



ANNUAL REPORT 2008

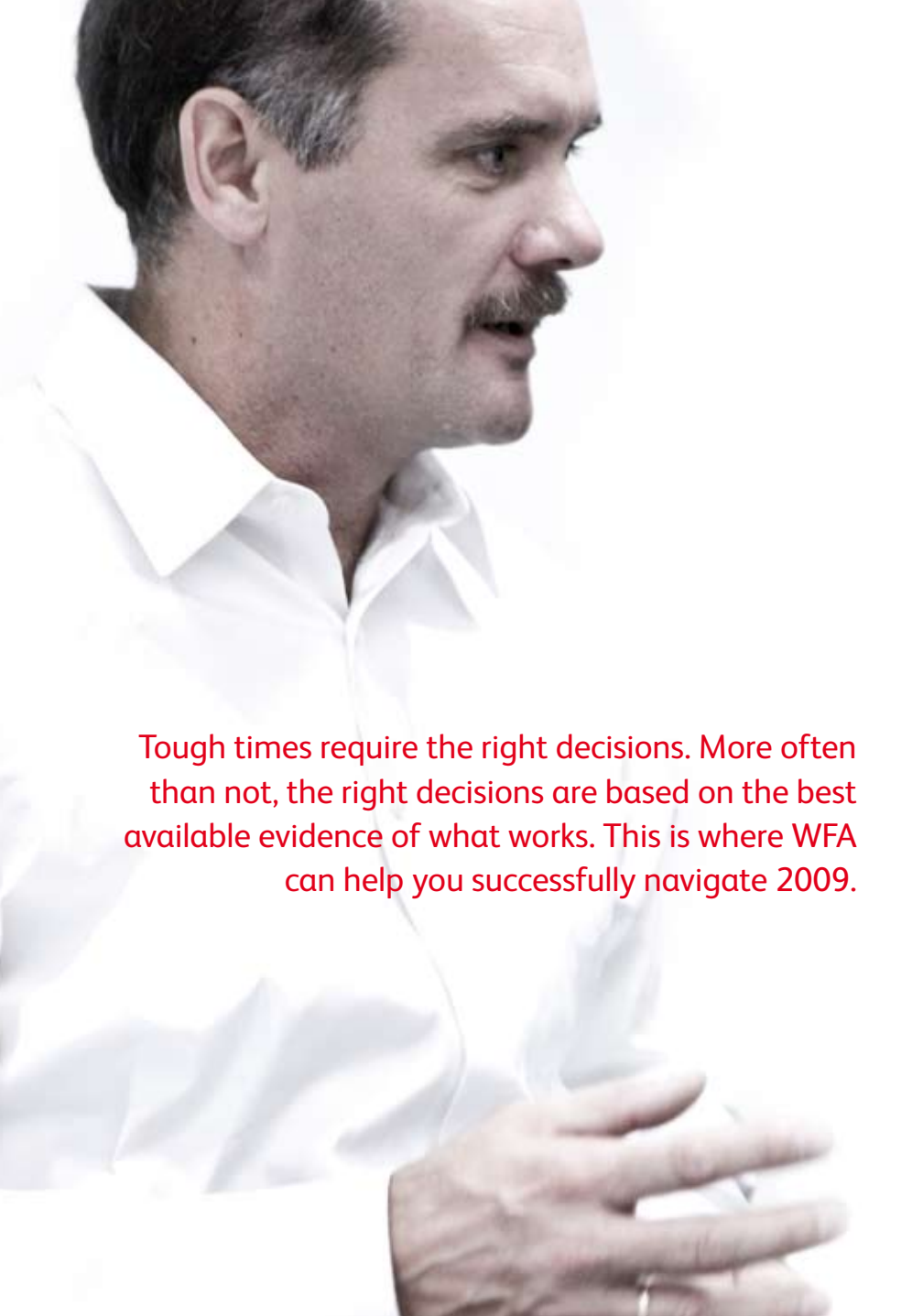






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Tough times require the right decisions. More often than not, the right decisions are based on the best available evidence of what works. This is where WFA can help you successfully navigate 2009.

PRESIDENT'S VISION

I want to highlight three strategic areas where WFA can help you make the right decisions to achieve growth despite the economic downturn. I encourage WFA members to rally behind these priorities for 2009.

Digital

Digital has beckoned a new dawn for marketers and we are only scratching at the surface of its potential. WFA has taken the lead in bringing the new breed of digital specialist together as part of The WFA Digital Network. These are the people at the cutting edge of understanding how best to integrate digital into corporate marketing communications strategies.

Their insights will be critical to helping marketers optimize their interaction with a newly empowered, digital savvy consumer.

On the flipside, WFA has been at the forefront of shaping efforts to self-regulate the digital space. The consequences of not doing so are unthinkable. Failure to apply meaningful and robust industry standards to emerging media at a global level could lead to regulation, which could strangle the burgeoning potential of these new media.

Integrated marketing communications

Bringing together Chief Marketing Officers for the second year running has confirmed the value that senior marketers derive from

meeting and sharing experiences and insights with their peers. In recognition of this and the evolving multi-platform, consumer-centric landscape in which we now operate, WFA launches in 2009 the Integrated Marketing Communications (IMC) Forum.

This group will help global brand owners cut down on trial and error, streamline processes in order to maximize effectiveness and improve returns by benchmarking approaches against peers. I am convinced it will fast deliver strategic, innovative and effective multi-national integrated solutions to WFA members.

Best available knowledge worldwide

WFA working groups continue to provide members with unique insights and actionable tips to help them in their daily jobs. In 2009, WFA will extend its best practice sharing and benchmarking services both geographically and deeper within companies. It is my hope that brand managers from Beijing to Buenos Aires can benefit from WFA's unique offering and that new investments in technologies in the secretariat enable an increasingly proactive and tailored service.

There is no doubt that 2009 will be a challenging year. We are all going to need all the help we can get to make the right decisions. That makes the WFA more important than ever.

Bernhard Glock
*WFA President
Vice President,
Media Purchases,
Procter & Gamble*

MESSAGE FROM THE MANAGING DIRECTOR

These are testing times for many of our members and 2009 looks to be even more challenging. Marketers will need all the assistance they can get as they face up to some of the hardest decisions of their careers. And to do so in a regulatory environment which does not leave them with one hand tied behind their backs.

In 2009, WFA will be working harder than ever on your behalf to deliver on both counts.

It is our conviction that, particularly during these tough times, WFA is uniquely placed to help you. In an environment of heightened scrutiny on investment, resources and effectiveness, the WFA network provides an unparalleled resource to learn from one another and, crucially, accelerate the process of benchmarking and best practice exchange.

2008 was a busy year shoring up a marketplace that best reflects your interests. WFA helped safeguard a competitive Internet advertising marketplace by successfully raising concerns regarding a planned deal between Google and Yahoo! In over 30 countries, WFA supported local industry action on a variety of issues, whether it was avoiding ad taxes, compulsory pitch fees, attempted cartels or potentially detrimental legislation.

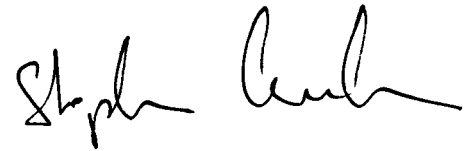
WFA also continued to deliver tangible value at a company level. We extended our working group offering with the creation of a network for digital marketers as well as responding to over a hundred benchmarking exercises on media-, marketing- and procurement-related issues. The WFA database has fast become an invaluable resource for marketers on anything from agency compensation to accountability solutions.

From an advocacy perspective, we were at the forefront of defending against efforts to restrict food and alcohol advertising and advertising to children globally. Articulating a clear vision for effective and responsible advertising self-regulation, WFA has become a trusted stakeholder with the World Health Organisation, the European Institutions and a number of national regulators.

But to preserve long-term freedoms to operate, our industry will have to count on a better understanding of the benefits of advertising amongst regulators and the public. WFA launched a global campaign to champion the value of advertising to those who make decisions about what we can and cannot do. This will be essential to shaping the regulatory landscape of tomorrow.

Our CMO roundtable in November confirmed that our priorities for 2009 are well placed. As your resources are stretched,

it is critical that your organisation can be in a position to learn from others. WFA will enable you to do just that, wherever you are in the world.



Stephan Loerke
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Vice President, Media Purchases,
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WFA President Emeritus



Malcolm Earnshaw
WFA President Emeritus

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THE MEDIA COMMITTEE



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The global media landscape is undergoing arguably the most dramatic changes since the invention of the printing press. As tried and trusted media see their audiences decline, it is crucial for marketers to learn new skills and to re-think old approaches.



Taide Guajardo & Ian Gallois



Cristina Guglielmini & Bob Wootton

Greater efficiencies and effectiveness during the downturn

Media fragmentation and the digital explosion, in parallel with the need for greater efficiencies and effectiveness during the downturn, have made media planning and buying more important, and more complex, than ever. This is one reason why the WFA's Media Committee's unique network was so busy in 2008.

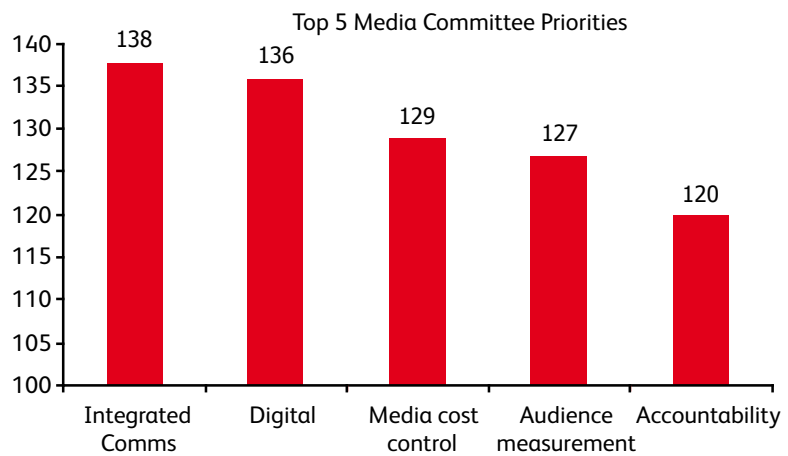
The Media Committee's 2008 agenda was, as always, written for and by its members. Quarterly meetings held in Hamburg (Beiersdorf), Vienna (Coca-Cola), Rome (Procter & Gamble) and Düsseldorf (Henkel) comprised experience sharing sessions led by WFA members, focusing on a number of areas, including digital, integrated communications, agency management, accountability and dealing with the downturn. Several hand-picked guests also shared their unique perspectives, including Naked Communications and eMarketer.

More benchmarking, feedback and surveys than ever

Between meetings, requests for feedback, benchmarks and surveys reached an all time high, with 82 conducted in total. 70% of WFA's members took advantage of this rapid information exchange for media directors and national advertiser associations.

