

## INDUSTRIES & MARKETS

# Digital Advertising: market data & analysis

Market Insights report

**Market** Insights  
by statista 

2023



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## Market

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| Search Advertising       | 45  |
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The screenshot displays the Statista Market Insights website. The top navigation bar includes links for 'Prices & Access', 'Statistics', 'Reports', 'Insights' (marked as 'NEW'), 'Infographics', and 'Services'. A search bar is located on the right. The main header reads 'MARKET INSIGHTS Discover the future of global industries'. Below this is a search input field with the placeholder 'Find your market, e.g., FinTech' and a list of 'Popular markets' including FinTech, Digital Health, Passenger Cars, and Social Media Advertising. A featured report titled 'Manufacture of Furniture' is shown with a bar chart. A 'VIDEO TUTORIAL' section titled 'Take a look at the Market Insights' features a video thumbnail. At the bottom, four icons represent the platform's capabilities: 10 sectors, 190+ geographical entities, 1,000+ markets, and 400+ reports.

**10** sectors

**190+** geographical entities

**1,000+** markets

**400+** reports

## CHAPTER 1

# Overview



# The U.S. is the largest Digital Advertising market globally across all segments in 2022

Overview: summary and key takeaways

## Summary

Digital advertising uses the internet to deliver marketing messages to internet users in various formats. This includes advertisements on search engine results pages (search advertising), advertising on social media networks, e.g., in the form of sponsored posts (social media advertising), advertisement banners, e.g., so-called skyscrapers (banner advertising), advertisements within video players (video advertising), and paid digital classifieds (classifieds). Among the three major Digital Advertising markets – the U.S., China, and Europe – the U.S. will likely be the biggest market in 2022, with US\$261 billion. Thus, the U.S. accounts for more than one-third of the world's Digital Advertising revenue, leaving China and especially Europe far behind with shares of only 24.8% and 16.8%, respectively. From 2022 to 2027, the U.S. will lead the race with a CAGR<sup>(1)</sup> of 11.0% among the three major regions, closely followed by China with 10.6% and the European market with 9.1%. Due to a lasting trend toward mobile apps, the future development of digital advertising will continuously be shaped by a shift from desktop to mobile. While the share of global mobile revenues is expected to reach 60.8% in 2022, the expected share in 2027 will be 68.7%.

# Digital Advertising is an important part of the Advertising market

Overview: Market Definition

## Market definition

Digital Advertising refers to the practice of promoting products or services through online channels by purchasing ad placements with the aim of driving traffic, increasing brand awareness, and generating leads or sales using data-driven strategies. This form of advertising uses the internet and various technologies to target audiences based on their demographics, online behavior, and personal interests.

Digital Advertising uses the internet to deliver marketing messages to internet users in various forms. This includes digital video, search engine, social media, digital banner, and digital classifieds

The market comprises digital advertising spending, users, average revenue per user, advertising share by industry, advertising share by device, brand shares, and digital ad spending share (programmatic and non-programmatic). The market only displays B2B spending and users for the above-mentioned channels. Figures are based on digital advertising spending and exclude agency commissions,

rebates, production costs, and taxes. Additional definitions for each market can be found on the respective pages. For more information on the data displayed, use the info button right next to the boxes.

# Programmatic Advertising accounted for 86% of the Digital Advertising market revenue in 2022

Overview: Key Takeaways and in scope / out of scope

## Key Takeaways

Ad spending in the Digital Advertising market is projected to reach US\$616bn in 2022.

The largest market is Search Advertising with a market volume of US\$260bn in 2022.

In global comparison, most ad spending will be generated in the United States (US\$261bn in 2022).

In the Digital Advertising market, 69% of total ad spending will be generated through mobile in 2027.

In the Digital Advertising market, 89% of the Digital Advertising revenue will be generated through programmatic advertising in 2027.

### + In scope

This market includes:

- Digital advertising with online revenues from video, banner, classifieds, and search advertising in Desktop and Mobile revenues
- Social Media Advertising with revenue from social networks or business networks

### - Out of scope

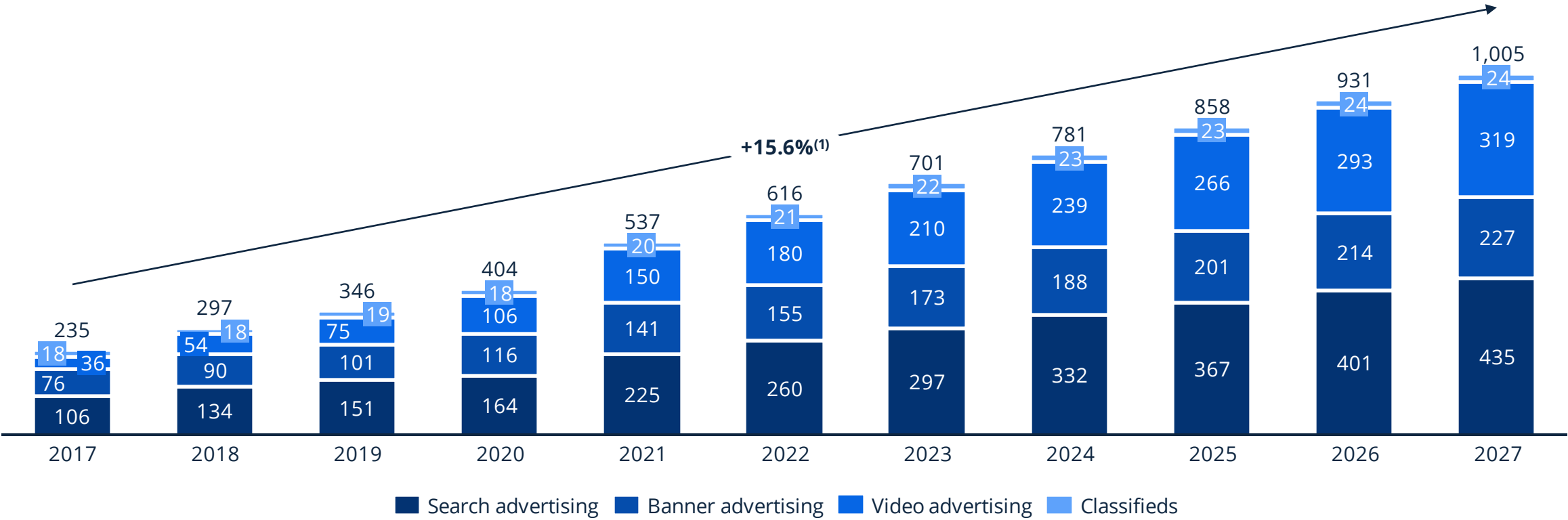
This market excludes:

- E-mail marketing
- Product placement
- Commission-based affiliate systems

# The global Digital Advertising revenue is expected to grow to US\$1 trillion by 2027

Market Size: Global

Digital Advertising market: Advertising spending forecast in billion US\$



8 | Notes: (1) CAGR: Compound Annual Growth Rate

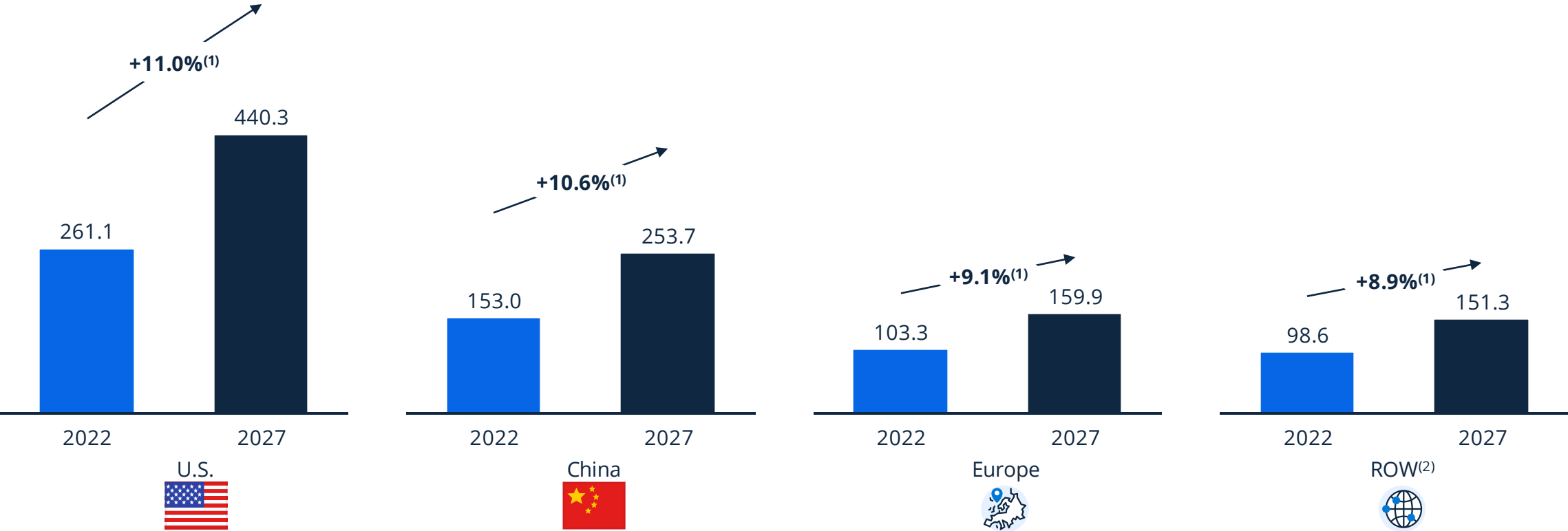
Sources: Statista Market Insights 2023



From 2022 to 2027, the U.S. shows the biggest growth in Digital Advertising with a CAGR<sup>(1)</sup> of 11%

Market Size: Regional comparison

Digital Advertising market: Advertising spending forecast in billion US\$



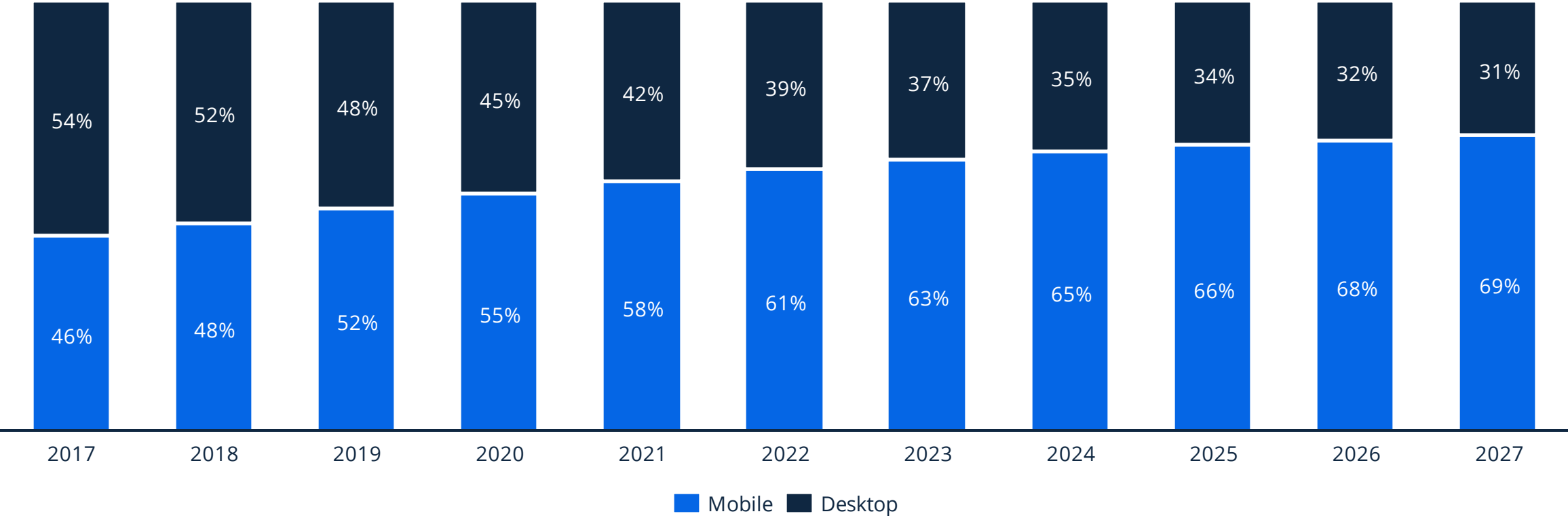
9 | Notes: (1) CAGR: Compound Annual Growth Rate (2) ROW: rest of the world

Sources: Statista Market Insights 2023

# Mobile has dominated the global Digital Advertising revenue since 2019

Distribution by device: Global

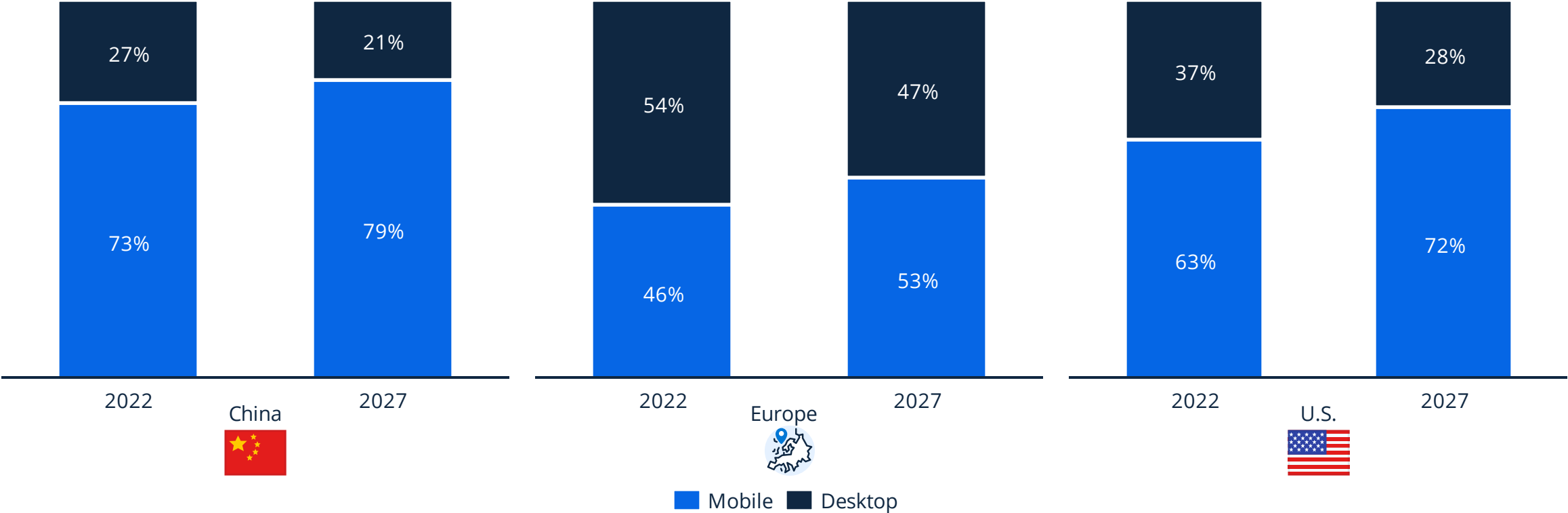
Digital Advertising market: Mobile and desktop distribution



# While desktop is the leading device type in Europe, mobile dominates the markets in the U.S. and China in 2022

Distribution by device: Regional comparison (1/2)

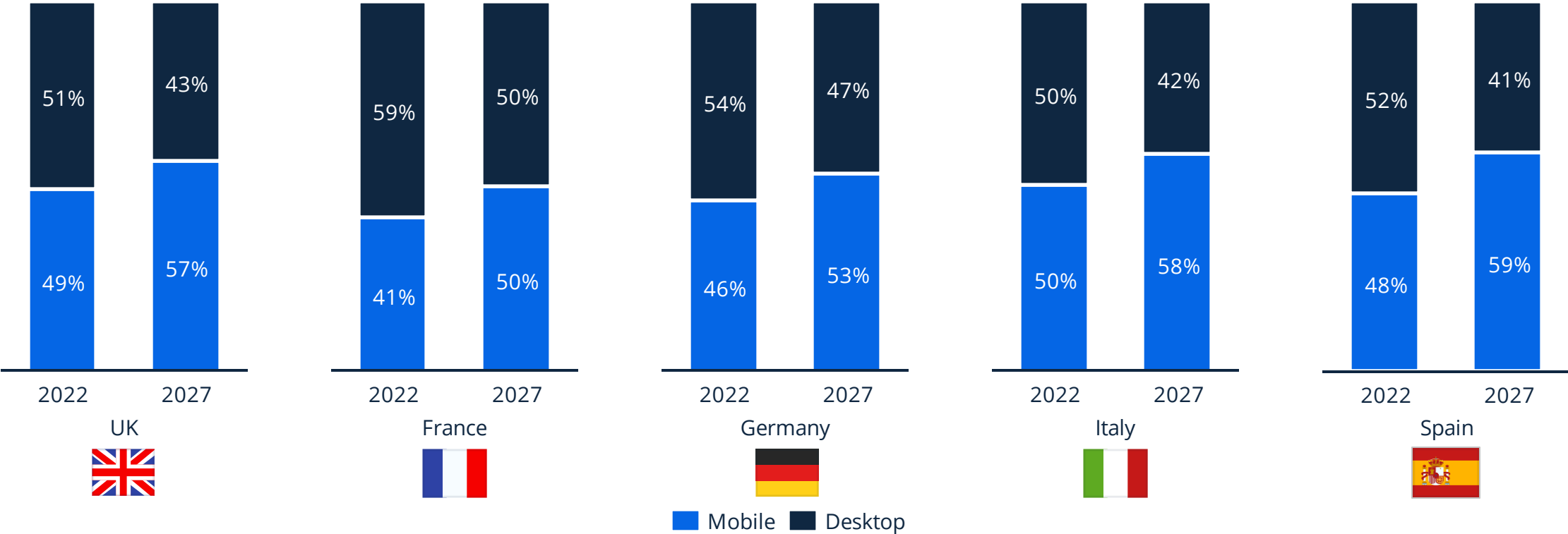
Digital Advertising market: Mobile and desktop distribution



# Among the top 5 EU countries, desktop shares are declining

Distribution by device: Regional comparison (2/2)

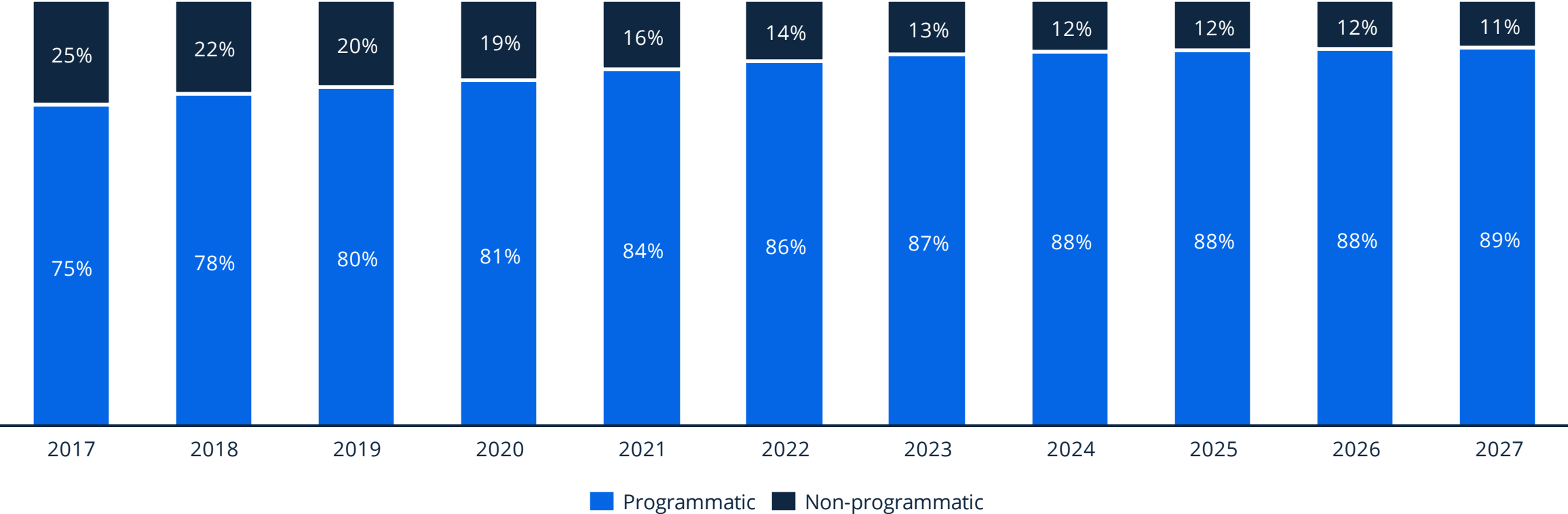
Digital Advertising market: Mobile and desktop distribution



# Programmatic advertising is the leading method for buying, displaying, and optimizing advertising space

Distribution by method: Global

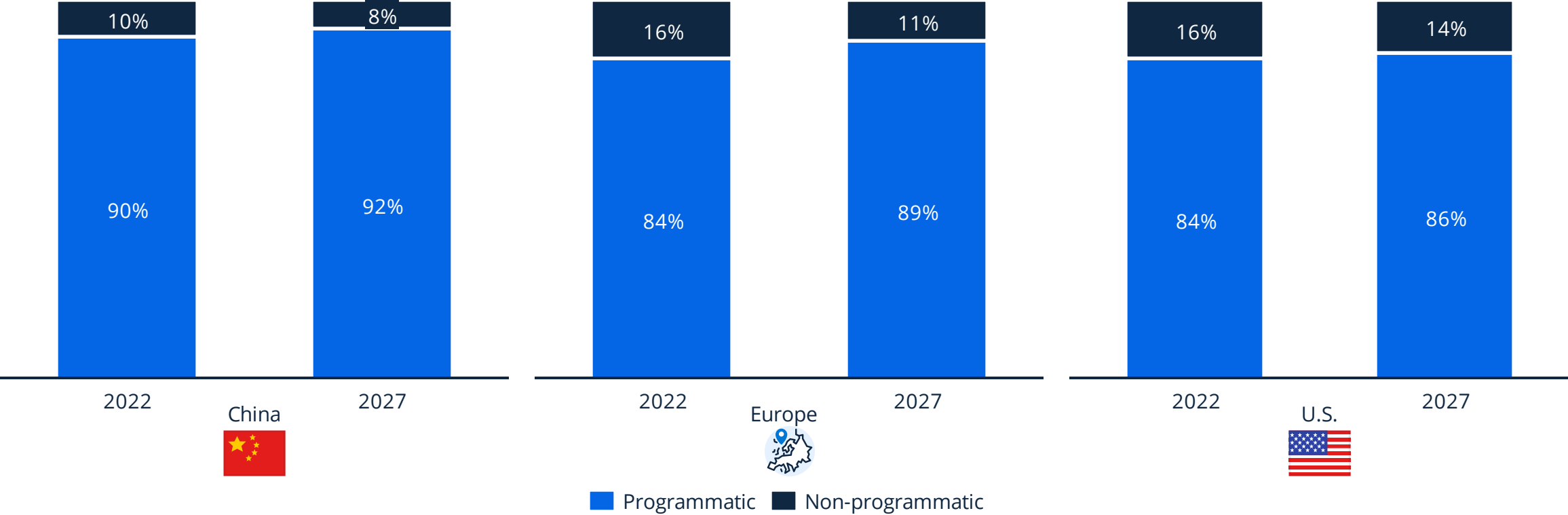
Digital Advertising market: Programmatic ad revenue distribution



# Programmatic advertising dominates Digital Advertising across all major regions

Distribution by method: Regional comparison (1/2)

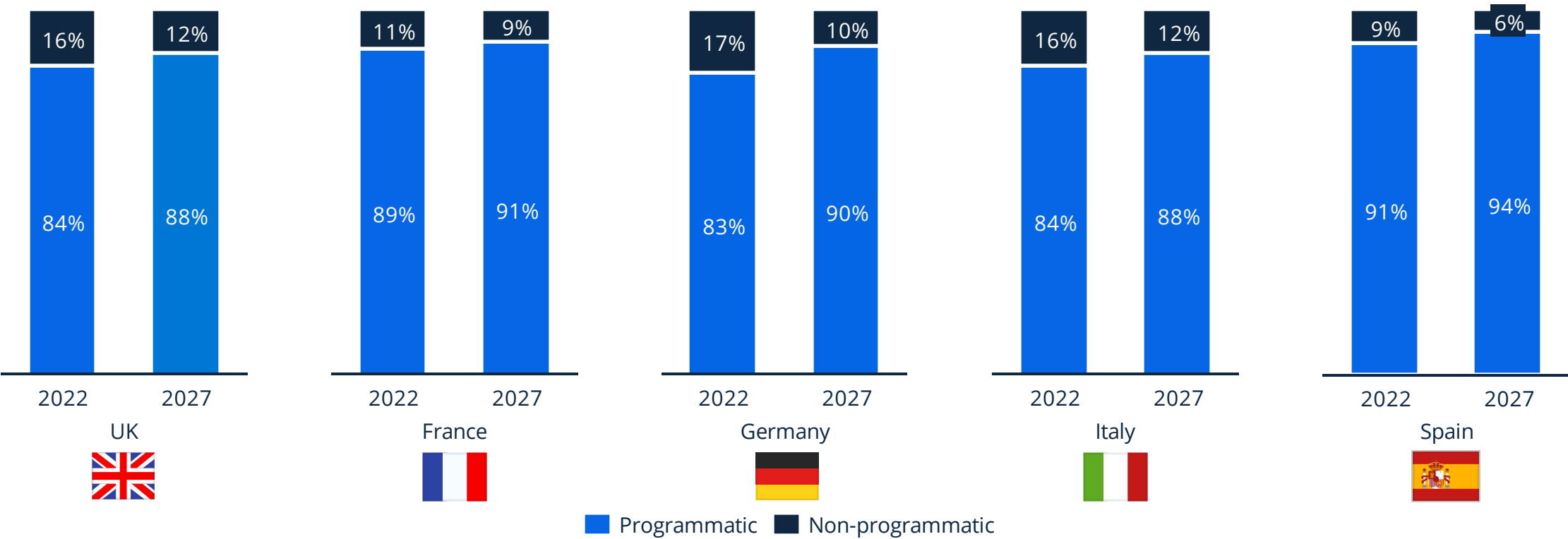
Digital Advertising market: Programmatic ad revenue distribution



# Programmatic advertising also dominates in the top 5 EU countries, led by Spain with a share of 94% by 2027

Distribution by method: Regional comparison (1/2)

Digital Advertising market: Programmatic ad revenue distribution



Competition in the Digital Advertising market is fierce as many players are striving for market dominance

## Key player landscape (1/4)

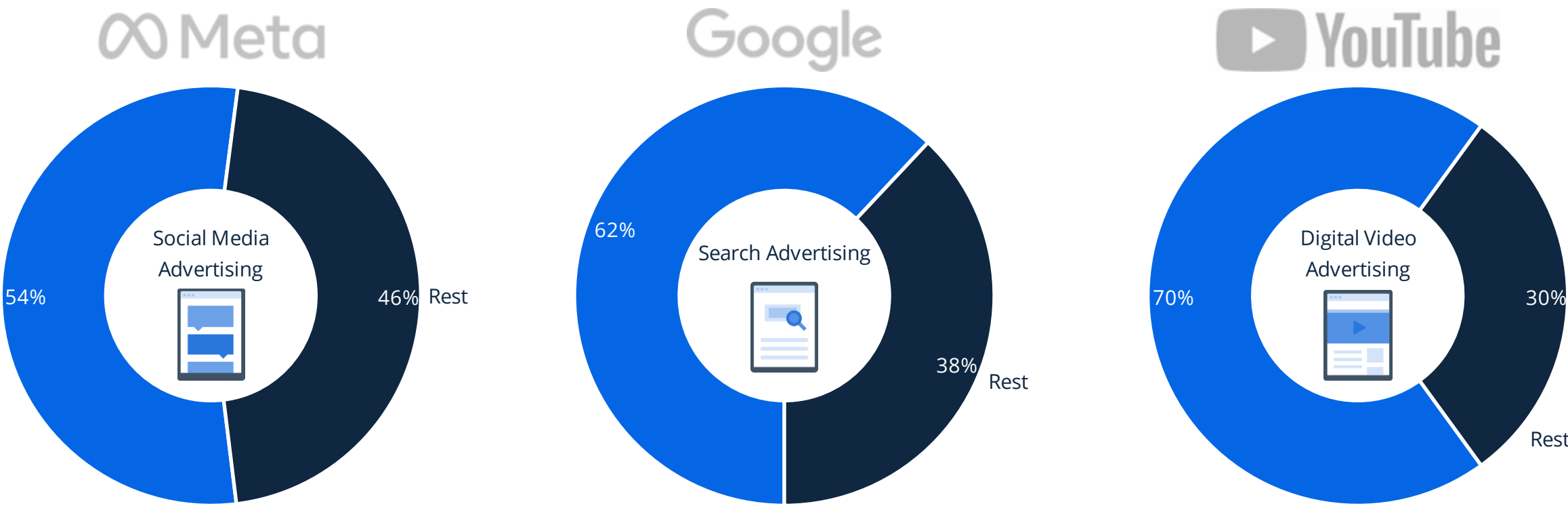
| Agencies and trading desks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Demand-side platforms (DSPs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   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                                                                                                                                                                                     | Supply-side platforms (SSPs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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# In the Digital Advertising market, the largest players dominate their respective fields

Key player landscape (2/4)

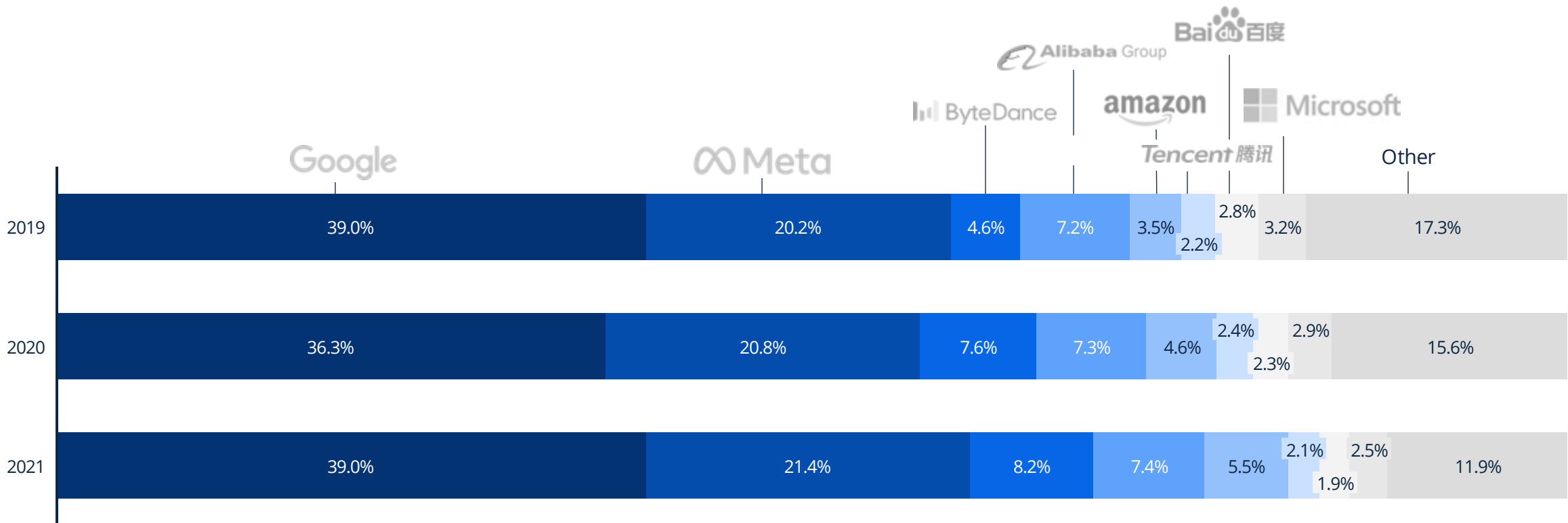
Worldwide market shares in the Social Media Advertising, Search Advertising, and Digital Video Advertising segments in 2021



# The top 8 Digital Advertising players generated 88% of total digital ad sales in 2021

Key player landscape (3/4)





















## Worldwide Digital Advertising market shares



WPP is the top marketing agency in the world, which earned \$15.4 billion USD in 2022 from marketing and advertising activities combined

Key player landscape (4/4)

Ranking of the top advertising and marketing agencies by consolidated revenue in 2020, in billion US\$

| Ranking |                       | Revenue | Location                                                                              | Employees | IPO Status | Industry                             |
|---------|-----------------------|---------|---------------------------------------------------------------------------------------|-----------|------------|--------------------------------------|
| 1       | WPP                   | 15.4    |    | 109,382   | Public     | Advertising                          |
| 2       | DOOSAN                | 14.4    |    | 2,601     | Public     | Advertising                          |
| 3       | Hakuhodo DY holdings  | 13.7    |    | 25,522    | Public     | Advertising                          |
| 4       | OmnicomGroup          | 13.2    |    | 71,700    | Public     | Advertising                          |
| 5       | PUBLICIS GROUPE       | 12.3    |    | 87,292    | Public     | Advertising                          |
| 6       | IPG                   | 9.1     |    | 56,800    | Public     | Advertising                          |
| 7       | dentsu group          | 8.8     |    | 64,832    | Public     | Advertising                          |
| 8       | CyberAgent            | 6.3     |    | 5,944     | Public     | Advertising                          |
| 9       | Nielsen               | 6.3     |    | 14,000    | Public     | Administrative & supportive services |
| 10      | BlueFocus             | 5.9     |    | 2,885     | Public     | Computer programming                 |
| 11      | GANNETT               | 3.4     |    | 16,300    | Public     | Publishing                           |
| 12      | ADVANTAGE SOLUTIONS   | 3.2     |   | 20,000    | Public     | Administrative & supportive services |
| 13      | JCDecaux              | 2.4     |  | 10,200    | Public     | Advertising                          |
| 14      | Cheil                 | 2.3     |  | 1,327     | Public     | Advertising                          |
| 15      | Ipsos                 | 2.1     |  | 17,366    | Public     | Advertising                          |
| 16      | GIMC 省广集团             | 1.9     |  | 3,059     | Public     | Advertising                          |
| 17      | Clear Channel Outdoor | 1.9     |  | 4,600     | Public     | Advertising                          |
| 18      | Angi                  | 1.7     |  | 5,100     | Public     | Advertising                          |
| 19      | STRÖER                | 1.6     |  | 10,079    | Public     | Advertising                          |
| 20      | LAMAR                 | 1.6     |  | 3,350     | Public     | Advertising                          |

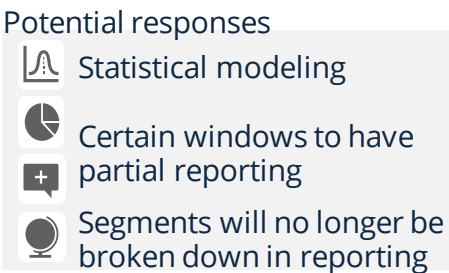
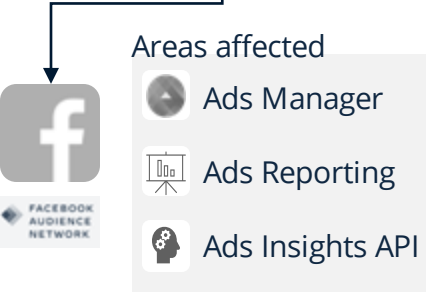
# As regulators step up privacy requirements, Big Tech has to react, and data collection will become more difficult

Deep dive: Data privacy (1/2)

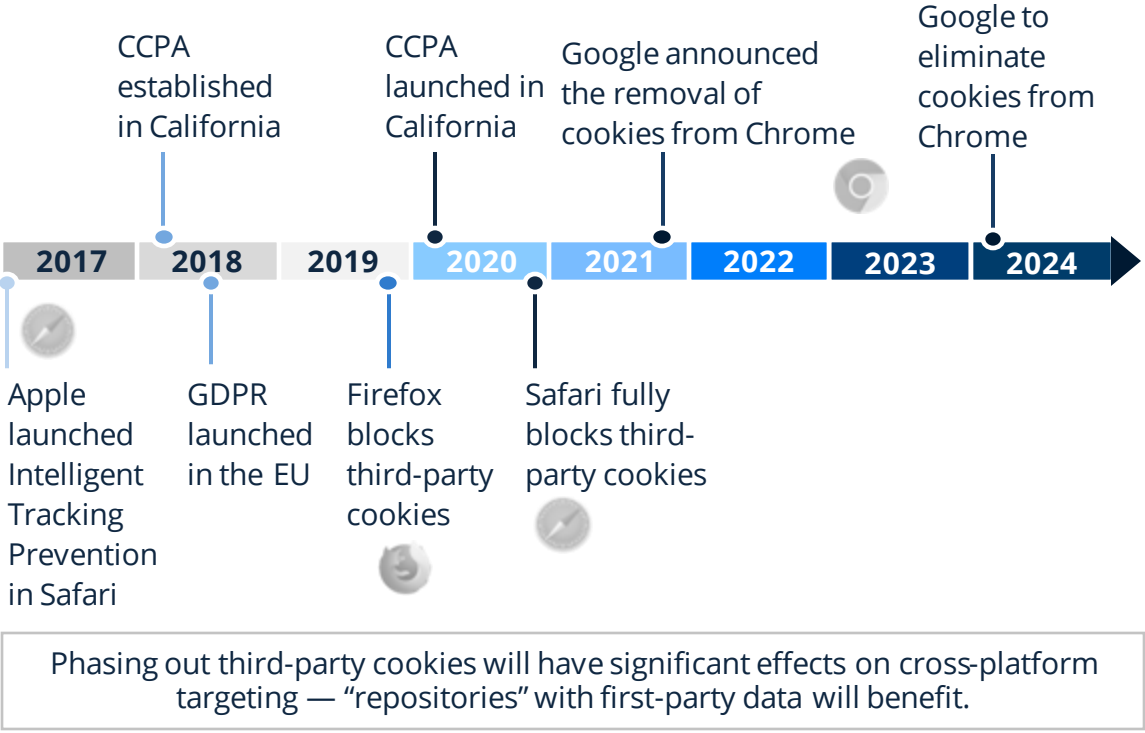
## Apple’s App Tracking Transparency<sup>(1)</sup> and exemplary potential effects on Facebook Audience Network

### iOS 14.5 includes a new add-on which will

- 1. make users aware of what information an app will track before installing,
- 2. give users the choice to allow or deny tracking, and
- 3. hence make targeting more difficult for other players.



