

# Money is still pouring into app install ad spending, boosting Apple and others

Article

Growth rapidly deteriorated across ecommerce, advertising, social, consumer tech, time spent with media, and a whole range of other metrics in 2022—and 2023 isn't shaping up to

be much better. There are a handful of silver linings and hidden gems that might have been lost in the gloom and doom. As it turns out, some digital economy metrics are still flying high.

**If you own a mobile app store, the good times are still rolling.** Mobile app install ad spending spiked by 24.8% last year, far outpacing **overall digital ad spending**, which increased by just 12.5%. This year, the gap will be smaller but still noteworthy, with mobile app marketers shelling out 15.5% more than in 2022, compared with overall market growth of 12.0%.

Apple is both driving and gaining the most from this trend. Mobile app install ad spending flows mainly to search ads in app stores and display ads within other mobile apps. With its affluent user base and dominant position in the US smartphone market, Apple is well positioned to both generate and soak up future demand in this category.

- Apple will increase its mobile app install ad revenues by 26.3% this year, reaching \$5.20 billion. That figure will cross **\$6 billion** by 2024, putting Apple well ahead of its competitors.
- **Google** will pull in \$4.17 billion this year, and **Meta** will take \$3.69 billion. Google's app store will claim most of the search spending that Apple doesn't absorb, while Meta's platforms will remain the most common destinations for display ads from mobile app marketers.

## Prediction

- Apple will secure the largest share of new spending in this category for years to come—but it won't stop there. For Google and Meta, this revenue stream is a small piece of the pie, but for Apple it's the whole pie (mobile app install ad spending via the App Store will account for 97.3% of Apple's ad revenues in 2023). Apple is so dominant in this one sphere that it is already on the way to becoming a global ad publishing giant. This success will lead the company to pursue new and potentially disruptive routes to additional ad revenues in the coming years.

Report by Ethan Cramer-Flood Feb 15, 2023

## Forecast Trends to Watch for 2023

