Global Ad Spend Forecasts

June 2025

INNOVATING TO IMPACT

dentsu

CONTENTS

Update on the Methodology

Update on the Methodology

This mid-year update differs from previous editions because of two factors.

First, to compile this edition we worked closely with dentsu Data Artist Mongol (DDAM), a subsidiary of dentsu Digital, that comprises more than 100 skilled professionals based in Mongolia who specialize in generative AI solutions, data analysis, and digital market forecasting. This enhanced approach has enabled us to create more accurate forecasts, and for the first time, includes economic modeling for small and medium enterprises spend on tech platforms, which were previously not fully accounted for in the market data we collect.

Second, with the current level of global economic uncertainty, including shifting market tariffs, we have not included forecasts beyond 2025.

See Slide 31 for full methodology.

The Key Figures

The Key Figures

1 Worldwide ad spend is forecast to grow by 4.9% in 2025 to reach $992 billion, despite a reduced economic outlook with the evolving picture of possible tariffs on imports into the United States and other markets bringing added uncertainty.

2 Dentsu Data Artist Mongol (DDAM), a subsidiary of dentsu Digital has modeled the impact of tariffs on ad spend with the results showing a -1.9% impact on global traditional/extension ad spend but a 0.9% positive impact on digital spend.

3 The pace of growth in 2025 is forecast to be slower than the 6.7% we observed in 2024 – a strong year boosted by the quadrennial events.

4 Growth is driven by innovation in the marketplace and digital ad spend growth. As previously predicted the fastest growing markets are expected to be India, Brazil and UK.

5 Digital ad spend is forecast to grow by 7.9% in 2025 to reach US$678.7B and a 68.4% share of spend. The wealth of data held by tech platforms is enabling hyper-relevance marketing and commerce. Retail media spend is forecast to grow by 13.9% in 2025, Social by 9.2% and Search by 8.3% - the search environment is becoming more fragmented with conversational AI, social search and voice search.

6 Algorithm-based precision advertising remains a strong trend with a predicted 78.1% of ad spend forecast to be algorithm driven by 2027.

7 Growth is also coming from advertising on SVOD platforms with the number of subscriptions growing. CTV ad spend is forecast to grow by 10.9% whilst total TV spend including broadcast TV is expected to decline by -1.8%.

8 OOH continues to be an area of growth with price inflation, e.g., from rate resets on DOOH formats. Global traditional OOH ad spend is forecast to grow by 2.0% and DOOH ad spend by 4.2%.

9 Overall traditional spend is forecast to decline by -3.8% but maintain a 22.1% share of spend. Meanwhile, the digital extension of traditional media is showing positive growth at 6.6% but still accounts for a relatively small share of measured spend at 8.6%.

10 By industry sector, Telecommunication and Cosmetics & Personal Care are forecast to be the fastest growing sectors in 2025, whilst Government, Social, Political, Organization spend declines following multiple elections in 2024.

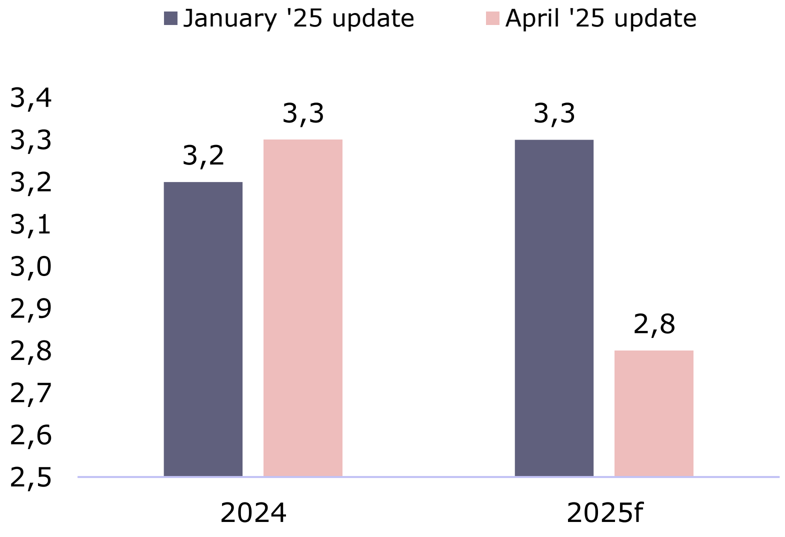
The Briefing

A time of great economic volatility

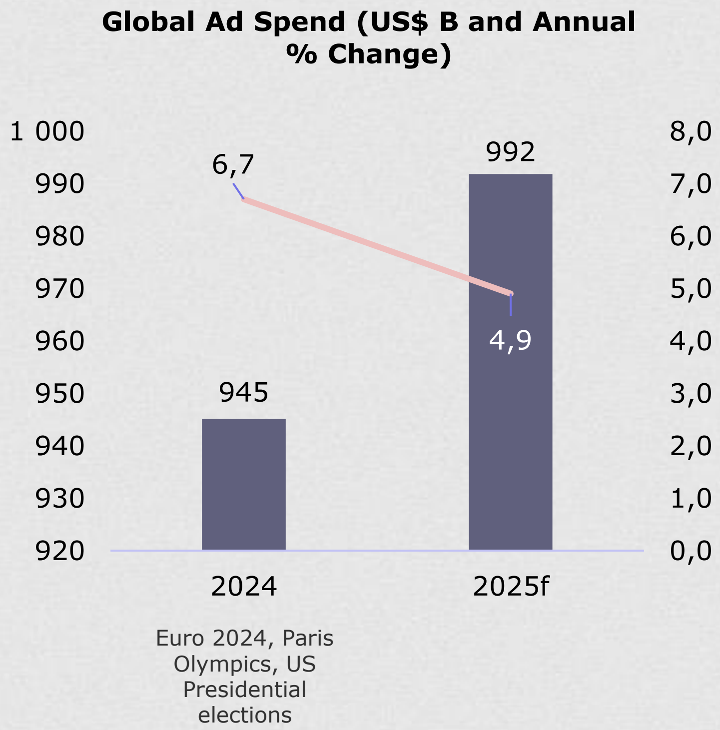
- In their April 2025 report *A Critical Juncture Amid Policy Shifts*, the IMF projected global GDP growth to be 2.8% in 2025, a reduction on the 3.3% projected in January 2025, with the reduced outlook due to the expected impact of tariffs.
- It is a time of great economic volatility with conflicts continuing in Europe and the Middle East. The developing picture around possible tariffs on imports into the United States and other markets brings added uncertainty.
- Markets showing the biggest drops in the April forecast are the United States, with growth reduced by 1.3%, and Canada by 1% over the two years.
- In addition, inflation is starting to climb again in some markets, and the IMF has revised its expectations up compared to its January forecasts in some cases, including the United States and the UK.
- We are also seeing greater employment uncertainly around the world, with both private and public sector organizations announcing restructuring and reduced headcounts. All these issues point to reduced optimism for both businesses and consumers.

It is in this context that we present our *Summer 2025 Ad Spend Report*.

Real GDP Growth (Annual % Change)



Global ad spend forecast to grow at 4.9% in 2025 slower than 2024 but exceeding economic projected growth



The global advertising market is forecast to grow by 4.9%, up $46.7 billion to $991.8 in 2025.

The pace of growth is expected to be slower than the 6.7% growth observed in 2024 - a strong year boosted by the quadrennial events.

Ad market growth in 2025, continues to exceed economic growth projected at 2.8% (Real GDP, annual percentage change).

2025 key figures

2.8%

2025 economic growth

(Real GDP)

