

# ▼ THIS YEAR NEXT YEAR ►

## 2023 Ireland End of Year Forecast

A Report From GroupM, WPP's Media Investment Group

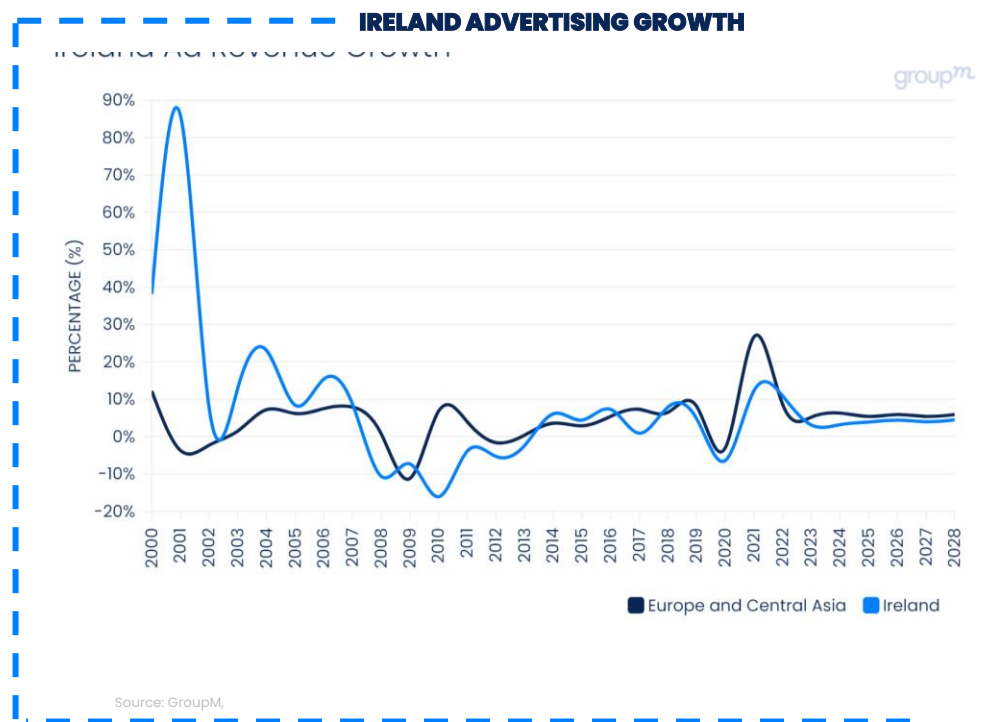
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December 2023

# Ireland

It's been a tricky year for the Irish economy, with annual modified domestic demand estimated to increase 2.9% in 2023 according to the Central Bank of Ireland, while the IMF points to GDP growth of 2.0%. The many foreign-owned multinational technology conglomerates headquartered in Ireland are facing tougher business conditions and, consequently, making much-publicized reductions to their workforce. Interest rates, energy costs and inflation have been notably high for a prolonged period, meaning consumer confidence, as measured by the Credit Union Consumer Sentiment Index, dipped to a six-month low in September. Confidence is expected to tick upwards toward year end, albeit gradually.

According to the Central Statistics Office, retail sales started the year well with consistent month-on-month growth of 1-2% in the first quarter, but have been in steady decline of up to 1% since April. Though a concern, this still represents YoY growth of 2.5% in September, and sales are expected to end the year at similar levels, a low single-digit positive. Nominal wage growth continues to lag behind headline inflation, which will remain stubbornly stuck at or around the 7% mark (down from the peak of 8.5% seen in February 2023). Looking ahead, the economic outlook remains murky, with the government seeking to provide some relief to people and incentivize spending, but waning business confidence and industrial production pointing to more challenges ahead.

