REVENUE OPERATIONS BAROMETER 2024

SUMMARY REPORT

LONGTERM COLAB

DanAds®

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Welcome

This is a short summary of the full Barometer survey report that we make available to clients and participants.

It is intended to give a round-up of some of the main themes coming through in the data this year.

For those unfamiliar with the Rev Ops Barometer, it is an annual survey of advertising and revenue operations specialists working for major media businesses around the World.

We launched the survey in 2019 to address the fact that operations specialists, selecting and managing tools that power most modern media businesses, were woefully underrepresented in industry commentary.

This report uses data from several waves of research, with over 800 responses in total, from many of the biggest media companies around the world.

Each year we review previous findings and spend a lot of time thinking about cause and effect before formulating hypotheses for the year ahead.

Using robust data sets we can reveal detailed trends and splits, including by publisher type, team size, and revenue mix.

If you would like any further information related to this report, please contact: duncan.arthur@longtermcolab.com

FIVE KEY FINDINGS

Buyer-seller misalignment leads to poor data strategies

Differing views on first-party data and a lack of clear direction from buyers results in sellers struggling to create good data strategies

Increasing complexity is a key challenge

Complexity fuels operational workloads and knowledge gaps, leading to misalignment and poor data strategies. Improving data, tech stack and partnerships are seen as solutions

Automation is easier said than done

Whilst generally desired, the complexity of current workflows presents significant obstacles to implementing automation effectively

Opinions on cookie deprecation are sharply divided

A huge issue for some and not a worry for others. Many are simply in a holding pattern waiting to see what happens (if and when it happens)

Programmatic is changing

Only one in three say they will maintain their current approach.

Better control and measurement are seen as key to improved performance

SENIOR, EXPERIENCED PROS
GLOBAL FOCUS, MULTIPLE MEDIA TYPES

With 6 waves and over 800 responses, Rev Ops Barometer is the largest continuous survey of operations specialists in our industry.

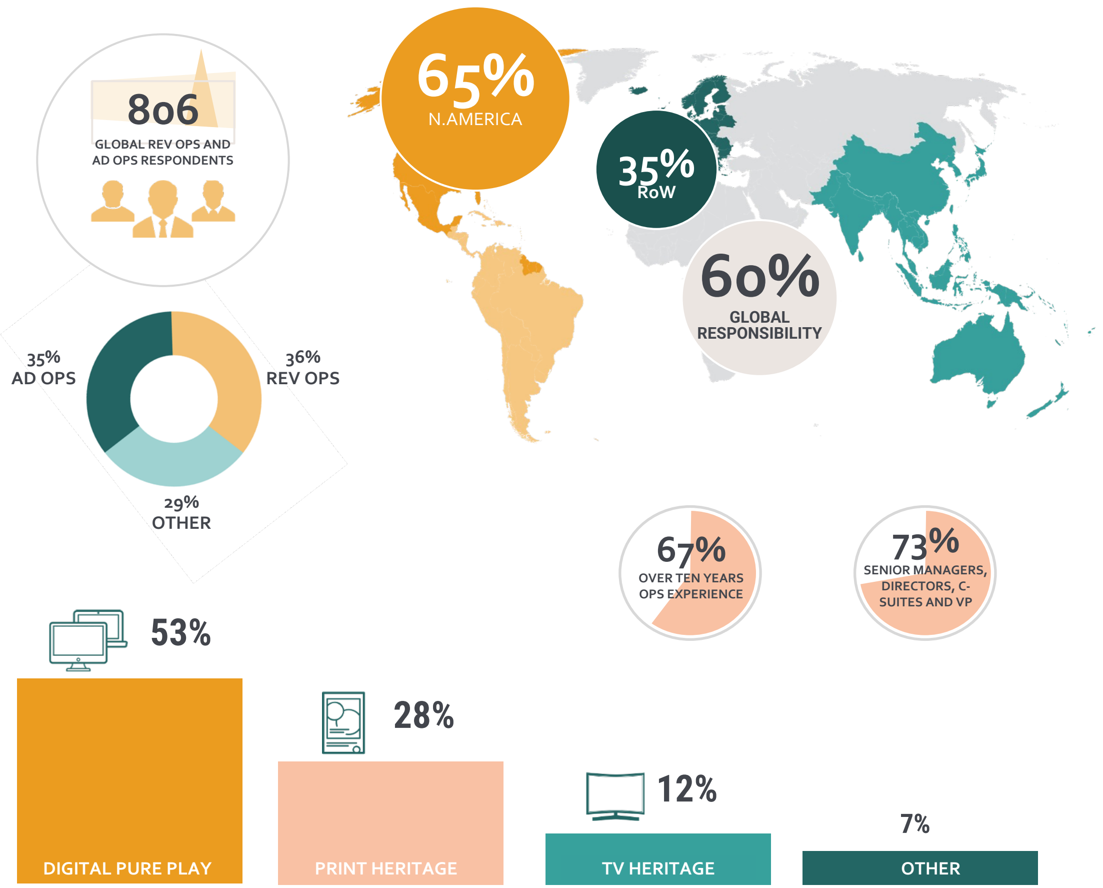
This round we heard from over 140 professionals. As usual, our respondents are a highly experienced group, with 2 in 3 indicating over ten years in the industry.

