Robust Ad Spend Growth Likely In 2011

Contributed by Marketing Interactive
Thursday, 16 December 2010

Global ad spend in 2011 is expected to grow at an unprecedented rate with internet set to become the second largest advertising medium after TV, new reports show.

GroupM's study titled "This Year, Next Year" pegged spending in measured media to exceed US$500 billion for the first time ever, following a dramatic recovery in 2010.

The 70-country forecast predicted that worldwide ad spending in 2011 will reach almost US$502 billion, 5.8% increase on this year's US$474 billion. Â

Measured internet advertising is expected to contribute 37% to global ad growth in 2011 and is likely to reach US$82 billion, a growth rate that suggests it will overtake newspaper spending at some point in 2012.

In Asia, ZentihOptimedia is forecasting grow of 36% between 2010 and 2013.

It said the seven Asia Pacific markets are now showing double digit growth for this year and that China will overtake Germany to become the world's third largest ad market in 2011.

Replicating the global trend, TV and internet are the two mediums that continue to grow share in Asia Pacific.

The ZenithOptimedia report estimates television's share to rise from 40.8% in 2009 to 42.6% in 2013, and the internet's share to rise from 13.8% to 18.7% in the same period.

Magnaglobal, a division of IPG's Mediabrands, too, has forecasted that media suppliers around the world will grow their ad revenues during 2011 by 5.4% to total US$412 billion on a constant currency basis, above the previously published expectations of 4.2%.

Its compounded annual growth rate (CAGR) for the global industry is pegged at 6.3% through 2016, with most years upgraded by more than a half percent compared to its forecast published in June, 2010.

The report which includes global estimates of mobile, online video and digital out-of-home advertising, along with cinema as platformsÂ in its totals, concluded that online video will capture US$4.7 billion in global ad revenues, and should rise by 19.6% each year through 2016, to generate approximately US$11.4 billion.

Mobile advertising is smaller, at US$2.7 billion, and will grow at a similar pace and by 2016, media owners should earn US$6.6 billion from mobile advertising, Magnglobal's report concluded.

Digital outdoor advertising is increasingly important, but is smaller than mobile in scale in 2011 (at US$2.6 billion in ad revenues) and should grow at a slower rate in years ahead, totaling US$5.2 billion by 2016. Â

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Global - 7 December 2010