



dentsu

Global Ad Spend Forecasts

June 2021



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Top 10 ad spend trends in 2021

1. Global advertising is forecast to recover to 10.4% growth, reflecting a total spend of US\$634 billion, based on proprietary dentsu data from across 59 markets.
2. This spend will exceed pre-pandemic levels, with 2020 upgraded from -8.8% forecast in January 2021 to -7.2% following increased spend during Q4 2020.
3. On a like-for-like basis versus 2020, 2.4% growth in Q1 (reflecting the pandemic impact) is forecast to be followed by a Q2 recovery of 20.9% and 10.1% growth in H2.
4. All regions are forecast to return to growth in 2021, with US\$59.7 billion in incremental ad spend driven by the US, China, the UK and Japan.
5. The three fastest growing markets in 2021 are expected to be Canada, the US and Australia, with ad spend forecasts revised upwards in 7 of the 13 top spending ad markets since January 2021.
6. Digital will continually drive 2021 recovery, returning to double digit growth of 15.6% and a total forecasted spend of US\$311 billion.
7. Above-predicted growth in Social 23.0%, Video 17.0%, and Search 16.3% will drive a 50.0% share of global spend in Digital this year.
8. Linear TV will maintain a 30.3% share of global spend and 7.1% forecasted growth, boosted by the UEFA European Football championships and Olympic & Paralympic Games sporting events.
9. Most channels are returning to growth in 2021 (Cinema 35.1%, OOH 14.6%, Radio 10.4% and Linear TV 7.1%).
10. Continued growth of 7.2% and US\$680 billion in spend are predicted for 2022.



Global outlook

The pandemic-induced decline in global advertising spend during 2020 has proved less severe than anticipated. While 2020 remains the weakest performing year since the global financial crisis, the decline in growth during 2020 has improved since the January 2021 forecast from -8.8% to -7.2%.

The overall ad market outlook for 2021 is a recovery of 10.4% growth and a spend of US\$634 billion, which represents an improvement of 4.6 percentage points versus January's 2021 prediction. The ad market is forecast to fully recover in 2021, exceeding pre-pandemic spend sooner than was previously forecast. The IMF (June 2021) predicts 6.0% world growth in Real GDP in 2021 following the 3.3% decline in 2020.i

Based on the top 13 ad markets, Q2 remains the crucial point of recovery at 21% growth in ad spend, reflecting the severe impact of lockdowns on ad spend during this period last year, with the second half of the year predicted to deliver 10.1% growth. The recovery is set to continue into 2022, when ad spend is predicted to grow 7.2% to reach US\$680 billion.

All forecasts continue to be dependent on a number of factors and are subject to change. All historical advertising spend figures have been revised to May 2021 average exchange rates. Page 22 provides detailed information regarding the assumptions and methodology that underpin our forecasts.



Figure 1: Growth in global ad spend between 2019 and 2022
 Year-on-year % growth at current prices (January 2021 figures in brackets)

| | 2019a | 2020a | 2021f | 2022f |
|-------------------------------------|------------|----------------------|--------------------|-------------------|
| Global | 4.2 | -7.2 (-8.8) | 10.4 (5.8) | 7.2 (6.9) |
| North America | 5.1 | -7.6 (-7.6) | 13.7 (4.0) | 8.1 (8.0) |
| US | 5.1 | -7.5 (-7.5) | 13.7 (3.8) | 8.0 (8.0) |
| Canada | 5.4 | -9.6 (-9.6) | 14.0 (7.2) | 9.2 (9.3) |
| Western Europe | 3.1 | -9.6 (-10.9) | 7.5 (7.5) | 6.2 (6.6) |
| UK | 6.1 | -7.7 (-7.6) | 12.0 (10.4) | 8.5 (10.5) |
| Germany | -1.1 | -7.3 (-8.4) | 3.3 (4.3) | 4.0 (2.5) |
| France | 7.1 | -9.2 (-13.9) | 7.0 (8.9) | 6.0 (6.0) |
| Italy | -1.3 | -12.2 (-14.4) | 5.4 (5.9) | 3.1 (3.2) |
| Spain | -0.1 | -18.1 (-20.6) | 3.4 (4.5) | 6.7 (7.0) |
| Central & Eastern Europe | 8.7 | -2.3 (-1.9) | 8.9 (7.2) | 8.4 (6.2) |
| Russia | 5.6 | -4.2 (-5.9) | 8.6 (3.0) | 8.2 (3.3) |
| Asia-Pacific | 4.1 | -5.2 (-8.0) | 8.0 (5.9) | 6.3 (5.8) |
| Australia | 1.8 | -11.2 (-11.2) | 12.7 (5.9) | 2.9 (6.2) |
| China | 3.0 | 1.6 (1.6) | 8.5 (5.3) | 6.9 (5.0) |
| India | 9.4 | -12.9 (-17.5) | 10.8 (10.8) | 12.4 (12.4) |
| Japan | 6.2 | -11.2 (-16.6) | 4.4 (5.3) | 4.2 (6.8) |
| Latin America | 4.5 | -12.2 (-18.4) | 13.6 (10.2) | 12.1 (8.1) |
| Brazil | 1.8 | -22.6 (-22.3) | 8.8 (5.2) | 5.5 (2.6) |

