

initiative  
2009

**MEDIAFACTBOOK**  
ROMANIA

This document is a product of Initiative Media Romania.

In putting together the Media Fact Book we have used audience data and information supplied by The Romanian Association for Audience Measurement (ARMA), The Romanian Audit Bureau of Circulation (BRAT), The Romanian Association for Radio Audience Measurement (ARA), TNS Research, Alfacont, GfK Romania, Mercury Research, IMAS, International Advertising Association (IAA), The National Audio-Visio Council (CNA), The National Cinematography Council (CNC), The National Institute of Statistics (INSSE) and The National Bank of Romania (BNR).

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Readers should understand that the data contained in the Media Fact Book is as actual and accurate as the sources could provide it.

Your comments and suggestions are welcome as a valuable input for the future issues of this book.

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## >>> editor's foreword

There's been a lot of media distress surrounding The Crisis.

We now pay the cost of our "irrationally exuberant" economic conduct during the past decade of growth.

Romania was deemed the European equivalent of the Asian "tiger" markets. In late 2008 the former Government pledged Romania was going to become Europe's 7th largest economy by 2014 and claimed the only effect of the crisis building-up on the other side of the Atlantic will be that Romanians will grow even richer by investing in bargain-priced American real estate.

Finally Romania found a game for itself at which seemed nearly invincible.

What was going on in the Global market was merely ignored.

No one was genuinely concerned whether the growth was sustainable.

Resources management became old-fashion, definitely "un-cool".

Money was easy and inexpensive while wealth was growing like nowhere and never before. Too bad it wasn't ours...

Too few appeared to see it coming towards the 3rd quarter of 2008.

When P&G buys less TV than the year before, for the first time in Romanian history, it's a sign that business can no longer go as usual. Moreover, it was not just P&G. By Halloween panic already struck amongst executives as the Budget Plan for 2009 was about to be revised negatively, yet again.

Many players of the Media industry chose to take lightly the rumors and the facts altogether, firmly convinced the growth is here to stay.

Then in January all Hell broke loose and the business had virtually frozen still.

February didn't go much better either. Many ongoing business plans were called off and replaced with new ones, hastily drafted and implemented as a matter of urgency. Salaries were cut or frozen or both. Staff was laid off. Office space was reduced and renegotiated. Most operating costs had to be dealt with under new and impending circumstances. Some business lines had to be closed while in other cases entire companies had to sell for pennies or shut down all together. This went on for the better part of the first semester and it is likely to continue.

Media was particularly affected as its development over the past decade merely copied the evolution of the industries it served.

TV became too expensive relative to the actual power of purchase of the Romanian consumer, thus advertising demand dropped sharply. Subsequently, prices decreased and so has the clutter which, in turn, determined an increase in viewership and inventory.

However fragmentation continues, some 50 TV channels being measured today.

Initiative estimates that by end of year, the whole TV Market is going to drop by 33% vs 2008.

Newspapers experienced abrupt falls in circulation having been eroded over time by TV with its more accessible yet considerably redundant content - priced less expensive by the crisis - and by the powerful advent of internet.

Unfortunately the crisis is threatening directly those titles whose survival is based solely on copy sales and advertising.

Magazines did not do much better either, but for bad or worse they were the only means to reach certain audiences and so, managed to retain more of their usual advertising revenues than newspapers.

Just as in the case of newspapers, there are more titles than the market can effectively afford. Worse, there was no discerning difference amongst many of the titles except for a few pennies off the cover price. Lack of differentiation left many exposed.

Initiative estimates the Print Market will be the most and hardest hit: -50-55% 2009 vs 2008.

Radio saw its business going down just as fast as it grew a few years ago. Initiative's estimation is that Radio Market is going down 30% vs 2008.

Outdoor was affected by its inherent lack of standardization and measurement. Advertising clients opted mostly for the best locations at reasonable cost and so the rest of inventory remained empty. Our estimate is the Outdoor market is going down 35-40% vs 2008.

There were high hopes that online advertising will grow due to its offering of measurable delivery, modernity and relative low media and production cost, despite the crisis affecting all other media channels.

It seems Online is still a "hot potato" few dare to play seriously with, especially when money is scarce and TV is becoming more accessible. Initiative's estimation is the Online Market will drop ca. 20% vs 2008.

Overall, Initiative estimates the media market will drop some 35-38% vs 2008, more than any market in the Region.

Despite the crisis, our Media Fact Book still goes out to the marketplace just as it did in every one of the past 12 years.

As a tribute to the crisis, we made it available in digital format, hence saving some printing costs. It's also a tribute to the digital media we believe in...

As everyone expects predictions from Initiative, here it goes: we're not going to see the market improving before 2011, so do not plan parties for 2010 as of yet.

The crisis in media is ultimately a correction down to an economically sustainable level. Overall, it is a good chance for companies, individuals and Government to [adjust](#) to reality.

Surviving this period requires [innovation](#), flexibility, increased attention to quality, realism and cautiousness, skills somewhat overlooked in the euphoric past.

Survivors will get better, stronger and wiser, hence able to produce sustainable growth.

Ultimately, the concept of value, including that of money, shall be treated with a newly discovered, hard-earned respect.

## >>> about initiative

### Media, Marketing and Digital

Initiative Romania is affiliated to Initiative Worldwide, part of Interpublic Group of Co's (IPG). Along with other reputed agency networks such as Lowe & Partners Worldwide, Lowe PR and Brand Connection, all part of IPG, Initiative Worldwide is a truly global network, offering capitalised brain synergy, **innovative** and effective consumer approach in more than 51 countries on 5 continents.

Initiative Romania started operations 15 years ago as the first true media management specialist company in the market. Currently the 3rd largest buying company in Romania according to RECMA, Initiative focuses on offering its clients thorough brand and marketing thinking, deep understanding of the modern consumer touch-points, advanced know-how in Digital media, negotiation power, commitment on delivery and measurable **performance**.

**The client portfolio of Initiative Romania** includes strong brands and successful companies: Orange, Johnson&Johnson, BMW, Millennium Bank, GlaxoSmithKline, Pernod Ricard, MOL Romania, Sarantis, Provident Financial, Kika, Burger King, Fujitsu Siemens, etc.

Initiative Romania provides the whole range of media services: quantitative research, media strategy, conceptual planning, implementation planning, buying, special media projects (event and media sponsorship, product integration, etc).

Initiative Romania offers enhanced quality standards through usage of top-of-the-range proprietary tools aimed to better determine the optimum investment required to achieve the communication objective.

Initiative Romania offers added value:

- Media Landscape – quarterly analysis of the media market;
- Media Fact Book – starting 1997, Initiative Romania is the exclusive publisher of this media annual guide, unique on the Romanian market.
- Media training – Presentation of media basics (terminology, methods) and on-the-job training in Initiative's office.
- Media PR – Initiative provides media coverage to PR events organised by clients, upon request and project specifics.
- Outdoor Mapping – providing clients a better campaign management
- Digital concept & design management – offering clients integrated digital solutions by managing the entire process from ideation, concept and design to media buying, planning and implementation of digital campaigns.

Despite the emerging crisis, 2008 was an excellent year, Initiative succeeding not only to win the most important media tender of the year - Orange Romania - after a long and complex process, but also to increase its billings by nearly 10%.

We put forward to our clients a solid team of experienced media professionals with a deep understanding of client's marketing communication needs and advanced knowledge of **efficient** and **creative** planning and buying.

We are committed to create value for brands by engaging consumers smartly and at best prices.

Find out more about Initiative at [www.initiative.com](http://www.initiative.com):

- call at +4021 301 01 00
- or write to us at [office@ro.initiative.com](mailto:office@ro.initiative.com).

## >>> media market

*“The man who stops advertising to save money is like the man who stops the clock to save time.”*

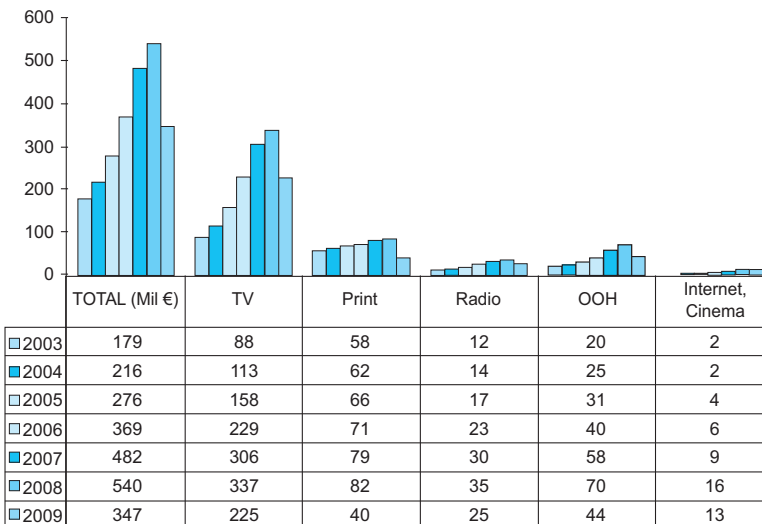
### Overview

The Romanian media market continues to be dominated by TV spend, not surprisingly. However, due to the International crisis, major Global advertisers such as Procter & Gamble, Unilever, L’Oreal, Danone started to reduce their media consumption as early as 2008. Additional budget [adjustments](#) followed towards Q4 2008 from other advertisers.

The players on the Romanian media market increased their focus on:

- Budget [adjustment](#)
- Media [performance](#)
- Cost [deflation](#)

Graph 1: Total net Ad-spend by medium (Mil €) - Estimation



In 2008, the Romanian media market grew in net value by only **12%**, the smallest growth since 2003. The fastest growth belongs (again) to the **Internet ca. 70%**, while **TV** increased by **10%** and **Print** by **4%**. This growth of Online media is explained by an increase in inventory from launching the online versions of TV stations and print titles. www.realitatea.net became the no. 1 news site, Pro TV developed revamped its website and added new sections while more newspapers and magazines put a stronger focus on their online versions.

The TV market continued to increase through the launch of new channels. SRTV launched TVR 3 and TVR Info, while sports channels increased in diversity by the launch of gspTV (along with gspTV2 and gspTV3). Other new entries: Universal Channel, Movies 24, Music Channel and National Geographic Wild.

With some 50 TV channels active and monitored Romania has the most fragmented TV landscape in the whole of CEE Region. However, where sales are concerned, the Romanian TV market appears more concentrated around a nucleus of a few main TV groups and a number of sales houses that package-sales most of the niche channels.

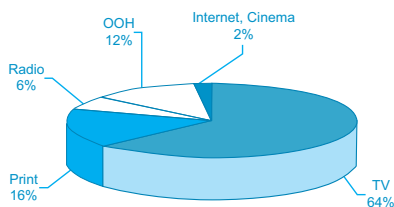
The print market is characterized by an overall audience decrease and circulation figures dropping. The main titles launched in 2008 were upscale men glossies (GQ, MAX), brand extensions to existing quality newspapers (Adevarul de Seara, Adevarul Sanatate, Adevarul 500 milionari) and tabloids (Click pt. Femei, Click pofta buna, Click Sanatate). Competition prompts publishers to employ aggressive consumer promotions, frequent revisions of format and editorial.

In 2008 the Radio market increased by 16%, more than TV or print. New stations were launched (the most important is Radio ZU) some radio stations extended their network while others were re-branded. Overall, the radio audience decreased (-8% for urban market and -7% in Bucharest)

In 2008 the Romanian OOH market increased by 20% and continued to diversify. ZoomTV subway network of over 700 TV screens and Cocor Channel -the first media faade in Romania and the biggest LED display in Europe- were important additions to the media landscape in 2008.

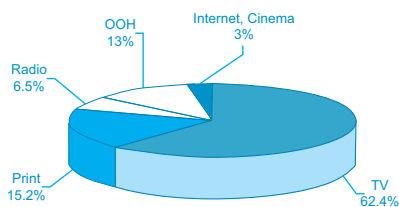
In 2008, the cinema market was more dynamic in the multiplex sector and witnessed many launches, high technology movies (3D, 4D) and offers to clients a wide range of tools for brand promotion.

Graph 2: Market share in 2007 (net ad-spend by medium)



Source: Initiative database

Graph 3: Market share in 2008 (net ad-spend by medium)



Source: Initiative database

## Top Investors

"Mobile telecommunications" climbed on 1st position in Top Categories 2008, with 62% increase compared to 2007. "Cosmetics" lost the leading position, decreasing 10%, while "Banking & insurance" stayed on the 3rd position with the same ad spend as in 2007. New entry in 2008, directly on 4th position is "Cars & 4x4 vehicles", with 57% increase of media spend.

Another category with a significant evolution is "Medical & Optical products and services". Categories like "Beer" and "Milk products" had a small increase compared to previous periods (only 6% respectively 5%) while "Hair care" decreased by 28%. Top 10 categories represent 50% share of total media market spend (rate card expenditures).

Top 10 Categories in 2008 vs. 2007 - all media (TV, Press, Radio) - Rate Card Budget					
2007		2008		Evolution (%)	Evolution (%)
Category	Exp. (000€)	Category	Exp. (000€)	2008 vs. 2007	H1 2009 vs H1 2008
Cosmetics	480,161	Mobile Telecommunications Services	478,840	62%	34%
Hair Care	434,801	Cosmetics	429,764	-10%	-53%
Banking & Insurance Services	423,019	Banking & Insurance Services	422,934	-0.02%	-50%
Beer	297,126	Cars & 4x4 vehicles	392,941	57%	-48%
Mobile Telecommunications Services	295,784	Medical & Optical Products & Services	371,927	38%	-4%
Laundry Products	290,433	Hygienic	322,849	13%	-29%
Hygienic	286,650	Beer	315,368	6%	5%
Household Cleaners	275,810	Hair Care	313,309	-28%	-47%
Medical & Optical Products & Services	268,671	Carbonated soft drinks	277,684	17%	-26%
Milk Products	252,564	Milk Products	265,861	5%	1%

Source: TV - TNS AGB INTERNATIONAL, GfK Romania, Press and radio - AlfaCont

For the first time since entering the Romanian market, P&G decreased its spend, yet retaining the leading position with the biggest TV budget. L'Oreal and Unilever are other important examples of advertisers who reduced their media spend in 2008.

European Drinks & Foods displayed an aggressive increase (123%). New entries in Top Advertisers are the mobile telecommunication companies Orange, Cosmote and Vodafone.

Top 10 Advertisers in 2008 vs. 2007 - all media (TV, Press, Radio) - Rate Card Budget					
2007		2008		Evolution (%)	Evolution (%)
Advertisers	Exp. (000€)	Advertisers	Exp. (000€)	2008 vs. 2007	H1 2009 vs H1 2008
Procter & Gamble	530,461	Procter & Gamble	461,012	-13%	-42%
L'Oreal Romania	352,033	European Drinks & Foods	423,699	123%	23%
Unilever	320,166	L'Oreal Romania	291,702	-17%	-65%
European Drinks & Foods	189,696	Unilever	280,391	-12%	-62%
Danone	178,361	Kraft Foods Romania	220,146	63%	-4%
Coca Cola Company	166,927	Vodafone	167,171	77%	-19%
Colgate Palmolive	143,823	Reckitt Benckiser	157,987	48%	51%
Kraft Foods Romania	135,137	Cosmote	141,486	44%	99%
Henkel	129,428	Henkel	135,752	5%	14%
Nestle Romania	122,235	Orange	129,683	22%	3%

Source: TV - TNS AGB INTERNATIONAL, GfK Romania, Press and radio - AlfaCont

In the Top Brands advertised, Vodafone and Cosmote are in the leading in 2008 while European Drinks & Foods has 3 brands in Top 10, confirming the extraordinary increase for this advertiser last year.

Top 10 Brands in 2008 vs. 2007 - all media (TV, Press, Radio) - Rate Card Budget					
2007		2008		Evolution (%)	Evolution (%)
Brands	Exp. (000€)	Brands	Exp. (000€)	2008 vs. 2007	H1 2009 vs H1 2008
Danone	189,594	Vodafone	158,091	54%	-12%
L'Oreal	180,115	Cosmote	141,228	106%	88%
Garnier	162,422	Garnier	129,786	-20%	-70%
Nivea	120,498	Orange	129,155	21%	4%
Orange	106,654	Danone	119,263	-37%	23%
Vodafone	102,784	Izvorul Minunilor	114,829	366%	14%
BCR Erste	78,751	L'Oreal	109,934	-39%	-54%
Jacobs	76,521	Nivea	98,757	-18%	-31%
Cosmote	68,392	Fruitti Fresh	78,283	202%	9%
Colgate	64,793	Adria	76,933	119%	-64%

Source: TV - TNS AGB INTERNATIONAL, GfK Romania, Press and radio - AlfaCont

## Perspectives

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- according to Initiative's estimation, the total net ad spend in 2009 will decrease by 36% vs. 2008. Print will be the most affected media (-50%), followed by OOH (-37%) and TV (-33%). We estimate Radio will decrease 30% while Cinema & Internet by 19%.
- despite the decreasing trend of spend TV remains the strongest and the most attractive media channel and the mostly used form of leisure, being in the position to further increase its share of total net media market from 62% in 2008 to 65% respectively some 225 million € net. Time spent viewing and ratings had increased and the niche channels became significant in terms of audience share.
- most newspapers and magazines decreased in circulation while others gave up the paper edition altogether and switched to the online variant. Few others were closed down already.
- the Online advertising, being more customizable and offering a strong targeting will be considered a good media choice due to its price.
- in H1 2009 the leading category in terms of investment is "Medical & optical products & services", somewhat natural in a time of crisis. The category with the highest increase in 2009 is "Mobile telecommunication services" (+34% in H1 2009 than H1 2008 and 2nd place in top 10). All the other categories decreased significantly in H1 2009 comparing to the same period of 2008: "Cosmetics" (-53%), "Banking & insurance services" (-50%), "Cars & 4x4 vehicles" (-48%), "Hair care" (-47%), "Carbonated soft drinks" (-26%), "Hygienic" (-29%).
- we could observe major advertisers and brands reducing their media spend, while medium and small advertisers increased or maintained the same level of investment of last year.
- despite efforts to develop the Cinema infrastructure, in 2009 Cinema advertising revenue will decrease just like in all other media channels. However, the trend of cinema going is expected to improve slightly due to new projection venues being opened.
- ultimately, the crisis will determine the survival of media that can offer flexibility, an open-minded approach and excellent value for money to the detriment of others, a trend that will continue in the long run as well, even after the crisis will begin to let go.