Led by Chairman Ian Gallois, Global Media Director Wrigley, WFA's Media Committee continued to take a leadership role in relation to priority global issues. Perhaps the groups' most important documents, The Blueprint (for Consumer-Centric Holistic Measurement) and The WFA Media Charter 'went digital' in 2008.

- The new Blueprint microsite (www.wfanet.org/blueprint) sets out advertisers' needs and objectives in relation to media audience measurement. Following the news of the termination of Project Apollo, the WFA embarked on a global



audit to gauge the status of consumer-centric holistic measurement around the world. The results showed that of the 17 biggest ad markets by media spend, over 50% now have a fully, or partially, Blueprint-compliant initiative in place. The new site contains details of these initiatives as well as potential learnings. The site saw 1,250 unique visitors since its launch in June from 74 different countries, helping to spread the word to a global audience and encouraging the launch of new initiatives for the benefit of marketers worldwide.

- November saw the re-launch of the WFA Media Charter. This 'media bible' was fully updated and translated into French, Spanish and Japanese. The new site (www.wfanet.org/mediacharter) increases ease of access for marketers across the world. It has also been fleshed out with case studies, useful links and opportunities for user input. In a time of economic downturn, the lessons contained within the Media Charter (for example, in relation to transparency in media buying) become more relevant than ever. The Media Charter enables advertisers to speak with one voice in relation to media as a marketing communications vehicle.

While the goal of developing holistic audience measurement remains a top priority, improving metrics for 'siloed' media also remains an important challenge. For this reason, WFA played an active role in the ESOMAR-led coalition which developed the Global Guidelines for Outdoor Audience Measurement (GGODAM). The final document is due to be published in March 2009. It seeks to help markets around the world improve the standard of their outdoor audience measurement and to enable increased comparability between markets.

Protecting a competitive marketplace

Rapid changes in the media landscape can offer exciting opportunities but also challenges and potential obstacles, such as the proposed search advertising alliance between Google and Yahoo! in North America. WFA members agreed that in a global media such as online, the detrimental impact of this deal would be felt beyond North America's shores. WFA made its concerns known publicly and to regulators and helped achieve a reversal of this planned alliance, thereby protecting a competitive online marketplace for marketers.



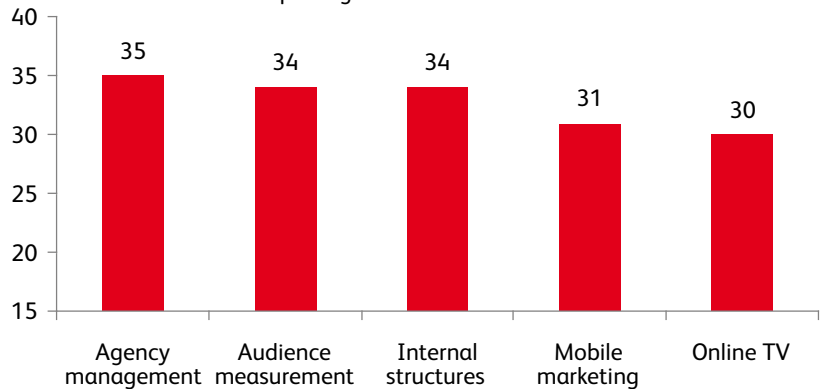
DIGITAL NETWORK

- Jef Vandecruys, Anheuser-Busch InBev*
- Johan Landmark, Anheuser-Busch InBev*
- Jo Whitmore, Beiersdorf*
- Mike Payling, BP plc*
- Jo Wisbey, BP plc*
- Frances Dovey, Cadbury*
- Sven Dörrenbächer, Daimler*
- Jérôme Goure, Danone*
- Clare Vaughan-Davies, Emirates Group*
- Richard Cornish, Hasbro*
- Marco Van Veen, Heineken*
- Kate Keane, Johnson & Johnson*
- Vincenzo Brugaletta, Johnson & Johnson*
- Anthony Lesueur, L'Oréal*
- Georges-Edouard Dias, L'Oréal*
- Fevzi Cetin, Mars*
- Patrick Eikelenboom, Mars*
- Simon Short, McDonald's Corporation*
- Alastair Fairgrieve, McDonald's Corporation*
- Stefan Burgass, Müller Media & Service AG*
- Angus Simpson, Nokia*
- Pekka Somerto, Nokia*
- Lars Gibbe, OWM, Germany*
- Michel Lambert, Procter & Gamble*
- Françoise Renaud, Union des Annonceurs*
- Matti Djateu, VF Europe*
- Anna Russell, Vodafone Group Services Ltd*
- Ian Gallois, Wrigley*
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Top 5 Digital Network Priorities



Digital is consistently cited as one of our members' top priorities, thus appearing regularly on agendas for working groups, regional meetings and conferences. Many members openly admit that they and their agencies are on a steep learning curve.

A new breed of marketer

Given the need for greater internal understanding, many of our members -corporate and associations alike- have hired or trained personnel to specialise in digital marketing communications. This has created a new breed of marketer - highly sought after yet sometimes isolated within their organization. WFA has grasped an opportunity to help these marketers whilst increasing our value to other members, by creating a working group specifically for digital marketers.

WFA's Digital Network was launched on January 30th 2008. The inaugural meeting, hosted by Vodafone in London, focused on understanding if there were similar barriers, challenges and experiences that would suggest a common agenda. Although no one participant of the Digital Network shares the same title, the answer was resoundingly positive. Participants proposed two additional meetings in 2008, which took place in London (Nokia) and in Geneva (Procter & Gamble).

As with all WFA working groups, the meetings tackled topics of the highest priority to members. The group has rapidly become a relevant and valuable network. Experience

sharing sessions to date have focused on topics including digital agency management, internal resource and structure, mobile marketing, social media and optimizing search marketing.

Improving online audience measurement

Though still in its infancy, the Digital Network has already taken a leadership role in relation to improving online audience measurement. It also provided valuable input into the case against the proposed Google/Yahoo! alliance in North America. It is currently working on a paper setting out what marketers want from online audience measurement, due to be released in Q1 2009.

Moving forward, the Digital Network will aim to further build on the number of digital marketers engaged with the group and continue to help its members improve the effectiveness and efficiency of their interactive investment, as well as sharing some of the network's unique insights with WFA members outside the group. The agenda for 2009 has already been mapped out based on members' priorities and promises to be an interesting year for this much sought after group of specialists.



SPONSORSHIP TASKFORCE

As traditional media continues to fragment and mass audiences become increasingly elusive, sponsorship-related investment continues to grow. Yet, with an increasing onus on improving return on sponsorship investment, the shape of that investment has changed. More and more, sponsors seek greater accountability and strive to make their assets work ever-harder by raising the bar in terms of activation. Not least within the digital world.

Greater accountability

When the Sponsorship Taskforce last met in May at Coca-Cola in Austria, digital activation was high on the agenda. A focus on greater accountability underpinned a superb case study from the Beijing Olympics as well as discussion around plans for UEFA Euro 2008. Outside the meetings, 16 of the world's biggest sponsors participated in the third Sponsorship Taskforce investment survey, which provided some welcome insight into a notoriously un-transparent category.

Johan Jervoe, Vice President Global Marketing, McDonald's, accepted the position of Sponsorship Taskforce Chairman. A veteran of the group and a very highly regarded marketer, Johan's impact has already been considerable.

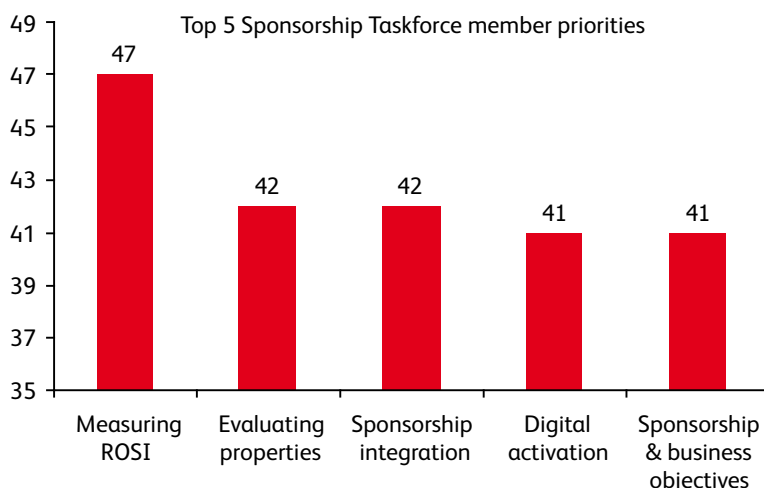
Integrated marketing solutions

Over the past few years, the role of sponsorship within the marketing mix has changed.

With this, so our members' roles have evolved. Many former Sponsorship Directors now have more holistic responsibilities within global brand teams. While sponsorship assets remain critical to marketing plans, the focus has shifted towards integrated marketing solutions.

In response to these changes, 2009 will see this group evolve into the Integrated Marketing Communications (IMC) Forum. Also chaired by Johan Jervoe, the group will deliver interactive debate around how to help members optimize their approach to integrated marketing communications. Whether it be an issue of breaking down internal silos, managing multinational agency rosters or measuring the effectiveness of integrated marketing communications, the IMC Forum will help members' organizations to learn from one another. Cutting down on the trial and error in this way can deliver invaluable insights and efficiencies in an unforgiving economic climate.

- Chair: Johan Jervoe, McDonald's*
- Manuela Botelho, APAN, Portugal*
- Rafal Szysz, Avon*
- Frank Van der Heijden, Coca-Cola*
- Ulrich Loechner, Daimler*
- Sardar Khan, Emirates*
- Jeanne Murphy, Ferrero*
- Hans Erik Tuijt, Heineken*
- George Taylor, McDonald's*
- Joern Winkler, McDonald's*
- Kim Lloyd, McDonald's*
- Axel Carrée, Nestlé Waters*
- Hubert Genieys, Nestlé Waters*
- Jean-Pierre Lespinasse, Nokia*
- Mark Stevenson, O2*
- Bob De Paepe, UBA, Belgium*
- Mark Mastalir, Wrigley*
- Ian Gallois, Wrigley*



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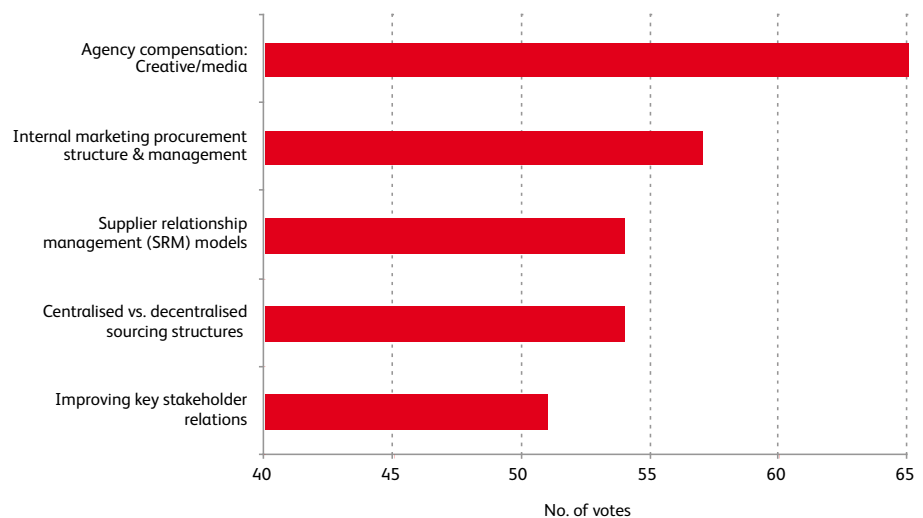
WFA members are increasingly using marketing procurement as a means of building on the value they derive from their agency partnerships and maximising the impact of their marketing spend. Around 80% of WFA members now have strategic sourcing teams responsible for working within the marketing category, up 7% on 2007.

