dentsu

Global Ad Spend Forecasts

December 2023

Foreword

A year of big media moments

Welcome to the December 2023 edition of the *dentsu Global Ad Spend Forecasts*, where dentsu investment analysts share the key ad spend trends – and what they mean for brands – for 2024 and beyond.

In 2024, advertisers will operate within a challenging macroeconomic background as global growth is projected to slow. Yet, it will be a year of big media moments, with global sports events, such as the Paris Olympics and Paralympics, and major local events, including the US presidential election, boosting investments.

In that context, we forecast global advertising to increase by 4.6%, outpacing the 2.9% economic growth.

In 2024 we will see interesting developments for media across the board. It is expected to be the year when third-party cookies are finally deprecated after having been an inherent part of targeting and measurement since the inception of digital advertising. It is the year when Amazon will truly enter the video ad segment with a new ad-supported plan by default for Prime Video, which holds promising prospects for closing the media loop. It is also a year when a barrage of franchise blockbusters is forecast to fuel cinema advertising momentum.

In 2024, generative AI applications will become more concrete and scalable, opening exciting perspectives for channels like audio, where domestic podcasts could become global hits thanks to generative AI powered translation, but also contributing to new threats for channels like print, with Made for Advertising websites.

We hope this report will help you navigate the complex media landscape to drive business growth.

Start with *The Briefing* for a digest of the direction of travel or delve right away into our *Outlooks* for more detailed insights.

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Ad Spend 2023

The Key Figures

Note for the reader: Ad spend in dentsu *Global Ad Spend Forecasts* is expressed in US dollars unless stated otherwise. Historical advertising spend figures have all been restated to constant October 2023 exchange rates. Full methodology is available on page 30.

The **Key Figures**

01

Ad spend growth has been driven by media price inflation in 2023, with ad spend at constant prices actually declining by 0.7% (based on the top 12 markets that represent 86.7% of global spend).

02

The global advertising market is expected to grow by $33.0 billion in 2024 to reach $752.8 billion, influenced by key media events including the US presidential election.

03

The pace of growth is expected to accelerate to 4.6% in 2024 at current prices but is revised down from our previous 4.7% forecast to account for the challenging economic outlook.

04

Growth is expected to remain above 4% for each quarter in 2024 and is forecast to peak at 5.5% in Q3 when major sports events will take place, including the Paris Olympics and Paralympics and UEFA Euro.

05

The Americas (46.9% share of global ad spend) is forecast to be the most dynamic region with 5.8% growth in 2024, followed by Asia-Pacific (32.0% share) with 4.0% growth, and EMEA (21.1% share) with 2.7% growth.

06

Two sectors are predicted to experience high growth in 2024: travel and transport (7.5%), with an anticipated rise in flight schedules, and pharmaceutical (7.4%), with increasing focus on health post-pandemic.

07

Digital ad spend is forecast to pick up pace in 2024 to 6.5% (and exceed the 6.2% growth previously predicted) to reach $442.6 billion. It is projected to grow at a 6.3% three-year compound annual growth rate (CAGR) to 2026, when it is expected to capture more than 60% of the global ad spend for the first time.

08

TV ad spend returns to a forecast 2.9% growth in 2024. The market shows signs of stabilization with a 1.9% three-year CAGR, with strong 30.8% growth from connected TV.

09

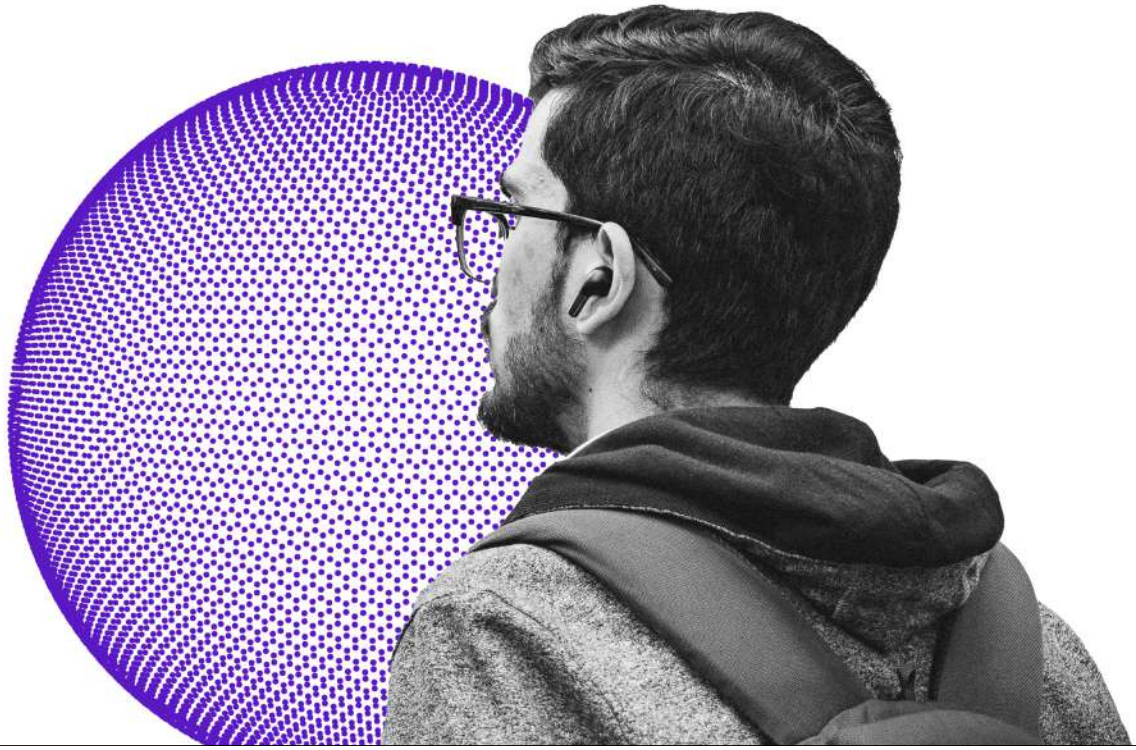
Print ad spend is forecast to contract at a slower 2.6% three-year CAGR, out-of-home (OOH) exceeds expectations with a 4.6% three-year CAGR, audio is forecast to grow by 1.5% three-year CAGR boosted by digital audio, and growth predictions for cinema have been revised up to a 3.9% three-year CAGR.

10

Global growth in advertising spend is forecast to continue at a 4.4% three-year CAGR, with the United States set to become the first market to spend more than $1,000 per capita in 2026.

The Briefing

The pace of advertising growth accelerates influenced by key media moments on the horizon.



Slow growth for the global economy

According to the International Monetary Fund's (IMF) latest edition of the World Economic Outlook,[1] the global economy will grow by 2.9% in 2024. This forecast is not only slower than the 3.0% growth predicted for 2023 but is also 0.1 percentage point lower than their previous 2024 forecast published in July 2023.

The same report shows that growth projections vary significantly across the globe.[2] In the advanced economies, growth projections decrease to 1.4%. North America has the highest forecasts of that group (Canada at 1.6% and the United States at 1.5%), thanks to robust private consumption and reduced exposure to the effect of the war in Ukraine on energy prices, while the United Kingdom brings up the rear with 0.6%.

Emerging markets and developing economies are expected to grow at pace with 2023 (4.0%), but the forecast for China has been revised down as the country faces a deep property sector crisis and underwhelming consumption.

The IMF also expects headline inflation to decline to 5.8% in 2024 (-1.1 percentage point YOY).[3] However, while interest rate increases have succeeded in slowing inflation in many markets, this has caused economic pain and belt tightening, restricting the amount of discretionary spending consumers are willing or able to afford. Shopping around for cheaper options is on the rise, as illustrated by US consumers increasingly looking for bargains during Amazon Prime Day.[4]

Additionally, the developing conflicts in Ukraine and the Middle East, and the consequences of climate patterns like El Niño, create uncertainty around energy and food prices – and thus headline inflation – for 2024.

A busy year for media

In this context, those in all economic sectors contemplate the growth prospects promised by the stellar ascent of generative AI – and advertising is no exception.

As scalable generative AI-powered solutions for media emerge, making the most of this breakthrough technology across audience insights, media planning, and real-time optimizations will be a central ambition of advertisers in the next year. Seven out of ten (72%) respondents to the dentsu 2023 Global Media Client Survey[5] now think leveraging the opportunities associated with artificial intelligence and machine learning will be important or very important in their 2024 marketing strategy.

Yet, while our survey shows advertisers are five times more likely to be enthusiastic than worried about the impact of generative AI on their companies, their attitudes are more equally balanced when it comes to the larger impact of the technology on society. With legislators across the world turning their attention to generative AI, 2024 could bring more clarity around the rules of engagement for this technology.

Generative AI is not the only technological change impacting the advertising landscape in 2024. The deprecation of third-party cookies in the leading web browser, Google Chrome, is set to finally happen in the second half of the year,[6] after several postponements.

A series of key events will attract large audiences and advertising budgets in 2024. It will be a big year for sports, with July being particularly busy with some of the most popular quadrennial events, such as the UEFA Euro, the CONMEBOL Copa América, and the Paris Olympics, all unfolding on top of major annual competitions like the Tour de France. The Olympics alone are forecast to have a considerable impact on ad spend, that we estimated at €200 million in France and $2 billion in the United States.

