H1 Report
2023

Digital Advertising Futures Report

InsurAds | FIPP Connecting Global Media

Welcome to FIPPs new regular ad market report

Over the last few years, we have been tracking the performance of the digital subscriptions market, through our Global Digital Subscription Snapshot.

The accumulation of the data generated by this report, exclusive to FIPP members on FIPP.com, has proved a valuable resource for publishers seeking to provide context for their digital subs businesses, whether these are new investments or business as usual.

This led us to think about other critical elements of publishers' business that might benefit from the same approach. We at FIPP have probably been guilty of neglecting the advertising revenue line in recent years, so it made sense to try and address that gap through this new report.

Published twice a year, the FIPP Global Advertising Futures will summarise the latest estimates for the advertising market, to enable you to produce more accurate budgets and forecasts for your own businesses. As the report develops over time, we'll be assessing the accuracy of these estimates against actual market performance too, which should further enhance the accuracy of the data we produce.

Made in partnership with our friends at InsurAds, and with expert commentary from FIPP's editorial team, this report promises to be another vital resource for FIPP members.

In this inaugural report, we find that the continuing picture of economic uncertainty means that inflation is set to continue above recent norms for some time. This, in turn, will suppress growth in the advertising market, with few areas expected to show real-terms increases in 2023.

The picture for publishing remains bleak, with declines expected for traditional mediums, although this is partly off-set by above-inflation growth for pure play digital businesses, which form an increasingly large part of FIPP members' portfolios.

It's interesting to note the extremely dire predictions that are being made around Facebook's advertising business. It's ironic that, after years in which we all wondered whether it would be regulation that would lead to Facebook's decline, it's ended up being caused by good old-fashioned obsolescence. Nothing stays new forever, and hubris can be a wonderful thing.

I hope you find this report both interesting and useful, look out for the second edition sometime around December and, as ever, if you have any feedback on it please don't hesitate to get in touch.

James Hewes
President and CEO, FIPP

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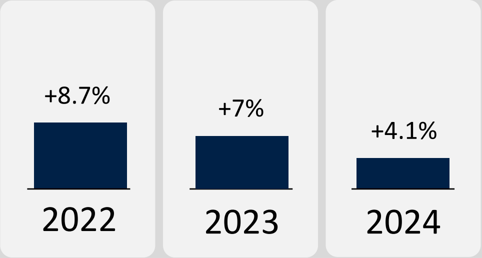
IMF forecasts

Inflation

April '23 inflation forecast

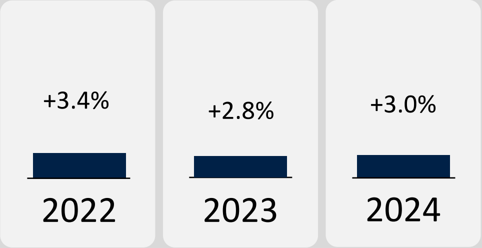


Change since October '22 forecast

2022	2023	2024
-0.1	+0.5	n/a

Economic growth

April '23 global growth forecast



Change since October '22 forecast

2022	2023	2024
+0.2	+0.1	-

Four key risks continue to hamper economic recovery

1 Weak growth in advanced markets

Growth in advanced economies will remain weak at 1.3% in 2023 and 1.4% in 2024.

The global economy is gradually recovering from the impact of the pandemic and Russia's war on Ukraine. The IMF expects global growth rates to bottom out at 2.8% in 2023 and marginally grow to 3.0% in 2024.

Should further stress develop in the financial sector, global growth could decline to 2.5% and less than 1% in advanced economies.

2 Inflation to remain higher for longer

The inflation forecast for 2023 has been revised upwards by 0.5 points to 7% but is predicted to decline to 4.1% by 2024

The IMF predicts that core inflation will remain higher for longer, despite commodity prices falling.

The IMF does not expect central banks to reach their inflation targets until 2025 or beyond.

3 Risk of a new financial crises growing

It's estimated that the banking industry could be sitting on more than $620bn in unrealised losses on long-term fixed-price assets.

Such losses are only realised if a bank sells these assets before reaching maturity in the case of a liquidity squeeze.

This was the case with SVB, Signature, Silvergate, and the potential risk is leading banks to tighten lending criteria which could impact market liquidity.

4 Pressure on the consumer remains high

Consumer spending power remains under pressure through a combination of stubborn inflation, rising interest rates and nominal wage growth, which is failing to keep up with price inflation.

