



SMARTLY.IO

INSIGHTS

Worldwide Business Research



# Digital Advertising Trends in 2024

How Companies are Using Automation and Streamlined Creative to Reach Customers on Their Preferred Channels



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## Key Suggestions

### 1. Invest in Generative AI:

The rising interest in generative AI among B2C advertisers indicates its potential to revolutionize digital asset creation.

Learning about this technology and integrating it into your workflows can help streamline ad creation processes and potentially improve creative output quality.

### 2. Prioritize Social Media Channels Wisely:

A majority of respondents plan to invest more in social media advertising in 2024, with Instagram, Facebook, and YouTube as the preferred platforms.

### 3. Leverage Motion Creative:

With an increasing number of advertisers focusing on motion creative, it's time for businesses to follow suit. Utilizing animations and videos in your digital ads can help capture audience attention and deliver your message effectively.

### 4. Increase Investment in Creative Automation:

A considerable percentage of businesses plan to invest more in creative automation, indicating its perceived value in the advertising industry. Enhancing your creative automation could streamline your workflows, reduce manual intervention, and help in managing the increased competition and growing number of advertising channels.

# Executive Summary

Companies that can generate meaningful and impactful creative are in a better position than their competitors to capture market share and build customer loyalty. However, creating, managing, and optimizing digital ads have always been challenges hindered by manual processes.

Smartly’s study in 2023 found that, although most organizations have automated their creative development and ad management functions, a significant portion of B2C businesses still depend on manual interventions.



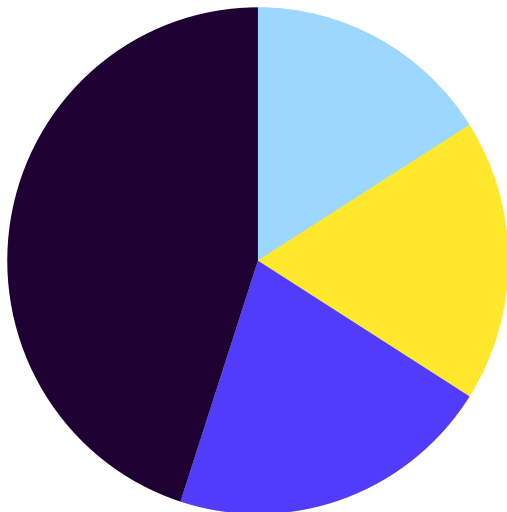
This report explores how much has changed in the realm of digital ad production and management. It also reveals what challenges and opportunities B2C advertisers are facing in 2024.



## About the Respondents

The WBR Insights research team surveyed 300 digital advertising leaders from B2C companies across North America, EMEA, and APAC to generate the results featured in this report. All the respondents represent companies that spend more than \$2 million annually on digital advertising.

### How much does your company spend on digital advertising annually (USD)?



- 16% \$2 million - \$5 million
- 18% \$5 million - \$10 million
- 21% \$10 million - \$20 million
- 45% \$20 million +

**45%**

Almost half of the respondents (45%) represent companies that spend more than \$20 million annually on digital advertising.

# Key Insights

Among the respondents:

**90%**

say they invest in social media ads primarily to connect directly with customers.

**88%**

say their digital ad creation **does not** involve time-consuming manual processes.

**96%**

say their digital ad campaign delivery **does not** involve time-consuming manual processes.

**SINGLE CHANNEL OR PLATFORM WHERE RESPONDENTS SPEND THE MOST ON DIGITAL ADS ARE:**



**39%**  
Instagram



**37%**  
Facebook

**51%**

use automation technology for digital ad campaign management and optimization.

**63%**

automate at last part of the digital ad creation process but need improvements.

**Their top three challenges when producing creative assets are:**

- ✦ Sourcing assets to produce ads (58%)
- ✦ Finding best practices for each channel (48%)
- ✦ Personalizing creative and contextualizing it for each platform (44%)

# 56%

have invested in generative AI for digital ad campaign management and optimization.

# 90%

are doing some initial testing on using generative AI for visual asset generation and optimization.

# 94%

believe generative AI is well suited to web content generation, while **89%** say it is well suited to creative ad artwork creation.

### Their three biggest pain points for digital advertising in 2024 are:

- ✦ Ensuring they have the right tools in place (78%)
- ✦ Managing a growing number of channels (66%)
- ✦ Increased competition (58%)

# 95%

or more will increase spending on Instagram, Facebook, and YouTube in 2024.

# 50%

say their digital ad teams plan to increase usage of motion creative the most in 2024.



### In 2024, most will do the following:

- ✦ Spend more on social media advertising than in 2023 (76%)
- ✦ Invest more in generative AI (71%)
- ✦ Spend more on programmatic advertising than in 2023 (60%)
- ✦ Invest more in creative automation than in 2023 (54%)

# Advertisers Are Pouring More Investments Into Social Media

The B2C digital advertising landscape has some significant emerging trends in the realm of social media advertising. This section delves into the evolution of ad spending patterns, advertising platform preferences, and the motivations behind the increasing reliance on social media for marketing efforts.

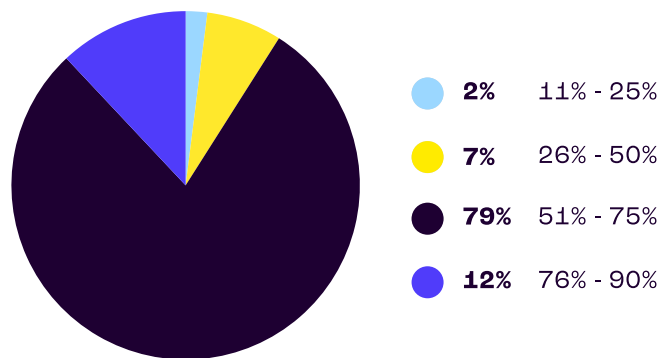
# 79%

First, 79% of the respondents say 51% to 75% of their overall marketing budget is dedicated to social media advertising. This is a significant increase from 2023.

# 50%

According to last year's report, none of the respondents spent more than 50% of their overall marketing budget on social media advertising. Instead, most of the respondents from last year spent 11% to 49% of their overall marketing budget on social media advertising.

## What percentage of your overall marketing budget is currently dedicated to social media advertising?



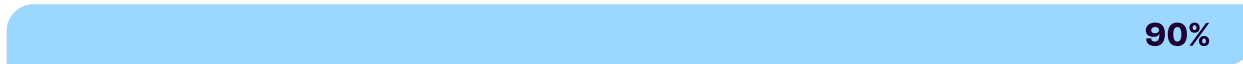
This suggests that B2C advertisers are realizing significant gains thanks to their social media advertising spending, and they believe the importance and potential of social media advertising will only continue to expand.





