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30 April 2012

US ADSPEND OUTLOOK IMPROVES

The latest Consensus Ad Forecast from Warc, the marketing intelligence service, shows that the US ad market has witnessed the biggest improvement in outlook since January.

US adspend is expected to grow by +4.1% in 2012, an increase of +0.8pp. The rate of growth is expected to slow to +3.3% in 2013, when there will be no quadrennial boost from the presidential elections and Olympics. Growth in the US market is still below the global total, which is predicted to increase by +5.3% in 2012 and by +5.4% next year.

Despite signs of economic stabilisation in the Eurozone in the first three months of the year, the outlook for the major European economies has shown little sign of improvement. In 2012, Germany, France, Italy and Spain are still expected to be the worst performers of the 13 markets covered by the Forecast. The outlook for the UK has also deteriorated since the start of the year, expectations are down -0.7pp to +2.4% growth.

Warc's Consensus Ad Forecast is based on a weighted average of adspend predictions at current prices from ad agencies, media monitoring companies, analysts, Warc's own team, and other industry bodies.

Consensus Adspend Forecast, 2012 vs 2011(current prices)

	Yr-on-yr % change	Percentage point difference vs January
China	14.8	+0.1
Russia	13.6	-0.4
India	11.4	-1.0
Brazil	10.2	0.0
Canada	4.5	+0.2
US	4.1	+0.8
Japan	2.8	+0.2
Australia	2.6	-0.1
UK	2.4	-0.7
Germany	1.6	-0.2
France	1.0	+0.1
Italy	0.0	-0.7
Spain	-3.2	-1.2
Global	5.3	-0.1

Source: Warc's Consensus Ad Forecast (www.warc.com)



The BRIC countries are predicted to have the fastest-growing ad markets both this year and next. Despite recent economic concerns, China is expected to record growth of +14.8% in 2012 and +15.7% in 2013.

In terms of individual media, global online advertising is expected to record the strongest increase, growing by around +14% both this year and next. TV (+5.9%), radio (+2.7%), cinema (+5.3%) and out of home (+5.3%) should also see growth in 2012, but newspapers (-1.5%) and magazines (-1.1%) are predicted to record net declines. All countries bar the BRIC markets and Canada are expected to see print ad revenues fall.

Suzy Young, Data Editor, Warc said: *"The outlook for global advertising in the first few months of 2012 has remained broadly in line with the end of last year. However, the lack of economic growth across Europe in the first quarter is now starting to weigh on confidence and could cause analysts to lower forecasts as the year goes on."*

"It is to be hoped that the quadrennial effect of the Olympics and US presidential elections provides the industry with a much-needed boost."

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About Warc Forecasts & Data

Warc (www.warc.com) has produced trusted and independent data on advertising expenditure and media costs for more than 25 years. It has partnerships with leading advertising organisations in more than 80 countries.

The *Warc Consensus Ad Forecast* is updated four times a year and provides estimates for total advertising expenditure and expenditure on seven individual media for 13 markets. The markets covered by the forecast are: Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, Spain, UK and US.

The media covered by Warc's forecasts are: TV, newspapers, magazines, internet, outdoor, radio and cinema. Totals for individual media include both display and classified advertising. The figures for internet advertising expenditure incorporate display, classified and search.

Warc data products are available on subscription from www.warc.com. They are used by leading advertisers, media agencies and media owners in all markets. To find out more about Warc's data products and its flagship online service, www.warc.com, visit www.warc.com/Topics/ForecastsandData.topic or take a free trial at www.warc.com/trial

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