

# AD SPENDING IN SOUTHEAST ASIA

## New Forecasts for an Emerging Digital Region

**FEBRUARY 2017**

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Dear Reader,

This report provides new forecasts for total media, digital and mobile internet ad spending in six markets in Southeast Asia: Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Research is central to the IAB Singapore mission and eMarketer has been at the heart of digital research for more than two decades.

Getting an accurate picture of the industry, with compelling insights and data drawn from a cross-section of sources, is crucial for driving the change that digital advertising needs today.

This joint forecast, a first for Southeast Asia, and Hong Kong and Taiwan does just that and we hope it will provide a valuable window into the opportunities within markets and beyond. This collaborative report is a great complement to eMarketer's comprehensive coverage of the Asia-Pacific region and has been made available first to the IAB community in Singapore.

This report could not have happened without the incredible support of IAB Singapore Members who provided additional data sets and validation. An additional thank you to the IAB Singapore Board especially John Kerr, Global Chief Digital Officer, Zeno Group who helped lead this project.

We would also like to thank IAB Singapore members and their data and market leads for their insights. It has been rewarding to galvanise so many perspectives and figures, and we couldn't be prouder of what we have published.

As this report will show, double-digit gains in digital ad spending are expected in 2017 across markets. We can tangibly see that it is digital's time to shine even brighter, so experiences keep getting better, smarter and more meaningful.

We intend to review these figures every six months and revise them where necessary. We also look forward to hearing and participating in the conversations that these reports will no doubt trigger at [adspend@iab.sg](mailto:adspend@iab.sg).

Miranda Dimopoulos



**CEO & Ambassador to SEA  
IAB Singapore**

Lisa Church



**President  
eMarketer**



# AD SPENDING IN SOUTHEAST ASIA: NEW FORECASTS FOR AN EMERGING DIGITAL REGION

This report provides new forecasts for total media, digital and mobile internet ad spending in six markets in Southeast Asia: Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The estimates were developed in conjunction with IAB Singapore, with input from members of the organization.

eMarketer drafted initial estimates based on an analysis of the macro-level economic conditions in the region, historical trends of the advertising market, estimates from other research firms and consumer media usage data. Estimates were then updated after being vetted by member companies of IAB Singapore, with input from agency executives, publishers and research companies in the region.

The report includes estimates for two other regional markets: Hong Kong and Taiwan. Though the two markets do not belong to Southeast Asia geographically, from an operational and relationship standpoint, they are relevant to this report.

- Digital ad spending in individual countries varies considerably, with more advanced economies adopting digital at a quicker pace. Nonetheless, all six countries will see double-digit gains in digital ad spending in 2017. Increased demand for mobile, video and social media advertising will drive this growth.
- Advertisers in Indonesia, Thailand, the Philippines, Malaysia and Vietnam have been slow to adopt digital. Digital spending will account for less than 20% of overall media investment in 2017. But because of rapid internet adoption, particularly through smartphones, digital ad spending will surge in those markets.
- Overall media ad spending in Singapore is likely to be slow during the forecast period. But investment on digital channels will continue to see double-digit growth through 2019.

**WHAT'S IN THIS REPORT?** This report includes new forecasts for total media ad spending, digital ad spending and mobile internet ad spending for six Southeast Asia markets, plus Hong Kong and Taiwan. Data on ad spending in these countries can be found in this report's [accompanying spreadsheet](#).

## Digital Ad Spending Share of Total Media Ad Spending in Select Countries in Asia-Pacific, 2015-2020 % of total media ad spending

	2015	2016	2017	2018	2019	2020
Taiwan	30.1%	35.8%	40.4%	44.6%	48.1%	51.0%
Singapore	16.9%	20.3%	23.8%	27.2%	29.6%	30.8%
Hong Kong	15.7%	18.4%	20.4%	21.8%	23.1%	24.0%
Malaysia	14.3%	17.0%	19.7%	22.3%	23.9%	25.2%
Philippines	13.1%	16.2%	18.7%	21.0%	22.9%	24.2%
Vietnam	13.0%	16.0%	18.4%	20.6%	22.5%	23.6%
Thailand	12.7%	15.1%	17.5%	19.8%	21.5%	22.7%
Indonesia	12.5%	14.8%	17.1%	18.8%	20.1%	21.5%
<b>Asia-Pacific</b>	<b>34.4%</b>	<b>39.4%</b>	<b>44.4%</b>	<b>48.8%</b>	<b>51.2%</b>	<b>53.5%</b>

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising  
Source: eMarketer, Dec 2016

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**KEY STAT:** The share of total ad spending devoted to digital platforms varies markedly by individual country. Shares will range from 17.1% in Indonesia to 40.4% in Taiwan in 2017.

