



**Local Legal Services
Advertising
2018 – Quarter 3**

Trial lawyers and aggregators are increasingly spending large sums of money on television, digital, and print advertising to recruit new clients for class action lawsuits. In the third quarter of 2018 alone, it is estimated that \$226 million were spent on nearly three million ads for legal services or soliciting legal claims across the United States. Much of this advertising is conducted by aggregators: businesses that recruit potential plaintiffs and then sell their information to law firms.

Consumers see doomsday ads about the lethal effects of medications or even general medical injury, and consequently stop using their medicine. This is often done without consulting a doctor, causing health problems for the patients and increasing litigation risk for the product manufacturers.

These over-the-top advertisements from personal injury attorneys with catchy jingles and toll-free numbers pose a serious danger. These ads undermine the simple notion that physicians and health care providers, not personal injury lawyers or the “aggregators” who run the ads for the lawyers, should dispense medical advice.

The reason why trial lawyers pump significant money into these ad buys is because, armed with more clients, they can boost settlements and payouts when they go after large corporations. This leads to larger contingency fees for themselves.

The ads do more than help recruit clients, however. They also have the ability to influence the thinking of citizens who might wind up serving on a jury in lawsuits. A survey conducted by [Trial Partners, Inc.](#) found that 90 percent of jurors would be somewhat or very concerned if they saw an advertisement claiming that a company’s product injured people. Additionally, 72 percent of jurors agreed somewhat or strongly that if there are lawsuits against a company claiming its products have injured people then there is probably truth to the claim – showing just how big of an impact these ads can have.

This study by the American Tort Reform Association reveals that trial lawyer advertising is not an issue isolated in one community or in one state. Rather, trial lawyers across the United States identify jurisdictions friendly to their work and relentlessly pursue new clients in search of the next large payout from a trial or settlement. In the third quarter of 2018, seven percent of all local legal services advertising occurred in seven media markets – Los Angeles and San Francisco, California; Tampa-St. Petersburg and Miami-Ft. Lauderdale, Florida; St. Louis and Kansas City, Missouri; and New York, NY – each of which are notorious for class action lawsuits. In that time period alone, Los Angeles and New York saw \$9.4 million and \$8.6 million spent respectively on local legal services advertisements. Without a national solution, this problem will persist for communities across the nation.

While there are not enough bandages to cover the injuries trial lawyer advertising has caused, we can take steps to inform the general public. Through education we can shine a spotlight on the aggregators who mislead consumers and sell their information to law firms. By arming everyday Americans with this knowledge, we can help push back against trial lawyers and engage with our local leaders for potential solutions and policy changes.

**Local legal services television advertising in top media markets in
California, Florida, Missouri, and New York
Third Quarter of 2018**

December 2018

In the third quarter of 2018, from July through September, nearly three million advertisements for legal services and/or soliciting legal claims aired on local broadcast networks in the 210 local media markets across the United States at an estimated cost of \$226 million.¹ As in the second quarter, seven percent of the locally broadcast legal services ads during this three month period aired in seven media markets in four states across the United States. These markets -- Los Angeles and San Francisco, California; Tampa-St. Petersburg and Miami-Ft. Lauderdale, Florida; St. Louis and Kansas City, Missouri; and New York, NY -- also accounted for nearly 14% of all the local legal services television advertising spending during this time period. An analysis and discussion of the legal services advertising volume in these markets follows.

CALIFORNIA

In the third quarter of 2018 – from July through September – advertisers spent over \$9.4 million in Los Angeles, the largest media market in the state and the second largest in the country.² This was \$1.8 million or 24% more than the estimated amount spent in the second quarter. An average of \$100,000 was spent every day in Los Angeles in the third quarter of 2018.³ In the second largest media market in the state – San Francisco-Oakland-San Jose – local legal services ad spending jumped by nearly 40% or \$700,000 to \$2.5 million for the quarter or a daily average of \$27,000.

¹ The total estimated number of local legal services TV ads broadcast during this time period was 2,984,537 and the estimated amount spent on these ads was \$225,663,100.

This total and other TV advertising data cited in this report does not include legal services TV advertisements broadcast nationally on national cable and broadcast networks or during nationally syndicated programming nor does it include local cable television broadcasts.

Ad spending figures are estimates based on publicly-available ad rate information. Data are estimates and may vary over time due to revisions to account for duplicates or errors and the availability of updated ad rate information.

