

The Wildcards Ahead in Q4 and 2025: How AI, the Economy and the Election Will Affect Advertising



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How AI, the Economy and the
Election Will Affect Advertising

What we'll cover:

- 01 Right now.
- 02 Q4.
- 03 What's in store for 2025?
- 04 Q&A

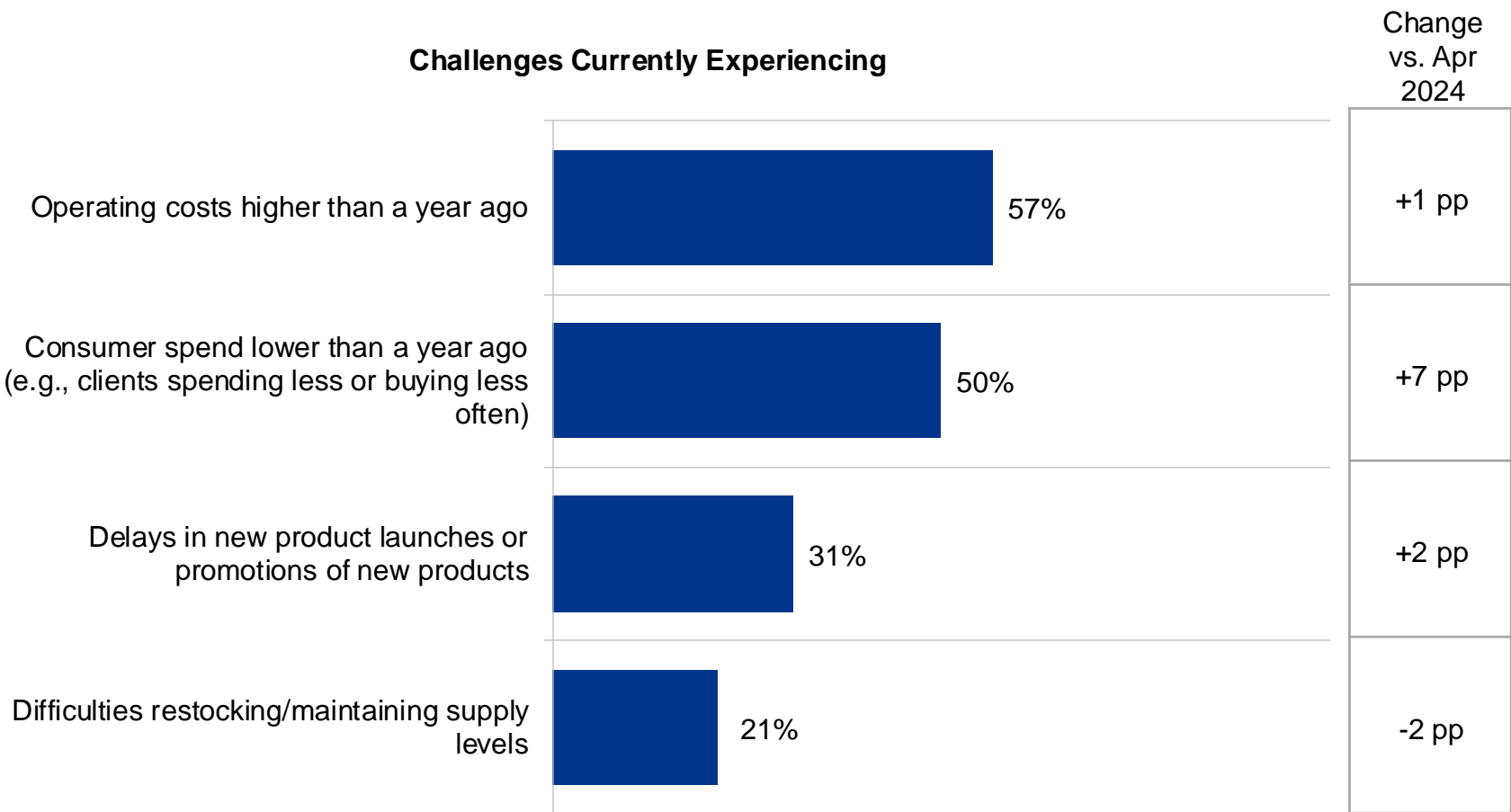


Advertiser Perceptions is the global leader in research-based business intelligence for the advertising, marketing, and ad technology industries. Our experienced staff delivers an unbiased, research-based view of the market, competing brands, and their customers with analysis and solutions tailored to each client's specific KPIs and business objectives – providing them with the confidence to make the very best sales and marketing decisions, driving greater revenue and increased client satisfaction.

