



ACTIVATE CONSULTING TECHNOLOGY & MEDIA OUTLOOK 2025 DATA & ADVERTISING

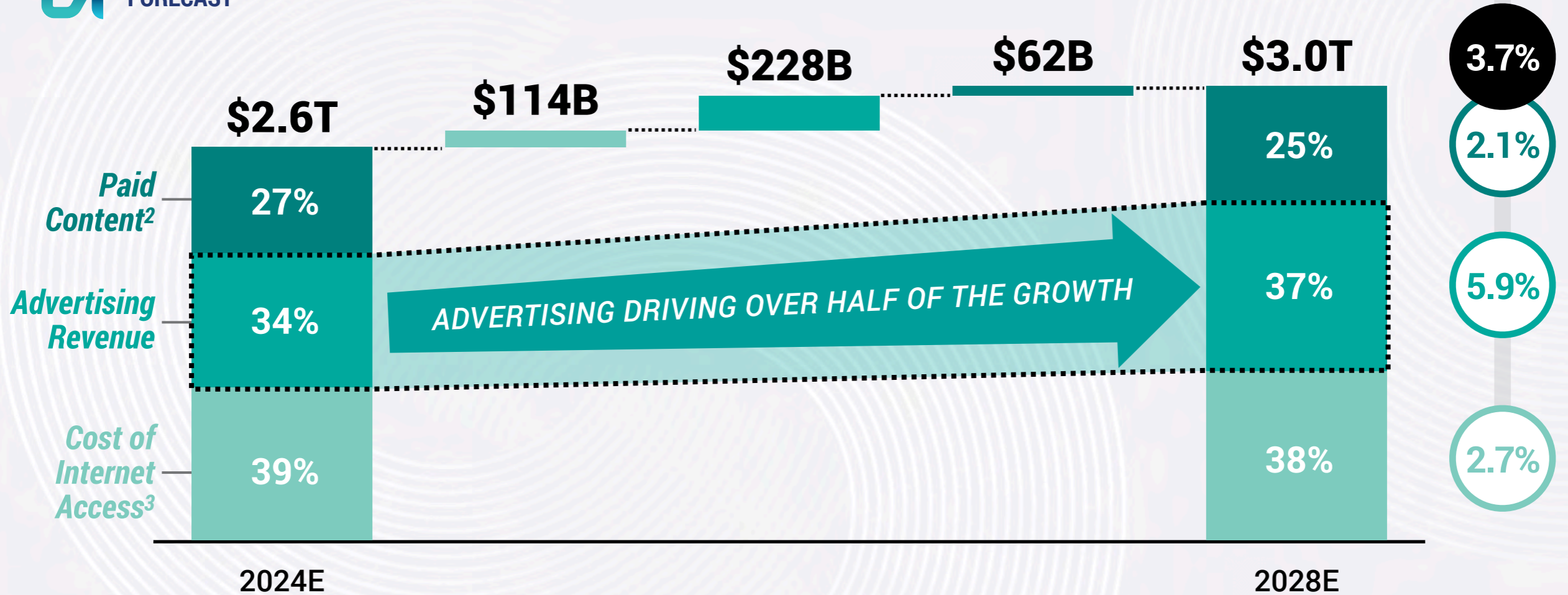
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Advertising spend will drive more than half of the global growth in consumer internet and media revenues

GROWTH IN CONSUMER INTERNET AND MEDIA REVENUE¹ BY SEGMENT, GLOBAL, 2024E VS. 2028E, USD



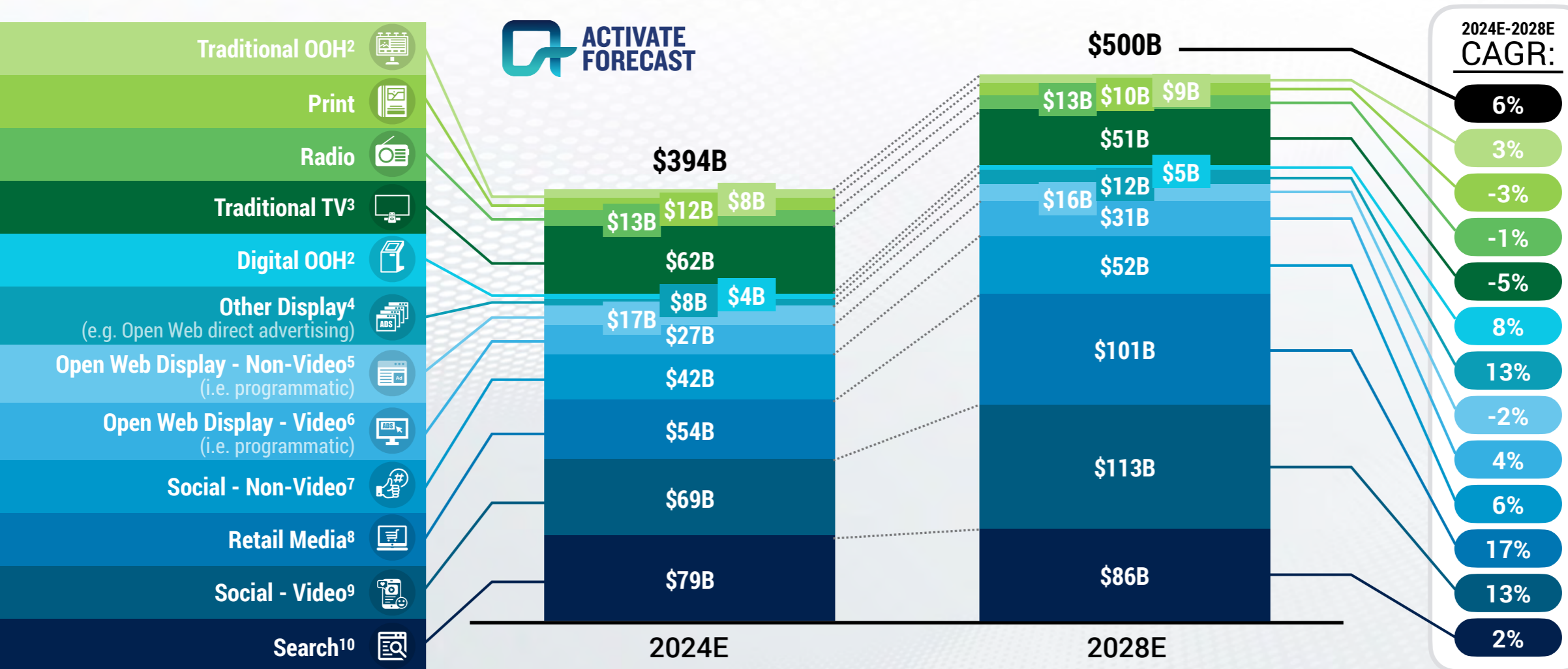
2024E-2028E
CAGR:



1. "Consumer internet and media revenues" include revenues from radio subscription and licensing fees, recorded music, book publishing, magazine publishing, newspaper publishing, video games, filmed entertainment, TV subscription and licensing fees, internet access, digital advertising, and traditional advertising on these platforms.
 2. "Paid content" includes radio subscription and licensing fees, recorded music, book publishing, magazine publishing, newspaper publishing, video games, filmed entertainment, and TV subscription and licensing fees.
 3. "Internet access" includes fixed broadband, wireless, and mobile internet access.
 Sources: Activate analysis, Alliance for Audited Media, Dentsu International, eMarketer, GroupM, IBISWorld, Newzoo, Omdia, Pew Research Center, PricewaterhouseCoopers, Zenith Media

We forecast total U.S. advertising spend to reach nearly \$500B by 2028, with retail media comprising over 20% of spend

ADVERTISING SPEND BY CHANNEL¹, U.S., 2024E VS. 2028E, BILLIONS USD

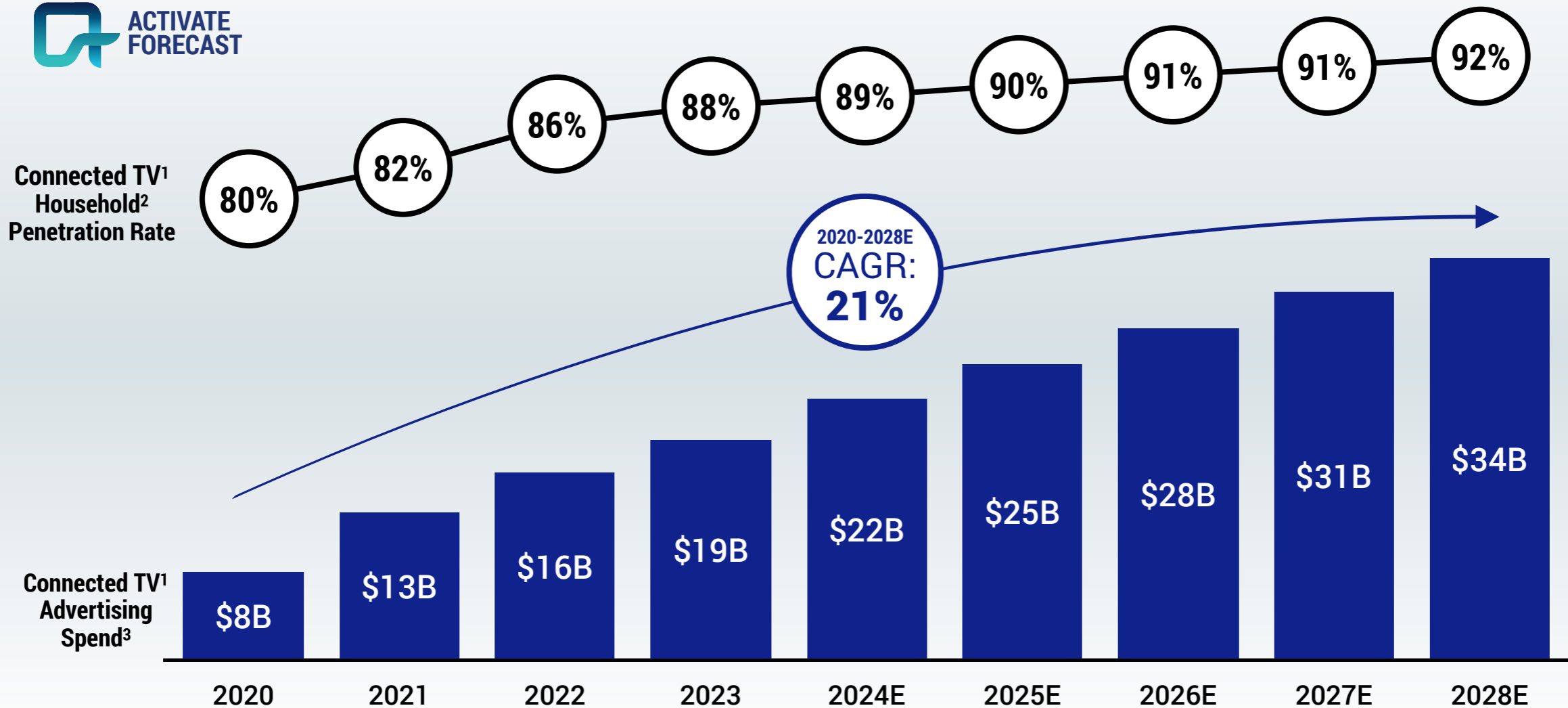


1. Figures do not sum due to rounding. 2. Out-of-Home advertising. 3. Includes broadcast and cable television. Excludes digital. 4. Includes additional open web and walled garden display advertisements bought directly. Includes direct spend on ad-supported streaming. 5. Includes digital audio (e.g. dynamically inserted podcast advertisements). 6. Includes programmatic spend on ad-supported streaming. 7. Includes non-video advertising revenue from YouTube. 8. Includes revenue from on-site, off-site, and in-store retail media. 9. Includes video advertising revenue from YouTube. 10. Excludes search advertisements purchased through retail media networks or related to AI-powered search summaries and chatbots (e.g. ChatGPT).

