Advertising in the Digital Age

WEEKLY LEARNINGS 2025

Weekly Learnings 49 / 2025

Here's a good report from Bain & Company on the spends and the future trends. Key points

1. Global Ad spend is $ 1 trillion, which is less than 1 % of global GDP. India ad spend is $16 Billion which is 0.4 % of GDP

2. 70 % of global Ad spend is digital, North America followed by Asia Pacific lead digital spending. 50 % of the India ad market is digital.

3. Indians spend 4.8 hours on the mobile phone every day.

4. We have 100 million paid users of Jio Hotstar

5. 70 % of digital spend is on mobiles and 90 % of that is in-app.

6.The biggest use of internet is new information, social connections and news/current events

7. In India social media, gaming and shopping are most used apps

8. Short form videos are growing across every platform.

9. We see the closed system dominating today, open systems will need to think differently.

10. Lot of Indian examples in the report

Shiv
www.shivshivakumar.com
PS: Am not connected with Bain in any way.

Advertising in the Digital Age, in India and Around the World

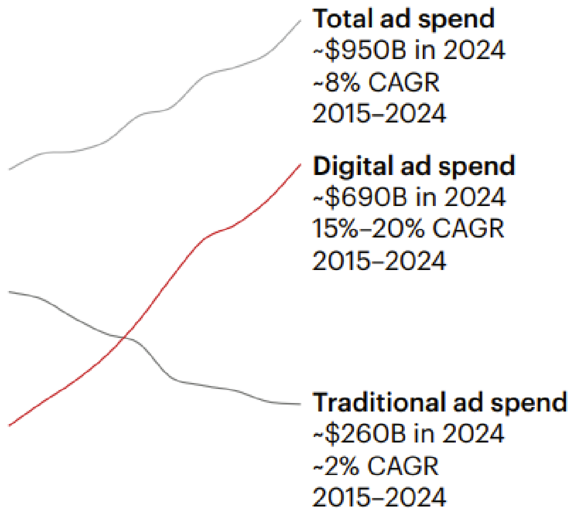
How advertising players are adapting in India and globally in 2025

By Arpan Sheth, Prabhav Kashyap, and Devika Mittal

Figure 1: Global advertising market is large (~$1T), with digital spends (~$690B) driving growth at 15%–20% p.a., outpacing traditional spends

Digital advertising will continue to outpace traditional to reach 80%–85% of total ad spend in the next five years ...

Global advertising spend as a percentage of global GDP



	2015	2020	2024	2029
Ad spend as percentage of GDP	~60 bps[1]	~70 bps	**~85 bps**	**~100 bps**
Digital as percentage of total ad spend	30%–35%	~60%	**70%–75%**	**80%–85%**

... driven by changes in digital access and consumer behavior

~68%
Share of Internet users in global population in 2024 (~53% in 2019); ~58% share for India in 2024

~12%
Growth in monthly active users for top apps globally (2019–24)

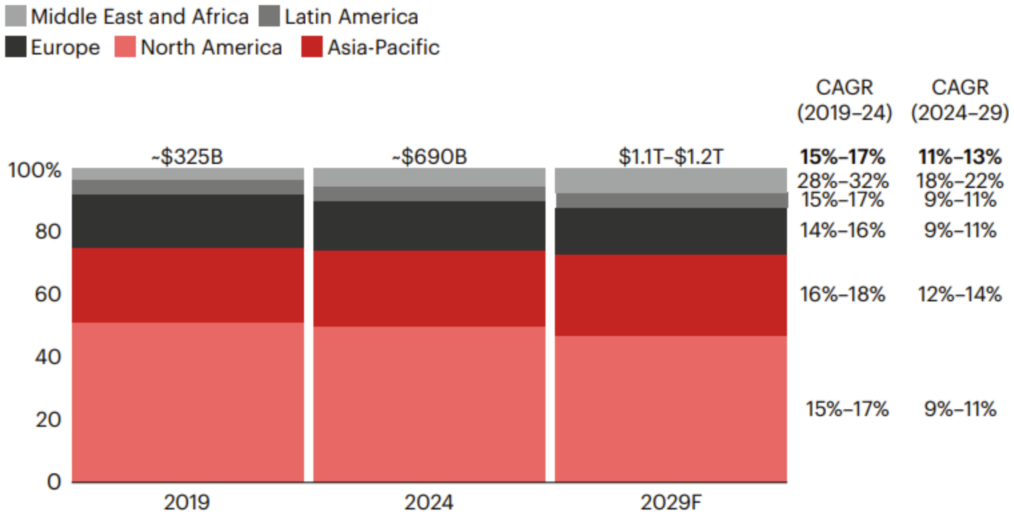
>6x
Time spent on Internet platforms vs. traditional TV globally

~30%
Share of users who now discover new brands via social media advertisements

~40%
Growth in digital shoppers globally over 2019–24, with higher growth in emerging markets (~150% in India)

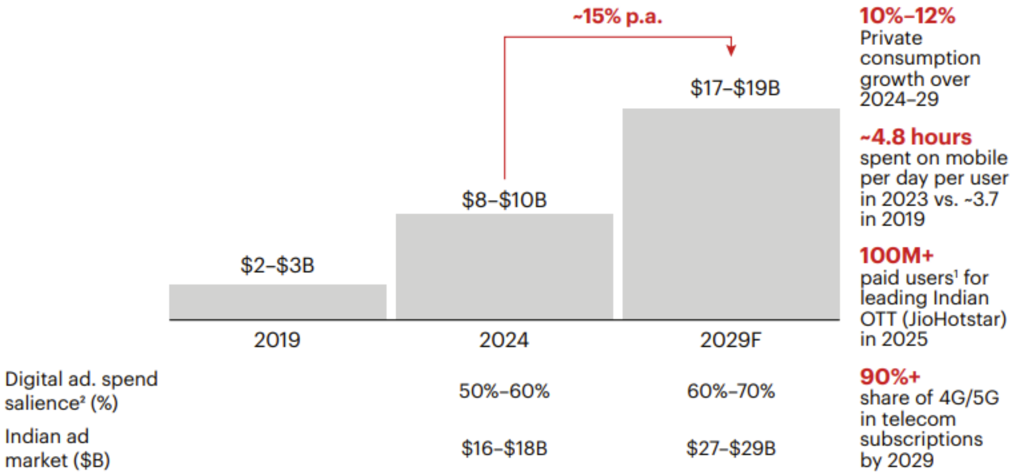
North America forms the largest part of global digital ad spends, followed by Asia-Pacific, which is growing strongly