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# INDONESIA

We estimate that total media ad spending in Indonesia will climb 8.4% in 2017, making it the fastest-growing total media market among those covered in this report.

## Key Insights

- Television will continue to rule ad spending in Indonesia, but digital advertising will see significant gains over the forecast period.
- The annual growth rate of digital advertising in Indonesia will be 25.0% in 2017, and remain in the double digits through 2020.
- Mobile ad spending is small but will grow as an increasing number of consumers in Indonesia adopt smartphones.

### Total Media Ad Spending in Indonesia, by Media, 2015-2020

millions

	2015	2016	2017	2018	2019	2020
<b>TV*</b>	<b>\$1,474.8</b>	<b>\$1,585.4</b>	<b>\$1,680.5</b>	<b>\$1,774.6</b>	<b>\$1,890.0</b>	<b>\$1,997.7</b>
<b>Print</b>	<b>\$496.0</b>	<b>\$513.4</b>	<b>\$529.6</b>	<b>\$544.8</b>	<b>\$562.9</b>	<b>\$577.4</b>
—Newspapers**	\$441.4	\$460.0	\$477.4	\$494.1	\$513.4	\$529.3
—Magazines**	\$54.6	\$53.4	\$52.1	\$50.6	\$49.5	\$48.0
<b>Digital</b>	<b>\$294.1</b>	<b>\$382.4</b>	<b>\$477.9</b>	<b>\$564.0</b>	<b>\$648.6</b>	<b>\$745.8</b>
—Mobile	\$70.2	\$124.4	\$189.4	\$254.0	\$312.0	\$367.3
<b>Out-of-home</b>	<b>\$59.5</b>	<b>\$67.4</b>	<b>\$75.5</b>	<b>\$83.7</b>	<b>\$93.3</b>	<b>\$102.6</b>
<b>Radio***</b>	<b>\$31.5</b>	<b>\$33.3</b>	<b>\$34.9</b>	<b>\$36.3</b>	<b>\$38.0</b>	<b>\$39.5</b>
<b>Total</b>	<b>\$2,355.9</b>	<b>\$2,581.8</b>	<b>\$2,798.4</b>	<b>\$3,003.4</b>	<b>\$3,232.8</b>	<b>\$3,463.0</b>

Note: converted at the exchange rate of US\$1=IDR13,395.55; numbers may not add up to total due to rounding; \*excludes digital; \*\*print only, excludes digital; \*\*\*excludes off-air radio and digital

Source: eMarketer, Sep 2016

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Total media ad spending in Indonesia will total nearly \$2.80 billion in 2017, making it the second largest advertising market among the eight countries in Asia-Pacific included in this report, behind only Hong Kong. But healthy growth over the next few years will propel Indonesia's ad market ahead of Hong Kong's as early as 2019.

TV is by far the most dominant media category in Indonesia, taking in \$1.68 billion this year, or 60.1% of total spend in the country. Although TV will face pressure from digital, it will maintain its dominance throughout the forecast. Indonesia's TV market benefits from some of the least expensive TV ad rates in Asia-Pacific, along with high reach and unyielding consumer trust. Advertising spend on TV will grow to nearly \$2 billion by 2020.

### Total Media Ad Spending Share in Indonesia, by Media, 2015-2020

% of total

	2015	2016	2017	2018	2019	2020
<b>TV*</b>	<b>62.6%</b>	<b>61.4%</b>	<b>60.1%</b>	<b>59.1%</b>	<b>58.5%</b>	<b>57.7%</b>
<b>Print</b>	<b>21.1%</b>	<b>19.9%</b>	<b>18.9%</b>	<b>18.1%</b>	<b>17.4%</b>	<b>16.7%</b>
—Newspapers**	18.7%	17.8%	17.1%	16.5%	15.9%	15.3%
—Magazines**	2.3%	2.1%	1.9%	1.7%	1.5%	1.4%
<b>Digital</b>	<b>12.5%</b>	<b>14.8%</b>	<b>17.1%</b>	<b>18.8%</b>	<b>20.1%</b>	<b>21.5%</b>
—Mobile	3.0%	4.8%	6.8%	8.5%	9.7%	10.6%
<b>Out-of-home</b>	<b>2.5%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>2.9%</b>	<b>3.0%</b>
<b>Radio***</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.1%</b>

Note: numbers may not add up to 100% due to rounding; \*excludes digital; \*\*print only, excludes digital; \*\*\*excludes off-air radio and digital

Source: eMarketer, Sep 2016

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Print newspapers is the second largest ad category in Indonesia, accounting for 18.9% of total media outlays in 2017. But the format's share will dip annually as spending shifts to digital alternatives. By next year, spending on digital channels will surpass outlays on print newspapers.