The Current State of the Advertising Industry

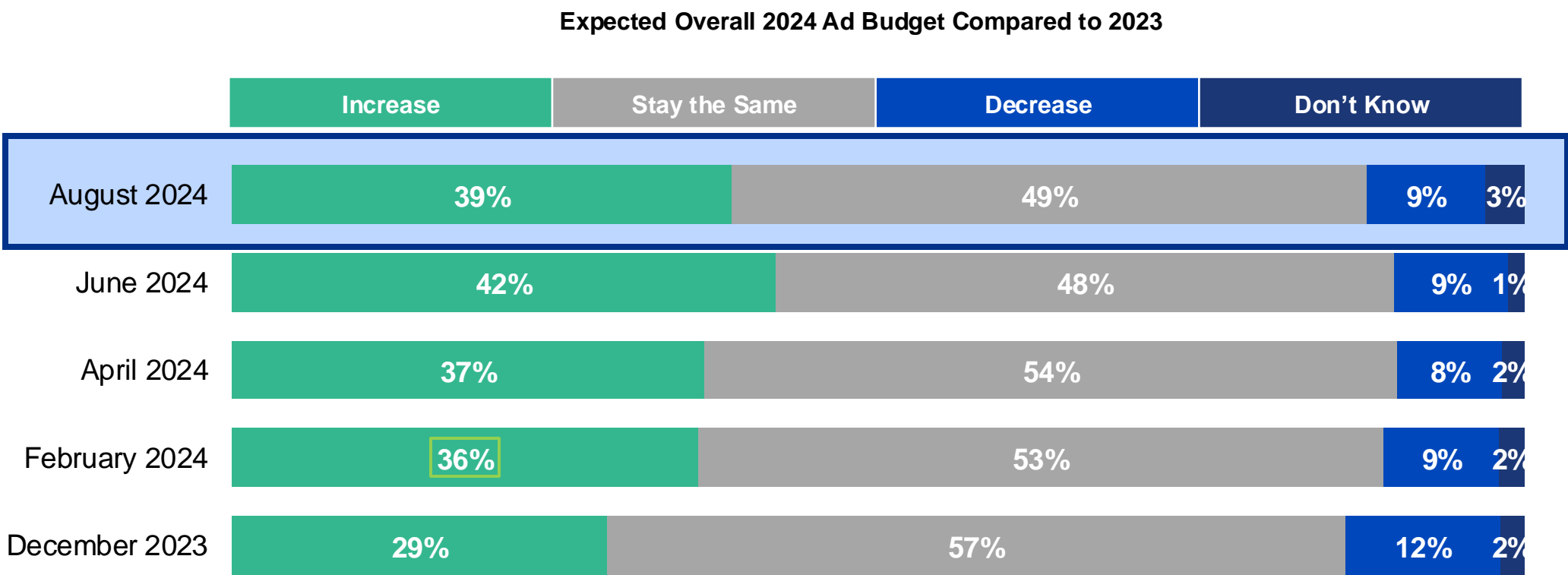
The cost of doing business still weighs on US advertisers

- Half or more of advertisers experiencing higher operating costs and lower consumer spend vs. this time in 2023



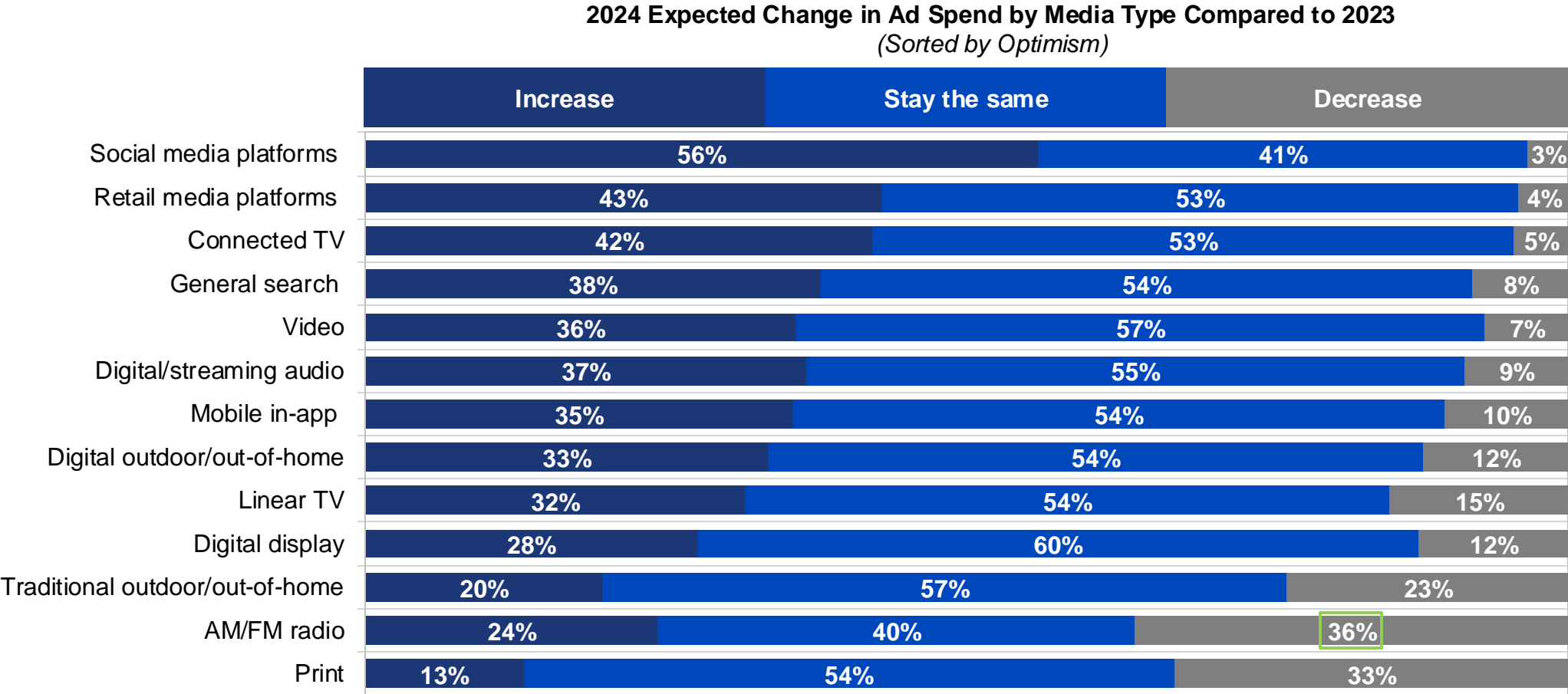
But they continue to rise to the challenge

