

REPORT ON THE CONTRIBUTION OF ADVERTISING TO TURKISH ECONOMY

November 2021

#AfterAds



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FOREWORD

Digital Marketing Communications Platform DPIP was established in January 2021 by the cooperation of four associations, namely Turkish Advertisers Association (RVD), Turkish Association of Advertising Agencies (RD), Interactive Advertising Bureau Turkey (IAB) and Mobile Media Research, Marketing and Advertising Association Turkey (MMA), that shape the marketing communication and advertising industry. DPIP has started to work in order to follow the rapid changes in digital marketing communication in line with the technological developments, to ensure solution-oriented collaborations for the healthy development of this area and the establishment of a secure internet environment.

The primary objectives of the platform are, to create solutions by cooperating with similar organizations abroad on brand security and prevention of fraud in advertising, to support researches to fuel the data needs of the industry, and to develop the ecosystem in a sustainable and controlled manner. Besides, the work of the Global Alliance for Responsible Media (GARM), which was established by the initiative of the World Federation of Advertisers, WFA, for the development of digital advertising, is closely followed by the Digital Marketing Communications Platform DPIP.

Studies carried out for measurement and tangible data generation for the advertising industry, which is accepted as the driving force of trade all over the world, are of great importance for the sake of the healthy development of the industry. Despite such a requirement, the absence of any added value research carried out for the "Turkish Advertising Industry with a high growth potential" -as the sector stakeholders have consistently verbalized-, is both our major shortcoming and the most obvious reason why our industry does not have an identity based on tangible data in the public eye.

This research measures the value that advertising adds to the economy, which is one of the fundamental needs of the Advertising Industry. With the economic modeling developed by **IPSOS** and with the valuable contributions of **Sabancı University Faculty Member Dr. Ezgi Akpınar Uysal** in detailed reporting, this research has concretely revealed the impact of the advertising industry on the Turkish economy. In addition, its contribution to employment, innovation, exports and trade is also stated.

Message from Ahmet Pura, Chairman of DPIP

From now on, we have tangible data and an identified industry, Turkish Advertising Industry!

Proudly introducing the Report on the Contribution of Advertising to Turkish Economy, which is a first-ever created report in our country with the contributions of the Digital Marketing Communication Platform that is established by the cooperation of four associations, I would like to underline the fact that this is a first step in our advertising history, and it is crucial that this report be sustained by the next generations who will take over after us. I hope that with these research data, our distinguished industry, which has not been included in the public literature up until today, will now attain its well-deserved place.

Message from Ayşen Akalın, Vice Chairman of DPIP

Today, digital technologies design the new economy. The digital world provides contribution to and strengthens the national income by shaping the economy with numerous opportunities in the field of creativity. The advertising industry is both a user of these opportunities and has a prominent role in promoting and communicating them. The tangible contributions and values we have demonstrated by this report are an indication that our industry would experience further growth with the support and incentives to be provided.

I hope this report will be a guide for academicians and industry professionals who would like to carry out studies in this field and to reveal the tangible contributions and the value of advertising, and take it much further.

Message from Volkan İkiler, Vice Chairman of DPIP

The advertising industry increases economic outputs with its direct and indirect effects on many industries with high added value. Considering the expanded ecosystem, its impact on employment is also observed in many cooperating sectors.

Within the scope of service exports, the contribution of the advertising industry to the economy should be analyzed within the context of the value chain of our industry, and its representation in the relevant union commissions should be ensured. In line with the objectives and the targets set in the 11th Development Plan of the Presidency of the Republic of Turkey, Presidency of Strategy and Budget, advertising industry should be included in the scope of support and incentives as well. We are more than ready to work on the preparation of strategies to reveal the potential of the Turkish advertising industry in international markets.

Executive Summary

Total advertising and media investments in our country in 2020 amounted to 17 billion 469 million TL, and **every 1 TL of advertising and media investment created value by generating a return of 19.4 TL to the national income.** While Turkey's national income is estimated to grow by an average of 3% annually (PWC, 2017), we can state that the contribution of advertising will increase gradually in a growing economy and will further fuel it.

The advertising industry is affected by

- a) the growth of the national economy,
- b) the actual size of the economy,
- c) the macroeconomic prospects.

The interaction between the advertising industry and economic growth is bidirectional: When advertising investments increase, the economy grows, and when the economy grows, advertising investments increase.

The direct and indirect contribution of total advertising and media investments to Turkey's economy (GDP) in 2020 was 6.73%. Based on 2020 GDP, the contribution of advertising and media investments corresponds to approx 340 Billion TL.

The contribution of advertising and media investments to GDP in Turkey has been 6.24% on average between the years 2012-2020. We see that the contribution of advertising and media investments has been gradually increasing over the years. However, we also observe the gradual decrease of the investment rate compared to GDP. This proves that the potential of the advertising industry, whose added value is increasing gradually, is not sufficiently utilized, and that it will yield much more effective results if it receives more investments.

Among 38 countries with annual media investments of more than USD 1 billion, Turkey is the 31st largest market in the world in terms of media investment size (USD), with a share of 0.33% in total volume. The ratio of media investments to GDP in our country is the lowest among the 38 largest markets, indicating that the ratio of media investments to GDP in our country has a growth potential of approximately 2.5 times.