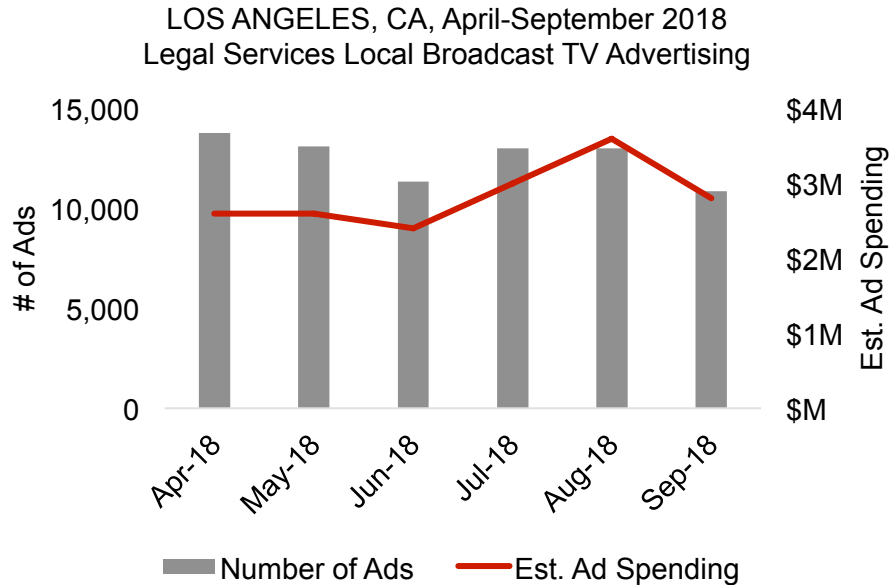
Data and analysis on television advertisements in this report are provided by X Ante using Kantar CMAG data.

² Nielsen's ranking of local television markets and estimates of their size for the 2018-2019 television season can be found at: <https://www.nielsen.com/content/dam/corporate/us/en/public%20factsheets/tv/2018-19-dma-ranker.pdf>

³ Advertising spending rates are estimates and subject to change. Actual spending rates are the products of negotiations between the advertiser and the television station and are not publicly available. The estimated spending rates are estimated according to quarterly polling by Kantar Media of television stations and advertising industry sources to determine average 30-second advertising daypart-level rates and program rates for sports and special programming for the upcoming quarter. To account for the time it takes for any given rate to populate within the system, CMAG uses an average cost function based on rates from historical program averages airing in the same market on the same station during the same daypart. These temporary estimates are updated with actual sourced rates when they become available.

Los Angeles

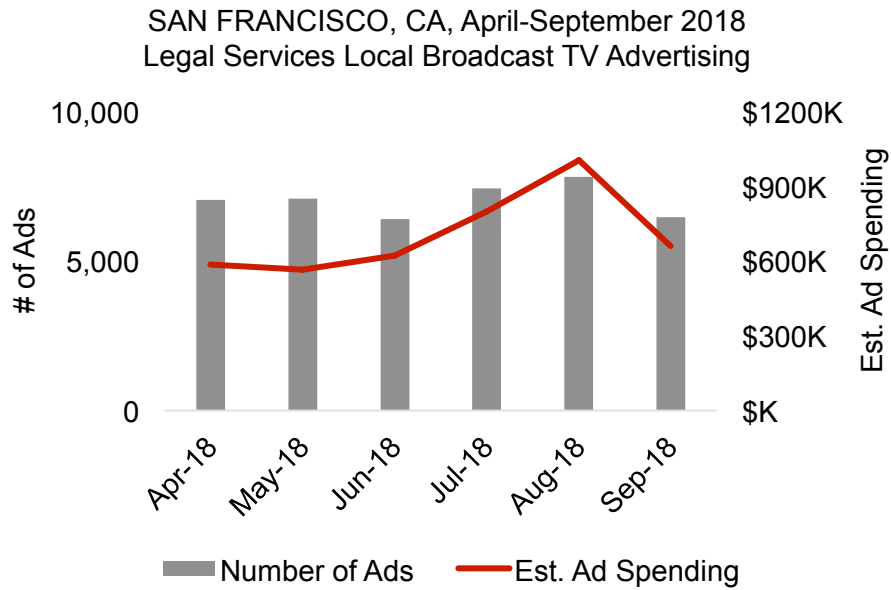
While estimated spending on local legal services advertising in Los Angeles increased in the third quarter by \$1.8 million, nearly 1,400 fewer ads aired than in the second quarter. This was likely due to greater competition and higher ad rates surrounding the election season. Third quarter legal services advertising in Los Angeles peaked in August when \$3.6 million was spent to air 13,000 ads.



