
February 21, 2025

Question of the Week:

“Where do ad dollars go when they’re spent with Google?”



Analyzing Google's advertising revenue by segment and what it means for marketers

As Google has long frustrated the advertising industry through semi-opaque summaries of ad campaigns, including undisclosed media placements, we turned to the financial industry **where certain disclosures are mandatory** to see what more we could learn from Google's latest 10-K filing within a regulated SEC-compliant investors' environment.

Alphabet announced their fiscal year 2024 earnings in early February and provided data on how marketer dollars are being spent across their three ad revenue segments:

- **Google Search & Other**
 - Represents revenues generated on Google search properties (including revenues from traffic generated by search distribution partners who use Google.com as their default search in browsers, toolbars, etc.) and other Google owned and operated properties like Gmail, Google Maps, and Google Play
- **YouTube Ads**
 - Includes revenues generated on YouTube properties
- **Google Network**
 - Includes revenues generated on Google Network properties participating in AdMob, AdSense, and Google Ad Manager

Based on certain disclosures of these segments, **we analyzed Google advertising revenues** to better understand several questions and what it means for marketers:

- What is the allocation by segment?
- What does this allocation mean for ad campaign transparency?
- What questions should marketers be asking to their media partners?

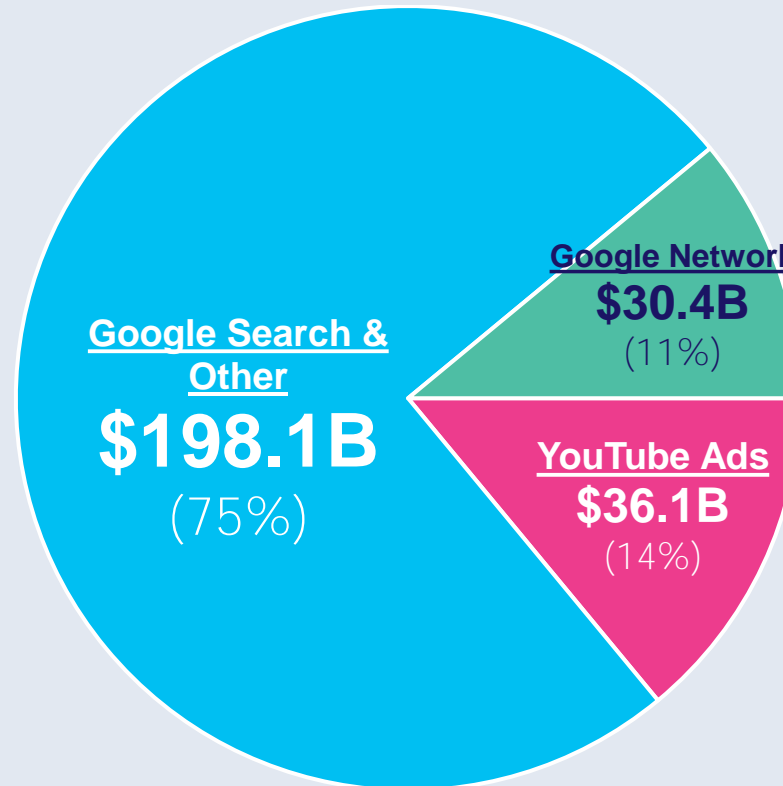
A look into Alphabet's financials on Google ad revenue across segments



In 2024, Alphabet reported almost \$265 billion in total global advertising revenue, with 14% attributed to YouTube

Alphabet/Google: Global Advertising Revenue Share by Segment

FY 2024



Note: Alphabet's 10-K does not provide any segmentation of video ad revenue

(and it can't be assumed that 'YouTube ads' is 100% video, or 'Google Search & Other' is only non-video)