There will be key elections during 2024 in many markets such as the United States and Mexico for the Americas, the United Kingdom and South Africa for EMEA, and India and Indonesia for Asia-Pacific. Similarly to sports events, elections act as boosters for media investments across channels. In the United States alone, we forecast the 2024 presidential election to generate an extra $10.2 billion in ad spend. Yet, amid rising societal polarization, elections could also create an unstable environment for brands to navigate. In our survey, more than three quarters (77%) of advertisers anticipate 2024 being at least as turbulent as 2023, with almost half (46%) anticipating 2024 being more turbulent. Brand safety and suitability will be more critical than ever to protecting ad investments.

2024 ad spend outpaces previous year and economic growth

Our latest forecast, covering 58 markets across the globe, is that advertising spend will expand by $33.0 billion in 2024 to reach $752.8 billion. This represents a 4.6% growth year-over-year for the ad industry – much faster than the pace seen in 2023 (+2.7% vs. 2022). Whilst the first quarter will be the slowest of the year (4.2%), growth is forecast to accelerate in the second quarter (4.9%) before peaking during the third (5.5%), supported by major sports events. Two sectors in particular are forecast to grow at a much faster rate than the global average: pharmaceutical (7.4%), travel and transport (7.5%).

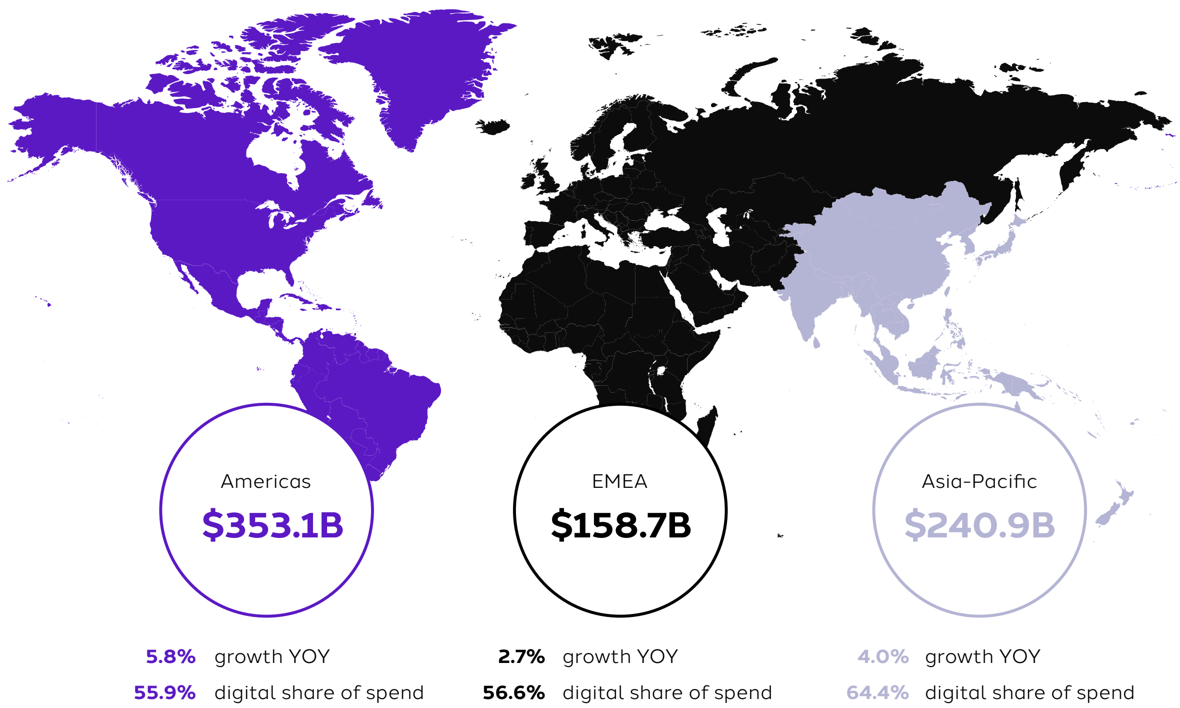
As mentioned in the May 2023 edition of the dentsu *Global Ad Spend Forecasts*, media price inflation has had a significant influence on growth. Global advertising spend at constant prices actually decreased by 0.7% in 2023.

Advertising spend is expected to grow across all regions. The Americas, the largest region in terms of ad spend, is forecast to overtake Asia-Pacific as the most dynamic with 5.8% growth in 2024, which is significantly greater than the 2.5% growth it experienced in 2023. Advertising spend in the region is expected to accelerate the fastest until at least 2025 (4.8% growth). Asia-Pacific is predicted to grow by 4.0% in 2024 (+0.5 percentage point vs. 2023), and EMEA by 2.7% growth (+0.8 percentage point vs. 2023).

All the twelve largest markets,* which represent 86.7% of global ad spend, are also forecast to grow in 2024, with India (9.0%), Brazil (8.1%), the US (5.8%) and China (4.7%) all exceeding global average growth.

Of these twelve markets, India is this year again projected to be the fastest growing, reaching $12.3 billion in 2024. Digital is expected to continue to perform as the essential growth driver of the India ad market in 2024 (25.0% growth YOY). The rapid growth of digital in India can be attributed to the improvements in infrastructure and the rising penetration of high-speed internet.

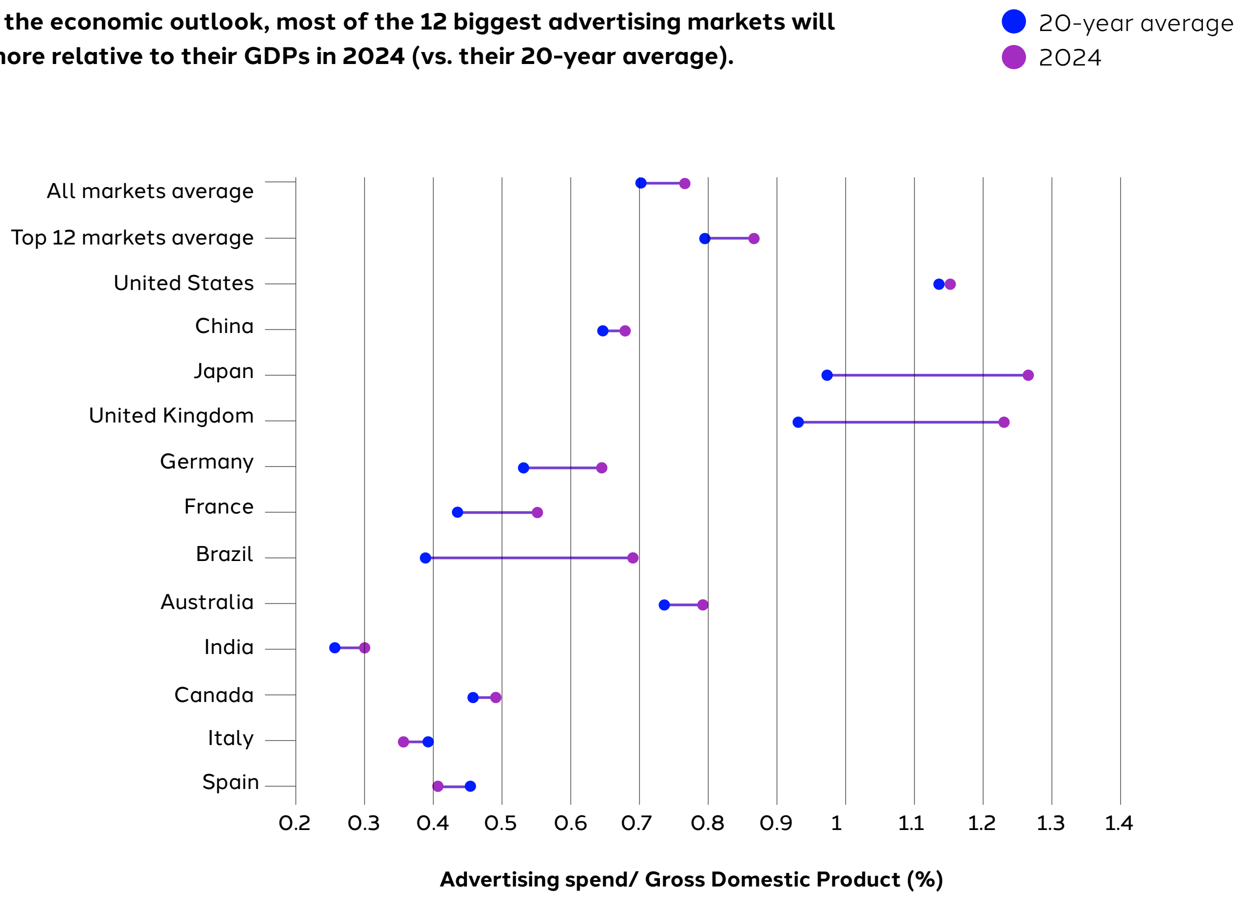
FIGURE 1 – AD SPEND REGIONAL OVERVIEW, 2024F



**Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Spain, UK, US*

FIGURE 2 – ADVERTISING SPEND / GROSS DOMESTIC PRODUCT

Despite the economic outlook, most of the 12 biggest advertising markets will spend more relative to their GDPs in 2024 (vs. their 20-year average).



