

US Mobile Ad Spending Will Manage to Grow in 2020

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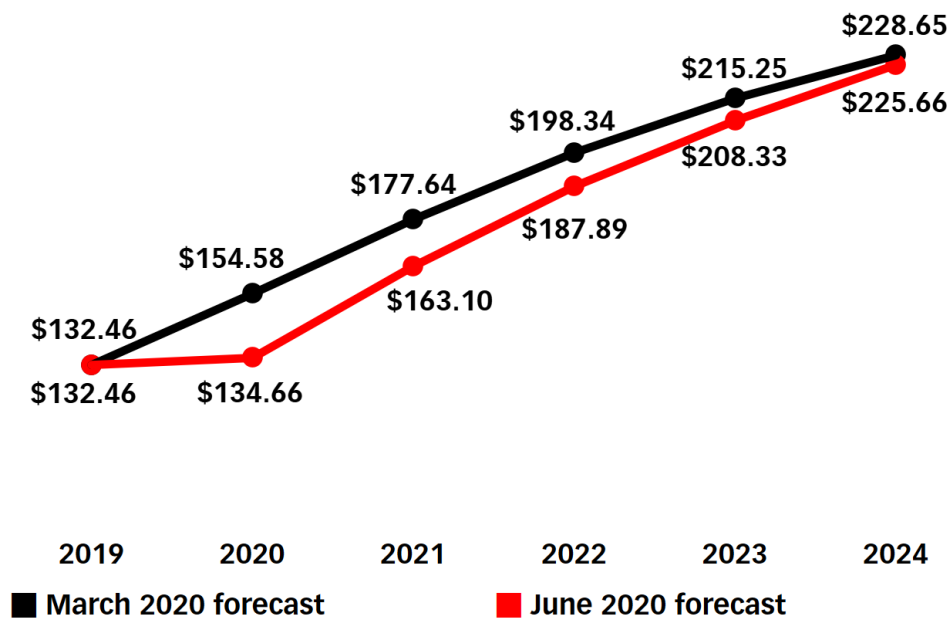
Yoram Wurmser

With mobile accounting for more than two-thirds of US digital ad spending, the pandemic's economic effects didn't spare mobile ad spend. Still, the format is faring slightly better than most other media and will eke out growth in 2020.

That is saying a lot since we now expect overall US ad spending to drop \$16.40 billion in 2020 to \$225.79 billion rather than gain approximately \$20 billion as we expected pre-pandemic. Digital alone will grow just \$2.20 billion to \$134.66 billion this year—and would actually shrink without mobile's projected growth.

How Has the Forecast for Digital Ad Spending in the US Changed? 2019-2024

billions, March 2020 vs. June 2020



Note: 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; includes ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets
Source: eMarketer, June 2020

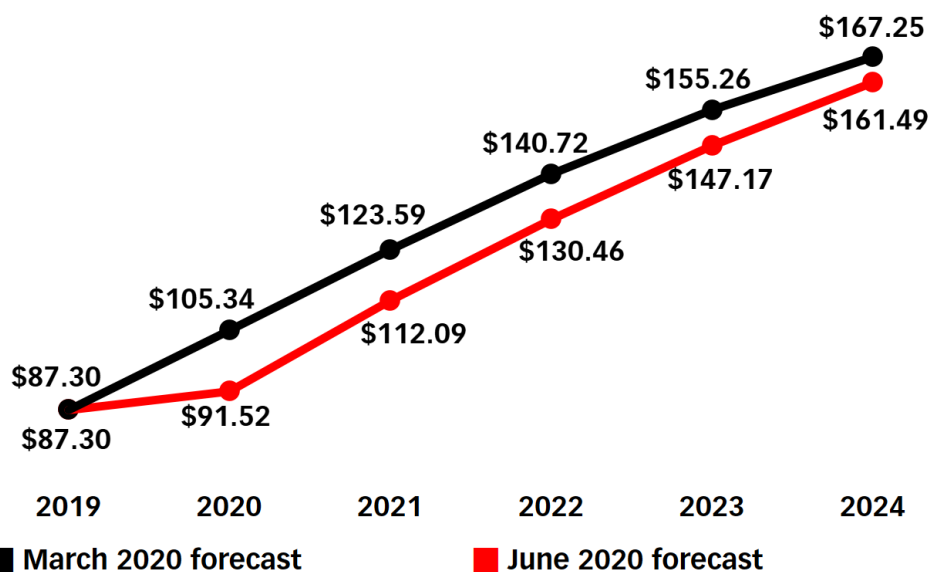
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In our revised forecast, mobile ad spending will increase 4.8%, or \$4.22 billion, this year to \$91.52 billion. This is a far cry from the \$105.34 billion we had previously expected.

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Source: eMarketer, June 2020

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Barring additional waves of the coronavirus, mobile ad spending should return to a pre-pandemic trajectory next year, reaching \$112.09 billion. Despite the strong growth, the figures will remain far below pre-pandemic expectations. Our March forecast anticipated mobile ad spending hitting \$123.59 billion in 2021 and increasing to \$167.25 billion in 2024. In our new forecast, mobile ad spending will regain some ground each year but still fall short in 2024 at \$161.49 billion.

Even so, mobile continues to increase its share of digital ad spending, reaching 68.0% in 2020, up from 65.9% in 2019. This share is slightly below our pre-pandemic forecast of 68.3% due to the relatively rapid growth of connected TV (CTV) viewership and advertising.

“There’s a lot more scale on CTV than before,” said Karim Rayes, chief product officer at video advertising platform Tremor Video. “So, budgets have been able to shift there.”

March and April were brutal months for most advertisers and publishers, but CPMs and spending bottomed out in April, according to advertisers and agencies we interviewed. Some dollars began to return in May as advertisers started to grasp the opportunities better, but the rebound was minor for most platforms. Most publishers were still assessing their ad strategies with an eye to returning more forcefully in June and Q3.

“May's purpose was around refining the scenario and contingency planning while looking toward June and July as solid recovery months,” said Albert Thompson, managing director of digital at agency Walton Isaacson.

To learn more about how the coronavirus has changed our US mobile ad spending forecast, eMarketer PRO subscribers can read our recent report:

Report by Yoram Wurmser Jul 16, 2020

US Mobile Ad Spending Update Q3 2020

**US MOBILE
AD SPENDING
UPDATE
Q3 2020**

Slow Rebound Begins as
Uncertainties Remain

July 2020
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