

# Paramount is doubling down on advertising innovation—and there's a lot at stake

Article

**The news:** Paramount Global is taking a number of steps to position itself as an advertising leader: Paramount Advertising is embracing Unified ID 2.0 as CBS joins an innovative

marketplace designed to match TV shows with advertisers.

- These moves come at a pivotal time for the media giant: two months after Paramount's "restructuring and streamlining" and just one month after shares of Paramount dropped 7% when its chief, Robert Bakish, lowered expectations for Q4 ad sales.

**Investing in the cookieless future:** Paramount Advertising has enabled **Unified ID 2.0 (UID2)** to conduct transactions across the company's owned and operated streaming channels that are hosted within EyeQ, its video ad platform.

- Paramount's support of UID2 means that before accessing the programmatic environment, the company's user data will be hashed and salted into a UID2 token, preserving privacy.
- EyeQ serves as a funnel for Paramount's wide-ranging content library, which includes **Paramount+, Pluto TV, Comedy Central, MTV**, and other properties.

This comes as **The Trade Desk** (the company behind UID2) is introducing its database solution (Galileo) at CES. Advertisers can upload first-party data to Galileo to target specific audiences, with UID2 serving as the product's linchpin.

- Paramount is betting that UID2 takes off as one of the top identifiers in a post-cookie world, and getting in early allows it to become a leader. The technology already has a number of other significant backers, including **FuboTV** and **Tubi**.

**Leveraging advertisers for promotion:** Meanwhile, Paramount's **CBS** is poised to begin listing its shows on **MutualMarkets**, a new site designed to connect TV programs with advertisers interested in developing innovative campaigns leveraging television properties aligned with their audience. Think of it as Tinder, but for TV networks and advertisers, as Variety puts it.

- MutualMarkets collects data on the precise audience segments that an advertiser is trying to reach before searching through a library of content likely to appeal to those viewers.
- As they negotiate, TV and ad executives must agree on certain criteria, including campaign cost, duration, and windows of exclusivity to a program's characters.
- A successful partnership developed through the platform would let an advertiser generate more awareness by tapping into a show's audience, giving CBS additional awareness for its programming.

**Will it work?** Given the rise of streaming, advertisers are now looking to target viewers based on ZIP codes and geographic information—which opens up advertising to hyperlocal companies and retailers that wouldn’t run streaming campaigns otherwise. That stands to benefit CBS and other media entities that join the marketplace.

**What’s at stake:** The company lags behind on innovation even as it pushes adoption of its Paramount+ streamer. But that could be a tall order, considering consumers feel it has an inferior ad load than competitors **Peacock**, **Hulu**, **Discovery+**, and **HBO Max**.

- Continued ad innovation is important to Paramount: We expect Pluto TV to gain an incremental \$540 million in ad revenue by 2024 (57.2% two-year growth) when compared with 2022—in the US alone.
- During that same two-year period, Paramount+ will add another \$316.8 million in incremental ad revenue for 95.8% growth in its flagship market.
- With more dollars going to programmatic solutions, it’s no wonder Paramount’s advertising SVP **Leo O’Connor** recently touted the 24-hour turnaround time for new advertisers to run campaigns on EyeQ.

**US Connected TV (CTV) Ad Spending Share, by Company, 2020-2024**

% of total CTV ad spending

	2020	2021	2022	2023	2024
Hulu	19.8%	17.6%	15.5%	13.8%	13.4%
YouTube	14.3%	14.1%	13.3%	11.7%	11.7%
Roku	7.6%	9.5%	10.1%	9.5%	10.1%
Pluto TV	3.5%	4.2%	4.1%	4.1%	4.4%
Tubi	1.9%	2.7%	2.9%	2.7%	2.8%
Disney+	0.0%	0.0%	0.0%	3.1%	3.1%
Netflix	0.0%	0.0%	0.0%	2.5%	2.6%
Paramount+	0.0%	1.0%	1.3%	1.5%	1.7%
Peacock	0.5%	1.6%	3.2%	3.0%	3.1%
Other	52.4%	49.4%	49.6%	48.1%	47.0%

*Note: digital advertising that appears on CTV devices; includes display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku, and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; numbers may not add up to 100% due to rounding*  
Source: eMarketer, Oct 2022

278724

eMarketer | InsiderIntelligence.com