## What is your team's primary reason for investing in social media advertising?

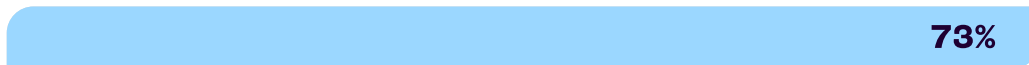
CONNECT DIRECTLY WITH CONSUMERS



PERFORMANCE



ALTERNATIVE TO TRADITIONAL MEDIA

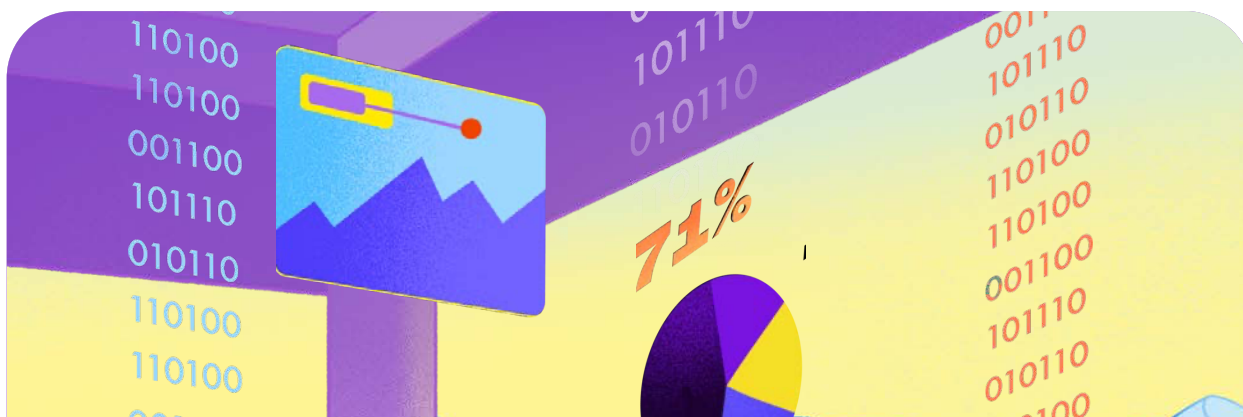


BRAND AWARENESS

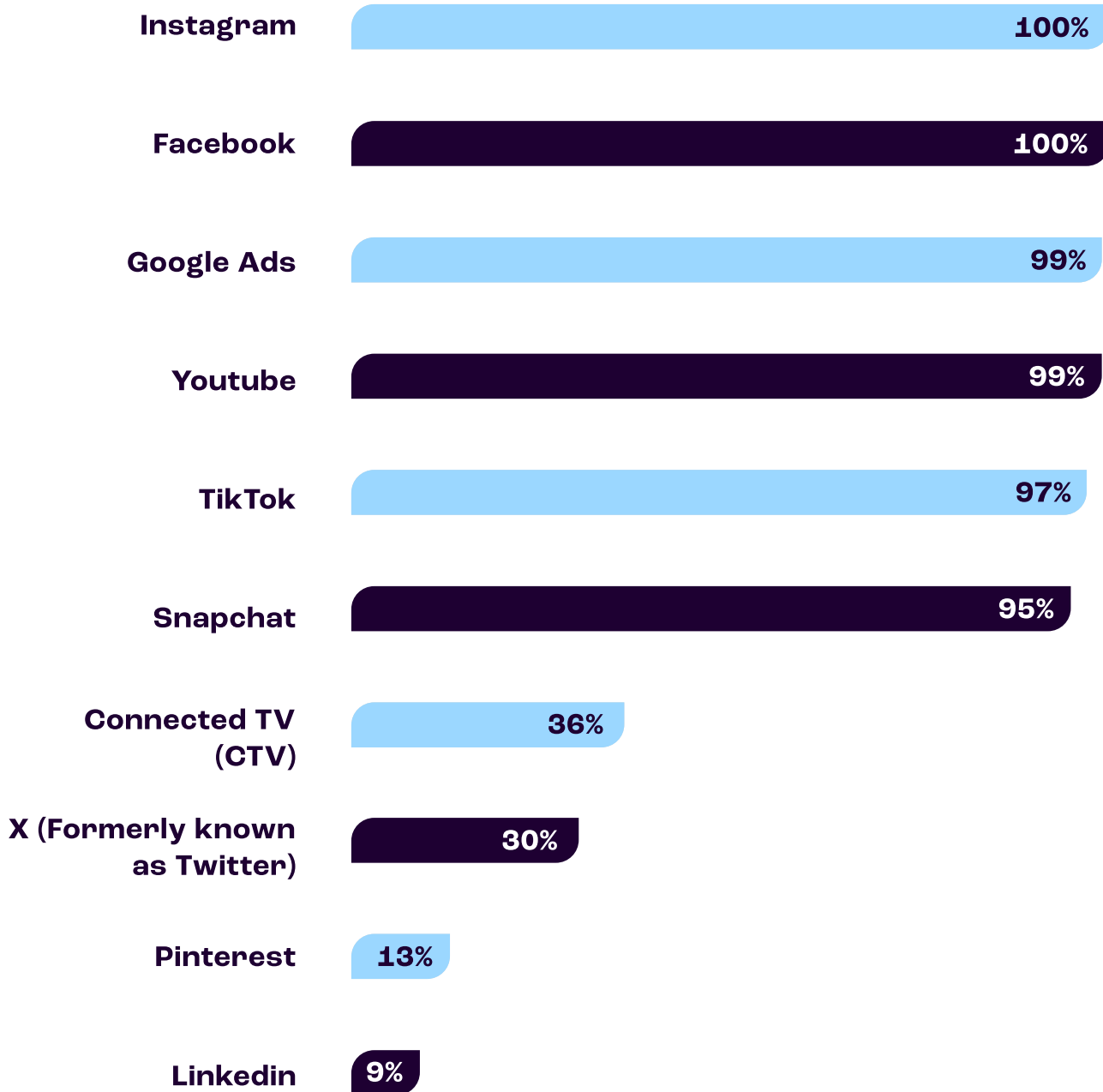


Companies advertise on social media for a variety of reasons, and not only to generate revenue via click-throughs. According to the respondents, the primary reasons they invest in social media advertising are to connect directly with customers (90%), improve performance (88%), tap into an alternative to traditional media (73%), and build brand awareness (63%).

These responses indicate that B2C companies treat social media as an ideal channel for building better customer relationships, as well as improving their ad performance.



## On which channels and platforms are you currently advertising?



Despite a significant increase in social media ad spending, some social media platforms are more attractive to advertisers than others.

For example, almost all the respondents are currently advertising on Instagram, Facebook, Google Ads, YouTube, TikTok, and Snapchat.