The currently tight labour market suggests that real wages should eventually recover, but the pace of this recovery remains uncertain.

These factors and stricter lending criteria will continue to undermine consumer confidence and spending.

Global forecasts

Source	Forecast type	2022	2023	Change since last forecast 2022	Change since last forecast 2023	Market forecast type	Market forecast 2022	Market forecast 2023
groupm	Current forecast*	+7.8%	+4.6%	-1.9	-0.5	Total market forecast	$821bn	$859bn
MAGNA	Current forecast	6.6%	4.8%	-2.4	-1.7	Total market forecast	$795bn	$883bn
dentsu	Current forecast	+8%	+3.8%	-0.7	-1.6	Total market forecast	$714bn	$741bn
Zenith	Current forecast	7.3%	4.5%	-0.7	-0.9	Total market forecast	-	-
WARC	Current forecast	8.3%	2.6%	-2.6	-1.8	Total market forecast	$795bn	$883bn
FIPP	Aggregate forecast	7.7%	4.0%	-	-	Aggregate market forecast	$803bn	$846bn

*Excludes US Political Advertising

Agencies downgrade advertising forecasts after optimistic start to 2022

Following a bumper year of advertising revenue recovery in 2021 and a positive start to 2022, agencies ended the year with substantial downgrades to their forecasts for 2022 and 2023.

Forecasts remain optimistic for 2023, but most agencies balanced optimism with caution in their updates. WARC reports that the growth rate of global output will halve over the next two years, which will remove an estimated $90bn in advertising market growth.

As a result, increases in advertising revenue in 2023 will be inflationary rather than representing an expansion in activity. The agency reports that most advertising categories will increase spending, with a few exceptions.

Investment in advertising on transport and tourism and alcoholic drinks will decline by 0.4%. Financial services will decrease by 4.5% and automotive by 12.5%.

Technology and electronics will be the fastest-growing advertising category, with spending increasing by 11.5%.

From a medium and segment perspective, agencies revised down forecast for all channels, with the only exception being retail media which received more than a 10% upward revision to 2022 forecasts by group M.

Digital pure-plays will continue to see the strongest growth of all media, although some platforms and digital segments will underperform as new challengers arise, and consumer preferences shift.

Amongst traditional media, OOH is the only medium that will enjoy growth in both static and digital segments. Radio and Television will see strong growth in digital extensions, which will help offset declines in broadcast revenue. Digital extensions, however, are still not generating sufficient revenue growth to generate substantial uplifts for these media.

Publishers will continue will see declines in both print and digital advertising, but the forecasts suggest that the rate of decline will ease relative to what the industry has endured over the last two decades.

Market forecast by medium

Digital pure-plays
FIPP

	2022	2023	2024	2025
Aggregate growth forecast	11.5%	7.8%	+7.5%	7%
Total ad revenue	$467bn	$504bn	$543bn	$580bn
Share of total ad market	61.1%	62.8%	64%	65.3%

Television
FIPP

	2022	2023	2024	2025
Aggregate growth forecast	+1.7%	0.9%	+3%	2.2%
Total ad revenue	$168bn	$170bn	$175bn	$179bn
Share of total ad market	22.4%	21.6%	21.1%	20.5%

Publishing
FIPP

	2022	2023	2024	2025
Aggregate growth forecast	-4.9%	-4.1%	-2.6%	-2.5%
Total ad revenue	$51.1bn	$49.1bn	$47.8bn	$46.6bn
Share of total ad market	6.8%	6.2%	5.7%	5.3%

OOH
FIPP

	2022	2023	2024	2025
Aggregate growth forecast	+6.1%	4%	+5.1%	4%
Total ad revenue	$33bn	$35.1bn	$36.3bn	$38bn
Share of total ad market	4.7%	4.7%	4.6%	4.6%

Radio
FIPP

	2022	2023	2024	2025
Aggregate growth forecast	+3.7%	1.7%	+1.6%	1.3%
Total ad revenue	$31.4bn	$31.9bn	$32.5bn	$32.9bn
Share of total ad market	4.4%	4.3%	4.1%	4.0%

Cinema
FIPP

	2022	2023	2024	2025
Aggregate growth forecast	+68.9%	7.2%	+4.2%	3.1%
Total ad revenue	$1.9bn	$2.25bn	$2.4bn	$2.5bn
Share of total ad market	0.25%	0.25%	0.25%	0.25%