Advertising contributes to GDP indirectly through macro factors such as a) Driving Innovation¹, b) Competitive Effect and c) Market Growth, directly or indirectly with employment, advertising service exports, products and services used in advertising service.

In the advertising industry, each channel has its own added value, and each positively affects economic growth.

Advertising and media investments have increased by 23.52% in recent years (2019-2020). Increase in investment budgets, especially in digital and TV, are remarkable. We see that the spendings on digital and TV media channels increased by 39% and 23.03%, respectively. In 2020, Turkey has been the country with the highest growth in **digital advertising investments** among 28 European countries, but it lags behind in the comparison of investment size in terms of GDP.

As the channels in the advertising industry, together with other players in the **marketing ecosystem** (sales, price, macro factors, competition) provide benefits to business outputs and the economy, their effects should be evaluated holistically. Measuring the effectiveness of advertising channels is important for the growth of this industry and thus for ensuring economic development.

Based on the findings of the report, **in Turkey, the tangible contribution and value of advertising and media investments to the economy is an indication that it will be much larger with the support and incentives to be provided to our industry.**

For an healthy and sustainable growth, the following are recommended:

- Inclusion of the industry in the scope of support and incentives by the governmental authorities.
- Following innovations and current technological developments that can reveal the effectiveness of advertising in industries undergoing digital transformation,
- Analysis of the value chain contribution of the advertising industry to the economy within the scope of service export and its representation in the relevant union commissions,
- Supporting all channels and holistic measurement.

¹ Research shows that innovation and advertising effect complement each other. Advertising investment increases the return on innovation and the market share of the new product. This ensures the continuity of innovations.

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INTRODUCTION

The contribution of advertisements to the economy remains hypothetical as it is often not revealed tangibly. With this research, the impacts of the advertising industry in Turkey, which fosters innovation, competition and multiple markets, and thus shapes economic growth, have been analyzed in detail. The results quantitatively prove the economic momentum advertising provides and reveal the significance of further supporting this industry. The advertising industry is a creative resource-based service and requires support and incentives to realize its potential.

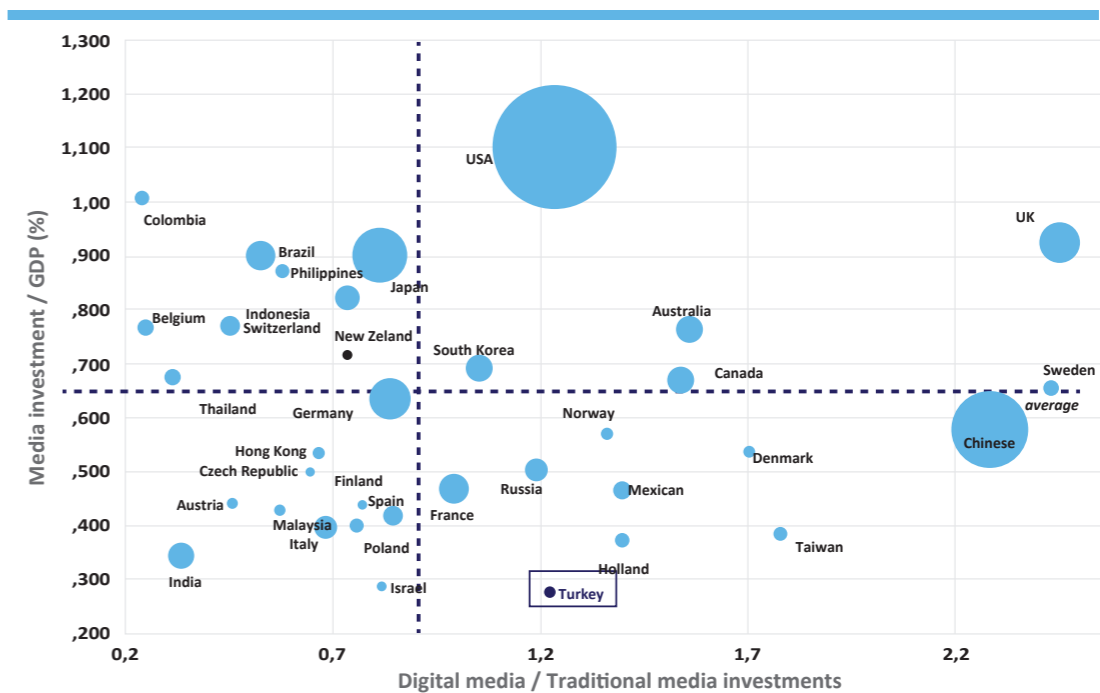
With this report, the added value created by the advertising industry, which is developing rapidly with technological innovations in Turkey, to the economy has been demonstrated with tangible data, and necessary recommendations have been provided to increase its potential and to further contribute to Turkey's economy.

