2024 Media Trends

01.25.2024

HARMELINMEDIA

Buckle Up

What's ahead in 2024?

Change - Volatility - Opportunity

Evolutions in technology continue to shift how consumers interact – and transact - with brands

Acceleration of Artificial Intelligence poised to transform Advertising… again

Major events amplify media variability; heightening competition, but also opportunity

Today's Presenters

Nikki Badalamenti

Director

Artificial Intelligence in Media

Janine Cross

Executive Vice President

Privacy

Jesse Hein

Associate Director

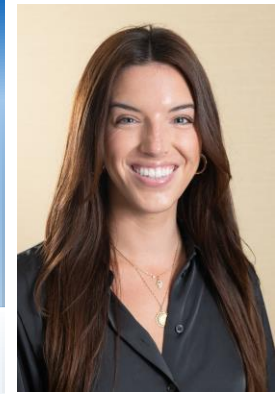*Attention Metrics*

Elias Schulkin
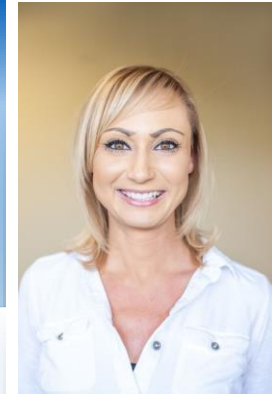
Associate Director

Retail

Today's Presenters

Brandon Turner

Director

Social and Influencer

Cait Egan

Manager

Social and Influencer

Gwen Lovekin

Director

Shifts in Streaming

Jamie Rudenstein

Vice President

Seasonal Events

Artificial Intelligence in Media

#1

AI is high priority with marketers
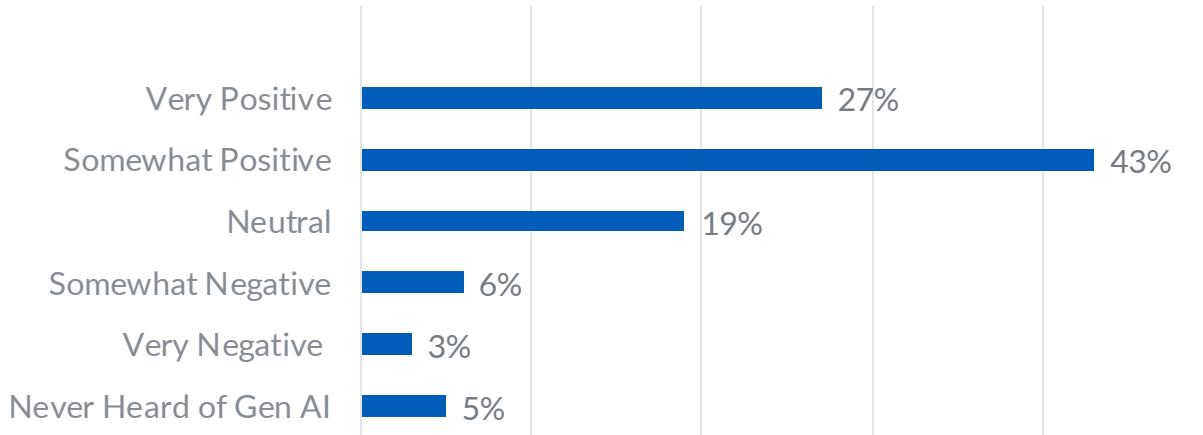
#2

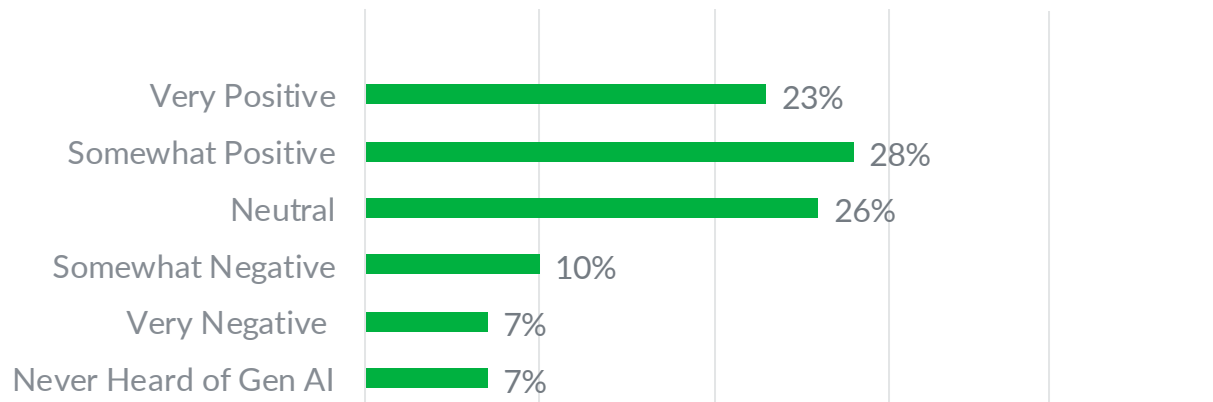AI usage expanding rapidly across categories

#3

Understand the risks associated with AI use

#1

Marketer attitudes towards generative AI

Very Positive	27%
Somewhat Positive	43%
Neutral	19%
Somewhat Negative	6%
Very Negative	3%
Never Heard of Gen AI	5%

Consumer attitudes towards generative AI

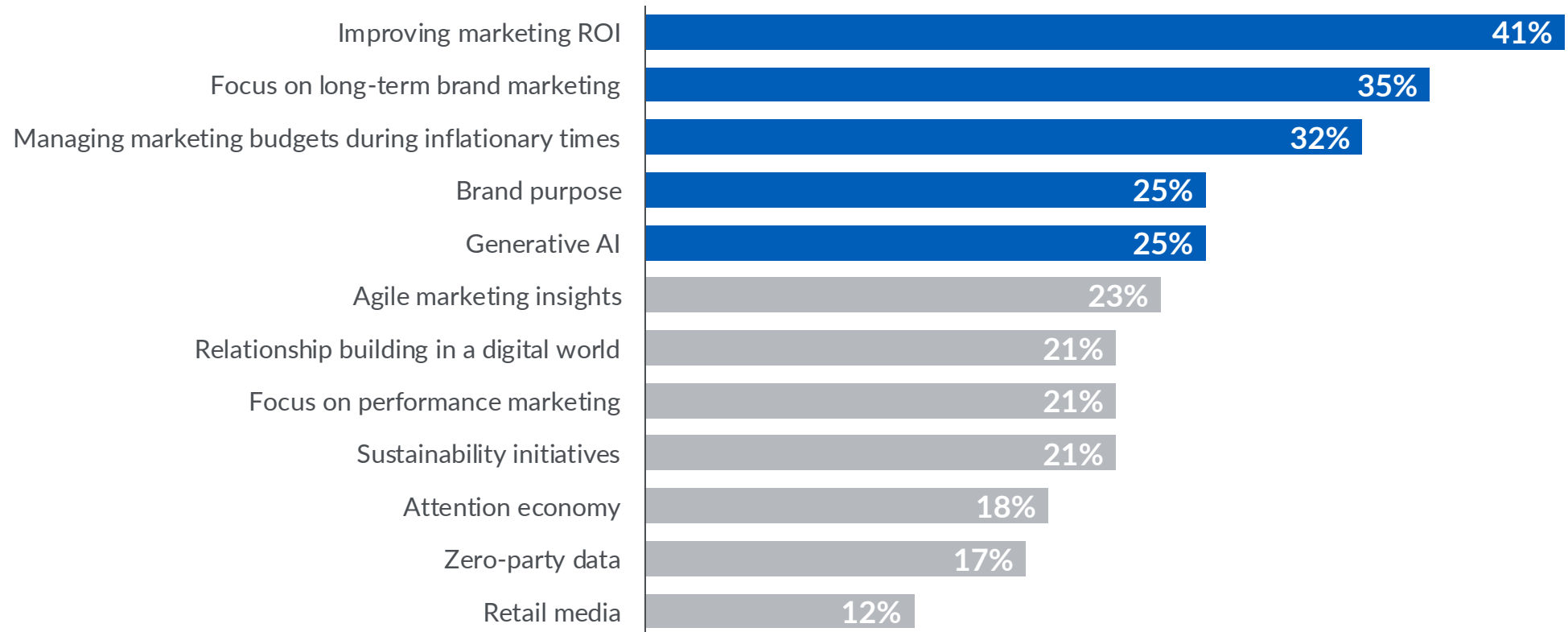|	
Very Positive	23%
Somewhat Positive	28%
Neutral	26%
Somewhat Negative	10%
Very Negative	7%
Never Heard of Gen AI	7%

Source: Kantar Media Reactions, 2023

Generative AI attitudes differ between Marketers and Consumers

70% vs

Marketers   **Consumers**

51%

Have Somewhat-Very Positive attitudes

AI is a Top Priority for Marketers in 2024

Top 5 priorities for marketers in 2024

Priority	%
Improving marketing ROI	41%
Focus on long-term brand marketing	35%
Managing marketing budgets during inflationary times	32%
Brand purpose	25%
Generative AI	25%
Agile marketing insights	23%
Relationship building in a digital world	21%
Focus on performance marketing	21%
Sustainability initiatives	21%
Attention economy	18%
Zero-party data	17%
Retail media	12%

Source: Kantar Media Reactions, 2023

#2

6 Ways to Utilize AI in Marketing

Generation

Creating Content

Extraction

Gleaning insights from data

Summarization

Condensing information for clarity

Rewriting

Refining messages for impact

Classification

Organizing data for better understanding

Question Answering

Enhancing customer engagement and support
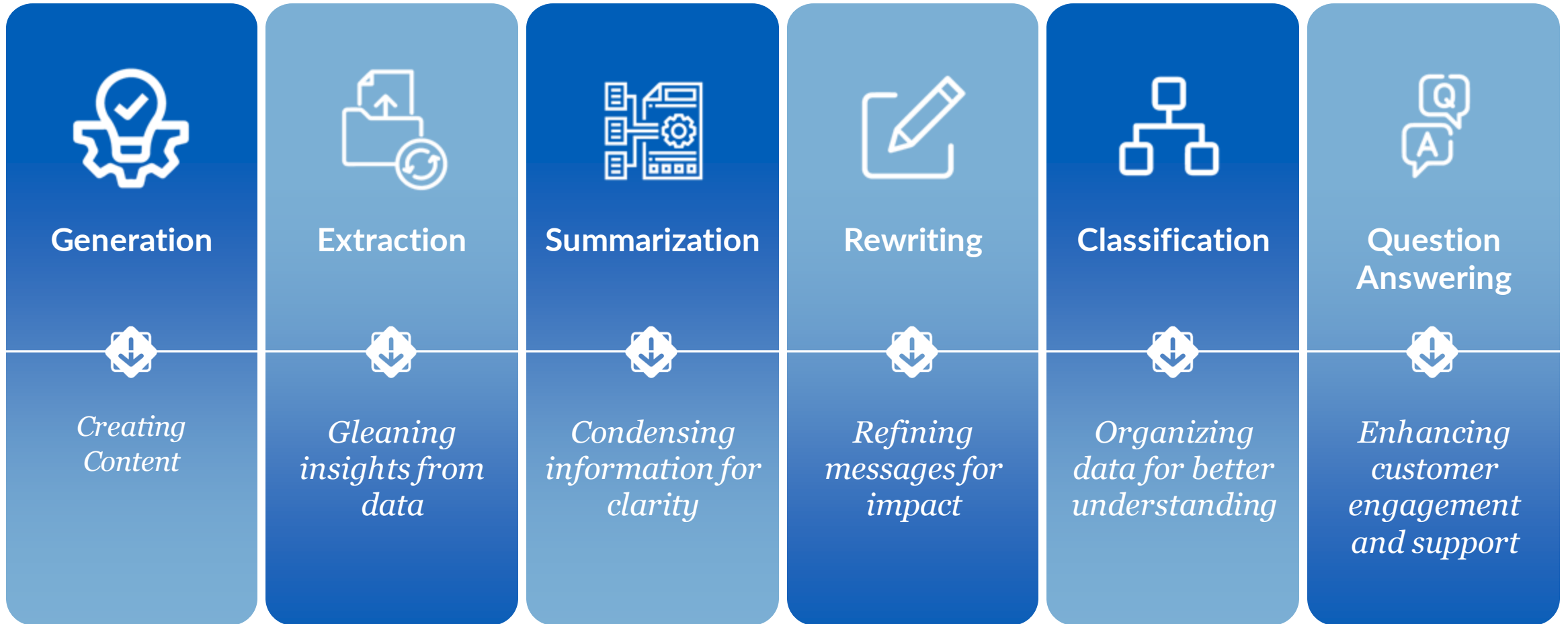
Source: MarTech, Dec 2023

#3 *AI Adoption Yields Many Benefits... and Risk*

Facilitators

VS

Inhibitors

Convenience	Customization	Efficiency

Uncertainty	Privacy Risk	Loss of Control Risk
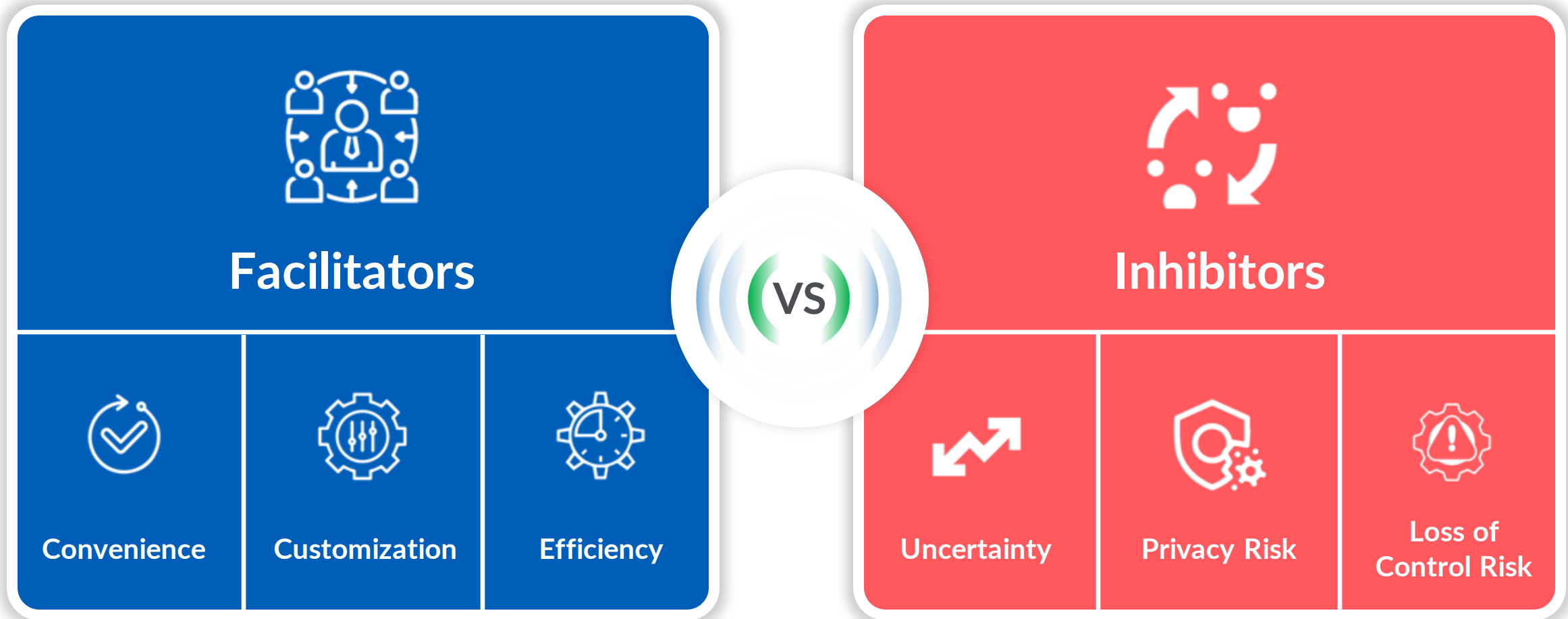
Source: Forbes, Nov 2023

Takeaways & Opportunities: Artificial Intelligence

Prioritize focus with AI
Clients and agencies should prioritize where they want to focus when utilizing AI and develop a plan on how to approach.

Appoint people dedicated to AI evolution
Have a dedicated person to keep a pulse on what is going on with AI and how things are changing because change is happening rapidly.

Have a stance and develop guidelines on how to leverage AI
We have already started seeing some of the risk associated with AI. It is imperative to establish guardrails on best practices.

