

# How the pandemic changed worldwide ad spending

## Article



Although 2020 was ad spending's most disappointing year on record worldwide, it could have been worse. In fact, the final figures outperformed dire mid-pandemic projections:

- Before the pandemic, we had forecast worldwide ad spending to grow by 7.0% year over year in 2020. In the depths of the crisis, we recalculated that figure to -4.5%. By the end of the year, worldwide ad spending had contracted by just 1.2%.

- Due to 2020's abnormal dip, we forecast that **total media ad spending** will boom in 2021, as increasingly stable socioeconomic conditions lead to a catch-up growth rate of 15.0%. For **digital ad spending**, this figure will reach 20.4%.

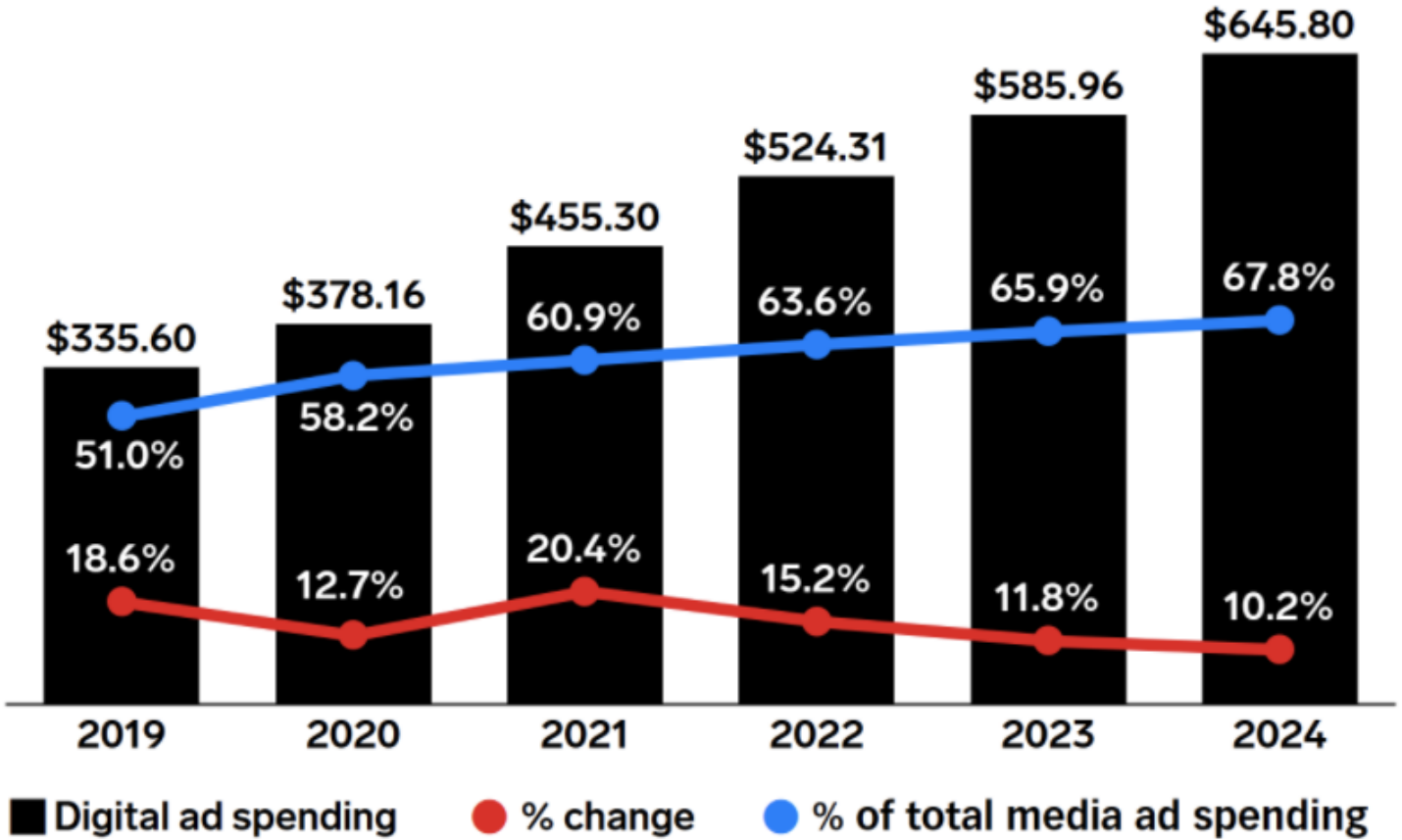
### Digital ad spending carried the day, while traditional stumbled

Not surprisingly, traditional ad spending bore the brunt of the pandemic last year. Advertising dollars flowing to TV, radio, out-of-home (OOH), newspapers, and other print publishers contracted by 15.7% worldwide in 2020. Pre-pandemic, we had forecast a far more moderate 0.2% decline for traditional ad spending, which tracked with the medium's persistent, slow decline.

For digital, the story was the opposite. Worldwide digital ad spending nearly matched our pre-pandemic forecast for 2020, despite historic economic disruptions. In February 2020, we forecast 13.6% growth for digital ad spending worldwide. The final figure was a very close 12.7%.

# Digital Ad Spending Worldwide, 2019-2024

billions, % change, and % of total media ad spending



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; excludes SMS, MMS, and P2P messaging-based advertising

Source: eMarketer, March 2021

T11411

eMarketer | [InsiderIntelligence.com](https://www.insiderintelligence.com)

The surprising resilience of digital advertising in 2020 does not mean that the industry was unaffected by the pandemic. In fact, the contours of the digital ad space shifted dramatically throughout the year. But the push and pull of various spending reductions, surges, and redirections netted out to a total very close to what it would have been with no virus.