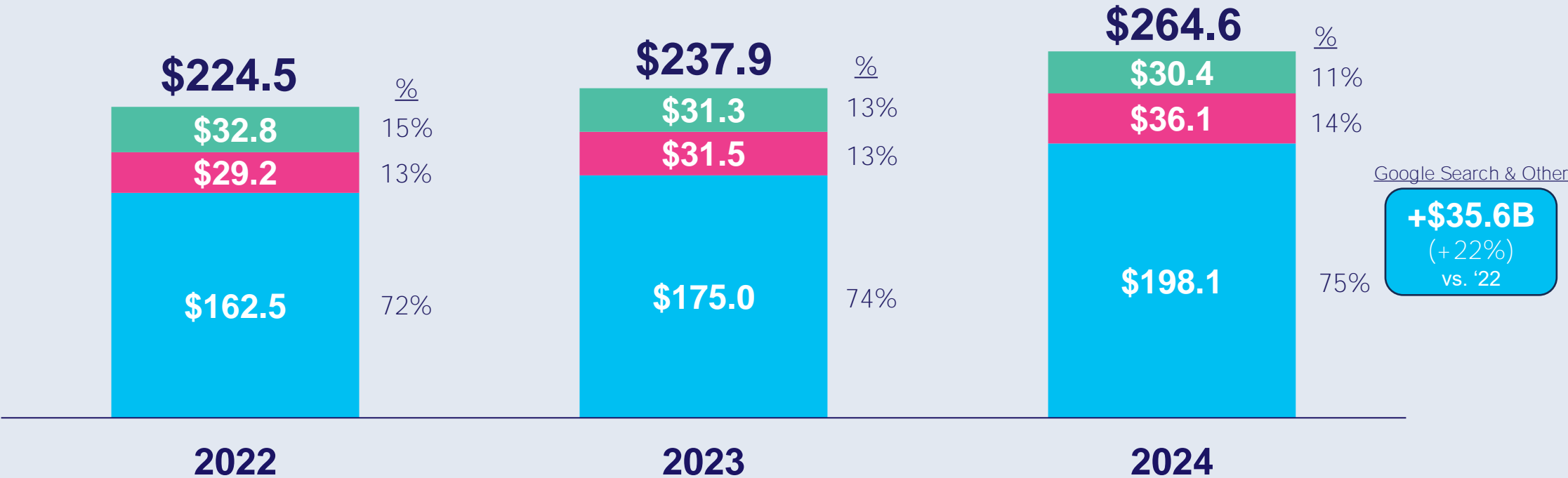
Source: Alphabet SEC company 10-K filings via SEC Edgar Search, for fiscal year ended 12/31/24. "Google Search & Other" represents revenues generated on: Google search properties (including revenues from traffic generated by [search distribution partners](#) who use Google.com as their default search in browsers, toolbars, etc.), and other Google owned and operated properties like Gmail, Google Maps, and Google Play. 'YouTube ads' includes revenues generated on YouTube properties. 'Google Network' includes revenues generated on Google Network properties participating in AdMob, AdSense, and Google Ad Manager. Reflects gross revenue which includes the dollars that Google pays in traffic acquisition costs (TAC) to partner sites.

'Google Search & Other' is nearly a \$200 billion business which now represents three-quarters of Alphabet's total global ad revenue

Alphabet/Google: Global Advertising Revenue

\$ in Billions

■ Google Search & Other ■ YouTube Ads ■ Google Network



Source: Alphabet SEC company 10-K filings via SEC Edgar Search, for fiscal year ended 12/31/24. "Google Search & Other" represents revenues generated on: Google search properties (including revenues from traffic generated by search distribution partners who use Google.com as their default search in browsers, toolbars, etc.), and other Google owned and operated properties like Gmail, Google Maps, and Google Play. 'YouTube ads' includes revenues generated on YouTube properties. 'Google Network' includes revenues generated on Google Network properties participating in AdMob, AdSense, and Google Ad Manager. Reflects gross revenue which includes the dollars that Google pays in traffic acquisition costs (TAC) to partner sites.

How much is 'Other'? Independent third-party research has found that ~7% of Google Search spend goes to undefined platforms

6.7%

of examined Google search campaign ad budget was spent on Google Search Partners & Display Expansion

Analysis included tens of thousands of Google Search campaigns, totaling over a billion USD.



Source: Adalytics Research LLC, *'Does A Lack of Transparency Create Brand Safety Concerns For Search Advertisers?'* report, November 2023. Based on Adalytics dataset access to over a billion (USD) dollars' worth of search ad campaigns data from various Fortune 500 brands, media agency, non-profits, and SMBs. For each of these brands, agencies, and non-profits, Adalytics analyzed how many impressions, conversions, clicks, and spend was distributed on Google search (such as google.com or google.co.uk), versus the Search Partners network. The search ad campaigns' datasets included tens of thousands of search ad campaigns, over a billion USD (or foreign currency equivalents) in search media spend, tens of billions of search ad impressions and billions of ad clicks.

