

AMERICAN BUSINESS MEDIA

The Association of Business Media Companies

B-TO-B PRINT AD SPENDING FELL 0.8% IN 1Q 2004

In March, spending was down 2.6% and pages declined 5.5%; first quarter pages fell 4.6%

NEW YORK, May 10, 2004—Business-to-business advertising revenues showed a slight decline in the first quarter of 2004, according to the Business Information Network (BIN) report released today by American Business Media. Ad dollars fell 2.6% in March and are down 0.8% year-to-date. Ad pages declined 5.5% in March, for a year-to-date drop of 4.6%.

“We believe that the numbers will be stronger in the second quarter,” said Gordon Hughes, president and CEO of American Business Media. “However, we’re projecting that most of the growth for 2004 will take place in the second half of the year.”

Ad Spending

Four categories showed improvement in ad spending in March compared to the same period a year ago. For the third month in a row, Services, Direct Response & Classified led the way, with a 6.1% increase. Computers were up 2.6%; Drugs & Toiletries up 2.2%; and Automotive up 1.7%. The Telecommunications sector was flat. Retail suffered the biggest drop, down 14.5%. Manufacturing & Electrical Equipment, Materials & Components were down 13.6%; Software down 5.1%; Travel down 5.0%; Finance, Business & Advertising down 4.5%; and Home & Building down 3.0%.

Ad Pages

Only one category—Services, Direct Response & Classified, up 3.2%—posted an increase in March ad pages. All other categories were down: Retail by 18.0%; Manufacturing by 12.1%; Software by 10.8%; Automotive by 9.4%; Home & Building by 6.6%; Finance, Business & Advertising by 6.4%; Computers by 5.1%; Travel by 3.1%; Drugs & Toiletries by 2.7%; and Telecommunications by 0.1%.

The Business Information Network (BIN), created by American Business Media, tracks b-to-b print ad spending and pages. Founded in 1906, American Business Media is the industry association for b-to-b information providers. Its 238 member companies reach an audience of more than 90 million professionals and represent over 3,700 print and online titles.

As previously reported, as of January 2004 the BIN reports are provided by IMS/The Auditor. IMS monitors advertising in 800 b-to-b publications. In addition, PERQ/HCI—which tracks more than 500 medical publications—provides information for the Drugs & Toiletries category. The Horticulture & Farming numbers are reported separately in 2004, because IMS does not have comparative data from 2003.