ExchangeWire
The business of media, marketing and commerce

Industry Review

2024: An era-defining year

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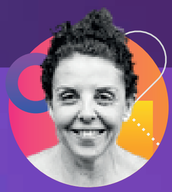
Contents

→ Foreword

2024: an era-defining year



Rachel Smith
CEO
ExchangeWire

2024 has the potential to be pivotal for the entire media ecosystem. As we finally bid farewell to third-party cookies, ad tech has an opportunity for genuine invention, while the rise of AI will continue to redefine how we optimise, create and discover content.

In ExchangeWire's Industry Review 2024, a range of industry-leading agencies, publishers, brands, and tech vendors share their views on the direction the market is heading over the next 12 months.

For the first time, you'll also find eight new MadTech Sketches from ExchangeWire CSO Ciaran O'Kane, outlining the issues and potential solutions to the challenges we've laid out.

These are the eight pillars that are making the worlds of media, marketing, and e-commerce think, create, and innovate:

AI

Artificial intelligence grabbed the headlines in 2023 as rapid development led to mainstream applications through ChatGPT, Bard etc. AI will shape the industry in the coming decade and will have a huge impact on everything from creative production to planning and optimisation.

Future of TV

We as an industry need to redefine TV: it's neither linear nor CTV, it's just TV. We now need to understand how we aggregate, activate and measure this new ecosystem. As the streaming wars heat up and the marketplace further fragments, the eyes of the industry will be on TV in 2024.

Sustainability

Sustainability and DEI are fundamental to the marketing and advertising industry. Not only do all businesses in the industry have to take responsibility for their environmental and social impact, we also need to leverage our collective influence to create change.

Post-cookie Technology

This is it, the year of third-party cookie deprecation. The industry must build new technology that fills this signal void. Innovation will be necessary to solve this existential problem especially concerning targeting and measurement.

Attention

The battle for attention has never been fiercer. This is a whole new category for ad tech that increases in importance as we get closer to 'cookie deprecation day'. Attention measures true engagement and has second and third order effects for sustainability, efficiency and improving monetisation for both buyers and sellers.

Retail Media

In 2023, retail media rose to become a playing field with 'eye-watering margins' that everyone wanted in on. To realise the full potential of this category, we need to think beyond sub-scale: a thousand retail media sites need to be packaged for buyers. We need to see the aggregation of retail and commerce media sites in order to access audiences at scale.

Curation

Curation is the framework for modern programmatic buying and selling. It will enhance existing inventory, making it possible to trade against specific campaigns objectives — such as sustainability, attention, search signals and DEI.

Gaming

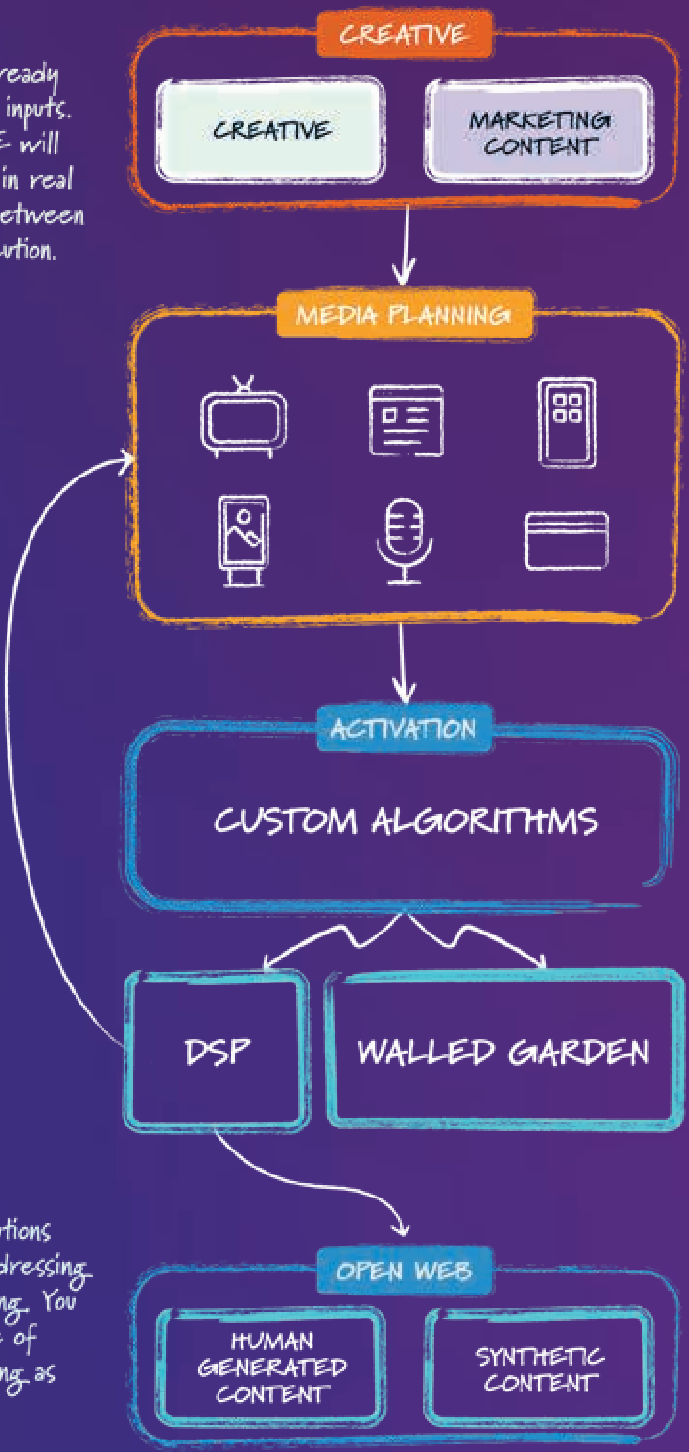
Gaming has become a major source of entertainment across the globe, capturing a massive and diverse audience. Engaging and interactive, in-game ads offer a direct route to a huge swathe of target markets.

AI

How AI Shapes Media & Marketing

AI solution Dall-E can already create visuals using text inputs. New iterations of Dall-E will build data-driven visuals in real time, reducing friction between creative and media execution.

AI-powered content creation tools will be used by agencies to copy for ad campaigns and creatives



AI can help planner buyers build media plans on the fly across an increasingly fragmented media landscape.

Data-driven creative will finally be realised: AI can inform creative optimisation during programmatic campaigns in real-time, simply by telling your creative-AI-tool-of-choice what needs changing.

A whole new segment of ad tech has emerged to help buyers with bid optimisation and programmatic buying using AI across walled gardens and DSPs.

We will see new AI solutions for open web buying, addressing SPO and sustainable buying. You will see the emergence of synthetic content filtering as a standard for buyers.

There will be an explosion in AI generated content on the open web. Estimates say that 90% of the open web might be synthetic within 5 years, exacerbating the MFA (Made For Advertising) problem.

01

→ AI

2024 is going to be a big year, thanks to AI

A recent industry study revealed that two-thirds of brands and advertising agencies already use artificial intelligence (AI) in their work, and 95% intend to use it within the next two years. While the most common use case today is building and targeting audiences in programmatic advertising, more creative applications are emerging.

So perhaps the big question is, can AI scale app businesses?

The answer is 100% yes — the trend is definitely extending into the world of mobile apps and advertising. AI is a game-changer for mobile apps, and in 2024, app businesses will leverage it to forge a clear pathway to accelerated growth.

In fact, with several compelling applications for AI already in play — and more to surface over the next 12 months — app business across categories will see tremendous growth in the coming year. Here's where AI is already having an impact.

Faster content creation extends the longevity of assets

AI can expedite content generation and iterate based on a number of criteria that impact business results today and tomorrow. For example, a brand may have an item for sale in the summer and display product photos that include a beach background, straw hat, and sandals. During the colder months, that same product photo could quickly be updated with boots, a scarf, and a snow-covered landscape. "In the fashion industry, you have a ton of different products and you want to test different backgrounds," says Charlene Phan, Director of Growth at Poshmark. "But now it's winter and you want to relist this item. AI can change sandals into boots quickly and seamlessly." Through this approach, brands are able to sell surplus inventory without creating new assets, conserving resources and time.

This dynamic content optimisation can work for almost any retailer: the ideal Father's Day gift could be promoted again on Black Friday with a holiday theme. The potential beyond retail is also limitless, and we're looking forward to seeing how other apps adopt this tactic.

Customises ad creative for improved campaign performance

The advantages of AI also extend to producing high-impact ad creative, which is the key to success in performance marketing. With talented experts including SparkLabs, AppLovin's in-house creative team, leveraging the power of AI, creative elements can be generated quickly, enabling app marketers to rapidly test and deploy ads that drive the highest ROI. This iterative use of AI tools allows for the exploration of various voice, video, music, art, and animation styles, fast-tracking the marketability testing of ad variations. It can even instantaneously translate ads and video assets, including CTV, into other languages.

Like dynamic in-app content, this AI application is relatively low-hanging fruit for app businesses, and we suspect more and more of them will leverage this tactic to engage and win users.

Andrey Kazakov
VP of Demand & Non-Gaming
APPLOVIN

Optimises user onboarding flows and improves retention

For any app business, fostering long-term user retention is essential. AI-driven personalisation plays a pivotal role here: it helps customise features or content to suit specific user cohort's preferences, making the app more appealing and "stickier" to them. It can also help improve the onboarding experience, which is the first critical step for user retention. customer relationship management (CRM), like Salesforce and HubSpot, can be a powerful tool due to the vast data sets that fuel predictive AI models that can enhance user engagement. App businesses can identify friction points and optimise their onboarding flow by understanding where and what kind of users convert the most.

We anticipate that more app businesses, particularly those outside of retail, will use AI to analyse and optimise their app onboarding. This is a make-or-break moment in the user's relationship with an app: if there's any friction at all, the user may never open the app again! Understandably,

APPLOVIN

Headway

AppDiscovery's AI-based advertising engine helped Headway grow their subscriber base quickly and profitably

5x
INCREASE ON SUBSCRIBERS

72%
INCREASE IN SPEND

creating a delightful onboarding experience is a top priority for any app developer, and AI will become a standard tool to support this pivotal step.

Powers faster and more accurate UA

AI empowers performance marketers to target users with greater accuracy, driving performance at scale. It learns much faster than legacy advertising platforms, so campaigns are launched and optimised in a fraction of the time — and a fraction of the cost. With the faster learning speed, fewer data points are required to fine-tune campaigns, so less budget is spent before the campaign runs with an optimal return on ad spend (ROAS).

Over time, AI analyses historical data and user behavior patterns to predict future behaviors and trends. These algorithms can identify potential new users or tailor marketing strategies to target users more effectively. Even better, campaign automation has improved with AI. It more accurately determines where to spend to deliver on KPIs. The need for manual optimisation and campaign filtering is effectively eliminated, resulting in increased efficiency for advertisers of all sizes.

This worked especially well for Headway, an education app that relies on AppLovin's AppDiscovery platform to acquire its users. The platform's AI technology allowed Headway to quickly set up and run campaigns optimised for a cost-per-event (CPE) that allowed them to acquire new subscribers profitably — and they were able to increase their paid users by 5X.

Improved efficiencies drive accelerated growth

Over the past few years, AI has emerged as an essential toolset for mobile developers across categories. Now, it's maturing and helping these businesses discover new efficiencies in all aspects of their operations, accelerating growth and driving massive scale. As AI is getting smarter, more powerful, and more prevalent in our industry, embracing it will help app businesses not only achieve their goals but exceed them.

With AI supporting their businesses by guiding content and powering performance campaigns, forward-thinking app developers can leap ahead of the competition in the New Year, targeting, winning, and retaining exactly the right users

> **"Because the AI advertising engine optimises campaigns so efficiently, and the performance is so stable, we've been able to keep manual management and oversight to a bare minimum."**
>
> **Yana Kostiuk**
> User Acquisition Manager, Headway

→ AI

Unleashing the creative revolution: how AI-powered innovation reshapes marketing strategies

In the era of rapid artificial intelligence (AI) adoption, the creative landscape is undergoing a profound renaissance, and marketers who resist this transformative wave risk being left behind.

We find ourselves at the epicenter of a creative revolution, marked by the rise of short-form videos, widespread integration of generative AI, the decline of third-party identifiers, and the dominance of social media as the hub for search and sharing. A staggering half of the global population engage with social networks monthly, compelling brands to produce fresh, personalised content. In this renaissance, creative, not media, emerges as the paramount performance lever.

According to Smartly's annual global digital trends survey, there has been a significant shift in marketer's budget allocation compared to years past, with 79% of respondents dedicating 51% to 75% of their overall budget to social media advertising. This marks a substantial increase from 2023, where no marketer spent more than 50% of their budget on social media advertising.

Behind this spending shift is the realisation among marketers of the substantial gains and opportunities within the walled garden of social media. AI-powered creativity is emerging as the driving force, with 70% of an ad's success attributed to the creative, according to Google.

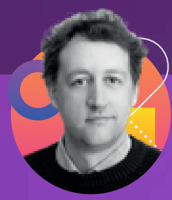
Marketers are reallocating budgets to stay relevant in this new reality.

In a social-dominant advertising ecosystem where entertainment and commerce converge, consumers seek experiences, not just connections. The quality of ad creative, delivered at the right time with the right message, becomes the differentiator that stops the scroll and inspires engagement. Successful brands, both legacy and disruptive, are embracing AI-powered creative tech to achieve this at scale across platforms.

Global marketers, from legacy brands like JcPenney and Western Union to tech-forward brands like TripAdvisor and digitally native brands like TechStyle and HelloFresh, are leveraging creative technology to gain a competitive edge.

Despite technological advancements, challenges persist in creative asset production and ad management. For 58% of respondents, sourcing assets to produce ads remains a major challenge. This underscores the need for AI-powered creative technology to streamline the process.

Generative AI takes center stage as a solution to the challenge of delivering timely and engaging content across diverse social channels. Its ability to automate tasks, generate creative content, and personalise experiences positions it as a game-changer. What once took weeks can now be accomplished in minutes, making it a valuable co-pilot for marketers, creators, and designers.



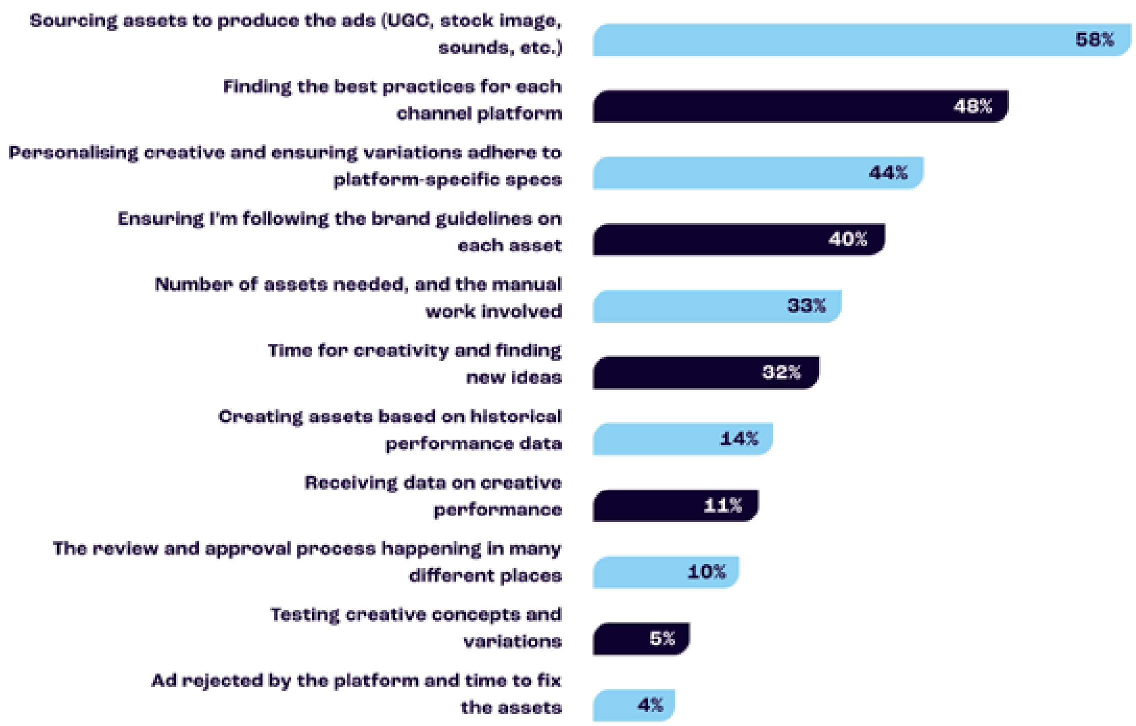
Oli Marlow-Thomas
Chief Innovation Officer
SMARTLY.IO

As brands grapple with the demand for platform-native creative, particularly in the shift towards short-form video and creator-led content, Generative AI and creative technology have become indispensable tools. They enable the production of engaging ads that align with the look and feel of the platform without sacrificing quality.

The paradigm shift brought about by generative AI is poised to make social media and the open web more visually captivating, creative, and video-oriented. The bridge between creative, intelligence, and media buying positions generative AI as the most powerful performance lever of our time.

To lead in this new frontier and navigate the next age of creativity, marketers must wholeheartedly embrace and apply generative AI technology as their co-pilot. The future performance of creative endeavors hinges on this strategic adoption

What are your main challenges when producing creative assets?

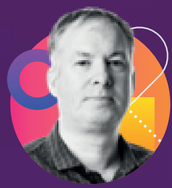


> "For 58% of respondents, sourcing assets to produce ads remains a major challenge. This underscores the need for AI-powered creative technology to streamline the process."

Oli Marlow-Thomas
Chief Innovation Officer

→ AI

Permele Doyle
Founder and President,
Billion Dollar Boy



Ian Manning
CEO
iab. mena

Generative AI is this year's buzzword for 2023 — officially being recognised as such by the Collins dictionary. But where this year has been characterised by the hype and excitement around the tech, next year we will start to see what lies below the tip of the iceberg.

To date, the ad industry has predominantly used AI to perform menial tasks to lighten workload — for example, using Chat GPT for script writing and ideation. A few brave 'first movers' have also invested ad spend to explore its potential too. We've already successfully partnered with three household retail brands on influencer marketing campaigns and found that generative AI can also power creativity and deliver impressive marketing campaign results through eye-catching creative assets and valuable early learnings.

Next year though, we will see that momentum accelerate and the technology will truly start to disrupt the creator economy and advertising industry as adoption increases. That means a wider variety of generative AI tools will be used, at a higher level of professionalism and to perform a broader range of processes. As confidence in the tech grows, 2024 will also see a new wave of second and third mover brands explore its capabilities.

At Billion Dollar Boy, we recently launched Muse in anticipation of AI's growing influence in the sector. Muse is a new innovation unit designed to explore emerging technologies and follows a six month investigative process including new, independent research. The results demonstrate why brands are increasing investment in the tech within the creator economy, revealing its growing popularity with three-in-five consumers (60%) preferring creator content designed using the technology and four-in-five creators (81%) reporting more favourable audience engagement

There is no doubt that AI has and will continue to disrupt businesses at pace. From more effective process optimisation through AI powered target segments through personalised brand experiences. But for AI to truly live up to the hype, there are a number of challenges that need to be fully understood.

In a recent IAB MENA insights survey, over half of respondents felt the industry wasn't ready to adapt to new technologies such as AI with lack of qualified candidates being the biggest challenge.

Other barriers to adoption are, interestingly, more about lack of detailed understanding and limited confidence in the trustworthiness and accuracy of the outcomes, more than fear factors. Respondents highlight a level of nervousness around the risks of both data privacy and negative outcomes through bias or other ethical challenges. Even where trustworthy data is available and accurate, factors like data security, limiting bias, misinformation and protecting IP rights need to be managed.

Although often seen as a cost saving opportunity, the financial challenges to developing custom AI solutions could shift the market. More investment in systems or using independent data sets potentially skew success to larger (wealthier) companies, making it harder for small businesses to compete and thrive.

