



The ExchangeWire Media Pulse: H1 2024

Mat Broughton

Research Lead, ExchangeWire

Contents

- **Executive Summary** 3
- **Key Findings** 4
- **AI** 5
 - Big tech and AI 7
- **Channels** 9
- **Cookie deprecation and Privacy Sandbox** 11
 - Cookie deprecation 12
 - Privacy sandbox 14
- **Curation** 15
- **ESG** 17
- **Fraud** 20
- **Social media** 22
 - TikTok 25
- **Sports** 26
- **About ExchangeWire** 29

Executive summary

The start of 2024 was truly a whirlwind. From legal spats between publishers and big tech over AI, to the return of big-ticket investment in the ad tech industry, and of course Google delaying cookie deprecation (only to reverse track in July and decide against outright cookie deprecation).

To gauge industry response to these stories, we polled ExchangeWire Digest readers, composed of a global array of agency, brand, publisher, and technology professionals. In this report, we take a leaf out of the fabled opinion polls that preface the multiple elections in the year and delve into the findings from our weekly surveys.

Derived from the hot-topic news stories of the year thus far, we take a global snapshot of the following key topics:



Use of AI solutions across the advertising industry

How generative AI solutions are set to impact search



Trending channels within the marketing mix



Readiness of the industry for the deprecation of the third-party cookie within Chrome, and testing of Privacy Sandbox



Role of curation in advertising strategies



Measurement of carbon emissions, and efforts to reduce environmental impact



Industry-wide efforts to reduce ad fraud



Evolution and regulation of social media



Marketing budgets in a bumper year of sports

Read on to find out how the industry reacted to the headline news stories of H1 2024, and what the future implications may be in years to come.

Key findings

- Eighty-five percent of the industry are currently using, or are planning to implement, AI solutions
- A resounding 82% of respondents stated that audio is very important across media plans
- Positively, the majority of ExchangeWire Digest readers stated that they were ready for the axing of the third-party cookie
- Nearly three-quarters of respondents are not currently testing Privacy Sandbox APIs
- Surveyed ExchangeWire Digest readers are actively exploring curation, with 71% of respondents either using, or planning to use, curation across their businesses
- Over two-thirds believe that search engines will be replaced by search functionality within social media platforms
- Sixty-one percent of respondents stated that their sports marketing budgets would increase over the course of 2024, dramatically outpacing growth in overall advertising budgets



85%

of the industry are currently using, or are planning to implement, AI solutions



82%

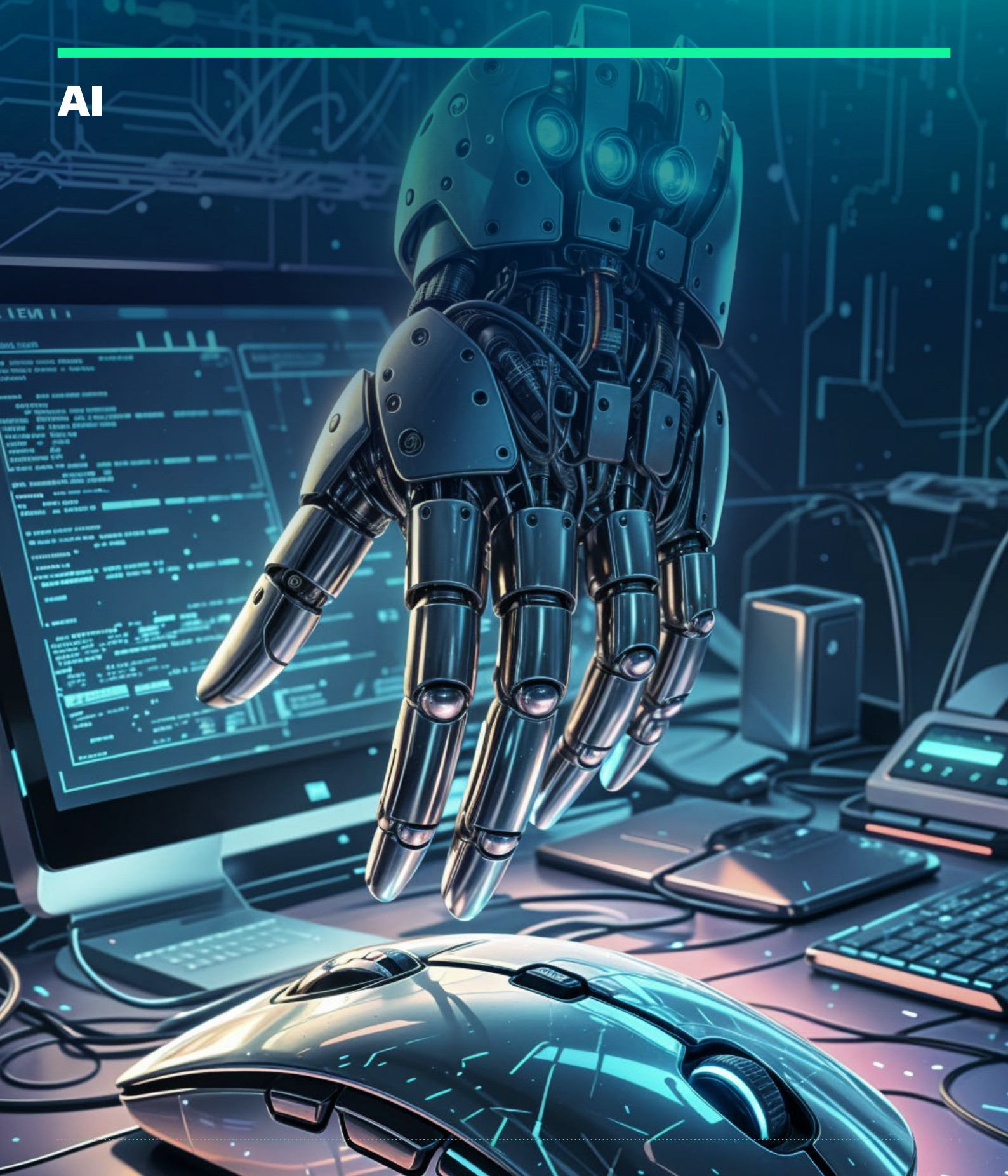
of respondents stated that audio is very important across media plans



71%

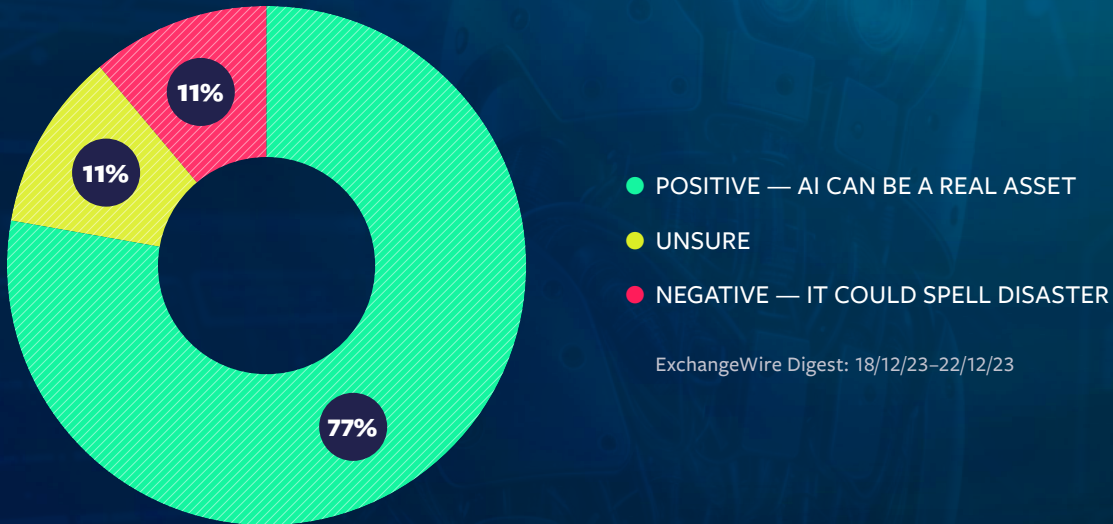
of respondents either using, or planning to use, curation across their businesses

AI



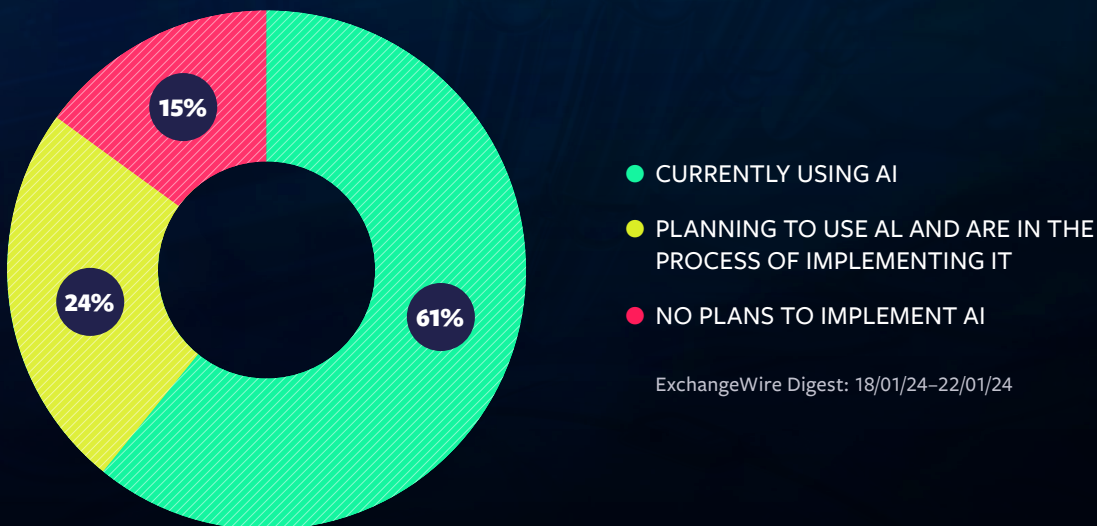
Overall, the ExchangeWire audience is highly bullish on the use of artificial intelligence, machine learning, and large language models (LLM) within ad tech, with only 11% viewing the use of these solutions negatively.