4.9%

2025 global ad spend growth

$992B

2025 global ad market size approaching 1Trillion

7.9%

2025 digital ad spend growth

68% share of total

-3.8%

2025 traditional ad spend growth

22% share of total

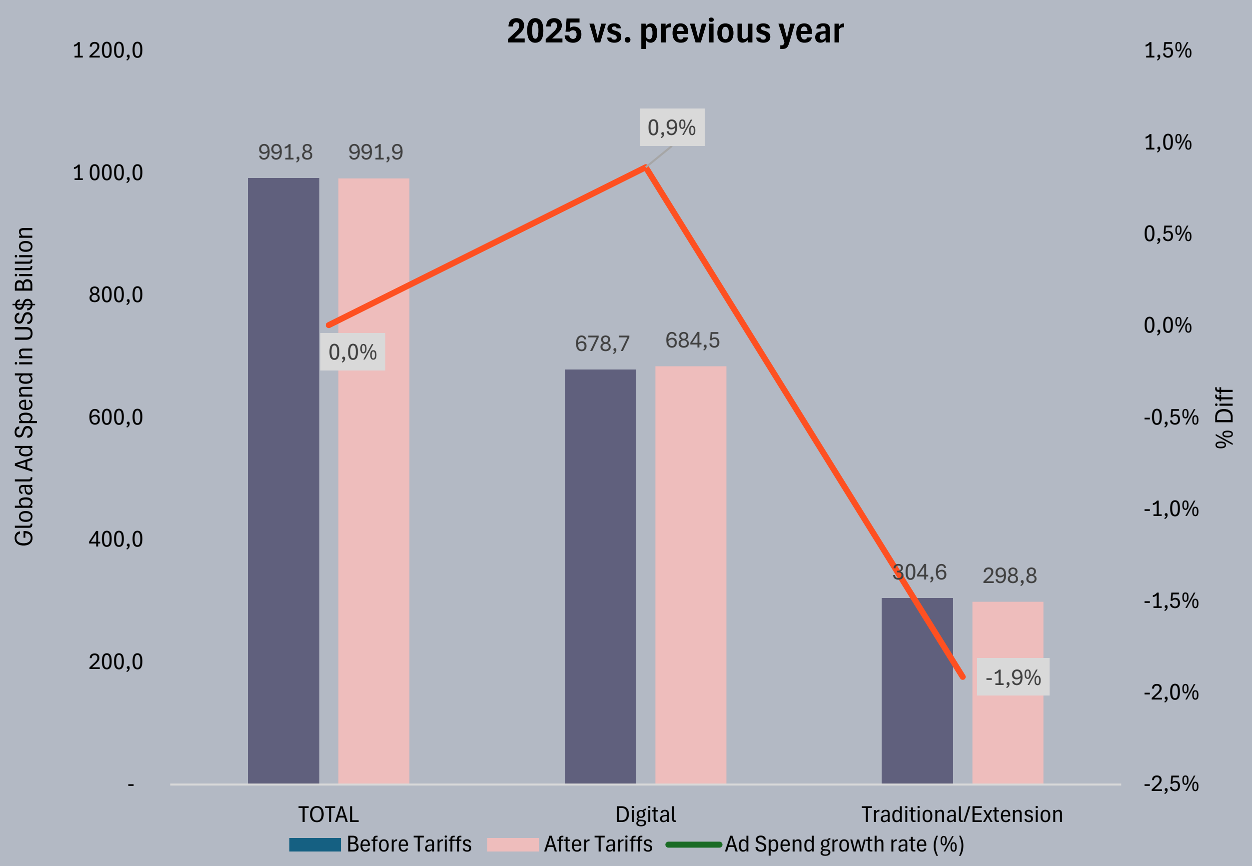
6.6%

2025 extension ad spend growth

9% share of total

Total advertising spend includes "Other" which is not itemized here

The predicted impact of tariffs on global ad spend



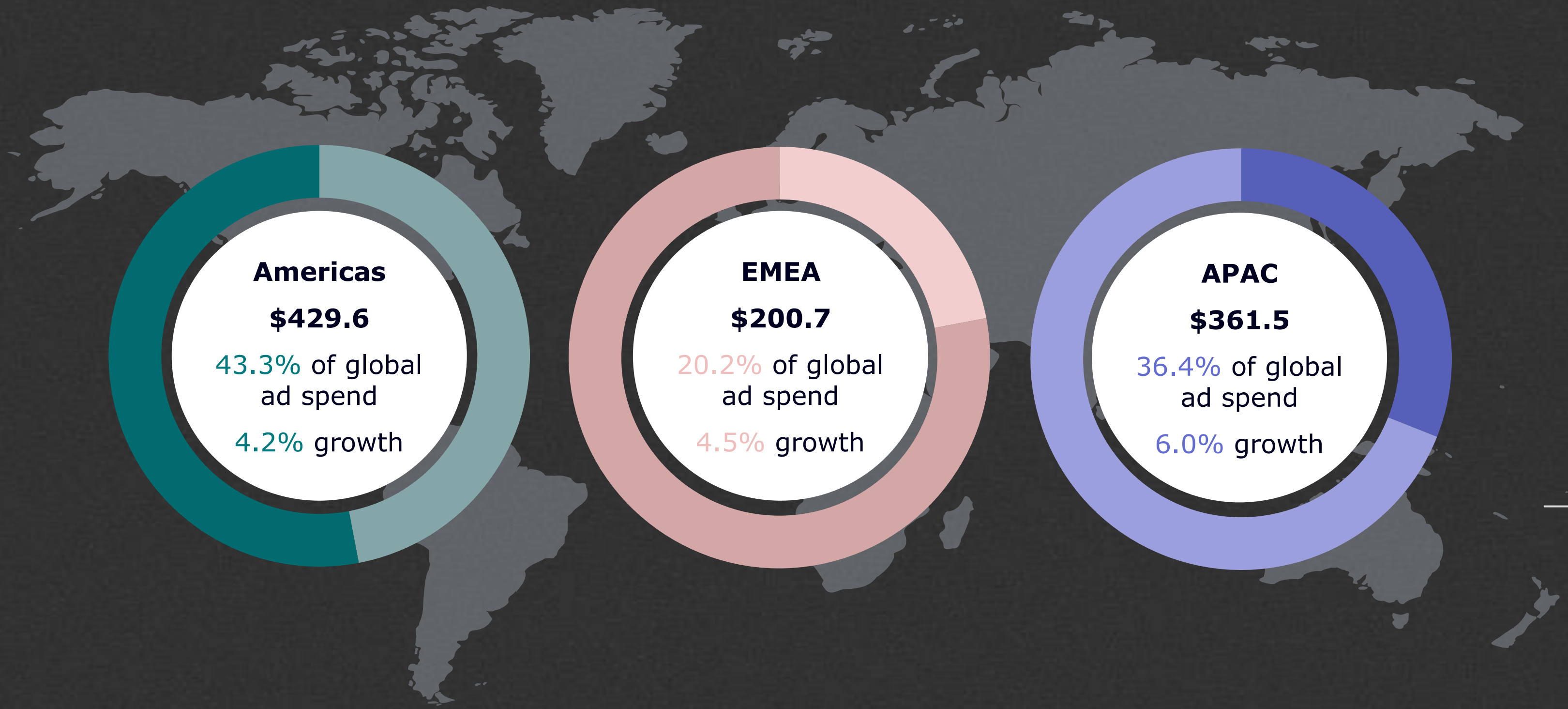
- Trained on IMF GDP data before and after the tariff announcements, the DDAM AI model has quantified the impact on Digital, Traditional/Extension and total global ad spend.
- Impact of Tariffs - The result is digital ad spend increases by 0.9%, whilst traditional and extension spend combined declines by 1.9%. Overall, no change to global ad spend.

2025 Global growth (YOY)

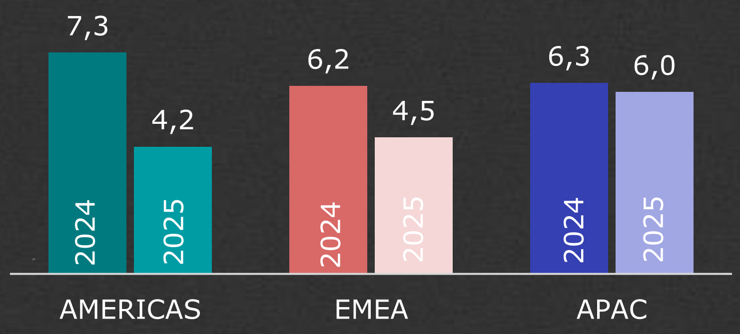
	Total	Digital	Trad/Ext
Before Tariffs	4.9%	7.9%	-1.1%
After Tariffs	4.9%	8.9%	-3.0%

Source: DDAM, dentsu Ad Spend Forecasts June 2025

Asia-Pacific forecast to maintain above average growth in ad spend in 2025



Ad Spend growth rate (%), 2024 & 2025f



Please note: Argentina and Turkey ad spend 2021-2027f has been inflation adjusted due to the high inflation in market, 2020 = base year

Source: dentsu Ad Spend Forecasts June 2025

Top 12 Markets - Highest ad spend growth will be in India, Brazil and UK in 2025

AMERICAS

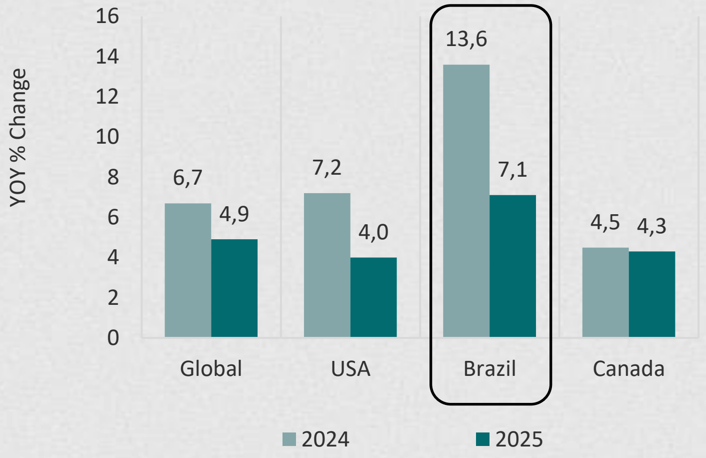
Brazil ad spend is expected to grow by 7.1% in 2025 compared to 2024, boosted by TV, Digital and OOH. There isn't a clear view of how the new US tariffs will affect advertising costs in Brazil. However, there could be indirect impacts via the automotive sector, as trade restrictions raise steel and aluminum costs, which may pressure marketing budgets.

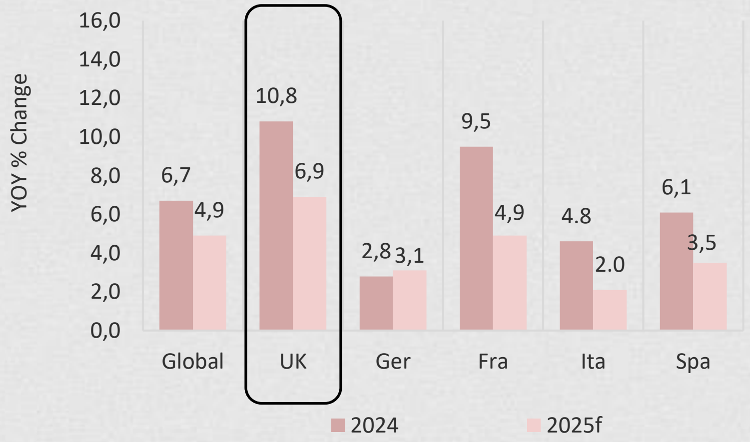
EMEA

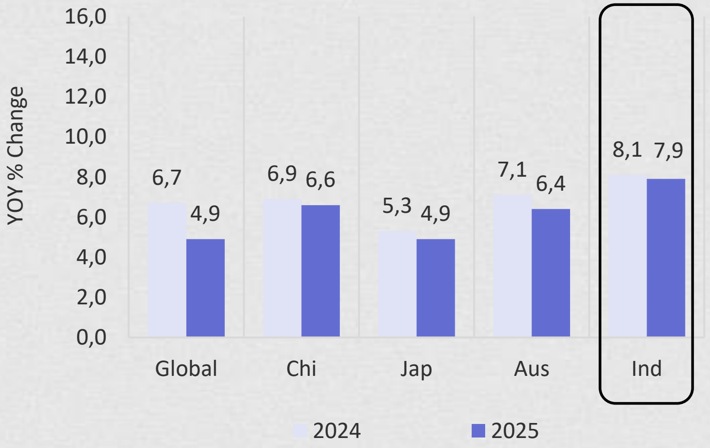
Positive growth forecast in the **UK** driven by digital ad spend, although current uncertainty could impact these forecasts. Online continues to be the UK's largest growth area at +8.2% year-on-year in 2025. It is forecast to account for more than 80% of the UK's total ad spend. OOH continues to see significant growth. Digital OOH is forecast to grow at +8.1% and to account for 68% of all UK OOH spend.

