

US: Travel Industry Surpasses CPG in Digital Ad Spending; Auto Falls Below Financial Services

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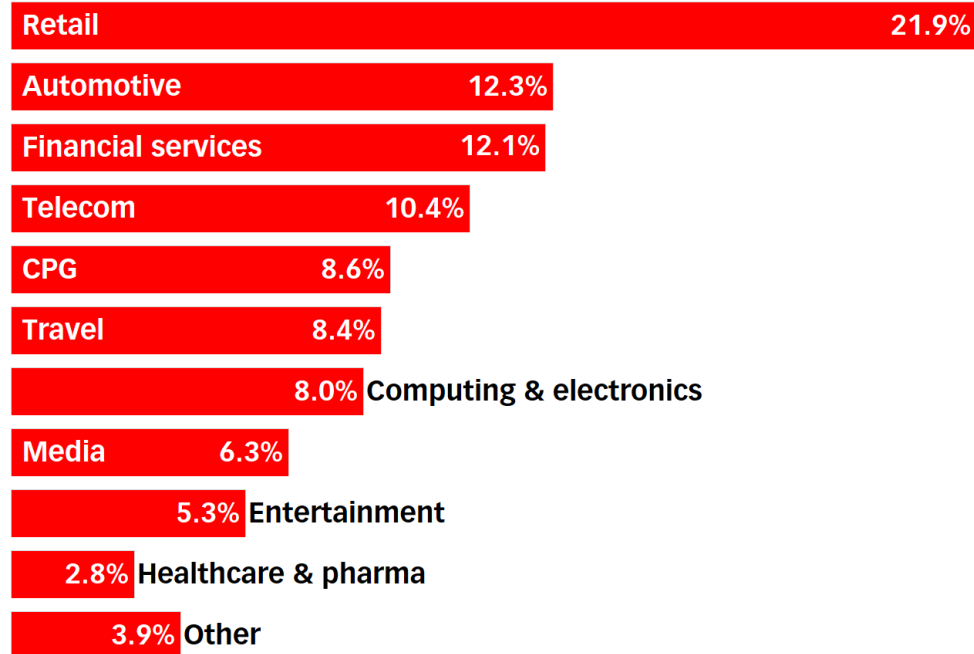
eMarketer Editors

We expect a shift in US digital ad spending next year, as economic factors weigh on certain industries. In 2020, financial services will displace the auto sector, while travel will surpass consumer packaged goods (CPG).

CPGs will rank fifth this year in US digital ad spending, at \$11.12 billion. But the travel industry will overtake CPG by 2020. Travel-related companies will spend \$12.97 billion on digital ads next year, while CPG firms will spend \$12.80 billion.

Digital Ad Spending Share in the US, by Industry, 2019

% of total



Note: total digital ad spending=\$129.34 billion; 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, July 2019

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“For the CPG and travel industries, we are seeing contrasting market dynamics leading to a contradictory trend in digital ad budgets in 2019,” eMarketer forecasting analyst Oscar Orozco said. “While consolidation in the CPG sector is leading to a squeeze in ad budgets, increased competition in the travel industry is spurring digital ad spending, as brands fight for market share and consumers’ attention.”

Mobile is a key driver of online ad spending among hotels, airlines and other travel industry services. In fact, the travel sector spends more of its digital budget on mobile than any other industry: 70.1% in 2019.

Financial Services Surpasses Auto Spending

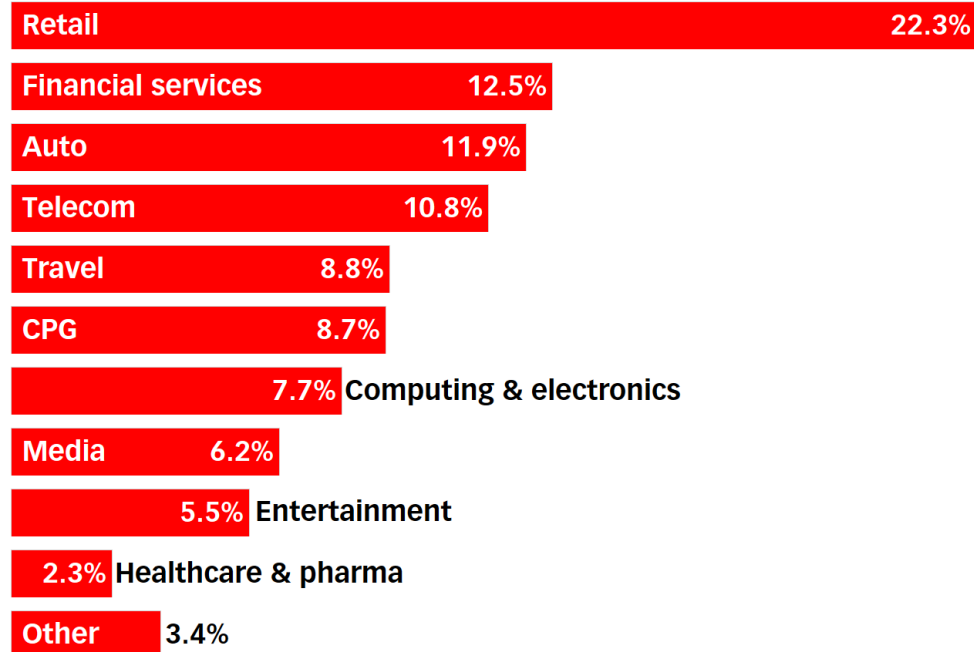
Next year, the auto sector will fall behind financial services in digital outlays. In 2020, the auto industry will spend \$18.15 billion on digital ads, while financial services will spend \$18.25 billion.

