

Global Ad Trends

February 2019 – The Adspend Outlook [SAMPLE]

Key media intelligence:

Global adspend to rise 4.3% to over \$616bn this year

Programmatic trade is set to account for almost two-thirds of online display adspend

Internet adspend is contracting without Google and Facebook

Digital now takes over half of total US media spend

WARC[^] **Data**

In this report

1 The adspend outlook

- ✓ The relationship between global adspend, gross domestic product and consumer expenditure
- ✓ Trends in adspend by medium and format, and ad revenue forecasts by media owner
- ✓ How traditional media have fared against rapidly rising internet spend
- ✓ Growth in global programmatic trade, and internet growth excluding the duopoly

Next edition:
The Duopoly

2 Trends by region

- ✓ Which regions are growing fastest, and where the growth is coming from
- ✓ The impact of dollar volatility, and the underlying growth without it
- ✓ How spend growth will vary by geography this year

3 In-depth adspend data

- ✓ The latest verified data by media and market from WARC's global partners
- ✓ Per capita spend by medium and market
- ✓ The fastest-growing markets by annual growth rate and absolute spend

1 Adspend outlook 2019

4.3%

growth forecast for global adspend in 2019, pushing the total to US\$616bn

5.4%

estimated rise in global adspend last year – to US\$590bn – the best performance since 2011

7.2%

forecast decline in internet adspend excluding Google and Facebook this year

53.3%

global ad dollars invested in traditional media this year

61.4%

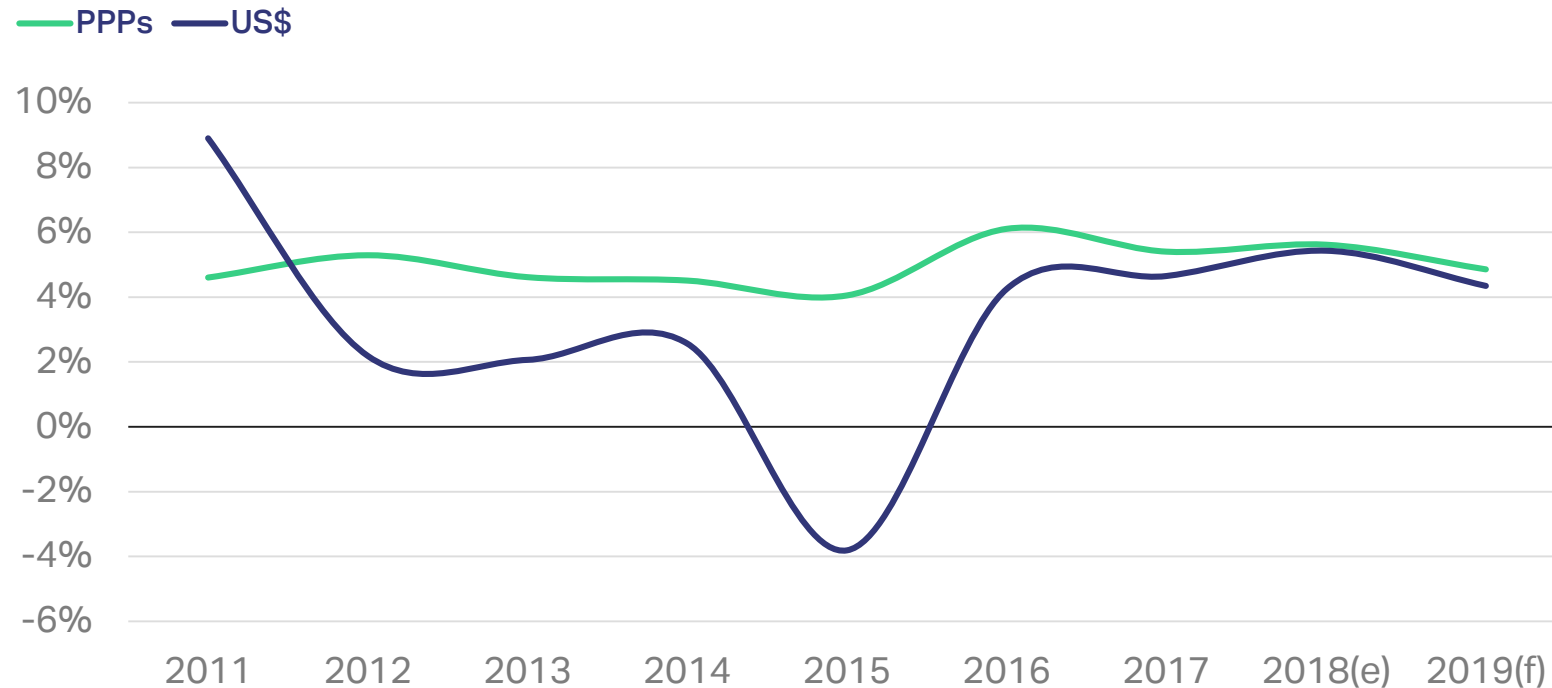
Google and Facebook's combined share of internet adspend this year

65.3%

share of online display adspend traded programmatically this year

Ad growth stable at 5% since 2011; dollar growth highest since 2011

Global advertising expenditure, year-on-year % change, current prices



Note: PPP = Purchasing Power Parity (PPPs) measures the buying power of local currency units when spent in their domestic markets. They enable accurate international comparisons of economies and prices by removing the impact of exchange rate fluctuations. The US economy is used as the global reference point for PPPs and is set to an index value of 100.