Global digital advertising split by region
(Percentage of total digital advertising spend)



India (within Asia-Pacific) to show high growth led by demographic tailwinds and rising media use

Indian digital advertising market

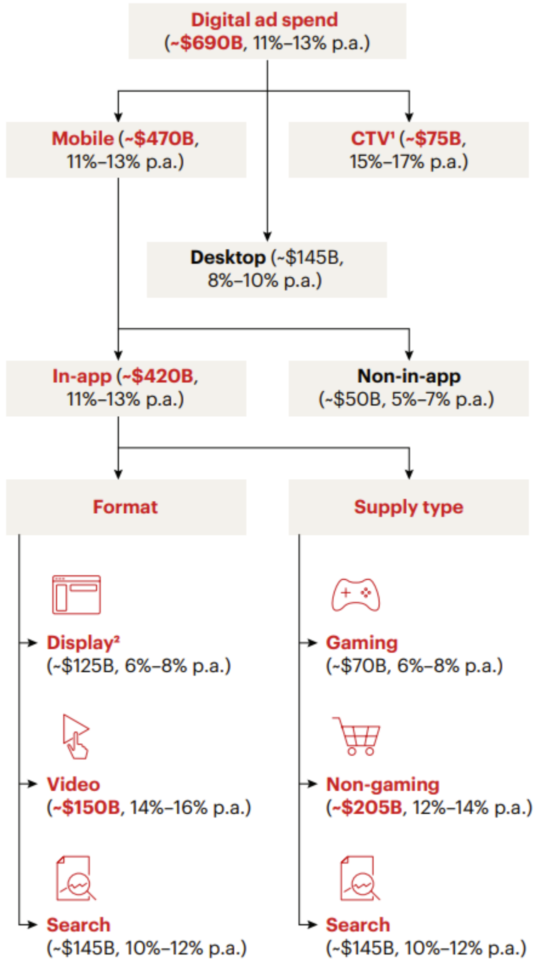


Notes: 1) Also served 500 million+ monthly active users in March 2025, driven by the Champions Trophy and Indian Premier League (IPL); 2) Digital ad spend as a percentage of total ad spend
Sources: Market participant conversations; earnings calls; Emarketer; Euromonitor; Ericsson; Sensor Tower; Bain analysis

Figure 3: Mobile-based spends (~$470B) growing in line with digital; in-app spend driving major growth enabled by video formats and non-gaming apps

Within digital ad spend, mobile in-app spend outpaces non-app spend ...

Global market type (2024 size, 2024–29 CAGR)



... driven by strong consumer attention for video formats and non-gaming apps

In-app growing faster than non-in-app

- **Time spent in-app grew by ~7% p.a.** over 2019–23 (~2% for **non-in-app** in US)
- In-app ads offer **better outcomes** (2–3 times conversion vs. web displays) and **a non-intrusive user experience**

Video formats garnering attention

- Rapid **scale-up of video-first functionalities** (e.g., Instagram users spend two-thirds of app time on videos)
- **Video ads garner more attention** (e.g., 1.5%–2% users click on video ads vs. <0.5% for banners)

Non-gaming apps gaining traction

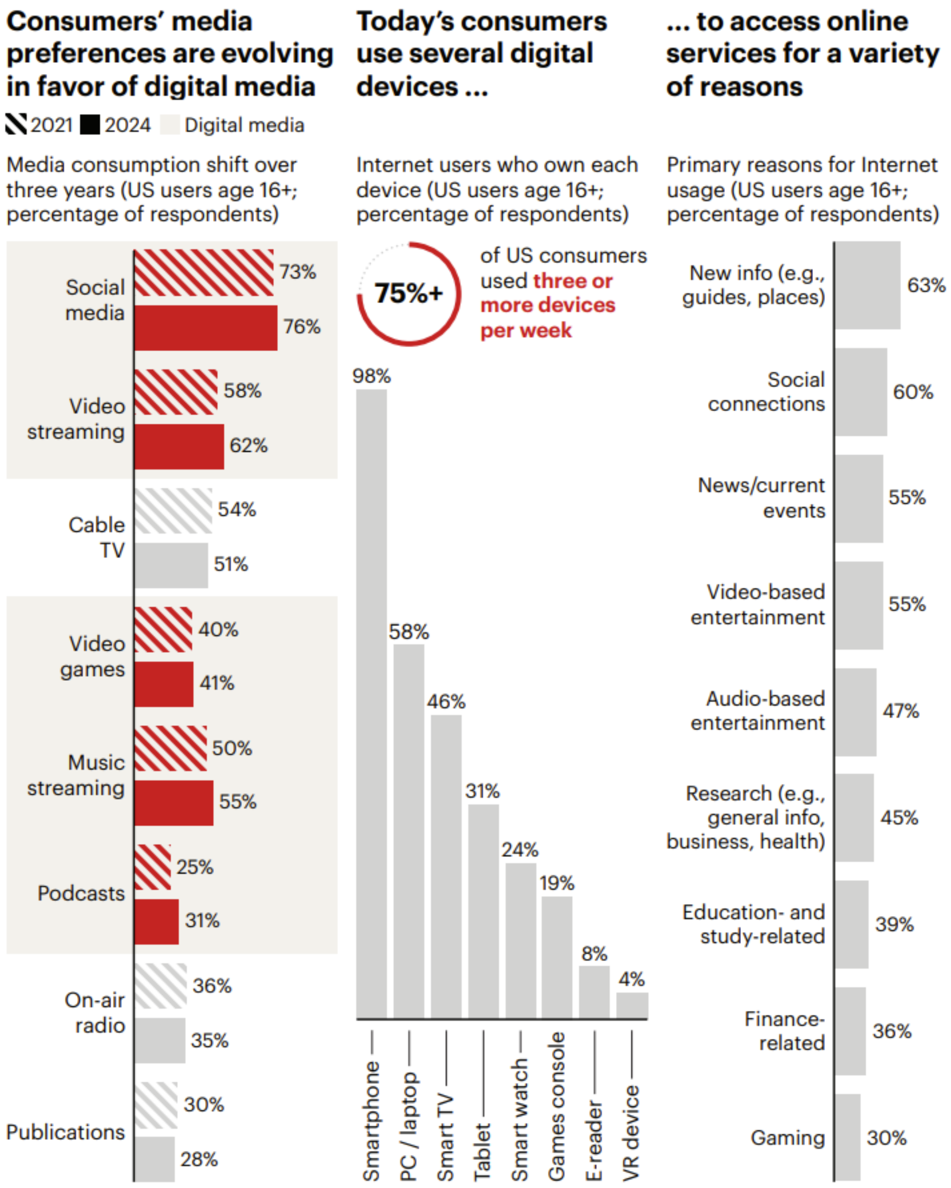
- **Non-gaming downloads grew one percentage point faster[3]** vs. gaming (in India, 18 of the top 20 apps by downloads are non-gaming)
- **Non-gaming apps offer higher cost per mille (CPM)**
  - Non-gaming spend to increase from 45%–50% to 50%–55% of in-app spend over 2024–29

