

THE POWER OF PRINT

2024: Ad Spending Solid, with Growing Dangers in Digital Media

After stabilizing in 2H 2023, ad spending is showing good growth in 2024, both in traditional and digital/online media. But marketing online is showing some serious downsides, with issues in the areas of data security, cookie depreciation, “bad ads” and brand risk associated with ads appearing near inappropriate content, all of which underscore the importance of print in the advertising mix.

+4.3%

Jan 2024 US Ad spending up over Jan 2023¹

Digital and traditional media are on a growth trajectory so far in 2024. But digital carries growing dangers not shared by mail-delivered print.

42%

Traditional Media Percentage of Total US Ad Spend, Jan 2024, Up 10 Points over Dec 2023²

It looks like ad spending, both globally and in the United States, is continuing a comeback that began in the second half of 2023 after having a tough time in the first half of last year. Overall ad spending in the U.S. experienced steady year-over-year growth in each month from July through October of 2023, led by the retail, entertainment and media, and financial services verticals.³

Experts are projecting global ad spending to surpass \$1 trillion in 2024, up by 8.3% over 2023, benefiting from a more stable economy, lower inflation and the positive effects of an Olympic year and the U.S. election.⁴

Traditional media (direct mail, magazines, TV, radio, newspapers, outdoor) is holding its own, actually increasing its share of the ad spend mix to 42%, an increase of 10 points from December 2023 to January 2024.⁵

YES, DIGITAL/ONLINE MEDIA IS POPULAR, BUT BEWARE

Digital advertising continues to represent a majority of the overall ad spend, but there are a number of significant online media-related threats that are showing no signs of going away: data breaches, the decline of cookies, digital ad fraud and brand risks related to ads appearing next to objectionable content.

DATA PRIVACY AND SECURITY REMAIN REAL CONCERNS AMONG CONSUMERS

No one wants their data sold to advertisers, but there's a more serious threat: With the use of the cloud comes the danger of data breaches. The United States has led the world in data breach-related costs for 13 consecutive years,⁶ which reached an average cost of \$4.5 million per breach in 2023 domestically, up a whopping 15.3% over just three years ago (2020).⁷ 82% of those breaches involved data stored in the cloud.⁸

Most consumers are aware of the danger and have taken action—67% of U.S. adults turn off cookies or website tracking to protect their data privacy.⁹

THE DECLINE OF COOKIES

With more and more consumers turning off tracking, many experts are predicting a cookieless future. In fact major browsers have been phasing out third-party cookies for years.¹⁰ Without cookies, it's going to be significantly more difficult for digital media advertisers, particularly smaller to mid-sized companies, to accurately target their campaigns.

Mail-delivered print can help insulate advertisers from growing dangers and other issues challenging online media.



"BAD ADS"—THE RISE OF DIGITAL AD FRAUD

A bad ad isn't one with a dumb or trite message. The definition is infinitely more sinister and fall into multiple categories—malicious ads designed to infect devices in order to gain sensitive personal data; spoofed ads, which mimic a well-known brand to rip off consumers; scam ads that advertise a nonexistent product or misrepresent it; miscategorized ads, aimed at one audience but viewed by another—an adult ad viewed by kids, and others. All erode trust in "good ads."¹¹ And the cost is huge: An estimated \$84 billion of ad spend was wasted in 2023 due to ad fraud.¹²

LACK OF CONTROL CAN THREATEN BRAND INTEGRITY

Programmatic advertising—defined as ads that are placed using automation, eliminating the human decision-making in manual ad placement—will make up 91.3% of U.S. digital display advertising in 2024.¹³ The problem: This elevates the danger of your ad appearing next to objectionable content like hate speech, adult/explicit content, obscenity/profanity or other

types, which is a big risk to your brand—71% of consumers say they would view a brand less favorably if it advertises near objectionable content.¹⁴

PRINT IS IMMUNE TO THE GROWING RISKS OF DIGITAL MEDIA

Mail-delivered print, in addition to being more effective at reaching your target and enjoying longer attention duration,¹⁵ is not subject to data breaches. Nor is it affected by cookies or their decline. It's harder to spoof your brand in print. And you don't have to worry about your print advertising being associated with brand-damaging offensive content.

Print has long-proven power. And print protects—your brand, your business, your customer—from the growing, ever-changing threats that digital/online advertising can unleash. It's clear and getting clearer: Print still belongs in your media mix.

— Source 1, 2, 5: Guideline Spend—Powered by Standard Media Index SMI Core 2.0 (2017–current)

— Source 3: "Ad Spending Growth to Accelerate in 2024", Forbes, Dec. 27, 2023

— Source 4: WARC, 2023

— Source 6, 7, 8: Cost of a Data Breach 2023 Report", IBM 2024

— Source 9: Pew Research Center, Oct. 2023

— Source 10: "Cookie Deprecation: What to Know About the Cookieless Future" Peer 39, Simutis, David

— Source 11: "Ad Fraud: The Biggest Threat To The Advertising Industry", Forbes, Nov. 2023

— Source 12: "This Is What Fraud Costs Consumers", US News and World Report, Aug. 2023

— Source 13: EMARKETER forecast, 2023

— Source 14: "Brand Safety: What do consumers consider to be inappropriate content?", Integral Ad Science, Jan. 2024

— Source 15: "The Time We Spend with Mail," A JICMAIL Attention Study, June 2023



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