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TECHNOLOGY AT WORK

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MADISON AVENUE GONE BUST?

Maybe. But ad execs insist that the Net is more important than ever. *By Leslie Ayers*

AS IF A LEAN ECONOMY WASN'T BAD ENOUGH. IN the wake of September 11, Madison Avenue has had to face the fact that Americans might no longer care quite so much about driving the coolest car, drinking the yummiest diet soda, and washing their clothes with the freshest-smelling detergent.

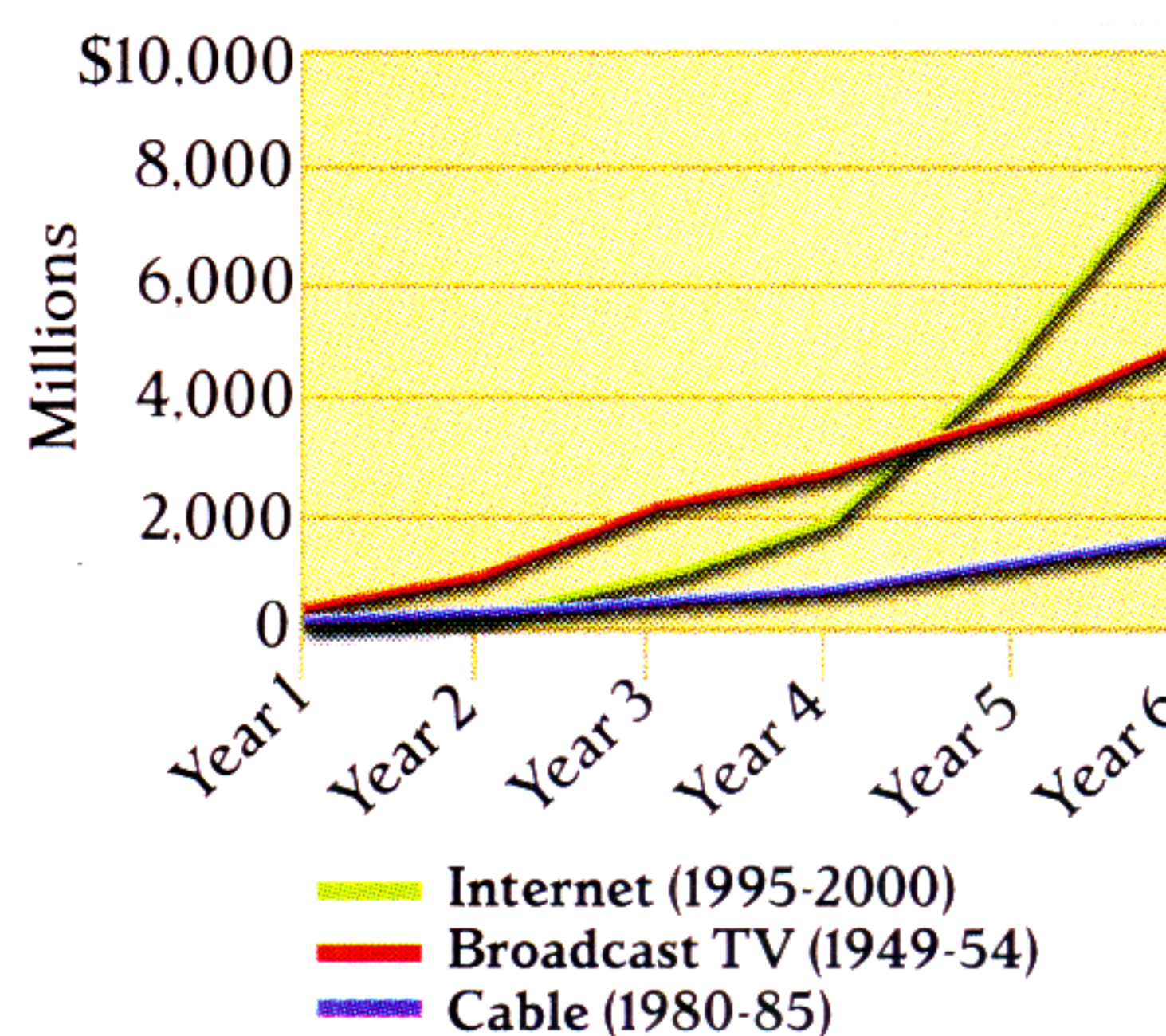
At the same time, the companies that hawk cars, soft drinks, laundry soap, and everything else are spending less on advertising and marketing—online and off. Merrill Lynch, which revised its forecast after September 11, now projects a 4.5 percent decline in ad spending this year and an additional 1.5 percent decline in 2002. Meanwhile, the Interactive Advertising Bureau reports that online ad revenue for the first two

quarters of 2001 totaled \$3.8 billion—a decline of nearly 8 percent over the same period last year.

On the other hand, now could also be the perfect time to rethink branding efforts. Mark DiMassimo, president and founder of DiMassimo Brand Advertising, says that as depressing as his industry's outlook may seem, there is hope.

TV and the Net Face Off

Want proof of the Net's explosive growth as an advertising medium? Compared to broadcast TV and cable TV, the Net's spurt from \$55 million in year 1 to \$8.2 billion in year 6 leaves both television outlets in the dust.



SOURCE: IAB/PRICEWATERHOUSECOOPERS REVENUE REPORT, MCCANN-ERIKSON

“You have to reexamine your brand’s relevance,” he says. “It may have changed in times of crisis and war. Take Quaker Oats, which is healthy, but also a comfort food—and people are seeking comfort. This is a major opportunity to comfort people and build a brand again.” ■