

# US Mobile Ad Spend in 2019 Was Lower than Previously Estimated

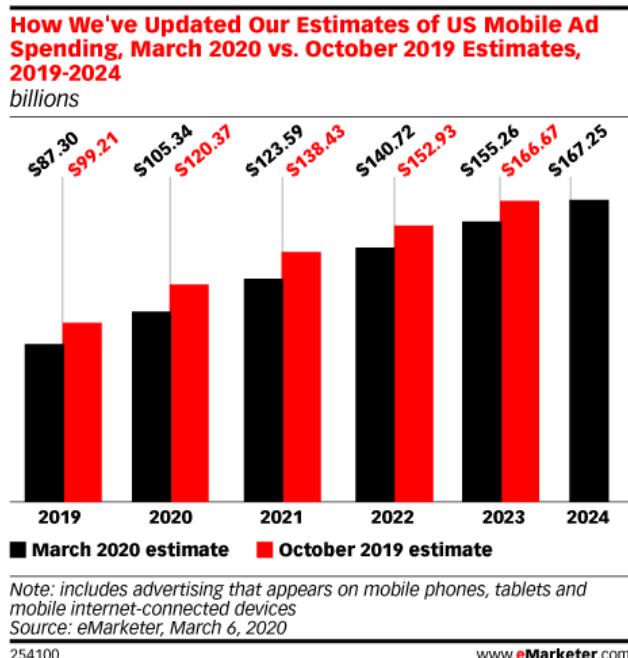
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**M**obile ad spending in the US was up 23.0% last year, we estimate, reaching \$87.30 billion. That translated to just under two-thirds of all digital ad spending in the country.

Our latest estimates of ad spending in the US were completed on March 6, 2020—after evidence of a slowdown in China's economy but before the coronavirus-induced shocks that occurred worldwide during the following weeks. Our underlying assumption was that if there was a recession in H1 2020, the US would see a return to GDP growth in H2. We'll be revisiting this forecast after some Q1 earnings reports come in, but it's important to call out some significant backward-looking adjustments we made as part of the March estimates.

The \$87.30 billion in US mobile ad spending we now estimate for 2019 is a significant downward revision from the \$99.21 billion in mobile ad spending we predicted back in October. That's not because we now think 2019 was a bad year for mobile; in fact, we slightly increased our estimate of mobile ad spending growth, from 22.3% to 23.0%. But that growth is coming from a smaller base. We decreased our estimates of mobile ad spending going back several years, largely due to a revised model for estimating ad revenues at Google.



In its Q4 2019 financial reports, Google parent Alphabet revealed new information about revenues at YouTube. That information, along with an overhaul of how we model Alphabet revenues, led to adjustments—including a decrease in our estimates of gross YouTube ad revenues and an increase in our estimates of Google’s gross search ad revenues. We also updated our outlook on the share of search ad spending that goes to mobile vs. desktop placements.

We now estimate that 38.2% of US mobile ad spending went to search last year—a figure we previously thought was slightly higher. Display, and in particular video, accounted for a larger share of mobile ad spending than we thought. Last year, US advertisers spent almost a quarter of their mobile ad budgets on video, including 11.4% going to video ads on social networks like Facebook, Instagram and Snapchat.

**US Mobile Ad Spending Share, by Format, 2019-2024**  
billions

	2019	2020	2021	2022	2023	2024
Search	38.2%	37.5%	37.4%	37.2%	37.0%	37.2%
Display	57.3%	57.9%	58.3%	58.8%	59.1%	59.1%
—Banner ads	28.1%	28.0%	27.9%	28.0%	27.9%	27.1%
—Rich media	29.2%	29.9%	30.4%	30.8%	31.2%	32.0%
—Video	23.5%	24.9%	25.9%	26.7%	27.4%	28.4%
—Social network video	11.4%	11.7%	11.8%	12.1%	12.7%	13.0%
—Other rich media	5.8%	5.1%	4.5%	4.1%	3.8%	3.6%
Other	4.2%	4.3%	4.0%	3.8%	3.7%	3.6%
Mobile messaging	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%

*Note: includes advertising that appears on mobile phones, tablets and mobile internet-connected devices*

*Source: eMarketer, March 6, 2020*

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It remains to be seen how those shares may shift this year as a result of the pandemic and looming recession. Mobile video seems to be well-placed. However, that will depend on whether marketers continue to lean on brand-building efforts and avoid performance marketing at a time of suppressed demand for many sectors.