

MEDIA IMPACT REPORT

Q1 2024 Marketplace: More Competitive Than Years Past

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Embracing the Untapped Potential of News in Digital Video

By [David Nyurenberg](#), Associate Media Director, Digital Video



Last month's The Trade Desk Forward '24 event was capped with an interesting discussion around the relationship between quality news journalism and the news media business. Lou Paskalis, Chief Strategy Officer, Ad Fontes Media, conversed with The Trade Desk CEO Jeff Green about how to get advertisers to support trusted news sources. Over the years, advertisers have become increasingly reluctant to invest in the news—fearing that potentially controversial news content could result in a negative brand association. In fact, Paskalis cited that in a 15-year period up until March 2020, there has been an 80% decline in advertising support of journalism in the U.S.

While impacts to the quality of journalism can be inferred from this statistic, this reveals a plethora of opportunities for advertisers. Paskalis even notes that news content has the “highest unduplicated reach of any vertical,” and those who consume news content are typically more affluent, so reaching these consumers could drive growth.

An Evolving Media Landscape

The media landscape alongside the advertising practices that fuel it are undergoing rapid transformation, with advertisers increasingly embracing automation and simplicity to reach their

target audiences. Buying media has never been easier, while appreciation and understanding of what is being bought within programmatic has largely gone by the wayside. The most harmful practice that has arisen from this is the decision by many advertisers to block all news content. This has largely been a decision driven by misconceptions rather than evidence-based decision-making. Advertisers should recognize the value that news publishers bring to the table and find ways they can support them to drive their own growth.

The News Trust Halo Effect

Research from Ad Fontes Media sheds light on the tangible benefits that advertisers stand to gain by investing in news publishers. The “News Trust Halo” effect, outlined in the studies, demonstrates that brands advertising on trusted news platforms enjoy enhanced trust among affluent viewers, leading to improved ROI. Moreover, advertising in high-quality news environments has been shown to decrease campaign CPMs and improve cost per visit metrics significantly.

A recent Rain the Growth Agency case study exemplifies the transformative impact of embracing news publishers in advertising strategies. By incorporating news into their mix through careful curation of a quality list of news publishers, a client partner witnessed significant decreases in campaign CPMs and a substantial improvement in cost per post view/click visit metrics. This success story underscores the untapped potential of news publishers and the benefits of strategic collaboration between advertisers and publishers.

Advertisers should embrace a more nuanced approach to news advertising. By curating a news inventory strategy and investing in quality news publishers, advertisers can access the largest and most premium audiences online. By embracing the news and investing in quality journalism, advertisers can drive meaningful impact, improve campaign performance, and contribute to the advancement of a more informed and ethical advertising landscape.

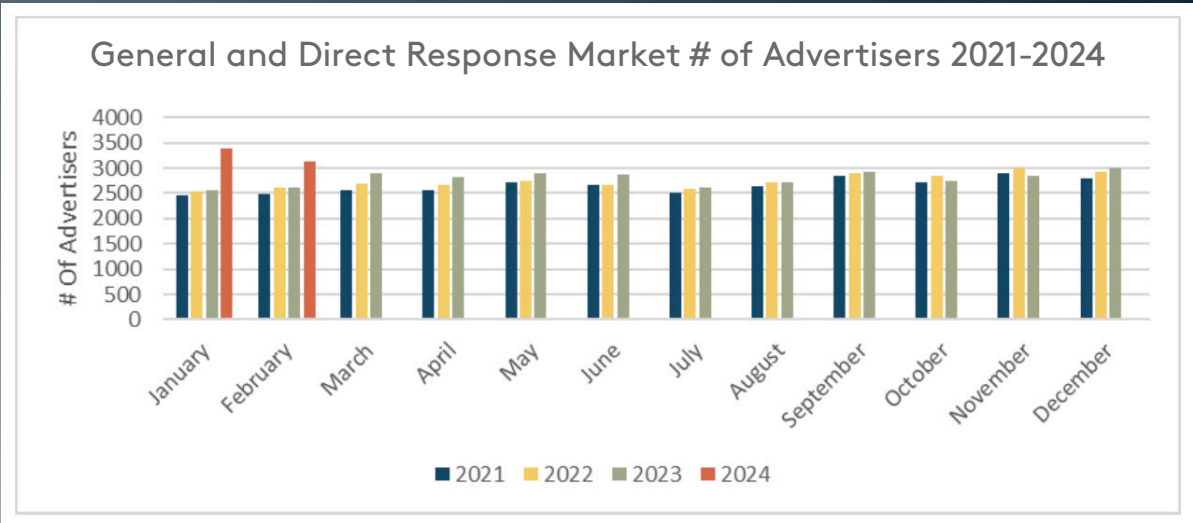
Q1 2024 Marketplace: More Competitive Than Years Past

