

Global Ad Trends

February 2018 [SAMPLE]

Out of home advertising in focus

Twitter turns a profit despite US stagnation

Super Bowl spots outperform US TV market

Classified advertising spend shifts online

WARC Data

In this report

WARC Data

1 Media analysis

Out of home advertising

- ✔ Out of home's share of the global ad market since 1990
- ✔ How digital's share of global out of home spend will rise through to 2021
- ✔ How much the most successful brands are spending on out of home
- ✔ How a blended campaign can achieve better results than digital-only
- ✔ How UK consumers feel about the use of in store facial recognition for marketing

Next edition:
Digital threats

2 Key media intelligence

New on WARC Data

- ✔ How Twitter's advertising revenue has underperformed as penetration flatlines
- ✔ How Super Bowl spot spend is outperforming the wider US TV market
- ✔ How digital classified advertising outgrew print classified for the first time last year
- ✔ How four in five US practitioners intend to invest more in audience data this year

3 Latest WARC research

The state of the global ad market

- ✔ Latest market sentiment on marketing budgets and trading conditions around the world
- ✔ New figures from WARC's Consensus and International Ad forecasts

1

Media analysis

Out of home advertising

3.5%

Average rise in out of home cost per thousand this year

5.9%

Out of home's average share of global adspend since 1990

7.9%

Out of home's share of global display adspend

13%

Successful brands' budget allocation to out of home between 2009-2016

35%

Digital share of global out of home advertising spend in 2017

45%

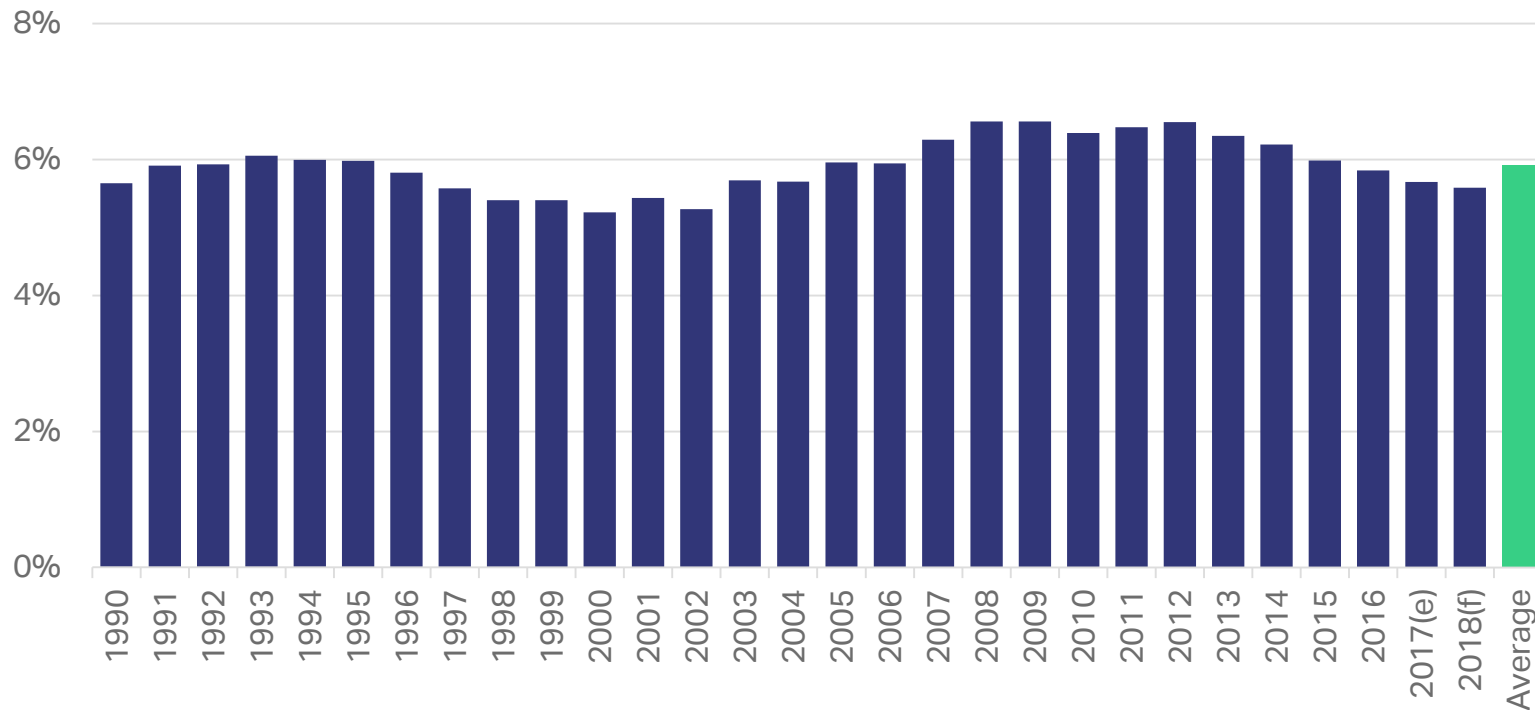
Digital share of global out of home advertising spend by 2021

