

Programmatic Advertising Forecast and Ad Tech Trends H2 2024

Retail Media and Other Walled Gardens Still Have the High Ground With Cookies in Play

Programmatic is the prevailing way to reach consumers digitally, accounting for over 9 in 10 display ad dollars (91.3%) in 2024, according to our forecast. This EMARKETER analyst report explores the growth of connected TV, the evolving ad technology landscape, privacy regulations, generative AI, and other factors influencing the growth of programmatic advertising.

EXECUTIVE SUMMARY

- 1** US programmatic display ad spending will experience healthy double-digit growth through at least 2026.
- 2** Privacy changes remain a threat to the status quo, even if third-party cookies stay in play.
- 3** Connected TV (CTV) continues to gain share of the programmatic market, but mobile reigns supreme.
- 4** Ad tech players are coalescing around data-rich segments of the internet to grow revenues.
- 5** Retail media is capturing spend and influence in the programmatic ecosystem through data partnerships.

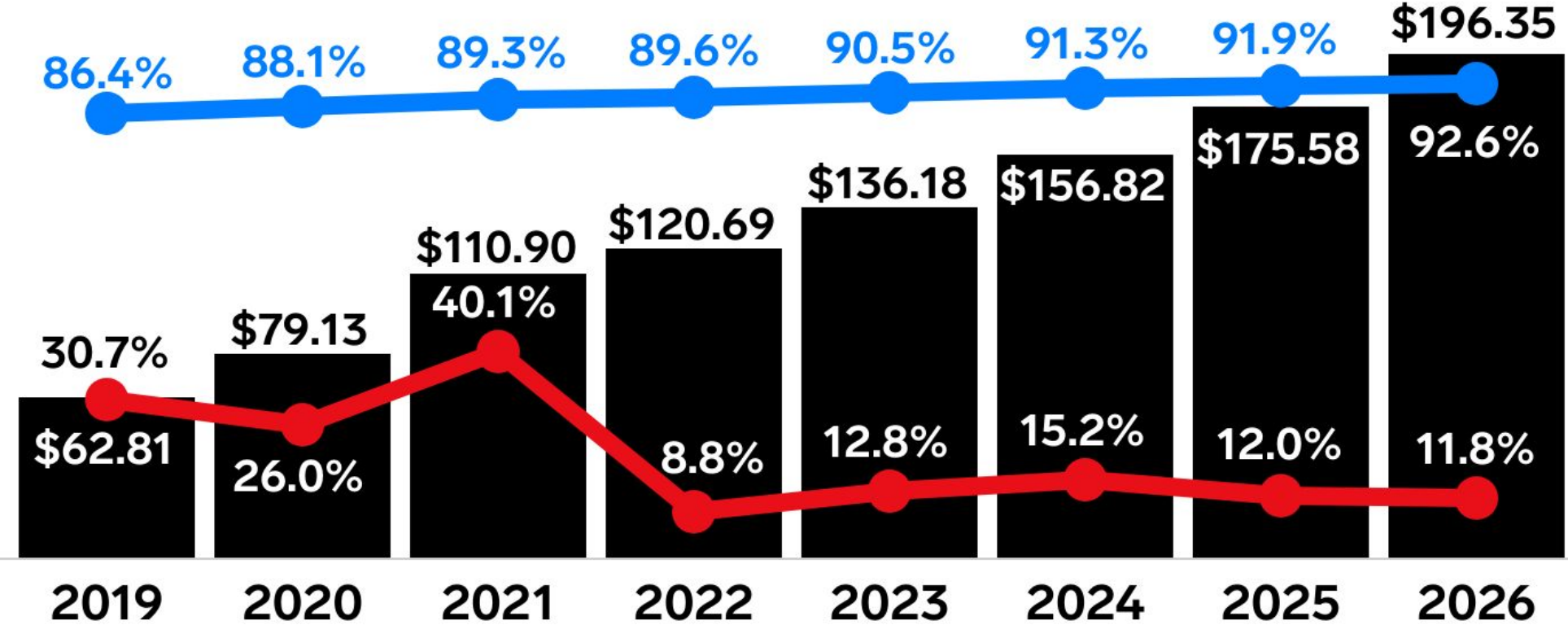
Definitions

- **Programmatic advertising:** Any ad that is transacted or fulfilled via automation, including everything from publisher-erected application programming interfaces (APIs) to more standardized real-time bidding (RTB) technology.
- **Open exchange:** The network of public RTB auctions open to all buyers and sellers.
- **Private marketplaces:** Auction environments owned by a single publisher or a small group of publishers and open only to a select number of invited buyers.
- **Programmatic direct:** A non-auction-based approach to buying or selling ad inventory, not at the impression level, wherein advertisers arrange buys with a specific publisher at a fixed price.
- **Walled garden advertising:** Ads transacted in a closed ad ecosystem where the publisher has access to first-party consumer data and owns and controls all operations in the entire ad tech stack.
- **Open web advertising:** Ads transacted on independent ad exchanges outside of walled gardens through third-party sellers and resellers.

Programmatic faces several obstacles as it carries the display ad market

Programmatic is the prevailing means of reaching consumers digitally, accounting for over 9 in 10 display ad dollars

billions in US programmatic display ad spending, % change, and % of total display ad spending, 2019–2026



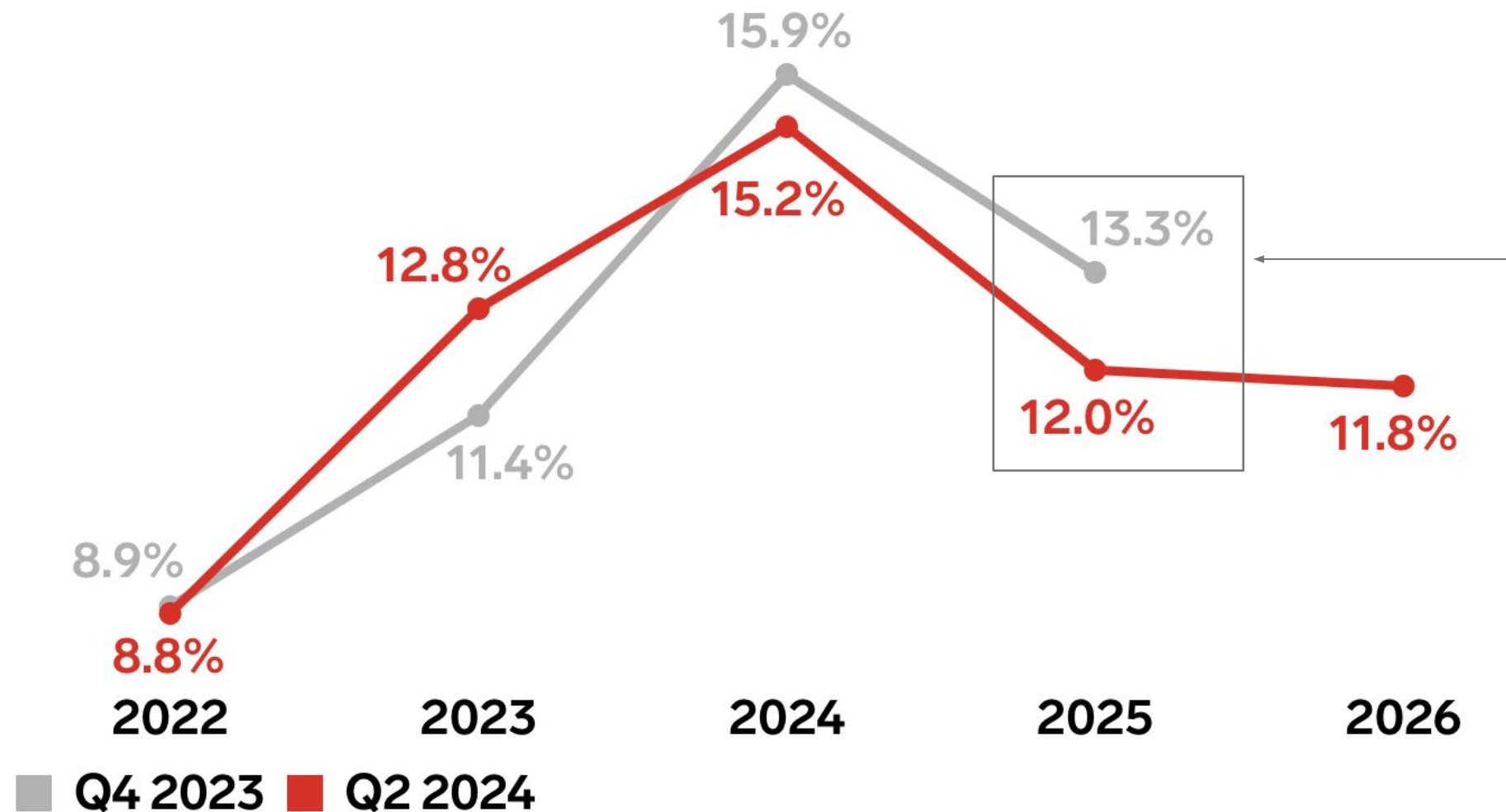
← Programmatic display is growing slightly faster than top-line display.