Methodological note: 20-year average is calculated from 2005 to 2024. All Markets average is calculated on 53 Markets. Markets on Y-Axis are ranked from top to bottom based on absolute advertising spend in 2024.

Ad spend keeps up with GDP

In light of the challenging macroeconomic context and considering the ad spend boosters expected for 2024, it is interesting to ask whether ad spend will keep up with the economy. The answer is yes. In 2024, advertising spend is forecast to represent, on average, 0.75% of the gross domestic product (GDP) of the countries we track, which is consistent with the average annual ad spend/GDP indicator observed in the last 20 years (0.70%).

Focusing on the twelve biggest advertising markets across the world, advertisers in Japan (1.26%), the United Kingdom (1.23%) and the United States (1.13%) will spend much more than those in other markets relative to their GDP. While for the United States this situation is typical (1.12% average over the last two decades), the United Kingdom spending is much greater than their 0.89% 20-year average, as is Japan spending (0.94% 20-year average).

At the other end of the spectrum of the biggest advertising markets, we have Spain (0.40%), Italy (0.37%) and India (0.30%). Although these markets' ad spend / GDP indicators are much less than the global average, they are not at odds with their 20-year averages (respectively 0.45%, 0.39%, 0.24%) and are more reflective of a structural tendency to conservative ad spending, rather than a 2024 anomaly in investments.

Ad pressure reaches new heights

It is also important to account for demographics when considering the bigger picture of ad investments. In 2024, advertisers will spend, on average, $139 per capita across the world. It is about 75% more than what they spent 20 years ago ($80).

Here again, the situation varies around the globe. Focusing back on the twelve largest advertising markets, the United States is the undisputed champion, with $940 spent per capita, almost 7 times more than the global average. We forecast that the $1,000 spent per capita ceiling will be broken in this market by 2026.

We can also see stark differences between countries with similar profiles. For instance, the United Kingdom, which has comparable population size and GDP per capita to those of France, spends more than twice in advertising per capita than its neighbor across the Channel.

Beyond showing that advertisers always spend more to attract audiences, the ad spend per capita indicator also shows the growing ad pressure faced by audiences.

This metric is not perfect, as it includes age groups of the population not targeted by advertising (e.g., young children) and, with the effects of media price inflation, we cannot jump to the conclusion that audiences see 75% more ads now than twenty years ago simply because advertisers spend 75% more. Yet, it gives an idea of the increasing ad pressure audiences are exposed to, especially in mature markets.

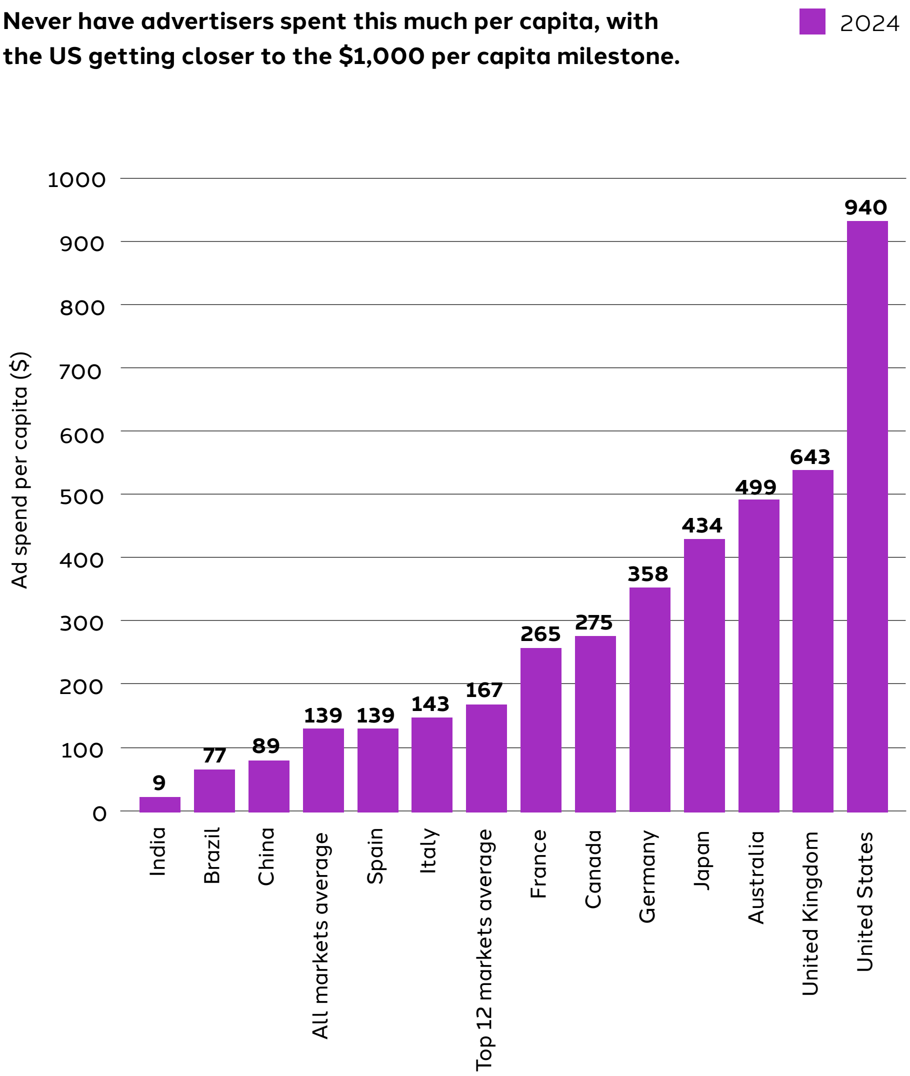
This increasing advertising pressure per capita reinforces the idea that media practitioners must move past traditional media metrics and rally behind attention-based strategies if they are to stand out. This is a field dentsu has spearheaded since 2018 through the Attention Economy program and it has changed the way many clients now plan their media investments.

Additionally, while advertising activities are not neutral for the planet, the increasing ad investments per capita should be a reminder that advertisers should embrace carbon media efficiency strategies amid the climate emergency we face.

According to the dentsu 2023 Global Media Client Survey, almost one out of two (48%) companies are currently taking concrete steps to reduce the carbon impact of their media campaigns, using solutions such as dentsu's Media Carbon Calculator.

FIGURE 3 – ADVERTISING SPEND PER CAPITA

Never have advertisers spent this much per capita, with the US getting closer to the $1,000 per capita milestone.



Methodological note: Population data from international Monetary Fund, World Economic Outlook Database, October 2023 Edition

Digital captures more spend

Digital is expected to follow an upward trajectory to reach $442.6 billion in 2024, representing 58.8% of global advertising spend. The slowdown to single-digit growth first observed in 2023 (6.3%) is forecast to continue in 2024 (6.5%) and to become the norm over the next years (6.3% three-year compound annual growth rate to 2026). Yet, digital is expected to continue to drive global ad spend growth and capture the vast majority of new ad dollars, an additional $27.1 billion spend, in 2024.

In the digital space, retail media investments will accelerate the fastest with a 17.2% three-year CAGR, followed by paid social investments (12.3% three-year CAGR), especially in Asia-Pacific (21.0% three-year CAGR). Programmatic channels, that already account for more than 70% of digital ad spend, are also expected to continue growing by double-digits (10.2% three-year CAGR).

