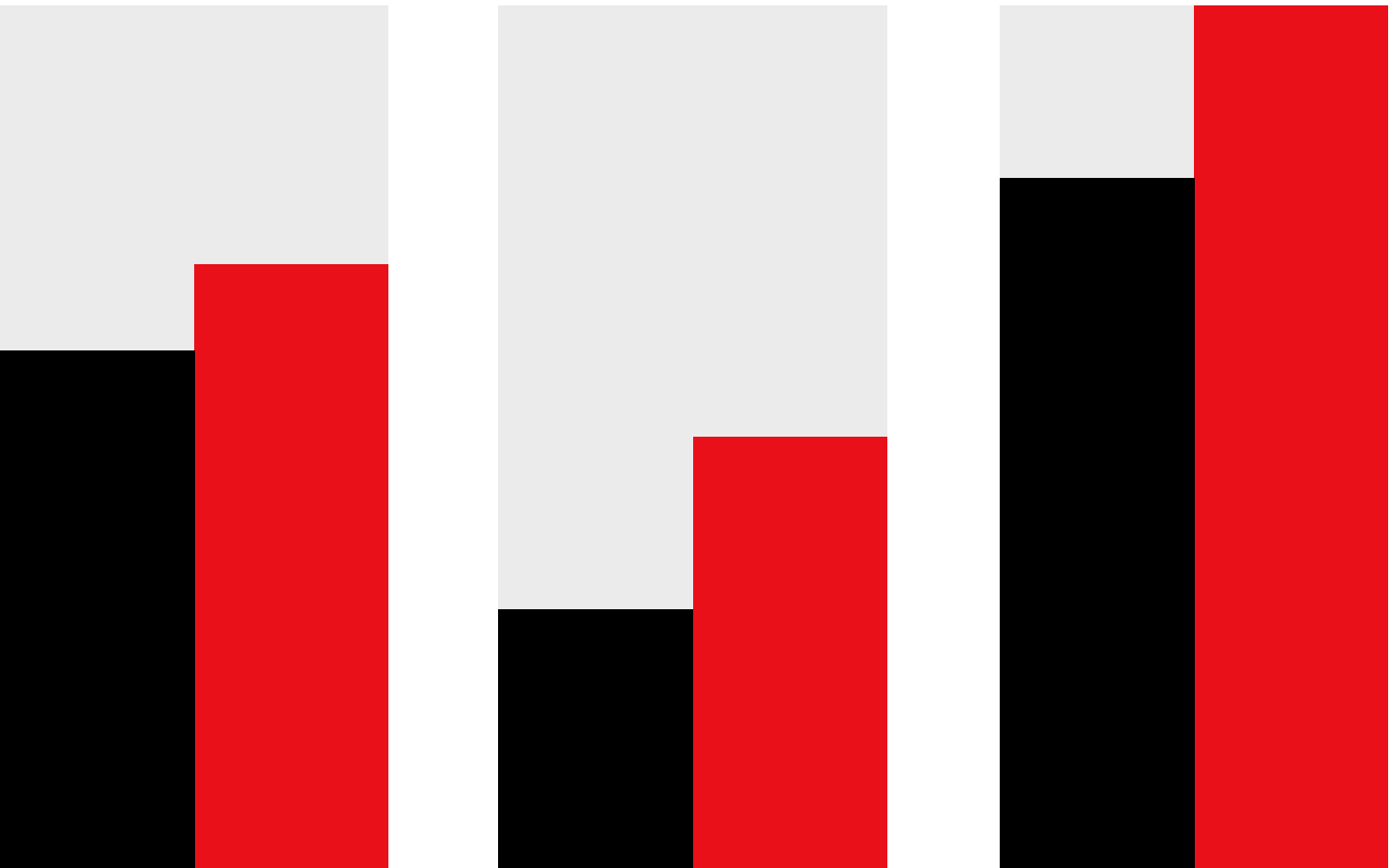


# 4 Marketing and Advertising Predictions for 2023

Article



## 4 Marketing and Advertising Predictions for 2023

From streaming to ad measurement and privacy, 2023 will be a year of transformation. Here are four changes we expect in the new year.

### Prediction: Streaming services will consolidate and wall off content

“There will be haves and have nots,” said [Walt Disney Co. CEO Bob Iger](#) during an interview with Vox in September 2022. “I don’t think they’ll all make it.”