In addition, if generative AI or other personalised experiences reduce traffic to publishers, this could reduce the opportunity for monetisation of their content. Could we see large publishers block LLM's crawling their content creating a potentially unbalanced data set and/or new monetisation models, changing the traditional advertising funded model in a more extreme scenario?

Preeti Naini
Product Manager,
APAC

Go City

2024 will be a pivotal phase of implementing Generative AI across consumer applications and refining feedback loops.

Travel, e-commerce, media, and entertainment industries are exponentially increasing investments in AI to enhance consumer experiences and streamline operational workflows aligning to evolving preferences.

AI, beyond its role in virtual assistants like Alexa and Google, has significant potential to influence consumer experiences and decision-making. This is particularly relevant for travel and tourism.

Consumer preferences are shifting from manual research to a more passive approach, expecting high standards of easy access to accurate information. This makes it imperative for businesses to adopt AI to stay competitive. While AI usage will inevitably grow, businesses must evaluate:

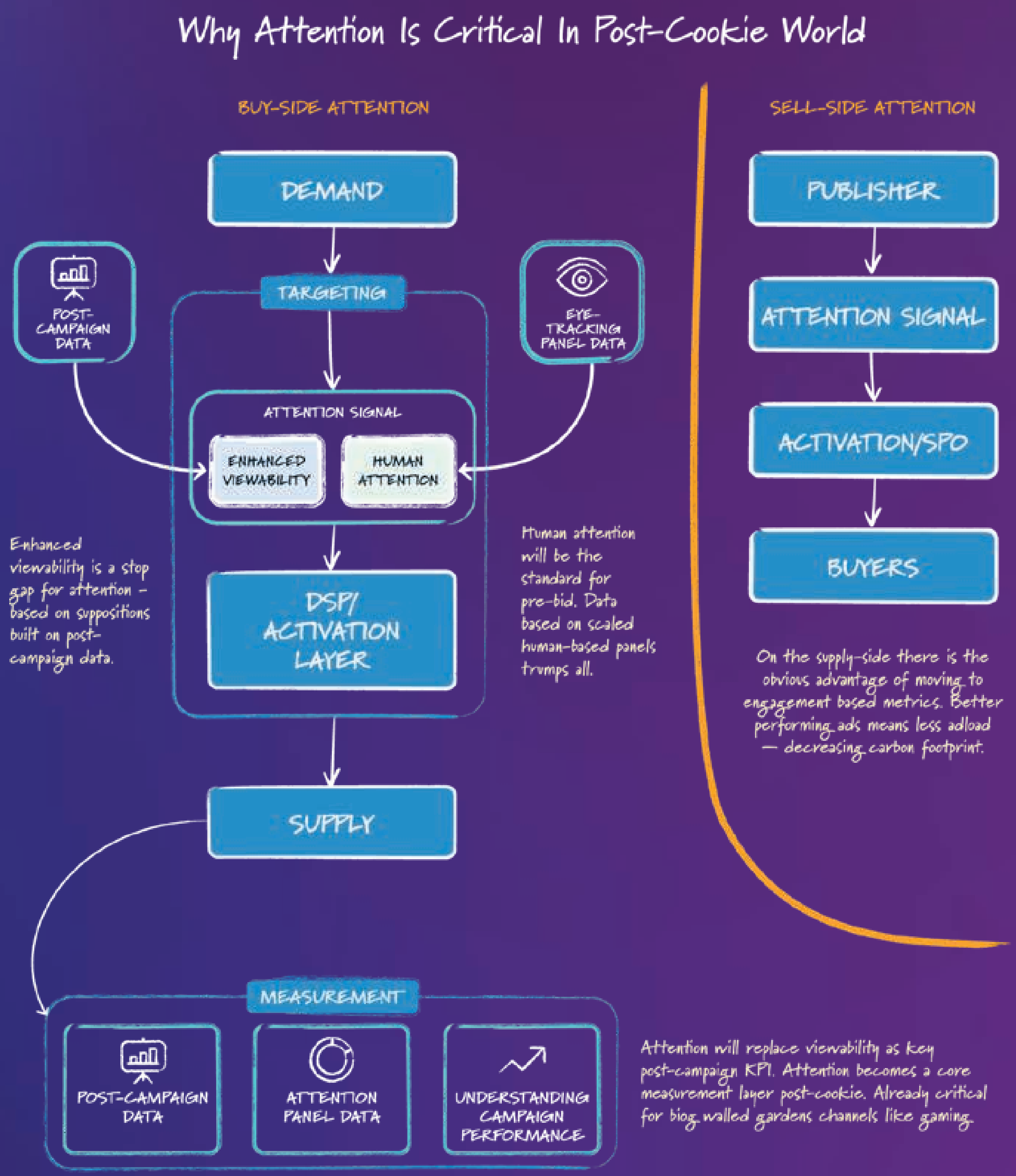
- The right time for investment
- Risks associated with delaying adoption
- Human oversight for accurate implementation

The tourism industry experienced substantial growth in 2023, which led to notable changes in consumer priorities including advanced planning, safety, and higher quality travel.

At Go City, we're utilising AI to manage the fundamental aspects of crafting outstanding holidays, including recommendations tailored to user preferences and utilising historical data and knowledge of sightseeing patterns to provide personalised suggestions. We envision AI agents will soon manage many aspects of travel planning including itineraries, reservations, and customer service in destination. Our goal is to empower "the machine" to do more, while our customers enjoy their best city breaks.

As businesses embrace AI, risks around regulatory compliance, privacy and accuracy arise. Ethical use and commitment to human reviews and fine-tuning are essential for success

Attention


Why Attention Is Critical In Post-Cookie World
BUY-SIDE ATTENTION
DEMAND
POST-CAMPAIGN DATA
TARGETING
EYE-TRACKING PANEL DATA
ATTENTION SIGNAL
ENHANCED VIEWABILITY
HUMAN ATTENTION
Enhanced viewability is a stop gap for attention – based on suppositions built on post-campaign data.
DSP/ ACTIVATION LAYER
Human attention will be the standard for pre-bid. Data based on scaled human-based panels trumps all.
SUPPLY
MEASUREMENT
POST-CAMPAIGN DATA
ATTENTION PANEL DATA
UNDERSTANDING CAMPAIGN PERFORMANCE
Attention will replace viewability as key post-campaign KPI. Attention becomes a core measurement layer post-cookie. Already critical for biog walled gardens channels like gaming.
SELL-SIDE ATTENTION
PUBLISHER
ATTENTION SIGNAL
ACTIVATION/SPO
BUYERS
On the supply-side there is the obvious advantage of moving to engagement based metrics. Better performing ads means less adload – decreasing carbon footprint.

02

→ Attention

Undivided attention: the advertising trend that deserves your full focus

Jon Hudson
Senior Vice President, Global Revenue
Digital Turbine

If you saw this story, does that mean you read it? When it comes to our mobile and digital worlds, attention is divided. Things can be on screen, but that doesn't mean we see them. While competing influences may be infinite, our attention is finite.

Video ads have become increasingly popular over the last couple of years thanks to their value in capturing people's attention. Visual movement draws in eyeballs, allows you to tell a longer story, and engages users for extended moments. The good news is that the popularity of video ads shows that people recognise the value of attention. The bad news is that brands stop here and don't explore how to maximise the attention opportunity.

The matter of attention in 2024

The last year saw brands shift their metrics from viewability to attention. Leading attention experts Lumen Research and Amplified Intelligence have found that attention can have an exponential impact on brand recall and eventual outcomes (including sales). In 2024, harnessing these new metrics to seek attentive outcomes will take center stage.

The simple matter is that if a video ad is on a page doesn't mean it was seen. Statista found that 66% of people will skip a video ad as soon as given the option. Social feeds make it easy just to zip past ads no matter how great they are. You need an environment that provides and encourages users to give ads their undivided attention. And yes, they do exist!

Where attention divides on mobile

The reality is environments like social media cater to consumers' wants, which is why skip buttons and endless feeds exist. When fingers and eyes work to find infotainment, publishers don't want to annoy users by forcing ads upon them. Instead, ads often "compete" with content on a page. In other words, your ads are on cluttered pages where users are encouraged to ignore them.

These conditions set up brands to fail, and the data backs that up. Statista reports that only 19% of people will even watch an ad if it's relevant to them. And even then, as shown in our chart, the average amount of attention for skippable, bumper/pre-roll, or in-feed video ads on popular social channels is only a few seconds. While the reach of social media may help your brand gain awareness in this environment, making real brand connections is much more difficult.

How cooperation creates undivided attention

Maximising attentive outcomes relies on finding moments where divided attention can become undivided. What brands should seek are publisher formats that are "cooperative" to them. Being cooperative means that publishers create natural breaks that are non-interruptive to play video ads in their entirety — no skip buttons allowed!

Consider how network TV sets up ads for your favorite sitcom. The show plays a dramatic scene, the music rises, the screen fades to black, and the consumer knows they have a few minutes of commercials coming up.

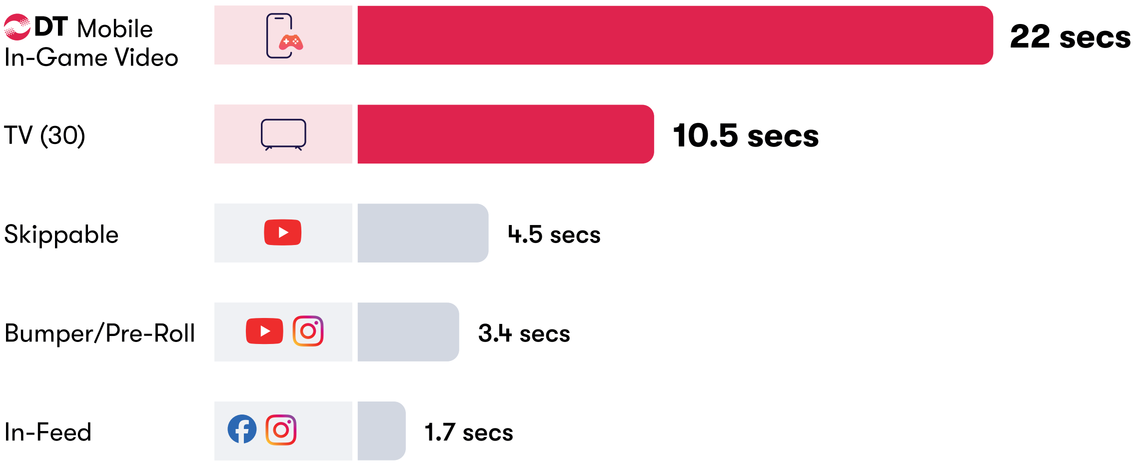
Sporting events on network TV work the same way. Commercials come at expected moments when there are natural breaks in the action, like after a score, at halftime, or during a timeout.

In these cooperations, both the network and brands get what they want out of the engagement. Publishers don't force an ad on viewers and brands are happy that their great creative spot can run in it's entirety. The cooperation works as you can see from the chart: television more than doubles the attentive seconds you can get on social platforms.

Where undivided attention roams on mobile

There are mobile environments that duplicate the cooperative format we find on network TV. Natural breaks, similar to TV commercials, are common in mobile games. Players take a pause after a move in Scrabble or between levels of Candy Crush. This pause allows a moment of cooperation where the consumer can take a breath, the advertiser can tell its story, and the publisher can make revenue without interrupting the player.

Cooperative Ad Formats Deliver the Highest Attention



Sources
TV: Tvision/Lumen UK Tv Panel | **YT, Instream, Teads, Facebook Feed, Banners:** Lumen digital panels
Press: Lumen Omnibus | **OOH:** AM4DOOH project **IG, FB Watch, TikTok:** Lumen studies (weighted to be consistent with passive panel) | **DT and Gaming:** Lumen custom study

Bumper/Pre-roll and In-Feed are an average of multiple channels indicated in the chart

Digital Turbine

Many games also offer rewarded video ads, which aren't interruptive AND provide tangible benefits for the user they can use in the game. This not only serves as a cooperation that doesn't annoy the user, but also gives them something that helps their game play — a true win-win-win!

Games also add a level of interactivity that helps capture undivided attention. While on social platforms users are attuned to skip and scroll to find something, in games they've already chosen to be in the game they are playing. Their fingers aren't working to find what's next, they are engaging with the gameplay. Adding interactivity to video ads in this environment can provide an additional boost of attention. As our chart shows, in-game rewarded video ads more than double the attention you get on network TV and yield 5-10x more attentive seconds than you get on social platforms.

Giving your undivided attention to undivided attention in 2024

All this comes when most people are focused on targeting because of Google's upcoming privacy changes. And while it's true that targeting will become more difficult, your ad spend will still be non-optimal if you target without attentive outcomes. After all, does it matter if you find the right person if they don't pay attention?

Targeting without attention will leave your brand without the attention you want in 2024. To get the results desired, the focus needs to shift from just targeting to targeting with attention. Savvy brands should look to re-allocate spending towards a media mix that not only helps find the right person, but also in a place where they are willing to listen

> **"Does it matter if you find the right person if they don't pay attention? Targeting without attention will leave your brand on the sidelines in 2024. Savvy brands should look for a media mix that not only helps find the right person, but finds them in a place where they are willing to listen."**
>
> **Jon Hudson**
> Senior Vice President, Global Revenue, Digital Turbine

→ Attention

Anthony Crocker
Head of Commercial Success

The Telegraph

Since shifting to a subscription model, Telegraph Media Group has had to reimagine the role advertising plays. My job has been to prove that when done correctly, advertising is additive to the subscriber experience. Now with four years of effectiveness data from researching and optimising campaigns, here are my key learnings.

Understand the impact of your environment

Our studies show that trusted content lends value to the advertising that shares the space. Advertisers on high-quality sites are perceived to be more reputable and likeable. They are also more likely to be remembered. We have also proved that hard news, which is often avoided by brands, can also deliver powerful results for advertisers on premium publisher sites. Integral Ad Science findings further support this. They have shown that the perception of the content has a direct impact on purchase decisions for as many as 70 per cent of consumers.

Advertising to engage, not enrage

Most people become frustrated when advertising blocks access to the content they want to see. When we reimagined our subscribers' experience, we made sure that brands share the screen responsibly, rendering after the content into predefined spaces so that the journalism doesn't jump around. We also went big, using cinematic formats to help brands stand out, tell their story and really engage readers.

Utilise all attention metrics

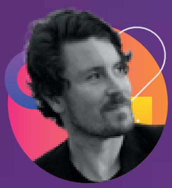
There is no such thing as a 'silver bullet' metric. Without a fully transparent and holistic view of a reader's engagement you risk falling into the trap of gamed metrics and fail to understand the true picture around cause and effect. Telegraph Media Group has created a best-practice rulebook to inform the right delivery levers to use for positive advertiser and reader outcomes.

Stay relevant

Brands should choose publishers that align with their values to drive affinity. They should also be consistent in their messaging. Campaigns that are active for four months or longer are 41 per cent more effective in driving preference compared to those active for only one month.

Creativity is key

A key part of my research has been proving the impact of good creative design. Rich media assets, interactivity — such as shoppable components — and a clear message with a call to action can double preference and action intent, which ultimately boosts profits



Liam Brennan
Managing Director,
Responsible Marketing Agency

Michelle Sarpong
Commercial Lead

The increased industry discussion around attention in media is part of a renewed conversation around the quality of the media we buy, and how much advertisers are willing to pay for that quality.

In 2023, planning and buying to attention — as opposed to one-off testing — became a more standardised practice. That helped agencies and in-house teams prioritise which partners, placements and formats were driving the best outcomes. It also had a positive halo effect by reducing the carbon footprint of brands' media buys — in that an ad that isn't seen or effective is wasteful — and providing a better rationale for the streamlining of site and supplier lists.

However, although attention still feels like a media conversation, attention's best application remains in the creative space. Creativity provides 47% of the total sales impact, so while advertisers now understand that paying a premium for the opportunity of high attention can pay dividends, you're not taking full advantage if you're running ineffective creative in those placements.

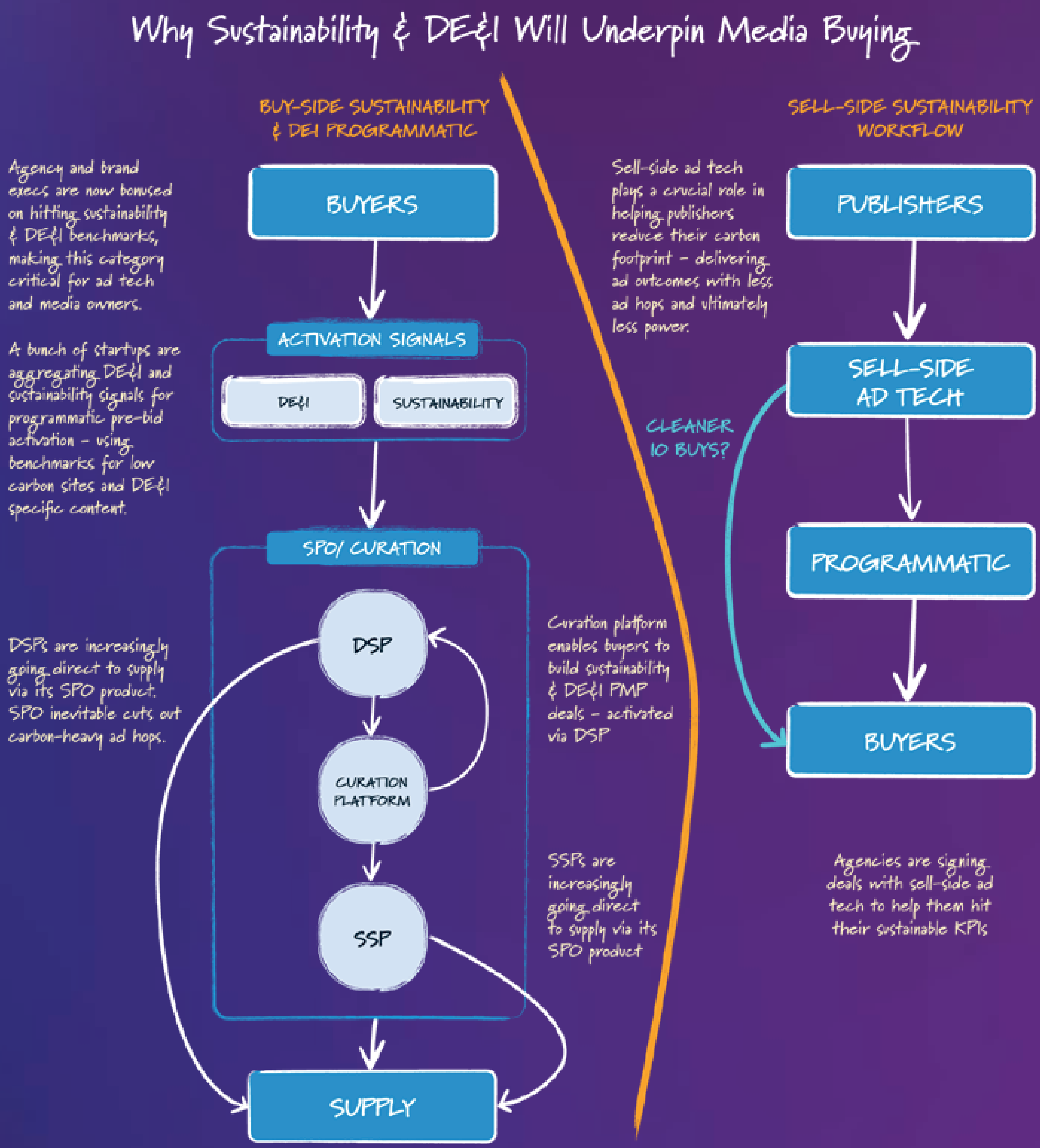
Many brands have understood this and pre-test their creative before running, or re-run proven five-star creative until burnout. In 2024, expect more brands to use tech like Playground XYZ or System 1 that provides them with a more real-time feedback loop on creative performance with respect to attention — improving advertising effectiveness and reducing production costs and carbon impact

It is clear we are very much living in an Attention Economy, in which consumer attention is a scarce and valued resource.

Publishers and agencies have been discussing the importance of attention for over 5 years (in some cases longer) but frankly the question we need to ask is: what will finally move the entire industry to finally include attention metrics in all digital activity?

