

# TV advertising

## Key insights at a glance



# 1

**While global online TV advertising is seeing a near 20% CAGR, global total TV advertising revenue has slowed.** Global total TV advertising revenue will rise at a 4.1% CAGR to US\$204.07bn in 2019. Global multichannel and terrestrial advertising revenue will increase at 5.1% CAGR and 2.8% CAGR, respectively, although global online TV advertising revenue will see 19.8% CAGR growth. Global total TV advertising revenue's share of global total advertising revenue will fall from 31.5% in 2014 to 30.6% in 2019.

# 2

**The rise of over-the-top (OTT) video services is slowly changing the shape of advertising.** Global total broadcast TV advertising revenue, consisting of multichannel and terrestrial TV advertising revenue, accounted for 97.2% of global total TV advertising revenue in 2014. But as viewing continues to move away from traditional networks towards digital alternatives, so advertisers will consider changing where they allocate their expenditure to reach desired demographic segments. Global total broadcast TV advertising revenue will make up a reduced 94.3% of global total TV advertising revenue by 2019.

# 3

**OTT services are familiarising users in some markets with a video consumption experience free from advertising.** Beyond the migration of advertising spend from traditional to digital platforms, there is also more of a shift from ad-supported to subscription-based consumption. Such trends contribute to North America's forecast CAGR of 2.4% for total broadcast TV advertising revenue, while in markets such as Egypt or Kenya, where OTT has gained less purchase, this phenomenon is not present, so the CAGR is much higher at 14.7% and 14.0% respectively.

# 4

**The US will preserve its global revenue leadership in TV advertising, but its make-up will diversify.** The US is at the forefront of innovating TV advertising strategies and, consequently, TV advertising revenue. Terrestrial TV advertising revenue will remain responsible for more than three-fifths of US total broadcast TV advertising revenue over the forecast period, but its share of total TV advertising revenue will diminish as online establishes a strong foothold.

# 5

**Growth rates for Egypt, Peru and Indonesia far outstrip those from Western Europe.** The highest forecast total TV advertising revenue growth rates are all for developing countries: Egypt, Kenya, Peru and Indonesia will all enjoy CAGRs of more than 10%. By contrast, every market in Western Europe and North America has a forecast CAGR below 5%.

# 6

**Brazil, China and India combined will account for 23% of growth in global total TV advertising revenue.** Brazil and China's explosive growth will consolidate their position as the third- and fourth-largest markets for total TV advertising revenue, respectively, while India will jump from 12th-largest to seventh-largest market from 2014 to 2019.