

May 2024 | Biannual

 theTradeDesk® Intelligence

THE SELLERS AND PUBLISHERS REPORT

The Rise of the Premium Internet

TO OUR CLIENTS, PARTNERS AND INVESTORS,

The open internet is at a tipping point. In 2022, Facebook and Google accounted for less than half of all digital advertising spending for the first time in a decade, a trend that accelerated in 2023. That comes as consumers now spend the majority of their time outside these Big Tech walled gardens – increasingly preferring the best of the open internet. This includes the latest Hollywood movies and popular TV shows, streaming audio, live sports, and trusted journalism. Indeed, since 2019, daily consumption of connected TV (CTV) and digital audio content has doubled in the United States. Not only does this premium internet content command the majority of consumer attention, it is also highly engaging content, which is very attractive for advertisers.

At the same time, as these consumer shifts are occurring, advertisers are becoming increasingly wary of the limitations and practices of Big Tech walled-garden platforms. Whether it's the U.S. Department of Justice lawsuit against Google, questions about ad viewability, concerns around the brand safety of user-generated content or the growing war on journalism by walled gardens – marketers are looking for an alternative.

With this in mind, advertising pioneers are already charting the internet of tomorrow: One where a new identity fabric and user authentication enhance consumer privacy while preserving the value of relevant advertising; where new tools help advertisers reach their target audience with confidence across current and fast-emerging channels; and where the consumer advertising experience is more pleasant and relevant.

But perhaps most important, for the open internet to thrive, it has to do something that walled gardens have perfected over the years: Provide easy access to content at scale (albeit often low-quality content in the case of walled gardens).

This report examines why and how advertisers are gravitating to the best of the open internet – the premium internet. It highlights the impact of exciting new channels such as CTV and digital audio, and how a new open internet identity fabric is revaluing the internet right now.

Even though consumers spend the bulk of their time on the open internet, walled gardens, collectively, still account for the bulk of digital advertising spending. But campaign dollars are starting to follow consumer trends, and as more of those dollars shift to the open internet, we hope that this report will serve as a valuable biannual checkpoint on where the industry is heading.



Jeff Green, Founder and CEO, The Trade Desk



ABOUT THIS REPORT

The Sellers and Publishers Report is a biannual report examining the growth drivers of the open internet. The report uses data from aggregate digital advertising activity on the open internet, as recorded by The Trade Desk, which sees as many as 15 million digital advertising impression opportunities (or queries) per second. As such, this data is a proxy for the open internet.

This data includes advertising transactions across 500 leading digital sellers (platforms that often aggregate many digital destinations) and publishers (specific destinations), as well as thousands of additional premium destinations valued by top brands.

The top 500 sellers and publishers of digital advertising impressions account for approximately 50% of advertising spend on the open internet. Among these leading 500 sellers and publishers are popular streaming TV services,

top news and editorial properties, leading audio and podcast platforms, and some of the most popular entertainment, lifestyle, and sports destinations.

All publishers are assessed according to a range of criteria including reach, decisioned programmatic inventory, supply path efficiency and advertising quality.

Many of these publishers are part of larger global media companies (sellers). For example, Disney boasts 8 of the leading 100 open internet advertising destinations, including ABC, ESPN, Disney+, Hulu, Hotstar, and National Geographic, among others. Other leading sellers include NBCUniversal, Warner Bros. Discovery, and Paramount Global.

THE BEST OF THE OPEN INTERNET

The Best of the Open Internet includes the most popular and engaging digital publishers across all digital channels (including web, connected TV, digital audio, etc). This ranking assesses each destination on the open internet according to a range of criteria, including advertising quality (such as viewability, ads to content ratio and refresh rate), reach, decisioned programmatic inventory, supply path efficiency, and distribution quality – and then showcases the top 100, the very best of the open internet. This assessment was conducted in partnership with Sincera, a leading digital advertising data company.

