

In Germany, Collapse in Auto and Travel Ad Buying Will Lead to Digital Ad Market Stagnation

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In a challenging year for advertising worldwide, Germany will experience a slowdown similar to that of every other market we track.

Germany's digital ad spending had grown at double-digit rates for each of the past three years, but pandemic-disrupted 2020 will see that growth slow to just 0.8%. In 2019, digital ad buyers in Germany spent €7.32 billion (\$8.20 billion); in 2020, this figure will tick up by less than €60 million (\$62.2 million).

Digital Ad Spending Growth in Germany, by Industry, 2017-2021

% change

	2017	2018	2019	2020	2021
Financial services	11.5%	11.6%	14.1%	16.7%	15.0%
Healthcare & pharma	16.5%	11.6%	17.6%	16.1%	9.5%
Retail	15.3%	12.1%	10.6%	6.9%	10.2%
CPG & consumer products	17.2%	4.1%	9.4%	5.0%	11.7%
Automotive	15.1%	11.4%	10.3%	-25.7%	30.3%
Travel	16.1%	12.7%	8.4%	-38.7%	32.4%
Other	8.0%	12.2%	9.0%	12.4%	9.5%
Total	12.7%	11.6%	10.5%	0.8%	14.0%

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; includes classifieds, display (banners/static display, rich media, sponsorships and video, including advertising that appears before, during or after digital video content in a video player), search (paid listings, contextual text links and paid inclusion), in-game advertising, newsletter advertising and email

Source: eMarketer, August 2020

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No country will escape the coronavirus pandemic unscathed, and all around the world, local public health crises have led to substantial economic downturns. Germany has handled the unprecedented challenge better than most, and its industrial base has proven to be more resilient than many of its counterparts across the globe. But the country has not avoided substantial economic disruption, despite the competence of its public health governance.

The dominant vertical for digital ad spending in Germany has always been the retail industry, but auto has traditionally been the other big digital ad buyer. This makes sense given the auto-centric makeup of Germany's industrial manufacturing economy. Beyond auto, the travel industry too has been a substantial digital advertiser in years past. Thus, auto's dramatic 25.7% decline in digital ad spending, coupled with the unprecedented 38.7% drop in travel digital ad spend, explains the general stagnancy that Germany's digital ad market will see this

year. Several other verticals will chug along relatively unscathed, but overall digital ad spending will barely grow this year.

Retail will once again lead the verticals in digital ad spending this year, at €1.77 billion (\$1.98 billion). Thanks to auto's decline, retail will be the only individual industry to spend more than €1 billion (\$1.12 billion) on digital ads in 2020. In fact, retail will outspend by more than double the second-highest digital ad spender, which for the first time will be financial services, at €0.81 billion (\$0.91 billion). Travel's digital ad outlays will fall to just €0.46 billion (\$0.51 billion) in 2020, after reaching €0.75 billion (\$0.84 billion) last year.

Meanwhile, the healthcare and pharma and financial services verticals will mirror industry trends around the world and maintain strong digital ad spending growth. The companies in these categories, along with their peers in the technology sphere, have found their goods and services more in demand than ever, despite—or because of—the pandemic. Digital ad spending has naturally followed this uptick in demand.

To learn more about how digital spending will fare across industries in Germany, eMarketer PRO subscribers can read our recent report:

Report by Ethan Cramer-Flood Oct 02, 2020

Germany Digital Ad Spending by Industry 2020

