

eMarketer Releases New Estimates for Programmatic Ad Spending in China

Article

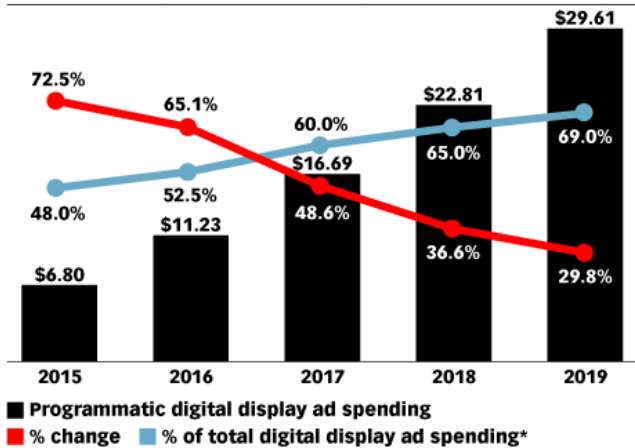
Programmatic ad spending in China totaled \$16.69 billion (RMB110.90 billion) in 2017, a 48.6% increase over 2016. Internet giants Baidu, Alibaba and Tencent—the so-called

BAT companies—will continue to dominate the programmatic advertising landscape as consumers spend more time on their digital platforms.

Since China is a mobile-first market for internet access, digital advertisers have followed consumers by investing in mobile ad formats. In 2017, 79.9% of programmatic outlays were dedicated to mobile advertising. Mobile will drive total programmatic growth throughout the forecast.

Programmatic Digital Display Ad Spending in China, 2015-2019

billions, % change and % of total digital display ad spending*



Note: converted at the exchange rate of US\$1=RMB6.64; digital display ads transacted via an API, including everything from publisher-erected APIs to more standardized RTB technology; includes ads on ecommerce websites like Alibaba properties; includes advertising that appears on desktop/laptop computers, mobile phones, tablets and other internet-connected devices; *includes banners, rich media, sponsorship, video and other
Source: eMarketer, Dec 2017
233734 www.eMarketer.com

The BAT companies are such large publishers that they control advertising on their platforms, casting a large shadow over competing small and medium-sized publishers in China. As a result, most advertisers buy ads directly through one of the three BAT companies. In 2017, direct sales accounted for 63.5% of programmatic digital display ad spending, while real-time bidding (RTB) represented 36.5%.

Programmatic's share of overall display ad spending in China (60.0%) still lagged the US (78.0%) and the UK (79.0%) in 2017. While advertisers in China have limited options for digital marketing, an ever-growing number of publishers in the US and UK increases competition, which enables more spending.

These estimates are drawn from eMarketer's latest report, "Programmatic Advertising in China: eMarketer's Updated Forecast and Estimates." The report includes eMarketer's latest

forecast for programmatic ad spending in China through 2019. eMarketer PRO subscribers can access the [full report here](#). Nonsubscribers can [learn more here](#).