

Global Ad Spend Forecasts

dentsu
ÆGIS
network

June

2019





Ten ad spend take-aways:

1. Global ad spend is set to grow 3.6% in 2019. This amounts to total global ad spend of US\$609.9 billion.
2. Forecasts have slipped globally from January this year due to economic uncertainty affecting consumer activity and lower than expected growth in the TV market at the beginning of the year. Growth will accelerate to 4.1% globally in 2020 - almost returning to 2018 growth of 4.3%.
3. Despite the continued uncertainty around Brexit, the UK market is resilient and has been upgraded from our previous forecasts to grow 6.3% in 2019.
4. Digital remains the main driver of growth and is forecast to reach a 41.8% share of spend in 2019, an upwards revision from January 2019.
5. Video (20.5%) and Social (19.8%) remain the fastest growing channels within digital, powered by mobile. 4G and 5G will play a pivotal role for mobile, enabling mobile technology to process content a lot quicker for data-hungry users - it will also allow brands to create more innovative content.
6. Mobile remains the fastest growing platform and is forecast to grow by 21.4% in 2019.
7. Paid Search sees continued growth and has the largest share of spend in digital. In 2019 this is driven in particular by developments in [Amazon's search advertising](#).
8. India is forecast double-digit 2019 growth of 11.4% (up from the 10.6% forecast in January and 10.8% growth in 2018), with the Cricket World Cup putting growth on the front foot.
9. Television's ad spend growth is falling faster than previously forecast, now at -0.1% for 2019, though a slight recovery is forecast for 2020 with 0.6% growth.
10. Brazil sees a significant revision upwards to 8.8% growth in 2019 driven by Mobile, which will make Brazil the largest digital market in Latin America.



Market Outlook

A reflection of stable global growth

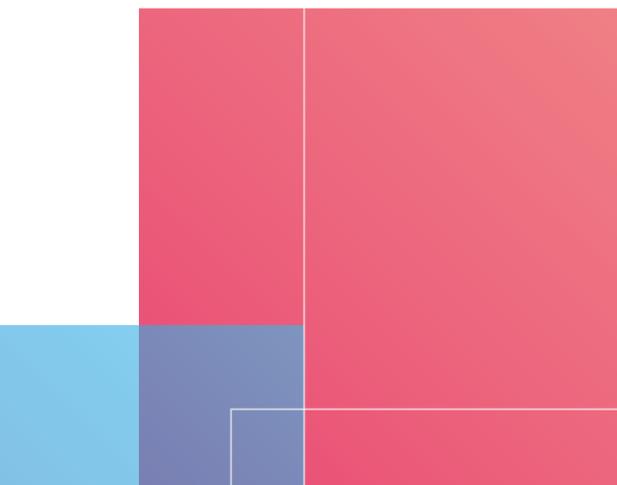
The latest Dentsu Aegis Network Ad Spend forecasts show that growth is likely to hit 3.6% in 2019 (see Figure 1), amounting to US\$609.9 billion. Forecasts have slipped slightly from January, reflecting the challenging economic environment at the start of the year as [momentum slowed considerably](#). Ad spend will rally to 4.1% in 2020, boosted by a year of events including the European Football Championships, Tokyo 2020 Olympic & Paralympic Games and US Presidential elections.

Figure 1: Growth in global ad spend 2018-20f (selected markets)

