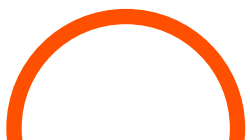


CRITEO

The Advertiser Guide to New and Emerging Channels for 2023



Foreword

Brian Gleason, Chief Revenue Officer, Criteo



In recent months we've continued to see an explosion of new media channels in audio, retail, and CTV, alongside continued discussion of Web3 and the metaverse.

We're seeing trends like commerce media break the mold by using a wide range of formats and channels, plus large-scale first-party data to deliver relevant ad experiences and closed-loop reporting.

As we look ahead, it's important to understand how these new channels operate and how they can help advertisers tackle the economic challenges ahead.

Criteo surveyed over 800 senior agency professionals across the US and EMEA to understand the various strengths and development areas of major digital media channels.

Our aim is to reflect advertiser guidance and expertise. While this may function as a roadmap for marketing leaders, we hope it may also be of benefit to media owners looking to understand demand-side needs.

Key takeaways:

- With the right strategy, the majority of agency respondents are confident **brands can drive growth in 2023**
- 9 in 10 media agency professionals agree their **clients should be exploring new digital media channels**
- Incrementality is becoming a key concept in measurement with **cost-per-order now a top metric** alongside overall ROAS
- This is driving interest in retail media, which offers commerce data as a means to **identify in-market audience segments** and close the measurement loop across other media channels like CTV
- While some agencies already **enrich online data with offline sources**, this will be a focus for most other agencies over the next 12 months

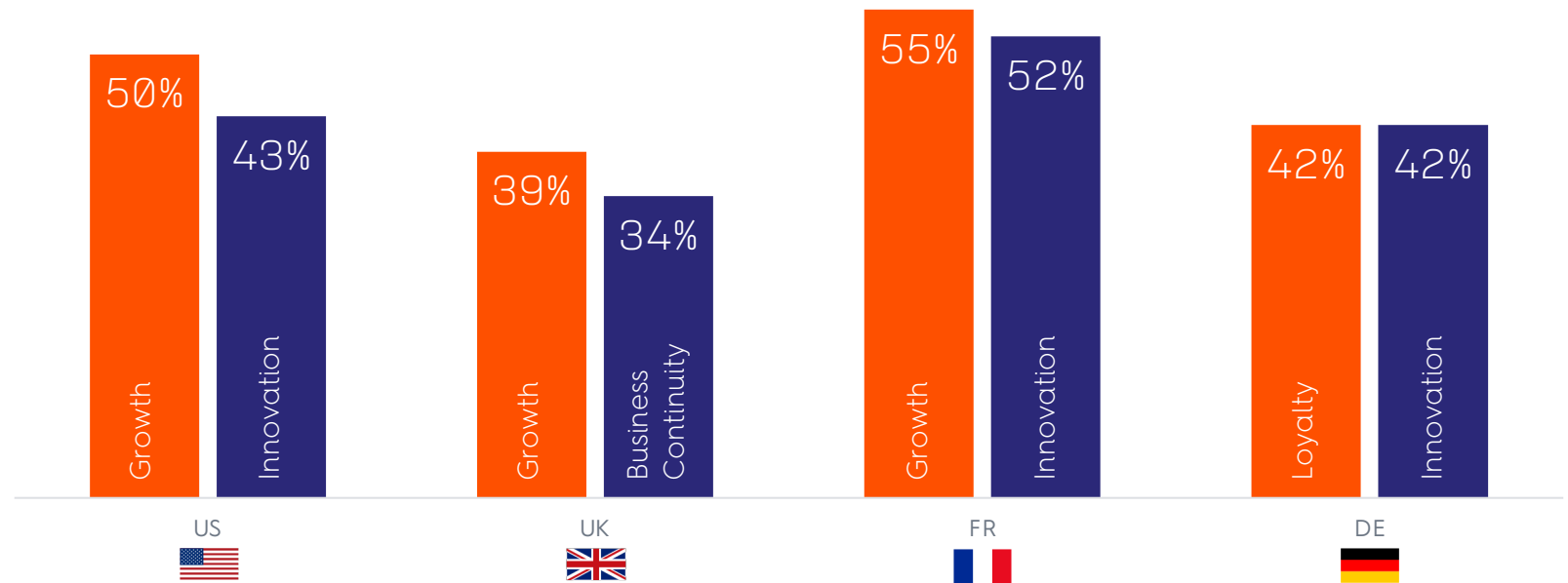
SECTION 1:

2023 priorities

Against a backdrop of continued economic uncertainty, "growth" and "innovation" are still among clients' most pressing goals, according to our US media agency respondents. By contrast, just one in five (21%) picked "survival", indicating few are concerned about clients weathering the storm.