SOURCE › WARC Data

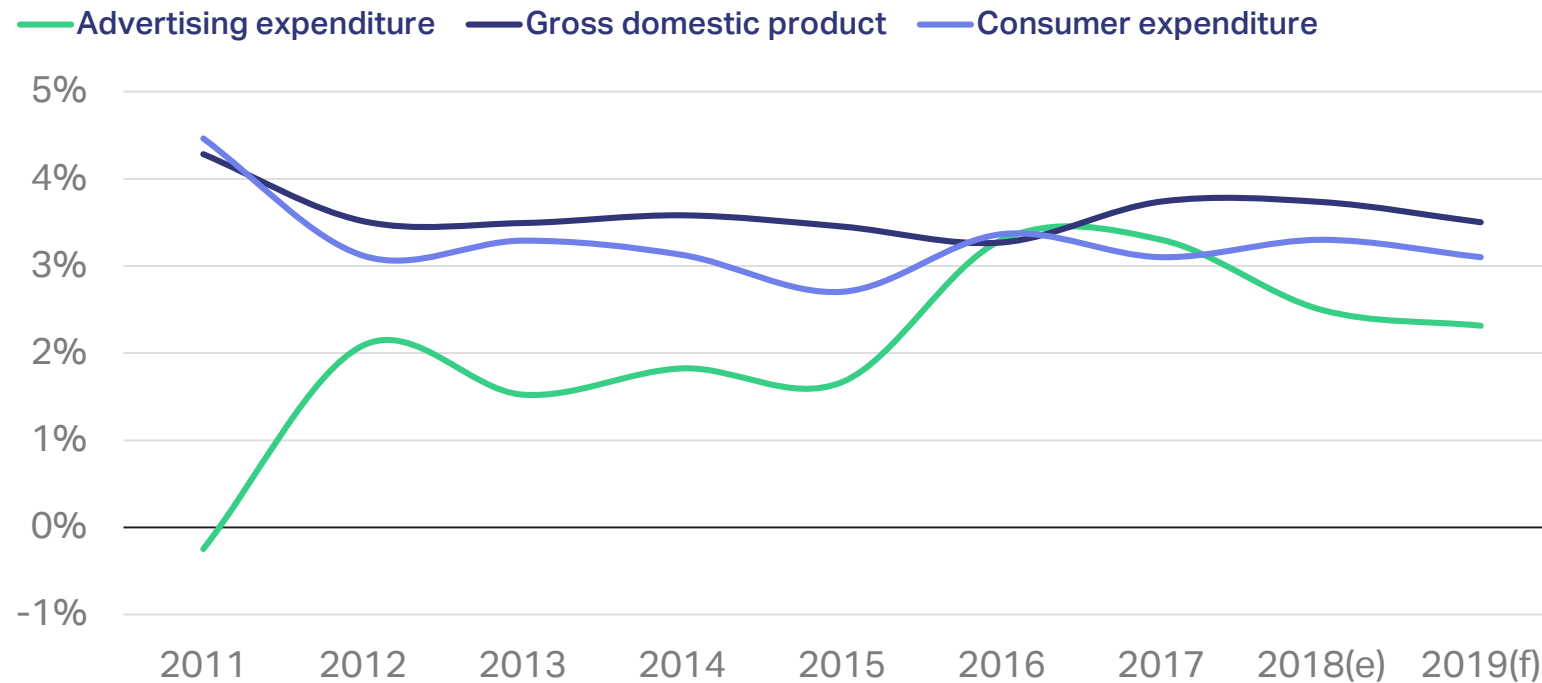
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The adspend outlook

- Global adspend is estimated to have grown 5.4% year-on-year to US\$590.4bn in 2018, according to new projections based on data from the 96 markets included in WARC's **Adspend Database**. This represents the strongest growth rate since 2011 (+8.9%), and an acceleration from the 4.7% rise recorded in 2017. Global adspend growth is expected to ease to 4.3% this year, but this would push total ad investment to over US\$616bn.
- Care should be taken when comparing totals in US dollars due to the effects of exchange rate fluctuations. When the same global data are viewed in purchasing power parity (PPP) terms, growth is estimated to have been stronger at 5.6% in 2018. This follows year-on-year growth of 5.4% in 2017. Our outlook for global growth this year when measured in PPPs is 4.9%.
- When viewing US\$ and PPP data over the long-term, the volatility introduced by the fluctuation in exchange rates is more marked. In PPP terms, global adspend growth has been relatively stable during the decade from 2011, hovering consistently around 5% each year. Yet, in US\$ terms, annual growth has varied between 8.9% in 2011 to -3.8% in 2015, when a stronger dollar hit growth in four out of every five markets.

