REPORT ISSUE 31
Q1 2023

ECI Media Management

inflation report

Q1 2023

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ECI inflation report

Q1 2023 Executive summary

The world has lurched from the Covid-19 pandemic to a global crisis of a different nature. The long-term effects of the pandemic itself have combined into a perfect storm with the war in Ukraine to drive up energy and food prices, which are in turn driving inflation. The result is a global recession which economists say is all but inevitable in 2023.

It's not an easy context in which to operate for brands. Consumers cutting costs and rising energy and supply chain costs are forcing marketers to examine their advertising budgets to drive efficiencies and make cuts. However, there is a strong case to resist the impulse to reduce media investment or focus purely on bottom-of-the-funnel marketing. There is ample evidence that brands who continue to invest in longer-term brand-building activity enjoy stronger growth during the recovery and beyond – and, of course, brands that go dark during a recession take on average five years longer to recover.

It makes sense, then, to find ways to ensure every dollar invested in media is working harder than ever. Focus, precision and transparency are key, as is an in-depth understanding of the media landscape – including how prices are changing. It is with these truisms at top of mind that we have produced this edition of our annual Inflation Report, which forecasts how media inflation will change over the course of 2023. And while media inflation changes, our objective never does: to ensure that marketers have the insights they need to make the best decisions that will drive higher media value for their brands.

Globally, we forecast that all media will inflate in 2023, albeit at a lower rate than in the last few years. TV in particular will inflate more slowly than in 2021 and 2022, raising the possibility that it could be starting to stagnate. Possible causes of this stagnation could include the continuing drift of budgets away from TV and into other channels, and simply that 2023 will be a quiet year in terms of sporting and other major events that drive TV viewing figures.

Photo: anyaberkut / iStock

Executive summary Q1 2023

Media inflation at a regional level will largely follow the same story as global inflation. Asia Pacific is the only region that is forecast to see slightly higher overall inflation than in 2022, and it is also the only part of the world where TV is not the most inflationary medium. LATAM is the region with the highest media inflation at 8.4% – although this is driven largely by Argentina. EMEA, affected most by the war in Ukraine, is next with 4.9% overall media inflation, followed by North America with 4.3% and finally APAC at 4.0%.

At ECI Media Management, we pride ourselves on our forensic, modern approach to understanding the media industry. Whether we are analyzing our clients' media investments so they can optimize future investments, or lifting the lid on industry trends, our goal is always the same: to empower advertisers to drive higher media value from their media investments. Our experts have been tracking media inflation since 2012, harnessing their deep knowledge of the advertising landscape and industry-leading data analysis skills to understand how media inflation is evolving and predict how it will change in the year ahead.

We obtain our data from a number of sources, including our global network of experts, real client data, and agencies. We cross-reference it with data from industry bodies and publications, as well as with agency traders and media vendors, so it holistically reflects the expertise of all those with an impact on trading variables. We're proud that our inflation data is used as a trusted source by industry bodies including WARC.

Photo: IM_photo / Shutterstock

Global economic outlook

The war in Ukraine is having a huge impact on the global economy, thanks to the fact that Russia is a key producer of energy, and Ukraine itself produces an outsized proportion of the world's crops. While the immediate outlook is fairly grim, with many countries bracing for a possible recession, the IMF's recent report says that there are signs of resilience.

The consequences of the war in Ukraine are felt across the world

It is of course the people of Ukraine who are most severely and immediately impacted by Russia's invasion of their country. However, the impact of the war is also being felt across the world. It is the main factor in the slump in global economic growth, although the timing, just as the world emerged from the pandemic, certainly didn't help. Much of the West has banned imports of Russian oil and reduced its reliance on Russian gas, forcing up the cost of non-Russian sources. Furthermore, Ukraine has long been a major supplier of the world's wheat, corn, barley and sunflower oil – its impaired ability to produce and export these crops has increased the cost of food worldwide.

The increased cost of energy and food has driven up inflation around the world, which has in turn pushed many economies to the brink of recession. Many central banks have attempted to calm inflation by raising interest rates, but this has had a secondary effect of stifling business investment.

Global financial institutions paint a mixed picture

The World Bank predicted in early January that the global economy was 'perilously close to falling into recession', forecasting that it would grow by just 1.7% this year – a sharp decrease from the 3% the World Bank predicted in June. It said that the US, the Eurozone and China were all 'undergoing a period of pronounced weakness'. Growth in the world's richest countries is likely to slow sharply from 2.5% to just 0.5% this year, it says – and warned that 'slowdowns of this scale have foreshadowed a global recession'.

The World Economic Forum was not much more optimistic. Its Chief Economists Outlook said that the outlook for the global economy is gloomy, particularly for the US and Europe, but that the majority of chief economists expect moderate or strong growth in the Middle East, North Africa and South Asia.

The IMF's latest World Economic Outlook, released at the end of January, showed glimmers of hope. It raised its 2023 global growth outlook slightly thanks to 'surprisingly resilient' demand

Photo: JoeyCheung / Shutterstock

Global economic outlook

in the US and Europe, and the reopening of the Chinese economy after the strict zero-Covid strategy was abandoned. It has forecast that global growth will be at 2.9% in 2023, versus 3.4% in 2022, and that it will rise to 3.1% in 2024.

CPI

CPI inflation increased dramatically in 2022 thanks to Russia's war in Ukraine and the impact on energy and crop prices. The EU and Europe have been the most affected thanks to its reliance on Russian energy.

CPI inflation is lower in China than in other countries. It's likely that the People's Republic has escaped the rampant inflation suffered by much of the rest of the world not because of sound economic policy, but because of low consumer demand caused by the near-constant lockdowns of China's zero-Covid policy, which has only just come to an end.

GDP

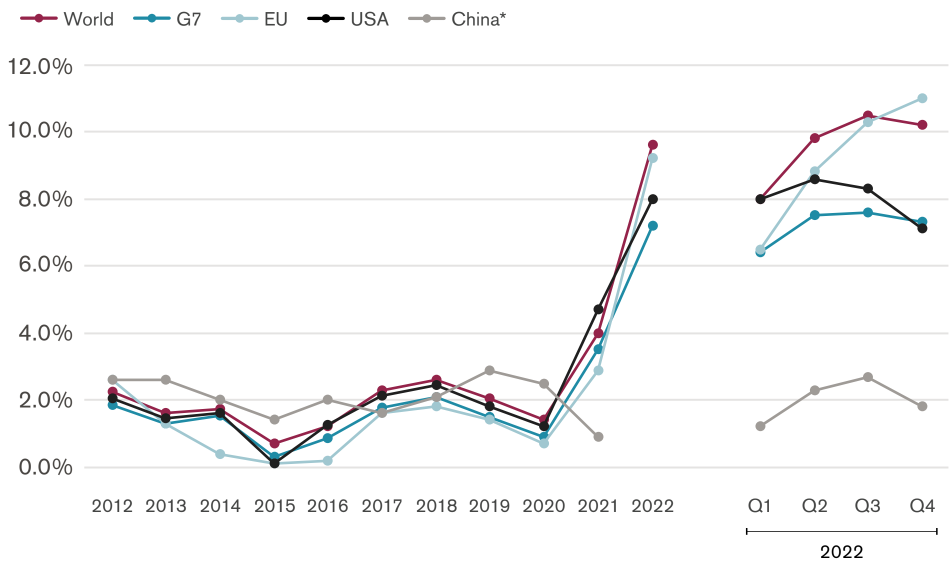
GDP in the world's major markets is forecast to remain fairly consistent with 2022 levels. Most will see GDP growth in 2023, albeit at slightly lower levels than in 2022. The exceptions are China and Japan, which are expected to see slightly higher GDP growth than in 2022, while the UK is the only major market forecast to see negative growth. India's GDP remains buoyant; China's production has decreased because of its adherence to its no-Covid policy, and India has been able to ramp up its own production to fill the gap.

Click here to access our whitepaper with 10 key pieces of advice for marketing during economic volatility.

Photo: fuyu liu / Shutterstock

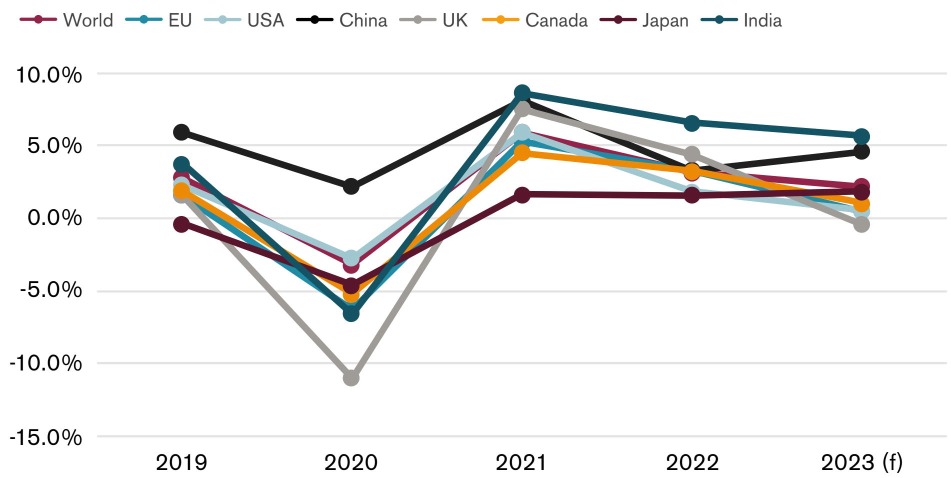
Global inflation trends

CPI Inflation, % change, year-on-year



Source: OECD Economic Outlook: Statistics and Projections
Accessed 7th February 2023.
**At the time of publication, the OECD had not released FY 2022 data for China*

Real GDP, % change, year-on-year



Source: OECD Economic Outlook: Statistics and Projections
Accessed 31st January 2023

Global context

The war in Ukraine and its ramifications will likely dominate the international news in 2023, but it will be a relatively quiet year in terms of politics and global events such as sports.

The war in Ukraine continues with no end in sight

The end of February will mark one year since the beginning of Russian President Vladimir Putin's war in Ukraine, with seemingly no end in sight. Ukraine continues to fiercely resist Russian attempts to bring the country into the Russian sphere of influence, with support from the West. The impact of the war is being felt across the world, affecting energy and food prices which have sent the cost of living soaring in many countries, which in turn has pushed up inflation.

Lula becomes Brazilian president amid political violence

In one of the most significant political shifts of 2023, the centre-left politician Luiz Inácio Lula da Silva, known as Lula, replaced far-right Jair Bolsonaro as president of Brazil on 1st January. Any hopes of a peaceful transfer of power were shattered just a week later when thousands of Bolsonaro's supporters invaded the country's congress, presidential palace and supreme court in a failed attempt to overthrow Lula's government. The events echoed the similar security breach that happened almost exactly two years previously in the US as power transferred from Donald Trump to Joe Biden. More than 300 people were arrested in Brasília.

India to become the world's most populous country

At some point in April, India is forecast to surpass China after the world's most populous country. It comes as China's population fell in 2022 for the first time in decades, with the country's one-child policy of the late 20th century blamed for accelerating the decline. This historic shift will have long-term consequences for domestic and global economies; India will have a strong claim for a permanent seat on the UN Security Council, while China will need to focus on productivity, rather than rely on population growth, for continued economic growth.

India's population is set to continue growing for 40 years. Currently, one fifth of the world's people aged below 25 is from India, and 47% of Indians are below 25. This generation of young Indians will be a huge source of consumption and labor to power India's growth into the future – growth which is already at a very healthy rate.

Key national elections to be held

Several countries will hold important elections in 2023, including Argentina (general election in

Photo: Andy Shiels / Shutterstock

Global context

October), Spain (general election in December), Turkey (parliamentary and presidential elections in May) and Ukraine (parliamentary election in October).

British king to be crowned

The coronation of King Charles III and his wife, Camilla, will be held in May, and will undoubtedly also attract a global audience – although perhaps not quite of the scale of his mother's funeral in September last year. The coronation will happen just a few months after the release of his son Prince Harry's autobiography and his Netflix series with his wife Meghan, both of which created a media frenzy.

SPORT

2021 and 2022 were both big years for sport, with many events postponed during the pandemic happening alongside previously scheduled ones. 2023, on the other hand, is a quieter year on the sporting front.

The Women's World Cup seeks larger audiences

After the success of the Women's Euros in 2022, the world's eyes will turn eagerly to the global tournament happening in Australia and New Zealand in June and July. In January, with nearly six months to go, over half a million tickets had been sold in more than 120 countries. FIFA intends to sell more than 1.5 million tickets, more than the 1.35 million sold at the 2015 Women's World Cup. However, uptake of the media rights has been less enthusiastic; in October, FIFA called for broadcasters to improve their offers for the TV rights to the tournament, having rejected bids that it said were too low. While cynics might reasonably think that FIFA is just after more money, FIFA highlighted broadcasters' 'lack of willingness to pay what the women's game deserves' and asked them to invest in the potential of women's football, rather than just the here and now. A factor which may be causing broadcasters' reluctance is the time difference – evening games in Australia and New Zealand will air much earlier in the day in Europe and the US, making it more difficult for key soccer audiences to watch.

India hosts cricket and France welcomes rugby fans

Other major sporting tournaments that will be held this year include the Cricket World Cup, which will for the first time be solely hosted by India (they have been joint hosts three times) in October and November. France will welcome rugby fans for the Rugby World Cup in September and October 2023, ahead of hosting the Olympic Games in 2024.

Photo: Benjamin Davies / Unsplash

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Media and tech developments

The economic context will inevitably impact on all sectors, and media and technology are no different. However, these are industries with innovation and resilience at their very core, so there will in 2023, as always, be myriad ways to reach consumers in new and evermore effective ways.

Consumers will turn to TV during the downturn

With consumers across the world watching their budgets and cutting costs, many are likely to stay at home more and turn to their TVs for entertainment. As a result, inventory will increase across linear and streaming, opening up opportunities for advertisers to create cost-effective TV campaigns.

It's likely that many consumers will seek to reduce how much they spend on streaming subscriptions, opting either for lower cost ad-supported tiers or even to abandon subscriptions all together and return to linear.

But Big Tech will continue to shape the market for live sports rights

In a loud wake-up call for traditional media companies, the rights to popular sporting events such as NFL and English Premier League soccer matches are increasingly being bought up by deep-pocketed tech groups such as Apple, Amazon, Google and Meta. In December last year, YouTube secured the exclusive rights to the NFL 'Sunday Ticket' subscription service which allows US fans to watch any game shown on the biggest game day of the week. Amazon Prime, meanwhile, recently had success with the streaming-only Thursday Night Football, broadcast rights for India's Top Cricket League, and the recent soccer World Cup. Streaming works for fans, offering them customized content and real-time interactivity, as well as advertisers, who get access to verifiable viewership data across CTV and mobile devices.

The future of TV measurement will involve multiple currencies

In January a group of US national broadcasters including Warner Bros, Discovery, NBCU, Paramount and Fox, together with OpenAP and the Video Advertising Bureau, announced the formation of a joint industry committee (JIC) with a goal of creating a standard that will support multiple cross-platform video currencies. While Nielsen's revamped cross-screen measurement platform Nielsen ONE showcases a commitment to a single, cross-media solution, the JIC development seems to make it clear that that future of TV measurement will involve multiple currencies. This shift, alongside the rise of more granular forms of measurement, will help buyers and

Photo: Patrick Ogilvie / Unsplash

Media and tech developments

sellers expand their understanding of the effectiveness of advertising on TV.

Gaming and in-game advertising will mature in 2023

Gaming has always appeared to be a 'niche' advertising channel – indeed, historically, most in-game advertising has been bought by rival developers looking to attract players away to their own games. But 2023 may well be the year that that all changes.

Gaming exploded during the pandemic and is evolving to become even more relevant for consumers who don't traditionally see themselves as 'gamers'. Furthermore, big players such as Netflix are doubling down on their efforts to expand within the category. Microsoft announced in early 2022 its intention to buy Activision Blizzard, although the deal is facing scrutiny from the FTC in the US, as well as regulators in the UK and EU. In a further sign of a maturation of the gaming landscape, the IAB and MRC released a long-overdue updated to their in-game ad standards guidelines. 2023 could even see the launch of the first sell-side platform dedicated to gaming.

TikTok will grow and grow, despite increasing scrutiny

The economic downturn will be difficult for many media vendors, but it looks like it's going to be great for TikTok. While many advertisers are making budget cuts wherever they can, they are still pouring money into the short-from video app. Although Facebook and Instagram still attract more ad dollars, investment in these platforms is slowing. For TikTok, however, it is speeding up, thanks to highly engaging ad formats, low CPMs and a huge, youthful audience. However, there are question marks around the Chinese-owned app's attitude to data and security, and even whether it poses a national security threat to countries such as the US. But the extent to which TikTok dominates its users' attention will continue to draw advertisers, regardless of political issues. *Read more in our recent post about TikTok on ECI Thinks.*

Legalization of sports betting spreads across the US

It seems only recently that Nevada was the only state that permitted legal sports betting in the United States. That all changed in May 2018, when a groundbreaking Supreme Court decision granted states the individual authority to legalize sports betting in the United States as they see fit. Fast forward to the beginning of 2023, and 36 states offer some form of legal U.S. sports betting, either in-person or online, with more debating whether to participate this year.

Sports betting and the media rely on one another. Broadcasters and publishers want to keep their audiences engaged and are enticed by the additional revenue generated by advertising, referral, and brand licensing fees. Meanwhile, gambling operators require assistance in attracting new customers and improving retention while lowering costs of doing so. The tightening of this relationship will only continue to grow as new states and customers bases are introduced and legalized.

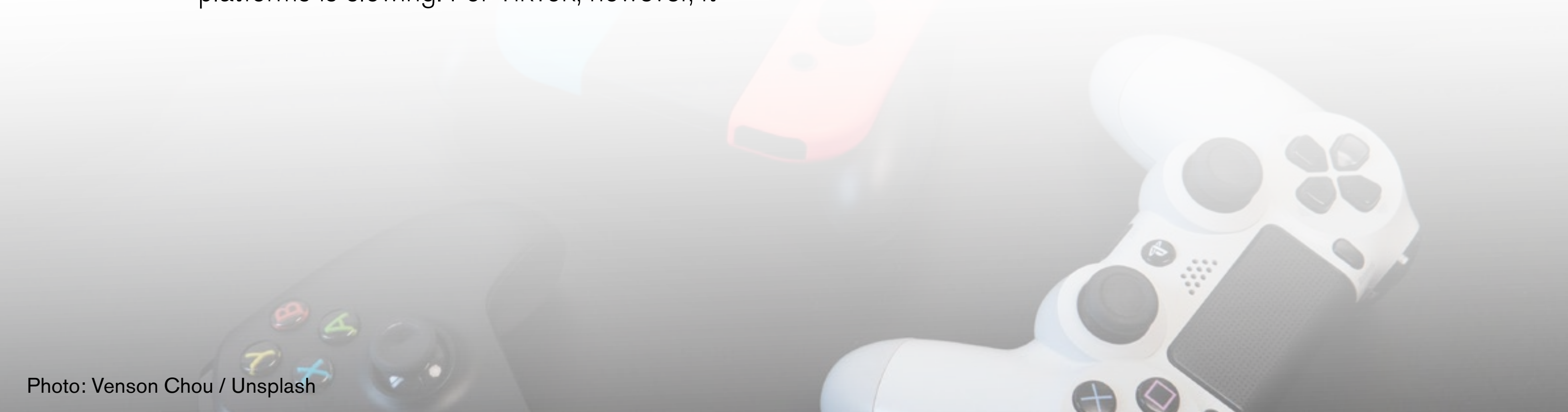


Photo: Venson Chou / Unsplash

Media and tech developments

ChatGPT could transform the marketing industry

ChatGPT is a chatbot that uses natural language processing (NLP), a field of machine learning. It's receiving a lot of hype thanks to its ability to produce very 'human' copy on any subject, leading to fears that it will negate the need for copywriters in the future, and that it will be used by students for essays. However, it also has the potential to revolutionize marketing by powering truly interactive websites, creating custom brand content or even just by providing ideas, thought-starters or insights to power campaigns.