## Timeline of events affecting Google’s intention to eliminate third-party cookies in 2024



































20 Notes: (1) Apple released iOS 14.5 on Monday, 26 April 2021

Sources: The App Store, Search Engine Journal, CNET, Arbolus, Digital Kites, European Union, company information

# Private gardens could be planted in those industries whose players capture abundant first-party data

Deep dive: Data privacy (2/2)

## Examples of platform types in different industries with private garden potential

|                           | Platform type                                                                                                    | Platform advantages                                                                                                                 | Potential competitors                                                                                                                                                                                                                                                                                                                                           |
|---------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential private gardens |  Technology                     | Selected data on user activity across various tech platforms                                                                        |  Microsoft  Roku                                                                                                                                                                          |
|                           |  Telco                          | Scaled data on user location and data consumption                                                                                   |  AT&T  COMCAST  verizon✓                                                                               |
|                           |  Media                          | Scaled user data buoyed by increasing requirement for authentication                                                                |  Disney  VIACOMCBS  NETFLIX                                                                            |
|                           |  Retail                         | Scaled user and purchasing data driven by increased eCommerce penetration                                                           |  Walmart  COSTCO WHOLESALE  TESCO                                                                      |
|                           |  Marketplaces                   | Scaled user data with location and consumption behavior                                                                             |  Uber  TMALL  ebay  |
|                           |  Publishing                    | Scaled user data driven by the increasing shift to paywalls and authentication requirements                                         |  The New York Times  BuzzFeed  theguardian                                                          |
|                           |  Interest groups / loyalty    | Scaled user data that cuts across industries                                                                                        |  AAA  PAYBACK  Maximiles                                                                         |
|                           |  Walled garden <sup>(1)</sup> | Scaled, highly engaged audiences across dominant platforms with insights into high-intent, extremely granular, actionable user data |  Google  facebook  amazon                                                                        |

21

**Notes:** (1) A walled garden is a closed ecosystem in which all the operations are controlled by the ecosystem operator. Contenders can access existing private marketplaces and free themselves from disproportionate dependency using other technology platforms to create a private garden out of a walled one

**Sources:** Activate analysis, company information

# By merging advertising and content, native advertising bridges the gap between product and publisher

Deep dive: Native advertising

## What is native advertising?

Native advertising means the seamless matching of advertisements to the form and function of the environment (e.g., news websites, video platforms) in which they appear. They can manifest as articles or videos. Usually, these native advertisements have a so-called advertorial character, meaning that they resemble an editorial-shaped design and look. Companies such as Outbrain and Taboola have specialized in this field of advertising. Native advertising can be seen as a successor to product placement, as the advertised product is not only placed within the content it appears in but is even merged with it. This format's biggest power is its inconspicuousness, preventing a user's distraction and deterrence through the advertisement's appearance. Also, the proximity to editorial contributions is increasing the consumer engagement and the acceptance of the ads. Native advertisements work very well on smaller displays and are therefore ideally suited for advertising on mobile devices. Although native advertising is legal in many countries, e.g., the U.S., merging advertising and native content still receives criticism. In some cases, it is difficult to clearly distinguish between advertisements and content. Especially social networks such as Facebook have been faced with complaints about intentionally supporting consumer and voter deception.



# Programmatic advertising has the potential to revolutionize advertising based on user targeting

Deep dive: Programmatic advertising (1/4)

## What is programmatic advertising?

Driven by audience data to better target certain potential customers, programmatic advertising describes the software-based method of buying, displaying, and optimizing of advertising space. The recipient of the ad is known before the ad is even sold. Thus, the ad can be personalized even more. This process takes place within a split second. The method is also paving the way for a variety of smart and innovative ad formats such as advertising in audio streams, podcasts, connected TVs and cars, or digital out-of-home solutions, breaking down the barrier between digital and analogue. In recent years, software solutions relating to programmatic advertising have become more comprehensive, more powerful, and more integrable. Thus, programmatic advertising triggers a constantly growing demand. Also, modern advertising techniques such as (re-)targeting and real-time bidding, which are closely tied to programmatic advertising, find more and more application in a growing number of companies. We believe that this development is only just beginning and will have noticeable effects on the advertising market in general and the Digital Advertising market in particular. We expect this optimized targeting to increasingly improve and the average revenue per user to increase accordingly.





# Roles in Digital Advertising are diverse, many different participants can be found in the revenue stream

Deep dive: Programmatic advertising (2/4)

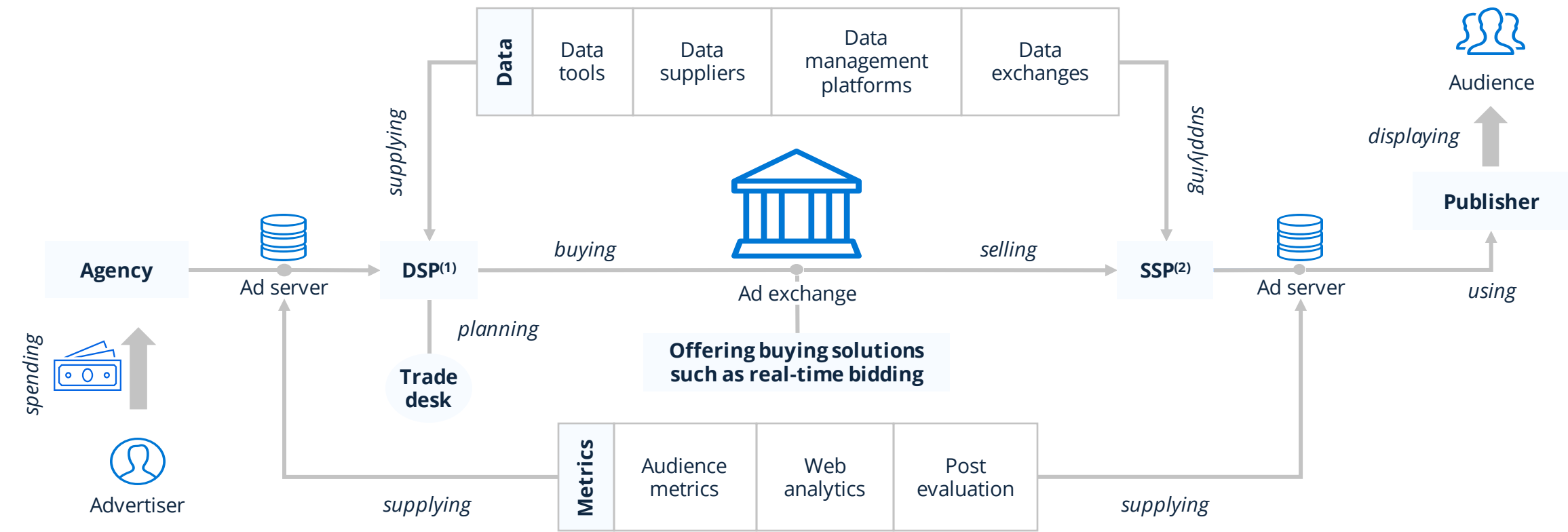
| <div>Demand side:<br/>advertiser</div> <div>Supply side:<br/>publisher</div> | Role               | Example         | Description                                                                                                                                                  |
|------------------------------------------------------------------------------|--------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                              | Agency             | WPP             | The service of advertising agencies includes creating, planning, and handling advertising.                                                                   |
|                                                                              | Trade desk         | XAXIS           | Trade desks do not create advertising but take care of a certain part of the planning and handling, with a focus on buying advertising inventory.            |
|                                                                              | DSP <sup>(1)</sup> | The Trade Desk  | DSPs bundle the demand of ad buyers and enrich it with user data within the context of programmatic advertising, for example.                                |
|                                                                              | Ad network         | Google Ads      | Ad networks bring publishers and advertisers together by selling ad space to advertisers based on their needs with a holistic approach including many roles. |
|                                                                              | Ad exchange        | AppNexus        | Ad exchanges work in a similar way to ad networks. Ad exchanges usually sell ad space in real-time auctions based on data from DSPs, SSPs etc.               |
|                                                                              | SSP <sup>(2)</sup> | Rubicon Project | SSPs bundle advertising space. They act as an entrance into the market for publishers. Many networks and exchanges have their own SSPs.                      |
|                                                                              | Publisher          | YouTube         | Publishers sell space or time in their video players as inventory for advertising reasons. This is the place where the audience receives the ads.            |



# Programmatic advertising involves many different roles and relies heavily on metrics and data inputs

Deep dive: Programmatic advertising (3/4)

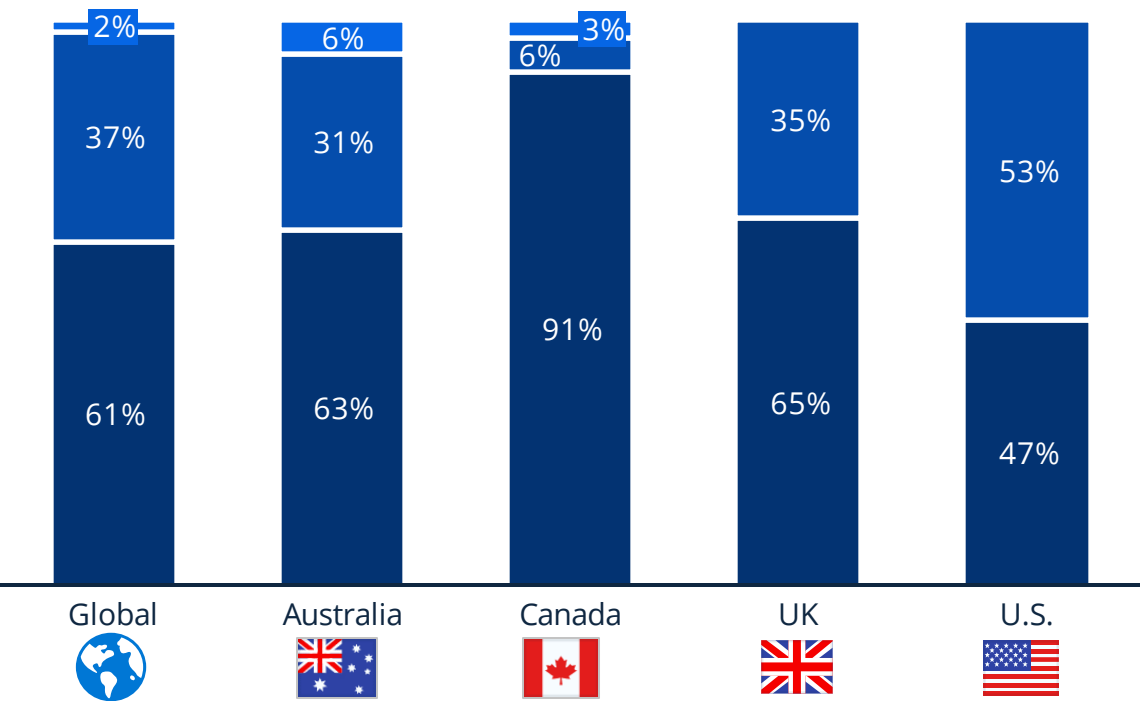
## Process of programmatic advertising



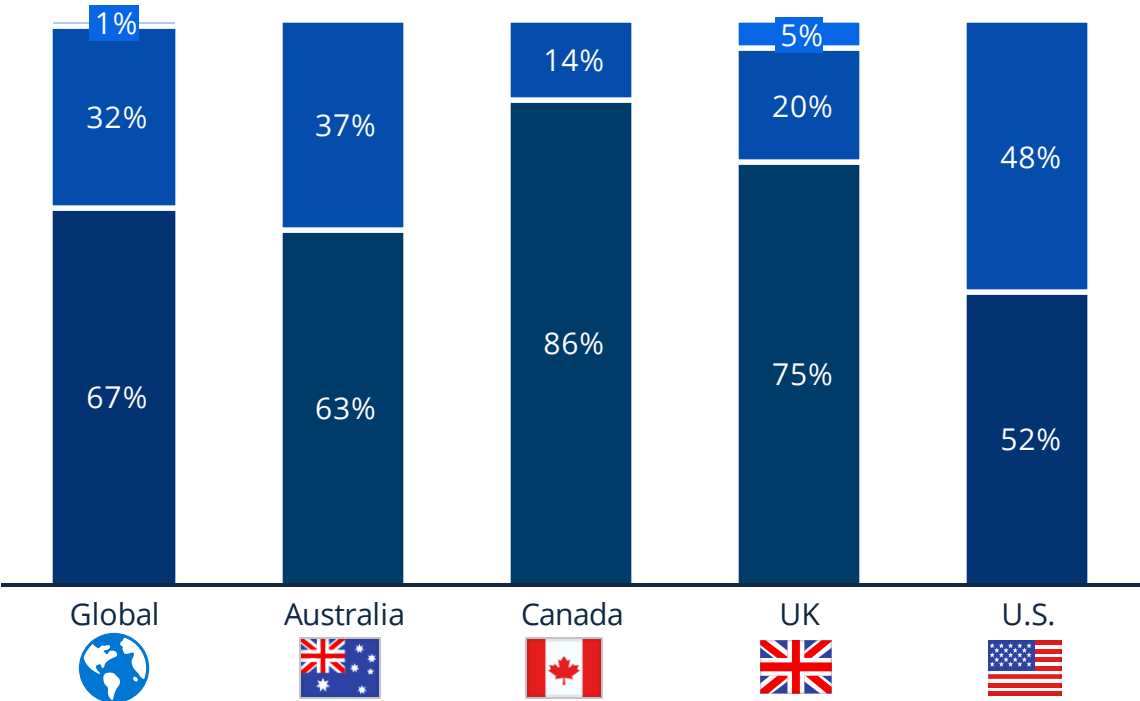
# Marketers have had increased interest in spending more on programmatic advertising campaigns

Deep dive: Programmatic advertising (4/4)

Campaign spending projection for programmatic video in 2022



Campaign spending projection for programmatic audio in 2022

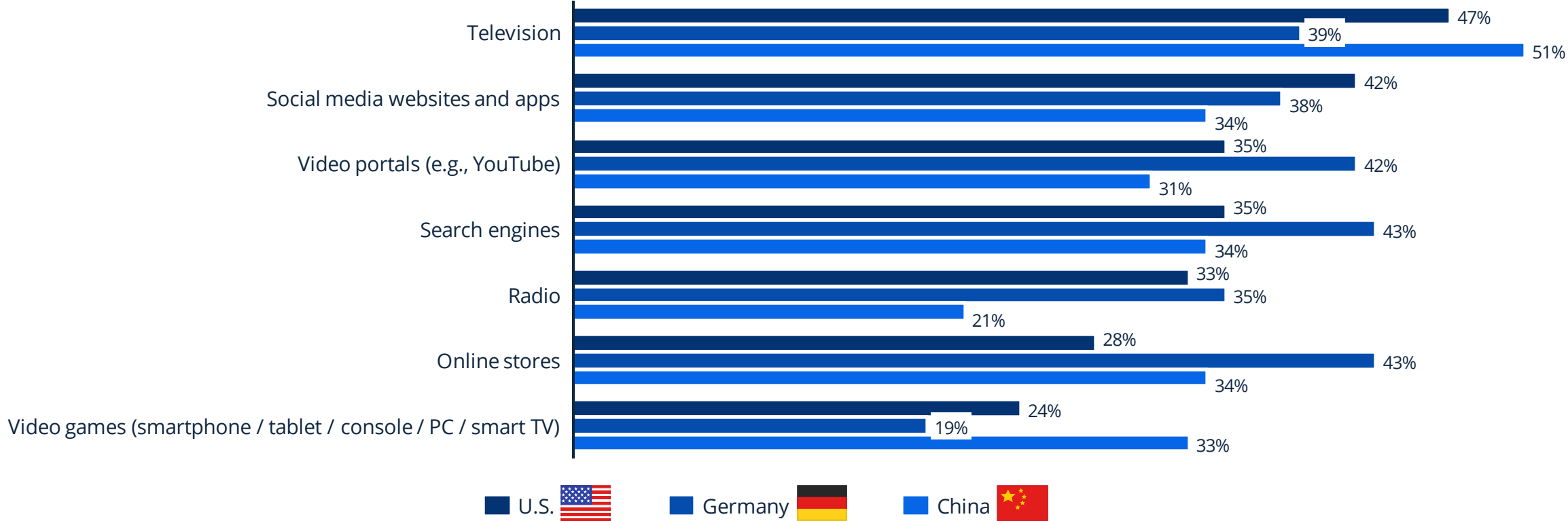


■ Increase ■ Constant ■ Decrease

# While television is still the dominant advertising touchpoint in the U.S. and China, Germany has been overtaken by online stores and video portals

Deep dive: Advertising touchpoints

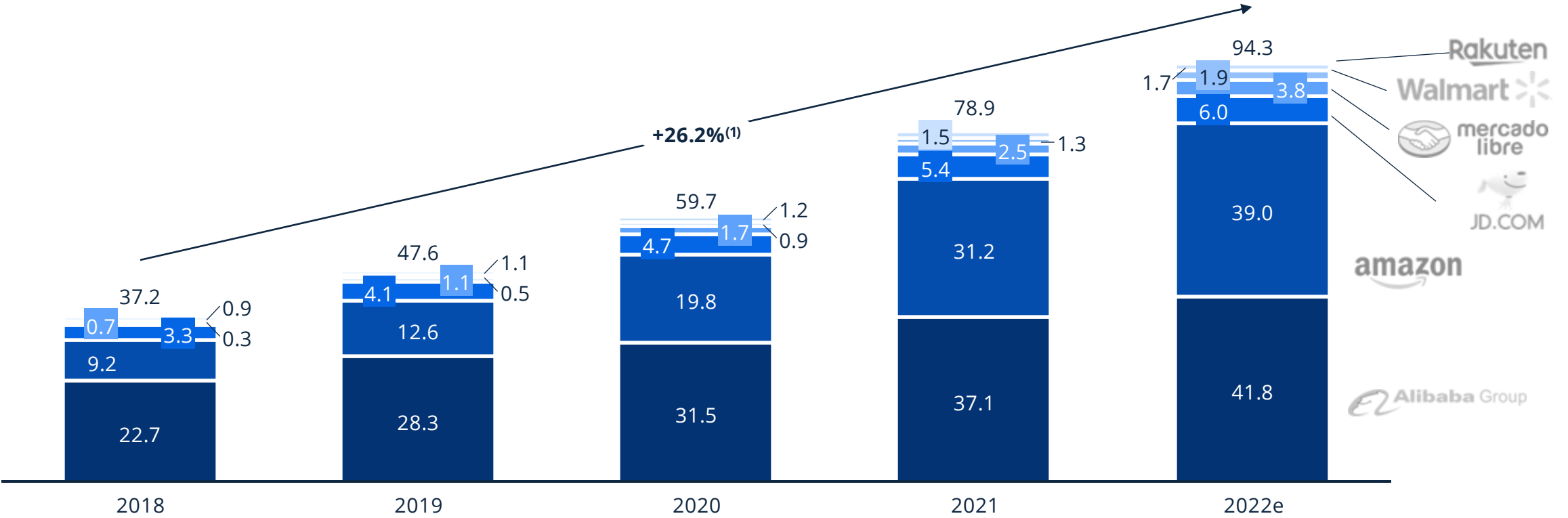
Encountering advertisements in the past 4 weeks, by touchpoint



Advertising is becoming an important revenue source for eCommerce; selected players will reach nearly US\$100 billionn in 2022, with a 26.2% CAGR<sup>(1)</sup>

Deep dive: Advertising in eCommerce

Global advertising revenue of selected eCommerce players, in billion US\$



# A sufficient digital infrastructure is the necessary basis for developing digital markets

Key market indicators: Digital infrastructure overview

## Global numbers for 2022



### INTERNET PENETRATION



**67%** of the global population uses the internet on a monthly basis. Increasing internet penetration builds the base for using digital media.



### CONNECTION SPEED



**27.4 Mbit/s** is the global average internet connection speed. As connection speeds improve, services such as high-quality videos and 3D simulation become available.



### MOBILE BROADBAND SUBSCRIPTION



**96.2 subscriptions per 100 capita** was the global number for mobile broadband subscriptions, which is a crucial indicator for establishing digital services.



### SMARTPHONE PENETRATION

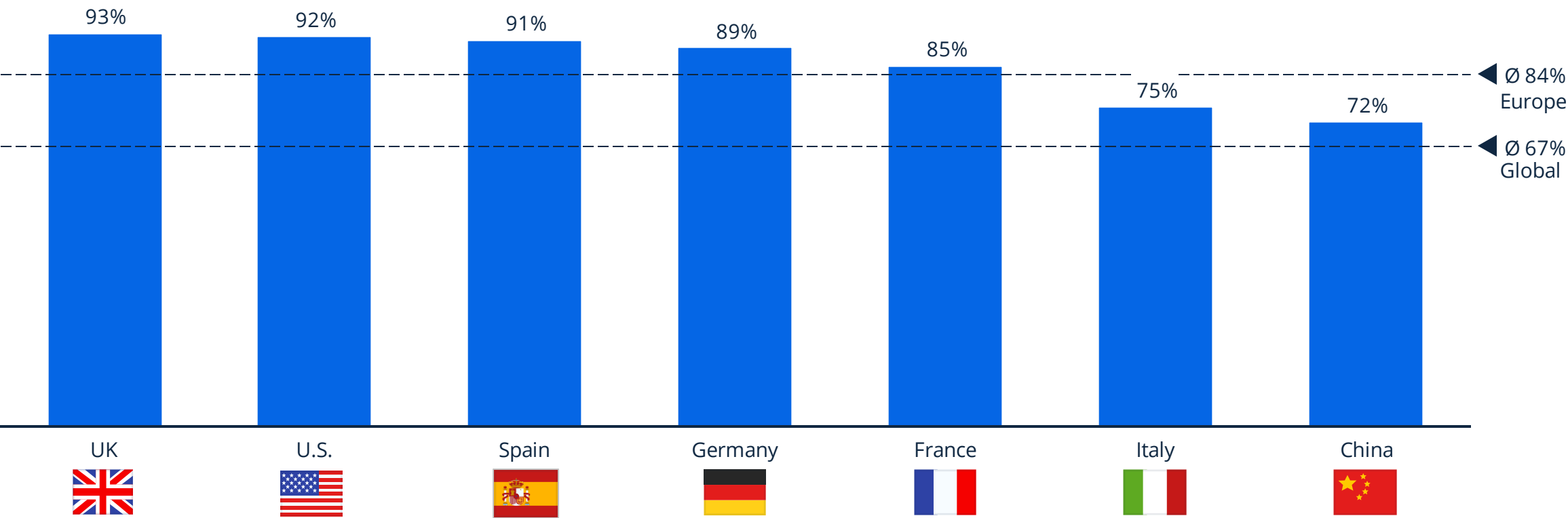


**66%** of the global population use a smartphone on a monthly basis. Unlike smartphones, smart devices (e.g., smartwatches) are enabled with digital connectivity.

# Internet penetration is especially high in some European countries and the U.S., but China falls behind

Key market indicators: Internet penetration

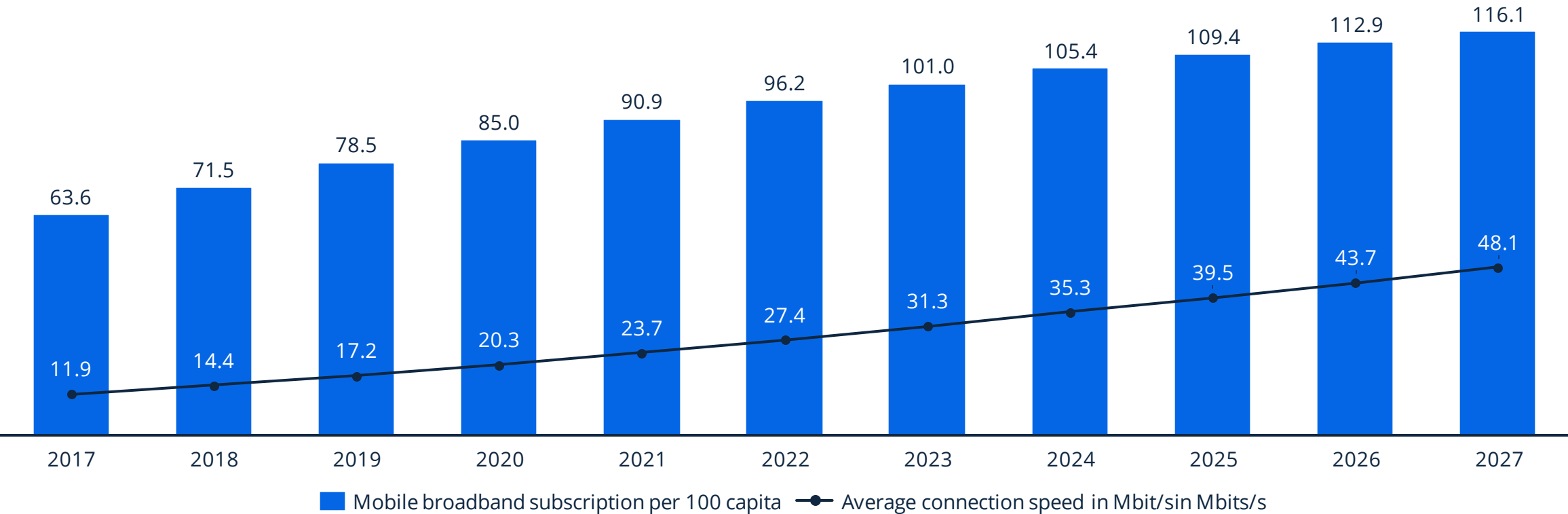
Internet penetration in 2022



# From a global perspective, mobile broadband subscriptions and connection speeds are continuously increasing

Key market indicators: Mobile broadband subscriptions and the average connection speed

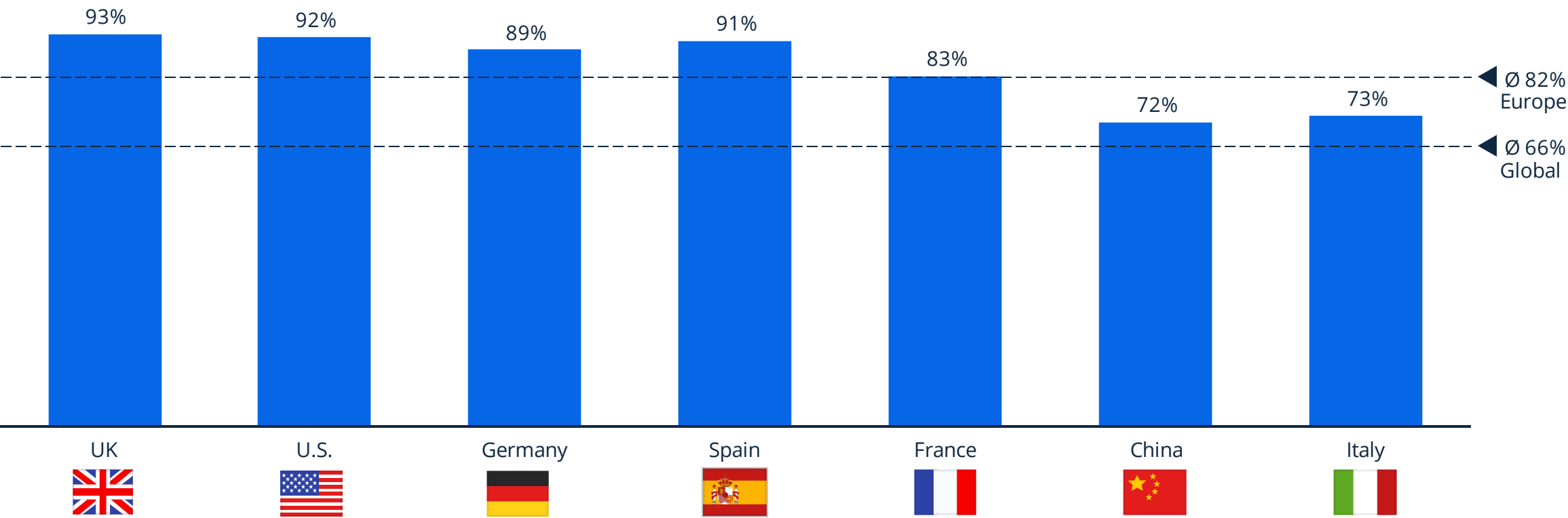
Global mobile broadband subscriptions and the average connection speed



# Over 72% of the Chinese population own a smartphone

Key market indicators: Smartphone penetration

Smartphone penetration in 2022





# Various further factors influence the Digital Advertising market

Key market indicators: Socioeconomic and consumer electronics overview

## Global numbers for 2022



### INTERNET USERS



Globally, **5,105 million people** use the internet. The number of internet users in a country is a key indicator for the market size.



### URBAN POPULATION



**57%** of the global population lives in urban areas. The gradual shift of the population from rural to urban areas is a constant phenomenon. The most urbanized regions generally have a high demand for digital media.



### CONSUMER SPENDING



The average consumer spending per capita of private households was **US\$8,422**. Knowing the expenditure per capita gives necessary insights into price developments and the average willingness to pay.



### DEMOGRAPHICS

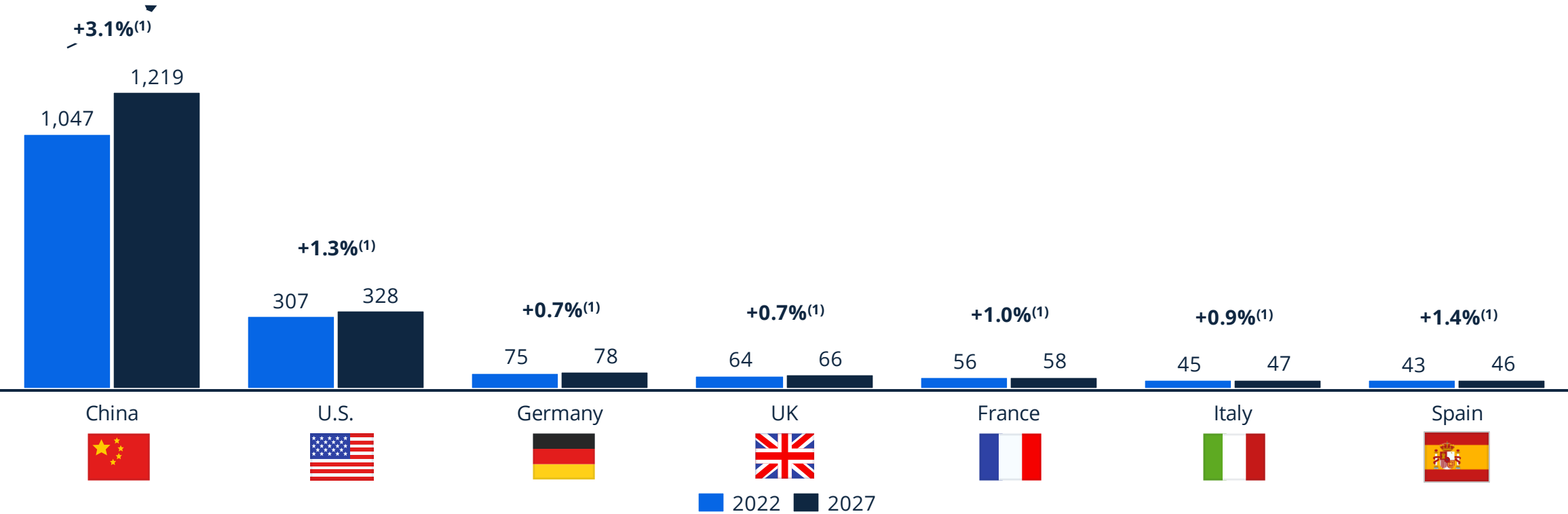


In addition to the increasing share of **older people** in the population, the ratio of females to males is also shifting toward a larger female share of the population.

