3 Advertising and Marketing Trends Shaping 2023’s Second Half

Mass disruption defined market conditions in the first half of 2023, with the headline-making wave of generative AI, the unshakable growth of connected TV (CTV), and a world of new opportunities with retail media. In this ebook, our analysts provide essential context for three major trends that will shape the nearly $1 trillion worldwide advertising business.
TREND #1

Tech giants steer the fate of generative AI

New AI tools, like ChatGPT, DALL-E 2, and others, are already assuming advertising’s low-risk functions, including simple copywriting and mockups. Concerns over trustworthiness and legal risks will inform its place with heavier lifts.

What marketers need to know:

Need for agency input decreases
Enhanced automation at Google, Meta, and other major self-serve ad-buying platforms could enable the creation of business ads by the platforms themselves, removing the need for intermediate agencies.

Search ads could get more costly
AI-assisted search results will present more direct information through definitive responses to queries, which may result in more competition for less prominent ad space, fewer clicks, and higher costs.

Easier to create ads at scale
Marketers who use AI effectively could increase their output, with simpler brainstorming processes, more variations of creative, and less need for A/B testing.

What our analyst says:

“It is not an exaggeration to say that generative AI could completely transform the media industry. But its ability to do so will largely depend on the technology winning trust, not just from executives and content creators but from consumers as well. At the moment, there is significant, justifiable wariness of generative AI.”

Max Willens
Senior Analyst, Insider Intelligence

Top 5 Uses for Generative AI According to Marketers Worldwide, May 2023

<table>
<thead>
<tr>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Basic content creation</td>
</tr>
<tr>
<td>2. Write copy</td>
</tr>
<tr>
<td>3. Inspire creative thinking</td>
</tr>
<tr>
<td>4. Analyze market data</td>
</tr>
<tr>
<td>5. Generate asset images</td>
</tr>
</tbody>
</table>

Note: among respondents in Australia, the UK, and the US who are using generative AI Source: Salesforce survey conducted by YouGov as cited in company blog, June 5, 2023
TREND #2

While traditional TV is waning, CTV is thriving

Although US adults will spend an hour more with traditional TV than CTV this year, that gap is narrowing. And with advertisers aiming to meet their consumers where they are, time spent on traditional TV and CTV are now directly aligned with ad spending on the same platforms.

What marketers need to know:

CTV is the fastest-growing major ad channel in the US

US CTV ad spending will increase by 21.2% to $25.09 billion in 2023, and will continue to see double-digit growth every year through 2027, according to our forecast.

Ad-supported subscriptions drive new growth for streamers

A large portion of the $4.40 billion in new CTV ad spending in 2023 will come from newer ad-supported subscription tiers like Disney+ ($748.2 million) and Netflix ($618.2 million), according to our forecast.

Traditional TV remains ahead of many digital competitors

Traditional TV still brings in more ad dollars than many of its digital competitors (including CTV and retail media), so its slow decline as a major ad player likely still has decades to go, per our forecast.

What our analyst says:

“As CTV continues to gain on traditional TV across key metrics like viewers, time spent, and ad spending, brands and agencies are shifting budgets accordingly. This is creating a silver lining for TV advertisers as CTV rises to fill the void left by the decline of the legacy business. While this might be small comfort to TV networks that are seeing smaller margins with CTV than with traditional, they are increasingly adapting to the new reality and leaning into their streaming platforms.”

Paul Verna
Principal Analyst, Insider Intelligence
Evolving with the digital landscape:

Success stories of 3 Insider Intelligence clients

Today’s quickly evolving digital landscape is posing an urgent need for businesses to stay informed. The common thread to their success? Data. As the driving force behind agile decision-making and strategic planning, data allows businesses to redefine success, fuel innovation, and gain a competitive edge.

The transformative power of data is explored through these three Insider Intelligence subscribers: Chanel, Ebanx, and Synergistic. Each shared their experience achieving positive business outcomes, whether by elevating ecommerce experiences, advancing into new regional markets, or steering clients toward a more profitable future.

Building luxury digital experiences

As a heritage brand, Chanel's high standard needed to be replicated in the digital world. Setting the brand up for longevity meant adapting to a quickly changing online environment.

Chanel's primary goal was to deliver meaningful digital experiences at all customer touchpoints. “[Chanel] needs to be around for the next 100 years,” said Vincent Arcin, the company’s digital director overseeing Europe, the Middle East, and Africa. To win the tough competition for consumers’ attention online, his team explored new technologies, social platforms, and content pillars to engage them in unique ways.

To do this, Arcin’s team drew insights from more than 400 data points on Insider Intelligence’s Industry KPIs platform. Leveraging benchmarks not only guided smarter business decisions, but also formed new measures of success on social, ecommerce, and digital media metrics.