RANK		RANK		RANK	
1	Hulu	35	The Roku Channel	69	Newsweek
2	Disney+	36	7plus	70	Sky
3	Max	37	Bravo	71	Investor's Business Daily
4	ESPN	38	Telemundo	72	CBC
5	Spotify	39	CBS News	73	Fox Sports
6	Peacock TV	40	Bloomberg	74	News AU
7	CNN	41	AMC	75	Los Angeles Times
8	National Geographic	42	The History Channel	76	Sydney Morning Herald
9	NBC	43	FX	77	theScore
10	Fox	44	iHeartRadio	78	Network 10
11	TF1	45	The Guardian	79	Fox News
12	ABC	46	6play	80	SBS
13	HGTV	47	Binge	81	Reuters
14	Paramount+	48	Pluto	82	Variety
15	Discovery+	49	CarGurus	83	TSN
16	Univision	50	Vevo	84	Vulture
17	BBC	51	The New York Times	85	The Boston Globe
18	TBS	52	Sling TV	86	New York Magazine
19	CBS	53	The Athletic	87	Yahoo! Sports
20	NBC News	54	NPR	88	Bild
21	Channel 4	55	DAZN	89	NBC Sports
22	TVer	56	The Washington Post	90	Vogue
23	Tubi	57	USA Today	91	Vox
24	Abema TV	58	Foxtel	92	The Atlantic
25	Canal+	59	The Economist	93	The Globe and Mail
26	RTL+	60	USA Network	94	The Times
27	The Australian	61	The Wall Street Journal	95	The Verge
28	Hotstar	62	FuboTV	96	Fox Business
29	Samsung TV Plus	63	LG Channels	97	The Independent
30	Sportsnet	64	SonyLIV	98	Chicago Tribune
31	France Télévisions	65	iQIYI	99	The Telegraph
32	ABC News	66	9Now	100	Le Figaro
33	BET	67	Mitele		
34	Pandora	68	RaiPlay		

*Flags indicate primary or home market. Many of these publishers and sellers operate in multiple countries.



HIGHLIGHTS

1

CONSUMERS FLOCK
TO THE PREMIUM,
OPEN INTERNET

2

PREMIUM
DESTINATIONS
GRAB CONSUMER
ATTENTION

3

BIG TECH'S
SHARE OF DIGITAL
AD SPEND IS
DECLINING

4

ADVERTISERS
VALUE THE
BEST OF THE
OPEN INTERNET

5

QUESTIONS LOOM
FOR WALLED
GARDENS

6

STREAMING TV
DRIVES OPEN
INTERNET GROWTH

1 CONSUMERS FLOCK TO THE PREMIUM, OPEN INTERNET

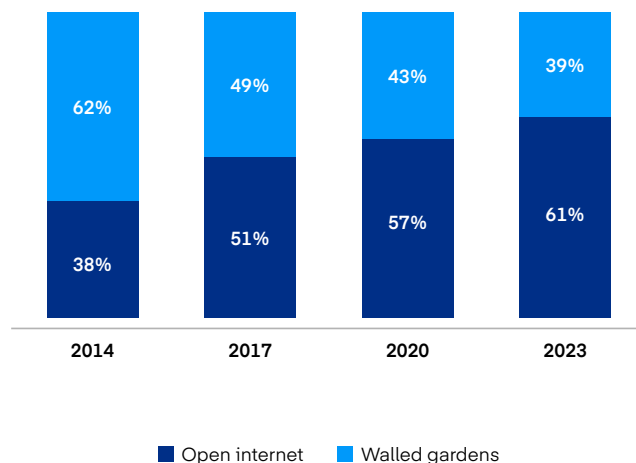
According to research from GlobalWebIndex, consumers in the U.S. spend 61% of their online time on the open internet, versus 39% of time spent within walled gardens.

This represents a significant swing in recent years. As recently as 2014, consumers spent 62% of their online time within walled gardens.

This shift has come as hours spent on the open internet have increased significantly, from less than 2 hours per day, on average, in 2014, to more than 5 hours per day in 2023.

The emergence of key digital channels, such as streaming TV and digital audio, has played a major role in this consumer shift to the best of the open internet.

TIME SPENT (% SHARE) WITH THE OPEN INTERNET VS. WALLED GARDENS



Source: GlobalWebIndex (GWI Core): FY 2014, 2017, 2020 and 2023.
Market: USA; Adults 18+ Avg Daily Time Spent by Media.

