

INDUSTRIES & MARKETS

# Search Advertising: market data & analysis

Market Insights report

**Market** Insights  
by statista 

November 2023



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**10** sectors

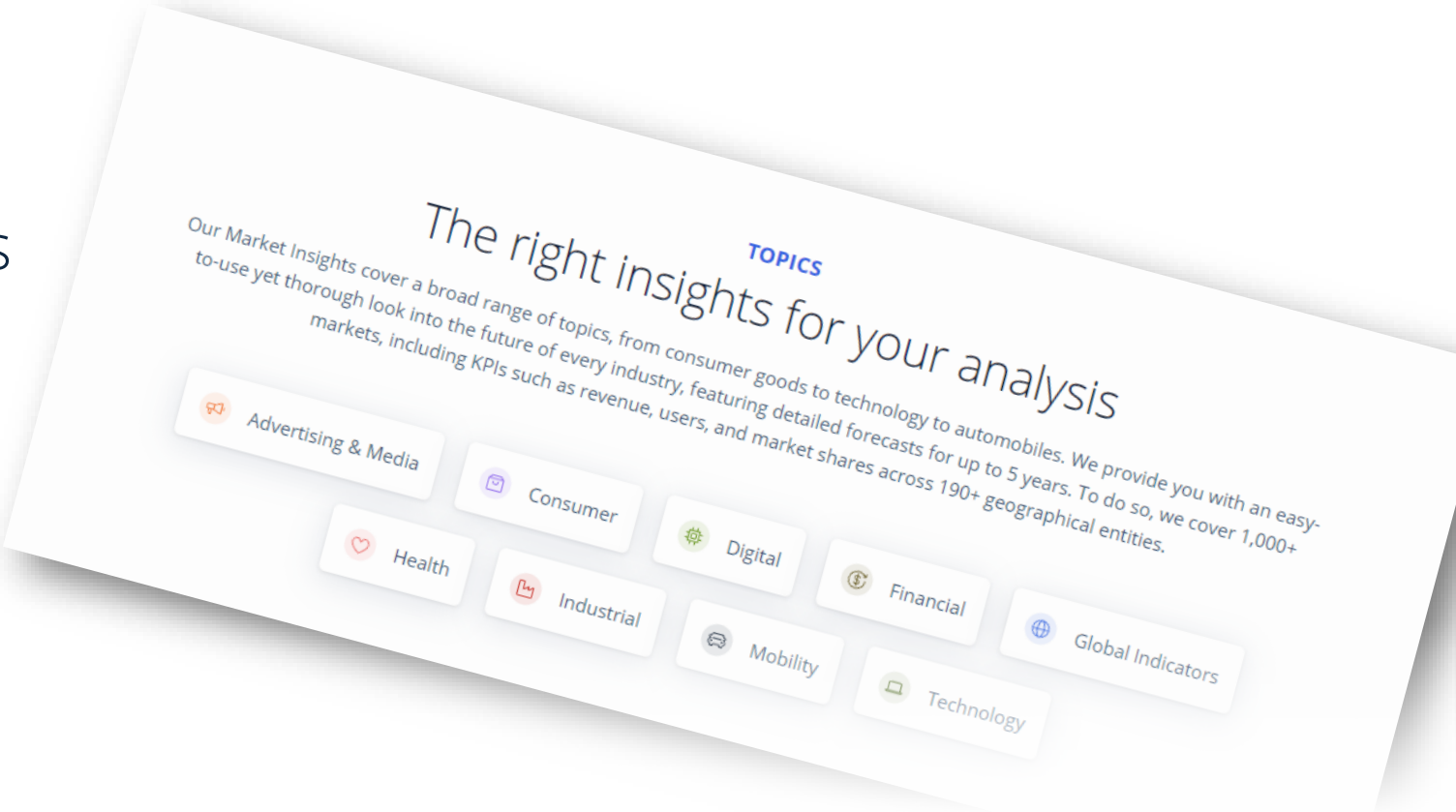
**190+** geographical entities

**1,000+** markets

**400+** reports

# Market Insights – market data, forecasts, and qualitative insights

The Search Advertising market is part of the Digital Advertising market.



Go to Digital Advertising market

Find out more on: [Digital Advertising](#)



10  
sectors



190+  
geographical  
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1,000+  
markets



400+  
reports

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## CHAPTER 1

# Overview



# Over the past decade, the Search Advertising field has undergone significant changes and growth

Overview: Summary

## Summary

Pay-per-click advertisements were the original search advertising method; later, in 1998, Google founders Larry Page and Sergey Brin introduced an auction-based PPC model. The highest bidders would appear at the top of the search results, and lower bidders would appear further down. The method later turned into the approach that marketers use most frequently today. There are currently six major search engines, four of which are international: Google, Bing, Yahoo!, and DuckDuckGo. Yandex focuses on nations that speak Russian, while Baidu focuses on nations that speak Chinese. Due to its massive user base and effective internal advertising network, Google is by far the most popular among advertisers.

The development of the internet infrastructure and the decreasing prices of internet-enabled devices such as PCs and smartphones are the main causes for the growth in search advertising. The internet infrastructure has seen tremendous transformation in the past ten years and is now quicker and cheaper. Because internet-enabled devices have become more affordable, allowing more people to purchase them and use them daily.

Before the COVID-19 pandemic, search advertising was showing signs of steady and consistent development. However, the pandemic has accelerated digital adoption, resulting in exponential growth in search advertising, especially search advertising on marketplace platforms. Even though data privacy regulations have been tightened globally and search engine platforms have taken steps to emphasize the importance of privacy, these platforms have already found a way to collect data in a more ethical and consent-based manner. In the coming years, we anticipate steady growth in search advertising across search engine and marketplace platforms.

# Search Advertising is the market for ads on search result page that brands pay or bid for to rank higher and get more clicks

Overview: Market Definition

## Market definition

Search Advertising, also called search engine advertising (SEA) or paid search advertising, refers to advertisements displayed on search results pages above or next to the organic search results. Brands can create search advertising campaigns. Paying a fee or bidding will give a better ranking each time targeted audiences search and click on the campaign's ads. These advertisements are usually text based but can be displayed as images or videos where applicable.

Search Advertising comprises advertising spending, users, average revenue per user, and key players. The market only displays B2B spending. Figures are based on advertising spending and exclude agency commissions, rebates, production costs, and taxes. Key players in Search Advertising include Google, Bing, Baidu, Amazon, and Alibaba. For more information on the data displayed, use the info button right next to the boxes.

# Search Advertising accounted for 41.09% of the Digital Advertising market revenue in 2023

Overview: Key Takeaways and in scope / out of scope

## Key Takeaways

Ad spending in the Search Advertising market is projected to reach US\$279.3bn in 2023.

