Global TV advertising market looks forward to bumper 2012

By Adam Thomas

28 Jun 2011

LONDON, UK: New forecasts from Informa Telecoms & Media show that global net TV advertising revenues are expected to climb by 3.8% in 2011 to US$149 billion*. This follows a 10.3% increase in 2010, which rebounded from an extremely difficult year in 2009, when global revenues dropped 8.1%.

Adam Thomas: "The increases up to 2016 will certainly be boosted by events like the World Cup and the Olympics."

The increase in 2010 was driven by improving consumer and corporate confidence along with the summer's World Cup finals. However, there is still some hesitation over the strength of the economic recovery and this - combined with a lack of global events - means the 2011 forecast is more muted.

With a slow improvement expected for 2011, the ad market is looking forward to 2012 - the year of the London Olympics (in an ad-friendly time zone for most of the world's top markets) and the US presidential elections.

"The fairly conservative increase expected in 2011 is driven by a perception that the global economic recovery is not yet on a solid footing. But this is not the only factor limiting the ad market. Audiences are being fragmented by greater programming choice. This has given advertisers greater channel choice and enabled them to negotiate lower rates," says Adam Thomas, media research manager and author of *Global TV Advertising Forecasts: Looking Beyond the Rate Card* (www.informatm.com/gntv).

Growth expect to slow

Growth thereafter will generally be slow, though the soccer World Cup finals in Brazil will boost the 2014 figures and the 2016 Olympics (also in Brazil) will have a similar impact. The total revenues will be US$186.7 billion in 2016. North America will remain the dominant region, although its share of the global total will fall to 40% in 2016. The new-found economic stability evident in Latin America will see it become the big growth region during the forecast period.

"The increases up to 2016 will certainly be boosted by events like the World Cup and the Olympics. But the industry itself is making a significant contribution. The transition of TV from analogue to digital has enabled TV channels to create a more ad-friendly environment. Tried and tested demographic-based TV measurement has become much more sophisticated and there are already forays into new metrics such as engagement and return on investment (ROI), which offer the prospect of greater precision and therefore value," Thomas adds.

Note:

The Informa figures are for net advertising. Unlike other forecasts, Informa has homogenised TV advertising forecasts to reflect only the revenues received by the channels and networks. We have extracted agency commissions, production costs and, most importantly, we have removed discounts. Traditionally, advertising expenditure figures have been reported at rate card prices - i.e., before discounts have been taken out.

**Exchange rate at time of posting: US$1=R6.87.*

ABOUT THE AUTHOR

Adam Thomas is media research manager at Informa Telecoms & Media.