HARMELIN MEDIA // 2024 MEDIA TRENDS

Privacy

#1

More States enacting **Privacy Laws**

#2

Targeting will become broader

#3

Measurement solutions will be modeled

#1 *More States Enacted Privacy Law with No Federal Regulation in Sight*

2023

2024

2024

2023

2020-23

2023

2025

2026

2025

2023

2025

2024
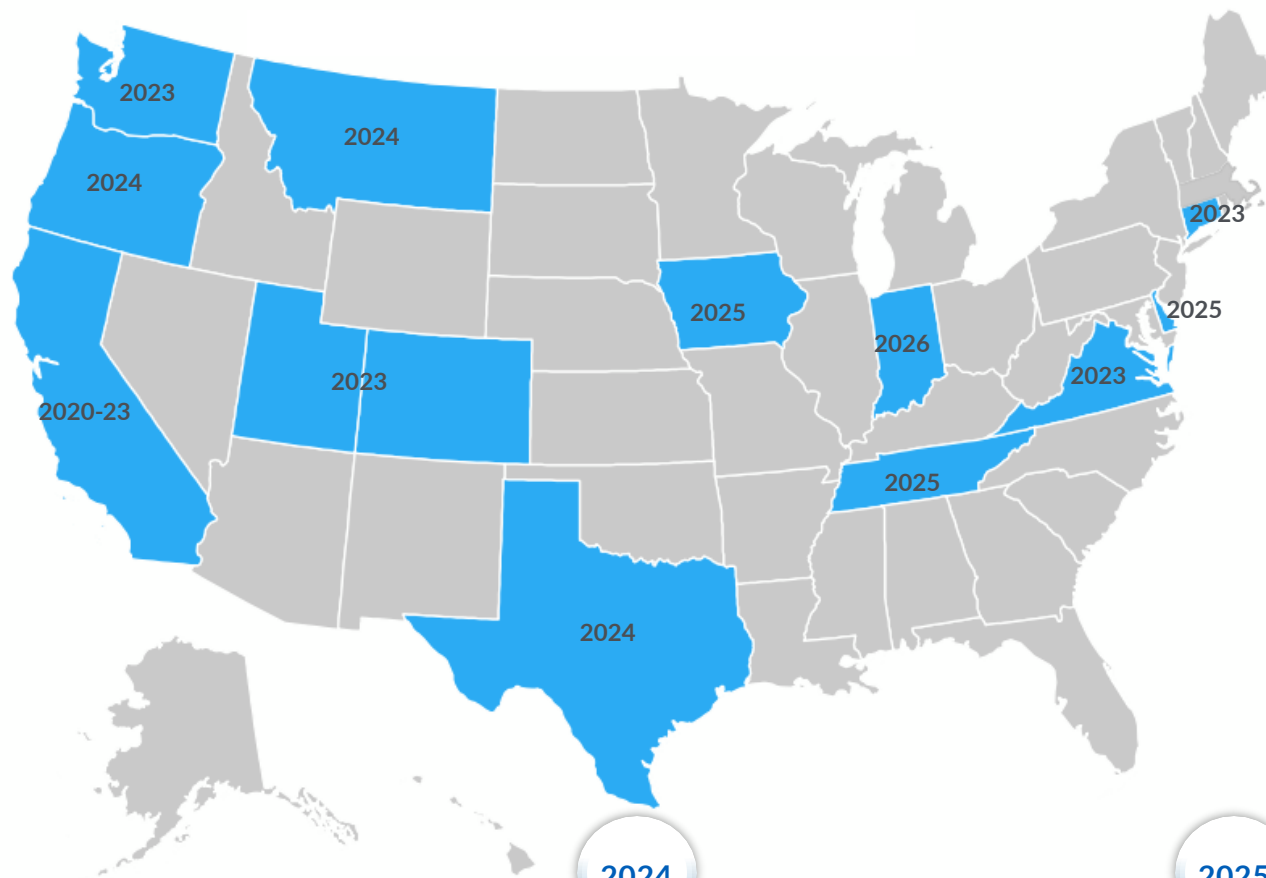
State Privacy Laws Effective Dates:

2020	2023		2024		2025		2026
Jan	Jan	July	Dec	July	Oct	Jan	July	Jan
California (CCPA)	California (CPRA) Virginia	Colorado Connecticut	Utah	Texas Oregon	Montana	Delaware Iowa	Tennessee	Indiana

Washington (health data)

14

California Media Changes

In the state of California only, Google has changed their business status from "Service Provider" to "Third Party".

This change essentially passes **legal obligations of CCPA/CPRA compliance on to the Advertiser**

This impacts you as an advertiser if you:

Run media on Google (Search, YouTube, Display & Video 360)

Actively run media in the state of California, and

Leverage CRM data and/or retargeting on the above platforms and location

Client to Assess their Business:

1

Subject to the CCPA/CPRA

2

Compliant with laws

3

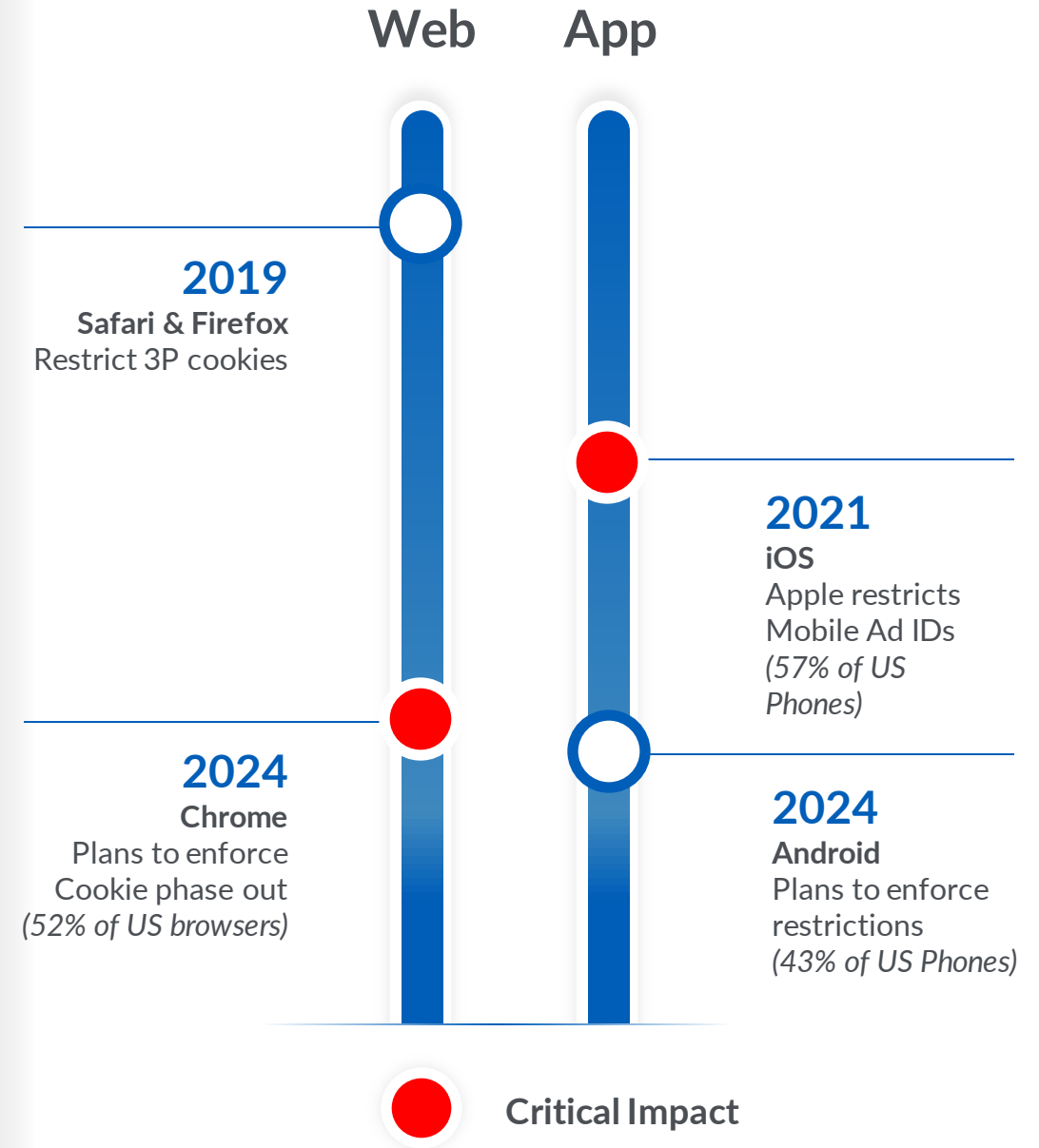Address measures to ensure compliance

#2 *Targeting will Broaden*

January 2024 - Chrome turned off cookies for 1% of its users (30 million)

August 2024 – Current date Google plans to deprecate cookies

With the loss of App (Mobile Ad Ids) & Web (Cookies), the industry will shift toward other digital identifiers, which are strong, but have less scale

...which will force broader targeting

Web   App

2019
Safari & Firefox
Restrict 3P cookies

2021
iOS
Apple restricts
Mobile Ad IDs
(57% of US Phones)

2024
Chrome
Plans to enforce
Cookie phase out
(52% of US browsers)

2024
Android
Plans to enforce
restrictions
(43% of US Phones)

● **Critical Impact**

Source: StatCounter, August 2023

Lessons Learned from the App iOS Changes in 2021

Reduced Scale

———

Audience & retargeting pool sizes declined
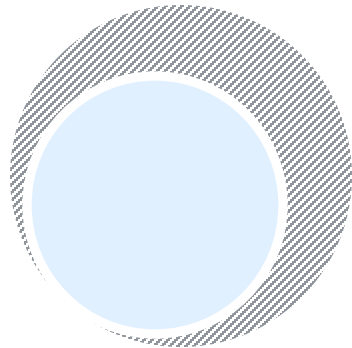
Rising Costs

———

CPM spiked for about a year, most evident for lower funnel campaigns

Social Advertising | CPM & CPC   **LOCALiQ**

Product Changes

———

Algorithms & Products favored broad targeting; performance suffered when too narrow

∞ Meta
Advantage+

Google Ads
Performance Max

#3   *Advertisers Will Need to Get Comfortable with Modeling*

Remain The Same

Functionality expected to remain the same relative to today

Brand Lift

Search Lift

Experiments

Available With Restrictions

Functionality expected to be preserved, but capabilities may be restricted relative to today

Frequency

Reach

Conversions

Significant Shifts

Functionality expected to impacted with significant shifts in capabilities relative to today

Data-Driven Attribution

Conversion API

Reduce signal loss & improve models through Conversions API solutions for **Meta and Google**

Increasing the number of conversion signals by 5-10%

Google   ∞ Meta

Improved attribution:
advertisers can enhance their understanding of user interactions and conversions

Enhanced data accuracy and security:
Data is sent directly from one server to another, reducing the risk of data loss

Enhanced user privacy:
Helps in protecting user privacy by minimizing data sharing with third party cookies.

Takeaways & Opportunities: Privacy

Privacy Law Evolving
Advertisers should proactively get their data clean, structured & compliant
Consult with legal council on how state laws may impact their business

Targeting Broadening
To improve performance, consider broader targeting & AI product solutions
Test durable targeting solutions, including 1P CRM data, 2P Walled Garden audiences, 3P Alternatives (UID2.0), and contextual strategies

Measurement Modeled
Implement Conversion APIs, including Meta CAPI Gateway and Google Enhanced Conversions, to increase the measurement of conversion signals by 5-10%

Attention Metrics

Industry starting to pay attention to Attention Metrics

Evolution of the Industry Standard to Attention
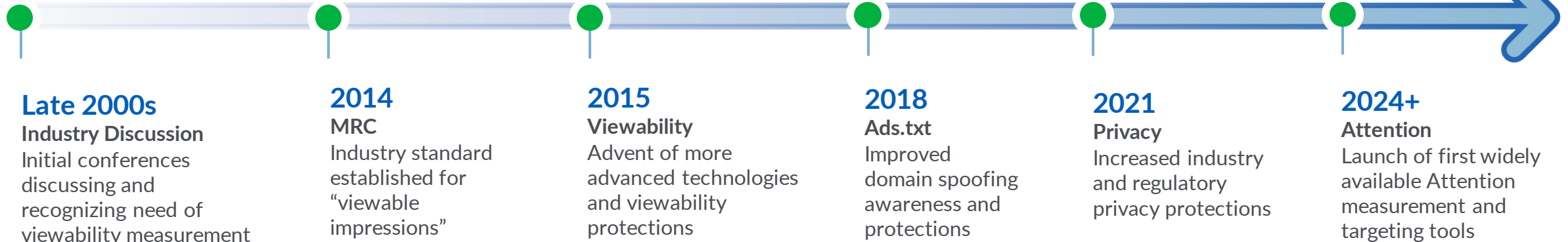
Viewability:

Was there an opportunity for the ad message to have been seen?

"At least 50% of the ad's pixels are visible to the end user for at least 1 continuous second for static creative or 2 continuous seconds for video"
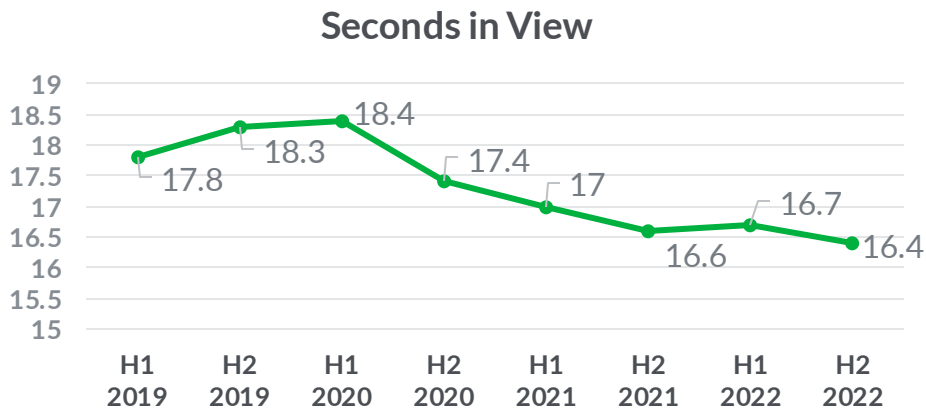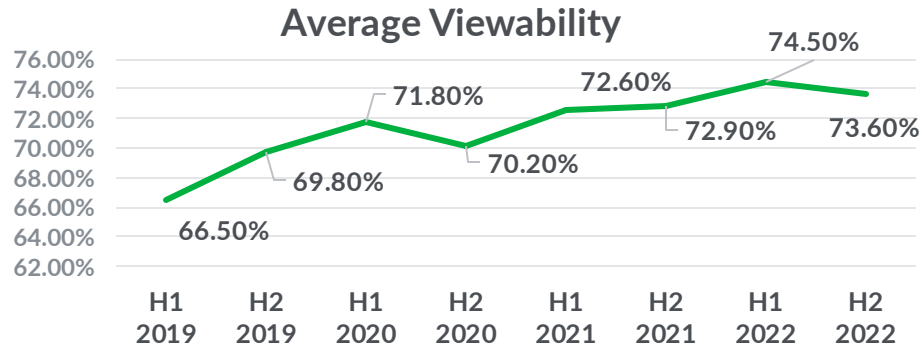
Attention:

Did the ad message resonate with a user and drive a business outcome?

"A combination of data signals including viewability, audibility, eye tracking, ad density, screen size, etc."

Late 2000s
Industry Discussion
Initial conferences discussing and recognizing need of viewability measurement

2014
MRC
Industry standard established for "viewable impressions"

2015
Viewability
Advent of more advanced technologies and viewability protections

2018
Ads.txt
Improved domain spoofing awareness and protections

2021
Privacy
Increased industry and regulatory privacy protections

2024+
Attention
Launch of first widely available Attention measurement and targeting tools

Source: eMarketer, Dec, 2023; eMarketer, Aug, 2023

Increases in Viewability Have Not Improved Time with Ads

Attention Measurement is Gaining Traction

Average Viewability

Seconds in View

83%

of Media Experts think it is important for their company to have an attention strategy

Attention addresses the shortcomings of the existing industry standards of measurement and viewability, by taking a more holistic view of the user interactions

Note: Represents activity on the Integral Ad Science (IAS) platform; broader industry metrics may vary
Source: Integral Ad Science (IAS), "Media Quality Report: 18th Edition," May 9, 2023

Source: eMarketer, Dec, 2023; IAS, Nov, 2023

Measuring Attention

Measurement Providers

Visibility

Viewability

Time In-View

Full Screen

Situation

Ad Density

Page Orientation

Brand Suitability

Contextual Relevance

Interaction

Scroll

Volume

Video player play/pause

Eye-Tracking*

Channels

Digital Display & Video across desktop, mobile web, and in-app

*Eye-Tracking currently available only through IAS

Attention

Metrics Provide Valuable Datapoints for Upper Funnel Optimization

Benefits

Greater visibility into quality and effectiveness of campaign delivery

Increased brand awareness and engagement for campaigns

Measurement is not reliant on cookies

Limitations

No industry standards for this metric – need to rely on platform-established benchmarks

Excludes CTV (currently on roadmap for key vendors)

Excludes Social & YouTube

Attention Metrics in Practice

Use Attention metrics to optimize the same way Viewability metrics are currently used

Creative insights can inform future messaging approach

Actionability

Optimize based on inventory sources/domains, ad sizes or device types

Nascent solutions are being introduced to auto-optimize to Attention results

Implementation

▶ Harmelin currently working with IAS to implement Beta test for active campaigns

▶ Can be turned on through existing tags – tagless integration

▶ Additional fee to activate – varies by platform

Considering Attention Moving Forward

No single metric is the full story

Engage attention metrics along with other campaign success metrics

Use attention to inform creative executions

Certain ad sizes are naturally prone to better drive attention

Include attention in T&L strategies

Leverage attention metrics to determine top-performing partners

Deploy tools that allow visibility

Measurement tools can identify supply path and publisher inefficiencies

Source: IAS, Apr 2023

Takeaways & Opportunities: Attention Metrics

Attention is a powerful tool that is gaining traction rapidly. Continue to test optimal applications for media measurement (currency for evaluating upper funnels impact on Business results)

Continue to evaluate capabilities of auto-optimizing solutions as these offerings evolve

Elevate inclusion in Test & Learns/Learning Agendas to better understand optimal strategic applications, and offerings