- Two in five anticipate their '24 ad spending will be greater than it was in '23



Social media, retail media and CTV remain the top channels advertisers will increase spend with this year

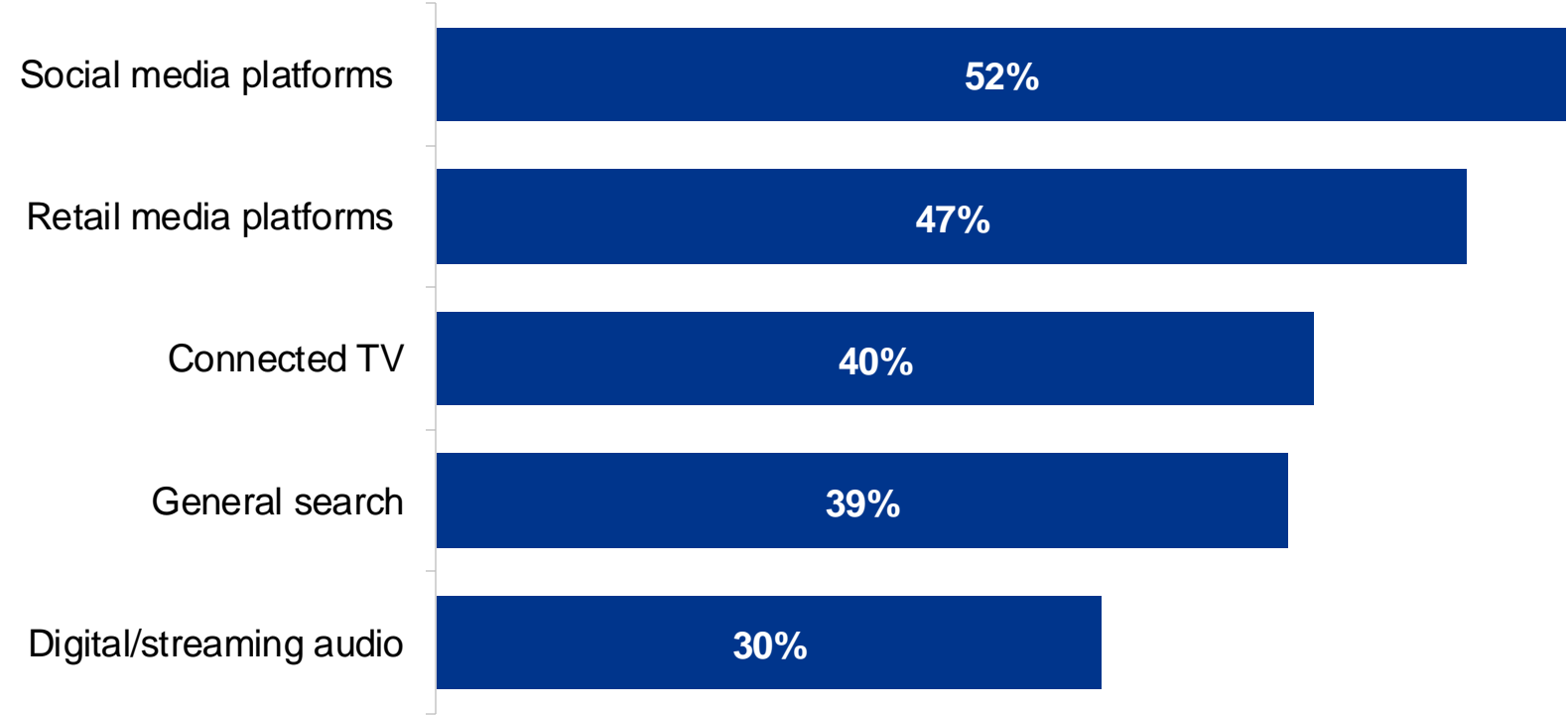
- For all other channels, at least a plurality of advertisers expect spend to stay about the same



Q29. Do you expect your [company's/main clients'] advertising spend on each media type/channel will increase, stay the same or decrease in 2024 relative to 2023 ad spending?
Base: Used 'Media Type/Channel' Past 12 Months (variable base) | Optimism score: Increase minus decrease expressed as a whole number

These three channels, plus search, are the top channels for ROI increases as well

Advertisers Reporting Increases in ROI by Media Channel Compared to a Year Ago
(Top-5 Channels Most Increased)