It's quiet in the metaverse

The metaverse was the phrase on every marketer's lips at the start of 2022. It was the 'next big thing' but, a year later, the hype has very much subsided. Contrary to Mark Zuckerberg's assumption that people would want immersive online experiences, the trend is towards going offline and enjoying the real world. What's more, the crypto crash has left brands nervous about investing in something that is as yet unproven. This is not to say that the metaverse is dead in the water – after all, VR and AR games such as Fortnite and Roblox offer metaverse-like experiences. But gaming is where marketers seeking these immersive experiences should focus their efforts right now.

Everyone's listening to (and producing) podcasts

Podcasting has moved on from being the 'next big thing' to 'a big thing'. There are an estimated 70 million episodes available, and more than 5 million podcasts. Around 100 million US consumers are active listeners, and 78% of the US population is now familiar with podcasting. A survey by Nielsen found that out of 7,000 US consumers, 78% don't mind ads or sponsorship messages in podcasts. About 62% of listeners consider new products and services from hearing about them through podcast advertising, and 80% listen to most of a podcast episode without skipping ads. This high engagement teamed with large audiences makes podcasting an increasingly important channel for advertisers: podcast ad revenue in the US is expected to grow to $2.2 billion in 2023 and $4 billion in 2024

The role of advertising as a force for good will be emphasized

Sustainability has long been a priority for brands eager to appeal to increasingly eco-conscious consumers. The spotlight is now on reducing the carbon footprint of advertising campaigns, which can be significant given how much energy is required to power online activity. Effective measurement and reporting will be crucial in systemizing this change. Diversity and the fight against hate speech and disinformation are two other areas in which advertising can play a key role.

ECI Thinks is ECI Media Management's regular blog on the issues that matter to global marketers. Follow us on LinkedIn to be notified about our latest analysis on the events, developments and players having a major impact on the marketing landscape.

Photo: Maximalfocus / Unsplash

Global media inflation

All media across all the regions of the world will experience inflation in 2023. The region with the highest level will be LATAM with 8.4% overall media inflation – Argentina is the key driver with 70% inflation. EMEA will see the next highest inflation at 4.9% overall, then North America at 4.2% and finally APAC, which will continue its more modest inflation at around 4.0%.

TV will continue to see the highest inflation at 6.8%, but that is the lowest level that we have seen over the last three years, raising the possibility that global inflation is starting to stagnate. The fact that there will be fewer major events in 2023, particularly sports, could be contributing to less aggressive TV inflation. The only region in which TV inflation will surpass 2022 levels is LATAM, thanks largely to high inflation in Argentina.

For the first time in a while, both Magazines and Newspapers look set to inflate in 2023, despite minimal deflation in APAC.

Just as Offline media will see fairly strong inflation in 2023, driven largely by TV, so Online media looks set to continue its steady global inflationary trend as well. It will inflate at a similar, albeit slightly lower level than previous years. Online Video will see higher inflation than Online Display.

Media prices continue to rise across the world, albeit more steadily than over the last few turbulent years. In the context of a global downturn and with advertisers and consumers tightening their belts, it is more important than ever that media investments are effective; transparency is key. At ECI Media Management, our experts can help advertisers to gain an in-depth understanding of their investments, providing actionable insight that will help you to drive higher media value. If you would like to discuss how to optimize your media activity, please contact us at value@ecimm.com, or email our leadership team, whose details are at the end of this document.

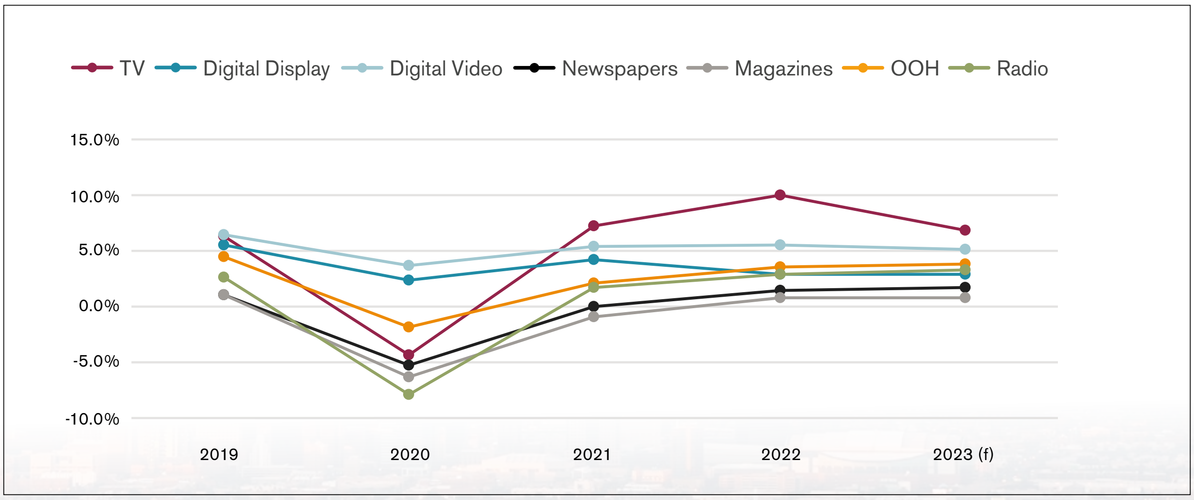
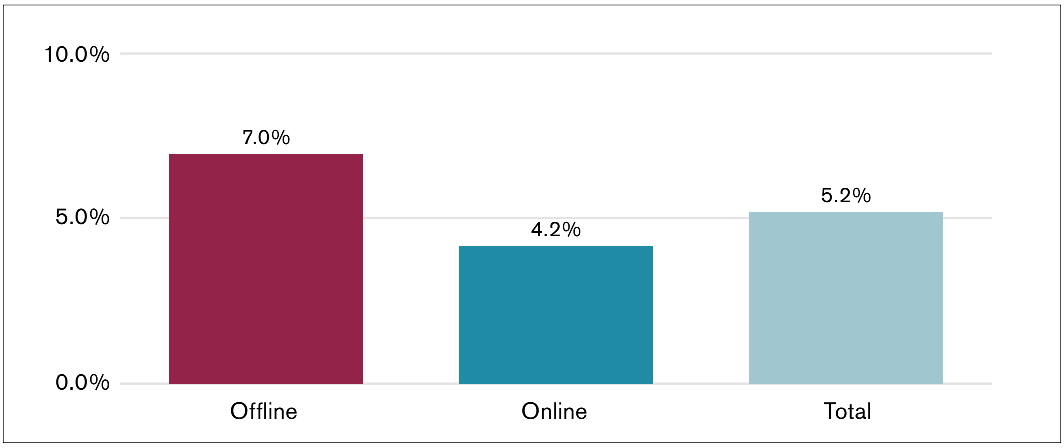


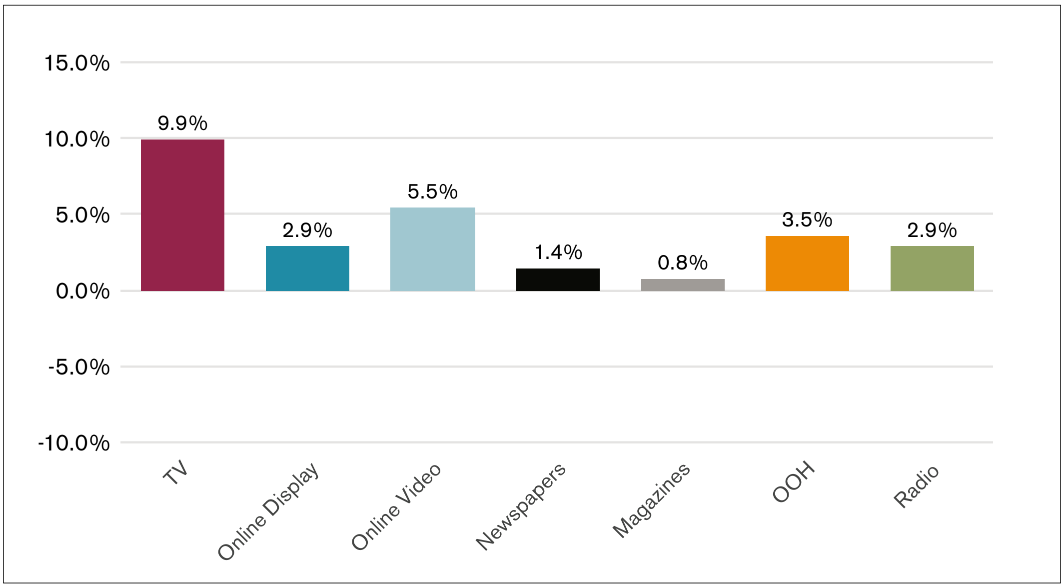
Photo: Dreamframer / iStock

Global media inflation 2022

Global media inflation 2022, Offline vs Online



Global media inflation 2022, by media type



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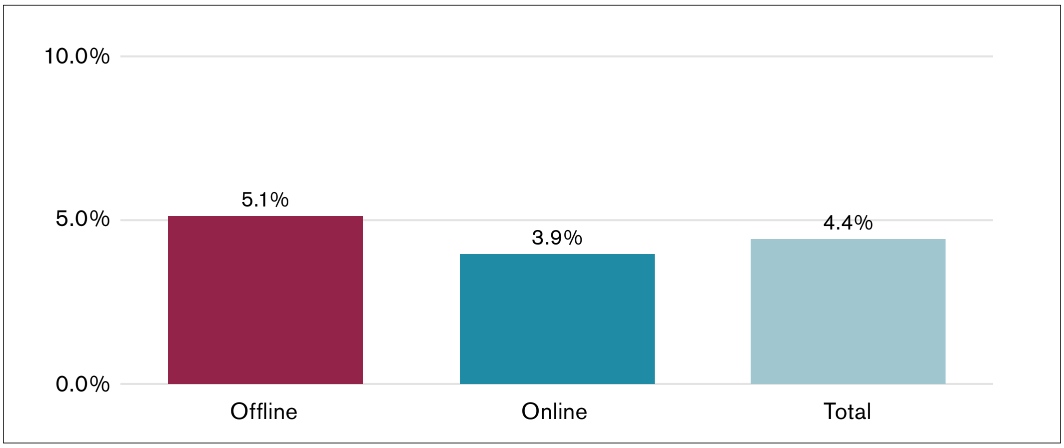
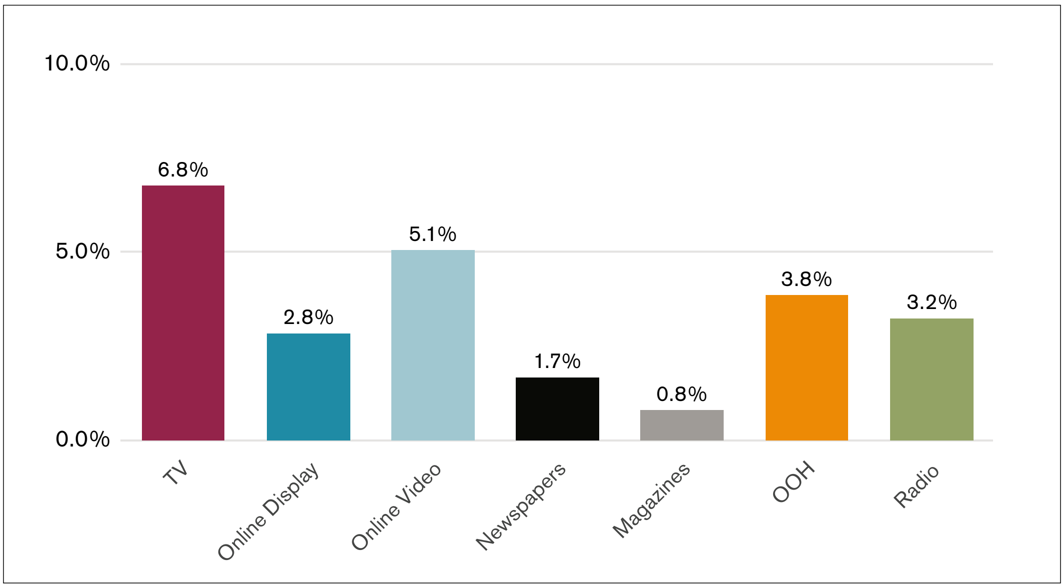
Global media inflation 2023(f)

Global media inflation 2023(f), Offline vs Online



Global media inflation 2023(f), by media type



Regional trends and developments

All media in all regions look set to inflate in 2023, although they will be slightly lower than last year. Inflation will, as is so often the case, be highest in LATAM, followed by EMEA, North America and finally APAC which will see more modest price increases.

North America

Overall media inflation in North America will be 4.2%. This is mostly driven by TV inflation which will be at 6.8% - this is higher than any other medium, but still significantly lower than 2022 levels. Our more modest forecasts for TV in 2023 may be lowered further as advertisers react to global inflation by cutting some budgets and reallocating others, for example from TV to CTV. All other media types are also expected to inflate: Online Video at 5.5%, OOH at 4.7% and all other media below 3%.

Europe, Middle East & Africa

Overall media inflation in EMEA is forecast to be at 4.9%. TV will see the highest inflation at 9.1%, although this is lower than in 2021 and 2022. The medium with the second highest inflation is Online Video at 4.7%, while other media types will see more modest inflation at 1.8% to 3.5%. Eastern Europe, especially Russia and the Baltics are expected to experience higher inflation that the rest of Europe: the Big 5 (UK, Germany, France, Italy, Spain) are forecast to see less than 5% inflation overall, despite relatively high TV inflation.

Asia Pacific

APAC is the only region with slightly higher overall inflation than last year (4.0% versus 3.8%), but that figure is lower than in the other regions. This is because the deflation that buffeted other regions in 2020 only affected TV in APAC – so there was a smaller slump from which to recover.

Unlike in the other regions, TV is not the outlier driving up regional inflation forecasts for APAC – Online Video inflation is forecast to be slightly higher than TV. Inflation in India is expected to be relatively high, led by TV as is usually the case, but also Online Video, which is experiencing more demand. China, on the other hand, continues to see very modest inflation, with TV inflation remaining stable at less than 1%. This could be a reflection of China's only recently-ended battle with Covid.

Latin America

Extremely high media inflation in Argentina of more than 70% continues to drive up media inflation for the entire region. Other Latin American markets are expected to have media inflation at levels more in line with the global picture, of 4% to 7%. TV, as with so many other global markets, leads the pack, with a forecast of around 7% in non-Argentinian markets, while inflation for other media types is forecast to remain stable at around 3% to 6% (except in Argentina).

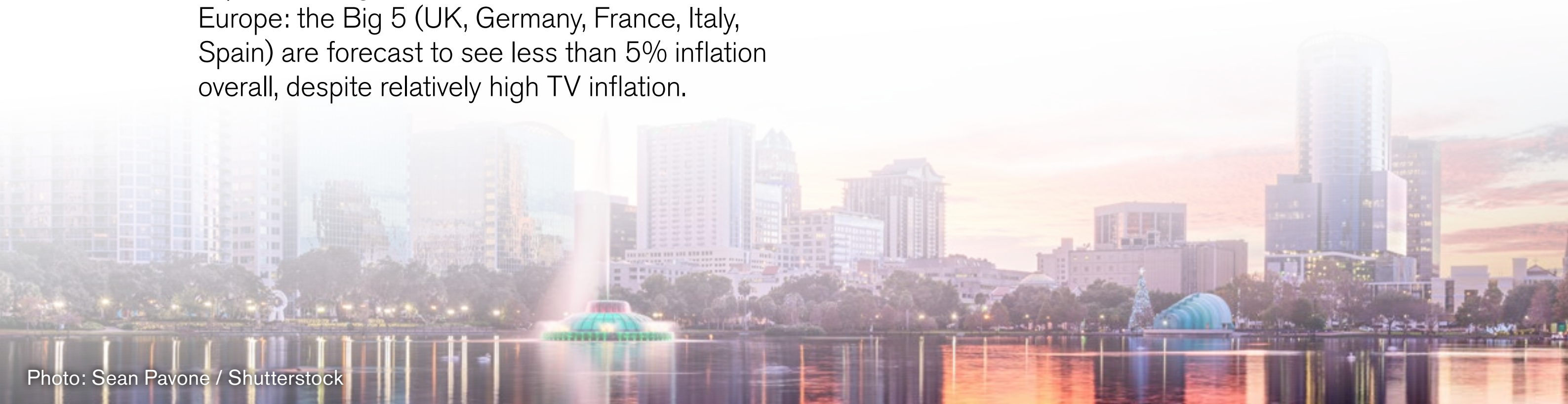
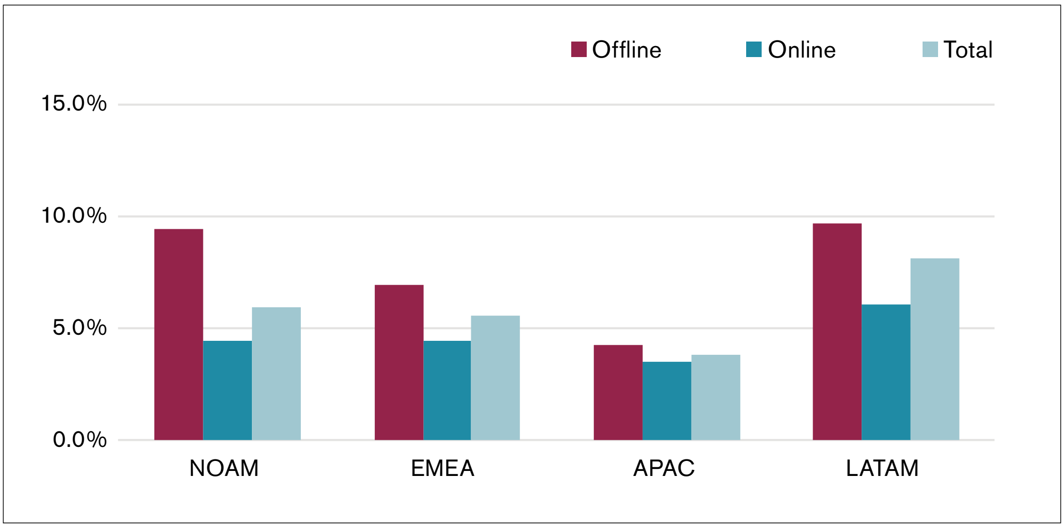


