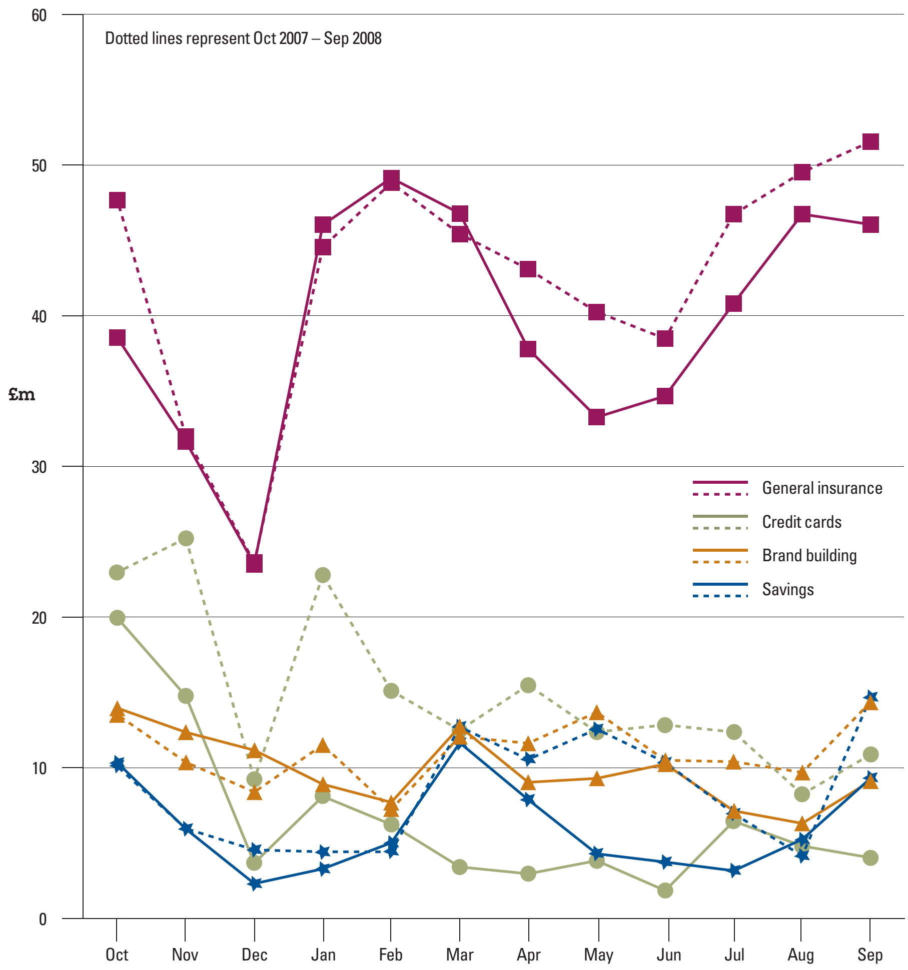
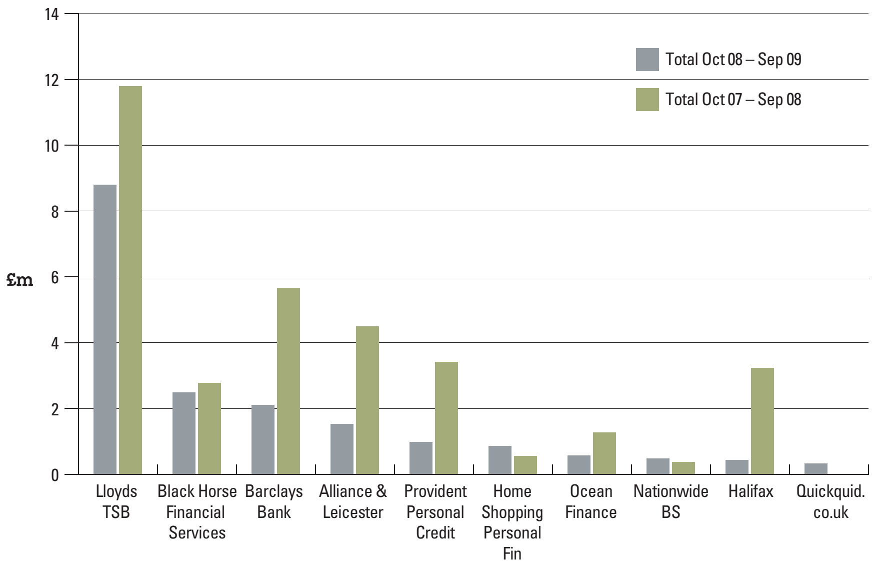
Our review of advertising tracks expenditure in key financial services in the year to September 2009, and compares this with the period October 2007–September 2008. The data is supplied by Nielsen Media Research and the commentary by Malcolm Oliver.