Trends are similar for India

- **India showcases a digital ad spend split similar to the global pattern** across mobile, CTV, and desktop

Notes: 1) Connected TVs (e.g., smart TVs, TVs appended with smart devices such as Apple TV, Amazon Fire TV Stick, etc.); 2) Display includes banner and interstitial formats; 3) CAGR 2019–24
Sources: Market participant conversations; Emarketer; International Data Corporation (IDC) forecast; Grand View Research; Sensor Tower; Reuters; secondary research; Bain analysis

Figure 4: Digital access is becoming increasingly pervasive, with consumers utilizing multiple devices to access the Internet for a variety of reasons

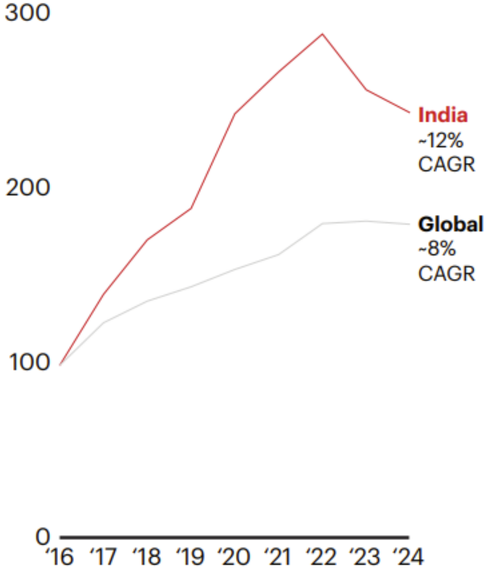


Sources: GWI; Bain Consumer Media Consumption Surveys (US: 2021 and 2024); Bain analysis

Figure 5: Digital proliferation has led to consumers spending time across different media categories and across multiple platforms

This digital proliferation has driven a fragmentation of the app categories a consumer uses frequently ...

Annual app downloads
(Indexed to 100)



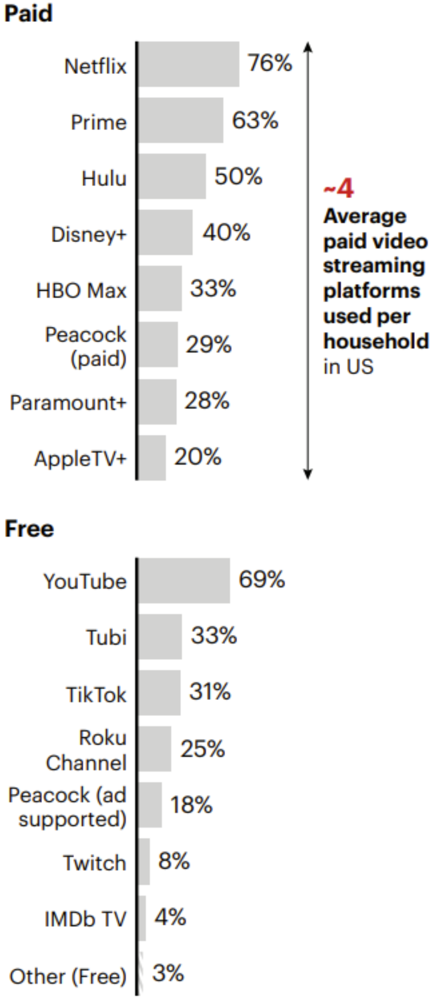
25+
Unique apps used on average per month by consumers globally

~10
App categories in Top 25 apps (by downloads) in India (7 categories for Top 25 in 2019)

Social media	Utility
Gaming	Audio stream
Shopping	Travel
Finance	Photography
Entertainment	Grocery/food

... as well as the number of apps and platforms in use within a single category

Streaming services used weekly
(US; percentage of respondents)



Sources: Sensor Tower; Bain Consumer Media Consumption Surveys (US: 2021, 2024, 2025); Kantar; Bain analysis

Figure 6: Consumers are also increasingly making conscious choices about their digital media consumption

Consumers are increasingly seeking content they like ...

Percentage of consumers (in 2024) who **rate personal genre preference as the top reason when deciding:**

~60% — What to watch on **OTT platforms**

~62% — Which **video game** to play

~67% — Which **audio content to listen** to

... in the formats they prefer

3 in 4
Internet **users today are consuming short-form videos**

YouTube Shorts
100%+ growth p.a. in views per day (2021–24)

Instagram Reels
4.5B+ Reels reposted per day

More consumers are also opting out of irrelevant content and app tracking

~85%
Share of users who **opted out of ATT**[1] (2024), disallowing cross-app tracking

~75%
Share of website users who either **reject cookies or ignore cookie banners** (2023) (rejection rates are especially high in US/EU)

Note: 1) App Tracking Transparency for apps downloaded on iOS devices
Sources: Consumer Media Consumption Survey (US, 2024, n=4,940); Singular Quarterly Trends report for Q2 2024; Advance Metrics survey; earnings calls; Bain analysis

Figure 7: Privacy regulations, which are limiting cookies and user tracking, will change how brands think about digital advertising

