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AN UNCOMMON SENSE

GLOBAL ADVIEW PULSE LITE

YOUR CONNECTION TO GLOBAL
ADVERTISING TRENDS

QUARTER 3 2014





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Advertising
trends



By media
type and
sector

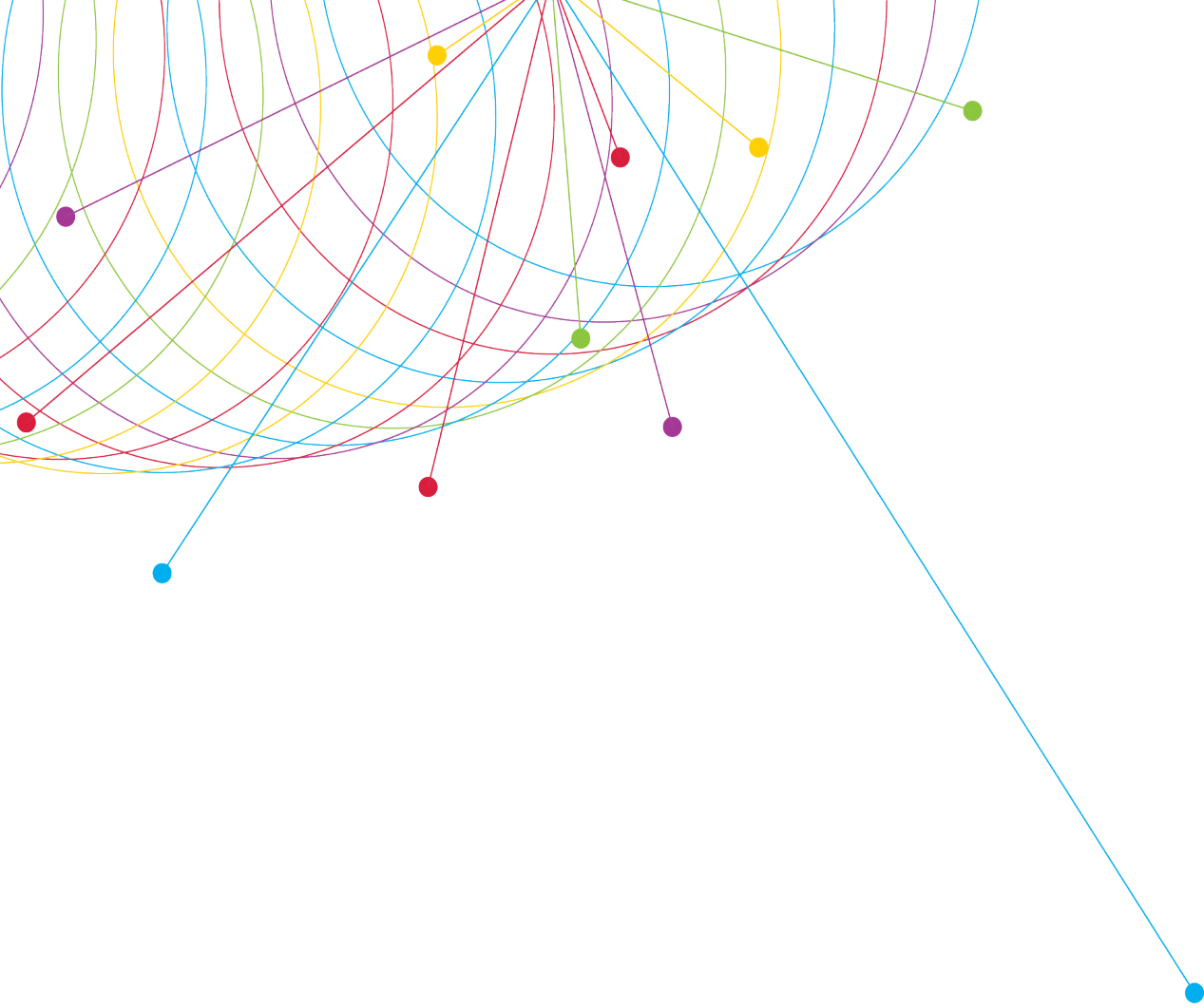


By region and
country

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ADVERTISERS PLAY IT SAFE IN Q3



