

US media and entertainment digital ad spend sees major gains

Article

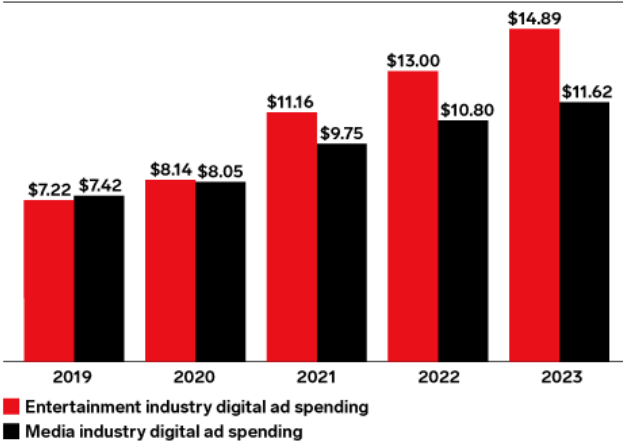
Digital ad spending by the US media and entertainment industries will increase every year through at least 2023, with combined spending surpassing **\$26 billion** by then. While the growth rates, format mix, and device mix will vary as each industry faces different market dynamics, they both share a positive trajectory that reflects robust health in the overall digital ad market.

The pandemic clearly took a toll on spending. However, its effect was not as severe as we feared in March 2020, and the rebound has been stronger than anticipated across many industries, including media and entertainment. Media has been lifted by the resumption of TV production, which has given networks new content to advertise, while entertainment businesses including theme parks, movie theaters, and concert venues have restarted advertising after their pandemic-induced pauses.

Although media and entertainment have common characteristics and areas of overlap, the latter sector will see a more pronounced rebound, largely because of its reliance on high-priced ad formats like video.

US Entertainment and Media Industry Digital Ad Spending, 2019-2023

billions



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
Source: eMarketer, June 2021

270433 eMarketer | InsiderIntelligence.com

Digital ad spending in the media and entertainment industries is back on solid footing. Although the pandemic is far from over, and many businesses in those industries are still disrupted from it, digital ad buyers have moved on and are spending at greater levels than we expected before the world turned upside down.

In 2021, mobile will account for **76.5%** of digital advertising in the entertainment industry—the highest penetration among industries we track. By comparison, mobile will make up **63.0%** of the media industry’s digital advertising. For the rest of our forecast period, these percentages will remain essentially unchanged.

The predominance of mobile in the entertainment advertising mix is not surprising given that activities like video streaming, gaming, and social video happen mostly on mobile devices. The big drivers of entertainment ad spending are film and game studios with franchises that appeal mainly to millennial and Gen X audiences, and those groups will outpace other demos in smartphone adoption and penetration in the next several years.

Spending by ad format

In 2021, display will make up **73.8%** of all entertainment digital ad spending—the highest penetration rate of any industry we track—with search accounting for **24.0%** and other formats contributing the remaining **2.2%**. Display's outsize share will be driven mostly by the entertainment industry's heavy use of video ads—a subset of display. By comparison, in the media industry, display will account for **56.7%**, search for **39.6%**, and other formats for the remaining **3.7%**.

Overall digital ad spending

The anticipated spending growth by the media and entertainment industries reflects the broader US digital ad market. Early in the pandemic, we made significant downward revisions to our digital ad spending forecasts, but by October 2020, our outlook had changed again to something closer to pre-pandemic levels. In the two forecast cycles since, our digital ad spending outlook has only improved. Video—particularly connected TV—has driven much of the momentum in overall digital ad spending and in spending by the entertainment industry. By 2024—the last year shared by the forecasts in question—we now expect US digital ad spending to reach over **\$293 billion**, nearly **\$65 billion** more than we anticipated before the pandemic.

Digital ad spending in the media and entertainment industries is back on solid footing. Although the pandemic is far from over, and many businesses in those industries are still disrupted from it, digital ad buyers have moved on and are spending at greater levels than we expected before the world turned upside down.

Read the full report.

Report by Paul Verna Nov 16, 2021

US Media and Entertainment Digital Ad Spending Forecast 2021