THE RELATIONSHIP BETWEEN ADVERTISING INDUSTRY AND ECONOMY

The advertising industry is largely driven by a) economic growth; b) actual size of the economy; and c) macroeconomic prospects. Advertising investments demonstrate a behavior parallel to the economic growth of a country. For example, when advertising's co-movement elasticity with GDP across 37 countries of the world is examined, an average of 1.4% increase is seen in advertising expenditures compared to the Approx 1% increase in GDP (Tellis and Tellis, 2009). The relationship between advertising expenditures and economic growth has been empirically supported in many studies in the literature. Kopf, Torres and Enomoto (2011), in their comprehensive cross-country research, including Turkey, reveal that advertising expenditures and economic growth are interrelated, and that advertising expenditures offer significant explanatory power for long-term economic growth. Similarly, Kovacs (2016) set forth a positive relationship between advertising expenditures and economic growth in his study, which also included Turkey. Finally, Eremin and Nagy (2014) performed the causality test of the relationship between economic growth and advertising expenditures and found that not only economic growth affects advertising expenditures, but also advertising investments create a causality relationship towards economic growth. Studies in this context consistently prove that advertising investments are an important component of economic growth.

When the relationship between the economic development of the countries and advertising is evaluated, the importance of advertising is seen and determined regardless of their levels of development. In any case, it has been determined that the economies of the countries are directly related to the advertising investments, but the impact rate may vary on country basis (Bayazit, Zeynep & Genc, Elif (2019).

In terms of the size of global media investments[1], Turkey is listed as the 31st largest market in the world, taking 0.33% share of the total market. As the ratio of total media investment to GDP in Turkey is 0.28%, it is obvious that there is a growth potential of Approx 2.5 times, Figure 1 (Deloitte, 2020).



Source: Zenith, Advertisers Association, IMF, TUIK
Flat sizes represent media investment \$ volumes in 2020. Growth rates are calculated based on the local exchange rate.

Figure 1: Digital Media, Traditional Media Investments (Turkey Estimated Advertising Investments Report, 2020)

[1]Media investments do not include creative works, production, printing, BTL, sponsorship and advertiser service fees. Advertising investments make up 25% of total media investments.

DIRECT EFFECTS OF ADVERTISING ON ECONOMIC GROWTH

The advertising industry contributes to economic growth by providing direct employment, enabling the export of services as well as contributing to the local economy, and expanding the goods and services used by the advertising industry.

1. Employment

The advertising industry is substantial in terms of providing employment and income to the employees who primarily serve in this sector. The economic impact of advertising is not limited to companies that come to mind first (eg. creative agencies, media agencies) in the traditional advertising value chain. In this ecosystem, there are suppliers serving the advertising industry and cooperating service providers (eg. production companies that produce commercials and promotional films, companies that provide public relations services).

In Turkish National Accounts, according to the Economic Activity Classification^[1], the sector in which the advertising industry is included is reported under the title of "Professional, Scientific and Technical Activities".

According to Turkish Statistical Institute (TURKSTAT) data, the number of startups in the advertising industry has increased by 2.26% since 2014, while the total of salaries and wages recorded a compound annual growth rate of 11.57% (Table 1).

Figure 1: Turkey Employment in the Advertising Sector (2014-2019)

Professional, Scientific and Technical Activities Group 73.1 Advertising							
	2014	2015	2016	2017	2018	2019	YBBO
Number of Startups	13,422	13,811	13,972	14,239	14,696	15,007	2.26%
Number of Employees	76,030	79,140	76,493	75,250	72,798	70,839	-1.40%
Number of Paid Employees	67,004	69,864	67,174	65,865	63,085	60,906	-1.89%
Salaries and Wages (Mio TRY)	1,915	2,215	2,487	2,649	2,914	3,310	11.57%

2. Export of Advertising Services

While contributing to the economy, advertising industry does not only support the local market but the exports as well. The fact that the export value of advertising services is higher than that of insurance or construction services, and even almost twice that of the finance and audit sectors in countries such as the UK, where the earnings in the advertising industry are high, draws attention to the income potential in this area (Advertising Association UK and Credos, 2020).

The advertising industry plays a critical role in the development and export of the visual services industry. For example, TV series with high ratings are produced every year in Turkey and these series are exported to more than 140 countries. Turkish TV series exports took the 2nd place in the world with a volume of USD 350 million. The importance of advertising, promotion and marketing activities in supporting the potential in the visual services industry is increasing (11th Development Plan Working Report, 2018).

The outstanding achievements of the creative works of the Turkish advertising industry in international competitions and the awards received (eg. Effie Awards, IAB Europe MIXX Awards, Cannes Lions, SMARTIES Awards) bring along prestige to our country and support our country's brand image.

3. Products and Services Used by the Advertising Industry

The impact of advertising on the economy is not limited to companies directly involved in the advertising value chain. Because there are suppliers and their suppliers that serve these companies as well. The chain goes on like this and this is defined as the indirect (broad) effect. For instance, an advertising agency might hire a production company to shoot a TV commercial, and the production company might in turn hire filming equipment from a specialist supplier. The aggregate of these activities ensures that those working in the extended ecosystem can find jobs and in turn spend money as consumers -thereby triggering further economic activity. All of these activities are supported by advertising and contribute to the economy.

