US Ad Spending 2022
Ecommerce, Social Video, and CTV Trends Launch a New Era of Ad Spending

Between 2019 and 2022, ecommerce ad spending has nearly tripled, rising from $12 billion to $36 billion and we predict it will represent one-fifth of all digital ad spending by 2026. Besides ecommerce, today's marketers have never had more ways—or places—to drive measurable outcomes. This eMarketer report explores our latest forecasts for US ad spending, with a focus on opportunities in linear TV, search, social media, and digital video.
Dear eMarketer Reader,

eMarketer is pleased to make this report, “US Ad Spending: Ecommerce, Social Video, and CTV Trends Launch a New Era of Ad Spending,” available to our readers.

This report contains our latest ad spending forecasts through 2026, with a focus on opportunities in linear TV, search, social media, and digital video, in addition to what our findings mean for marketers in the US.

We invite you to learn more about eMarketer’s approach to research and why we are considered the industry standard by the world’s leading brands, media companies, and agencies.

We thank you for your interest in our report, and we thank Neustar, a TransUnion company, for making it possible to offer this report to you today.

Best Regards,

Nancy Taffera-Santos

Nancy Taffera-Santos
SVP, Media Solutions and Strategy, eMarketer
US Ad Spending 2022: Ecommerce, Social Video, and CTV Trends Launch a New Era of Ad Spending

With COVID-19’s severity waning, linear TV ad spending will peak on a per-user basis in 2022, social media will move closer to becoming video-first, and ecommerce ad spending will nearly triple its 2019 peak.

3 KEY QUESTIONS THIS REPORT WILL ANSWER

1. Who will win share of the budgets that once went to TV broadcasters and networks?
2. Will Amazon and Walmart be joined by another major player in ecommerce ad spending?
3. Will the momentum behind TikTok continue to grow?

WHAT’S IN THIS REPORT? Ad spending forecasts for digital and traditional channels, focused on linear TV, search, social media, and digital video. Supplemented with looks at adjacent areas, including connected TV (CTV) penetration and usage.

KEY STAT: US ad spending per person will exceed $1,000 in 2022, rising more than 8% next year.
US Ad Spending 2022

How Ecommerce, Social Video, and CTV Are Launching a New Era of Ad Spending

Between 2019 and 2022, ecommerce ad spending has nearly tripled, rising from $12.35 billion to $35.96 billion. By 2026, it will have doubled again, and ecommerce ad spending will represent one-fifth of all digital ad spending. The pandemic laid the foundation for this transformation, and advertising’s biggest players will build on it in 2022. While incumbents like Amazon will reap most of the rewards, the US economy’s tilt toward ecommerce will influence ad spending across the entire digital landscape.

Key Stat

US ad spending per person will exceed $1,000 in 2022, rising more than 8% next year.

Our Findings

With linear TV knocked off its perch, ecommerce is rapidly reshaping the digital advertising landscape.

- **Linear crosses the Rubicon.** Digital video ($76.20 billion) will attract more ad dollars than linear TV ($68.35 billion) for the first time in 2022.
- **New billionaires.** By 2023, there will be 22 different platforms generating at least $1 billion in ad revenues, 83% more than there were before the pandemic.
- **Shopping around.** $99 billion will be spent on search ads in 2022—and incumbents will benefit from upstarts’ efforts to grow their ad businesses.

Your Opportunity

There have never been more ways—or places—to drive measurable outcomes with digital ad spending.

- **Get ready to test.** The list of options in ecommerce and retail media is long. Prepare to figure out how those options stack up against one another.
- **Measure for measure.** The measurement vacuums opened up by Apple and Nielsen may take years to iron out. Expect to revise how you measure ad effectiveness.
- **Watch your step.** Supply chain, labor issues, and inflation could still scramble ad spending plans across several sectors.

Also in this report: TikTok ad revenue forecasts | Apple ad revenue forecasts | Social video forecasts
**Key Points**

- **Disciplined digital ad spending is needed now more than ever.** The number of channels continues to grow, and many areas, including retail media and CTV, will need to prove their ROI. Persistent problems with measurement across CTV and social will compound advertisers’ problems with managing spend across channels.