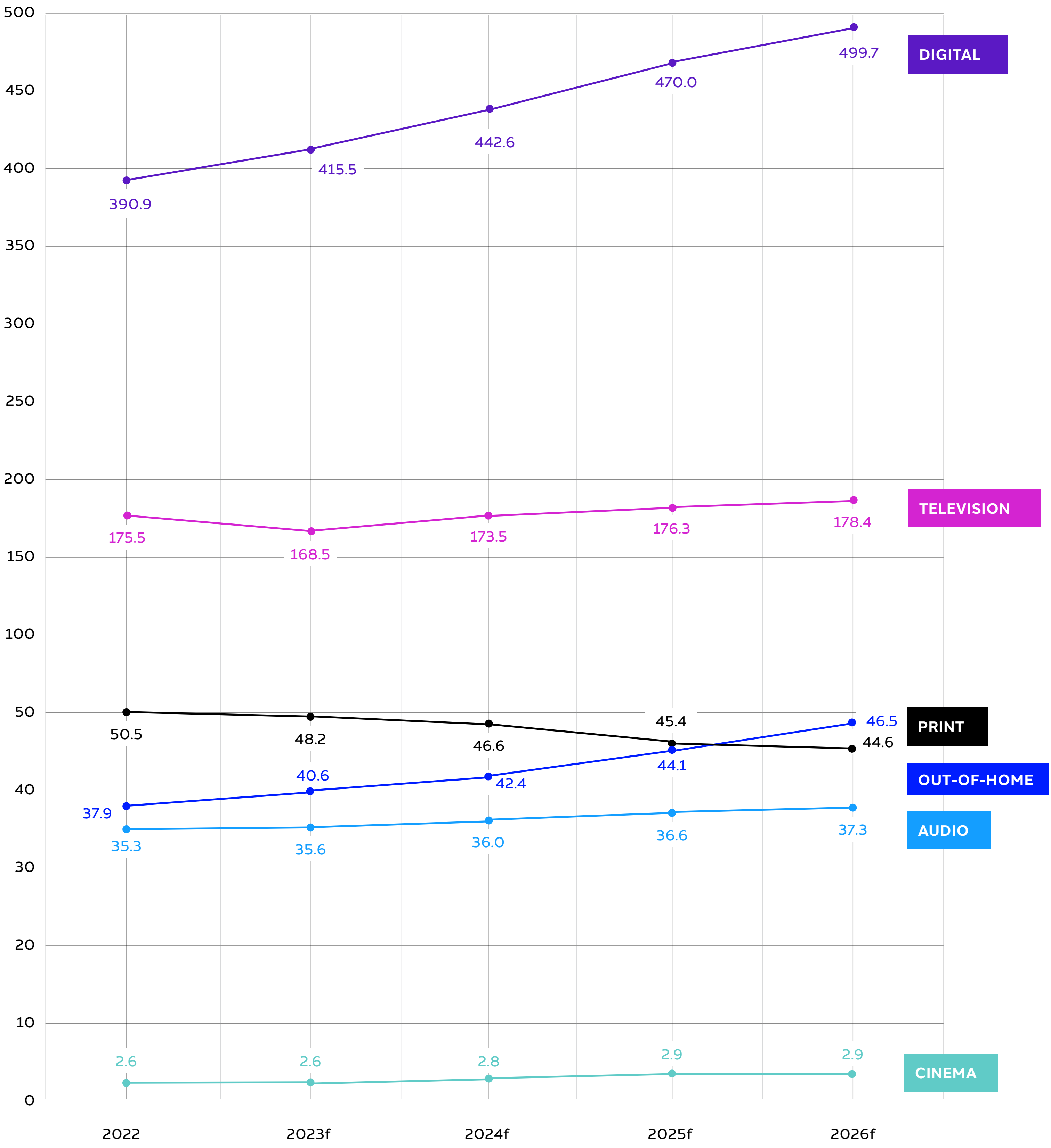
Following two consecutive years of declining ad spend, TV is predicted to return to growth (2.9%) and capture 23.0% of ad spend in 2024. Connected TV is forecast to experience a rapid 30.8% growth, almost twice as fast as 2023 growth (15.9%), as major video platforms launch or refine their ad offering.

Other media are expected to account for an 18.2% share of advertising spend in 2024. All will grow (cinema by 6.4%, out-of-home by 4.4%, audio by 1.1%), barring print that will contract by 3.3%, yet at a slower rate than in 2023 (-4.6%).

To learn more about the key media trends that will shape 2024, download our latest report ***The Pace of Progress: dentsu 2024 Media Trends*** on **dentsu.com/2024-media-trends**

FIGURE 4 – AD SPEND EVOLUTION BY CHANNEL, 2022 - 2026F ($B)

Global growth in advertising spend is forecast to continue at 4.4% three-year CAGR to 2026.



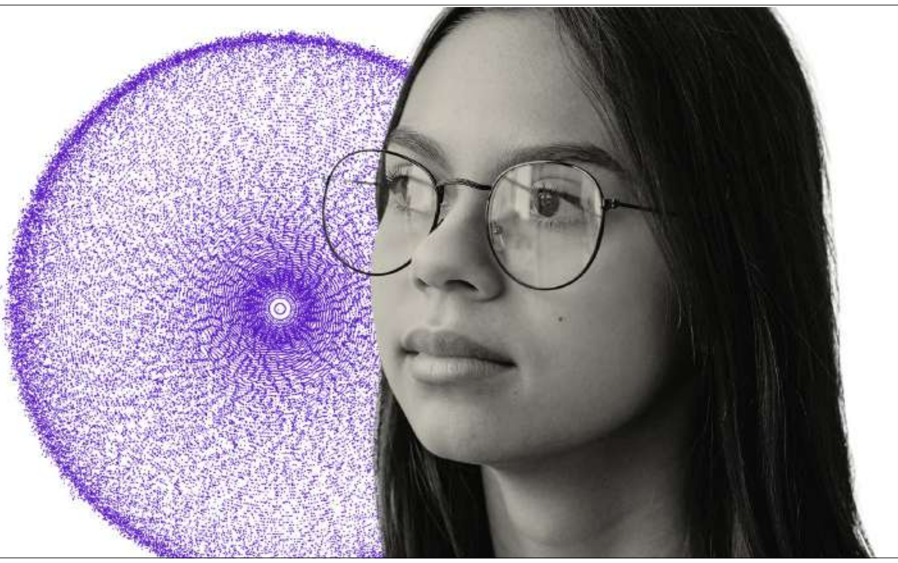
The 0-50 portion of the y-axis is not to scale for better readability. Digital specifically references pure play digital platforms and does not include ad spending on the digital extensions of traditional media (e.g., digial print) which are accounted within media channel totals (e.g., digital print is accounted within print).

Media Outlook

Digital
Television
Audio
Print
Out-of-Home
Cinema

Digital ad spend is predicted to grow at a single-digit rate, while television returns to growth.

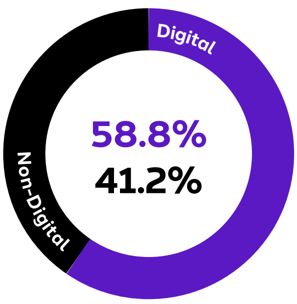
Digital



Digital continues to be the leading medium in 2023 with a 57.7% share of global advertising spend ($415.5 billion). We expect this share to increase by, on average, one percentage point each year over the next three years to reach 61.1% in 2026.

Our latest data also confirms our prediction from the previous edition of the *dentsu Global Ad Spend Forecasts*: after more than two decades of stellar year-on-year growth, global digital ad spend slowed to single-digit growth for the first time in 2023. It is now forecast to increase by 6.3% in 2023 and 6.5% in 2024.

FIGURE 5 – DIGITAL SHARE OF ADVERTISING SPEND



Total display spend (including social and digital video) has grown by 6.4% in 2023 to reach $220.7 billion. It is forecast to grow by 6.9% in 2024, and by a 6.5% three-year CAGR to 2026.

Paid social continues to be a main driver of digital growth due to expanding functionality of social platforms (including shopping capabilities) to meet a wider range of their audiences' daily needs, the boom of video content on platforms such as TikTok, and the scale and spend optimization possibilities of large ecosystems like Meta. We expect a 13.5% growth for social media in 2024, as it will be one of the most utilized media to support major sporting events.

As investments grow (12.3% three-year CAGR), we expect brands to increasingly focus on brand safety.

Retail media continues to be one of the fastest growing channels with a projected growth of 20.8% in 2024 and a 17.2% three-year CAGR, with advertisers leveraging first-party purchase data to maximize return on investment.

As a tried and tested direct response channel that continues to deliver favorable performance outcomes, paid search is an appealing medium amidst economic uncertainty. Search ad spend increased by 7.2% in 2023 to reach $147.5 billion – more than a third of digital ad spend. The outlook for search remains strong with the emergence of new AI-powered solutions, and we forecast an above average 6.9% three-year CAGR.

Spend also continues to shift to programmatic channels, which increased by 13.4% in 2023 to account for more than 70% of digital ad spend. Programmatic spend is expected to grow by a 10.2% three-year CAGR.

CONSIDERATIONS FOR BRANDS

The question of control

The rapid sophistication of digital media leads to new challenges for marketers, from prioritization to measurement.

This is perfectly illustrated by the growth of retail media, a media story of the decade. While Amazon alone has earned more than $12 billion in ad revenue in the third quarter of 2023,[7] smaller players across the world still pose difficult challenges to advertisers, such as resourcing, organizational considerations, and true effectiveness in generating incremental sales.

Ironically, at a time when data and AI are key topics, many advertisers must now operate with fewer data points than before, navigating disparate privacy regulations, deprecating third-party cookies, and rising ad-blocking behaviors. As such, advertisers may feel as if they are losing control over their digital campaigns, but solutions are emerging to better manage digital media.

For instance, although the shift to programmatic buying brings efficiency, it also clouds transparency. In response, new programmatic marketplaces on trusted advertising platforms are being developed to bring a greater level of control over inventory supply. Initiatives such as the Dentsu Media Exchange (DMX) enable advertisers to select, classify, and better access inventory, to ultimately focus their spend on a carefully selected pool of priority publishers offering quality advertising and content experiences. They also help advertisers avoid Made for Advertising websites (MFAs), an inefficient supply path producing unnecessary carbon emissions, while including leading publishers in the DEI and sustainability spaces.

Additionally, in light of increasing audience fragmentation and technological complexity, advertisers look for solutions to better manage media performance across channels. We see a resurgence of market mix modelling – an econometrics technique where the impact of a campaign is calculated through multiple inputs – in conversations. Advertisers are increasingly adopting media carbon calculators to measure the carbon footprint of their campaigns across channels and formats, and to assess how it can be mitigated.

They can also leverage new technology like Dentsu Optimise that takes live campaign spend and engagement data from multiple sources (e.g., Google, IAS, and Double Verify) and adjusts bids on every ad impression based on up to 40 different variables, via custom bidding algorithms.

As digital remains the largest advertising channel, we anticipate many solutions will emerge in 2024 to help marketers navigate its increasing complexity and give them more control on their investments.