GLOBAL CONSUMER CONFIDENCE RISES BY ONE INDEX POINT TO 98, TWO POINTS AWAY FROM THE OPTIMISM BASELINE OF 100



NORTH AMERICAN CONSUMER CONFIDENCE RISES FOUR INDEX POINTS TO 107, MATCHING ASIA-PACIFIC'S SCORE



DESPITE SLOWING GROWTH IN THE GLOBAL ECONOMY, THE U.S. SHOWS RESILIENCE WITH BETTER-THAN-EXPECTED GDP RESULTS



ADVERTISERS SHOW CAUTION WITH THEIR SPENDING, INCREASING BUDGETS SLIGHTLY BY +0.2% YOY IN Q3 AND +3.0% FOR THE YTD



EUROPE'S AD MARKET, WHICH WAS FINALLY BACK IN THE BLACK DURING Q2, DIPPED BACK INTO THE RED IN Q3 (-1.5% IN Q3, +0.1% YTD)



HEALTHCARE ADVERTISERS HELP KEEP THE GLOBAL AD MARKET IN EXPANSION MODE, DRIVEN BY SERVICES AND OTC REMEDIES

After a dynamic first half of 2014, which included the Sochi Winter Olympics in Russia, the eruption of the Crimean crisis in the Ukraine, the outbreak of the Ebola virus in West Africa, and the dazzle of the World Cup Football in Brazil, the third quarter continued in a less tumultuous mode.

The Eurozone's economy showed its fragility as one of its strongest economies, Germany, narrowly escaped a recession. Though France's economy grew slightly better than expected (up 0.3%), Italy's economy was in the red for the third quarter in a row. Across the pond, the U.S. showed its resilience with its better-than expected economic results as it remained largely unaffected by Europe's sluggishness, Japan's recession, and China's continued slowdown.

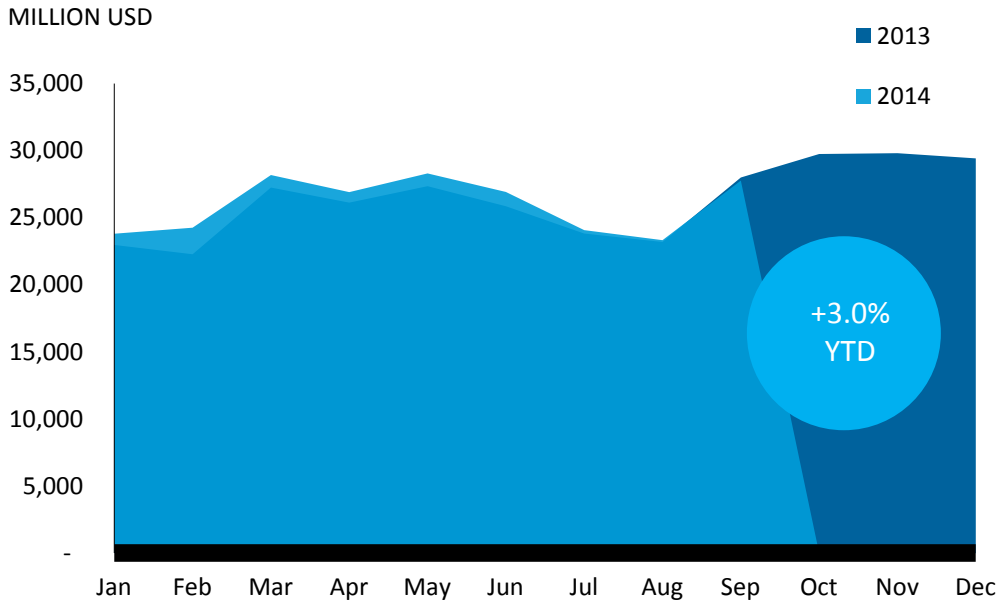
According to Nielsen, consumer confidence rose again one index point to 98, making slow and steady progress. Echoing the strong economic results from both Canada and the United States, confidence in North America rose 4 points to 107, finally matching confidence in the Asia Pacific. Most North Americans were positive about immediate spending intentions as North America was the only region to reach a majority percentage of 51%.

Despite increasing confidence globally, advertisers pulled in the reigns during the third quarter, with spending increasing only slightly by 0.2% during Q3 and 3.0% YOY for the period January to September.

