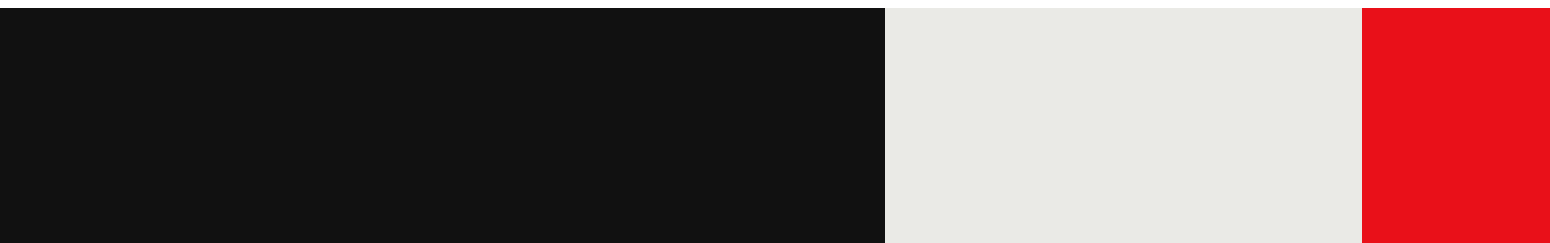



# Video now accounts for over half of all social network ad revenues

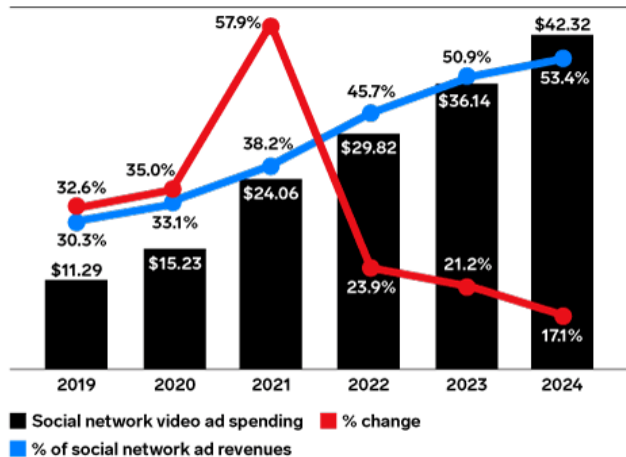
Article



Previously, we didn't expect video to hit the 50% milestone until after 2024. With advertisers preserving more of their social video budgets during the downturn, this trend was accelerated.

## US Social Network Video Ad Spending, 2019-2024

billions, % change, and % of social network ad revenues



Note: excludes spending by marketers that goes toward developing or maintaining organic social video content; excludes YouTube; includes paid video advertising appearing within social networks, social network games, and social network apps  
Source: eMarketer, Oct 2022

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eMarketer | InsiderIntelligence.com

- Social video is still growing—fast. In fact, its 21.2% growth rate in 2023 will outpace that of retail media networks (20.5%). But social video is no longer the biggest growth driver in digital video ad spending. That title belongs to connected TV (CTV), which will grow 27.2% in 2023.
- Mobile dominates social video ad spending. Mobile will account for almost all (95.5%) of social network video ad spending this year, with desktop/laptop spending responsible for the remainder. But CTV may become more prominent in social video as **TikTok strives to make inroads**.

### Social media will be the channel hit hardest by the digital advertising downturn

We downgraded our 2023 US social network ad spending forecast by \$16.21 billion—the biggest reduction of any channel—as difficulties abound. Why?

- **The impact of Apple's and other privacy changes has shocked the system.** Digital ad targeting and measurement have been changed, permanently. Since the majority of time spent with social media occurs on mobile apps, AppTrackingTransparency has been especially debilitating for social networks, which now have a lot less data to work with.
- **Macroeconomic headwinds aren't easing.** Some advertisers are pulling back on spending as they face inflation, a potential recession, ongoing supply chain disruption, and geopolitical

instability. Meta, Snap, Pinterest, and Microsoft, which owns LinkedIn, all cited difficult economic conditions in their most recent earnings calls.

- **Normalization is here after a radical rebound.** Advertisers boosted spend big-time in 2021 as they recovered from the pandemic slump. But 2021 was an outlier, and ad spending has come back down to earth.

Report by Evelyn Mitchell Jan 24, 2023

## Social Video Ad Spending Forecast 2023

