



WARC
ideas and evidence
for marketing people

10 January 2012

EUROZONE CRISIS IMPACTS GLOBAL ADSPEND GROWTH

The latest Consensus Ad Forecast from Warc, the marketing intelligence service, indicates that global adspend will increase by +5.4% in 2012, a downgrade of -0.9pp from the previous forecast in August.

The ongoing debt crisis in the Eurozone is taking its toll on adspend prospects for major Euro economies. In 2012, Germany, France, Italy and Spain are expected to be the worst performers of the 13 key markets covered by the forecast.

Spain's ad market is predicted to fall by -2% this year, a significant downgrade (-4.5pp) since August. This follows an estimated drop of -5.1% in 2011 and is reflective of the nation's troubled economic situation.

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

	Yr-on-yr % change	Percentage point difference vs August
China	14.7	-1.6
Russia	14.0	-5.9
India	12.4	-3.8
Brazil	10.2	-1.0
Canada	4.3	-
US	3.3	-1.3
UK	3.1	-1.4
Australia	2.7	-2.5
Japan	2.6	0.4
Germany	1.8	-0.8
France	0.9	-1.5
Italy	0.7	-2.0
Spain	-2.0	-4.5
Global	5.4	-0.9

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

Under this methodology, only Japan has seen its outlook for 2012 improve in the last few months (up +0.4pp to +2.6%), largely because its economic recovery from last year's tsunami occurred more rapidly than many analysts anticipated.



In contrast to the Eurozone, the BRIC countries are expected to have the fastest-growing ad markets in 2012, with both China and Russia predicted to show growth in the region of 14–15%.

In terms of individual media, global online advertising is expected to record the strongest increase in 2012 at +14.3%. The US presidential election and the Olympics should boost TV spend by a substantial +6.3% this year. Radio (+3%), cinema (5.7%) and out of home (+5.6%) should also see growth, but newspapers (-0.8%) and magazines (-0.3%) are predicted to record slight declines.

Suzy Young, Data Editor, Warc said: *"Continued political and economic instability around the world has led marketing industry analysts to trim their growth forecasts over recent months.*

"Nevertheless, persistent strength in fast-growth markets and the quadrennial effect of the Olympics and US presidential elections should ensure there is little prospect of the industry suffering a 'double dip' in 2012."

Contact details:

Suzy Young, Data Editor, Warc
e: suzy.young@warc.com
t: +44 (0)20 7467 8140

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

ENDS