01 ARTIFICIAL INTELLIGENCE IN MEDIA

02 PRIVACY

03 ATTENTION METRICS

04 RETAIL

05 SOCIAL & INFLUENCER

06 SHIFTS IN STREAMING

07 SEASONAL EVENTS

Retail

#1

Amazon dominated retail media budgets, but smaller players are making inroads

#2

Retail partnership benefit retail & non-retail brands

#3

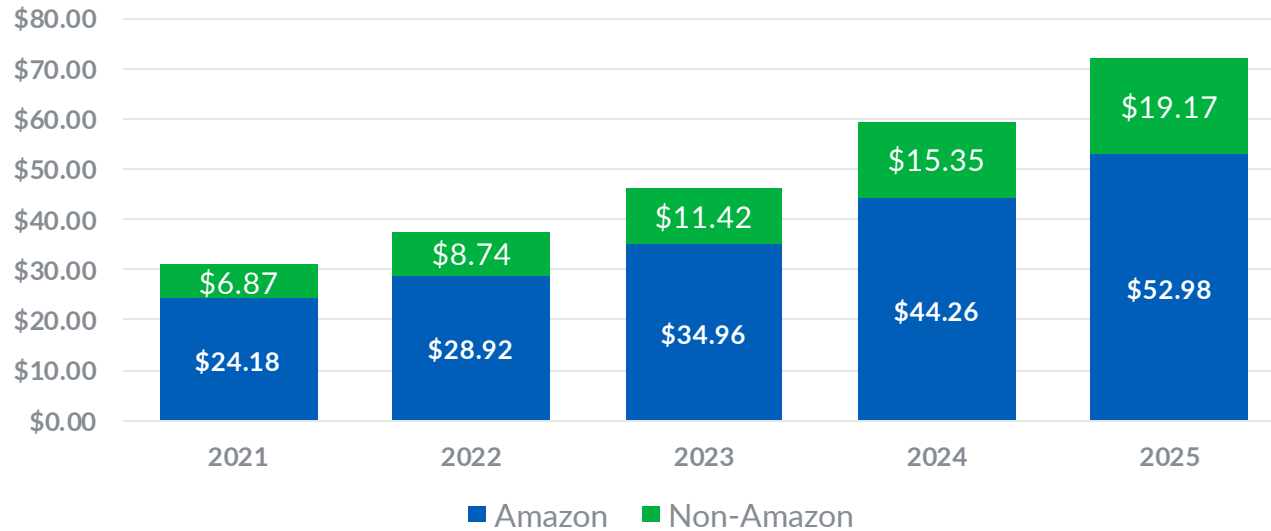Shoppers want personalization online & in-store

#1 *Amazon Dominated Retail Media, but Smaller Players are Making Inroads*

+22% Amazon YOY ad spend

+30% Non-Amazon ad spending, led by Walmart

Non-Amazon v. Amazon Retail Ad Spending (billions)

Year	Amazon	Non-Amazon
2021	$24.18	$6.87
2022	$28.92	$8.74
2023	$34.96	$11.42
2024	$44.26	$15.35
2025	$52.98	$19.17

■ Amazon ■ Non-Amazon

Source: eMarketer, Nov, 2023; CNBC, Aug, 2023

2023 Retail Media Ad Spend

$46 Billion

...and growing by 21% each year

#2

Retail Partnerships Benefit Retail & Non-Retail Brands

Shortening the path to purchase through publisher partnerships

More seamless buying experience for the user

Blurring the lines between retail and other content providers

Publishers seek growth by "sharing" screentime with complementary digital apps/brands

Valuable source of 2P data, durable in a cookieless future

Leverage purchase behavior to find key audiences through Amazon & The Trade Desk DSPs

Source: eMarketer, Jan 2023

Notable Social, Retail, and Digital Advertising Partnerships in 2023
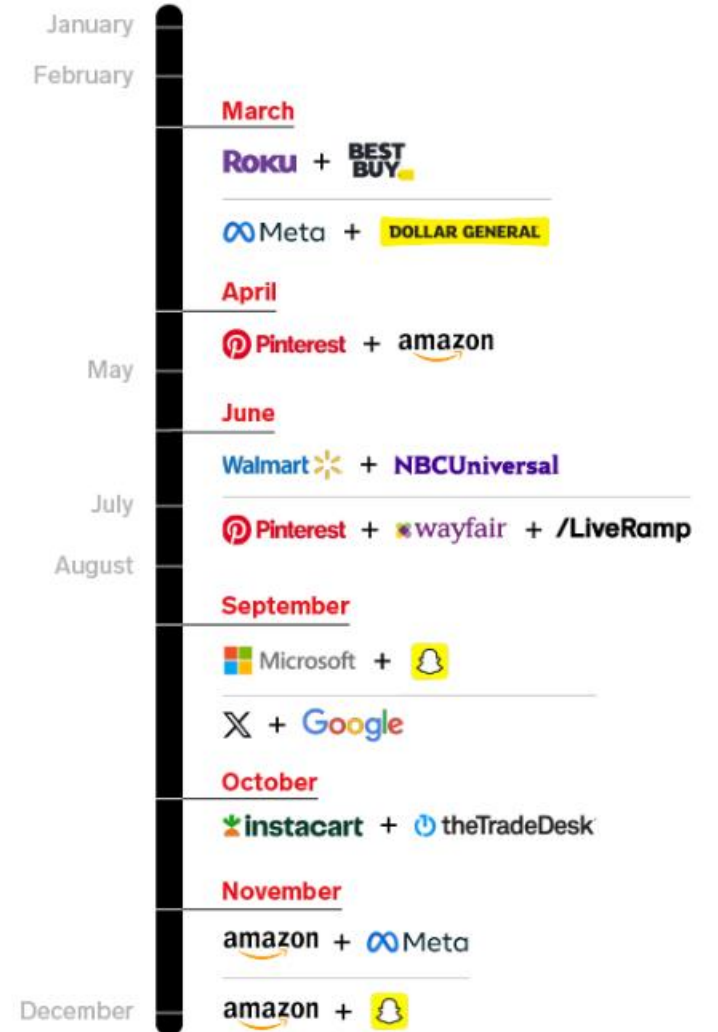
#3 *Instore Digitization of the Shopping Experience*

240M

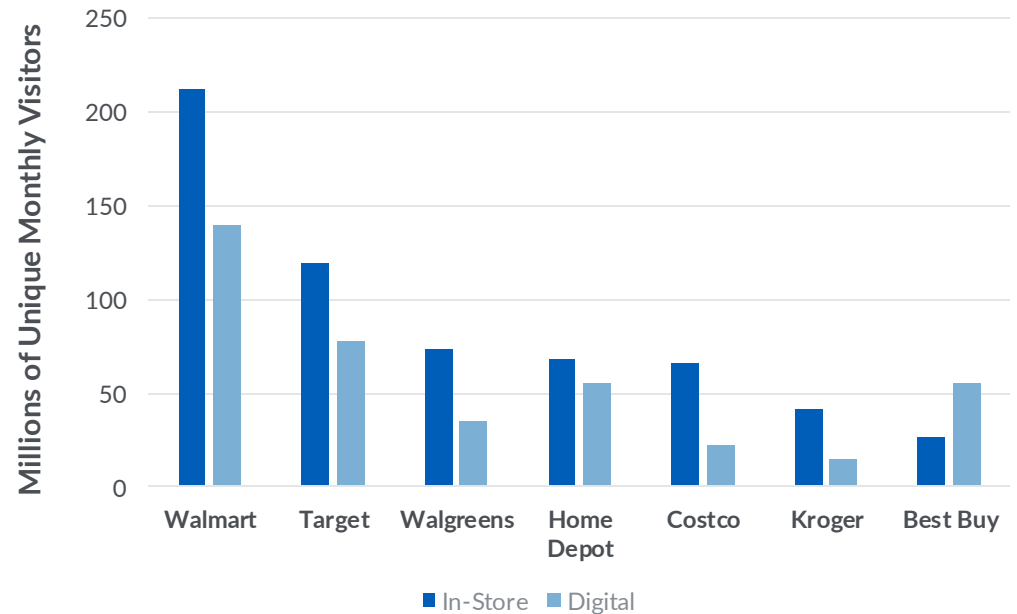In-store retail media spend will reach $240 million in 2023 and is forecasted to more than triple by 2027

49%

Surveyed agency professionals believe that **In-Store digitization** will be the next frontier of advertising

10k

Commercial displays that Hy-Vee has installed across grocery store locations via "cloud-based digital signage"

2022 In-Store vs Digital Reach

Millions of Unique Monthly Visitors

■ In-Store ■ Digital

Walmart | Target | Walgreens | Home Depot | Costco | Kroger | Best Buy

Source: eMarketer, Nov 2022

Shoppers want Personalization In-Store

The digitization of the in-store shopping experience will continue to merge the on and offline eCommerce space in 2024 and beyond
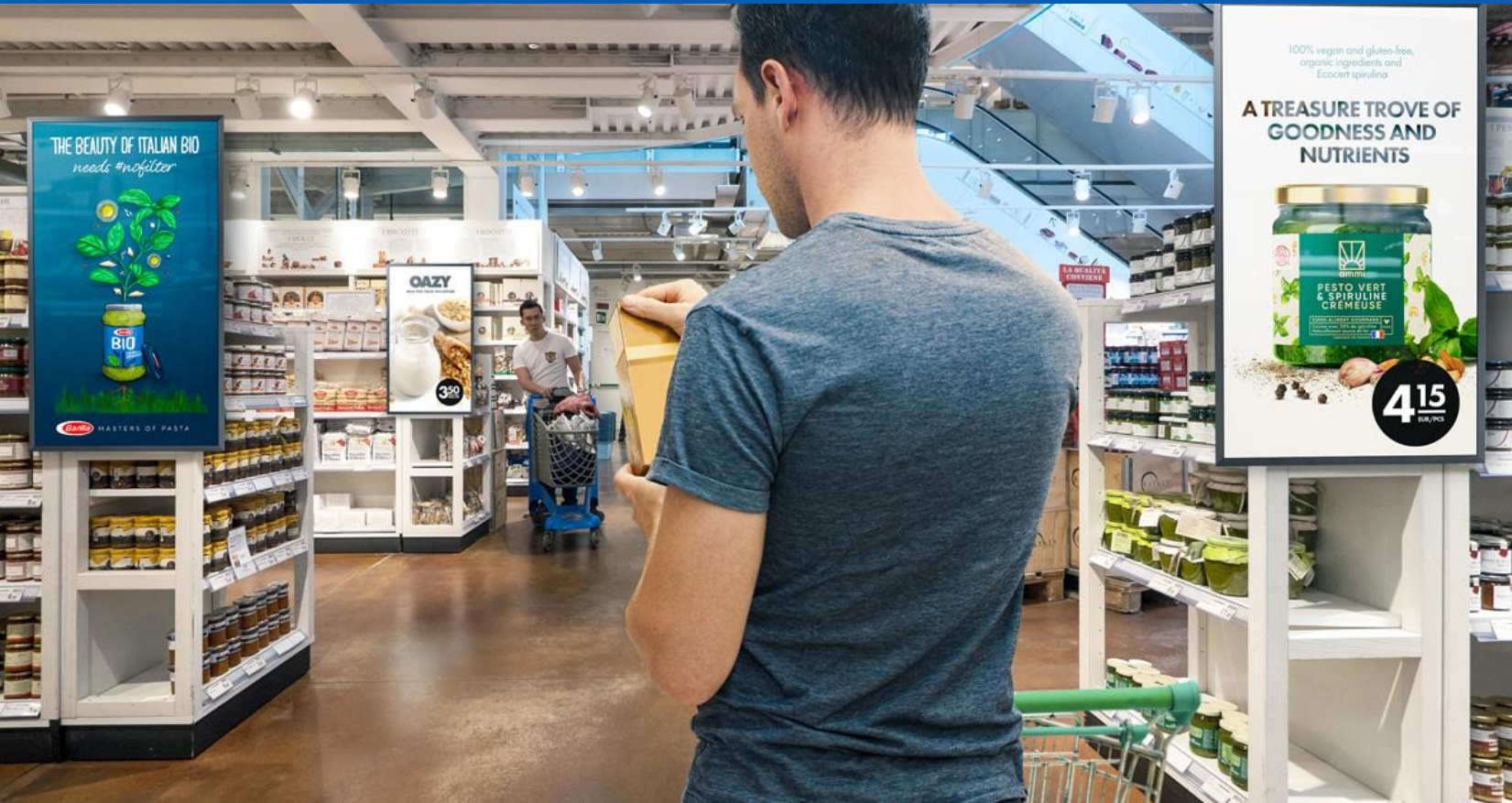
67%

"of shoppers want personalized offers driven by their individual spending habits in-store and online"

Using Generative AI to Personalize Shopping

Amazon

AI Improved Lifestyle Imagery

Helps advertisers produce more compelling ad imagery by placing products within a specific context to improve the shopping experience and ultimately enhance conversion

Generative AI for Shopping

Walmart

Designed by the Customer

Walmart is using AI and AR to give customers personalized room design assistance based on their budget, theme, and other preferences

Tools for Personalization

Google

Enhanced Knowledge Panel

Integrating dynamic shopping info, including shipping cutoffs, reviews, and holiday promotions to provide more relevant results to customers

Better Informed Shoppers

Generative AI for Images

Amazon is investing heavily into its retail media & ad buying technology, including the use of generative AI to produce lifestyle imagery – on demand.
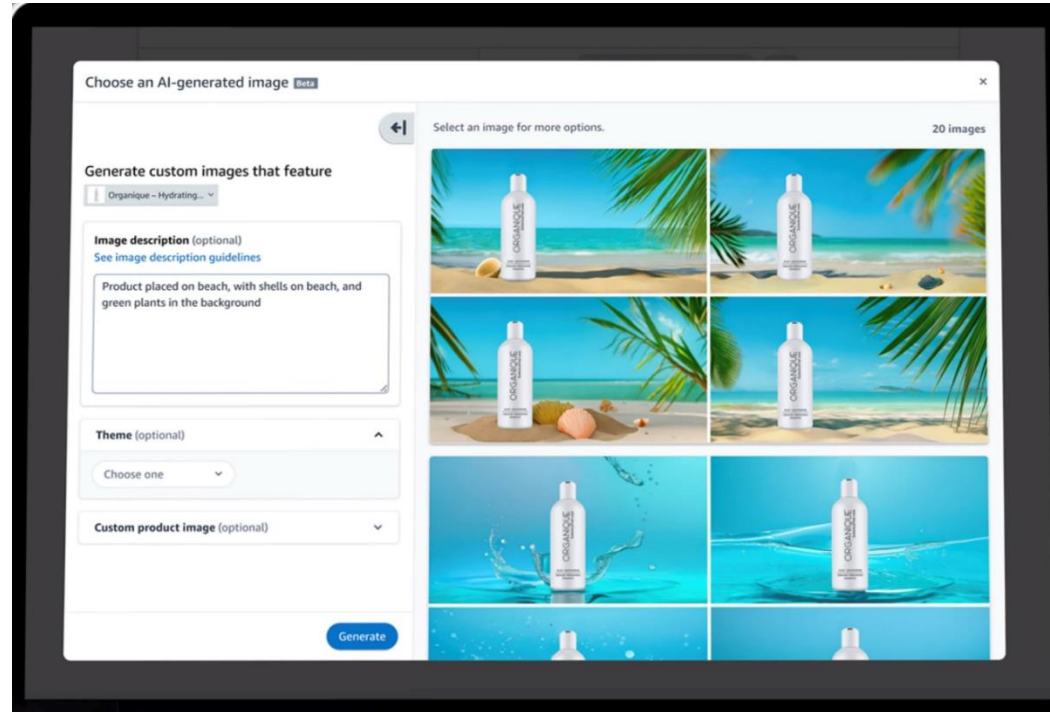
Major third-party marketplaces like Amazon, Walmart and Target are looking to improve and automate the shopping experience by integrating AI across their tool kit – from contextual targeting via machine learning to personalized & curated digital storefronts.

Higher conversion and improved customer retention in 2024 and beyond

Improved Google Knowledge Panel with AI

35 billion

"Product listings — making Google the world's most comprehensive dataset of constantly-changing products, sellers, brands, reviews and inventory"

Google has streamlined its predictive AI (in beta) to generate unique, personalized and hyper-relevant search results for information and product shopping users
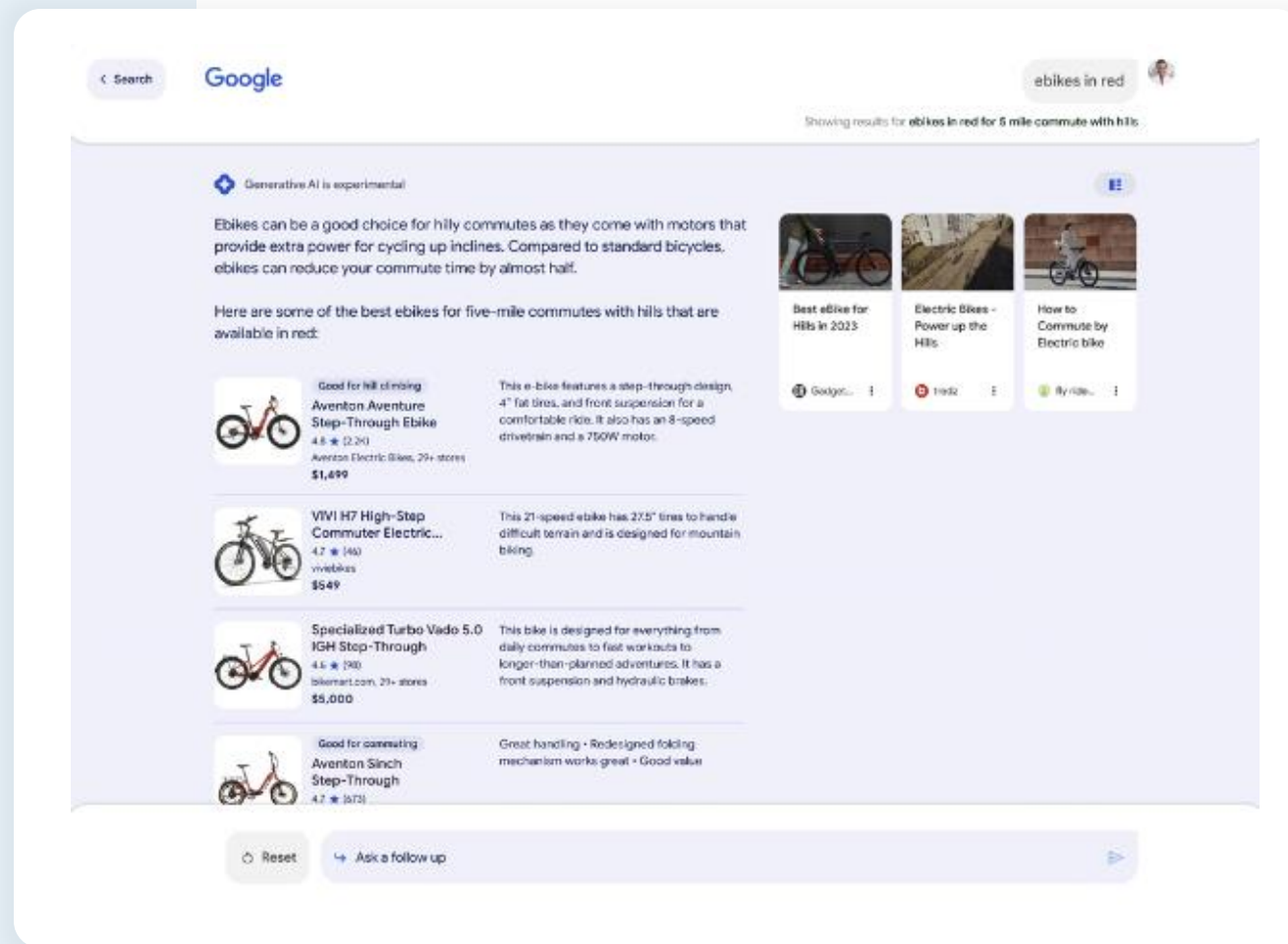
Source: Google Blog, May 2023

Takeaways & Opportunities: Retail

Retail Growth and Diversification
Brands should diversify their retail media portfolio as the channel expands to capitalize on additional sales opportunities.