Sources: Activate analysis, Barclays, Company filings, Company press releases, Company sites, Datas, Dentsu, Deutsche Bank, eMarketer, GroupM, Interactive Advertising Bureau, J.P. Morgan, Jefferies, Jounce Media, MAGNA, Needham & Company, PricewaterhouseCoopers, Raymond James, S&P Global, Semrush, Statista Market Research, TD Cowen, UBS, WARC

We forecast that practically every home in the U.S. will have a connected television enabling advertisers to address cross-platform viewers

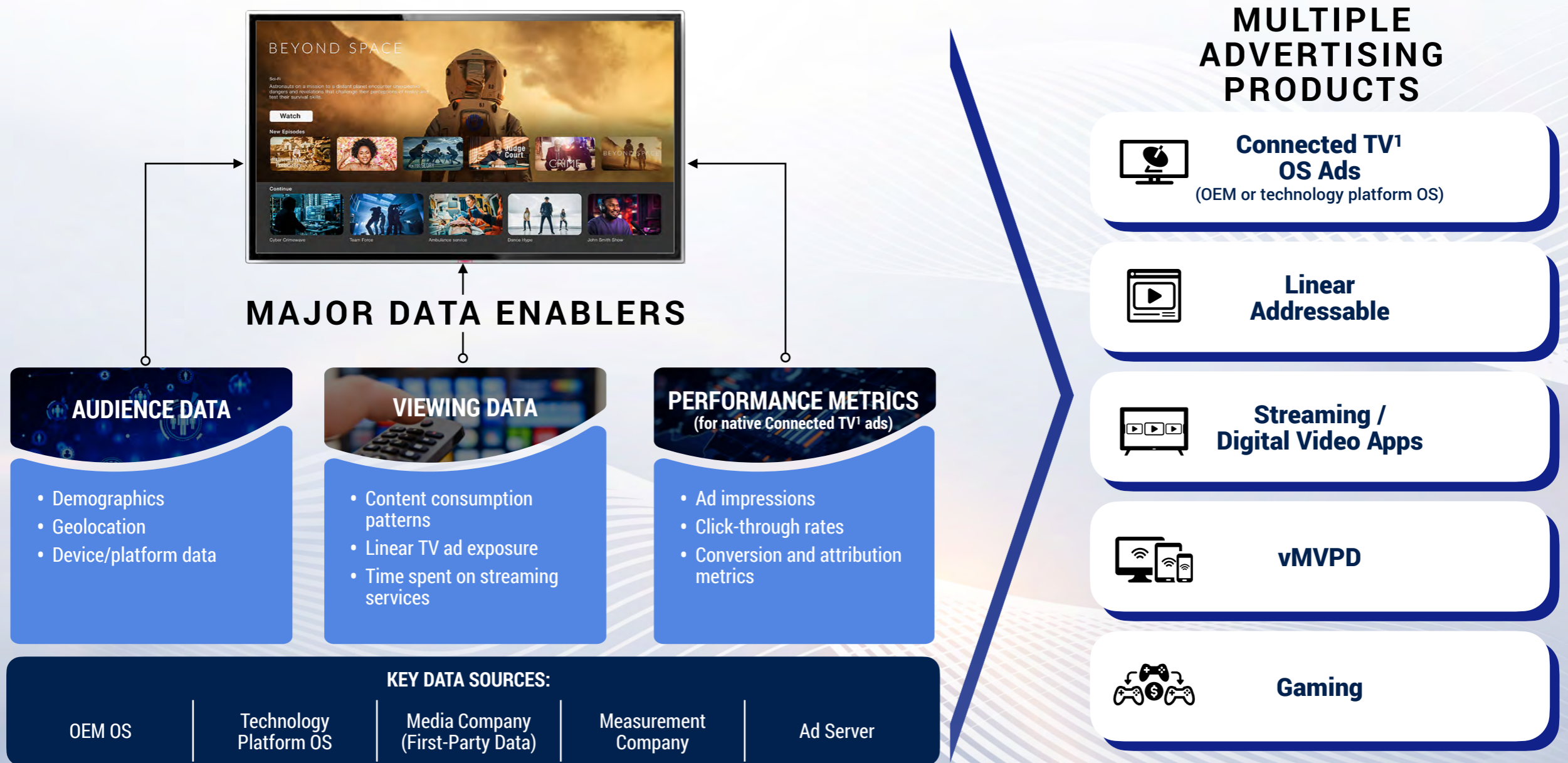
CONNECTED TV¹ HOUSEHOLD² PENETRATION / DIGITAL VIDEO ADVERTISING SPEND³, U.S., 2020-2028E, % TOTAL HOUSEHOLDS / BILLIONS USD



1. "Connected TV" is defined as TV sets that can connect to the internet through built-in internet capabilities (i.e. Smart TVs) or through another device such as a streaming device (e.g. Amazon Fire TV, Apple TV, Google Chromecast, Roku), gaming console, or Blu-ray player. 2. "Connected TV households" is defined as households with at least one person of any age that uses the internet through a Connected TV at least once per month. 3. Includes revenues from digital video ads (e.g. ad-supported streaming, YouTube, publisher apps) that appear on Connected TV devices. Excludes broadcast and cable. Sources: Activate analysis, Comscore, Conviva, eMarketer, Global Data, GWI, IAB, IMF, PricewaterhouseCoopers, Leichtman Research Group, S&P Global, Statista, U.S. Census Bureau