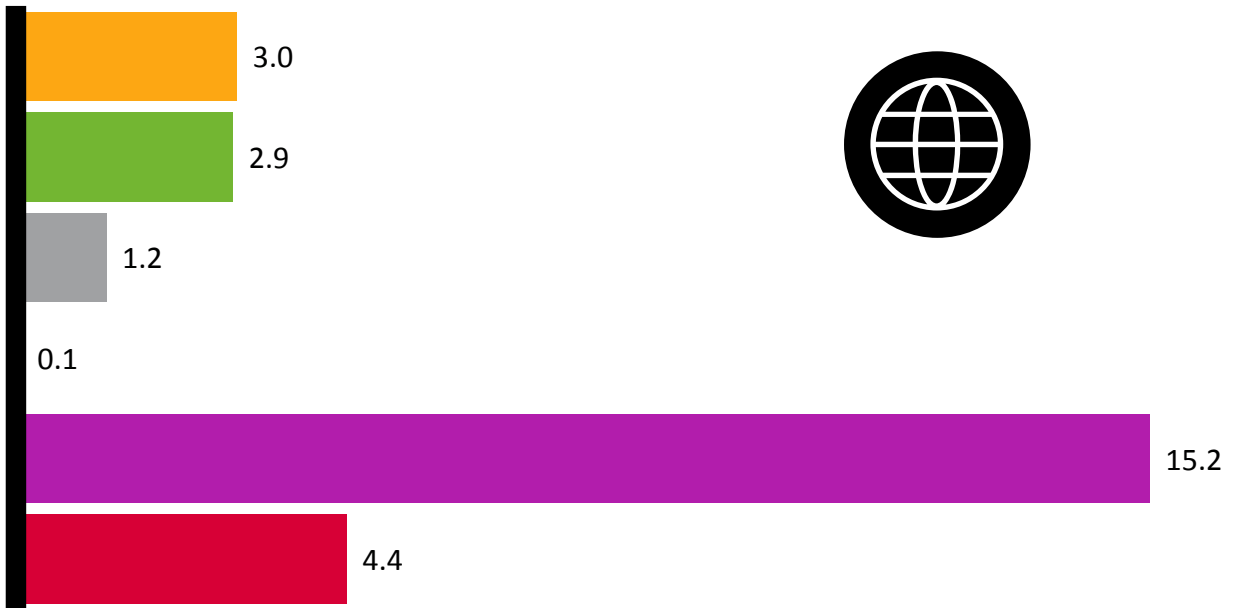
The more optimistic figures that were seen in the second quarter reversed in the third, as trends increasingly slowed during the consecutive months of July (+1.1%), August (+0.6%), and September (-0.8%).



ADVERTISING EXPENDITURE TREND – YEAR TO DATE



REGIONS - YEAR ON YEAR % CHANGE



- GLOBAL
- NORTH AMERICA
- ASIA PACIFIC
- EUROPE
- LATIN AMERICA
- MIDDLE EAST & AFRICA

MATURE MARKETS DRIVE AD MARKET SLOWDOWN

North America, with its increasingly optimistic consumers, saw advertising budgets shrink -0.3% during the third quarter, though spending for the year-to-date still ended with a 2.9% growth.

The main driver to North America's decline in the third quarter was Canada's advertising market, which slipped into the red (-6.2%) during the third quarter after two preceding quarters of year-on-year expansion. The United States' ad market remained at a stable growth during Q3 (+0.0%), though Q3 results were also less spectacular than the 7.5% growth seen in Q1, and the 1.8% expansion seen in Q2. As some advertising for U.S. mid-term elections took place in Q2, the cooldown in growth is even more striking.

The Asia Pacific, normally a region which drives growth, saw the first negative trend since the Nielsen Global AdView Pulse report began in 2007, ending the third quarter with a slight decline of -0.1% (and a +1.2% growth for the year-to-date). Two of the world's largest markets for advertising, China and Japan, both reported decreases in advertising spending during Q3 2014 when compared with the year prior (down -1.5% and -0.3% respectively). Thailand, which has experienced political unrest for the past year, saw the deepest budget cuts during Q3 at a -9.7% decline.

Western Europe, which was finally back in black during the second quarter, saw ad budgets cut again in Q3, down -1.5%. Though the United Kingdom's ad market was up 1.1%, Germany (down -3.4%) and Italy (-1.2%) were still in the red.

Positive growth trends, however, were witnessed in the emerging markets of Latin America (up 6.8% during Q3 and 15.2% for the YTD) and the Middle East and Africa (up a slight 0.9% during Q3 and 4.4% for the YTD), though the pace of growth has notably cooled from what was seen in the first half of 2014.