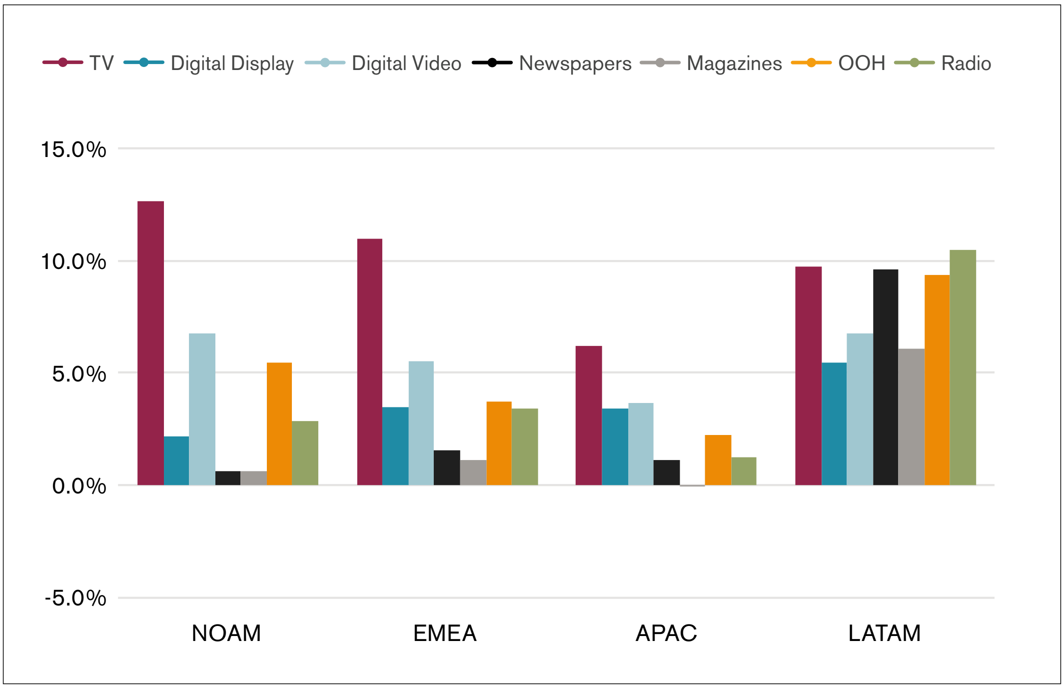
Photo: Sean Pavone / Shutterstock

Regional media inflation 2022

Regional media inflation 2022, Offline vs Online

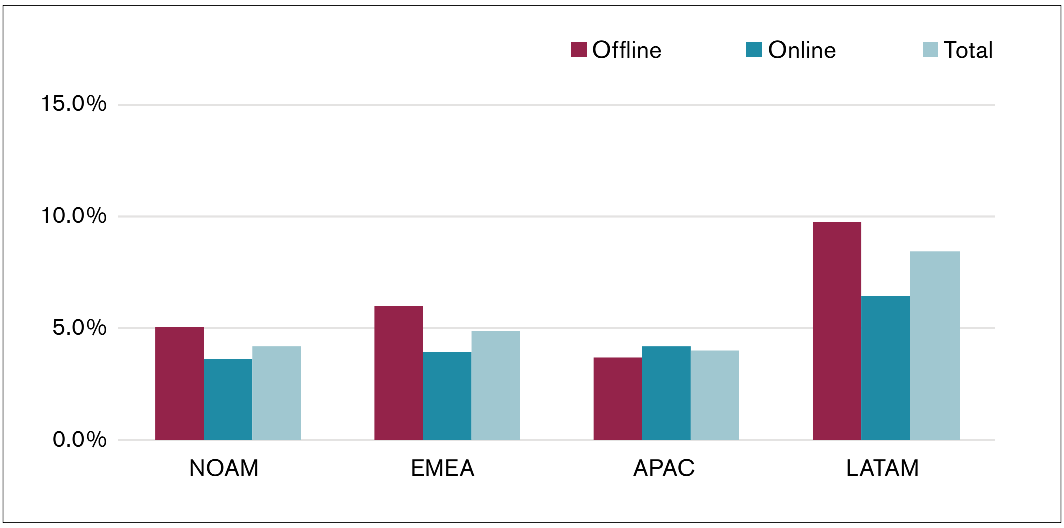


Regional media inflation 2022, by media type

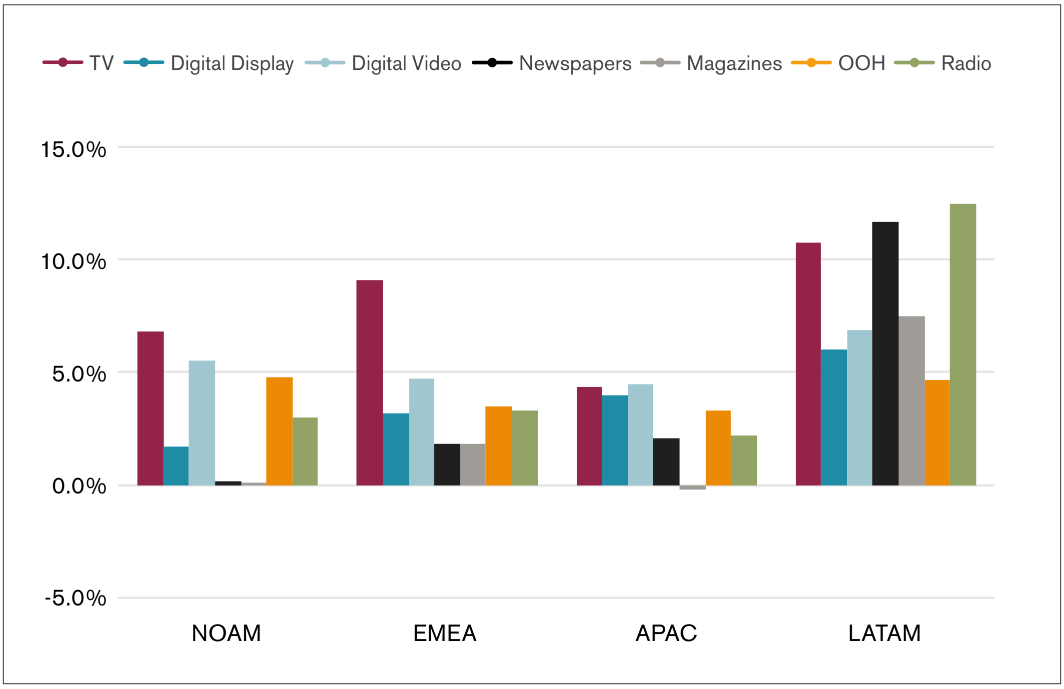


Regional media inflation 2023(f)

Regional media inflation 2023(f), Offline vs Online



Regional media inflation 2023(f), by media type



Markets in detail

Over the next pages we look at how media inflation has evolved in 48 markets. Experts in ECI offices globally and locally work with a wide variety of data sources to ensure that their insight and projections are as accurate as possible for our clients and for all marketers.

Each market tracks the five-year inflation trend by media type given the most recent updates. For larger markets – accounting for 90% of global media investment – further insights are provided highlighting aggregated inflation in the last three-year period.

If you would like to discuss our findings and their context in more detail, please get in touch - you can find our contact details at the end of this report.

Photo: Luca Bravo / Unsplash

North America

The US media industry is facing several significant challenges in 2023. This includes ongoing changes in advertising markets, pressure on consumer spending due to inflation and the cost-of-living crisis, as well as evolving media habits and preferences.

Both the US consumer and the US economy have exceeded forecasts. Despite the simultaneous headwinds of rising interest rates and high inflation, US consumer spending kept GDP growth going. Additionally, improvements to the Q3 2022 GDP figures indicate a better economic expansion in H2 2022. Nevertheless, economists continue to predict that the US economy will soon enter a recession starting in Q1 2023, and they are now projecting three consecutive quarters of negative GDP growth. However, this downturn is expected to be minor and short-lived, and growth should recover in 2024 as the Fed starts to ease monetary policy and inflation continues to decline.

While supply-side restrictions are loosening and the Federal Reserve is adopting a more hawkish monetary policy, rising interest rates will push the US economy into a generalized recession. Extremely tight labor markets will be impacted by this slowdown, in turn increasing the unemployment rate. However, experts still predict that the unemployment rate will peak at 4.5%, which is extremely low by historical standards. This prediction reflects the dire labor shortages that might persist even as the economy contracts.

Canada's real GDP growth is anticipated to be higher than that of its G7 peers in 2023. Following Russia's invasion of Ukraine, Canada benefited from a surge in global commodity prices, particularly for crude oil and wheat. Higher commodity prices fueled inflation, but price growth has now begun to slow. It seems probable that inflation will continue to fall in the coming months as global commodity prices fall, international transportation costs fall, and the Bank of Canada's monetary tightening begins to take effect. In addition to these positive trends, headwinds such as domestic and global monetary tightening, as well as the sharp economic slowdown in the United States, will weigh on the economy. Labor shortages will also persist. Despite government plans to bring in 1.5m immigrants by 2025, some sectors (like health care, manufacturing and construction) will face acute shortages.

Photo: Mwangi Gatheca / Unsplash

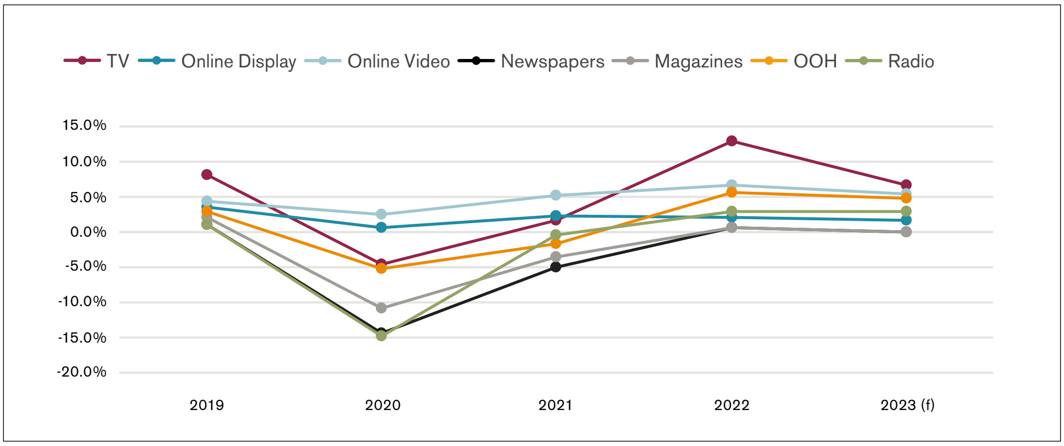
USA

5YT: Media inflation for all Offline media dropped in 2020 because of the pandemic; Online, however, remained largely unaffected. 2021 and 2022 saw Offline media recover from the lows of 2020.

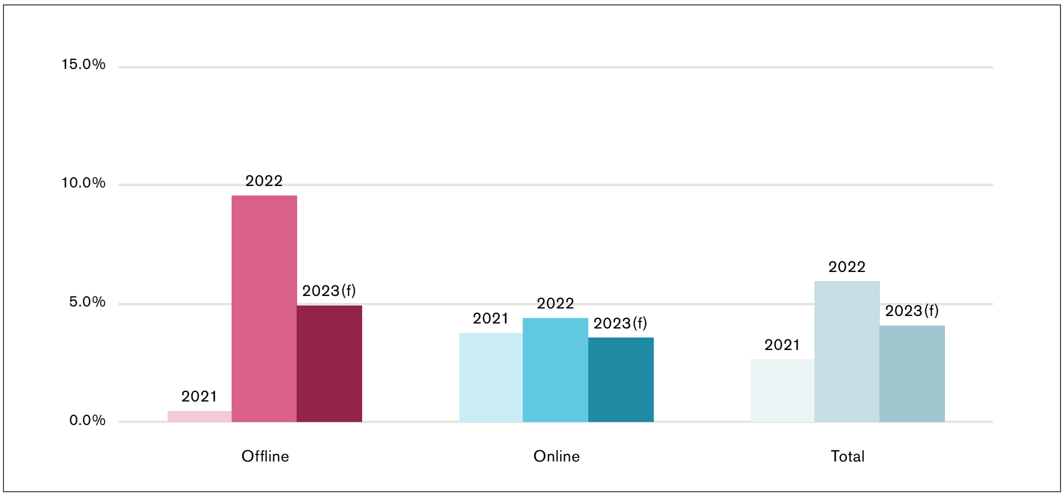
2022: Most media experienced an increase in inflation compared to 2021 positions, with OOH seeing the largest shift. Online Display was the only media that saw only a minimal shift.

2023: TV is set to see a fall in inflation compared to 2022, thanks to a scarcity of major sporting events and a quiet year on the election front. All non-TV media are expected to remain consistent with 2022 levels. The economic context within the US is a key factor in the minimal shifts in media inflation.

5-year trend 2019–2023(f)



Offline vs Online



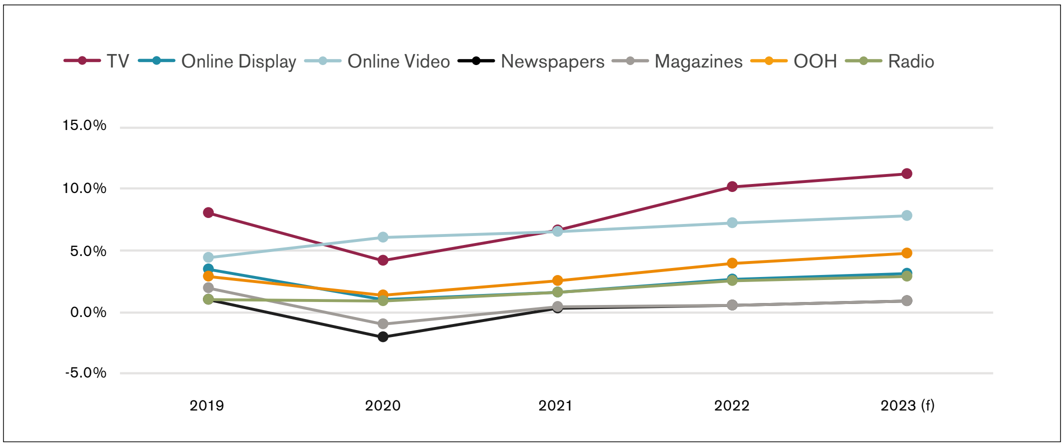
Canada

5YT: Most media types experienced only marginal shifts across the period year-on-year, with the exception of 2020 when Offline media inflation fell across the board.

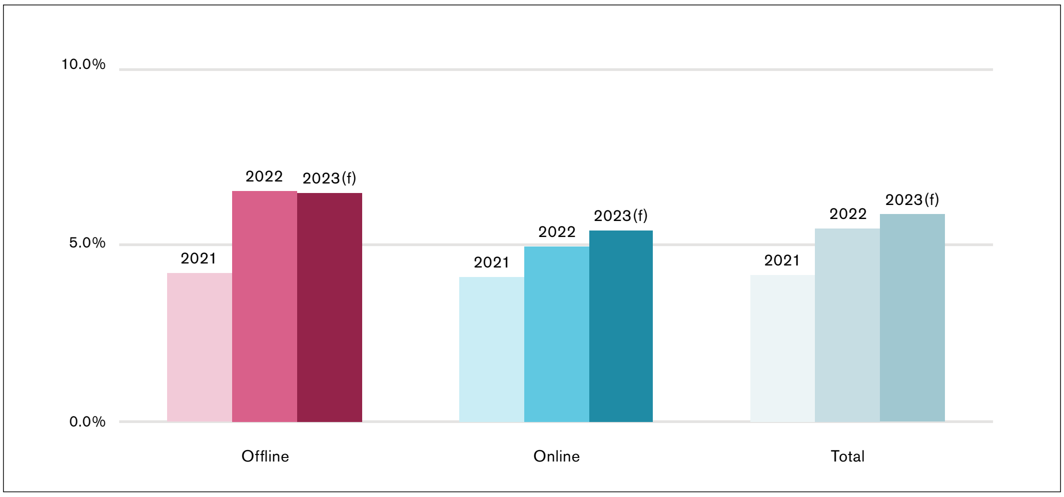
2022: TV saw the most significant shift compared to previous forecasts, and continued its recovery after the dips of 2020. Inflation for other media types remained largely consistent with 2021 levels.

2023: Inflation estimates are set to remain relatively consistent with 2022. The largest shifts are expected for TV, but even those are still minor. TV and Online are the media types with the highest inflation rates.

5-year trend 2019–2023(f)



Offline vs Online



Europe, the Middle East and Africa

Economic growth continued to face challenges in Europe in 2022 as business and consumer sentiment remained low in a high-risk environment, generated by the energy crisis, the war in Ukraine and high inflation. However, the region bounced back slightly in Q3, driven by domestic demand following an unexpectedly good tourism season in Italy, France and Spain. In addition, unemployment decreased slightly in 2022 with a record low of 6.6% in the Eurozone, indicating the labor market is still thriving despite economic uncertainty. However, inflation is at an all-time high, with surges driven by accelerating energy and food prices. The hardest hit by this were the Baltic states and the Netherlands, whilst economies such as France and Spain were less affected.

The 2023 economic outlook remains somewhat pessimistic as Europe's industrial competitiveness is under threat, especially Europe's largest economy – Germany – given its industrial focus and energy vulnerabilities. In addition, Russia's war in Ukraine continues to impact economies worldwide, with little sign of a peaceful resolution. Europe is the most affected region of the world given its geographical proximity to the war and reliance on imports of fossil fuels. Real GDP growth is projected at 0.3% in 2023, down from 3.3% in 2022. There is some optimism to be had for the second half of 2023, as an economic contraction in the first half will likely lead to declining inflation, helping real incomes recover; we could see higher growth return as a result.

Meanwhile, in the Middle East and North Africa, economic activity is expected to sharply decelerate after a strong 2022, with real GDP growth predicted to stand at 3.6%, down from 6.1% in 2022. This is after the OPEC+ alliance announced oil output cuts, along with higher interest rates contributing to the economic slowdown. Inflation is expected to remain high, most severely impacting oil-importing economies, along with Jordan, Egypt and Lebanon as economic challenges and currency depreciation are expected to persist.