Figure 1: Outlook on the future of AI in the ad tech industry — H1 2024



Unsurprisingly, given the strength of optimism on the use of AI, companies across the sector are rapidly employing these technologies within their businesses. Over six-in-ten respondents stated that they have already activated AI solutions, while a further 24% stated that they are in the process of implementing AI.

Figure 2: Implementation of AI — H1 2024



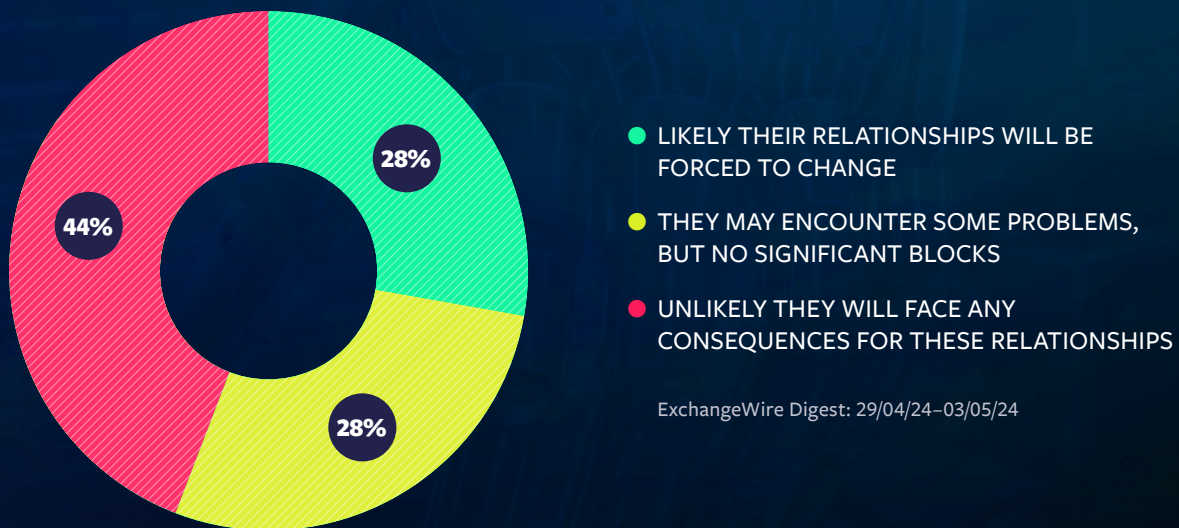
Big tech and AI

Firms across virtually all industries have been exploring AI solutions to drive efficiencies within their businesses, and the big tech colossi are no exception to this.

Rather than building solutions, the giants have opened their rather plump wallets and invested in solutions to the tune of billions in order to hit the ground running. However, these inorganic growth strategies are likely to draw the scrutiny of antitrust regulators across the globe. Authorities have taken a more active approach in recent years, with multiple ongoing cases against Google and prolonged wrangling over the Microsoft Activision-Blizzard acquisition front of mind here.

To that end, we asked our readers whether big tech firms are likely to face serious regulatory action on these deepening relationships. Notably, only 28% strongly believe that regulators will force big tech companies to divest of these AI partnerships, while 44% state that it is unlikely that they will face any consequences for their investments and/or acquisitions within the AI sector.

Figure 3: Likelihood of big tech companies encountering regulatory action on their relationships with leading AI companies — H1 2024



ExchangeWire Digest: 29/04/24–03/05/24

The increased rollout of generative AI solutions within search engines, particularly Google Search, has rung alarm bells among publishers concerned with a decline in referral traffic, with AI-generated answers negating the need for users to click through to a given publisher’s website, along with industry-wide sustainability concerns associated with the use of these energy-intensive tools. Nearly half (44%) of those surveyed are highly concerned about AI overviews within Google Search, while only one-fifth state that the rollout will affect their business positively.

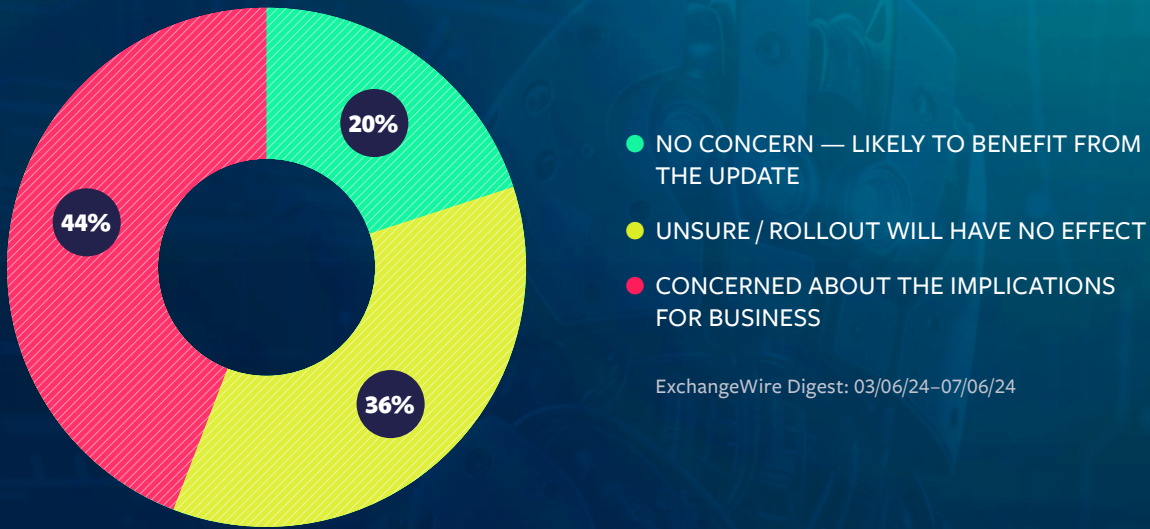
28%

strongly believe that regulators will force big tech companies to divest of these AI partnerships

44%

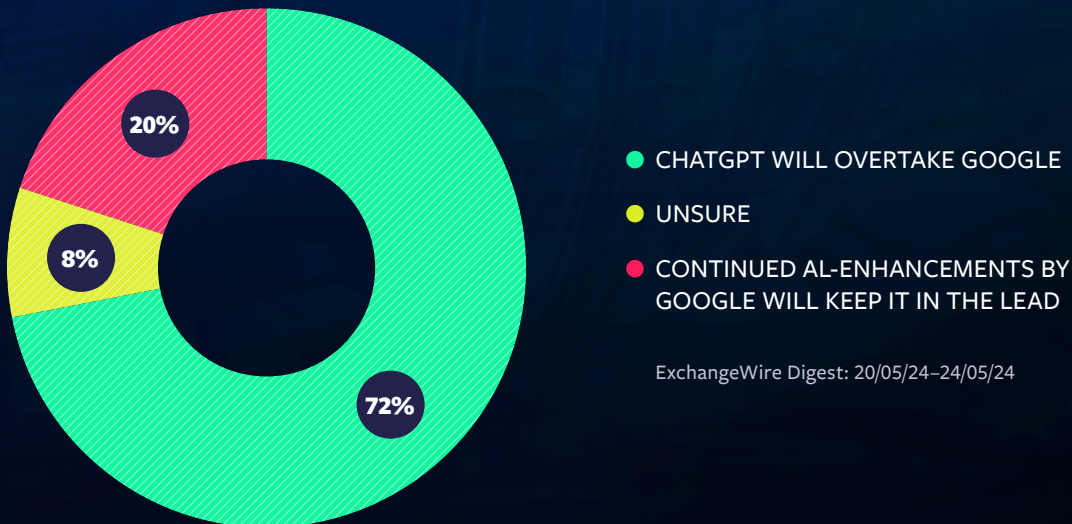
state that it is unlikely that they will face any consequences for their investments and/or acquisitions within the AI sector

Figure 4: Concern surrounding Google Search’s new AI Overviews — H1 2024



Finally, in a finding that will surely have Google executives issuing a fabled “code yellow”, three-quarters (72%) of respondents believe that ChatGPT will overtake Google Search’s popularity, despite the latter’s current dominance in the market. Only one-fifth of respondents believe that Google’s own AI efforts will help it retain the crown in search, not helped by the various nonsensical claims made by Google’s AI-powered overviews, including mooted health benefits of taking a bath with a toaster (do not try that at home) and that the former Irish Taoiseach Leo Varadkar is 2,716 feet tall (the same height as the Burj Khalifa).