Ad spending is expected to show an annual growth rate (CAGR 2023-2028) of 8.37%, resulting in a projected market volume of US\$417.4bn by 2028.

In global comparison, most ad spending will be generated in the United States (US\$118bn in 2023).

In the Search Advertising market, US\$251.1bn of total ad spending will be generated through mobile in 2028.

The average ad spending per internet user in the Search Advertising market is projected to amount to US\$52.4 in 2023.

The market share of Google amounts to an estimated 59% of the Search Advertising market and the selected region in 2022.

### In scope

This market includes:

- Search Engine Advertising (SEA)
- Keyword advertising
- Sponsored links

### Out of scope

This market excludes:

- Search engine optimization (SEO)



## CHAPTER 2

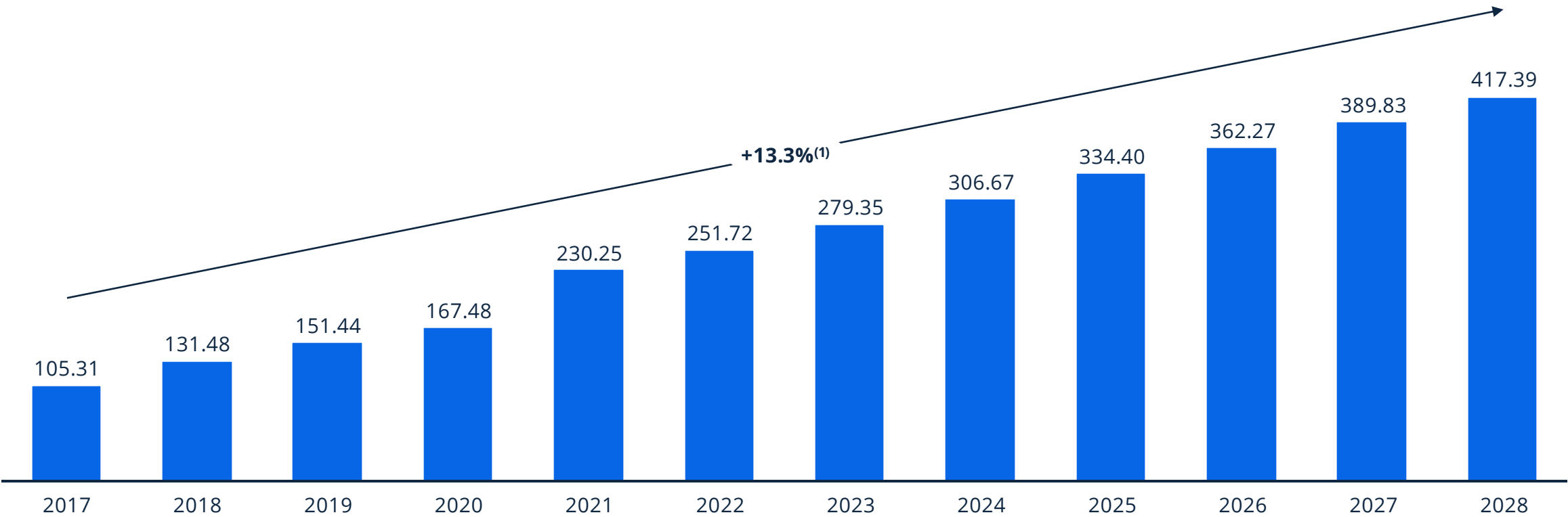
# Market Numbers



# Search Advertising ad spending is estimated to increase at a CAGR<sup>(1)</sup> of 13.3% from 2017 to 2028

Market Size: Global

Search Advertising market: Advertising spending forecast in billion US\$



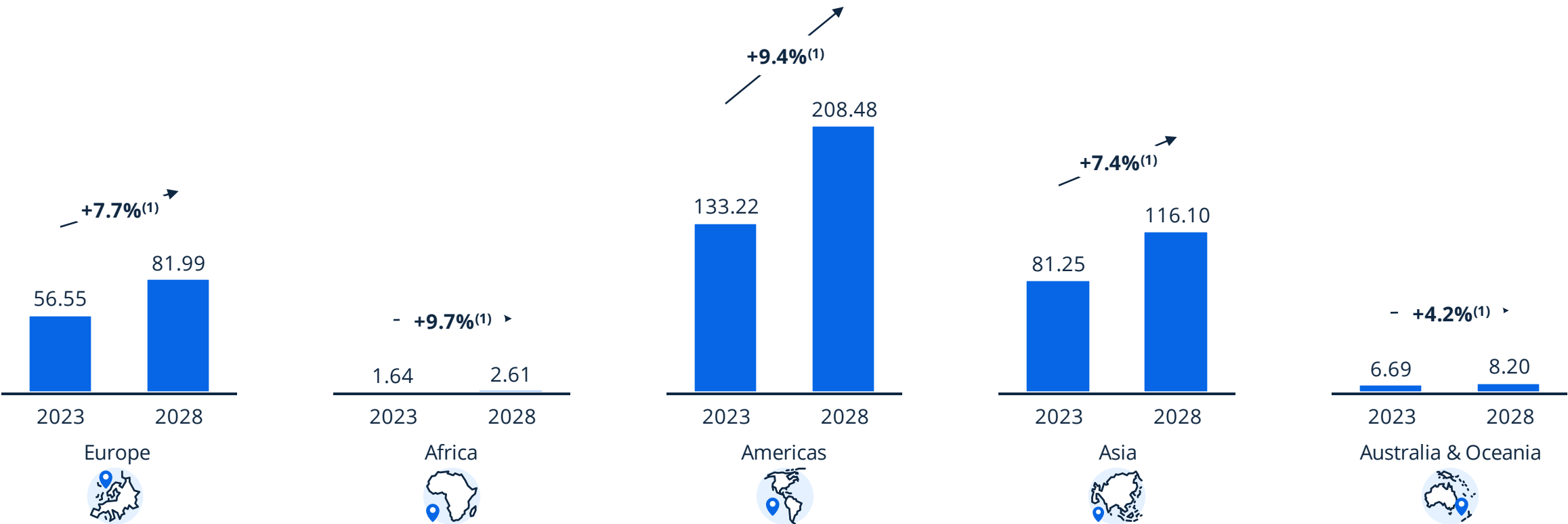
10 | Notes: (1) CAGR: Compound Annual Growth Rate

Sources: [Statista Market Insights](#) 2023

# With ad spending of US\$133.2 billion, the Americas is the biggest market among selected regions in 2023

Market Size: Regional Comparison (1/2)