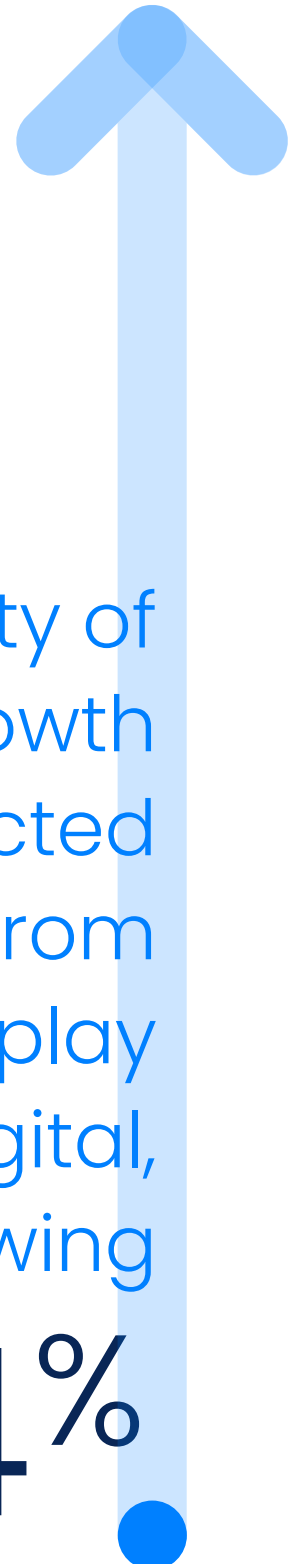


“Consumer confidence... expected to tick upwards toward year end, albeit gradually”

From an advertising point of view, it's been a tough year to navigate. Expectations that inflation would soften in the second half of the year have proven accurate in most cases, and autumn's Rugby World Cup provided a boon to budgets, despite the disappointment for the Ireland team. Our forecast for advertising revenue growth in 2023 remains at 3.1%, with that figure plateauing to a very similar number in 2024. Relative to 2022, expansion has markedly slowed this year as volatile pricing and unpredictable business conditions have curtailed the marketing spend of broadcast-led advertisers (those that favor TV, radio and their extensions) that had spent heavily on those media as part of their post-pandemic recovery.

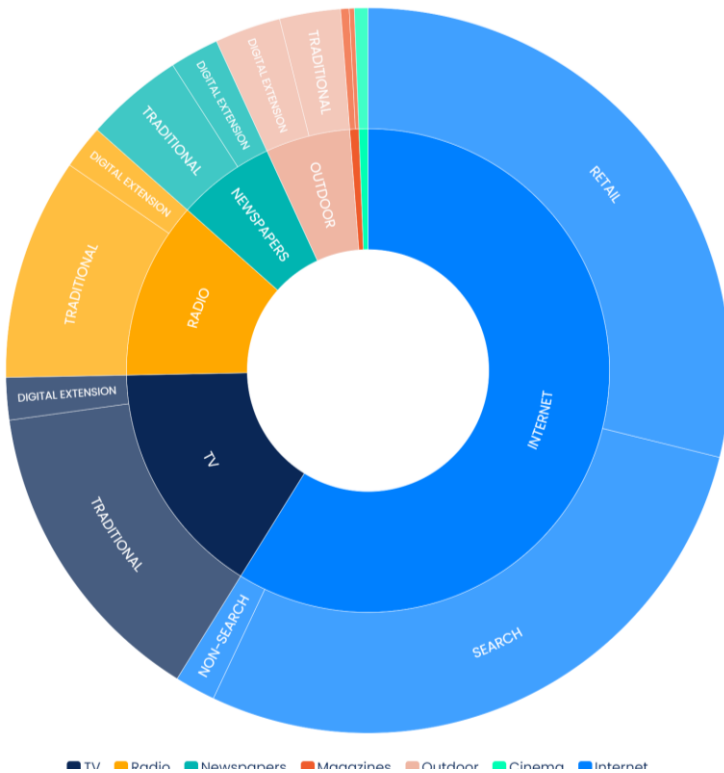
## DIGITAL

The majority of 2023's growth is expected to come from pure-play digital, growing 7.4%. Within digital, retail media is one of the fastest growing channels, expected to grow just shy of 25% in 2023 and reach €43m by 2028. While the retail media space continues to await the transformative arrival of Amazon, there are growth opportunities for more locally focused merchants such as Tesco, Boots and Lidl, who expect to see retail media as a meaningful contributor to profits in the medium-term. Overall, pure-play digital continues to account for the largest share of Ireland's advertising revenues, contributing 58.4%, followed by TV, accounting for a 14.8% share. It is important to note, as we have in previous reports, that this is not necessarily indicative of the budget allocations for large brands where TV may represent as much as a 60% share for mass reach advertisers such as in the CPG category.



