



Global Ad Spend Forecasts

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network

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Ten ad spend trends you need to know in 2019

- 1** Global growth is forecast at 3.8% in 2019, amounting to US\$625 billion, reflecting a relatively benign economic environment and continued broad-based recovery.
- 2** The pace of ad spend growth is decelerating from 4.1% in 2018. In 32 out of the 59 markets included in our forecasts, growth is forecast to slow down in 2019, but globally growth will likely accelerate to 4.3% in 2020.
- 3** Despite political uncertainties around Brexit, we've upgraded the UK's ad spend forecast from 4.7% to 6.1% in 2019, reflecting the digital maturity of the UK market.
- 4** Digital remains the dominant force in ad spend and is forecast to cross the 40%-mark for the first time in 2019.
- 5** In the US, digital is predicted to overtake TV's share of 2019 ad spend for the first time.

Ten ad spend trends you need to know in 2019

- 6 Mobile remains the fastest growing platform and is forecast to grow by 19.2% in 2019.
- 7 In China, Mobile is forecast to account for more than three-quarters of 2019 digital ad spend for the first time.
- 8 In 2019, TV is expected to make up just over one-third of global ad spend, its lowest share since our forecasts began in 2000.
- 9 Television's ad spend growth is forecast to decline to 0.5% in 2019, but is expected to show some signs of recovery by 2020, reaching 1.6%.
- 10 Online video is forecast to grow by one-fifth in 2019 and is the fastest growing category within digital ad spend, driven by viewing habits on mobile devices and the popularity of streaming services.

Market outlook

A picture of modest growth globally

The latest Dentsu Aegis Network Ad Spend forecasts show that growth is likely to hit 3.8% in 2019 (see Figure 1), amounting to US\$625 billion. As a leading indicator of wider economic performance, this forecast reflects the global economy's continued broad-based recovery with moderate growth expected into 2019, according to the [World Bank](#). In 2020, we expect ad growth to bounce back to 4.3%.

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

Year-on-year % growth at current prices

	2018a	2019f	2020f
Global	4.1 (3.9)	3.8 (3.8)	4.3
North America	3.4 (3.4)	3.1 (3.2)	3.6
United States	3.4 (3.4)	3.0 (3.1)	3.6
Canada	3.7 (2.3)	5.2 (5.1)	5.1
Western Europe	3.4 (2.9)	3.2 (2.9)	3.3
United Kingdom	6.5 (4.2)	6.1 (4.7)	7.1
Germany	1.0 (2.6)	0.5 (2.9)	0.5
France	3.6 (2.5)	3.1 (2.8)	2.5
Italy	1.6 (1.4)	0.8 (1.1)	1.6
Spain	1.8 (1.5)	1.2 (1.2)	0.8
Central & Eastern Europe	8.6 (7.8)	5.8 (6.6)	6.2
Russia	12.0 (11.7)	6.9 (8.5)	6.7
Asia-Pacific	4.6 (4.5)	4.5 (4.4)	4.9
Australia	3.7 (2.8)	2.4 (2.4)	2.6
China	7.8 (6.5)	7.0 (6.0)	6.4
India	9.6 (10.5)	10.6 (11.1)	11.6
Japan	0.2 (1.5)	0.6 (1.2)	2.4
Latin America	9.9 (6.9)	7.9 (7.3)	8.6
Brazil	7.1 (2.3)	3.6 (2.6)	6.2

Figures in brackets show our previous forecasts from June 2018



Despite uncertainty around the impact of Brexit, the UK market will likely prove resilient. We forecast it to grow by 6.1% this year, a slight decrease on 2018 but still a relatively buoyant outlook. This amounts to £22.2 billion (around US\$29.8 billion) and is an upward revision from the 4.7% growth predicted in our June 2018 report, reflecting how the digital maturity of the UK ad spend market may insulate it against future geopolitical shock. Other notable markets include China, where ad spend is forecast to grow by 7% in 2019, reaching RMB 682 billion (around US\$104 billion) and accounting 17% of global ad spend. And in the US, ad spend is predicted to grow by 3% in 2019 to reach US\$223.6 billion.

