

# Ad tech mergers surged in Q3 2024, suggesting big changes ahead

Article

**The news:** The ad tech sector is experiencing its most significant merger-and-acquisition period since 2022, a sign that the industry is recovering from a volatile post-pandemic period and that companies see opportunities in the digital ad space.

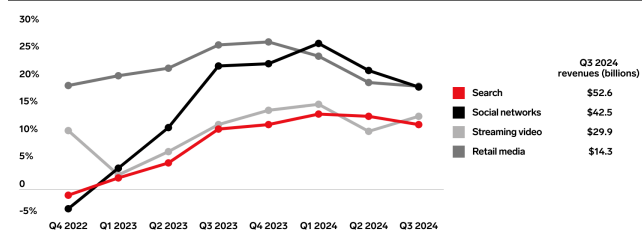
- There were more than 100 ad tech, marketing tech, and digital content deals in Q3 2024, the first time since Q2 2022 that the sector has crossed that figure, per Axios data.
- Notable deals in the last two quarters include **Bending Spoons** purchasing video platform **Brightcove** for \$233 million, **Publicis Groupe purchasing Influential** for \$500 million, and **Samba TV** purchasing **Semasio**, among many others.

**Why the resurgence?** Interest rate changes, strong consumer spending, the 2024 election, and strength from major ad players are behind the current M&A boom.

- Major ad players performed relatively well across the board in Q3. While **Meta's** user growth lagged slightly and **Google** faces regulatory pressure from all sides, ad revenues at both companies rose significantly, thanks in part to AI features that make it easier to purchase ad space.
- Consumer spending has remained strong, increasing 3.7% in Q3 despite concerns about inflation. As long as consumers keep spending, brands will spend on advertising to capture their attention.
- The incoming Trump administration is expected to be more friendly to big business and mergers than the Biden administration. **Warner Bros. Discovery CEO David Zaslav** has suggested that regulators will take a softer approach on large mergers, which could lead to more media consolidation.

**Our take:** We expect worldwide digital ad spending to grow 12.2% this year to a record \$676.94 billion, surging to \$992.8 billion by 2028. Ongoing shifts in the industry, such as the transition away from cookies and the pivot from linear TV to streaming, also present significant opportunities for new industry players to emerge and win market share.

**The State of the Advertising Ecosystem is a Picture of Health**  
% change YoY and billions in the digital ad/streaming revenues worldwide of major companies, by channel, Q4 2022-Q3 2024



Note: search includes Google (includes Google Search and some display ad revenues, includes traffic acquisition costs, and excludes YouTube) and Microsoft (includes search revenues only, excludes traffic acquisition costs, and excludes LinkedIn; Microsoft's fiscal year ends June 30 but its figures are organized to correspond with the calendar year); social includes Meta digital ad revenues and total Pinterest, Reddit, and Snap revenues; streaming video includes Netflix (includes membership fees and ad revenues), YouTube (includes all YouTube ad revenues and excludes revenues from subscriptions, i.e., YouTube Premium and YouTube TV), and Roku (includes platform revenues only, i.e., from The Roku Channel, and excludes device revenues) digital ad revenues and Disney streaming revenues (includes all direct-to-consumer revenues, which include Disney+ and Hulu); retail media includes Amazon.  
Source: company earnings releases, Nov 2024

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