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2025 China Media Inflation Trends Report

Prepared by R3

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Report Methodology

Report Methodology



This report provides an in-depth analysis of actual media inflation trends in 2023 and 2024, as well as forecasts for 2025. The primary focus is on digital and OOH media, which collectively account for over 95% of total media investment in China.

R3's unique forecasting methodology leverages a combination of proprietary data and market insights, ensuring an objective and independent perspective.

Key data sources include:

R3 Media
Intelligence Data

Macroeconomic
indicators from government
departments

Financial reports of
listed media companies
from 2020 to 2024

Over 700 public rate cards
from more than 200 media
platforms across 2021, 2022,
2023, and 2024YTD.

Media Publishers



Display
100+



OTV
9



OTT
(Smart TV)
11



OOH
50+



TV
20+



2

Media Inflation Factors

Factors That Impact Media Inflation

R3 evaluates media inflation through the perspective of three key factors



Recent Macro Economic Indicators

- China's economy showed signs of recovery in October 2024. We believe that a full economic recovery will take time.
- We are optimistic about long-term growth acceleration, driven by the government's commitment to rejuvenate the national economy.



Trends in Ad Revenue

- Advertising revenue has continued to grow, but the growth rate has slowed compared to 2023.
- The estimated total advertising revenue for 2024 is expected to increase by **15.6%**, slightly lower than the **18.1%** increase recorded in 2023.



Digital Media Landscape

- Social media platforms have emerged as clear winners in attracting digital marketing revenue.
- Net revenue inflow has significantly increased, with figures of 27 billion in 2022, 138 billion in 2023, and an estimated 155 billion in 2024.

The Economy Has Shown Signs Of Strengthening Since The Implementation Of A Comprehensive Set Of Stimulus Measures In Late September

As of 2024:

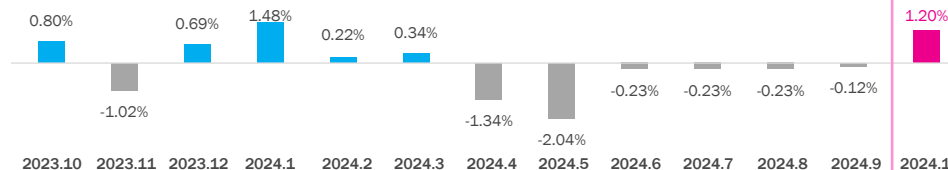
- **Consumer Confidence:** The Consumer Confidence Index rebounded by 1.20% compared to the previous month, marking the first increase after six consecutive months of decline.
- **Retail Sales:** Retail sales increased by 5.0% year-on-year, with a growth acceleration of 1.7% compared to the previous month. Strong growth was observed in categories such as cosmetics and home appliances.
- **Consumer Price Index (CPI):** The CPI increased marginally to 0.3%, driven by non-food CPI.

Outlook for 2025:

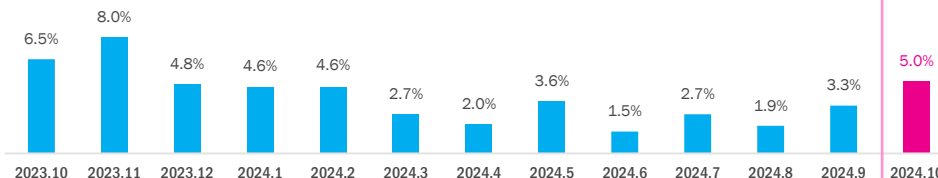
Relatively weak domestic consumption is expected, driven by the following factors:

- High youth unemployment rates
- Ongoing pressure on the real estate sector
- High debt levels of local governments
- Uncertainties surrounding potential trade restrictions

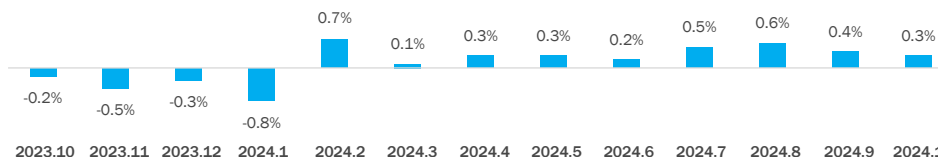
China's Consumer Confidence Index



China Total Retail Sales Of Goods



China's Consumer Price Index



Data Source: National Bureau of Statistics

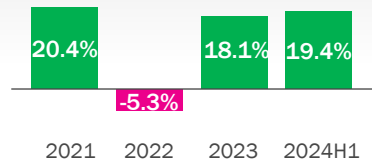
Advertising Revenue Has Continued To Grow, But The Growth Rate Is Estimate To Slow Down In 2024