Connected TV will leverage broad data sets to significantly improve advertising targeting and outcomes

CONNECTED TV¹ ADVERTISING DATA SYSTEM

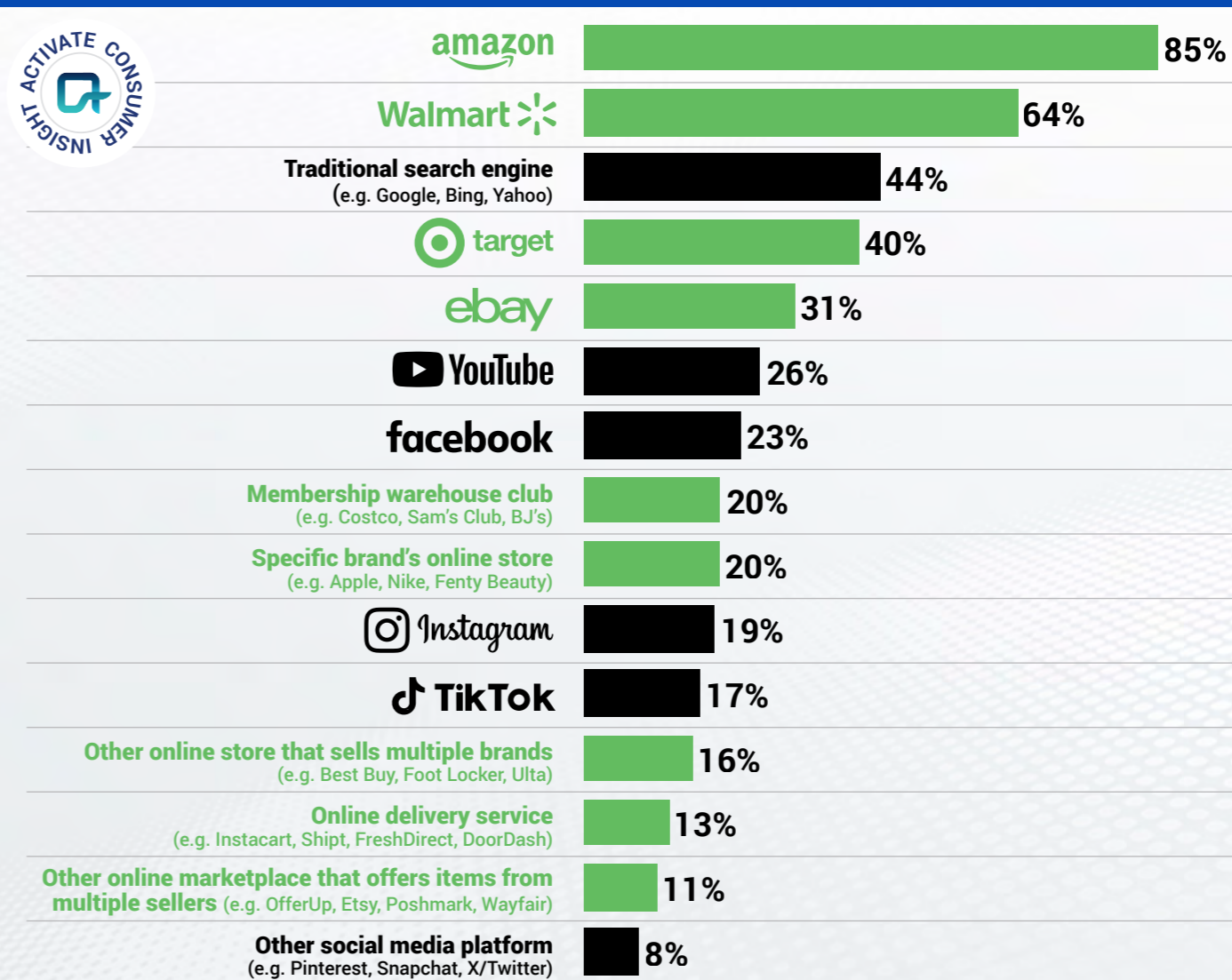
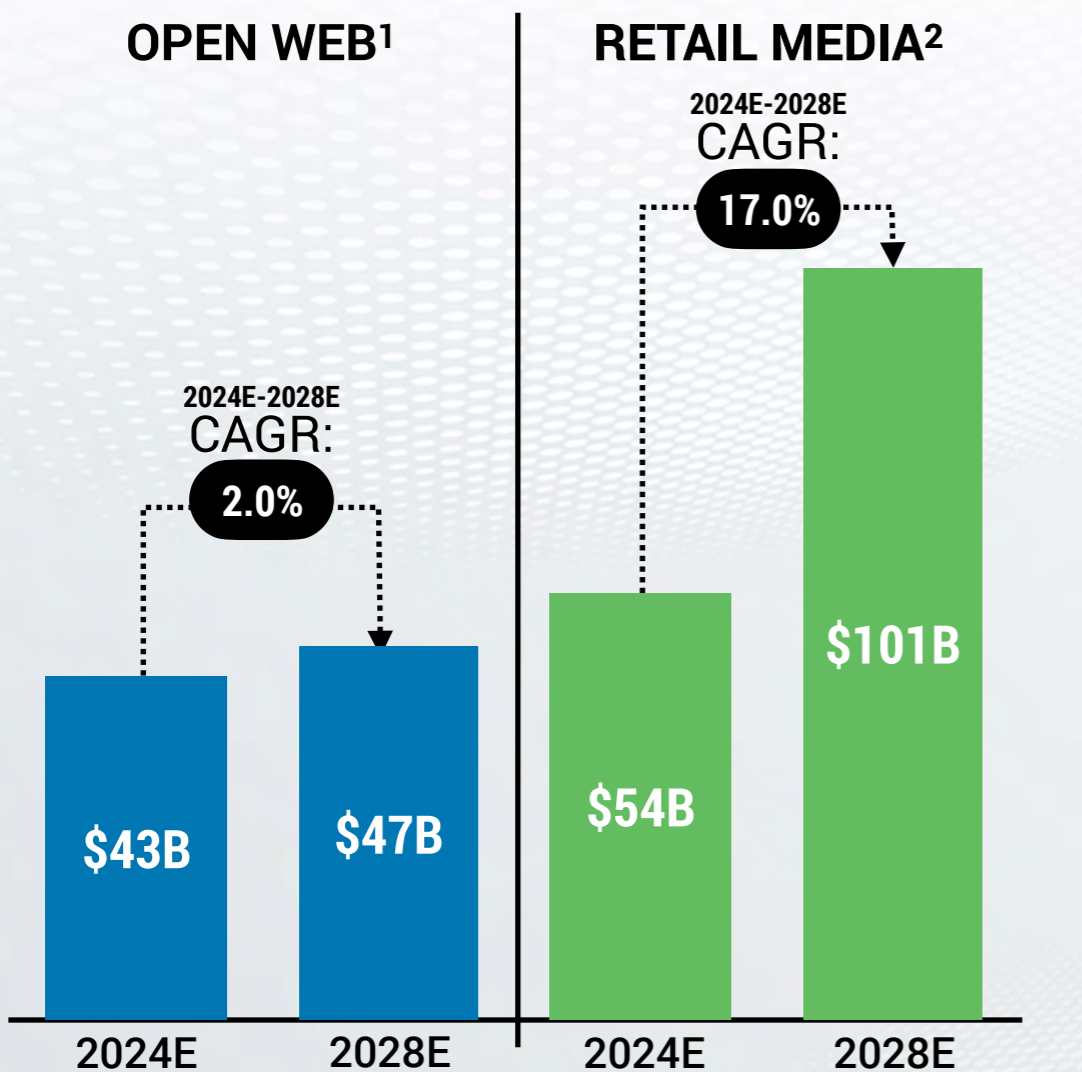