## >>> media research

*“Advertising people who ignore research are as dangerous as generals who ignore decodes of enemy signals”.*

David Ogilvy

Research is increasingly developing reflecting the sophistication of the advertising and media tools and processes. Started just a few years back, local research tends to get aligned to European standards. Reliable and complex audience measurement, industry-standard studies have been already established for television, press and radio.

Acknowledging the importance of media research in building a competitive and professional advertising market, Initiative is an active member of all relevant associations supporting the implementation of audience research tools. Accordingly, Initiative uses all media research tools available as industry standard.

### Audience measurement

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#### 1. TV

##### 1.1. TV Audience Measurement – complex market research

In 2007, GfK Romania was designated by ARMA as the new TV Audience Measurement (TAM) Service provider.

GfK Group is present in Romania with all its three divisions of market research: Custom Research (FMCG, Finance, Telecom, Pharma, Automotive), Retail and Technology (retail audit of the Household appliances - major and small domestic appliances, Consumer Electronics, Photo, Telecom, IT) and Media.

GfK Romania started its TAM operations with the set-up of the whole system: panel, hardware systems, software systems, communications, monitoring. The whole process was done in close collaboration with ARMA Technical Committee. Starting with January 1st 2008, GfK Romania delivers the official TV audience data in Romania.

TAM system is a quantitative research, which measures the TV usage among Romanian population: the minute by minute viewing, 24/7, on all TV stations that can be received on Romanian territory. GfK TAM system offers also a wide potential of analyzing targets on more than 130 socio-demographic and lifestyle variables.

From the beginning of its service, GfK Romania provides for the TV market an increased panel with 20% in comparison with the former one. Also, it has started to measure the Direct to Home TV Reception Type, giving the opportunity to be estimated the audience of the niche channel delivered mainly through DTH. Regarding the monitoring data, GfK Romania was able to monitor the promotional clips, as well as the commercial ones, giving the complete information about the entire TV broadcasted programs for 24/24h.

##### 1.2. Panel

The universe consists of individuals aged 4+, living in private households having at least one TV set, without distinction based on race, language, nationality or socio-economic status. The nationwide representative panel includes 1320 households (around 3.800 individuals), out of which GfK Romania reports daily data from at least 1200 households. Guests viewing is also registered and reported with information about their gender and exact age.

##### 1.3. Establishment Survey

The size of the universe and the composition of the panel are annually defined based on a very large nationwide representative survey: Establishment Survey carried out by the GfK Romania. The study is based on more than 13.200 face-to-face interviews carried out at respondents home (interview with head

of the household; socio-demographic data are collected for all members of the household: approx. 38.000 individuals).

#### **1.4. Technology:**

GfK TAM System is using the GfK Telecontrol peplemeters: Telecontrol VIII / Telecontrol VIII Standard. Telecontrol VIII, the most widespread of the Telecontrol Group's new meters is available in two models: Telecontrol VIII Standard, developed in 2002 and Telecontrol VIII, developed in 2004.

The Standard version is better suited to less complex TV sets while TC VIII is used for sophisticated TV sets equipped for multimedia.

A TC VIII Standard identifies analogue TV channels using frequency measurement with a measuring adapter.

A TC VIII mainly identifies analogue TV channels using injection technology, which measures the TV station's frequency. VPS/IDS16/TXT code can also be used as well as frequency measurement using adapter technology. Digital television is measured using screen interface processing or a software solution that interprets the data from the digital receiving set.

Telecontrol peplemeters provide precise every-second metering of all actions - Plug-In, GSM/GPRS-Modems, Interface for Set-Top-Boxes or SIP, Monitoring all TV channels, Monitoring all TV Sets from a Household.

#### **1.5. Monitoring**

GfK Romania provides monitoring data all reported TV Stations second by second, gathering information about each TV program, spots and promos with their specific classification.

Starting 23rd of March 2009 GfK Romania has created an web site where each client has an user account for accessing all the data needed and a video archive with all the TV commercials broadcasted since 1st of January 2008. On this web site GfK Romania provides a searching tool based on key words as brand, sector of activity, advertiser, model. The video archive it is updated daily with the newest spots (by the campaign starting date). And with the RSS Feed application it can be received a statistic of the newest updates.

#### **1.6. TV Market Dynamics**

The TV media landscape is very dynamic, major changes of the TV reception type and the number of TV sets in the households as well as the number of the TV stations registered into the National Study of Measuring TV Audiences occurring from one year to another.

At the start of the service, at January 1st 2008, there were 40 TV stations as registered members of the National Study of Measuring TV Audiences At the end of year 2008 GfK Romania has reported audience and monitoring data for 44 TV Stations. In May 31st 2009 the number of the measured TV channels has increased to 48.

The TV reception types available on the Romanian market have changed rapidly: Direct to Home reception has increased with almost 51% comparing with 2007, now being present in 22.6% of the Romanian homes. These changes have influenced the decreasing of the terrestrial reception (almost 39% less comparing with 2007), reaching only 8.3% of the households.

The size for one rating point on the 4+, national target was of 197,360 individuals in 2008, increasing to 201,820 individuals in 2009. For the 18+, urban target the size of the target point grew from 98,520 individuals in 2008 to 101,160 individuals in 2009.

## 2. PRESS

### 2.1. BRAT (Romanian Audit Bureau of Circulation) - National Readership Survey Romania (SNA FOCUS)

BRAT is presently the only provider of **performance** data concerning the Print media. Audit data as well and Readership data is being provided for a certain fee.

The printrun and circulation audit is being offered through third party auditing companies appointed through offer selection. Audit data is public and comprises total printrun, distributed printrun, circulation (through kiosk sales, paid subscription, free subscription, block sales etc.) and returns.

The SNA-FOCUS syndicated study has two components:

- One to measure publication readership and reach
  - Another to measure consumption of brands and services as well and lifestyle variables
- The SNA-FOCUS universe contains 8,951,000 individuals (with a sample size of 16,634 individuals for the January 2008 – January 2009 delivery) who are 14-64 years old., urban areas inhabitants, living in private households and being able to understand and speak Romanian well (includes the Hungarian minority). Only one eligible respondent per HH is considered. The sample is wide enough to make data valid at local level, as well. The data is gathered by face-to-face interviews. The fieldwork is carried on throughout the year and the number of interviews is balanced by the day of the week. The questionnaire covers the following categories:

- Primary media (print publications)
- Secondary media (TV stations, radio stations, cinema, internet, outdoor)
- Topics of interest
- General consumption
- Yesterday time budget
- Socio-demographics

For the January 2008 – January 2009, the study delivered results for 155 publications, split into monthlies (64), fortnightlies (12), weeklies (27), dailies (42) and supplements (10).

The audience indices are calculated through the 'Recent Reading Method', the best methodology at the moment, internationally recognized and used.

The Software is Sesame. The main variables in the study are: age, sex, social grade, area, and education level, shopping and consumption behavior, HH composition, children in HH, personal and HH income, HH expenditures, marital status, holidays, travel, ownership of mobile phone and home products, cinema attendance, PC and internet usage, smoking habits, pet ownership. Sesame is software for media and consumer insights analysis and planning. Its strong points are:

- Easy-to-use tables
- Quick data analysis
- Title ranking based on specific indicators
- Simultaneous analysis and optimization for up to 10 media plans

The study is delivered on a quarterly basis.

Data is available upon subscription and is limited to BRAT members. Audience data is available only for BRAT member titles.

## 3. RADIO

**3.1. The Radio Audience Survey (SAR)** is a syndicated research program in co-operation with the Radio Audience Association (ARA). In 2003, IMAS Marketing & Polls and Mercury Research were appointed to implement the new radio audience measurement. The new service is available since June 2004.

The frequency of the study was two waves / year for a four-year period: 2004 - 2007. Starting with 2008, SAR delivers audience data in three waves / year.

The universe covers the urban and rural population, aged 11+ (19,169,422 individuals).

Sample structure:

- a) 11 regions (quite homogeneous areas identified through a multifactor cluster analysis)
- b) 6 categories of towns (over 200,000; 100,000-200,000; 50,000-100,000; 30,000-50,000, 10,000 – 30,000, lower than 10,000) and 2 categories of rural localities (<5,000 and >5,000) = 236 total.

### **Audience measurement method**

"Day after recall" method (the remembrance is aided by recalling the activities conducted during the day before the interview).

The core of the radio audience measurement: daily breakdown (Time Budget): there is listed every quarter of hour from yesterday, from 5:00 to 00:59 o'clock and every halves of hour from 1:00 to 4:59. Audience is registered by quarters of hour between 5:00 to 00:59 and by halves of hour between 1:00 to 4:59.

The questionnaire, developed by IMAS, includes the following sections:

#### *Section I:*

Household listening equipment  
Awareness of the radio stations  
General habits of listening  
Radio stations listening by quarters of hour

#### *Section II:*

Usage of PC, Internet, mobile phone

#### *Section III:*

Intention of acquisitions by main categories of goods and services for the next 12 months  
Consumption of main categories of alcoholic drinks

#### *Section IV:*

Socio-Demographics

The processing and analysis of audience data are performed with a specialized application of IMAS, MasoR7 (Media Audience Software Radio).

The audience [segmentation](#) considers all the variables in the questionnaire on the basis of which the user can build specific target groups.

### **4. OOH**

At the present moment there is no syndicated study to measure the [performance](#) and traffic of OOH supports. Although there have been various tries to implement an OOH traffic study that would be generally recognized as both relevant and reliable, the general situation is of occasional studies coming from OOH owners / sellers that are either incomplete in coverage and the type of formats studies, or disputable in terms of methodology and technology used.

As the search for a technical solution and a more general consensus related to this type of study continues, OOH owners and sellers would most likely continue to do their own traffic estimations for their respective OOH supports.

### **5. INTERNET**

The BRAT members working in the field of internet, 60 companies, founded in 2006 a new department inside the bureau, aimed to produce an internet audience study. The objectives set forth for this new department are the objectivity of measurement and standardization, finalized in a Internet Measurement System. The IAM, named SATI will provide to the market the results for the traffic, audience and socio-demographic profiles of the websites included in the survey.

In 2006, BRAT organized the first tender for the technical solution of the future IAM. BRAT received 7 valid offers. BRAT was assisted in the tender process by an independent consultant, Mr. Manuel Sala – Technical Director of OJD Iterativa Spania. BRAT chooses at the end of the evaluating process the German company Spring as the supplier for the next four years.

In 2007 the Internet Department of BRAT gather almost 76 members, between them all the major players in the online industry.

The method used for measuring the traffic, audience and profiles of the websites is already used for many years in other 4 European countries and is widely accepted and recognized. It fulfils the IFABC guidelines regarding the traffic measurement.

In October 2007 BRAT deliver for the first time the results for the traffic measurement according to the SATI system, while June 2008 the first data for websites audience was delivered. The standard delivery for the internet audience data is spanned on a period of 4 months, with weekly averages being given. Basic demographic along with general Internet usage and a few consumption variables are available.

The software for using the Internet audience data is SESAME, the same as in the case of SNA-FOCUS. The audience study uses an universe similar to SNA-FOCUS, while adding the usage of Internet in the last 12 months as a descriptor.

Since the beginning of 2009, a new study that will measure the impact, **performance** and gross expenditures for on-line campaigns is in pre-implementation phase.

Aside from this development of Internet traffic, audience and campaign monitoring, a notable mention is the IAB study meant to monitor Internet campaigns costwise, with results given on semestrial basis starting 2008 (with analyzed data starting from 2007).

## **B. CONSUMPTION & LIFESTYLE RESEARCH**

### **SNA FOCUS**

In 2003 BRAT decided to develop a consumption survey based on the already established SNA research. SNA FOCUS field research was launched in October 2005 and the first results were delivered in October 2006, thus replacing the TGI® service (former consumer lifestyle survey). SNA FOCUS is a syndicated research, controlled by the advertising industry (BRAT).

The research objectives reached by SNA FOCUS: obtain comprehensive information about media penetration, products and services purchase/usage patterns and the socio-cultural behavior. Types of media analyzed: print, radio, TV, internet, cinema and outdoor.

Information:

- Penetration of print titles / media channels
- Qualitative data referring to usage behavior, product and services consumption, including brands
- Qualitative data referring to socio-cultural behavior

The description of the target group permits the usage of socio-demographics, consumption behavior and psycho-graphic variables. The information related to respondents' lifestyle: purchase behavior, information habits and sources, their attitudes and values are available, linked to the media usage.

SNA FOCUS has the same universe as SNA survey, urban area living people, 14 – 64 years old. At the end of the SNA face to face interview, the interviewer has to ask the respondent if he/she agree to fill in another questionnaire, the consumption one (FOCUS). The FOCUS questionnaire is self completed by the respondent; the interviewer had only to help the respondent to understand the way the questionnaire has to be filled in and to collect the completed questionnaire.

The SNA-FOCUS survey from BRAT will build the complex profile of the specific media consumer in one consolidated media resource. The research combines media penetration data, product and services consumption and with socio-cultural behavior.

SNA FOCUS tested the possibility of implementing CAPI as a method to complement or even substitute PAPI, with further discussions on the topic being on the run.

## **C. MEDIA MONITORING**

The services available with most of the specialized companies include:

- Advertising activity reports covering all media (see each company below)
- Special analysis reports:
  - trends, rankings
  - brand, campaign analysis
  - category, sector analysis
  - producer, advertiser analysis
- Data reports:
  - at any level of detail
  - for specific brands, products, categories
  - for all selected media

- for a specific day, month, year
- Campaign tracking:
  - monitoring and follow up on the implementation of any advertising campaign
- Additional services:
  - Copy Service
  - Early Warning Service: interested parties can be informed about competitive advertisements just gone on air, as early as possible.

The most important media monitoring companies are:

### 1. ALFA CONT – monitoring data for TV, press and radio. They offer:

- Detailed and summarized reports;
- Info regarding advertisers, manufacturers, brands, media names, reports regarding market cluttering (total ad minutes, number of breaks, number of spots) etc;
- Digital Copies of TV and Radio spots and programs
- Color, black and white copies of advertisements on magazines and newspapers (Xerox copies, scanned and/or printed)
- Early warning service ( for new ads, different news or programs)

Database starting March 1999

The monitoring covers a total number of over 227 media channels:

- 16 TV channels
- 10 radio stations
- 197 press titles (21 central newspapers, 62 local newspapers and 114 magazines)

### 2. MEDIA IMAGE – monitoring data for print and online press, TV and radio.

- Media Image Group is the only Romanian monitoring agency that covers, beside the central and online media, all the regional newspapers and magazines in the 40 Romanian county capitals.
- The monitoring covers a total number of over 800 media channels (26 central dailies, 139 magazines, 346 regional newspapers, 301 online media, 11 TV channels and 6 radio stations).
- The whole radio and TV broadcasts are recorded digitally and clients have access to the latest 14 days full program data. Media Image offers back search monitoring for a maximum period of five years in case of central newspapers.
- Beside English and French translations, all Media Image Group reports allow access to all original materials (scanned articles, digital captures of TV and radio news, talk shows). In parallel, customers have access to complete daily-updated web archives of their monitoring reports, submitted to powerful search engines.
- Media Image Group's MediaTouch analysis is a result of media content methodology and SNA (BRAT) audience data, such as GRPs and Reach.

## Perspectives

- although research is in indispensable tool for media owners, media agencies, advertising agencies and advertisers, the cost of acquiring the necessary data would determine small research clients to cancel some of their syndicated research budgets, thus increasing the pressure on the remaining ones (be them small, medium or big).
- also due to the general economical situation, 2009 and even 2010 will mean a decrease in the rhythm of development for new research tools, with a more cautious and functional way of thinking being replaced by a "we want to know all" type of thinking
- if investments in new syndicated research tools would be made, they would most likely be dedicated to the Internet & New Media measurement expansion
- Romania will still remain consistently behind other countries in terms of technology used or media measurement, even if CAPI and on-line campaign tag measurement are implemented within respective syndicated studies

## >>> television

*“How can you put on a meaningful drama when, every fifteen minutes, proceedings are interrupted by twelve dancing rabbits with toilet paper?”*

Rod Serling, quoted in Submitted for Your Approval, Public Broadcasting Station, 1995

### Overview

2008 followed the launching trend of new TV stations. The development of the TV media market was less spectacular than in 2007, nevertheless new stations were launched: TVR 3 and TVR Info (from SRTV), gspTV (along with gspTV2, gspTV3), Universal Channel, Movies 24, Music Channel and National Geographic Wild.