Despite high levels of ad spending directed to TV and newspapers, digital advertising will continue to gain on traditional media channels. The annual growth rate of digital advertising in Indonesia will be 25.0% in 2017, and remain in the double digits through 2020. Advertising expenditures on digital media will total \$477.9 million this year and increase to \$745.8 million by the end of the forecast period.

Outlays on digital channels in Indonesia will account for only 17.1% of overall spending in 2017—compared with 44.4% for the entire region. Of the eight countries in this report, Indonesia will have the smallest share of media dedicated to digital channels throughout the entire forecast period, mainly as a result of the country's low internet adoption rate, which eMarketer puts at 43.2% in 2017.

## Total Media, Digital and Mobile Internet Ad Spending in Indonesia, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$2.36</b>	<b>\$2.58</b>	<b>\$2.80</b>	<b>\$3.00</b>	<b>\$3.23</b>	<b>\$3.46</b>
—% change	5.3%	9.6%	8.4%	7.3%	7.6%	7.1%
<b>Digital ad spending** (billions)</b>	<b>\$0.29</b>	<b>\$0.38</b>	<b>\$0.48</b>	<b>\$0.56</b>	<b>\$0.65</b>	<b>\$0.75</b>
—% change	40.0%	30.0%	25.0%	18.0%	15.0%	15.0%
—% of total media ad spending	12.5%	14.8%	17.1%	18.8%	20.1%	21.5%
<b>Mobile internet ad spending*** (billions)</b>	<b>\$0.04</b>	<b>\$0.10</b>	<b>\$0.18</b>	<b>\$0.29</b>	<b>\$0.38</b>	<b>\$0.45</b>
—% change	200.0%	150.0%	80.0%	60.0%	28.0%	20.0%
—% of digital ad spending	13.9%	26.7%	38.4%	52.1%	58.0%	60.5%
—% of total media ad spending	1.7%	4.0%	6.6%	9.8%	11.6%	13.0%

Note: converted at the exchange rate of US\$1=IDR13,395.55; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets  
Source: eMarketer, Sep 2016

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## MALAYSIA

Malaysia's ad market remained tepid in 2016 following a 1.5% decline in 2015, but digital is growing smartly, albeit from a small base. Total media ad spending in the country will reach a projected \$1.30 billion in 2017, making it the second smallest ad market among those covered in Asia-Pacific.

### Key Insights

- Malaysia's economy has been strained due to the economic slowdown in China and weak prices on commodities markets. Despite this challenging environment, total media ad spending will increase by 1.5% in 2017, thanks to the continued growth in digital media.
- Traditional media formats will account for the majority of ad spending in Malaysia this year, with digital ad expenditures making up less than 20% of the overall total.
- We expect digital ad spending to make up 19.7% of total media ad spend in 2017, and that level will grow to 25.2% by 2020.

As in other regions in Asia-Pacific, Malaysia's ad market has been affected by the slowing economy in China. Weak commodities prices have also had an impact. Total media ad spending in Malaysia is expected to inch higher each year of the forecast period.

## Total Media, Digital and Mobile Internet Ad Spending in Malaysia, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$1.27</b>	<b>\$1.28</b>	<b>\$1.30</b>	<b>\$1.31</b>	<b>\$1.33</b>	<b>\$1.33</b>
—% change	-1.5%	1.0%	1.5%	1.0%	0.8%	0.5%
<b>Digital ad spending** (millions)</b>	<b>\$181.4</b>	<b>\$217.7</b>	<b>\$256.9</b>	<b>\$292.9</b>	<b>\$316.3</b>	<b>\$335.3</b>
—% change	22.0%	20.0%	18.0%	14.0%	8.0%	6.0%
—% of total media ad spending	14.3%	17.0%	19.7%	22.3%	23.9%	25.2%
<b>Mobile internet ad spending*** (millions)</b>	<b>\$38.0</b>	<b>\$66.6</b>	<b>\$113.1</b>	<b>\$169.7</b>	<b>\$220.6</b>	<b>\$248.2</b>
—% change	80.0%	75.0%	70.0%	50.0%	30.0%	12.5%
—% of digital ad spending	21.0%	30.6%	44.0%	57.9%	69.7%	74.0%
—% of total media ad spending	3.0%	5.2%	8.7%	12.9%	16.6%	18.6%

Note: converted at the exchange rate of US\$1=MYR3.91; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets

Source: eMarketer, Dec 2016

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Traditional media will continue to dominate the market, capturing over 80% of ad spending in 2017. However, growth will be concentrated in digital platforms, with spending increasing at a compound annual growth rate (CAGR) of 13.1% from 2015 to 2020.

