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MEDIA IMPACT REPORT

Predictions for 2024

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Predictions for 2024

From the Times Square ball drop to the crystal ball, Rain the Growth Agency leaders weigh in with predictions for 2024.

Ringing in the new year always means several time-honored traditions: From the daddies (Anderson Cooper and Andy Cohen) getting "juiced" in Times Square to college bowl games to those soon to be forgotten resolutions. A tradition we like to uphold here at Rain the Growth Agency is making some bold predictions for what marketers should expect to see in the coming year. So we asked our leadership to put on their swami hats, peer into their crystal balls and tell us what they see on the marketing horizon in 2024.

Mark Brown, *Chief Investment Officer*

I believe that 2024 will see a continued adoption of media currency alternatives to Nielsen. The 2024-2025 video upfront will be the first one conducted with currencies that have conditional certification from the Joint Industry Committee (though not the Media Rating Council (MRC))and that will increase the willingness of both buyers and sellers to guarantee deals on something other than Nielsen ratings. I don't predict that this will be a sea change in the industry, though. The majority of transactions, especially for the big players like Disney, Paramount, Comcast/NBCUniversal, and WBD will still be done on Nielsen. But enough deals will be done using iSpot, Comscore, and VideoAmp that the MRC will take notice and move those services closer to full accreditation in 2024.

Robin Cohen, *Executive Vice President, Integrated Media Investment and Planning*

Couple an election year with an Olympic year and we expect to see differences in media consumption patterns and marketplace dynamics driven by both of those events. Regarding the election, the media marketplace will see the most competition in local markets in key battleground states, which will begin to impact national video inventory as we get closer to November. On the Olympic front, we expect to see even stronger consumption in streaming than during the last summer games, when Peacock had just launched. In fact, NBC is predicting 4 times the streaming minutes for the upcoming Paris games (source: NBCUniversal).

Kyle Eckhart, *Senior Vice President, Growth*

I predict that while some marketers will move advertising services in-house in 2024, that trend will be limited to Fortune 500 companies who have traditionally outsourced all advertising activities. In our mid-market space—where digitally native brands were built with in-house teams—we will see the opposite. These companies will outsource more advertising services in 2024, primarily due to the continued fragmentation of the media and an ad tech landscape that is getting too complicated for in-house teams to manage alone.

Dan Gallagher, *Executive Vice President, Brand & Communications Strategy*

Given the rapidly accelerating changes in society and technology, consumers are suffering from overstimulation and Future Shock. Rather than seek solace in community (the pandemic killed community), people will turn inwards and focus on self-care, health & wellness, and experiences. We call this the "Take Care Economy." The Take Care Economy will include a focus on personal (pickleball, virtual fitness) and professional sports and on personal care (decluttering toxic things from their lives). Brands will need to incorporate care into their offerings and go beyond the transaction to support customers facing challenging personal and societal circumstances.

David Gelt, *Director, Paid Search*

The most important issue of 2024 will be the development of AI within search. Both Google and Bing have made substantial investments in the AI space, and those investments are going to need to drive revenue. I expect that these platforms will start to roll out that plan this year, and advertisers should be prepared to participate in those Alpha tests to garner learnings and drive improved results.

Ryan Gilbert, *Vice President, Digital Media*

Cookie deprecation will continue to be one of the biggest hurdles for advertisers and media buyers alike. I predict that Google will finally move ahead with the full deprecation of cookies from Chrome, after delaying that action for several years. With less actionable signals to reach intended target audiences, advertisers will need to further lean into first-party data, contextual advertising, and unified ID maps to build confidence in the digital media inventory they're purchasing.

Kyle Knutsen, *Associate Director, Digital Video*

In 2024, we'll continue to see the rise of advertising-supported streaming services, giving audiences more ways to watch, and advertisers more touchpoints to reach them. Amazon Prime will roll out their Ad-supported Video on Demand (AVOD) service in January, following the path of Netflix and Max. With over 150 million current subscribers, Amazon's entry into the CTV ad market will have a massive impact on available inventory.

Scott McClure, *Senior Vice President, Creative*

I predict there are several cultural trends that will find their way into creative executions this year. Pop culture will continue to become increasingly decentralized, providing more room for expression to both audiences and content creators in 2024. Smart advertising campaigns can leverage this trend. Retro—yet timeless—will continue to emerge as a trend since it appeals to multiple generations. Breaking down gender stereotypes to make way for a focus on personality will gain momentum this year. And the concept of serious playfulness will become more common: balancing serious messaging with a playful and lighthearted approach. Advertisers can use humor and creativity to address serious issues while maintaining consumer engagement.