Global output and consumer expenditure also stable over the period

Global, year-on-year % change, Purchasing Power Parity (PPP), real terms



Note: PPP = Purchasing Power Parity (PPPs) measures the buying power of local currency units when spent in their domestic markets. They enable accurate international comparisons of economies and prices by removing the impact of exchange rate fluctuations. The US economy is used as the global reference point for PPPs and is set to an index value of 100. Real term data rebased to 2015.

SOURCE › WARC Data, IMF

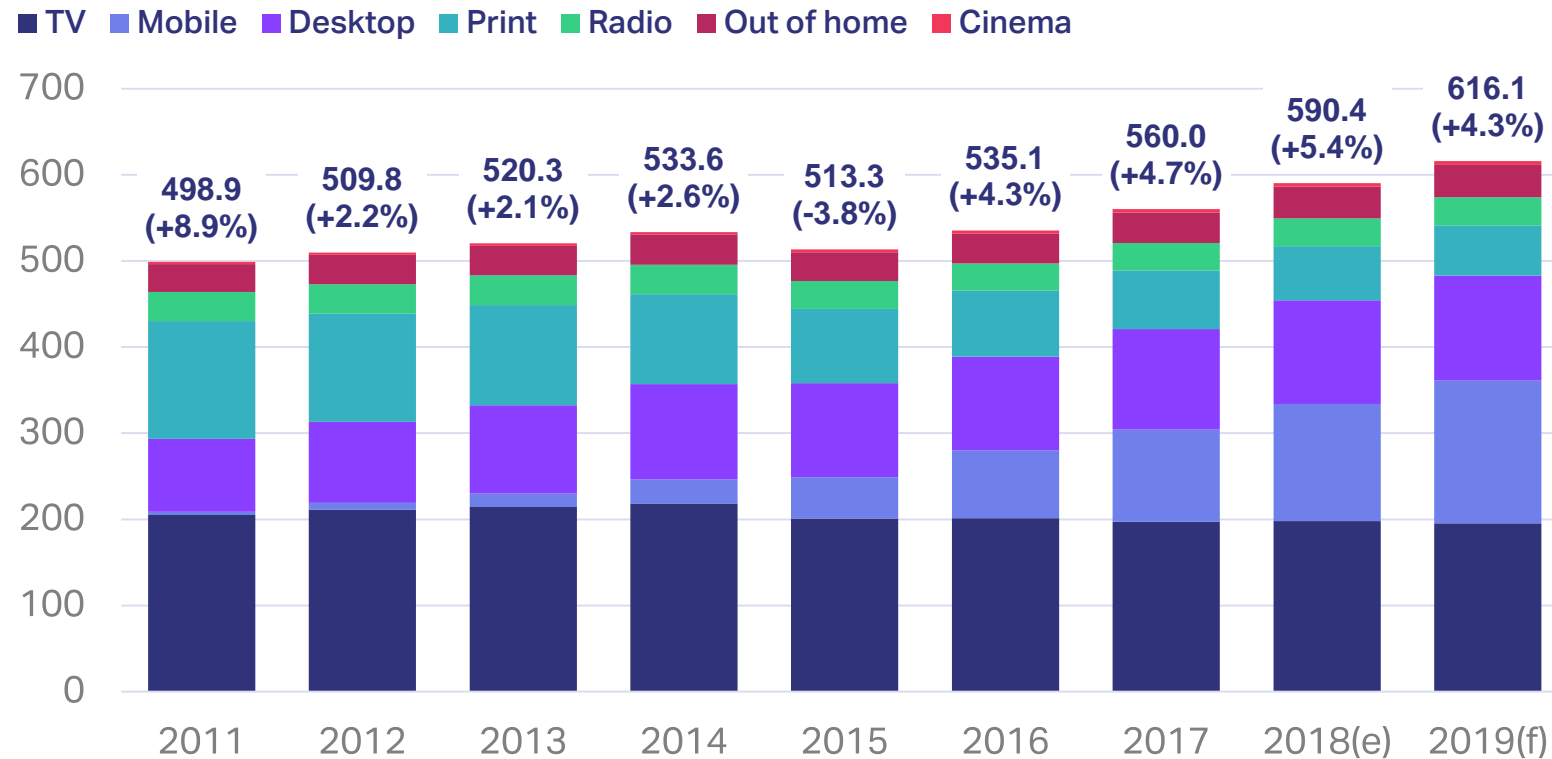
[Get the data](#)

The adspend outlook

- Global economic output is expected to have shown stable growth over the decade to 2019. After accounting for inflation, gross domestic product (GDP) has expanded at an average rate of 3.6% each year between 2011 and 2017, while growth for 2018 is estimated at 3.7%. This is expected to ease to 3.5% this year, with the International Monetary Fund (IMF) noting trade tensions between the US and China, a 'no-deal' UK withdrawal from the EU, and high public and private debt as potential headwinds to growth.
- Data for consumer spend have been slightly weaker than those for GDP over the same period, as factors such as disposable income, credit availability, interest rates and confidence in the future weigh on households. Private consumption rose 4.5% globally in 2011, but grew 3.1% in 2017. WARC estimates growth of 3.3% in 2018, and anticipates a 3.1% rise this year.
- By comparison, the fortunes of the global ad market have been mixed when considered in real terms, with spend rising by an average of 2.0% each year between 2011 and 2019. Advertising accounts for 0.59% of global GDP in PPP terms, and 0.70% in US dollars – both stable since 2011.