Search Advertising market: Advertising spending forecast in billion US\$



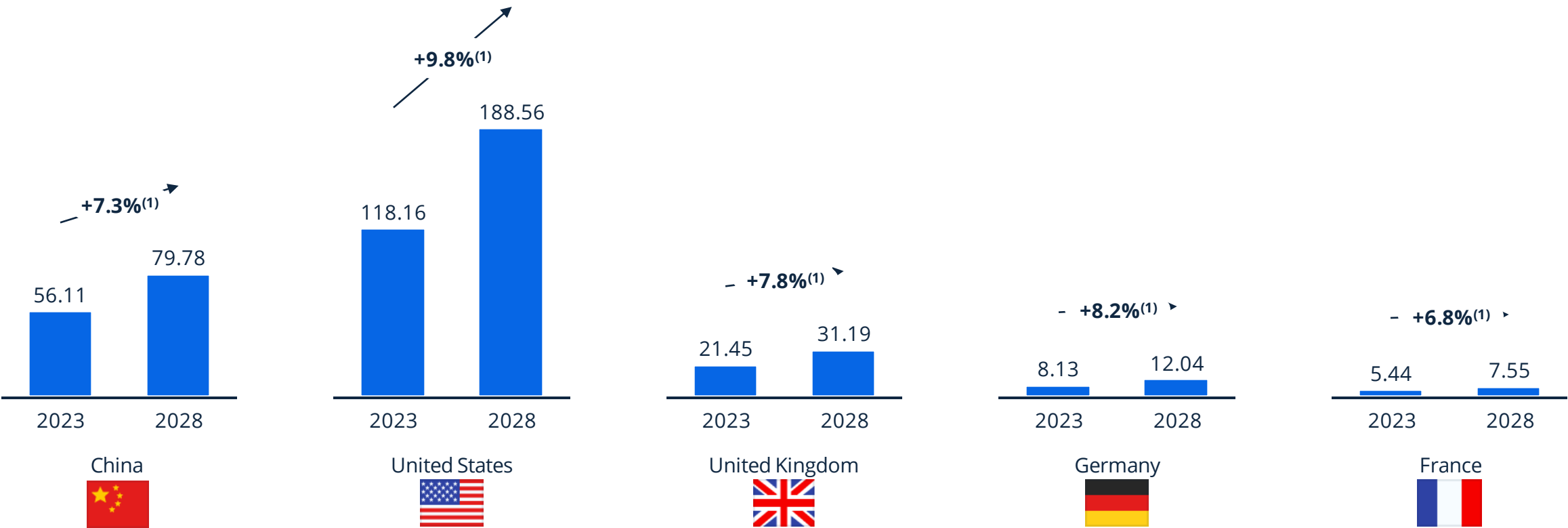
11 | Notes: (1) CAGR: Compound Annual Growth Rate

Sources: Statista Market Insights 2023

# With ad spending of US\$118.2 billion, the United States is the biggest market among selected countries in 2023

Market Size: Regional Comparison (2/2)

Search Advertising market: Advertising spending forecast in billion US\$



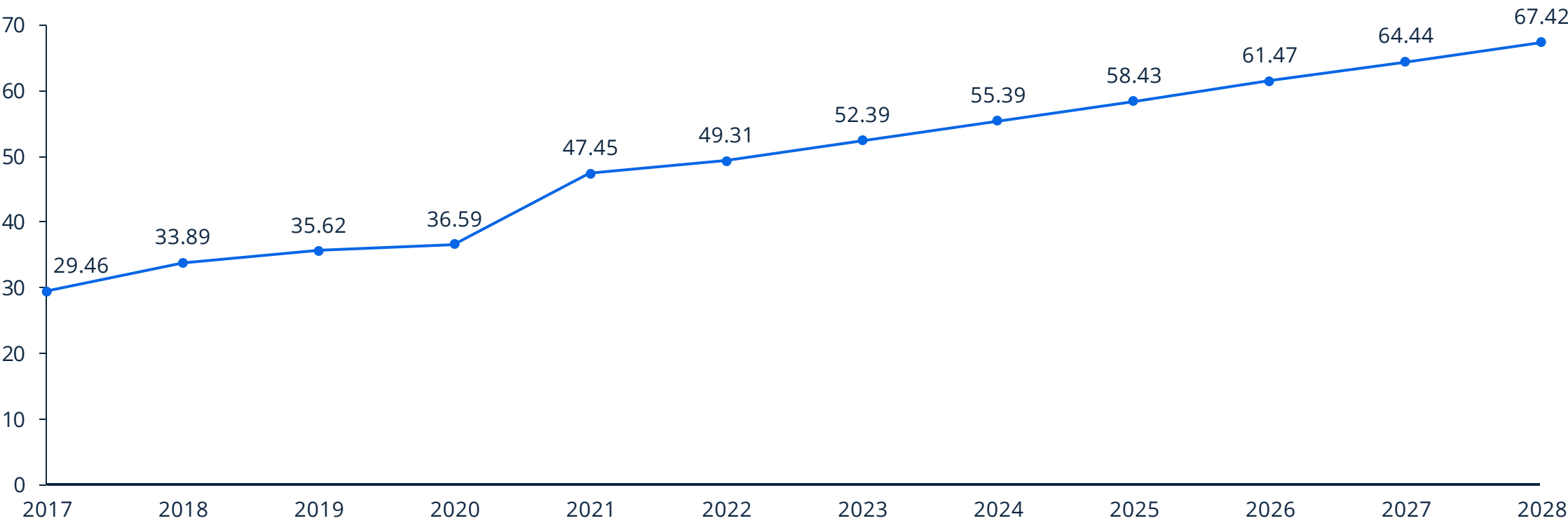
12 | Notes: (1) CAGR: Compound Annual Growth Rate