1. "Connected TV" is defined as TV sets that can connect to the internet through built-in internet capabilities (i.e. Smart TVs) or through another device such as a streaming device (e.g. Amazon Fire TV, Apple TV, Google Chromecast, Roku), gaming console, or Blu-ray player.
Source: Activate analysis

Retail media will capture more spend than the Open Web as retailers become a critical media channel (in addition to points of sale), shaping how consumers discover and research brands and products

OPEN WEB¹ / RETAIL MEDIA² ADVERTISING SPEND, U.S., 2024E VS. 2028E, BILLIONS USD

WEBSITES/APPS TYPICALLY USED FOR SHOPPING INSPIRATION OR RESEARCH, U.S., 2024, % ONLINE SHOPPERS³



1. Only includes programmatic ad spend. 2. Includes revenue from on-site, off-site, and in-store retail media. 3. "Online shoppers" is defined as adults aged 18+ who shopped online at least once in the last 12 months. Shopping includes browsing as well as making purchases. Sources: Activate analysis, Activate 2024 Consumer Technology & Media Research Study (n = 4,004), Barclays, Company filings, Company press releases, Company sites, Datos, Dentsu, Deutsche Bank, eMarketer, GroupM, Interactive Advertising Bureau, J.P. Morgan, Jefferies, Jounce Media, MAGNA, Needham & Company, PricewaterhouseCoopers, Raymond James, S&P Global, Semrush, Statista Market Research, TD Cowen, UBS, WARC