Data privacy restrictions and initiatives from regulatory bodies and large tech companies are limiting user data trackability

Regulatory restrictions

GDPR[1] (EU, 2018), **CCPA**[2] (US, 2020), and **DPDP**[3] (India, 2023) data privacy laws passed to restrict 3P tracking. They:

- **Restrict PII**[4] **and sensitive data,** such as device IDs (IP address, cookie ID, MAC[5] address, etc.), GPS location, and browsing data
- Require unambiguous **"opt-in" models of consent**

Platform-level restrictions

Google

Mobile: Currently **offers "opting out" of Google Advertising ID (GAID),** which tracks device-level user data

- Plan to transition to "Privacy Sandbox" (user targeting **without device-level data sharing)**

Web: Previous plans to deprecate 3P cookies in Chrome; however, has shelved those plans and will continue cookies

- However, any future cookie deprecation could have a huge impact (60%–65% global browser share, 85%–90% in India)

Apple

- **Mobile: Opt-in mechanism**—ATT requiring **explicit consent** to track user activity
- **Web:** Safari already disallows 3P cookies

Brands to build FPD[6] data capabilities, contextual ads, UID[7] solutions, etc.

Lack of detailed consumer data

Building **first-party (1P)** databases (data collected directly from own users) and analytics capabilities or **second-party (2P) data** partnerships

Loss of behavioral targeting

Adopting **contextual advertising**, leveraging **look-alike modeling** (identifying audiences resembling existing customers)

Limited attribution of sale conversions

Using 1P-based **UID solution**, **clean rooms**, etc. via adtech partnerships for cross-channel measurement

Notes: 1) General Data Protection Regulation; 2) California Consumer Privacy Act; 3) Digital Personal Data Protection; 4) personally identifiable information; 5) media access control; 6) first-party data; 7) universal ID solutions: privacy compliant method to ID users
Sources: Market participant conversations; Similarweb; secondary research; Bain analysis

Figure 8: With artificial intelligence (AI)/generative AI becoming foundational in digital advertising, strategic roadmaps must evolve to reap long-term benefits

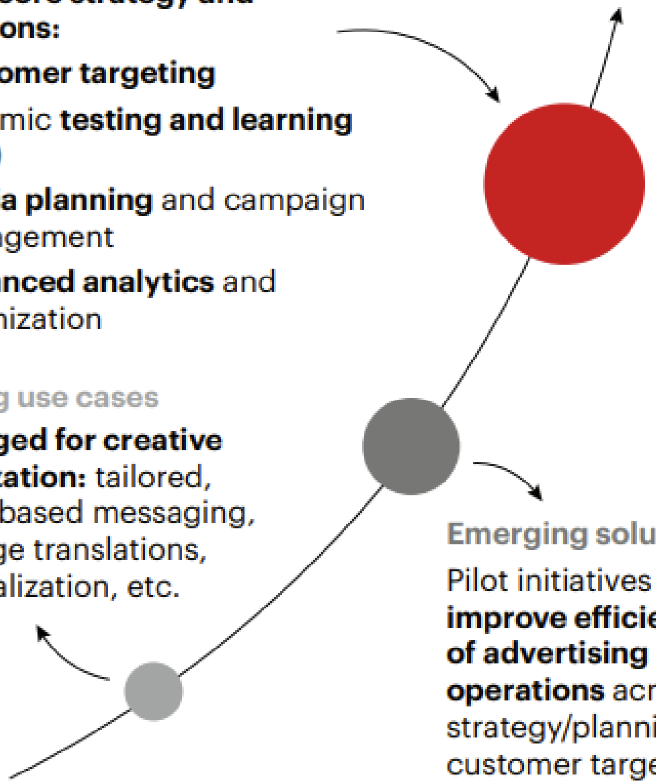
AI/generative AI is expected to redefine marketing as brands embed them across the advertising value chain

Future back

AI/generative AI embedded across core strategy and operations:

- **Customer targeting**
- Dynamic **testing and learning (T&L)**
- **Media planning** and campaign management
- **Advanced analytics** and optimization

Long-term growth



Existing use cases

Leveraged for creative optimization: tailored, cohort-based messaging, language translations, personalization, etc.

Emerging solutions

Pilot initiatives to **improve efficiency of advertising operations** across strategy/planning, customer targeting

Near-term value

Scaling AI/generative AI requires restructuring ad operations

Define the operating model	**Define strategic objectives based on brand maturity** and align on **specific use cases to invest in** (gradual vs. "all-in" implementation)
Define investment strategy	**Evaluate build-partner strategy:** leverage tech/agency partners for select use cases (e.g., ROI analytics, audience profiling), and invest in building others in-house
Upskill talent	Ensure upskilling of teams/hiring of AI specialists to **embed usage beyond one-off outputs to core operations**

Source: Bain analysis

Figure 9: Beyond content creation, brands and publishers can deploy multiple AI use cases by developing in-house tools or partnering with adtech players

	Strategy/ planning	Customer targeting	T&L	Media planning	Analysis and optimization
Use case	Broader brand objectives and advertising strategy Behavior forecasting Digital spend objectives Market research	Audience development/ segmentation Targeting through data and analytics	Pilots for new channels, new formats, etc. Content curation tailored to channel/format/ audience based on"learnings"	Spend allocation planning Reach/frequency projection Marketing mix modeling Cross-channel campaign management	ROI measurement /attribution Off-site optimization (search, website, display, social) Online testing
Benefits	Faster ideation for brand messaging Better synthesis of consumer input /data to design strategy	AI-driven audience clusters based on purchase intent and engagement history Predictive modeling for purchase likelihood/churn Automation of look-alike audience creation	Automated A/B testing to measure ad-driven sales lift AI-based lift modeling to predict ad performance	AI-driven dynamic media allocation based on real-time results and historical performance AI-based cross-channel attribution	Automatically rank and position ads based on real-time engagement data Optimize pricing and bidding strat-egies in real time using AI engines Personalize ad placements dynamically based on user behavior

Source: Bain analysis

Figure 10: With evolving consumer behavior, brands are recognizing the need to transform advertising strategy across six key tenets