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WFA's bespoke group of senior global and European sourcing specialists, Global COMPAG, helps members to leverage and identify good practice from amongst their counterparts and across sectors. As such, it represents a unique resource for global sourcing practitioners working within the marketing communications category.

Under the chairmanship of Natasha Lee (Procurement Sector Manager, BIMA & Europe - Cadbury), Global COMPAG has expanded significantly in size through 2008. Quarterly meetings hosted by Nokia, Coca-Cola, Orange and Mars witnessed a 20% increase over the course of the year.

Top 5 Global COMPAG agenda topics for 2009



Source: WFA Survey December 2008



Agneta Paander, Gaetano Piermarocchi & Fiona Foy

Gareth Briggs & Julian Hooks

Thomas Niehoff

2008 saw companies at the beginning of the strategic sourcing cycle learn from best-in-class examples shared by well established marketing sourcing teams, helping to drive efficiencies and cut down on trial and error. Meanwhile, more mature sourcing departments have been able to benchmark their activities with peers from a variety of sectors, while rigorously ensuring compliance with international competition law.

Within the broader industry there is still the misperception that procurement is just about cost cutting, which ignores the work sourcing specialists do to increase the value proposition from suppliers, drive mutually beneficial supplier relationship management programs and streamline project management processes.

Global COMPAG helps marketing procurement specialists to promote the value of their services internally in order to foster a greater understanding of the value of procurement among senior stakeholders.

Consequently, the group looked at best practices on two key issues: optimizing supplier relationships with creative and media agencies and recommendations for reporting structures to help ensure alignment with marketing objectives.

Further meeting themes were identified by Global COMPAG members for roundtable exchange and discussion, and closely reflected industry trends throughout 2008:

- **Decoupling:** incentivising agencies to separate creative and production spend
- **Global sourcing:** streamlining supplier rosters across global markets
- **Category management:** internal reporting hierarchies, roles and remit
- **Sustainability:** managing risk in low cost or near-shore markets
- **Media/Creative agency KPIs:** quantitative and qualitative measures

Between meetings, members have used Global COMPAG to undertake a range of surveys to benchmark their marketing procurement activity in areas of direct concern to sourcing professionals. 2008 saw a 30% increase in survey activity since 2007, with a variety of topics covered, including cost management, supplier relations and procurement techniques:

- **Optimising the digital supply base**
- **Creative agency collaboration and value-based compensation**
- **Request-For-Information & tender formulation: market research, production houses etc.**
- **Centralisation of global creative agency supply base**
- **Role of procurement in pitching**

- Chair: Natasha Lee, Cadbury*
Sophie Barthelemy, Renault
Martin Bowden, Royal Bank of Scotland
Gareth Briggs, Kraft Foods
Jean-Luc Charlier, Philips
Stephan Dahm, Beiersdorf
Gregory Derian, Shell
Michael Doell, Boehringer-Ingelheim
Bill Duggan, ANA, USA
Catherine Glot, Nokia
Stephanie Harper, BP
Adam Hillyer, Bacardi-Martini
Julian Hooks, Johnson & Johnson
Richard Jackson, Unilever
Stefan Jeltsch, Müller
Martin King, Mars
Debbie Morrison, ISBA UK
Darlene Nicosia, Coca-Cola
Agneta Paander, Orkla
Alison Panza, Novartis
Céline Pauvert, Microsoft
Gaetano Piermarocchi, Kraft Foods
Véronique Potier-Fontes, Henkel
Athénaïs Rigault, UDA, France
Monica Schmicler, Daimler
Gerald Spitzer, Nestlé
Jerome Terrades, Orange-FT Group
Vincent Villat, BNP Paribas
Kerry Walden, Vodafone
Richard White, AB-Inbev



RAC RESPONSIBLE ADVERTISING AND CHILDREN PROGRAMME



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Marketers continue to be in the line of fire. Critics blame them for overweight and obesity, excessive materialism among children and the “sexualisation” and commercialisation of young people. Calls for regulation worldwide are reaching fever pitch.





Christina Drotz-Jonasson & Sue Eustace



Patrick O'Quin



Rocco Renaldi, Alessandro Cagli & Tobias Etlert

The work of the RAC has never been more relevant. As parental aspirations about responsible marketing communications and children are evolving, it provides global leadership by anticipating changing attitudes and championing good practices in marketing communications to children. This exercise is shaped by continuous dialogue and engagement with policy-makers, society and consumers.

“helping marketers stay ahead of the curve on sensitive issues”

The spectre of regulation looms large in the emerging debate on the commercialisation of childhood. Increasing political and public focus has been devoted to the influence of contemporary culture on children's social, emotional and cognitive development. Within this context, the role of marketing has become a focus of public and political debate.

Engaging decision-makers and thought leaders on this subject, RAC has identified the main drivers of the debate and has drawn up some practical “dos and don'ts”, emphasizing potential opportunities where marketers can help address issues perceived as problematic. RAC has elaborated these “additional considerations” into specific guidance for food and digital marketing communications in order to help marketers stay ahead of the curve on sensitive issues.

“identifying opportunities for marketers to support children's development”

The marketing industry can be a powerful force for good. RAC promotes socially responsible initiatives which draw on its collective creativity and expertise. RAC has helped launch media literacy programmes teaching children to critically interpret ad-

vertising in the context of their daily lives in eight European markets. Members are also developing social marketing campaigns to promote healthy lifestyles.

With industry partners, RAC has been involved directly in high level negotiations with the World Health Organization in relation to food marketing communications. As a counterbalance to the Recommendation for an International Food Marketing Code proposed by the global NGO, Consumers International, RAC drew up a Blueprint for Responsible Food and Beverage Marketing Communications. Between now and May 2010, WHO will decide on the nature of its recommendations to member states.

Critical to the Blueprint's success will be demonstration by industry that it is being implemented consistently at a global level. RAC is monitoring and driving the roll-out of self-regulatory infrastructures around the world which incorporate the ICC Framework for Responsible Food and Non-alcoholic Beverage Marketing Communications. This provides marketers worldwide with a common set of minimum qualitative criteria for food and beverage marketing.

RAC has also been championing quantitative voluntary commitments through the adoption of regional or national “pledge programmes”. Pledge programmes help parents promote healthier lifestyles to their children by providing flexible frameworks in which companies voluntarily limit their marketing communication to children under 12 to products which meet dietary and nutritional guidelines. RAC has built on the programmes launched in the US and Canada and played a key role in the development of initiatives in the EU, Thailand and Australia. Efforts are currently under way in Russia, China and across Latin America.

Through the course of 2009-10, our ability to champion and demonstrably implement the Blueprint model will be critical if it is to be a meaningful alternative to global regulation.

*Chairman: Paul Jackson, Mars
Marta Baffigo, Kellogg
Jürgen Bänisch, ISFE
Thomas Biermeyer, ESA
Talma Biro, IMA, Israel
Jürgen Böltz, Cadbury
Manuela Botelho, APAN, Portugal
Alessandro Cagli, Ferrero
Bertrand Cazes, EGTA
Florence Chalot, EACA
Joanna Chansel, ACTE
Sophia Chrysopoulou, Europe Analytica
David Coleman, McDonald's
Bob De Paepe, UBA, Belgium
Cristina Dominguez, Advertising Association, UK
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Cécile Duprez-Naudy, Nestlé
Tobias Etlert, SA, Sweden
Sue Eustace, ADASSOC
Paul Fitzsimmons, Kellogg
Valérie Golden, Mattel
Oliver Gray, EASA
Maxim Hauk, ACT
Lisa Kretschmann, ESA
Annalisa La Rovere, Ferrero
Estelle Laval, RTL Group
Christophe Lécureuil, Yum!
Ed McDonald, AAI, Ireland
Philip Myers, PepsiCo
Susan Ols, Hasbro
Patrick O'Quin, Danone
Berna Pasin, Procter & Gamble
Valeria Pezzuti, Ferrero
Joan Prats, Coca-Cola
Christiaan Prins, Unilever
Christine Reichenbach, UDA, France
Minna-Marie Rosti, AIG
Laura Sboarina, EGTA
Philip Sheppard, AIM
Hillary Souter, ANZA, NZ
Anne Starkie, TIE
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Nikolaus Tacke, Coca-Cola
Lyn Trytsman-Gray, Kraft Foods
Ian Twinn, ISBA, UK
Marina Valverde Lopez, EuroCommerce
Carolyn Wehrhahn, ENPA
Astrid Williams, PepsiCo*

WORKING GROUPS

Marta Baffigo, Kellogg
Jürgen Boltz, Cadbury
Manuela Botelho, APAN, Portugal
Michael Caraher, AAI, Ireland
David Coleman, McDonald's
Klaske de Jonge, Mars
Bob De Paepe, UBA, Belgium
Christina Drotz-Jonasson, Nestlé
Cécile Duprez-Naudy, Nestlé
Tobias Eltell, SA, Sweden
Tom Evrard, Diageo
Jan Fager, SA, Sweden
Rutger Goethart, Heineken
Valérie Golden, Mattel
Oliver Gray, EASA
Sandy Hughes, Procter & Gamble
Paul Jackson, Mars
Sandra James, Orange
Annalisa La Rovere, Ferrero
Philippe Landry, Orange
Christophe Lécureuil, Yum!
Ed McDonald, AAI, Ireland
Philip Myers, PepsiCo
Susan Ols, Hasbro
Patrick O'Quin, Danone
Berna Pasin, Procter & Gamble
Jaymeen Patel, O2/Telefonica
Andy Pharoah, Wrigley
Christiaan Prins, Unilever
Christine Reichenbach, UDA, France
Alberto Scanavacca, Ferrero
Ingmar Streese, Mars
Nikolaus Tacke, Coca-Cola
Lyn Trytsman-Gray, Kraft Foods
Ian Twinn, ISBA, UK
Catherine Van Reeth, AB-InBev
Astrid Williams, PepsiCo.