APAC

The **Indian** advertising landscape is poised for 7.9% growth in 2025, with major sporting events boosting growth: IPL 2025, the ICC Champions Trophy, Asia Cup 2025. Digital advertising stands on the cusp of transformation. Advanced technologies, evolving consumer behaviors and personalization are reshaping brand-audience connections. AI-powered tools have become essential for hyper-personalized marketing strategies, while voice search and conversational AI are revolutionizing SEO approaches.



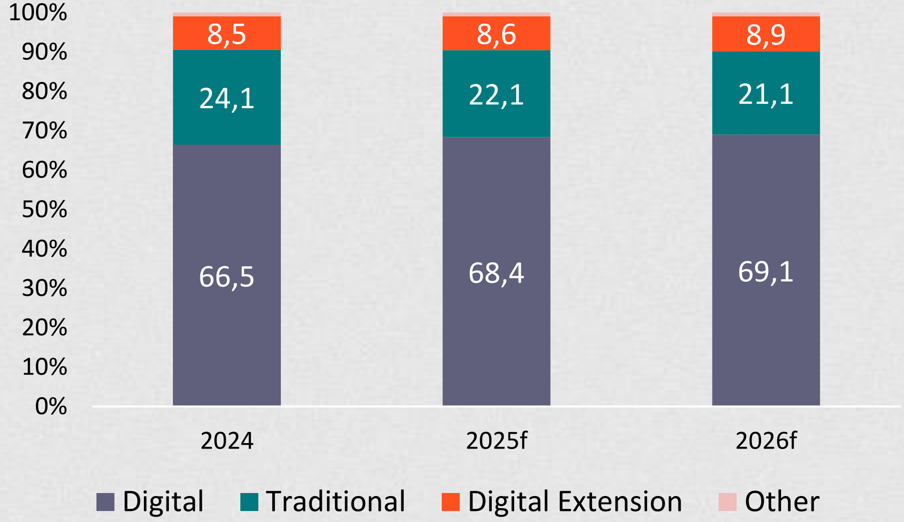




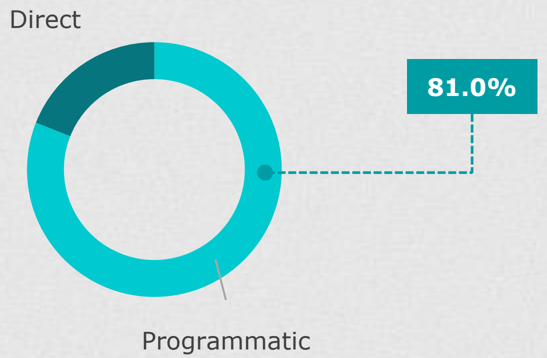
Please note: Argentina and Turkey ad spend 2021-2027f has been inflation adjusted due to the high inflation in market, 2020 = base year

Source: dentsu Ad Spend Forecasts June 2025

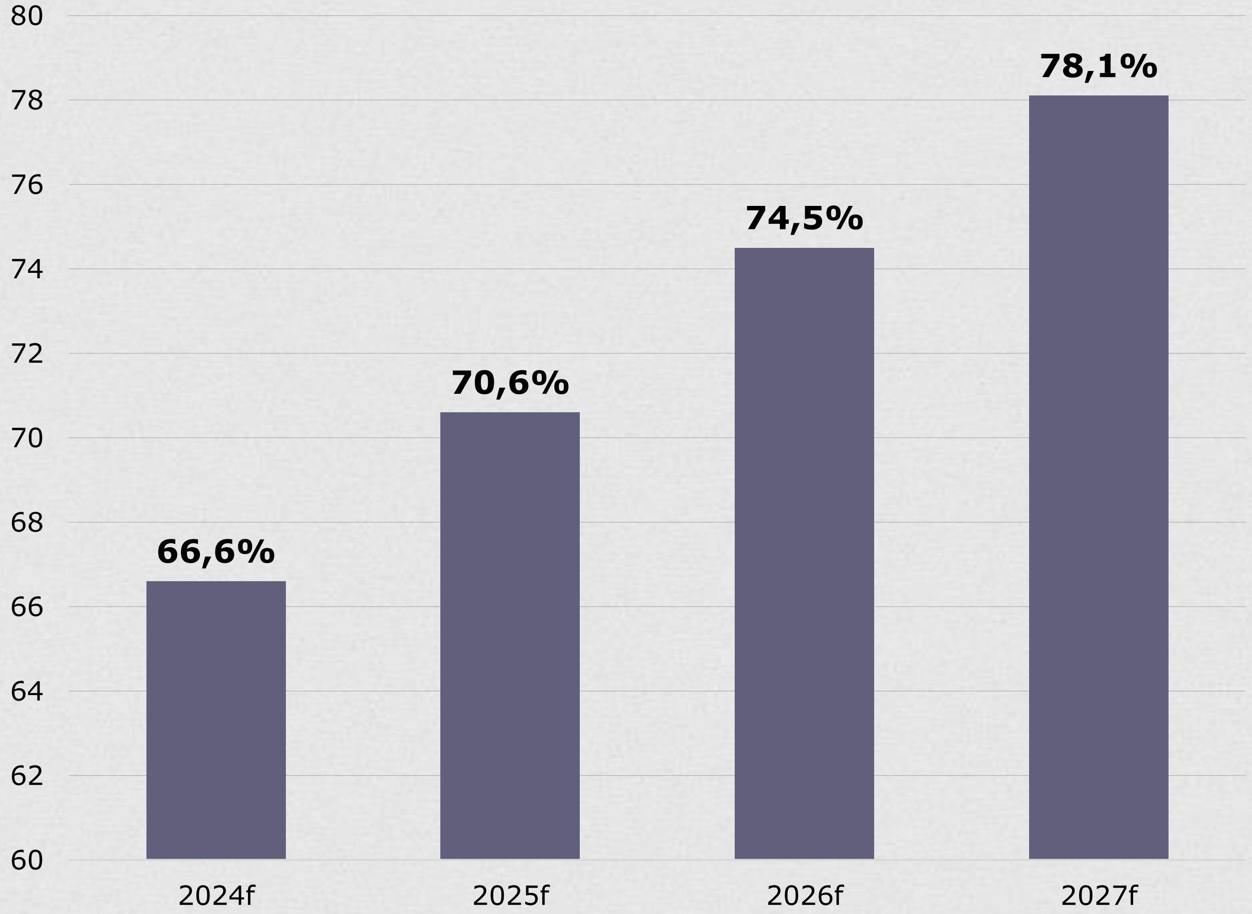
An overwhelming majority of ad spend is expected to be algorithm-driven by 2027



% of digital ad spend traded programmatically, 2025



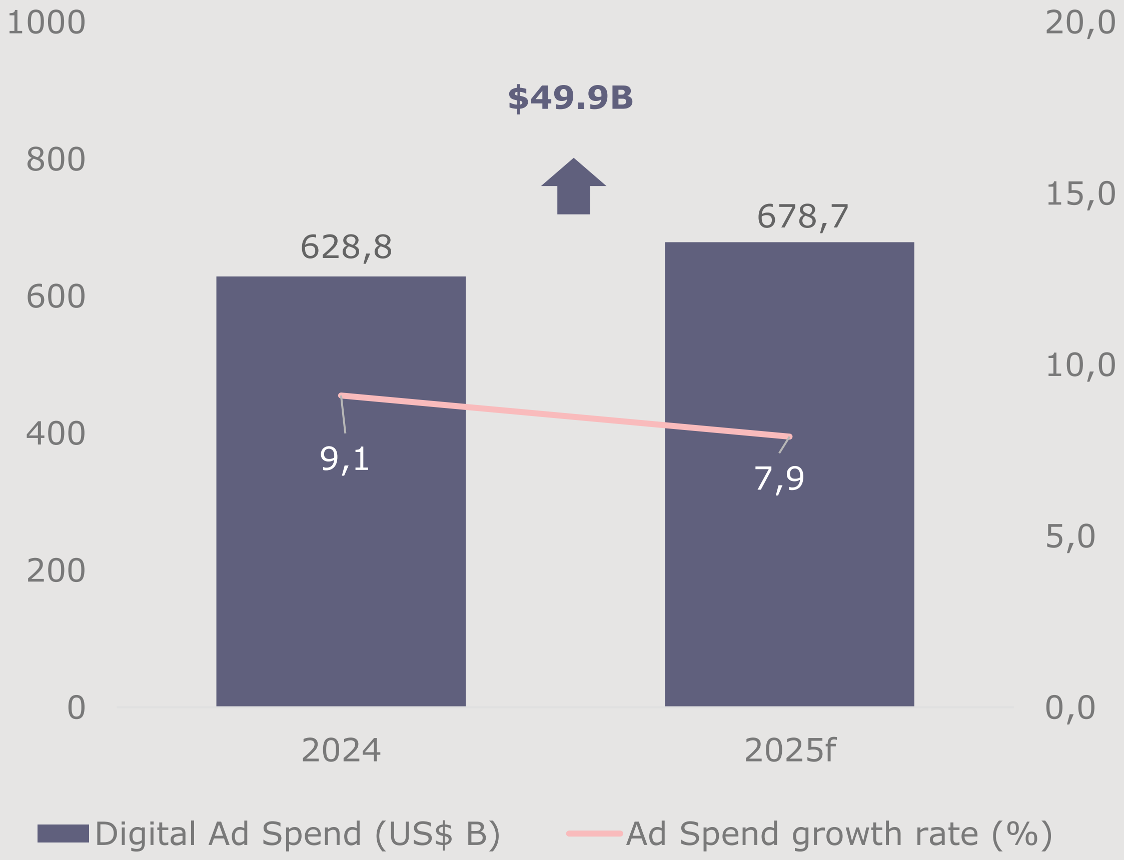
% of algorithm-driven ad spend of Total*