Digital pure-play market forecasts

groupm	2022	2023	2024	2025
Value	$541bn	$587bn	$631bn	$680bn
Growth	9.3%	8.4%	8.1%	7.2%
Share	66.9%	68.5%	69.8%	70.9%

dentsu	2022	2023	2024	2025
Value	$394bn	$423bn	$452bn	$482bn
Growth	13.7%	7.2%	6.9%	6.8%
Share	55.3%	57.1%	58.2%	59.5%

WARC	2022	2023
Value	-	-
Growth	11.2%	5.2%

MAGNA	2022	2023
Value	$514bn	$557bn
Growth	8.9%	8.4%

Digital share of ad market to reach
73%
by 2027
Group M

Digital rate of growth to decelerate to
6.5%
by 2027
Group M

Digital to continue driving growth, but rate of growth is decelerating

Digital advertising continues to be a core driver of advertising growth, but the latest agency forecasts suggest that the era of double-digit growth for digital pure-plays may be drawing to a close as the market reaches maturity.

Digital pure-plays still enjoyed an impressive 31.9% post-covid bounce in advertising revenue growth during 2021 as markets re-opened and consumer spending recovered. Group M now reports that ad revenue growth for digital pure-plays was 8.4% in 2022, marking the first time the medium has recorded single-digit growth in its forecasts.

Dentsu and WARC still predict low double-digit growth for the medium in 2022, but all agencies are in agreement that growth will slow to single-digit increases from 2023 onwards.

Longer-range forecasts show that growth for digital pure-plays will steadily decelerate over the next five years, with Group M forecasting that digital growth will slow to 6.5% by 2027.

The medium will, however, continue to outpace traditional media and grow its market share.

While figures vary from agency to agency, Group M reported the medium's share of the advertising market at 66.9% in 2022 and forecasts it will reach 73% by 2027.

Where the battleground for disruption has previously pitted digital pure-plays against traditional media, the disruption battleground has now firmly become a digital one as new entrants and emerging platforms challenge the dominance of the established players.

In this era where digital is the new normal, double-digit growth will become the exception rather than the rule.

Platform advertising revenue growth

WARC	2022	2023
Instagram	7.8%	6.7%
Google	12.1%	5.6%
YouTube	7.3%	5.6%
Digital Ave.	11.5%	5.5%
Facebook	-8.2%	-8.6%

47%
of all advertising revenue go to Meta and Alphabet

Group M

48%
of Gen Z uses social media to search for brand information

GWI

Market dominance of Meta And Google being challenged by well resourced rivals and shifting consumer behaviour

In 2022, digital giants Meta and Alphabet had a 47% share of the global advertising market (Excluding China) but are likely to face the most significant challenge in their history as the digital advertising landscape is shaped by shifting consumer preferences and behaviour.

Magna reports that Alphabet, Meta and Alibaba underperformed the digital market average by 6.6% in 2022.

Data from WARC shows that Facebook would have played a disproportionate role in this underperformance, with revenue declining by 8.2% in 2022 and set to drop a further 8.6% in 2023.

While the picture looks more stable for Alphabet platforms Google and YouTube, WARC estimates that in 2023 these platforms will outperform the pure-play digital average by a minuscule 0.1%.

Conversely, platforms like TikTok that cater well to the increasing demand for snackable, short-form content are seeing strong advertising revenue growth.

This trend may partially explain why Instagram outperforms Meta counterpart Facebook.

Social media platforms like Instagram and TikTok may also potentially threaten Google's search dominance.

Recent research by GWI shows that Gen Z consumers are now more likely to use social media than search engines to search for, research and interact with brands.

Social media's seamless integration of retail sales into their platforms also mean that they are essentially offering a one-stop shop with a complete marketing funnel which can track a user from exposure to sale.

However, the more significant threat for Google might come from retail media. In a 2021 report, Boston Consulting Group called retail media a once-in-a-lifetime seismic shift that could be as disruptive as the shift from traditional media to digital media.

As the prospect of double digital growth in ad revenues diminishes and economic headwinds persist, these platforms continue to actively rightsize their staffing levels.

