



The Nielsen Company

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News Release

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FOR IMMEDIATE RELEASE

Asia Pacific leads global advertising growth

Europe and North America still below 2008 levels of ad spending but, despite the overall economic crisis, there are sectors that increased their ad budgets

2009 GLOBAL ADVERTISING UNDERLINES DIFFERENT BEHAVIORS WITHIN REGIONS AND SECTORS

Amsterdam, 29th march 2010: Advertising spend was hard hit in 2009 – down 1.6 percent compared to 2008, according to Nielsen's Global AdView Pulse, which reports advertising across 27 markets in Asia, North America, Europe and Africa.

The declines reported quarter after quarter however, were gradually more contained, with the second half of the year giving more significant signs of improvement and the last quarter of 2009 actually showed growth.

“Despite ad spend declining overall in 2009, the final part of the year showed growth – a good sign of things to come this year. But, while the first half of 2009 compares to a fairly strong, pre-crisis beginning of 2008, the second half of the year compares to a weaker end of 2008, which may “inflate” the growth. In addition, having to react to the loss of advertising revenue, many media owners started applying much more aggressive discount policies which may not always be reflected in the trends reported at rate-card prices. If it is true therefore that signs of recovery can be seen, there should be more care in evaluating the extent of such recovery” says Ben van der Werf, Managing Director of Nielsen Global AdView.

With this in mind, it is clear that the last six months of the year started to provide some relief to the industry, with Television benefitting the most. Radio managed to close the year with the same amount of ad revenue gathered in 2008. Print on the other hand had the worst of the four major media types, with Magazines taking the bigger hit. Though not included in the global trends, Internet was the only media type to see ad revenue growth in the majority of the countries where it is tracked, and was often the only one to register a positive trend when the more traditional media suffered declines. (Figure 2).

Global advertising underlines different behaviors within regions

The overall outcome of 2009 advertising is the result of totally different behaviors within the regions. Asia Pacific inverted the downturn quite early in the year and, since quarter two, has been the only region to show growth compared to 2008 (+6.6%). Europe, which is still below the levels of the previous year (-4.9%), showed improvement in the second half of the year and moved to the positive side of the scale in the last quarter of the year. North America shows the largest percentage decline versus the previous year (-9.4%) and, though the percentage decrease is more contained in the last quarter, the level of expenditure has not matched that of 2008 yet. (Figure 1)

Despite the overall economic crisis, there are sectors that increased their ad budgets

With the economic crisis impacting more or less all industries, the advertisers have been cutting ad budgets throughout the year, no matter which industry branch they belong to. Three of the eleven reported macro-sectors have however spent overall more than they did in 2008, while all others have been reducing their advertising spend. FMCG (+10.6%), Healthcare (+6.1%) and Distribution Channels (+4.2%) are the three larger contributors to the growth. Automotive (-15.1%), Clothing & Accessories (-11.6%) and Financial (-11.4%) are on the other hand showing the largest percentage decreases and report declines in all regions. Telecommunications showed growth in the North American region, but this is not sufficient to balance up the advertising cut backs in Asia Pacific and Europe. Durables and Entertainment are investing more than they did last year in Asia Pacific and cut their budget in Europe less than they did in North America. (Figure 3).

Slight improvement in the fourth quarter

The last three months of the year did bring some relief. The advertising market closed with a 4.5 percent growth versus the same quarter 2008 and marks the only positive sign of the whole year. This path is common to the majority of the countries. However, some major markets like USA, Japan, Italy

and Spain are still showing percentage declines, though more contained than in the previous three quarters. The global 4.5 percent growth is driven by Asia Pacific (+12.0%) and Europe (+2.6%), while the North American advertising spend is still below the levels of the last three months of 2008. All media types except for Magazines benefit from the growth and show positive trends compared to the last three months of 2008.

Figure 1: % change by Region, year 2009 versus year 2008

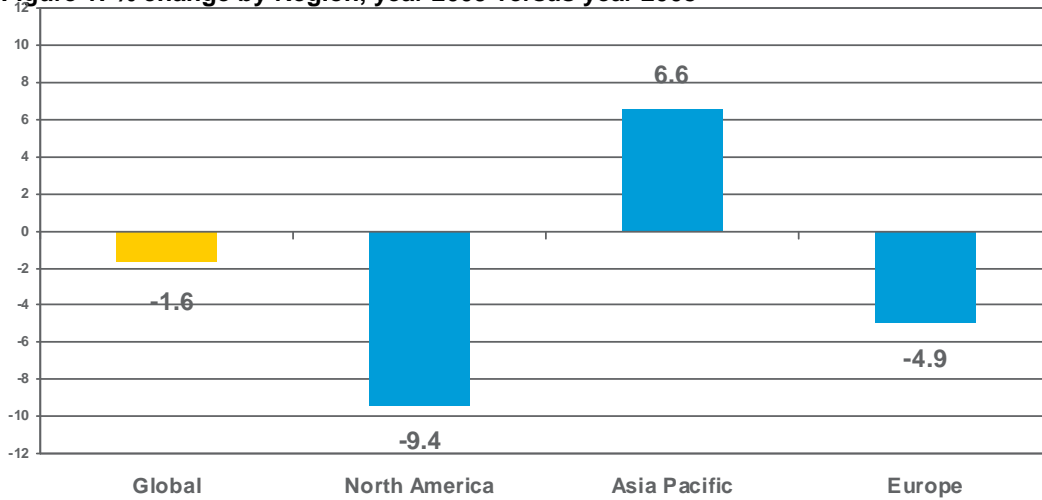


Figure 2: Media by Region (% change year to date)