Source: dentsu Ad Spend Forecasts June 2025
* Based on top 12 markets

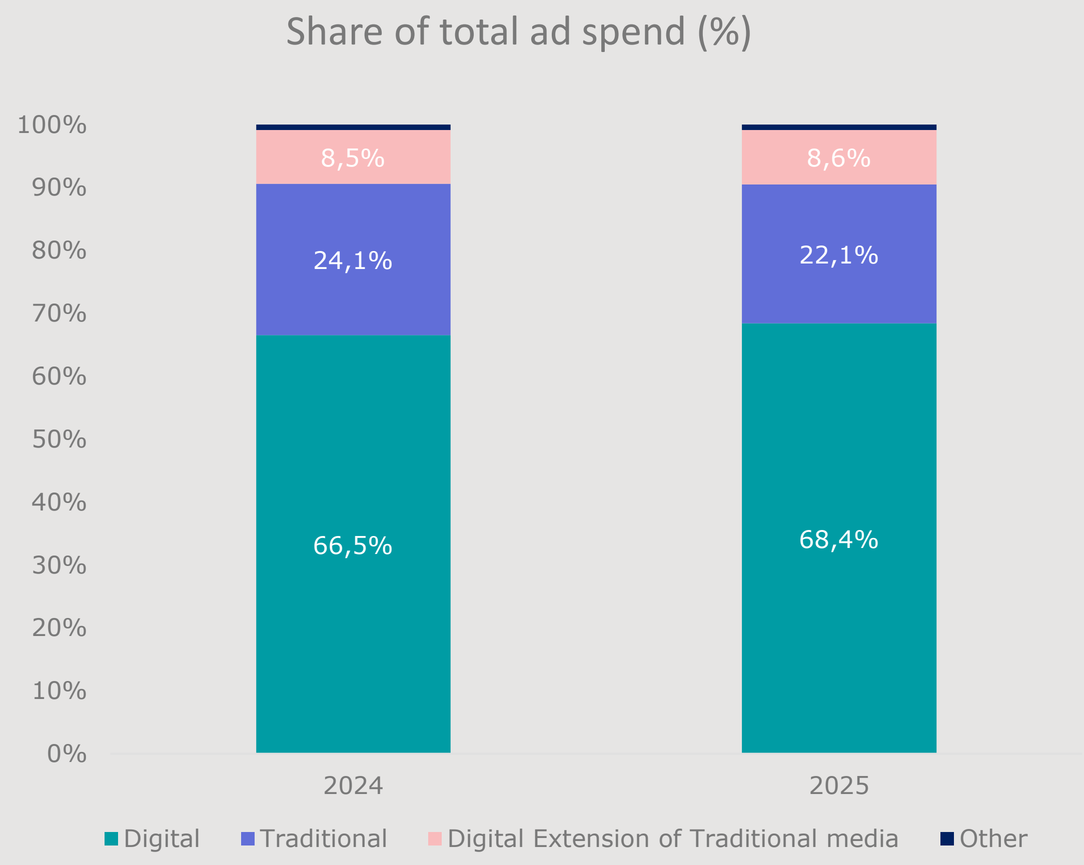
Media Outlook

Digital ad spend will grow by 7.9% in 2025 to $678.7B. Tariffs to add an extra 1 point to growth, 8.9%.



Source: dentsu Ad Spend Forecasts June 2025

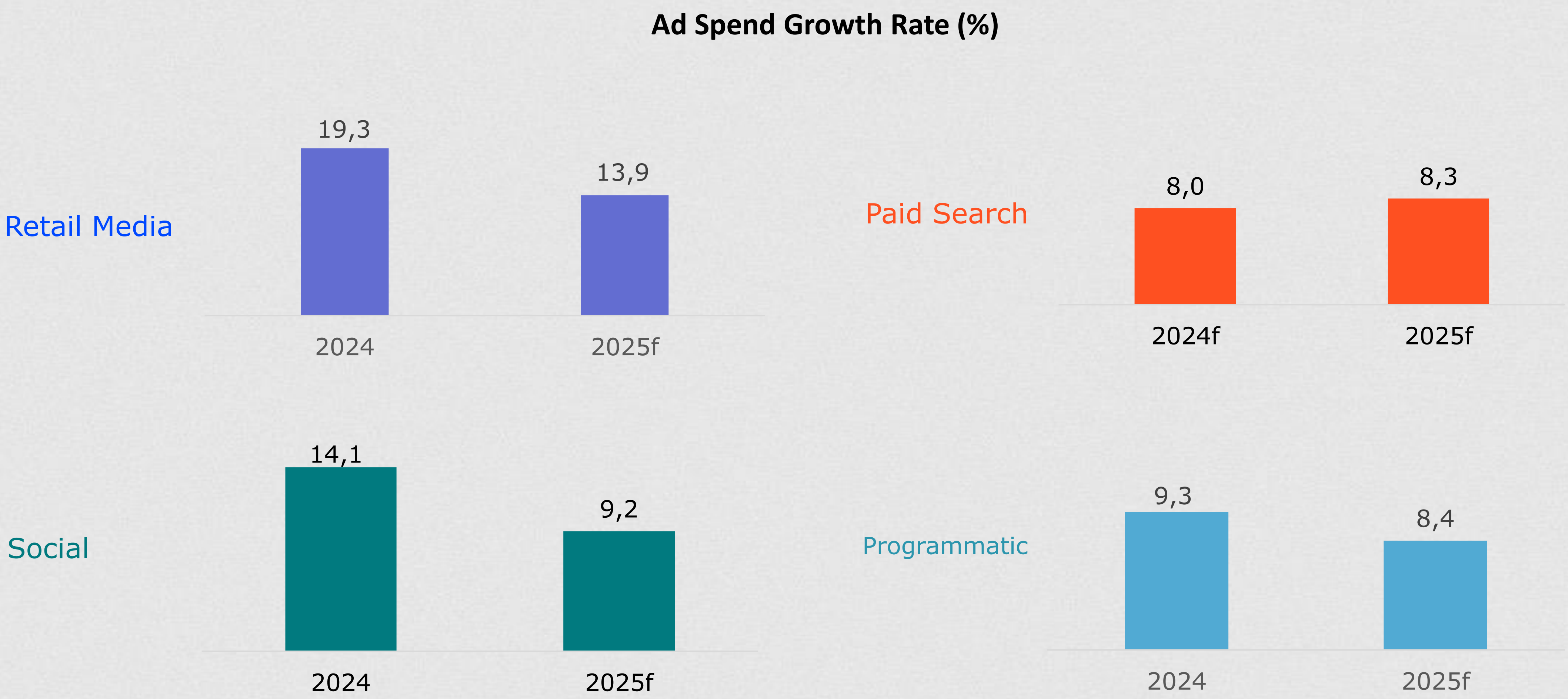
Digital’s share of ad spend to reach 68.4% in 2025



‘Digital’ spend refers to pure play digital advertising spend. The spending by advertisers on the digital extension of traditional media is accounted for within the media channel totals.

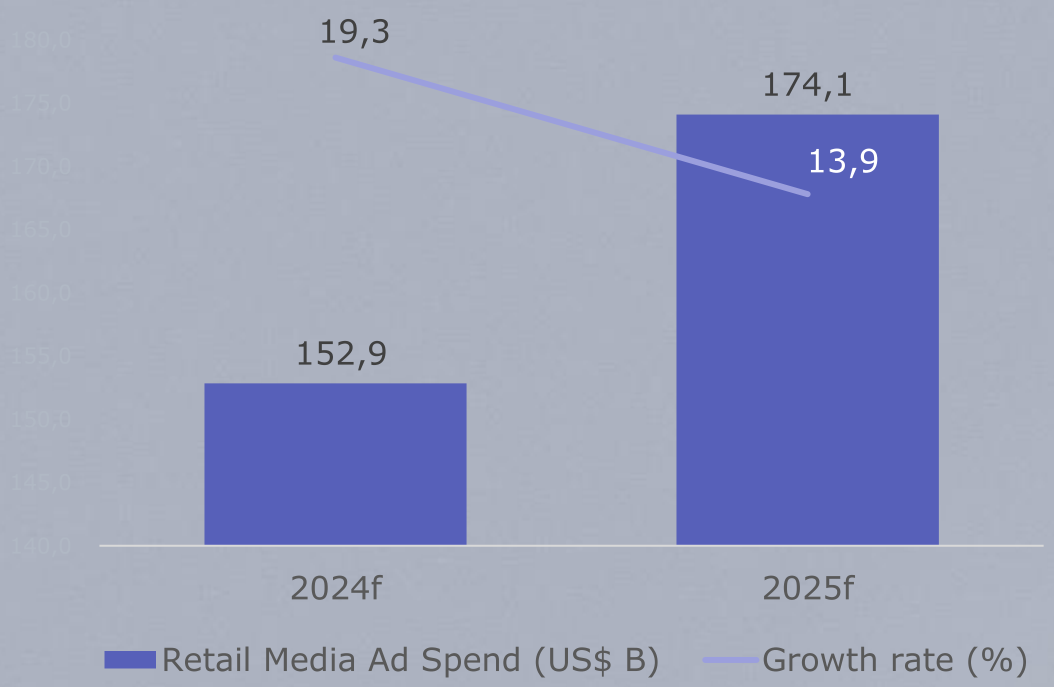
Source: dentsu Ad Spend Forecasts June 2025

Retail Media continues to see impressive growth at 13.9% in 2025



Source: dentsu Ad Spend Forecasts June 2025

Retail Media leveraging first-party data to deliver highly relevant ads including in offsite channels like CTV



Retail media continues to be the fastest growing element of media, and in many markets has become an increasingly mainstream channel and a strategic priority for many clients.