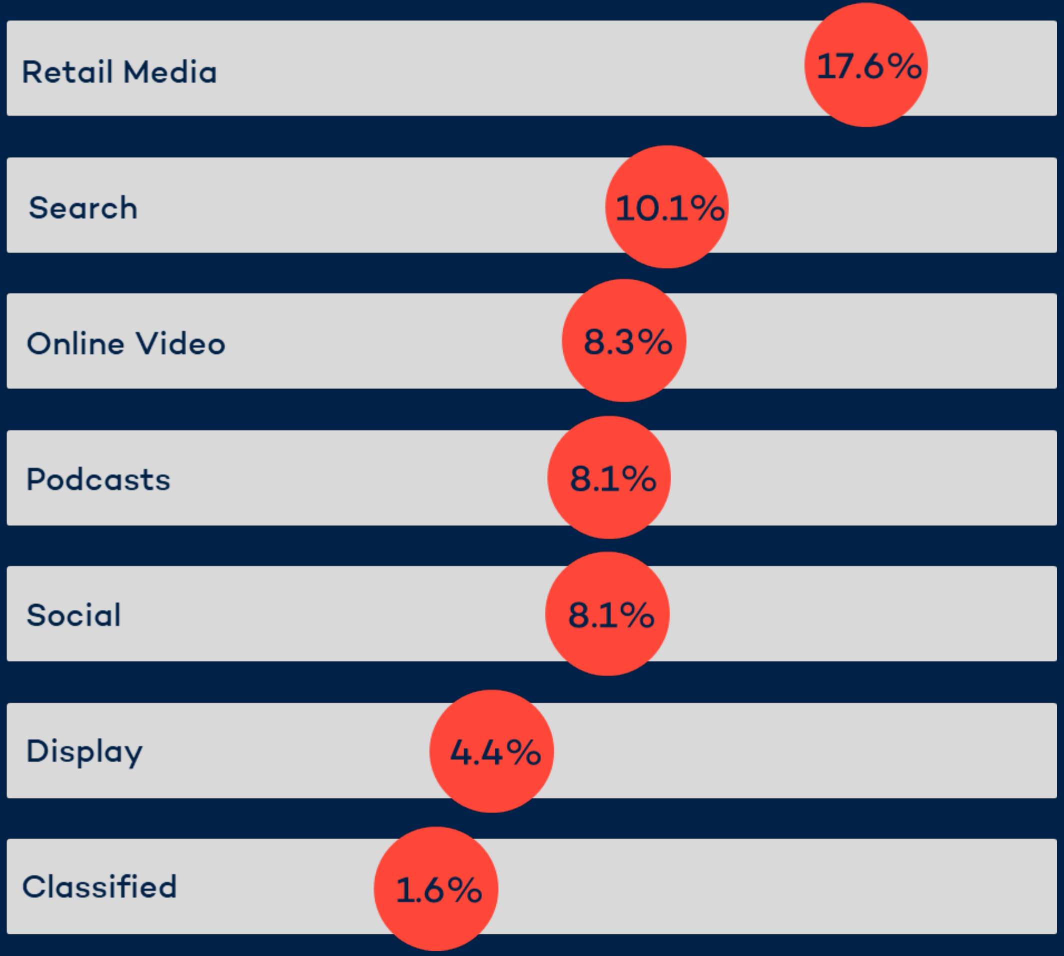
On April 16th, Meta announced a fresh round of redundancies, with as many as 10,000 roles up for elimination in coming months.

Meta's headcount peaked at 87,000 following a hiring spree during covid. Since then, the company has eliminated 21,000 roles or nearly a quarter of its workforce.

Digital pure-play segment growth 2023

Amongst digital pure-plays, the retail media segment will enjoy the highest growth rate in 2023. Search, online video, podcasts and social will continue to see above-average growth.

