

# 2013 GLOBAL MEDIA INTELLIGENCE REPORT EXECUTIVE SUMMARY



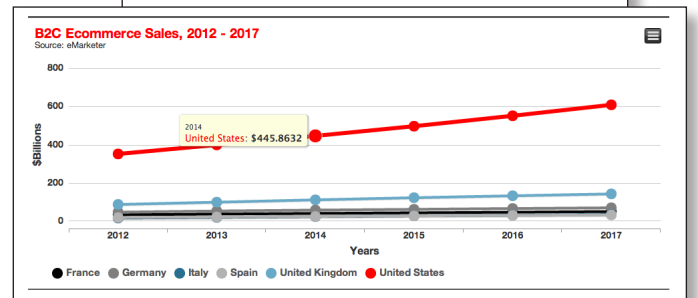
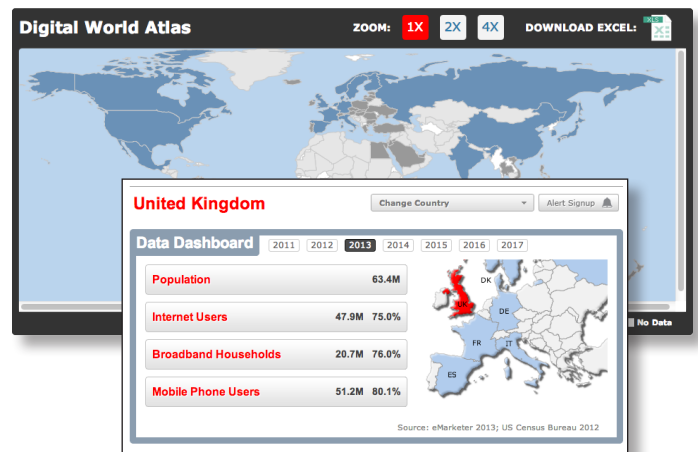
Thank you for downloading eMarketer's Global Media Intelligence Report Executive Summary.

The full report, produced by eMarketer in collaboration with Starcom MediaVest Group, spans 40 countries in six regions, with more than 700 charts and 21 comparative estimates containing data from over 150 sources worldwide. It is the most comprehensive compilation of information we've ever created on the state of global digital marketing and media.

Available exclusively to eMarketer subscribers, the Global Media Intelligence Report is the definitive report for all business executives who need to stay on top of global digital trends and require benchmarks to support their decisions for global initiatives.

## The Global Media Intelligence Report is just one piece of our unparalleled coverage of global digital trends:

- eMarketer's **Digital World Atlas** is another valuable source of global data. It allows subscribers to quickly scan top-level information by country, such as population estimates, internet users, mobile phone users, digital ad spending and broadband penetration figures.
- Our dedicated **Country Pages** cover more than 20 of the most important markets worldwide—both developed and emerging nations. Here clients can access eMarketer reports, articles, interviews, charts and PowerPoint decks specifically focused on each country.
- Our recently launched **Compare Geographies/ Dynamic Charting** feature enables users to compare eMarketer forecasts for a specific metric, such as digital ad spending between 2012 and 2017, across as many as 20 countries and six regions—all on the same chart and at the same time.



To learn more about what eMarketer clients have to say regarding our global digital coverage, turn to the back cover. You can read their full interviews on our website:

[www.emarketer.com/Corporate/Clients](http://www.emarketer.com/Corporate/Clients)

# The Global Media Intelligence Report, 2013

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## REPORT CONTRIBUTORS

Karin von Abrams	Senior Analyst
Kaitlin Carlin	Copy Editor
Joanne DiCamillo	Senior Production Artist
Stephanie Gehrsitz	Senior Production Artist
Dana Hill	Director of Production
Chris McNinch	Senior Chart Data Specialist
Nicole Perrin	Associate Editorial Director
Hilary Rengert	Vice President, Research
Allie Smith	Director of Charts
Haixia Wang	Forecasting Director