By **Kati Dunn**, *Media Planner*

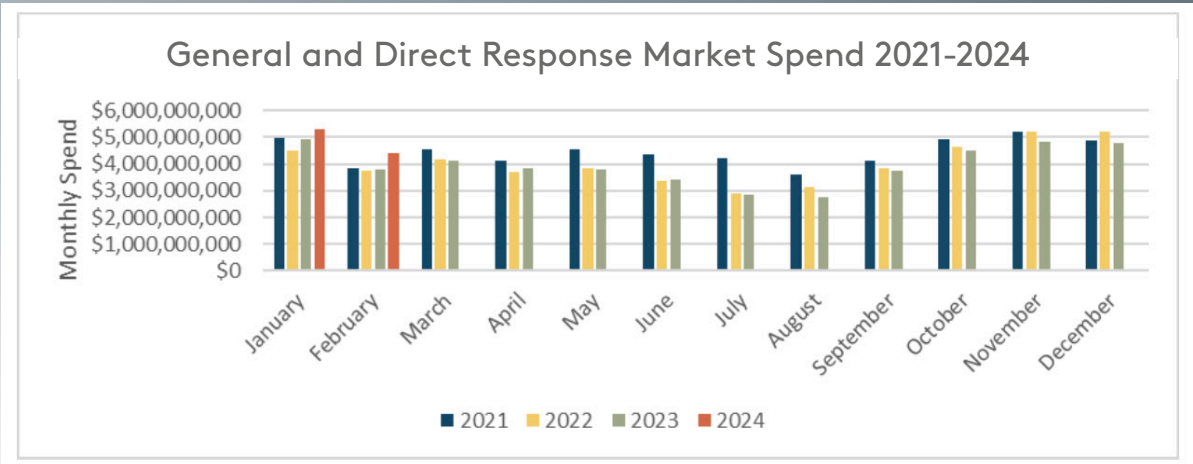
If you've followed the linear TV space for any length of time, you know you can almost set your watch to the open inventory that's available at the beginning of the year. When the calendar rolled over to 2024, the marketplace seemed to act like it always has in prior years. Well, at least for one week anyway. As the month progressed, commercial inventory became tighter than we typically see this time of the year. What changed?

Well, there were a few things:

- According to network polls, non-profit/charitable organizations' spend was much heavier than they have seen in years past. In fact, Vivvix estimates that 13% of spend among advertisers in January 2024 came from the non-profit/charitable organization category. We suspect that this may be due to many organizations being behind in donations in late 2023 and looking to catch up in the new year.
- For some cable networks, upfront and scatter deals weren't finalized until after the 2023 holidays.
- According to Vivvix, the number of advertisers entering the marketplace in 2024 was up 31% compared to 2023, resulting in a 7% increase in total advertising spend in January. Preliminary February numbers show that trend continuing as the number of advertisers is 19% higher YOY and marketplace spend increased 17% higher YOY.



Source: Vivvix



The other key players included financial/insurance and pharmaceutical advertisers. On any given month, these two categories alone typically represent 24% of overall advertising. While the financial/insurance category is down slightly, (-3% YOY), pharmaceutical spend continues to increase, showing a 22% increase in spending this year compared to last year.