Monetization of Retail Media Data
For Retail Brands, consider new partnerships to shortened the path to purchase
For Non-Retail brands, test 2P retail data targeting opportunities

Personalization of the Shopping Experience
Brands and retailers should consider testing AI solutions for media buys, from lifestyle imagery generation to enhanced search engine results . Continue to monitor this evolving space in 2024.

Social & Influencer

#1

TikTok fastest growing platform, but Meta is still a dominate player

#2

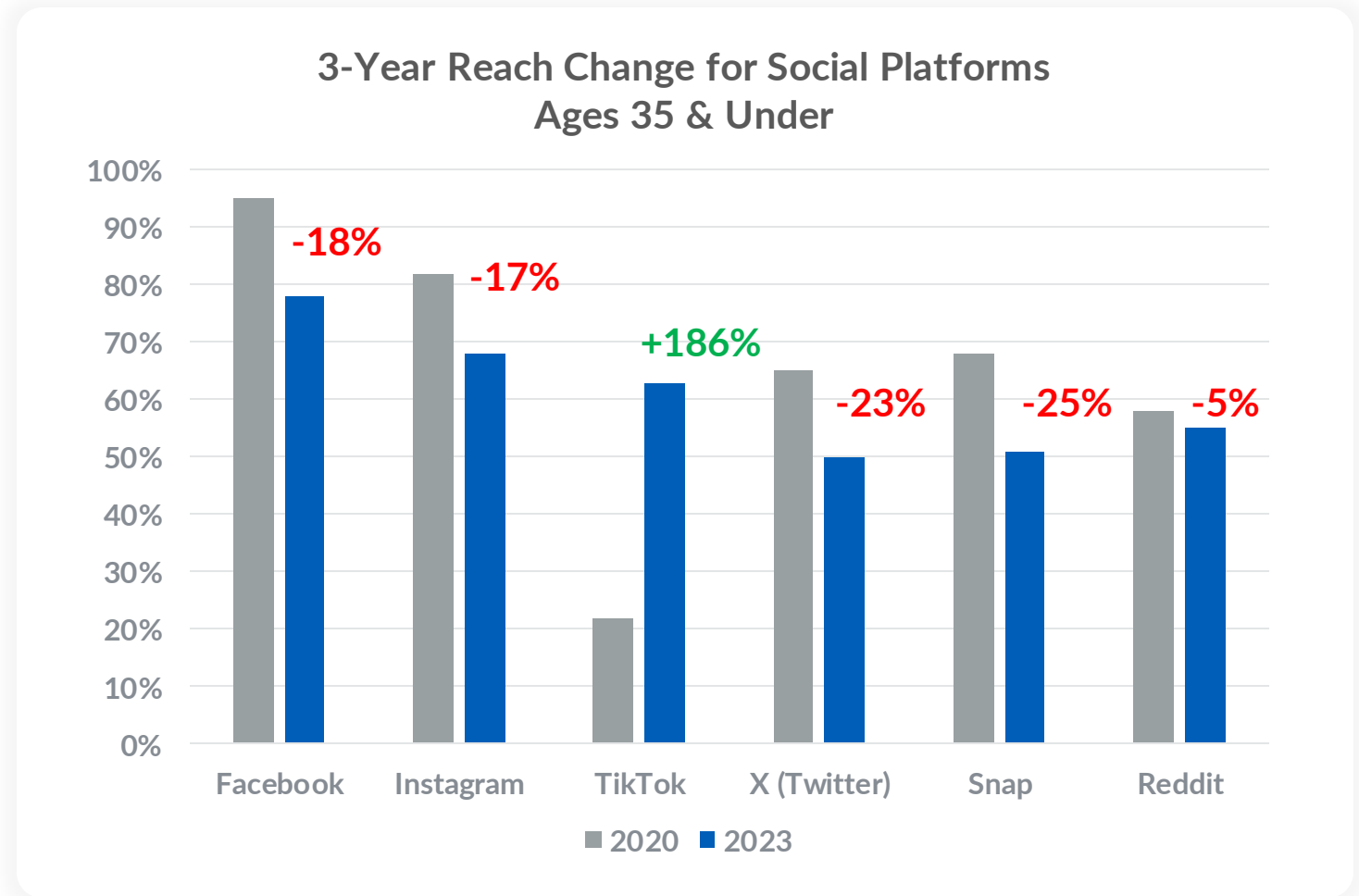The rise of the subscription model

#3

Expanded usage of Social commerce

#1 *TikTok Fastest Growing Platform, but Meta is still a Dominant*

TikTok's rise in popularity continues. More time is spent on TikTok per day than either Facebook or Instagram.

Facebook and Instagram as a duo are still the most **dominant platform for all age groups.** Threads will introduce ads in Q3 24.

LinkedIn and Pinterest usage mostly **stayed flat** over the last few years.

Source: Comscore platform usage 2020/2023

3-Year Reach Change for Social Platforms Ages 35 & Under

- Facebook: **-18%**
- Instagram: **-17%**
- TikTok: **+186%**
- X (Twitter): **-23%**
- Snap: **-25%**
- Reddit: **-5%**

■ 2020   ■ 2023

Millennials Primarily Use Facebook, Instagram, and TikTok

18-34 Digital Audience Penetration vs. Engagement of Leading Social Networks
Source: comScore Media Metrix Multi-Platform | US | May 2023

Average Monthly Minutes Per Visitor (y-axis: 0.0 to 700.0)

Percent Reach Among Age 18-34 (x-axis: 0% to 100%)

Platforms shown: TikTok, Instagram, facebook, snapchat, reddit, LinkedIn, Pinterest, X
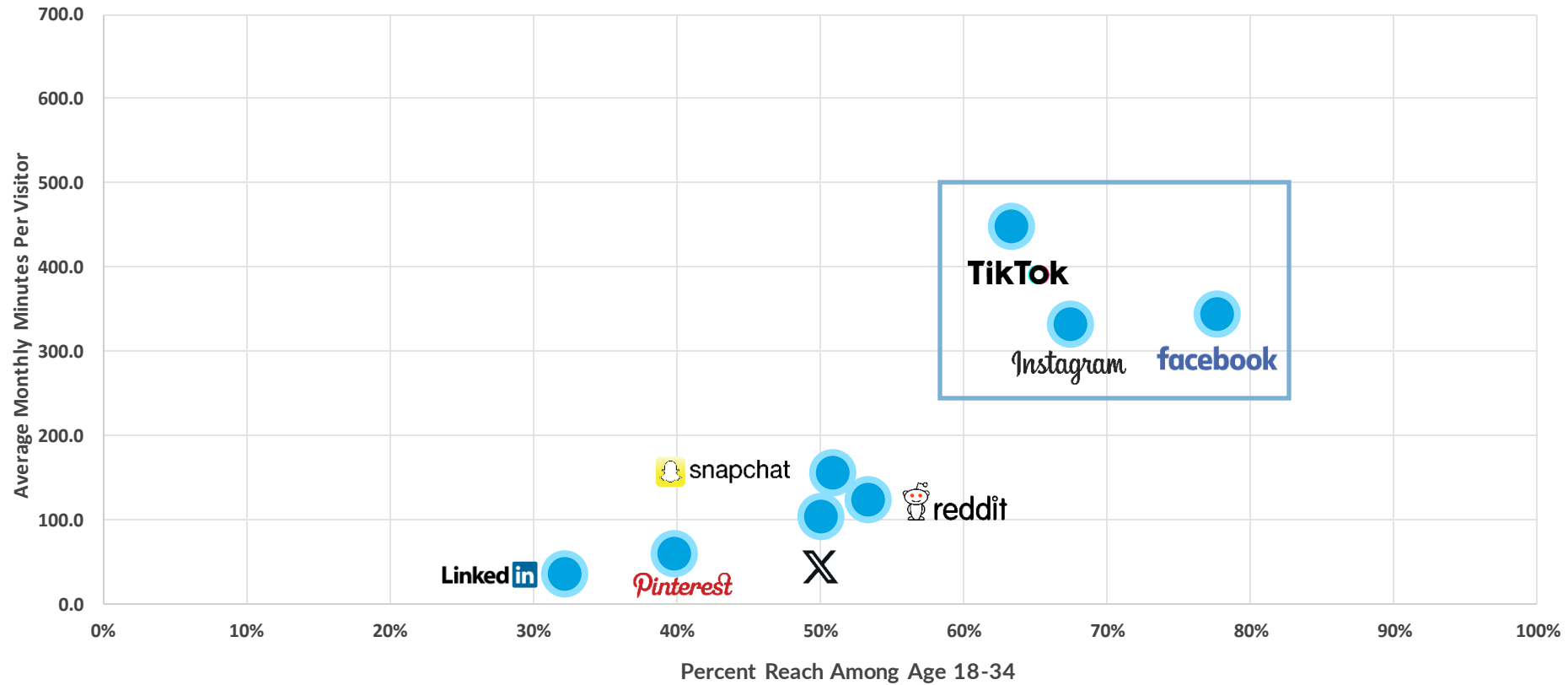
Older Generations Primarily Use Facebook

Age 35+ Digital Audience Penetration vs. Engagement of Leading Social Networks
Source: comScore Media Metrix Multi-Platform | US | May 2023

Chart — Y-axis: Average Monthly Minutes Per Visitor (0.0 to 600.0); X-axis: Percent Reach Among Age 35+ (0.0% to 120.0%). Plotted networks: snapchat, reddit, Pinterest, LinkedIn, TikTok, X, Instagram, facebook.
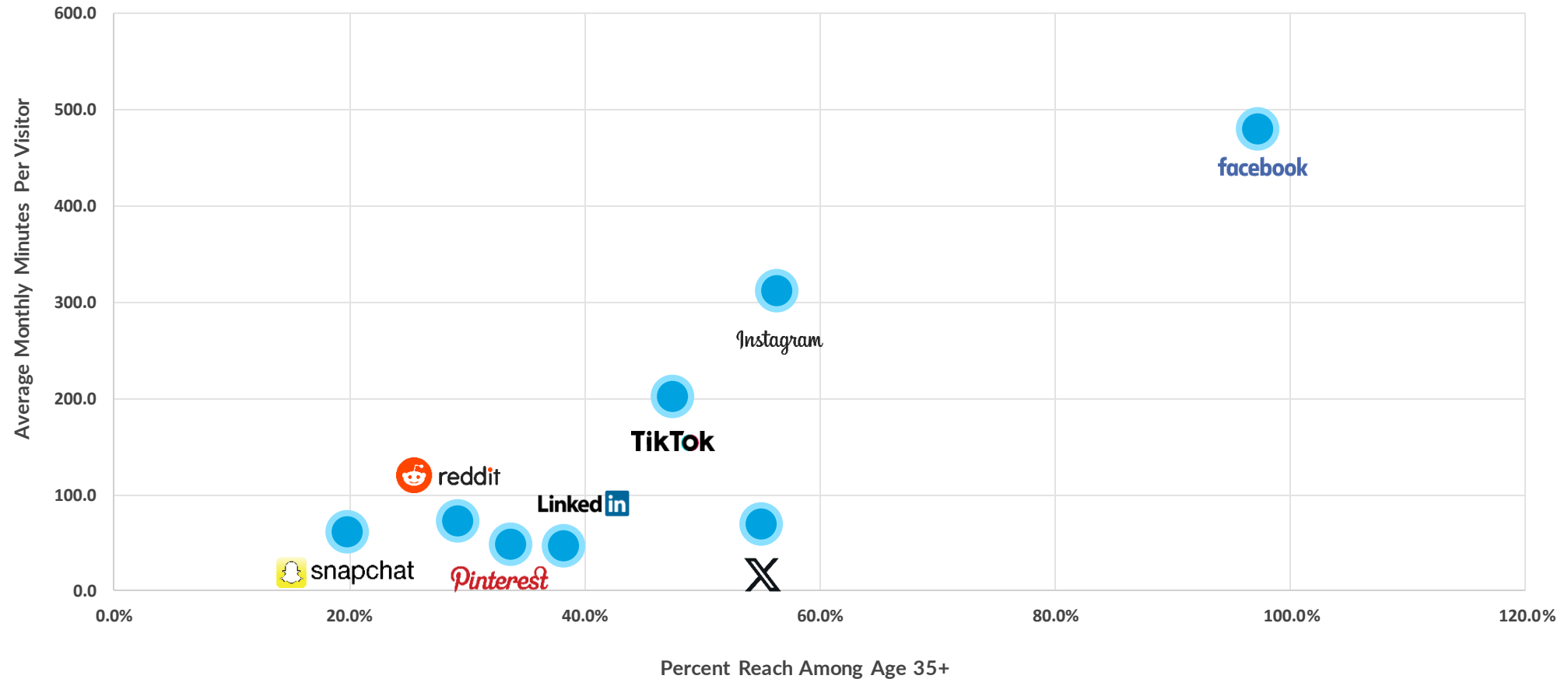
Influencer Marketing Grows Across Platforms YOY

Use of Instagram Reels and TikTok are growing at the fastest rate

2022-2025 Projected Growth

IG Reels: +32%	
TikTok: +25%	
Instagram: +17%	
Facebook: +13%	
YouTube: +12%	

% of marketers who use platform for influencer marketing

- Instagram
- Facebook
- Instagram Reels
- TikTok
- YouTube

Data labels: 47.2%, 53.7%, 58.2%, 62.2%, 46.0%, 50.0%, 54.0%, 57.7%
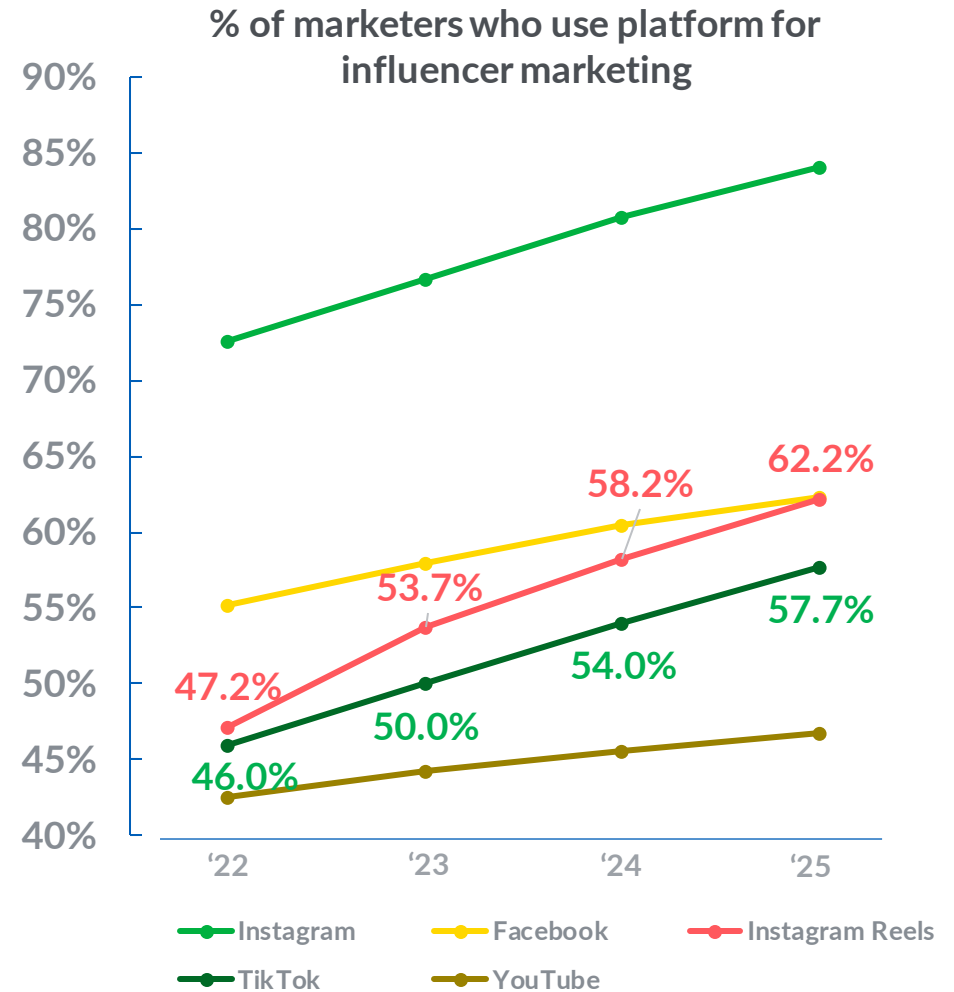
#2