## STARCOM MEDIAVEST GROUP CONTRIBUTOR

Kate Sirkin	EVP Global Research
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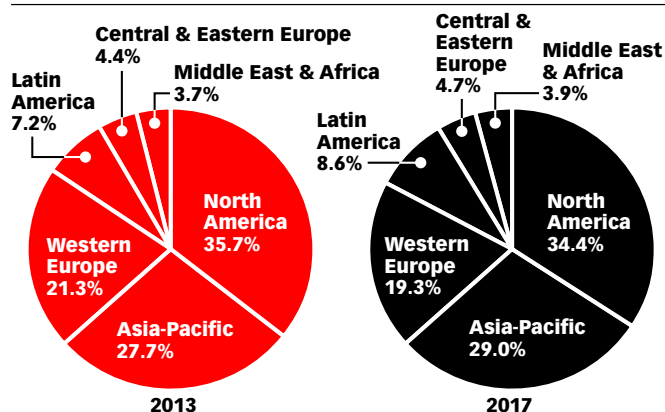
# Executive Summary

Complex forces are at work in the global economy. In late 2013, there is good news: The US is climbing slowly but steadily back to financial health, and the eurozone crisis has abated to some degree. Around the world, many people enjoy higher standards of living than ever before. Yet volatility is never far away.

A number of markets—including China, India and Brazil—that were poised to help pull the world out of recession have stumbled a little themselves. And sharply reduced demand in developed nations, including the US and most of Europe, has dented export revenues for emerging economies in Latin America, Asia-Pacific and Africa. In a few Middle Eastern countries, civil unrest has made “business as usual” nearly impossible. Those setbacks can’t be quickly reversed.

The advertising industry has also had its trials. In many countries, gains in ad spending will trump GDP growth this year. But several nations are seeing a drop in real expenditure, as businesses and consumers struggle with grim economic realities. Worldwide, ad spending will inch past \$517 billion in 2013, eMarketer estimates—a rise of just 2.8% compared with 2012. North America will remain the largest single contributor to the total, with 35.7%. But this share—and that of the other fully mature market, Western Europe—will shrink as ad spending in other parts of the world registers far higher growth rates.

**Total Media Ad Spending Share Worldwide, by Region, 2013 & 2017**  
% of total



Note: includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV; numbers may not add up to 100% due to rounding  
Source: eMarketer, Aug 2013

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www.eMarketer.com

As always, advertisers are challenged to turn complex economic and social circumstances to their advantage. This gets more difficult as communications channels multiply and traditional media mesh in increasingly diverse ways with digital platforms and devices. How are consumers responding to these new options? How does behavior vary among

demographic segments, and from country to country? How closely do patterns of ad spending reflect evolving consumer habits? The Global Media Intelligence Report provides a wide range of data on media consumption and ad spending in key markets around the world—enabling advertisers and marketers to understand essential developments and decide how best to reach their target audiences.

Globally, a number of macro-level trends are evident this year:

- TV is holding its own, tenaciously, as the world’s most popular content-based media platform. While print media stare long-term decline in the face, and radio fights to maintain listener loyalty, TV seems unshakeable—though free-to-air TV and paid-for cable and satellite services are clearly competing in several markets. The migration of TV content to online and mobile screens seems to be cementing, not eroding, the rock-solid relationship between broadcasters and viewers.
- The extraordinary expansion of mobile networks and services is bringing modern, interactive communications to millions of consumers for the first time. Historically, vast areas of the developing world lagged far behind advanced nations in terms of fixed telecoms infrastructure. There are still big discrepancies, but their impact is declining. Now mobile phones—affordable and versatile—are nearly omnipresent in many nations, often posting even higher penetration than TV. More than three-quarters of the world’s 6 billion mobile phones are in developing countries, according to a YouGov study for Upstream. Most consumers in these areas have gone “straight to mobile,” and already use their phones to learn about products, make financial transactions, strengthen commercial relationships, and access information vital to their personal and business lives, such as news and weather, transport schedules and commodity prices.
- Other aspects of the mobile landscape are also changing at phenomenal speed. Many countries are recording significant smartphone usage—a transformative experience for individuals around the globe. Meanwhile, tablets too have arrived on the scene, and are taking consumers by storm. Of course levels of tablet ownership vary wildly—in 2012, research sources pegged penetration at just 0.7% of the sampled population in Argentina, 1.3% in Egypt and 2.2% in Mexico, compared with 22.3% in the UK and 39.3% in the US. But tablet usage appears to be rocketing, in percentage terms, in every market where uptake has been monitored.

