The road ahead

August 5th, 2009 by Jeff Widmer

The communications industry will rebound from the recession but certain segments, including newspaper advertising, will continue to contract, the American Association of Advertising Agencies reports in its latest SmartBrief.

Advertising spending is expected to decline by 7.6% this year and by an additional 1% in 2010, according to the Communications Industry Forecast by Veronis Suhler Stevenson, a private equity firm. Even with an economic recovery over the next five years, "newspapers, consumer magazines, TV and radio are shrinking and will not, in that period of time, get back to what they saw before," according to James P. Rutherfurd, managing director and EVP of Veronis Suhler.

Writing about the forecast, *New York Times* reporter Stephanie Clifford says the fastest-growing segments of the communications industry are the ones that have gained the most traction recently ("A Look Ahead at the Money in the Communications Industry"). They include paid product placement, e-mail marketing, in-game advertisements, mobile advertising other than texting, paid interactive television gaming and Internet and mobile home video downloads.

While consumer spending has driven the media and the economy (roughly 70% of GDP), Veronis Suhler estimates the sector that will grow the fastest will be the institutional category, which includes business information services like Bloomberg and software or text providers to schools.

Where does that leave marketers who want to reach an older, more affluent audience previously serviced by the print industry?

Writing on MediaPost, blogger Anne Mai Bertelsen cautions marketers not to bypass this lucrative market because their preferred media are struggling. She says that boomers aged 45-54 spend 30 minutes a day on print while those 10 years older spend up to 100 minutes a day with the daily newspaper, magazines and books. Some 76% of all boomers listen to the radio, more than any other demographic, and they spend 9.5 hours a day on screen activities—television, computers, mobile phones and video games—with the largest chunk of time devoted to TV.

So where does this tectonic shift in consumption leave traditional media and those who wish to advertise there? Before you say in the Jurassic period where they belong, consider the efforts now underway to remake the industry. Some news outlets, like *Barron's* and the *Wall Street Journal*, are selling access on a subscription basis and plowing the money into online ventures such as Factiva, the business and research information service. (Full disclosure: I used to work for the community newspaper division of Dow Jones, former owner of *Barron's* and the *Journal*.) Others, like Hearst Newspapers, which owns the *Houston Chronicle*, are ceding more control to advertisers by allowing businesses to post flyers on a virtual bulletin board.

Perhaps the best example of a media company trying to marry the old with the new comes from *New York Times* Chief Executive Janet Robinson, who is working to convince advertisers that in a multi-screen world, the Gray Lady has got religion. In a lab the *Times* calls the "living room of the future," a staffer receives a Twitter message from a friend recommending a video from a *Times* food writer. The staffer touches the recommendation on one screen and drags it to a flat-screen TV, where the video plays. A recipe associated with the video then appears on an iPhone with an ad for a nearby Whole Foods store. Everything is convenient, personal and linked. Presumably the content, including ads, will be reinforced in other media, including the *Times'* print and online

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None of these solutions alone will solve the core problems that print media face: readers want information from peer, computer and other interactive networks and advertisers will inevitably follow them. Nor will throwing all of our marketing dollars at a medium like the Internet, which will never be completely embraced by the wealthiest and most traditional segment of the population. What's needed to revive the advertising industry is innovative thinking that focuses less on the technology and more on the customer experience, a universal approach that embraces all consumers, not just the ones most eager to pay for a ride on the latest bandwagon. Only then will we see a sustainable rebound in the industry, one that can see us through the good times and the bad.

Tags: Advertising, b2b, downturn, Marketing, recession, Social Media, thought leaders
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Social media use by marketers on the rise

August 4th, 2009 by Veronica Mikitka

The Association of National Advertisers and *BtoB Magazine* conducted a survey in June based on responses from 172 client-side marketers. Here is an overview of the results.

66% of marketers have used social media in 2009 compared to

20% of marketers that used social media in 2007

Respondent breakdown of social media sites used for marketing purposes:

- 74% used Facebook

- 65% used YouTube

- 65% used Twitter

- 60% used LinkedIn

New media platform:

- 65% used search engine marketing

- 59% used their own Web sites

- 55% used search engine optimization

- 45% used e-mail marketing

Overall more than half (55%) shifted funds from traditional media budgets to social media campaigns. The main concern for these media platforms are the inability to prove ROI and lack of metrics.

Blogs are predicted to be the hottest new marketing channel in 2010

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Companies spending on PR through Twitter

August 3rd, 2009 by Jeff Widmer

Despite the mother of all recessions, a growing number of businesses are tracking social-media outlets such as Facebook and Twitter to avert potential public-relations problems, the *Wall Street Journal* reports. Not such an earth-shaking observation for smaller, more nimble companies. They've been doing this for some time.

Enter the big boys. Ford has a head of social media who monitors the chatter and last September PepsiCo hired a global director of digital and social media. They and other major companies are spending money to monitor and manage their reputations online. And they're empowering others to do the work. AMC, which airs "Mad Men," hired veteran marketer Helen Klein Ross (@AdBroad) and others to Tweet as several characters in the series. And Coca-Cola has authorized some employees to post to social media on Coke's behalf . . . without checking with the company's PR staff.

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