Year-On-Year % Growth At Current Prices

	2018a	2019f	2020f
Global	4.3 (4.1)	3.6 (3.8)	4.1 (4.3)
North America	3.3 (3.4)	3.2 (3.1)	3.7 (3.6)
USA	3.4 (3.4)	3.1 (3.0)	3.6 (3.6)
Canada	2.7 (3.7)	5.3 (5.2)	5.7 (5.1)
West Europe	4.1 (3.4)	2.8 (3.2)	3.1 (3.3)
UK	8.6 (6.5)	6.3 (6.1)	6.6 (7.1)
Germany	0.2 (1.0)	0.4 (0.5)	0.5 (0.5)
France	5.3 (3.6)	3.6 (3.1)	3.0 (2.5)
Italy	2.0 (1.6)	-1.6 (0.8)	0.6 (1.6)
Spain	2.1 (1.8)	0.5 (1.2)	0.4 (0.8)
C&EE	8.6 (8.6)	4.9 (5.8)	5.6 (6.2)
Russia	12.3 (12.0)	4.5 (6.9)	5.8 (6.7)
Asia Pacific	5.3 (4.6)	4.0 (4.5)	4.9 (4.9)
Australia	6.6 (3.7)	1.9 (2.4)	3.2 (2.6)
China	7.7 (7.8)	5.4 (7.0)	6.9 (6.4)
India	10.8 (9.6)	11.4 (10.6)	12.2 (11.6)
Japan	2.2 (0.2)	1.2 (0.6)	1.8 (2.4)
Latin America	7.9 (9.9)	9.1 (7.9)	6.1 (8.6)
Brazil	7.1 (7.1)	8.8 (3.6)	4.5 (6.2)

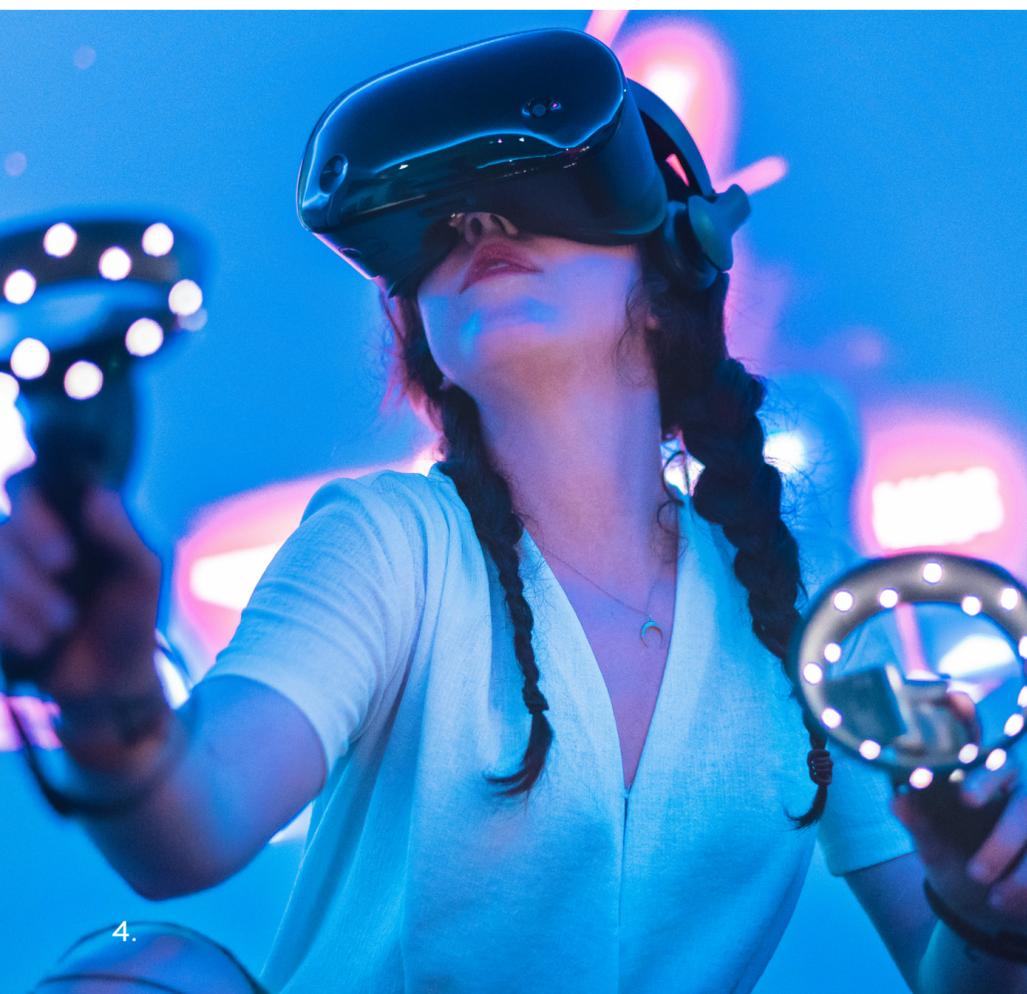
Figures in brackets show our previous forecasts from Jan 2019



