

▼ THIS YEAR NEXT YEAR ►

2024 Global Midyear Forecast

A Report From GroupM, WPP's Media Investment Group

June 2024



THIS YEAR NEXT YEAR

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Introduction

For the last several years, the world has been defined by a period of uncertainty. In media this uncertainty has been driven by two seemingly contradictory forces playing out at the same time, each building up tension that, when it resolves itself, will define how the next decade plays out:

consolidation

Within media and advertising, we've seen the consolidation of advertising revenue among the top global sellers. In tandem, we've seen extensive globalization, that is, the same players and offerings available globally with economies of scale accruing to those companies. This is also true among the largest commerce companies and the largest technology companies. As the internet and global supply chains and financial markets have made it easier to transact across borders, companies have taken advantage of the opportunities for growth beyond their original domiciles.

decentralization

Decentralization in media and advertising, our other overarching trend, drives the user-generated content machines of the world's social-media networks and the long tail of ad revenue that has fueled digital ad seller expansion. Within commerce, digital marketplaces have outsourced the work of buyers and salespeople to individual customers and suppliers (with help from technology at the interface).

Today's consumers have become so accustomed to booking their own travel, using the grocery self-checkout, and even investing using trading apps, that the totality of labor that has been shifted from corporations to individuals is often overlooked. This decentralization has enabled some companies to pay less for the services they provide customers. Think of how little a Meta or TikTok spends on content compared to how much companies like Disney and Netflix do. Community Notes on X puts the onus of content moderation and editorial work on the platform's contributors, similar to Reddit's reliance on moderators.

These trends are obviously important and help to frame much of the analysis that follows in this report. But I would argue, they are not the most important element for understanding where our industry is likely to go next. For that, we must examine the tensions that have arisen as a result of these trends and then make predictions about how those tensions will ultimately resolve.

Take the trend of economic globalization across Europe and the concurrent consolidation of economic opportunity and power in London throughout the 2010's during David Cameron's tenure as Prime Minister. The tension that arose and eventually came to a head with the Brexit referendum was a reaction: a call for greater populism and protectionism within the U.K. The Brexit outcome, which is still impacting our projected advertising growth for the U.K. and has been cited as a driver of Britain's underperforming economic growth versus European markets over the last several years, wasn't necessarily obvious as a result of the trend, but it does make sense as a result of the reaction to that trend. In the world of media and advertising, we have to keep an eye on regulatory and consumer reaction to everything from advances in artificial intelligence to continued consolidation in the media space as we look to predict growth over the next five years.

We will be looking closely both at long-term trends and the tensions that have arisen in response throughout this report.

Global Forecast Summary

We estimate that global advertising revenue will grow 7.8% in 2024 to \$989.8 billion. The industry will surpass one trillion in revenue in 2025, increasing 6.8% to \$1.1 trillion, one year earlier than we forecast in December of 2023. The increases in the total revenue for these years are largely due to revised forecasts for China, which we now estimate will record \$199.4 billion in 2024 versus the \$148.2 we wrote in our last forecast. These gains are primarily within digital pure-play and out-of-home (OOH) advertising. We have also revised estimates for the U.S., which we now expect to reach \$365.9 billion in ad revenue, up 5.8% over 2023’s \$345.9 billion (excluding the impact of political advertising in both years).

The great economic engines of the U.S. and China, which together make up 57.1% of global ad revenue, are clearly the largest drivers of growth, adding \$44.5 billion to their totals in 2024 (excluding U.S. political spending) — nearly 1.5 times the cumulative \$27.4 billion in incremental revenue for all other markets combined.

Global advertising revenue growth estimate

7.8%

\$989.8 BN

They are also, not coincidentally, home to 22 of the top 25 global media sellers and account for more than 40% of global GDP. If we exclude both the U.S. and China from the global totals, our forecast for 2024 has risen from 6.5% (in the December 2023 report) to 6.9% now versus the headline increase from 5.3% global growth (December 2023) to 7.8% including the U.S. and China. As with every year, significant global economic shocks could pose a risk to these forecast levels of growth.

Looking ahead, we estimate global advertising will achieve a 5.9% compound annual growth rate (CAGR) through 2029, slightly faster than the 5.6% five-year CAGR we forecast for 2023-2028 last December. Excluding the hyper-inflationary markets of Türkiye and Argentina, the fastest growing market over the next five years is expected to be the Philippines, with a 20.7% five-year CAGR, just ahead of South Africa at 17.2%. We discuss this pattern of growth shifting to African and Asian markets on page 56.

Despite ongoing inflation in many markets, especially in regard to prices for food and shelter, consumer spending has been relatively resilient, and the boom in artificial intelligence (AI) products, services, and enabling hardware has likely helped boost business investment in spite of incredibly restrictive economic conditions in markets like the U.S., where we accurately predicted rates would stay higher for much longer than many others were expecting at the start of 2024.

Media Channel Forecast

All growth and market-size data discussed below is excluding U.S. political ad revenue. It does include political ad revenue for other markets. See more about the impact of political advertising on page 24.

Digital

Digital pure-play advertising (that is, excluding the digital extensions of TV, audio, print, and OOH) will make up 70.6% of total revenue in 2024, equaling \$699.0 billion. Over the next five years, we anticipate a 7.1% five-year CAGR. By 2029, digital will make up 74.9% of total advertising revenue, or \$985.6 billion. If we were to include the digital extensions of traditional channels, the broader digital total would top 80% in 2025 and climb to 84.7% in 2029.

Within the digital channel, the largest five companies (Google, Meta, ByteDance, Amazon, and Alibaba) accounted for 77.7% of the total in 2023, up from 65.0% in 2016. See page 32 for more detail on global media concentration.

Allocating global and regional digital revenue to individual markets and teasing apart areas of potential double-counting (as could be the case with partnerships between Pinterest and Amazon, for example, or Walmart and NBCU) is exceedingly difficult and we are constantly reevaluating our estimates as we identify new and better data.

Search

Search advertising revenue is expected to grow 5.3% in 2024 and accelerate to 6.3% in 2025. Search will account for 20.9% of total ad revenue in 2024, a share that we predict will remain fairly stable over the next five years. We forecast search revenue will total \$206.4 billion in 2024, rising to \$269.6 billion in 2029. As we discuss later in the report, it is likely that Google and Microsoft, as well as Baidu, will continue to build AI-enhanced search products that retain opportunities for advertising. The companies are the first, sixth, and eleventh largest ad sellers globally by our estimates.

Retail Media

For the purposes of *This Year Next Year*, we define retail media revenue as any advertising revenue for retailers, including online, physical, and hybrid shops, as well as ad revenue for last-mile delivery services such as Meituan, Uber, Instacart, DoorDash, Grab, and Delivery Hero.

Retail media is expected to represent 15.1% of total ad revenue in 2024, up from just 1.5% a decade ago in 2014. The channel remains the fastest growing segment of digital, forecast to add 17.5% in 2024 and 13.5% in 2025 as retailers

seek to capitalize on their customer data sets and advertisers are lured by the promise of closed-loop attribution and the ability to more closely tie media to sales. By 2029, retail media will account for \$228.2 billion, or 17.4% of total advertising revenue, but in reality, there are likely to be aspects of "commerce" across most advertising dollars. With the collapse of distinctions between brand and direct response or upper- and lower-funnel executions, practically every customer touchpoint can be an opportunity to both build brand and enable a purchase.

2029

Retail media
will account for
\$228.2
billion

17.4%
of total ad
revenue

Other digital

The "other" digital category includes social media and social video as well as display and other digital advertising not covered in our digital extensions totals (where we have Spotify and digital news, for example). In 2024, we estimate that other digital will grow 9.9% to \$342.9 billion. Growth is expected to decelerate in 2025 to 7.5% with the five-year CAGR through 2029 at 7.3%. As the largest of our tracked channels (other digital will account for 34.6% of total advertising revenue in 2024), we spend a considerable amount of time within this report discussing the largest players and the regulatory and technological drivers impacting their future growth. The integration of AI into digital platforms and services, for example, has been taking place for more than a decade, but the pace and visibility of more recent innovation is bringing this technology to the forefront of advertiser and audience minds alike. See page 50 for a look at how AI-enabled advertising revenue is expected to grow over the next five years.

Top 5 Advertising Sellers

23.0%

Estimated CAGR
2016–2023

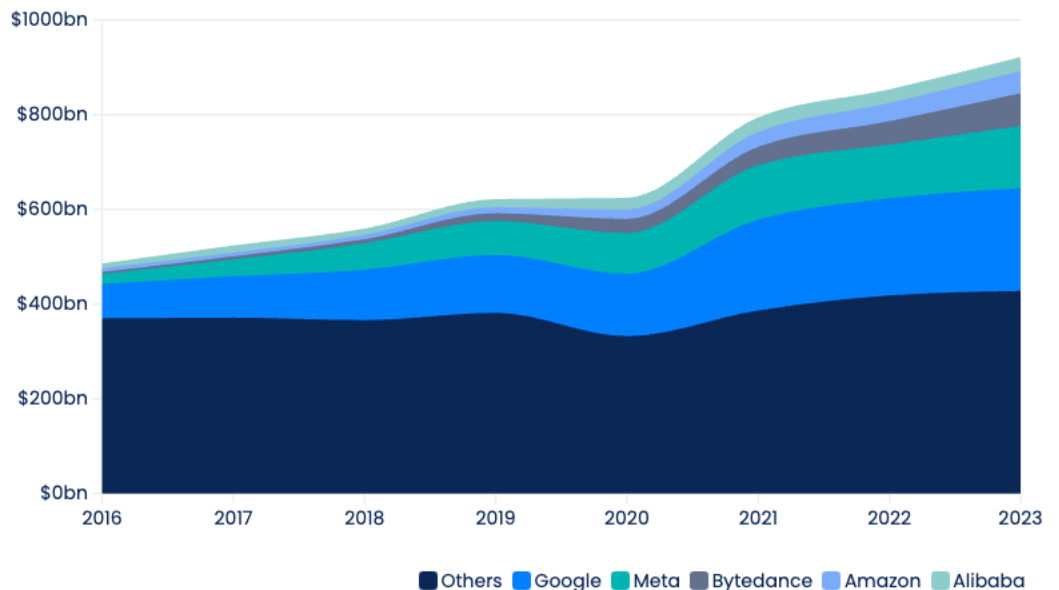
All Other Sellers

2.1%

CAGR
(excluding Top 5 revenue)

Advertising Revenue Growth

Top 5 Ad Sellers vs. The Market

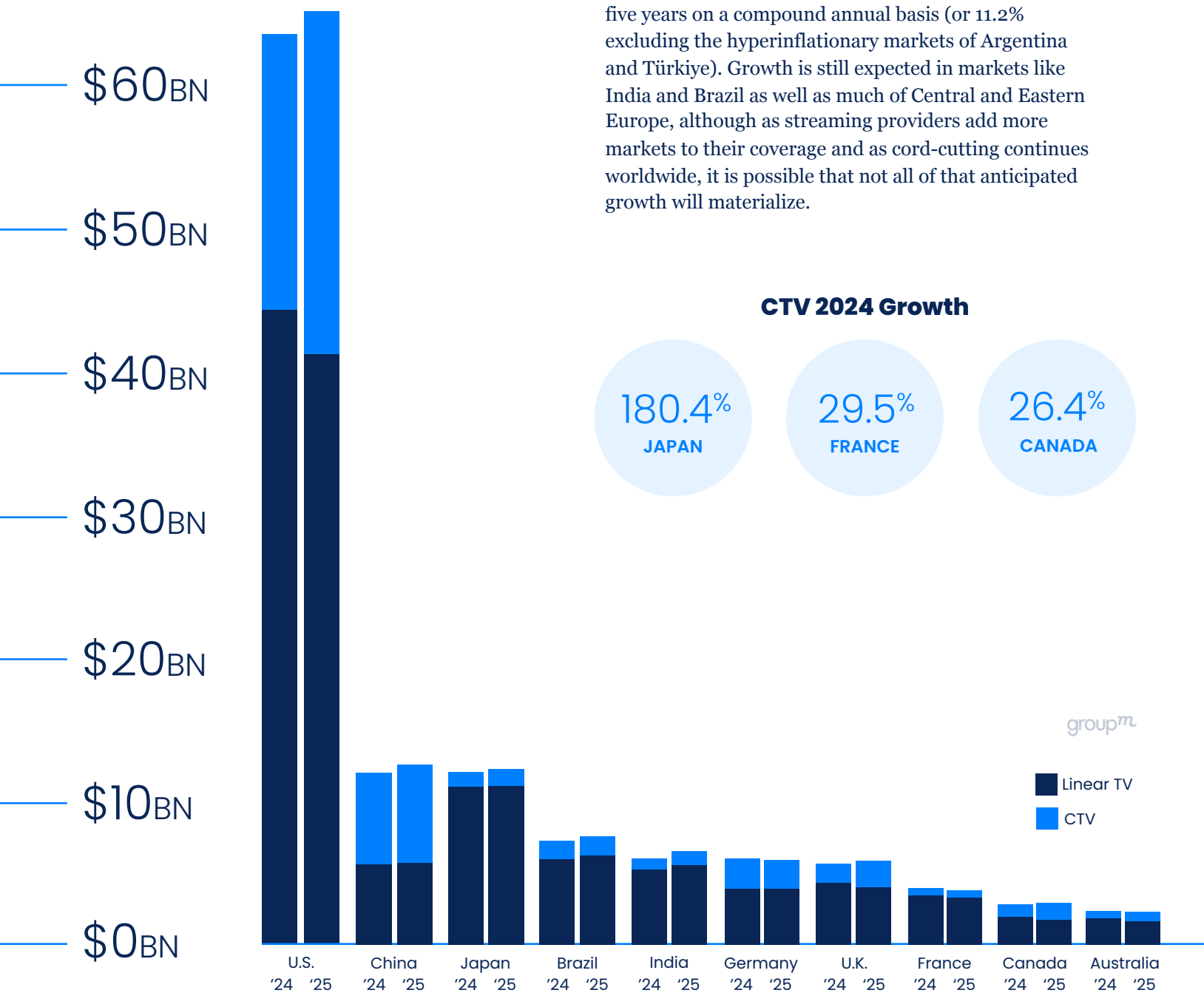


Source: GroupM, Company Filings

Television

Total TV, including both linear or traditional TV and its digital extensions (which we refer to as connected TV or CTV for the purposes of this document), is expected to grow 2.7% to \$163.2 billion in 2024, following a decline of 0.4% in 2023. The channel will account for 16.5% of total ad revenue in 2024, a share that drops to 14.4% in 2029, according to our forecast.

Traditional TV is expected to decline 0.2% over the next five years on a compound annual basis (or 11.2% excluding the hyperinflationary markets of Argentina and Türkiye). Growth is still expected in markets like India and Brazil as well as much of Central and Eastern Europe, although as streaming providers add more markets to their coverage and as cord-cutting continues worldwide, it is possible that not all of that anticipated growth will materialize.



Source: GroupM

CTV

The picture for CTV has improved considerably since our last edition of *TYNY* because of a change in our methodology, discussed in greater depth below. In this June report, we have moved some YouTube revenue into our CTV category, which also includes all digital ad revenue from broadcasters and TV networks in addition to free ad-supported TV platforms and ad-supported streaming video on demand (AVOD), including ad-supported tiers of subscription services (SAVOD). We now expect CTV ad revenue to total \$38.3 billion in 2024 (using the new methodology) versus the \$33.2 billion we forecast in December 2023. Growth rates for CTV have risen as well, buoyed by the inclusion of some YouTube revenue. We predict 2024 CTV ad revenue will grow 20.1%, up from 16.1% in 2023, with a further 17.6% increase in 2025.

Across all our tracked markets, \$5.2 billion of YouTube revenue moved to the CTV category in 2023, 16.4% of YouTube's \$31.5 billion in revenue that year. By 2029, we expect nearly \$20 billion in YouTube revenue will sit within CTV rather than other digital.

Why we moved some YouTube revenue into CTV

Historically, all YouTube ad revenue (\$31.5 billion globally in 2023) has been part of our digital category, alongside social video platforms like TikTok and Reels. This June we transitioned some YouTube revenue into our CTV category, where we already counted FAST platforms like PlutoTV and SAVOD services like Amazon Prime Video. We used a combination of industry data and client intelligence to determine what share of YouTube advertising revenue should move to the CTV category in each market. Some markets have kept 100% of YouTube revenue in digital for 2024, with some reallocation expected to take place in future years.


The primary reason for this change is to better reflect how clients are thinking about their media allocations and alternatives. Many of GroupM's clients already view at least some YouTube spend as part of a CTV strategy with KPIs often tied to reach and awareness rather than a cost-per-action goal. As we work to provide clients (and the industry) with the most accurate view of the health and growth of each media category, it makes sense to ensure we are truly representing all the players in the CTV space.



There are two main factors driving our decision to shift some YouTube revenue:

1 YouTube represents the largest share of streaming on TV devices in some markets. In the U.S., data from TVision shows that YouTube accounted for 27.9% of all CTV viewing in the U.S. for people over age two between January and March of this year. But this trend is playing out beyond just the U.S. In India, revenue attributed to network TV content on YouTube has been allocated to CTV within TNYN data for several years, and data from Barb Audiences in the U.K. shows that YouTube likely accounts for an even greater share of total TV viewing than in the U.S. YouTube CEO Neal Mohan said in a letter earlier this year that “in the last three years, the number of top creators that received the majority of their watch time on the big screen increased more than 400%.”

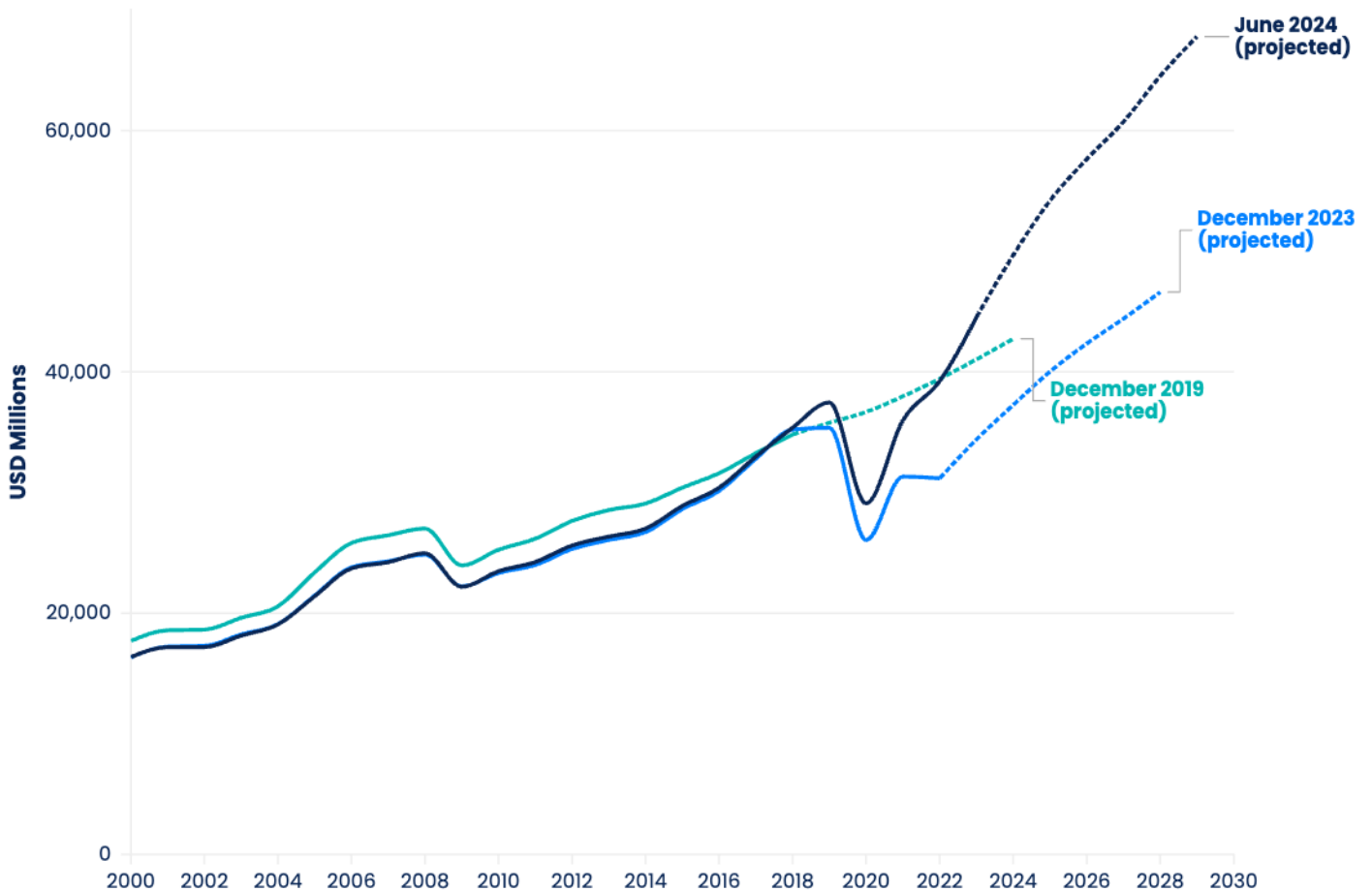
2 Some, though certainly not all, YouTube content could be considered comparable to long-form premium TV content. There is still a substantial amount of non-professional, short-form content that we don’t believe clients would view as a) comparable to other CTV inventory or b) a good source of brand equity (one of the major draws of popular TV content). That said, we believe a disproportionate share of viewing time and advertising revenue (compared to the total volume of hours uploaded to the YouTube platform) goes to “professional” creators like Mr. Beast and Liah Yoo, who put considerable time and expense into crafting longer-form content. This is also reflected in the increasing investment by YouTube in content including NFL’s Sunday Ticket in the U.S. We estimate that YouTube invested more than \$20 billion in content in 2023 alone. (See page 46 for more details on content investment)



OOH

In this forecast, we have made significant revisions to historical data for China OOH. As the largest OOH market, these revisions have had a substantial impact on the overall global data. We now estimate that global OOH revenue recovered from the COVID-19 pandemic decline in 2020 by the following year, with subsequent growth over and above pre-COVID levels. Interestingly, the revision puts the current figure for 2022 global OOH revenue exactly where GroupM predicted in its December 2019 forecast (see the chart below), although expected growth for future years is significantly higher than the 2019 forecast as we expect further digitalization, programmatic buying methods, and use by nationally-oriented as well as locally oriented advertisers to benefit the channel.

OOH Dec 2023 vs Jun 2024



Source: GroupM

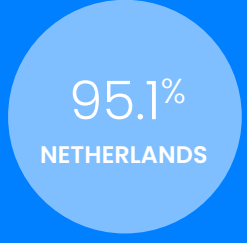
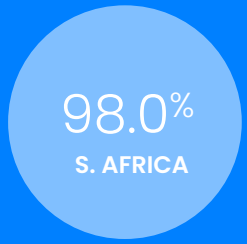
This represents an 11.5% increase over 2023 for total OOH. China alone will represent more than half of global DOOH revenue (54.6%) in 2024. Over the next five years we expect total OOH to grow 6.4% on a compound annual basis with Mexico, Colombia, Vietnam, the Philippines, and Ukraine all outpacing the global rate (among others). By 2029, we forecast DOOH will reach \$29.8 billion and make up 44.0% of the \$67.8 billion in total OOH revenue.

In 2024, we now expect OOH advertising to reach \$49.7 billion, 41.0% of which (\$20.4 billion) will be digital OOH.

For those interested in the minutiae of our forecasting process,

here is some additional explanation as to why our team made the revisions for China OOH. As with all of our data, we rely as much as possible on publicly listed companies and their financial reporting data to complement our GroupM intelligence. In China, the publicly listed companies, such as Focus Media, were heavily exposed to inventory in airports, railway stations, and other transit-dependent locations. These companies were hit harder by pandemic lockdowns than other (non-public) companies with more inventory tied to shops and mega LEDs as well as lower-tier cities. At the same time, the client mix for OOH advertising was shifting from technology, property, and auto advertisers (heavily impacted by lockdowns and component shortages as well as the Chinese property crisis), to more consumption-focused advertisers for food and beverages, restaurants, and alcohol. These CPG advertisers, as well as services and leisure brands, were more locally focused during the pandemic and more resilient in their use of OOH. Therefore, we have made revisions to incorporate this updated thinking, which we believe is a more accurate picture of the Chinese OOH industry.

Traditional Audio Share



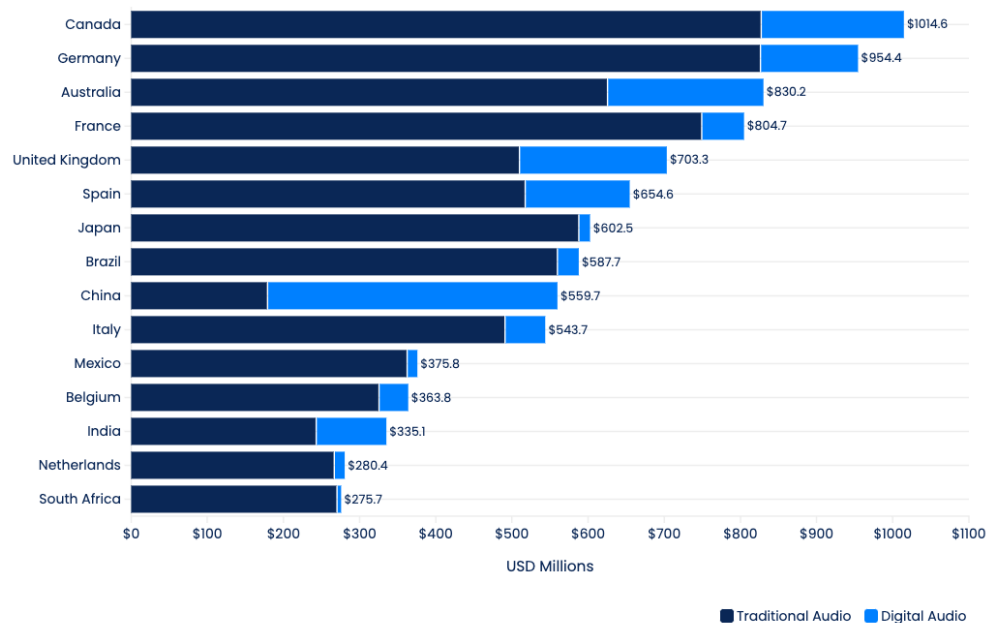
Digital Audio Share



Audio

Audio is another channel experiencing rapid digitalization and the channel we believe is experiencing the most rapid integration of AI into its advertising business outside of pure-play digital. (See page 50 for more on AI-enabled advertising estimates by channel.) Audio advertising is forecast to hit \$27.0 billion in global revenue for 2024, up 0.8% over 2023. Growth will remain around 1% over the next three years, driven by increases in digital audio, which will add nearly three billion dollars from an expected \$7.9 billion in 2024 to \$10.6 billion in 2029 when it will represent 37.7% of total audio revenue. Spain, where publishers have invested in podcasts and digital audio formats over the past few years, will be the seventh largest audio market in 2024, just behind the U.K.

Top Audio Advertising Markets (Ex-U.S.)