Growth Rate of Total Advertising Revenue

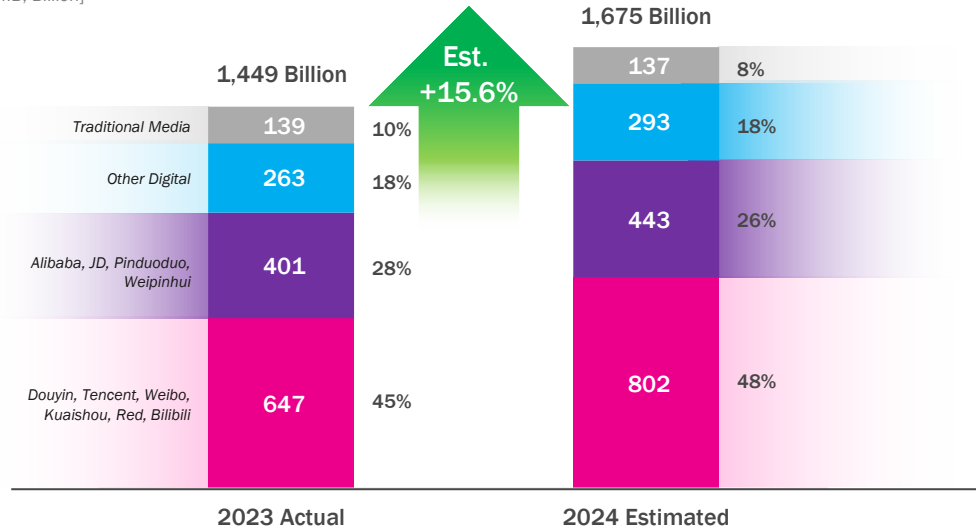
2024FY Estimated

15.6%



2024 China Advertising Revenue Forecast

[RMB, Billion]

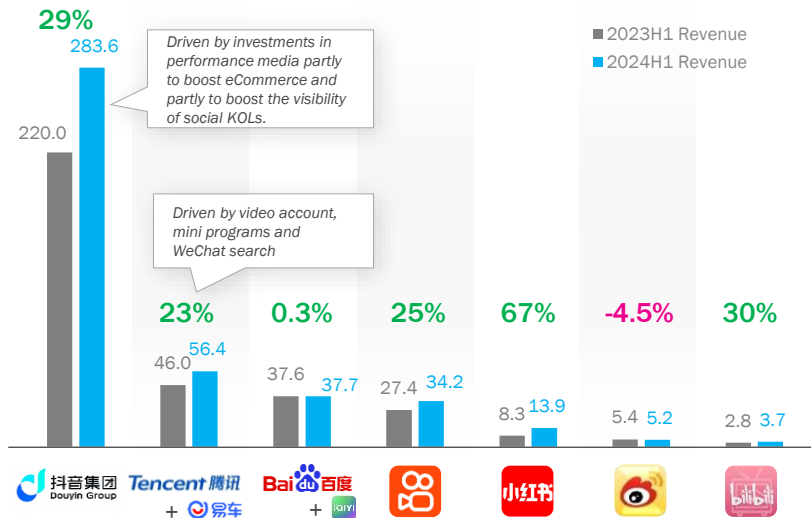


Data Source: Starting from the 2025 report, we have switched from using iResearch and CTR data to relying on financial reports from listed digital and OOH media publishers to estimate China's total advertising revenue.

