



MEDIA INFLATION OUTLOOK 2023 & 2024

Prepared by Cortex Media and AuditStar
May 13, 2024

Table of Contents

Introduction ...		3
The Americas Overview:		4
USA...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	5
Canada ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	11
Brazil ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	15
Mexico ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	21
Colombia ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	27
Europe Overview:		32
UK ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	33
Germany ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	38
France ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	43
Italy ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	48
Spain ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	53
Asia Pacific Overview:		58
China ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	59
India ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	64
Japan ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	69
S. Korea ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	74
Australia ...	Economic Projections Total Media Market Spend Forecast Media Inflation Forecast Observations	79
Summary:		
Global Overview- 2023 Inflation Forecast by Media Type		84
Global Overview- 2024 Inflation Forecast by Media Type		85

Introduction

These inflation estimates have been developed by Cortex Media and AuditStar working together with our auditors and associates in local markets to provide local insights.

In developing these estimates, we have considered several industry sources, including WFA, IAB, MAGNA, GroupM, and Zenith, economic forecasts from the IMF and OECD, and our own data and insights gathered from advertisers and agencies with whom we work.

Because different media types experience different supply and demand pressures and different rates of inflation, our inflation estimates are made for each media type for which sufficient data was available.

We hope you find these estimates useful as you plan your media activities and budgets for the rest of 2024.

For more information or to discuss these estimates please contact:

- Roland Janisse, Managing Partner, Cortex Media at: rjanisse@cortexmedia.com
- Caroline Lane, Managing Director, AuditStar at: caroline.lane@auditstar.co.uk

The Americas

- Media inflation in North and South America is expected to be in the single digits in most countries.
- Notably, media inflation in the US is forecasted to be at low levels that are in line with overall market inflation.
- Canada media inflation is projected to be higher than the US, driven by Linear TV and CTV.
- Subscription growth of CTV has helped ease inventory pressures, moderating inflation.
- OOH inflation figures in most markets are higher than those of other, driven by increased demand and the availability of new digital formats. Digitalization of this medium has resulted in increased inventory availability but has not moderated cost increases.

Inflation Forecast 2024					
Media	USA	Canada	Brazil	Mexico	Colombia
Market Average	3.20%	5.30%	6.40%	5.30%	7.00%
TV (Linear TV)	1.30%	9.50%	7.50%	6.30%	7.60%
Connected TV (Streamed)	3.50%	8.00%	6.50%	5.00%	7.20%
BVOD	3.50%	4.50%	6.50%	5.00%	7.00%
Digital Display	3.00%	4.50%	4.00%	4.50%	6.40%
Digital Video	3.50%	5.00%	4.50%	5.00%	6.60%
Magazine	2.00%	2.00%	4.50%	2.50%	6.50%
News	2.00%	2.00%	4.50%	2.50%	6.50%
OOH	5.50%	3.30%	7.50%	7.00%	7.30%
Radio	4.00%	3.00%	4.50%	5.00%	7.50%
Social Display	3.00%	4.50%	4.50%	4.50%	6.40%
Social Video	4.00%	5.00%	4.50%	4.50%	6.40%
VOD	3.50%	4.50%	6.50%	5.00%	7.00%



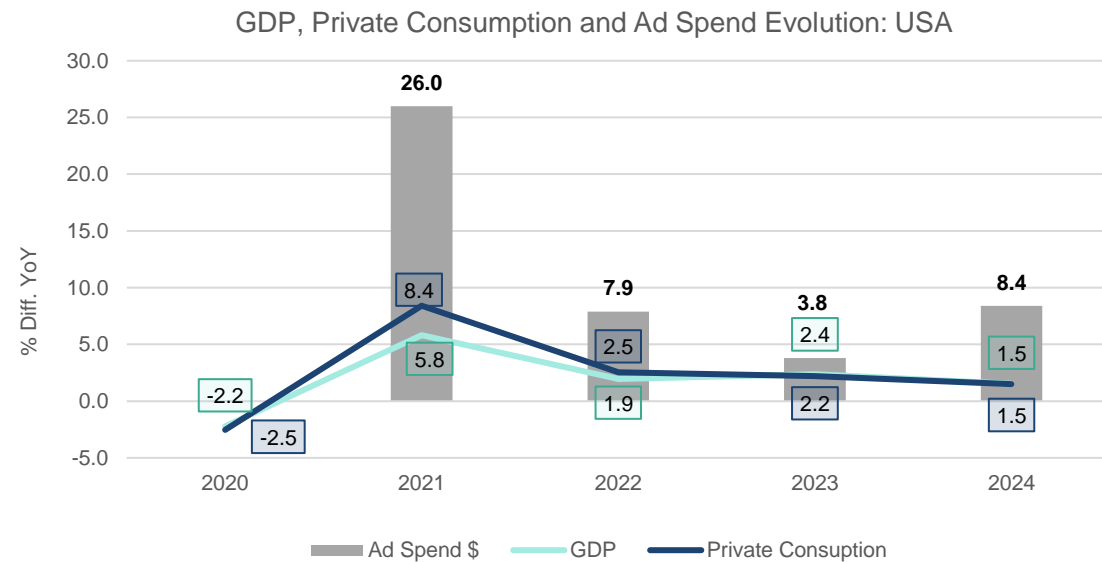
USA

USA: Economic Projections 2023-2024

- As previously forecasted, actual GDP growth remained below 2.5% in 2023 and is expected to slow to 1.5% in 2024.
- Private consumption grew by 2.2% in 2023 and is also expected to grow by 1.5% in 2024, which aligns with inflation.
- The unemployment rate remained below 4% in 2023 and should remain at a similar level through 2024, driving inflation and delaying cuts by the Fed.
- After high rates of 7% and 6.5% of unemployment in 2021 and 2022, respectively, consumer inflation returned to lower levels in 2023 and is projected to be at 3.5% in 2024, above the Fed's target rate.
- Despite a low expectation for GDP for 2024, ad spend is projected to increase by 8.4%, partly driven by political spending.

International Monetary Fund (WEO) & OEDC

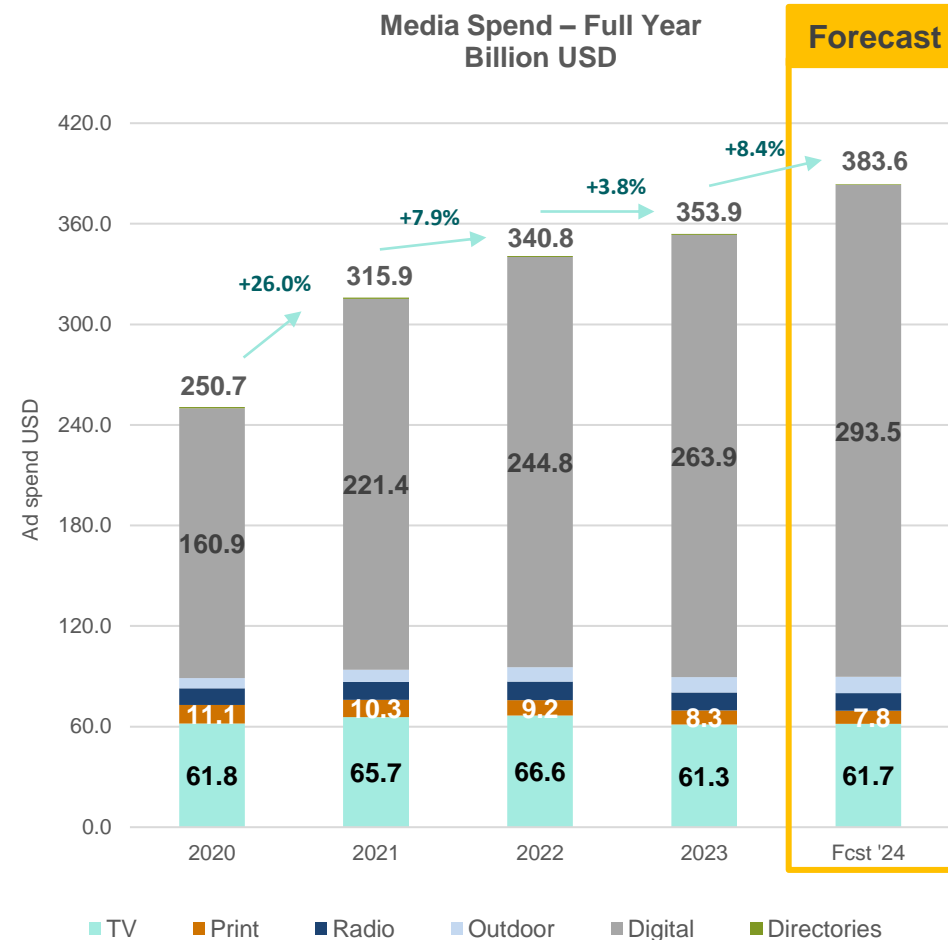
Variable	2021	2022	2023	2024
Change in real GDP (OECD)	5.80	1.94	2.36	1.54
Private Consumption (OECD)	8.41	2.53	2.19	1.50
Unemployment rate (IMF)	5.367	3.642	3.569	3.849
PCE Inflation (Personal Cons. Expenditures / IMF)	4.683	7.986	4.084	2.759



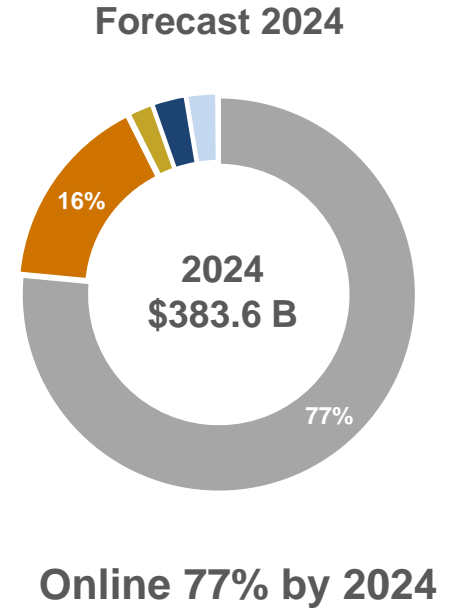
Source: Insider Intelligence eMarketer USD net media ad spending, March 30, 2024, OECD Nov'23 and IMF Oct'23

USA: Total Media Market Spend Forecast

- The advertising market grew by only 3.8% in 2023 compared to 2022; however, a larger increase of 8.4% is projected for 2024 to reach a total value of 383.6 Billion USD.
- Digital media drove overall investment growth in 2024, reaching a 77% share of total media spend.
- While digital media expenditures are expected to increase in 2024, linear should remain flat or experience a slight reduction.
- We expect 2024 TV expenditures to remain at similar levels as in 2023, but the shift from linear to streaming will continue at a lower rate than in previous years.



Source: Insider Intelligence eMarketer USD net media ad spending, March 30, 2024.



USA: Media Inflation – Actual for 2023 and Forecast for 2024

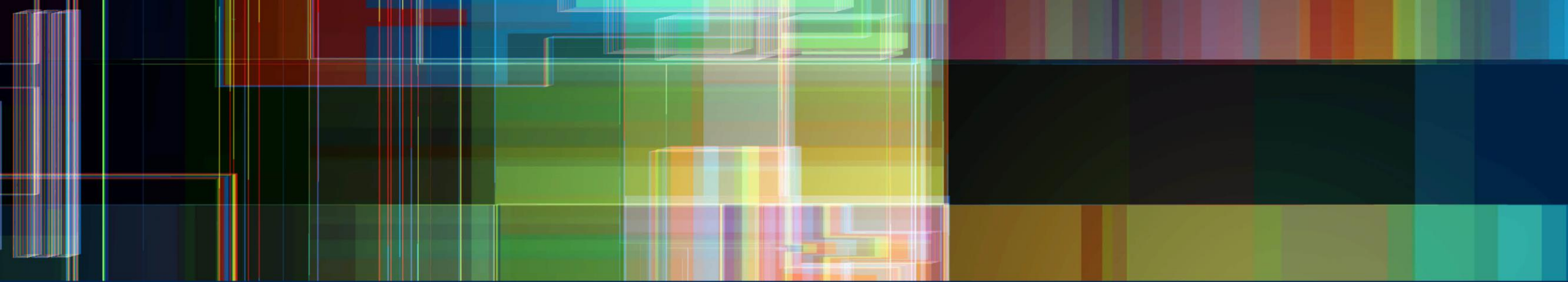
- Overall, media inflation is in line with consumer inflation and is expected to average around 3.7% for all media.
- After many years of high TV inflation levels, 2024 is forecasted to be significantly lower. This adjustment has happened due to lower demand and increases in streaming inventory.
- Compared to other media, OOH will experience the highest level of inflation in 2024. This will be partly driven by political spending and increased inventory from Digital OOH.
- Other media are expected to have similar inflation levels as in previous years.

Media	Spend Trend	Inflation Actual 2023	Inflation Forecast 2024
Broadcast TV	▶	+7.0%	+1.6%
Pay TV	▶	+5.7%	+0.9%
Connected TV (Streamed)	▲	+3.0%	+3.5%
BVOD	▲	+3.0%	+3.5%
VOD	▲	+3.0%	+3.5%
Digital Video	▲	+6.0%	+3.5%
Digital Display	▲	+2.5%	+3.0%
Social Video	▲	+5.5%	+4.0%
Social Display	▲	+3.2%	+3.5%
News	▼	+2.5%	+2.0%
Magazine	▼	+2.5%	+2.0%
Radio	▶	+3.0%	+4.0%
OOH	▲	+6.0%	+5.5%
Retail Media/ E-commerce	▲	+3.0%	+4.0%
Market Average	▲	+4.0%	+3.2%

USA: Media Inflation – 2024/2025 Upfronts

- The market for the 2024/25 Upfront negotiations is expected to be soft, with overall increases to be between 0% and 1%.
- While some deals combine linear and streaming, the market is being seen by buyers as three separate marketplaces: linear, sports, and streaming, with programmatic as an option to Upfronts.
- The number of linear impressions is shrinking and finite; however, buyers feel that linear impressions can be substituted by streaming impressions. At the same time, the supply streaming impressions is growing and exceeds demand.
- Premium inventory is also seen as finite, so we expect those impressions will command a premium and are likely to be bundled in packages containing non-premium inventory. Women sports will experience the strongest growth in terms of impression availability and demand.
- There is a sense that the market overcommitted dollars during the 2023/24 season, leading to options being exercised at higher levels than normal. Buyers believe fewer dollars will be committed during the current negotiation cycle due to economic uncertainty. We expect Scatter to experience higher inflation as a result.
- Nielsen is expected to be the currency for most deals; however, alternative currencies are gaining ground.
- Buyers are expecting a long negotiation cycle since many clients are not willing to commit dollars yet. There is no hurry to close deals since supply is higher than demand and impressions can be sourced elsewhere.

Upfronts 2024/2025		% Inflation
Broadcast TV	Upfront (Prime)	0.3%
	Upfront (Sports)	3.7%
	Upfront (other)	0.0%
	Scatter	5.0%
Cable TV	Upfront	0.0%
	Scatter	3.0%
CTV		2.0%



Canada

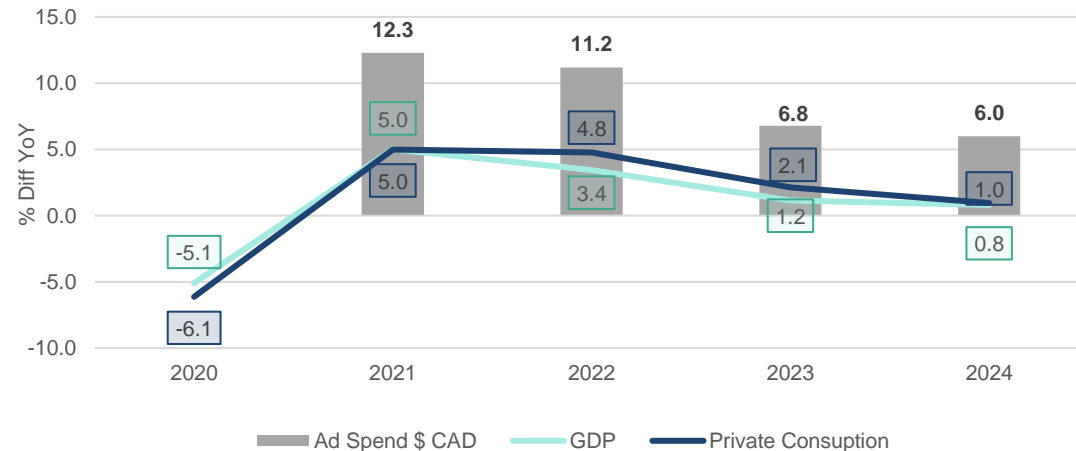
Canada: Economic Projections 2023-2024

- The economic growth (GDP) has remained below 4.0% since 2022 and tends to keep decreasing to levels below 1.0% by 2024.
- While Canada's consumer inflation is returning to more sustainable figures, the unemployment rate is expected to grow again by 2024.
- Ad spend evolution shows a similar trend to GDP and Private Consumption YoY changes trends.

International Monetary Fund (WEO) & OEDC

Variable	2021	2022	2023	2024
Change in real GDP (OECD)	5.01	3.44	1.16	0.82
Private Consumption (OECD)	4.99	4.77	2.14	0.97
Unemployment rate (IMF)	7.508	5.275	5.527	6.252
PCE Inflation (Personal Cons. Expenditures / IMF)	3.401	6.797	3.622	2.432

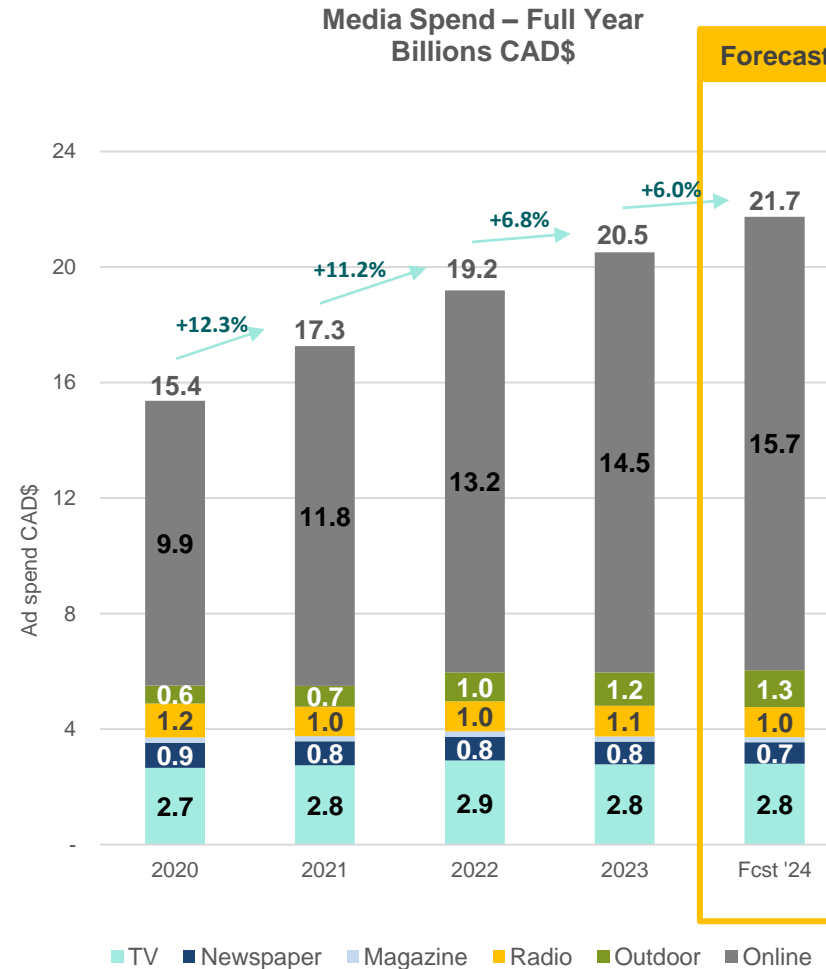
GDP, Private Consumption and Ad Spend Evolution: Canada



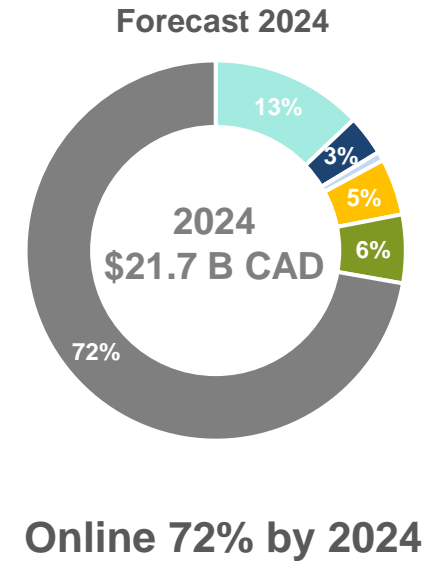
Sources: Insider Intelligence eMarketer USD net media ad spending, March 30, 2024, Canada. OECD Nov'23 and IMF Oct'23. Exchange rates USD-CAD per year from Exchange-rates.org.

