Latin America Traditional Ad Spending Will Crater, but Digital Will Spike

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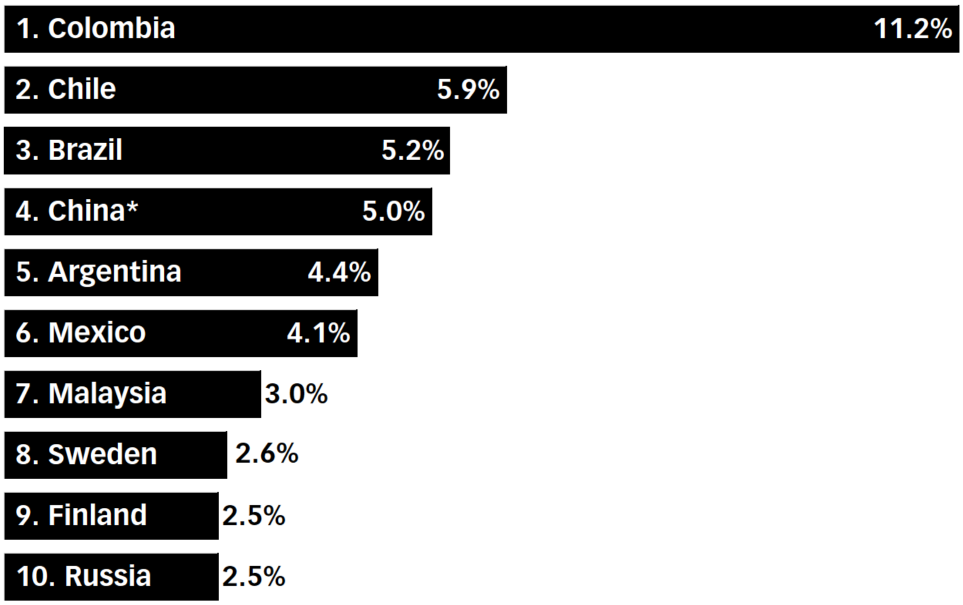
Latin America will have the worst regional performance for ad spending overall this year, declining 10.0% collectively, although oddly, it will also have the best performance for digital ad spending growth at 5.0%.

This unusual data point is possible due to a confluence of factors: The region has a relatively low share of ad spending going to digital, so strong growth is still possible amid an otherwise major industry contraction; the region has some of the fastest internet and mobile adoption rates worldwide, so advertisers are motivated to transition their spending to follow their customers; and, finally, the region's various health and economic crises have led to a huge pullback in traditional spending patterns, giving brands the opportunity to accelerate their transitions to digital with newly available unused ad dollars.

Top 10 Countries, Ranked by Digital Ad Spending Growth, 2020

% change



*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; *excludes Hong Kong*
Source: eMarketer, June 2020

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Given Latin America's unusual trendlines, it is not surprising that the region has four of the worst performing markets for ad spending overall (Mexico, Brazil, Argentina and Peru are in the bottom 10), yet six of the best performing markets for digital ad growth, including the top three. Brazil is ranked third on both lists (declining 10.3% overall, increasing 5.2% in digital), which speaks to the deeply unstable socio-economic circumstances Latin America's largest country finds itself in this year.

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Report by Ethan Cramer-Flood Jul 06, 2020

Global Digital Ad Spending Update Q2 2020

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