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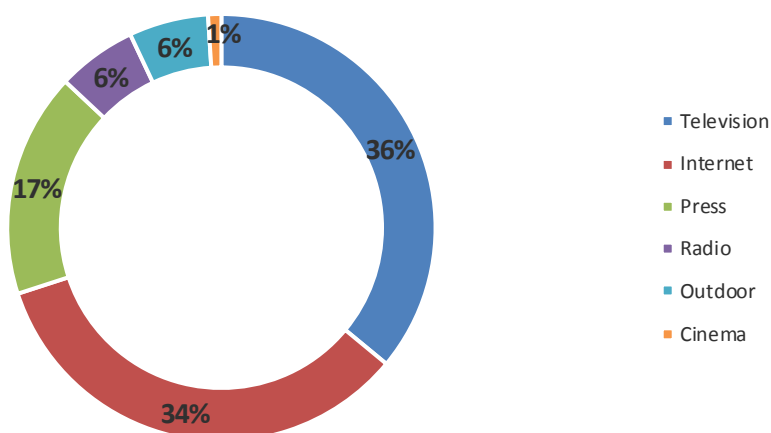
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Advertising is one of the most versatile and expanding sectors in the economy. In parallel to the booming of digitalization, the global media is implementing new means to attract people's attention. With technology being the main driver of change, several advertising platforms are suffering to persist on the back of the acceleration of the digital platform.

Globally, the ad industry proved to be resilient amid the political and economic turmoil. In fact, ZenithOptimedia expects that ad expenditure will grow 4.4% in each of 2017 and 2018 to reach \$592B, end of 2018.

In details, even though its stake of global ad expenditures is contracting, television preserved the lion's share of the total amid the rapid growth of the internet as an advertising platform. Nonetheless, television is expected to attract 33% of advertising expenditures by 2019, compared to 36% in 2016, and 40% in 2013, while the internet is forecasted to account for 42% of ad spending in 2019, compared to 34% in 2016, and 21% in 2013, with mobile advertising constituting more than 65% of internet expenditures. Moreover, it is expected that digital advertising spending will surpass TV expenditure in the year 2017.

Share of global Adspend by Medium (%)



Source: Zenith

In Lebanon, the instability and economic woes that the country has been witnessing in the past few years weighed down on the advertising industry. In fact, Lebanon's real advertising expenditures<sup>1</sup> witnessed an 8% yearly fall in 2016 to stand at \$174M, while the country's monitored advertising expenditures<sup>2</sup> rose by a yearly 5%. However, with more than 500 media companies available in Lebanon, the Media industry accounts for more than 4% of the Lebanese GDP.

### Advertising Expenditures by Media

Media Type	Amount (\$M)
TV	80
Out-of-Home	35.5
Radio	14
Newspaper	20
Magazine	9
Cinema	1.6
Online	14
<b>Total</b>	<b>174.1</b>

Source: Arab Ad Magazine

Television also remained the main advertising mean, in Lebanon, justified by the 92% TV penetration in the society. The total TV advertising, occupying 46% of total real advertising expenditures, was relatively resistant to the regional and global instabilities yet recording a 3% yearly drop in expenditures.

The airing of high-budget TV productions, as well as the improved level of Lebanese series stabilized the TV ad industry. Specifically, Mr. Rawad El-Khoury, Group Account Director at OMD, stated: "TV was and will remain the main media to be consumed by all ages especially with the talent shows and enhanced local series production standards that are being aired on all local TV stations." In fact, IPSOS reported that "Mesh Ana", a Lebanese series, and "The Voice Kids" registered the highest percentages of Average Rating per Minute (AMR), in 2016.

The F&B industry and the banking sector were of the top spenders in TV advertising. Procter & Gamble ranked first, followed by SOLVID and Nestle. Banks trailed with IBL Bank and Banque-Libano Francaise in the lead. Out-of-home (OOH), the second largest advertising platform, was one of the drivers behind the plunge in advertising industry in Lebanon. Outdoor real advertising spending plummeted by a yearly 18% to \$35.5M, with Samsung, Byblos Bank, and Bankmed being the major brands.

Newspapers and magazines are the advertising mediums losing their momentum on the back of lower readership levels and the rise of the digital platform. As per Mr. El-Khoury, "People are moving into digital portals instead especially that print titles are now becoming available online." Print advertising spending plunged by a yearly 20% in 2016. Nonetheless, print real advertising expenditures acquires one of the largest

<sup>1</sup> attributes the discrepancy to big clients, inflated rate cards and big barter deals

<sup>2</sup> based on officially advertised rates

shares (17%) of Lebanon's total real advertising spending, as opposed to the rest of the world, where print adspend constitutes some of the lowest relative shares.

### Top 10 Press Ad spenders

Bankmed
Bank Audi
BLOM
MEA
Aishti
MonteLibano
Byblos Bank
SGBL
Fransabank S.A.L
Construction Products Holding Company

Source: Arab Ad Magazine

With the rise of smartphone and internet penetration, digital advertising is cannibalizing other marketing platforms. Digital advertising expenditures registered a double-digit growth from the year 2013 to 2015, and smartphone penetration rose from 36% in 2013 to 80% in 2016. However, Lebanon still needs to catch up to the rest of the world's trend of digital advertising, as this platforms takes up only 8% of the real advertising expenses.

Given the sector's potential, specifically in digital advertising, several opportunities are yet to be unleashed by Lebanon's media industry. Nonetheless, this booming media suffers from regulatory and infrastructure obstacles, such as the speed of the internet, as well as the lack of research tools available in the country's market.

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