

Nearly One-Third of Ad Spending in Germany Will Go to Digital Channels

ARTICLE | OCTOBER 04, 2018

eMarketer Editors

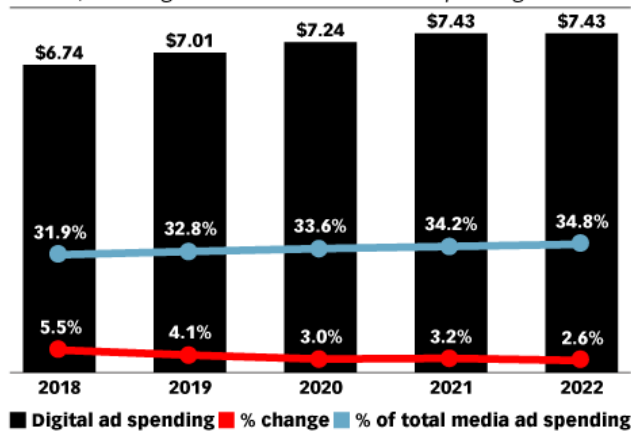
Germany, Europe's largest economy, is the second-largest market for ad spending in the region, behind the UK. In 2018, eMarketer forecasts that advertisers in Germany will spend \$21.13 billion on advertising, with 31.9% spent in digital channels.

Germany, along with the rest of the EU, will be grappling with tariffs placed on products by the US, which could affect manufacturing output. The automotive industry, for one, is already experiencing a slowdown in sales because of tariffs, with Daimler AG and Fiat Chrysler Automobiles NV decreasing output.

Still, the economy remains strong, consumer confidence heading into Q4 is high, and the Bundesbank—the central bank of Germany—expects the economy to continue thriving.

eMarketer's forecast expects digital ad spending in Germany across all industries will reach \$6.74 billion in 2018.

Digital Ad Spending in Germany, 2018-2022
billions, % change and % of total media ad spending



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
Source: eMarketer, Oct 2018

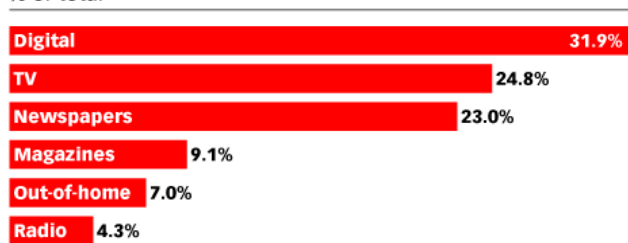
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eMarketer’s latest report, “Digital Ad Spending in Germany by Industry 2018: Forecasts and Statistics for Automotive, CPG, Financial Services, Retail, Travel,” examines the trends that are influencing ad spending in Germany.

Digital gets the largest share of ad spending in Germany (31.9%), but TV is close behind (24.8%).

Total Media Ad Spending Share in Germany, by Media, 2018
% of total



Source: eMarketer, Oct 2018

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“Brands continue to spend in TV, in part, because inventory for digital video remains low,” said Michael Zeisler, regional director of Central Europe for Pubmatic. “[Advertisers] would like to spend more on digital video, but it’s not always available at the quality they need.”

Consumers in Germany are also avid newspaper readers, and advertising in that medium remains strong: eMarketer estimates that 76.2% of those ages 18 and older read a newspaper at least monthly, a percentage that is expected to decline just slightly, to 75.7%, by 2020.

With such a large percentage of print readers, it is understandable that advertisers still allocate budgets toward print media. Still, Zeisler said, brands that want to reach younger readers should consider funneling a portion of ad spending toward digital publications. “The user is moving faster to new media than the budgets are,” he said.

Digital will see the largest growth among all media, up 5.5% in 2018. TV, with its mass reach for brand campaigns, will grow 1.2%. Newspapers’ share, nearly on par with TV’s, will decline 3.3% as brands digitize their ad strategies.

As in the US and other markets, brand safety has been a rallying cry among brands in Germany, and Zeisler said he is seeing the benefits of allocating more spending to fewer publishers. Especially within the programmatic ad space, the largest brands are working directly with publishers to have more control and mitigate risks of ad fraud, creating a win-win for advertisers and publishers. “If you build trust with brands, they’re happy to increase spend,” he said.

eMarketer PRO subscribers can access the full report now.

Report by Patricia Orsini Oct 04, 2018

Digital Ad Spending in Germany by Industry 2018

DIGITAL AD SPENDING IN GERMANY BY INDUSTRY 2018

Forecasts and Statistics for Automotive, CPG, Financial Services, Retail, Travel

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