



omd



EARNINGS Q4 2024

Trends and timelines from platform reporting

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WE *Create* WHAT'S NEXT

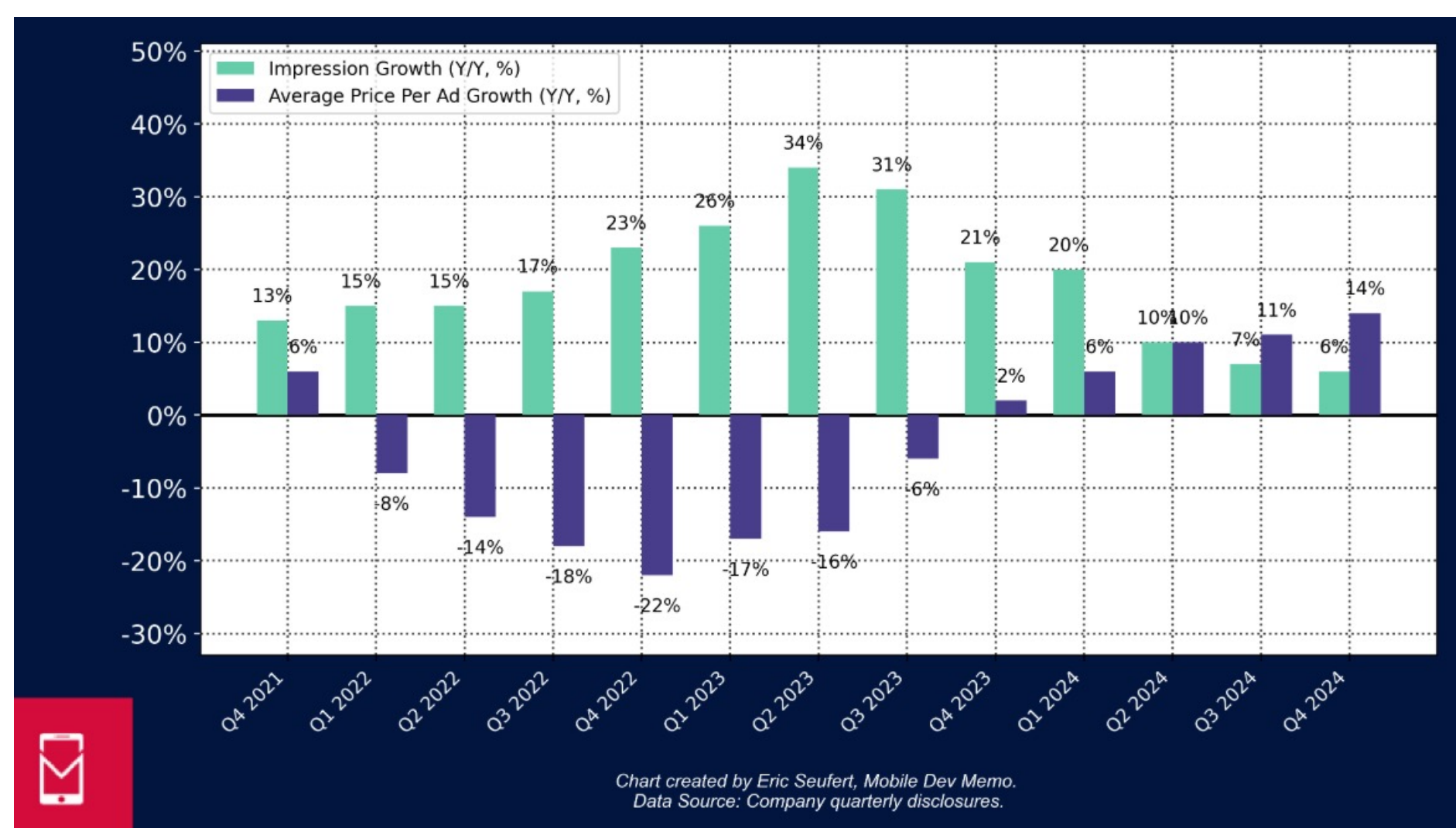
AI technologies drive platform earnings growth

Strong growth

The two largest ad-revenue platforms, Meta and Alphabet, reported earnings this week. Amazon has [yet to report Q4](#) at the time of writing.