In The First Half Of 2024, Social Media Platforms Experienced Significant Growth In Advertising Revenue. Conversely, Key OOH Providers Faced A Double-Digit Decline

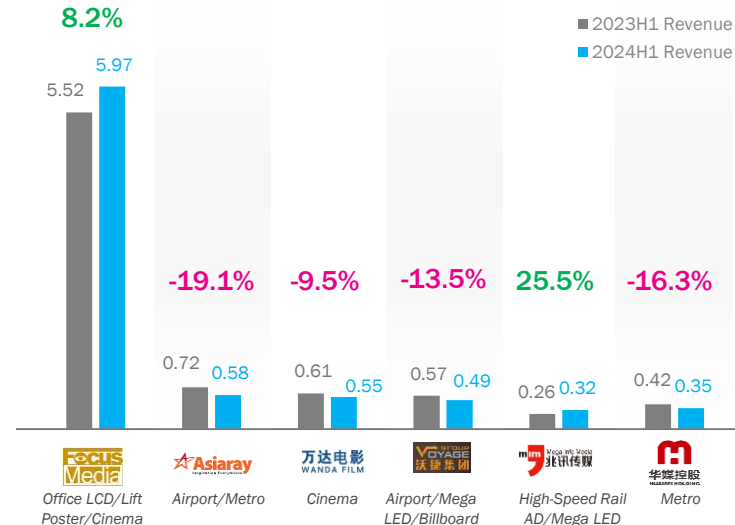
2024 1H YOY Digital Advertising Revenue Paid ad and Social

[RMB, Billion]



2024 1H YOY OOH Advertising Revenue

[RMB, Billion]



Douyin And Kuaishou:

Capitalizing on E-commerce Ad Formats to Fuel Ad Revenue Growth

(TopView=开屏+信息流)



Pricing Strategy Key Takeaway



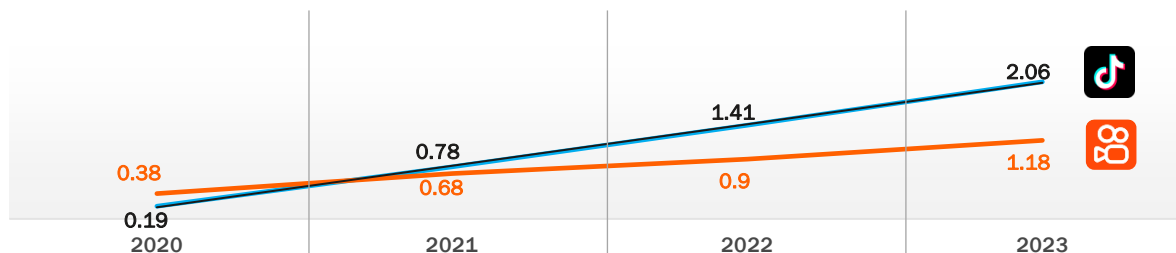
- To capitalize on its rapidly growing e-commerce business, Douyin introduced new e-commerce-related ad formats in Q2 and Q4 of 2023 and 2024, respectively.
- This strategy aimed to attract increased media budgets during major e-commerce festivals.



- Kuaishou also introduced new e-commerce-related formats and creative ad formats in Q3 and Q4 of 2023, respectively.
- In Q3 2024, Kuaishou reduced its feed ad rates by 20-30% to enhance its value proposition in the highly competitive market dominated by Douyin.

2023Q2	2023Q3	2023Q4	2024Q2	2024Q3
New Format  <ul style="list-style-type: none"> 电商开屏 电商TopView 搜索页品牌榜Tab顶部banner和Tab内Banner 		New Format <ul style="list-style-type: none"> 电商推荐信息流 <ul style="list-style-type: none"> - 位置优选 - 智能优选 - 智能优选-本地达 	New Format <ul style="list-style-type: none"> 电商直播开屏 电商直播TopView 	
	New Format  <ul style="list-style-type: none"> 信息流-大屏-图文搜索电商品牌专区 搜索超级品牌专区 搜索品牌甄选 搜索首页悬浮球 	New Format <ul style="list-style-type: none"> 轻互动飘落彩蛋开屏-CPM 悬浮信息卡开屏-CPM 破框广告-轻互动开屏-CPM 		Reduce Price <ul style="list-style-type: none"> 开屏-首刷-启动页-1.6% 开屏-首刷-启动页+信息流-20% 信息流-大屏-视频-25% 信息流-大屏-图文-30%

GMV in RMB, Trillion



Data source: Douyin: ratecard and news release; Kuaishou: ratecard and financial report

Red and Bilibili:

Increased Monthly Active User Drives New Ad Revenue



- In 2023, Red's monthly active user count reached 312 million, a 20% increase year-over-year. In the first quarter of 2024, Red increased the rate card prices for static opening ad formats by 6.1% to 10.5%.

