



2024 H2 Market Report

Key insights on consumer, advertising,
and media trends with data gathered from
1,200+ leading marketing industry professionals.



 **mediaocean**

TechValidate
by SurveyMonkey



Table of contents

Introduction	3
Foreword by Karsten Weide	4
Insight #1: Ad spending holding strong	5
Insight #2: CTV surpasses AI as top consumer trend	7
Insight #3: Research and analytics prioritized over content generation in AI	9
Insight #4: Renewed focus on first-party data mastery	10
Insight #5: Measurement capabilities critical for ad verification	11
Conclusion & Methodology	12
About Mediaocean and Flashtalking	13

Introduction

Thank you for reading Mediaocean's 2024 H2 Market Report. These insights reflect input from more than 1,200 customers and partners, focused on key consumer and technology trends along with 2024 H2 projected media investments. We primarily surveyed marketers and agencies, but also included perspectives from media companies, measurement firms, tech platforms, and other industry cohorts. This is the sixth in our series of bi-annual market reports, with the first published at the end of 2021. The most recent data points used in this research are based on surveys conducted in July 2024.



Foreword



Karsten Weide

Principal and Chief Analyst
W Media Research



At the current moment, the marketing landscape, and the environment at large, are characterized by swift and dynamic change. Advertising is being transformed by technological advances, changes in consumer behavior, and market dynamics. The broader context includes continuing economic normalization amidst political and geopolitical uncertainty. Despite these rapidly changing conditions, Mediaocean's advertising outlook for the second half of this year, based on insights from more than 1,200 of our peers, testifies to our industry's confidence and its ability to adapt to and find opportunity in these fast-paced transformations.

Nothing speaks more clearly to our industry's confidence than marketers' plans for advertising spending: across all digital channels, they expect to continue expanding their advertising in the next six months. At the top of the list is Connected TV. This growth is partly organic but also driven by advertising budgets shifting from traditional TV to CTV, mirroring consumers' continuing transition from traditional TV to

CTV. This shift is seen as the most significant consumer trend in advertisers' minds, overtaking artificial intelligence from the previous survey.

CTV's popularity is also due to marketers viewing brand advertising as the second-most critical advertising capability and media investment. CTV combines TV's large canvas with the amenities of digital advertising, making it an ideal platform for brand campaigns.

As in previous surveys, respondents in Mediaocean's survey also expect both search and social platforms to attract significantly more spending, which is unsurprising given their view of performance-driven paid media as the top-most critical advertising capability. Given the uncertainty around signal loss, there appears to be a bit of a shift towards performance advertising from brand advertising.

As artificial intelligence (AI) has moved from the excitement of the novel in 2023 to the more sober experience of applying it in the real-world in 2024, marketers now feel CTV is the most important trend. Still, they recognize AI as a game changer in terms of advertising productivity, including the use of natural language queries for controlling ad platforms. Surprisingly, its major strengths are seen in data analysis and market research rather than content creation. I say "surprisingly" because I had considered dynamic creative optimization (DCO) as AI's most straightforward use-case to increase campaign effectiveness. However, this year's "black pope" incident underscored the risks of unsupervised content generation.

I have already mentioned that marketers' view performance and brand advertising as the top two most critical advertising capabilities and media investments. Measurement and attribution capabilities rank third. This is expected given Google's reversal on third-party cookie deprecation, ongoing discussions around made-for-advertising sites (MFA), Oracle's decision to exit the Ad Tech business and shut down Moat (a surprising step given Moat's prominence in the marketplace), and perennial concerns around ad fraud and viewability. There is also a desire for better measurement, particularly cross-media measurement, for CTV.

Lastly, there is a rapidly increasing interest in mastering first-party data strategies. Privacy regulation and signal loss are expected to worsen, not improve, adding to the uncertainty around how Google will implement cookie deprecation.

In conclusion, this snapshot of marketers' attitudes is testament to an advertising industry that is not merely reacting to change but embracing it with resilience and innovation. The confidence of advertisers, reflected in their ambitious spending plans and strategic shifts, signals a robust and adaptable landscape poised for growth. Connected TV stands out as a beacon of opportunity, merging the advantages of traditional TV with the precision of digital advertising. Meanwhile, the integration of artificial intelligence continues to reshape the industry, enhancing productivity and driving insightful data analysis.