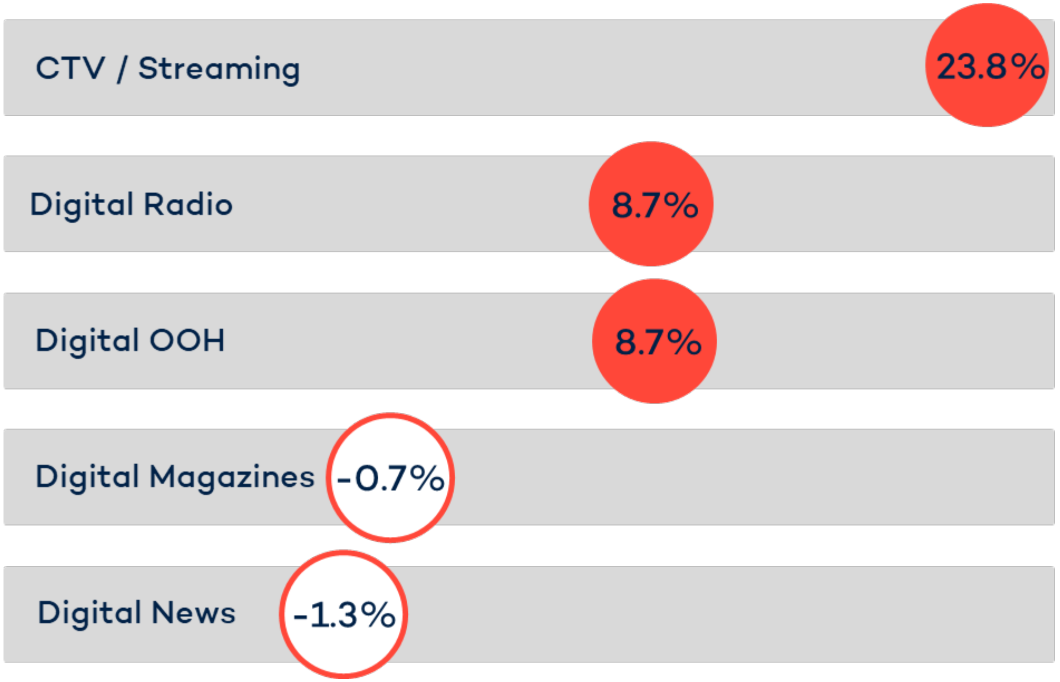
FIPP aggregate ad revenue growth forecast



Digital extension segment growth 2023

Amongst traditional media digital extensions, connected/streaming TV will be the fastest-growing segment overall. Digital radio and digital OOH will continue to see healthy growth, while publishers will see demand for their digital inventory decline.

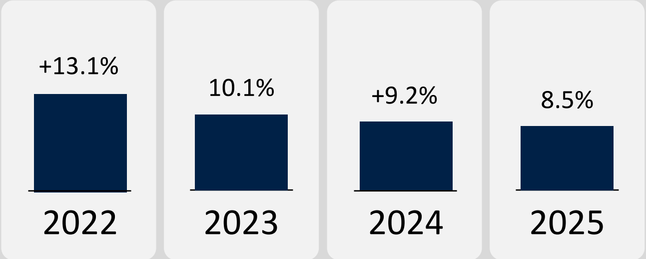
FIPP aggregate ad revenue growth forecast



Retail media market forecast

groupm

Current growth forecast



Total ad revenue

$111bn	$122bn	$133bn	$144bn

Share of total ad market

13.7%	14.2%	14.6%	15.1%

IAB gives highest 2023 growth forecast in the industry

28.4%

Compound Annual Growth Rate between 2022 - 2025

17.8%

Zenith

Retail media's stellar growth continues as e-commerce giants open their platforms to advertising

Retail Media has enjoyed tremendous growth over the past 8 years. In 2014 this digital segment generated $6.8bn in advertising revenue and had a 1.6% share of the global advertising market. In 2022 it commands $110.7bn in revenue and a 14.2% share.

It was the only medium which received an upward revision to its forecast at the end of 2022 by Group M, and the agency forecasts that over the next 5 years it will be the fastest growing digital segment.

Zenith too predicts a blistering 17.8% compound annual growth rate for the segment between 2022 and 2025. WARC predicts that growth for media retail networks might be as high as 28.4% in 2023. While the forecasts may differ, the conviction in the growth potential of this segment is consistent.

The segment is set to be further boosted by e-commerce giants like Amazon and Walmart opening up their e-commerce platforms to advertisers.

These platforms not only serve up huge audiences of consumers already in a buying mindset, but a wealth of 1st party data.

As marketers' ability to measure, optimise and target is being hampered by tightening consumer privacy standards that impact the effectiveness of tracking tools like 3rd party cookies, retail media could offer a potentially attractive proposition.

By tapping into the rich omnichannel data provided by retail media sites, advertisers can optimise ad targeting and messaging based on actual in-store and online sales, significantly improving return on advertising spend.

More importantly perhaps, is that it offers a single source of 1st party data that closes the loop between ad exposure and actual sales.

Boston Consulting Group (BCG) predicted in 2021 that retail media will create a seismic shift similar to the move from traditional to digital media.

Retailers like Amazon, Walmart, Target, and Kroger have already established strong positions in this space, while other industries with extensive customer interactions will follow suit.

BCG does, however, state that there will be a distinct first-mover advantage.

It expects the market for retail media to quickly subdivide into one broad, and several speciality segments such as consumer electronics, health and beauty and DIY.

It predicts that the top three companies in each speciality segment will dominate while others will largely find themselves shut out of the market.