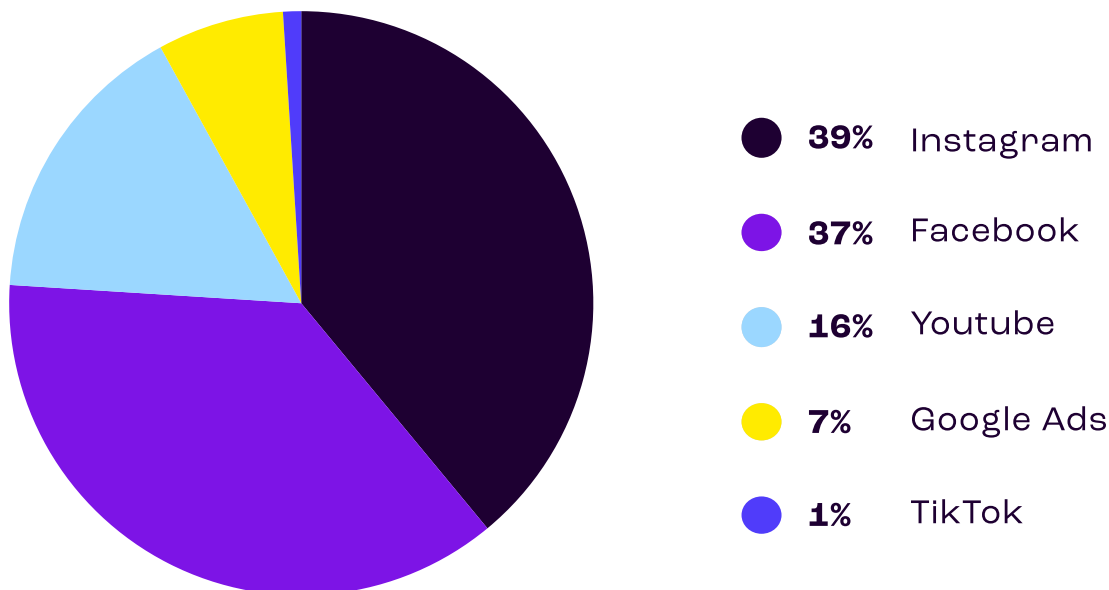
This year, Instagram and Facebook have overtaken all other platforms as the two channels respondents spend the most on when it comes to digital ads. In each case, more than one-third of the respondents list Instagram (39%) and Facebook (37%) as their most-invested ad platforms.

This marks a significant change from last year's number as well. In 2023, only 24% of the respondents listed Instagram as the social media ad platform they spend on the most.

Additionally, more than one-fourth of the respondents last year (27%) said they spent the most on Google Ads. That's compared to just 7% this year.

These changes imply that advertisers are planning to invest even more in social media advertising in 2024, but they are shifting away from some of the platforms they've used in the past.

## On which single channel or platform are you spending the most on digital ads?





# B2C Companies Have Made Significant Progress in Advertising Automation

A considerable number of B2C businesses are yet to fully capitalize on the benefits of automating their creative development and ad management processes. This resistance to change not only hinders operational efficiency but also impacts their ability to compete effectively in the dynamic digital marketplace.

Still, as we will learn, B2C advertisers have made significant improvements in their ad creation, management, and optimization processes. Overall, the usage of automation has increased, despite some challenges.

Researchers revealed some of the most significant hurdles in B2C creative asset production and ad management. Of note is the 58% of respondents who identified sourcing assets to produce ads as a major challenge. This suggests that despite advances in technology and automation, a substantial number of B2C businesses are struggling to efficiently gather and utilize the creative materials necessary for robust ad campaigns.

## What are your main challenges when producing creative assets?

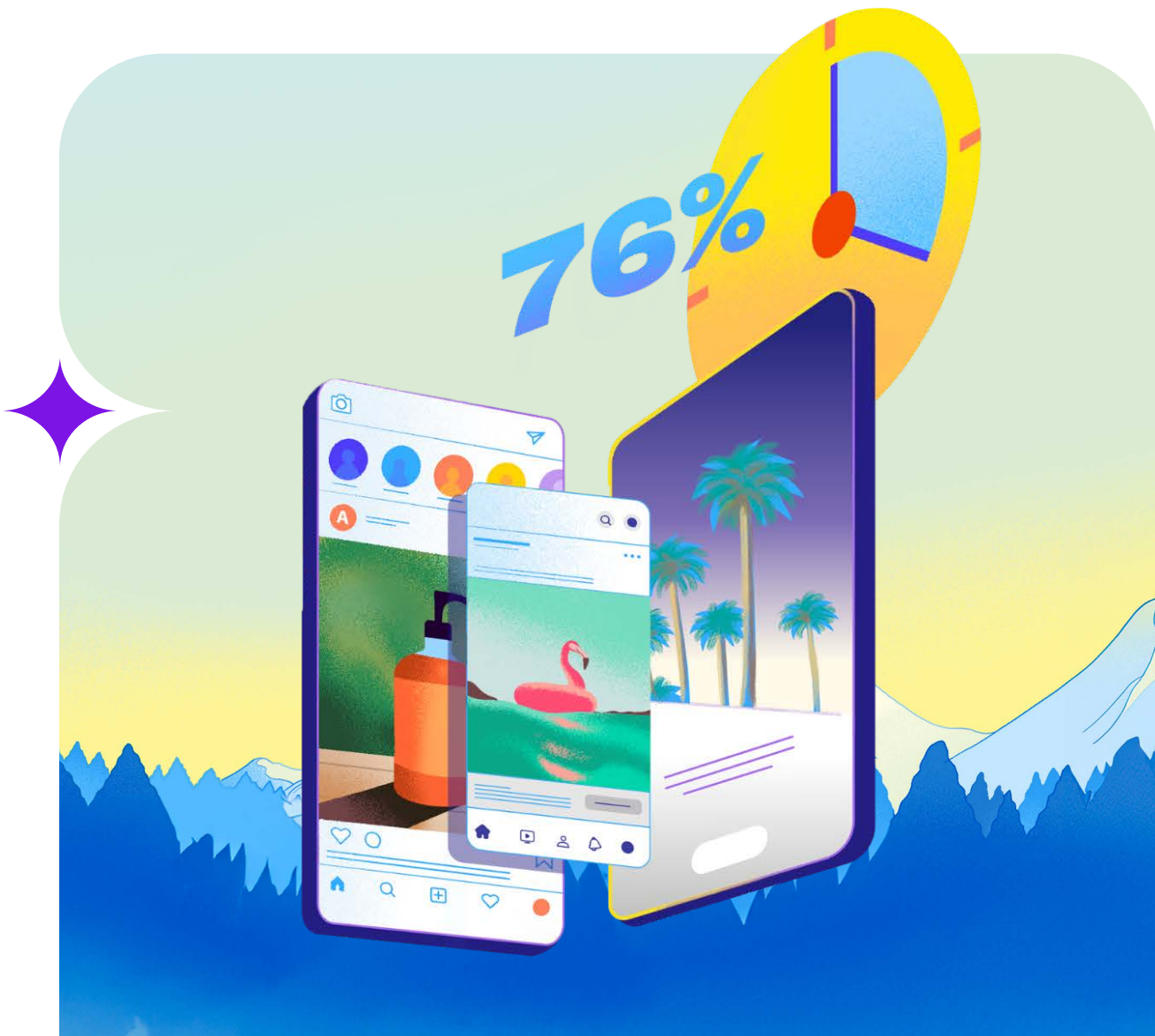
- 58%** Sourcing assets to produce the ads (UGC, stock image, sounds, etc.)
- 48%** Finding the best practices for each channel platform
- 44%** Personalizing creative and ensuring variations adhere to platform-specific specs
- 40%** Ensuring I'm following the brand guidelines on each asset
- 33%** Number of assets needed, and the manual work involved
- 32%** Time for creativity and finding new ideas
- 14%** Creating assets based on historical performance data
- 11%** Receiving data on creative performance
- 10%** The review and approval process happening in many different places
- 5%** Testing creative concepts and variations
- 4%** Ad rejected by the platform and time to fix the assets