Ad spending holding strong

For marketers to make informed decisions, it's essential to understand the broader trends that influence advertising spending. Our research shows that the wave of optimism in the industry heading into 2024 has continued. Midway through the year, a significant majority again expressed their intention to either maintain or increase their spending in every channel. Beyond macroeconomic conditions, tentpole events such as the summer games in Paris and major advertising cycles like the US presidential election are likely drivers of increased investment.

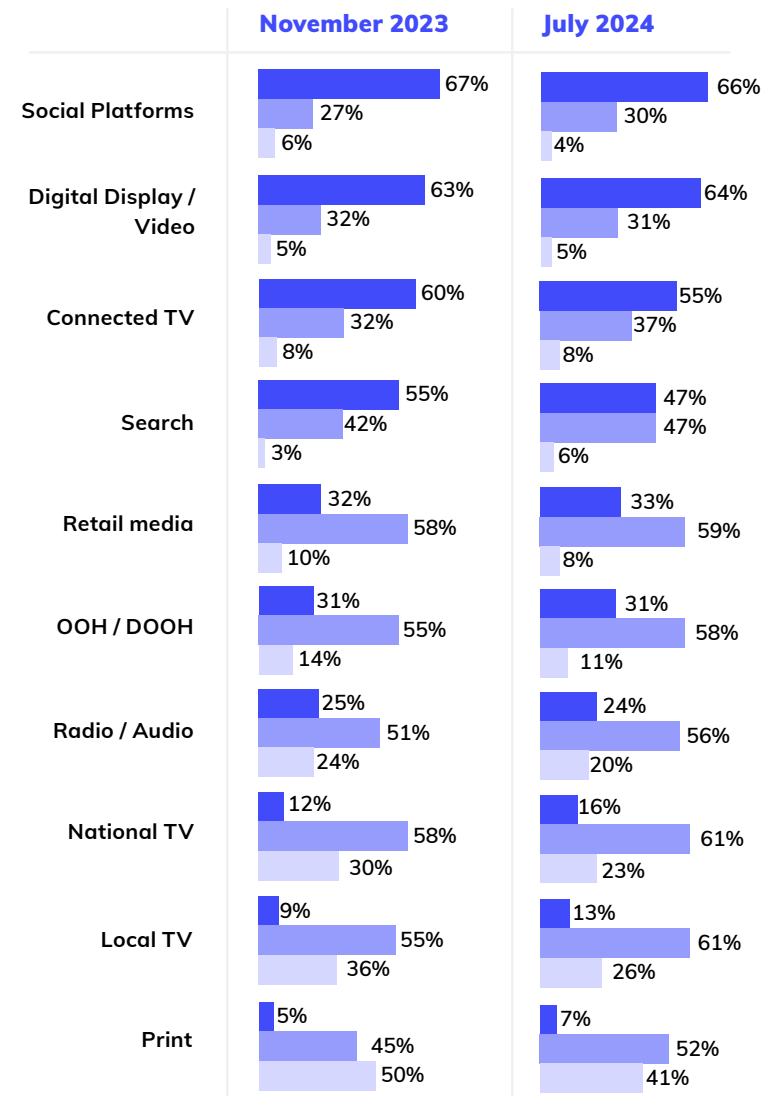
Social media, digital display/video, and Connected TV (CTV) are still the fastest growing channels, seeing a steady increase in investment that matches consumer engagement and time spent. In H2, 66% of survey-takers are planning to increase social media spending, 64% for digital display/video, and 55% for CTV. Meanwhile, the number of marketers maintaining their investments in these channels are 30%, 31%, and 37%, respectively.

Just as we saw in H1, Print and TV are the only channels with more respondents indicating they are decreasing investment compared to increasing—however, the majority reported maintaining those budgets. Looking ahead to 2025, there are lots of factors to consider for annual planning but as the global economy continues to improve with the pandemic in the rear-view, ad budgets are likely to follow.