Television remains the most important entertainment source for Romanians and the new niche channels launched continue to gain audience from the main TV stations, as the public attention goes to specific programs like sports, music, documentary, movies and series. Football games, Romanian soap operas, prime time news, entertainment shows and international contests (European Football Cup, Olympic Games, Eurovision etc) continue lead the top preferences of Romanian viewers.

In January 1st 2008, 40 TV stations were registered under the National Study of TV Audience. By the end of 2008, GfK Romania was reporting audience and monitoring data for 44 TV Stations. By May 31st 2009 the number of the measured TV channels increased to 48: TVR 1, Pro TV, Antena 1, Acasa, TVR 2, Realitatea TV, Prima TV, OTV, Kanal D, Cartoon Network/TCM, National TV, Antena 3, Taraf TV, TVR 2, JETIX, Minimax/A+, ETNO, Sport.ro, B1TV, Hallmark, Pro Cinema, Favorit TV, Kiss TV, Discovery, Eurosport, National Geographic, N24, AXN, U TV, Euforia, TeleSport, Romantica, Antena 2, gspTV, MTV Ro, TVR Cultural, Sport Klub, Sport 1, MGM, TV Neptun, Movies 24, Zone Reality, National Geographic Wild, Music Channel, gspTV 2, Animal Planet, Zone Reality, Universal Channel.

Establishment Survey	2007	1st Wave 2008	2nd Wave 2008
Analogue cable (%)	69.7	66.4	66.8
<b>Direct To Home (DTH) (%)</b>	<b>15</b>	<b>21.7</b>	<b>22.6</b>
Terrestrial (%)	13.5	9.6	8.3
Digital cable with receiver (%)	4.3	4	3.8

Source: GfK Romania

The pattern of TV reception has changed rapidly: Direct-to-Home reception has increased by 51% compared to 2007, now being active in 22.6% of the Romanian homes. Most of them chose DTH because of the price, which is much lower than that of cable TV service. It is notable the decrease of the base of subscribers to cable services which influence positively the ascending trend for DTH penetration. Subsequently, the terrestrial reception decreased (-39% vs 2007), reaching only 8.3% of households.

In 2008 TV attracted 62% of all net media sales to a total of 337 million €.

Despite the high CPP inflation started back in 2004, in 2008 TV was still the most cost **efficient** media channel with an average net CPT of 2.1 € (All urban).

Media Pro (Pro TV, Acasa TV, Pro Cinema, Sport.ro, MTV) had the largest budget share, ca. 54% of total net TV ad-spend. Intact (Antena 1, Antena 2, Antena 3, Euforia, Telesport) follows with a share of about 20%, then SBS (Prima TV, Kiss TV) and SRTV (TVR1, TVR 2, TVR Cultural) each with almost 6% of the total TV spend, while Realitatea Media (Realitatea TV, Romantica) gathered about 5% share. Kanal D's budget share was 4%.

The total inventory sold in 2008 by TV stations was 1.600.000 GRP30", of which 20% by ProTV, 13% by Antena 1, 11% by Acasa TV, 6% by Realitatea TV, 5% by Prima TV, 5% by Kanal D and 4% by TVR1. In 2007 over 60% of the GRP's were sold by Top 5 channels – this situation changed in 2008 – more and more advertisers were moving sizeable budgets from the main stations towards niche stations in order to improve the overall cost of TV buying, thus in 2008 the Top 5 channels represented only 55% of the sold GRP's . The situation reversed in the beginning of 2009 when the cost deflation made again the main stations more appealing.

We estimate that in 2009 the Top 5 channels will account for ca. 60% of total GRP's sold.

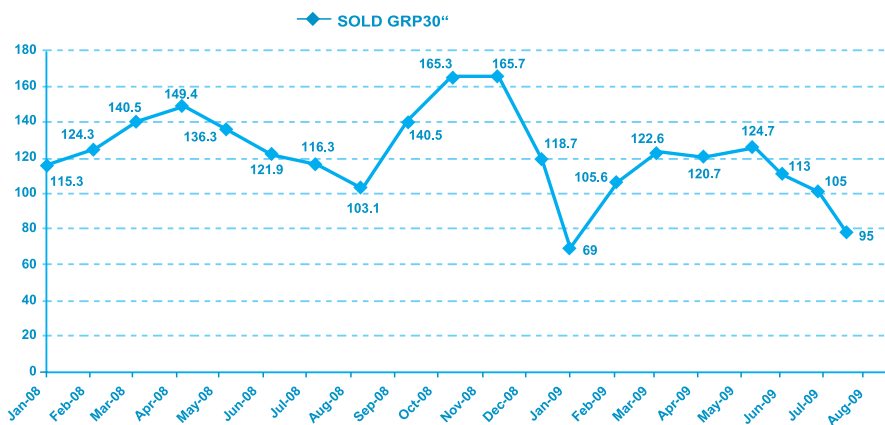
The total GRP inventory sold decreased from 2007 to 2008 by 6% mainly caused by the negative evolutions of the budgets started in Q3 of 2008 on some TV-intensive categories: FMCG, soft drinks and financial services. This trend continues into 2009 when we expect ca. 15-20% less GRP's to be sold. On another hand, in 2008 the loadings calmed down – after a very high pressure in 2007 – with only 3 months of sold out (April, October and November).

In 2008 the audiences increased on avg. by 7% and the same ascending trend is continued into 2009 fuelled by the fact that due to the crisis more Romanians consider television as the primary source of inexpensive entertainment.

Years	2005	2006	2007	2008	H1 2009
Buying target GRP30"(000) sold	1500	1600	1700	1600	851
Share of TV monitored (% all urban)	82%	85%	86%	87%	88%
TV Loading (%)	57%	66%	72%	68%	55%

Source: GfK Romania

Graph 1: Sold GRP30" ("000) by month (buying target)

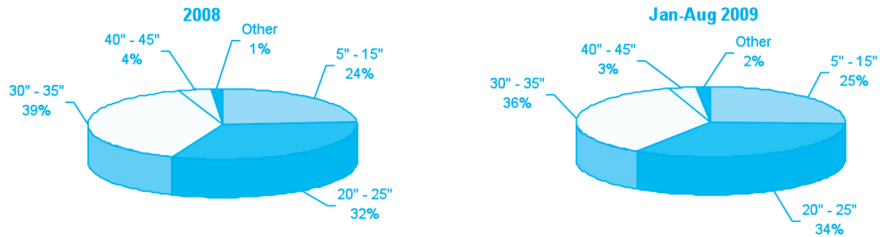


Source: GfK Romania

The same pattern of GRP consumption appears in 2009, but the actual level is lower by 15 % compared to the same period of 2008.

In 2008 the most used spot-lengths were 30" & 35". The proportion remains almost the same in Jan-Aug 2009.

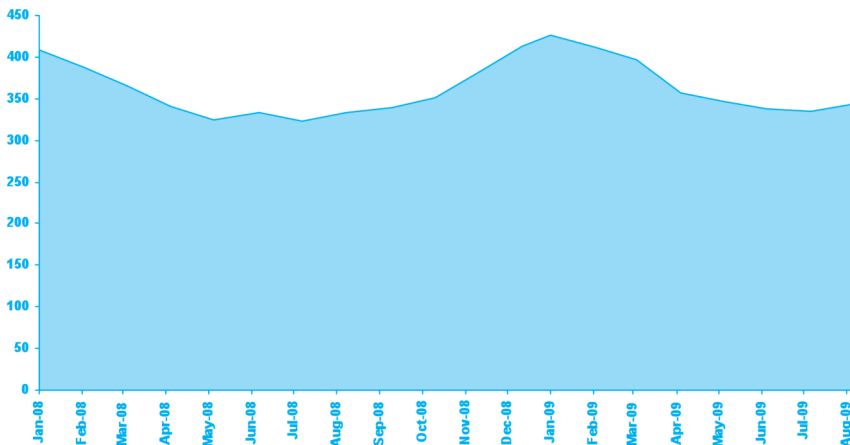
Graph 2: Spot-length usage (Share % - insertions)



Source: GfK Romania

The time spent viewing increased in 2008 by 11% compared to 2007 (from 5.3 h/day to 5.9 h/day), while in Jan-Aug 2009 it increased by 5% compared to the same period of 2008 (from 6 h/day to 5.8 h/day).

Graph 3: Time spent viewing (avg. minutes/day)



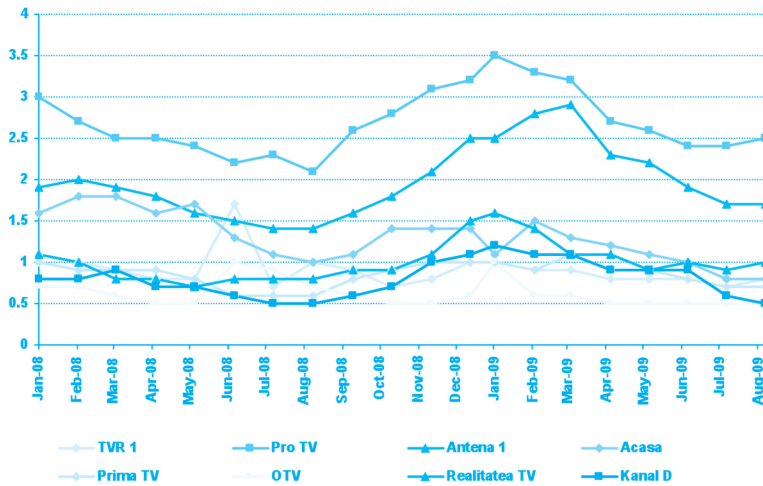
Source: GfK Romania

## TV Channel's profile

Total Audience decreased over summer and started again to increase in Oct 2008, reaching the maximum in Jan 2009. In 2008 ProTV was leader (Rtg 2.6%, Shr 14.1%), followed by Antena 1 (Rtg 1.8%, Shr 9.7%) and Acasa TV (Rtg 1.4%, Shr 7.7%). RealitateaTV (Rtg 0.9%, Shr 5.1%) outperformed TVR 1 and Prima TV.

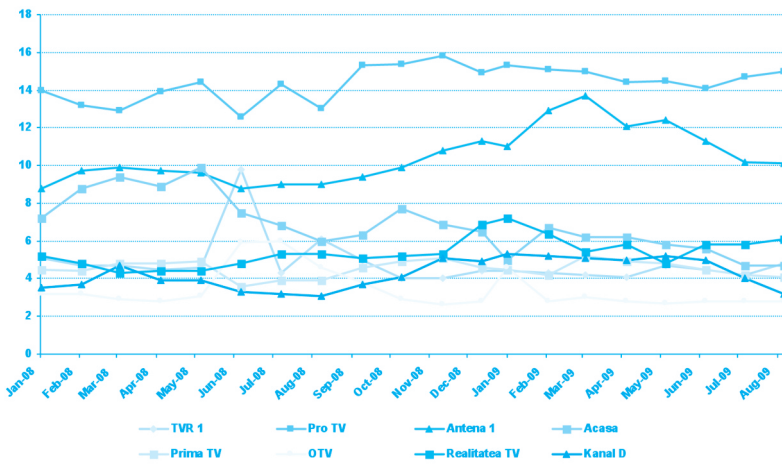
The same hierarchy continued in 2009, with Pro TV leader (Rtg 2.8%, Shr 14.8%), followed by Antena 1 (Rtg 2.3%, Shr 11.8%), Acasa TV (Rtg 1.1%, Shr 5.6%) and Realitatea (Rtg 1.1%, Shr 5.9%). Interesting to note that despite the hierarchy being unchanged, Antena 1 has improved its [performances](#) vs 2008 while AcasaTV decreased.

Graph 4: Monthly Dynamic – Program Analysis (Rtg %, All urban)



Source: GfK Romania

Graph 5: Share of audience by station / by month (Shr %, All urban)

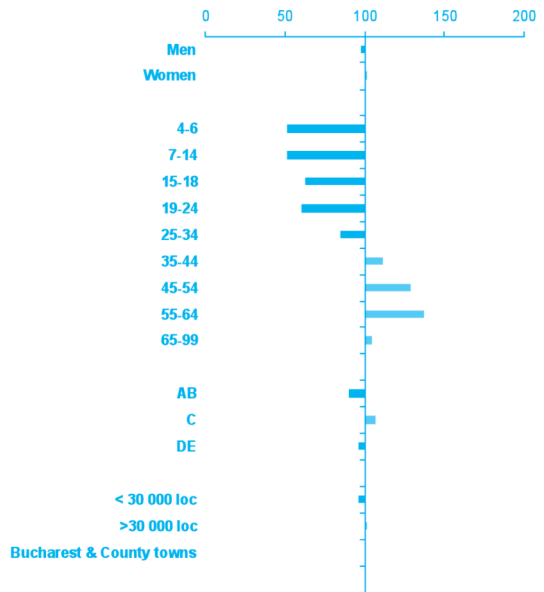


Source: GfK Romania

Pro TV (93.6% national coverage) remains leader in viewers' preference for the 5th consecutive year. In 2008, according to GfK Romania, top program preferences were: Football games "Champions League" (11.5% Rtg all urban), "Pro TV News 19" (9% Rtg all urban) and "Dansez pt. tine" (8.8% Rtg all urban). Other high rated programs were the newly launched "O-la-la" (8.3% Rtg all urban), "Pro TV News 17" (6.3% Rtg all urban) and prime time movies.

Pro TV delivered a good affinity on its target group '18-49 y.o., urban' thus making the station the primary choice for advertisers.

Graph 7: ProTV – Audience profile - TgAfin.%

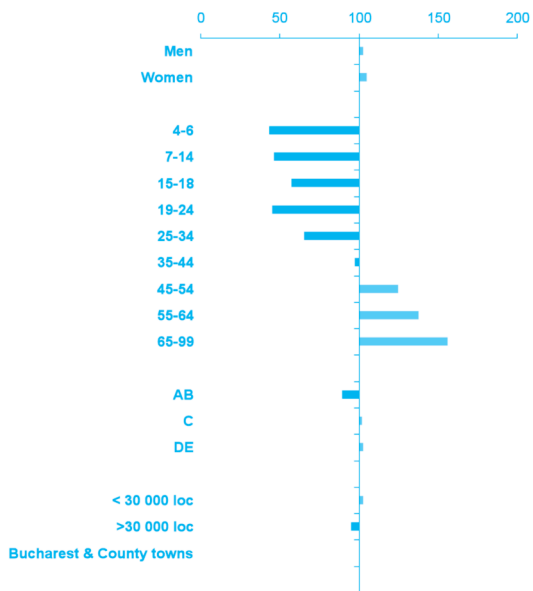


Source: GfK Romania (target: all urban area)

Antena 1 (93.7% national coverage) also broadcasted football games – 'World Cup 2010' qualifications, which delivered the highest rating for this TV station in 2008 (17.9% Rtg all urban). "Divertis Mall" followed in top programs with 9.9% Rtg. all urban. On the 3rd place was another entertainment program, "Genialii", a show dedicated to Romanian personalities (7.4% Rtg all urban). Other programs with good performances on all urban viewers were still from the entertainment category: "Din Dragoste" (7.3% Rtg), "Noaptea erorilor" (6.8% Rtg), "Secret talent" (6.2% Rtg) and "Vreau sa fiu vedeta" (6.1% Rtg) making Antena 1 a market leader in this genre.

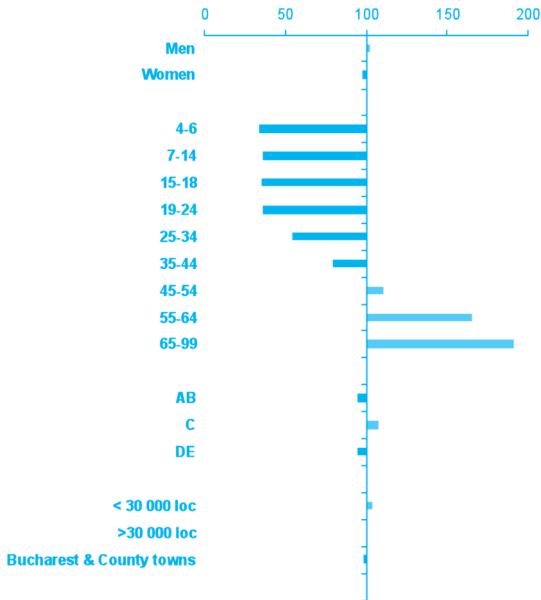
The buying target for Antena 1 is "All 18+, urban.

Graph 8: Antena 1– Audience profile - TgAfin.%



Source: GfK Romania (target: all urban area)

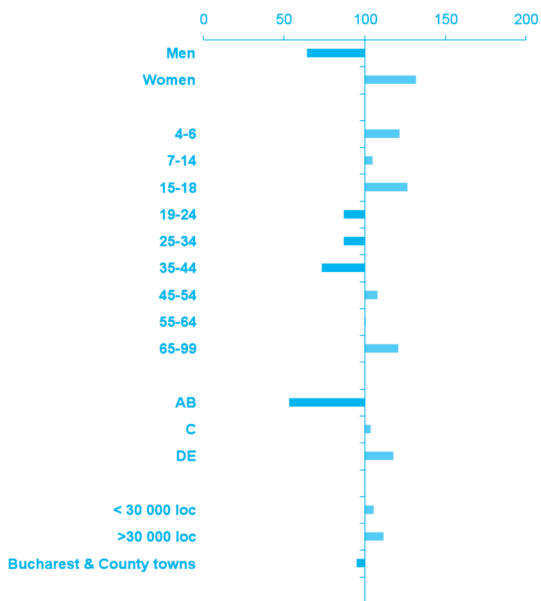
Graph 9: TVR 1– Audience profile - TgAfin.%



Source: GfK Romania (target: all urban area)

TVR 1 (99.2 % national coverage) is the main public channel and was the audience leader for sports transmissions in 2008 with the European Football Championship (12.7% Rtg) but also for unique events such as “Eurovision Song Contest 2008” (4.6% Rtg) and “Cerbul de Aur” (5% Rtg). “O data in viata”, which replaced “Surprize surprize” on the same time band, scored less, 5.1% Rtg. The buying target of TVR 1 is “All 18+, urban.”