4. Activities of Industries Supported by Advertising

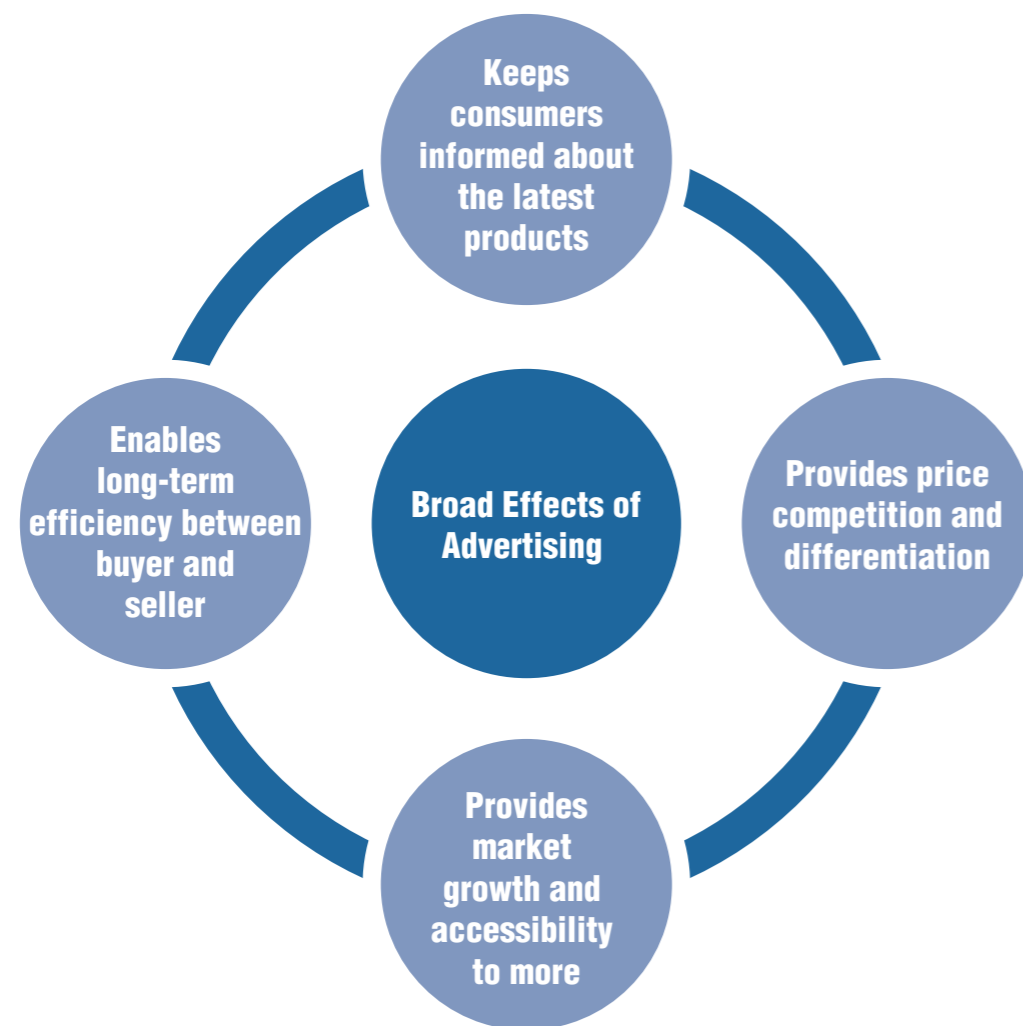
The advertising industry does not only support the products and services it uses, but also the activities of industries supported by advertising. For example, an advertising agency may work with a technology company for the processing and storage of advertising data, and with a market research company for the analysis of its data, in order to measure the effectiveness of social media content of a fast moving consumer brand it serves. In the extended ecosystem, service purchases with advertising industry collaboration provide employment in the technology company and market research firm and contribute to the economic cycle.

^[1] Eurostat NACE Rev.2: (Statistical classification of economic activities in the European Community)

INDIRECT (BROAD) EFFECTS OF ADVERTISING ON ECONOMIC GROWTH

The advertising industry not only contributes to economic growth, but also accelerates innovation, competitiveness and market growth, creating a cycle that constantly feeds each other (Figure 2).

Figure 2: Indirect (Broad) Effects of Advertising to Economic Growth



1. Driving Innovation

The economic literature has extensively emphasized the role of innovation in economic growth (Acemoğlu et al. 2018). Innovation, in other words research and development (R&D), better meets the needs of consumers, offers higher quality products and advanced production technologies. Research shows that the effects of advertising and innovation investments are complementary. Advertising investment raises the return to innovation, i.e. increases the market share of a new product, enabling it to generate more profit. This makes the continuity of innovation sustainable.

Taken holistically, investment in advertising and innovation makes complementary features more evident. For example, over the 1980-2013 period in the U.S., whereas the share of R&D expenditures over GDP fluctuated between 2.27% and 2.82%, the share of companies' advertising investments to GDP was around 2.2% in the same period. Considering the budget ratios allocated to these two areas, it is important to highlight the interaction between advertising and innovation and their contribution to firm dynamics, long-term sales, and most importantly, economic growth (Cavenaile and Roldan, 2019).

2. Competitive Effect

Whereas advertising provides the opportunity to highlight price promotions to new players trying to enter the market, it also provides the opportunity to compete in the markets by promoting product differentiation and innovations. For example, advertising leads to higher demand even for staple products, and therefore consumers have more competitive expectations, especially in terms of price (Erdem, 2008).

On the other hand, in situations where price-based competition is not very intense (non-price), brand-focused advertisements strengthen brand image, increase awareness, differentiate and create brand equity. Advertising increases brand value by drawing attention to product quality. Brand-oriented advertising can make price elasticities more positive as it provides product differentiation. For example, studies dealing with "supermarket wars over price" show that advertising helps reduce price elasticity for companies that do not engage in price competition in advertising. In other words, advertising enables brands to differentiate from their competitors with factors other than price (Sotgiu & Gielens, 2015).

