Industry Study

Addressability & Performance Best Practices Study

Survey of Leading Brands, Agencies, Publishers & Media Companies

verve

adexchanger

Table of Contents

Introduction

Addressability & Performance Best Practices Study

Verve and AdExchanger developed this study to gauge how top brands, agencies, publishers, and media companies are responding to addressability and privacy issues. The study covers benchmarks on what's being done, what's planned for the next six to eighteen months, and where gaps remain during this critical transition period. Key topic areas also include:

- How the industry is accessing more first-party data
- Monetization trends and issues
- The level of automation being adopted
- Fast-growing areas including CTV
- The biggest opportunities and challenges
- And many other important areas, trends, and metrics

The analysis is based on a survey of executives with leading publishers and media companies, brands, and agencies. The survey was conducted in February 2024 and received 178 responses. In some places in the report, brands and agencies are described as the buy-side of the industry and publishers/media companies as the sell-side.

Verve and AdExchanger thank all the respondents for their invaluable contributions to the study.

Foreword

A major transformation has been underway in the digital advertising industry for many years. What's been an active period of strategizing, testing, and adopting new advertising privacy solutions and approaches is about to enter an even more intense phase. The next six to eighteen months months will be critical as third-party cookies are deprecated in the Google Chrome browser and other privacy trends continue to be driven by technology platform changes, regulation, and consumer behavior.

It's an understatement to say it has been a challenging time to be a publisher and media company, as well as a digital advertising-reliant brand and agency. The findings in this study help quantify what's happening and what's being planned in response looking out to 2025.

A key finding from the research, but not surprising, is that third-party cookies are still being used by a majority of both the buy-side and sell-side of the digital advertising industry.

> **73%** of brands and agencies are still using third-party cookies – and, separately, **65%** of media companies and publishers are as well. But moving away from cookies is happening fast. Where is the industry headed?

It's headed in a number of places, but there's still a lack of clear direction on what the new industry standards will be exactly. Yet, ***the study identifies that contextual advertising is likely to become even more important in the future.*** As an agency executive responded in the survey, "Contextual placement has been and continues to be the most important factor in targeting." And another spoke for many publishers and media companies when noting their group is "working on building direct relationships with customers and exploring contextual media environments."

The industry is also grappling with opportunities and issues that arise from the emergence of CTV, automation, and monetization challenges, especially for unaddressable audiences. Important decisions are also being made by both the buy- and sell-sides of the industry around whether to build internal solutions, rely on the major technology platforms, and/or which new solutions and approaches to adopt.

All of these issues and challenges, many of which are also opportunities, are not at a crisis level but they are problematic. Still, innovative strategies and solutions are available, especially in response to changes impacting third-party cookies and identity. It's just likely it will take a few more years before the digital advertising industry settles into what will become the next privacy-first era.

A number of other key insights from the study are outlined in the Executive Summary below.

Executive Summary

Insight #1 - With third-party cookies set to deprecate in 2025, advertisers and publishers/media companies agree contextual targeting and seller-defined audiences are critical – but there are disconnects related to other data and identity solutions

Looking out to 2025, the biggest differences between advertisers and publishers/media companies on which solutions to adopt are around publisher-provided IDs (which understandably more publishers want to use), and modeled solutions and Privacy Sandbox solutions (which are favored by advertisers). There are smaller disconnects around industry/universal IDs (predominantly web-native/desktop publishers want these) and clean rooms (which are more favored by advertisers). The findings later in the report provide the expected timelines for the shift to use the various solutions over the next six to eighteen months. The table below provides the cumulative total percentages of the solutions expected to be used by both the buy-side and sell-side by late 2025, and the differential between the two groups.

Identity and addressability solutions to be used or developed within 18 months (by late 2025)

Solutions used now or expected by late 2025	Brands & agencies "buy-side"	Publishers & media cos. "Sell-side"	Differential: buy-side vs. Sell-side (% points)
Contextual targeting	93%	98%	-5%
Seller-defined audiences	88%	93%	-5%
Cohort-based targeting	81%	78%	+3%
Privacy Sandbox solutions (TOPICS, Protected Audience API)	81%	66%	+15%
Modeled solutions for measurement	81%	65%	+16%
Industry or universal IDs	77%	87%	-10%
Mobile ad IDs	77%	71%	+6%
Clean room technologies	74%	64%	+10%
Publisher-provided IDs	70%	90%	-20%
Identity graphs	68%	67%	+1%
ID aggregators	67%	74%	-7%

An additional way to look at the findings in the table above is that there are many solutions and options being used, tested, and considered which is adding significant complexity to an already challenged industry. And there's considerable work to be done to make these expected shifts over the next few years. As the survey data show, high percentages of both the buy- and sell-sides of the industry are or will be using multiple solutions and methods.

Insight #2 - CTV is where brands and agencies are increasing advertising spending the most on a percentage growth basis, but most advertising teams' focus and attention is on omnichannel strategy

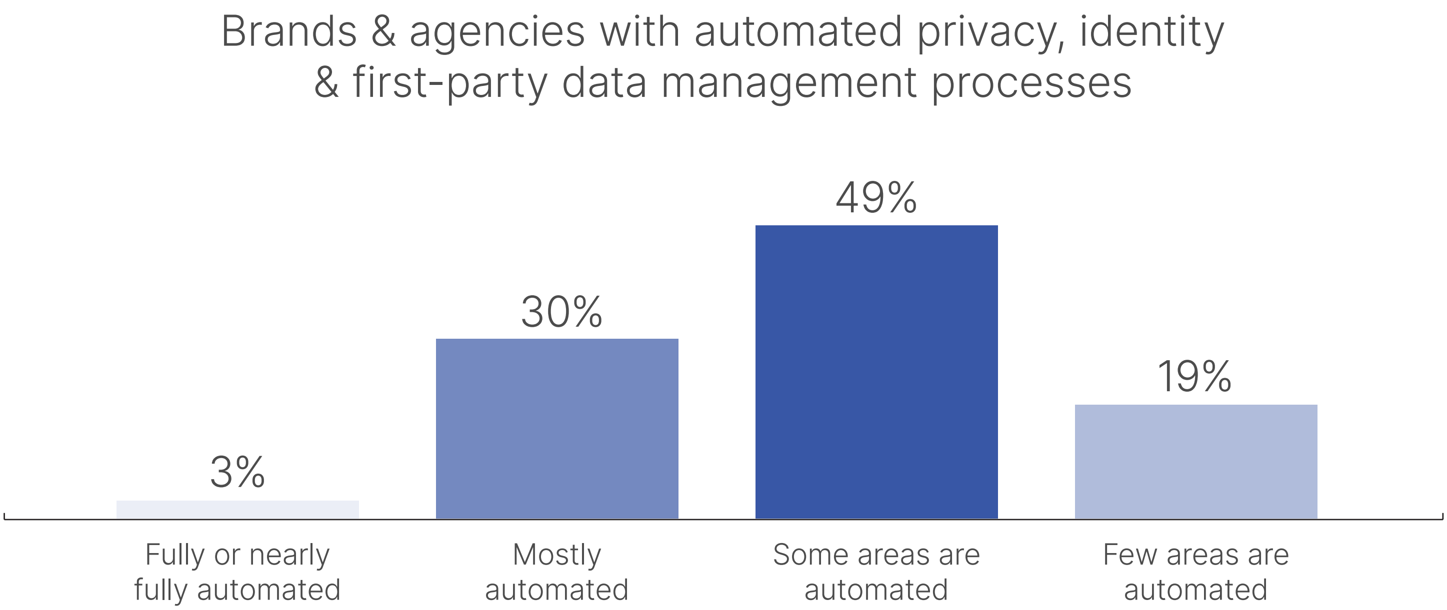
CTV is getting significant attention and 50% of brands and agencies say this area is receiving the largest increase in budget spending on a percentage growth basis for 2024. For example, while 33% of brands and agencies are increasing investment in their overall omnichannel strategies, 56% of the respondents say this is where their teams are allocating most of their time and attention.

Where brands and agencies are increasing budgets fastest – and where teams are focused

	Largest spend/investment area (based on % increase)	Most team focus & attention
CTV	50%	28%
Web	37%	37%
Omnichannel strategy	33%	56%
DOOH (digital out-of-home advertising)	17%	9%
Mobile	13%	15%

Insight #3 - Many brands and agencies are still early in the shift to automation, i.e., using technology to automatically handle routine tasks

The survey asked the buy-side of the industry how far along their organizations are in automating routine tasks as part of their marketing strategies and approaches to privacy, identity, and managing first-party data. The findings show that automation is still an emerging trend, as only one-third of brands and agencies say they are "mostly" or "fully" automated in these areas currently.