Graph 11: Acasa TV– Audience profile - TgAfin.%

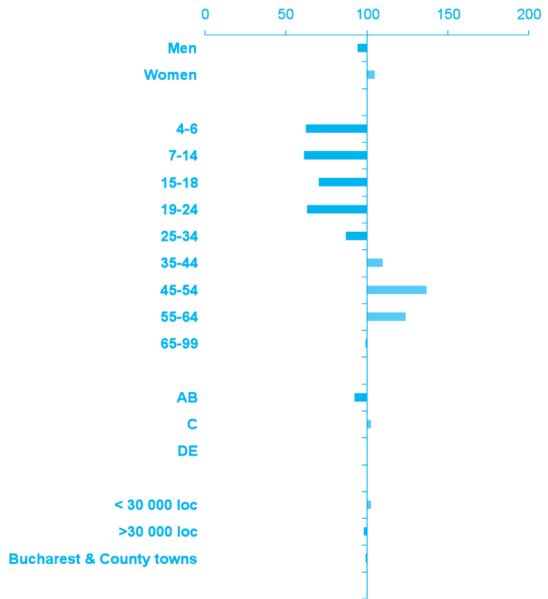


Source: GfK Romania (target: all urban area)

Acasa TV (90.1% national coverage) ranks 3rd in terms of urban audience share. The Romanian soap operas “Inima de tigan” and “Regina” are top rated programs, with 9.9% and 9.5% Rtg. “Ingerasii” and “Doctor de mame” (Romanian soap operas), didn’t score so good (only 3.9% and 2.3% Rtg). Other significant programs are “Povestiri adevarate” (2.4% Rtg) and “Povestiri de noapte” (3.7% Rtg). The buying target group is ‘W, 15-49 y.o., urban’.

Prima TV (91.6% national coverage) focused to local productions such as: "Cronica Carcotasilor" (4.6% Rtg), "Schimb de mame" (4.1% Rtg), "Tradati in dragoste" (3.8% Rtg), "Politia in actiune" (2.7% Rtg), "Curat, murdar?" (2.6% Rtg) and "Mondenii" (2.2% Rtg).  
The buying target is "18-49, all urban".

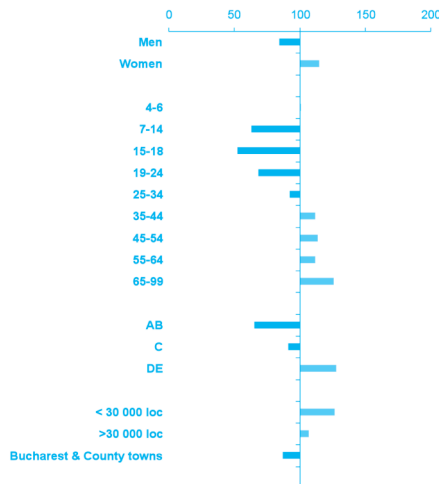
Graph 12:Prima TV– Audience profile - TgAfin.%



Source: GfK Romania (target: all urban area)

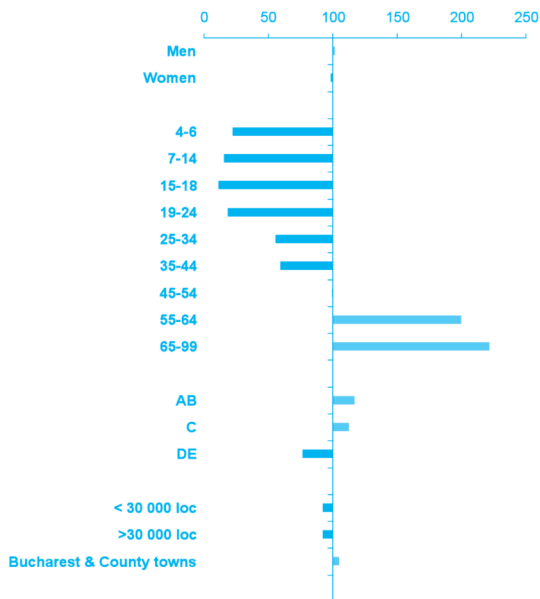
Kanal D (82.8% national coverage) broadcasted – Liga 1 – Romanian Football (8.9% Rtg) first half of 2008, than, they lost the rights of transmission in favor of GSP TV. Despite these they managed to keep the audience with local productions as "Fata lui tata" (4.5% Rtg), "Nora pentru mama" (3.3% Rtg) but also on local soap operas like "Asi impotriva destinului" (2.8% Rtg) and "Havin" (1.8% Rtg)  
The station's buying target is "All 18-49 y.o Urban".

Graph 14:Kanal D– Audience profile - TgAfin.%



Source: GfK Romania (target: all urban area)

Graph 15: Realitatea TV – Audience profile - TgAfin. %



Source: GfK Romania (target: all urban area)

Realitatea TV – (89% national coverage) is the leader on the News specialty and the biggest surprise of the 2008, managing to surpass TVR1 and Prima TV most of the year.

Its top audience programs are: “Documentarele realitatii” (3.4% Rtg), “Ganduri pentru Romania” (2.8% Rtg), “Zona de impact” (2.4% Rtg). Realitatea’s buying target is “All 18+ urban”.

## Perspectives

- the deteriorating economic environment made an impact on the media market as early as Aug 2008. Hence 2009 brings a shrinking of the market volume and an accelerated trend of consolidation in all market segments and increased pursuit of **efficiency** and better management of all resources.
- all channels made efforts to inject more **efficiency** where programming is concerned by taking off air the expensive programs with poor audience delivery and **adjusting** the operational cost to the new market reality. 2009 is the first year of crisis and market **deflation** over the past decade.
- there are categories that reduced significantly their investment relative to previous year: banking/finance, automotive and some of the FMCG categories.

Our estimations for the 2009 TV market are:

- ca. 30%-35% decrease of the net TV spend vs. 2008 – triggered by two causes: decrease of the inventory of GRP’s 30” sold by stations and the **deflation** of the cost per point. The actual decline in terms of TV spend depends a lot on the Q4 evolution.
- decrease of loadings to 50-55% on the basis of an increased audience of ca. 5%-10%
- the cumulated share of the top 5 Channels will increase vs the others’ compared to 2008.
- some TV channels are on the brink of shutting down due to financial limitations, on another side there are TV stations investing a lot in programming in order to gain market share in crisis times (e.g. Antena 1, OTV, etc)

## &gt;&gt;&gt; radio

*“Radio is the theater of the mind, television is the theater of the mindless”*

Steve Allen

## Overview

In 2009 there are over 700 radio licenses issued by CNA on the Romanian radio market.

According to CNA, top 10 owners of radio licenses in 2008 are:

1. SC. SBS BROADCASTING MEDIA SRL with Kiss FM and Magic FM – 84 licenses
2. SC. RADIO XXI SRL with Radio 21 – 54 licenses
3. SC DINAMIC AUDIO – SERV SRL with Radio Vocea Sperantei – 41 licenses
4. PATRIARHIA ROMANA with Radio Trinitas – 36 licenses, SC. ABC PLUS MEDIA SA with National FM and Favorit FM – 36 licenses and SC. REALITATEA MEDIA SA with Realitatea FM, Radio Guerrilla and Radio Alpha – 36 licenses
5. SC PRO TV with Info Pro and Pro FM – 34 licenses
6. SC GRUPUL MEDIA CAMINA (G. M. C.) SA with Romantic FM and Radio ZU– 31 licenses
7. SOCIETATEA ROMANA DE RADIODIFUZIUNE with Radio Romania (International, Regional) Antena Satelor, Radio 3 Net – 21 licenses
8. SC MINISAT TELECOM SRL with Radio Minisat – 19 licenses
9. SC RADIO TRANSILVANIA LBM SRL with Radio Transilvania – 16 licenses
10. SC GALAXY SRL with Radio Galaxy - 10 licenses

SBS Broadcasting Media and Radio XXI are the most important broadcasting companies, just as in 2008, although the radio market increased continuously.

In September 2008 Intact Group launched Radio ZU (24 local stations) that changed the top of audiences by becoming the No. 1 radio station in 2009, in Bucharest (261,800 listeners 11+ urban, according to SAR, Jan-Apr 2009).

Gold FM was launched in October 2008s by Realitatea Catavencu, which also owns Radio Guerrilla and Realitatea FM.

Kiss FM begins 2009 with 58 radio stations, Radio Magic with 25 stations and One FM with 8.

Radio Pro FM expanded its network to 30 local stations (+ 6 affiliates) in Spring of 2009, while Radio 21 offers 43 stations to date.

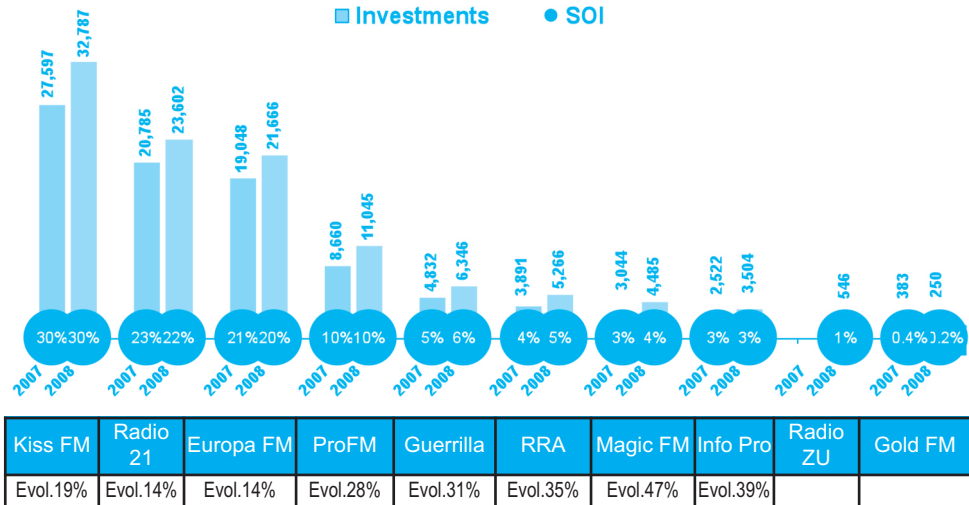
All radio stations tried to consolidate their position, to develop their network and to win new audience. All these efforts are completed by permanently launching of new and dynamic radio programs, bringing new and exciting guests and by promotions with expensive prices in money, holidays, cars etc.

The system of measurement changed in 2008 when ARA delivered audience data in three waves (first in June 2008, second in October 2008 and last in February 2009).

In 2008, the total radio net ad-spend increased by 16% vs. 2007, reaching 35 million € (6% of the total net media market), while the total gross ad-spend increased by 21%, reaching 110 million €.

The stations with the biggest ad spend share in 2008 were Kiss FM (30%), followed by Radio 21 (22%) and Europa FM (20%). The hierarchy is the same as in 2007.

Graph 1: Radio ad-spend evolution 2007-2008



Source: Alfacont – MediaWatch ('000 €) - excluding media barbers

“Cars & 4x4 vehicles” remained the leading category in 2008.

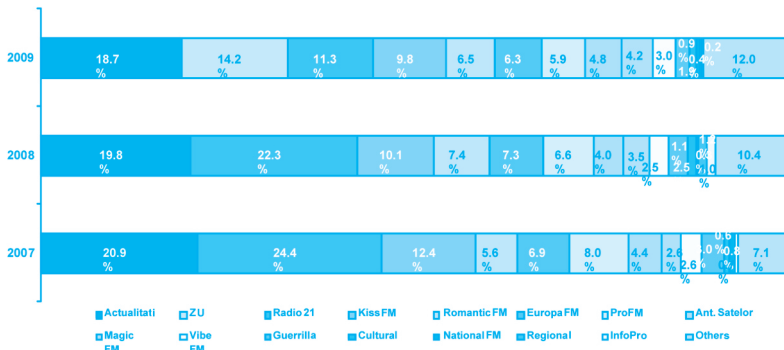
With 67% increase vs. 2007, “Stores, commercial centers and supermarkets” category surpassed “Mobile telecommunication services” (which increased by just 10%).

New entries in the Top 10 most advertised categories on Radio in 2008 are “Banking and insurance services”, “Domestic appliances, electrical & electronics”, “Auto dealers & producers”.

On the Bucharest radio market there is a strong battle between generalist stations and niche stations.

The trend of Bucharest radio market in 2008 is descending, many radio stations losing market share compared to 2007: Radio Actualitati (-5%), Kiss FM (-19%), Radio 21 (-9%), Pro FM (-18%), Guerrilla (-17%).

Graph 2: Radio station % Market Share - Bucharest area

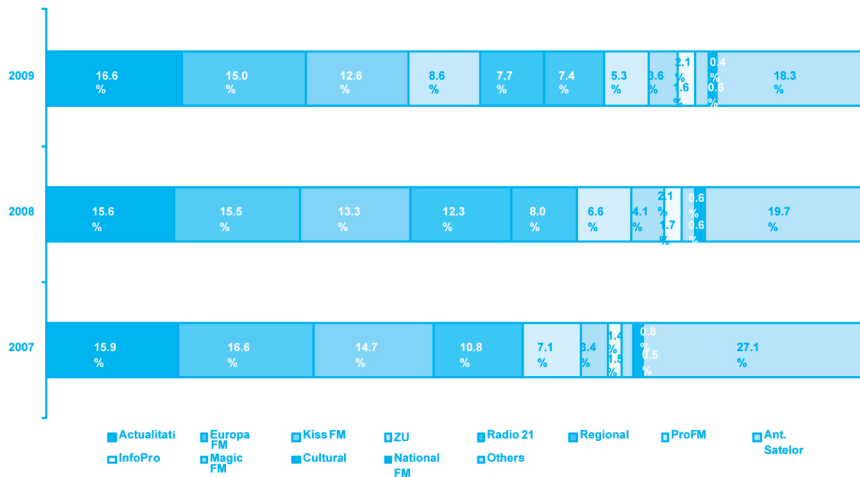


Source: IMAS all 2007, 2008 and Jan-Apr 2009

In 2008, in Urban area, Radio Actualitati and Europa FM were leading in terms of market share, followed by Kiss FM and Radio 21.

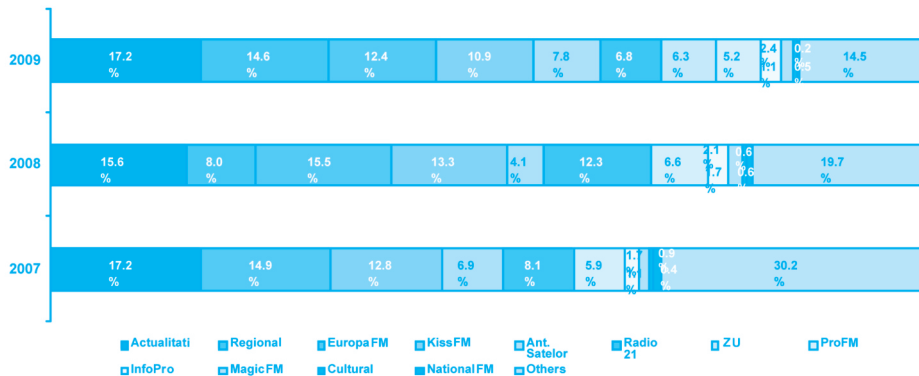
The market share for urban area in 2008 was eroded vs. 2007 for Europa FM (-7%), Kiss FM (-10%) and Pro FM (-7%) while Radio 21, InfoPro and Magic FM increased their respective shares by extending the local coverage.

Graph 3: Radio station % Market Share – Urban area



Source: IMAS all 2007, 2008 and Jan-Apr 2009

Graph 4: Radio stations % Market Share - National area (in 2008 only Urban)



Source: IMAS all 2007, 2008 and Jan-Apr 2009

Please note that in 2008 SAR only provided Urban audience data, not National. The average time spent listening to radio decreased in 2008 by 9%, from 4.6 to 4.2 hrs/day in province cities and by 8% in Bucharest, from 5 to 4.6 hrs/day (according to MasoR).

In terms of daily reach Radio 21 ranks 1st in Bucharest in 2008 (with 392,000 listeners / day) while Kiss FM is the leading radio station on Urban (with 1,405,000 listeners / day).