Monthly spend



Unsecured personal loans



Monthly spend

It has been quite a time, in both senses of the phrase, since our last review. A year ago, the emerging credit crunch seemed pretty severe, and the ensuing banking crisis even worse, with a few tens of billions pumped in to support once-impregnable high street names. Today, those tens of billions have become hundreds, but the scale is so great that the numbers have little real meaning for the man in the street, and it is starting to feel almost normal that the banks should be so indebted to all of us. And the effect is certainly evident in the ad spend figures, even if those meerkats still seem to be everywhere!

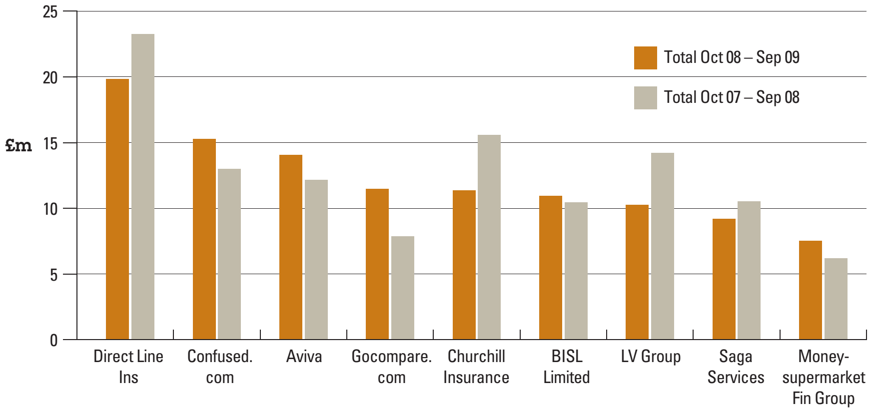
With total financial services spend down 22% over the year, the reduction of just 7% in general insurance puts it in 'net positive' territory, but this sector is pretty recession proof, given that both motor and buildings insurance are largely mandatory. There has also been a clear switch to brand-building, with spend down just 11% over the year. The cynics might say that some companies have nothing else to advertise; the reality is perhaps that trust, confidence and familiarity are more important at the moment than direct product sales.

It was pretty obvious in my last report that credit card advertising, already in the doldrums, had much further to fall – and it has, down 55½% over the year. But the darkest days were, as the chart shows, in the April–June quarter, where spend was down 79%. Against that, the last quarter looks almost encouraging, with a fall of 'only' 51½%. Savings ads in contrast have held up fairly well, with budgets down just 29%.