EAG EUROPEAN ACTION GROUP



For more information,
please contact
MALTE LOHAN
at m.lohan@wfanet.org
or +32 (0)2 506 43 94

The European Action Group (EAG) is the platform where WFA members shape EU policy on marketing communications, with direct implications for marketers both within the EU and beyond.



Berna Pasin



Christine Reichenbach



Ian Twinn



Marta Baffigo

Making the case for advertising

Championing the value of marketing communications is central to EAG's role. Following the launch of WFA's initiative promoting the value of advertising to counter calls for marketing restrictions, EAG led a sustained effort to get this message out.

The dedicated website (www.valueofadvertising.org) and tailored communication tools have since been widely used by EAG members and industry partners.

Digital moves centre-stage

2008 saw a growing focus on the regulatory implications of digital marketing communications, notably in terms of internet users' privacy.

A high-profile hearing in the European Parliament and negotiations on revising the EU's 2002 'e-Privacy' Directive highlighted the limitations of existing regulation. The European Commission called on the industry to close these gaps through self-regulation, threatening to intervene if it failed.

Together with industry partners, WFA worked to explain online advertising to policy makers and warn against the unintended effects of heavy-handed regulation. A workshop of the WFA-sponsored 'Ad-Vantage Platform' brought together EU policy makers with international experts to shape the debate.

The revised e-Privacy Directive, to be approved in 2009, is now not expected to put at risk the continued evolution of digital marketing communications.

Demonstrating responsibility in the digital age

Conscious of its responsibilities, EAG was at the forefront of efforts by the European Advertising Standards Alliance to make

self-regulation in Europe 'digital-ready'. An important innovation of the EASA strategy is the clarification of the role of self-regulation on marketer-owned websites.

EAG provided practical guidance for its members on implementing the EASA strategy at market level and is facilitating its adoption by national Self-Regulation Organisations.

In parallel, EAG has helped members assess and adjust internal company practices in the digital space, particularly on communicating with children and young people.

A new regime for TV advertising

Work continued throughout 2008 on the implementation of the 2007 Audiovisual Media Services Directive (AMS), the centrepiece of EU advertising regulation. AMS now covers both traditional TV advertising and new formats like IPTV, mobile TV and video-on-demand.

EAG developed a detailed implementation toolkit for marketers to explain what will change under the Directive, assist members with the implementation at national level, and ensure maximum consistency of the rules across markets.

A COMMITMENT TO TRANSPARENCY

Working closely with the Society of European Affairs Professionals, WFA was among the first organisations to sign up to the European Commission's new Register of Interest Representatives.

EAG fully supports the register's aim of improving transparency and building trust in EU lobbying, and provided guidance for members who wish to sign up.

More information at:
<http://ec.europa.eu/transparency/regin/>

SPOTLIGHT ON ALCOHOL ADVERTISING

2008 saw unprecedented international scrutiny of alcohol advertising, threatening further restrictions for a sector that is already among the most regulated.

The World Health Organization (WHO) began work on a Global Strategy to reduce harmful use of alcohol, expected by May 2010. It stated that "controls or partial bans on alcohol advertising are important parts of a strategy". Supporting its members in the alcohol sectors, WFA is championing self-regulation as the most effective way to ensure marketing communications are responsible.

Following efforts by WFA and its industry partners, the EU institutions have so far rejected calls for restrictions on alcohol marketing communications. However the alleged role of advertising as a factor in alcohol related harm was closely examined by the EU Alcohol Forum, a high level multi-stakeholder platform of which WFA is a founding member, with potential implications for future EU policy.



PROJECTS AT A GLANCE

In 2008, WFA undertook a variety of projects on behalf of the global advertiser community. Web-based toolkits were developed and promoted on the Role and Value of Advertising, explaining the benefits of advertising to society and consumers, the WFA Blueprint, championing consumer-centric audience measurement globally and the re-launched WFA Media Charter, which sets out the marketer's position in relation to media as a communications vehicle.

www.wfablueprint.org

www.wfamediacharter.org

www.valueofadvertising.org

WFA STAFF



STEPHAN LOERKE

MANAGING DIRECTOR

The Managing Director manages the WFA secretariat, oversees all work carried out by WFA on behalf of its members and is the WFA's principle spokesperson. Stephan sits on all WFA public affairs and marketing-related committees as well as on the WFA Executive Committee and the board of the European Advertising Standards Alliance (EASA) and Advertising Education Forum (AEF). Combining French and German nationalities, Stephan speaks French, German, English, Dutch and Spanish.



WILL GILROY

DIRECTOR OF COMMUNICATIONS

Will handles the communications function within WFA, both externally towards the press and internally towards members. This includes media relations, the WFA Global Newsletter, the Annual Report and quarterly press articles on WFA priorities. He also coordinates the Responsible Advertising and Children Programme, which leads the global industry response on issues relating to advertising and children and food advertising. He has regional responsibilities for Latin America and Asia-Pacific, which involve coordinating the activities of the regional networks on priority issues. A British national, Will speaks English, French and Spanish.



MALTE LOHAN

DIRECTOR OF PUBLIC AFFAIRS

Malte coordinates the WFA public affairs agenda at both global and European levels and oversees the European Action Group and WFA's internal public affairs support. His responsibilities cover all contacts with the European institutions and industry trade associations with advertising interests, as well as with international organisations such as the International Chamber of Commerce. He is a specialist in alcohol and digital advertising policy and has regional responsibility for central and Eastern Europe. A German national, he speaks English, French and German.



ROBERT DREBLOW
MARKETING
COMMUNICATIONS DIRECTOR

Robert joined the WFA in 2007 and works as part of a team with Caroline Ceska on the WFA's Media Committee and Sponsorship Taskforce working groups. He also oversees the newly created Digital Network. Having spent the past 10 years with media agencies in London and Toronto, Robert brings some additional hands-on experience to the marketing side of the WFA's activities. This background serves to provide additional value to members by extracting insights from WFA working group sessions as well as keeping members updated of key trends and challenges that impact their business. Robert speaks English and French and is a British national.



CAROLINE CESKA
MEDIA
MANAGER

Caroline is responsible for overseeing and coordinating the work of the WFA Media Committee and Sponsorship Task Force. Her role is critical for facilitating best practice exchange and performance benchmarking between marketers. An Austrian-French national, Caroline speaks French, German, English and Spanish.



STEVE LIGHTFOOT
COMMUNICATIONS
PROCUREMENT MANAGER

Steve leads WFA's work on communications procurement and is responsible for the activities of the Global Communications Procurement Group (Global COMPAG). Much of his work is devoted to harvesting insights and trying to identify good practices in what is relatively new function in the industry. He is also charged with editing, updating and developing the WFA website and has regional responsibilities for the Middle East and Africa. Steve is an English and French-speaking British national.



LUO XIAO HUA
CHINA
CONSULTANT

Mrs. Luo has been the WFA consultant in China for more than ten years. Previously, she was a consultant on TV and outdoor advertising committees with the China Advertising Association. She also helped organize the "Chinese Advertising Day" and promote Chinese involvement at the Cannes Lions International Advertising Festival. Since 1990, she has been a visiting professor to the "École nationale supérieure des arts décoratifs" (ENSAD) in Paris, specialising in communications.



KARINE LESUISSE
OFFICE
MANAGER

Karine oversees all administrative issues, ranging from receptionist to the office finances. An ever-present at WFA for over 24 years, Karine has been the first point of contact for all members. She is responsible for administrative enquiries, the everyday running of the secretariat, personnel and finance and the logistics for all WFA meetings and events. A Belgian national, Karine speaks English and French.



SOPHIE DESCAMPS
DATABASE
MANAGER

Sophie is responsible for the WFA database and helps with external WFA communications. A desktop publisher, she is charged with the layout and design of all position papers, best practice guides and the Annual Report. She also assists the Office Manager on a number of administrative issues, including the day-to-day running of the secretariat and the organisation of WFA events and meetings. Sophie is Belgian and speaks English and French.



GLOBAL ADVERTISER WEEK 2008, MUMBAI

The 2008 Global Advertiser Week took place in Mumbai, India. WFA members from around the world joined for internal meetings (Executive Committee, Annual General Meeting, Board Meeting and National Associations Forum) and the Global Advertiser Conference on “Effective Consumer Engagement”, co-hosted by WFA and the Indian Society of Advertisers (ISA). The conference was attended by over 300 marketers from around the world and from the local marketing community and included an impressive line up of speakers from different parts of the marketing industry.



Zheng Silin, Hikaru Kobayashi & Hideto Takada



R. Gopalkrishnan

Chief Guest inaugural speech:
"Role of Intuition in Consumer Engagement"
 R. Gopalkrishnan, Executive Director, Tata Sons

Keynote Address:
"The Changing Face of Consumer Expectations"
 Keith Parry, Senior VP Nokia Strategic Marketing

Session 1: Engaging the consumer
"Creating a Culture of Brand Engagement"
 Grace Molenaar, Global Brand Engagement, Vodafone
"Awards and Business Building Advertising - hand in hand"
 Prasoon Joshi, Chairman and Regional Creative Director,
 South & South Asia, McCann Erickson
"Engaging the Consumer 360"
 Jon Wilkins, Co-Founder, Naked Communications

Session 2: Consumer Engagement and Accountability
"Engagement Driven By Consumer Insight... and Beyond"
 Gunjan Srivastava, Sr Director - Marketing, Philips Consumer Lifestyle
"Consumer-Centric Holistic Measurement"
 Stephan Loerke, Managing Director, World Federation of Advertisers
"Measuring Marketing ROI"
 Steve Simpson, Head, Group M Business Science

Session 3: Earning the Right to Engage
"With Engagement Comes Responsibility"
 Julie Howden, Nutrition and Public Affairs Senior Advisor, Kellogg Asia

Valedictory Address:
"Synergising Rational and Emotional Consumer Brand Benefit with Social Benefit"
 Doug Baillie, CEO, Hindustan Unilever Ltd.





THE 6TH GLOBAL ADVERTISING SUMMIT, ATLANTA

On September 9, 2008, WFA hosted the 6th Global Advertising Summit in Atlanta, bringing together the main constituents of the global marketing industry, represented by marketers, agencies, media owners and technology enablers.



