

The ad downturn is good news for ad tech and measurement companies

Article

The news: The third quarter saw digital media revenues decline steeply, per an Oarex analysis, threatening major companies like **Google** and **Meta**. But one type of digital media company saw revenues move healthily in the opposite direction—advertising measurement companies.

- **Zeta Global, DoubleVerify, The Trade Desk, Hubspot, Integral Ad Science,** and others all scored revenue increases of 25% or greater in Q3.

Light at the end of the tunnel: Signal loss caught up with the ad industry in 2022, colliding with a spending downturn and tough economic times to drive the industry into chaos. But despite the industry’s current scrambly state, some companies are taking the opportunity to pitch solutions for signal loss and strike major partnerships.

- Despite the steady growth of streaming services and the higher-than-ever rates of cord-cutting among US consumers, some doubt was cast on the effectiveness of streaming and connected TV measurement this year thanks to a deluge of new ad-supported offerings and addressability issues on CTV devices.
- Companies like The Trade Desk and DoubleVerify have been working to provide new measurement solutions to streamers, broadcasters, and digital marketers. The aforementioned two in particular have struck major deals with streaming services: The Trade Desk is working with **Disney** on the new ad-supported tier for streaming service **Disney+**.
- DoubleVerify and Integral Ad Science are working with **Netflix** as third-party measurement partners for its new ad-supported tier, though **Microsoft** provided the technology infrastructure.

Our take: Companies that are offering clarity amid the addressability crisis stand to gain once the ad downturn ends. But the opportunity doesn’t just apply to streaming and TV—signal loss on other digital channels is just as fraught, and businesses are looking anxiously for technology and solutions that will provide a new path for digital advertising.

Importance of Reporting Select Metrics According to US Agency/Marketing Professionals, March 2022

% of respondents

	Very important	Somewhat important
Reach and frequency	36%	47%
Brand lift/awareness lift	35%	46%
Sales lift	33%	45%
Website visit attribution	25%	49%
Impressions by network	22%	48%
Device/CTV % breakout	17%	42%
Impressions down to zip	17%	38%
Linear incremental reach extension measurement	17%	46%
Footfall attribution/location visits	15%	42%
Mobile app downloads	14%	35%
VCR with quartiles	13%	30%
Daypart breakout	11%	34%

Source: Advertiser Perceptions and Premion, "2022 CTV/OTT Advertiser Study," July 14, 2022

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