Programmatic display ad spending
 % change
 % of total display ad spending

Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes native ads and ads on social networks like Facebook and X; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices
Source: EMARKETER Forecast, June 2024

Programmatic display ad spending will grow more slowly in 2025 than we previously anticipated

% change in US programmatic display ad spending, Q2 2024 forecast vs. Q4 2023 forecast



When this forecast was finalized in June 2024, third-party cookies were scheduled to be deprecated in Chrome in 2025, moderating our expectations for programmatic ad spending growth. Then, in July 2024, Google announced it was pivoting toward a **consent-based privacy model**—keeping support for cookies intact, but only when users allow it.

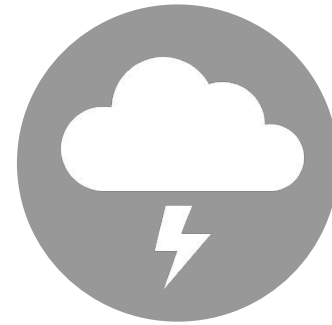
The threat posed by consumer data protection still looms. But privacy is just one of several headwinds facing programmatic advertisers.

The programmatic market faces 4 overarching challenges that will shape spending over the next few years



PRIVACY

Signal loss due to tech platform changes and data protection legislation



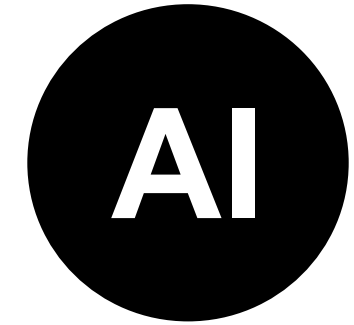
AD TECH VOLATILITY

Tech and data providers shutting down, merging, and getting acquired



INVENTORY QUALITY

Avoiding fraud, invalid traffic, and low-quality or made-for-advertising (MFA) ad space



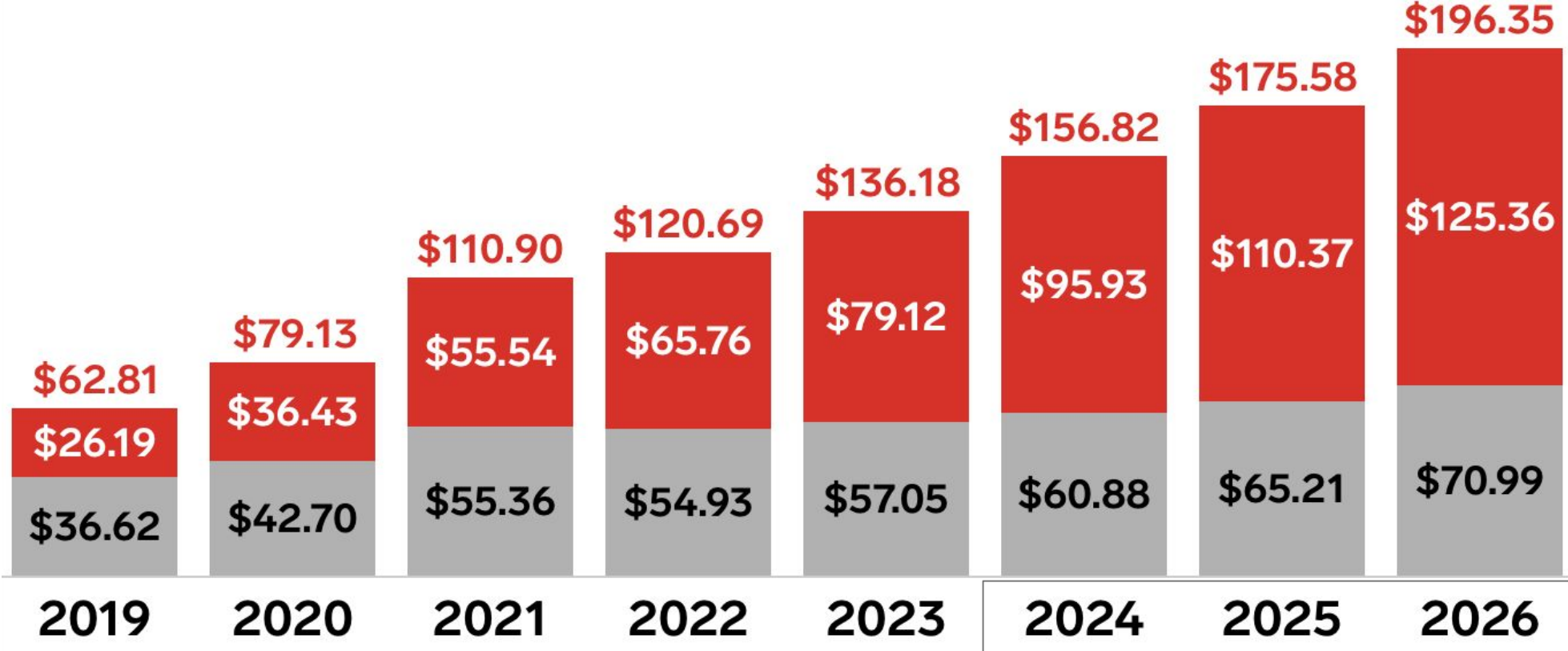
DISRUPTION FROM GENAI

E.g., fluctuations in traffic from AI-powered search engines reducing monetizable audiences