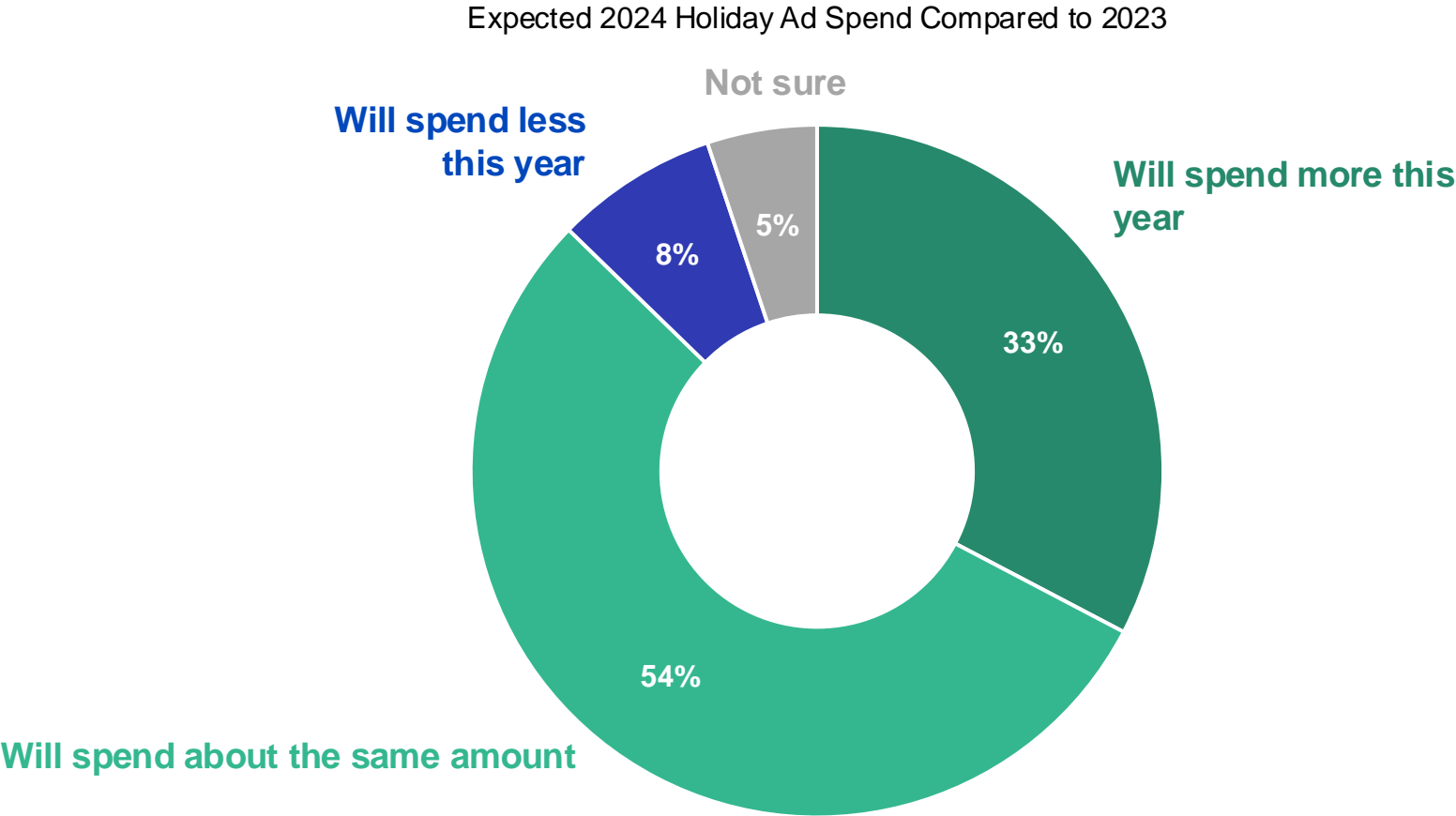
A Sure Bet: A strong finish for these channels in 2024

US Ad Spending by Channel, 2024

Ad Channel	Spend (Billions)	% Change
Social Media & UGC Video Platforms	\$110.2	18.6%
General Search	\$102.9	13.1%
Retail and Commerce Media	\$70.1	23.2%
National TV	\$34.1	-3.4%
Digital Publisher Ad Sales	\$28.6	7.0%
CTV	\$24.2	30.1%
Local TV	\$18.1	14.2%
Direct Mail	\$15.3	3.3%
Mobile Gaming	\$7.9	19.6%
Static OOH	\$5.8	7.7%
Digital Audio Platform	\$4.8	8.1%
DOOH	\$2.8	18.0%
Total*	\$413.5	13.7%