2023 IRELAND CHANNEL SHARE

groupm



Source: GroupM

“Majority of 2023's growth is expected to come from pure-play digital, growing 7.4%”

## OOH, CINEMA, RADIO AND PRINT

2023 saw the continued resurgence of OOH across the Irish market, with full year estimates tracking 17% up year-on-year; this is on the back of continued investment in new large digital formats and a re-establishment in popularity of large static and transport formats. Alongside this, the growth of DOOH and programmatic continues apace; we expect investment to finally surpass pre-pandemic levels next year. Cinema has enjoyed a boom year thanks to the “Barbenheimer“ summer. Whether studios can maintain this momentum into next year will depend on their ability to uphold the strength of their release slates despite the lengthy union strikes in 2023.

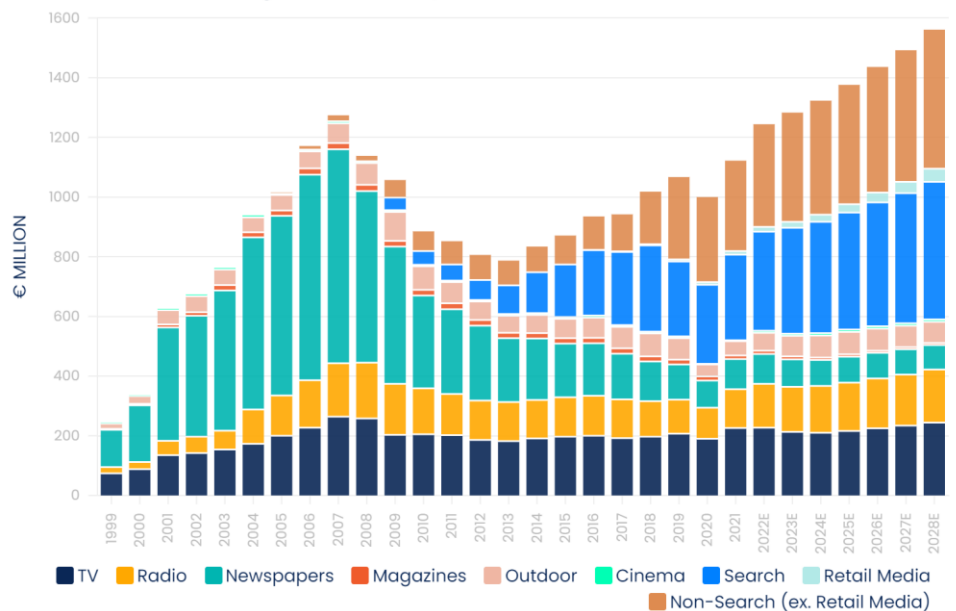
Radio/audio is expected to grow by nearly 3% this year, driven by an extremely strong first quarter, a revitalization of direct advertisers to the medium and an acceleration of investment into digital audio as media owners have improved technologies and monetization strategies.

Print continues to face significant challenges, despite the increased focus on digital offerings, as demand declines and production costs increase. We expect newspapers and magazines together to decline 9.x% in 2023 and 5.x% in 2024.

## TELEVISION

For TV (including linear and digital), we expect an overall decline of 6.3%, as macro-economic uncertainty and micro-inflationary pressures have knocked advertisers’ confidence in what is arguably their most considered media investment. To further exacerbate the issue, linear TV viewing time has continued to decline, according to Nielsen Television Audience Measurement (TAMI) data, and SVOD/AVOD viewing has plateaued as consumers scale back their subscriptions amid the cost-of-living crisis. It’s vital that broadcasters keep pace with these evolving trends by expanding investment, scale and advertiser transparency of their streaming players. Commercially, they currently operate in a sheltered space. But there is an inchoate CTV market developing, and it’s likely only a matter of time before Netflix and other SVOD operators enter the fray. Smart decisions about how and when to collaborate around measurement, R&D, sports rights and production, locally and internationally, have shown a means of maintaining relevance for advertisers. Over the next five years, we expect linear TV to grow in low single digits as a degree of stability returns to viewing and the underlying trends become more predictable after the volatility of the post-pandemic years. The outlook for BVOD and streaming services is expected to be far more positive, with the fruits of these future-proofing labors leading to growth rates in the low to mid-teens.