■ Given the proliferation of portable devices, multitasking is also on the rise. And for advertisers, much cross-channel and multichannel marketing are becoming “omnichannel,” at least in Western Europe and North America. It is now commonplace to see campaigns—and customer relationship programs—that combine brand websites and social media, mobile apps and text alerts, TV and out-of-home. But such intricate marketing plans will barely feature in much of Latin America, Africa or the Middle East, thanks to lower availability of advanced devices and very limited use of the mobile internet, for example. Penetration of the mobile web is rising rapidly in many places; the number of consumers in Chile going online via mobile reportedly shot from 3.9% in 2011 to 10.7% in 2012. But it will be months before advertisers in such territories can reap major rewards from mobile web ads, or their integration with TV, print media or outdoor executions.

■ As more people around the world have internet access, mobile phones, smartphones and tablets, some regional and local differences in usage are diminishing. But new variations in behavior are popping up, too. An example: In China, smartphone owners are more likely to use their phone as a primary media device than their counterparts in other markets, according to research from the US Interactive Advertising Bureau (IAB) and the Interactive Internet Advertising Committee of China. They reported that just 10% of smartphone owners in China used their phone while watching TV. In the US, by contrast, most respondents multitasked, using a phone simultaneously with TV or other media. Such data highlights the fact that consumers often have strikingly different needs and preferences—shaped by their national and regional cultures and their personal situations as much as by the potential of their gadgets.

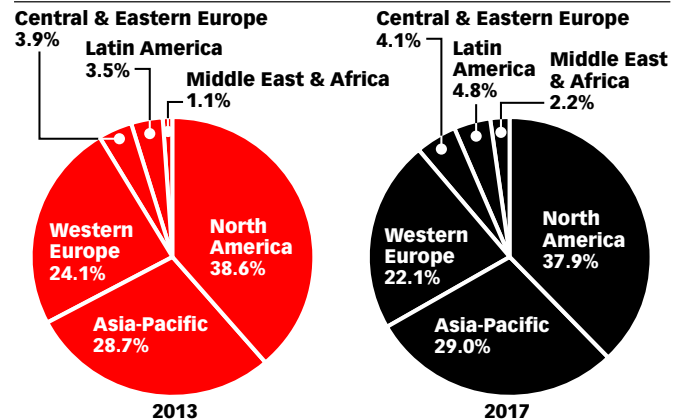
■ Women continue to increase their presence in digital media audiences. At the same time, many gender divides are proving remarkably hard to bridge. Our 2012 Global Media Intelligence Report noted that males tended to dominate among smartphone and mobile web users, for example—and this is still true in much of the world. It’s worth emphasizing, though, that the male-female balance is changing more rapidly on digital platforms than with traditional media. Globally, it remains a rule of thumb that more men read printed newspapers, for example, while women outnumber men among magazine readers.

■ Digital advertising is confirmed as the most powerful driver of increased ad spending throughout the world, and will remain the fastest-growing category of media spending between now and 2017. As with total media ad spending, North America and Western Europe are gradually ceding share to other regions. Asia-Pacific will continue to be the

second-largest market for both total media and digital ad spending throughout the forecast period.

