The Year Ahead: 2011 Predictions for Agencies Michaela Fernen

Ad Age Staff

Ad Age

1/10/2011

In this article, the editors of AdAge.com explained their predictions for the 2011 year in the areas of direct marketing, advertising agencies, and public relations. A survey of 100 industry leaders was conducted in the month of December to receive these opinions and results. According to the survey, 51% of those questioned feel positively about the next year in advertising, 33% are neutral on the topic, and 16% feel negatively about the future of advertising. The article then goes on to explain that advertising clients opinion about the industry are lower with 55% being neutral and only 33% being upbeat. This is due to the situation of the economy in the United States over the last three years. Now that the economy is getting back on its feet, clients are feeling more positive about the advertising industry and the investment of their money in advertising.

In the area of direct marketing, Ad Age believes that geolocation/geotargeting will be the area of growth to watch in 2011. Geotargeting is figuring out what it takes for individuals to move from area to area and marketing towards those individuals. In the area of advertising agencies, 2011 looks more profitable than 2010 but agencies are still not going to take many high risk chances in the coming year according to Ad Age. Agencies are going to see more investment in advertising, but the agencies are still going to proceed with caution and keep the economy situation in mind. In the area of PR, Ad Age predicts a more profitable year in 2011 based on the recent business disasters in 2010—BP oil spill and Automotive industry—requiring the need of PR firms and their communication skills. 2011 will also bring more less-traditional employment opportunities in the PR industry utilizing bloggers and industry experts to advocate for companies and products through alternative media.

This article explains a possible turn around in the area of advertising that has been prevalent over the four to five years. Clients will invest more money and time into advertising and feel more positively about the impact it has on their business. With the down turn of the economy in the last three to four years, advertising was the first area of business to get expenses cut from. Advertising is arguably the most expensive area of a business; so in order to save the most money, companies cut most if not all of its advertising expenses. The economy in 2011 is expected to take an upward turn as will the advertising industry, reversing the trend of the advertising cuts of the last four years.

The advertising industry will be affected by this regained interest and investment by receiving more revenue and being able to hire more creative talent. 2010 brought major employment cuts in agencies due to the economy. This cut in employees means decreased creativity and talent in the industry leading to lower quality work, ideas, and products. Agencies will proceed with caution in its hiring process for a few years due to fear of the economy returning to its previous state, but 2011 will bring more creative ideas, products, and talent to the advertising industry.