Insight #4 - Publishers and media companies are experiencing decreasing ability to monetize their unaddressable audiences

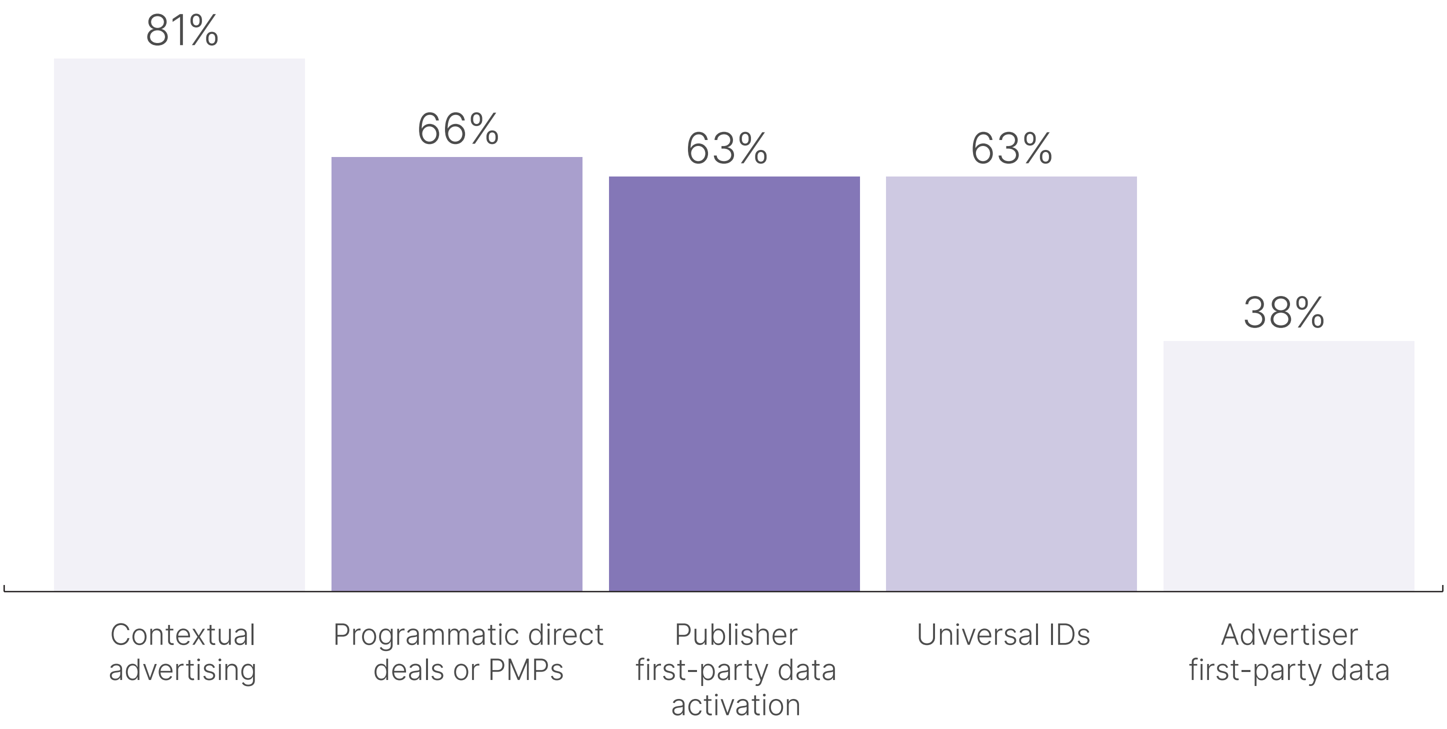
A sizeable **44%** of publishers and media companies say they have recently seen a decrease in their ability to monetize their unaddressable audiences. In contrast, **22%** of publishers and media companies noted they are seeing monetization declines for their addressable audiences as well. The survey question was: *Based on CPM trends you are experiencing, have you seen a decrease in your ability to monetize your addressable or unaddressable audiences/users?*

% of publishers & media companies experiencing monetization decline in *unaddressable* audiences	% of publishers & media companies experiencing monetization decline in *addressable* audiences
44%	22%

Insight #5 - Publishers and media companies want contextual to become the monetization industry standard

Publishing and media company executives want to see more focus on making contextual solutions the industry standard. This is followed by direct deals with advertisers and agencies for programmatic campaigns. Publishers and media companies are saying, at least partially, that they want to get back to how advertising had been sold and delivered based on content and context. Related to these issues is that an important part of the industry response has been to put a significant effort into growing first-party data. Insight #1 in this Executive Summary suggests that brands and agencies also understand the move back to more contextual advertising strategies, and the importance of seller-defined audiences.

Publishers and media companies' ideal industry standards once cookies are gone



I. Brand & Agency Survey Data

The brand and agency survey findings are provided in this section of the report.

Where brands and agencies are increasing advertising spending – and where's the most advertising and marketing team focus and attention

Survey Question: For 2024, in which major advertising segments are you planning to increase your spending the most (on percentage increase basis) – and in which area will your team emphasize the most marketing/advertising focus and attention?

CTV has been receiving significant attention. Half of brands and agencies say this area is receiving the largest increased budget spending on a percentage growth basis compared to last year. There are interesting differences between where the most spend increases are and the most team attention. For example, while ***33% of brands and agencies are making increased investments in their overall omnichannel strategies, 56% of the respondents say this is where their teams are placing most of their time and attention.*** The CTV findings also show a major differential but in reverse. Omnichannel is really a wider strategic approach compared to the specific channels receiving significant attention such as CTV.

	Largest spend/investment area (by budget % increase)	Most team energy, focus, attention
CTV	50%	28%
Web	37%	37%
Omnichannel strategy	33%	56%
DOOH (digital out-of-home advertising)	17%	9%
Mobile	13%	15%

In response to industry privacy changes, brands and agencies are using a wide range of strategies and approaches

Survey Question: In response to industry changes related to privacy, identity, and the loss of third-party cookies, which of the following strategies and approaches is your organization using, offering or developing currently – or that you plan to utilize over the next 6 to 18 months?

Many insights are found in the responses to this question. The first is that nearly three out of four brands and agencies are still using third-party cookies. More than sixty percent are using contextual targeting and 56% are using mobile ad IDs. Over half of the buy-side of the advertising industry is also using contextual targeting, mobile ad IDs, and seller-defined audiences. These four most commonly used approaches today are status quo. The other solutions noted in this question are future/forward-looking, and most of these emerging areas are expected to see a spike in usage over the next six to twelve months as Google removes third-party cookies from the Chrome browser. The data approaches and solutions expected to see the biggest increase by brands and agencies in 2024 are Privacy Sandbox initiatives (to be used by 55% of brands and agencies), cohort-based targeting (35%), industry/universal IDs (32%), and modeled solutions for measurement (30%).

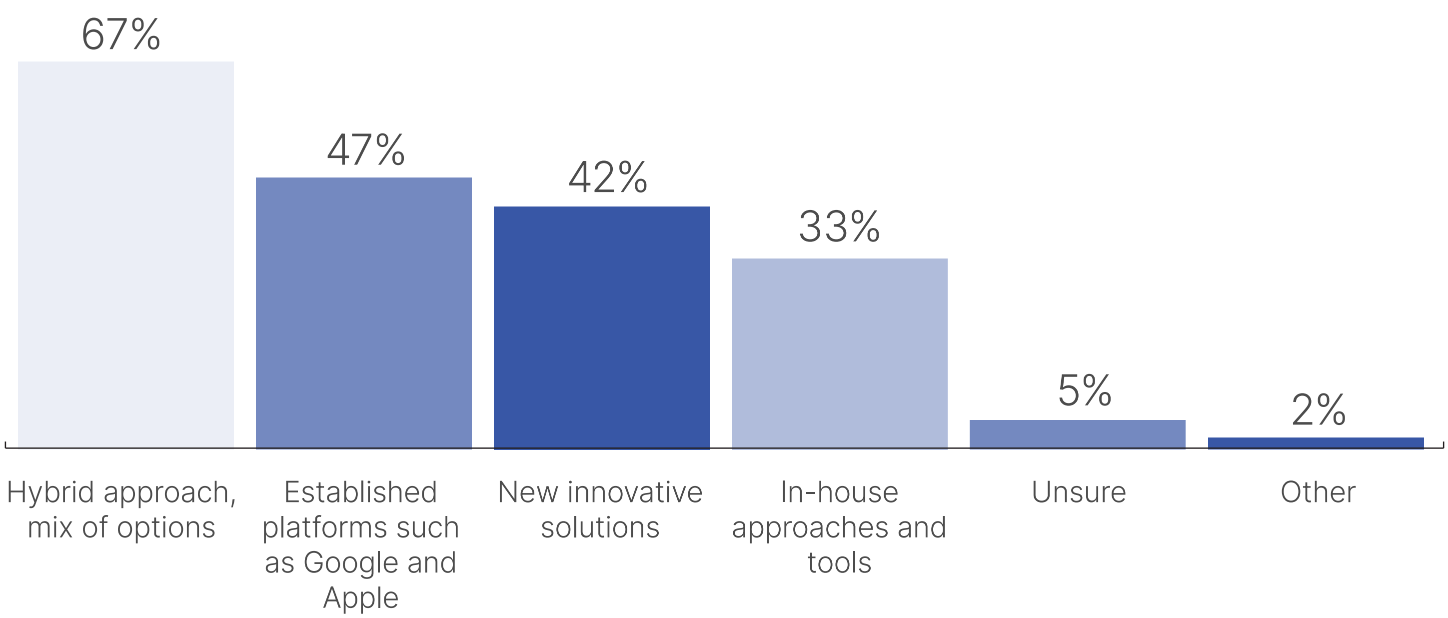
	Using/offering/ developing currently	Likely used/ developed in 6 to 12 months	Likely used/ developed in 12 to 18 months	No plans to use or implement
Third-party cookies	73%	7%	0%	20%
Contextual targeting	61%	25%	7%	7%
Mobile ad IDs	56%	13%	8%	23%
Seller-defined audiences	54%	24%	10%	12%
Cohort-based targeting	40%	35%	7%	19%
Modeled solutions for measurement	37%	30%	14%	19%
Clean room technologies	37%	22%	15%	26%
Industry or universal IDs	30%	32%	16%	23%
Identity graphs	29%	27%	12%	32%
Publisher-provided IDs	28%	30%	12%	30%
ID aggregators	19%	26%	21%	33%
Privacy Sandbox Solutions (TOPICS, protected audience API)	12%	55%	14%	19%

It's important to note that Universal IDs require user authentication, and therefore, only address a small section of the user base. For example, in iOS, this is around 30% today. Meanwhile, solutions like contextual, cohort-based or technologies like Privacy Sandbox target the anonymous user base that does not authenticate the use of any personally identifiable information (PII) (e.g., in iOS this is around 70%).

Most brands and agencies are taking a hybrid approach with a mix of platforms and solutions in response to privacy issues

Survey Question: In response to industry and regulatory changes to data privacy, are you primarily relying on (or plan to rely on) established platforms such as Google and Apple, new innovative solutions, in-house approaches and tools, or a hybrid approach with a mix of options?

Essentially two-thirds of brands and agencies say they are using or will use a hybrid approach with a mix of platforms and solutions in response to privacy-related issues and regulations. This strategy keeps options open as the only constant is change in the digital advertising industry. In addition, more than 40% of brands and agencies are emphasizing using major established platforms and new innovative solutions.



