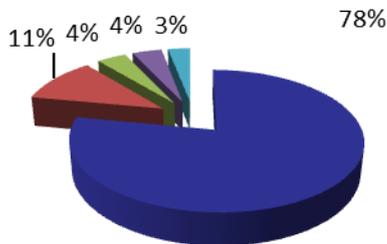




Advertising Expenditures by Media in 2013, Share in the Total



Source: Center for Educational Research and Development (CERD)

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Top 10 Advertising Spenders by Brand in 2013

1- BUZZ
2- XXL
3- SUPER STAR MEDICINES
4- BANKMED
5- BANQUE LIBANO-FRANCAISE
6- NESCAFE
7- JANE NASSAR
8- FREEZ
9- MOUKARZEL
10-BLOM

Advertising Expenditures by Media, In \$M

	2009	2010	2011	2012	2013
TV	746.2	943.9	936.7	938.5	1,167.10
OUTDOOR	101.5	118.7	136.7	133.6	167.1
NEWSPAPER	62.1	63.2	55.3	58.3	54.6
RADIO	49.9	46.3	49.7	52.7	53.7
MAGAZINE	45.7	55.5	56.5	51.4	45.2
CINEMA	1.2	1.4	2.3	1.9	1.2
Totals	1,006.6	1,229.00	1,237.20	1,236.40	1,488.90

Source: Arab Ad Magazine

The Lebanese Media industry is versatile in both its constituents and its audience. The industry encompasses multiple media such as: Production and Post-Production, Publishing Houses, Television Broadcasting, Music and the budding digital media segment. Lebanese media also has a wide outreach into the Arab Markets, targeting Arab readers or net surfers. Lebanese media contributes to over 3% of GDP and employs more than 2.11% of the workforce. The Lebanese advertising industry, an essential pillar of the media corpus, is also one of the most prominent in the Middle East. Delving into the characteristics of Lebanese advertising and benchmarking them into global and Arab markets not only offers insights on the change in the consumer's tastes but also on the sensitivity of the sector to socio-political instabilities.

On a global scale, advertising will pursue its growth over the next three years, from 3.9% in 2013 to 5.5% in 2014, 5.8% in 2015 and 6.1% in 2016, mainly on the back of an improving macroeconomic backdrop. After suffering from a 15% drop in ad spending since the onset of the financial crisis in 2007, the Eurozone's ad spend is forecast to grow by a marginal 0.7% in 2014.

Globally, television remained the main advertising mean, attracting 40% of ad spending in 2013 compared to 21% for the internet. ZenithOptimedia, expects television ad spending to grow by 5.2% in 2014 compared to 4.4% in 2013. However, the advertising medium mostly gathering pace is the internet with a double-digit growth of 16.2% in 2013, with the sub-categories of social media and online video rising by 29% and 23%, respectively. Nonetheless, bets are on mobile advertising, expected to grow by an average of 50% per year from 2013 to 2016, especially as mobile and smartphone penetration are on a constant rise. \$13.4B was spent on mobile advertising in 2013, a figure likely to reach \$45B by 2016.

In Lebanon, in spite of the political instability and after two years of meager growth, advertising expenditures regained the momentum that was last seen in the 2009-2010 period. In 2010, ad expenditures surged by 22% from \$1B in 2009 to \$1.22B in 2010. However, with the onset of the Arab Spring in 2011, they remained flat at \$1.24B for both years 2011 and 2012. Finally in 2013 Lebanese ad expenditures grew by 20% to reach \$1.49B making them the fifth largest in the Pan Arab region. The trend in total ad expenditures followed the same exact trend as that of TV expenditures.

For the past five years TV has been the largest advertising medium, representing over 70% of total advertising expenditures. The total TV advertising expenditures fared well against the regional and local instabilities dropping by a mere 1% in 2011 and remaining stable in 2012. Remarkably, in 2013 TV ad spending recorded another double digit growth of 24% to reach \$1.17B.

Interestingly in the politically-heated year of 2011, IPSOS reported that the highest share of TV advertising was concentrated in Political News Bulletins with 32% of total TV advertising. Politics were also at the forefront of Print advertising with a share of 37% of the total.

Newly produced television commercials in Lebanon followed the Middle Eastern trend and slightly dropped from 682 in 2012 to 674 in 2013. Although newly produced TV commercials (TVCs) in the drinks category increased from 75 to 89, new TVCs in health and beauty as well as food decreased offsetting the increase in the drinks category.

The top spender in the brand category was Buzz followed by XXL, Super Star medicines, BankMed and Banque Libano-Francaise. In the ranking by category banks rated first followed by alcoholic energy drinks, coffee, cars and beauty care centers.

Outdoor is the second largest advertising medium representing a consistent share of 10% of the total and increasing by 25% to \$167M in 2013. However, newspaper advertising has been on a consistent downward trend falling by 12% compared to 2009 to reach \$54.6M in 2013.

After dropping by 7% in 2010, radio advertising spending has consistently grown although at a decelerating pace. This might be linked to the fact that the majority of radio ad spending is directed towards music broadcasting stations rather than news stations. For instance, music-broadcasting radio stations overhauled the news stations in terms of advertising in 2011.

As for cinema advertising, it witnessed an outstanding boom of 64% in 2011 which wore off in the two following years dropping by 17% in 2012 and 37% in 2013.

With smart phone penetration in Lebanon climbing from 36% in 2012 to 63% in 2013, advertisers are likely to have further growth opportunities on mobile and online platforms. As the online community of consumers grows more each day, newspapers, radio stations and television channels are all attempting to keep advertisers interested by being active on social media platforms and by creating user-friendly, vibrant and interactive websites.

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