Photo: Raja Sen / Unsplash

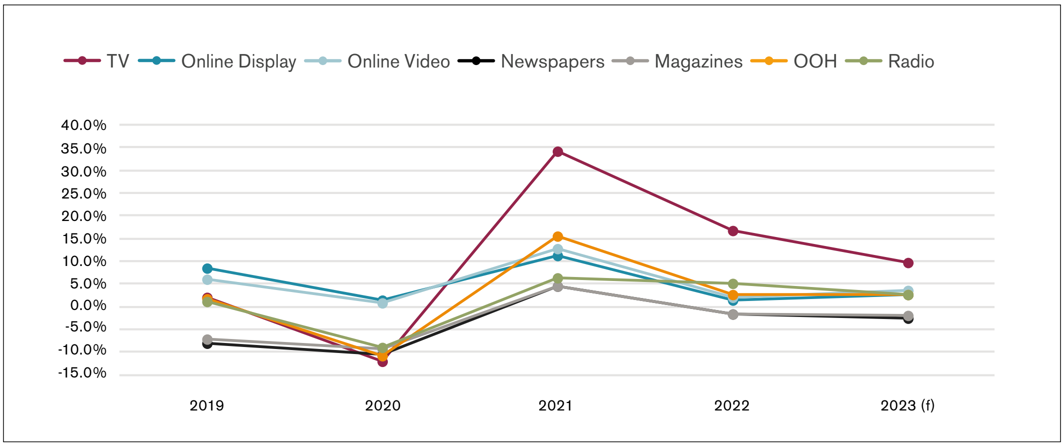
UK

5YT: Most media retained consistent inflation levels across the period, other than the dips of 2020 and significant fluctuations in 2021, notably for TV. Online has remained robust across the period, experiencing only minimal deviations even when taking the global dips of 2020 into consideration.

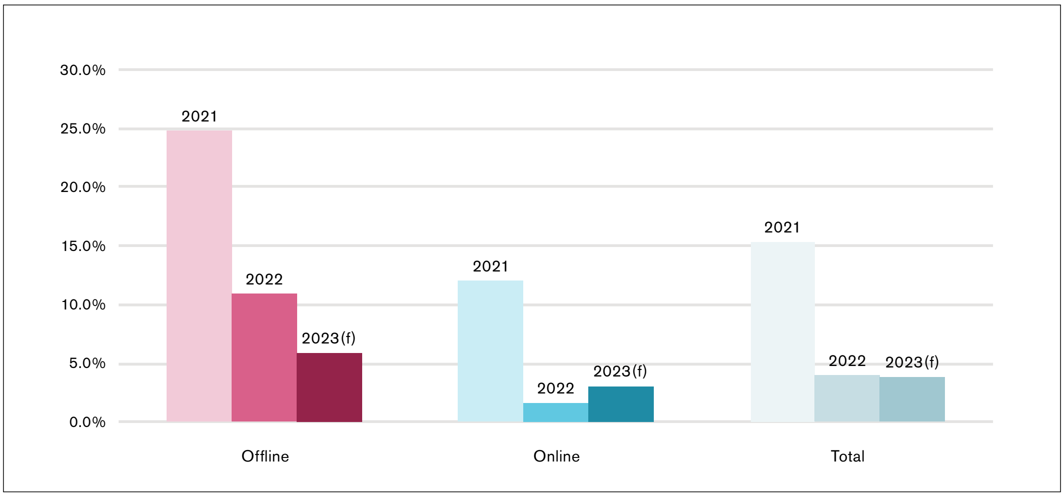
2022: Most non-TV media experienced only slight deviations from their 2021 positions, with Print remaining deflationary. The most significant shift was in TV, which saw a declining inflation rate – although it remained significantly higher than other media types.

2023: Media inflation in 2023 is expected to remain largely consistent with 2022, with TV inflation continuing to fall and inflation for other media seeing slight deviations. Online looks set to increase marginally, and Radio inflation is forecast to fall from its 2022 level.

5-year trend 2019–2023(f)



Offline vs Online



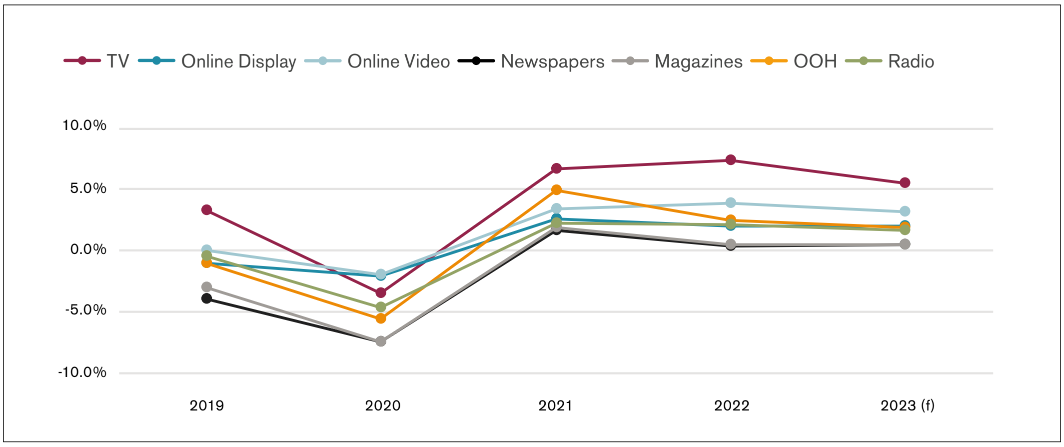
France

5YT: Offline media followed a similar trend across the period, including the dip of 2020. All media types bounced back to inflationary positions in 2021 – positions that they look set to maintain going forward.

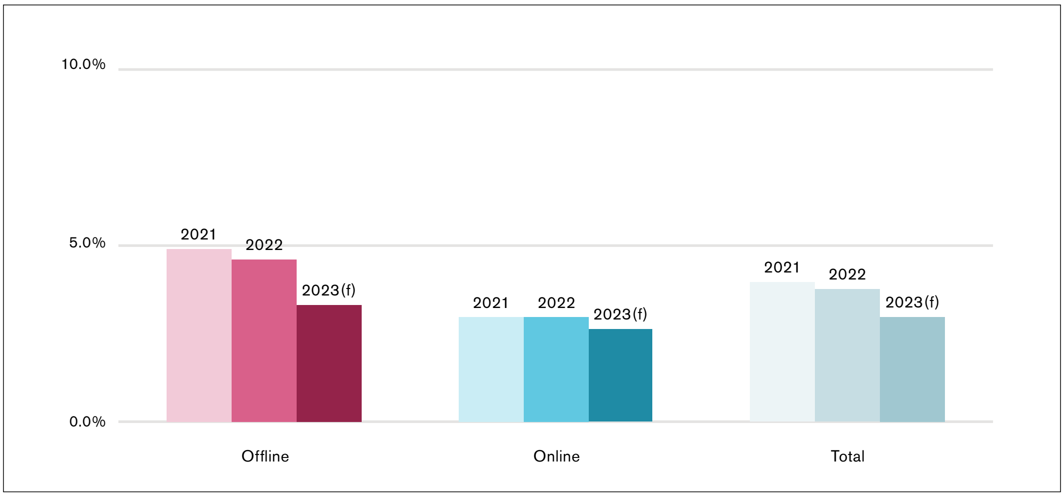
2022: TV continued to be the medium with the highest rate of inflation, while OOH saw a decline.

2023: Inflation for non-TV media is anticipated to stay largely unchanged compared to 2022 levels, while TV will likely dip slightly – although TV inflation will still be higher than other media. Online Video is forecast to remain higher than Display, which sits in line with Radio and OOH. Print is expected to be marginally inflationary.

5-year trend 2019–2023(f)



Offline vs Online



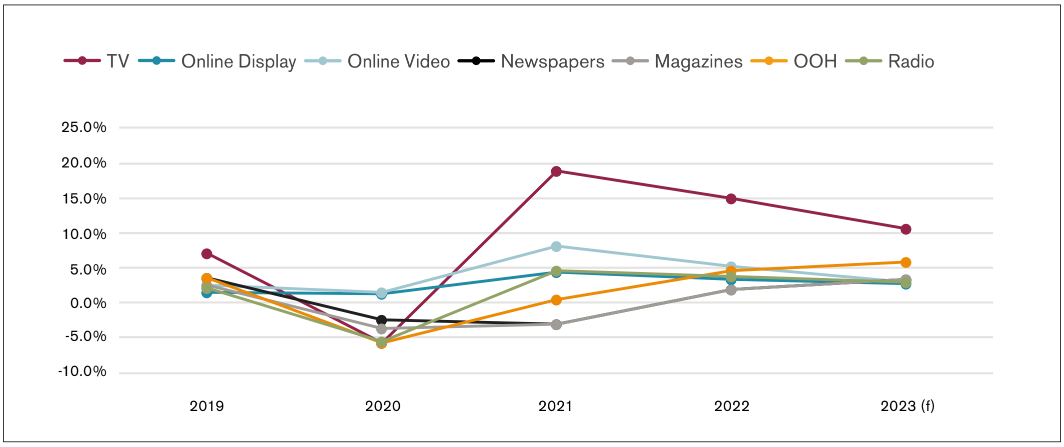
Germany

5YT: Early on in the period, non-TV media were clustered together, with TV floating above them. Offline media types experienced a dip in 2020, but recovered in the following years. Online remained relatively consistent.

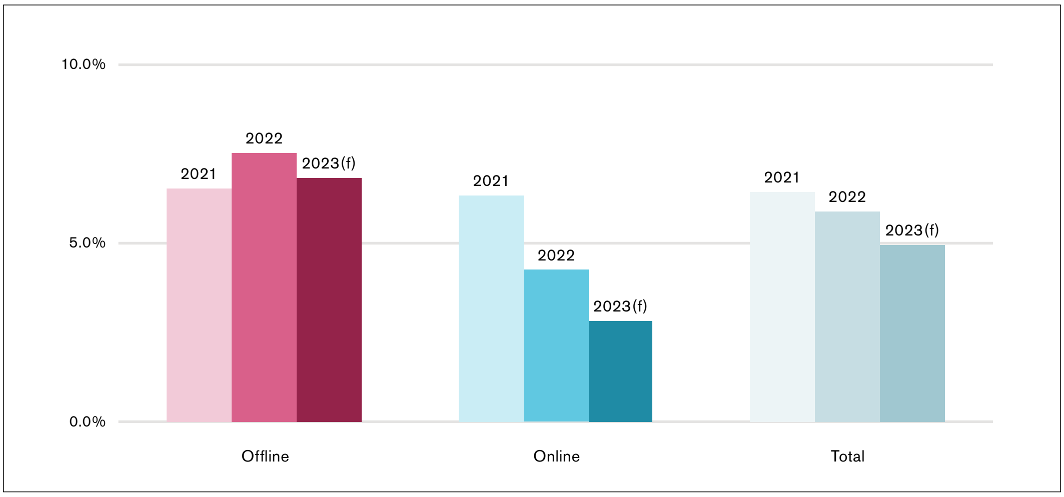
2022: Print and OOH were the only media types to experience an increase in inflation, which lifted Print out of a period of deflation. All other media types suffered a drop in inflation. TV remained the media type with the highest inflation by a significant margin.

2023: Print and OOH are set to continue their recovery trajectory, and are anticipated to be the only media to have higher inflation than in 2022. TV is expected to continue its downward trend towards the other media types, whilst sill maintaining its higher inflation rate.

5-year trend 2019–2023(f)



Offline vs Online



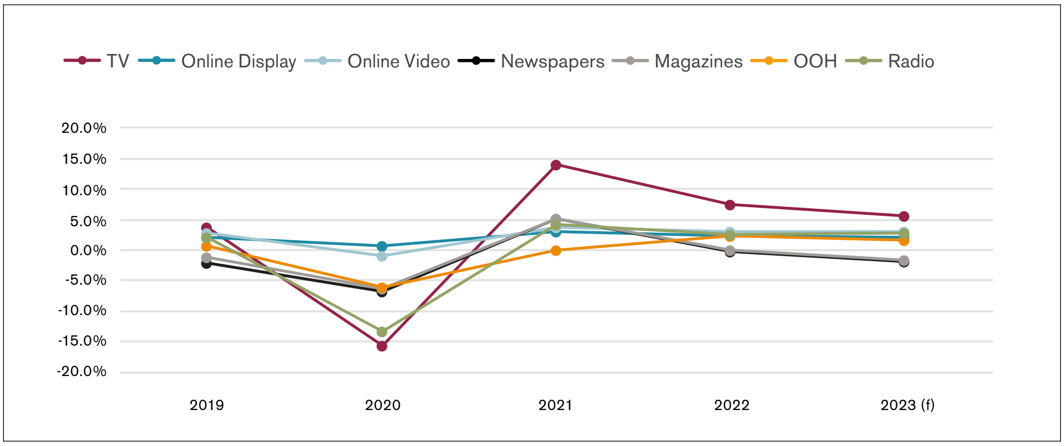
Italy

5YT: Online remained largely consistent across the period, seeing only minimal deviation in 2020. TV and Radio experienced the largest fluctuations – both were significantly affected by the pandemic. The years since the pandemic have been more consistent compared to the volatility of 2020.

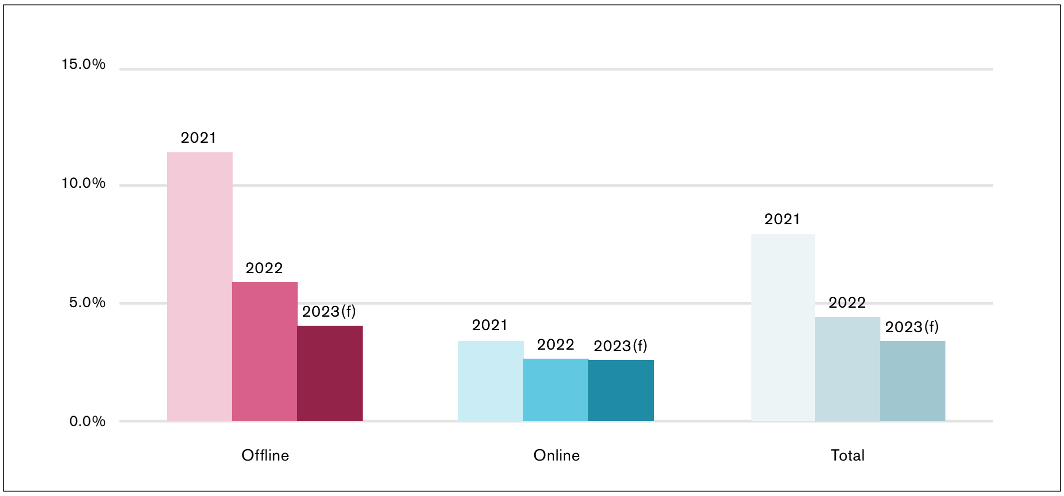
2022: TV and Print saw the largest deviations compared to 2021, with TV tending towards the other media and Print falling into marginal deflation.

2023: TV and Print are forecast to continue their downward trend of 2022, pushing Print further into deflation and TV towards the cluster of other media types. The latter are expected to remain clustered in their inflationary positions.

5-year trend 2019–2023(f)



Offline vs Online



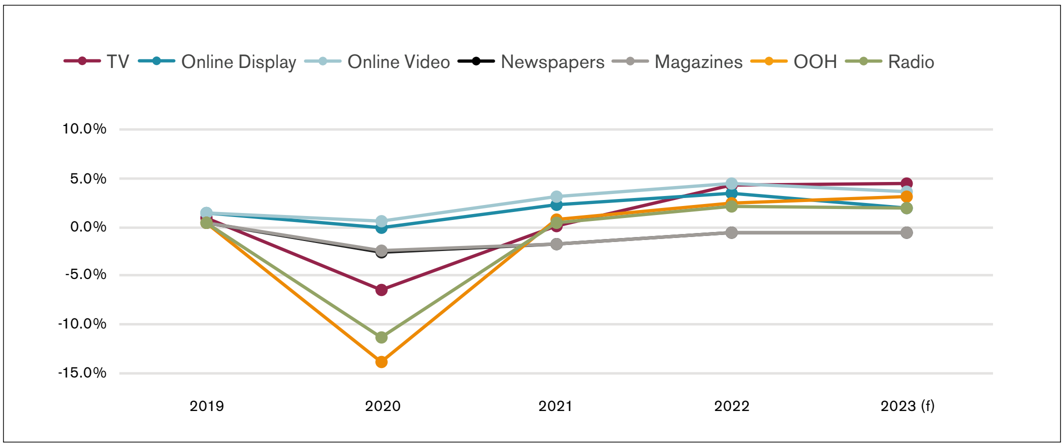
Spain

5YT: TV, OOH and Radio experienced the most significant shifts across the period, due largely to the heavy dips of 2020. Print fell into deflation from which it is yet to recover, while Online has been largely unaffected.

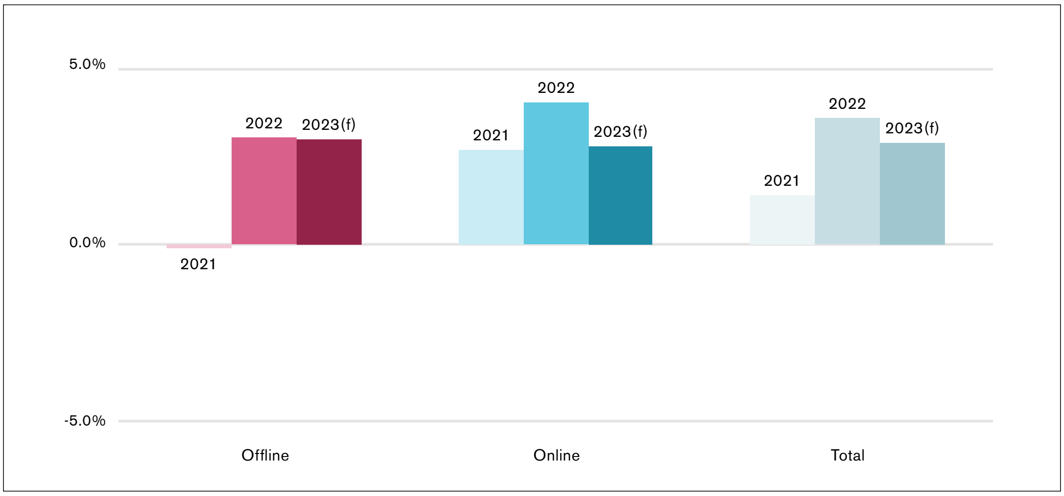
2022: Inflation increased for all media types compared to 2021. TV saw the largest increase, continuing its recovery from 2020 and taking it ahead of the pack, alongside Online Video.

2023: Most media types are forecast to see little change from their 2022 inflation levels. OOH will see a slight increase, while Online inflation will decrease. Print will remain deflationary.

5-year trend 2019–2023(f)



Offline vs Online



Nordics

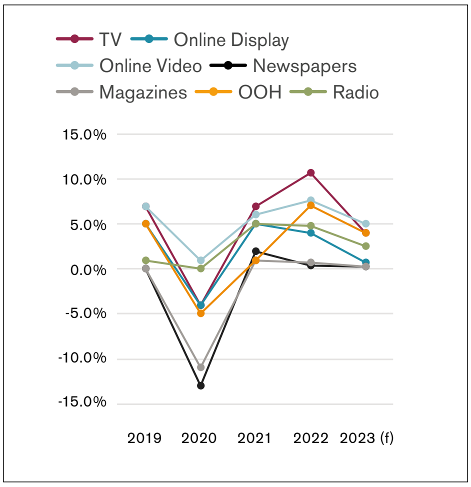
5YT: Media inflation in all markets suffered a fall in 2020, with Offline taking the brunt. All media types have recovered in the ensuing years.