Staci Otterson, *Vice President, Integrated Media Investment*

Last year we saw the beginning of a shift from a focus on branding and reach to performance and efficiency. I expect that trend will be even stronger in 2024, with traditional brand advertisers jumping on the bandwagon. While predictions of a recession didn't come true last year (thankfully!) marketers are still going to be under tremendous pressure to deliver greater results with reduced resources in the year ahead. Expect that ROI will be part of every conversation. That will lead to pressure on media partners to either deliver greater value in measurable ways, or see their budgets reduced or cut. It may also mean more marketers will lean into performance measurement and attributions tools like iSpot to determine which partners are delivering results for them.

Artem Peplov, *Vice President, Analytics*

2024 is the year when AI-assisted data management and analytics will become ubiquitous. ChatGPT and its competitors are increasingly being used to rewrite code and generate efficient scripts from scratch—shaking up and blending traditional analyst and developer roles. Companies and platforms are embedding natural-language bots for querying marketing performance data sets, improving ease of access to campaign and business data. Customized machine learning will become more accessible to a wider range of small and medium-sized marketing organizations and agencies.

/BRIEFING ROOM

May I Have Your Attention Please?

By Mark Brown, Chief Investment Officer

One of the hotter buzzwords in advertising today is attention. Which has led to – or perhaps is a result of – a growing industry of companies offering some version of "attention metrics." So, let's pay some attention to "attention": what does it mean and why should it matter to the performance marketer?

For years, media measurement has revolved around the concept of "opportunity to see." Advertisers would place an ad on a TV station, on a website, on a billboard, in a newspaper or magazine (remember those?) and the publishers would offer an estimated number of impressions that placement would potentially deliver. But those "impressions" were never really impressions. People left the room, looked away, changed the channel, or turned the page. What media sellers really offer is their audience had the opportunity to see the ad, not that they had.

Monetizing Attention

Digital media ushered in an era of greater accountability, since users could interact with ads and interactions could be measured with clicks, visits, and online purchases. But not every clicker is a buyer, and most buyers are not clickers. So, the marketplace—even in interactive media —continued to transact on impressions instead of actions. To monetize media even more, they devalued those impressions by placing too many ads on a page (clutter), ads that were in view for too short a period of time (duration), and even ads that weren't visible to humans at all (viewability). The market responded by creating minimum standards of viewability. Problem solved, let's go drink some rosé on the Croisette!

Well, except that viewability isn't the same as attention, any more than an impression is. Which brings us to 2023, who some pundits have dubbed "the year of attention metrics."

So, what is attention and how do you measure it? Integral Ad Science (IAS) - one of several companies that has shifted focus from visibility to attention—defined attention as "a measure of whether or not an ad is resonating with consumers and can be linked to business results." IAS identified three key elements to garnering attention: visibility, situation, and interaction. Let's run down each:

- **Visibility** —Visibility is just another term for viewability. Can the ad be physically seen? How much of the screen does it occupy? How long is it in view?
- **Situation** —Situation has to do with the environment that ad appears in. Is it brand safe? Is it contextually relevant? Is it cluttered with other ads?
- **Interaction**—Interaction indicates that humans are engaging with the content and ads. Are they scrolling? Pausing and playing video? Turning sound on or off? Are their eyes tracking to— or away from—ads on a page?

IAS's requirements for attention make sense. If you can't see an ad, how will it ever get your attention? If it appears in an uncluttered environment that is relevant to the content you're there to see, it's even more likely to get your attention. And if you are interacting with an ad, clearly it got your attention.

Attention: The Golden Metric?

Adelaide is another player in the attention metrics space. Adelaide uses a model that is continually being trained on many of the same metrics as IAS and gives each media placement a 0-100 "Attention Unit" score. I don't think it is a coincidence that AU is the elemental symbol for gold – is attention the "golden" metric? What makes Adelaide different is that they have attempted to equalize attention metrics across every channel, format, and device regardless of the advertiser and their creative execution. Adelaide measures ad size, position, duration, viewability, clutter, and other metrics proven to drive attention. This helps bring attention metrics into the media cost equation. Two ad placements might have the same CPM, but if one placement's AU score is twice that of the other, that placement's "cost per attentive reach" is twice as efficient.

You are probably thinking, "just what I needed—another proxy metric to track and optimize to." If you're like me —a performance marketer—your response should also be "does attention directly correlate to improved outcomes?" The data shows that it does, and that's why we should care about attention metrics. Attention has been strongly correlated to brand health measures like recall and favorability, as well as tangible performance metrics like site visitations and sales lift. A recent IAS survey of marketers using attention metrics to optimize performance showed that 86% reported improvement in media performance and 79% reported improvement in revenue opportunity since implementing an attention strategy. Adelaide's studies have shown high correlation between attention units and brand recall, perception, consideration and conversions.