3. Market Growth

Advertising increases efficiency and reduces costs by providing information flow about the quality, price and availability of products or services between buyers and sellers. Therefore, advertising does not only provide growth to the existing markets, but also helps create new markets.

Advertising endeavors to differentiate the products of a company from its competitors, thereby creating brand equity for its products (Aaker 1991).

Advertising investments should be assessed not only in terms of their contribution to the sale of the advertised product or service, but also in regards to the long-term market value it provides to the brand. Research shows that advertising has a direct effect on appraisal (an effect beyond indirect effects on sales revenue and profitability).

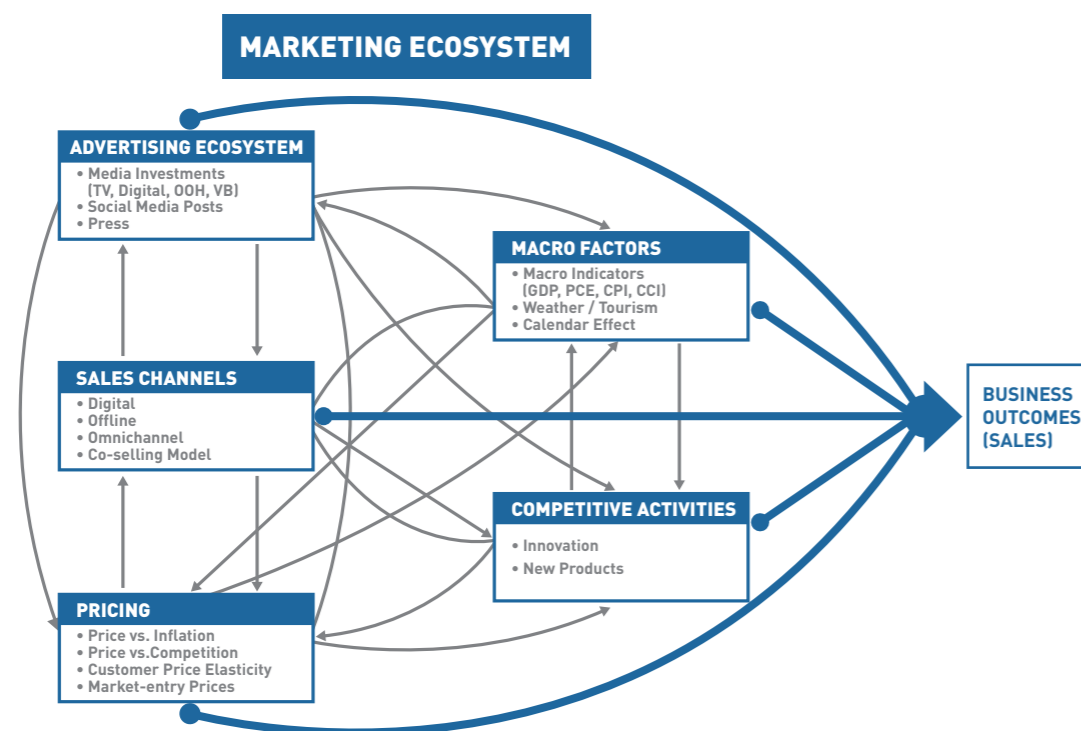
We can say that this equity, which is created through marketing activity and is ostensibly only for customers and potential customers, would also affect investment behavior.

THE ROLE OF ADVERTISING IN THE MARKETING ECOSYSTEM

Advertising has a major role in the marketing ecosystem and should be assessed together with other players. Most research on interactions between brands and consumers often considers one or several pieces of the marketing puzzle. For example, TV advertisement, search engine spendings, social media posts, news coverage, consumer brand perception and conversion all these to sales.

Hewett, Rand, Rust, and van Heerde (2016) demonstrated that in the corporate marketing “universe”, all marketing communication components and advertising channels create a complex feedback loop (echo) among themselves (Figure 3).

Figure 3: The Role of Advertising in the Marketing Ecosystem



In an advertising ecosystem where the channels affect each other, it is critical to holistically measure the extent to which the advertising investments of the companies provide added value to the brands. Recent research has shown that nearly half of marketers still cannot quantify their marketing ROI (CMO Survey, 2021). Measuring the effectiveness of advertising channels is essential for the growth of this industry in the coming years and thus for economic growth.

SIZE AND MAP OF THE TURKISH ADVERTISING INDUSTRY

According to the Economic Activity Classification in Turkish National Accounts, the sector including advertising is listed under the title “Professional, Scientific and Technical Activities”, and the direct contribution of the advertising industry to the Turkish economy in the last 6 years, based on the purchase of total goods and services (according to the same source used in employment), is shown in Table 2.

Accordingly, as of 2019, the purchase value of the total goods and services in the advertising industry constitutes 0.65% of Turkey’s total GDP, which corresponds to 28 Billion 137 Million TL.

