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S&P Projects Online Ad Revenue to Top National TV by 2015

Standard & Poor has forecast that Online advertising spending will move past national TV by 2015. As web based services gain ground, ad pricing should see a concurrent drop because digital rates tend to be lower.

In other comments of note:

- Overall, total ad spending should rise by 0.1% this year, with core advertising spending up 1.9%. The forecast includes estimates for newspaper and radio ads.
- Cable operators will continue to lose video subscribers in 2013 to satellite TV companies and telecom TV providers but will continue to add subscribers in digital voice services.

- The biggest pressure will come from programming expenses which are expected to rise by 8% to 10% per subscriber over the intermediate term as cable operators continue to focus on other opportunities such as home security.
- Some independent networks could be dropped, with channels from AMC Networks Inc., Scripps Networks Interactive Inc. and Discovery Communications Inc. particularly vulnerable, as compared to channels owned by major media companies.
- Revenue from retransmission fees should top \$3 billion this year compared to a projection of \$25 billion for ad revenue.

SNL-Kagan, March 6, 2013

Dr. John Morse of Byron Media commented: "As the media world continues to evolve into what seems to be a niche channel for each person, so audience fragmentation continues to erode what any one venue can charge for its advertising. The future appears to be increased aggregating of audience delivery along with multi-screen ratings metrics."

Nielsen Announces Service to Monitor Effectiveness of Mobile Ads

A. C. Nielsen has launched Nielsen Mobile Brand Effect to start gathering consumer feedback regarding in-app mobile ads. The service is now available in the U. S. is already being used by app analytics firm Flurry, multi-screen ad network YuMe and social game developer Zynga.

Mobile Brand Effect will bring Nielsen's traditional brand metrics--awareness, attitude, favorability and purchase intent--to Android, iOS and Windows devices via in-app surveys. After a user is exposed to a certain in-app ad on a smartphone or tablet, they may be invited to take a one-question survey about that particular brand or product.

Whether or not mobile users will be receptive to these surveys is unclear. Consumers generally find mobile ads to be more interruptive than television ads, according to a Forrester survey released in late 2012.

Although Nielsen is widely considered the most renowned company in traditional media, research Mobile Brand Effect will be competing with digital analytics firm comScore which has already conducted several hundred case studies on how in-app ad campaigns affected brand lift.

Ad Age, March 06, 2013

Digital Promo Spending Forecast at \$36.1B This Year as Mobile Plays a Key Role

Local business spending on digital promotions will grow 12% to \$36.1 billion in 2013 as companies continue to employ more coupons and discounts. According to a report by Borrell Associates that total is expected to more than double to \$80.3 billion by 2017. The study defines promotions as messages or offers generated and broadcast directly by the market as opposed to advertising which uses intermediaries such as newspaper ads.

While mobile is just starting to play a role in areas like location-based marketing, as of 2012 mobile promotions amounted to \$11.2 billion, or about a third of all digital promotions expenditures. But by 2017, roughly three-quarters of promotions will be targeted toward mobile devices. That includes \$9 out of every \$10 spent on digital discounts, two-thirds of all digital couponing and almost all spending on Online sweepstakes and contest spending.

While the Internet is increasingly becoming a vehicle for businesses to promote products and services through social sites as well as mobile web and apps, the vast majority (78%) of spending on digital promotions still goes toward discounts and coupons. Also, digital couponing continues to increase at annual rates above 10%, with \$1 of every \$5 coupon dollars redeemed this year coming from a digital source.

In the near term, digital promotion budgets are expected to grow 150% between 2012 and 2017, while Online ad spending will increase about 90%. Local spending on promotions overall (offline and Online) is forecast to far outpace that total on advertising this year, \$176 billion to \$101 billion.

Mediapost, March 21, 2013

Whether it's audience measurement, distribution or ad sales, marketing/promotion, multi-platform, or program content and scheduling, Byron Media has made the bottom-line difference for companies like yours. For further information please contact John@ByronMedia.com or call 212-726-1093