Social media market forecast

WARC	2022	2023
TikTok	143.4%	41.5%
Douyin	34.2%	12.4%
Instagram	7.8%	6.7%
Pinterest	10.5%	6.6%
Snap	10.7%	5.8%
Twitter	11.1%	2.7%
Weibo	-5.4%	-7%
Facebook	-8.2%	-8.6%
QQ/Qzone	-12.4%	-13.3%

MAGNA	2022	2023
Value	$149bn	$159bn
Growth	4.4%	6.8%

Social media to overtake television advertising spending

According to Zenith, social media is projected to be the fastest-growing advertising channel between 2021 and 2024, with an average annual growth rate of 14.8%.

The agency predicts this growth will lead to social media advertising spending overtaking television in 2022, with an estimated $177 billion in revenue.

Not all agencies agree on social media's growth trajectory.

Magna reports that social media growth stalled in 2022, rising only 4%, and WARC expects social media spending to decelerate from 11.2% in 2022 to 5% in 2023.

Most social media platforms are increasing their efforts to diversify revenue streams by focusing more on in-platform e-commerce integration.

While all indicators are that growth will continue in this segment, the same may not be true for its biggest players.

Apple's move to block third-party cookies from its devices has significantly impacted social media's ability to target users, a fact cited by Meta in annual reports.

Combined with Google's plans to remove cookies from its Chrome browser, it may result in a $40bn loss of growth for the online industry. These changes will likely disproportionately affect social media platforms.

Social to grow at compound annual rate of
14.8%
until 2024
Zenith

Social ad revenue reached
$149bn
In 2022
Magna

WARC reports that Facebook saw ad revenue decline by 8.2% in 2022 and will see losses accelerate to 8.6% in 2023.

Instagram continued to enjoy positive growth of 7.8% in 2022, but this will decelerate to 6.6% in 2023, bringing its performance in line with the average growth for digital overall.

According to WARC, TikTok enjoyed 347% revenue growth in 2021, 143.4% in 2022, and will continue to see strong growth of 41.5% in 2023.

According to The Four Week MBA, TikTok revenues reached $11bn in 2022.

Platform owner, Bytedance, which also owns Douyin in China, recorded revenues of $80bn in the same year.

Regulatory and security scrutiny might, however, hamper TikTok's growth.

Most Western governments have banned the app from government phones, and countries including India, Taiwan, Pakistan and Afghanistan have banned the app completely.

Television market forecast

groupm Total	2022	2023	2024	2025
Value	$155bn	$157.8bn	$162.1bn	$165.7bn
Growth	1.7%	1.5%	2.7%	2.2%
Market share	19.2%	18.4%	17.8%	17.3%

groupm Linear	2022	2023	2024	2025
Value	$135.7bn	$134.5bn	$135.1bn	$135.1bn
Growth	0%	-0.9%%	0.4%	0%
Channel share	87.3%	85.3%	83.4%	81.6%

groupm Digital	2022	2023	2024	2025
Value	$19.7bn	$23.2bn	$26.9bn	$30.5bn
Growth	17.3%	18%	15.9%	13.4%
Channel share	12.7%	14.7%	16.6%	18.4%

Television share of market to decline despite growth in steaming revenue

After enjoying a double-digit bounce in revenue during 2021, growth for television returned to low single-digits in 2022 and the annual growth for the medium is expected to remain low during the next 3 – 5 years despite strong growth in streaming revenue.

Linear broadcast still presents the lion's share of revenue, commanding an 87.3% channel share, according to Group M.

Despite being hampered by a fixed estate of ad inventory and steady decline in younger audiences, linear television continues to enjoy its reputation as a brand-safe environment and its ability to deliver broad brand reach. But, this position of strength is being eroded as short form video decreases the cost of entry for video and social platforms offer the opportunity to reach large audiences with highly targeted and personalised campaigns.

Magna reports that linear television has maintained a media inflation rate in excess of 10% in 2021, and 2022 and forecasts the same rate of inflation for 2023. These inflationary increases will help to keep revenue for linear broadly flat over the next five years, but continued rapid media inflation may prompt some brands to re-evaluate their budget allocations and strategies to reach audiences more effectively and efficiently.

Agencies like Group M and Dentsu predict that streaming will continue to see double-digit growth in coming years as it soaks up any new investment and shifts share of existing budgets from linear TV. Traditional broadcaster will face additional competition with Netflix, Disney and others opening up their platforms to advertising. But, the scale of their audience on ad-funded tiers is not yet sufficient to capture significant market share in 2023.

