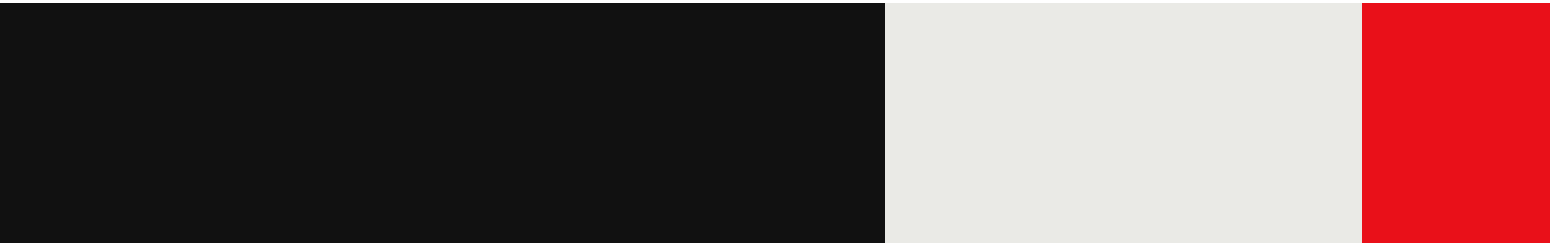



5 must-see digital ad marketing charts for 2023

Article

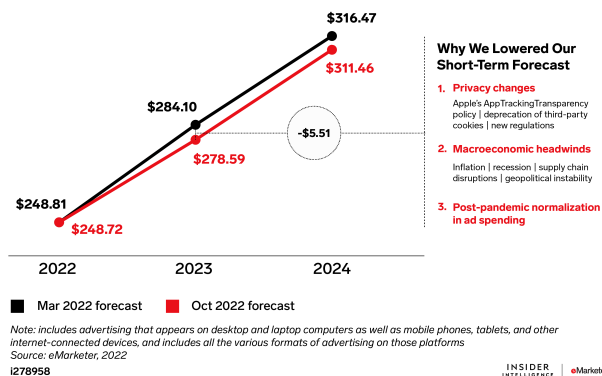


Digital advertising is on shaky ground. Recent changes to our forecasts reflect that uncertainty. We examined what this year will look like for marketers, from retail media's rise to social networks' stagnation.

1. Digital ad spend will take a hit

US Digital Ad Spending, 2022-2024

billions



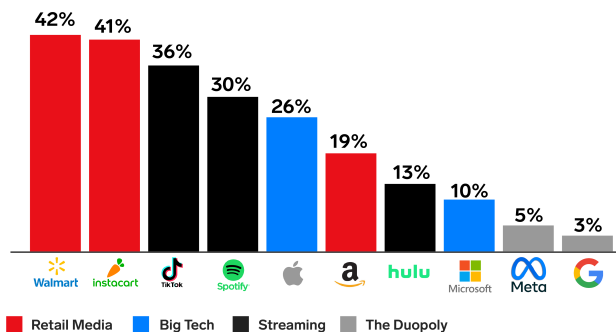
We're definitely not in the digital ad-pocalypse, but privacy changes, macroeconomic headwinds, and ad spend normalization led us to **downgrade our US digital ad spend forecast** by \$5 billion for 2023.

While the overall market slows, not all categories will take the same hit. Social media is definitely in trouble, but connected TV (CTV) and retail media are in good shape.

2. Retail media networks are on the rise

US Digital Ad Revenue Growth, by Company, 2023

% change



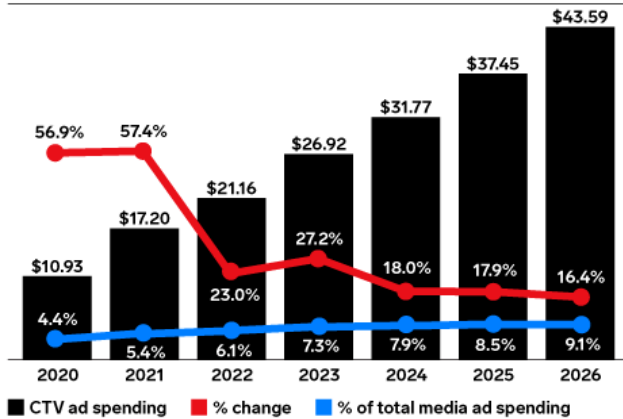
Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; Google includes YouTube advertising revenues; Meta includes Facebook and Instagram advertising revenues; excludes revenues reported under Meta's "Facebook Reality Labs" segment; Microsoft data from 2016 forward includes LinkedIn ad revenues
Source: eMarketer, Oct 2022
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Retail media is on the rise this year, with **Walmart and Instacart** growing the fastest. While Amazon's ad business is growing slower than other retail media networks, its revenues are higher at \$34.59 billion in US ad revenues. Walmart will see a fraction of that at \$3.16 billion. Instacart's ad revenues will be even lower at \$1.12 billion.

