



# “Dean of Advertising Forecasting”, Robert Coen, Retires

**Monthly Focus Topic**

On March 22<sup>nd</sup> Robert Coen announced he was stepping down from his position as senior vice president and forecasting director of Magna...

He was an icon in the advertising industry providing data through six decades...

He is 86 years young...

**Verso salutes Mr. Coen!**

# Mr. Robert Coen's Career



- Began his career in 1948 (Harry Truman was president then) at McCann-Erickson. Starting salary said to be approximately \$50/week.
- Has seen trends through his tenure which include the growth of outdoor advertising, and the rise of direct mail.
- Most recently Mr. Coen has been senior vice president and forecasting director at Magna, a media agency, which is part of the Mediabrands division of Interpublic.
- Author of the "Insider's Report", which contains a wealth of information regarding advertising, including data, commentary, and forecasts.
- A series of video presentation on advertising through the decades featuring interviews of Mr. Coen are being produced. The interviewer is his successor, Brian Wieser.

## At the start of his career - 1948

Advertising spending totaled nearly \$4.9B. Today, according to his most recent forecast, 2009 ad spending is forecasted to reach \$258.7B.

Top Advertising Campaign of 1948: DeBeers, "A diamond is forever", N.W. Ayer & Son

Top Magazines of 1948: Life, Time, Picturegoer, Motion Picture, Modern Screen, Photoplay, Screenland, Picture Show, Movieland, Screen Guide

Time Magazine Man of the year 1948: Winston Churchill

Life cover:

April 15<sup>th</sup>, 1948

Barbara Bel Geddes

Starred in Alfred Hitchcock's

Vertigo



# Evolution of Media – Highlights from 1920s to Present



<p><u>1920-1929</u></p>	<ul style="list-style-type: none"> <li>•First advertisement on radio (1922)</li> <li>•<i>Time</i> is first weekly newsmagazine (1923)</li> <li>•NBC becomes first radio network (1926)</li> <li>•First experimental broadcast of television (1927)</li> </ul>
<p><u>1930-1939</u></p>	<ul style="list-style-type: none"> <li>•Lindbergh baby kidnapping shows power of radio news to capture listeners (1932)</li> <li>•The first magazine for men, <i>Esquire</i>, launches (1933)</li> <li>•FCC is created to regulate U.S. broadcasting and telecommunication (1934)</li> <li>•<i>Life</i> magazine is published; introduces photo essays (1936)</li> <li>•New York World's Fair shows TV to the public (1939)</li> </ul>
<p><u>1940-1949</u></p>	<ul style="list-style-type: none"> <li>•U.S. gets first regular TV station, WNBT, New York; estimated 10,000 viewers (1940)</li> <li>•FCC sets U.S. TV standards (1941)</li> <li>•CBS and NBC start commercial TV transmission, but WW II intervenes (1941)</li> <li>•FDR war declaration has largest audience in radio history: 90 million (1941)</li> <li>•Radio networks on 24/7; heavy on news (1941)</li> <li>•Seven U.S. East Coast TV stations begin regular programming (1947)</li> <li>•American television viewers watch commercials (1947)</li> </ul>
<p><u>1950-1959</u></p>	<ul style="list-style-type: none"> <li>•Average U.S. home has two radios (1950)</li> <li>•Color television sets go on sale; too expensive for most people (1951)</li> <li>•<i>TV Guide</i> launches; initial press run is 1.5 million copies (1953)</li> <li>•Regular color TV broadcasts begin in U.S. (1954)</li> <li>•U.S. television revenue exceeds radio revenue for the first time (1954)</li> <li>•Many television programs switch to color (1957)</li> </ul>
<p><u>1960-1969</u></p>	<ul style="list-style-type: none"> <li>•90% of American homes have television sets (1960)</li> <li>•FCC approves FM stereo broadcasting; spurs FM development (1961)</li> <li>•Cable companies import distant signals (1962)</li> <li>•TV is now principal source of news in U.S., according to Roper Poll (1963)</li> <li>•IBM's OS/360 is first mass-produced computer operating system (1964)</li> <li>•Newspapers, magazines start to digitize production (1967)</li> <li>•New magazines include <i>Rolling Stone</i> and <i>New York</i> (1967)</li> <li>•<i>60 Minutes</i> starts ticking, proves than news on TV can be profitable (1968)</li> <li>•FCC is given jurisdiction over cable TV (1968)</li> </ul>