Ad Format			2023Q4 Rate Card Rate	2024Q1 Rate Card Rate	Rate Card Inflation
常规开屏- CPT	静态 半屏	纯展示/上滑样式	2,592,000	2,750,000	6.1%
常规开屏- CPM	静态 半屏	纯展示/上滑样式	259	275	6.1%
常规开屏- CPT	静态 全屏	纯展示/上滑样式/ 原生链路样式	3,168,000	3,500,000	10.5%
常规开屏- CPM	静态 全屏	纯展示/上滑样式/ 原生链路样式	317	350	10.5%

- Red has introduced several new ad formats to support video ad materials and drive traffic to e-commerce live streams and key opinion leader (KOL) content.

2023Q3	2023Q4	2024Q1	2024Q4
小红屏-视频版 (小红屏=开屏+信息流 第二位)	EC related ad format • 品牌空间 (橱窗/直播样式)	EC related ad format • Brand Max (开屏 +直播导流) • 分时定向loading 20~30%	<ul style="list-style-type: none"> 动态(视频)全屏-3D 新品样式 有搜必映-原生笔记



- In 2023, Bilibili's monthly active user count has reached **336 million**, representing a **7%** increase compared to the previous year. It increased 25% ~ 43% ratecard rate on key banner ad.

Ad Format		2023Q4 Rate Card Rate	2024Q1 Rate Card Rate	Rate Card Inflation
OGV分区-CPT (Occupationally Generated Video)	分区焦点图第4帧图片	80,000	100,000	25.0%
	分区中插图	70,000	100,000	42.9%
PUGV分区-CPT (Professional User Generated Video)	分区焦点图图片	80,000	100,000	25.0%

- Bilibili has also introduced various combinations of its two most impactful ad formats, opening and banner ads, to drive more targeted traffic for advertisers. This strategy mirrors the approach used by Douyin's TopView and Red's Little Red Screen.

2023Q2	2023Q3	2024Q1
<ul style="list-style-type: none"> 联动霸屏 (全屏视频闪屏+ 视频首焦) 3D特效 	<ul style="list-style-type: none"> 联动霸屏 (全屏视频闪屏+ 直播首焦) Storyview (全屏视频闪屏+ 竖版视频) 联动搜索闪屏 (图片/视频) 	<ul style="list-style-type: none"> 联动霸屏 (全屏视频闪屏+ 稿件首焦) 联动搜索闪屏 (全屏图片/视 频)



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Media Inflation Forecasts

2025 Media Inflation Highlights



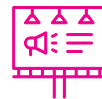
Social Media

- Social platforms like Douyin have developed robust ecosystems that strongly attract advertisers. While social media platforms largely avoided significant rate increases in 2024, we anticipate adjustments in 2025 to reflect their growing ability to engage users and drive conversions. We forecast a 4.2% increase in the rate card and a 2.7% increase in the net rate for 2025.



Vertical Media

- Vertical media publishers (e.g., baby, beauty, auto, sports) may slightly increase their rates. However, the actual impact on advertisers is expected to be minimal. We forecast less than a 1% increase in net client costs. In fact, we anticipate a potential cost deflation in the auto vertical due to the increasing shift towards social media platforms in that sector.