Brands and agencies' platform and solution trust levels

Survey Question: Please rate the following approaches and tools by your level of trust in terms of the solution's adherence to digital advertising data privacy requirements?

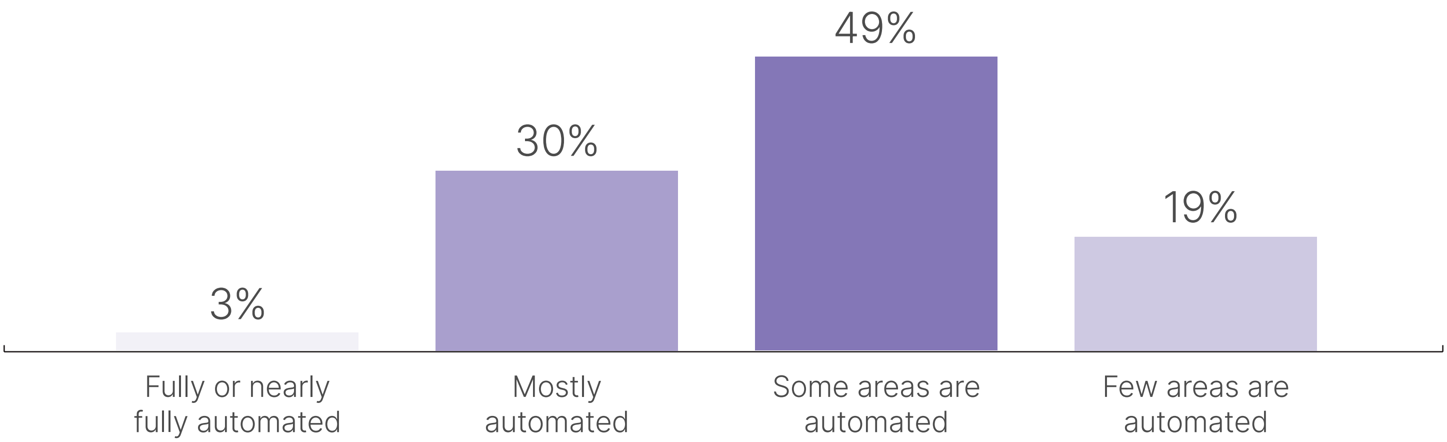
While the previous survey question shows that most brands and agencies are taking a hybrid approach, they place the highest level of privacy-related trust with their in-house data approaches and tools.

	5 = Very high trust	4 = High	3 = Moderate trust	2 = Low	1 = Very low trust	Not applicable
In-house approaches and tools	30%	32%	19%	8%	3%	8%
Established platforms such as Google and Apple	21%	26%	46%	0%	8%	0%
New innovative solutions	11%	18%	34%	32%	5%	0%
Hybrid approach	8%	38%	51%	3%	0%	0%

Many brands and agencies are still early in the automation process (using technology automatically to do routine tasks)

Survey Question: How far along is your organization in terms of automating your marketing strategies and approaches to privacy, identity, and collecting and managing first-party data?

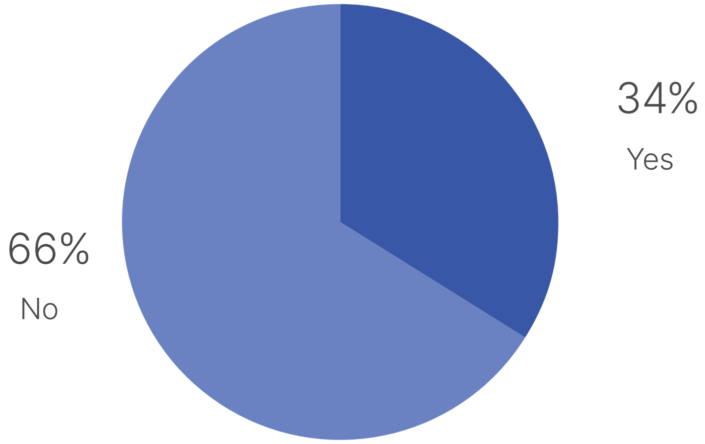
Automation related to privacy, identity, and first-party data is still an emerging trend in advertising. Only one-third of brands and agencies are "mostly" or "fully" automated in these areas currently.



Decreasing ability to target and identify prospects and audiences

Survey Question: In the last 12 to 24 months have you seen a decrease in your ability to target and/or identify your key prospect audiences/users?

Thirty-four percent of brands and agencies say their ability to target and identify prospects has decreased in the last one to two years.



Brands and agencies on how publishers and media companies should increase targeting and user accessibility

Survey Question: What do you believe publishers and media companies can do to increase targeting and user accessibility on their side?

The majority of brand and agency executives feel publishers and media companies can do a number of things to improve targeting and user accessibility.

	% Respondents
With clear communication about the data-personalization value exchange	58%
Investing in data platforms and technology	58%
Building more direct customer and audience relationships	57%
With clear communication about data consent	56%
Gathering and analyzing more first-party and contextual data	54%
Offering specific incentives, offers or discounts, etc. to drive more data/information sharing	36%
Other	3%

How brands are motivating customers to provide more first-party data

Survey Question: What is your organization doing to motivate your customers to produce more first-party data?

The top three ways the buy-side is motivating their customers (or their clients' customers) to provide more first-party data are to provide clearer communication about data consent, gathering more first-party and contextual data, and reviewing their digital advertising strategies and tactics.

	% Respondents
With clear communication about data consent	60%
Gathering and analyzing more first-party and contextual data	60%
Reviewing and revising digital advertising strategies and tactics	53%
Building more direct customer and audience relationships	47%
Working with publishers and media companies more closely	43%
Investing in advertising technology	43%
With clear communication about the data-personalization value exchange	37%
Offering specific incentives, offers or discounts, etc. to drive more data/information sharing	30%
Other	3%

Strategies and tools used to mitigate targeting and addressability issues

Survey Question: What types of strategies and tools are you using to mitigate targeting and addressability issues such as the lack of first-party data?

This was an open-ended question. The key themes in the responses include:

- A wide range of strategies, approaches, tools, and platforms
- A focus on first-party data
- Emphasis on contextual data and advertising programs
- Partnerships

Select comments:

"Appending third-party data."
VP with Agency

"CDPs, cloud infrastructure, clean rooms, first-party data assets, location data and insights tools."
C-Level with Agency

"CDPs, ID Graph."
Brand Director

"Contextual placement has been and continues to be the most important factor in targeting. That, and any form of life cycle event identification are the best ways to identify the audience."
C-Level with Agency

"Contextual signals and intent data (monitoring interaction, search queries, and content consumption patterns). Partnerships and data sharing, machine learning and AI."
C-Level with Agency

"Contextual and first-party data."
Brand Director

"First-party data and off-line sourcing."
VP with Brand

"Geo-temporal profiling."
VP with Agency

"Incentive/sign-up programs, email opt-ins."
C-Level with Agency

"LiveRamp IDs, TTD ID's, ADH, MTA, MMM."
Brand Manager

"Modeling and contextual."
Brand Manager

"More partnerships with third-parties such as retailers."
C-Level with Agency

"S2s integrations with walled gardens, first-party data targeting, look-alike creation across performance media automated placements. DABA, dynamic ads for broad audiences."
Brand Director

"Utilizing contextual targeting and third-party audiences."
Agency Director

"We partner with Google, Facebook and Shopify to use their analytics to target customers and when and where to place ads. We also review the data we pay for or they provide free of charge."
VP with Brand

"With clients we focus on first-party data collection and the best ways to engage those audiences to keep them in the consideration conversion phase. With vendors we focus on what cookieless solutions they are offering to target audiences and ensuring these are being executed in an ethical way (i.e., not fingerprinting but collecting data in either a consented way or a logical way such as partnership with LinkedIn)."
Agency Director

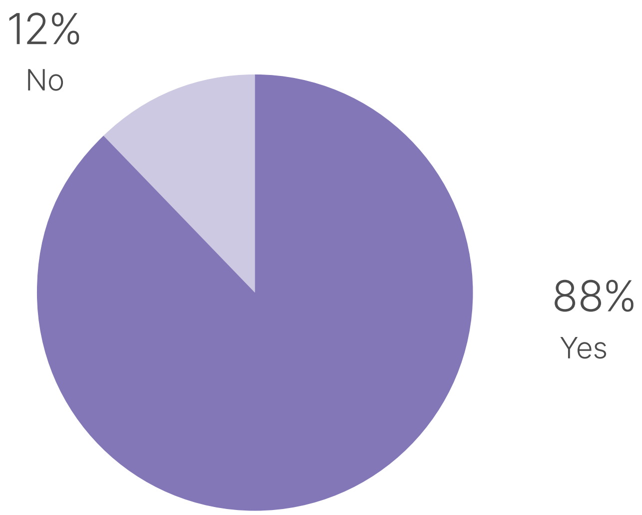
"Working on building direct relationships with customers and exploring contextual media environments."
C-Level with Agency

"Zero-party data and data enrichment."
Brand Manager

Percentage of brands and agencies with a CTV strategy

Survey Question: Do you have Connected TV (CTV) as part of your advertising strategy?