Source: dentsu Ad Spend Forecasts June 2021



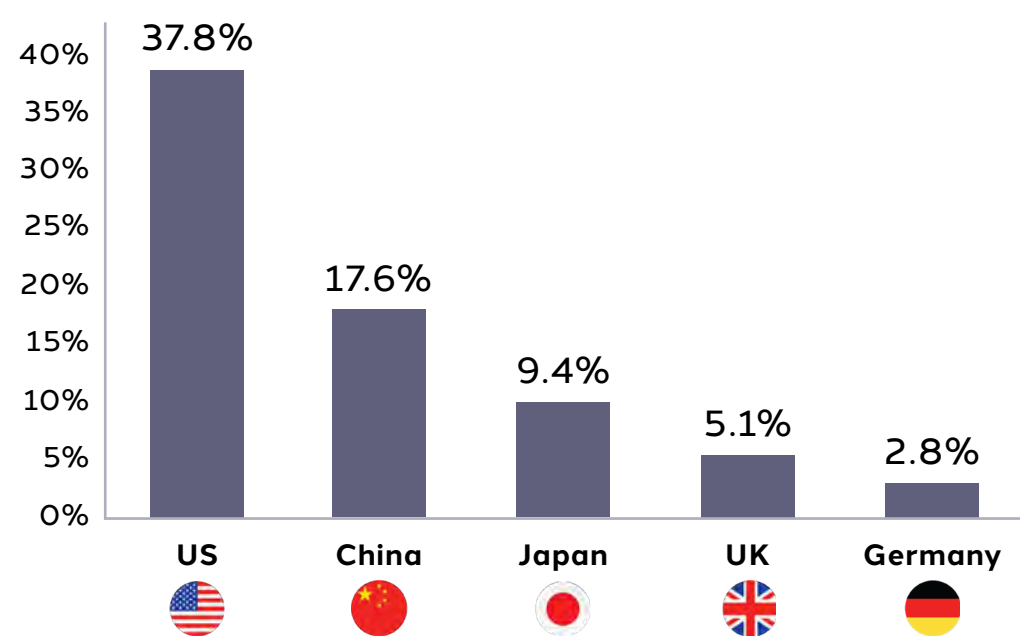
Market outlook

A return to growth is predicted for all regions in 2021: North America 13.7%, Latin America 13.6%, Central and Eastern Europe 8.9%, Asia Pacific 8.0% and Western Europe 7.5%. Pre-pandemic levels of spend are forecast in North America, Asia Pacific and Central and Eastern Europe – all of which have exceeded January forecasts for this year.

By market, the top five contributors to the US\$59.7 billion of growth in incremental ad spend during 2021 will be the US, China, UK, Japan and Australia. The US share of ad spend remains significantly above all other markets in 2021 (see Figure 2).

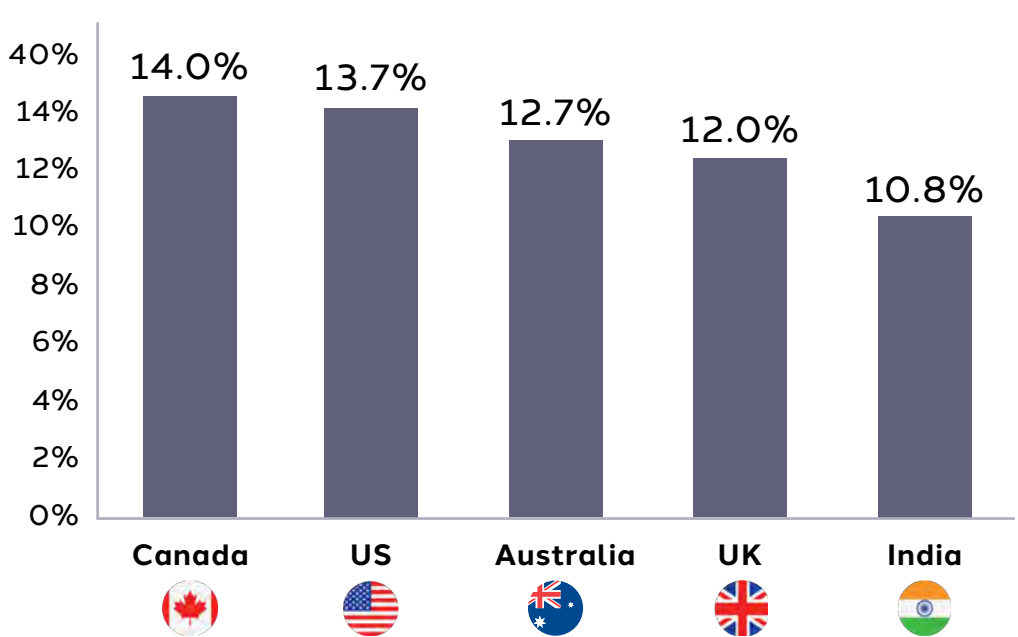
The highest growth rates in 2021 are forecast to come from spend in Canada, the US, Australia, the UK and India (see Figure 3), with this year’s ad spend expected to exceed 2019 pre-pandemic levels in China by 10.2%, the US 5.1%, Russia 4.1%, the UK 3.4% and Canada 3.0%.