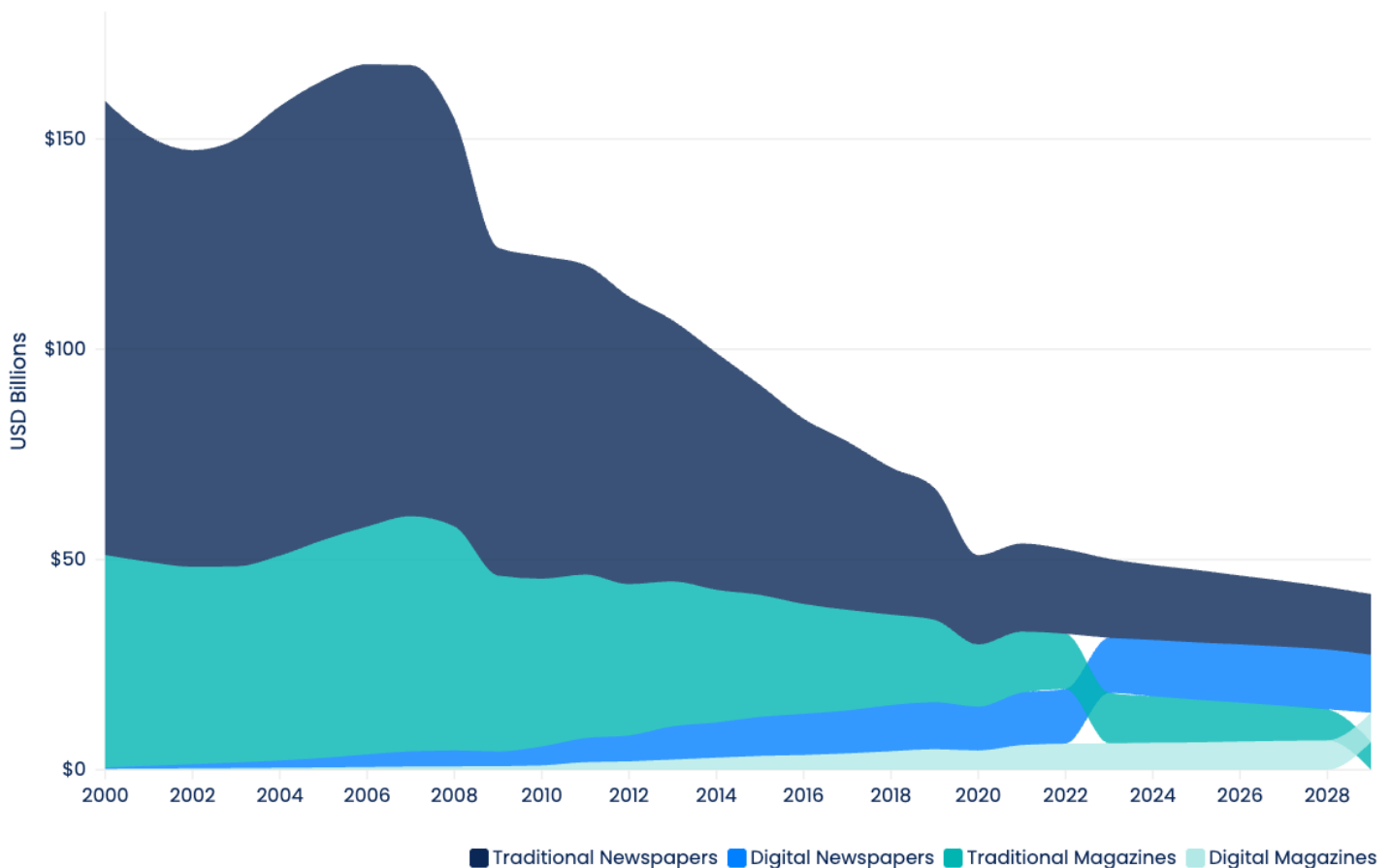
Source: GroupM

Print

The future of print advertising has recently been (again?) called into question in relation to the experienced drop in referral traffic from social-media platforms and the expected continual decline in search traffic as search engines like Perplexity, Bing, and Google roll out AI-generated search summaries. Our forecast for digital newspapers and magazines do indeed show just 0.6% and 1.5% five-year CAGRs through 2029, respectively, but we are not predicting outright decline of these channels. Early demonstrations from Google I/O in May 2024 and anecdotal evidence from Microsoft’s Copilot appear to offer opportunities for publishers to capture organic and ad-supported referral traffic closely aligned to travel itineraries, product recommendations, and factual queries, for example. We discuss some of the issues surrounding licensing publisher content on page 27 and the use of copyrighted material for training LLMs on page 28.

In 2024, we forecast total newspaper ad revenue will decline 2.2% globally to \$31.2 billion with a further 1.0% decline in 2025. Magazines will account for \$17.5 billion of global ad revenue in 2024, a 1.8% share. Revenue is down 4.4% from 2023 and we expect a further 4.7% decline in 2025. Digital newspapers and magazines will continue to see slight growth as discussed above.

Global Print Ad Revenue



Cinema

Cinema ad revenue is expected to decelerate significantly from the 13.3% growth of 2023 to 7.1% in 2024, reaching a total of \$2.3 billion globally. Growth is forecast to continue decelerating through 2029 when the channel will still not have surpassed the levels of a decade earlier, before the pandemic. In the U.S. Upfront presentations this year (where historically television networks have hawked the upcoming seasons of their top shows), several media owners spent time touting their upcoming film slates.

With audiences accustomed to watching new(er) releases at home, we expect streaming providers globally to lean into the value of film content within pitches to advertisers, making it unlikely cinema will recover pre-pandemic levels.

Media trends

As with our report last June, we have used a modified PEST analysis framework to analyze the political, economic, social, and technological drivers of advertising growth over the next one to five years. We have further assessed whether each driver is likely to impact the short, medium, or long-term growth of the industry. Each section can be read individually, or in order from start to finish!

& tensions

	Political Legal Regulatory	Economic	Social Cultural	Technological
Tactical 6-12 MONTHS 	<ul style="list-style-type: none"> • Antitrust • Platform bans • Political ads • Social media content 	<ul style="list-style-type: none"> • Inflation • Media concentration • Advertising as a % of GDP 	<ul style="list-style-type: none"> • Influencer mktg. • Sports advertising 	<ul style="list-style-type: none"> • The power of platforms • AI-enabled advertising
Strategic 12-24 MONTHS 	<ul style="list-style-type: none"> • Digital news • AI & copyright • Geopolitical tensions 	<ul style="list-style-type: none"> • Global commerce • Interest rates 	<ul style="list-style-type: none"> • Machine-generated content • Video spend & content investment 	<ul style="list-style-type: none"> • Agent-ification • AI advertising brains
Emerging opportunities 2-5 YEARS 	<ul style="list-style-type: none"> • Climate change 			
		<ul style="list-style-type: none"> • Growth shifts to Africa & Asia 		
		<ul style="list-style-type: none"> • Everything apps 		

Political, Regulatory & Legal drivers

Media, with its ability to shape cultural discourse, and advertising, a revenue stream for

5 out of the top 10 global companies

by market capitalization, have increasingly come under the scrutiny of global governments and regulators. The current antitrust and anti-competitive agenda within the U.S., EU, and U.K. in particular, can be seen as a reaction to the consolidation of technology, media, and commerce revenue at the largest players.

● Political drivers include government policies, foreign trade policies, regulation, and de-regulation. Legal drivers include legislation and laws that require compliance from advertisers and/or ad sellers.



Antitrust/Anti-competition

Recent moves by governments around the world provide some of the strongest examples of reactions to the long-standing consolidation and globalization trend we noted at the start of this report. This includes the EU's Digital Markets Act (DMA) and the 40+ active cases tied to that as well as antitrust cases involving some of the largest global media owners such as Apple, Amazon, Meta, Microsoft, and Google.

Enabled by technological breakthroughs such as the internet and ecommerce, mobile phones and social media, and now, AI and robotic process automation, large companies have found it easier than ever before to scale their businesses internationally. And the pace of advancements (often supported by government desires to spur innovation and growth) has meant that laws and lawmakers overseeing these companies have lagged behind. Compounding this growth has been the concurrent trend of decentralization which has enabled some digital-first companies to provide the services of incumbents, from content to transportation, often with much lower labor costs.

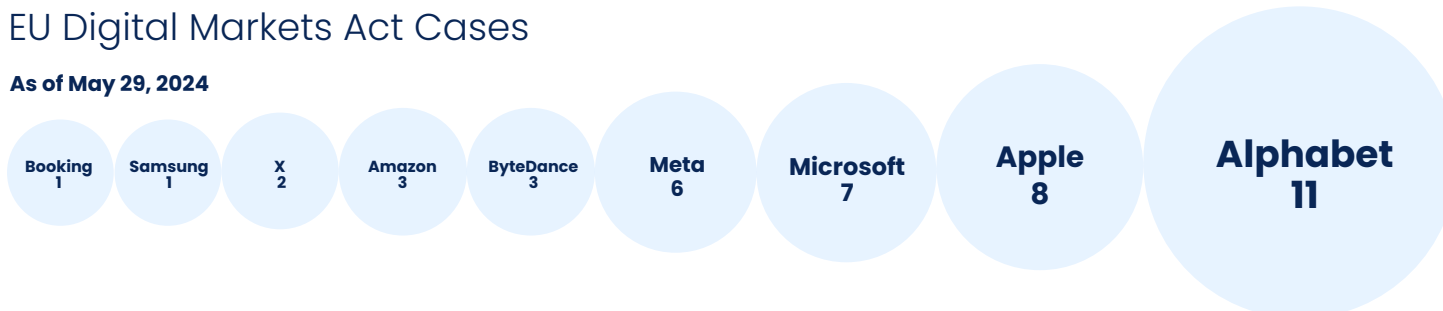
High-growth, high-margin advertising businesses gave companies like Alphabet and Meta the ability to acquire rivals and partners alike. And some governments allege that the size and power of Amazon, Apple, and Google have hurt consumers and suppliers by boxing out smaller rivals and stifling innovation. Whether or not cases brought by the U.S. FTC, U.K. CMA and European Commission succeed, the laws that have already been enacted and the appetite for regulators to target these companies is likely to impact advertising over the next five years.

Broadly speaking, the direction of travel points to greater oversight of “technology” companies and their share of the digital economy, whether advertising, app stores, commerce, or the AI industry.

Despite the likelihood of additional fines and the potential for changes such as the banning of “default search engine” deals, for example, many of the current suits and investigations are unlikely to significantly upend the positions of these players at the top of the advertising revenue league table. (See page 32 for an update to our top 25 media owners list.)

EU Digital Markets Act Cases

As of May 29, 2024



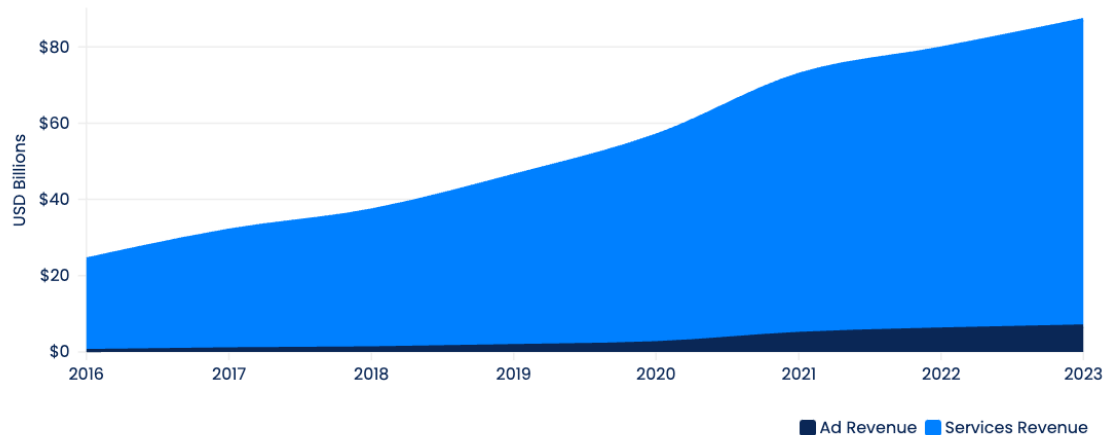


The regulatory environment in Europe and the U.S. (even with potential changes in the wake of 2024 elections) is likely to make further M&A difficult within the industry. As we mentioned last June, deals between Tegna and Standard General, M6 and TF1, and Microsoft and Activision Blizzard were all challenged, with only the Microsoft deal eventually going through. This regulatory hurdle is part of why a Comcast-Paramount merger or WBD-Paramount merger seemed highly implausible, even before the Comcast and WBD CEOs said as much in public remarks early in 2024. A Skydance-Paramount deal may be small enough to gain approval, versus the potential Apollo and Sony offer. Further vertical or horizontal combinations within the media industry will likely be hard fought. (Even seemingly unrelated businesses like the Amazon-iRobot deal have been blocked due to concerns about competition.) This does present the opportunity of significant runway for any independent ad seller to grow without being bought up by a Google, Meta, or Amazon, assuming they can fund that growth in the current high interest-rate environment.

All of the above is to say that we are likely to see incremental shifts rather than seismic events. However, some potential scenarios could have larger impacts. The first would be a ruling that requires Google to break apart its business units such that they would not be allowed to own both a demand-side platform (DSP) and supply-side platform (SSP). Any law enacted to this effect would also likely affect companies like Microsoft (owner of Xandr) and The Trade Desk. That said, and as we have written before in previous editions of *TYNY*, regulation tends to benefit large incumbents as transparency and compliance requirements can be expensive and there would be potential for GoogleA and GoogleB to grow more vigorously once the threat of a break-up was behind them and each was free to raise capital independently.

The second potentially large impact could come from the opening up of app stores on Android and iOS devices. (See *The Power of the Platform* on page 48 for more.) If Apple and Google (and other mobile OS owners like Samsung, for example) are required to allow third-party app stores on their devices and are barred from making those alternative stores unattractive through the use of fees and permission requirements, it could shift some share of app install ad revenue from those companies to a wider set of players. We estimate Apple’s advertising revenue has grown 45.3% on a compound annual basis over the last five years, from just over \$1 billion in 2018 to nearly \$7 billion in 2023.

Apple’s Estimated Ad Revenue
(within Services Revenue)



Source: Company Filings, GroupM



Platform Bans

Beyond antitrust scrutiny, media owners are also facing investigations and legal challenges to their businesses on other bases. Last June, we wrote about the specter of a TikTok ban following the Montana governor’s state-level ban in May of 2023. Montana is currently appealing a court ruling that blocked that ban before it took effect. Now, a U.S.-wide TikTok ban is a distinct possibility, barring a decision by the U.S. court system in TikTok’s favor.

There are three obvious questions:

01 Will the courts overturn the ban?

02 If not, is ByteDance more likely to sell its U.S.-based TikTok business or rather exit the market entirely?

03 What is the likely impact on the advertising industry, either from a ban or a sale?

On the first question, while a First Amendment argument is perhaps the most obvious tactic, it’s not guaranteed that this would succeed. The U.S. government could point to similar bans on foreign ownership of broadcast TV and newspaper companies as precedent for the bill. Given the reach of TikTok’s app (170 million Americans, by its own reporting), and the 14% percent of U.S. adults saying they regularly get news on the platform, according to [Pew Research Center](#), U.S. courts may well find precedent in treating the platform like a broadcast TV network or national newspaper. ByteDance is the only owner of a large media property in the U.S. which is based in a country on the U.S. foreign adversaries list. The social app BeReal is foreign-owned but domiciled in France.



Assuming the courts leave in place the requirement that TikTok either divest its U.S. business or face a ban on U.S. app stores, what will TikTok do?

There are cases to be made for either approach, but a sale seems less likely for a number of reasons:

- TikTok has claimed it would be impossible to split the tech stack for the U.S. app from the broader technology built across ByteDance's apps. Even if it was possible and not cost-prohibitive, ByteDance may not want its proprietary code to be sold to a potential competitor. Recent reports that ByteDance is working on a separate U.S. version of TikTok have been denied by the company, but remain a possibility.
- Governments change. TikTok may view a temporary ban with the potential to entreat future U.S. leaders to reverse course as preferable to a permanent sale.
- The Chinese government has said it would not support a sale. China has supported efforts to expand China-led cultural viewpoints and messaging around the world whether via film, economic partnerships, or technology. The government would likely prefer not to voluntarily cede an international social platform such as TikTok to non-Chinese ownership.

If a ban is triggered, we would expect ad revenue to move to other social-video platforms such as Meta's Reels and YouTube's Shorts, as well as other digital media owners, and the creators and influencers currently active on those platforms. Unlike professionally-produced content from media companies like NBCU and Paramount, TikTok does not exclusively own the videos creators post on its platforms. Many creators already regularly cross-post their content on TikTok, Reels and Shorts so that a ban or outage doesn't jeopardize their follower base and revenue streams. And while TikTok's algorithm reportedly makes it easier for non-celebrities to gain traction, the algorithms of other platforms could conceivably increase the potential for serendipity or discoverability as neither large audiences nor intelligent algorithms are inherently unique.



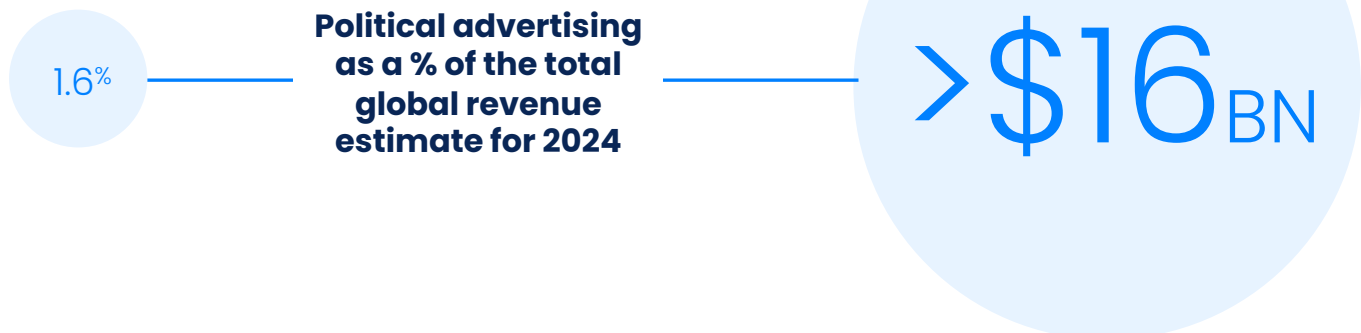
Political Advertising

This year, half the world’s population will be asked to vote, including nearly one billion eligible voters in India. Many of those voters, especially in the Americas, Africa and Asia, will be exposed to political advertising (campaign financing and spending remains more tightly regulated in many European markets). We have regularly reported on the growth and size of U.S. political revenue because of its scale and how much it skews U.S. ad revenue growth, and global growth as well. This year, for the first time, we collected data available on political advertising revenue across our tracked markets. In most markets, political advertising does not contribute as high a share of total ad revenue as in the U.S. (estimated at 4.1% of the total in 2024), but it has been growing in multiple markets, and we estimate it will account for 3.9% of total revenue in Mexico, 7.9% in Sri Lanka and 8.9% in Uruguay in 2024. We estimate political advertising will account for more than \$16 billion in 2024 across the 24 markets for which data is available (1.6% of total global revenue).

And as with all things, AI is playing an increasing role in political advertising.

Both in the U.S. and other markets, political advertising tends to benefit legacy channels as candidates look for broad national awareness or locally targeted media such as OOH, audio and local TV. But, as in the broader industry, more political spending is shifting to digital channels including search and social. We’ve also seen reports of paying micro-influencers to sway voters.

And as with all things, AI is playing an increasing role. In India there were reports of AI-generated personalized campaign videos and calls deployed at scale. In the U.S. state of Vermont, some voters received a deepfake phone message ostensibly from President Biden urging them not to vote in the primary.



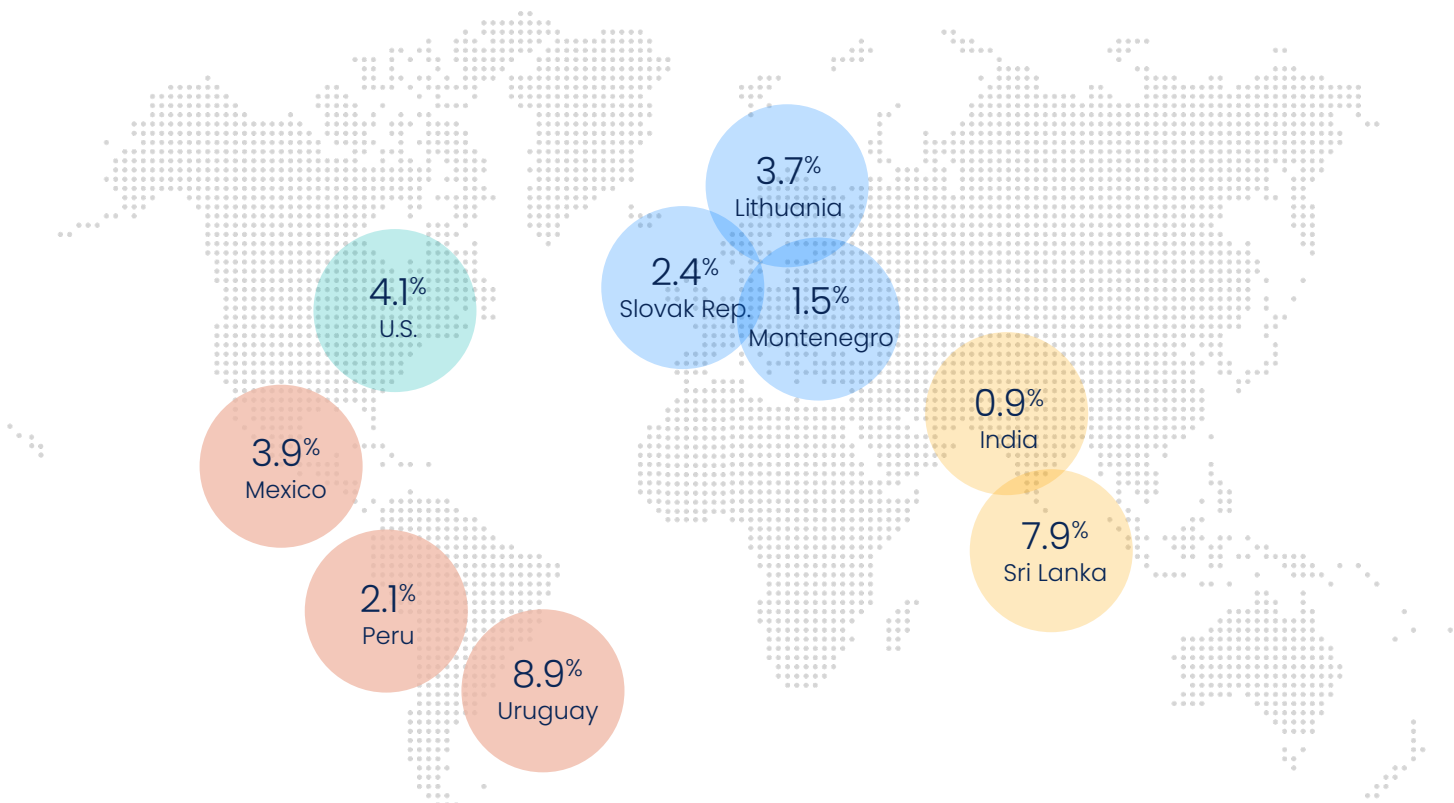


The immediacy and scale of digital platforms and the integration of AI-powered ad creation tools mean that more experimentation and attention are likely to follow the shift in political ad revenue to digital channels, with spend on influencers potentially difficult to track and regulate in some markets.

We estimate that in 2028, \$9.3 billion of U.S. political ad revenue will flow to digital platforms as well as \$2.0 billion to CTV.

2024 Estimated Political Advertising as a Share of Total Ad Revenue

groupm



Select markets, not exhaustive. Source: GroupM, Government data



Social-Media Content

Some of the most notable beneficiaries of media consolidation in recent years have been social media companies. However, with increasing size and audience consumption habits have come government and judicial scrutiny, as well as scrutiny by marketers looking to view effectiveness using metrics beyond those provided by the platforms themselves.

We have written extensively in past editions of *TYNY* about the multiple court cases and pieces of legislation currently facing companies like Meta, TikTok, X, Snap and Discord. Add to those TikTok's voluntary removal of its Lite Rewards program in the wake of EU concerns about consumer addiction, recent investigations under the EU Digital Services Act, the proposed U.S. Kids Online Safety Act (KOSA), and appearances by executives from the companies mentioned above in front of the U.S. Congress in January of this year to answer questions about protecting children from harmful online content. Further court cases and requests for information from EU and U.S. regulators are likely to reveal more information about these companies related to the safety of their audiences. However, the outcomes of any U.S. court cases, as well as any new legislation, will likely take considerable time — beyond the 12-month horizon associated with our other *Tactical* drivers.

While appeals and lobbying may delay official actions, there is some evidence that activist pressure regarding social-media content moderation can have more immediate impacts. Public pressure campaigns have historically focused on the more easily documented examples of advertiser campaigns seen adjacent to hate speech and extremist content, but it is plausible that activists (and public opinion) could place greater emphasis on the more generic relationship between the advertising-funded model of social media and the impacts of social-media content and algorithms on the safety and wellbeing of audiences, especially children.

One increasingly common practice among advertisers is the creation of media charters that serve as tools for brands to help them align with publishers and platforms that meet their particular suitability and adjacency standards.



Given the potential for reputational risk, why has advertising revenue on social-media channels continued to grow?

One common refrain is that the results of social-media campaigns and the cost of broad reach on these channels make them attractive to marketers and procurement teams alike. These metrics are worth a closer look. According to GroupM research in the U.S., video viewability across platforms like Meta can average just 10% — that is the proportion of video plays viewable through half of the total video length (note: the Media Rating Council (MRC) standard is just 2 seconds regardless of video length). This means that a reported CPM, or cost per thousand impressions, of \$3.50 would translate to a \$35.00 viewable CPM (CPM/viewability). While viewability will vary across platforms and placements, this simplified example shows that viewable CPMs for videos on social platforms can actually be comparable to viewable CPMs on premium CTV platforms, which take place alongside high-quality content on a larger, high-impact surface.

For sales-based goals, recent changes to conversion tracking across social platforms and the open web have added complexity to holistic measurement of incremental sales by channel. One tactic used in this scenario by some marketers has been wholesale cessation of spend on a given social-media platform to help measure the impact of that channel on sales. This can also be done on a market-by-market basis for global advertisers.

All advertisers will have their own risk tolerances and marketing-mix models to consider. And while large brand advertisers represent a minority of revenue for some of these companies, predicated future growth in marketing allocations on a revised set of metrics including a greater focus on incremental sales, audience safety, and viewability could ultimately benefit advertisers and their bottom lines.



News discovery and monetization

Given the pervasive role of media in our lives, it can be difficult to neatly categorize these drivers of advertising and media growth into a single section (like Political), and this is certainly the case with the issue of news and publishing content. Last June, we discussed the multiple legislative efforts in Canada, the U.S., and Australia that sought to protect the viability of newspapers by proposing that search engines and/or social platforms should pay to link to their content. Some of these efforts have now gone into effect. A similar effort, the California Journalism Preservation Act, is in process in California.

At the same time, more people are getting “news” content from individual creators on social platforms without the guardrails associated with editorial rooms and regulatory oversight. And AI tools are offering up search summaries and answers to queries without the need for people to click through and read the source content (often provided as citations). So, what is the future of news advertising — expected to total \$31.3 billion globally in 2024 — or of publisher-based advertising more broadly, including magazine content, which brings the total ad revenue up to \$48.8 billion?

With seemingly no progress on a widely available and easy-to-use micropayments solution to enable audiences to pay to read single articles or reward favored journalists, it appears monetization streams are more likely to shift rather than be wholly disrupted. In the past, publishers relied on both subscription and advertising revenue to support quality journalism and content creation. The addition of AI-powered search, chatbots, and agents as well as the ongoing consolidation of media consumption within a group of platforms such as Google, Meta, and Apple points to the probability of an increasing reliance on a third revenue stream: licensing.