**Digital Ad Spending Share Worldwide, by Region, 2013 & 2017**

% of total



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; numbers may not add to 100% due to rounding

Source: eMarketer, Aug 2013

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As always, specific parts of the world present varying dilemmas and opportunities for advertisers:

■ North America—the world’s most sophisticated ad market—is doing more than other regions to pioneer omnichannel advertising, as marketers try to follow consumers and capture their attention at appropriate moments, wherever they are and whatever platforms they’re using. This means the monumental task of mastering technology options, planning activity simultaneously across multiple media, collating customer data and transforming it into insights to guide further actions. But advertisers that crack this multidimensional puzzle will likely benefit from new levels of customer engagement. In addition, multinationals will be able to export learnings from North America to other markets as those develop.

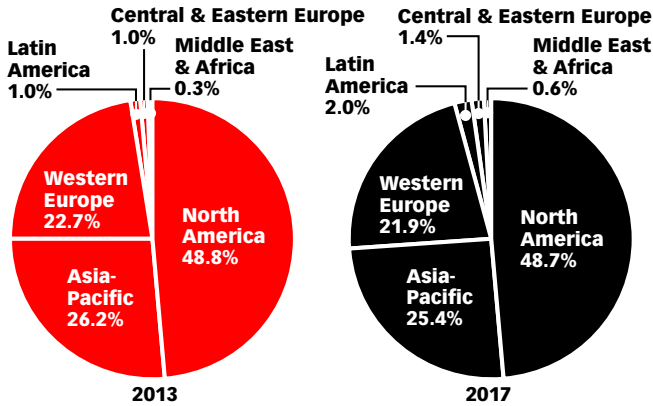
■ Most of Western Europe’s ad industry put in a subdued performance in 2012 and early 2013. The travails of the eurozone are still a cause for concern, and several major markets suffered the lingering effects of recession. This gray mood will persist, but there is much for advertisers to capitalize on, such as high (and rising) smartphone penetration and the groundswell of enthusiasm for tablets. Across the region, an average 38.7% of all residents will own a smartphone this year, eMarketer estimates, and 38.1% of web users will own a tablet. From now on, marketers will be able to use these advanced devices—smartphones in particular—as the fulcrum of efficient media tactics.

