



eMarketer's Live Analyst Series | PRO View, July 2019

Digital Ad Spending by Industry



We forecast that total US digital ad spending will be \$129.34 billion in 2019.

- US digital ad spending is growing at a healthy pace, increasing 19.1% in 2019 and 17.0% in 2020.

Digital Ad Spending in the US, by Industry, 2016-2020
billions

	2016	2017	2018	2019	2020
Retail	\$15.78	\$19.36	\$23.78	\$28.33	\$33.12
Automotive	\$9.11	\$11.35	\$13.74	\$15.91	\$18.15
Financial services	\$8.75	\$10.77	\$13.21	\$15.69	\$18.25
Telecom	\$7.89	\$9.59	\$11.57	\$13.45	\$15.58
CPG & consumer products	\$6.24	\$7.75	\$9.49	\$11.12	\$12.80
Travel	\$5.95	\$7.22	\$8.95	\$10.86	\$12.97
Computing products & consumer electronics	\$5.45	\$6.70	\$8.47	\$10.35	\$12.25
Media	\$4.23	\$5.11	\$6.60	\$8.15	\$9.85
Entertainment	\$3.44	\$4.31	\$5.52	\$6.88	\$8.40
Healthcare & pharma	\$2.01	\$2.47	\$3.01	\$3.62	\$4.23
Other	\$3.09	\$3.77	\$4.30	\$4.99	\$5.70
Total	\$71.94	\$88.40	\$108.64	\$129.34	\$151.29

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; includes ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets

Source: eMarketer, July 2019

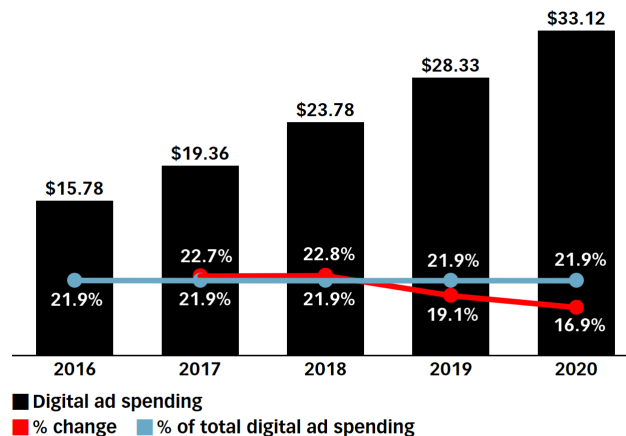
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Retail is the largest vertical in the US

- US retail digital ad spending is growing in line with rest of the ad industry, increasing 19.1% in 2019.
- Retail accounts for about one-fifth of total US ad spending.

Retail Industry Digital Ad Spending in the US, 2016-2020
billions, % change and % of total digital ad spending



Note: includes mail order/catalog, restaurants/fast food, drug stores, retail stores, cosmetics stores, and merchants of apparel, home furnishings/textiles, toys, pet food/supplies, appliances, jewelry and general merchandise; 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, July 2019

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Travel is a search-reliant industry

- Travel is most search-driven vertical we cover.
- Search will account for 53.7% of total US travel digital ad spending in 2019 and 54.3% in 2020.

Travel Industry Digital Ad Spending in the US, by Format, 2019

billions, % change and % of total

Search	\$5.84
—% change	24.5%
—% of total search	10.9%
Display	\$4.52
—% change	19.4%
—% of total display	6.4%
Video	\$2.62
—% change	25.7%
—% of total video	7.3%

Note: includes airlines, car rental, hotels and resorts, cruises, destination marketing organizations; includes both leisure and business travel; 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, July 2019