Ireland Advertising Growth by Media Channel (€m)



Source: GroupM

### IRELAND SUMMARY DATA TABLE

| Euros in Millions        | 2015         | 2016         | 2017         | 2018           | 2019           | 2020         | 2021           | 2022           | 2023           | 2024           | 2025           | 2026           | 2027           | 2028           |
|--------------------------|--------------|--------------|--------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>TV / AV</b>           | <b>196.6</b> | <b>199.6</b> | <b>192.3</b> | <b>197.5</b>   | <b>206.6</b>   | <b>190.2</b> | <b>226.4</b>   | <b>226.7</b>   | <b>212.8</b>   | <b>209.9</b>   | <b>216.4</b>   | <b>225.3</b>   | <b>233.7</b>   | <b>243.7</b>   |
| • Growth                 | 2.9%         | 1.6%         | -3.7%        | 2.7%           | 4.6%           | -7.9%        | 19.0%          | 0.1%           | -6.1%          | -1.3%          | 3.1%           | 4.1%           | 3.8%           | 4.3%           |
| • Share                  | 22.5%        | 21.3%        | 20.4%        | 19.4%          | 19.4%          | 19.0%        | 20.2%          | 18.2%          | 16.6%          | 15.9%          | 15.7%          | 15.7%          | 15.6%          | 15.6%          |
| - Traditional TV         | 189.5        | 192.5        | 184.8        | 183.5          | 190.8          | 175.2        | 207.5          | 205.8          | 190.4          | 184.7          | 187.2          | 191.5          | 195.2          | 199.9          |
| • Growth                 | 2.8%         | 1.6%         | -4.0%        | -0.7%          | 4.0%           | -8.2%        | 18.4%          | -0.8%          | -7.5%          | -3.0%          | 1.3%           | 2.3%           | 1.9%           | 2.4%           |
| • Share                  | 96.4%        | 96.4%        | 96.1%        | 92.9%          | 92.4%          | 92.1%        | 91.6%          | 90.8%          | 89.5%          | 88.0%          | 86.5%          | 85.0%          | 83.5%          | 82.0%          |
| - BVOD / Connected TV+   | 7.1          | 7.1          | 7.6          | 13.9           | 15.8           | 15.0         | 18.9           | 20.9           | 22.4           | 25.2           | 29.2           | 33.8           | 38.6           | 43.9           |
| • Growth                 | 5.6%         | 0.6%         | 6.1%         | 83.7%          | 13.3%          | -5.0%        | 26.2%          | 10.5%          | 6.9%           | 12.8%          | 15.9%          | 15.7%          | 14.1%          | 13.8%          |
| • Share                  | 3.6%         | 3.6%         | 3.9%         | 7.1%           | 7.6%           | 7.9%         | 8.4%           | 9.2%           | 10.5%          | 12.0%          | 13.5%          | 15.0%          | 16.5%          | 18.0%          |
| <b>Radio / Audio</b>     | <b>131.7</b> | <b>134.4</b> | <b>130.2</b> | <b>119.1</b>   | <b>114.1</b>   | <b>103.5</b> | <b>130.0</b>   | <b>147.1</b>   | <b>151.1</b>   | <b>157.0</b>   | <b>161.7</b>   | <b>166.9</b>   | <b>171.5</b>   | <b>178.3</b>   |
| • Growth                 | 2.3%         | 2.1%         | -3.2%        | -8.5%          | -4.2%          | -9.3%        | 25.5%          | 13.1%          | 2.7%           | 3.9%           | 3.0%           | 3.2%           | 2.8%           | 4.0%           |
| • Share                  | 15.1%        | 14.4%        | 13.8%        | 11.7%          | 10.7%          | 10.4%        | 11.6%          | 11.8%          | 11.8%          | 11.9%          | 11.8%          | 11.6%          | 11.5%          | 11.4%          |
| <b>Newspapers</b>        | <b>180.4</b> | <b>176.3</b> | <b>153.0</b> | <b>133.4</b>   | <b>118.4</b>   | <b>90.8</b>  | <b>101.4</b>   | <b>100.1</b>   | <b>91.5</b>    | <b>87.3</b>    | <b>87.2</b>    | <b>86.4</b>    | <b>85.2</b>    | <b>81.9</b>    |