This is mainly due to the rapid rise in fixed and mobile internet access and ever-increasing amount of time consumers spend engaging with online content and social networking. In fact, Malaysia's internet users are among the most active on social media in the world. Nearly 85% of the country's internet users will access a social network at least once per month in 2017, eMarketer estimates, ranking Malaysia second to Thailand in Asia-Pacific overall for this metric.

Digital media ad spending in Malaysia will grow 18.0% this year, to \$256.9 million. There is a clear shift toward digital media as advertisers allocate more of their budgets online. Digital's share of total media ad spending will rise by more than 10 percentage points between 2015 to 2020, climbing from 14.3% to 25.2%.

Mobile is the main driver of digital ad spend growth, accounting for 44.0% of total digital outlays in 2017, or \$113.1 million. Mobile internet access in Malaysia has grown quickly thanks to widespread deployment of 3G networks and rapid adoption of smartphones. eMarketer projects smartphone users in the country will total 16.5 million by the end of 2017, up 8.2% from a year prior.

# PHILIPPINES

We predict total media ad spending in the Philippines will climb 4.0% in 2017 to reach \$1.85 billion.

Digital ad spending in general and mobile internet ad spending in particular are rising quickly, but their shares of the country's total ad investment remain modest.

## Key Insights

- Traditional media will continue to draw the majority of ad outlays in the Philippines over the forecast period.
- Digital ad spending in the Philippines will grow by double digits annually through 2019, driven by rising internet usage.
- Mobile internet ad spending is small, constituting 7.0% of overall ad spending in 2017, but it will see significant growth over the forecast.

Ad spending in the Philippines rose by 4% in 2016, fueled by healthy economic growth and growing private consumption due to low oil prices. Increased campaign advertising from the nation's 2016 presidential election also provided a slight boost to spending last year. The new Duterte administration has unnerved financial markets but the World Bank's most recent assessment of the economy was generally positive.

## Total Media, Digital and Mobile Internet Ad Spending in the Philippines, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$1.68</b>	<b>\$1.78</b>	<b>\$1.85</b>	<b>\$1.91</b>	<b>\$1.97</b>	<b>\$2.01</b>
—% change	4.0%	5.5%	4.0%	3.5%	3.0%	2.0%
<b>Digital ad spending** (millions)</b>	<b>\$221.4</b>	<b>\$287.8</b>	<b>\$345.4</b>	<b>\$402.4</b>	<b>\$450.7</b>	<b>\$486.7</b>
—% change	40.0%	30.0%	20.0%	16.5%	12.0%	8.0%
—% of total media ad spending	13.1%	16.2%	18.7%	21.0%	22.9%	24.2%
<b>Mobile internet ad spending*** (millions)</b>	<b>\$25.8</b>	<b>\$64.6</b>	<b>\$129.2</b>	<b>\$206.7</b>	<b>\$258.3</b>	<b>\$289.3</b>
—% change	180.0%	150.0%	100.0%	60.0%	25.0%	12.0%
—% of digital ad spending	11.7%	22.4%	37.4%	51.4%	57.3%	59.4%
—% of total media ad spending	1.5%	3.6%	7.0%	10.8%	13.1%	14.4%

Note: converted at the exchange rate of US\$1=PHP45.52; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets  
Source: eMarketer, Dec 2016

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Outlays on digital channels in the Philippines will account for 18.7% of overall spending in 2017, roughly comparable to the levels seen in Malaysia and Vietnam.

Digital advertising will see solid growth during the forecast period, driven by rising internet connectivity and increasing mobile penetration rates. Nearly 58% of the country's population will be a regular user of the internet in 2017, up from 42.0% in 2013. Digital advertising will increase at a CAGR of 17.1% between 2015 and 2020, more than doubling from \$221.4 million to \$486.7 million.