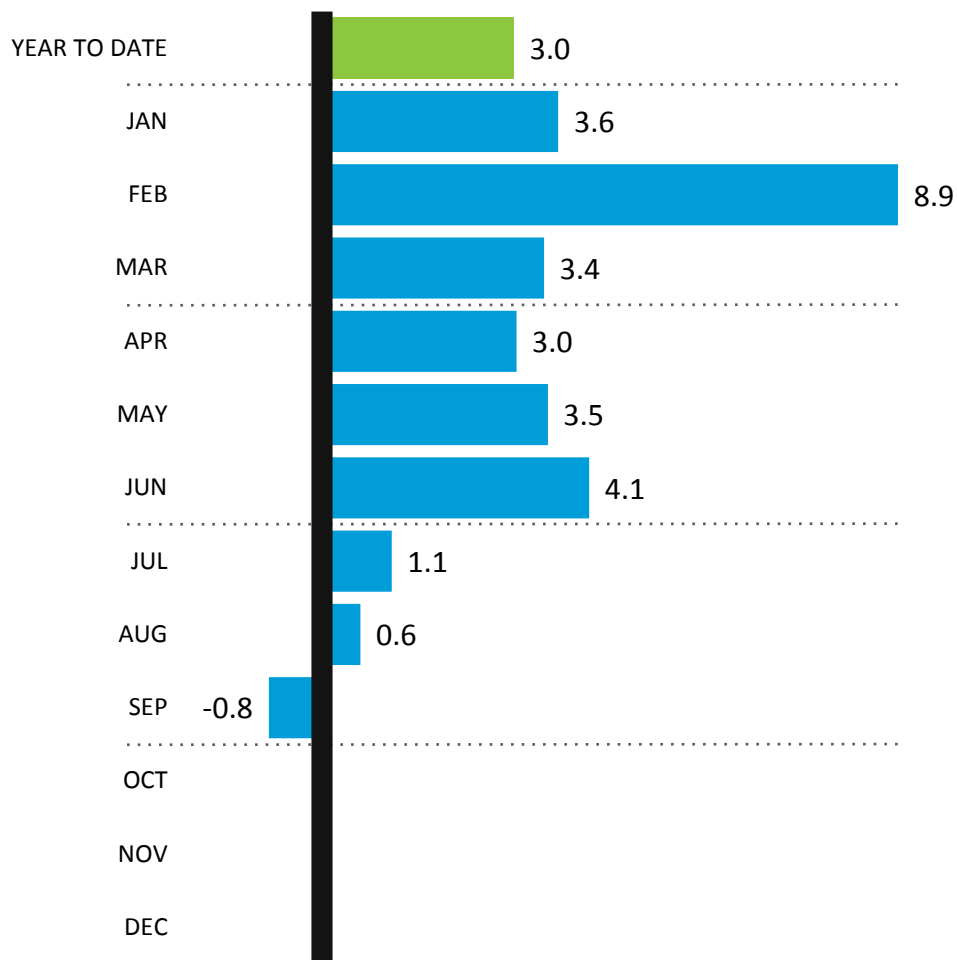
One cause of the advertising market's global slowdown could be repositioned budgets to the first half of 2014 (during the Olympics and World Cup); however, advertiser caution is likely to have played a large part in Q3 budget cuts.

MACRO ECONOMIC TRENDS

- GDP (constant prices)* + 3.3%
- Consumer Prices* + 3.8%
- Nielsen Consumer Confidence Index: 98**
(+1 compared to Q3 2014)

*2014 vs. 2013 forecasts
**Q3 2014 survey

YEAR ON YEAR % CHANGE BY MONTH



HEALTHCARE BRANDS KEEP GLOBAL AD MARKET IN EXPANSION MODE

The drags to the advertising market appeared to be budget cuts from the automotive industry in the third quarter (down -4.6%) as well as FMCG sector (down -2.7%).

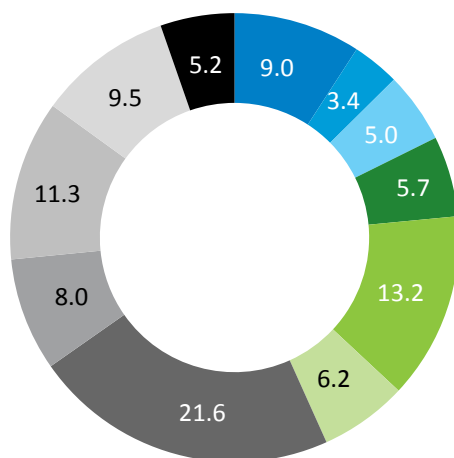
Automotive advertising spending was down -6.5% in North America during Q3, driven by budget cuts in the U.S. (-7.3%). Canada, on the other hand, increased ad budgets by 2.4%. Europe was another contributor to the decline, as budgets were cut -6.0% during the third quarter. Germany (down -11.2%) and the UK (down -7.7%) were drivers of the drop in spending.

