

Consumer attention and ad spend are mismatched. Where does that leave advertisers?

Article

Consumer attention is fragmented and getting shorter. At the same time, **digital ad spend growth is slowing following a pandemic surge**. That means marketers must be agile and

strategic with their spending.

Consumer attention is harder than ever to grab

Consumers are spending less time consuming content on each page, and the number of apps they are using is decreasing.

- Active page dwell time in the US decreased from 48.4 minutes in Q1 2020 to 41.8 minutes in Q2 2022, according to Moat.
- **The number of apps consumers use is decreasing**, making it even more difficult to capture their attention.

“This whole idea that consumers’ time is precious and that their attention is a limited resource is one that marketers need to keep in mind as they think about how to attract shoppers,” said Zia Daniell Wigder, our chief content officer, at our recent **“Attention! Trends and Predictions for 2024”** summit.

What does that mean for advertisers?

- Treat your consumers like their time is valuable, because it is.
- Take an honest look at where your key consumer spends time, be it on TikTok, watching connected TV, or scrolling through Facebook, and make sure to advertise in those spaces.
- On retailer websites, ensure that you can get consumers what they need quickly, because ecommerce shoppers aren’t necessarily in an exploration mindset.

There’s more competition for digital ad dollars than ever before

Even though US digital ad spend is higher than ever before at \$270.24 billion, according to our forecast, growth has slowed to 9.7% from 2021’s high of 37.7%.

That said, certain channels within digital advertising are growing remarkably fast. Retail media, for example, took just **five years to surpass \$30 billion in ad spend**, a milestone which took search 14 years and social 11 years, according to our forecasts.

What does this mean for advertisers?

- Look to channels that will drive conversions and can offer brand awareness at the same time, such as retail media.

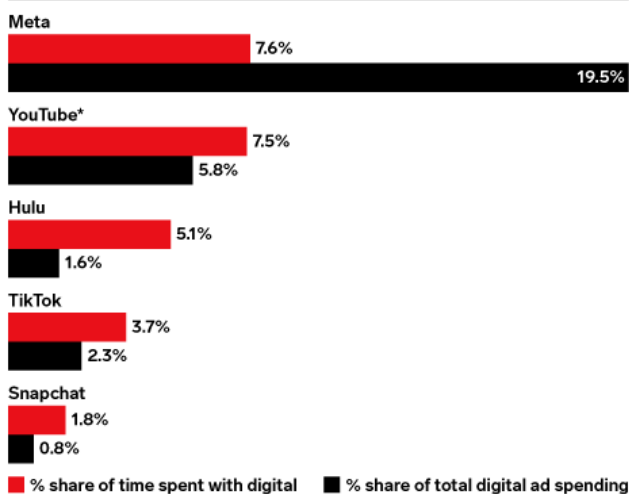
The places consumers spend their time is shifting, but ads haven't caught up

In many places, including YouTube and TikTok, **share of time spent with platforms** is outpacing their share of digital ad spend, per our forecast. While there are a number of factors beyond time spent that contribute to ad spend, marketers need to stay agile when it comes to shifting consumption.

- “Marketers have shown they can adapt to shifting consumer time spent, but it can take many years,” said Wigder.
- For example, mobile accounted for 16.2% of time spent but 5.9% of total media ad spend in 2013. Now, mobile accounts for 31.5% of time spent and 49.3% of media ad spend, according to our forecast.

Share of Digital Time Spent per Day by US Adults vs. Share of US Digital Ad Spending, by Platform, 2023

% share of time spent with digital and % share of total digital ad spending



*Note: ages 18+; average time spent per day with select media platforms includes usage via any device; Meta includes all time spent on both Facebook and Instagram; YouTube includes YouTube TV; Hulu includes Hulu + Live TV; digital ad spending 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; paid advertising only; excludes payments to influencers or other creators to produce sponsored content; includes branded content amplified as paid media; Meta includes Facebook and Instagram ad revenues; excludes revenues reported under Meta's Reality Labs segment; *represents gross ad revenue*
 Source: Insider Intelligence | eMarketer, H1 2023

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What does this mean for advertisers?

- Shifts in ad spend need to happen quickly.
- “Make sure you’re taking the time to understand where your marketing investments may be misaligned, and ensure that your spending is exactly where you need it to be, given where consumers are spending their time,” said Wigder.

Watch the full session.

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