

# Data in Motion

Marketing & Insights



April 24, 2024

## U.S. Advertising Trends

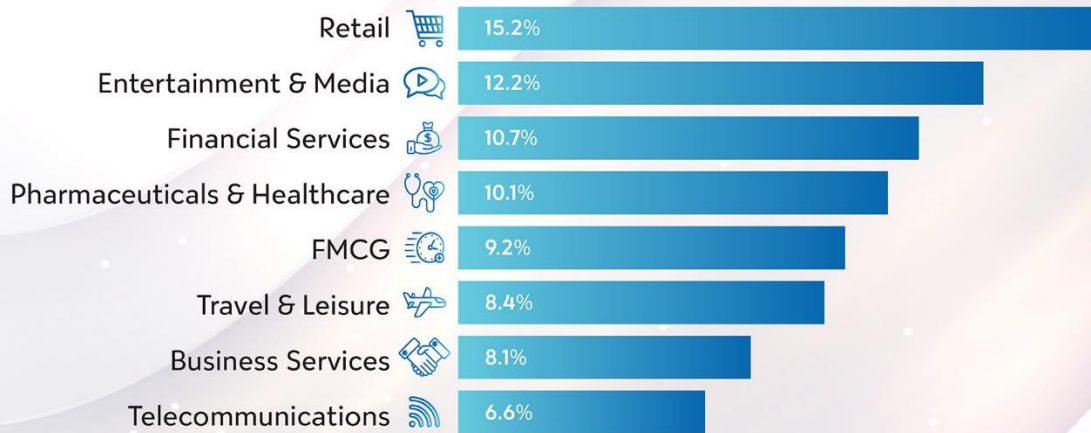
The United States is, by far, the largest advertising market in the world. This year, companies are expected to spend almost \$400 billion on ads, which is more than eight of the remaining top ten markets combined (China comes in at #2 but trails the U.S. by quite a bit). In this issue of Data in Motion, we take a closer look at the industries behind this enormous sum and where they are spending their money.

### Who is Spending This Money?

The industry that spends the most on advertising isn't one that produces a product at all, but sells many different products created, manufactured, and distributed by others – Retail. According to Statista's Advertising & Media Market Insights report, the Retail industry accounted for over 15% of total U.S. ad spending in 2023. This is notable given how integrated our own industry is with Retail.

Entertainment and Media, another lottery-adjacent industry, is the second largest advertiser at just over 12%, with Financial Services rounding out the top three at just under 11%.

## Share of U.S. Advertising Spending by Industry, 2023

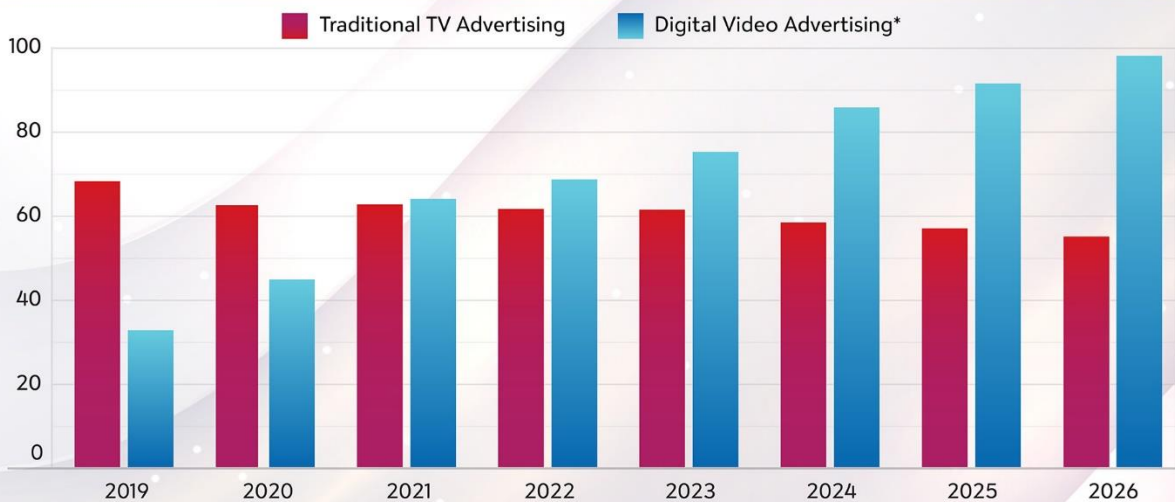


\* FMCG = "Fast Moving Consumer Goods" sometimes referred to as "Consumer Packaged Goods"

## Where is the Money Going?

Unsurprisingly, the market for moving image (video) advertising is moving away from traditional television to digital-based mediums such as streaming, apps, and social media. The U.S. spent almost \$85 billion on digital video ads in 2023, roughly \$26 billion more than was spent on traditional TV advertising. Also unsurprisingly, it is expected that this gap between digital media ad spending vs. traditional media ad spending will continue to grow.

## Estimated Spending on Traditional TV Advertising vs. Digital Video Advertising (in billions of dollars), U.S.



\*App and web-based video, ads on streaming services & social media

## Final Word

A lottery's advertising budget is often a significant line item and can be an easy target for scrutiny for any number of reasons. But as competition for the consumer's entertainment dollar only grows (a topic covered in past issues of Data in Motion), the need for our industry to stay top-of-mind by advertising in relevant media channels will remain vital if we are expected to continue to deliver needed revenues to the good causes we support.

Source: Statista: *The Top Ad Spending Verticals in the U.S., November 2023* and *U.S. Digital Video Spend Beats TV Ads, February 2024*

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