3 Big Ad Spend Predictions for 2025

As 2025 nears the midway point, three advertising forecasters—Magna, WPP Media, and Madison and Wall—have released reports outlining what they expect will happen during the second half of the year. These are the biggest trends reshaping the industry.

Retail media will surpass television

For the first time, more global advertising dollars will go to retail media than television.

Media investment and intelligence firm Magna, a unit of IPG Mediabrands, estimates retail media networks will generate $163 billion in 2025. Television and streaming platforms, meanwhile, will bring in $155 billion.

Last year, Magna reported retail media attracted $144 billion, trailing TV's $163 billion.

WPP Media, a division of ad giant WPP, projects a similar outcome: By the end of the year, retail media will control 15.7% of all global advertising investments compared to TV and streaming's 15.1% market share.

Despite retail media's upward trajectory, advisory and consulting firm Madison and Wall expects the category to experience "significant deceleration" throughout 2025 due to the "expected consequences of higher tariffs."

User-generated content will overtake professional

content

In another first, ad dollars attached to user-generated content on platforms such as TikTok and Instagram are set to overtake those dedicated to content from traditional media companies, according to research from WPP Media.

Overall, advertising investments in creators and influencers will hit $184.9 billion in 2025, up 20% compared to last year. WPP Media expects that number to more than double to $376.6 billion by 2030.

While the line between amateur and professional can be blurry—WPP Media, for example, defined MrBeast, who has more than 400 million subscribers on YouTube, as the latter—the rise in sponsorships, brand partnerships, and platform-based advertising centered on internet personalities signals a substantial evolution in the type of content people consume.

During a call with reporters, Kate Scott-Dawkins, WPP Media's global president of business intelligence, described the shift as a "changing of the tides" moment for media.

Trade wars will hurt ad dollars

Both Magna and WPP Media have downgraded their 2025 global ad spend forecasts from estimates made in December.

Magna now anticipates year-over-year advertising investments to rise 4.9% to $979 billion, down from a prior estimate of 6.1% growth.

According to Vincent Létang, evp of global market research at Magna, factors contributing to the diminished prediction were decreased optimism in economic forecasts and reduced business confidence.

Likewise, WPP Media forecasts worldwide ad spend in 2025 will grow 6% to $1.1 trillion, excluding U.S. political

advertising, from an earlier estimate of 7.7%. Reasons for the revision include economic de-globalization and disruption to international trade.

Madison and Wall estimates U.S. ad spend, minus political advertising, will increase 6% in 2025. While this figure is up from a 3.6% growth forecast published in March, it remains lower than any of the firm’s annual predictions going back to 2020, when U.S. ad spend decreased 2.1%.

Brian Wieser, CEO of Madison and Wall, said the adjustment was due to an American economy that appeared healthy during the first quarter when considering metrics such as inflation and consumer spending.

At the same time, Wieser warned ongoing trade negotiations and economic policies could hinder future growth. His overall outlook: “somewhat pessimistic.”

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