

Google, Facebook and Amazon to dominate global adspend in 2020 - forecasts Warc

Warc has forecasted global advertising investment growth across the 19 categories it monitors - which is expected to result in a 6% (\$656bn) increase. While this is a 2.5% rise in the estimated global adspend for 2019, it's a 7.3% decrease in the growth recorded last year.



Image credit: Sharon McCutcheon on Unsplash.

Eight product categories are set to increase advertising investment ahead of the global rate next year:

- financial services (+11.8%)
- household & domestic (+10.5%)
- transport & tourism (+9.0%)
- telecoms & utilities (+8.5%)
- technology & electronics (+8.4%)
- alcoholic drinks (+6.9%)
- automotive (+6.8%) and soft drinks (+6.5%)

Internet is the fastest growing ad medium in each sector except technology & electronics, where out of home (OOH) is set to rise fastest at 11.4%.



TV leads ad investment for food and soft drinks while the rest shifts online - finds Warc

2 Oct 2019



Globally, internet formats will account for over half of advertiser investment for the first time in 2020, with a combined value of \$336bn.

Investment in performance marketing, online video and social media is driving total market growth; advertiser investment excluding money spent on Facebook, Google and Amazon is flat or falling globally.

Internet takes the cake

Internet formats, combined, will account for over half of global ad investment for the first time in 2020, and social media, search and online video – the largest of these – are effectively shorthand for Facebook, Google and (Google-owned) YouTube.

Google and Facebook, known as the 'duopoly' drew two-thirds of online ad investment in 2018 before traffic acquisition costs (TAC) were paid out to Google's partners, and Warc expects this share to rise closer to three quarters next year.



Internet advertising set to account for more than 50% of global adspend by 2021

8 Jul 2019



Amazon is small by comparison but is becoming increasingly important to advertisers looking to connect with consumers close to the point of purchase. Amazon's share of global ad investment is forecast to rise to 2.5% next year, Alphabet (Google and YouTube) 23.1% and Facebook 12.9% (38.5% combined).

The central role these three companies – known collectively as the 'triopoly' – play in advertising is stark: advertiser investment beyond them has been flat since 2012.

Growth expected across the board

Growth in advertising investment is expected to be recorded within all 19 product categories monitored by Warc next year, although rates vary substantially.

The financial services category leads with a projected 11.8% rise in spend to \$53.4bn next year, as brands, particularly in the banking sector, are looking to connect with younger consumers on social media to inform often lifelong choices over their account provider.

More than half of sector investment is directed towards online formats.

The retail sector – the largest in this analysis – is expected to post the lowest growth next year, though a 2.6% rise would still be the strongest since 2013. Competition is fierce, from supermarkets to restaurants, and incremental dollars are mostly spent online, with TV, radio and print down over recent years.

Warc predicts that Google and Facebook will make \$176bn from advertising this year

22 Mar 2019





Elsewhere, consumer packaged goods (CPG) sectors such as soft drinks (+6.5%), food (+4.9%), and toiletries & cosmetics (+2.9%), are all expected to increase advertising investment in line with rising consumer spend.

"Weak macroeconomic indices, waning business confidence and rising geopolitical tensions have increased the possibility of a recession in 2020. Within this climate, our forecast of 6% growth in global advertising investment may seem optimistic, but these projections are in line with those from the IMF and Euromonitor for GDP and consumer spend, respectively," says James McDonald, managing editor, Warc Data, and author of the research.



Global Ad Trends report focussing on OTT compiled by Warc

25 Oct 2018



"Incremental adspend during quadrennial events – the Tokyo Olympics and US presidential campaigns – may be muted next year but will still have a positive net contribution to global growth, as would a stronger yuan and a business-favourable 'Brexit'. Advertisers also intend to increase spend on Google, Facebook and Amazon properties, with global media spend ultimately flat elsewhere."

An infographic of 2020 category adspend forecast for a selection of countries is available to download [here](#).

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