Television

Total advertising spend on broadcast TV and connected TV (CTV) is forecast to grow by 2.9% in 2024 to reach $173.5 billion. This growth will be driven by spend on the broadcast channels around key elections and global sporting events such as the Paris Olympics and Paralympics. It follows two consecutive years of declining spend (-0.4% in 2022 and -4.0% in 2023).

The slight positive growth trend and stabilization of TV spend will continue during the forecast period with a 1.9% three-year CAGR to 2026 as the proliferation of CTV offers, from free ad-supported streaming TV channels (e.g., Pluto TV) to broadcaster and hybrid video-on-demand platforms (e.g., Disney+), enables access to incremental audience supply.

In the United States, the biggest advertising market, CTV spend grew at 16.1% year-on-year in 2023 and is forecast to grow at a 21.5% three-year CAGR. Its share of total TV spend reached 23.7% ($17.4 billion) in 2023, and is forecast to increase to 29.3% in 2024. Globally, however, broadcast TV has continued to account for the lion's share of TV advertising spend at $147.6 billion in 2023, as advertisers continue investing in this reach-driving and efficient medium.

Total TV share of global spend is now steadying with a more marginal decline of half a percentage point each year from 23.4% in 2023 to 21.8% in 2026 totaling $178.4 billion.

CONSIDERATIONS FOR BRANDS

The arrival of a new giant

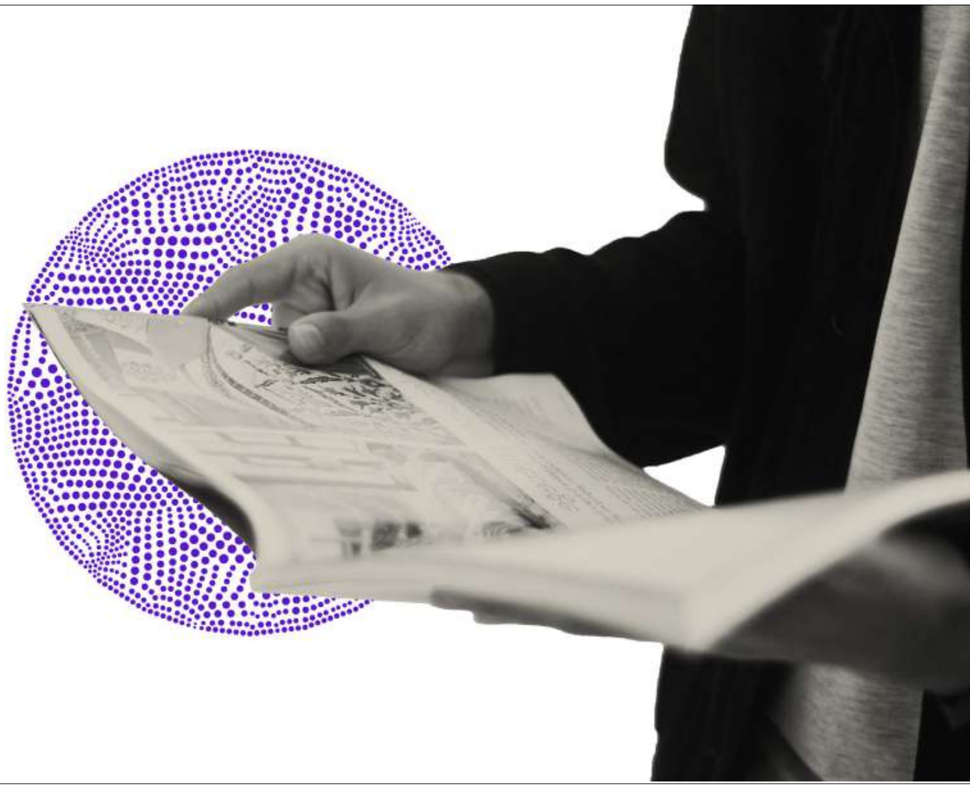
CTV growth provides new opportunities for advertisers to develop holistic approaches to video, brings more competition around premium content, and helps to counter media inflation. Amazon will add advertising to Prime Video in early 2024[8] as a default for viewers in the United States, United Kingdom, Germany, and Canada, with others added later in the year. While streaming rivals including Netflix[9] and Disney+[10] have created separate ad-funded tiers, ads will appear in Prime Video unless users actively opt to pay more for an ad-free alternative.

This could give Amazon a TV advertising audience of more than 100 million from the start, assuming a large proportion of their 200 million Prime customers[11] stick to the advertising-supported default option, compared to the 15 million active users Netflix gathered in the first year of its ad-supported plan.[12] If Amazon can offer the same targeting as it does with the rest of its portfolio, such as shopping habits and consumer data, this will further cement Prime Video as a great advertising opportunity. Amazon's entry into the market also means that all the major streamers now offer ad-supported programming to at least part of their offerings.

Amazon's potential in this area is a good illustration of how TV is changing as it becomes digital, moving away from the traditional demographic targeting to the promise of one-to-one targeting that advertisers with the right data sets can use in other digital media. This includes closed loop attribution for campaigns, where marketers can see the business impact of their activity through their data providers.

Advertisers still want to be able to make big spending commitments in TV to guarantee access to the best programming, but within these commitments they now also want the flexibility to buy programmatically for strategic elements of their buy.

Print



As a result of expanding digital audience habits, print (newspapers and magazines) advertising spend has been declining year-on-year since 2008. However, in recent years spend has stabilized. Following a 4.9% decline in 2022 and a 4.6% decline in 2023, print ad spend is forecast to contract at a slower 2.6% three-year CAGR to 2026. The medium is expected to continue to account for $46.6 billion in spend in 2024, a 6.2% share of global advertising spend.

As print publishers reinvent themselves focusing on digital platforms, events, and subscription models, digital revenues have already surpassed traditional print revenues in markets such as Australia, Spain, the United Kingdom, and the United States.

CONSIDERATIONS FOR BRANDS

The authority of the brand, the convenience of digital

Rising costs, including paper, printing, and distribution, are leading print titles to reduce pages, editions, or even remove news stand sales altogether. This will be the case of *National Geographic* in 2024,[13] while still surviving as a strong brand across other media. Online and social media, in particular, are popular means of accessing press content over the physical print versions, especially with younger audiences.

Yet, the publishing industry has a complicated relationship with online platforms. In June 2023, both Google[14] and Meta[15] stopped linking to news stories in Canada, in response to the government's Bill C-18 insisting they pay official news organizations for giving users access to news. This type of legislation may inspire regulators in other markets, and may limit prominence of trusted news sources, rather than reduce usage of social media platforms in the short term.[16]

Overall, 2024 looks promising for print, with major elections in many markets and global sports events likely to drive audiences to their favorite trusted sources. As Made for Advertising websites (MFAs) emerge, using clickbait and search optimization to gain traffic but not actually featuring quality content, print brands remain trusted sources of information and entertainment for audiences, and a reliable core channel for sectors such as high-end fashion and luxury.

Out-of-Home

Out-of-home (OOH) is forecast to grow by 4.4% in 2024 to reach $42.4 billion, representing 5.6% of global advertising spend. The medium is forecast to grow by a 4.6% three-year CAGR to 2026.

Traditional OOH is healthy, growing by 6.9% in 2023 and 3.6% in 2024, and is expected to continue to account for the lion's share of spend in OOH in 2024 ($35.3 billion), as it remains popular in specific sectors.

Yet, digital OOH (DOOH) is where the channel will grow the fastest (8.5% in both 2023 and 2024). In markets such as Australia and the United Kingdom, DOOH has already overtaken traditional OOH spend to account for 68.1% and 64.6% share of OOH spend, respectively. Programmatic DOOH is seeing huge growth and already represented 14.0% of DOOH spend in the United States in 2023, though there is still some way to go yet before programmatic buying becomes the dominant route to market.

CONSIDERATIONS FOR BRANDS

A successful digitization

Cities are changing, with people adapting to different habits like working from home, and mobility solutions like electric bikes, scooters, and charging points bringing new opportunities to advertisers. In this context, OOH continues to grow, as better use of data and measurement coupled with relative cost effectiveness in relation to other channels makes it an attractive option for brands to reach audiences.

The OOH space is digitizing, with major players adding more digital screens, including 3D capabilities, to their estates. Artificial intelligence and augmented reality are expected to play pivotal roles in the next few years in creating new avenues for the medium, such as the recent rise of CGI-generated virtual OOH placements on social channels.

The rise of programmatic buying allows better syncing of digital campaigns across media and could be the lever helping OOH to take a greater percentage of global ad spend in the future. Marketers must understand how their OOH campaigns work as part of an omnichannel strategy, and how they work if the medium is used on its own.

OOH has always been fertile ground for creativity and storytelling. The entertainment sector is greatly increasing its spend in the channel, where platforms like Netflix and Disney+ can show trailers to audiences outside the home without having to buy space on their competitors' audio and video channels.

Audio

Following 4.1% growth in 2022, total audio ad spend is expected to have increased slightly by 0.7% to reach $35.6 billion in 2023, accounting for a 4.9% share of global ad spend, which remains consistent with previous forecasts. Online listening options and podcasts are becoming more prevalent with investments shifting from traditional audio. Subsequently, traditional audio is projected to have decreased by 0.8% in 2023, while online audio continued its robust growth with a 5.6% increase.