UK: resilient and deeply digital

Despite the continued uncertainty around Brexit, the UK market is resilient and we have upgraded the 2019 outlook from our previous forecast to 6.3% in 2019. The UK is also on course for a tenth consecutive year of double-digit growth in digital advertising spend, highlighting the digital maturity of the UK market. The UK is set to see growth in digital ad spend of 10.4% in 2019. This maturity is one factor that may be insulating ad spend growth from geopolitical uncertainty and the confidence-dampening effects of Brexit.

The UK is also on course for a tenth consecutive year of double-digit growth in digital advertising spend



Markets moving up

While many markets have seen downward revisions in our latest report, along with the UK there are notable exceptions. For example, in India our forecasts are revised up from 10.6% to 11.4%, boosted by events such as coverage of this year's Cricket World Cup.

In Canada ad spend is expected to rise from 2.7% to 5.3% in 2019, reflecting the continued positive outlook for OOH with the growth and availability of digital outlets, as well as strong growth in travel and telecommunications categories.

Brazil stands out as a market whose ad spend forecast has seen significant revision from January 2019. This is to reflect a more positive economic outlook as President Bolsonaro promises tax reform and announces visa waivers for the U.S, Canada, Japan, and Australia.

Digital in the driver's seat

Digital continues to power ad spend growth and is forecast to grow globally by 11.5% in 2019 amounting to US\$249.7 billion and a 41.8% share of global spend. In 2020 growth is set to continue at 11% putting digital's share of ad spend at nearly 45%.

The number of markets we analysed where digital has the largest share of ad spend is up from 21 markets in 2018 to 26 this year.

Our projections for 2020 see digital reaching nearly 45% of total investment.

Figure 2: Share of global ad spend by media, 2018-20 (%)

	2018a	2019f	2020f
Television	34.9 (35.4)	33.6 (34.1)	32.4 (33.2)
Newspaper	8.0 (8.0)	7.1 (7.1)	6.3 (6.3)
Magazines	5.0 (5.0)	4.5 (4.5)	4.0 (4.1)
Radio	6.2 (6.2)	6.1 (6.0)	5.9 (5.8)
Cinema	0.6 (0.6)	0.6 (0.6)	0.6 (0.6)
OOH	6.3 (6.3)	6.3 (6.3)	6.3 (6.2)
Digital	39.0 (38.5)	41.8 (41.4)	44.5 (43.8)

Figures in brackets show our previous forecasts from Jan 2019

All eyes on Mobile

Within digital, Mobile remains the fastest growing platform and is forecast to grow by 21.4% in 2019. Mobile's share of ad investment is set to increase from 28.4% in 2019 to nearly a third in 2020. Over [50% of web traffic](#) now happens on a mobile device, attracting increasing ad dollars to mirror surging impressions.

Powering this increased spend is the growing consumption of video on Mobile. Video ads on mobile devices are expected to exceed [\\$29 billion in 2019](#) with nearly 50% of video ads viewed on mobile – up from 40% from 2018.

In Japan robust growth in Mobile ad spend is expected to continue with ads embedded in content from traditional newspapers and magazines on mobile also growing. This illustrates the blurring of the lines between digital and other media.