This could lead to delays in campaign launches, inconsistencies in brand messaging, or even uninspired creative assets that may fail to engage consumers.

The other two challenges - finding best practices for each channel (48%) and personalizing creative and contextualizing it for each platform (44%) - highlight the difficulties advertisers face in the rapidly diversifying digital ad landscape.

With an increasing number of advertising channels available, each having unique strengths and audience demographics, developing a one-size-fits-all strategy is unfeasible. Additionally, the desire for personalized and context-specific content reflects the modern consumer's expectation for ads that resonate with their circumstances and preferences.

The inability to meet these expectations could result in missed opportunities to connect with potential customers and build brand loyalty.



## Do you agree with the following statement: “Our digital advertisement creation involves manual processes that are often time consuming.”?



Despite these challenges, B2C companies are enjoying a significant increase in automation within their digital advertisement creation processes. In 2023, almost one-third of the respondents (32%) said that their digital advertisement involved time-consuming manual processes. In 2024, only 12% of the respondents say the same.

This suggests that more companies are tapping into the power of automation solutions to advance the efficiency and performance of their creative processes.

Among those respondents who say they still struggle with many processes in digital ad creation, their key challenges include issues with productivity, content customization, and compliance with platform-specific standards.

“Compliance standards are getting stricter with each day,” says one respondent. “It is a challenge to meet up to the demands of each platform”.

Two of these respondents also note that they struggle to find talent to create digital ads. They must compete against other organizations to find creators, and not every creator is the right fit for the brand.



## Do you agree with the following statement: “Our digital advertising campaign delivery involves manual processes that are often time consuming.”?

YES

NO

4%

96%

There has also been a significant decrease in the number of respondents who struggle with time-consuming manual processes in their digital advertising campaign delivery processes. In the 2023 report, 26% of the respondents said they struggled with manual processes in this area. That’s compared to just 4% in the latest report.

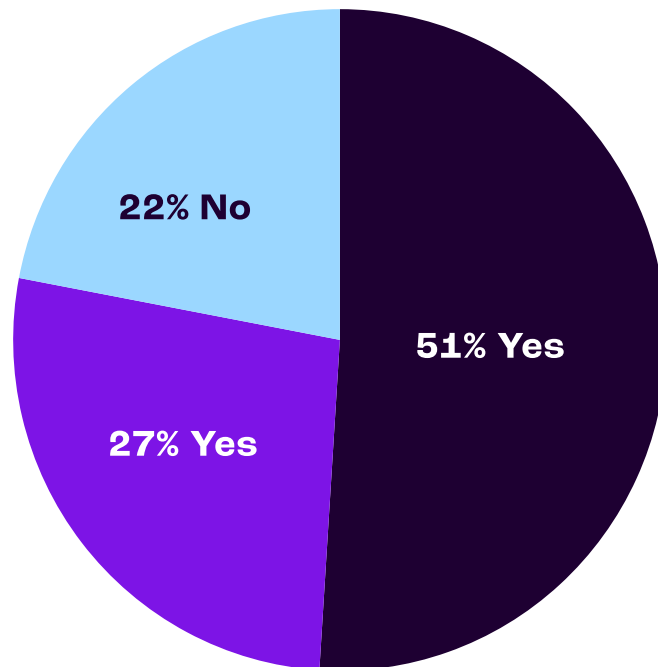


Respondents who still struggle with manual processes in this area say they have trouble *“keeping a tab on the returns from each campaign,”* according to one respondent, and measuring the ROI of their investments.





## Does your team currently use automation technology for its digital advertising campaign management and optimization?



● **51% Yes** – we automate the creative production of digital ads sufficiently and successfully.

● **27% Yes** – we automate at least part of this process, but it needs improvement.

● **22% No** – but we are interested in automating at least part of this process.

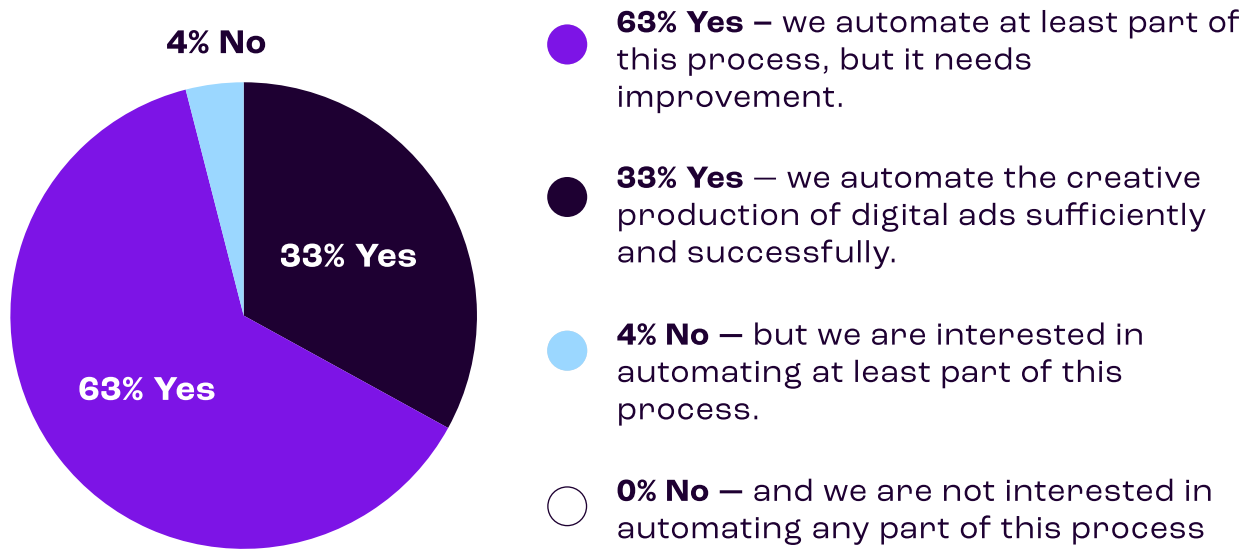
○ **0% No** – and we are not interested in automating any part of this process

Indeed, 51% of the respondents say they automate campaign management and optimization sufficiently and successfully. Another 27% say they automate at least part of this process. This represents a significant shift from the 2023 report, which found that only 31% automated these processes sufficiently.