65%

of UK consumers who are not happy for facial recognition to be used to offer marketing messages

Out of home's share of global advertising spend has averaged approximately 6% since 1990

Out of home share of global advertising expenditure, current prices



Note: Data are for 96 markets.

SOURCE › WARC Data, Adspend Database

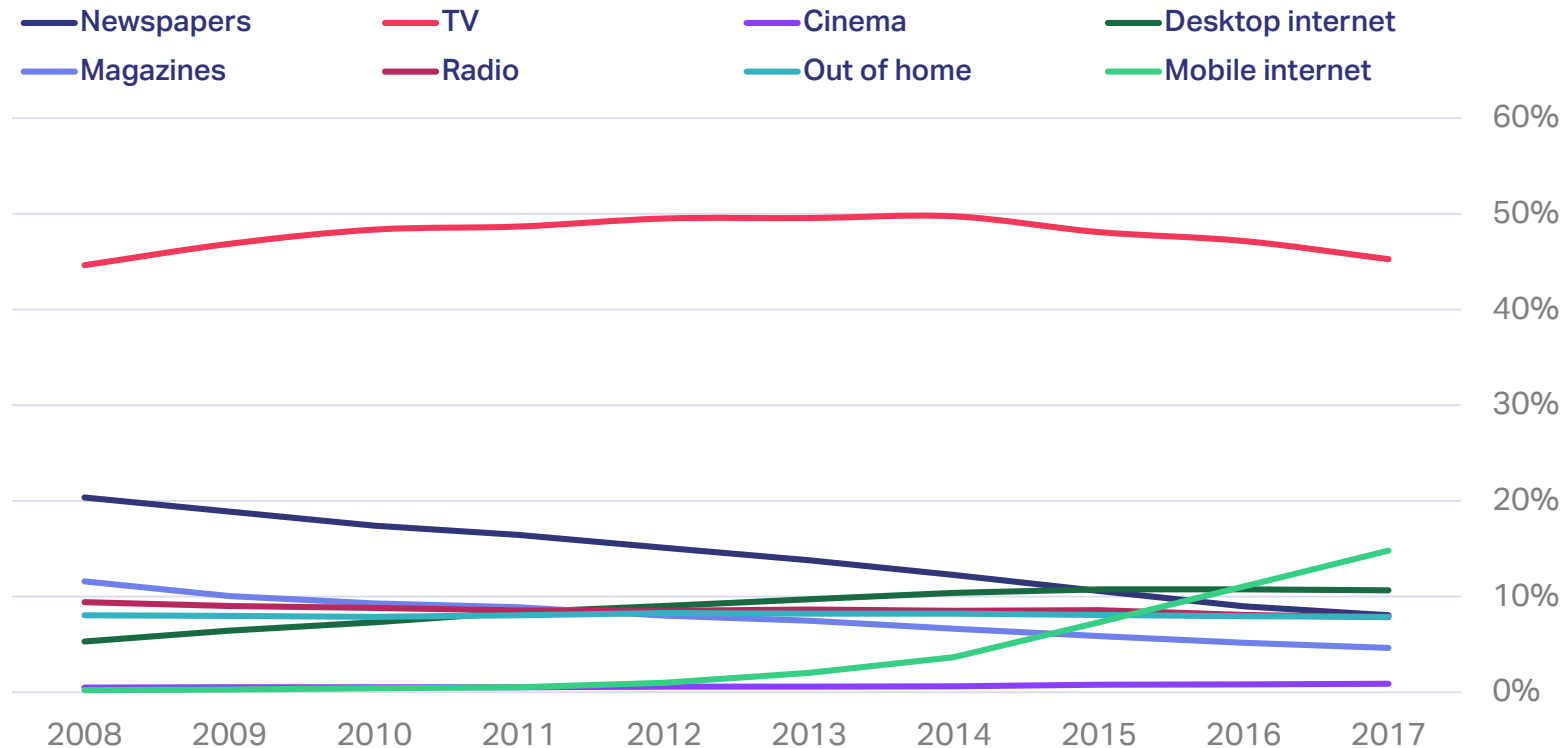
Get the data

Media Analysis: OOH

- ☑ Data for 96 markets included within WARC's **Adspend Database** show that out of home's share of global advertising spend has steadily decreased since 2012, but is stable over the long-term.
- ☑ Out of home has accounted for an average 5.9% of global advertising spend since 1990. Shares range from 6.6% in 2008/9 to 5.2% in 2000.
- ☑ The latest verified data show that out of home adspend amounted to \$31.0bn in 2016, a 5.8% share of the global total. Preliminary estimates for 2017 put spend at roughly the same level.
- ☑ While investment is expected to rise to \$32.0bn this year, this would equate to a 5.6% share of the global total, on a par with the level recorded in 1997.
- ☑ When assessing out of home ad investment in Purchasing Power Parity (PPP) terms, so as to removed the distorting effects of exchange rate fluctuations, data show that the industry has only seen two annual dips in advertising expenditure since 1990: once in 2009 (-9.0%, owing to the global financial crisis), and again in 2015 (-0.2%).

Out of home accounts for approximately 8% of the global display ad market

Global, share of display advertising expenditure



Note: Mobile includes tablet. TV excludes licensing fees. Data are for WARC's 12 key markets, which between them account for approximately two-thirds of the value of global ad trade.

SOURCE › WARC Data, *International Ad Forecast*

[Get the data](#)

