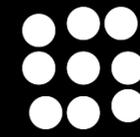
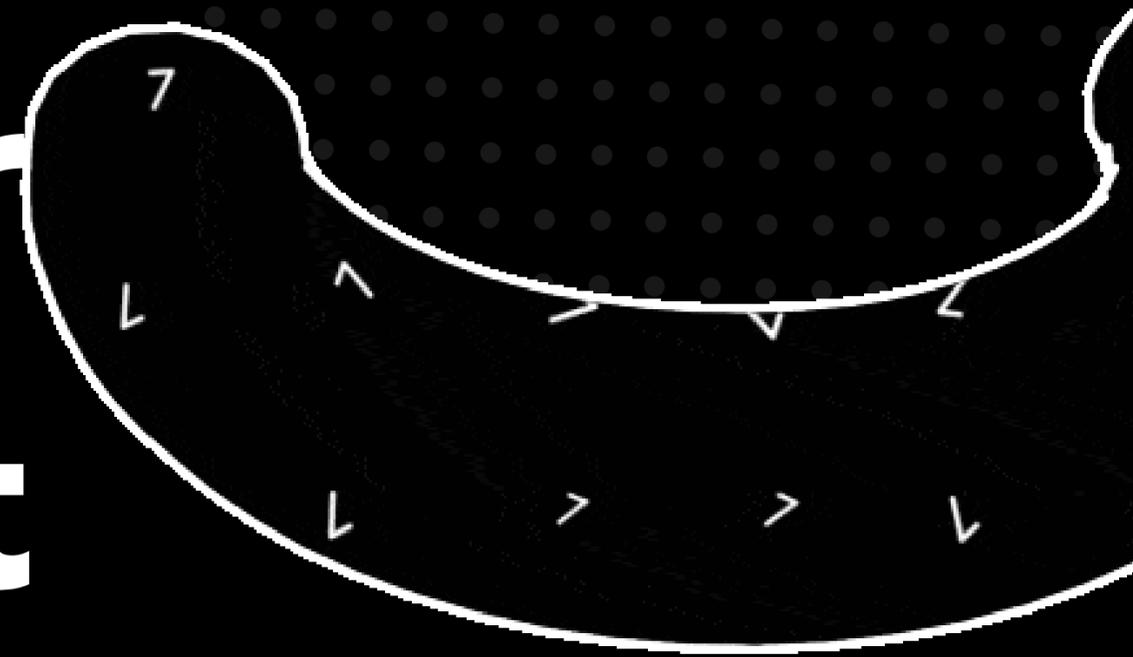


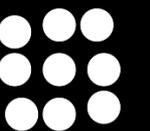
China Market in Global Environment
June 2020



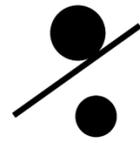
Global Mid-Year Market Forecast



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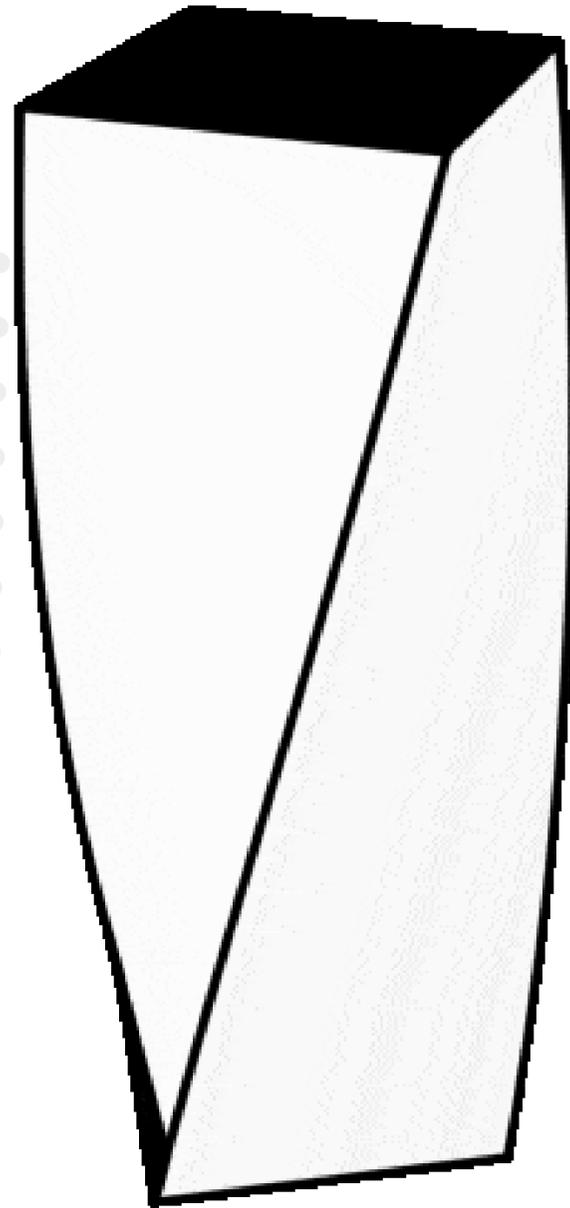