CTV will continue to gain share of programmatic budgets

Video formats will be responsible for most growth in programmatic ad spending

billions in US programmatic video and nonvideo display ad spending, 2019–2026



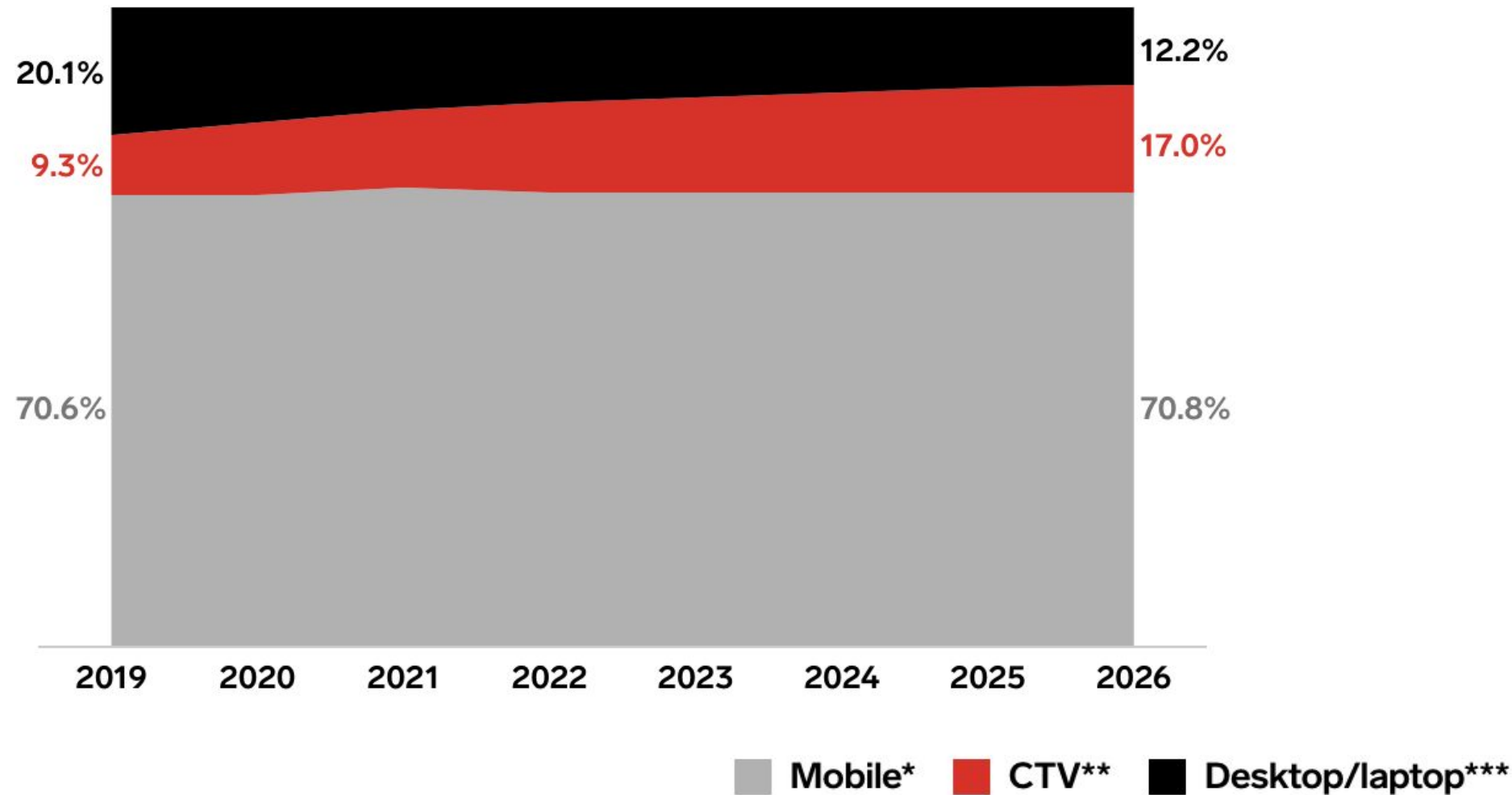
Propelled by CTV, video will account for almost three-quarters of new programmatic ad dollars between 2024 and 2026.

Programmatic nonvideo ad spending*
 Programmatic video ad spending**

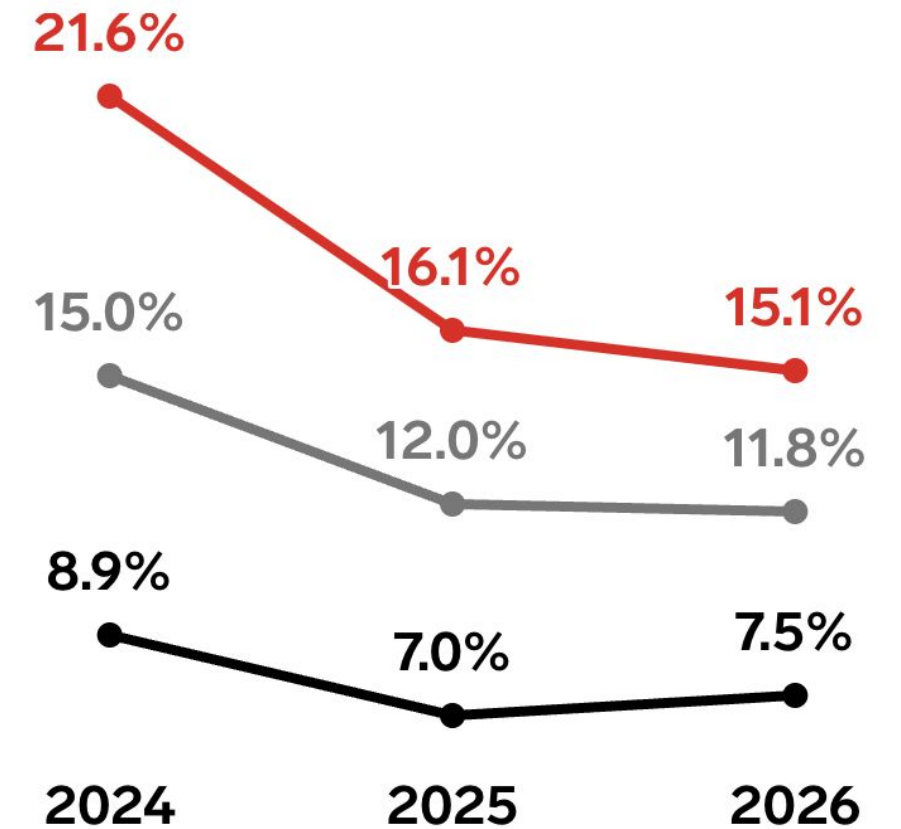
Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; *includes sponsorship, nonvideo rich media, and nonvideo native ads; **includes in-stream video ads and video overlays; includes social network in-stream video advertising; includes outstream video ads such as native, in-feed, in-article, in-banner, and interstitial video ads; see slide 22 for full note
 Source: EMARKETER Forecast, June 2024

Although mobile dominates programmatic by dollar volume, CTV is growing quicker

% of US programmatic ad spending, by device, 2019–2026



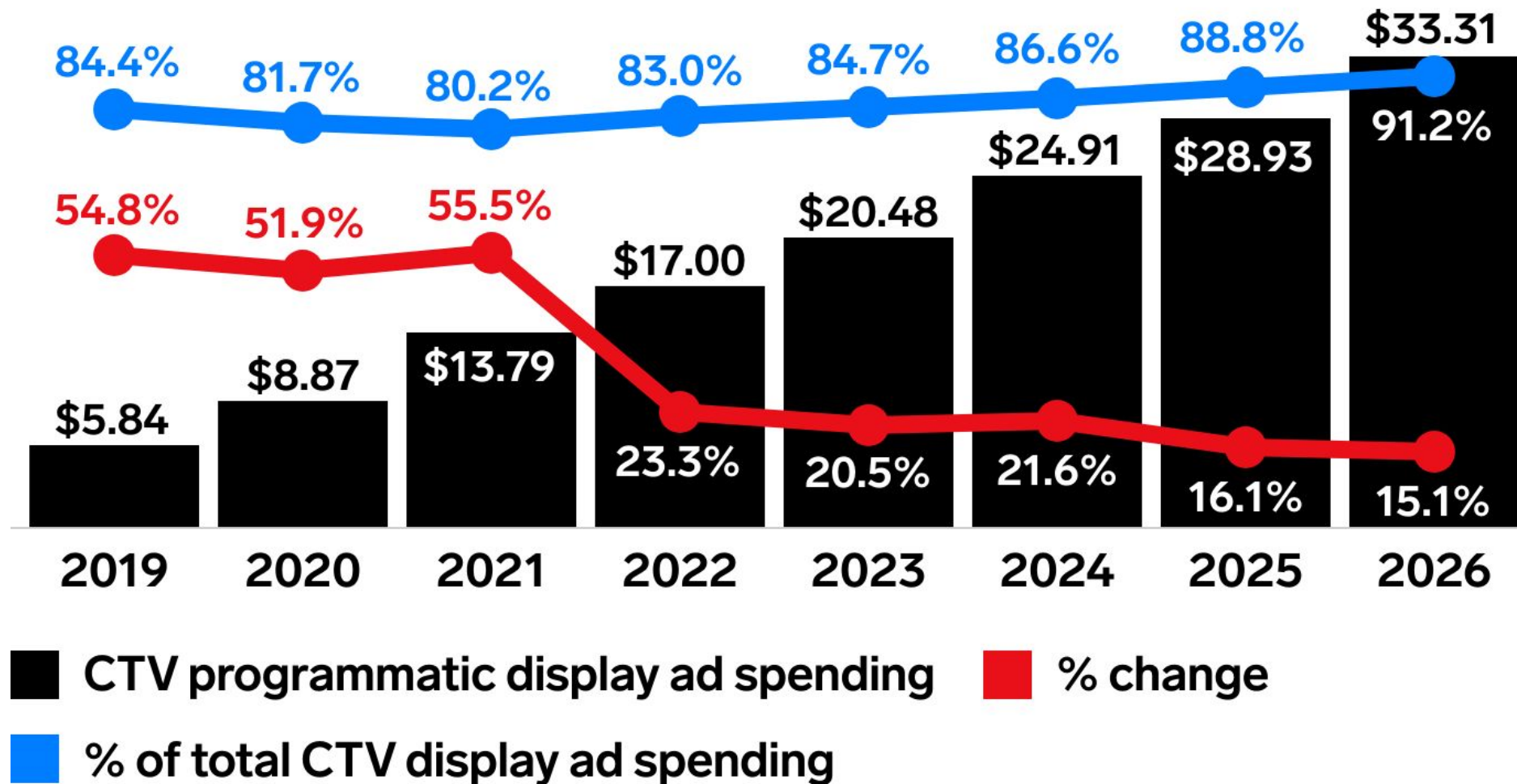
% change in US programmatic ad spending, by device, 2024–2026



Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; *includes ad spending on tablets; **excludes network-sold inventory from traditional linear TV and addressable TV advertising; ***includes advertising that appears on desktop and laptop computers and other nonmobile internet-connected devices
Source: EMARKETER Forecast, June 2024

Programmatic will continue propelling robust growth for CTV as it approaches full penetration

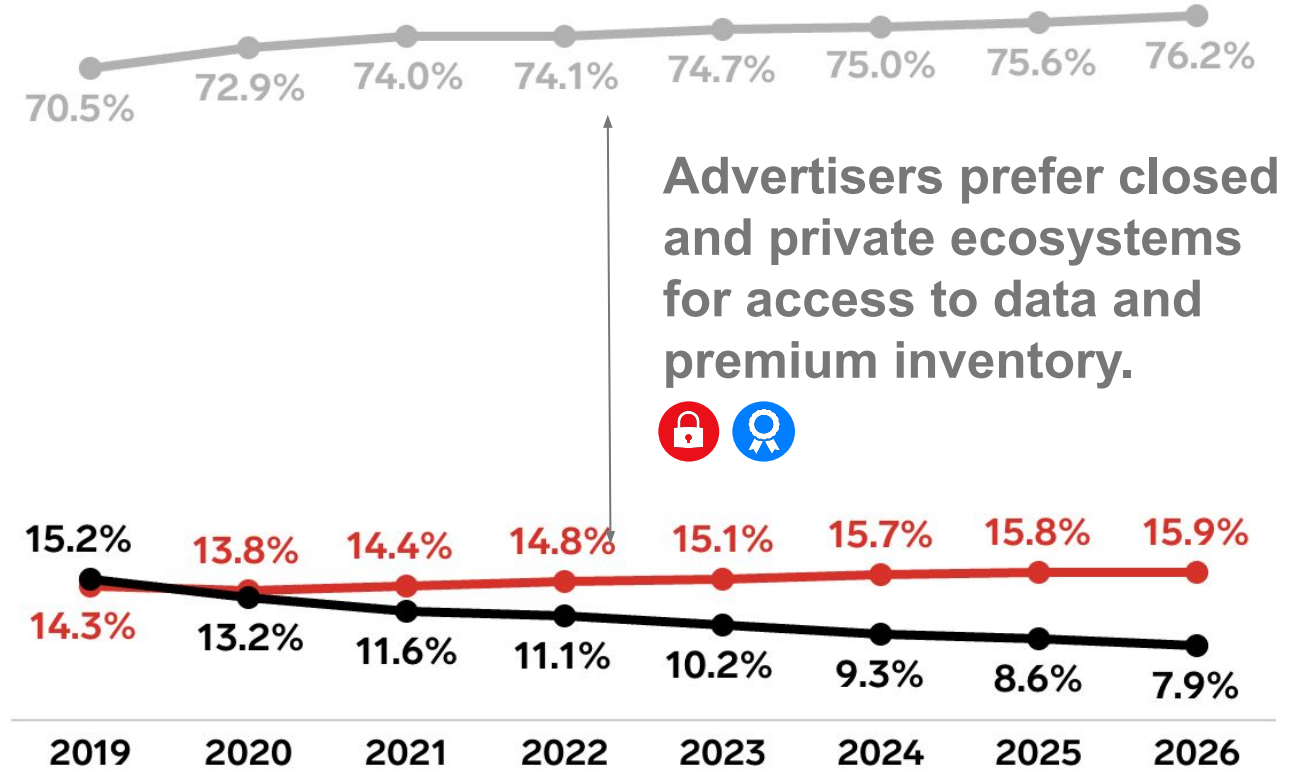
billions in US CTV programmatic display ad spending, % change, and % of total CTV display ad spending, 2019–2026



← Programmatic CTV growth will outpace overall CTV ad spending, despite deceleration.

PMPs are gaining ground, especially on nonmobile devices like CTV

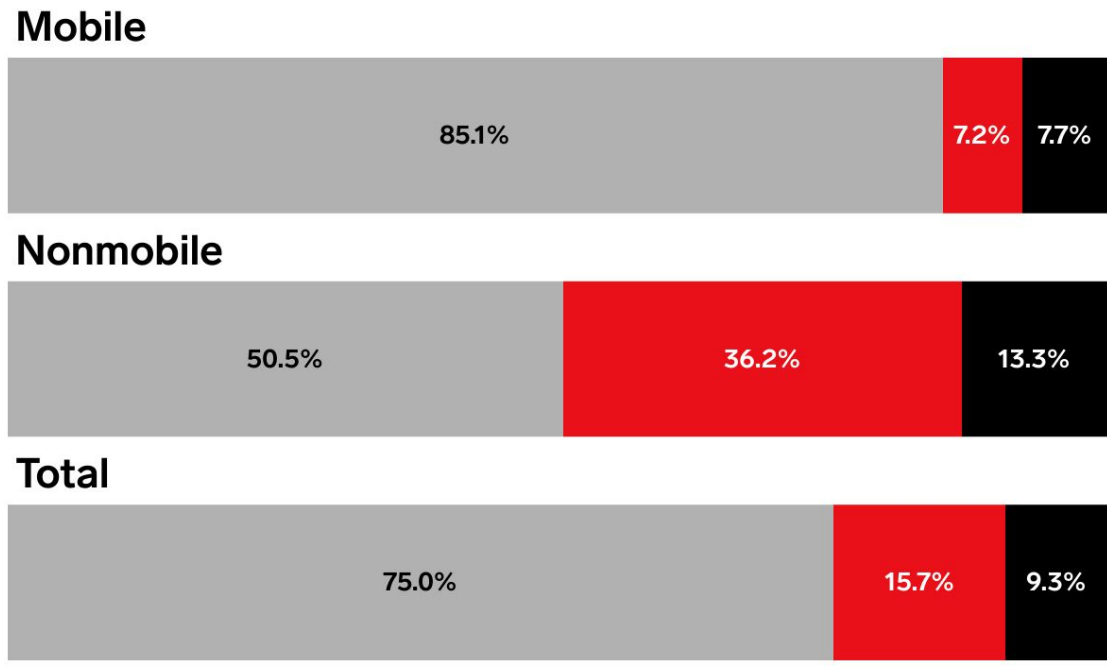
% of total US programmatic display ad spending, by transaction method, 2019–2026



Advertisers prefer closed and private ecosystems for access to data and premium inventory.