Mobile was the only channel to gain share in 2018, and will draw one in four ad dollars this year

Global, US\$ billions and year-on-year % change, current prices



Note: Desktop internet may include some unidentified mobile and tablet spend.

SOURCE › WARC Data

Get the data

The adspend outlook

- Mobile increased its share of global advertising spend by an estimated 4.0 percentage points (pp) to 23.0% in 2018, and is thought to have been the only media channel to have gained share year-on-year. Estimates indicate that mobile overtook desktop internet for the first time last year, with desktop thought to have taken a share of 20.4% (down 0.4pp). Mobile is set to increase its share of global adspend by a further 3.9pp in 2019 – to 26.9% – and is expected to become the **largest ad channel in WARC’s 12 key markets this year.**
- The largest media channel worldwide – TV – is estimated to have registered a 1.7pp dip in 2018, taking a share of 33.5% of the global adspend total (or **30.2% within WARC’s key markets**). A similar loss of share (-1.8pp) is forecast this year, following a 1.3% reduction in global TV spend.
- Print continues to lose share. The channel was down an estimated 1.5pp in 2018 to 10.6%, and is forecast a further dip of 1.1pp to 9.5% in 2019. Print publishers are under immense pressure, with ad revenues **more than halving since 2009.**
- Out of home’s share dipped by 0.1pp to 6.2% in 2018, while cinema’s share held at 0.7%. Radio was down by an estimated 0.2pp to 5.5%.

2 Trends by region 2011-2019

8.0%

average growth in Asia-Pacific over the decade to 2019

9.2%

annual decline in dollar spend in the Middle East and Africa last year

15.4%

forecast rise in Russian adspend this year, making it the fastest-growing of WARC's key markets

35.9%

of global ad dollars spent in North America

38.0%

of the value of ad trade measured in PPPs originating in Asia, making it the largest region

54.0%

internet's share of total US media spend this year

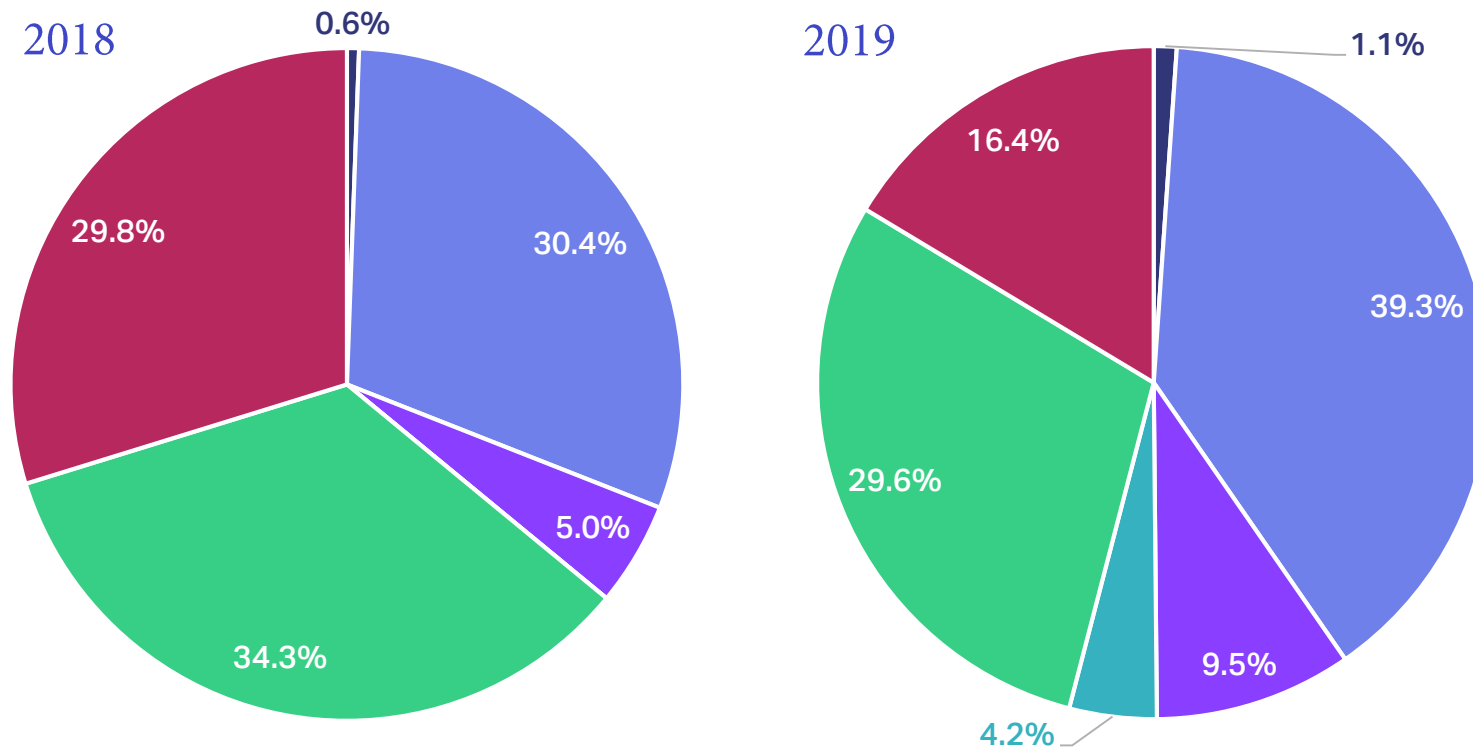
WARC advertising outlook by region and key market