“We expect weakness in the automotive market to hurt digital ad spending into the coming years,” Orozco said. “While dealers have seen subdued advertising budgets recently, automakers are also busy grappling with new technologies, shifts in consumer behaviors and stricter emission standards. All of this is being prioritized, leading brands to pivot their focus from ad spending to research and development.”

Mobile is driving digital ad spending within the financial sector, as firms look to target millennials specifically. In fact, 69.4% of all financial sector digital spending is on mobile, making it the No. 2 industry for mobile outlays.

Mobile Ad Spending Share in the US, by Industry, 2019

% of total



Note: total mobile ad spending=\$87.06 billion; includes classifieds, display (banners and other, rich media and video), email, lead generation, messaging-based and search advertising; includes ad spending on tablets
Source: eMarketer, July 2019

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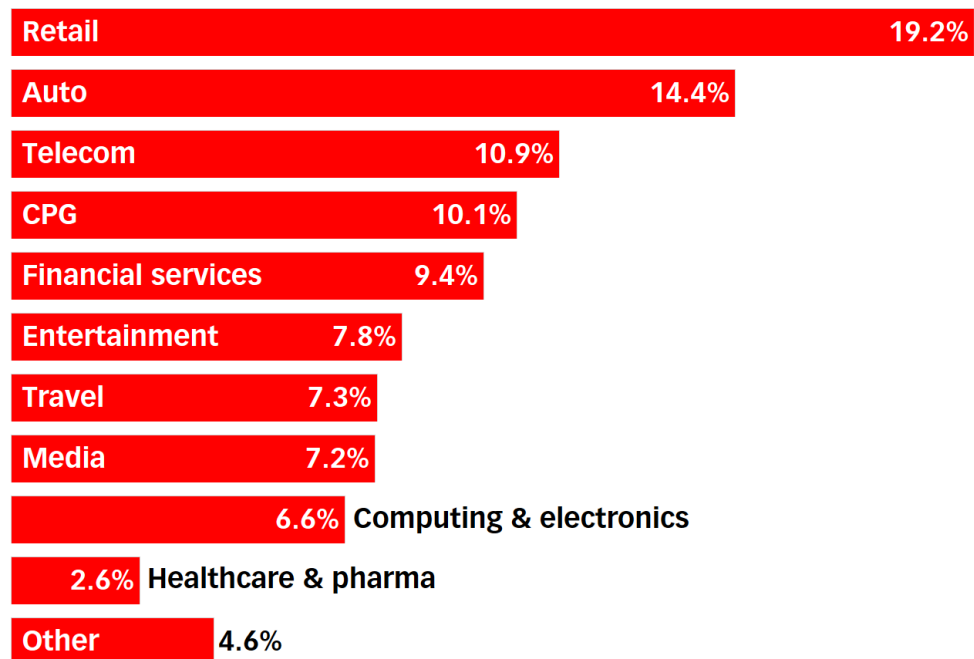
Retail Still on Top

Meanwhile, the US retail sector remains No. 1 in digital ad spending, with nearly 22% market share, far ahead of other industries. Retailers and related companies will spend \$28.33 billion this year in online ads, a 19.1% gain from last year. Retail also commands the highest portion of mobile ad spending in the US.

Retail leads all other industries in video. It will control 19.2% of all US video ad spending this year, which will make up close to half of the sector's digital display budget.

Digital Video Ad Spending Share in the US, by Industry, 2019

% of total



Note: total video ad spending=\$36.01 billion; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; includes advertising that appears before, during or after digital video content in a video player; includes social network in-stream video ads and outstream video ads such as native, in-feed, in-article, in-banner and interstitial video ads; 2016 excludes outstream

Source: eMarketer, July 2019

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To get more analysis on digital ad spending across the UK, Germany, and eight industries in the US, read our latest collection of reports.

Report by Ross Benes Jul 25, 2019

Digital Ad Spending by Industry 2019

DIGITAL AD SPENDING BY INDUSTRY 2019

Our Report Collection Analyzes
Spending for 10 US Verticals;
Six in Germany, Five in the UK

July 2019
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