

The World Television Market

Return of growth expected in 2010

Montpellier, France – 22 September 2009 – The global advertising market was obviously not spared from the worldwide economic crisis that started during the summer of 2008. That year, the market was still growing but appeared to be running out of steam, with only a 0.5% increase compared to 2007. Though television and Internet recorded a slowdown in their growth on a worldwide basis, radio and the press were already showing a drop of -4.3% and -5.1% respectively.

Note that press and radio advertising revenues were already experiencing weak growth even before the crisis. Actually, listening to terrestrial radio had reached saturation while the press looked on, powerless to stem the migration of its reader – and in parallel of advertising and classified ads – to the Internet, which poses a great danger to the survival of its paper-based business. Actually, the press has been unable to monetize their online content at rates comparable to its paper-based content; they generate at least 10 times, if not 20 times, less revenue online than that for paper...

On the other hand, 2009 has been a downturn year for the ad market probably on the order of -7.2% compared to 2008. Except for the Internet, all media have experienced a contraction in advertising revenue ranging from -7.5% for television to -11.4 for radio and - 11.6% for the press. However, the Web, which before 2007 captured less revenue on a worldwide basis than radio, is growing (on a worldwide basis) at a rate of 11.4% or more than 5% less than in 2008. The Internet continues to grow in a bleak economic climate, but only by 11.4% – 5 points below the rate of growth in 2008. Although the Web attracted fewer investments than radio up to 2007, it has now definitively taken hold as the number three mass medium, behind TV and print.

The generalised contraction of the ad market should not continue in 2010. IDATE predicts stabilisation of the market and anticipates a global growth of 3.2% for 2010. The market should then experience some rebound in the following years and will reach growth rates greater than 4% in 2011 and 2012. Nevertheless, the global ad market will not return to its 2008 level (in revenue) before 2012. Actually, television, radio, the press and Internet attracted 308.4 billion EUR in 2008 compared to the expected 307.7 billion EUR at the end of 2011. By the end of 2012, the global market should exceed its 2008 level of revenue at 321.9 billion EUR. This figure nevertheless masks huge disparities between the different media.

Though the overall ad market should grow an average of nearly 4% per year between 2010 and 2012, the various media are showing disparate growth rates. The global market should be essentially pulled along by the Internet's momentum, with a CAGR 2010-2012 of 15.5%. The steady advertising revenue in TV, with a CAGR of 3% over the same period, should also contribute to the recovery of the ad market. Smaller in value, the radio market should record a CAGR of 1.9% between 2010 and 2012 while press advertising revenue should stagnate in 2010 before experiencing a sort of catch-up effect resulting in a slight growth of 1% in 2011 and 2012.

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World – Change in global ad market by media, 2008-2012

(million EUR)	2008	2009	2010	2011	2012	2008-09 (%)	2008-12 (%)
TV	128 921.4	119 308.4	121 816.8	125 890.2	130 510.6	-7.5%	1.2%
Radio	24 625.6	21 827.9	22 148.8	22 619.4	23 105.2	-11.4%	-6.2%
Press	120 010.9	106 126.7	106 263.7	107 258.1	108 369.0	-11.6%	-9.7%
Internet	34 871.1	38 833.7	44 884.2	51 958.4	59 884.2	11.4%	71.7%
Total ad market	308 429.0	286 096.6	295 113.6	307 726.2	321 869.0	-7.2%	4.4%
<i>TV advertising / total ad market</i>	41.8%	41.7%	41.3%	40.9%	40.5%	-0.2%	-3.0%

Source : IDATE

About IDATE

Founded in 1977, IDATE is one of Europe's foremost market analysis and consulting firms, whose mission is to provide assistance in strategic decision-making for its clients in the Telecom, Internet and Media industries, through the following two areas of activity: **Consulting & Research** (an independent consultancy and publication of a catalogue of market reports) and the **DigiWorld** Programme (a member-supported annual programme: DigiWorld Club, DigiWorld Summit, DigiWorld Yearbook, and *Communications & Strategies* economic review).

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