I believe the only way this shift will happen collectively is if a huge global client makes a stand and demands this across all their digital marketing activity. Just like in 2017 when Marc Pritchard called out the lack of transparency in media it naturally galvanised the industry to take action and accountably. Until a similar movement happens, we maybe talking about attention for many more years to come with minimal strides taken

Sustainability



03

→ Sustainability

The power of green media solutions for publishers

Brian Murphy
Chief Revenue Officer

DURATION MEDIA

2023 was the year in which the advertising industry, and ad tech in particular, became aware of its impact on the environment. Research studies showed us that the digital economy, which includes the online advertising industry, is responsible for 3.7% of global greenhouse gas emissions.

A closer look at the programmatic supply chain reveals the massive volume of data transfer that goes into delivering a single ad impression. The data centers that power our industry require a tremendous amount of electricity that largely comes from fossil fuel-based energy sources, hence the connection between ad tech and its impact on the environment.

2024 will be the year in which we transform from awareness to action. As an industry, we can and must create new, innovative solutions to reduce the waste in all forms of advertising, especially digital. In doing so, we make progress towards our collective efforts to reduce the carbon footprint of the digital media supply chain.

Fortunately, there is great work being done in this area and we are seeing a lot of momentum towards these initiatives as we head into the new year.

Ad Net Zero, the ad industry's non-profit organisation focused on the decarbonisation of advertising and media, continues to expand its global footprint, with over 200 supporting companies worldwide, and new regional chapters expected to launch throughout the year.

Duration Media has been a multi-country supporter of Ad Net Zero since early 2023 and we're actively involved in several of Ad Net Zero's working groups. As more brands, agencies and media companies get involved in this important organization, we will continue to see new innovative solutions towards the decarbonisation of all aspects of the advertising industry.

Additionally, The Global Alliance for Responsible Media is expected to release its industry standard for measuring emissions in media in the first half of the year. This will provide buyers and sellers with the ability to quantify the environmental impact of all forms of advertising, using a consistent methodology. Our current phase of "pre-competitive collaboration" will evolve into one of real innovation and progress.

Several companies are already providing solutions for estimating the emissions from media. These solutions are being used by demand and supply side platforms to curate "greener" buying paths based on lower estimated carbon footprints. "Greener" buying paths are an important step towards decarbonising the digital media landscape, but there is more we can be doing.

At Duration Media, we focus on curating "green" impressions, and empowering publishers with the ability to offer low carbon campaigns to their buyers that also produce high advertiser value and ROI, while still driving revenue and improving yield for the media owner. To do this, we focus on 3 key areas of data waste within programmatic advertising: bid requests, cookie syncs and non-viewable ads.

According to Jounce Media, it can take as many as 135 bid requests to deliver a single programmatic display impression, not to mention all the cookie syncs. And we know that, conservatively, 30% of digital ads are never seen by an end user. Sequency™, the latest ad tech solution from Duration Media, gives publishers the opportunity to address the carbon problem by tackling all three of these key areas.

With a simple, 10-minute set up in GAM, a publisher can read viewability signals of an impression in real time, and create a pod of incremental, highly viewable impressions without the need for more wasteful bid requests. Publishers are seeing 41%–68% incremental impressions, which can be sold as PMPs, direct deals or as added value. These impressions are highly viewable and require just one bid request, dramatically reducing the carbon footprint of a media buy while creating new revenue streams for media owners.

Advertisers using Sequency™ are seeing a 36%–40% reduction in the estimated carbon emissions from their campaigns, while achieving an average viewability of 90% or higher. As more brands and agencies look for

Campaign Results: Metrics

DURATION MEDIA

Campaign results show that Sequency™ substantially reduces estimated carbon emissions compared to a standard programmatic display ad buy with the same impressions volume.

Metrics	Baseline	Sequency Ad #1	Sequency Ad #2	Sequency Ad #3	Sequency Ad #4	Total
Impressions delivered	1,585,606	1,000,000	312,319	193,282	80,006	1,585,606
Est. Bid Requests	213,300,000	135,000,000	312,319	193,282	80,006	135,585,606
Est. gCO2e	403,058	255,100	590	365	151	256,207
Est. CO2e Reduction						36.4%

By eliminating unnecessary bid requests, Sequency™ drives an estimated 36.4% reduction in CO2

> **"I am a big fan of Duration Media's marketplace and their executive team. Their technology is light and easy to deploy and we are thrilled with the premium CPMs and pure incremental revenue. I highly recommend them to any publisher looking to improve yield with a light operational lift."**
>
> **Lincoln Gunn**
> VP Programmatic Revenue, Operations and Data Partnerships

ways to lower the carbon footprint of their media supply chains, publishers that offer solutions like Sequency™ will be at a clear advantage.

2024 is shaping up to be a challenging year for publishers, many of whom risk being left off media buys because they're identified as "high carbon emitters" based on their ad tech integrations, ads.txt files or by being labeled as "Made for Advertising" properties.

The movement to clean up programmatic advertising is an important one. But at Duration Media, we believe publishers should have the ability to offer real, low-carbon ad solutions to their buyers that don't pose a risk to their revenue. By curating incremental, highly viewable impressions that reduce carbon emissions, publishers can be "green" while still driving real business results.

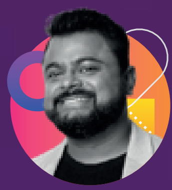
Duration Media is also a company that "walks the walk" when it comes to authentic climate action. In addition to creating innovative, low carbon ad products, we have also conducted our own corporate GHG emissions inventory and we are reporting our 2022 verified emissions data with The Climate Registry, a leading NGO dedicated to emissions disclosure. We're also validating our science based target with the Science Based Targets initiative (SBTi). These are steps that all advertising companies should be taking, especially ones offering "green" media solutions.

As we head into 2024, advertisers will continue to look to their partners for solutions that help them reduce the environmental impact of their media supply chains, while also driving value and hitting KPIs. Duration Media's Sequency™ ad tech solution enables publishers to meet the growing demand for "green" media innovations, while also growing revenue and improving yield, creating purpose and profit for the entire ad tech ecosystem

→ **Sustainability**

Luke Bozeat
COO

groupm



Dhruv Menon
Digital Media Lead,
Team Unilever

MINDSHARE

The advertising industry is moving in the right direction in terms of its mindset around sustainability, with increasing momentum around the need to decarbonise our ecosystem. The reality is, in terms of real action and progress, we still have some way to go.

At GroupM we have worked hard to lead the market in this space, with our cutting edge carbon calculator now able to provide omnichannel measurement of campaign carbon output. We also helped design the IPA's open source carbon calculator to ensure the whole industry could tap into this resource. But still, the problem with lack of standardisation across the industry persists. Publishers and vendors are under pressure from advertisers to measure emissions but without being given consistent guidance on what data is important. What's more, some of the sustainability terms bandied about are barely agreed upon when it comes to a definition within the advertising space.

We need to come together as an industry to create cohesive and standardised ways of measuring carbon emissions. Critically, we need to knowledge share around how teams have found ways to mitigate campaign emissions and support greener technologies. The climate crisis is bigger than our competitiveness for clients. An aligned approach is the only way we can all make real progress

The internet today stands as a formidable producer of an astounding 1 billion tonnes of greenhouse gases annually, a figure on par with the global aviation industry's environmental footprint.

With a 55% contribution to the advertising industry's total carbon emissions, the digital media industry needs to reduce its emissions significantly. The year 2023 witnessed a surge in awareness regarding emission reduction within the digital domain, setting the stage for 2024 to emerge as a pivotal period characterised by intensified measurement and reduction efforts undertaken by advertisers and publishers alike.

A green transformation is underway where we are seeing an increasing number of publishers adopting green practices by building Green Media Products (GMP) and additionally, offsetting the emissions at no extra cost. This industry-wide shift towards sustainability is evident by the way advertisers are extra cautious of where they distribute their media spending.

Notably, Mindshare, a media service company within GroupM, has embraced the 3R framework — report, reduce, and remove. Operating in real-time through their Mindshare Emissions Dashboard, they meticulously report emissions per impression, identifying high-emission campaigns and creatives, then optimising them for efficiency without compromising performance. This year, we anticipate an increase in the adoption and experimentation of green frameworks centered on measuring emissions, buying strategies, recycling creatives while incorporating automation.

This environmental commitment highlights the joint responsibility of stakeholders in guiding the industry towards positive change. With a projected 9.07% growth in digital media by 2028, a collective effort is crucial to curb the associated increase in emissions

Max Maharajh
Chief Executive Officer
BE A BEAR

Do sustainability questions pose a moral and ethical dilemma for marketing and advertising?

Yep! If Unilever, who are behind some of the most trusted brands in our household cupboards, are being investigated for greenwashing, it makes it harder for less reputable brands to make noise in this space. All brands need to understand how to communicate their message authentically with their audience, and tread the line between doing the right thing and still being profitable. Not every business needs to emulate Patagonia.

Being transparent with customers, and inviting them to support the journey, can help brands achieve those goals, and build longer term brand champions.

How does the industry pursue profit, and balance these responsibilities?

Advertisers traditionally focus on the return they're getting. If a brand is looking to build a name in sustainability, the KPIs have to shift from simply analysing ROI, to looking at sentiment and referral from existing customers. By nature, if you're a sustainable brand — and you're not FMCG — you are less likely to drive repeat orders, so referrals from existing brand champions can help the cause.

Will 2024 be the year we see meaningful progress on carbon reduction and social impact?

I hope this year is one that leads to social impact. The global political landscape and the memory of the pandemic is likely to encourage more customers to expect better from the brands they want to associate with.

What are the schemes and metrics that can make a genuine impact?

All businesses need to look deeper than ROI on a quarterly, or even annual basis. For sustainability to work, which will ensure their business is here in five-, ten- or fifteen-years' time, they need to work on building a relationship with their customers now. The key metric I'd look at right now is net promoter score: people might be buying off you but are they proud enough to tell everyone about you too

Post-cookie Technology

The Post-Cookie Technology Quadrant

IDS

Like much of the PCTs, IDs will be part of a bigger mix. Deterministic and probablistic will be core to the ID strategy. All data sources must have opt-in (legally and on specific platforms). This should be requisite regardless. There will likely be scale issues but should be core to any post-cookie data strategy.

"CLEAN ROOM"/ DATA STACK

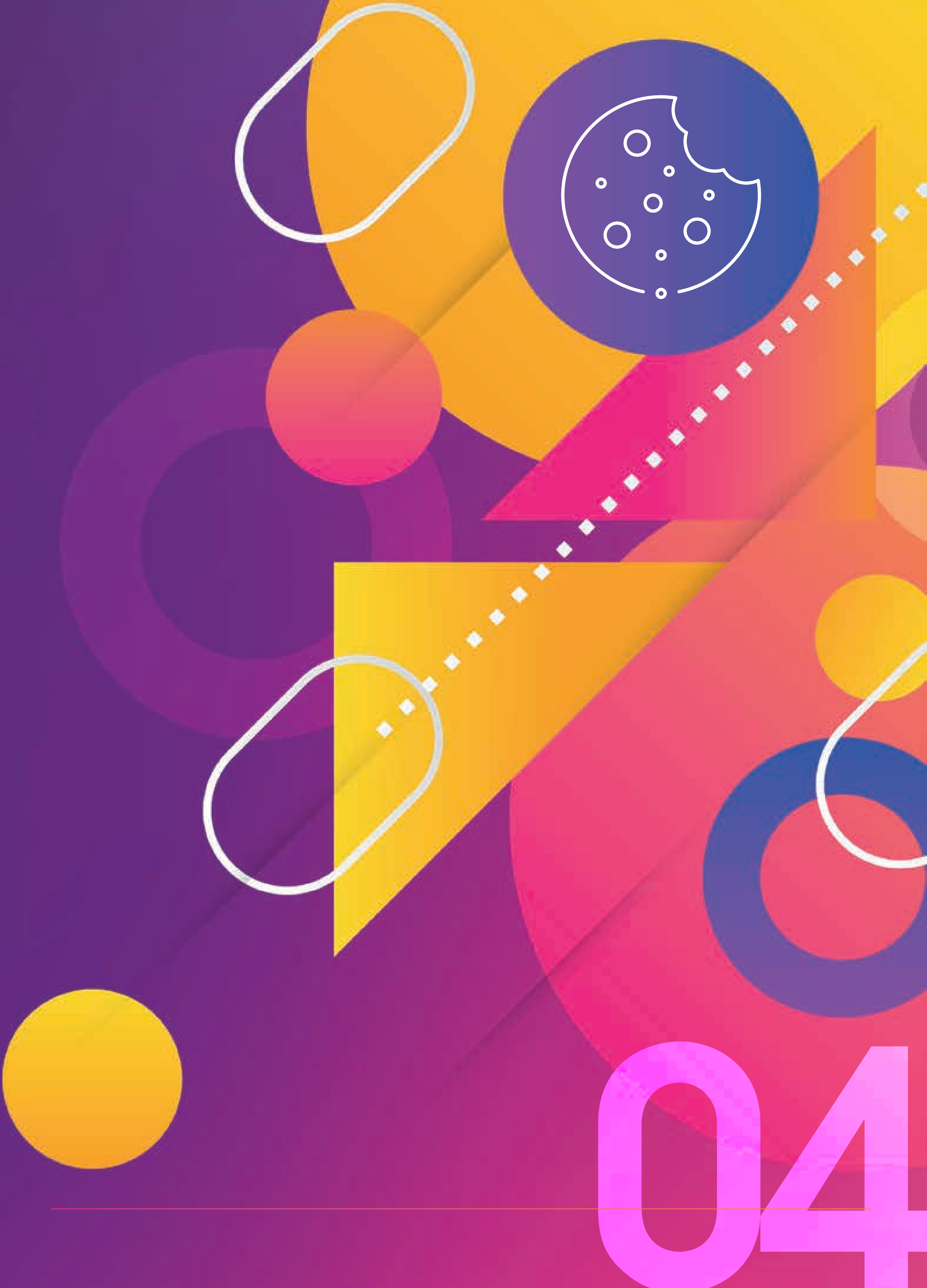
Clean rooms are going to be integral to data segmentation and activation post-cookie. The sweet spot for ad tech will be built around ops tools, partnerships/marketplaces/activation layer and service solutions. From productising on top of 'enterprise infrastructure' to enrichment to strategy, the clean room segment could be the ultimate enablement technology in post-cookie world.

CONTEXTUAL & SDA (SELLER DEFINED AUDIENCES)

Contextual will be the fall back for most in the industry. Many ad tech companies are building new signals on top of page level data – from search to attention to location. Seller Defined Audiences could be the go-to framework to scale these signals. The one big problem for contextual like everthing else in the PCT quadrant is measuring campaign performance.

MEASUREMENT LAYER

The biggest issue in a post-cookie world is going to be campaign measurement. With cookie and ID deprecation it gets harder to evaluate the efficacy of digital advertising. There will be a move to panel-based solutions, particularly attention. This last quadrant will work with IDs and contextual, and clean room to offer buyers and sellers with a post-cooke measurement and targeting framework.



04

→ Post-cookie Technology

Consumers are already voting with their thumbs

Chrome will phase out cookies in 2024. But what comes after is still not entirely clear. Part of the problem is that cookies just have come to encompass so many different uses in advertising — not just around targeting, but tying into identity and measurement too.

If you put regulation and big tech decisions aside, consumers are already voting with their thumbs, according to our research, using the methods already available to them to opt out — from VPNs to incognito mode. From this standpoint, the Chrome deadline starts to look like just one part of the puzzle.

Cookie phase-out is also not something new — Safari took the same step all the way back in 2020. At this point, Chrome is just the last bastion of the past — of how buying and measuring digital audiences used to be. And since then, new people-based signals have joined the list of 'soon to depart', from IP addresses to link decoration.

The main question this year is not what we do about cookies, but how to tackle signal loss as a wider trend. And where we try to maintain the status quo, will the history of cookies repeat itself?

Modelling First Party Data

It's broadly accepted that brands' own data must be part of the solution. And advertisers modelling that data is also likely to also play a key role in the post-cookie world.

That said, there may well be no single solution to every use the cookie has been put to. And in the face of such overwhelming change, simply using that 1st party data in conjunction with a cookie-like replacement might seem like the path of least resistance. But we should also be aware of the risks. Our Behind the Mask survey in November suggested that as many as half of consumers would be even more likely to hide their data from brands that use email or mobile numbers as an alternative ID.

If it turns out these are not solutions for the long-term, but next on Apple and Google's hitlist, we may have to ask some more searching questions about changing our overall approach. Rather than just trying to maintain business as usual in the face of — let's face it — some fundamental market shifts. But there are alternatives emerging, looking to model and scale contextual or first party data, without building profiles or tracking the individual — like our own Intent Personas product, more of which below.

Not Just (Beyond) Cookies

As mentioned above, it's not just about the cookie. Cookie deprecation is part of a wider trend of signal loss — IP addresses, fingerprinting (also known as deterministic or 'cookieless' targeting), location, mobile IDs, SDKs and link decoration are just some of the other methods also being clamped down upon.

What tech gatekeepers are doing here is of course responding to legislation — but let's not forget also public opinion. Arguably, being genuinely prepared for a post-cookie

Niall Moody
Chief Revenue Officer
nano INTERACTIVE

market might mean moving away from the idea of people-based targeting altogether. Away from profiling and effectively tracking the individual across everything they do online.

As signals fade, new approaches are also emerging. We are starting to see some solutions that ease the transition to a post-cookie landscape, without buyers having to radically alter the way they work. I would cite our own Intent Personas solution here — which allows brands and agencies to target specific audience demographics, without cookies, IDs, personal data or profiling. While machine learning is of course involved, the contexts matching each one are subject to 'real world' checks — that is, verified against a panel of actual people who belong to those groups.

Obviously, machine learning and AI are massive topics this year — but what we must also be careful of here is that targeting doesn't become even more of a black box as a result. Google's Performance Max product, among others, has been accused of this. Whereas Intent Personas is a good example of where AI-led

“With a data-led approach, our laser-sharp targeting with Nano hasn’t just proven extremely valuable in achieving brilliant performance but setting Accor up for the future as we move away from cookies. We couldn’t be prouder of our partnership with Nano as we exceed YoY targets whilst maximising efficiencies.”

Ben Adams
Senior Client Manager
at iProspect

contextual targeting can take us — delivering performance, but without compromising on transparency.

Alternative Approaches

Even before Google fully confirmed its 2024 cookie shutoff, our survey of UK buyers showed a planned 8% shift from audience to contextual spend in 2023.

And looking at long-term viability and managing risk, anything other than third-party, people-based signals are arguably where brands should be putting their R&D time and attention right now.

The alternative? At present, a classic example is bidders simply ‘over-indexing’ to Chrome, and turning a blind eye to Apple audiences, among others, that cannot be reached at scale.

That’s quite a step down from the original promise of programmatic. We were told it would deliver complete addressability and accuracy. To be effectively redirecting 100% of spend to 50% of your audience is a step down, to say the least.

In summary, the main hurdle for us is that there is quite simply no obvious like-for-like replacement for the cookie. But that represents both a unique challenge and a one-off opportunity outside of the walled gardens. A completely new operating system for ad tech is possible, built for the future — consumer-centric and transparent — but also results-driven.

Regardless of any timeline, we should not feel pressured into short-term solutions. There is still time to test and learn.

Chrome will phase out cookies in 2024. What comes after is up to us

→ Post-cookie Technology

Radically new ways of targeting, retargeting, prospecting and measuring attribution are emerging

After several delays, 2024 promises to be the year of reckoning for much of programmatic advertising.

As platforms step up their efforts to curtail third-party cookies (TPCs), fingerprinting, IP addresses, encrypted deterministic IDs and similar signals, most cookie-based and cookieless solutions will rapidly lose effectiveness. Whether the actual deprecation deadline is Q3 2024 or Q1 2025, the industry has but a few months to countenance widespread signal loss.

The way we target, retarget and prospect new audiences, cap impressions and measure campaign outcomes will change radically, and 2023 has marked the first chapter of this transformation. Privacy Enhancing Technologies (PETs) previously on the margins are gaining momentum and, as more data about their performance emerges, the trend is accelerating. Both advertisers and publishers are launching structured test-and-learn programmes to identify technologies that can complement Google and Apple's proprietary solutions.

