

Elections, Olympics And Digital Spending Boost Total Media Ad Gains

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TV is still the top ad medium

US total media ad spending will experience a bump in growth this year, rising 4.9% over 2011, largely due to the Olympics and the national election cycle.

This will bring total ad spending in the country to nearly \$166 billion, with continued modest growth projected through 2016, when spending will surpass \$189 billion.

TV will remain the recipient of more advertising dollars through 2016 than any other medium. Revenues will total \$64.54 billion this year as TV advertising continues to reach audiences in massive numbers. Digital ad spending will claim the second-largest share of the market at \$37.31 billion in 2012.

Digital ad spending is a main driver of total media ad spending growth. Because digital ad spending is approaching market maturity and the investment in digital advertising in the first half of 2012 was lower than eMarketer previously estimated, its growth rate for 2012 has been decreased by 6.7 percentage points since eMarketer's earlier forecast.

This lowered growth rate is primarily what has led eMarketer to revise the overall growth rate for total media ad spending for 2012 downward from 6.7% to 4.9%. Online and mobile ad revenues, which will account for 22.5% of total media ad spending this year, will continue to greatly influence total media ad spending's percentage gains throughout the forecast period.

From 2012 to 2016, US digital ad spending's share will increase from 22.5% to 29.2%. Large brands continue to increase their spending, and small and medium-sized businesses are getting more involved in the space as well.

Many marketers regard digital as a more measurable medium than traditional media, and their comfort with online and mobile marketing continues to grow. Digital is also seen as an effective support mechanism for traditional media—especially TV—allowing for a more personal connection with audiences.

eMarketer forms its estimates of total media ad spending based on the analysis of various elements related to the ad spending market, including macro-level economic conditions; historical trends of the advertising market; historical trends of each medium in relation to other media; reported revenues from major ad publishers; estimates from other research firms; consumer media consumption trends; and eMarketer interviews with executives at ad agencies, brands, media publishers and other industry leaders.

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