Canada: Total Market Media Spend

- After a modest decline in 2020, ad spend has constantly increased YoY, driven by online growth trend
- As of 2022, spending growth started to slow down, reaching a total of \$21.7 Billion CAD by 2024, in line with GDP and general market inflation decreases.
- Online media is expected to corner the market with 72% of the total media share by 2024



Sources: Insider Intelligence eMarketer USD net media ad spending, March 30, 2024, Canada. Exchange rates USD-CAD per year from Exchange-rates.org.



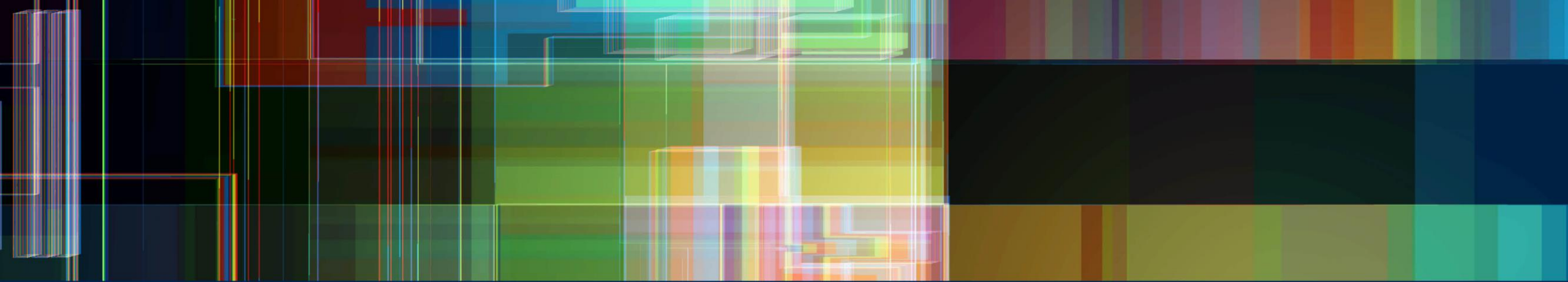
Canada: Media Inflation – Actual for 2023 and Forecast for 2024

- As consumer inflation decreases, so does media inflation.
- Average media inflation at 6.2% in 2023 is expected to decrease in 2024 to around 5.3%.
- As TV audiences continue to decline, this medium's ad spending and inflation are projected to continue flat by 2024.
- Similar to TV, inflation rates will be observed for CTV in 2024; however, Digital Video and other online activity will have lower inflation rates.

Media	Spend Trend	Inflation Actual 2023	Inflation Forecast 2024
TV	▶	+10.0%	+9.5%
Connected TV (Streamed)	▲	+9.0%	+8.0%
BVOD	▲	+8.0%	+4.5%
VOD	▲	+8.0%	+4.5%
Digital Video	▲	+7.0%	+5.0%
Digital Display	▲	+3.1%	+4.5%
Social Video	▲	+5.0%	+5.0%
Social Display	▲	+5.0%	+4.5%
News	▼	+0.5%	+2.0%
Magazine	▼	+0.5%	+2.0%
Radio	▼	+2.5%	+3.0%
OOH	▲	+4.5%	+3.3%
Retail Media/ E-commerce	▲	+5.0%	+5.0%
Market Average	▲	+6.2%	+5.3%

Canada: Media Market Overview

- Canada's media spend is expected to keep growing at a slower pace (6%) by 2024.
 - Online spend will continue to be dominant in the market, attracting 72% of the total media spend.
 - Smart TV penetration continues to climb. The growth will have a major impact on accessibility to online content and will boost CTV viewership.
 - More than three-quarters of streamers do so on a smart TV (78%).
 - Among the total internet user population, smart TV penetration was at 55.3% by the end of 2023 in Canada. That's up from just 39.3% in 2019, with significant gains each year.
 - CTV ad spending in Canada will surpass the C\$1 billion mark this year and will grow another 11.0% in 2024.
 - Thanks to smart TV connectivity, non-pay TV homes will account for 42.4% of Canadian households in 2024 and continue upward.
 - Subscribers to over-the-top TV services will continue growing in Canada (26.4M subscription video viewers 2024) as PTV households continue to decline (11.3M PTV viewers 2024, -3.7% vs. 2023).
 - More Canadians subscribe to SVOD than traditional TV. 66.2% of Canadians subscribe to one or more SVOD services, the most popular being Netflix, followed by Amazon Prime Video.
- Total average media inflation is projected to remain around 5% by 2024.
- Key events in 2024:
 - Olympic games, Paris 2024: CBC/Radio-Canada has been the exclusive broadcast rights holder for the Olympics through 2032 as part of a new partnership with the International Olympic Committee (IOC). This agreement covers all media platforms and includes a commitment to broadcast at least 200 hours of the summer games and 100 hours of the winter games on free-to-air television.



Brazil

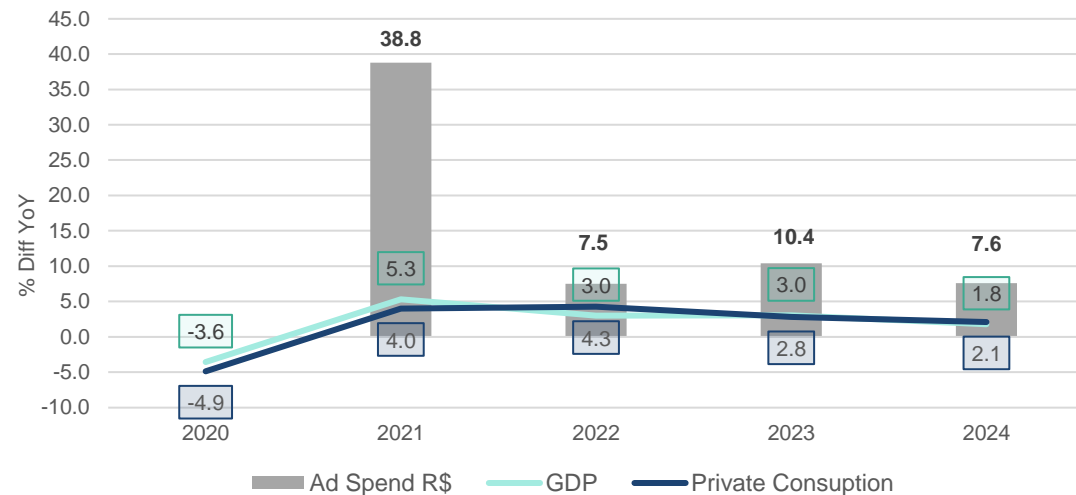
Brazil: Economic Projections 2023-2024

- Contrary to IMF's low expectations for previous years, GDP growth remained above 3.0% in 2022 and 2023; however, it is estimated to decrease up to 1.8% by 2024.
- In 2024, unemployment is expected to remain high and above 8%.
- As expected, high Consumer Price Inflation at over 9% in 2022 abated to more sustainable figures around 4%-5% in 2023, and they are projected to maintain a similar level by the end of 2024.
- Brazil's ad spend evolution follows the same growth trend as GDP and private consumption throughout the years.

International Monetary Fund (WEO) & OEDC

Variable	2021	2022	2023	2024
Change in real GDP (OECD)	5.33	3.02	3.04	1.80
Private Consumption (OECD)	4.02	4.29	2.82	2.09
Unemployment rate (IMF)	13.2	9.25	8.333	8.169
PCE Inflation (Personal Cons. Expenditures / IMF)	8.302	9.28	4.731	4.452

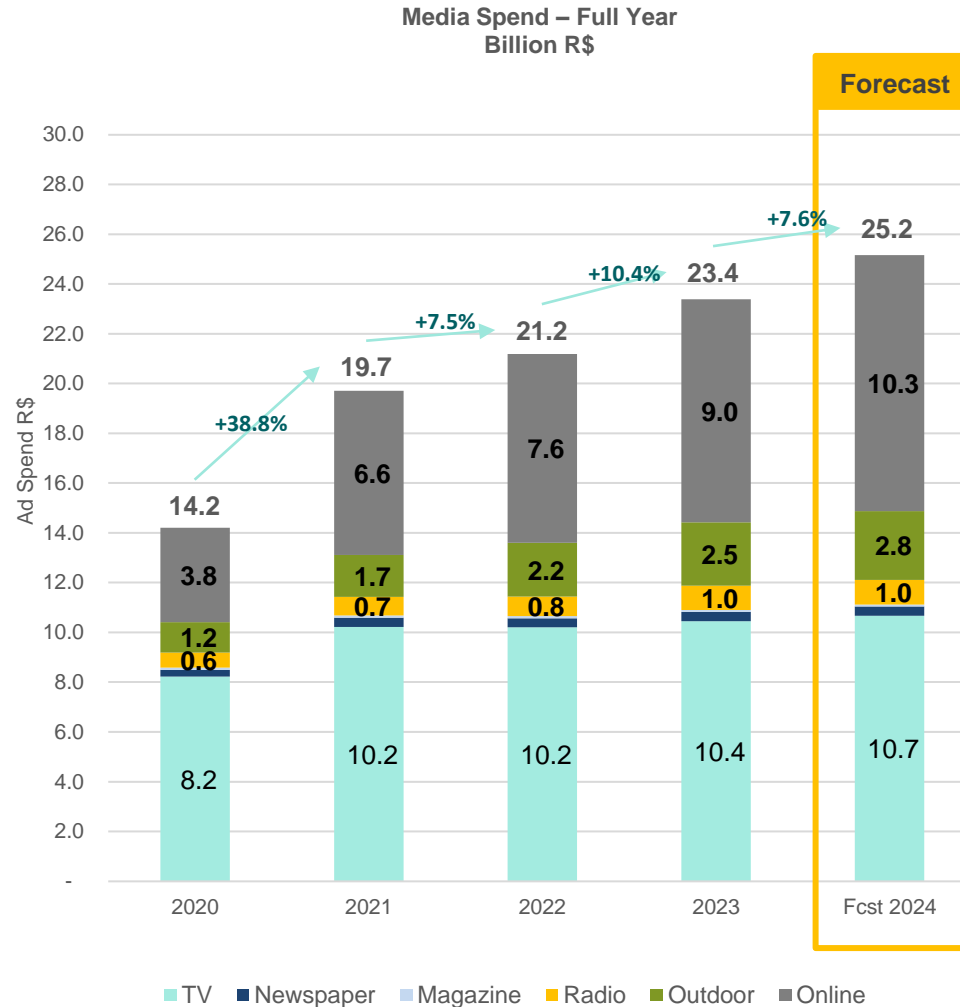
GDP, Private Consumption and Ad Spend Evolution: Brazil



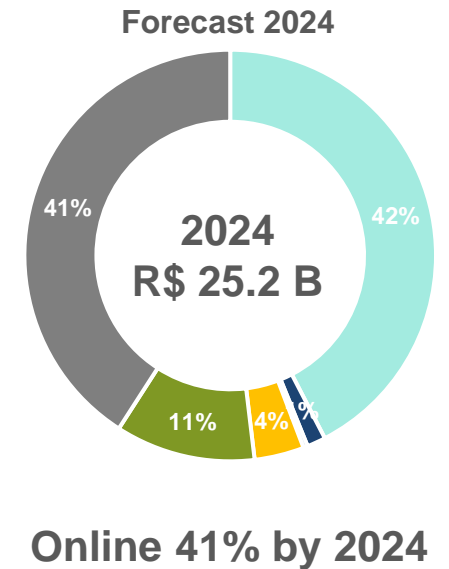
Sources: Net ad spend R\$ 2019-2023 Zenith-CENP, Brazil. OECD Nov'23 and IMF Oct'23. Insider Intelligence eMarketer ad spending growth 2023-2024, March 30, 2024, Brazil.

Brazil: Total Market Media Spend

- In 2024, Brazil's larger spending growth will be observed for Online (+14.8%) and OOH (+9% over a reduced spend basis). Online spend tends to keep growing.
- TV has long been the dominant media vehicle in Brazil; however, this media increase in spend is expected to be no larger than 2.1% for 2024. Print and radio growth will be around a low 0.5%
- The gap between TV and Online share of spend is expected to be significantly reduced by 2024, jeopardizing TV dominance in spend for further years.



Sources: Net ad spend 2019-2023 Zenith-CENP
Insider Intelligence eMarketer ad spending growth 2023-2024 applied, March 30, 2024, Brazil.



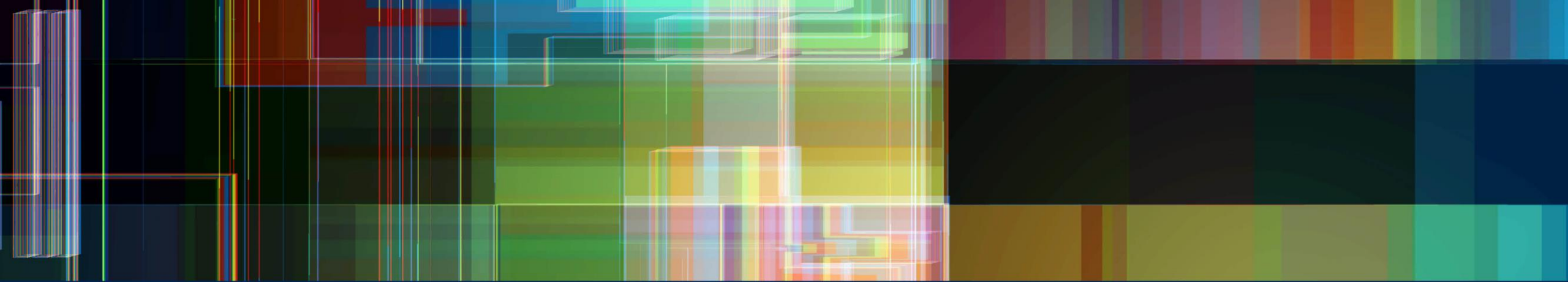
Brazil: Media Inflation – Actual for 2023 and Forecast for 2024

- 2024 does not expect significant changes in media inflation. The inflation rate trend is similar to consumer inflation.
- Driven by the proliferation of new digital formats, the largest inflation increase will be observed for OOH from 5% in 2023 to 7.5% in 2024.
- Digital video offerings will have inflation rates similar to TV; however, other online media will see slightly lower inflation in the 4%-4.5% range through 2024.

Media	Spend Trend	Inflation Actual 2023	Inflation Forecast 2024
Broadcast TV	▲	+8.0%	+7.5%
Pay TV	▲	+8.0%	+7.5%
Connected TV (Streamed)	▲	+7.0%	+6.5%
BVOD	▲	+7.0%	+6.5%
VOD	▲	+7.0%	+6.5%
Digital Video	▲	+4.5%	+4.5%
Digital Display	▲	+4.0%	+4.0%
Social Video	▲	+4.0%	+4.5%
Social Display	▲	+4.0%	+4.5%
News	▶	+4.0%	+4.5%
Magazine	▶	+4.0%	+4.5%
Radio	▶	+6.5%	+4.5%
OOH	▲	+5.0%	+7.5%
Retail Media/ E-commerce	▲	n/a	n/a
Market Average	▲	+6.6%	+6.4%

Brazil: Media Market Overview

- The media industry is poised for continued growth, with a projected 7.6% total spend increase expected for 2024. Average media inflation is projected to remain flat, around 6.4%, by 2024.
 - Online spend reached 38% of total media spend in 2023 and will continue to lead spending growth to reach 41% of total media spend in 2024.
 - With a moderate spending growth of 2.1%, OTV will reach 42% of market media spend in 2024. The gap between TV and online is expected to be significantly reduced by 2024, jeopardizing TV's largest share of spend for further years.
 - Brazil is experiencing a surge in demand for video streaming services, with a growing number of subscribers and an expanding range of local content. Brazil's OTT industry is vibrant, with a mix of global and local players competing to capture viewers' attention in this dynamic digital landscape.
 - Brazil's OTT market is expected to reach 40.7 million users, with a user penetration rate estimated to be 15.7% in 2024 and 18.4% by 2027.
- Key events in 2024:
 - The broadcast rights for the Olympic Games in Brazil have been awarded to Globo by the International Olympic Committee (IOC). This agreement extends through 2032 and encompasses various broadcast platforms, including Free-to-air television (on a non-exclusive basis), subscription television, internet, and mobile (on an exclusive basis).



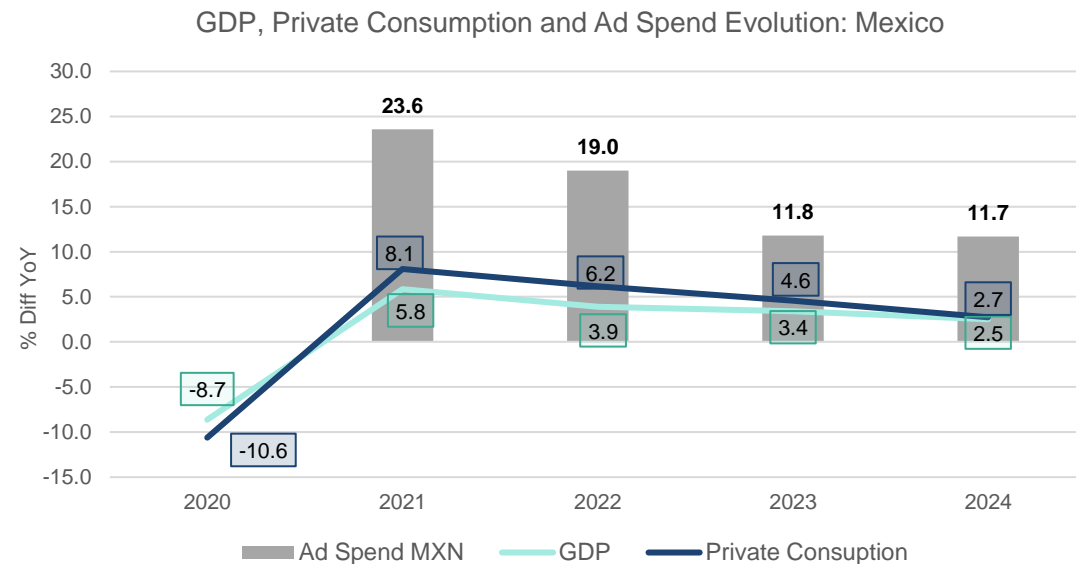
Mexico

Mexico: Economic Projections 2023-2024

- After a strong GDP recovery from pandemic levels in 2021, growth trends slowed to below 2.5% in 2024.
- The unemployment rate improved from 2021 to 2023; however, it is expected to slightly increase again during 2024.
- Consumer inflation levels are projected to slow down to 3.8% in 2024, the lowest in the last four years.
- At a slower pace, ad spend continues increasing at 11%-12% levels through 2023 and 2024
- Presidential elections will be held in June 2024, increasing demand for media.