The upcoming changes also offer the opportunity to address some historical flaws of the cookie web. In the second half of 2023, conversations with dozens of buyers and sellers have revealed some trends that will likely continue into 2024.

The sell-side perspective

After years of broken ad-tech promises, the supply side is approaching the cookieless transition with clear priorities and expectations from their tech partners.

65% of the publishers we spoke with mentioned the protection, enrichment and monetisation of their first-party data as a strategic goal. Premium publishers with large audiences want to prevent the 'data leakage' making their audiences available elsewhere at unfairly cheap CPMs, often on MFA sites. Vertical champions with valuable, niche audiences are looking for ways to target those custom audiences off-site. The idea that a tech vendor can collect data from a publisher and independently monetise it elsewhere is for the birds and no longer accepted as inevitable.

Over half of the publishers we interviewed see direct relationships with the advertisers as a key part of their commercial strategy, and something they want to invest in. Programmatic guarantees, private marketplace deals and curation marketplaces are increasingly relevant to a cross-section of publishers, as open-market CPMs continue to fall. Publisher alliances will play a big role in providing the reach and frequency advertisers expect in their media plans.

90% of the publishers expect more clarity on the revenues their tech partners bring. Vendors that rely on bidstream signals will need to better prove their value to continue winning the publishers' trust. Those deployed on-page will be under even more pressure to deliver revenues as publishers row back on script bloating.

Mattia Fosci
CEO
ANONYMISED

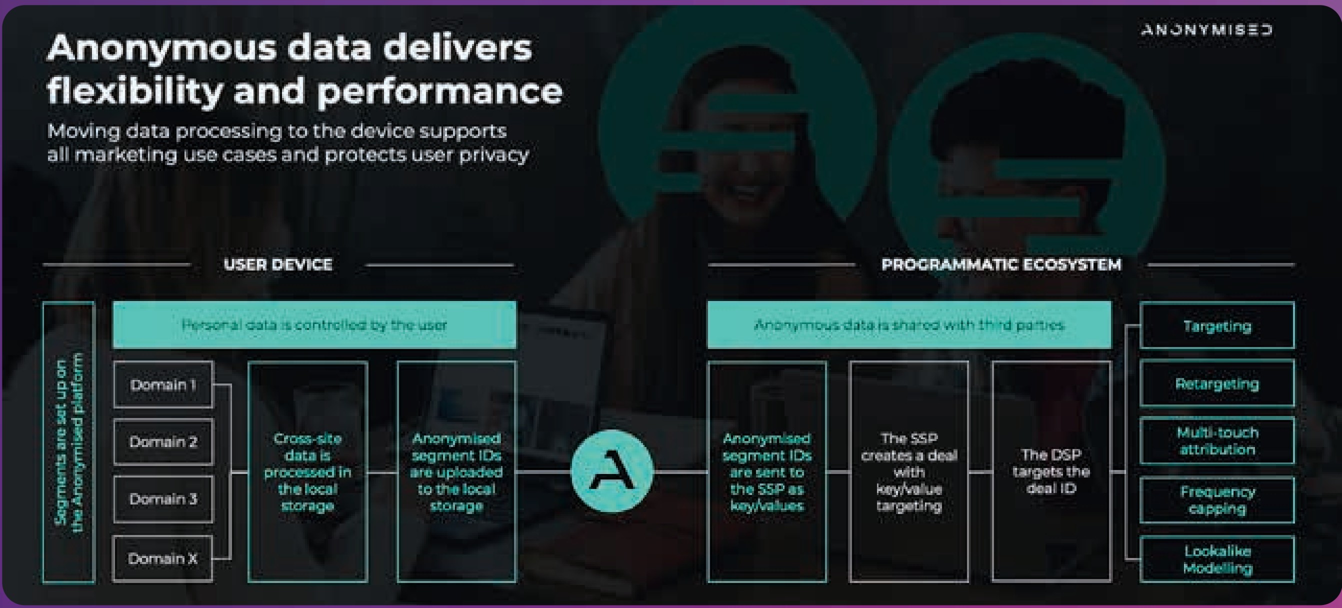
The buy-side perspective

Advertisers are showing an increasing appetite for privacy-focused solutions that deliver the full suite of marketing services.

75% of advertisers we have spoken with have openly admitted that the cookieless solutions they have tried are not delivering reach and frequency. Signal loss is eroding match rates and making it harder to combine scalable spending with high ROI. And there is strong interest in retargeting technology that can complement Google's Protected Audiences API.

Over 90% of advertisers said that attribution and measurement are the key unresolved challenges for programmatic advertising. While attention metrics may offer some help, cross-channel attribution and measurement will require common KPIs to measure campaign effectiveness. Any technology that can deliver deterministic measurement and attribution data will win advertisers' trust — and love.

The market has not yet embraced Google's Privacy Sandbox and no one wants a single product to rule an entire



industry. Especially one coming with a list of conflicts of interests longer than a TCF consent string. Advertisers and publishers want choice and competition because the alternative is to pay more and achieve less.

The rise of PETs

Reconciling regulatory requirements, browser restrictions and commercial objectives requires a sector-wide rethink. The Privacy Sandbox exemplifies the sort of changes being proposed, but there are ways of making the existing ad tech infrastructure fit for privacy.

While reliance on user identifiers makes open auctions problematic, deals offer a scalable, tried-and-tested activation pathway with strong privacy guarantees. For instance, Anonymised combines various PETs like k-anonymity, on-device machine learning and differential privacy to leverage anonymised data within the existing ad tech infrastructure. All the key marketing functions (targeting, retargeting, frequency capping, lookalikes and measurement) are delivered without disclosing personal data, using guaranteed publisher deals, advertiser-curated deals and private marketplaces.

> **"There is a lot of apprehension surrounding cookie deprecation but we see it as an exciting opportunity for the industry to progress. Using anonymised data in digital advertising is a big technological leap forward and aligns very well with publishers' ambition to better protect and value their first-party audiences."**
>
> **Kate Barry**
> Chief Revenue Officer
> at Mumsnet

If the old generation of data companies created the privacy conundrum, the new generation must solve it without expecting radical changes from the rest of the industry. Maintaining ease of use as we transition away from personal data will continue to be a key driver for the adoption and scaling of PETs.

Preventing a hostile takeover

The rise of PETs is also the best antidote to the greatest digital coup of the decade: the platform's unambiguous attempt to create an advertising monopoly. In the past few years, browsers have been able to present commercially self-serving, anticompetitive moves as measures to protect user privacy. And they had a point. Much of the advertising industry has refused to address legitimate privacy concerns, defiantly pushing intrusive tracking practices that are at odds with the expectations of consumers and regulators. Instead of being part of the solution, independent ad tech was framed as the villain, tried, convicted and locked-up.

Independent PETs change this dynamic and offer a way out for the sector. If the highest standards of privacy protection can be demonstrated, there is no legal basis for browsers to turn a technology off. "I'll do it because I can" leaves the emperor with no clothes and, given how the regulatory wind is blowing, the threat of more antitrust challenges is likely to change the platforms' calculations very quickly. An industry staunchly opposed to data protection regulations is now starting to embrace privacy as its best chance to derail big tech's hostile takeover of the open internet. How ironic

→ Post-cookie Technology

Rejoice because the digital sky is not falling!

In the dynamic landscape of digital advertising, the evolution of tracking mechanisms has been a rollercoaster ride, with cookies playing a pivotal role. Unfortunately, like many technologies, they were great… until they weren't.

Originally designed with the well-intended cause of providing tailored and personalised experiences for consumers, cookies have unfortunately fallen victim to abuse. This misuse has given rise to heightened privacy concerns, a surge in virtual private network (VPN) usage to evade tracking, and ultimately led to legislative measures that define the extent of information that can be collected about consumers. While this legislation is a win for consumers, brands, advertisers, and marketers are left to deal with a massive data deficit in the face of ever-increasing sales, impressions, and ROAS goals.

So what is an advertiser, brand or marketer to do? Read on for four immediate actions you should take and the questions you should be asking along the way.

First, take a deep breath

Next, rejoice because the digital sky is not falling — as a matter of fact, there is not even a cloud in sight!

While digital marketers were busy leveraging cookie data to (somewhat successfully) reach consumers, major advancements in the technology surrounding IP address monitoring, data collection, and data mining were taking place. The result: IP Address Intelligence, a more-than-suitable replacement for cookies that provides a robust, and inherently more secure solution, while sidestepping the pitfalls of cookies and presenting a promising avenue for a more responsible and privacy-conscious era in digital marketing.

Second, look within

Hint: within your Customer Management System (CMS).

The treasure trove of data at the disposal of marketers is immense. What's more, it can seamlessly intertwine with IP address data, providing a robust foundation for constructing nuanced audience segmentation and targeted marketing strategies. By harnessing the power of IP addresses, advertisers can transcend many of the limitations posed by cookies, creating more accurate and refined audience profiles.

But try not to get ahead of yourself. Having the data solves approximately one-third of the post-cookie marketing challenge. The other 66%? Well, it consists of clearly outlining what you are trying to achieve, and finding the right IP address intelligence partner that can provide the expertise and enterprise-level consultation on how to best leverage IP address data to drive results. (Bonus hint: if you can buy the data with a credit card it very likely doesn't come with the level of consultative support you need to maximise impact.)

As teams reflect on what they'd ultimately like to accomplish, it is an optimal time to also consider what they don't want to happen: a repeat

Charlie Johnson
Vice President, International
Digital Element

digital element

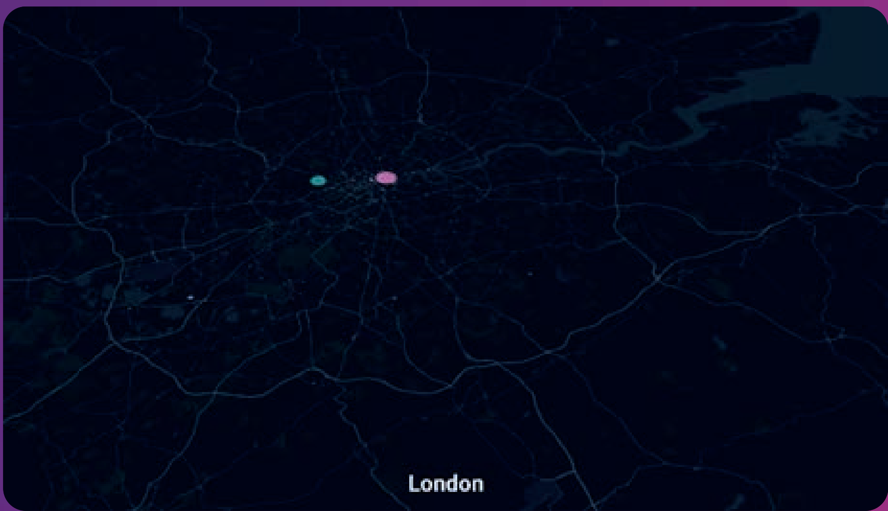
of legislators having to intervene because of an industry that has collectively failed to treat sensitive information, well, sensitively.

While building out your strategy around using alternate data sources, like IP addresses, for target marketing, it is a great opportunity to also build out your plan to incorporate privacy measures into how you use or offer your data. (Extra bonus hint: a good IP geolocation partner can help with this!)

Third, understand that not all IP address geolocation data was created equal — not even close

Among many, here are three of the most important factors to consider when evaluating IP address geolocation data.

Distribution of Address Location: As a marketer, you understand the importance of precision when it comes to segmentation. While you work through your evaluation of IP address geolocation data, pay very special attention to how IP addresses are placed throughout a metropolitan area. If the vast majority of the IP addresses for a large metropolitan area are placed in the center of a



The images above illustrate how IP geolocation providers place IP addresses throughout the city of London. With Digital Element data (top), brands can segment much more effectively and drive improved campaign results.

large city, you won't get the benefit of segmenting beyond the city center.

Context is KING: Geolocation is the tip of the iceberg when it comes to the useful data that can be mined from IP addresses. There are many more contextual clues that can inform whether IP addresses are useful for a campaign or not. (Hint: Think VPNs, Proxy networks or mobile IP addresses). Each data point will help inform what you can expect from your campaign.

Data Timelines: Geolocation is all well and good so long as an IP address is stable, but what if it is dynamic? In that case, you're going to want to make sure that your IP address geolocation partner takes that into account. To do this, they will need to be able to provide the behavioural characteristics of IP addresses and be able to update their data frequently to ensure marketers have the latest and most up-to-date information.

Collaborating with a partner who delves several levels deeper than basic IP address geolocation is essential for the impending shift away from cookie-based tracking. The intricacies involved in this partnership extend beyond traditional methods, requiring a depth of understanding that goes far beyond mere geolocation. Such collaboration is pivotal in navigating the complexities of transitioning to alternative tracking mechanisms and ensuring a successful adaptation to evolving digital landscapes.

Fourth, relax

While the post-cookie journey is a transformative one, it is not an insurmountable one. To navigate it successfully; however, it is imperative to scrutinise the objectives at hand and embark on comprehensive research into IP geolocation providers. Asking the right questions during this exploration will be pivotal, ensuring that the chosen providers align with the specific needs and goals of the advertising and marketing initiatives.

As the industry adapts to a post-cookie era, the strategic integration of IP addresses emerges not only as a viable replacement but as a catalyst for precision and effectiveness in audience targeting in a privacy-centric way

> **"While building out your strategy around using alternate data sources, like IP addresses, for target marketing, it is a great opportunity to also build out your plan to incorporate privacy measures into how you use or offer your data."**
>
> **Charlie Johnson**
> Vice President, International
> Digital Element

→ Post-cookie Technology

Embrace real data and reject misleading attribution

The industry has been hooked on misleading digital attribution and it took the seismic impact of GDPR and subsequent cookie deprecation to shake the addiction.

Jonny Whitehead
Strategy Director
Skyrise

We are entering a new era of digital advertising where privacy is paramount and advertisers are having to find new ways to understand audiences and judge the success of their campaigns. Many are finding that the legacy metrics they have used to judge success have not been as reliable as they once thought.

Advertisers who have not yet experimented with privacy first approaches will have to test new approaches, technologies and data sources to power their campaigns. Luckily for them they will find a plethora of options that are able to drive real results better than ever before.

We expect the trends from this year to continue, which will mean a mixture of increased use of first party and owned data sets alongside greater adoption of 'unlinked' data sets (such as those developed by Skyrise) that give a broader view of audiences and provide targeted reach across the whole market. These audiences do not require the exchange of any user identifiers across the various parts of the ad tech ecosystem.

A focus on effectiveness

Where these audiences are used, we'd hope to see more marketers and agencies leaning into the effectiveness work done by the IPA and other entities as they seek new ways of measuring success. This should result in more widespread use of econometric modelling and geographic uplift testing.

Appreciating both the long and short term effects of advertising should naturally lead to a reduced reliance on misleading media metrics that favour media touchpoints closest to the point of purchase. Marketers will be less quick to pigeon-hole media channels into specific roles based on the things that are easiest to track. Expect to see lots of channel and channel combination experiments as marketers start to blur the lines between brand and DR channels.

At Skyrise, we have seen a significant increase in the use of DOOH and CTV to drive 'DR' outcomes, with positive results. This behaviour change, driven by new methods of understanding audiences and approaches to measurement, is opening up a whole new range of opportunities for our clients.

A greater emphasis will be put on the quality of ad interaction, rewarding attention, contextual relevance and premium content. Without digital attribution to hide behind, creative effectiveness will come under sharp focus. This should lead to better ads and a more positive experience for consumers.

Using programmatic to uncover new truths

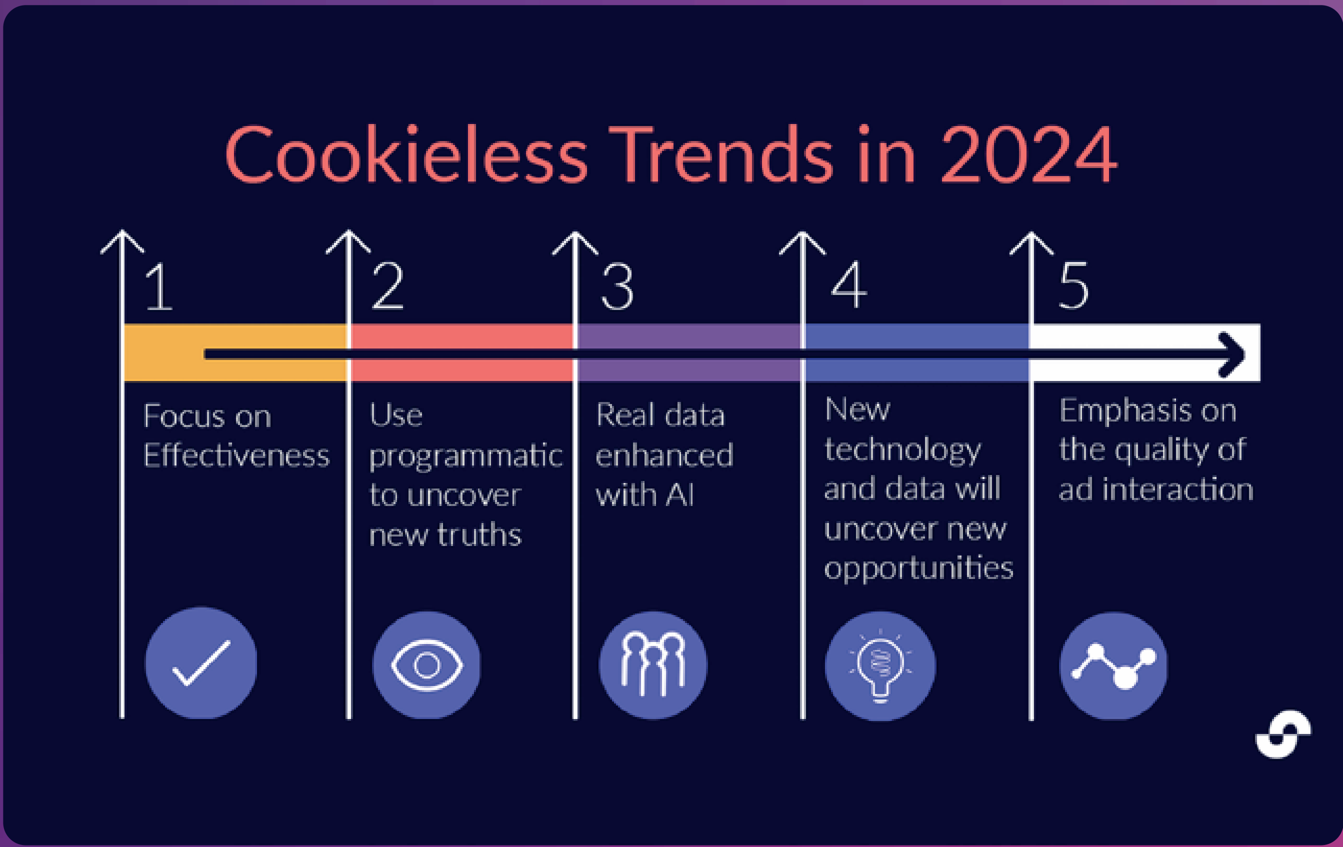
More budget will continue to be allocated to newly programmatic channels (DOOH, CTV, audio and gaming) that offer increased mass reach. This will be especially true where advertisers are able to apply the same first party and unlinked audience data to understand more about their audience.

New technology and media planning and buying techniques will allow advertisers to find truths that might otherwise have slipped by unnoticed. Understanding which audiences should and should not be targeted in which locations and on what channels. New data points will give fresh perspectives on inventory, helping advertisers spot opportunities where the open market is either over or undervaluing media placements.

This knowledge will then allow advertisers to make media investment safe in the knowledge that the odds have been tilted (however slightly), in their favour.

