

Global advertising expenditures grew 0.6 percent in 2002 to \$444 billion; of this total, \$309 billion was spent on major media, including television, radio, and newspaper.¹ (See Figure 1.) This modest growth was almost fully driven by the United States, which at \$235 billion accounts for over half of the total advertising market.² In 2002, U.S. advertising grew by 1.7 percent, stimulated by an economic recovery and cyclical events like the Winter Olympics and the U.S. congressional elections—the latter

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generating \$1 billion in ads.³ Yet the worldwide increase followed a fall of 9.2 percent in 2001, which

was triggered by the U.S. recession, the financial market collapse, the Internet “bubble burst,” and terrorist attacks.⁴

In Japan, which is the second largest advertising market and buys 12 percent of major media advertising, spending fell 5 percent in 2002.⁵ In Germany, the third biggest market and the largest one in Europe, spending fell by 6 percent.⁶ In contrast, advertising in China, the seventh largest market, is growing quickly; it was unaffected by the downturn in 2001 and has jumped 14 percent over the past two years.⁷

The global average advertising spending per person for 2002 dropped slightly to \$71 (\$49 spent on major media), as increases in spending were matched by population growth.⁸ (See Figure 2.) Yet this figure masks a huge variation across countries. While major media ad spending stood at \$4 per person in China and \$282 per person in Japan, in the United States it was \$494 per person—10 times the global average.⁹ (See Figure 3.)

Advertising promotes consumer spending, which in its current form is harming environmental and human well-being. In 2001, for instance, 5 of the top 10 advertisers were car companies.¹⁰ And even while the economy stagnated that year, the global passenger car fleet grew to 523 million, with production of new cars reaching 40 million.¹¹ Cars burn vast quantities of oil—polluting the air, contributing to respiratory diseases, and stoking climate change.¹²

The pharmaceutical industry, the sixth largest global advertiser, spent \$2.5 billion on

television and print advertising in 2000 in the United States, directly targeting consumers and generating demand for drugs.¹³ While pharmaceuticals can help save lives, advertising can promote unnecessary use of expensive drugs.¹⁴ A recent survey of U.S. physicians found that 92 percent of patients requested an advertised drug from their doctors and that 47 percent of those doctors felt pressured to prescribe those drugs.¹⁵

Advertising has become pervasive in daily life and continues to expand into new realms. Increasingly, advertisers are marketing to children to shape consumption preferences early and to take advantage of the growing amount of money that people are spending on children, which hit \$405 billion in 2000.¹⁶ American children are bombarded with 40,000 television ads per year, up from 20,000 in the 1970s.¹⁷ Half of these encourage children to request unhealthy food and drinks.¹⁸

In addition, embedded ads, such as product placements in movies, can seriously influence children. In a recent study, researchers found that smoking in movies is strongly associated with youth smoking habits—as strongly as other social influences, such as parental or sibling smoking habits.¹⁹ U.S. advertising to children has spread to schools, where ads adorn walls, sporting equipment, and even educational programming.²⁰

To reduce children's exposure to marketing, several countries, including Denmark, Greece, and Belgium, restrict television advertising to children; Sweden and Norway totally ban it.²¹ Even full bans are only partly effective, however, because satellites can beam television ads from other countries into restricted markets.²²

Public interest groups are also working to reduce children's exposure to advertising and to teach children about marketing motives. In the United States, a campaign of the American Legacy Foundation known as The Truth uses controversial ads, education, and grassroots activism to challenge teens not to get manipulated by the tobacco industry's marketing into starting a lethal habit.²³

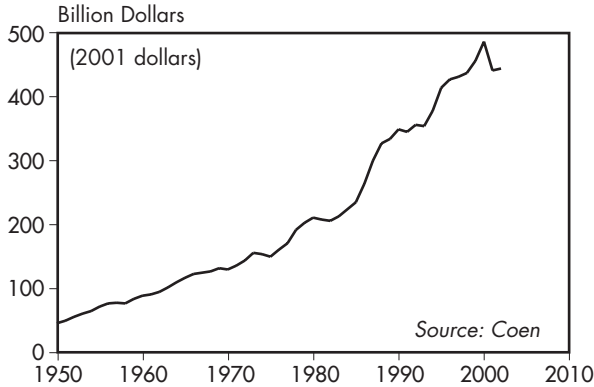


Figure 1: World Advertising Expenditures, 1950–2002

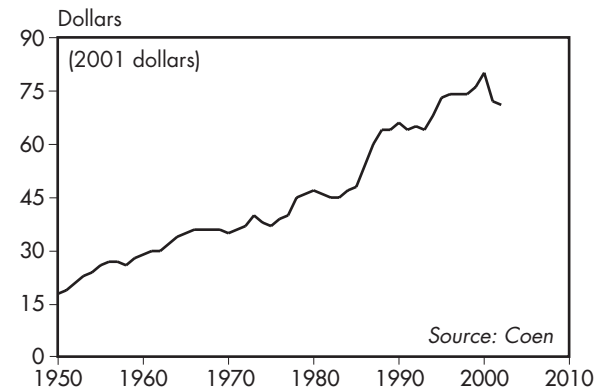


Figure 2: Advertising Expenditures Per Person, 1950–2002

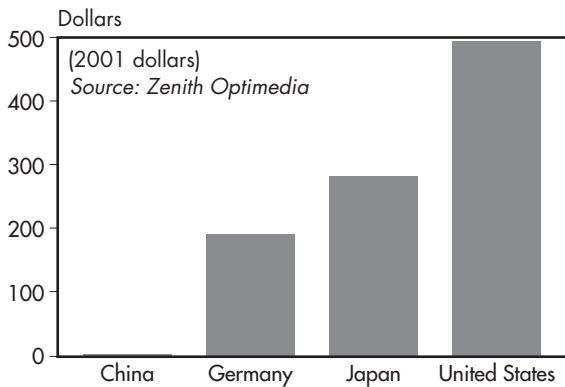


Figure 3: Major Media Advertising Per Person, Selected Countries, 2002

World Advertising Expenditures, 1950–2002

Year	Advertising Expenditures (bill. 2001 dollars)	Expenditures Per Person (2001 dollars)
1950	46	18
1955	72	26
1960	89	29
1965	117	35
1970	130	35
1971	136	36
1972	144	37
1973	156	40
1974	154	38
1975	150	37
1976	161	39
1977	171	40
1978	192	45
1979	203	46
1980	211	47
1981	208	46
1982	206	45
1983	213	45
1984	224	47
1985	235	48
1986	264	54
1987	300	60
1988	327	64
1989	334	64
1990	349	66
1991	345	64
1992	356	65
1993	354	64
1994	378	68
1995	414	73
1996	427	74
1997	431	74
1998	437	74
1999	456	76
2000	486	80
2001	441	72
2002 (prel)	444	71

Source: Coen.

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4. Coen, *Insider's Report*, op. cit. note 1.
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6. *Ibid.*
7. *Ibid.*
8. Coen, *Insider's Report*, op. cit. note 1; population from U.S. Bureau of the Census, *International Data Base*, electronic database, Suitland, MD, updated 10 October 2002.
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10. Laurel Wentz, "Global Marketers Spend \$71 Billion," *Advertising Age*, 11 November 2002.
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17. Thomas N. Robinson et al., "Effects of Reducing Television Viewing on Children's Requests for Toys: A Randomized Controlled Trial," *Journal of Developmental and Behavioral Pediatrics*, June 2001, p. 179.
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21. Ingrid Jacobsson, "Advertising Ban and Children: Children Have the Right to Safe Zones," *Current Sweden*, June 2002.
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