Bob Liodice & Bob Reaume



Anne Toth



Joan Prats



Keith Parry



Bharat Patel



Nancy Hill



Paul Jackson



Miguel Pestana

Today, more than ever before, the marketing industry is confronted with the prospect of far-reaching restrictions on marketing communications. Driven by the World Health Organisation, governments worldwide are considering the case for a global code on food and beverage marketing to children. In the context of tackling alcohol abuse, WHO and national governments are singling out the marketing of alcoholic beverages for intense scrutiny. Both individual sectors as well as the marketing industry as a whole are increasingly under pressure when it comes to the role of marketing communications in the fight against climate change and the promotion of sustainable development. Throughout all these discussions, the role of self-regulation in the advertising industry is being challenged.

These challenges can only be dealt with if they are addressed in a concerted manner. The Global Advertising Summit offers a unique platform for leaders of the global marketing communications industry to discuss the implications of this increasingly challenging global environment and to help align industry positions and strategies.

Taking the food advertising debate as a case study, participants addressed the potential implications for the marketing industry of significant **innovations in governance and new ways of regulating**:

1. **Local vs global regulation:** Major societal challenges are increasingly global in nature and can no longer be solved by national governments alone. This requires greater co-operation across borders, strengthens the role of transnational regulators, such as WHO, and increases the risk of a regulatory 'race to the top'.
2. **Speed of regulation:** Given the urgency of major challenges, governments are forced to look for quick-fix solutions, which may come at the cost of proportionate policy-making and with serious implications for the marketing community.
3. **Role of stakeholders:** Both industry and civil society have an increasingly important role to play in helping address major challenges where regulation alone cannot fully respond. This is forcing industry to reassess its own role in society, as well as the nature of its relationship with regulators and other stakeholders.

Discussion broadened to cover the spread of pressure to different sectors & different marketing techniques, challenges on the horizon and **changing expectations vis-à-vis marketers & the role of self-regulation**.

Break-out sessions permitted in-depth and action-oriented discussion on three critical issues:

1. **Future-proofing self-regulation:** does our model sufficiently reflect a changing reality?
2. Setting **privacy standards** for online advertising amidst calls for stricter safeguards.
3. Improving communication and **public perception around privacy & online advertising**.

Participants agreed on a clear set of actionable conclusions designed to help orientate the strategy of the global marketing communications industry.

For a copy of the conclusions or for background presentations, please contact Will Gilroy at w.gilroy@wfanet.org.



ASIA-PACIFIC REGIONAL MEETING, KUALA LUMPUR, OCTOBER 2008

The WFA's 4th Asia-Pacific Regional Meeting was held in Kuala Lumpur on October 23rd 2008 and brought together representatives from WFA's National Advertiser Associations as well as corporate members from companies with activities in the APAC region. Delegations attended from Australia, China, India, Japan, Malaysia, New Zealand, Philippines, Singapore and Thailand.

A range of public affairs and marketing-related issues were identified by participants as the most critical and were addressed over five sessions:

1. **The Value of Advertising:** How can local industry better champion the benefits of advertising at a time when politicians are increasingly looking to regulate marketing communications across Asia-Pacific?
2. **Food advertising and obesity:** Global, regional and national developments, responding to the food advertising challenge and strategic insights for the regional industry.
3. **National Association Issues:** Participants from Australia, China, India, Japan, Malaysia, New Zealand, Philippines, Singapore and Thailand set out their priority issues, identified common challenges and exchanged experiences and strategies that have worked.
4. **Accountability & audience measurement:** organising and funding audience measurement in Asia-Pacific and the **WFA Blueprint** for consumer-centric, holistic audience measurement
5. **Media cost control:** understanding media inflation, media agency remuneration survey results and introduction of the re-launched **WFA Media Charter**, the definitive guide to the advertisers' position in relation to media as a marketing communications vehicle.



LATIN AMERICA REGIONAL MEETING, RIO DE JANEIRO, 3-4 JULY 2008

On 3-4th July, WFA held its 7th Annual Latin America Regional Meeting at the Windsor Excelsior in Rio de Janeiro, Brazil. The meeting brought together executives from WFA's National Advertiser Associations in the region, including Argentina, Brazil, Colombia, Chile, Mexico, Paraguay, Peru and Uruguay, as well as senior corporate members from companies with activities in the region.

For the first time, WFA also extended the invitation to Latin American self-regulatory organisations (SROs) in order to ensure alignment on issues relating to advertising self-regulation and to facilitate the exchange of best practice between national organisations.

Discussions focused on four main issues, identified by participants in advance as being of primary common interest and relevance:

1. **Food advertising and obesity:** important global, regional and local trends and how the Latin American industry can best respond to regulatory pressure.
2. Reinforcing **effective advertising self-regulation** across Latin America: identifying good practice and optimal means for rolling it out across the region.
3. **The value of advertising:** promoting the benefits of responsible advertising for consumers and society in general to Latin American regulators.
4. **Media and marketing issues:** helping Latin American marketers with respect to agency remuneration, audience measurement and media cost inflation issues.



CMO BOARD MEETING 2008 NOVEMBER, LONDON

On 18th November, WFA hosted its second annual CMO Board Meeting at Nokia UK Design Studio in London. The CMO Board brings together Chief Marketing Officers from WFA corporate members in order to identify their main global priorities and act as an informal advisory board to WFA by helping to align its activities with senior marketers.

It also provides CMOs an opportunity to exchange insights and learnings on issues of common interest. Participants of the meeting shared experiences and ideas relating to maintaining growth during an economic downturn.



Inken Hollmann-Peters, Chris Burggraeve, Pierre Woreczek & Stephan Loerke



Cliff Crosbie & Laure de Saint Denis



Tim Burnell

WORLD ECONOMIC FORUM (WEF) DAVOS, JANUARY 2008



On 24th January, WFA participated at the World Economic Forum (WEF) in Davos, speaking on “Self-regulation in advertising”. The session was attended by 41 CEOs from the consumer goods and media industries and was facilitated by Michael Roth, Chairman & CEO of Interpublic. It addressed the following three issues:

1. What approach are different regions of the world taking to self-regulation in advertising and how might this evolve?
2. How is the debate being shaped by the broad array of platforms available for communication to and between consumers?
3. What innovative, collaborative solutions exist and what can be done to drive them?

The WFA intervention made the following three points:

Globalisation: The global ad market has undergone tremendous changes over the years (especially in the BRIIC markets). Our industry has committed at its Global Ad Summit 5 in Toronto (in 2007) to keep up with the pace of change and to strengthen the SR systems world-wide. Work has started, and we are already seeing considerable progress in China (endorsement by the Vice Prime Minister) and in India (new Broadcasting Law recognizing self-regulation).

Digital Platforms: New digital platforms provide consumers with access to an unprecedented amount of content and service, most of which is free of charge as it is funded by advertising. Digital advertising holds the promise of being more targeted and more relevant to consumers. Industry is committed to upholding the same high standards of responsible advertising across all platforms, be they traditional or digital. This is why the International Chamber of Commerce (ICC) has revised its code of advertising practice at the end of last year in order to include digital platforms.

Innovative, collaborative solutions: WFA is supportive of innovative, collaborative initiatives, such as the EU Platform on Diet, Physical Activity and Health, the US/Canadian/EU Pledge programmes and the EU Alcohol Forum. Companies individually and collectively are prepared to take their responsibility to society very seriously. The food and non-alcoholic beverage industry in particular is showing global leadership.



Cliff Crosbie Bernhard Glock & Sigrun Graeff



GLOBAL MEDIA TRENDS 2008



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Changing internet usage patterns pose new challenges for advertisers

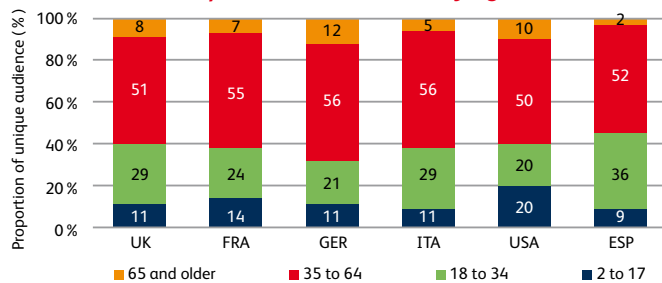
The economic downturn will affect the fortunes of all media channels but, despite this, the internet will continue to grow and evolve. For the first time more women than men are using the internet in most countries, especially in Germany, Italy, Japan and Spain where they accounted for between 54 % and 56 % of the total unique audience. It is only in the US where the majority of internet users (52 %) are still men. Traditionally, internet campaigns have been largely targeted at the young and men; as yet there are still very few online campaigns that are overtly targeted at women.



It will be interesting to see how strategies adapt to the changing usage profile. Users are also getting older. Whilst the bulk of internet users are aged 35-64, there is an increase in usage amongst older age groups. The European average usage amongst those aged 55+ is now 31%, whilst in the UK internet usage amongst aged 55-64 is 63%, but drops to 26% amongst those aged 65+ (there is clearly a point when people feel they are too old to get in on the act). Research shows that the older generation are initially taking part in activities such as uploading photos which act as a gateway to other online activities. As yet there are still very few campaigns that target the older "silver surfers" let alone be relevant to the way they use the internet.

Despite the impressive user numbers delivered by the likes of MySpace and Facebook and the high profile use of the sites by Barack Obama during the US presidential elections, there are still many issues concerning the commercial monetization and measurement of these sites. Whilst there are many predictions of advertising revenue growth, currently social networks account for only 3% of total internet ad spend and it is likely that the recession will curb this growth as advertisers view the territory as too high risk. Research has shown that users of the sites are not particularly warm to advertising and in the US research has shown that almost 80% of web users have clicked on an ad in the past year compared to 57% of users of social network sites.

Unique internet audience, by age

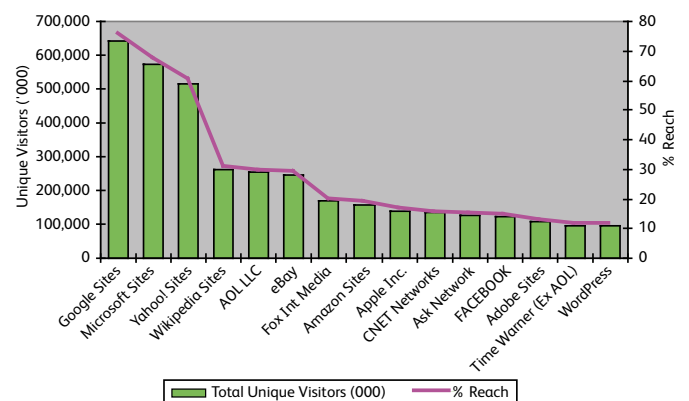


Source: Nielsen Online, August 2008
 Note: Home and work use including applications, except Germany (home use only)

The popularity of social networks amongst the young has been well documented with 26% of the global population now taking part, a substantial increase of 25% on last year. Regionally, the biggest increases have been in the Middle East, where usage has grown by 66% (albeit from a small base); Europe has increased by 35% and Latin America by 33%.

