

7 trends for advertisers to watch in 2024

Article

“We’re shifting into a lot of new paradigms in advertising, which is the underlying theme of all of the 2024 trends,” our analyst Paul Verna said on our [“Advertising Trends to Watch for 2024” webinar](#).

Marked by shifts that will reshape how brands connect with their audiences, the advertising industry will soon see less volatile ad spend, the impact of a full-cookie deprecation, and AI’s escalating role.

1. Stability in digital ad spend

“After 2024, we’re not likely to see big swings in digital ad spending,” Verna said. “Given the maturity of digital ad spending, what we expect to see going forward is slow but steady growth with fewer ups and downs than we saw when the market was still developing.”

- US digital ad spend reached a compound annual growth rate (CAGR) of 13.5% during the years of the pandemic from 2019 to 2023, per our estimates.
- From now until the end of our forecast period in 2027, the CAGR will dip below 10% for the first time in more than a decade to 9.3%.
- Next year, US digital ad spend will hit \$306.94 billion, up from \$270.24 billion this year.

2. The loss of cookies will lead to consolidation

With Google’s **full phaseout of cookies** set for 2024, expect a push for mergers and acquisitions among ID providers. “There are more and more of these ID services battling for market share at this time of transition,” Verna said. As a result, there will be a “shakeout of smaller players and consolidation.”

Verna predicts that the loss of legacy IDs will lead to Apple rolling out a demand-side platform (DSP) next year. “A DSP would deliver on Apple’s ambitions to build out its ad business,” Verna said.

3. AI will continue to make its mark

Some 18% of marketers in North America believe that generative AI is already having a serious impact on their industry, while 32% believe it will happen next year, according to July 2023 MMA Global data. Our analysts predict generative AI will become more widespread in:

- **Creative ideation and media planning:** “Pretty much everyone is jumping on board with this right now,” said Verna.
- **ID-free targeting:** Generative AI is supercharging the process of “targeting groups of people based on context, rather than just trying to pinpoint individuals based on identity signals,” said Verna.
- **Search:** Expect more generative AI-powered tools and algorithms in social search.

4. Nielsen’s role in TV measurement will evolve

Nielsen's dominance in TV measurement is waning, challenged by evolving viewing habits and the rise of connected TV (CTV). The company, however, will continue to wield influence in a multicurrency world, leveraging its digital currency and industry relationships.

"Nielsen has its own digital currency that's separate from its legacy panel," Verna said. "It also has deep infrastructure, deep expertise, and a lot of relationships with media companies, so I expect Nielsen to stick around for a pretty long time."

5. Increased demand for cohesive digital experiences

Traditional TV subscribers have "become a minority at this point. Their numbers are dwindling, and they make up an increasingly older demographic," Verna said. This year, **non-pay TV viewers in the US surpassed traditional pay TV viewers** for the first time, according to our forecast, marking the beginning of a widening gap.

"As more people make that shift to CTV, they will be demanding more and more cohesiveness and more affordability from providers. So that means better and more user-friendly ways to navigate and avoid all of that **content fragmentation spread out among different services**. It could also mean more bundling," Verna said.

6. Ad-supported streaming will be more popular

"We have seen the future of streaming media, and it's ad-supported," Verna said. We predict streaming ad prices will coalesce even further.

- Next year, as Amazon Prime releases an ad-supported tier, it's poised to bring in \$3.13 billion in CTV ad revenues, overtaking Roku as the third-highest earner among streaming services, per our forecast.
- US ad-supported video-on-demand viewers will reach 180.2 million in 2024.
- Our analysts anticipate that Apple TV+ will be the last major streaming service to launch an ad-supported tier.

7. Smaller walled gardens will cross-pollinate

"Smaller walled gardens will cross-pollinate with bigger ones," Verna said, pointing to examples such as Google Ad Manager's partnership with X (formerly Twitter) or Pinterest and

Snapchat cutting deals with Amazon.

For the first time since we began forecasting them in 2017, walled gardens will lose share of total programmatic digital display ad spend, according to our forecast. One of the main drivers is **retail media**, which is taking up an increasing share of ad budgets, causing smaller walled gardens to try and prop up their ad businesses by partnering with their bigger counterparts.

We predict Reddit will follow in these footsteps, aligning with a bigger walled garden next year.

Watch the full webinar.

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