# China is expected to reach 12 billion internet users by 2027

Key market indicators: Internet users

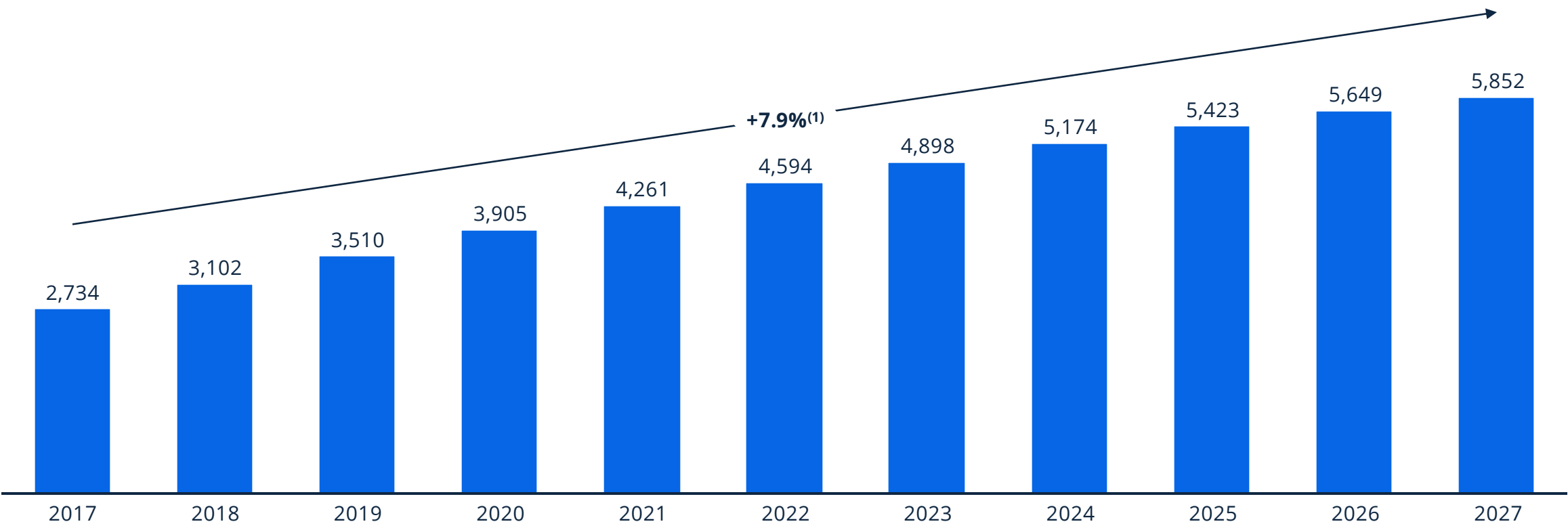
Internet users, in million



# The userbase of social media users is seeing steady growth

Key market indicators: Social media users

Number of worldwide social media users, in million



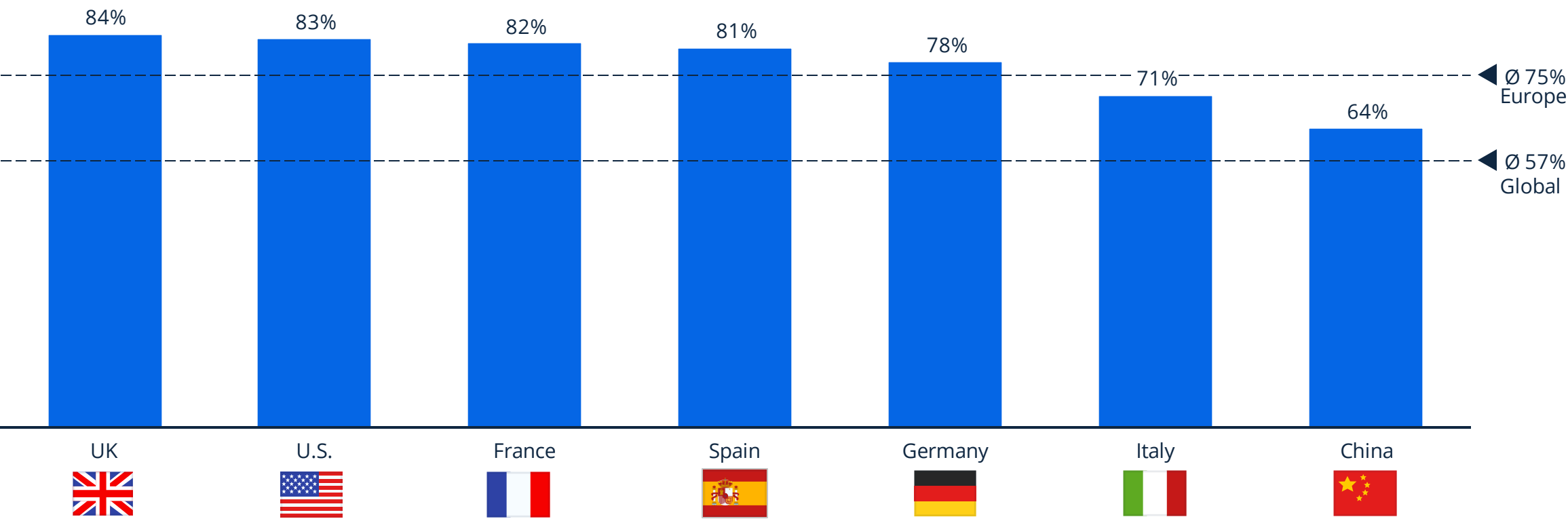
35 | Notes: (1) CAGR: Compound Annual Growth Rate

Sources: Statista Market Insights 2023

# 75% of the European and 57% of the global population live in urban areas

Key market indicators: Urban population

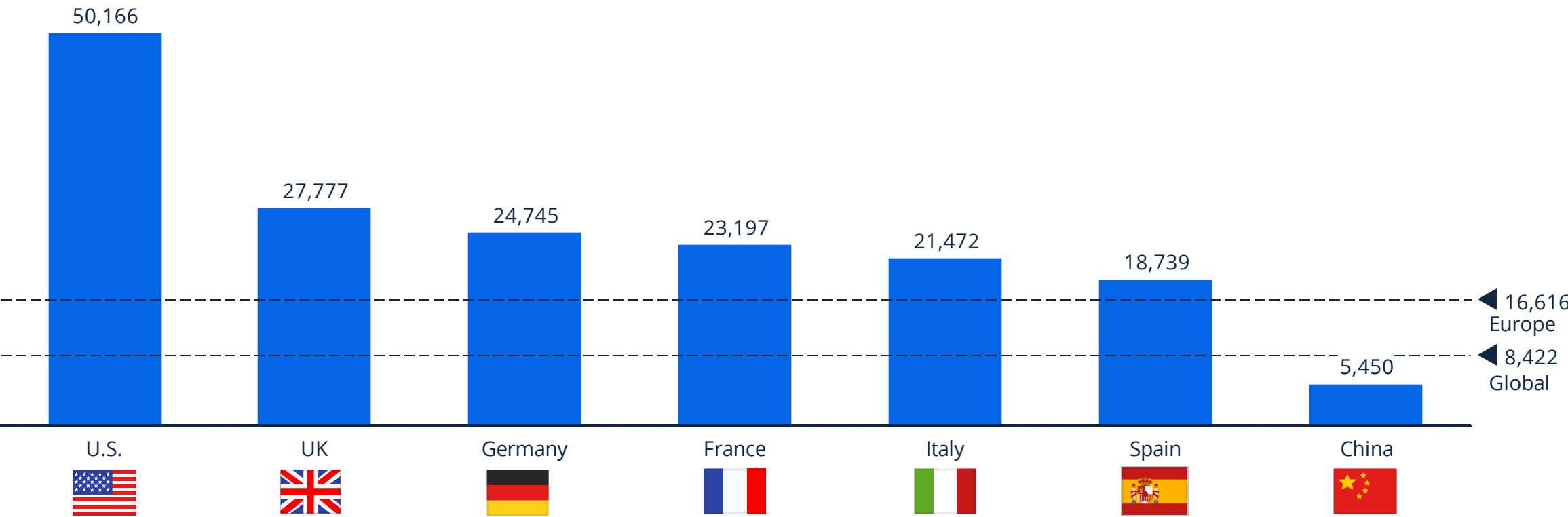
Urban population share in 2022



# Per-head consumption expenditure in the U.S. is about 10 times higher than in China

Key market indicators: Consumer spending

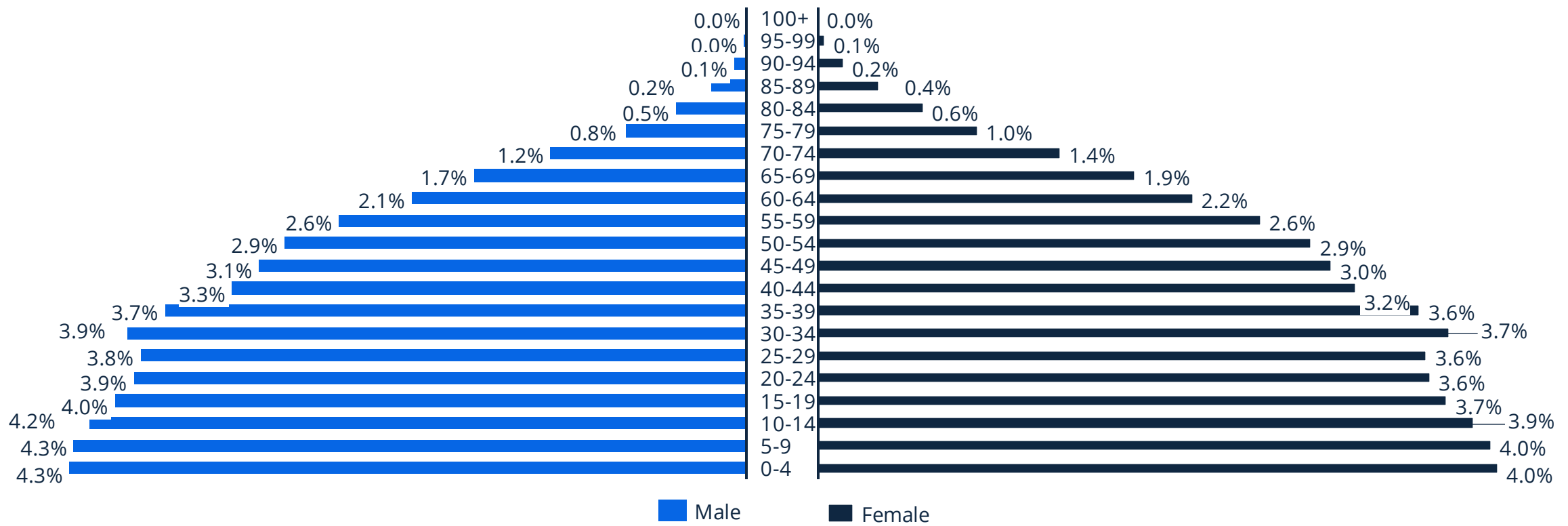
Consumer spending per capita in 2022, in US\$



Although more boys than girls are born, the gender ratio changes over time, since women live longer

Key market indicators: Demographics

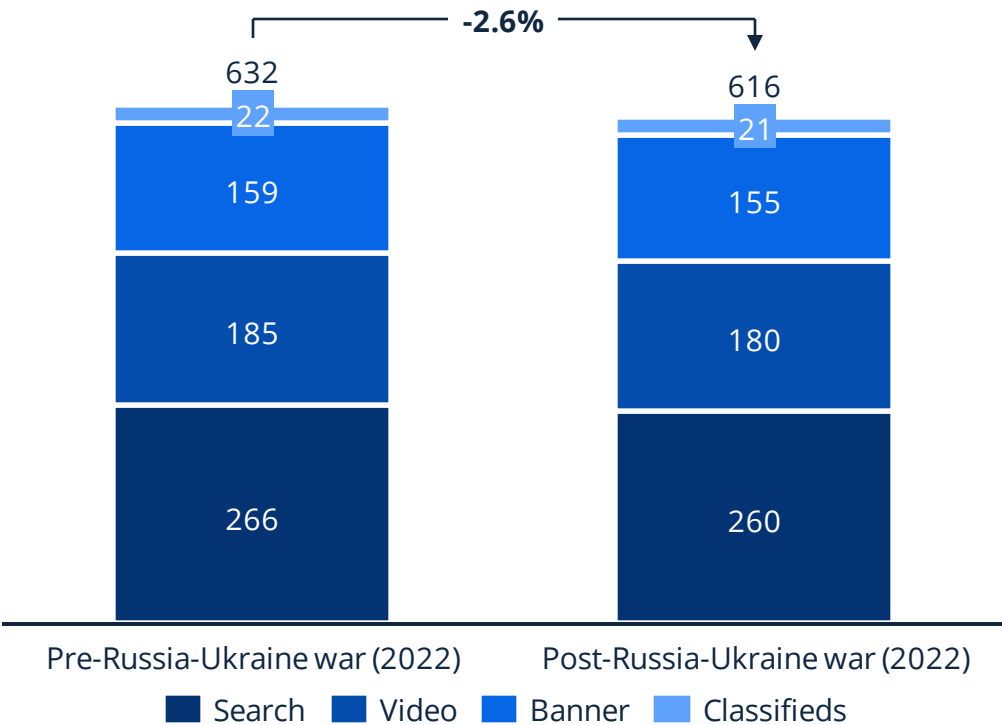
Age groups globally in 2022, by gender



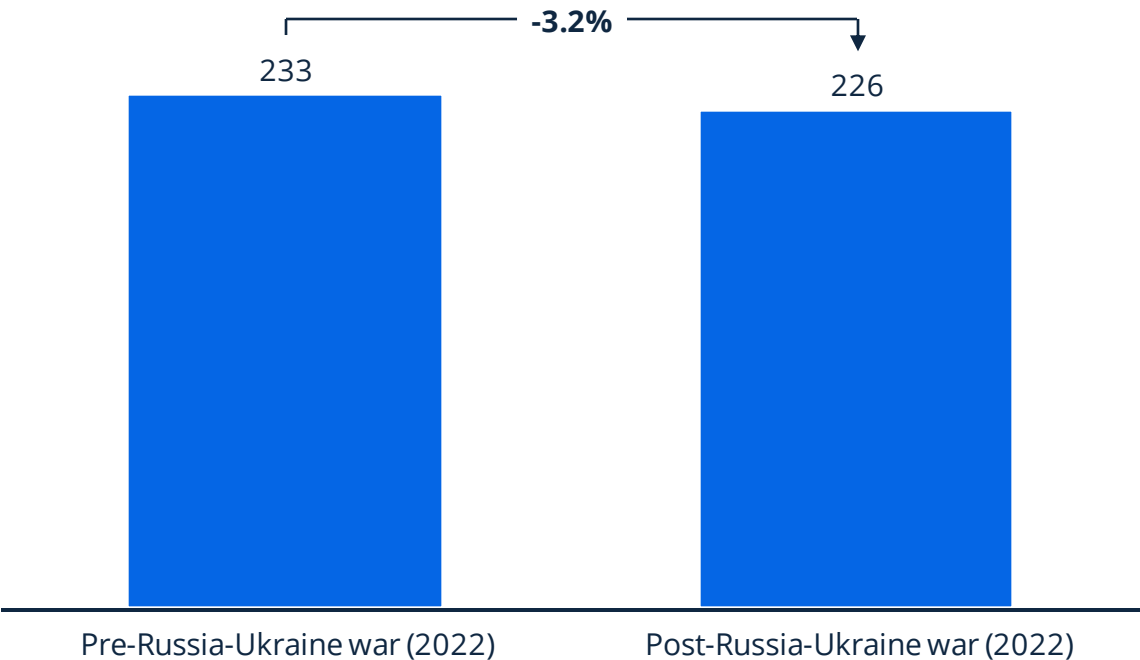
# The Russia-Ukraine war has a minor impact on global Digital Advertising revenue; the post-war revenue is expected to decline by -2.6% in 2022

Russia-Ukraine war impact: Digital Advertising (1/3)

Global Digital Advertising revenue by format in 2022, in billion US\$

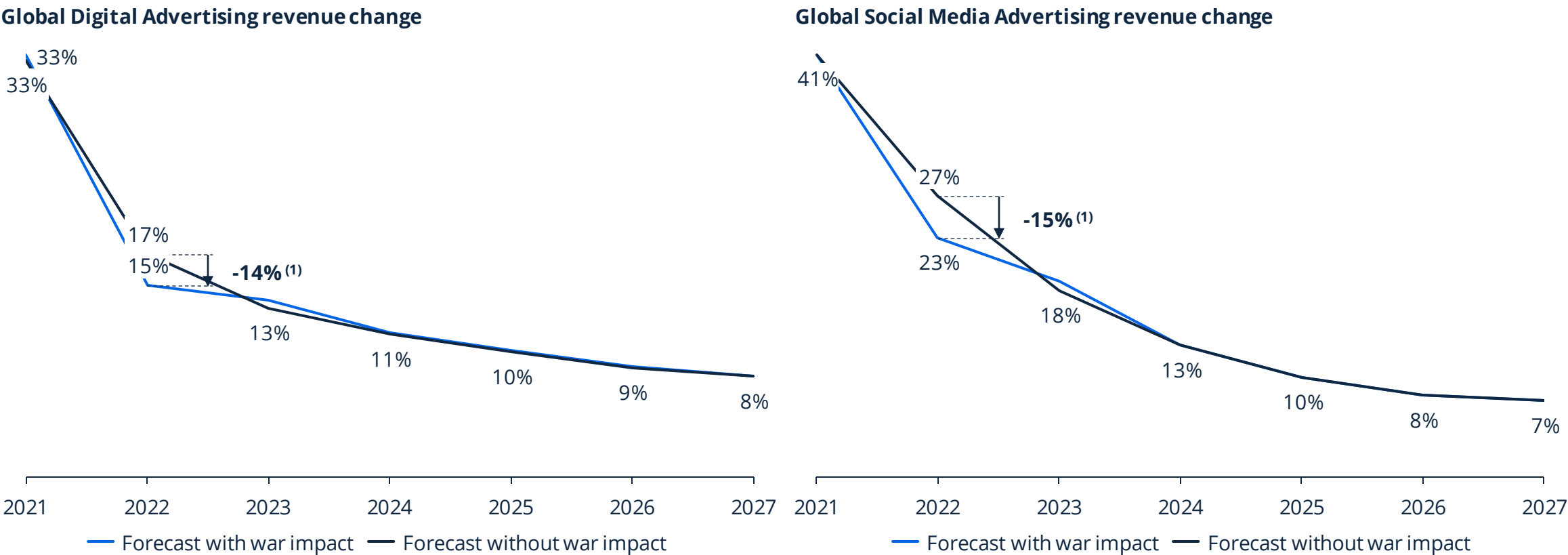


Global Social Media Advertising revenue in 2022, in billion US\$



# Due to the Russia-Ukraine war, Digital Advertising and Social Media Advertising will likely experience a minor decline in growth rates in 2022

Russia-Ukraine war impact: Digital Advertising (2/3)



40 Notes: (1) The Russia-Ukraine war is significantly affecting consumer spending, resulting in a downturn in revenue change for 2022









Sources: Statista Market Insights 2023



# Global brands and corporations have been leaving Russia in 2022

Russia-Ukraine war impact: A list of global brands that have pulled out of Russia (3/3)

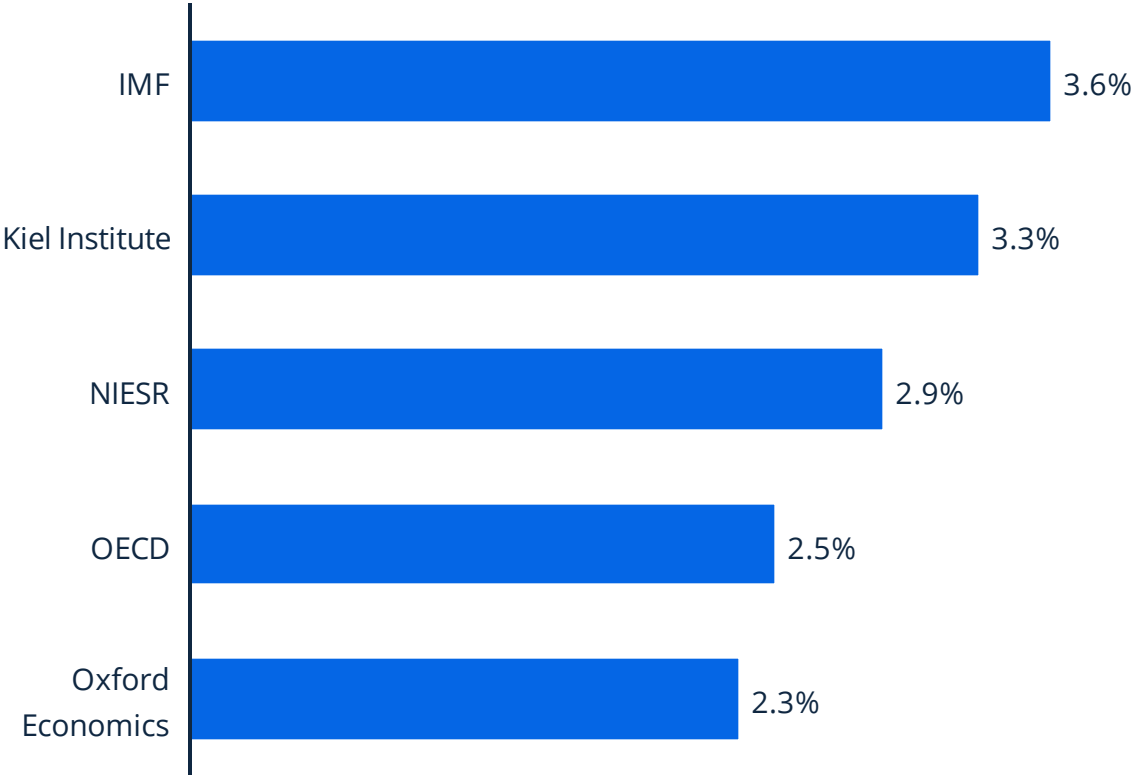
A list of major brands and corporations that have pulled out of Russia since February 2022

|                                                                                                                                   |                                                                                                                                |                                                                                                                    |                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <div>Consumer goods and retail</div> <div></div> | <div>Tech</div> <div></div>                  | <div>Energy</div> <div></div>   | <div>Media</div> <div></div>                  |
| <div>Food</div> <div></div>                     | <div>Travel and logistics</div> <div></div> | <div>Finance</div> <div></div> | <div>Professional services</div> <div></div> |

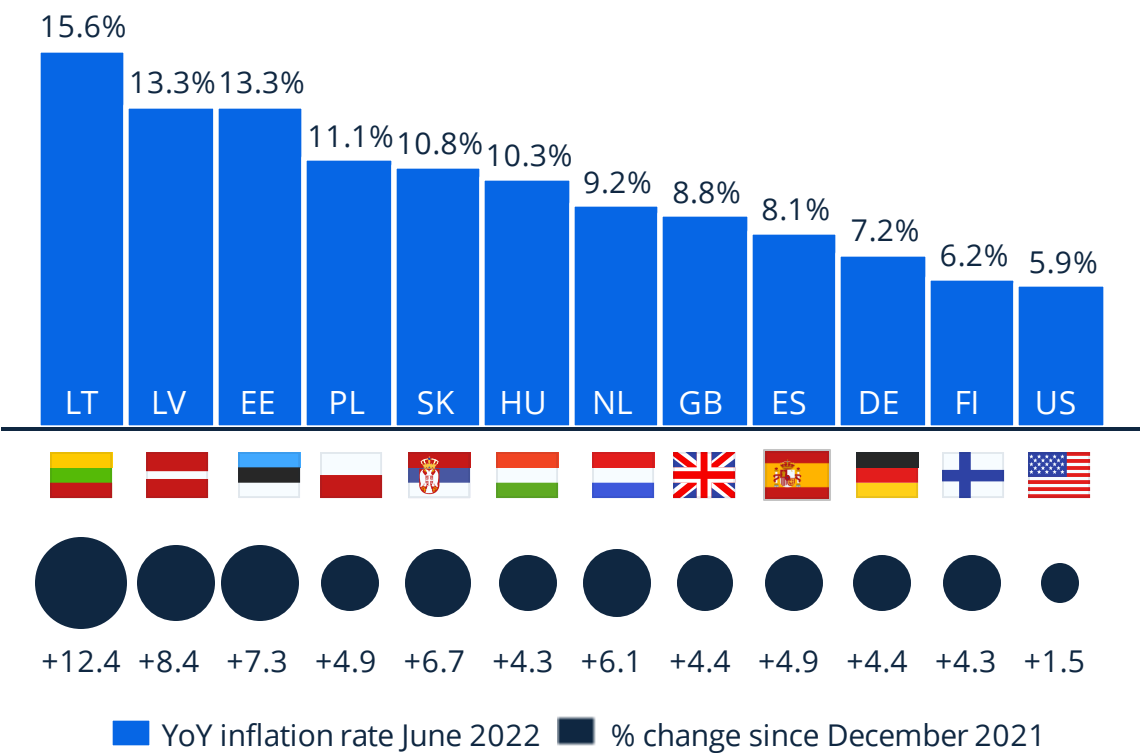
# Due to the war, the global economy is also facing substantial inflationary consequences

Russia-Ukraine war impact: Inflation

Global inflation revision by selected institutions, in percentage points



YoY inflation rate in 2022<sup>(1)</sup>



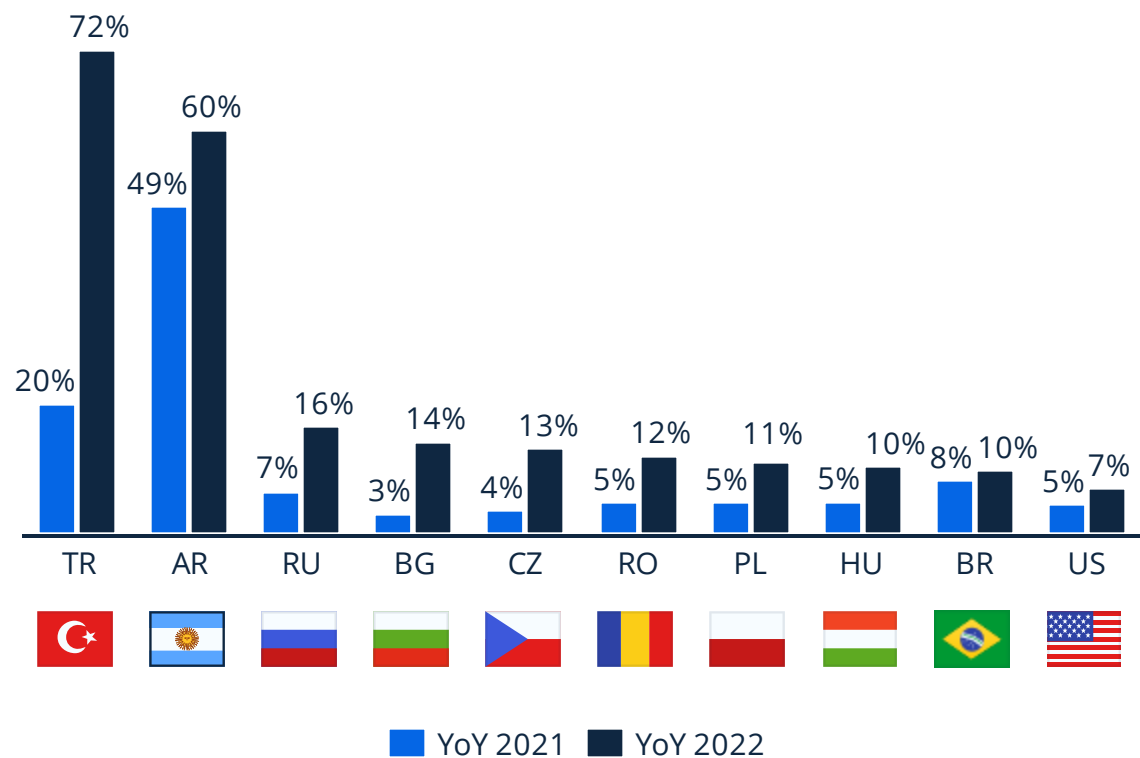
42 | Notes: (1) Projections as of June 2022

Sources: OECD, IMF, Kiel Institute, NIESR, Oxford Economics

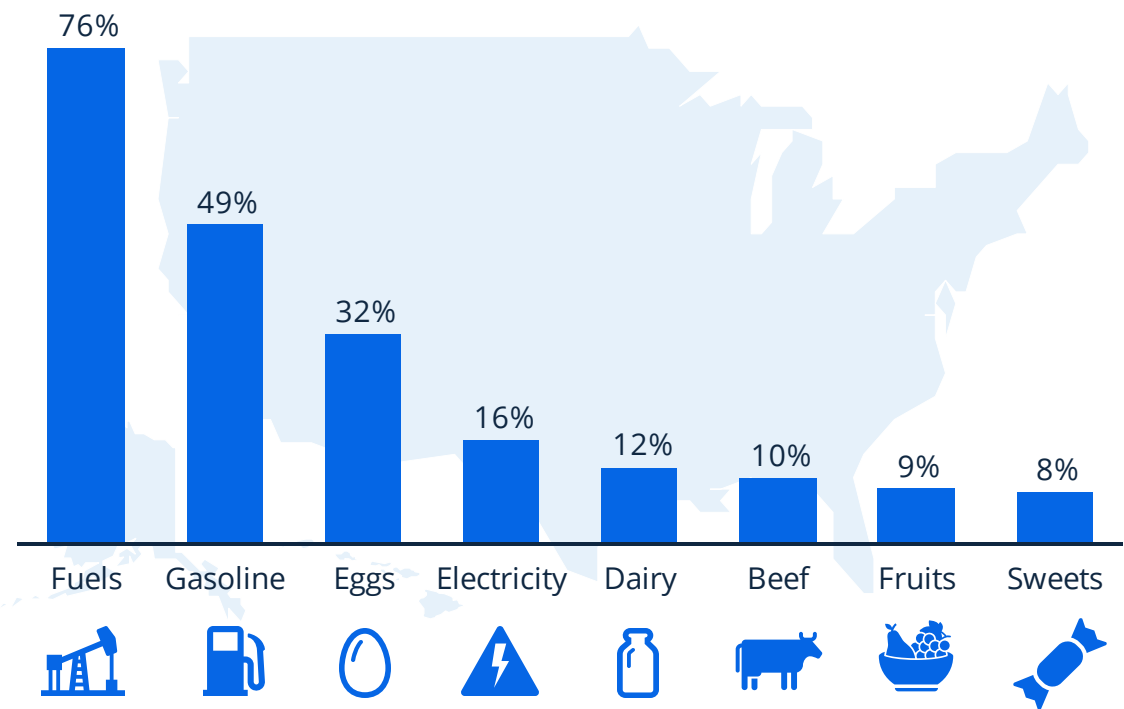
# A significant price increase of commodity products became apparent mid-2022 and is expected to remain high in the medium term

Russia-Ukraine war impact: Consumer price index

YoY consumer price index<sup>(1)</sup> change



12-month consumer price index change in the U.S. in May 2022, by category



## CHAPTER 2

# Market Numbers



INDUSTRIES & MARKETS

# Search Advertising: market data & analysis

Market Insights report

**Market** Insights  
by statista 

2023



# Over the past decade, the Search Advertising field has undergone significant changes and growth

Overview: Summary

## Summary

Pay-per-click advertisements were the original search advertising method; later, in 1998, Google founders Larry Page and Sergey Brin introduced an auction-based PPC model. The highest bidders would appear at the top of the search results, and lower bidders would appear further down. The method later turned into the approach that marketers use most frequently today. There are currently six major search engines, four of which are international: Google, Bing, Yahoo!, and DuckDuckGo. Yandex focuses on nations that speak Russian, while Baidu focuses on nations that speak Chinese. Due to its massive user base and effective internal advertising network, Google is by far the most popular among advertisers.

The development of the internet infrastructure and the decreasing prices of internet-enabled devices such as PCs and smartphones are the main causes for the growth in search advertising. The internet infrastructure has seen tremendous transformation in the past ten years and is now quicker and cheaper. Because internet-enabled devices have become more affordable, allowing more people to purchase them and use them daily.

Before the COVID-19 pandemic, search advertising was showing signs of steady and consistent development. However, the pandemic has accelerated digital adoption, resulting in exponential growth in search advertising, especially search advertising on marketplace platforms. Even though data privacy regulations have been tightened globally and search engine platforms have taken steps to emphasize the importance of privacy, these platforms have already found a way to collect data in a more ethical and consent-based manner. In the coming years, we anticipate steady growth in search advertising across search engine and marketplace platforms.

# Search Advertising is an important part of the Advertising market

Overview: Market Definition

## Market definition

Search Advertising, also called search engine advertising (SEA) or paid search advertising, refers to advertisements displayed on search results pages above or next to the organic search results. Brands can create search advertising campaigns. Paying a fee or bidding will give a better ranking each time targeted audiences search and click on the campaign's ads. These advertisements are usually text based but can be displayed as images or videos where applicable.

Search Advertising comprises advertising spending, users, average revenue per user, and key players. The market only displays B2B spending. Figures are based on advertising spending and exclude agency commissions, rebates, production costs, and taxes. Key players in Search Advertising include Google, Bing, Baidu, Amazon, and Alibaba. For more information on the data displayed, use the info button right next to the boxes.

# Search Advertising accounted for 42% of the Digital Advertising market revenue in 2022

Overview: Key Takeaways and in scope / out of scope

## Key Takeaways

Ad spending in the Search Advertising market is projected to reach US\$260bn in 2022.

Ad spending is expected to show an annual growth rate (CAGR 2022-2027) of 10.8%, resulting in a projected market volume of US\$435bn by 2027.

In global comparison, most ad spending will be generated in the United States (US\$116bn in 2022).

In the Search Advertising market, 60% of total ad spending will be generated through mobile in 2027.

Search Advertising plays a crucial role in China. In absolute figures, this means that the market will generate US\$52.9 billion in 2022, with a 34.6% share of the total Digital Advertising market in China.