For each media channel below, do you expect to increase, decrease, or maintain your spend?

● Increase ● Maintain ● Decrease



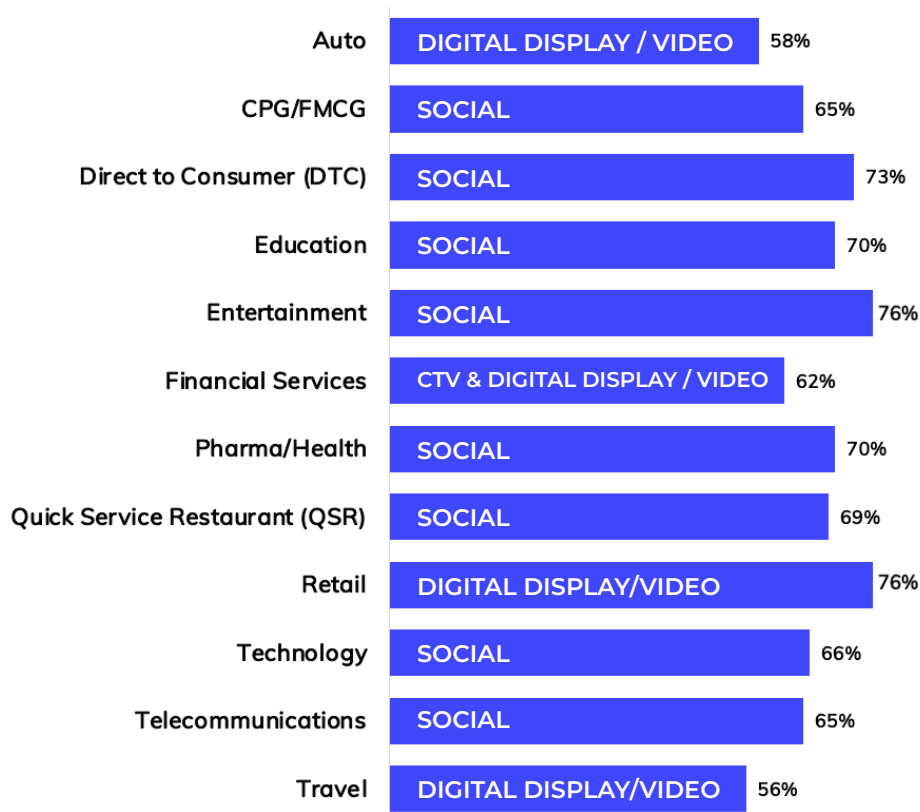
Source: Mediaocean 2024 H2 Market Report
Methodology: Survey of 1,200+ marketing professionals conducted through TechValidate in July 2024



Breaking down the numbers by vertical, two-thirds of marketers identified social platforms, while the remaining third identified digital display/video, as the channels they plan to increase ad spending on the most. Financial Services is the outlier, revealing a tie between CTV and digital display/video.



Top channel by vertical



Source: Mediaocean 2024 H2 Market Report
 Methodology: Survey of 1,200+ marketing professionals conducted through TechValidate in July 2024