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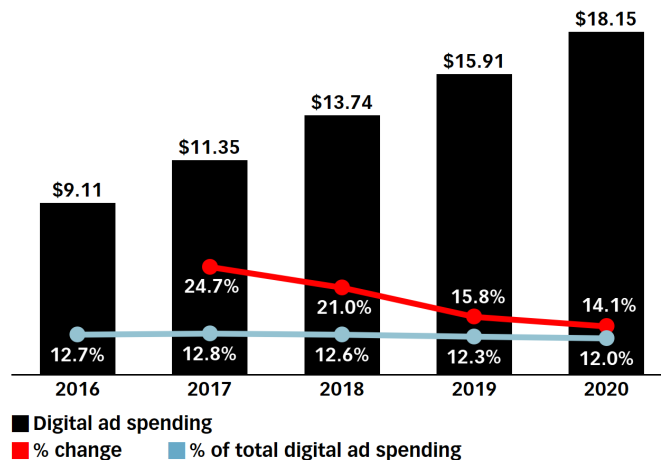
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Automotive is the slowest growing US vertical

- Automotive advertising is growing at a slower rate than other verticals due to weakness in the automotive market.
- Total US automotive digital ad spending will increase 15.8% this year, while total US digital ad spending will increase 19.1%.

Automotive Industry Digital Ad Spending in the US, 2016-2020

billions, % change and % of total digital ad spending



Note: includes all automotive-related categories including sale/purchase of vehicles and parts and maintenance; 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, July 2019

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Financial services ad spend driven by mobile

- By 2020, mobile will account for 73.1% of total US financial services ad spending, helping it to surpass automotive as the second-largest ad spending vertical.

Mobile Ad Spending in the US, by Industry, 2019

	Billions	% change	% of digital in industry	% of total mobile
Retail	\$19.41	22.9%	68.5%	22.3%
Financial services	\$10.88	23.3%	69.4%	12.5%
Automotive	\$10.36	19.3%	65.1%	11.9%
Telecom	\$9.42	21.4%	70.0%	10.8%
Travel	\$7.62	25.1%	70.1%	8.8%
CPG & consumer products	\$7.54	22.8%	67.8%	8.7%
Computing products & consumer electronics	\$6.66	25.3%	64.4%	7.7%
Media	\$5.40	27.5%	66.2%	6.2%
Entertainment	\$4.79	28.2%	69.6%	5.5%
Healthcare & pharma	\$2.03	14.0%	56.1%	2.3%
Other	\$2.95	5.3%	59.2%	3.4%
Total	\$87.06	22.3%	67.3%	-

Note: 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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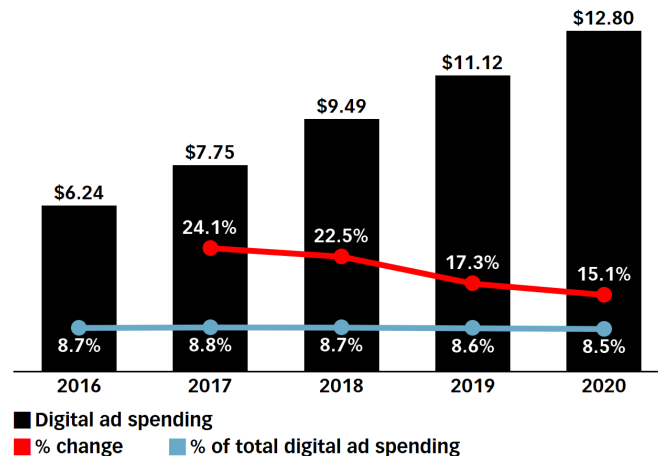
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CPG ad growth slows as budgets flatten

- CPG advertisers are challenged by industry consolidation, the rise of interactive shoppable ads and competition from private label brands.
- CPG's share of total search ad spending will increase slightly.

CPG & Consumer Products Industry Digital Ad Spending in the US, 2016-2020

billions, % change and % of total digital ad spending



Note: includes food products, household products, packaged goods, tobacco, personal care products, toiletries and cosmetic products; 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, July 2019

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Healthcare and pharma spend remains low

- At a time when healthcare and pharma advertisers have been slow to invest in mobile, they're witnessing gains in desktop ad spend. This vertical is more desktop-dependent than any other vertical we cover.