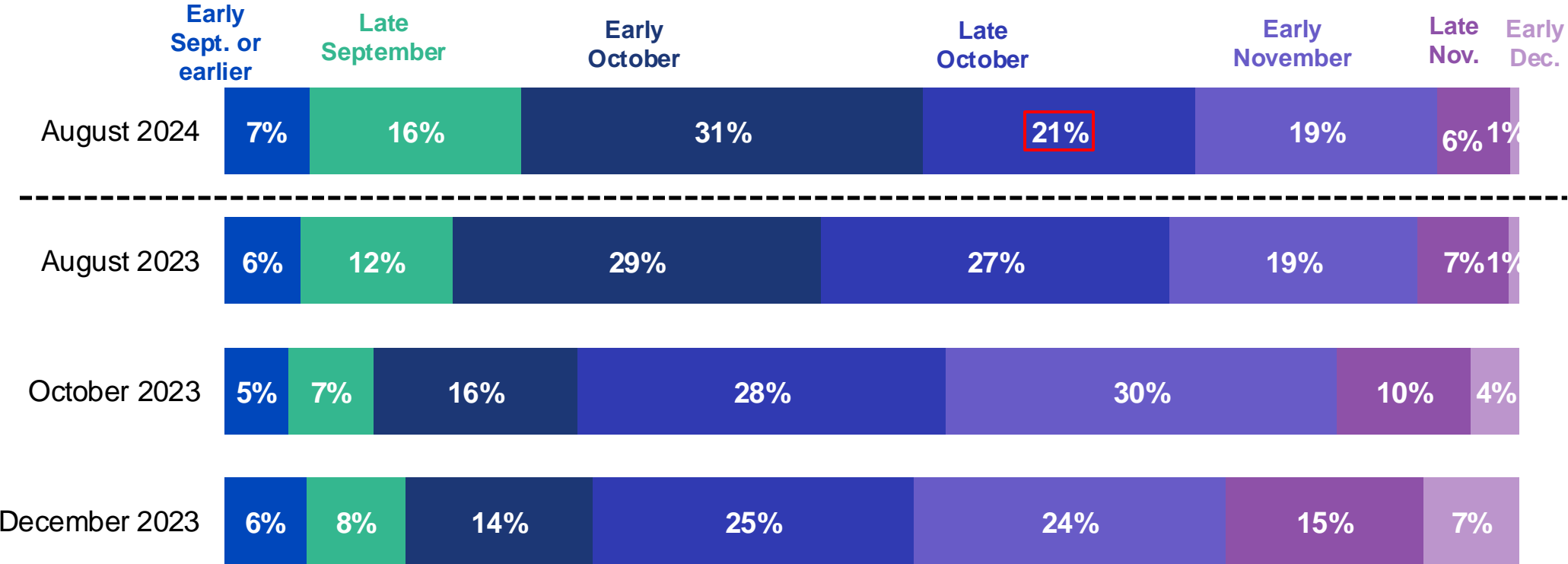
What's in Store for
Q4?

One in three US advertisers expect to spend more this year on holiday season advertising than they did in 2023



More than half of advertisers (53%) say they will begin holiday ad campaigns by early October, up from 47% when asked in August 2023

When Ad Campaigns for 2024 Holiday Season Will Begin



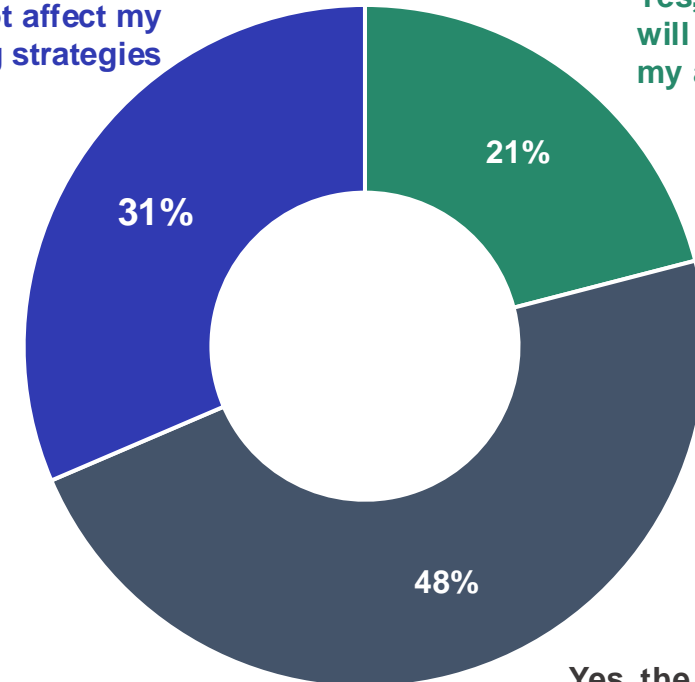
Q77. When will your [company's/clients'] ad campaigns for this year's holiday season (2024) begin?
Base: Total Respondents (n=274)
[Green Box] [Red Box] = Significantly Higher / Lower than August 2023 at a 90% LOC

Wild Card: Political Advertising

Seven in 10 advertisers anticipate the US Election will impact their advertising and marketing plans

Impact of 2024 US Election on Advertising and Marketing Plans

No, the 2024 elections
will not affect my
advertising strategies



Yes, the 2024 elections
will significantly affect
my advertising strategies

Yes, the 2024 elections will
somewhat affect my
advertising strategies

Qel1. Will the 2024 US elections have an impact on your advertising and marketing plans this year?
Base: Total Respondents (n=300)