Whilst uploading photos and video continue to be drivers of usage there is some indication that the novelty is wearing off and the focus is now on UGC-related activity such as creating profiles, updating news and keeping in contact with friends.

Top 15 Global Web Properties

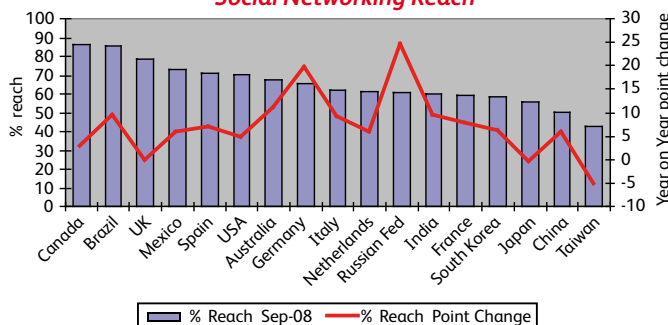


Total Worldwide, Age 15+
 Home and Work Locations
 Source: Comscore World Metrix

Despite the growth of technology the predicted demise of television is yet to happen

As internet usage continues to rise and new technologies become more widely available there are many predictions of casualties amongst traditional media channels. However the rise in media stacking (simultaneous media use) is one factor that has resulted in television viewing levels remaining relatively constant. The European average remains at 3.4 hours per day and the US at 4.5 hours per day. More than 70% of internet users use media simul-

Social Networking Reach



Source: Comscore World Metrix



taneously, the figure rising to 80 % in the US with just under a half claiming to pay more attention to one medium than another. The most popular combination of stacking is surfing the internet whilst watching the TV, with almost 83 % of the Japanese at it, 79 % of the French and 74 % in the UK.

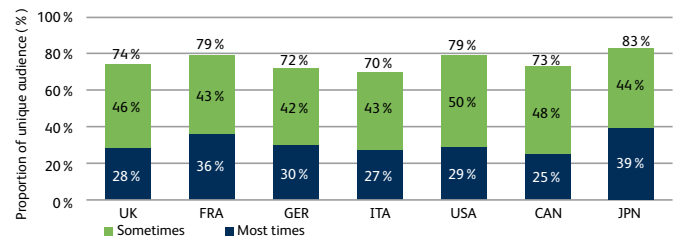
Despite the industry falling over itself to develop concepts that are about active engagement, old fashioned lean back entertainment still plays an important role in everyday lives. Recent research in Europe has demonstrated that people need and value forms of passive media that allow them to disengage. For example in Spain 40 % agree that they enjoy watching whatever TV programmes are on in the evening, in Germany 36 % and 30 % in the UK.

Thus, the forecast death of linear television schedules is unlikely to happen for a while yet. The take-up of technology has also been much slower than anticipated. For example, the UK and the USA have the highest penetration of DVRs at only 30 % with Germany at just 11 % . According to a recent European survey, 42 % of adults stated that hardly any of their TV viewing was time-shifted. IPTV still remains relatively small, with France leading in Europe at 22 % penetration. And despite the growing supply of video-for-mobile services, research shows that its consumption remains a minority activity. It is most popular in Japan (8 % claim to use their mobile to watch live television) but in Europe it is still tiny – 3 % of French and Italian mobile users claim to watch streamed video over their phones, while 4 % of French users claimed to watch live television. Although take up is slow, habits are changing - an example of the popularity of VOD being UK Channel 4 digital time-shift channel 4+1 which now accounts for nearly 10 % of the total audience share of the broadcasters main network.

Mobile internet slowly gains momentum

Virtually all agree that they would be lost without their mobile phone and penetration is over 100 % in many countries – with Russia being the highest at 123 % . In some countries the growth of the internet via mobile is now greater than via the PC. It is estimated that by 2012 there will be 91.7m mobile internet users globally (currently there are 54m), with the highest penetration amongst 20-29 year olds. USA mobile internet penetration is currently just under 16 % compared to UK at around 13 % . The lowest levels of penetration are the BRIC nations with India and Brazil under 3 % and China at 6.8 % . Yet Russia has bucked the trend and, at over 11 % , is higher than Spain, France and Germany. It is predicted that mobile ad spend will reach \$13.9bn by 2011; however growth has been much slower than predicted as operators find it hard to attract advertisers in significant volumes.

Frequency of surfing the internet while watching TV
Do you ever watch TV at home and go on the internet at the same time?



Source: Ofcom Understanding International Communications Behaviour research, October 2008
Base: All adults aged 18+ who use the internet (UK 1001, France 1000, Germany 1002, Italy 1003, USA 1010, Canada 1000, Japan 1003)
Note: As the questionnaire was answered online it may not reflect the attitudes of a representative sample of the whole population

The future of newspapers is not looking so good

The internet is now recognised as the most popular source of news and information but, despite this, daily newspaper sales reached 532million in 2007, an increase of 2.6 % on the previous year. If we include free newspapers, this figure rises to 573m. But these figures mask significant variations in circulations, with major growth coming from only two regions - Asia up by almost 5 % and South America by around 7 % . It is the emerging markets that are fuelling growth. In China, for example, circulations are up over 20 % in the past five years. In mature markets such as North America and Europe circulations have continued to decline. The internet has also impacted significantly on newspaper advertising revenues, mostly due to the migration of classified advertising online. Print share of total ad spend has reduced from 49 % a decade ago to just under 34 % . The recession is likely to exacerbate this further as history demonstrates newspapers suffer most when marketing budgets are reduced.

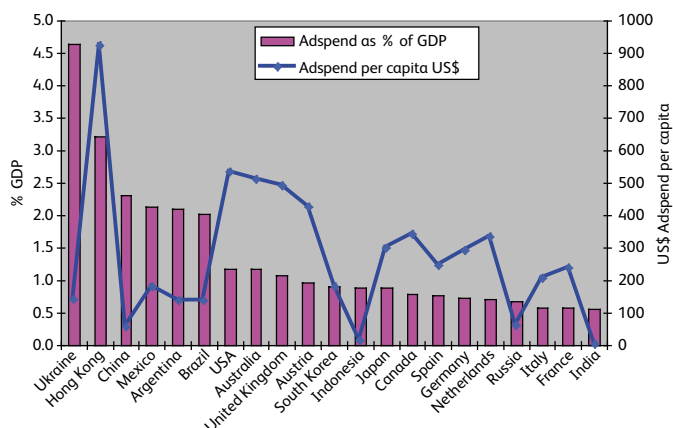
The online versions of newspapers are successfully contributing to the print format. In the US, for example, including the online format contributes an increase of 8 % to overall readership. The figures also show that 81 % of people who use a newspaper website read the print edition at least once a week while 35 % still spend more time reading a newspaper than looking at content online. In the UK over 90 % of adults claim that they preferred reading national newspapers in print rather than online. However users of newspaper websites tended to be younger and more upmarket and are also more likely to utilise services such as podcasts, email alerts and RSS feeds. It is defining a role for the print version for this generation, who grow up without the regular newspaper habit, that will be the greatest challenge for newspaper publishers in the future.



GLOBAL ADVERTISING AND ECONOMIC DATA 2007-8 AND OUTLOOK FOR 2009



*Adspend as % of GDP vs adspend per capita
Top 20 countries by advertising expenditure 2007*



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Advertising and the Global Economy

The International Monetary Fund estimated global economic growth was 3.7% in 2008 and predicted it would be 2.2% in 2009. The advanced economies exhibited a modest GDP growth of 1.4% in 2008 but are forecast to experience an average decline of 0.3% in recession in 2009.

After five successive years of growth, world advertising expenditure in 2008 fell 1.5% in real terms (after taking inflation into account) as the effects of the economic downturn impacted on advertising industries in most major markets. The previous 2001/2002 downturn resulted from the aftermath of 9/11 and the dotcom crash and was sharp and relatively short. This time round forecasts are under constant revision as the economic situation increases in severity. However, at the time of writing the outlook for 2009 is for global adspend to fall a further 1.1%.

The current global financial crisis has no real precedent hence the uncertainty of any forecasts. Consumer confidence in some key markets remains battered by revelations of financial wrong doing and product sector collapses. During 2008 policy-makers' moves to cut interest rates or bail-out some key strategic industries failed to restore equilibrium. While consumers continue to worry about the value of their homes and their job security, there seems to be little hope of a sudden recovery.

US consumer confidence remains at an all time low mainly due to job losses, falling house prices and the ongoing credit crisis. An imminent upturn in consumer spending is unlikely. Consumer expenditure was up a marginal 0.5% in 2008 but is forecast to be down 1.3% in 2009. the time of writing, unemployment stands at 6.7%, up two percentage points from a year earlier.

In the US, neither the Olympics nor the closely-fought nomination and presidential races were able to prop up expenditure with total adspend down 4.6% in 2008 and forecast to be down a further 2.5% in 2009 in real terms.

The situation in Canada is not as serious. Admittedly, unemployment is rising and the housing boom is over so there will be an inevitable effect on advertising spend. However, Canada is not predicted to enter a deep recession and may avoid one altogether. Canadian advertising expenditure is set to have increased in 2008 by 1.3% in real terms with growth of 2% predicted for 2009.

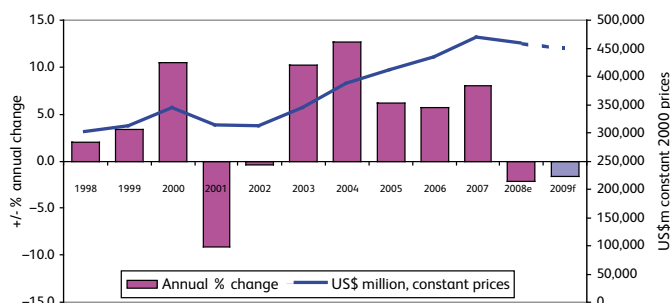
Television spend accounts for 37.8% of total adspend in the US and 31.3% in Canada. These shares have remained relatively constant over the past decade despite the growth of the internet. However, it is no surprise that the medium has suffered a decline in ad spend in real terms of 2.7% in 2008 and is forecast to decline a further 4.2% as advertising budgets are cut. The situation in Canada is less severe with TV ad spend down 0.3% in 2008 and forecast for marginal growth in 2009 of 0.4%.

Radio remains popular with advertisers in the US, accounting for 10.7% of total adspend which is high compared to the rest of the globe, however this figure is declining. The medium suffered in 2008 with spend falling 9% as contracting media budgets were diverted into TV and online. 2009 also looks gloomy, set for a further fall of 3.9%.

In Canada, as with TV, the declines were more marginal in 2008 at only 0.4%, with an upturn forecast in 2009 of almost 1%.