As linear audiences decline, and media inflation bites, marketers will likely start taking a broader omnichannel video approach encompassing linear, streaming and online video to deliver more targeted and effective campaigns.

Publishing market forecast

groupm	2022	2023	2024	2025
Value	$50.9bn	$48.6bn	$47.2bn	$45.8bn
Growth	-4.4%	-4.5%	-2.9%	-3.0%
Share	6.3%	5.7%	5.2%	4.8%

dentsu	2022	2023	2024	2025
Value	$51.3bn	$49.5bn	$48.4bn	$47.4bn
Growth	-5.3%	-3.6%	-2.3%	-2.0%
Share	7.2%	6.7%	6.2%	5.8%

Digital extension growth

WARC	2022	2023
Mags	4%	-3.8%
News	4.9%	-1.3%

Publishers continue to diversify revenue streams as both print and digital advertising decline

Publishing enjoyed a brief and unusual respite in 2021 as advertising revenue grew for both news and magazine media turned positive.

The recovery was, however, short-lived, and both digital and print turned negative in 2023 with neither segment forecast to return to growth in the next 5 years

Dentsu forecasts that in 2023 publishers will enjoy a modest growth of 2.4% in online revenue, but this will still not be enough to offset a decline of -6.4% in print.

The agency further highlighted that digital advertising revenue exceeded print in key markets such as the US, UK, Australia and Spain in 2022.

Group M estimates that in 2022 nearly 50% of publisher advertising revenue was derived from digital and predicts this will increase to more than 75% by 2027.

Publisher's efforts to significantly grow digital revenue continue to be hampered by limitations in data collection and data-based targeting online in both the browser and the app environment since iOS 14.

Changes to cookie deployment on Google's Chrome browser will compound the issue further.

According to Group M, publishing had a global advertising market share of 6.3% with revenue of $50bn in 2022.

However, the agency forecasts low single-digit declines for the next five years, eroding the medium's market share to 4.1% with revenue of $43.5bn by 2027.

Whilst the picture remains negative, the rate of decline for publishing will continue to ease.

The World Press Trends Outlook 2022 – 2023, published by WAN-IFRA, show that publishers continue diversifying their revenue streams, with advertising across print and digital making up less than 50% of publisher revenue in developed markets.

75%
of publisher ad revenue to be digital by 2027
Group M

50%
of publisher ad revenue from digital in 2022
Group M

Newspaper media market forecast

groupm	2022	2023	2024	2025
Value	$31.8	$30.4bn	$29.7bn	$28.2bn
Growth	-3.3%	-4.4%	-2.4%	-2.6%
Share	3.9%	3.6%	3.3%	3%

dentsu	2022	2023	2024	2025
Value	$30.3bn	$29.1bn	$29.7bn	$28.4bn
Growth	-5.2%	-4.7%	-1.4%	-1.1%
Share	4.2%	3.9%	3.7%	3.5%

Advertising growth by segment

WARC	2022	2023
Newsmedia	-3.3%	-1.4%
Print	-5.8%	-8.9%
Digital	4.9%	-1.3%

Magazine media market forecast

groupm	2022	2023	2024	2025
Value	$19.1bn	$18.2bn	$17.5bn	$16.9bn
Growth	-4.4%	-4.5%	-3.7%	-3.2%
Share	2.4%	2.1%	1.9%	1.8%

dentsu	2022	2023	2024	2025
Value	$21.1bn	$20.4bn	$19.6bn	$19bn
Growth	-5.5%	-3.4%	-3.5%	-3.2%
Share	3.0%	2.7%	2.5%	2.3%

Advertising growth by segment

WARC	2022	2023
Magazines	-5.4%	-8.9%
Print	-9.2%	-12.1%
Digital	4%	-3.8%%

OOH market forecast

groupm	Total	2022	2023	2024	2025
	Value	$31.8bn	$33.4bn	$35.8bn	$38bn
	Growth	2.2%	5.1%	7.4%	5.9%
	Market share	3.9%	3.9%	4.0%	4.0%

groupm	Static	2022	2023	2024	2025
	Value	$21.2bn	$21.7bn	$22.9bn	$24.7bn
	Growth	2.7%	2.5%	5.4%	3.6%
	Channel share	66.7%	65%	63.9%	62.4%

groupm	Digital	2022	2023	2024	2025
	Value	$10.6bn	$11.7bn	$13bn	$14.3bn
	Growth	1.1%	10.2%	11%	10.1%
	Channel share	33.3%	35%	36.1%	37.6%

Out of home to reach ad revenue parity with publishing by 2027

Out of home made a strong recovery following the Covid pandemic, with advertising revenue increasing by 20% in 2021. The medium also enjoyed a solid start to 2022 as Covid restrictions eased and consumer mobility increased.