It is still dominated by the big players, but smaller local players are also emerging.

Its success continues to be driven by the high quality first party data, offering excellent targeting for both mainstream and niche audiences, and while both endemic and non-endemic brands are present in the space, in the smaller markets it is still mainly seen as a performance channel.

The expansion into offsite channels such as CTV allows brands to reach audiences in new ways.

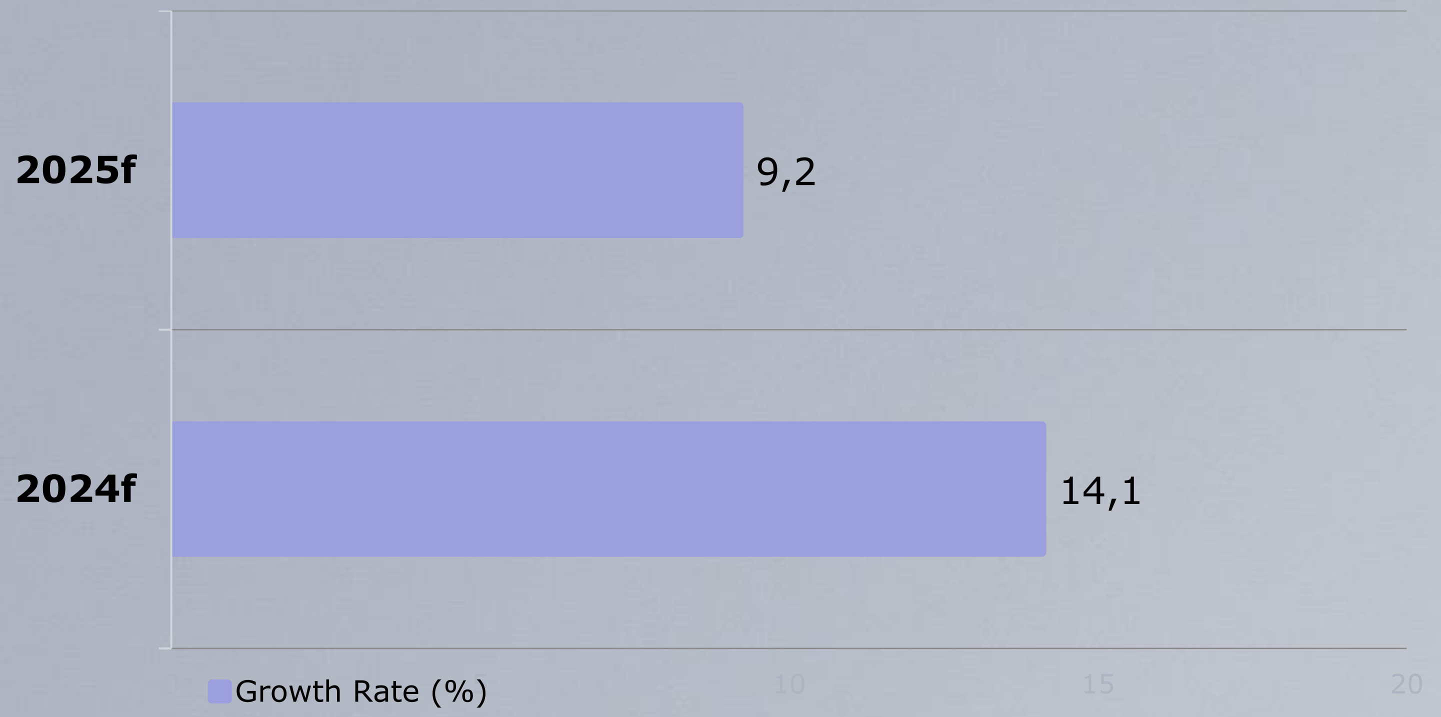
Source: dentsu Ad Spend Forecasts June 2025

Growth driven by full funnel solutions: 9.2% increase in Social investment in 2025

Paid Social spend continues to grow as social platforms become more essential to users' lives. New formats and tools, including AI and automatic ad optimization, make the channel increasingly engaging and effective.

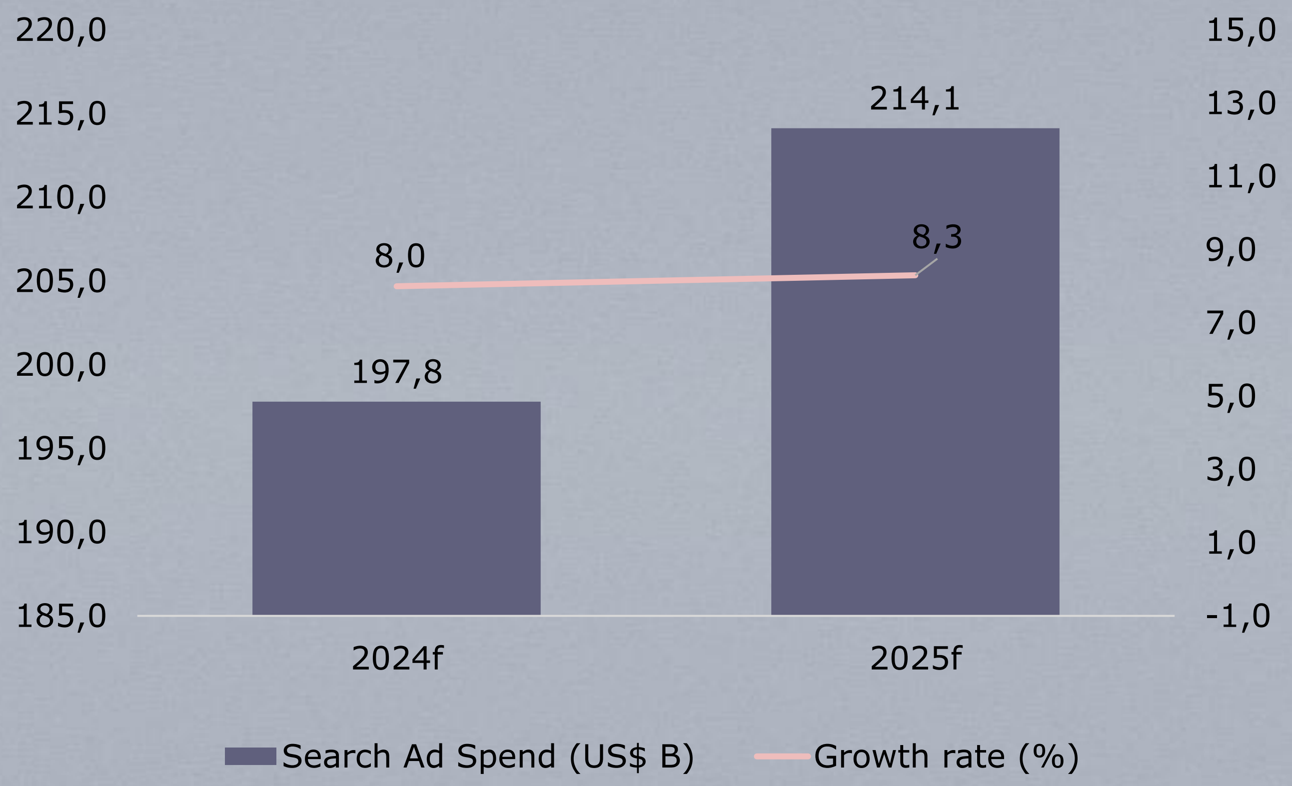
Shopping features within social media platforms have grown.

Users can now make purchases directly from ads and posts, streamlining the shopping experience.



Source: dentsu Ad Spend Forecasts June 2025

Technological advancements and changing consumer behaviors continue to reshape Search



- **Search spending projected to increase by 8.3% year-on-year in 2025.** Users are shifting toward generative AI tools, conversational search and social platforms such as Instagram and TikTok for product recommendations.
- Search marketers will need to adapt to emerging technologies and evolving ad products.
- Ensure websites are optimized to maximize visibility in AI-generated summaries.

Source: dentsu Ad Spend Forecasts June 2025

DIGITAL - CONSIDERATIONS FOR BRANDS

As the threat of tariffs increases the importance of measurable results, brands focus investment on the products and markets that have the greatest potential. In these times of uncertainty and rapid change, brands also look for media to drive business growth, and digital media helps brands deliver the business impact they need.

Advertisers are increasingly looking to artificial intelligence to automate and optimize their media efforts. However, they must avoid using new tools simply because they are cost efficient, which is the biggest risk with any new technology. While AI is already making an impact in how media is bought, the biggest change is in ways of working. Dentsu advises brands on which tools to adopt, new ways of using data, and how best to integrate AI into different elements of campaigns. This can entail developing bespoke approaches and building capabilities for specific advertisers' needs.

