

THE MAIN TENDENCIES AND DIRECTIONS OF DEVELOPMENT THE ADVERTIZING-PUBLISHING SERVICES MARKET IN 2011-2012

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The tendencies of development the advertizing-publishing services market in Russia in 2011-2012 are described in the article. The positive and negative factors are analyzed which influence on the development of enterprises.

Keywords: advertizing-publishing services, market, directions of development

The tendencies of social and economic development of megacities in Russia testify that the growth of expenses for advertising for 2010–2012 (table 1) takes place. The market of advertising are restoring after financial crisis of 2008-2009. The statistical data and forecasts from different associations and advertizing agencies for the advertizing market

are differ rather essentially. The difference in values of parameters arises because of distinctions in techniques of calculation, inclusion the parameters of values for new and nonconventional vehicles for advertizing in the perspective and retrospective data (contextual Internet advertizing, indoor-advertizing, advertizing on a cable television etc.).

Table 1

The Volume of Russian Media Advertizing Market
in 2008 – 2012 (2011–2012 – forecast)

Market segment	Years				
	2008	2009	2010	2011	2012
	In million US dollars			In percentage concerning previous year	
Television	5 507	4 949	5 784	7 298	8 372
Radio	573	466	487	541	538
Press	2 330	1 996	2 217	2 652	2 876
Outdoor advertizing	1 817	1 584	1 793	2 190	2 429
Internet	611	624	902	1 429	1 890
IN TOTAL	10 979	9 871	11 534	14 555	16 698

The note. Table 1 is made on the basis of the data and forecast Credit Suisse estimates, Zenith Optimedia [1].

The table shows, that in connection with financial crisis there was a decrease in volumes of the advertizing market in 2009 on 10,1% in comparison with 2008. Decrease in 2009 has mentioned all media carriers except the Internet advertizing which growth has made 2% in 2009 in comparison with 2008 and 44,6% in 2010 in comparison with 2009. Since 2010 growth of publicity expenses on 17% was observed in all media carriers. The pure gain of the market of a print advertizing in Russia will take place under the forecast in 2011 19,6% in comparison with 2010, in 2012 8,4% in comparison with 2011.

The reduction of sales in press editions have occurred in 2009 in the Russian's megacities (first of all, in editions of a high price category). It is possible to ascertain that there is

a change of consumer preferences in sphere of advertizing-publishing services. So, following tendencies are observed:

- displacement of the demand in favor to more cheap editions;
- growth of the demand for editions with the operative information (business, information-analytical, advertizing-information);
- growth of interest to the entertaining periodical press (TV-program, crossword puzzles);
- growth of interest to editions with the practical specialized information (cookery, gardening and so forth);
- recession of the demand for elite, glossy magazines, editions of a high price category.

The data from table 1 shows, that the rates of increase of advertising market will be slowed down from 26,2% in 2011 to 14,7%

in 2012. Such tendencies take place because the advertising market, having restored after financial crisis of 2008-2009, will continue to extend lower rates. The most dynamical is the Internet advertising market which rates of increase will be in 2011 58,5% and in 2012 – 32,2%. The slowest rates of increase are at the radio advertising market (11,2% in 2011 and decrease in rates – 0,7% in 2012).

The increase in publicity expenses in 2011–2012 will depend on increase of the consumer ability of Russian population, increase in quantity of enterprises on the market, and more strength market-competition. The rate of prices increase for advertising services in a press will decrease a little because the enterprises

will prefer to place advertising in electronic versions of press-editions and in Internet as a whole (in search engines, on web-sites with similar subjects). Thus, expenses for Internet advertising will reach 12% from all publicity expenses by 2012.

As a whole the dynamics of the market of advertising in Russia reflects world tendencies of the development of the advertising markets. Because of the financial crisis there was the decrease of publicity expenses in 2009 in the world as a whole. The growth of the world market of advertising services in 2011-2012 will occur of the expense the markets in developing countries. The data about expenses for advertising on different regions in the world is presented in table 2.

Table 2

Advertising Expenses (the basic media) in the Different World Regions in Million US Dollars, (2011–2012 the forecast)

Region	Years					
	2007	2008	2009	2010	2011	2012
North America	188 300	179 763	156 973	153 277	155 814	160 383
Western Europe	120 177	121 039	106 774	106 193	109 117	112 748
Asia, Pacific region	99 583	107 332	103 956	107 897	113 644	120 543
The central and east Europe	31 634	35 166	27 528	28 158	30 393	33 267
Latin America	26 422	30 405	30 485	32 968	35 081	37 597
Afrika/the Near East / other world	15 931	20 284	17 988	19 240	21 003	22 822
World	482 047	493 988	443 704	447 734	465 052	487 360

The note. Table 2 is made on the basis of data Zenith Optimedia [1].

