

Global Media Spending Drops 6.8% in 2020 to \$1.28T, Marking First Decline in 11 Yrs; Industry Poised for 2021 Rebound, Fueled by Digital Video, Audio, Games, Influencers

Global advertising and marketing spending, including traditional, digital and alternative media in all major markets worldwide, is on pace to drop 6.8% to \$1.278 trillion in 2020, as COVID-19 and its economic blowback will result in the first media spending decline in 11 years, according to new research by PQ Media.

STAMFORD, Conn. ([PRWEB](#)) November 24, 2020 -- Global advertising and marketing spending, including traditional, digital and alternative media in all major markets worldwide, is on pace to drop 6.8% to \$1.278 trillion in 2020, as the flash flood caused by COVID-19 and the pandemic's continued ripple effects will result in the first media spending decline in 11 years, according to new research released today by [PQ Media](#).

The global advertising sector is projected to shrink 7% to \$583.71 billion for the year, while the overall marketing sector is expected to recede 6.6% to \$694.35 billion. In the United States, total ad & marketing spending is on pace to fall 7.1% to \$494.23 billion in 2020, according to [PQ Media's Global Advertising & Marketing Spending Forecast 2020-2024](#).

“While the economic damage wrought by the pandemic will squelch a decade-long expansion of the media economy this year, the emergence of new advertising and marketing opportunities in streaming video and audio; mobile gaming and apps; social media and influencer marketing; and digital product placement, content marketing and virtual events are expected to hasten the industry's recovery going forward,” said PQ Media CEO Patrick Quinn.

Global ad & marketing spend is projected to grow 5.9% in 2021, as both the advertising and marketing sectors return to growth tracks, driven mainly by 11.3% growth in the digital & alternative media segment. With digital & alternative media projected to post much stronger growth than traditional media over the next several years, PQ Media forecasts that digital & alternative media spend will command a larger share of the total ad & marketing pie than traditional media for the first time in 2023 – both in the overall global market and in the US.

Of course, this year has been a different story. The far-reaching impact of the pandemic upended advertising and marketing in leading media markets worldwide, devastating key industry verticals, such as airlines, hotels and tourism, and accelerating tectonic shifts already reshaping the landscape of major economic sectors, like retail, entertainment, automotive and financial services. Among the hardest hit media markets was the US – the world's largest market accounting for nearly 40% of global media spending – where all but one traditional media platform and nearly half of the digital & alternative media channels recorded spending declines in 2020.

Global traditional ad & marketing spend will fall an estimated 10.8% in 2020, while digital & alternative media expenditures are anticipated to dip only 0.8%, driven down by steep declines in digital out-of-home media and experiential marketing. In the US, total ad & marketing spend is on track to fall 7.1% in 2020 to \$494.23 billion, with the marketing sector posting the deeper decline at 7.2% compared with a 6.9% decrease in ad spend. US Traditional media outlays are expected to fall 11.5% in 2020 versus a 1.3% decline for digital & alternative media, according to [PQ Media's Global Advertising & Marketing Spending Forecast 2020-2024](#).

Globally, two media will post double-digit gains in 2020 compared with five in 2019, led by entertainment media's 12.1% expansion, spurred by increased ad spend on digital videogames. Newspapers will be among six media to register double-digit declines this year, plummeting 19.2%, as traditional PR will be the only conventional media platform to generate growth in 2020. Three digital & alternative media platforms will post double-digit growth in 2020, compared with seven last year, led by influencer marketing's 18.6% increase. Mobile smart tech marketing, which includes AI, AR, VR and IOT, will post the strongest growth of the 41 digital & alternative channels in 2020, surging 82.8%, though this is a major deceleration from 2019. Eight of the 41 digital channels will record double-digit declines in 2020, an unprecedented occurrence.

A far cry from the robust growth projections at the outset of the year, when expectations were for a potent mix of higher spending on various digital advertising and marketing channels, as well as the quadrennial infusion of record media expenditures related to the Summer Olympics and the US presidential election. Hampered by the pandemic and its economic blowback throughout much of the year, 2020 turned out to be the only year on record in which these two quadrennial mega-events were scheduled and both global and US media spending declined.