History predicts that print suffers most in a slump as advertisers divert their depleted budgets, mostly into online. There was no exception in the US in 2008. Newspaper adspend plummeted over 14% in 2008 with a further fall of 8.8% forecast for 2009. The decline both of newspaper spend (in most developed economies) and, in some cases, circulation has been well documented, having been hit hardest by the growth of the internet. Share of adspend has dropped in the US from 36% to 24% in the past decade. Consequently, newspaper publishers are now investing significantly in digital platforms in attempts to build readership and increase revenue from advertisers.

Global Advertising Expenditure



REGIONAL ZONES

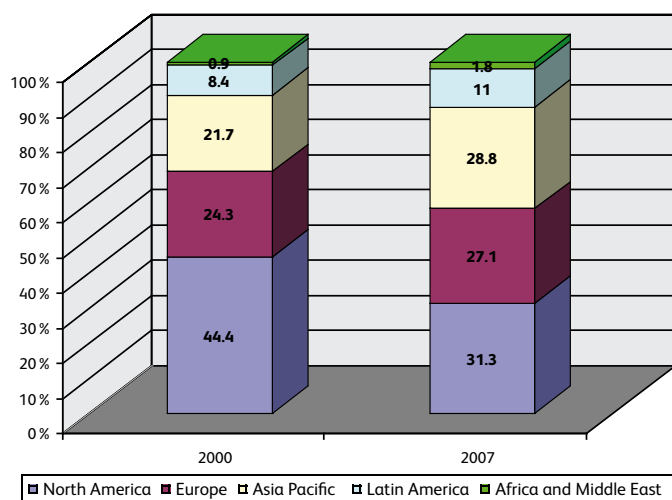
North America

The US economy remains on a downward trajectory. In 2008, overall GDP growth was estimated at 1.5%, it is expected to fall 0.1% in real terms in 2009.



The internet continues to take an ever increasing share of budgets. In the US it now accounts for 13 % of adspend (up 22.2 % in 2007) and was the only media to achieve meaningful growth in 2008. US internet ad spend rose by just over 13 % with similar growth forecast for 2009. Growth of online is higher in Canada, up 26 % in 2008 and forecast to increase by 20 % in 2009. Revenue growth will mostly be driven by increased investment in search rather than display. Most commentators agree that the once highly anticipated surge in expenditure in social networks is now less likely.

Share of global advertising expenditure by continent



Europe

Adspend in Europe reached US\$153 billion in 2007, a considerable increase of 13.5 % compared to the previous year. However, the scenario is now very different. GDP growth for 2008 was 1.2 % with growth expected to stagnate at around 0.1 % in 2009 across the Eurozone 12. In real terms, advertising expenditure experienced a decline of around 3.4 % in 2008 with a further decline of 2.4 % forecast for the following year.

In previous years Central and Eastern European countries have enjoyed robust growth in advertising expenditure but are now suffering as much as their Western cousins.

In the Czech Republic expenditure was down almost 3 % in 2008. On current forecasts, 2009 will be better but still result in a small decline of 0.1 %.

The situation in Hungary is similar, with a 3 % drop in adspend in 2008 and a 1 % decline in 2009. Russia is forecast to decline by 2 % in 2009. Conversely, Poland appears to be weathering the storm: adspend was up almost 3 % in 2008 and further growth is forecast for 2009.

Germany, Europe's largest economy, was in recession by the end of 2008 and this is forecast to continue long into 2009. Consumer expenditure, hit hard by the tightening credit conditions, declined around 0.5 % in 2008 with marginal growth due in 2009. The resulting impact on ad expenditure has been a decline of just over 1 % in 2008 and a similar decline is forecast for 2009.

France, on the brink of recession at the time of writing, has also experienced significant declines in adspend. It fell almost 4 % in 2008 and is predicted to slide 2 % in 2009.

However, the two worst-hit Western European countries are Spain and the UK. With Spanish consumer confidence slumping to new lows in 2008 and rising unemployment, adspend has slumped. It fell almost 12 % in 2008 and is forecast to be down 7 % in 2009. Whilst the figures are not quite so marked in the UK, the drop was significant. UK adspend was down just over 6 % in 2008 and is set to fall a similar amount in 2009.

The internet accounts for just over 14 % of total European advertising spend with share set to reach a healthy 17 % during 2009. As in the US, it is newspapers and to a certain extent magazines that are losing out with most other media managing to hold their share of total budgets.

The downturn is likely to accelerate this scenario as the fight amongst media owners for depleted advertising budgets increases in ferocity. In 2008 adspend on internet increased by almost 18 % in real terms and growth, albeit at a slower pace, is forecast at around 14 % for 2009. In the UK, the internet is showing signs of slowing down. Growth for 2009 is forecast at only 7 %, the lowest rate of any country surveyed, however the internet market is maturing compared to less developed regions.

European newspaper adspend declined 8 % in 2008. Cinema fell almost 7 % - evidence that consumers are spending less on leisure. This scenario is set to continue in 2009 as all traditional media experience declines. The deepest cuts are predicted in print and cinema at about 6 % and in TV (-4 %). It is worth noting that in the UK TV spend is set to decline by 9 % in real terms.



**World Advertising Expenditure
Top 10 spends by country**

2007	US\$m
USA	163,260
China	74,675
Japan	38,529
United Kingdom	29,915
Brazil	26,640
Germany	24,306
Mexico	19,036
France	14,595
Italy	12,257
Canada	11,313

Asia-Pacific

Asia-Pacific advertising expenditure increased a relatively modest 9.7% year-on-year in 2007. It accounts for almost 29% (US\$162 billion) of total world advertising expenditure, a significant increase on the 22% it represented in 2000. Growth for 2009 is predicted to be around 4% in the region.

China remains the second largest global advertising economy (\$74.7m) based on ratecard data, with Japan at number three (\$38.5m). The staggering growth rates experienced by the Chinese economy are likely to slow as demand from the US and Europe is reduced. It is predicted that GDP will drop from 11% in 2007 to 9% in 2009.

Having enjoyed the 2008 revenue boosts resulting from the Olympics, advertising expenditure is forecast to slow in 2009 to modest growth of 5% in real terms. The demand for television advertising has largely fuelled recent growth with the medium accounting for over 80% of Chinese budgets, compared to 46% globally. Print is relatively weak, only accounting for 10% of Chinese adspend. Its fortunes are unlikely to improve - a decline of around 3% is forecast for 2009. As ever, it is the internet that continues to boom set to grow a staggering 32% in 2009. Conversely, the once popular television will scrape a marginal 1% increase.

The Indian economy continues to grow at annual rates of around 7% to 10% but inflation is still an issue. Total adspend grew at annual average of almost 16% between 2000 and 2007 with growth accelerating a further 34% in 2007 in real terms. However, whilst growth is set to continue into 2009 it is expected to

be a lowly 5%. Television is not the dominant medium in India, it only accounts for 32% of total advertising expenditure but is expected to enjoy growth of 4%. Indian newspapers take almost 44% of adspend, so it is no surprise that this is one of the few regions where the medium is predicted to experience growth in 2009 of about 5%.

The Japanese economy has been hit by the high value of the yen and the slowdown in demand for Japanese goods from suffering western economies. GDP growth for 2008 was 0.5%. However the situation is bleaker for 2009. The resulting impact on adspend is a decline of almost 4% in 2008 and a predicted drop of just over 3% in 2009.

As with many other markets, the internet is set to continue on an upwards trajectory in Japan whilst national newspapers are moving in the opposite direction. Newspaper adspend has fallen almost 10% in 2008 and in 2009 the drop is forecast to be just over 11%.

Growth over 10 years: 1998-2007 at constant local prices

	GDP % change	ADSPEND % change
USA	27.6	10.8
China*	95.0	402
Japan	14.7	20.3
United Kingdom	28.9	10.7
Brazil**	41.3	134.5
Germany	16.6	-13.7
Mexico	29.7	219.8
France	24.5	9.9
Italy	15.8	24.8
Canada	43.3	24.3

* Based on ratecard data, since 2000.

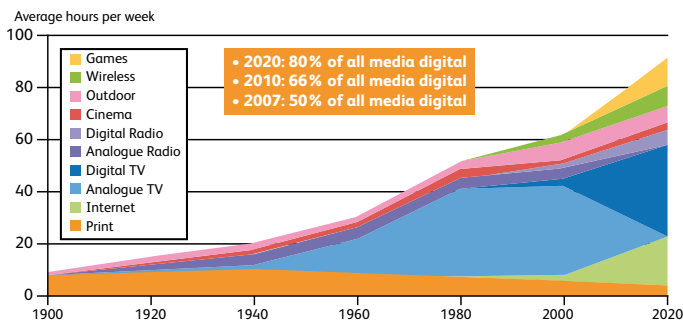
** Based on rate card data.

Latin America

Measured in US dollars, one of the drivers of global growth is the emerging market of Latin America. Here advertising expenditure increased a substantial 25% in real terms in 2007. Now accounting for 11% of total global expenditure the region is now considered a key player amongst modern advertising markets. Despite the rest of the globe experiencing declines or only modest growth in adspend, the Latin American region is set to enjoy continued growth of 11% in real terms in 2009.



Global Media Consumption per Week



Source: Carat
© World Association of Newspapers 2007-2008

Brazil's \$26bn of adspend accounts for the bulk (43%) of total Latin American spend and also ranks it fifth on the global scale, based on rate card data. Over the past decade, as the economy has boomed, the advertising industry has gained considerable momentum, with spend increasing 134%. In 2007 alone the rise was 26% on the previous year.

Mexico, ranking seventh on the global advertising market scale, is also seen as key player in its own right and makes up almost a third of Latin American spend. The many political and trade reforms put in place since 2007 mean that, whilst economic growth has been slower compared to its bigger sister, the nation is well placed going forward. But a slow economy has not hindered the booming advertising industry - adspend growth has soared by over 200% during the past decade.

The scenario is similar in many of the other countries. In Argentina (9% of total spend) the ad industry has enjoyed expenditure growth of 174% over the decade compared to modest economic growth of 24%. In Chile adspend growth has been more modest, only 23%, outstripped by real GDP growth of 40% over the same period.

Not surprisingly investment in television advertising has also boomed, especially where it's the dominant medium (in some cases taking over 70% of budgets), for example in Mexico spend has increased 280% over the decade and Argentina by over 400%. Even in the regions where the medium accounts for around half of adspend, growth is strong, with increases of 160% in Brazil and 43% in Chile (based on constant local currencies).

The internet, in line with the rest of globe has grown exponentially, often with growth outstripping that of television. In Mexico, for example, investment in online grew by 71% in 2006 and 96% in 2007.