Figure 5: Expectations on ChatGPT overtaking Google Search’s popularity globally



72% believe that ChatGPT will overtake Google Search’s popularity

44% of those surveyed are highly concerned about AI overviews within Google Search

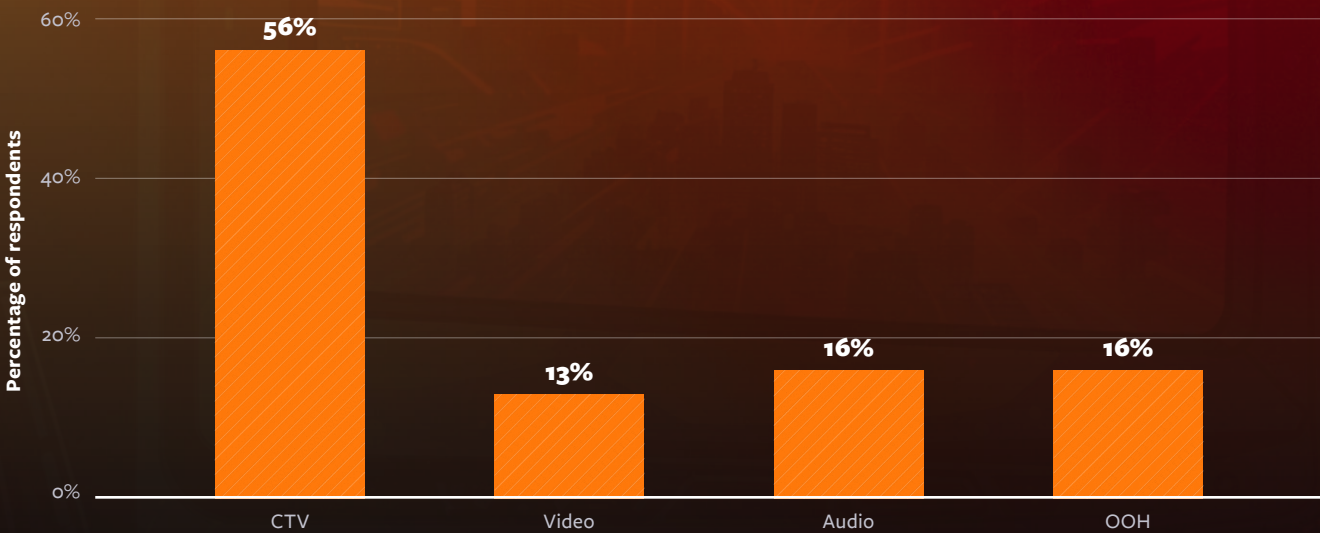
Channels



Given its rapid ad spend growth and multiple industry-wide initiatives throughout the first half of the year, it is perhaps unsurprising that CTV was predicted to be the most-trending ad format through 2024, with the majority (56%) citing it as being ahead of audio, DOOH/OOH, and video.

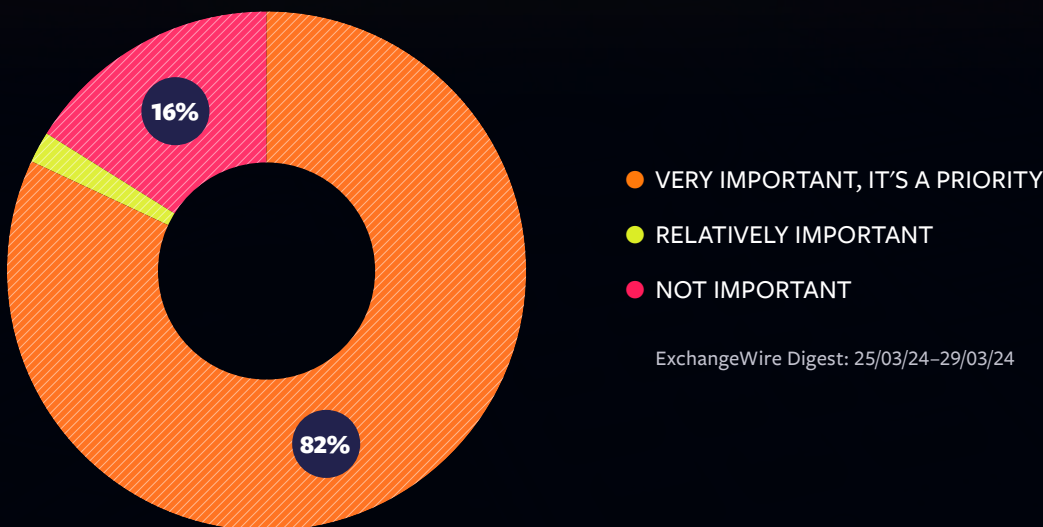
Figure 6: Most-trending ad format in 2024 — H1 2024

ExchangeWire Digest: 04/03/24–08/03/24



However, despite much industry attention and hype surrounding CTV, audio is quietly cementing itself as a mainstay across media buys. A resounding 82% of respondents stated that audio is very important across media plans, compared with just 16% who stated that it is not a priority channel for their business.

Figure 7: Importance of audio in media planning and buying — H1 2024



ExchangeWire Digest: 25/03/24–29/03/24

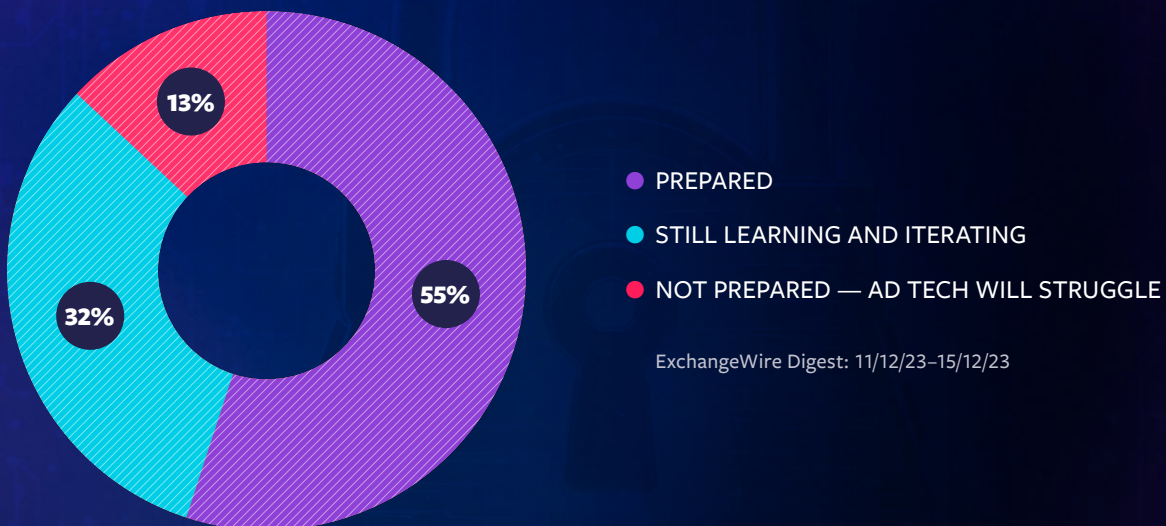
Cookie deprecation and Privacy Sandbox



Cookie deprecation

The deprecation of the third-party cookie within Google Chrome, which currently commands ~65% share of the internet browser market according to various estimates, was always going to dominate headlines across the industry in 2024, even before Google folded to regulatory pressure and announced the cookie would remain... for now. Positively, the majority (55%) of ExchangeWire Digest readers stated that they were ready for the axing of the aged identifier (whenever it does come — see below), with only 13% claiming that the sector needs to be more prepared.

Figure 8: Ad tech preparedness for the loss of third-party cookies — H1 2024



Given a number of challenges facing the replacement Privacy Sandbox protocols, including concerns raised by the UK competitions authority (CMA), Google announced in April that it would delay third-party cookie deprecation from its planned Q3 window to early next year. Reactions from readers as to whether they expected this delay were mixed, with nearly one-third (32%) caught off guard by the move, while almost half (49%) stated that it was only a matter of time due to the ongoing issues with Privacy Sandbox and wider antitrust action taking place against Google.