Using third-party research directionally, 'Other' within the 'Google Search & Other' segment is estimated to represent **at least \$13 billion in ad revenue**

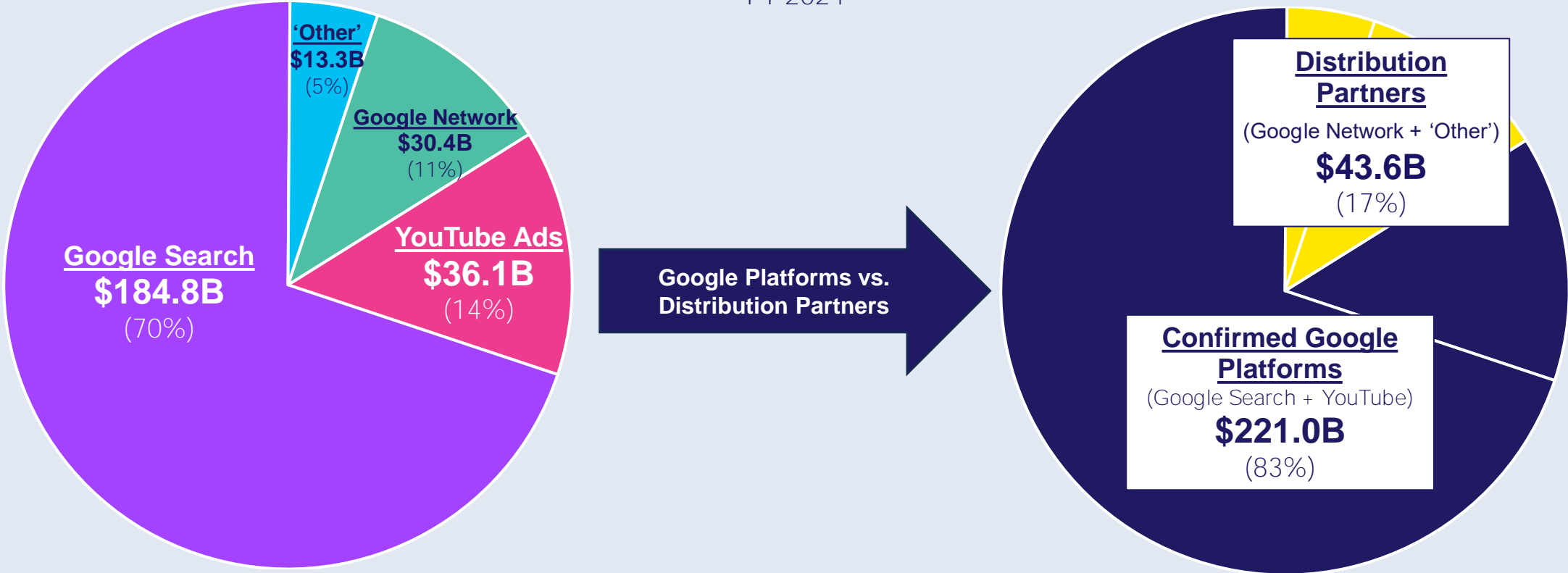
'Google Search & Other' Ad Revenues vs. 'Other' Google Search Ad Revenues

	<u>2022</u>	<u>2023</u>	<u>2024</u>
'Google Search & Other' <i>From Alphabet's 10-K Filings</i>	\$162.5B	\$175.0B	\$198.1B
Est. % Share for 'Other' <i>Based on Adalytics Research</i>	6.7%	6.7%	6.7%
Est. Ad Revenue for 'Other' <i>Based on Adalytics Research</i>	\$10.9B	\$11.7B	\$13.3B

Source: Alphabet SEC company 10-K filings via SEC Edgar Search, for fiscal year ended 12/31/24. "Google Search & Other" represents revenues generated on: Google search properties (including revenues from traffic generated by [search distribution partners](#) who use Google.com as their default search in browsers, toolbars, etc.), and other Google owned and operated properties like Gmail, Google Maps, and Google Play. Reflects gross revenue which includes the dollars that Google pays in traffic acquisition costs (TAC) to partner sites. Adalytics Research LLC, ['Does A Lack of Transparency Create Brand Safety Concerns For Search Advertisers?'](#) report, November 2023, see page 6 for more methodological details.