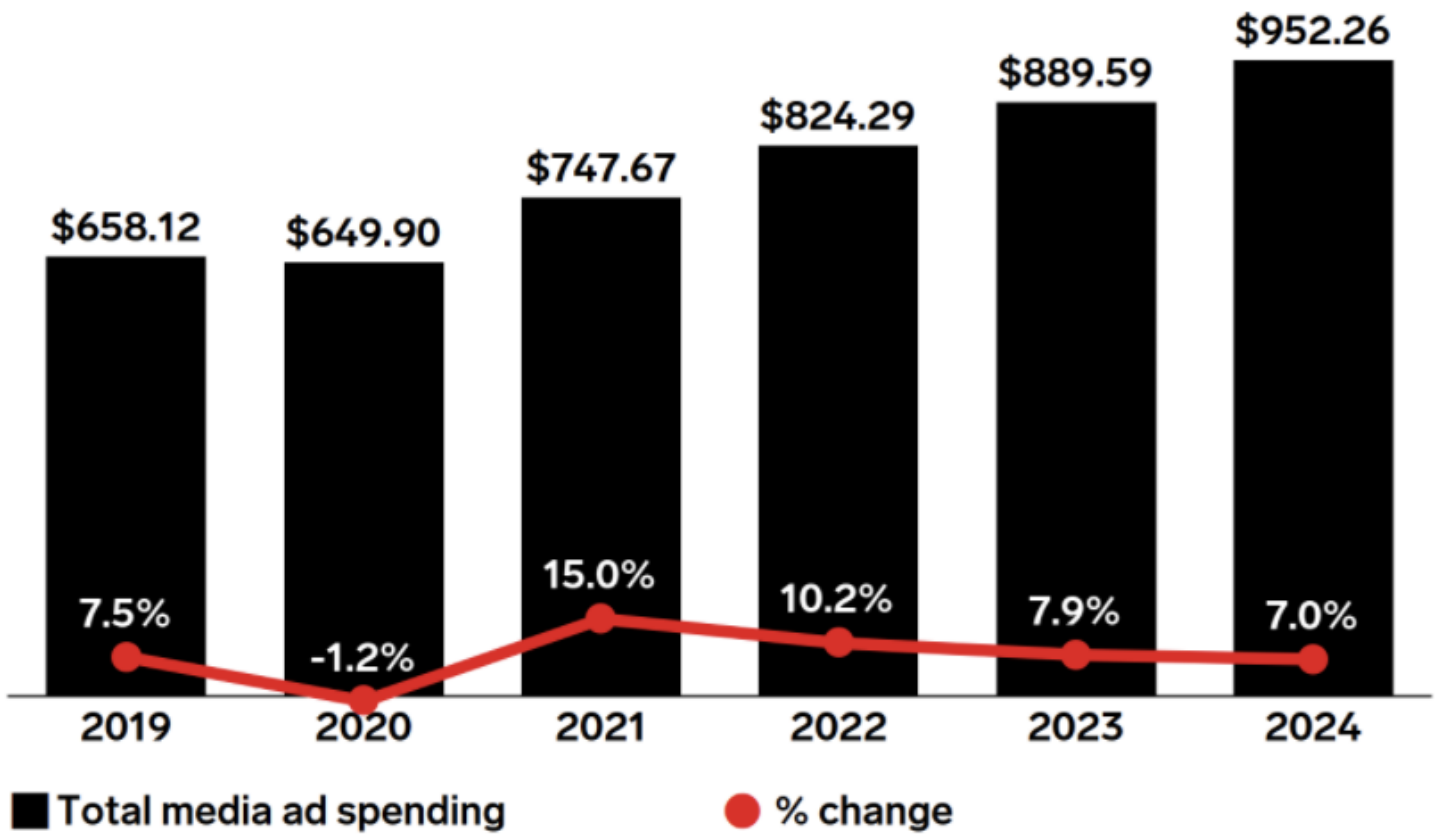
## 2021 will be a banner year

Due to pent-up demand for traditional advertising, as well as exploding growth in ecommerce-related ad spending and social media advertising, we expect a record-setting pace for ad spending growth worldwide this year. Moreover, the trend line for future spending has also shifted up, thanks to the unexpected resilience of digital ad spending in 2020.

Total media ad spending worldwide will reach \$747.67 billion, at a growth rate of 15.0%—the fastest since we began tracking the metric 10 years ago. By the end of 2024, spending will nearly reach \$1 trillion. For context, it just crossed the \$500 billion mark in 2016.

# Total Media Ad Spending Worldwide, 2019-2024

billions and % change



Note: includes digital (desktop/laptop, mobile, and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio, and TV  
Source: eMarketer, March 2021

T11410

eMarketer | InsiderIntelligence.com

Even traditional ad spending will grow this year, by 7.6%, also its fastest growth rate since we began tracking this metric globally. The additional \$20.63 billion in traditional ad spending will help drive the overall reacceleration, but the main story will remain in the digital realm, as traditional ad spend will never again reach 2019 levels. Digital's share of worldwide media ad

spending will cross the 60% threshold this year for the first time and is on track to reach nearly 70% by the end of our forecast period in 2025.

To learn more about how the final figures outperformed dire mid-pandemic projections, Insider Intelligence subscribers can read our recent report:

Report by Ethan Cramer-Flood Apr 29, 2021

## Worldwide Digital Ad Spending 2021