However, 22% of the respondents aren't currently using automation in this process but are interested in doing so. These results imply that almost every advertiser will be leveraging campaign management and optimization automation in the next few years.



## Does your team currently use automation technology for its digital ad creation?



96% of the respondents are automating at least a portion of their digital ad creation. Only 4% of the respondents say they don't automate digital ad creation, and they say they are interested in this capability. This represents a slight decrease compared to the numbers from 2023, where 10% said they don't automate any part of digital ad creation.

Among those respondents who don't automate digital ad creation, many say they believe the technology would simply make the entire process faster and more efficient.

**“** *This would make processes more efficient, optimizing time management and making the overall process simple and fast,*” says one of the respondents.

Other respondents in this category say creative automation would allow their teams to work on other priority tasks, train on new applications, and invest more time in understanding new and developing marketing platforms.

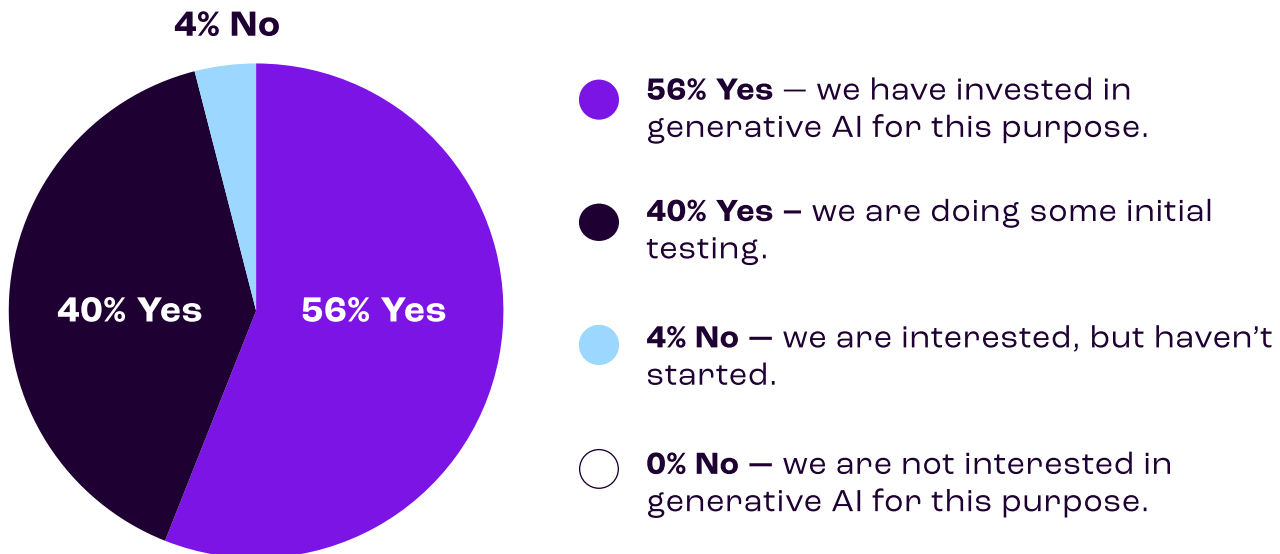


# Companies Are Already Leveraging Generative AI for Ad Creation and Management

Generative artificial intelligence (generative AI) refers to an advanced technology that employs machine learning models to generate output from raw input data. This form of AI goes beyond simply analyzing data and making predictions, it can produce new, previously unseen content such as texts, images, or even music.

Not surprisingly, this technology could be of immense value to advertisers if it can be harnessed and used properly. Not only does it have implications for generating ad creative, but it could also streamline aspects of campaign management.

