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Google takes top position in global media owner rankings

Google is now the world's largest media owner, according to ZenithOptimedia's *Top Thirty Global Media Owners* report. The search and digital advertising giant moves up from second position and now boasts media revenues that are 39% higher than its nearest competitor DirecTV.

The *Top Thirty Global Media Owners* report is a unique ranking of the world's largest media companies by media revenue, as estimated by ZenithOptimedia. The report was launched in 2007 and was last published by ZenithOptimedia in 2010. The latest report covers the 2011 financial year.* ZenithOptimedia defines media revenue as all revenue deriving from businesses that support advertising, not just the advertising revenue itself.**

Google's dominance of global digital advertising

The four internet media owners on our list (Facebook, Google, Microsoft and Yahoo!) generated US\$49.2bn in revenue from internet advertising in 2011, out of the total US\$77bn spent on internet advertising around the world. Google alone accounted for 49% of the world's internet ad expenditure, while Yahoo! (in 15th position) accounted for 6%, and Microsoft (26th) and Facebook (27th) accounted for 4% each. Twitter sits outside of the top 30 with revenues of US\$140m for the period of this report. Despite the apparent low barriers to entry, the internet advertising market is highly polarised and just four companies control 64% of all global expenditure.

The driving force behind Google's success is its search algorithm, which has been by far the most successful at delivering search results that consumers want and monetising them through paid search advertising. In December 2012 Google accounted for 65% of all searches across the world, according to figures from comScore. Google's dominance of search advertising is even more complete: it does not separately report its revenues from paid search and digital display, but we estimate that it accounts for 82% of all expenditure on paid search advertising across the globe.

This dominance of search has provided Google with cash flow to expand into every aspect of digital advertising. Its investment in YouTube places it at the forefront of the online video market, one of the fastest-growing digital segments. Its social network Google+ may only have 17% of the number of users as Facebook, but that still gives it 190 million active users a month. Google's mobile advertising offering allows it to adapt to the shift in browsing habits from desktop to mobile devices. No other company has been able to compete effectively in each segment of the digital ad market. We estimate that Google attracts 15% of global display advertising (including traditional display, online video and social media), supplementing its 82% share of search.

Yahoo!'s recently appointed CEO is taking the company in a new direction by attracting a younger demographic, making it more relevant to a number of large global advertisers. The recent acquisition of Tumblr will have a positive impact on ad revenue figures, making this one to watch.

Continuing strength of content producers

Despite the rise of digital media, the majority of media revenues are generated by traditional media and entertainment companies that create and distribute content. . Of the top 30 global media owners, 22 are companies whose main business is to attract audiences with strong content, which remains fundamental to generating media revenues. Six of the top 10 media owners are content producers, including third-placed News Corporation and fourth-placed Disney. Between them, these 22 generated US\$169 billion in media revenue in 2011, or 61% of the total generated by the Top 30.

Five new entrants to Global Top 30

Since we last published our ranking in 2010, five companies have entered the ranks of the top 30: Facebook, Microsoft, Globo, ProSiebenSat.1 and Sanoma.

The entrance of Facebook and Microsoft demonstrates the growing dominance of internet advertising, which now accounts for 20% of global ad expenditure. Facebook has spearheaded the explosive growth of social media advertising across the world, which is currently growing at about 28% a year, while Microsoft has benefited from the slower but still rapid growth of paid search and traditional display, which are growing at about 13% a year. With the launch of Windows 8, Microsoft's flagship operating system has become an advertising platform for the first time; the next couple of years will show what effect, if any, this will have on Microsoft's ranking.

Globo's presence illustrates the rise of the BRIC economies. Globo is by some distance Brazil's largest media owner – it owns the largest television network, the biggest pay-TV service, newspapers, magazines, radio stations and websites. Brazil is on track to overtake the UK to become the world's fifth-largest ad market this year and is growing at about 9% a year. Globo's dominance of this market places it at 17th in our ranking this year.

Sanoma and ProSiebenSat.1 are both European companies with media holdings spread over several countries. Sanoma is based in Finland but has newspapers, magazines, television, radio and online interests across Scandinavia, Belgium, the Netherlands and Eastern Europe, which put it at 30th place. ProSiebenSat.1 is the largest television broadcaster in Germany, and this is the core of its business, but it also owns television channels and radio stations in Austria, Denmark, Finland, Hungary, Norway, Romania, Sweden and Switzerland. It is the 28th largest media owner in our ranking.