Source: GroupM Report 2020



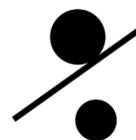
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Overview



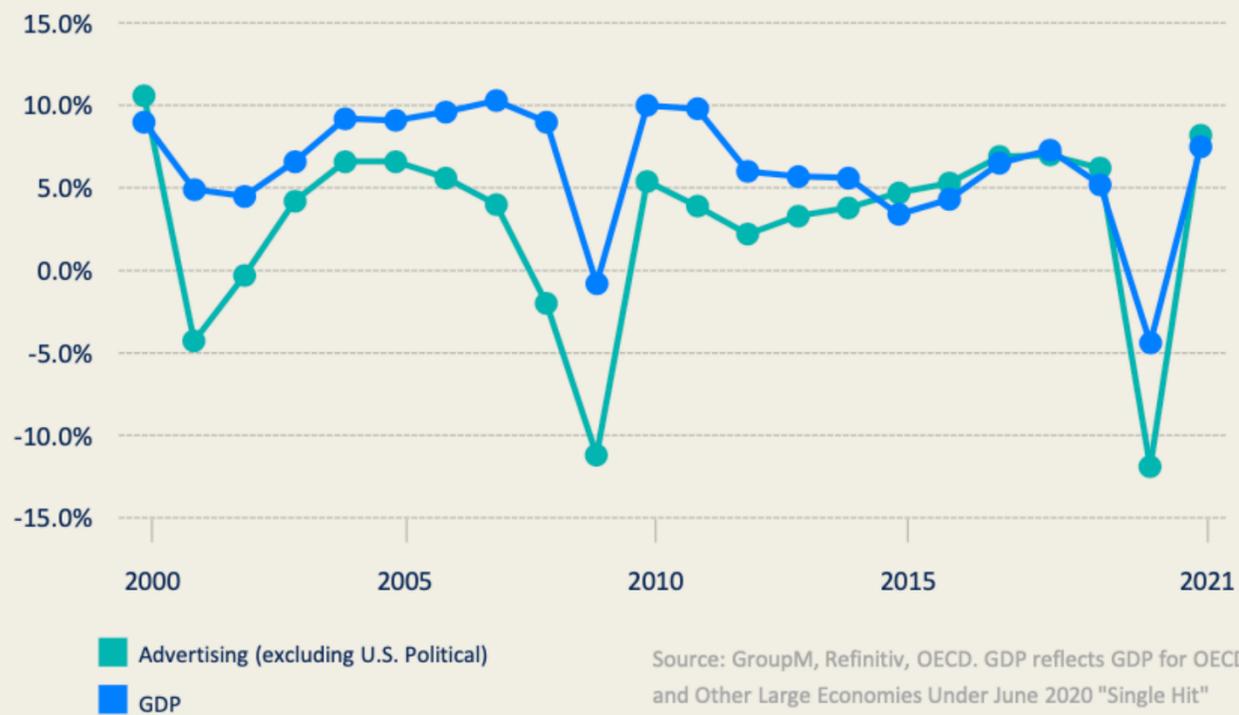
To describe 2020 as a disruptive year around the world would be an understatement. The spread of COVID-19 turned into a pandemic, leading to widespread global actions to restrict social and economic activity in an effort to limit the virus' death toll.