The 37,000 local legal services ads airing in Los Angeles in the third quarter was triple the number of local ads for clothing stores during this time.

San Francisco-Oakland-San Jose

In the San Francisco media market – unlike in Los Angeles – both estimated legal services ad spending *and* the number of local ads increased over the second quarter. Quarterly ad spending rose by about \$700,000 to purchase an additional 1,100 ads. The San Francisco market is only about 45% of the size of Los Angeles, however. The \$2.5 million spent on these ads in San Francisco last quarter – while more than the \$1.8 million spent in the second quarter – was still only about 26% of the spending in Los Angeles during this time.



Eleven times as many legal services ads aired locally in San Francisco from July through September as ads for home centers and hardware stores.

FLORIDA

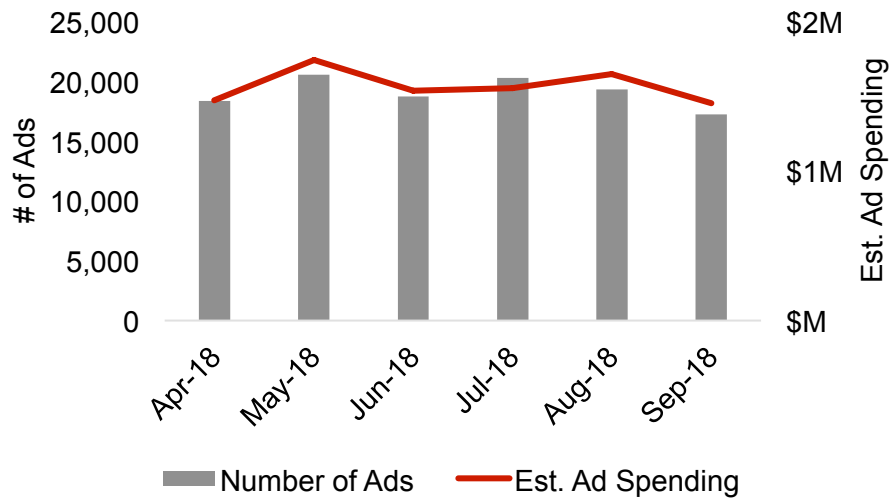
In Florida, the site of a number of competitive political races, legal services advertising, while still high, declined slightly in the two largest markets in the state – Miami-Ft. Lauderdale and Tampa-St. Petersburg – as sponsors of these ads had to compete with political campaigns for ad times and pay higher ad rates as a result. Despite this decline, advertisers still spent an average of about \$50,000 per day on local TV ads for legal services in these markets. This amount purchased an average of over 300 ads per day in the Miami area and over 600 ads per day in Tampa Bay.

Tampa-St. Petersburg

Local legal services advertising in Tampa Bay was relatively unchanged from the second quarter when an estimated \$4.6 million was spent to air about 57,000 ads. This was compared with the \$4.7 million spent to air 58,000 ads in the prior quarter.

Over 600 legal services ads advertising legal services and/or soliciting legal claims aired every day in the third quarter in the Tampa market – 32 times the number of local ads for pizza delivery and restaurants.

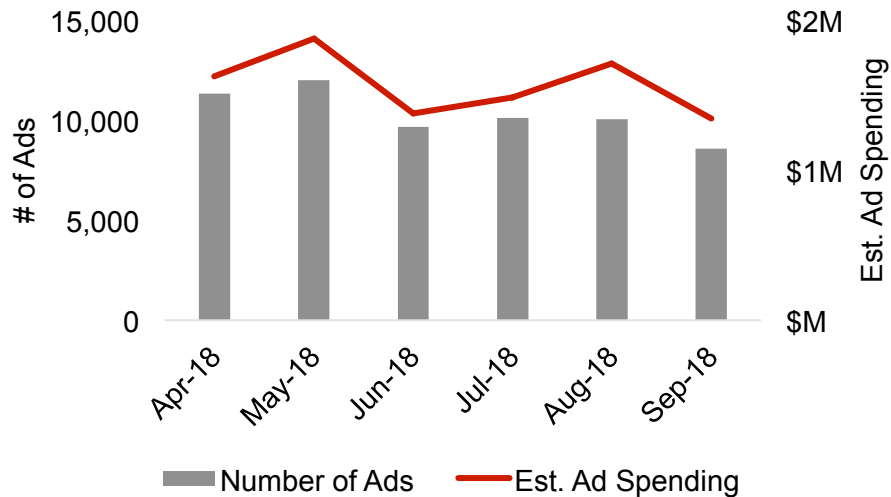
TAMPA-ST. PETERSBURG, FL, April-September 2018
Legal Services Local Broadcast TV Advertising