Data quality behind AI

Creative will become smarter and work harder as new ways of copy testing are developed and AI tools aid data-driven creative production. The impact of AI on the creative industries has been well documented. Striking imagery can be created to spec in seconds, however we know meaningful advertising requires more than just striking imagery. There is no substitute for human insight and creativity and in the right hands AI will give creative professionals the tools to break new ground. More



> **"Skyrise have repeatedly demonstrated the loss of cookie-led targeting solutions is not something that we need to worry about looking forward. The granularity of the data insight and deep audience understanding offered by Skyrise, coupled with good old fashioned media planning has allowed us to develop privacy safe solutions which demonstrably deliver clear business outcomes for our clients."**
>
> **Nick Smith,**
> Chief Digital Officer, JAA

broadly, wider issues about the use of misleading content and deepfakes will trouble both politicians and digital rights lawyers alike.

What are the key considerations for brands regarding these trends?

Brands will need to invest in data and analytical resources to capitalise on all the opportunities that a move away from relying on digital attribution and toward effectiveness principles will bring.

Having full understanding of the data being used to plan and activate campaigns will give the confidence to test new methods, channels and approaches. Any 'black boxes' or opaque algorithms will need to be interrogated fully and reassessed if necessary.

Statistical analysis including econometric analysis is becoming even more important and widespread, so we will see marketers increasing investment in this area. In comparison to the use of digital attribution, a longer-term approach will be needed for robust measurement solutions.

Above all, brand marketers will need to be open minded and at ease with not being able to replicate the exact reporting data they submitted the year before. For any marketers that have until now been stuck reporting on digital CPA metrics, this will be a very good thing indeed

→ Post-cookie Technology

Solving the addressability gap

Sonal Patel
Vice-President,
APAC

Quantcast

As the internet becomes increasingly devoid of third-party cookies, marketers are beginning to experience the new ad tech reality of audience data signal loss and, as a result, are finding it more difficult to accurately track and measure digital activity on the open web.

Today, over 120 industry consortiums and companies have proposed new solutions to solve for the loss of third-party data signals that digital advertising strategies have relied on. These solutions include contextual approaches, audience cohorts, and new identifiers.

These identity solutions all focus on addressability, but few offer the ability to track conversions in the cookie-based manner we've become accustomed to. As the deprecation deadline gets closer, the ad tech industry is starting to recognise the immediacy of this largely unaddressed issue.

In addition, many companies still rely on attribution methodologies such as multi-touch, last-touch, and last-click, approaches that Deloitte calls out as having "inherent limitations that are exacerbated by marketing signal loss.

As a result, for companies dependent on third-party signals, performance measurement is already in decline (and has been for five years), and so a different approach is long overdue.

The deprecation of third-party cookies does not mean that we must end all digital measurement. It means that we need to reassess how display is measured, using more advanced, multi-signal-based approaches than the trail of cookies left behind on digital journeys.

The facts

Global regulations around consumer browsing privacy are becoming more stringent. Over 70% of all countries have already enacted some form of data privacy regulation. The future is clear: demonstrable consumer privacy and consent practices will be a central consideration in the digital advertising industry going forward.

Device IDs are declining: Device IDs, once used by default to track and target consumers on mobile devices or computers, now increasingly require user permission to allow advertisers to access their data. Apple, for instance, has made its Identifier for Advertisers (IDFA) opt-in, and the iPhone's App Tracking Transparency feature requires apps to ask explicit permission to track users across apps and websites.

Signals are lost as the cookie crumbles: Third-party cookies have already been declining for years, initially due to ad-blockers, and now with Firefox and Safari blocking them since 2019 and 2020 respectively. In fact, over 50% of web browsing is already "cookieless".

Three ways the loss of third-party cookies will shape the digital advertising industry in 2024

The transition away from third-party cookies is likely to bring about innovation and reshape advertising strategies, focusing more on user privacy, relevance, and collaboration among stakeholders. In 2024, a few things are likely to come to pass:

1. Privacy-Centric Solutions will take centre stage:

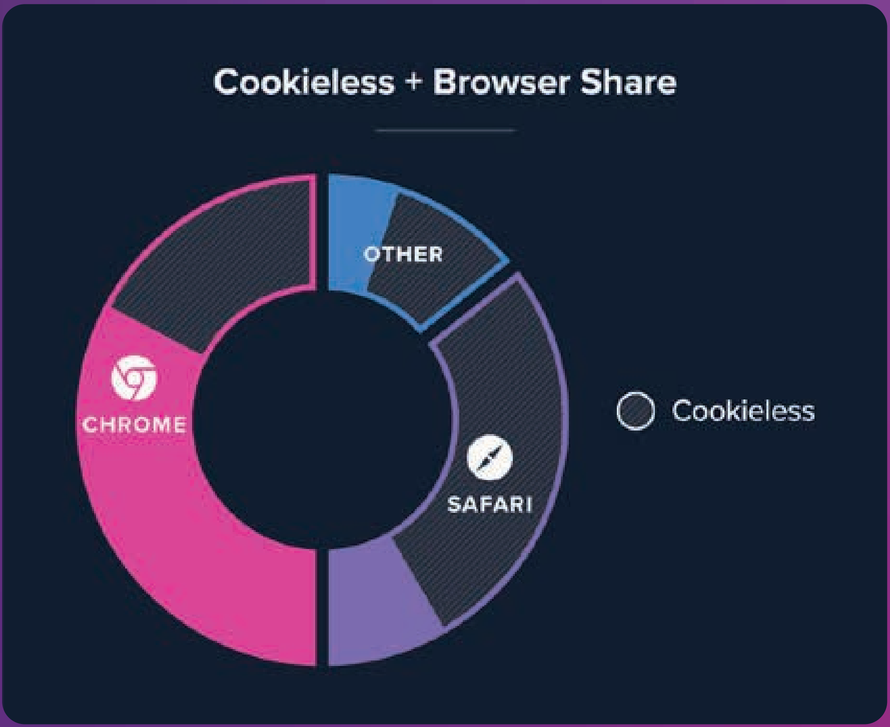
Expect to see a surge in the development and adoption of privacy-focused advertising solutions. Technologies like federated learning, differential privacy, and contextual targeting will gain even more prominence than in 2023. Advertisers will look towards solutions that use first-party data and collaborate with platforms that prioritise user privacy while delivering targeted advertising.

2. Advanced investment into ad tech will give rise to better AI-based solutions:

Contextual targeting will experience a revival as advertisers have no choice but to better understand the context in which ads are served. With AI playing a major role in the development of ad tech, it is likely that 2024 will see burgeoning of more sophisticated solutions that help advertisers improve how they reach, target and measure on their advertising outcomes.

3. The industry will unite even more:

Advertisers, publishers, and tech companies will explore collaborative models to compensate for the loss of third-party cookie data. More alliances will form, sharing anonymised data pools or utilising technologies like clean rooms to combine insights without compromising user privacy. New advertising models, such as subscription-based ad experiences or value-exchange ad formats, may



also gain traction, offering users more control over their data and ad preferences in exchange for a more tailored experience.

How to close the addressability gap

By using cookieless solutions, such as the Quantcast Platform, several businesses have already begun to close the addressability gap, effectively future-proofing themselves for the future of digital advertising.

- Sky Mobile, the UK's largest pay-TV broadcaster and telecommunications company, found that advertising in cookieless environments not only drove a 120% increase in traffic to the website but also delivered 3.4x incremental mobile conversions.
- The Container Store, the leading US retailer of organising solutions, was able to reach previously untapped audiences, resulting in 37% more purchases, 1.43x higher return on investment (ROI), and 4.2x more efficient CPSV.
- Singapore Airlines, the world's most awarded airline, saw remarkable sales and efficiency gains, driving 40% more conversions, 2.5x better ROAS, and 28% more revenue in cookieless environments.
- Tesco, a leading supermarket in the UK, saw a 63% increase in grocery delivery sign-ups, highlighting the performance opportunity in cookieless environments today, with performance largely driven by previously unaddressable Apple users.
- Vodafone, one of the world's largest telecommunications companies, found that 40% of their total sales were generated through cookieless advertising, with the quality of leads markedly superior, converting at a 25% higher rate and resulting in a 20% lower cost per sale.

How to get started closing the gap

Assess how audience data signal loss is already affecting your ability to advertise effectively.

Reassess your ad tech partners. Ask how they are currently reaching and engaging audiences whose browsers don't support third-party cookies, how they are measuring campaign performance, and what kind of results they have achieved.

Work with a partner that is not dependent on stale, third-party cookies. With a multi-signal approach, you can ingest and process all available data signals for scale and accuracy.

Choose a DSP that uses AI and machine learning to help make sense of all these signals, analysing real-time audience behaviour patterns and creating predictive models to find and reach the ideal audience for each campaign.

Start running cookieless campaigns and measure outcomes to gain insight into performance impact and optimise campaigns to maximise results

"Quantcast's cookieless solution is transforming the digital ecosystem. Quantcast is delivering both sides of the equation — business results with incremental audience reach and incremental sales whilst putting consumer privacy at the heart of the technology."

Jack Lynch
Senior Associate Director, Data & Tech Strategist, Mediacom

→ Post-cookie Technology

What to expect when the cookie finally crumbles

Finally, Google has pulled the trigger on its phase-out of third-party cookies. This process has been dragging on for too long, and the reality is that cookies offer only a fraction of the value they once did. With Safari and Firefox already blocking third-party cookies and Chrome having begun its long-delayed transition to 'cookieless' as of January 2024, advertisers have been exploring alternative ad targeting and measurement solutions for some time.

Worryingly, however, in a survey of 3000 global marketing decision-makers that we conducted in partnership with YouGov in 2023, over half (53%) of respondents said they were not yet ready for cookieless advertising. Likewise, 57% reported that they are not fully aware of the available potential replacement solutions.

While some brands may still be pinning their hopes on Google's Privacy Sandbox initiative, where a range of alternative targeting and measurement solutions are currently being trialled by advertisers and publishers, the jury is still out as to whether Google can deliver the transparency and control that brands are currently demanding. For example, crucial use cases are missing for those testing the solution. Without these, it's hard to imagine that the Sandbox can be the future of a holistic approach toward programmatic advertising.

Regardless of whether Google's Sandbox works or collapses, what is overwhelmingly clear is that identity is not a trend, but an absolute must for the industry. We can expect the focus on and the need for high-quality, first-party data to only get stronger and stronger across 2024.

What advertisers should take from this is that, if they haven't already done so, it's high time for them to investigate and test available solutions that can support successful cookieless strategies in the multi-ID world. While this will be a considerable challenge for many, it will nevertheless also open up a plethora of opportunities for advertisers. Indeed, it is a chance to change the game when it comes to their ad spend and bring the whole ecosystem into a better era.

Identity delivers success

Fundamentally, based on the evidence available to date, the switch to ID-based targeting and attribution will not only wholly replace the capabilities of cookies, it will also improve upon the effectiveness and the sustainability of their digital advertising campaigns.

For example, one of the biggest issues associated with the deprecation of third-party cookies is the difficulties it creates around frequency capping, i.e. controlling the number of times an individual consumer is served your advertising. Too little can be ineffective; while too often can frustrate users.

Fortunately for advertisers, there are now solutions that allow the control of frequency in first and third-party ID environments. With the majority of users already browsing the internet in cookieless environments, this

Philip Acton
UK Country Manager
adform

approach can deliver real value to advertisers by allowing them to address users on browsers such as Safari and Firefox.

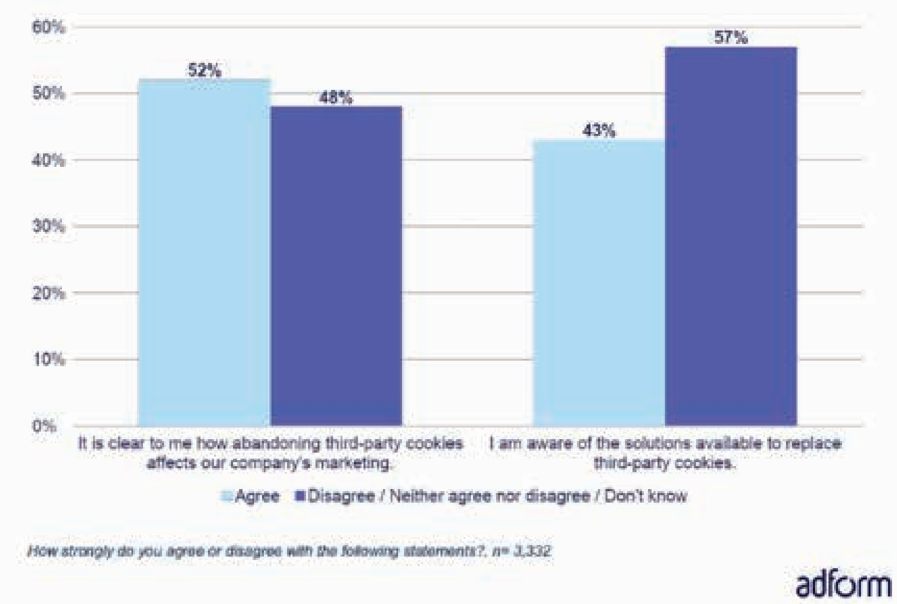
Likewise, with sustainability rightfully high on the priority list, the switch away from third-party cookies towards IDs will increasingly help advertisers meet their ESG objectives. Reducing the number of ineffective impressions in favour of lower frequency but more relevant and accurate targeting, will improve both engagements and leads to more efficient energy consumption.

Addressing the future

The move away from cookie-based marketing towards ID-based addressable advertising is already having considerable influence on how advertising budgets are being allocated. For example, booming channels such as connected TV (CTV) and retail media (which had stratospheric rises in 2023 that will likely continue in 2024), are gaining market share precisely because they provide access to insight-rich, high-quality first-party data. For better targeting and measurements amongst addressable audiences. Meanwhile, the general trend in

Thoughts on end of cookies

- **48%** of respondents do **not have a clear idea** how **abandoning third-party cookies affects** their company's **marketing.**
- **57%** are **not fully aware** of the **solutions** available **to replace third-party cookies.**



traditional publishing is also towards providing addressable audiences for advertisers. Indeed, recent figures suggest that 80–90% of the top 1000 publishers can now offer inventory linked to first-party IDs.

However, with the proliferation of addressable data across environments, whether they be traditional publishers, social media platforms, CTV and retail media network operators, this has meant the media marketplace has also become more fragmented than ever. Making it difficult to execute a coordinated omnichannel ad campaign.

Add growth areas like digital out-of-home and digital audio into the media mix, as well as a lack of internal expertise and assistance from these publishers in some instances, it becomes clear that there is no easy way for the average marketing team to engage with an endless list of specialist DSPs and walled garden platforms. The latter of which are not always directed toward the advertiser's best interest.

This is an evolving ecosystem but one which advertisers must inevitably align with. This means leveraging solutions that can seamlessly thread through these different ID environments, which are data-driven and, most importantly, built with privacy by design. It's a large ask, especially considering the budgetary challenges facing brands right now, but it's a priority if brands are to take back control of their spend.

A changing landscape

The depreciation of cookies has been hanging over our industry for some time, so it's concerning that now the process has begun many advertisers are still in the process of finalising their post-cookie strategy. However, this is just one of a multitude of challenges facing our industry today. Geopolitical and economic turbulence aside, there is huge pressure to be more sustainable, make budgets work harder, and find new solutions for an ever-evolving landscape. Nevertheless, the move to ID-based targeting and measurement is an answer to a lot of these issues.

With such a dizzying array of challenges and media channels to contend with, selecting the right partners for your ID-based omnichannel advertising solutions in 2024 will be key to securing brand-specific success in the post-cookie world.

These solutions will prevail independently of the Sandbox test results, by closing the gaps on brand advertising, reach and frequency controls that it can't fulfill. Indeed, only with these technologies in place will you truly have your ad spend working the hardest it can

> **"Identity must be considered the centrepiece of the advertiser's arsenal. With Google having set a pace of urgency for 2024, if they haven't already, teams need to move quickly in testing solutions that can support a comprehensive omnichannel strategy."**
>
> **Tajj Zeb**
> Programmatic Lead at Vodafone UK

→ Post-cookie Technology

Dan Larden
Head of Media
ISBA

Isabelle Baas
Chief Digital, Data & Technology Officer
starcom

For digital natives like me and many of our digital practitioners at ISBA, the residing sentiment at the moment is that things are seemingly getting more complex whilst at the same time arguably less sophisticated.

A case in point is that the Chrome Privacy Sandbox now lists 40 different APIs all with niche and very specific capability — a long and technical read for anyone. Considering it's potential to become the building blocks for a significant proportion of digital ad spend in 2025 — the targeting, planning and reporting layers still feel very underwhelming compared to what we are used to.

However, I strongly believe the reset we are witnessing in digital advertising has given us the opportunity to rethink infrastructure and processes wholesale across the industry but this time, have the key themes of privacy and transparency at the foundation. Retail media is a prime example of this, accurate and auditable data bought across premium inventory — with a massive focus and push on creating universal standards to allow for a responsible ecosystem that works for brands and media owners. Some still think that retail media is a flash in the pan or just a small part of the ecosystem, but if done properly, I hope we might one day drop the 'retail' part and simply call it 'responsible media; — and who would want to buy or sell outside of that?

Additionally, there is evidence of a bigger focus on creative effectiveness this year as media metrics and tactics have arguably become more consolidated. This is potentially great news for creative technology and measurement specific companies but also for consumers as well, who may (at long last some might say) see an increase in the quality of the ads they see as media and creative process and measurement comes even closer together in 2024

Whilst for targeting, many advertisers have been able to move to new methods of data collection to connect with relevant audiences, measurement is still largely reliant on third-party-cookies as companies have not fully transitioned to alternative methods.

For targeting it is becoming clear that explicit consent is the only viable route for the future. The IAB's TCF2.2 sets out that explicit consent is the only legal basis for collecting personal data for personalisation-related purposes. This leaves advertisers with various options depending on their targeting needs:

- Contextual targeting has significantly matured from simple keywords to NLP, sentiment analysis, audio and video transcription. AI will drive its granularity in addition to contextual's already well-established scale.
- An often-overlooked technique is using geo-signals for targeting with measurement — it's free, available and can be highly effective.
- Industry and walled garden IDs provide another consented method to connect with audiences, with IDs being highly efficient and effective in reaching safari-based audiences.
- We've increasingly activated advertiser first-party audiences to drive quality audiences as part of a diversified media buy.