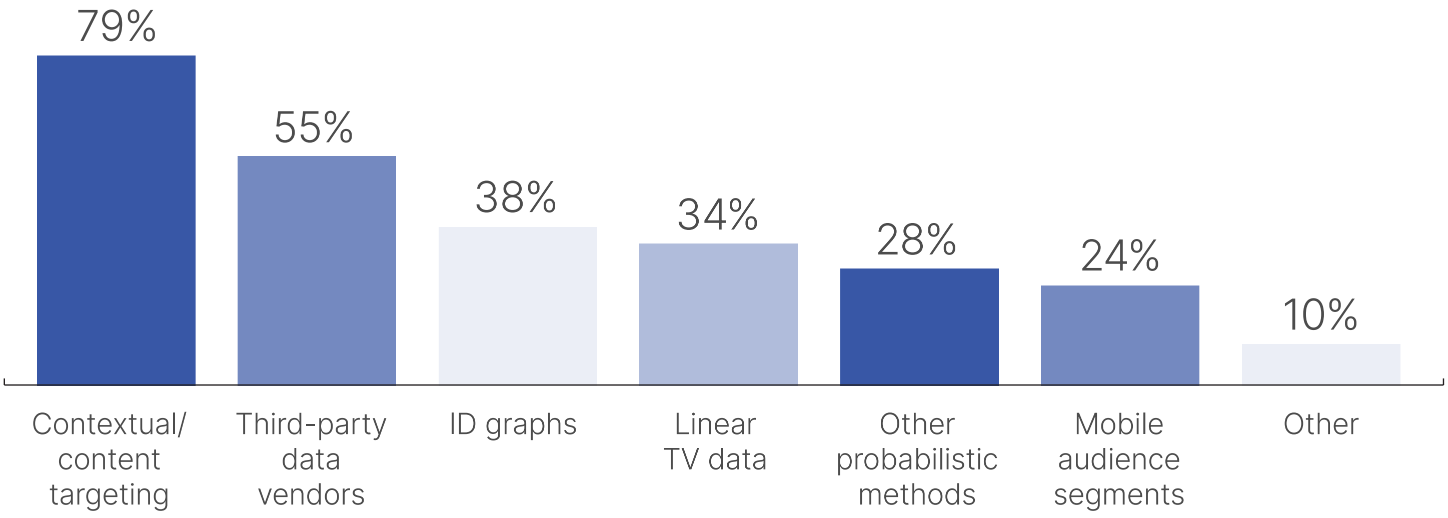
Nearly all brands and agencies have quickly adopted CTV into their advertising strategies.



How to identify and target consumer segments on CTV

Survey Question: How do you identify and target consumer segments watching CTV today?

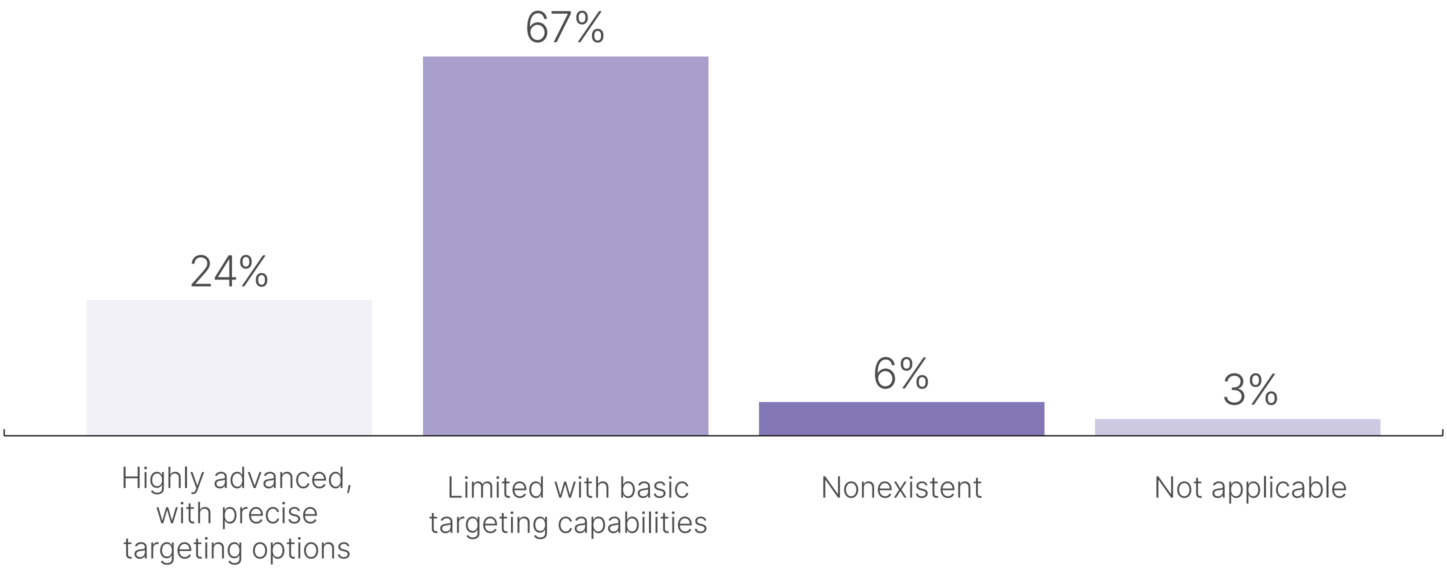
Most of the buy-side is using contextual/content targeting or third-party data vendors for CTV identification and targeting.



CTV addressability

Survey Question: What is your opinion of the current state of addressability in the Connected TV (CTV) environment?

Two-thirds of buy-side executives say CTV addressability is currently limited with mostly basic targeting capabilities.



Biggest digital advertising opportunities and challenges

Survey Question: What are the biggest digital advertising industry opportunities and challenges you see over the next few years?

This was an open-ended question.
The key opportunity themes include:

- First-party data focus
- Industry standardization
- Improved measurement capabilities
- Partnerships
- Vendor consolidation

The executives often noted the following challenges:

- Privacy issues
- Attribution and measurement
- Costs and ROI

Opportunities:

"A more unified internet in the face of having to replace cookies. I would love to see the industry come together and standardize some methodology that isn't owned by a large walled garden but is overseen by the IAB and perhaps an industry panel."
Agency Director

"AI."
Brand Manager

"By walking away from the cookie, advertisers finally have a chance to go for reach and scale that will actually grow share."
C-Level with Agency

"Collaboration and partnership."
C-Level with Agency

"Connected stores."
C-Level with Agency

"Consolidation of vendors, especially data vendors."
Brand Director

"Define a new industry standard."
Agency VP

"Expanding the value proposition, and the potential to limit number of ads for individuals in order to serve more quality ads."
Agency Director

"Getting away from immediate performance to focus on building longer term brands."
Brand Manager

"Interactivity."
C-Level with Agency

"Leveraging data analytics and AI technologies can help advertisers reach the right audience with tailored messages, enhancing campaign effectiveness and ROI. Popularity of mobile devices and video platforms to deliver engaging, interactive ad experiences to consumers."
C-Level with Agency

"More first party data."
Agency Director

"More precise targeting tools."
C-Level with Agency

"More targeted ads and time, place, and season."
VP with Brand

"Rebuild 1-to-1 consumer brand relationships and in-house modeling across omnichannel."
Brand Director

"Refocus on measurement, away from targeting."
Agency VP

"Unique sourced first-party data."
Agency VP

"Video consumption's movement on a digitally delivered channel."
C-Level with Agency

Challenges:

"Accurate targeting."
Agency VP

"Attribution and measurement."
C-Level with Agency

"Campaign measurement, monopolization of Google, and walled gardens."
Brand Manager

"Collaboration and partnership."
C-Level with Agency

"Continued privacy concerns and market saturation."
Agency Director

"Crowded market."
Agency VP

"Data privacy."
C-Level with Agency

"Decay of audience preference signals leading to loss of efficiency of advertising."
C-Level with Agency

"Holistic measurement, addressability at scale, addressability costs."
Director with Brand

"Media channel interoperability."
C-Level with Agency

"More privacy."
Brand Manager

"No one understands measurement."
Agency VP

"Privacy and media fragmentation."
Brand Manager

"Reduced mass audience data."
C-Level with Agency

"Removal of cookies."
Agency Director

"Resources and budget for in-house modeling, reliable modeling, acceptance of decay of measurement loss of attribution, measurement of paid media conversions, lack of deduplication."
Brand Director

"The pricing of ads and who to advertise with."
Brand VP

"Tracking conversion actions back to specific tactics."
Agency Director

"Tech required at the store level."
C-Level with Agency

II. Publisher & Media Company Survey Data

A diverse group of publishers and media companies were surveyed and their findings are outlined here.

Identity strategies and approaches used by publishers and media companies – and what's planned to be adopted over the next six to eighteen months

Survey Question: In response to industry changes related to privacy, identity, and the loss of third-party cookies, which of the following strategies and approaches is your organization using, offering, or developing currently – or that you plan to utilize over the next next six to eighteen months?

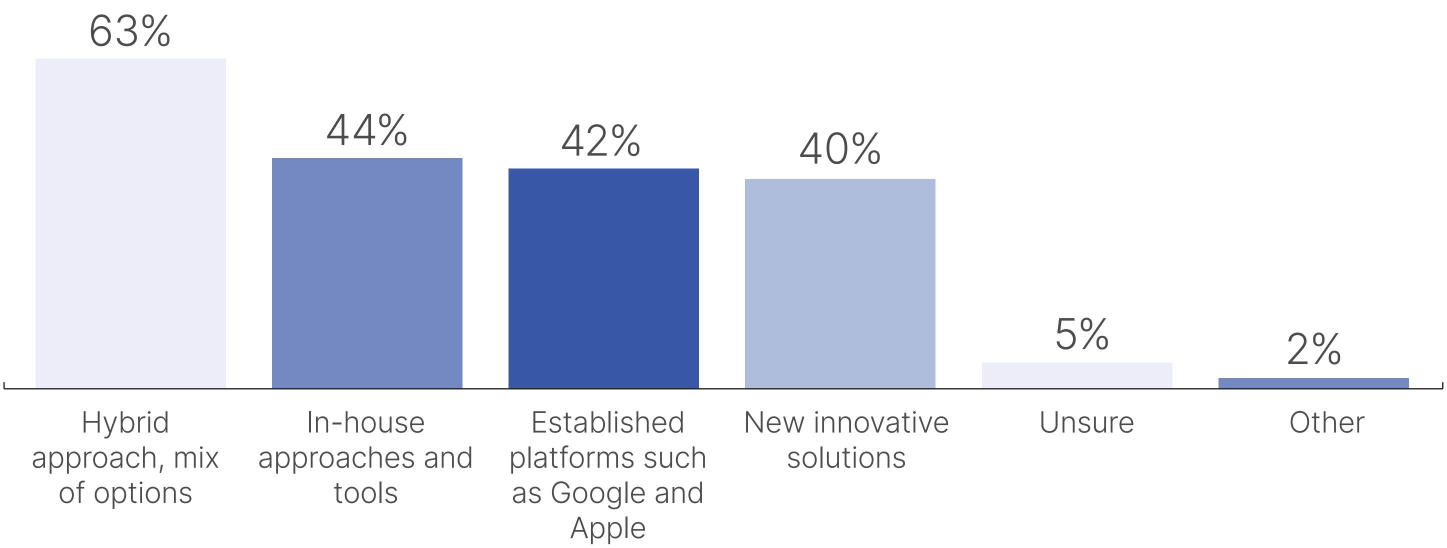
A big shift is underway within the advertising sell-side. Currently, over half of web-native/desktop publishers and media companies are relying on contextual targeting and third-party cookies. And 40% or more are using seller-defined audiences, cohort-based targeting, publisher-provided IDs, and/or industry/universal IDs. Over the next six to twelve months ***more than 30% of these companies are expecting to begin to use publisher-provided IDs (43%), Google Privacy Sandbox solutions (37%), seller-defined audiences (33%), and industry/universal IDs (33%).***