Desktop Ad Spending in the US, by Industry, 2019

	Billions	% change	% of digital in industry	% of total desktop
Retail	\$8.91	11.6%	31.5%	21.1%
Automotive	\$5.55	9.8%	34.9%	13.1%
Financial services	\$4.81	9.6%	30.6%	11.4%
Telecom	\$4.03	5.6%	30.0%	9.5%
Computing products & consumer electronics	\$3.69	16.7%	35.6%	8.7%
CPG & consumer products	\$3.58	7.1%	32.2%	8.5%
Travel	\$3.25	13.5%	29.9%	13.1%
Media	\$2.75	16.3%	33.8%	6.5%
Entertainment	\$2.09	17.4%	30.4%	4.9%
Healthcare & pharma	\$1.59	29.0%	43.9%	3.8%
Other	\$2.03	36.3%	40.8%	4.8%
Total	\$42.28	12.8%	32.7%	-

Note: includes advertising that appears on desktop and laptop computers and other nonmobile internet-connected devices, and includes all the various formats of advertising on those platforms

Source: eMarketer, July 2019

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Digital ad spending in the UK is nearly evenly distributed among various verticals.

- In the UK, no single industry will account for more than 15% of total digital ad spend this year.
- We expect total digital ad spending in the UK to increase 11.2% in 2019 to £14.73 billion (\$18.57 billion). In 2020, UK advertisers will spend £16.21 billion (\$20.43 billion) on digital ads.

Digital Ad Spending in the UK, by Industry, 2016-2020
billions of £

	2016	2017	2018	2019	2020
Retail	£1.39	£1.62	£1.92	£2.17	£2.42
Automotive	£1.35	£1.54	£1.77	£1.94	£2.10
Travel	£1.32	£1.48	£1.72	£1.92	£2.12
CPG & consumer products	£1.30	£1.49	£1.70	£1.87	£2.04
Financial services	£1.25	£1.41	£1.60	£1.75	£1.90
Other	£3.39	£3.89	£4.53	£5.08	£5.63
Total	£10.00	£11.43	£13.24	£14.73	£16.21

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; converted at the exchange rate of US\$1=GBP0.750089

Source: eMarketer, July 2019

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Retail and auto will make up nearly 37% of Germany's digital ad marketing by 2020.

- We expect Germany's advertisers to spend €7.28 billion (\$8.59 billion) on digital ads this year and €7.93 billion (\$9.36 billion) in 2020.

Digital Ad Spending in Germany, by Industry, 2016-2020
billions of €

	2016	2017	2018	2019	2020
Retail	€1.16	€1.34	€1.50	€1.64	€1.79
Automotive	€0.74	€0.85	€0.95	€1.04	€1.13
Travel	€0.53	€0.61	€0.69	€0.74	€0.80
Financial services	€0.49	€0.55	€0.61	€0.68	€0.75
Healthcare & pharma	€0.32	€0.37	€0.41	€0.45	€0.50
CPG & consumer products	€0.26	€0.31	€0.32	€0.35	€0.38
Other	€1.78	€1.92	€2.15	€2.37	€2.59
Total	€5.27	€5.94	€6.63	€7.28	€7.93

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; converted at the exchange rate of US\$1=EUR0.847471

Source: eMarketer, July 2019

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Key Takeaways

- **Across countries, retail remains the largest vertical in ad spend.** Retailers digital ad spending is climbing as more people make purchases online. Search powers this vertical.
- **Automotive ad spending is slower than other verticals.** Macro-economic trends and slowdown in auto sales have contributed to a tightening of budgets.
- **Healthcare and pharma advertisers are still a tiny portion of overall ad spending.** Governmental regulations and data privacy laws are restricting digital ad budgets in these areas.
- **CPGs are facing challenges.** Private labels and industry consolidation have crimped ad spending growth here.
- **Travel digital ad budgets are growing quickly in a strong economy.** As travel planning becomes more fragmented, travel advertisers are investing heavily in search.