Preparing for 2024's programmatic ad trends and predictions

Article

The past decade saw programmatic ads diversify and become more mobile-dominated. Looking ahead, our analysts believe technology will continue to influence the programmatic ad channel. Addressability, driven by the impending demise of third-party cookies, will drive a surge in alternative identity solutions; ad tech will face consolidation fueled by demands for transparency and control; and AI will open advanced targeting and measurement capabilities.

1. Addressability amid cookieless alternatives

While the timeline for Chrome's deprecation of third-party cookies faces skepticism, Google's resolve to proceed remains steadfast. "With antitrust regulators breathing down Google's neck, [delaying the phaseout] would show vulnerability in a way that I don't think Google wants to," our analyst Evelyn Mitchell-Wolf said in our "Programmatic Ad Trends to Watch for 2024" webinar.

In response, advertisers can expect a surge in contextual solutions, hinting at a renewed interest in metadata and taxonomy. "The success of contextual strategies hinges on accurate information that is universally interpretable throughout the bitstream. So when every publisher tags or categorizes its content differently, it makes even simple contextual targeting a lot less versatile," Mitchell-Wolf said.

How to prepare:

- Formulate and implement a cookie strategy independent of Google's timeline.
- Embrace contextual solutions and invest in metadata and taxonomy for more precise targeting.
- Engage in trials within privacy sandboxes to test and iterate.

2. Consolidation and efficiency in ad tech

"Ad tech is long overdue for a cycle of consolidation," Mitchell-Wolf said. The shift is being driven by three factors: rising demand for transparency and control is bolstering supply-path optimization tools, blurring the line between the buy and sell sides; the lingering effects of cost-cutting initiatives born out of economic uncertainty; and the collapse of vulnerable identity providers from the demise of cookies.

How to prepare:

- Thoroughly vet and audit programmatic partners, being wary of the companies that may rely heavily on unconsented personally identifiable information.
- Keep a keen eye on emerging technologies and partnerships that offer transparency and control in supply chains.
- Seek partners offering efficient pricing data and inventory iteration.

3. AI brings opportunities and challenges

High-quality ad placements might be harder to come by, due to an increase in AI-generated content on made-for-advertising (MFA) sites. "Those [MFA] publishers can afford to disregard the poor user experience," Mitchell-Wolf said, "and ad tech providers get a cut of the transaction regardless of impression quality."

Machine learning will enable improved targeting, measurement, and analytics, democratizing insights for better decision-making. "Personalized reporting and natural language queries will allow more people that don't have data science backgrounds to generate insights that will give them more information to better do their jobs. It will also free up bandwidth for data scientists to apply their skills elsewhere," she said.

How to prepare:

- Create and reinforce incentives for publishers and ad tech providers to filter out MFA inventory.
- Scrutinize publishers' usage of AI, ensuring alignment with brand values.

Watch the full webinar.

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