### + In scope

This market includes:

- Search Engine Advertising (SEA)
- Keyword advertising
- Sponsored links

### - Out of scope

This market excludes:

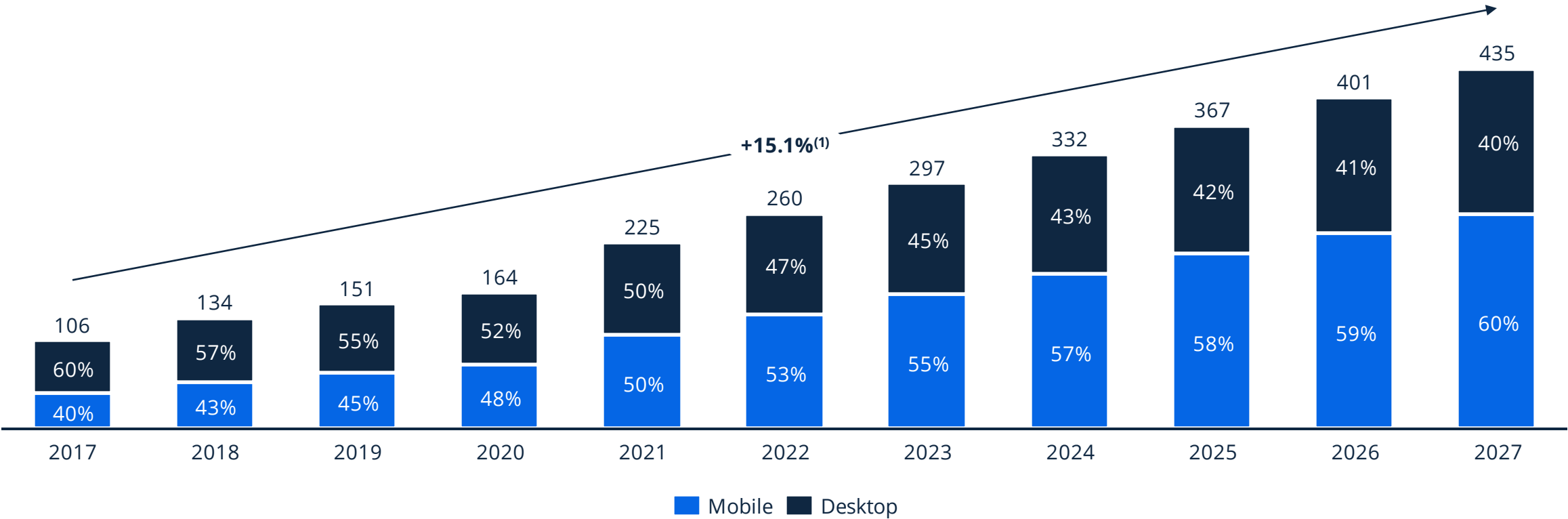
- Search engine optimization (SEO)



# The Search Advertising segment shows average growth rates of 15.1% per year

Distribution by device: Global

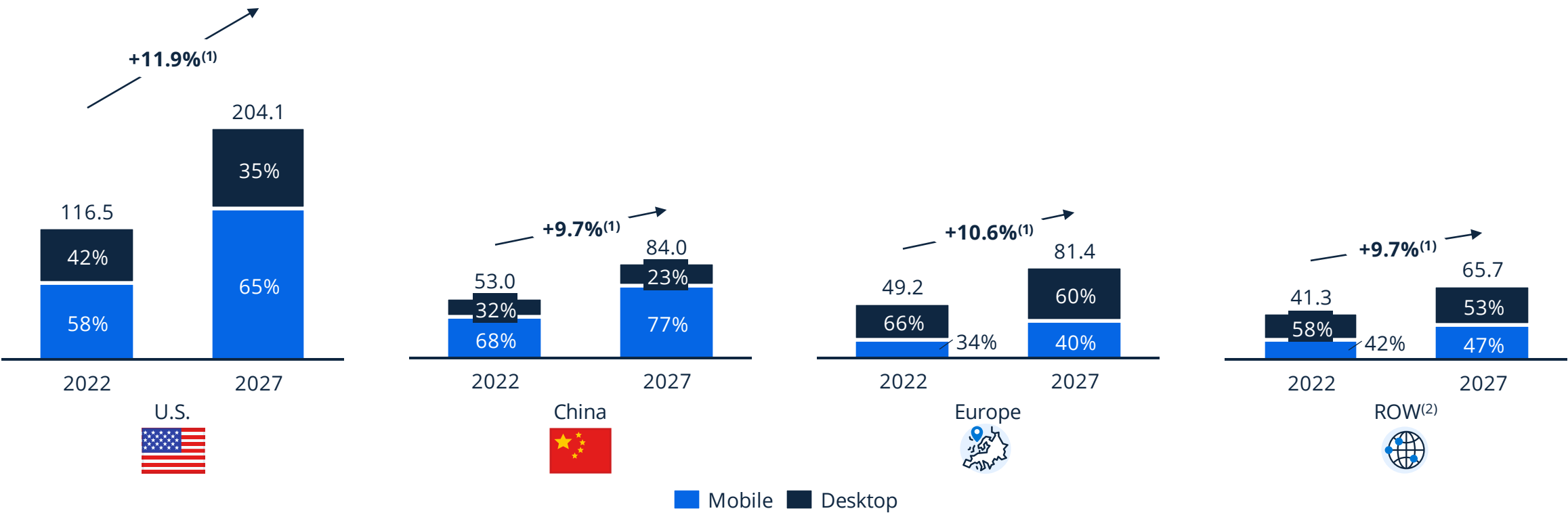
Search Advertising market: Mobile and desktop distribution forecast in billion US\$



Between 2022 and 2027, the U.S. show the biggest growth in Search Advertising with a CAGR<sup>(1)</sup> of 11.9%

Distribution by device: Regional comparison (1/4)

Search Advertising market: Mobile and desktop distribution forecast in billion US\$



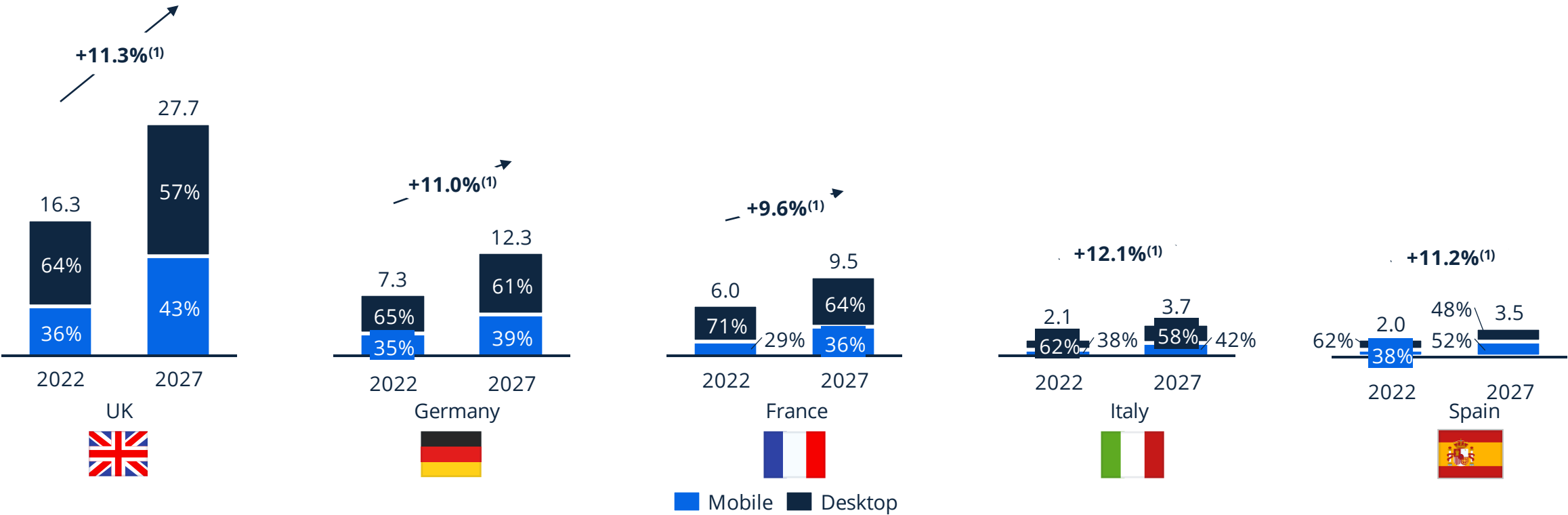
50 | Notes: (1) CAGR: Compound Annual Growth Rate

Sources: Statista Market Insights 2023

# With revenues of US\$16.3 billion, the UK will likely be the biggest market among the top 5 EU countries in 2022

Distribution by device: Regional comparison (2/4)

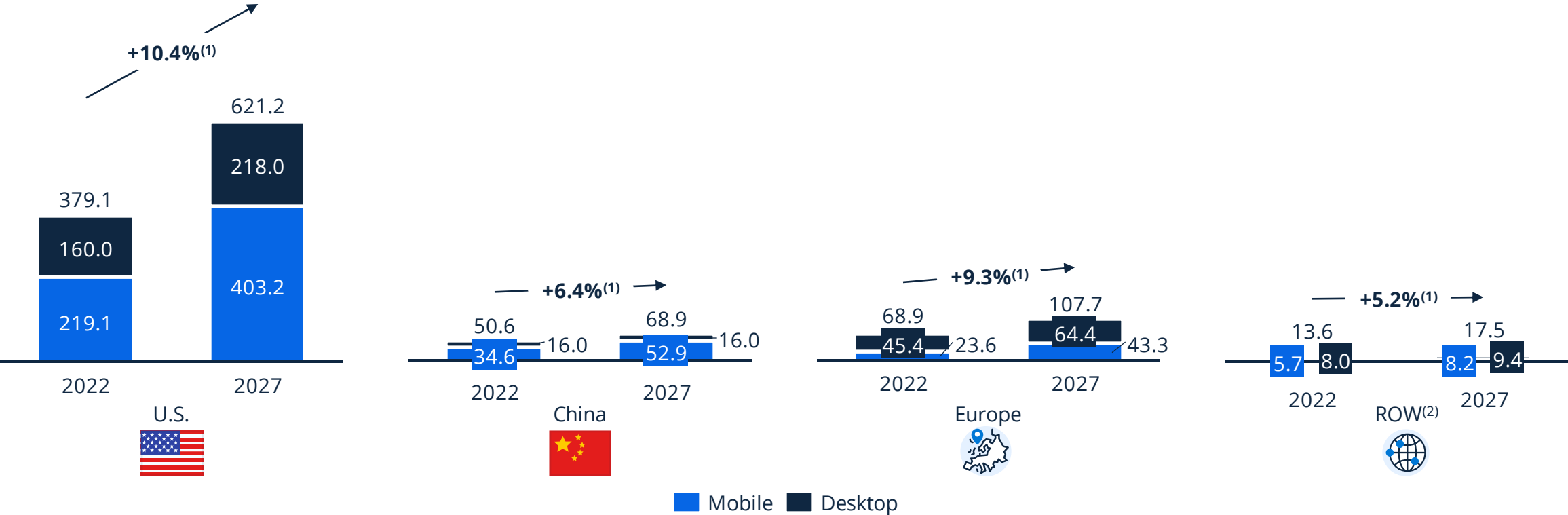
Search Advertising market: Mobile and desktop distribution forecast in billion US\$



Out of the major regions, advertising revenue per internet user is expected to remain highest in the U.S.

Distribution by device: Regional comparison (3/4)

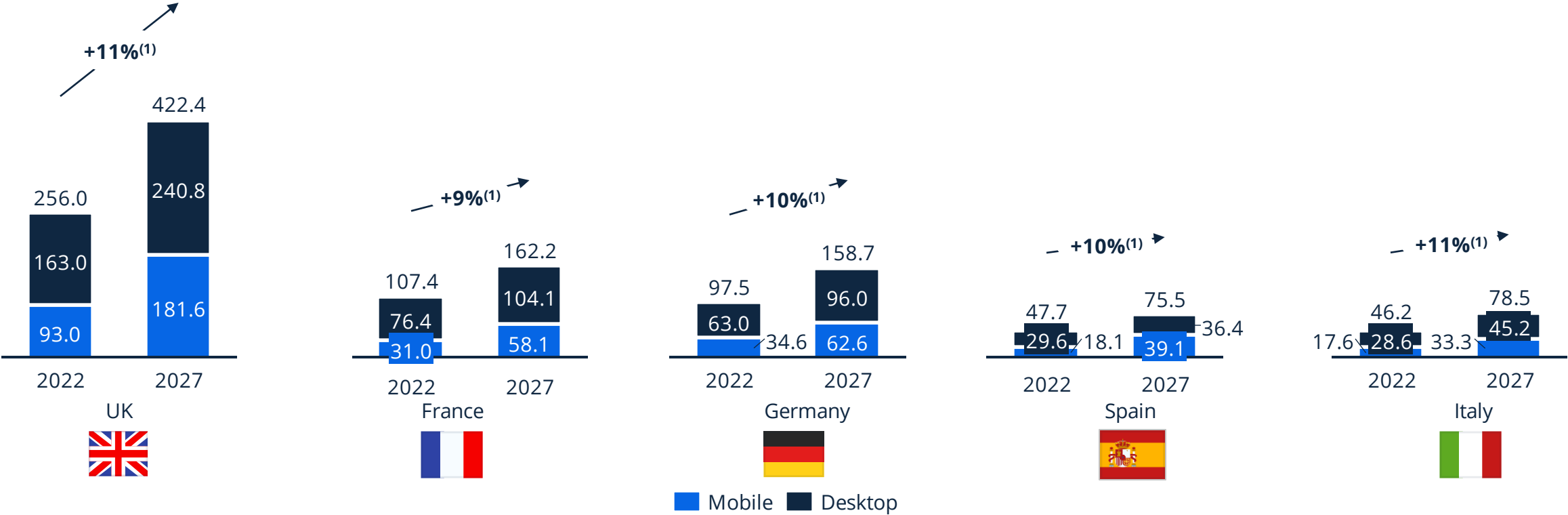
Search Advertising market: Average ad spending per internet user forecast in US\$



# Among the top 5 EU countries, the desktop ad revenue per internet user in 2022 is highest in the UK

Distribution by device: Regional comparison (4/4)

Search Video Advertising market: Average ad spending per internet user forecast in US\$

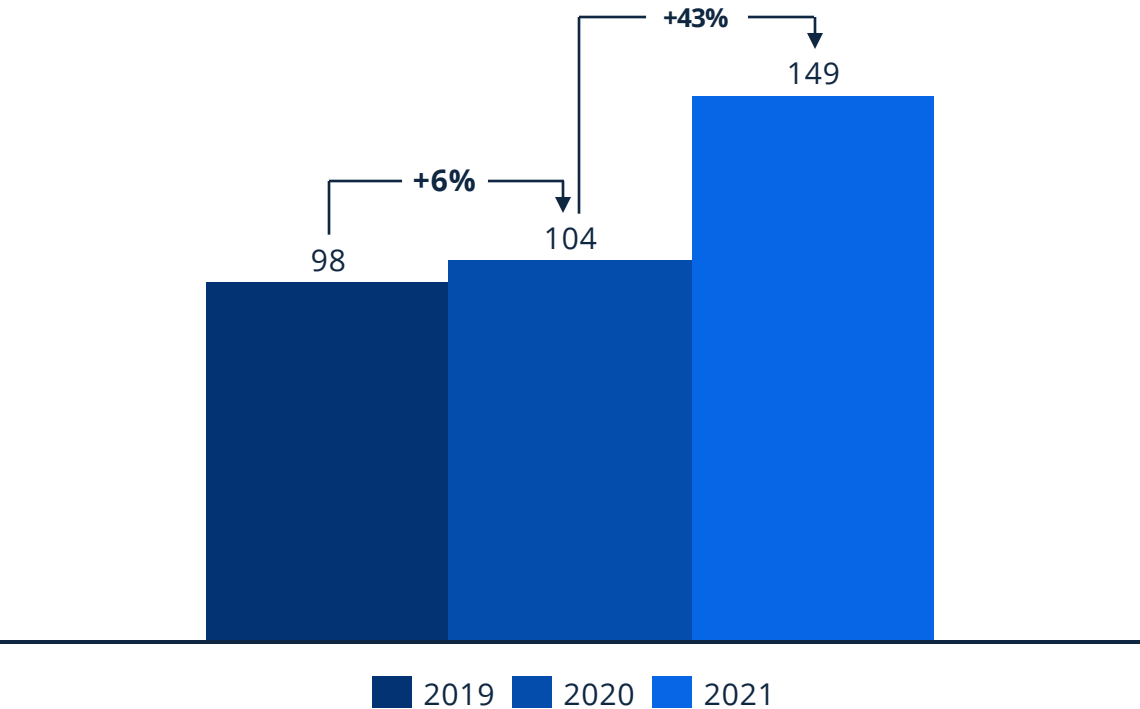


# Google Search & other revenue grew 43% in 2021, and have the largest share of Google advertising revenue

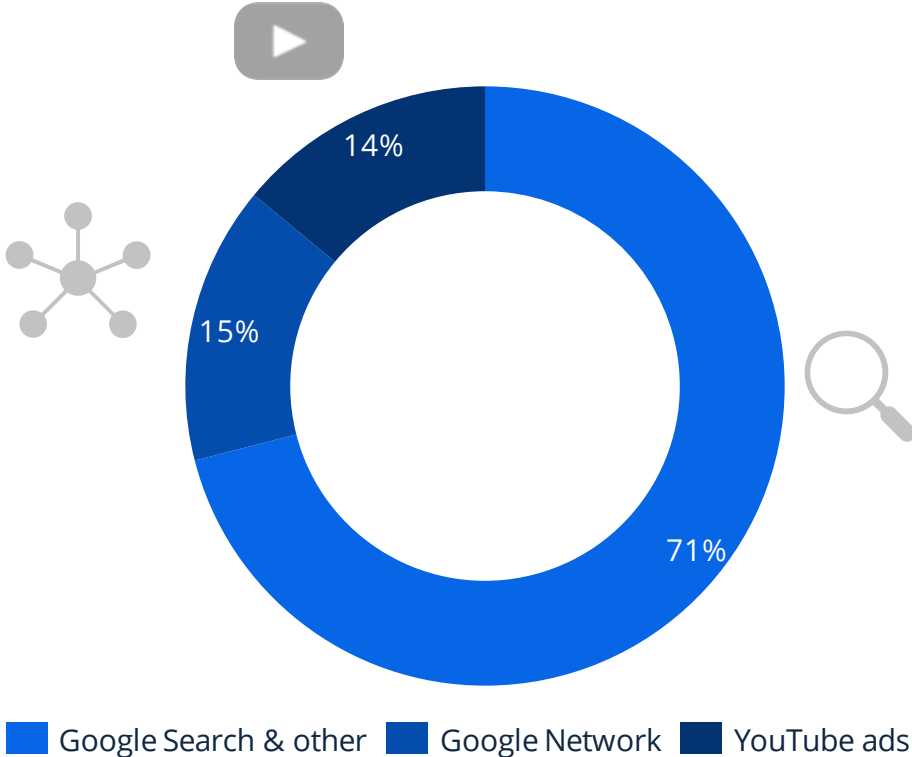


Company profile: Google (1/2)

Google Search & other revenue, in billion US\$



Google advertising revenue segment distribution in 2021

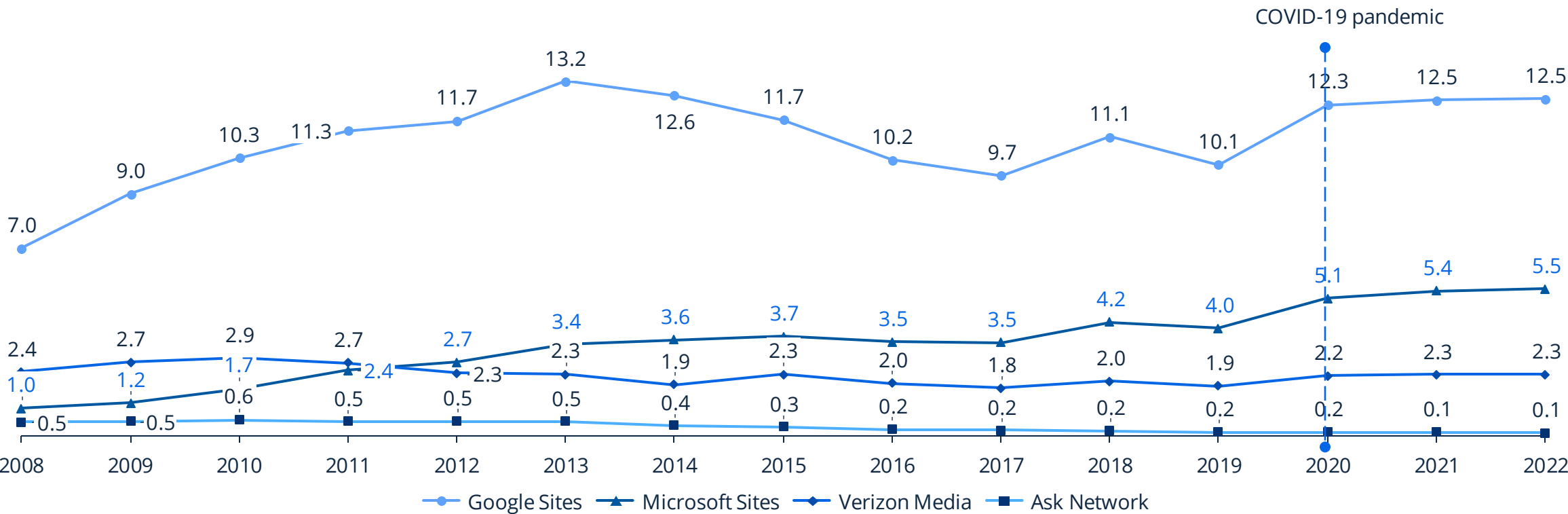


# Google has reached more than 12 billion search queries in the U.S. since the COVID-19 pandemic

Company profile: Google (2/2)

Google

Number of search queries<sup>(1)</sup> in the U.S., in billion

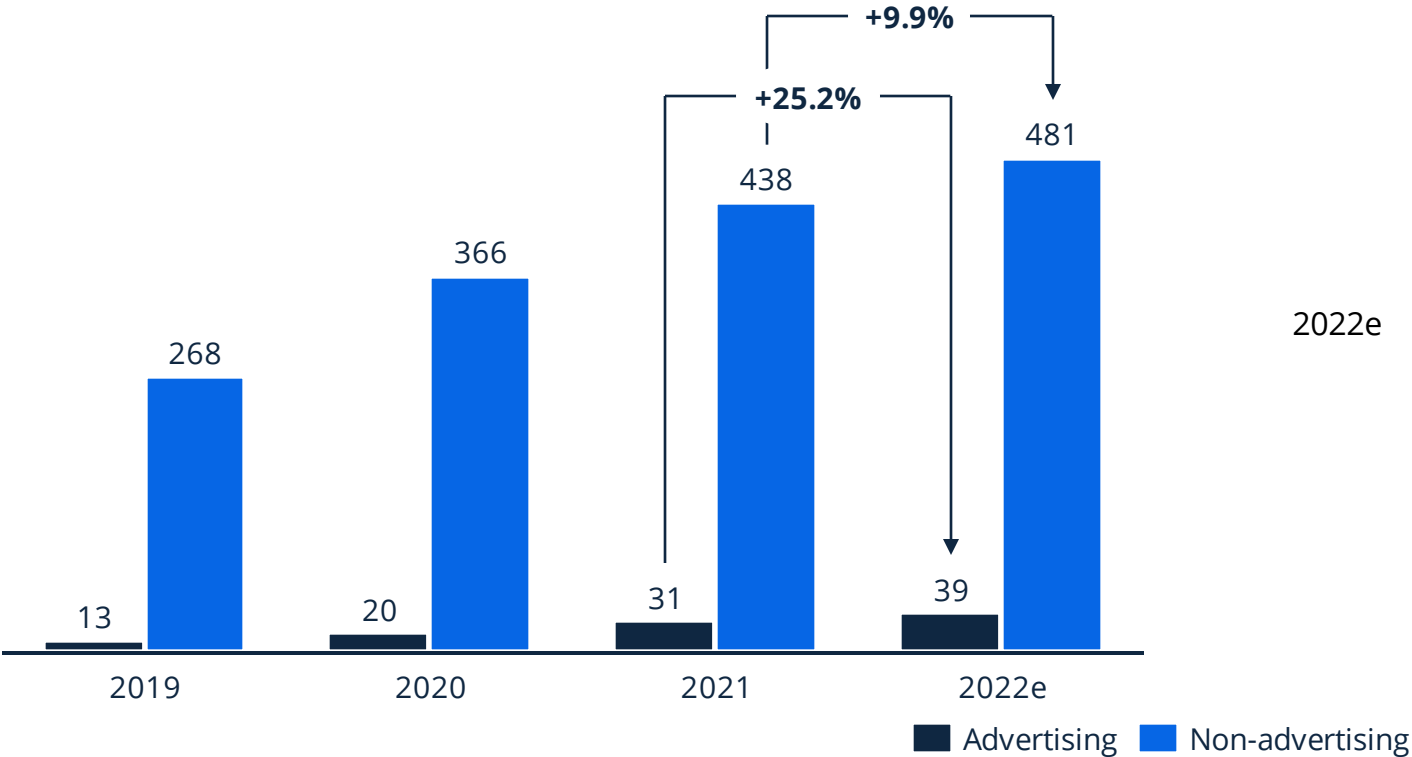


Advertising is Amazon's fastest-growing revenue source and is expected to grow 25% from the previous year with over 10% of the total revenue

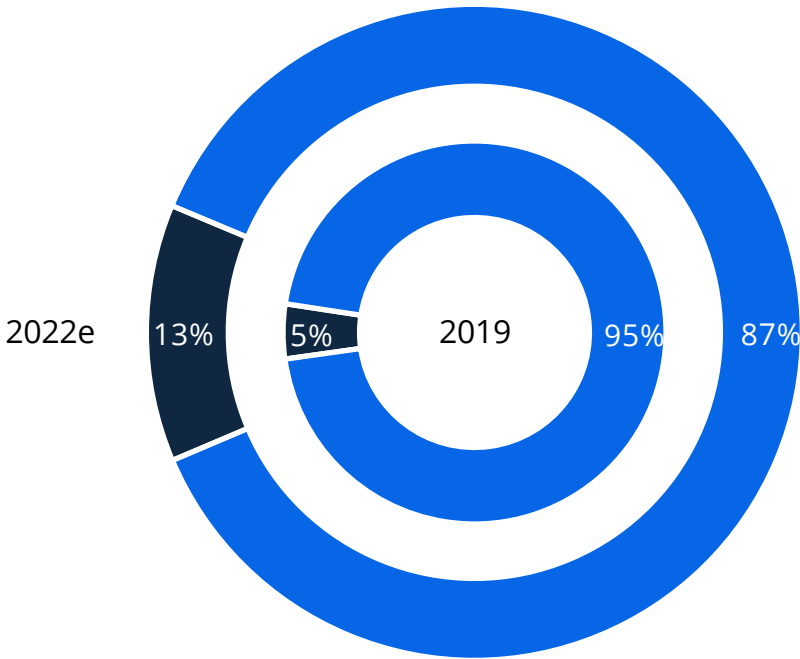
Company profile: Amazon



Amazon's advertising and non-advertising revenue, in billion US\$



Amazon's revenue distribution

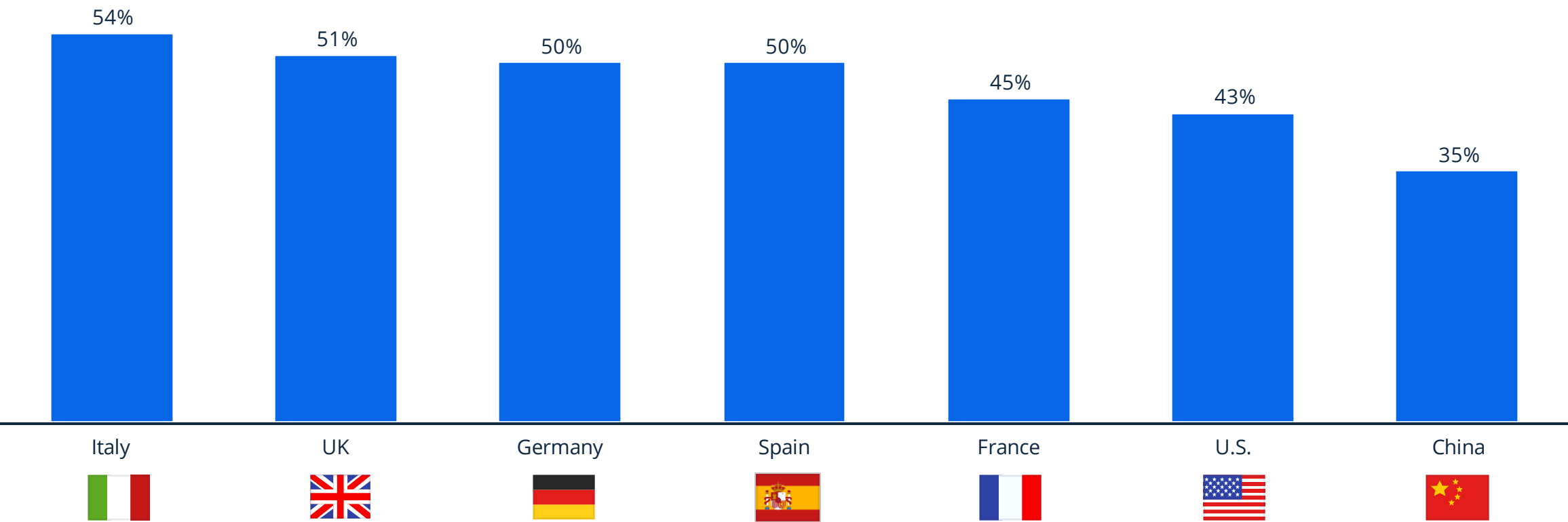




# In a country comparison, search engines as sources of inspiration are most popular in Italy

Deep dive: search engines as sources of inspiration

Usage of search engines as sources of inspiration for new products in 2022



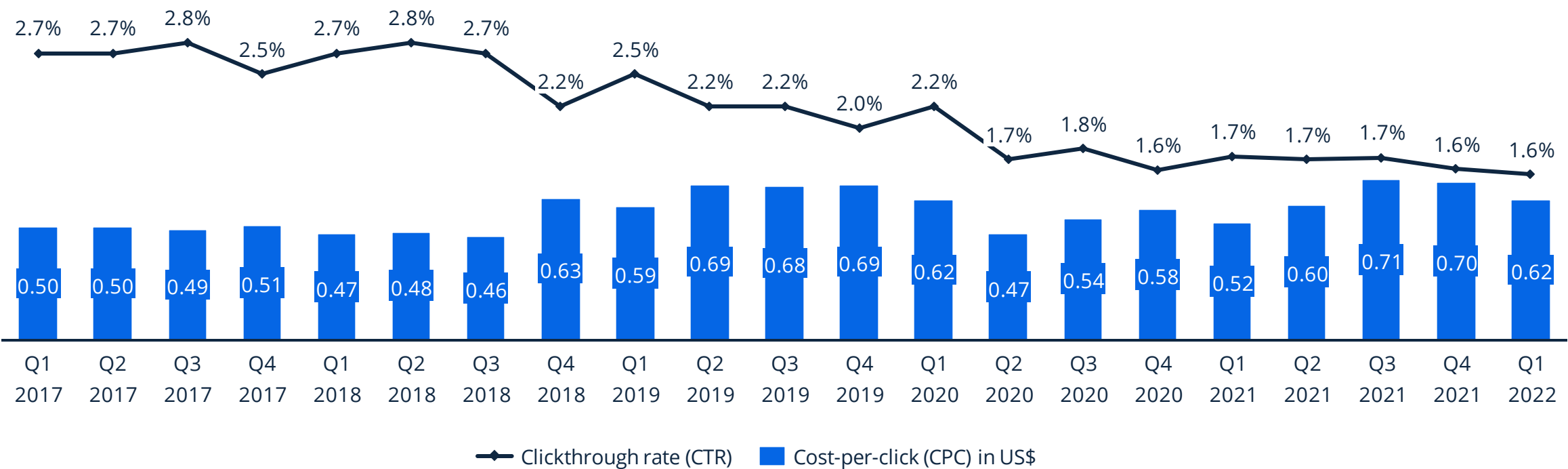
57 | Notes: "How do you usually find out about new interesting products?"; Multi Pick; U.S.: n=50,3985; China: n=24,172; Germany: n=30,146; France: n=12,196; UK: n=18,200; Italy: n=12,187; Spain: n=12,207

Sources: [Statista Market Insights](#) 2023

# Search advertising is becoming more expensive; CPC<sup>(1)</sup> is gradually increasing while CTR<sup>(2)</sup> is declining

Deep dive: search advertising conversion rate

Search advertising clickthrough rate (CTR) & cost per click (CPC) worldwide



## INDUSTRIES & MARKETS

# Banner Advertising: market data & analysis

Market Insights report



# The Banner Advertising market is a fast growing market

Overview: Summary

## Summary

On October 27, 1994, the first digital banner advertisement with the text “Have you ever clicked your mouse right HERE? YOU WILL” in colorful font was released. Since then, digital banner advertising has grown in popularity and evolved from displaying ads in predetermined places to targeting by using consumer data and finally, to remarketing, in which ads are shown repeatedly based on consumer behavior and interest. Marketers continue to utilize digital banner advertising because it is an effective way to raise brand awareness, generate leads, and retarget an audience.

The expansion of digital banner advertising is primarily due to the improved internet infrastructure and technology, as well as the decreasing prices of smart devices such as computers, tablets, and smartphones. In the past years, the internet infrastructure has seen considerable change and is now faster and cheaper. Furthermore, because internet-enabled devices have become more affordable, allowing more people to purchase them and use them daily, digital banner advertising is expected to grow significantly.

Before the COVID-19 pandemic, digital banner advertising was showing signs of steady growth. The pandemic accelerated digital adoption, resulting in exponential growth in digital advertising, especially digital banner advertising. The most recent digital banner advertising strategy is remarketing, which has proven to be more accurate and less complicated than others, which contributes to the strategy’s success. We predict consistent growth in digital banner advertising in the coming years.

# Banner ads are very important in the digital advertising industry, especially for mobile devices

Overview: Market definition

## Market definition

Banner Advertising is one of the first digital advertisements published on the internet. Banner ads allow anyone to advertise on websites, apps, or social media by using attractive images, shapes, and sizes of displays. The main purpose is to direct the traffic of the targeted audience to a specific website. Banner Advertising includes skyscrapers, wallpapers, interstitials, or pop-ups which are usually linked to the advertiser's landing page.

The market comprises advertising spending, users, and average revenue per user. The market only displays B2B spending. Figures are based on advertising spending and exclude agency commissions, rebates, production costs, and taxes. For more information on the data displayed, use the info button right next to the boxes.

# Banner Advertising market is projected to reach US\$155bn in 2022

Overview: Key Takeaways and in scope / out of scope

## Key Takeaways

Ad spending in the Banner Advertising market is projected to reach US\$155bn in 2022.

Ad spending is expected to show an annual growth rate (CAGR 2022-2027) of 11.6%, resulting in a projected market volume of US\$227.00bn by 2027.

In global comparison, most ad spending will be generated in the United States (US\$61 bn in 2022).

The average ad spending per internet user in the Banner Advertising market is projected to amount to US\$30.35 in 2022.

In the Banner Advertising market, US\$108bn of total ad spending will be generated through mobile in 2027.

### In scope

This market includes:

- Banners on websites, in apps or social media
- Rich media ads on websites, in apps or social media
- Videos on websites or in apps that are displayed instead of banners
- Native advertising

### Out of scope

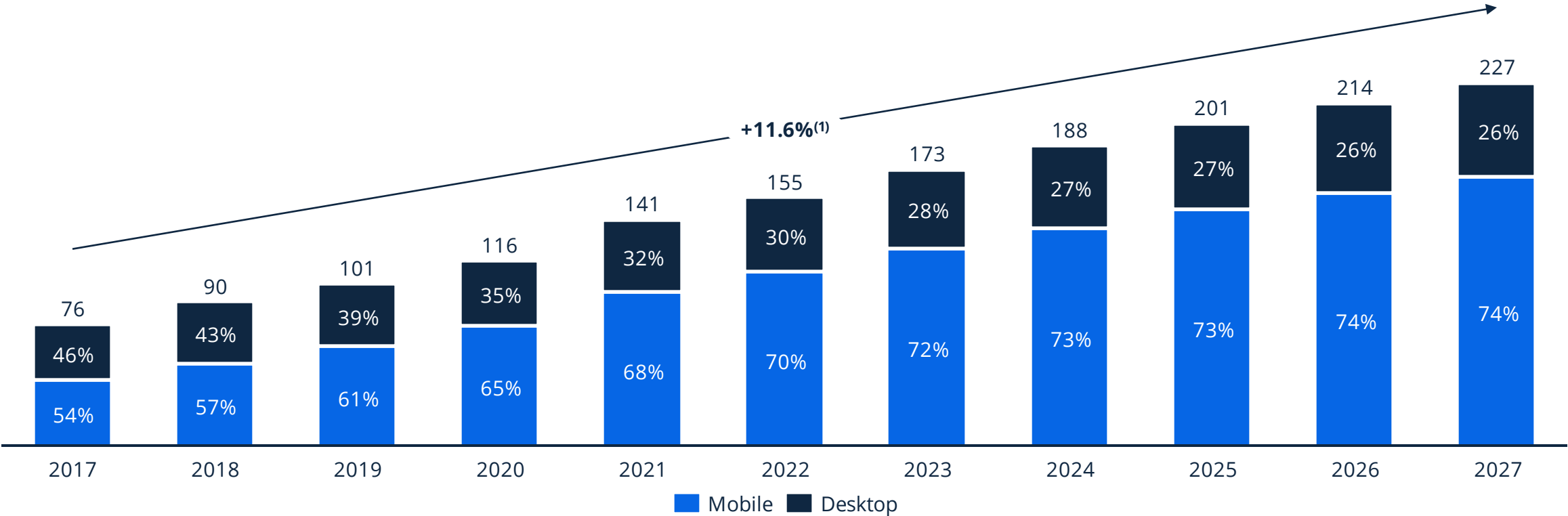
This market excludes:

- Overlays within web- or app-based video players
- Pre-roll, mid-roll, post-roll video ads within web- or app-based video players

# The Banner Advertising shows average growth rates of around 11.6% per year

Market Size: Global

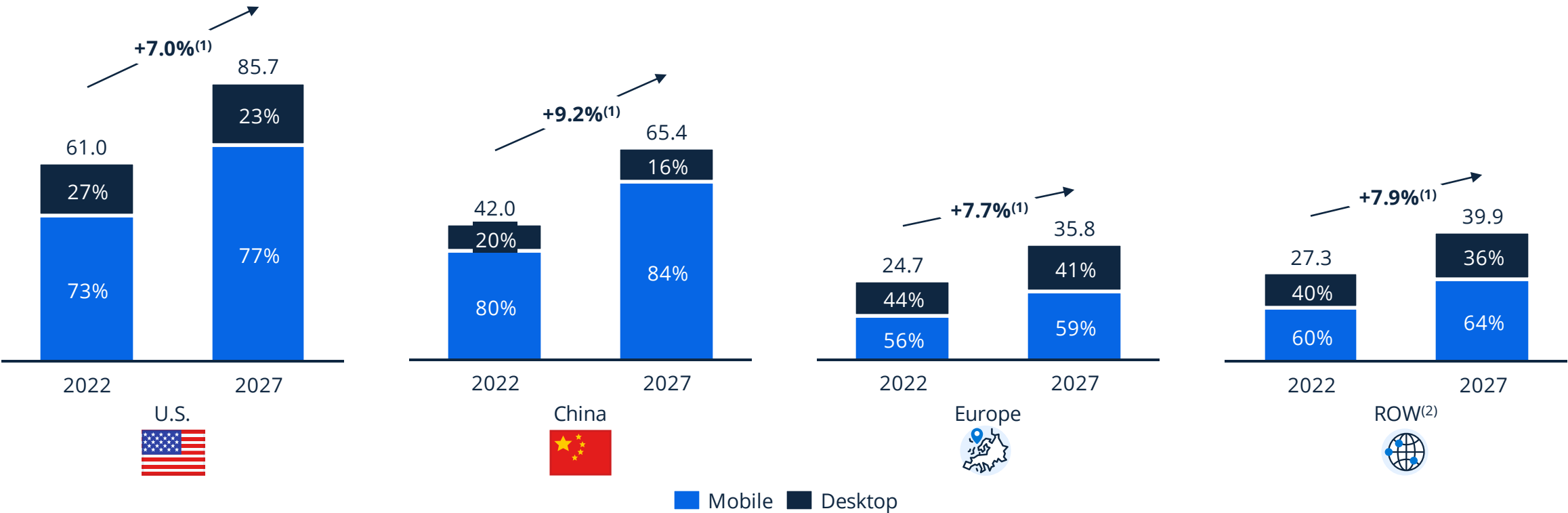
Banner Advertising market: Advertising spending forecast in billion US\$