Roughly half of respondents come from digital pure-plays, while a substantial proportion work on the digital side of businesses with roots in the traditional realms of TV or print media (with “other” typically relating to radio DOOH).

Which of the following functions best describes your primary focus?

We use the question above to split respondents into two groups:

- **Revenue Operations** (including yield and pricing focus)
- **Ad Operations** (including trafficking and campaign execution focus)



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WHAT'S ON YOUR MIND?

MAIN CHALLENGES AND OPPORTUNITIES

We started this year's survey with an opportunity for respondents to share what was on their minds. We have classified responses on the right. Below are a selection of comments:

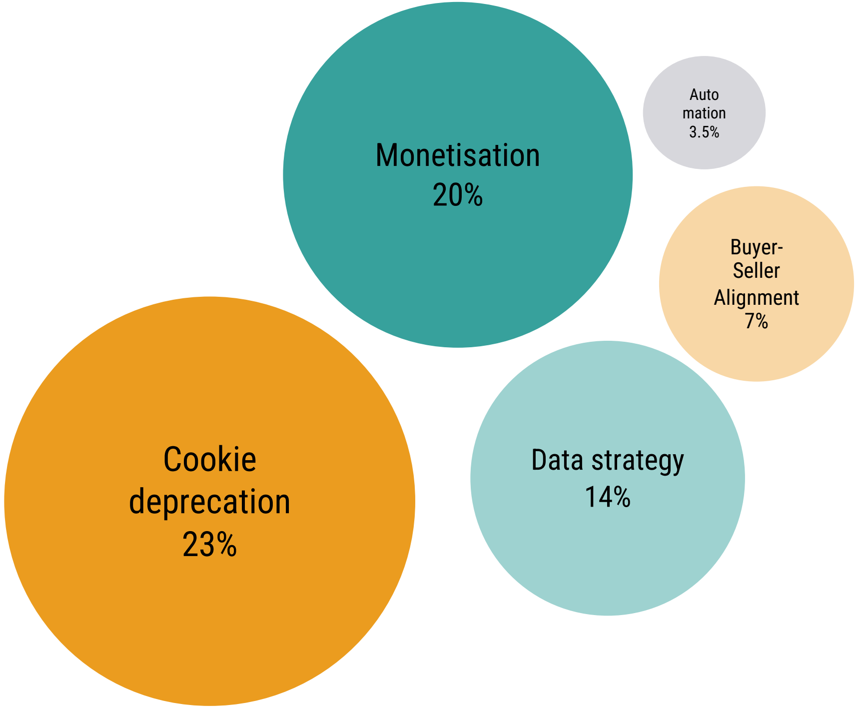
> ***Cookieless inventory will continue to present challenges to find the best mitigation strategy***