Former [WarnerMedia CEO](#) Jason Kilar was more specific last month, writing in The Wall Street Journal that he expects “no more than three” entertainment companies to survive the streaming wars.

- “Digital markets for industries that have high fixed costs and relatively low variable costs have tended toward a few, unusually large winners,” wrote Kilar. “I believe such will be the case in entertainment.”
- Apple TV+ and Amazon Prime Video were exempt from Kilar’s evaluation, since entertainment is not Apple or Amazon’s main revenue source.

As platforms consolidate, they’ll wall off content that is currently available across companies. Paramount+, for example, is “still an arms dealer to others,” according to our analyst Ross Benes, speaking at the “[Attention! Trends and Predictions for 2023](#)” summit. But in the future, most streamers will focus on securing their own content libraries.

### Prediction: Spotify will be the Netflix of audio

When Spotify [introduced audiobooks](#) in September 2022, the platform described itself as an “all-in-one destination for everyone’s listening needs.” Spotify aims to be synonymous with digital audio by investing further in podcasts and audiobooks, building out its ad platform, and attracting digital audio listeners.

- Spotify is already by far the biggest US digital audio streaming platform at 88.4 million users in 2022, beating out its closest rival Amazon Music by over 30 million.

- It’s also the biggest US platform for podcasts, at 32.2 million listeners in 2022. That’s only about 4 million more than Apple Podcasts, but the latter’s growth has stagnated while we expect double-digit growth from Spotify through 2024.

Much like Netflix, Spotify still makes the bulk of its revenues (about 80%) from [subscriptions rather than ads](#), but we project [ad revenues](#) will grow 30.0% in 2023, and podcast ad revenues in particular will grow 42.0%. This year, Spotify will focus on expanding its ad business and its exclusive audio offerings.

### Prediction: The privacy panic will take over

2023 will be the year that the privacy panic sets in as marketers face mounting privacy laws and the approaching deprecation of cookies.

- As of January 1, [new privacy laws](#) have taken effect in California, Virginia, Colorado, Connecticut, and Utah. Other states like Pennsylvania, Ohio, and Michigan are considering similar laws.
- Though a federal privacy law hasn’t been passed, it’s pretty much just a matter of time.
- Google has confirmed that it still plans to phase out cookies on Chrome by the end of 2024.

The time to act is now. Ensuring compliance with state privacy laws will only help marketers to prepare for a federal privacy law. And even though 2024 seems a long way away, the countdown is on to find suitable alternatives to third-party cookies.

There is no one-size-fits-all solution, but there are options. Here’s what we think will gain traction in 2023:

- Data clean rooms offer marketers a safer way to share data, though there are still [some concerns](#) about privacy, cost, and the quality of data.
- As of September 2022, 71% of marketers were already testing or planning to test [Google’s answer to cookies](#), [Google Topics](#).

- Other [popular identity solutions](#) among marketers include authenticated, email-based solutions and contextual solutions.

## Prediction: CTV measurement will improve (because it has to)

According to our forecast, [US connected TV \(CTV\) ad spend](#) will climb 27.2% this year to reach almost \$27 billion. Representing just over 7% of total media ad spending, there's immense room for growth.

But first, we have to address the elephant in the room: measurement.

- Nearly a third (30%) of marketers worldwide say that having more transparent measurement would [increase their CTV ad spend](#).
- Without visibility into where ads are running, there's no way for marketers to verify the ads are reaching the right audience or even to measure the success of their campaigns.

In 2023, we'll see marketers try a number of solutions to more accurately measure CTV ad spend:

- Last year, programmatic accounted for 74.4% of [CTV ad spend transactions](#). We expect that number to rise as programmatic remains one of the “most dynamic, sophisticated, agile ways of buying media,” according to Ashley Luongo, senior vice president of advanced advertising sales at NBCUniversal.
- Michael Hopkins, vice president of go to market at MNTN, is [focusing on incrementality and incrementality reporting](#). “It's gonna help take the guesswork out of campaigns, when you can see beyond just how a campaign is performing [and] really see the incremental value that it's bringing to advertisers and brands that are spending,” he said on a recent “[Behind the Numbers: The Daily](#)” podcast.

The bottom line? As CTV ad spend grows, there will be an increasing need for more accurate and transparent measurement. 2023 will have [massive opportunities for ad tech and measurement companies](#) to find ways to give marketers better clarity into CTV.

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