% of US programmatic display ad spending, by device and transaction method, 2024



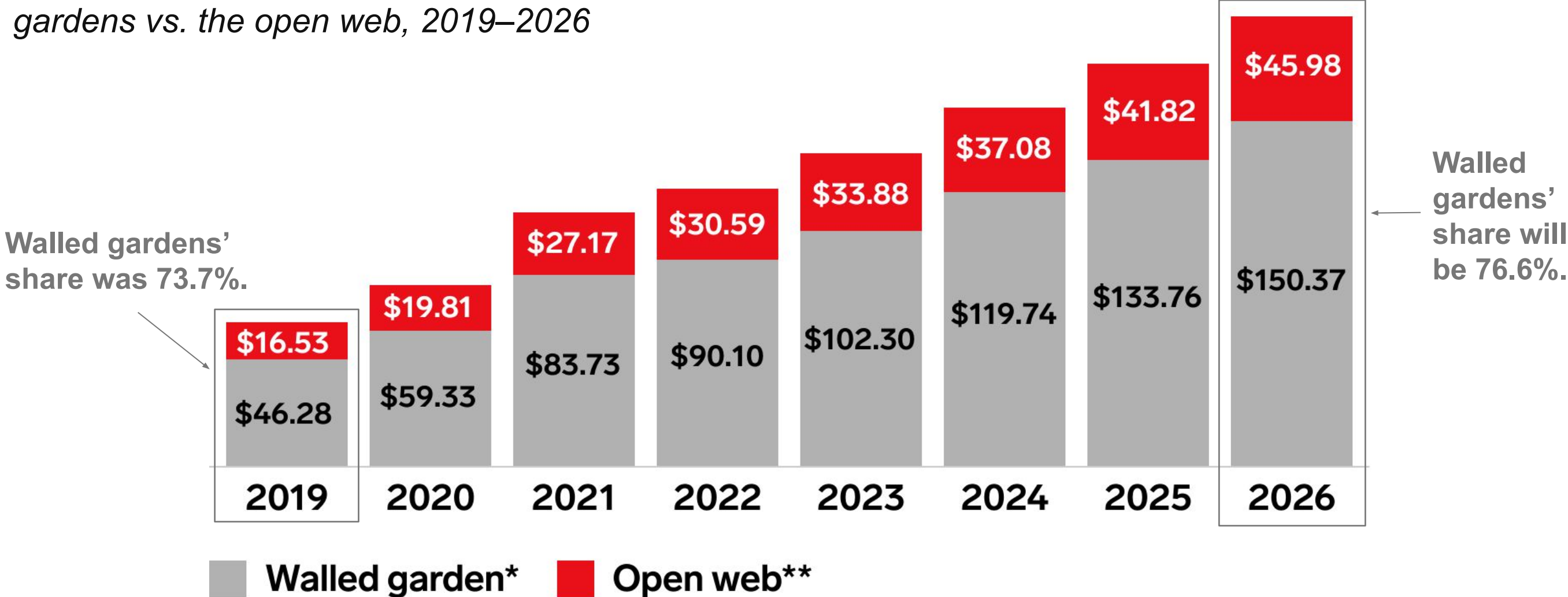
■ Programmatic direct* ■ Private marketplaces (PMPs)** ■ Open exchange***

Note: *includes all programmatic ads that are transacted as blocks of inventory using a non-auction-based approach via an API; **includes ads transacted through an invitation-only RTB auction where one publisher or a select group of publishers invites a select number of buyers to bid on its inventory; ***includes ads transacted through a public RTB auction in which any buyer or seller can participate; see slide 22 for full note
Source: EMARKETER Forecast, June 2024

Walled gardens, including retail media networks, are capitalizing on privacy trends

Walled gardens account for over three-quarters of the programmatic market

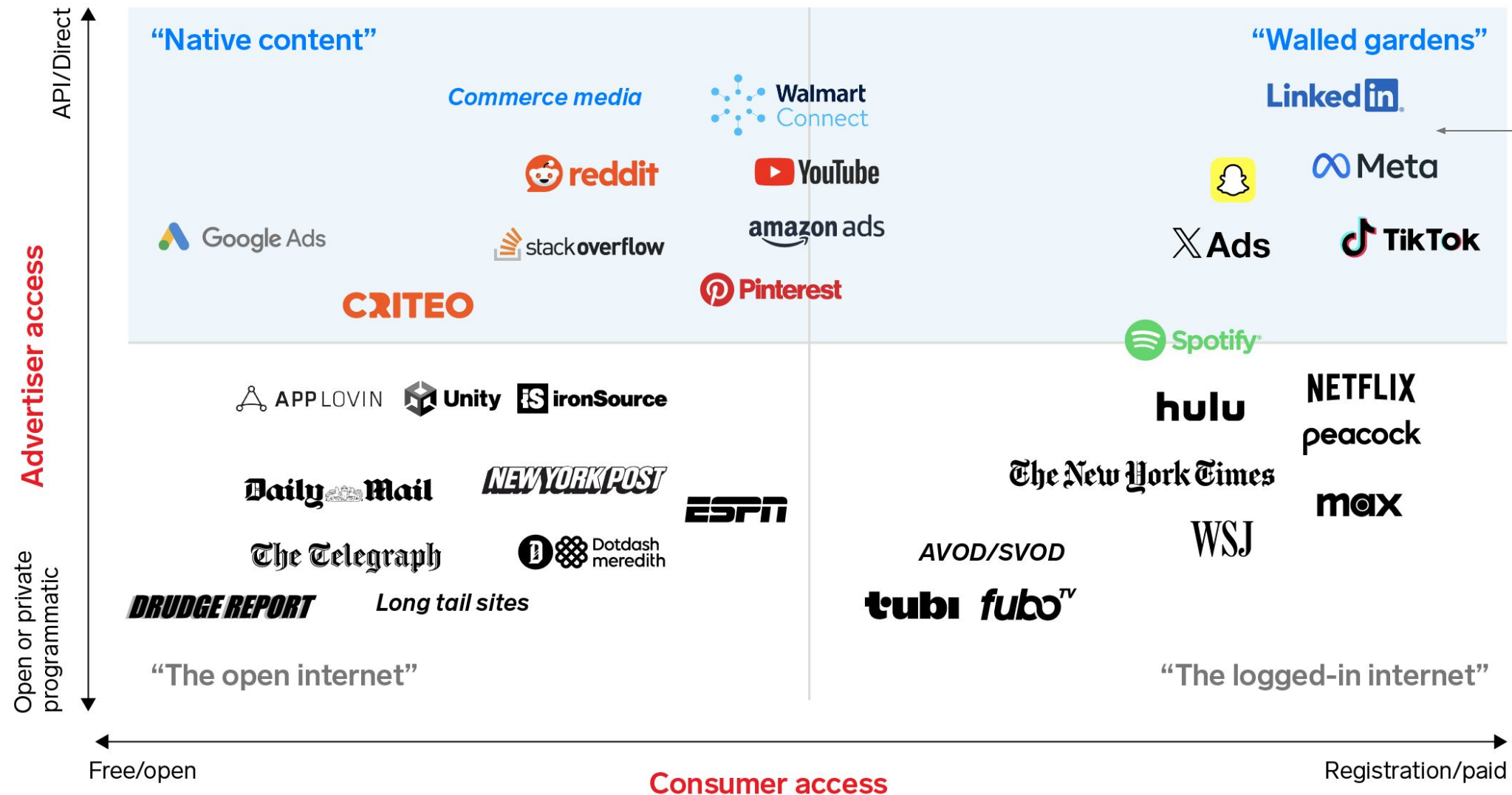
billions in US programmatic display ad spending with walled gardens vs. the open web, 2019–2026



Note: *includes programmatic digital display ads transacted in a closed ad ecosystem where the publisher has access to first-party data and owns and controls all operations in the entire ad tech stack; its inventory is not available for purchase through third-party sellers or resellers; **includes programmatic digital display ads transacted on independent ad exchanges outside of walled gardens through third-party sellers and resellers; see slide 22 for full note
 Source: EMARKETER Forecast, June 2024