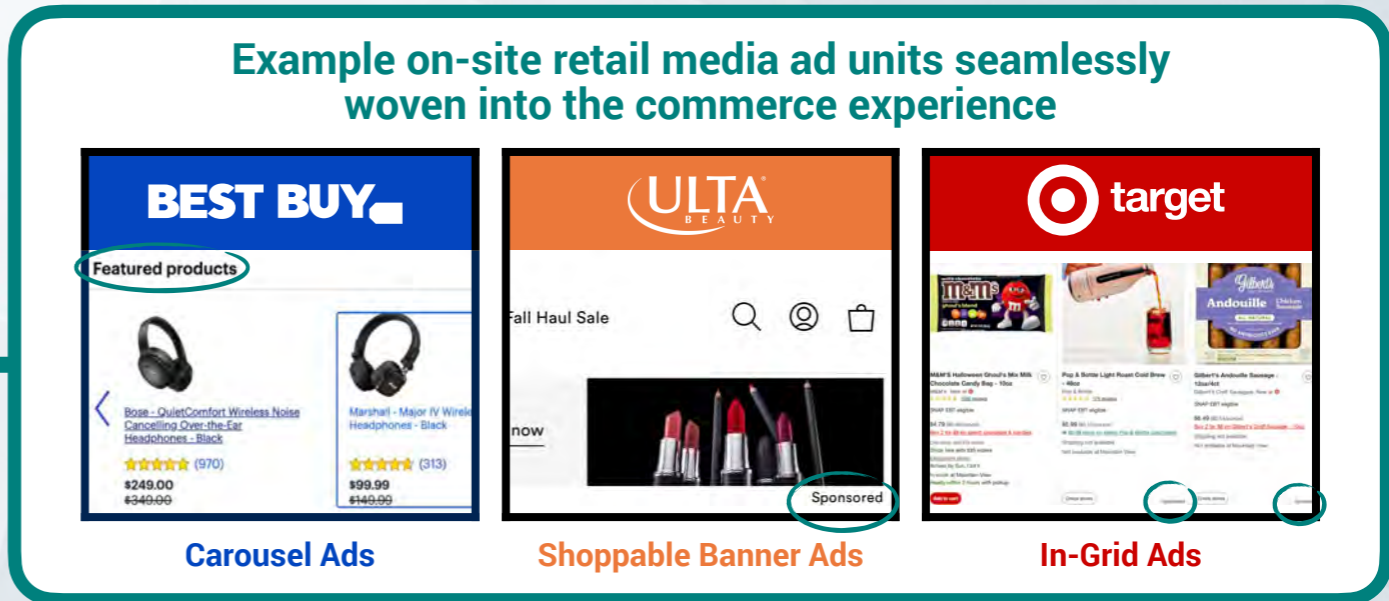
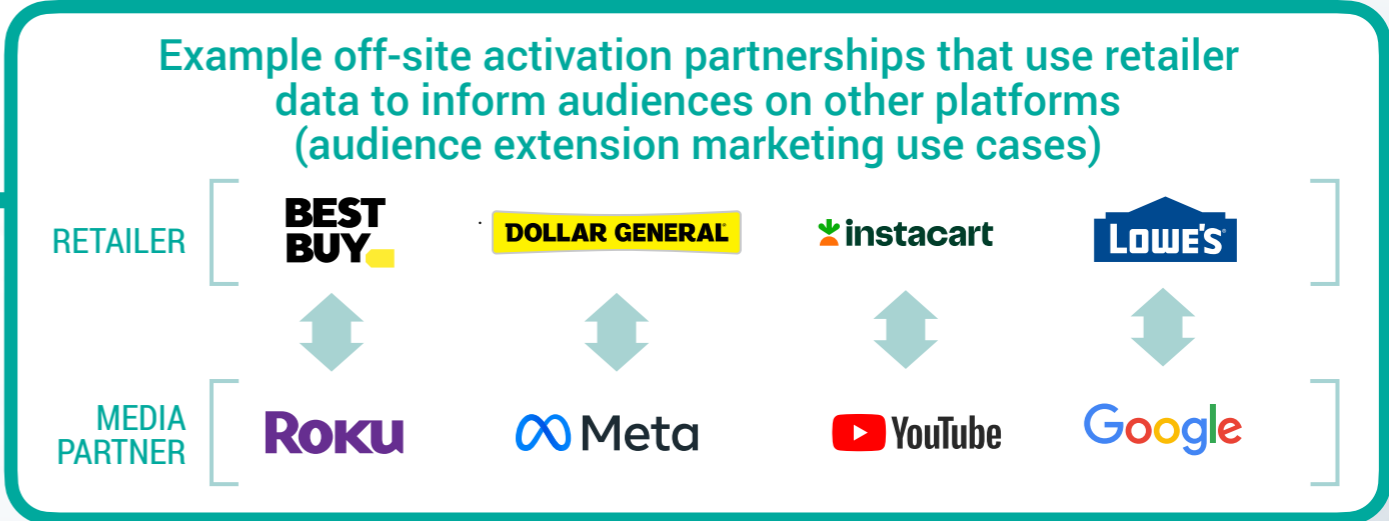
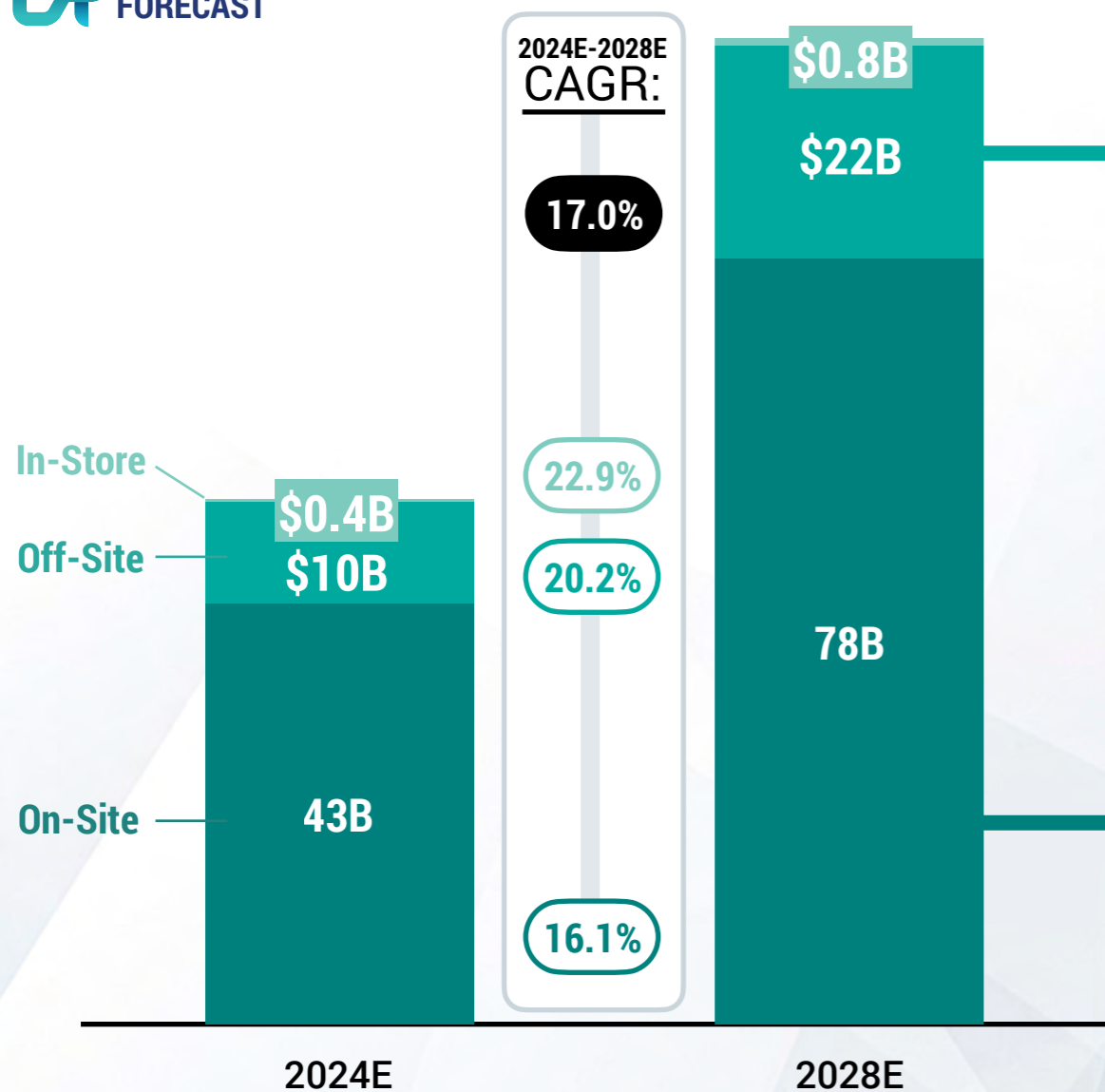
Shopper intent data will enable brands to serve highly relevant ads to drive shopper outcomes on-site and provide marketers with high confidence in return on ad spend through closed-loop attribution