Key tenets	Current positioning of majority brands across key tenets	Transition being seen by best-in-class digital marketing brands
1 Diversifying media mix	Over-index budgets on "mega" platforms like Google/Meta	Increased allocation on platforms beyond Google/Meta
2 Adopting a mobile- and platform-first approach	Traditional-first content creation that is "copy-pasted" for digital platforms	Mobile-first and platform-specific content per preferences and attention spans
3 Developing a personalization engine	Standardized ads across user cohorts	Hyper-personalized content and ads using first-party data (FPD) and AI/generative AI
4 Spending more on mid and bottom funnel	Larger share of spend on brand and awareness/reach marketing vs. performance	Increased allocation to mid- and bottom-funnel performance marketing
5 Experimenting at scale and speed	Static, low-frequency experiments as and when needed	Increasing digital ad spends dedicated to broader and frequent T&L
6 Building a consumer FPD flywheel	Reliance on 3P cookie-based targeting and limited FPD collection/usage	FPD accumulation across channels and advanced implementation

Sources: Market participant conversations; Bain analysis

Figure 11: Increasing consideration for brands to diversify their media mix and adopt mobile- and platform-first strategies

1. Diversifying media mix beyond traditional platforms

Identify broader app ecosystems to diversify presence and target audience at relevant junctures

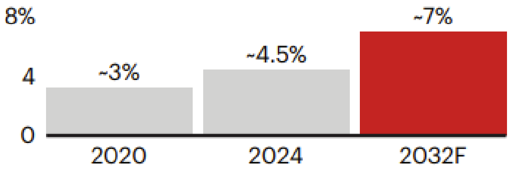
FROM
Majority of spend centered on "mega" platforms today

TO
Diversified allocation

- News apps
- "Mega" platforms
- OTT platform
- Gaming apps
- E-commerce/ quick commerce

Preliminary shift in India with spending on flagship events like **Indian Premier League (IPL) digital** and increasingly salient platforms such as **quick commerce**, with smaller brands also investing in diversification

IPL Digital Adex as a percentage of India Digital Adex



90%
Share of advertisers that expect to **increase share of digital spend on IPL**

100%
Spend on IPL digital in 2024 for a leading Indian fintech vs. considerable IPL TV spend over 2020–22

~4x
Growth in ad revenue for Blinkit over FY23–24; ad revenue projected to grow ~2.5 times over FY24–25

2. Adopting a mobile- and platform-first approach

Move beyond "copy-pasting" traditional ads; think "mobile- and platform-first" (for core digital platforms)

5 Star	boAt
YouTube: Ad films for campaigns	**YouTube:** Tie-ups with tech influencers
Instagram: Short videos/reels for mobile	**Instagram:** <15-second bites with product specs
Microsites for specific campaigns and engagement	**LinkedIn:** Employer branding posts
X (Twitter): Short-moment marketing posts	**CTV:** Long-form video commercials

Figure 12: Building and integrating rich FPD and investing in mid/bottom funnel marketing will further aid brands

4. Spending more on mid/bottom funnel performance marketing

Direct increasing spends to performance marketing and mid/bottom funnel ROI

Top funnel	Middle funnel	Bottom funnel

Some Indian brands (including legacy) are allocating more spend on mid/bottom funnel via quick commerce and e-commerce

VIP

Majority spending on mid/bottom funnel via e-commerce

Frido

90% digital ad spend dedicated to performance marketing

Wonderchef

55%–60% digital ad spend directed to performance marketing

6. Building a consumer FPD flywheel

Convert buyers to “members” > enrich members with attributes > direct spends to FPD-driven ads

>2.5x
ROI from targeted ads

Large brands are starting to build out their own FPD capabilities largely from their “own” data and other platform partnerships

Coca-Cola

Hundreds of millions of customer profiles across 120+ countries

Nestlé

340M+ FPD records

Food company in India

75M+ contactable customers

>50%
Percentage of marketers who reported an increase in customer retention, driven by FPD-driven marketing

Small brands can rely on 3P data and enrichment to build consumer FPD flywheels

Owned platforms
Websites, apps, microsites, etc.

Offline/off platforms
QR codes, chatbots, POS[1] data, etc.

3P enrichment via
DMPs[2], CIPs[3], UIDs, etc.

FPD collection and enrichment

Notes: 1) Point of sale; 2) Data management platforms; 3) Customer intelligence platforms
Sources: Market participant conversations; earnings calls; Gartner; Nielsen; secondary research; Bain analysis

Figure 13: Publishers can enable digital advertising transformation for brands while making their platforms more lucrative for advertising

Focus on high consumer traffic and on-platform retention

Adapting platforms in line with customer preferences

Cricbuzz: Both **"buzz shorts"** (short-form videos) and **long-form** videos

Netflix: **Mobile-only plans** for India; **ad-supported plans** in select regions

Myntra: **"Myntra Minis," short-form videos** for discovery and shopping

Integrating AI/ML in operations

Predicting user churn points to reduce drop-offs

Spotify: Uses AI for churn prediction and offers incentives for retention

Optimizing ad placements for better engagement

CBC: Used dynamic ad insertion

Increase in fill rate

Curating minimally disruptive ad experiences

Identify "format fit" in tune with the platform

Segment	"Fit" formats
E-commerce	Shoppables, interactives
Edtech	Quizzes/ playables
Gaming	Playables, rewarded ads
OTT	Pause to shop, play along
News	Native ads (news stories)

Emerging ad avenue examples (India)

Inshorts: Scrollable ad "stories" in line with native platform experience

Flipkart: 3D/augmented reality (AR) tryouts, swipeable carousel ads

Sources: Market participant conversations; company websites; secondary research; Bain analysis

Figure 14: Publishers should build multi-source data engines enhanced by 2P/3P partnerships and enable data sharing with brands

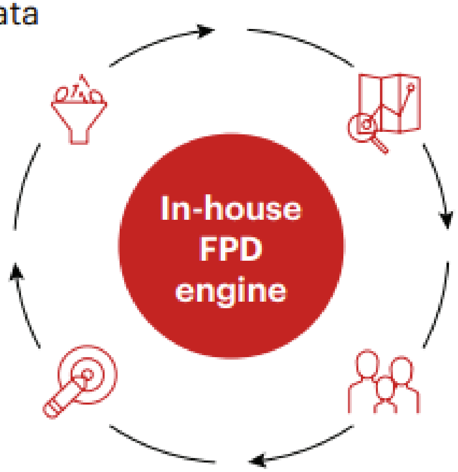
0 Trust and permission to use data

Identify **relevant and compliant sources** for data collection and **persuade users to share** data

