

# Digital Ad Spending in Latin America Is Growing Despite Market Volatility

## ARTICLE |

**Matteo Ceurvels**

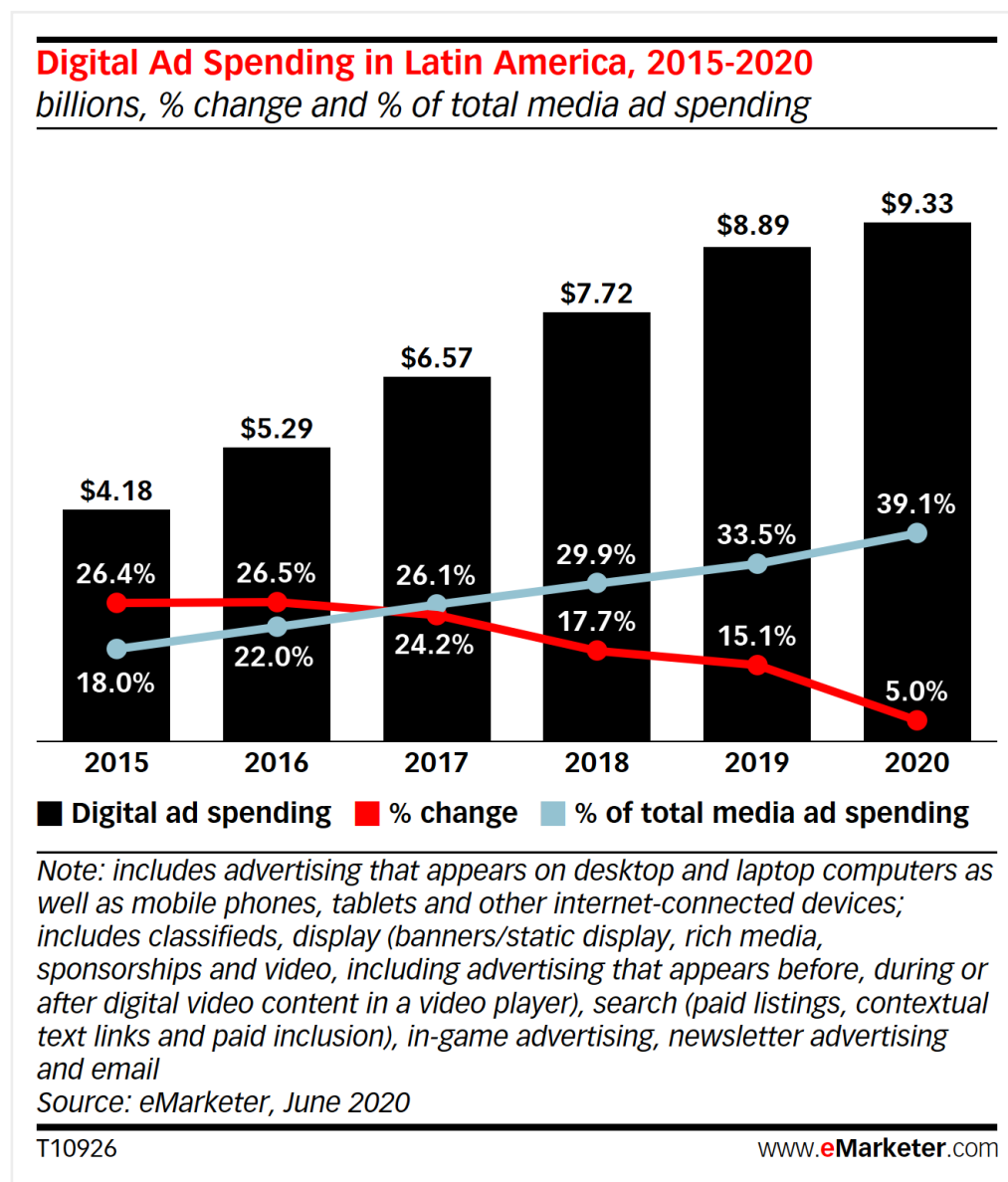
Widespread social unrest and economic volatility during H2 2019 greatly disrupted market dynamics in several countries across Latin America. 2020 was expected to be a year of recovery and economic growth, but the arrival of COVID-19 on February 26 put a damper on such expectations.