Is political advertising having any impact? Not yet. Political spending in January 2024 was down 96% compared to the last presidential election in 2020. It wasn't too surprising as the number of candidates was quickly dwindling towards the end of 2023. There was an uptick in spending in February 2024 with some political organizations coming into the marketplace but spend was still down 86% compared to February 2020. Based on previous spending trends, we should expect the political space to quiet down, at least for a few months, as we await the Democratic and Republican conventions coming in August. After that, we can really expect political advertising to ramp up going into September and October.

Our Takeaways

It appears as though more advertisers are entering the linear TV space, potentially leading to more competition and an in-demand marketplace. If advertisers want to make the most of their investments, they should be prepared to be flexible and proactive—planning ahead of time for holidays or events that may impact their target audience and the marketplace.

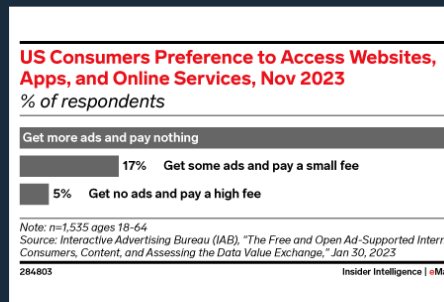
Marketers should also be prepared for more marketplace fluctuations due to the upcoming presidential election and the Summer Olympics. Our teams are closely monitoring and identifying opportunities weekly given the anticipated impact from these events.



/QUICK HITS



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Interest In College Sports Is On The Rise, Report Says
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2024 Consumer Trends

By **Anelise Lambert**, Director, Brand Strategy & Research

Each year, Rain the Growth Agency distills information from research and trade publications to share trends that may impact media, marketing and advertising to help brands understand what resonates with consumers.



2024 U.S. Elections

According to Axios, the U.S. political ad market is projected to reach \$16 billion in 2024, a 31.2% increase from the 2020 election. This could lead to increased competition for advertisers later in the year, particularly with national inventory.

From the sentiment side of things, this election could potentially be riddled with misinformation, hate speech, and extremism that is aiding the increasing polarization within the country. People are losing trust in the party system as each continues to become more disliked and leaning farther away from each resulting in shrinkage of common ground. Brands should look to find common ground between potentially polarized audiences through mediums like music and culture, even across generations.

Sporting Events Take Center Stage

Several key sporting events this year will impact media consumption habits, including:

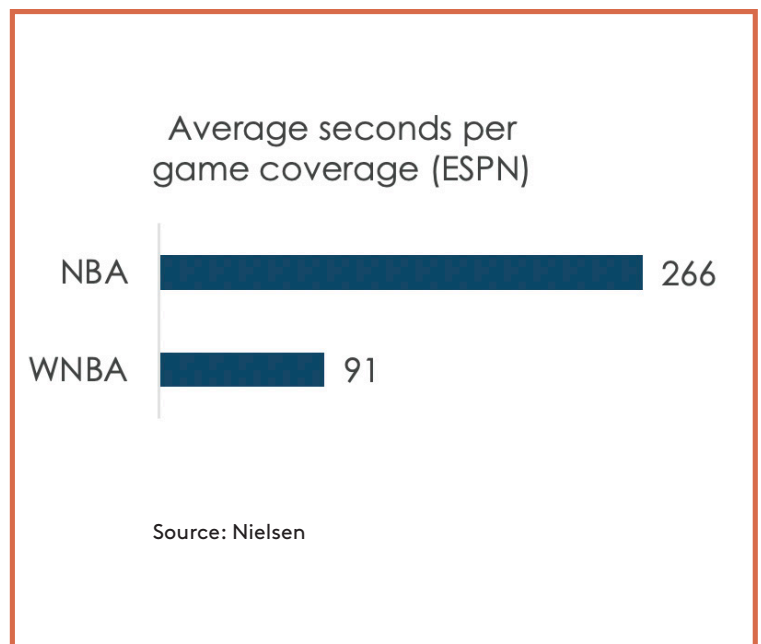
Paris Olympics — NBC holds exclusive Olympic broadcasting rights through 2032

