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Print Losing Out to Digital in Battle for Advertising Spending

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A woman applying make up while sitting on a park bench near numerous advertisements for loans and diplomas. **Vladimir Filonov**

Print media is being hit the hardest by a slowdown in advertising spending, as companies trim their marketing budgets and shift focus to digital platforms, according to a recent study from the Association of Russian Communication Agencies.

Advertisers spent 229 billion rubles ($7 billion) over the first nine months of 2013 to promote their products and services on the Russian market. This figure is 11.4 percent higher than last year, but below the growth rates that were recorded earlier this year. Ad revenues rose 14 percent in the first quarter and 12 percent over the first half of the year, Vedomosti reported Tuesday.

The slowing growth is partially attributed to the high performance figures from last summer when media platforms received additional advertising related to the Summer Olympics

and the Euro 2012 football championship.

But problems on the advertising market also have more long-term roots, including the growing popularity of digital commercials and corporate trepidations about putting more money into marketing budgets because of the uncertain economic situation.

A decline in advertising growth can be felt across all platforms, but is most noticeable for print media. The revenues of print advertising fell by 2 percent in the first quarter of 2013 and by 7 percent as of the end of September. Revenues in this sector are at 26.7 billion rubles year to date.

Print media lost a key revenue stream after the government banned alcoholic beverage advertising. Print is also losing out to online marketing. Advertisers spent 48.8 billion rubles to promote their products online in the first nine months of 2012, which represents about 21 percent of their budgets. This share was 20 percent in the first half of the year.

The Carat agency forecasted earlier this year that digital platforms will get more than a third of total advertising spend in three to four years.

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