

EMBARGO: 00.01 BST/01.01 CET Monday 14 September 2015

Mobile advertising to overtake newspapers in 2016

Mobile internet advertising will overtake newspaper advertising next year, accounting for 12.4% of global adspend while newspapers account for 11.9%, according to ZenithOptimedia's new *Advertising Expenditure Forecasts*. Mobile internet will be the third-largest advertising medium, behind television and desktop internet. Mobile advertising will grow 38% in 2016 to US\$71bn, while newspaper advertising will shrink 4% to US\$68bn.

Mobile advertising remains the driving force behind the growth of the entire advertising market, contributing 83% of all new ad dollars between 2014 and 2017.

Internet advertising to overtake television in 2018 as print continues to shrink

Desktop internet advertising will continue to grow, but will lose market share for the first time this year, dropping from 19.8% of global adspend in 2014 to 19.4%. By 2017 ZenithOptimedia forecasts desktop internet to account for 19.1% of global adspend. Meanwhile mobile internet advertising's share of the global ad market will rise from 5.7% in 2014 to 15.0% in 2017. Overall, internet advertising will account for 34.0% of global adspend in 2017, slightly behind television's 35.9%. The market share gap between the two media will narrow from 13.3 percentage points in 2014 to 1.9 in 2017. At this rate of growth, internet advertising will overtake television in 2018.

Print adspend continues to decline across most of the world, as it has done since 2008. We predict newspaper adspend will shrink by an average of 4.9% a year through to 2017, while magazine advertising will shrink by 3.2% a year. Their combined share of global adspend has fallen from 39.4% in 2007 to 19.6% this year, and we expect it to fall further to 16.7% by 2017.

Global adspend to grow 4.0% in 2015

ZenithOptimedia forecasts that global adspend will grow 4.0% to reach US\$554bn in 2015, and will accelerate to 5.0% growth in 2016, boosted by the 2016 Summer Olympics in Rio and the US Presidential elections. Adspend will then slow down slightly in the absence of these events, growing 4.4% in 2017.

Mature Markets to lead adspend growth for the first time in nine years

We have reduced our forecasts for adspend growth in 2015 since our June forecast by 0.2 percentage points. There has been broad-based deceleration across the world as marketers have moderated their expectations of global economic growth. With Brazil and Russia in recession, and China slowing down, the world can no longer rely on emerging markets to set the pace of growth. We expect 'Mature Markets' (which we define as North America, Western Europe and Japan) to contribute more to global adspend growth this year than 'Rising Markets' (everywhere else), for the first time since 2006. We think this is a temporary aberration, however – Rising Markets will become the leading contributors to ad market growth again in 2016, and will increase their market share from 37.4% in 2015 to 38.8% in 2017.

China slows but is still growing twice as fast as the world as a whole

China's ad market has not been substantially affected by the turmoil in its stock market, but the slowing economy and concerns about the potential for future growth have caused advertisers to moderate their spending slightly. We forecast adspend growth in China to fall from 10.5% in 2014 to 7.8% in 2015 – a rate of growth that's still twice as fast as the global ad market's, and which places China as the 13th-fastest growing ad market of the 81 we cover.

Low oil prices weigh on big producers

While beneficial for the global economy – and the ad market – as a whole, low oil prices are depressing activity in the big oil producers. We forecast double-digit declines in adspend this year in Azerbaijan, Nigeria and the United Arab Emirates, and declines of 7%-8% in Kuwait and Saudi Arabia. In Russia the problem of low oil prices has been exacerbated by international sanctions, leading to an estimated 14.1% drop in adspend this year.

"Mobile technology is rapidly transforming the way consumers across the world live their lives, and is disrupting business models across all industries," said Steve King, ZenithOptimedia's CEO, Worldwide. "We are now witnessing the fastest transition of ad budgets in history as marketers and agencies scramble to catch up with consumers' embrace of the mobile way of life."

For further information, please contact:

Jonathan Barnard

Head of Forecasting

Tel: +44 20 7961 1192

Email: jonathan.barnard@zenithoptimedia.com

Tim Collison

Global Communications Director

Tel: +44 20 7961 1126

Email: tim.collison@zenithoptimedia.com

About ZenithOptimedia

ZenithOptimedia - www.zenithoptimedia.com - is a leading global media services network with over 7,500 people working in 262 offices across 74 countries. We are part of Publicis Groupe [Euronext Paris FR0000130577, CAC 40], the world's third largest communications group, and the world's second largest media agency 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 across the full spectrum of paid, owned and earned contact points – 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 Aviva, Clarins, Coty, Kering, Lactalis, L'Oréal, LVMH, Nestlé, Oracle, Reckitt Benckiser, Richemont Groupe, SCA, Sanofi, Toyota and 21st Century Fox.

About ZenithOptimedia's forecasts

ZenithOptimedia's *Advertising Expenditure Forecasts* report contains forecasts of advertising expenditure by medium for 80 countries. It has been published continually since 1987, and is used by agencies, media owners, banks, analysts, consultants, academics and governments around the world.

Advertising Expenditure Forecasts is published quarterly priced £495. It may be ordered in hard or soft copy from www.zenithoptimedia.com.