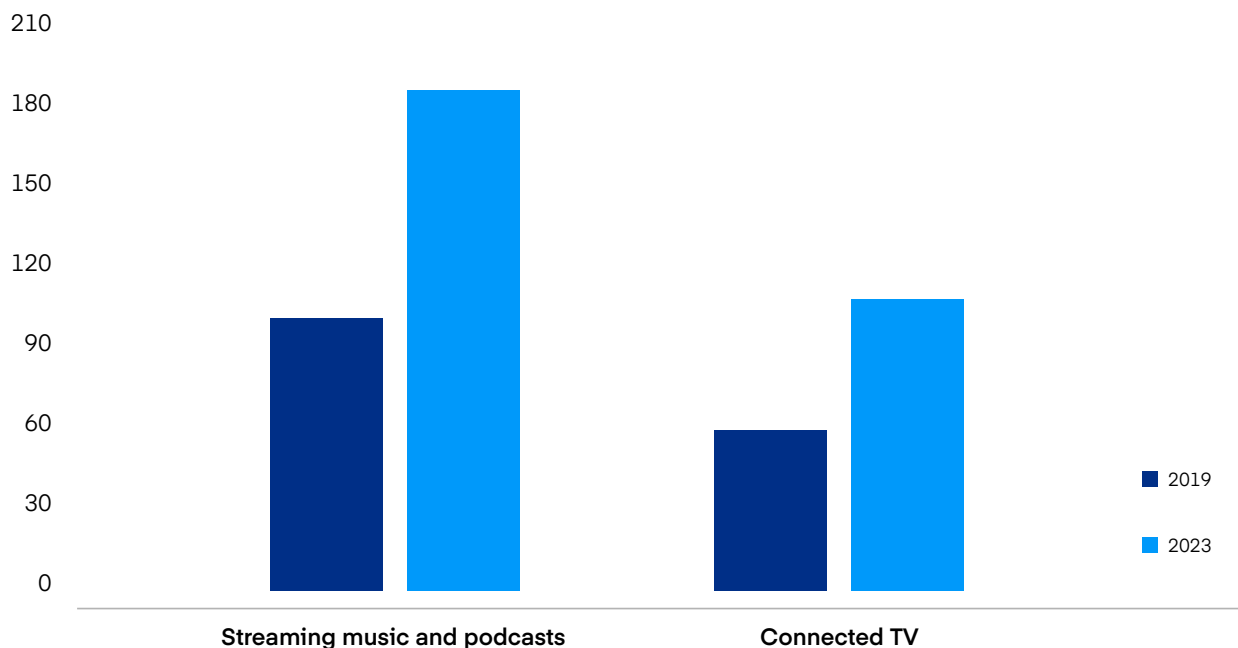
2 PREMIUM DESTINATIONS GRAB CONSUMER ATTENTION

Consumers are flocking to the open internet because of the premium nature of professionally produced content. According to [eMarketer](#) and GlobalWebIndex, for example, adults in the U.S. almost doubled their daily consumption of streaming music and podcasts from 2019 to 2023, from 97 minutes to 181 minutes.

Similarly, average daily CTV viewership in the U.S. doubled from 58 to 115 minutes over the same period, according to GlobalWebIndex and Nielsen.

Social media growth, by comparison, slowed considerably during this time frame, with average daily usage growing less than 10%, from 124 minutes to 136 minutes per day across all social media channels in the U.S., according to GlobalWebIndex.

GROWTH IN SELECT PREMIUM INTERNET CHANNELS (MINUTES SPENT, PER DAY, ON AVERAGE, U.S., 2019–2023)

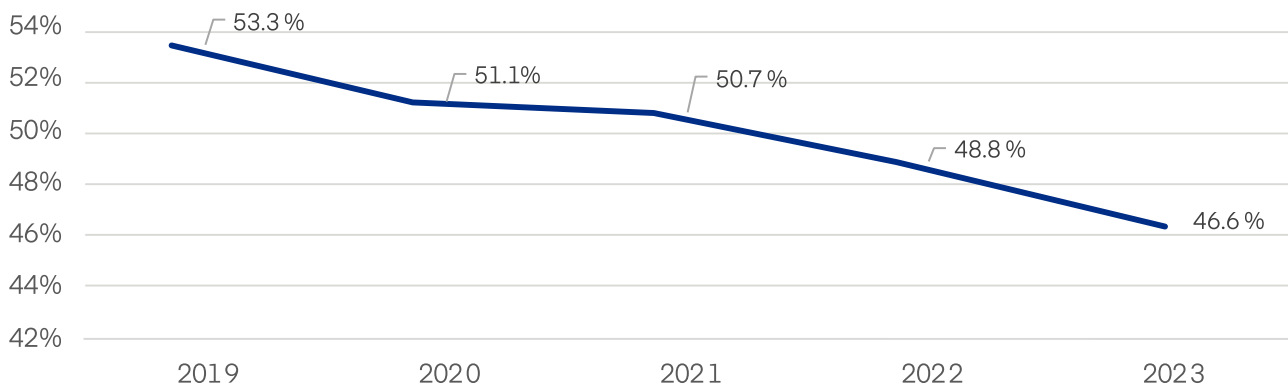


Sources: GlobalWebIndex, Nielsen, eMarketer.

