

MARKETING

Digital advertising spend to reach \$168B in 2017: Carat

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Image courtesy of Bloomingdale's

By STAFF REPORTS

Digital media is expected to account for 27 percent of total advertising spend in 2016, according to new projections from global media network Carat.

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The total expenditure on advertising is anticipated to increase 4.4 this year, reaching \$548.2 billion for 2016, growing an additional 4 percent in 2017 to \$570.4 billion. Carat's forecasts show a positive outlook for the advertising industry, driven largely by the increasing resources put toward digital.

On the rise

2016 had a number of bright points that contributed to its positive projections, including the Olympics and Paralympics in Rio de Janeiro and the upcoming presidential election in the United States.

As brands looked to leverage media events, television remains the top channel overall, with a 41 percent share. However, its 2.3 percent expected growth in 2017 pales in comparison to digital's 13.6 percent.

When looking at total incremental ad spend for 2017, digital dominates with 90.9 percent. Print's decline offsets the incremental growth, with a -20.6 percent share.

Digital is already the top channel for advertisers in 13 of the 59 markets studied by Carat, including the United Kingdom, Canada, France and Australia. Key focuses are mobile, online video, social media and programmatic advertising.



Roger Dubuis WeChat ads

The luxury industry is reflecting an overall trend of consumers researching via digital before they buy.

Forty-five percent of luxury purchases are influenced by what the consumer has discovered digitally, according to a report by WBR Digital.

The "Digital Advantage for Luxury Brands - Director's Report: Luxury Interactive 2015" gives an overview of how digital has continued to affect and transform luxury brands, especially in terms of sales channels and revenue-driving experiences in the online space. As expectations for online experiences have changed, luxury brands have faced key challenges in the digital space from research to in-store logistics ([see story](#)).

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