5 predictions on the future of digital advertising, from Meta to Google, Apple, and Amazon

Article

Retail media, connected TV (CTV), and search will play key roles in the future of digital advertising. Here are five predictions, according to our analyst Andrew Lipsman, that were shared during our virtual summit earlier this month.

1. Meta will make a play for search using AI and social graph

“Meta is very strong on display and they are leaning very hard into AI in a significant way, but they are nowhere to speak of in search,” Lipsman said. “But search is beginning to move and gravitate into social. Meta has to be thinking of it, especially as they start to think about their ambitions with AI. I think they can leverage their unique assets with the social graph to make a much more significant play.”

Our analyst Jasmine Enberg said Meta’s move into search was a logical next step for three reasons: the rise of retail media, the rise of social search, and Meta deprioritizing many of its social commerce features, especially lower-funnel ones.

2. Google will recenter its retail media strategy around YouTube

“Google has the potential to really start to shake up retail media,” Lipsman said. “They haven't been necessarily clear on this opportunity yet, but I think the centerpiece is YouTube.”

Lipsman is anticipating a marriage between Google’s shopping and digital video capabilities. “To me, it’s all about the future being streaming TV plus closed-loop measurement, and YouTube is the best channel for that,” he said.

3. Apple will become a huge player in CTV by acquiring NBA rights

Apple is going to make a play into CTV, Lipsman predicted. “When they introduce advertising, it’s got to be premium [and] it’s got to be high quality. They’re not just going to litter people with ads, and to me the best environment to do that is sports,” he said.

With NBA rights up for an expensive bidding war in the next few years, Apple will have the deep pockets to use the NBA as a springboard for its CTV plans, Lipsman said.

4. Amazon will buy a TV network to bolster its CTV footprint

"The limiting factor for [Amazon's] advertising business right now is just having enough ad-supported inventory and video," Lipsman said. He predicted the company will acquire a "major" TV network in order to beef up its library and advertise across more content.

5. Microsoft will acquire Instacart to accelerate in-store retail media

Microsoft wants to continue its acceleration in retail media, specifically in-store retail media. Instacart is also thinking about this with its connected stores, so the tie-up would make sense, Lipsman said.

"Importantly, [Instacart is] sort of a neutral party, and being able to work with a lot of retailers in a way that Amazon can't do because Amazon competes so directly. To me, this seems like the smart long-term play for Microsoft."

Watch the full session.

This was originally featured in the eMarketer Daily newsletter. For more marketing insights, statistics, and trends, subscribe here.