	Using/offering/ developing currently	Likely offered/ developed in 6 to 12 months	Likely offered/ developed in 12 to 18 months	No plans to use or implement
Contextual targeting	72%	21%	5%	2%
Third-party cookies	65%	10%	3%	23%
Seller-defined audiences	47%	33%	14%	7%
Cohort-based targeting	46%	27%	5%	22%
Publisher-provided IDs	43%	43%	5%	10%
Industry or universal IDs	40%	33%	15%	13%
Clean room technologies	31%	23%	10%	36%
Mobile ad IDs	29%	24%	18%	29%
Identity graphs	28%	28%	13%	33%
Modeled solutions	28%	25%	13%	35%
ID aggregators	21%	28%	26%	26%
Privacy Sandbox solutions (TOPICS, FLEDGE)	11%	37%	18%	34%

Platform and solution usage

Survey Question: In response to industry and regulatory changes, are you primarily relying on, or plan to rely on, established platforms such as Google and Apple, new innovative solutions, in-house approaches and tools, or a hybrid approach with a mix of options?

The majority of publishers and media companies (63%) are taking a hybrid approach to privacy issues by using a mix of options, and 44% are mostly using in-house developed approaches and tools. ***These findings further show there is no overall industry standard approach, platform, or solution established yet.***



Trust levels: privacy approaches and tools

Survey Question: Please rate the following approaches and tools by your level of trust in terms of the solution's adherence to data privacy requirements.

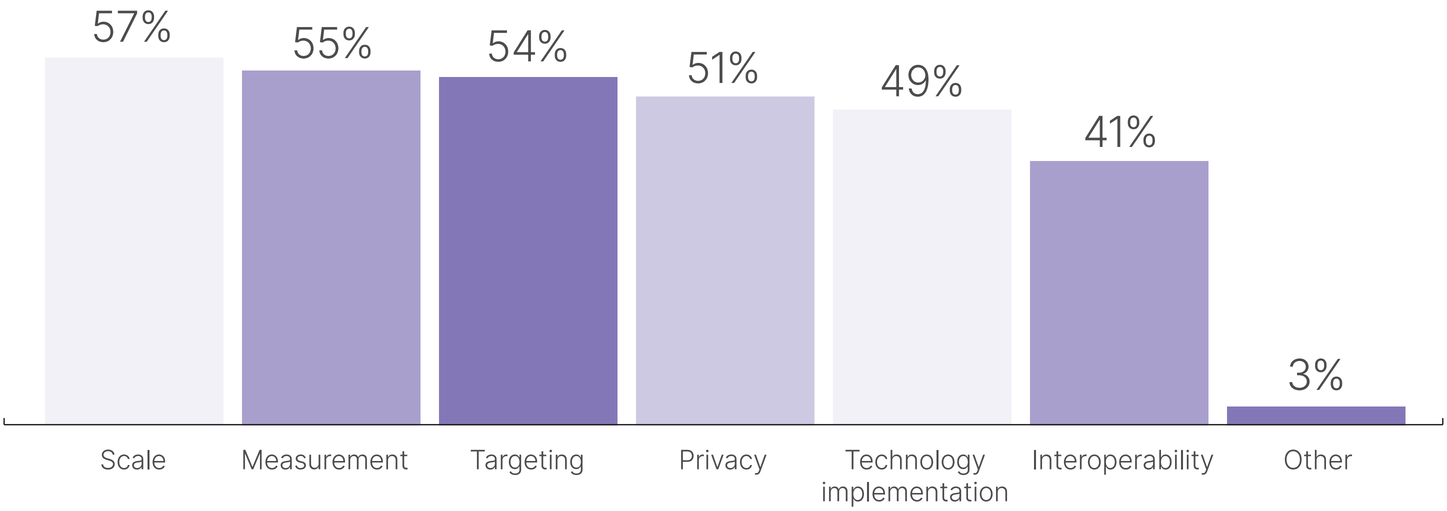
By a wide margin publishers have the most trust in their in-house developed responses to data privacy. Publishers and media companies like the control and the sense of risk mitigation they get by using their own solutions and processes. Yet, the sell-side also has moderate to high levels of trust in the largest, established platforms, in taking a hybrid approach, and in many of the new innovations in the industry. Bottom line, ***overall, there's a decent amount of trust industry-wide in a number of strategies and approaches, but there are still sizeable gaps and the industry needs an even higher level of trust.*** Advertisers, regulators, audiences, and consumers are demanding a higher level of certainty that their data is private.

	5 = Very high trust	4 = High	3 = Moderate trust	2 = Low	1 = Very low trust	Not applicable
In-house approaches and tools	38%	24%	27%	8%	0%	3%
Established platforms such as Google and Apple	13%	39%	32%	8%	8%	0%
Hybrid approach	5%	38%	44%	3%	3%	8%
New innovative solutions	5%	26%	49%	15%	0%	5%

Most important privacy and identity solution-related issues

Survey Question: When considering solutions to industry privacy and identity issues, and the loss of third-party cookies, which of the following are most important to your organization?

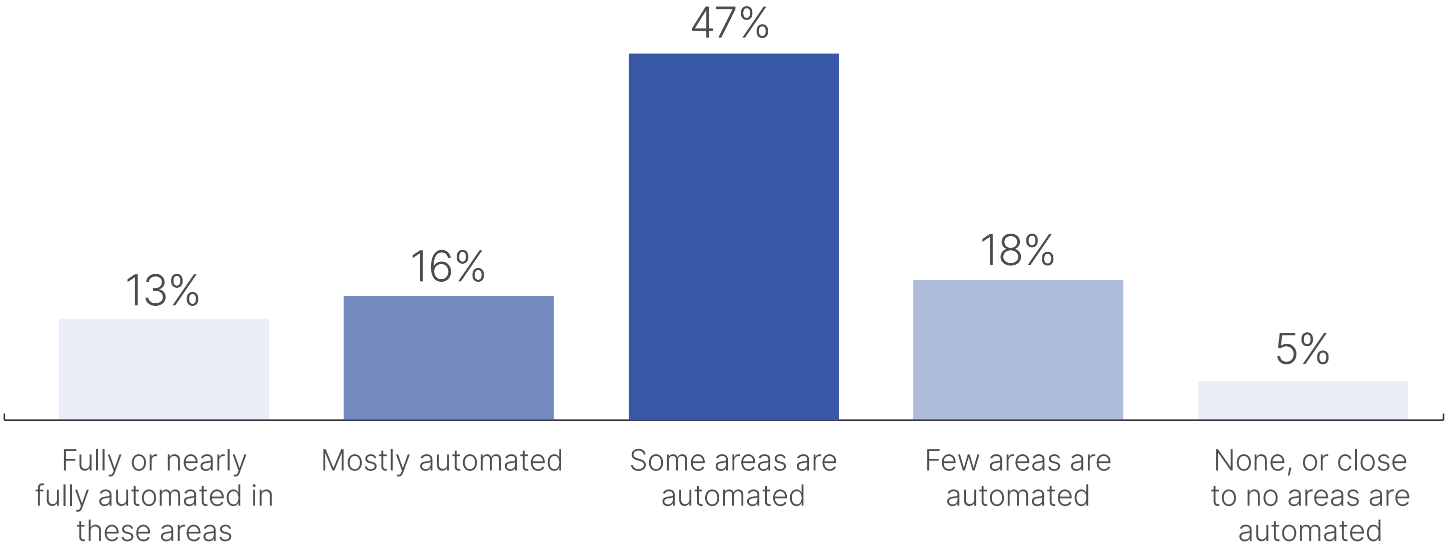
Scale, measurement, and targeting are the top focus areas as these are all closely tied to monetization.



Automation of routine tasks related to privacy, identity, and data management is still a work-in-progress

Survey Question: How far along is your organization in terms of automating your strategies and approaches to privacy, identity, and collecting and managing first-party data?