Ad Revenue Estimates For 2029

Newspaper

\$28.2 billion

Magazine

\$13.6 billion

There are likely to be a number of different “flavors” of licensing agreements, ranging from the use of historical data for LLM training to the distribution of news content on services such as Apple News+. Publishers such as Dotdash Meredith, and Condé Nast are already engaging. The New York Times, which has fared better than many smaller newspapers in terms of generating digital subscription revenue and consolidating national readers even as local papers closed, has been one of the most outspoken publishers regarding the alleged use of its content to train AI without recompense.

Even with the advent of AI-powered search and the growth of paid news services like Apple News+, it seems likely that advertising and subscription revenue will remain (to varying degrees) key for publishers over the next five years with the largest able to capture a disproportionate share of revenue as audiences and advertisers become more nationally and globally oriented.

By 2029, however, we do expect newspaper and magazine advertising revenue to fall to \$28.2 and \$13.6 billion, respectively, with the largest declines in the EMEA region.



Generative AI copyright issues

Last June, we wrote about the open questions surrounding AI and copyright protections. Since then, a number of different models and scenarios have arisen as a reaction to the consolidation of AI capabilities at a handful of companies including Microsoft, Google and Amazon, as well as OpenAI, Mistral and Anthropic.

While the [U.S. Roadmap for AI Policy](#) released in May of 2024 is a start, its language on transparency, explainability, intellectual property and copyright merely "encourages" relevant committees to "Consider federal policy issues related to the data sets used by AI developers to train their models, including data sets that might contain sensitive personal data or are protected by copyright, and evaluate whether there is a need for transparency requirements. The [EU AI Act](#), which was adopted by the EU parliament in March of 2024 put forward several clear requirements related to transparency for generative AI technologies such as GPT-4o and Gemini.

Those requirements state that Generative AI will have to comply with elements of EU copyright law, possibly by the end of 2025:

- "Disclosing that the content was generated by AI"
- "Designing the model to prevent it from generating illegal content"
- "Publishing summaries of copyrighted data used for training"

This act could compel OpenAI and other companies to provide information about content they used to train their LLMs, including content from companies that rely on advertising (at least in part) to fund their businesses.

Reactions from major publishers have varied. OpenAI has reportedly inked licensing deals with Reddit, The Financial Times, Axel Springer, News Corp, Le Monde, and Dotdash Meredith (publisher of People). However, The New York Times was the first major American media company to sue OpenAI and Microsoft over copyright concerns in a suit that said, "Defendants seek to free-ride on The Times's massive investment in its journalism ... using The Times's content without payment to create products that substitute for The Times and steal audiences away from it."

As these AI companies look to monetize their products, there will be greater focus on which revenue models make sense and how those revenue streams may play into future licensing agreements with news publishers. Google and Microsoft, which already count advertising as major revenue streams, are likely to design any agents, chatbots and consumer-facing services with ad-supported models in mind. It seems plausible that OpenAI will also consider advertising alongside its app store and subscription models, potentially giving it the size and scale to provide a significant alternative to the current top ad sellers, especially in light of the antitrust regulatory environment discussed above.



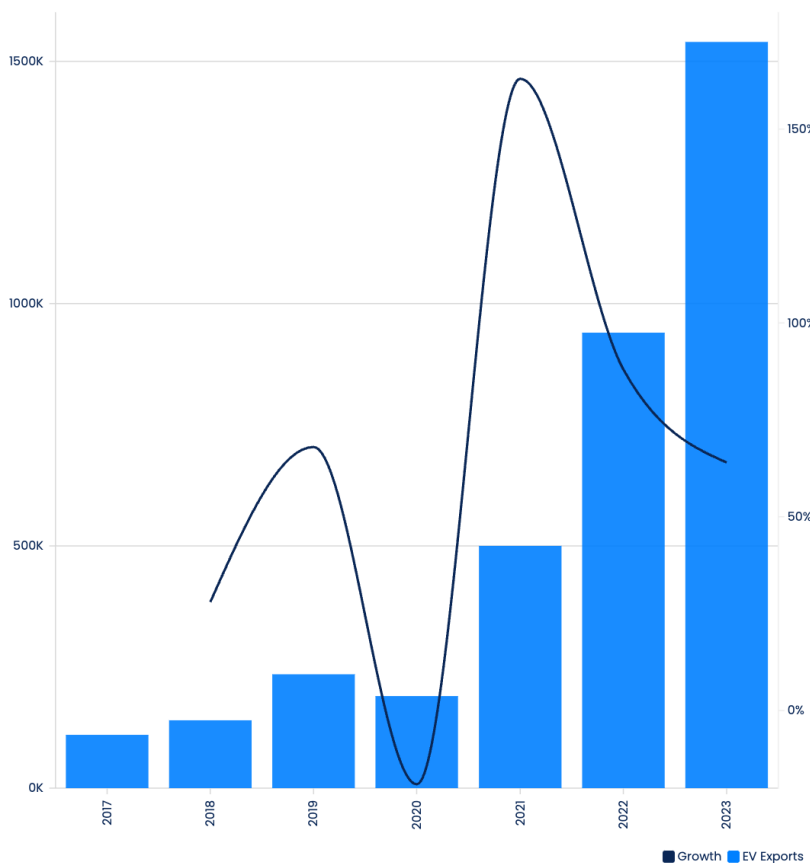
Protectionist tendencies and geo-political tensions

In reaction to the rising globalization of the last decade, some markets are implementing protectionist policies aimed at nurturing national interests — for instance automobile production and export. In addition to the power struggles playing out in global markets, geopolitical tensions are top of mind for every marketer.

Conflicts in the Middle East and Ukraine as well as growing tension between China and the U.S. are actively impacting the global flow of goods and services, potentially leading to delays and increased costs in obtaining necessary materials and/or delivering products to end consumers.

U.S. President Biden recently approved 100% tariffs on Chinese electric vehicles (EVs) even as American and European automakers look to navigate the allure of the Chinese market for exporting their own vehicles versus the risks of low-priced Chinese imports flooding their home markets.

China EV Exports



In another example, the price of Brent Crude has fluctuated significantly over the last 12 months in reaction to the wars in Ukraine and the Middle East, as well as disruptions to shipping through the Suez Canal. While high oil prices are often cited as a potential drag on advertising growth, the share of wallet for fuel is relatively low in many major markets.

However, the uncertainty and global supply chain disruption correlated to these price fluctuations likely does play into considerations related to future expenditure for advertisers and consumers alike. More immediately though, Chinese retailers and exporters like Pinduoduo Holdings' Temu are reportedly looking to diversify international revenue beyond the U.S., following the passage of a TikTok ban (see page 21), and ongoing political and economic tensions between the two nations.

Source: Griffith Asia Institute

Economic drivers

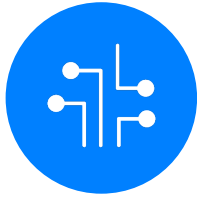
There have been numerous reminders over the last several years as to just how interconnected and interdependent our global economy is. The largest example was surely the COVID-19 pandemic, but even since then, the Russian invasion of Ukraine has impacted European energy markets, conflict in the Middle East has affected global oil prices, and most recently China's industrial policy – its dominance of manufacturing within certain sectors as well as its outside role in global shipping – have illustrated yet again the extent to which factory production has fallen in many developed nations.

On the flip side, denoting the impact of U.S. sanctions and its own influence within global political and economic spheres, chip manufacturing has been the recent recipient of substantial government investment both within the U.S. and China (which faces bans on importing chips from the U.S. as well as Japan, the Netherlands, Germany, and South Korea).

The outcomes of (and reactions to) globalization are playing out in the world of media and advertising as well. Concentration of advertising revenue rose again in 2023 for the top 25 sellers of advertising, and we expect to see continued globalization of commerce companies despite financial headwinds that may arise as interest rates fall at varying rates across the U.S., U.K., Euro area and other major markets.



Economic drivers include employment, economic growth, monetary policy, inflation, and consumer spending.



Disinflation vs. deflation and the 2% target

Inflation is coming down in markets around the world. In the EU, the latest readings for France, Germany, and Spain were all under 3.4% for April 2024. In the U.S., progress has stalled somewhat with April's CPI inflation figure at 3.4%, roughly in line with the last six months, but still much better than the 4.9% from April of 2023.

In Japan, the central bank recently raised interest rates after eight years of negative rates as prices there start to creep up and the economy emerges from a deflationary period.

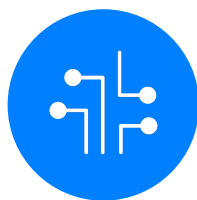
Advertisers, particularly CPG brands, are now focused on shifting to more balanced revenue growth with increases in sales volume and lower contribution from price. But that may be difficult to achieve across all categories and there are a number of geopolitical, environmental, and technological factors that represent risks to the current disinflationary trend.

Some of the most direct impacts to CPG advertisers are ongoing increases in input costs, such as cocoa prices (up 169% over the last year) and the potential for conflict in the Middle East to drive oil prices higher, leading to increased transportation and manufacturing costs.

With many shoppers already frustrated by the persistent high cost for a basket of goods, another round of input cost inflation that must be passed on to consumers may not be as easily tolerated. And in fact, Walmart, Walgreens, Aldi and Amazon have all announced price cuts in the U.S. in the week prior to publication of this report.

Retailers in the U.K. have also cut prices recently, notably on some furniture and other big-ticket items. However, inflation pressure is likely to remain for certain goods and services tied to the increasing use and prevalence of technology. In the U.S., much of which is still dominated by automobiles rather than public transport, the cost of auto insurance has been a significant source of ongoing inflation. Newer cars incorporate more and more technology, computer systems, and integrated circuitry that is expensive to repair and/or replace. In fact, the high repair costs for Hertz's fleet of Teslas was reportedly a key factor in the departure of the Hertz CEO this year. In the U.S., motor vehicle insurance inflation for April was 22.6% versus the prior year, on an unadjusted basis.

2%



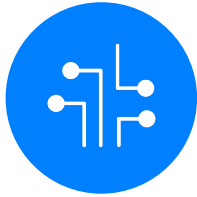
Media concentration

One of the clearest ways to track the consolidation trend is by looking at the share of total advertising revenue held by the top global media owners. After a decrease in concentration in 2022 (impacted by the significant uptick in 2021 as pandemic-era budgets flowed to the largest players as well as currency fluctuations in '22), concentration of advertising revenue in 2023 increased to 72.2% among the top 25 sellers globally. That’s compared to just 43.9% for the same companies in 2016.

The top five companies (Google, Meta, ByteDance, Amazon and Alibaba) accounted for 53.8% of the 2023 total. That is up from a 32.1% share for the top five companies in 2016 — Google, Meta, Comcast, Paramount, and Disney. (Media revenues are pro forma, meaning that we have included advertising revenue for acquired companies in all periods.)

Excluding China-based ad sellers and China ad revenue from the analysis, the top 17 companies represented 67% of total ad revenue in 2023, up only slightly from 66.3% in 2022.

Advertising Revenue in bn \$USD	2016	2017	2018	2019	2020	2021	2022	2023
Google	72.9	87.4	106.3	122.3	131.9	192.0	205.0	216.9
Meta	27.9	41.4	57.0	71.5	86.0	114.9	113.6	131.9
ByteDance	0.8	2.3	7.3	16.5	29.6	38.6	49.2	68.6
Amazon	4.2	6.3	9.1	12.6	19.8	31.2	38.3	46.9
Alibaba	10.1	15.2	13.6	17.3	24.9	30.9	28.9	29.5
Microsoft (PF)	7.5	9.0	10.3	11.6	11.4	15.4	18.1	18.5
Pinduoduo	0	0	1.6	3.7	6.4	9.4	13.0	18.3
Tencent	3.8	5.7	8.1	9.6	11.5	12.4	11.6	14.2
Comcast (PF)	13.5	13.8	15.9	13.9	12.8	14.7	14.9	12.6
Disney (PF)	11.8	11.5	12.0	11.9	11.2	12.5	12.8	11.2
Baidu	8.2	9.1	10.2	9.8	9.2	10.3	9.7	10.5
Paramount (PF)	11.9	10.6	10.9	11.1	9.8	11.4	10.9	10.0
JD.com	2.8	3.6	3.8	4.8	6.0	8.1	9.2	9.5
Warner Bros. Discovery (PF)	10.1	10.4	10.7	10.6	9.5	10.6	9.9	8.7
Kuaishou	0	0	0	1.0	3.1	6.0	6.9	8.4
Apple	0.4	0.8	1.1	1.7	2.4	4.9	6.0	6.8
Fox (PF)	5.2	5.5	4.9	5.1	5.5	5.7	6.1	6.1
Yahoo!	7.2	6.5	5.8	5.6	5.0	5.5	5.6	6.1
Meituan	0	0.7	1.3	2.2	2.6	4.1	4.3	5.7
Snap	0.4	0.8	1.2	1.7	2.5	4.1	4.6	4.4
JC Decaux	3.7	3.8	3.9	4.2	2.5	3.0	3.5	3.9
I Heart Media (PF)	3.1	3.1	3.4	3.5	2.8	3.4	3.7	3.8
LY Corp (Previously Z Holdings)	1.9	2.0	2.2	2.3	3.1	3.5	3.7	3.7
Walmart	1.0	1.0	1.0	1.0	1.7	2.1	2.7	3.4
RTL	3.3	3.3	3.3	3.3	3.0	3.4	3.3	3.1
2023's Top 25 Total	211.6	253.8	304.8	358.7	414.1	558.1	595.5	662.7
Total Industry	482.0	520.2	555.6	618.0	620.6	790.4	849.6	917.8
2023's Top 25 Total Share of Industry	43.9%	48.8%	54.9%	58.0%	66.7%	70.6%	70.1%	72.2%
Ex-China-Based Companies	185.9	217.2	258.9	293.8	320.8	438.3	462.7	498.0
Total Industry Ex-China	430.3	456.9	486.3	524.4	506.1	647.0	697.9	742.9
Top 25 Total Share of Industry	43.2%	47.5%	53.2%	56.0%	63.4%	67.7%	66.3%	67.0%



Other key takeaways

Pinterest sits just \$56m behind RTL in 26th position.

● 26

25

Walmart joined the top 25 in the 24 spot. We have not included Vizio revenue in Walmart's 2023 total as the acquisition was not complete at the time of writing, but that would increase its total to \$3.9BN and put it ahead of JC Decaux in the number 21 spot.

● 24

● 21

Digitally-focused companies make up 17 of the top 25 media owners.

● 17

X (formerly Twitter) dropped off the top 25 list with estimated advertising revenue below \$2bn in 2023.

●



Advertising should not be measured as a % of a market's GDP

Advertising as a percent of gross domestic product (GDP) is often presented as a method for tracking advertising's importance over time, or its contribution to a given market's economy, or as a method of using GDP forecasts to predict future advertising revenue. We believe this comparison is inherently flawed for several reasons and that there are better methods for evaluating advertising within or across given markets.

GDP is a measure of the total market value of the final goods and services produced in a given market. It is typically calculated by adding together consumer spending, business spending, government spending, and net exports (exports minus imports).

Calculating advertising revenue (what *TYNY* measures) as a percentage of GDP across disparate markets has two main issues. First, in markets like China and the U.S. (the two largest advertising markets), large government expenditures on defense, for example, have little correlation to advertising, and may skew any time-based comparisons or comparisons to other markets with significantly lower defense-spending ratios. Taking advertising revenue as a share of the full U.S. GDP results in a 1.28% ratio (compared to 1.12% for Japan, which spends roughly 2.5 percentage points less on defense than the U.S.). If we remove defense expenditure from the calculations in both markets, advertising as a share of U.S. GDP rises to 1.32% versus 1.13% for Japan. They may not seem like big differences, but 0.04% of the U.S. GDP is equal to \$10.9 billion!

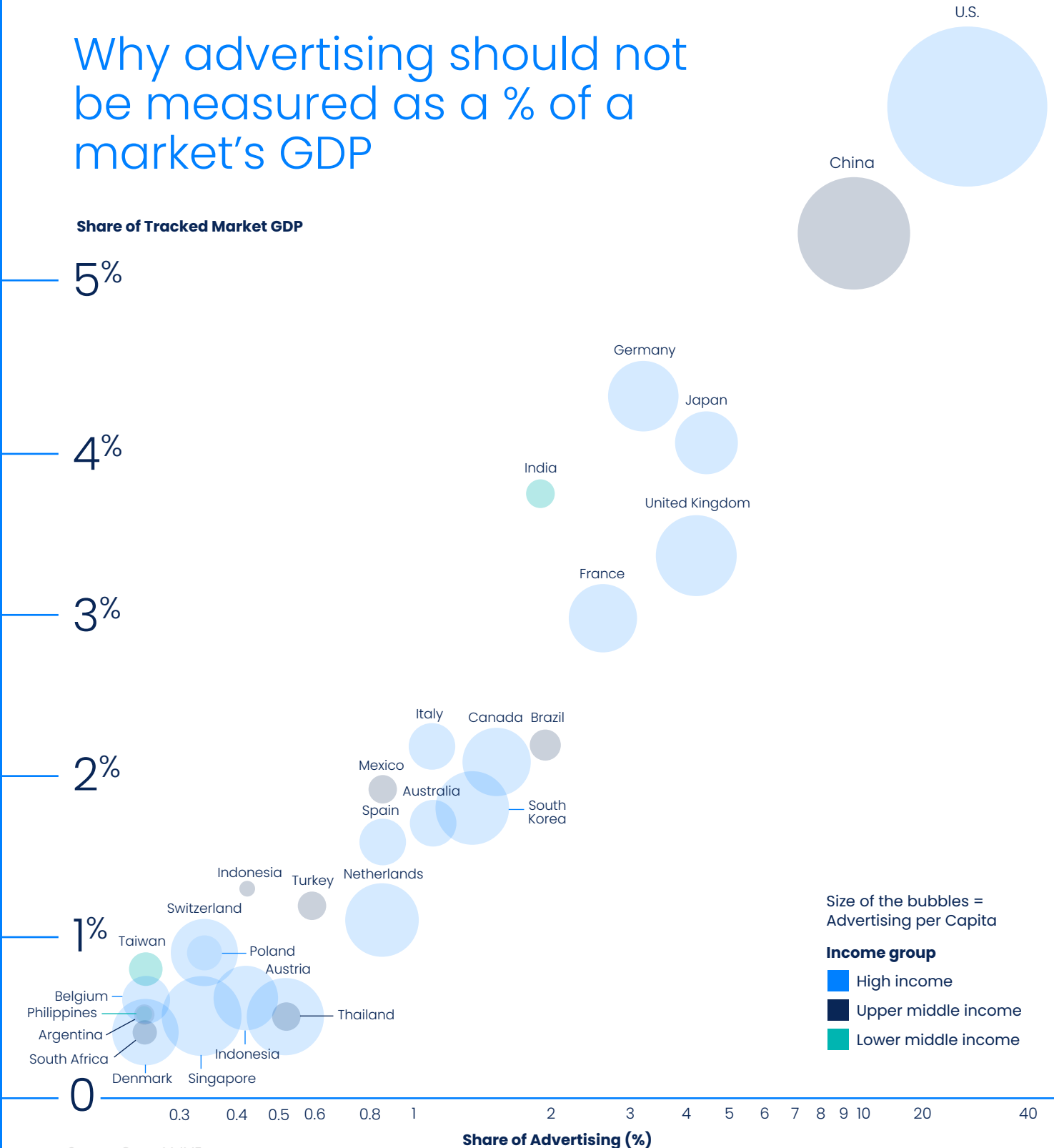
The more glaring issue with advertising as a percentage of GDP is the inherent difference in what they are measuring. Our advertising revenue for a given market includes all advertising targeted to people within that market. That is regardless of where the advertising is bought, or where the ad seller is domiciled. Ten years ago, this distinction was less of a problem. For the most part, advertising was bought by a German company, say Aldi, on a German-owned media property, say RTL, for goods bought in Germany. However, over the last decade, as media revenue and commerce revenue have become increasingly global and consolidated in the largest (primarily) U.S. and China-based companies, the economic activity resulting from advertising in a given market may accrue to international, not domestic companies.

Take, for example, a consumer in Germany today, who sees an ad for a product on Amazon. The ad is bought by a Chinese manufacturer, and Amazon lists China as the customer address when reporting its revenue, even though the ad targeted a consumer in Germany. The purchase price of the product should be captured as part of the consumer spending figure within German GDP, but this could largely be negated by subtracting the value of the imported good from China. (Postal revenue and logistics in Germany would likely be fairly negligible for most low-cost goods.) In this example, higher advertising as a percent of GDP (because of the increasing inbound advertising from China-based advertisers) would not necessarily denote a corresponding increase in advertising's contribution to German GDP.



Instead of using advertising as a percent of GDP as a metric, we often look at a market's share of advertising compared with its share of global GDP, as well as analyzing the advertising revenue per capita. Viewed this way, as in the chart below, there are some obvious threads, such as the higher advertising per capita of High-Income markets, as well as the relative lower share of advertising vs. GDP for emerging markets like India, Mexico, Indonesia and Türkiye.

Why advertising should not be measured as a % of a market's GDP



Source: GroupM, IMF

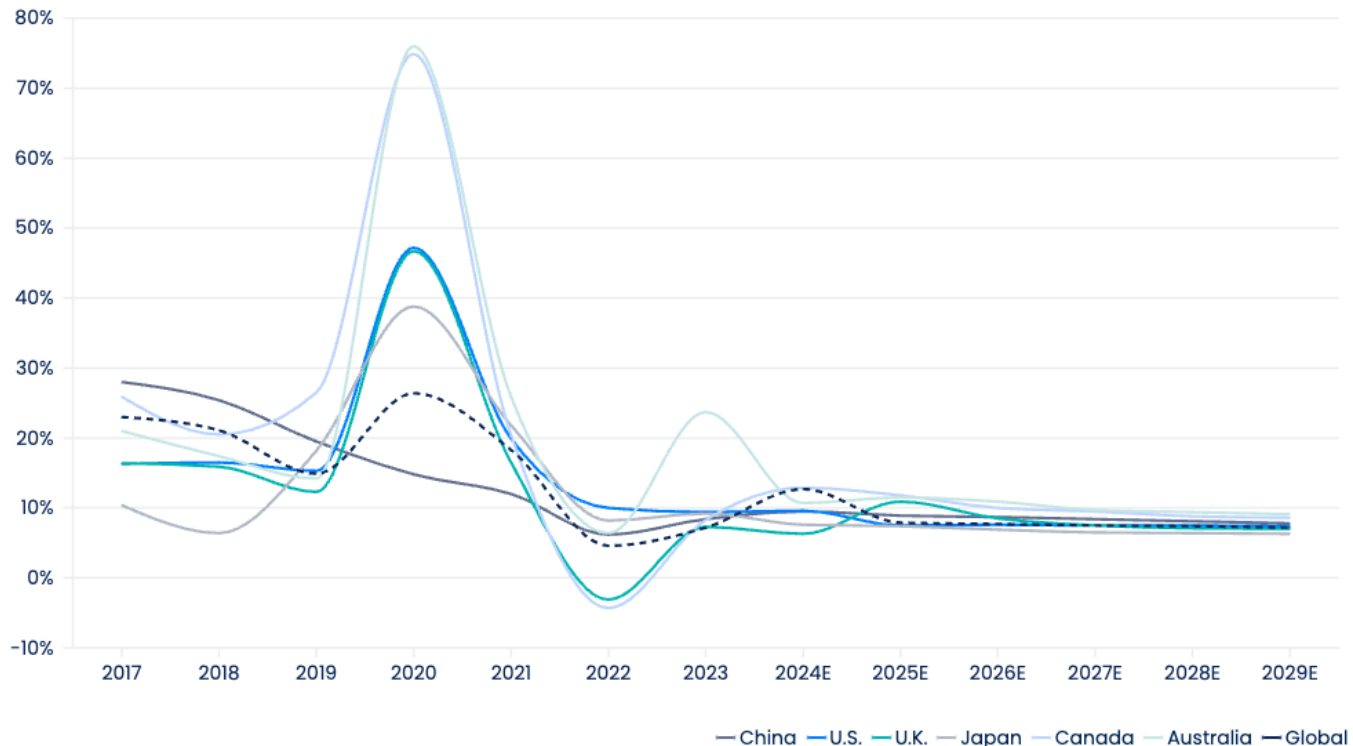


Global commerce

Alongside content and media, the commerce or retail industry has also embodied the trend of increasing globalization and consolidation over the last decade. Amazon is perhaps the most obvious example. The company’s international business (excluding Amazon Web Services) grew net sales 11% on a currency-neutral basis in the first quarter of 2024 to \$31.9 billion, or 22% of company revenue. There are other companies looking at international expansion as a driver of growth, especially as retail sales have slowed following the post-pandemic boom. And as with the media businesses facing scrutiny over consolidation of industry revenue, so too have international commerce businesses faced government and competitor reactions to their expansion.

GroupM estimates that global retail sales grew 4.8% in 2023 compared to 2022 and will increase 8.8% in 2024 to \$37.2 trillion, including food services sales. Within that, e-commerce sales in the U.S., China, the U.K., Canada, and Australia continued steady growth, after corrections from their rapid ascent during the pandemic. Globally, we estimate e-commerce will account for 19.8% of total retail sales and is expected to grow by 12.7% to \$7.4 trillion in 2024. To maintain market-beating growth, companies previously focused on a domestic market have been likely to look to international markets. Walmart touted its international businesses in their (calendar) 2023 year-end earnings call earlier this year, saying “International grew constant currency sales 10.6% and adjusted operating income over 15%. [Flipkart in] India, Walmex and China are the sales growth leaders. These three markets are expected to account for approximately three-quarters of international growth over the next several years.”

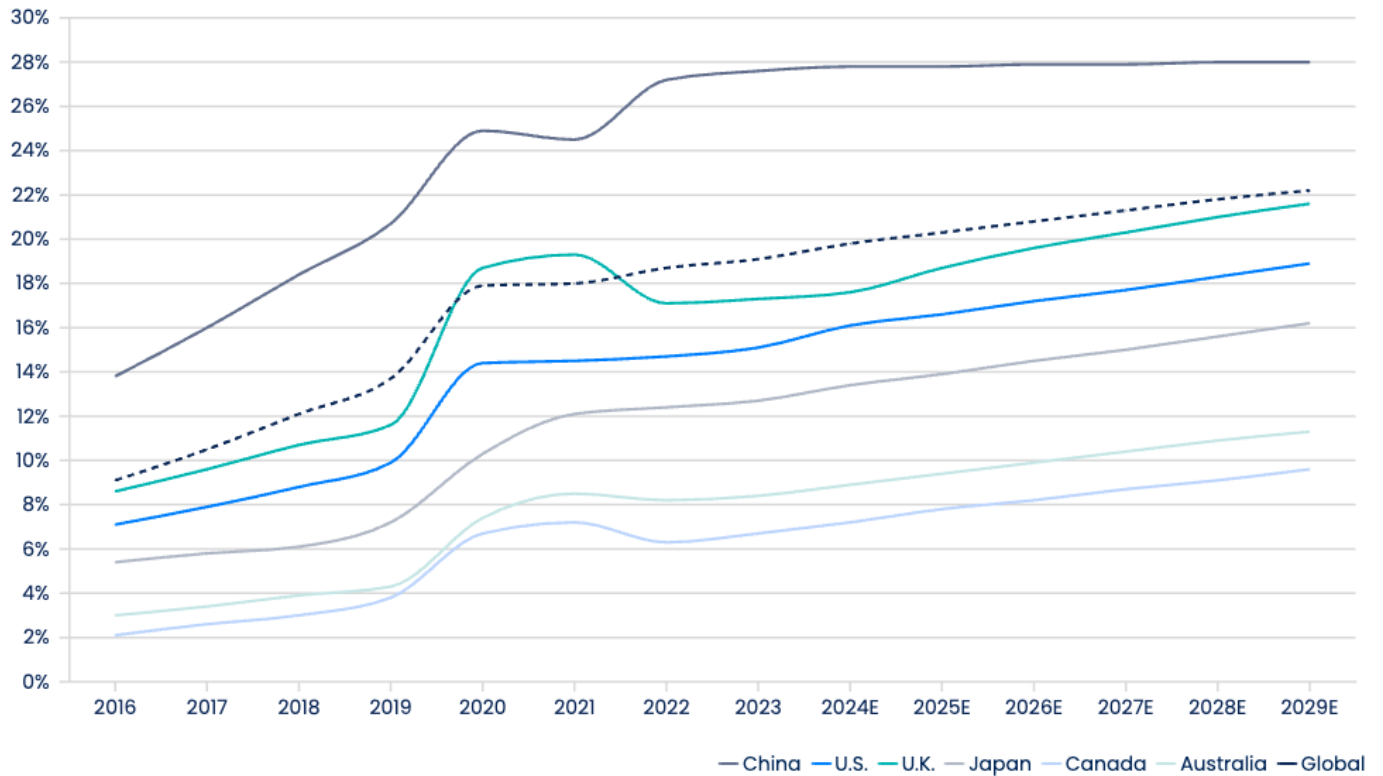
Global E-Commerce Sales Growth



Source: GroupM, ONS, U.S. Census, NBS, ABS, METI and StatsCan • E-commerce retail sales including fuel and food services

Global E-Commerce Sales as % of Total Retail Sales

groupm



Source: GroupM, ONS, U.S. Census, NBS, ABS, METI and StatsCan • E-commerce retail sales including fuel and food services

Temu ran 3.5 minutes of ads during the 2024 Super Bowl, part of a continuing strategy using advertising to grow revenue and customers

But the trend isn't limited to U.S.-based companies. China-based Pinduoduo Holdings spent roughly 40% of its revenue on advertising in 2022, in part to establish its subsidiary Temu in international markets, including in the U.S., where it spent on Super Bowl TV commercials as well as platforms like Google, Meta, and Pinterest.