Over 50% of web traffic now happens on a mobile device

Figure 4: Growth in global ad spend within Digital, 2018-20

(% year-on-year growth at current prices)

	2018a	2019f	2020f
 Display	11.5 (12.2)	9.0 (11.7)	9.3 (9.7)
 Online Video	29.0 (27.8)	20.5 (20.0)	18.6 (16.7)
 Social Media	30.4 (21.9)	19.8 (18.4)	19.0 (14.6)
 Paid Search	11.6 (9.5)	9.0 (9.2)	8.1 (7.9)
 Classified	6.2 (7.2)	5.3 (6.8)	5.8 (5.1)

Figures in brackets show our previous forecasts from Jan 2019

	2018a	2019f	2020f
 Mobile	29.7 (25.8)	21.4 (19.2)	17.7 (16.6)
 Desktop	-2.3 (-2.8)	-4.5 (-1.8)	-2.6 (-2.8)

Figures in brackets show our previous forecasts from Jan 2019

Social still going strong

We've revised our forecast for Social Media up from January 2019 (18.4%) to 19.8%. Despite continued concern about the dominance of Facebook and brand safety issues on YouTube and Instagram, the number of social network users continues to rise. [Statista estimates](#) that there will be 3 billion social network users in 2021 up from 2.62 billion in 2018. In 2020 we forecast investment in Social Media to grow 19.0% (an upwards revision from 14.6% in January 2019) illustrating the continued importance of Social Media to ad budgets despite the drop-off from 2018's high of 30.4% growth.

Online Video – powered by social video platforms like Instagram Stories, Snapchat and TikTok – is the fastest growing category within digital and is forecast to grow

one-fifth in 2019. TikTok, which has been around for less than two years, [launched targeted in-feed ads this year](#) as advertisers strengthen their investment in Online Video. The app has [500 million active users worldwide](#) and is part of the rise of video along with Instagram Stories' [500 million daily active users](#).

Online Video is the fastest growing category within digital and is forecast to grow one-fifth in 2019.



Figure 6: Share of global ad spend by digital sub-category, 2018-20 (%)

Global % share of advertising spend within digital*

	2018a	2019f	2020f
 Display**	13.1 (13.6)	13.7 (14.6)	14.4 (15.3)
 Online Video**	6.2 (6.3)	7.2 (7.2)	8.1 (8.0)
 Social Media**	3.1 (2.9)	3.6 (3.3)	4.1 (3.6)
 Paid Search**	15.1 (14.5)	15.8 (15.2)	16.4 (15.6)
 Classified**	3.2 (3.2)	3.3 (3.3)	3.3 (3.3)

Figures in brackets show our previous forecasts from Jan 2019

Global % share of advertising spend within digital*

	2018a	2019f	2020f
 Mobile	24.3 (25.1)	28.4 (28.7)	32.0 (31.9)
 Desktop	16.1 (14.9)	14.7 (14.0)	13.8 (13.0)

Figures in brackets show our previous forecasts from Jan 2019

*Excludes a few markets where digital spend has not been broken out

**Includes advertising that appears on Desktop, Mobile & Tablets

Methodology

Advertising expenditure forecasts are compiled from data collated from around the Dentsu Aegis Network's brands and based on our local market expertise. We use a bottom-up approach, with forecasts provided for 59 markets covering the Americas, EMEA, Asia Pacific and Rest of World by medium: Television, Newspapers, Magazines, Radio, Cinema, Out-of-Home and Digital Media.

The advertising spend figures are provided net of negotiated discounts and with agency commission deducted, in current prices and in local currency. For global and regional figures, we convert the figures centrally into USD with the average exchange rate. The forecasts are produced bi-annually with actual figures for the previous year and latest forecasts for the current and following year.



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About Dentsu Aegis Network

Part of Dentsu Inc., Dentsu Aegis Network is made up of ten global network brands—Carat, Dentsu, dentsu X, iProspect, Isobar, mcgarrybowen, Merkle, MKTG, Posterscope and Vizeum and supported by its specialist/multi-market brands. Dentsu Aegis Network is Innovating the Way Brands Are Built for its clients through its best-in-class expertise and capabilities in media, digital and creative communications services. Offering a distinctive and innovative range of products and services, Dentsu Aegis Network is headquartered in London and operates in 145 countries worldwide with more than 47,000 dedicated specialists.

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