

Traditional Media Ad Spending Plateaus

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Spending will dip again this year after an uptick in 2010

After plunging by 18.5% in 2009, ad spending on traditional media is on a slow rebound. eMarketer estimates spending was up 2.1% in 2010, to \$127.2 billion.

But rather than making a true recovery, spending will seesaw in coming years, hovering under \$130 billion through 2015—far from the \$165.94 billion recorded in 2007 on the eve of the recent recession.

“As advertiser spending continues to more closely reflect the amount of attention consumers give to individual media, each will fare differently,” said Nicole Perrin, eMarketer senior editor and author of the new report, “Traditional Media: Dollars and Attention Shift to Digital.” “For example, TV and radio are holding on to their audience, and eMarketer forecasts advertising gains for both—unlike for print media.”

TV still takes up more time per day for the average consumer than any other medium. eMarketer estimates adults spend 4 hours, 24 minutes watching TV and offline video daily, vs. 2 hours, 35 minutes online. And TV has kept its share of total daily media time at around 40%.

While online video viewing has been on the rise, about 70% of the US adult population still does not watch any full-length television programming on the internet. And those that do tend to prefer traditional TV viewing when possible.

As a mass audience has kept its attention fixed on TV, so have advertisers continued to make it their greatest spending priority. eMarketer estimates TV spending will continue to rise this year after nearly double-digit growth in 2010.

The presidential election and Summer Olympics in 2012 will give it a further boost, growing 6.6% to \$64.5 billion next year.

Meanwhile, print media and directories will continue to lose money as consumers shift their attention to the web. As newspapers and magazines work out online revenue models, traditional directories face potential obsolescence as they are replaced by search even among older segments of the population.

The full report, “Traditional Media: Dollars and Attention Shift to Digital” also answers these key questions:

- * To what extent has consumer time and attention moved from traditional to digital media?
- * How have marketers kept pace with this shift?
- * What do these changes mean for traditional media?

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