Nearly half of US consumers have been served incorrect ads

Article

The news: Identity resolution in digital advertising is in a rocky state. Sweeping changes to ad technology and privacy regulations have made it difficult to effectively reach customers. And according to a survey from parcelLab, consumers are taking note. **Forty-nine percent** say they've been incorrectly targeted for ads.

By the numbers: The damage doesn't stop there. Consumers who feel they're incorrectly served an ad often respond intensely.

- Of that 49% who said they received incorrect ads, **42% immediately unsubscribed** from the brand's content.
- **24%** went so far as to **block the brand** on social media.

Responses also showed that current ad solutions are failing to identify even the most basic aspects of a consumer's profile:

- **28%** of respondents said they were served an ad for a product that was not age appropriate;
- **28%** also said they were served an ad for a gender they do not identify with.

What this means: Consumers are already not receptive to ads, and the state of digital advertising is only making things worse.

- But despite this, digital advertising is a booming industry and consumers are about to be served more ads online than possibly at any point prior: US programmatic ad spending will reach **$123.2 billion** in 2022 and **$141.96 billion** in 2023.
- Digital ad revenues also increased 35% last year, according to the Interactive Advertising Bureau and PricewaterhouseCoopers. That huge increase in spending is driven by the rapidly expanding channels available to advertisers.
- Every industry from streaming services, to game publishers, to retail brands, and beyond want a slice of the digital ad pie, but as those industries take the plunge into developing advertising platforms, they should also be mindful that badly implemented solutions can seriously alienate consumers.

US Programmatic Digital Display Ad Spending, 2019-2023
billions and % of total digital display ad spending

Year	Programmatic digital display ad spending	% of total digital display ad spending
2019	$61.38	86.4%
2020	$75.09	88.1%
2021	$105.99	89.3%
2022	$123.22	90.2%
2023	$141.96	91.1%

■ Programmatic digital display ad spending
■ % of total digital display ad spending
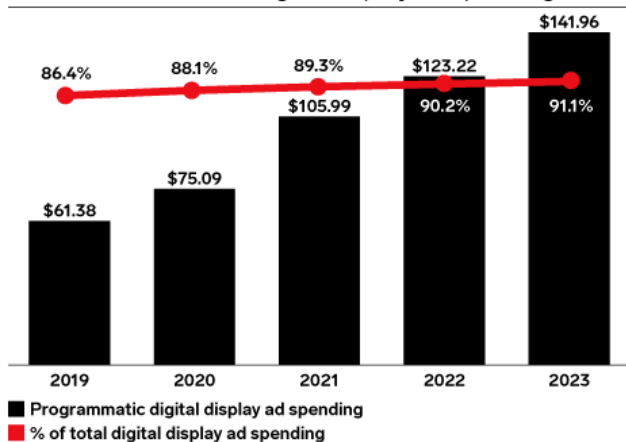
Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized real-time bidding (RTB) technology; includes native ads and ads on social networks like Facebook and Twitter; includes advertising that appears on desktop/laptop computers, mobile phones, tablets, and other internet-connected devices
Source: eMarketer, Nov 2021

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eMarketer | InsiderIntelligence.com

The big takeaway: The problems with the state of digital ads are clear, but the solutions are less so. Social media is floundering to find ad solutions to the phasing out of third-party cookies, Apple's **Identifier for Advertisers**, and widespread privacy regulations.

- One thing is clear: the solution is not to return to the ad systems of old that both regulators and consumers increasingly distrust. A recent survey from Wakefield Research found that **68%** of consumers have stopped doing business with an organization because it asked for too much personal information.

- In its report, parcelLab suggested advertisers take more control of end-to-end interactions with consumers rather than relying on social media platforms—which consumers are also starting to distrust—as the sole point of contact.

- But even though end-to-end marketing solutions like email seem mostly immune to growing distrust, they still aren't free from the effects of the adtech shakeups affecting the entire industry.