Ad revenue at Alphabet makes up 75% of USD 350bn 2024 revenue, around USD 262bn. Q4 ad [revenue of 72.46bn](#) is up 10.6% over 2023.

Meta reports [22% growth in revenue](#) in 2024 to USD 164bn, of which over USD 160bn comes from advertising. Q4 saw USD 46bn up in ad revenue. Daily active users across Meta's platforms reached [3.35 billion](#) in December 2024.



Meta had been [supporting revenue growth](#) with growth in the volume of ads delivered as average CPMs declined post App Tracking Transparency in 2021.

The CPM trend has reversed over the past 12 months, with an average price per ad growing by 14% in Q4 2024. This value is still around 10% down on the pre-ATT highs, but volumes are up, driving revenue to almost double since ATT. Average prices have [grown the fastest in Europe](#), where data regulations are most stringent.

Other platforms, such as Snap, also report healthy [ad-driven earnings](#) growth. Driven by [small business investment](#) and through [Pixel Purchase](#) and [App Purchase](#) optimizations. [400 million Snapchatters](#) also engaged with new Gen AI Lenses over 4 billion times in Q4.

Large and growing ad revenue bases are driving investment in new consumer and advertiser AI technologies, which together drive accelerated change in advertising.

AI Tools scaling to disruption

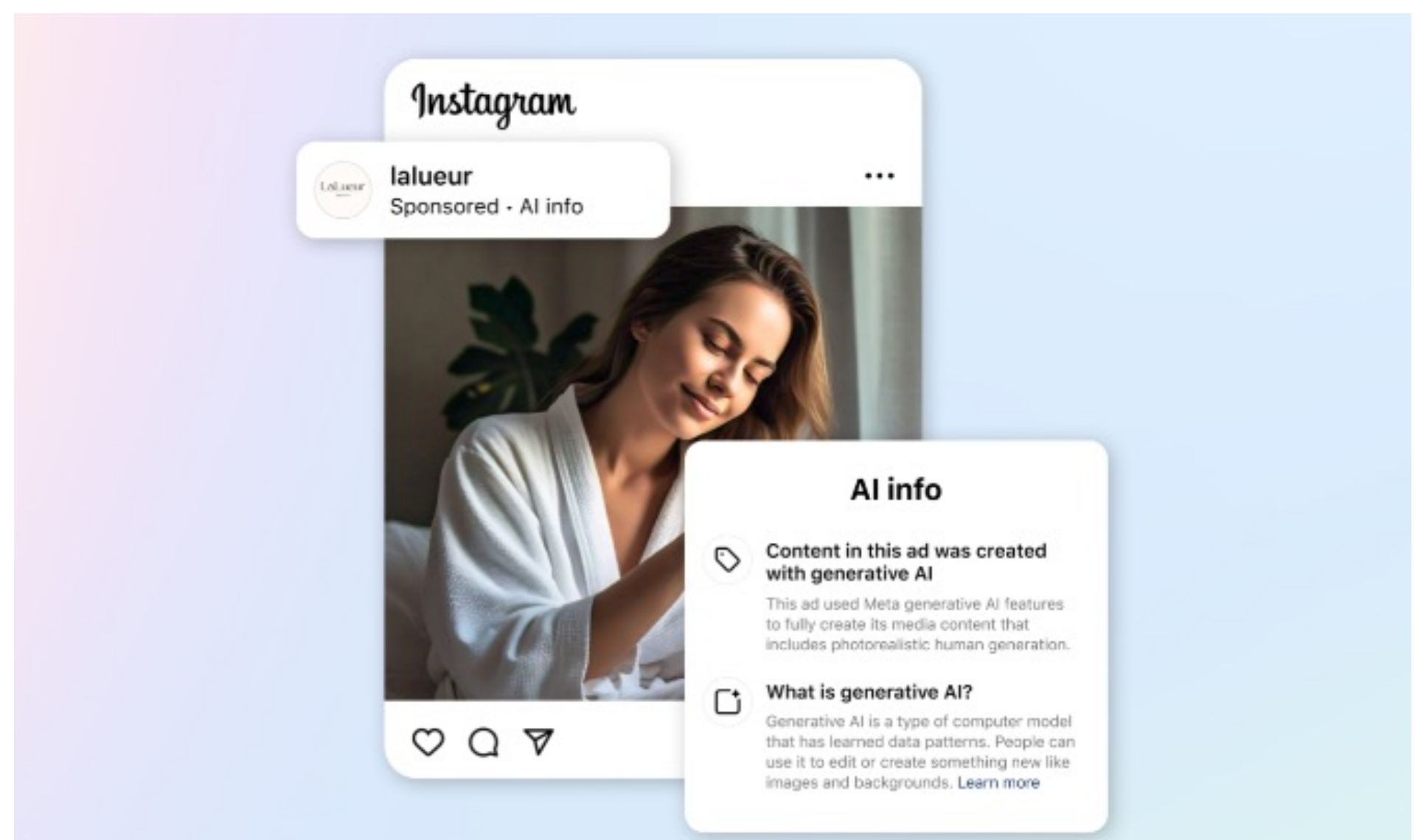
Platform buying agents and creative tools have been quietly growing since the launch of Google [PMax in 2021](#) and Meta [Advantage+ shopping campaigns in 2022](#).