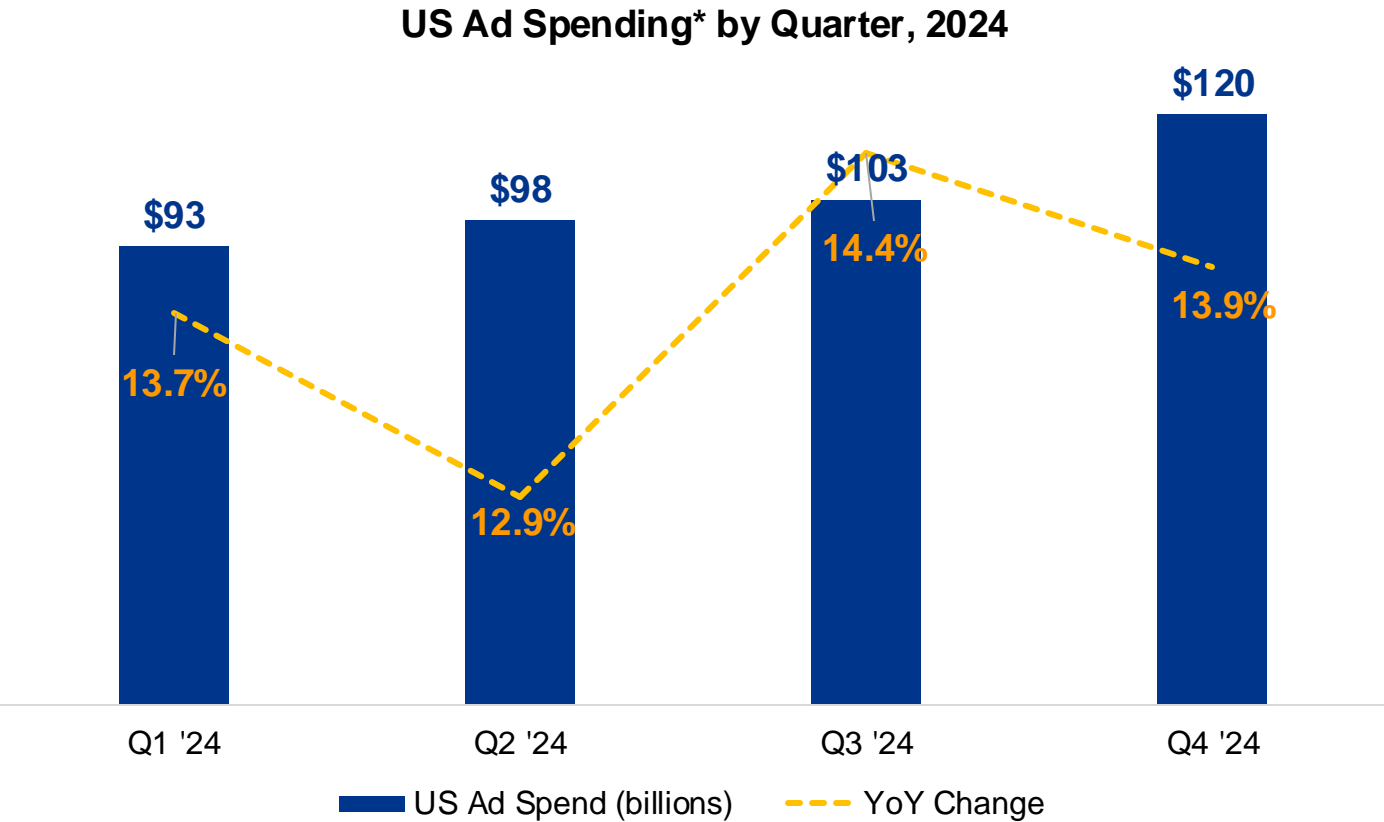
The impacts: Avoiding certain channels and media partners and spending more on advertising

- News content presents unique opportunities and challenges

Impact of 2024 US Election on Advertising and Marketing Plans



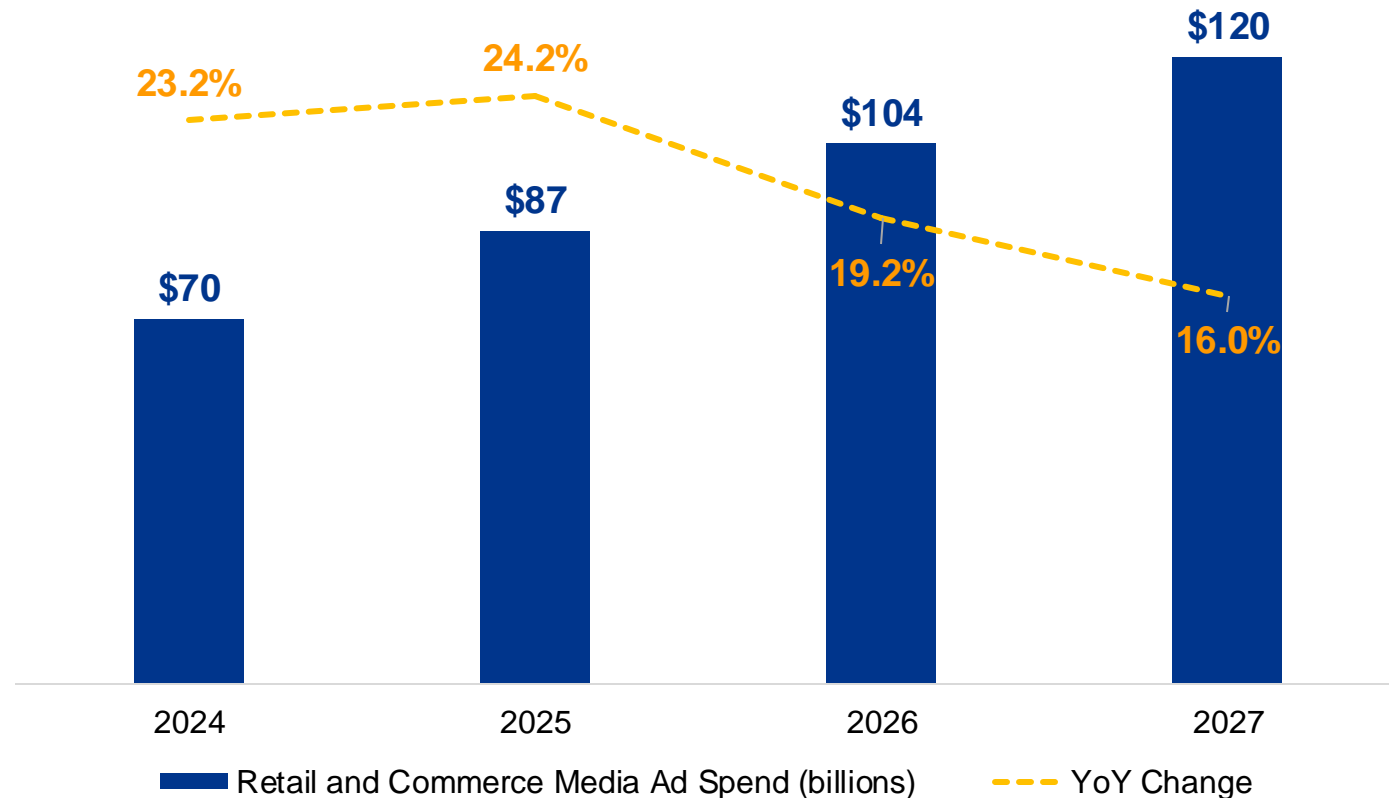
The Bottom Line: Q4 2024 will see double-digit growth compared with 2023



