

World ad spending growing faster than US in 2008

According to a new study from GroupM, advertising spending in US measured media is expected to increase almost 4% in 2008 compared with 2007, when spending was up about 3%.

Worldwide spending is expected to go up 7% in 2008, after an anticipated 6% increase in 2007

US advertising spending is expected increase 3.7%, to \$168.6 billion, in 2008. Spending in 2007 is expected to come in at 2.8% higher than in 2006. Worldwide spending is expected to go up 6.8%, to some \$479 billion (see Table)

Television and the internet are the primary engines of global ad growth, with 50% and 30%, respectively, of additional new investment in 2008, according to GroupM Futures Director Adam Smith. He also said spending on marketing services, such as sponsorships and public relations, is growing at a faster rate than for traditional advertising.

Smith reported that 5% of global ad investment is expected to shift from developed to emerging economies in 2008, the largest such shift ever recorded:

- The main geographic contributors to growth next year are predicted to be China, with 21% of all new money.
- Russia and Brazil will each contribute 6%.
- India will account for 3%.
- The US remains the second-highest contributor at 20% of all new money.

The 2008 spending expectations largely reflect the Olympics and the US election, says the report:

- The Games are forecast to bring \$1 billion in ad spending to national TV and \$200-\$300 million to local broadcast
- The election is even more important to local broadcast and is expected to inject nearly \$2 billion in 2008 before facing a tough adjustment in 2009
- Internet ad spending is expected to exceed 10% of global ad investment in 2008 for the first time ever
- Search will comprise 65-70% measured online advertising in 2008, up from 50% in 2005.
- Another first, in one country, Sweden, Online advertising is expected to be the largest single medium. The UK and Denmark are likely to be the next in line
- Advertising spending in newspapers is expected to continue to suffer, and new softness is already evident in some large categories such as automotive, airlines, and retail. The continued heavy loss of classified advertising to the internet continues to do the most serious damage.

Source: [The Center for Media Research](#).

Region	2006	% (YOY) Growth	2007F	% Growth	2008F	% Growth
North America	\$169.0	5.1%	\$174.1	3.0%	\$181.0	3.9%
USA	158.1	4.9	162.6	2.8	165.6	3.7
Latin America	14.4	18.8	16.6	15.3	19.3	16.3
Western Europe	116.4	4.8	122.0	4.8	127.2	4.3
Emerging Europe	17.1	22.5	20.6	20.2	24.2	17.8
Asia Pacific (all)	96.7	6.0	104.4	7.9	114.8	10.0
North Asia	32.8	12.3	37.1	13.0	44.0	18.7
ASEAN	8.0	7.9	8.7	9.0	9.5	9.4
Middle East & Africa	9.6	14.8	11.0	14.0	12.4	13.1
World	423.2	6.5	448.6	6.0	478.9	6.8

Source: GroupM, This Year Next Year, December 2007

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