Meta reported that the Advantage+ is delivering an [annual run rate of \\$20bn](#), around one-eighth of total income, growing 70% yr on yr.

Growth is likely to accelerate as Meta announced Advantage+ is about to become the default across [more campaign types](#), meaning brands will need to opt out rather than in.

A new partnership with Nvidia has increased the [capacity of ad retrieval ML models by 10,000x](#). This will power more sophisticated targeting across a wider range of data points, modeled to more human intents for a wider range of brands.

More than [4 million advertisers](#) now use at least one of Meta's Gen AI creative tools, a four-fold increase over Q2 2024.



Ads [created, or significantly edited](#), with these tools will be [labelled as such as part of a new policy](#) announced this week.

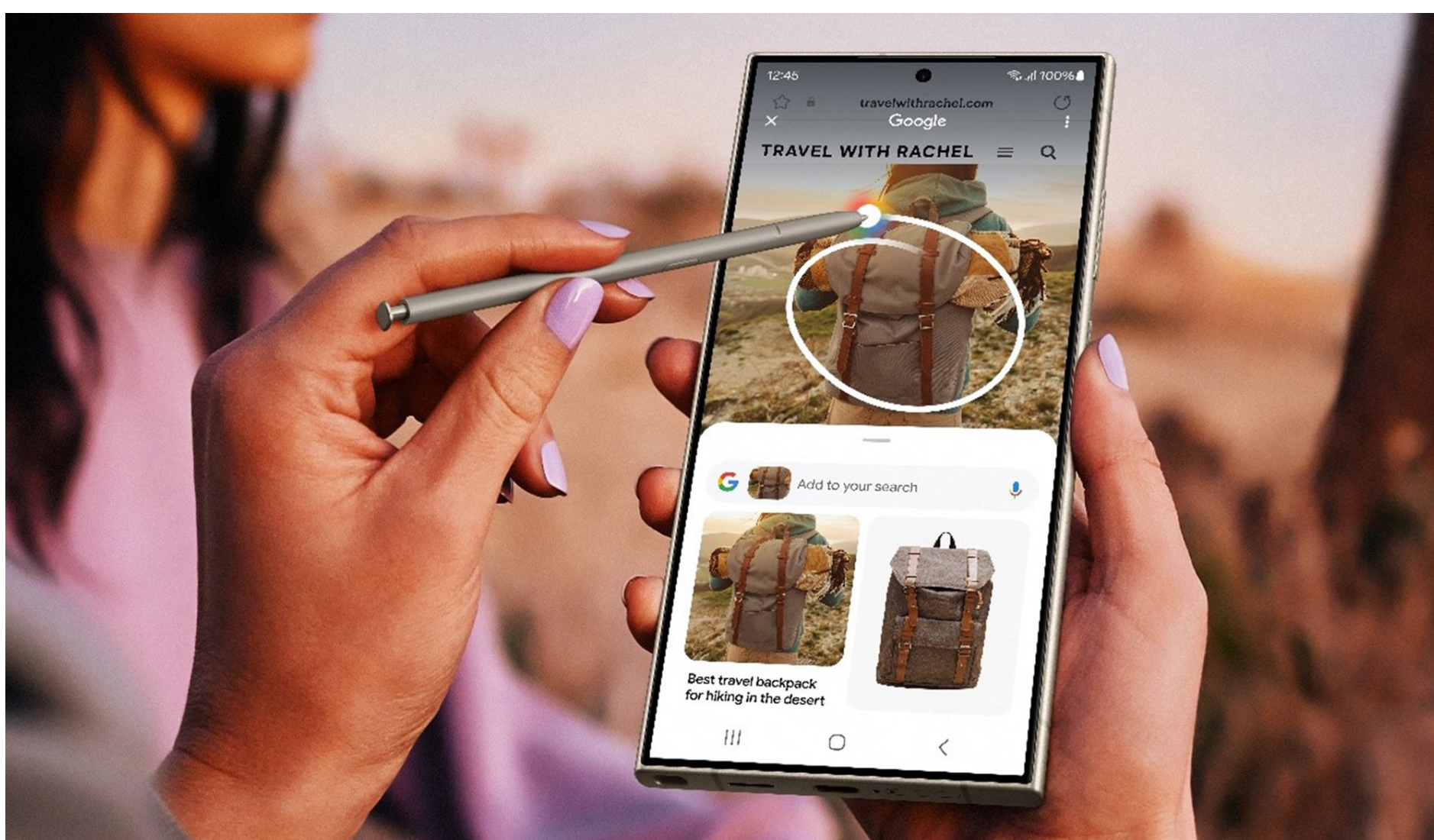
Meta is going all in on AI, expecting to spend [USD 65bn in 2025](#) alone. Meta AI, the company's AI assistant, now has 700m monthly users and is expected to [reach 1 billion this year](#).