CTV surpasses AI as top consumer trend

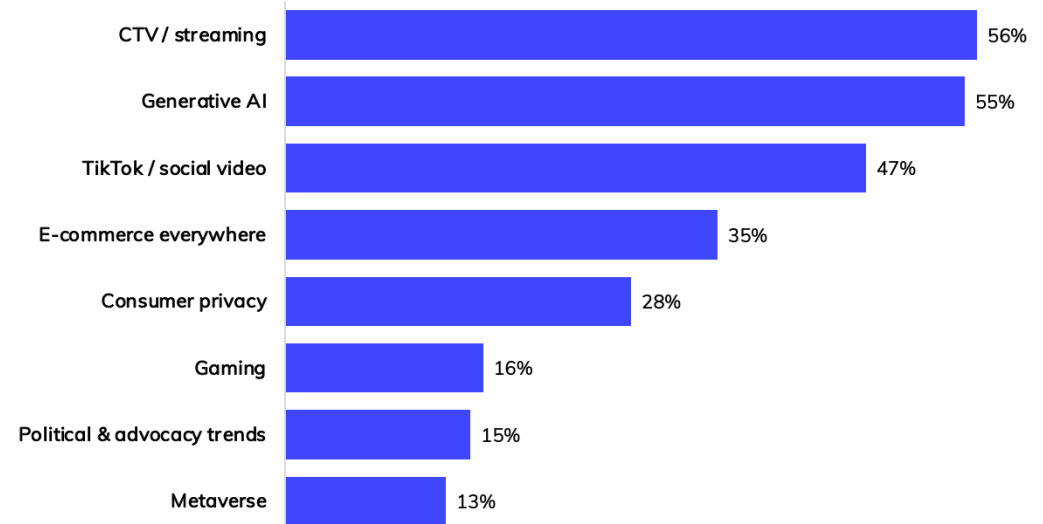
When we asked marketers to rank the most critical consumer technology and media trends, the most popular answer was CTV/ streaming with 56%. More and more consumers are cutting the cord, and turning to streaming platforms for entertainment and, in turn, opting for more affordable ad-supported tiers. In June, the amount of time spent streaming increased by more than 40%, marking its largest share of TV usage ever recorded by Nielsen's The Gauge™. As these channels and platforms have grown, advertisers are attracted to the increased viewership.

Meanwhile, streaming platforms are making significant investments to accelerate their growth. In July 2024, Amazon signed an 11-year streaming agreement with the NBA and WNBA for Prime Video. Warner Bros. Discovery recently signed a five-year deal with ESPN to broadcast select College Football Playoff games. In the UK, Tubi made its official local market debut, the largest international expansion for the ad-supported streaming platform. Globally, Netflix has experienced significant growth in its ad-supported tier—jumping 34% in the second quarter of 2024. Disney+, Hulu, and Max recently launched a bundle deal to encourage subscriptions while saving subscribers additional money. And Paramount just announced a merger with Skydance Media that will create expanded content opportunities.

Dropping from first place in our H1 survey, Generative AI (Gen AI) is now the second-most popular answer, with 55% deeming it the most critical consumer trend. Clearly Gen AI remains an important innovation driver for marketers but perhaps some of the initial buzz has subsided as practical use cases are implemented.



What are the most important consumer trends you're watching for H2? (Select all that apply)



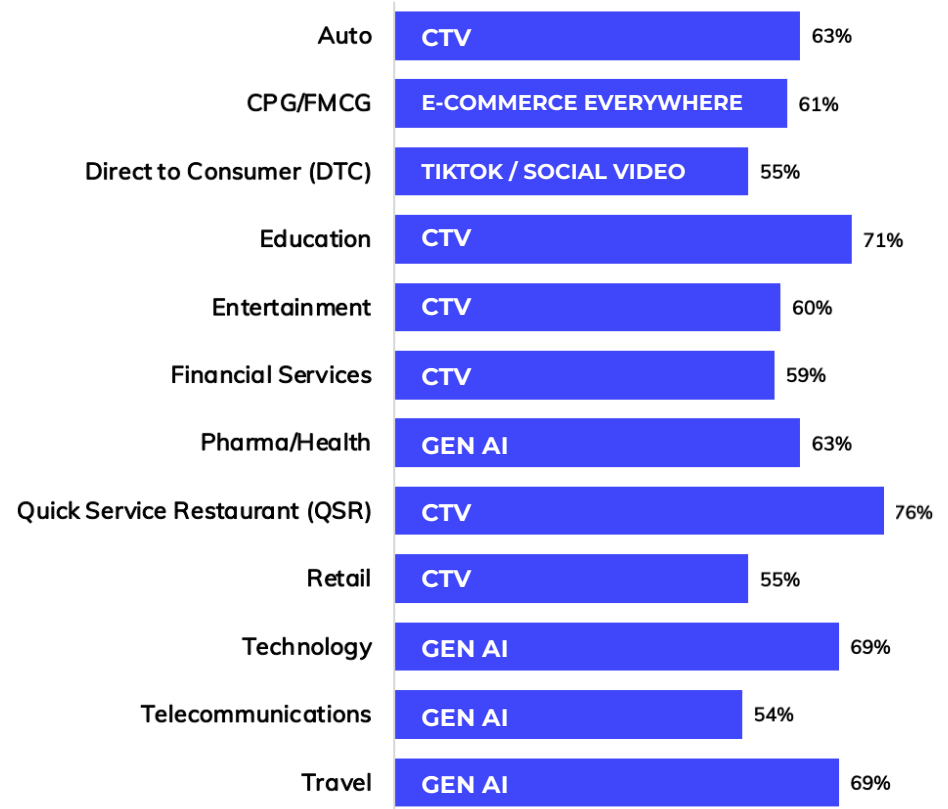
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Reviewing the data by vertical, half of all industries surveyed believe CTV is the most critical trend to watch, but one-third believe Gen AI is the most crucial, including Pharma/Health, Tech, Teleco, and Travel.