- **TikTok is not yet done reshaping social media.** As it laps competitors including Snapchat and Twitter, other social platforms will be forced to put more focus on their own vertical video offerings.

- **Pecking orders among competitors in ecommerce and CTV set quickly.** Even though ecommerce ad spending and CTV are either new or growing rapidly, their growth is overwhelmingly being fueled by a small handful of companies in each.

### US Billion Dollar Digital Ad Businesses, 2018-2023

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Source: eMarketer, March 2022

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**What’s Inside**

This report contains our latest forecasts for ad spending in the US through 2026. It includes our estimates for the following areas:

- Total Media Ad Spending
- Traditional Media Ad Spending by Media Type
- Digital Ad Spending by Format
Behind the Numbers
Our forecasting methodology for US ad spending is based on an analysis of 7,785 data points from 330 sources—including macro-level economic conditions; historical trends of the advertising market; historical trends of each medium in relation to other media; reported revenues from major ad publishers; estimates from other research firms; consumer media consumption trends; consumer device usage trends; and interviews with executives at ad agencies, brands, and media publishers, as well as other industry leaders.

We do a bottom-up analysis of the market, taking into account each company’s ad revenues. This information comes from quarterly earnings releases, annual shareholder documents, and statements from the executives in earnings calls. Company-specific data is also evaluated alongside estimates from third-party research firms and interviews with executives at ad agencies, brands, and media publishers and other industry leaders covering these companies.

Our complete estimates for US ad spending can be found in this report’s accompanying spreadsheet.

Impact of the Ukraine Conflict and Market Instability

The forecasts and trend analyses in this report collection take into account economic effects of the Russia-Ukraine war. We have adjusted our estimates to reflect changing conditions in Russia and in the rest of Eastern Europe, as illustrated by the dual scenarios for this region in the “Worldwide Ad Spending 2022” report.

Our global ad spending update also incorporates several factors that led to the recent upheaval and market instability in the technology sector. Those factors include inflation, adjustments to baseline interest rates, shifts in consumer confidence, and fast-changing supply chain conditions. While our forecasts were finished prior to the release of companies’ Q1 2022 earnings, the factors that led to many disappointing results were accounted for, and we do not expect significant divergence from these forecasts in the near term.

Advertising Surges Continue in 2022 After Early Pandemic Declines

After a yearslong transition, 2021 was a banner year for digital ad spending, with exceptional growth for the US ad economy. That success ushered in a new era of digital advertising focused more on facilitating ecommerce.

This year, total ad spending in the US will reach $345.99 billion, a 13.2% increase over 2021. This estimate—3.6% higher than the amount we forecast in Q3 2021—reflects upward revisions in ad growth from companies outside of the Google-Meta-Amazon triopoly. The higher ad spending was significantly helped along by faster-than-anticipated growth from companies such as TikTok. Ad spend areas including search advertising and social ad spending are also growing faster than we predicted in Q3.

In total, advertisers will spend $1,026 on ads per person in the US in 2022, the first time in history this threshold has been crossed, though we expect to move past it quickly.
While the pandemic’s effects continue to linger in some corners of the economy, most advertisers and agencies are poised to spend significant sums as they adapt to the new normal.

We project that US ad spending will rise at least 8% every year through 2024. Prior to the pandemic, we have observed year-over-year (YoY) increases of 7% just twice (2018 and 2019), going back to the financial crisis of 2008. By 2024, the amount of money spent on advertising in the US will be almost exactly 70% higher than it was in 2019.

That spending continues to be concentrated in digital formats. Though spending on traditional media will rise 2.9% this year—largely due to a boost in TV ad spending—traditional advertising will represent less than 30% of ad spending overall in 2022. That's just $5.5 billion more than the amount spent on non-triopoly digital sources of advertising.

This will flip next year, when non-triopoly digital ad spending surpasses $100 billion and traditional ad spending’s component parts continue to shrink. Traditional media’s share will fall to just 20.2% in 2026.

The Duopoly Is Dead; Long Live the Triopoly

As digital advertising was growing into the dominant ad spending channel, it was useful to view that progress through the prism of its two biggest companies: Google and—before it became Meta—Facebook.