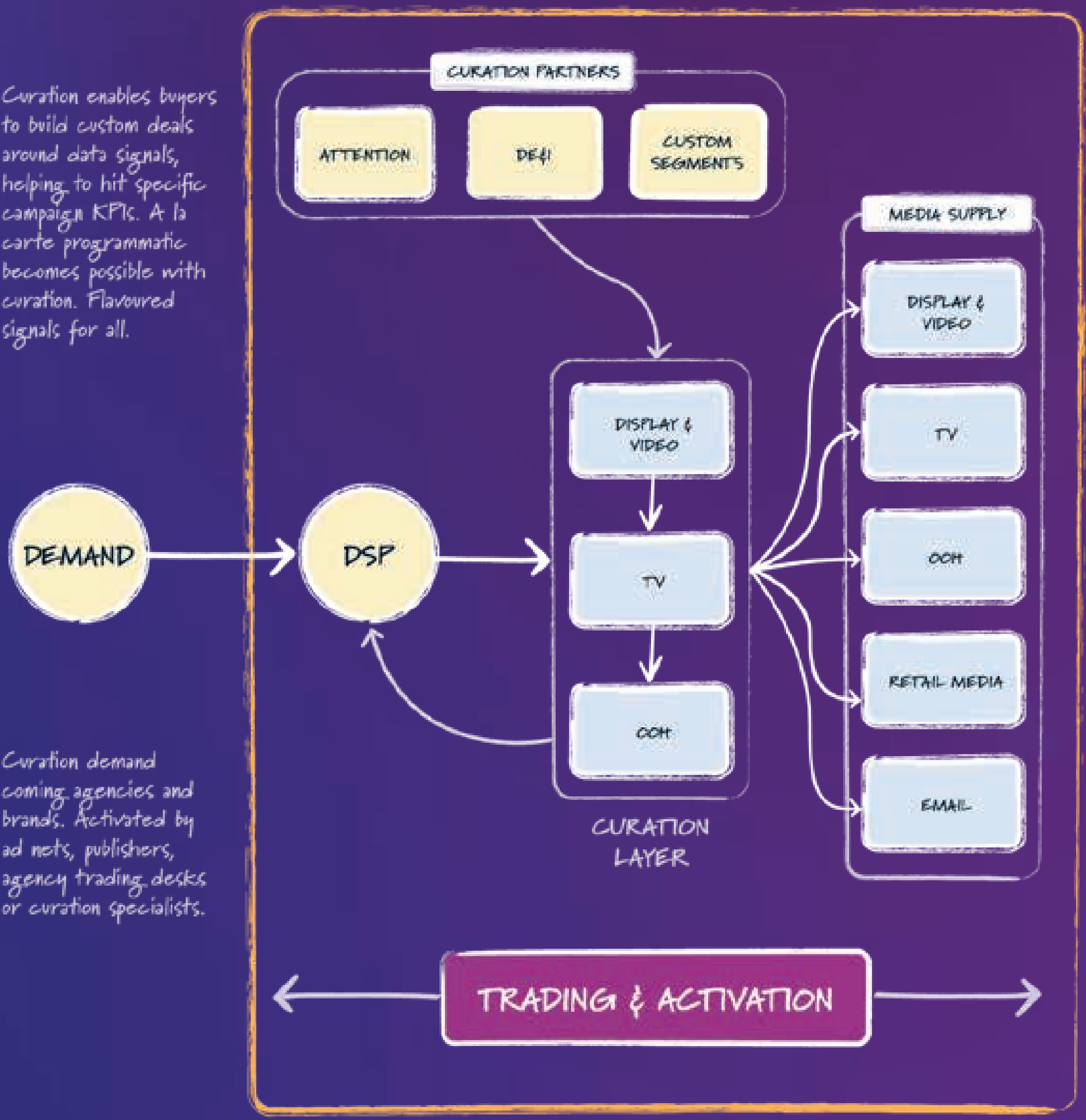
Having transitioned off the third-party cookie for targeting over the last few years we have helped brands find alternative, more privacy-compliant methods to connect with relevant audiences at the right ROI. Whilst in measurement we have adjusted to tag-less multitouch attribution and MMM-based effectiveness measurement, much of the ecosystem still needs to adapt to implementing the required changes to enable consent-based effectiveness measurement and optimisation. Another push is needed to get us there

Curation

Curation: The Omnichannel Opportunity

Curation enables buyers to build custom deals around data signals, helping to hit specific campaign KPIs. A la carte programmatic becomes possible with curation. Flavoured signals for all.

Curation has been traditionally associated with display and video on open web inventory. The exciting evolution is moving "curation" of quality inventory and data into channels like TV, OOH and Retail Media.



Curation demand coming agencies and brands. Activated by ad nets, publishers, agency trading desks or curation specialists.

Curation gives buyers an element of control over what inventory they are running PMPs against – particularly with the current controversies over MFA (Made For Advertising).

Trading and activation is a critical part of curation. If the PMPs don't work or hit KPIs, they slowly die. Underperforming PMPs get no spend and no scale.

05

→ Curation

Convoluted to curated: why curation is helping save digital advertising

James Leaver
CEO

multilocal

Programmatic's promise — one of efficiency, speed, scale, and simplification — has always been a compelling one. Over time, it has been replaced with a confused, complex, convoluted, and opaque reality that frankly needs addressing to deliver its promise.

Getting your message in front of the right audience has become increasingly hard; among the many reasons why we can blame evolving technology layers, low-quality inventory, over-extended and distorted supply chains, reduced data signals, and a lack of transparency. The state of programmatic is feeding negative perceptions around advertising and alienating consumers at a time of rapid market change.

Today, digital advertising needs a shot in the arm — and curation is the ideal prescription.

Cleaning up the market

'Professional', 'organised', 'carefully selected to present the best': the very definition of the word 'curation' sums up what it delivers. It's why we're seeing curation come to the fore as an antidote to programmatic's ills.

As a concept, it's easy: it's about finding the right audience for an advertiser's campaign. While that sounds straightforward, it is increasingly hard to do. Skilfully amalgamating multiple data and supply sources, overlaying audience data, and targeting parameters to curate purpose-built, personalised publisher private marketplace (PMP) deals at scale — that is a difficult process that takes time. This is time and expertise well spent if it satisfies advertisers' needs for bespoke, quality audiences that extend their campaign reach and can be activated in any DSP.

Rather than adding to the industry's complexity, curation does the opposite — disintermediating over-extended supply chains and replacing them with a simplified targeting solution. Curation allows an agnostic approach to be adopted across the supply side, collating the best SSP inventory, intelligence, data, and formats to deliver to the advertiser's campaign goals. Built for transparency on a foundation of quality data sources, curation restores trust in the process. It brings buyers and sellers closer together, reinforcing the critical element of control and ensuring ads only run in the environments they're supposed to.

The result? Better audiences, better targeting, better campaigns, and better results. In an era of technologies that favour one party at the expense of the other, curation ushers in democratisation. Many parties benefit from curation — from brands and agencies to publishers and data providers — and there's a genuine win-win for each participant.

Curation is evolving — being a specialist is important

Although curation is still a new concept, in an ever-changing advertising landscape, it can't stand still. That's why we're moving it to the next stage by delivering *Curation-as-a-Service* — and this one is a real game-changer.

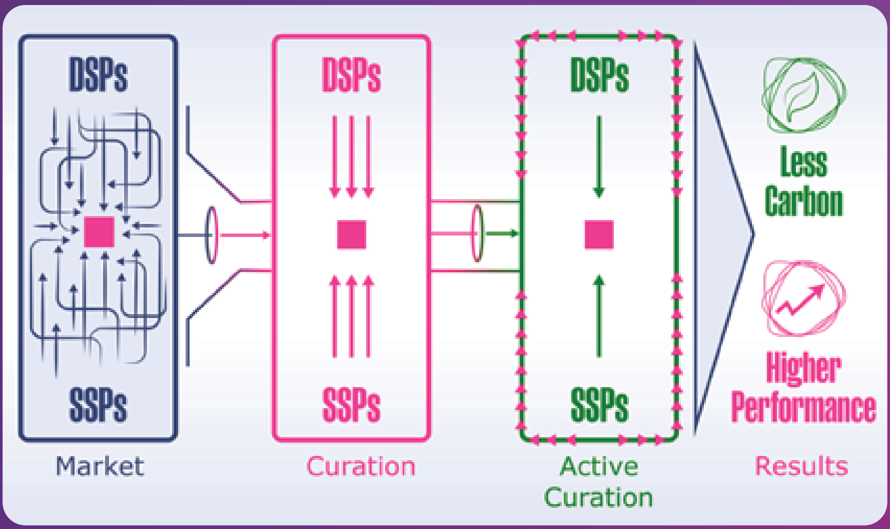
Multilocal has built a team and processes grounded in deep curation-specific ad operations expertise to change this paradigm. Our curated audiences are built on dynamic PMPs, that use our proprietary platform and processes to enhance the targeting and adjust the data, ensuring every campaign overachieves its KPIs.

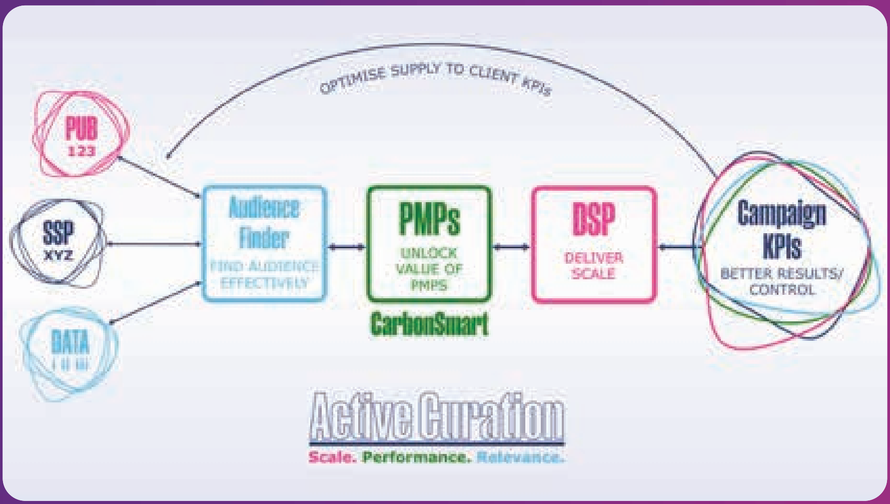
Going from 'set and forget' to 'set and get'

Audiences aren't static — so your PMPs shouldn't be either.

Campaigns don't exist in a vacuum — they change based on the daily environment. Just as every campaign evolves across the course of its duration, so targeting must adapt to ensure the audience remains relevant and the campaign continues to deliver.

Not only does the Multilocal optimisation approach help deliver better results, it also means that no campaign with us is "set and forget": we drive optimisations from the first day to the last. As the only business optimising on the supply side, we're proud to be moving curation forward and improving it through *Active Curation*.





> "Multilocal Media's uniquely curated supply-side marketplaces enable us to drive performance across a number of different audiences. Their tech optimises data, media, and formats across a number of SSPs; giving us the most effective path to purchase. This unique solution has so far proven to deliver a high level of results for our clients."
>
> **Chris Childs**
> MD, HAWK

Higher performance, lower carbon

However, reach and performance aren't the only campaign metrics that matter today: digital advertising's environmental impact is also an increasingly important consideration. Curation is the perfect opportunity to remove unnecessary bid requests and responses from the supply chain while simultaneously lowering your campaigns' carbon footprint.

Buying on the open market results in millions of unnecessary bids. If you're plugging in hundreds of PMPs and not using them, it incurs the same carbon cost. Each bid transaction creates significant emissions, and with a single campaign averaging 5.4 tonnes of CO_2, the scale of the issue can be understood. It means when advertisers seek campaign scale, this has sustainability implications. But a well-curated PMP removes all unnecessary bid requests and responses, dramatically reducing the carbon footprint.

To address this, we've developed technology that applies a win-rate match to every bid transaction in a PMP, eliminating, on average, 90% of unnecessary ones. Called CarbonSmart, our process translates into approximately 90% carbon emission reduction for each campaign, without compromising impressions or performance.

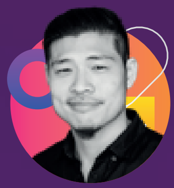
We want marketers to be confident in using our numbers to deliver their sustainability goals and open about how we're supporting the push for better advertising. That's why we're working with The Carbon Intelligence Platform, Cedara, to measure, verify, and validate our results.

In recognising how critical this is, we're also not going down the standard route of charging for green credentials. Instead, we're providing sustainability and performance as a standard part of our Active Curation offering, so marketers get the best of both worlds — better performing programmatic that's always green.

With the impending elimination of cookies in 2024, programmatic failings, and increasing privacy regulations, marketers may be feeling despondent about the future of targeted advertising — but they shouldn't. Targeting remains the key driver of campaign success, and curation is taking up the mantle to deliver this. By providing bespoke, quality audiences for each campaign, allowing optimisation on the supply side to improve performance, and supporting the push for sustainability in marketing, curation is the industry-wide solution for the future of digital advertising

→ Curation

Ciaran O'Kane
Founder and CSO
ExchangeWire



Vincent Niou
Founder and CEO
SKELETON KEY

As we move away from an addiction to cheap metrics, curation poses the clearest path to scaling quality. It has been around for some time in the form of private marketplaces (PMPs), but over the past 12–24 months it's started to evolve into the go-to programmatic activation tactic.

PMPs can often be inefficient in putting data-driven media spend to work. With curation, there is now a way to scale campaigns successfully.

Curation is not merely an enhancement of targeting precision; it dives deep into consumer data to unlock fresh audiences by identifying unique behavioral patterns and emerging interests that transcend traditional demographic groupings.

Brands can go beyond the received wisdom of their traditional scope, engaging with previously unknown segments. A personal approach, meaningful engagement with new audience segments, and a future-proofing against the reliance on the soon-to-disappear third-party cookie. What's not to like?

Ad tech curation is a promising development that has the potential to bring positive impact to several different areas of the industry.

For buyers, it offers the potential for targeted open web scale outside of traditional open exchange buying methods, which can be challenging to navigate from a brand safety/suitability standpoint. Curation could also make private auction deals a viable buying tactic and revenue option for advertisers and suppliers respectively. While offering theoretical utility, private auctions have always faced scale challenges. This has resulted in most favouring programmatic reserve/guaranteed deals instead. By packaging aggregated inventory across supply sources with valuable data, my hope is that curation can solve for this. For agencies, it provides an evolved role within programmatic planning/buying as historical areas of expertise (ie. platform lever pulling) become more abstracted away with the proliferation of "black box" solutions and automation/ML at large. Curation also offers more options for data providers in terms of packaging third-party data without relying on third-party cookies or device IDs as has been the case in the past. Last but not least, the prospect of real-time open-web optimisation from the supply-side is interesting and one that can add a new layer of campaign performance modulation.

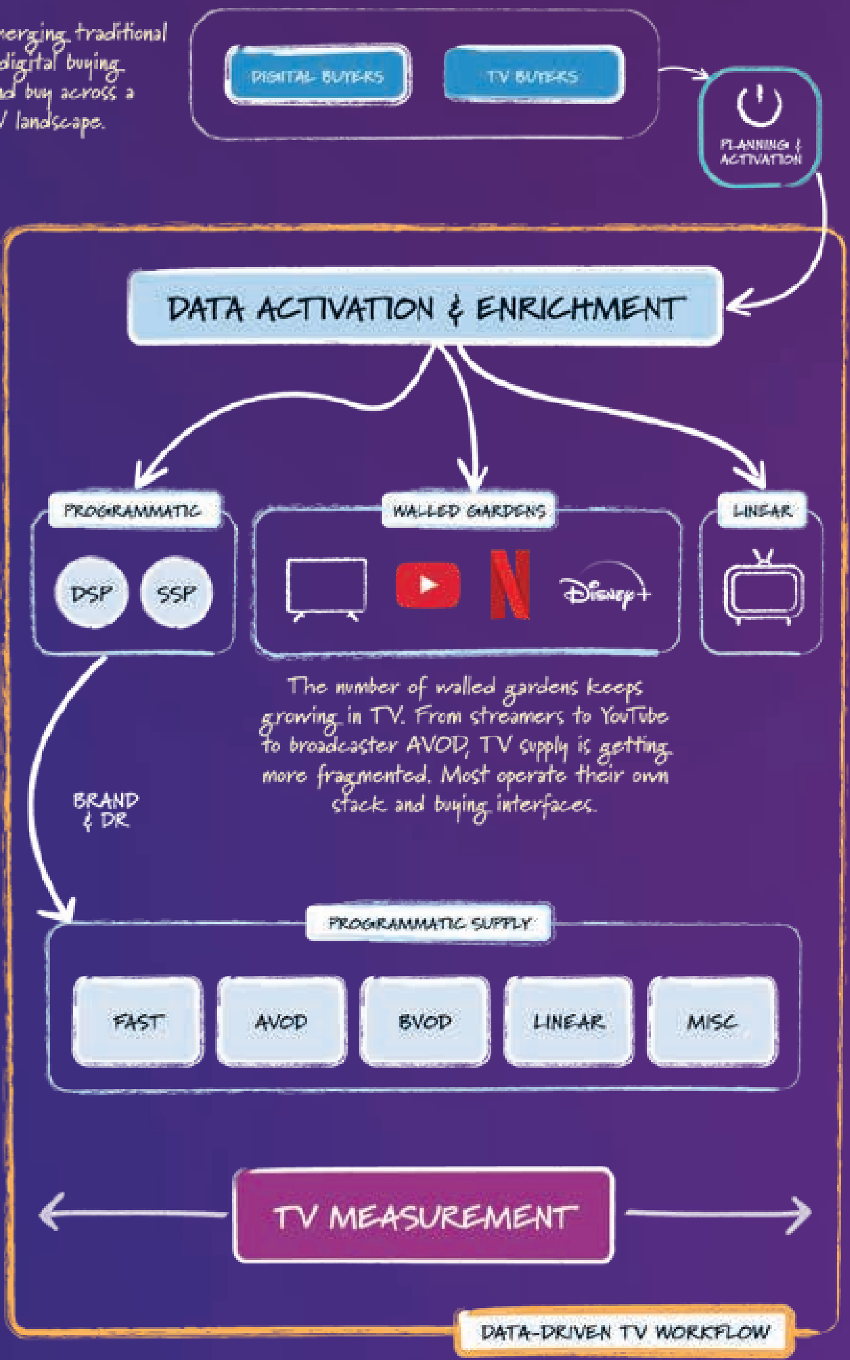
Challenges to adoption are the current lack of standardisation, yet another intermediary in the supply path, and more complexity in what's already a very intimidating industry for general advertising professionals

Future of TV

What Is TV Advertising Anyway?

Agencies are merging traditional TV buying and digital buying teams to plan and buy across a complicated TV landscape.

The data-driven TV landscape has become increasingly complex. New planning and activation tech will be required to aggregate and activate TV spend



A melange of data signals and IDs will be used to build TV's targeting framework. First party data and contextual will be the bedrock. Clean rooms will be used for retargeting and one-to-one targeting. Privacy headwinds will restrict some practices (cc IP address).

DSPs and SSPs are going to war over inventory, having introduced their SPO products to lock down supply.

Programmatic is playing a bigger role in TV – and more inventory will be transacted this way, but it's not programmatic as we know it: less RTB-enabled buys; more PG and AG. The inventory mix is attractive for buyers. The mantra that anything shown on the big box is TV is SLOWLY starting to resonate with buyers. What is TV?

Fewer people might be watching linear TV, but its collapse is a long way off. It's important to isolate US versus everywhere else. Cable is a US phenomenon. TV viewing are changing but TV has always been FREE. Still a lot of people watching linear that ad tech MUST help monetise.

Increasing supply fragmentation exacerbates measurement. Panel-based solutions will likely fill the gap here.

06

→ Future of TV

With standards, programmatic TV advertising will continue to accelerate in 2024

We're set to witness a further boost in streaming TV in 2024, as marketers seek new avenues for investment and some brands venture into streaming TV for the first time.

While adoption and investment will continue to grow, the industry must do more in order for the channel to fully scale and reap the rewards of programmatic.

The key to achieving scale and effective campaigns lies in the adoption of industry standards, which are designed to bring added transparency and efficiency to the video supply chain.

One of the standards that can help accelerate programmatic TV advertising is OpenRTB 2.6, which is a true game-changer for streaming TV. Developed in partnership with IAB Tech Lab, Index, Publica, and other industry leaders, it defines how media owners, media buyers, exchanges, and intermediaries communicate with each other. It creates standardisation around a host of new capabilities that will pave the path for the streaming TV ads of the future, making it critical for everyone across the industry to adopt the spec.

OpenRTB 2.6 solves for a variety of streaming TV complexities including:

- Support for ad podding
- Adoption of new taxonomies
- Richer signalling for video
- More helpful bid responses

Support for ad podding in OpenRTB 2.6 has been instrumental in recreating the linear ad experience in streaming TV. Pod bidding consolidates multiple bid requests down to a single podded request to help solve for duplicate ads and allows for dynamically constructed ad breaks through flexible podding. These features also enable positional transparency so media owners can indicate the position of an ad pod or slot within a pod and reflect the true length and structure of the pod for each impression.

All of these features help improve the viewer experience, ensure media buyers make the most of their investments, and maximise monetization for media owners.

What's more, pod bidding in OpenRTB 2.6 can significantly reduce carbon emissions from programmatic transactions. Research we conducted with The Trade Desk, Publica, and Scope3 uncovered an 84% drop in ad selection emissions when streaming TV ad impressions were purchased from a programmatic supply chain using OpenRTB 2.6's pod bidding versus an older version of the OpenRTB protocol.

Before OpenRTB 2.6 introduced pod bidding, media owners and buyers had to transact each ad slot individually, which required more processing power and contributed carbon emissions to the environment. With pod bidding, we can take multiple requests and group them within a single ad pod in a single bid request. This reduces computational load, leading to significant energy

Chloe Gilman
Head of Buyer Development
Index Exchange

and cost savings, while allowing more accurate and efficient ad placement.