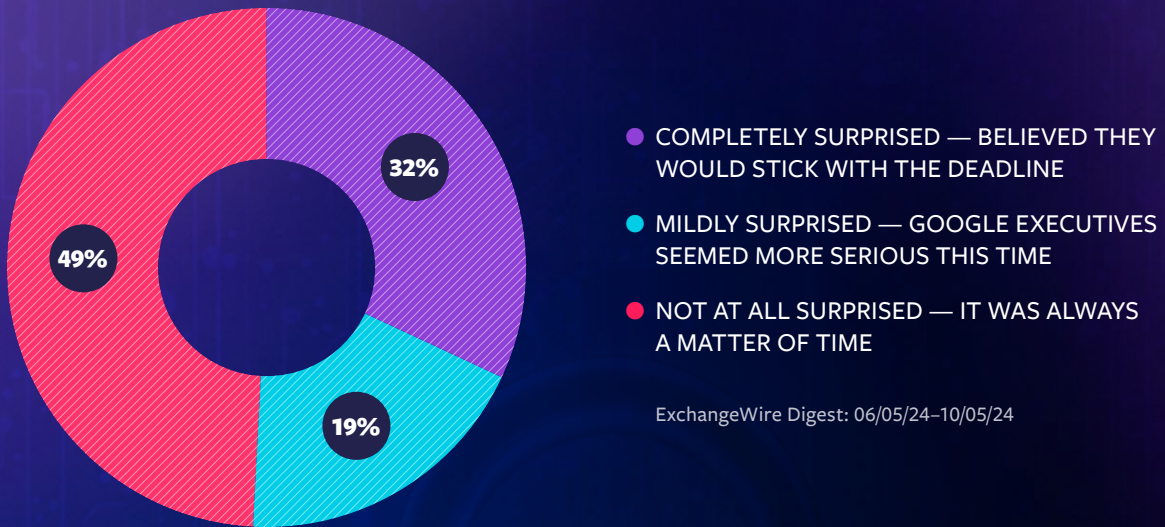
55%

of ExchangeWire Digest readers stated that they were ready for the axing of the third-party cookie within Chrome

13%

claiming that the sector needs to be more prepared

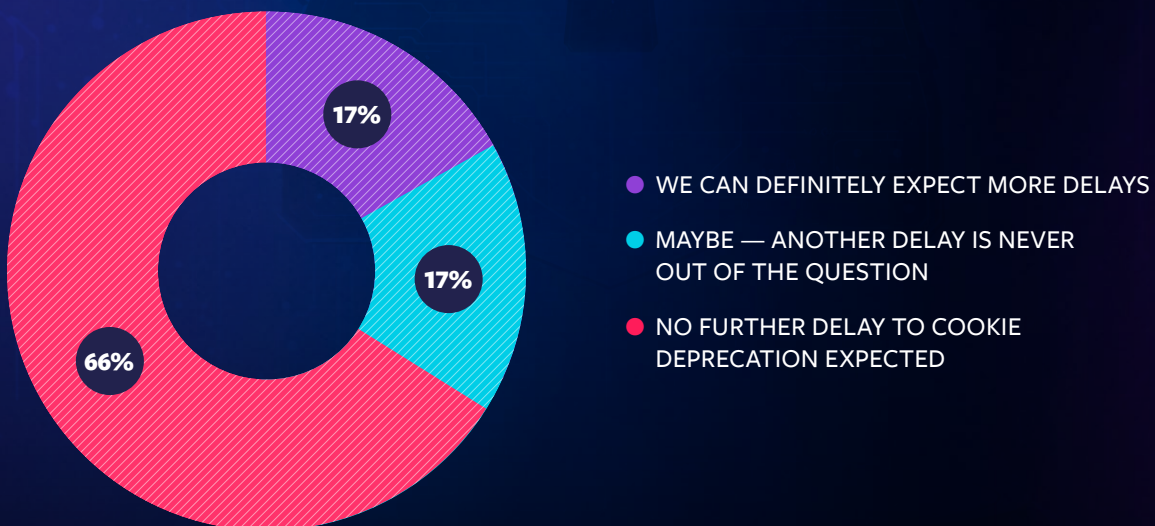
Figure 9: Reaction to delay of third-party cookie deprecation — H1 2024



ExchangeWire Digest: 06/05/24–10/05/24

In terms of whether Google will further delay cookie deprecation into H2 2025 or beyond, respondents were more in agreement — two-thirds of those surveyed believe that Google executives will not delay cookie deprecation any further, while only 17% claimed that Google is likely to retain the third-party cookie for a longer period of time. Whoever was in the 17%, congratulations! You are truly the forecasters of the future. In July, Google announced that the third-party cookie would remain, with users instead being offered a choice between cookie-based advertising targeting, or its Privacy Sandbox APIs (at the time of writing it is unclear whether users will be offered a third option of opting out of both cookie-based targeting and Privacy Sandbox).

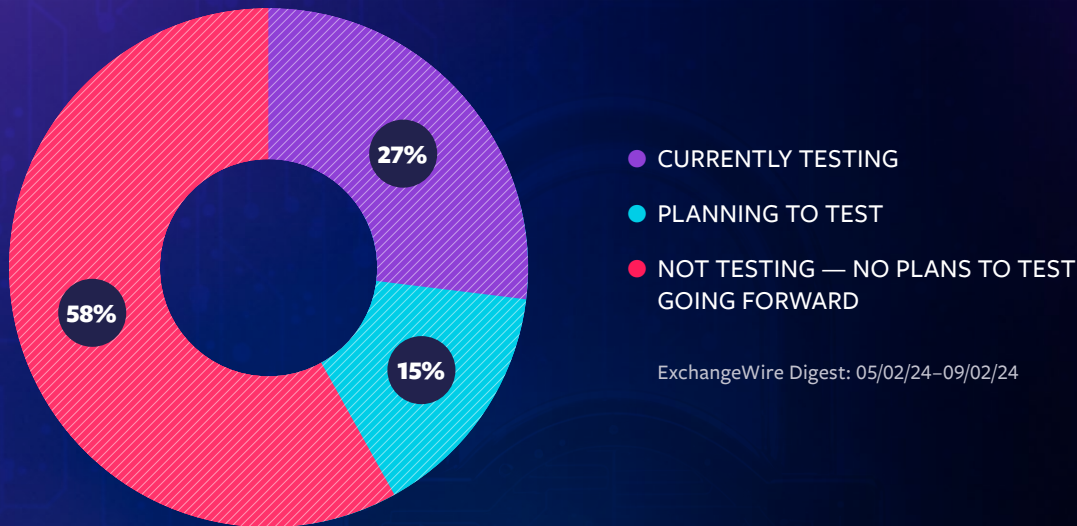
Figure 10: Expectations of Google further delaying cookie deprecation — H1 2024



Privacy sandbox

Despite cookie deprecation looming in February, nearly three-quarters of respondents (73%) stated that they are not currently testing Privacy Sandbox APIs, with only a 15% subset of these planning to do so going forward.

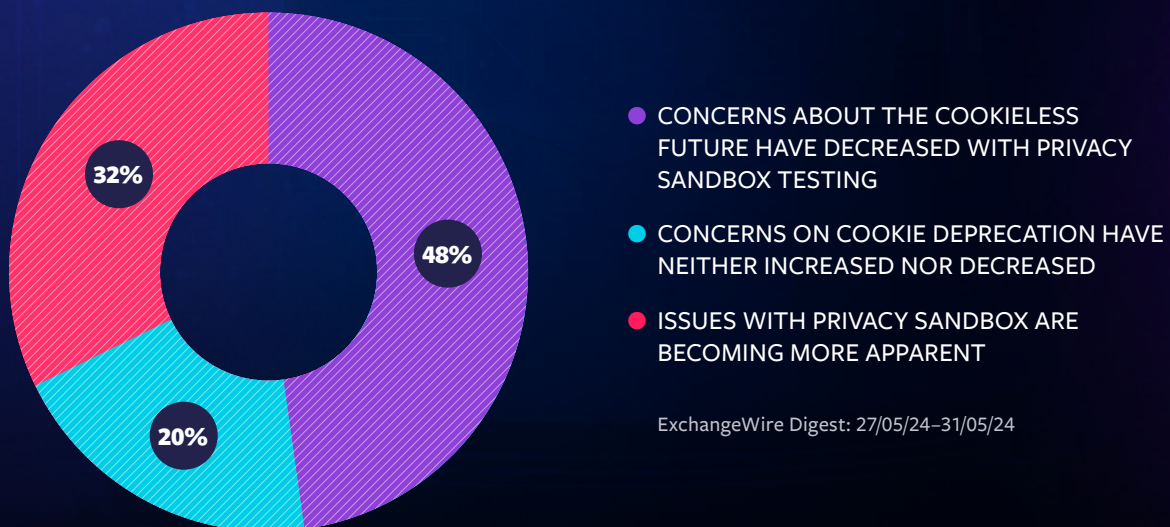
Figure 11: Privacy Sandbox testing status — H1 2024



ExchangeWire Digest: 05/02/24–09/02/24

Positively, of those testing Privacy Sandbox as of May, nearly half (48%) are now less concerned about the deprecation of third-party cookies as a result of that testing. However, almost one-third (32%) are becoming more concerned as a result of poor results with testing the APIs, a proportion which will surely need to be addressed to satisfy both regulators and Google partners.