BIG TECH'S SHARE OF DIGITAL AD SPEND IS DECLINING

[Research](#) from Insider Intelligence highlights comparatively declining demand for advertising opportunities within walled gardens. Indeed, 2022 was the first year in a decade when Google and Facebook did not account for more than half of all digital advertising spend. This trend continued into 2023, with these two walled-garden giants now accounting for 46.6% of digital advertising spend, down from over 53% in 2019.

META (FACEBOOK) + ALPHABET (GOOGLE) SHARE OF DIGITAL AD SPENDING



Source: Insider Intelligence.

4 ADVERTISERS VALUE THE BEST OF THE OPEN INTERNET

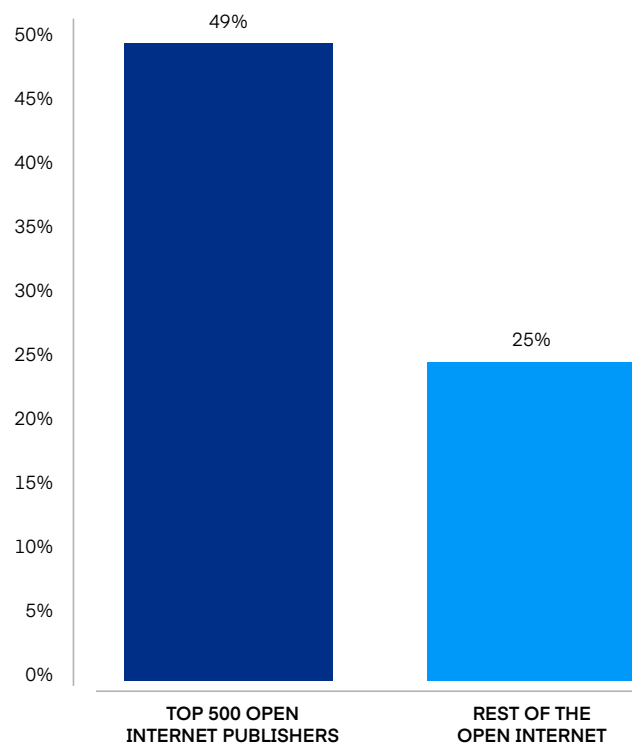
This shift comes as more advertisers prioritize the very best of the premium internet. Whether it's the best in live sports featuring the world's top leagues and tournaments, the best scripted TV shows and movies, or trusted journalism, the most premium digital content is now on the open internet.

Since 2019, demand for advertising impressions on the top 500 digital destinations has grown faster (49% average annual growth rate) than the rest of the open internet (25%).

And advertisers are willing to pay more for those top-tier impressions. During the second half of 2023, for example, marketers paid 78% more for CTV ad impressions within the top 500 destinations than those outside. Similarly, for display ad impressions, they were willing to pay 11% more.

These trends indicate that advertisers are placing greater emphasis on key impression characteristics, such as **premium content, brand quality, stability, viewability and supply path integrity**. For example, display ad impressions within the top 500 destinations were 18% more viewable than those outside the top 500.

ADVERTISING DEMAND FOR THE TOP 500 OPEN INTERNET DESTINATIONS IS 2.1X HIGHER WHEN COMPARED TO THE REST OF OPEN INTERNET (2019–2023)



Source: The Trade Desk.

QUESTIONS LOOM FOR WALLED GARDENS

Growing advertiser preference for the very best of the open internet comes as marketers become more aware of the opaque practices of walled gardens.

Most notably, in its landmark lawsuit against Google, the U.S. Department of Justice (DOJ), alleged that Google has been *“driving out rivals, diminishing competition, inflating advertising costs, reducing revenues for news publishers and content creators, snuffing out innovation, and harming the exchange of information and ideas in the public sphere.”*

At the same time, Google has been put under the microscope in terms of the viewability of its ad placements, as well as its [impact](#) on publishing and journalism.

Indeed, both [Google](#) and [Facebook](#) have recently announced moves that may significantly curtail the ability of journalistic outlets to monetize news content, even as advertisers are looking for ways to [support](#) a flourishing Fourth Estate.

EXCLUSIVE MEDIA & MARKETING

Google Violated Its Standards in Ad Deals, Research Finds

About 80% of Google's video-ad placements on third-party sites violated promised standards, new research shows; Google disputes claims

Axel Springer, Other European Media Sue Google for \$2.3 Billion

Media companies claim they would have had higher revenue, lower advertising fees without Google's dominant position

Google may have misled dozens of advertisers and violated its own guidelines - report

DOJ antitrust case targeting Google's ad-tech business will go to trial in September, federal judge rules

OPINION: ON TV & VIDEO

How The YouTube Scandal Exposes A Double Measurement Failure

Facebook is getting rid of the News tab in the U.S. and Australia

Google's Gen AI Search Threatens Publishers With \$2B Annual Ad Revenue Loss

STREAMING TV DRIVES OPEN INTERNET GROWTH

The omnichannel growth of the open internet in recent years has been underpinned by the surge in CTV viewership and related advertising opportunities. And it's no surprise then that CTV dominates the list of the leading destinations on the open internet.