Daily reach (000)	Kiss FM	Europa FM	Actualitati	Radio 21	Regional	ProFM	Ant. Satelor	InfoPro	Magic FM	Cultural	National FM	City FM	Guerrilla	Itsy Bitsy	One FM	Others
Urban	1.405	1.373	1.324	1.234	769	688	282	197	166	71	64					1.685
Bucharest	223	126	255	392	20	121	52	16	63	18	8	13	47	9	24	304

Source: IMAS, 2008

## Perspectives

- 2009 was marked by changes in leadership on Bucharest daily reach, when Radio ZU surpassed Radio 21. In the beginning of 2009, many broadcasting companies developed their network by launching new stations or by strengthening the existing ones.
- in 2009, due to economic circumstances reflected in budget cuts, the radio spend is expected to decrease.
- in Jan-Jun 2009 the total gross radio ad-spend decreased by 17%, from 53.6 million to 44.4 million. In H1 2009, the stations with the biggest volume share were Kiss FM (31%), followed by Radio 21 (18%) and Europa FM (17%). Radio ZU had 8%. The Top 3 spenders in H1 2009 are the same as in H1 2008. All the radio stations followed a decreasing trend: Kiss FM (-17%), Radio 21 (-34%), Europa FM (-30%), RRA (-43%), Pro FM (-18%), Guerrilla (-19%), Info Pro (-24%).
- "Stores, commercial centers & supermarkets", "Mobile telecommunications" and "Cars & 4x4 vehicles" are dominating categories with the biggest ad spend on radio in H1 2009. Compared to the same period of 2008, "Banking & insurance services" and "Domestic appliances" went out of Top 10 radio spenders.
- radio stations make efforts to expand their local coverage and to appeal to new audiences by organizing contests, promotional offers, entertaining talk-shows and more recently – live transmissions. Radio remains still a relatively inexpensive media channel, used as secondary media in many advertisers' strategy, considering its volatile audience base, low customization and targeting possibilities.
- the Radio market is expected to shrink by 30% in 2009.

## >>> digital media

### >>> internet

*Randall Rothenberg, president and CEO of the IAB: "In this uncertain economy, where marketers know they need to do more with less, interactive advertising provides the tools for them to build deep, engaging relationships with consumers—the experience marketers gain from this will deliver dividends especially after the economy turns around."*

#### Facts

Online Advertising revenue in UK surpassed that of Radio in early 2008 and overtook TV in H1 2009 for the first time.

2008 represented a peak year for online advertising in Romania and world wide, with last quarter registering an all time high, despite the crisis. This is due to the fact that in difficult business days, advertisers turn to efficient media even more, looking for performance based activities.

IAB UK and US, largest online markets, reported a slower pace of growth, but being the only medium showing growth. (IAB) The Internet is now the third largest ad-supported medium, marking its increasing significance to marketers and consumers.

#### Overview

2008 was one of the best years for the development of the Online Market in Romania, with a growth of over 70% vs. 2007.

The main drivers behind the growth of Online Market are the ever-growing broadband penetration, the extended time users spend online, where search engine usage is increasing rapidly.

In 2008 narrowband connections were virtually excluded from the official reports by the expansion of broadband connections. In Dec 2008 broadband accounted for 4.04 million connections.

According to World Stats report of June 30, 2009, Internet penetration in Romania is 33.4%, still under the European average of 48.9%. However, Romania ranks 8th among EU countries by number of Internet users (7.4 million in Jun. 2009).

In H1 2009, the online market appears to have decreased compared to the same period of 2008 (Initiative estimation).

#### Summary 2008

- Some 52,000 Romanian websites (+33%) generated 2.5 billion visits (+47%) in December 2008 (source: www.traffic.ro);
- There were 340,392 ".ro" domains in Nov. 2008, +36% vs. Nov. 2007 (ANC).
- In Dec. 2008 19% of population used broadband connections, an increase of 90% vs. Dec. 2007 (source: ANRCTI);
- ANRCTI counts for a total of 5,250,000 broadband internet connections (fixed and mobile) in Dec. 2008, a 73% raise from Dec. 2007.
- Fixed broadband connections are rapidly growing on domestic consumers' segment – 31% raise, up to 2.2 million connections
- BRAT released the traffic data covering approx. 400 top rated sites for Dec. 2008 and the first demographic data for approx. 150 of them. For the first time, official users profile and duplication between sites can be determined, enriching planning tools and media strategies. This was an important step for the online industry, advertisers finally having official figures for this media.
- 2008 was a calm year, with no significant changes on the market, so positions within the top vendors have not changed
- The Internet market continued the fragmentation phase. Seven important sellers concentrate ~90% of the market. Boom (Netbridge) was the market leader, followed by Arbomedia, AdEvolution and Media Pro. AdEvolution strongly decreased while MPI grew;

- In December 2008 IAB & PriceWaterhouseCoopers released the first audited data for the Romanian online market covering 2007 and H1 2008;
- Small publishing groups returned to big selling networks – Mirabilis, Inform Media (the latter in fact bought the first). Individual websites that were leading in their segments, started to market themselves independently;
- Realitatea Catavencu launched F5-Xmedia division, for integrated media advertising (TV, mobile, online etc.) and it rapidly gained momentum;
- Google has withdrawn its presence in Eastern Europe, including Romania;

### Online advertising budgets

Online advertising revenue reached an annual growth of over 70% (2008 vs. 2007), hence a market share of 3% of all net media volume.

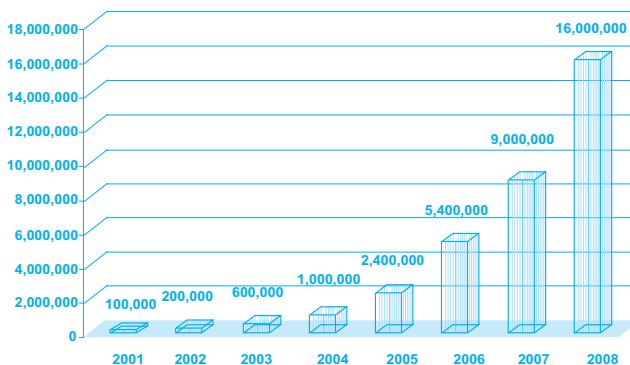
In 2008, 51% of the Online budget was invested in banners, thus having the smallest growth of all online formats, a clear sign of the market growing mature. Advertisers opted to use less banners in favor of more appropriate and smarter ways to reach the target user and better fit the message with the media environment.

As opposed to the spend seasonality of previous years, in 2008 the revenues in H2 (53% of total year) were only slightly bigger than in H1 (47%). By contrast, in 2007 revenues were much more concentrated in H2 (62%). Also, in 2008 the months of May, June, Oct. and Nov. were peaks of consumption, while in 2007 the consumption was concentrated in Sept – Dec. This translates into a more balanced online activity across the year matching the specific features of the online media: precise targeting, personal interaction, detailed metrics and real-time results tracking.

Video advertising had an impressive growth, of over 600% vs. 2007. Email advertising and sponsorships also had a strong growth, offering good user engagement and brand results.

As a conclusion, 2008 was a good year of development and growing sophistication not only of the online market offering but more importantly, of the way clients and agencies relate to and use online, to reach the consumer and interact with it.

Graph 2: Net ad spends evolution – 2001 - 2008 (€)



Source: Initiative estimation

### Top Categories 2008

In 2008, the major categories using Online advertising were Finance, Telecom and Automotive. Compared to 2007, Finance maintained the leading position, whilst Telecom and Automotive gain one position. All Top 3 categories maintained almost the same share of spend as in 2007. However, Finance was the only category investing less in H2.

Drinks and Cosmetics severely decreased the spend, being the first sectors affected by the crisis, while Food increased significantly (up to 3% share).

## Top Online Vendors

TOP 5 Vendors by SATI in 2008:

1. Netbridge Investments / Boom: 201 websites (+18% vs. Dec.`07); 61 million users/month (+30% vs. Dec.`07)
2. ARBOmedia: 156 websites (~ equal to Dec.`07); 20.2 million users/month (+244% vs. Dec.`07)
3. Adevolution: 110 websites (+11% vs. Dec.`07); 18.6 million users/month (-25% vs. Dec.`07)
4. Mediapro Interactive: 39 websites (+39% vs. Dec.`07); 10.8 million users/month (-10% vs. Dec.`07)
5. Internet Corp: 15 websites (-12% vs. Dec.`07); 4.2 million users/month (+70% vs. Dec.`07)

Table 1: Top Categories in Online advertising

2005	2006	2007	iun.08
Telecom	Telecom	Finance	Finance
Finance	Finance	Telecom	Telecom
Auto	Auto	Auto	Auto
FMCG - Beer, wine, liquors	FMCG - Beer, wine, liquors	IT&C	FMCG – Foods
IT&C	FMCG - Personal Care	FMCG - Personal Care	FMCG - Personal Care
Electronics	Electronics	FMCG - Soft Drinks	Property
FMCG - Personal Care	IT&C	FMCG - Beer, wine, liquors	Businss & Industrial
FMCG - Soft Drinks	FMCG - Soft Drinks	Electronics	Entertainment & Media
FMCG - Foods	FMCG – Foods	FMCG - Foods	FMCG - Soft Drinks
FMCG - Drugs	FMCG – Drugs	FMCG - Drugs	FMCG – Drugs

Source: Initiative estimation

## Perspectives

- online revenues for H1 2009 proved to be the least affected by the crisis. Beside the normal low months of Jan. and Feb., the following period proved the market – vendors, agencies and clients - found ways to make the best of the given difficult conditions.
- due to economic recession, online net ad spend is expected to decrease 15-20 % in 2009.
- vendors get even more fragmented, reaching a number of 20 players.
- a new player – Intact Interactive - entered the market and gained impressive market share. Intact took an important market share from Netbridge.
- due to continuing fragmentation and economic environment, Netbridge has stopped existing. Another company, Digital Ads, took its place, but with a much smaller portfolio of sites. The new network is mainly based on own proprietary sites of Netbridge.
- a new **performance** platform was created – TradeAds. It allows advertisers to auction on Cost Per Click and Cost Per Thousand impression on a variety of websites, most of them Netbridge proprietary sites.
- F5-Xmedia and ARBOinteractive were the most active networks in launching products and platforms to match the challenging media landscape.
- buying is increasingly made on the basis of CostPerCclick, CostPerAction, or CostPerSale models.
- the share of social media, video and search will increase in total online spend.
- first data for online spend monitoring is expected to be released in 2010 by BRAT study.

- compared to the evolutions of other media, in 2009 Internet will likely come out well with increased share of spend (from 3 to 4%) much like TV (from 62 to 65%), which is exactly what Initiative predicted in late 2008 that will happen.
- big vendors are expected to grow their networks, in order to gain in market share, but important fragmentations are still expected.

## >>> new media

*“A new medium is never an addition to an old one, nor does it leave the old one in peace. It never ceases to oppress the older media until it finds new shapes and positions for them.”*

Marshall McLuhan - Canadian communications theorist

### Overview

New Media is still a very young and experimental part of digital media in Romania. In New Media we should include mobile marketing, mobile TV, interactive TV etc. Nevertheless, there is a segment of advertisers that use mobile marketing as established tactics in their plans, mostly from Automotive, Finance and FMCG categories.

The main features of this new type of advertising makes it suitable in times of crisis. New Media is the most interactive media, being at the same time personal, immediate and highly targeted. SMS advertising is the most used tactic approach in Romanian New Media landscape, as all mobile phones today are SMS capable.

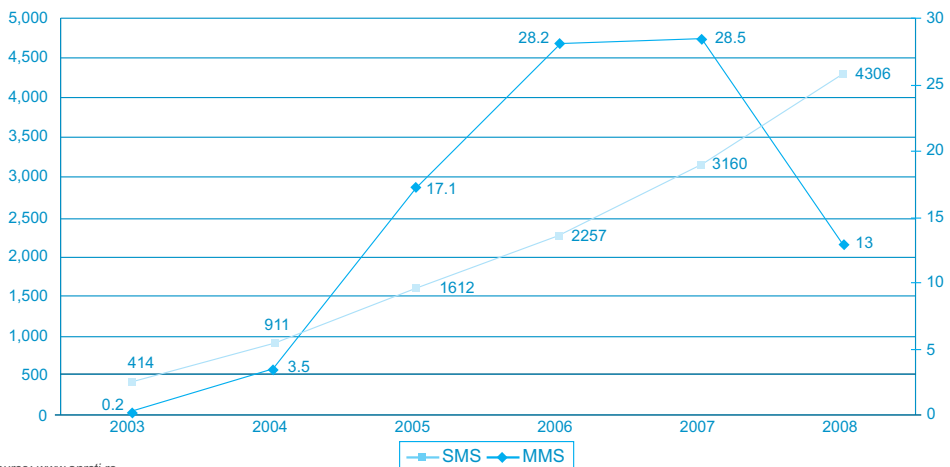
At global level, the number of mobile phones has surpassed:

- TVs, by 2 to 1
- PCs and laptops, by 3 to 1
- Fixed internet, by 4 to 1

In Romania, the number of mobile phones has surpassed:

- TVs, by 11 to 1
- PCs and laptops, by 4 to 1
- Fixed internet, by 6 to 1

Graph 1: SMS and MMS evolutions 2003-2008 (millions per year)



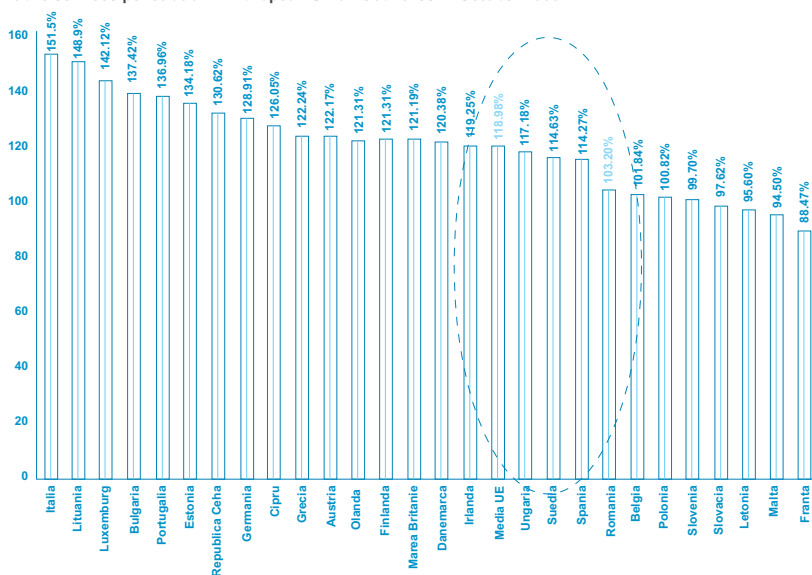
Source: www.anrci.ro

The evolution of short messages (SMS) and multimedia messages (MMS) in 2008 proves that people use this type of communication more and more, with 1 message/2 days/individual user.

In 2008, SMS traffic through mobile networks was 36.5% higher than in 2007, reaching 4,306 million.

In an European context, Romania is still behind the average penetration rate for mobile. In October 2008, the penetration rate of mobile telephonic services for active users was 113.8%, which brought Romania on 21st place in UE 27 countries (23rd place in 2007).

Graph 2: Mobile services penetration in European Union Countries in October 2008



Source: www.anrcti.ro

*Note: European Commission report counted subscriptions valid till the study deadline and SIMs that registered at least one paid operation in the last 3 months.*

The number of active users was 24.5 million in Dec. 2008 (ANRCTI). 60.4% of these used pre-pay SIM cards (67% in 2007) and 39.6% used monthly subscription services (33% in 2007%) of which personal subscriptions 70.1% (67% in 2007) and 29.9% with company contracts (33% in 2007).

In 2008, Vodafone Romania entered the new media market, by launching advertising through SMS, MMS, and on its Vodafone Live! platform. After a slow start, the services gained momentum and positioned Vodafone as an important provider in this segment. Orange Romania is also expected to enter the market.

The mobile market is and has been dominated for a long time by two big companies, Intertel Communications and Voxline.

## Mobile Internet

Mobile internet has gained momentum in 2008 and is continuing to do so in 2009. This fact is also proved by the most important publishers, who launched and are expected to launch even more mobile versions of their properties in 2009. ARBOinteractive, F5-Xmedia and Media Pro Interactive are the main players on the mobile internet market.

Hotspots are another important segment, and their number is also growing, from 760 in 2007, to 950 in Dec. 2008, most of them being located in Bucharest.

## **IPTV**

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In Dec. 2008 there is only one registered provider for IPTV in Romania, and a very small number of subscribers, under 1,000.

## **New Media 2009 estimations:**

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2009 and 2010 are under the signs of [performance](#) and [segmentation](#). New Media has specific technological support that makes the above possible and helps create and manage data-bases for advertisers, which translates into “gold value”. We expect the market and ad spends to follow the general trends for this period.

*“Advertisements contain the only truths to be relied on in a newspaper.”*

Mark Twain

## Overview

The evolution of the press market in 2008 (mostly at the end of the year) and the first half of 2009 could be easily described by the phrase ‘fairytale gone bad’. Or is it ‘your greatest threat is your savior’? Still, despite all the possible metaphors and comparisons, one thing is indisputable and that is the fact that the print media is falling at great speed.

After the last few years when the best word to describe the development of the press market was the word ‘booming’, everything came to a halt and started to decrease at the end of 2008 and especially in the first half of 2009. Overcrowded segments sometimes filled with copycat publications, aggressive marketing actions that required a great deal of expenditures from the publisher but who, due to their similarities, ended in actually decreasing brand equity and differentiation were just a few of the factors that contributed to the erosion in the quality of print publications and the following loss of readers. When the marketing actions began to be too hard to sustain financially, the preconditioned reader, accustomed to get an extra benefit with each read publication, refocused his attention to other, more entertaining and cheaper media.

The difficult and unpredictable economical environment took its toll as well.

With the purchasing power of the consumer constantly decreasing, buying a whole segment of publications disappeared as a habit and was replaced with buying only one publication from the segment. Also, with advertisers decreasing their media budgets, a reorientation to maximizing benefits of media spending was necessary, which left the print media on the outside of the media plans.