Some markets will experience a small increase in growth this year from 2018. For example, Canada's ad spend is expected to rise from 3.7% to 5.2% in 2019, reflecting its wider economic growth trajectory supported by strong oil and gas exports. Meanwhile, in India ad spend will increase from 9.6% to 10.6%, strengthened in particular by events such as this year's Indian general election and coverage of the

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Cricket World Cup in England & Wales. Japan, too, is forecast to see improved growth at 0.6% this year (up from 0.2% in 2018) due to key events like the G20 Osaka Summit, the Rugby World Cup and national events centred around the ascension of Japan's new emperor.

However, in 32 out of the 59 markets included in our forecasts, global ad spend growth is expected to decelerate. While global economic growth helps to support continued ad spend growth, the absence of key global sporting events in 2019 is clearly having an impact.

Russia stands out as a market whose ad spend growth is predicted to decline sharply, with 6.9% growth this year from 12% in 2018. Rising taxes, pension reforms and declining consumer demand are leaving their mark—consumer confidence fell to -14 in Q3 2018, its lowest reading since Q2 2017 ([according to Russia's Consumer Confidence Index](#)).

Media outlook








Digital by default (nearly)

Digital ad spend is forecast to grow by 12% this year, reaching US\$254 billion. In 2019, it will constitute more than 41% of global ad spend and in 2020, this will increase to almost 44% as the impact of the digital economy extends its reach (see Figure 2).

In the US, digital ad spend is forecast to overtake TV for the first time this year and will represent 37% of the total share. This represents a major landmark in a market where television has for decades been king. US digital ad spend growth will be at 12.3% in 2019 amounting to US\$82.8 billion.

More widely, digital is predicted to have the largest share of ad spend in 26 out of 59 markets analysed this year (up from 21 markets in 2018), with not only the US, but also Czech Republic, Malaysia and Singapore joining this list for the first time this year.

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

	2018a	2019f	2020f
 Television	35.4 (35.5)	34.1 (34.5)	33.2
 Newspapers	8.0 (8.1)	7.1 (7.2)	6.3
 Magazines	5.0 (5.0)	4.5 (4.5)	4.1
 Radio	6.2 (6.1)	6.0 (6.0)	5.8
 Cinema	0.6 (0.6)	0.6 (0.6)	0.6
 Out of home	6.3 (6.2)	6.3 (6.0)	6.2
 Digital	38.5 (38.4)	41.4 (41.1)	43.8

Figures in brackets show our previous forecasts from June 2018






Mobile on the march

Within digital, Mobile ad spend remains the fastest growing platform and is forecast to grow at 19.2% in 2019. It owes much of its growth to the fast-increasing number of smartphone users, particularly within Asia-Pacific markets where it is estimated that there will be 1.59 billion smartphone users in 2019, up from 1.19 billion in 2016, [according to eMarketer](#). As far as Mobile's share of ad investment is concerned, it will make up 29% of global ad spend in 2019 and more than 30% of global ad spend in 2020.



In China, Mobile is forecast to account for more than three-quarters of 2019 digital ad spend for the first time and in India, it is expected that the growth of mobile ad spend will accelerate at pace, growing by almost half in 2019. Meanwhile in France, where a strong smartphone user base has already been established, Mobile constituted more than half of digital ad spend in 2018 and still looks to rise on a year-by-year basis.

Figure 3: Growth in global ad spend within Digital, 2018-20

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

	2018a	2019f	2020f
 Display	12.2 (12.0)	11.7 (11.0)	9.7
 Online Video	27.8 (24.6)	20.0 (17.7)	16.7
 Social Media	21.9 (21.6)	18.4 (18.3)	14.6
 Paid Search	9.5 (8.9)	9.2 (8.6)	7.9
 Classified	7.2 (5.4)	6.8 (5.1)	5.1

Figures in brackets show our previous forecasts from Jan 2018

	2018a	2019f	2020f
 Mobile	25.8 (23.3)	19.2 (18.8)	16.6
 Desktop	-2.8 (-0.3)	-1.8 (-0.4)	-2.8

Figures in brackets show our previous forecasts from June 2018

The comeback kids?

