

**WARC Data**

# Global Ad Trends

November 2017 [SAMPLE]

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# WARC Data

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Annual advertising expenditure round up

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- ✔ How the Google/Facebook duopoly accounts for a quarter of global adspend
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- ✔ Latest market sentiment on marketing budgets and trading conditions around the world.
- ✔ New figures from WARC's International Ad Forecast.

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## Media analysis

### Mobile advertising

**23%**

of global advertising spend in 2017, making mobile the second-largest medium

**37%**

growth forecast for mobile adspend this year

**55%**

of North American marketers aiming to focus on mobile branded content by 2022

**88%**

of Facebook's ad revenue attributed to mobile in 2017

**92%**

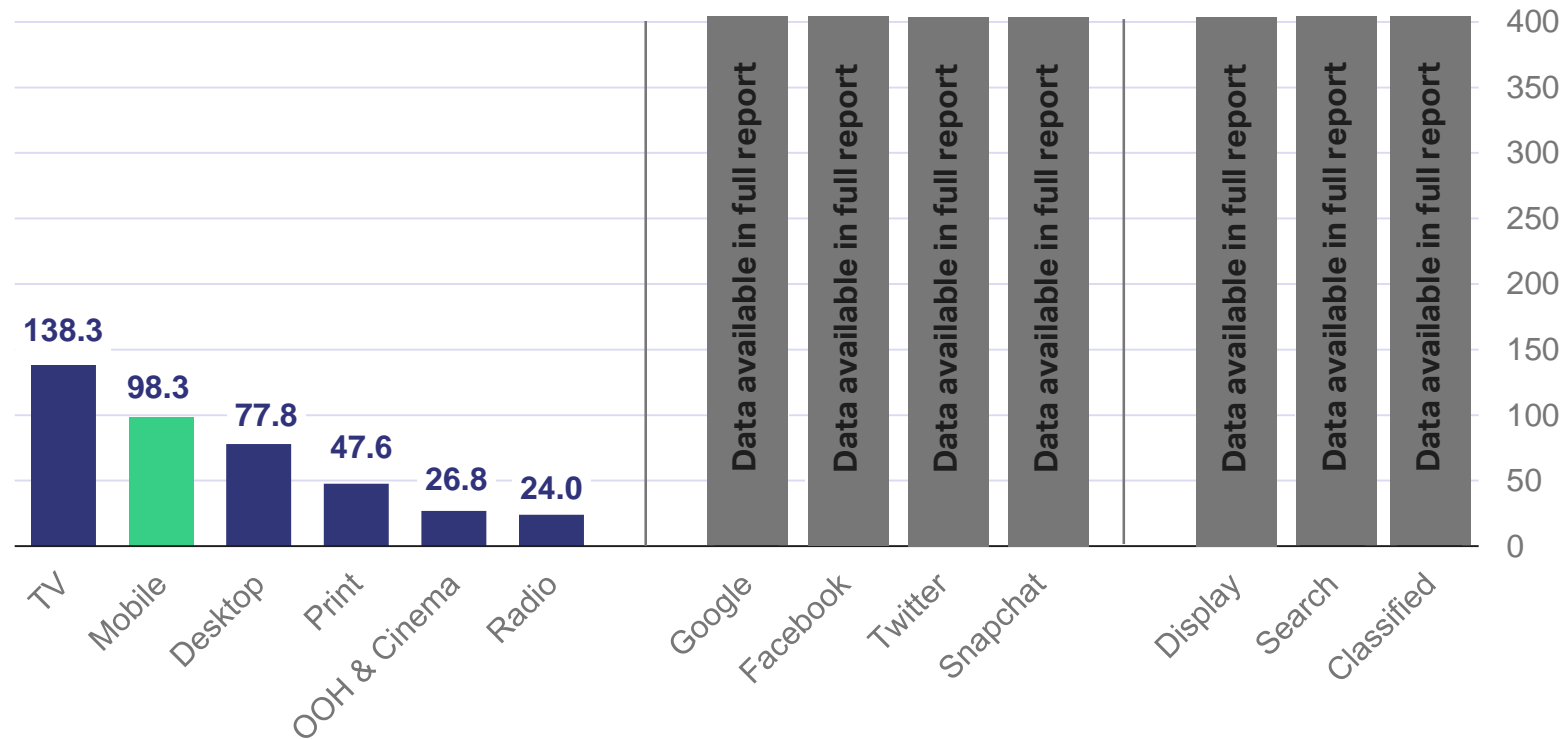
of Facebook's daily users are mobile

**135%**

increase in daily mobile time since 2012

# Mobile is now the world's second-largest advertising medium

2017\*, US\$ billions, current prices



Note: \*Media and format data are for WARC's 12 key markets and are full-year projections. 'Other' formats not shown. Company data are to end-Q3 2017 and are global.