Figure 2: Top five markets by share of global ad spend in 2021
% Share of total ad spend



Source: dentsu Ad Spend Forecasts June 2021

Figure 3: Top five markets by ad spend growth rate in 2021
Year-on-year % growth



Source: dentsu Ad Spend Forecasts June 2021

Top markets by share of global ad spend in 2021



United States

Spend is forecast to re-bound faster than previously predicted in 2021, growing 13.7% to reach US\$239.9 billion. Digital spending accelerated throughout the pandemic, significantly in e-commerce, and will achieve a 44.8% share of spend in 2021. Many advertisers turned their 2020 buys to digital advertising, with Video and CTV/OTT (Connected TV / Over-The-Top) advertising soaring as consumers stayed at home. The increase in CTV and OTT spend will continue as supply erodes in Linear TV, despite advertiser demand. In 2022, growth in ad spend is expected across most sectors, with 8.0% forecasted growth.



China

Following 1.6% growth in 2020, spend is forecast to grow 8.5% in 2021 to reach US\$111.6 billion, 3.2 percentage points above predictions in the January report. Digital and OOH spend are expected to drive growth whilst other traditional media are expected to decline, with Digital forecast to grow by 12.6% in 2021, accounting for US\$77.8 billion and a 69.7% share of spend. The number of mobile internet users continues to increase - there were 8.2 million additional users year-on-year in March 2021.ⁱⁱ Overall, the China ad market is forecast to grow by a further 6.9% in 2022.



Japan

A gradual recovery is forecast in Japan, with 4.4% growth in 2021 ad spend generating US\$59.9 billion. Increased mobility as the pandemic eases, the hosting of the Tokyo 2020 Games, and the House of Representatives election all constitute important elements in the recovery, with TV ad spend expected to grow 4.8% in 2021 as a result of the Tokyo 2020 Olympic and Paralympic Games. Digital ad spend is forecast to increase by 10.0%, an upward revision from the previous forecast of 7.8% in January 2021 driven by a larger than expected increase in Digital spend during Q1 2021, with Digital representing a 38.1% share of spend this year. A further 4.2% increase in overall spend forecast for 2022.





United Kingdom

12.0% growth in ad spend is predicted in 2021, representing US\$32.4 billion and exceeding the US\$31.3 billion ad market size in 2019 by 3.4%. This has been adjusted up from January's forecast of 10.4% as the vaccination programme progresses, social restrictions ease and economic forecasts improve. 2022 ad spend is forecast to grow by 8.5%, with Digital driving 70.5% of overall growth. OOH and Cinema will also contribute to the growth in 2022, particularly in 1H 2022 given the comparison against 1H 2021, when lockdown restrictions were in place.

Germany

The initial months of 2021 saw continued lockdowns and restrictions impact many sectors' performance, with economic improvement now expected in the second half and sectors such as tourism, hospitality, culture and sports forecast to gain momentum in Q3 2021. Germany's Digital share of spend is at 42.9%. Overall spend is expected to increase 3.3% in 2021, driven by a US\$11.6 billion forecast growth in spend in the second half. A steady, incremental increase in advertising spend of 4.0%, equal to US\$712 million is expected in 2022, when ad spend will continue its recovery at a total value of US\$18.6 billion.

Top markets by year-on-year growth rate



14.0% growth is predicted in 2021 at a total of US\$10.5 billion. Year-on-year data suggests increased optimism for recovery, driven by the return of Covid-impacted categories such as travel and entertainment and positive developments in the vaccine rollout. Overall recovery will be driven by 15.6% growth in Digital spend, primarily in retail e-commerce and Video, representing a 59.7% share of spend which is expected to maintain trajectory throughout 2021. The Canadian ad market is forecast to fully recover in 2021, before continuing with 9.2% market growth and US\$11.4 billion in ad spend during 2022.



Stronger than expected economic recovery in Australia has created improvements in overall ad spend. Following a 11.2% decline in 2020, ad spend is expected to recover in 2021 and grow by 12.7% to US\$12.8 billion. The recovery has been much faster than expected in 1H 2021 - particularly for TV and Digital. TV is the key beneficiary of broad market ad spend in addition to Government Covid-related campaigns, whilst Digital ad spend has been driven by a surge in retail advertising and will represent 61.1% of spend in this market. 2H 2021 is expected to be further buoyed by the Tokyo Olympics in Q3 and a possible Federal election in Q4, with a further 2.9% increase expected in 2022, reaching US\$13.2 billion in ad spend.