When print publishers considered the Internet as a threat for the print media, they were actually right. If we look at the traffic figures of the top 10 POP websites corresponding to print publications, the increases in the average number of page impressions and visits in H1 2009 compared to 2008, we see very significant increases, which signal a continuing increase in the amount of information that is collected from the online media as a complementary or replacement form of the print media.

Website	Corresponding Publication	Genre	2008 Monthly Averages		H1 2009 Monthly Averages		Evolution	
			Pls	Visits	Pls	Visits	Pls	Visits
gsp.ro	Gazeta Sporturilor	Sports	25,116,836	8,467,074	30,570,812	9,786,867	22%	16%
prosport.ro	ProSport	Sports	26,379,623	5,755,623	24,333,919	6,664,851	-8%	16%
libertatea.ro	Libertatea	News / Tabloid	23,398,191	3,244,760	32,972,584	5,527,237	41%	70%
evz.ro	Evenimentul Zilei	News / Quality	15,211,451	2,973,347	18,687,862	4,170,891	23%	40%
click.ro	Click	News / Tabloid	10,868,576	1,604,940	16,622,338	2,891,791	53%	80%
gandul.info	Gandul	News / Quality	5,329,334	1,572,606	6,467,767	2,291,482	21%	46%
cotidianul.ro	Cotidianul	News / Quality	5,018,649	1,410,605	6,400,700	2,139,530	28%	52%
adevarul.ro	Adevarul	News / Quality	4,703,062	1,263,667	6,305,641	2,089,731	34%	65%
zf.ro	Ziarul Financiar	Economic	3,779,437	1,241,895	5,728,118	1,968,511	52%	59%
jurnalul.ro	Jurnalul National	News / Quality	4,288,616	1,177,163	6,616,407	1,686,600	54%	43%
ziua.ro	Ziua	News / Quality	4,706,068	1,117,842	5,305,903	1,320,848	13%	18%

However, after failing to turn the Internet to their advantage (due to lack of knowhow and strategy to **transform** the Internet into a teasing tool for print content and also due to an increasingly unpredictable consumer behavior), print publishers found a sudden savior in the same thing that was threatening them. In the light of this, some publishers decided to save costs and preserve brands by moving them from print to exclusively online editions. Also, print publications were the launching slope for online products and brand extensions, requiring low investments for launching but having great longterm potential.

Together with the migration to the online environment, there were also other strategies for **adaptation** and survival. Changing frequencies of publications in order to cut production and editorial costs, more **creative** special advertising projects (some going so far as to totally branding a whole publication by an advertiser), content that is more oriented to offering practical solutions and advice to readers (themselves confronted with their own crisis), mergers of two publications into a single one were just a few of them. And, predictability, better prices for advertising.

Also, taking the risk, some international publishers launched new titles in 2008, most notable being GQ from Liberis Publications, Autobil from Edipresse AS, Diva from Ringier etc.

At the end of the day however, the number of cancelled publications surpasses the number of new launches and relaunches, with a measure that is difficult to estimate considering the fact that this specifically affects small independent and / or local publications that didn't have any form of auditing or readership measurement in the first place. Also, for some of the surviving ones, the cost for auditing and readership measurement could become too big to be supported, resulting in their exit from the above mentioned measuring tools.

In accordance to this, and also taking into consideration the reality of an increasing preference to buy advertising in large, nationally distributed, international and already established brands held by large publishers, produced increases in the market share of publishers with large portfolio, with small publishers losing market share.

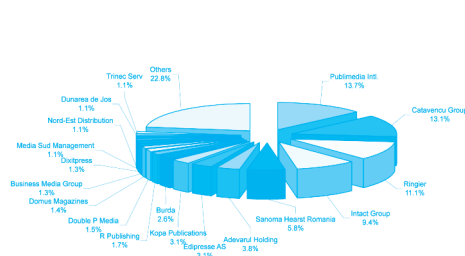
The print advertising market still accounts a gross ratecard value of over 421 million EUR (out of which 14% are represented by media barter), which is an increase in non-barter gross ratecard ad revenue of 11% compared to 2007 (an increase that comes mostly from ratecard increases and does not reflect itself in the net figures). The ratio between magazines and newspapers is of 46.3% for magazines and 53.7% for newspapers, an increase in ratio for the newspapers comparing to 2007.

In the end, despite all the negative aspects at various levels, the situation of the print media is just a test of durability, **efficiently** and **feasibility**. As in any situation of this kind, at the end of the process, some entities will find themselves **transformed** and evolved, while the ones incapable of **adaptation**, **creativity** and lacking a real reason to exist (or more precisely, a real market to address to) would disappear.

## The Publishers

Consistent with the fact that large publishers and publishers of local networks of publications acquire an increasing market share due to the difficulties that small publishers encounter in sustaining their brand, in 2008 publishers with a market share lower than 1% account together 22.8% of the gross advertising market, which is 20% lower than 2007 and decreasing to 21.5% in the first half of 2009.

Graph 1: 2008 share of ratecard revenue by Media Group

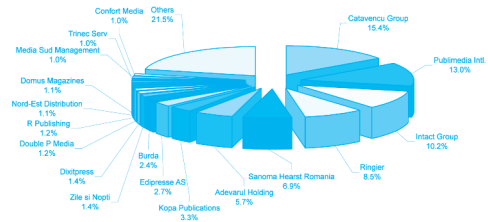


Source: Alfacont MediaWatch

Market shares of more than 10% in 2008 are held by only three publishers (all of them with very large and diverse portfolios). Out of the, two (Publinteria and Catavencu) are Romanian publisher who also posses other media (TV, radio and, of course, Internet) in their portfolio. Ringier, an international publisher with a vast print and Internet portfolio and indirect implications in the TV media (due to owning 25% of the shares of Dogan Media Romania / Kanal D) falls from leader position in 2007 to third position in 2008.

In H1 2009 however, the situation of the top 3 publishers with a share of more than 10% changes, all of the 3 being Romanian publishers who possess operations in both print media and Internet as well as in radio and TV.

Graph 2: H1 2009 share of ratecard revenue by Media Group



Source: Alfacont MediaWatch

## Developments in 2008 and H1 2009

### BMG:

- had a short period of print run decrease for BIZ magazine (only print run for subscriptions was printed), after which the magazine came back to its original production
- also, BIZ and Business Review magazines had one and respectively two issues that were published exclusively in on-line format (February 2009)
- Business Week had its last issues on March 10th 2009, with the magazine being put on hold for license negotiations

### Burda:

- changes Cool Girl magazine layout and frequency from fortnightly to monthly as for October 2008
- cancels Quattroruote magazine since January 2009
- merges Perfect Pentru Casa Mea and Locuinta Mea into one magazine as for December 2008

### Publmedia Intl.:

- relaunches Target magazine under the name DA Premium, with a monthly frequency and distribution within Ziarul Financiar – since January 2009
- changes Time Out magazine frequency from weekly to monthly
- transforms Descopera (popular science magazine) and Banateanul (local newspaper) into exclusively online publications (no printed edition) since January 2009
- transforms its last local publications (Hunedoreanul, Bihoreanul, Ieseanul and Clujeanul) into exclusively online publications as of June 2009

### Ringier:

- launches in October 2008 the celebrity / pink-gossip magazine Diva in weekly format, changing it to a fortnightly in March 2009
- cancels Compact, their daily freesheet as of February 2009

### Edipresse:

- closes three magazines: Computer Bild and Vacanta ta perfecta (in January 2008) and Creativ (in April 2008)
- launches Autobild magazine in October 2009

### Liberis:

- launches glossy up-market mens' magazine GQ in December 2008

### Agora Media:

- cancels eWeek and PC Magazine at the end of 2008, to have sections from the canceled magazines included in their January 2009 launch – IT Trends (fortnightly).

### Automeia:

- launches CAR magazine in November 2008

**Promo Media Press:**

- launches the free weekly PROMO in Bucharest in December 2009 and cancels it in April 2009

**Adevarul Holding:**

- launches various brand extensions to newspaper Adevarul (Adevarul 500 Milionari – yearly, October 2008; Adevarul de Sanatate – weekly, health, October 2008; Adevarul de Seara – daily freesheet, October 2008) and to tabloid Click (Click pentru Femei – weekly, women's mass market, October 2008; Click Pofta Buna – monthly, cooking, January 2009, Click Sanatate – weekly, health, February 2009)
- launches Forbes fortnightly magazine in March 2009

**Inform Media:**

- cancels local publications Hunedoara Expres (March 2009) and Cluj Expres (May 2009)

Other notable publications launched were Max (men's glossy launched in December 2008) and Shopping Report. At the same time, Romania Libera cancelled their Saturday edition while magazines Republik, My Band and local publication Agenda Zilei were also cancelled.

**Advertising Revenues**

The top 10 market segments with the largest gross ratecard expenditures in the print media in 2008 account a total of 42% from the total print expenditures (media barter excluded), with the first 5 of them being either segments challenged by the deteriorating economical environment (Automotive, Real Estate & Buildings, Banking & Insurance Products and Services) or segments in need of permanent and sustained media presence (Mobile Telecommunications Services and Stores, Comercial Centres, Supermarkets).

Category	Magazines (€)	Newspapers (€)	Total (€)
Automotive	12,650,593	19,148,506	31,799,099
Real Estate & Buildings	5,093,684	16,705,396	21,799,080
Mobile Telecommunications Services	5,107,433	16,619,648	21,727,081
Banking & Insurance Products and Services	4,429,061	12,681,990	17,111,051
Stores, Comercial Centres, Supermarkets	8,951,482	7,987,071	16,938,553
Political Parties	600,559	15,864,241	16,464,800
Restaurants, Coffee Shops, Fast Foods	7,397,504	1,115,230	8,512,734
Government / Municipalities	57,036	7,651,700	7,708,736
Face Care	5,149,893	66,025	5,215,918
Health Centers	1,452,466	3,123,862	4,576,328

Source: Alfacont Mediawatch

Regarding the media barter, the total gross ratecard value goes as high as to slightly over 60 million EUR, with an increase of 5% compared to 2007. Out of whole media barter gross ratecard expenditures, 51% are exchanged with other print media, compared to 47% in 2007.

Value of media barter (rate card, EURO)			
	Magazines	Newspapers	Total
Newspapers & Magazines	13,155,291	17,872,382	31,027,673
TV stations	3,347,648	11,169,015	14,516,663
Radio stations	3,575,494	8,221,301	11,796,795
Cinema, Theatres, Museums	2,251,786	438,660	2,690,446
Advertising agencies	149,051	129,513	278,564
PR agencies	88,338	18,168	106,506
Other media	4,108	16,113	20,221
TV/Radio shows	9,800	112	9,912

Source: Alfacont Mediawatch

Looking at the top 20 publications that gathered the highest level of ratecard advertising revenue (media barterers excluded), the mix is comprised mostly out of free city guides, newspapers (sports, quality and tabloids) and financial publications. Two nationally and internationally established brands are also present as well as two local publications from Vrancea area. Together, all these 20 publications account for 38% of the entire print gross ratecard ad revenue.

Publication	2008 (€)	Publication	2008 (€)
24 FUN	21,182,150	Adevarul	4,818,187
Gazeta Sporturilor	11,194,619	Capital	4,731,718
Sapte Seri	10,965,989	Ziarul de Vrancea	4,712,812
Ziarul Financiar	10,892,840	Cotidianul	4,520,440
Jurnalul National	9,616,946	Monitorul de Vrancea	4,270,485
Libertatea	8,074,690	ProTv Magazin	4,182,953
ProSport	6,848,876	Elle	4,155,785
Evenimentul Zilei	6,514,136	Romania Libera	4,004,665
Cosmopolitan	5,121,237	Click! (Averea)	3,878,104
Business Standard	5,011,510	Tabu	3,659,525

Source: Alfacont Mediawatch

Doing the same top 20 for the first half of 2009, the publications with the highest level of gross ratecard ad revenue remain mostly the same, but comparison with the same period of 2008 reveals decreases up to -64%. However, if we take into consideration the possible increases in discount levels, the overall decreases in ad revenue for each publication might be higher.

Publication	H1 2008 (€)	H1 2009 (€)	H1 2009 vs H1 2008
24 FUN	10,519,870	9,860,790	-6%
Gazeta Sporturilor	6,131,446	4,134,604	-33%
Sapte Seri	5,461,491	4,082,853	-25%
Ziarul Financiar	5,632,087	3,342,913	-41%
Jurnalul National	5,358,300	2,981,549	-44%
Business Standard	2,401,730	2,322,150	-3%
Libertatea	3,928,989	2,281,458	-42%
ProSport	3,419,695	1,869,300	-45%
Adevarul	2,835,092	1,805,118	-36%
Cosmopolitan	2,741,464	1,735,680	-37%
ProTv Magazin	2,033,764	1,653,275	-19%
Ziarul de Vrancea	1,957,895	1,587,765	-19%
Monitorul de Vrancea	1,830,543	1,508,026	-18%
Cotidianul	2,288,185	1,305,690	-43%
Money Express	1,370,650	1,286,911	-6%
Evenimentul Zilei	3,544,662	1,275,841	-64%
Romania Libera	2,075,405	1,187,063	-43%
Tabu	1,579,400	1,141,730	-28%
Elle	2,011,036	1,141,374	-43%
Business Magazin	1,556,560	1,140,005	-27%

Source: Alfacont MediaWatch

## Readership and Circulation Figures

The January 2008 – January 2009 National Readership Survey, completed with the circulation figures audit shows the picture of magazine and newspaper readers who are less to buy various publication but are at almost the same level to read them. This primarily translates into a higher level of readers per hard copy, meaning that a single copy of a publication is now read by a larger number of people, with circulation figures decreasing.

Publication	Publisher	Readership ('000)	Net Coverage (%)	Audited Circulation ('000)	Readers / Copy ('000)	Rate Card (EUR)	CPT (EUR)
<b>Monthlies</b>							
Auto Expert	Machine Maintenance	136	1.5	13	10.5	2900	21.3
Auto Motor Si Sport	MotorPresse	359	4	n.a.	n.a.	3675	10.2
Avantaje	Edipresse A.S.	319	3.6	30	10.6	4600	14.4
Aventuri La Pescuit	Editura Milano	128	1.4	11.1	11.5	2950	23.0
Beau Monde	Sanoma Hearst Romania	82	0.9	24	3.4	4100	50.0
Blu	Blu Retea Farmacii	44	0.5	120	0.4	2756	62.6

Publication	Publisher	Readership ('000)	Net Coverage (%)	Audited Circulation ('000)	Readers / Copy ('000)	Rate Card (EUR)	CPT (EUR)
Bolero	Ringier Romania	183	2	42	4.4	3675	20.1
Bucataria Pentru Toti	Athanor	505	5.6	47	10.7	3135	6.2
Burda	Burda Romania	129	1.4	10.7	12.1	2900	22.5
Caminal	Domus Magazin	152	1.7	6.6	23.0	3000	19.7
Casa De Vacanta	Casa Lux	116	1.3	10	11.6	2200	19.0
Casa Si Gradina	Sanoma Hearst Romania	282	3.1	14	20.1	3200	11.3
<b>Monthlies</b>							
Casa Lux	Casa Lux	273	3	n.a.	n.a.	3200	11.7
Casa Mea	Domus Magazin	314	3.5	17.4	18.0	3000	9.6
Carticica Practica	Casa Lux	191	2.1	77	2.5	3000	15.7
Ce Se Intampla Doctore	Publimedia International	519	5.8	28	18.5	4500	8.7
Chip Computer & Communications	Vogel Burda Communications	149	1.7	18.5	8.1	2800	18.8
Clever Travel	Domus Magazin	35	0.4	6	5.8	2500	71.4
Computer Bild	Edipresse A.S.	110	1.2	6.5	16.9	n.a.	n.a.
Cosmopolitan	Sanoma Hearst Romania	250	2.8	42	6.0	6700	26.8
Descopera	Publimedia International	106	1.2	n.a.	n.a.	n.a.	n.a.
Domus	Domus Magazin	96	1.1	14.1	6.8	2900	30.2
Draga Mea	Casa Lux	177	2	n.a.	n.a.	n.a.	n.a.
Elle	Edipresse A.S.	164	1.8	20	8.2	4400	26.8
Familia Mea	Edipresse A.S.	72	0.8	7.1	10.1	2600	36.1
Farmacia Ta	Galenus	319	3.6	84	3.8	3500	11.0
FEMEIA.	Sanoma Hearst Romania	596	6.7	23	25.9	5200	8.7
FHM	Sanoma Hearst Romania	142	1.6	19.2	7.4	5500	38.7
Flacara	Editura Flacara	102	1.1	4.4	23.2	2500	24.5
Geo	MotorPresse	53	0.6	n.a.	n.a.	3491	65.9
Glamour	Liberies Publications	129	1.4	37	3.5	4200	32.6
Gradina Mea De Vis	Burda Romania	203	2.3	12.5	16.2	2000	9.9
Ioana Horoscop	Burda Romania	456	5.1	n.a.	n.a.	2000	4.4
Ioana-Locuinta Mea	Burda Romania	198	2.2	9.8	20.2	2000	10.1
Ioana-Secretele Bucatariei	Burda Romania	502	5.6	20	25.1	2800	5.6
Ioana-Visul Copiilor	Burda Romania	137	1.5	8	17.1	2500	18.2
Joy	Edipresse A.S.	150	1.7	41	3.7	3300	22.0
LEVEL Games, Hardware & Lifestyle	Vogel Burda Communications	87	1	13.8	6.3	2300	26.4
Look!	Edipresse A.S.	68	0.8	19.1	3.6	2100	30.9
Mami	Sanoma Hearst Romania	144	1.6	21	6.9	4300	29.9
Maxim	Attica Media RMN	60	0.7	8.3	7.2	4500	75.0
Men's Health	Burda Romania	80	0.9	11.6	6.9	4400	55.0
National Geographic	Sanoma Hearst Romania	310	3.5	19.3	16.1	5900	19.0
Oferte Speciale	Oferte Speciale	33	0.4	55	0.6	670	20.3
Perfect Pentru Casa Mea	Burda Romania	90	1	5.2	17.3	n.a.	n.a.
Planul Casei Mele	Domus Magazin	115	1.3	8.7	13.2	2500	21.7
Playboy	Attica Media RMN	262	2.9	15.2	17.2	5500	21.0
Popcorn	Edipresse A.S.	233	2.6	36	6.5	2000	8.6
Practic In Bucatarie	Casa Lux	1006	11.2	254	4.0	4000	4.0
Practic - Idei pentru casa, gradina si apartament	Casa Lux	510	5.7	57	8.9	2800	5.5
Pro Motor	Publimedia International	332	3.7	8.1	41.0	4000	12.0
Reader's Digest	Editura Reader's Digest	233	2.6	n.a.	n.a.	3675	15.8
Rebus (Flacara)	Editura Flacara	729	8.1	38	19.2	2500	3.4
Revista De Film HBO	HBO	476	5.3	n.a.	n.a.	4900	10.3
Slab Sau Gras	Galenus	60	0.7	20	3.0	1800	30.0
Tabu	Catavencu	170	1.9	13.6	12.5	5100	30.0
Tango	Zada Media	49	0.5	13.5	3.6	4462	91.1
Terra Magazin	MotorPresse	161	1.8	121	1.3	1800	11.2
Tonica	Galenus	43	0.5	15.7	2.7	2200	51.2
Top Gear	Ringier Romania	82	0.9	17	4.8	3900	47.6
Unica	Domus Magazin	284	3.2	35	8.1	4724	16.6
Domus Util	Edipresse A.S.	78	0.9	12	6.5	1500	19.2
Viva	Edipresse A.S.	147	1.6	22	6.7	3700	25.2
Xtremc	Romas Comercial SRL	117	1.3	11.1	10.5	2000	17.1