The Rise of Subscription Models
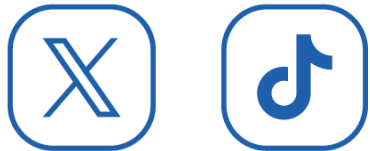
No Ads

Enhanced Features

Protection

Users

Advertisers

Introduction of Subscription Based Fan Spaces

Instagram Subscriptions

YouTube Channel Memberships

TikTok LIVE Subscription

Patreon

Users

Content
Platform-specific content
Badges
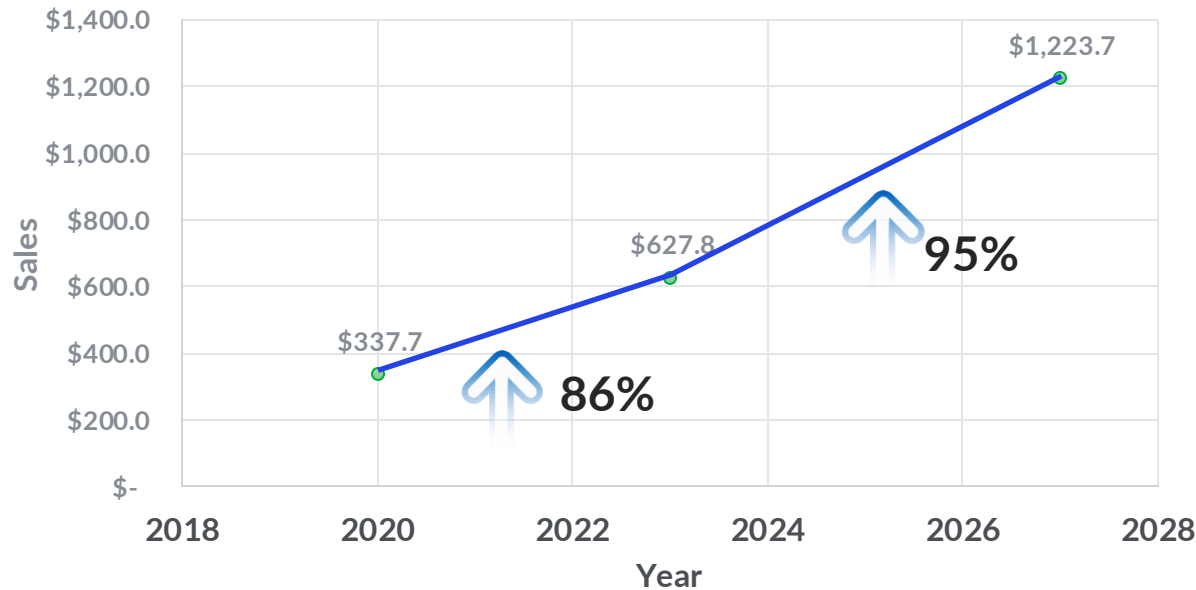**Emojis**

Emotes
Chats
Broadcast Channels
...and more!

Each platform offers unique subscription feature options

#3

Social Commerce Continues to Grow

US Social Commerce Sales per Buyer

$1,223.7

$627.8

95%

$337.7

86%

Sales

Year

2018 2020 2022 2024 2026 2028

Source: eMarketer, Oct 2023

Social commerce sales per buyer **up 86%** since 2020; **will nearly double** by 2027

Social Platforms and Influencers pave new ways for driving commerce

In Q4, Snap and Meta announced major **partnership with Amazon** to integrate Prime membership to allow single click purchase within an ad.

TikTok Shop can leverage influencers to **drive sales natively** on platform
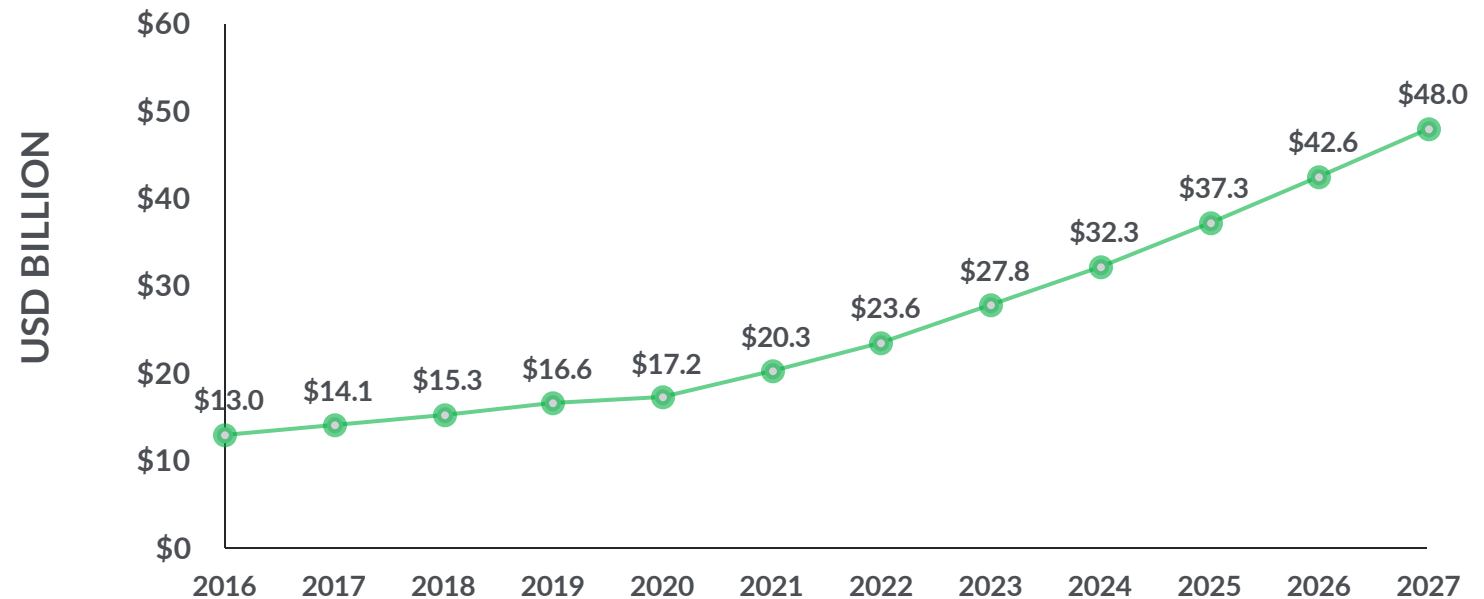
Influencer Affiliate Marketing Contributing to Social Commerce Growth

Influencer marketing is converging with **affiliate marketing** to move beyond the objectives of awareness and consideration

The affiliate marketing industry value is expected to increase **49%** globally between 2024 and 2027.

Global Affiliate Marketing Industry Value

USD BILLION

Year	Value
2016	$13.0
2017	$14.1
2018	$15.3
2019	$16.6
2020	$17.2
2021	$20.3
2022	$23.6
2023	$27.8
2024	$32.3
2025	$37.3
2026	$42.6
2027	$48.0

Takeaways & Opportunities: Social Media & Influencer

TikTok essential for under 35 audiences
Continue presence on Meta, while testing into - or expanding - TikTok usage.
For best results on TikTok, maintain active organic presence on the platform.

Subscriptions to reach engaged audiences
Consider Influencer Marketing to connect with ad-free subscribers.
Explore platform innovations that offer unique and valuable features to subscribers.

Leverage buying power
Consider affiliate marketing to drive specific lower funnel actions.
Evaluate new platforms and features like TikTok Shop and Amazon's single-click ad purchase offering

01 ARTIFICIAL INTELLIGENCE IN MEDIA

02 PRIVACY

03 ATTENTION METRICS

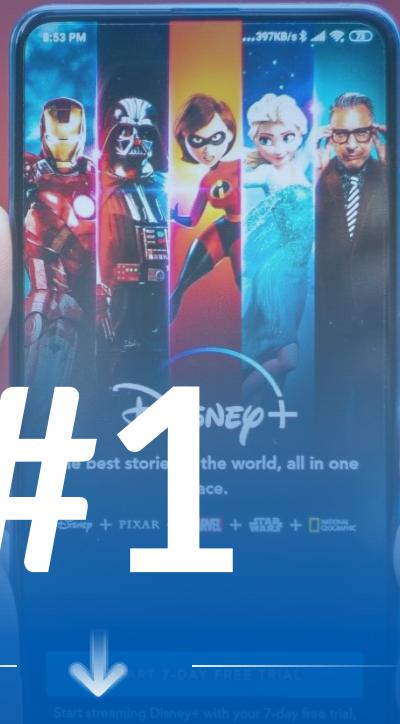04 RETAIL

05 SOCIAL & INFLUENCER

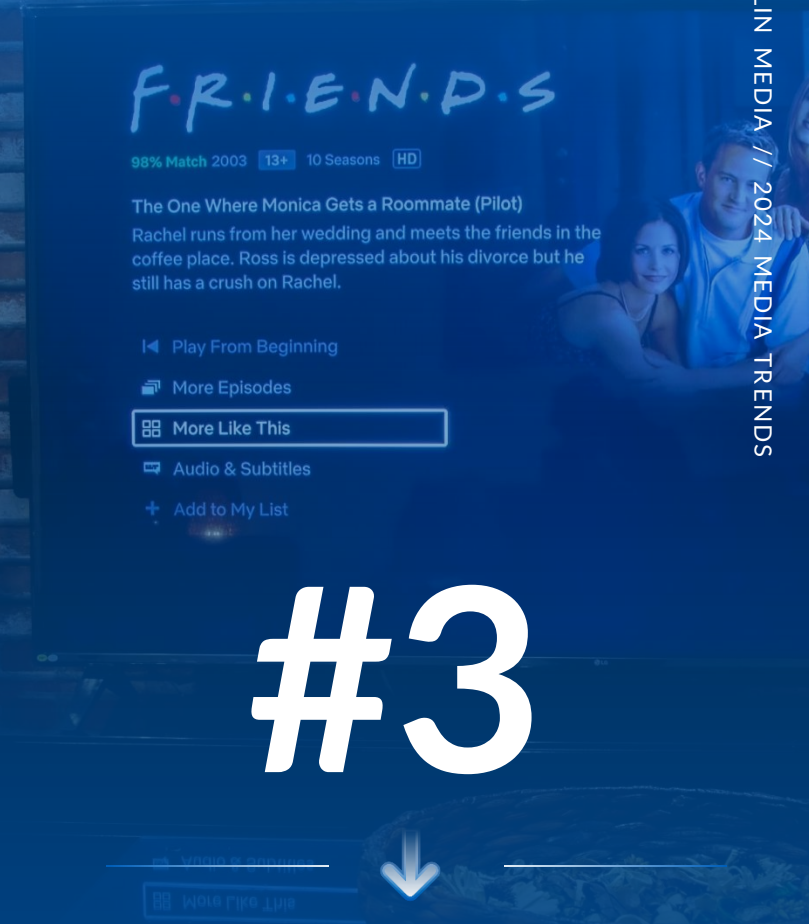**06 SHIFTS IN STREAMING**

07 SEASONAL EVENTS

Shifts in Streaming

#1

Streaming TV Bundles
are on the Rise

#2

Ad-Supported OTT is
becoming the norm

#3

Advertiser investments
still lag viewership

#1

Breaking Down the "Small Screen" Big Picture

Linear still represents over 50% of Television usage, with Cable hovering slightly above Broadcast

CTV Streaming is outpacing both; fluctuating between 33-38% of TV usage in 2023

Prime Video & Peacock exhibited highest YoY % gains in time spent.

Broadcast 24%

Streaming 36%

Cable 28%

Other TV Usage 13%
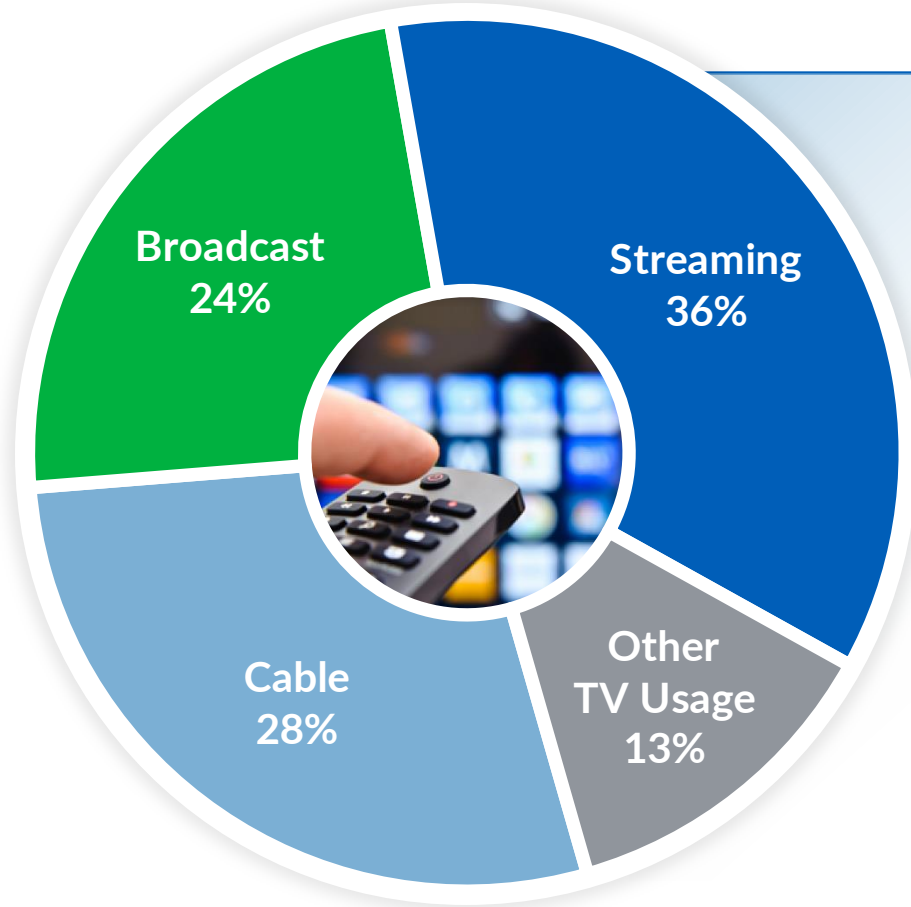
Other Streaming 5.2%
YouTube 8.5%
Netflix 7.7%
Prime Video 3.3%
Hulu 2.6%
Disney+ 1.9%
Tubi 1.4%
Peacock 1.3%
Max 1.2%
Roku Channel 1.0%
Paramount+ 0.9%
Pluto 0.7%

December 2023

Source: Nielsen National TV Panel Data plus Streaming Video Ratings, Total Day – Person 2+. Other TV Usage includes VOD, Gaming, DVD playback, AOT

How Many Providers is TOO Many Providers?

Avg # of SVOD Owned Per Paying Subscriber

	1.6	1.8	2.2	3.1	4.1	4.4	4.7	4.9
3+ Services	13%	21%	32%	50%	57%	65%	71%	73%
2 Services	31%	32%	31%	28%	21%	17%	14%	14%
1 Service	56%	47%	37%	22%	22%	18%	14%	13%
	2016	2017	2018	2019	2020	2021	2022	2023

■ 1 Service   ■ 2 Services   ■ 3+ Services
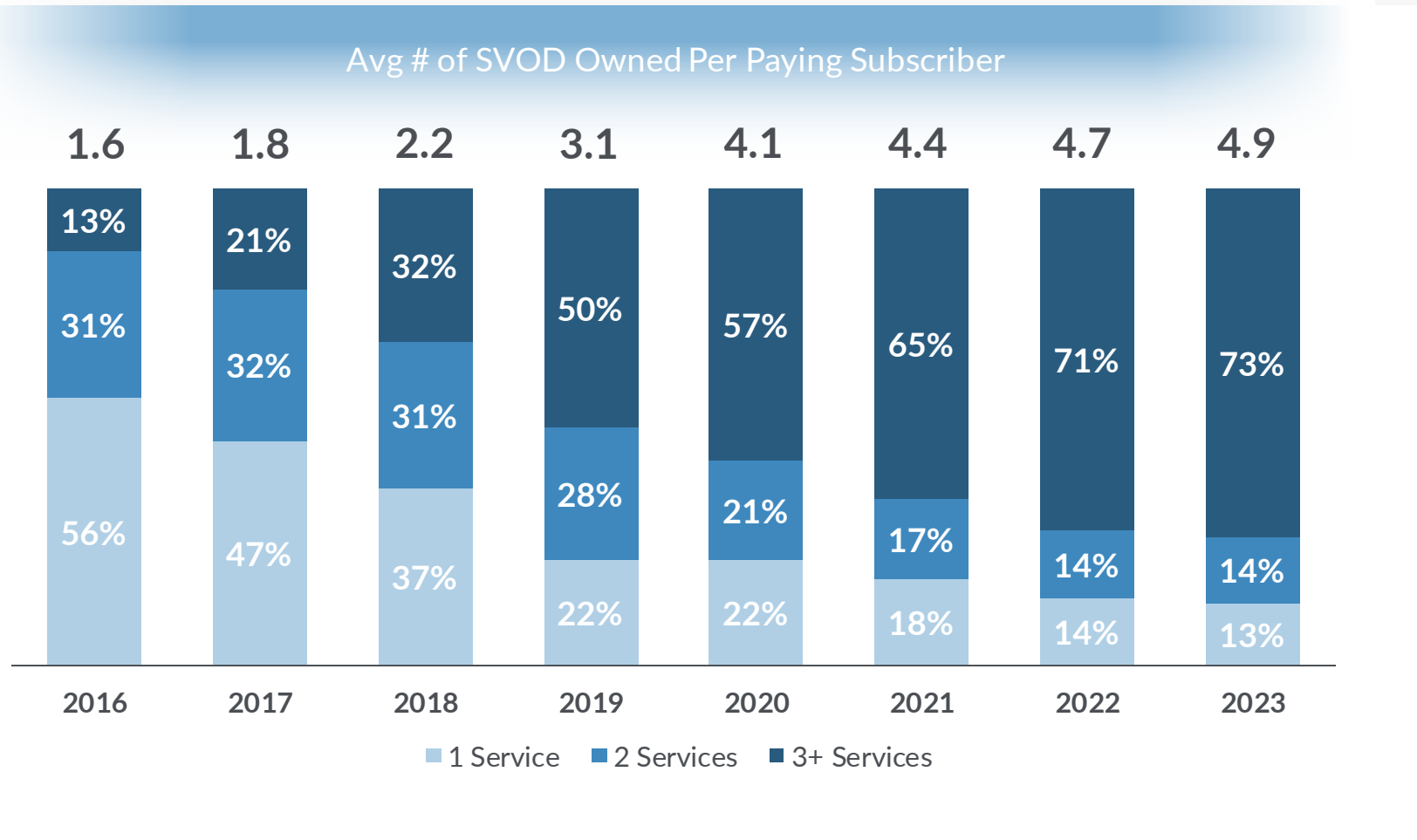
Average SVOD subscriber to have

5.8

subscriptions by 2027

Source: Activate Technology and Media Outlook 2024

TV Bundles Making a Comeback

Soft Bundle
Separate services grouped together under one offer

Disney+   ESPN+

hulu

Hard Bundle
Single interface to access content

Paramount+	max / HBO max	aMC+ SUNDANCE NOW
with	with	
SHOWTIME	discovery+	SHUDDER IFC Films UNLIMITED

Cross-Category bundles also prevalent, including aggregators, telcos, cable/vMVPD, digital properties and retail.