US\$ billions, current prices	Spend			Growth			Share of region/world		
	2017	2018(e)	2019(f)	2017	2018(e)	2019(f)	2017	2018(e)	2019(f)
North America	201.3	213.3	221.2	3.7%	6.0%	3.7%	35.9%	36.1%	35.9%
United States	190.5	202.1	209.5	3.8%	6.1%	3.7%	94.6%	94.7%	94.7%
Asia-Pacific	169.9	180.6	191.0	6.8%	6.3%	5.8%	30.3%	30.6%	31.0%
China	76.7	86.2	94.5	11.0%	12.5%	9.6%	45.1%	47.7%	49.5%
Japan	38.2	40.1	41.3	-0.4%	4.9%	3.1%	22.5%	22.2%	21.6%
Australia	12.4	12.4	12.9	4.8%	-0.6%	3.9%	7.3%	6.8%	6.7%
India	7.8	8.3	9.3	12.0%	7.0%	11.9%	4.6%	4.6%	4.9%
Western Europe	113.9	124.3	128.7	3.2%	9.2%	3.5%	20.3%	21.1%	20.9%
United Kingdom	26.3	29.2	30.8	0.0%	11.1%	5.6%	23.1%	23.5%	24.0%
Germany	23.4	25.2	25.8	4.7%	7.9%	2.2%	20.5%	20.3%	20.0%
France	15.0	16.1	16.5	4.3%	7.5%	2.0%	13.2%	13.0%	12.8%
Italy	9.1	9.7	9.9	3.9%	6.8%	2.2%	8.0%	7.8%	7.7%
Latin America	32.3	29.6	30.8	11.0%	-8.3%	3.8%	5.8%	5.0%	5.0%
Brazil	15.3	14.2	15.0	14.6%	-7.3%	5.9%	47.3%	47.8%	48.7%
Central & Eastern Europe	21.9	23.7	26.2	17.7%	8.0%	10.6%	3.9%	4.0%	4.3%
Russia	9.7	10.4	12.0	33.8%	6.9%	15.4%	44.3%	43.9%	45.8%
Middle East & Africa	20.7	18.9	18.2	-13.4%	-8.9%	-3.7%	3.7%	3.2%	3.0%
GLOBAL	560.0	590.4	616.1	4.7%	5.4%	4.3%			

Over two-thirds of global ad growth to come from North America and Asia-Pacific this year

Growth contribution by region, % share of gross dollar growth

■ Africa ■ Asia-Pacific ■ Central & Eastern Europe ■ Latin America ■ North America ■ Western Europe