International Monetary Fund (WEO) & OEDC

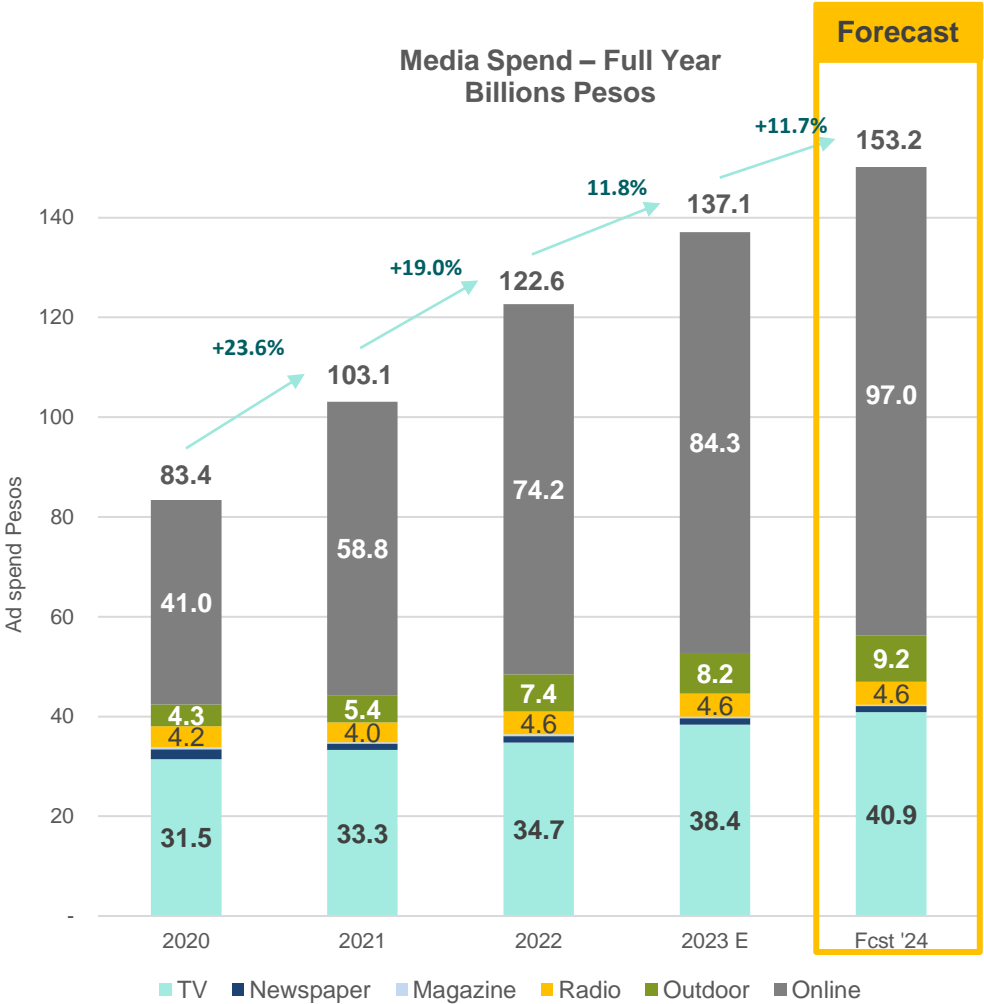
Variable	2021	2022	2023	2024
Change in real GDP (OECD)	5.84	3.90	3.41	2.53
Private Consumption (OECD)	8.10	6.18	4.58	2.74
Unemployment rate (IMF)	4.142	3.275	2.888	3.085
PCE Inflation (Personal Cons. Expenditures / IMF)	5.693	7.899	5.542	3.822



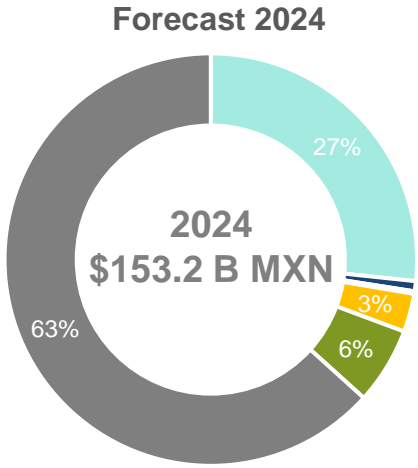
Sources: : Estudio Valor Total Medio, Zenith net spend 2020-2022. OECD Nov'23 and IMF Oct'23. Insider Intelligence eMarketer ad spending growth 2023-2024, March 30, 2024, Mexico..

Mexico: Total Market Media Spend

- Advertising market spend increasing YoY for a total value of \$153.2 Billion MXN in 2024.
- Similar total ad spend growth levels to 2023 are expected for 2024.
- Online media has been leading growth in the last years, and it is expected to reach 63% of the total market spend by 2024.
- Over a lower basis than online, TV and OOH spend continue increasing YoY.



Sources: : Estudio Valor Total Medio, Zenith 2020-202022. Insider Intelligence eMarketer ad spending growth 2023-2024, March 30, 2024, Mexico.



Online 63% by 2024

Mexico: Media Inflation – Actual for 2023 and Forecast for 2024

- Both consumer and media inflation are declining; however, media inflation is projected to decline at a slower pace.
- OOH and TV media will have the highest inflation levels in 2024 in the 6%-7% range.
- With two-digit spending increases, online media inflation will remain flat around 5% in 2024.

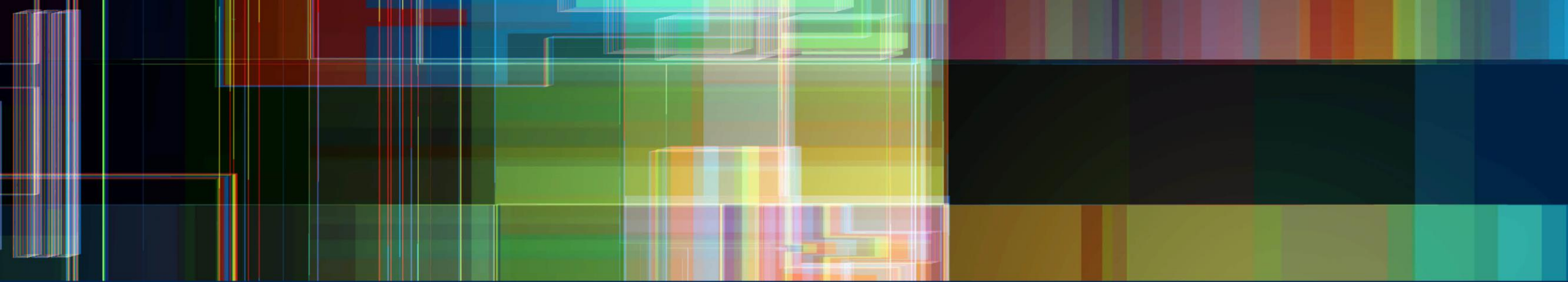
Media	Spend Trend	Inflation Actual 2023	Inflation Forecast 2024
Broadcast TV	▶	+8.0%	+6.3%
Pay TV	▶	+8.0%	+6.3%
Connected TV (Streamed)	▲	+5.0%	+5.0%
BVOD	▲	+5.0%	+5.0%
VOD	▲	+5.0%	+5.0%
Digital Video	▲	+5.0%	+5.0%
Digital Display	▲	+4.5%	+4.5%
Social Video	▲	+4.5%	+4.5%
Social Display	▲	+4.5%	+4.5%
News	▼	+3.0%	+2.5%
Magazine	▼	+3.0%	+2.5%
Radio	▼	+4.0%	+5.0%
OOH	▲	+6.0%	+7.0%
Retail Media/ E-commerce	▲	+4.5%	+5.0%
Market Average	▲	+5.7%	+5.3%

Mexico: Media Market Overview

- The future of the advertising industry in Mexico is digital, customized and intelligent.
- Total media spend is expected to keep growing by 11.7% in 2024.
 - Online spend reached 62% of total media spend in 2023 and is expected to continue leading spend growth in 2024 to reach a 63% share of total media spend.
 - With a slight spend decreasing trend, TV will command only 27% of the total spend by 2024.
 - Advertisers are expected to continue using CTV, VOD and OTT offerings to extend the reach of video.
- Key events in 2024:
 - Soccer will remain the most popular sport with two national championships during 2024: Clausura Liga MX (Jan-May) and Torneo de Apertura (Jul-Dec). These games will be aired through open and paid TV.
 - After defending his title in September 2023, the Mexican boxer Saúl “El Canelo” Álvarez, announced his next fight for May 4th in Las Vegas, having signed with TV Azteca to air his fight in México through open TV. These fights Will be placed within the top ten audience programs.
 - Olympic games will take place in France from Jul 26th through August 11th.

Mexico: Media Market Overview

- 2024 will face the largest electoral process ever in Mexico's recent history. The 32 federal entities will vote to elect a new President for the country, nine governors, federal and local congresses, as well as other local political charges.
- There will be a strong fight between two presidential women candidates, the official one, Claudia Sheinbaum and the opposition contender Xóchitl Gálvez.



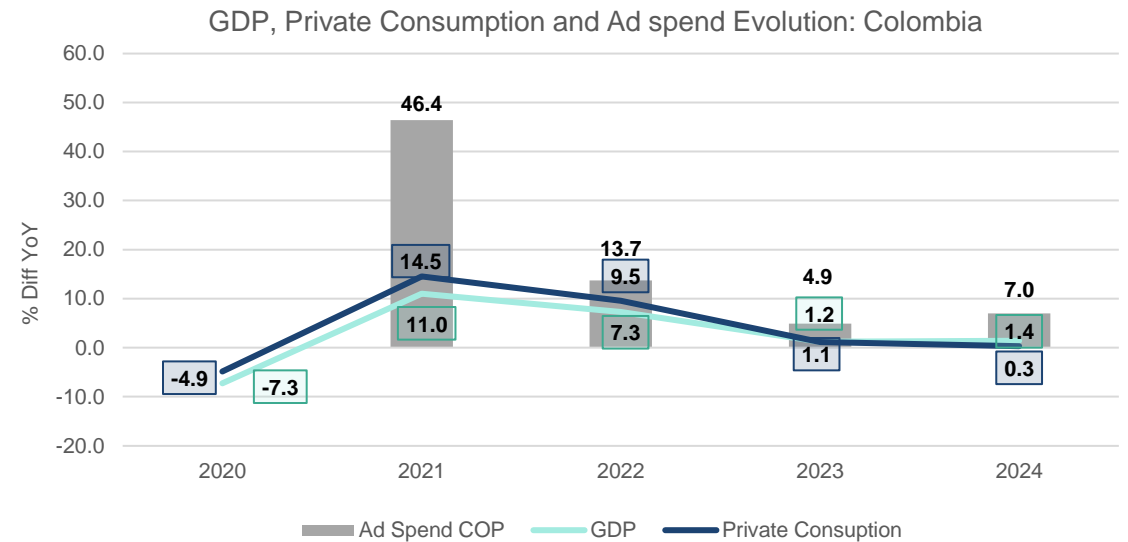
Colombia

Colombia: Economic Projections 2023-2024

- A large decrease in GDP from 7.3% in 2022 to 1.2% in 2023 confirmed an economic stagnation in Colombia. A slight recovery is expected by 2024; however, GDP levels will remain below 1.5%.
- At a slow pace, unemployment will keep declining by 2024.
- Inflation achieved its highest level in 2023 (11.39%), but forecasts are expected to strongly fall to 5% levels by the end of 2024.
- Political scandals surrounding Colombia's President, Gustavo Petro, the economic slowdown, and social unrest have declined the President's popularity. The country faces crucial challenges on its path to stability.
- In the face of political and economic uncertainty, ad spend increase for 2024 is projected to be around 7.0%

International Monetary Fund (WEO) & OEDC

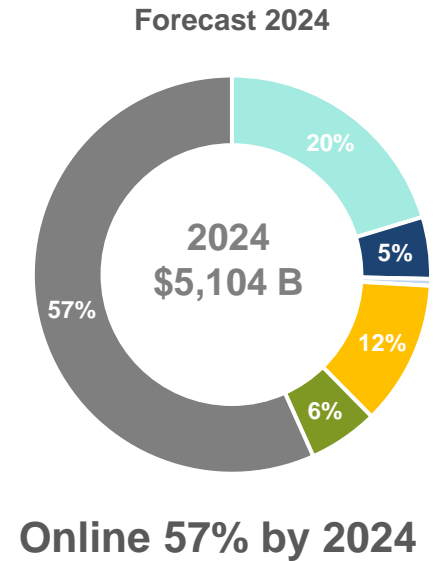
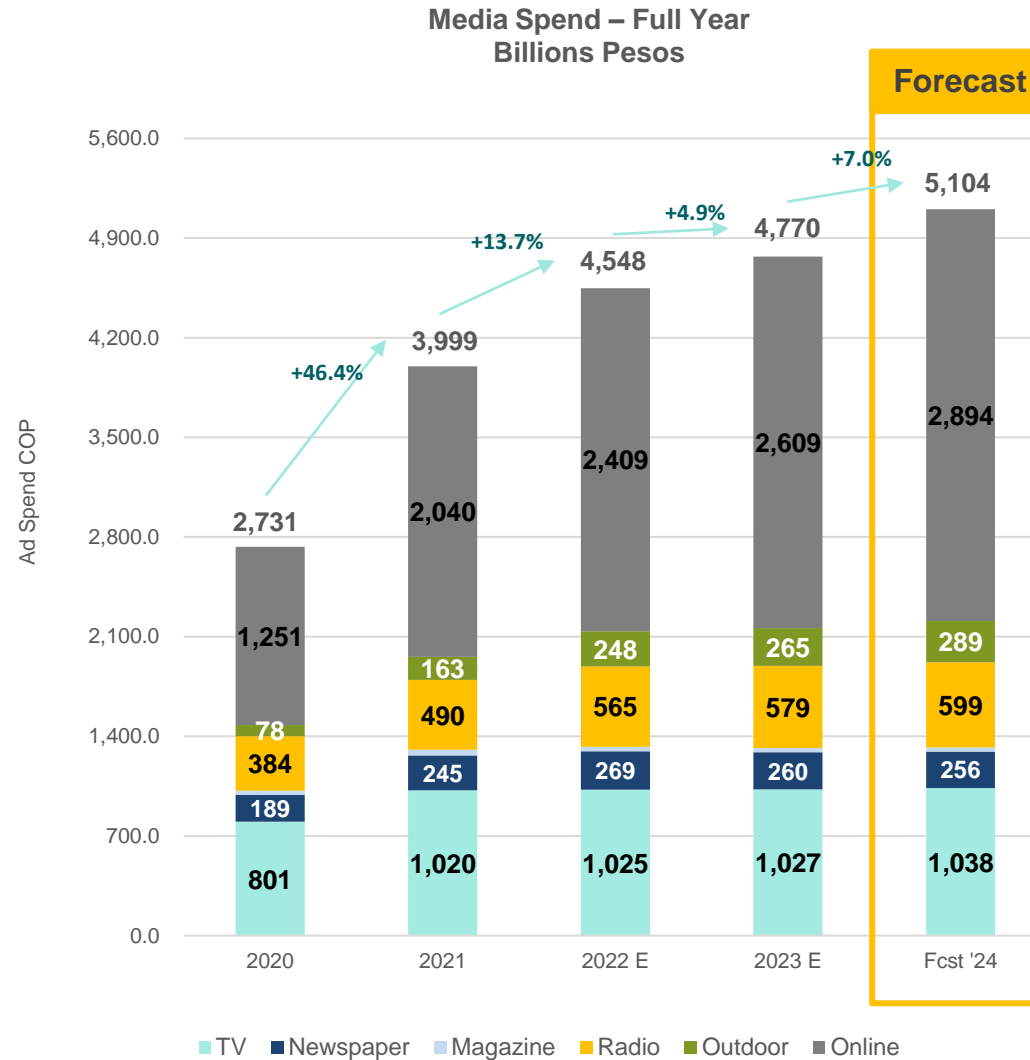
Variable	2021	2022	2023	2024
Change in real GDP (OECD)	11.02	7.26	1.20	1.38
Private Consumption (OECD)	14.52	9.54	1.14	0.31
Unemployment rate (IMF)	13.8	11.208	10.8	10.404
PCE Inflation (Personal Cons. Expenditures / IMF)	3.501	10.184	11.39	5.243



Source: Net Ad Spend Zenith, IAB 2020-2021, Colombia. OECD Nov'23 and IMF Oct'23. Insider Intelligence eMarketer ad spending growth 2022-2024, March 30, 2024, Colombia.

Colombia: Total Market Media Spend

- One-digit ad spend increases after 2022, driving total media spend in Colombia to over \$5,104 Billion COP by 2024.
- Online ad spend growth around 11% in 2024.
- Online media is expected to reach 57% of the market media spend by 2024.
- Except for Print, the rest of traditional media are expected to increase slower than online media in 2024.
- 2024 ad spend growth in line with the media inflation level forecasted



Colombia: Media Inflation – Actual for 2023 and Forecast for 2024

- Despite political and economic uncertainty, a 7% increase in ad spend is projected for 2024. Except for print, all media ad spend will increase.
- Actual inflation in 2023 significantly exceeded market projections that were estimated at around 4% for 2023.
- Although the media inflation trend is similar to consumer inflation, figures for 2024 are expected to be above 6.4% for all media

Media	Spend Trend	Inflation Actual 2023	Inflation Forecast 2024
Broadcast TV	▼	+10.0%	+7.6%
Pay TV	▼	+10.0%	+7.6%
Connected TV (Streamed)	▶	+10.5%	+7.2%
BVOD	▶	+10.0%	+7.0%
VOD	▶	+10.0%	+7.0%
Digital Video	▶	+8.5%	+6.6%
Digital Display	▶	+8.0%	+6.4%
Social Video	▶	+10.0%	+6.4%
Social Display	▶	+10.0%	+6.4%
News	▼	+10.0%	+6.5%
Magazine	▼	+10.0%	+6.5%
Radio	▼	+11.5%	+7.5%
OOH	▶	+10.0%	+7.3%
Retail Media/ E-commerce	▶	+9.5%	+7.2%
Market Average	▼	+9.9%	+7.0%

Colombia: Media Market Overview

- Political scandals surrounding Colombia's president, Gustavo Petro, the economic slowdown, and social unrest have declined the president's popularity. The country faces crucial challenges on its path to stability.
- In the face of political and economic uncertainty, a moderate increase of 7.0% in ad spending is projected for a total of 5.1 Billion COP in 2024. Except for print, all media will continue to grow around inflation levels.
- After a high media inflation scenario in 2023, average media Inflation is expected to be around 7.0% in 2024.
 - Digital reached +55% of total media spend in 2023 and is expected to reach 57% in 2024.
 - Television will command only 20% of total spend.
 - Caracol continues to dominate the Broadcast TV market with more than 59% of the audience share, followed by RCN (32%) and Canal 1 (4%), which seems to be stuck below 8% of the total share.
- Key events in 2024:
 - Copa América 2024: Colombia soccer selection will go for a third championship. Soccer games will be aired through Caracol, RCN, Win Sports, and DirecTV Sports
 - Olympic Games 2024: Colombia will send a delegation of more than 100 athletes, which will catch the attention of the local audiences