Sources: Statista Market Insights 2023

# Search Advertising average ad spending per internet user is estimated to increase from 2017 to 2028

Market Size: Global

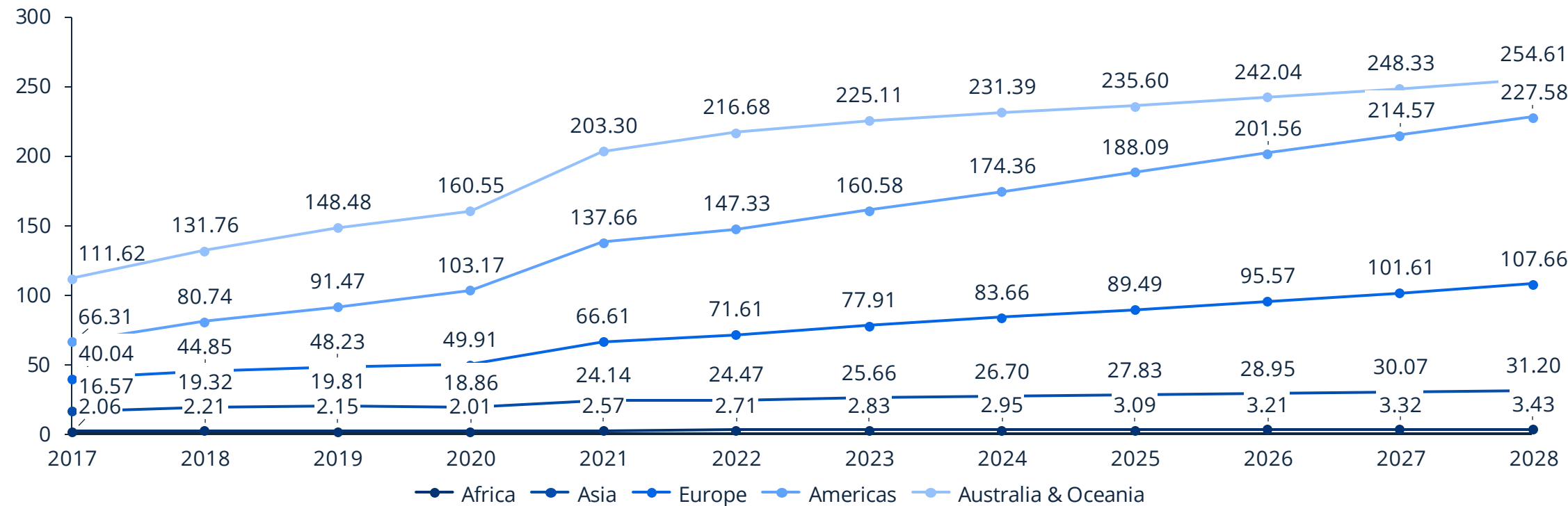
Search Advertising market: Average ad spending per internet user forecast in US\$



# Australia & Oceania has the biggest market in Search Advertising average ad spending per internet user in 2028

Market Size: Regional Comparison (1/2)

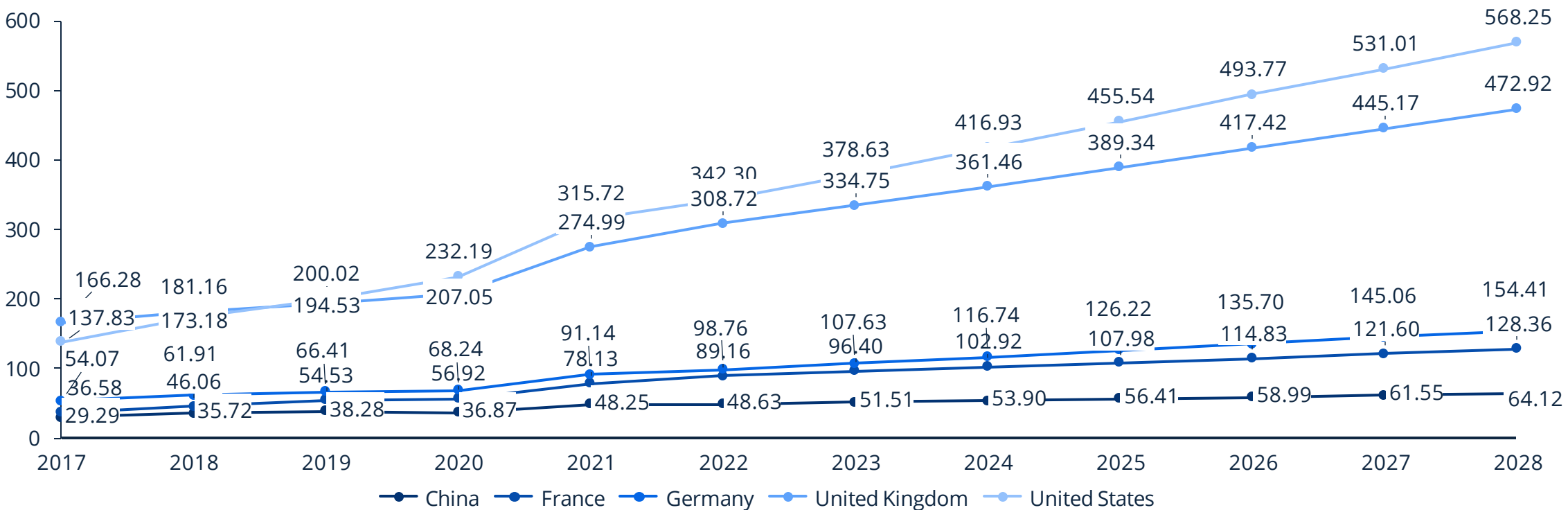
Search Advertising market: Average ad spending per internet user forecast in US\$



With average ad spending per internet user of US\$378.6, the United States is the biggest market among selected countries in 2023

Market Size: Regional Comparison (2/2)

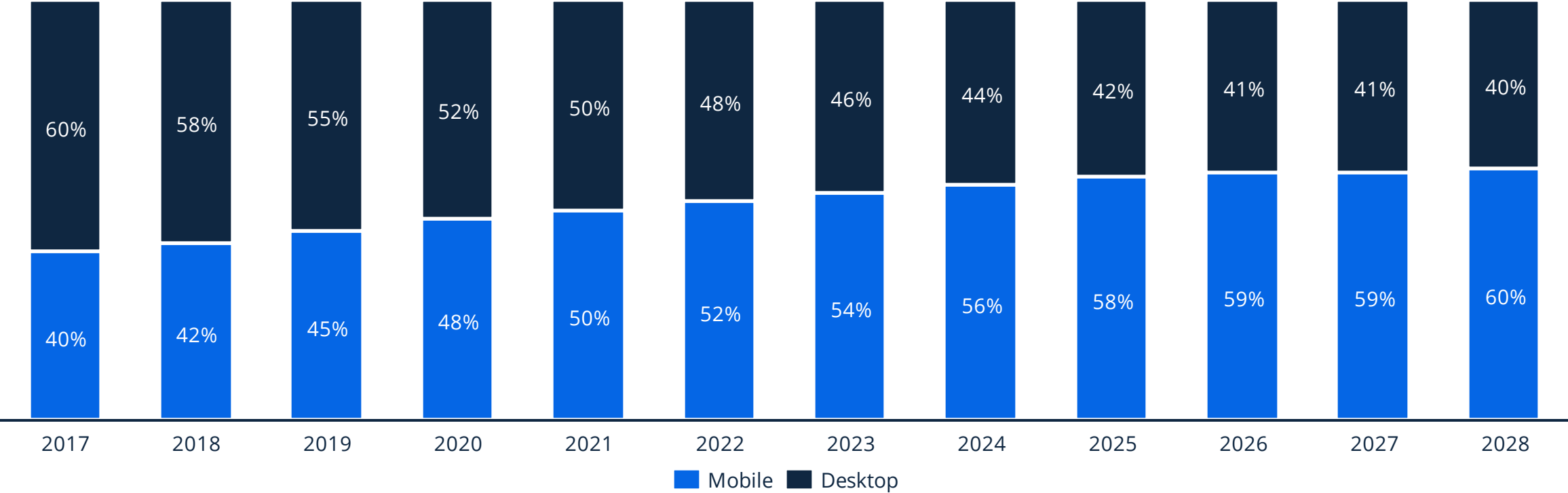
Search Advertising market: Average ad spending per internet user forecast in US\$



