenditures for Personal Care Products were up 11.7 percent to \$6,161.0 million and the Food & Candy category rose 7.1 percent to \$6,672.3 million.

Ad spending for Financial Services increased 6.0 percent to \$7,689.7 million. In the aftermath of the financial crisis, marketing activity has picked up noticeably for products related to debt (credit cards, consumer loans) while advertising budgets for savings related segments have lagged (investments, retail banking).

Only two of the Top Ten categories experienced year-over-year declines. Direct Response budgets fell by 5.8 percent to \$6,143.5 million. Pharmaceutical expenditures dropped 8.2 percent to \$4,327.8 million, the lowest dollar amount for this category since 2003.

## Top Ten Advertising Categories: Full Year 2010 vs. Full Year 2009<sup>1</sup>

Rank	Category	Full Year 2010 (Millions)	Full Year 2009 (Millions)	% Change
1	Automotive	\$13,026.0	\$10,869.2	19.8%
	• (Manufacturers)	(\$8,224.1)	(\$7,066.3)	(+16.4%)
	• (Dealers)	(\$4,801.9)	(\$3,802.9)	(+26.3%)
2	Telecom	\$8,751.5	\$8,417.6	4.0%
3	Local Services	\$7,991.7	\$7,474.6	6.9%
4	Miscellaneous Retail <sup>2</sup>	\$7,708.8	\$7,055.7	9.3%
5	Financial Services	\$7,689.7	\$7,254.8	6.0%
6	Food & Candy	\$6,672.3	\$6,228.6	7.1%
7	Personal Care Products	\$6,161.0	\$5,515.2	11.7%
8	Direct Response	\$6,143.5	\$6,521.1	-5.8%
9	Restaurants	\$5,652.8	\$5,528.3	2.3%
10	Pharmaceuticals	\$4,327.8	\$4,716.0	-8.2%
	<b>TOTAL<sup>3</sup></b>	<b>\$74,125.1</b>	<b>\$69,581.0</b>	<b>6.5%</b>

**Source: Kantar Media**

1. Figures do not include FSI or PSA activity.

2. Miscellaneous Retail does not include these retail segments: Department Stores, Home Furnishing/Building Supply Stores.

3. The sum of the individual categories may differ from the total due to rounding.

### Branded Entertainment

Kantar Media 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 2010, an average hour of monitored prime time network programming contained six minutes, fifty seven seconds (6:57) of in-show Brand Appearances and 14:50 of network commercial messages. The combined total of 21:47 of marketing content represents 36 percent of a prime-time hour.

Unscripted reality programming had an average of 14:19 per hour of Brand Appearances as compared to just 4:50 per hour for scripted programs such as sitcoms and dramas. Late night network talk shows had an average of 10:31 per hour. The combined load of Brand Appearances and network ad messages in these late night shows was 25:22 per hour, or 42 percent of total content time.

## Brand Appearances vs. Advertising: Q4 2010

(minutes:seconds per hour)

	<b>Brand Appearances</b>	<b>Network Ad Messages<sup>1</sup></b>	<b>TOTAL</b>
PRIME TIME NETWORK	6:57	14:50	21:47
<i>Unscripted Programs</i>	14:19	15:06	29:25
<i>Scripted Programs</i>	4:50	14:45	19:35
LATE NITE NETWORK <i>(Kimmel, Leno, Letterman)</i>	10:31	14:51	25:22

**Source: Kantar Media**

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

The top five brands ranked by total amount of Brand Appearance time were Chef Revival, Cybex exercise equipment, Yamaha music equipment, Bud Light beer and Asics footwear.

### About Kantar Media

Established in more than 50 countries, Kantar Media helps clients master the world's multimedia momentum through analysis of print, radio, TV, internet, cinema, mobile, social media, and outdoor worldwide. Kantar Media offers a full range of media insights and audience measurement services through its global business sectors – Intelligence, Audiences, TGI and Custom. Kantar Media companies also include Compete, Cymfony and SRDS. Drawing upon the deepest expertise in the industry, Kantar Media tracks more than 3 million brands and delivers insight to more than 22,000 customers worldwide.

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