Spend is forecast to grow 10.8% in 2021 to reach US\$9.0 billion, following a steep 12.9% decline in 2020. TV continues to be the most popular media in India, with a leading 40.9% share of spend that shows resilience despite the pandemic and a 7.7% growth compared to 2020 spend. Digital's share of spend has grown rapidly, from 20.0% in 2019 to 29.4% in 2021, and is expected to reach 32.7% by the end of 2022. The ad market is forecast to grow by a further 12.4% in 2022, recovering to pre-pandemic levels, particularly led by Digital and TV versus a longer recovery for Print, Cinema, OOH and Radio.





Media outlook

While ad spend across TV, Print, Radio, OOH and Cinema declined by 14.8% in 2020, spend in digital increased by 4.0%. A return to growth is forecast for linear media in 2021 by 6.3%, however at US\$312 billion; spend levels will remain below pre-pandemic levels

of US\$344 billion in 2021. Following the acute impact of the pandemic on Cinema and OOH, both channels are predicted to see the biggest increases in 2021 of 35.1% and 14.6% respectively, while Radio will grow 10.4%, TV 7.1% and Print will decline by 4.4%.



Figure 4: Share of global ad spend by channel between 2019 and 2022
 (January 2021 figures in brackets)

| | 2019a | 2020a | 2021f | 2022f |
|-------------------|-------|-------------|-------------|-------------|
| Digital | 42.9 | 47.8 (48.0) | 50.0 (50.0) | 51.5 (51.2) |
| Linear Television | 33.1 | 31.3 (31.1) | 30.3 (29.9) | 29.5 (29.6) |
| OOH | 6.2 | 5.3 (5.1) | 5.5 (5.6) | 5.6 (5.7) |
| Radio | 5.9 | 5.7 (5.8) | 5.7 (5.8) | 5.4 (5.5) |
| Newspapers | 6.8 | 5.7 (5.7) | 5.1 (5.3) | 4.7 (4.7) |
| Magazines | 4.5 | 3.8 (3.9) | 3.1 (3.2) | 2.8 (2.8) |
| Cinema | 0.6 | 0.3 (0.3) | 0.3 (0.4) | 0.4 (0.4) |

Source: dentsu Ad Spend Forecasts June 2021

Figure 5: Growth in global ad spend by channel between 2019 and 2022
 Year-on-year % growth at current prices in order of share of global ad spend
 (January 2021 figures in brackets)

| | 2019a | 2020a | 2021f | 2022f |
|-------------------|-------|---------------|---------------|-------------|
| Digital | 11.9 | 4.0 (3.2) | 15.6 (10.1) | 10.6 (9.3) |
| Linear Television | 0.7 | -11.9 (-13.6) | 7.1 (1.7) | 4.7 (5.9) |
| OOH | 2.0 | -19.6 (-23.3) | 14.6 (14.9) | 9.2 (9.6) |
| Radio | -0.5 | -9.4 (-10.1) | 10.4 (4.7) | 1.8 (1.6) |
| Newspapers | -9.1 | -21.7 (-23.3) | -0.5 (-3.1) | -1.9 (-3.4) |
| Magazines | -7.6 | -19.7 (-20.1) | -10.3 (-14.3) | -4.2 (-6.4) |
| Cinema | 9.6 | -59.6 (-58.3) | 35.1 (41.7) | 28.1 (23.0) |

Source: dentsu Ad Spend Forecasts June 2021



Digital dominates

The 4.0% growth in Digital spend in 2020 helped grow the channel’s share of global ad spend by 5 percentage points versus 2019 (42.9% to 47.8%), an additional 2% higher than the yearly average over the 10 years prior to 2020.

Forecasts for 2021 suggest a return to double digit growth in digital ad spend of 15.6% (revised up from the 10.1% predicted in January 2021) to reach US\$311.0 billion, representing a 50.0% share of global ad spend.

Figure 6: Growth in global digital ad spend sub-category between 2019 and 2022
Year-on-year % growth at current prices (January 2021 figures in brackets)

| | 2019a | 2020a | 2021f | 2022f |
|--------------|-------|-------------|-------------|-------------|
| Social Media | 27.4 | 15.1 (13.9) | 23.0 (18.3) | 17.2 (16.6) |
| Video | 15.2 | -1.6 (-2.0) | 17.0 (10.8) | 12.7 (11.5) |
| Paid Search | 9.9 | 10.9 (10.1) | 16.3 (11.0) | 9.9 (8.7) |
| Display | 8.2 | -1.8 (-3.0) | 13.5 (8.1) | 9.7 (7.2) |
| Classified | 4.2 | -3.6 (-4.0) | 8.8 (3.5) | 5.1 (4.1) |