Looking ahead, the total audio market is anticipated to grow by 1.1% in 2024 to $36.0 billion, maintaining a 4.8% share of global ad spend, and is forecast to grow by 1.5% three-year CAGR to 2026.

CONSIDERATIONS FOR BRANDS

New generative AI perspectives

Audio listening is driven by digital audio listening, especially among younger demographics, helped by the ubiquity of phones, apps, and headphones. Digital audio gives listeners access to an incredibly wide range of on-demand content, from music to news to podcasts, and has been shown to deliver brand messages with a high level of attention[17] potentially similar to online video and TV, but at a lower cost.

There is also great potential from generative AI in the areas of content licensing and translation. Spotify recently partnered with several high-profile podcasters, including Monica Padman and Lex Fridman, to translate their shows into additional languages, all in the original podcaster's voice.[18] This could allow existing podcast brands to become genuinely global, potentially opening the channel to much bigger advertising and partnership deals from a wider range of brands.

While a lot of the focus in audio is about podcasting, there are opportunities in converting the significant reach and extensive amount of time spent with traditional radio into proportionate levels of ad spend. The industry should come together to improve performance measurement and capitalize on radio's high attentional levels (92% for thirty-second ads) and low attention cost per thousand impressions.

Cinema

Cinema advertising spend is predicted to have reached $2.6 billion in 2023, up 2.0% year-on-year but still below 2019 levels ($3.4 billion), and its share of global ad spend is expected to remain steady at 0.4%.

Growth predictions have been revised up to 6.4% for 2024 (vs. 5.5% previous forecast) and to 3.4% for 2025 (vs. 2.9% previous forecast) to reach $2.9 billion.

CONSIDERATIONS FOR BRANDS

An improving outlook

2023 was a high-profile year for cinema, partly thanks to the simultaneous release of *Barbie* and *Oppenheimer*, aka Barbenheimer, in August, with both films ranking in the top three for the year based on worldwide revenues.[19]

The global box office is on the rise YOY, exceeding 2022's total by the end of September 2023.[20] Yet, it is still forecast to be 18% below the 2019 total at the end of the year.[21] This is despite increased ticket prices, meaning actual audiences for cinema advertising are likely more than 20% down from pre-pandemic numbers.

We have yet to see whether there has been a structural change in behavior with fewer people going to the movies in the age of streaming platforms, or whether, in time, audiences will flock in greater numbers than before. The 2024 slate looks likely to continue the growth seen in 2023, with many new titles in strong existing franchises, including new *Kung Fu Panda, Dune, Ghostbusters* and *Deadpool movies*.

FIGURE 6 – AD SPEND PER MEDIA, 2022-2026F

	2022	2023f	2024f	2025f	2026f
Total advertising spend ($B)*	**701.1**	**719.8**	**752.8**	**784.6**	**818.4**
YOY Growth (%)	**8.1**	**2.7**	**4.6**	**4.2**	**4.3**
Digital ($B)*	**390.9**	**415.5**	**442.6**	**470.0**	**499.7**
Share of total spend (%)	55.8	57.7	58.8	59.9	61.1
YOY growth (%)	14.8	6.3	6.5	6.2	6.3
Total Display ($B)*	207.4	220.7	235.9	250.7	266.6
Share of digital spend (%)	53.1	53.1	53.3	53.3	53.4
YOY growth (%)	15.3	6.4	6.9	6.3	6.3
Paid Search ($B)*	137.5	147.5	157.8	168.5	180.2
Share of digital spend (%)	35.2	35.5	35.7	35.9	36.1
YOY growth (%)	15.0	7.2	7.0	6.8	6.9
Classified ($B)*	20.1	20.1	20.3	20.8	21.3
Share of digital spend (%)	5.1	4.8	4.6	4.4	4.3
YOY growth (%)	10.0	-0.1	1.1	2.1	2.9
Television ($B)	**175.5**	**168.5**	**173.5**	**176.3**	**178.4**
Share of total spend (%)	25.0	23.4	23.0	22.5	21.8
YOY growth (%)	-0.4	-4.0	2.9	1.6	1.2
Print ($B)	**50.5**	**48.2**	**46.6**	**45.4**	**44.6**
Share of total spend (%)	7.2	6.7	6.2	5.8	5.5
YOY growth (%)	-4.9	-4.6	-3.3	-2.6	-1.8
Newspapers ($B)	29.7	28.4	27.5	26.9	26.5
Share of total spend (%)	4.2	4.0	3.7	3.4	3.2
YOY growth (%)	-5.2	-4.2	-3.2	-2.2	-1.6
Magazines ($B)	20.8	19.8	19.1	18.5	18.1
Share of total spend (%)	3.0	2.7	2.5	2.4	2.2
YOY growth (%)	-4.5	-5.0	-3.4	-3.1	-2.2
Out-of-Home ($B)	**37.9**	**40.6**	**42.4**	**44.1**	**46.5**
Share of total spend (%)	5.4	5.6	5.6	5.6	5.7
YOY growth (%)	11.4	7.2	4.4	4.2	5.3
Audio ($B)	**35.3**	**35.6**	**36.0**	**36.6**	**37.3**
Share of total spend (%)	5.0	4.9	4.8	4.7	4.6
YOY growth (%)	4.1	0.7	1.1	1.7	1.8
Cinema ($B)	**2.6**	**2.6**	**2.8**	**2.9**	**2.9**
Share of total spend (%)	0.4	0.4	0.4	0.4	0.4
YOY growth (%)	32.4	2.0	6.4	3.4	2.1

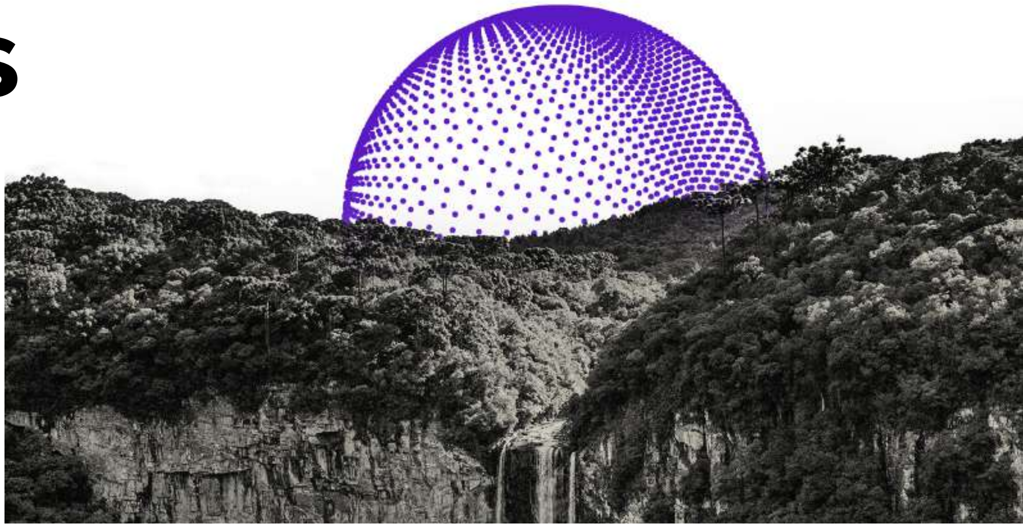
**For total display, paid search, and classified, the figures are based on the markets where the breakdown of digital spend is available. Therefore, the combined spend of total display, paid search, and classified may differ from the total digital spend. Total advertising spend includes "Other" which is not itemized in this table*

Market Outlook

Americas
EMEA
Asia-Pacific

The Americas region is expected to overtake Asia-Pacific as the most dynamic region.

Americas



Following 2.5% growth in 2023, advertising spend in the Americas is projected to accelerate to 5.8% in 2024, exceeding the 4.6% global average to account for a substantial $353.1 billion. TV is notably expected to have a strong 2024 with 6.8% growth, accounting for 26.2% share of spend.

Nearly all of the $19.5 billion additional spend in 2024 is predicted to come from the United States ($17.3 billion) and Brazil ($1.2 billion). Of the top spending markets, Brazil is forecast to grow at 8.1% in 2024, with US at 5.8% and Canada at 3.6%.

The outlook for 2025 is growth at 4.8% to $370.0 billion, with the Americas forecast to account for a growing share of global advertising spend (from 46.4% in 2023 to 47.2% by 2025).

United States

After a challenging 2023 ad market, the US ad spend forecasts have been revised up from 5.4% to 5.8% in 2024, up $17.3 billion to a total of $316.4 billion. Political advertising for the presidential election will help drive spend ($10.2 billion in incremental ad spend up from $9.0 billion in 2020), and the Super Bowl remains in demand as an avenue for brands launching new products.

Retail media remains one of the fastest growing channels (21.2% growth) as more retail media networks enter the marketplace and additional capabilities and partnerships develop, such as social integrations. AI is a driving force behind the 9.4% growth in paid search, with the emergence of new AI-powered solutions introducing new opportunities for advertisers to extend reach and personalize ad experiences. The rise of connected TV (32.2% growth) continues to be a major trend as viewership explodes, and ad spend growth is forecast to reach more than a third of TV spend in 2025.