The prospect of growth is echoed in the factors agency professionals say are shaping media strategies over the next year. Economic conditions (32%) and data privacy regulations (45%) actually ranked lower than the choice of new digital media channels now available (59%).

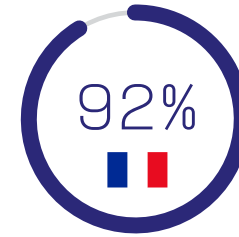
While never guaranteed, the majority of media agency professionals (55%) are confident brands can drive growth with the right strategy.



SECTION 2:

New and emerging media channels

94% of media agency professionals in the US agree that their **brand clients should be exploring new digital media channels**. The same is true for the vast majority of respondents across the UK, France, and Germany:



While agencies still recommend increasing year-on-year spend for search and social, 61% of respondents agree newer digital channels like retail media will deliver greater ROI than search or social. As such, retail media now enjoys a similar recommended spend increase as more established channels.

The % of media agency professionals, **globally**, who state the channel is "good" or "very good" across listed criteria:

	Retail Media	CTV	Audio	Search	Social Media	Metaverse
Inventory / formats	77	80	75	75	83	79
Customer experience	80	82	80	73	79	77
ROAS	80	77	74	71	79	79
Recommended spend increase	19%	16%	18%	20%	19%	13%

SECTION 2:

Channel Spotlights



Retail media:

The subject of many headlines in the industry, retail media is a predominantly native advertising channel that appears once people are already shopping. It follows that it ranks among the highest for consumer experience. Its positioning right by the point of sale means ROAS is easy to prove.

However, Criteo's Future of Commerce study revealed 9 in 10 retailers have a 'waiting list' of brands looking to run campaigns on their properties – a challenge which is being addressed by the surge in retailers ramping up their offerings with new formats and more inventory.



CTV:

New ad-supported streaming services have arrived with some streamers selling-out of inventory at launch; 47% of respondents feel smaller brands will continue to be priced out.

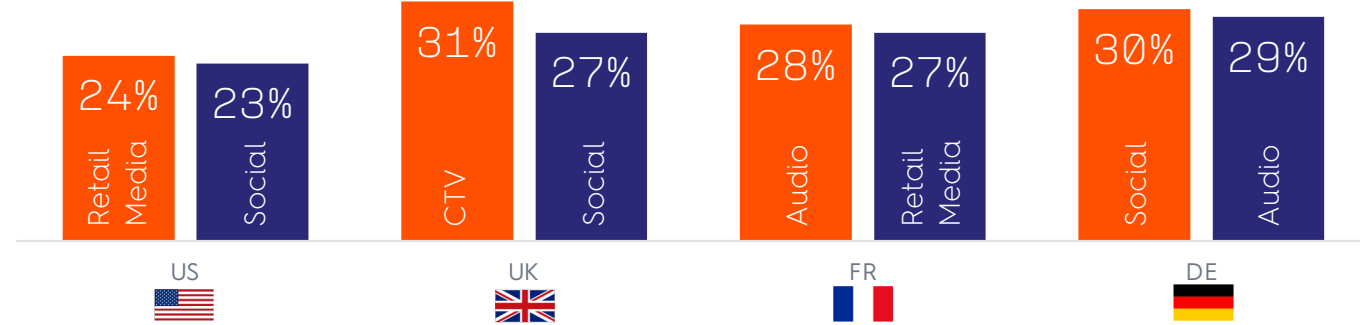
Many streaming services now appear to be looking at how they can strengthen their ability to reach particular audiences with data from other channels – namely, retail media. The recent partnership Walmart carved out with Paramount+ is a great example.