Top trend by vertical



Source: Mediaocean 2024 H2 Market Report
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Research and analytics prioritized over content generation in AI

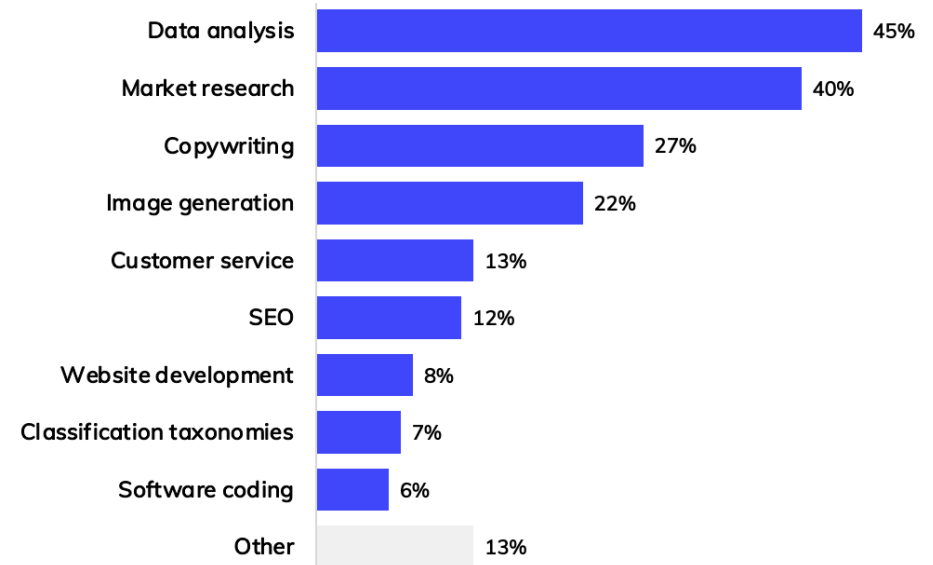
Speaking of practical use cases, the most prevalent applications of AI continue to be data analysis and market research, with 45% and 40% of use cases, while copywriting and image generation hold a 27% and 22% share respectively. While the latter certainly holds the most promise for marketers in terms of unlocking more efficient creative production, adoption will continue to follow responsible training and application of Large Language Models (LLMs). As for the former, using Gen AI to synthesize data sets and enable natural language prompts to query large databases is paying strong dividends for marketers.

Looking ahead, ad tech platforms are investing heavily in Gen AI applications for creative development, audience, insights, and media decisioning. As these technologies continue to undergo rapid and unprecedented advancements, the range of applications—and speed of adoption—will accelerate.