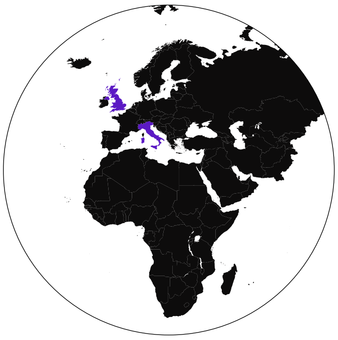
Following a 2024 ad market that will optimistically see budgets return, the US ad market is predicted to rebalance with 4.4% growth in 2025.

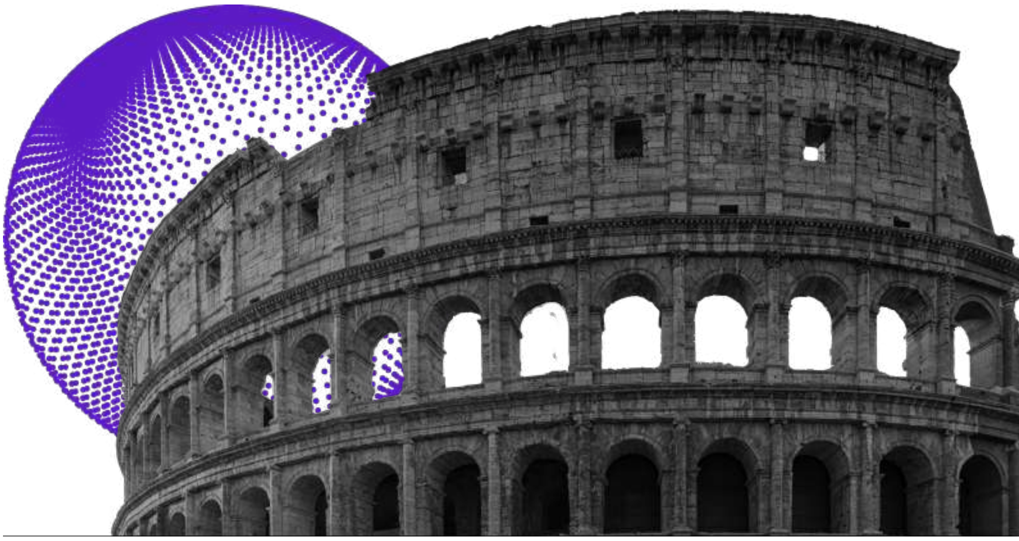
Brazil

The ad market in Brazil is projected to reach $15.7 billion in 2024, growing 8.1% year-on-year, driven by various sectors including automotive, beverages, and pharmaceutical. TV ad spend is anticipated to grow by 9.0% to reach $7.6 billion in 2024. It will remain the leading medium, capturing an increased market share from 47.8% to 48.2%.

Meanwhile, digital ad spend will account for 36.3% of the total spend, reflecting accelerated digitization facilitated by initiatives promoting digital inclusion, rising accessibility of the internet and smartphones, and advertisers' increasing digital investment since the pandemic. With the Paris Olympics and Paralympics taking place in 2024, competition in sports broadcasting between broadcast TV and streaming platforms is expected to intensify, accompanied by an increase in the overall audience. Looking ahead, the Brazilian market is forecast to grow by 12.9% in 2025 to reach $17.7 billion.

EMEA





EMEA advertising spend is forecast to grow moderately by 2.7% to reach $158.7 billion in 2024. While expected growth is lower than the 4.6% global average, it is faster than in 2023 (1.9%), thanks to UEFA Euro and Paris Olympics and Paralympics. Digital will be a key growth driver and is predicted to account for 56.6% of spend (vs. 58.8% globally).

More than half of the $4.2 billion year-over-year additional spend comes from the United Kingdom ($1.5 billion), Germany ($0.5 billion), and France ($0.4 billion). Of the top five spending markets, the UK and Italy are projecting above the region's average growth in 2024 at 3.5% and 3.1% respectively – with France at 2.4%, Germany 1.8% and Spain 1.8%.

Looking ahead, EMEA's advertising spend is expected to grow by 2.7% to account for $163.1 billion in 2025.

United Kingdom

Following 1.4% growth in 2023 (down on our previous forecast), the UK ad market is predicted to grow by 3.5% in 2024 (in line with our previous prediction).

OOH and Digital are both expected to grow at 4.0% in 2024, with digital accounting for more than 70% of ad spend and OOH set to exceed 2019 spend levels for the first time. Cinema continues its recovery from 2020 with 10.0% growth forecast, whilst audio is predicted to grow by 2.2% – a reflection of stable listening figures and price inflation. TV and print, after declining the most in 2023 (-7.0% and -3.6% respectively), bounce back with modest 2.0% growth for TV and 0.7% for print (including online formats).

Growth of 2.8% is expected in 2025 when the UK ad market is projected to reach $45.1 billion.

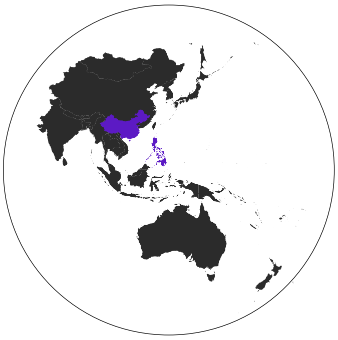
Italy

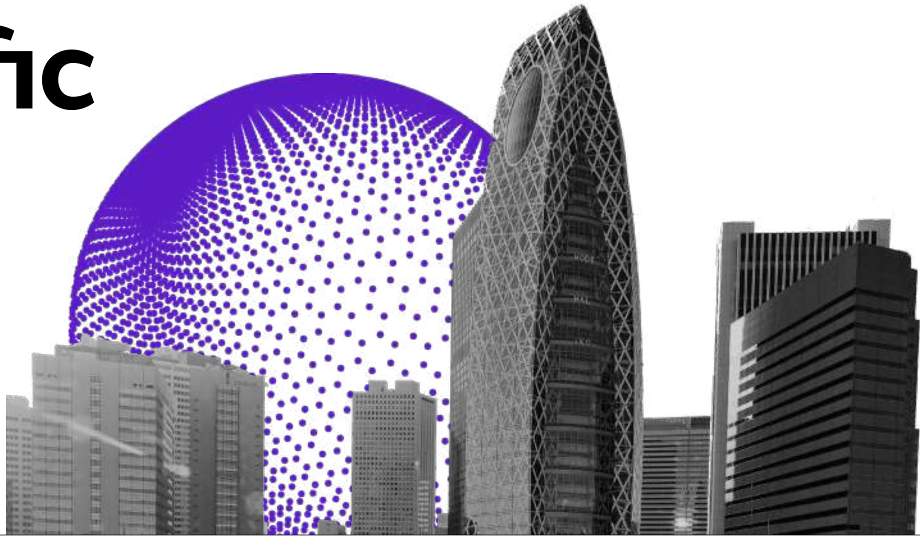
Advertising activity was stronger than expected in 2023, with growth revised up to 2.8%. In 2024, the market is forecast to expand by 3.1% as UEFA Euro in Germany and the Olympics and Paralympics in Paris, both in a favorable time zone, are expected to drive growth for TV, digital, and paid social.

Broadcast TV closed H1 2023 growing by 0.5% with greater stability in audience and spend but was impacted in H2 by the comparison with the FIFA World Cup the previous year. In 2024, TV is expected to grow at an increased 3.8% rate to account for the leading share of spend (44.5%), thanks to strong growth of connected TV (16.7%) and broadcaster video-on-demand (26.6%). The digital extensions of traditional media continue to grow at double digits, including digital OOH (20.0%) and digital audio (23.1%).

We predict 1.5% growth in 2025 as the rise of digital formats compensates for the decline in traditional media.

Asia-Pacific





Advertising spend in Asia-Pacific is forecast to gain momentum in 2024 and grow by 4.0%, to account for $240.9 billion, following 3.5% growth in 2023. Digital continues to be a key driver of growth, expanding at mid-high single digits, 7.3% in 2023 and a forecast 7.4% in 2024. Digital represents a growing share of spend approaching two thirds of the region's total at 62.4% in 2023 and 64.4% in 2024. OOH has also seen notable growth in the region, with a share of spend at 7.7% (vs. 5.6% globally).

In 2024, the majority of the $9.3 billion of additional spend is expected to come from China ($5.6 billion), Japan ($1.3 billion), India ($1.0 billion) and Australia ($0.3 billion). Of the top spending markets, India and China are forecast to grow faster than the region's average growth rate at 9.0% and 4.7%, respectively.

Asia-Pacific is forecast to grow at 4.4% in 2025 to reach $251.5 billion and a 32.1% share of global ad spend.

China

As the largest advertising market in Asia-Pacific, China accounts for 51.9% of the advertising spend in the region. The market is forecast to reach $125.1 billion in 2024, indicating a 4.7% year-on-year growth, slightly less than the 5.2% forecast in May 2023. The steady growth pattern has become the norm during the recovery phase after the three-year zero-COVID policy, however the market is adopting a more cautious and measured approach towards media investment than initially anticipated. A balanced quarterly increase in ad spend is expected throughout the year.

Digital spend is anticipated to remain high in 2024, accounting for 80.0% of the total spend and experiencing a 7.7% year-on-year growth. Social media platforms are projected to expand rapidly at 26.0%, remaining a significant driving force of digital growth.

