

Media Ad Spending Off by Almost \$4 Billion in Q1 Morse: No Rebound Until 2010

Media ad sales spending dropped \$3.8 billion dollars during the initial quarter of 2009 reflecting a 12% pullback across all media according to data released by A.C. Nielsen. The largest media category Network TV (\$5.76 billion in ad dollars in the first quarter) suffered a relatively mild downturn of 4.8% while Nielsen's Internet category fell 3.4%.

Dr. John Morse, Senior Strategist at Byron Media predicts a rebound by 3rd Quarter 2010 with consumers feeling more comfortable about spending and companies trying to increase market share by boosting advertising.

Hit surprisingly hard in the quarter were syndicators and local. The segment dropped 18.8%, while spot TV in the top 100 DMAs fell 15.6%. Cable TV ad sales were off only 2.7% led by Spanish-language cable networks which declined 1.1%. Among key categories, autos (including factory and dealers) slashed spending 27.7%, local auto dealerships dropped 24.1% and pharmaceuticals pulled back 11%.

Broadcasting & Cable, June 8, 2009

BUT...Even in a Recession Some Products are Flying Off Shelves

Consumers have trimmed household budgets and postponed buying cars, major appliances and other big-ticket items. Yet they still are willing to shell out for small indulgences and goods that make life more comfortable at home, where they are spending more time. Items that are selling well include:

- Chocolate--sales at Hershey Co. up 20% in Q1.
- Spam, Dinty Moore stew and chili powered Hormel Foods Corp. to a 6% gain in grocery sales.
- Kraft Foods, Inc. saw double digit gains in the sale of macaroni and cheese dinners.
- Dollar Tree Inc. moved into the Fortune 500 for the first time.
- Coin dealers have seen a huge upsurge in business as investors seek the relative safety of gold.

Associated Press, May 17, 2009

Call Byron Media at 212-726-1093. We will show you the most effective ways to slash your research budget and still gather the data that will drive your network's sales. Also, check out a complete company profile on our web site at www.Byronmedia.com.