# In the Search Advertising market, mobile ad spending's share reached 71% in 2023

Distribution by Device: Global

Search Advertising market: Share by device

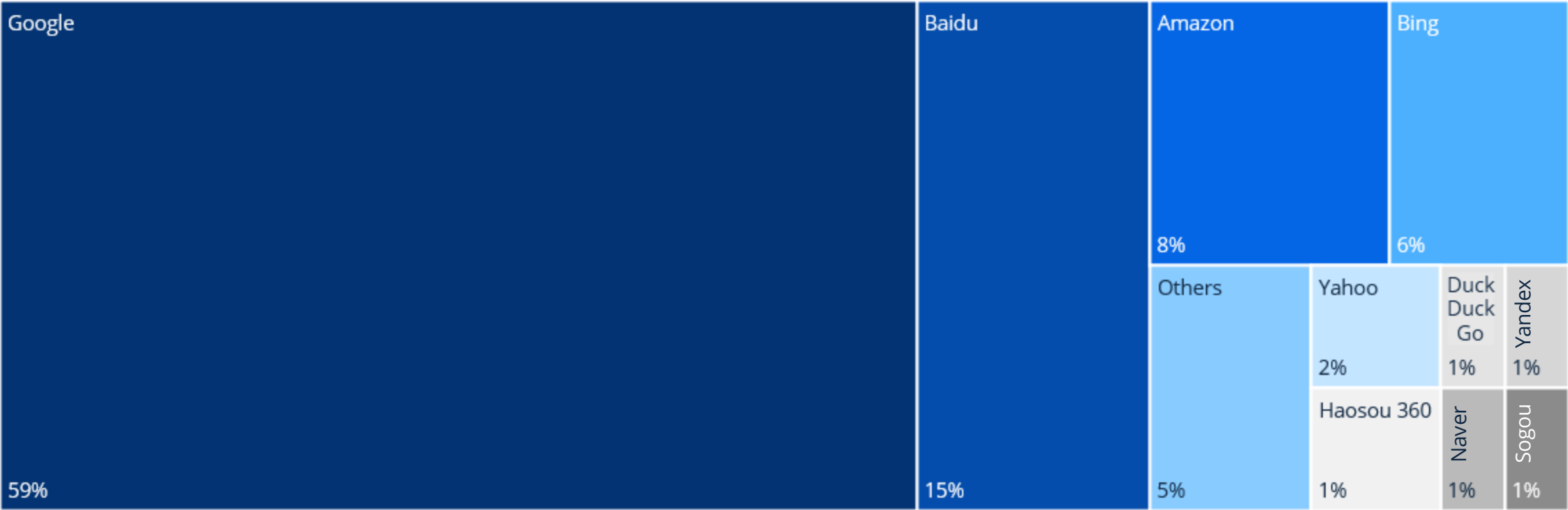




# In 2023, Google had the highest share in Search Advertising

Market Size: Global

## Brand share in 2023

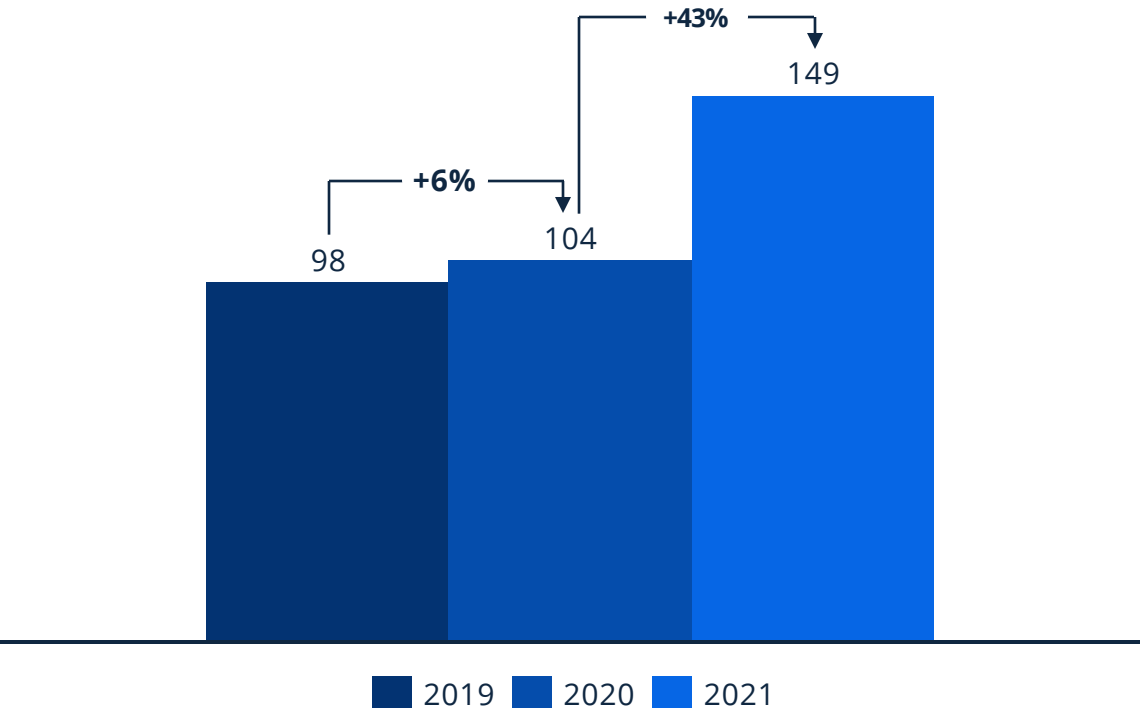


# Google Search & other revenue grew 43% in 2021, and have the largest share of Google advertising revenue

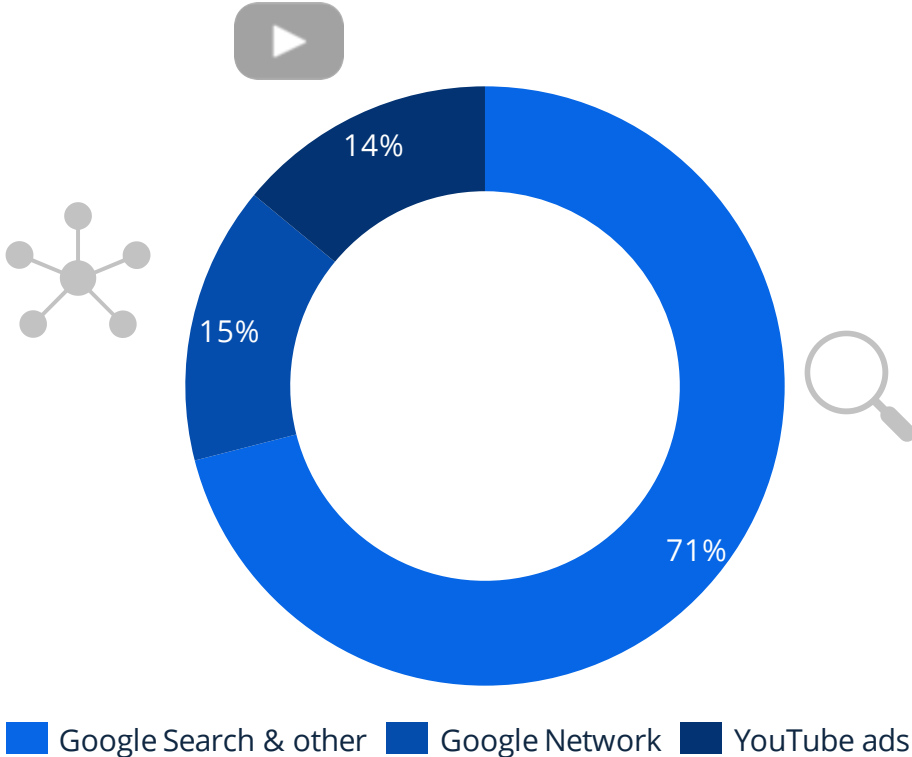


Company profile: Google (1/2)

Google Search & other revenue in billion US\$



Google advertising revenue segment distribution in 2021

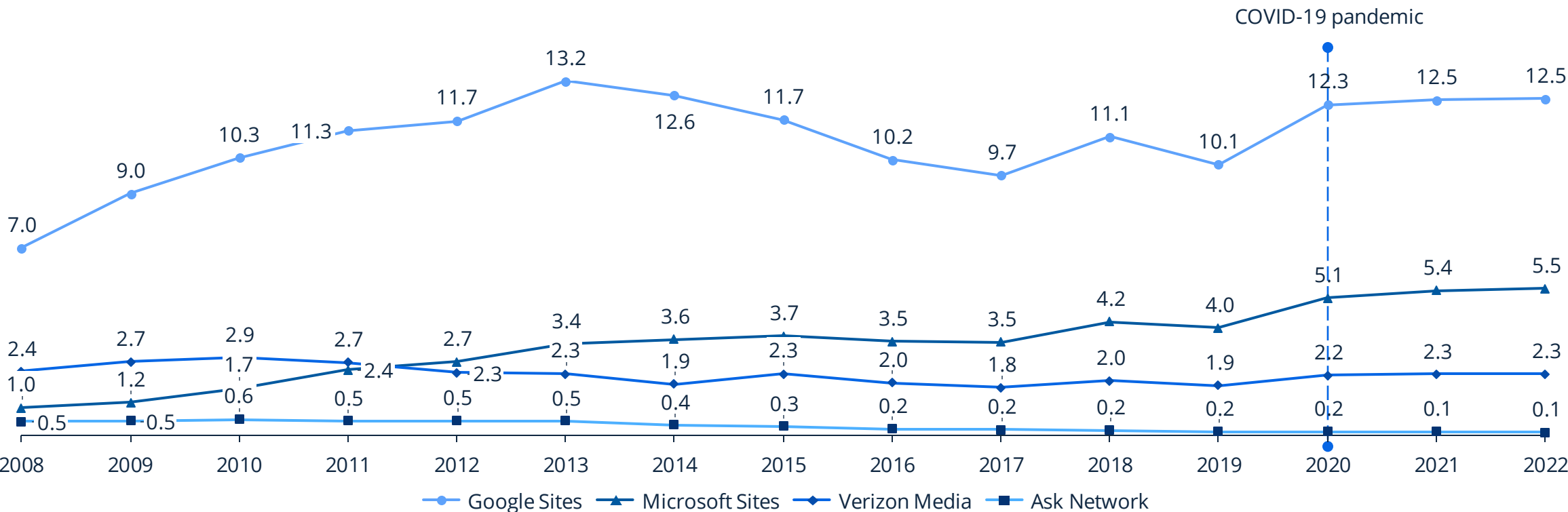


# Google has reached more than 12 billion search queries in the U.S. since the COVID-19 pandemic

Company profile: Google (2/2)