The ad industry's carbon footprint is considerable. As an example, one million video ad impressions emit one metric tonne of CO_2, or the equivalent of a round-trip flight from Boston to London. The good news is that many companies have begun to increase their investment in sustainability initiatives to work toward the goal of net zero emissions—adopting OpenRTB 2.6 is a key initiative in support of that goal.

In addition to introducing support for ad podding, OpenRTB 2.6 brings new features that improve transparency in streaming TV. For TV buyers and sellers to fully invest in programmatic, they need tools that more closely align with their needs, which also include more transparency around content signals and the ability to share show-level data. This level of transparency has long been table stakes in traditional linear TV as well as other digital channels like web and mobile app, and buyers expect it to be the same for streaming TV.

“As a company that supports viewers across both linear and digital, we strive to create a viewing experience that integrates the strengths of both mediums. The implementation of OpenRTB 2.6 has enabled us to manage competitive separation more efficiently and reduce the occurrence of duplicate ads.”

David Pudjunis
VP, Revenue Operations and Partnerships,
AMC Networks

Providing more contextual information like genre, language, network, and show-level data provides media buyers with more control over relevant placements. This gives buyers better targeting information, a clearer understanding of the content their ads are running within, and improved reporting and measurement, which supports the buying final decisions.

Improving content signal transparency through OpenRTB 2.6 is an incredible opportunity. Ensuring marketers are better informed about their buys will encourage increased investment in streaming TV, in turn benefiting the whole ecosystem

Through collective effort marked by efficiency and transparency, the streaming industry is positioned to maximise the potential of programmatic video advertising. To do so, we need everyone across the industry to adopt OpenRTB 2.6 and support ad podding and improved transparency.

The landscape for streaming TV marketers in 2024 promises an unprecedented era of opportunity and innovation. Collaboration across the industry will be key in driving adoption of standards and fine-tuning them to meet the needs of this fast-growing channel

→ Future of TV

Sonya David
Head of Strategy, SG
dentsu

Scott Ensign
Chief Strategy Officer
butler/till

OTT platforms have opened to programmatic ads, and marketers want to link OTT ad data to brand campaign metrics, when making them part of channel plans.

In highly digital and penetrated markets like Singapore and Australia, finding reasons to shift parts of traditional TV spends to OTT is easier. However in most markets, it still cannot dent traditional TV's hold on market due to adoption, digital penetration, and local relevance. OTT also adds fragmented sources and maybe another walled garden to data management. Yet, this might not put off some marketers who already leverage social media and app-based walled gardens for activations. Media effectiveness and measurement is still critical and metrics like reach and GRPs still determine channel impact. As agencies working with marketers, supply curation is a solution for marketers to navigate these complexities.

OTT advertising will evolve further when attention tracking, user profiling, and independent measurement meet the standards of popular social and programmatic channels. But OTT platforms are not the only ones trading in consumer attention on TV for marketing dollars: Some businesses have developed ecosystems across smart devices, to engage a bigger share of eyeballs and time of day. Inventory value will increase alongside data and measurability of which consumers are active on platform and reachable for marketers. Depending on how partnerships are set up, their solutions in-market will enhance or undercut the value which that OTT inventory can promise marketers. Either way, marketers come out ahead with better measurement, data, and brand integration

The TV space is changing rapidly, and innovation will be the most important dimension of its future. This is the year that digital video has officially surpassed TV in terms of time spent, according to eMarketer.

With increased streaming fragmentation and limited ad-supported inventory, marketers will have to focus on reaching more targeted audiences, and platforms will have to focus on enhancing the user experience. This will require innovation in a space that has largely stayed the same for decades. With the proliferation and cost of streaming services, consumers will be more and more willing to participate in clear value exchanges that respect their privacy and put them in the driver's seat. If ad-supported streaming platforms want to survive and grow, they will need to cast off the old ad experiences that today's consumers have left behind.

If they try to drag all of the limitations of linear TV (frequent, untargeted, highly interruptive ad breaks) into the new world, they will not succeed. The end result for advertisers will be fewer, targeted, premium impression opportunities that come with a higher price tag. Old methods of buying based only on things like tonnage and efficient reach will be obsolete. While these changes will undoubtedly result in winners and losers, the ultimate impact on the space will be net positive. Consumers will get much better user experiences and optionality, while advertisers will have more meaningful access to the audiences that matter most to them

Bill Fisher
Principal Analyst

INSIDER INTELLIGENCE

The TV screen continues to endure. The way that content is delivered might evolve, but there's still a thirst for quality long-form "TV-like" content. Within this ever-more-complicated landscape, we see a couple of specific user trends emerging.

Viewership trends are erring towards free/cheaper options. The economic climate has had an indelible impact on the ways in which people are looking to view content on the TV screen. Insider Intelligence forecasts that the allure of "free" on-demand services means UK broadcasters' combined on-demand user base will overtake that of Netflix, Amazon, Disney+ et al next year — 42.1 million versus 41.2 million, respectively (this includes overlaps in users with multiple service subscriptions). SVOD continues to fight its corner, but even here, cheaper ad-supported tiers are proving popular. And then there's FAST, of course…

FAST to the fore as viewers are becoming fatigued by choice

The inexorable rise of TikTok hints at a broader desire among video viewers for the removal of choice. UK TikTok users will spend, on average, more than an hour per day on the platform next year, more than a Netflix user or any other SVOD (or AVOD) platform user, for that matter. The removal of choice that the TikTok algorithm brings with it hints at the potential for success of FAST services. These are already proving popular, and you can expect to see that particular landscape expand in the coming year(s). Flicking through a number of curated "live" channels for a bit of something you fancy; sounds familiar!

Retail

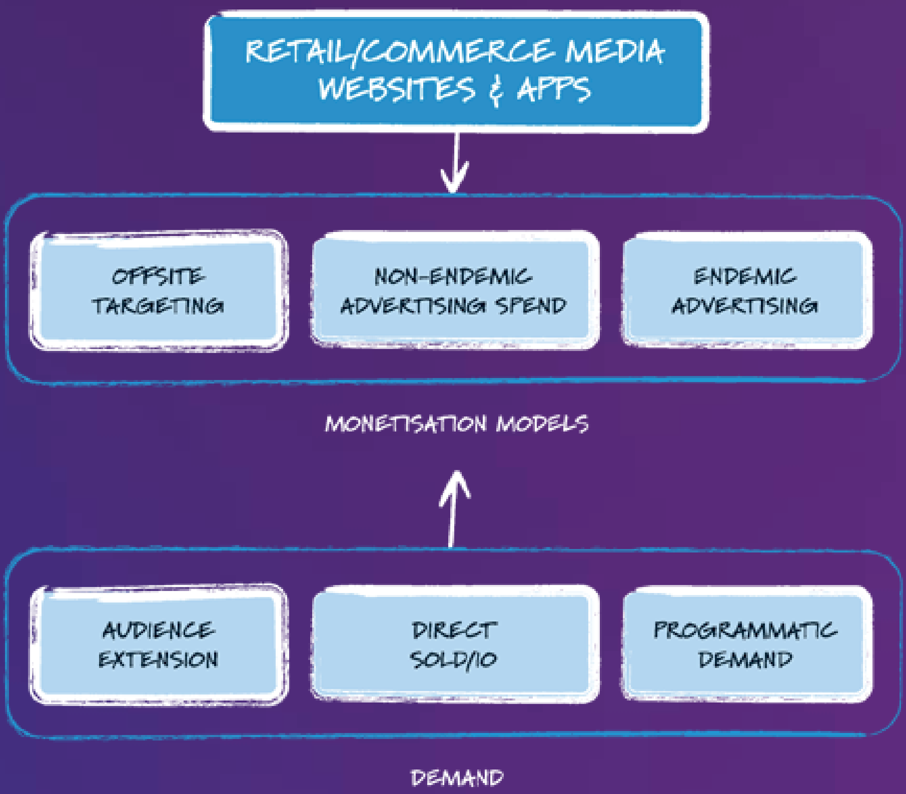
Retail Media: Buy-Side, Sell-Side & Programmatic

THE SELL-SIDE COMMERCIAL MODEL

There are three monetisation models. Difficult to see offsite targeting and non-endemic ads generating frictionless revenue.

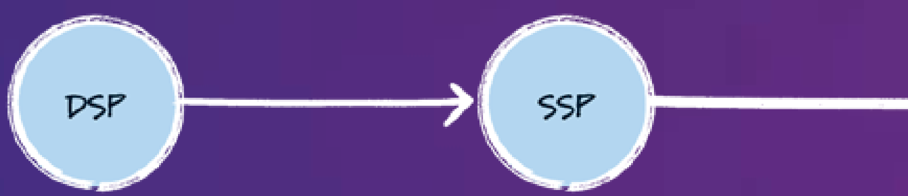
Reasons include: user experience (huge friction point), privacy and scale.

Endemic is the biggest opportunity – specifically from programmatic demand.



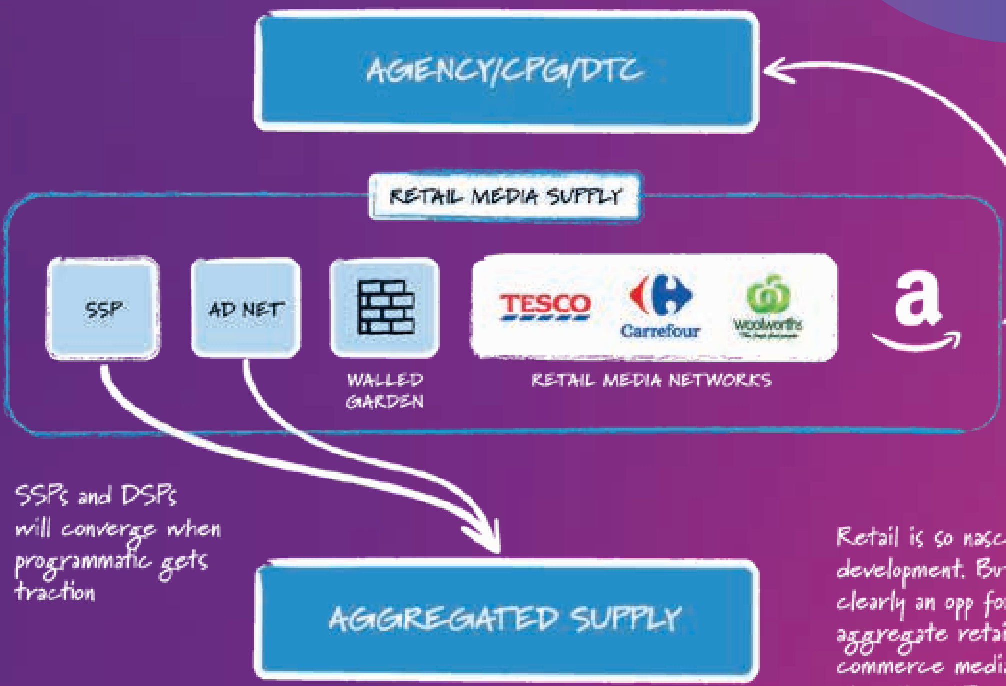
PROGRAMMATIC PLA (PRODUCT LISTING ADVERTISING): AD TECH'S IMMEDIATE OPPORTUNITY

SSPs can pass specific data to DSPs – mostly contextual and product content). DSP ingests product skews and builds standardised PLA formats to SSP to serve against aggregate supply. It's pure performance.



New open RTB protocol will allow buyers to target product and context

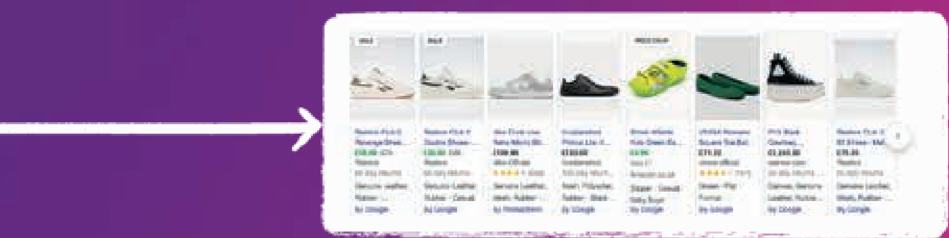
THE BUY-SIDE VIEW & WHY ALLOCATE SPEND



Tighter attribution is what matters to buyers in retail media, which will grow the category. It's all about outcomes and accounting for allocated spend.

SSPs and DSPs will converge when programmatic gets traction

Retail is so nascent in its development. But there is clearly an opp for SSPs to aggregate retail and commerce media supply – disrupting CPG trade budgets and giving DTC options outside of Amazon.



Retail and commerce media are obsessed about UX. And rightly so. PLAs are native to sites, enabling sell-side to access more spend.

SSPs aggregate PLA inventory retail and commerce inventory

→ Retail

Should retailers rent, buy or build their retail media network (RMN)?

Piotr Banaszczyk
CEO
CLEARCODE
PART OF QINSHIFT

Every few years, certain topics, trends, and themes dominate the programmatic advertising industry. For the past couple of years, the dominant theme has been retail media.

But unlike some trends that were simply full of hype and no substance, like blockchain in ad tech, the enthusiasm surrounding retail media is backed by some very promising opportunities that are already being realised.

Understanding the rise of retail media

While some of the major retailers launched their retail media networks a few years ago, it seems that market factors are accelerating interest in this new digital channel and the opportunities it brings.

The rise of retail media can be attributed to three key factors:

1. **The end of third-party cookies in web advertising.**
2. **The shift towards first-party data.**
3. **The potential of building an advertising business as a new revenue stream.**

Let's take a closer look at those three factors.

The end of third-party cookies in web advertising means it will be harder for brands to find their target audiences across the web, display relevant advertising to them, and measure the performance of their campaigns.

While most brands will simply turn to the various alternatives available to them, such as universal IDs, there are some brands that stand to benefit from branching out and introducing retail media into their media mix. After all, retail media is essentially another digital advertising channel.

The move towards first-party data is directly connected to the first point. The end of third-party cookies means companies on both sides of the media supply chain need to utilise their first-party data for audience targeting, measurement, etc. For companies that sit on a treasure trove of valuable first-party data, this represents a massive opportunity.

And retailers are one of the main types of companies that possess this valuable first-party data.

The potential for retailers to build an advertising business is probably one of the most underrated and least talked about points.

In fact, retailers could have benefited from building their own advertising business years ago. However, given all that's happening with the end of third-party cookies and the move to first-party data, it seems that the timing is just right.

The opportunity for retailers to build an advertising business also comes from one of the biggest challenges for any retailer: increasing profit margins on retail sales.

Most retailers have done all they can to increase profit margins on retail sales in a highly competitive and economically challenging environment. To grow and increase revenues, retailers need to look for other revenue streams. And when it comes to finding a simple, straightforward and high-margin revenue stream, it's hard to go past advertising.

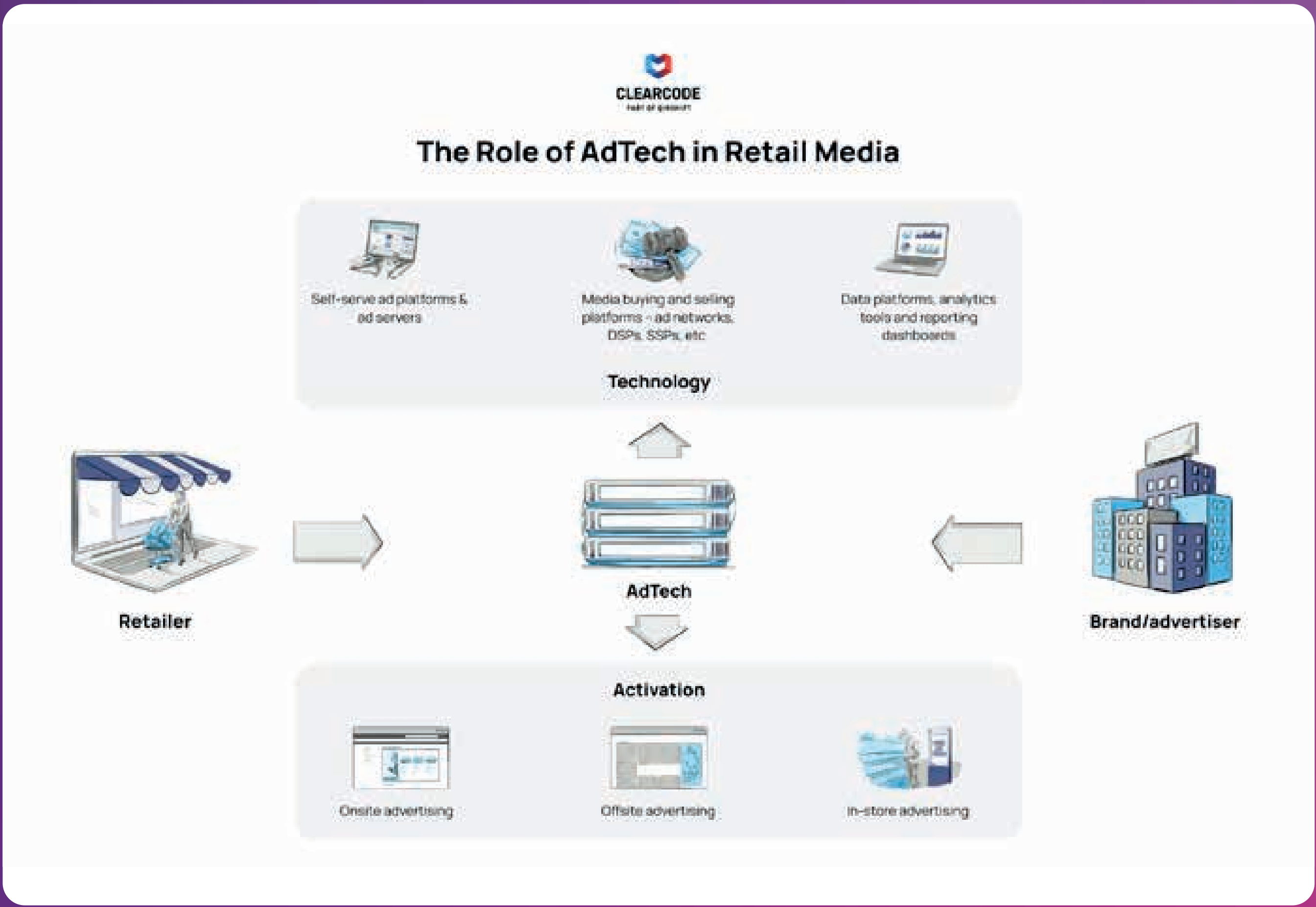
It's these three key forces that are leading retailers to build their own retail advertising business.

In order to power their advertising business, retailers will need to develop their own retail media network — an advertising technology (ad tech) platform that facilitates the targeting, buying, selling and measurement of retail media, as well as activates advertising campaigns across different channels (as illustrated on the accompanying image).

When it comes to developing a retail media network, retailers have three main options: rent, buy, or build.

Should retailers rent, buy or build their retail media network (RMN)?

Using an existing ad tech platform (the 'rent' option) provides retailers with a ready-to-use tool that can get their advertising business off the ground in a short period of time. However, retailers may find that the ad tech platform doesn't integrate well with their existing retail systems and lacks the flexibility to build new features and integrations they need to generate the most value from their advertising business. There's also the concern that the retailer's valuable customer data may be leaked to their competitors — a situation that is all



too common for premium publishers in programmatic advertising.

Another option retailers could consider is acquiring an existing ad tech company — i.e. the 'buy' option. The main problem with this option is that retailers will just need the tech; they'll likely have no need for the ad tech company's existing client base, which is often one of the selling points of any acquisition. That means that the retailer will have acquired 100% of a company but only needed one part of it. Additionally, acquiring an ad tech company just for its tech also brings the same technical challenges as the 'rent' option, such as issues around system integrations.

The last option retailers have at their disposal is the 'build' option.

For many retailers, this option makes the most business sense. By building the technology, retailers can not only develop it to fully integrate into their existing retail systems but can build all the features and integrations they really need.