Based on ‘Google Network’ and our estimates for ‘Other,’ ~\$44 billion (17%) of Alphabet’s total ad revenues potentially comes from undefined platforms

Alphabet/Google: Global Advertising Revenue Share by Segment
FY 2024



Source: Alphabet SEC company 10-K filings via SEC Edgar Search, for fiscal year ended 12/31/24. "Google Search & Other" represents revenues generated on: Google search properties (including revenues from traffic generated by [search distribution partners](#) who use Google.com as their default search in browsers, toolbars, etc.), and other Google owned and operated properties like Gmail, Google Maps, and Google Play. 'YouTube ads' includes revenues generated on YouTube properties. 'Google Network' includes revenues generated on Google Network properties participating in AdMob, AdSense, and Google Ad Manager. Reflects gross revenue which includes the dollars that Google pays in traffic acquisition costs (TAC) to partner sites. Adalytics Research LLC, ['Does A Lack of Transparency Create Brand Safety Concerns For Search Advertisers?'](#) report, November 2023, for more methodological details see page 6, for 'Other' methodology see page 7.

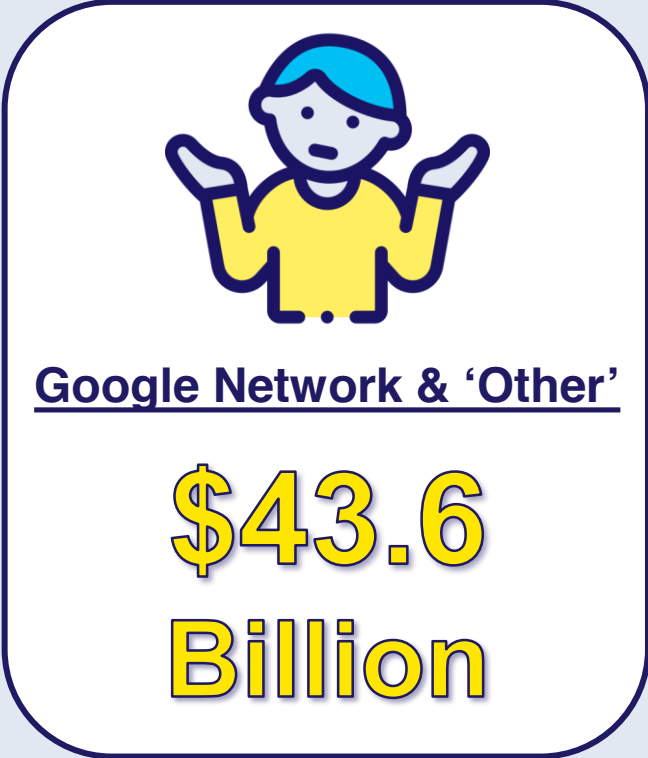
How Much is \$44 Billion? Google's ad revenue from undefined platforms is on par with global print media spend and much more than outdoor or radio

Estimated Global Advertising Revenues by Media 2024



Print

**\$43.7
Billion**



Google Network & 'Other'