Looking ahead, the Chinese ad market is estimated to grow by 4.4% in 2025, reaching a total of $130.6 billion.

Japan

As the third largest ad market, Japan is set to maintain its steady growth trajectory in 2024, 2.5% reaching $53.4 billion, with digital commanding a 45.8% share of total ad spend. The segment's projected growth rate of 5.2% is largely driven by search, video, and social advertising, the latter fueled by the proliferation of video ads.

TV, the second largest medium with a 23.5% market share, is expecting gradual recovery after a period of decline, maintaining stability (-0.2%) in 2024 and showing potential for growth from 2025 onwards. Additionally, OOH is anticipated to grow due to post-pandemic recovery, with new formats like 3D OOH and large digital OOH being explored.

Looking ahead, the Japanese ad market is projected to expand further by 3.6%, reaching $55.3 billion in 2025.

FIGURE 7 – AD SPEND PER REGION AND TOP 12 MARKETS, 2022–2026F

	2022	2023f	2024f	2025f	2026f
GLOBAL ($B)	701.1	719.8	752.8	784.6	818.4
YOY growth (%)	8.1	2.7	4.6	4.2	4.3
AMERICAS ($B)	**325.6**	**333.6**	**353.1**	**370.0**	**389.6**
YOY growth (%)	12.7	2.5	5.8	4.8	5.3
North America ($B)	303.1	309.8	327.5	341.8	357.9
YOY growth (%)	12.6	2.2	5.7	4.4	4.7
United States ($B)	292.8	299.2	316.4	330.3	346.0
YOY growth (%)	12.9	2.2	5.8	4.4	4.7
Canada ($B)	10.3	10.7	11.0	11.5	11.9
YOY growth (%)	5.2	3.5	3.6	3.9	3.7
Latin America ($B)*	22.4	23.8	25.7	28.3	31.7
YOY growth (%)	13.3	6.1	7.9	10.1	12.1
Brazil ($B)	13.7	14.5	15.7	17.7	20.5
YOY growth (%)	16.4	6.0	8.1	12.9	15.3
EMEA ($B)	**151.7**	**154.6**	**158.7**	**163.1**	**167.3**
YOY growth (%)	4.8	1.9	2.7	2.7	2.6
Western Europe ($B)	135.2	137.4	141.0	144.4	148.1
YOY growth (%)	5.2	1.6	2.6	2.4	2.6
United Kingdom ($B)	41.8	42.4	43.9	45.1	46.3
YOY growth (%)	9.1	1.4	3.5	2.8	2.8
Germany ($B)	29.2	29.4	29.9	30.6	31.2
YOY growth (%)	-0.2	0.6	1.8	2.0	2.0
France ($B)	16.7	17.0	17.4	17.9	18.3
YOY growth (%)	6.5	2.1	2.4	2.5	2.5
Italy ($B)	7.9	8.1	8.4	8.5	8.9
YOY growth (%)	1.5	2.8	3.1	1.5	4.8
Spain ($B)	6.4	6.6	6.7	6.8	6.9
YOY growth (%)	3.7	2.3	1.8	2.1	1.4
Central and Eastern Europe ($B)*	7.1	7.2	7.3	7.3	7.4
YOY growth (%)	7.2	1.6	0.8	0.5	0.9
Asia-Pacific ($B)	**223.8**	**231.6**	**240.9**	**251.5**	**261.5**
YOY growth (%)	4.2	3.5	4.0	4.4	4.0
China ($B)	113.9	119.5	125.1	130.6	135.7
YOY growth (%)	1.5	4.9	4.7	4.4	3.9
Japan ($B)	51.0	52.1	53.4	55.3	56.8
YOY growth (%)	4.4	2.2	2.5	3.6	2.6
Australia ($B)	13.0	13.1	13.4	13.7	14.0
YOY growth (%)	8.8	0.5	2.3	2.3	2.4
India ($B)	10.4	11.3	12.3	13.6	15.2
YOY growth (%)	18.2	8.6	9.0	10.7	11.3

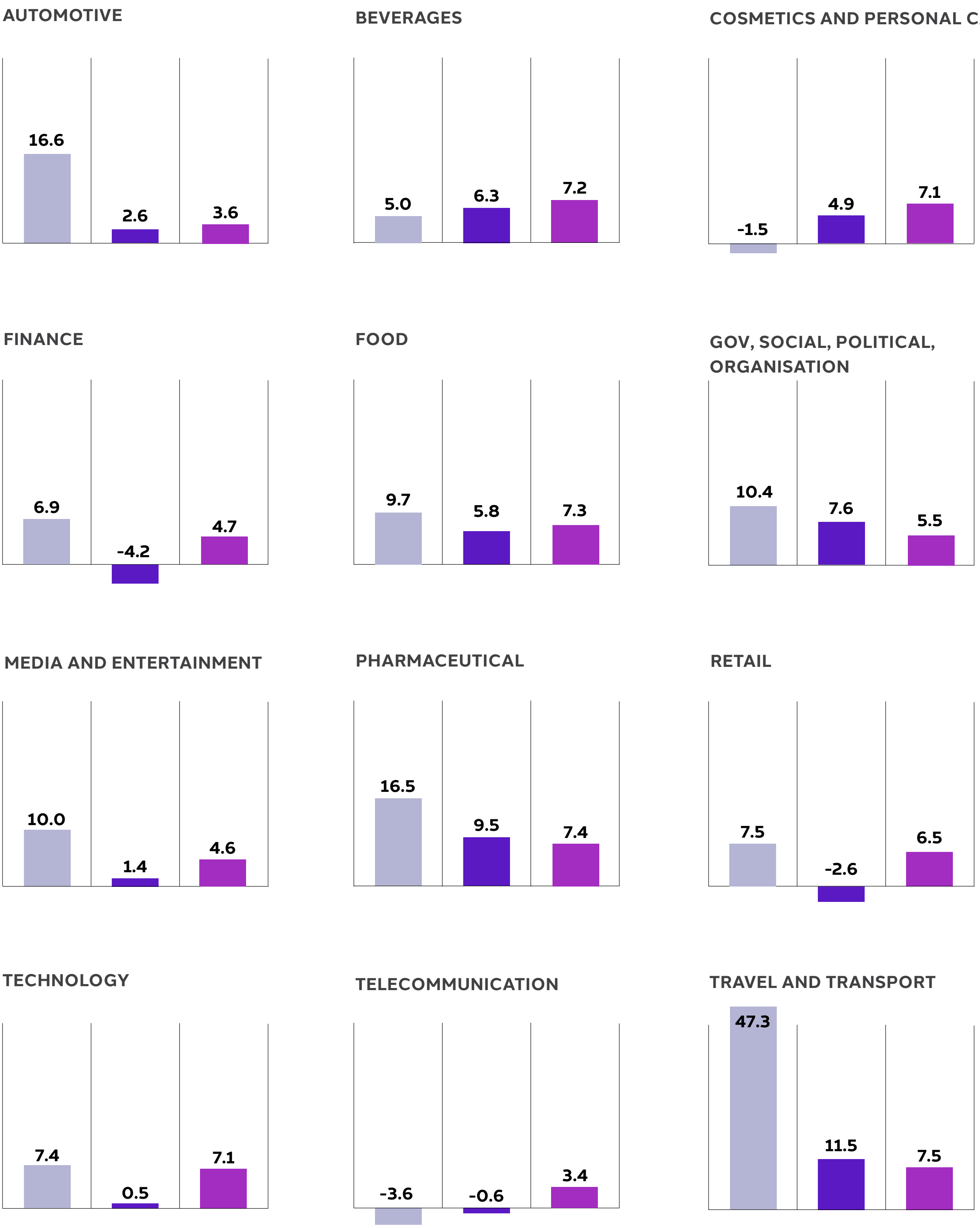
**In this December 2023 edition of the* dentsu Global Ad Spend Forecasts*, Argentina and Turkey ad spend figures are adjusted for inflation due to the high inflation in market.*

Industry Outlook

Travel and transport and pharmaceutical are forecast to be the fastest growing sectors in 2024.

FIGURE 8 – AD SPEND INDUSTRY OVERVIEW, 2022-2024F
Year-on-Year % growth at current prices

2022 2023f 2024f



Based on markets Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Spain, UK, US

Methodology

Advertising expenditure forecasts are compiled from data collated from dentsu agencies until the second half of October 2023 and based on local market expertise. Dentsu uses a bottom-up approach, with forecasts provided for 58 markets covering the Americas, Europe, Middle East, and Africa, and Asia-Pacific by medium: digital, television, print, out-of-home, audio, and cinema. Digital specifically references pure play digital platforms and does not include ad spending on the digital extensions of traditional media (e.g., digital print) which are accounted within media channel totals (e.g., digital print is accounted within print). The advertising spend figures are provided net of negotiated discounts and with agency commission deducted, in current prices and in local currency. Global and regional figures are centrally converted into US dollars at the October 2023 average exchange rate. The forecasts are produced biannually with actual figures for the previous year and latest forecasts for the current and following years all restated at constant exchange rates.

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Dentsu is the network designed for what's next, helping clients predict and plan for disruptive future opportunities in the sustainable economy. Taking a people-centered approach to business transformation, dentsu combines Japanese innovation with a diverse, global perspective to drive client growth and to shape society.

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