2022: Following sharp rises in 2021, a number of media types across markets saw a fall in inflation rates, although OOH inflation increased in all four countries. In Finland, all non-TV inflation either increased or remained consistent with 2021 levels. Online inflation decreased in Norway and Sweden, but remained relatively consistent with the previous year in Denmark and Finland.

2023: In Denmark, inflation rates are forecast to decline, although this will only be slight for Print. Finnish media inflation will continue its upward trend. In both Norway and Sweden, OOH is expected to see the most significant shift – upwards in Norway and downwards in Sweden. TV inflation is set to decrease in Denmark and Norway, hold steady in Finland and increase slightly in Sweden.

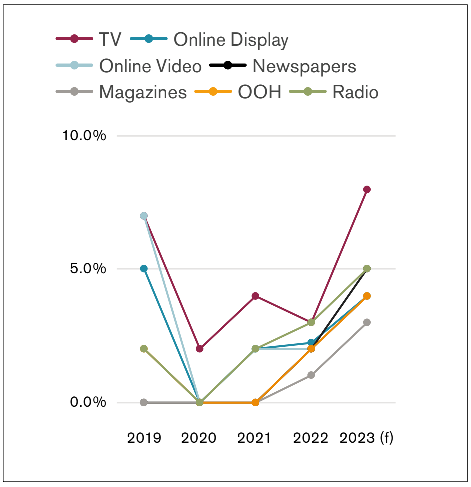
Denmark

5-year trend 2019–2023(f)



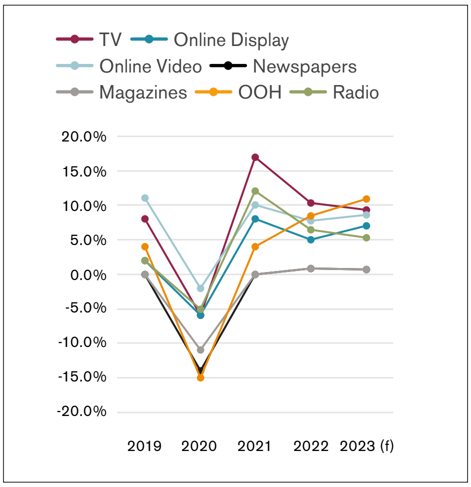
Finland

5-year trend 2019–2023(f)



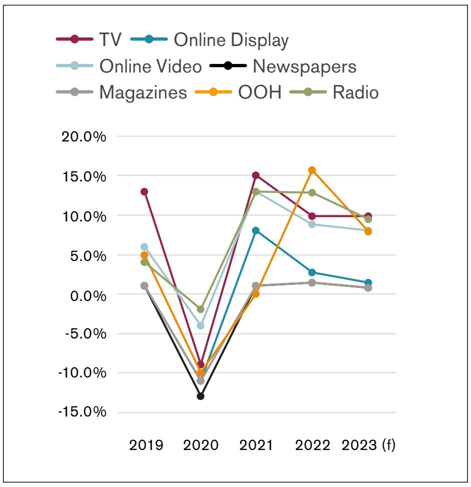
Norway

5-year trend 2019–2023(f)



Sweden

5-year trend 2019–2023(f)



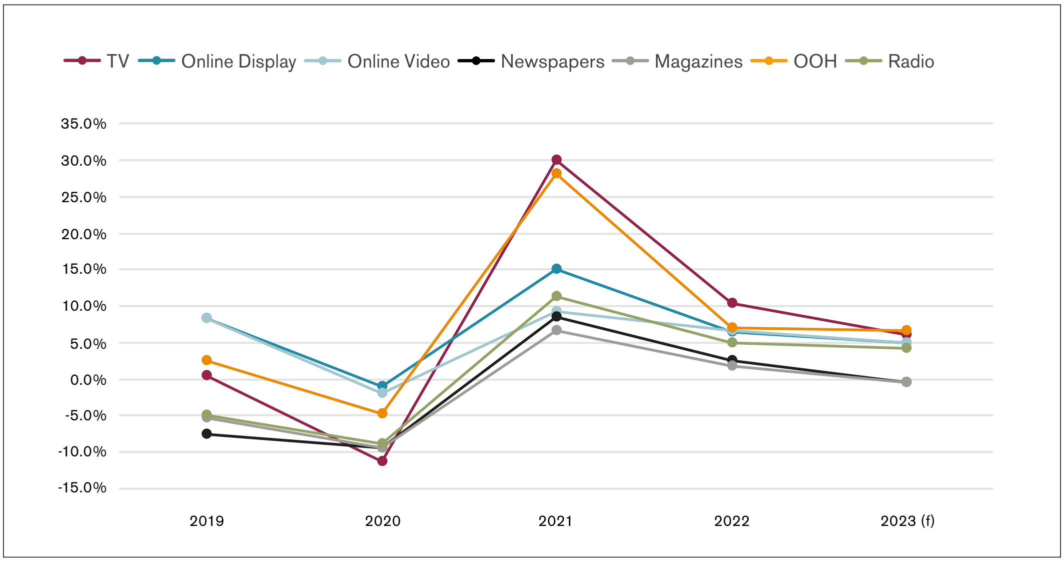
Ireland

5YT: All media experienced a sharp decrease in inflation in 2020, followed by an even sharper rise in 2021 – especially for TV and OOH. While inflation fell in 2022 after the peaks of 2021, it looks to be stabilizing now.

2022: All media experienced a reduction in inflation compared to the sharp peaks of 2021. The largest shifts were seen in TV and OOH, both of which dropped to become more in line with other media types, although TV retained the highest inflation levels.

2023: 2023 is expected to see less extreme shifts compared to 2021 and 2022, although all media will see a decrease in inflation. TV is expected to suffer the largest decrease, finalizing below OOH, which will have the highest inflation.

5-year trend 2019–2023(f)



(D)ACH

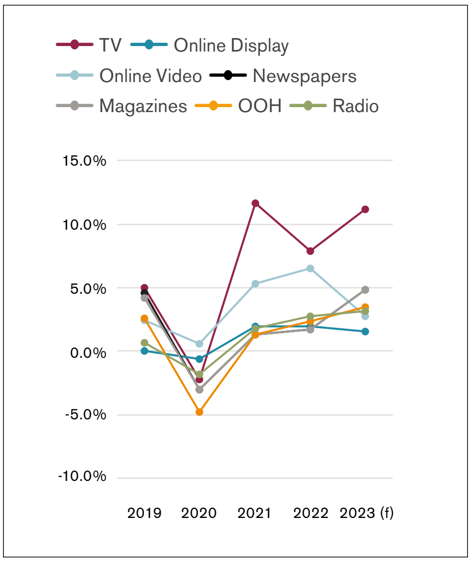
5YT: Offline media took the heaviest hit in 2020, with Online more resilient by comparison. There were signs of recovery over the following years, although this was more sluggish for Print. TV inflation experienced a sharp jump in 2021, bouncing back from the lows of 2020.

2022: Inflation decreased for TV and Radio, and increased for all other media types. TV and Online Video had the highest inflation levels.

2023: TV inflation is expected to rise to double digits, while Online is set to fall after a steady rise over several years. Print is forecast to continue its upwards trajectory, leaving it above Online inflation.

Austria

5-year trend 2019–2023(f)



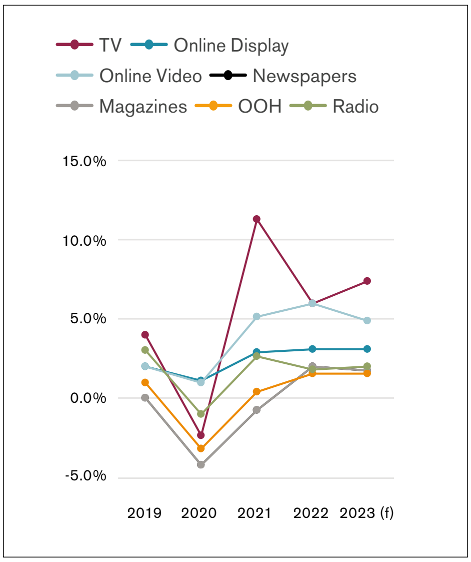
5YT: Online inflation was largely unaffected by the shocks of 2020, compared to TV which experienced heavy deviations across the period. Non-TV offline media inflation followed a steady trend throughout.

2022: TV experienced a decrease in inflation rates following a sharp increase in 2021. Online saw a steadier increase. Print and OOH also saw a rise, converging with Radio which fell slightly compared to 2021.

2023: Online Display, Radio, Print and OOH are all expected to remain constant with their 2022 positions. TV is anticipated to see an increase in inflation, while Online Video will decrease.

Switzerland

5-year trend 2019–2023(f)



Bene(lux)

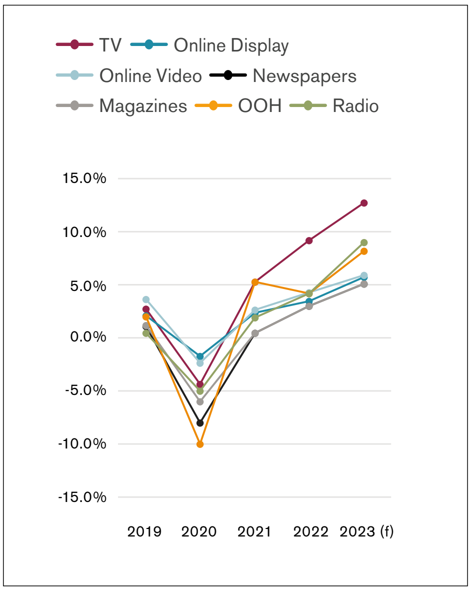
5YT: All media followed a similar trend throughout the period, although Online saw smaller deviations than Offline. The shocks of 2020 particularly affected Offline, notably OOH, although they all went on to recover in the ensuing years.

2022: All media types had similarly increasing inflation rates, except for OOH which saw a slight decline after a steep rise in 2021. TV had the highest inflation, with the other mediums forming a tight cluster.

2023: The upward trend is forecast to continue into 2023, with all media experiencing higher inflation rates than in 2022. OOH and Radio are expected to see the largest increase, followed closely by TV, which remains the most inflationary medium.

Belgium

5-year trend 2019–2023(f)



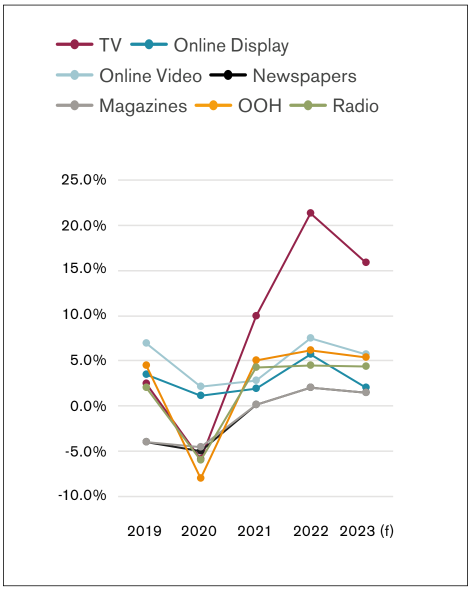
5YT: Offline media inflation fluctuated throughout the period, while Online remained comparatively consistent. TV, Radio and OOH all experienced a heavy fall in 2020, while Print went into deflation. There were signs of recovery from 2021 onwards.

2022: TV inflation continued to rise sharply, and Online inflation also increased, with Video higher than display. Print and OOH saw a slight bump in inflation.

2023: All media types are forecast to see a reduction to their 2022 inflation positions, with the exception of Radio which is set to hold steady. The heaviest decreases will be for TV and Online Display, but TV inflation will remain significantly higher than that of other media.

Netherlands

5-year trend 2019–2023(f)



Southern Europe

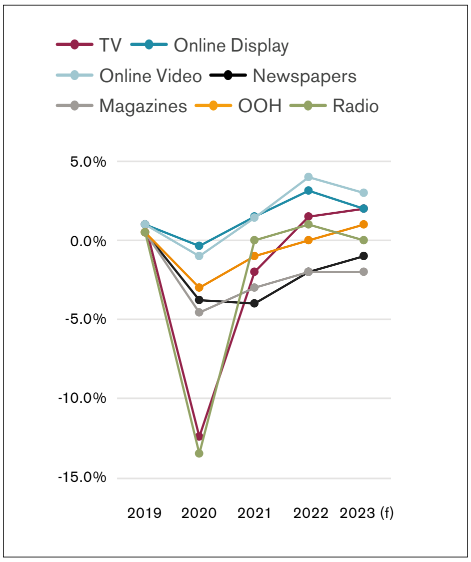
5YT: Most media followed a similar pattern throughout the period, although TV and Radio inflation suffered a significant shock in 2020 compared to other formats. Online has remained the most consistent, often with the highest rate of inflation.

2022: The upward trend of 2021 continued for most media; however, only TV, Radio and Online stayed inflationary – Print remained deflationary and OOH was at 0% inflation.

2023: Media inflation is forecast to stay steadier than in 2022. While TV, Newspapers and OOH will increase slightly, Online inflation is set to decrease a little.

Portugal

5-year trend 2019–2023(f)



Greece

Recent Greek legislation has prevented the collection and sharing of advertising data that include cost benchmarks and thus inflation estimates. This legislative issue has been raised with the EU Commission over fears it violates free competition laws within the EU. As things stand, we are unable to report Greek inflation estimates.

Central Europe

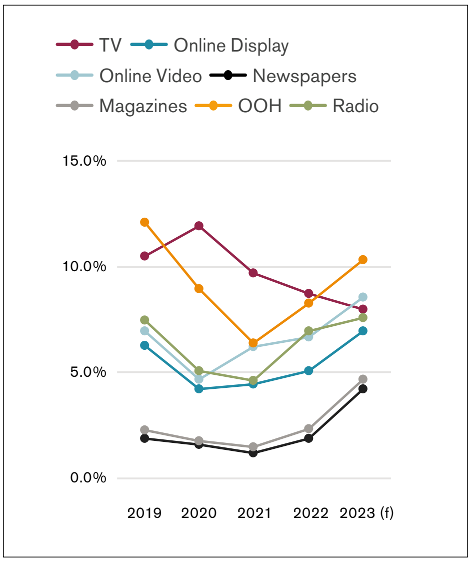
5YT: The shocks of 2020 resulted in Online, Radio and OOH inflation dipping, while - unusually - TV inflation increased. Most non-TV inflation saw signs of recovery from 2021, but TV continued to fall from its 2020 peak.

2022: All non-TV inflation increased above 2021 rates, with Radio seeing the largest shift. However, TV inflation continued to fall.

2023: All media types are expected to continue their 2022 trend; TV will continue its decline but inflation for all other media will increase.

Hungary

5-year trend 2019–2023(f)



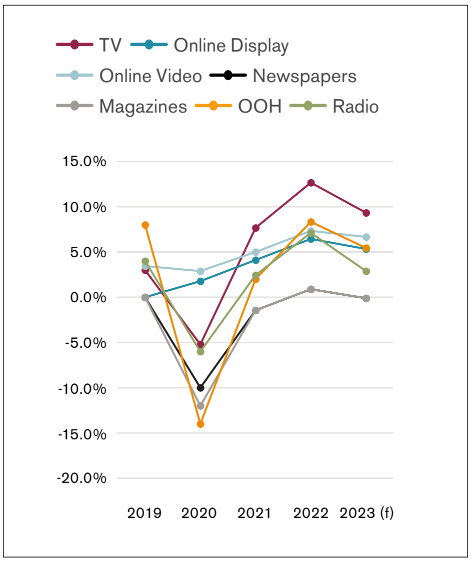
5YT: Most media types followed a similar trend throughout the period, although Online inflation was less affected by the shocks in 2020 than Offline. There were signs of recovery in the ensuing years, with peaks in 2022.

2022: All media types saw higher inflation than in 2021. TV, OOH and Radio experienced the largest shifts.

2023: On the back of increasing inflation rates in 2022, media inflation in 2023 is forecast to decrease across all media. TV is expected to retain the highest level of inflation, followed by Online Video. Print pricing will remain more or less consistent with 2021 levels.

Poland

5-year trend 2019–2023(f)



Baltics

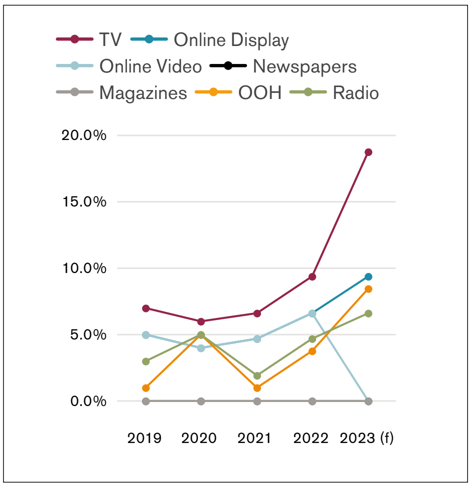
5YT: Inflation for most media types in all three markets has experienced high volatility.

2022: TV, Radio and OOH inflation in all three markets increased in 2022, and Online also increased, except in Latvia where it remained constant with 2021 levels. Online inflation spiked sharply in Lithuania, taking it above all other media types.

2023: TV inflation is forecast to remain consistent with 2022 levels in Latvia and Lithuania, but is set to rise sharply into double-digit territory in Estonia. Despite a spike in 2022, Lithuanian Online is expected to fall, with Online Video falling to zero. Print is set to finalize at zero inflation in all three countries.

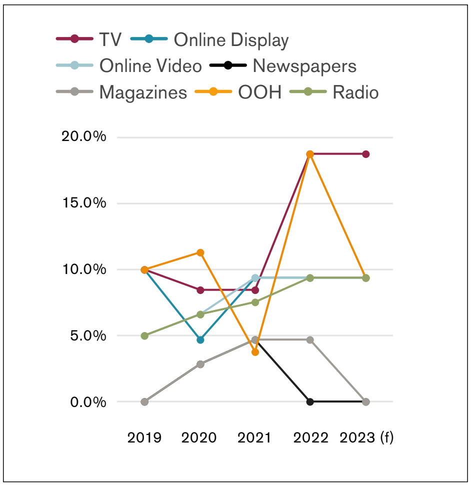
Estonia

5-year trend 2019–2023(f)



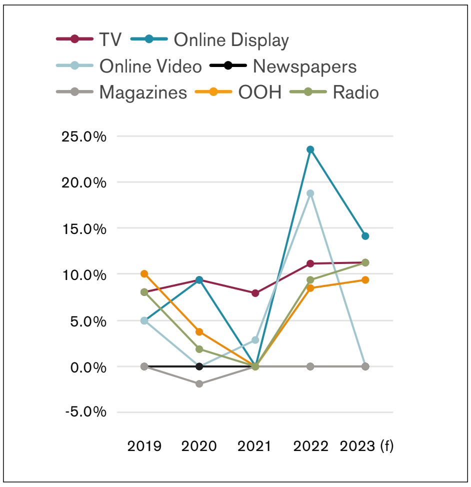
Latvia

5-year trend 2019–2023(f)



Lithuania

5-year trend 2019–2023(f)



CIS

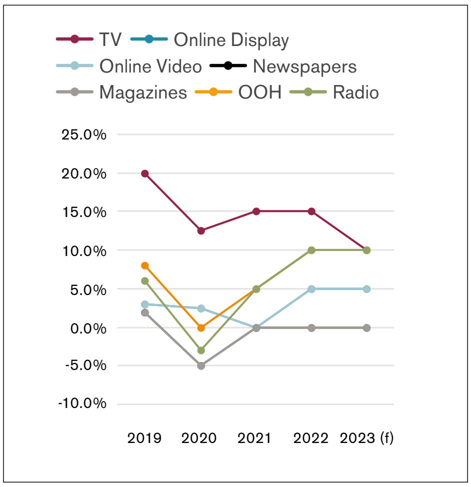
5YT: Double digit inflation was common across all four countries. Inflation was often highest for TV, and Online remained largely unaffected by the events of 2020, except in Kyrgyzstan.