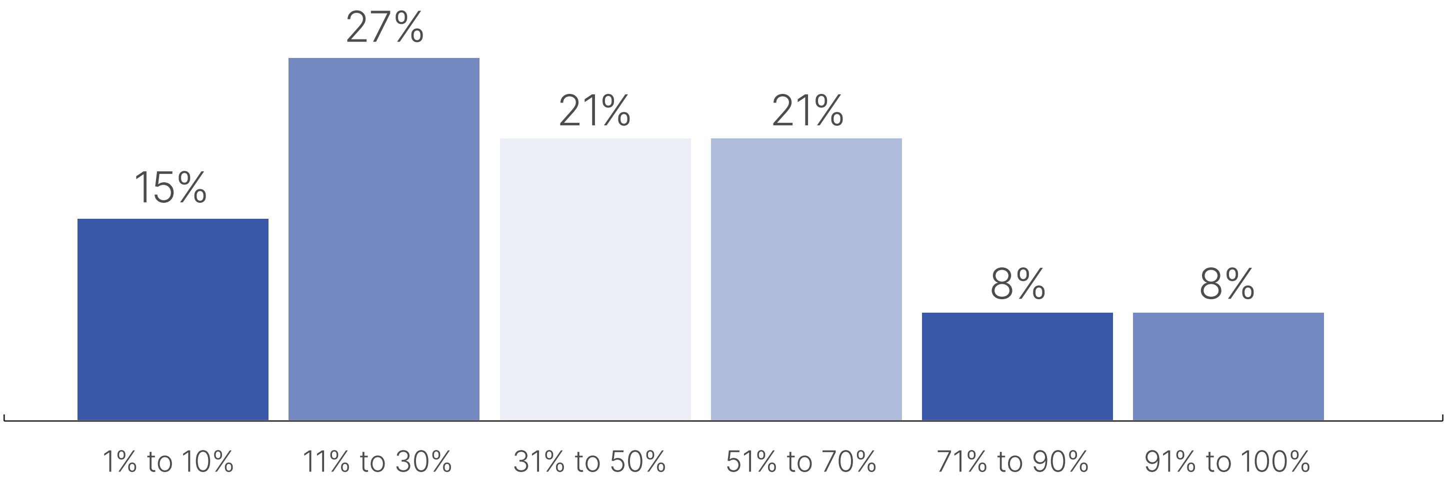
Nearly half of the respondents (47%) say their privacy and first-party data strategies and approaches are partially automated.



Percentage of total audience that's unaddressable

Survey Question: What percentage of your total audience is unaddressable?

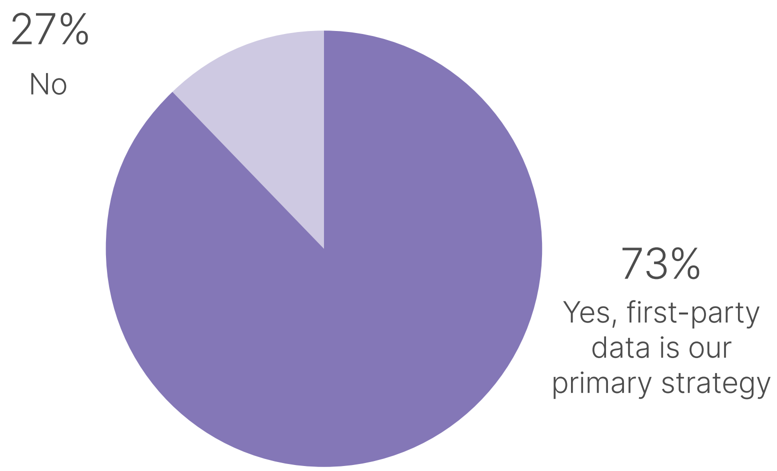
Unaddressable audience metrics range widely within the industry. But some statistical groupings can be made, such as that a total of ***37% of publishers and media companies say more than half of their total audience is unaddressable.*** These are not crisis levels but they are not good either.



Percentage of publishers and media companies primarily focusing on growing first-party data

Survey Question: Overall, is your strategy to primarily rely on first-party data to retain and grow monetization levels vs. other solutions?

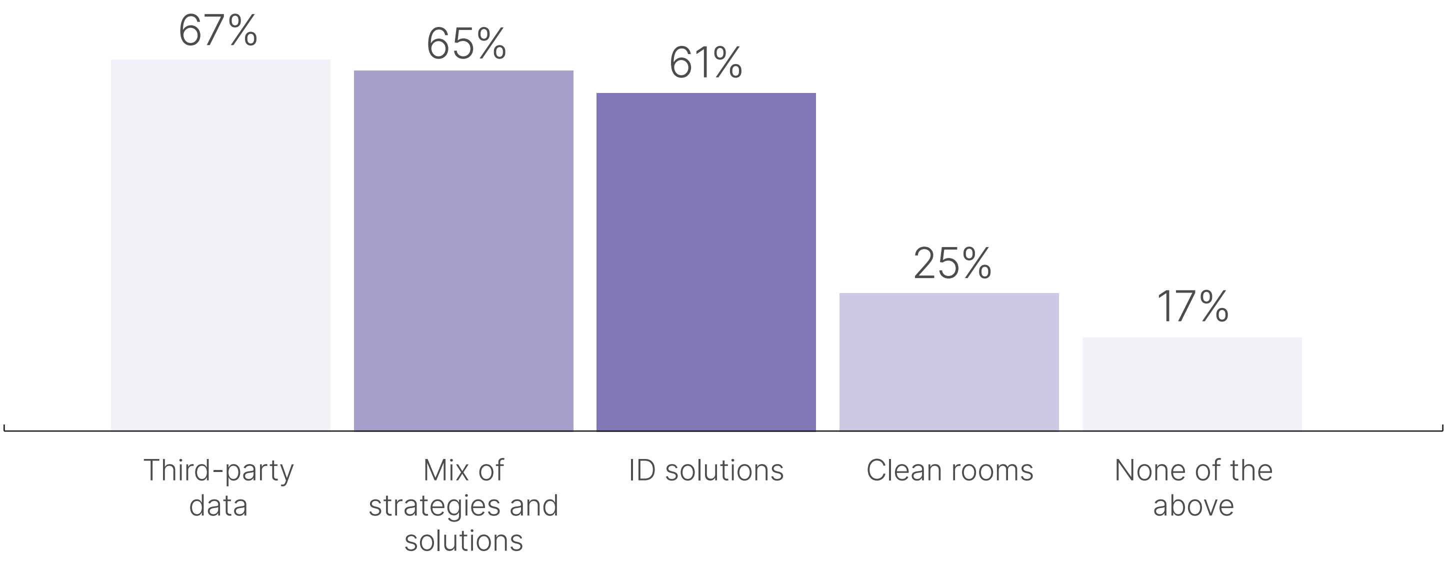
Emphasis on growing first-party data is the primary privacy and monetization strategy for nearly three out of four publishers and media companies. This is the critical initiative for most of the sell-side of the industry.



If not prioritizing first-party data, where's the focus?

Survey Question: If relying on first-party data is not your primary strategy, what else are you prioritizing to retain and grow monetization levels?

The respondents that are not prioritizing first-party data are using a mix of approaches including third-party data and various ID solutions.



How publishers & media companies are motivating audiences to generate more first-party data

Survey Question: How are you or are you planning to motivate your audience to generate more first-party data?

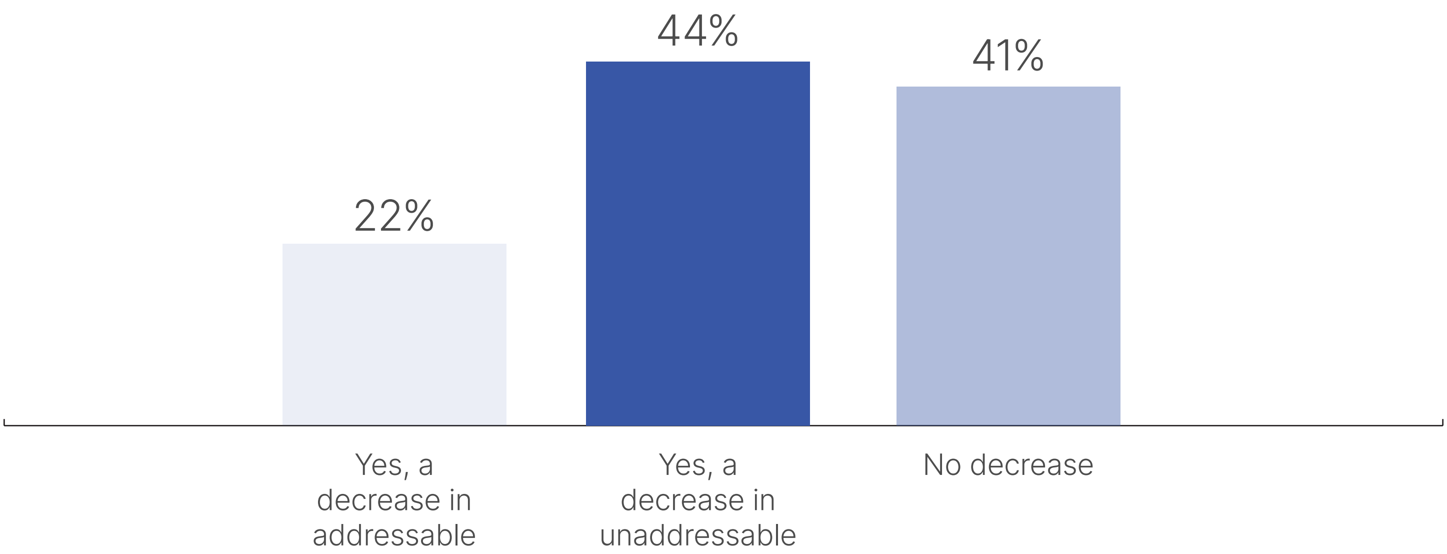
Over half of the supply-side of the industry is motivating audiences to provide more data and consent via audience relationship building, with clearer communication about data consent, and by reassessing their digital advertising strategies and tactics.

	% Respondents
Building more customer and audience relationships	59%
With clear communication about data consent	56%
Reviewing and revising digital advertising strategies and tactics	50%
With clear communication about the data-personalization value exchange	47%
Working with brands and agencies more closely	44%
Offering incentives, offers or discounts, etc. to drive more data/information sharing	38%
Working with AdTech providers more closely	35%
Investing in advertising technology	32%
Other	6%

Ability to monetize addressable and unaddressable audiences

Survey Question: Based on CPM trends you are experiencing, have you seen a decrease in your ability to monetize your addressable or unaddressable audiences/users?

