CMO TODAY

Ad Revenue Predicted to Top $1 Trillion This Year for the First Time

GroupM projects that global advertising revenue grew faster than expected this year as budgets flocked to major digital players

By Megan Graham Follow

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GroupM's forecast projects that global ad revenue will increase 9.5% over the course of 2024, up from its previous estimate of 7.8%. PHOTO: KAMRAN JEBREILI/ASSOCIATED PRESS

Global advertising spending will surpass $1 trillion in 2024, one year earlier than previously expected, according to a forecast from media investment group GroupM.

GroupM, a unit of advertising giant WPP, had forecast in June that global ad spending would hit $1 trillion in 2025. That, too, marked an acceleration from an earlier prediction that it would reach $1 trillion in 2026.

The new forecast projects that global ad revenue will increase 9.5% over the course of 2024, up from its previous estimate of 7.8%, as major ad sellers including Google, Meta Platforms, ByteDance and Amazon.com have seen significant gains. That would mean advertising grew at a faster clip than in 2023, when it increased 8.4%.

In another new forecast, media investment firm Magna said ad revenue will reach $933 billion in 2024, up 10.3% over 2023.

Some of the growth reflects packaged-goods companies' reallocation of budgets from trade marketing agreements that aren't considered "advertising," supporting tactics such as in-store displays, to digital ads on so-called retail media networks, according to Magna, part of Interpublic Group's IPG Mediabrands.

U.S. ad revenue, excluding political advertising, will grow 9% in 2024 to $379 billion, GroupM said, and 7% in 2025.

Many American consumers are continuing to spend, especially through e-commerce platforms such as those operated by retailers Amazon and Walmart, despite the higher cost of borrowing in the U.S. and cautious guidance from some retailers, GroupM said.

The tariffs on imports that President-elect Donald Trump proposed could affect the advertising business in the coming years, though it's unclear in which direction, according to the forecast, which was written by Kate Scott-Dawkins, GroupM's global president of business intelligence.

If companies in the U.S. were to face less competition from international peers, they might decide to devote smaller shares of revenue to advertising, the report said. On the other hand, they could increase advertising to grow market share among a smaller set of domestic competitors.

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