Germany

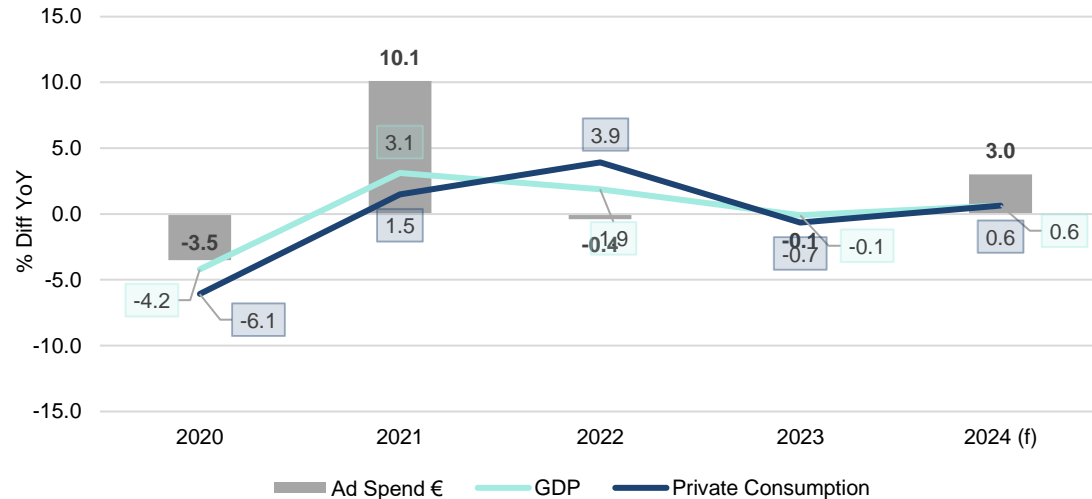
Germany: Economic projections 2023-2024

- Increasing signs that the German economy will reach a positive turning point in Spring 2024.
- Electricity and gas now cost about the same on the stock exchange as before the energy price shocks .
- It is uncertain if higher real wages and a stable labour market will be able to overcome the loss of purchasing power in private households and lead to a revival in private consumption. A decrease of -0,6% is anticipated.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	1.9	-0.1	0.6
Private Consumption (OECD)	3.9	-0.7	-0.6
Unemployment rate (IMF)	3.1	3.0	3.3
PCE Inflation (Personal Cons. Expenditures / IMF)	8.7	6.0	2.4

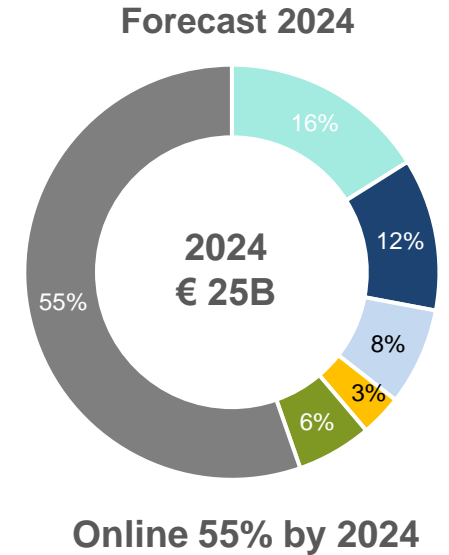
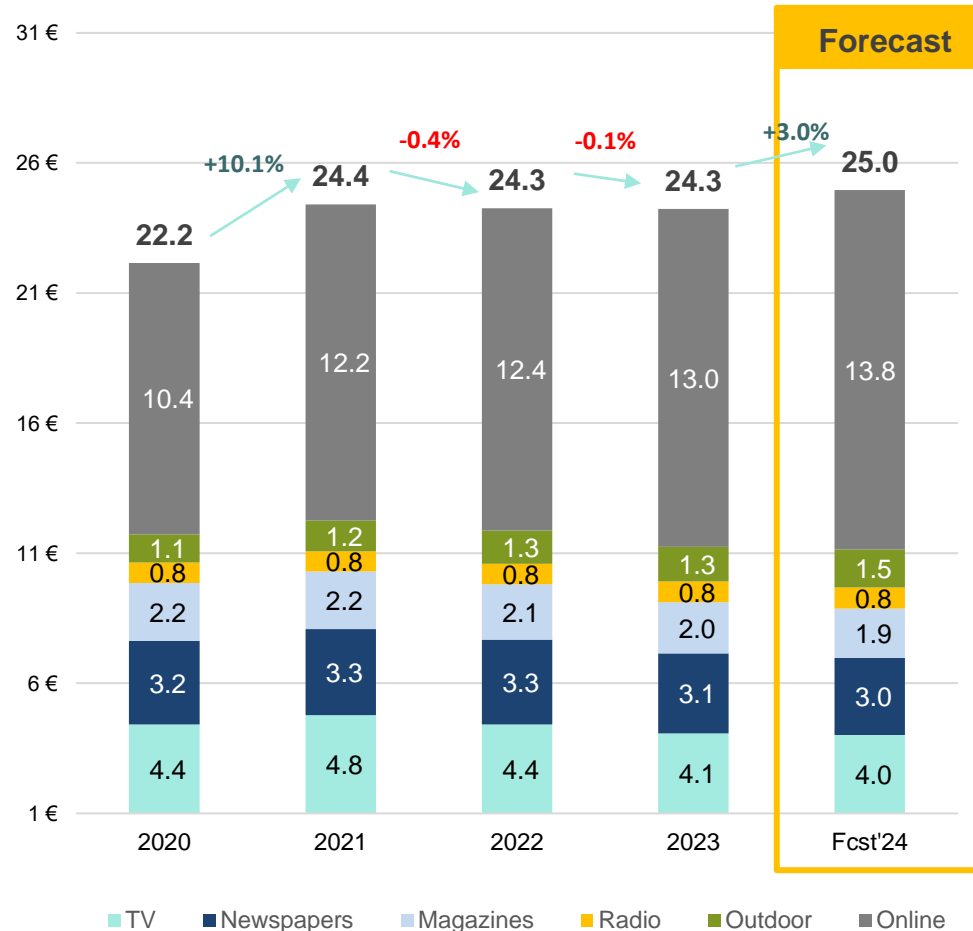
GDP, Private Consumption and Ad spend Evolution: Germany



Sources: WARC, OECD, IMF

Germany: Total Market Media Spend 2020-2024

Germany: Media Spend – Full Year
Billions €



- Flat levels of spending for 2023 with Online having the biggest increase within the media mix.
- Forecast for 2024: growth of 3%.
- Overall, digital media will continue to see the strongest growth and Print will have the weakest growth or decline.
- Euros (hosted by Germany) & Olympics (France) may have a positive impact on media spend.

Sources: Advertising Expenditure - WARC

Germany: Media Inflation – Forecast for 2024

- Ad spend expected to grow in 2024.
- TV again with the highest inflation
 - Followed by Online Video.
- TV media vendors under further pressure: Shrinking reach and more and more competition from streaming providers and, in particular, the new opportunities offered by Amazon.
- Retail Media becoming increasingly important.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
Broadcast TV	▲	10.8%	8.7%
Digital Video	▲	3.5%	4.0%
Digital Display	▲	2.0%	2.0%
Social Video	▲	4.5%	5.0%
Social Display	▲	2.5%	3.2%
News	▲	3.3%	3.5%
Magazine	▼	4.0%	4.1%
Radio	▲	3.5%	3.6%
OOH	▲	4.5%	4.6%
Retail Media/ E-commerce	▲	5.0%	4.8%
Market Average	▲	4%-6%	4%-6%

Sources: AuditStar & Associates

Germany: Media Market Observations

- Media Investment growth Q1 2024 +11.4%; Magazines counter to the market trend: -5.8% for the first two months; Cinema will decline this year due to the long strike in Hollywood in 2023.
- Many uncertainties for the rest of the year. The European Football Championships (Germany) and the Olympic Games (France) in the Summer 2024 may have a positive impact.
 - Even though the rights for football are held by Magenta TV (Telekom) and for the Olympics by Eurosport, the majority of the events will be aired by the public broadcasters.
- Advertising bans: In 2023, a bill against advertising unhealthy food (too much sugar, fat and salt) was introduced to protect children. It is still being discussed and adjustments are still to be expected, as this would have a significant impact not only on manufacturers, but also on advertising-financed media. Ban on advertising on TV (Monday-Friday 5-10 pm), complete ban on online advertising, ban on OOH around schools and day care centres etc.
 - In the UK, a similar proposal was introduced: junk food legislation. Announced for 2024, but in June 2023 the UK government announced a further delay until at least October 2025.
- Digitalisation Offline media:
 - TV: AdTech-Cooperation of the two biggest media vendors Ad Alliance and Seven One Media to defend and define a market standard against growing competition from Google, Facebook and streaming provider. A further step towards digitalisation.
 - Radio: The two leading German audio marketers ARD MEDIA and RMS are offering a cross-marketer online booking platform that is open to all market partners and thus sets a market standard.



France

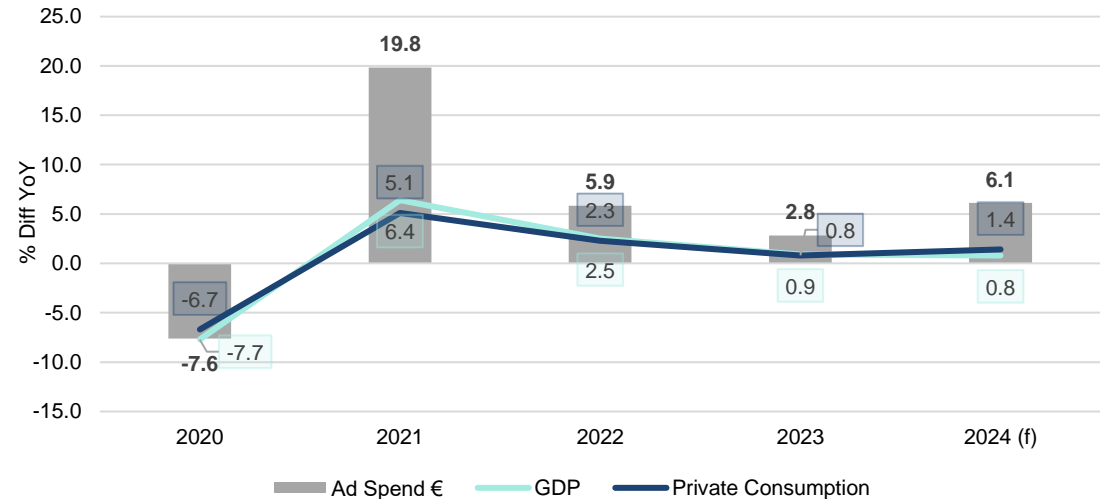
France: Economic projections 2023-2024

- High inflation and tighter financial conditions weighed on growth throughout the year despite Government support measures and a very favourable labour market, accompanied by dynamic wages that preserved household purchasing power.
- Private consumption is set to drive GDP growth on the back of rapidly declining inflation.
- Investment is expected to remain subdued until the second half of 2024 due to still restrictive financing conditions but is then set to start recovering.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	2.5	0.9	0.8
Private Consumption (OECD)	2.3	0.8	1.4
Unemployment rate (IMF)	7.3	7.4	7.4
PCE Inflation (Personal Cons. Expenditures / IMF)	5.9	5.7	2.4

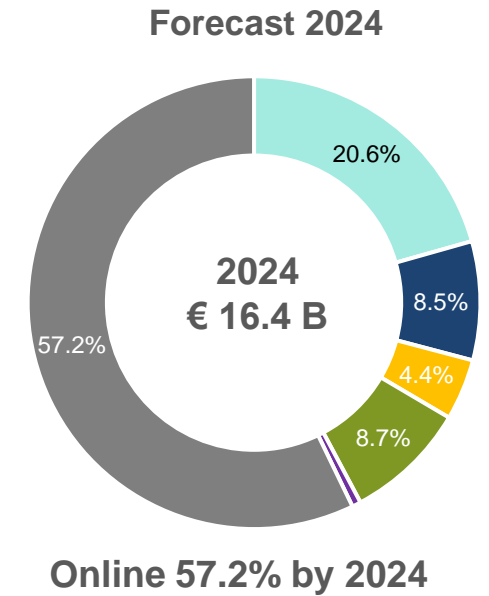
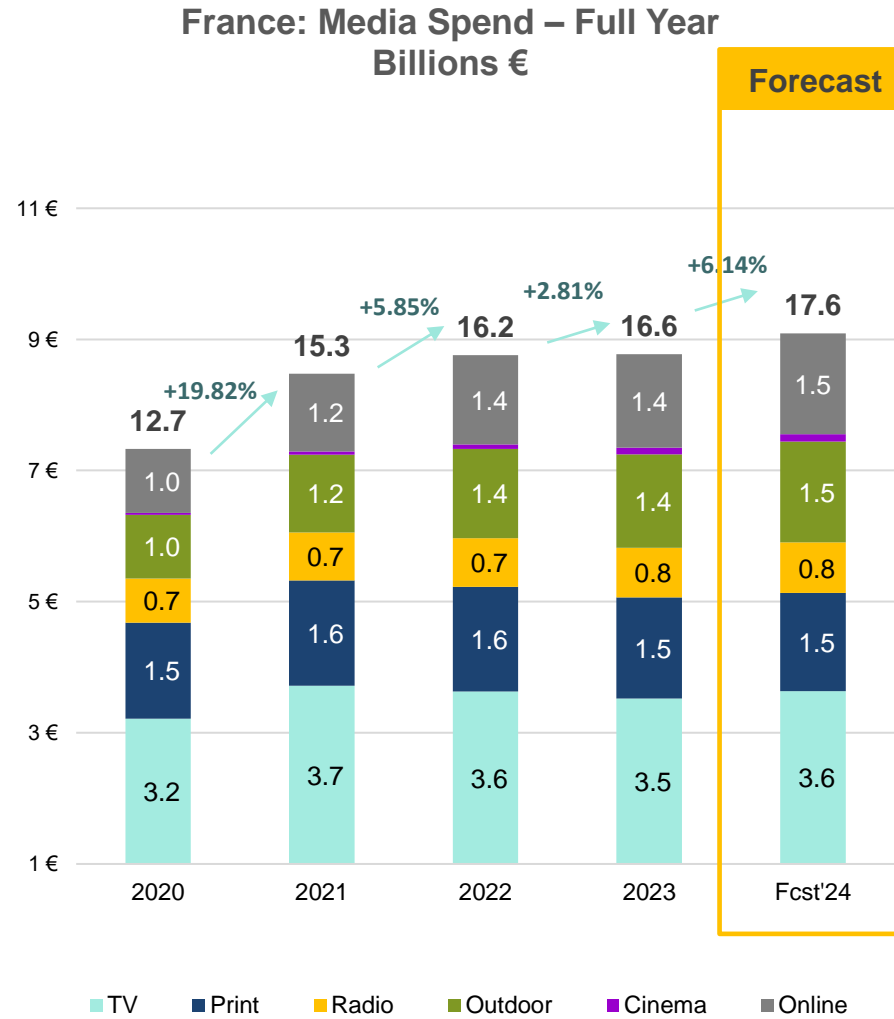
GDP, Private Consumption and Ad spend Evolution: France



Sources: WARC, OECD, IMF

France: Total Market Media Spend 2020-2024

- Overall ad spend grew slightly in 2023 – mainly via Online and Radio.
- Print again with ad spend reductions
- Decreasing audiences in linear TV and continuous migration to Online - more challenging to reach required target audience.
- Print publishers also move towards digital editions.



Sources: Advertising Expenditure – WARC

France: Media Inflation – Forecast for 2024

- Digital ad spend continue to slowly grow whereas Offline will stabilize.
- The Olympics in Paris impacted media inflation, especially TV, especially TV.
- TV price changes also, as a result of the changes to the measurement system from Jan 2024.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
TV	▼	6.6%	7.4%
Digital Video	▲	5.0%	3.0%
Digital Display	▲	2.0%	1.0%
Social Video	▲	5.0%	4.0%
Social Display	▲	3.0%	2.9%
News	▼	1.0%	-1.5%
Magazine	▼	1.0%	-1.5%
Radio	▲	3.5%	1.0%
OOH	▲	4.0%	3.5%
Market Average	▲	4.1%	3.3%

Sources: AuditStar & Associates

France: Media Market Observations

- France continues to differ many other European markets due to its media market structure and advertising legislation.
- Since the Loi Sapin the advertising market is strictly regulated, and agency inventory trading is not allowed:
 - All media negotiations are transparent and known by the advertiser.
 - When accounts change agencies, the new agency has full sight of the previous agency's negotiations.
 - There are no AVBs by law.
- The planned merger in 2023 of the two leading commercial TV channels TF1 and M6 was blocked by the monopolies commission in France however TV ad spend continues to reduce, as becomes more challenging to target viewers via linear TV alone with viewership migrating Online.
- Médiamétrie has revised the TV audience panel from January 2024, bringing internet-delivered TV viewing into the panel. This will help to make TV ratings more accurate and a better representation of the French population. 500 new households which don't own a TV set have now been included in the panel – now measuring TV viewing on all devices within its panelists' homes, as well as outside of the home.
- Cross-screen advertising measurement is also planned for Summer 2024 in collaboration with France's broadcasters, and there are plans to fold viewing figures for YouTube, Netflix, Disney+, Amazon Prime Video, and other digital players into its ratings later in 2024.
- This work in theory will build towards the creation of a new CPM currency at the start of 2025 and is being studied by SNPTV, UDECAM, and the Union des Marques (which represent broadcasters, media agencies, and brands respectively).
- The broadcasters, for their part, seem keen to drive change. TF1 and M6 also appear keen to shift to CPM-based trading for TV, as has already been done partially in Spain, but the Media Agencies have not yet agreed such move.
- Aligning the interests of all concerned parties is proving difficult.
- The other big event for 2024 in France is the Summer Olympics.