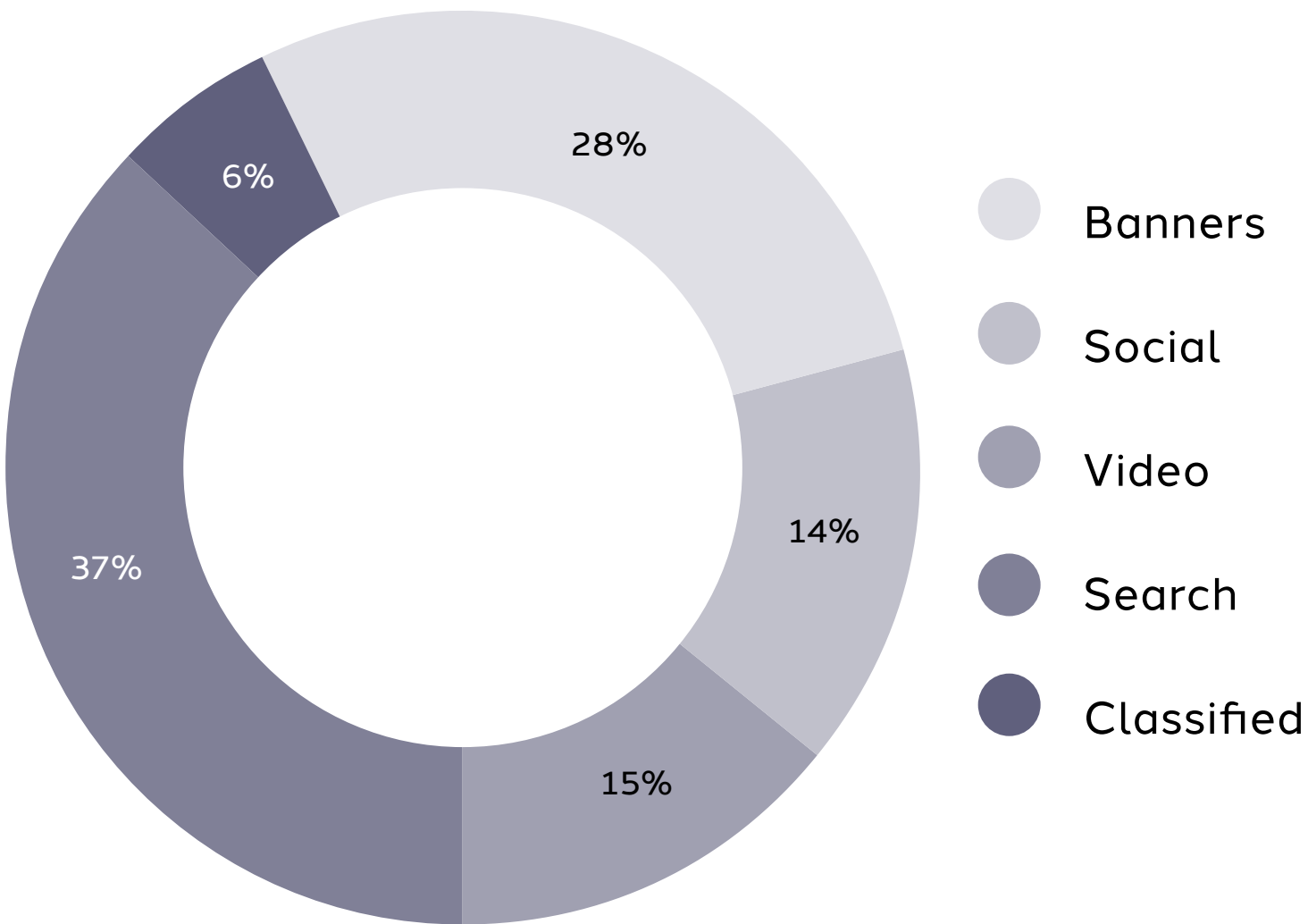
Source: dentsu Ad Spend Forecasts June 2021



In 2021 Social and Video ad spend is forecast to grow at 23.0% and 17.0% respectively, upgraded from 18.3% and 10.8% predicted in the January 2021 report.

Search spend is expected to grow by 16.3% to reach US\$110.1 billion in 2021 and will continue to account for over a third of digital spend in 2022 (see Figure 7).

Figure 7: Share of global digital ad spend by sub-category in 2022



Source: dentsu Ad Spend Forecasts June 2021



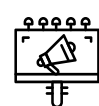
TV turns it up

Linear TV ad spend is forecast to grow by 7.1% in 2021 to reach US\$188.4 billion and a 30.3% share of total spend, following a decline in ad spend of 11.9% in 2020. Spend will remain below 2019 pre-pandemic levels of US\$199.7 billion in all but 3 of the top 13 markets (Australia, Russia and India). The highest share of spend will come from Brazil 61.6%, Italy 50.9% and India 40.9%. While the UEFA European Football Championships and Olympic and Paralympic Games are expected to provide a boost to TV ad spend in 2021, global spend will remain below pre-pandemic levels beyond 2022.



Print perseveres

Overall spend in Print (Newspapers and Magazines combined) is forecast to decline by 4.4% in 2021 (Newspaper -0.5% and Magazine -10.3%) but is expected to return to growth in 6 of the top 13 markets. Share of spend is decreasing year-on-year by 1-2 percentage points on average, with a 2.7% decline in spend expected in 2022. Newspaper's share of total spend (5.1%) will be overtaken by OOH in 2021 (5.5%) as it continues to evolve towards new modes of digital delivery.



