ExchangeWire research
The business of media, marketing and commerce

CTV, Targeting, and Sustainability 2023–2024

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In association with

OpenX

Contents

Executive summary

Perhaps more so than any other time, the fires of change are lit for the European digital media industry over 2023–2024. Existing targeting strategies will need to evolve with the deprecation of the third-party cookie within Google's Chrome browser, while record-breaking temperatures reinforce sustainability as a critical issue for all industries.

A swathe of emerging channels and strategies have emerged, driving nascent growth and optimism across the industry. CTV is continuing its climb as a key channel for marketers within Europe, with inventory from innovative local players buoyed further by the entry of global streaming platforms into programmatic advertising. Effectiveness of contextual and probabilistic targeting strategies is continuously rising, while advertising technology platforms are opening up the opportunity for curated media buying, helping overcome any data loss associated with identifier deprecation across desktop and mobile devices. While scale is a priority, so too is efficiency, as the industry recognises the need to lower the carbon footprint of digital advertising, simultaneously bolstering return on investment (ROI).

In this four-part report, we examine the following across key European markets:

→ Present and future development of CTV media buying

→ Use of identifiers and next-generation targeting strategies

→ Efforts to reduce carbon emissions across the digital media ecosystem

→ Implementation of curated media buying

As detailed within this report, CTV is growing in importance within the European marketing mix, across multiple inventory sources. Programmatic buying here has been adopted widely, while the next 24 months will see a maturation from open market buying towards programmatic guaranteed and PMP deals. Away from CTV, with the third-party cookie walking into the sunset, there is an observed reduction in the reliance on third-party cookies, with privacy-conserving identifiers coming to the fore. In further positive findings, sustainability is observed to be a key priority for marketers across Europe. This is now the case across all markets, with a particularly dramatic surge in the perceived importance of sustainability metrics in the UK.

Key findings

CTV

- → The proportion of advertising campaigns run via CTV is set to increase substantially in the next two years.
- → Just 3% of respondents are only advertising against traditional linear in their TV campaigns, with the remainder experimenting heavily in OTT, FAST, and streaming.
- → Two-thirds of surveyed European media buyers are engaging in programmatic CTV buys, either via managed service providers or through self-service platforms.

TARGETING AND IDENTIFIERS

- → Encouragingly, with the deprecation of the third-party cookie currently scheduled for Q3 2024, over sixty percent of respondents stated that 40% or less of their advertising inventory is currently reliant upon third-party cookies.
- → CTV identifiers are being widely used, with 43% reporting that they were using them. Encouragingly, privacy-conserving probabilistic identity graphs are the next most commonly-utilised identifiers, closely followed by hashed email identifiers.
- → Unsurprisingly in the current high-inflation economic market affecting local and international marketing budgets, the cost of experimenting with new solutions is the most commonly cited leading barrier preventing experimentation with next-generation targeting and measurement strategies.

SUSTAINABILITY

- → Three-quarters of European agency and brand marketers deem sustainability metrics to be a top priority for their business, representing a sizable increase from the 43% recorded last year.
- → Sustainability metrics have increased in importance dramatically for UK media buyers since 2022.
- → Promisingly for industry-wide efforts to reduce carbon emissions, as the perceived importance of sustainability metrics has increased, so too have practical efforts to measure carbon output. Nine-in-ten European marketers are now measuring their carbon emissions, versus the 60% recorded last year.
- → An overriding majority (87%) of surveyed agency and brand marketers in Europe state that they now require their partners across the advertising supply chain to report their carbon emissions, representing a 36% increase over the proportion observed in 2022.

CURATION

- → Agency and brand marketers across Europe are leaning heavily into curation, with 90% of surveyed respondents reporting that at least some of their advertising spend is directed via curation platforms.
- → Leveraging predictive audience data for campaign planning was the leading priority for curated media buys across European brand and agency marketers, followed closely by improving ROI through greater ad spend efficiency.

3%

of respondents are only advertising against traditional linear in their TV campaigns

43%

of respondents reported that they were using CTV identifiers

87%

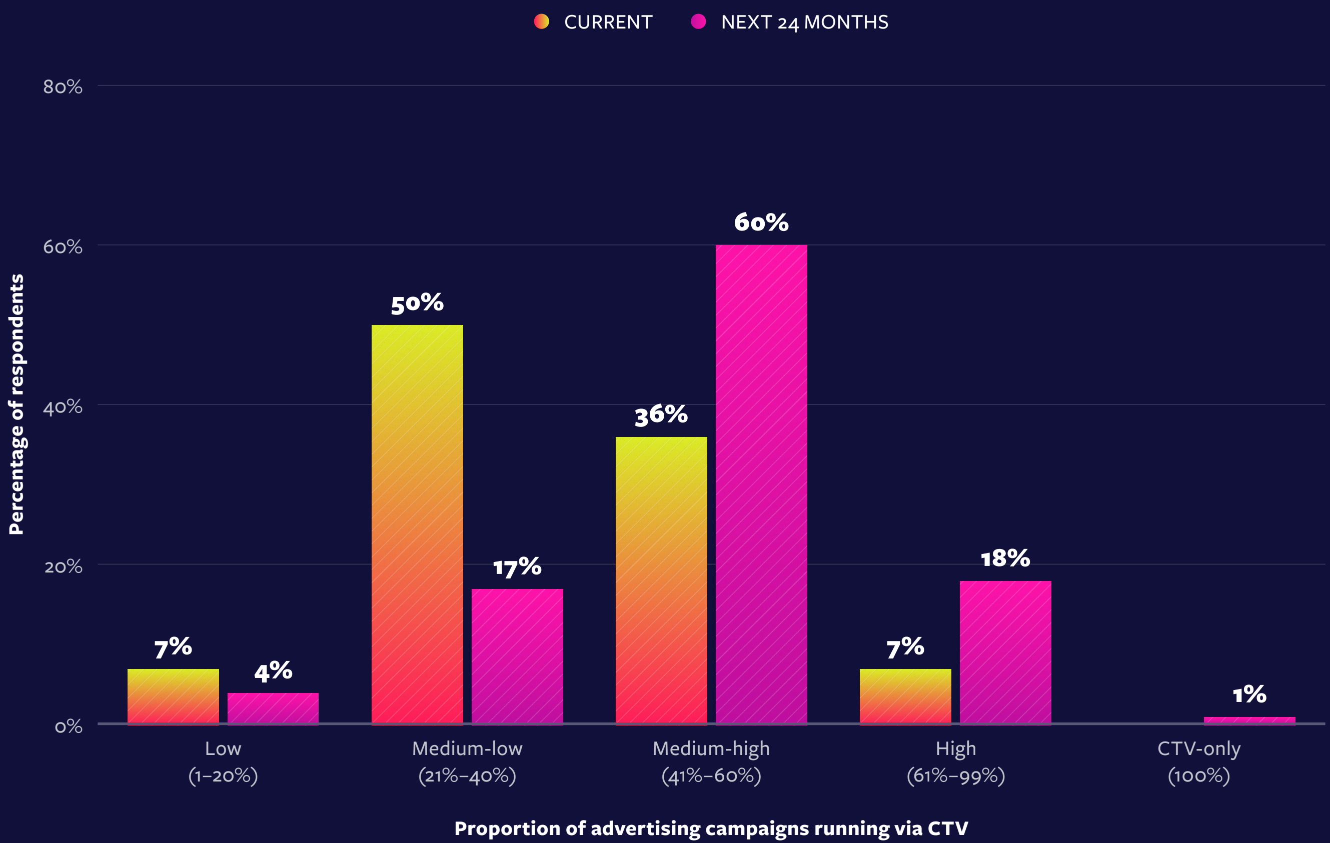
of surveyed agency and brand marketers in Europe state that they now require their partners across the advertising supply chain to report their carbon emissions

Part 1:
CTV

Proportion of campaigns running on CTV

The proportion of advertising campaigns run via CTV is set to increase substantially in the next two years, with 79% of respondents stating that at least four-in-ten of their campaigns will be run on CTV in the next 24 months, versus 43% of respondents currently. This growth is reflected across all surveyed company types and markets, though CTV will form a more significant proportion of the media mix within Germany, with 90% of respondents reporting that a medium-high (41%–60%) or high (61%–99%) proportion of their campaigns will be run via CTV.

Figure 1: Proportion of advertising campaigns running, or planned to run, via CTV — Europe 2023–2024



79% of respondents stated that at least four-in-ten of their campaigns will be run on CTV in the next 24 months

90% of respondents reporting that a medium-high (41%–60%) or high (61%–99%) proportion of their campaigns will be run via CTV

Types of TV inventory currently advertised against, or forecast to advertise against

Marketers in Europe are highly experimental with the types of TV inventory they are running campaigns against. While traditional linear television and broadcaster video-on-demand (BVOD) remains the most popular single TV inventory type channel, only 3% of respondents are only advertising against traditional and BVOD in their TV campaigns.

Over-the-top (OTT) platforms such as Netflix and Hulu are the most popular sources of TV inventory other than linear, with over one-third (37%) of respondents stating that they are either currently advertising here or plan to in the coming months. Significantly, while linear remains the preferred inventory source for agencies, brand marketers within Europe are directing more of their campaigns towards OTT streaming platforms (43% of respondents versus 39%).

Figure 2: Types of TV inventory currently, or planned to, advertise against — Europe 2023/2024

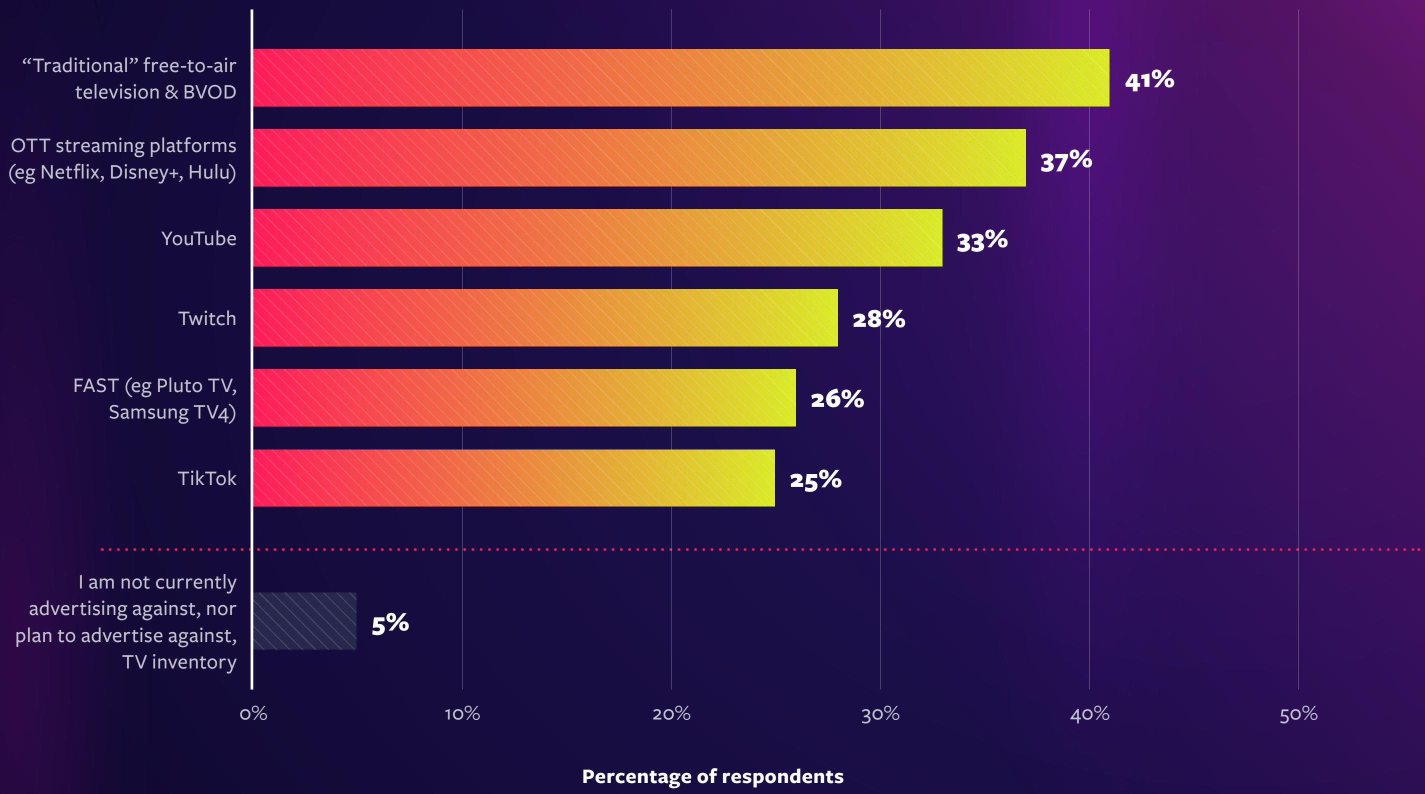


Figure 3: Top three types of TV inventory currently, or planned, to advertise against (Europe 2023–2024) — by market

FRANCE

1. **OTT streaming platforms** (48%)
2. **Traditional television and BVOD** (40%)
3. **FAST** (36%)

GERMANY

1. **Traditional television and BVOD** (48%)
2. **TikTok** (42%)
3. **OTT streaming platforms** (38%)

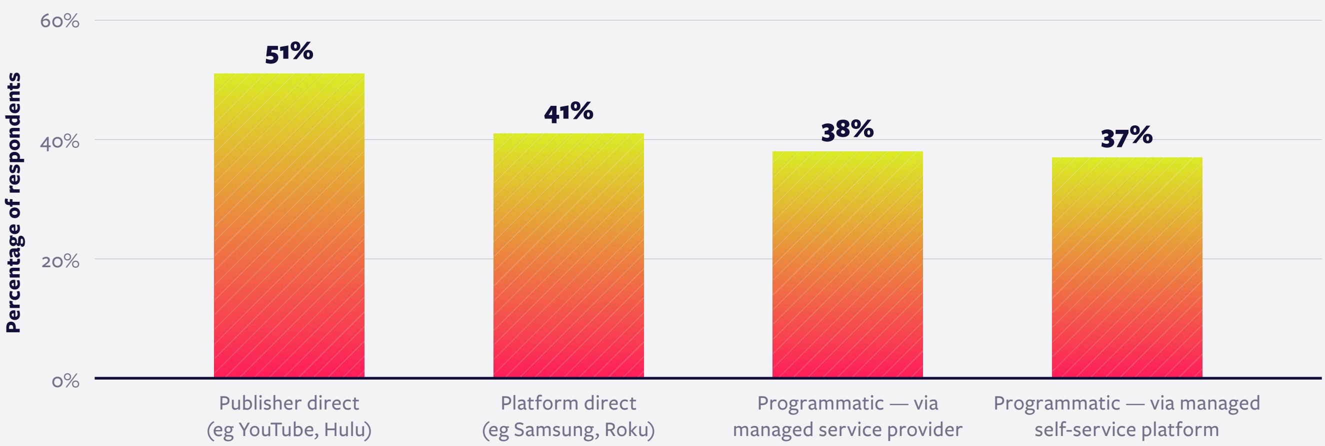
UK

1. **Traditional television and BVOD** (35%)
2. **YouTube** (31%)
3. **Twitch** (29%)

Source of CTV inventory

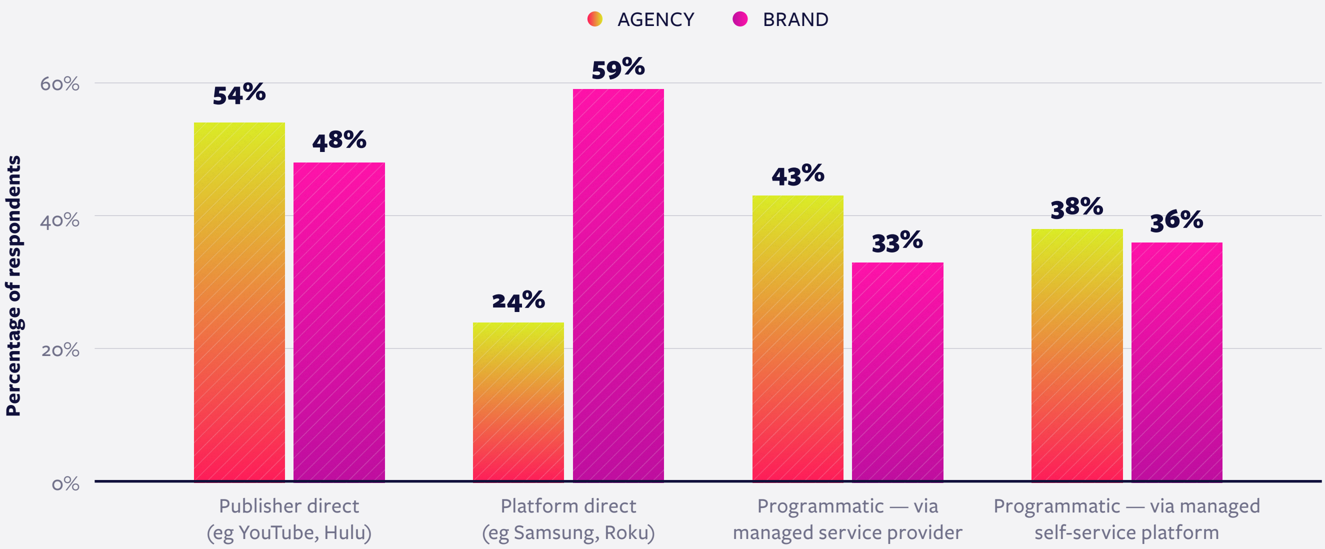
Buying CTV directly from the publisher or platform on which it is broadcast remains the preferred inventory source for European marketers, however two-thirds (66%) of those surveyed are engaging in programmatic CTV buys, either via managed service providers (38%) or through self-service platforms (37%).

Figure 4: Source of CTV inventory — Europe 2023–2024



According to our findings, agencies are marginally more likely to be sourcing their CTV inventory via programmatic methods, while brand professionals are more than twice as likely to buy directly from platforms compared to their agency counterparts (59% versus 24%). This represents somewhat of a coup for the likes of Roku, which has specifically been targeting smaller, digital native brands over 2023.