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<p><u>1970-1979</u></p>	<ul style="list-style-type: none"> <li>• IBM System 370 allows time-sharing, online computing (1970)</li> <li>• ARPANET, Internet forerunner, has 22 university, government connections (1971)</li> <li>• Ms. Magazine launches (1972)</li> <li>• Digital television comes out of the lab (1972)</li> <li>• FCC ends six-year ban on installing cable TV in large cities (1972)</li> <li>• Cell phone is invented (1973)</li> <li>• Xerox sets up a LAN (local area network) called Ethernet (1973)</li> <li>• People magazine steps out (1973)</li> <li>• The word "Internet" enters the lexicon (1974)</li> <li>• National "Turn the TV Off Week" is a failure viewers want their shows (1977)</li> <li>• AT&amp;T tests a cell phone system in Chicago (1978)</li> <li>• News groups arrive on the Internet (1979)</li> </ul>
<p><u>1980-1989</u></p>	<ul style="list-style-type: none"> <li>• The laptop computer is introduced (1981)</li> <li>• Most modems run at 300 bits/sec (1981)</li> <li>• Internet domains get names instead of hard-to-remember numbers (1983)</li> <li>• Several large U.S. newspapers offer online text versions (1984)</li> <li>• Typical modem speed now 2400 bits/second (1985)</li> <li>• Pay-per-view cable TV channels open for business (1985)</li> <li>• 98% of U.S. homes have at least one television set (1988)</li> </ul>
<p><u>1990-1999</u></p>	<ul style="list-style-type: none"> <li>• Entertainment Weekly magazine (1990)</li> <li>• Average U.S. home has five radio sets (1990)</li> <li>• Internet made available for commercial use (1991)</li> <li>• The laptop gets a color monitor (1991)</li> <li>• Ten million cell phone customers in U.S., a tenfold jump in 5 years (1992)</li> <li>• AOL reports it has 200,000 subscribers (1992)</li> <li>• Number of newspapers offering online news rises to 150 (1992)</li> <li>• Yahoo search engine is started by two Stanford graduate engineering students (1994)</li> <li>• Internet mass marketing brings "spamming" into the lexicon (1994)</li> <li>• Magazines known as "e-zines" are published on CD-ROM disks (1994)</li> <li>• Almost 1/3 of all American homes have a computer (1994)</li> </ul>

# Evolution of Media – Highlights from 1920s to Present



<p><u>1990-1999 (continued)</u></p>	<ul style="list-style-type: none"> <li>•Internet use rises sharply as major online providers open portals to public (1994)</li> <li>•Amazon.com starts selling books online (1995)</li> <li>•U.S. population continues to increase, but newspaper readership declines (1995)</li> <li>•62% of U.S. homes have cable TV (1995)</li> <li>•U.S. has 40 million cell phone subscribers, up from 1 million in 9 years (1996)</li> <li>•A pocket telephone/computer comes on the market (1996)</li> <li>•From Microsoft: Hotmail.com, a Web-based email site (1996)</li> <li>•AOL boasts 10 million subscribers (1997)</li> <li>•43% of U.S. homes have computers (1997)</li> <li>•Estimated number of World Wide Web pages: 300 million (1998)</li> <li>•Estimated number of Web pages added each day: 1.5 million (1998)</li> <li>•1 of 3 Americans now use the Internet (1998)</li> <li>•Internet economy gets its own weekly magazine, <i>The Industry Standard</i> (1998)</li> <li>•TiVo offers personal television control (1999)</li> </ul>
<p><u>2000-Present</u></p>	<ul style="list-style-type: none"> <li>•In U.S. alone: 100 million cell phone subscribers (2000)</li> <li>•E-books on book-size electronic units have only modest success (2001)</li> <li>•More than half of all Americans now use the Internet (2001)</li> <li>•98% of all U.S. homes have color television (2004)</li> <li>•Three out of four Americans use the Internet (2004)</li> <li>•Facebook makes friends (2004)</li> <li>•\$21 billion spent on online ads in U.S. alone (2004)</li> <li>•YouTube post its first video (2005)</li> <li>•An estimated 30 million readers of millions of blogs daily (2006)</li> <li>•<i>Time</i> Person of the Year: You, for taking control of your media (2006)</li> <li>•iPhone surfs Web, emails, plays videos, iTunes, makes phone calls, takes pictures (2007)</li> <li>•Mobile TV service for cell phones builds a customer base (2007)</li> <li>•Amazon's Kindle, an automated reading device, is introduced (2007)</li> </ul>

# Summary of most recent “Insider’s Report”, a Magna Publication



## COMMENTARY:

- “Advertising Demand will soften world wide. Many of the less developed emerging regions will continue to report good ad expectations for 2009 but not strong double-digit pace of the recent past.”
- “Advertising lags behind the economy and there is little hope that there will be much economic recovery in 2009.”

## DATA:

- Newspapers lead YOY decline vs. 2007 dropping 16.0%. Forecasted to drop another 12% in 2009.
- Advertising as a percent of GDP will finish near 1.89% (last 4 years show accelerated decline)
- Changes in Top Product Categories Jan – Aug '07 vs. '08:
  - largest gainer was a tie between Restaurants and Food (+5.0%)
  - Largest loser was Automobiles (-7%)
- US Advertising is expected to contract by 4.5% in 2009 to \$258.7 USB;  
Overseas Advertising is expected to expand by 2.7% to \$382.0 USB