How Did Chile’s Political Crisis Affect Its Digital Ad Market?

**ARTICLE**

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With Chile’s GDP growth slashed and retail losses estimated at more than $1.40 billion, none of its major industries—including the digital advertising industry—emerged unscathed by the crippling social unrest this past fall after Santiago Metro’s subway fare hike sparked mass protests about higher costs of living, privatization and widespread inequality.

Admetricks, a web service that monitors online media in Latin America and Spain, tracked weekly display ad spending before, during and after Chile’s civil protests.
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While it will still take some time for marketers to return to their previous levels of digital ad spending, consumers are optimistic about the recovery.

- **Pre-Crisis:** In the week prior to the protests on October 14, 2019, brands had invested $5.87 million in desktop and mobile display ads. Once the social unrest erupted, advertisers started pulling their display ad dollars. This resulted in a 5.4% decrease to $5.55 million.

- **During the Crisis:** As social discontent increased in the following days, violence quickly escalated. This prompted President Sebastián Piñera to declare a state of emergency on October 18, 2019. During the weeks of October 21 and October 28, brands’ ad spending decreased 23.2% and 16.9% to $4.26 million and $3.54 million, respectively, per Admetricks.

- **Post-Crisis:** To restore peace nearly one month after the protests began, Chile’s congress reached an agreement to reform the country’s constitution on November 15, 2019. Although a handful of advertisers remained hesitant about resuming their display campaigns, weekly spending increased from $4.93 million during the week of November 18 to $5.14 million during the week of November 25, according to Admetricks.

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brands that continue to spend on advertising. According to a November 2019 poll conducted by local market research company Cadem, the vast majority of internet users ages 18 to 70 in Chile seemed to be OK with brands doing so.

<table>
<thead>
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<th>Main Attitude of Internet Users in Chile About Brands Resuming Advertising Activities in Light of the Political Crisis*, Nov 2019</th>
<th>% of respondents</th>
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<tbody>
<tr>
<td>It’s fine as long as their messages are related to the moments we are living through</td>
<td>36%</td>
</tr>
<tr>
<td>It’s good that this is the case since they have to continue selling their products and services</td>
<td>34%</td>
</tr>
<tr>
<td>It’s not a topic that worries me especially</td>
<td>19%</td>
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<tr>
<td>I disagree with it; at times like these, it is better for brands not to advertise</td>
<td>11%</td>
</tr>
</tbody>
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Note: n=2,977 ages 18-70; *in reference to the civil protests that began on Oct 14, 2019
Source: Cadem, “Marcas ciudadanas 2019: Marcas y comunicación pre y post crisis,” Jan 9, 2020

In fact, 36% of respondents believed it was fine as long as their messages were related to the moments they’re currently living through, while 34% felt it was good since brands have to continue selling products and services.

Brands still need to be very cognizant of the types of messaging they disseminate during these uncertain times. A separate survey conducted by GfK at the end of October 2019 found that ads containing messaging about the events during the state of emergency, national unity difficulties people went through or how Chile is recovering from the protests would annoy roughly one-third of internet users in Chile ages 18 and older.
Instead, 32% of respondents said they want brands to incorporate messaging that shows how they will contribute to the country’s future, and 20% want to see ads that talk about current promotions, discounts or offers.

Brands that want to deploy ads around promotions or discounts should tailor their messaging around the notion of “saving money” rather than merely creating a ploy to incite customers to make a purchase. This, according to GfK, seems to have the most potential as a semblance of normality is gradually restored to most parts of the country.

For more on digital advertising trends in Latin America, eMarketer PRO subscribers can look for our Latin America Digital Ad Spending 2020 report publishing in April.

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