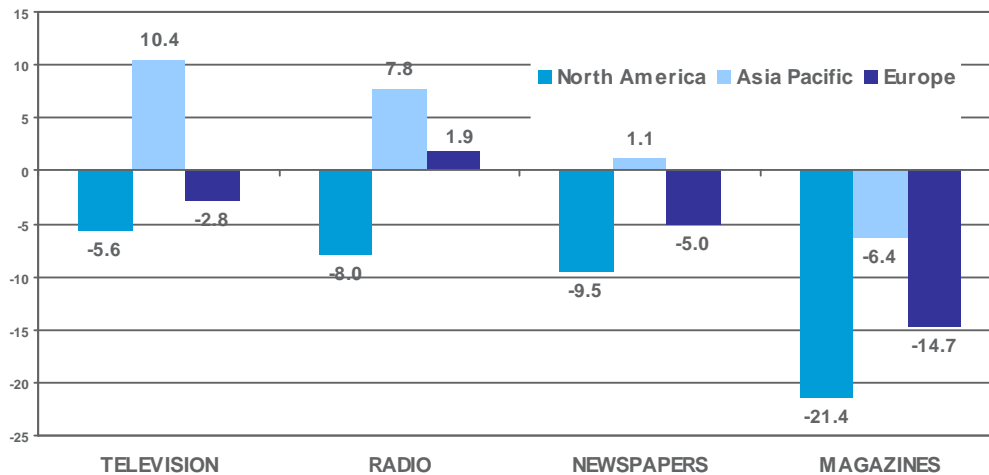
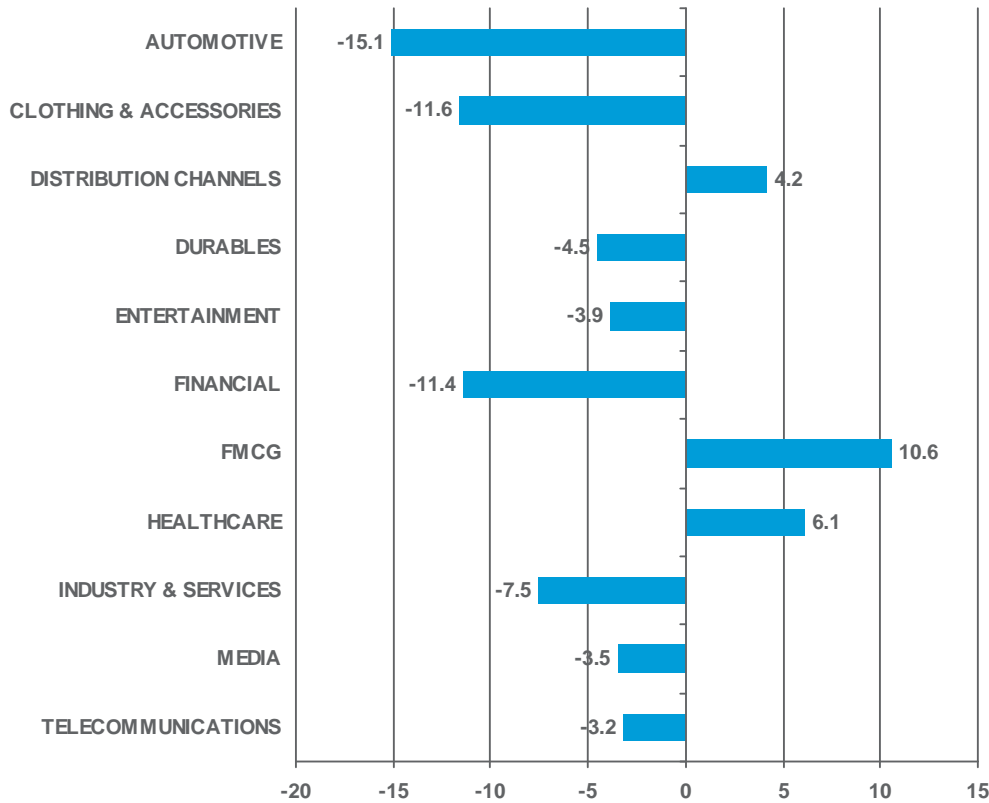


Figure 3: Sectors (% change year to date)



About Global AdView

Global AdView provides international advertising services. Global AdView provides information on what an advertiser's competitors are spending, where and how, in more than 80 countries, along with a deep and complete knowledge of local market advertising trends. Spend and creative content can be compiled, linked and harmonized at brand and product level to enable quick strategic insight into competitive activity within a client's own product sector. Global AdView Pulse reports on advertising expenditure for *Australia, Belgium, Canada, China, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Malaysia, The Netherlands, New Zealand, Norway, Philippines, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, United States of America.*

About The Nielsen Company

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