But the complete picture is more nuanced

select ad platforms mapped according to advertiser and consumer access

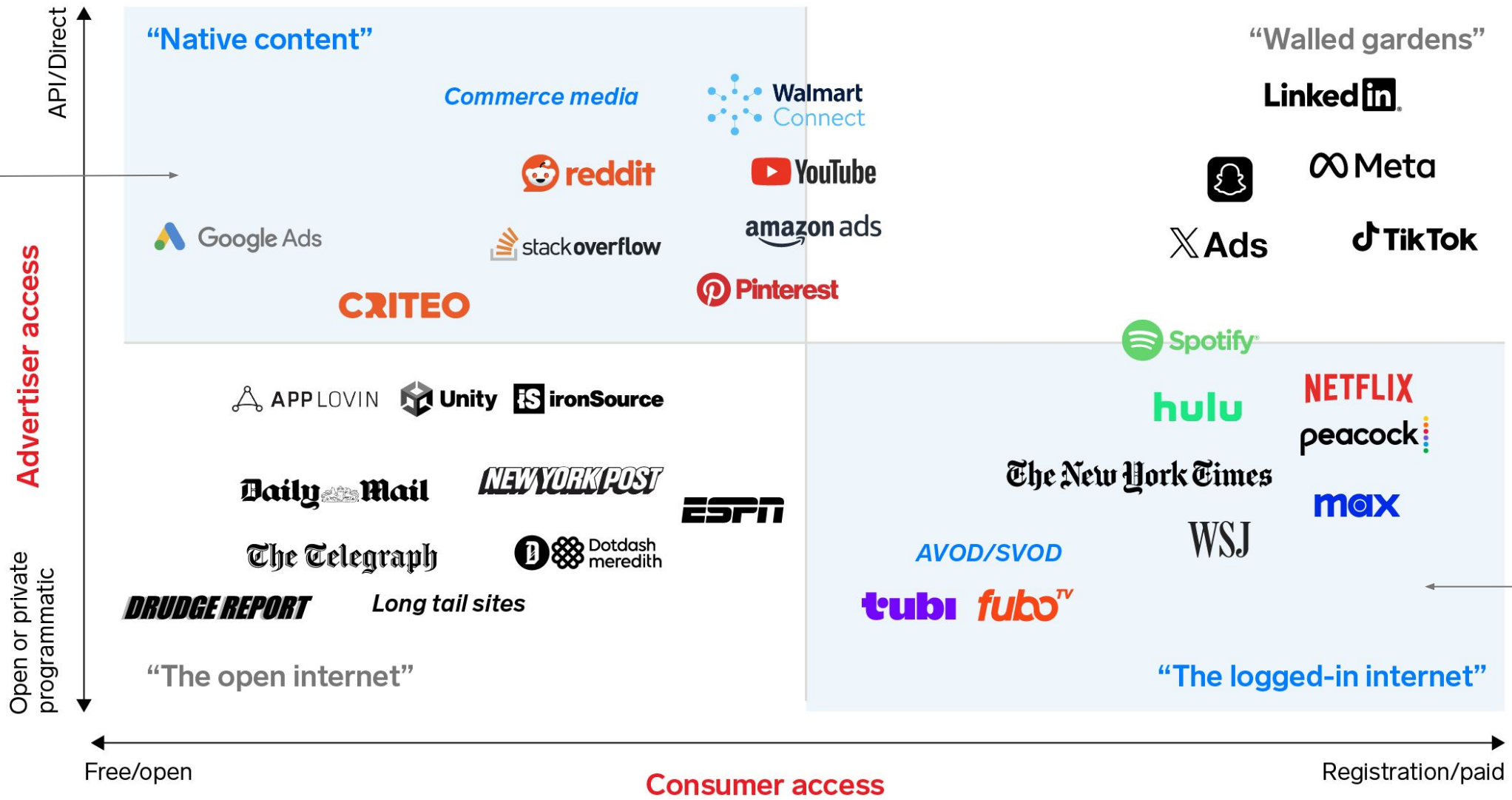


EMARKETER’s forecast definition of walled gardens encompasses platforms that advertisers can access only via proprietary paths.

Ad tech players are staking claims on the lucrative data-rich market segments

select ad platforms mapped according to advertiser and consumer access

Retail media has been central to the ad tech growth narrative, with major players providing retailers' programmatic pipes and benefiting from data partnerships.



The Trade Desk has set its sights on the so-called “premium internet,” tying publisher success to its Unified ID 2.0 solution.



The open internet faces the most risk weathering the market's biggest challenges

select ad platforms mapped according to advertiser and consumer access

Publishers without logged-in users will struggle most with signal loss.



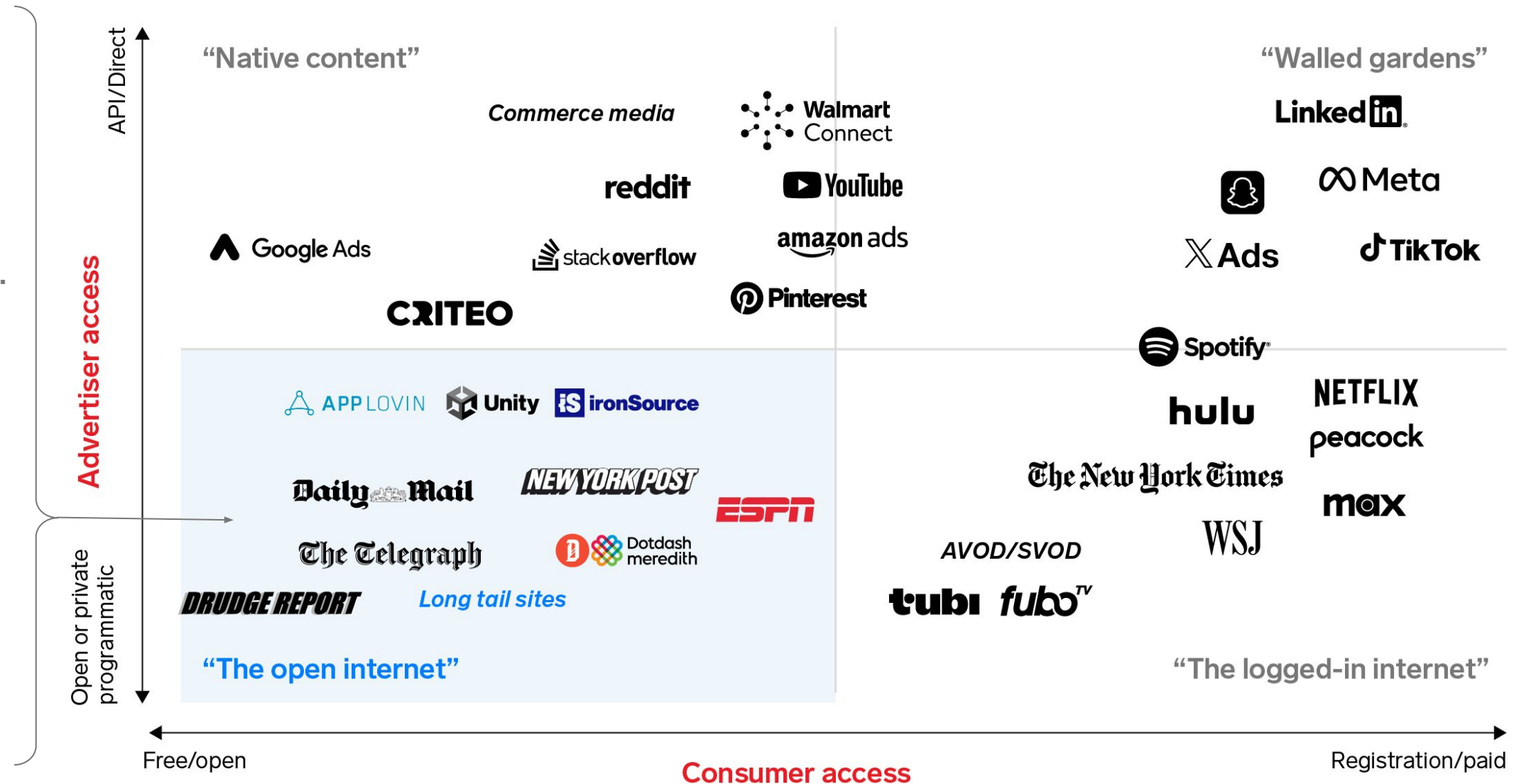
Undifferentiated content relies more heavily on search-referred traffic, which is less predictable in the AI era.



Open internet publishers compete directly with MFA websites for programmatic budgets.