OOH returns

Following significant impact from the pandemic outbreak, ad spend in OOH is predicted to increase by 14.6% to account for US\$34.4 billion, with share of spend increasing slightly to 5.5%. Growth will be driven by the return of passenger and foot traffic and expanding opportunities in digital, personalisation and programmatic will continue to be central to delivery. Spend is forecast to recover by the end of 2022, reaching US\$37.6 billion.



Cinema set for success

Cinema ad spend is predicted to increase 35.1% in 2021. Boosted by the number of new titles ready to be distributed, the demand for cinema advertising will be matched by audience increases as lockdowns ease globally and consumer confidence in sharing space with people outside of their households grows. Relative success in outdoor cinema, which has been trialled in markets outside of the drive-in tradition,ⁱⁱⁱ also suggests a strong appetite among audiences and a new opportunity to reshape the landscape in the longer-term.

Radio evolves

With Radio consumption shifting to in-home, the channel saw a 9.4% decline in growth during 2020. In 2021, a forecast of 10.4% global growth is heavily driven by Digital Audio and Podcasting, as well as the continued rise of smart assistants supporting hands-free engagement. Looking ahead, Radio will increasingly be used in conjunction with OOH to deliver geo-targeted, location-based advertising.^{iv} Spend is forecast to recover by the end of 2021, reaching US\$35.6 billion.

Leader perspectives



Alastair Shearly-Sanders,
Global President,
Amplifi

“ We see the TV market making a strong recovery in 2021. TV is still a critical brand building medium and, on the road out of the pandemic restrictions, we are seeing strong consumer and advertiser demand for appointment to view events such as UEFA Euro 2020, the Copa America, and with the Olympics still to come, this should continue through July and August. More systemic changes are also playing a part in the TV markets growth. A trend pre-pandemic which has accelerated is the continued rise of OTT players and the proliferation of smart TVs and connected screens.

As consumer behaviour has shifted, traditional TV players and new entrants have focused their efforts on developing for a world where content is streamed. This has led to a significant growth in connected TV advertising which is helping to fuel the recovery in TV in 2021 and is further blurring the lines between what constitutes TV advertising and “digital” advertising.



Fiona Lloyd,
Global Client & Brand
President, Carat

“ Empowering brands to make informed decisions regarding media channels is more important than ever. The swift pace of change in consumer’s media consumption and lifestyles means we are working even more collaboratively with our clients to interpret our industry-leading insights and data. This approach ensures that the campaigns we deliver are rooted in evidence-based strategies driving positive and effective engagement, as well as brand advocacy.



Mike Law,
President, US, Amplifi

“ The return to ad growth in the US, replicates the conversations we are having with clients and confidence is growing at a strong and steady rate as we look towards the remainder of the year and into 2022. It is no surprise that digital spending continues to accelerate. Additionally, as linear TV viewership falls and streaming platforms continue to grow substantially, we have seen an acceleration in demand for CTV/OTT as well as other non-linear video options. Next year, we will see a meaningful growth in spend for key channels like OOH, Cinema, and Audio.



Amanda Morrissey,
Global Brand President,
iProspect

“ The progress towards ad spend recovery is gaining strong momentum, following a period which has changed our industry landscape while also accelerating and cementing several trends that we had seen developing long before the last 18 months. The forecasted return to growth across all regions this year, continuing into 2022, is a cause for brand optimism that we hope will create a springboard for innovation and creativity.



Giulio Malegori,
CEO EMEA,
dentsu international

“ It is reassuring to see positive growth in global GDP and overall media spend in EMEA. Digital is the heartbeat for business growth and it is our responsibility as the agency partner to overcommunicate with our clients and guide them through the changing landscape of digital advertising and regulations, especially in emerging markets. Our priority remains to help clients better understand their target audience through data and analytics and maximise their media spend ROIs across different channels to accelerate their growth agenda.



Peter Huijboom,
Global CEO, Media
and Global Clients,
dentsu international

“ Media’s role has never been more important in creating deeper relationships with brands. The challenges we have seen in the past 18 months in building that connection have provided key learnings and great insights into what is effective and what deliver value for our clients. As media consumption grows, we have seen the acceleration in ecommerce and digital marketing. Creating new, relevant and engaging experiences which bring people together with brands has never been more important.



Ashish Bhasin,
CEO APAC,
dentsu international

“ It is promising to see a return to growth in the APAC region with two of our markets in the top five contributors of ad spend growth; China and Japan. While China continues to see strong levels of growth driven by Digital and OOH, Japan’s growth will be buoyed by events like the 2020 Olympic & Paralympic Games, and the House of Representative elections and the advertising spend associated with it, particularly in TV.

In addition, Australia and India are two of the top year-on-year growth markets, forecasting a surge in ad spend. Australia has had a stronger economic recovery after the pandemic particularly in TV and Digital where the government focused much of their Covid-related campaigns, while India is expected to see a resurgence in Digital advertising spend though TV is still the main contributor with a 40.9% share.