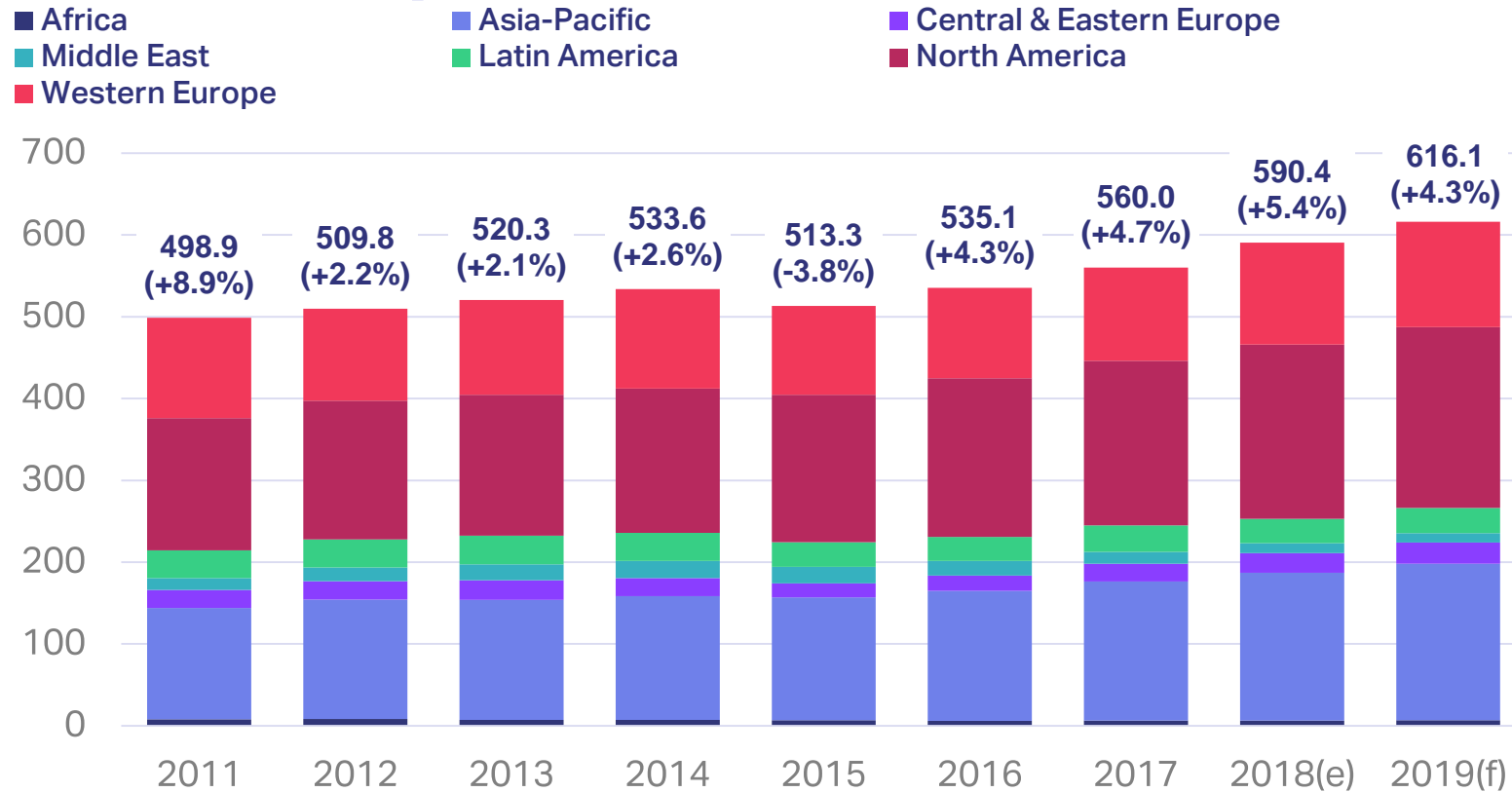
SOURCE › WARC Data

Trends by region

- Gross dollar growth (excluding regions which recorded a decline) in global advertising spend is estimated at \$35.1bn in 2018, with a further \$26.6bn forecast this year. Two-thirds of this additional \$61.7bn is expected to be generated in just two regions: Asia-Pacific and North America.
- Asia-Pacific is expected to account for almost two in five (39.3%) new ad dollars this year, following on from a 30.4% growth contribution in 2018. This would equate to an extra \$21.1bn over the period.
- North America generated just over one in three new ad dollars in 2018, mostly the result of a buoyant US market, which grew by an estimated 6.1% on the back of the US midterm elections and the PyeongChang Winter Olympics. The region is expected to account for 29.6% of global growth this year – or an additional \$7.9bn – driven mostly by internet spend, which will account for over half of all US media spend for the first time this year.
- After factoring in annual declines in the Middle East, net dollar growth in the global ad market is estimated at \$30.4bn in 2018 – the strongest rise since 2011. While this is expected to ease to \$25.7bn this year, this would be \$9.1bn ahead of the average recorded over the last decade.

Western Europe was the fastest-growing region last year

US\$ billions, current prices



SOURCE › WARC Data

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Trends by region

- Western Europe was the fastest-growing ad region in 2018, according to new projections based on 96 markets. It saw spend increase by an estimated 9.2% to reach US\$124.3bn, but is predicted to grow by just 3.5% in 2019. The region's largest market, the UK, benefited in part from a stronger pound, which resulted in a dollar rise of 11.1% last year. The euro gained four cents on the dollar in 2018, boosting growth in Germany (+7.9%), France (+7.5%) and Italy (+6.8%), among others.
- North America remains the biggest-spending advertising region – it accounted for an estimated US\$213.3bn in 2018 (up 6.0% year-on-year), with further growth of 3.7% anticipated for 2019. The region is expected to account for 35.9% of global adspend this year, roughly on a par with 2018.
- The second-biggest ad region is Asia-Pacific with estimated spend of US\$191.0bn in 2018, though it is the largest in PPP terms with a 38.0% share. At almost half of the regional total, an increasingly digital China is driving much of Asia's growth.
- All regions except the Middle East are forecast to expand in 2019, with Central and Eastern Europe rising most rapidly on 10.6%.