SOURCE › WARC Data

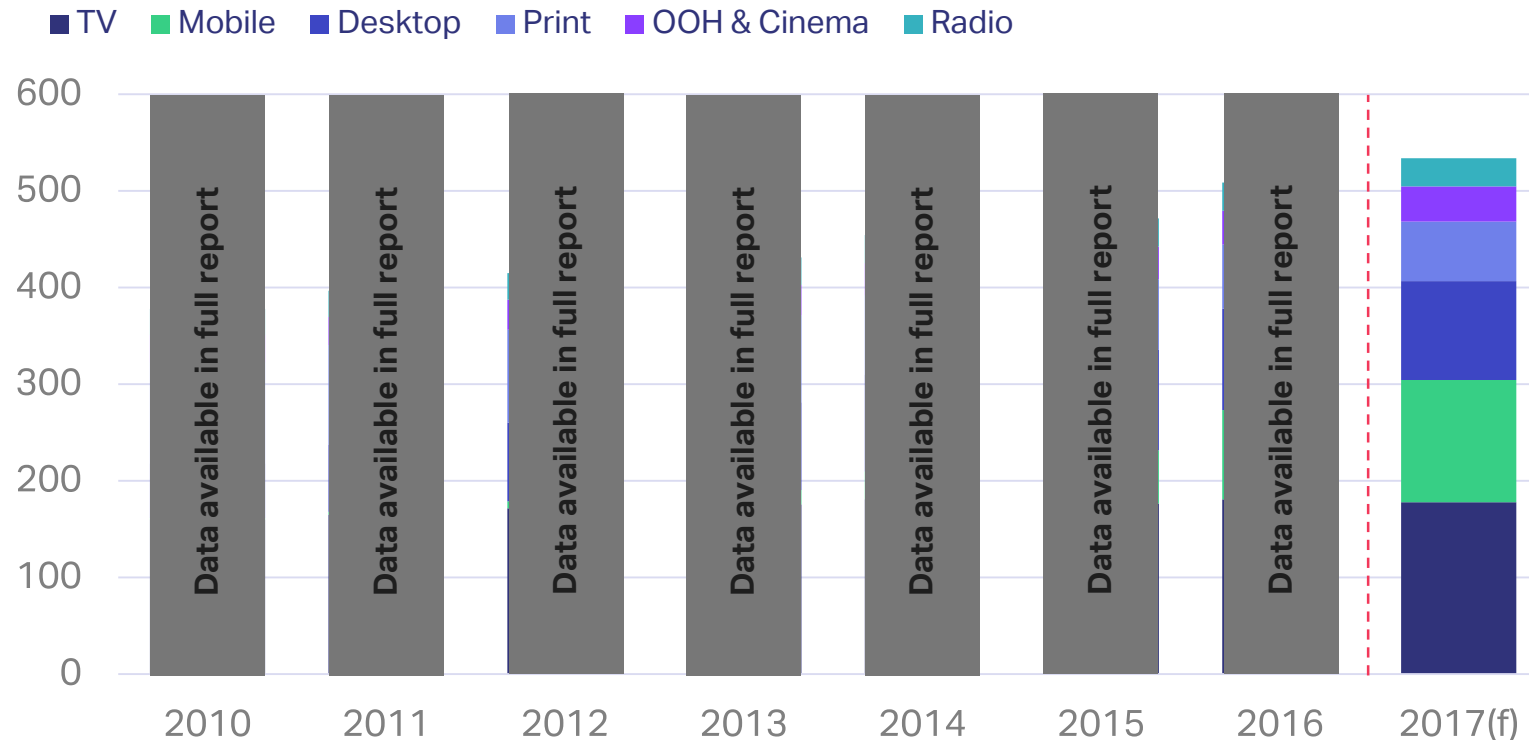
[Get the data](#)