Middle East and Africa

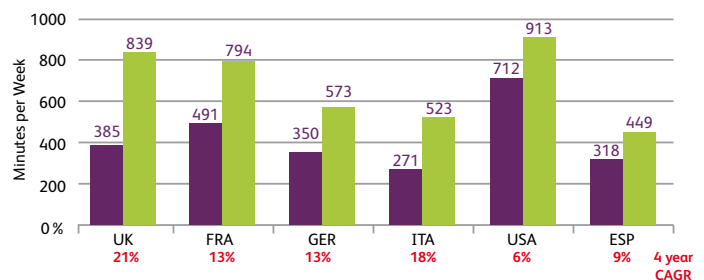
Across Africa adspend increased by 14% in 2007 in real terms and in the Middle East spend was up almost 11%.

Of the larger African economies, South Africa adspend increased by almost 9% in 2007 compared to GDP growth of 5.1% and in Egypt adspend has grown by almost 8%, based on rate card data.

In Saudi Arabia there was a marginal decline in adspend in real term of around 2% in 2007. This was the country's first decline since 1999. Spend in Israel also declined at just under 1%. Whilst Syria has experienced growth of over 50% following a slump in 2006 of almost 11%.

Sources: Comscore, European Interactive Advertising Association, eMarketer, Ofcom, WARC, International Monetary Fund, Nielsen Online.

Time spent online: 2004 and 2008



Sources: Nielsen Online, August 2004 and 2008
Note: Home and work use including applications, except Germany & Spain (home-only data), a new methodology was introduced in 2006

Yahoo Faces More Challenges Over Google Deal

By Bill Winters
 Sep 23, 2008 17:23 PM GMT
 Increase Internet Sales
 Optimize your Content Based AdWords
 Advertise for maximum sales

Submit your URL free
 Submit URL to our search engine
 Increase traffic to your website.

Ads by Google
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 WWW.Yahoo.com
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 Yahoo! HotJobs

WFA IN THE PRESS

Who's who to attend ad meet

Purva Mehra
Mumbai, March 4

MUMBAI (Hindustan Times) — Mumbai has proved to be India's preferred global busi- nation yet again. The city will host an esteemed of marketing professionals over a global con- discuss Effective Consumer Management, at place and Towers, Colaba.

event of the World Federation of Advertisers' 2008 annual general meeting in India (the first in 1992), the country's top advertisers have ear- three days starting Wednesday, to discuss meth- moving away from a 'shot-gun' mass marketing ical approach to more focused, consumer-cen- tation.

MM shifting its balance to East and South East. India partner and we need to approaches in communica- tion. Managing Director,

Stephan Loerke
Managing director
WFA

Key moments of tenure with P&G?
I started as a trainee at Vicks, New York, moved to Mumbai as president marketing at Richardson Vicks. In 1998, I became the man- aging director of P&G India (acquired Richard- Vicks), and have been there for 39 years.

What is ISA's function?
ISA is a promoter of the discipline in ad- vertising. The Advertis- ing Standards Council of India was promoted by ISA 22 years ago. The ISA monitors, measures and regulates media in- dustry.

carrefour international
Fédération mondiale des annonceurs : 50 ans de veille et d'actions internationales

Stephan Loerke, directeur général de la Fédération mondiale des annonceurs, lors d'un événement de la FMA, son mode de fonctionnement, et dresse un panorama des grands dossiers et des enjeux européens, voire mondiaux, qui concernent les annonceurs.

Noi reglementări în publicitatea produselor alimentare adresate copiilor

La Palatul Parlamentului s-a semnat ieri un act normativ pentru publicitatea adresată copiilor în domeniul produselor alimentare. Acest act normativ a fost lansat pe data de 22 septembrie în cadrul sesiunii de lucru a grupului parlamentar român Magor Csibi, membru al Comisiei de Mediu și Sănătate

FOOD AND HEALTH



By Stephan Loerke

Lawfare likes sausages. It's better not to see them being made." So exclaimed a famous German statesman, who could have had little notion that, 200 years on, regulating advertising would be touted as a solution to childhood obesity. Yet those who have witnessed efforts to restrict food advertising of late might empathize with this savory image.

the marketing community has already taken great strides to play its part by ensuring that marketing communications are responsible and sensitive to changing societal concerns and that

The result, enshrined in the concluding DG SAN report, was "a pretty good sensual expression of a best practice model being an honest, in-depth, ex-

DINAMONIA

Vol. 2 Issue No. 357 Mumbai, Friday, March 7, 2008

DAILY NEWS & ANALYSIS . MONEY

audience tracking paramount, says WFA chief

Aracjel Chaudhuri, Mumbai
...dia consumption," said Stephan Loerke, managing director of the World Federation of Advertisers' desire to track... that over, thanks to the growth...

interesate. „Acesta este un exemplu al modului în care industria poate sprijini promovarea unei diete echilibrate și a unui stil de viață sănătos. Industria alimentară din România și-a asumat rolul de coordonator la nivel european al luptei împotriva obezității”, a declarat Will Gilroy de

El Rol y Valor de la Publicidad es información editada por la Federación de Anunciantes (WFA). Se trata de una síntesis acerca de los verdaderos beneficios de la publicidad y sus efectos en la sociedad y la sociedad muy en la línea de las recomendaciones emitidas por la Asociación Española de Anunciantes (AEA) desde los últimos meses

中國企業

CHINA

campaigns India

Science Space Technology
ASIA
Words based sales today
Important Ads
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Arah Ad

Google Inc are in that protesters issues. al between the giants will nse revenues companies. The alliance or other mpete.

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Submit URL to our search engine.
Increase traffic to your website.
AllSearchEngine.com

Top Images:

Top Stories:
Bad Hair Lines and Microsoft Windows Enter

14 March 2008 • Vol. 1, Issue 1

el nuevo portal de

MULTI PRESS

NEWSLETTER

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Global Ad conference



McCann Erickson said, "Awards are a by-product of the work that one has done," while speaking on "Awards and Business Building Advertising hand in hand."

Jon Wilkins, co-founder, Naked Communications spoke on "engaging the consumers 360 degree." "I hate the term '360 degree communications,'" he said. He is about revisiting the f W's and one H of bran (who, what, when, where, how). 'Who' doesn't rarily imply the target ket; it essentially m partner. About 'wi brand building, Wil consumers should beombarbed with m everything had a r The 'where' asp about being pres correct media ve

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LA CONVERGENZA NELLA COMUNICAZIONE

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Wfa chiede intervento Ue sull'accordo Google-Yahoo

22/09/2008 16:35

Guardian Unlimited

Google YAHOO!

More Advertisers Move Against Google-Yahoo Deal

By Doug Caverly - Tue, 09/22/2008 - 09:02

WFA protests, writes to Europe

The passage of time isn't making people look upon the potential Google-Yahoo search ad deal with any more favor. The World Federation of Advertisers has now joined a large group of organizations by stepping forward and objecting to the partnership.

At least a couple of the WFA's reasons aren't too surprising: it daims an agreement "will have a detrimental effect on competition" and "result in price increases." The entity's third objection is where something more interesting enters the equation.

"Although Google and Yahoo insist this agreement is limited to North America, WFA believes that the effects will be global," according to a statement. "If the substantial benefits for both parties in the US and Canada will almost certainly reduce their incentive to compete in other markets as they do today."



Brand Reputation

Vil du jobbe i et av Europas ledende mediekonsern?

First for advertising

Publisert: 16.10.2008 - 15:33 Oppdatert: 16.10.2008 - 16:29

Continua la sfilata di associazioni e organizzazioni convinte che il matrimonio pubblicitario fra Google e Yahoo! 'non s'ha da fare'. La World Federation of Advertisers, organizzazione che rappresenta i maggiori marchi pubblicitari mondiali, ha chiesto alla Commissione europea di bloccare l'accordo fra i due colossi del web.

La federazione, di cui fanno parte marchi come Coca-Cola e Nokia, ha presentato una lettera in cui illustra gli effetti che l'accordo tra giganti avrebbe sulla concorrenza e il preoccupante aumento di prezzi che ne deriverebbe.

Questa partnership aveva già destato preoccupazione negli Stati Uniti, spingendo il dipartimento di Giustizia a svolgere un'indagine antitrust su Google. L'amministratore delegato del motore di ricerca non si era fatto intimorire dalla questione e aveva affermato: "Stiamo parlando con il governo. Loro non ci hanno indicato la direzione in cui stanno trattando con noi".

L'accordo sembrava problematico per l'acquisizione di un eccessivo potere



- Forbrukerne tror ikke

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FINANCIAL STATEMENT 2008

(ALL FIGURES IN EUR)

	REALISED 2008	BUDGET 2008
INCOME	2.139.008,38	1.776.000,00
Revenues from associations	401.226,47	395.000,00
Revenues from corporate members	1.187.662,95	1.150.000,00
New members	308.390,00	50.000,00
Other revenues (ESOMAR/EFRD)	60.000,00	40.000,00
Revenues from special projects	117.000,00	117.000,00
Exceptional revenues	2.683,98	7.000,00
Discount (early payment)	- 4.630,84	- 3.000,00
Financial profit	66.675,82	20.000,00
EXPENSES	2.130.997,49	1.734.000,00
Personnel & consultants	965.955,39	938.000,00
Operating costs	623.281,44	584.000,00
Conference & General Assembly	51.260,66	45.000,00
Special projects costs	117.500,00	117.000,00
Provisions	367.000,00	
Provisions for Reserves	6.000,00	50.000,00
TOTAL REVENUES	2.139.008,38	1.776.000,00
TOTAL EXPENSES	2.130.997,49	1.734.000,00
FINAL RESULT	8.010,89	42.000,00

AUDITOR'S REPORT

MICHEL WEBER
Réviseur d'entreprises

1380 Lasne, February 4, 2009
Chemin du Lanternier, 17
Tel 32-2-633.20.33 – Fax 32-2-633.22.10
reviseur@michel-weber.be

Statutory Auditor's Report for the year ended December 31, 2008 to the Members' Meeting of the World Federation of Advertisers

In accordance with statutory requirements we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the financial statements as of and for the year ended December 31, 2008 which have been prepared under the responsibility of the board of directors and which show a balance sheet total of € 2.175.777.98 and a profit for the year of € 14.010,89.

Unqualified audit opinion on the financial statements

We conducted our audit in accordance with the standards of the "Institut des Réviseurs d'Entreprises/instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, taking into account the legal and regulatory requirements applicable to financial statements in Belgium.

In accordance with those standards, we considered the Association's administrative and accounting organisation, as well as its internal control procedures. Association officials have responded clearly to our requests for explanations and information. An audit includes examining, on a test bases, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements give a true and faire view of the Federation's assets, liabilities, financial position as of December 31, 2008 and the results of its operations for the year then ended.

Lasne, February 4, 2009
Michel WEBER





Johnson & Johnson



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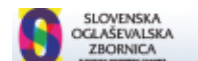


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