

Online Advertising - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Online Advertising Market size is estimated at USD 257.97 billion in 2024, and is expected to reach USD 431.76 billion by 2029, growing at a CAGR of 10.85% during the forecast period (2024-2029).

The online advertising market refers to the industry encompassing the buying and selling advertising space on the internet. It involves various forms of digital advertising, such as display ads, search engine marketing (SEM), social media advertising, video advertising, native advertising, and more.

Key Highlights

- The online advertising market has experienced significant growth over the years, driven by the increasing use of the internet and digital devices. With the widespread adoption of smartphones and the rise of social media platforms, online advertising has become a crucial component of marketing strategies for businesses worldwide.
- The ongoing shift from traditional to online advertising has been a significant driver of the growth of the online advertising market. The widespread availability of the internet and the growing number of internet users have led to a larger audience that can be reached through online advertising. People spend more time online for work, entertainment, or socializing, allowing advertisers to reach them through digital channels.
- The combination of novel advertising techniques and the growing prominence of mobile apps-based advertising has fueled the online advertising market's growth. Advertisers are increasingly adopting these approaches to connect with consumers more personalized and engagingly, leveraging the power of digital platforms to achieve their marketing goals.
- Operational complexities and concerns over communication effectiveness in mature end-user industries, along with the presence of incumbents, can pose challenges and restrain the growth of the online advertising market.
- The COVID-19 pandemic has had a significant impact on the online advertising industry. While the pandemic initially presented

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challenges for the online advertising industry, it also created new opportunities and accelerated the adoption of digital strategies. As the world continues to navigate the ongoing effects of the pandemic, the online advertising industry is likely to play a crucial role in the recovery and future growth of businesses across sectors.

Online Advertising Market Trends

Increasing Use of Mobile Devices and Consumption of Digital Content is Expected to Drive the Market Growth

- The widespread adoption of smartphones and tablets has revolutionized how people access the internet and consume content. Mobile devices have become integral to daily life, offering convenient and constant connectivity. As a result, advertisers are increasingly targeting mobile users through mobile-optimized websites, mobile apps, and location-based advertising.
- Mobile devices have become the primary means of internet access for many people. Mobile internet usage has surpassed desktop usage, driving advertisers to allocate a significant portion of their advertising budgets to mobile platforms. Advertisers can reach users through mobile-specific ad formats like in-app, mobile video, and mobile search ads.
- Mobile apps have experienced explosive growth, offering advertisers many opportunities. Advertisers can leverage in-app advertising to engage with users while interacting with their favorite apps. This includes various ad formats like banner ads, interstitial ads, native ads, and rewarded video ads within mobile apps.
- Social media platforms have witnessed a significant shift towards mobile usage. Platforms like Facebook, Instagram, Twitter, and Snapchat are predominantly accessed through mobile devices. Advertisers are capitalizing on this trend by investing in mobile social media advertising to reach highly engaged mobile users and target specific demographics.
- The increasing use of mobile devices and digital content consumption have reshaped the advertising landscape. According to Ericsson, 5G subscriptions are expected to increase globally between 2019 and 2027, from over 12 million to over 4 billion. Subscriptions are expected to be maximum in North East Asia, South East Asia, India, Nepal, and Bhutan. Advertisers recognize the importance of reaching consumers on the devices and platforms they use most frequently, leading to a significant shift towards mobile-focused advertising strategies. As mobile usage continues to rise, the online advertising market is poised for continued growth and innovation in mobile advertising formats and targeting capabilities.

North America is Expected to Hold the Significant Market Share

- The online advertising market in North America is substantial, driven by the region's high internet penetration rates, advanced digital infrastructure, and the presence of major technology companies. It has a highly developed digital ecosystem, including prominent advertising platforms like Google, Facebook, and Amazon. The United States represents significant global ad spending, attracting advertisers from various industries.
- Mobile advertising has experienced substantial growth in North America, fueled by the widespread use of smartphones and tablets. Advertisers invest heavily in mobile ad formats to reach the growing user base. Mobile advertising includes formats such as in-app ads, mobile search ads, mobile video ads, and mobile-optimized website ads.
- Programmatic advertising, which uses automated processes to buy and sell ad inventory, has gained significant traction in North America. Advertisers and publishers leverage programmatic platforms to streamline ad buying, targeting, and optimization processes, leading to more efficient and data-driven advertising campaigns.
- Social media platforms, including Facebook, Instagram, Twitter, and LinkedIn, are widely used for advertising in North America. Advertisers leverage these platforms to reach specific target audiences, engage with users, and promote their products or services. Social media advertising offers sophisticated targeting options, interactive ad formats, and robust analytics.
- Furthermore, Google is highly focused on launching new features aimed at helping advertisers use the company's services to

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make their products stand out in web search results and other platforms. One of the new features from the company lets Google Search users configure their ads in a manner that has Google fetch relevant images from the advertiser's online materials and include those images within the search results. Thus, this is expected to encourage companies to invest in ads, propelling market growth, especially in the United States, over the forecast period.

- Furthermore, e-commerce giants in the region, such as Amazon, have been investing heavily in the region to increase their market share. Many users in the United States are now searching for products more on Amazon than on Google, compelling advertisers to invest in online ads in the company. Companies such as Facebook and Google obtain most of their ad revenue from the North American region. Thus, owing to increasing social media usage and advertising expense, this region is expected to hold a prominent market share.

Online Advertising Industry Overview

The Online Advertising Market is highly fragmented, with the presence of major players like Google LLC, Facebook Inc, Microsoft Corporation, Twitter Inc., and Adobe Systems Inc. Players in the market are adopting strategies such as partnerships and acquisitions to enhance their product offerings and gain sustainable competitive advantage.

- July 2022 - Netflix announced that they had selected Microsoft as the global advertising technology and sales partner. Microsoft has the proven ability to support all advertising needs as it works together to build a new ad-supported offering. More importantly, Microsoft offered the flexibility to innovate over time on both the technology and sales side, as well as strong privacy protections for the members.

- May 2022 - Written Word Media announced the launch of Reader Reach Amazon Ads, an expansion of their existing Reader Reach Ads service for authors and publishers. Reader Reach is a data-driven full-service ads solution that offers an easy way for authors to run targeted ads for their books. The expansion to Amazon Ads enables authors to easily advertise to readers on Amazon in addition to the existing Reader Reach Facebook Ads service.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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