Both food and cosmetics & toiletries advertising spending were down -3.6% during the third quarter, impacting the trend for FMCG, which commands 21.6% of spending for all categories. Within the cosmetics & toiletries category, cuts on haircare and skincare advertising appear to be the main cause of the negative trend, as brands cut spending by -14.6% and -13.0% year-on-year during the third quarter. Within food, main drivers were ad budgets cuts on confectionary (down -4.5%) and dairy (down -10.1%).

Amongst the more conservative spending for the majority of categories, healthcare advertising continued to flourish, expanding 6.4% in the third quarter and 7.9% for the year-to-date. Healthcare services advertising increased 8.6 percent during the third quarter (assisted by a spike in budgets in North America), and over-the-counter (OTC) remedies and first aid advertising increased by almost 16% (as Latin American advertisers increased budgets by almost 45%).



SECTORS - % SHARE OF SPEND - YEAR TO DATE



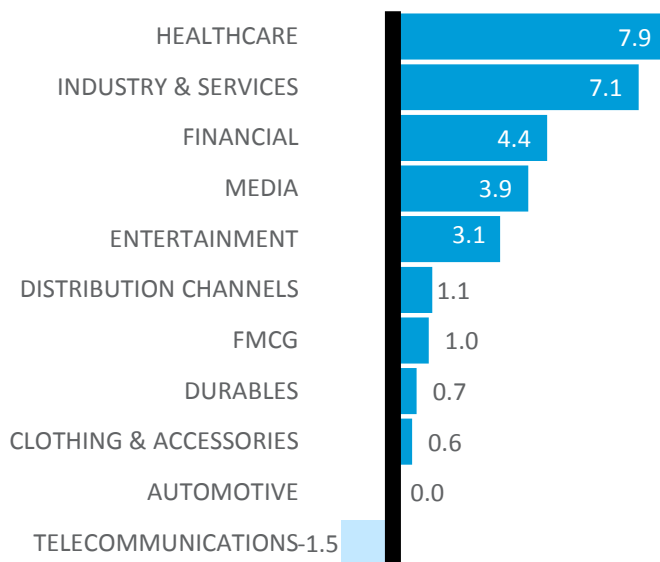
- AUTOMOTIVE
- CLOTHING & ACCESS.
- DISTRIBUTION
- DURABLES
- ENTERTAINMENT
- FINANCIAL
- FMCG
- HEALTHCARE
- INDUSTRY & SERV.
- MEDIA
- TELECOM.

SECTORS - % CHANGE YEAR TO DATE



HEALTHCARE AD SPENDING
increases by 7.9% year-to-date

Unseating Industry & Services as
the top growing category



TRENDS TO WATCH

As the third quarter was dominated by cautiousness in the advertising market, it will be interesting to see how brands respond to consumers' increasing cautious optimism--measured in major markets like North America.

Will brands continue to hold steady with their ad investments in the fourth quarter, as holiday shopping ramps up? Or will brands attempt to gain market share over their competitors by spending more to reach their consumers? Nielsen will be reporting the outcomes in our next report.



METHODOLOGY NOTES



METHODOLOGY

The information included in this report has been compiled, harmonized and produced by **Nielsen Global AdView**.

The Nielsen Global AdView Pulse reports on advertising expenditure for Argentina, Australia, Bahrain, Belgium, Brazil, Canada, China, Croatia, Egypt, Germany, Greece, Hong Kong, Indonesia, Ireland, Italy, Japan, Kuwait, Lebanon, Malaysia, Mexico, The Netherlands, New Zealand, Norway, Oman, Pan-Arab Media, Philippines, Portugal, Puerto Rico, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, Turkey, The United Arab Emirates, The United Kingdom, and The United States of America.

Pan-Arab Media refers to the media outlets in the Middle East that have significant viewership, readership or listenership in two or more markets and are not localized to only one market in the region. They do not represent a duplication with the coverage of each country and gather a significant amount of the advertising in the region.