**\$43.6
Billion**



Outdoor

**\$36.2
Billion**



Radio

**\$29.3
Billion**

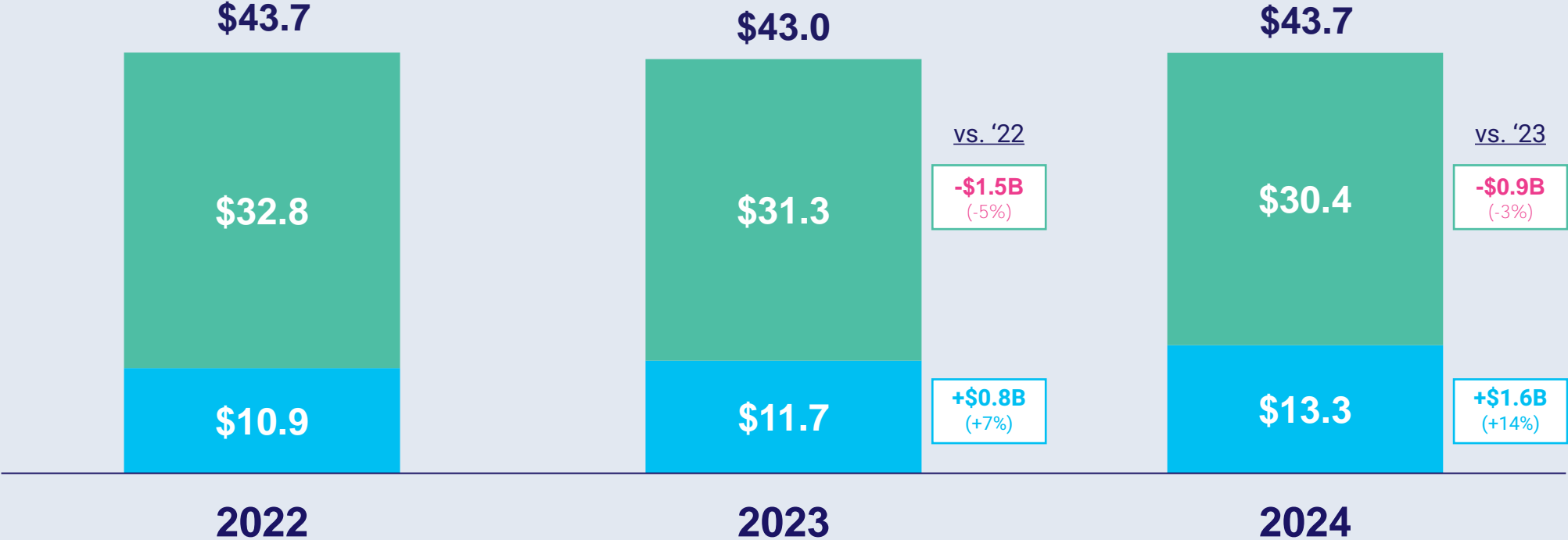
Source: Alphabet SEC company 10-K filings via SEC Edgar Search, for fiscal year ended 12/31/24. 'Google Network' includes revenues generated on Google Network properties participating in AdMob, AdSense, and Google Ad Manager. Reflects gross revenue which includes the dollars that Google pays in traffic acquisition costs (TAC) to partner sites. Totaled numbers may equal not total due to rounding. Adalytics Research LLC, 'Does A Lack of Transparency Create Brand Safety Concerns For Search Advertisers?' report, November 2023, for more methodological details see page 6, for 'Other' methodology see page 7. S&P Global Market Intelligence Kagan, Global Advertising Expenditure Forecasts, December 2024.

Over the last three years, an estimated **\$130 billion** has potentially been allocated to undefined platforms and websites through Google ad buys