### Media Analysis: Mobile

- ✔ Data from **WARC's 12 key markets**, which between them account for approximately two-thirds of global advertising expenditure, show that mobile is now the second-largest ad medium by spend, having overtaken desktop internet for the first time this year.
- ✔ Mobile adspend across all formats is expected to amount to \$98.3bn in 2017, representing some 23% of all media spend. The total also marks a year-on-year growth rate of 35.2%, compared to a forecast 4.7% dip for desktop internet, the third consecutive year of decline.
- ✔ TV is expected to remain the world's largest ad medium in WARC's 12 key markets this year and next, at around \$139bn.
- ✔ Google's ad income is well over twice that of Facebook, and accounts for a large part of all search advertising.
- ✔ Display formats still account for almost three quarters of all advertising spend. Search's share is expected to rise to above a fifth (21.1%) this year, compared to 19.6% in 2016 and 12.0% in 2012.

# Mobile accounts for almost a quarter of global advertising spend

PPP billions, current prices



Note: Data are for WARC's 12 key markets. Mobile and desktop include classified where splits are available. Unassigned classified not shown above but included in share calculations.

SOURCE › WARC Data

[Get the data](#)

### Media Analysis: Mobile

- ☑ Mobile's share of total advertising spend within WARC's 12 key markets is expected to reach 23.3% this year, up 5.4 percentage points (pp) from 2016 (17.9%) and 22.8pp from 2010 (0.5%).
- ☑ It follows that mobile's share of total internet ad expenditure has also grown rapidly during this time frame. Its share within these markets is forecast to reach 53.3% this year, up 8.3pp from 2016 (45.0%) and 50.4pp from 2010 (2.9%).
- ☑ Mobile's share of all advertising expenditure is still expected to be 9.4pp lower than TV's this year. The gap was 41.4pp back in 2010. It is worth noting that over half of the mobile total is accredited to non-display formats; in display-only terms, mobile's share lags TV by some 30 percentage points.