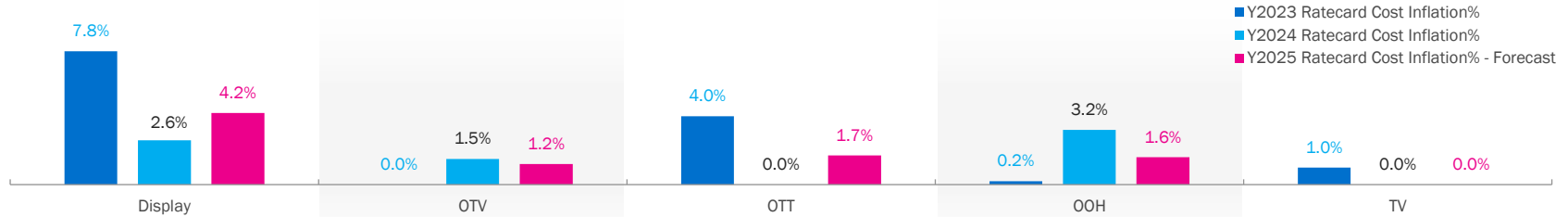


OOH Media

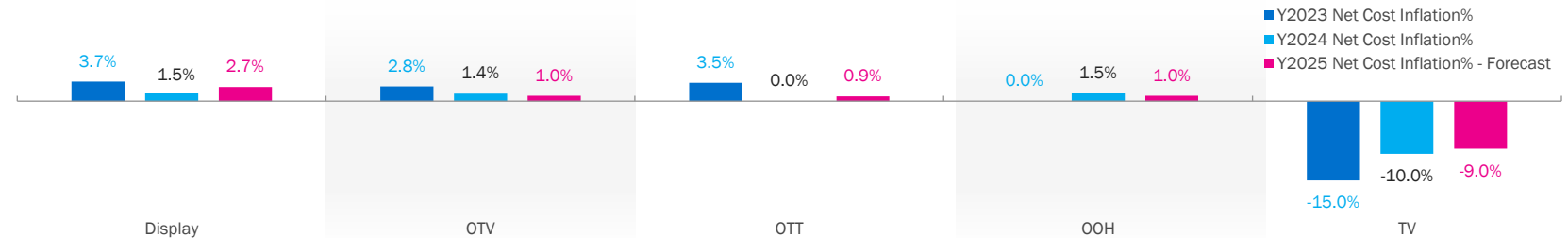
- The OOH advertising industry, primarily focused on exposure, has faced increasing pressure from the rise of digital platforms. This has led to revenue declines, as evidenced by the financial performance of four publicly traded outdoor media companies in 2024. This trend is expected to continue in 2025, with the exception of community OOH, which is demonstrating strong growth.

In 2025, media rate card prices, excluding television, are projected to see another year of modest growth, with inflation remaining subdued

Ratecard Cost Inflation



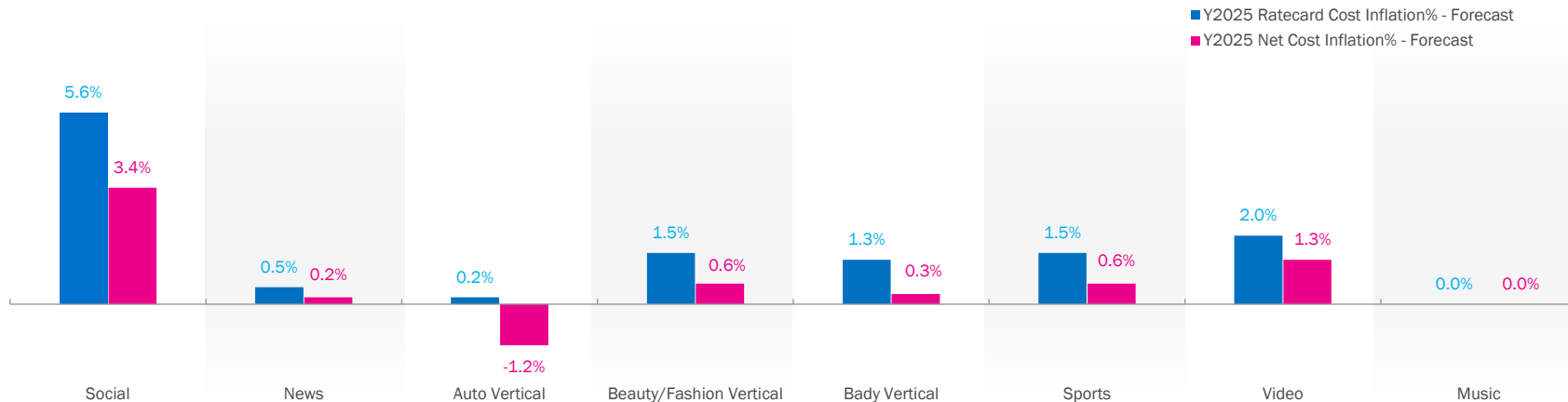
Net Cost Inflation



Remark: TV category includes CCTV, PSTV and PTV

Cost inflation will be primarily driven by social and video media platforms, while the automotive vertical is expected to experience a slight deflationary trend

