



Press Release

For immediate release

Global advertising spend growth to slow next year

London, 2nd November 2016 - The latest Consensus Ad Forecast from Warc, the marketing intelligence service, indicates that global advertising spend will rise by 4.5% during 2016 as a whole, before the growth rate slows to 4.2% in 2017.

With the exception of newspapers and magazines, all major media channels are expected to record adspend growth this year and next. However, the two largest, TV (+1.1%) and internet (+13.0%) are forecast to see their growth rate ease during 2017. The same is true for mobile, though it is still set to be the fastest-growing ad channel over the period.

Warc's Consensus Ad Forecast is based on a weighted average of adspend predictions at current prices from ad agencies, media monitoring companies, analysts, Warc's own team and other industry bodies.

Current sources include Carat, eMarketer, GroupM, Magna Global, Nikkei Advertising Research Institute (NARI), Pitch-Madison, Pivotal Research Group and ZenithOptimedia.

All 13 markets covered in the report are forecast to see the amount invested in advertising rise both this year and next, though for eight of these the growth rate will be softer in 2017.

India is expected to see the strongest annual rise in adspend this year, up 13.3%, with a similar rate of growth anticipated next year. The world's largest ad market, the US, is expected to post adspend growth of 5.1% this year – buoyed by the presidential election campaigns and the Rio Olympics. US adspend growth is then forecast to cool next year – rising by 2.8% – as the impact of these events is lost.

Adspend growth by country

	2016 vs 2015 year-on-year % change	2017 vs 2016 year-on-year % change
India	13.3	13.4
China	7.8	7.1
Russia	5.8	6.1
Spain	5.8	5.2
UK	5.6	4.3
US	5.1	2.8
Australia	3.8	3.8
Brazil	3.3	2.1

Italy	2.8	1.6
Germany	2.1	1.8
Canada	2.0	2.4
Japan	1.7	1.7
France	1.3	0.8
Global	4.5	4.2

Source: Warc's Consensus Ad Forecast, November 2016 (www.warc.com)

Despite the uncertainty surrounding the “Brexit” process by which the UK will leave the European Union in 2017, the nation’s ad market is forecast to record adspend growth of 5.6% this year and 4.3% next; both above the global respective rates.

All four BRIC markets, India (+13.4%), China (+7.1%), Russia (+6.1%) and Brazil (+2.1%), are expected to post rises in ad expenditure this year and next. France is forecast to record muted growth of +0.8% in 2017, the softest rate of the 13 markets studied.

All media, barring newspapers and magazines, are predicted to record year-on-year growth in 2017, with mobile expected to see the greatest adspend rise, up 34.2%. Total internet (including mobile) growth is expected to be 13.0% next year, while TV, the world’s largest ad channel by spend, is forecast to post growth of 1.1%.

Global adspend growth by medium

	2016 vs 2015 year-on-year % change	2017 vs 2016 year-on-year % change
Mobile	47.1	34.2
Internet	14.6	13.0
Out of home	3.4	3.2
Cinema	3.1	5.1
TV	2.8	1.1
Radio	0.4	0.3
Magazines	-5.9	-4.5
Newspapers	-8.0	-6.1

Source: Warc's Consensus Ad Forecast, November 2016 (www.warc.com)

James McDonald, Senior Research Analyst at Warc, said: “The latest consensus results present a positive outlook for advertising investment at both a global and local level. All 13 markets studied are expected to record adspend growth in the short term, and this despite their contrasting socio-economic environments.

“We have identified a common trend among more mature markets whereby increasing investment in internet – particularly mobile – ad formats is driving headline growth. Applying consensus trends to Warc’s adspend data shows that mobile will grow to be the world’s third-largest ad channel by the end of 2016.”

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About Warc – ideas and evidence for marketing people

Warc.com is an online service offering advertising best practice, evidence and insights from the world's leading brands. Warc helps clients grow their businesses by using proven approaches to maximise advertising effectiveness. Warc's clients include the world's largest advertising and media agencies, research companies, universities and advertisers.

Warc also publishes leading journals including Admap, Market Leader, the Journal of Advertising Research and the International Journal of the Market Research Society. In addition to its own content, Warc features advertising case studies and best practices from more than 50 respected industry sources, including: ARF, Effies, Cannes Lions, ESOMAR and IPA. Warc hosts three annual case study competitions: Warc Innovation Awards, Warc Social Strategy Awards and Warc Asian Strategy Awards.

Founded in 1985, Warc is privately owned and has offices in the UK, U.S. and Singapore.