Google

Number of search queries<sup>(1)</sup> in the U.S. in billion

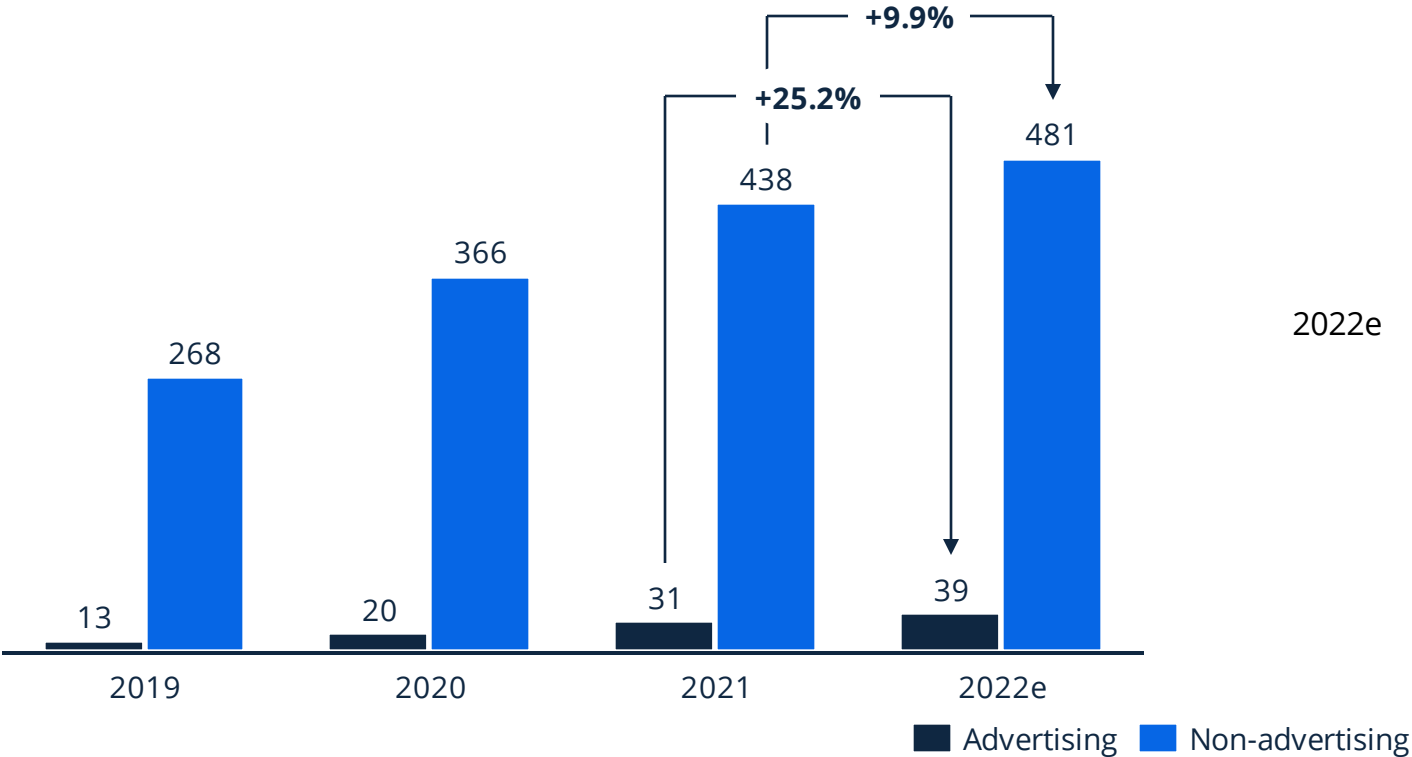


Advertising is Amazon's fastest-growing revenue source and is expected to grow 25% from the previous year with over 10% of the total revenue