Ratecard Cost & Net Cost Inflation



Social:

News:

Auto Vertical:

Douyin, Kuaishou, Bilibili, Weibo, WeChat, Red

Toutiao, Tencent News, Netease, iFeng etc.

Autohome, Bitauto, Dongchedi, Pcauto etc.

Beauty/Fashion: Meituxiuxiu, Meipai, FaceU, etc.

Baby Vertical: Babytree, Meet you, etc.

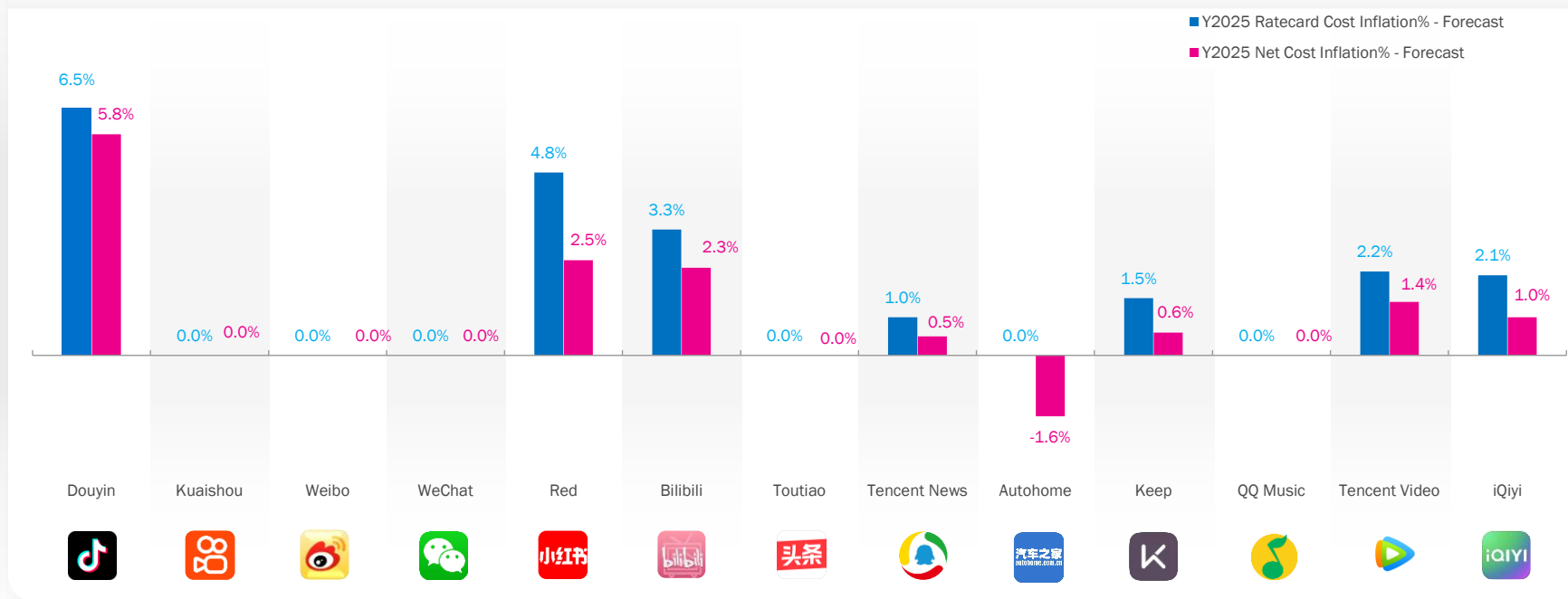
Video: Tencent Video, iQiyi, Youku, MangoTV, etc.

Sports: Keep, etc.