Publication	Publisher	Readership ('000)	Net Coverage (%)	Audited Circulation ('000)	Readers / Copy ('000)	Rate Card (EUR)	CPT (EUR)
<b>Fortnightlies</b>							
Autoshow	Burda Romania	146	1.6	10.4	14.0	2500	17.1
Bravo	Ringier Romania	319	3.6	38	8.4	2493	7.8
Bravo Girl	Ringier Romania	246	2.8	37	6.6	2493	10.1
Cariere	Editura Cariere	48	0.5	n.a.	n.a.	2000	41.7
Ciao!	Revista Ciao	501	5.6	48	10.4	3950	7.9
Cool Girl	Burda Romania	211	2.4	41	5.1	2500	11.8
Ioana	Burda Romania	535	6	51	10.5	3200	6.0
Lumea Femeilor	Ringier Romania	506	5.7	45	11.2	2887	5.7
Oblique Tv Magazin	Oblique Media	65	0.7	100	0.7	4200	64.6
Spy	Revista Spy	63	0.7	n.a.	n.a.	3018	47.9
Sapte Seri Retea Locala	Kopa Publicatii	101	1.1	n.a.	n.a.	11276	111.6
TV Satelit	Ringier Romania	556	6.2	n.a.	n.a.	2887	5.2
<b>Weeklies</b>							
Academia Catavencu	Catavencu	337	3.8	31	10.9	6450	19.1
Adevarul De Duminica	Adevarul Holding	249	2.8	25	10.0	3675	14.8
Agenda	Trustul de Presa Agenda	130	1.5	37	3.5	3411	26.2
Banateanul	Publimedia International	26	0.3	6.2	4.2	n.a.	n.a.
Bihoreanul	Publimedia International	61	0.7	3.9	15.6	2100	34.4
Business Magazin	Publimedia International	87	1	12.8	6.8	4800	55.2
Capital	Ringier Romania	292	3.3	30	9.7	n.a.	n.a.
Click De Duminica	Adevarul Holding	451	5	67	6.7	3049	6.8
Clujeanul	Publimedia International	34	0.4	5.6	6.1	2750	80.9
Dilema Veche	Satiricon	35	0.4	7	5.0	1577	45.1
Evenimentul Zilei de Duminica	Ringier Romania	446	5	27	16.5	n.a.	n.a.
Fanatik	Fanatik Media	165	1.8	14	11.8	7000	42.4
Felicia	Intact Media	311	3.5	36	8.6	2200	7.1
Femeia De Azi	Sanoma Hearst Romania	308	3.4	131	2.4	4200	13.6
Gazeta Sporturilor De Duminica	Convergent Media	660	7.4	31	21.3	8700	13.2
Jurnalul National De Duminica	Convergent Media	541	6	35	15.5	7000	12.9
Libertatea De Duminica	Ringier Romania	764	8.5	151	5.1	5144	6.7
Libertatea Pentru Femei	Ringier Romania	563	6.3	121	4.7	6378	11.3
Money Express	Catavencu	40	0.4	9.9	4.0	4950	123.8
Pro Sport De Duminica	Publimedia International	636	7.1	34	18.7	7000	11.0
Pro Tv Magazin	Publimedia International	922	10.3	107	8.6	5000	5.4
Publitem	Inform Media	54	0.6	n.a.	n.a.	706	13.1
Saptamana Financiara	Saptamana Financiara	298	3.3	36	8.3	4900	16.4
Sapte Seri	Kopa Publicatii	53	0.6	n.a.	n.a.	2887	54.5
Taifasuri	Taifasuri Media	297	3.3	40	7.4	5000	16.8
Story	Sanoma Hearst Romania	184	2.1	21	8.8	4200	22.8
TV Mania	Ringier Romania	422	4.7	95	4.4	7323	17.4
<b>Newspapers</b>							
Adevarul	Adevarul Holding	418	4.7	28	14.9	6824	16.3
Jurnal Aradean	Inform Media	45	0.5	23	2.0	1801	40.0
Arad Expres	Inform Media	25	0.3	14	1.8	540	21.6
Bihari Naplo	Inform Media	27	0.3	14.5	1.9	2011	74.5
Cancan	Cancan Media	783	8.7	93	8.4	4950	6.3
Click	Adevarul Holding	685	7.7	124	5.5	6457	9.4
Cluj Expres	Inform Media	36	0.4	24	1.5	388	10.8
Cotidianul	Poligraf	230	2.6	22	10.5	4650	20.2
Crisana	Anotimp Casa de Presa si Editura 21	0.2	7.5	2.8	1491	71.0	
Curentul	Dramiral Media Group	98	1.1	87	1.1	n.a.	n.a.
Curierul National	Media Sud Management	151	1.7	n.a.	n.a.	3675	24.3
Editie Speciala	Editie Speciala Popular	59	0.7	12.6	4.7	4309	73.0
Evenimentul Zilei	Ringier Romania	536	6	53	10.1	n.a.	n.a.
Friss Ujsag	Inform Media	26	0.3	10.3	2.5	1173	45.1
Gazeta De Olt	Click News	20	0.2	5.6	3.6	1220	61.0

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Gazeta De Sud	Media Sud Management	210	2.4	28	7.5	5060	24.1
Gazeta Sporturilor	Convergent Media	776	8.7	101	7.7	8700	11.2
Gandul	Crucisatorul	240	2.7	31	7.7	5000	20.8
Hunedoara Expres	Inform Media	44	0.5	10	4.4	353	8.0
Hunedoreanul	Publmedia International	36	0.4	6.8	5.3	2100	58.3
Impact In Gorj	GNC Press Impact in Gorj	43	0.5	n.a.	n.a.	1039	24.2
Informatia Zilei	Solpress	40	0.4	14	2.9	2705	67.6
Jurnal Bihorean	Inform Media	42	0.5	16.1	2.6	2011	47.9
Jurnalul National	Editura Intact	688	7.7	68	10.1	7700	11.2
Libertatea	Ringier Romania	1413	15.8	234	6.0	7900	5.6
Monitorul Retea (AB CJ SB)	Compania de Media	30	0.3	n.a.	n.a.	3160	105.3
Monitorul De Botosani	Mediapress	26	0.3	7.4	3.5	1978	76.1
Monitorul De Suceava	Interpress	37	0.4	8.5	4.4	1983	53.6
Monitorul De Vrancea	Trinec Serv - Focsani	59	0.7	7.9	7.5	1759	29.8
Obiectiv Vaslui	EMI Press	26	0.3	n.a.	n.a.	1423	54.7
Obiectiv Vocea Brailei	Double P Media	46	0.5	4.2	11.0	2513	54.6
Pro Sport	Publmedia International	624	7	59	10.6	7800	12.5
Renasterea Banateana	Timpres	35	0.4	13.1	2.7	1559	44.5
Romania Libera	R Publicatii	249	2.8	55	4.5	6008	24.1
Timis Expres	Inform Media	50	0.6	31	1.6	485	9.7
Jurnal De Caras-Severin	Inform Media	23	0.3	4.8	4.8	922	40.1
Transilvania Expres	Tipotex	68	0.8	9.1	7.5	3139	46.2
Tribuna	Casa de Presa si Editura Tribuna	39	0.4	16.5	2.4	2282	58.5
Viata Libera	Trustul de Presa Dunarea de Jos	57	0.6	10	5.7	3785	66.4
Ziarul De Vrancea	Nord-Est Distribution	42	0.5	4.8	8.8	1236	29.4
Ziarul Financiar	Publmedia International	224	2.5	n.a.	n.a.	6500	29.0
Ziua	Ziua	111	1.2	15.8	7.0	4250	38.3
<b>Supplements</b>							
Adevarul TV	Adevarul Holding	239	2.7	40	6.0	3675	15.4
Click Ghid Tv	Adevarul Holding	452	5.1	188	2.4	4724	10.5
Evenimentul Zilei TV	Ringier Romania	392	4.4	90	4.4	3018	7.7
Jurnalul De Bucatarie	Editura Intact	347	3.9	57	6.1	3500	10.1
Jurnalul Casei Mele	Editura Intact	221	2.5	58	3.8	3500	15.8
Jurnalul De Colectie	Editura Intact	392	4.4	105	3.7	3500	8.9
Jurnalul De Sanatate	Editura Intact	376	4.2	48	7.8	3500	9.3
Jurnalul TV	Editura Intact	376	4.2	78	4.8	3500	9.3
Libertatea Weekend	Ringier Romania	859	9.6	355	2.4	5512	6.4
Obiectiv Vocea Brailei TV	Double P Media	44	0.5	5.3	8.3	n.a.	n.a.

Source: National Readership Survey, January 2008 – January 2009

## Perspectives

- readers affected by the new economical environment will continue to decrease the number of print publications they read, by other going for other sources of (less expensive) infotainment and ceasing to read entire segments in favor of only one publication from the segment
- year 2009 will be the year when the printed version of a publication would be the proof of the respective publication's importance and ability to resist through the economical environment
- advertising revenues will continue to drop, bringing the publications in the situation of reviewing their production and editorial costs, marketing strategy and reason to be on the market
- consistent with the ad revenue dropping, the print share in the advertiser's media mix will also drop
- publishers will continue their attempt to reduce costs by reducing the number of pages, publishing double issues, changing issue frequency, decreasing print run (to avoid returns costs) or cancelling certain editions
- some more publications will also migrate to becoming exclusively online

## >>> outdoor & indoor

*“The times may change and the methods employed to reach consumers may evolve, but the fundamental principles of outdoor advertising remain the same: a simple idea can cut through the clutter and deliver a message that is powerful and relevant.*

- The Globalization of Outdoor Advertising

Stephen Freitas - Chief Marketing Officer for the Outdoor Advertising Association of America

### Overview

According to SNA Focus, 54.2% of the persons aged 14 to 64, living in urban areas spend at least 3 hours out of home during weekdays, while the number increases to 60.1% in weekends. According to the same study, the main types of OOH advertising observed by these persons are: big posters on street and on building facades, bus shelters and transit advertising.

Apart of such studies, including the measurement of transit/subway, the Romanian OOH industry was not yet able to provide standardized audience and **efficiency** measurement studies at least for Bucharest and main towns.

The total number of permanent locations is estimated around 25,000. Some locations have been removed from some areas due to changes of local regulations or commercial conditions while new ones are installed. Main operators are switching from simple billboards to scrolling systems or street furniture, as new models of bus shelters and advertising cylinders are installed in Bucharest and in the main cities.

While the market leader, EpaMedia, is integrating its local operations (Euromedia and Betacons), Affichage Romania has consolidated its position as number two in the market by acquiring at the beginning of 2008 the Romanian operations of Multireklam Hungary: Efect Media, Media Communication and Outdoor Media. Clear Channel Romania and News Outdoor share the third position.

Our estimation for 2008 is that OOH (exposure, without production) attracted cca 60 million € . Over this figure we can add cca 10 million € - net expenditures on Digital Screens and Indoor.

The estimated ranking of the major operators by market shares was in 2008 as follows (based on public information and Initiative's knowledge and estimates) – percentages apply to OOH market exposure without production:

<i>EpaMedia</i>	30.0%
<i>Affichage</i>	21.7%
<i>News Outdoor</i>	12.5%
<i>Clear Channel</i>	12.5%
<i>New Age</i>	5.0%
<i>Others</i>	18.3%

As the transit contract with RATB in Bucharest expired at the end of 2007, this type of advertising is on hold and so the market share of transit advertising dropped dramatically.

On the other hand, while EpaMedia managed to extend its bus shelter contract with the Bucharest Municipality, new contracts are signed in the main cities for street furniture, which is going to increase the market share of this segment.

The main categories advertised in 2008 were: Telecommunications, Retail, Banking and Financial services, Domestic Appliances, Automotive, Food & Drinks, Pharmaceutical products, FMCG and Beauty care, Real Estate.



Due to the new market conditions, in 2009 some important categories will reduce their investment significantly – Real Estate, Domestic Appliances, Automotive and FMCG - while others, such as Retail, will increase.

Despite the first signs of the crisis appeared in other media, in OOH the occupancy rates were still high due to parliamentary elections and the traditional peak of media activity leading into Christmas, so the annual volume was not significantly impacted.

The shrinking of the market in 2009 could be severe, in the region of -35%-40%, depending on the evolution of credit and consumption.



The estimates are inclusive of the impact of electoral campaigns in 2008 and 2009. However, it is very difficult to estimate the real budgets spent for such campaigns. Also, the estimate is exclusive of OOH production budgets.

The evolution of the OOH production market in 2009 appears to be worse than that of the OOH media market. On one hand, there were no notable changes in the length of campaign or in the structure of OOH media (predominance of backlit and mesh PVC versus billboard and city lights paper posters). However, besides using a lot less OOH in the 2009 media mix than before, clients started to reduce the frequency of decoration, which will generate a significant decrease of the OOH production market.

Besides some local OOH regulations being implemented in a few cities, there was no conclusion yet to the intensely disputed regulation change in Bucharest. It was in early 2009 that the Bucharest City Council opened a public debate around the new regulation meant, amongst others, to restrict advertising on big meshes installed on building facades.

## Digital OOH

This segment increased in 2008 to ca. 4 mil. euro as a result of doubling the number of units installed predominantly by new players. The units covered mainly some local markets and some districts of Bucharest. But the quality of media and of the new locations installed was decreasing.

As soon as the media budgets started to be revised, the occupancy rates of the TV screens dropped abruptly. The main suppliers are trying to offset in part the effects of the crisis by improving the quality of their offering through the addition of audience measurement studies dedicated to their networks. Notably, a spectacular LED outdoor site was launched at the end of 2008. Operated by Cocor Channel, this is the first digital media façade in Romania and the biggest LED outdoor screen in the Continental Europe. The reduction of media budgets also affects the digital OOH and so many locations were already shut down.



## Indoor market

Indoor advertising market reached ca. 5.5 mln. euro in 2008. The increasing trend of this media was mainly determined by the boom in retail and services of last year. Indoor media networks were installed in the new shopping malls, hypermarkets and commercial parks built in almost all important cities.

Notably, Zoom TV found a way to reach an important daily audience by developing an innovative network of 700 plasma screens inside Bucharest Subway stations. As a plus, Zoom TV offers traffic and demographic research data for its network.

In 2009, because of its dedicated profile and its narrow targeting capabilities, Indoor Media will suffer more than the rest of the OOH industry, the estimated reduction of volume being around 55%.

The main categories that advertised Indoor were: Telecommunications, Banking and Financial services, Domestic Appliances, Automotive, Food & Drinks, Pharmaceutical products and FMCG.

Indoor suppliers offer media coverage in over 50 cities in various locations as: hypermarkets, supermarkets, night clubs, restaurants, high schools, universities, cinema theatres, medical clinics, pharmacies, beauty and fitness salons, airports, train stations, residential and business areas.



### Perspectives

- even if the initial estimations regarding the evolution of the OOH market in 2009 were around -20%, today we are led to believe the OOH market will actually shrink by as much as 40%.
- despite the fact that international players are controlling it, the Romanian OOH market will continue to face some issues drawing from the past, such as service standards, reliability and accountability.

*“Cinema is the most beautiful fraud in the world”*

Jean Luc Godard

According to NCC (The National Centre of Cinematography) the decreasing trend recorded since 2001 continues through to 2008 in terms of active cinema units and number of tickets sold. The number of cinema viewers in Romania is the lowest in Europe.