> *Ramping up our direct sales operations to meet the goals set for the team while also optimizing our programmatic ad stack*

> ***Making better use of existing data as well as finding new data sources***

> *Adjusting to the demands of agencies as they want to deep target audience and reporting expectations we can't provide*

Q. "What are the main opportunities and/or challenges that you expect over the next 12 months?"



(figures shown are for manually classified verbatim comments)

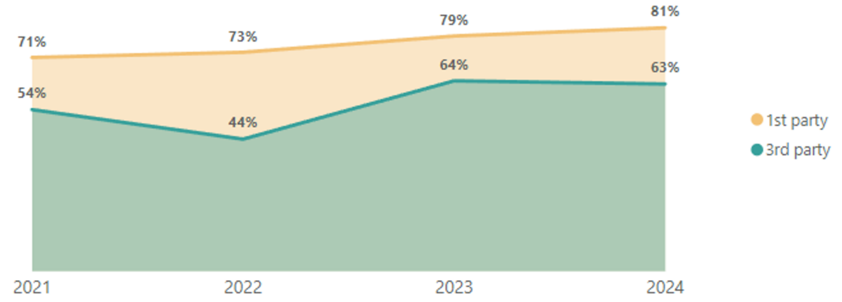
AD STACK CONFIDENCE DECLINING
COOKIE DEPRECATION READINESS STAGNATES

For many media owners, first-party data is their most prized asset and a major strategic focus, particularly in countering cookie signal loss.

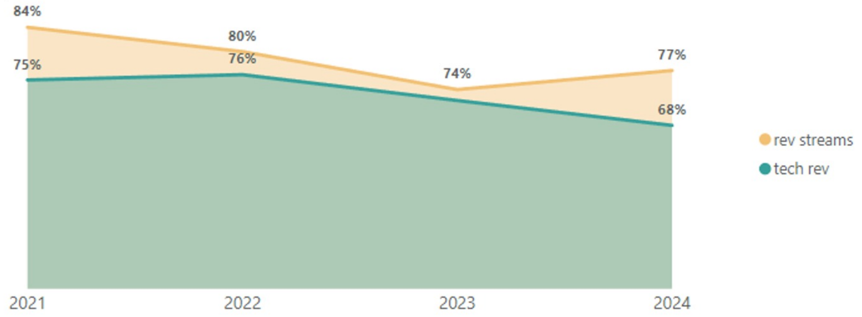
Over 80% now claim greater ability in collecting or monetising first-party data. However, as discussed elsewhere, many still struggle to enhance their overall data strategies and analytics.

A significantly smaller number (63%) feel ready for the phasing out of cookies. This number has stagnated after an initial increase in 2023, reflecting uncertainties about Google's Privacy Sandbox and the prospect of further delays in cookie deprecation in Chrome.

We see a slight uptick in successfully diversifying revenue, but a noticeable weakening in tech stack confidence with 1 in 3 indicating that their stack needs improving.



1st party = Percentage who agree their business has greater ability to collect and / or monetise their 1st-party data
3rd party = Percentage who agree they are well prepared for the deprecation of 3rd party cookies



rev streams = Percentage who agree they are successfully building diverse revenue streams
tech rev = Percentage who agree their ad tech stack is comprehensive and ensures revenue is maximised

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ALIGNMENT AND DATA
STRATEGIC FOCUS IN 2024

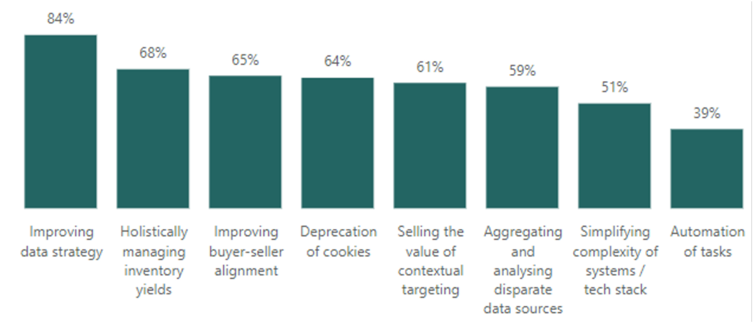
As we move into 2024, it is clear that enhancing data strategies is a priority for just about everyone, with an overwhelming 84% of respondents indicating it as an important focus for their business.