Italy

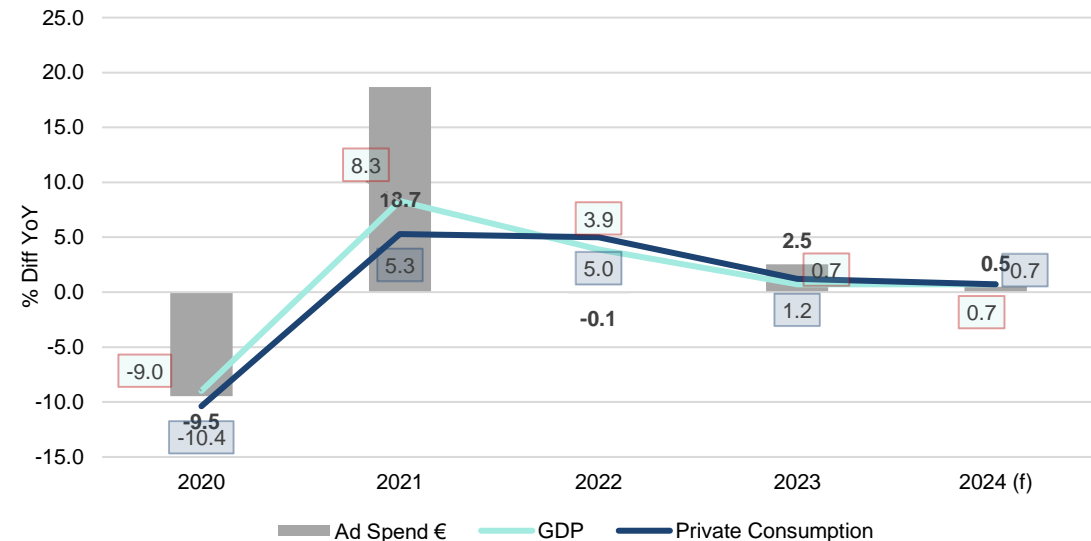
Italy: Economic projections 2023-2024

- GDP growth is projected to slightly increase in 2024.
- High inflation is eroding real incomes which together with low wage growth, tightening financial conditions and withdrawal of energy subsidises is impacting private consumption and investment.
- Recent decreases in international energy prices have been transmitted rapidly to the consumer, lowering consumer price inflation, which decreased by more than 12% in November to 8.1% in May.
- Spillovers from recent international banking sector turbulence to the Italian banking sector have so far been limited.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	3.9	0.7	0.7
Private Consumption (OECD)	5.0	1.2	0.7
Unemployment rate (IMF)	8.1	7.7	7.8
PCE Inflation (Personal Cons. Expenditures / IMF)	8.7	5.9	1.7

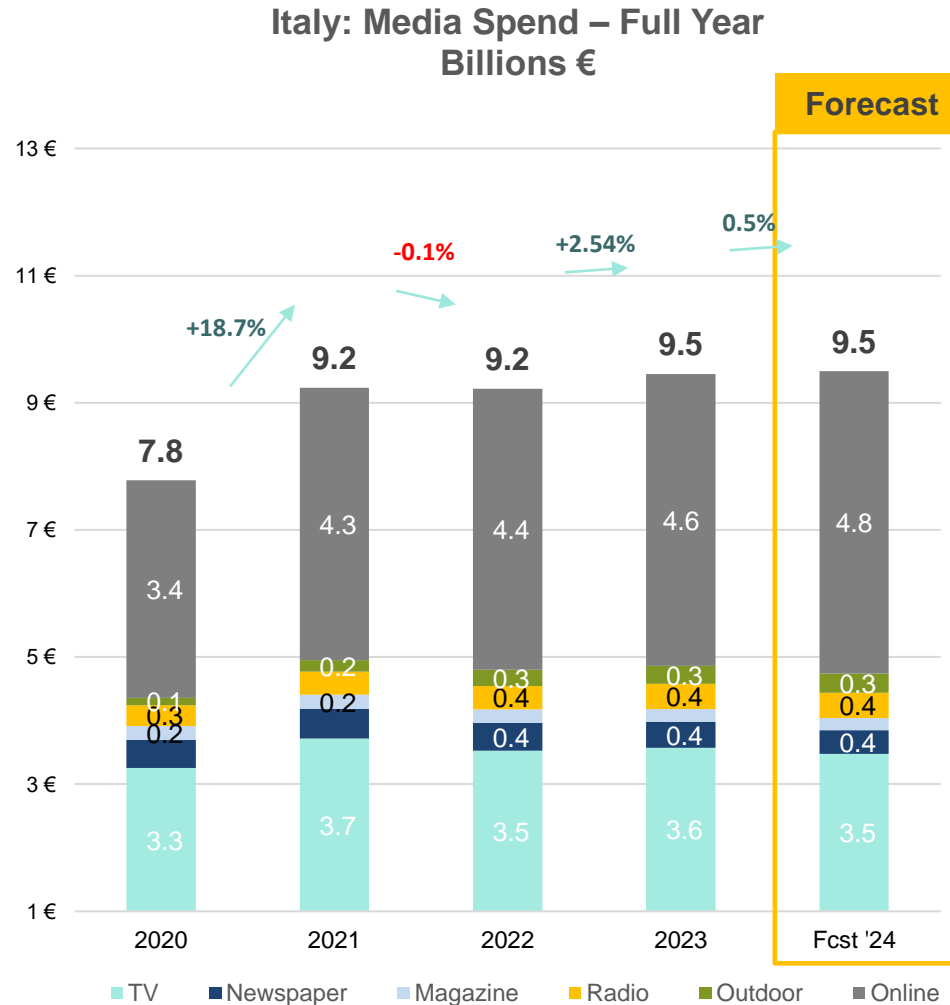
GDP, Private Consumption and Ad spend Evolution: Italy



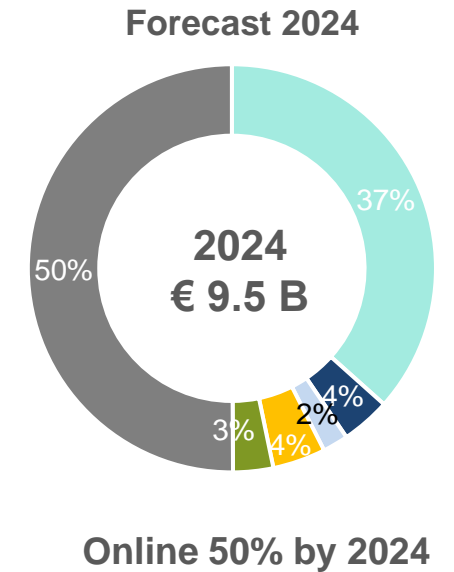
Sources: WARC, OECD, IMF

Italy: Total Market Media Spend 2020-2024

- After recovering post-Covid, ad spending in 2024 is forecast to be virtually flat vs.2023 (0.5% increase).
- Spending increases will be driven by increases in Online media with TV slightly decreasing and the other media flat.
- Online is expected to capture >50% of market investment in 2024.
- TV is the other main media type at 37% share of spend.



Sources: Advertising Expenditure - WARC



Italy: Media Inflation – Forecast for 2024

- Video is in high demand pushing Media inflation higher, especially on TV and Online Video, however, is expected to slow down in 2024 despite the Sports events (i.e. Olympics Paris 2024, Euro 2024).
- OOH in Italy is in strong demand too, where DOOH is driving growth as innovative formats and urban projects to slow down the traffic are offering a better environment and higher number of contacts.
- Radio is still in high demand as the high daily reach (65%) offers a cost effective medium for a variety of Advertisers especially in the morning and in Urban centers.
- Print instead with mixed signals as after many years Ad Spend in Newspapers is increasing in real terms but Magazines instead moving increasingly to the Digital space.
- Display & Social, growing too but at a slower rate than previously.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
TV	▲	+8% - +12%	+6.0% - +8.0%
Digital Video	▲	+3% - +5.5%	+3.5% - +5.5%
Digital Display	▲	+3% - +4.5%	+2.0% - +3.5%
Social Video	▲	+3% - +5.5%	+3.5% - +6.5%
Social Display	▲	+3.5% - +4.5%	+2.5% - +3.5%
News	▲	-1.0% - -0.5%	+0.0% - +0.5%
Magazine	▼	-1.0% - -0.5%	-1.0% - -0.5%
Radio	▲	+3.5% - +4.0%	+3.0% - +3.5%
OOH	▲	+3.5% - +4.0%	+2.5% - +3.5%
Market Average	▲	+4.5% - +7.0%	+4.5% - +6.5%

Sources: AuditStar & Associates / WFA

Italy: Media Market Observations

- Italy Ad Spend forecast to increase modestly driven by the demand on Video (TV and Online).
- Media spending is divided between TV and Online (87%) – “must” media in Italy.
- TV ad spend is concentrated among 4 main TV Groups, Mediaset (P80), Rai (state owned stations), CairoRCS and Sky (Paid & Free); 70% daily coverage of Adults 15+.
- All types of TV advertisements are possible: Linear, VOD (Addressable on Smart TV) & SVOD; new advertising rules were introduced in 2022 (Tusmar) limiting the overall share of Prime Time for all advertisers on State owned Stations.
- Negotiations are based on a Group level for a committed level of Spending.
 - Important to check channel mix / usage within groups.
- Digital is dominated by the International Groups (e.g. Google, Meta, Amazon); also local Networks (e.g. Mondadori, Mediamond, RCS); 75% coverage of Adults 15+ on a daily basis.
 - Mobile Video and Social leading media consumption across all main audiences, following the rise of TikTok ~80% coverage.
- Print, as elsewhere, is decreasing both ad spend and readership as more National titles have a Digital version and are increasingly trying to leverage their cross-platform offering.
- DOOH is revolutionising the OOH category with customised Targeting and Content driving growth.
- Radio is one of the more stable media with 65% of daily coverage and 3.5 hours of daily listenership and growing.
 - New opportunities are opening on Radio with the introduction of web radio, customised podcasts and new devices (e.g. Internet connected Cars).



Spain

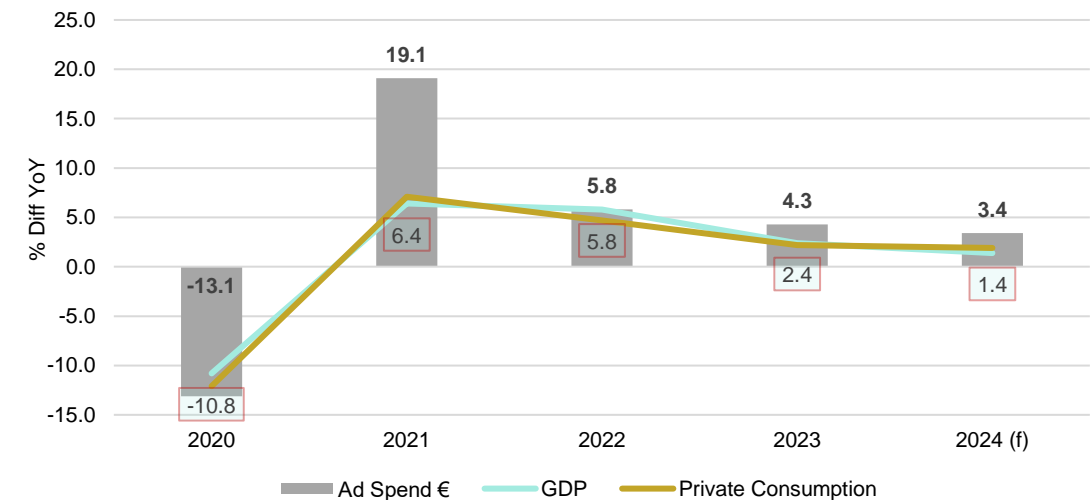
Spain: Economic projections 2023-2024

- GDP growth is projected to slow down but to remain resilient supported by domestic demand.
- Employment growth has been robust, and the 2021 labour market reform is showing promising results, so the un-employment rate will continue to decrease.
- Inflation should remain below 4%.
- However, the unstable international environment, the public debt or the risk of rising interest rates make growth needs to be stronger and more sustainable.
- 2023 Ad Spend up by 4.3%; expected to decrease to 3.4% for 2024.
- The Olympics and Champions League will help increase advertising investment in 2024.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	5.8	2.4	1.4
Private Consumption (OECD)	4.7	2.2	1.9
Unemployment rate (IMF)	12.9	12.1	11.6
PCE Inflation (Personal Cons. Expenditures / IMF)	8.3	3.4	2.7

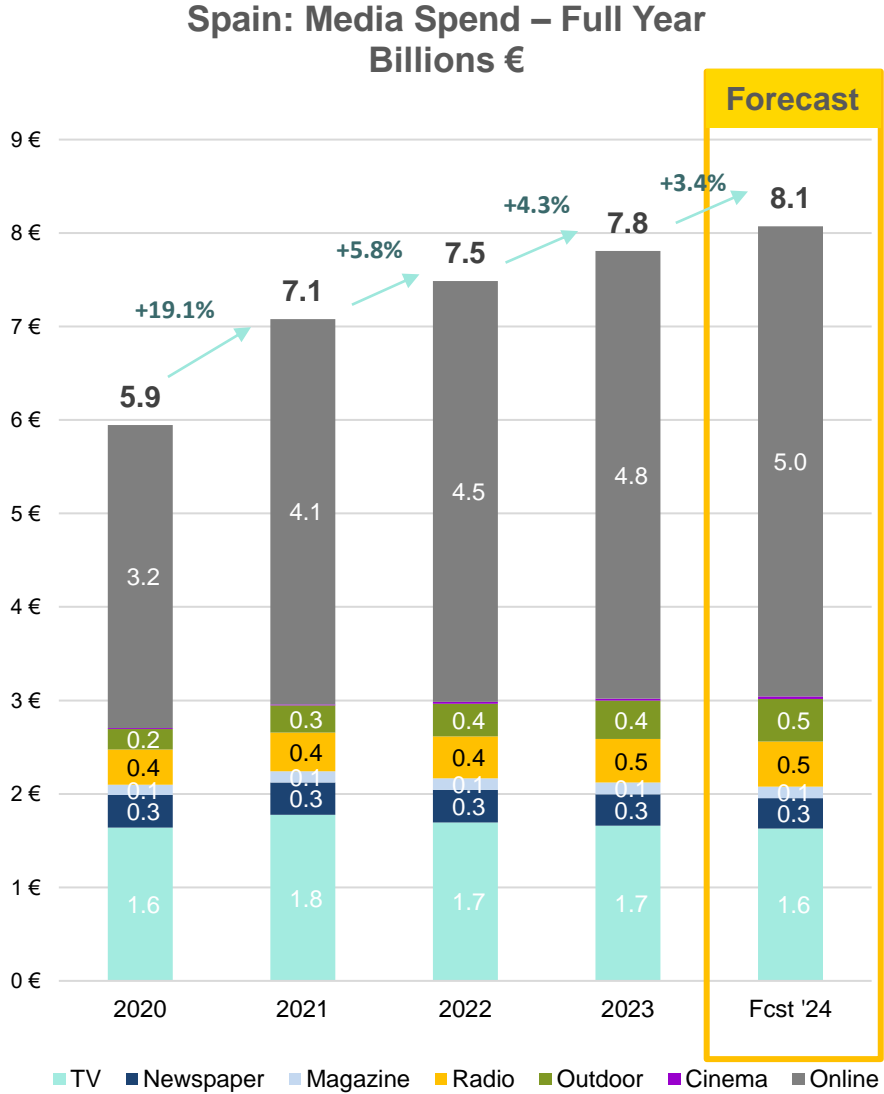
GDP, Private Consumption and Ad spend Evolution: Spain



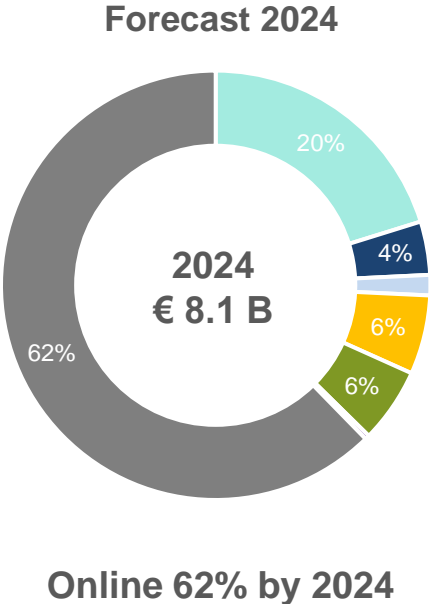
Sources: WARC, OECD, IMF

Spain: Total Market Media Spend 2020-2024

- Ad Spend up +4.3% in 2023, and further increase expected in 2024 driven by Online investment.
- Online market share up to 62%; Television main traditional media type.
- 2024 Online share increasing.



Sources: Advertising Expenditure - WARC



Spain: Media Inflation – Forecast for 2024

- Ad spend expected to grow in 2024.
- All media types with inflation in 2023 and 2024.
- TV high inflation by the end of 2023 and expected to continue at moderate levels in 2024.
- Online Video with growing share of budget and increasing costs/inflation y-o-y.
- Social also expanding through newspapers and magazines brands activity.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
TV	▼	6.2%	4-5%
Digital Video	▲	4.2%	5-6%
Digital Display	▶	3.5%	2-3%
Social Video	▲	5.7%	5-6%
Social Display	▲	4.9%	4-5%
Newspapers	▼	4.3%	2-3%
Magazine	▶	2.2%	2-3%
Radio	▲	3.4%	3-4%
OOH	▲	4.6%	6.5-7.5%
Market Average	▲	4.8%	5-6%

Sources: AuditStar & Associates / WFA

Spain: Media Market Observations

- Spain has the highest audio-visual (TV/streaming/VOL), Social and OOH consumption of the major European markets.
- Adspend dominated by Online followed by TV – over 80% share of spend.
- Online:
 - Advertising digitalisation set to continue, with -0.1% variation for traditional media and 5.9% for digital properties (23/22).
 - CTV and DOOH double digit growth.
 - Search & Social account for almost 40% of digital investment.
- Television:
 - Two main players (Atresmedia & Mediaset) account for 82% share of spend, with 54% share of audience, are looking for ways to increase revenues via:
 - Shifting from c/GRP to CPM as a measure to commercialise audience.
 - Qualifying conventional spots (broadcasting exclusive placements).
 - Combining traditional tv with CTV/Hbbtv and digital presence.
 - The spotlength commercialised in Spain is 20 secs – not 30 secs, the average spotlength broadcast is 18.2 secs.
 - New TV law has ended ad time limitation per hour, but ad breaks are still long and cluttered with 40 spots on average per break (two main groups) especially in Prime Time.
 - Linear TV viewing consumption decreasing (15 min. y-o-y).
- Radio streaming increasing and radio stations increasingly creating “events” in which advertisers can participate.
- Newspapers working on their social networks to increase revenue.



United Kingdom

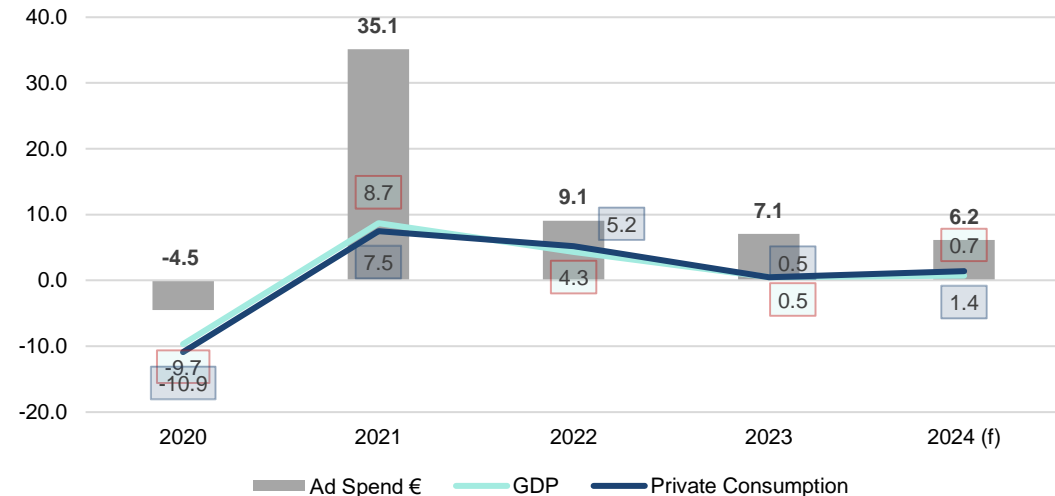
UK: Economic projections 2023-2024

- GDP growth is projected to pick up from 0.5% in 2023 to 0.7% in 2024 and 1.2% in 2025.
- Private expenditure will replace government consumption and investment as the main driver of growth, helped by easing price pressures.
- Headline inflation will subside from historically high levels but remain above target over most of the projection period.
- Core inflation will stabilise at 3.8% in 2024 and 2.6% in 2025 on the back of the tight, albeit easing, labour market. Unemployment however is expected to rise to 4.9% in 2025 – affecting spending power.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	4.3	0.5	0.7
Private Consumption (OECD)	5.2	0.5	1.4
Unemployment rate (IMF)	3.9	4	4.2
PCE Inflation (Personal Cons. Expenditures / IMF)	9.1	7.3	2.5