1 Data augmentation

Build data infrastructure to ensure **full-stack data collection and unification** across owned platforms and off-platform sources (e.g., QR codes) over long periods (100+ user sessions)

- Multiparty UID solutions
- 2P partner-ships with other publishers
- Data clean rooms for aggregated data sharing with brands



2 Data enrichment

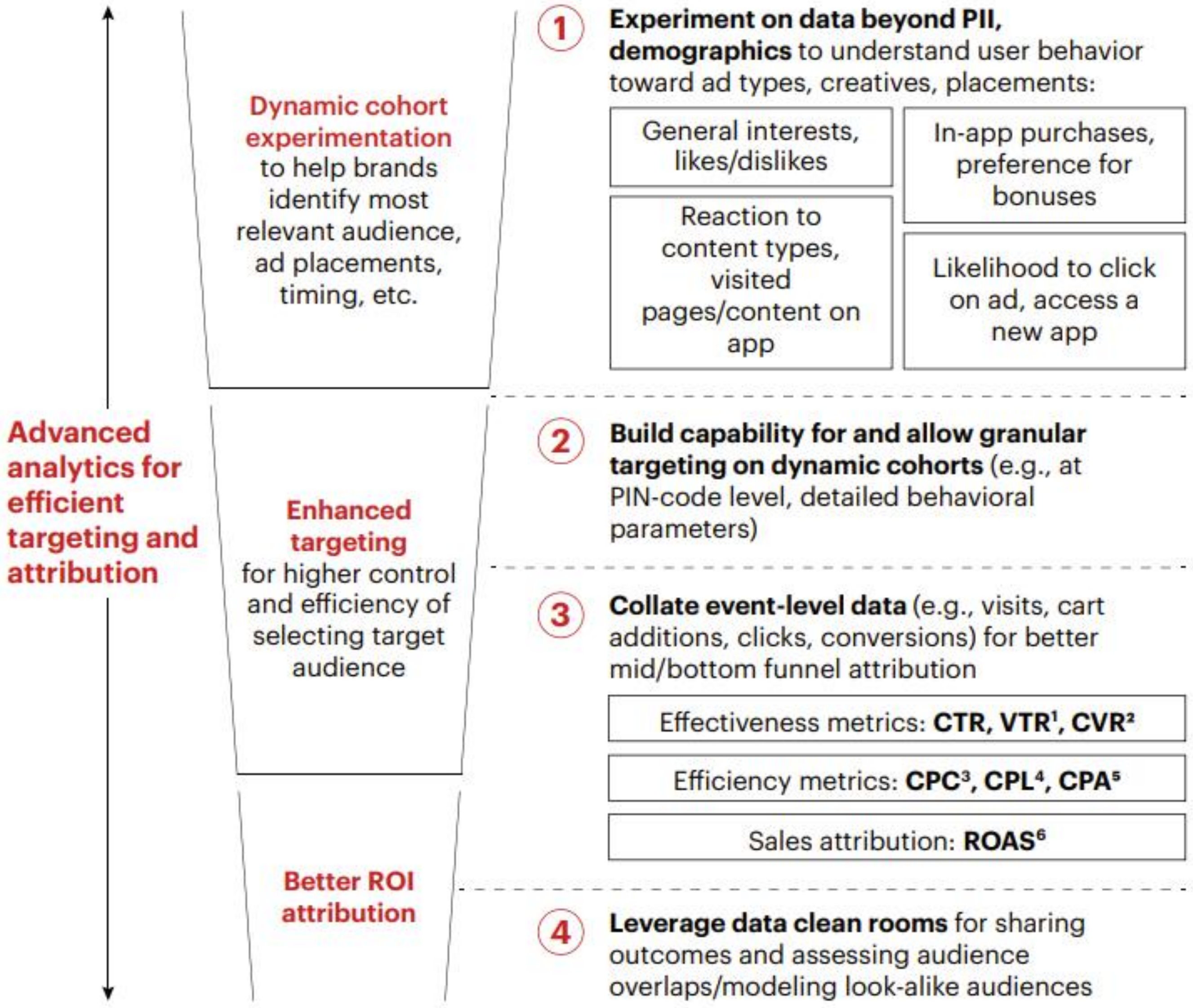
Enhance existing FPD with on-site user behavior, transactional history, etc.

3 Define cohorts

Identify high-frequency/loyal users and other **micro-segments**

Sources: Market participant conversations; secondary research; Bain analysis

Figure 15: Publishers must invest in dynamic experimentation themselves to offer brands better targeting and increased ROI visibility



Notes: 1) View-through rate; 2) Conversion rate; 3) Cost per click; 4) Cost per lead; 5) Cost per acquisition; 6) Return on ad spend
Sources: Market participant conversations; secondary research; Bain analysis

Figure 16: Two system types in the ad value chain: decentralized marketplaces with adtech platforms ("open") and large publisher platforms ("closed")

Open system	Closed system
Decentralized marketplace where brands and the broader ecosystem of publishers transact **programmatically via adtech platforms**	**Closed ecosystem of large platforms** that control inventory, data, and ad delivery, **engaging directly with brands/ad agencies**