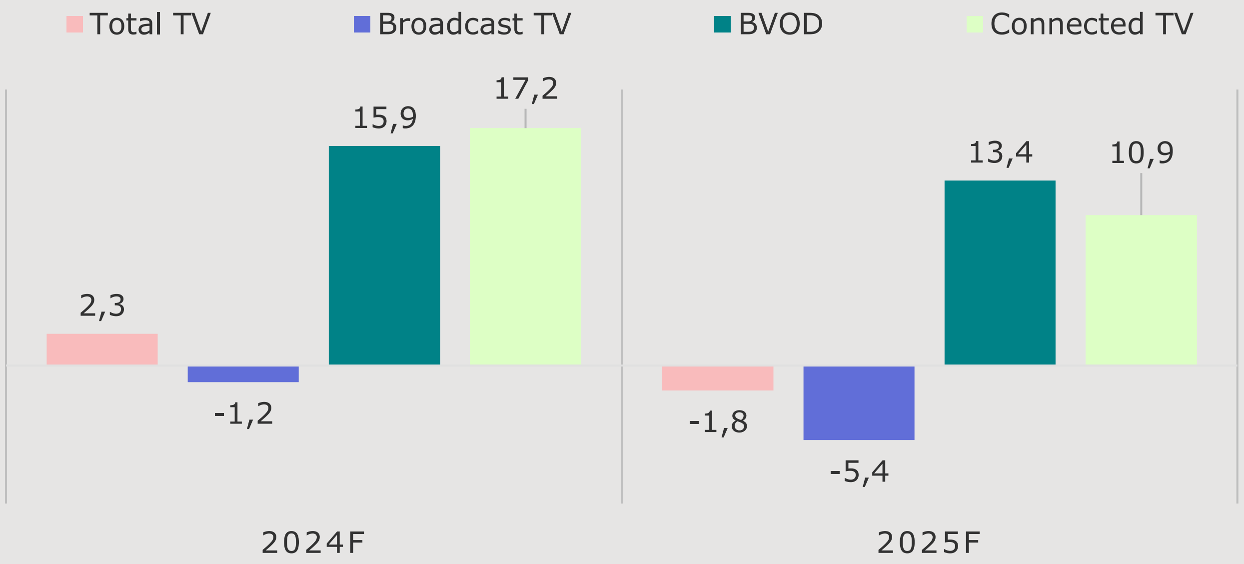
Retail media continues to grow, as the close proximity between advertising and sales on retail media platforms makes measuring campaign impact easier. Retail media also benefits from less reliance on third-party cookies, but marketers and the industry have now moved beyond their reliance on cookies for targeting and measurement, instead finding new signals.

There are also many new options available to advertisers, from AI developments in search to opportunities on social, video and commerce platforms, which are finally offering real alternatives to Google. In addition, we see lots of innovation with ad formats, particularly in the areas of attention and commerce.

TV ad spend to decline in 2025 BY -1.8% to US$168.0B, 16.9% share reflective of the general trend towards VOD viewing

Total TV Ad Spend (US$ B)

Ad Spend growth rate (%)

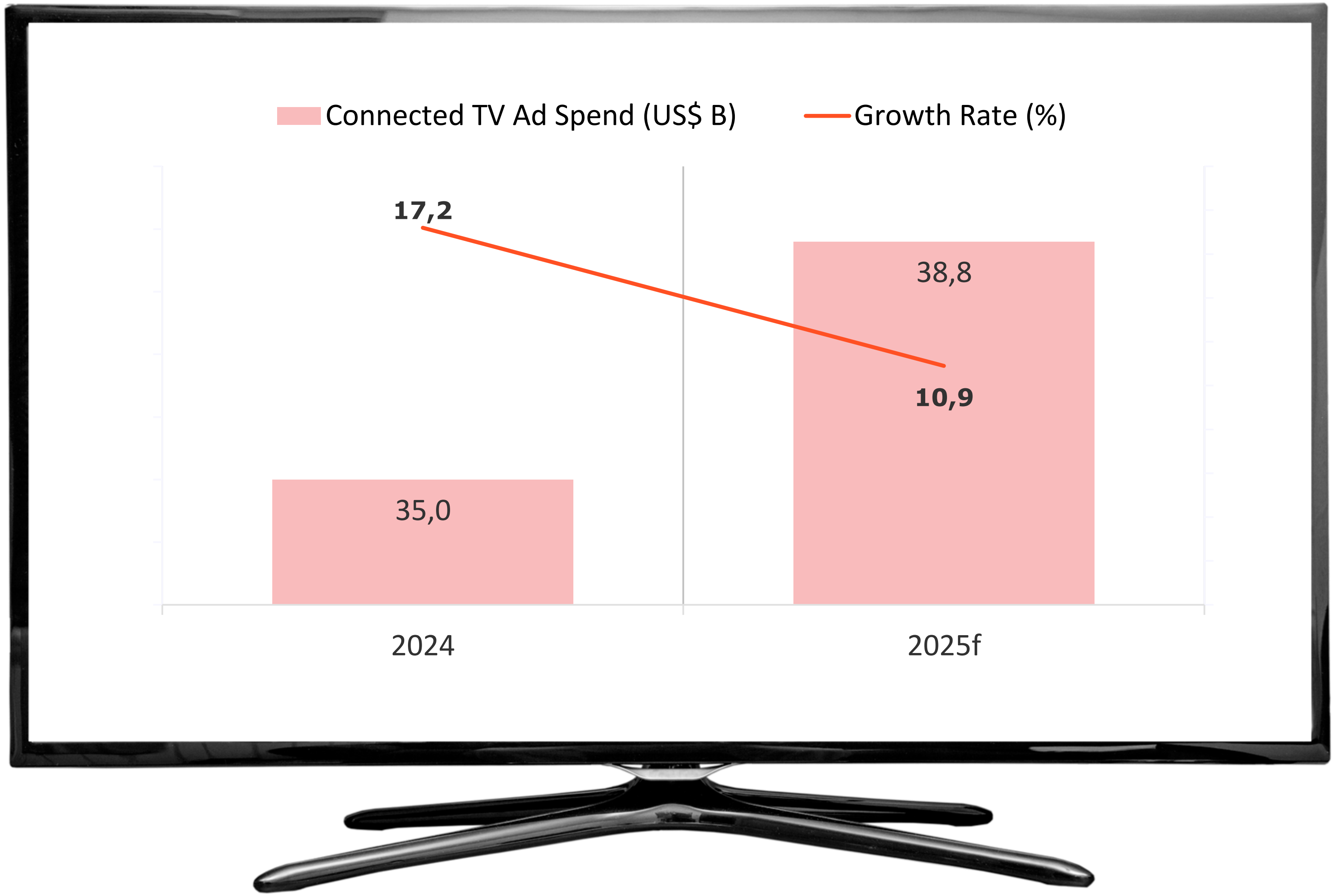


Source: dentsu Ad Spend Forecasts June 2025

Exploring the connected TV ad market

Strong double-digit growth at 10.9% in 2025, with a 3-Year CAGR of 9.4% leading up to 2027

In 2025, Connected TV continues to scale rapidly with a projected $38.8B in global ad spend — cementing its role as a cornerstone of the modern media mix.



TV/CTV - CONSIDERATIONS FOR BRANDS

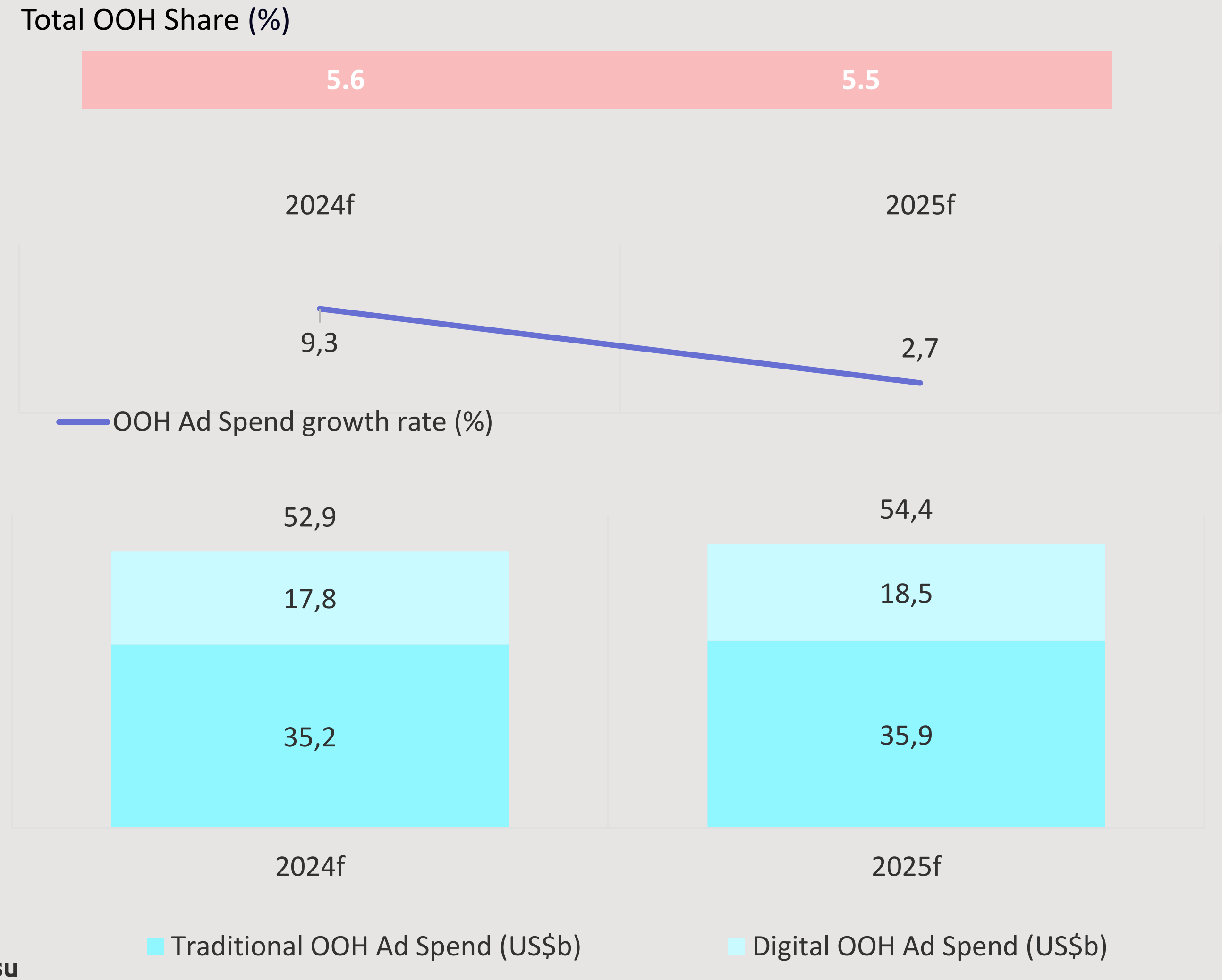
Television is continuing to evolve, and as linear viewing continues to decline – with the exception of sports and other tentpole programming – viewers and advertisers are increasingly turning to streaming.