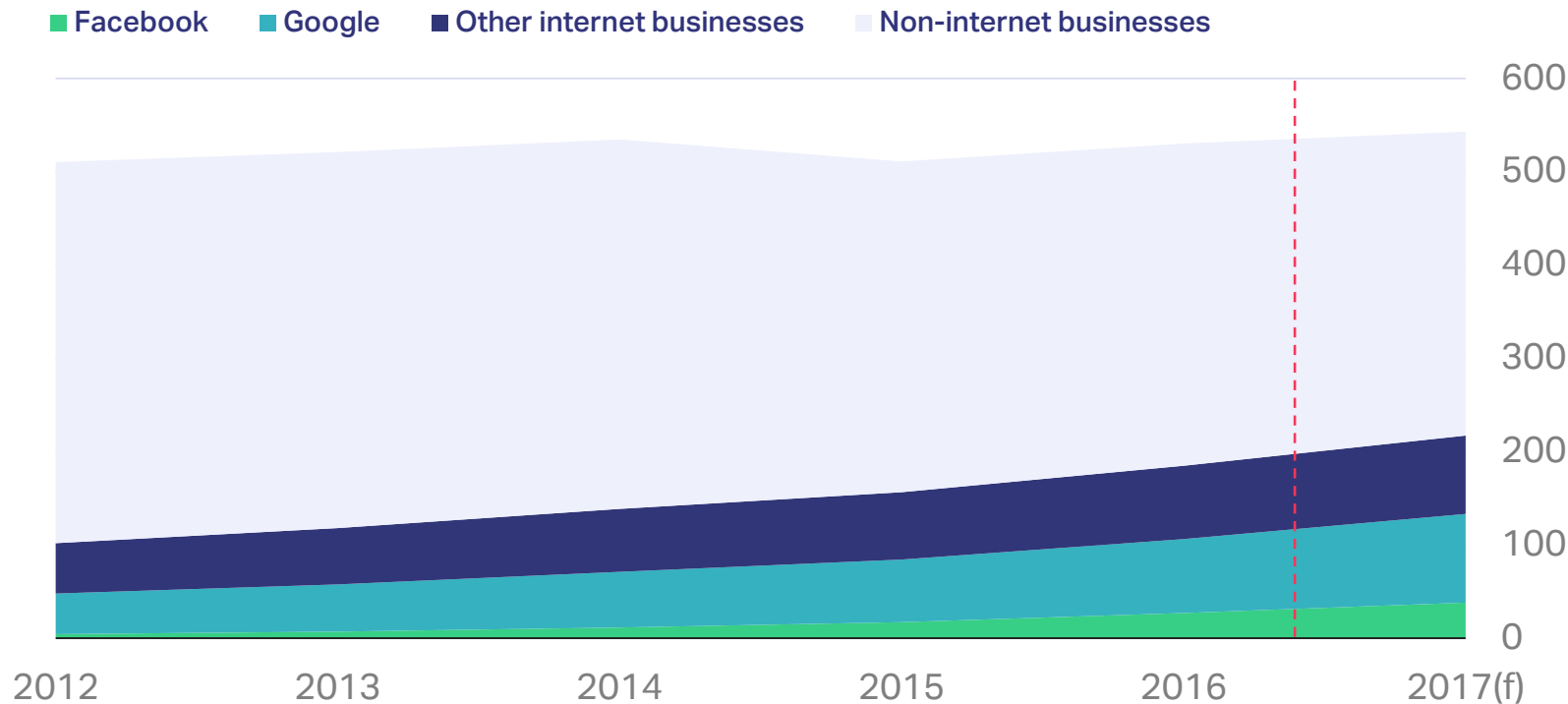
## 2 Key media intelligence

New on WARC Data

- ✔ Advertising expenditure has grown faster than the global economy since 1980
- ✔ The Google/Facebook duopoly accounts for a quarter of global advertising spend
- ✔ Programmatic accounts for over a third of the value of US ad trade
- ✔ Current best practice for online video sets bar far too low

# The duopoly accounts for a quarter of global advertising spend

US\$ billions, current prices



Note: Data to 2016 are for 96 markets in WARC's Adspend Database. 2017 is a WARC projection. Shares are illustrative, as Facebook/Google will report in some markets where internet advertising is not monitored.

[Get the data](#)

