



GROUPM PREDICTS STRONG 2016 U.K. AD SPENDING, OUTPACING U.K. GDP GROWTH FOR 5TH CONSECUTIVE YEAR

*Forecast Introduces “Pure Play Internet” Media Category
To Recalibrate Views of Advertising Investment Shifts*

London, November 30, 2015 – U.K. advertising spending in 2015 is anticipated to grow by seven percent, and in 2016 GroupM predicts strong demand for digital advertising will usher another year of strong advertising growth (also seven percent), pushing total U.K. advertising investment above £17bn. The new GroupM forecast released today raises the prior 2015 estimate by one point (six to seven percent) and raises the 2016 outlook by two points (five to seven percent). If GroupM’s forecasts prove accurate, 2016 will mark the fifth straight year in which U.K. ad spending has outpaced the Kingdom’s gross domestic product (GDP) growth (2012-2016). The U.K. is again the fastest-growing mature advertising market worldwide and is among the world’s fastest-growing markets full stop.

“Digital technology and media platforms continue to expand the role media plays in marketing and as a result media investment is both growing and shifting,” said Nick Theakstone, CEO GroupM, United Kingdom. “Digital advertising represents a tremendous opportunity for clients to create more targeted media campaigns that activate consumers, but it has also added enormous complexity and our group continues to solve this with strategy, innovation and investment. The year ahead is a promising one for growth of overall media investment as we work with clients to tap into empowering economic trends we see empowering U.K. consumerism.”

GroupM identified a number of economic factors underpinning its U.K. predictions. The nation currently enjoys the highest recorded employment rate in its history with 74 percent of the working-aged populace in jobs. Additionally, workers' real wages have risen near to their 2008 peak, while consumer-price inflation has not similarly risen, at least not yet. Low energy prices and property wealth are additional tailwinds for a very positive outlook on U.K. consumerism, and as a result GroupM believes U.K. consumers will be spending more next year. U.K. advertisers will marshal their efforts to seize this opportunity with a strong increase in media investment.

GroupM’s forecasted distribution of advertising investment growth across media formats is detailed below:

Year Over Year Percentage Change			
Media Category	2014	2015f	2016f
TV	5.3	7.8	7.4
Radio spot	10.6	3.9	3.8
National newsbrands	-4.7	-7.2	-6.1
Regional newsbrands	-4.3	-7.9	-7.5
Consumer magazine brands	-4.2	-7.4	-6.7
B2B magazine brands	-4.5	-6.6	-4.3
Outdoor	2.9	3.9	3.9
Cinema	4.3	22.8	0.0
Pure-Play internet	15.3	14.6	13.1
Media in total	7.0	7.4	7.2

With this updated forecast, GroupM introduces a new category dubbed “Pure-Play Internet,” which is “Digital” minus TV and print content repatriated back to its parent media. This allows for broadcaster VOD and digital platforms to be considered together with “TV,” and likewise for print media to have the benefit of their digital assets when viewing the pace of their contraction.

GroupM believes this more sober view of how ad investment is shifting across categories better supports industry dialogue and trend analysis. However, while delineating Pure Play Internet gives legacy media a fairer consideration, the impact is slight on the still rapid growth of the internet category which is estimated to be 13 percent in 2016. On like-for-like comparison, this is a slight deceleration from 2013 to 2014, but Pure Play Internet will still grow far faster than second-fastest-growing TV which will realize 7.4 percent growth in 2016. It should be noted that the growth performance of TV is strong in its own right, and the prediction holds for a fractional share gain in 2015 and 2016.

“The influence of digital is everywhere. It suggests that legacy media channels must think and behave like media brands or what could be dubbed ‘audience brands.’ Digital’s influence is also pulling trading toward a more common GRP basis versus the idiosyncratic variety of the present, creating urgency to discriminate between correlation and causality, and driving demand for better reporting standards,” said Adam Smith, Futures Director. “With this year’s U.K. forecast we seek to make better sense of the investment trends across categories with ‘Pure Play Internet.’ We feel this is essential as content continues to rise with the browsing appetites of our increasingly digital culture.”

GroupM will also be issuing its worldwide advertising forecast on Monday, December 7, 2015 in conjunction with its participation in the UBS 43rd Annual Global Media and Communications Conference.

About GroupM:

GroupM is the leading global media investment management company serving as the parent to WPP media agencies including Mindshare, MEC, MediaCom, and Maxus, each global operations in their own right with leading market positions. GroupM’s primary purpose is to maximize performance of WPP’s media agencies by operating as leader and collaborator in trading, content creation, sports, digital, finance, proprietary tool development and other business-critical capabilities. GroupM’s focus is to deliver unrivaled marketplace advantage to its clients, stakeholders and people.

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Note to editors: A copy of GroupM’s U.K. forecast is available by request to contacts below.

Contacts:

Adam Smith, Futures Director

Adam.Smith@GroupM.com

+44 (0)20 7969 4083

David Grabert, Director, Global Communications

David.Grabert@GrouM.com

+001 212.297.8092