

Taking the pulse of China's ad spending

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A big shift in Chinese advertising spending is under way.

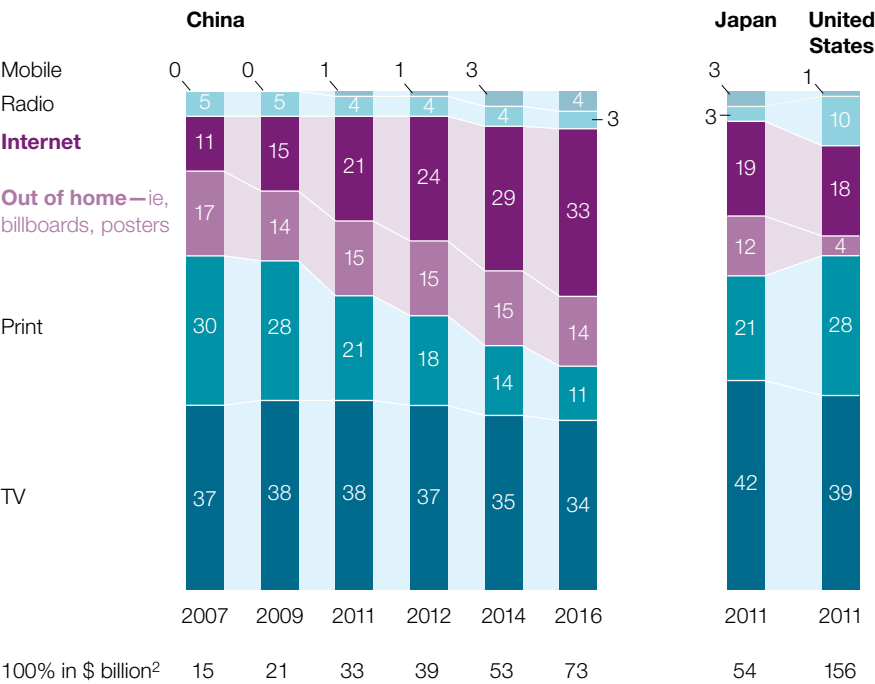
China already is the world's third-largest advertising market, and it is poised nearly to double, reaching more than \$70 billion by 2016. In China—as in the world's two biggest ad markets, the United States and Japan—television remains the largest single category (roughly 40 percent) of ad spending.

There are some interesting differences as well. Chinese companies spend relatively more on the Internet, and relatively less on print, than their counterparts in the United States and Japan do. In fact, our research suggests that by 2014, the continued steady decline of spending on print advertising will place it behind out-of-home channels—billboards and posters—in China. As a result of the country's relatively light regulation of these ads, they mostly occupy public spaces

inside commercial buildings, especially in and around elevators. In Japan, by contrast, out-of-home channels are also popular, but predominantly in outdoor and transit contexts (exhibit). Mobile ads will grow significantly in China but remain a small part of overall ad spending, since it is still a challenge to make money from them. [O](#)

Digital advertising is on the upswing in China, but billboards and posters will retain their popularity.

Share of annual advertising spending by channel,¹ %



¹In nominal prices for each year; 2012 data are estimates, 2014 and 2016 data are forecasts. Figures may not sum to 100%, because of rounding.

²Exchange rate used was average bid rate in given year except for 2014 and 2016, where average bid rate for 1Q 2013 was used.

Source: iResearch; Magna Global; Strategy Analytics; Zenith Research Group; McKinsey analysis

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