The main obstacles against development of cinema advertising are:

- Small number of quality cinema halls
- Inconsistent development of the cinema network – 7 counties without a cinema hall, while most are concentrated in Bucharest
- Price of cinema admission
- High rate of piracy for newly released movies
- Expansion of home cinema usage

General data	2004	2005	2006	2007	2008
Number of active cinemas	155	85	73	72	75
Seats	70 496	50 220	44643	43 057	46782
Admissions	4 002 349	2 829 563	2 776 516	2 928 050	3 797 586
Gross box office (RON)	24 872 000,1	24 423 454,0	28 279 665,0	34 381 413,0	53 114 230
Average admissions per inhabitant	0,19	0,13	0,13	0,14	0,18
Average ticket price – national currency	6,21	8,60	10,19	11,74	13,99

Source: National Centre of Cinematography

American blockbusters attracted the highest number of admissions irrespective of the year under analysis, followed by European productions, then Romanian ones.

Film origin	2004		2005		2006		2007		2008	
	Abs. val	%	Abs. val	%	Abs. val	%	Abs. val	%	Abs. val	%
National films	197.966	5,0	134.825	4,8	118.469	4,3	138.775	4,8	135.851	3,6
European films	242.031	6,0	211.700	7,5	193.200	7,0	295.715	10,1	388.106	10,2
American films	3.539.595	88,4	2.454.360	86,7	2.448.073	88,1	2.462.678	84,1	3.246.457	85,5
Others	22.757	0,6	28.678	1,0	16.774	0,6	30.882	1,0	27.172	0,7
<b>Total</b>	<b>4.002.349</b>		<b>2.829.563</b>		<b>2.776.516</b>		<b>2.928.050</b>		<b>3.797.586</b>	

Source: National Centre of Cinematography

Hollywood Multiplex Operations and Movieplex are the main players in terms of earnings in 2008, while Cinema City Romania had the most spectacular increase comparing with 2007.

Major exhibition companies	Number of active cinemas in 2008	Screens in 2008	Admissions 2008	2007 Gross box office (RON)	2008 Gross box office (RON)	Evolution 2008 vs 2007 (%)
HOLLYWOOD MULTIPLEX OPERATIONS	3	16	1,327,819	15,703,324	19,735,925	26%
MOVIEPLEX CINEMA	1	11	887,469	11,592,232	17,465,681	51%
CINEMA CITY ROMANIA	3	22	597,007	563,002	7,813,583	1288%
R.A.D.E.F. ROMANIAFILM	41	43	462,612	3,580,661	3,010,388	-16%
CITY CINEMA MANAGEMENT	2	8	234,216	870,449	2,517,247	189%
CHICAGO TOUR	4	4	76,712	343,019	456,837	33%
U.C.I.N. STUDIO BUCURESTI	1	1	57,060	426,682	390,115	-9%
QUALITY CINEMA BUCURESTI	7	9	52,253	347,793	176,254	-49%
LIGHT CINEMA BUCURESTI	1	7	47,389		939,216	
GO MULTIPLEX BRASOV	1	3	30,327	353,833	431,023	22%
AM & PM LEISURE SERV. PROD.	5	5	6,704	76,817	45,242	-41%
PROVIZUAL SRL RM. VALCEA	1	1	6,287		46,479	
BLISTEX TIGLINA GALATI	1	1	4,611		24,208	
DMB MUSIC RECORDS	2	2	2,827		20,571	
VOODOO FILM				206,640		-100%
OTHERS	2	3	4,293	316,961	41,461	-87%
TOTAL	75	136	3,797,586	34,381,413	53,114,230	54%

Source: National Centre of Cinematography

Movieplex Cinema announced for 2008 the opening of four cinema halls with digital projection (D-Cinema) and two cinema halls with 3D technology. The first screening in 3D technology was "Indiana Jones and the Kingdom of Crystal Skull" (May 2008).

Cinema	Town	Screens in 2008	Seats 2008	Admissions 2008
MODERN	BRASOV	2	180	4,574
DACIA	BISTRITA	2	590	5,958
PLAZA CINEMA	TULCEA	2	246	3,483
GO MULTIPLEX	BRASOV	3	243	30,327
GLENDALE IASI	IASI	3	500	14,452
CITYPLEX TOMIS	CONSTANTA	4	670	130,809
CITYPLEX BUCURESTI	BUCURESTI	4	556	103,407
HOLLYWOOD MULTIPLEX	ORADEA	5	675	174,500
CINEMA CITY	IASI	5	864	168,361
CINEMA CITY	TIMISOARA	7	951	321,435
LIGHT CITY	BUCURESTI	7	1,158	47,389
CINEMA CITY	CLUJ NAPOCA	10	1,670	107,211
HOLLYWOOD MULTIPLEX	BUCURESTI	10	2,125	985,807
MOVIEPLEX CINEMA	BUCURESTI	11	2,537	887,469

Source: National Centre of Cinematography

Cinema advertising offers to clients a wide range of tools for brand promotion: quality on-screen advertising as well as off-screen, consumer promotions, sampling, etc. Intensively used off-screen advertising includes sponsorship and special events, product sampling on the premises, banners, posters, backlit, thematic corners, and branded cinema tickets.

### Perspectives

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- the dynamic of cinema market will slowly change, increasing in terms of number of admissions due to new cinema opened and attracting public with new technologies.
- starting April 2009 Hollywood Multiplex projected 3D technology in all three cinemas.
- the Light Cinema from Liberty Mall Bucharest (launched in 2008) already projects 6D movies (10-15 min.).
- the price per ticket is also expected to increase.
- despite of financial crisis, the number of new opened multiplex cinemas will be greater than 2008 openings. Cinema City Romania plans a number of 15 multiplexes opened in the next 5 years and the first IMAX from Romania at the end of 2009.
- we expect from Starplex also to open 2 multiplexes: first in March, in Bucharest (Iris Shopping Center – Auchan Titan) and another one in Oradea, in Oct.

## >>> media dictionary

### Traditional media - advertising terms

#### Advertorial

It is a subtle form of communication, used in print, by which the strengths of the advertisers' brands are communicated in an editorial format. The feature is clearly marked as an advertisement. It should be in line with the editorial style of the publication.

#### Affinity Index

Is an **efficiency** indicator in media planning. It shows how a specific program / medium performs on a specific target group compared with a reference target group. E.g., for TV, the specific target group of a brand (expressed as TRP) versus a broader, reference target group e.g. 'All Urban', that is the buying TA (expressed as GRP). The affinity index = TRP/GRP and it should be higher than 100% in order to optimise the TV buying.

#### Agency Commission

A percentage of the net cost of advertising paid by advertisers to advertising agencies that manage their advertising budgets.

#### Audience

The number of homes / individuals in a specific target group viewing, listening to or reading a particular media vehicle.

#### Audit of Circulation

The detailed circulation analysis of a publication, run by a specialised audit company. This information becomes public and is a useful working tool for the publications themselves, media agencies and advertisers.

#### Average Frequency

The average number of times a target is exposed to the advertising message.

#### Barter

A station / publication exchanges its adtime / adspace with other merchandise. Instead of selling the program to a station, its supplier gives the program to the station in exchange for commercial time during that program or during other programs of the station.

#### Billboard

American term for either the advertising on poster boarding or the sponsor's mark around a television programme (usually static company logo).

#### Bleed

For print – running an ad to the edge of a page, leaving no margin.

#### Circulation

Number of copies of a given issue of a publication that is distributed, either paid or for free.

#### Client Volume Discount (CVD)

A further discount for those advertisers that achieve specific levels of expenditure with a media owner / sales house.

#### Clutter

There are 3 main types of advertising clutter:

- (1) The overall market clutter – the total number of ads seen or heard by a person;
- (2) The competitive clutter – the total number of ads seen or heard by a person for competing brands;
- (3) The media vehicle clutter – the length of each TV break or the number of ads contained within a publication.

#### Commercial Break

Is a break in a TV or radio transmission during which ads are broadcast.

#### Competitive Analysis

A periodical (monthly, quarterly, yearly) monitoring of the competitive advertising activity: ad-spend, campaign period and weight, channel mix, strategy & tactics etc.

#### Cost per Thousand (CPT)

The cost of achieving a thousand contacts with readers / viewers / listeners.

#### Cost per Rating Point (CPP)

The cost of a media vehicle (or media schedule) for reaching one rating point (1%) of the specific audience.

#### Commercial

Any announcement that is broadcast with advertising purpose, an advertising spot.

**Coverage**

The proportion (expressed as %) of a target audience that has any opportunity to see / hear the specific ad.

**Daily Monitoring**

Daily follow-up of an ongoing TV campaign, to keep it within the planned parameters: spot broadcasting, update of audience [performance](#) (GRPs, TRPs) vs. planned, budget status – supplementary spots are added if the budget under-performed or budgets are cut if the budget over-performed.

**Day-Part Segments**

Time bands that have associated levels of audience delivery. For the Romanian market the standard day-parts are:

- Day Time: 07:00 – 16:00
- Access Prime Time: 16:00 – 19:00
- Prime Time: 19:00 – 23:00/24:00
- Late Fringe: 23:00/24:00 – 25:00

The day parts may vary from station to station and/or in weekdays and weekend.

**Diary**

A log kept by members of a consumer panel to record their viewing, listening, reading, purchase, consumption and other lifestyle habits etc. Used currently for radio, press, consumption study.

**Double Page Spread**

Two full pages of immediately adjacent advertising.

**Effective Frequency**

The level of coverage and frequency calculated to deliver the optimum awareness / sales [performance](#) for a given [creative](#) / campaign.

**Effective Reach**

The percentage of the target that is exposed to the ad a sufficient number of times to produce a positive change in awareness, attitude or purchasing behaviour.

**Efficiency**

The relationship between circulation / audience and cost, most commonly expressed as Cost Per Thousand (CPT).

**Equivalent**

In TV and radio, the advertising expenditure, CPT delivery for each commercial length is often expressed as an index on 30" or '30" equivalent'. For Romanian TV, the standard cost indices are:

10"	15"	20"	25"	30"	35"	40"	45"	50"	55"	60"
50%	70%	80%	90%	100%	120%	150%	170%	180%	190%	200%

**Flight**

Period of advertising activity.

**Flowchart**

A yearly calendar of campaigns of a client. It shows the active periods by medium, by brand / product, and the campaign phasing. It is the graphic representation of the annual strategy.

**Gross Rating Point (GRP)**

The sum of ratings achieved by a specific media vehicle or schedule. 1 GRP = 1% of the target audience having at least one opportunity to see the commercial. GRP is a general media currency. GRPs = Net reach × OTS.

**Gross Expenditures**

Refers to rate card budget, with no discounts, taxes or agency commission applied to it.

**Guaranteed CPP**

Is the dominant TV sales policy on the Romanian market. The cost for placing a spot results from the amount of rating points recorded by that spot.

The net/net cost of a spot = Cost / Point (All urban) × Number of rating points recorded. Based on the budget committed by a client to a TV station, on the share it represents of the total etc, the agency negotiates a Guaranteed CPP with the media owner, for that client.

**Guaranteed GRP**

The station commits to deliver a specific amount of audience – GRPs – for a certain campaign.

**Horizontal Road Blocking**

Placing a TV or radio commercial at the same hour on different channels. It builds the reach of a campaign.

**Implementation Planning**

Producing a detailed media plan that is to be bought within any given market, following the media strategy.

**Impression(s)**

The actual exposure of an individual from the TA to the advertisement.

**Media Fragmentation**

Increase in the availability of media choice. The process can be seen through the increase in the number of print media titles, and more recently through the rise in the number of television channels (such as satellite broadcasting, cable). The media support becomes more targeted on a narrower niche.

**Media Vehicle**

Any advertising – carrying medium such as television, a magazine or an outdoor site.

**Media Plan**

A detailed media schedule containing the list of spot / print layout placements for a period of time (TV station / title, date, day, program, time, ad break / page number), estimated GRPs and costs. The media plan reflects the implementation of the media strategy.

**Net/Net Expenditure**

1. Rate card minus all the discounts and benefits;
2. Net/net Cost/GRP × Rating of the program.

**Net Expenditure**

Net/net plus the agency fee and the health and cinema taxes, but excluding VAT.

**Net Reach**

Is the percentage of the target audience that was reached by the message at least once during a period of time (e.g. a 4-week campaign).

Net reach is 1+ coverage.

Net reach = GRPs / OTS.

**Optimisation**

A method of schedule planning / building using a computer program to produce an optimum schedule according to criteria set by the planner / market.

**OTS / OTH**

The opportunity to see / hear an advertisement by the target audience during a period of time (e.g. a 4-week campaign).

OTS = GRP / Net reach.

**Panel**

Sample of people who are used for regular (keep diaries, PM etc.) or periodic (repeated interviews) research. The advantage of panels is that they allow the tracking over time of viewing, listening or product consumption.

**Peplemeters**

Advanced monitoring tools that record the status of the TV sets within a panel household, by member of family, on a continuous basis.

**Phasing**

Strategy of alternating the weekly weight of a campaign in order to obtain greater media efficiency.

**Post-Buy Analysis**

The evaluation of a schedule's achievements after its running, compared to the planned level. The analysis covers TRP and GRP performance, OTS, coverage and frequency, airing time, the actual position in break, analysis of the used TV channels and programs, trends etc.

**Premium Positioning**

Preferential placement of ads in specific media e.g. for print, positioning might mean the placement of the ad to face editorial, on the right page, on the back cover or inside cover etc. For TV, this might mean the choice of the break or the choice of the position inside break – first / last etc.

**Rate Card**

A medium's price list. Rate cards are issued periodically and show the prices charged for various timeslots, programs, press modules.

**Rating Point**

The percentage of audience recorded by a particular program / issue of a publication.

1 rating point = 1% of a target group reached by that program.

**Readers per Copy**

The average number of persons that read a copy of a publication calculated by dividing average readership of an issue by circulation.

**Outdoor Site**

An outdoor location where one or more poster panels are placed.

**Share of Audience**

The percentage of a viewing audience watching one channel out of all the TV viewing, at a given period of time.

**Share of Expenditures (SoE), Share of Spend (SoS)**

The brand's or group of brands' advertising weight expressed as a percentage of expenditures of a defined total market or market segment, in a given time period.

**Share of Voice (SoV)**

The brand's or group of brands' advertising weight expressed as a percentage of GRPs, number of pages, of poster sites etc. of a defined total market or market segment, in a given time period.

### SNA FOCUS

It is a consumption survey based on the already established SNA research. The research objectives: obtaining comprehensive information about media penetration, products and services purchase patterns and the socio-cultural behaviour. It is a syndicated research, controlled by the advertising industry (BRAT).

### Solo Spot

An advertisement placed in the middle of a TV program, without being announced as advertising. It records the rating of the program and has maximum impact. Its cost is higher than regular advertising. By CNA decision, a TV station may broadcast maximum two solo spots per day.

### Strategic Media Planning

Providing a media solution to marketing plans, establishing communication goals, media choice, seasonality and targeting.

### Target (universe / audience)

The people or the market a campaign aims to reach.

### Target Rating Point (TRP)

Is the percentage of audience recorded by a program / issue of a publication against a particular target group.

1 rating point = 1% of a target group reached by that program.

### Universe

A group of people whose total number represents the ultimate potential reach of a piece of activity (advertising, research etc) e.g. 'All housewives'.

### Vertical Road Blocking

Placing a TV or radio commercial on various timeslots on the same channel, on the same day. It builds the frequency of a campaign.

### Weight

The size of the advertising burst or campaign measured by the GRP delivery.

### Online - advertising terms

#### Ad Server

A computer, normally operated by a third party, that delivers and tracks advertisements independent of the web site where the ad is being displayed. Use of an ad server helps establish trust between an advertiser and publisher since the statistics are maintained by an objective third party.

**Banner Burnout** - A term used to describe an event when a banner has been shown to the same

visitor(s) to the point where the click through rate has dropped dramatically. Rotating banners helps to reduce banner burnout.

### Broadband

or high-speed Internet access allows users to access the Internet and Internet-related services at significantly higher speeds than those available through "dial-up" Internet access services. The Federal Communications Commission (FCC) generally defines broadband service as data transmission speeds exceeding 200 kilobits per second (Kbps), or 200,000 bits per second, in at least one direction: downstream (from the Internet to computer) or upstream (from computer to the Internet).

### Clicks

The number of click through that have occurred as a result of a user clicking on a banner and being redirected to an advertiser's web page.

### Click Through Rate

The percentage of impressions that resulted in a click through. Calculated by dividing the number of clicks by the number of impressions. For example if a banner was click on 13 times after being displayed 1000 times, the banner would have a click rate of  $(13 \div 1000 = .013)$  1.3%. This is also commonly know as a banners click rate.

### CPM

Cost per thousand (CPM) is one of the online payment models by which advertisers pays for every 1000 impressions of their advertisement. Prices typically range from \$1 to over \$50 per thousand impressions. This is an ideal method of payment for advertisers who want to guarantee only the number of people who sees their banner. The "M" in CPM is from the Roman numeral for 1000. The Roman numeral M was derived from the Latin word "mille" meaning "thousand".

### xDLS

eXtensible Distance Learning System.

**Frequency** - A term used to describe the number of times the same advertisement is shown to the same visitor during a particular session or time frame. This can be accomplished through the use of cookies.

### House Ads

A type of banner advertisement that a web site publisher runs in an ad space when no paying advertisement is available to fill the space. Typically filled with an advertisement promoting one of the web sites services, products or features.



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