

# Local Ad Spending to Surpass \$151 Billion in 2018

But most of that money will be earmarked for traditional media

**ARTICLE | DECEMBER 08, 2017**

**Rahul Chadha**

Despite naysayers' claims that we're overdue for a market correction, the US economy keeps chugging along.

That's one reason why local ad spending in the country will continue to grow in 2018, according to new figures released by [BIA/Kelsey](#). The firm expects US local ad spending to hit \$151.2 billion in 2018, a 5.2% increase over \$140.9 billion this year.

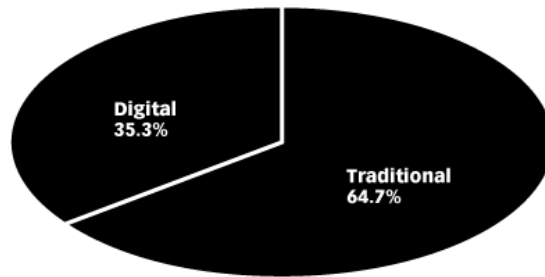
The bulk of those funds will be earmarked for traditional media. In fact, BIA/Kelsey reports 64.7% of expenditures will be dedicated to legacy media channels like TV and newspapers, with the rest going toward digital channels.

---

## US Local Ad Spending Share, Traditional vs. Digital, 2017

% of total

---



Source: BIA/Kelsey, "US Local Advertising Forecast 2018" as cited in press release, Dec 6, 2017

233560

www.eMarketer.com

The polarized political climate will also contribute to the upswing. BIA/Kelsey anticipates the slew of statewide races for political office will help bolster local ad spending next year.

The firm reports that direct mail will account for the largest portion of local advertising in 2018, with \$38.5 billion devoted to that purpose. Direct mail will make up 25.4% of expenditures and remain the most popular type of local advertising thanks to response rates that range between 3% and 5%, according to BIA/Kelsey.

Local TV will command \$20.8 billion in outlays, or a 13.8% share of ad dollars. Mobile will follow with \$19.0 billion, representing 12.6% of all local ad spending in the coming year.

BIA/Kelsey noted that certain mobile marketing tactics, such as click-to-call and geofencing, have made mobile ad spending increasingly alluring for national advertisers.

Social media is another digital media channel where platforms have improved ad offerings. "Social channels such as Snapchat and Instagram have evolved their mobile native ad models to include new targeting and reporting features," said Mark Fratrick, chief economist and senior vice president at BIA/Kelsey.

eMarketer estimates total US media ad spending will reach \$214.94 billion in 2018, and grow to \$251.92 billion by 2021.