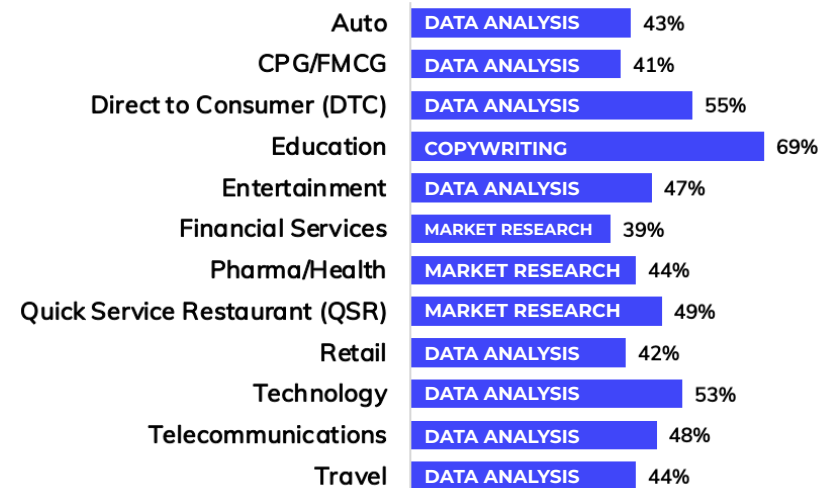
When we break down the numbers by vertical, two-thirds identified data analysis as their most prevalent use case, including Auto, CPG/MFCG, DTC, Entertainment, Retail, Tech, Teleco, and Travel. One-quarter indicated market research as the primary use case of Gen AI. Only one industry, Education, chose copywriting as its most important use case, highlighting the immediate opportunity for Gen AI to supplement learning programs.



How are you currently using AI in your marketing?



Top trend by vertical



Source: Mediaocean 2024 H2 Market Report
Methodology: Survey of 1,200+ marketing professionals conducted through TechValidate in July 2024





Renewed focus on first-party data mastery

While performance-driven paid media continues to hold its ground as the most critical investment, first-party data mastery has become the fastest-rising area of investment, showcasing the industry’s shifting priorities. Compared to our last survey from November 2023, the number of respondents identifying first-party data as a critical capability is up 25% and was selected by 35% of respondents.

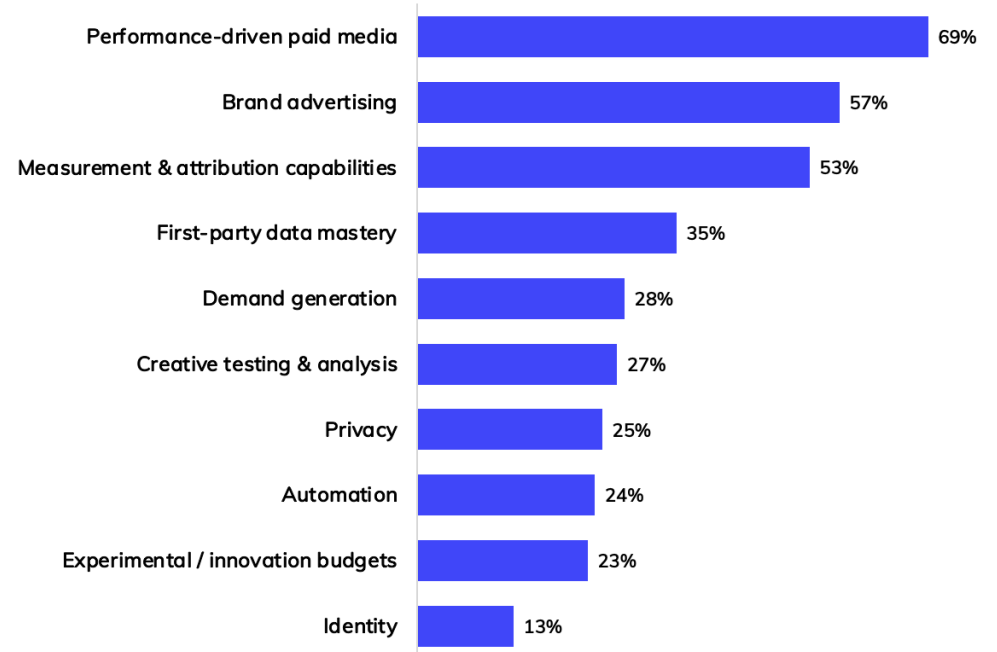
This surge aligns with the concerns over third-party data and the ever-evolving cookie crisis. From the initial implication of Apple’s Intelligent Tracking Protection (ITP) in 2017 to Google originally announcing their plan to deprecate cookies in Chrome, marketer’s reliance on cookie-based data has been on the decline.