2022: There was little or no decrease in inflation, except for Online Video in Kazakhstan and a marginal decrease in Uzbek Print.

2023: Consumer market growth driving demand for TV ads coupled with declining viewership figures is anticipated to lead to exceptionally high TV inflation in Uzbekistan. Elsewhere in the region, Print and Radio are forecast to remain consistent with 2022 levels, as is Online in Azerbaijan and Kazakhstan. However, Online inflation is set to increase in Uzbekistan and fall in Kyrgyzstan.

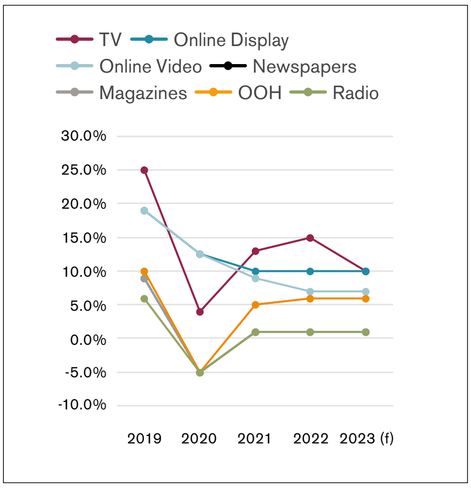
Azerbaijan

5-year trend 2019–2023(f)



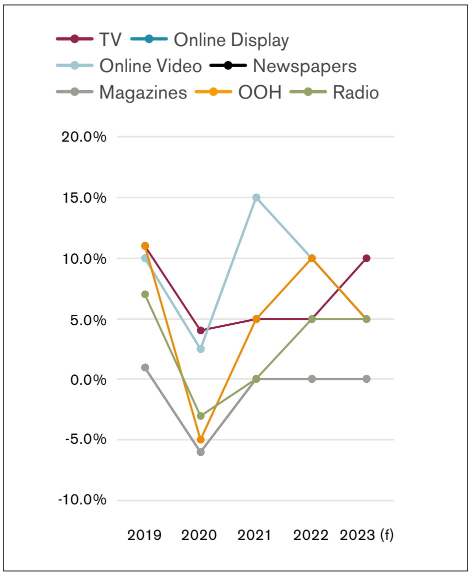
Kazakhstan

5-year trend 2019–2023(f)



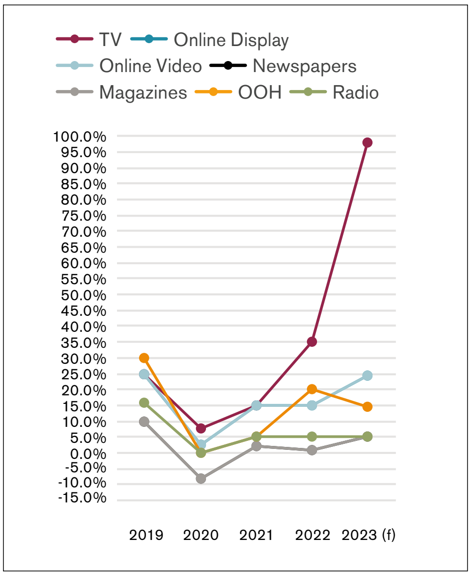
Kyrgyzstan

5-year trend 2019–2023(f)



Uzbekistan

5-year trend 2019–2023(f)



ECI HIGHER MEDIA VALUE

Middle East & Africa

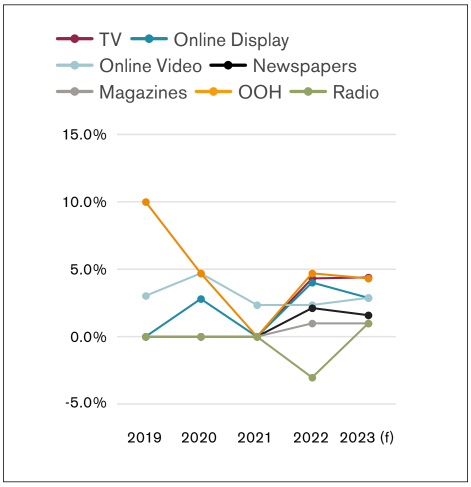
5YT: Media inflation across the period has been very erratic in South Africa, and much more stable in the UAE and Saudi Arabia. Inflation has increased in the latter markets since 2020, notably Online.

2022: Most media types in Saudi Arabia and the UAE experienced an increase in inflation following dips in 2021; the only exception is Radio inflation, which dropped in both markets. South African TV and Online Display both experienced significant growth in inflation, but Online Video and Radio fell.

2023: TV inflation in South Africa is expected to be lower than in 2022, due mainly to electricity blackouts which are causing issues with airtime. Media inflation in Saudi Arabia and the UAE will be more consistent with 2022 levels, except for Radio which is forecast to bounce back from deflationary positions in both markets last year.

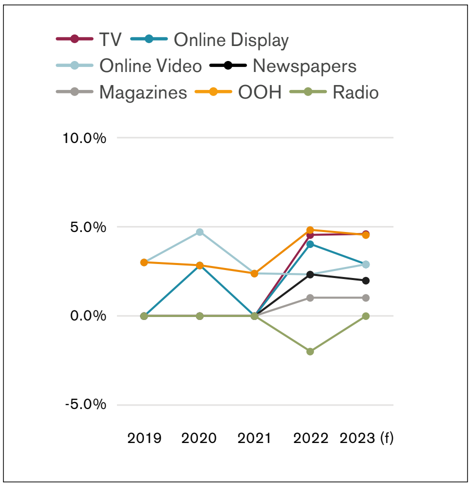
Saudi Arabia

5-year trend 2019–2023(f)



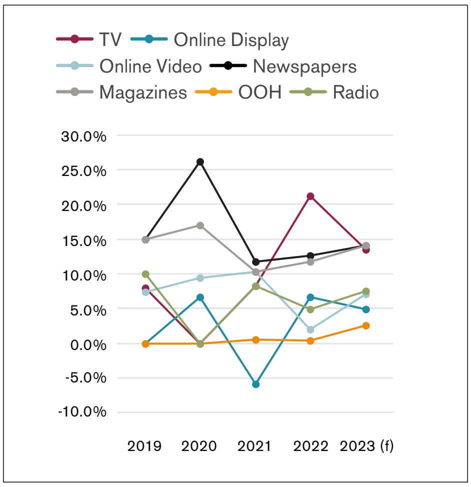
UAE

5-year trend 2019–2023(f)



South Africa

5-year trend 2019–2023(f)



Asia Pacific

Growth in the Asia Pacific region is forecast to recover slightly, at 4.3% in 2023 compared to 4.1% in 2022, driven by expected growth in China. GDP levels are forecasted to expand by 4.8% in China in 2023, and at a similar pace in 2024. Easing of Covid-19 regulations in China is expected to boost confidence and organic activity. This should in turn lead to increased consumption and private investment in the second half of 2023.

On the other hand, excluding China, GDP levels are forecasted to decelerate from 4.8% in 2022 to 3.9% in 2023. Export-oriented economies such as South Korea and Taiwan will be at a particular disadvantage given the global slowdown, with the Eurozone heading towards a recession and little economic growth in the US. In addition, economies will start to feel the effects of 2022 interest rate rises by Asia's major central banks (excluding Japan), due to lagged monetary policy transmission. Australia and South Korea will be most affected given their sizeable household debts – with forecasted GDP growth of 1.3% and 1.5% respectively.

South-East Asia remains an attractive region for investors thanks to its free-trade area and improved transport and digital infrastructure, but some concern looms given political uncertainty from upcoming elections in Thailand and Indonesia. This is encouraging manufacturers seeking to reduce reliance on China to look to India due to its progress in bilateral trade deals, political continuity, large and youthful labor market, and improved transport infrastructure.

Photo: Henry Chen / Unsplash

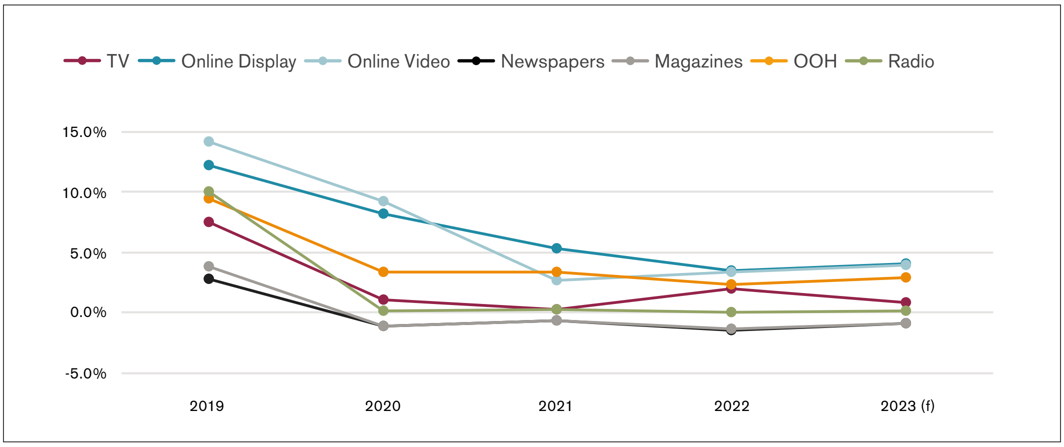
China

5YT: Most media adhered to a similar trend throughout the period, with a gentle declining slope. Online retained the highest inflation levels, while Print was at the bottom end.

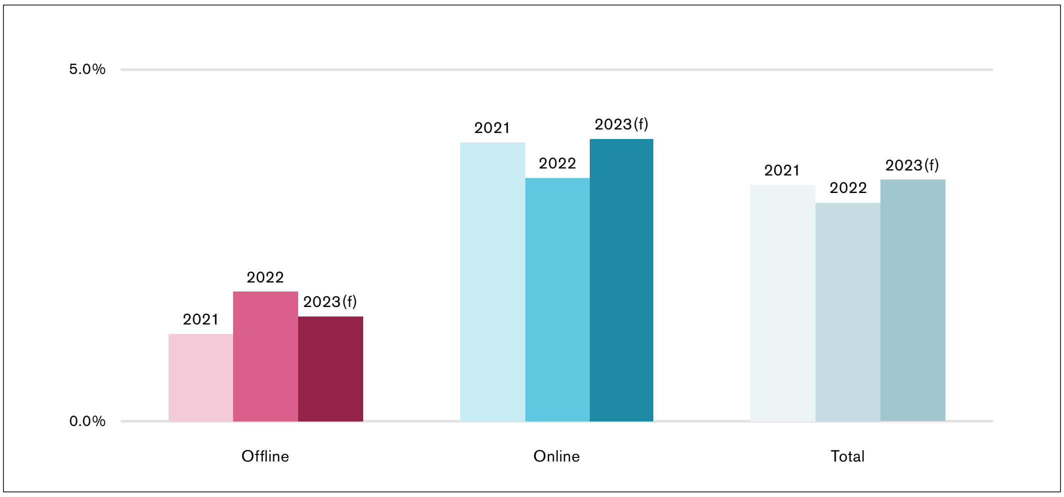
2022: TV and Online Video inflation both saw a slight bump, while all other media experienced a decline in inflation levels. Print was the only media to be deflationary.

2023: As in 2022, we expect only minimal shifts for all media. TV inflation is forecast to fall slightly from its 2022 bump, and all other media will see a slight increase in inflation rates.

5-year trend 2019–2023(f)



Offline vs Online



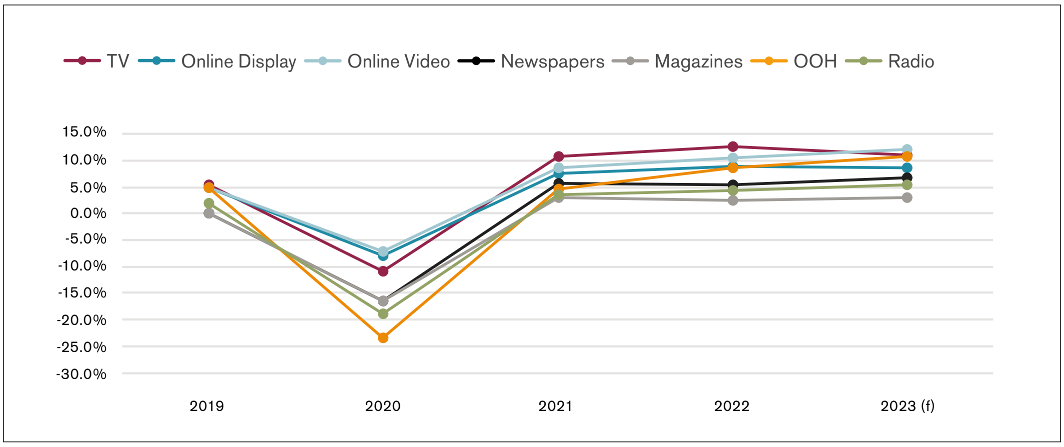
India

5YT: All media followed a similar trend throughout the period, with Offline inflation more reactionary to the shocks of 2020. Online inflation has tended to be higher than Offline.

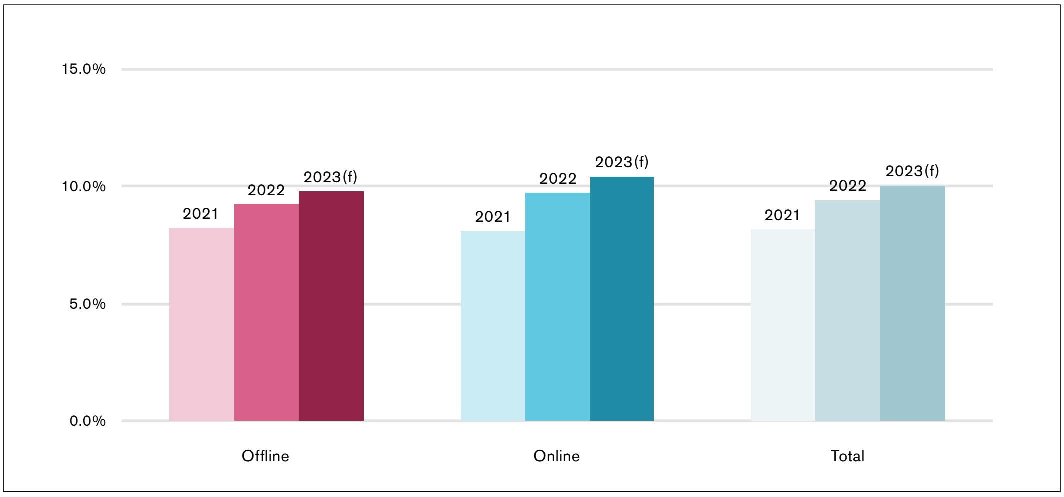
2022: All media inflation increased in 2022, with OOH and TV experiencing the largest jumps, and Print and Radio the smallest.

2023: TV inflation is expected to remain largely consistent with 2022 levels, while Online and OOH are expected to rise above their 2022 positions.

5-year trend 2019–2023(f)



Offline vs Online



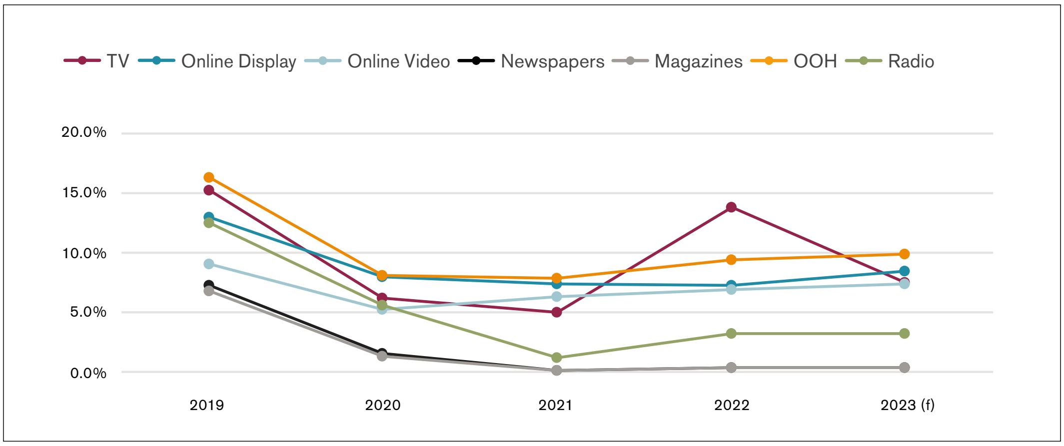
Indonesia

5YT: There was a decline in media inflation across all media types early on in the period up until 2021, when inflation rates started to increase or at least remain consistent.

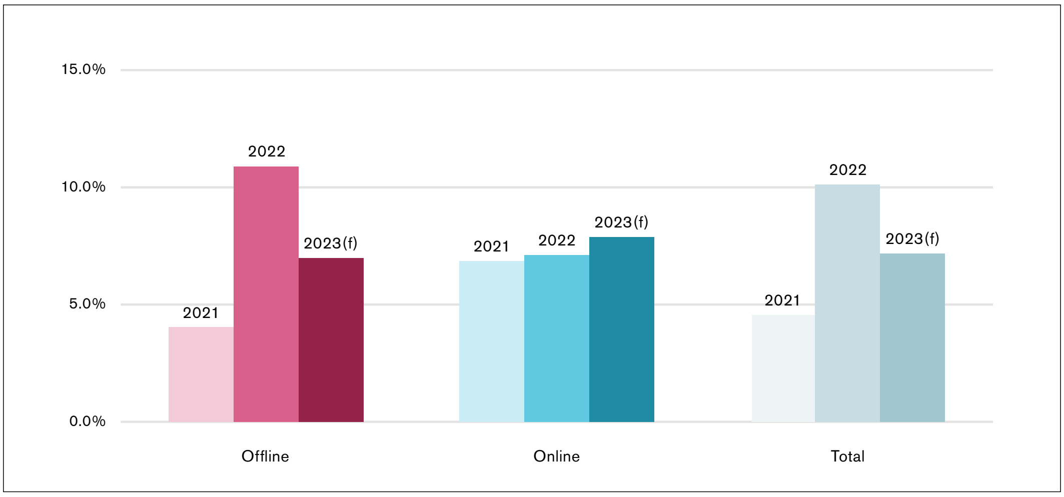
2022: TV experienced the biggest change in inflation, jumping into double digits. Radio inflation also increased, albeit to a lesser extent. There was only a minimal increase for other media types.