The consequences of the pandemic have only barely begun to play out as we reach mid-year, not least as we have only experienced its first wave so far. Many issues that were boiling over, or ready to do so, before the pandemic will become amplified as the pandemic continues.

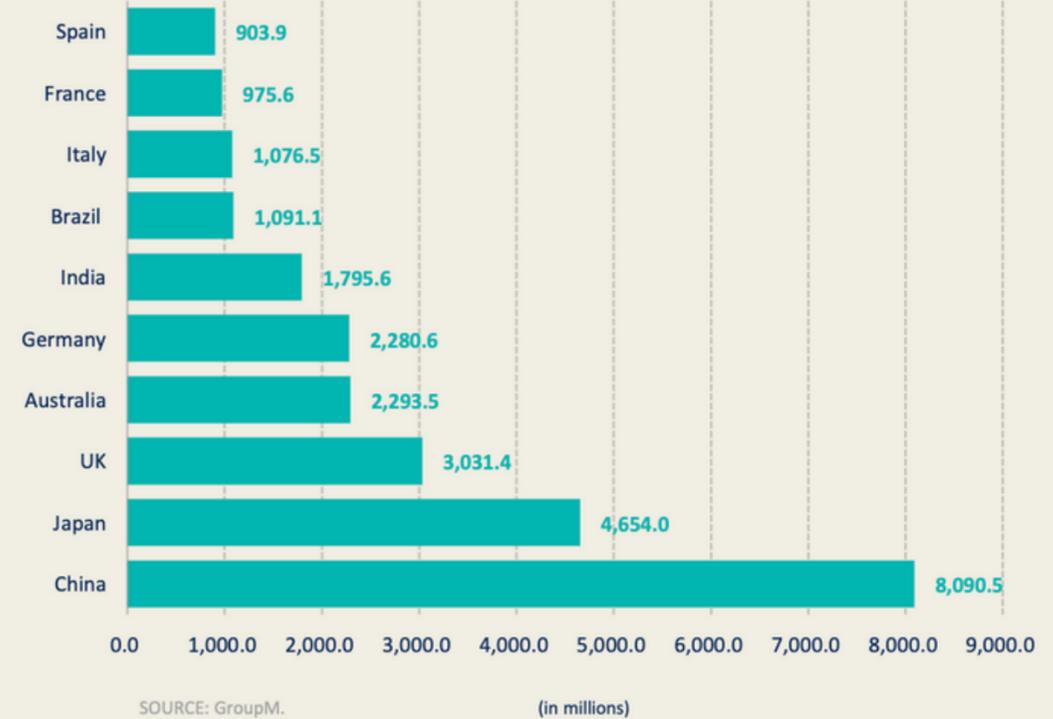


Advertising Growth Forecast

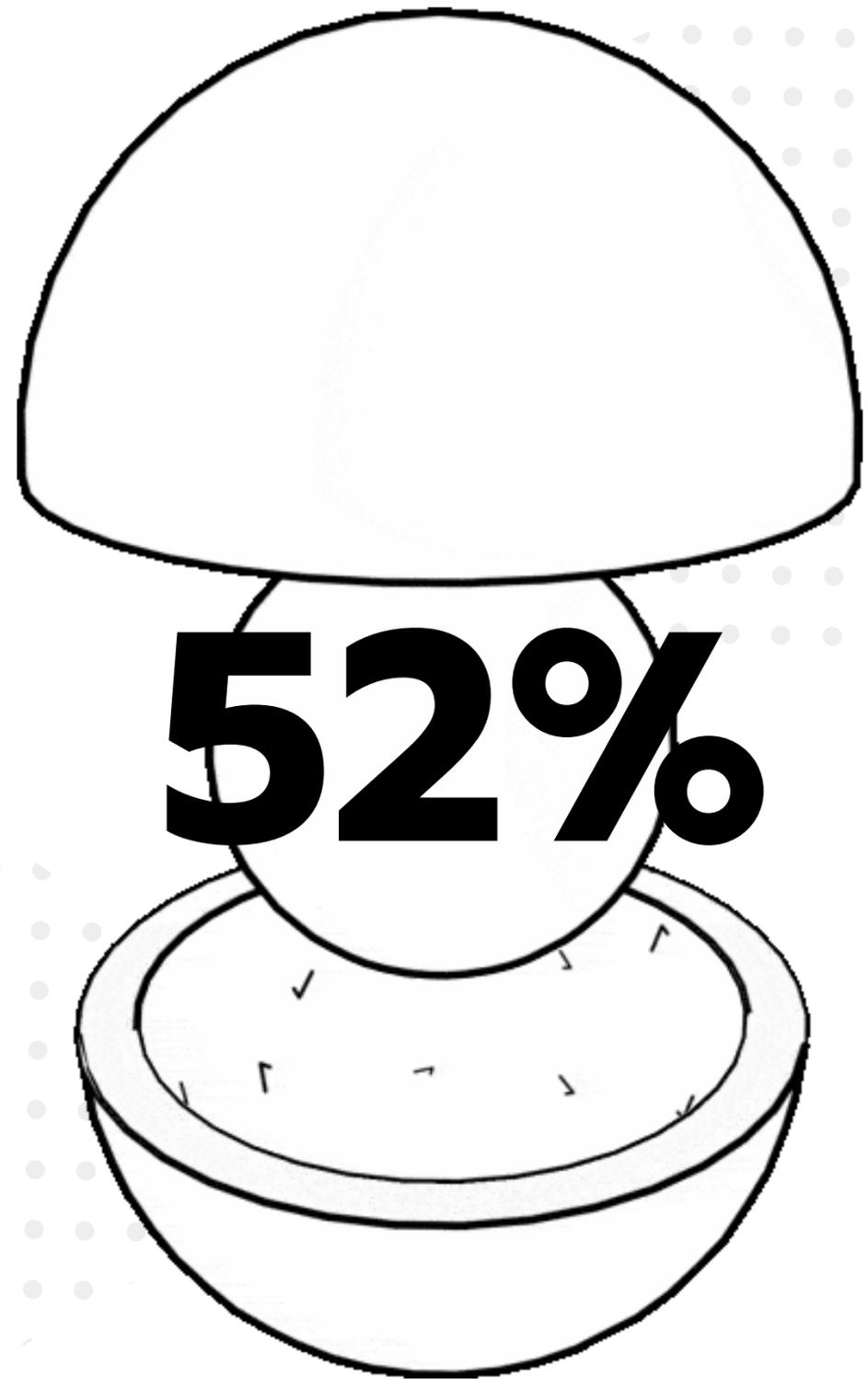
ECONOMIC GROWTH AND ADVERTISING



TOP CONTRIBUTORS TO 2021 GLOBAL GROWTH



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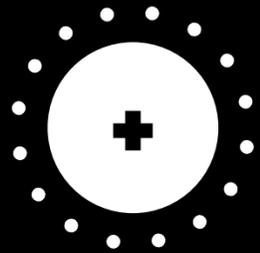
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"We calculate that during 2020, digital advertising will have a 52% share ... up from 48% in 2019 and 44% in 2018."

In this version of This Year, Next Year we are introducing estimates of "digital extensions," which refers to digital advertising associated with traditional media.

Digital Advertising

Expected Media Share in 2021 is 55%



Digital advertising is expected to decline by 2.4% during 2020. This follows nearly a decade of double-digit growth, with many years exceeding 20% at a global level. Growth should resume in 2021, although at a more modest pace than in the past decade as many of the drivers supporting digital advertising's expansion should generally decelerate.

One factor that should help support growth is e-commerce-related activity or other forms of pandemic-accelerated digital transformation.

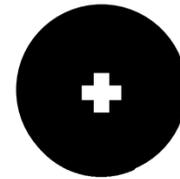
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Television

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Expected Media Share in 2021 is 26%



Television should retain its dominant role for large brands but will nonetheless decline severely this year. It is anticipated total television advertising declining by 17.6% in 2020 before rebounding slightly to grow 5.9% next year.