## Does your team currently use Generative AI for its digital advertising campaign management and optimization?

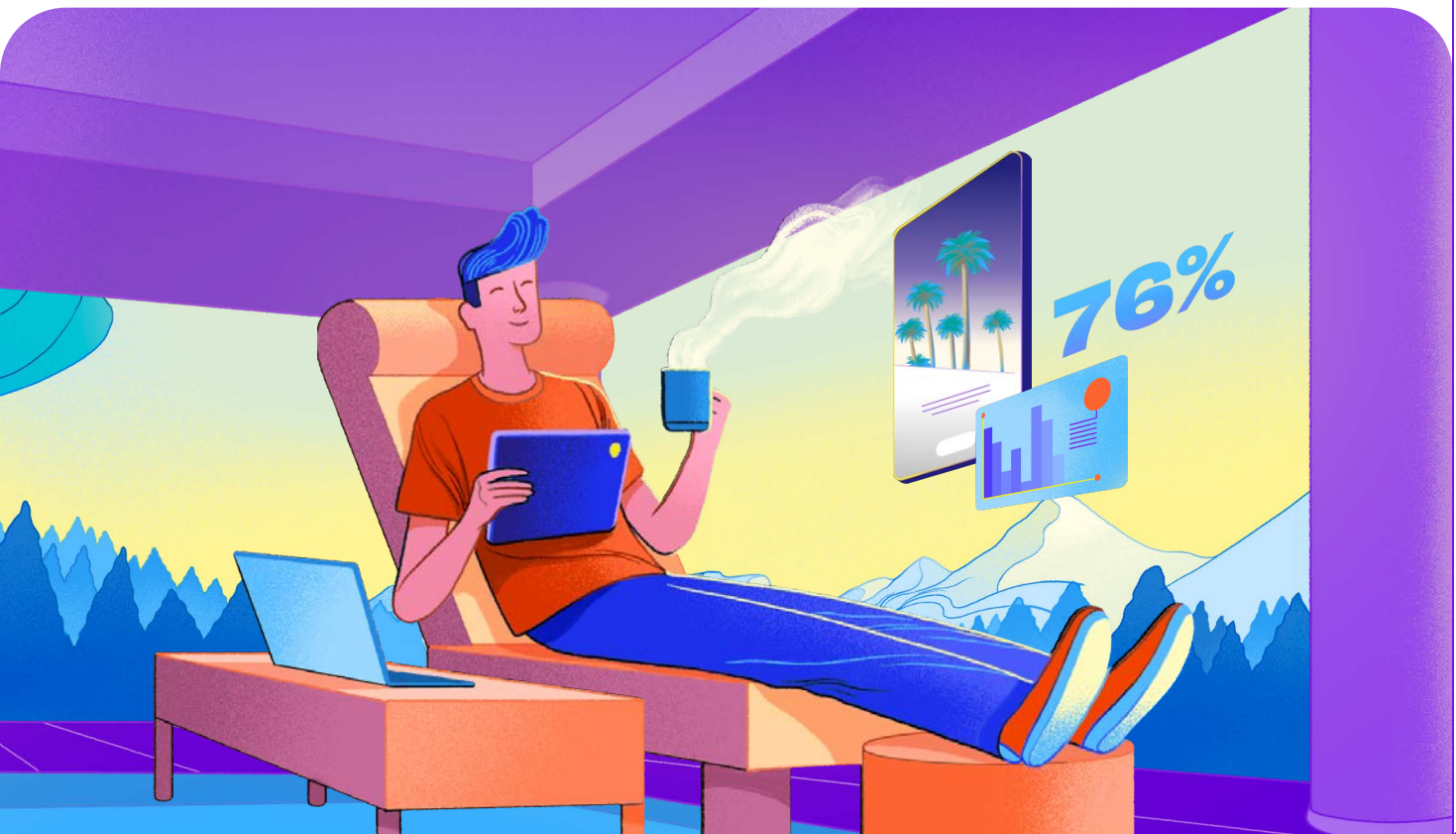


Most of the respondents, 96% have already embraced and invested in Generative AI. Only 4% haven't invested in this technology but are interested in it.

Generative AI has the potential to significantly improve digital advertising campaign management and optimization by automating tasks such as targeting and forecasting.

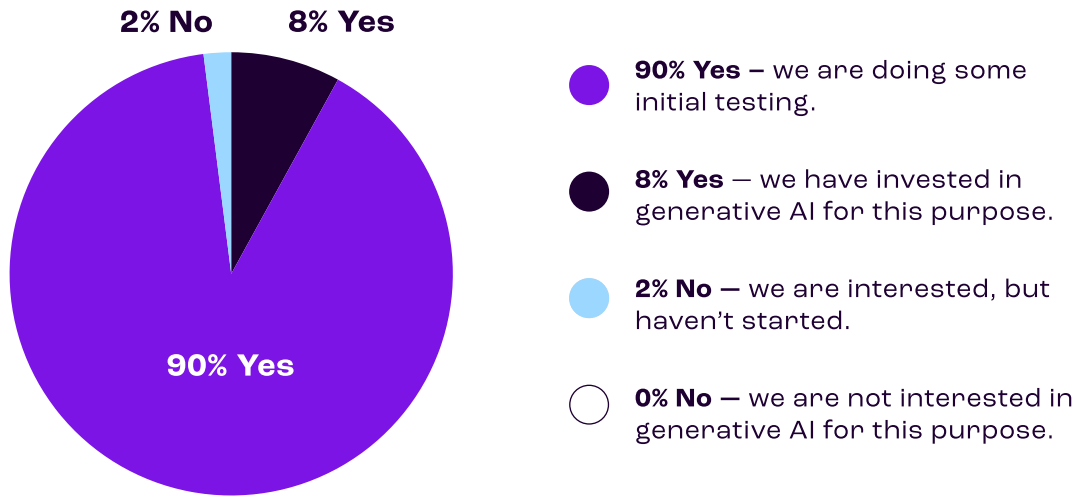
**“** *It will be used to forecast the demand for our product range. We can decide on which products to promote the most,*” according to one of the respondents who isn't currently using generative AI for this purpose

In this way, generative AI not only increases campaign management efficiency but also allows for more effective ads, leading to better ROI.





## Does your team currently use Generative AI for its visual asset generation and optimization?



Almost all the respondents have already invested in generative AI for visual asset generation and optimization. However, most of these respondents are still doing initial testing of this technology, so they haven't implemented it as a standard process in ad creation.

Many organizations may be approaching this technology on a learning curve. Generating a specific image using AI requires the user to prompt the program. Writing these prompts is a skill set of its own, and it often requires the user to experiment.

Nonetheless, advertisers are excited about the prospect of the technology, especially since sourcing images for ad content can be a significant challenge.

“*AI-generated content seems to be interesting, it could be especially effective for consumer-centric products. We hope to work on such generated content,*” says one respondent who isn't currently using generative AI for visual asset creation.



## For which of the following marketing tasks or process do you believe generative AI technology is well suited?

CONTENT GENERATION (E.G., BLOG POSTS, PRODUCT DESCRIPTIONS)

94%

AD ARTWORK CREATION

89%

AD COPY CREATION

67%

ANALYSIS AND INSIGHTS

65%

PERSONALIZED RECOMMENDATIONS

24%

Indeed, 94% of the respondents believe generative AI is well-suited for web content generation, while 89% believe it is well-suited for creative and artwork creation. Significantly, more than two-thirds of the respondents believe generative AI is well-suited to creative ad copy creation (67%) and data analysis (65%).

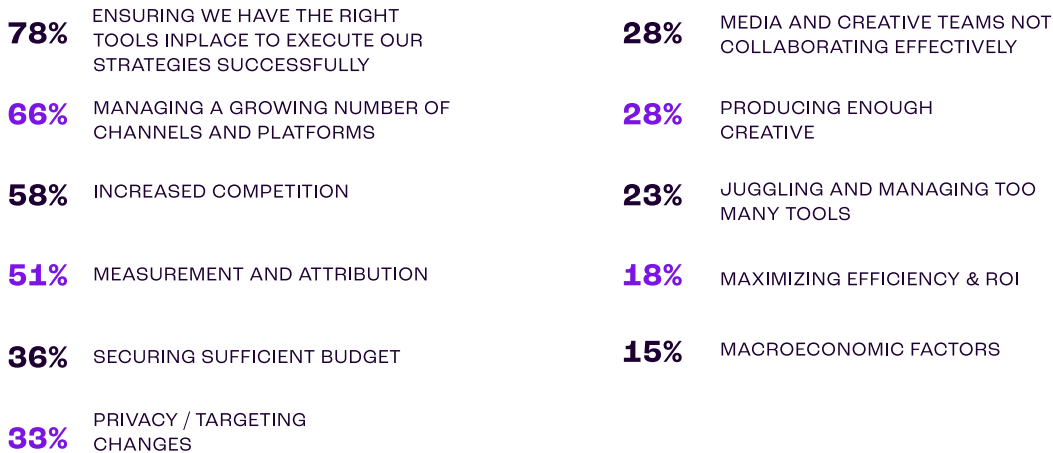
Based on these results, it is highly likely that generative AI will become a standard asset in the creation and management of digital ads. Over the next few years, advertisers and advertising platforms will be experimenting with this technology and incorporating it into their workflows.



