Press Release

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Broadcast TV spend fell $34bn worldwide last year as advertisers moved money into streaming platforms

The AVOD streaming market is now set to double to $54bn by 2025, while a landmark study of Adgile data by WARC lays bare the impact of COVID-19 on broadcast TV for the first time

WARC Global Advertising Trends: Next Generation TV

18 February 2021 – Advertising spend on broadcast television (excluding political ads) fell by $34bn worldwide last year as the coronavirus paralysed production and brands moved money into streaming platforms finds WARC, the international marketing intelligence service.

As the broadcast TV market ebbed last year, advertiser-funded video-on-demand (AVOD) services – including platforms such as Hulu, Peacock and YouTube – saw brand investment rise by 9.9% to a total of $26.7bn. Further, projections from Digital TV Research show that the AVOD market is set to double to a value of $54bn by 2025.

Brand investment in AVOD platforms is set to treble in value in the US over the next five years, to a total of $24.2bn, with China rising to $9.2bn, Japan to $3.2bn, and the UK to $2.8bn.

The trend mirrors the evolving viewing habits of consumers: one in four viewers is spending more time with streamed video content at the expense of linear TV in the US (26%) and UK (27%), per AudienceProject surveying, while one in three Americans now only streams video content.

2020 was a watershed moment for video streaming as linear viewing eroded

Two in five consumers worldwide now have a next gen TV – one that is able to connect to the internet either directly (i.e. smart TVs) or via an intermediary device such as a set top box, USB or games console (i.e. connected TVs, or CTVs). Roku is the preferred CTV device among consumers, accounting for almost a third (31%) of all viewing time on next gen TVs as monitored by Conviva. Amazon Fire accounts for a fifth, with games consoles taking 12%.

Streaming time across all devices rose to 28.7 minutes per play on average last year. Google’s Chromecast received the longest watch time at 35.5 minutes, followed by Roku at 33.3 minutes. TV sets accounted for three-quarters (75%) of all streamed video time in Q4 2020, across CTVs (49%), smart TVs (17%) and games consoles (9%). Mobiles (10%), desktop computers (10%) and tablets (5%) accounted for the remaining time.
Mobile is still king across Asia. YouGov finds that one in three globally watches live TV on their mobile, tablet or PC, but this rises to over one in two in India (57%) and China (54%). Research by Brightcove shows that mobiles are favoured over smart TVs when streaming video content in key Asian, African and the Middle Eastern markets, while Western markets skew heavily towards smart TVs.

Commenting on the findings, James McDonald, Head of Data Content, WARC, and author of the research, says: “Consumers have never before had such a varied choice when it comes to how and where they watch video content, and the distinction between channels continues to blur – one in three Americans now regards YouTube and TV as analogous. Brands are taking note, with investment data showing a clear pivot to AVOD platforms last year.

“Like linear before it, next gen TV is demonstrating the core traits of offering mass reach for resonant creative in brand safe environments. However, unlike with its ancestor, fraud now poses a very real and present threat to advertising trade, especially among unverified vendors.”

A landmark study of 16m TV ads lays the impact of coronavirus bare for the first time

Also included within this edition of Global Ad Trends is a landmark study of almost 16m ads aired on Australian TV between September 2019 and December 2020 monitored by Adgile, a next generation Total TV data and analytics industry partner. Ads were watched in real time using Adgile’s patented visual recognition technology, and the data supplied to WARC for bespoke analysis.

The findings show that advertising volume fell 5% as the coronavirus outbreak took hold in Australia, with the travel & tourism and media sectors most severely hit. Conversely, the health and beauty sector saw the largest increase, with ad volume up 47.2% from pre-COVID levels.

TV ad campaigns ran for longer as production was curbed – FMCG TV campaigns are now over a week longer than was the case before the outbreak. FMCG advertisers were quick to launch new products, with 15.4% of all advertising creative within the sector centered around a new product (compared to just 2% before the outbreak).

Retailers, usually adopters of value and sales-led advertising creative, pivoted to brand-building messaging during COVID-19. A wider shift towards brand-led advertising was observed among a number of product sectors during the coronavirus outbreak, though for most this made way for product-led creative as the outbreak eased during the summer.