While still dominant, Google and Meta’s combined share of the digital advertising economy is smaller than it’s been in close to a decade. We predict that the duopoly will account for 50.5% of digital ad spending in 2022, down from 55.2% before the pandemic. That decline is a result of rapid growth by ad sellers such as TikTok, Amazon, Walmart, and Apple. In 2023, Google and Meta will account for less than half of all digital ad spending, 48.7% in 2023 and 47.7% in 2024.

And because the digital ecosystem continues to expand, chiefly through ecommerce ad spending and digital video, viewing said ecosystem through the lens of “the duopoly” isn’t as valuable, even if Google and Meta continue to have outsized importance.

A third behemoth, Amazon, reigns over ecommerce ad spending. We project that Amazon will take up 77.7% of ecommerce channel ad spending in 2022, with Walmart claiming 7.0% in a distant second place. No other company will claim more than 2% this year.

Amazon’s first-mover advantage and unparalleled scale will allow it to dominate ecommerce ad spending for the foreseeable future, eating up a progressively larger share of digital ad spending overall. In 2022, Amazon will account for 12.6% of all digital ad spending; in 2024, that share will rise to 14.7%. By then, the triopoly of Google, Meta, and Amazon will account for 62.3% of all digital ad spending, about 1 percentage point less than the share it claims now.

Room for the Rest

Even with three companies sucking up the majority of oxygen, there is still some breathing room for everybody else. We expect non-triopoly net ad revenues to total $91.68 billion in 2022 and to exceed $100 billion for the first time in 2023 ($106.82 billion), surpassing traditional media ad spending in the process.
This is significantly ahead of our September 2021 estimates, which projected non-triopoly net ad revenues of $94.48 billion in 2023. While around a dozen companies claim most of this spending, a look through them highlights an intriguing development in the US ad ecosystem.

Between 2020 and 2023, nine platforms have become or will become billion-dollar advertising businesses in the US, including Snapchat, Spotify, Yelp, Roku, Walmart, Instacart, IAC, Pluto TV, and Tubi.

These entities have what it takes to power big advertising initiatives, with tens of millions of highly engaged, known users, along with access to valuable first-party data to target them.

But some are not media sellers by nature.

- **Roku**, for example, began as a device manufacturer but now makes more money from advertising than hardware sales and is part of an oligopoly in the fast-growing CTV space.

- **Spotify**, a premium subscription service, spent years using ads principally as a tool to force users down its customer conversion funnel.

In addition, Pluto TV and Tubi, now both owned by legacy media companies, rocketed into the center of the CTV market in just a handful of years; both businesses are less than 10 years old.

Linear TV Finally Loses Its Crown

With rising ad prices and declining audiences, 2022 will be linear TV’s last year as the preeminent ad channel.

As digital media grew into the dominant format for media consumption, observers began wondering when digital formats would topple linear TV as the most important advertising channel. We predict that the US ad market is crossing that Rubicon this year.

Linear TV advertising will drop below 20% of US ad spending for the first time, totaling $68.35 billion.

For context, linear TV represented more than a third of all US ad spending five years ago and nearly 40% a decade ago (39.4%).

This year, digital video ad spending will surpass linear TV, one year ahead of our previous forecast. We have increased our digital video ad spending forecasts YoY, from $71.81 billion to $76.20 billion in 2022.

To be clear, the amount of money spent on linear will still be considerable. TV ad spending will grow 4.1% in 2022, in part because the cost of reaching TV viewers has risen, but also because 2022 will feature a World Cup, midterm US elections, and the Winter Olympics. We project that TV ad spending, per TV viewer, will rise 6.2% in 2022, to $354.64.

We predict that advertisers will spend more money on desktop/laptop than they will on linear TV by 2023. The channel will enter a period of decline with projected reductions of at least 1.5% almost every year of the forecast, and TV ad spend will represent less than 15% of total US ad spending by 2026. (There will be a one-year respite coming in 2024, courtesy of a US presidential election and that year’s Summer Olympics.)
Same Broadcasters Benefit From Ad Dollar Shift to Digital TV

Much of the money exiting this format won’t go very far, partly because many Americans are shifting their behavior from one content source to another while using the same device.

The number of US users watching ad-supported video-on-demand (AVOD) will surpass 140 million in 2022, up 8.6% YoY. In all, we project two-thirds of the US population will watch CTV content in 2022. That figure is about 14 percentage points higher than it was five years ago.