And unlike in the world of technology and media, where European champions are few and far between, European-based retailers are also expanding internationally. German-owned Aldi announced in August of 2023 that it was acquiring "approximately 400 Winn-Dixie and Harveys Supermarket locations across Alabama, Florida, Georgia, Louisiana, and Mississippi" in the U.S. In 2024, Aldi announced it was investing more than \$9 billion to expand its U.S. footprint with 800 new stores by the end of 2028. Carrefour opened its first store in Brazil back in 1975 and has expanded substantially in geography and formats in recent years.

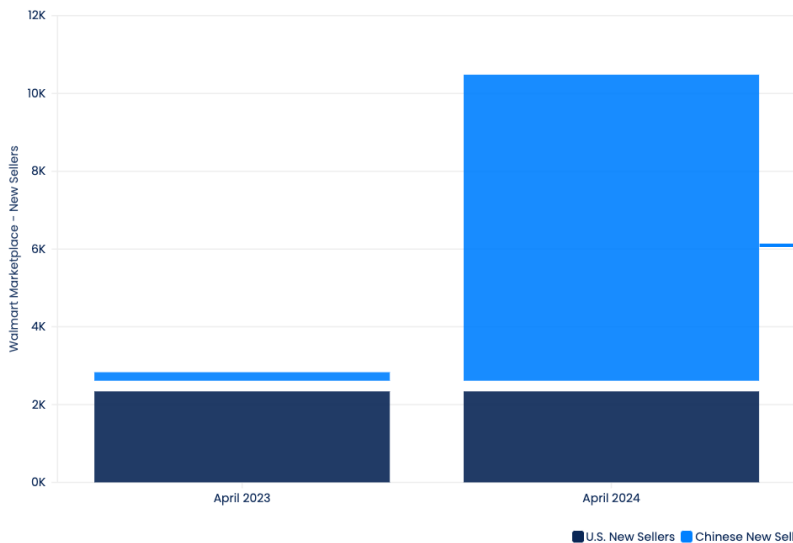
Uruguay-based Mercado Libre competes with Carrefour in Brazil as well as both Walmart (Walmex) and Amazon in Mexico and across Latin America.

Pushback on international expansion has been equally multi-lateral. India’s establishment of the Open Network for Digital Commerce (ONDC), a platform which connects Indian buyers and sellers of online goods, was widely seen as a way to challenge the success of Amazon and Flipkart in the market and *The Times of India* recently reported that the government is now asking Amazon and Flipkart to integrate ONDC storefronts and sellers into their platforms and logistics networks. TikTok was temporarily banned in Indonesia over the government’s desire to protect smaller Indonesian merchants with the BBC quoting Indonesia’s President Joko Widodo as saying in September, "We need to be careful with e-commerce. It can be very good if there are regulations but can turn bad if there aren't any regulations." TikTok agreed to a deal to acquire 75% of Indonesian e-commerce platform Tokopedia in order to comply with the new regulations. And in the U.S., *The Information* and *The Wall Street Journal* have both reported that Temu is looking to reduce its reliance on U.S. consumers after recent government actions including the banning of TikTok and the imposition of tariffs on Chinese electric vehicles.

Despite the headline-grabbing government actions and increasing geopolitical tensions involving the world’s two largest economies, the trend of increasing globalization is unlikely to reverse. We expect to see shifts and workarounds as well as consolidation among a few global commerce leaders going forward as a result of government reactions. Companies like Apple are already relocating some manufacturing out of China to markets including India and Vietnam. And Chinese manufacturers, in addition to selling on Temu, are joining the Amazon and Walmart marketplaces to reach U.S. consumers. Data from [Marketplace Pulse](#) shows that China-based sellers made up nearly three-quarters of the new sellers on Walmart’s marketplace in April 2024, up substantially from the year before, when new sellers from the U.S. made up 91% of the total.

Some national retailers may have the scale to compete, and it seems likely that they will consolidate some business from smaller and/or niche retailers alongside the large global players over the next one to two years.

Chinese Sellers on Walmart Marketplace



73%

of new active sellers on Walmart’s Marketplace were Chinese sellers in April 2024

Source: Marketplace Pulse, GroupM



Interest rate impacts

The U.S. inflation headache will have impacts well beyond America. Without dipping too deeply into global monetary policy, one potential impact is the devaluation of currencies versus the dollar. In simple terms, if interest rates do indeed remain significantly higher in the U.S. than in other markets like the EU and the U.K., investors may move money to the U.S. to take advantage of the better returns, strengthening the U.S. dollar. This would have the added effect of increasing foreign exchange headwinds for U.S.-based ad sellers that earn revenue in international markets, such as Microsoft, Google, and Meta. It could have tailwind effects for media owners and advertisers based in Europe who earn a significant proportion of revenue from the U.S. Examples here might include L'Oréal, LVMH, Richemont, and Nestlé.

There is another potential impact over the medium to long term. That is the risk to innovation and business investment in the U.S. As we have written about in past editions of *TYNY*, the period of near-zero interest rates between 2009 and 2017 coincided with the launch and growth of a number of new businesses and business models, often relying in part on advertising to grow customers and revenue. Investors were tolerant of losses as long as the cost of capital was cheap. Now interest rates are at 20-year highs in the U.S., and even established companies like Warner Bros. Discovery, Meta, and Apple are facing scrutiny over unprofitable businesses and investments into next-generation products. There does, however, appear to be significant appetite among investors for start-ups looking to tap into the surge in interest and capabilities related to AI and its uses across content generation, personal agents, and workflow automation.

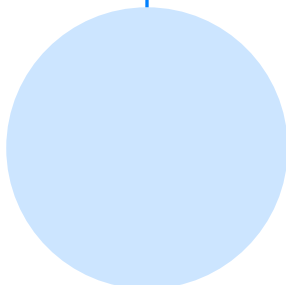
Slower rate cuts in the U.S. may increase investor short-termism regarding innovation budgets and shift innovation into well-funded private companies that are less reliant on raising new debt. Coupled with faster rate cuts in other markets like the U.K. and EU, it could incentivize greater innovation among European companies. Of course, the American university system, the relative ease of immigration (as of the time of writing), and the depth of technology and venture infrastructure mean that the U.S. is unlikely to lose its position as a hub of innovation. But more international competition would likely be a net positive for advertisers and ad sellers alike.



EU Interest Rate

4.5%

First cut expected in June



U.S. Interest Rate

5.25–5.50%

First cut may not happen before 4Q 2024

Social/ Cultural drivers

Advertising has long held immense power, and responsibility, regarding its ability to influence culture, to normalize diversity, and even change the way we speak (British readers may note the addition of the word "simples" to their vocabulary following ads for ComparetheMarket.com; American readers may have greeted friends with a drawn out "Whassup" while that Budweiser ad ran from 1999 to 2002).

Historically, the shared experience of these advertising touchstones helped to make them impactful, alongside brilliant creative and message timing. And that human desire for collective experiences is what has made sporting events and sports advertising seemingly even more valuable today in a digital world where every individual's content feed on their social-media platform or streaming platform of choice is personalized and therefore different from even those individuals sharing the same household.



Social drivers include population growth, cultural and religious trends, and consumer behavior.



Regulation and taxation come for the decentralized creator economy

The decentralization of content creation and brand sponsorship to myriad influencers and micro-influencers has been underway for years. While many brands retain celebrity-endorsement deals, especially in the world of luxury, sports, and beauty, advertisers have also leaned into the vast array of creators to reach social audiences and tap into more “personalized” product recommendations.

GroupM estimates that brand deals with creators have increased 10-fold from 2019 to 2023, with the majority of revenue paid to the largest celebrity influencers such as the Kardashians or Cristiano Ronaldo, but also a significant long tail of so-called micro-influencers who may not have large audiences, but whose posts may drive a higher percentage of purchases or other actions.

In reaction to this new and largely unregulated market, even governments that have had little advertising or social media regulation are seeking to institute greater control and, in some cases, tax revenue. In Kenya, digital content creators are subject to a 5% withholding tax (20% for non-residents), and Egypt has proposed requirements for content creators to register for value-added tax (VAT) when their revenue surpasses a certain amount per year.

In Kenya, digital content creators are subject to a 5% withholding tax.

Alongside government scrutiny, creators are usually subjected to crowd-sourced background checks once they reach “viral” status. This should be a consideration for any brand opting to work with individual creators, and, for that reason, vetting is often a service provided by agencies focused on influencer marketing campaigns. On the plus side, sometimes the internet sleuthing turns up genuine nice-guy vibes, as when Taylor Swift’s fans dug into the past posts of her new beau, NFL star Travis Kelce.

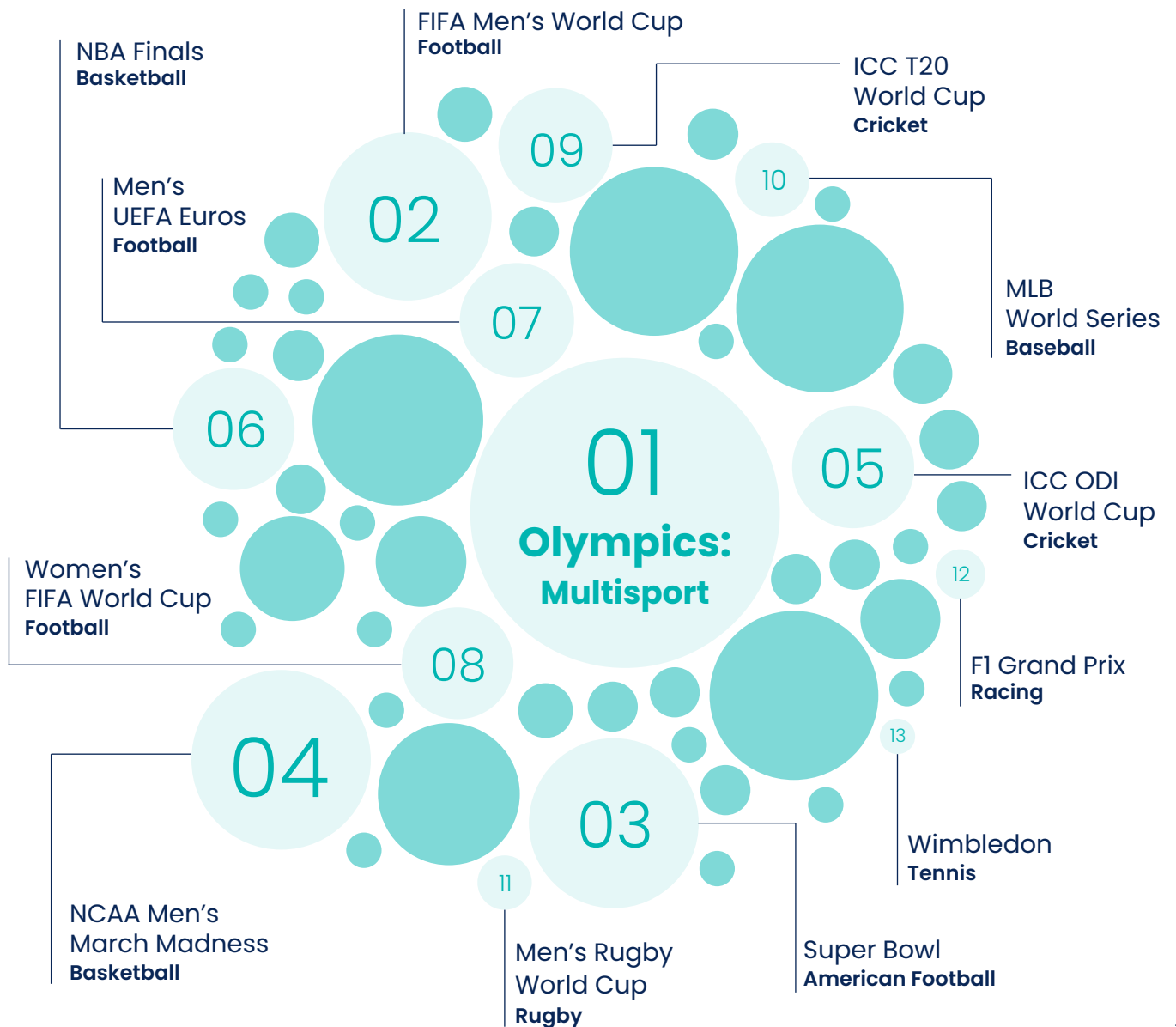


Global fandom leads to growth in advertising, sponsorship revenue

GroupM estimates that sponsorship revenue will grow at roughly the same pace as advertising over the next five years, a 6.0% CAGR compared to the 5.9% expected for global advertising.

Underpinning this growth is the globalization of sports leagues, teams and stars. Leagues with strong global fan bases often boast high broadcast viewership across multiple markets, as do the largest global tournaments – the Olympics, the FIFA World Cup, and the F1 Grand Prix, for example.

Top Sporting Events By Global Advertising Revenue





The fervor surrounding sports teams (national or municipal) could be seen as a reaction to the increasing atomization of content feeds on individual's phones, the inherent isolation in endlessly scrolling through video clips as opposed to the experience of watching a major event with other members of a household, a city, or a nation.

collective effervescence

Sports and music will continue to be important opportunities for brands to be a part of "collective effervescence" — the psychological concept advanced by Émile Durkheim to explain the sense of unity when a community or society participates in the same activity. Coined in his *Elementary Forms of Religious Life*, the importance of collective effervescence may be increasing even more in societies where religious practice is falling. In a Pew Research Center study from 2022, only Brazil, India and the U.S., among the world's 10 largest advertising markets, had a majority of respondents who said religion was "very important" in their lives. The figure was highest in India (80%), closely followed by Brazil at 72%. In the U.S. 53% of respondents said religion was very important in their lives, and Pew found that almost a third of U.S. adults were religiously unaffiliated.

Wearing a team jersey (perhaps festooned with brand patches) or tuning in to the big match provides many people with the connection to others, and the ability to be part of the cultural conversation, that has faded with the shift away from appointment viewing on broadcast TV, or weekend church services.

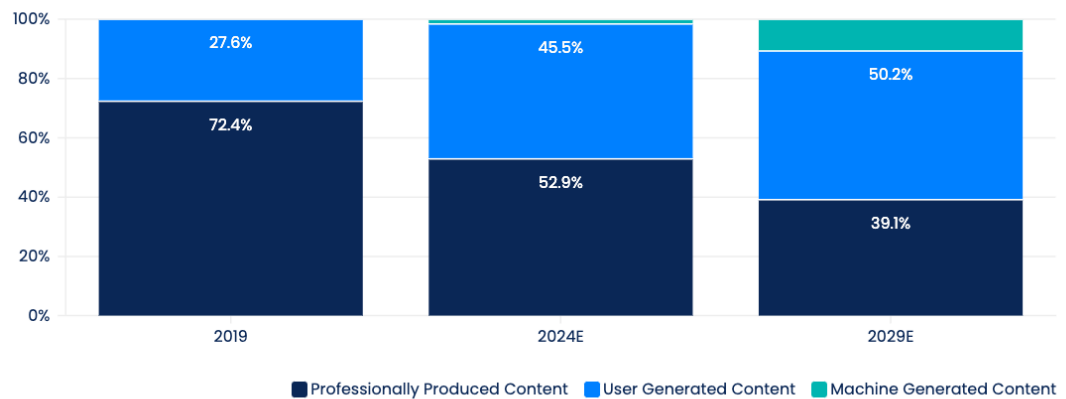


Professional, user-generated and machine-generated content

In the June 2023 *TINY* report, we wrote about the shift in content generation and monetization from professional creators associated with organized studios and publishers to individual creators and the general public. Now with the proliferation and advancement in technologies such as Google’s Gemini, OpenAI’s Sora and Suno.ai, the next shift will likely be the consumption and monetization of machine-generated content, or MGC.

While it is entirely impossible to know the extent to which MGC will appear in various media channels, it seems plausible that advertising appearing within or adjacent to MGC could be 10% or more of total content-driven advertising by 2029, up from an estimated 2% in 2024.

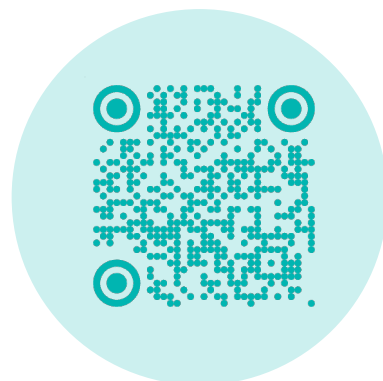
Share of Ad Revenue by Content Source
TV, Film, Audio, ‘Print’, and Social



Source: GroupM, Company Filings, S&P Capital • Ex-China

For the purposes of the chart above, we have assumed MGC includes all AI-generated content by both professional and “non-professional” creators. We have not included search advertising revenue in this analysis, but use of Google’s SGE and Bing’s Copilot would add to the share of MGC in 2024 and beyond. GroupM requested but did not receive estimates from individual companies as to the share of MGC on their platforms now or in the future.

Another area to watch, though not captured within our purview of advertising revenue, is the prevalence of time spent with “content” generated by AI chatbots.



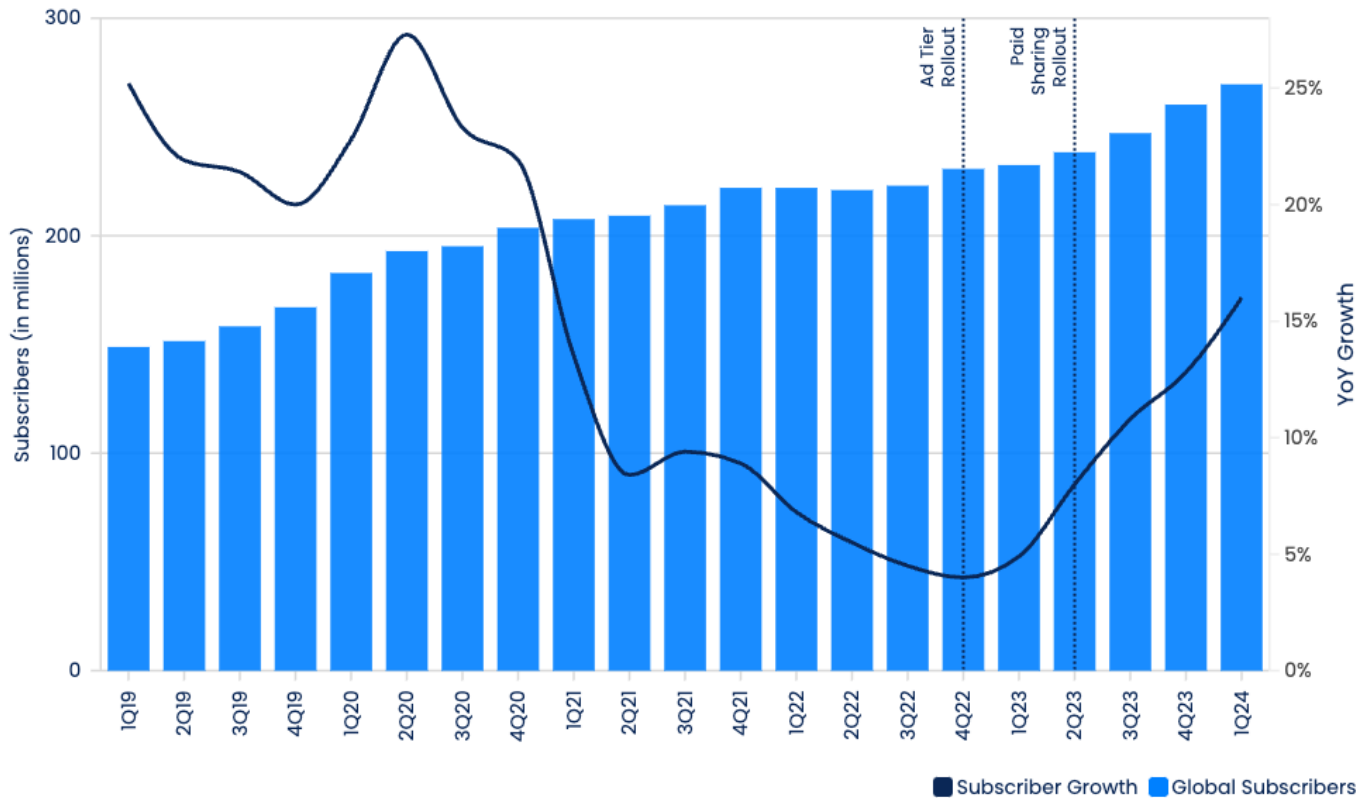
Scan the QR code below to listen to the AI-created *TINY* song: **Future's Bright**



Content Investment & Consumer Video Spending

Whoever, or whatever, is creating the content — either professional studios, creators, or AI, we believe share of viewership will tend to follow share of content spending. And despite the many headlines about subscription cancellations and subscription fatigue, there is likely ample room, especially in markets with historically high pay-TV penetration, for consumers to continue spending on video services. In fact, recent evidence from Netflix suggests that price increases have not negatively impacted total company growth and that, with the roll-out of ad-supported tiers at lower price points, there is a belief in future pricing power. In the company’s first quarter earnings call this year, Co-CEO Greg Peters said, “the markers for us in terms of the upside potential [are] more around the hours on TV that we are winning, how many moments of truth, we call it, that we are winning, again, less than 10% in even our most mature markets. There’s tons of room there. You can use total consumer spend on entertainment in the markets and categories that we compete in. That’s between 5% and 6%. So, there’s just a lot of runway still ahead of us to go do a good job at making that investment happen, deliver more value and then ask folks to pay a little bit more.”

Netflix Subscriber Growth

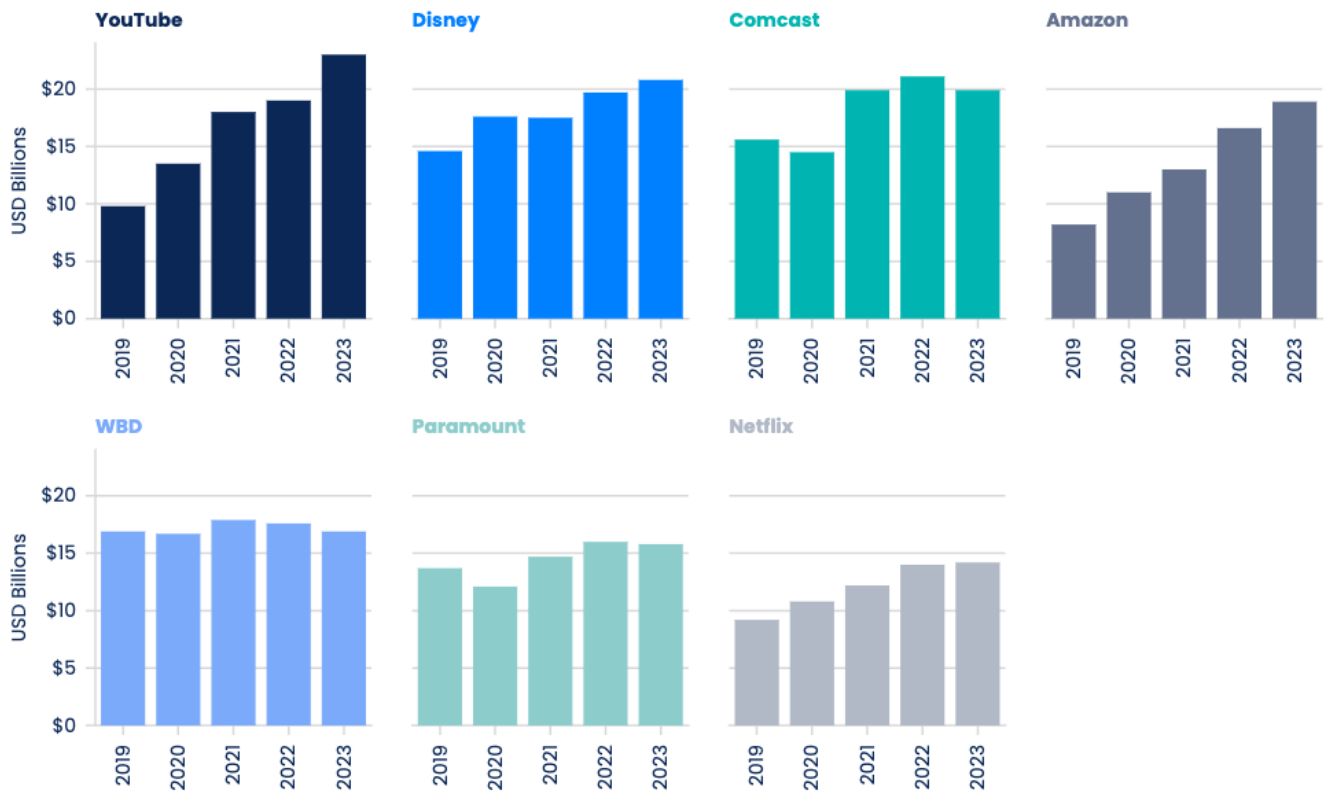


Source: Company Filings



Netflix’s cash cost for content in 2023 was roughly \$17 billion dollars. Just ahead of Paramount and Warner Bros. Discovery (and more than the \$14.2 billion amortized cost seen in the chart below). YouTube has jumped to the front of the pack, by our estimates, although it should be noted that this figure includes music royalty costs, as does Amazon’s. Both the YouTube and Comcast figures have been adjusted to exclude the programming costs associated with their multichannel video programming distributor (MVPD) offerings.