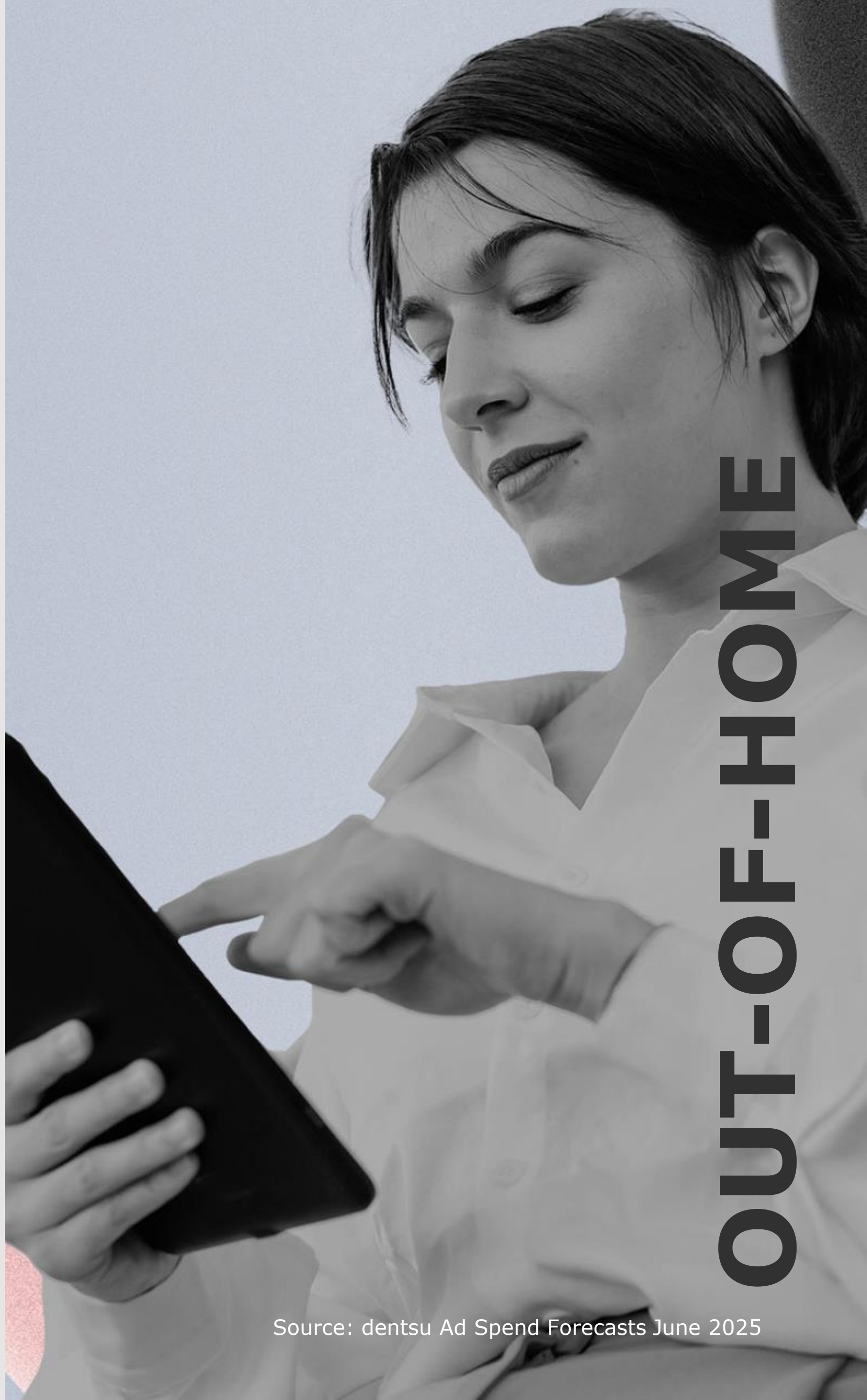
The biggest growth in streaming is coming from ad-supported services where platforms like Amazon's Prime Video, Netflix and Disney+ are now capable of delivering large audiences. Supply of inventory continues to outpace demand from brands, so prices are still not rising. The growing ability to buy programmatically also means that there are lots of opportunities to reach audiences across different platforms.

Live events and sports seem to be working in delivering audiences and engagement, shown by the number of new deals revealed in recent upfront presentations; YouTube's deal with the NFL, which will deliver a free game shown live on YouTube around the world in September, was the biggest announcement of the week.

New content and ad formats are also emerging. Podcasts are increasingly filmed and being watched as 'television, while innovation is allowing ad formats to offer more contextual understanding (for example automatically putting a travel ad into a show featuring exotic locations), more interactivity, and more shoppable opportunities. All of this is helping connected television become a full-funnel channel.

OOH is forecast to increase by 2.7% in 2025. Traditional OOH is to retain steady growth at 2.0%, with faster DOOH growth at 4.2%.



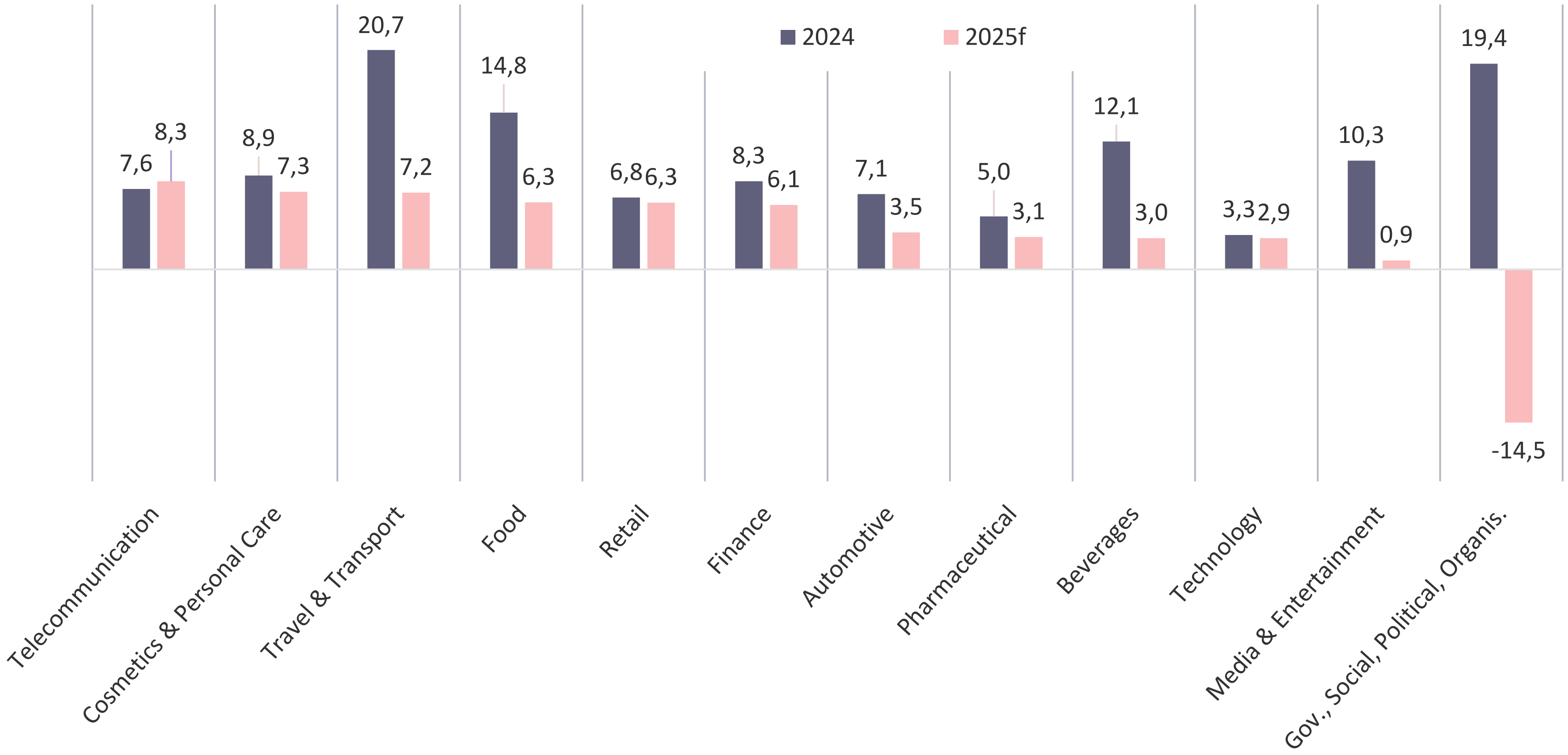


Source: dentsu Ad Spend Forecasts June 2025

Industry Lens

Telecommunication and Cosmetics & Personal Care are forecast to be the fastest growing sectors in 2025

2024 & 2025f ad spend industry overview
Year-on-year % growth at current prices



Based on Markets: Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Spain, UK, US

TELECOMMUNICATION

Telecommunications sector is seeing high growth at 8.3% worldwide in 2025, fueled by 5G expansion, high-speed internet demand, and digital content consumption.