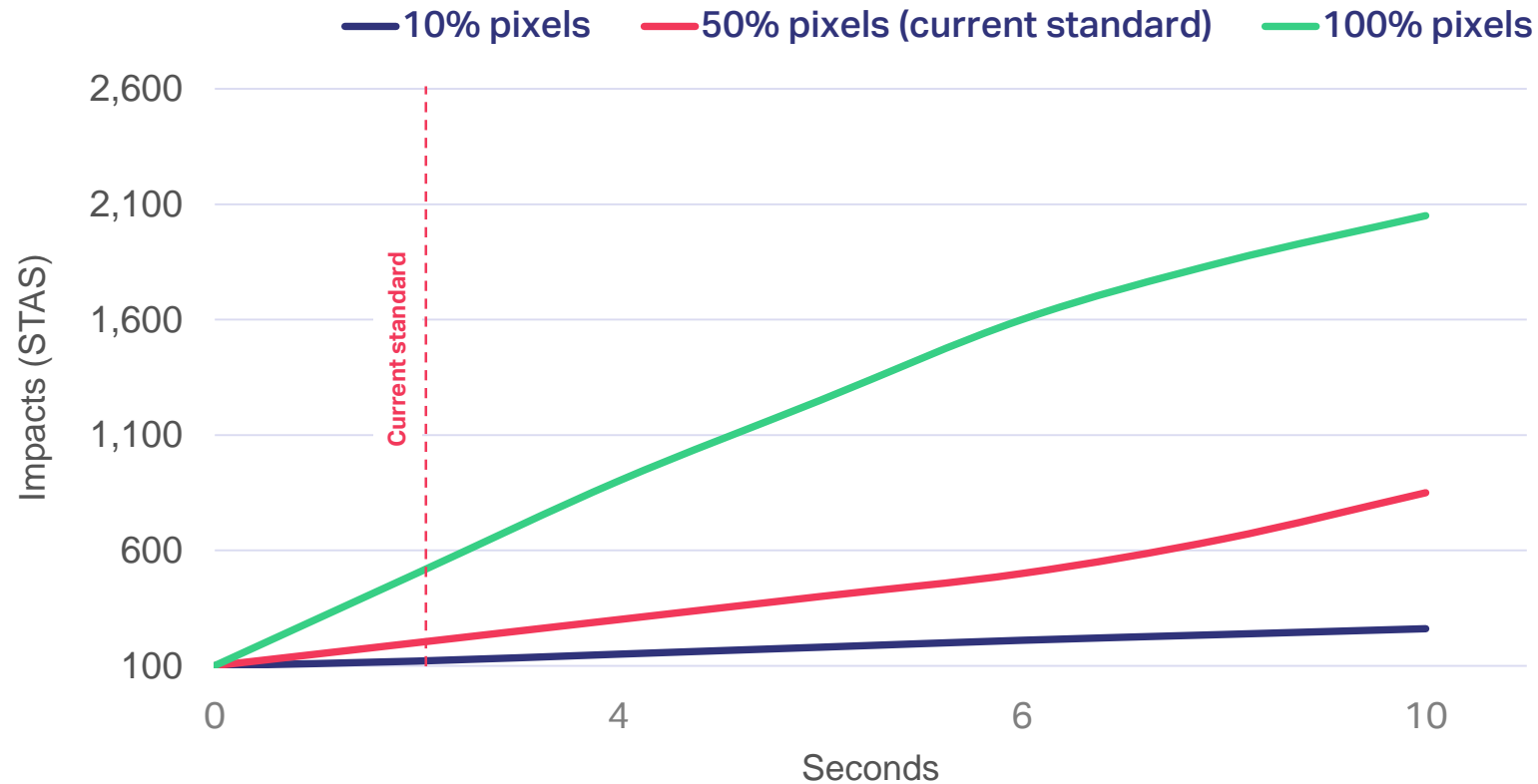
SOURCE › WARC Data

### Media Intel

- Comparison of company revenues with data in WARC's **Adspend Database** shows that the duopoly of Google and Facebook will account for approximately 61% of all online advertising expenditure this year, up from 58% in 2016 and 47% in 2012.
- Further, the anticipated \$133.2bn in combined revenue will equate to a quarter of all adspend worldwide in 2017, up from a fifth in 2016 and just 9.4% in 2012.
- Google alone is expected to account for some 44% of all online adspend this year, and 18% of total media spend – almost one in five dollars. Equivalent figures for Facebook put share of online spend at 18%, and 7% of global spend.
- Google's advertising revenue will outweigh Facebook's by a factor of around 2.5:1. However, while Google's revenue growth has been on a par with global internet adspend growth over recent years, Facebook is expanding at more than twice this rate.

# Current best practice for online video sets bar far too low

Facebook, relationship between viewability and impacts



SOURCE › Admap, The University of Adelaide, Ehrenberg-Bass Institute

[Read full article](#)

### Media Intel

- Research by professor Karen Nelson-Field of the University of Adelaide and Dr Erica Riebe of the Ehrenberg-Bass Institute has shown that current viewability standards for online video in the US – that at least 50% of pixels need be on-screen for only two seconds in order for the impact to be counted as a ‘chargeable’ view – **consistently leads to a reduced ability to influence**, which is unfair to brand owners, and suggests a review is needed.
- As an overall calculation by platform, both YouTube and Facebook provided an uplift in sales, but there was a 70% difference in impact depending on pixels on-screen, whereas seconds only accounted for 30%. So in relation to viewability, data show that having 100% pixels in view consistently outperforms the standard, by at least twice as much (regardless of time on-screen).
- This means, the authors conclude, the current best practice sets the bar far too low and risks the ad being missed entirely, which highlights the need for a review from the Media Rating Council.