Advertisers in the Philippines will allocate more of their spending on mobile media in the coming years in anticipation of increased smartphone adoption. Only 3.6% of total ad spending went to mobile in 2016, but that share will grow to 14.4% in 2020. By then, 36.6% of the population in the Philippines will use a smartphone at least monthly, according to eMarketer's estimates. Another way to look at mobile's growth is through its share of total digital spending. In 2016, mobile accounted for 22.4% of all digital ad expenditures in the country. By 2020, it will grow to nearly 60%.

# SINGAPORE

Total media ad spending in Singapore is forecast at \$1.58 billion in 2017, a modest increase of 0.5% over 2016 following a contraction in the previous year. But we expect digital advertising will climb at a much faster pace—increasing 18.0% this year.

## Key Insights

- Overall media ad spending in Singapore is likely to be slow during the forecast period. But investment on digital channels will continue to see double-digit growth through 2019.
- Traditional media continues to dominate Singapore's ad market. But digital's share is rising: It is projected to account for 23.8% of overall ad expenditures in 2017.
- Mobile internet ad spending is relatively low in Singapore. But it is expected to grow substantially over the next few years, more than doubling from \$194.3 million in 2017 to \$404.6 million in 2020.

Total media ad spending in the country fell by 2.0% in 2015 and experienced another year of contraction in 2016. Outlays will see a slight rebound this year, but growth will remain muted through the end of the forecast period.

## Total Media, Digital and Mobile Internet Ad Spending in Singapore, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$1.59</b>	<b>\$1.57</b>	<b>\$1.58</b>	<b>\$1.59</b>	<b>\$1.61</b>	<b>\$1.62</b>
—% change	-2.0%	-1.0%	0.5%	0.8%	1.0%	0.8%
<b>Digital ad spending** (millions)</b>	<b>\$268.1</b>	<b>\$319.0</b>	<b>\$376.5</b>	<b>\$432.9</b>	<b>\$476.2</b>	<b>\$500.0</b>
—% change	20.0%	19.0%	18.0%	15.0%	10.0%	5.0%
—% of total media ad spending	16.9%	20.3%	23.8%	27.2%	29.6%	30.8%
<b>Mobile internet ad spending*** (millions)</b>	<b>\$63.5</b>	<b>\$114.3</b>	<b>\$194.3</b>	<b>\$301.2</b>	<b>\$364.5</b>	<b>\$404.6</b>
—% change	85.0%	80.0%	70.0%	55.0%	21.0%	11.0%
—% of digital ad spending	23.7%	35.8%	51.6%	69.6%	76.5%	80.9%
—% of total media ad spending	4.0%	7.3%	12.3%	18.9%	22.7%	25.0%

Note: converted at the exchange rate of US\$1=SGD1.37; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets  
Source: eMarketer, Dec 2016

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Singapore has one of the highest digital consumption rates in the world. More than three in four people in the country will use the internet regularly this year. Its smartphone penetration rate (73% in 2017, per eMarketer estimates) is also among the highest in the world.

Despite high internet penetration, only 23.8% of total media ad spending will be devoted to digital channels in 2017. While this level is the highest of the Southeast Asian markets in this report, it trails the 44.4% average for Asia-Pacific.

Traditional media ad spend has held onto a large share thanks in part to concentration of the market—not only in terms of geography but also because of the dominance of a small number of media companies.

But digital will register strong gains over the next several years. By 2020, digital's proportion of total advertising outlays will reach 30.8%. The growth of ecommerce and increasing use of smartphones will force advertisers to embrace digital at a faster rate.

Advertisers in Singapore have been somewhat slow to adopt mobile internet advertising. In 2016, mobile accounted for 35.8% of all digital ad expenditures in Singapore. But it is only a matter of time before mobile advertising better correlates with smartphone usage in the country. By 2020, mobile will account for 4 out of every 5 digital ad dollars in Singapore, surpassing the regional average of 73.2% to account for 80.9% of digital ad spend.

## THAILAND

**Following the death of Thailand's king, the government ordered a 30-day national mourning period that called for a halt on advertising. This led us to reduce ad spending growth in 2016 to 1.5%. However, we project that the country's ad market will be helped along by the general election in 2017, growing 2.1% to reach \$2.30 billion.**

### Key Insights

- Overall, ad spend growth in the country is slowing, with annual increases falling to just 1.0% by 2020, compared with a 2.5% gain in 2015.
- Growth will mainly come from digital channels as investments will rise 18.0% in 2017 to \$403 million, or 17.5% of total spend.
- Mobile ad spending constitutes a small portion of overall ad expenditures in Thailand, at 7.3% in 2017, but it will also see significant growth over the next few years.