# Between 2022 and 2027, China shows the biggest growth in Banner Advertising with a CAGR<sup>(1)</sup> of 9.2%

Distribution by device: Regional comparison (1/2)

Banner Advertising market: Mobile and desktop distribution forecast in billion US\$



64 | Notes: (1) CAGR: Compound Annual Growth Rate (2) ROW: rest of the world

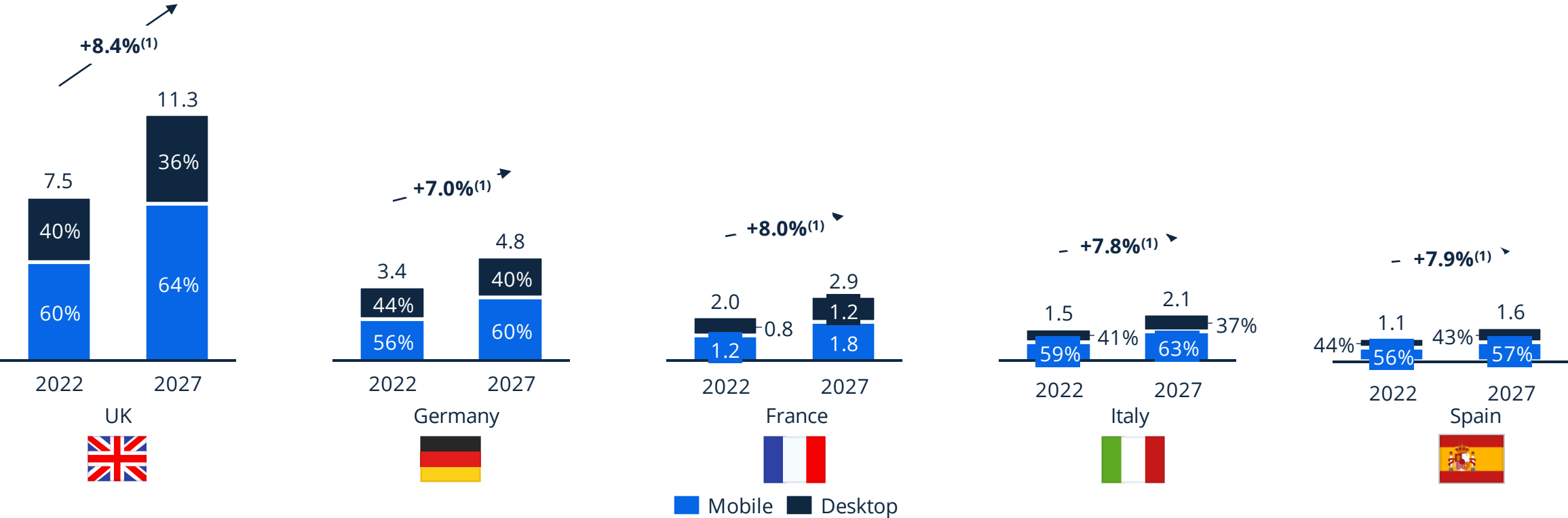
Sources: Statista Market Insights 2023



# With revenues of US\$7.5 billion, the UK is the biggest market among the top 5 EU countries in 2022

Distribution by device: Regional comparison (2/2)

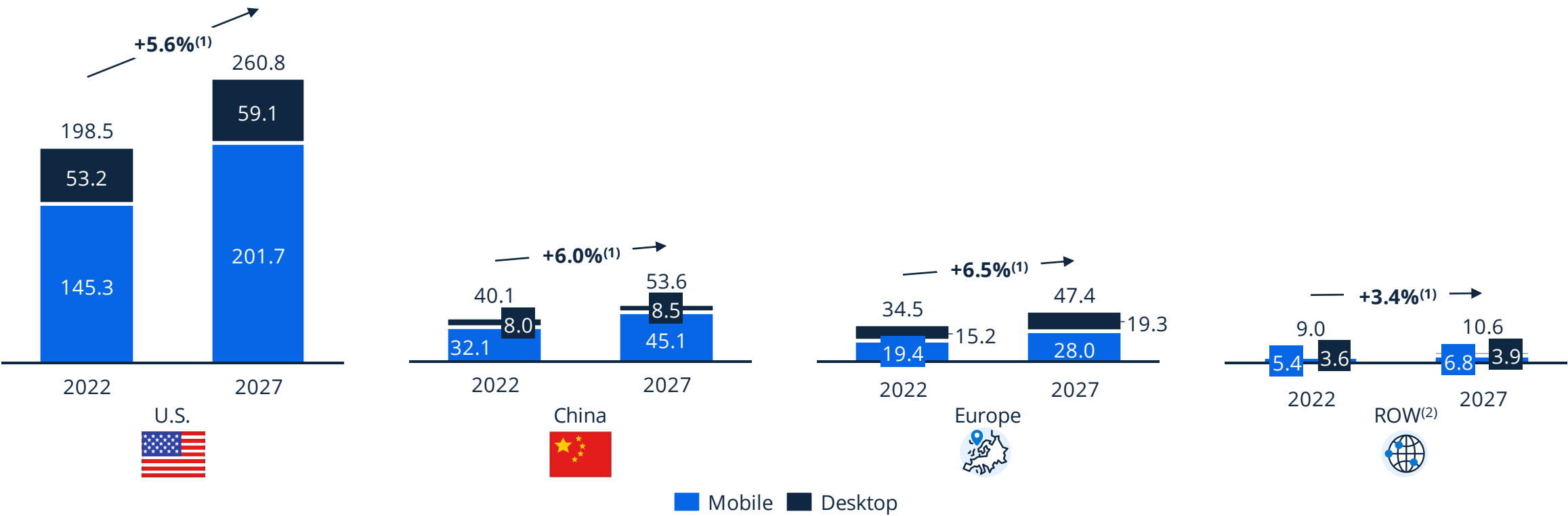
Banner Advertising market: Mobile and desktop distribution forecast in billion US\$



Out of the three major regions, ad revenue per internet user remains highest in the U.S.

Market Size: Regional comparison (1/2)

Banner Advertising market: Average ad spending per internet user forecast in US\$

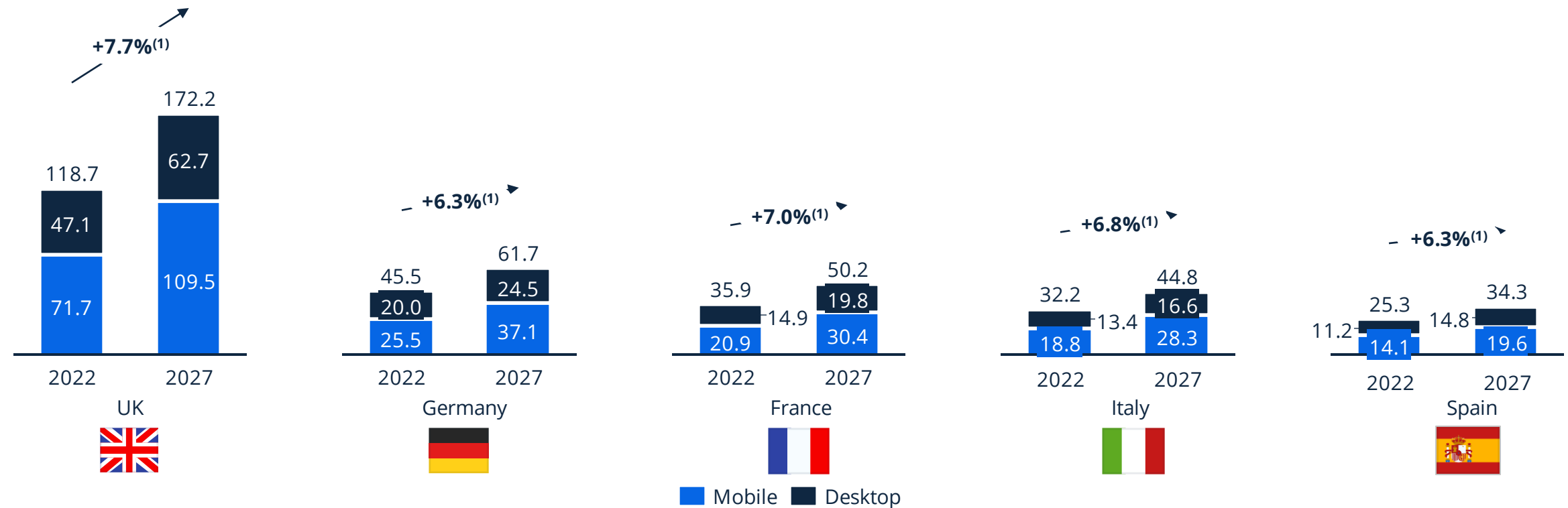


66 | Notes: (1) CAGR: Compound Annual Growth Rate (2) ROW: rest of the world  
The number of internet users can be found in the "Key market indicators" section in the introductory chapter  
Sources: Statista Market Insights 2023

# Among the top 5 EU countries, the desktop ad revenue per internet user in 2022 is the highest in the UK

Market Size: Regional comparison (2/2)

## Banner Advertising market: Average ad spending per internet user forecast in US\$



# The Trade Desk provides artificial intelligence to increase an advertising campaign's success while protecting customer data privacy

Company profile: The Trade Desk



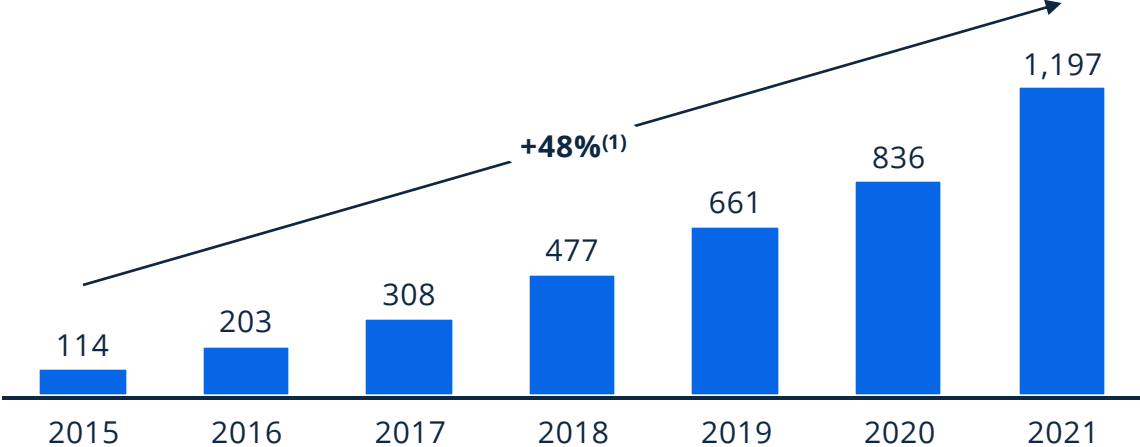
## The Trade Desk

The Trade Desk was founded by the industry's real-time bidding pioneers Jeff Green and Dave Pickles and has become one of the fastest-growing demand-side platforms in the industry. Customers can create personalized advertising experiences across various channels and devices and with it, take advantage of advanced omnichannel targeting and online and offline attribution.

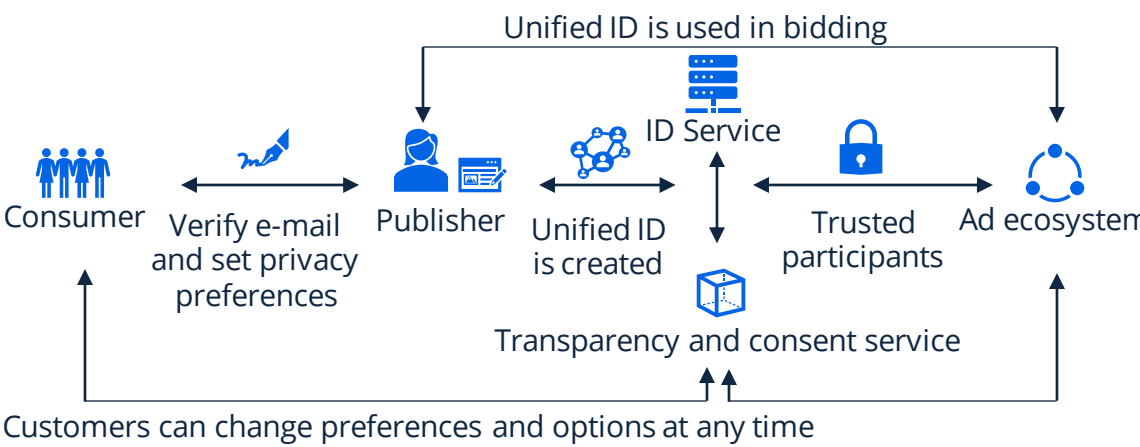
## Advertising targeting tool for the open internet developed by The Trade Desk

The Trade Desk developed an open-source advertising targeting tool called Unified ID 2.0 (UID2). UID2 is a tool that has high data security and transparency and is designed to reduce dependency on third-party cookies. Traditionally, advertisers have relied on third-party cookies to identify customer targets. As customer data privacy is becoming more protected in the advertising industry, UID2 provides an alternative solution for advertisers.

Revenue in million US\$



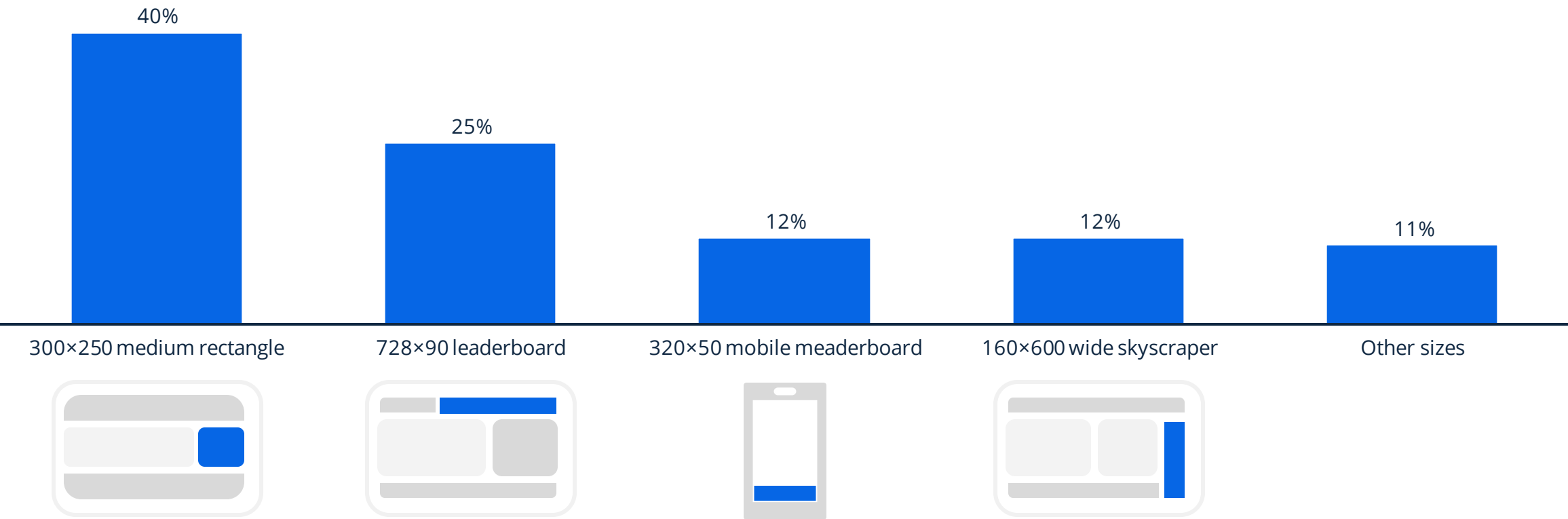
Unified ID 2.0 workflow



# Nearly 90% of all online banner ad impressions are from 4 banner sizes

Deep dive: Top banner size

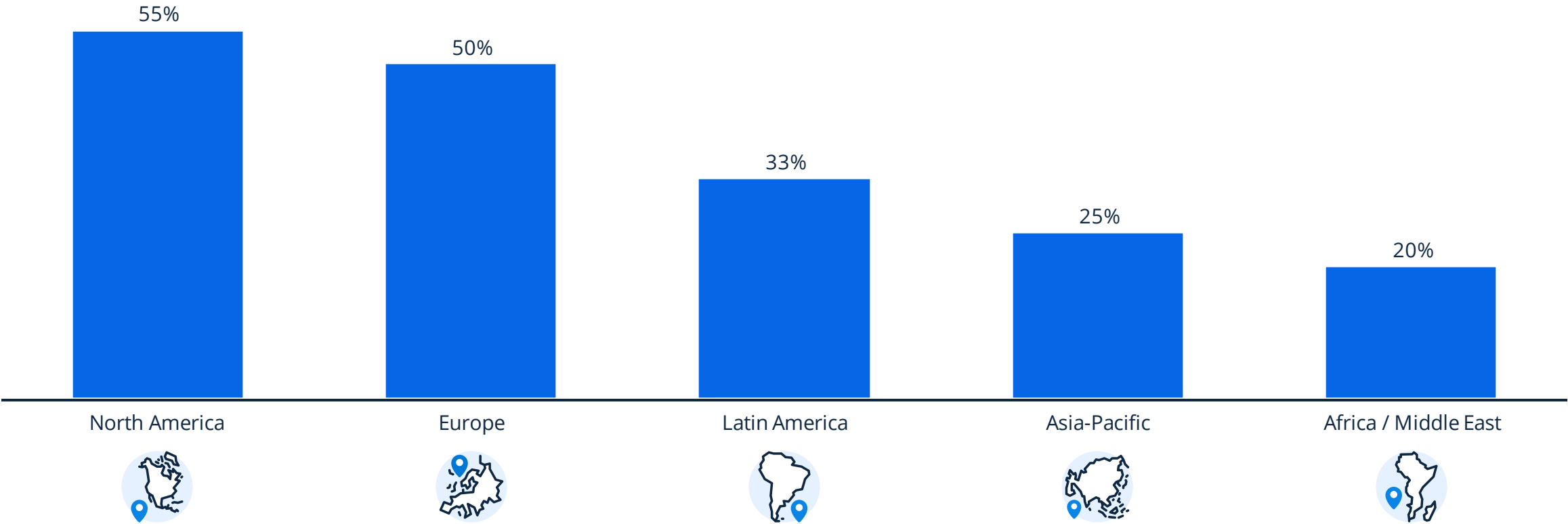
Global top online banner sizes in 2022, by frequency of use



While 55% of respondents in North America took no action on banner ads, only 20% in Africa and the Middle East ignored them

Deep dive: Consumer action on banner advertising format

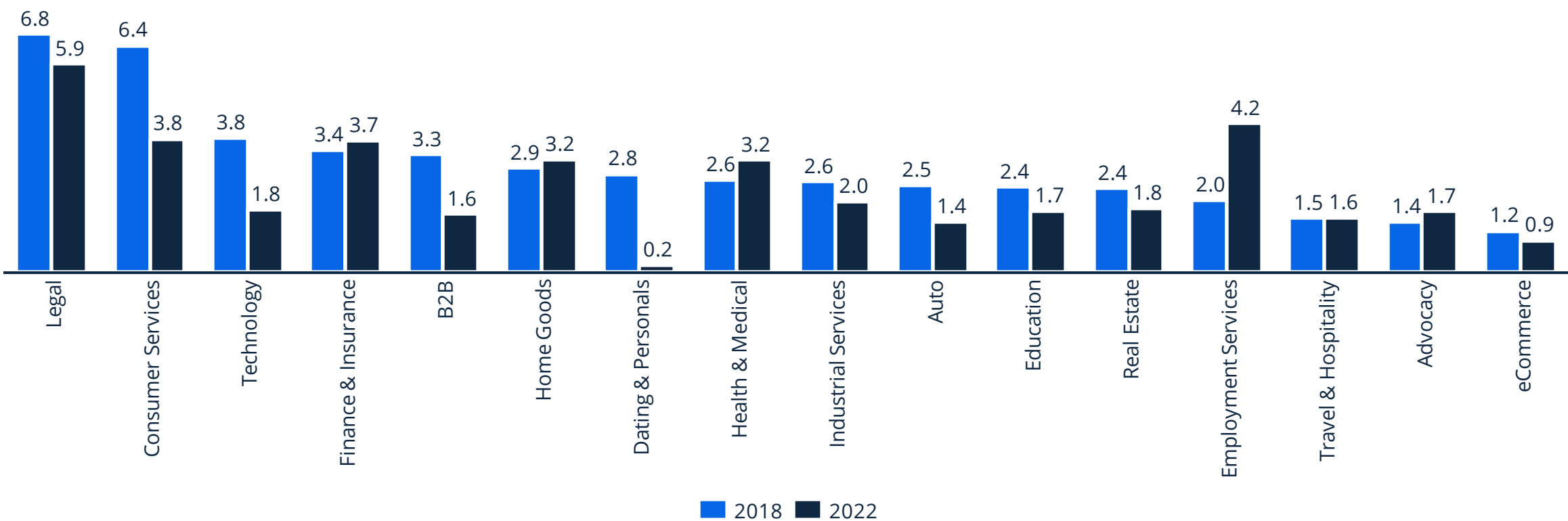
Consumers who took no action on online banner ad formats in 2021, by region



# The CPCs<sup>(1)</sup> in the consumer services, technology, and dating & personals industries have significantly declined in the past 4 years

Deep dive: Cost of banner advertising (1/2)

Average cost per click (CPC)<sup>(1)</sup>, in US\$



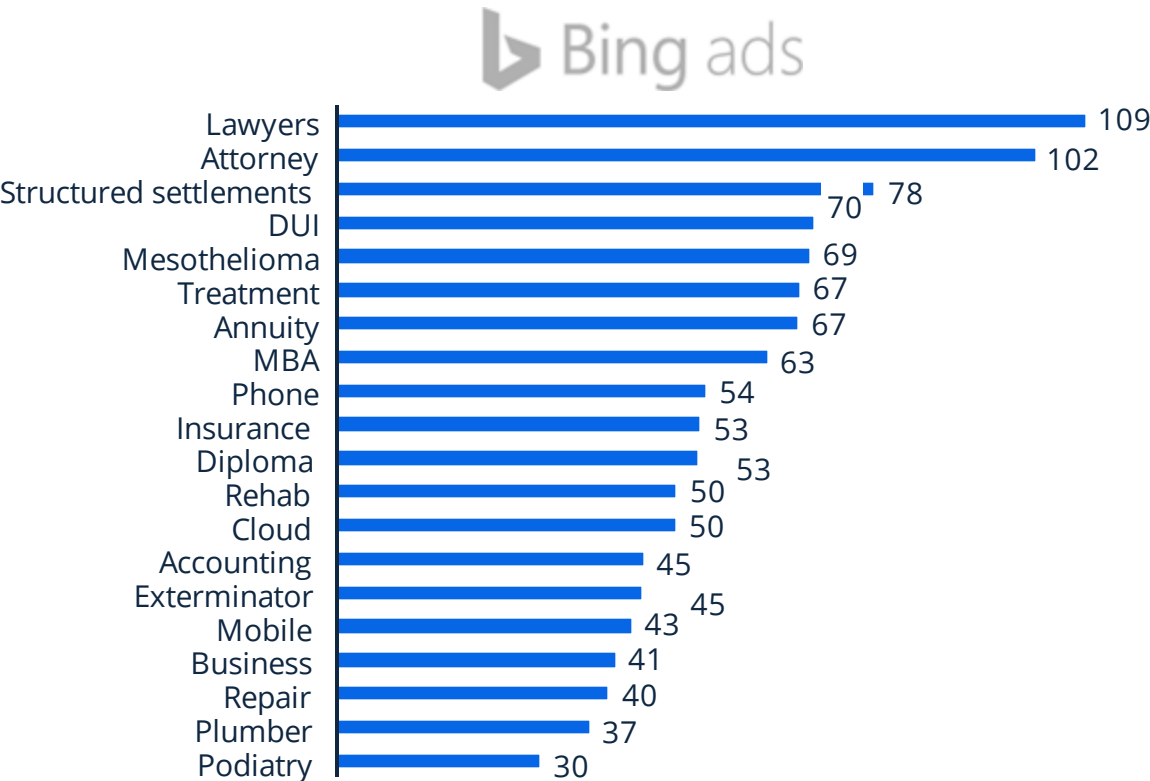
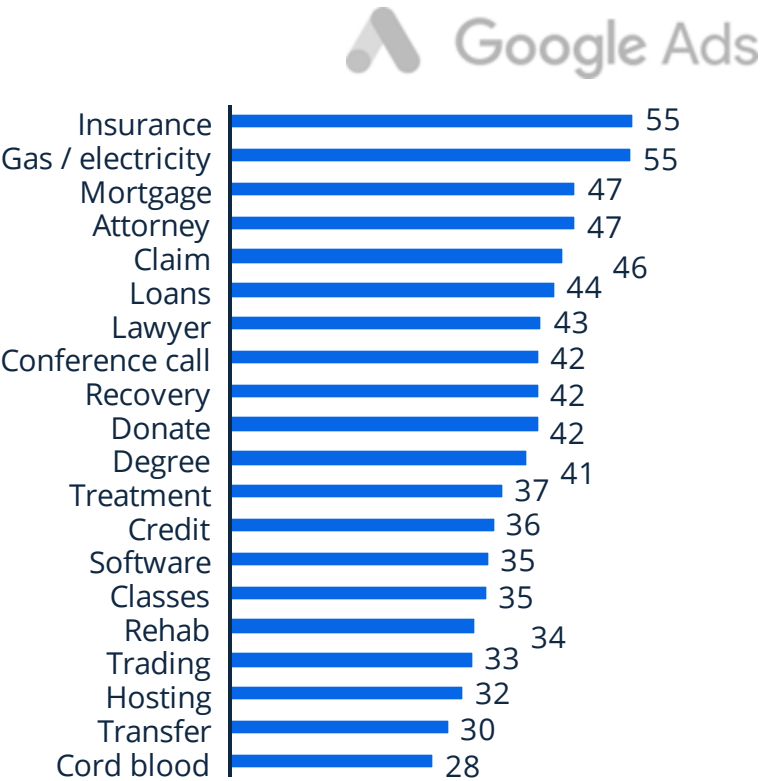
71 | Notes: (1) Cost per click describes a method used by digital advertising platforms to bill advertisers based on the number of times website visitors clicked on an advertisement

Sources: WordStream

# For most of the top keywords, Google Ads CPCs<sup>(1)</sup> are lower than Bing Ads

Deep dive: Cost of banner advertising (2/2)

Average CPC<sup>(1)</sup> of top-bidding keywords from Google Ads and Bing Ads



72 | Notes: (1) Cost per click describes a method used by digital advertising platforms to bill advertisers based on the number of times website visitors clicked on an advertisement

Sources: WordStream



INDUSTRIES & MARKETS

# Video Advertising: market data & analysis

Market Insights report

**Market** Insights  
by statista 

2023



# The Video Advertising market is a fast growing market

Overview: Summary

## Summary

Digital video advertising has changed over time: It started with video ads on computer screens, then moved on to YouTube, mobile screens, social media platforms, connected devices, and video-on-demand. Digital video advertising has become more popular over time as people watch more online video content, moving away from TV and toward smart connected devices. As expected, OTT (over-the-top) advertising is used by marketers for storytelling. OTT content, which can be delivered on demand and directly to users' smart TVs, computers, or smartphones that are connected to the internet, is ushering in a new era of video advertising.

The main cause for the increase in digital video ads is the improvement of the internet infrastructure and the affordability of smart devices that can connect to the internet, such as smart TVs, computers, and smartphones. In the past ten years, the internet infrastructure has changed significantly and is now more accessible, faster, and more affordable. Digital video advertising has experienced substantial growth because connected devices have become cheaper over time,

allowing more people to purchase them and use them daily.

Even though digital video advertising was already growing before the COVID-19 pandemic, it experienced a rapid increase since the pandemic started, because people have been spending significantly more time on consuming digital video content. TikTok's increasing popularity during the pandemic, the noticeable prevalence of the short video format, and the increase in ad-supported video-on-demand are the main reasons why people spend more time on digital video content. Digital video advertising will continue to gain importance significantly because consumers watch more digital video content.

# Video Advertising is an important part of the Digital Advertising market

Overview: Market Definition

## Market definition

Video Advertising includes all ad formats within webpage-based videos, app-based video players, social media, or streaming apps on computer screens, smartphones, tablets, and other internet-connected devices. Videos that seamlessly match the form and function of the environment (e.g., news websites, video platforms) in which they appear (so-called native advertising) are also included in Video Advertising.

Video Advertising comprises advertising spending, connected-TV advertising spending, users, average revenue per user, and user demographic. The market only displays B2B spending. Figures are based on Video Advertising spending and exclude agency commissions, rebates, production costs, and taxes. Key players in Video Advertising include Comcast Corp., The Walt Disney Company, YouTube, TikTok, and Facebook. For more information on the data displayed, use the info button right next to the boxes.

# Video Advertising accounted for 29.3% of the Digital Advertising market revenue in 2022

Overview: Key Takeaways and in scope / out of scope

## Key Takeaways

Ad spending in the Video Advertising market is projected to reach US\$180bn in 2022.

Ad spending is expected to show an annual growth rate (CAGR 2022-2027) of 12.1%, resulting in a projected market volume of US\$319bn by 2027.

In the Video Advertising market, US\$249bn of total ad spending will be generated through mobile in 2027.

Connected TV ad spending in the Video Advertising market is projected to reach US\$31bn in 2022.

Connected TV is expected to show an annual growth rate (CAGR 2022-2027) of 13%, resulting in a projected market volume of US\$49bn by 2027.

### + In scope

This market includes:

- All ad formats within webpage-based videos, app-based video players, social media networks, or social media apps
- Pre-roll, mid-roll, and post-roll video ads
- Text- or image-based overlays that appear in video players
- Native advertising
- Connected TV advertising
- Ad spending on short-form videos

### - Out of scope

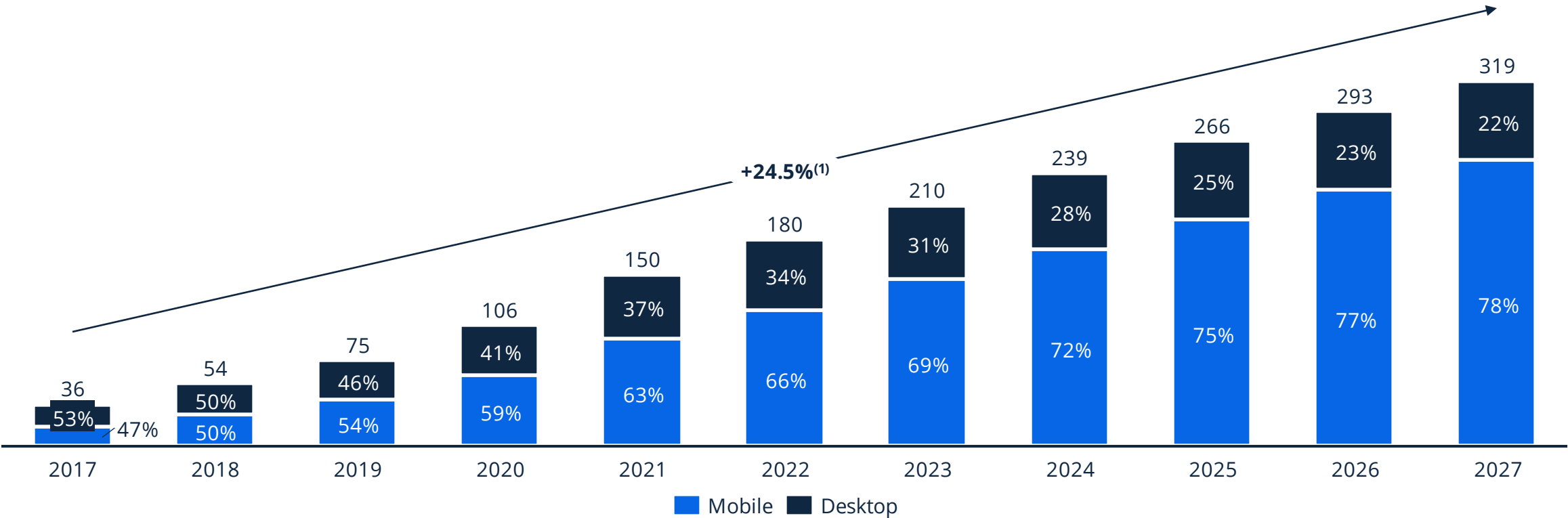
This market excludes:

- Traditional TV advertising video formats broadcasted over traditional transmission channels (e.g., DTT, cable, satellite)
- Addressable TV ads, targeted advertising to individual households via set-top boxes; including cable and satellite using addressable technologies such as Dynamic Ad Insertion (DAI)

# The Video Advertising segment shows average growth rates of around 24.5% per year

Distribution by device: Global

Digital Video Advertising market: Mobile and desktop distribution forecast in billion US\$



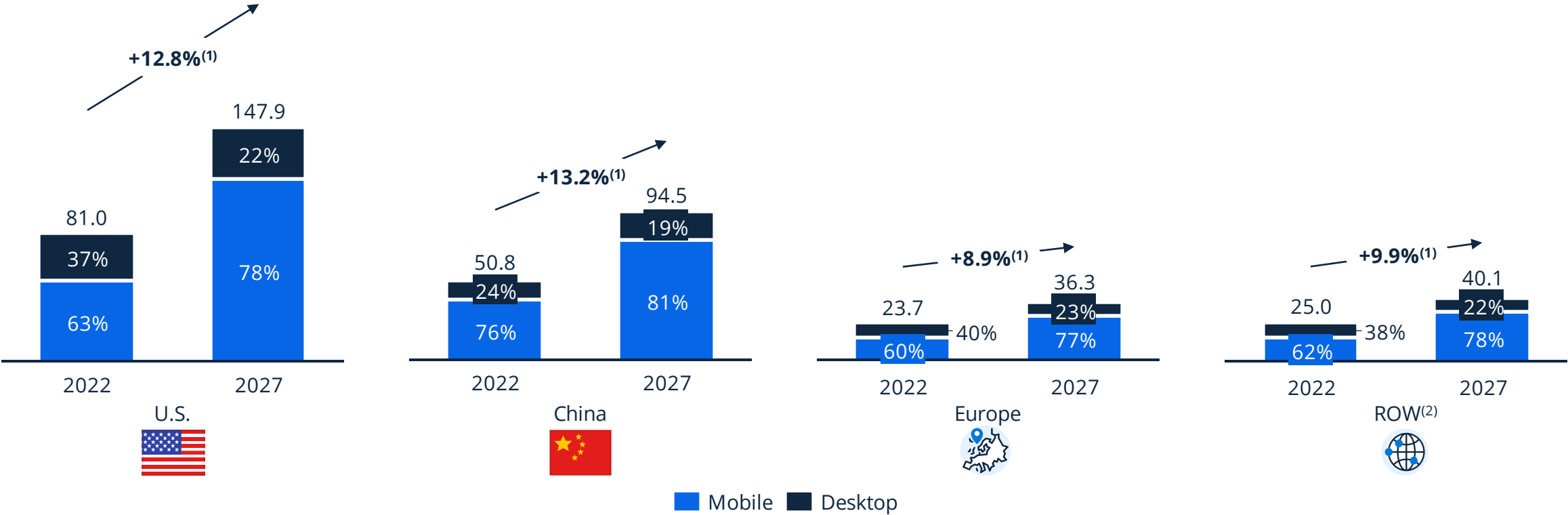
77 | Notes: (1) CAGR: Compound Annual Growth Rate

Sources: Statista Market Insights 2023

# Between 2022 and 2027, China shows the biggest growth in Video Advertising with a CAGR<sup>(1)</sup> of 13.2%

Distribution by device: Regional comparison (1/4)

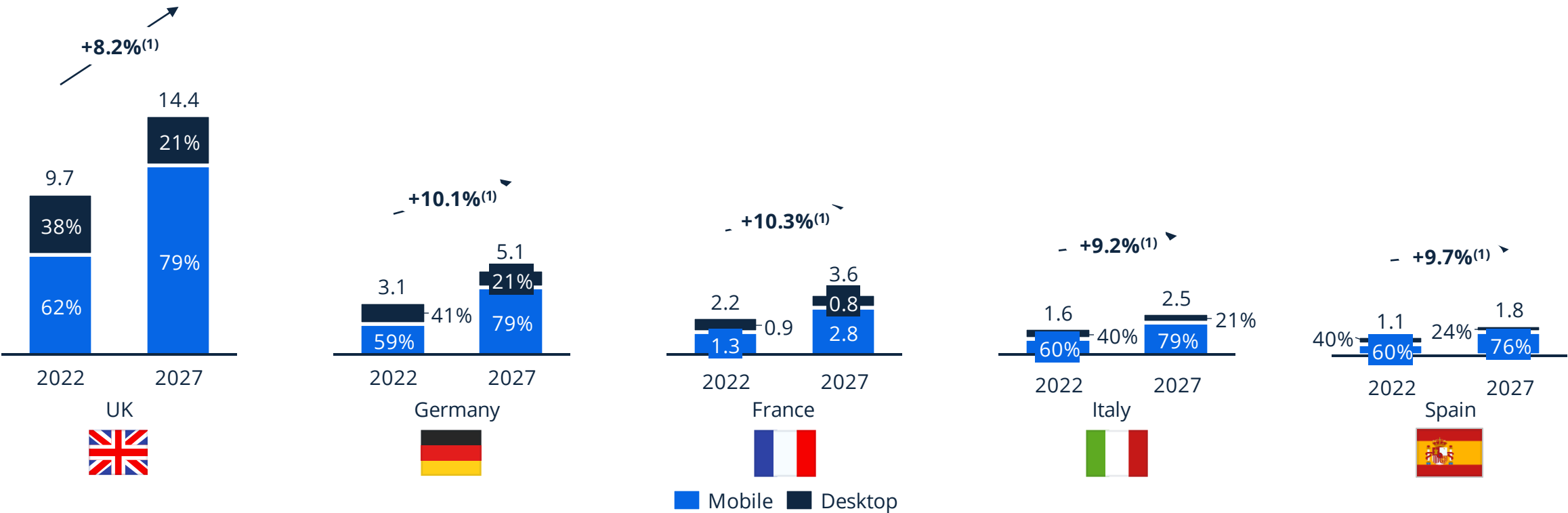
Digital Video Advertising market: Mobile and desktop distribution forecast in billion US\$



With revenues of US\$9.7 billion, the UK will likely be the biggest market among the top 5 EU countries in 2022

Distribution by device: Regional comparison (2/4)

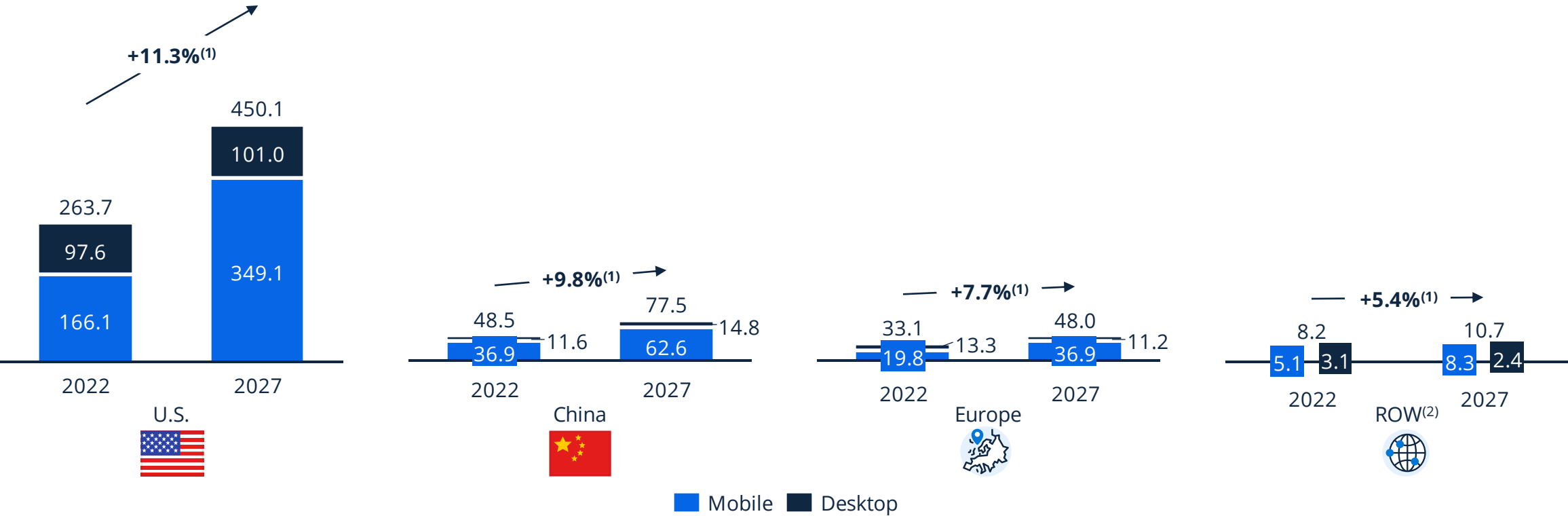
Digital Video Advertising market: Mobile and desktop distribution forecast in billion US\$



Out of the major regions, ad revenue per internet user remains highest in the U.S.