# Technology, Social Media Mastery, and Motion Creative Are Top Priorities in 2024

B2C advertisers have much to consider moving into 2024. The social media advertising landscape is shifting once again. Not only must they contend with countless new entrants to the advertising market, but they must compete based on their advertising capabilities and the underlying technologies that support them.

## What are your biggest pain points for digital advertising in 2024?



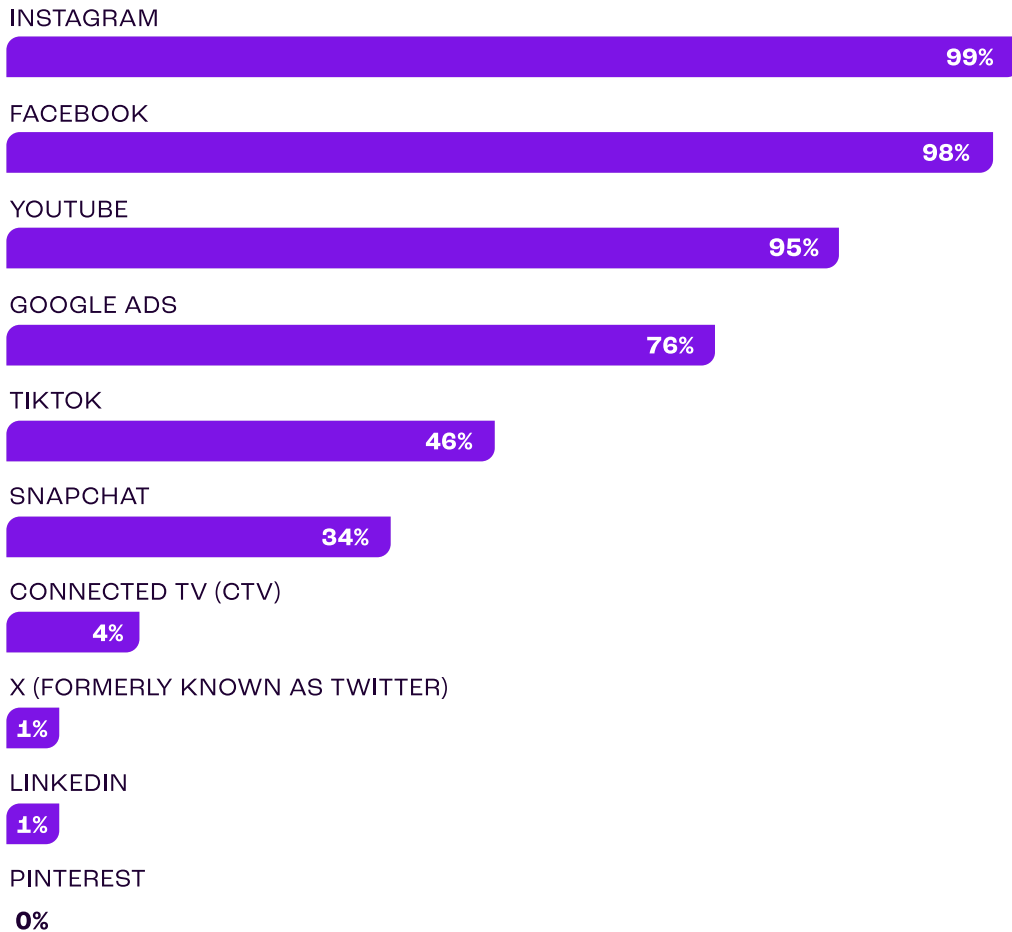
Most of the respondents' investments will likely go toward alleviating several pain points of the digital advertising process, while also improving efficiency.

The most significant pain point for advertisers in 2024 will be ensuring they have the right tools in place to execute strategies successfully, at 78%. B2C organizations recognize that having key technologies in place will be the primary driver of their advertising success moving forward. Companies that have implemented automated solutions, real-time analytics, and generative AI will be able to produce ads more efficiently, and their ads will be much more effective.

However, the sheer scale of the world of advertising is quickly becoming a challenge in and of itself. Most of the respondents also agree that dealing with increased competition (58%) and managing a growing number of channels (66%) will be significant pain points in 2024.



## On which of the following channels and platforms do you plan to increase your advertising spend in 2024?



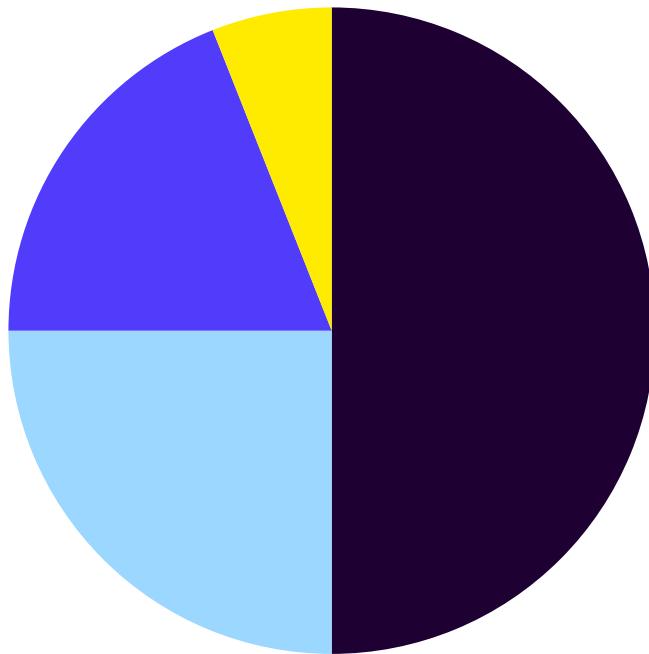
Nonetheless, some channels will always be more effective for advertisers than others.

Almost all the respondents plan to increase their advertising spend on Instagram (99%), Facebook (98%), and YouTube (95%) in 2024.

Instagram and YouTube have proven to be popular channels not only with older social media users but also with younger generations. Although Facebook tends to attract an older audience than channels like TikTok, it still boasts the highest user count of any social media platform.



## On which type of visual asset does your digital advertising team plan to increase usage **THE MOST** in 2024?



● **50%** Motion creative (e.g., animations, videos, reels)

● **19%** Creator content / influencer content

● **25%** Generative AI-powered creative

● **6%** Static creative (e.g., photos, images)

Instagram is also designed specifically to showcase images and videos, which are now critical to digital advertising. In the past, many companies relied on static creative like photos to convey a message. More and more B2C advertisers are focusing on motion creative, such as animations and videos.