Figure 12: Impact of Privacy Sandbox testing on cookie deprecation concerns



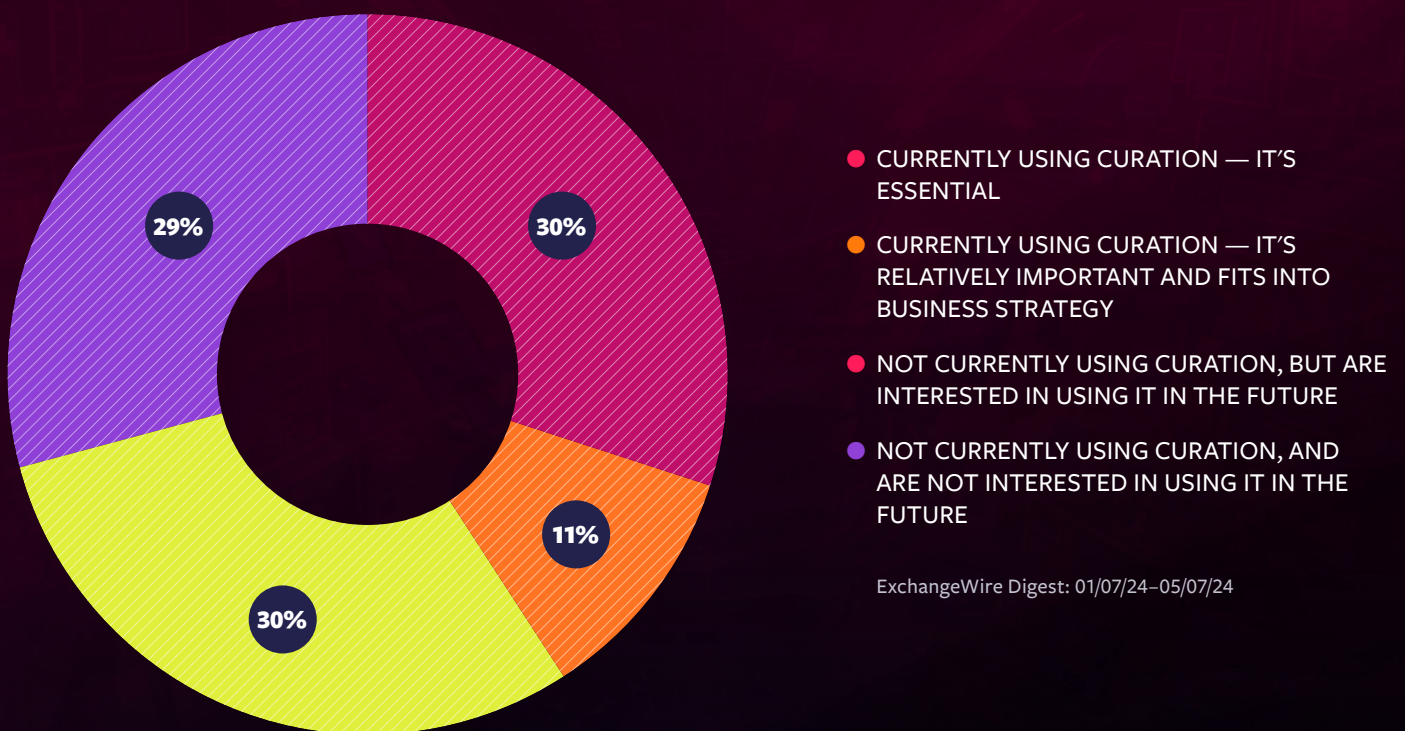
ExchangeWire Digest: 27/05/24–31/05/24

Curation



As the programmatic supply chain has become more convoluted over the years, both publishers and advertisers are looking for more refined ways of buying and selling ads. Curation, which gives users direct access to supply side-inventory while leveraging programmatic technology to manage the buying and selling of ads, is therefore attracting a significant amount of attention across the industry. Surveyed ExchangeWire Digest readers are actively exploring curation, with 71% of respondents either using, or planning to use, curation across their businesses. Moreover, nearly one-third (30%) of respondents stated that, despite its nascency, curation is essential for their business operations.

Figure 13: Use and importance of curation — H1 2024



71% of respondents either using, or planning to use, curation across their businesses

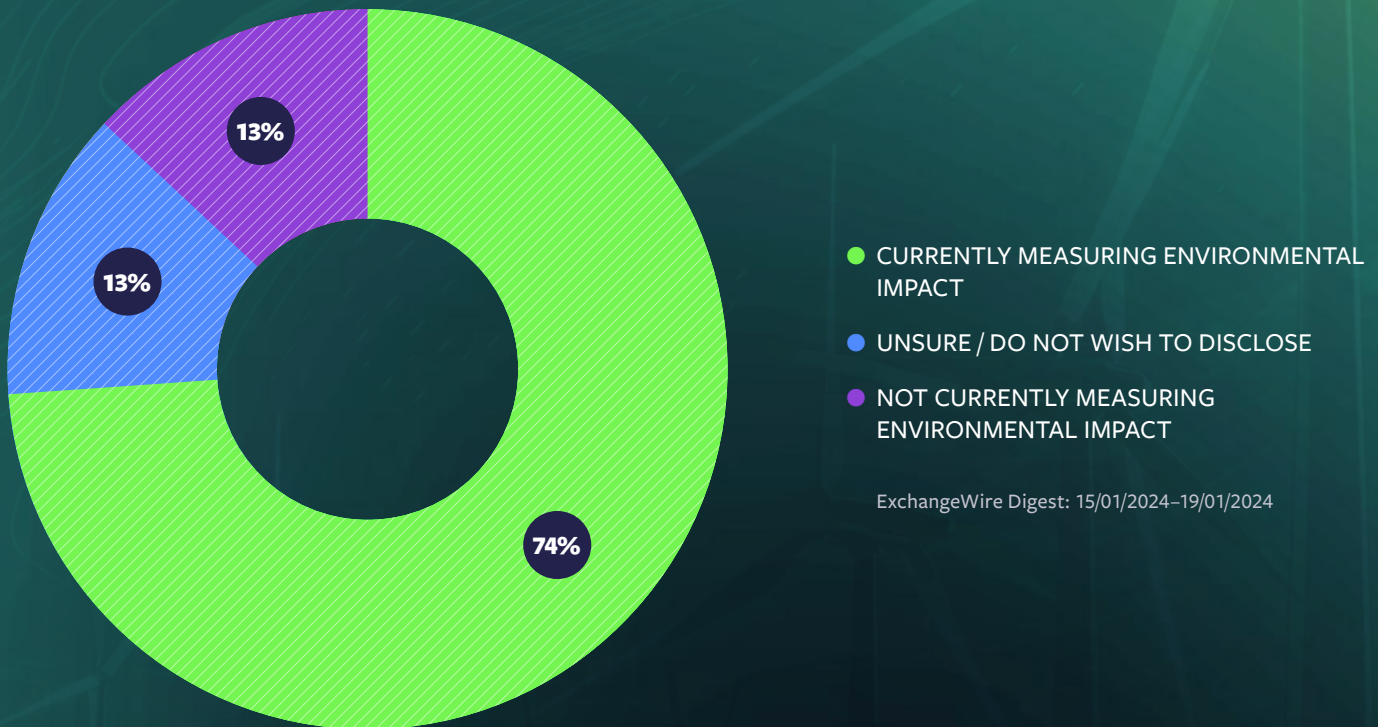
90% of respondents stated that, despite its nascency, curation is essential for their business operations

ESG



In a positive finding as the importance of reducing carbon emissions across the programmatic supply chain becomes clearer, almost three-quarters (74%) of respondents are currently measuring their environmental impact.

Figure 14: Measurement of environmental impact — H1 2024



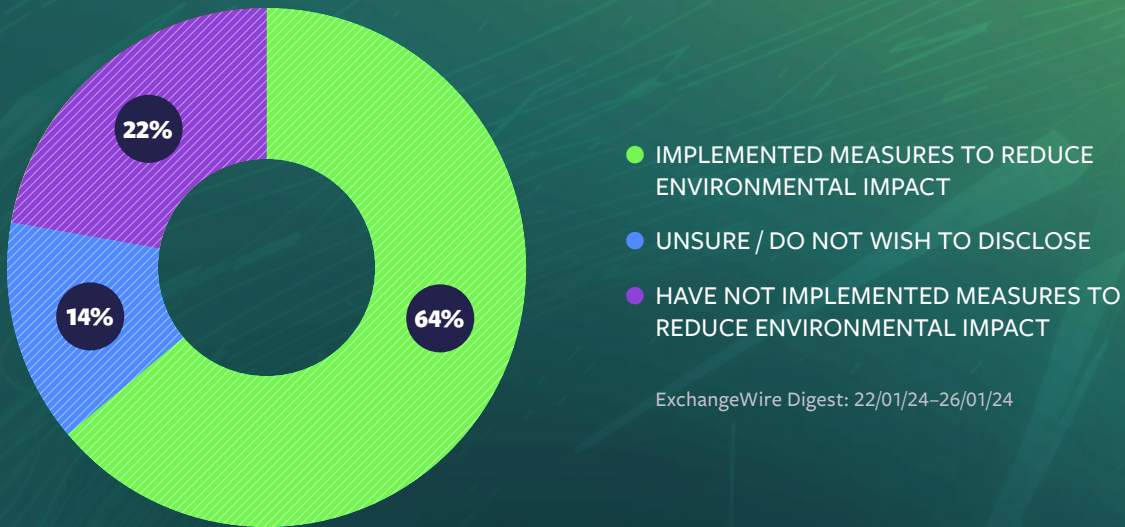
ExchangeWire Digest: 15/01/2024–19/01/2024

Moreover, nearly two-thirds (64%) of respondents have implemented measures to reduce the environmental impact of their business, aided by the proliferation of both specialist service providers and the rollout of tools within established platforms to reduce the carbon load of programmatic campaigns while retaining, or indeed improving, efficiency.

74% of respondents are currently measuring their environmental impact.