Table 2: Employment in the Turkish Advertising Industry (2014-2019)

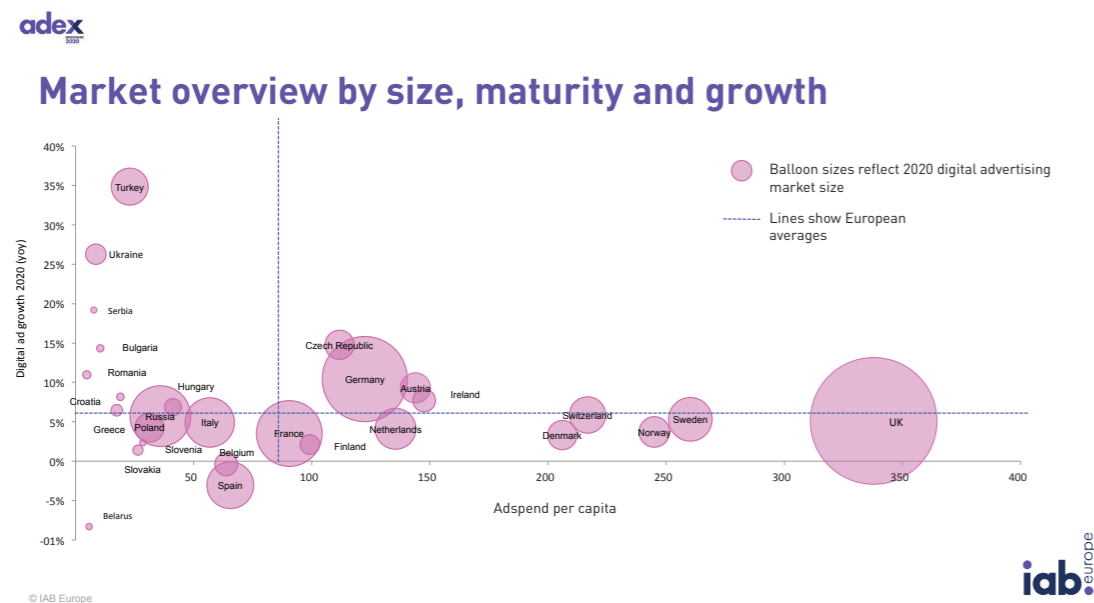
Professional, Scientific and Technical Activities Group 73.1 Advertising							
	2014	2015	2016	2017	2018	2019	CAGR
Purchase of total goods and services (Mio TRY)	15,512	17,633	19,471	22,366	23,960	28,137	12.65%
Share in GDP	0.75	0.75	0.74	0.71	0.64	0.65	-2.82%

ADVERTISING AND MEDIA INVESTMENTS IN TURKEY

In 2020, the share of total advertising and media investments (17 Billion 469 Million TL2) in GDP is 0.35%. This figure, as mentioned before, is in a range that is open to further improvement when compared to other countries in the world.

In parallel to the increasing advertising investments in Turkey, there has also been an increase in digital advertising investments. Considering the growth rate of digital advertising investments in Europe compared to previous years, it is seen that Turkey is the country with the highest growth in digital advertising investments in 2020 (IAB Europe 2020, Adex Benchmark). On the other hand, Turkey lags behind the same countries in advertising expenditures per capita.

Figure 4: Growth Rate and Size of European Digital Media Investments by GDP



² Turkey Estimated Advertising and Media Investments Report 2020 was prepared in line with the figures in Economic Activity Classification in the Turkish National Accounts of the Advertising Industry mentioned in Deloitte Table 2, under the title of "Professional, Scientific and Technical Activities" (same source used in employment), the sector in which advertising is included, and based on the purchases of total goods and services. 2020 Turkey Estimated Advertising and Media Investments has been prepared by independent coordinator Deloitte, using RVD, RD, IAB, MMA, ARVAK and URYAD data, Kantar Media and RTÜK data. Therefore, the two scopes differ from each other.

CONTRIBUTION OF TURKISH ADVERTISING AND MEDIA INVESTMENTS TO ECONOMY

Modeling Framework for The Contribution of Advertising and Media Investments to the Economy

One of the main objectives of this study is to quantitatively demonstrate the contribution of the advertising industry to GDP by revealing the relationship between advertising and economy within the frame of a mathematical model. In order to measure such a relationship accurately, it is necessary to remove the effects of other variables affecting economic growth and to study the relationship with advertising then. In this context, an ideal theoretical model structure was created by using the variables used in economic growth models in the literature (Altıntaş, Ayla and Karış, 2018; Cavenaile and Roldan, 2019).

The data set was created by compiling Turkey Estimated Advertising and Media Investments data, IAB Adex Benchmark Report and TURKSTAT data. Advertising investment figures used in the dataset (2011-2020) were reported twice a year in the traditional reporting scheme.

While calculating the contribution of the Advertising Industry to GDP; GDP was used as the seasonal and calendar adjusted chain linked volume index used by TURKSTAT. Since the effects caused by the season and calendar are temporary in nature, they may prevent the observation of the general trend of the data. It is very difficult to understand whether the actual increase or decrease in the data is due to seasonal effects. It has been stated that it would be more significant to use seasonal and calendar adjusted indicators in order to interpret the seasonal and annual changes accurately (TURKSTAT, 2020).