Distribution by device: Regional comparison (3/4)

Digital Video Advertising market: Average ad spending per internet user forecast in US\$



80 | Notes: (1) CAGR: Compound Annual Growth Rate (2) ROW: rest of the world

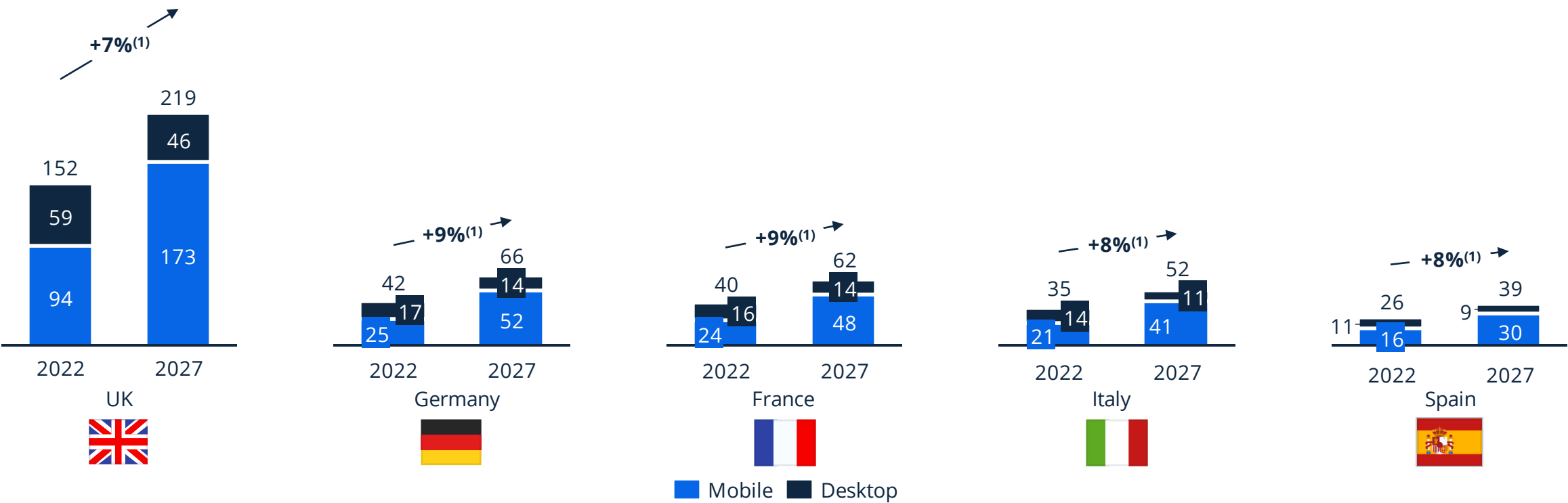
Sources: Statista Market Insights 2023



# Among the top 5 EU countries, the desktop ad revenue per internet user in 2022 will likely be the highest in the UK

Distribution by device: Regional comparison (4/4)

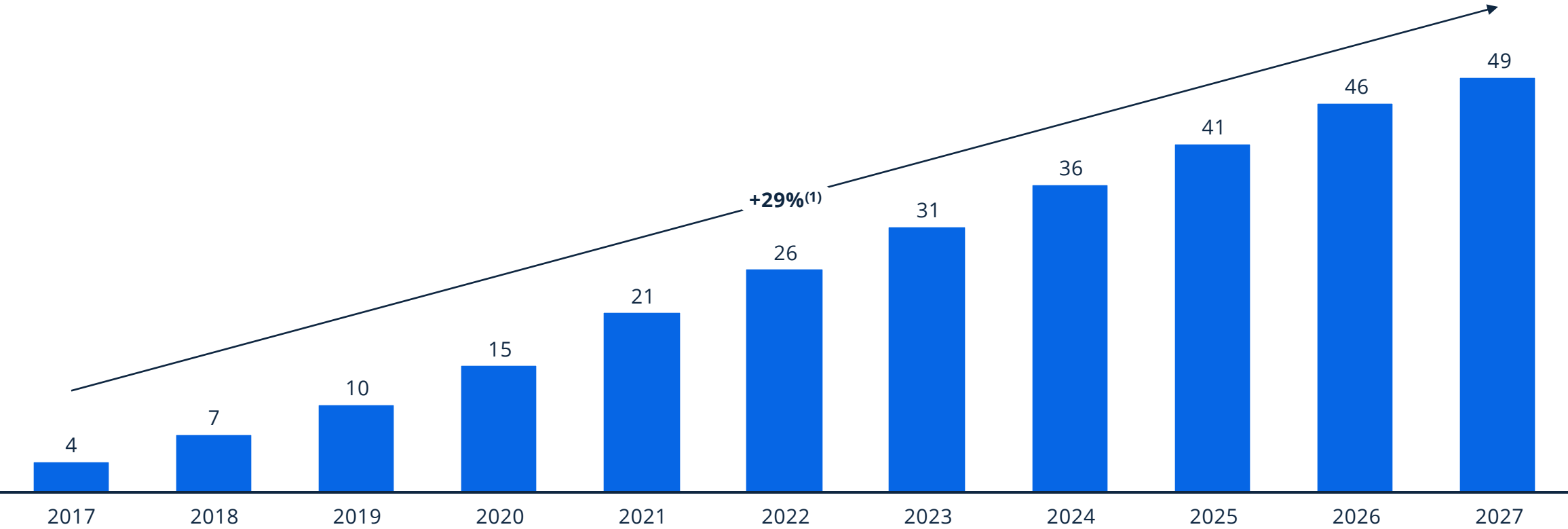
Digital Video Advertising market: Average ad spending per internet user forecast in US\$



# Connected TV advertising shows average growth rates of around 29% per year

Market Size: Global

Connected TV Advertising market: Advertising spending forecast in billion US\$



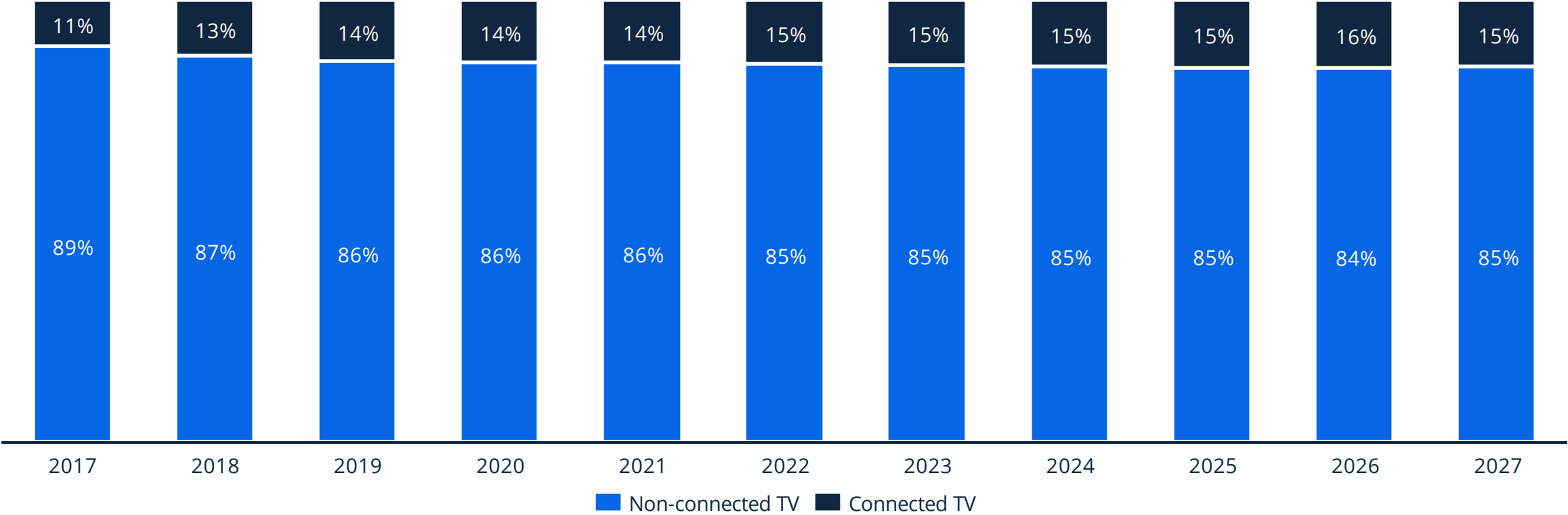
82 | Notes: (1) CAGR: Compound Annual Growth Rate / average growth rate per year

Sources: Statista Market Insights 2023

# In 2022, Connected TV advertising is expected to account for 15% of the Video Advertising revenue

Market distribution: Global

Connected TV Advertising market: Share of Video Advertising



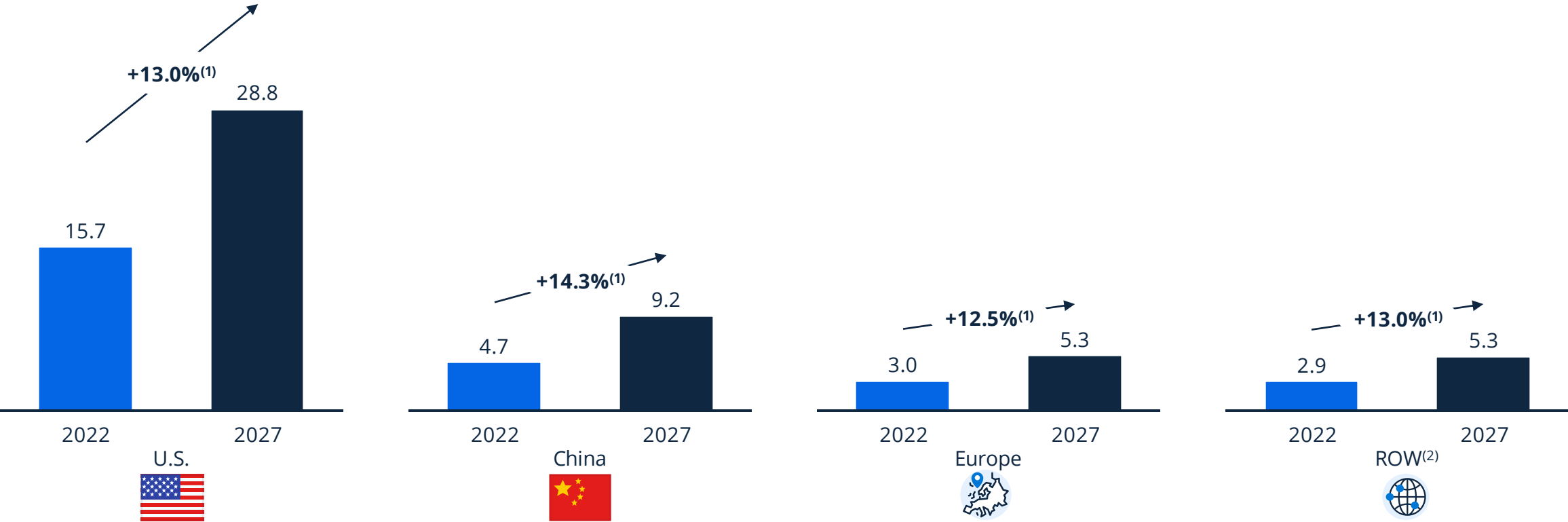
83 | Notes: (1) CAGR: Compound Annual Growth Rate / average growth rate per year

Sources: Statista Market Insights 2023

Between 2022 and 2027, China shows the biggest growth in connected TV advertising with a CAGR<sup>(1)</sup> of 14.3%

Market Size: Regional comparison (1/4)

Connected TV Advertising market: Advertising spending forecast in billion US\$



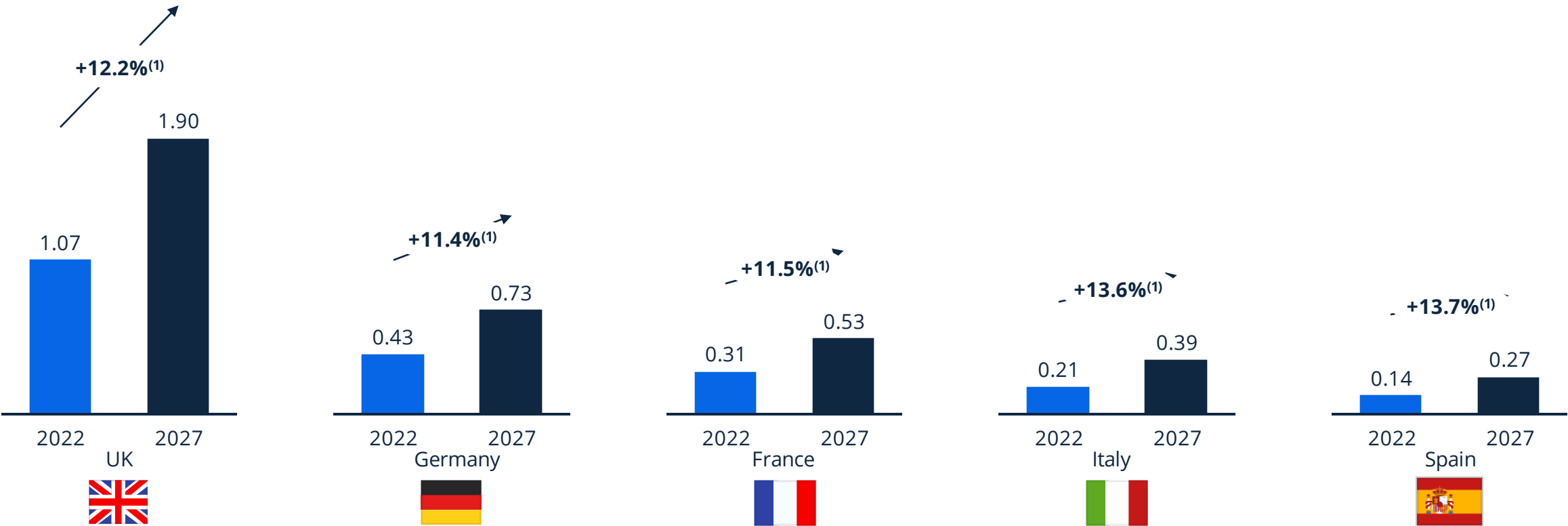
84 | Notes: (1) CAGR: Compound Annual Growth Rate / average growth rate per year (2) ROW: rest of the world

Sources: Statista Market Insights 2023

With revenues of US\$1.07 billion, the UK will likely be the biggest market among the top 5 EU countries in 2022

Market Size: Regional comparison (2/4)

Connected TV Advertising market: Advertising spending forecast in billion US\$



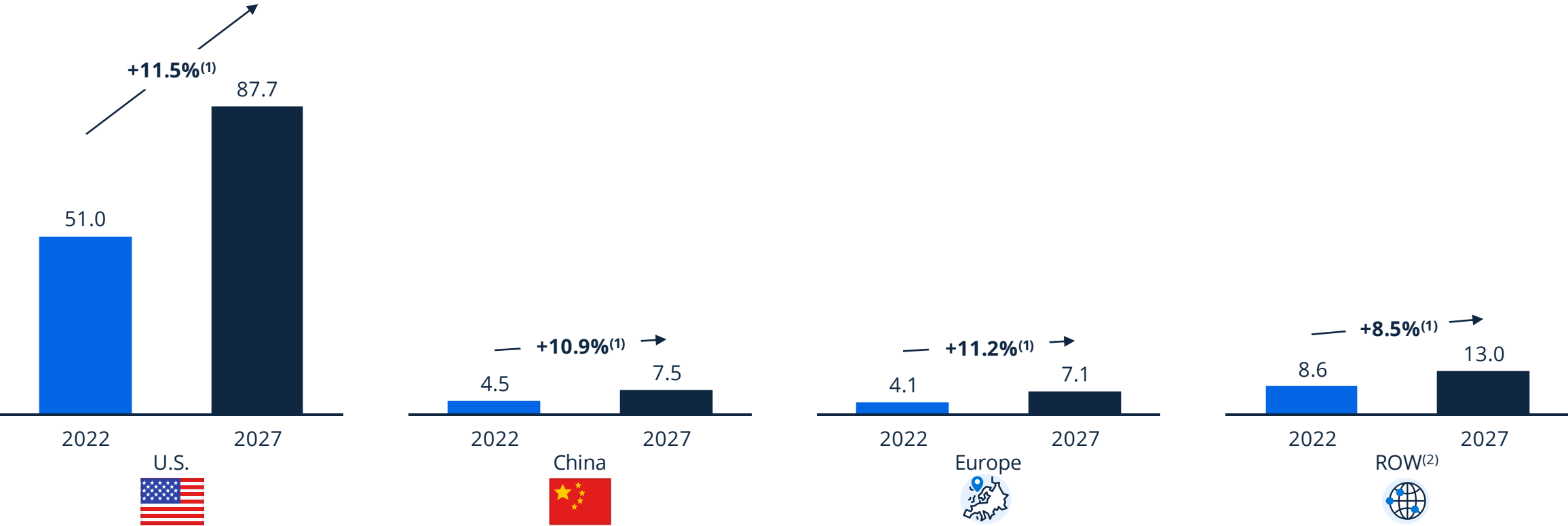
85 | Notes: (1) CAGR: Compound Annual Growth Rate / average growth rate per year

Sources: Statista Market Insights 2023

Out of the major regions, connected TV ad revenue per internet user remains highest in the U.S.

Market Size: Regional comparison (3/4)

Connected TV advertising market: Average ad spending per internet user forecast in US\$



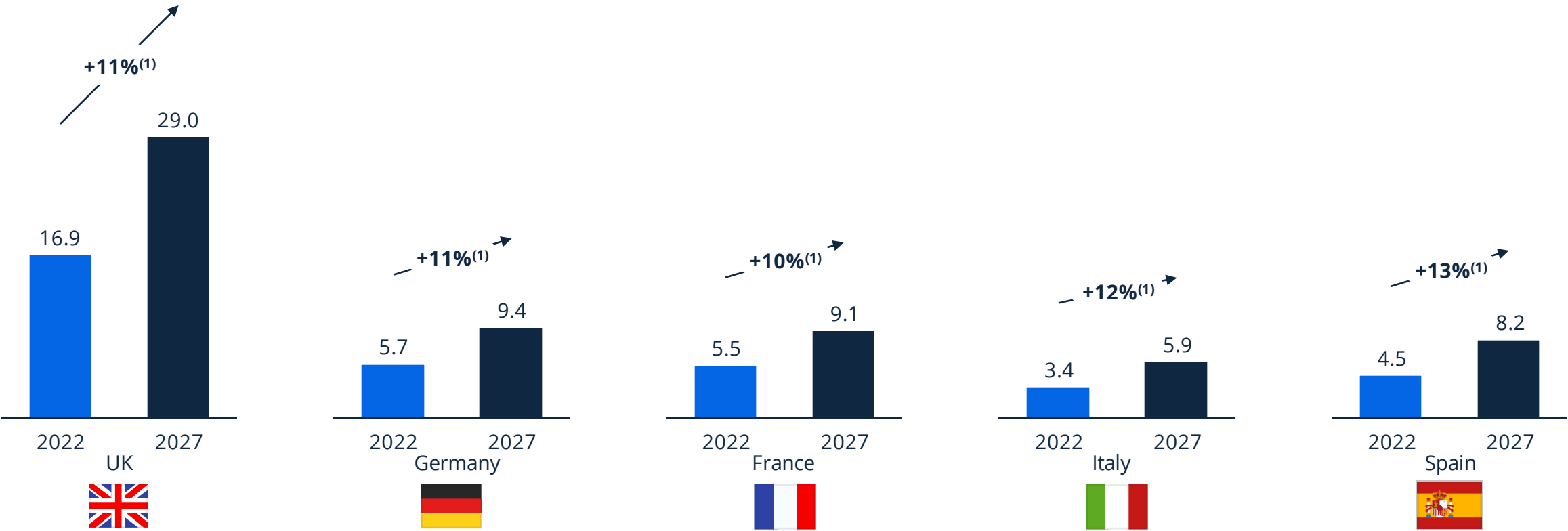
86 | Notes: (1) CAGR: Compound Annual Growth Rate / average growth rate per year (2) ROW: rest of the world

Sources: Statista Market Insights 2023

# Among the top 5 EU countries, connected TV ad revenue per internet user in 2022 will likely be the highest in the UK

Market Size: Regional comparison (4/4)

Connected TV advertising market: Average ad spending per internet user forecast in US\$



87 | Notes: (1) CAGR: Compound Annual Growth Rate / average growth rate per year

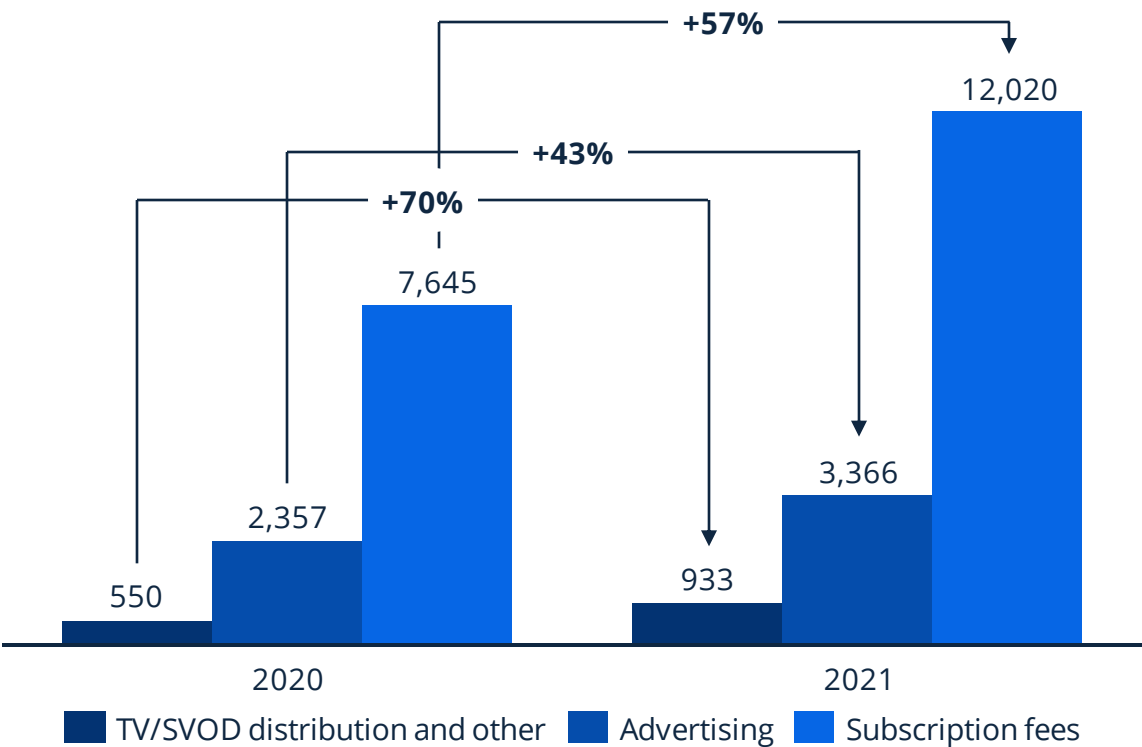
Sources: Statista Market Insights 2023

# The Walt Disney Company will add more ad-supported streaming services by launching an ad-supported version of Disney+ by the end of 2022

Company profile: The Walt Disney Company

The WALT DISNEY Company

Direct-to-consumer revenue by source, in million US\$



Overview of direct-to-consumer

The Walt Disney Company's direct-to-consumer businesses consist of subscription services that provide video streaming of general entertainment, family and sports programs, and digital content distribution services.

| Streaming service with<br>advertising sales                                                                                                       | Streaming service without<br>advertising sales |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <div>hulu</div> <div>Disney+ hotstar</div> <div>ESPN+</div> <div>Disney+</div> <div>*Disney+ will offer ad-supported streaming in late 2022</div> | <div>STAR+</div>                               |

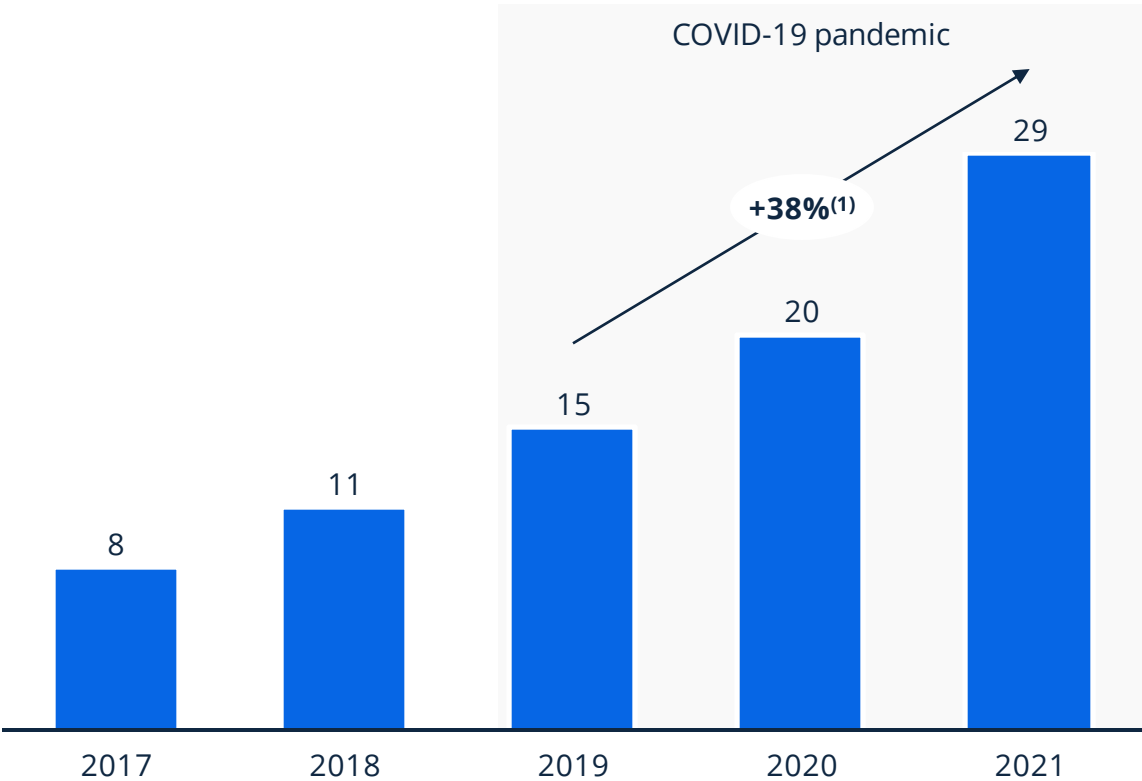


YouTube ad revenue increased by 38% during the COVID-19 pandemic and had the highest number of hours watched among video and streaming apps

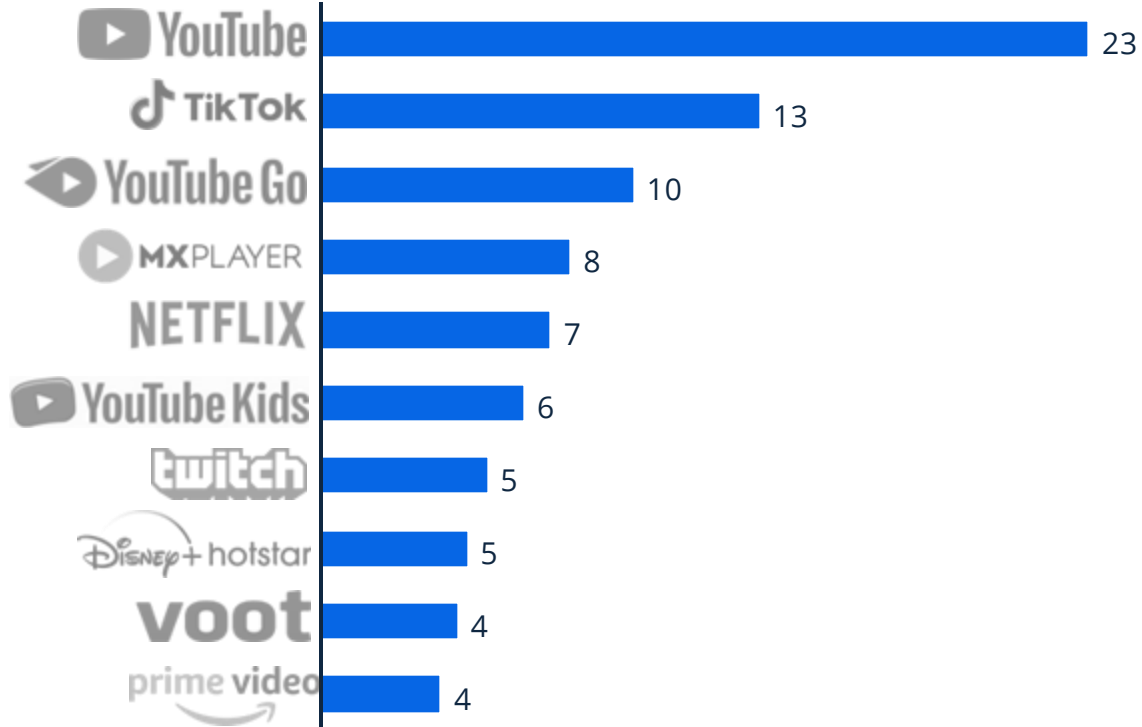
Company profile: YouTube



Global advertising revenues of YouTube, in million US\$



Global video apps on Android in January 2021, by monthly hours watched



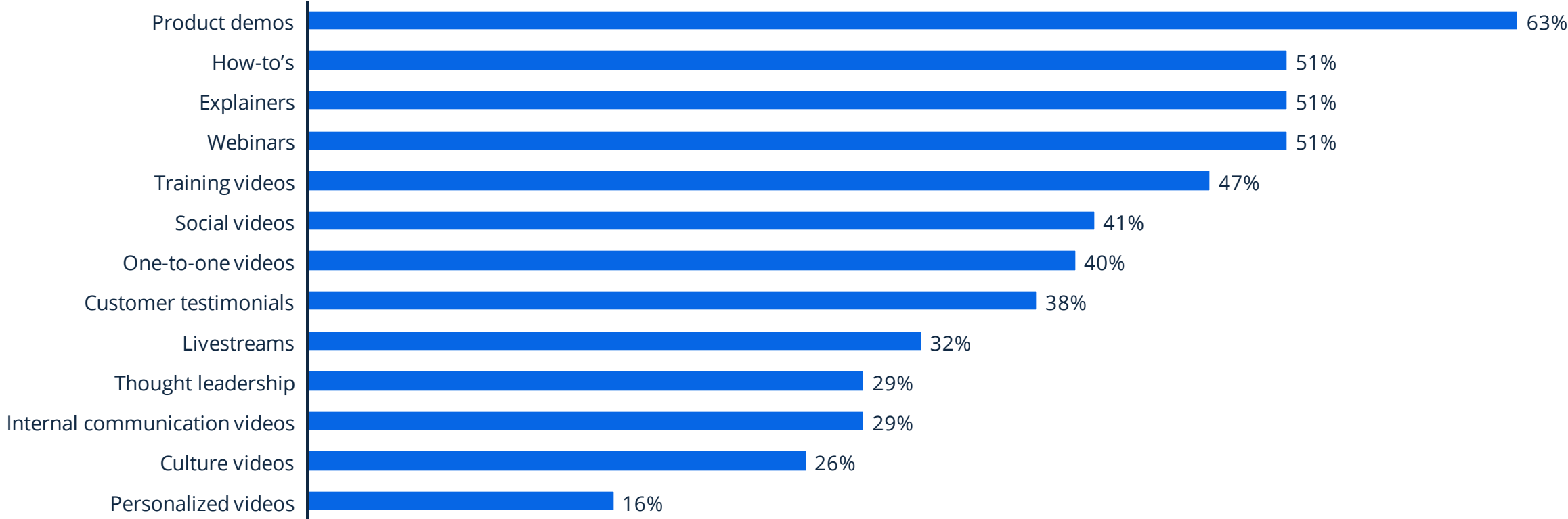
89 | Notes: (1) CAGR: Compound Annual Growth Rate / average growth rate per year