Content Spend by Media Owner



Source: GroupM, Company Filings • Amortized Costs (Netflix cash cost ~\$17 billion)
YouTube and Amazon costs include music

As YouTube and Amazon look to add subscribers and expensive sports rights to their offerings, we expect their content spending to continue growing to some extent, although not necessarily at the same pace over a longer time horizon. Netflix has said on earnings calls that the \$17 billion content investment level feels about right for the foreseeable future, but the company also famously said it wouldn’t introduce advertising before doing just that. The question for legacy media owners such as Comcast, Disney, WBD, and Paramount is whether they can weather the current anti-monopoly environment and focus on profitability to increase content investment in line with the digital-first players to maintain or grow their share of global viewing and advertising revenue.

Technological drivers

From the internet to the smartphone to AI, certain technological advances become so transformative and pervasive that they unleash a flood of trends that follow in their wakes. And at some point, they fade into the background. Below a certain age, no one gives much thought to life before the internet — or how much they rely on it in their day to day lives, or how it all works.

In terms of its still rather opaque nature and its potential capacity to transform labor output, AI reminds this author of the golem characters in Terry Pratchett's Discworld books. In the fictional Discworld, golems (heavily based on Jewish mythology) work tirelessly and ceaselessly. No task is too menial or unsavory for them as long as it aligns with the purpose given to them by their creators. No one understands exactly what is happening inside their "heads" nor if they should be afforded the same courtesy and rights as humans. And they are seemingly just as prone to biases in their training and development as today's manifestations of AI. In Discworld, golems are also able to buy their freedom; who knows if that's where the similarity will end?

● Technological drivers include innovation and advancements in hardware and AI, as well as new modes of distribution, manufacturing and logistics.



The Power of the Platform

Platform is a word with myriad connotations depending on the context. A software platform, a mobile phone platform, a streaming platform, etc. Traditionally, it is often related to compatibility with software or applications, a connotation that is helpful in trying to understand the value of platforms going forward and how their ability to scale and remain differentiated may impact advertisers in future.

There are two examples of platforms currently undergoing considerable uncertainty as we await the outcomes of the regulatory reaction to consolidation within the smartphone industry and the business reaction to the decentralization of TV. (Note, TV, at least in markets with high pay-TV penetration and channel proliferation has undergone several past cycles of aggregation and disaggregation).

First, smartphone platforms. In brief, developers like Epic, the maker of Fortnite, have claimed that the economics of major smartphone app stores are unfair and that consumers should have the option to purchase apps, subscriptions and virtual goods outside of app stores and without the developer incurring onerous commission fees, which today can be as high as 30%. Smartphone makers have said that commissions pay for services provided by the platform such as legal compliance and customer security. This doesn't just relate to purchases of skins in video games or subscriptions to Tinder, but also to marketing services like boosted posts on Meta.

Given the current regulatory environment, it seems plausible that app stores will have to allow alternative stores and/or greater lenience and lower costs for developers sending customers to alternative purchasing mechanisms. Alternative app stores might draw some app install advertising spend away from Apple and Google, for example, but mainstream adoption could potentially require the security, compliance and financial chops of another large player. Apple, which has reportedly been increasing the ad placements in its app store as it grows its advertising revenue, could shift to other products and placements, reducing the overall impact of commission fee reductions. Advertising is still a small percentage of the company's overall services revenue, which also includes app store fees. That said, the value of smartphone platforms could actually increase depending on the extent to which AI and automated agents are integrated into the hardware and operating systems. The value of an agent will likely improve with better access to a customer's settings, data, apps, and hardware, which could potentially be more difficult if things become less integrated.



In the world of TV and streaming video, everyone seems to be asking the same question - what is the value of a platform, and how best can we achieve that without incurring heavy financial costs? The value of cable TV platforms was fairly clear to the studios and networks – cable companies could lock in customers for set contract terms and paid a set amount per subscriber despite little additional marginal cost to the content producer. However, as Netflix and then others triggered the great unbundling, studios like Disney, Comcast/NBCU, WBD and Paramount all created their own streaming services to offer directly to audiences.

The next rebundling, as we have written before, is likely to shift back to platforms for several reasons:

- **The cost of customer acquisition and retention is high** (the largest TV and movie studio advertisers grew advertising expenses more than 20% in 2021 and 2022 as they grew their streaming services). It's probably easier for content companies to focus on making content and let platform aggregators handle direct customer interactions. Platform companies, often hardware-based like Vizio, Roku, Apple and Fire (Amazon) may also be more able to lock in customers and reduce churn by bundling services at lower costs for longer guaranteed terms.
- **Technology is evolving so quickly.** Partnering with a platform provider would allow content producers to focus on designing next generation shoppable content, for example, and leave hardware and compatibility issues to the platform owners.
- **There is power in controlling the first touchpoint** when a person turns on a TV or a tablet or a gaming console. There is limited real estate on most "home screens" and the ability for the platform provider to suggest content (including sponsored content) is likely to have an impact on what that person chooses to watch or do. Netflix uses this to great effect once audiences are in their app, but they have little control (unless paying for a remote button, e.g.) over a platform that prioritizes other, potentially more lucrative content over Netflix's.

For these reasons, it seems plausible that companies providing the hardware and platforms upon which people communicate, shop and entertain themselves are in a strong position to earn greater shares of advertising revenue in the future. There is one notable exception to this, which is that for Disney and Comcast, their lucrative parks businesses could make the ongoing cost of servicing clients directly worthwhile as that data and the messaging potential could be leveraged across their other businesses.



AI-Enabled advertising

Just over two years ago, GroupM published a report titled *The Next Ten: Artificial Intelligence*. The paper sought to define many of the ways AI was already being used in advertising, more than six months before OpenAI released ChatGPT and the proliferation of generative AI tools and models really got going.

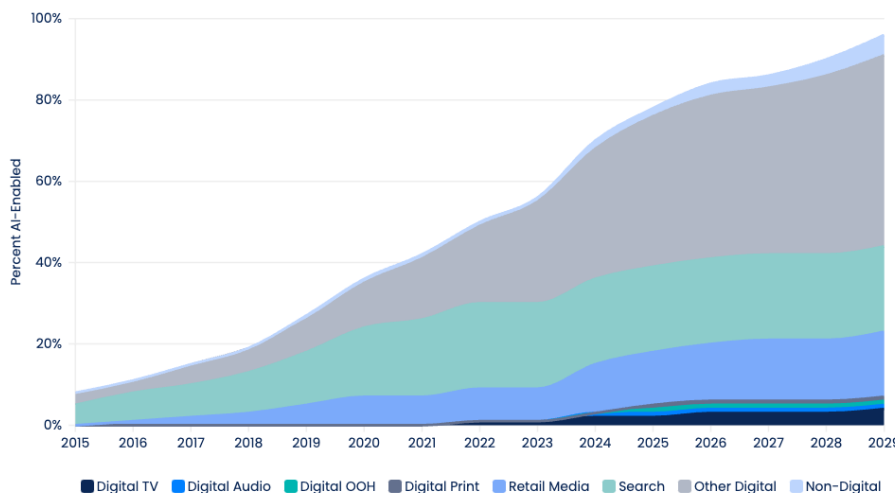
At that time, in April of 2022, we estimated that 44% of advertising revenue (not including creative production) was enabled or informed in some way by AI - e.g. recommendation algorithms, natural language processing (NLP), search optimization, etc. We predicted that by 2032, more than 90% of advertising revenue would be informed by AI.

Now, after updating our model, we estimate that 69.5% of revenue will be informed by AI in 2024 with the percentage reaching 94.1% by 2029, three years earlier than previously forecast.

Our model still excludes creative production and focuses only on the media side of the business, but in conversations with GroupM’s internal teams and our partners, we heard about inventive ways practitioners are using AI to improve efficiency, quality and creativity. In OOH, AI image generators are used to mockup creative executions in minutes rather than days, streamlining the ad sales process alongside programmatic buying which continues to expand across the industry. Audio companies are using AI to help advertisers create scripts and creative for campaigns. They are also using LLMs and machine learning extensively to improve ad targeting (including objectives and specific formats) into streams in ways that maximize audience, creator and advertiser value.

Magazine and Newspaper publishers are using AI to turn text-based editorial content into video assets that can be integrated with advertising messages and pushed into auction-based marketplaces. Based on these recent conversations, the integration of AI into audio advertising showed the largest increase from our 2022 estimates. We now predict that more than three-quarters of all digital audio ad revenue will be informed by AI by the end of 2025, up from roughly one-quarter in our 2022 model.

AI -Enabled Ad Revenue by Channel



The use of AI in advertising has moved up in immediacy in this year’s media trends framework, and it is important for advertisers to be experimenting, learning and developing talent in this space now, not in a year’s time. There are likely to be significant benefits for brands using proprietary models trained on their own data to predict performance and optimize advertising creative and allocation.

Source: GroupM



Agent-ification

Advertising has always been about persuasion and the appeal to human emotion and reasoning. The bright colors and sensuous shapes of Henri de Toulouse-Lautrec's cabaret posters drew in the eye, as do the visually arresting and interactive billboards from advertisers like Coca-Cola and Adidas today.

But part of the reaction to the ongoing trend of decentralization, where more “work” is outsourced to individuals, is likely to be the greater adoption of personal digital assistants to take on some of that work, enabled by advancements in technology. Beyond Google, Alexa, and Siri, companies are launching dedicated hardware with personal agents such as the Humane pin and Rabbit r1.

Four years ago, just at the start of the pandemic, this author released a report titled *Advertising in 2030* while at GroupM agency Essence. At the time, two-thirds of the panel of industry experts agreed with the statement that by 2030, “most interactions between consumers and brands would be bot-to-bot.” Today, that ratio would almost certainly increase.



Hey, Siri

Alexa, play...

Okay, Google

Hey, Copilot

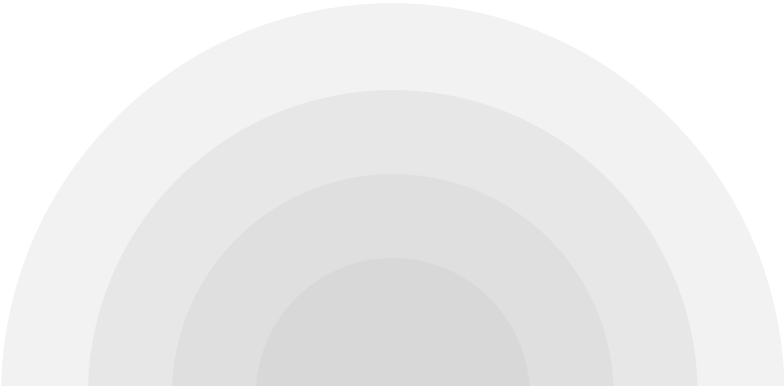
Xiao Ai

Hi, Bixby

In a world where autonomous agents may be increasingly tasked with booking travel and shopping for household goods or apparel, advertisers (and publishers) will need to rethink the customer journey. Agents could be tasked with any number of criteria such as price, quality, location, or none at all.

Whatever the constraints, the decision will be anything but emotional. Catchy jingles, heart-warming pleas, and striking visual imagery are unlikely to impress a bot.

Product images and content will require meta information that can be “read” by bots and optimized for image search. And for any goods purchased on a subscription basis, the bar for brand switching is likely to be incredibly high — requiring human intervention for a task previously outsourced to one’s agent.





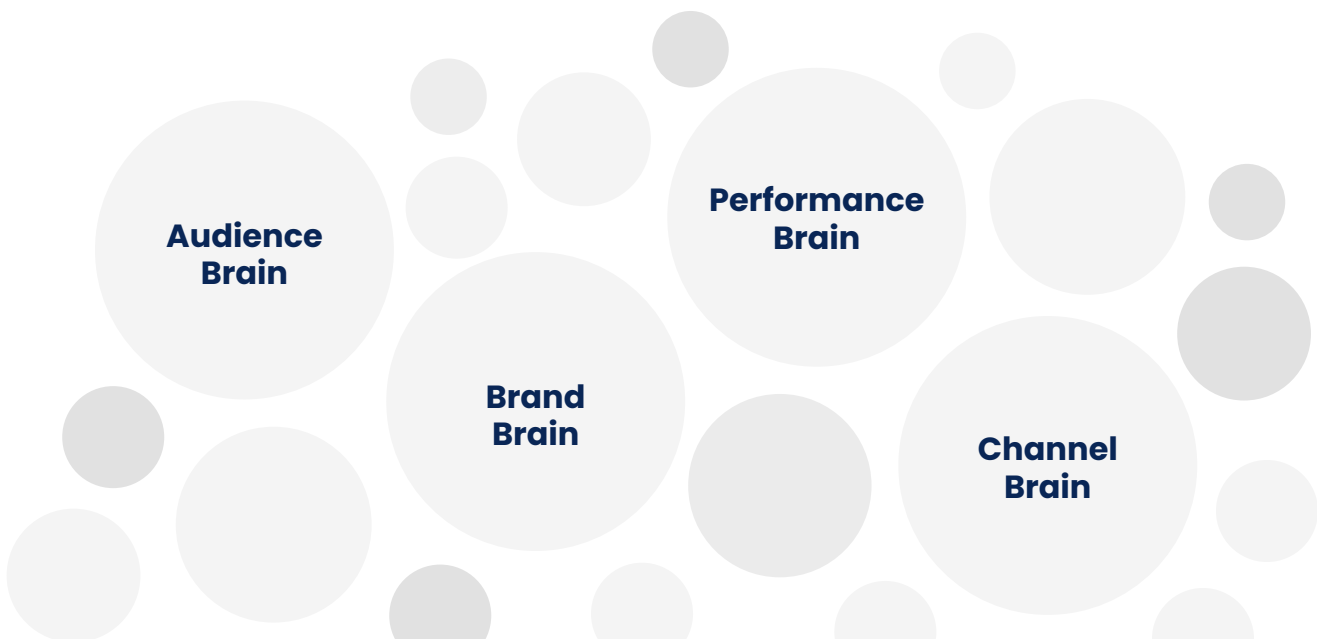
Synthetic Audiences, brains and digital twins

There is simply too much happening in the world of AI and advertising for us to cover the topic with an exhaustive analysis. Any attempt would be out of date within a week of publication. Suffice to say that all advertisers, from small businesses to the world’s iconic large brands should be investing in, experimenting with and applying AI to their marketing and advertising activities.

The CFO of Mondelēz, Luca Zaramella, spoke during the recent Consumer Analyst Group of New York event about how the company is applying AI, saying, “We believe generative AI will change meaningfully our approach to marketing...We expect AI to improve both the quality and speed of our creative content. We also expect great personalization, enabling us to personalize nearly all digital media to further differentiate our brands.”

But there are significant opportunities beyond creative production that utilize LLMs, machine learning, synthetic data creation and technologies like digital twins to enable better optimization of advertising campaigns before they are even launched. Zaramella added, “We are also building capabilities with AI models to act as brains and transform and adjust our marketing more broadly across various dimensions. These brains utilize large language models to help ideate, generate, produce and optimize assets. Audience brains test messaging and content to anticipate reaction. Brand brains find and generate content, whether it be text, images, or video at scale that is aligned with brand purpose and design standards. Performance brains understand content and recommend changes to improve effectiveness. And channel brains understand variations across channels to optimize assets across.”

These comments show the potential for large advertisers to create brand-specific solutions customized for their unique measures of success. And while solutions such as Meta’s Advantage+, Google’s Performance Max, and Spotify’s self-serve tool Spotify Ad Manager, are likely to achieve scale among small business advertisers especially, we expect that in some cases, a lack of granular campaign controls or the more generic (rather than brand-specific) creative generation mean that large advertisers will prioritize the development and use of enterprise-scale solutions like those discussed by Mondelēz.



2-5 years out

Emerging opportunities

As we peer further into the future, it becomes harder to narrowly define the drivers of advertising growth and those drivers often touch multiple categories, straddling economic and political impacts or social and technological impacts. Rather than trying to shoehorn these emerging opportunities (and threats) into just one category, we are presenting them separately below, and highlighting their multifaceted impacts on the advertising industry.

Climate change

Political | Economic | Social | Technological

Over the last several iterations of This Year, Next Year, we have noted an increasing frequency and prevalence of climate and environmental drivers on advertising forecasts. Over the last year, markets in LATAM, Asia and Africa have raised the issue of El Niño and La Niña weather patterns and their effects on crops, inflation, and consumption patterns.

Heavy rains and disease have significantly impacted the cocoa production this year in West Africa, an area responsible for as much as 70% of the global cocoa supply. CPG companies, under pressure to rein in price increases following more than a year of high food inflation, have reportedly looked at packaging and other levers within the revenue growth management (RGM) toolkit to maintain profitability in the face of these new input cost increases. In mid-May, even following a price drop, cocoa was up 169% over the prior year.

Going forward, input cost pressures and volatility are only likely to increase for CPG companies, which make up 19.7% of global advertising. But it's not just food and beverage advertisers who will be impacted.

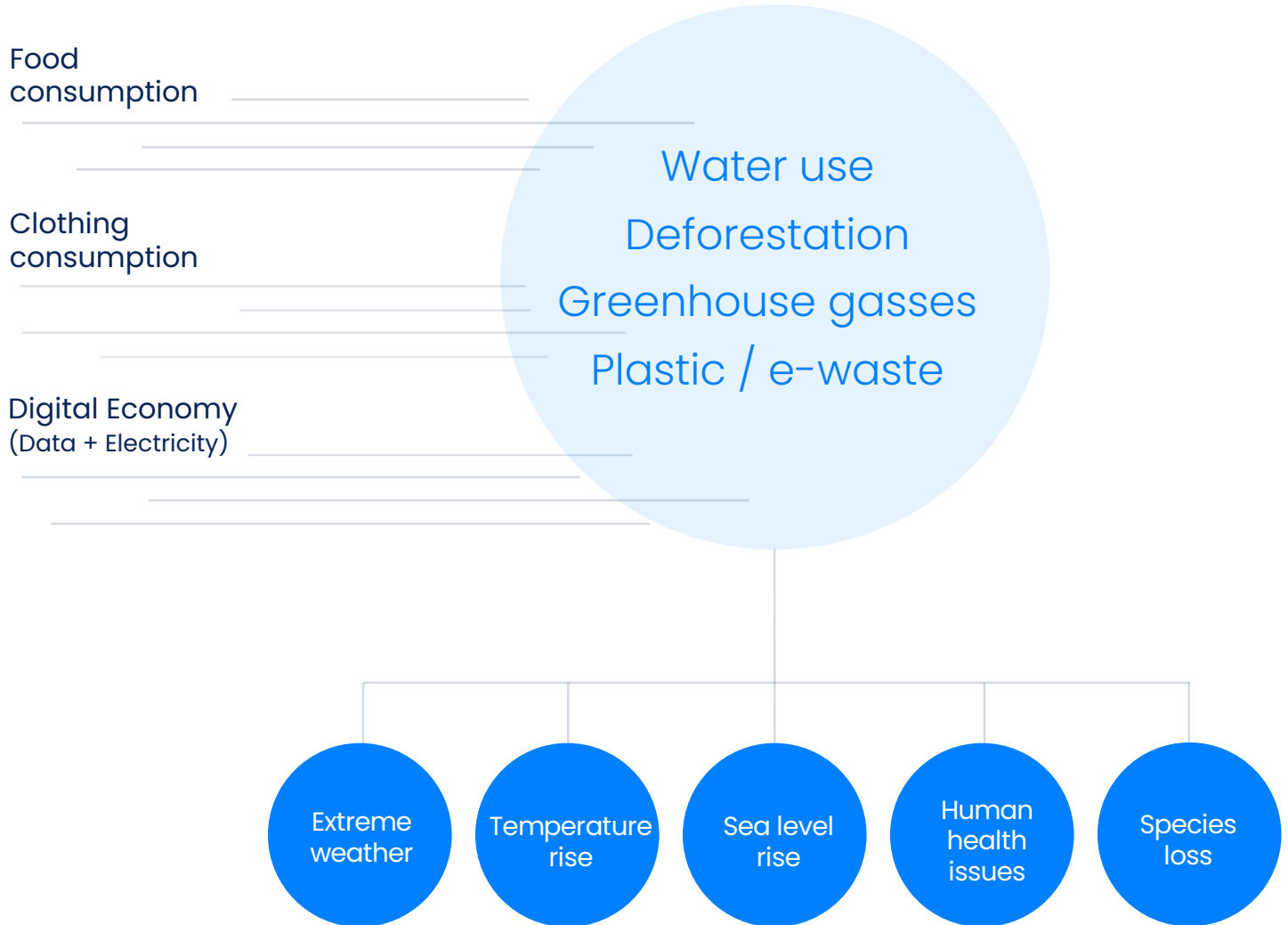
The extreme weather, temperature increases, sea-level rise, species loss, and human health risks that stem from climate change are likely to lead to population migration, poverty, and potentially reduced consumption that would disrupt advertisers of all industries from technology and pharma to retail and apparel

A recent study [in the journal Nature](#) found that the world economy was likely to experience an income reduction of 19% within the next three decades, regardless of future emissions.

Many advertisers have already made changes to their products, business models, and advertising to reflect the growing importance of sustainability in the face of climate change. The Coca-Cola Company recently tested bottles with caps that remain attached for ease of recycling, LVMH launched Nona Source to sell luxury 'dead stock', and Unilever wrote in their annual report that 97.5% of their palm oil, paper and board, tea, soy and cocoa order volumes were deforestation-free by the end of 2023. While some of these initiatives may have gotten their start as a reaction to the perceived consumer push for sustainability, consumer sentiment probably should not be considered the main impetus behind such efforts moving forward. Consumers may profess one thing — such as a preference for products and services that are more climate-friendly — and do something else entirely — such as increase purchases from fast-fashion retailers. In this case, it will likely be brands leading consumers to more sustainable purchases driven by a business imperative to use fewer fossil fuels and less water and electricity in their production processes in order to maintain a profitable business environment over the long term as the use of those resources becomes increasingly difficult, expensive and/or linked to negative repercussions (such as droughts). Legislation is also likely to play an increasing role as with France's recent bill to limit advertising of certain fast-fashion companies and require environmental impact information for consumers.

Climate Change Impacts

groupm

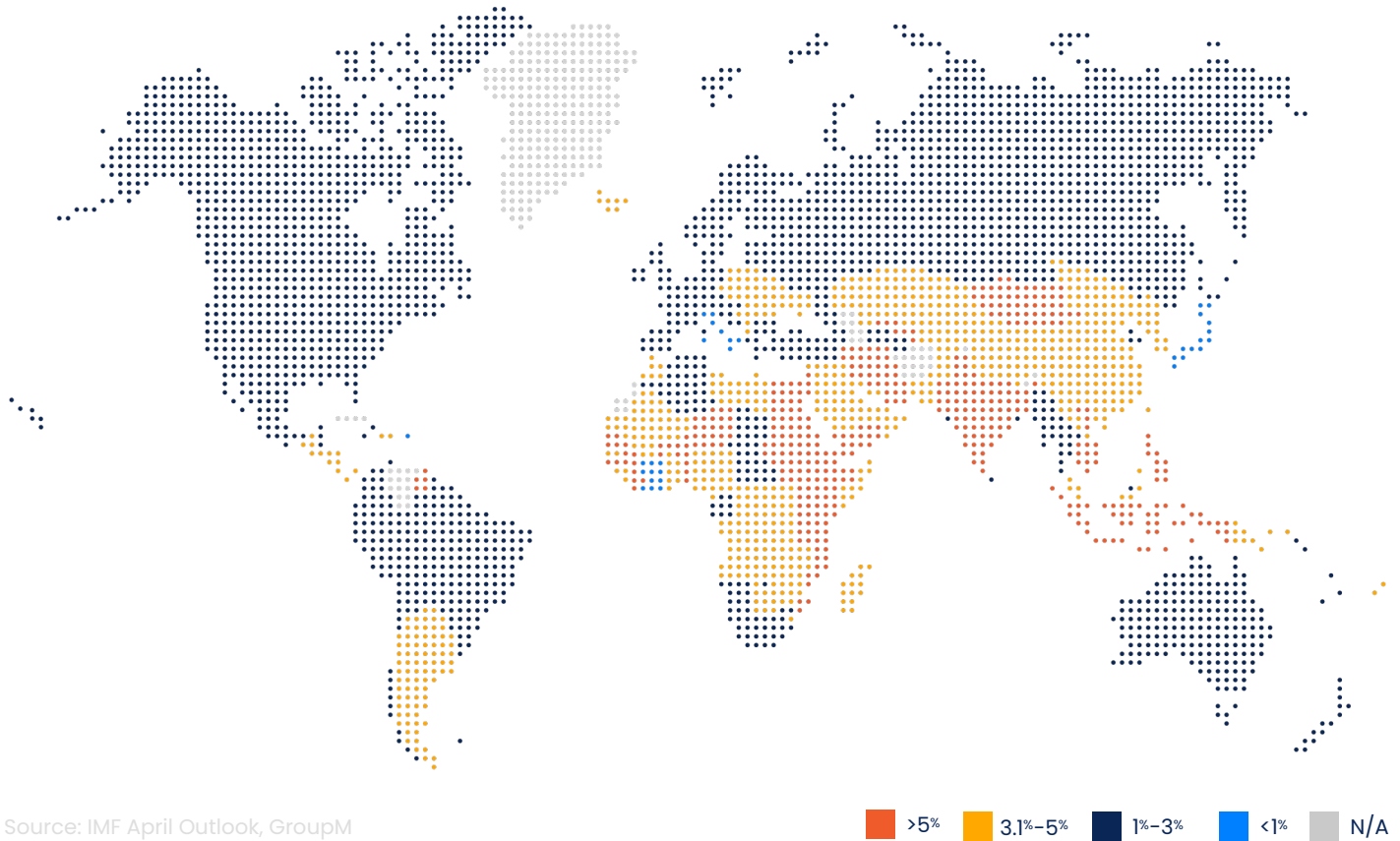


This may have an impact on certain portions of the global advertising industry, especially if increased regulatory pressure coincides with economic pressures. Current levels of advertising revenue coming from fast-fashion retailers and manufacturers with less sustainable business practices may be reduced as governments look to limit greenhouse gasses and waste being created in or imported to their markets. But we don't forecast a broad-based decline in advertising revenue across all advertiser sectors. While we may see clothing retailers shift messaging from new items to resale items or technology companies shifting more messaging toward awareness of recycling and repair programs, these will still require brand communication with consumers. And by lowering emissions and potentially slowing the impact of climate shocks, those businesses are likely to have more consumers in stronger financial positions to buy their products and services.

Growth shifts to Asia & Africa

Economic | Social

Real GDP Growth - 5 Year CAGR



Source: IMF April Outlook, GroupM

Looking at the map above, one thing jumps out immediately: Over the next five years, the fastest growing markets will predominantly be in Asia and Africa. The chart shows IMF markets categorized by their five-year compound annual growth rate (CAGR) for real GDP. Many of the fastest growing populations are also to be found in Africa. Within the top quintile of 190 markets as measured by the forecast five-year CAGR for population growth, 84.2% are in Africa, 7.9% are in the Middle East and 5.3% in APAC; none are in Europe. In the bottom quintile of markets (all with flat or negative population growth), we find the inverse with Europe accounting for 65.8% of markets, 23.7% located in APAC, 7.9% in Latin America, and just 2.6% in Africa.

Advertisers and media owners that are already strategizing about or executing on plans to serve these growth markets are likely to be better positioned for the next phase of global growth. And just as some markets and consumers in Asia seemed to bypass the personal computer era and jump straight to smartphones, there may be consumers across Africa who bypass traditional text-based search engines as AI-assisted voice search and image search become the norm (assuming costs for the technology fall enough to enable widespread penetration across the continent).

Everything apps

Political | Economic | Technological

Think about how much of our time and interactions take place within a platform today. I read the news, track my workout, and shop for clothes on my personal Android phone. I read more news, answer emails, and check into a flight on my work iPhone. (I also genuinely enjoy reading a paper version of the *Financial Times*, *Wall Street Journal* or *New York Times* on the weekend, but know that I am generally in the minority there!) I listen to music and look up a recipe on my smart-home speaker, and in the evening, I use the Google TV operating system to watch a show within a streaming app or rent a movie.