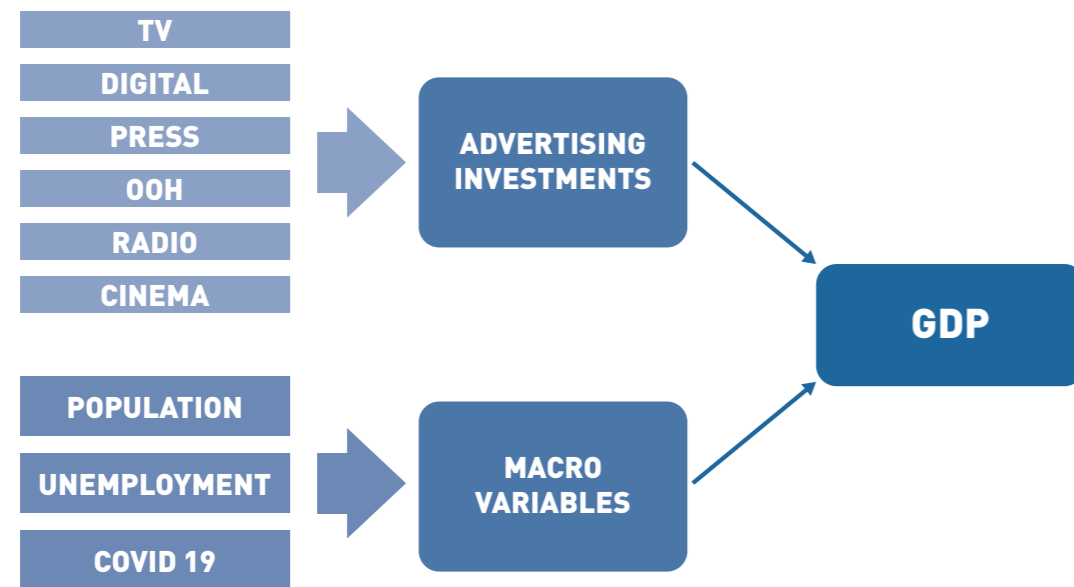
In this research, as can be seen in Figure 5, the role of the advertising industry in the economy is defined by separating the ad spendings in different media channels and the macro factors (Unemployment, Population) and Covid-19 effects that directly affect the GDP. (Figure 5).

By dealing with the coded version of the parameter set, using random transition rules instead of deterministic transition rules, and thus not limited to hypotheses within the scope of the research, and carried out through a modeling called "genetic algorithm", more than one hundred thousand models were studied and results optimizing the solution were obtained.

CONTRIBUTION OF TURKISH ADVERTISING AND MEDIA INVESTMENTS TO ECONOMY

In this model, the total contribution of advertising investments to GDP was calculated by simultaneously examining the effects of 2011-2020 GDP data, advertising and media investments on the basis of media, population, unemployment and inflation data. Finding the coefficient of determination as $R^2 = 93$ in the GDP model indicates that there is a linear relationship and this relationship is statistically significant.

Figure 5: Factors Affecting GDP



The model results revealed the total contribution rate of advertising and media investments to GDP as 6.73% for 2020, when the effects of other variables are controlled. Based on 2020 GDP, the contribution of advertising and media investments corresponds to Approx 340 billion TL.

The contribution of advertising and media investments to GDP is 6.24% between 2011 and 2020. When we review it over the years, we see that the contribution of advertising and media investments has increased gradually (Table 3). However, although we observe that the contribution rates of advertising and media investments increased between 2011 and 2020, we see that the ratio of advertising and media investments to GDP gradually decreased until 2020 (Table 3).

Table 3: Contribution Rates of Advertising Investments to GDP in Turkey (2012-2020)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 2022
Contribution Rate (Total)	6.13%	6.14%	6.18%	6.17%	6.32%	6.11%	6.07%	6.28%	6.73%	6.24%

As a result, the contribution of a total of 17.5 billion TL advertising and media investment to GDP in 2020 in our country was 6.73%.

In other words, every 1 TL of advertising and media investment in our country in 2020 created a value of 19.4 TL in National Income.

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ADVERTISING AND
MEDIA INVESTMENTS CONTRIBUTED

6.73% to

**National
Income**

(Approx. 340 billion TL)



#AfterAds

EVERY 1 TL OF ADVERTISING AND
MEDIA INVESTMENT CREATED

19.4 TL

VALUE IN

**National
Income**



CONTRIBUTION OF TURKISH ADVERTISING AND MEDIA INVESTMENTS TO EMPLOYMENT

Modeling Framework for The Contribution of Advertising and Media Investments to the Employment

