



# Situational analysis across local markets

Wave 31 - Updated: November 10<sup>th</sup> 2023

Better decisions, faster.

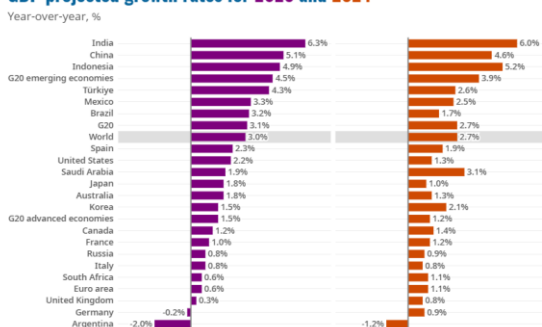


# Global markets stabilizing

Global economic growth is expected to moderate in 2023 and 2024, held back by tighter monetary policy and subdued demand in critical economies.

The OECD predicts global GDP growth to be 3% in 2023 and 2.7% in 2024. Risks are tilted to the downside, with a sharper-than-expected slowdown in China.

**GDP projected growth rates for 2023 and 2024**

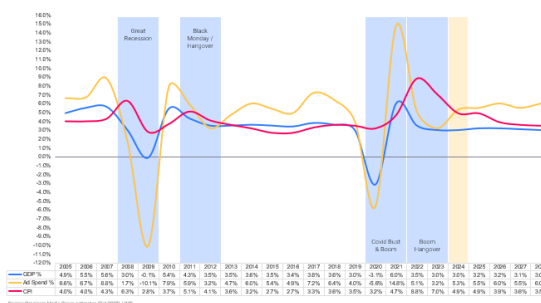


Headline inflation is expected to ease to 6% in 2023 and 4.8% in 2024 as food and energy prices return to near normal; however, services inflation remains high, keeping core inflation above central bank targets in many countries, which means that interest rates will remain elevated above recent norms.

Elevated interest rates increase government debt burdens when they have rising spending pressure from aging populations, the climate transition, and defense requirements.

Despite this, global consumer confidence is up significantly vs the lows seen at the end of 2022, yet still well below recent historical averages. Business confidence has been around average for the past ten years.

The global economy has proven more resilient than expected at the beginning of the year. Similarly, media markets have remained relatively healthy in 2023, growing by 3.2%, a little below the average of 4% over the last 15 years.



OMG forecasts global ad spending to grow 5-6 % over the next five years. Media inflation is expected to match spending increases in that time, implying stability in the overall supply of impacts.

We will see a significant change in the proportion of impacts by channel - the largest being the shift from linear TV to various forms of ad-supported video.

Q3 2023 saw significant announcements supporting this trend, such as the launch of Amazon Prime Video with Ads. Consumers must opt out of an ad-supported tier for a more expensive ad-free tier. While Netflix now claims 15m ad-tier monthly users, 3x the level reported in May 2023. Ad-supported online video is expected to grow to over USD 60bn by 2029.

The Fast Start Dashboard has now been fully integrated within Omni – you can find it in the Dashboard tab of the Reporting Hub in Omni- then subscribe to the required FSD reports

## | EMEA

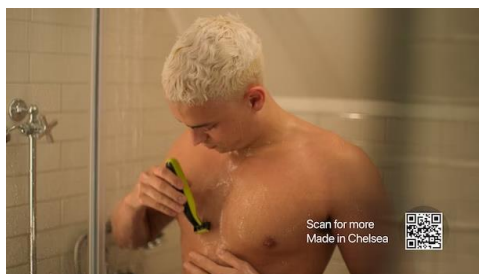
Data privacy and competitive market regulation continue to be more strongly enforced in Europe. Recently, a [ban on behavioral targeting](#) by Meta imposed by the [Norwegian regulator](#) was extended to [cover the whole EU](#).

In response, Meta launched a [subscription-based, ad-free product](#) as an alternative to a behavioral advertising-funded product. This [OMG analysis](#) covers the details and implications for advertisers.

A new [federal data protection law \(FADP\)](#) was enacted in Switzerland on September 1<sup>st</sup>. It aligns closely with the EU GDPR, but there are [differences to be aware of](#).

The [TV advertising landscape in Europe](#) is shifting quickly as linear sees significant declines in viewing and spending. OMD Czechia reports 15-20% increases in TV CPMs from the major sales houses.

Viewing declines are being mitigated by innovation in technology and models.