Brands/agencies

Brands can engage via both open and closed systems

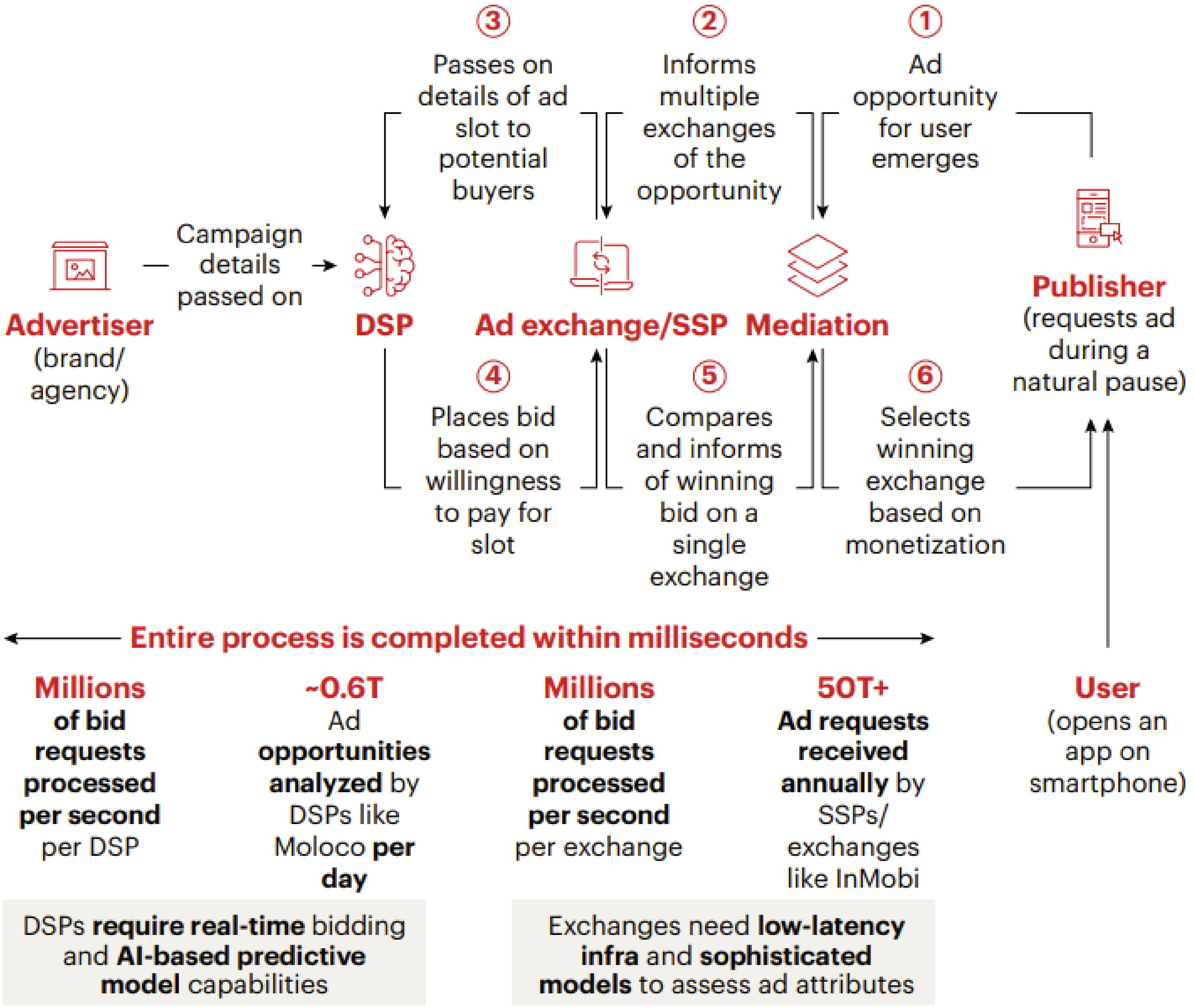
Adtech platforms

Demand-side platforms (DSPs)	Ad exchanges	Supply-side platforms (SSPs)	Mediation
Receive and evaluate bid requests from ad exchanges based on a brand's budget and campaign goals	Route ad requests from publishers (via SSPs) to potential brands who bid in real time (via DSPs)	Offer real-time bidding for brands (via DSPs) to bid and win ads on a publisher's platform	Connect publishers with multiple SSPs to fill their ad inventories to maximum potential
AppLovin	**InMobi**	**InMobi**	**AppLovin**
Affle	**AppLovin**	**AppLovin**	**ironSource**
InMobi	**Vungle**	**Vungle**	
Moloco	**ironSource**	**ironSource**	
The Trade Desk	**Digital Turbine**	**Digital Turbine**	

Publishers

Trigger or publish ads on their platforms (in the form of ad inventory) with select details of the user (e.g., demographics, behavior) who will be shown the ad

Figure 17: The ad value chain is complex and challenging, with millions of ad requests being processed per second