Navigating expansion into emerging markets

For cross-border payments company Ebanx, the path to expansion began by establishing itself as a fintech thought leader before diversifying its regional markets. Ebanx’s ambitious plans to expand into Asia-Pacific, Africa, and the Middle East required a profound understanding of each region's unique economies, demographics, and consumer trends.

“Insider Intelligence is a very important piece of the puzzle that helps us tell the right stories about rising economies to our merchants and our prospects who are interested in investing in rising markets,” said Jaqueline Bartzen, Ebanx’s head of marketing.

Armed with this robust resource of contextualized data from Insider Intelligence, Bartzen and her team produced Beyond Borders, a keystone research study that will be published three times this year. This opened new speaking opportunities with prospective partners who came to trust Ebanx to provide reliable, relevant intel.

Staying ahead of digital disruption

Client satisfaction is the key driver of business development for Synergistic, a marketing, branding, and creative agency that specializes in helping clients navigate uncertainty. Melissa Martin, vice president of media and strategy at Synergistic, said if you can lean into the industry’s ebbs and flows, you can stay proactive and seize revenue-driving opportunities, even in a challenging market.

Daily briefings from Insider Intelligence equipped Synergistic with the latest news on data privacy and regulations, emerging technologies, and other industry disruptors. This information allowed the agency to develop strategies that enabled its clients to respond effectively to macroeconomic changes.

Last year, Synergistic saw 183% revenue growth YoY, and the company is on the same trajectory in 2023. It was also named in the Inc. 5000’s 2022 annual ranking of fastest-growing private companies in the US.
Retail media flies above turbulent market conditions

Retail media is expected not only to weather macroeconomic headwinds, but also to see increases of more than 19% in spending annually through at least 2027, according to our forecast. Today, nearly all categories of retailers have media networks, propped up by a combined growth of ecommerce sales and digital ad spending. Visibility into retailers’ rich first-party data is also a major draw, especially as cookies and mobile identifiers deprecate.

What marketers need to know:

Expect a more diversified market
Although Amazon will account for 75.2% of retail media network (RMN) ad revenues this year, according to our forecast, mass-retail competitors such as Walmart, Instacart, and Target are gaining market share.

Advertisers are eager to spend on off-site channels
Retail media off-site advertising, which appears outside of the retailer’s owned-and-operated website but leverages first-party data, will account for 14.5% of the US retail media market this year, increasing to 17.0% in 2027, according to our forecast.

Average in-store audiences are larger
The digitization of brick-and-mortar stores through in-store retail media will give rise to new opportunities on key high-trafficked areas like end caps, shelves, and checkout aisles. In-store retail media allows advertisers to reach massive physical audiences, which are on average 70% larger than digital audiences at major retailers, per Placer.ai and Comscore Media Metrix Multi-Platform.

What our analyst says:

“The retail media is evolving from the 1.0 era, driven primarily by on-site search, to the 2.0 era, which is moving up the funnel and into the physical store. Off-site retail media ads—including streaming TV—are now growing at twice the rate of on-site ads, while store digitization is enabling the rise of in-store retail media. The $45 billion US retail media market only gets more interesting from here, as Amazon Ads feels the heat from fast-rising omnichannel RMNs like Walmart Connect, Kroger Precision Marketing, and Best Buy Ads.”

Andrew Lipsman
Vice President and Principal Analyst, Insider Intelligence
Make informed decisions quickly with credible data and insights.

Join the 100,000-plus Insider Intelligence subscribers—including Fortune 1000 companies and top-tier media agencies—who harness our research, data, and insights across all areas of their businesses.

Derive and Validate Decisions With Trusted Data
We've developed a proprietary data-vetting and contextualization process to strip out potential biases. Our clients can feel assured that they are getting the most accurate, up-to-date, and well-secured data.

Learn More About Our Vetting Process

Personalize Insights to Your Business Needs
With our latest website enhancements, you can now customize your homepage experience and filter down your Industry KPIs benchmarks according to preference, so that the most relevant research and reliable data is consistently at your fingertips.

Explore Our Customizable Offerings

Power Your Team to Go To Market Faster
Our industry-renowned charts and analyst insights will strengthen marketing presentations and add ROI to your team collateral. Keep your team up to date on relevant trends by giving them access to our comprehensive product suite.

Leverage Our Turnkey Solutions

Visit www.insiderintelligence.com or contact us at ii-sales@insiderintelligence.com to learn more about a subscription.
To learn about advertising and sponsorship opportunities, contact advertising@insiderintelligence.com.
Or stay informed with daily newsletters.