US Digital Ad Spending 2019: Amazon Gains on the Duopoly, as Digital Ad Spending Exceeds 50% of Market

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Digital will overtake traditional media ad spending for the first time in 2019, accounting for 54.2% of the $238.83 billion US advertisers will spend on media ads this year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Traditional*</th>
<th>Digital**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$108.64</td>
<td>$114.84</td>
</tr>
<tr>
<td>2019</td>
<td>$129.34</td>
<td>$109.48</td>
</tr>
<tr>
<td>2020</td>
<td>$151.29</td>
<td>$107.13</td>
</tr>
<tr>
<td>2021</td>
<td>$172.29</td>
<td>$104.32</td>
</tr>
<tr>
<td>2022</td>
<td>$187.77</td>
<td>$102.07</td>
</tr>
<tr>
<td>2023</td>
<td>$201.83</td>
<td>$100.48</td>
</tr>
</tbody>
</table>

Note: *includes directories, magazines, newspapers, out-of-home, radio and TV; **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 SMS, MMS and P2P messaging-based advertising

Source: eMarketer, February 2019
US digital ad spending will surpass $200 billion by 2023.

Display will remain the largest ad format, but search’s share of the market will start to rise again in 2019.

<table>
<thead>
<tr>
<th>Digital Ad Spending in the US, by Format, 2019-2023 (billions)</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>2019</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>Display</strong></td>
</tr>
<tr>
<td>— Video</td>
</tr>
<tr>
<td>— Banners and other*</td>
</tr>
<tr>
<td>— Rich media</td>
</tr>
<tr>
<td>— Sponsorships</td>
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<tr>
<td><strong>Search</strong></td>
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<tr>
<td><strong>Lead generation</strong></td>
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<tr>
<td><strong>Classifieds and directories</strong></td>
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<tr>
<td><strong>Email</strong></td>
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<tr>
<td><strong>Mobile messaging</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices on all formats mentioned; *includes ads such as Facebook’s News Feed Ads and Twitter’s Promoted Tweets
Source: eMarketer, February 2019
Display’s continued dominance is due largely to video

Video will remain a major driver of total ad spending growth in 2019 and beyond.
But video strategies are becoming more holistic, incorporating linear TV, digital and social

“Every client we work with now asks us to plan video holistically. They see motion and sound as one tactic or channel, regardless of what platform the content is being viewed on.”

Scott Symonds
Managing Partner, AKQA Media
Display will also make up the majority of US mobile ad spending in 2019.

Despite the hype, mobile messaging will barely make a dent in the mobile ad market.
Amazon will be one of the fastest-growing US digital ad sellers in 2019, behind only reddit and Roku.

Growth for Facebook and Google will be slower but will remain in the double digits until at least 2021.
Amazon is growing at the expense of the duopoly, but not enough to create a true triopoly

- Facebook and Google’s combined share of digital ad revenues will fall between 2019 and 2021.
- Still, the duopoly will remain intact for the foreseeable future, because advertisers consider Facebook and Google to be tried-and-true ad platforms.
Key Takeaways

- Digital will account for more than 50% of the US ad market in 2019, overtaking traditional ad spending for the first time.

- Video will continue to drive digital ad growth, but US advertisers are beginning to think more holistically about their TV and video strategies.

- Social video ad spending is rising, boosting revenues for nearly all social companies, including Facebook, Instagram and Twitter.

- The duopoly won’t become an Amazon-Facebook-Google triopoly, at least not by 2021.