Sanjay Nazerali,
Global Client & Brand
President, dentsu X

“ As reflected in dentsu’s forecast, social distancing has made the world recognise how much it values and misses "social proximity". The real winners in the recovery are those media which bring people together – most obviously Social, but most notably TV.

During the pandemic lockdowns shared stories emerged, as people’s daily routines were dictated by their home environment and became more similar, which we could further amplify on digital channels. In short, TV gave us something to talk about. Equally, people trusted TV more than other media to deliver accurate and practical health information from politicians and scientists.

In our forecasts, the winning factor is, quite simply, ‘talkability’: those media which disseminate the information and stories which we want to share. The forecast growth should therefore serve as a useful strategic pointer for other media.



Will Swayne,
Chief Client Officer, Media,
dentsu international

“ In 2020, we saw shift in consumer’s digital behaviours and this trend continues in 2021. Consumers are living more of their life in digital media and as a result, we are seeing digital ad spend grow at an accelerated rate, now making up 50% of all ad spend globally. Advertisers are fast adapting to this change in order to capture market share through more personalised and relevant consumer experiences.



Prerna Mehrotra,
CEO Media APAC and
MD Media Singapore,
dentsu international

“ We are optimistic that the region will bounce back to positive growth in ad spend, with some channels likely boosted higher than pre-pandemic levels. The main drivers behind the growth is economic recovery, with the APAC GDP set to increase by 7.3%, and a stronger-than-ever push to digital marketing.

Serving as a stimulus the pandemic has accelerated digital adoption. Digital media will continue to drive ad revenue growth this year with strong performance in Social (+33%) and Video (+11%) and majority of spends in mobile. We will also see more investments diverted towards addressable and the digitalisation of OOH channels.

Programmatic DOOH will also be a key growth driver in the future. With the growing numbers of SSPs and DSPs partnerships and an increasing demand for location-based solutions to ad-reaching consumers in these times of uncertainty, advertisers will benefit from the speed, flexibility and the targeting capability that the medium will provide.



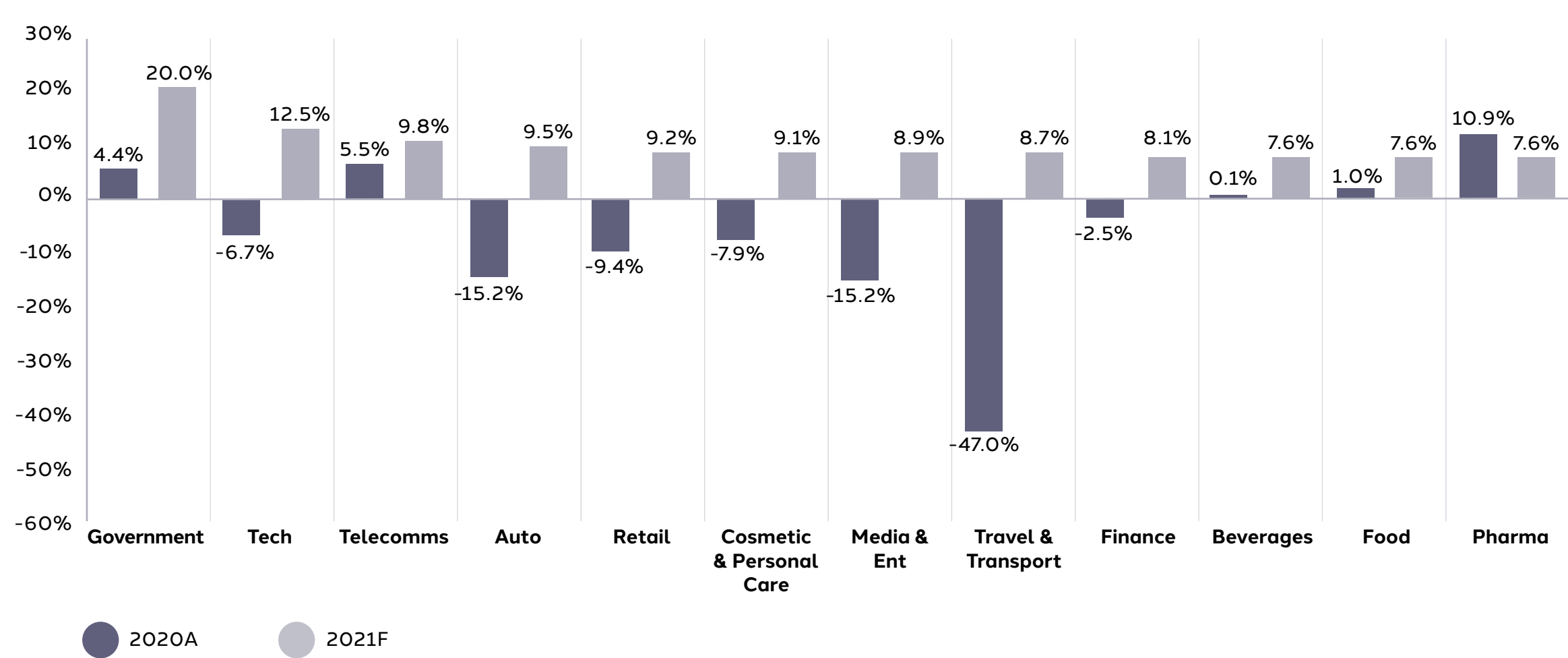
An industry lens on spend

Based on analysis across industries, Government spending remains a key area of spend growth, supporting the Covid vaccine rollout and other related initiatives.