Among the eight countries in Asia-Pacific included in this report, Thailand will have the third largest ad market throughout the forecast period.

## Total Media, Digital and Mobile Internet Ad Spending in Thailand, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$2.22</b>	<b>\$2.25</b>	<b>\$2.30</b>	<b>\$2.34</b>	<b>\$2.38</b>	<b>\$2.40</b>
—% change	2.5%	1.5%	2.1%	1.7%	1.5%	1.0%
<b>Digital ad spending** (millions)</b>	<b>\$282.2</b>	<b>\$341.5</b>	<b>\$403.0</b>	<b>\$463.4</b>	<b>\$509.8</b>	<b>\$545.5</b>
—% change	40.0%	21.0%	18.0%	15.0%	10.0%	7.0%
—% of total media ad spending	12.7%	15.1%	17.5%	19.8%	21.5%	22.7%
<b>Mobile internet ad spending*** (millions)</b>	<b>\$60.7</b>	<b>\$108.7</b>	<b>\$168.5</b>	<b>\$249.4</b>	<b>\$311.8</b>	<b>\$343.0</b>
—% change	150.0%	85.0%	55.0%	48.0%	25.0%	10.0%
—% of digital ad spending	21.5%	31.9%	41.8%	53.9%	61.2%	62.9%
—% of total media ad spending	2.7%	4.8%	7.3%	10.7%	13.1%	14.3%

Note: converted at the exchange rate of US\$1=THB34.25; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets  
Source: eMarketer, Jan 25, 2017

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Spending on digital media will reach \$403 million in 2017, or 17.5% of total advertising outlays. Of the eight countries in this report, only Indonesia will have a smaller share of media dedicated to digital channels, at 17.1%.

Along with Indonesia, Thailand ranks on the lower end of the scale in terms of internet adoption, with just 52.0% of the population projected to use the internet this year. For this reason, digital media is expected to remain a sliver of the country's overall ad spending.

Thailand also lags behind the regional average in mobile internet ad spending, although it sits ahead of similarly developed markets such as the Philippines and Vietnam. About 42% of digital expenditures and 7.3% of total advertising in Thailand will go toward mobile internet this year. Greater access to mobile internet and rapid adoption of smartphones are reasons for this accelerated growth. eMarketer projects smartphone users in the country will account for 43.8% of the population in 2017, growing to over 50% in 2020.

## VIETNAM

Digital ad spending in general and mobile internet ad spending in particular are rising quickly in Vietnam, but their share of the country's total ad investment is still quite small.

### Key Insights

- Vietnam has the smallest advertising market among all the countries in Asia-Pacific in this report. Total media ad spending will total \$1.17 billion in 2017, accounting for 0.6% of total ad investment in the region.
- We expect digital advertising, particularly mobile internet advertising, to climb sharply between 2015 and 2020, spurred by increased smartphone uptake.
- Vietnam's digital share of total advertising is one of the smallest in the region, at 18.4% in 2017. Though that share is not too far from the Philippines (18.7%), it will lag neighboring markets such as Hong Kong, Singapore and Taiwan throughout the entire forecast. By 2020, digital's share of total media outlays in Vietnam will grow to 23.6%, still well below the Asia-Pacific average of 53.5%.

Vietnam's expanding middle class is helping to drive growth in the country's consumer economy. The outlook for total media advertising remains positive throughout the forecast period, rising by at least 5.0% annually through 2020.

## Total Media, Digital and Mobile Internet Ad Spending in Vietnam, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$1.01</b>	<b>\$1.09</b>	<b>\$1.17</b>	<b>\$1.24</b>	<b>\$1.31</b>	<b>\$1.37</b>
—% change	10.0%	8.0%	7.0%	6.0%	5.5%	5.0%
<b>Digital ad spending** (millions)</b>	<b>\$131.4</b>	<b>\$174.8</b>	<b>\$215.0</b>	<b>\$255.8</b>	<b>\$294.2</b>	<b>\$323.6</b>
—% change	48.0%	33.0%	23.0%	19.0%	15.0%	10.0%
—% of total media ad spending	13.0%	16.0%	18.4%	20.6%	22.5%	23.6%
<b>Mobile internet ad spending*** (millions)</b>	<b>\$17.2</b>	<b>\$39.3</b>	<b>\$78.7</b>	<b>\$141.6</b>	<b>\$198.2</b>	<b>\$220.0</b>
—% change	200.0%	128.0%	100.0%	80.0%	40.0%	11.0%
—% of digital spending	13.1%	22.5%	36.6%	55.3%	67.4%	68.0%
—% of total media ad spending	1.7%	3.6%	6.7%	11.4%	15.2%	16.0%