In the 2023 report, 33% of the respondents said they'd increase usage of motion creative the most in the coming year. In 2024, 50% of the respondents will increase usage of motion creative the most, when compared to other types of digital assets.

Notably, 25% say they will increase their usage of generative AI content the most in 2024.



## Please indicate which the following statements are true in terms of your plans for 2024.

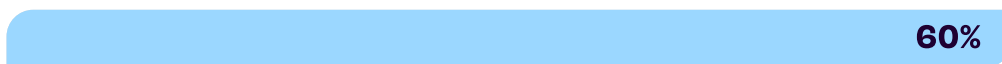
WE WILL SPEND MORE ON SOCIAL MEDIA ADVERTISING IN GENERAL THAN WE DID IN 2023



WE WILL INVEST MORE IN GENERATIVE AI



WE WILL SPEND MORE ON PROGRAMMATIC ADVERTISING IN GENERAL THAN WE DID IN 2023



WE WILL INVEST MORE IN CREATIVE AUTOMATION



WE WILL EXPAND OUR IN-HOUSE MARKETING TEAM TO BETTER MANAGE DIGITAL ADVERTISING



WE WILL OUTSOURCE DIGITAL ADVERTISING MORE



WE WILL INVEST MORE IN DIGITAL ADVERTISING TOOLS AND TECHNOLOGY



WE WILL SPEND LESS ON DIGITAL ADVERTISING IN GENERAL THAN WE DID IN 2023

**0%**

This result aligns with the previous results about generative AI. It also aligns with the fact that 71% of the respondents plan to invest more in this technology in 2024.

Social media will continue to be B2C companies' primary arena of advertising in 2024 as well. More than three-fourths of the respondents (76%) say they will spend more on social media advertising in general in 2024 than they did in 2023.

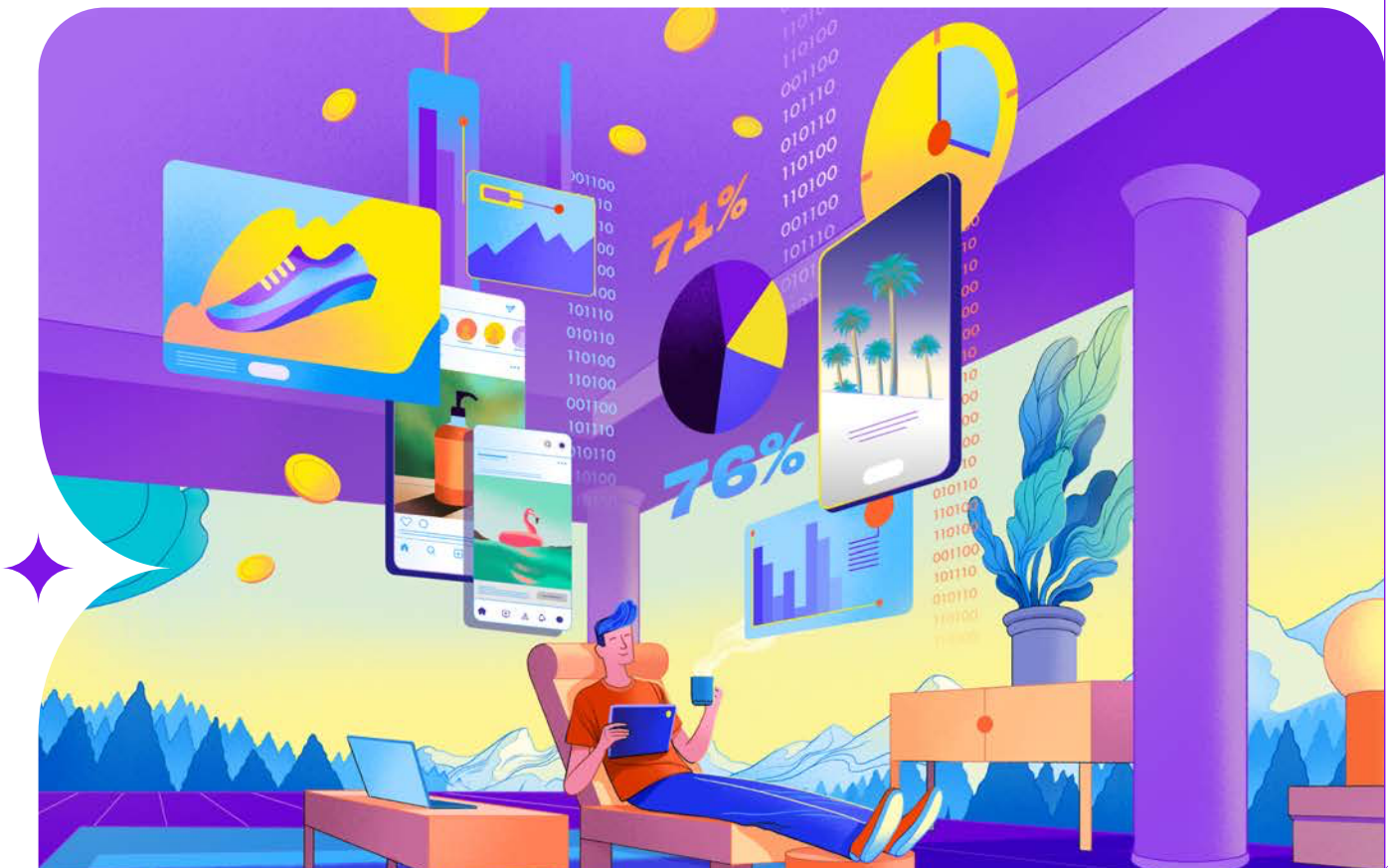
Finally, 54% of the respondents say they will invest more in creative automation in 2024. This represents an increase from the 2023 report, which found that 44% of the respondents planned to invest more in creative automation in 2023.

# Conclusion: Automation and AI Will Shape Digital Advertising in 2024

B2C advertisers view generative AI and creative automation as potentially groundbreaking in the field of digital advertising. Their capacities for delivering efficiencies, reducing manual intervention, and bringing about a shift in creative content generation are recognized by the majority of B2C businesses. However, the field is still nascent, with many organizations in the experimental phase, grappling with the unique challenges presented by AI-driven creative processes.

Meanwhile, social media platforms, particularly Instagram, Facebook, and YouTube, are set to maintain their dominance as preferred advertising channels. Investment in these platforms, coupled with increased adoption of innovative content formats like motion creative, signifies a dynamic and evolving advertising landscape.

The role of technology, particularly AI and automation, is becoming increasingly pivotal, shaping strategies and dictating trends in the digital advertising landscape in 2024 and beyond.





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