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## Marketers Get More Efficient With Ad Spending, Leading to Less of It

### ROI Allows Cuts to Media Spending Without Losing Effectiveness

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NEW YORK (AdAge.com) -- If you're looking for expansion in U.S. measured media this year, dig out a magnifying glass. Ad spending will total just \$152.3 billion in 2007, for an anemic 1.7% rate of growth and the smallest gain since the 2001 advertising recession, according to a forecast from TNS Media Intelligence. As recently as January, TNS had forecast a 2.6% growth rate -- and it called that increase "tepid."

#### 'Weak year'

"By historical standards over the past decade, 2007 is shaping up as a weak year," said Jon Swallen, senior VP-director of research at TNS. In addition to general economic conditions that are making marketers a little leery of huge outlays, the continued fragmentation of media options is depressing growth, he said.

And digital media's relatively higher level of accountability and tracking also has given advertisers a better basis on which to calculate returns on investments.

"This has allowed advertisers, particularly the larger advertisers with a bigger impact on the overall market, to improve the overall effectiveness of their marketing efforts," Mr. Swallen said, "which in turn gives them the flexibility to scale back their advertising and marketing budgets and take those savings to the bottom line without feeling that they're losing anything in the marketplace."

#### Shift to unmeasured services

Even in recent years when overall measured-media spending was expanding at rates closer to 3% or 4%, the top 50 advertisers have cut back on their media outlays. Some of that money, moreover, is going into unmeasured marketing services [unmeasured marketing services](#) such as digital, direct and customer-relationship management.

So what's the good news? Don't worry, we've got some.

Online display advertising will grow 16%, the TNS forecast predicts. The other anticipated gainers: cable TV, with an expected expansion of 5.9%; outdoor, set to climb 4.6%; consumer and Sunday magazines, up 4.5%; Spanish-language media, up 3.7%; network TV, up 1.3% and syndicated TV, up 1.2%. The losers are fewer in number: Business-to-business magazines are expected to lose 1.5% of their ad revenue, newspapers could fall 2.9% and spot TV is in line for a 5.5% drop.

Ad spending in the first quarter of 2007 [slipped](#) 0.3%, TNS said last week. Rival ad-research firm Nielsen Monitor-Plus weighed in today, reporting a 0.6% decline in the first quarter.