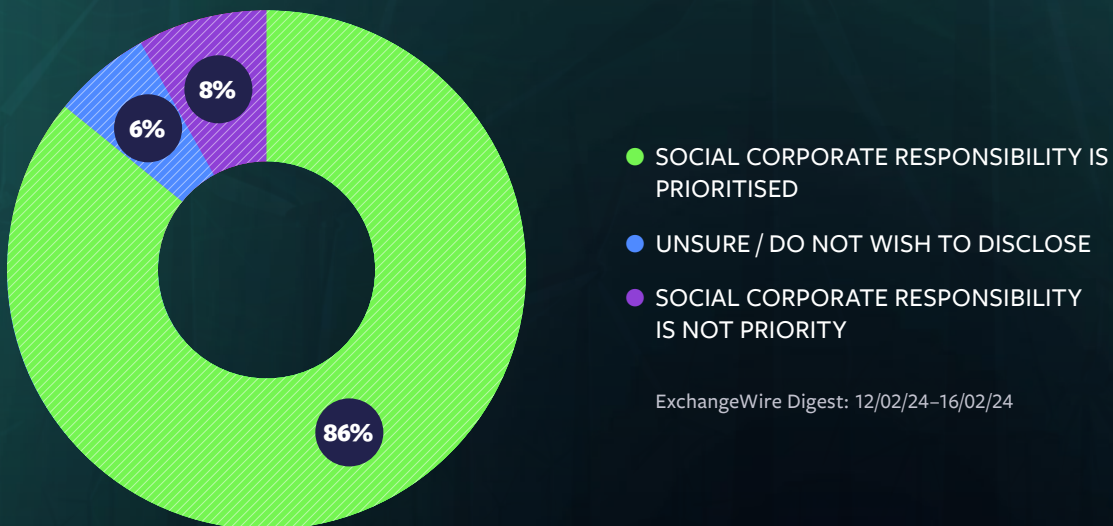
64% have implemented measures to reduce the environmental impact of their business

Figure 15: Implementation of measures to reduce environmental impact — H1 2024



Finally, a resounding 86% of respondents stated that social corporate responsibility, encompassing critical areas including environmental and ethical responsibility, is a priority within their business.

Figure 16: Prioritisation of social corporate responsibility — H1 2024

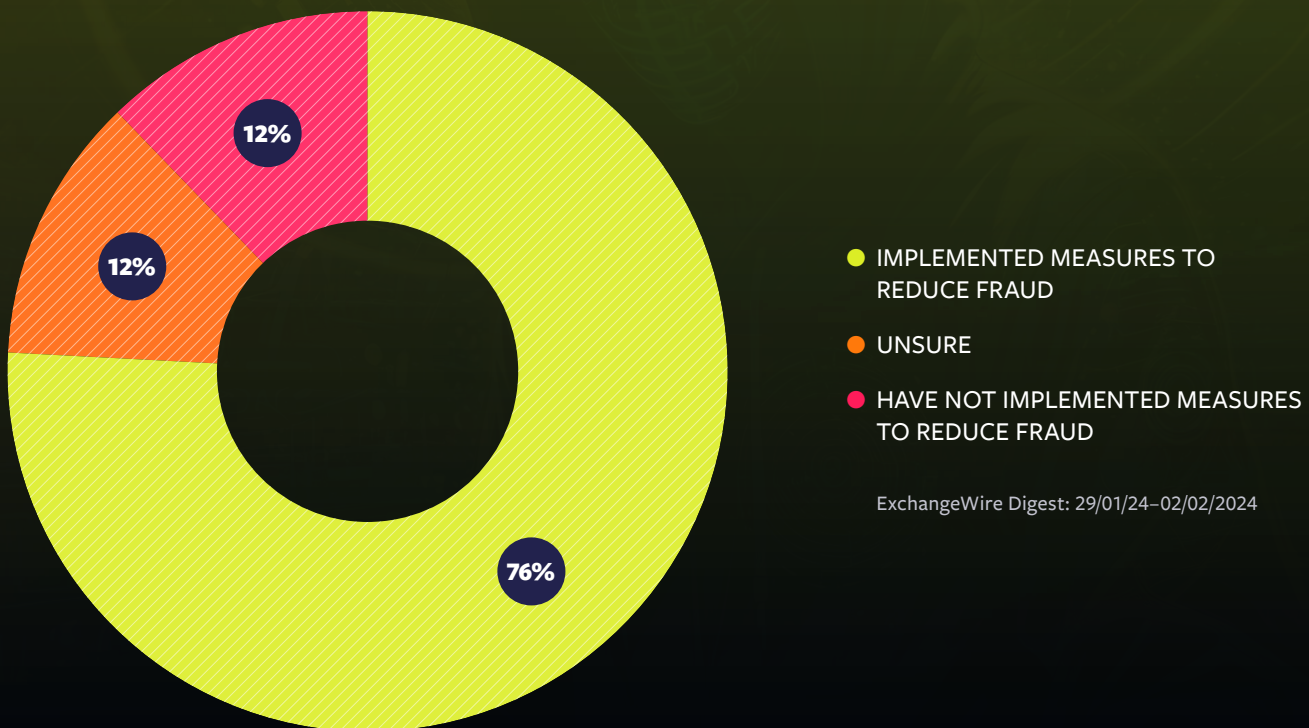


Fraud



Encouragingly, as industry conversations have reignited around fraud, inventory quality, and made-for-advertising sites (MFAs), as a result of reports released by the likes of Adalytics and the Check My Ads Institute, over three-quarters (76%) of respondents stated that they have implemented measures to mitigate against advertising fraud. However, while the 12% proportion of respondents that have not implemented measures to reduce fraud represents a small minority, further efforts must be made to ensure anti-fraud measures are rolled out industry-wide, given the deleterious effects this can have across the entire supply chain — especially in nascent arenas which are attracting a higher proportion of media spend such as CTV.

Figure 17: Implementation of measures to reduce fraud — H1 2024



76% of respondents stated that they have implemented measures to mitigate against advertising fraud

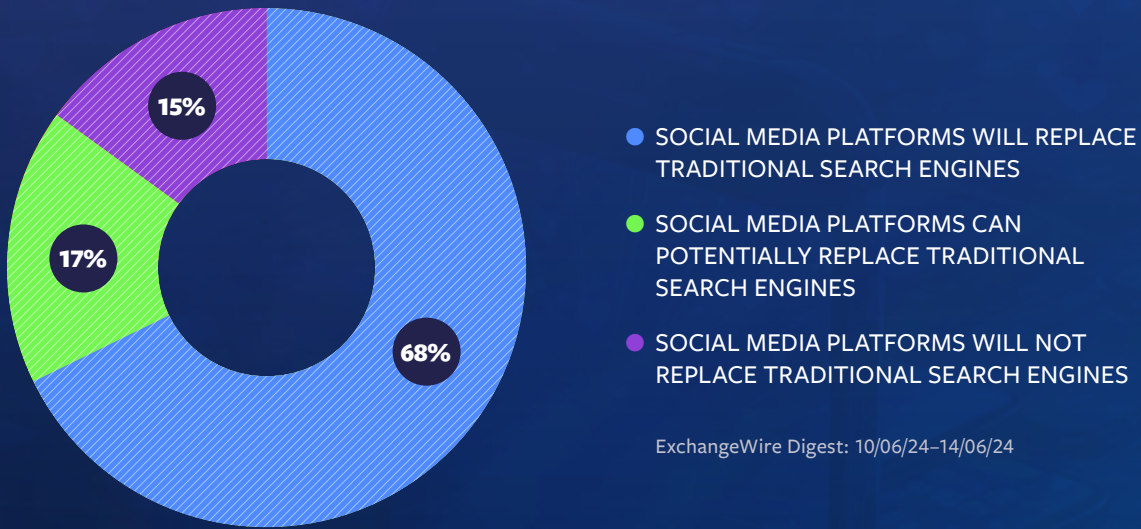
12% proportion of respondents that have not implemented measures to reduce fraud represents a small minority

Social media



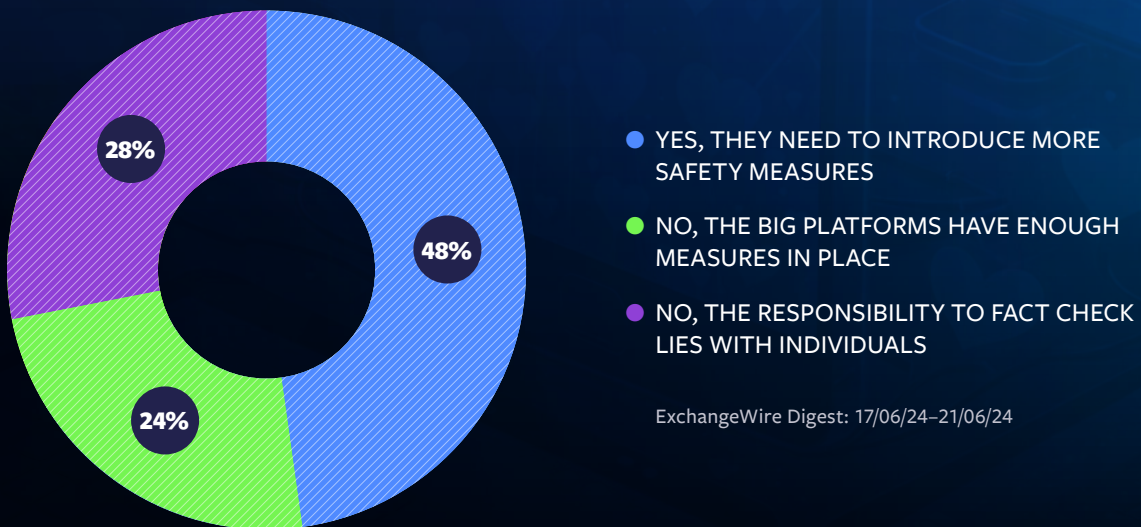
According to the strength of feeling from our audience, not only will generative AI solutions outcompete traditional search engines (see big tech and AI), but search engines will also be replaced by search functionality within social media platforms, with over two-thirds (67%) believing this will come to fruition.