Building an Attention Strategy

So, what does a smart attention strategy look like? Start by using some form of attention metrics as part of your digital media bidding strategy. Since attention metrics are based on a combination of elements that are measurable in advance of bidding on an ad placement, prioritize bids for placements with higher attention scores and either discount or avoid placements where attention is low. Then look at KPI performance to understand:

- Does attention correlate with your desired outcome, be it brand, sales, or both? If so, you know that attention is a relevant metric for future optimization.
- Is there an attention metric threshold below which ads don't deliver measurable outcomes? If so, set that as a floor for your bidding strategy and avoid those placements at any cost.
- Do certain creative executions perform better in certain placements than others with equivalent attention scores? If so, then there is likely some contextual relevance factor driving that performance. Adjust your bidding and trafficking strategy to leverage it.

Attention metrics can be a useful tool for marketers to quantify the quality of media placements before they are bid on. When used strategically, they can help to grow sales in the present, while improving brand health metrics that feed future success. And those metrics are something we all need to be paying attention to.

/NOTEPAD

Case Study: Revolutionizing CTV with Custom AI Algorithms

By David Nyurenberg, Associate Media Director, Digital Video

Rain the Growth Agency partnered with Chalice Custom Algorithms to support a DTC apparel brand in driving and optimizing against both brand awareness and direct response ROAS. Our collaboration proved the feasibility of achieving both within a singular OTT/CTV campaign through the implementation of an AI and machine learning-powered custom algorithm. The algorithm was tailored to prioritize and optimize across a combination of multiple data sets in real time spanning brand lift, conversion and media quality.

The Challenge

Traditionally, brand awareness and direct response have been seen as conflicting objectives. We set out to challenge this notion by developing an innovative Transactional Brand Building algorithm, aiming to optimize both brand lift and platform conversions simultaneously in real-time.

Building the Solution

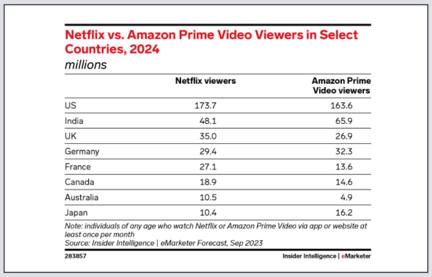
Our strategy seamlessly integrated data from Lucid, a Cint Company's, brand lift measurement with pixel-based platform conversion data. The algorithm linked impression and conversion data to brand lift study responses, honing in on signals that triggered positive responses. A continuous feedback loop of data and insight fed into the algorithm was then established, leading to marked performance improvements over time, taking advantage of the ability to quickly turn insight into action. Leveraging survey insights, we discovered an unexpected receptive demographic, distinct from our primary target audience, which the algorithm optimized into to drive incremental reach and new customer sales.

Moreover, we capitalized on The Trade Desk's TV Quality Impression (TVQI) score. Higher-performing publishers correlated with elevated TVQI scores, prompting the algorithm to optimize for more premium and high-quality publishers. This strategic shift significantly bolstered overall campaign performance.

Showcasing Results

1. Brand lift: Achieved 25%+ above benchmark brand lift, showcasing the harmonization of brand awareness and direct response within a unified initiative.
2. ROAS: Delivered above client goal return on ad spend, proving high awareness media does drive sales and revenue.
3. MMM Validation: Post-campaign analysis through Leavened's Marketing Mix Model confirmed the campaign's effectiveness and OTT's outsized impact within the channel mix.
    - Overall ROAS was on par with social media and paid search channels
    - OTT was the top performing channel for driving incremental new customers

/QUICK HITS


Netflix vs. Amazon Prime Video Viewers in Select Countries, 2024
millions

	Netflix viewers	Amazon Prime Video viewers
US	173.7	163.6
India	48.1	65.9
UK	35.0	26.9
Germany	29.4	32.3
France	27.1	13.6
Canada	18.9	14.6
Australia	10.5	4.9
Japan	10.4	16.2

Note: individuals of any age who watch Netflix or Amazon Prime Video via app or website at least once per month
Source: Insider Intelligence | eMarketer Forecast, Sep 2023

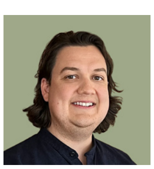
283857 Insider Intelligence | eMarketer

Prime Video with Ads Will Launch with $30 CPMs, Undercutting Rivals
[eMarketer]

Breaking down the viewing habits of women's sports fans
[Marketing Brew]

iSpot Adds 'Streaming Measurement' To Its Linear TV, Other Metric Products
[MediaPost]

Need More Guidance?



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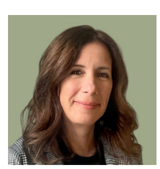

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