Alphabet/Google: Global Advertising Revenue Share by Source

\$ in Billions

■ 'Other' ■ Google Network

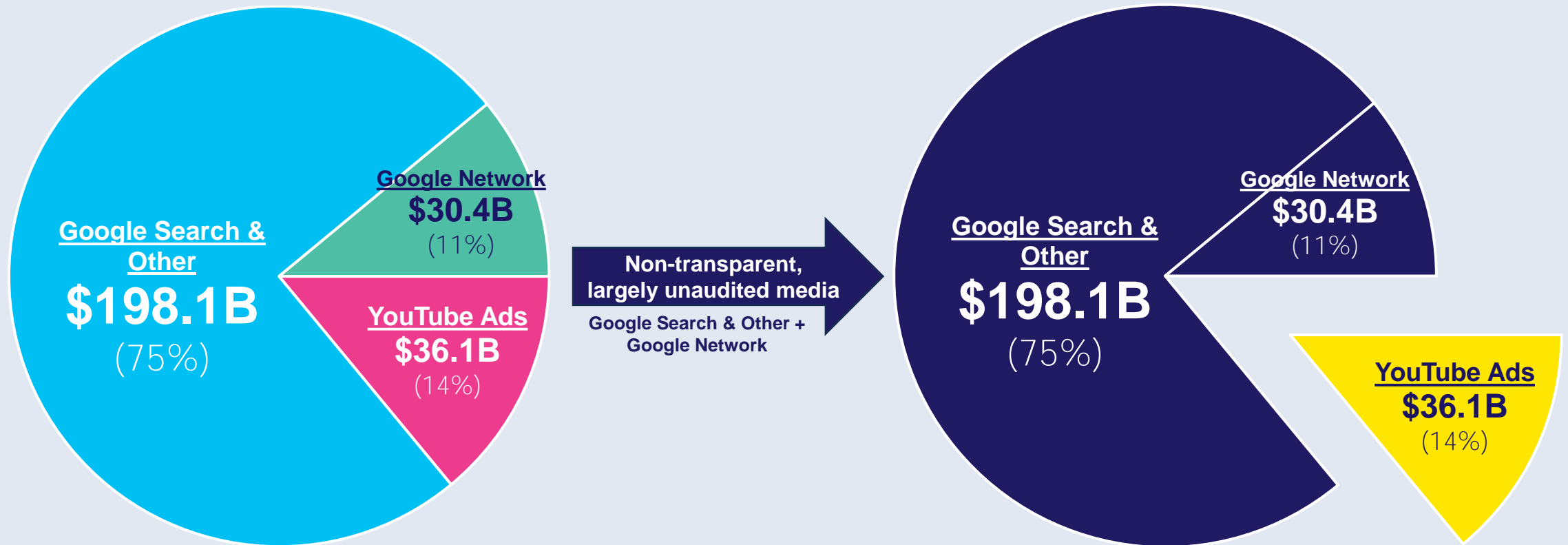


Source: Alphabet SEC company 10-K filings via SEC Edgar Search, for fiscal year ended 12/31/24. 'Google Network' includes revenues generated on Google Network properties participating in AdMob, AdSense, and Google Ad Manager. Reflects gross revenue which includes the dollars that Google pays in traffic acquisition costs (TAC) to partner sites. Totaled numbers may equal not total due to rounding. Adalytics Research LLC, 'Does A Lack of Transparency Create Brand Safety Concerns For Search Advertisers?' report, November 2023, for more methodological details see page 6, for 'Other' methodology see page 7.

Furthermore, 86% of Google's global ad revenues overall may come from non-transparent and largely unaudited media beyond 'YouTube ads'

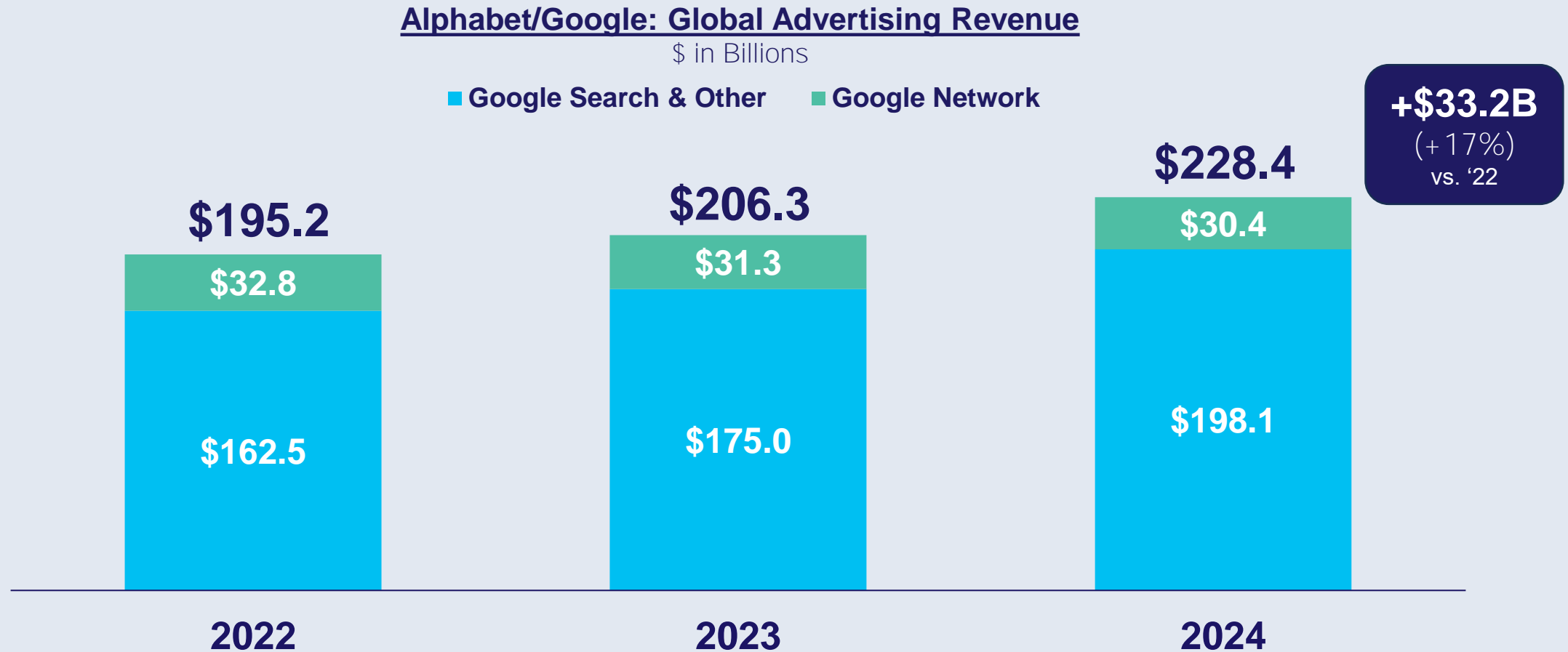
Alphabet/Google: Global Advertising Revenue Share by Source

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Google's non-transparent, largely unaudited media accounts for \$228 billion in global ad revenues, an **increase of \$33 billion** over the last three years



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What are the risks associated with non-transparent, largely unaudited media placements?