Sources: Company information, We Are Social

# Product demos are the most popular video type used by marketers in 2020

Deep dive: types of B2B videos used worldwide

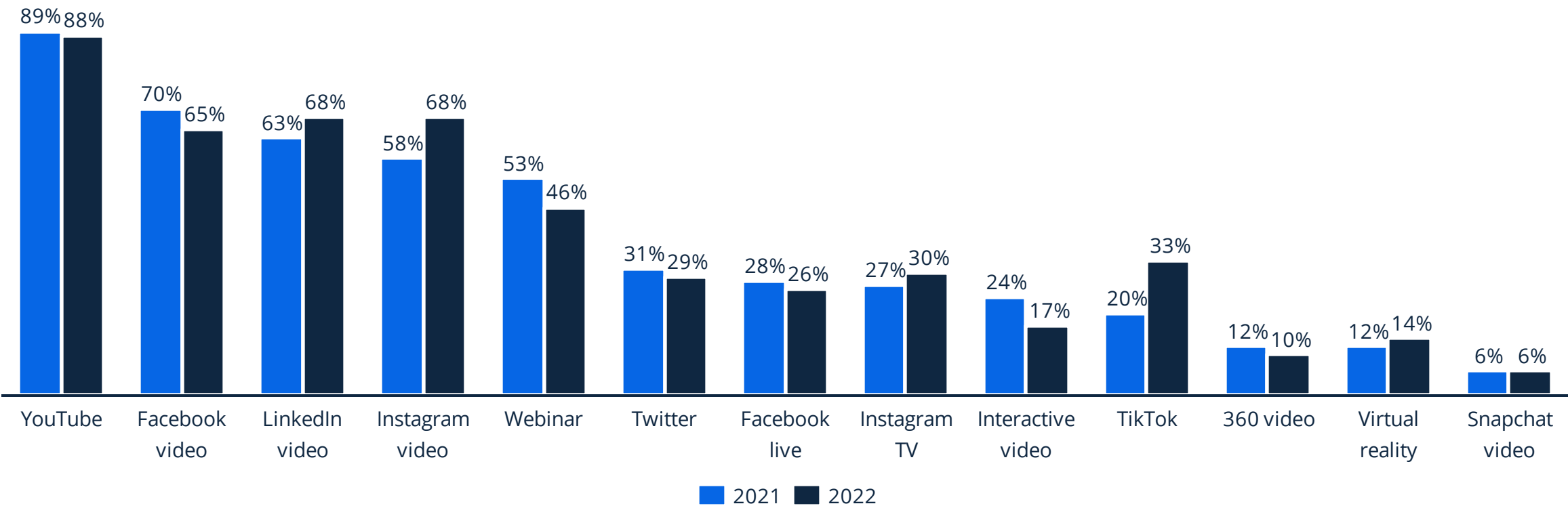
Leading types of B2B videos used worldwide in 2020



While YouTube is the most popular video platform for marketing purposes, TikTok has gained the most attention from marketers in the past year

Deep dive: video platforms used by marketers

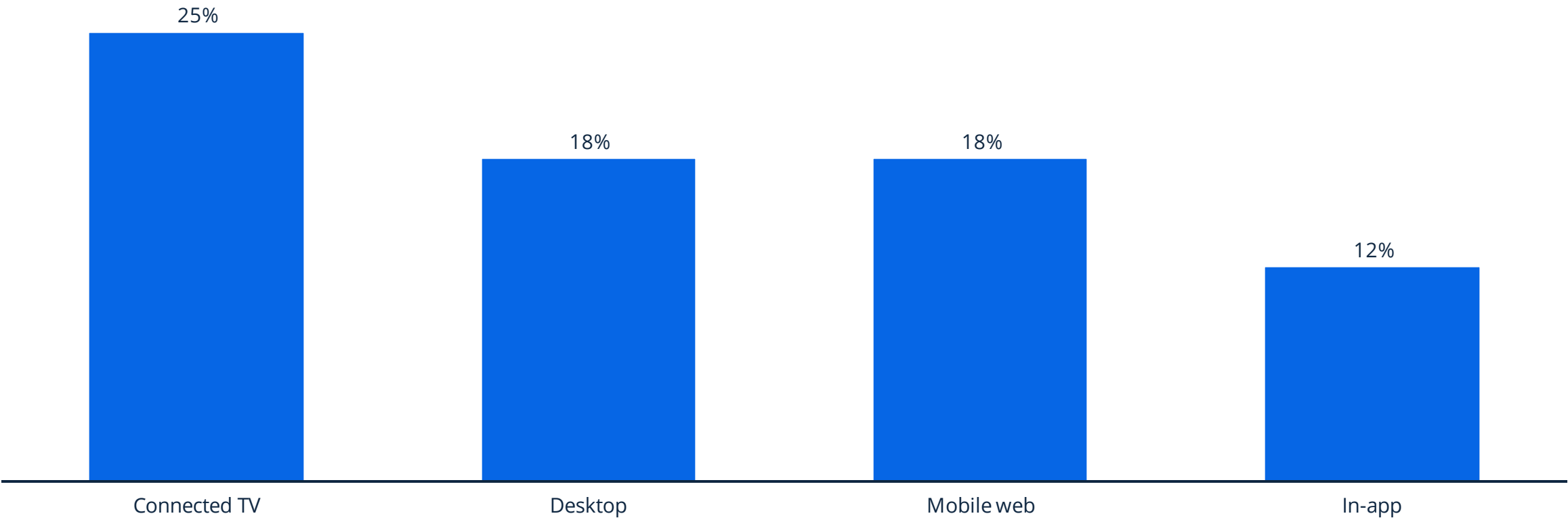
Video platforms used for marketing purposes worldwide



# Connected TV has an opportunity to be the fastest-growing platform for video advertising

Deep dive: global video advertising budgets

Change in global digital video advertising budgets in 2020, by platform



INDUSTRIES & MARKETS

# Classifieds: market data & analysis

Market Insights report

**Market** Insights  
by statista 

2023



# The Classifieds market is a fast growing market

Overview: Summary

## Summary

In the early 2000s, there was a significant shift in the advertising strategies for classifieds. Offline classifieds advertising was once the most popular and effective advertising strategy. For example, people used classifieds in newspapers to look for local deals. However, as the digital era has progressed, digital classifieds have surpassed all classifieds categories (real estate, automotive, jobs, and general) due to reduced costs, shorter processing times, higher return on investment, and more precise targeting.

Moreover, technology has experienced significant developments in the past years, resulting in changed usage behavior by both the advertisers and their target audiences. Internet-enabled devices have become everyday products for many people, and the internet infrastructure has become faster and more affordable. Therefore, digital tools have become a popular choice for advertisers to reach specific target groups.

Digital classifieds advertising grew the least of all digital advertising strategies

(digital banner, digital video, search, and social media advertising), although it still showed a positive trend. The cost of digital classifieds advertising is significantly lower compared to other strategies, and it keeps advertisers focused on the business and its location to target consumers who are more likely to make a purchase. With these advantages, digital classifieds advertising is expected to continue developing in the coming years.

# Classifieds is an important part of the Digital Advertising market

## Overview: Market Definition

### Market definition

Classifieds refer to online advertising posts that list products and services in categories. Advertising spending on Classifieds includes the fees advertisers pay to display an online ad and to list it in a specific category. The fee has to be paid by the advertiser regardless of the outcome of the ad and does not depend on factors such as the ad's position, size, or display duration.

Advertising spending on Classifieds is separated into four categories:

- Jobs covers ads by businesses offering permanent employment (e.g., Indeed, Monster)
- Motor covers ads by companies or consumers offering vehicles for purchase (e.g., Cars.com)
- Real Estate covers ads by companies or consumers offering real estate for rent or purchase (e.g., Roofstock)
- General covers all forms of ads that are not included in the other categories,

including consumers (private individuals) looking for other private individuals to complete small-scale, non-permanent jobs (such as contractor services) for them (e.g., TaskRabbit)

The Classifieds market comprises advertising spending, users, and average revenue per user. The market only displays B2B spending. Figures are based on advertising spending and exclude agency commissions, rebates, production costs, and taxes. For more information on the data displayed, use the info button right next to the boxes.

# Classifieds accounted for 3.3% of the Digital Advertising market revenue in 2022

Overview: Key Takeaways and in scope / out of scope

## Key Takeaways

Ad spending in the Classifieds market is projected to reach US\$21bn in 2022.

Ad spending is expected to show an annual growth rate (CAGR 2022-2027) of 3.4%, resulting in a projected market volume of US\$24bn by 2027.

In global comparison, most ad spending will be generated in China (US\$7.2bn in 2022).

In the Classifieds market, 49% of total digital ad spending will be generated through mobile in 2027.

### In scope

This market includes:

- Fees paid by advertisers in order to display an online ad or listing around a specific vertical

### Out of scope

This market excludes:

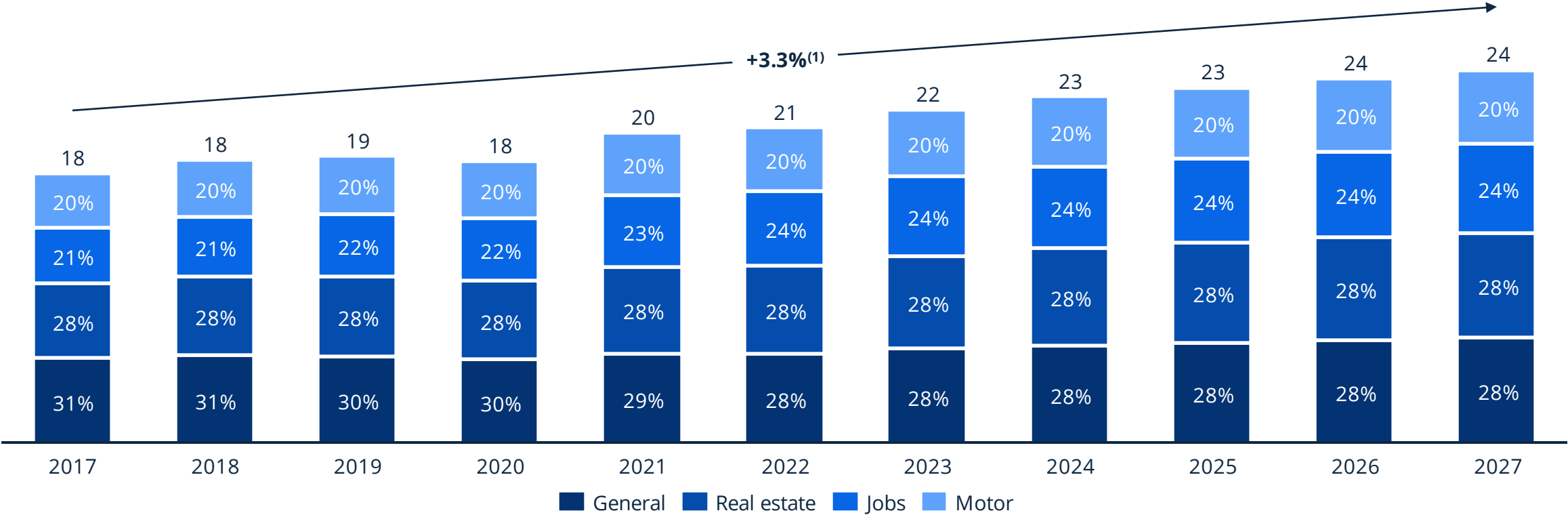
- Other advertisements (e.g. banners) on classifieds websites



# The Classifieds segment shows average growth rates of around 3.3% per year

Market sizes: Global

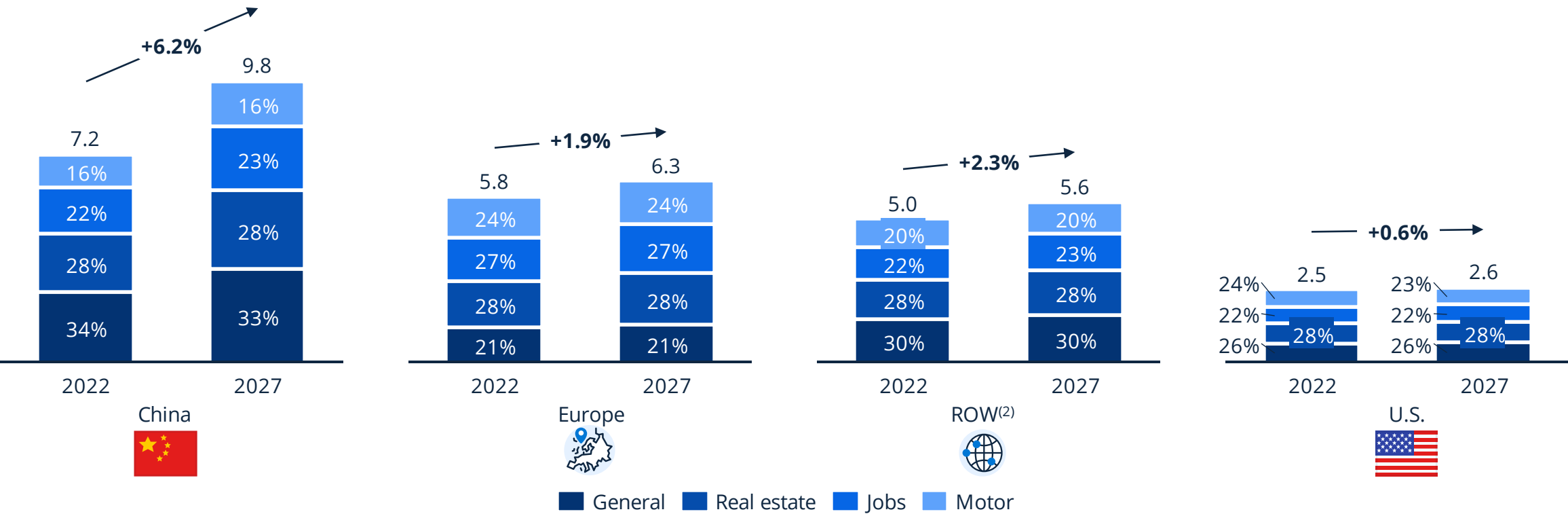
Classifieds market: Distribution forecast in billion US\$



Between 2022 and 2027, China shows the biggest growth in the Classifieds segment with a CAGR<sup>(1)</sup> of 6.2%

Market Sizes: Regional comparison (1/4)

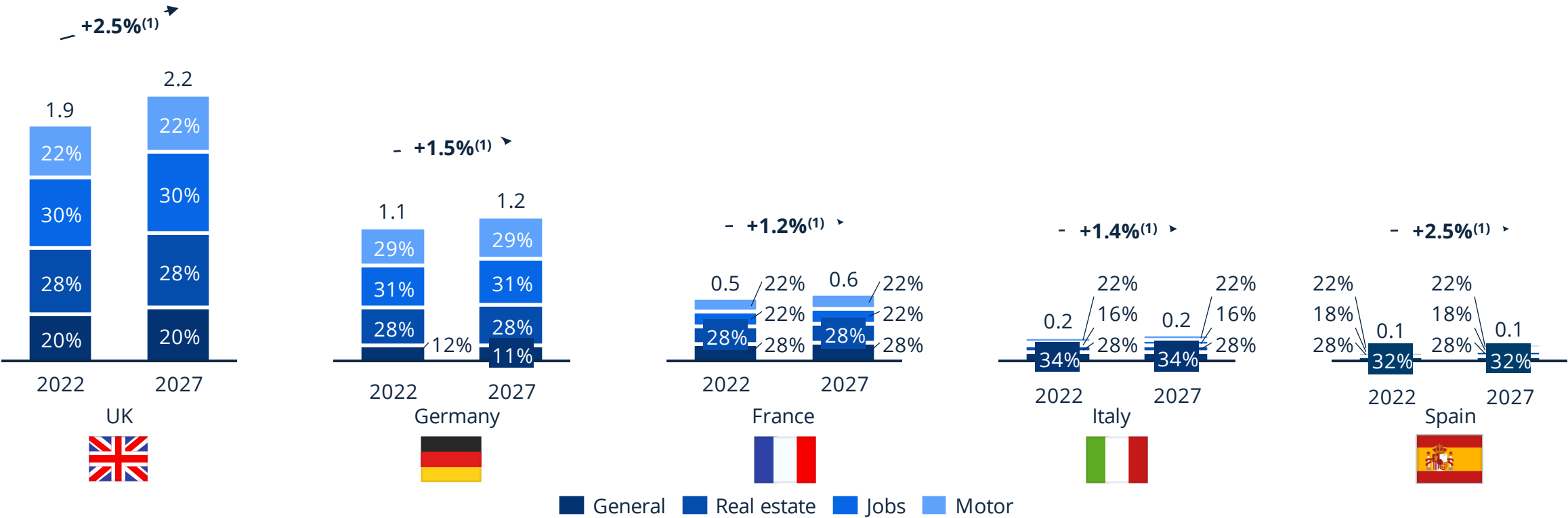
Classifieds market: Distribution forecast in billion US\$



# With revenues of US\$1.9 billion, the UK will likely be the biggest market among the top 5 EU countries in 2022

Market Sizes: Regional comparison (2/4)

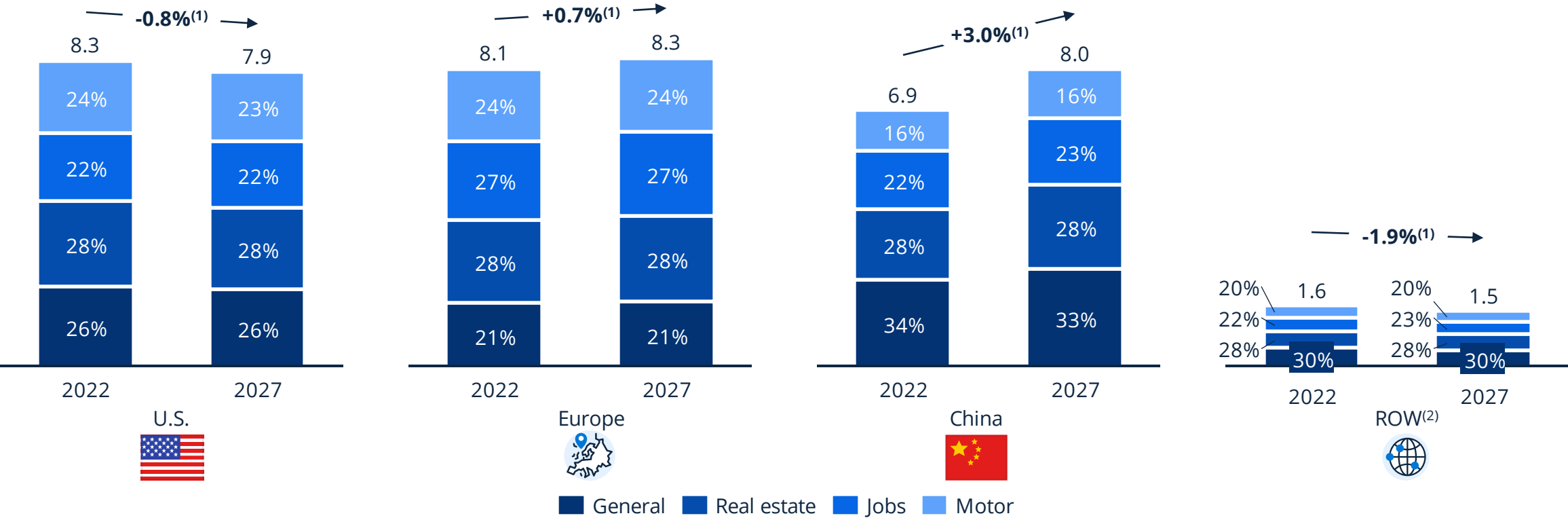
Classifieds market: Distribution forecast in billion US\$



Out of the major regions, the revenue of real estate classifieds remains highest in the U.S., Europe, and ROW<sup>(2)</sup>

Market Size: Regional comparison (3/4)

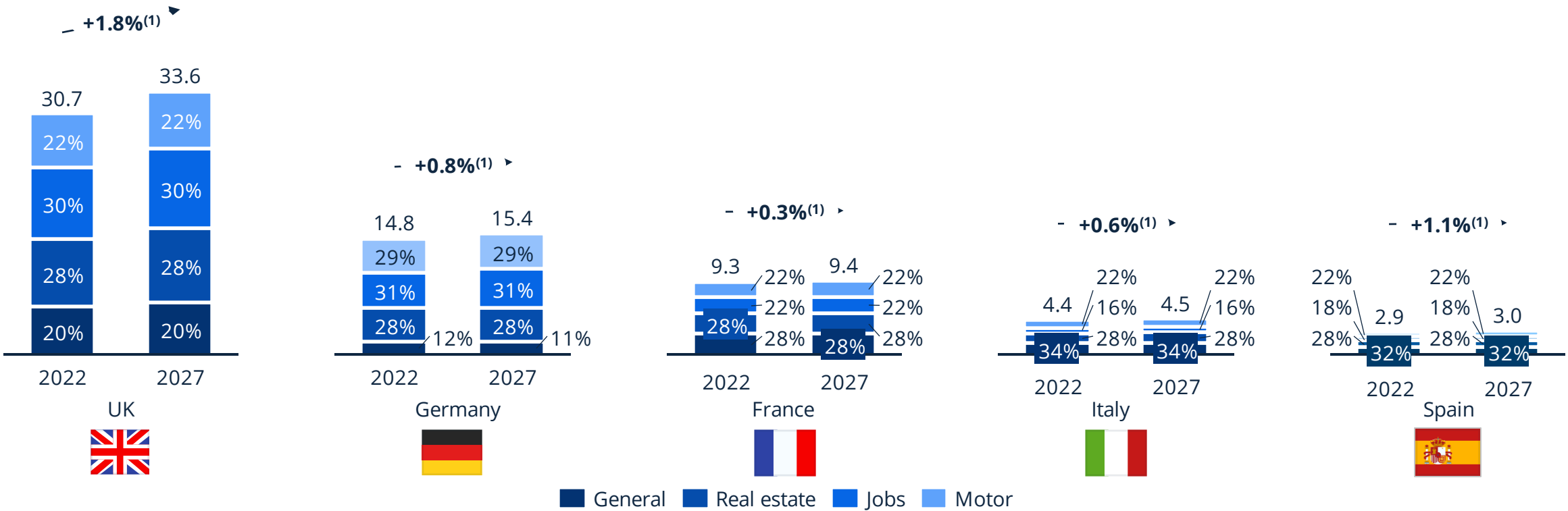
Classifieds market: Average ad spending per internet user forecast in US\$



# Among the top 5 EU countries, the revenue of jobs classifieds per internet user will likely be the highest in the UK in 2022

Market Size: Regional comparison (4/4)

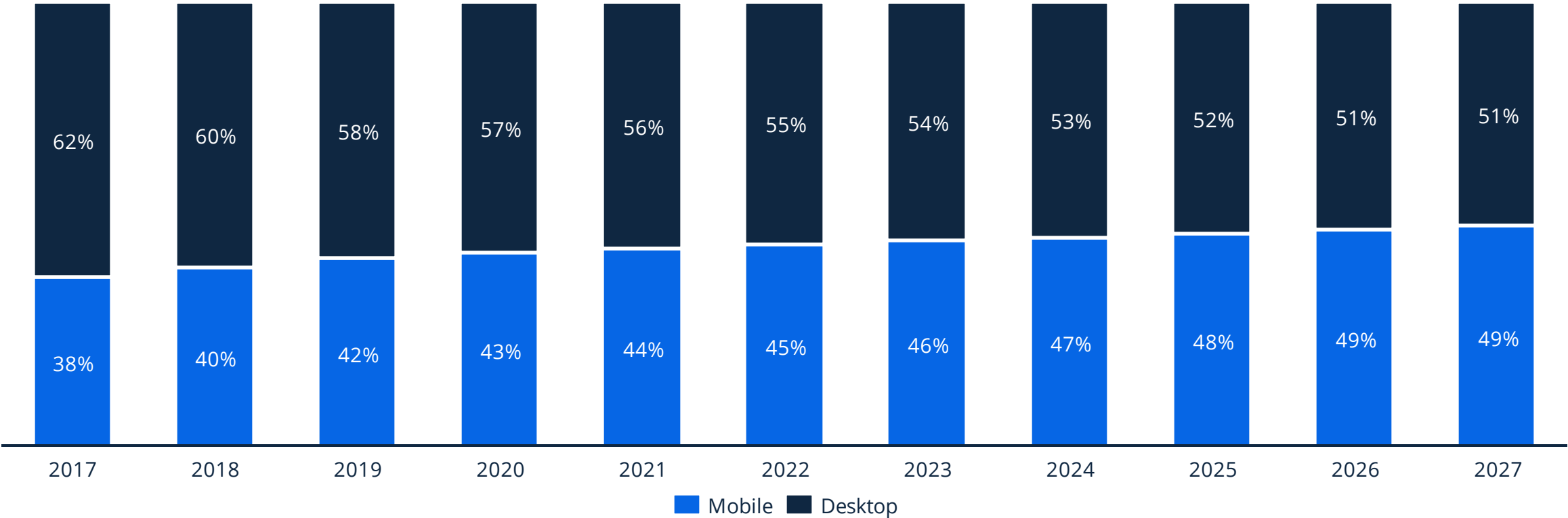
Classifieds market: Average ad spending per internet user forecast in US\$



# Share of desktop is declining in the Classifieds segment's ad revenue

Distribution by device: Global

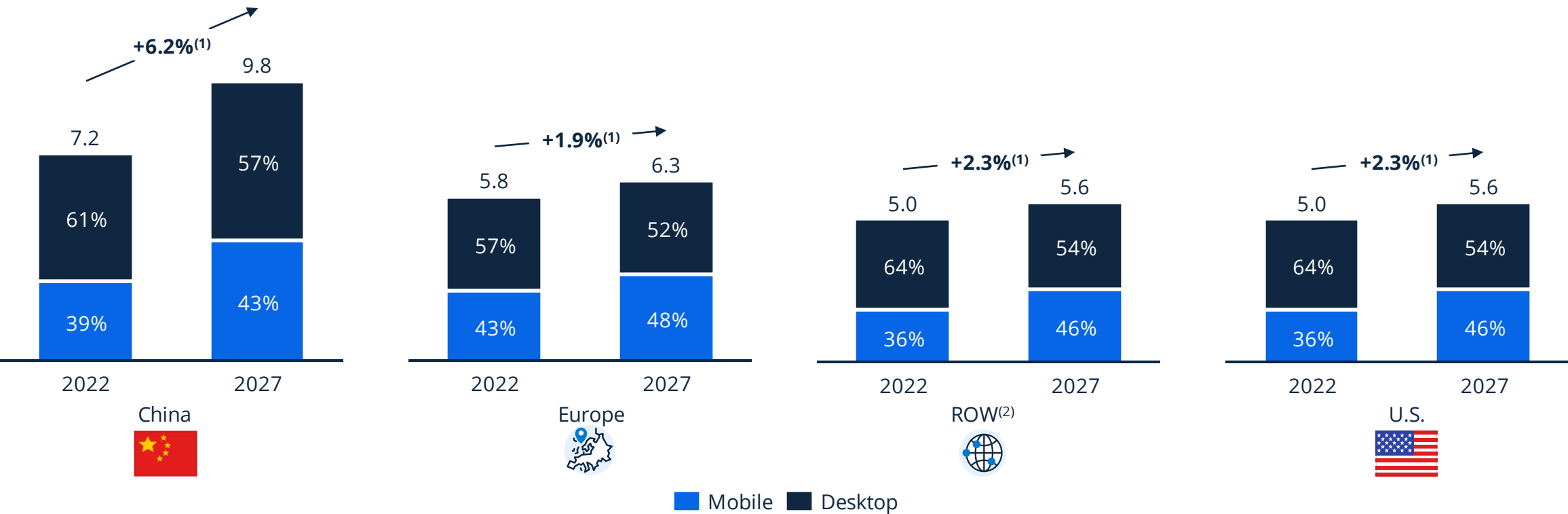
Classifieds market: Share by device



# Between 2022 and 2027, China will likely remain the leading Classifieds segment in terms of mobile ad revenue

Distribution by device: Regional comparison (1/4)

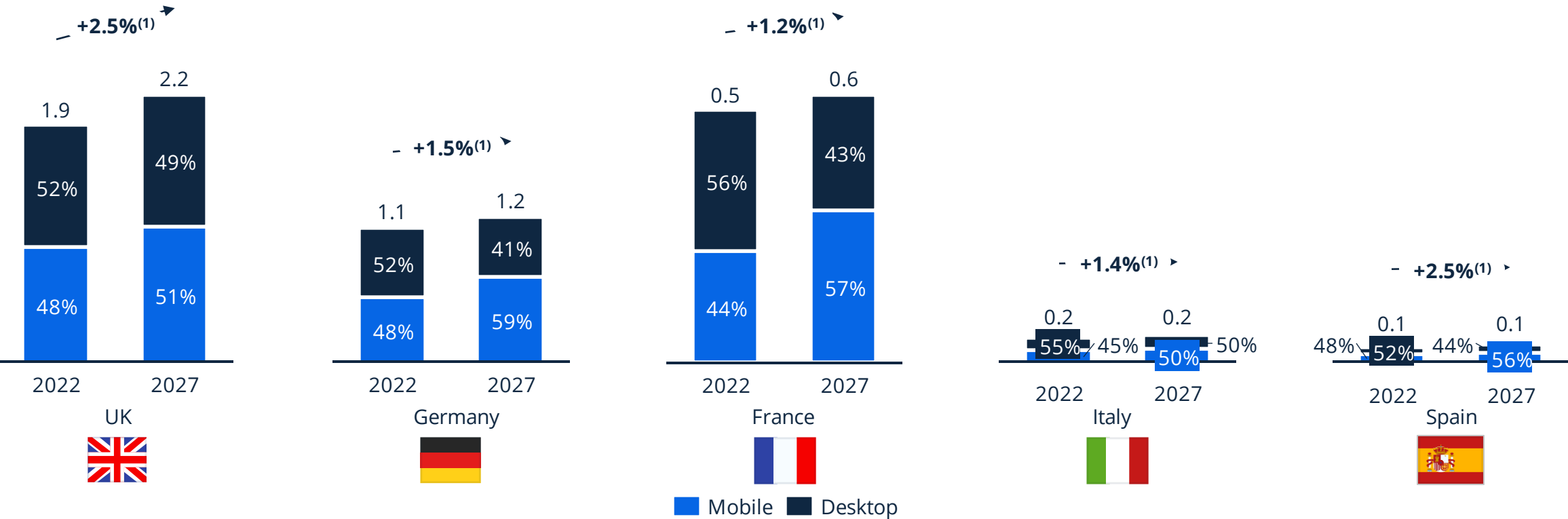
Classifieds market: Mobile and desktop distribution forecast in billion US\$



# Out of all top 5 EU markets, ad revenue of mobile will almost surpass the revenue of desktop by 2027

Distribution by device: Regional comparison (2/4)

Classifieds market: Mobile and desktop distribution forecast in billion US\$

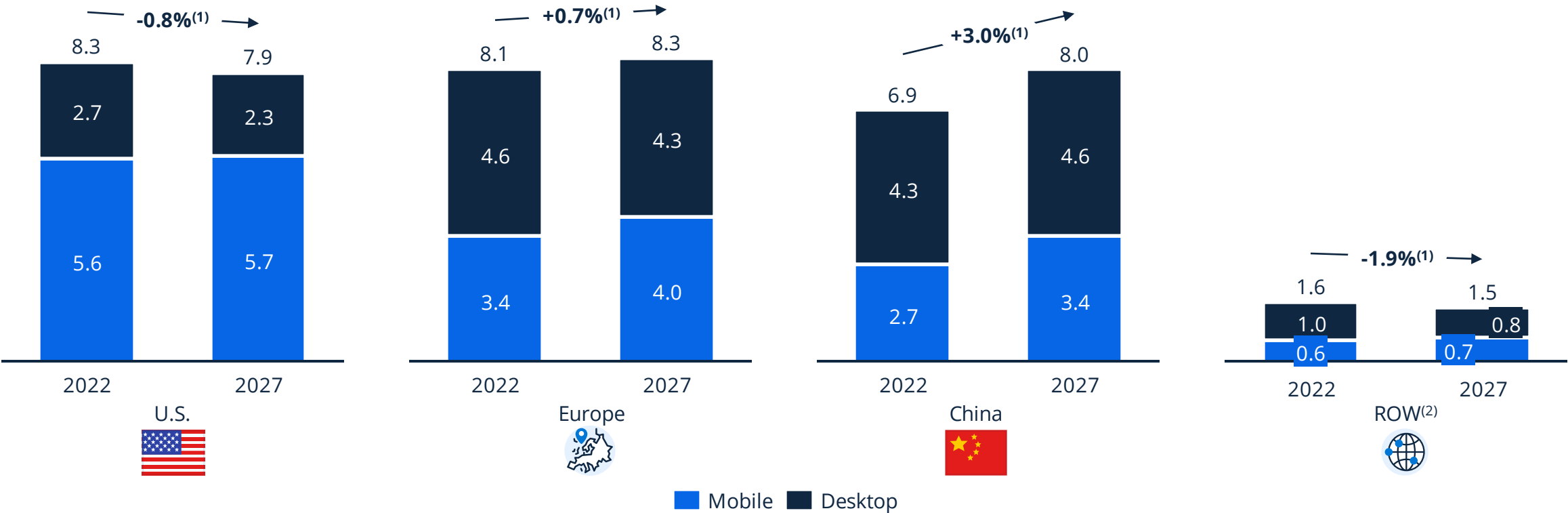




# The average ad revenue of mobile devices per internet user remains highest in the U.S.

Distribution by device: Regional comparison (3/4)

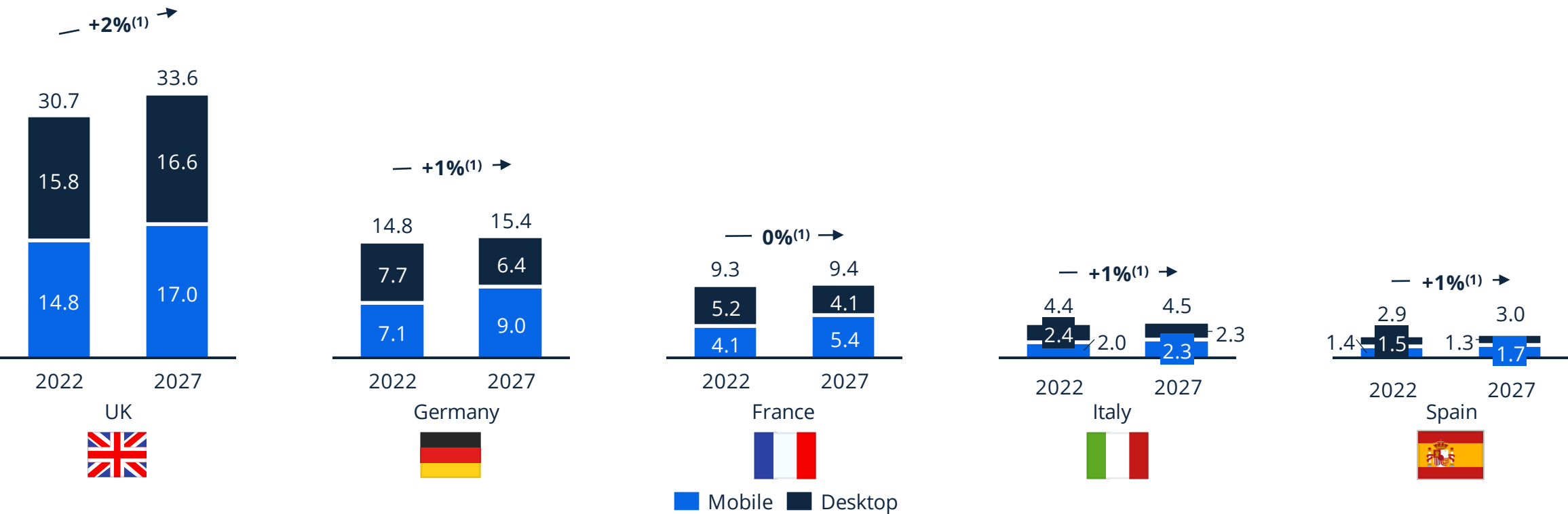
Classifieds market: Average ad spending per internet user forecast in US\$



# In all top 5 EU markets, the average ad revenues of both mobile and desktop per internet user remain highest in the UK

Distribution by device: Regional comparison (4/4)

Classifieds market: Average ad spending per internet user forecast in US\$



# With its network of partner websites, StepStone reaches up to 16.6 million monthly visitors

Company profile: StepStone



## StepStone key facts

Revenue: **US\$730.8 million (2019)**

CAGR<sup>(1)</sup>: **7.4% (2019-2020)**

Employees: **3,500 (2019)**

Number of job ads: **29 million (2019)**

Founded: **1996**

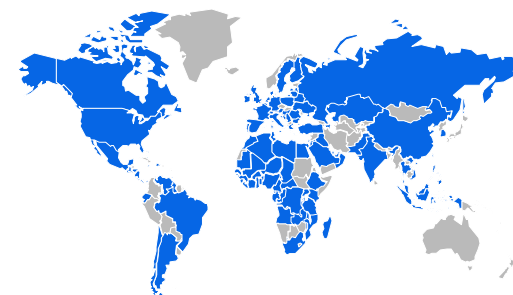
Headquarters: **Düsseldorf, Germany**

## Product: online job board

Originally founded under the name of Jobshop in Oslo, Sweden, the company entered the German market in 1998. For a fee, businesses can post digital job offers and promote their vacancies. The company was eventually rebranded to StepStone in 2000 and went public in the same year. Nine years later, Axel Springer acquired the online job board and delisted it from all stock exchanges in 2010.