In China, those same interactions might take place within WeChat and the Huawei (Harmony OS) or Apple (iOS) ecosystems. Our colleague in China is woken up by his HarmonyOS smart band, then reads the news on his HarmonyOS powered Android phone. The walk to work is tracked by his wristband and phone with instant messaging handled by WeChat. The lunch order is handled by Meituan. Back at home in the evening, a private cloud holds videos and films for relaxing after a long day, or there are always new series available via streaming services.

To the extent that more time and money can be spent inside a single ecosystem, the more data those companies will have and the better able they will be, ostensibly, to cater to the individual needs of their customers. But the ability of large companies outside of China such as Google or Apple to create these “everything” apps will almost certainly depend on the outcomes of the tensions mentioned within the tactical legal drivers — how willing will lawmakers and courts be to allow greater consolidation of services, transactions, and data within a single company?

Other companies/apps to watch: Microsoft, X, Roblox, WhatsApp, Line, Epic, Kakaotalk. And there are likely to be opportunities for the agents discussed in the Technological section to take on certain tasks in the future which are primarily app-based today.

In-App

In-Store

Open Web

Conclusion

There are undoubtedly benefits to the globalization and consolidation trend we have discussed throughout this paper. For consumers, it may mean access to a wider array of goods and services. For advertisers, there are benefits in being able to apply learnings and best practices from one market to another within a single partner's platform. The advertising industry will continue to adapt and innovate, steered by the outcomes of various governments and regulators around the world as they seek a balance between the benefits and costs of scale.

globalization

consolidation

Despite some reactionary moves toward protectionism, we can see the power and enduring appeal of shared experiences brought by globalization, whether it be a Korean series rocketing to the top of the Netflix charts, or Rema bringing Afrobeats to Spotify's top songs list. You can see it, too, in increasingly global fan bases for sports. It's not a new idea; the Olympics and the now-defunct Goodwill games were built on the notion that competition can bring us all together. Now, spectators don't have to wait four years, fandoms can grow well beyond borders — and advertisers can tap into that passion.


Of course, advertisers will need technological help to message effectively across myriad platforms around the globe. And they'll be increasingly reliant on AI to do so. AI will be transformative in the next decade, across all facets of our lives. The media industry — particularly if you include ad agencies and big tech companies in that mix — is already among the biggest users of the technology, and it will be incumbent upon us all to advocate for the technology to be accessible, customizable and, as much as possible, transparent. Relying solely on the providers of AI tools and services to provide black-box solutions could lead to skewed results — and more government intervention.

It's hard to understate the impact that government action may have over the next five to ten years. While unlikely to reverse the movement toward globalization, the regulations, investigations, and lawsuits we're seeing as a reaction to global consolidation can change both the major players and how the game is played.

Those government actions will turn on the outcomes of elections being held around the world this year. With so many people in so many countries going to the ballot box, the importance of political advertising — and the money spent on it — will have an outsize effect on the entire ecosystem.

And there's no escaping the fact that the marketing ecosystem — the entire world economy, for that matter — can be skewed by two major players, China and the U.S. From social media and retail platforms to media companies and advertising practices, they have the power to shape vast aspects of world culture. Marketing moves by companies in these markets, as well as political decisions by their governments and regulatory bodies, have the potential to upend forecasts and alter even the most sound projections.

Luckily for all of us, interconnected systems such as mycelial networks and coral reefs tend to be very adept at recovering from multitudinous small shocks. Innovation, the exchange of ideas, and a shared goal to make the advertising industry work better for everyone will help ensure a bright future.

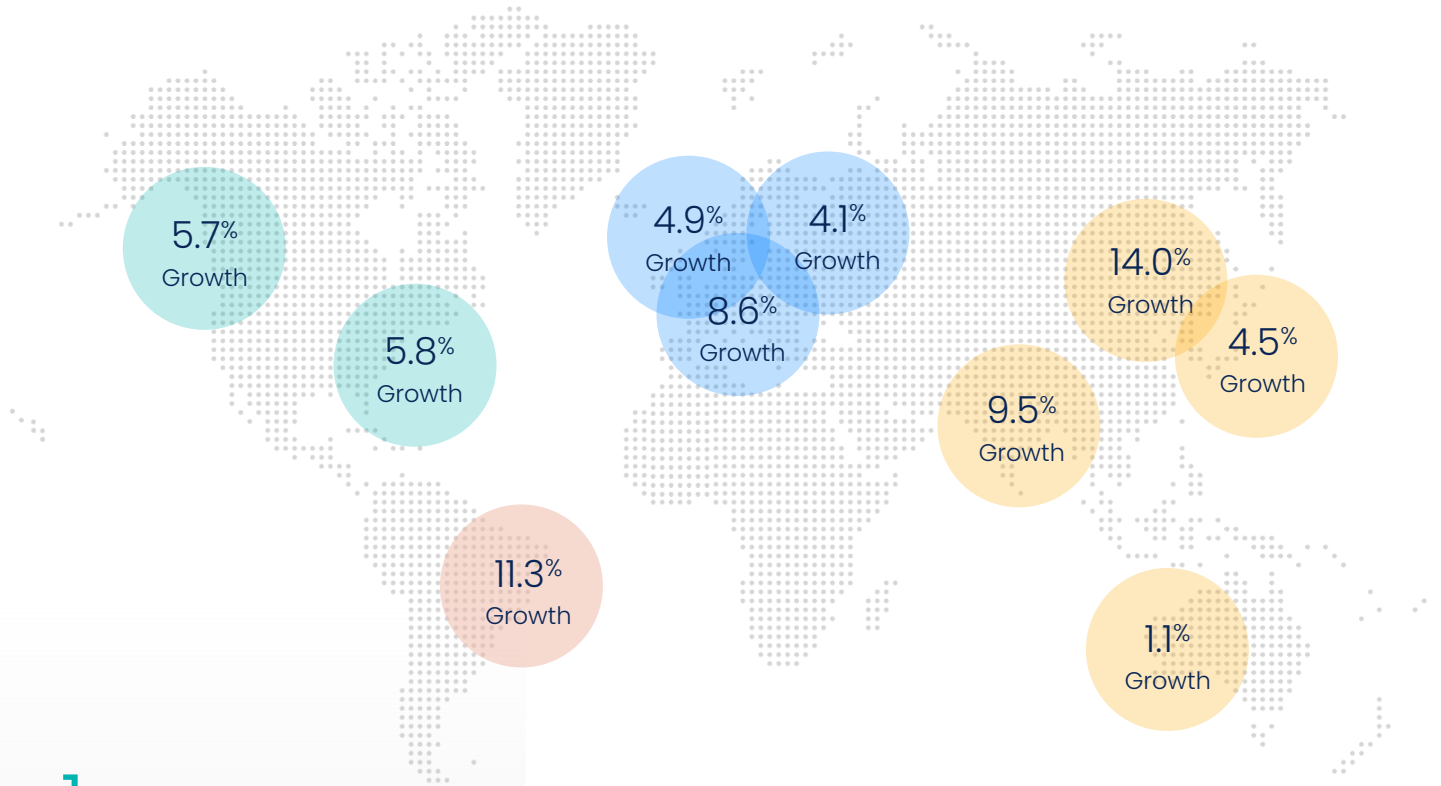


A shared goal to make
the advertising industry
work better for everyone.



Top 10 markets

2024 by the numbers



1 United States

2024 Ad Revenue.... \$365.9 B
 2024 Growth..... 5.8%
 2025 Growth..... 4.9%

4 United Kingdom

2024 Ad Revenue..... \$47.8 B
 2024 Growth..... 4.9%
 2025 Growth..... 4.4%

8 India

2024 Ad Revenue..... \$18.5 B
 2024 Growth..... 9.5%
 2025 Growth..... 8.7%

2 China

2024 Ad Revenue.... \$199.4 B
 2024 Growth.....14.0%
 2025 Growth..... 10.8%

5 Germany

2024 Ad Revenue..... \$37.2 B
 2024 Growth..... 4.1%
 2025 Growth..... 3.8%

9 Canada

2024 Ad Revenue..... \$17.6 B
 2024 Growth..... 5.7%
 2025 Growth..... 5.1%

3 Japan

2024 Ad Revenue..... \$48.0 B
 2024 Growth..... 4.5%
 2025 Growth..... 3.5%

6 France

2024 Ad Revenue..... \$29.7 B
 2024 Growth..... 8.6%
 2025 Growth..... 4.1%

10 Australia

2024 Ad Revenue..... \$15.8 B
 2024 Growth..... 1.1%
 2025 Growth..... 3.2%

7 Brazil

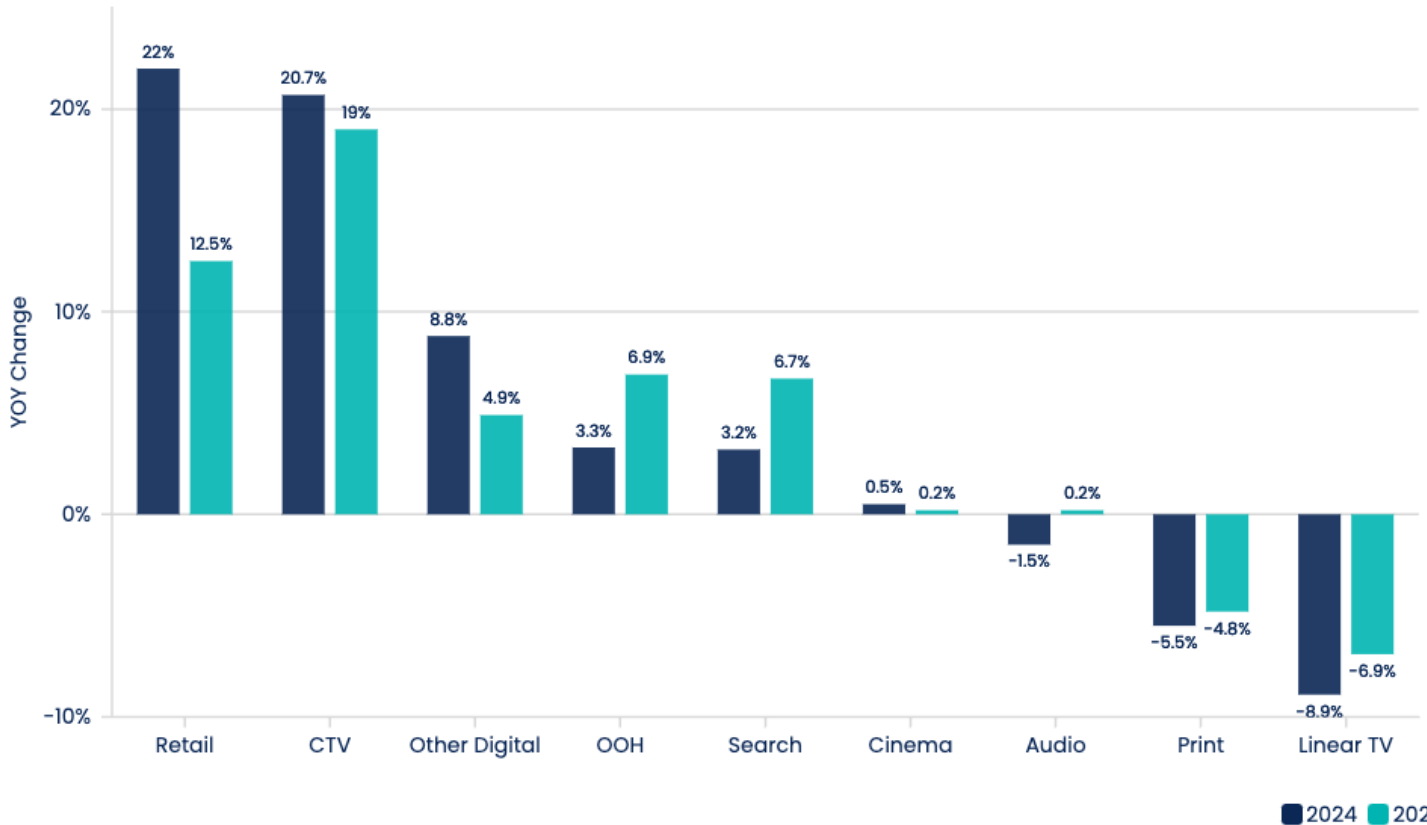
2024 Ad Revenue..... \$21.3 B
 2024 Growth..... 11.3%
 2025 Growth..... 12.4%

Note: U.S data excludes political spending
 Source: GroupM

United States

Advertising revenue in the U.S. is expected to grow 5.8% in 2024 (excluding the impact of political advertising) and 4.9% in 2025. While there are potential cracks under the surface, such as the increase in buy-now-pay-later debt, rising delinquency on auto loans and credit cards, and slowing sales at some national retail outlets, the overall resiliency of consumer spending, especially among more affluent consumers, has driven continued economic growth (1.6% in Q1 of 2024). The IMF projects U.S. real GDP will grow 2.7% with CPI inflation estimated to remain above the Fed’s target at 2.9%, connoting a nominal growth rate of 5.6%, just below our advertising forecast for the year. Robust digital growth, as evidenced by the first-quarter earnings results from many of the top 25 global media owners, as well as expected continued cross-border advertising from China, appear to support an advertising growth rate higher than nominal GDP growth this year.

U.S. Channel Growth 2024



Source: GroupM

Media channel growth

Digital

As is the case with global advertising, digital revenue is the engine of growth in 2024 and 2025. U.S. total pure-play digital ad revenue will rise 8.9% in 2024 to \$262.1 billion, excluding political advertising. Growth over the next five years will be a still-robust 6.4% on a compound annual basis. Within digital, search will represent 34.3%, retail 18.3%, and "other" digital the remaining 47.4% in 2024. Retail media will be the fastest growing segment again in 2024 (albeit from a smaller base than other digital), adding \$8.6 billion (or 22.0%) to reach a total of \$47.9 billion in ad revenue. This will be sufficient to pass traditional TV ad revenue, one year earlier than we had previously forecast. The largest retail media owners in the U.S. by our estimates are Amazon, Walmart, Instacart, eBay, and Target.

TV

Total TV ad revenue (including both traditional and CTV, but not political advertising) will decline 0.6% in 2024 to \$64.1 billion. CTV will represent \$19.4 billion of that, or 30.2%. By 2029, CTV will account for 51.5% of all TV ad revenue. Note that we now include some YouTube revenue in our CTV total and expected YouTube growth is contributing to the predicted double-digit growth rates for CTV over the next four years. For more on the shift of YouTube to CTV, please see page 10.

U.S. pay-TV operators have faced continued subscriber declines, shedding 6.1% in 2023, including virtual MVPDs, or 11.5% excluding them. By the end of 2024, we expect pay-TV households will represent less than half of total U.S. households. Cable companies have looked to bundling streaming services as part of a new cable bundle. Comcast recently announced an option for their subscribers to add Peacock Premium (with ads), Netflix (with ads) and Apple TV+ for \$15.99 per month. We expect further aggregation of streaming properties and branded channels over the next one to two years as media and technology owners continue to rationalize costs and cement longer-term customer relationships.

Retail media will reach \$47.9 billion in 2024, passing linear TV one year earlier than previously forecast

OOH

OOH was quick to recover after the pandemic, at least from the perspective of local advertising revenue, but there remained some markets like San Francisco that were a drag on growth, as were some national advertisers. Growth in 2024 of 3.3% (ex-political) appears to be more broad-based with new advertisers coming into the channel, including CPG brands. The channel is also attracting new types of political spending, with more state-wide offices using OOH than in previous election years. Including political advertising, OOH is estimated to increase 5.6% over 2023.

DOOH is forecast to represent 40.3% of channel revenue in 2024, with this figure growing to 44.1% in 2029. From 2024 to 2029, DOOH will expand 8.4% on a compound annual basis.

Audio

U.S. audio advertising revenue is expected to decline 1.5% in 2024, as a 9.8% decline in traditional, or terrestrial, audio will not be fully offset by the 12.0% growth in digital audio. In 2024, digital audio will represent 43.3% of total audio, a share that is expected to rise to 57.6% by 2029. Podcast growth has slowed, although we expect the further digitalization of audio as a channel and its embrace of AI (see page 50) should support ongoing growth across a variety of formats.

Print

Total print, or publishing, revenue is expected to hit \$17.1 billion in 2024, down 5.5% from the prior year. Digital publishing is forecast to grow 2.0% to \$9.7 billion. While digital news ad revenue overtook its traditional counterpart back in 2020, digital magazines are only expected to achieve this in 2027, despite the fact that some publishers have discontinued and/or consolidated their print editions in recent years to rationalize costs.

For both newspaper and magazine publishers, the next five years are likely to entail ongoing experimentation as to the various methods of capturing and maintaining revenue on social media and internet platforms, which isn't necessarily the same thing as capturing *traffic* from those sources. That said, we do expect advertising to remain an important source of revenue for the channel through 2029.

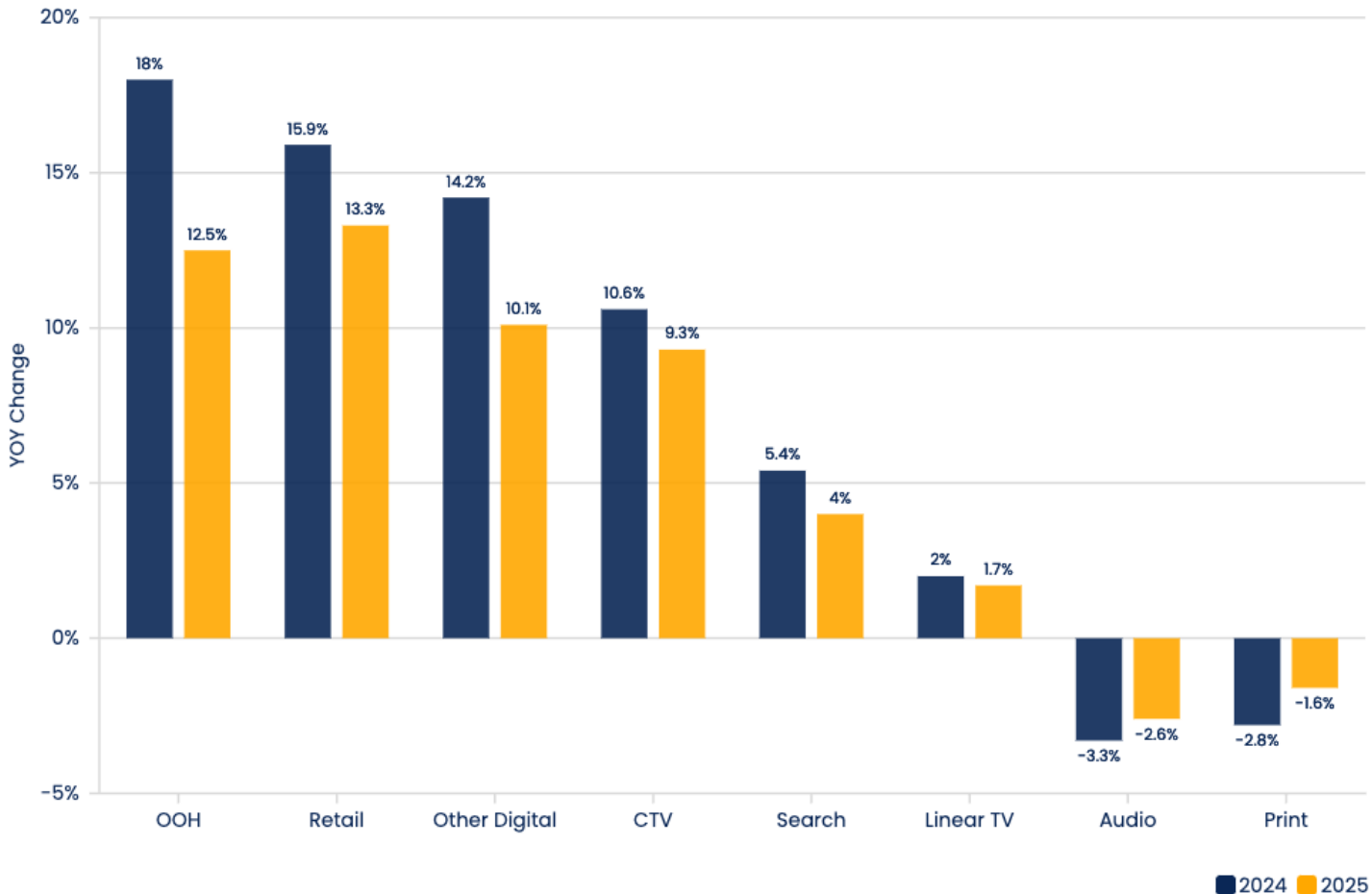
Election advertising revenue

U.S. political advertising revenue is forecast to surpass \$15 billion in 2024 with CTV and influencers netting larger shares of this total than in previous election cycles. In the next presidential election year, 2028, we expect political advertising to climb above \$17 billion.

China

China’s government has set the GDP growth target at around 5%, and first quarter GDP growth was slightly ahead of this at 5.3%. The IMF forecast calls for real growth of 4.6% in 2024 and 4.1% in 2025, alongside inflation of 1.0% and 2.0%, respectively. After past years marked by pandemic shutdowns, government crackdowns on the gaming and private tutoring industries, and a property crisis, more recent news has highlighted the strength of China’s export market, including EVs from homegrown companies like BYD. Total advertising revenue is expected to increase 14.0% in 2024 before decelerating over the next five years to an estimated 3.1% in 2029. Total revenue in 2024 is forecast at \$199.4 billion, a figure that will reach \$255.3 billion by 2029.

China Channel Growth 2024



Source: GroupM

TV

Total TV ad revenue is forecast to add 6.3% in 2024 to \$12.0 billion, just behind Japan's \$12.1 billion. CTV is expected to account for 52.3% of total TV advertising revenue, a figure that has grown from just one-fifth in 2017. CTV is predicted to increase 10.6% in 2024 before decelerating and growing 4.8% over the next five years on a compound annual basis.

Digital

Digital pure-play in China is expected to record \$167.4 billion in ad revenue in 2024, up 14.3% over 2023. The channel will add 5.2% each year through 2029 on a compound basis, finishing with \$215.2 billion. Within digital search advertising revenue will grow 5.4% in 2024 and 4.0% in 2025, remaining the smallest of the three digital channels. Retail media is forecast to grow 15.9% in 2024 to \$72.3 billion as e-commerce companies and social media companies vie for advertiser dollars. China is the largest global retail media market. Other digital, primarily social media, is expected to grow 14.2% in 2024 to \$83.7 billion. Estimates call for continued double-digit growth in 2025 before the channel decelerates to low single digit growth through 2029.

OOH

China OOH ad revenue is now forecast to climb 18.0% in 2024 to \$18.9 billion, making it the world's largest OOH market. As we discussed in the report above, we have revised our OOH estimates for China in this edition of *TINY* and now believe the channel weathered pandemic lockdowns much better than previously thought, driven by the resilience of OOH inventory within city-centers, especially those in lower-tier cities, and non-transit related inventory. China DOOH revenue is expected to increase 18.0% in 2024 to \$11.1 billion. China alone will represent more than half of global DOOH revenue (54.9%) in 2024.

Media channel growth

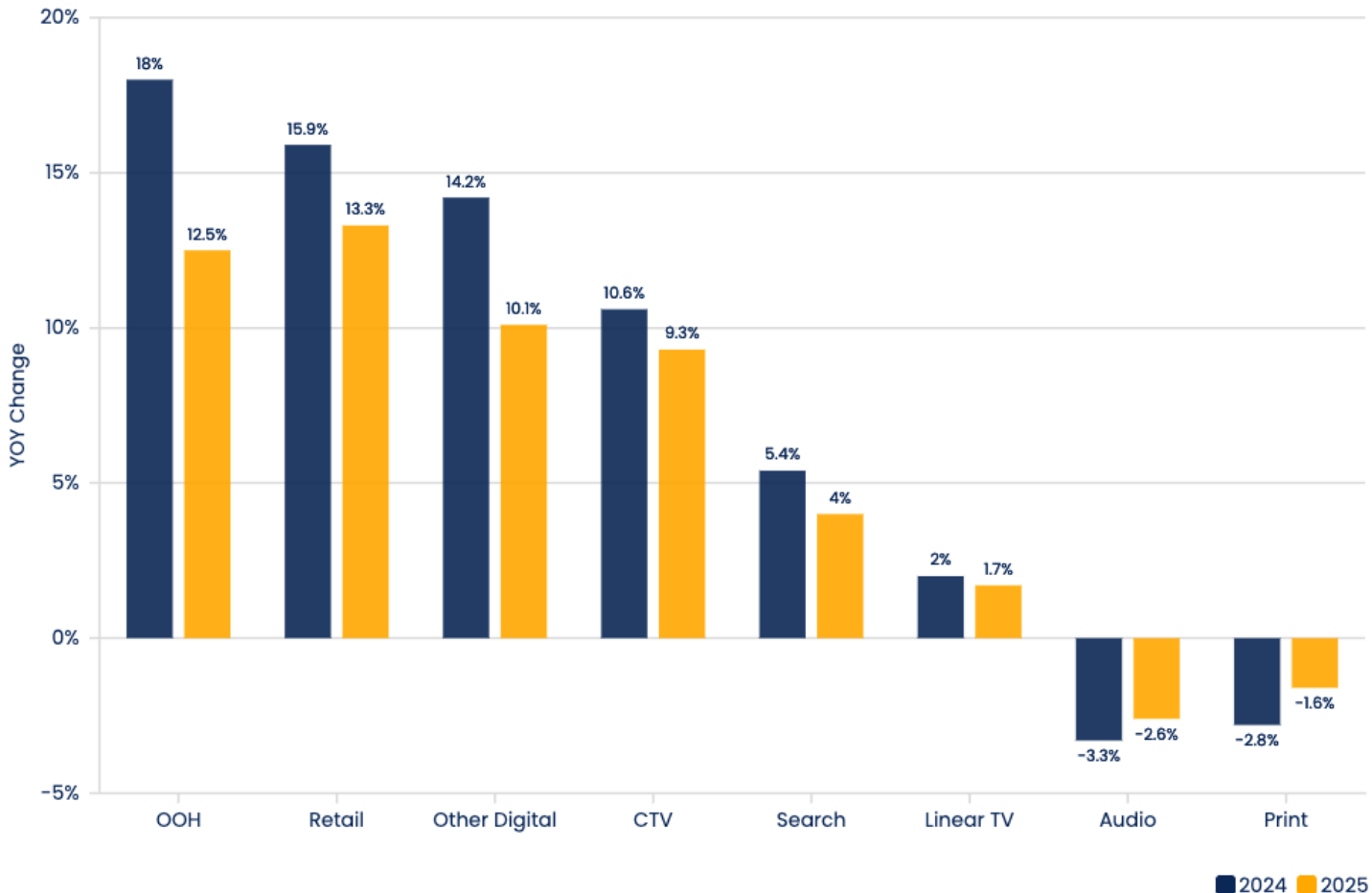
Audio

Audio, newspapers and magazines together will make up less than 1% of total ad revenue in China in 2024. All three channels are in decline, falling 3.3%, 3.1%, and 2.4%, respectively. Digital extensions of newspapers will make up more than half of total newspaper ad revenue in 2024 for the first time (after notching exactly 50% in 2023).

Japan

Advertising revenue is expected to grow by 4.5% reaching \$48.0 billion in 2024. Growth will then decelerate with a five-year CAGR of 2.9% between 2024 and 2029. According to the IMF, real GDP growth is estimated in the low single digits – 0.9% in 2024 and 1.0% in 2025 – a deceleration from the 1.9% figure in 2023, making it one of the slowest growing markets in Asia. For the first time in eight years, the Bank of Japan recently raised its interest rates from the negative range of -0.1%-0% to 0%-0.1%. In recent months, there have been indications of healthy inflation which is closer to the central bank’s target, however a weaker currency, slower output and uncertainty related to the direction of interest rates continues.