WARC and Dentsu forecast that the medium enjoyed growth of 10% in 2022. Group M, however, believes this figure might be as low 2.2% due to the continued impact of Covid lockdowns in China.

China is one of the biggest OOH markets and its slow reopening has been advertising revenue recovery for the medium.

Most agencies agree that the medium will continue to see steady growth of more than 5% in 2023 and one of the most robust growth rates of all traditional media until 2025.

In contrast to other forms of traditional media, static OOH will continue to see moderate levels of growth in coming years, with digital out of home (DOOH) expected to grow at a steady 10% rate until 2025.

According to Group M, DOOH commanded a 33.1% share of OOH in 2022 and expects its share to grow to 39.6% by 2027.

The agency also predicts by 2027 the medium will attract total advertising revenue of $41.9bn, reaching parity with publishing,

While OOH will continue to grow steadily, its overall market share will remain flat, with Group M expecting it to nudge up by 0.1% in 2024 to reach 4% of the total market.

OOH to attract

$41.9bn

In ad revenue by 2027

Group M

DOOH channel share to grow to

39.6%

by 2027

Group M

Radio market forecast

groupm	2022	2023	2024	2025
Value	$27.1bn	$27.5bn	$27.5bn	$27.5bn
Growth	3.8%	1.3%	0%	0.1%
Share	3.4%	3.2%	3%	2.9%

dentsu	2022	2023	2024	2025
Value	$35.6bn	$36.3bn	$37.8bn	$38.3bn
Growth	3.6%	2%	3.1%	2.4%
Share	5.4%	5.3%	5.2%	5.1%

Digital extension growth

WARC	2022	2023
Podcasts	19.3%	8.1%
Streaming	27.7%	10.8%

Strong growth in streaming offset declines in broadcast, but competition in digital audio heats up

All agencies reported marginal growth for radio in 2022 with forecasts ranging between 3 – 4%, but growth will weaken in 2023.

While the medium may continue to inch up on the back of streaming growth, the overall market share of radio is set to decline.

Group M estimates that digital made up nearly a quarter of all radio advertising in 2022 and will continue double-digit growth into 2023, offsetting declines in broadcast revenue.

Revenue for digital segments does not appear included in Group M's forecast for the medium.

The agency reported that podcasts generate interest and experimentation amongst publishers, broadcasters and marketers, but it remains challenging to measure effectively, limiting future growth.

WARC estimates that podcast advertising revenue will grow by 10.8% in 2023 but the full benefit of this growth may not flow to radio.

The podcast advertising market is highly competitive with new digital pure plays and established platforms like Spotify competing with broadcasters in this segment.

In its most recent results call, Spotify reported a 14% rise in advertising revenue, whilst podcast advertising revenue grew by 30%

Dentsu reported a slightly more optimistic forecast for the medium and presumably includes digital revenue in their forecast, although does not provide figures for it separately.

Both agencies show that radio, whether digital is included or not, will steadily lose its share of the overall advertising market.

Spotify podcast revenue rose by
30%
In Q4 2022

Digital makes up
25%
of radio ad revenue in 2022
Group M

Streaming ad revenue to grow
10.8%
in 2023
WARC

Cinema market forecast

groupm	2022	2023	2024	2025
Value	$1.9bn	$2.1bn	$2.2bn	$2.3bn
Growth	113%	8.2%	4%	3.2%
Share	0.2%	0.2%	0.2%	0.2%

dentsu	2022	2023	2024	2025
Value	$2.4bn	$2.6bn	$2.7bn	$2.8bn
Growth	24.7%	6.1%	4.4%	3.0%
Share	0.3%	0.3%	0.3%	0.3%

Reference Material

WARC Advertising Forecast Press Coverage H2 '22

Magna Advertising Forecast H2 '22

Zenith Advertising Forecast H2 '22

Warc Advertising Forecast H2 '22 Press Coverage 2

Tik Tok Global Advertising Revenue Press Coverage

Retail Media Boston Consulting Group Report

Amazon Global Ad Revenue

Bytedance Revenue

TikTok Revenue

IMF Economic Outlook

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