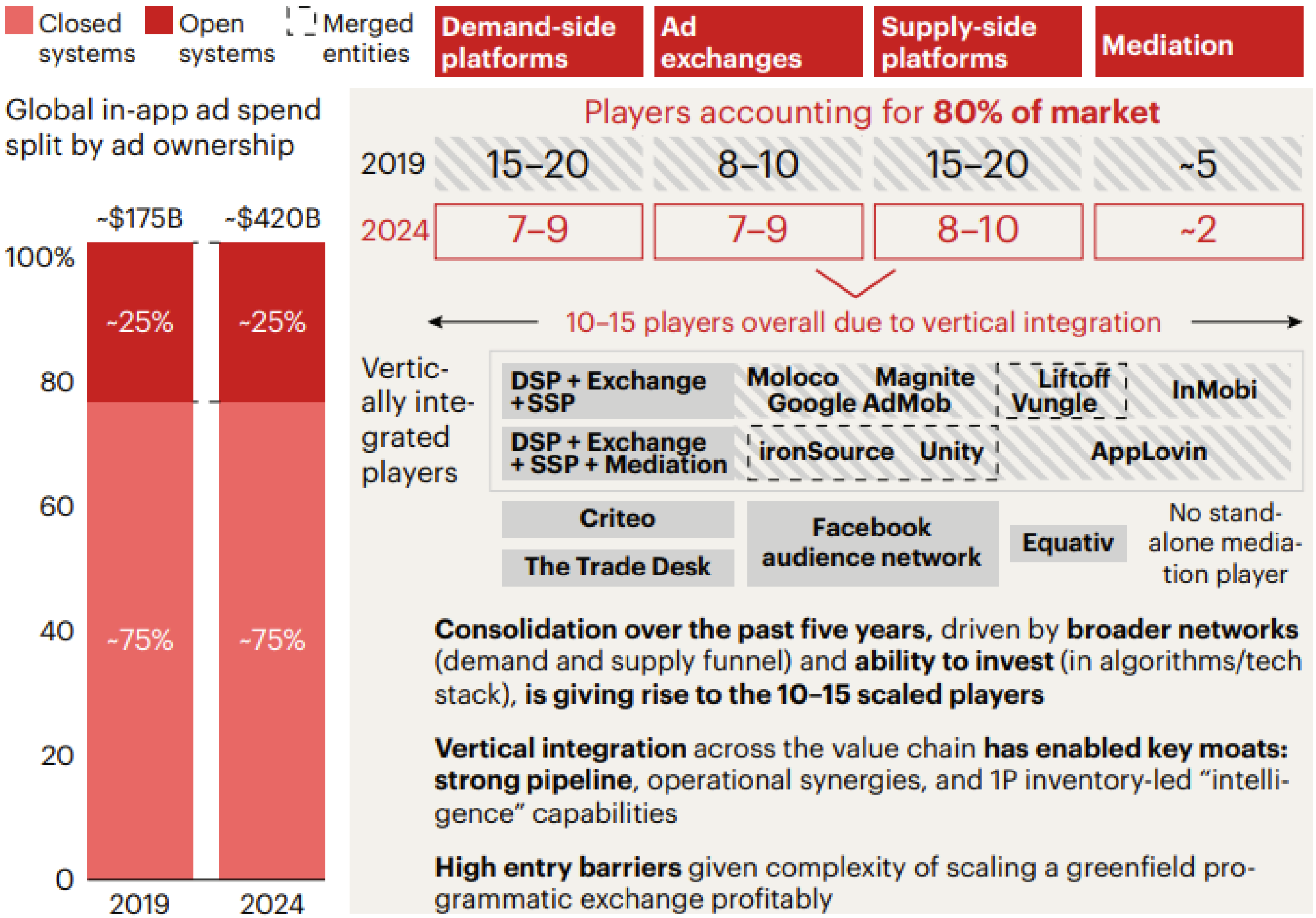


Sources: Market participant conversations; company websites; Bain analysis

Figure 18: Closed systems (~75% of market) are represented by a few giants; open systems are undergoing consolidation due to scale and network benefits

Open systems account for ~25% of market

Media flow across open systems is complex, raising barriers for new entrants; consolidation and vertical integration drive scale for existing players



Sources: Market participant conversations; company websites; Bain analysis

Figure 19: As consumer landscape changes and rules of the game evolve, adtech players can add value by transitioning into full-stack adtech providers

Adtech players need to evolve into full-stack partners; offer intelligent capabilities, VAS[1], etc.

Intelligent capabilities
AI/ML-based real-time market intelligence, augmented by 1P inventory, FPD targeting, ID-less targeting, etc.

New-age ad format compatibility
Support for new ad formats that publishers are investing in

Value-added services
Analytics for cross-channel ROI and incrementality measurement, T&L, etc.

Leading adtech players have already started investing in these capabilities

1. **Strong intelligence capabilities**
Intelligent targeting solutions based on AI/ML-backed analysis of bidding data, augmented by **1P inventories/UID solutions** (e.g., InMobi's Glance AI, a generative AI-led consumer property; The Trade Desk's Unified ID 2.0)

2. **Technical capability for new ad formats**
Compatible across majority of new formats—**floating, rewarded, playable, shoppable, ARs,** etc. (e.g., Inmobi, AppLovin)

3. **Granular analytics solutions**
Analytics on **right ad formats, optimal CPM/posting times, cross-channel revenue** measurement, etc. (e.g., The Trade Desk's Koa AI, ironSource's impression level revenue [ILR] solution)

Note: 1) value-added services
Sources: Market participant conversations; company websites; Bain analysis

Figure 20: Offering strong intelligence capabilities will be key for adtech players to better map audiences and target cohorts efficiently

AI/ML-based real-time intelligence	1P ad inventory	Granular targeting solutions	ID-less targeting
Maximize ROI for brands and realization for publishers	Refine open system models for better targeting	Help brands target their consumers better	Provide alternatives to 3P cookies and behavioral targeting
Potential solutions for adtechs to focus on			
Dynamic intelligence based on large-scale analysis of bids **Cross-advertiser signal aggregation** (e.g., bid variations), dynamic user profiling **Strategic pricing** by optimizing auction mechanics based on past bidding	**Own 1P ad property,** which can help improve targeting as well as **insights and overall ROI** for marketers	**Privacy-compliant data pooling** via UID, clean rooms, etc. to **enable FPD-based targeting** **Look-alike modeling capabilities** to further enhance targeting	**Contextual targeting solutions,** such as inventory packs and **reliance on AI-led content assessment** for ad placement (vs. 3P cookies)
Emerging lighthouse examples			
	InMobi's Glance AI, a generative AI-based consumer property AppLovin's 1P gaming inventory	The Trade Desk's Unified ID 2.0 solution LiveRamp's RampID	AppLovin Exchange (ALX) InMobi's Addressability Gradient

Sources: Market participant conversations; company websites; Bain analysis

Figure 21: Additionally, value-added services such as ROI measurement, T&L assistance, and more will help drive stickiness

Cross-channel ROI measurement	T&L assistance	Spend optimization and simulations	AI/ML-enabled creative operations
Analyze effectiveness of overall ad spends	Evaluate all the available advertising avenues	Plan ad spend allocation across channels	Shorten ad cycles and optimize user targeting
Potential solutions for adtechs to focus on			
Data pooling solutions such as UID for **user profiling across devices/channels** **Analytical capabilities** for attribution and **incrementality measurement** (i.e., measuring results beyond organic reach)	**Offer mature live T&L analytics for campaign experiments** across user cohorts, price points, ad frequencies, etc.	**Assist in predictive allocation** (allocation based on simulation of outcomes) **of spends across different variables** (geographies, devices, cohorts, etc.)	**Use generative AI to tailor creatives** for user cohorts and to adapt for ad spaces **Creative performance insights** offering to gauge version-wise engagement
Emerging lighthouse examples			
InMobi Appsumer Starter	AppLovin's MAX	The Trade Desk's Kokai	Unity's ad design studio
ironSource's ILR solution	The Trade Desk's Conversion Lift	InMobi's automatic campaign tool	Moloco's dynamic creative for mobile ads

Sources: Market participant conversations; company websites; Bain analysis