North America and Europe dominate the Top 30

Globo is still one of only two media owners from emerging markets to appear on the list. The other is Mexico's Televisa. The rest of the list is dominated by companies based in North America and Europe. Eight out of the top ten media companies are based in the USA, while the other two are from Europe. In total, 16 of the companies on the list are based in the USA, and nine are based in Europe, with another three from Japan. Although China is now the third largest ad market, our top 30 ranking does not currently include any companies from China, where media ownership is highly fragmented. However, Baidu – China's leading search engine – only just missed out on a place this time, and is a likely candidate for inclusion next year, while the national broadcaster CCTV won't be far behind.

“Google's position as the number one global media owner is testament not only to its strength in search, but also to its expansion into other key digital platforms,” says Jonathan Barnard, Head of Forecasting, ZenithOptimedia. “ZenithOptimedia's Top 30 ranking now includes four digital media owners, and we expect there to be at least one more next year. We also expect more media owners from China and other “rising markets” to join the two Latin American media owners in the Top 30. Despite the rise of digital, media and entertainment companies that create compelling content remain at the heart of the media business, and account for most of the revenues from our Top 30.”

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Top 30 global media owners

Rank	Media owner	Media revenue (US\$ billion)
1	Google	37.9
2	The DirecTV Group	27.2
3	News Corporation	26.4
4	Walt Disney Company	19.7
5	Comcast	16.2
6	Time Warner	15.6
7	Bertelsmann	11.3
8	Cox Enterprises	11.1
9	CBS Corporation	10.8
10	BSkyB	10.2
11	Viacom	9.1
12	Vivendi	6.8
13	Advance Publications	6.6
14	Clear Channel Communications	6.2
15	Yahoo!	5.0
16	Gannett	5.0
17	Globo	4.7
18	Grupo Televisa	4.5
19	Fuji Media Holdings	4.5
20	Yomiuri Shimbun Holdings	4.1
21	Axel Springer	3.9
22	Mediaset	3.8
23	Hearst Corporation	3.8
24	JCDecaux	3.4
25	Asahi Shimbun Company	3.2
26	Microsoft	3.2
27	Facebook	3.2
28	ProSiebenSat.1	3.0
29	ITV plc	2.9
30	Sanoma	2.5

Note: Media revenues include only revenues derived from activities that support advertising, and refer to calendar year 2011 or the nearest full financial year as appropriate.

*** The time period covered by the report**

The report covers the financial year 2011, which is the latest year for which we have consistent revenue figures from all of the publicly listed companies. Revenue figures are changing rapidly, and the ranking based on 2012 revenues will be quite different, with higher positions for digital companies in particular.

**** Definition of media revenues**

ZenithOptimedia defines media revenue as all revenues deriving from businesses that support advertising – television broadcasting, newspaper publishing, internet search, social media, and so on. This includes not only advertising revenues but also other monies earned from these businesses, such as circulation revenues for newspapers or magazines, or subscription revenues for pay-TV. For publicly listed companies, the revenue figures are taken from their annual report and accounts; for the privately held companies on this list (Advance, Asahi Shimbun, Cox and Yomiuri Shimbun), the revenue figures are ZenithOptimedia estimates.

Some companies on the list are entirely media-focused; others are corporate giants for which media revenue forms only a small part of their overall turnover. We count only the media revenue for ranking purposes. This provides a clear picture of the size and negotiating power of the biggest media owners in the global marketplace.

About ZenithOptimedia's forecasts

Top Thirty Global Media Owners may be ordered in hard or soft copy from www.zenithoptimedia.com for £295.

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About ZenithOptimedia

ZenithOptimedia - www.zenithoptimedia.com - is a leading global media services network with 250 offices in 74 countries. We are part of Publicis Groupe, the world's third largest communications group, and the world's second largest media counsel and buying group. As the first agency to apply a rigorous and objective approach to improving the effectiveness of marketing spend, ZenithOptimedia delivers to clients the best possible return on their communications investment. This philosophy is supported by a unique approach to strategy development and implementation – the Live ROI planning process. The ZenithOptimedia Group of companies equips our clients with a full range of integrated skills across communications planning, value optimisation, performance media and content creation. Our Key clients include Armani Group, ASUS, Aviva, BBC Worldwide, British Airways, Electrolux, General Mills, HTC, Lactalis, LVMH, Nestlé, News Corporation, L'Oréal, Oracle, Puma, Qantas, Reckitt Benckiser, Richemont Group, Royal Bank of Scotland, Sanofi, Telefónica O2, Toyota/Lexus, Verizon and Whirlpool.