| • Growth                 | -12.6%       | -2.3%        | -13.2%       | -12.8%         | -11.3%         | -23.3%       | 11.6%          | -1.2%          | -8.6%          | -4.6%          | -0.2%          | -0.9%          | -1.3%          | -3.9%          |
| • Share                  | 20.7%        | 18.8%        | 16.2%        | 13.1%          | 11.1%          | 9.1%         | 9.0%           | 8.0%           | 7.1%           | 6.6%           | 6.3%           | 6.0%           | 5.7%           | 5.3%           |
| <b>Magazines</b>         | <b>18.4</b>  | <b>18.4</b>  | <b>18.4</b>  | <b>17.2</b>    | <b>15.9</b>    | <b>14.1</b>  | <b>11.9</b>    | <b>11.0</b>    | <b>9.5</b>     | <b>8.5</b>     | <b>7.8</b>     | <b>7.4</b>     | <b>7.0</b>     | <b>6.6</b>     |
| • Growth                 | 1.2%         | 0.1%         | -0.4%        | -6.6%          | -7.6%          | -11.3%       | -15.1%         | -8.1%          | -13.3%         | -11.1%         | -7.4%          | -4.9%          | -6.4%          | -6.0%          |
| • Share                  | 2.1%         | 2.0%         | 1.9%         | 1.7%           | 1.5%           | 1.4%         | 1.1%           | 0.9%           | 0.7%           | 0.6%           | 0.6%           | 0.5%           | 0.5%           | 0.4%           |
| <b>Outdoor</b>           | <b>65.0</b>  | <b>67.8</b>  | <b>72.4</b>  | <b>76.5</b>    | <b>72.0</b>    | <b>40.4</b>  | <b>47.9</b>    | <b>60.2</b>    | <b>69.2</b>    | <b>74.4</b>    | <b>75.0</b>    | <b>73.6</b>    | <b>72.2</b>    | <b>71.3</b>    |
| • Growth                 | 6.0%         | 4.3%         | 6.7%         | 5.8%           | -5.8%          | -43.9%       | 18.4%          | 25.8%          | 14.9%          | 7.5%           | 0.8%           | -1.8%          | -1.9%          | -1.2%          |
| • Share                  | 7.5%         | 7.2%         | 7.7%         | 7.5%           | 6.7%           | 4.0%         | 4.3%           | 4.8%           | 5.4%           | 5.6%           | 5.5%           | 5.1%           | 4.8%           | 4.6%           |
| - Traditional Outdoor    | 61.8         | 62.1         | 63.3         | 63.0           | 56.9           | 28.3         | 28.7           | 33.7           | 34.6           | 35.7           | 34.5           | 32.4           | 30.3           | 28.5           |
| • Growth                 | 2.7%         | 0.6%         | 2.0%         | -0.5%          | -9.7%          | -50.3%       | 1.5%           | 17.4%          | 2.6%           | 3.2%           | -3.4%          | -6.0%          | -6.4%          | -6.0%          |
| • Share                  | 95.0%        | 91.6%        | 87.5%        | 82.3%          | 79.0%          | 70.0%        | 60.2%          | 56.0%          | 50.0%          | 48.0%          | 46.0%          | 44.0%          | 42.0%          | 40.0%          |
| - Digital OOH            | 3.3          | 5.7          | 9.0          | 13.5           | 15.1           | 12.1         | 19.0           | 26.5           | 34.6           | 38.7           | 40.5           | 41.2           | 41.9           | 42.8           |
| • Growth                 | 165.2%       | 74.5%        | 58.8%        | 49.7%          | 11.9%          | -19.8%       | 56.5%          | 39.6%          | 30.5%          | 11.8%          | 4.7%           | 1.9%           | 1.6%           | 2.2%           |
| • Share                  | 5.0%         | 8.4%         | 12.5%        | 17.7%          | 21.0%          | 30.0%        | 39.8%          | 44.0%          | 50.0%          | 52.0%          | 54.0%          | 56.0%          | 58.0%          | 60.0%          |
| <b>Cinema</b>            | <b>6.4</b>   | <b>7.0</b>   | <b>6.4</b>   | <b>6.3</b>     | <b>6.4</b>     | <b>1.8</b>   | <b>3.1</b>     | <b>6.7</b>     | <b>7.3</b>     | <b>7.6</b>     | <b>7.7</b>     | <b>7.9</b>     | <b>8.0</b>     | <b>8.2</b>     |