Commenting on the research, Paul Evans, CEO, Adgile, says: “Adgile’s unique first-party brand content data, combined with WARC’s insightful analysis and reporting, revealed a TV landscape in Australia that changed significantly in composition during 2020. But the impact of COVID on TV may well be felt long-beyond this period – in reframing expectations for greater flexibility of planning and buying, and the requirement for more accessible data that enables real-time measurement and effectiveness across Linear and On Demand - what we refer to as Total TV.”

A sample report of WARC’s Global Ad Trends: Next Generation TV is available to download here. The full report is available to WARC Data subscribers.

Latest information on WARC Data across regions

Global

- Sport turns to short-form content as new business models grow
- YouTube, Facebook failing to attract e-sports fans from Twitch
Three-quarters of brands aren't sure about ROI from influencers
Alphabet controls almost half of all online advertising
Publishers are prioritising subscriptions over display and native ads

Americas

- Half of Latin American consumers tried a new store last year
- Gaming activity grew quickest among older Americans in 2020
- Half of consumers use at least two SVOD services
- One in four Mexicans buying more online for in-store pickup since COVID-19

Asia Pacific

- Asia over-indexes for live streamed video consumption
- ByteDance and Kuaishou account for nearly a quarter of mobile activity
- Only the largest Indian FMCG brands grew during COVID-19
- Top Chinese FMCG companies attracted 82m more consumers this year

Europe, Middle East and Africa

- TikTok trebles activity in Russia to become top social app
- Three-fifths of African and Middle Eastern consumers tried a new store last year
- Sky advertising revenue returns to growth for first time in two years
- Amazon adspend rose 79% in Germany in Q4 2020

Global Ad Trends, a monthly report which draws on WARC’s dataset of advertising and media intelligence to take a holistic view on current industry developments, is part of WARC Data, a dedicated independent and objective one-stop online service which rigorously harmonises, aggregates, verifies and evaluates data from over 100 reputable sources, including Nielsen, featuring current advertising benchmarks, forecasts, data points and trends in media investment and usage.

WARC Data is available by subscription only. For more information visit https://www.warc.com/data

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WARC – The global authority on advertising and media effectiveness
WARC is part of Ascential: the path-to-purchase company that combines intelligence, data and insights to drive growth in the digital economy. We do this by delivering an integrated set of business-critical products in the key areas of product design, marketing and sales.

For over 35 years WARC has been powering the marketing segment by providing rigorous and unbiased evidence, expertise and guidance to make marketers more effective. WARC services include 92,000+ best practice guides, case studies, research papers, special reports and advertising trend data, webinars, awards, events and advisory services.

WARC has 1,400 client companies, 21,500 active users across 100+ markets; collaborates with 50+ industry partners; has offices in the UK, US, Singapore and China.
WARC Data - The most rigorous and accurate benchmarks for media planning and strategy in the world
WARC Data sets new industry-standard for net advertising investment due to our unique methodology: HAVE. We harmonise, aggregate, verify and evaluate data to provide expert analysis drawn from over 40 years of experience. Our sources now, include a collaboration with Nielsen, allowing users to benchmark their strategy by category, channel and country.

WARC Data – methodology
WARC’s advertising expenditure data are net of discounts, include agency commission and exclude productions costs. Data is drawn from media owners – either directly or via the industry bodies in each market. Nielsen’s data are, for the most, reported at a gross level and are calculated by applying rate card prices to volume.

Through a collaboration, WARC has now harmonised Nielsen’s gross figures with net media owner data to create an entirely new and unique measure of advertising investment across 19 product verticals in 25 markets. The harmonisation factors in the formats Nielsen monitors and pairs these with the formats offered by media owners; totals are therefore balanced to account for any lack of coverage in the Nielsen data.

This results in trustworthy data, far closer to reality than equivalent data from other sources. All other data are verified prior to publication, we ensure our partners use watertight approaches to market monitoring.

About ADGILE
Adgile is a next generation Total TV data and analytics partner to the industry, bringing intelligent, real time visibility and control across linear and on demand TV.

Their patented visual recognition technology literally watches TV - identifying all advertising. sponsorship and in-programme brand content in high resolution.

Adgile’s cloud-based platform – Catalyst – harnesses the rich, structured first party data they create, enabling users to understand, optimise and extend their TV planning and buying through our Analytics, Attribution and Activation product capabilities. One integrated platform. Total TV Effectiveness.

Visit adgile.com for more information.