Media Analysis: OOH

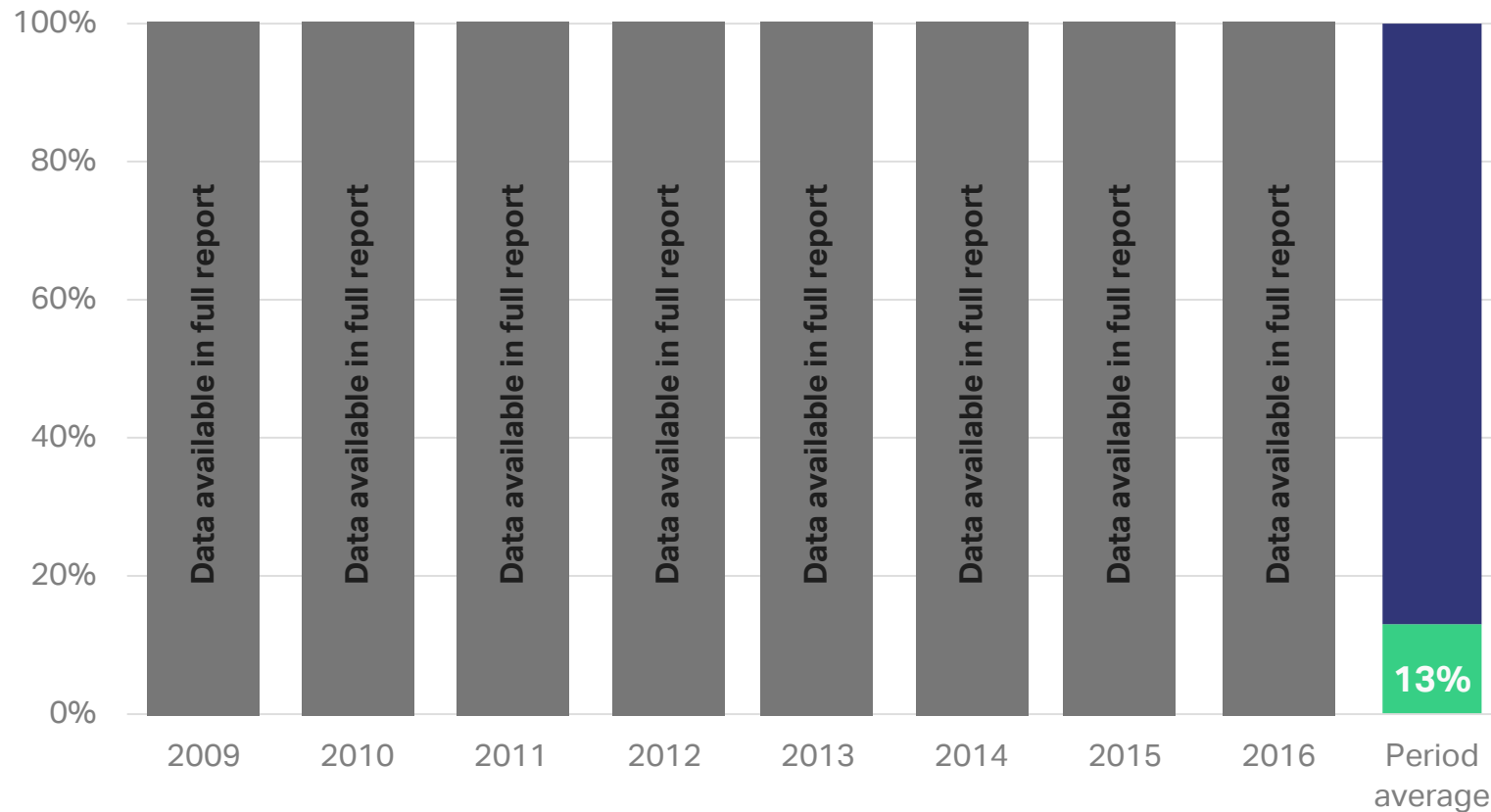
- When assessing only ad investment in display formats within WARC's 12 key markets, thus removing search, classified, and other spend, OOH accounted for an estimated 7.9% of a US\$306bn market in 2017. This share has largely held steady over the last decade.
- TV is the largest display medium by spend, with a market share of 45.2% – over three times greater than that of mobile internet* (14.8%), the second-largest display medium.
- After TV and mobile, the largest media by display adspend are desktop internet (10.7% in 2017), newspapers (8.0%), outdoor (7.9%), radio (7.8%), magazines (4.6%) and cinema (0.9%).
- During the decade to 2017, mobile internet has recorded the largest gain in global display adspend, up 14.6pp from just 0.2% in 2008. Desktop internet (+5.4pp), TV (+0.6pp) and Cinema (+0.4pp) were the only other media to record gains during the period.
- Print's share of global display adspend dipped 19.3pp between 2008-2017, comprising a 12.3pp dip for newspapers and a 7.0pp loss for magazines.

*Mobile display includes tablet.

© Copyright WARC 2017. All rights reserved.