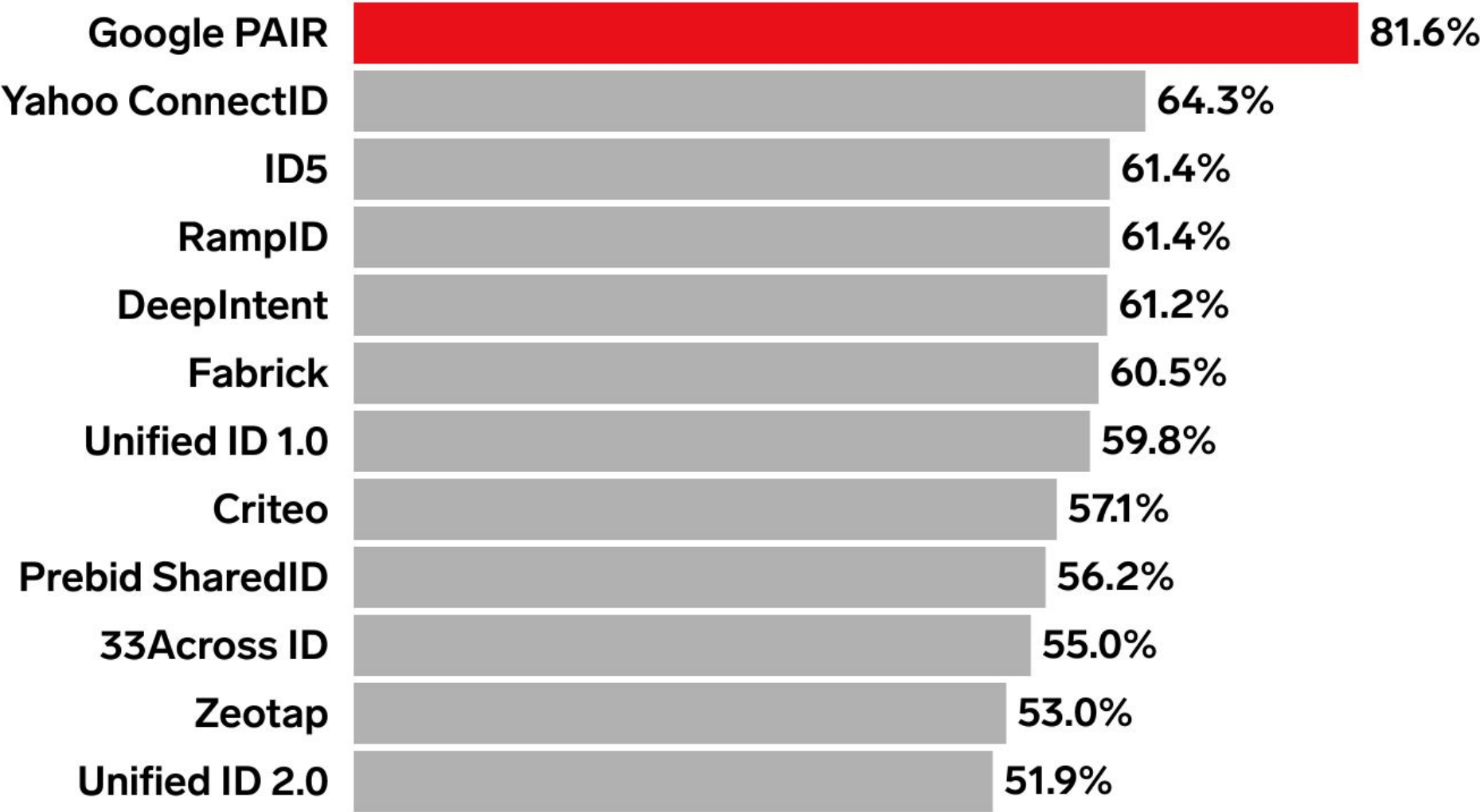


Without logged-in users, publishers have to rely more heavily on third-party ad tech to monetize.



Google's ubiquity across all quadrants gives its identity solution a leg up

% of instances select identifiers are absorbed into outbound bid requests when that identifier is available for pickup and ingestion into bid streams worldwide, Aug 7, 2024



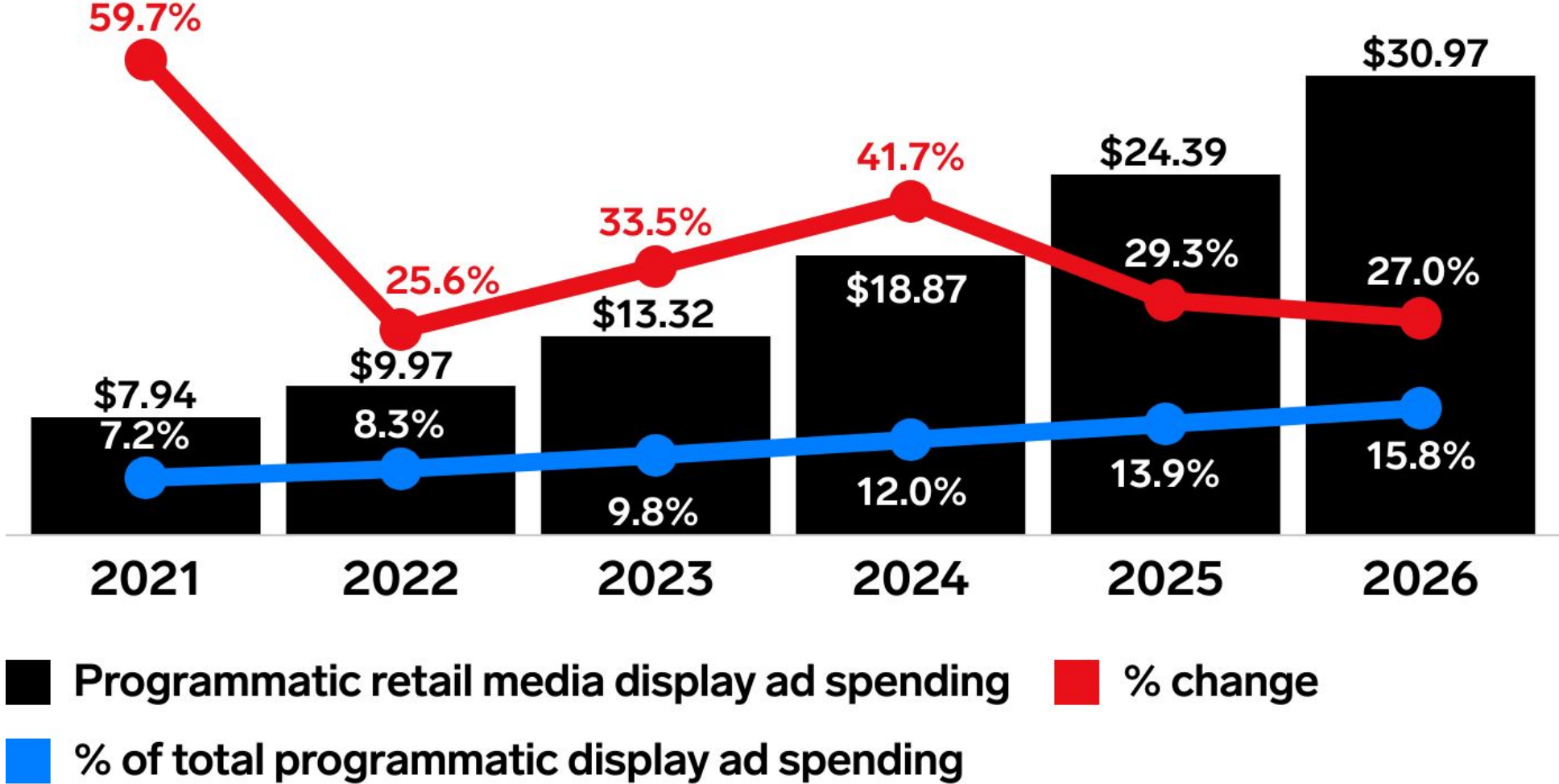
But retailers have purchase data, which they're using to build bridges with other major players for programmatic activations

select partnerships between retailers and other programmatic players, Aug 2024



Retail media is growing its share of the programmatic market as a result

billions in US programmatic retail media display ad spending, % change, and % of total programmatic display ad spending, 2021–2026