GDP, Private Consumption and Ad spend Evolution: UK

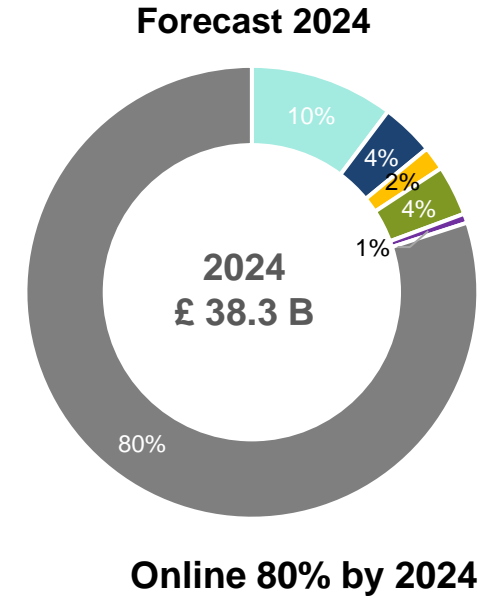
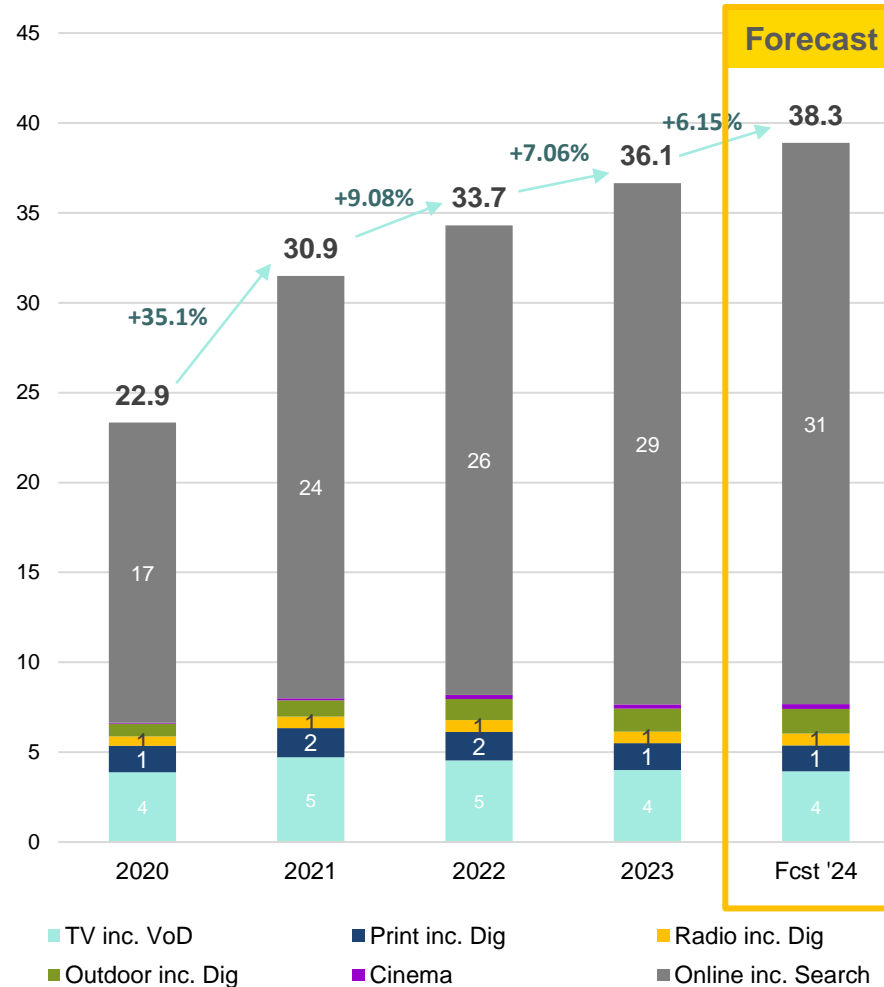


Sources: WARC, OECD, IMF

UK: Total Market Media Spend 2020-2024

- In 2021, total advertising market increased by 35% vs. 2020 following reduced expenditure during Pandemic period.
- Online share of media expenditure rose from 69% in 2020 to a forecast of 77% in 2024.
- Linear television incl. VoD share of media expenditure reduced from 19% in 2020 to a forecast of 13% in 2024.
- Spend growth between 2020 and 2024f is estimated at +65% with highest increase for Cinema (+359%) followed by OOH (+97%), Online (+84%), Radio inc. Dig (+27%), TV inc. VoD (+15%) and Print inc. Dig (+3%).

UK: Media Spend – Full Year
Billions £



Sources: Advertising Expenditure – WARC

UK: Media Rate Inflation – Forecast for 2024

- Overall market should experience modest expenditure growth (+6%) in 2024, though economic uncertainty, the prospect of an election, global instability and sports events (Euros & Olympics) may dramatically affect current forecasts.
- The TV market could be hit in a significant way subject to the introduction of advertising opportunities on Netflix and increased opportunities on Amazon.
- Radio market is driving price increases and Cinema media owners have increased rate card pricing.
- Social video – static pricing is being seen as suppliers such as TikTok compete with Meta for expenditure.
- Print continues to see circulation declines with rate declines being at a slower level.
- Out of home increase in spend moderated by increased supply as more sites are converted to Digital.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
TV (Linear TV)	▼	-3%	+3%
BVOD	▲	+3%	+5%
VOD(Programmatic/YouTube)	▲	0%	0%
Digital Video	▲	0%	+1%
Digital Display	▼	-4%	-3%
Social Video	▲	0%	0%
Social Display	▲	0%	0%
News	▼	-4%	-4%
Magazine	▼	0%	-2%
Radio	▲	+4%	+2%
Cinema	▲	+5%	+3%
OOH	▲	+6%	+2%
Market Average	▲	0%	+2%

Sources: AuditStar and Associates

UK: Media Market Observations

- Media investment growth in Q1 2024 although there are still uncertainties that may check this initial optimism (economy, tax implications, industrial disputes are still not resolved - junior doctors and rail workers etc.) political volatility, potential leadership challenges especially if local May elections are bad for the government.
 - From a media perspective accountability/trust issues remain with the latest iteration being made for advertising (MFA) websites.
 - General inflationary pressures have reduced, but prices are still at very high levels.
- Audience declines on Linear TV are still being seen for most audiences, especially younger cohorts.
 - 16-24 Adults share of all linear viewing fell from 11% in 2010 to 2% in 2023 whilst Adults 65+ share rose from 44% to 64% over the same period.
 - Overall linear viewing declined by -25% over the same period. This pattern is likely to continue into 2024.
- 65.4% of homes subscribed to a SVOD subscription service in Q4 2023 (down from 67.3% in Q3 2023).
 - Netflix was in 57.6% of homes in Q4. The advertising tier of Netflix is estimated to be in 1.45m (5.1%) of UK homes.
- ITVX had a very strong start to 2024 with Mr Bates vs the Post Office. This VoD channel showed a 10% increase in minutes (source mediaocean player Jan 2024 vs 2023).
- It is noticeable that YouTube viewing on the Big Screen is attracting more advertisers (on the back of healthy viewing shares), though targeting is often questionable.
- Complicated sales architecture is now surfacing within CTV, which unsurprising given the relative price point of AV vs standard digital display. Programmatic vs direct buying with the media owners will further add to this complexity. Transparency of delivery metrics on AVoD/ SVoD remains low, though BARB's governance on Cflight may improve this in future months.



Australia

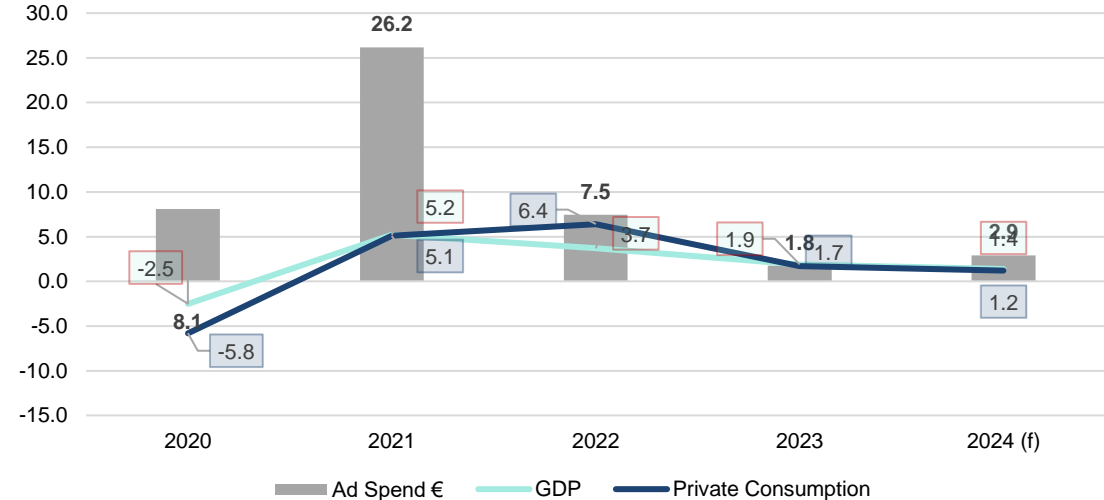
Australia: Economic projections 2023-2024

- The Australian economy rebounded robustly in the wake of the pandemic.
- However, inflation has risen, and fiscal pressures are on the horizon due to population ageing and climate change.
- Monetary policy should remain restrictive until underlying inflation is clearly on track to meet the central bank target, while fiscal buffers need to be rebuilt through reducing tax exemptions and improving public spending efficiency in areas such as health.
- In the medium-term, achieving inclusive and sustainable economic growth requires an ongoing focus on key social objectives such as reducing gender inequality and achieving the climate transition.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	3.7	1.9	1.4
Private Consumption (OECD)	6.4	1.7	1.2
Unemployment rate (Labour Force Survey data / IMF)	3.7	3.7	4.2
PCE Inflation (Personal Cons. Expenditures / IMF)	6.6	5.6	3.5

GDP, Private Consumption and Ad spend Evolution: Australia

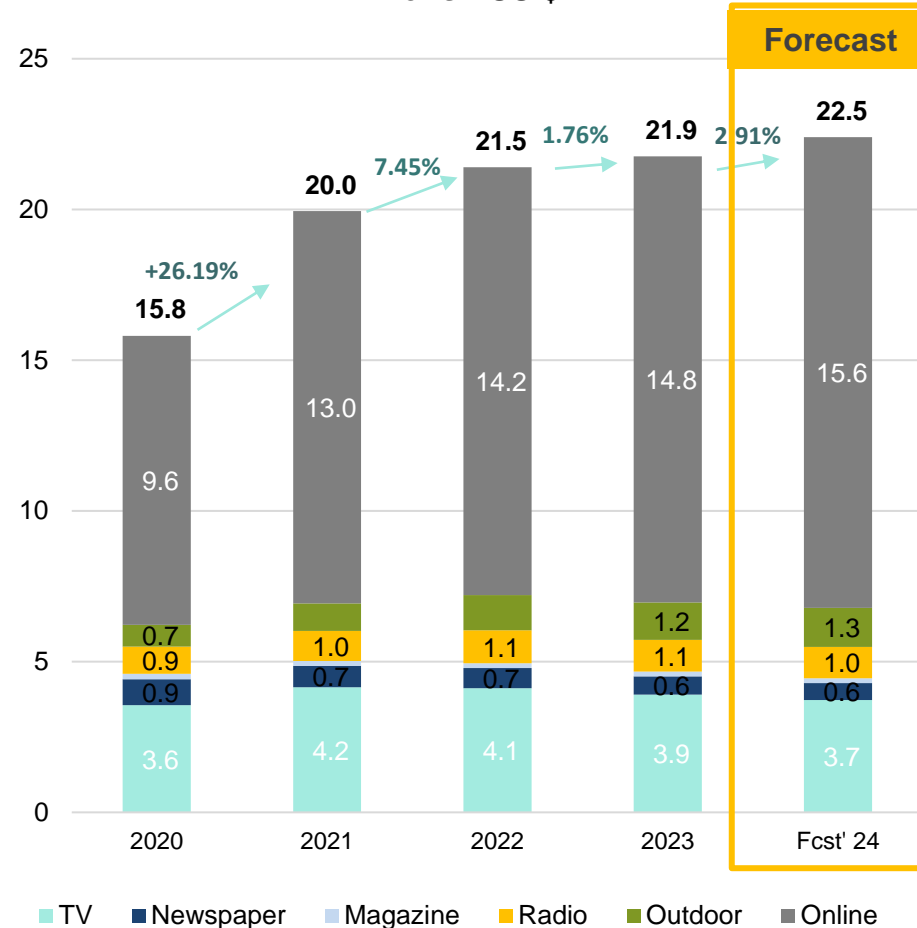


Sources: WARC, OECD, IMF

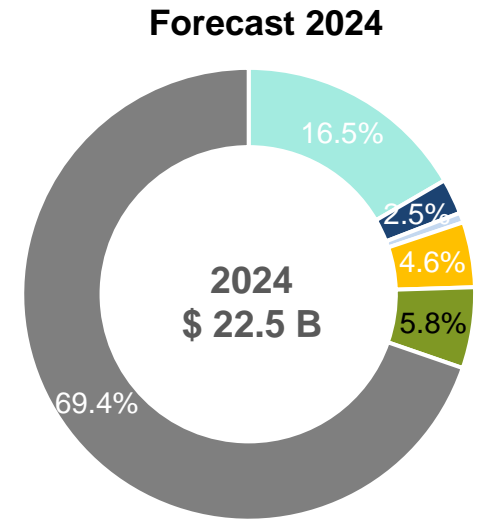
Australia: Total Market Media Spend 2020-2024

- Overall, 2021 ad spend recovered from the lower levels seen during the pandemic.
- 2022 levels were more-or-less maintained with 2023 slightly reduced overall.
- 2024 overall spend is expected to be slightly higher – helped by budgets for the Summer Olympics as well as the Asian Cup (football) that was postponed to Q1 2024.
- Online continues to dominate, with 2024 levels growing slightly – partly due to the sporting events but also due to AI technology that advertisers are keen to benefit from.
- OOH spend will be maintained but Print and Radio will both decline slightly with readers and listeners using more of the digital formats than traditional – especially among younger demographics.

**Australia: Media Spend – Full Year
Billions AUS \$**



Sources: Advertising Expenditure - WARC



Online 69.4% by 2024

Australia: Media Inflation – Forecast for 2024

- 2024 media inflation forecasts at this stage are similar to 2023 across the majority of media.
- Video inflation is slightly higher due to increased demand for premium space from advertisers, attracted by the continued high viewership rates.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
Broadcast TV	▲	+8.4%	+7.5%
Digital Video	▲	+1.6%	+2.6%
Digital Display	▲	+1.2%	+1.0%
Newspapers	▼	+1.9%	+1.1%
Magazines	▼	+1.9%	+1.1%
Radio	▼	+0.6%	+1.5%
Cinema	▲	+3.0%	+3.8%
OOH	▲	+6.0%	+4.7%
Market Average	▲	+3.0%	+2.7%

Sources: AuditStar & Associates / WFA

Australia: Media Market Observations

- Online ad spend continues to be dominant in Australia - the Australian market has been in the forefront of digital for some years, with digital now accounting for two thirds of ad spend.
- Sectors growing in terms of ad spend are Travel, Automotive and Food and Pharmaceutical - with Retail, Finance and Technology maintained.
- Online growth benefits from opportunities in emerging tech like AI, advancing automation and digitalization capabilities to maximize performance, effectiveness and outcomes.
- Podcasts are also increasing in terms of ad spend – up almost 22% in 2023 with digital audio also growing at a similar rate overall.
- Increased DOOH opportunities are being created for advertisers with 82% of advertisers using DOOH in 2023. However, only 52% was bought programmatically – this share is expected to grow as advertisers are able to leverage data and increase targeting by buying programmatically.
- Harvey Norman (retail) was the top advertiser (in terms of spend) in 2023, followed by Woolworths (retail), McDonalds (fast food), Reckitt Benckiser (pharma) and Amazon (e-commerce) making up the top 5.
- In terms of overall AV spend BVOD (Broadcaster Video on Demand) is helping to maintain overall AV spend, as linear TV reduces.
 - Commercial, Metro and Regional free to air spend all reduced in 2023, whilst BVOD grew.
- The study echoes some of the trends elsewhere in Australia’s media ecosystem: in July, internal documents at the publicly funded ABC showed the deep skew toward older audiences for linear channels. In response, the broadcaster, like many others, is pivoting hard to digital channels.
- Google (2.2b) and YouTube (1.7b) received by far the most visits in 2023, with Facebook in #3 with 0.3b.
- In October 2023 Australians (aged between 16 and 64) spent an average of 1 hour 53 minutes per day on social media. TikTok is the fastest growing app in terms of time spent on the app from social media (almost 1 hr. per day per average user – compared to 33 mins for Facebook and YouTube).

Source: AuditStar & Associates



China

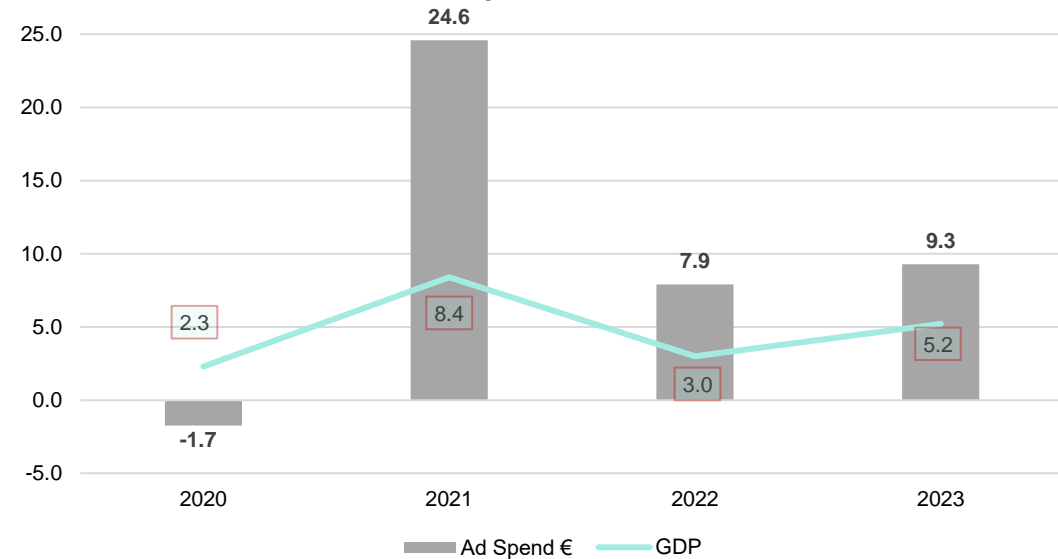
China: Economic projections 2022-2023

- China's economy faces a more challenging 2024, having expanded by 5.2% in real terms in 2023.
- The main issues in the economy include a continued downturn in the property sector, a debt overhang among local governments, elevated youth unemployment and deflationary pressures.
- Although private consumption will be a major driver of growth, the government will still rely on public investments.