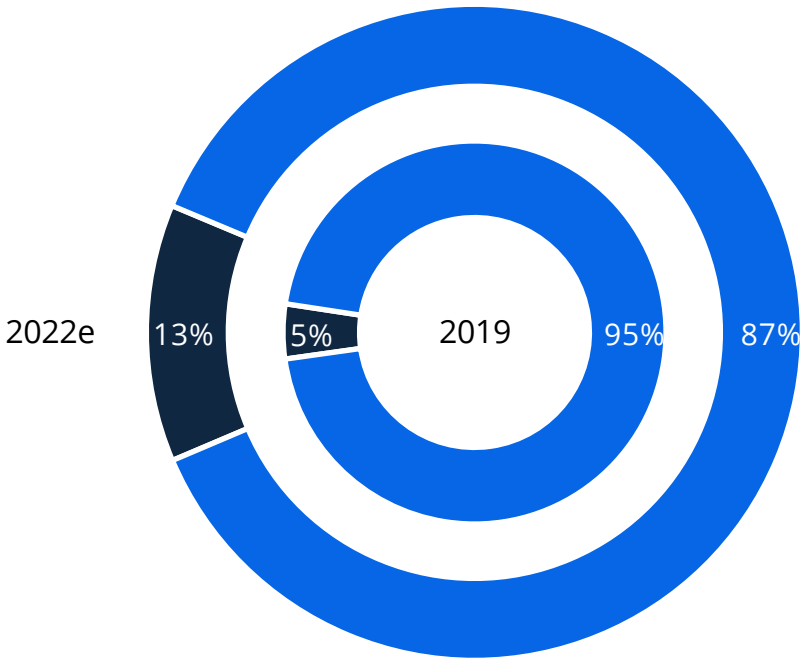
Company profile: Amazon



Amazon's advertising and non-advertising revenue in billion US\$



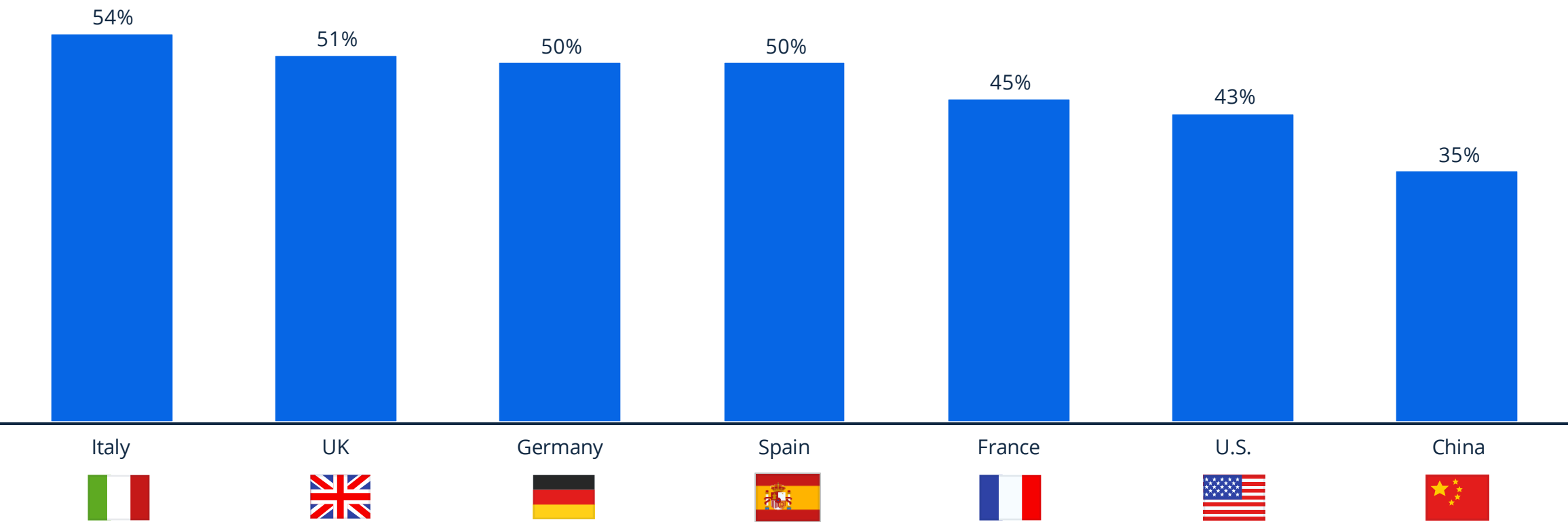
Amazon's revenue distribution



# In a country comparison, search engines as sources of inspiration are most popular in Italy

Deep dive: Search engines as sources of inspiration

Usage of search engines as sources of inspiration for new products in 2022



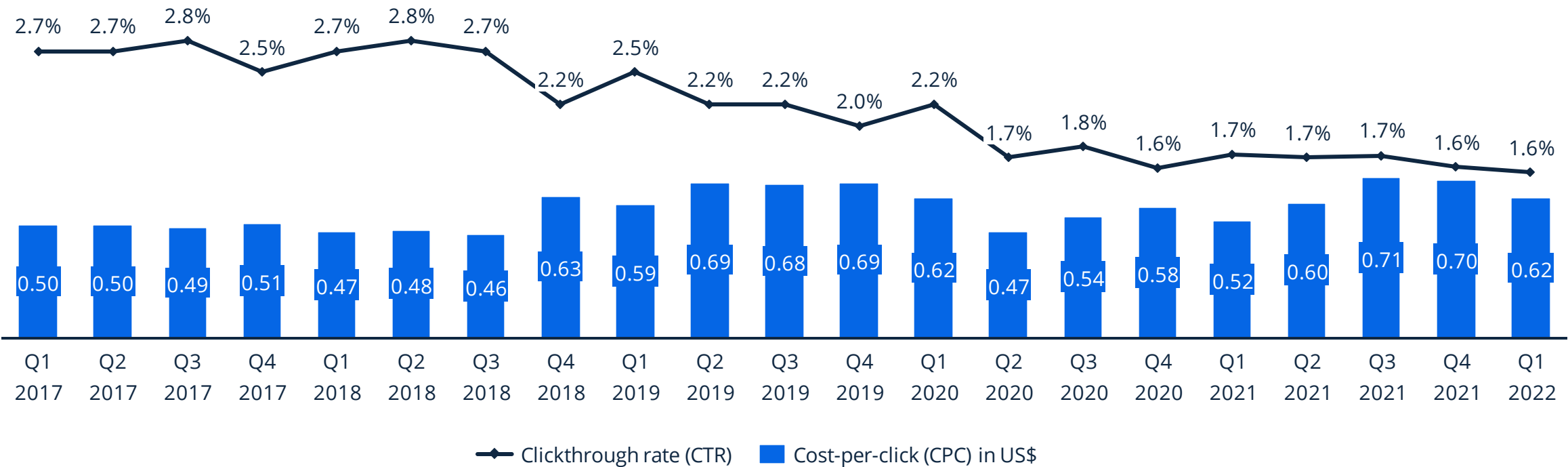
21 **Notes:** "How do you usually find out about new interesting products?"; Multi Pick; U.S.: n=50,3985; China: n=24,172; Germany: n=30,146; France: n=12,196; UK: n=18,200; Italy: n=12,187; Spain: n=12,207

Sources: [Statista Consumer Insights](#), as of November 2023