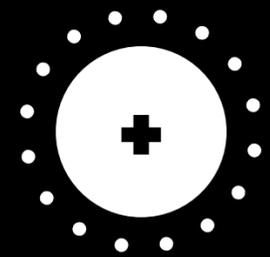
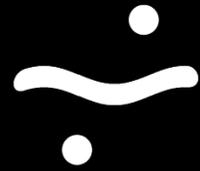
Television's share of advertising is expected to be 26% during 2020, down from approximately 37% at this point 10 years ago.



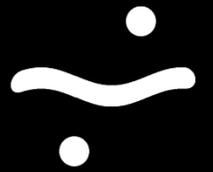
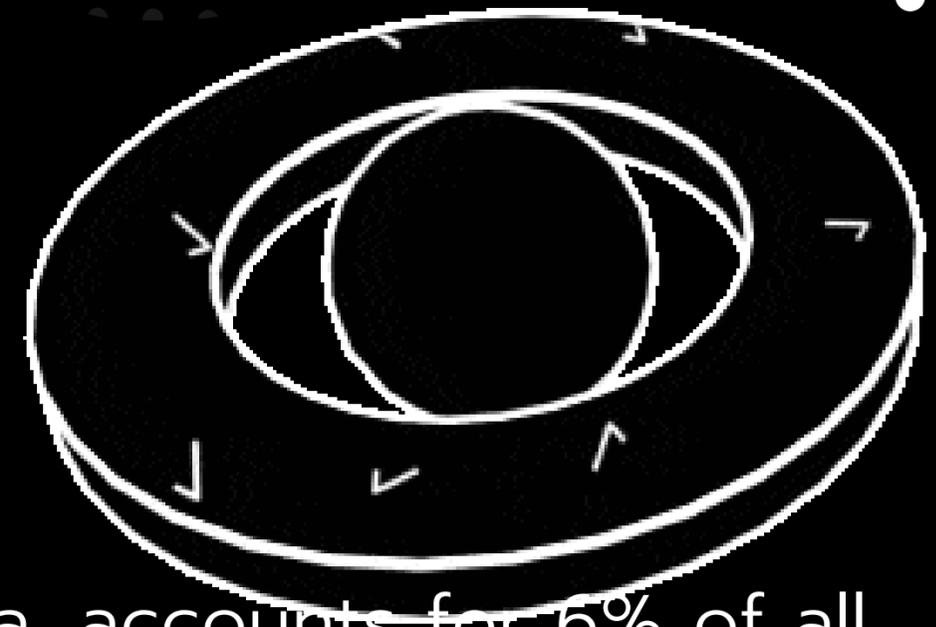
The lower share reflected here is due to the inclusion of significant volumes of spending by small businesses, which better enables small businesses to buy ads reaching the smaller groups of customers they service.



Outdoor



Expected Media Share in 2021 is 6%

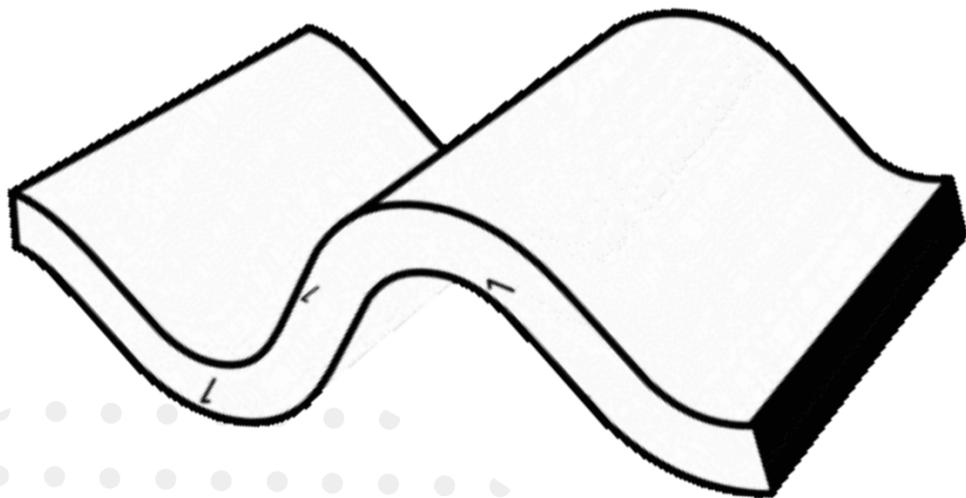


Outdoor advertising and related out-of-home media, accounts for 6% of all advertising we track here. It is estimated declines of 25.0% including digital out-of-home media. Next year should see a partial rebound with 14.9% growth. Beyond 2021, we expect outdoor advertising to grow by low or mid- single digits and generally lose share of total advertising as we track it here, although we do expect larger brands to generally increase their allocations of budgets to the medium.