RETAILER ENVIRONMENT



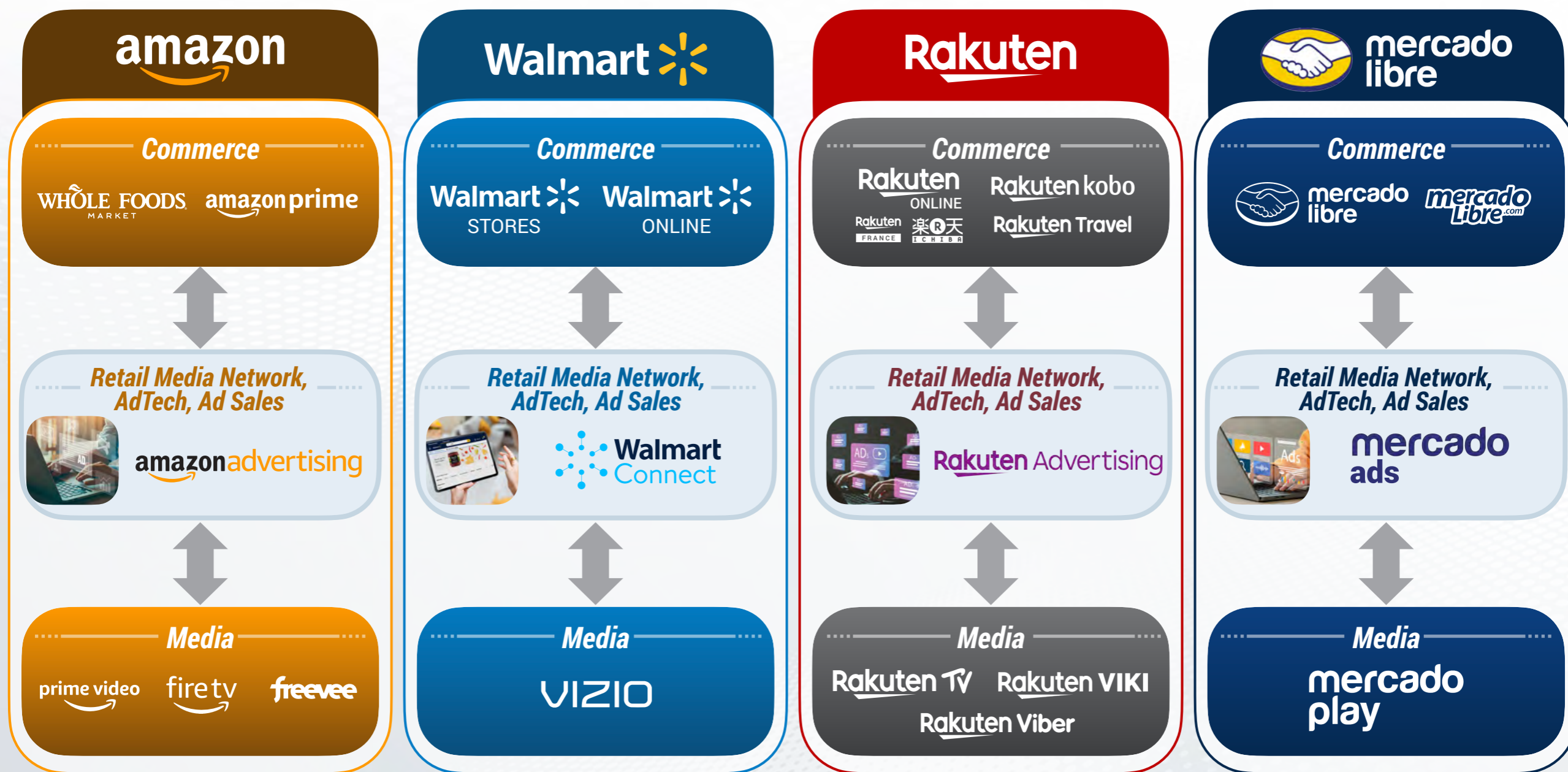
Retail media growth will be shaped by retailers extending the utility of their data to monetize on-site user traffic and engagement, as well as to inform audiences for off-site activations such as social, open web, and CTV

