

Record growth of \$771bn in 2021 for global advertising market

New advertising spend forecasts for 100 markets worldwide show that the global ad market has largely weathered the impact of Covid-19 so far, with a meteoric 23.8% rise to a total of \$771bn this year - the strongest growth in WARC's four decades of market monitoring.



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The international marketing intelligence service continued saying that advertising investment is forecast to rise by a further 12.5% and 8.3% in 2022 and 2023 respectively and is on course to reach a value of US\$1tn in 2025.

James McDonald, director of data, intelligence & forecasting, WARC says: "Despite potential headwinds, market data show that we are currently witnessing a boom in advertising trade like none seen before, led by increased demand for retail media and ancillary publishers such as Google and Instagram, which is now the world's largest social platform.

The growth is being led by e-commerce platforms. Of the \$1tn forecast by 2025, three companies – Meta, Alphabet and Amazon – will account for more than half of the advertising market worth.

Of advertising professionals, 66% are planning to up spend on TikTok next year, while YouTube (61% of surveyed practitioners), Instagram (60%) and Google (57%) are also set to benefit from higher spend in 2022. "

Online media and format trends

- **E-commerce:** The sector is expected to lead growth to 2023, by when the market's value will have more than doubled from 2020's level to a total of \$137.2bn. Growth in China's advertising market is cooling but in the west it is booming, with Amazon on course to amass over \$57bn in advertising revenue by 2023 (up 72% from this year and 308% from 2019, prior to the pandemic). Two in three practitioners already committing budgets to Amazon are intending to increase that spend, while heightened advertiser demand is pushing up the average cost-per-click.
- **Social media:** This was the fastest-growing online sector in 2021, with spend rising 41.9% – or \$55.7bn – to a total of \$188.8bn this year. Instagram grew to become the largest social media platform in 2021 after overtaking the core Facebook platform for the first time. Instagram is forecast to grow to control over a third of the global social media market in 2023. TikTok saw ad revenue rise 151.5% this year and is expected to record growth of 75.4% in 2022. Two in three marketers surveyed by WARC say they intend to up spend on TikTok next year, the highest rate across all online platforms.
- **OTT video:** Premium online video platforms – aka over-the-top (OTT) – such as YouTube and Amazon Prime Video, were worth a combined \$63.7bn to advertisers in 2021, up 41.6% from a year earlier. Further growth, of 19.7% and 14.2%, is projected during 2022 and 2023 respectively, with YouTube leading the charge and set to be worth \$41.4bn by the end of the forecast period.
- **Paid search:** Alphabet is the world's largest media owner and Google the largest individual platform: its advertising revenue rose by 40.6% to \$146.3bn this year, taking 79.7% of all search spend and 19.0% of all advertising spend worldwide. Google's growth is set to ease to 14.8% in 2022, though 57% of practitioners surveyed by WARC are planning to increase spend on the platform next year.
- **Online audio:** Advertising spend on online audio rose by a third to \$5.4bn in 2021, with podcast spend up 50.9% and streaming up 28.4%. Both formats are expected to see gains to 2023, by when the online audio sector as a whole is expected to be worth \$8.3bn. Spotify is one of the main players, it is set to see ad income top \$2bn for the first time in 2023.

"New coronavirus variants – such as Omicron – may have a negative impact on our current outlook, and while our base scenario assumes that impact is muted, we will continue to review that position each quarter," says McDonald.

A sample of the full report is available [here](#)

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