WARC Benchmarks: Successful brands allocate an average 13% of their budget to out of home

Average out of home allocation across WARC case studies by year



SOURCE › WARC Data

[Read full report](#)

Media Analysis: OOH

- ✔ Budget allocation to out of home by successful brands within WARC's case study database has averaged 13% over the eight years to 2016. Excluding 2009, out of home's share of budgets has remained largely stable, which tallies with the channel's share of global display adspend.
- ✔ Successful campaigns within the low (up to \$500k) and medium (\$500k to \$10m) budget bands are the ones that allocate the highest proportions towards out of home.
- ✔ WARC's [Media Allocation](#) report also finds that government and non-profit organisations (26% of budgets spent), alcoholic drinks brands (16%) and retail brands (14%) are among the highest investors in the medium.

2 Key media intelligence

New on WARC Data



Twitter finally turns a profit despite stagnation in its core US market



Super Bowl spot spend outperforms wider US TV market, though CPM inflation is higher



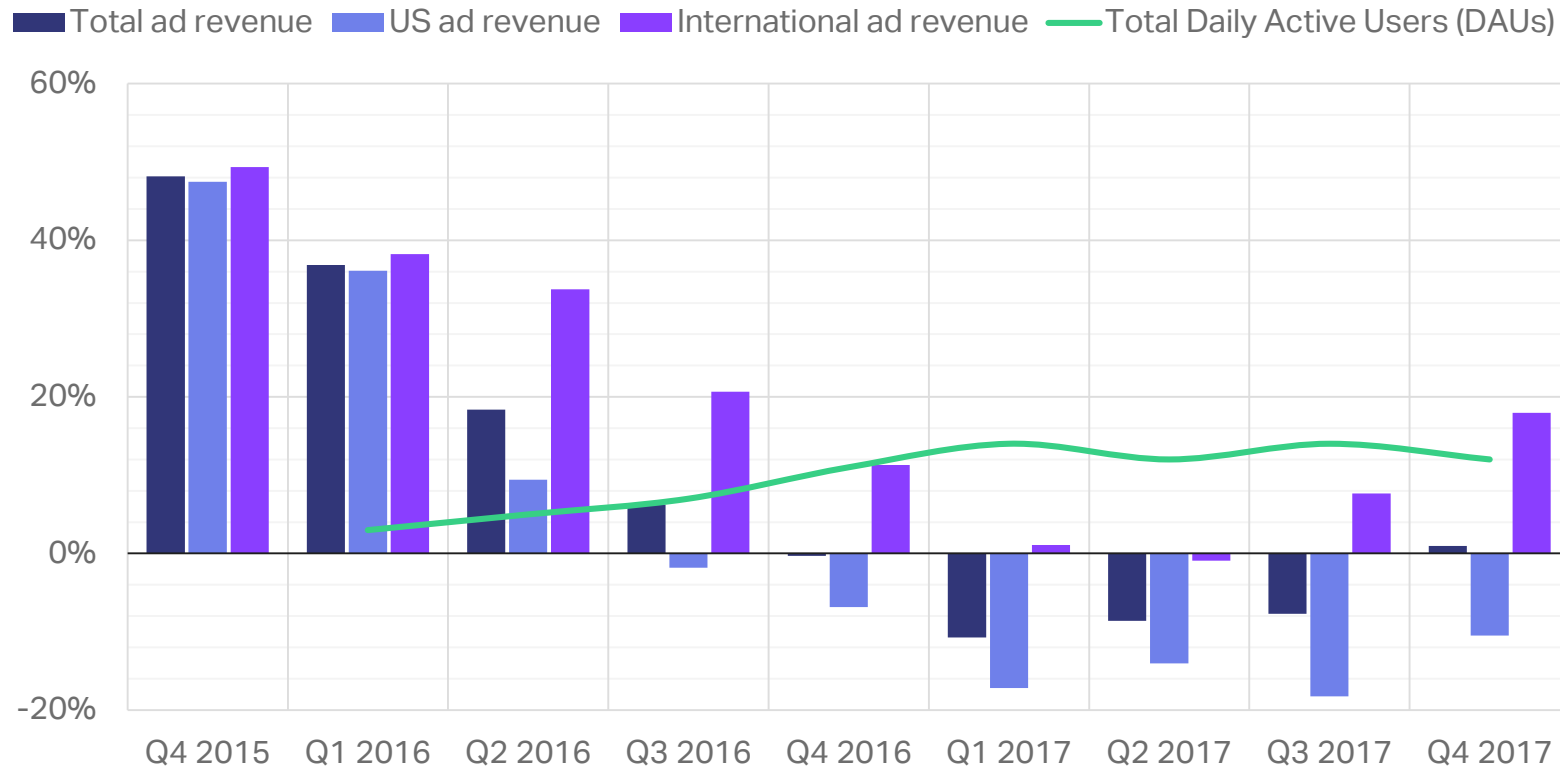
Digital classified ads were worth more than print for the first time in 2017