COSMETICS & PERSONAL CARE

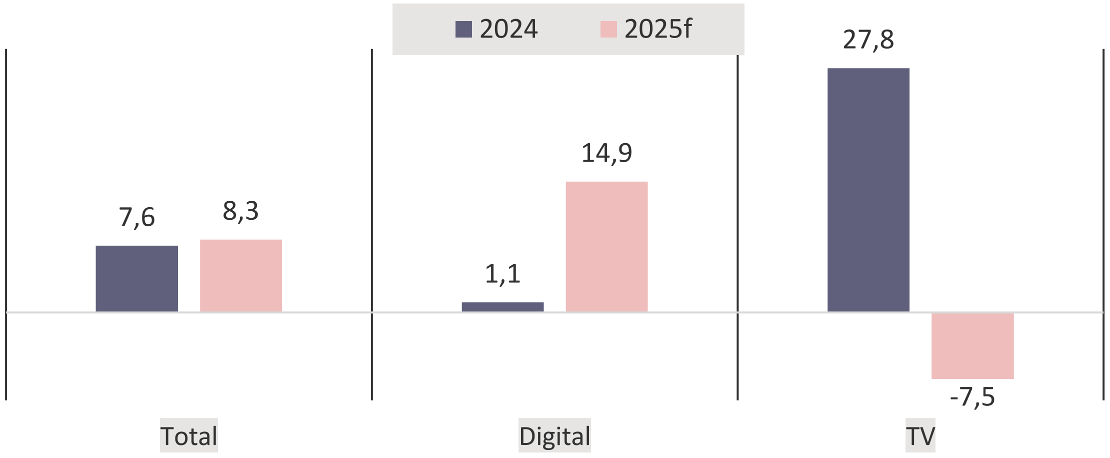
The Cosmetics & Personal Care sector is expecting 7.3% growth in 2025. This growth is driven by consumer demand for skincare and wellness products, fueled by an increasing focus on self-care, sustainability, and natural ingredients.

Source: dentsu Ad Spend Forecasts June 2025

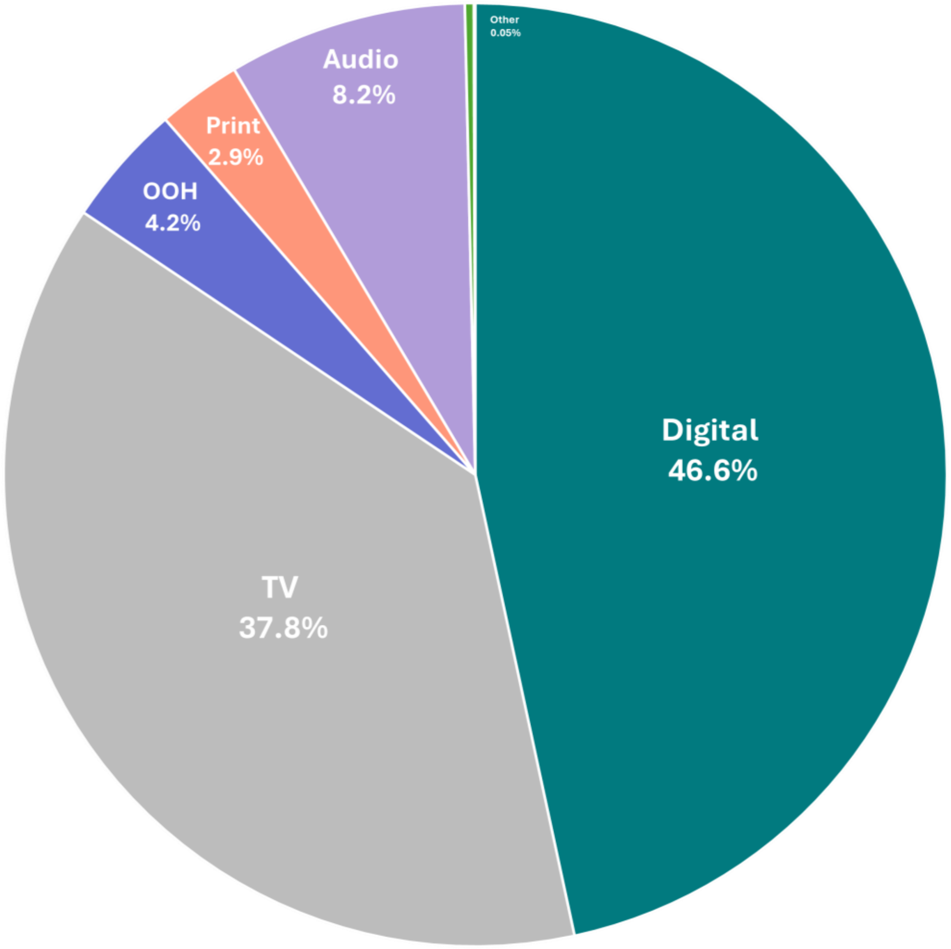
Telecommunications is set to be the biggest growth sector for ad spend

In 2025, Telecommunications is expected to grow by **8.3% year-on-year**, driven by global 5G rollouts, remote work infrastructure, and rising data consumption.

2024 & 2025f telecommunications sector overview
Year-on-year % growth at current prices



SHARE OF TELECOMMUNICATIONS AD SPEND BY MEDIA



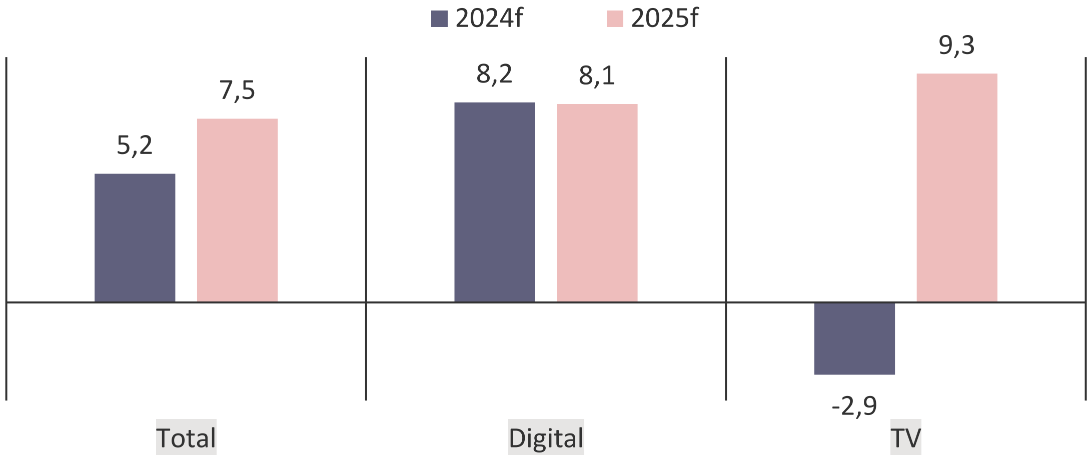
Advertisers are heavily investing in digital, with immersive formats and performance media used to educate and capture rapidly evolving customer needs.

Source: dentsu Ad Spend Forecasts June 2025

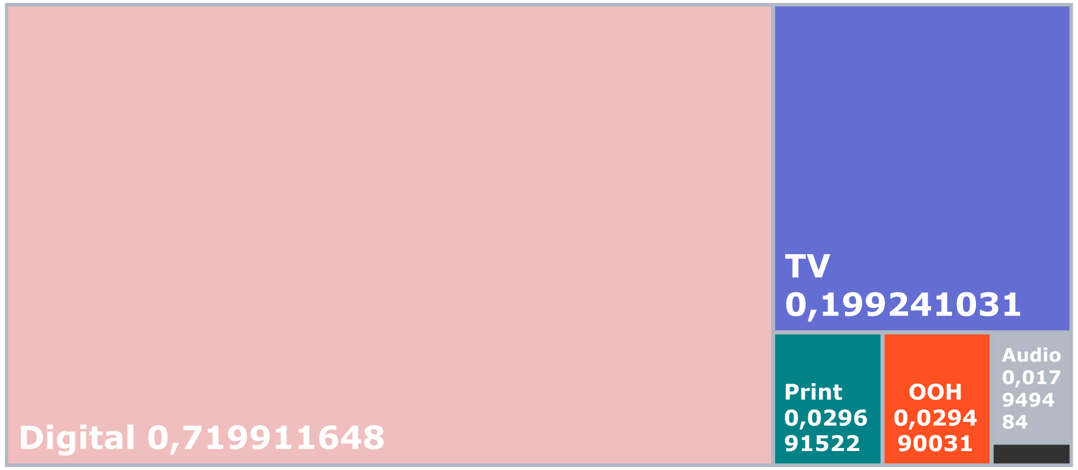
Cosmetics & Personal Care is set to be 2nd fastest growing sector in 2025

2025: +7.5% YoY

2024 & 2025f Cosmetics & Personal Care sector overview
Year-on-year % growth at current prices



SHARE OF COSMETIC & PERSONAL CARE AD SPEND BY MEDIA (%)



Led by strong TV (+9.3%) and digital (+8.1%) growth, as brands—especially in China—invest heavily in premium positioning, livestreaming, and broad reach media. Digital discovery and influencer culture are fueling strong growth in beauty.

Methodology

Advertising expenditure forecasts are compiled from data collated from dentsu brands until April 2025 and based on local market expertise. Dentsu uses a bottom-up approach, with forecasts provided for 56 markets covering the Americas, Asia-Pacific and Europe, Middle East, and Africa by medium: digital, television, print, out-of-home, audio, and cinema. Dentsu Data Artist Mongol, DDAM has then used a supervised decision-tree machine learning model trained on historical data including macroeconomic indicators, the quarterly earnings reports from digital tech platforms, to model for small and medium enterprises spend. Due to this change in the methodology to improve forecasts accuracy, the latest figures are not comparable with previously released figures. Digital specifically references pure play digital platforms and does not include ad spending on the digital extensions of traditional media (e.g., digital print) which are accounted within media channel totals (e.g., digital print is accounted within print). As the media landscape changes at pace, we continue to evolve how we collect digital spend data.

The advertising spend figures are provided net of negotiated discounts and with agency commission deducted, in current prices and in local currency. Global and regional figures are centrally converted into US dollars at the April 2025 average exchange rate. The forecasts are produced biannually with actual figures for the previous year and latest forecasts for the current and following years all restated at constant exchange rates.

Thank You