THE MEDIA GROUP WITHIN NIELSEN, IS THE DATA SOURCE FOR THE FOLLOWING COUNTRIES:

AUSTRALIA	NORWAY
BELGIUM	PHILIPPINES
CANADA	PUERTO RICO
CHINA*	SINGAPORE
CROATIA	SOUTH AFRICA
GERMANY	SOUTH KOREA
INDONESIA	SWITZERLAND**
IRELAND (REPUBLIC OF)	TAIWAN
ITALY	THAILAND
MALAYSIA	TURKEY
THE NETHERLANDS	UNITED KINGDOM
NEW ZEALAND	UNITED STATES OF AMERICA

**Provided by Nielsen CC Data*

*** In association with Media Focus*

THE DATA SOURCES FOR THE OTHER COUNTRIES INCLUDED IN THE REPORT ARE:

Argentina:	IBOPE
Bahrain	PARC (Pan Arab Research Centre)
Brazil:	IBOPE
Egypt:	PARC (Pan Arab Research Centre)
Greece:	Media Services
Hong Kong:	admanGo
Japan:	Nihon Daily Tsushinsha
Kuwait:	PARC (Pan Arab Research Centre)
Lebanon:	PARC (Pan Arab Research Centre)
Mexico:	Nielsen IBOPE
Oman	PARC (Pan Arab Research Centre)
Pan-Arab Media:	PARC (Pan Arab Research Centre)
Portugal:	Mediamonitor
Qatar	PARC (Pan Arab Research Centre)
Saudi Arabia:	PARC (Pan Arab Research Centre)
Spain:	Arce Media
UAE:	PARC (Pan Arab Research Centre)

The source for the macro-economic indicators is IMF (International Monetary Fund) – World Economic Outlook October 2014 (website: www.imf.org).

The Nielsen Global Survey of Consumer Confidence and Spending Intentions was conducted between August 13 to September 5 2014 and polled more than 30,000 online consumers in 60 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample has quotas based on age and sex for each country based on their Internet users, and is weighted to be representative of Internet consumers and has a maximum margin of error of $\pm 0.6\%$. This Nielsen survey is based on the behavior of respondents with online access only. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or 10M online population for survey inclusion. The China Consumer Confidence Index is compiled from a separate mixed methodology survey among 3,500 respondents in China. The Nielsen Global Survey, which includes the Global Consumer Confidence Index, was established in 2005.

Figures are expressed in Million USD and are estimated net with Nielsen Global AdView estimated weighting factors, except for Australia, Ireland and the UK which are estimated net at source. USA and Spanish figures are based on apples-to-apples comparisons to the previous year, both in terms of coverage and methodology, in order to give a more accurate representation of the trends. The source for the exchange rates is OANDA (website: www.oanda.com) and the rate applied to all figures is the 2013 yearly average.

In order to reflect the most accurate picture for media type trends and macro-sector trends, the methodology used for each may differ. Adjustments and estimates necessary to represent the media type trends accurately may not be suitable for the macro-sector trends. In some cases a direct comparison is therefore not possible.