Lack of transparency from Google can **create misaligned incentives** which could lead to **poor ad decisions**, especially among small businesses

ADWEEK

8/26/24

Google Sought to Pay Agencies Hundreds of Millions to Sway Media Buys

Antitrust documents detail how Google planned to incentivize agencies in 2018

Arielle Garcia, director of intelligence at industry watchdog Check My Ads, who formerly worked at ad-buying giant UM, described the program as benefitting Google. Garcia has first-hand knowledge of Google's program, she said.

"[Google] tends to recommend things that benefit themselves more so than advertisers," Garcia said.

What makes Google completely different "to another publisher or media vendor that participates in upfront negotiations is that the universe that you can transact through Google's platform is endless," the media auditor source said.

For instance, to fulfill a minimum spend commitment under an incentive program with a TV company, there are a finite number of shows in which agencies can buy airtime. **But with Google, much more inventory is on the table, making it more likely brands don't know which exact Google media their agency is buying,** the source continued.

ADWEEK

9/3/24

Agencies Continue to Receive Perks From Media Owners That Aren't Disclosed to Clients

Misaligned incentives can lead to wasted media spend

Incentive programs between large media companies and agencies **continue to lead to poor advertising decisions and less transparency for smaller clients,** 10 sources from agencies, brands, and publishers told ADWEEK.

Small and medium-sized clients **were less likely to have stipulations in their contracts with agencies** to ensure incentive programs are disclosed, the first buyer source said.

Medium-sized buyers would spend more with Google, **"and then the rebates would come and they would typically go back to the agency or go back to the bigger clients,"** the first buyer said.

Due to industry pressures, Google has been **refunding some advertisers** and offering only 'limited' transparency into their ad practices

AdAge

12/28/23

GOOGLE MULLS MORE DATA SHARING AND CONTROL AFTER REPORT OF SEARCH ADS ON PORN AND OTHER PROBLEM SITES

adexchanger

12/13/23

Google Will Share Limited Search Partner Site Placement Info With Advertisers

adexchanger

12/7/23

Google's Temporary Opt-Out; Finding Your Fans

AdAge

8/14/23

GOOGLE REPAYS ADVERTISERS AFTER REPORT OF LOW-QUALITY ADS

adexchanger

8/15/23

Google Doles Out Refunds After Adalytics Drama

AdAge

3/29/23















GOOGLE EXPANDS VISIBILITY INTO WHO'S BEHIND ITS ADS

AdAge

4/18/23

GOOGLE GIVES POST-COOKIE AD TECH UPDATE

Google also faces multiple legal settlements and fines for antitrust violations, deceptive advertising and privacy concerns

 REUTERS 2/14/2025 Google must face mobile phone privacy class action, possible trial	 2/4/2025 Judge Blocks Apple's Attempt to Halt Google Search Antitrust Lawsuit	 2/4/2025 China launches an antitrust probe into Google. Here's what it means
 9/11/23 Google's search engine dominance is at the center of the biggest US antitrust trial in decades	 11/14/22 Google pays nearly \$392 million to settle sweeping location-tracking case	 2/14/2025 Two weeks into 2025 and Google is already battling another antitrust investigation
 EMARKETER 12/15/23 Google will face a class-action antitrust lawsuit from small advertisers	 5/12/23 Paxton Announces \$8 Million Settlement with Google Over the Big Tech Company's Deceptive Advertising	 1/5/23 Google To Pay \$23M To End Decade-Old Data Privacy Suit
 1/24/23 DOJ SUES GOOGLE OVER DIGITAL AD MARKET DOMINANCE	 12/30/22 AG Racine Announces Google Must Pay \$9.5 Million for Using "Dark Patterns" and Deceptive Location Tracking Practices that Invade Users' Privacy	
 12/28/23 Google agrees to settle \$5 billion lawsuit accusing it of tracking Incognito users	 12/19/23 Google to Pay \$700 Million in Play Store Settlement	 12/3/2024 U.S. Proposes Breakup of Google to Fix Search Monopoly In a landmark antitrust case, the government asked a judge to force the company to sell its popular Chrome browser.

What should marketers be asking of their media partners?