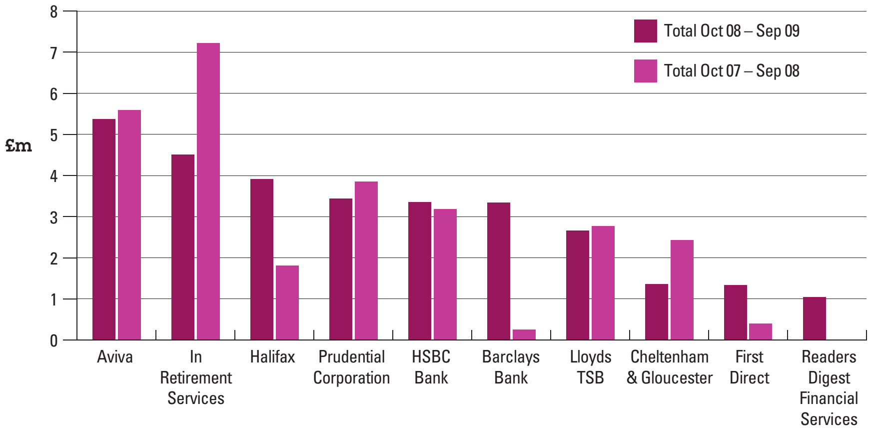
Unsecured personal loans

As I said last time, LloydsTSB is still by far the biggest spender – but now it is more or less the *only* spender, especially with its in-house Black Horse operation in the No2 slot. Barclays and Alliance & Leicester are still keeping up appearances, unlike Nationwide and Halifax, and the rest are what, even a year ago, would have been termed fringe players. The fact that a payday loan company (with APRs ranging from 819% to 2220%) occupies the tenth place in the chart speaks volumes for the state of the market – and perhaps for the needs of many real customers out there.

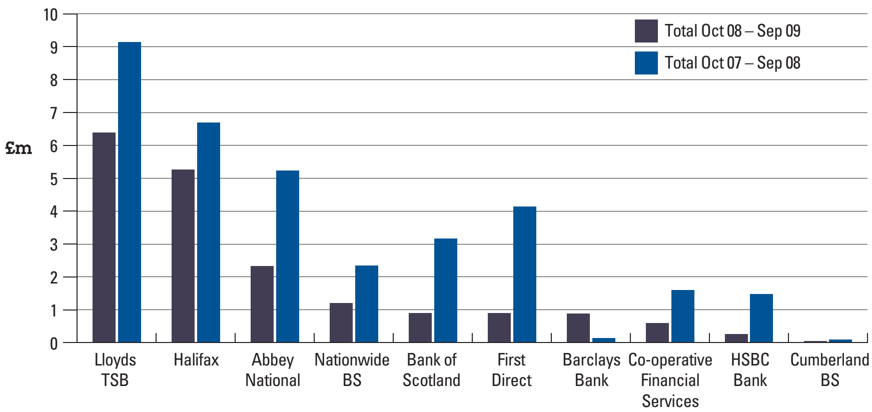
Motor insurance



Mortgages



Current accounts



Motor insurance

Car insurance should be the most recession-proof sector, and the chart bears this out. Direct Line is still the biggest spender, despite a reduction of £3m, but six of the other companies have increased their budgets – most notably Gocompare, up nearly 75%. Most of this, of course, reflects the new Italian tenor campaign that was brought out to counter the threat from the hugely-successful Comparethemarket adverts.

The other main feature of the chart is the continuing growth of the comparison websites – just one a year ago, now four, with those meerkats presumably hiding under the BISL cloak. Interesting too that the top two insurers have both eschewed the comparators for their brands. LV remains fairly bullish, but Churchill, Saga and More Th>n are being, well, more than cautious.

Mortgages

Despite the dire market conditions that led to the collapse of In Retirement at the end of this review period, advertising has held up pretty well. The whole sector is down by only a quarter over the year, and quite a chunk of that is attributed to some big cutbacks in July and August, when the market upturn that some were expecting fizzled out. The chart looks fairly similar to the last one – combined spend down less than 20%, most of the main players still there, and a lot of competition in what should be a seller's market.

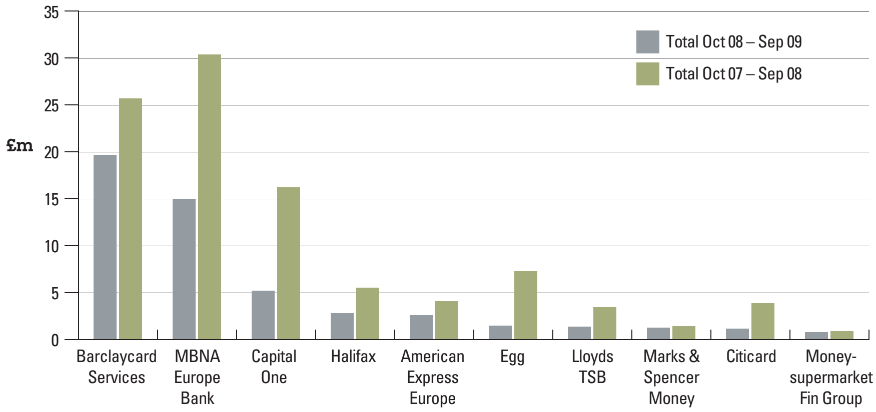
I had not noticed any ads, let alone a million pounds worth, for Readers Digest mortgages, but they have an arrangement with Britannia and are clearly confident that they can make a mark. More next time, perhaps.