Figure 18: Replacement of traditional search engines by social media platforms — H1 2024



In a year heavily laden with elections, including the highly contentious race for the White House, there is a fairly even split between those that believe social media platforms should be doing more to eradicate misinformation on their platforms (48%), and those that believe that no further action needs to be taken (52%), either as they already have sufficient measures in place, or that the responsibility to identify misinformation instead lies with the user.

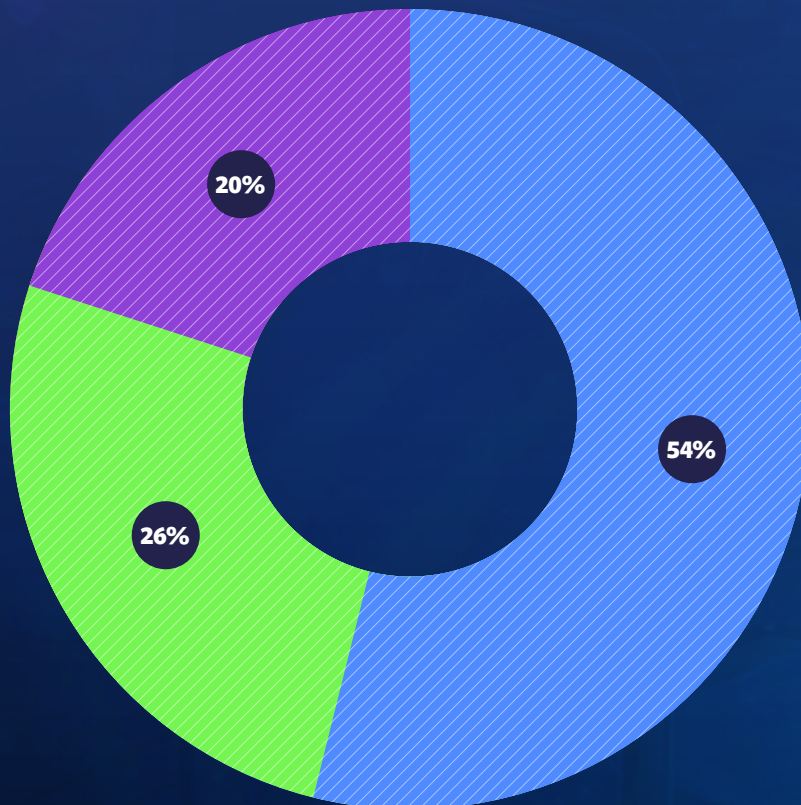
Figure 19: Should social media platforms be doing more to eradicate misinformation on their platforms? — H1 2024



Similarly, following New York Governor Kathy Hochul signing a duo of bills in June with the intent of mitigating against the negative impacts of social media algorithms on children, the ExchangeWire audience was divided on whether the government should (46%), or should not (54%), regulate these algorithms to prevent addiction.

Figure 20: Opinion on New York ban on addictive social media feeds for children — H1 2024

ExchangeWire Digest: 24/06/24–28/06/24



● NEGATIVE — THE GOVERNMENT SHOULDN'T REGULATE SOCIAL MEDIA ALGORITHMS AS CLOSELY

● POSITIVE — SOCIAL MEDIA PLATFORMS ARE USING DANGEROUSLY ADDICTIVE ALGORITHMS

● POSITIVE — HOWEVER THE MOVE IS NOT ENOUGH, SOCIAL ALGORITHMS SHOULD BE MADE LESS ADDICTIVE FOR ALL USERS

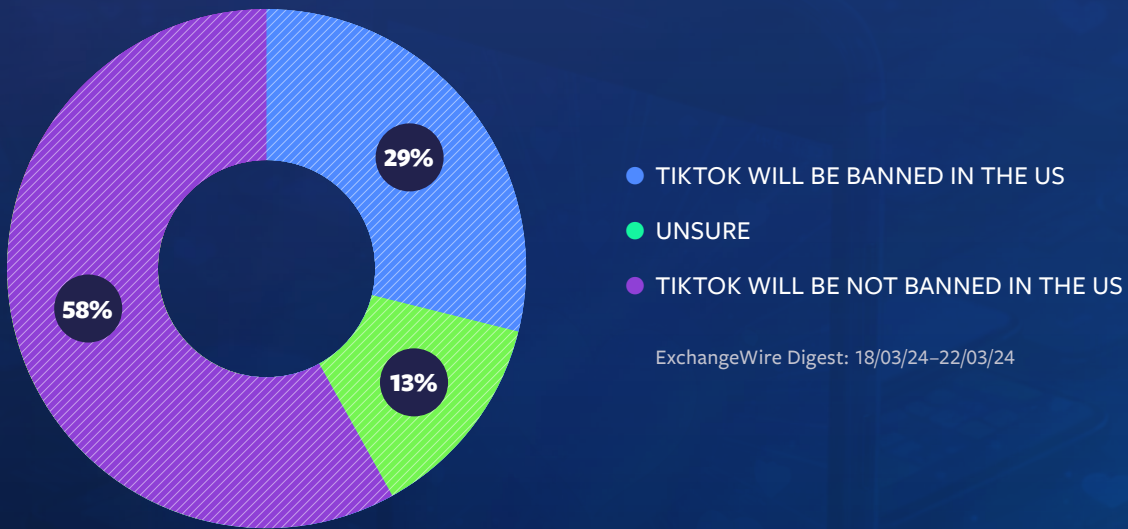
46% of respondents stated that they believe the government should regulate these algorithms

54% of respondents stated that they believe the government should not regulate these algorithms

TikTok

Despite the signing of legislation that mandates that TikTok be banned in the US, unless Chinese parent ByteDance divests of the platform (a move which Beijing is known to oppose), the majority (58%) of respondents believe that the short-form video app is set to continue on American soil going forward.

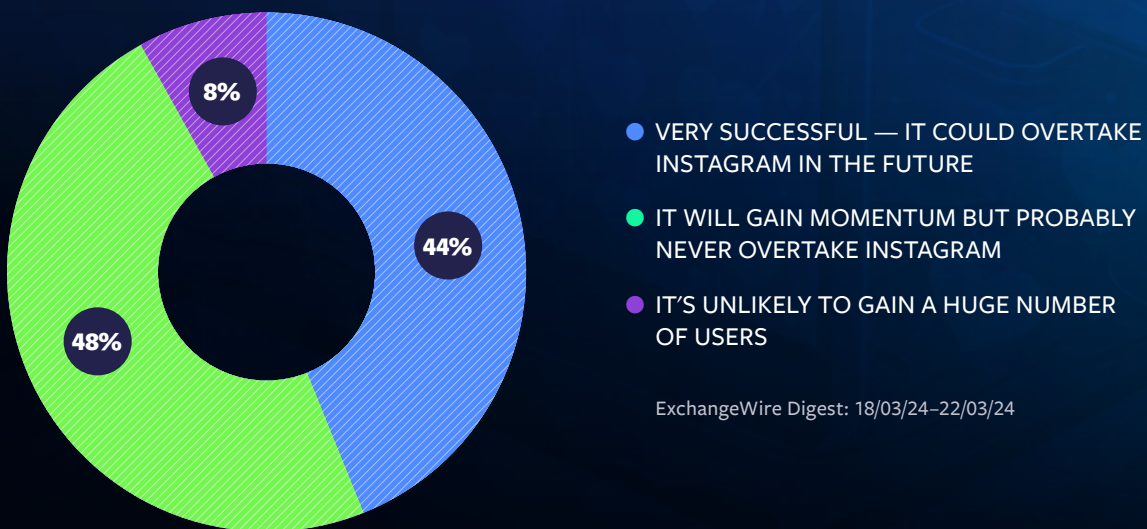
Figure 21: Opinion on whether TikTok will be banned in the US — H1 2024



ExchangeWire Digest: 18/03/24–22/03/24

Staying with TikTok, the firm rolled out its photo-sharing app Notes in the Australian and Canadian markets in April, placing it as a potential rival to Meta-owned Instagram. Despite leading in the short-form video space, over half (56%) of those surveyed believe that it will be unable to overtake Instagram in the photo-sharing department.

