

US programmatic ad spending set to reach nearly \$180 billion by 2025

Article

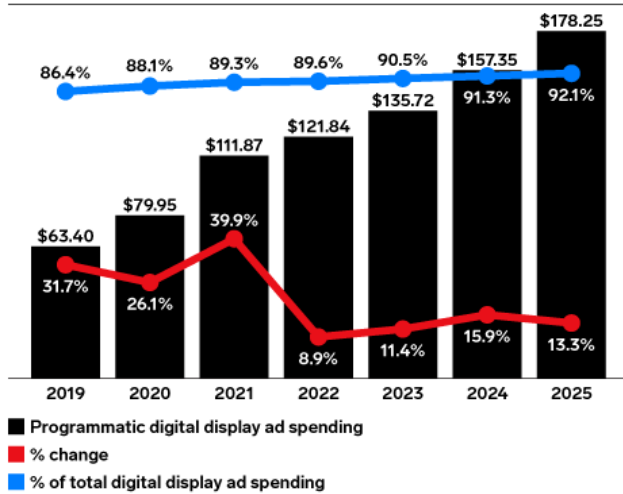
The forecast: The US programmatic digital display advertising sector has seen significant growth, rising 11.5% to over \$135 billion last year. Spending in the segment is expected to

approach \$180 billion by 2025.

- The shift toward programmatic ads, which made up 90% of all digital display advertising in 2023, seems set to continue as more companies adopt algorithm-driven marketing strategies.

US Programmatic Digital Display Ad Spending, 2019-2025

billions, % change, and % of total digital display ad spending



Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes native ads and ads on social networks like Facebook and X; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices
Source: Insider Intelligence | eMarketer Forecast, Dec 2023

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- In the programmatic world, direct transactions are still the most common, but real-time bidding is seeing a decrease. This year, it's projected that 75% of programmatic ads will be placed through direct channels.
- Private marketplaces (PMPs), where ads are bought and sold between select parties, continue to grow and are expected to account for 15% of programmatic advertising in 2023.
- The shift from programmatic direct to PMP is due to several factors, including a desire to maintain buyer-seller relationships, ensure ad quality, and protect against ad fraud and brand safety risks.

Programmatic CTV's trajectory: There's been a slight decline in growth, stabilizing at 16.7% in 2023, not reaching the expected \$20 billion. However, this doesn't signal a downturn, as CTV is still forecast to rise to over \$28 billion by 2025.

- The dip in CTV programmatic advertising reflects the rise of free ad-supported streaming TV (FAST) channels and ad-based video-on-demand (AVOD) tiers, like those introduced by **Netflix** and **Disney+**.
- These additions broaden the number of CTV ad units, leading to lower costs per thousand views (CPMs). **Amazon Prime Video** with ads will launch [at the end of the month](#) with CPMs in the low- to mid-\$30 range, a highly competitive rate.

Our take: Despite the challenges ahead, the programmatic advertising sector is still growing significantly, especially on the open web, where spending is rising at a faster rate than in walled gardens and could surpass \$50 billion by 2025. Ad-supported options from the likes of Netflix and Disney+ are bolstering the open web, making premium ad space available to more advertisers.

Go further: [Consult our US Programmatic Forecast.](#)