We can expect to see more personalized AI services and content, as in the U.S. and Canada, as a new feature is launched to permanently remember [tastes and preferences from 1:1 chats](#) in WhatsApp and Messenger.

Alphabet AI ad revenue growth drivers

AI was central to Alphabet earnings reporting this quarter. The Gemini model now powers all seven of Google's platforms that have over 2 billion users: Google Search, Android, Chrome, Gmail, YouTube, Play Store, and Google Maps.

AI Overviews in Search are now available in over 100 countries, appearing in 25% of 8-word or longer search queries, double the proportion of three months ago. 72% of healthcare queries now trigger AI Overviews. Search will change further in 2025.



Circle to Search is now available on over 200 million Android devices. Amongst those who have tried it, more than 10% of searches are now initiated with Circle to Search. AI overviews are being expanded in visual results, whilst information such as telephone numbers and URLs are routinely recognized.

The disruption of AI in search is accelerating. Open AI's announcement of Deep Research this week included use cases around making high-consideration purchases and automating multiple searches into one in-depth response.

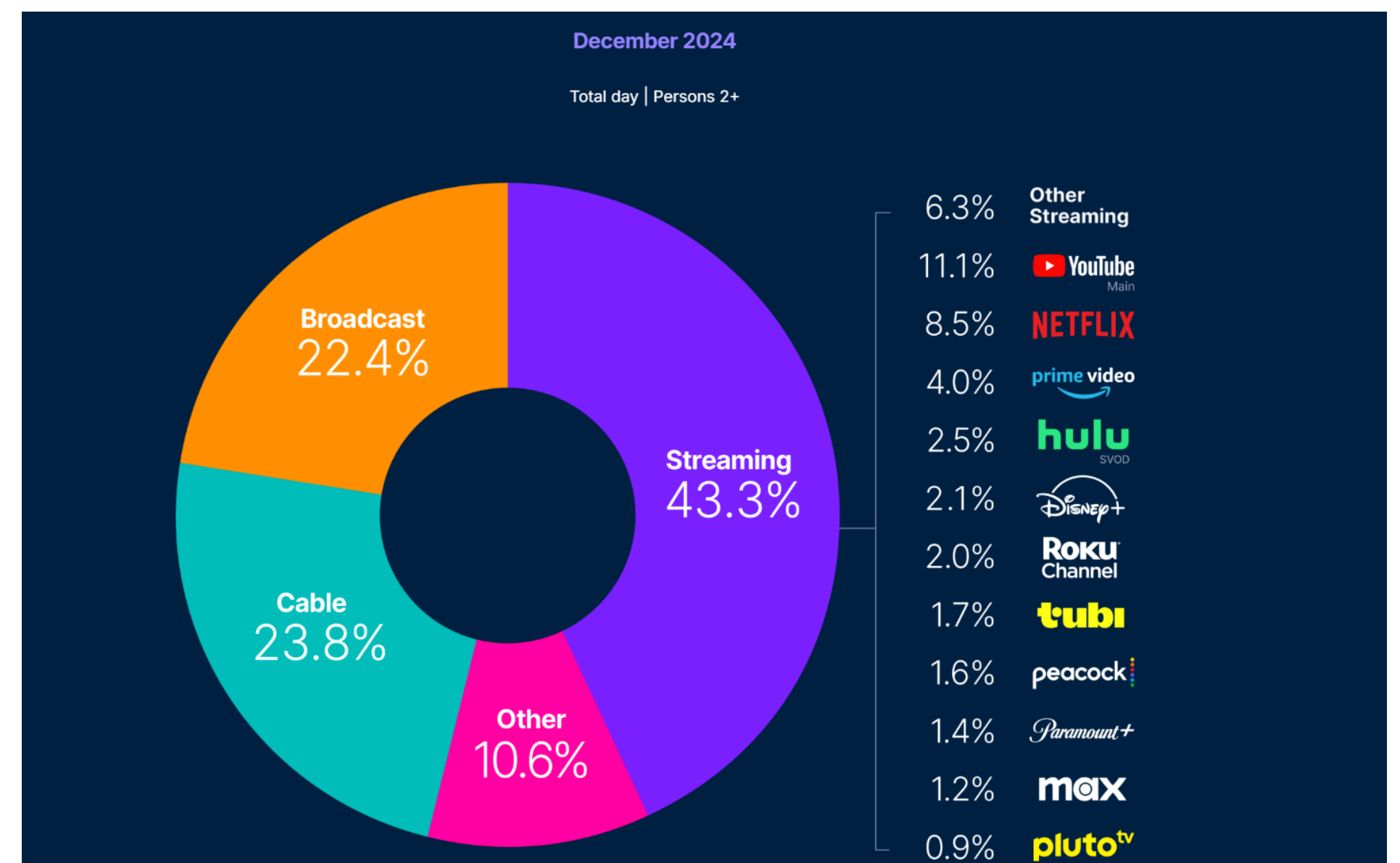
Search strategies now need to be multi-modal, optimized for a wider range of journeys and content types. These themes are extensively explored in the recent OMG Future of Search report.