> **"Most retailers have done all they can to increase profit margins on retail sales in a highly competitive and economically challenging environment. To grow and increase revenues, retailers need to look for other revenue streams. And when it comes to finding a simple, straightforward and high-margin revenue stream, it's hard to go past advertising."**
>
> **Piotr Banaszczyk**
> CEO, Clearcode

The 'build' option also allows retailers to maintain full control and ownership of their value customer data, preventing it from being leaked to the open web and their competitors.

It's the only option that gives retailers the control, ownership and flexibility they require to launch and grow their advertising business.

For these reasons, I believe that in 2024, many retailers will opt for the 'build' option to power their advertising business

→ Retail

Ian Black
Head of Retail Media

PUBLICIS COMMERCE

Colleen Ngo
Vice President

groupm

As retail media moves into 2024, there are no signs of a slow-down in investment from advertisers, and the importance of media monetisation is in retailers' growth plans.

Buoyed by this positive context, and building on early momentum, I view 2024 as the year that retailers begin to emerge as heavyweight media owners in their own right, building on the blueprint laid out by Amazon. This will be facilitated by the following key trends:

Rise of non-endemic retail media: Fuelled by the growing attractiveness of retailer first-party data ahead of the upcoming deprecation of third-party cookies on Chrome, and more bespoke packaging of audience data, inventory and pricing by retailers.

Improved accessibility of in-store retail media: Facilitated by grocers scaling their addressable digital screen footprints across further stores, and the continued reassessment of trade and brand budget balancing amongst advertisers.

Social commerce: More broadly covering the increased 'shoppability' of media touchpoints, enabled by greater linkages between retailers and existing walled gardens to counter signal loss.

Measurement maturity: Namely via improved bridging of retail and media metrics (eg. sell-out and ROAS), flexibility in attribution models towards standardisation, and improved transparency/brand safety metrics (the latter being flagged as very important by 75% of respondents in Epsilon's recent state of retail media study).

Such trends will be accelerated by ongoing pivots being made by advertisers and agencies to re-think legacy buying structures, and further developments in the supporting technology landscape. It's not likely to be a quiet year!

Ad tech enabling retail marketplaces and the decoupling of retail data.

There will be increased willingness among retailers to venture beyond their own technology stack to assess and enable offsite capabilities across the open internet. Technology enablers in the ad tech space will play an important role in unifying the retailer ecosystem and paving the way for the creation of retail marketplaces.

Supporting this shift are conversations and openness to decouple retailer data from a retailer's inventory. The emerging application, ownership, and control of retailer data through clean rooms and/or SSPs will form the foundation to audience extension and offsite capabilities. This evolution will redefine how advertisers connect with audiences in a more seamless and integrated manner across more holistic touchpoints.

Unlocking opportunities through enhanced measurement

Anticipated advancements in measurement and attribution to account for both the open web and transactional metrics above and beyond a retailer's platform will play a significant role in the space. Retail media will enable more measurable impact across the entire consumer journey, enabling budgets to flow upwards to attract branding and consideration campaigns while providing advertisers with a more comprehensive view of their return on investment.

We further expect to see retail media offerings extend beyond endemic advertisers, welcoming a diverse range of brands into the fold. This expansion will broaden revenue streams for retailers and provide non-endemic advertisers with unprecedented access to highly targeted audiences

Alin Dobrea
Head of Marketing Solutions
and Partnerships

ZALORA

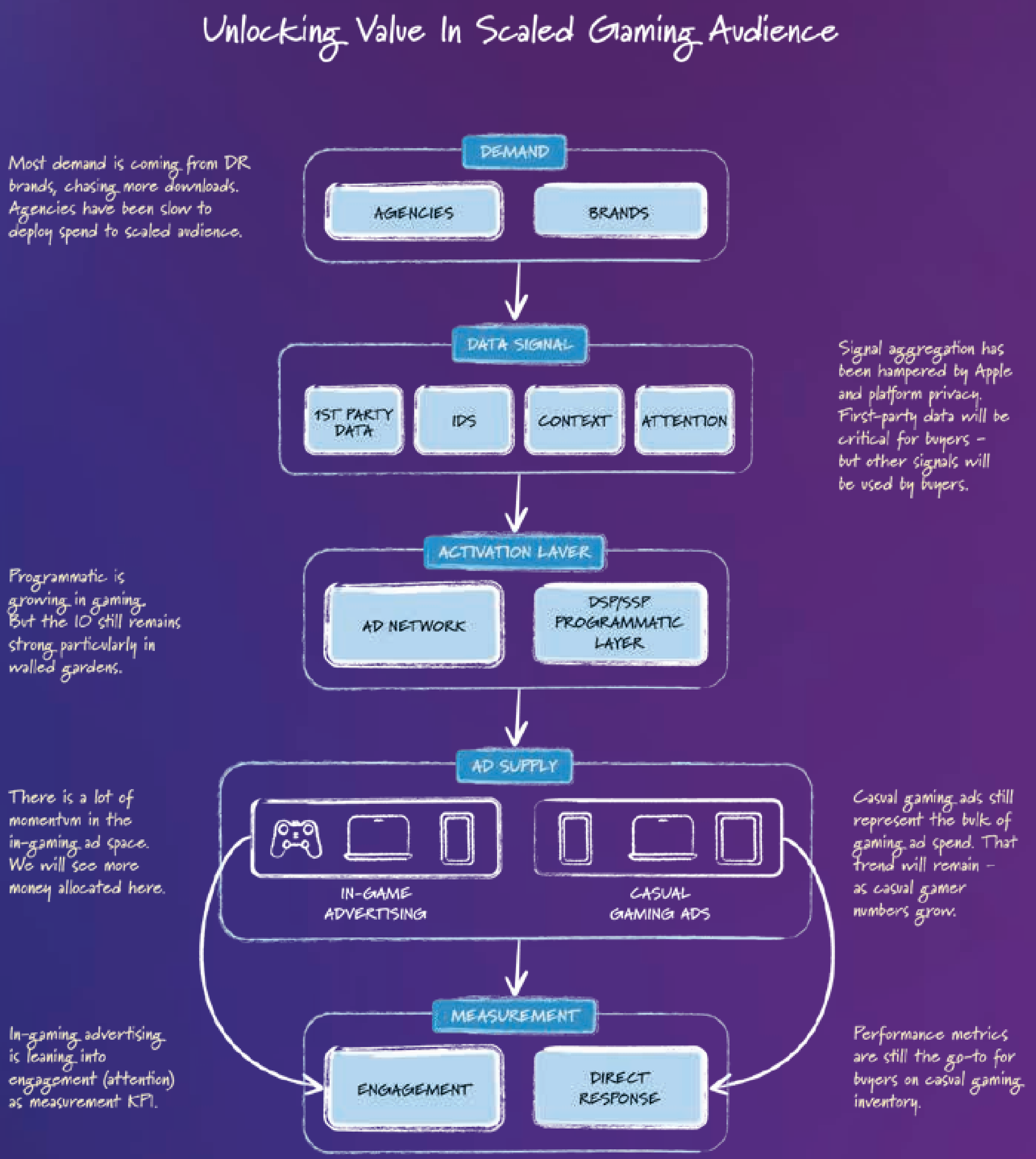
Retail media investment is poised for continued growth, fuelled by brands seeking measurable and effective marketing strategies.

The expansion of retail media into top and middle-funnel campaigns presents exciting opportunities for brands to engage with consumers throughout their purchasing journey.

Innovation in retail media will revolve around experimentation with new formats and interactive customer engagement tactics. Video and live streaming are expected to become cornerstones of retail media, offering immersive and engaging experiences for consumers.

Technological advancements will facilitate seamless performance measurement, cross-platform budget allocation, and data-driven insights for creative generation. These tools will empower brands to optimise their retail media strategies and maximise campaign effectiveness

Gaming


Unlocking Value In Scaled Gaming Audience
Most demand is coming from DR brands, chasing more downloads. Agencies have been slow to deploy spend to scaled audience.
DEMAND
AGENCIES
BRANDS
DATA SIGNAL
1ST PARTY DATA
IDS
CONTEXT
ATTENTION
Signal aggregation has been hampered by Apple and platform privacy. First-party data will be critical for buyers – but other signals will be used by buyers.
Programmatic is growing in gaming. But the IO still remains strong particularly in walled gardens.
ACTIVATION LAYER
AD NETWORK
DSP/SSP PROGRAMMATIC LAYER
There is a lot of momentum in the in-gaming ad space. We will see more money allocated here.
AD SUPPLY
IN-GAME ADVERTISING
CASUAL GAMING ADS
Casual gaming ads still represent the bulk of gaming ad spend. That trend will remain – as casual gamer numbers grow.
In-gaming advertising is leaning into engagement (attention) as measurement KPI.
MEASUREMENT
ENGAGEMENT
DIRECT RESPONSE
Performance metrics are still the go-to for buyers on casual gaming inventory.

08

→ Gaming

2024: The year of in-game advertising

John Still
Head of Content
ExchangeWire
The business of media, marketing and commerce

We've had the year (decade, perhaps) of mobile, 2023 was the year of AI — could 2024 be when gaming hits its stride as a genuine force for advertisers? Brands should be waking up to the massive benefits of in-game advertising — it's an opportunity to reinvent the wheel. As gaming culture continues to permeate mainstream society, the potential for brands to connect with audiences within virtual worlds is unprecedented.

Gaming has become a major source of entertainment across the globe, capturing a massive and diverse audience, estimated to reach a value of USD$300bn (~£237bn) globally before the decade is out. In the US alone, 27% of people spend between one and five hours gaming each week. Engaging and interactive, in-game ads offer a direct route to a huge swathe of target markets.

Embracing the realism

So how can advertisers level up in gaming? Developments in ad placements and strategies mean that we're moving away from the disruptive, intrusive banner placements associated with in-game ads; advertisers can get creative and enhance the overall user experience rather than interrupting it.

2024 should see brands embracing the increasingly realistic environments offered by gaming: branded in-game items and sponsored events within games will become common.

Expect to see more sophistication over the next twelve months. Gaming offers the chance to make real-time offers, update creative, and enhance relevance through dynamic updates based on variables such as location, time of day, and user behaviour.

As the metaverse continues to bubble under as a genuine opportunity for brands, gaming has taken the baton as a testing ground for the opportunities offered by virtual environments. In-game OOH could be fun, virtual billboards showcasing real-world brands alongside a virtual race track for example. Or sponsorship of the scoreboard in a sports game, perhaps. It's a reality-reflecting, receptive environment for brand messaging, and this can be harnessed by brands to deliver real-time offers or messaging in a sophisticated, non-intrusive manner.

User experience really, really matters

"We can sell 80% of a person's visual field before inducing seizures." said Nolan Sorrento, fictional antagonist in Ernest Cline's sci-fi novel Ready Player One, as he tried to roll back restrictions in the metaverse-esque VR Oasis in order to sell more gaming ads.

Be less like Nolan Sorrento.

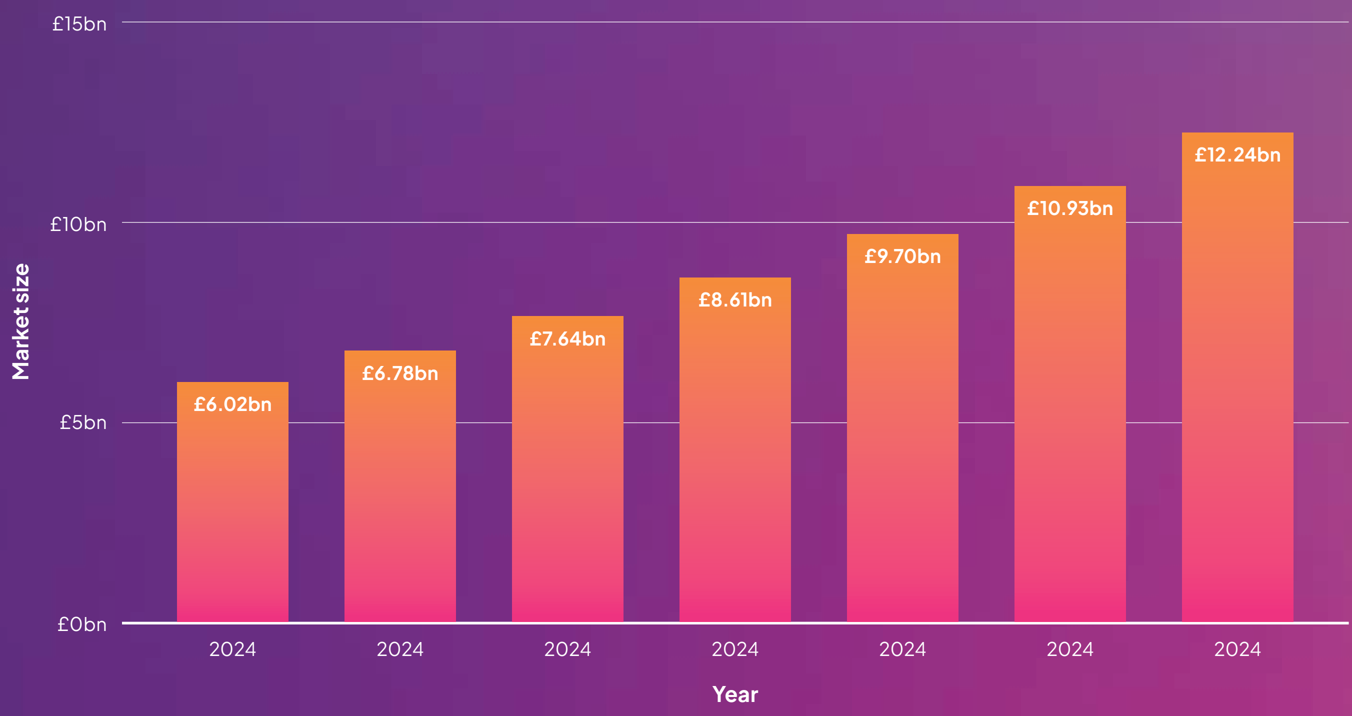
We've already turned parts of the internet into pop-up riddled, almost unreadable platforms with a seemingly purposeful disregard for user experience. Repeating the same mistakes and inflicting the errors of display on a new and enthusiastic gaming audience would be unforgivable. Striking the right balance between monetization and user experience remains a critical challenge. Gamers are discerning consumers and intrusive or disruptive ads can cause players to abandon a game or turn on a brand.

Getting this balance right requires a deep understanding of gamer behaviour, preferences, and the unique dynamics of gaming environments. The rewards are obvious, but the pitfalls are many — planning for the intricacies of the platform is essential. What works for mobile games won't necessarily work for an immersive role-player environment. Successful in-game advertising will be rooted in a user-centric approach, ensuring that brands become an additive element to the gaming narrative rather than an intrusive interruption.

The evolution of in-game metrics

Measurement has been an issue that has perhaps put the brakes on the rise of in-game advertising. With the industry increasingly cautious about the value of its spend, gaming needs some robust metrics: a vast audience and opportunity of global exposure is one thing, proving efficacy is quite another.

In-game advertising market size — aggregate forecast



It's an area that's open for innovation, and in immersive and interactive gaming experiences, click-through rates won't cut it. Metrics such as engagement duration, brand recall within the game environment, eye tracking and biometrics could make waves in 2024.

This will be a year of refinement, as brands and agencies better learn how gamers interact with in-game ads, advertisers can refine their strategies to deliver more personalised and effective campaigns.

Harnessing community

Long gone are the days when community in gaming extended to the ability to plug four controllers into your console. Games are now simultaneously enjoyed by millions across the globe, interactive worlds with their own social norms, values and languages. Gamers are more than just players: they're fans, celebrities, influencers and potential brand ambassadors.

The rise of Twitch and YouTube gaming channels, which have some of the most watched videos on the planet means that taking gaming advertising off-game can be a powerful way to make a splash.

Putting social and influencer marketing into the gaming mix extends the reach of in-game advertising, so expect to see more brands looking beyond the game and striking out in search of the MrBeast-level social engagement in 2024.

Pressing play on the future

In-game advertising is not merely a trend; it offers a whole new way for brands to connect with consumers. While the possibilities are vast, and the rewards massive, much like gaming itself, the success of in-game advertising hinges on strategy.

- Respect the user experience: augment, don't disrupt
- Understand the unique audience dynamics
- Harness communities: know where your audience is outside of the game

One of the biggest areas for potential growth and development over 2024, the game is well and truly on

> "This will be a year of refinement, as brands and agencies better learn how gamers interact with in-game ads, advertisers can refine their strategies to deliver more personalised and effective campaigns."

→ Gaming

Juan Soprano
VP Managing Director
LATAM
R/GA

Dylan Collins
Chairman, OMAC
Investments

Even though gaming is experiencing a small and steady decline after the pandemic, it's still a huge market for companies to explore. According to the Mobile Marketing Association, in LATAM the industry is expected to grow 20% in five years, reaching 325 million gamers in 2024. Brazil and Argentina are the markets leading this trend.

Technologies like generative AI will create more opportunities to develop even better interaction in gaming stories, where NPCs will be able to have a much more human type of behaviour, creating an even better experience for players. Advancements in Mixed Reality (MR) are set to revolutionise gaming experiences as well, by blending virtual and real worlds (eg Meta Quest 3). And the deployment of 5G networks in the biggest cities will continue to play a critical role in enhancing these MR experiences through improved connectivity and reduced latency.

From a brand loyalty point of view, the exponentially high levels of fandom and engagement in this market create an amazing platform for companies that want to connect with new kinds of audiences. No wonder why Messi just announced he is joining the eSport team KRÜ Esports, partnering with Kun Agüero — as this will bring huge hype into the e-sports market and will, if not already, push companies to further invest in it. This investment can come either through sponsors, or even as players building their own teams, imagine brands Nike and Adidas competing against each other on e-sports.

So we see a huge opportunity for brands in the gaming industry tied to the market growth in LATAM and the advancements in AI and Mixed Reality. All this will combine in 2024, and beyond, to help create even better innovative user experiences that will take the quality of the games to a whole new level of interaction

The rise of the 'virtual console' category. With Fortnite launching LEGO Fortnite, other developers of scale begin to think of their existing games as a launch platform for new titles.

2024 is finally the year when meaningful amounts of brand dollars break through into non-mobile games. Roblox has invested into (and is now actively talking about) an ad tooling roadmap which might finally achieve the ease and scale that has made YouTube the default for games content media buyers.

Relatedly, in 2024 we see more agency holding groups acquiring game services businesses to accelerate their in-game offering to brand clients.

Increasingly we see games implementing age-verification for various features as developers continue to wrestle with young audiences and a patchwork of digital safety laws.

2024 will see much more activity from major publishers acquiring Roblox and UEFN developers. Embracer quietly acquiring Bloxburg in 2022 for ~USD$100m (£78.5m) was just the beginning.

The VC market for gaming is going to be very quiet. We'll see a huge amount of emergency M&A as game startups struggle for cash. Those who survive will have a high probability of outsized success. I'd expect at least one public games company to be acquired.

In the crossover between creator economy and gaming, the continued wave of anti-VC rhetoric will continue and 2024 will be an excellent vintage for bootstrapped digital services companies.

A single Web3 game emerges at the end of 2024 as a 'maybe' candidate for the space champion

William McMahon
Head of Ad Tech

SPARK FOUNDRY

People are spending more time and money than ever in gaming, but advertising spend still lags far behind.

In 2019, Red Dead Redemption 2 sales smashed all the biggest films for the same year, so this has been an ongoing trend for at least four years. Why will 2024 finally start to buck this trend? Google Chrome is removing third-party cookies in 2024. This means that measurement will need to evolve and we're going to see an increased focus on regression-based measurement models (like econometrics or media mixed modelling). The beauty of these models is that they can correlate sales with channels that don't directly track sales through cookies. Measuring sales off the back of gaming campaigns has always been difficult but with different forms of measurement emerging in place of more classical digital attribution, we might finally see gaming recognised as a revenue driver. Proof of revenue leads to increased investment and once that ball starts rolling then everyone gets involved.

Gaming often performs well for econometrics results with some brands even seeing it as their most efficient channel (even better than PPC on occasion). I'm excited to see more brands expand measurement so we can start testing more channels (including gaming) and understanding the sales contribution of less performance-led media buys

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The business of media, marketing and commerce

Industry Review

2024: An era-defining year

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