Miami-Ft. Lauderdale

Further south, an estimated \$4.5 million was spent last quarter to air 29,000 legal services ads in the second-largest media market in Florida -- Miami-Ft. Lauderdale. An average of \$50,000 was spent per day to air these ads with the most spending occurring in August. This represented a 7% drop in ad spending and a 13% decline in the number of ads over the second quarter.

MIAMI-FT. LAUDERDALE, FL, April-September 2018
Legal Services Local Broadcast TV Advertising

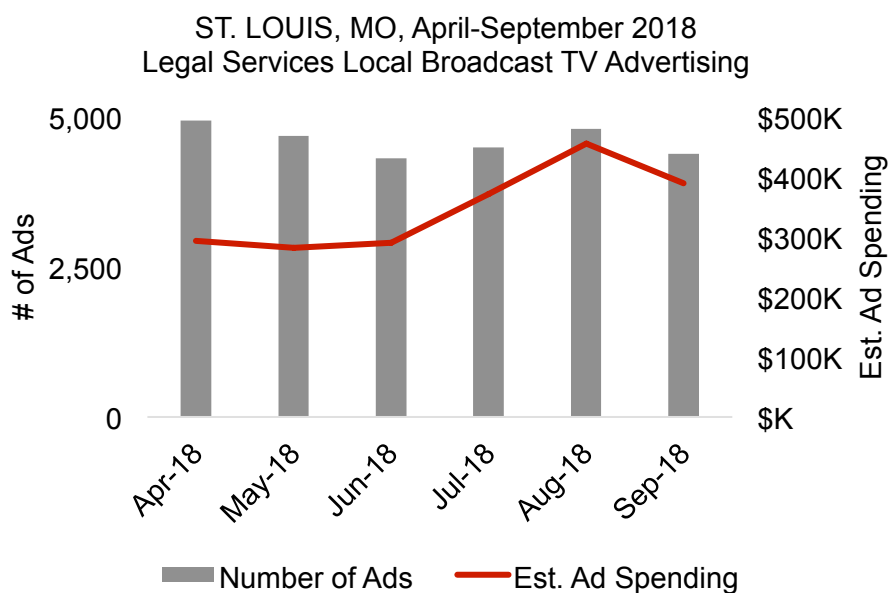


MISSOURI

In Missouri, quarterly estimated spending on legal services ads jumped in the third quarter in the Kansas City and St. Louis media markets while the number of ads declined.

St. Louis

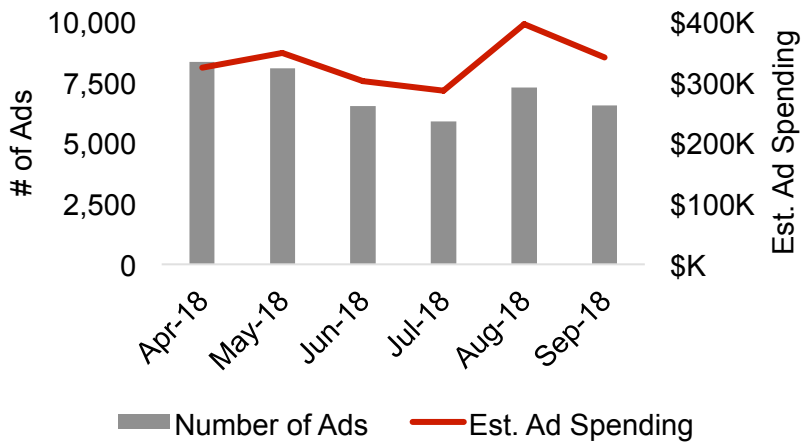
Sponsors of local legal services ads in St. Louis increased their quarterly spending by over \$350,000 from \$870,000 in the second quarter to \$1.2 million in the third. This represented a 41% increase. The number of ads aired remained relatively unchanged, however, at just under 14,000 for the quarter. The disparity may be attributed to higher advertising rates charged by local television stations in the third quarter due to greater competition for advertising time. This meant advertisers had to pay more for the same number of ads.