Newly announced/proposed:

Instacart+ and Peacock	Paramount+ and AppleTV+	Verizon and Netflix and Max

Source: Activate Technology and Media Outlook 2024

Bundling/Consolidation

**What is your recent experience/anticipated experience with streaming service bundles?
(e.g., Disney+, ESPN+, and Hulu bundle)**

I use a streaming bundle — **30%**

I don't use a streaming bundle, but I'm interested in signing up for one — **7%**

I don't use a streaming bundle, and I'm not interested — **57%**

I haven't heard of this — **8%**
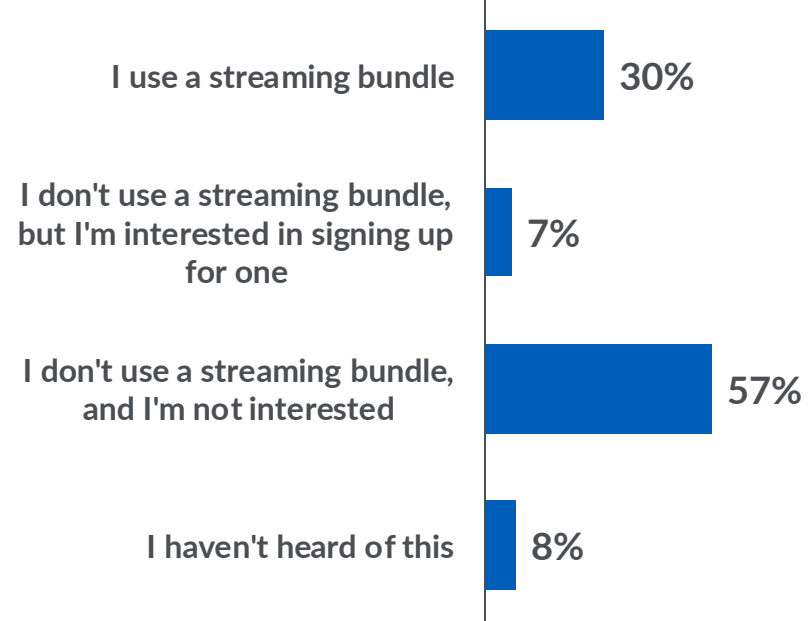
Source: CivicScience, Dec 2023

4 in 10

Nearly 4 in 10 adults say they're currently utilizing a streaming service bundle or are interested in one.

#2 *Adopting Ad Supported*

Share of US Premium SVOD Subscriptions, by Plan Type, 2019-2023

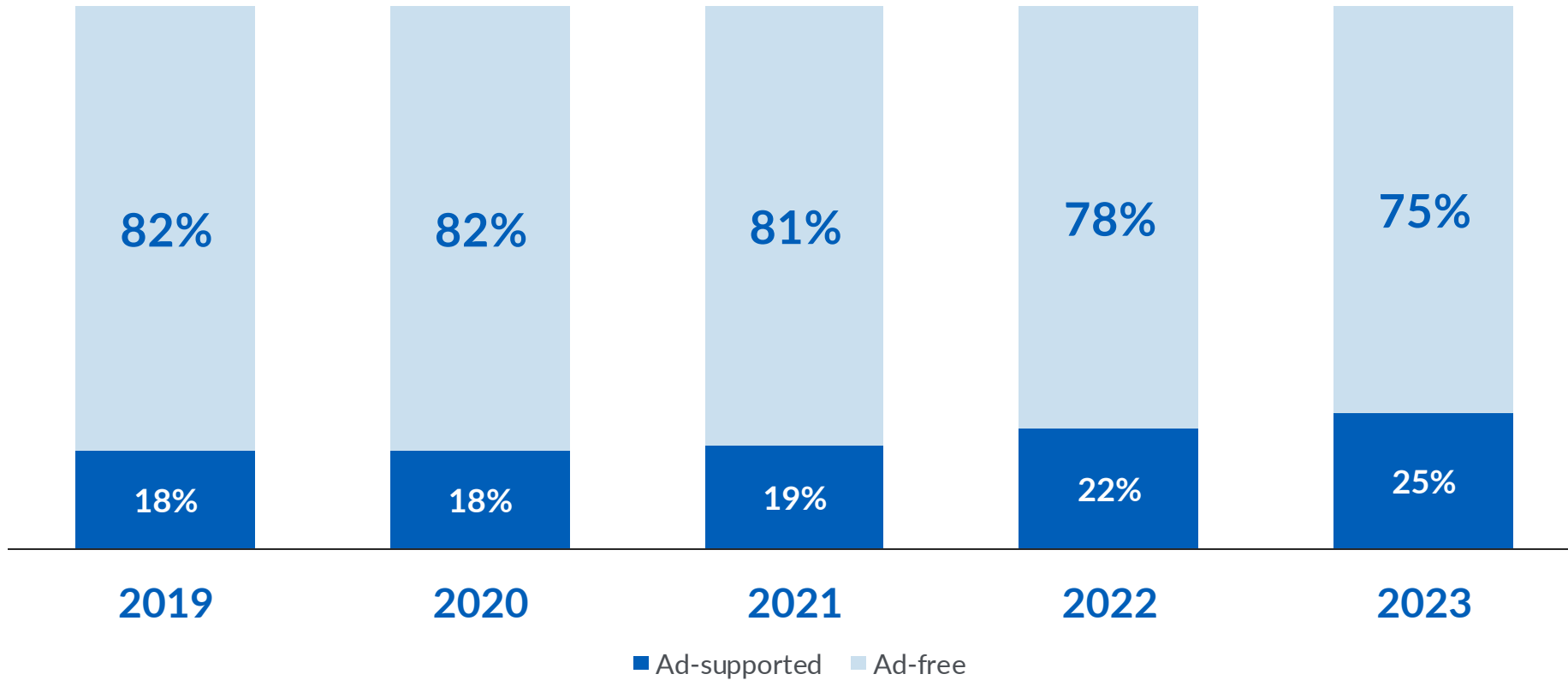| 2019	2020	2021	2022	2023
82%	82%	81%	78%	75%
18%	18%	19%	22%	25%

■ Ad-supported   ■ Ad-free

Source: Antenna, Jun 2023

#2 *And Growing Ad Supported*

OTT, AVOD and FAST Viewers 2023-2027

Over-the-top (OTT) video service users
+6%
246M · 250M · 254M · 258M · 262M

AVOD viewers
+19%
164M · 180M · 186M · 190M · 195M

FAST viewers
+14%
101M · 104M · 108M · 111M · 114M

■ 2023 ■ 2024 ■ 2025 ■ 2026 ■ 2027
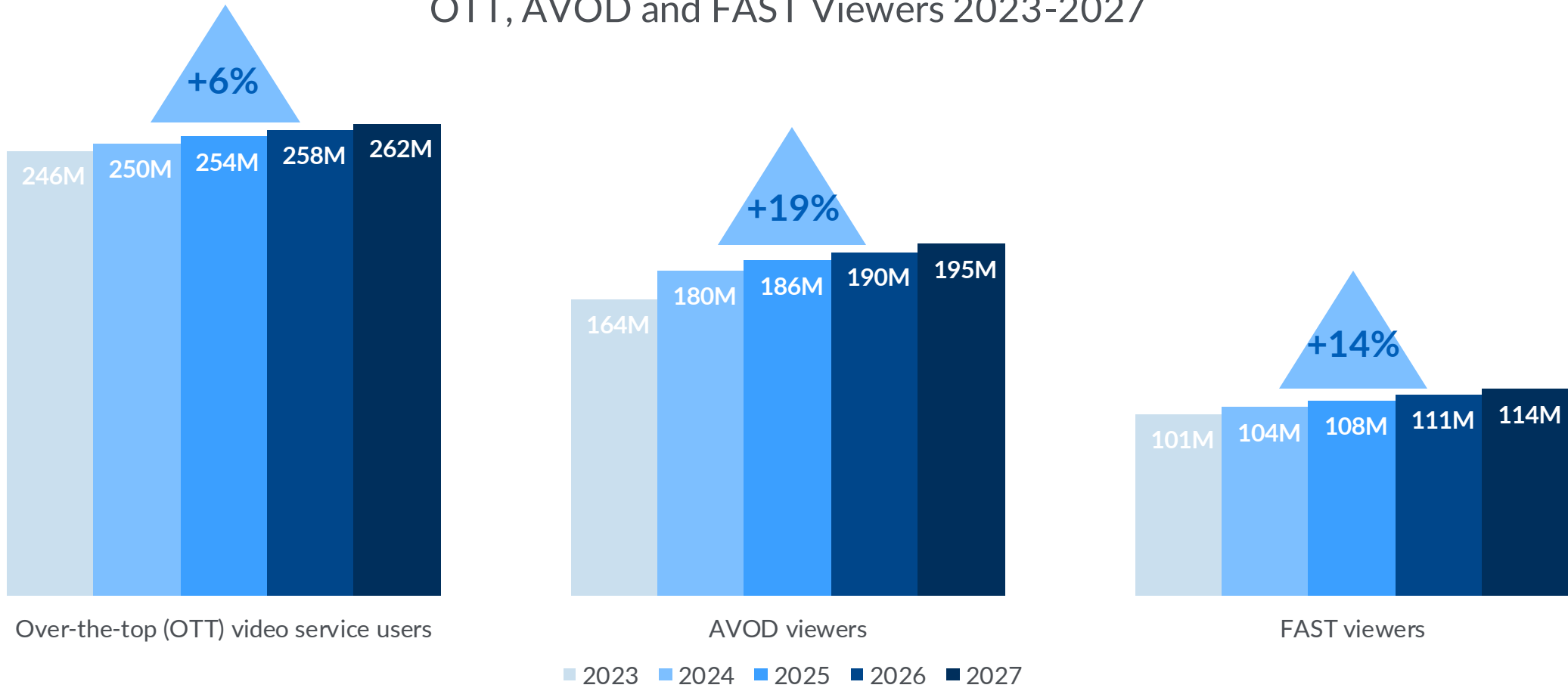
Source: eMarketer Sep 2023

Consumers Embrace Ads...

Share of Subscribers by Plan Tier as of Oct 2023

Service	Ad-Free	Ad-Supported
Peacock	23%	77%
Hulu	45%	55%
Discovery+	55%	45%
Paramount+	63%	37%
Max	81%	19%
Disney+	81%	19%
Netflix	93%	7%

■ Ad-Supported ■ Ad-Free
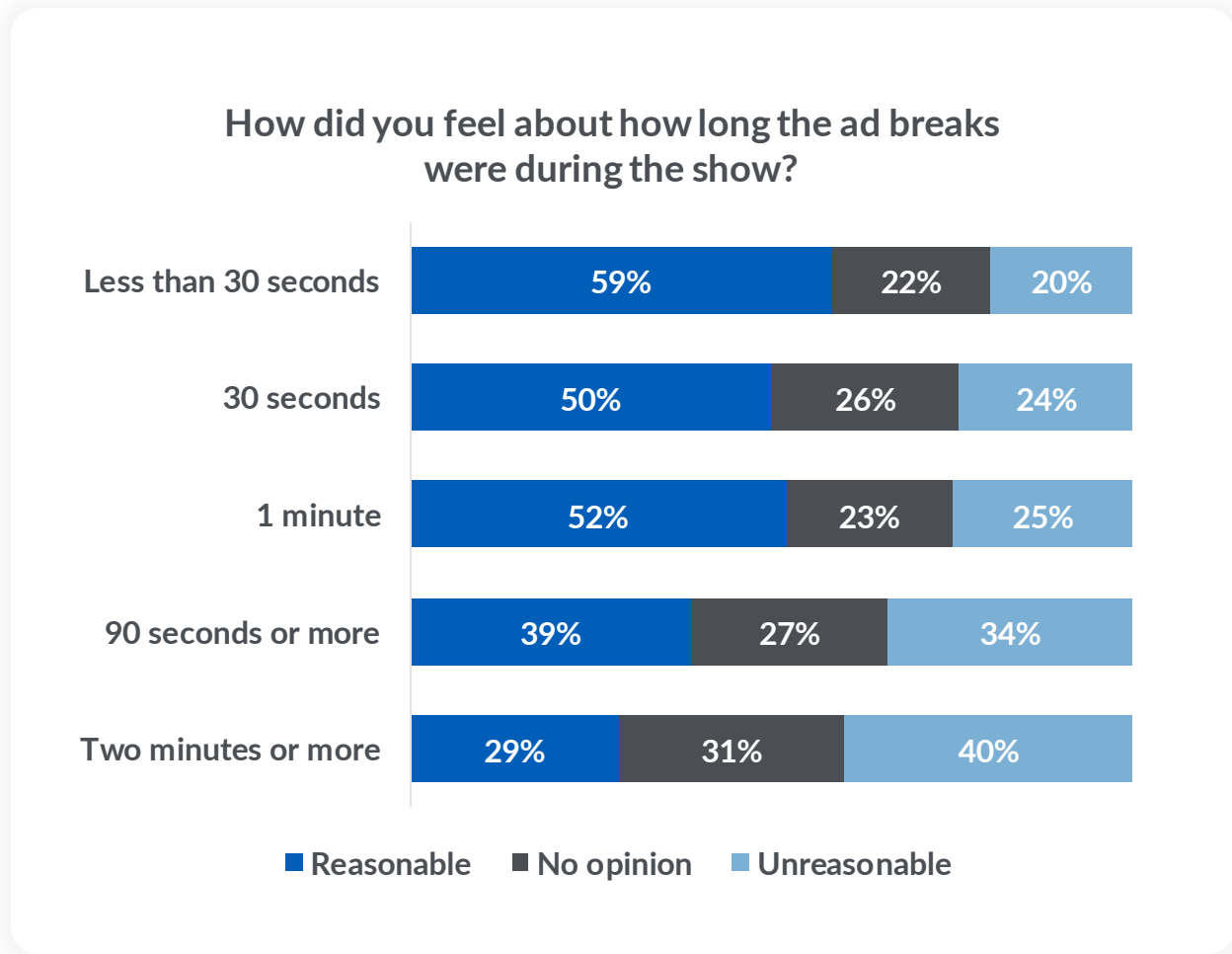
▶ Disney more than doubled its share of new AVOD subscribers in the US with 54% of sign-ups in Oct 2023 being ad-supported

▶ 30% of Netflix's Oct 2023 sign-ups were for ad-supported

▶ Hulu has the high number of ad-supported viewers among US streaming services

▶ Disney+ and Netflix currently poised for greatest ad-supported viewer growth

Source: Antenna, Oct 2023; eMarketer, Jan 2024

But There is a Threshold for Ad Breaks

How did you feel about how long the ad breaks were during the show?