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Print

Expected Media Share
in 2021 is 3%



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Print media, including newspapers and magazines, are expected to account for around \$49 billion in advertising this year if we include digital budgets associated with print properties.

Declines in 2020 are likely to amount to 25% as prior high-single digit declines accelerate. This trend should generally resume when an economic recovery occurs.

Audio



Expected Media
Share in 2021 is 4%

Lastly, audio is likely to also decline by 23% during 2020, as advertisers disinvest in part because of its association with away-from-home activities such as driving.

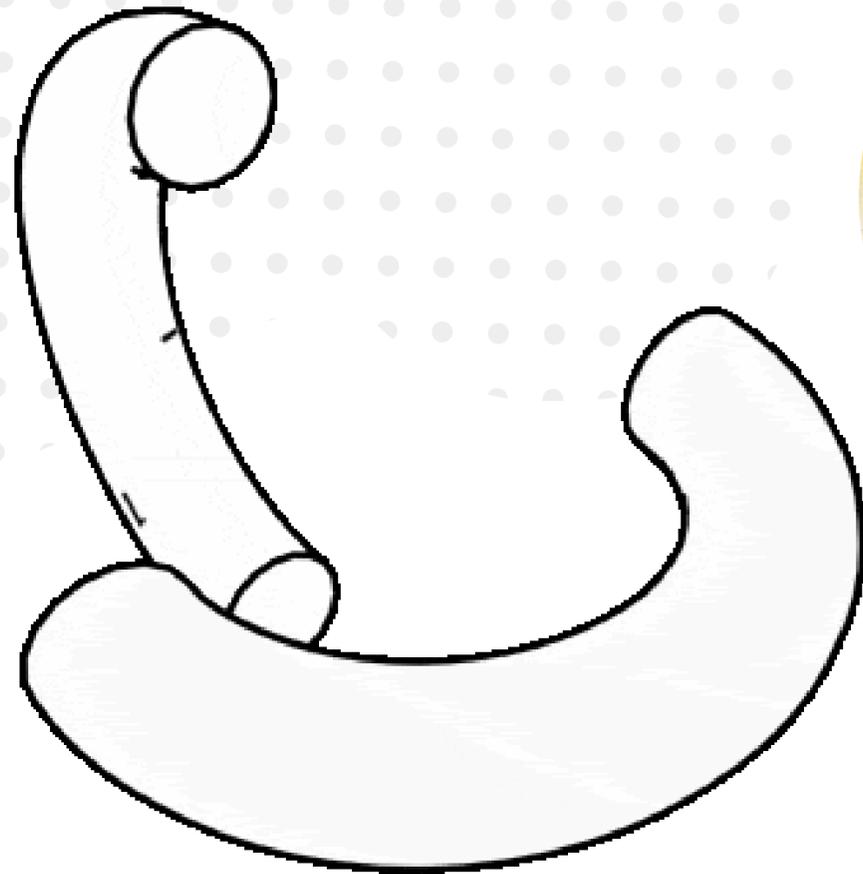
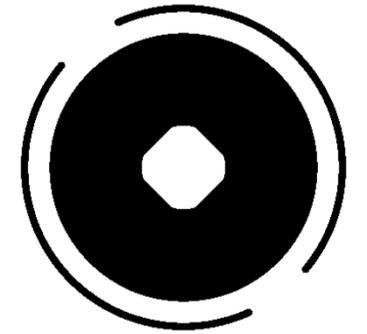
Digital extensions of the medium, including streaming services from terrestrial stations and their digitally oriented competitors and podcasts, remain relatively small in the low single digit billions, but help make the broader medium more appealing to marketers.

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We believe...

Marketers can find opportunities in all this disruption and should revisit processes for allocating spend across and within borders.



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