Today, StepStone operates on some of the world's biggest digital classifieds websites and networks with 67 million monthly visits and more than 60,000 companies posting vacancies.

## Availability<sup>(2)</sup> of StepStone



## StepStone's advertising strategy

In contrast to other digital classifieds websites, posting job offers on StepStone always entails paying a fixed fee. Customers can choose between three packages, including different features such as customizable classifieds, the embedding of company videos, a better positioning in the website's search results, or the classified's inclusion into user newsletters. Moreover, all job classifieds are also displayed on up to 450 other websites StepStone is partnering with, including partners in the IT, finance, pharma, medical, and logistics industries and 50 universities. Thus, advertisers benefit from a range of 16.6 million monthly visitors.

INDUSTRIES & MARKETS

# Social Media Advertising: market data & analysis

Market Insights report

**Market** Insights  
by statista 

2023



# Advertising on social media is a market that grows at a fast pace

Overview: Summary

## Summary

The global number of social media users reached 4.2 billion in 2021 and is projected to increase to 5.8 billion users by 2027. Social media has increasingly impacted our daily lives since its emergence in 2005. Unsurprisingly, marketers now use social media as their main method of advertising. They spend a significant amount of money to reach consumers on social media and are constantly thinking of new, creative methods to improve their social media advertising strategies.

The development of the internet infrastructure and the accessibility of smartphones are the main forces behind the expansion of social media advertising. Over the past ten years, the internet infrastructure has undergone a significant transformation. It is now quicker, less expensive, and more accessible. While smartphones have gotten cheaper over time, they were a luxury item for professionals less than 20 years ago. Nowadays, people use their smartphones daily, which has led to a substantial rise in social media usage.

Social media advertising had been expanding since before the COVID-19 pandemic. However, the pandemic has increased the usage of social media, especially for video content, which has caused exponential growth in social media advertising. People are spending increasingly more time on social media, mainly due to TikTok's boom during the pandemic and the significant increase in Instagram's video content. Thanks to this increased content consumption, social media advertising has grown significantly.

# Social Media Advertising is an important part of the Advertising market

Overview: Market Definition

## Market definition

Social Media Advertising is a form of online digital marketing in which paid banner and video ad campaigns are run on social media platforms to reach the target audiences. Marketers can promote brands, products, and services and increase purchase intention.

Social Media Advertising comprises advertising spending, users, average revenue per user, and key players. The market only displays B2B spending. Figures are based on advertising spending and exclude agency commissions, rebates, production costs, and taxes. Key players in Social Media Advertising include Facebook, Instagram, Twitter, TikTok, LinkedIn, Weibo, Naver, and Kakao. For more information on the data displayed, use the info button right next to the boxes.

# Social Media Advertising market is projected to reach US\$226bn in 2022

Overview: Key Takeaways and in scope / out of scope

## Key Takeaways

Ad spending in the Social Media Advertising market is projected to reach US\$226bn in 2022.

Ad spending is expected to show an annual growth rate (CAGR 2022-2027) of 11.2%, resulting in a projected market volume of US\$385bn by 2027.

In global comparison, most ad spending will be generated in the United States (US\$81bn in 2022).

In the Social Media Advertising market, 83% of total ad spending will be generated through mobile in 2027.

### In scope

This market includes:

- All ad spending generated by social networks
- Sponsored posts

### Out of scope

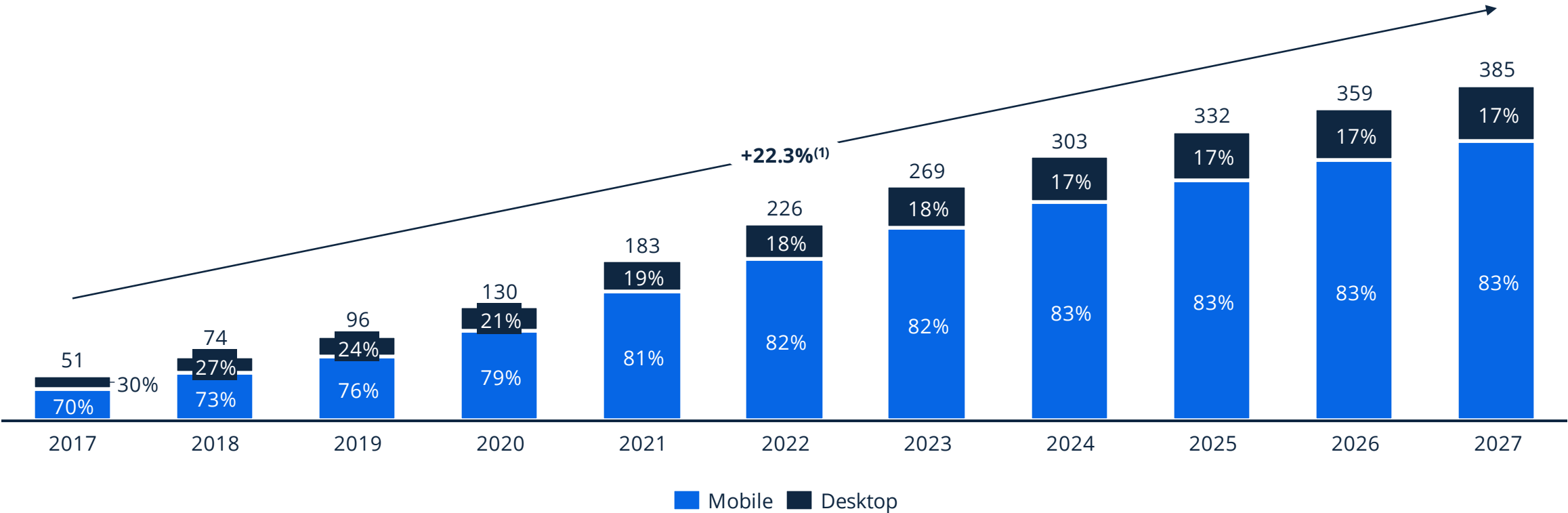
This market excludes:

- Ads within online games playable on social networks
- Revenue generated from membership subscriptions or premium fees

# The Social Media Advertising segment shows average growth rates of around 22.3% per year

Distribution by device: Global

Social Media Advertising market: Mobile and desktop distribution forecast in billion US\$

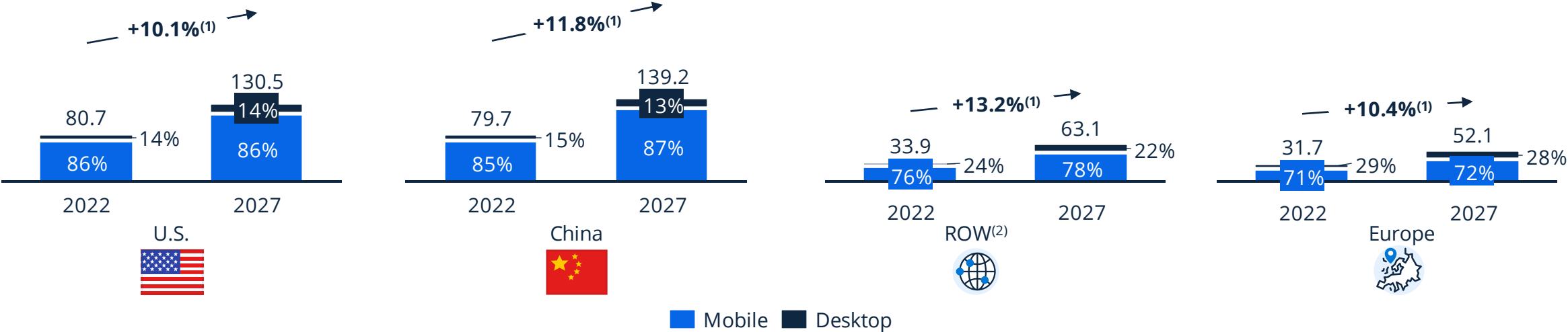




# The Social Media Advertising segment in China will likely be as big as in the U.S. in 2022

Distribution by device: Regional comparison (1/4)

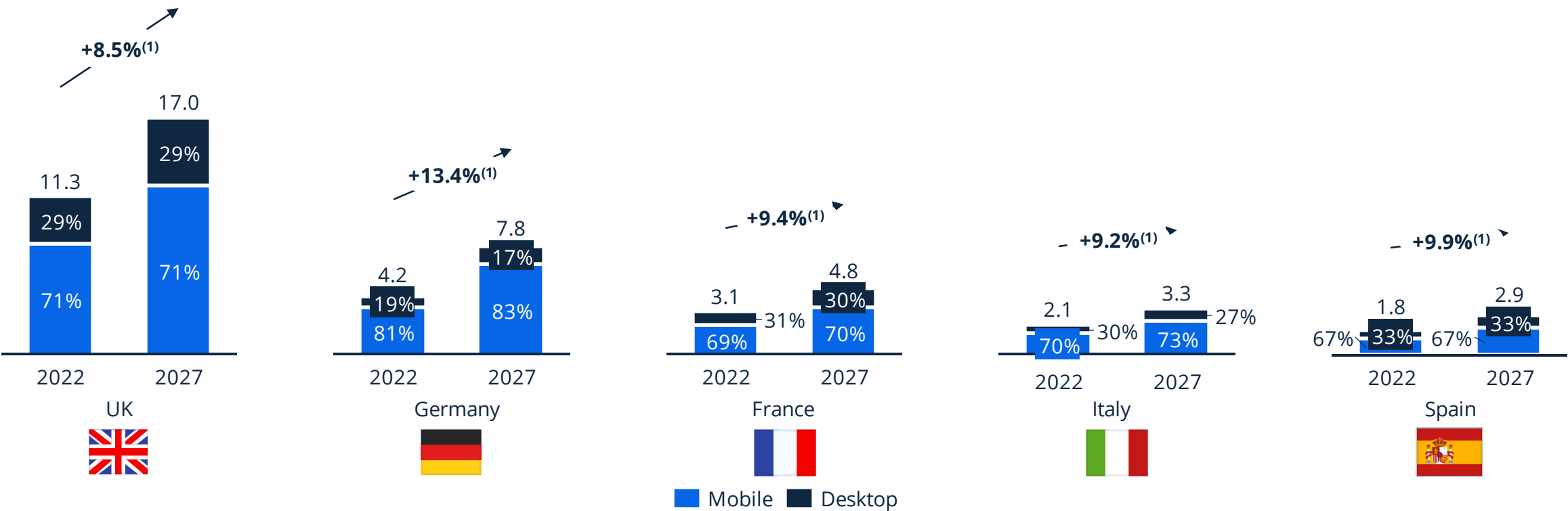
Social Media Advertising market: Mobile and desktop distribution forecast in billion US\$



With revenues of US\$11.3 billion, the UK will likely be the biggest market among the top 5 EU countries in 2022

Distribution by device: Regional comparison (2/4)

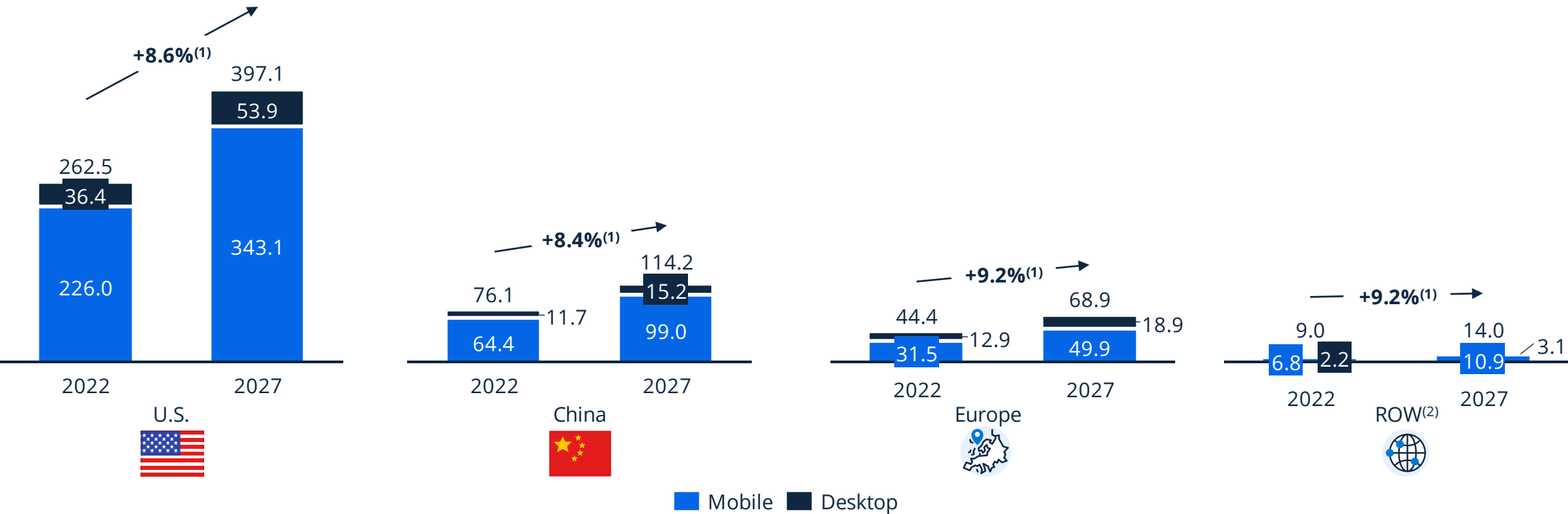
Social Media Advertising market: Mobile and desktop distribution forecast in billion US\$



Out of the major regions, the mobile ad revenue per internet user remains highest in the U.S.

Distribution by device: Regional comparison (3/4)

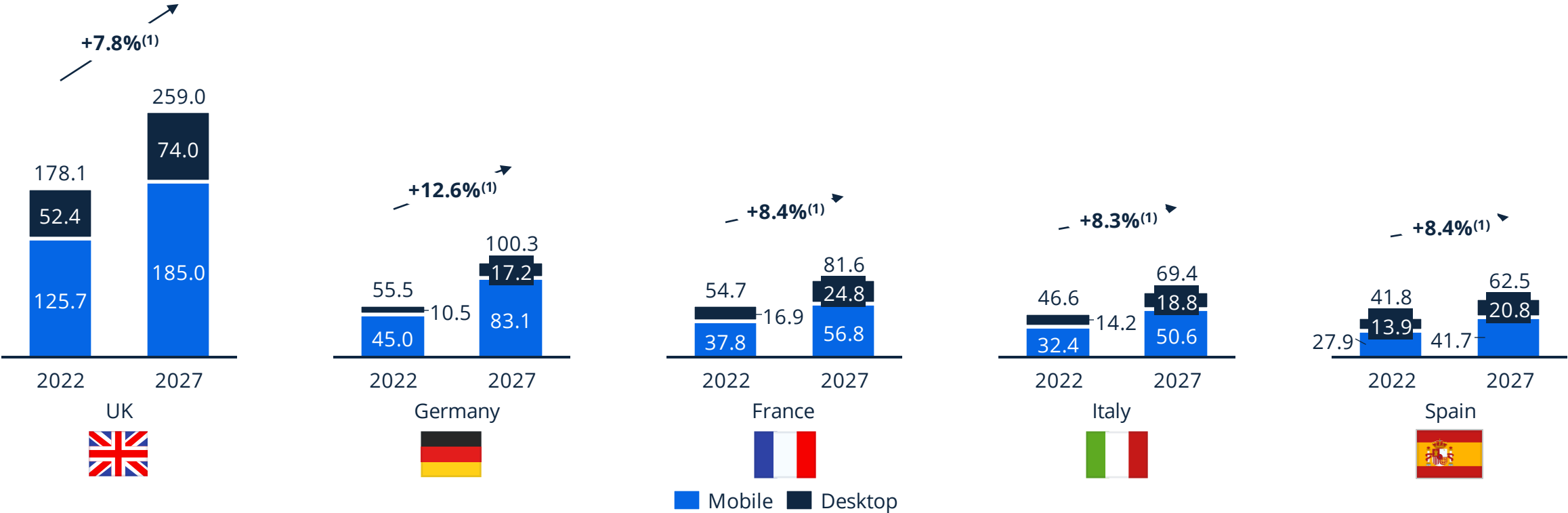
Social Media Advertising market: Average ad spending per internet user forecast in US\$



# Among the top 5 EU countries, the mobile ad revenue per internet user will likely be the highest in the UK in 2022

Distribution by device: Regional comparison (4/4)

Social Media Advertising market: Average ad spending per internet user forecast in US\$

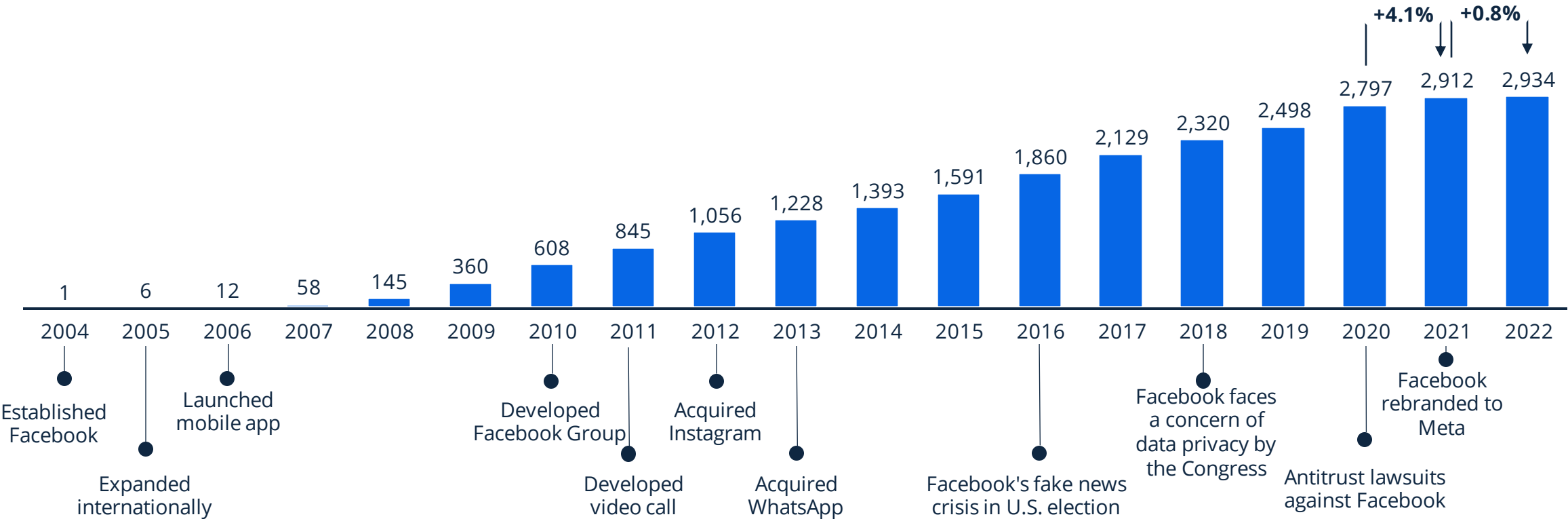


# In 2022, the Facebook platform has been facing significantly slow growth in monthly active users

Company profile: Meta Platforms, Inc. (1/2)



Facebook’s monthly active uses in million and timeline of events

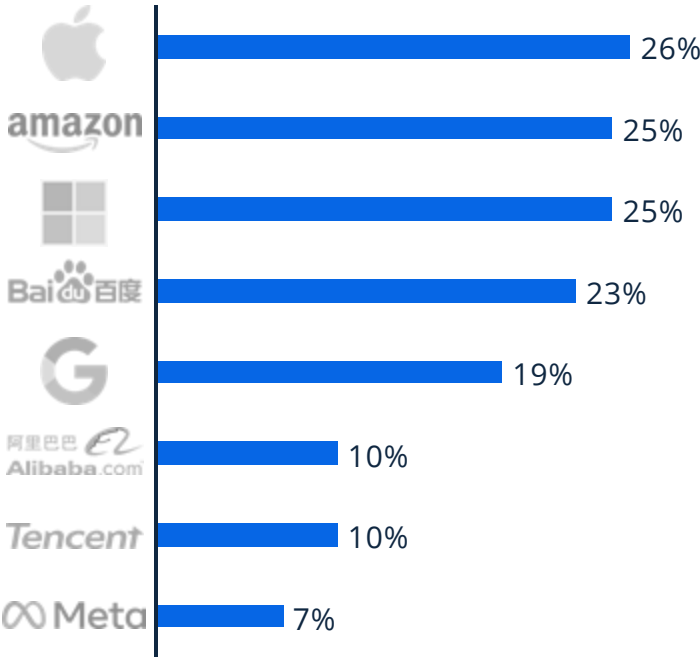


# Compared with other companies, public trust in Meta protecting personal data is low

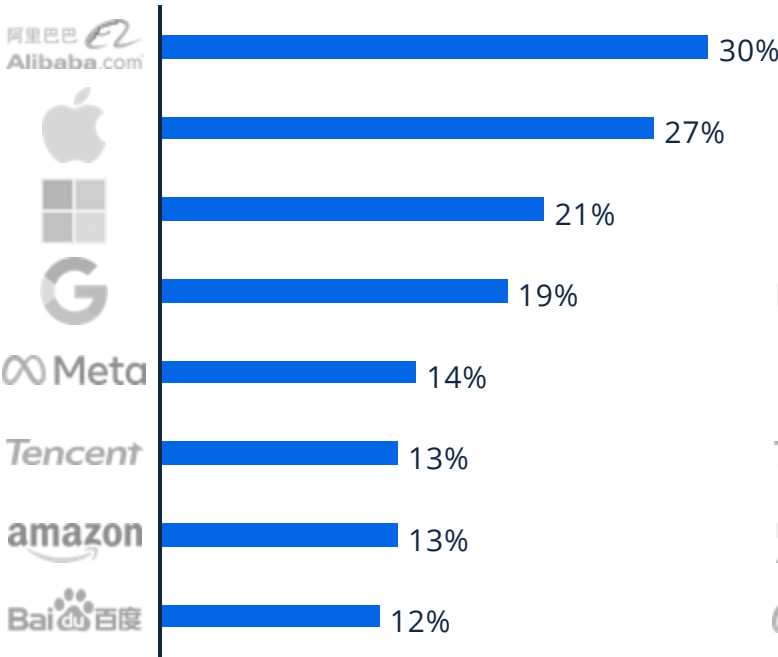
Company profile: Meta Platforms, Inc. (2/2)



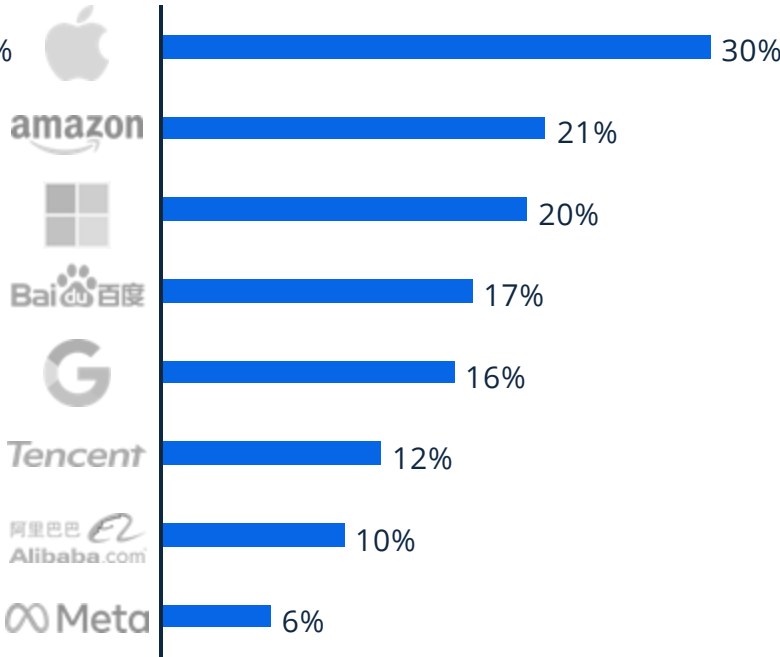
## Trust in protecting personal data



U.S.



China



Germany

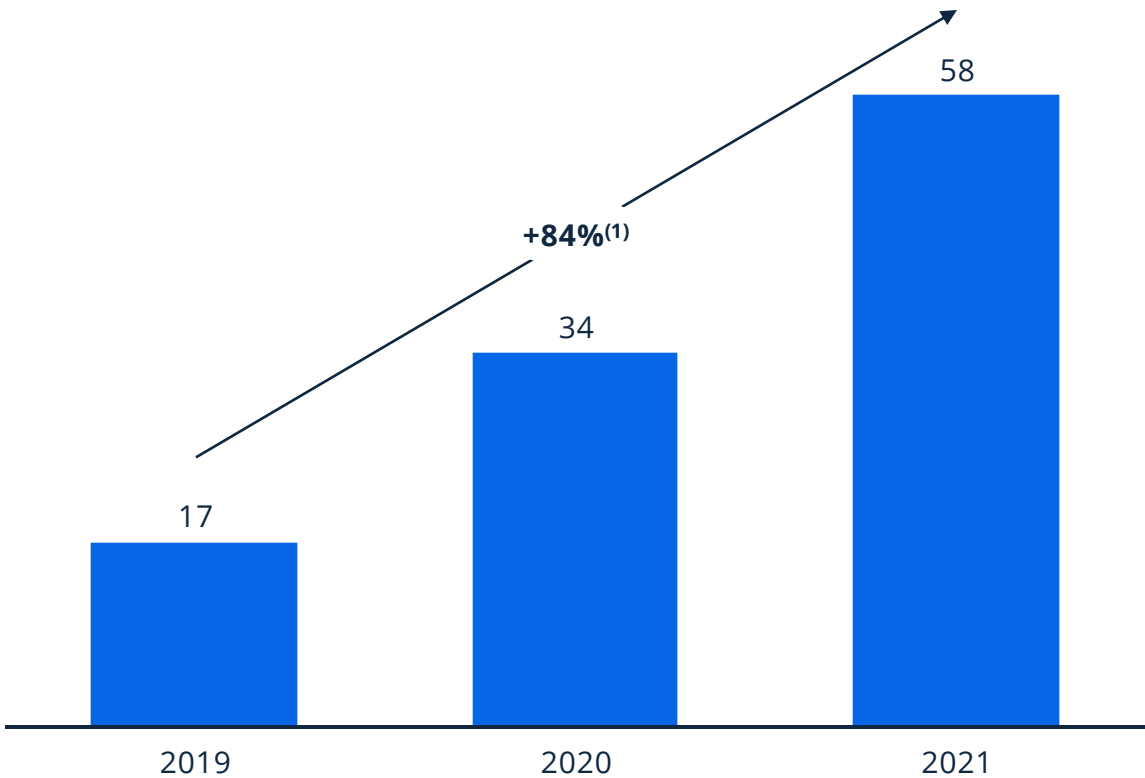


# The combined advertising revenue of TikTok and Douyin accounts for nearly 80% of ByteDance's total income

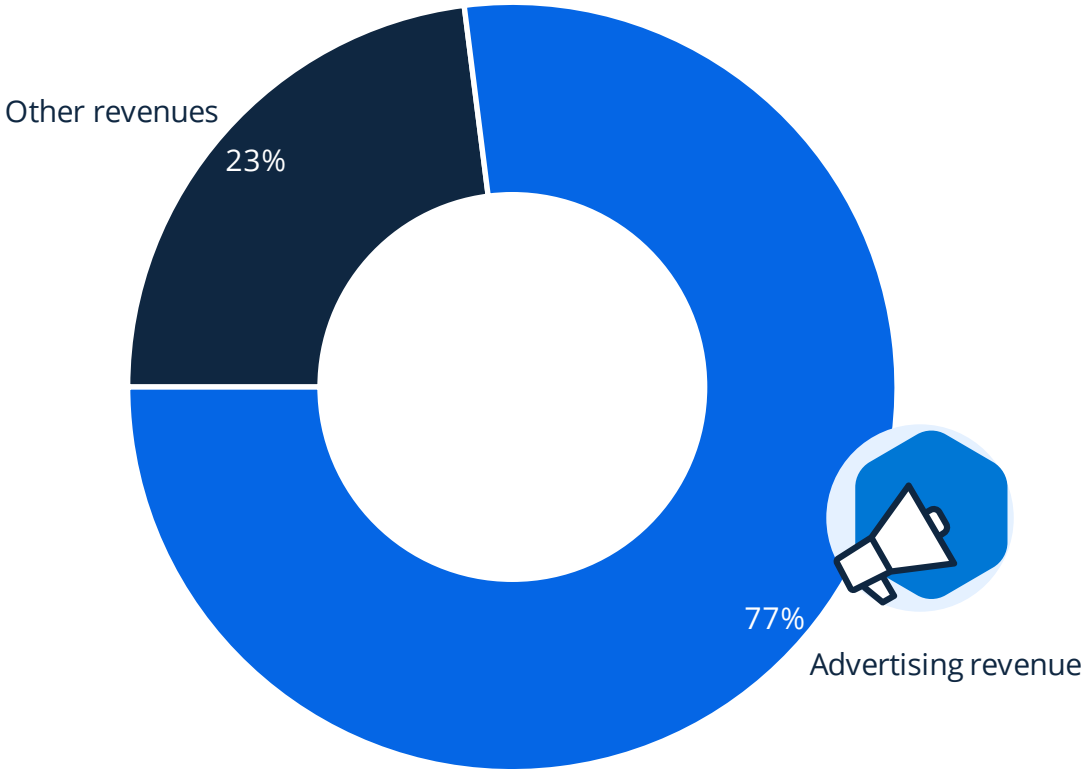
Company profile: ByteDance



ByteDance's revenue from 2019 to 2021, in billion US\$



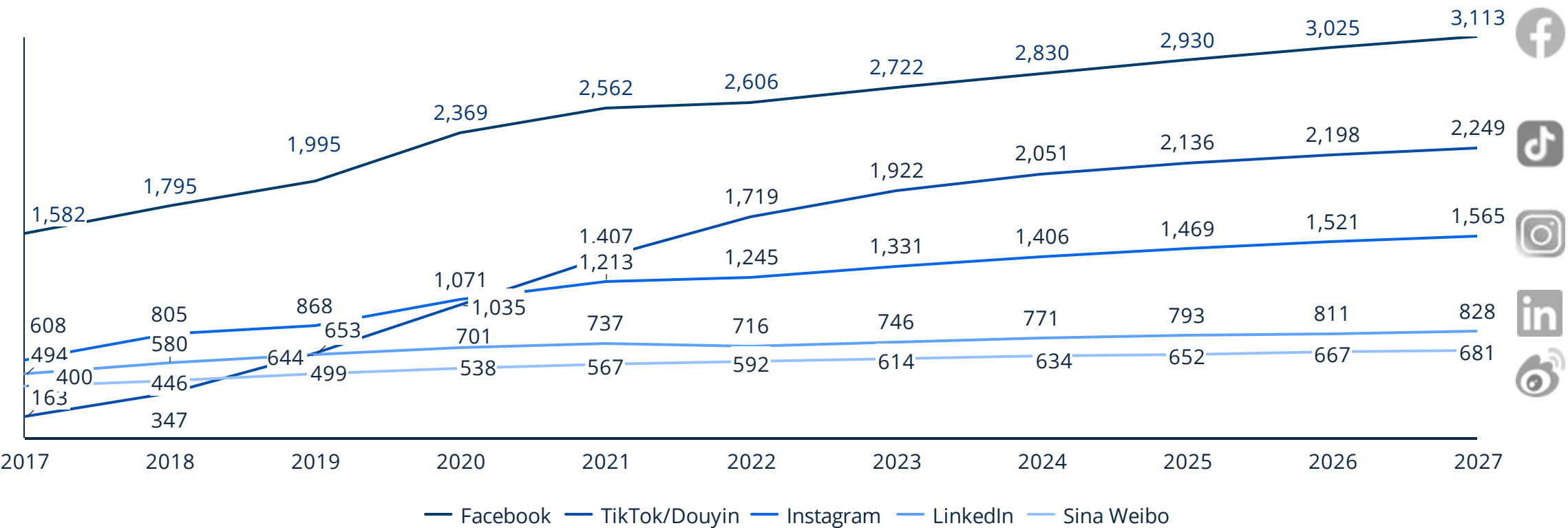
ByteDance's revenue contribution in 2021



While Facebook had over 2,500 million users in 2021, Tiktok and Douyin's combined number of users surpassed Instagram's

Deep dive: number of social media users

Number of active social media users by platform, in million





# Messenger apps such as WhatsApp and Facebook Messenger have vast advertising potential

Deep dive: messenger apps

## Monetization lies ahead

A look at the social media network landscape in the recent years reveals a growing trend toward mobile social network apps such as Instagram or messenger apps such as Snapchat whose usability focuses on mobile devices. The whole user interface of Snapchat, for instance, is designed for vertical screens. In general, messenger apps are considered social networks. New app features such as status, stories, or groups have typical characteristics of social networks such as building profiles, sharing moments in the form of photos or videos, and interacting with like-minded people. It is surprising that only a few messengers, e.g., WeChat in China, are fully monetized. It seems even more odd, considering that Facebook's entire business model is based on monetizing its platform by selling advertising space. Together, Facebook's messenger apps WhatsApp and Facebook Messenger list almost 3 billion users and therefore have huge potential, giving the company a favorable starting point. However, we expect that messenger apps will soon be fully monetized, which will cause significant growth of the Social Media Advertising revenue. Innovative apps such as TikTok, which are especially popular among children and teenagers, are already working on including advertisements.



## CHAPTER 3

# Appendix



## STATISTA MARKET INSIGHTS

# Market Insights – market data, forecasts, and qualitative insights

Gain a better understanding of markets across 190+ geographical entities – on a global, regional, country, and/or state level. Access our data via web interface, download (XLS, PDF, PPT), or reports. Benefit from our 48-hour customer service guarantee.

- **10 sectors:** advertising & media, consumers, countries, digital sector, finance, health, industrial sector, mobility, and technology
- **1,000+ markets,** e.g., FinTech, Food, or Robotics
- **KPIs,** e.g., revenue, market shares, prices, and volume
- **Features:** Compare countries & regions, change currencies, select visualizations, and/or customize downloads
- **Use cases:** sales planning, investment decision support, resource allocation, and portfolio management

[Go to Market Insights](#)

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**10**  
sectors

**190+**  
geographical  
entities

**1,000+**  
markets

**400+**  
reports

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Sebastian Lindlahr graduated in Hamburg with a focus on international business management. He gained a comprehensive understanding of market structures working as a market strategist and business developer. At Statista, he is the team lead for Advertising and Media Insights.