RETAIL MEDIA AD SPEND BY PLATFORM¹, U.S., 2024E VS. 2028E, BILLIONS USD



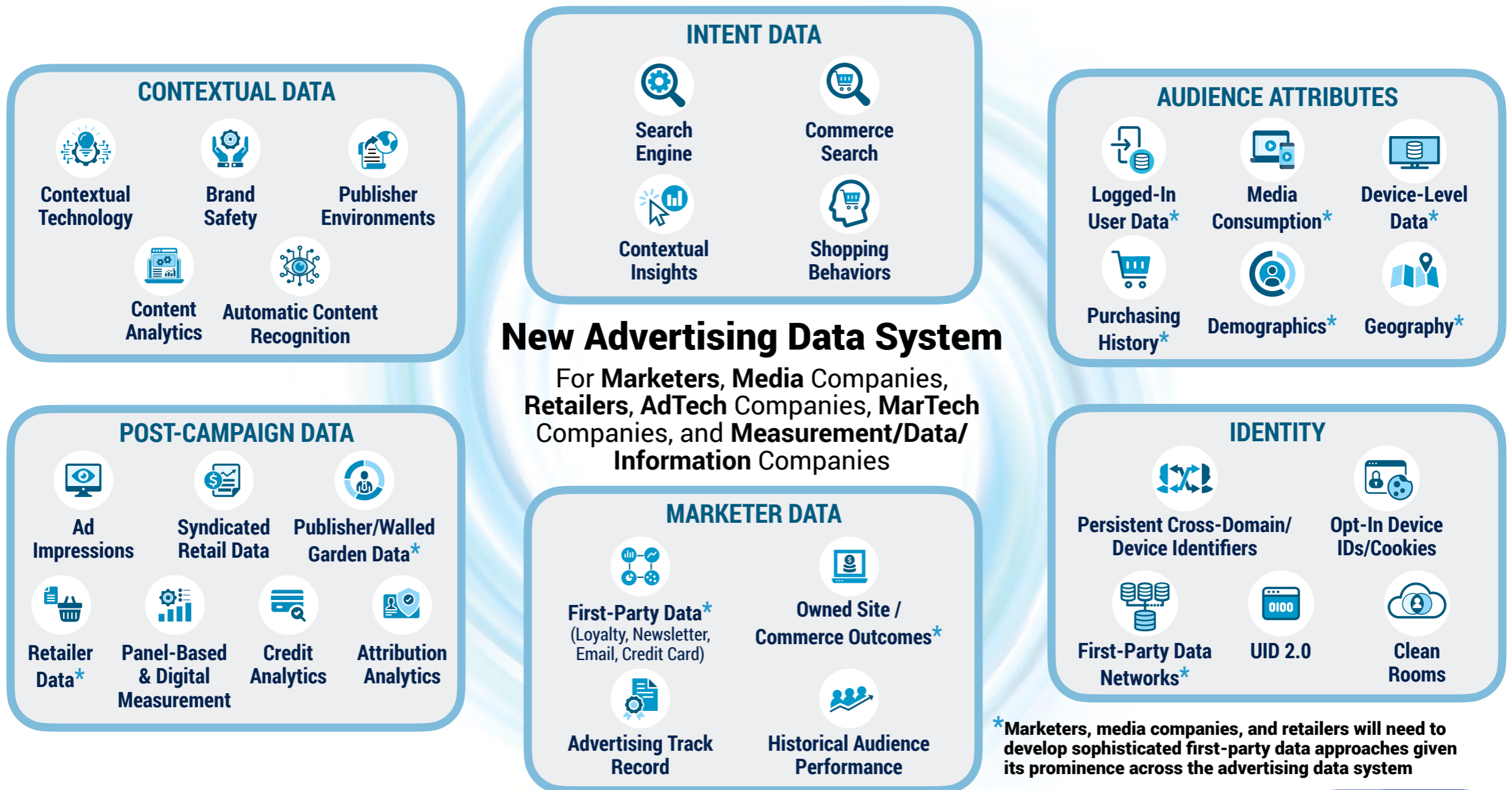
1. Figures do not sum due to rounding. Sources: Activate analysis, Barclays, Company filings, Company press releases, Company sites, eMarketer, GroupM, MAGNA

Retailers will capitalize on their data foundation and fully integrate commerce and media; this will bring their retail experiences together with an extended set of media assets and address full-funnel advertising use cases



Going forward, the advertising space will be powered by a wealth of data sets to inform audiences, attribution, and outcomes, reshaping how advertising is bought and sold

NEW ADVERTISING DATA SYSTEM



To fully capitalize on the new advertising environment, marketers, media companies, retailers, and the advertising, marketing, and data technology industry will need to evolve

IMPERATIVES TO ADAPT TO THE NEW ADVERTISING ENVIRONMENT

MARKETERS

- **First- and third-party data strategies** (data operation, centralized organization, structured processes)
- **Marketing transformation to cross-channel advertising** (approach, capabilities, organizations)

MEDIA COMPANIES, STREAMING SERVICES, AND RIGHTS OWNERS

- **First-party data capabilities and partnerships** (e.g. retailers, consumer data companies)
- **Platform integrations** (streamlined user experiences, advertising)

RETAILERS

- **Improved consumer experiences, partnerships, and ad offerings** (on- and off-site)
- **Retail media industry standardization**

ADTECH COMPANIES

- **Next-generation targeting and attribution capabilities**

MARTECH COMPANIES

- **Ecosystem integration and data flow across the technology stack**

MEASUREMENT, DATA, AND INFORMATION COMPANIES

- **New measurement methodologies** (including new and extended data sets)
- **Ecosystem partnerships**

○ ACTIVATE 2025 DATA PARTNERS ○

◀▶ Nielsen

Luminate

▶ tubular

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Activate Consulting helps technology and media companies drive revenue growth, identify new strategic opportunities, and position their businesses for the future.

As the leading management consulting firm for these industries, we know what success looks like because we've helped our clients achieve it in the key areas that will impact their top and bottom lines.

Together, we can help you grow faster than the market and smarter than the competition.

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Activate Technology & Media 
Outlook 2025

Thank you!

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<https://activate.com/insights>

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