3 **In-depth adspend data**
2017

7.6%

annual fall in US TV adspend, to \$63.1bn

12.2%

compound annual growth rate of Chinese ad market over the decade to 2017

24.4%

of global advertising spend is focused in the US

36.2%

annual rise in mobile adspend in the US, to \$49.9bn (or \$153.13 per capita)

Top ad markets by PPP value

Current prices	2017 (PPP millions)	2017 vs. 2016 % change	2017 vs. 2008 % change	10-year CAGR	Share of regional adspend	Share of global adspend
1 United States	190,450.5	3.8%	19.0%	2.0%	94.6% (94.6%) ◀	24.4% (24.7%) ▼
2 China	147,642.8	12.8%	181.7%	12.2%	47.4% (45.8%) ▲	18.9% (17.6%) ▲
3 Japan	42,580.3	4.8%	17.0%	1.8%	13.7% (14.2%) ▼	5.5% (5.5%) ◀
4 United Kingdom	29,238.1	4.8%	36.0%	3.5%	16.1% (16.3%) ▼	3.7% (3.8%) ▼
5 India	28,668.5	7.0%	121.3%	9.2%	9.2% (9.4%) ▼	3.7% (3.6%) ▲
6 Germany	26,781.5	3.8%	9.3%	1.0%	14.8% (15.0%) ▼	3.4% (3.5%) ▼
7 Russia	24,703.4	12.3%	16.9%	1.7%	13.6% (12.8%) ▲	3.2% (3.0%) ▲
8 Brazil	22,330.7	-2.1%	28.8%	2.9%	43.4% (44.6%) ▼	2.9% (3.1%) ▼
9 Indonesia	21,759.6	20.3%	136.2%	10.0%	7.0% (6.3%) ▲	2.8% (2.4%) ▲
10 France	16,667.5	3.4%	9.1%	1.0%	9.2% (9.4%) ▼	2.1% (2.2%) ▼
11 Korea, Republic of	12,587.7	6.2%	51.8%	4.7%	4.0% (4.1%) ▼	1.6% (1.6%) ◀
12 Australia	11,255.0	=	22.8%	2.3%	3.6% (3.9%) ▼	1.4% (1.5%) ▼
13 Italy	10,846.6	3.1%	-12.8%	-1.5%	6.0% (6.1%) ▼	1.4% (1.4%) ◀
14 Canada	10,824.7	2.7%	-10.7%	-1.2%	5.4% (5.4%) ◀	1.4% (1.4%) ◀
15 Mexico	10,532.6	3.6%	37.9%	3.6%	20.5% (19.9%) ▲	1.4% (1.4%) ◀

Note: 2016 shares shown in brackets. CAGR = Compound Annual Growth Rate.

Get the data

 **Appendix**

Notes on data

WARC has conducted an annual survey of global advertising expenditure since 1980, issuing questionnaires to media owners, industry bodies and/or monitoring organisations in each of the 96 markets we track. The survey covers TV, internet, mobile, newspaper, magazine, radio, cinema and out of home adspend.

Where possible, WARC publishes harmonised data (net of discounts, including press classified adspend and agency commission but excluding production costs) to give a more accurate, comparable picture of each country's ad market. However, this is not always attainable, and data collection methods vary considerably from country to country. Please refer to the [Notes & Sources](#) for detailed market information.

References to global and regional advertising expenditure concern the total adspend within the 96 markets and five regions we monitor. We do not estimate or forecast markets for which we do not have a credible data partner.

Purchasing Power Parity (PPPs) measures the buying power of local currency units when spent in their domestic markets. They enable accurate international comparisons of economies and prices by removing the impact of exchange rate fluctuations. The US economy is used as the global reference point for PPPs and is set to an index value of 100.

Constant prices are volume measures whose values are calculated by applying prices from a specific base period to current quantities. This produces a series of derived prices which facilitate comparisons across different periods. The base period for this report is 2015.

Compound annual growth rates (CAGR) are mean annual growth rates over a given period, which smooth the rate on a compounded basis.

All data referred to in this report are drawn from WARC's [Adspend Database](#), and are correct as of 20th February 2019.

Harmonised

Algeria	Denmark	Italy	Norway	South Africa
Argentina	Ecuador	Japan	Pakistan	South Korea
Australia	Estonia	Kazakhstan	Panama	Spain
Austria	Finland	Latvia	Pan Arab*	Sweden
Belgium	France	Lithuania	Paraguay	Switzerland
Brazil	Germany	Macedonia	Peru	Taiwan
Bulgaria	Greece	Malaysia	Philippines	Tunisia
Canada	Guatemala	Malta	Poland	Turkey
Chile	Honduras	Mexico	Portugal	Ukraine
China	Hong Kong	Moldova	Romania	UK
Colombia	Hungary	Morocco	Russia	United States
Costa Rica	India	Netherlands	Serbia	Uruguay
Croatia	Indonesia	New Zealand	Singapore	Venezuela
Cyprus	Ireland	Nicaragua	Slovak Republic	Vietnam
Czech Republic	Israel	Nigeria	Slovenia	

Rate card level

Bahrain	Jordan	Luxembourg	Syria*	Yemen*
Bosnia	Kenya	Mozambique	Tanzania	Zambia
Egypt	Kosovo	Oman	Thailand	
Georgia	Kuwait	Qatar	Uganda	
Ghana	Lebanon	Saudi Arabia	UAE	

Note: Pan Arab refers to multi-market bookings made in the Middle East (excluding Israel).
*Syrian data to 2011 only. Yemen to 2014.