Note: converted at the exchange rate of US\$1=VND21,913.70; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets  
Source: eMarketer, Dec 2016

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Most ad spending in Vietnam is still dedicated to traditional channels, with digital ad outlays accounting for just 18.4% of total media ad expenditures in 2017, or \$215.0 million. Digital ad spending's share of total ad expenditures will climb over the forecast period, however, reaching 23.6% in 2020, or \$323.6 million.

Internet use isn't especially widespread in Vietnam, but 2016 was the first year that more than half of its population (50.6%) went online at least once per month. Advertiser interest in digital advertising is largely a function of the growing adoption of internet use. Digital media ad spending in Vietnam is projected to grow 23.0% this year.

Within the digital advertising realm, mobile internet ad spending will see particularly high growth rates, but from a very small base. Advertiser outlays on mobile ads will nearly double this year to \$78.7 million. Rising smartphone penetration rates will also drive advertiser spending on the channel. eMarketer estimates the smartphone penetration rate in Vietnam will increase from 38.3% in 2016 to 59.2% in 2020. By then, mobile internet ad spending will reach \$220.0 million.

## HONG KONG

Among the eight countries included in this report, Hong Kong will have the largest advertising market in 2017, at \$3.02 billion. However, spending will be down 1.0% from 2016 and is expected to be essentially flat over the next few years, reaching \$3.11 billion in 2020.

### Key Insights

- Overall media spending in Hong Kong has been affected over the past few years by the slowing economy in China, weak tourism and falling retail sales. By 2019, Indonesia will rank ahead of Hong Kong in terms of total ad spending.
- Advertisers are directing more of their budgets toward digital media. Digital ad spending's share of total media ad expenditures will climb from 18.4% at the end of 2016 to 24.0% in 2020.
- One reason for this increase is the rapid growth of mobile internet advertising, which is driven by the high level of smartphone adoption and the continued advancements in mobile advertising technology.

Hong Kong has felt the impact of China's slowing economy, weak retail sales and sluggish tourism rates. The sustained weakness in the market has prompted advertisers to act cautiously and cut budgets, especially with respect to traditionally dominant media such as TV and newspapers.

## Total Media, Digital and Mobile Internet Ad Spending in Hong Kong, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$3.25</b>	<b>\$3.05</b>	<b>\$3.02</b>	<b>\$3.06</b>	<b>\$3.09</b>	<b>\$3.11</b>
—% change	-3.0%	-6.0%	-1.0%	1.2%	1.0%	0.8%
<b>Digital ad spending** (millions)</b>	<b>\$509.8</b>	<b>\$560.8</b>	<b>\$616.8</b>	<b>\$666.2</b>	<b>\$712.8</b>	<b>\$748.5</b>
—% change	25.0%	10.0%	10.0%	8.0%	7.0%	5.0%
—% of total media ad spending	15.7%	18.4%	20.4%	21.8%	23.1%	24.0%
<b>Mobile internet ad spending*** (millions)</b>	<b>\$115.3</b>	<b>\$201.8</b>	<b>\$314.7</b>	<b>\$456.4</b>	<b>\$543.1</b>	<b>\$597.4</b>
—% change	90.0%	75.0%	56.0%	45.0%	19.0%	10.0%
—% of digital ad spending	22.6%	36.0%	51.0%	68.5%	76.2%	79.8%
—% of total media ad spending	3.6%	6.6%	10.4%	14.9%	17.6%	19.2%

Note: converted at the exchange rate of US\$1=HKD7.75; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets

Source: eMarketer, Dec 2016

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In addition, digital technology has put added pressure on traditional channels. Hong Kong's sophisticated telecommunications infrastructure has made it possible for the island's internet users to experience some of the highest average internet speeds in the world. In 2017, nearly 78% of Hong Kong's population will use the internet regularly, one of the highest adoption rates in Asia-Pacific.

Even though traditional media continues to dominate Hong Kong's advertising landscape, we project that spending will continue to shift toward digital channels. Advertising outlays on digital media in Hong Kong totaled an estimated \$560.8 million at the end of 2016 and will increase to \$748.5 million by 2020.

