

# Retail still lags in video ad spending, despite growth

## Article

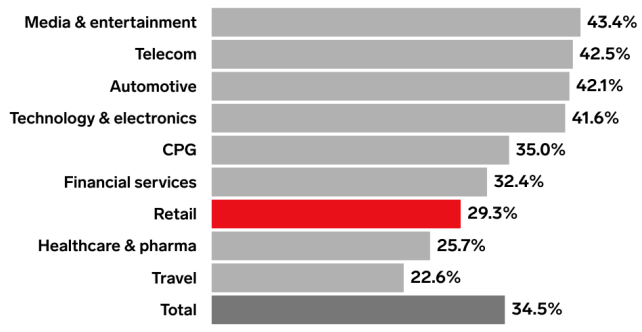
The rise of OTT streaming and short video on social media has propelled a rapid increase in video advertising for most industries. Retail lagged far behind the average in video ad spending, but it has started to close the gap over the past five years.

- **Retail remains less likely to buy video ads than most industries.** Media and entertainment, telecom, technology, and automotive will spend more than 40% of their ad dollars on video ads in 2024—retail will spend less than 30%. In display ad spending, retail is the only industry set to spend less than 60% of its display budget on video this year. The flip side of this

underindexing on video is that retailers are more likely to spend display budgets on banners and clickable product advertising.

- **Retail video ad spending growth will stop outpacing the industry average next year.** Retail video ad spending growth has been above the overall industry average since 2019. In 2024, it will grow 25.2% YoY, compared with the total average of 20.2%. That streak will come to an end next year when it will grow by 14.3%, just below the industry average of 14.9%.
- **Consumer packaged goods (CPG) video ad spending will also grow quickly as companies double down on branding.** CPG will increase video spending by 22.9% YoY in 2024 to reach \$17.07 billion. Growth will slow to a market average of 14.9% in 2025.
- **Technology and media will lead in video ad spending growth in 2025.** Both will increase ad spending by more than 17%.

**Retail Underindexes on Video Ad Spending**  
video % of total US industry digital ad spending, 2024



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  
Source: Insider Intelligence | eMarketer Forecast, Dec 2023

Report by Yoram Wurmser Feb 29, 2024

# Digital Ad Spending Forecast and Trends Q1 2024