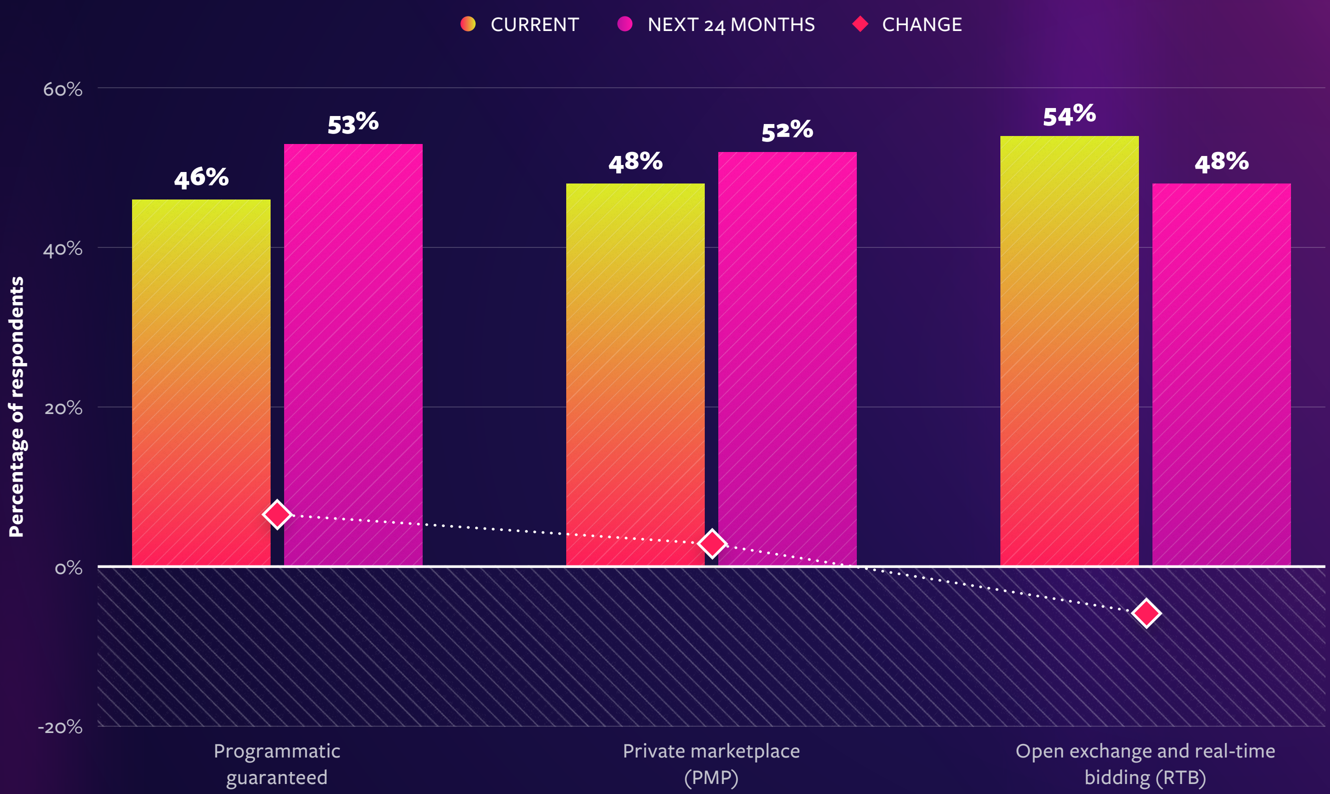
Figure 5: Source of CTV inventory — Europe 2023–2024



Method of CTV buying

Though open exchange and real-time bidding (RTB) is currently the preferred method of buying CTV across Europe, at 54% of surveyed respondents, this is set to change over the next 12 months as more media buys are set to be completed via programmatic guaranteed and private marketplace deals.

Figure 6: Method of buying TV inventory — Europe 2023–2024



However, the decline in buying CTV via the open exchange is predominantly being driven by brands, with agency respondents indicating that their open exchange and RTB activity, alongside buying CTV inventory through PMPs, will remain steady over the course of 2024.

This is potentially being driven by KPIs for digital native brands compared to those buying via an agency. Ryan Schumann, senior manager, global e-commerce growth and analytics, Lindt & Sprüngli, writes, **"There are more internal media buying teams at digital-first companies, and those brands will more often look at the news stories around CTV inventory's fraud issues on the open exchanges, and potentially also at qualitative metrics for in-view / audible metrics, and decide that they want a fraud-proof, highly controllable programmatic guaranteed deal with a specific BVOD publisher.**

"Larger, more legacy-minded companies often come from mass linear TV buying, where reach would be the main KPI and the media buying would go through agencies. Here, the team may not know digital as inherently, and may ask the agency to increase reach from their shrinking linear TV audiences. When the ask is that general, and the KPI is such cost per incremental reach, then broader open exchange buys match that KPI more easily."

Figure 7: Method of buying CTV inventory (Europe 2023/2024) — by company type

Method	Agency — current	Agency — 12 months	Agency — change	Brand — current	Brand — 12 months	Brand — change
Programmatic guaranteed	39%	53%	+13%	52%	53%	+1%
Private marketplace (PMP)	46%	46%	±0%	51%	57%	+7%
Open exchange and real-time bidding (RTB)	53%	53%	±0%	56%	44%	-12%

Purchasing CTV inventory via programmatic guaranteed and PMP deals is set to increase throughout 2024 across all surveyed markets, with programmatic guaranteed deals seeing an increase of 10% in both Germany and the UK. Purchasing CTV on the open exchange is set to become more common within France over the course of 2024, with a 6% increase, though RTB-based buying of CTV inventory is set to decrease across Germany (-6%), and yet more substantially within the UK (-18%).

Market maturity in terms of open exchange media purchasing is a potential explanatory factor for respondents in France increasing their RTB CTV buying. Emmanuel Crego, directeur général at Values.Media, writes, **"In France, OpenRTB is catching up with other buying modes, and in 12 months the three buying methods are set to be balanced (~50% each), which is quite different from more advanced markets like Germany or UK, which are seeing OpenRTB buying decrease for CTV. There are a number of different reasons for that. Firstly, it is a less mature market in France where buyers are still in a test and learn period. Secondly, the sell-side is also structuring itself, so there is an absence of massive players imposing exclusive data and/or inventory requirements. Finally, in a market where fill rate isn't high, OpenRTB can be a good way to optimise prices."**

In a market where fill rate isn't high, OpenRTB can be a good way to optimise prices.

Figure 8: Method of buying CTV inventory (Europe 2023/2024) — by market

Method	France — current	France — 12 months	France — change	Germany — current	Germany — 12 months	Germany — change	UK — current	UK — 12 months	UK — change
Programmatic guaranteed	50%	52%	+2%	44%	54%	10%	43%	53%	+10%
Private marketplace (PMP)	46%	48%	+2%	48%	52%	4%	51%	55%	+4%
Open exchange and real-time bidding (RTB)	42%	48%	+6%	60%	54%	-6%	61%	43%	-18%

10% increase in programmatic guaranteed deals in both Germany and the UK

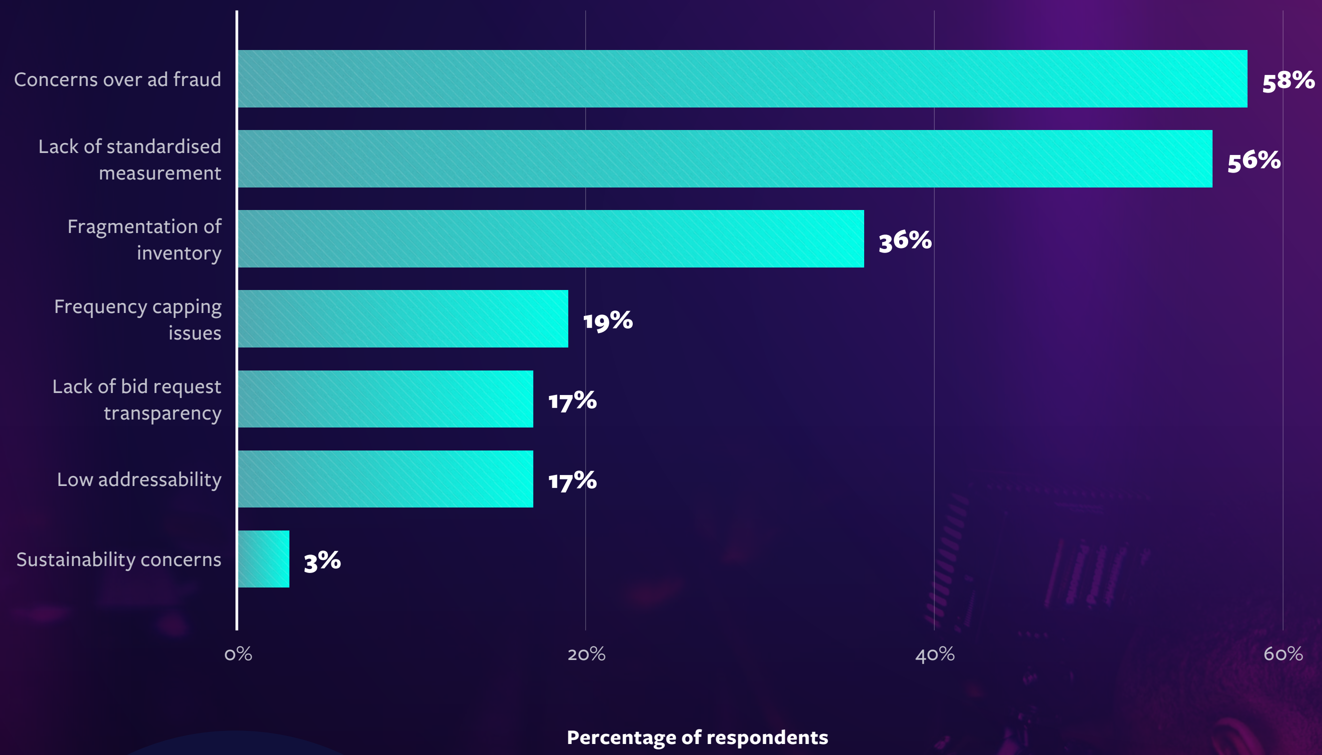
54% currently prefer real-time bidding (RTB) as a method of buying CTV across Europe

Barriers against buying biddable CTV

Where respondents are not currently buying CTV via the open exchange and RTB, the most prominent barriers preventing them from doing so are perceived high levels of ad fraud on the open market (58%) and a lack of standardised measurement protocols (56%). The latter is particularly pronounced within Europe, as a result of greater inventory fragmentation across different markets. Solving for consistent measurement is also likely to alleviate concerns over ad fraud, for instance allowing for more consistent detection of fraudulent behaviour signals and easier identification of premium placements, in turn minimising the risk of CTV device fraud.

Of this subset, respondents at brands are particularly concerned about both of these aspects, while those working at an agency exhibit a broader range of concerns, with nearly one-third of these also expressing concern over frequency capping issues, and perceived lack of bid request transparency.

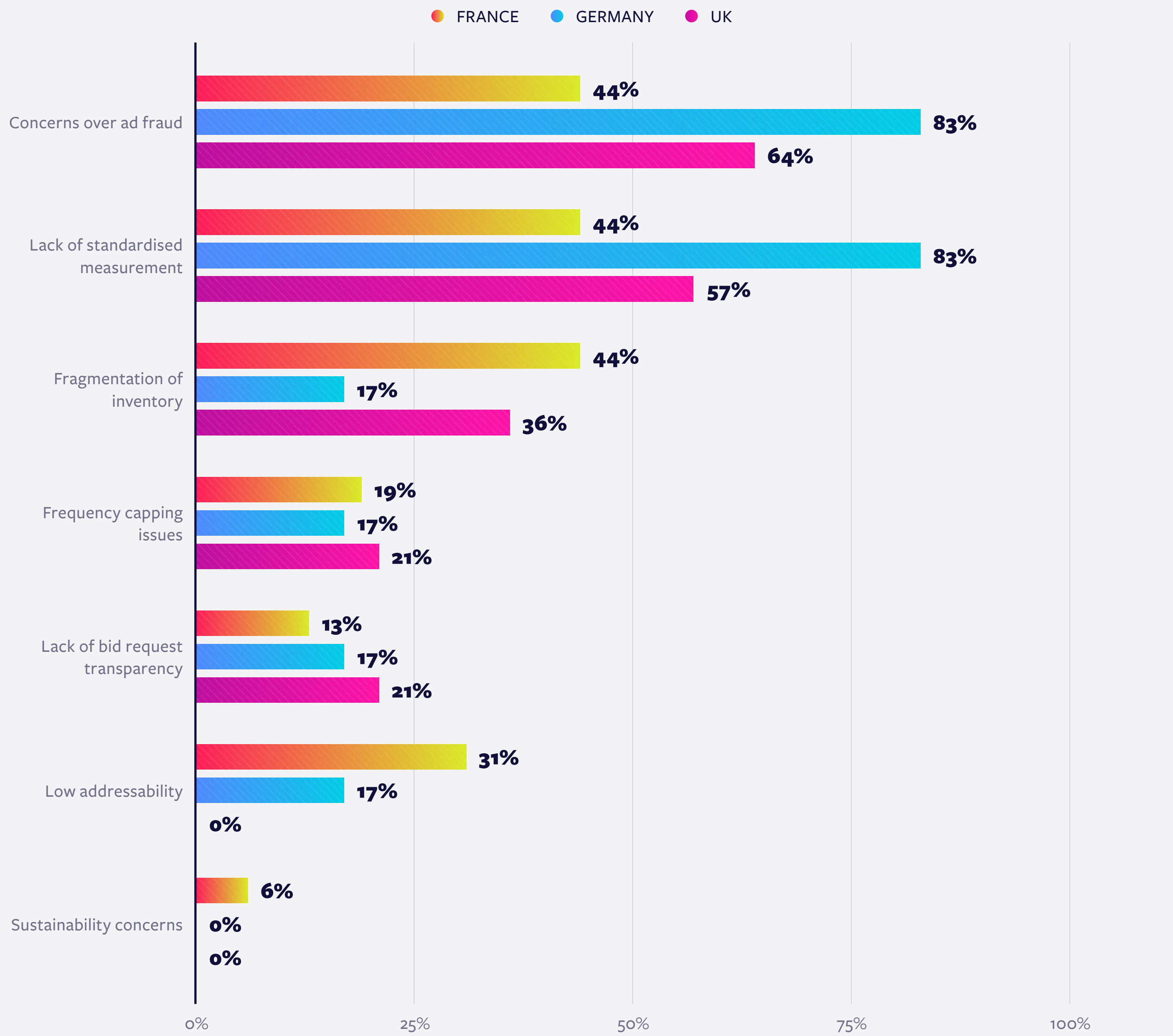
Figure 9: Barriers to buying biddable CTV — Europe 2023/2024



> Solving for consistent measurement is also likely to alleviate concerns over ad fraud

Similarly, concerns over ad fraud and lack of standardised measurement are particularly pronounced within Germany, where 83% of respondents cited these as a barrier. Meanwhile, buyers within France were more concerned with addressability on biddable CTV compared to the other surveyed markets, with 31% citing this as a barrier. This in turn contrasts with buyers within the UK, where no respondent cited this as a barrier.

Figure 10: Barriers to buying biddable CTV — Europe 2023/2024



83% of respondents within Germany cited concerns over ad fraud and lack of standardised measurement as a barrier

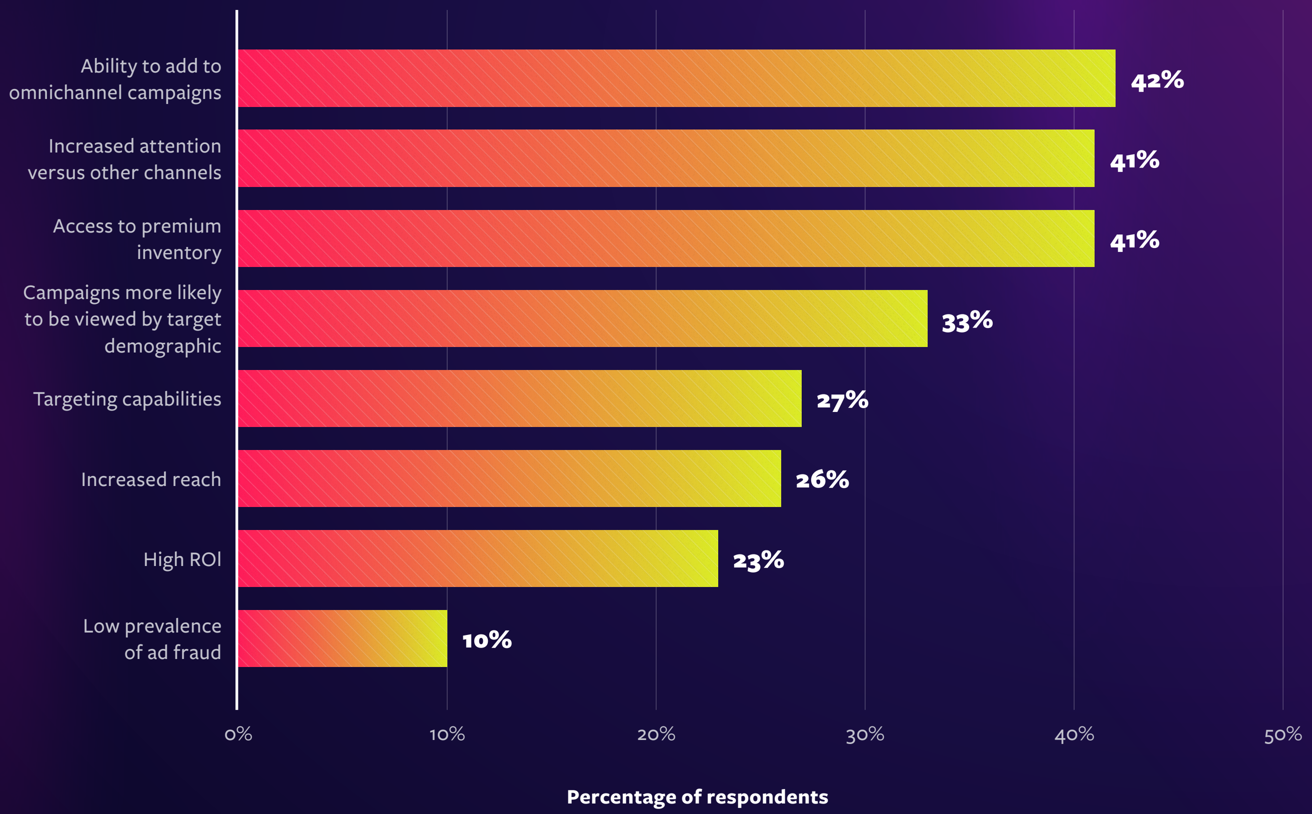
31% of respondents within France were more concerned with addressability on biddable CTV compared to the other surveyed markets

Benefits of CTV advertising

Positively, a wide array of benefits of CTV advertising were cited by media buyers operating within Europe. The ability to expand omnichannel campaigns was the leading benefit, cited by 42% of those surveyed, closely followed by increased attention within CTV versus other channels and access to premium inventory (both 41%).

The majority of households within Europe are now using CTV devices (estimates from IAB UK suggest that two-thirds of UK households use at least one CTV device), therefore it is no surprise that it is becoming an increasingly important medium within omnichannel campaigns. Moreover, two-thirds of media buyers within the UK factor in attention-based KPIs within their digital media strategies, as evidenced by a previous ExchangeWire Research study, thus are understandably flocking to a medium which garners as much as 5.8 times the attention of social video.