Japan Channel Growth 2024



Source: GroupM

Media channel growth

Digital

In 2024, digital pure-play will grow by 5.2% to reach \$29.9 billion, accounting for 62.3% of total ad revenue. Within digital, retail media is the smallest but fastest growing segment growing by 10.0% to reach \$5.6 billion. Search is expected to grow by 6.4% and non-search (ex. retail media) to grow by 2.6%. Regulatory scrutiny, discussed mostly in regards to Europe and the U.S. in the report above, has also been a recent factor in Japan, with the government's anti-monopoly body investigating Google's provision of search services to Yahoo!

TV

TV (including CTV), is the second-largest advertising channel (after other digital) and is still a popular broad reach medium. Total TV is expected to grow by 5.3% to \$12.1 billion in 2024 but growth is expected to slow to 1.2% between 2024-2029 on a compound annual basis. Linear TV consumption in Japan has continued to fall in recent years as people spend more of their time on mobile devices. CTV isn't as widely utilized in Japan when compared to other large markets however it is expected to grow triple digits in 2024 starting from a small base. CTV ad revenue is expected to be the main source of growth over the next five years.

Retail is the fastest growing digital segment.

Print/Audio/OOH

Advertising revenue for print (including newspapers and magazines) continues to shrink. In 2024, print is estimated to decline by 4.0%, with the decline in newspapers faster than magazines. In 2024, audio ad revenue is expected to grow by 0.9% and remain broadly flat until 2029. Total OOH is expected to grow by 3.1% with digital OOH expected to grow by 12.9% in 2024. Over the next five years, audio and OOH are not expected to recover their advertising revenue relative to pre-pandemic levels in 2019.

United Kingdom

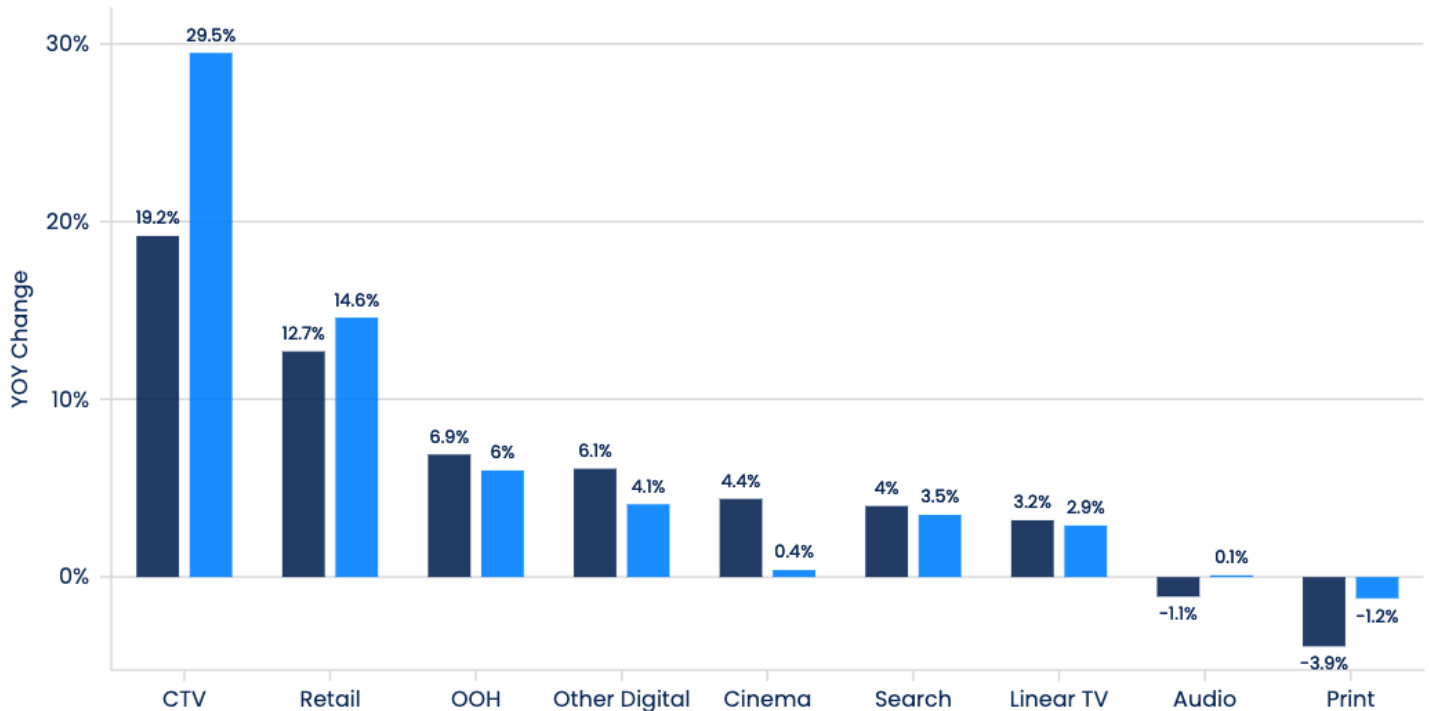
In 2024, advertising revenue is expected to grow by 4.9% reaching \$47.8 billion. The U.K. remains Europe’s largest advertising market, although advertising growth is expected to be slower than.

Europe’s advertising growth as a whole. Relative to our end-of-year 2023 forecasts, we now expect a steadier recovery in 2024 and have therefore slightly upgraded the U.K.’s advertising growth from 4.6% to 4.9%.

Economy

Following a technical recession toward the end of last year, Britain’s economy is slowly recovering, but economic growth remains sluggish. In April 2023, the IMF estimated the U.K.’s real GDP to grow by 0.5% in 2024, slightly faster than 2023. Receding inflation, low unemployment rates, and improving consumer confidence are positive signals. However, like many economies in the world, interest rates remain high. This has curbed new-business growth, which has been one of the drivers in advertising growth exceeding GDP growth in prior years. In the first quarter of 2024, the number of new businesses increased by 6.1% relative to the same period last year, although that number remained below pre-pandemic levels, per the [ONS](#).

U.K. Channel Growth 2024



Source: GroupM

Media channel growth

This June, we have revised historical figures for the U.K.'s digital pure-play revenue. Previously, we had allocated a larger share of the growth from digital platforms like Meta and Google to the U.K. (these companies typically only provide regional data for advertising). Updated data and analyses have led us to reallocate some of that revenue to other markets across Europe so we have reduced our digital figures for the U.K., impacting digital share and forecast revenue.

Elections

We expect that political advertising spend during the July U.K. general elections will have minimal impact on total advertising revenue in 2024. While the spending cap for political parties during the general election has recently increased from £19.5 million to £34.1 million, total advertising spend by political parties accounted for less than 0.1% of total advertising revenue during the last general election in 2019. This share is much smaller than other markets such as the U.S.

Digital pure-play

This year, digital advertising revenue is expected to account for 79.2% of the total; digital pure-play has been the largest major channel since 2011. In 2024, digital advertising revenue is expected to grow by 5.7% to \$37.9 billion. Search advertising is expected to grow by 4.0% to \$18.8 billion and non-search (excluding retail media) is expected to grow 6.1% to \$15.0 billion. It is important to note as we have in previous reports that this is not indicative of the budget allocations of large brands as the total industry includes a large number of direct and small-business advertisers whose budgets are typically primarily digital.

Retail media and E-commerce

Within digital pure-play, retail media is the fastest growing channel, expected to increase 12.7% in 2024 reaching \$4.1 billion in advertising revenue. From 2024 to 2029, retail media is expected to grow by 12.9% on a compound annual basis and account for 12.8% of total advertising revenue by 2029. Starting from a small base, retail media has outpaced the growth of most other media channels and is expected to exceed TV ad revenue in 2028. Within the space, the largest retail-media owner by our estimates is Amazon followed by major grocers. The deprecation of third-party cookies and e-commerce growth has supported retail-media growth so far, although we do expect a slowdown in e-commerce sales this year. We estimate U.K. e-commerce sales (including, auto, fuel, catering sales, and food-delivery services) will grow by 6.3% to \$202.7 billion in 2024 and will account for 17.6% of total retail sales. By 2029, this share will reach 21.6%.

TV

TV, the second-largest media channel, is expected to grow by 3.2% to \$5.7 billion. The market is seeing benefits from the UEFA Euro tournament and the Summer Olympic Games this year. While the BBC, which will dominate the majority of Olympic viewing, won't record Olympics advertising revenue as such, there are likely to be Olympic sponsors who run campaigns related to their support on other networks, which will keep demand high.

In 2024, CTV is expected to be the fastest growing channel, increasing by 19.2% and accounting for 24.9% of total TV advertising revenue. Within CTV, several players are already consolidating their streaming operations for simplification. For example, ITVX has already consolidated BritBox and the launch of Freely will combine live and on-demand content from the BBC, ITV, Channel 4, and Channel 5. While competition is increasing within the CTV space, particularly with the launch of ads on Amazon Prime, we expect these newer players to be small in terms of ad revenue. Note that we now include some YouTube revenue in our CTV total from 2023 onwards and expected YouTube growth is contributing to CTV's higher share of total TV and its future growth.

OOH

OOH revenue almost matched 2019 advertising revenue at the end of 2023 and will surpass 2019 levels in 2024. Total OOH advertising revenue is estimated to grow by 6.9% over 2023, faster even than pure-play internet. Digital OOH is forecast to represent 67.2% of channel revenue in 2024, with this figure growing to 77.2% in 2029. A number of key market tenders are expected to be announced in 2025, and this continued investment and digitalization of the U.K. OOH market has the potential to shape future growth.

Audio

In 2024, audio is expected to decline by 1.1%. Digital audio is expected to grow by 7.8% in 2024, but it will not be able to offset the 4.1% decline in traditional audio. Looking ahead, growth is expected to be subdued from 2024 to 2029, with advertising revenue expanding by 0.2% on a compound annual basis. We predict that competition within the space will increase as the BBC plans to introduce advertising on its radio and podcast content via third-party platforms for the first time.

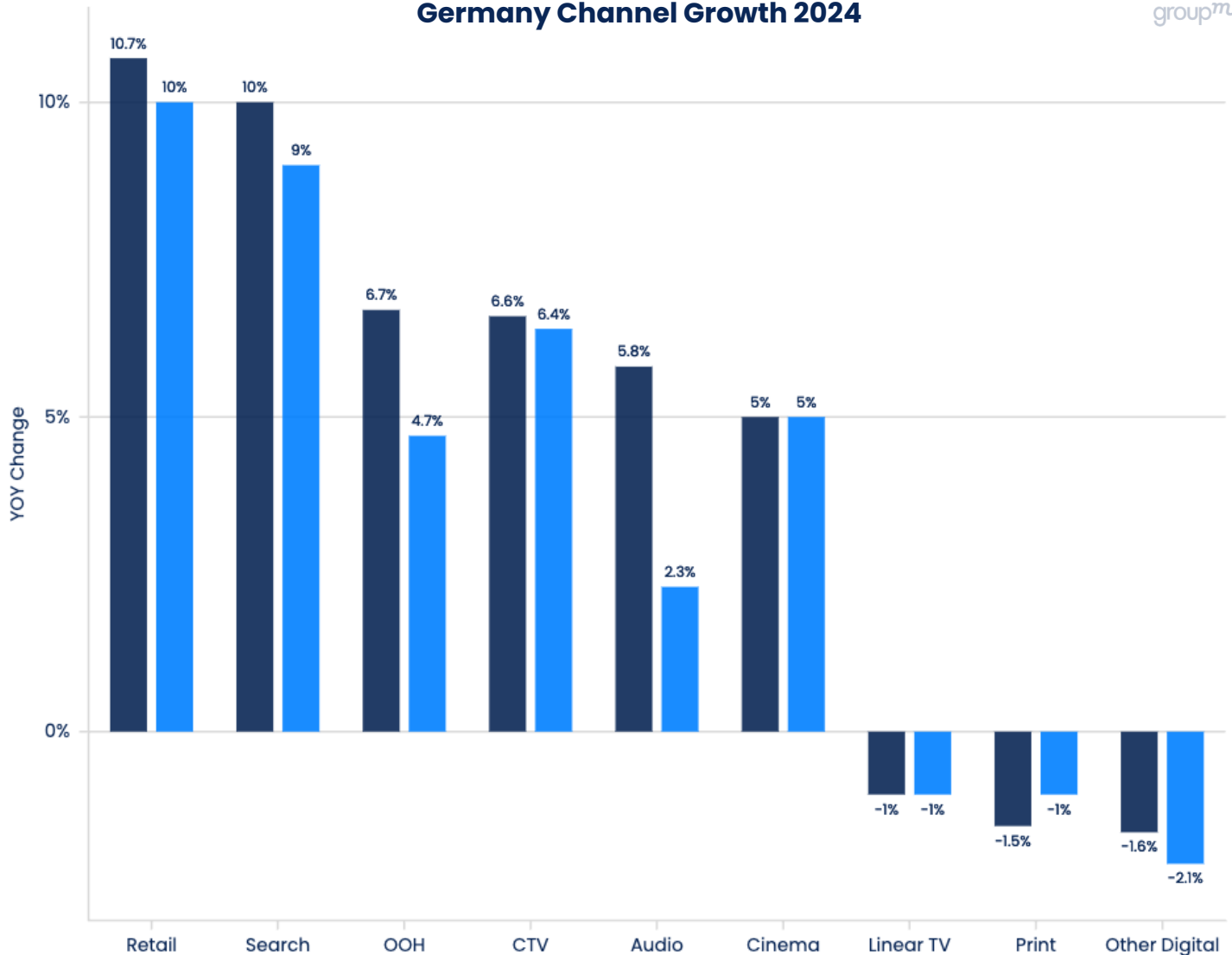
Print/Cinema

We continue to expect that print (including newspapers and magazines) and cinema are unlikely to recover ad revenue from 2019 through 2029. We expect newspapers and magazines together to decline by 3.9% in 2024. For years, print has faced significant challenges, despite the increased focus on digital offerings, as demand declines and production costs increase. So far, digital ad revenue has not been able to offset the decline in traditional print advertising. A fall in referral traffic from tech platforms has impacted digital news ad revenue. The U.K. government intends to use powers in new legislation to modify the restriction on ownership, control, or influence of British newspapers and news magazines by foreign states, precluding the sale of the Telegraph to Redbird IMI — a joint venture between Redbird Capital and IMI (backed by the UAE's Sheikh Mansour).

Germany

Total advertising revenue is expected to grow by 4.1% in 2024 to \$37.2 billion, a slight upward revision from the 3.7% growth in our December update. The IMF estimates real GDP growth of 0.2% in 2024 and 1.3% in 2025 following a decline in growth in 2023. Continued uncertainty due to the situations in Ukraine and the Middle East is also weighing on the economy. More and more companies are relocating production abroad. Despite falling inflation, recovery in consumer confidence is slowly improving, suggesting a cautious sentiment.

Germany Channel Growth 2024



Source: GroupM

Media channel growth

The fastest growing channels for 2024 are expected to be retail media (with growth of 10.7%), search (with growth of 10.0%), and digital audio (with growth of 11.5%).

Digital

The share of digital ad revenue is slightly lower than Europe as a whole. In 2024, digital pure-play is expected to account for 58.7% of total advertising revenue and will grow by 6.6% to reach \$21.8 billion. Within digital, retail media is the fastest growing channel, expected to reach \$4.9 billion in 2024; it is the largest retail-media market in Europe. For the first time, retail-media advertising revenue is expected to surpass newspaper advertising revenue in 2024.

Retail media is the fastest growing channel, expected to reach \$4.9 billion in 2024; it is the largest retail-media market in Europe.

TV

TV (including CTV) is expected to grow by 1.3% in 2024 to \$5.9 billion. The European football championships in Germany and Olympics in Paris are not expected to have a material positive effect. Going forward, total TV advertising revenue is expected to be stable and is expected to grow between 1% to 2% as linear TV declines. CTV is expected to grow by 6.6% in 2024 and accounts for 31.2% of total TV advertising revenue. Note that total CTV now includes some YouTube revenue from 2023 onwards and the platform is expected to contribute to CTV's higher share of total TV and its future growth.

Print

Print (including newspapers and magazines) is expected to decline by 1.5% in 2024. Newspapers account for 13.2% of total advertising revenue but share is expected to drop to 10.0% by 2029. Total circulation in the print sector is falling and, as a result, sales outlets are also declining. There have also been significant consolidations within the space as print owners transform their businesses for future profitability, such as the joint venture of BCN (Burda), Klambt, and Funke; and IQ Media's takeover of the Spiegel Group.

OOH/Audio

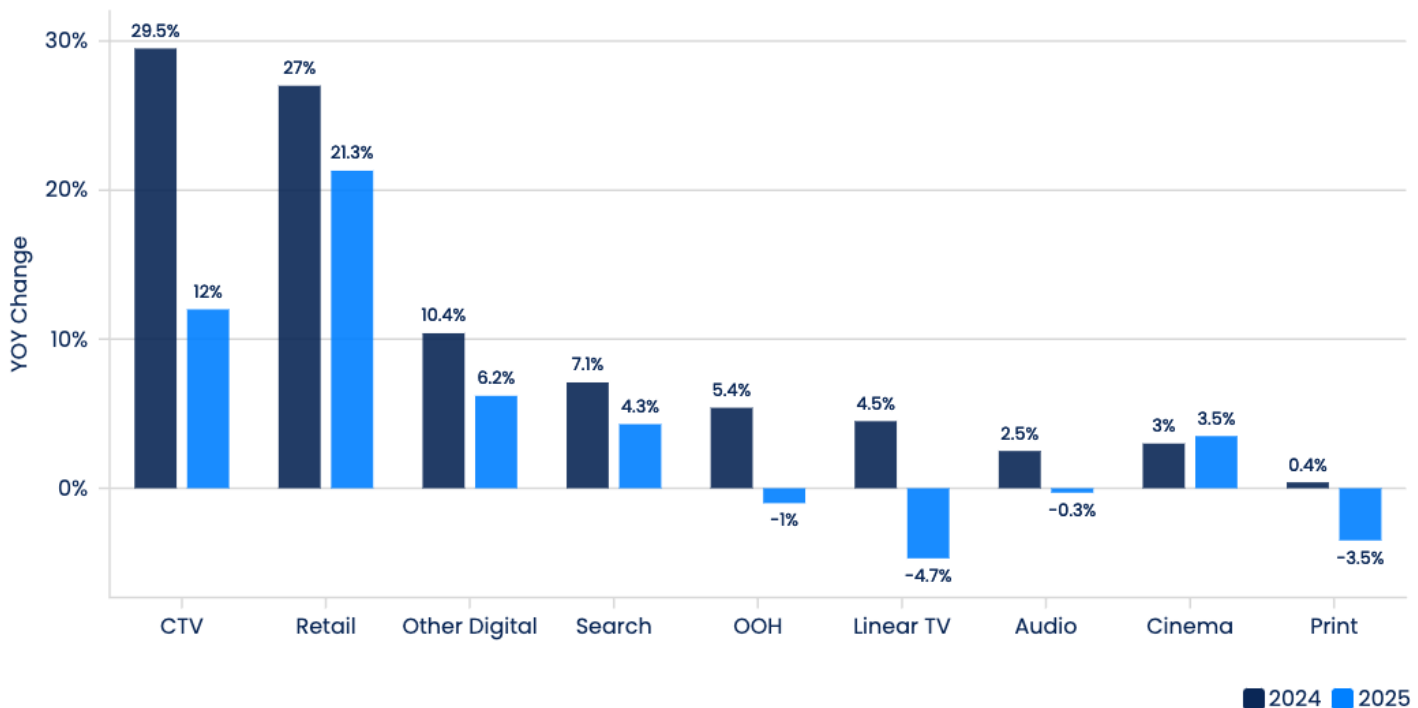
In 2024, both OOH and audio channels are expected to recover and surpass pre-pandemic advertising revenue levels from 2019. We estimate that audio will grow by 5.8% in 2024 (including digital extensions) and OOH will grow by 6.7%.

France

For 2024, the French market will record atypical growth due to the 2024 Olympics, taking place in Paris, and the Euro football championships in neighboring Germany. Advertising revenue is expected to grow by 8.6% in 2024 to reach \$29.7 billion. All media should benefit from this growth over 2023 totals. Of course, digital is expected to grow faster, driven by retail, social, and instream video. The first part of the year (January–August) is likely to see high growth, but the market could potentially suffer from Olympic blues from September onwards. The high advertising growth also masks the economic contraction of recent months and the relatively weak growth forecasts. The IMF’s April forecasts estimate real GDP growth of 0.7% in 2024 and 1.4% in 2025.

In 2025, advertising growth is expected to slow to 4.1%, with negative growth for traditional media (-3.8%), which won’t benefit beyond 2024 from the growth resulting from this atypical year. At the same time, digital media should grow by 6.6% in 2025.

France Channel Growth 2024



Source: GroupM

Media channel growth

Digital

For 2024, we expect digital ad revenue increases of 10.3%, driven by strong growth in retail, social, and instream video. These growth levers are interconnected, as the growth of social benefits from the growth of video, but also from the growing popularity of retail, through new social commerce solutions. Digital pure-play accounts for a 72.4% share of total advertising representing \$21.5 billion in ad revenue in 2024. Within digital, retail media is the fastest growing channel expected to grow by 27.0% in 2024 to reach \$1.5 billion, followed by search and non-search (excluding retail), which are expected to grow by 12.0% and 10.4%, respectively. For the first time, retail-media advertising revenue is expected to surpass OOH in 2024.

TV

TV (including CTV), the second-largest medium after digital, is expected to grow by 6.5% in 2024, but is showing signs of weakening in future years driven by the decline of linear TV. TV remains an important channel, particularly for consumer goods, retail, and automotive categories. Between 2024 to 2029, TV ad revenue is expected to decrease by 1.5% on a compound annual basis. CTV is the fastest growing channel, expected to grow by 29.5% in 2024, but accounts for less than 10% of TV ad revenue and is not sufficient to offset the declines in linear TV. Looking ahead, CTV is likely to benefit from local broadcasters such as TF1 expanding their streaming services.

OOH

OOH is expected to return to pre-pandemic levels in 2024, with growth of 5.4%. Over the next five years, OOH is expected to experience declines between 1%-3% due to subdued digital OOH growth of 0.6% on a compound annual basis between 2024 to 2029 and declines in traditional OOH. Outdoor advertising is subject to local regulation, which has the potential to reduce the total number of advertising spaces, as local authorities are becoming stricter in applying existing laws and regulations regarding billboards.

Print/Audio

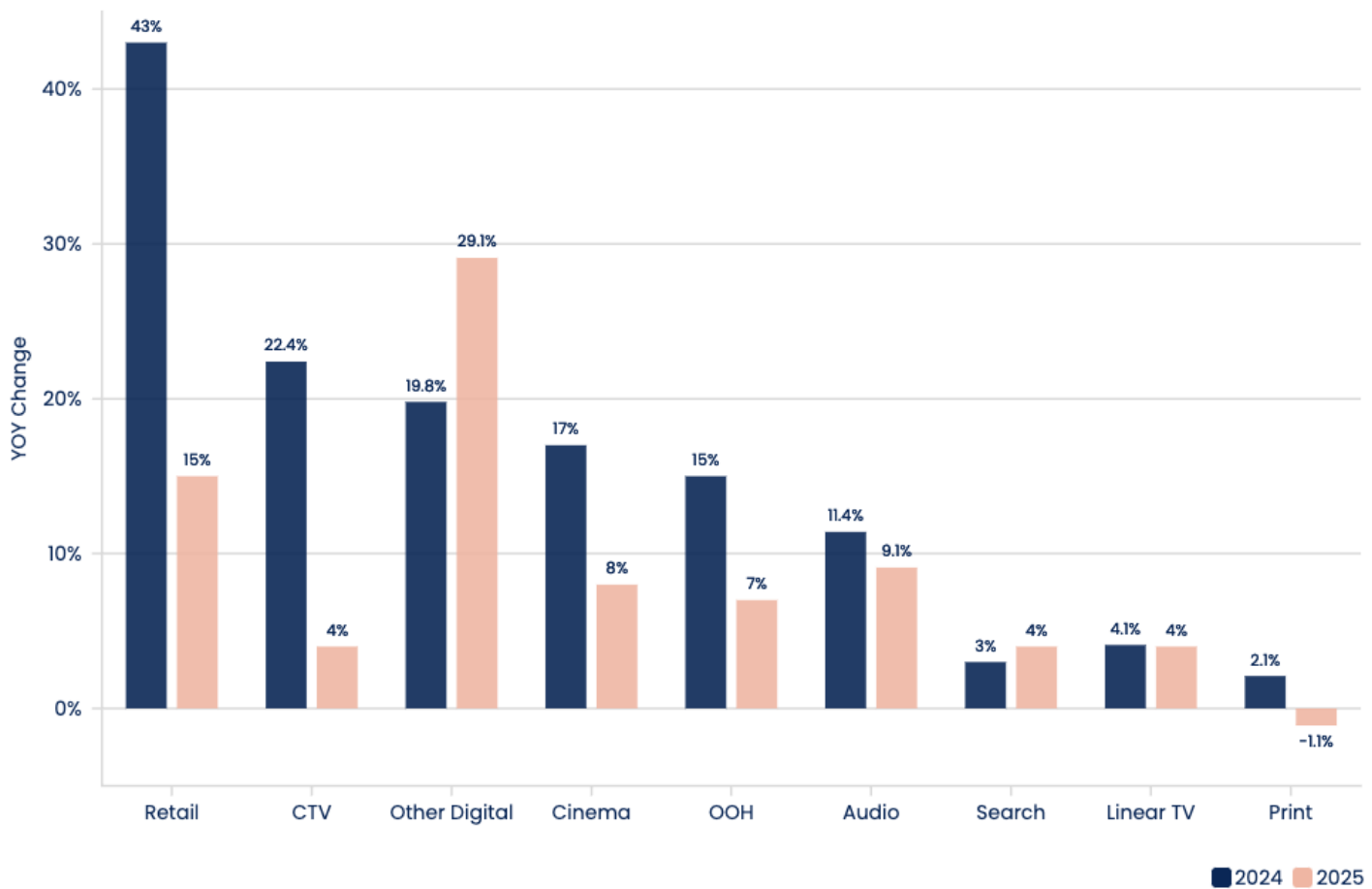
Print (including newspapers and magazines) is expected to stay broadly flat in 2024 before declining 3.5% in 2025. Digital subscriptions as well as digital audiences have grown over the last five years, but the monetization of these audiences is low, which is causing issues for the balance between local publishers and big platforms. Audio is expected to be more resilient than print, forecast to grow by 2.5% in 2024 and showing a moderate decline of 0.3% in 2025. Digital audio is expected to grow by 24.3% this year, driven by strong growth in terms of podcast advertising, which is benefitting more from original (native) podcasts versus radio station content.

Brazil

In Brazil, the unemployment rate rose to 7.9% in the first quarter of 2024, according to data from the Brazilian Institute of Geography and Statistics (IBGE). However, the average income of employed people increased by 4.3% compared to the previous year. Real GDP growth is forecast by the IMF to reach 2.2% in 2024, indicating a relatively positive outlook for the economy.

The 2024 Olympics in Paris are expected to have even broader coverage than previous Games. While free-to-air TV and pay-TV remain the main broadcasting channels, there will be a significant investment in digital channels, with the participation of creators and planned activations to amplify brand messages.