Kansas City

Estimated spending on legal services ads also increased in the Kansas City market although more modestly than in St. Louis. Just over \$1 million was spent on legal services advertising in Kansas City in the third quarter – a 5% increase from the \$970,000 spent there in the second quarter. The number of legal services ads also declined when about 20,000 ads ran in the third quarter compared with 23,000 in the prior quarter. This was three times the number of local ads as those for home centers and hardware stores in Kansas City last quarter.

KANSAS CITY, MO, April-September 2018
Legal Services Local Broadcast TV Advertising



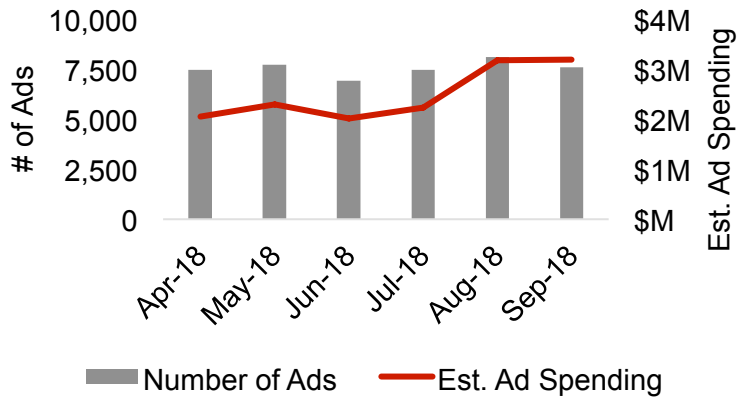
NEW YORK

New York

New York, New York – the largest media market in the country – also saw a steep increase in spending on legal services ads in the third quarter. An additional \$2.3 million was spent there for a total of \$8.6 million in the third quarter – an average of \$94,000 spent every day. This was eleven times the amount spent on local clothing store ads and 58 times the amount spent on ads for home centers and hardware stores during this time period.

The number of legal services ads airing in New York also increased to just over 23,000 – about 1,000 more than in the second quarter.

NEW YORK, NY, April-September 2018
Legal Services Local Broadcast TV Advertising



Source material

Data analysis in this report provided by X Ante used data from Kantar Media CMAG. X Ante monitors and reports on advertising and monitoring by lawyers, law firms and other soliciting legal claims on television, radio, online, social media and elsewhere. The television advertising coverage includes expenditures and commercial occurrences by attorneys and law firms in 210 media markets and on 12 national broadcast networks, 8 Spanish-language networks, and more than 80 national cable networks. X Ante has provided this data and analysis to prominent law firms and Fortune 500 companies.

Materials reviewed

In compiling this report, X Ante examined comprehensive data sets on commercial occurrence and expenditure information for television advertisements sponsored by attorneys and/or law firms seeking claimants on local broadcast television networks in the selected media markets.

The data examined included monthly totals of estimated spending on legal services advertising and the number of times these ads aired each month from June 2018 through September 2018.

The data was gathered and provided by the Campaign Media Analysis Group (CMAG), a Kantar Media Solution, that monitors, codes and aggregates television advertising information 21 hours a day (5:00 AM - 2:00 AM) utilizing the MediaWatch Technology – an automated, patented and proprietary system. The monitored stations constitute the principal stations in each market, typically including the network affiliates and major independents.

CMAG staff watch, review, and code every ad to determine the messages used in each and the content information is merged with the automated placement and spending information.

The system is designed to capture new commercials as they first air and then track every succeeding airing of each commercial across the universe of TV platforms outlined above.

The spot occurrence and placement data are automatically assigned by the system. The spending rates are estimated according to quarterly polling by Kantar Media of television stations and advertising industry sources to determine average 30-second advertising daypart-level rates and program rates for sports and special programming for the upcoming quarter. To account for the time it takes for any given rate to populate within the system, CMAG uses an average cost function based on rates from historical program averages airing in the same market on the same station during the same daypart. These temporary estimates are updated with actual sourced rates when they become available.

Several weeks after the local data is produced, Kantar Media receives the results from a national broadcasting industry survey conducted monthly by the Television Bureau of Advertising (TVB). This new information provides a national advertising growth trend as reported by responding stations. Expenditures are adjusted to reflect these industry spot revenue patterns. Once this final rate data is available, all temporary rates calculated using the average cost function are replaced with the final data.