Figure 11: Benefits of CTV advertising — Europe 2023–2024

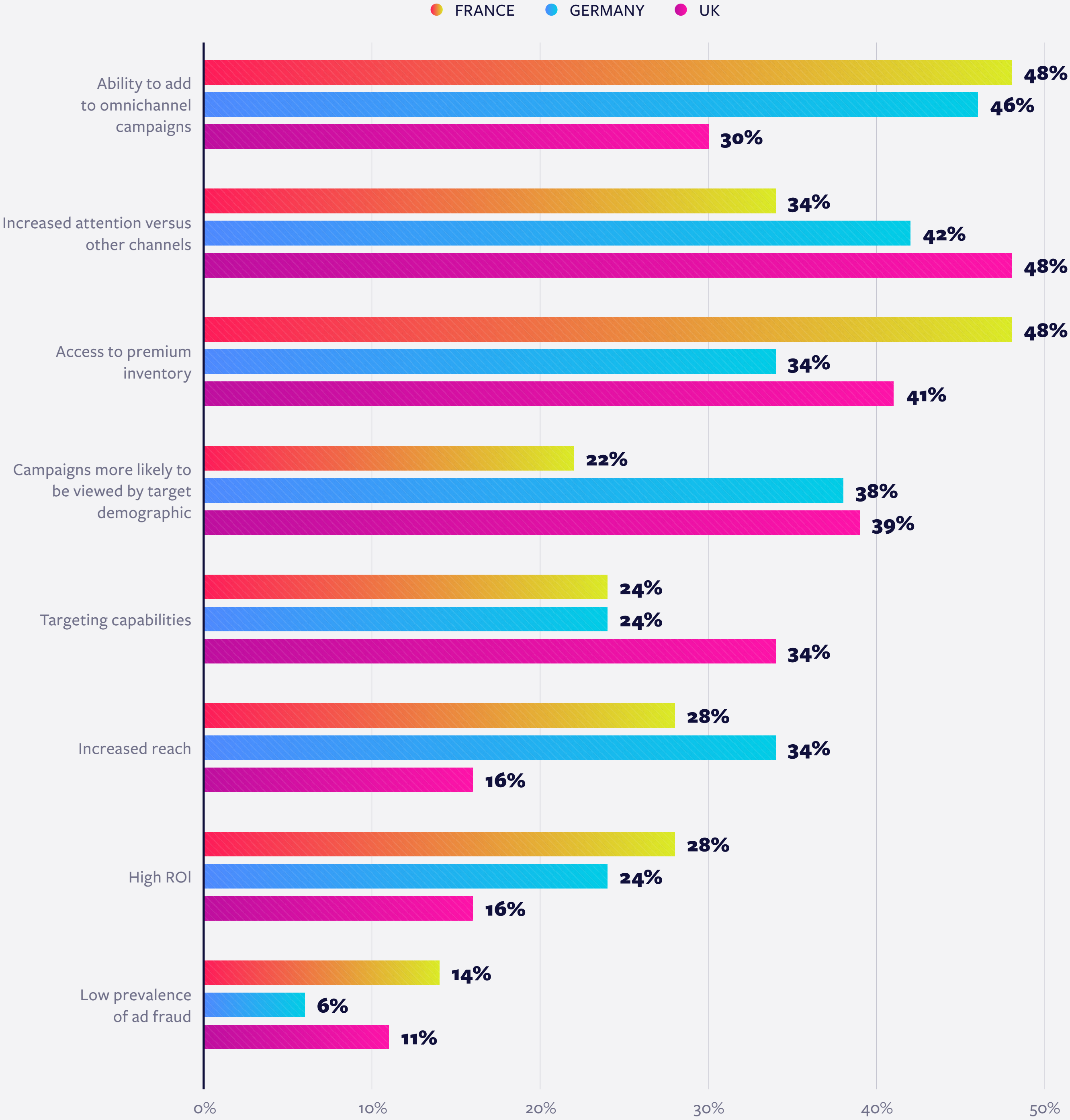


42% of respondents cited the ability to expand omnichannel campaigns as the leading benefit of CTV advertising

41% of respondents cited increased attention within CTV versus other channels and access to premium inventory as leading benefits of CTV advertising

While this was generally true across both brands and agencies, the leading benefit of CTV advertising fluctuated somewhat according to the surveyed market. The ability to add to omnichannel campaigns was a less important benefit for the UK market (30%) compared to France (48%) and Germany (46%), where increased attention versus other channels was the leading benefit. Similarly, access to premium inventory was the joint-highest cited benefit for CTV advertising in France, while respondents here gave less importance to the potential higher likelihood of CTV campaigns being more likely to be viewed by the target demographic compared to Germany and the UK.

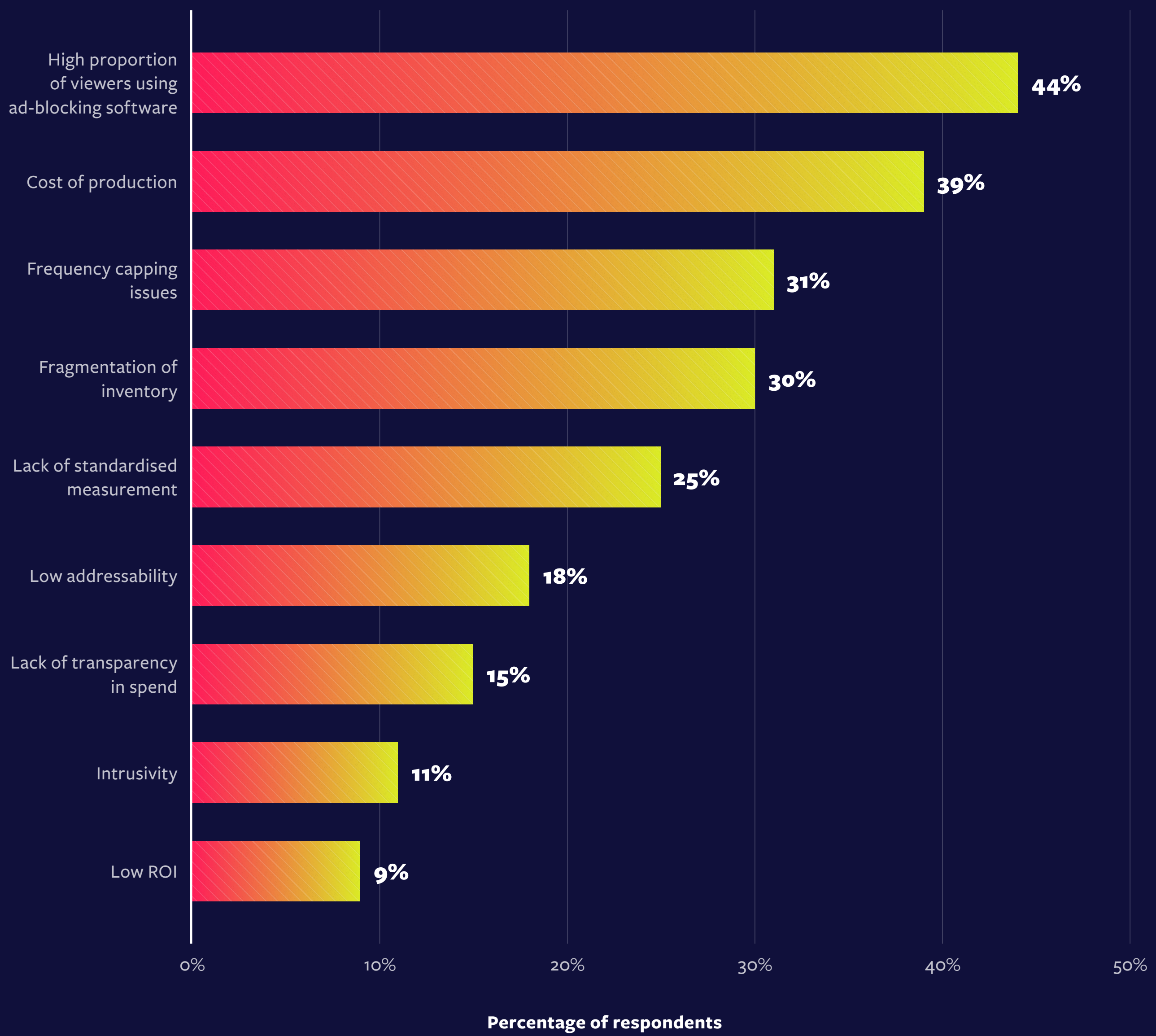
Figure 12: Benefits of CTV advertising (Europe 2023-2024) — by market



Barriers against CTV advertising

Perceptions over a high proportion of viewers using ad-blocking software was the most-cited barrier against CTV advertising across Europe at 44% of respondents, closely followed by the cost of producing CTV campaigns (39%). Encouragingly, media buyers across Europe generally do not believe that the channel is intrusive, nor that it offers a low return on investment.

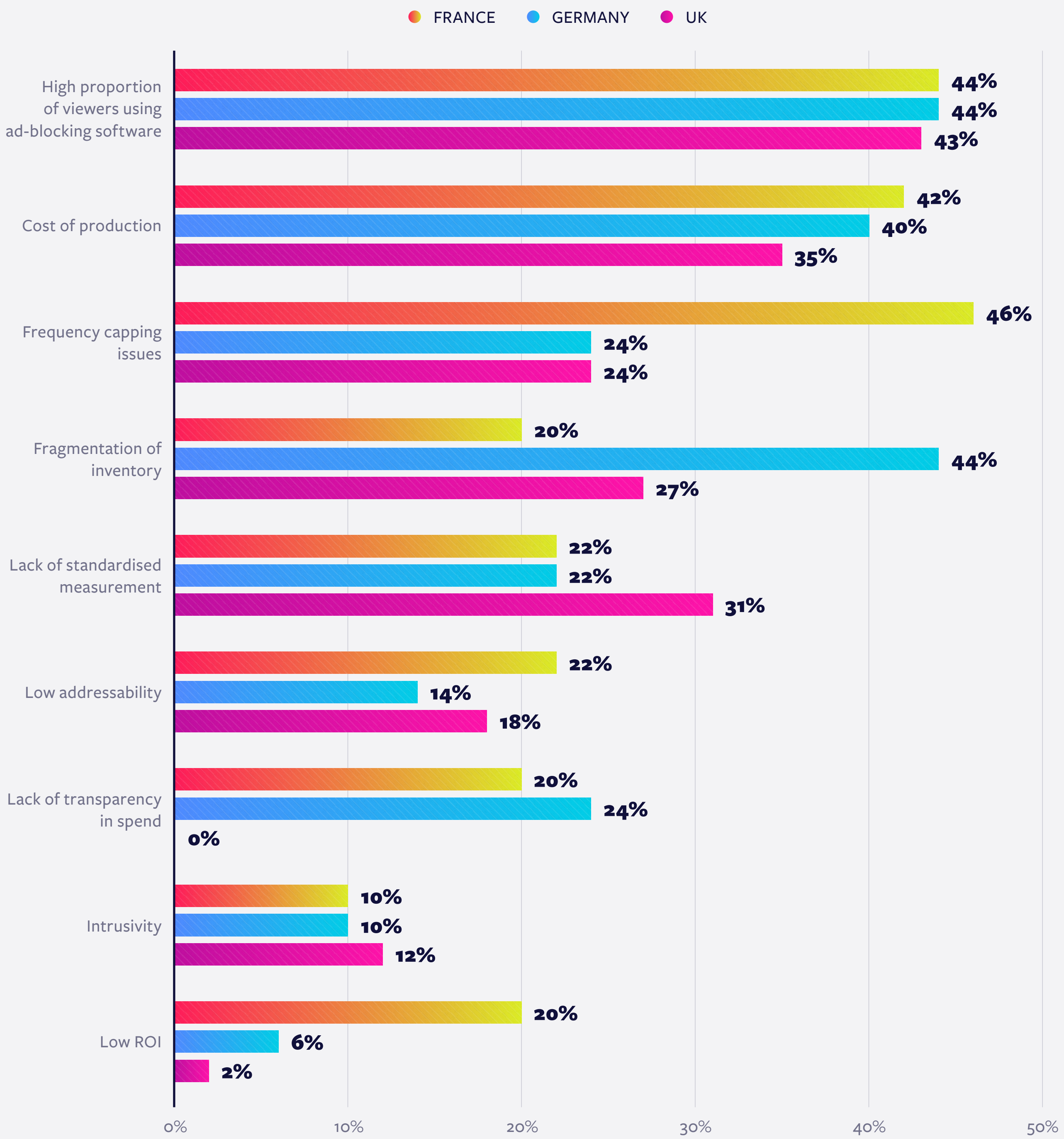
Figure 13: Barriers to CTV advertising — Europe 2023–2024



By market, respondents in France were significantly more concerned with frequency capping issues, at 46% of respondents, versus professionals within Germany and the UK (both 24%). On this, Crego comments, **"Frequency capping is a main concern for many French buyers as many of them are historically linear TV buyers. Here, optimising frequency is strategic, it's in TV DNA. Thus, as CTV is in its early beginnings, one of the reasons it's invested in is for incremental reach. Mastering frequency capping is a way to optimise it."**

Likewise, buyers in Germany were more worried about fragmentation of inventory across CTV, at 44% of respondents compared to 20% in France and 27% in the UK.

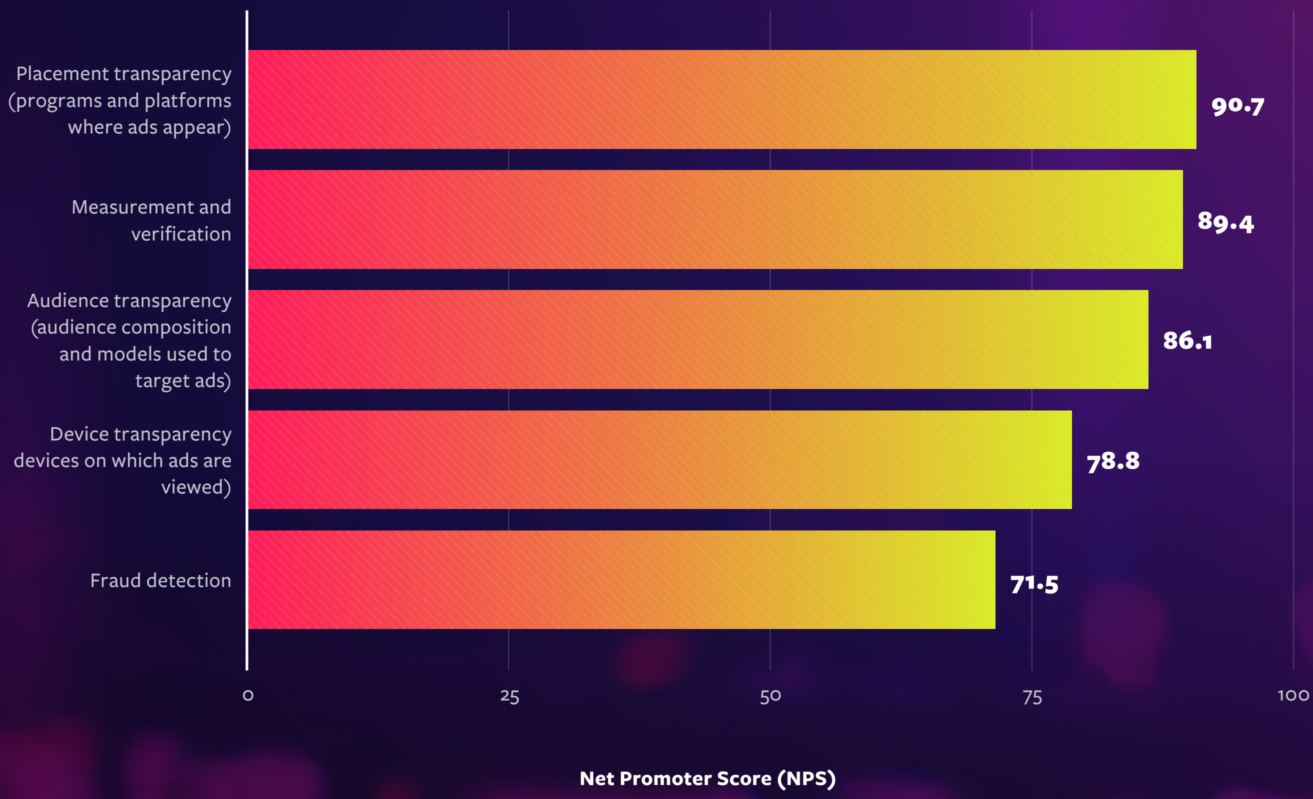
Figure 14: Barriers to CTV advertising (Europe 2023–2024) — by market



Confidence in CTV factors

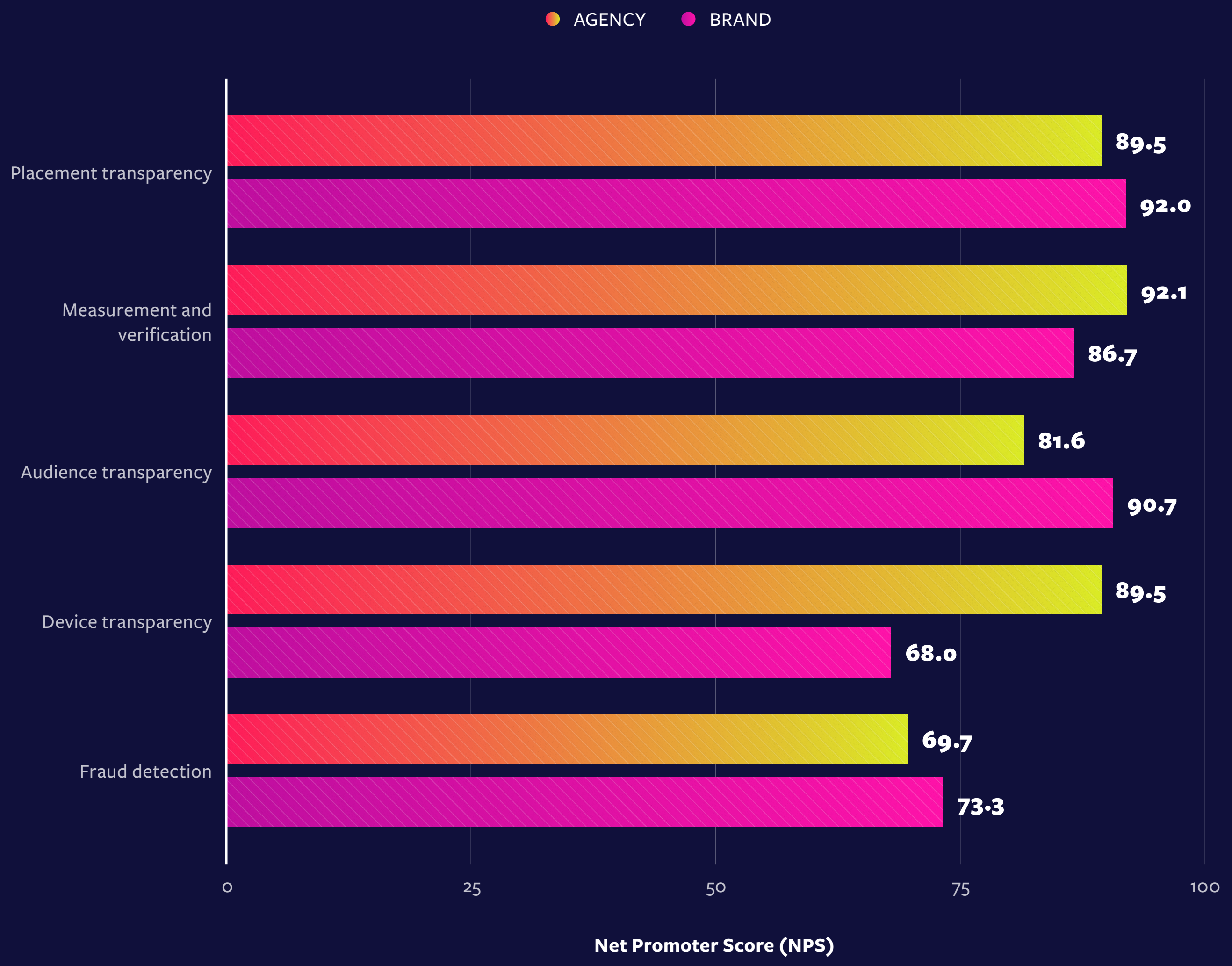
Positively, media buyers across Europe are generally highly confident with transparency, verification, and fraud detection across CTV. Placement transparency, i.e. programs and platforms where ads appear, received the highest overall net promoter score of 90.7, followed by measurement and verification (89.4) and audience transparency (86.1).