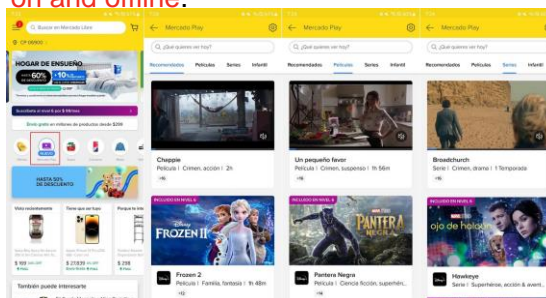
Channel 4 in the UK is experimenting with shoppable on-screen [QR codes](#) during shows. The first use of this was by [Philips in 'Made in Chelsea'](#).

The broadcaster is offering [platinum spot exclusivity](#) to single advertisers in streams.

## | LATAM

The shift to online video is accelerating in LATAM. Mexico reports a 38.7% decline in ratings in 2023 – with impacts being picked up by VOD. In Argentina, [connected TV consumption is up 44%](#) vs 2022.

E-commerce continues to grow fast in many markets, rising [20% in Columbia's first half of 2023](#). Physical retail stores are holding their own in Brazil. Sales are up 2.5%. Partly influenced by ['Children's Day'](#), an increasingly [important commerce event both on and offline](#).



Commerce brands seek a more significant share of consumer attention through access to content. [Mercado Libre](#), the leading eCommerce brand in the region, launched Mercado Play as a free-to-access online video platform initially in Argentina, Chile, and Mexico, then expanding across South America. The platform expects to reach 100m users across the region.

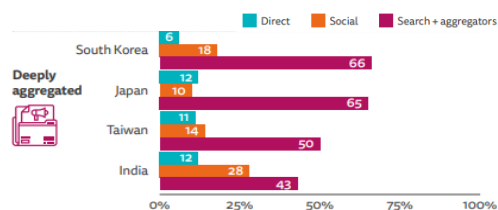
LATAM-originated content is having an increased impact on global media. Netflix recently announced a [USD 300m investment in Columbia](#), alongside a [USD 100m investment by Colombian technology company Rappi](#).

Data protection is [tightening in LATAM](#), e.g., [updated regulations in Argentina](#).

## | APAC

The fast growth of Asian emerging markets, representing around half of humanity, has driven global economic growth in recent years but is [losing momentum](#).

Many markets in the region report heightened climate concerns in advance of growing El Niño effects- Hong Kong saw [record rainfall](#) while Thailand is experiencing [severe drought – impacting agricultural and industrial supply](#).



Q10a\_new2017\_rc. Which of these was the main way in which you came across news in the last week? Base: All who used a news gateway in the last week in each market = 2000.

News consumption in Asia has changed radically in recent years. Most APAC markets report [Social or Search/Aggregators as the leading source of news](#) content over direct with news brands and publishers.

Social video platforms also have an outsize influence- OMD Thailand reported a Kantar study that states 86% of Gen Z agree that ads on YouTube influence them to consider the products.

India passed its first data protection, the [Digital Personal Data Protection Act](#). While similar to the EU's GDPR, it builds new concepts such as ['data fiduciaries' and independent 'consent managers'](#). This may accelerate the development of more user-centric data markets, such as [zero-party models](#).

The FIFA Women's World Cup in July and August in Australia and New Zealand delivered [record-breaking ratings](#) in the host markets and worldwide.

## | North America

US [inflation is rising again through Q3](#) as [economic growth consolidates](#). Yet, US consumers are primed to change behavior. The latest [OMG USA Inflation Sentiment tracker](#) reports near-record shifts in consumer behaviors across all sectors after a decline earlier this year.

Through Q3, most US TV and movie production was paused as both writers and [actors were on strike](#). Both are [now ending](#). This has had a [significant impact on US TV ratings](#) delivery that compounds the long-term shifts in viewing and are set to [continue into 2024](#).



An increasing number of major streamers connected TV manufacturers, and streamers are converging on [shoppable media ahead of the critical holiday season](#). The AI-powered ads will enable fans to purchase show-inspired products,

Google continues to defend against an [expansive anti-trust](#) case brought by the [US Department of Justice](#). The process is revealing [significant details](#) about the operations of advertising markets.

Delaware became the [13th state to enact privacy laws](#), with DPDA going into force in Q1 2025. While California enshrined rights to [delete personal data](#).

In Canada, the [C18 bill controversy](#) has spread as both Meta and [Google ceased providing news content](#) there to protest the requirement to pay news providers.