MAP OF THE REPORT

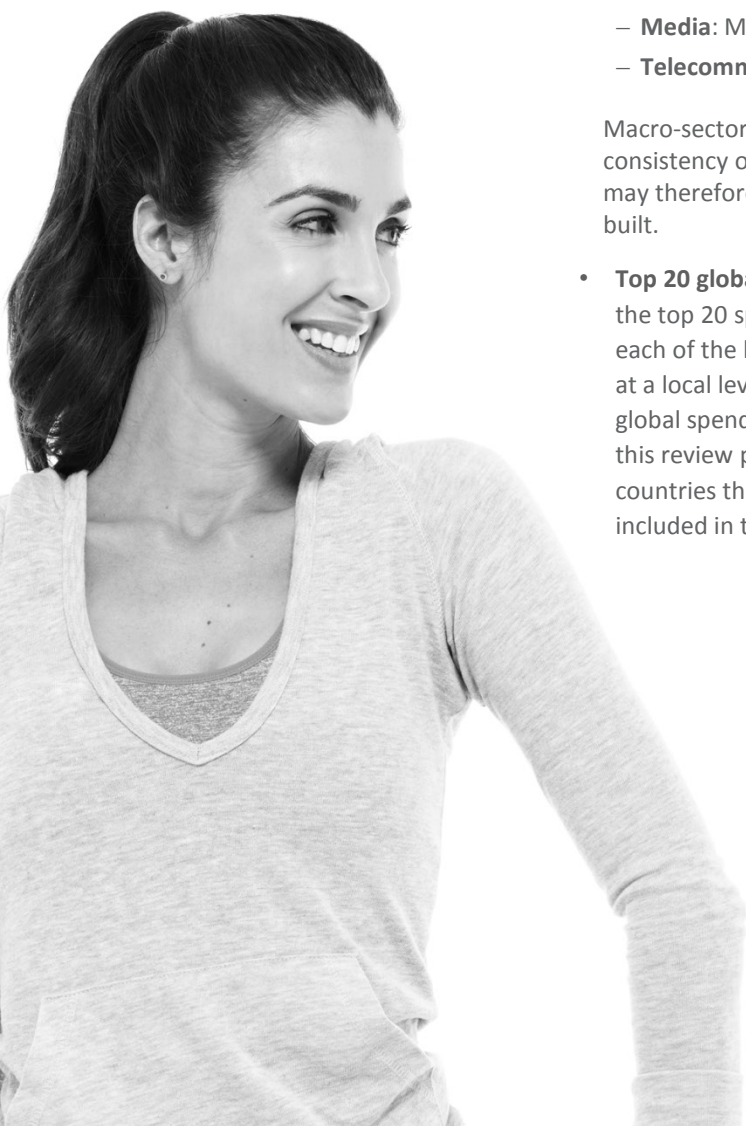
- **World Trend:** this section includes all territories and relates to the following media types : Television, Newspapers, Magazines, Radio, Outdoor, and Cinema.
- **Regions:** this section includes spend on Television, Newspapers, Magazines, Radio, Outdoor, and Cinema. Each region includes the following countries:
 - **North America:** Canada, United States of America.
 - **Asia Pacific:** Australia, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand.
 - **Europe:** Belgium, Croatia, Germany, Greece, Ireland, Italy, The Netherlands, Norway, Portugal, Spain, Switzerland, Turkey, United Kingdom.
 - **Latin America:** Argentina, Brazil, Mexico, Puerto Rico.
 - **Middle East and Africa:** Bahrain, Egypt, Kuwait, Lebanon, Oman, Pan-Arab Media, Qatar, Saudi Arabia, South Africa, United Arab Emirates.

Note: Pan-Arab Media refers to the media titles in the Middle East that have significant viewership, readership or listenership in two or more markets and are not localized to only one market in the region. They do not represent a duplication with the coverage of each country and gather a significant amount of the advertising in the region.

- **Country breakdown** refers to all major media types available in the country (Television, Newspapers, Magazines, Radio, Outdoor, Cinema).
- **Macro-sectors** include the following Categories:
 - **Automotive:** Automotive
 - **Industry & Services:** Business Services, Property, Institutions, Power & Water
 - **Clothing & Accessories:** Clothing & Accessories
 - **FMCG:** Cosmetics & Toiletries, Drinks, Food, Housekeeping Products, Tobacco
 - **Distribution Channels:** Distribution Channels (including also: Mail Order, Multiple Product Retailers, On-line shopping & generic on-line services, Corporate/Image and sponsorship Distribution Channels)
 - **Durables:** Domestic Appliances, Furnishings & Decoration, Information Technology
 - **Entertainment:** Entertainment, Leisure products, Transport & Tourism
 - **Financial:** Financial
 - **Healthcare:** Healthcare
 - **Media:** Media & Publishing
 - **Telecommunications:** Telecommunications

Macro-sectors and Categories are harmonized in order to allow consistency of comparison between regions and countries. They may therefore differ to how the local sectors and categories are built.

- **Top 20 global spenders:** this ranking has been compiled to show the top 20 spenders at corporate/holding company level. Using each of the businesses comprising these international corporations at a local level the cumulative total has been reported. The top 20 global spenders rank is based on the Nielsen countries included in this review plus Spain, Portugal and Hong Kong. For the remaining countries the advertiser detail is not available in a way that can be included in the global ranking.



MEDIA COVERAGE OVERVIEW

THIS TABLE PRESENTS AN OVERVIEW OF THE MEDIA TYPES COVERED IN EACH TERRITORY.