Figure 15: Confidence in CTV factors — Europe 2023–2024



Concerningly, respondents at brands are much less confident than their agency counterparts with regards to device transparency, with an NPS of 68.0 versus 89.5. This closely corresponds with a subsequent finding within the research, whereby brands are simultaneously more exposed to third-party cookies and less confident with targeting on Apple mobile devices via its SKAdNetwork.

Figure 16: Confidence in CTV factors (Europe 2023–2024) — by company type



92.1 Agency NPS confidence score for CTV measurement and verification

92.0 Brand NSP confidence score for CTV audience transparency

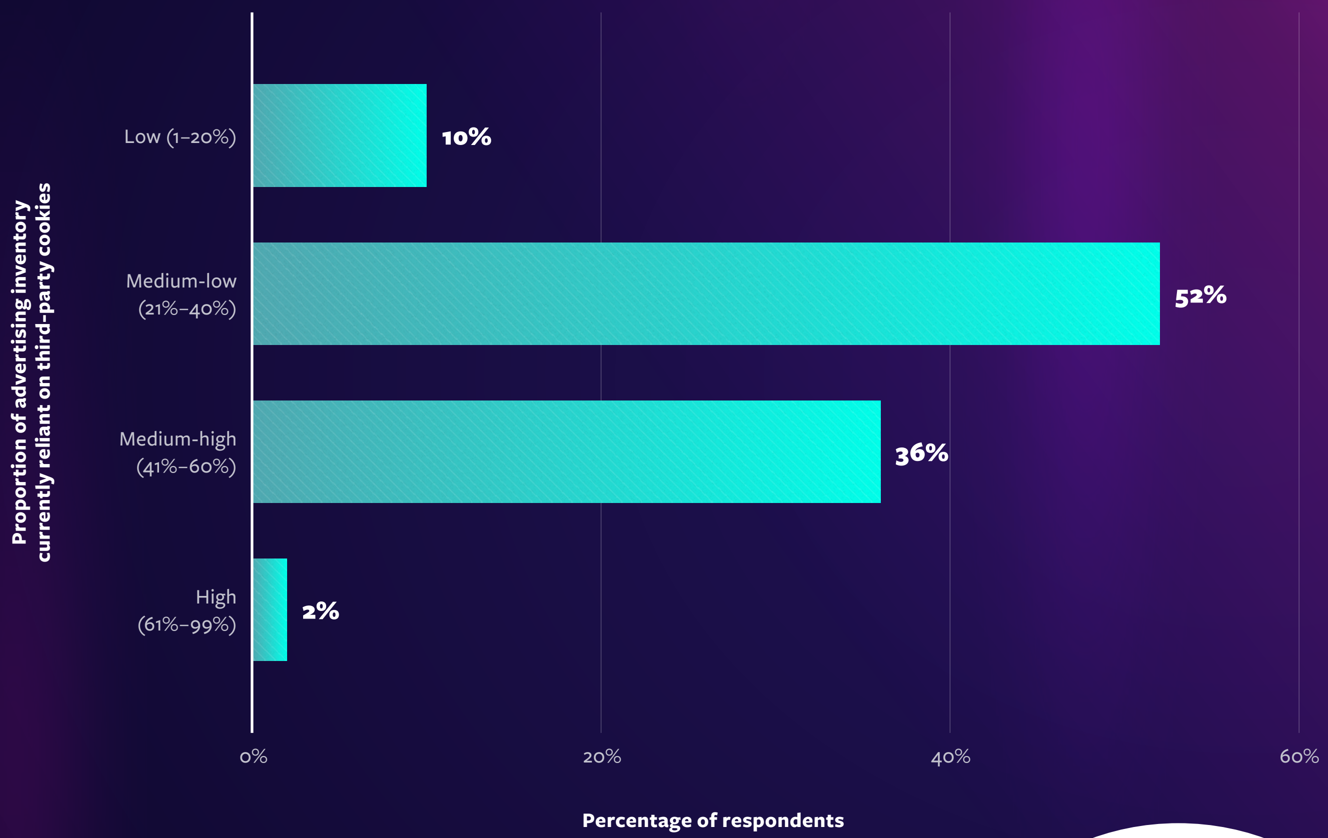
Part 2:

Targeting & Identifiers

Proportion of advertising inventory currently reliant on third-party cookies

Encouragingly, with the deprecation of the third-party cookie scheduled for Q3 2024, 62% of respondents stated that a low, or medium-low, proportion of their advertising inventory is currently reliant upon third-party cookies.

Figure 17: Proportion of advertising inventory currently reliant on third-party cookies — Europe 2023–2024



Concerningly however, brands reported a significantly higher exposure to the third-party cookie, with over half of respondents (53%) stating that at least 40% of their inventory is currently reliant on the outgoing identifier, while 4% revealed that over 80% of their inventory is currently reliant upon cookies.

> **For reaching existing customers, utilising first-party data and establishing direct partnerships with publishers and inventory owners is crucial.**
>
> **Amelia Waddington**
> Captify

The rollout of Google's Privacy Sandbox has been dogged by multiple delays due to concerns over its potential effects on the market, as recently highlighted by the IAB Tech Lab's critical fit-gap analysis of Google's Privacy Sandbox and the UK Competition and Markets Authority voicing concerns regarding potential self-preferential elements within the protocol. This in turn may have led to inertia in adopting alternative systems to the third-party cookie, explaining the greater reliance on it by brands.

Schumann comments, **"I think brands are generally more proactive in collecting their own first-party data, but otherwise are reacting to what the technology partners and agency partners are doing. There's been a lot of starts / stops with the death of the third-party cookie over the past five years, and at some point it's easy for brands to take a step back and say 'OK, maybe come back to me when you guys have actually figured out what you're doing here.' That time finally seems to be upon us now, and we are preparing for that with a mixture of investing more in enriching our CRM lists and working with additional identifiers / modelling, but there's been so much whiplash on this topic for so long that it's produced some skepticism amongst brands.**

"On the measurement front, I almost think it's a good thing. Attribution and conversion tracking were a mixed blessing for brands, and tracking being so disrupted gives us easier buy-in internally for better measurement methodologies like incrementality testing. When everything could be tracked, people would get addicted to lower funnel, often non-incremental campaigns that looked amazing in analytics platforms."

> Attribution and conversion tracking was a mixed blessing for brands

Rather than rely upon a one-stop solution for targeting and measurement as currently fulfilled by the third-party cookie, brands may be better served by utilising multiple solutions for different elements of the purchase journey. Ameila Waddington, CPO, Captify, comments, **"There is currently no 'one-stop-shop' replacement for third-party cookies and until their phase-out, brands may not have a clear understanding of their blind spots. While their agencies and tech providers may express confidence in future solutions, these rest partly on hope and expectations for the future, rather than proven outcomes from today.**

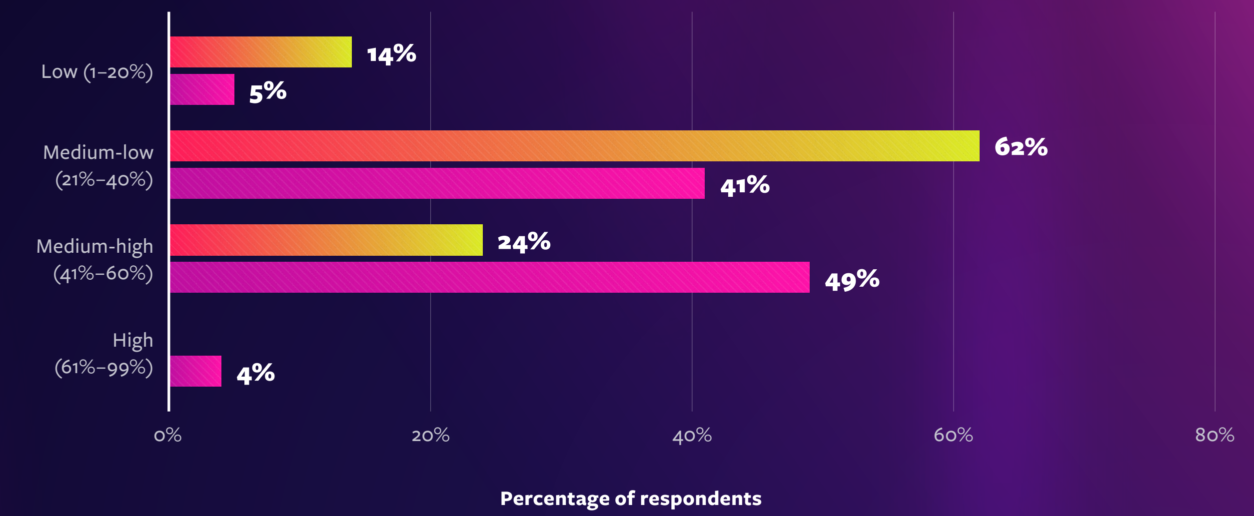
"My advice is to focus on specific solutions for different parts of the funnel. For reaching existing customers, utilising first-party data and establishing direct partnerships with publishers and inventory owners are crucial. New customer acquisition and brand awareness will be better served by predictive contextual approaches, as reach is not limited by addressability.

"For lower funnel use cases, where cookie retargeting is the default, Google's Protected Audience API offers a potential solution, though testing remains limited.

"Moreover, across all these targeting approaches, there is the companion measurement. Even brand measurement commonly relies on cookies for tracking exposed users. To navigate this, ask your vendors, and ask them again how this will work post-cookie."

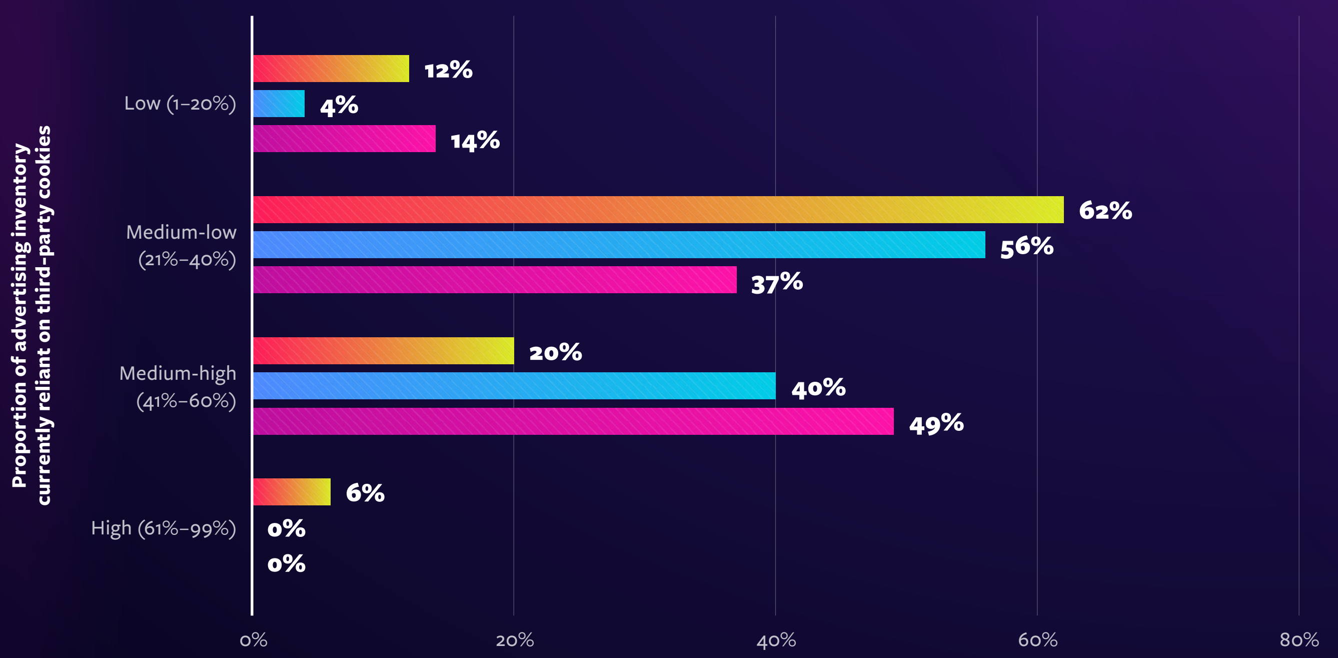
> Utilising first-party data and establishing direct partnerships with publishers and inventory owners are crucial

Figure 18: Proportion of advertising inventory currently reliant on third-party cookies (Europe 2023–2024) — by company type



By market, respondents in France are generally the least exposed to the deprecation of the third-party cookie, with 74% reporting a low or medium-low exposure. This contrasts with the UK, where 49% of respondents reported a medium-high proportion of their advertising inventory is reliant on the third-party cookie. However, a minority within France reported that a high proportion of their inventory is currently reliant on third-party cookies.

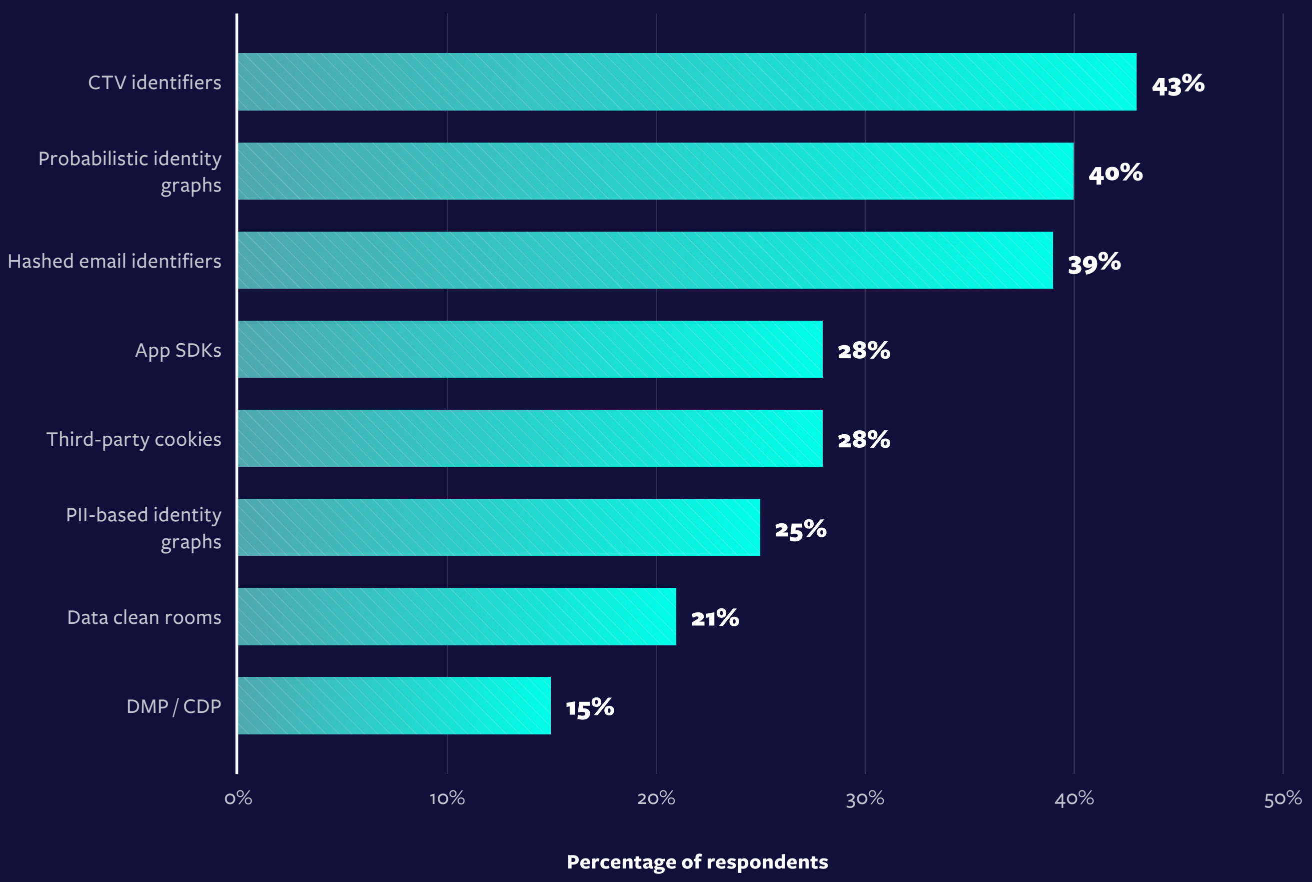
Figure 19: Proportion of advertising inventory currently reliant on third-party cookies (Europe 2023–2024) — by market



Use of industry identifiers

There are a wide range of identifiers currently being used by agency and brand marketers across Europe. Perhaps unsurprisingly given the proliferation of CTV advertising across the region, CTV identifiers are being widely used, with 43% reporting that they were using them. Encouragingly, privacy-conserving probabilistic identity graphs are the next most commonly utilised identifier at 40% of respondents, closely followed by those based upon hashed email addresses (39%).

