

Global cinema advertising is second-fastest growing ad medium of 2019

Early forecasts by marketing intelligence service Warc places global cinema advertising behind the internet as the second-largest growing ad medium in 2019. The global cinema advertising market is expected to grow by 6.8% from 2018, which equates to a worth of \$4.6bn.



Image credit: Erik Witsoe on Unsplash.

This is ahead of Warc's all media growth forecast of 4.6% for 2019 (to \$624.9bn).



Research reveals cinema ads deliver strong ROI

23 Apr 2018



Steady incline

While small, cinema's 0.7% share of global ad spend is expected to hold steady in 2019, making it the only medium other than the internet not to lose share. Figures from Warc's Ad Spend Database show that cinema's share of global ad spend has dipped only twice since 1980 (1994 and 2013) and growth in cinema ad investment has generally tracked ahead of other traditional media since 1981 and consistently so since 2014.

In Europe, advertisers spend 1.6 times more on cinema per admission than in the US. The UK leads the way, with spend per admission rising from £0.18 in 1980 to £1.43 last year, when 177 million admissions were recorded – the highest on record. This despite 46% of UK consumers stating that Netflix is their first choice for watching movies, according to GlobalWebIndex.

China and America lead the way

China is the largest cinema ad market globally, with RMB11.9bn (US\$1.8bn) expected to be spent this year. This equates to a 47.3% share of global cinema ad spend when measured in purchasing power parity terms. Further, China has accounted for three quarters (74.9%) of global growth in cinema ad spend since 2015, on average, and is expected to contribute

87.4% towards global cinema growth this year. IHS figures suggest that the number of cinema screens in China increased by 9,303 in 2018 alone or 26 per day on average.

In the US, the world's second-largest cinema market with a projected value of \$735m this year, the medium draws less than half a percent (0.4%) of media budgets on average. Seven product categories allocate more than this, most notably food, for which cinema accounts for 1.5% of all media spend. Non-profit (1.0%), telecoms & utilities (0.7%), alcoholic drinks (0.7%), automotive (0.6%), transport & tourism (0.6%) and financial services (0.5%) also record investment levels above the US average.

DCM recommends that brands invest a minimum of 2.7% of budgets in cinema, with some sectors like travel & tourism seeing optimal levels of campaign ROI when allocating as much as 11%.

Positive emotional experience

Captive audiences viewing high-quality ads in an emotional atmosphere is a draw for advertisers. Research by Ebiquity has found that cinema outperforms all other media at triggering an emotional response, guaranteeing a safe environment and getting ads noticed. However, the medium scores lowest in increasing campaign ROI, maximising campaign reach and generating short-term sales.



The power of cinema advertising: A big screen with a captivated audience

Motheo Matsau 30 Oct 2017



Cinema attracts a younger, more affluent audience who tend to be lighter TV viewers. According to IPA TouchPoints 6, cinema delivers a more positive emotional experience than any other AV channel (84% of time spent at the cinema is associated with positive emotions for 16+ adults, versus 60-65% for live TV, long-form VOD and short online video).

Kantar Millward Brown has also found that among 'Gen Z' (16-19 year-olds), cinema is the most popular traditional advertising medium with 59% feeling 'positive about it' (compared to 34% for print, 38% for TV and 50% for outdoor).

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"Younger segments who literally pay to see your media, who stare at a screen the size of a building inside a darkened room." Don't forget your local cinema in your #marketingmix <https://buff.ly/2MGxmUE> #Cinema #marketingstrategy #Marketing #CinemaAdvertising #LushMarketing #MarketingTips #MarketingHelp

A post shared by Lush Marketing (@lushmarketing.ie) on Aug 15, 2019 at 11:16pm PDT



The streaming threat

Data from the Motion Picture Association of America (MPAA) show that the amount consumers spend on digital home entertainment, including on online subscriptions such as Netflix, surpassed the amount spent at the cinema globally for the first time last year (\$42.6bn versus \$41.1bn). This landmark had already been reached in the US during 2015.

Over an average year, a Netflix subscription will cost a consumer \$113,16. This compares to the \$45,55 a North American will spend at the cinema each year on average, with the equivalent figures for the UK and the EU at \$25,13 and \$11,04 respectively.

In the US, a moviegoer visited the cinema five times on average in 2018, which roughly equates to 263 million consumers going every two months. But with almost three-quarters (74%) of Americans now using an online subscription – and 84% using a pay-TV channel – to watch a movie at least two to three times each month, viewership in the living room may have reached parity with the silver screen.

A sample report of Warc's latest Global Ad Trends report on cinema is available [here](#).

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