

# INSIGHT



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# GLOBAL OUTLOOK

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We see opportunities in the global economy for 2018. With the worlds largest companies focusing on short term results at the expense of long term growth, there is a major opportunity for start ups to gain market share and cause massive disruption and create massive value for society. The next year looks to continue the weak growth story with a major focus on cost and efficiency. As we will see interest rates rising throughout the world, it will still be at modest levels, enough to see companies borrow extensively and activist investors access to cheap capital. These activist investors are taking positions in large public companies in a bid to shake up inefficient management teams and create short term profits by cutting expenditure to the minimum. These active positions in companies do create short term value, but also has major impact on the media and marketing industry.

# MEDIA & MARKETING

# CONSOLIDATION

A major indication of the health of the marketing and media environment was advertising holding companies results. Companies like WPP and Omnicom showed decreases in revenue after previously showing record profits in previous years. Companies are spending less on advertising due to cost cutting and pressure from consulting companies. This activity leads to an overwhelming supply of marketing services and advertising inventory. A likely outcome will be major consolidation in the media and marketing space.

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