Since then, the region has become a new epicenter of the pandemic. According to Johns Hopkins University, 3.6 million people in Latin America and the Caribbean had tested positive for COVID-19 as of July 17, accounting for more than one-quarter (26.1%) of confirmed cases worldwide.

The fallout from the coronavirus and the political turmoil seen throughout the region in recent months will have more negative consequences for traditional media this year than for digital media. While we expect traditional media outlays to decrease by 17.5%, digital will continue to grow in terms of share and real investment as advertisers pivot their ad budgets toward online channels amid market volatility.

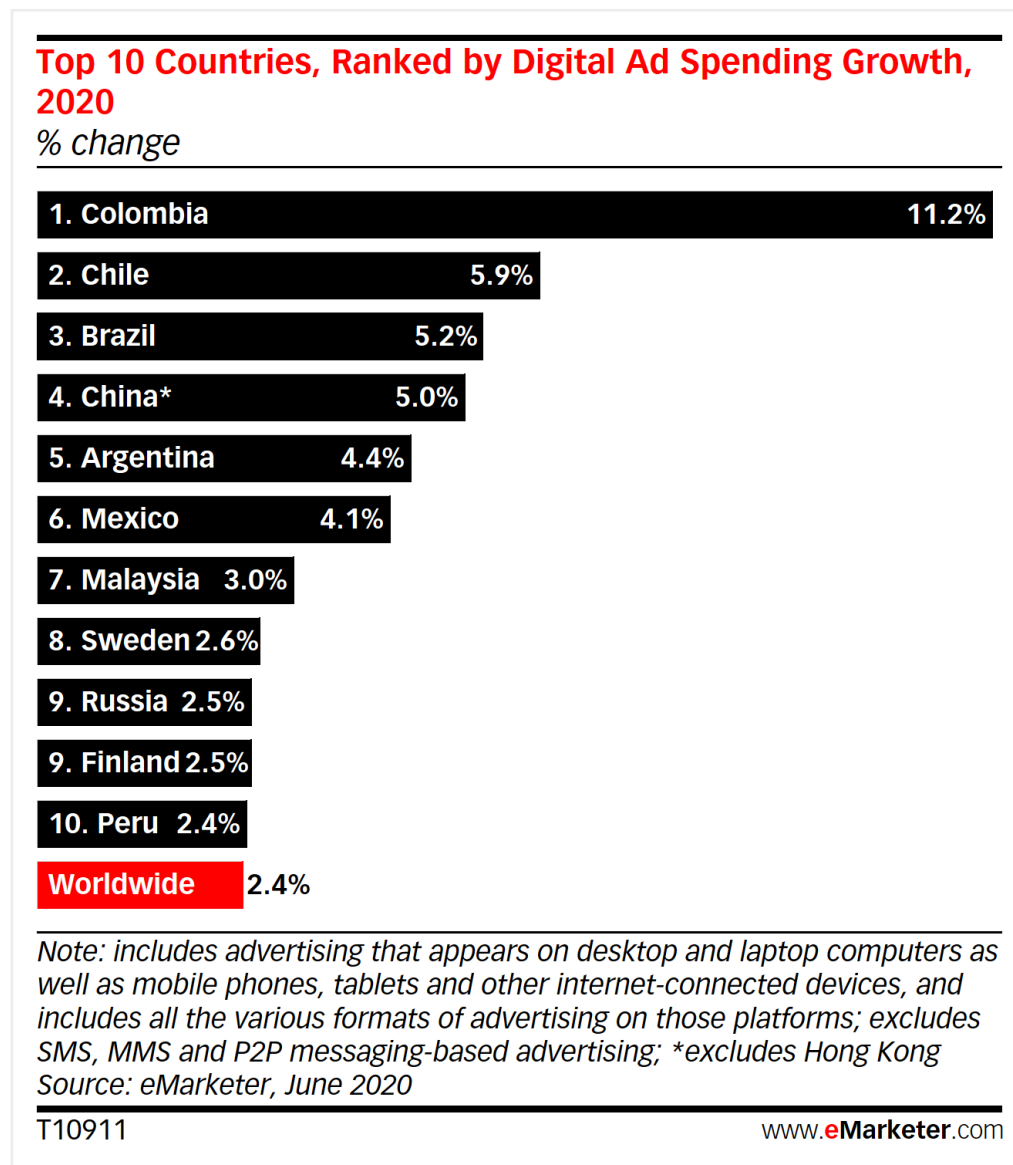
From 2015 to 2020, digital ad spending in Latin America more than doubled from \$4.18 billion to \$9.33 billion. That means, for the first

time, digital will account for nearly 40% of the regional ad market. Under these current circumstances, this share should further improve in the years ahead.



