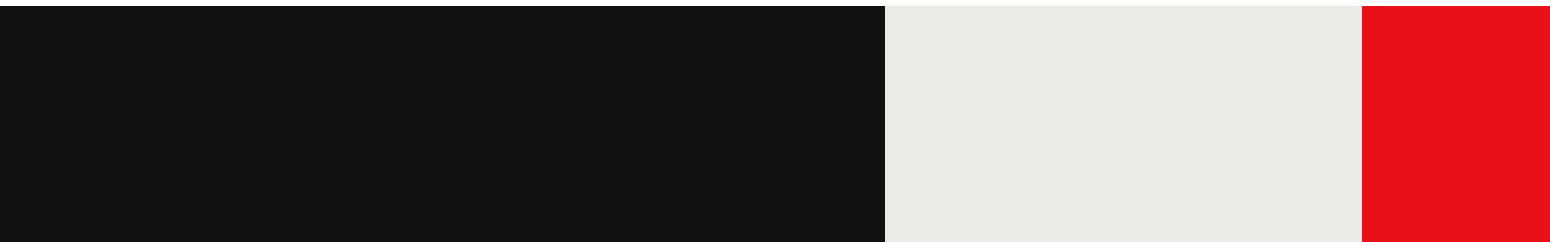



Exclusive data: 4 trends in paid search advertising

Article



Google will fall below a 50% share of the US search advertising market next year for the first time since we started tracking it in 2008, per our forecast. It's a pivotal time for paid search, with Google's ad dominance threatened by generative AI, social media, [retail media](#), and lawsuits. Meanwhile, ad-averse consumers are becoming hesitant to click search ads. Here are four trends our [exclusive KPI data](#) reveal about Google, [retail media](#), and the future of paid search.

1. Paid search ad spend is increasing, but search ad impressions are declining

[Paid search ad spend grew](#) 4.0% YoY in Q4 2023, according to data from Skai. But ad impressions declined by 15.0% YoY in the same quarter. In the US specifically, search ad spend will increase by 11.1% this year to reach a total of \$124.59 billion.

Marketers need to make sure they are advertising on the right keywords to reach users who engage with their ads.

2. People are more hesitant about clicking

[Paid search ad click growth](#) was down 8.0% YoY in Q4 2023, per data from Skai. This decline was particularly pronounced in retail, where click growth was down 12.0%. One factor could be Google and other search engines' incorporation of generative AI, which highlights results without a user needing to click.

Spam on Google may also make people hesitant to click. "Google has become this advertising hellscape where you never quite know how hard you're going to have to work to find what you need," our analyst Ethan Cramer-Flood said on an episode of our [Behind the Numbers](#) podcast in May.

3. Over 9 in 10 searches worldwide take place on Google

[Google has a 91.02% market share](#) in search volume, according to July 2024 data from StatCounter. Its next closest competitor, Bing, has a 3.88% market share worldwide.

Google faces threats, as users—and advertisers—turn to retail websites like [Amazon](#) and social media sites like [TikTok, which launched new search ads](#) last week.

4. Retail media is more expensive than traditional search advertising

A [retail media search ad's cost per click \(CPC\)](#) was \$1.32 per EMARKETER estimates in Q3 2024. That makes it more expensive than the overall search's CPC of \$1.10. On Amazon, search ads had CPCs of \$1.50, while on Google CPCs were \$1.16.

Amazon's higher cost could be due to the fact that those ads are seen by viewers in shopping mode, with a higher purchase intent than those on Google.

Amazon's US search ad revenues are growing faster than Google's, 17.6% this year versus 7.6%, per our forecast. Amazon's share of total US search ad spend will increase to 22.3% this

year while Google's declines to 50.5%.

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