International Monetary Fund (WEO) & OEDC

Variable	2021	2022	2023
Change in real GDP (OECD)	8.4	3.0	5.2
Unemployment rate (Labour Force Survey data / IMF)	5.1	5.5	5.2
PCE Inflation (Personal Cons. Expenditures / IMF)	0.9	2.0	0.2

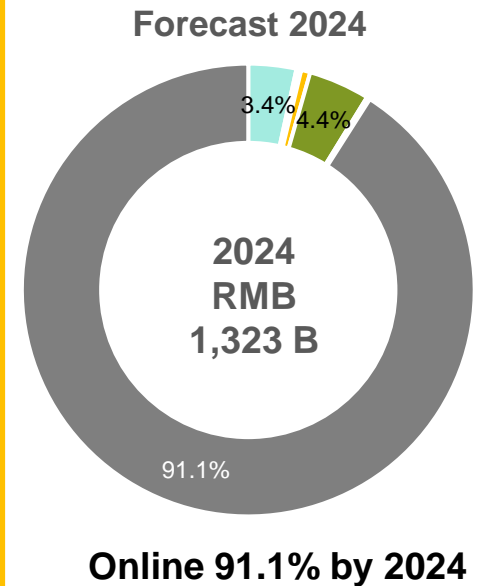
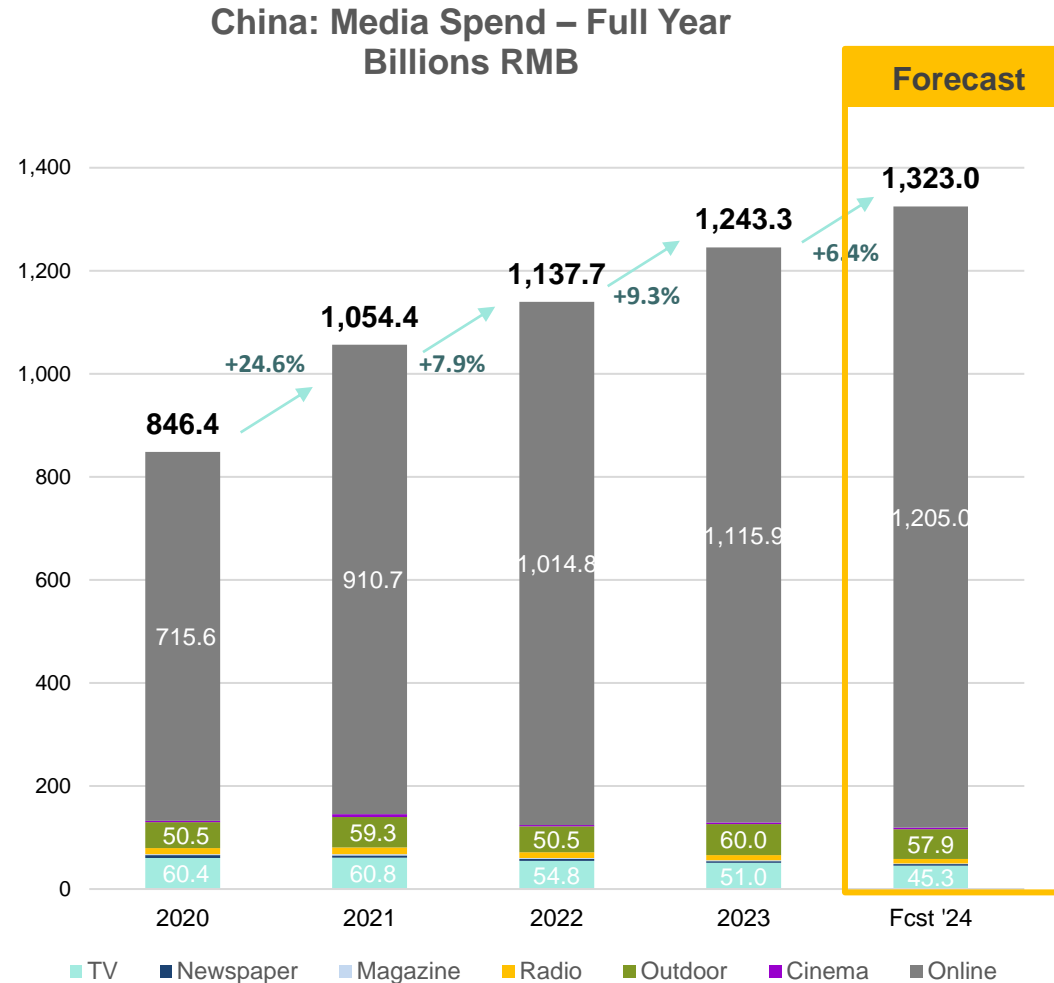
GDP and Ad spend Evolution: China



Sources: WARC, OECD, IMF; Note: 2024 economic forecast is not available.

China: Total Market Media Spend 2020-2024

- Overall, 2023 China ad spend +9.29% driven mainly by Online and Outdoor; TV and Print with high budget reductions y-o-y and lower share of total investment.
- Online with 12% ad-spend increase but reached 79% of total advertising budgets in 2023.
- 2024 China ad spend is forecasted to grow by 6.2%, and Online by 8.5% reaching 80% of total budgets.



Sources: Advertising Expenditure - WARC

China: Media Rate Inflation – Forecast for 2024

- 2024 forecast at slightly higher levels to 2023.
- E-Comm and Social inflation at the highest level, together with other Digital media and OOH driving the overall market cost increase due to high volume.
- TV, Print and Radio with lower inflation due to declining investment trend.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
TV Linear (Broadcast & Pay)	▼	+1.9%	+1.2%
Connected TV (OTT/Smart TV)	▲	+4.8%	+4.8%
Digital Paid Search	▲	+4.1%	+4.3%
Digital Video (OTV)	▲	+4.6%	+4.7%
Digital Display	▲	+4.1%	+4.5%
Social Video (Short Video)	▲	+5.6%	+6.0%
Social Display	▲	+5.3%	+5.5%
Digital Retail Media (e-Comm)	▲	+6.6%	+6.3%
Out Of Home (OOH)	▲	+4.4%	+5.2%
Print	▼	+0.5%	+1.0%
Radio	▼	+0.3%	+0.3%
Cinema	▲	+4.0%	+4.1%
Market Average	▲	+3.8%	+4.0%

Sources: AuditStar & Associates / WFA

China: Media Market Observations

- 80% of Chinese ad spend is focused on Online which operates in an ecosystem that is quite separate from the rest of the world.
- 4 major conglomerates dominate: ByteDance, Alibaba, Tencent and Baidu, accounting for Online market share of 75.5% in 2023; both Alibaba and Tencent have stakes in Red, the social-media app and seed-planting ecommerce platform.
- It is a highly restricted market where Tencent and Alibaba have built their own walled gardens, preventing any interoperability for consumers and marketers.
- Wechat and Douyin currently dominate Chinese social media landscape. Both have become a multi-functional platform including social networking, short video, live-streaming and shopping, while Wechat still leads on instant messaging, payment, gaming and extended functions enabled by millions of mini-programs as an one-stop-shop platform.
- Social, E-comm, Short Video / Live-streaming & Financial are top sectors dominating mobile usage in 2023.
- Social commerce with an integrated approach using COLs (Consumer Opinion Leaders) for depth and authenticity and KOLs for breadth has become a fundamental communications and promotions strategy for marketers.
- Online tracking is limited due to Chinese legislation and vendor restrictions, however Miaozen offers some possibilities.
- The other main media types are TV and Out of Home:
 - TV: Viewership sees continuous down trend since 2H 2020, with a YoY decline at 7% in 2023.
 - Out of Home ad spend increased in 2023 by 9% after a difficult 2022, with digital OOH driving growth.
- China cannot be viewed as one market. Business / investment decisions, including marketing budgets and media activity, is typically allocated according to City Tier 1 (Beijing, Shanghai, Guangzhou, and Shenzhen) to 5, based on GDP.

Source: China Internet Advertising Data Report 2023 by Zhongguancun Interactive Lab, PwC, Miaozen & Beijing Normal University; CTR monitoring



India

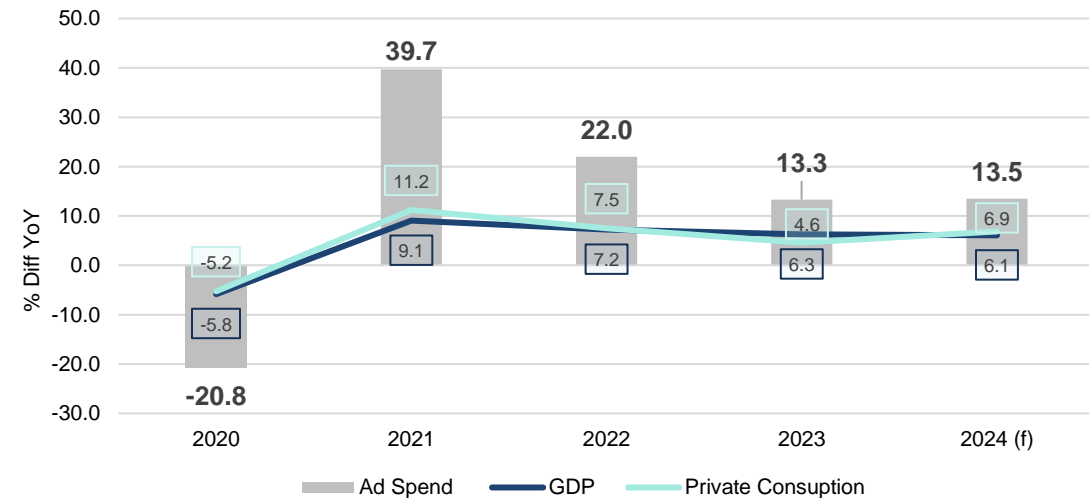
India: Economic projections 2023-2024

- GDP declined in 2020 but has made a recovery in 2021- 2023, with a further increase of 6.1% expected in 2024.
- With a GDP growth rate of 6.3%, India could potentially achieve its target of becoming a \$5-trillion economy by 2026-27, with such growth being underpinned by strong private consumption and public investment.
- Policymakers and public sector schemes could partner more closely with other stakeholders to identify employability and skilling gaps. The next step would be to upgrade curricula and skills to make India's talent pool more industry ready.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	7.2	6.3	6.1
Private Consumption (OECD)	7.5	4.6	6.9
Unemployment rate (CMIE)	7.3	8.01	6.6
PCE Inflation (Personal Cons. Expenditures / IMF)	6.7	5.4	4.6

GDP, Private Consumption and Ad spend
Evolution: India

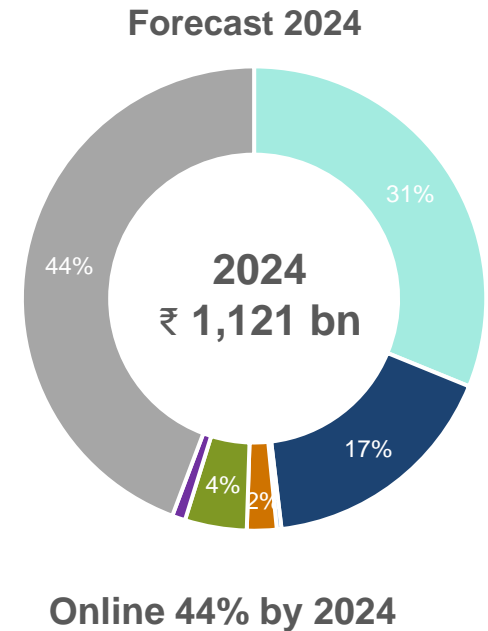
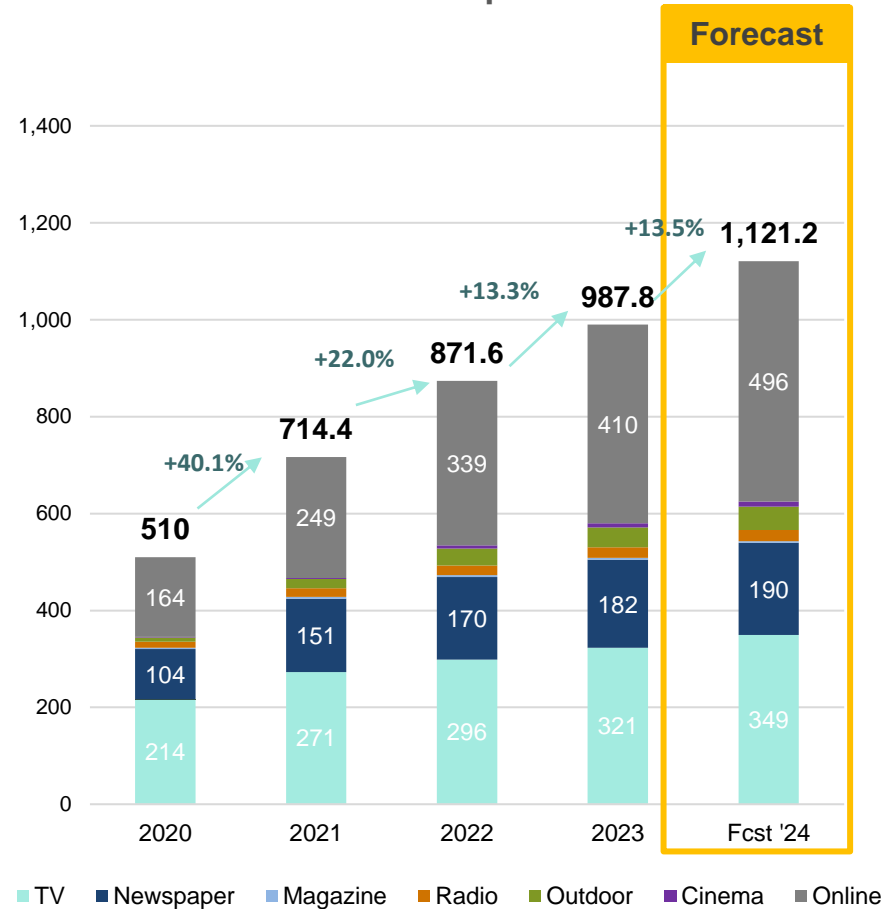


Sources: WARC, OECD, CMIE, IMF

India: Total Market Media Spend 2020-2024

- Digital overtook TV with higher media revenue helped by increasing penetration and access to smartphones.
- Print share reduced slightly in favour of Online.
- After a reduction in all media in 2022, a return to growth in 2023, with TV and online in particular, above 2021 levels.

India: Media Spend – Full Year
Billions Rupees



Sources: Advertising Expenditure - WARC

India: Media Inflation – Forecast for 2024

- Digital and Connected TV with high cost increases last two years due to high demand.
- More challenging cost negotiations as TV and Online vendors are less flexible.
- Again, the lowest inflation forecast for Print and Radio.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
TV	▲	+10%–+11%	+11%–+12%
Connected TV	▲	+11%–+12%	+9%–+11%
Digital Video	▲	+7%–+8%	+8%–+9%
Digital Display	▲	+5%–+6%	+5%–+7%
Social Video	▲	+8%–+9%	+7%–+8%
Social Display	▲	+8%–+9%	+7%–+8%
News	▲	+1%–+3%	+2%–+4%
Magazine	▲	+1%–+3%	+2%–+4%
Radio	▲	+2%–+3%	+2%–+4%
OOH	▲	+5%–+6%	+7%–+8%
Market Average		+7%–+8%	+7%–+8%

Sources: AuditStar & Associates / WFA

India: Media Market Observations

- With a population of 1.4 bn and there are several hundred local languages spoken in India, of which Hindi, the leading language, is spoken by 40% of the population, however English is the most important language.
- Digital has now overtaken TV to become the main driver of ad spend, with a share of 44% and penetration of 49%.
- With the rapid penetration increase of social media platforms like Meta, Instagram, YouTube, and X, India's advertising scene is transformed as most marketers are switching from traditional marketing and advertising methods to digital. Social alone reaches 33% of the population.
- The most dynamic growth was registered by Influencers. Audio streaming platforms also with a high 80% increase of no. of paid subscribers in 2023.
- Video streaming also is growing, with new platforms available and apart of the most popular services such as Netflix, Amazon Prime and Hotstar, there are more than 60 other platforms available and with q 20% growth in number of OTT users in recent years.
- However, the traditional media remain strong with 1,000+ Tv channels and conventional TV accounting for 1/3 of advertising budgets invested.
- Regional Channels dominate with 64% of ad revenues while the rest (36%) is allocated to national channels; the number of Indians watching international English content has significantly increased from 19m in 2021 to 85m in 2023.
 - Viewership of most of the channels is measured by BARC (Broadcast Audience Research).
 - The main buying method is usually based on station genres mix and 10 sec. is the base spotlength for most vendors.
 - The most common formats used are: regular spots, scrollers, Aston bands, teleshopping, and L Bands*.
 - When you book a TV campaign, most of the TV channels offer advertisers free sponsorship tags.
 - Content integration is another popular television advertising option.
- The most popular TV channel genres are:
 - General Entertainment channels increased to 30% share of ad spend,
 - News channels slightly decreased to 25% share of ad spend.
 - Movies and Music accounting for 34% share.

Source: TAM AdEx, IBEF, Kepios, FICCI, KPMG, EY India; BARC; The Media Ant

Note: * L-Bands are L-shaped ads that appear on the screen during a particular program for duration of 10-seconds. You choose the number of L-Bands per day and the total number of days. Prices vary according to the time band chosen.



Japan

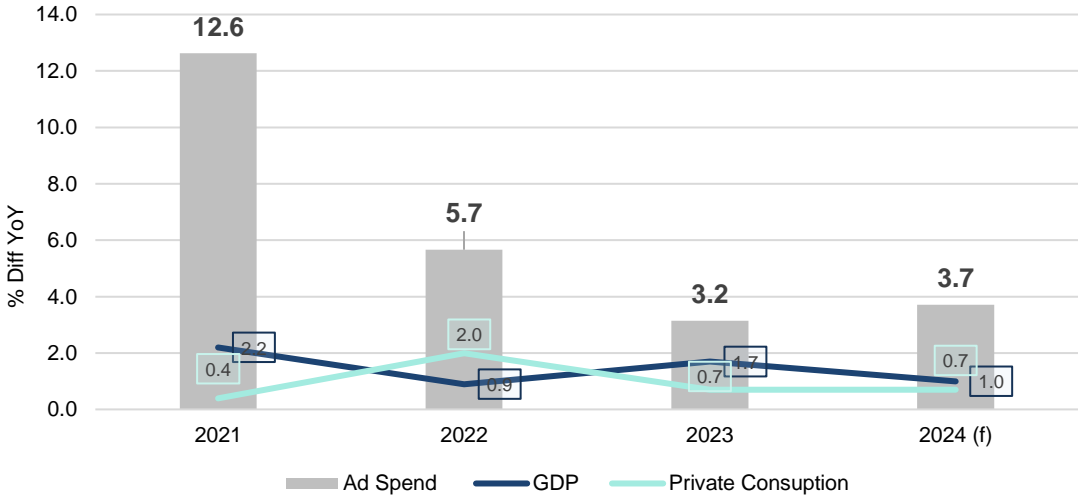
Japan: Economic projections 2023-2024

- Real GDP growth is projected to be 1.0% in 2024 and 1.2% in 2025, mainly driven by domestic demand.
- Private consumption will be supported by pent-up demand, stronger wage growth and the new economic package.
- Government subsidies for green and digital investment and high corporate profits will boost business investment, despite higher uncertainty.
- Headline inflation is projected to moderate but remains around 2% as wage growth gains momentum in 2024-25.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	0.9	1.7	1.0
Private Consumption (OECD)	2.0	0.7	0.7
Unemployment rate (IMF)	2.6	2.6	2.5
PCE Inflation (Personal Cons. Expenditures / IMF)	2.5	3.3	2.2

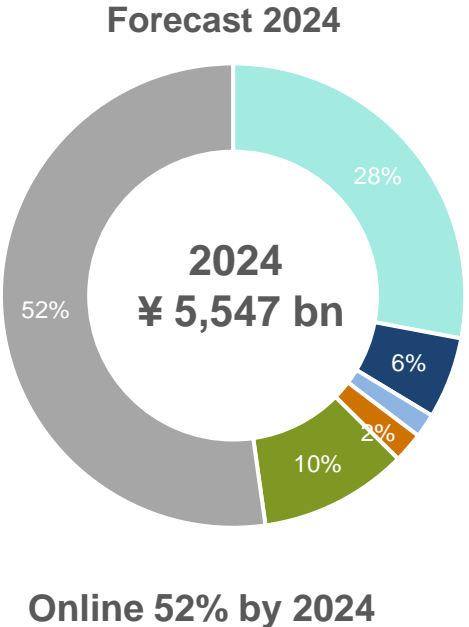
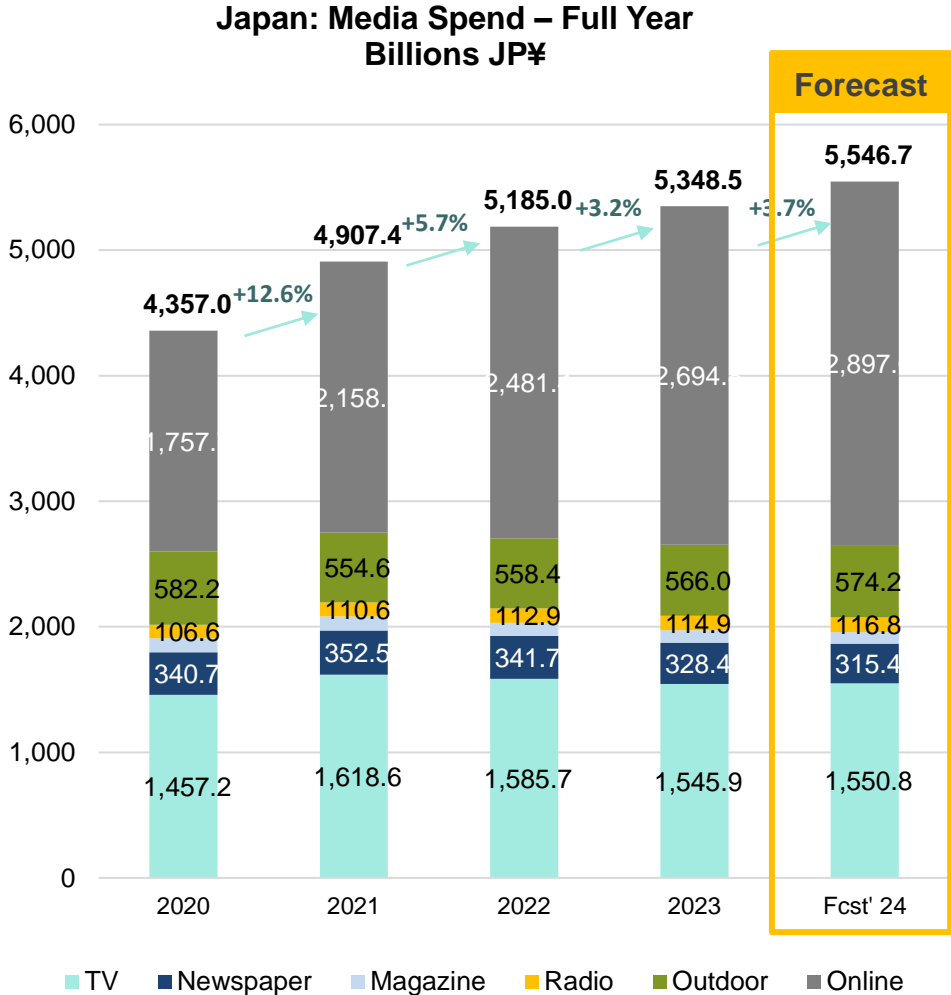
GDP, Private Consumption and Ad spend Evolution: Japan



Sources: WARC, OECD, IMF

Japan: Total Market Media Spend 2020-2024

- Digital accounting for the highest share in media mix, however TV is still strong.
- Print, Radio and Outdoor revenues are stable, but only taking 20% of ad-spend.
- The main driver of ad-spend is Online with growing investments in streaming services, social media and search engines.