Given digital's rapid acceleration across Latin America, our core six countries will all secure a spot in this year's top 10 fastest-growing digital ad markets worldwide for the first time. Among the 37 markets we forecast, Colombia (11.2%), Chile (5.9%) and Brazil (5.2%) will rank first, second and third, coming in ahead of China (5.0%). Argentina and Mexico will come in fifth and sixth place, respectively. Peru will be right

on the heels of Finland and Russia, in 10th, since the two countries will tie for ninth place.



Even though digital ad spending in Latin America tilts toward display—like social media and video—advertisers should keep search on their radar as retail ecommerce adoption surges in “other” emerging markets—like Colombia, Chile and Peru (22.6%)—as well as Mexico (20.9%).

## Retail Ecommerce Sales Growth in Latin America, by Country, 2020

% change

Mexico	20.9%
Argentina	18.0%
Brazil	15.3%
Other	22.6%
Latin America	19.4%

*Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales*  
*Source: eMarketer, May 2020*

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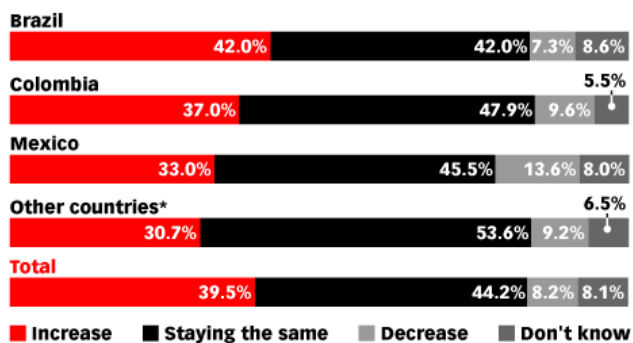
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For example, digital buyers in Mexico were roughly 1.5 times more likely to consult search engines (64%) than social media (44%) before deciding to make a purchase, according to a January 2020 [Asociación Mexicana de Venta Online \(AMVO\)](#) survey conducted by [Netquest](#).

Professionals in Latin America have also shown a growing interest in search as evidenced in a March 2020 [Rock Content](#) survey. Among the 55.8% of respondents whose companies implemented an SEO strategy, 39.5% said their companies planned to increase SEO spending in 2020. Some 44.2% said spending would stay the same, while only 8.2% planned to decrease expenditures.

**Professionals in Latin America Whose Companies Plan to Increase vs. Decrease SEO Spending in 2020, by Country, March 2020**

% of respondents in each group



Note: n=1,137 whose companies have implemented an SEO strategy; numbers may not add up to 100% due to rounding; \*includes Argentina, Bolivia, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Uruguay and Venezuela

Source: Rock Content, "SEO Trends 2020: Brasil e América Hispânica," April 13, 2020

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Overall, search advertising will be an effective way for brands to target consumers with relevant ads as consumer spending habits shift online in response to this “new normal.” Advertisers that adapt their digital strategies and formats accordingly will be able to influence consumers’ purchase decisions at the discovery and consideration stages of the consumer journey.

For more insights on digital ad spending and ecommerce in Latin America, eMarketer PRO subscribers can read our recent reports:

**Report** by Matteo Ceurvels Jul 02, 2020

## Latin America Digital Ad Spending Update Q2 2020

### LATIN AMERICA DIGITAL AD SPENDING UPDATE Q2 2020

Advertisers Pivot Toward Digital amid Market Volatility

JULY 2020  
Matteo Ceurvels  
Contributor to eMarketer



**Report** by Matteo Ceurvels Jun 17, 2020

## Latin America Ecommerce 2020

### LATIN AMERICA ECOMMERCE 2020

How COVID-19 Will Affect Growth and Sales in Argentina, Brazil and Mexico

JUNE 2020  
Matteo Ceurvels  
Contributor to eMarketer



**Report** by Matteo Ceurvels May 18, 2020

## COVID-19's Impact in Latin America

### COVID-19'S IMPACT IN LATIN AMERICA

How the Coronavirus Will Change Digital Advertising in Argentina, Brazil, Chile, Colombia, Mexico and Peru

MAY 2020  
Matteo Ceurvels  
Contributor to eMarketer