Brazil Channel Growth 2024



Source: GroupM

Media channel growth

TV

In Brazil, linear TV remains a key medium for local and regional advertisers, reaching 99.2% of households in Brazil, according to Cross Platform View. Free-to-air TV has a strong cultural connection with Brazilians, reaffirmed by local soap opera productions and live football events. But pay-TV no longer holds as much relevance, as much of its content has shifted to streaming platforms and the internet. Total TV advertising revenue is forecast to grow 6.7% to \$7.3 billion in 2024. CTV will grow 22.4% before decelerating to 4.0% in 2025.

Sports broadcasting rights are increasingly divided between TV channels and digital platforms. The 2022 World Cup was broadcasted on free-to-air TV, pay TV, and on a free YouTube channel. The UEFA Champions League is also broadcasted on free-to-air TV, pay TV, and via paid streaming, with some games being exclusive to paid streaming services.

Digital pure-play

Total pure-play digital is forecast to increase 14.4% in 2024 and accelerate to 20.3% growth in 2025, even against the backdrop of uncertainty regarding third-party cookies and ongoing debates about the regulation of digital platforms. Search ad revenue will be the slowest growing digital channel at 3.0% in 2024 and 4.0% in 2025. Retail media is forecast to grow a very robust 43.0% to \$419.8 million with the major players being Mercado Livre, Atacadão, Magazine Luiza, Assaí, and Carrefour. The five-year CAGR for retail is predicted to be 12.7% through 2029. Other digital is forecast to hit \$6.7 billion in 2024, increasing 19.8% versus 2023. The five-year CAGR for other digital is pegged at 15.9% through 2029.

Print

Newspapers and magazines, collectively forecast to see 2.1% growth in 2024 before falling into decline in 2025 and 2026, have had to adapt and evolve to offer digital content, including acquiring prominent niche portals, premium advertising, and exclusive content. Some traditional print newspapers, already established in the country, operate on specialized websites with sponsorship from major companies. Newspapers, for example, are experiencing a continuous reduction in their physical offerings, with a notable example being O Estado de S. Paulo, which recorded a double-digit decrease in print newspaper circulation in 2022 compared to the previous year. Meanwhile, digital is subtly gaining prominence, with a growing trend of online news consumption. We expect digital newspaper ad revenue to increase 11.7% in 2024.

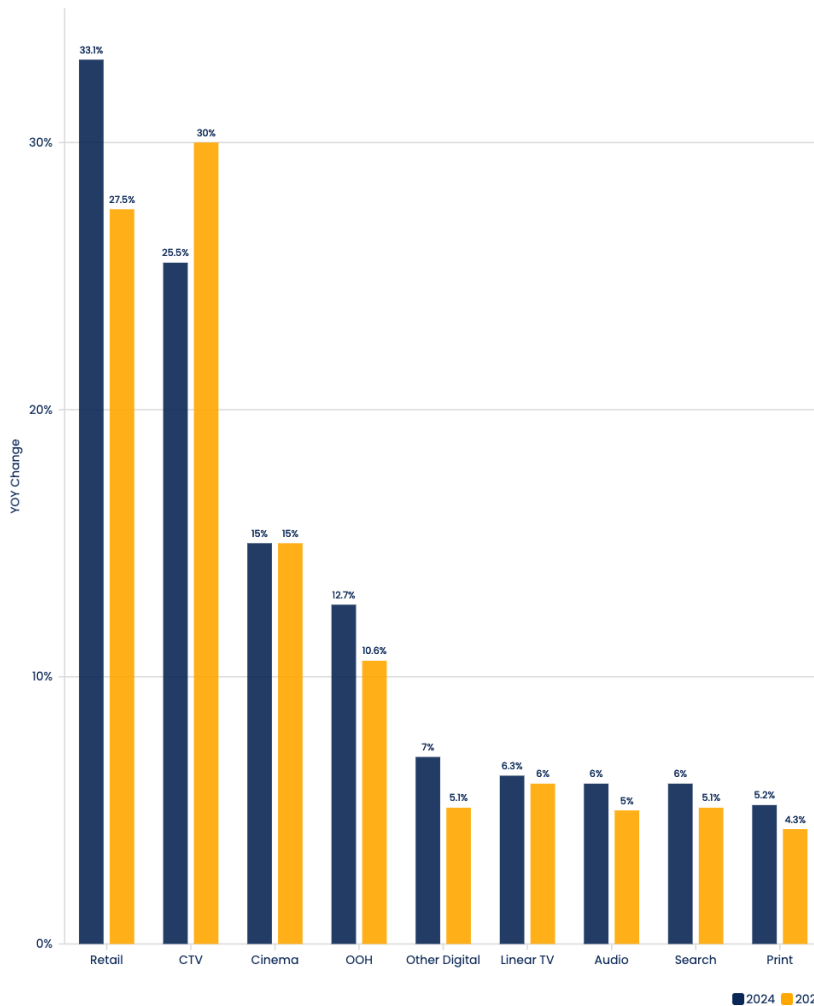
OOH/Audio

Traditional OOH and audio have typically been utilized by regional advertisers. However, the growth of digital streaming audio (+11.4% in 2024) and programmatic buying options on DOOH (+15.0%) are increasing the role of national advertisers in these channels. Total OOH is forecast to reach \$1.9 billion in 2024 and notch a 4.3% five-year CAGR through 2029. As in other markets, improvements in measurement could provide additional upside. Total audio will grow 7.9% on a compound annual basis from \$587.7 million in 2024 to \$860.0 million in 2029.

India

Advertising revenue in India will climb 9.5% to \$18.5 billion in 2024. Growth will decelerate to 8.7% in 2025. This is against a backdrop of expected 6%-7% real GDP growth, per the Reserve Bank of India and consumer price inflation under 5%. However, higher inflation in some categories such as food, where inflation has been hovering around 8.5%, indicates consumers may be less likely to spend on discretionary items. Food inflation is expected to ease after the monsoon season, and the La Niña weather pattern forecast to take effect from July 2024 should benefit advertiser categories from CPG to motorbikes and tractors. The weather should also signal a healthy festive season from September through October of 2024.

India Channel Growth 2024



Cyclical events such as the general election (April - May) and T20 Cricket World Cup (June - July) are expected to have varying effects on advertising revenue. The elections are forecast to represent 0.9% of total advertising revenue in 2024, although they have garnered a fair amount of attention for the use of generative AI in crafting personalized campaign messages for voters. The T20 World Cup, held in the U.S. and the Caribbean, is expected to generate modest advertising demand – the last tournament ranked ninth for global advertising revenue among the largest sporting events we analyzed (see page 42 of this report). Indian Premier League cricket will also feature, with robust growth expected on CTV.

Source: GroupM

Digital

Digital ad revenue (excluding digital extensions) is forecast to grow 11.1% in 2024 to \$9.6 billion, with still-robust growth of 9.6% in 2025. Inclusive of digital extensions, growth will be 12.0% in 2024. There is room for future growth in the channel as sectors like CPG, auto, durables, realty, and industrials shift into digital (digital likely already accounts for well over half of advertising for most digital endemic advertisers). In 2024, we expect search revenue to grow 6.0%, retail to grow 33.1%, and other digital to increase 7.0% (or 8.9% including digital extensions). Retail media is currently the fourth-largest channel in India, having just surpassed newspapers in 2024, but smaller than TV, other digital, and search. We predict retail will overtake search-advertising revenue in 2025 when it will total \$2.5 billion.

TV

Total TV ad revenue is expected to grow 8.2% in 2024 to \$6.1 billion (linear TV will grow 6.3% to \$5.4 billion). CTV will account for 11.3% of TV advertising revenue, but with a five-year CAGR of 26.7%, that share is expected to rise to 24.9% by 2029. The Indian television industry has been at times both an example and an exception to the globalization and consolidation we discuss in the report. The large multinational media owners including Sony, Paramount, and Disney have long been active in the market. But amid shareholder concerns regarding debt loads and profitability, Paramount has sought to sell its stake in Viacom18 to Reliance, which in turn has agreed to a merger with Disney's Star business in India. Sony had planned to merge with local outfit Zee Entertainment, but the deal fell apart early in 2024. It seems plausible that Reliance-backed Viacom18, without the immediate worry of competing with Disney, Paramount, or WBD (with which it has a distribution agreement) could even expand beyond India providing it is able to invest in new content on par with global players such as Amazon Prime and Netflix, which are also present in India and producing local-language content.

Print/Audio/OOH

Print-advertising revenue (including newspaper and magazines) is expected to climb 5.2% in 2024 to \$1.9 billion and a further 4.3% in 2025. Excluding the digital extensions of the channels, growth is forecast at 4.9% in 2024 and 3.9% in 2025. These channels are still dominated by traditional print revenue, with digital extensions making up just 4.3% of total channel ad revenue. Audio advertising makes up just 1.8% of the market total in 2024 (versus 2.7% globally) and is forecast to grow 6.0% in 2024. Excluding audio digital extensions, we estimate 2024 growth at 4.0%. OOH ad revenue is expected to surpass 2019 levels next year with growth of 12.7% in 2024 and 10.6% in 2025 (or 12.5% and 10.0% excluding DOOH).

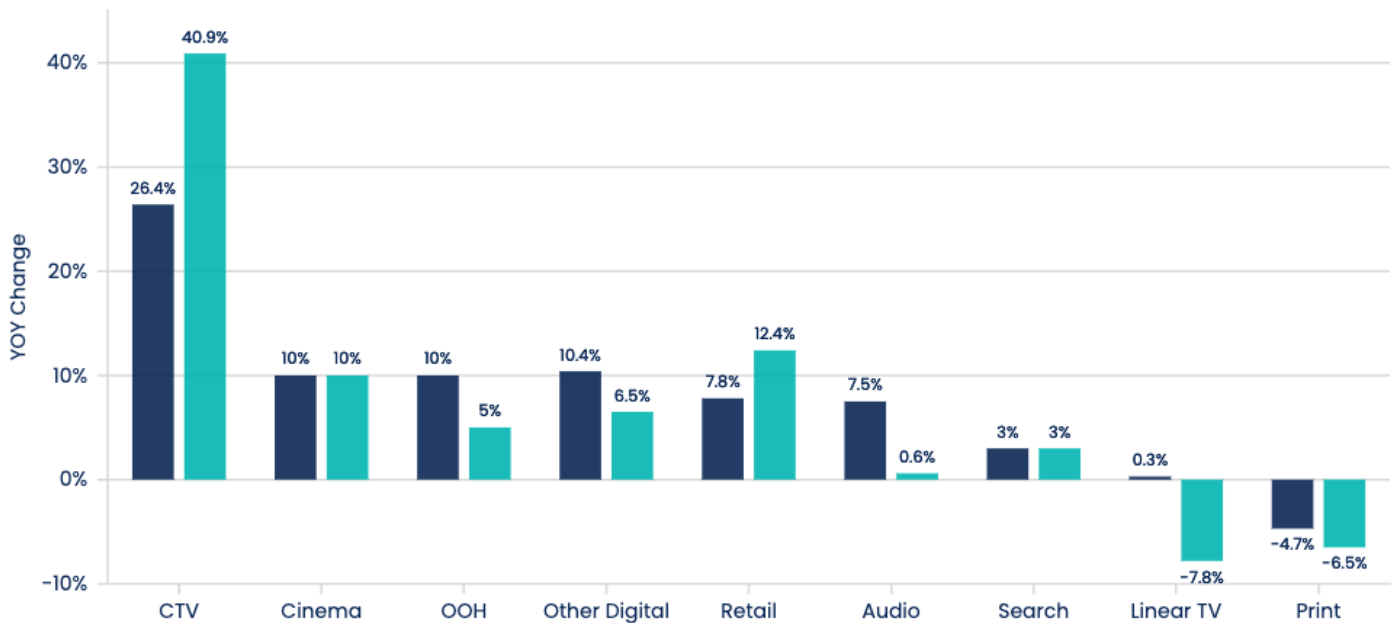
Media channel growth

Canada

Canada’s economy has experienced some sluggish growth, with the IMF predicting real GDP will improve 1.2% in 2024, following 1.1% growth in 2023. The Bank of Canada has said, however, that it expects growth to begin picking up in the back half of 2024 off the back of higher exports, population growth, and government investments, as well as the easing of “financial conditions,” such as cuts to the current interest rate, which sits at a 20-year high.

We expect total advertising revenue to increase 5.7% in 2024 to \$17.6 billion before decelerating to 5.1% in 2025. Upcoming sporting events will draw advertising dollars over the next few years, but the upcoming elections are not expected to have a significant impact. Based on reports through Elections Canada, ad revenue associated with the last federal election in 2021 accounted for roughly 0.3% of the total that year. We predict most major sporting events, like the Olympics, will result in shifts of spending throughout the year or across various media owners. The FIFA World Cup in 2026, for which Canada will host some games, may result in an incremental boost.

Canada Channel Growth 2024



Source: GroupM

TV

CTV will be one of the two main drivers of growth in Canada, alongside retail media, and ad revenue is expected to increase 26.4% in 2024 and a further 40.9% in 2025 as global streaming providers like Disney+, Amazon Prime, and Paramount+ have only recently entered the market and competition is likely to increase. As in other markets, streamers are targeting sporting events as part of their growth strategy. Amazon Prime recently partnered with the National Hockey League (NHL) and Rogers Sports & Media (the legacy media owner that has held the rights for the last 12 years) to host Monday-night games for the next two seasons. Our forecast calls for linear TV to be roughly flat in 2024 (0.3%) after an 8.9% decline in 2023. Growth in CTV should more than offset the -8.2% five-year CAGR for linear TV; total TV is expected to grow 4.8% on a compound annual basis through 2029.

Digital

Canada boasts the sixth-largest retail-media market globally, buoyed by Amazon and Walmart revenue as well as local retailer Loblaws and last-mile delivery services. Retail media is expected to grow 7.8% in 2024 to \$2.6 billion, accounting for 14.9% of total ad revenue — up from just 5% in 2019. Search-ad revenue is forecast at \$6.1 billion, up 3.0% over 2023 and the slowest growing of the digital channels. Other digital—non-search, non-retail—is expected to improve 10.4% in 2024 to \$3.4 billion (or up 12.0% inclusive of all digital extensions).

OOH/Audio

Both audio and OOH remain primarily local-oriented channels, with the exception of digital audio, which tends to attract predominantly national advertisers. According to the Canadian Radio-television and Telecommunications Commission, time spent listening to digital audio has grown while time spent with terrestrial audio has decreased at a 5.2% CAGR. Yet, we predict total audio will increase 7.5% in 2024, driven by 13.8% digital-audio growth and the return of auto advertisers. Canada is the second-largest audio market globally. Total OOH is expected to increase 10.0%, as will DOOH, taking digital revenue to \$241.5 million — 37.8% of the OOH total.

Print

Our forecast outlines continued declines in print advertising revenue with newspapers down 5.5% in 2024 and magazines down 1.4%, including their digital extensions.

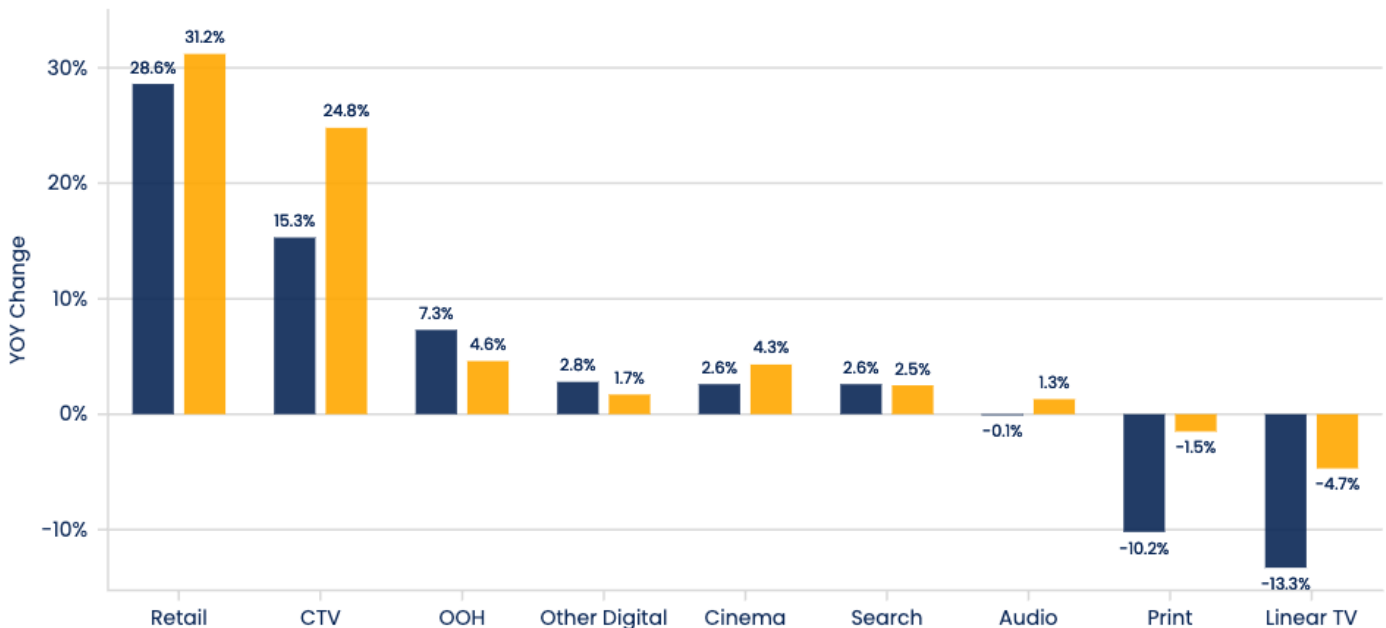
Media channel growth

Australia

After an increase of just 0.6% in 2023, Australia’s advertising revenue growth will improve slightly to 1.1% in 2024. The Royal Bank of Australia (RBA) recently revised its GDP growth estimates lower after a weaker outlook for consumer spending. The market’s annual CPI inflation rate was higher than expected for the first quarter of 2024, hitting 3.6%, still above the RBA target of 2%-3% and driven by education, health, housing, and food costs. Population growth (including international students), alongside inbound tourism, have helped prevent the economy slipping into recession.

Events such as the Olympics and elections are expected to have a minimal impact in 2024. As we have written previously, we view Olympics spending as primarily a shift of budgets within the year and between media owners rather than a source of incremental revenue. The states holding elections in 2024 are expected to see relatively low levels of political advertising, however federal elections in September of 2025 are likely to generate an increase in political advertising revenue across 2025.

Australia Channel Growth 2024



Source: GroupM

Media channel growth

Digital

We forecast pure-play digital growth of 4.2% to \$11.0 billion in 2024, with the 5-year CAGR through 2029 sitting at 5.0%. Growth of search in 2024 should reach 2.6%, with retail growth coming in significantly faster, at 28.6% (albeit from a much smaller base). Other digital ad revenue is expected to slightly outpace search, at 2.8%, as advertising from Chinese-based companies like Shein and Temu is helping to offset declines from some local advertisers.

TV

Total TV ad revenue is expected to decline 9.5% in 2024 as 15.3% growth in CTV (including video-on-demand) will not be enough to offset the 13.3% decline in traditional TV. CTV is expected to represent just 16.9% of total TV in 2024, but with ad tiers from Paramount+ and Amazon Prime expected later in the year, along with Disney+ in either 2024 or 2025, that share is expected to increase to 21.0% by the end of 2025 and hit 43.5% by 2029.

OOH

Australia, the eighth-largest global OOH market, is forecasting 7.3% ad revenue growth in 2024. OOH will make up 5.3% of total advertising in 2024, higher than the global share of 5.0%. Although DOOH is expected to continue as the main source of channel revenue growth, there are a number of prominent OOH panels that remain in high demand. DOOH is expected to growth 5.9% on a five-year compound annual basis through 2029.

Print/Audio/Cinema

Total print advertising revenue is forecast to decline 10.2% in 2024, followed by a more modest decline of 1.5% in 2025. Digital newspapers are expected to decline 3.9% in 2024, before returning to growth through 2028. Digital magazines will be roughly flat over the next five years. We predict that total audio will decline 0.1% in 2024 to \$830.2 million despite 16.4% growth in digital audio, which currently accounts for 24.7% of total audio. Australian cinema ad revenue is expected to surpass 2019 levels in 2027, a feat we do not expect at a global level even through 2029.

Global Summary Data Table

U.S. Dollars in Millions	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total TV	\$156,772.0	\$137,123.8	\$157,461.4	\$159,516.0	\$158,920.8	\$163,156.3	\$167,493.6	\$172,281.6	\$176,663.3	\$182,192.5	\$189,436.0
• Growth	-0.5%	-12.5%	14.8%	1.3%	-0.4%	2.7%	2.7%	2.9%	2.5%	3.1%	4.0%
• Share	25.3%	22.1%	19.9%	18.8%	17.3%	16.5%	15.9%	15.4%	15.0%	14.7%	14.4%
Traditional TV	142,408.4	119,882.9	133,480.2	132,029.7	127,022.8	124,838.8	122,449.9	121,020.2	120,264.7	120,806.2	122,984.0
• Growth	-1.7%	-15.8%	11.3%	-1.1%	-3.8%	-1.7%	-1.9%	-1.2%	-0.6%	0.5%	1.8%
• Share	90.8%	87.4%	84.8%	82.8%	79.9%	76.5%	73.1%	70.2%	68.1%	66.3%	64.9%
Connected TV+	14,363.5	17,240.9	23,981.2	27,486.2	31,898.1	38,317.5	45,043.7	51,261.4	56,398.6	61,386.2	66,452.0
• Growth	13.3%	20.0%	39.1%	14.6%	16.1%	20.1%	17.6%	13.8%	10.0%	8.8%	8.3%
• Share	9.2%	12.6%	15.2%	17.2%	20.1%	23.5%	26.9%	29.8%	31.9%	33.7%	35.1%
Audio	30,539.3	22,816.1	26,461.0	27,353.5	26,772.3	26,999.0	27,302.2	27,609.9	27,872.6	27,979.7	28,083.3
• Growth	0.8%	-25.3%	16.0%	3.4%	-2.1%	0.8%	1.1%	1.1%	1.0%	0.4%	0.4%
• Share	4.9%	3.7%	3.3%	3.2%	2.9%	2.7%	2.6%	2.5%	2.4%	2.3%	2.1%
Newspapers	42,548.6	31,670.8	33,412.3	33,098.2	31,899.6	31,194.2	30,880.6	30,220.7	29,703.8	29,110.1	28,218.2
• Growth	-7.4%	-25.6%	5.5%	-0.9%	-3.6%	-2.2%	-1.0%	-2.1%	-1.7%	-2.0%	-3.1%
• Share	6.9%	5.1%	4.2%	3.9%	3.5%	3.2%	2.9%	2.7%	2.5%	2.3%	2.1%
Magazines	24,496.4	19,369.1	20,410.0	19,356.8	18,280.6	17,477.8	16,655.1	15,966.0	15,215.3	14,370.2	13,558.4
• Growth	-5.5%	-20.9%	5.4%	-5.2%	-5.6%	-4.4%	-4.7%	-4.1%	-4.7%	-5.6%	-5.6%
• Share	4.0%	3.1%	2.6%	2.3%	2.0%	1.8%	1.6%	1.4%	1.3%	1.2%	1.0%
Outdoor	37,468.0	29,090.7	35,989.8	39,227.7	44,522.9	49,664.5	54,193.6	57,634.9	60,729.3	64,526.4	67,796.4
• Growth	5.9%	-22.4%	23.7%	9.0%	13.5%	11.5%	9.1%	6.4%	5.4%	6.3%	5.1%
• Share	6.0%	4.7%	4.6%	4.6%	4.9%	5.0%	5.1%	5.2%	5.2%	5.2%	5.2%
Traditional Outdoor	26,352.1	19,999.6	22,904.5	24,612.4	26,800.2	29,296.8	31,082.5	32,678.5	34,309.7	36,081.9	37,989.4
• Growth	3.3%	-24.1%	14.5%	7.5%	8.9%	9.3%	6.1%	5.1%	5.0%	5.2%	5.3%
• Share	70.3%	68.7%	63.6%	62.7%	60.2%	59.0%	57.4%	56.7%	56.5%	55.9%	56.0%
Digital OOH	11,115.9	9,091.1	13,085.4	14,615.3	17,722.7	20,367.6	23,111.1	24,956.4	26,419.6	28,444.5	29,807.1
• Growth	12.6%	-18.2%	43.9%	11.7%	21.3%	14.9%	13.5%	8.0%	5.9%	7.7%	4.8%
• Share	29.7%	31.3%	36.4%	37.3%	39.8%	41.0%	42.6%	43.3%	43.5%	44.1%	44.0%
Cinema	2,953.8	704.3	945.2	1,912.9	2,168.0	2,322.0	2,431.6	2,504.6	2,575.2	2,635.8	2,685.7
• Growth	6.1%	-76.2%	34.2%	102.4%	13.3%	7.1%	4.7%	3.0%	2.8%	2.4%	1.9%
• Share	0.5%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Digital Pure-Play	325,196.8	379,822.3	515,716.3	569,090.2	635,335.0	698,984.8	757,698.0	809,930.6	862,838.4	921,693.8	985,596.9
• Growth	26.1%	16.8%	35.8%	10.3%	11.6%	10.0%	8.4%	6.9%	6.5%	6.8%	6.9%
• Share	52.5%	61.2%	65.2%	67.0%	69.2%	70.6%	71.7%	72.6%	73.4%	74.2%	74.9%
Search	116,533.7	121,888.4	166,139.5	178,952.2	196,074.2	206,410.2	219,342.3	228,635.7	242,668.8	252,770.7	269,556.6
• Growth	13.8%	4.6%	36.3%	7.7%	9.6%	5.3%	6.3%	4.2%	6.1%	4.2%	6.6%
• Share	18.8%	19.6%	21.0%	21.1%	21.4%	20.9%	20.8%	20.5%	20.6%	20.3%	20.5%
Other Digital	159,758.0	186,902.1	251,842.1	281,610.0	311,895.8	342,928.3	368,573.5	396,721.3	422,255.2	455,862.1	487,804.8
• Growth	34.5%	17.0%	34.7%	11.8%	10.8%	9.9%	7.5%	7.6%	6.4%	8.0%	7.0%
• Share	25.8%	30.1%	31.9%	33.1%	34.0%	34.6%	34.9%	35.5%	35.9%	36.7%	37.1%
Retail	48,905.1	71,031.7	97,734.7	108,528.1	127,365.0	149,646.2	169,782.2	184,573.6	197,914.4	213,061.0	228,235.5
• Growth	33.5%	45.2%	37.6%	11.0%	17.4%	17.5%	13.5%	8.7%	7.2%	7.7%	7.1%
• Share	7.9%	11.4%	12.4%	12.8%	13.9%	15.1%	16.1%	16.5%	16.8%	17.1%	17.4%
Advertising Ex-U.S. Political	\$619,975.0	\$620,597.1	\$790,396.1	\$849,555.4	\$917,899.3	\$989,798.6	\$1,056,654.6	\$1,116,148.2	\$1,175,597.9	\$1,242,508.4	\$1,315,374.8
• Growth	11.6%	0.1%	27.4%	7.5%	8.0%	7.8%	6.8%	5.6%	5.3%	5.7%	5.9%
U.S. Political Advertising	1,936.2	11,196.0	2,556.4	11,929.2	3,059.3	15,447.9	3,240.6	12,965.7	3,459.9	17,235.4	3,749.4
Total Advertising	\$621,911.2	\$631,793.1	\$792,952.5	\$861,484.6	\$920,958.6	\$1,005,246.5	\$1,059,895.3	\$1,129,113.9	\$1,179,057.8	\$1,259,743.9	\$1,319,124.2
• Growth	10.6%	1.6%	25.5%	8.6%	6.9%	9.2%	5.4%	6.5%	4.4%	6.8%	4.7%

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