- In Central and Eastern Europe, the picture has changed little in the past year. Most of the region is still held back by sluggish progress in the euro area, and advertising—like most national economies—is in a state of suspended animation. In many cases, brands need to strengthen their appeal to consumers without marshaling significantly bigger budgets. Fortunately, more than three-quarters of the population has a mobile phone, and marketing on mobile platforms can be extremely cost-effective. Moreover, intelligent experiments with mobile will likely pay off in market advantage when the financial outlook improves and consumers are ready to spend again. Russia and Turkey are rather different cases, though, having been less disturbed by ructions in the eurozone. Russia, especially, is a booming market, where eMarketer expects total media ad spending to leap 13% this year. The country's advertisers will be on their mettle to develop innovative campaigns and mobile apps, for example, that stand out from the growing volume of marketing directed at well-to-do consumers.
  - Though Brazil has posted disappointing economic results this past year, Latin America as a whole is making good progress. Business and consumer confidence are generally robust, and many households enjoy higher disposable income. Access to digital media is gaining pace, too; across the region, one in every two residents will be a regular web user this year, eMarketer predicts, and nearly two-thirds will have a mobile phone. These factors will help to fuel an aspirational mindset—a pattern also seen in Asia-Pacific—as people become accustomed to shopping for nonessential goods and services. Brands often have an iconic value for such newly empowered consumers. And much brand activity will likely take place on or around social networks; as we noted in 2012, social media are something of an obsession with Latin America's web users, though the phase of truly rampant growth in social networking is now over.
  - As expected, ad spending in Asia-Pacific is advancing by leaps and bounds, buoyed by substantial gains in GDP and rising consumer demand. Importantly, most countries have posted impressive gains in internet usage and penetration of advanced devices such as smartphones in the past year. But this remains a two-tier marketplace. There are millions of relatively poor users, often in rural or semirural locations, whose media experience focuses on TV, radio or print, but may be augmented by a mobile phone. And there are ever-increasing numbers of affluent, wired and wireless consumers, usually urban dwellers, who embrace the internet and are keen to purchase smartphones. Tablets too are making an impact—even though penetration is currently low, the sheer size of the populations in China, India and Indonesia translates into relatively large user groups. Bearing these variations in mind, advertisers may find it useful to segment their audiences by device, to some extent. Marketers may also see good results if they personalize marketing messages. In Asia-Pacific, this approach is unlikely to arouse the kind of opposition seen in Western Europe, for example, where the EU dictates strict privacy guidelines and public opinion is more skeptical of advertisers' motives.
  - Across the Middle East and Africa (MEA), usage of most media remains far lower than elsewhere. A mere 19.2% of the region's population will use the internet regularly this year, eMarketer estimates. But as communications platforms improve, and living standards rise, advertisers can begin to adapt winning strategies from other markets to this one—and also capitalize on homegrown successes. The exploding mobile population is an obvious starting point. Nearly 526 million people in the region will have a mobile handset this year; only Asia-Pacific will boast a larger number of mobile users. In MEA's developing economies, marketers can make the most of mobile as a standalone channel, and build on the trust in mobile services that already exists, thanks to established mobile banking services such as M-Pesa (operating in Kenya, Tanzania and several other countries) and South Africa's MTN Mobile Money Account. In affluent markets such as Saudi Arabia and United Arab Emirates, brands have more options, but consumers are accustomed to extremely high standards of products and services. Marketing on all platforms needs to follow suit, tailoring brand messages to a discriminating audience.
- The evolution of the mobile universe stands out as the overarching theme in 2012 and early 2013. Many countries will see investment in mobile internet ad formats, in particular, boosted by more than 100% this year. North America will account for nearly half of the total throughout the forecast period, while Asia-Pacific's slice of the pie will continue to fall, from more than 30% in 2012 to less than 22% in 2017. Western Europe's share is expected to peak at 25.9% in 2015. Years will pass before the sums spent on mobile web ads in other parts of the world reflect the sizeable mobile populations in those regions.



**Mobile Internet Ad Spending Share Worldwide, by Region, 2013 & 2017**

% of total



Note: includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets; numbers may not add up to 100% due to rounding  
Source: eMarketer, Aug 2013

163449 [www.eMarketer.com](http://www.eMarketer.com)

Looking ahead to 2014, marketers see an ever-increasing spectrum of options available as they sit down to wrestle with media strategies and budgets. The 2013 Global Media Intelligence Report offers specific, detailed data about media usage in leading countries around the world, to help all advertisers gain a deeper understanding of consumer behavior in their chosen markets.

**Top 20 Countries, Ranked by Total Media Ad Spending per Person and Digital Ad Spending per Internet User, 2013**

Digital ad spending per internet user <sup>(1)</sup>		Total media ad spending per person <sup>(2)</sup>	
1. Australia	\$209	1. Norway	\$582
2. UK <sup>(3)</sup>	\$201	2. US	\$540
3. Norway	\$191	3. Australia	\$535
4. US <sup>(3)</sup>	\$174	4. Sweden	\$404
5. Denmark	\$163	5. Canada	\$397
6. Canada	\$119	6. Denmark	\$393
7. Sweden	\$118	7. UK	\$347
8. Netherlands	\$104	8. Finland	\$328
9. Germany	\$97	9. Japan	\$320
10. Japan	\$91	10. Germany	\$319
11. Finland	\$73	11. Netherlands	\$304
12. France	\$67	12. France	\$227
13. South Korea	\$53	13. South Korea	\$187
14. Italy	\$51	14. Italy	\$183
15. Spain	\$37	15. Spain	\$136
16. Russia	\$26	16. Brazil	\$101
17. Brazil	\$25	17. Argentina	\$90
18. China <sup>(4)</sup>	\$23	18. Russia	\$69
19. Argentina	\$13	19. Mexico	\$39
20. Mexico	\$12	20. Indonesia	\$36
<b>Worldwide</b>	<b>\$46</b>	<b>Worldwide</b>	<b>\$73</b>