	TV	NEWSP.	MAGAZ.	RADIO	OUTDOOR	CINEMA	INTERNET
NORTH AMERICA							
CANADA							
USA							
ASIA PACIFIC							
AUSTRALIA							
CHINA							
HONG KONG							
INDONESIA							
JAPAN							
MALAYSIA							
NEW ZEALAND							
PHILIPPINES							
SINGAPORE							
SOUTH KOREA							
TAIWAN							
THAILAND							
EUROPE							
BELGIUM							
GERMANY							
GREECE							
IRELAND							
ITALY							
NETHERLANDS							
NORWAY							
PORTUGAL							
SPAIN							
SWITZERLAND							
TURKEY							
UK							

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	TV	NEWSP.	MAGAZ.	RADIO	OUTDOOR	CINEMA	INTERNET
LATIN AMERICA							
ARGENTINA							
BRAZIL							
MEXICO							
MIDDLE EAST AND AFRICA							
BAHRAIN							
EGYPT							
KUWAIT							
LEBANON							
OMAN							
PAN-ARAB MEDIA							
QATAR							
SAUDI ARABIA							
SOUTH AFRICA							
UAE							

CONTACT

E-mail: globaladview@nielsen.com

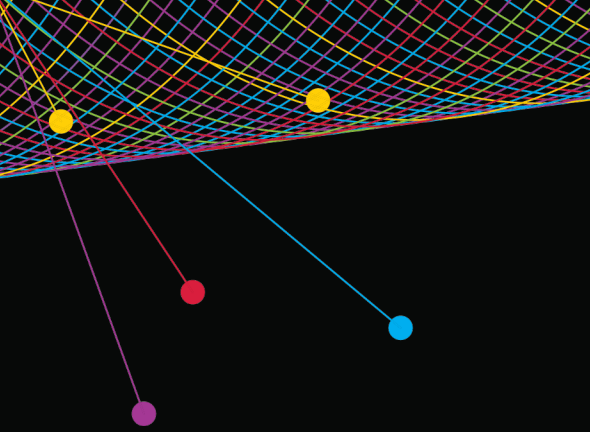
NIELSEN GLOBAL ADVIEW

Nielsen Global AdView provides information on what advertisers are spending, where and how, in more than 80 countries. With a deep and complete knowledge of local market advertising trends, ad spend, creatives, and TV gross rating points (GRPs) can be compiled, linked and harmonized at brand and product level to enable quick strategic insight into competitive activity within a client's own product sector.

ABOUT NIELSEN

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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TRACK COMPETITIVE ADVERTISING IN 80+ MARKETS

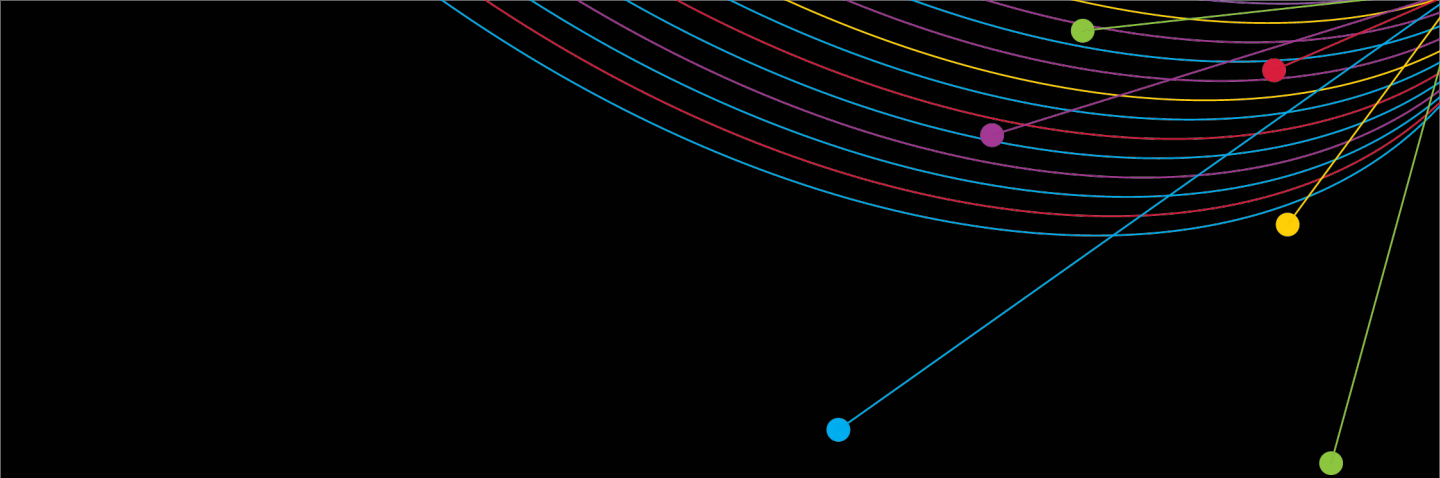
Need an unbiased view of your advertising efforts? Need help keeping your eye on competitive campaign launches in your targeted markets?

Ask Nielsen Global AdView
how we can make
your work easier.

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