We project a 33.1% increase in CTV ad revenues for 2022, to $18.89 billion. The rate of that growth will decline but remain robust over the next five years. By 2026, we expect that CTV ad spending will account for more than 10% of all digital ad spending, having more than doubled to $38.83 billion.

Just as we expect consumer media behavior not to change much in 2022, many of those ad dollars that once went to broadcasters may stay with the same corporate parents, since many of CTV’s biggest players are owned by TV broadcasters.

For example, we estimate that Pluto TV (owned by Paramount) will grow its ad revenues 50% in 2022, generating $1.24 billion in CTV alone. Tubi, a competitor that belongs to Fox, will grow faster still (albeit from a smaller base), closing in on revenues of $939.4 million this year, up from $530.8 million.

We project that there will be five players in the CTV space each generating over $1 billion in annual ad revenues by 2023. YouTube, Hulu, Roku, Tubi, and Pluto TV have already created a kind of oligopoly in the CTV ad market. They account for 59.1% of its net ad revenues, a share that will remain essentially flat in the near future, reaching more than 59% by 2024.

Curb Your (CTV) Enthusiasm

We have revised our CTV ad spending projection slightly downward for 2022, from $19.10 billion to $18.89 billion. After significantly raising our forecasts more than once since the pandemic began, weaker-than-expected fourth quarters among some of the market’s largest players influenced the change. Even with this revision, we expect that CTV ad spending growth will outpace growth in other rapidly expanding areas, including social and ecommerce ad spending. The 2022 estimate still represents an increase of more than 8% from what we projected a year ago.

User growth, among other contributing factors, has declined. Growth will slow down as CTV reaches a saturation point. Even during the first two years of the pandemic, the number of CTV users in the US grew 6.9% in 2020 and 4.2% in 2021. Over the next five years, we project that total will grow by just 7.3%, to 239.5 million.

Watch Party: Inside the Social Video Boom

 Barely five years after Facebook launched Facebook Watch in a play for marketers’ digital video budgets, social media is close to becoming a video-first advertising channel.

In 2021, social ad spending rose nearly 37%, to $63.07 billion. As strong as that growth was, social’s share of overall digital ad spending that year (29.9%) was essentially flat compared to 2020 (30.2%).

We expect advertisers to maintain the 2021 balance as social network ad spending will increase by 18.2% in 2022, to $74.56 billion, or 30.0% share of digital ad spending overall. By 2024, when social ad spending nears $100 billion, we expect that social's share of digital will be slightly higher—31.6%—because of a surge in social video advertising that began during the pandemic.

Tech Advances Spurred Social Video’s Viral Growth

Over the past half-decade, smartphone saturation, improvements in wireless network capacity, and the rise of vertical formats, such as Stories, helped make video a more prominent part of social media for users as well as advertisers. The pandemic, however, pushed social video consumption into overdrive. Social video ad spending grew 57.5% in 2021, after growing 34.9% in 2020.

We project spending to grow 41.7% in 2022, to $33.98 billion, effectively doubling the amount spent on the format in 2020. Video will account for 45.6% of all social ad spending in 2022 and 49.1% in 2023. To put that in perspective, video accounted for just over 30% of social ad spending in 2019.

We expect social video to account for 46.8% of all video ad spending in 2023. Outside of digital audio advertising, which is growing from a much smaller base ($6.31 billion compared to $33.98 billion in 2022), social video is comfortably the fastest-growing digital advertising channel.

Meta’s Shrinking Share of Digital Ad Spend

In reality, video has generated most of the revenues for many social platforms for a few years. Twitter will generate 64.0% of its revenues from video in 2022, and Snapchat will generate nearly three-quarters of its revenues from video this year. The largest exception to this rule is Meta (42.4% of revenues from video), which finds itself being forced to pivot.

We predict that Meta’s overall share of US digital ad spending will decline for a second consecutive year to 22.3%. Last year marked the first time that Meta’s share of this market had shrunk. Meta will account for less than 75% of social media ad spending in 2022, and by 2024, Meta’s share of social media ad spending will be the lowest it’s been since 2013.

