

# Tech Advertising Remains Insulated from Economic Downturn

**ARTICLE | SEPTEMBER 21, 2020**

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**T**he US computing products and consumer electronics industry will be the fastest-growing digital ad spender in 2020, increasing its spend by 18.0% in a year when the total US digital ad market will only grow by 1.7%.

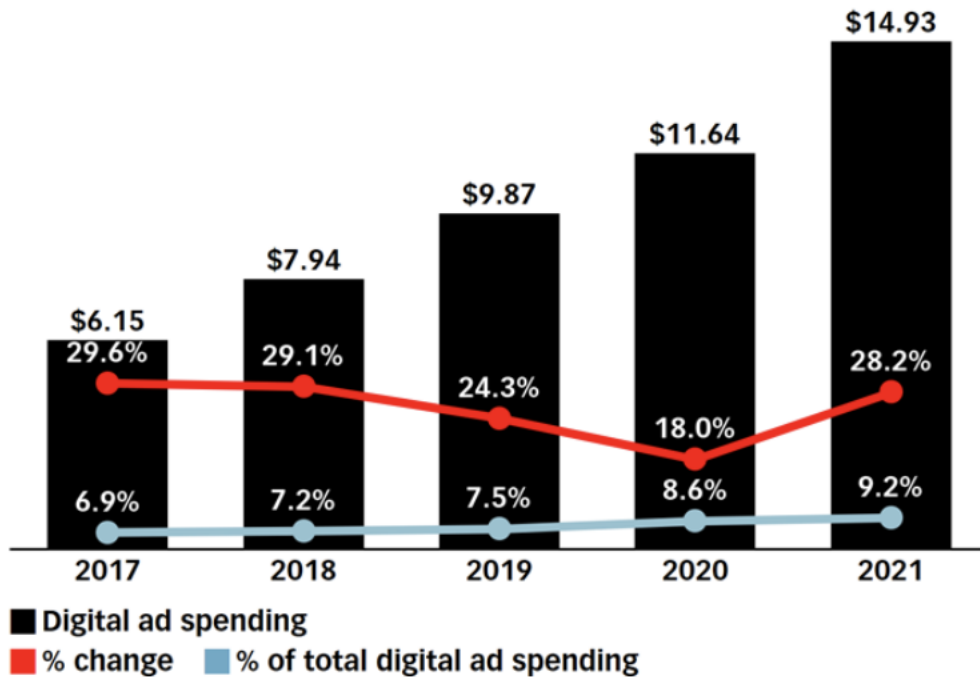
Business-to-consumer (B2C) companies like Apple, Dell, Samsung, and Sony fall into this category, as do B2B service providers like Adobe, Cisco, IBM, Microsoft, Oracle, and other IT infrastructure firms. We also include internet, cloud, and software solutions providers like Intuit, Salesforce, Shopify, and Zoom, as well as game console makers, shared economy apps, and mobile payment platforms.

The pandemic has, for the most part, increased demand for these firms' products and services. Unlike the travel, auto, entertainment, and, to a lesser extent, retail industries—which have all suffered steep downturns—many companies in this category have found themselves in the awkward position of booming while the rest of society struggles mightily.

This boom is good news for digital publishers, at least. We forecast computing products and consumer electronics companies will spend \$11.64 billion on digital ads in 2020, up from \$9.87 billion last year.

## Computing Products & Consumer Electronics Industry Digital Ad Spending in the US, 2017-2021

billions, % change and % of total digital ad spending



*Note: includes hardware (computers, computer storage devices and computer peripheral equipment), consumer electronics, prepackaged software (operating, utility and applications programs), local area network systems and network systems integration, computer processing, and data preparation and data processing services; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms*

Source: eMarketer, August 2020

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Our previous forecast called for digital ad spending in the industry to grow by 18.4% in 2020. That means the coronavirus has reduced our estimate by only 0.4 percentage points. No other vertical we track will be so unaffected by the pandemic in 2020. These tech firms will account for 8.6% of total digital ad spending this year, and we estimate that in 2021 the industry will up its budget to nearly \$15 billion, representing 9.2% of the market.

## Right Place, Right Time

The lockdown measures that led to severe unemployment, and a recession, produced an almost unprecedented, explosive demand for technology products and services that facilitate productivity and entertainment for people stuck at home. Predictably, the firms that can satisfy this demand have stepped up their advertising game.

Demand for technology products should remain elevated through the end of this year. Sony and Microsoft will both release a new version of their popular game consoles for the holiday season. Major companies are pushing back their return-to-work dates, back-to-(remote)-school technology is in high demand, and 5G-connected iPhones and internet of things (IoT) devices are on the way. All of this points to sustained high digital ad outlays.

For more about the pandemic's impact on the computing products and consumer electronics industry, eMarketer PRO subscribers can read our recent report:

**Report** by Ethan Cramer-Flood Sep 02, 2020

## US Telecom, Computing Products and Consumer Electronics Digital Ad Spending 2020

US TELECOM,  
COMPUTING PRODUCTS  
AND CONSUMER  
ELECTRONICS DIGITAL  
AD SPENDING 2020

Amid the Pandemic,  
Tech Industry Ad Spending  
Is Undaunted

SEPTEMBER 2, 2020  
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