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AP BUZZ: Advertiser Optimism Highest in 7 Years

After Two Years of Essentially Flat Overall Optimism, Agencies and Marketers Plan Greater Spending Increases in the First Half of 2014.

NEW YORK – February 27, 2014 – AIR Wave 20 shows a strong uptick in advertiser optimism for the first six months of the year, the biggest such move since Spring of 2011. Following a slight dip in Wave 16 (Fall 2011), advertiser sentiment has been on an upswing for four consecutive Waves. Overall optimism, at +21, is the highest recorded level since 2007.

The AIR Advertiser Optimism Index reflects the advertising spending plans of media decision makers, agencies and marketers, representing the largest advertisers in the United States. It is derived from the response to one question: In the next 12 months, do you plan to increase, decrease, or maintain your advertising expenditures? The percent planning to increase minus the percent planning to decrease represents the measure of optimism.

Advertiser Optimism Next 12 Months

Optimism Increases for the First Half of 2014 | Highest Levels in the Past Six Years



Trends in Ad Spending, Next 12 Months | Difference Between the Percent Increasing and Decreasing by Media



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Advertiser Optimism by Medium

Once again, new media — led by mobile, digital and advanced television—possesses the highest level of optimism among media buyers over the next 12 months. Cable and, to a lesser extent, broadcast TV continue to hold their own. But print media (magazines and national newspapers) continue to suffer at the expense of all other media.

In this Wave of AIR, Mobile optimism declined slightly while digital showed a corresponding rise in advertiser optimism. First measured by AIR in Wave 17 (Spring 2012), advertiser optimism for Advanced TV has climbed in three out of four six-month waves. Cable eased slightly from Wave 19 / Spring 2013 to Wave 20 / Fall 2013, while Broadcast has essentially gone unchanged since Spring 2010. Magazines have been stable since a big dip in Spring 2012, while National Newspapers have declined.

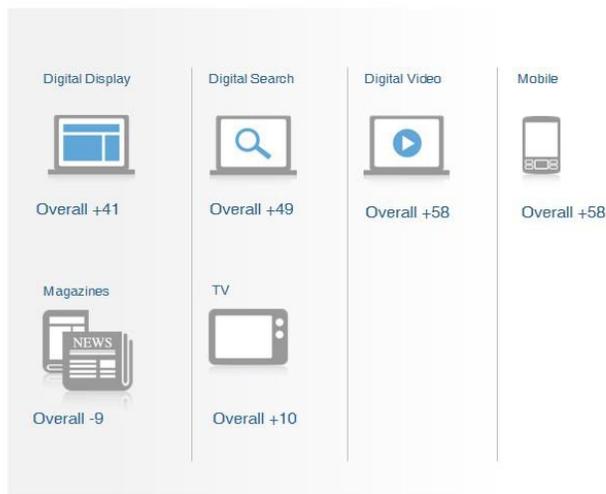
Advertiser Optimism by Ad Category

Across all 16 advertising categories measured, digital video and mobile showed the highest optimism across media buying respondents, followed by digital search and display. In the mobile space, alcoholic beverages were far and away the most optimistic category; entertainment took the top spot in digital video. National newspapers had three positive categories: technology, beauty / toiletries and auto.

Advertiser Optimism by Ad Category



Ad Spending, Next 12 Months - Differences Between the Percent Increasing and Decreasing by Media



Ad Category	Digital Display	Digital Search	Digital Video	Mobile	Cable TV	Broadcast TV	Magazines	National Newspapers
Overall	+41	+49	+58	+58	+21	+7	-9	-19
Alcoholic Beverage	-22	-39	-64	+87	+50	+30	-16	+5
Apparel/Fashion	-37	-38	+44	+50	-20	-14	+10	-11
Auto	-37	-54	-51	+55	+19	+5	-7	+9
Baby or Parenthood Related	-40	-50	-61	+49	+9	+5	+55	-13
Beauty/Toiletries	-18	+35	-64	+71	+13	-5	-4	+23
Consumer Electronics (Non-Computer/Software)	+40	+44	+58	+43	+44	-3	-22	-10
Consumer Packaged Goods	-38	+44	-63	+45	+2	+16	-16	-29
Entertainment	+43	+46	+70	+67	+35	+14	-2	-27
Financial Products/Services	+45	-55	-60	+75	+21	+3	-25	-36
Home and Appliances	-57	-50	-56	+78	+35	+2	-4	-49
Pharmaceuticals & Remedies (OTC and DTC)	-35	-64	-60	+32	+20	-6	-21	-36
Quick Service Restaurants (QSR)	-76	-66	-62	+50	+9	0	-29	-24
Retail	-51	-65	-58	+64	+35	-2	-21	-38
Technology	-44	-55	-58	+56	+13	+39	-11	27
Telecommunications	-24	+35	+34	+60	+15	0	-43	-55
Travel	-46	-48	-62	+35	+20	-5	-12	-38

About Advertiser Perceptions

Advertiser Perceptions is the world leader in providing the media industry with research-based advertiser insight and guidance necessary for strengthening brands and increasing advertiser satisfaction. We specialize in determining, analyzing and communicating what advertisers think - their plans, opinions and motivations. Our proprietary database of media decision makers is one of the largest in the world. The advertiser survey and questionnaire development process that we employ ensures optimal response. Media industry expertise enables us to effectively analyze and accurately interpret the research that we conduct on behalf of our clients who represent many of the largest international media companies.

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