Holistic yield management is second with 68% reporting this as a strategic priority. With tight budgets, improvements in yield are very much a focus.

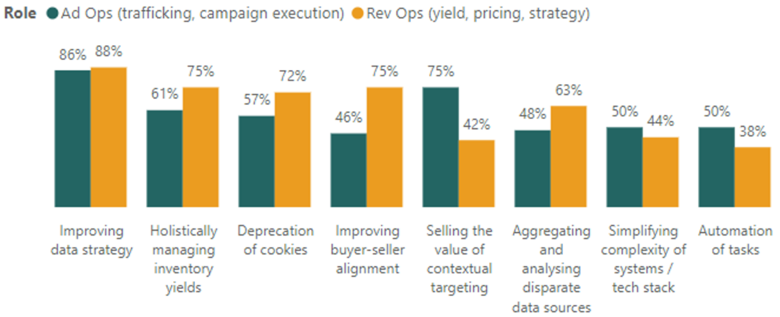
65% of professionals pinpointing buyer-seller alignment as a key strategic focus. Revenue Operations professionals in particular are focused on this, signaling a strong revenue implication.

> *Opportunity in helping the buy-side understand value from premium publishers. Curated deals and using 1st party data.*

Important as a strategic focus for your business



Areas for strategic focus by role



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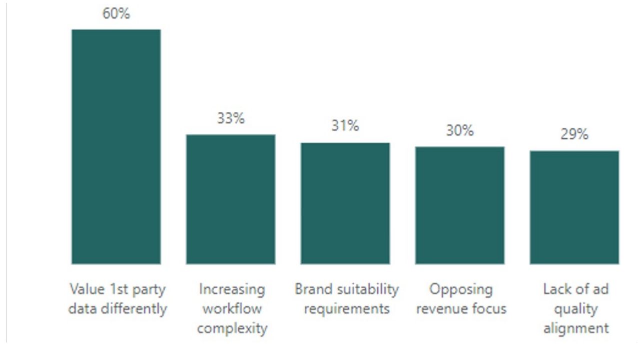
BUYER-SELLER MISALIGNMENT
UNDERMINING DATA STRATEGIES

Buyer-seller misalignment became more salient throughout 2023 as we moved from our H1 to our H2 report. This survey pinpoints three factors contributing to this misalignment:

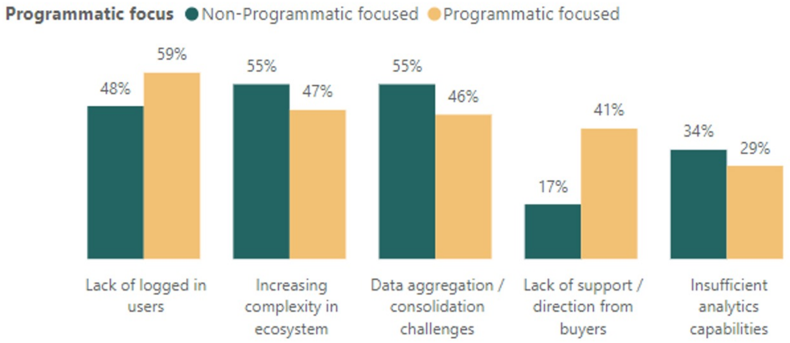
- **Divergent valuations of first-party data are the most cited cause of misalignment**
- **Inadequate guidance from buyers is an example of buyer-seller misalignment impacting data strategies. This is particularly relevant for teams who rely more heavily on programmatic selling**
- **Increasing workflow complexity exacerbates difficulties in achieving effective collaboration**

A better understanding of these factors is crucial for grasping the consequences of buyer-seller alignment.

