

The retail industry will steady the US digital ad market

Article



The retail industry commits by far the most dollars to digital advertising in the US. It has accelerated ad spending with above-average growth every year since 2020, fueled by the rising importance of ecommerce and digital channels in the consumer journey. By comparison, online ad spending by most other industries we track has seen far greater fluctuations from

year to year over the same period. Retail's ad spending growth will see sustained growth this year and next before other industries start to catch up on spending in 2025.

US Digital Ad Spending Growth, by Industry, 2022-2025

% change

	2022	2023	2024	2025
Travel	23.8%	14.3%	16.5%	10.8%
Computing products & consumer electronics	20.5%	1.9%	11.6%	13.7%
Retail	17.9%	12.2%	14.2%	9.8%
Entertainment	14.2%	7.9%	9.4%	14.7%
Media	12.4%	6.8%	8.3%	11.9%
Healthcare & pharma	10.2%	10.8%	6.0%	6.1%
Automotive	6.2%	10.0%	11.1%	8.6%
CPG	4.7%	6.1%	12.9%	12.5%
Financial services	2.3%	3.9%	10.6%	11.3%
Telecom	1.0%	2.7%	4.8%	13.0%
Other	3.5%	5.1%	7.0%	7.0%
Total	10.6%	7.8%	11.2%	10.9%

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices on all formats mentioned; numbers may not add up to total due to rounding
Source: Insider Intelligence | eMarketer, Aug 2023

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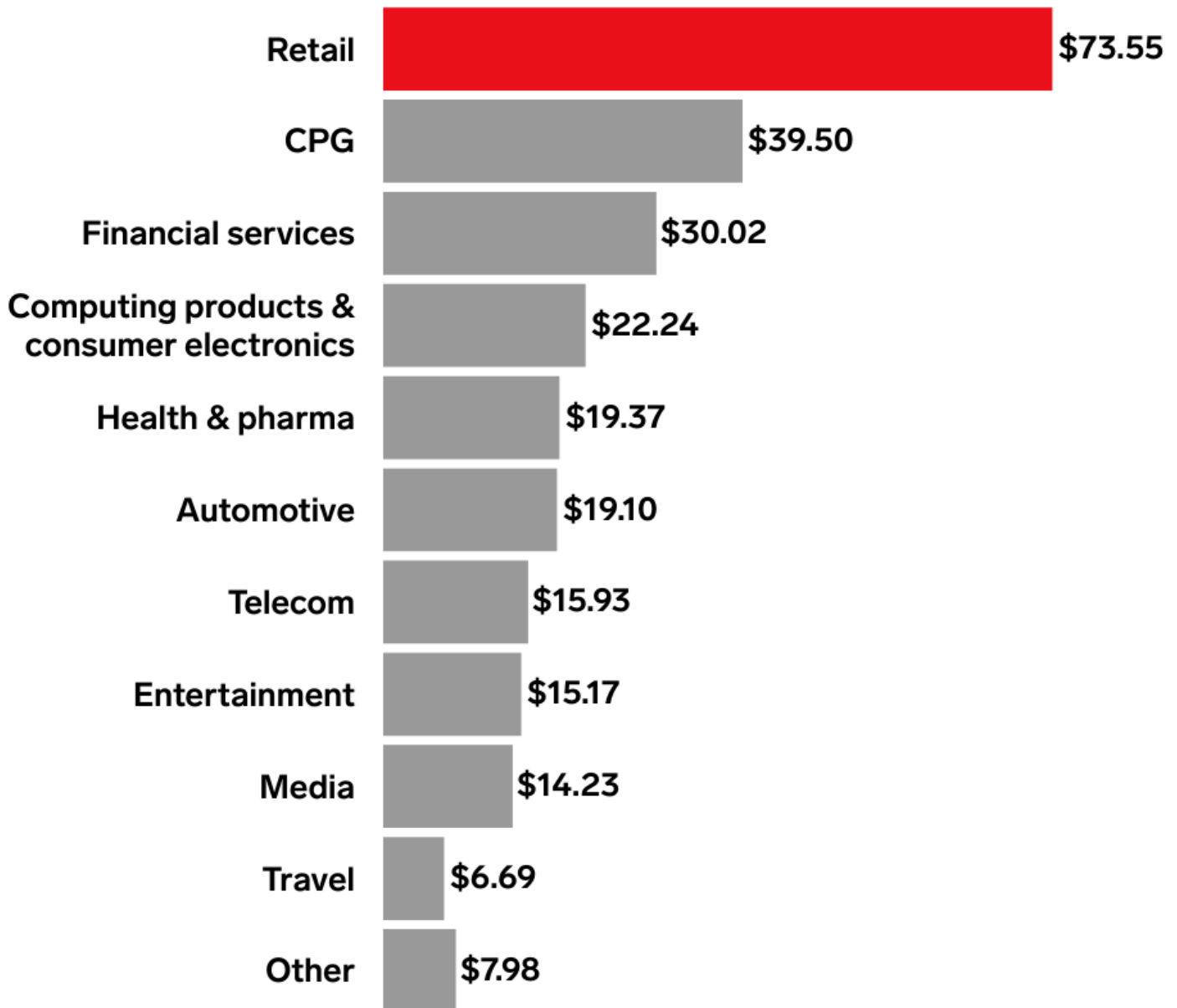
Insider Intelligence | eMarketer

The retail industry will maintain its enormous lead in digital ad spending.

- **No other industry comes close to retail.** Well over a quarter (27.9%) of US online ad dollars spent this year will come from retailers, totaling \$73.55 billion. That's over \$34 billion more than the next biggest spender, **consumer packaged goods**, which has a 15.0% share of the digital ad market. And retail's share continues to grow, for now—it will peak at 28.6% next year before contracting slightly to 28.3% in 2025.

US Retailers Will Spend \$34 Billion More on Digital Ads This Year the Next Highest-Spending Industry

billions



Note: 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; excludes SMS, MMS, and P2P messaging-based advertising

Source: Insider Intelligence | eMarketer, Aug 2023

- **Retail's surge in digital ad spending follows the ecommerce boom.** The increases in digital ad spending by retailers have accompanied the near doubling of **US retail ecommerce** sales over the five-year period from 2019 to 2023, from just under \$600 billion to \$1.137 trillion, per our forecast.
- **What does it mean for marketers?** Retail's outsized influence on US digital advertising can't be underestimated. Despite ongoing economic headwinds, US consumers will continue to spend more on online purchases—going from an average of \$5,213 per digital buyer this year to \$6,164 in 2025, per **our forecast**. Retailers will simply follow the money.

Report by Sky Canaves Sep 07, 2023

US Retail Industry Digital Ad Spending 2023