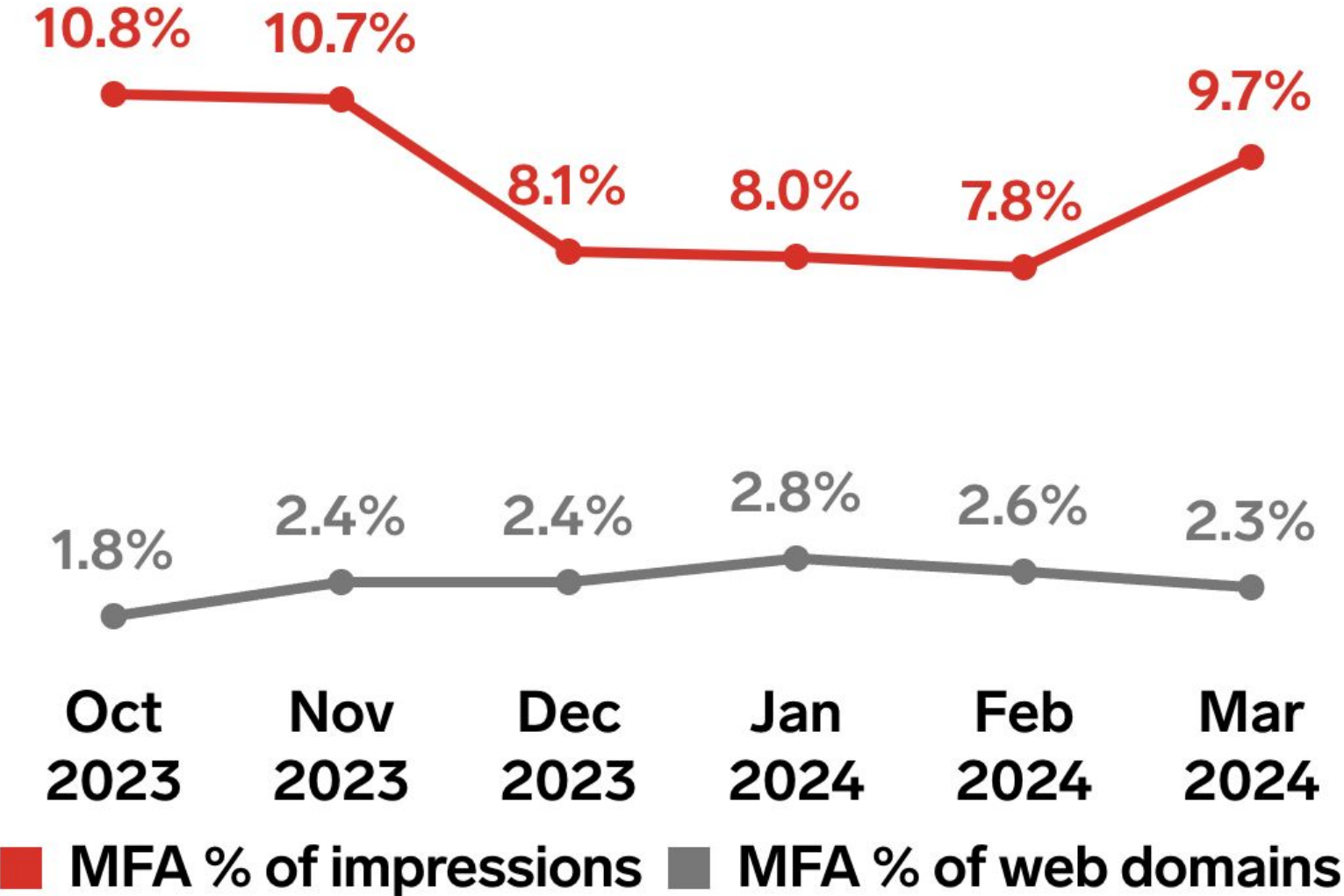


Programmatic retail media display ad spending
 % change
 % of total programmatic display ad spending

Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce or is bought through a retailer's media network or demand-side platform (DSP); includes ads purchased through retail media networks that may not appear on ecommerce sites or apps
 Source: EMARKETER Forecast, June 2024

But routing programmatic spend through retail media doesn't completely mitigate risk of purchasing MFA inventory

MFA % of total open programmatic advertising worldwide, Oct 2023–March 2024



Although MFA sites compose around 2% of global web domains, they account for a much higher share of open programmatic impressions, according to Pixalate.

Retail media networks aren't immune to the issue. Industry watchdog Adalytics uncovered multiple instances of ads purchased via Amazon being served to MFA sites in January 2024. HP's analysis of Adalytics' data cited by Adweek found that MFA sites accounted for 20% to 25% of the off-site inventory on its Amazon buys. HP brought that figure down to 9.8% using inclusion lists.

Notes and Sources

Slide 9

*Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes ads that appear on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices for all formats mentioned; *includes sponsorship, nonvideo rich media, and nonvideo native ads and ads on social networks like Facebook and X; numbers may not add up to total due to rounding; **includes in-stream video ads such as those appearing before, during, or after digital video content in a video player (pre-roll, mid-roll, or post-roll video ads) and video overlays; includes social network in-stream video advertising on platforms such as Facebook Watch and Snapchat Shows; includes outstream video ads such as native, in-feed (including video ads in Facebook's News Feed and X's Promoted Posts), in-article, in-banner, and interstitial video ads*

Source: EMARKETER Forecast, June 2024

Slide 12

*Note: includes native ads and ads on social networks like Facebook and X; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; includes programmatic ads that are transacted in real time, at the impression level; *includes all programmatic ads that are transacted as blocks of inventory using a non-auction-based approach via an API; **includes ads transacted through an invitation-only RTB auction where one publisher or a select group of publishers invites a select number of buyers to bid on its inventory; ***includes ads transacted through a public RTB auction in which any buyer or seller can participate, also known as open auction or open marketplace*

Source: EMARKETER Forecast, June 2024

Slide 14

*Note: *includes programmatic digital display ads transacted in a closed ad ecosystem where the publisher has access to first-party data and owns and controls all operations in the entire ad tech stack, such as ad buying, serving, tracking, and reporting; its inventory is not available for purchase through third-party sellers or resellers; examples include Amazon, Google-owned and -operated properties, and Meta; **includes programmatic digital display ads transacted on independent ad exchanges outside of walled gardens through third-party sellers and resellers*

Source: EMARKETER Forecast, June 2024

4 trends shaping programmatic advertising

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Jessica Shapiro
CMO, LiveRamp

The advertising ecosystem is in a state of constant evolution, with new trends reshaping how companies are connecting with their audiences. As we enter the back half of 2024, here are four key trends that are defining the future of programmatic advertising.

1. The expansion of commerce media beyond retail

The boom of media networks has been underway for a few years now, but the impact they will make outside of the retail industry is just beginning. The growth has already unlocked new opportunities for verticals rich with unique first-party data—like the travel and hospitality industry, financial services and others—allowing brands to create immersive customer experiences through emerging channels and interactive video content.

Just as retail media networks offer marketers critical signals and ways to reach their target audiences, commerce media expands the ways companies can connect with customers. With commerce media expanding beyond retail, marketers can now leverage a wider range of platforms to reach their end customers to gain deeper insights and personalize every digital interaction.

2. New opportunities in CTV

While marketers are already looking to capitalize on the meteoric growth of connected TV (CTV), they're only just starting to truly grasp the benefits of the cutting-edge marketing tactics it enables. CTV's growth has taken a critical turn recently, as free ad-supported TV services gain popularity and premium CTV platforms offer targeted ads to high-value audiences.

With Olympics advertising available to buy programmatically for the first time, CTV is taking another leap forward while delivering bigger opportunities for marketers. As sports and other live programming continues to transition to CTV, marketers will find enormous value in generating better insights at every stage from exposure through to conversions and purchases.

3. Measurement is the new currency of success

The proliferation of channels has made measurement and attribution increasingly crucial for proving return on ad spend. Marketers need better ways to not only connect across the ecosystem for activation, but also to link all of these touchpoints to a measurable outcome and prove marketing effectiveness. Fortunately, new strategies such as data collaboration help to break down silos to allow for seamless integration of data across walled gardens, advertising partners, and clouds to drive faster, more efficient decision-making.

4. Marketers increase data clean room adoption

Data clean rooms have become vital components of modern advertising amidst increasing privacy regulations and signal loss. Marketers are now leveraging privacy-enhancing clean room technology to safely combine and analyze select datasets to deepen measurement and analytics. Doing so enables new data connections between partners that weren't possible before.

Omni Hotels & Resorts is a recent example of how clean rooms can deliver new solutions and offer better measurability. By using Google's PAIR protocol, powered by LiveRamp's clean room, Omni leveraged its own data for marketing efforts while protecting privacy and avoiding third-party cookies. The approach helped Omni achieve a [four times higher conversion rate](#) on their campaigns compared to traditional methods.

[Learn how](#) major brands are using these trends to connect with their customers.

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