- With the games in western Europe, viewership is expected to break records given friendlier time zone differences for American viewership

- This will be the first time the summer games will be available entirely through streaming
- 20-25% of total consumption expected through digital channels and Peacock
- NBC predicting four times the streaming minutes for Paris compared to Tokyo Olympics
- Brands are particularly interested in women athletes and NBCU's coverage of women's sports, which will account for more than 50% of the network's coverage

Women's Sports — Deloitte is forecasting that women's sports could bring in \$1 billion in revenue in 2024, up 300% since 2021

- The Olympic games will also be capitalizing on the rise, with NBCU's coverage of women's sports projected to account for more than 50% of the network's coverage
- Even given the increase in popularity and new major media investments into women's sports, there is still a long road ahead
- According to Nielsen, one in four Americans say there isn't enough information in the media to keep up with women's sports



Consumer Outdoor and Lifestyle Trends

- **Social meets fitness:** From weight loss to fitness and training, social fitness wearables and apps are bringing people together sharing their fitness journey. Community-driven fitness continues to drive us out of COVID isolation.
- **Recovery technology:** Fitness fanatics are diving into the importance of recovery. From ice baths and saunas to massage guns, consumers are getting excited about the evolving world of recovery products.
- **Return to outdoors:** Post-pandemic, society is embracing more outdoor recreation activities to improve things like mental health and overall physical fitness.
- **Pickleball mania:** Over the past three years, pickleball has seen a growth of +158% in number of active players and is the fastest growing sport in the U.S. The sport offers low barrier for entry and accessible across all ages.



What is the Current Consumer Sentiment?

It's important to understand the current consumer mindset, which can help advertisers better understand how to reach and message to their customers. We see this playing out in the following four areas:

- **Future shock** — According to WGSN, future shock is “a feeling of distress driven by rapidly accelerating change in society and technology.”
- **Overstimulated** — Isolation and changing work patterns and social habits have rapidly shifted how we use our senses to navigate the world. This dramatic decrease in attention span means media like short-form videos are here to stay. Sensory regulation will be something that consumers seek.

- **Tragic optimism** — An antidote to “toxic positivity”— this outlook focuses on being more realistic.
- **Awe** — the antidote to anxiety, consumers may seek daily “awe experiences” that can reduce depression, and lower stress and brain fog.



The Take Care Economy — What Consumers Want

So given the current consumer mindset and an increased focus on self-care, what do consumers want from brands and products?

- **Value and convenience**
 - Despite potential easing, prices remain high, driving value-driven shopping habits. Consumers will prioritize deals, discounts, and brands offering the most bang for their buck.
 - Consumers seek seamless shopping experiences across channels, with options like buy online, pick up in-store (BOPIS) and same-day delivery being increasingly important.
- **Health and wellness**
 - Focus on mental, physical, and emotional well-being will continue, with personalized approaches and preventative measures gaining traction.
 - Consumers will increasingly pay attention to ingredient lists, seeking out products with natural and sustainable ingredients and avoiding harmful additives.
 - Growing demand for personalized dietary recommendations and food products tailored to individual needs.
 - Zero-proof revolution: low-to-no alcohol market continues to boom after record-breaking 2023.

- **Tech and experience**

- Consumers are intrigued but wary of generative AI's potential, with responsible use and transparency being key concerns.
- Engaging video content in short formats will continue to dominate social media and influence brand awareness and engagement.
- Brands should create immersive and interactive shopping experiences to differentiate themselves and build customer loyalty.

- **Social and environmental responsibility**

- Consumers will demand transparency about a brand's ethical practices, including sourcing materials and labor conditions.
- Eco-friendly products and packaging will be increasingly sought after, with a focus on reducing waste and environmental impact.
- Brands that actively engage with and support their communities will resonate with consumers seeking positive social impact.



Need More Guidance?



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