Sources: Advertising Expenditure - WARC

Japan: Media Inflation – Forecast for 2024

- Digital Video and TV with the highest cost increases due to increased demand and limited inventory.
- Print and Radio with some deflation as limited budgets have been invested in these media in recent years.

Media	Investment Trend	Inflation 2023	Inflation forecast 2024
TV	▶	+2%--+4%	+2%--+4%
Digital Video	▲	+6%--+8%	+4%--+6%
Digital Display	▲	-2%--+1%	-1%--+1%
Social Video	▲	+2%--+3%	+2%--+3%
Social Display	▲	+2%--+3%	+2%--+3%
News	▲	-3%- -1%	-4%- -2%
Magazine	▲	-3%- -1%	-4%- -2%
Radio	▲	-2%-0%	-4%- -1%
OOH	▲	+3%--+5%	+4%--+6%
Market Average		+3%--+4%	+2%--+4%

Sources: AuditStar & Associates / WFA

Japan: Media Market Observations

- Japan is one of the largest and most mature advertising markets in the world, with expenditures smaller than only the US and China.
- The advertising market is dominated by the three Japanese agencies with Dentsu dominant, followed by Hakuhodo, and further behind, Asatsu. The Western agencies are a considerably long way behind.
- Media buying also has its unique practices:
 - In Japan, the full-service Japanese advertising agencies Dentsu, Hakuhodo and ADK dominate media buying; the international agencies (with exception of Media Brands via McCann) are not permitted to buy directly with the TV networks in Japan.
 - Consequently, the international media agencies work as media planning agencies in Japan, not buying agencies and must buy
- Digital advertising expenditures have grown steadily with increasing digitisation of advertising activities, accounting for over 50% of total ad spend.
- 55% of total Digital ad spend will be generated via mobile and 93% via programmatic by 2027.
- The overall trend of using shorter video formats has been accelerated by the growing popularity of TikTok.
- Online performance-based advertising* accounts for nearly 90% of internet advertising media expenditures (search and other biddable media).
- Online conversations are now a vital part of online communications, as marketers look for ways to start conversations, engage with and drive new customer experiences.
- Video marketing is taking over digital advertising and revenues are expected to increase by 33% by 2027.
- Television, newspapers, magazines and radio still play an important role in media strategies with advertisers looking for new non-standard formats – eg. a Japanese company, En, Ltd., included an AI created model (1st time in Japan) in a TV commercial for its green tea drink.
- The streaming video space remains very competitive, with Amazon Prime Video, Netflix, Disney+ and local competitors reaching more than 100 billion viewing minutes in 2023 in the premium segment that generated \$4.5bn in subscription revenues.

Source: AuditStar market sources; Dentsu, Hakuhodo, CASBAA Television Research *Paid search advertising and advertising that is transacted via an auction system through digital platforms or ad networks.



South Korea

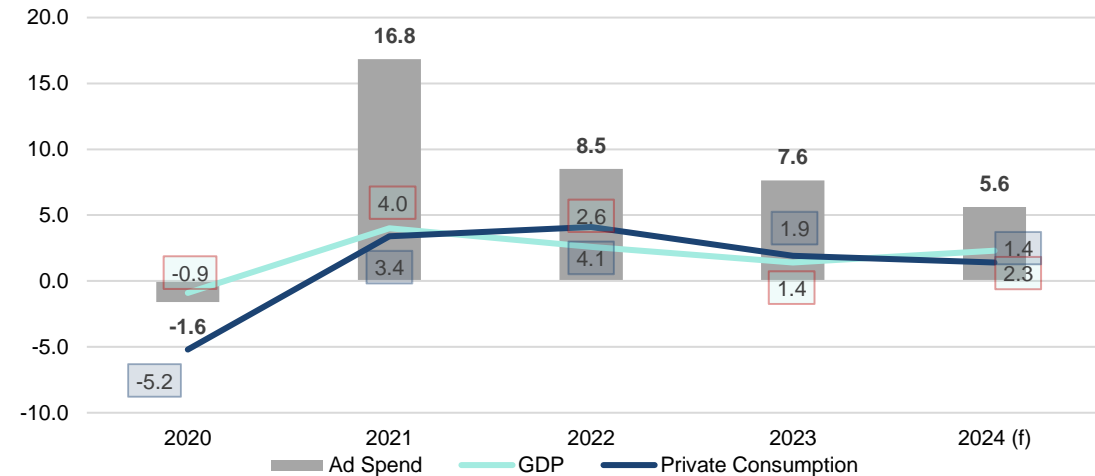
South Korea: Economic projections 2023-2024

- South Korea's economic growth accelerated in the last quarter of 2024 as exports recovered and construction investment rebounded .
- GDP is expected to grow by 2.3% in 2024.
- The central bank had to maintain a record-low interest rate to help revitalise the economy.
- Public debt remains low in international comparisons. despite large pandemic- related fiscal deficits.

International Monetary Fund (WEO) & OEDC

Variable	2022	2023	2024 est.
Change in real GDP (OECD)	2.6	1.4	2.3
Private Consumption (OECD)	4.1	1.9	1.4
Unemployment rate (IMF)	2.9	2.7	3.0
PCE Inflation (Personal Cons. Expenditures / IMF)	5.1	3.6	2.5

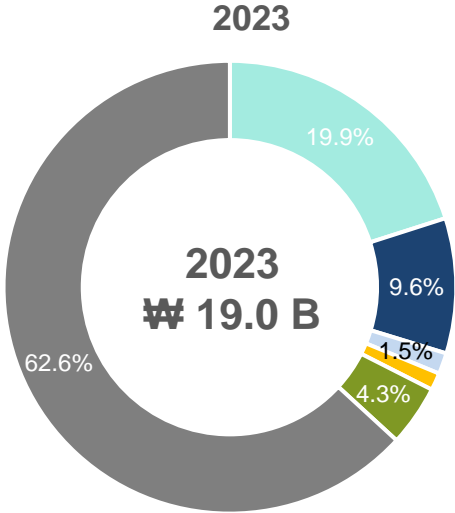
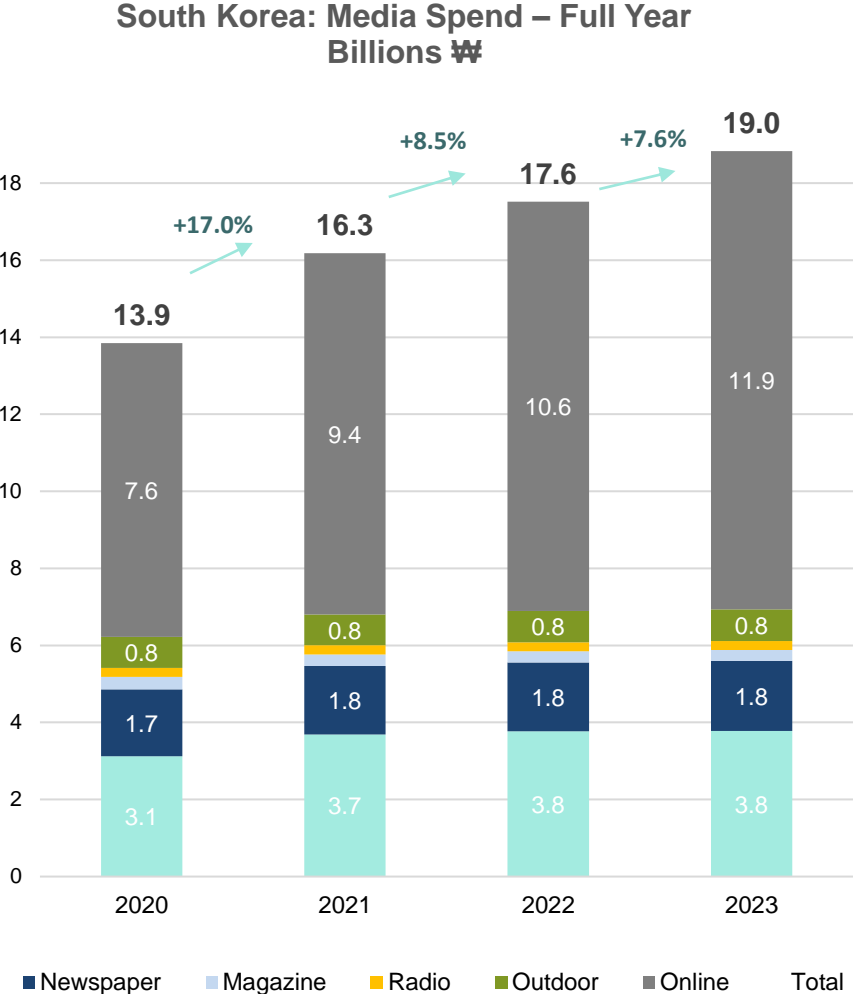
GDP, Private Consumption and Ad spend Evolution: S. Korea



Sources: WARC, OECD, IMF

South Korea: Total Market Media Spend 2020-2023

- 8.5% growth in advertising market spend in 2023 vs 2022.
- Online has the highest investment and growth vs other media types YoY.



Online 63% by 2023

Source: Advertising Expenditure – WARC; Note: 2024 estimates by medium are not available.

South Korea: Media Inflation – Forecast for 2024

- Most of media types with similar net cost inflation both years.
- Digital with the highest media inflation, especially Display placements.

Media	Investment Trend*	Inflation 2023	Inflation forecast 2024
TV	▶	+5%--+6%	+4%--+5%
Digital Video	▲	+5%--+6%	+4%--+6%
Digital Display	▲	+4%--+6%	+5%--+7%
News	▲	+4%--+6%	+0%--+3%
Magazine	▼	+4%--+6%	+0%--+3%
Radio	▼	+1%--+2%	+0%--+2%
OOH	▲	+3%--+4%	+2%--+4%
Market Average	▲	+4%--+5%	+3%--+4%

*Trends based on 2023 vs. 2022 as 2024 ad-spend forecast is not available

Sources: AuditStar & Associates / WFA

South Korea: Media Market Observations

- South Korea is one of the most advanced and developed digital markets globally and has been so for some time.
- Its advertising market is also one of the largest advertising markets worldwide (top 10).
- Digital usage is focused on Korean solutions:
 - Naver (Korean) is the dominant search engine (56% share) unlike most of the rest of the world where Google dominates
 - Nearly all mobile messaging app users in South Korea use KakaoTalk; 30% use Instagram messages, 20% FB Messenger
- The media market structure is also different with media sales for TV and digital inventory are undertaken via reps / representatives and where the agency carries out the gross transaction with the media reps and invoices the gross amount to the Advertiser :
 - KOBACO is a government-affiliated public organization that is the only seller of advertising airtime for every terrestrial TV channel (among others KBS – Korea Broadcasting System, MBC – Munhwa Broadcasting Corporation, EBS - Education Broadcasting System) and Radio; KOBACO also sells advertising on terrestrial DMB*
 - SBS (Seoul Broadcasting System): national South Korean television and radio network company, is owned by Taeyoung Construction but independently operated; MEDIACRE is private company that:
 - Conducts sales of broadcast advertising on behalf of SBS (TV, radio, DMB), private broadcasters (TV, radio), OBS, and SBS Medianet (Cable networks).
 - Plans tailored products for the sale of indirect and virtual advertising and sponsorships and delivers cross-media packages and advertisements.
 - Provides customized services optimized for each customer based on more effective and competitive media marketing solutions (advertising, PPL, sponsorship, virtual advertising, and branded content creation, etc.) in diverse media market environments.
- Similar to Japan, the Korean agency landscape is dominated by very large full service Korean Agencies, many of whom are also owned by the large Korean companies:
 - Cheil: Samsung Group; Innocean: Hyundai Motors; HSAd: LG; Daehong: Lotte Group (Korean - Japanese conglomerate)
 - The Western networks are considerably smaller
- South Korea aims to be the first country to commercialize 6G and planning to launch 6G network and services by 2028.

Source: ajmarketing Audience 16-64 y.o., SBS, Astrid Global, AuditStar Market Intelligence

Global Overview: 2023 Inflation Forecast by Media Type

Inflation Forecast 2023															
Media	Australia	Brazil	Canada	China	Colombia	France	Germany	India	Italy	Japan	Mexico	S.Korea	Spain	UK	USA
Market Average	3.00%	6.60%	6.20%	3.80%	9.90%	4.10%	5.00%	7.50%	5.50%	3.50%	5.70%	4.50%	4.80%	0.00%	4.00%
TV (Linear TV)	8.40%	8.00%	10.00%	1.90%	10.00%	6.60%	10.80%	10.50%	10.00%	3.00%	8.00%	5.50%	6.20%	-3.00%	6.40%
Connected TV (Streamed)		7.00%	9.00%	4.80%	10.50%			11.50%			5.00%				3.00%
BVOD		7.00%	8.00%		10.00%						5.00%			3.00%	3.00%
Digital Display	1.20%	4.00%	3.10%	4.10%	8.00%	2.00%	2.00%	5.50%	3.80%	-0.50%	4.50%	5.00%	3.50%	-4.00%	2.50%
Digital Video	1.60%	1.50%	7.00%	4.60%	8.50%	5.00%	3.50%	7.50%	4.30%	7.00%	5.00%	5.50%	4.20%	0.00%	6.00%
Magazine	1.90%	4.00%	0.50%	0.50%	10.00%	1.00%	4.00%	2.00%	-0.80%	-2.00%	3.00%	5.00%	2.20%	0.00%	2.50%
News	1.90%	4.00%	0.50%	0.50%	10.00%	1.00%	3.30%	2.00%	-0.80%	-2.00%	3.00%	5.00%	4.30%	-4.00%	2.50%
OOH	6.00%	5.00%	4.50%	4.40%	10.00%	4.00%	4.50%	5.50%	3.80%	4.00%	6.00%	3.50%	4.60%	6.00%	6.00%
Radio	0.60%	6.50%	2.50%	0.30%	11.50%	3.50%	3.50%	2.50%	3.80%	-1.00%	4.00%	1.50%	3.40%	4.00%	3.00%
Social Display		4.00%	5.00%	5.30%	10.00%	3.00%	2.50%	8.50%	3.90%	2.50%	4.50%		3.50%	0.00%	3.20%
Social Video		4.00%	5.00%	5.60%	10.00%	5.00%	4.50%	8.50%	4.30%	2.50%	4.50%		4.20%	0.00%	5.50%
VOD		7.00%	8.00%		10.00%						5.00%			0.00%	3.00%

Global Overview: 2024 Inflation Forecast by Media Type

Inflation Forecast 2024															
Media	Australia	Brazil	Canada	China	Colombia	France	Germany	India	Italy	Japan	Mexico	S.Korea	Spain	UK	USA
Market Average	2.70%	6.40%	5.30%	4.00%	7.00%	3.30%	5.00%	7.50%	5.30%	3.00%	5.30%	3.50%	5.50%	2.00%	3.20%
TV (Linear TV)	7.50%	7.50%	9.50%	1.20%	7.60%	7.40%	8.70%	11.50%	7.00%	3.00%	6.30%	4.50%	4.50%	3.00%	1.30%
Connected TV (Streamed)		6.50%	8.00%	4.80%	7.20%			10.00%			5.00%				3.50%
BVOD		6.50%	4.50%		7.00%						5.00%			5.00%	3.50%
Digital Display	1.00%	4.00%	4.50%	4.50%	6.40%	1.00%	2.00%	6.00%	2.80%	0.00%	4.50%	6.00%	1.50%	-3.00%	3.00%
Digital Video	2.60%	4.50%	5.00%	4.70%	6.60%	3.00%	5.00%	8.50%	4.50%	5.00%	5.00%	5.00%	5.50%	1.00%	3.50%
Magazine	1.10%	4.50%	2.00%	1.00%	6.50%	-1.50%	4.10%	3.00%	-0.80%	-3.00%	2.50%	1.50%	2.50%	-2.00%	2.00%
News	1.10%	4.50%	2.00%	1.00%	6.50%	-1.50%	3.50%	3.00%	-0.80%	-3.00%	2.50%	2.00%	2.50%	-4.00%	2.00%
OOH	4.70%	7.50%	3.30%	5.20%	7.30%	3.50%	4.60%	7.50%	3.00%	5.00%	7.00%	3.00%	6.90%	2.00%	5.50%
Radio	1.50%	4.50%	3.00%	0.30%	7.50%	1.00%	3.60%	3.00%	3.30%	-2.50%	5.00%	1.00%	3.50%	2.00%	4.00%
Social Display		4.50%	4.50%	5.50%	6.40%	2.90%	3.20%	7.50%	3.00%	2.50%	4.50%		4.50%	0.00%	3.00%
Social Video		4.50%	5.00%	6.00%	6.40%	4.00%	5.00%	7.50%	5.00%	2.50%	4.50%		5.50%	0.00%	4.00%
VOD		6.50%	4.50%		7.00%						5.00%				3.50%

About Cortex Media

Cortex Media helps create a media value advantage for marketers. The company is recognized globally as a resource for balanced and independent viewpoints on key advertising media topics in US and worldwide-- from Media Performance Optimization to Digital Media Cost Benchmarking and Review to Financial Compliance and Transparency to Agency Management and Evaluation.

About AuditStar

AuditStar is a marketing solutions and media auditing consultancy with global reach. AuditStar supports all aspects of an Advertiser's media operations via customised services to drive transparency and put the Advertiser in control of their media investments covering three main areas: Media Productivity Optimisation, Agency Operations Management and Investment Compliance and Transparency.

Roland Janisse, Managing Partner, Cortex Media at: rjanisse@cortexmedia.com
Caroline Lane, Managing Director, AuditStar at: Caroline.Lane@AuditStar.Co.UK