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## **SCBA Flash Research: The State of Digital Advertising Now in 2019**

eMarketer expects [U.S. digital advertising spending](#) to hit \$129.34 billion in 2019, a year-over-year rise of 19%. Amazon is expected to report an increase in its share of US net digital advertising revenues from 6.8% in 2018 to 8.8% in 2019. Conversely, Google's ([GOOG](#)) market share is expected to fall from 38.2% in 2018 to 37.2% in 2019. Facebook's ([FB](#)) market share is expected to rise from 21.8% in 2018 to 22.1% in 2019.

eMarketer has also forecasted a 50% year-over-year rise in US digital advertising sales for Amazon in 2019. This growth is mainly due to better targeting capabilities resulting from Amazon's store of consumer behavior data. Amazon is expected to gradually eat into the markets of the top two players, Google and Facebook.

While we cannot control the digital competition fighting for ad revenue in Southern California, it is in our member's interest to understand their strengths and weaknesses.

As Broadcast Radio's principle competitor for ad budgets, it's important we understand where and how these budgets are being spent with digital. Here are a few of the top priorities and challenges for digital advertisers in 2019.

Increasing growth remains the top priority and that means driving brand awareness is central to that goal. However, there are **constant challenges for digital clients**, including hitting volume targets with paid search, accurate attribution with paid social, and leveraging conflicting audience data with eCommerce. All these stressful hoops must be jumped through in order to drive growth through digital advertising. Digital is not without its own issues and more clients are seeing that.

### **Paid Search Dominates Digital Advertising**

Paid search remains the dominant digital ad channel, taking in 39% of total digital budgets and despite constant issues with data privacy, paid social represented 18% of budgets with display at 16%. The issue of consumer privacy remains an unsolved issue within the digital industry. Look for government intervention to protect the consumer, which is dreaded by the tech industry.

## **Instagram as Stand Alone Budget**

Instagram is not taking revenue from parent company Facebook as a recent survey indicated where 67% of respondents stated that Instagram spending will come from an “incremental budget” rather than taking budget from Facebook’s allocation.

## **Amazon Grows but is not as user friendly for clients as Facebook or Google**

60% of digital marketing professionals will increase their Amazon spending over the next year and consider Amazon a “growth platform”. Yet, consensus is that Amazon is not as sophisticated as Facebook or Google in both campaign management tools and reporting tools.

## **Google is the Most Trusted Digital Platform**

Google is considered a “trusted” publisher by 98% of marketers who listed them as 4.5-5.0 in a trust scale with 5 being the best. Only 2% of the respondents felt the platform could not be trusted.

## **Digital Enhancements**

A majority of Google customers who use paid search (SEM) are using or will be using Google’s new Responsive Search Ads format. This format allows advertisers to add up to 15 headlines and text sentences to gauge consumer response. Ad spending on shopping ad formats is increasing with shoppable images increasing within search. Video is considered the most effective with social ad formats with Image ads, Instagram stories, and carousel ads (allowing two images and/or videos within an ad) as strong runner ups.

## **SCBA Observation**

Clients are beginning to experience “fatigue” and “crowded platforms” with digital and are looking for new formats to gain an edge. Rather than continue limited ROI, eroding CPI and CPC saturation, and increasing issues of fraud with estimates of 30% or more in bot traffic, clients should be urged to **Rediscover Radio and the documented success of Radio to drive awareness, consideration, and purchase.**

### ***When we think about it...***

- Radio provides clients exact, targeted consumers that match client products and services.
- Radio builds trust with the consumer as our medium is a trusted companion.
- Radio creates customer retention and builds brand loyalty.
- Radio creates new customers, increasing market share.
- Radio produces creative to be relevant to its listeners.
- Radio is right now, in real time, and is everywhere 24/7.
- Radio commercials cannot be skipped after 5 seconds.

**Radio's unique ability to motivate consumers, combined with an established listener-accepted commercial environment can... complement, supplement, and enhance most media plans.**

To learn more about the power of Southern California Radio, visit [www.scba.com](http://www.scba.com), a trusted source for accurate and timely information about Radio.

And if you would like more information about the digital space, visit our digital information section at <http://www.scba.com/SCBA-Digital-Information-Series>

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Sources:

Marin Software: "State of Digital Report 2019", IAB.com, eMarketer.com Wired.com mckinsey.com