This report looks at the following areas:

- Market size and segmentation of the US digital advertising sector, along with revenue growth forecasts through 2028
- Key players in the digital advertising landscape and development priorities
- Trends in digital advertising effectiveness, consumer attitudes and reactions toward digital ads
- Opportunities for future success for digital advertisers and publishers

Digital advertising received a significant pandemic-driven boost and the market has proved resilient despite economic and structural headwinds in 2022. Following the volatility of the past few years, overall growth in digital ad revenue is forecast to more closely reflect the pre-pandemic trajectory. However, digital video is expected to continue its outsized growth and replace search as the largest segment as consumers increasingly turn to streaming video and social media platforms for entertainment and news.

There are two key factors that are beginning to affect market. First, a shift to a privacy-centric framework, which will impact targeting and ad relevancy as access to user-level data becomes less available. Second, implementation of generative AI, which key players are already building into their search engines.

From a consumer perspective, online advertising is understood as a necessary attention tax they must pay in exchange for using the internet. However, consumers only recall a small fraction of the digital ads they are invariably exposed to, tolerance for advertising varies, and perceptions of ad relevancy are worsening.

While the digital advertising market is set continue strong growth, digital marketers face an increasingly cluttered landscape where standing out will require more than repetition. In the absence of user-level data, consumers will be exposed to even more irrelevant advertising and they will become even
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Meta makes its LLM open source for innovation’s sake, worrying competitors
ByteDance, a hit with consumers, but a major concern for the government
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