# Search advertising is becoming more expensive; CPC<sup>(1)</sup> is gradually increasing while CTR<sup>(2)</sup> is declining

Deep dive: Search advertising conversion rate

Search advertising clickthrough rate (CTR) & cost per click (CPC) worldwide



## CHAPTER 3

# Appendix



## STATISTA MARKET INSIGHTS

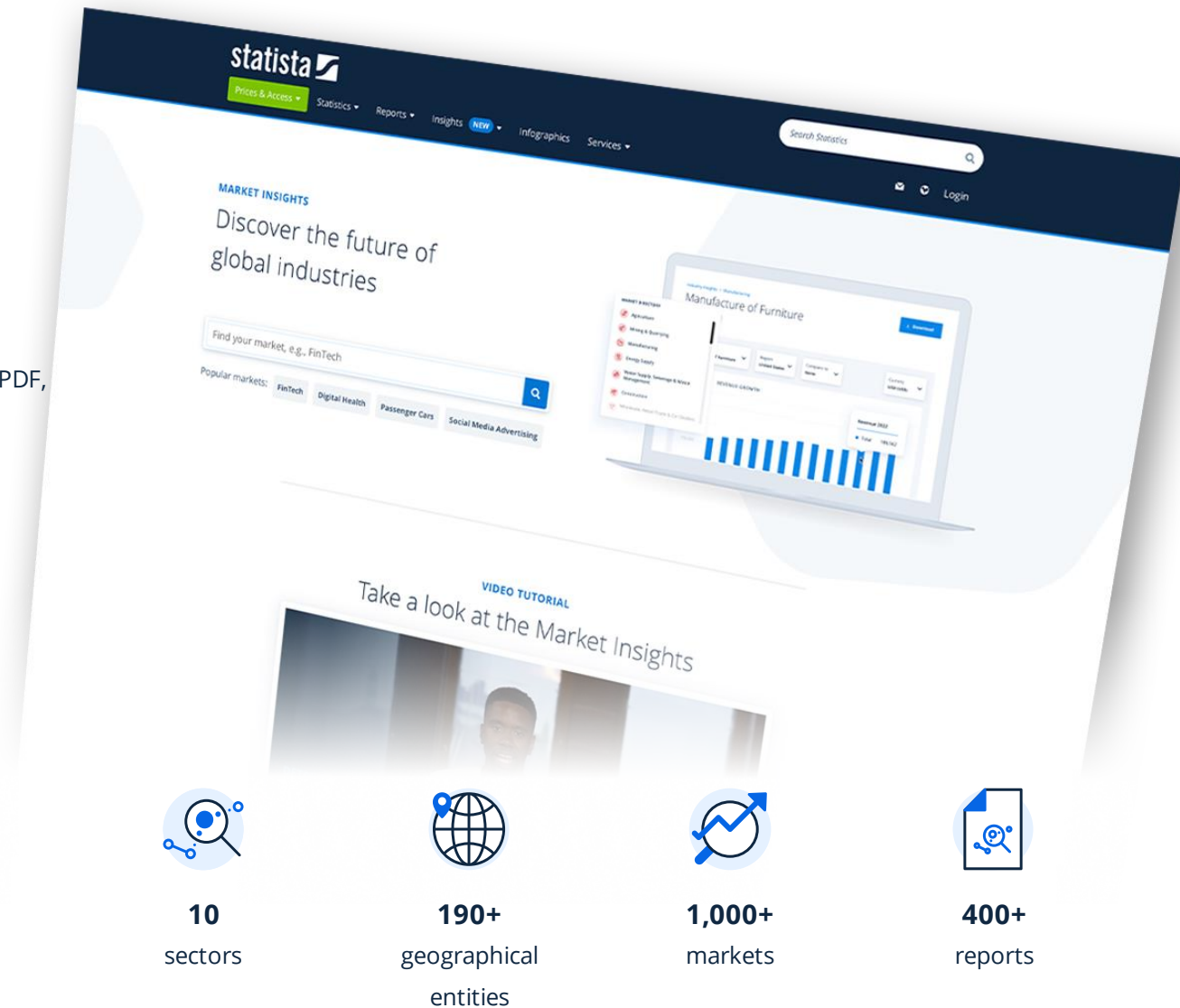
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**400+** reports



# Author



## Sebastian Lindlahr

Team Lead Advertising & Media Insights • SMI Market Insights

[s.lindlahr@statista.com](mailto:s.lindlahr@statista.com)

Sebastian Lindlahr graduated in Hamburg with a focus on international business management. He gained a comprehensive understanding of market structures working as a market strategist and business developer. At Statista, he is the team lead for Advertising and Media Insights.