	Reasonable	No opinion	Unreasonable
Less than 30 seconds	59%	22%	20%
30 seconds	50%	26%	24%
1 minute	52%	23%	25%
90 seconds or more	39%	27%	34%
Two minutes or more	29%	31%	40%

■ **Reasonable** ■ **No opinion** ■ **Unreasonable**

Source: Hub Entertainment, Jan 2024

▶ ~60 seconds (or less) seems to be the sweet spot in terms of ad break length

▶ 38% of consumers would choose one streaming service over another if it offered a lighter ad-load
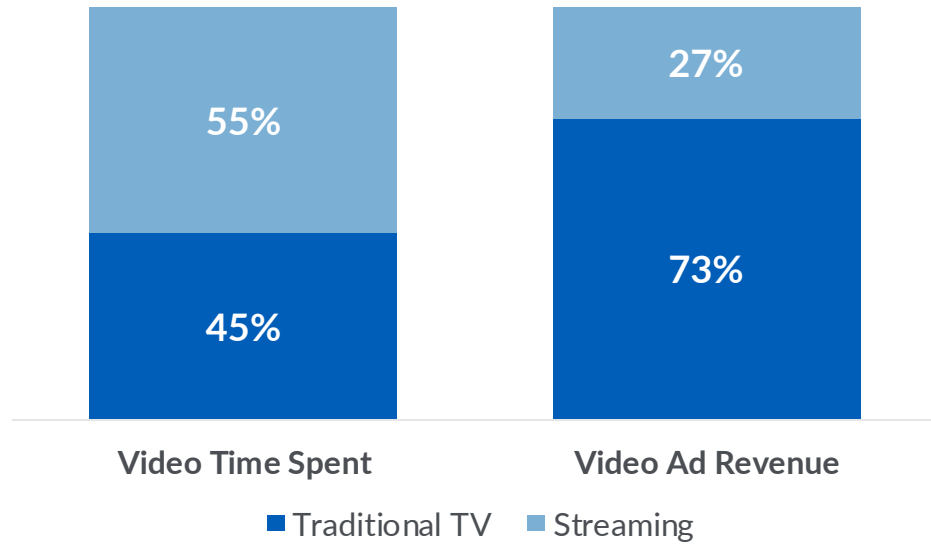
▶ 46% are more likely to pay attention to ads if ad break - or ad itself - is shorter in length

▶ When evaluating streaming providers, ad pod length is an increasingly relevant selection criteria for advertisers
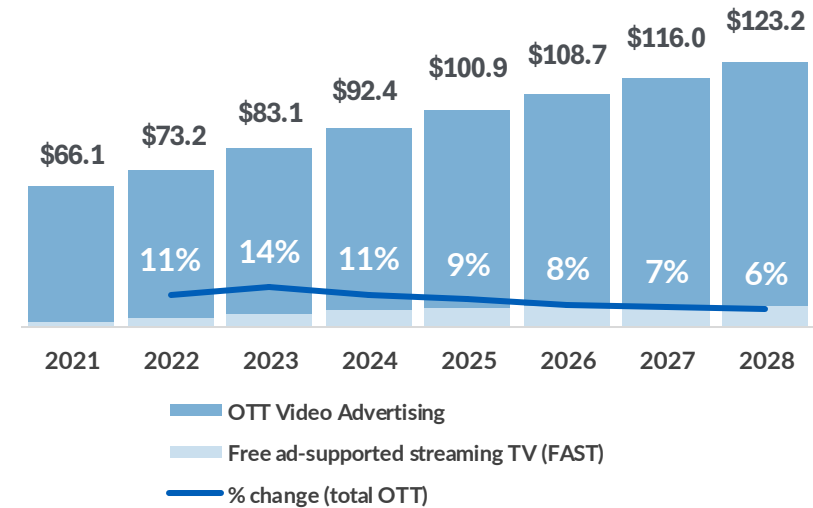
#3 Streaming Represents More than ½ of Time Spent but Only ¼ of Revenue

Share of video time spend vs video revenue by type, US 2023

Video Time Spent
- 55% (Streaming)
- 45% (Traditional TV)

Video Ad Revenue
- 27% (Streaming)
- 73% (Traditional TV)

■ Traditional TV   ■ Streaming

OTT Video Advertising and FAST Revenue 2021-2028
(Billions $ and % change)

Year	Revenue	% change
2021	$66.1	
2022	$73.2	11%
2023	$83.1	14%
2024	$92.4	11%
2025	$100.9	9%
2026	$108.7	8%
2027	$116.0	7%
2028	$123.2	6%

■ OTT Video Advertising
■ Free ad-supported streaming TV (FAST)
— % change (total OTT)

Examples are not exhaustive. Streaming is defined as video watched on a mobile phone, tablet, desktop/laptop, or CTV. Does not include social video or virtual Pay TV. Streaming includes Netflix, Disney+, Paramount+, Hulu, Tubi, Roku, Max, ESPN+, Peacock, AppleTV+, YouTube & Pluto
Traditional TV is defined as both traditional and virtual Pay TV, including live and time-shifted viewing. Traditional TV includes DirecTV, Dish, Fios, YouTubeTV, Spectrum, Fubo, Hulu+Live TV & Sling

Source: Activate Technology and Media Outlook 2024; Statista, Dec 2023

Takeaways & Opportunities: Streaming

Be mindful of the number of streaming partners you utilize for a plan
Most consumers max out at ~5 services; it is crucial to select providers that best deliver on strategic priorities (*audience comp, targeting, programming, content, etc.*)

Commercial pod length matters
As consumers further embrace OTT ads, understand the impact of pod length on viewer attention AND receptivity; factor in when evaluating streaming partners.

(re)Evaluate your Streaming TV ad spend
With streaming time still trending up and bundling on the rise, it is crucial to evaluate – and optimize - streaming TV investment & provider mix with regularity

01 ARTIFICIAL INTELLIGENCE IN MEDIA

02 PRIVACY

03 ATTENTION METRICS

04 RETAIL

05 SOCIAL & INFLUENCER

06 SHIFTS IN STREAMING

07 SEASONAL EVENTS

Seasonal Events

#1

Paris Olympics:
Sporting Event of the Summer

#2

Election 2024:
What to Expect

2024 Olympics - Paris
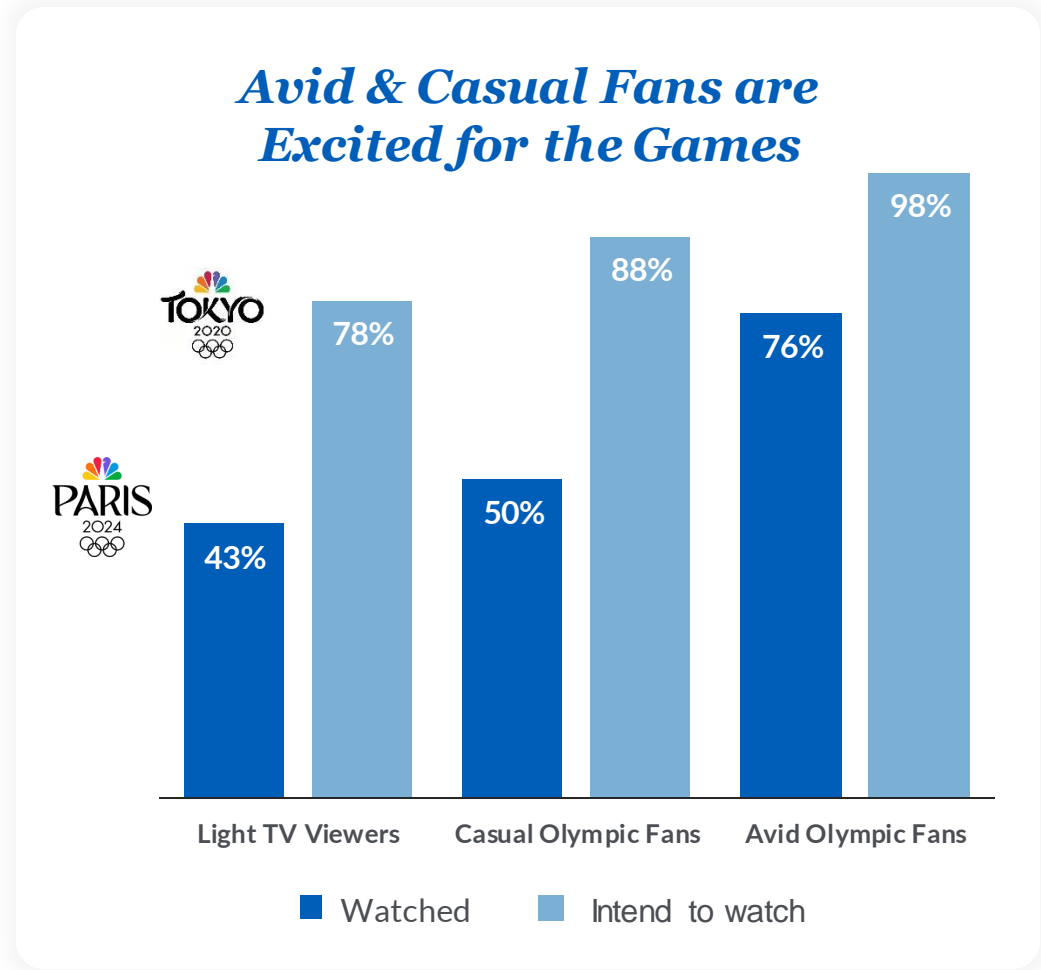
Friday, Jul 26, 2024 – Sunday, Aug 11, 2024

Opening Ceremony along the Seine River airs live on NBC, Peacock &Telemundo

6-hour time difference, focus on 9 hours of live daytime & prime storytelling and top events

Cable coverage on USA Network, E!, CNBC, Golf Channel and Universo

Special Correspondent: Snoop Dogg!

Telemundo will have Spanish-language coverage each day, highlighted by men's & women's soccer

Avid & Casual Fans are Excited for the Games

TOKYO 2020

PARIS 2024

	Watched	Intend to watch
Light TV Viewers	43%	78%
Casual Olympic Fans	50%	88%
Avid Olympic Fans	76%	98%

■ Watched   ■ Intend to watch

Source: Ipsos Paris One Year Out, May-June 2023 wave; Base=total respondents (n=3000)

2024 Olympics - Paris

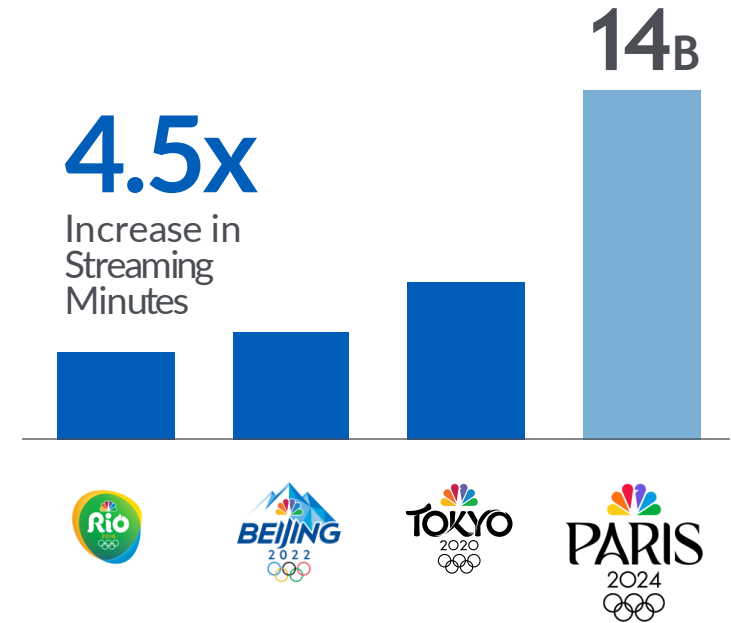Dynamic ad insertion in **all** live pre-game, in-game and post-game programs

Available via NBC Owned Sites, NBC Sports Live App & Peacock

Available across all devices

Source: Comscore VMX; YouGov Profiles, Streaming based on Adobe Analytics; PAVO for Peacock. Appfigures.com

Half of all consumers watch TV highlights and replays of live earlier events

Paris Projected vs. Tokyo

4.5x
Increase in Streaming Minutes

14B

Elections 2024

$11 Billion projected spend for the 2024 Election cycle
(up from ~$9 Billion in 2020 and 2022)

Broadcast Implications

Two major political windows in a year: 45 days before a primary election and 60 days before a general election

TV & Radio stations are mandated to run political ads, which limits inventory.

Qualified candidates **must** receive the lowest unit rate (LUR) for a spot. The equal-time rule specifies that radio and TV stations must provide equivalent access to competing political candidates, further limiting inventory.

Issue-based or PAC campaigns typically are charged a premium, often several times higher than candidate rate.

This drives CPMs for other categories up during these political windows, and the weeks immediately following, especially in key markets, and can disrupt booked schedules.

Digital Implications

Digital vendors are less regulated than broadcast. Social media sites can choose to disallow certain political advertisements or even ban candidates from the platform. The main impact of election season will be demand on inventory, potentially impacting CPMs.

Projected Political Media Spending – All Races

	2024 Projected Spend	2022 Actual Spend
Total Spend	$11 billion	$9.67 billion
Broadcast TV	$5.0 billion	$4.95 billion
Cable & Satellite	$1.5 billion	$1.54 billion
CTV	$1.8 billion	$1.44 billion
Digital (Facebook & Google)	$1.6 billion	$1.44 billion
Radio	$300 million	$270 million

Source: Kantar

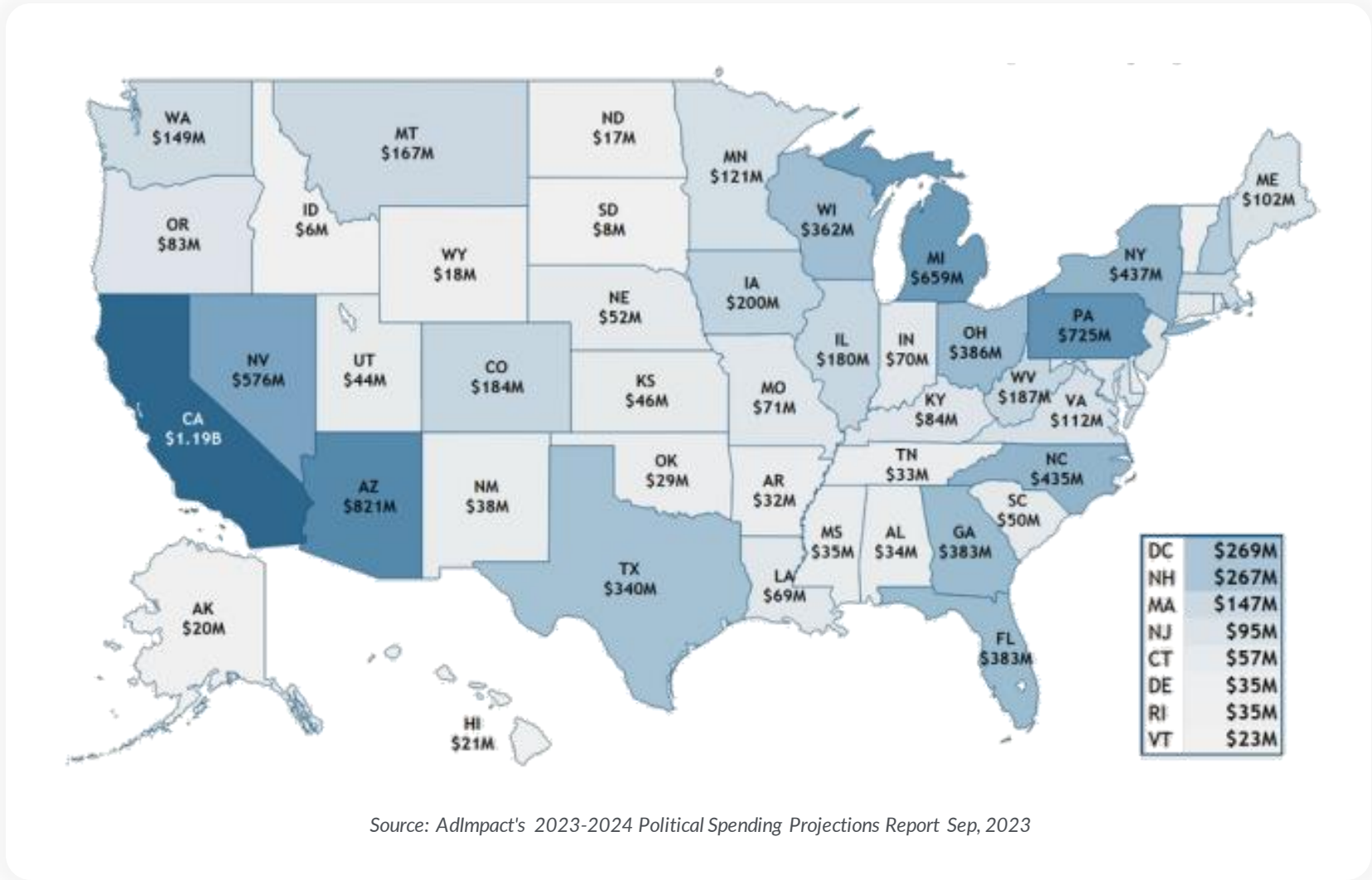**Spending is likely to reach**

$11 billion

(higher than the 2020 Presidential and 2022 Midterm elections)

Recent estimates suggest spending may reach

$12 billion

Video still dominates political investment

2024 Projected Spending by State

| WA $149M | MT $167M | ND $17M | MN $121M | WI $362M | MI $659M | NY $437M | ME $102M |

OR $83M	ID $6M	WY $18M	SD $8M	IA $200M		PA $725M	
NV $576M	UT $44M	CO $184M	NE $52M	IL $180M	IN $70M	OH $386M	WV $187M	VA $112M
CA $1.19B		KS $46M	MO $71M	KY $84M		NC $435M	TN $33M
AZ $821M	NM $38M	OK $29M	AR $32M		SC $50M		GA $383M
AK $20M		TX $340M	LA $69M	MS $35M	AL $34M	FL $383M
HI $21M						

DC	$269M
NH	$267M
MA	$147M
NJ	$95M
CT	$57M
DE	$35M
RI	$35M
VT	$23M

Source: AdImpact's 2023-2024 Political Spending Projections Report Sep, 2023

Where & When Will it be Spent?