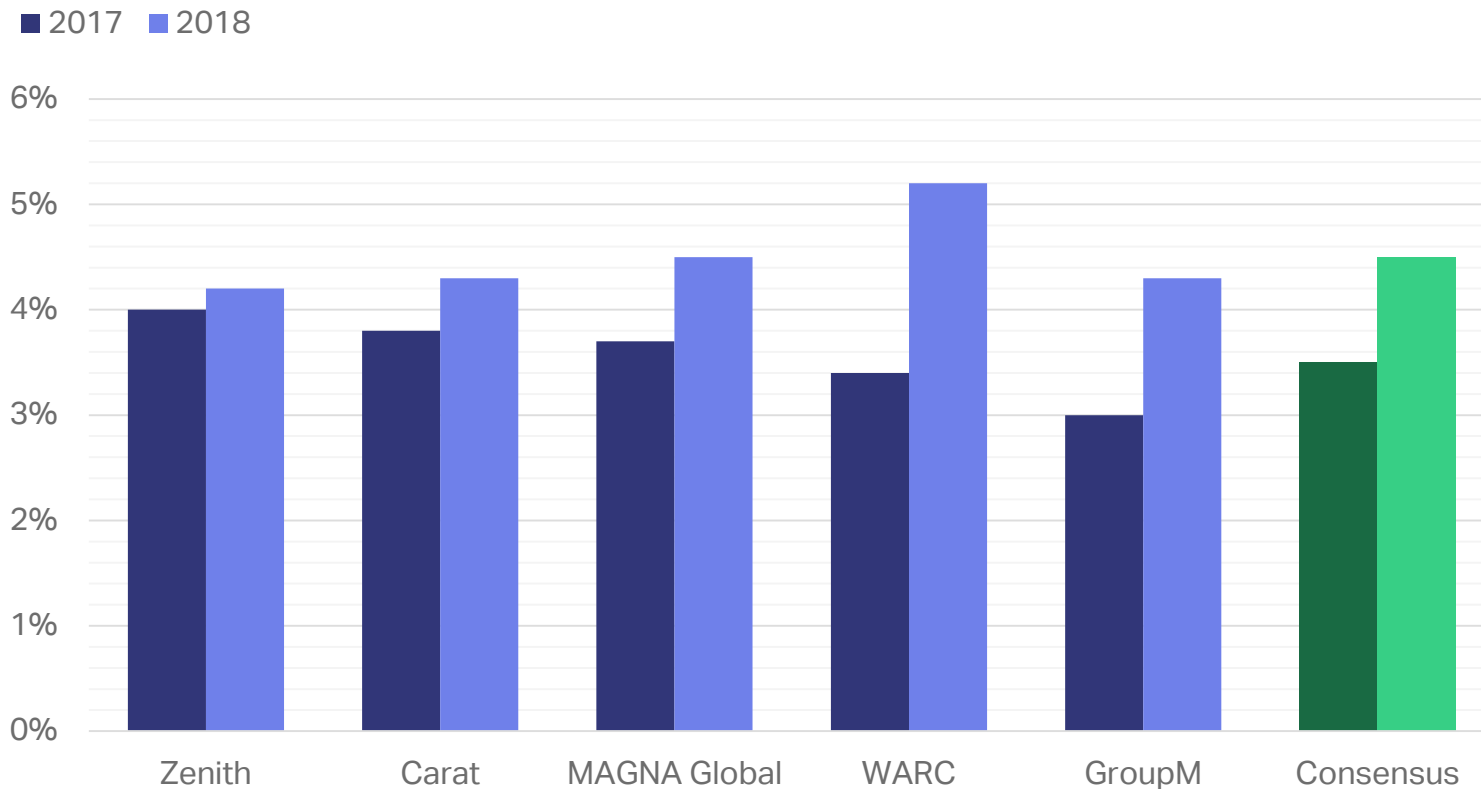
## 3 Latest WARC research

The state of the global ad market

- ✔ **WARC GMI:** Marketing budgets continue to grow in Europe, but show weakness elsewhere
- ✔ **WARC GMI:** Global digital budgets are growing at the expense of all other media
- ✔ **WARC Consensus Forecast:** Global adspend forecast to rise by 3.5% in dollar terms this year
- ✔ **WARC International Ad Forecast:** Global adspend expected to rise by 5.0% in PPP terms this year following upgraded UK forecast

# WARC Consensus Forecast: Global adspend to rise 3.5% this year, 4.5% in 2018

Year-on-year % change in advertising expenditure, US\$ current prices



SOURCE › WARC Data, *International Ad Forecast*, November 2017; Zenith, GroupM September 2017, MAGNA Global, Carat June 2017

### Latest WARC research

- Global advertising spend is expected to rise by 3.5% this year, according to the results from WARC's latest Consensus Forecast, a weighted average of third-party growth projections.
- The rate of growth is expected to rise to +4.5% next year, aided by major sporting events such as the FIFA World Cup and Winter Olympics, atop campaign spending during the US mid-terms.
- Zenith's forecasts are the most optimistic for global growth this year, though the +4.0% rate predicted represents a 0.2 percentage point downgrade since the agency's June forecast.
- GroupM's projection of 3.0% growth this year also represents a downgrade, from the +4.4% rate forecast in December 2016. This is due to a downward revision for Chinese growth this year, to 4%.
- WARC's own **International Ad Forecast**, which focuses on 12 key markets (which between them account for approximately two-thirds of global advertising spend), expects global spend to rise 3.4% this year. The rate of growth is expected to accelerate to 5.2% in 2018, boosted by a return to growth for TV spend in the US.

# 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](http://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.

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