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for marketing people

Global advertising spend to rise by 5.6% in 2014 and 5.3% in 2015

London, 16th June 2014

Warc (www.warc.com), the marketing intelligence service, expects global advertising spend (based on 12 major markets) to increase by 5.6% at current prices in 2014, according to its latest *International Ad Forecast*. This represents an upgrade of 1.2pp from our previous report in October. We anticipate further growth of 5.3% next year.

If inflation is taken into account, global adspend in real terms is expected to rise by 3.2% this year and a further 2.7% in 2015.

The outlook is positive due to improving trading conditions and the stimulus provided by major sporting events this year, such as the FIFA World Cup and Sochi Winter Olympics.

Forecast adspend growth in 2014, % change year-on-year

	Current prices	Constant 2005 prices*	Percentage point change vs April (current prices)
Australia	2.9	0.3	0.0
Brazil	12.4	6.0	+2.0
Canada	3.2	1.6	-0.9
China	12.3	9.5	+2.1
France	0.2	-0.8	+0.2
Germany	2.0	2.0	+0.4
India	14.0	5.6	+5.3
Italy	0.7	0.0	0.0
Japan	2.3	0.0	+0.3
Russia	8.6	2.2	-2.4
UK	5.8	3.8	+0.4
US	5.6	3.8	+2.6

*Constant 2005 price forecasts take into account predicted inflation.

Forecast growth calculated in local currency. Source: Warc's International Ad Forecast

The BRICs are expected to show the biggest increases in adspend in 2014, led by India on +14.0%. However, these four countries are also expected to record high rates of inflation, leading to a significantly lower growth outlook in real terms.



Outside the BRICs, the UK is expected to post the highest increase in advertising spend in 2014 (+5.8%). The world's largest adspend market – the US – should grow at a similar rate of 5.6% this year to total \$167bn.

Looking to 2015, we expect all 12 markets to show growth in adspend at current prices. India will continue to increase advertising spend at the fastest rate (+13.5%).

Suzy Young, Data and Journals Director at Warc, commented: "This year is set to record the highest annual rate of growth since 2010, when the industry was bouncing back from recession. This is largely because the outlook for the global economy is now stabilising and advertisers are starting to feel confident about making additional investments."

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About Warc

Warc is an online service offering advertising best practice, evidence and insights from the world's leading brands. Warc helps clients grow their businesses by using proven approaches to maximise advertising effectiveness.

Warc's clients include the world's largest advertising and media agencies, research companies, universities and advertisers.

In addition to its own content, Warc features advertising case studies and best practices from more than 50 respected industry sources, including: ARF, Effies, Cannes Lions, ESOMAR and IPA. Warc hosts three annual case study competitions: Warc Prize for Innovation, Warc Prize for Social Strategy and Warc Prize for Asian Strategy.

Founded in 1985, Warc is privately owned and has offices in the UK, US and Singapore.

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