

How Our Ad Spending Outlook Has Changed for the US, China and the Rest of the World

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The US will remain the largest market worldwide for total and digital advertising for the foreseeable future. China achieved rapid catch-up growth for a while, starting at one-quarter of the US spend in 2012 and rising to almost half by 2020. However, China's progress against the US position has decelerated recently, and we estimate that China's compound annual growth rate (CAGR) over the next several years will not be enough to continue to close the gap in any meaningful way, particularly given that US growth rates will also be very high during this time frame.

Japan continues to be in third place in overall ad spending, with a market about 2.5 times smaller than China's (\$42.67 billion in 2020). Overall, the top 10 countries have remained largely stable in recent years, and only one shift will happen in 2020: South Korea will enter the rankings at No. 10, displacing Italy, which is suffering from severe pandemic-related repercussions socially and economically.

Top 10 Countries, Ranked by Total Media Ad Spending, 2020

billions

1. US	\$225.79
2. China*	\$105.25
3. Japan	\$42.67
4. UK	\$26.84
5. Germany	\$19.98
6. France	\$12.52
7. Brazil	\$11.89
8. Canada	\$10.87
9. Australia	\$10.82
10. South Korea	\$8.89

*Note: includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV;
excludes Hong Kong

Source: eMarketer, June 2020

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Global ad spending is a top-heavy affair. China's second-place total ad spending, which includes digital plus all traditional media like TV and radio, will exceed Western Europe's combined spending this year, at \$105.25 billion compared with \$102.10 billion. By 2024, China will shoot past the \$150 billion mark, far exceeding Western Europe's combined total at that point (\$127.90 billion), but still dramatically trailing overall ad spending in the US (\$322.11 billion by 2024).

Since 2017, China and India have been the two fastest-growing ad markets, but India will tumble considerably in 2020 given its very challenging pandemic conditions. Indonesia, Mexico, Brazil and India will be the worst-performing countries this year, each posting double-digit declines in total ad spend. However, next year, India will reclaim a position in the global top 10 and resume its climb from there, ultimately becoming the seventh-largest market by 2024. India's sharp

10.2% contraction this year will presage a huge jump once the economic environment normalizes. We forecast India will be the world's fastest-growing ad market in 2021, with 30.5% growth.

To learn more about the world's tumultuous year for advertising amid the coronavirus pandemic and multiple recessions, eMarketer PRO subscribers can read our recent report:

Report by Ethan Cramer-Flood Jul 06, 2020

Global Digital Ad Spending Update Q2 2020

GLOBAL DIGITAL AD SPENDING UPDATE Q2 2020

Only China Experiences Positive Growth, and Google Declines for First Time

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