The success of competitors plays a role, but Meta’s own tepid growth plays a bigger one. We project Meta’s US ad revenues will grow less than 10% in 2022, to $55.54 billion. For context, Meta’s annual US ad revenues have never grown less than 20% since our tracking began in 2008, and we have recorded sub-30% growth just three times dating back to 2009.

Apple’s AppTrackingTransparency (ATT) framework, which first went into effect in April 2021, bears some responsibility. In February 2022, Meta CFO David Wehner predicted that ATT would cost the company $10 billion in 2022 revenues, as Apple’s program made it harder for advertisers to tell if the ads they’d bought through Facebook led to their desired outcomes.

During Meta’s April 2022 quarterly earnings call with analysts, Wehner said ATT remains a headwind and cautioned that Meta expects additional targeting and measurement challenges, both from Apple as well as regulatory changes.
But slowing user growth and the prioritization of formats (chiefly Meta’s TikTok clone, Reels) that currently do not monetize at the same rate as the feeds on Instagram and Facebook play a role in our projections as well. At the moment, Meta’s worldwide revenues are heavily dependent on Feed ads from Facebook and Instagram. Facebook and Instagram’s feeds will deliver 79.9% of Meta’s ad revenues in 2022, and they will continue to comprise most of both apps’ revenues for the next several years.

Growth on Feed ad revenues will slow significantly.

- We project that Facebook’s worldwide Feed ad revenues will grow just 6.8% in 2022, to $67.62 billion, after growing 30.4% in 2021 and 10.3% in 2020. Instagram’s Feed ad revenue growth will decline as well, growing 13.6% to $35.52 billion, compared to 44.6% growth in 2021 and 41.8% growth in 2020.

- Revenue growth for Instagram Stories, which accounted for 10.1% of Meta’s worldwide revenues in 2021, will come down to earth. After nearly tripling in size between 2019 and 2021, worldwide Stories revenues will grow 26.8% in 2022, to $14.72 billion.

Meta will need improvements in other areas to make up for this slowdown, but it stands to gain uneven contributions from two emerging corners of its apps.

For the first time, our forecasts include breakouts of “other” worldwide revenues from Facebook (which we define as Audience Network and Facebook Watch) and Instagram (defined as paid advertising on its Explore page and Instagram Reels). At the moment, both are small relative to the rest of Meta’s worldwide business; in 2021, Facebook’s “other” revenues were $6.68 billion, and Instagram’s were $2.07 billion.

- But Instagram’s “other” revenues will grow healthily in the near term. We project 89.2% growth in 2022, to $3.92 billion, and we expect “other” revenues to total $10.81 billion by 2024.

- Facebook’s “other” revenues will grow at a much more modest clip. We project Facebook “other” ad revenues to grow 10.5% in 2022, to $7.38 billion. By 2024, Facebook will have “other” revenues of $9.67 billion.

TikTok Is Making Its Way Up the Digital Ad Leaderboard

TikTok is challenging all the top players in digital advertising, including Meta. The upstart app accounts for much less ad spending overall than Facebook or Instagram, but it has rocketed up the list of top digital ad businesses, surging past not just social media competitors like Snapchat and Twitter, but legacy digital platforms including Yahoo as well.

We project that TikTok will generate $5.96 billion in US ad revenues in 2022, and revenues will soar past $11 billion in 2024, accounting for 3.5% of all US digital ad spending.

![TikTok Net Ad Revenues in the US, 2019-2024 billions and % change](chart)

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; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites
Source: eMarketer, March 2022

TikTok’s growth overshadows what have been transformative years for many other companies in the social space. We predict Snap will generate $2.72 billion in revenues this year, more than three times the amount it generated in 2019. We also expect LinkedIn to generate over $4 billion, up from $1.58 billion in 2019.
Surging Search Advertising

Retail media will boom as advertisers and retailers look to capitalize on growing ecommerce sales. But Google, with its dominant search engine, and other incumbents will benefit from the upstarts’ growth too. As ecommerce takes an increasing share of retail sales, the number of companies and platforms looking to get into search advertising continues to grow.

We continue to revise our search forecasts upward, on both the ecommerce and the non-ecommerce sides. In September, we projected $97.05 billion in total search ad spending for 2022, a number we have moved up to $99.00 billion.