The decline of traditional media channels' share of global ad spend is expected to endure. TV is expected to make up just over one-third of ad spend in 2019, its lowest share since our forecasts began in 2000. TV, newspapers and (to a lesser extent) magazines, radio and Out-Of-Home (OOH) ad spend will all experience a slightly smaller share of global spend this year and in 2020.

In markets like Australia and Germany, ad spend on press media (newspapers and magazines) is in steady decline. For example, in Australia, the 2018 Gold Coast Commonwealth games did not strengthen investment as hoped and ad spend on newspapers and magazines is forecast to decline by -8.6% and -24.0% respectively this year (from -4.5% and -26.0% in 2018).

While traditional media spend is expected to decline by -0.7% this year, there are some signs of recovery on the horizon. OOH is showing the highest growth rates, forecast to reach 4% in 2019 to reach a 6.3% share of total ad spend, encouraged by digital innovation that creates ads using contextual information like references to the region or weather to help resonate with audiences. For example, in April 2018, McDonald's launched an eye-catching weather-reactive campaign on giant screens around the UK, teaming up with the Meteorological Office to re-imagine a typical menu as weather icons for a 5-day forecast.

Despite its shrinking share of ad spend, TV will see its growth improve from 0.8% in 2018 to 1.6% in 2020 supported by ad innovations, such as Connected and Programmatic TV. Moreover, in recent months we've seen digital disruptors like Uber and Dollar Shave Club investing in TV advertising, recognising the potential value of traditional mediums to strengthen their emotional connection with consumers ([see our recent white paper New Brand Balance for more about this shift](#)).



“Online Video is forecast to grow by one-fifth in 2019 and is the fastest growing category within digital ad spend”






Keeping it social

Online Video is forecast to grow by one-fifth in 2019 and is the fastest growing category within digital ad spend, putting its growth ahead of Display, Social Media, Paid Search and Classified. Advertisers are strengthening their investment in Online Video as video platforms—like Instagram Stories and Snapchat—continue to boast hundreds of millions of daily active users. As of June 2018, Instagram Stories had 400 million daily active users, [according to Statista](#), and streaming services grow in popularity supported by increased mobile usage and expanding mobile data packages. In July 2018, [Spotify announced](#) it had reached 83 million paid Premium subscribers, up from 70 million in January 2018.



In the US, Online Video is predicted to grow by 19.3% this year (compared with 18.5% in the June 2018 report), with YouTube representing 11% of Google’s net US revenues, [according to eMarketer](#). Meanwhile, in the UK, Online Video is predicted to represent more than half of display ad spending by 2020.

Social Media is forecast to grow by 18.4% in 2019. Despite lingering concerns around brand safety and personal data use, the number of social network users continues to rise globally; [Statista estimates](#) that there will be 2.77 billion social network users in 2019 up from 2.46 billion in 2017. Understandably, then, advertisers will continue to utilise Social Media as a key platform for engagement with consumers.

Figure 4: Share of global ad spend by digital sub-category, 2018-20 (%)*

	2018a	2019f	2020f
 Display**	13.6 (13.3)	14.6 (14.2)	15.3
 Online Video**	6.3 (5.9)	7.2 (6.6)	8.0
 Social Media**	2.9 (3.1)	3.3 (3.5)	3.6
 Paid Search**	14.5 (14.5)	15.2 (15.2)	15.6
 Classified**	3.2 (3.2)	3.3 (3.2)	3.3

Figures in brackets show our previous forecasts from June 2018

	2018a	2019f	2020f
 Mobile	25.1 (25.2)	28.7 (28.7)	31.9
 Desktop	14.9 (14.8)	14.0 (14.0)	13.0

Figures in brackets show our previous forecasts from June 2018

*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.



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 45,000 dedicated specialists.

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