

ECI Media Management's

Top 10

predictions

for 2023

2022 has been a turbulent year, with economies suffering the effects of the pandemic, the war in Ukraine and inflation, all of which are pushing up the cost of living for consumers – with inevitable ramifications for advertisers. This situation will persist into 2023 and will serve as the backdrop to a year of shifting budgets, focuses and priorities as the ad industry continues to adapt to challenging times. But it isn't all gloomy – this is an industry with innovation in its soul, so there will be plenty of opportunities to reach consumers in new, exciting and evermore effective ways. Our expert researchers and analysts from around the world have shared their predictions for 2023, so marketers have the insights they need to go into the year ahead with confidence.

1. Focus and precision will be more crucial than ever

2023 will be a year of economic hardship for many, and advertisers will be looking for ways to cut their spending and make every dollar they do spend work harder than ever. Approaches to targeting will need to be re-evaluated and possibly recalibrated to avoid wasting spend on irrelevant audiences. It can be tempting during a recession to shift budget to short-term sales campaigns, but research has shown time and again that profitability is more likely to be found in long-term brand-building strategies. Streamlining measurement, analytics and approaches to drive higher media value will be critical.

2. The recession will increase the importance of TV

With inflation driving up the cost of living, consumers are likely to stay at home in order to save money. Reminiscent of lockdowns during the pandemic, they are likely to turn to their TVs for entertainment. As a result, inventory will increase across linear and streaming, opening up opportunities for advertisers to create cost-effective TV campaigns.

The cost of streaming subscriptions for several platforms quickly adds up, so many households will either choose lower-cost, ad-supported tiers, or could even abandon subscriptions altogether, returning to linear TV. It's also possible that an excess of choice could favour linear TV, with consumers feeling overwhelmed by having to choose between the sheer quantity of content on an increasing number of streaming platforms.

3. The long-term growth of live sports and professional sports leagues will be heavily dependent on streaming platforms

As we highlighted back in May of this year, live sports distribution agreements will be the last frontier for the streaming platforms, both in the United States and internationally. We expect this trend to accelerate in 2023 and that streaming will surpass linear TV. Streaming offers subscribers and loyal fans

customized content and real-time interactivity, while collecting the ever-important verifiable viewership data across CTV and mobile devices. The biggest US prize for the media and tech giants will be the exclusive rights to the NFL Sunday Ticket package, starting with the 2023/24 NFL season. This relatively nascent model was cemented with the recent success of Amazon Prime's streaming-only Thursday Night Football, broadcast rights for India's Top Cricket League, and the recent soccer World Cup. Expect to see record-breaking distribution deals brokered in 2023, possibly from an under-the-radar player.

4. Content production and creative costs will come under the microscope

At a time when advertisers are raking through their budgets to find efficiencies, the cost of content production and creative, particularly for digital campaigns, will be put under close scrutiny – not just media. Using standard formats over custom executions, focusing closely on the right digital channels and cutting out ones that aren't delivering, will also allow savings on content creation costs. Research indicates that creative can be reused to a greater degree than is currently the standard; it appears that consumers have much greater tolerance for recycled content than marketers.

5. Gaming will claim a higher proportion of advertising budgets

The popularity of gaming has increased by 35% since the pandemic, and this will only rise as the recession sets in and people spend more time at home again, this time to cut costs. And it's not just traditional gamers spending more time in front of their screens: 'downtimers' such as parents who need a few minutes' break, and 'social gamers' who play games with their friends before going out, for example, make up a growing proportion of gamers. More screen time and more eyeballs will make gaming an increasingly attractive proposition for advertisers. What's more, sports betting will be legalized in a number of US states in 2023, which will see US advertisers investing in sports betting environments and interacting with sporting content. While there will be plenty of opportunities, the wise will be cautious, prioritizing brand safety.

6. The metaverse will still be a lonely place...

The metaverse enjoyed a huge amount of hype in late 2021 and early 2022. Mark Zuckerberg saw so much potential in it that he renamed Facebook's parent company Meta and started investing billions of dollars in the metaverse. But a year later, enthusiasm for the virtual world is much more muted and remains very much in the experimental phase, with marketers earmarking only

their experimental budgets for metaverse campaigns. In financially straitened times, experimental budgets are likely to be the first to go; so while the metaverse will continue to grow, albeit slowly, the number of ads and brand activations there will be even slower to grow.