While agencies perceive the customer experience of CTV ads to be among the best, adoption of ad-supported tiers among audiences who have higher purchasing power may make it harder for advertisers to reach key segments.

SECTION 3:

New concepts in measurement

Channels with the Highest Expected Price Increase by Country



Rising campaign costs are driving the need to explore new media and find the most effective channels. In fact, US agencies estimate the cost of running campaigns across digital media channels will rise by 22% in 2023. Globally, costs are expected to rise highest on social (26%).

Criteo's commissioned [Rise of Retail Media](#) study found senior media professionals in the UK reported the average increase of cost-per-sale in walled gardens was 27% in one year.

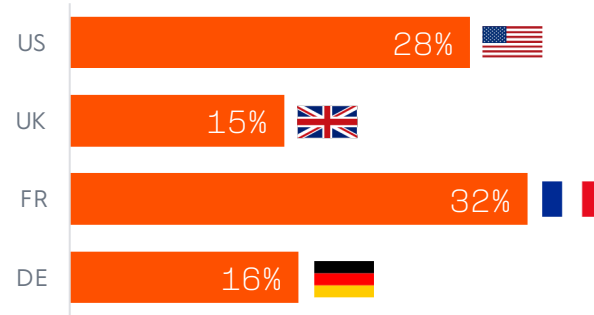
Rising costs leave clear priorities when it comes to campaign measurement. 31% of US respondents identified average ad frequency as a key metric, reflecting the importance of the customer experience and media efficiency. Cost-per-order is also now a top metric for 30% of agency professionals, alongside overall ROAS (29%).

With growth tied to the exploration of new media channels, incrementality will be a North Star for US agencies and their clients. For many agency professionals (50%) such metrics are pushing them towards retail media in particular, which uses commerce data to close the measurement loop across other channels such as CTV, where transaction data is less abundant.

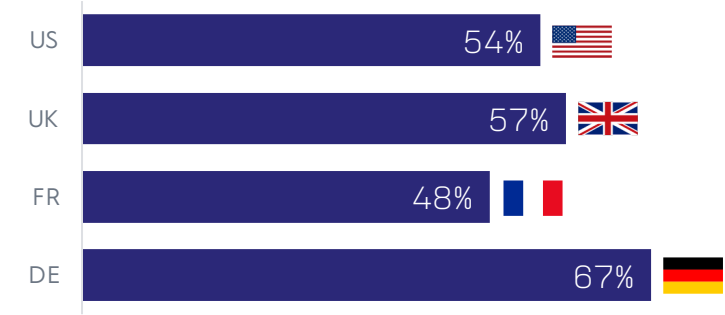
SECTION 4:

The right strategy

Markets currently merging offline and online data:



Key focus:



While economic pressures persist, four in five US agency respondents (79%) rule out any need for clients to adjust the price of products.

Instead, keeping customers loyal and focusing on meaningful results is foremost in 2023 plans. 51% of agency respondents recommend brands focus on performance versus 45% who say brand awareness. Similarly, retention is recommended by 47% versus 40% who say acquisition.

The importance of commerce data in proving incrementality also demands more omnichannel thinking. While 28% of US agencies say they're currently merging sources of offline audience data with online data, 54% of respondents say improving omnichannel campaign management will be a key focus area over the next year.

Consistent metrics, proving incremental returns on investment and meeting the attribution requirements of the demand side will help new media owners win advertiser confidence.

Final remarks

What's clear is that new and emerging media channels are leaning into first-party data and are beginning to work together to deliver relevant advertising across the buying journey. This is underlined by new approaches to data, for instance, recent partnerships between retailers and streaming services to integrate retail media data.

Taking the kind of purchase and shopper behavior insights supermarkets and other retailers can provide and harnessing it across the open internet sits at the core of commerce media. This privacy-centric approach combines the power of retail media and search to allow advertisers to create well-rounded plans that truly deliver against desired commerce outcomes.

In this way, commerce data can fuel the plethora of new and emerging channels with first-party data and help brands, as well as media owners, in achieving their growth plans.

* Criteo surveyed 842 senior agency professionals across the US (238), UK (200), France (203) and Germany (201). Fieldwork took place in November 2022.