

## REDBURN AND PwC STUDY FINDS GLOBAL MARKETING INDUSTRY LARGER THAN CURRENT ESTIMATES

- Sector now worth \$1.7tn per annum
- Paid media as proportion of total spend has fallen year on year
- Outlook weaker for traditional agencies

London, 29 January 2019 - A study published today from Redburn, the independent equity research and execution firm, and PwC, concludes that the global marketing industry is worth \$1.7tn p.a., much larger than current estimates. However, the study indicates a weaker growth outlook for the paid media sector and traditional agency activities, as brands increasingly focus on other promotional activities and customer retention strategies.

Estimates for the total size of the marketing industry vary in scope, therefore Redburn undertook a proprietary study in partnership with PwC to estimate the size and composition of global marketing expenditure, encompassing all activities which increasingly come under marketers' remits. The analysis spans all traditional paid and digital media, as well as owned media, paid promotions, sales promotions and investments in data and marketing technology.

The study finds that paid media accounts for just 37% of total expenditure, down from 42% in 2015. By contrast, spend has grown significantly in activities related to owned media and marketing technology in the past three years.

The analysis highlights that marketing spend is increasingly focusing more on call-to-action activities rather than brand advertising. This has potentially negative implications for some of the traditional business models in the sector.

Through a detailed survey and interview programme of over 120 senior marketing executives globally across all industries, the report reveals a granular analysis of marketing trends by activity and industry.

Following this analysis, the report forecasts growth to slow from 2019-2021, relative to 2015-18, as brands seek greater marketing efficiencies and proof of investment returns in an uncertain environment.

**Bianca Dallal, Partner, Redburn, commented:** "The evolution of marketing expenditure has profound implications for agencies, media owners and brands. Our study reveals that as budgets shift away from paid media, the reliance on intermediaries falls, with negative implications for traditional agencies."

**Dan Bunyan, Director, PwC commented:** "This study highlights the previously hidden scale of marketing activities beyond traditional paid advertising channels, and how brands are investing marketing dollars in those alternative channels (in a c.2:1 ratio vs paid channels)".

## Notes to editors

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### About Redburn

Redburn is one of Europe's leading providers of independent equity research and agency execution. It was founded in 2003 on the principle that independence is the foundation for in-depth, uncompromised, premium equity research, and comparative advantage in execution.

Redburn has offices in London, Paris, Madrid, New York and Boston.

[www.redburn.com](http://www.redburn.com)

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