| • Growth                 | 3.2%         | 10.0%        | -8.7%        | -2.3%          | 1.4%           | -71.0%       | 69.6%          | 113.4%         | 9.7%           | 3.2%           | 1.8%           | 2.3%           | 1.9%           | 2.4%           |
| • Share                  | 0.7%         | 0.8%         | 0.7%         | 0.6%           | 0.6%           | 0.2%         | 0.3%           | 0.5%           | 0.6%           | 0.6%           | 0.6%           | 0.5%           | 0.5%           | 0.5%           |
| <b>Digital Pure-Play</b> | <b>273.3</b> | <b>332.0</b> | <b>370.9</b> | <b>468.3</b>   | <b>534.2</b>   | <b>558.4</b> | <b>601.5</b>   | <b>692.5</b>   | <b>741.4</b>   | <b>779.3</b>   | <b>819.8</b>   | <b>868.5</b>   | <b>915.8</b>   | <b>970.6</b>   |
| • Growth                 | 22.7%        | 21.5%        | 11.7%        | 26.3%          | 14.1%          | 4.5%         | 7.7%           | 15.1%          | 7.1%           | 5.1%           | 5.2%           | 5.9%           | 5.4%           | 6.0%           |
| • Share                  | 31.3%        | 35.5%        | 39.3%        | 46.0%          | 50.0%          | 55.9%        | 53.6%          | 55.7%          | 57.8%          | 58.9%          | 59.6%          | 60.5%          | 61.3%          | 62.2%          |
| - Search                 | 176.0        | 219.0        | 245.0        | 288.9          | 251.5          | 264.7        | 286.6          | 332.0          | 355.0          | 373.1          | 392.3          | 414.8          | 436.4          | 460.7          |
| • Growth                 | 28.5%        | 24.4%        | 11.9%        | 17.9%          | -13.0%         | 5.3%         | 8.3%           | 15.8%          | 6.9%           | 5.1%           | 5.1%           | 5.7%           | 5.2%           | 5.6%           |
| • Share                  | 64.4%        | 66.0%        | 66.0%        | 61.7%          | 47.1%          | 47.4%        | 47.6%          | 47.9%          | 47.9%          | 47.9%          | 47.9%          | 47.8%          | 47.6%          | 47.5%          |
| - Ex-Search              | 97.3         | 113.0        | 125.9        | 179.4          | 282.7          | 293.7        | 315.0          | 360.5          | 386.4          | 406.2          | 427.5          | 453.7          | 479.4          | 509.9          |
| • Growth                 | 13.4%        | 16.2%        | 11.4%        | 42.4%          | 57.6%          | 3.9%         | 7.3%           | 14.5%          | 7.2%           | 5.1%           | 5.3%           | 6.1%           | 5.7%           | 6.3%           |
| • Share                  | 35.6%        | 34.0%        | 34.0%        | 38.3%          | 52.9%          | 52.6%        | 52.4%          | 52.1%          | 52.1%          | 52.1%          | 52.1%          | 52.2%          | 52.4%          | 52.5%          |
| <b>Total Advertising</b> | <b>871.8</b> | <b>935.7</b> | <b>943.6</b> | <b>1,018.3</b> | <b>1,067.6</b> | <b>999.3</b> | <b>1,122.2</b> | <b>1,244.3</b> | <b>1,282.8</b> | <b>1,323.9</b> | <b>1,375.5</b> | <b>1,436.0</b> | <b>1,493.5</b> | <b>1,560.7</b> |
| • Growth                 | 4.4%         | 7.3%         | 0.9%         | 7.9%           | 4.8%           | -6.4%        | 12.3%          | 10.9%          | 3.1%           | 3.2%           | 3.9%           | 4.4%           | 4.0%           | 4.5%           |



## CONTACT

### **BILL KINLAY**

CEO  
GROUPM IRELAND

group<sup>m</sup>

### **JAMES HERIOT**

TRADING  
GROUPM IRELAND

group<sup>m</sup>

For inquiries, please write to:  
[bill.kinlay@groupm.com](mailto:bill.kinlay@groupm.com)  
[james.heriot@groupm.com](mailto:james.heriot@groupm.com)



3 World Trade Center  
175 Greenwich Street  
New York, NY 10007

## IRELAND

3 Christchurch Square  
Dublin 8  
D08 V0VE

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