Bets and Wildcards for 2025

Bet #1: Retail media will continue to thrive, driven by data and ongoing partnerships

US Retail and Commerce Media Ad Spend, 2024 - 2027



Bet #2: Live sports advertising gains momentum from new places of interest



95%
of sports advertisers
are aligning with
women's sports



Why?

It confers **positive social impact** for their brands and offers **expanded reach into new audiences** – both male and female – with greater **share of voice** than typically achieved via men's sports

Top Benefits of Advertising in Women's Sports



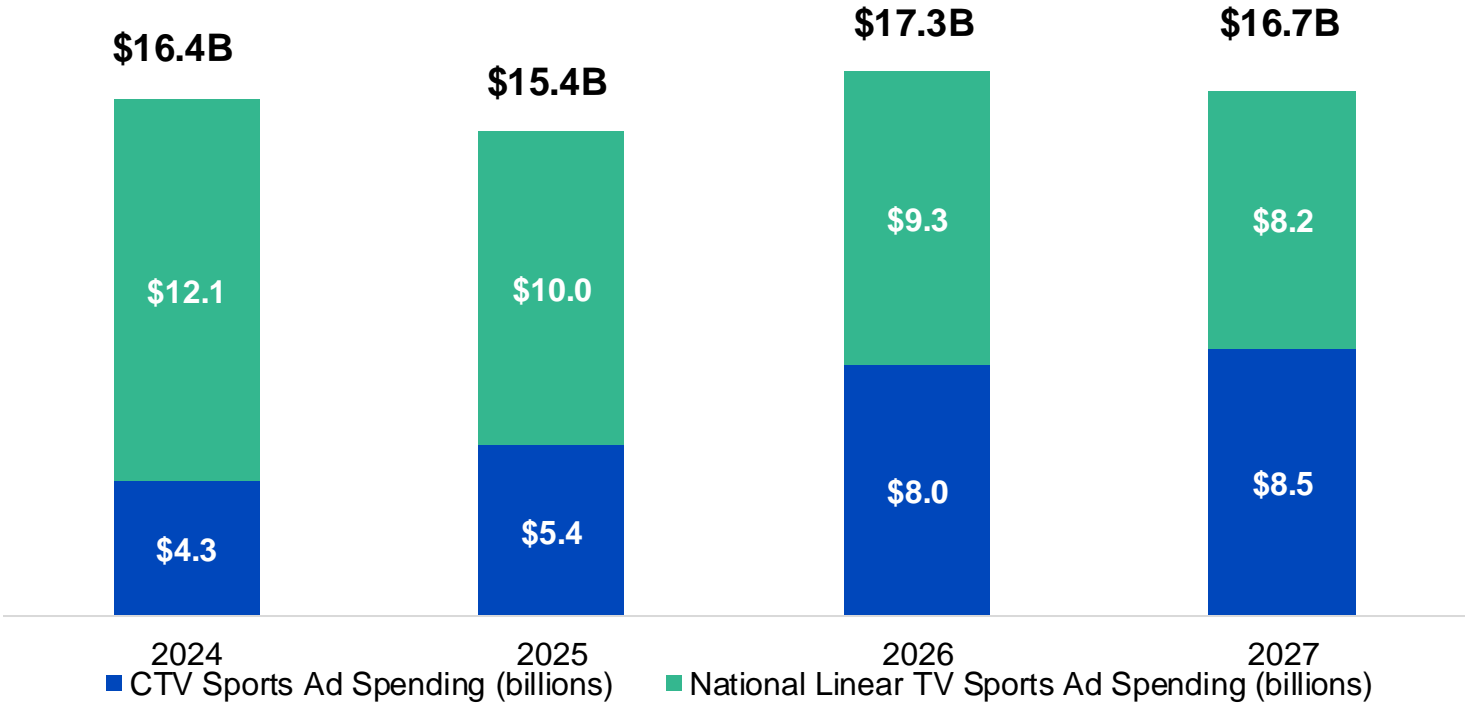
Source: Advertiser Perceptions, Sports Advertising Study, 2024

Q10. You indicated your [company is/main clients are] currently advertising or planning to advertise around sports involving women. Which of the following do you feel are benefits of advertising in women's sports?