HIGHLY CONTESTED STATES

PRESIDENTIAL
Arizona
Georgia
Pennsylvania
Michigan
Nevada
Wisconsin

SENATE
Arizona
Ohio
Montana
Florida
Pennsylvania
Michigan
Nevada
Wisconsin
Texas

GUBERNATORIAL
Montana
Missouri
North Carolina
Vermont

Premium Pricing Windows by State/Market

State	"Hot Markets"	Key Races	2024 Primary Window	2024 General Election Window
Nevada	Las Vegas	Presidential, Senate	12/23 (2023) – 2/6	
Michigan	Detroit, Grand Rapids	Presidential, Senate	1/13 – 2/27	
North Carolina	Raleigh, Charlotte, Greenville, Greensboro	Gubernatorial	1/20 – 3/5	
Texas	Houston, Dallas, Austin, San Antonio	Senate	1/20 – 3/5	
Vermont	Burlington	Gubernatorial	1/20 – 3/5	
Georgia	Atlanta	Presidential	1/27 – 3/12	
Arizona	Phoenix	Presidential, Senate	2/3 – 3/19	
Florida	Miami, Orlando, Tampa, Jacksonville	Senate	2/3 – 3/19	9/6 – 11/5
Ohio	Cincinnati, Cleveland, Columbus	Senate	2/3 – 3/19	
New York	New York		2/17 – 4/2	
Wisconsin	Milwaukee, Green Bay, Madison	Presidential, Senate	2/17 – 4/2	
Pennsylvania	Philadelphia, Pittsburgh	Presidential, Senate	3/9 – 4/23	
Maryland	Baltimore		3/30 – 5/14	
Montana	Billings	Senate	4/20 – 6/4	
Missouri	St. Louis	Gubernatorial	6/22 – 8/6	

Updated 9/8/2023

Preparing for the Onslaught

Hot markets listed will have budget implications, but ALL markets will be affected, so consider a strategic shift approach inside of, and immediately following, political windows.

Decrease offline media support around political

Helps avoid preemptions and political clutter

Shift weight out of offline

Explore other video & audio channels and social

Secure video inventory EARLY

Plan for cost increases to keep orders quasi-intact

OTT will not be pre-empted once booked. Booking early secures inventory.

Sponsorships are guaranteed

Sponsorships & packages not impacted by LUR

DJ endorsements; emphasis on "in-program"

Takeaways & Opportunities: Seasonal Events

Political Impact
The volume of political advertising will impact virtually all marketers' plans and majority of vendors' inventory in 2024. Consider the circumstances in your key markets.

We really mean it!
Book video campaigns early & consider sponsorships/packages. OTT campaigns won't be pre-empted once booked and linear campaigns with properly planned CPMs will be moved around less

Paris 2024 Olympics
Avid & casual fans are excited about the games. Advertisers can align with the games via NBC linear TV, NBCU Cable networks & Peacock

Final Thoughts

Changes Ahead:

Ready...

Set...

GO⬆!

Q&A

Want a copy of this presentation?
MediaTrends@harmelin.com

Thank you

About us

Harmelin Media specializes in full-funnel performance media and marketing solutions and has more than 40 years of experience helping clients navigate the rapidly changing, increasingly data-driven media landscape. The firm has grown with a diverse client roster including many Fortune 500 companies across an array of industries and is now one of the largest independent media service firms in the United States.

Harmelin's expertise is in managing massive client and campaign data sets to develop strategic, innovative executions that generate immediate growth and long-term return on investment. We accomplish this through our proprietary technologies and data platforms, all while maintaining a long-term focus and operating with 100% transparency. Our approach has resulted in unprecedented retention rates with both employees and clients.

Harmelin's current media billings exceed $900 million across all brand, demand and performance channels. We are a Google Premier Partner, Meta Business Partner and proud members of the ANA and IAB.
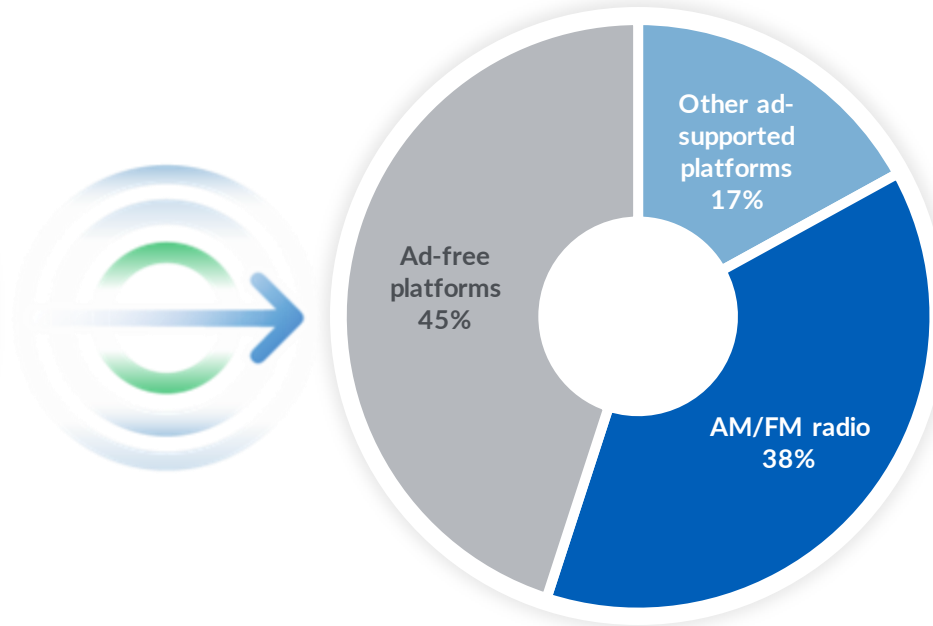
For more information, please contact info@harmelin.com or visit www.harmelin.com.

HARMELINMEDIA

55% of Audio Time is Ad-Supported

A18+ Share of ad-supported audio time spent

Streaming audio 11%

Podcasts 20%

AM/FM radio 69%
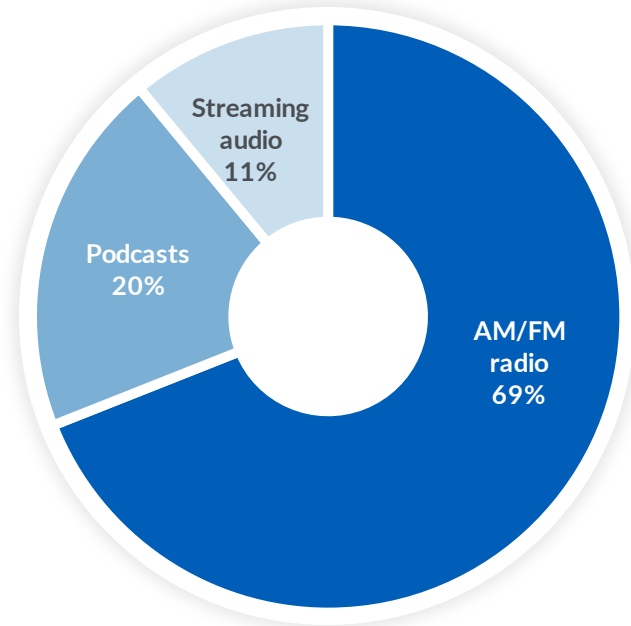
A18+ Share of total audio time spent

Other ad-supported platforms 17%

Ad-free platforms 45%

AM/FM radio 38%

Majority of listening is ad-supported

Streaming audio breakout:
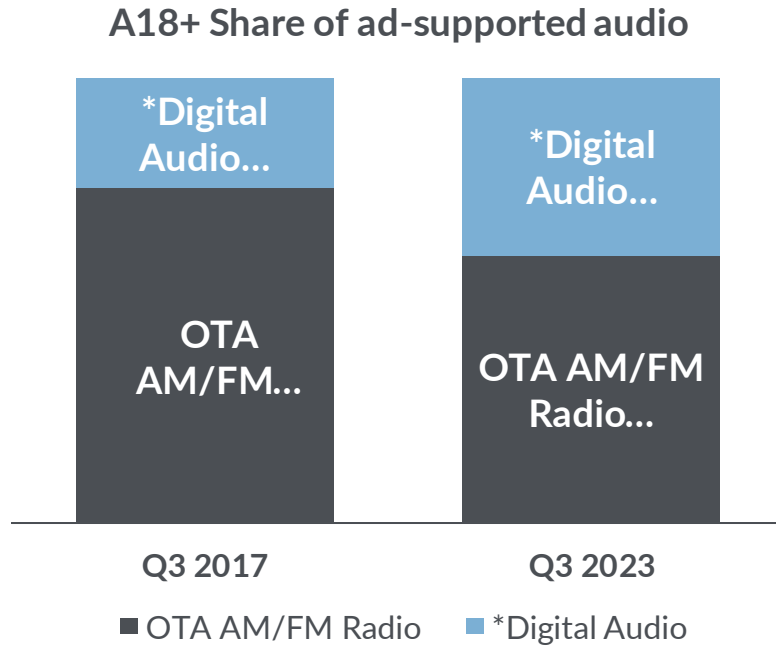
4%
Ad-supported Pandora

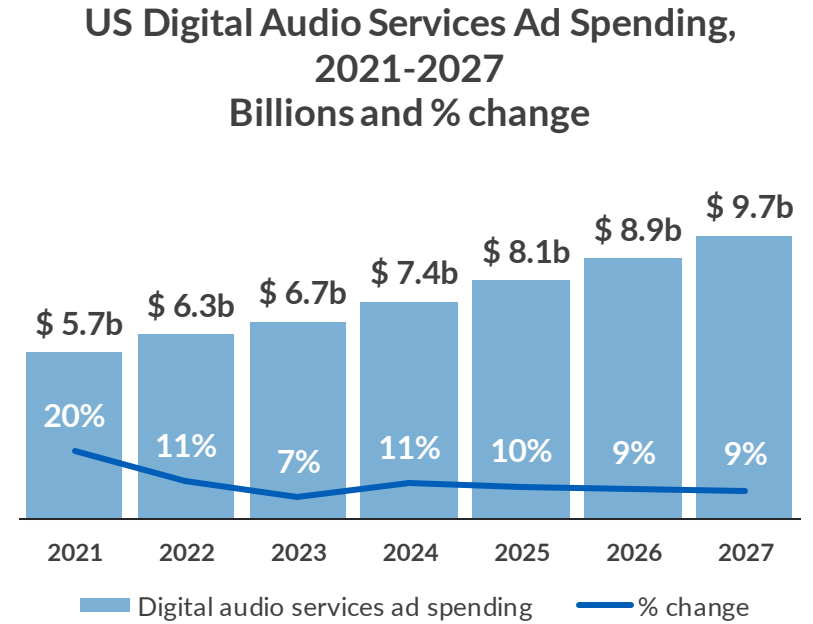## 4%
Ad-supported SiriusXM

3%
Ad-supported Spotify

Source: Edison Research, "Share of Ear," Q4 2022-Q3 2023 P18+; SiriusXM; Ad-Supported: Spoken Word.
Ad-free: Music;; Podcasts listened to on streaming platforms are included in 'podcasts'

Share of Time Shifts but Spend is Lagging

A18+ Share of ad-supported audio

Q3 2017 — *Digital Audio… / OTA AM/FM…**

Q3 2023 — *Digital Audio… / OTA AM/FM Radio…**

■ OTA AM/FM Radio ■ *Digital Audio

*Digital Audio includes podcasts, AM/FM streaming, ad-supported Pandora, ad-supported SiriusXM and Ad-supported Spotify

US Digital Audio Services Ad Spending, 2021-2027
Billions and % change

2021	2022	2023	2024	2025	2026	2027
$ 5.7b	$ 6.3b	$ 6.7b	$ 7.4b	$ 8.1b	$ 8.9b	$ 9.7b
20%	11%	7%	11%	10%	9%	9%

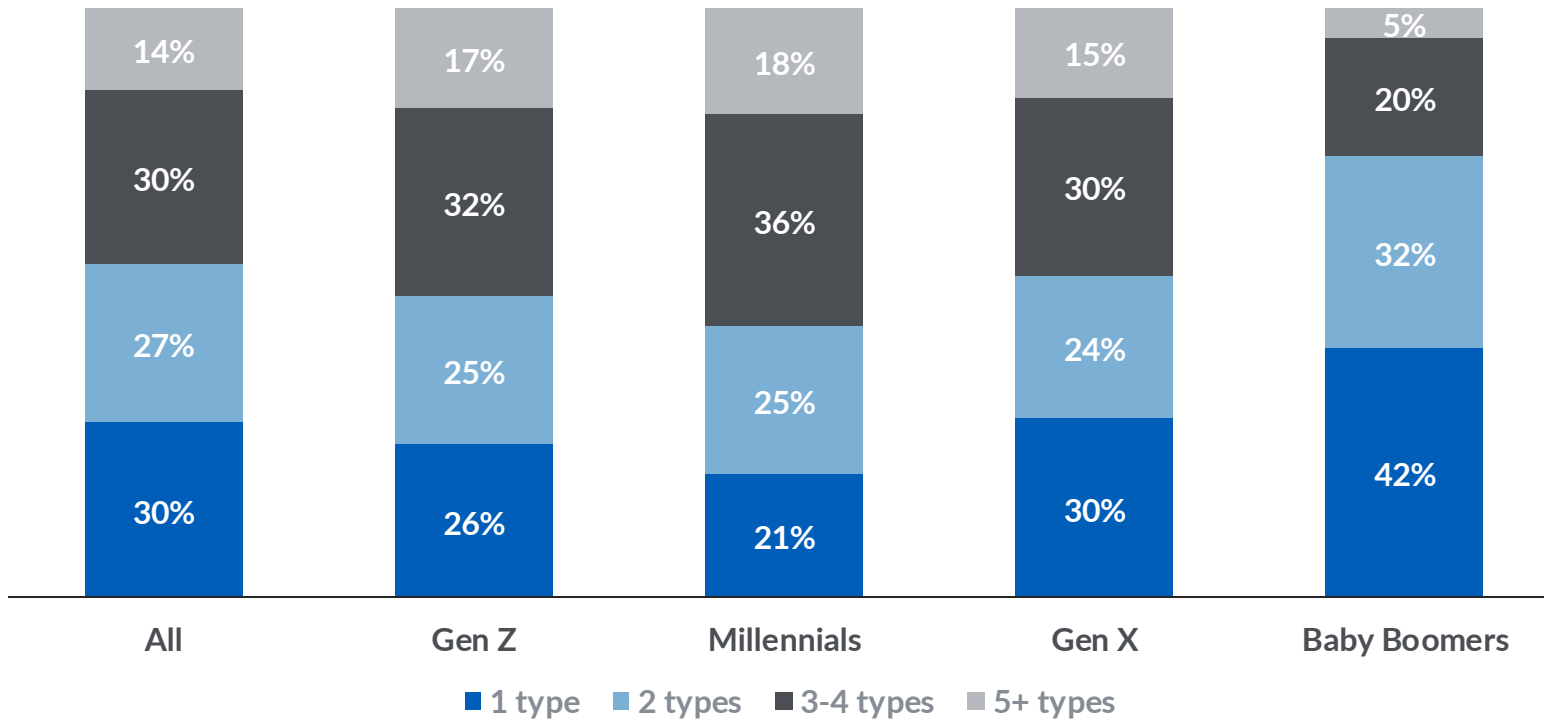■ Digital audio services ad spending —— % change

*Digital Audio includes digital advertising revenues for local and national broadcast radio stations, satellite radio services, purely online radio stations, and streaming music services such as Pandora and Spotify; includes podcast advertising and sponsorship; includes both audio and nonaudio ad formats

Source: Edison Research, "Share of Ear," Q3 2017 vs Q3 2023; eMarketer, Mar 2023

Younger Demos Stack More Services

Audio Entertainment Services Used, by Generation, 2023

	All	Gen Z	Millennials	Gen X	Baby Boomers
5+ types	14%	17%	18%	15%	5%
3-4 types	30%	32%	36%	30%	20%
2 types	27%	25%	25%	24%	32%
1 type	30%	26%	21%	30%	42%

■ 1 type ■ 2 types ■ 3-4 types ■ 5+ types

Roughly **HALF** of Gen Z and Millennials who listen to audio entertainment use 3+ audio services (offline radio is included in figures)

Source: Kantar Profiles/Mintel, Jun 2023

AI to Transform Music Discovery and Consumption

Incremental

Sophisticated AI for music recommendations based on individual user. Personalized mixes & playlists
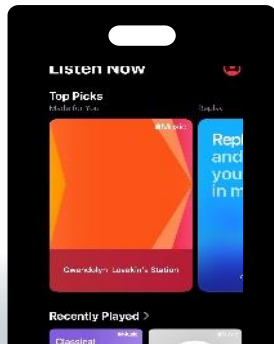
Ex: Apple Music Discovery Station – plays curated selection of songs not currently in library based on listening

Transformational

Innovative AI "beyond personalized song recommendations". Personalized AI assistant
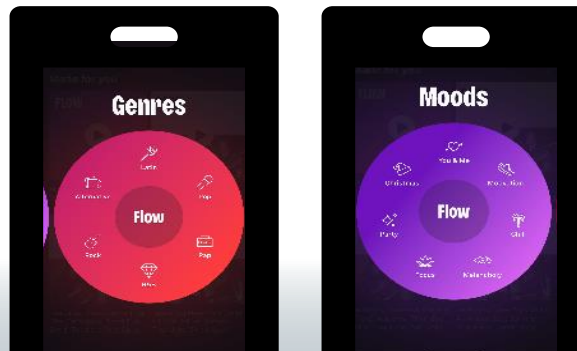
Ex: Deezer revamped AI, Flow allowing users to discover new songs based on selected genre & mood
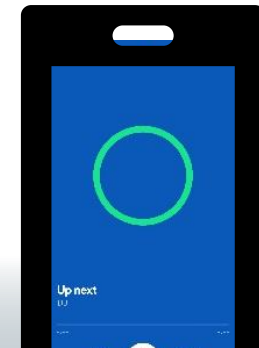
Ex: Spotify's AI DJ plays personalized mixes paired with commentary in the style of a wedding DJ (my opinion)

Source: Activate Technology and Media Outlook 2024