2023: TV inflation is forecast to fall from its 2022 jump back in line with other media types. Non-TV media are expected to see either slight decreases from, or to remain consistent with, 2022 levels.

5-year trend 2019–2023(f)



Offline vs Online



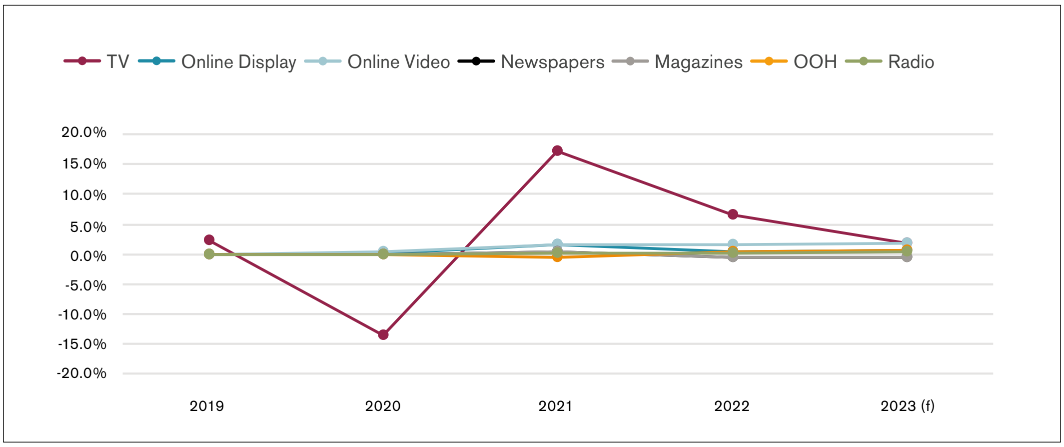
Japan

5YT: Media inflation stayed strongly consistent across all media types throughout the period, except for TV which, following a dip in 2020 and subsequent spike in 2021, looks to be coming back in line with the rest of the industry.

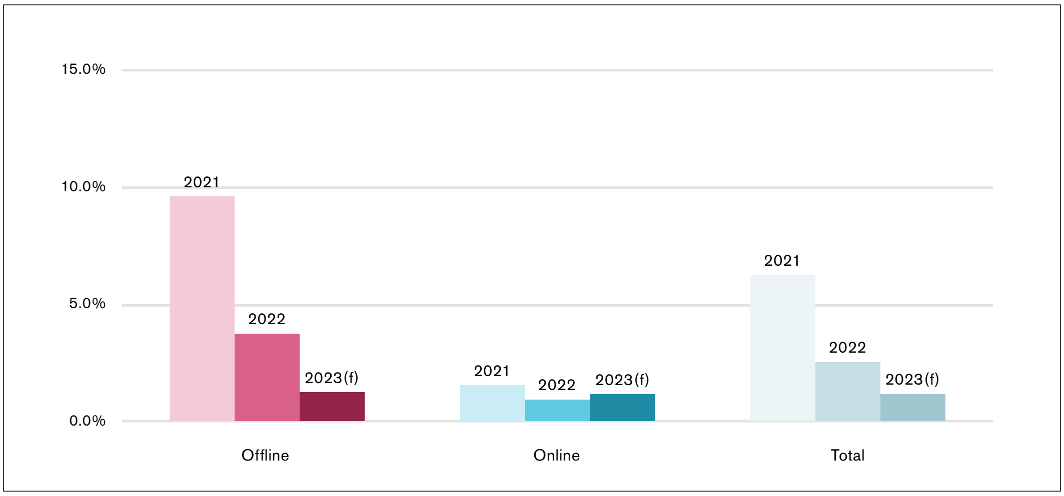
2022: TV inflation was lower than in 2021, and looked to be on a downward trajectory back towards zero. Inflation for all other media types remained clustered around the zero mark, with Online Video slightly higher than the rest of the pack.

2023: TV inflation is forecast to fall back in line with the other mediums clustered at or around zero. TV and Online Video are set to see the highest levels of inflation, while Print will become deflationary.

5-year trend 2019–2023(f)



Offline vs Online



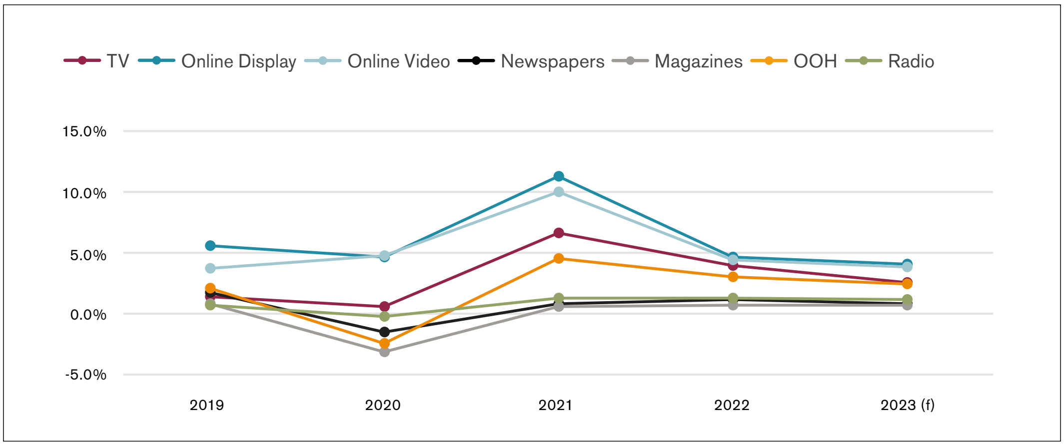
South Korea

5YT: Inflation for all Offline media has followed a similar trend, and mostly at lower levels than Online inflation. Online peaked in 2021, but has since returned to previous levels.

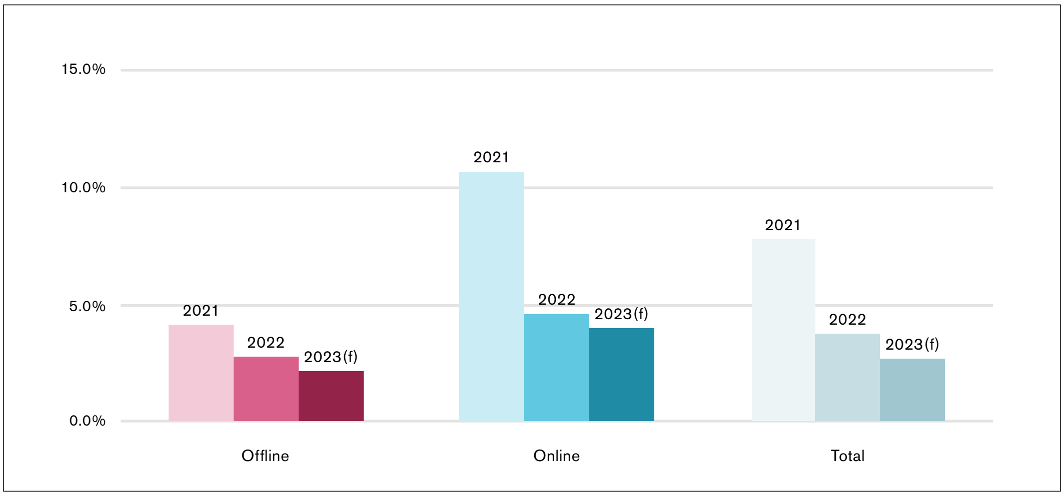
2022: TV and Online video inflation decreased in 2022 after peaking in 2021. All other media saw higher inflation than in the previous year.

2023: Most media types are forecast to experience a drop in inflation, with the exception of Magazines which are expected to hold steady. TV is expected to see the largest downward shift, but will remain inflationary.

5-year trend 2019–2023(f)



Offline vs Online



Australia

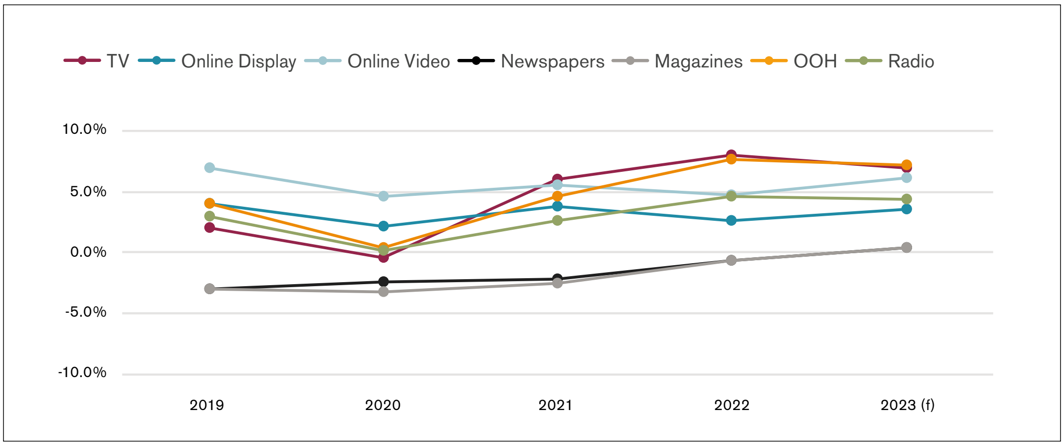
5YT: All media have maintained a consistent trend throughout the period, with fairly minimal deviations in 2020 thanks to a relatively successful handling of the pandemic.

2022: As in 2021, inflation for all offline media types continued to increase, with OOH and TV seeing the highest inflation rates.

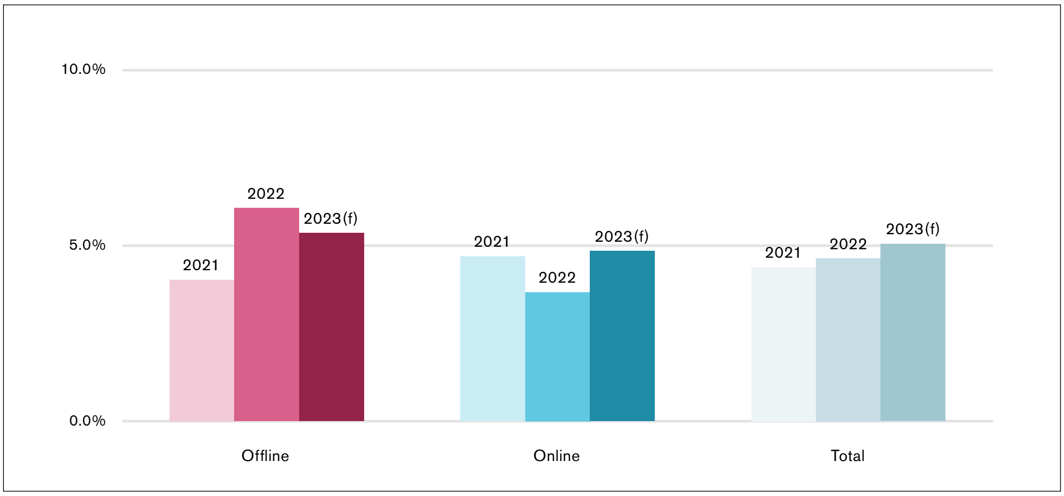
Online, on the other hand, experienced a slight reduction in inflation.

2023: All media are expected to experience only minimal changes to their 2022 inflation levels. TV and OOH are set to drop and Online to increase. Print is forecast to rise out of its deflationary position.

5-year trend 2019–2023(f)



Offline vs Online



HIGHER MEDIA VALUE

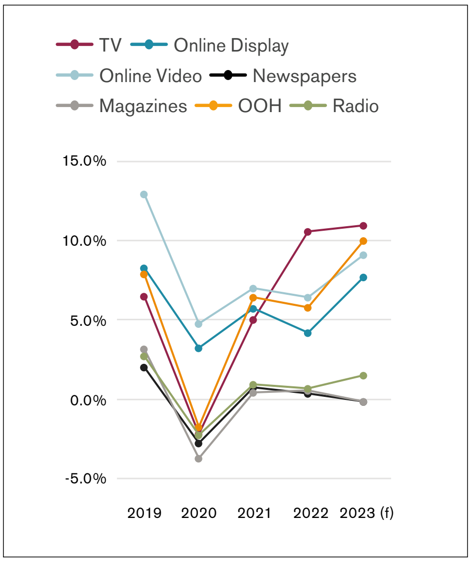
5YT: All Offline media inflation fell into deflation in 2020 – Online dropped as well, but remained inflationary. In the following years TV and OOH bounced back to above their pre-Covid levels, and other Offline media also showed signs of recovery.

2022: Most non-TV media experienced a slight downward-shift in inflation; TV inflation saw a significant increase.

2023: TV inflation is expected to remain largely consistent with 2022 levels, while Online and OOH inflation is forecast to rise above 2022 levels.

Hong Kong

5-year trend 2019–2023(f)



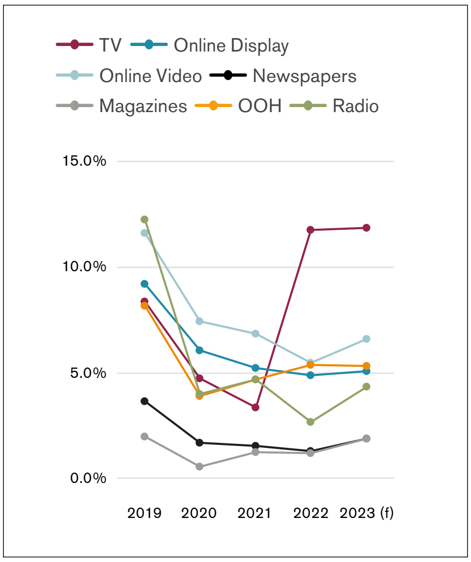
5YT: All media experienced a downward slope in inflation across the period, with the exception of TV which saw a sharp spike in 2022.

2022: TV inflation saw the largest shift, increasing well into double digits. Radio inflation fell, but all other media types saw little change.

2023: TV inflation is forecast to remain consistent with the high levels seen in 2022, while Online Video and Radio inflation will also increase. The other media types are expected to see little change.

Malaysia

5-year trend 2019–2023(f)



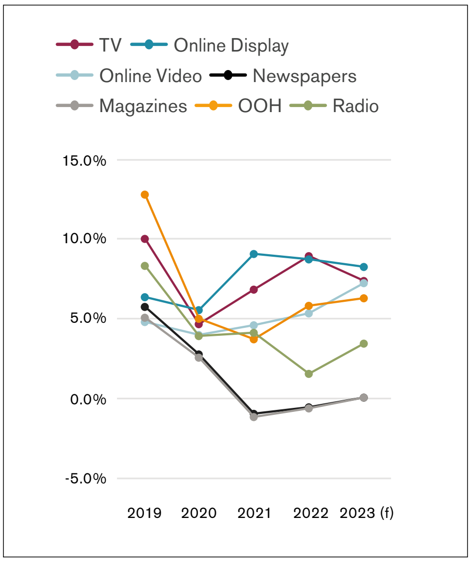
5YT: Most media types followed a similar trend to one another in 2019 and 2020, but diverged in 2021.

2022: Inflation increased for all media types compared to 2021 levels, except for Online Display. Online Display and TV had the highest inflation, and Print was deflationary.

2023: Divergence from the cluster of 2020 is set to continue into 2023, with TV and Online seeing the highest inflation rates, closely followed by OOH. Print and Radio are forecast to see rising inflation rates, bringing the former out of deflation.

Philippines

5-year trend 2019–2023(f)



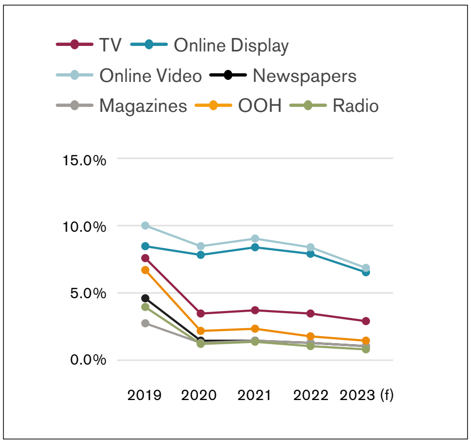
5YT: Most media have followed a similar trend across the period, although Online experienced higher inflation with less impact from the shocks of 2020.

2022: Inflation changed only slightly for all media types, with Online seeing the most change.

2023: In a continuation of the 2022 trend, all media types are forecast to continue a gentle downward slope in inflation levels.

Singapore

5-year trend 2019–2023(f)



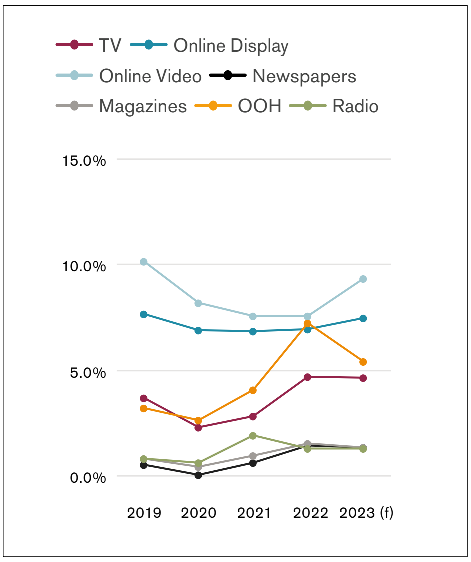
5YT: Online experienced the highest inflation levels for most years in the period, followed by OOH and TV. The market suffered only minimal shocks during the pandemic.

2022: TV and OOH inflation increased, with OOH rising to the same level as Online. Other media types saw only slight movement on their 2021 levels.

2023: Online Video inflation is expected to rise, while OOH will fall from its 2022 peak. The other media types are forecast to remain more or less consistent with their 2022 levels.

Taiwan

5-year trend 2019–2023(f)



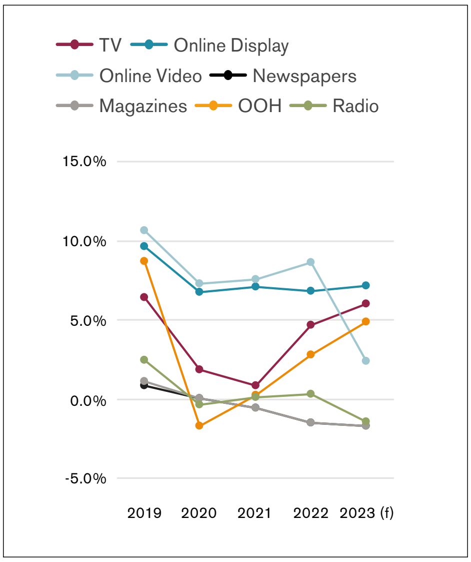
5YT: Online has experienced the highest inflation throughout most of the period. Offline media types have experienced some volatility.