New features have also been launched in recent weeks for PMax, with targeting improvements such as negative keywords and a high-value consumer acquisition goal. Further up the funnel, Demand Gen also has new controls and is being expanded to Google Display inventory, covering 90% of internet users across 3 million sites and apps.

Streaming Ad Acceleration

YouTube delivered USD 10.4bn in ad revenue in Q4 2024. Growing 14% in part due to increased U.S. election spending. On U.S. election day, over 45 million viewers watched election-related content on YouTube.

YouTube remains the number one streaming platform for watch time in the U.S., with its share of all viewing a record high 11.1%.



Streaming ad revenue is growing quickly, now forecast to reach USD 17bn in the U.S. and USD 1.37bn in the UK this year.

Netflix smashed expectations in terms of subscriber numbers, growing 16% to 301 million subscribers worldwide. Netflix now claims to reach over 700 million individuals; 70 million subscribers are on the ad tier.

Whilst continuing to invest in traditional formats and extending into sports, Netflix is now optimizing shows not for lean-forward viewing but for consumption in the background based on data gathered from mobile devices.

Changes in global media behaviors and investment in media technologies are mutually reinforcing trends. To capitalize, brands need to think across modalities. Optimizing and integrating assets and investments across video, content, partnerships, experiences, and data.



JEAN-PAUL EDWARDS

Managing Director, Product | OMD Worldwide