During this time, digital's share of overall ad spending will climb from 18.4% to 24.0%. Still, this proportion will fall well below the average for the Asia-Pacific region, which is estimated to be 39.4% in 2016 and 53.5% by 2020.

Mobile, in particular, will receive greater attention from advertisers in the coming years. At the end of 2016, ad spending on mobile channels in Hong Kong totaled \$201.8 million. By 2020, that figure will nearly triple to \$597.4 million. Because mobile internet ad spending is starting with a comparatively small base, it will see high annual growth rates over the forecast period. A high smartphone adoption level, greater consumption of mobile internet and continued advancements in mobile advertising technology will push mobile internet investment in the country.

## TAIWAN

The effects of Taiwan's weakened economy as a whole have reverberated throughout its advertising industry. In 2016, paid media spending in the country contracted by 2.5% to reach \$1.97 billion. However, we expect a rebound of 1.0% this year, with total media ad spending reaching nearly \$2 billion.

### Key Insights

- Total media ad spending in Taiwan will bounce back in the coming years, increasing to \$2.10 billion in 2020, with digital media ad outlays propelling this growth.
- More than 40% of media ad spending will be allocated toward digital channels this year, a figure slightly below the regional average but well above that of Hong Kong and Singapore.
- Within digital, mobile internet ad spending will see particularly high growth rates. Advertiser outlays for media buys on mobile devices will climb 25.0% this year.

Economic recovery in Taiwan is expected to be gradual, helped along by strong domestic demand. In 2017, we predict positive gains for paid media expenditures and expect growth to increase slightly through the end of the forecast.

### Total Media, Digital and Mobile Internet Ad Spending in Taiwan, 2015-2020

	2015	2016	2017	2018	2019	2020
<b>Total media ad spending* (billions)</b>	<b>\$2.02</b>	<b>\$1.97</b>	<b>\$1.99</b>	<b>\$2.02</b>	<b>\$2.06</b>	<b>\$2.10</b>
—% change	0.2%	-2.5%	1.0%	1.5%	2.0%	2.0%
<b>Digital ad spending** (millions)</b>	<b>\$608.7</b>	<b>\$706.0</b>	<b>\$804.9</b>	<b>\$901.5</b>	<b>\$991.6</b>	<b>\$1,071.0</b>
—% change	14.0%	16.0%	14.0%	12.0%	10.0%	8.0%
—% of total media ad spending	30.1%	35.8%	40.4%	44.6%	48.1%	51.0%
<b>Mobile internet ad spending*** (millions)</b>	<b>\$331.2</b>	<b>\$460.3</b>	<b>\$575.4</b>	<b>\$673.2</b>	<b>\$760.8</b>	<b>\$829.2</b>
—% change	61.0%	39.0%	25.0%	17.0%	13.0%	9.0%
—% of digital ad spending	54.4%	65.2%	71.5%	74.7%	76.7%	77.4%
—% of total media ad spending	16.4%	23.4%	28.9%	33.3%	36.9%	39.5%

Note: converted at the exchange rate of US\$1=TWD31.77; \*includes digital (desktop/laptop, mobile and other internet-connected devices), directories, magazines, newspapers, out-of-home, radio and TV; \*\*includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*\*\*includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; includes ad spending on tablets  
Source: eMarketer, Dec 2016

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Taiwan is one of the most digitally connected markets in the world, with 81.1% of the population using the internet in 2016. Taiwan has a relatively high proportion of digital advertising when compared with markets like Hong Kong and Singapore. In 2017, digital advertising will account for 40.4% of total media ad outlays in Taiwan, vs. 20.4% in Hong Kong and 23.8% in Singapore.

Traditional media still holds the largest portion of media investment in Taiwan. Spending on TV, radio, print and other forms of non-digital media will account for the majority of ad expenditures through the end of 2019. However, there will be a tipping point in 2020, when digital will surpass 50% of total ad investment.

Digital advertising is expanding rapidly, fueled by increased demand for mobile, video and social media advertising. Taiwan's digital advertising market will see a CAGR of 8.3% between 2015 and 2020, reaching \$1.07 billion by the end of the forecast.

Mobile internet spending has seen rapid gains as advertisers look to reach the country's highly penetrated mobile market. In fact, Taiwan will have the highest smartphone penetration rate among mobile phone users in Asia-Pacific, at 89.3% in 2017. Advertiser spending on mobile channels will climb 25.0% this year to \$575.4 million, and will reach \$829.2 million in 2020. By that time, mobile will account for roughly 77% of digital advertising and more than one-third of total media spending.

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