

US advertisers to spend more on digital than print: study

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US companies will spend more this year on digital and online advertising and marketing than on print for the first time ever, according to a study released on Monday.

Companies will spend 119.6 billion dollars on online and digital strategies and 111.5 billion dollars on newspaper and magazine advertisements and other print campaigns, according to the study by California-based Outsell.

Outsell, which provides research and advisory services to the publishing and information industries, described the spending shift as "an industry milestone crossover event."

It said overall US spending on advertising and marketing will increase by 1.2 percent in 2010 to 368 billion dollars.

Outsell said 63 billion dollars, or 52.8 percent of total online advertising spending by companies, would be on their own websites, which it said constitutes a "powerful form of direct to customer marketing."

"Advertisers are directing dollars toward the channels which generate the most qualified leads and most effective branding," Outsell vice president and lead analyst Chuck Richard said.

"As they emerge from the [recession](#), they need more accountability, and they're spreading their spending over a widening set of options," he said.

By category, Outsell said spending on print [newspaper advertising](#) was expected to drop 8.2 percent to 27 billion dollars while print magazine advertising will rise 1.9 percent this year to 9.4 billion dollars.

US newspapers and magazines have been facing declining print [advertising revenue](#), falling circulation and the migration of readers to free news online.

Outsell said that spending on direct mail marketing campaigns would rise 2.7 percent to 24.4 billion dollars and spending on custom print publications would be 3.0 percent higher at 19.3 billion dollars.

Spending on print directories would fall 8.3 percent to 11.6 billion dollars while spending on print newsletters would be flat at 11.4 billion dollars.

"2010 will not suddenly erase the painful memory of crumbling ad spending in 2009, but it will provide much closer to a flat year for several of the traditional media types," Outsell said.

"This means that publishers with significant shares of traditional media in the mix and who pounded their expenses and debt into shape sufficient to survive the brutal 2009 should be able to carry on at those levels in 2010."

Spending on television advertising was forecast to drop 6.5 percent to 59.6 billion dollars.

Outsell surveyed more than 1,000 US advertisers in December 2009 for its annual "Marketing and [Advertising](#) Study 2010."

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