The Travel and Transport sector continues to be affected by the uncertainty of the pandemic, border shutdowns and travel restriction, with ad spend in this sector revised down versus January 2021 forecasts. An overall 8.7% increase in demand is forecast in 2021 following the 47.0% decline in 2020 as international travel begins to resume.

Media & Entertainment is forecast to achieve 8.9% following a 15.2% reduction in 2020, while spend in Automotive advertising is set to grow by 9.5% from a 15.2% reduction in 2020.

Figure 8: 2021 ad spend growth forecasts by industryⁱ
 Year-on-year % growth at current prices



Source: dentsu Ad Spend Forecasts June 2021

ⁱ 2020 change based on: Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, Spain, UK, US
 2021 change based on: Australia, Brazil, Canada, China, France. Germany, India, Italy, Japan, Russia, US



Brand recommendations

While the fragmented impact of the pandemic continues to shape ad spend across markets there are key considerations to help brands respond with agility and flexibility:

- To empower brands in making informed decisions regarding media channels, data and insights into changing consumer media consumption and lifestyle patterns will continue to be important. Sustained investment in analytics will particularly help to build a view of how behaviours are evolving as the months progress and develop predictive capabilities.
- In light of changing lifestyle patterns, many media channels have evolved in recent months to serve new purposes – such as broadcast e-commerce via livestream. Brands can use this period to explore new arenas in which to deliver brand messages and diversify their campaigns across new platforms to drive engagement.
- Consumer expectations of communications and actions spanning everything from the environment to employee wellbeing are here to stay. Brands that consistently reinforce a social responsibility dimension in their identity will win consumer trust. The leaders in this space will work collaboratively and beyond their industry to deliver large scale change.
- With the much-anticipated sports events that were postponed in 2020 giving TV a boost this year, the many brands who will be seeking to target sports fans in specific timeframes may create a counterprogramming scenario. Potentially reduced ratecards for targets outside of this group will offer many other brands new opportunities for reach at scale.

- Continuing digitisation across OTT platforms, Digital Print and Audio services this year also present brands with opportunities to devise new engagement strategies, delivery options, and the chance to create a broader range of content formats that will ultimately create a richer brand experience for consumers.
- The continued rise of e-commerce has successfully converted previously reluctant targets and become the go-to method of purchase for products traditionally thought of as in-store only. It has also created a different playing field for brands, who must now ensure that they communicate not only the strength of their products and services, but also the strength of their online experience and customer service in order to leverage earned media coverage to its full potential.
- As consumer behaviour continues to skew towards digital modalities, brands can also leverage the return to public events in some markets to bring people who remain in a heightened stage of the pandemic closer to the action. Innovative creative solutions such as immersive, virtual worlds are increasingly being used to drive brand engagement and conversation in this context.
- Personalised offers and messaging delivered to increasingly tailored customer segments are more important than ever as digital continues to grow. Ensuring that audience profiles are sufficiently nuanced and adapted to pandemic-context behaviours will help to achieve more convenient and useful shopping experiences, wherever the consumer might be.



Assumptions and methodology

These forecasts should be read in the context of significant ongoing uncertainty related to the global pandemic and government measures to contain it. As the global vaccination programme is rolled out dentsu will be closely monitoring market ad spend to ensure our figures remain an accurate reflection of the sector.

Advertising expenditure forecasts are compiled from data collated from dentsu's brands and based on our local market expertise until the second half of June 2021. We use a bottom-up approach, with forecasts provided for 59 markets covering the Americas, EMEA, Asia Pacific and Rest of World by medium: Linear Television, Newspapers, Magazines, Radio, Cinema, Out-of-Home and Digital Media. The advertising spend figures are provided net of negotiated discounts and with agency commission deducted, in current prices and in local currency. For global and regional figures, we convert the figures centrally into USD at the May 2021 average exchange rate. The forecasts are produced bi-annually with actual figures for the previous year and latest forecasts for the current and following year all restated at constant exchange rates.

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About dentsu international

Part of dentsu, dentsu international is made up of six leadership brands – Carat, dentsu X, iProspect, Isobar, dentsumcgarrybowen, Merkle and supported by its specialist brands.

Dentsu International helps clients to win, keep and grow their best customers and achieve meaningful progress for their businesses.

With best-in-class services and solutions in media, CXM, and creative, dentsu international operates in over 145 markets worldwide with more than 45,000 dedicated specialists.

www.dentsu.com

For further information about this report please contact:

DATA INQUIRIES:

Lin Liu

Research Manager

Lin.Liu@dentsu.com

MEDIA INQUIRIES:

Fiona Magill

Senior PR Consultant

Fiona.Magill@dentsu.com