Data sources

Algeria: SIGMA Conseil
Argentina: CAAM
Australia: CEASA, IAB
Austria: Media Focus, IAB Europe
Bahrain: Pan Arab Research Center
Belgium: Space, IAB Europe
Bosnia & Herzegovina: MIB Gallup
Brazil: Projecto Inter-Meios, Kantar, IAB Brasil
Bulgaria: Be Media, IAB Europe
Canada: ThinkTV, IAB
Chile: ACHAP
China: CTR Market Research China, iResearch
Colombia: ASOMEDIOS, IAB
Costa Rica: MediaGuru
Croatia: AGB Nielsen, IAB Europe
Cyprus: AGB Nielsen, IAB Europe
Czech Republic: Kantar, IAB Europe
Denmark: Kreativitet & Kommunikation, IAB Europe
Ecuador: IBOPE, IAB Ecuador
Egypt: Pan Arab Research Center
Estonia: TNS Emor
Finland: Kantar TNS Finland, IAB Europe
France: IREP, IAB Europe
Georgia: IPM Research
Germany: ZAW, IAB Europe
Ghana: Synovate Ghana
Greece: Media Services, IAB Europe
Guatemala: MediaGuru
Honduras: MediaGuru
Hong Kong: admanGo
Hungary: Kantar
India: TAM Media Research, Madison World
Indonesia: Media Palette
Ireland: The Nielsen Company, IAB Europe
Israel: Ifat Advertising Monitoring
Italy: Nielsen Italia, IAB Europe
Japan: Dentsu
Jordan: Pan Arab Research Center
Kazakhstan: TNS Kazakhstan
Kenya: Ipsos Kenya
Kosovo: MDA
Kuwait: Pan Arab Research Center
Latvia: TNS Latvia
Lebanon: Pan Arab Research Center
Lithuania: TNS Lithuania
Luxembourg: MediaXim
Macedonia: madvertising
Malaysia: Nielsen Media Research
Malta: BPC International Ltd.
Mexico: AAM, IAB
Moldova: AAPM
Morocco: SIGMA Conseil
Mozambique: Ipsos Mozambique
Netherlands: The Nielsen Company, IAB Europe
New Zealand: ASANZ, IAB NZ
Nicaragua: MediaGuru
Nigeria: MMS
Norway: IRM, IAB Europe
Oman: Pan Arab Research Center
Pakistan: Media Bank
Panama: IBOPE
Pan Arab: Pan Arab Research Center
Paraguay: IBOPE
Peru: CPI Peru, IAB
Philippines: IMMAP
Poland: Kantar Media
Portugal: MediaMonitor
Qatar: Pan Arab Research Center
Romania: Alfa Cont, IAB Europe
Russia: AKAR, IAB Europe
Saudi Arabia: Pan Arab research Center
Serbia: AGB Nielsen, IAB Europe
Singapore: AC Nielsen
Slovak Republic: TNS Media Intelligence, IAB

Slovenia: Mediana, IAB
South Africa: The Nielsen Company, IAB ZA
South Korea: The Nielsen Company, Cheil
Spain: Infoadex, IAB Espana
Sweden: IRM, IAB Europe
Switzerland: WEMF/REMP, IAB Europe
Syria: Pan Arab Research Center
Taiwan: Rainmaker XKM International Corp.,
Digital Marketing Association
Tanzania: Synovate Tanzania
Thailand: The Nielsen Company, DAAT
Tunisia: SIGMA Conseil
Turkey: Reklamcilar Dernegi, IAB Europe
Uganda: Synovate Uganda
Ukraine: Ukrainian Advertising Coalition
UAE: Pan Arab Research Center
United Kingdom: Advertising Association/WARC
United States: MAGNA Global
Uruguay: IBOPE Medios Uruguay, IAB
Venezuela: ANDA
Vietnam: Kantar Media/TNS Vietnam
Yemen: Pan Arab Research Center
Zambia: Synovate Zambia

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About WARC Data

WARC has published independent and objective advertising research since 1982.

Our data products are trusted by the world's leading brands, ad and media agencies, media owners, research bodies, academic institutions and market analysts.

www.warc.com/data

Benchmarks

Utilise WARC's suite of benchmarks to measure your ROI against industry sector and geography, decide on the right media mix for your campaign, and compare your ad/sales ratio with the sector's wider performance.

Forecasts

WARC produces detailed adspend forecasts for 12 key markets – Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, UK, US – which between them account for three-quarters of global adspend.

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Instantly access advertising spend data in 96 markets across major media and formats.

Check CPM and GRP costs by media and target audience in 63 markets.

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Access hundreds of pre-made charts and datasets on media consumption, spend and costs.

Global Marketing Index

Established in 2011, the Global Marketing Index (GMI) is designed to provide a unique monthly indicator of expenditure and business conditions for marketers worldwide.

Our panel of 10,000 marketing professionals is invited to give its views of current business conditions, including marketing spend, media budgets and staffing. The results are provided exclusively to WARC Data subscribers each month.

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