2022: TV, OOH and Online Video inflation increased compared to 2021, while Online Display and Radio saw only minimal changes. Print fell further into deflation.

2023: Online Video, having had the highest inflation in 2022, is forecast to experience the heaviest drop in 2023. TV, OOH and Online Display are expected to see a slight increase in inflation, with the latter expected to have the highest inflation levels of any medium. Print is set to fall slightly further into deflation.

Thailand

5-year trend 2019–2023(f)



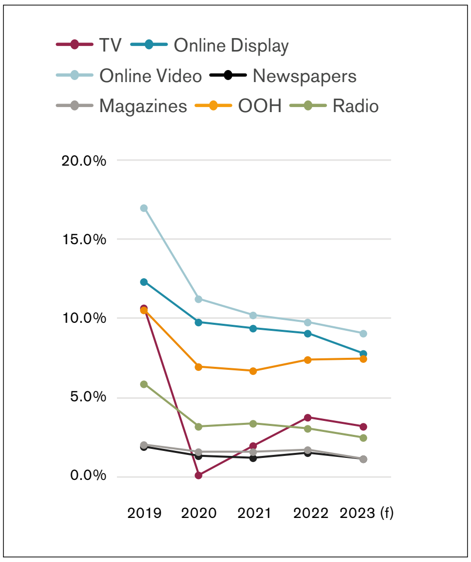
5YT: Most media types have maintained a downward slope in inflation levels across the period, with Online and OOH enjoying the highest inflation.

2022: TV inflation increased compared to its 2021 level, as did Print and OOH, although not as much. Online and Radio inflation decreased slightly.

2023: After peaking in 2022, TV is forecast to see a slight reduction in 2023. It's a similar story for most other media types, with the exception of OOH which will see a very marginal increase over its 2022 position.

Vietnam

5-year trend 2019–2023(f)



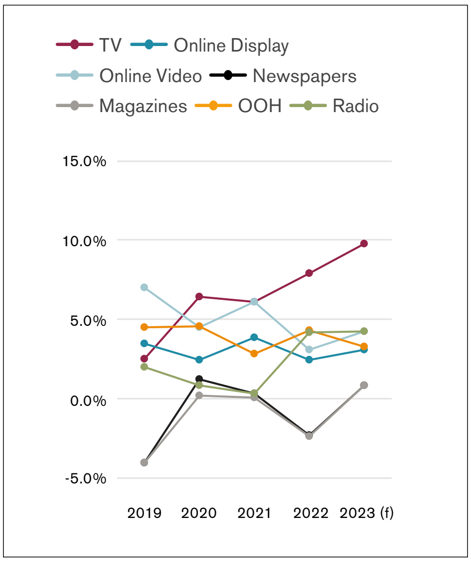
5YT: Successful management of the pandemic meant that New Zealand media did not experience the same impact as much of the rest of the world in 2020; indeed, TV and Print inflation increased in 2020. TV inflation rose steadily over the period, while Online and OOH saw little deviation.

2022: Online and Print inflation decreased, while TV, OOH and Radio increased.

2023: Inflation for most media is forecast to increase, with Print rising out of its deflationary position. OOH is the only media type expected to experience a slight drop in inflation versus 2022 levels.

New Zealand

5-year trend 2019–2023(f)



Latin America

LATAM continues to be impacted by a seemingly never-ending wave of global economic setbacks, such as logistical challenges caused by the pandemic, inflation caused by the Ukraine war, and capital outflows caused by global monetary tightening. As a result, 2022 was a year of slowing growth for LATAM, with prospects for 2023 looking even more bleak. Despite recent signs of improvement, inflation is expected to remain above central banks' targets. Much will now be determined by what the Fed decides next, as this will determine the path of current global monetary tightening.

Argentina's left-wing government has been attempting to address rampant inflation of around 95% at the time of writing by restricting or taxing exports of the country's main commodities. The World Bank has warned that bringing inflation to below 90% will be a complex challenge, one that will need to be addressed by both the current government and whoever wins the election later this year.

Despite all this, there are rays of hope in the form of unexpected opportunities across the region. A global economic restructuring could: first, assist LATAM in increasing its manufacturing exports to the United States; second, generate additional revenue by attracting digital nomads (though not as significant as the first); and third, increase oil and gas exports to the world, as well as inputs associated with the world's transition to clean energy such as lithium.

Photo: Nicolás Flor / Unplash

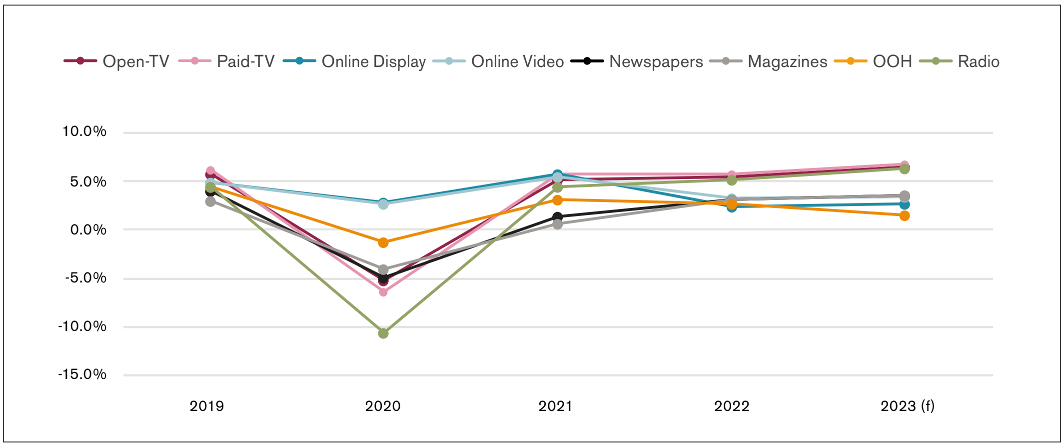
Brazil

5YT: Except for the shocks of 2020, all media types followed a similar patten throughout the period, forming a fairly tight cluster. Online inflation was largely unaffected by the events of 2020, and Offline media recovered quickly from 2021 onwards.

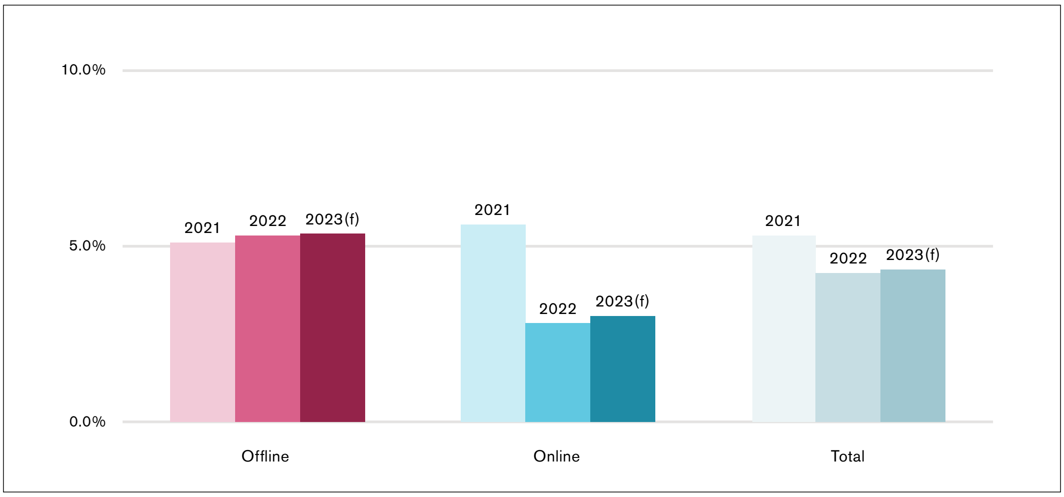
2022: Online inflation was lower than in 2021, and OOH saw a slight downward shift as well. TV, Print and Radio inflation increased from its 2021 level.

2023: TV inflation is expected to maintain its steady growth into 2023. Online, Print and Radio are all forecast to see growth as well, although only marginal. OOH inflation will decrease from its 2022 level.

5-year trend 2019–2023(f)



Offline vs Online



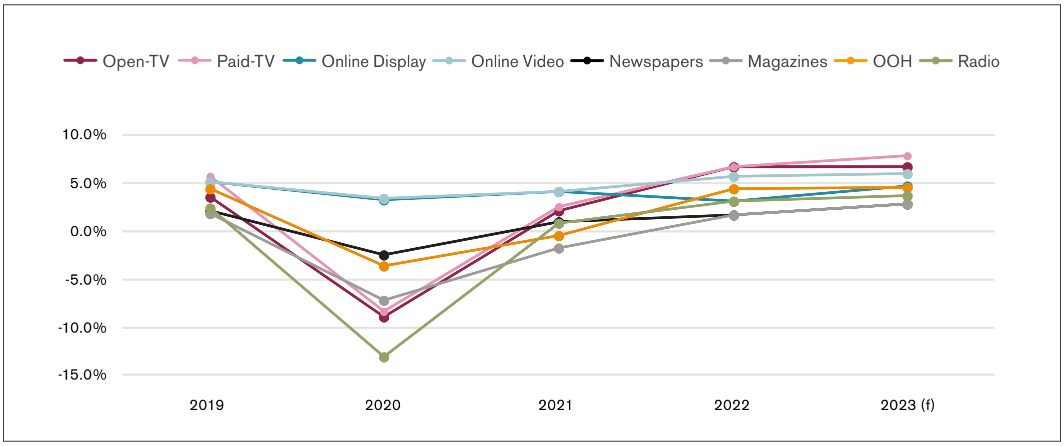
Mexico

5YT: Online media inflation was largely unaffected by the shocks of 2020; however, Offline inflation decreased especially Radio which saw a very heavy fall. Offline inflation has been recovering since 2021.

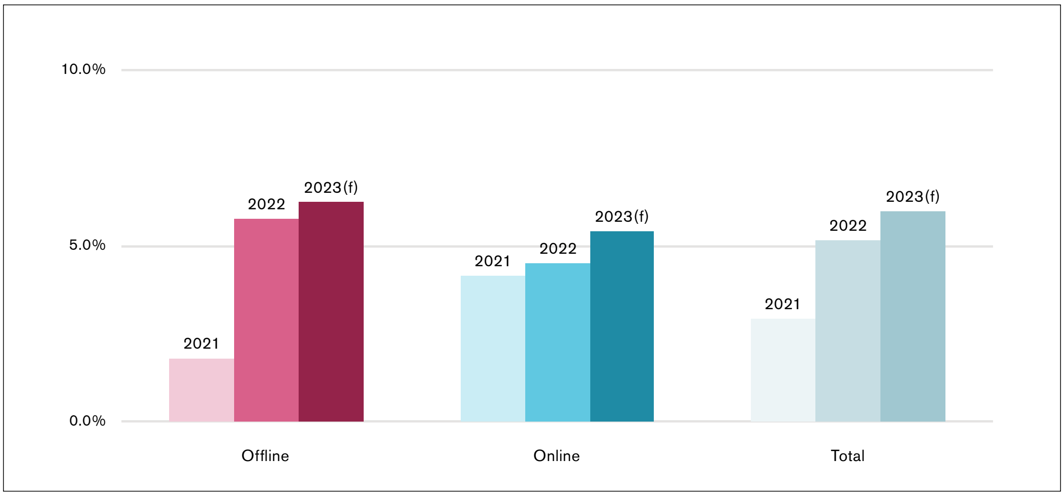
2022: Inflation for TV, OOH and Magazines increased, as did Online Video, Newspapers and Radio, but to a lesser extent. Online Display inflation was lower than in 2021.

2023: Open TV inflation is expected to remain consistent with 2022 levels, while Paid TV will increase slightly. All other media types are forecast to see a slight increase in inflation compared to 2022.

5-year trend 2019–2023(f)



Offline vs Online



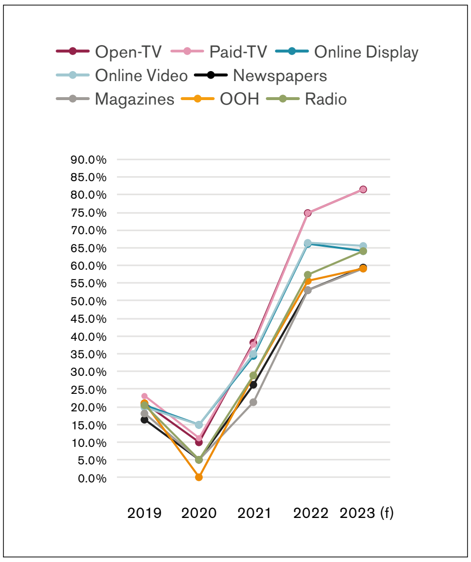
Argentina

5-year trend 2019–2023(f)

5YT: All media experienced a sharp increase in inflation following the shocks of 2020. Inflation has been remarkably high across the board. Both Open and Paid TV remain at the top of the cluster.

2022: Inflation increased dramatically for all media types, with TV seeing the most significant jump.

2023: The exceptionally high inflation of 2022 is expected to slow down in 2023; Online is forecast to see a slight decrease. TV is set to remain the medium with the highest inflation, but will likely see only single digit growth over 2022.



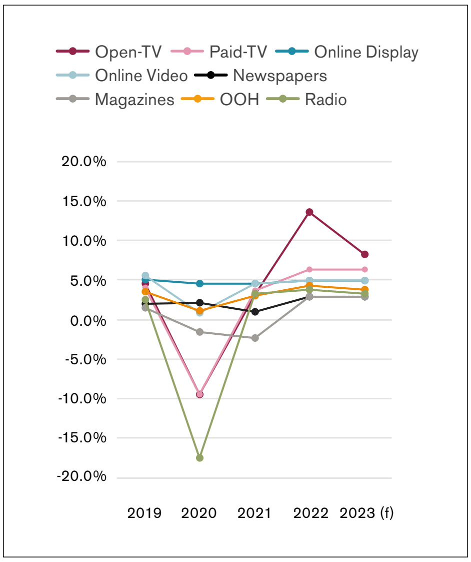
Chile

5-year trend 2019–2023(f)

5YT: Offline media inflation has experienced volatility over the period, with TV and Radio seeing the most significant shocks in 2020. Online was largely unaffected.

2022: Open TV inflation saw double-digit increases over 2021 levels – higher than that of Paid TV. Magazine inflation also increased. All other media types saw an increase, but to a lesser extent.

2023: Inflation for most media types is forecast to remain consistent with 2022 levels. The exception is Open TV, which will experience a drop to bring it almost back in line with Paid TV and the cluster of other media types.



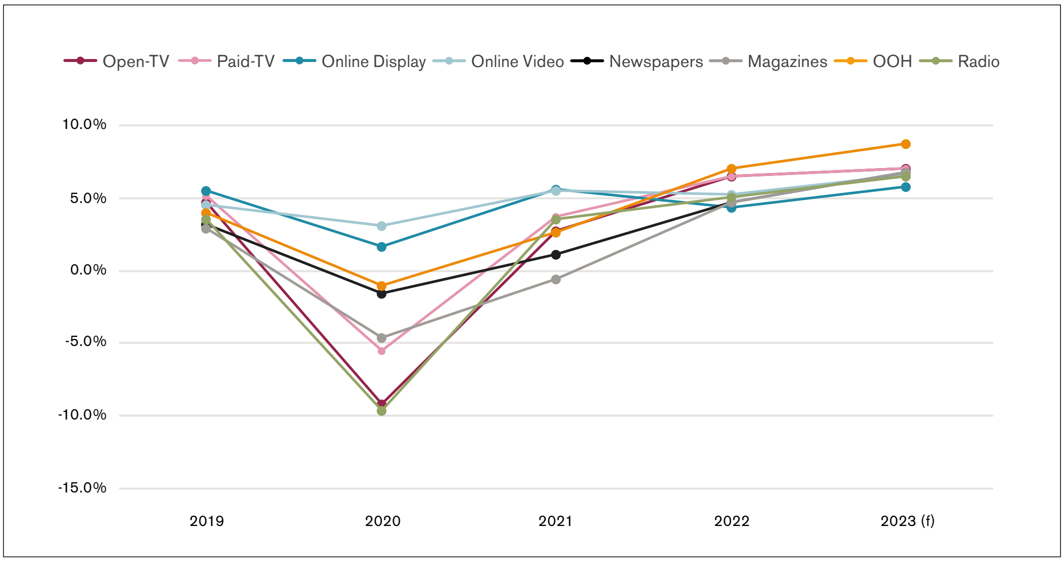
Colombia

5YT: Inflation for all media types dipped in 2020, although Online was less affected than Offline. Recovery was seen across the board in 2021.

2022: Online inflation dropped slightly compared to 2021 levels. All Offline media experienced an increase, with the largest increase reserved for Magazines, followed by OOH.

2023: We anticipate that all media types will experience an increase in inflation compared to 2022 levels, with OOH and TV seeing the highest inflation, followed closely by Print.

5-year trend 2019–2023(f)



About
ECI Media Management

ECI Media Management:
Higher Media Value

Technology is transforming the media landscape at an unprecedented pace. But in the right hands, change can be a force for good. ECI Media Management, the market's fastest-growing global media management company, leverages these changes to help you drive higher media value from your advertising investment.

A modern, forensic approach

Ever since our formation we have championed a modern approach to media and financial auditing. As pioneers in the field of digital auditing, we include sophisticated analysis of programmatic activity in our audit model, and we pride ourselves on a forensic, fact-based approach which harnesses the power of our world-class talent and proprietary technology. Along with our innovative benchmarking capabilities, we are confident in our ability to empower our clients to drive higher media value and media-led impact on business performance. We can measure a very high proportion of media activity, allowing for a more accurate understanding of the efficacy of investments and better optimization for future activity.

Cutting-edge services

Capitalizing on today's dynamic, fast-paced media landscape to drive higher media value requires data-driven decision-making, global experience and a deep understanding of the latest technologies. At ECI Media Management we are proud to be able to offer these and so much more, including TV auditing, financial compliance auditing, pitch management, KPI setting and management and contract consultancy.

Global experience, local expertise

We are proud of our client portfolio, which contains some of the world's largest and leading advertisers. Our network of owned offices and leading affiliates supports them where our clients need us, across the Americas, Europe and Asia Pacific. We offer them high-level media intelligence, rigorous benchmarking and, ultimately, the insight, experience and savvy to ensure that their advertising investment and agency relationships drive higher media value.

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ECI HIGHER MEDIA VALUE

Our **product** offering

Relationship Management

- Pitch Management
- Agency Contracts and Remuneration
- Financial Auditing and Contract Compliance

Media Performance Audit
All media, including Online

- **Target Value©**
  Cost Tracking – All Media
- **Target Mark®**
  Analysis & Benchmarking – All Media
- **FastTrack®**
  Rapid, automated data tracking and management

Media Consulting

- Media Training and Bespoke Workshops
- Media Strategy Effectiveness Review
- Business Process and Data Management Consulting

Photo: A and J King / Shutterstock

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