Figure 20: Use of industry identifiers (Europe 2023/2024)

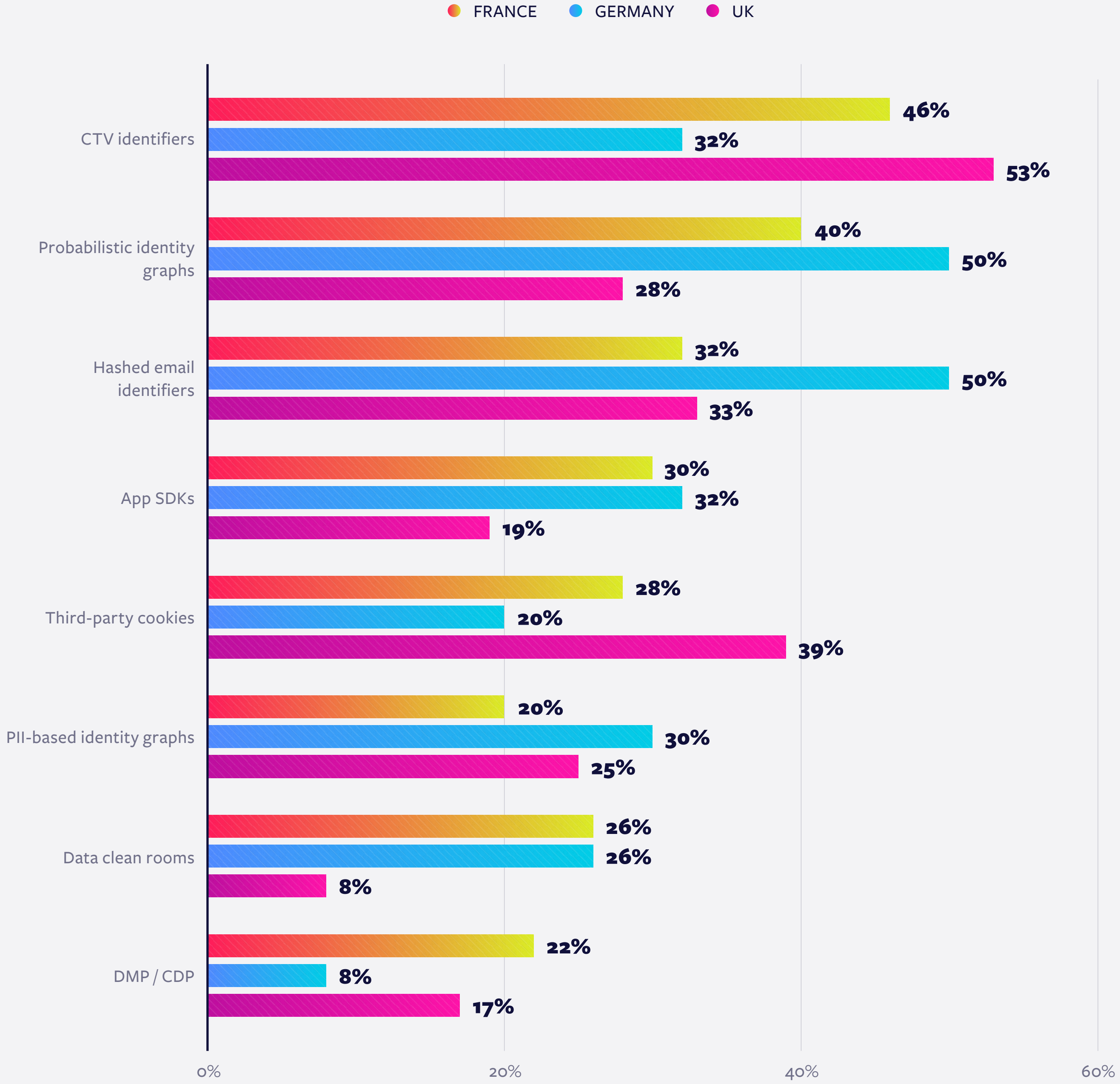


43% of respondents reported that they were using CTV identifiers

40% of respondents reported that they were using privacy-conserving probabilistic identity graphs

By market, CTV identifiers are currently being used most heavily within the UK (53% of respondents), followed by third-party cookies (39%), and hashed email identifiers (33%). Respondents within Germany are predominantly using probabilistic identity graphs alongside hashed email addresses (both 50%), while marketing professionals working within France are generally using a broader range of identifiers.

Figure 21: Use of industry identifiers (Europe 2023/2024) — by market



46% of respondents in France are using CTV identifiers

50% of those surveyed in Germany are using hashed email identifiers

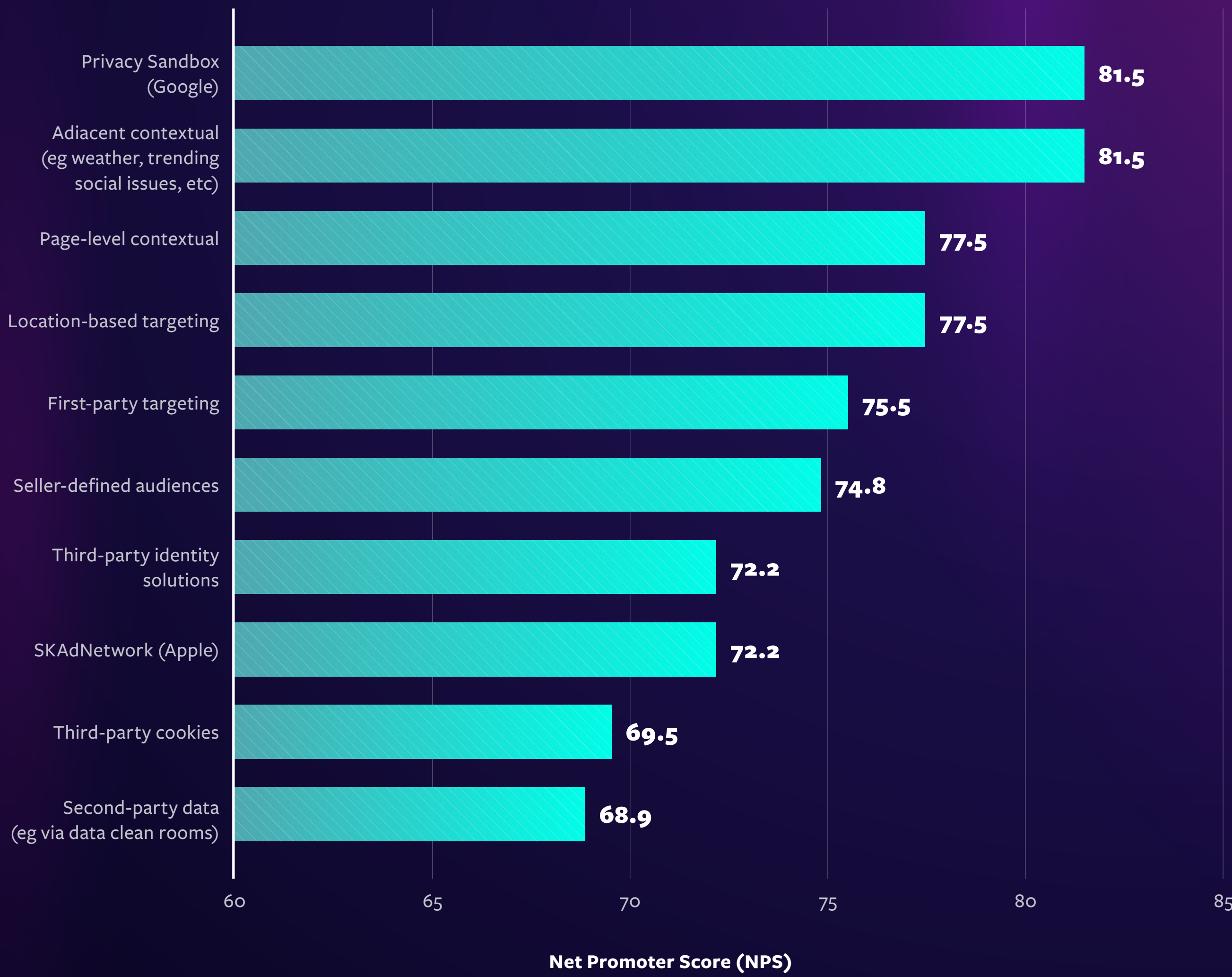
Confidence in targeting options

Agency and brand marketers across Europe are highly confident with a wide variety of targeting options, with all surveyed methods receiving a minimum net promoter score of 68.9.

Despite having only been made generally available in Chrome in September 2023, marketers across Europe are optimistic on the targeting capabilities of Google's Privacy Sandbox initiative, securing the joint-highest NPS of 81.5. However, this optimism must not give rise to complacency as to the extent to which additional investment will be needed to integrate the new Privacy Sandbox APIs.

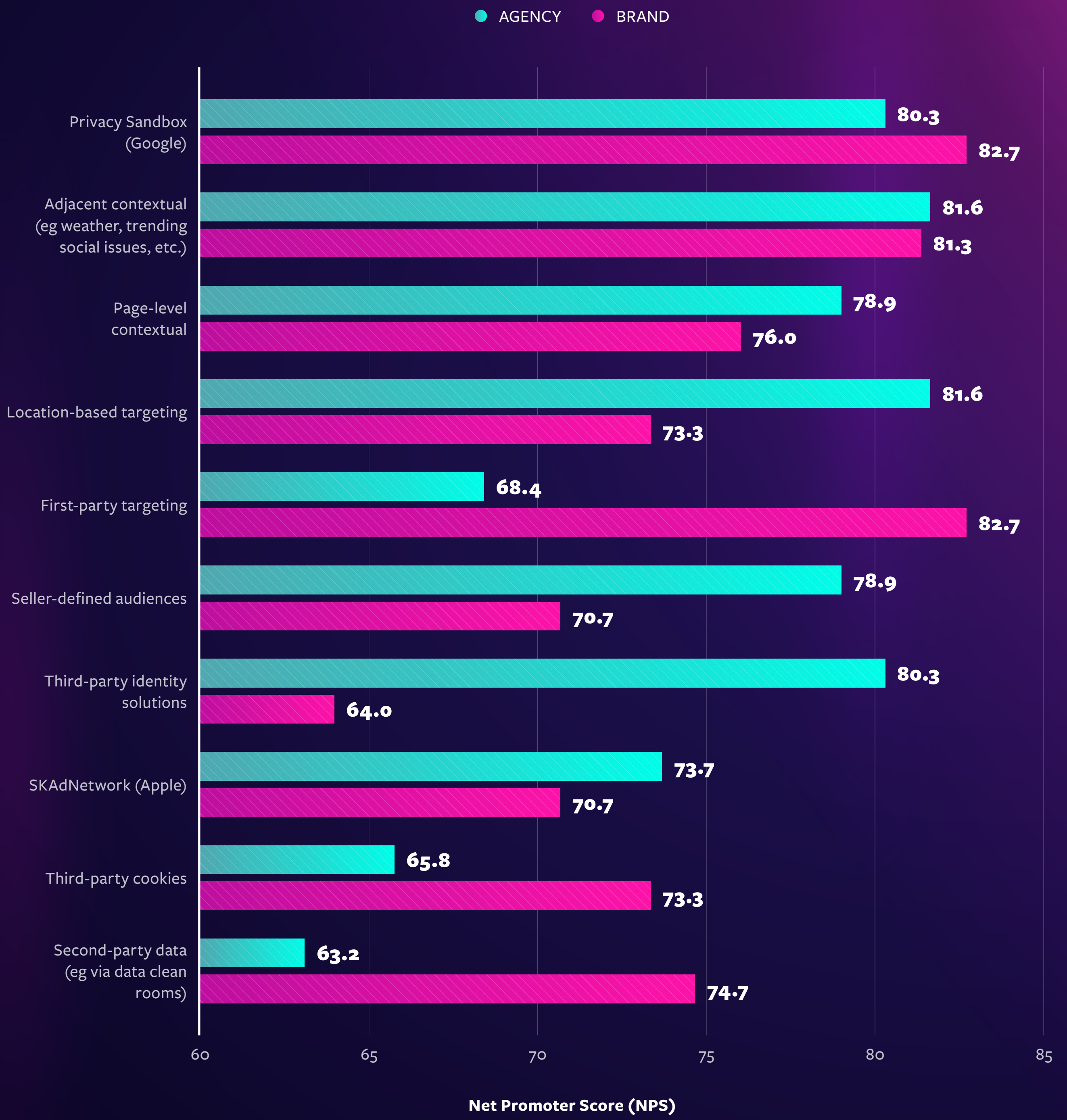
Positively, marketers across Europe are also comfortable with directing their messaging to their desired consumer cohort via contextual signals, specifically adjacent factors such as weather and trending social issues (81.5) and page-level information (77.5).

Figure 22: Confidence in targeting options — Europe 2023–2024



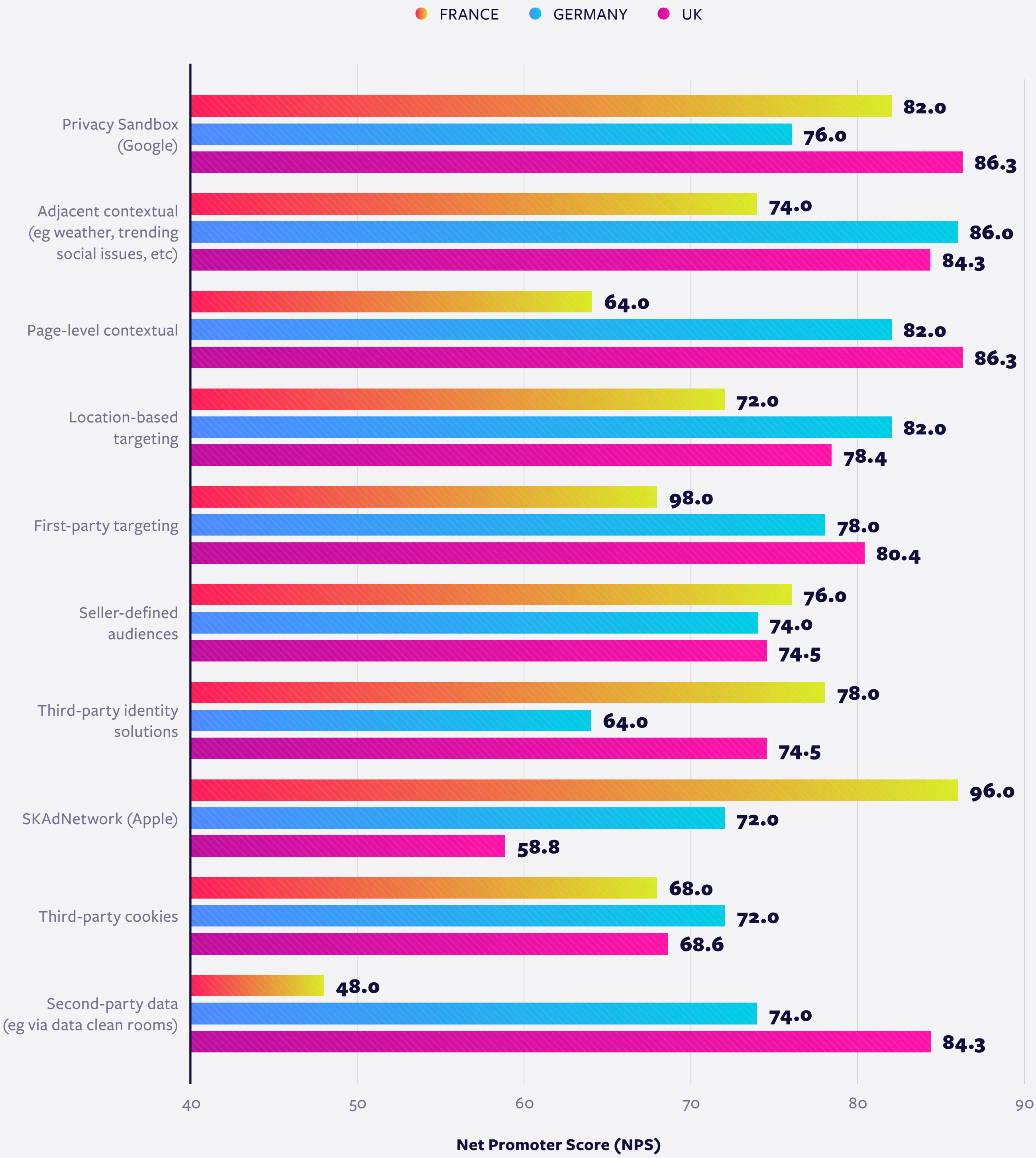
By company type, professionals within European agencies are more confident with targeting advertising based upon location (81.6 versus 73.3), seller-defined audiences (78.9 versus 70.7), and third-party identity solutions (80.3 versus 64.0) than their brand counterparts. Conversely, European brand marketers exhibit greater confidence with targeting based upon first-party data (82.7 versus 68.4), third-party cookies (73.3 versus 65.8), and second-party data (74.7 versus 63.2) than their agency colleagues.

Figure 23: Confidence in targeting options (Europe 2023–2024) — by company type



While the results for confidence in targeting options tracked closely between Germany and the UK, the French market was somewhat anomalous here. Respondents with France were significantly more confident with mobile targeting via Apple's SKAdNetwork protocol, while being substantially less secure with targeting via page-level contextual and second-party data.