Four in five US practitioners intend to invest more in audience data this year

Twitter finally turns a profit despite stagnation in its core US market

Twitter KPIs, Year-on-year % change



SOURCE › [Twitter](#)

[Get the data](#)

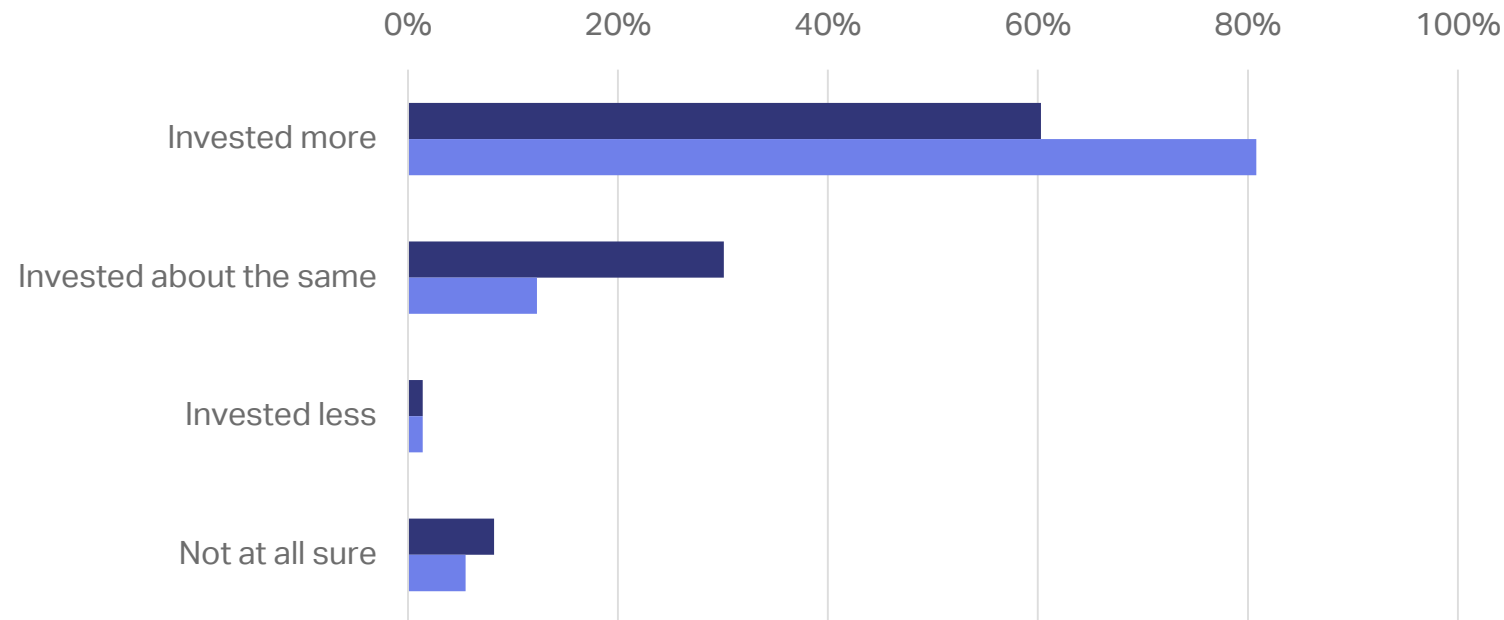
Media Intel

- Company reports published this month show Twitter turned a profit for the first time in its 11-year history during Q4 2017, thanks to a 1% uptick in ad revenue (to \$644m) and a 10% rise in data licensing & other activity (to \$87m). This resulted in a 2% annual rise in total, to \$732m.
- Twitter has recently unveiled a range of new products such as a live-streaming video function for sports and news and a doubled character limit for tweets. Programmatic trials and online video advancements have been tailored towards attracting new advertising investment.
- Headline growth was driven by ad income from outside of the US. Ad revenue from international markets rose 18.0% year-on-year to \$302m – less than half (46.9%) of the total. This despite the fact four in five (79.4%) monthly users are located outside of the US.
- One in four (27.4%) online Americans use Twitter at least once a month, though penetration has flatlined and revenue growth has lagged the wider sector. Twitter's US ad revenue fell 14.8% to \$1.2bn in 2017. This compares to a 43.7% rise in Facebook's North American ad income (to \$19.5bn) and an 83.7% rise for Snap (to \$663m).

Four in five US practitioners intend to invest more in audience data this year

Q: “Did your organization spend more, less or about the same on audience data and related activation solutions in 2017 compared to 2016? How do you expect your equivalent spending to change in 2018?”

■ 2017 vs 2016 ■ 2018 vs 2017



Note: n=99, with 87% having six years' industry experience or more.

SOURCE › IAB, DMA, Winterberry Group

Media Intel

- ✔ Marketers, publishers and technology developers continue to grow their spending on audience data and related solutions; 60.3% of survey respondents reported that their organisations spent more on data and related services in 2017 than they did the year before, and an even larger majority (80.8%) expect to grow their investments further in 2018.
- ✔ Practitioners most commonly cited a demand from customers as the root of additional data investment, followed by a growing emphasis on accountability.
- ✔ According to the IAB's State of Data 2017, organisations spent \$20.2bn on data and related activation solutions in support of their advertising, marketing and audience engagement efforts last year.
- ✔ Separate research from WARC and Moore Stephens, based on a panel of over 500 brands and agencies across North America and the UK, suggests that the marketing tech could be worth **more than \$34bn this year.**