With Google’s recent announcement that they will no longer deprecate cookies but rather provide more prominent opt-out mechanisms for consumers, collecting and managing first-party data will continue to be an imperative for advertisers. Marketers must continue to embrace a multi-ID approach that includes cookies along with other identities to ensure that consumers can receive the personalized brand experiences they have come to expect.

Notably, brand advertising remains a top area of media investment as marketers look to sustain full-funnel strategies, switching spots with measurement & attribution in the top 3 from our last survey.



Given current macroeconomic conditions, which advertising capabilities and media investments are most critical?



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Measurement capabilities critical for ad verification

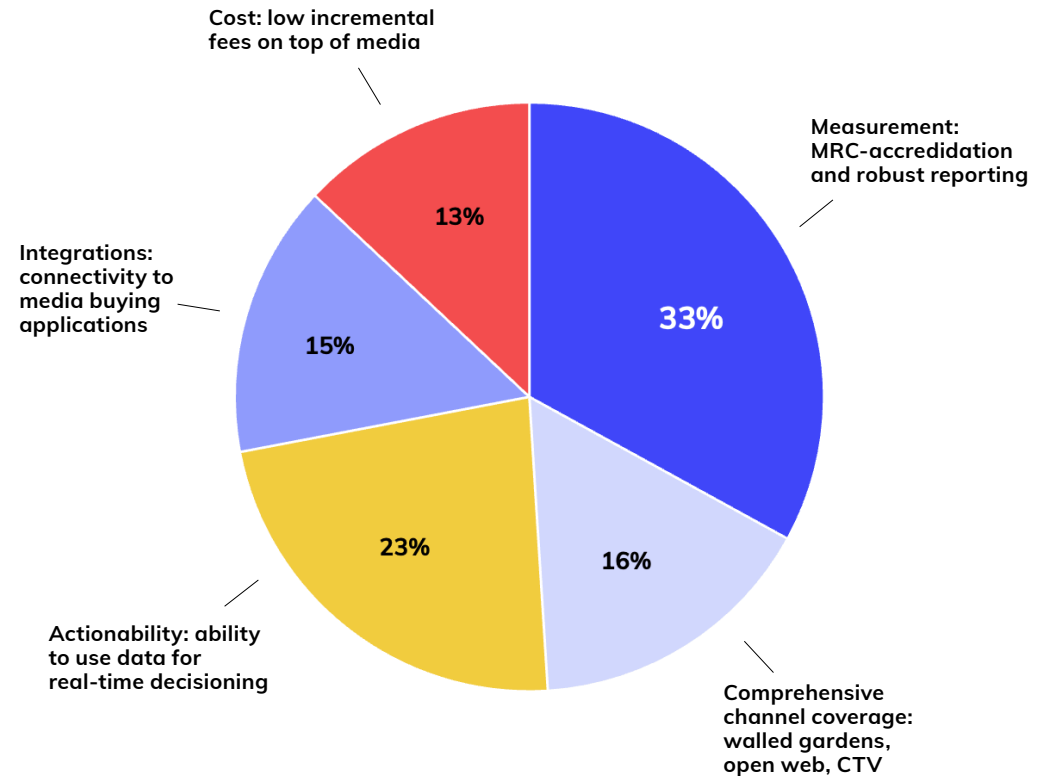
We added a new question to our most recent survey to better understand trends in the ad verification space. This was largely a response to the acute attention being paid to made for advertising (MFA) sites in digital media and the announcement that Oracle was exiting the ad space and discontinuing Moat. What aspects of verification are most important to marketers when selecting partners and evaluating ROI?

The top choice was measurement with Media Rating Council (MRC)-accreditation and robust reporting. It's clear marketers rely on the trusted seal of approval from the MRC and solutions that address CTV impressions, desktop and mobile viewability, and SIVT (sophisticated invalid traffic) metrics. Combined with desktop, mobile display, and video ad serving impressions reporting, the capability provides marketers a full omnichannel view of their media investment. Furthermore, robust reporting is a must-have to ensure actionable insights are provided for maximum impact—beyond just the blind blocking of traffic or crediting of impressions that did not meet criteria.