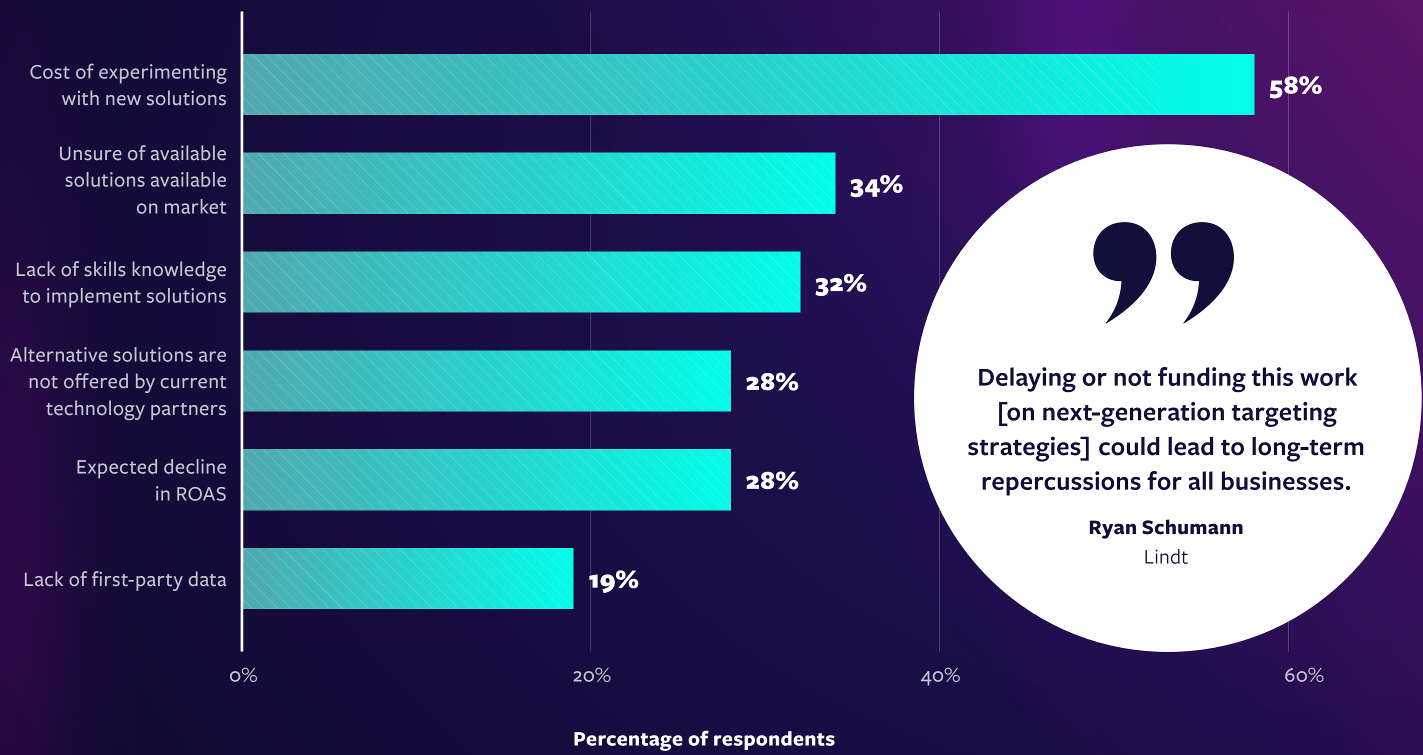
Figure 24: Confidence in targeting options (Europe 2023–2024) — by market



Leading barriers preventing experimentation with next-generation targeting and measurement strategies

Unsurprisingly in the current inflationary economic market affecting local and international marketing budgets, the cost of experimenting with new solutions is the most commonly cited leading barrier preventing experimentation with next-generation targeting and measurement strategies, cited by 58% of respondents. Schumann comments, **"I could imagine the 'cost' referenced here is multifaceted — it could be experimenting with campaigns to validate the results of switching methodologies, it could be investment into brand CRM systems to build up first party data, it could be SAAS costs for third party providers... honestly, this next step is a complex one with a lot of different options, and the industry has yet to completely rally around one. That means costs will remain high while bifurcation and opacity within the industry remains high."**

Figure 25: Leading barriers preventing experimentation with next-generation targeting and measurement strategies — Europe 2023/2024



Cross-industry collaboration is recommended here to lower the monetary burden on individual companies, thus ensuring brands and agencies do not get left behind from their competitors. Waddington writes, **"I see investments in this area much like investments in innovation and R&D. The lack of a guaranteed return within a single quarter, especially when budgets are tight and teams are downsizing, can create challenges in securing the resources required. Nevertheless, delaying or not funding this work could lead to long-term repercussions for all businesses.**

"Agencies might find that they lose clients to competitors who tackled these challenges earlier and demonstrated success. Brands may find themselves restricted to walled garden approaches, limiting their scale, control and data availability.

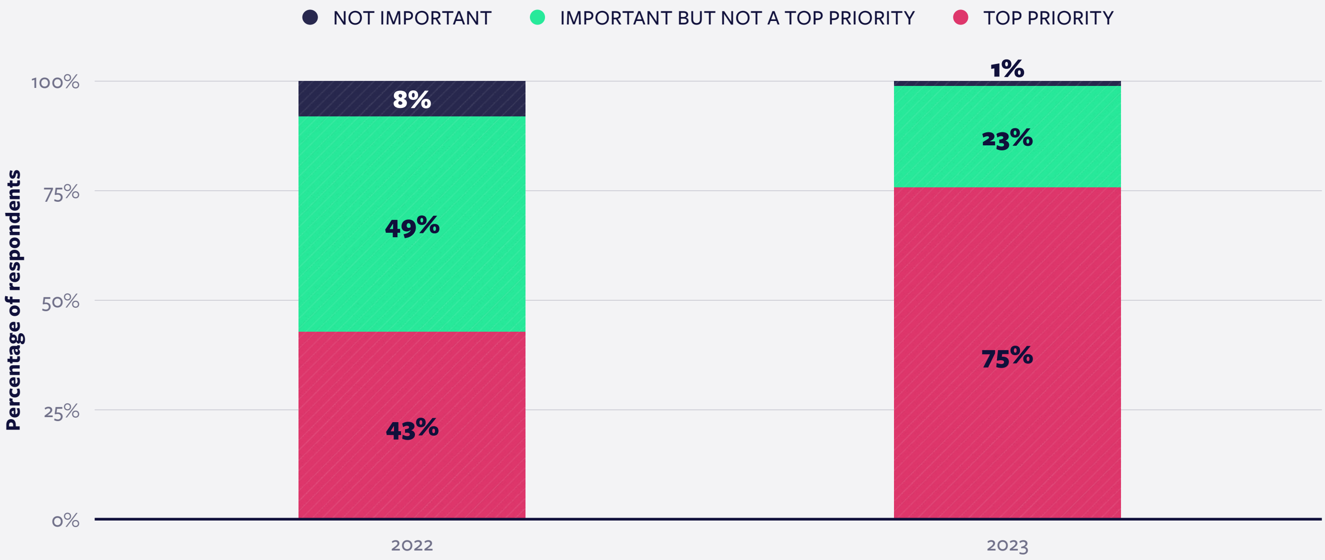
"That said, collaborative efforts can help mitigate costs for individual brands and agencies. A commitment to cross-functional teams, sharing results and celebrating successes will enable the industry to experiment collectively and progress more rapidly."

Part 3:
Sustainability

Importance of sustainability metrics

Three-quarters (75%) of European agency and brand marketers deem sustainability metrics to be a top priority for their business, representing a sizable increase from the 43% recorded last year. Moreover, only 1% of respondents declared that sustainability metrics were not important to their business, down from 8% in 2022.

Figure 26: Importance of sustainability metrics — Europe 2023–2024 versus Europe 2022



Though the perceived importance of sustainability metrics over the next 24 months has increased across each of the surveyed markets, they are now much more critical to the UK market than in 2022. Three quarters (75%) of surveyed marketing professionals within the UK market now deem sustainability metrics to be a top priority to their business, versus 27% in 2022, while no respondent stated that sustainability metrics were not important, down from 20% last year.

Speaking on the pan-European increase in perceived importance of sustainability metrics, Sebastian Munden, chair of Ad Net Zero, comments, **“Many advertisers and media owners are future-proofing their businesses for competitive advantage and removing both cost and risk by actively managing down their carbon footprints. In the battle for high-quality talent, all the data shows that potential star talent also demands high standards from their employer. Now, there is also a legal requirement from financial regulators for large, listed businesses to publish their carbon emissions with annual reports — and not just their direct but indirect emissions called scope 3 emissions.**

“For these reasons many advertisers now have active plans to measure and reduce their scope 3 carbon emissions and have realised that production and especially media can be a bigger number than they first thought. As a result, these clients require the data to be collected and the emissions impact reduced alongside cost-effective media plans. This flows through the media supply chain and can present challenges to media planners and media owners.

“To address this, Ad Net Zero, the industry coalition of advertisers, agencies, platforms, media owners, and production companies, is working in partnership with the Global Alliance for Responsible Media (GARM) to create industry standard media carbon footprint definitions and calculations through several working groups. This will help media owners to be able to show their carbon footprint in one clearly understood fair way, to a recognised calculation. Much better than the many different spreadsheets with different calculations which may or may not make the assumptions clear on which they are based. This also allows those media owners who are actively reducing greenhouse gas emissions from their supply chain to be able to show a recognisable benefit to clients.”

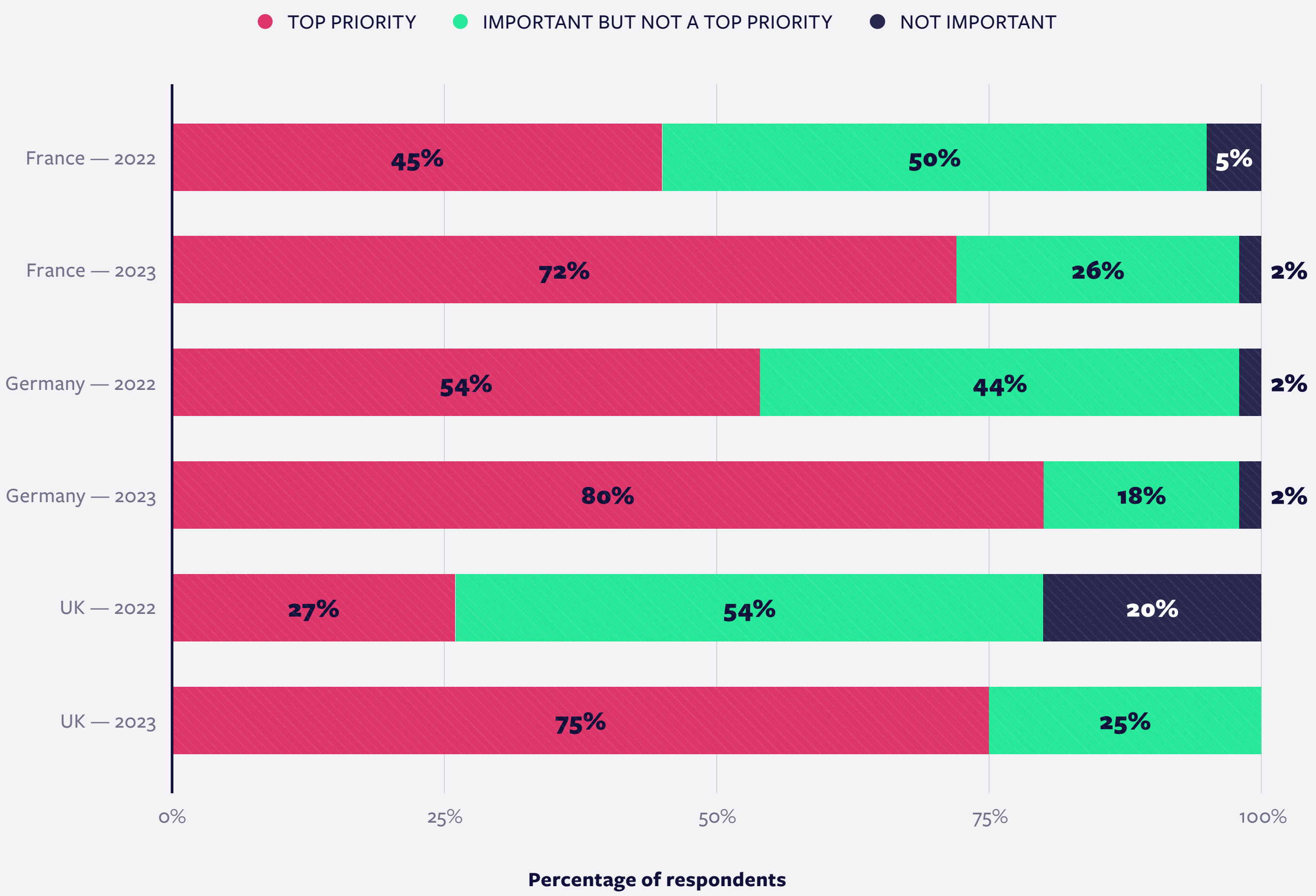
Fiona Salmon, global VP of partnerships and sustainability lead, Captify, adds, **"Awareness of advertising's impact on the planet is growing. According to Good-Loop, the average online ad campaign emits 5.4 tonnes of carbon dioxide, putting the industry's environmental footprint on par with that of the aviation sector. This comparison makes the problem more tangible.**

"With targets established by the Paris Agreement and Science-Based Targets initiative for brands to achieve by 2030, those committed to these goals are scrutinising their supply chains for carbon reductions. Advertising is now under the microscope, evident in the pressure that brands are placing on their supply chain through agency RFIs. I anticipate that Sustainability and ESG (Environmental, Social, and Governance) KPIs will follow suit, and I wouldn't be surprised if they emerge before the end of 2024.

"This movement goes beyond mere optics. Passionate young talent is increasingly seeking firms with genuine green ambitions. Therefore, having a cohesive reduction strategy and demonstrating that sustainability is a top priority on the boardroom agenda is not only crucial for the planet, but also for future-proofing your business. This shift has prompted brands and companies to take sustainability seriously."

A proliferation of measurement platforms in France, including those which specifically track carbon emissions, is likely to be fuelling the increase in the perceived importance of sustainability metrics in this market. Crego writes, **"This topic isn't new, but in 2023 some important events made lots of people realise it was a priority. Firstly, Udecam (the French media agencies federation) has launched a SAAS platform for ad campaign environmental footprint measurement (including carbon impact). Secondly, measurement and optimisation players (mainly in programmatic) launched in France, evangelising the market about their approach. Finally, many saleshouses have launched products (measurement and/or optimising tools) geared towards sustainability metrics."**

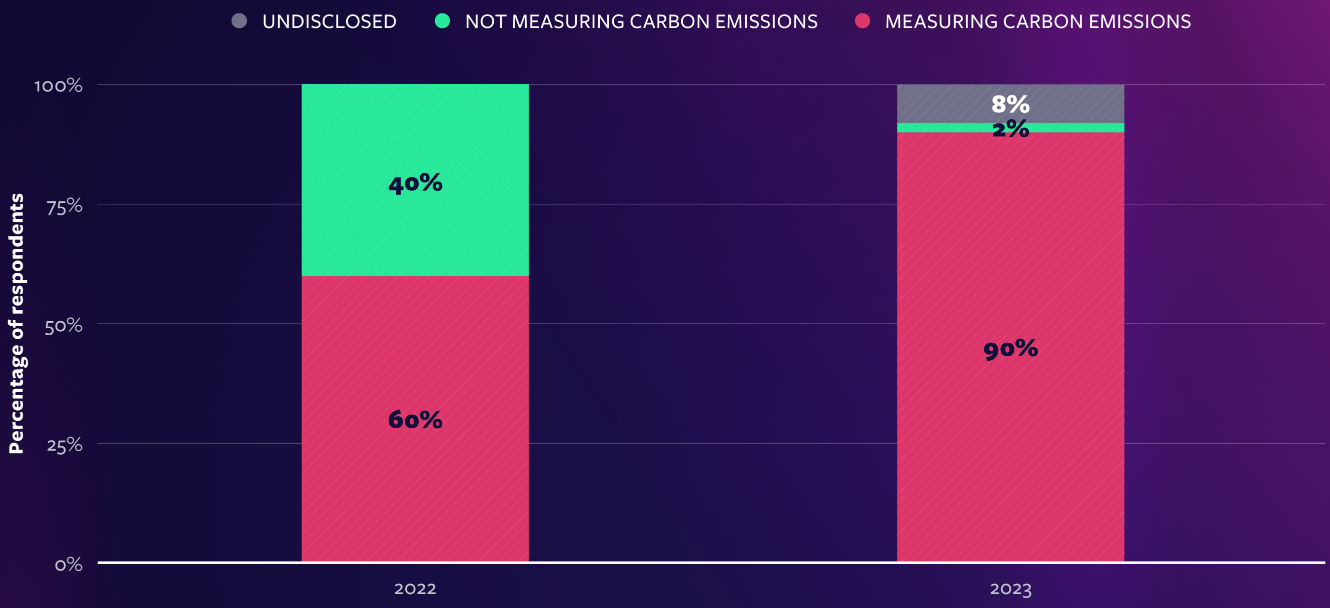
Figure 27: Importance of sustainability metrics (Europe 2023–2024 versus Europe 2022) — by market



Measurement of carbon emissions

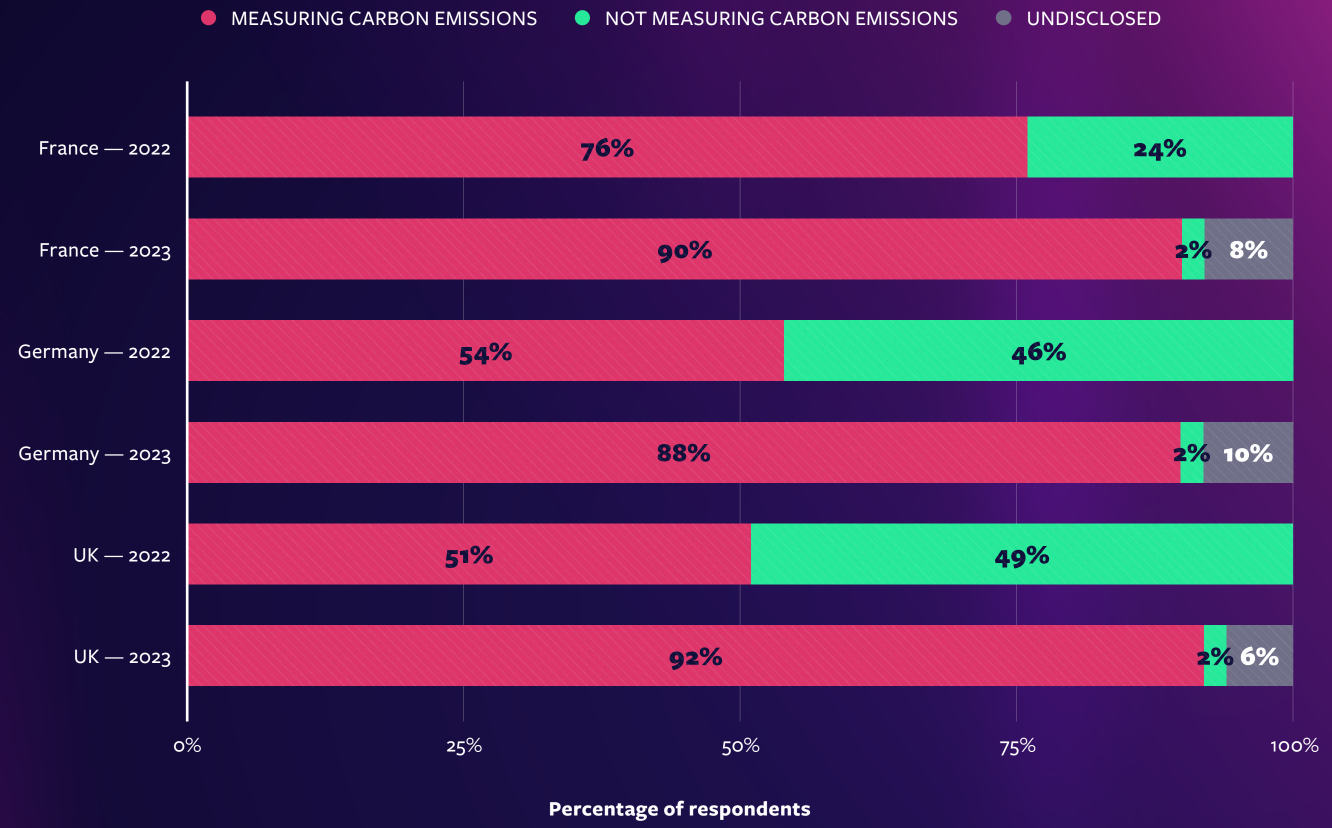
Promisingly for industry-wide efforts to reduce carbon emissions, as the perceived importance of sustainability metrics has increased, so too have practical efforts to measure carbon output. Nine-in-ten European marketers are now measuring their carbon emissions, versus the 60% recorded in 2022.