7. ...And e-tail won't grow as quickly as initially expected either

E-tail is another sector that has received a lot of hype in recent years and there was an expectation, particularly from tech companies, that it would continue to grow exponentially. This led to a rush to build online trade spaces and obtain better shelf space – which also led to budgets shifting from sales to marketing and a glut of new retail media agencies. The expected exponential growth has not materialized – many consumers have returned to pre-pandemic shopping habits and this, alongside decreasing purchasing power, means that e-tail is likely to be another sector that will grow more slowly than anticipated. However, it's unlikely that the budget and market shifts will reverse in tune with consumer behavior.

8. Advertising will finally move on from the cookie

The third-party cookie is still spluttering on, but – with its final demise imminent – advertisers are committing to finding alternative ways to effectively target audiences and measure ad effectiveness online. There are still big question marks about workarounds coming out of the tech sector and whether they will fly with privacy and antitrust regulation. Many ad tech companies are losing market cap because they remain too reliant on cookies; and advertisers are ploughing money into building first-party data stacks that will likely not cover a large share of their market. One answer? Good contextual targeting is economical, efficient, immediately available and almost as effective in reaching target audiences as the best cookie-based campaigns from five years ago. The key is knowing not just who your audience is, but where they are - and not spreading your investment too thin.

9. There will be more focus on the ad industry as a force for good

Sustainability has long been a priority for brands seeking to appeal to increasingly eco-conscious consumers. Focus is now turning to the carbon footprint of advertising campaigns, which can be significant given the amount of energy required to power online activity. This is especially important to younger consumers. Fortunately, many ways of reducing carbon emissions also reduce wastage and cut costs, thereby positively impacting the business as a whole - see [our recent blog post](#) to find out more. Measurement and reporting will be the key to systemizing this change.

In a world beset with inequality, brands, tech companies and media owners

also have huge potential to amplify the voices of those who have historically been silenced. This can be done in a huge variety of ways, from partnering with a diverse range of media businesses to tailoring messaging to a diverse audience – and it makes business sense as well, given that so many countries are becoming increasingly multicultural, with all the associated shifts in buying power. Brands will also use their buying power to fuel the fight against fake news, hate speech and disinformation.

10. The pioneers will succeed

In difficult times, it can be tempting to batten down the hatches by investing only in channels that are proven to drive sales. But we are also living in times of transformation, with a proliferation of opportunities on the market. Courage and a willingness to adapt have always been indicators of success in difficult times, and the upcoming recession will be no different. Careful scrutiny of new opportunities will help in bold decision-making.

If you would like to discuss how best to navigate the challenges of the year ahead in order to ensure your advertising investment is always driving higher media value, please feel free to email us at value@ecimm.com, or you can contact our senior management team directly – their details are on the following page.



About ECI Media Management

ECI Media Management: Higher Media Value

Technology is transforming the media landscape at an unprecedented pace. But in the right hands, change can be a force for good. ECI, the market's fastest-growing global media management company, leverages these changes to help you drive higher media value from your advertising investment.

A modern, forensic approach

Ever since our formation we have championed a modern approach to media and financial auditing. As pioneers in the field of digital auditing, we include sophisticated analysis of programmatic activity in our audit model, and we pride ourselves on a forensic, fact-based approach which harnesses the power of our world-class talent and proprietary technology. Along with our innovative benchmarking capabilities, we are confident in our ability to empower our clients to drive higher media value and media-led impact on business performance. We can measure a very high proportion of media activity, allowing for a more accurate understanding of the efficacy of investments and better optimization for future activity.

Cutting-edge services

Capitalizing on today's dynamic, fast-paced media landscape to drive higher media value requires data-driven decision-making, global experience and a deep understanding of the latest technologies. At ECI we are proud to be able to offer these and so much more, including TV auditing, financial compliance auditing, pitch management, KPI setting and management and contract consultancy.

Global experience, local expertise

We are proud of our client portfolio, which contains some of the world's largest and leading advertisers. Our network of owned offices and leading affiliates supports them where they need us, across the Americas, Europe and Asia Pacific. We offer them high-level media intelligence and rigorous benchmarking and, ultimately, the insight, experience and savvy to ensure that their advertising investment and agency relationships drive higher media value.

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