Figure 22: Predicted success of TikTok Notes — H1 2024



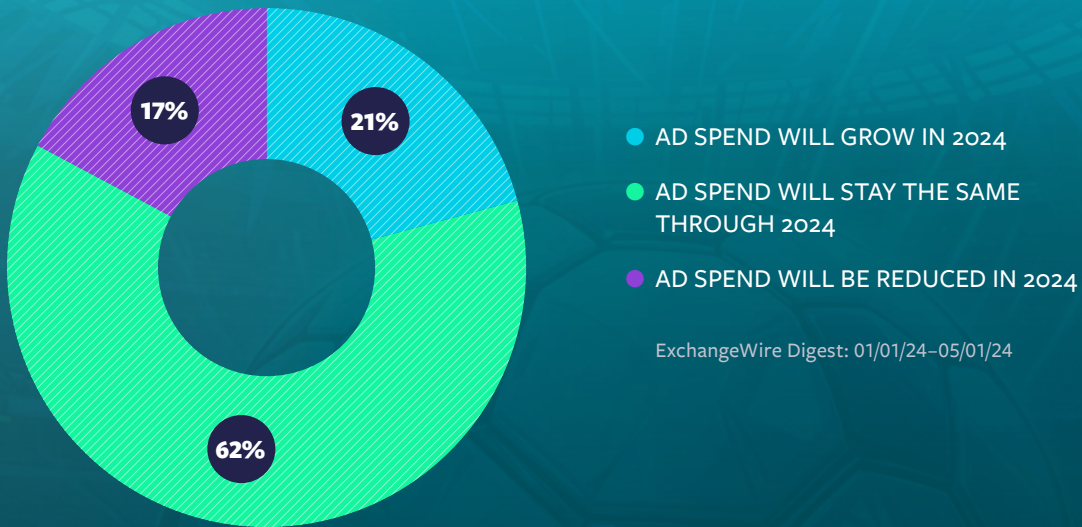
ExchangeWire Digest: 18/03/24–22/03/24

Sports



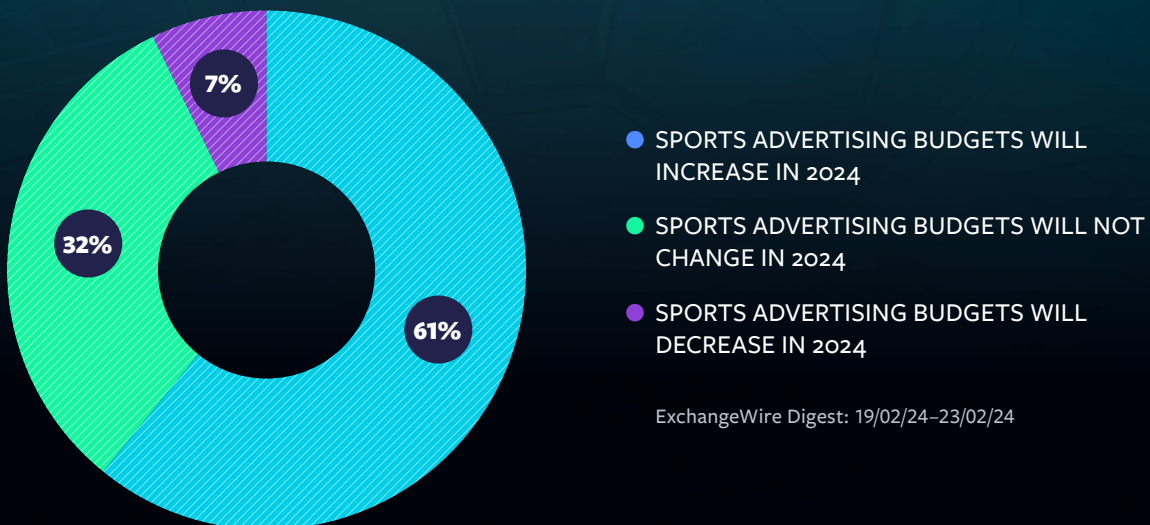
Overall, advertising budgets are set to remain static throughout the year according to ExchangeWire Digest readers, countering some of the optimism reported in recent editions of the IPA Bellwether report, with 62% reporting no change in overall ad budgets through 2024.

Figure 23: Forecast change in overall advertising budgets — H1 2024



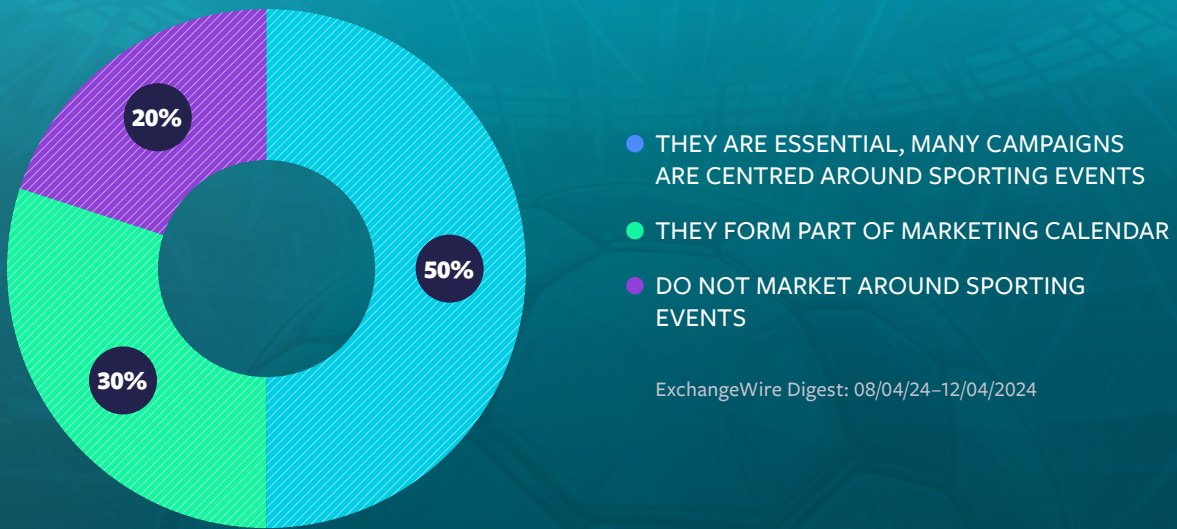
By stark contrast, 61% of respondents stated that their sports marketing budgets would increase over the course of 2024. While this increase can undoubtedly be attributed to in part by the 2024 Olympic Games, alongside UEFA Euro 2024 (it's-eomin' home), 2023 was hardly a fallow year for sports advertising, with marquee events including the Cricket World Cup, Rugby World Cup, and FIFA Women's World Cup.

Figure 24: Forecast change in sports advertising budgets — 2024



Furthermore, half of those surveyed described sporting events as “essential” for their marketing campaigns, while only one-fifth stated that they do not market around sporting events. This speaks volumes to the ever-increasing popularity of sports, in particular women’s sporting events, as well as its appeal to advertisers. This in turn is down to a multitude of factors, such as the unscripted narratives within tournaments and contests, as well as the synchronisation of customer engagement, a comparative rarity in the days of binge-watching shows in a single sitting and catch-up TV.

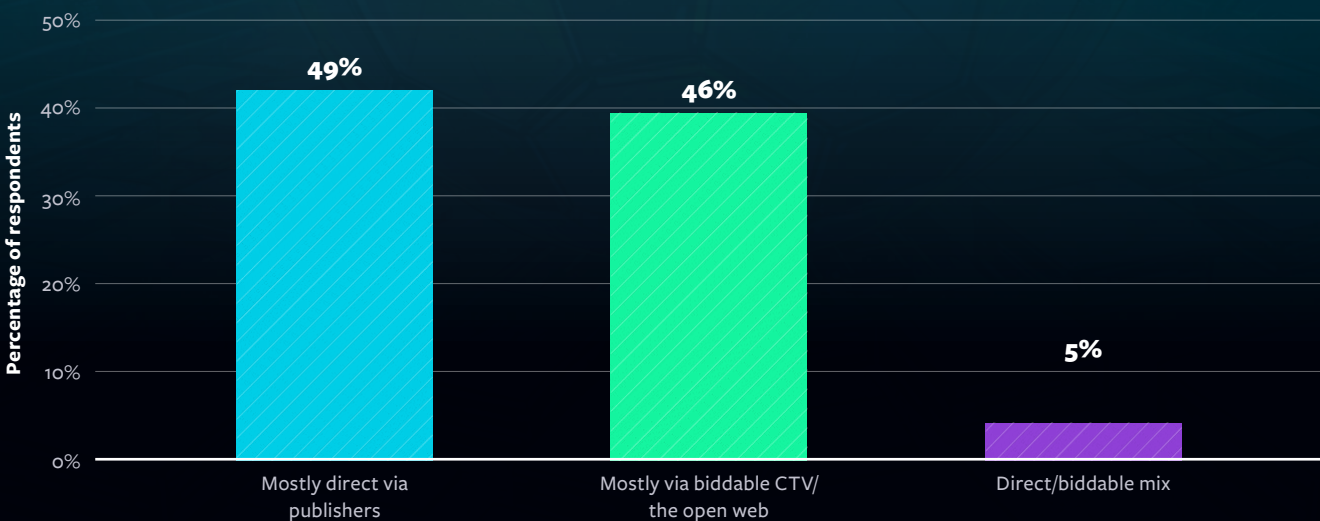
Figure 25: Importance of marketing campaigns around major sporting events for brand/clients — H1 2024



Interestingly, there is a clear division in how marketers are purchasing inventory around sports events. Almost half (49%) buy the majority of their sporting inventory direct from publishers (e.g. sponsorship deals with tournament organisers, direct-sold ads from broadcasters), with a similar proportion buying via biddable CTV or via the open web. Remarkably, only 5% of respondents are operating a mixed strategy of both direct and biddable.

Figure 26: Route of buying sports inventory — H1 2024

ExchangeWire Digest: 01/04/24–05/04/2024





About ExchangeWire

ExchangeWire provides news and analysis on the business of media, marketing and commerce with a specific focus on data and technology.

We offer actionable market intelligence on the trends and innovations that are shaping the media, marketing and commerce industries.

We're always interested in any technology and business-related news globally, and in particular across EMEA and APAC. Relevant companies are encouraged to get in touch. We're also interested in hearing from PR people working with companies in any of the areas named above.

For more information, please visit www.exchangewire.com