

Warc Global Ad Trends: Search advertising will rise 9.6% but growth slowest since 2015

In a new report released by Warc it is revealed that investment in search advertising will rise 9.6% this year, to \$135.9bn - equal to 22.0% of all advertising spend worldwide. But this growth rate is the softest since 2015 and is a marked slowdown from the 16.9% rise in 2018. Search's share of internet advertising has now flatlined at 45.8% - the lowest in more than a decade.



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Google and Amazon are battling for smart speaker control as growth in paid search cools, but voice search remains a niche marketing pursuit.

The squeeze on Google's main source of revenue has forced it to confront Amazon head-on in the smart speaker market, as it looks to facilitate voice search in future paths to purchase. But Amazon has a first-mover advantage in many markets, notably the US, UK and Japan. Control of voice search could be critical to either's success in future; most marketers understand its potential in the coming years but few have plans to use voice search today.



Global Ad Trends report reveals slowdown in social ad growth

2 Jul 2019



Mobile is driving growth in the search market

Mobile search adspend is expected to rise 19.2% to \$88.1bn this year - almost two-thirds (64.8%) of total search spend worldwide. The US alone accounts for 43.0% of this total (US\$38.1bn in 2019), while a fifth (21.8%, or \$19.3bn) is transacted in China. Japan (\$6.1bn, a 6.9% share) and the UK (\$5.3bn, 6.0%) follow.

Google accounts for 95.4% of all mobile searches worldwide, higher than its share of desktop search traffic (88.6%). Google's share of mobile search traffic in the US (94.4%) and UK (97.9%) is close to its global rate but in China, its share is near zero, with Baidu the incumbent on 79.9%.



Warc's Global Ad Trends report focus on search advertising

31 May 2018



Mobile's share of search advertising investment is rising ahead of mobile's share of search traffic, which has plateaued globally since 2017 as consumers spend more time in-app (over 80% of mobile usage is in-app, according to comScore).

Instagram is used to discover, Google to research, and Amazon to buy

Research by Mindshare shows that Instagram is used by 69% of consumers to discover products, ahead of Snap at 64% and Facebook at 61%. Google is used most to research, with 70% of consumers utilising the platform in this way (versus 51% for second-highest Pinterest). Crucially, however, Amazon is used most to buy; 78% of Amazon users report this, compared to 40% using Google for the same purpose.

One in three (32%) online purchases in the UK begins on Amazon, rising to 52% for entertainment products, 50% for children's products, 47% for household items and 40% for electronics. Comparatively, one in five (19%) online purchases begins with a search engine, such as Google.

Amazon made \$35bn from e-commerce in Q3 2019, up by a fifth from the previous year and putting it on course to reach close to \$150bn in sales for 2019 as a whole. Over one in ten (11%) product page views come from sponsored ads, according to data from Jumpshot.



Global Ad Trends report reveals internet ad formats account for majority of media spend

31 May 2019



Voice is becoming a new search battleground for Amazon and Google

Voice is an area of growth for search advertising, aided by the rising popularity of smart speakers - an area where competition between Google and Amazon is fierce. More than one in ten internet users in the US and UK now own a smart speaker. Amazon enjoys a healthy lead over Google in a number of key markets, including the US, where three-quarters of smart speaker owners use Alexa. In the UK, that share is 77%.



Global Ad Trends report focussing on OTT compiled by Warc

25 Oct 2018



The 'first-mover' advantage is crucial here, however. Google was first to launch in Australia and enjoys a comfortable lead over Amazon (86% penetration versus Amazon's 15%), and the same is true in Singapore (76% versus 24%). This may not bode well for Facebook, which is developing an AI assistant for its Portal devices and is playing catch up to win market share in this area.

For all the potential, voice search remains a niche pursuit for advertisers today: only one in ten US practitioners plans to include it within their marketing strategy for 2020. A quarter (25.2%) believe it will be an 'extremely' important marketing channel within the next three to five years, but half (48.9%) have no plans to utilise the tech in the short-term.

James McDonald, managing editor, Warc Data, and author of the research, commented: "Search has boomed over the last decade as practitioners have put a greater emphasis on performance-related advertising to lift ROI - few marketing strategies exclude a search element today. Warc research shows that practitioners regard it as the easiest channel to measure accurately, and it is more cost-effective in driving conversions when compared to online display formats such as video.

"But the industry is beginning to question whether this focus has been beneficial in the long run, with a number of large, consumer-facing businesses considering a pivot back to more conventional brand-building formats. This could explain, in part, the slowdown in search investment this year, a cooling which will reignite Google's drive to control the next frontier: voice-assisted search."



Warc predicts that Google and Facebook will make \$176bn from advertising this year

22 Mar 2019



Global media analysis: A round-up of search advertising

- 3.5% conversion rate for mobile search ads on Google
- 9.6% rise in global search spend this year, to \$135.9bn
- 19.0% online purchases that begin with a search engine
- 22.0% search's share of all advertising spend
- 45.8% search's share of internet advertising spend, the lowest in over a decade
- 48.9% share of North American marketers with no plans to leverage voice search capabilities next year

Other new key media intelligence on Warc Data

- Brand activism becomes key strategy for content campaigns
- Spend on martech rapidly increasing in North America
- APAC consumers engage more with local brands than internationals
- Successful drinks brands are top spenders on TV
- 37% of consumers pay for two or more SVOD platforms

Global Ad Trends is part of Warc Data, a dedicated online service featuring current advertising benchmarks, data points, ad trends and user-generated expanded databases.

Global Ad Trends, a monthly report which draws on Warc's dataset of advertising and media intelligence to take a holistic view on current industry developments, is part of Warc Data, a dedicated independent and objective one-stop online service which rigorously harmonises, aggregates, verifies and evaluates data from over 100 reputable sources, including new category data drawn from a collaboration with Nielsen featuring current advertising benchmarks, forecasts, data points and trends in media investment and usage.

Warc Data is available by subscription only. For more information click [here](#).

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