Note: (1) includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; (2) includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV; (3) includes SMS, MMS and P2P messaging-based advertising; (4) excludes Hong Kong  
Source: eMarketer, Aug 2013

163112 [www.eMarketer.com](http://www.eMarketer.com)

We hope you found this **Executive Summary** valuable. Keep in mind that it is just a preview—the entire **Global Media Intelligence Report** provides our clients with a wide range of data on media consumption and ad spending in key markets around the world.

The world's top companies across every industry rely on eMarketer for insights and benchmarks on digital marketing, media and commerce. Read more below about how firms in every sector use eMarketer to make smarter decisions.

"eMarketer provides me with the intelligence I need to be effective today and to be ready for a changing marketplace tomorrow."

—Paul Iagnocco, Senior Director, Global Digital Enablement at Kellogg Company

"eMarketer does the work for us—gives us data, charts, the informed point of view—and all the information is ready to be used. But on top of that, eMarketer does the analysis."

—Xavier Obon, Director of Emerging Platforms at JWT London

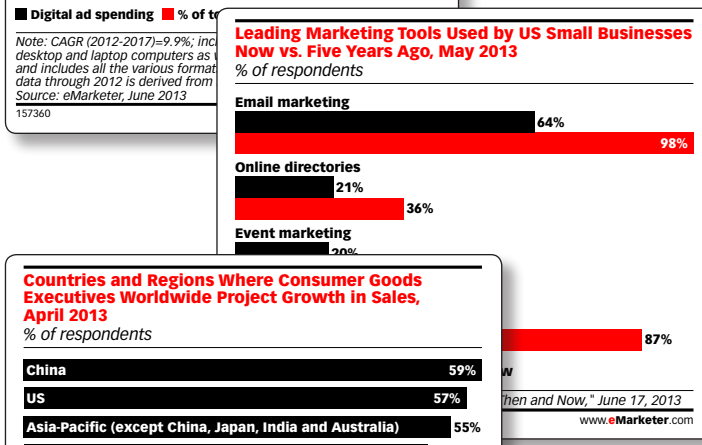
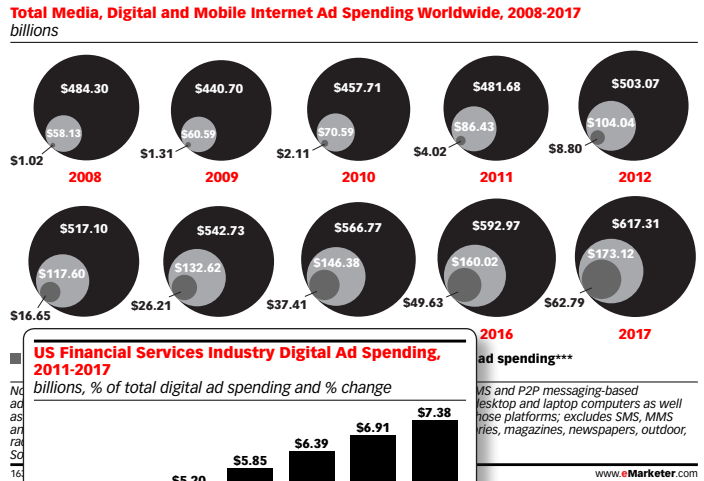
"eMarketer really helps us separate fact from fiction in predicting the future, and helps us build trend presentations and recommendations."

—David Cohen, Chief Media Officer at Universal McCann

"We pull information from the Digital World Atlas on a regular basis to understand technology adoption in our priority markets."

—Michael Menis, Senior Vice President, Digital & Voice Channels at IHG (InterContinental Hotels Group)

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