Figure 28: Measurement of carbon emissions — Europe 2023/2024 versus Europe 2022



Measurement of carbon emissions has increased across all surveyed markets, though these gains are particularly pronounced in Germany (+34% year-over-year) and the UK (+41% year-over-year).

Figure 29: Importance of sustainability metrics (Europe 2023–2024 versus Europe 2022) — by market



Standardisation of carbon measurement across the advertising industry has been identified as a key factor behind further bolstering the tracking of emissions across the programmatic supply chain, with Salmon writing, **"Establishing industry standards for carbon measurement is crucial. Currently, the three primary measurement companies, Scope3, Impact+, and Good-Loop, utilise distinct measurement methodologies. In addition, Hannah Mirza from The Responsible Marketing Agency has identified over 30 carbon calculators in use within the industry. The lack of cohesion across the industry poses a challenge in establishing meaningful KPIs.**

"On a positive note, The World Federation of Advertisers (WFA), GARM and Ad Net Zero have joined forces on an acceleration agenda to identify a standardised framework for measuring media campaign carbon emissions. When it comes to existing environmental legislation, it falls short in both scope and granularity, potentially resulting in companies not being fully accountable for the carbon footprint they generate."

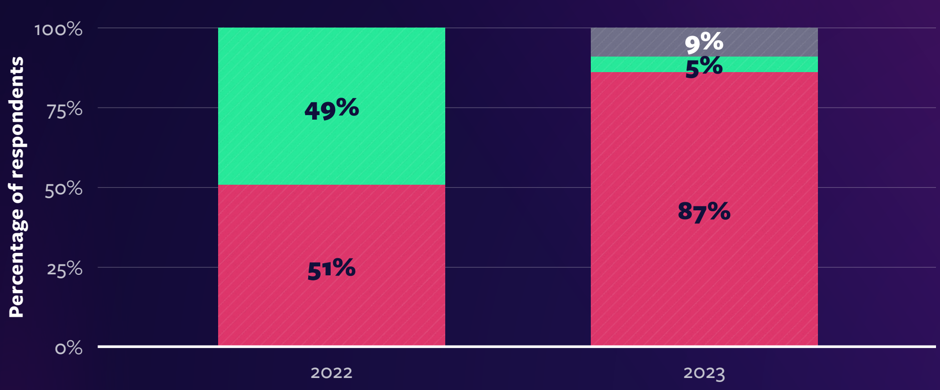
Cross-industry collaboration has been attributed as a key driver to supporting this standardisation, and thus the increase in carbon emissions measurement across Europe. Munden comments, **"I believe that the global industry working groups brought together by Ad Net Zero and GARM will deliver workable, practical solutions, supported by the insight of the biggest global advertisers and their agency partners, for the standardisation of carbon footprint calculations by media channel under the leadership of Rob Racowitz of the WFA. The first fruits of this work will become available through 2024 as each new channel is completed.**

"Since the last report, the number of Ad Net Zero signatory companies has increased both in the UK and Ireland and now in the US as well, where a very high proportion of supporters are involved in digital media. We will be establishing chapters in more markets during 2024 to help companies create emission reduction plans and engage in sustainability metrics."

Requirement for advertising partners to report carbon emissions

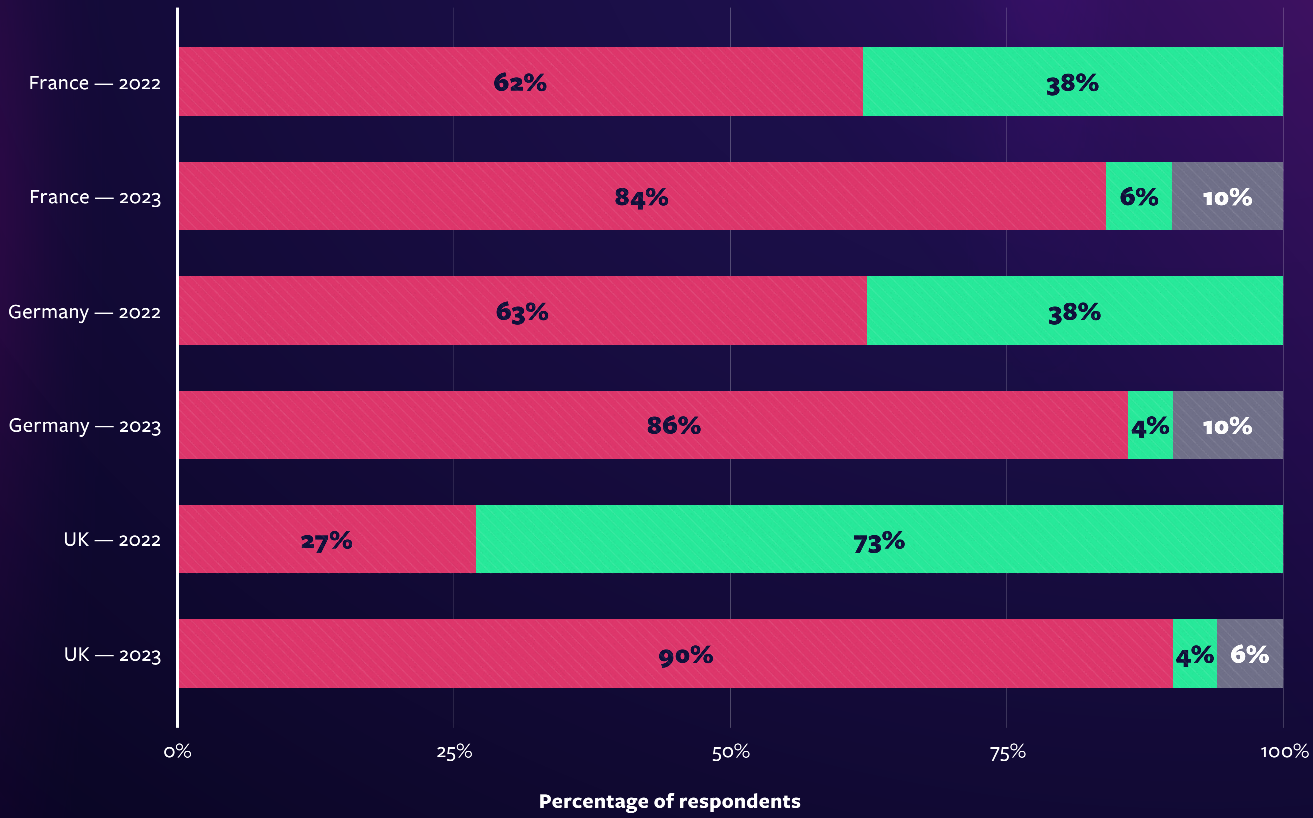
An overriding majority (87%) of surveyed agency and brand marketers in Europe state that they now require their partners across the advertising supply chain to report their carbon emissions, representing a dramatic 36% increase over the proportion observed in 2022.

Figure 30: Requirement for advertising partners to report carbon emissions — Europe 2023/2024 versus Europe 2022



As per measurement of own company emissions, the requirement for advertising partners to report carbon emissions has increased in prevalence across each of the surveyed markets. However, this is particularly stark within the UK, with 90% of respondents now mandating that their advertising partners report their carbon emissions versus just 27% in 2022.

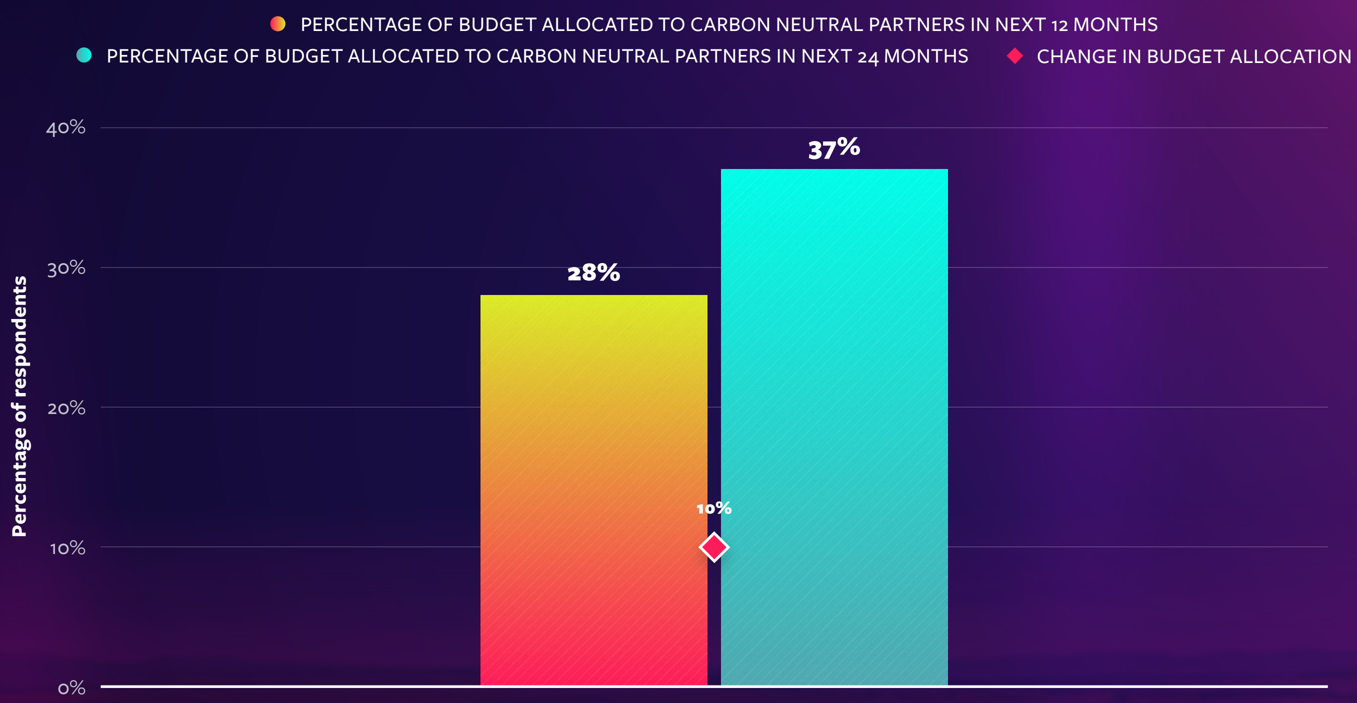
Figure 31: Requirement for advertising partners to report carbon emissions (Europe 2023/2024 versus Europe 2022) — by market



Budget allocation to carbon-neutral advertising partners in next 12–24 months

Nearly one-third (28%) of European brand and agency marketing budget will be allocated to carbon-neutral partners within the next 12 months, with this set to grow by a further 10% over the following year.

Figure 32: Budget allocation to carbon neutral advertising partners in next 12–24 months — Europe 2023/2024



Notably, brand marketers across Europe are set to allocate more of their budgets to carbon-neutral partners over the next 12-24 months than agency budget under management, with nearly half (43%) of brand budget to be allocated to carbon-neutral partners by the close of 2025 versus 32% of agency budget. This is reflective of the greater onus from brands towards practical efforts to reduce carbon emissions compared with surveyed agencies professionals, including the measurement of own carbon emissions (93% versus 87%) and requiring advertising partners to report their emissions (92% versus 82%).

Figure 33: Budget allocation to carbon neutral advertising partners in next 12–24 months (Europe 2023/2024) — by company type

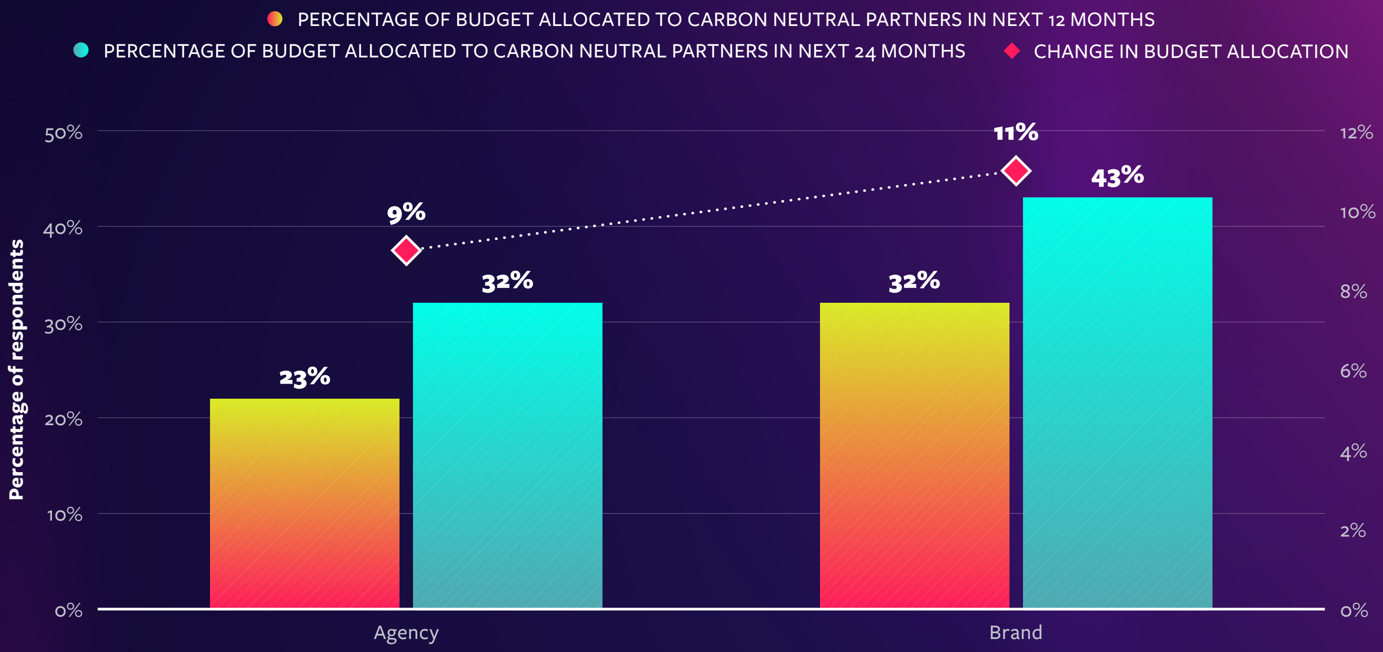
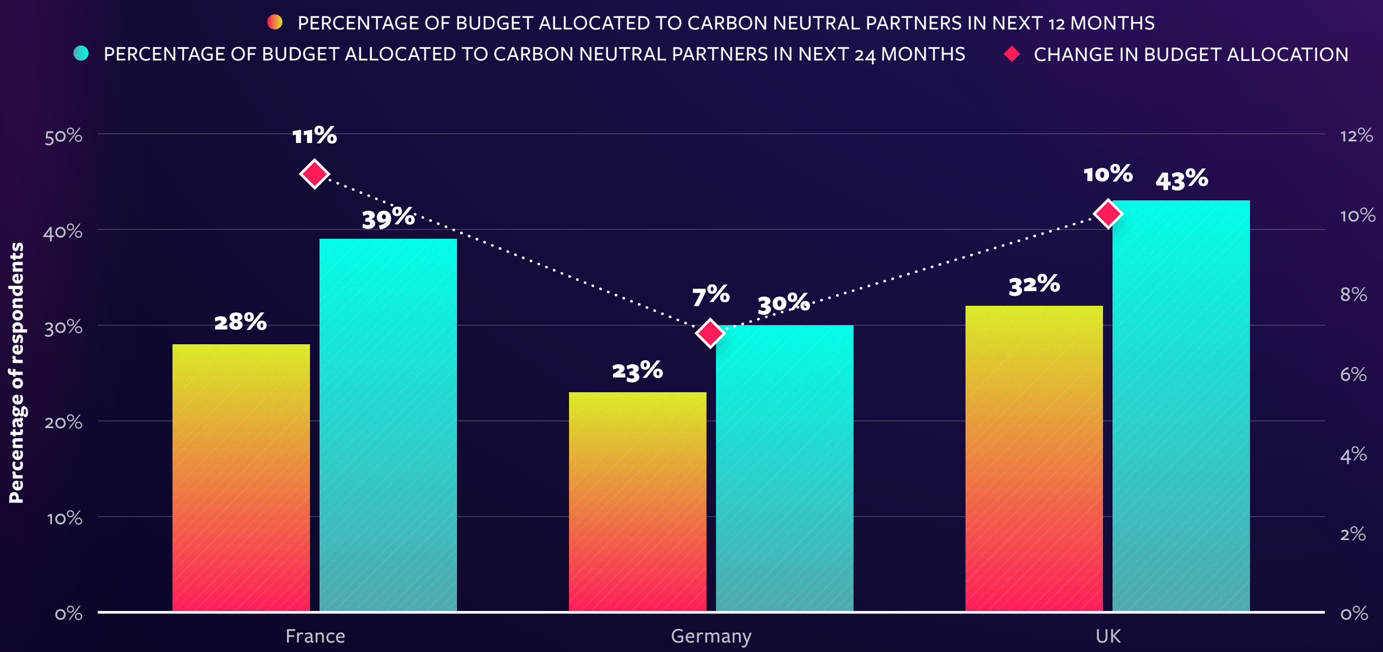


Figure 34: Budget allocation to carbon neutral advertising partners in next 12–24 months (Europe 2023/2024) — by market



Despite the promising growth in budget allocation to carbon-neutral partners, caution is advised to ensure that the market is meaningfully reducing carbon emissions, as opposed to engaging in surface-level carbon offsetting schemes. Munden writes, **“I worry about the concept of ‘carbon neutrality’ turning into a sales currency, as it is often delivered by poor quality offsetting not actual reduction. That’s matching continuing carbon emissions of the company to some carbon capture activity elsewhere. This is not the right goal, which is the systematic and total elimination of greenhouse gas emissions. Best practice is for companies to systematically reduce emissions until they offset less than the last 10%, that final part they just cannot reduce, with new and verified carbon capture activities.**

The industry needs to get its house in order and stop misleading greenwashing claims about carbon neutrality based on poor quality offsetting as if that is an acceptable alternative to genuine emission reduction. The good news is there are companies getting the journey to net zero right who will get competitive and almost certainly cost advantages from it. We discuss this topic in an upcoming book I have co-authored with Matt Bourn: ‘*Sustainable Advertising — how advertising can support a better future.*’