Remark: TV category includes CCTV, PSTV and PTV

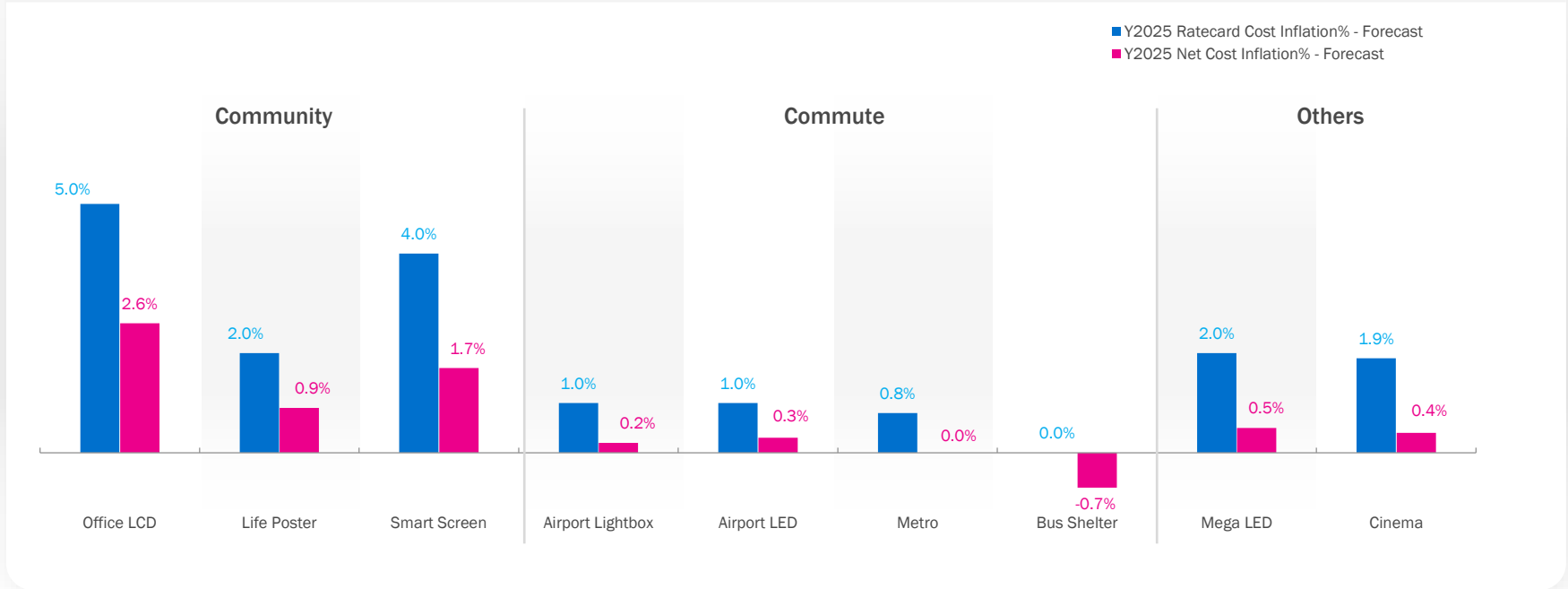
We can expect to see some minor price increases for key social media and video apps

Ratecard Cost & Net Cost Inflation



Community OOH is expected to experience higher inflation compared to other OOH formats due to its stronger coverage capabilities

Ratecard Cost & Net Cost Inflation



Work With R3 to Make Media Investment Transparent & Efficient

胜三助您厘清并优化媒介投资



Pre-Campaign

- Media Agency Partner Selection
- Cost Market Norm Set Up
- Rebate Market Norm Set Up
- Way of Working Enhancement
- 媒介代理商筛选
- 建立媒介花费规划
- 建立媒介返点规划
- 优化工作流程



During-Campaign

- On-air KPI Verification
- Under Delivery Compensation Tracking
- Correct Use of Rate Card
- 实时KPI验证
- 未达标补偿资源检测
- 广告报价正确性



Post-Campaign

- Media Cost Fulfilment
- Media KPI Fulfilment
- Media Cost & KPI Benchmark
- Media Financial Audit
- 媒体成本履行验证
- 媒介KPI履行验证
- 媒介成本和KPI基准衡量
- 媒介财务性审计

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