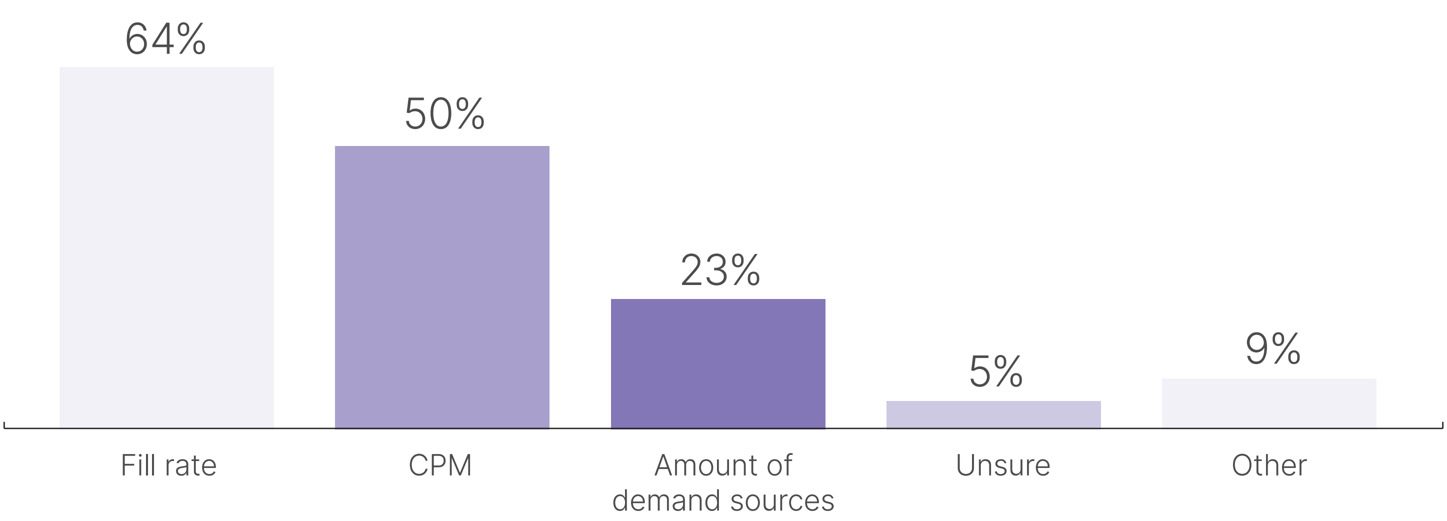
Not surprisingly, a sizeable 44% of publishers and media companies say they have recently seen a decrease in their ability to monetize their unaddressable audiences.



How is monetization decline measured?

Survey Question: If you have seen a decrease in your ability to monetize your audiences/ users, which metrics do you primarily use to measure the decline?

Declining addressability is mainly gauged by tracking fill rate and CPM metrics.



Benchmarks: decreased addressability

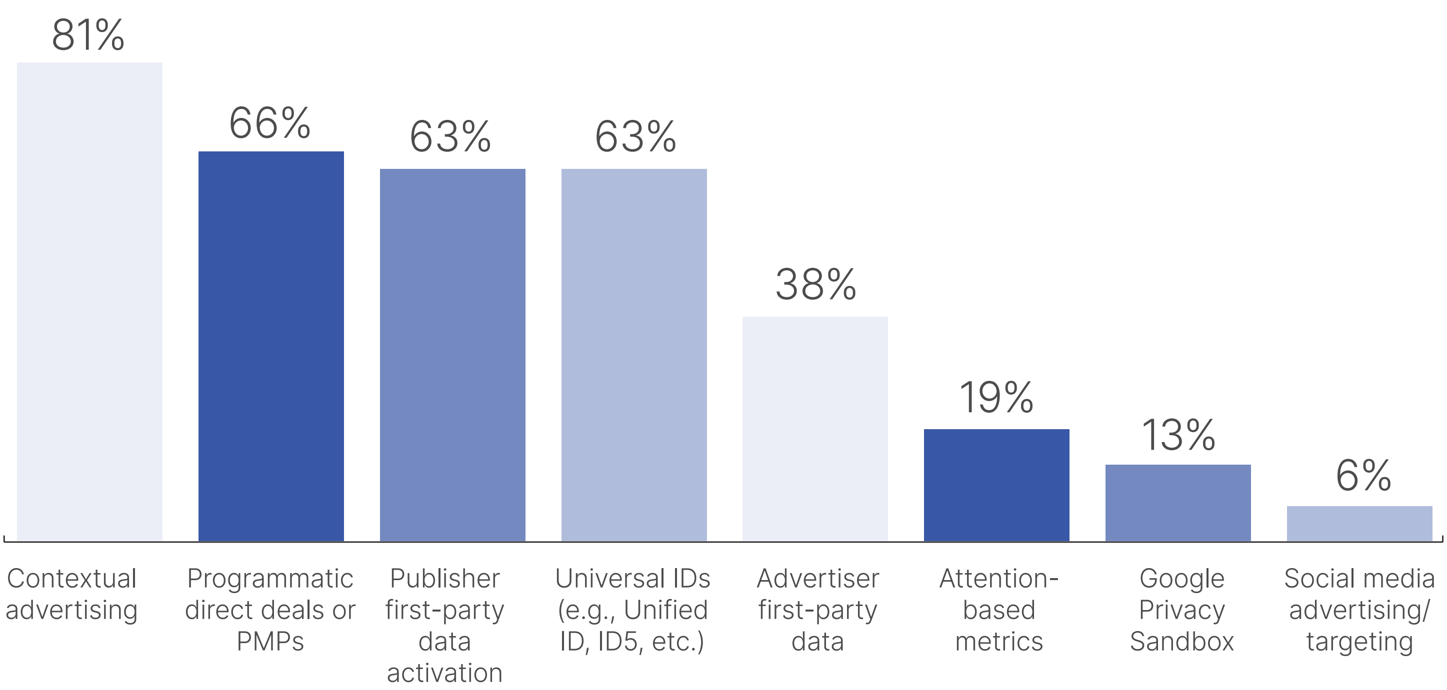
Survey Question: If you have experienced a decrease in the ability to monetize addressable and/or unaddressable audiences/users, what has been the percentage decline overall and for iOS users separately?

The average overall audience/user monetization percentage has recently declined by 14%. When considering audience/user monetization decline, the average according to the survey respondents has been 35%.

Ideal monetization industry standards for publishers and media companies

Survey Question: What are your preferred monetization approaches that you'd like to see become the industry standard(s) in the absence of cookies?

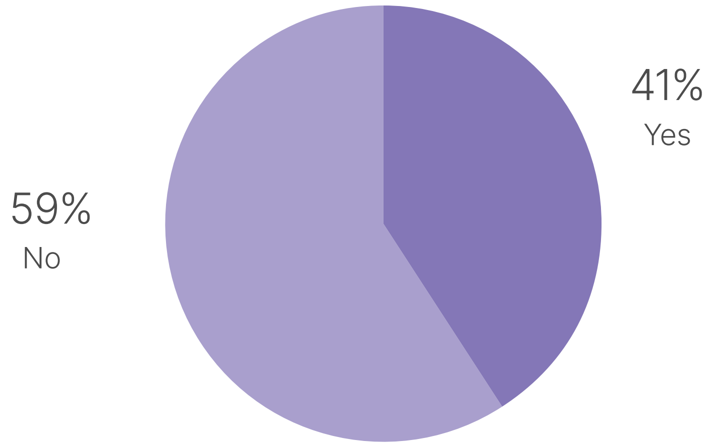
Publisher and media company executives want to see more focus on making contextual advertising the industry standard when cookies are finally gone. In addition, more than 60% of the sell-side would like to see more standards established around programmatic direct deals or PMPs, universal IDs, and publisher first-party data activation.



Percentage of publishers and media companies with a CTV advertising strategy

Survey Question: Do you have Connected TV (CTV) as part of your advertising strategy?

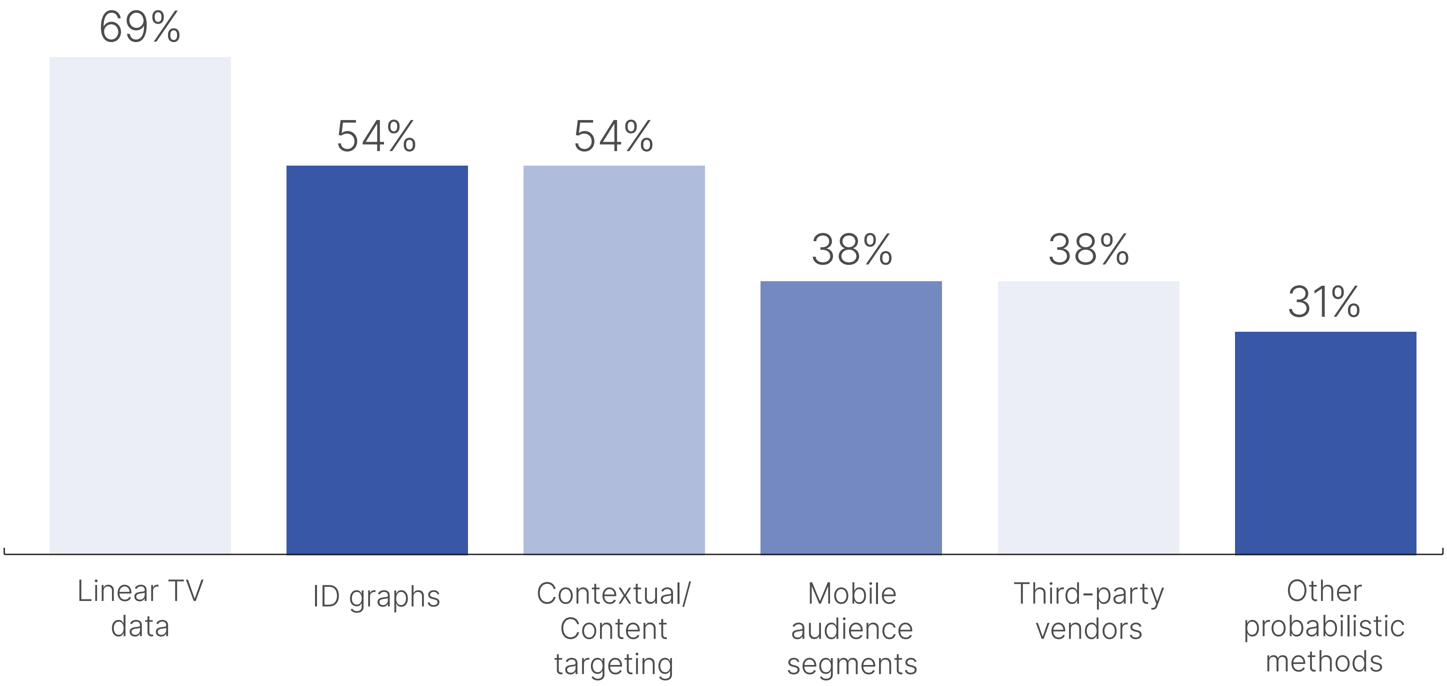
Forty-one percent of publishers and media companies have a specific CTV advertising strategy. This compares to 88% of the buy-side of the industry.