Current accounts

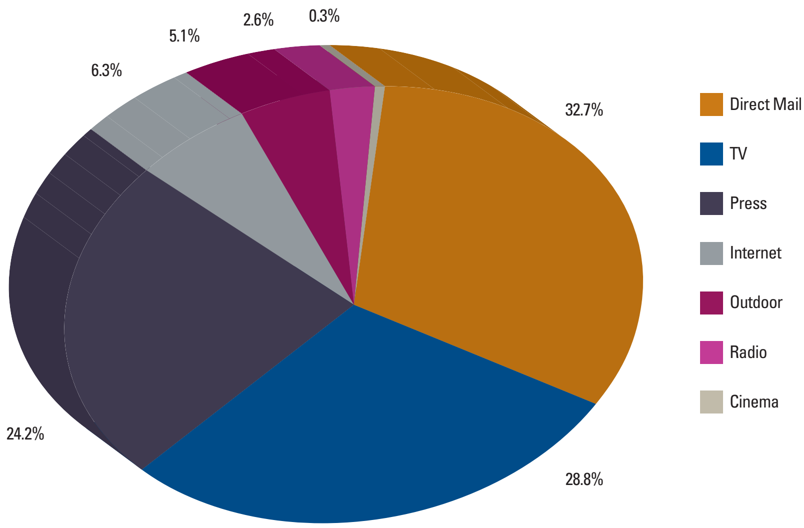
It says a lot about current current account advertising that the Cumberland Building Society secures tenth place in the chart with a spend of just £47k. It's a very local campaign, of course, with a low-budget execution but a very effective current account switching message (I see the ads, as my terrestrial TV is Borders), with a believable focus on dealing with people, not numbers.

Elsewhere, it's a case of more (or, rather, less) of the same from the usual suspects, but only LloydsTSB and Halifax (now part of the same combo) seem keen to attract new customers – and even they are down 30% and 22% respectively. As with mortgages, there is a huge percentage leap for Barclays, but it is from a very low base last year.

Credit cards



Expenditure by media type



Top ten

	£
Aviva	61,542,132
Direct Line Ins	48,772,801
Lloyds TSB	45,955,396
Halifax	38,941,525
HSBC Bank	38,051,041
Churchill Insurance	27,586,905
More Th>n	27,266,571
Axa Sun Life Direct	26,350,356
Natwest	25,882,475
Barclays Bank	25,707,937

Credit cards

A year ago, I said here that a year was a longer time in credit card marketing than in politics. Well, two years (in either) is an even longer time. Then, I was noting that Capital One, a long-time big spender, had cut its budget from more than £50m to £20m; in the last year, it has spent just £5m. Then, this might just have squeezed it in at the right-hand side of the chart; now it still leaves it in third place!

Most of the main players have cut back by at least a half, some by more than three-quarters – which means that Barclaycard, with a cut of less than a quarter, finds itself in the top slot

Expenditure by media type

There are a few surprises here, not least that the Internet's share of a reduced advertising cake has fallen further. Only by 0.05%, but is this a sign that some companies are starting to question the effectiveness of the medium? TV's share has also grown a tad, which might not have been expected from the reduced revenues that ITV and the others have been complaining of. Press has been very strong, despite falling circulations – up nearly 3%. It is less surprising that outdoor has fallen back slightly, because it had been boosted significantly last year through the Olympics coverage; nor, I suppose, that the big loser is direct marketing. This was down by 2¾%, which suggests that those green shoots that I noted last time have withered away.

Top ten brands by advertising spend

Here's a minor surprise: Aviva's £62m (doubled from a year ago) is £4m *more* than Direct Line spent a year ago to secure the top spot, and the reductions lower down the table are less than one might have expected, given the retrenchment evident in the product sectors reported above. The message is that strong companies are still investing heavily in marketing, but perhaps focusing on areas that reinforce the brand attributes (such as Aviva's huge sponsorship budget) rather than specific products.