As a whole on a global scale as well as in Russia, there is the tendency of decrease the volumes of advertising in a press, on radio, outdoor advertising and rather stable sales increase in television media carrier. The growth of volumes of Internet advertising is take place, because this media carrier is cheaper, operative and rather actual.

Thus, the most dynamically developing and growing media carrier in Russia is Internet advertising. The enterprises of advertising-publishing services should provide the diversification of services of advertising character. The development of market of Internet advertising is necessary to set productivity of economic activities.

The results of SWOT-analysis (strength, weakness, opportunities, threats) for a typical producer of advertising services in the Russian megacity for 2011-2012 show the possible list of strength, weaknesses, possibilities and threats. This factors are necessary to account during the creation the strategic plan of development the enterprises.

Among the strengths of the advertising-publishing enterprises is expedient to note:

- the competence of enterprise in the certain market, long-term work and experience in the branch of advertising services;
- strong advertising-capacity in the concrete media carrier;
- the presence of constant loyal clients-advertisers, and also stable occurrence of new consumers;
- the presence highly-skilled personnel, which is capable to work in the conditions of dynamically developing environment;
- stable growth the efficiency use of a manpower and payment fund;
- well established connections with suppliers;
- the possibility to get the costs reduction from the growth the volume of services;
- the possibility to attract the attention of audience with high consumer ability.

The weaknesses of the advertising-publishing enterprise consist in the following trends:

- an insufficient popularity of the media carrier among the potential audience;

- the poor advertizing-capacity of the media carrier;

- the increase of the costs for the goods accompanying the advertizing-services negatively influences at the profit indicator;

- the lack of financial assets for the expansion the wide advertizing company for the goods and services of a producer and the organization of actions for sale stimulation;

- low personnel potential, high fluidity of managers for personal sellings of advertizing services;

- inefficient system of payment of the advertizing agents, not promoting growth of their development;

- the unwillingness of advertizing agents to work with the new inventory and services.

The possibilities which can arise in 2011-2012 for enterprises of advertizing services sphere:

- the addition of new clients-advertisers and the growth of income because the market of advertizing in line with forecast will increase in 2010-2012 and restore after financial crisis;

- the increase of publicity expenses for all media carriers in connection with increase in consumer ability of the population, growth of investment activity of the enterprises, heat of competitive struggle;

- the rise of prices for advertizing for television and an outdoor advertizing can become the reason influencing the decision of advertisers to redistribute the budget in favor of placing the advertizing in a press;

- the growth of Internet-users and, as consequence, substantial growth of publicity expenses on this media carrier.

The basic threats for the enterprises of advertizing-publishing services consist in:

- the appearance of new producers of services;

- the increasing competitive pressure from existing advertizing-publishing enterprises;

- the growth of expenses for the goods accompanying service;

- negative consequences of financial crisis of 2008-2009 which slow down growth of the market of advertizing.

Thus, the producers of sphere of advertizing-publishing services should expense the sale of services in new specialized editions, in the electronic versions of the press which is possessed such positive characteristics as a high speed of distribution of the information, presence of feedback with readers, possibility

to react operatively to inquiries of consumers, cheapness of routine maintenance. This diversification of business should provide increase the volume of financial assets and profit of enterprises.

For this purpose, the advertizing-publishing management is expedient to position the site as an advertizing medium, to involve on it more visitors and actively advertize it in Internet, and in other mass media. During the working out the strategy of sales of services in Internet and in the electronic version of the edition it is necessary to consider the main features of pricing, sales and advancement of the goods and services in Internet.

The strategic orientation of development the advertizing publishing complex of a megacity, according to our representations, should provide constantly towering consumption in process of growth of volumes of output, investment activity of the enterprises, increase in incomes of citizens and increase of their solvency.

In line with forecast the growth of incomes of the population in Russia will make in 2011 – 2,8% in comparison with 2010, in 2012 – 4% in comparison with 2011. The strategic orientation of social and economic development of an advertizing-publishing complex of a megacity in Russia should correspond to the developed modern lines in branch and as a whole to universal tendencies, restoration of the market of advertizing services after an economic crisis and its further increase at the expense of developing countries.

It gives the possibility to advertizing-publishing managing subjects in the perspective period of time according to the conditions to work out and introduce the strategic plan for development the enterprises, which should be aimed to achieve the high economic and financial results, to reach the set productivity of economic activities and to function in the conditions of dynamically changing environment.

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