3

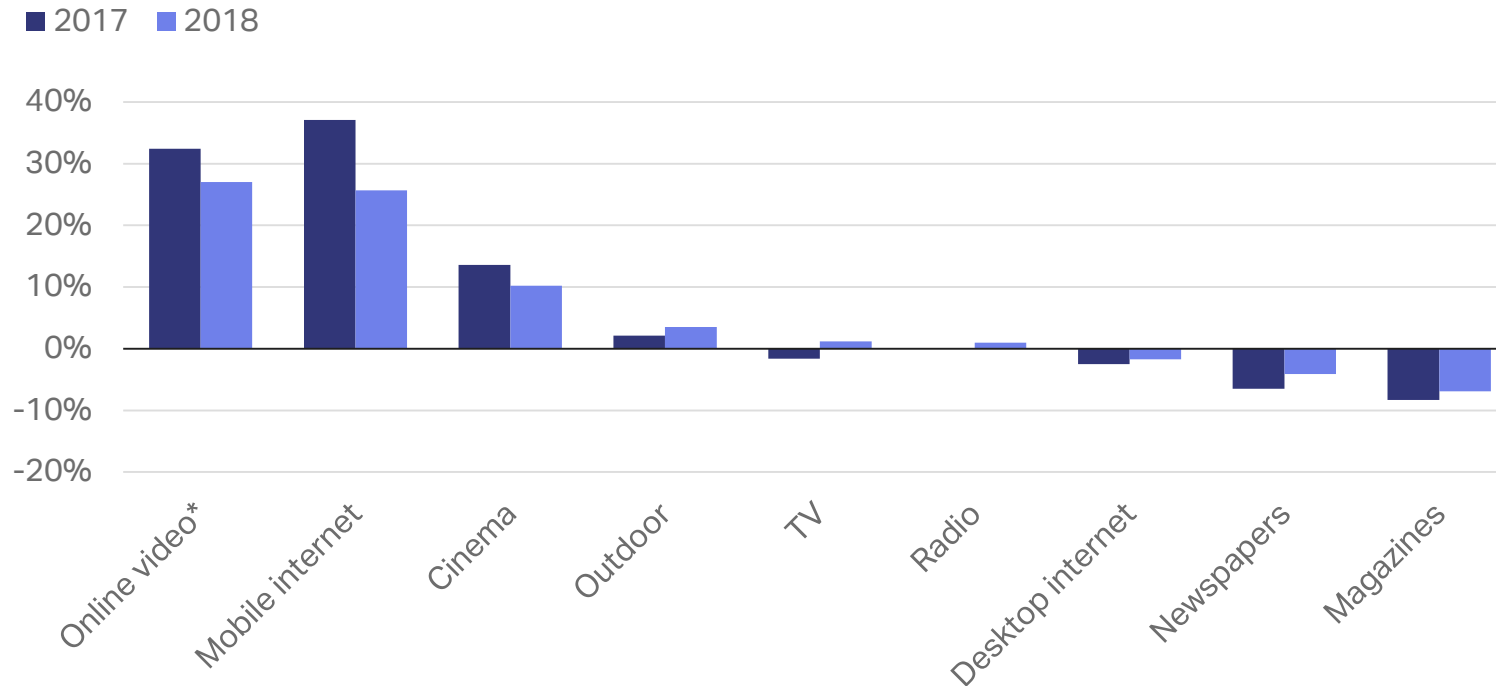
Latest WARC research

The state of the global ad market

- ✔ **WARC GMI:** Budgets record growth in all regions, pushing the global index to highest level since 2014
- ✔ **WARC GMI:** Global TV budgets turn positive
- ✔ **WARC Consensus Forecast:** Global adspend forecast to rise by 4.2% in dollar terms this year
- ✔ **WARC International Ad Forecast:** Global adspend expected to rise by 5.9% in PPP terms this year

WARC International Ad Forecast: Online video set to record strongest growth this year

Year-on-year % change in advertising expenditure, PPP current prices



Note: *Online video is included in internet growth totals.

SOURCE › WARC Data, *International Ad Forecast*, February 2018

[Get the data](#)

Latest WARC research

- ✔ Online video is expected to be the fastest-growing media channel this year, with adspend rising by approximately 27% on a PPP basis, according to data included in WARC's latest [International Ad Forecast](#).
- ✔ Much of the online video growth will come from increasing spend on mobile, which is also anticipated to record rapid growth (+26%) this year. However, this does represent a slowdown from the estimated 37% rise in 2017.
- ✔ Cinema (+10.2%), outdoor (+3.5%), TV (+1.2%) and radio (+1.0%) are the other media expected to record growth this year.

More from WARC Data

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.

Databases

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.

Data points

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

Forecasts

WARC produces detailed adspend forecasts for 12 key markets, which between them account for two-thirds of global advertising expenditure, atop a biannual forecast for media inflation drawn from a consensus of exclusive agency data.

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 provided exclusively to WARC Data subscribers each month.

Contact Us

London
85 Newman Street
London
W1T 3EU
United Kingdom
+44 (0) 20 7467 8100
enquiries@WARC.com

Washington
DC 2233 Wisconsin Ave NW Suite
535 Washington
DC 20007
United States
+1 202 778 0680
americas@WARC.com

Singapore
20A Teck Lim Road
Singapore
088391
+65 3157 6200
asiapacific@WARC.com



WARC