Base: Advertising/Plan To Advertise In Women's Sports (n=189)

By 2027, CTV Sports Ad Spending Surpasses Linear TV Sports Ad Spending

US Sports Ad Spending, CTV vs. Linear, 2024 - 2027

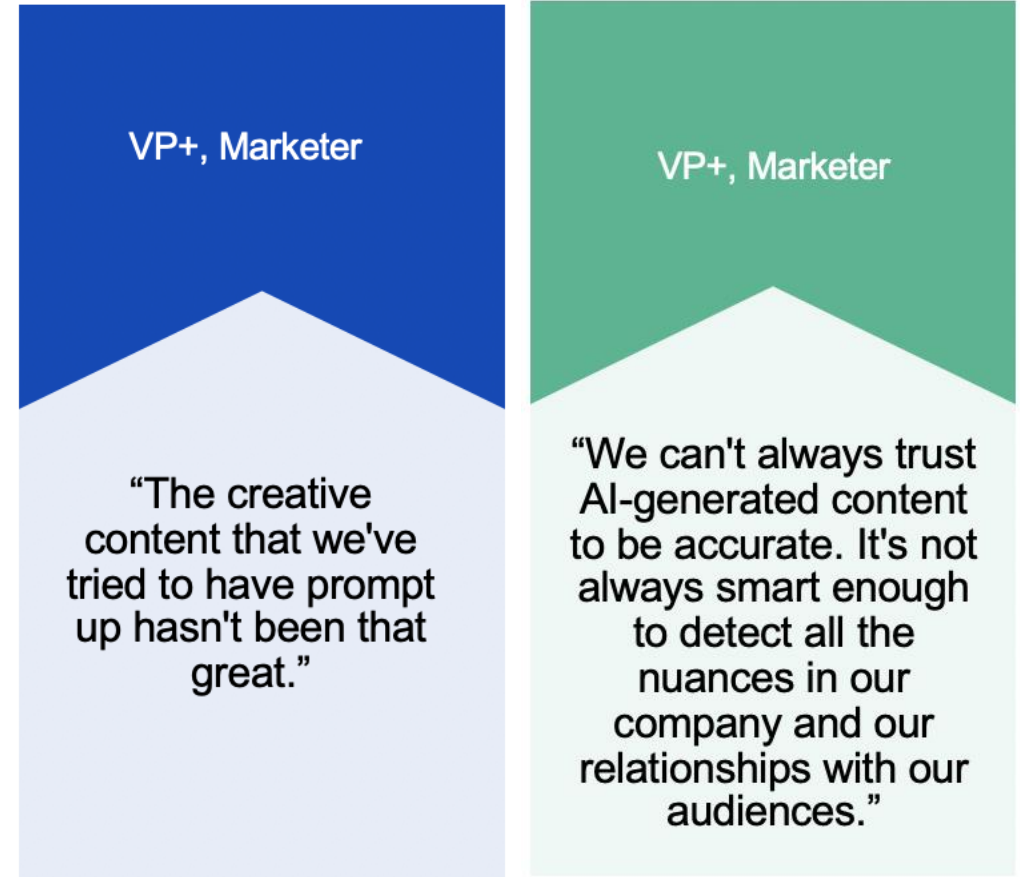


Source: Advertiser Perceptions Q3 2024 Forecast
Note: CTV Sports Ad Spend includes advertising sold by streaming services on live sports content and sports adjacent content like pre-game, post-game, and highlight shows. Excludes spending on sports themed documentaries or scripted shows. Excludes spending on ad tech fees and vMVPDs; National linear TV sports ad spend includes advertising sold by national broadcast and cable tv networks on live sports content and sports adjacent content like pre-game, post-game and highlight shows. Excludes spending on sports themed documentaries or scripted shows. Excludes advertising placed on on regional sports networks, local broadcast affiliates, and pay-TV providers.

Bet #3: Companies will still face a learning curve with AI

53%

The portion of US advertisers that ***have yet to form a POV on incorporating AI into their company processes and operations*** and are still gathering information on the issues and implications.





Regulation and Antitrust

What would breaking up big tech, banning platforms like TikTok or limiting data privacy mean for advertisers?

AP's TAKE ON '25



Eric Haggstrom
VP, Business
Intelligence &
Head of Forecasting

“2025 will be the year that regulatory pressures and antitrust pressures lead to broad-based change throughout the entire industry. Advertisers will steadily increase their overall budgets next year. While plenty of advertisers will stick to tried-and-true partners, many will be forced to reevaluate their partners in response to new regulations, restrictions, breakups, etc..”



**Where does that leave the ad market
in 2025?**





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