Marketers should demand full campaign transparency and verification from their media partners

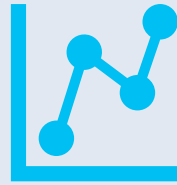
Complete transparency on...



The full lifecycle of all video ad units within your campaign by media partner



All calculations of video ad impressions by media partner



The granular details of exact ad placements, by type and inventory source, across each media partner



The composition of ad placement types and inventory sources in audience metrics such as reach calculations by media partner



Have media partners bring in a truly independent third party to provide transparency on a now-permanent basis

True verification

Also, the [FreeWheel Council for Premium Video](#) and [VAB](#) have partnered to advocate for the value of premium standards. [Click below to download and learn more!](#)

[Buying Premium Video: A Definitive Checklist](#)

Key Marketer Takeaways

- ▶ Although certain financial disclosures are mandatory to be SEC-compliant, **Alphabet's 10-K** filing still leaves several important questions unanswered for their advertising partners:
 - ▶ Segmentation of video ad dollars are not provided; therefore, it is a challenge to understand how dollars are being allocated by video, display, etc.
 - ▶ Extremely limited information is provided on what inventory is included within 'Google Network' and 'Google Search & Other'
 - ▶ The non-specific labeling of 'Google Network' and 'Other' means that there are tens of billions of dollars that are allocated to opaque placements annually
- ▶ **The \$44 billion of Google's ad revenue attributed to undefined platforms ('Google Network' and 'Other') is on par with the global ad revenues of print media and much higher than OOH and radio global ad revenues**
- ▶ **It's imperative for marketers to demand full campaign transparency and verification from media partners to ensure all ad placements are in proper environments**

Download these other VAB resources to understand more about the importance of transparency, brand safety and quality within ad campaigns

January 24, 2025

Question of the Week:

“Why is it important to demand transparency from my media partners?”

19 pages



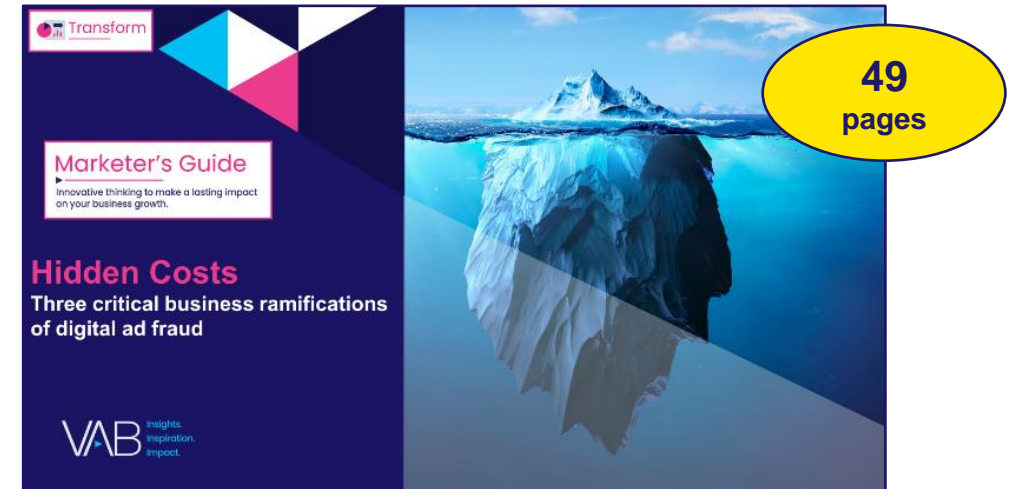
VAB Insights. Inspiration. Impact.

Transform

Marketer's Guide
Innovative thinking to make a lasting impact on your business growth.

Hidden Costs
Three critical business ramifications of digital ad fraud

49 pages



VAB Insights. Inspiration. Impact.

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Marketer's Guide
Innovative thinking to make a lasting impact on your business growth.

Exposed
5 Inconvenient Truths We Learned From Marketers

51 pages



VAB Insights. Inspiration. Impact.

Simplify

What Is...
Clarifying marketing topics and terms

11 pages

Brand Safety
A Look Into Critical Issues Impacting Marketers Today

February 2024



VAB Insights. Inspiration. Impact.

About VAB

VAB plays a dual role in the video advertising industry. We are leading the change to bring about a more innovative and transparent marketplace. We also provide the insights and thought leadership that enables marketers to develop business-driving marketing strategies.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.



We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access** at theVAB.com.