The retail media boom is here, and it will flourish during a time of uncertainty for data collection and privacy.

3. How good is good for CTV?

US Connected TV (CTV) Ad Spending, 2020-2026
billions, % change, and % of total media ad spending



Note: digital advertising that appears on CTV devices; includes display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku, and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising
Source: eMarketer, Oct 2022

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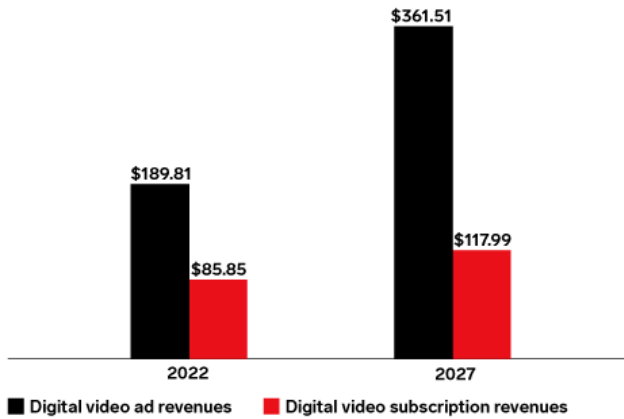
Between 2021 and 2026, the **US CTV ad market** will more than double. Roughly **\$1 in \$3 spent on TV advertising** will go to CTV in 2025, up from less than \$1 in \$10 in 2019. As many throw around the word “recession,” CTV is primed for continued double-digit growth.

What’s getting in its way? The ad market for CTV is still incredibly fragmented and **measurement is difficult**. Without a unified system, advertisers will remain cautious.

4. Where’s the digital video money?

Digital Video Advertising vs. Subscription Revenues Worldwide, 2022 & 2027

billions



Source: Omdia as cited in press release, Sep 29, 2022

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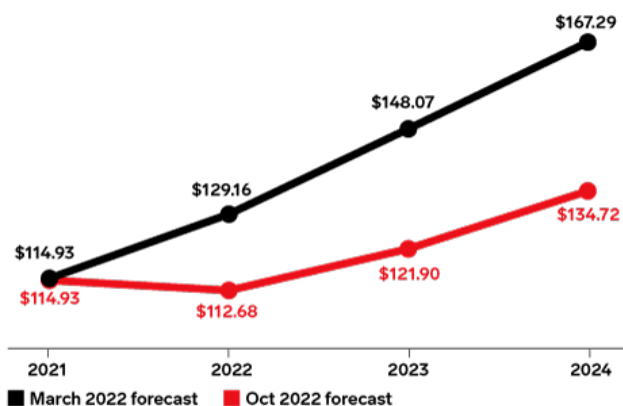
It's an ad world for digital video. The disparity between subscription and video ad revenues will rise over the next few years, and by 2027 **digital video ad revenues worldwide** will be more than \$240 billion higher than subscription revenues, according to Omdia.

Last year, Netflix and Disney+ joined the ad world. Those lower-price tiers are the future for streamers looking to attract more users and boost ad revenues.

5. One quick word on Meta

How Has Our Forecast for Meta Ad Revenues Worldwide Changed?

billions, 2021-2024



Note: paid advertising only; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; includes Facebook and Instagram ad revenues; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes spending by marketers that goes toward developing or maintaining a Facebook and/or Instagram presence; excludes revenues reported under Meta's Reality Labs segment
Source: eMarketer, Oct 2022

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2022 was not Meta's year. 2023 won't be either. The company formerly known as Facebook spent billions of dollars building out its metaverse dreams this year, only to face **online ridicule** and **massive layoffs**.

Meta's revenue loss is a reflection of social media advertising struggles everywhere. As privacy and data collection face an uncertain future, advertisers are wary of social platforms.

Chart to heart: The next few months will be challenging for advertising, but not all areas will be affected the same way. CTV and retail media are in great shape. Social media is less so. And across the board, challenges related to privacy and the economy linger.

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