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German advertising market to grow significantly in the coming year and compensate for losses in 2020

Hamburg (ots) -

JOM Group's annual growth projection sees the advertising market in Germany in 2021 growing by between 3.5% and 6.0%.

Experts from the JOM Group, an agency for hybrid marketing communication, are forecasting a distinct increase in advertising investment for 2021. The agency's annual forecast is based on two different scenarios predicting the further development of the pandemic and the economy in Germany.

Indications for the advertising market have clearly been negative for 2020. According to the JOM Group, the deterioration of the coronavirus situation in autumn has contributed to advertising budgets, which were suppressed due to the lockdown period in spring, now not being fully reinvested in the second half of the year. The market is therefore likely to end the current year with a net loss of almost 6%.

In a positive scenario for the year 2021, the experts at JOM assume that the advertising market will compensate for this deficit and possibly even slightly overcompensate. This would bring advertising investment back to over EUR23 billion in 2021.

If growth in gross domestic product and private consumption in the coming year is significantly below current forecasts from the research institutes, this will also affect the advertising market. In such a conservative scenario, JOM Group expects the German advertising market to grow by around 3.5%.

With everyday life heavily influenced by the pandemic, media types such as cinema or outdoor advertising will probably continue to experience hard times. The changes in media use during the various stages of restrictions are more likely to take the form of 'home media' such as online or classic TV.

"In recent years, digital media have consistently been among the winners in the advertising market, and they will also have net profits in 2020 and 2021. What is needed now above all is flexibility, so that bookings or motifs can be adjusted quickly. In addition, e-commerce will continue to grow significantly and more and more contracts and purchases will be made online. The short-term return on investment and the return on advertising investments are moving more into focus. It is important here to achieve the best possible balance between branding and performance components in communication," says Volker Neumann, managing director of JOM Group.

Influencer marketing, one of the digital growth areas of recent years, is likely to lose some of its momentum. According to JOM Group estimates, investments here are not enjoying double-digit growth for the first time in five years.

JOM's forecast anticipates, based on market performance data, that average media prices will increase by around 3% in the coming year. The main drivers here are print media.

About the company:

JOM combines the services of a media agency offering the highest possible long-term budget efficiency with the expertise of a digital agency specialising in performance marketing. JOM was founded by Michael Jäschke in 1997 and employs 70 people in Germany. JOM is an owner-managed, independent company focusing on Germany, Austria and Switzerland. With a billing volume amounting to approximately EUR325 million, JOM is one of Germany's top five owner-managed media agencies. The same applies for performance marketing agencies.

JOM is a member of OMG and the German Federal Association of the Digital Economy (BVDW).

Its core competencies include media consulting in all online and offline media, performance marketing, content/social media marketing, online/PR, online creation, and regional marketing with every form of strategic planning as the basis.

JOM follows the proven principle of hybrid marketing communication that was developed by the company itself, and which is only available to JOM clients. This means that the agency can put together an optimum combination of all imaginable communication channels for each individual task, integrate them into the online segment, fill them with content and therefore guarantee its clients maximum long-term budget efficiency.

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