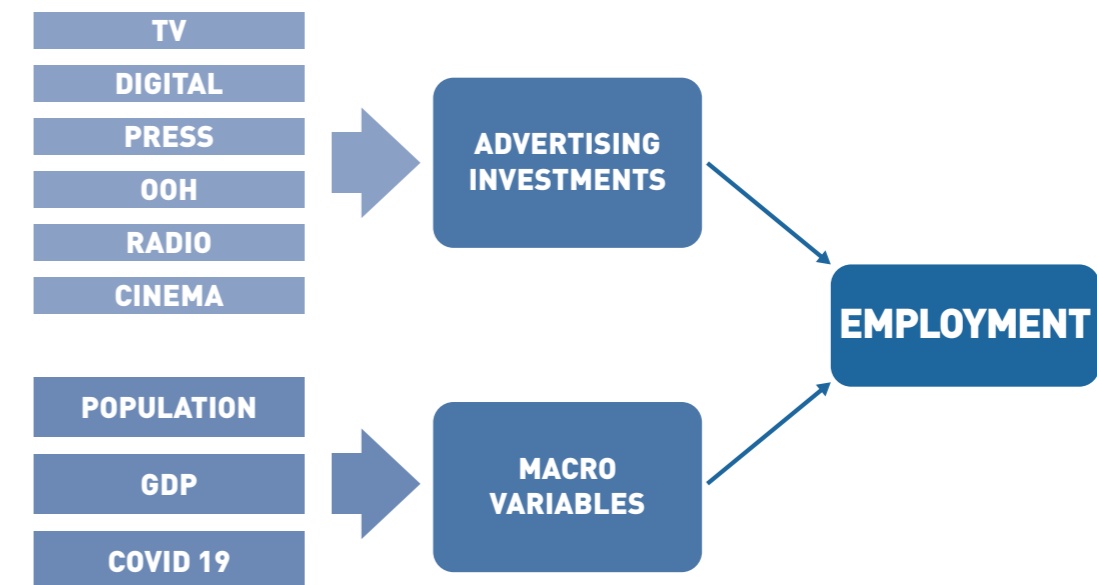
In this study, another econometric model has been established to reveal the indirect effect of advertising and media investments on the employment rate. The statistical explanatory rate of the employment model was calculated as 94% R2 (Table 4). All advertising and media investments contribute to 2.25% of the development in employment.

Table 4: Contribution of Advertising Investments to Employment in Turkey over the Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Contribution of Advertising Investments to Employment (%)	1.6%	1.7%	1.8%	1.9%	1.9%	2.0%	1.9%	1.9%	2.0%	2.2%
Total Contribution of Advertising Investments to Employment (Number of Persons)	383,884	430,726	453,028	475,512	502,929	526,409	549,124	539,359	559,820	602,704

December 2020 TURKSTAT employment data shows that 602 thousand 704 people out of a total of 26.8 million employed people are supported by the growth in advertising and media investments. It is observed that the contribution to employment continued to increase from 2011 to 2020.

Figure 6: The data set was created by compiling Turkey Estimated Media and Advertising Investments data, IAB Europe Adex Benchmark Advertising Investment Report and TURKSTAT data.



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ADVERTISING AND
MEDIA INVESTMENTS CONTRIBUTED

2.25% to
Employment

(602,704 people)



RECOMMENDATIONS

Advertising expenditures and economic growth are interrelated. As seen in this report, it has been demonstrated that advertising investments are the strong predictor of economic growth in the long term. Considering the ratio of advertising and media investments to GDP in Turkey and the level of this ratio in the world market, it is obvious that the advertising industry has a high growth potential.

This report has shown that **every 1 TL of advertising and media investment made in our country in 2020 adds value by returning 19.4 TL to the national income.** Added value is one of the most critical parameters in the growth decisions of the industries. We believe in the fact that advertising investments will continue to increase in the coming years and will provide further added value to the economy.

In this report, recommendations are provided to support the healthy and sustainable growth of the advertising industry and its contribution to the economy. Advertising industry and industry stakeholders should work collaboratively with government, civil society stakeholders, academia, the scientific community, and technology industry stakeholders to achieve the proposed goals.

A. When the development plans of Turkey and the countries around the world are reviewed, the significance of determining and supporting the targets for the growth of the advertising industry has emerged.

The industry should be included in the scope of support and incentives by determining the value chain of the advertising industry in line with the objectives and targets determined in the following areas covered in the 11th Development Plan of the Presidency of the Republic of Turkey Strategy and Budget.

- a) Digital Transformation
- b) Entrepreneurship and SMEs
- c) Information and Communication Technologies
- d) Education
- e) Employment and Business Life

B. The change and transformation brought about by technology and innovation are primarily seen in the creative industries. The advertising industry has also been transformed by digital technology, and it continues to transform and be the driving force of the economy.

Today, digital technologies designate the new economy. The digital world provides contribution to and fuels the national income by designating the economy with numerous opportunities in the field of creativity.

The advertising industry is both a user of these opportunities and has a prominent role in promoting and communicating them.

It is critical to bolster the return of the advertising industry in the economic growth of Turkey by tangible data, for determining the incentive to be received by the advertising industry.

Innovations that can reveal the effectiveness of advertising in industries undergoing digital transformation, and current technological developments adopted in international platforms should be followed and adapted.

C. Considering the channel shares of media and advertising investments in Turkey in 2020, it is essential to take measures for the healthy growth of Outdoor, Press, Radio and Cinema channels, which could merely get 10% share from the total investment, as 90% of the investments are made in TV and digital channels.

Undoubtedly, the actual growth potential of the Turkish Advertising Industry shall be revealed only by attaining transparent industry conditions where all channels and the return on investments can be measured.

The effects of the channels in the advertising industry should be evaluated holistically, as they provide benefits to business outputs and the economy together with other players in the marketing ecosystem (sales, price, macro factors, competition). Measuring the effectiveness of advertising channels is crucial for the growth of this industry and thus for economic development.

D. Strategies should be developed in order to reveal the potential of the Turkish advertising industry in international markets, and export structuring should be worked on. The advertising industry boosts economic output with its direct effect on many industries with high added value. Within the scope of service exports (visuals etc.), which is one of them, the value chain contribution of the advertising industry to the economy should be evaluated, and the representation in the relevant union commissions should be ensured.

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