Advertisers ranked actionability (the ability to use data for real-time decisioning) as the second most important variable. This is crucial for ad verification because it allows advertisers to be proactive with their media and apply insights to campaigns for performance optimization. Comprehensive channel coverage (walled gardens, open web, CTV, etc.) was the third-most popular answer, followed by integrations and cost. There are additional advantages to be gained for marketers with verification solutions that are embedded into ad servers for streamlined workflow.



What aspect of ad verification is most critical when selecting partners and evaluating return on investment?



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Conclusion

As we move deeper into 2024 and look towards 2025, the advertising industry is in a state of transformation, underscored by sustained optimism and rapid technological advancements.

The increase in ad spending reflects a market that's keenly attuned to growth drivers and the ability for media to move the needle on corporate objectives. Social media, digital display/video, and Connected TV (CTV) remain the fastest growing channels and, across the board, advertisers are maintaining their elevated budgets from the beginning of the year.

From a consumer perspective, the significant growth in CTV, highlighted by major streaming deals and expansions, underscores its emergence as a pivotal platform in the advertising domain. This shift towards streaming and the corresponding increase in ad-supported tier subscriptions suggest further acceleration for the remainder of the year and beyond.

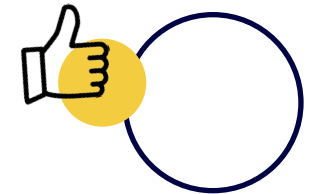
Parallel to these trends, the role of AI in advertising has become increasingly pronounced, with data analysis and market research leading the charge. The growing integration of AI across various facets of advertising—from creative production to campaign analytics—signals a shift towards more efficient, targeted, and impactful advertising strategies.

Moreover, the rise of first-party data mastery illustrates a renewed focus on identity resolution in a world with-and-without cookies. Despite

recent shifts in policy, the focus on developing robust, multi-ID solutions highlights a proactive approach to navigating privacy concerns and data reliability.

With unprecedented developments in the ad verification space, marketers are compelled to reassess and prioritize their partner needs. The role of MRC-accredited solutions has become increasingly crucial to maintain high standards of ad delivery.

The advertising industry stands on the cusp of a transformative phase, driven by technological innovation, strategic adaptation to consumer trends, and a deeper, data-driven understanding of market dynamics. The dynamic nature of marketing is on full display and should make the rest of 2024 an exciting, and lucrative, period for all constituents.



Methodology

This survey was conducted via TechValidate in July 2024 and contains data from 1,231 respondents representing brands, agencies, media companies, measurement firms, tech platforms, and other marketing industry constituents.

About Mediaocean

Mediaocean is powering the future of the advertising ecosystem with technology that empowers brands and agencies to deliver impactful omnichannel marketing experiences. With over \$200 billion in annualized ad spend running through its software products, Mediaocean deploys AI and automation to optimize investments and outcomes. The company's advertising infrastructure and ad tech tools are used by more than 100,000 people across the globe. Mediaocean owns and operates Prisma, the industry's trusted system of record for media management and finance, Flashtalking, the world's largest independent ad server and creative personalization platform, as well as Protected Media, the MRC-accredited ad verification solution for brand safety and fraud detection. Visit www.mediaocean.com for more information.



About Flashtalking

Flashtalking unleashes the power of creative to make media work better. As the leading independent platform for personalization, orchestration, and intelligence across all marketing channels, our Creative Ad Tech bridges the gap between creative and media. We provide AI and automation to connect the silos between teams and deliver more efficient production, versioning, and distribution of creative. Our solutions operate at scale across CTV, Video, Display, Social, Native, Audio, DOOH, and Retail Media channels. As part of Mediaocean, Flashtalking is tied into the industry's core ad infrastructure for omnichannel planning, buying, and billing. Visit www.flashtalking.com for more information.