The new revision is driven by established players like Google, despite all the intrigue swirling around retail media networks. Those networks give advertisers an opportunity to reach consumers one step closer to the point of purchase, with targeting capabilities often built using retailers’ conversion data.

Adjustments to non-ecommerce search ad spending account for the lion’s share of this change. Our non-ecommerce prediction for 2022 rose $1.7 billion, which accounts for 89% of the overall upward revision. The increase is also proportionally greater than non-ecommerce’s share of search ad spending overall (72.3%).

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Google Net Ad Revenues in the US, 2019–2024
billions and % change

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Flooding Amazon

Amazon is by far the biggest driver of this expansion. We forecast search ad revenue growth of 28.8% in 2022, to $22.41 billion. Incredibly, this will represent a kind of fall to earth; Amazon’s search ad business has grown an average of 89% annually over the past five years.
In 2022, Amazon will account for slightly more than one-fifth of the search advertising market. Amazon captured 13.1% of this market in 2019—and we expect it to have more than a quarter (26.3%) in 2024.

Amazon is not the only retailer with big hopes for its search ad business. We predict Walmart’s search ad revenues will surpass $1 billion for the first time in 2022, growing more than 73% from its 2021 total, to $1.49 billion. For context, we expect Walmart’s search ad business to surpass both Yahoo ($1.07 billion) and Yelp ($1.07 billion).

Advertisers Begin Testing a Long List of Retail Media Networks

Retail and consumer packaged goods have long been two of the most pivotal categories for the search ad market. Its advertisers are now fueling the evolution of search advertising as they begin to wrap their heads around how retail media fits into their businesses.

Today, eight of the 10 largest retailers in the US by ecommerce sales operate their own retail media network. The remaining two include the used car marketplace Carvana, which occupies a category with very low ecommerce penetration, and Apple, which operates a robust search ads business.

That explosion of retail media has reverberated through the US search advertising market. While retail media networks offer many different kinds of ad formats—including display, email sponsorship, and CTV—75.4% of ecommerce ad spending ($27.10 billion) will go to search ads in 2022.

A Growing Bite From Apple

Our forecast features reporting on Apple’s ad business for the first time. While Apple has enormous potential, both as an ad seller and as a shaper of the digital ad ecosystem, its ad business is presently defined by the search ads it places inside its App Store.

We predict that Apple will have net US ad revenues of $4.14 billion in 2022, more than a one-third increase from the year before. Revenue growth has been robust for the past several years, a trend we expect to continue. By 2024, we project that Apple will account for 5.0% of all US search ad spending, surpassing Microsoft to become the third-largest search advertising business in the world, after Google and Amazon.
UP-LEVEL YOUR MARKETING ANALYTICS

Neustar’s Optimizer closed-loop marketing optimization and consumer insights platform lets you make real-time optimizations to your marketing mix, media budget allocation, campaign and creative tactics, and audience segments. Learn how Optimizer can help you improve your marketing and brand performance to achieve as much as:

- **30%** Increase in incremental revenue
- **130%** Increase in return on ad spend (ROAS)
- **10x** return on investment (ROI)

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What Do These Forecasts Mean for Marketers in the US?

Open Web Faces Greater Threat
As advertisers grow more comfortable tying their ad spending to direct sales or other measurable outcomes, it places more power in the hands of walled gardens—closed environments where users must register and log in using email addresses.

Marketers must grow more comfortable with figuring out how to marry their customer data with the data that walled gardens have about their users. They must also refine approaches on balancing their presence between closed and open parts of the internet.

Get Ready to Test and Learn
The key players in important digital channels such as search, social video, and CTV are largely known. But those companies are not the only game in town.

Expect more ad sellers to start copying one another and establishing beachheads in other ad categories. Think of TikTok getting into search advertising, Walmart vying for video ad budgets, or Twitter trying to establish itself as a destination for ecommerce ad spending.

Measuring Sticks
As marketers realign their ad spending, many are struggling to find satisfactory measurement solutions in channels that may command increasingly large portions of their digital ad budgets.

- The issue of how best to measure CTV ad spending may take years to work itself out.
- Marketers may need to return to media mix modeling as the number of channels they invest in continues to grow.
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