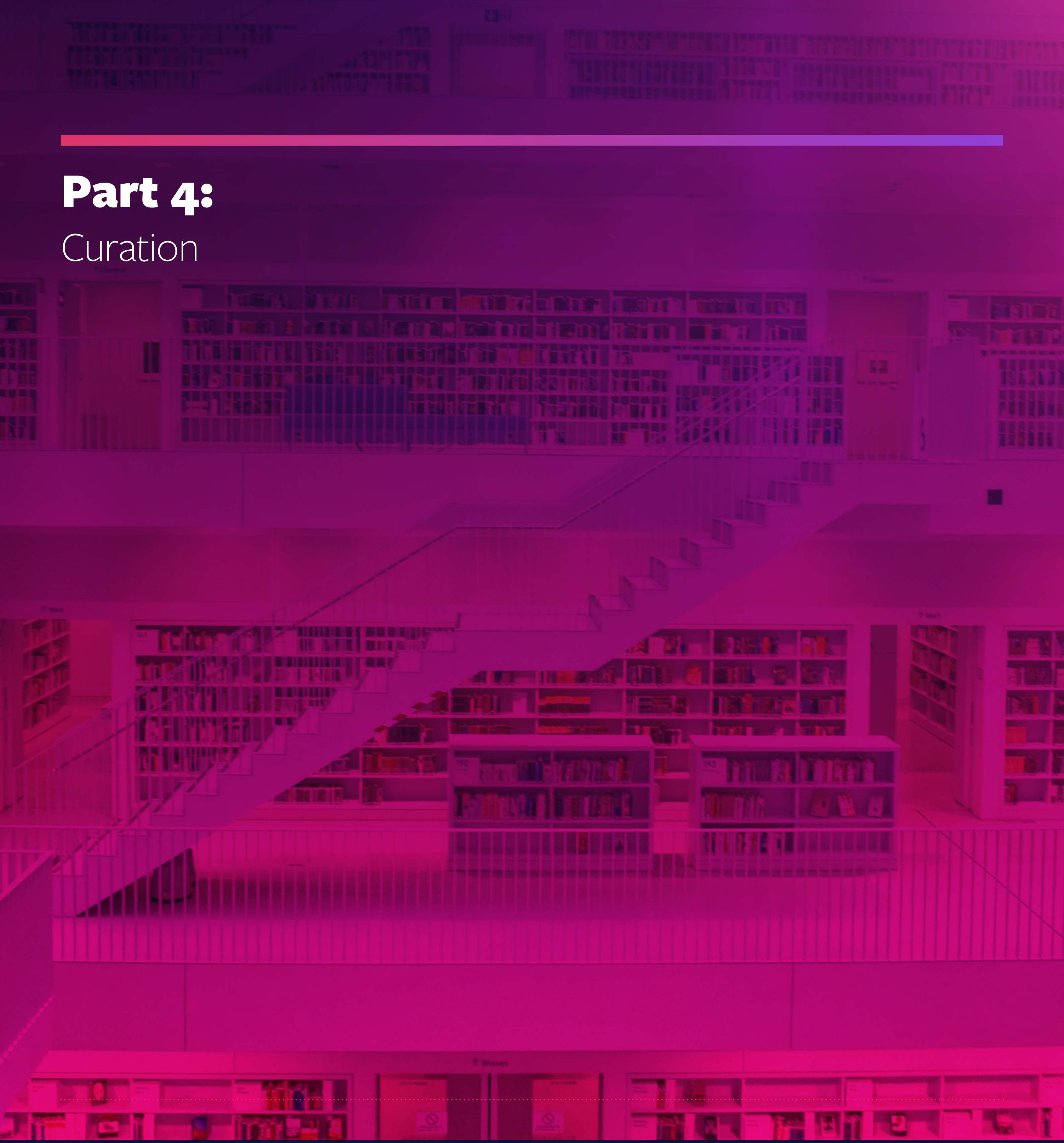
“Agencies can equip themselves by adopting the five actions of the Ad Net Zero Framework which provides a straightforward practical approach to get to net zero, both in the way they work and the work they make. Ad Net Zero provides tools and training for all sectors in the industry and pre-competitive best practice sharing with peer companies whether large or small. In the book we give a lot of examples of best practice and share a summary of the latest consumer research which may surprise many readers of this report.

> **The industry needs to get its house in order and stop misleading greenwashing claims about carbon neutrality based on poor quality offsetting as if that is an acceptable alternative to genuine emission reduction.**

“I believe that all agencies need to future proof their businesses for growth by adopting a strategic plan to win more sustainable brands as clients and place more advertising with more sustainable media owners: Up-and-coming talent demands it, clients demand it, investors demand it, and in the case of the media supply chain it could also generate cost savings.

“The opportunity for the ad industry is to generate exceptional growth by playing a leading role in helping citizens make better choices faster and accelerate the sustainable economy. Your survey results show that many businesses are getting it.”

Part 4:
Curation

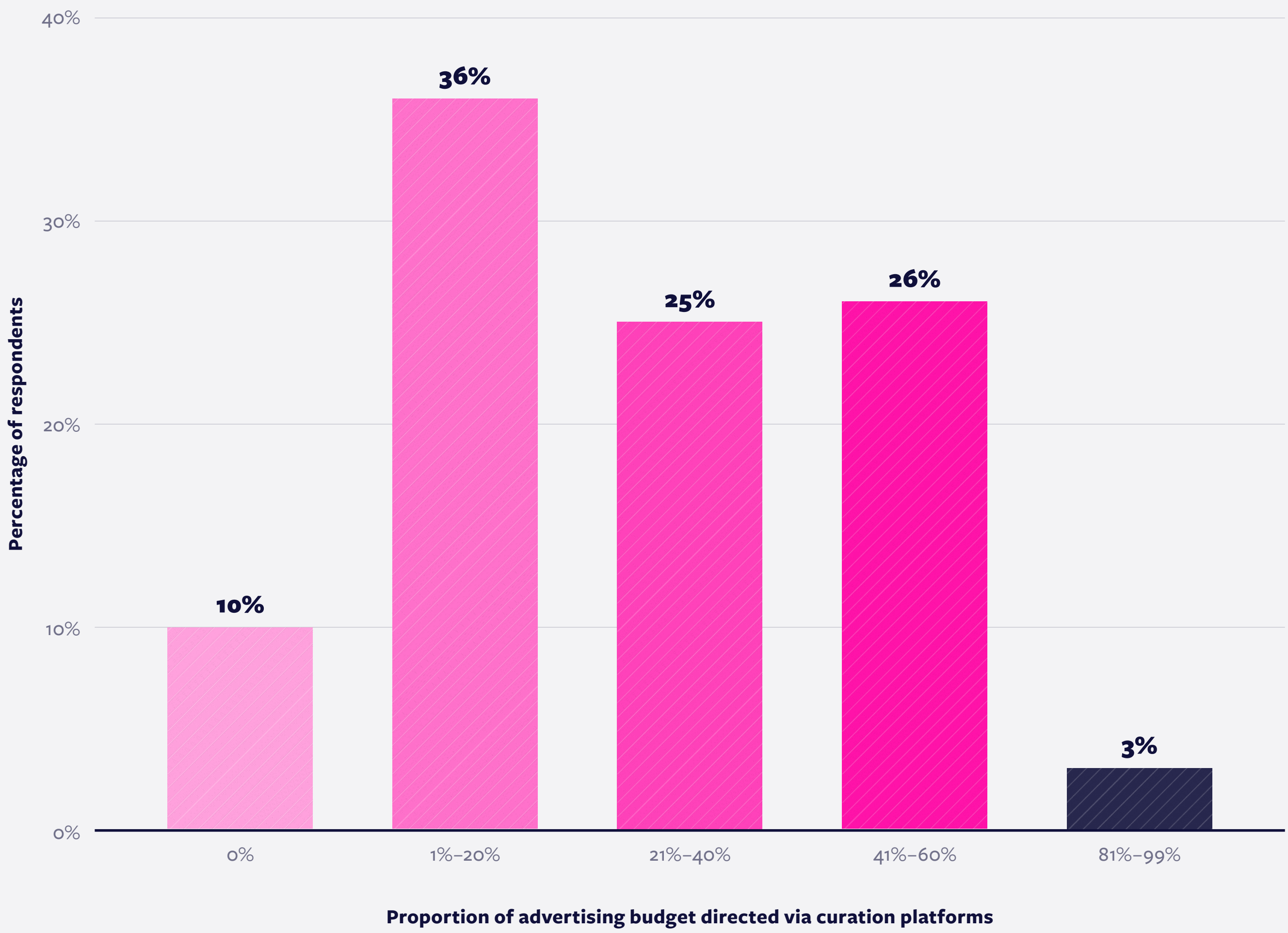


Advertising budget directed via curation platforms

Agency and brand marketers across Europe are leaning heavily into curation, with 90% of surveyed respondents reporting that at least some of their advertising spend is directed via curation platforms. Moreover, nearly one-third (29%) of professionals stated that at least 40% of their advertising spend is funneled through curation platforms.

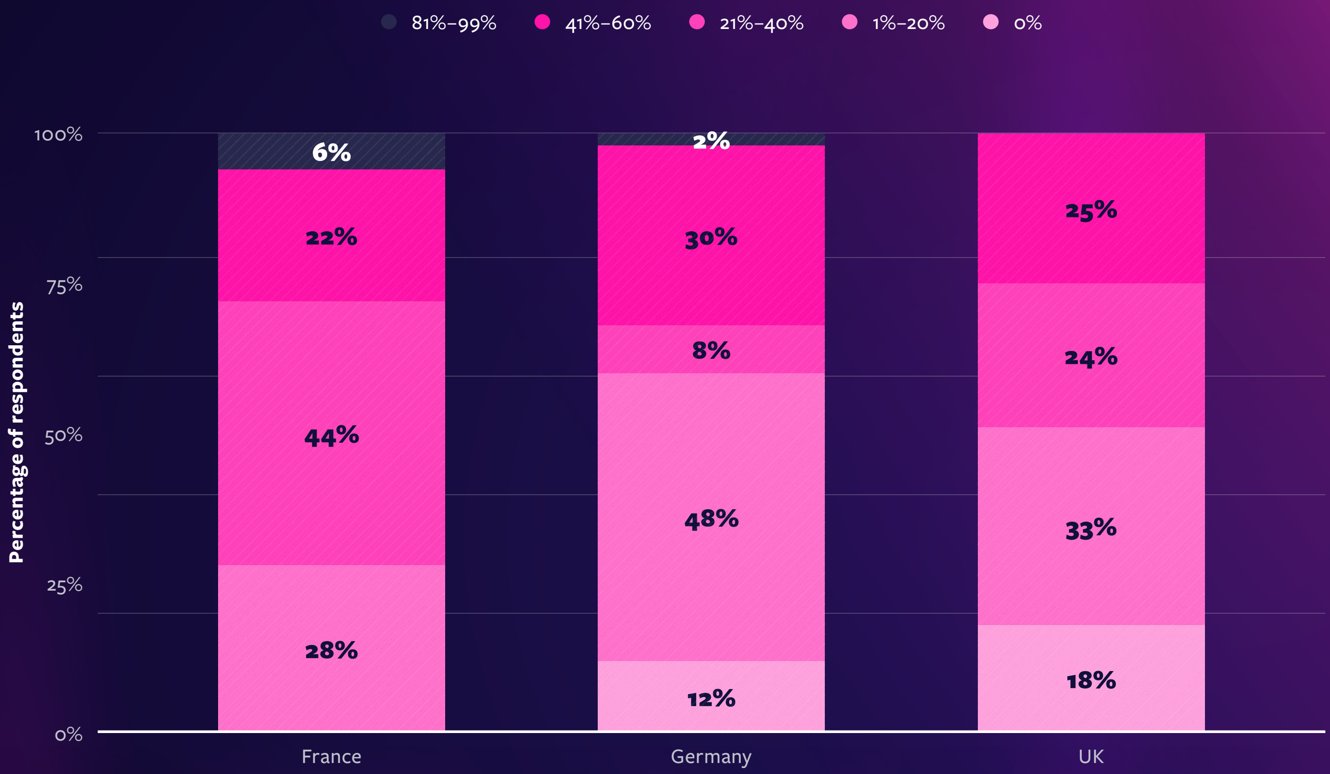
Going forward, further budget is expected to be channeled towards curation platforms as media buyers look to maintain scale in the post-cookie ecosystem. Schumann writes, **"One of the big losers of third-party cookie deprecation will be long-tail websites, as brands and agencies do more direct publisher buys with larger publishers with large first-party data networks. Curation platforms can play a huge role in helping to access and engage with the rest of the digital attention world. It's a service that brands will want to pay for in order to access additional inventory, as otherwise significant, manual resources would be required."**

Figure 35: Proportion of advertising spend directed via curation platforms — Europe 2023/2024



Out of the three surveyed markets, marketing professionals within France are most actively exploring curated media buys by a substantial margin, with all respondents directing at least part of their spend via curation platforms and nearly three-quarters (72%) directing at least one-fifth of their spend here, versus 40% and 49% for Germany and the UK respectively.

Figure 36: Proportion of advertising spend directed via curation platforms (Europe 2023/2024) — by market



Leading priorities for curated media buys

Leveraging predictive audience data for campaign planning was the leading priority for curated media buys across European brand and agency marketers, cited by 43% of respondents, followed closely by improving ROI through greater ad spend efficiency (41%). Notably, all surveyed priorities were cited by at least 20% of respondents, indicating marketers across Europe are adopting a highly experimental approach to curation at this time.

Figure 37: Top priorities for curated media buys — Europe 2023/2024

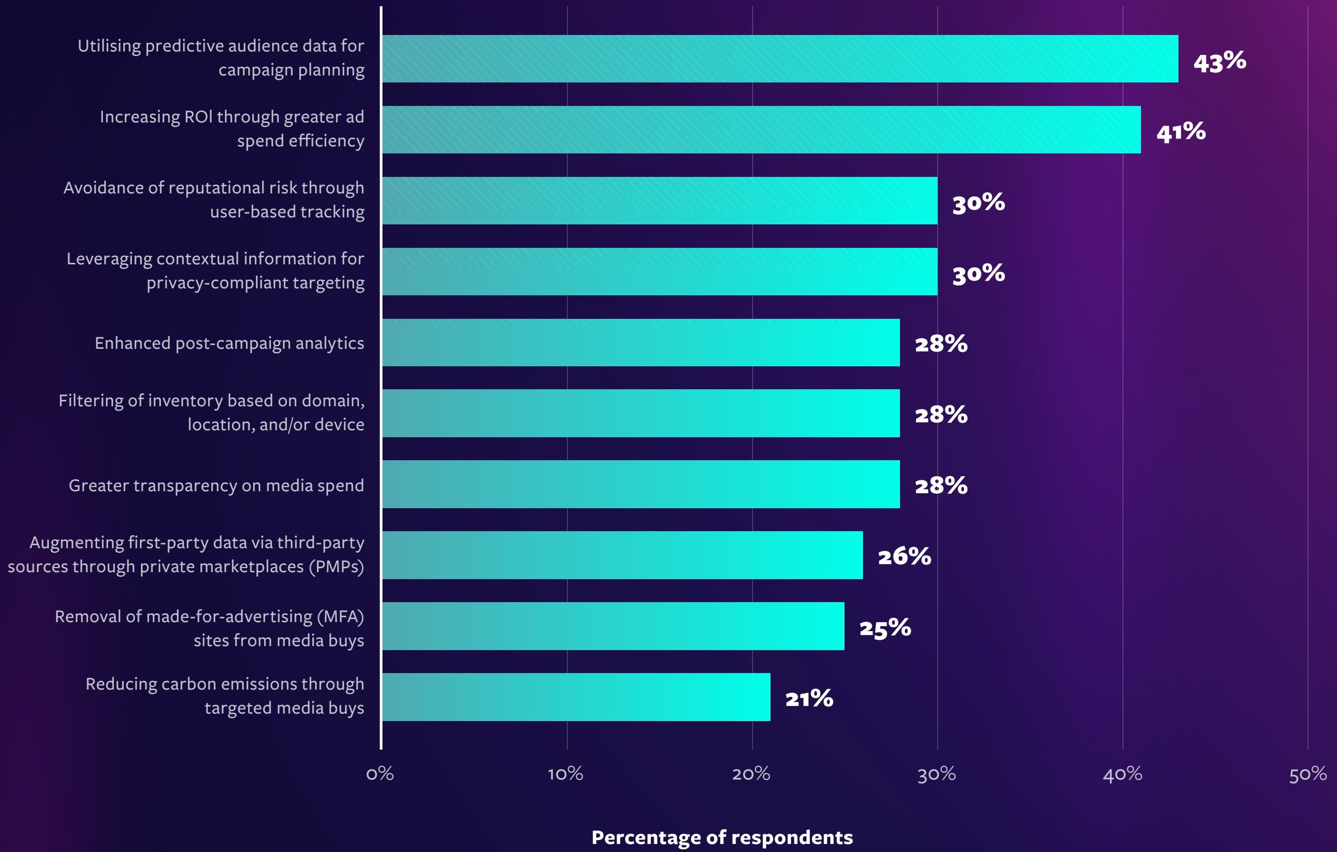


Figure 33: Top three types of TV inventory currently, or planned, to advertise against (Europe 2023–2024) — by market

FRANCE

1. **Utilising predictive audience data for campaign planning** (46%)
2. **Increasing ROI through greater ad spend efficiency** (42%)
3. **Leveraging contextual information for privacy-compliant targeting** (32%)

GERMANY

1. **Utilising predictive audience data for campaign planning** (40%)
2. **Increasing ROI through greater ad spend efficiency** (40%)
3. **Augmenting first-party data via third-party sources through PMPs** (36%)

UK

1. **Utilising predictive audience data for campaign planning** (43%)
2. **Increasing ROI through greater ad spend efficiency** (41%)
3. **Avoidance of reputational risk through user-based tracking** (35%)

Acknowledgements and methodology

ExchangeWire and OpenX would like to take this opportunity to thank the surveyed European media industry professionals, alongside our thought leaders who contributed to the research, for their time and insight which proved invaluable. Namely:

- **Emmanuel Crego,** directeur général, Values.Media
- **Sebastian Munden,** chair, Ad Net Zero
- **Fiona Salmon,** global VP of partnerships and sustainability lead, Captify
- **Ryan Schumann,** senior manager, global e-commerce growth and analytics, Lindt & Sprüngli
- **Amelia Waddington,** CPO, Captify

SAMPLE AND METHODOLOGY

The original quantitative research is derived from a survey of 151 media professionals with responsibility for digital media buying, working within an agency or brand within Europe. The surveyed markets were France, Germany, and the United Kingdom. Data was collected from 6th December 2023 to 12th December 2023.

ABOUT OPENX

OpenX is an independent omni-channel supply-side platform (SSP) and a global leader in supply-side targeting, transparency, and sustainability. Through its 100% cloud-based tech stack, OpenX powers advertising across CTV, app, mobile web, and desktop, enabling publishers to deliver marketers with improved performance and dynamic future-proofed solutions. With a 15-year track record of programmatic innovation, OpenX is a direct and trusted partner of the world's largest publishers, working with more than 130,000 premium publisher domains and over 100,000 advertisers. As the market leader in sustainability, OpenX was the first adtech company to be certified as CarbonNeutral™ and third-party verified for achieving its SBTi Net-Zero targets.

Learn more at www.openx.com

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