

## **Modest Increase in Advertising Budget by Optimistic Advertisers in 2010**

The annual research study "Advertising Spending Projections" initiated by The Hong Kong Advertisers Association (HK2A) predicts an optimistic outlook for 2010 and 52% of the respondents will increase their advertising budget in 2010, most ranging from a modest 1% to 20%. At the same time, 75% of responding advertisers expect an increase in media cost, with the majority expect it to increase by 1-10%. The budget allocation in 2010 mirrors that of 2009, newspaper and TV continue to enjoy the biggest share at 50% of overall advertising budget with the internet ranked third.

The survey covered various commercial sectors including top spending advertisers and concentrated on both their planned advertising spending and business focuses in 2010. With the expected improvement in economic situation, the top focus of advertisers shifted from driving sales to building brands as compared with that of 2009. Social media is opted by 84% of the respondents to engage customers and build brands.

"Social media no doubt offers advertisers unlimited possibilities in reaching target audience and building brands. However, the lack of resources, expertise and advertising ROI pose big challenges that need to be addressed by media owners, agencies and advertisers together," said Ms Celine Ho, Chairperson of The Hong Kong Advertisers Association.

"Although advertisers and marketers are optimistic about the economic conditions in 2010, they are still cautious in their spending with only 21% of the respondents said they would increase their budget by 11-20%. To garner a bigger share in advertising spending, media owners need to be more flexible in inducing trial by providing creative solutions to clients," said Ms Celia Fan, Director of Media Research, The Nielsen Company, who led the survey.

The Advertising Spending Projections Survey enters its eleventh consecutive year in 2010 and is HK2A's annual endeavour. This year, a focus group was conducted to cover the qualitative aspects of the general advertising behaviour in the post-tsunami period. More than 90 self-administered questionnaires were received from key advertisers and screened for final finding analysis, which will definitely provide timely reference on the trends of advertising expenditure, media selection and planning, and also the attitude towards media landscape for 2010.

The study was conducted by The Nielsen Company and sponsored by a consortium of media titles and industry bodies including Buspak Advertising (Hong Kong) Ltd, JCDecaux Transport, NOW TV, Pixel Media, Adsfactor, ESD Services Limited, Focus Media Hong Kong, Hachette Filipacchi HK Limited, Hong Kong Cable Enterprises Limited, JCDecaux Cityscape, Maxus, Metro Broadcast Corporation Limited, Microsoft Hong Kong Limited, Ming Pao Newspapers Limited, New Media Group Holdings Limited, POAD Group Limited, Quamnet, RoadShow Media Limited, South China Morning Post, Take Me Home, Television Broadcasts Limited & Yahoo! Hong Kong.

HK2A is a non-profit organization formed by a volunteer group of advertising & marketing professionals. The key objectives of the Association are to protect the legitimate interests of advertisers and promote higher professional standards and ethics in the advertising industry.

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