

**Political: Lush spending, yes, but late and not nearly what people expected**

By: Kevin Downey

Political ad spending has been something of a disappointment all year, certainly in comparison to expectations.

That's not to say spending isn't robust. It is.

Political candidates, including the presidential candidates and their parties, are likely to spend \$2.4 billion on ad-supported media this year through the election in November. When including spending in 2007, political candidates will spend perhaps \$3 billion, a record.

But ad spending isn't nearly as robust as it could be, mostly because of the timing of the presidential campaigns.

It wasn't clear until only a few months ago that Sen. Obama of Illinois would be the Democratic nominee for president, which, unlike all recent elections, was decided at the very end of the primary season.

That meant the Democrat and Republican nominee Sen. McCain of Arizona held off on aggressively campaigning until only recently. In fact, analysts say the candidates and their parties have so much money on hand because of that delay that it's unlikely all of it will be spent by November.

"My sense is the candidates probably have more money to spend than there is time on the calendar," says Evan Tracey, COO at TNS Media Intelligence/Campaign Media Analysis Group.

"Obama is now buying half-hour blocks on network TV, which if that doesn't illustrate the

POLITICAL Advertising Units First-Half 2008 vs. 2004 Units			
Media	Jan-June 2004	Jan-June 2008	% Change
Network TV	0	34	n/a
Cable TV	2,962	1,070	-63.9%
Spot TV 210	537,598	632,542	17.7%
Spanish Language Network TV	0	22	n/a
Spanish Language Cable TV	0	2	n/a
Local Magazine	9	3	-66.7%
National Newspaper	15	7	-53.3%
Local Newspaper	483	655	35.6%
Spot Radio	15,274	106,339	596.2%
Grand Total	556,341	740,674	33.1%

Source: Nielsen Monitor-Plus

point than I don't know what does. I think that a lot of other media will see late dollars because there just won't be enough broadcast TV time to buy."

Moreover, both Obama and McCain early on said they did not want the support of 527s, the groups that raise millions to advertise in support of the candidates.

Obama and McCain felt the 527s had been too negative in past elections. While both candidates have softened their stances, these groups have until recently held back on spending in support of presidential candidates.

Making matters more challenging for ad-supported media, the candidates are now zeroing in on about only 10 swing states, which are getting the bulk of political ad dollars.

Buyers for months were telling the Media Economy Newsletter that political spending was intense in a handful of markets but barely active in most others.

The economy has also hampered campaign spending, notably among local and regional candidates.



That's led to a dramatic shift in spending compared to 2004, with far more units being purchased on radio than in the past. Radio is typically less expensive than local television stations, which still get the bulk of spending.

Political candidates in the first half of this year purchased more than 740,000 units on all media, up 33 percent from the same time in 2004, according to Nielsen Monitor-Plus.

Spot TV was the most-used medium with 632,000 commercials, up nearly 18 percent.

But radio was the fastest growing, increasing seven-fold from the first half of 2004, from 15,000 units to 106,000.

According to a separate study by the University of Wisconsin, the presidential candidates spent \$28 million on TV ads in the first week of October, up from \$16 million the same time in 2004.

Meanwhile, the internet hasn't seen nearly the increase in political spending that many media buyers were expecting to see this year, says Michael Cassidy, CEO of Undertone Networks, the online ad network.

"It's been hugely disappointing, the lack of political spending online," he says. "It seems like a no-brainer because people are online and they're doing research there. We were really optimistic about it in 2004, but it just hasn't happened."