Advertising

1 In 2003, the advertising industry was still struggling after the bursting of the technology bubble in 2001, which led to a drop in advertising spending. Even as spending began to grow again slowly, some forms of advertising didn’t seem to be as successful as they once were. Some advertisers stopped using traditional ads and chose other forms of marketing, such as outdoor posters. Twelve months later, things improved, even if it didn’t get back to ‘business as usual’.

2 ZenithOptimedia predicted accurately that worldwide advertising spending would grow by almost 7% in 2004 to $370 billion. This is above global economic growth and Zenith says this growth shows that the advertising market has started to pick up well – as it has done many times before, after similar falls.

3 It says, historically, ad spending has tended to fall further when GDP falls, and grows faster when economies grow. Robert Cohen, a media specialist, thinks firms will become more aggressive in their fight to gain market share and to help brands that have faced cheaper competitors. By 2011, Zenith predicts, China will have overtaken Britain and Germany to become the third largest advertising market in the world after America and Japan.

4 According to Zenith, TV remains the most powerful form of advertising, with a 38% global share of spending on major media in 2004. Some people, especially young men, now spend more time surfing the internet than watching TV. But things are changing. Many people today watch satellite channels, rather than the main networks. Zenith expects TV generally to retain its overall proportion of the global advertising market.

5 Spending will also change in other areas. The internet is the fastest growing form of advertising. This reflects advertisers trying to reach both online shoppers and people searching for product and price information. The internet now accounts for $8.7 billion (5.4%) of America’s ad spending (worldwide, it’s 3.6%). Zenith thinks the use of the internet for advertising will double by the end of this decade. This will mostly be at the cost of newspapers and magazines.

6 Jupiter Research says specialist ad agencies now spend more than 50% of their marketing budget on online marketing in the US. The internet is increasingly being incorporated into campaigns that use different forms of advertising. What advertisers like about the internet is that the effect of marketing messages can be more easily measured. For example, a company will know how many people who have seen
its ad have clicked through to a website and how many have bought something!

Adapted from The Economist by Louise Pile
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13 In 2003, advertising agencies
A worked together to stay competitive.
B started using more diverse advertising media.
C saw advertising spending fall to an all-time low.
D changed the way they do business.

14 Which statement does ZenithOptimedia make?
A Advertising spending has increased by about 10% over the last year.
B The advertising industry is starting to improve again.
C Advertising agencies want to develop their business overseas.
D China will become the world’s leading advertising market.

15 What does Zenith say about TV?
A TV will keep its share of ad spending worldwide.
B Many main TV networks have stopped showing ads.
C TV ads are changing dramatically.
D TV is still most popular among young men.

16 What does Zenith say about the internet?
A More people have used the internet in the US than elsewhere.
B Most people use the internet for shopping.
C There’ll be twice as much online advertising by 2010 as there is now.
D The cost of using the internet is falling slowly.
According to Jupiter Research, many ad agencies now

A. spend half their income on finding new markets.
B. advertise in a variety of ways.
C. limit their advertising to online campaigns.
D. employ specialists in online marketing.

According to the article, internet ads are popular because

A. they can be much cheaper than other advertising media.
B. companies can easily see how successful they are.
C. the ads can be updated quickly.
D. companies can remove them easily if they aren’t effective.