While the contentious US presidential campaign rang up record ad spend, the Summer Olympics was postponed to 2021. In addition, hundreds of other global, regional and local consumer-facing events were also postponed or cancelled including SXSW, the Cannes Film Festival and NCAA March Madness, while road and foot traffic were stifled for months in the top 20 global markets, which account for over 90% of all media spend. These consequences alone dealt punishing blows to numerous media channels, but other media platforms were further impacted by their vulnerability to the countermeasures employed by governments worldwide to slow the spread of COVID-19, including newspapers, radio, experiential marketing, out-of-home media and mobile location services.

“The rapid spread of the coronavirus in early 2020 forced leading advertisers and marketers to quickly change planned media strategies and tactics, as major brands scrambled to engage and activate overwhelmed target consumers in a stay-at-home environment,” Quinn said. “With advertising and marketing messages already being lost because key demographics are increasingly media multitasking and consuming content on wireless devices with ad-blocking software, astute marketers and agencies shifted budgets to media channels capable of breakthrough engagement and brand activation.”

As a result, several bright spots shined through the clouds across the media landscape. For example, influencer marketing, which can easily be done at home by micro, macro and ambassador influencers, saw an influx of new clients when events were cancelled, as brands wanting to tout new products utilized leading bloggers and podcasters following cancellation of major fashion and auto shows. At-home media usage surged during the pandemic, which mitigated some of the expected losses in media platforms that led to raised rates for popular network television programs and videogame titles, particularly those related to sports.

While the pandemic scuttled 10-year growth surges in all three branded media sectors this year – [product placement](#), [experiential marketing](#), and [content marketing](#). PQ Media's research indicates that secular trends in consumer media behaviors and advertiser spending favor all three branded media going forward because of their ability to create emotional connections and positive brand associations with younger, more elusive and fickle target consumers, especially Millennials and iGens.

“Brands utilizing digital branded media are capitalizing on the increased time these key demographics are

spending on mobile, social, online, and streaming media by using influencers, videos, podcasts and interactive game experiences,” Quinn said.

Among those opportunities are the proliferation of new streaming video and audio services worldwide concurrent to the pandemic forcing consumers indoors for longer periods, driving up viewing and listening times for digital video and audio programming. While leading subscription video streamers Netflix, Amazon Prime Video and Apple TV+ don’t sell traditional ad spots, the incidence of product placement and brand integration in original programs on these services soared in 2020. Another emerging trend is that of popular recording artists using streaming videogame platforms to host virtual concerts and launch new content, such as Travis Scott’s performance on Fortnite and Lil Nas X’s concert on Roblox, which received over 33 million views and activated millions of related music downloads.

About the Report:

[PQ Media’s Global Advertising & Marketing Spending Forecast 2020-2024](https://www.pqmedia.com/product/global-advertising-marketing-spending-forecast-2020-2024/) covers 300 media sectors, silos, platforms, channels and categories, including 15 hybrid traditional & digital media silos; 10 major digital & alternative media platforms and 41 media channels therein; and 10 key traditional media platforms. Site licenses include two deliverables: 1) PDF Report & Analysis delivering a 450-slide deck with hundreds of datagraphs, expert insights and detailed profiles of the top 20 global markets and the rest of the countries across the 4 major regions; and 2) Comprehensive Excel Databook providing over 100,000 datasets and datapoints covering each country, media sector, silo, platform and channel, including 10 years of spending, growth and market share data. To download a Free Executive Summary and Sample Datasets, click <https://www.pqmedia.com/product/global-advertising-marketing-spending-forecast-2020-2024/>.

About PQ Media:

[PQ Media](#) delivers intelligent data and analysis to leading global media organizations through annual market intelligence and forecast reports and custom market research services. PQ Media uses a proprietary econometric methodology to define, segment, size, analyze and project growth across more than 300 traditional, digital and alternative media worldwide. PQ Media publishes the annual [Global Media Forecast Series](#), a three-report series that delivers the most comprehensive and holistic view of the media landscape via three KPIs: advertising & marketing spending, consumer media usage & exposure, and consumer spending on media.



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