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Digital advertising to surpass print, TV for the first time, report says

Hamza Shaban, The Washington Post **Published 9:12 am CST, Wednesday, February 20, 2019**

This year, the money spent on digital advertising in the United States will surpass that on traditional ads for the first time, according to forecasts by eMarketer, representing a landmark inversion of how advertisers budget their resources and highlighting the rise of digital media as platforms to seek consumers' attention.

By the end of the year, eMarketer expects companies to spend nearly $130 billion on digital ads, compared with about $110 billion on traditional advertisements, or about 54.2 percent of the ad market vs. 46.8 percent, respectively. According to the research firm's projections, spending on digital ads will continue to outpace that of traditional ads. By 2023, digital ads will capture more than two-thirds of all ad spending, according to the estimates.

The increase in digital ad dollars will come, in part, from sharp declines in key print ad formats including directories such as the Yellow Pages, whose ad spending will fall by 19 percent, and the print versions of newspapers and magazines where ad spending is expected to decrease by about 18 percent, eMarketer said. Ad spending on TV will decline 2.2 percent this year, to about $71 billion, eMarketer said, owing largely to the absence of elections and big sports events, such as the Olympics or World Cup.

"The steady shift of consumer attention to digital platforms has hit an inflection point with advertisers, forcing them to now turn to digital to seek the incremental gains in reach and revenue which are disappearing in traditional media advertising," eMarketer's forecasting director Monica Peart said in a statement.

The top two digital advertisers in the United States - Google and Facebook - are expected to maintain their dominant hold on ad dollars, as the tech giants' combined ad revenue will command about 59 percent of the market, according to the forecasts. EMarketer projects

Google's share will drop slightly

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t from 21.8 percent to 22.1 percent

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lyst Debra Aho Williamson said in a

gital advertisers, and the latter two

nited States, is projected to grow by

9 percent of the digital ad market.

targeting and provides access to

purchase data in real-time," said Peart. "This type of access was once only available through the retail partner, to share at their discretion. But with Amazon's suite of sponsored ads, marketers have unprecedented access to the 'shelves' where consumers are shopping."

(Amazon chief executive Jeff Bezos owns The Washington Post.)

Last week, Amazon canceled its plans to build a second headquarters in New York City after the company was met with resistance from local politicians, unions and community activists who criticized the project as an unfair deal. Opponents of the plan highlighted their concerns of the rising cost of living, deteriorating infrastructure, and the preferential treatment given to corporations such as Amazon, which is valued at nearly $800 billion and extracted almost $3 billion in tax subsidies for the planned expansion.

EMarketer said it has adjusted its projections higher for Amazon following the company's latest earnings report, "putting it on track to close the gap with No. 2 Facebook" in the digital ad market.

More than two-thirds of spending on digital ads this year will be dedicated to ads on mobile devices, eMarketer said, totaling more than $87 billion.