

Ad Cake 2020: Domestic advertising market revenues dropped in 2020

Television advertising revenue decreased by 3.8% to HUF 64.05 billion in 2020, according to an analysis by the Association of Hungarian Electronic Broadcasters (MEME) and the consulting firm EY. While private sector spending fell by 5.9 percent, the public sector's share exceeded previous year's result by 11.4 percent. The economic situation caused by COVID-19 had a negative impact mostly on spot adverts (classic television commercials). Meanwhile, market demand for non-spot advertisements including product placement and sponsorship appearances continued to rise.

Based on an evaluation of data gathered from television companies and sales houses, the decline of the domestic television advertising market reached HUF 2.1 billion in 2020 without barter transactions, representing a 3.8% reduction compared to the previous year. The report published by MEME and EY for the 16th consecutive time shows that television advertising spending by the public sector grew by 11.4%, while advertising revenues from the private sector saw a 5.9% fall back.

In order to ensure transparency, MEME has decided with industry consensus that the latest survey will also take into account public social advertising (TCR) reported over the past four years. As a result, the share of the public sector in television advertising spending increased to 14%, representing HUF 9 billion, while the private sector accounted for 86% of the revenues with HUF 53.69 billion.

Classic television commercials still dominated the market, however, they generated only HUF 49.52 billion in 2020, a 5,9 % decrease compared to last year. The non-spot sector's share continued to grow, and its total revenues exceeded HUF 4.17 billion, a 4,2 % growth.

The barter transactions made in 2020 were also included in the analysis. The total amount of advertising slots offered in exchange of services or products decreased by 26 % to HUF 1.38 billion. With this item, total television advertising revenues barely exceeded HUF 64 billion, a 3,8 % drop compared to the previous year.

About television advertisement market analysis of EY and MEME

In order to determine the size of the market, the actual data was provided directly by members of the MEME, television companies or their sales houses. 79 television channels were included in the reporting. Data was collected and aggregated by EY.

About EY

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy.

EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

This news release has been issued by EYGM Limited, a member of the global EY organization that also does not provide any services to clients.