CTV identification approaches

Survey Question: How do you identify and target consumer segments watching CTV today?

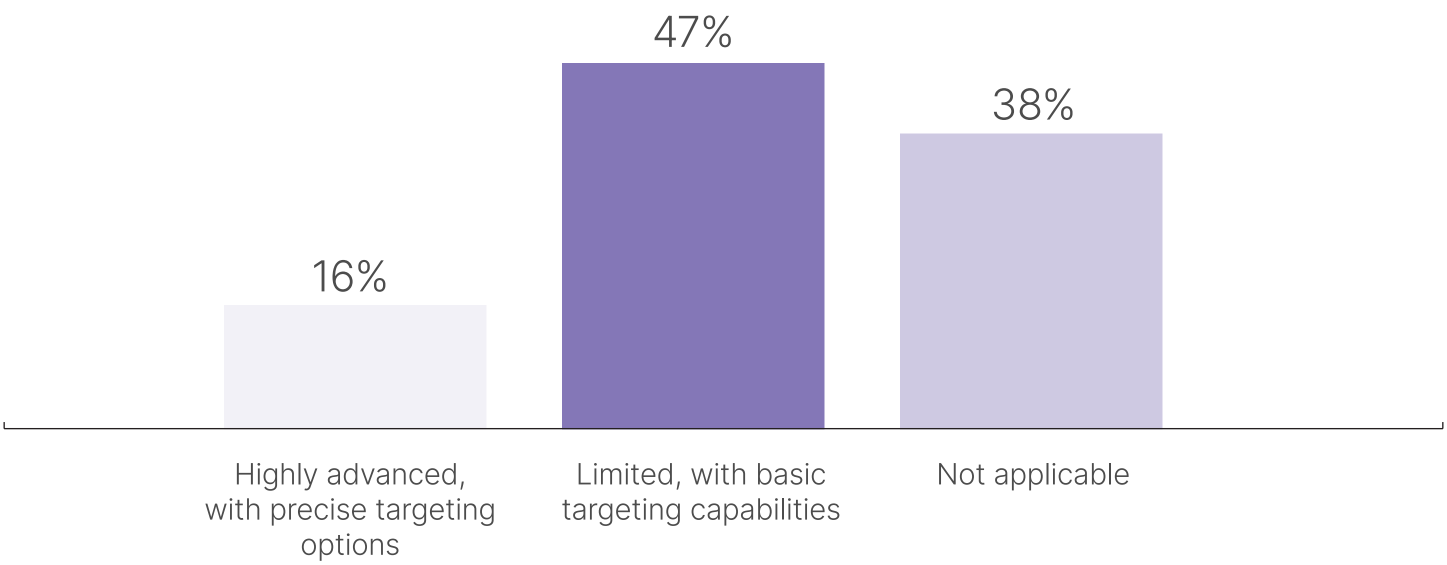
The main CTV identification and targeting approaches are to use linear TV data, ID graphs, and contextual targeting.



The state of CTV addressability, according to publishers and media companies

Survey Question: What is your opinion of the current state of addressability in the Connected TV (CTV) environment?

Just under half of publishers and media companies (47%) say they believe that CTV addressability is "limited" with mostly basic targeting available.



Publishers and media companies' biggest digital advertising opportunities and challenges

Survey Question: What are the biggest digital advertising industry opportunities and challenges you see over the next few years?

This was an open-ended question. The key opportunity themes in the responses include:

- Accessing more first-party data and using it more effectively
- Continuing to build relationships and trust with audiences
- Various partnership models
- CTV

The executives often noted the following challenges:

- Concerns about major technology platform dominance
- Accessing true identity signals and resolution solutions that protect privacy
- Uncertainty around evolving industry standards and timelines
- Measurement

Select comments related to opportunities are provided below, followed by a separate bulleted section with responses about challenges.

Biggest opportunities:

"Addressable TV."
Director with Media Company

“Better educate buyers on the value of our brand and audience.”
VP with Publishing Company

“Better relationships.”
Manager with Publishing Company

“Build user and publisher relationships.”
Director with Publishing Company

“Cookieless environment, a new era of digital marketing.”
Manager with Media Company

“Cookies being removed, AI, CTV.”
VP with AdTech Company

“Direct deals with publishers that cut out the middle-man.”
Director with Publishing Company

“Direct to consumer marketing; enabling this with our IP that requires no PII sharing.”
C-Level with AdTech Company

“Dollars shifting from linear to addressable TV; spend justification shifting from top line metrics to incrementality, MMM, and attribution.”
Manager with Media Company

“Even greater audience using digital media exclusively.”
VP with Media Company

“First-party data partnerships.”
Manager with AdTech company

“First-party data strategy and cross channel measurement.”
C-Level with Brand

“First-party data.”
VP with Publishing Company

“Gathering granular data for local advertising opportunities.”
C-Level with Media Company

“Increased interoperability, more relevant ads, less ad waste, and enhanced privacy for users.”
Director with SSP

“Increased reliance and value of first-party data.”
C-Level with Media Company

“More consolidation, with opportunities to prioritize the favorable universal IDs and cookieless alternatives.”
Manager with Publishing Company

“More programmatic.”
C-Level with AdTech Company

“New solutions that build trust with users.”
VP with Publishing Company

“New value exchange (i.e., monetization) models.”
VP with Publishing Company

“Personalization, targeting, and leveraging publisher first-party data in the absence of cookies.”
VP with Publishing Company

“Privacy first as base for advertising.”
Manager with Publishing Company

“Publisher to client/agency direct relationships and more value to verticals.”
VP with Publishing Company

“Shifts to privacy-driven attributable marketing.”
C-Level with AdTech Company

“Sports on streaming.”
Director with Media Company

“Unified header bidding for CTV.”
Director with Media Company

“Value of publisher first-party data and contextual targeting.”
VP with Publishing Company

Publishers and media companies' biggest digital advertising challenges:

"Brand safety."
VP with Publishing Company

"Consolidation leading to a decrease in data providers who relied on third-party cookies. Also, some technology providers are not being prepared for the deprecation of third-party cookies."
Manager with Publishing Company

"Consolidation."
VP with Media Company

"Continued walled gardens and fragmentation."
Director with Publishing Company

"Cookieless environment."
Manager with Media Company

"Deprecation of cookies."
Director with Media Company

"Early stage of evolution but we are progressing."
C-Level with AdTech Company

"Economy and walled garden dominance."
VP with AdTech Company

"First-party data."
VP with Publishing Company

"Getting away from current programmatic methods and moving towards consent driven real people-based data."
C-Level with AdTech Company

"Getting data based on a host of media activities."
C-Level with Media Company

"Identity resolution and safe data sharing."
Manager with AdTech Company

"Identity resolution."
C-Level with AdTech Company

"Identity signals."
Director with Publishing Company

"Impact on non-endemic targeting capabilities."
VP with Media Company

"Increased publisher competition resulting in reduced ad spend per publisher."
VP with Media Company

"Measurement."
VP with Media Company

"Performance measurement."
VP with Publishing Company

"Privacy and limitations to data-driven practices."
Director with Media and Entertainment Company

"Privacy, technology implementation, and scale in niche audiences."
VP with Publishing Company

"Reaching advertisers as a small publisher."
Director with Publishing Company

"Scale."
VP with Publishing Company

"Signal loss and privacy."
C-Level with AdTech Company

"Third-party cookies going away; Google and Apple making it harder to get a clear picture of return on ad spend; privacy regulations; ad targeting and measurement leveraging identifiers like UID2.0; and ad targeting and measurement using Google Sandbox."
Manager with Media Company

"Uncertain timelines provided by the biggest walled gardens, namely Google and Apple."
Director with DSP

"Universal attribution measurement."
Director with Media Company

"Usage of IDs as replacement for third-party cookies."
Manager with Publishing Company

Methodology & About the Respondents

Verve and AdExchanger surveyed a cross-section of leading brands, agencies, publishers, and media companies serving a range of industry sectors. The survey was conducted in February 2024 and received 178 responses.

Type of organization

	% Respondents
Publisher/Media Company	34%
Agency	28%
Brand	22%
AdTech	11%
DSP or SSP	3%
Other	2%

Respondents' job level

	% Respondents
C-level	29%
EVP/SVP/VP	27%
Director	29%
Manager	15%

Number of employees

	% Respondents
Under 500	51%
501 to 1,000	9%
1,001 to 5,000	11%
5,001 to 10,000	10%
Over 10,001	20%
Other	2%

Gross revenue

	% Respondents
Less than $100 million	44%
$100 million to $500 million	23%
$500 million to $1 billion	9%
$1 billion to $10 billion	15%
Over $10 billion	10%

Brands & agencies only: digital advertising budget

	% Respondents
Less than $1 million	44%
$1 million to $10 million	27%
$11 million to $50 million	10%
Over $50 million	20%

Publishers & media companies only: total digital advertising revenue

	% Respondents
Less than $1 million	5%
$1 million to $10 million	29%
$11 million to $50 million	34%
Over $50 million	32%

About Verve

Verve has created a more efficient and privacy-focused way to buy and monetize advertising. Verve is an ecosystem of demand and supply technologies fusing data, media, and technology together to deliver results and growth to both advertisers and publishers – no matter the screen or location, no matter who, what, or where a customer is. With 22 offices across the globe and with an eye on servicing forward-thinking advertising customers, Verve's solutions are trusted by more than 90 of the United States' top 100 advertisers, 4,000 publishers globally, and the world's top demand-side platforms.

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