Blockers to alignment



Blockers to better data strategy



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DATA STRATEGY WORKAROUNDS

SOLUTIONS TO LIMITED FIRST-PARTY SIGNAL

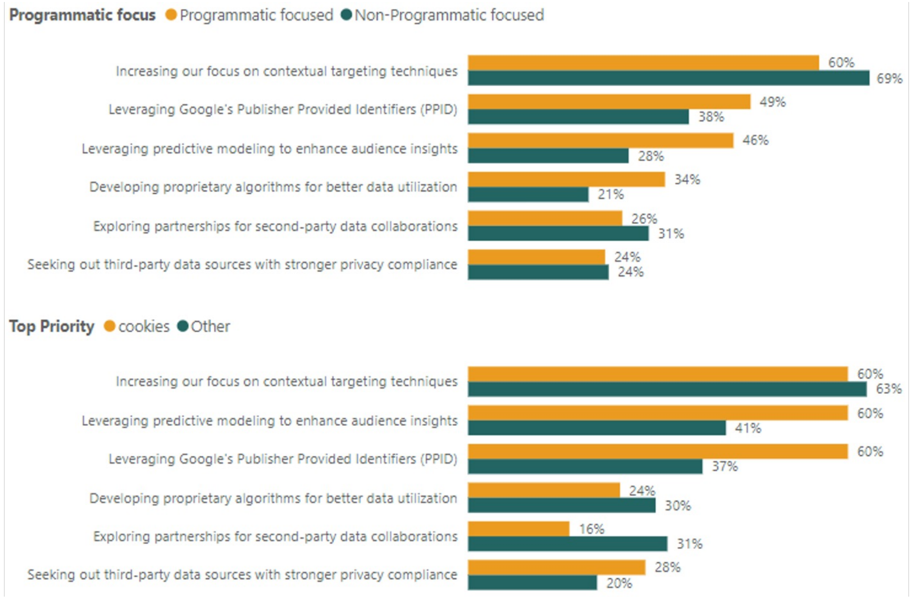
Where first-party is not the primary data source, with the deprecation of cookies on the horizon, publishers are looking for alternative strategies

Contextual is seen as a major opportunity by most publishers.

Both Google's PPID and predictive modelling are a strategy preferred by high programmatic teams, who are also generally more focused on addressing cookie deprecation.

Within the context of alignment, publishers need to focus on strategies that align with ad buyer needs and preferences.

Q: In light of the limitations you've experienced with 1st party data, which alternative strategies is your org prioritising?



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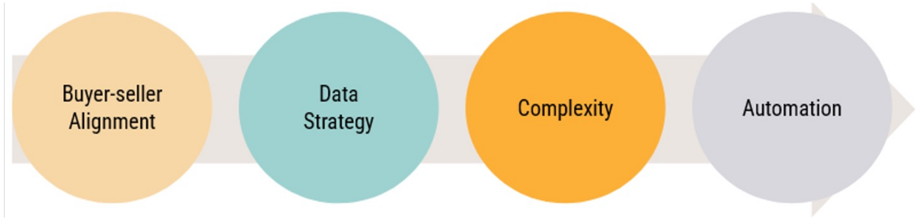
CLOSING THOUGHTS

Where do we go from here?

We all know these are challenging times for publishers. This report makes the case that improving alignment between ad sellers and buyers is increasingly important and a major opportunity.

Improving alignment includes making better use of data. As we move away from reliance on third-party cookies, a united front on first-party and other data strategies can help pave the way for more effective audience targeting and personalisation.

Ultimately, we need to “zoom out” and take an industry-level view on effective alignment. In this way we will encourage better data strategies that in turn makes the ecosystem less complex and can lead to more successful automation projects.



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Acknowledgements

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Sponsor questions are kept entirely separate from the main report and in no way influence the way results are presented.

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Finally, a **massive thank you to all our survey participants**, many of whom have joined every round since 2019!

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