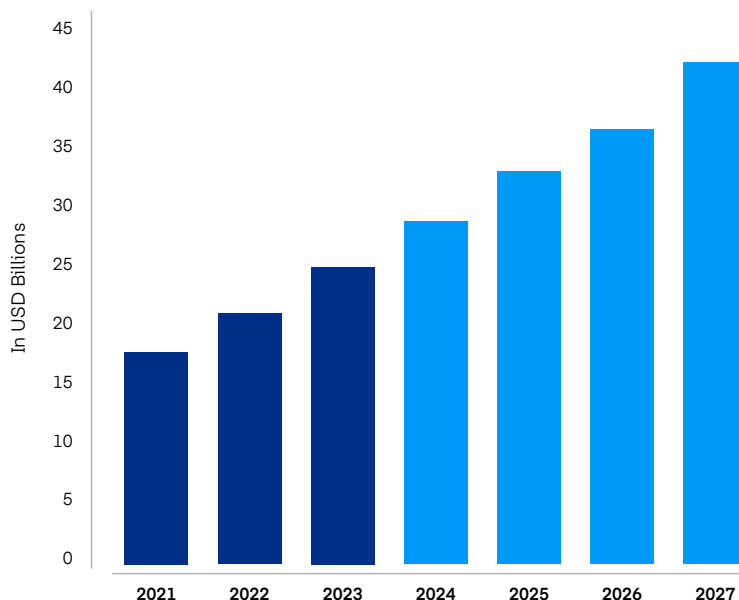
In 2022, for the first time, viewers in the U.S. [spent](#) more time on streaming TV platforms than traditional cable TV – a trend that has only [accelerated](#) since then. And advertisers are following the eyeballs. According to [Insider Intelligence](#), “*Connected TV (CTV) is the fastest-growing major ad format in the U.S., drawing strength from the migration of programming, viewers, and time spent to digital channels.*”

Furthermore, according to recent [research](#) from The Trade Desk Intelligence, 75% of 25- to 44-year-olds have increased CTV consumption over the last year. This demographic is highly coveted by advertisers, in part, because of its rapidly expanding purchasing power.

These shifts are occurring as more media companies make the highest value TV content available via streaming platforms, including live sports. This year, viewers are able to watch NBA, NFL, NHL, MLB, Premier League Soccer and almost all other major sporting events via CTV.

And for the first time in 2024, the Olympic Games will be available [programmatically](#) to advertisers.

U.S. CTV AD SPEND



Source: Insider Intelligence.

“CTV is changing everything in advertising. Not only is the shift from linear to CTV driving significant growth in digital spend as advertisers shift dollars from linear TV to connected TV, but more spend is happening outside the walled gardens as advertisers shift spend from user-generated content to premium streaming content.”

- Jeff Green, February 15, 2023



PREDICTIONS

1

DIGITAL AUDIO
IS SET FOR
TAKEOFF

2

CTV WILL
CHALLENGE
YOUTUBE AD
DOMINANCE

3

THE OPEN
INTERNET WILL
BE REPLUMBED

4

AD-SUPPORTED
STREAMING WILL
FLOURISH

5

KEY GLOBAL CTV
MARKETS WILL
OUTPACE THE U.S.

6

CTV WILL
HELP SAVE
JOURNALISM

DIGITAL AUDIO IS SET FOR TAKEOFF

According to Jeff Green, CEO of The Trade Desk, “Digital audio advertising is a relative value compared to other channels given its level of addressability and efficacy, and many of our advertisers are already leaning in.”

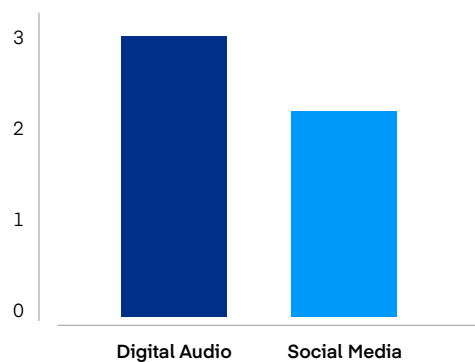
Digital audio has been one of the fastest-growing channels on the open internet in recent years. Streaming music and podcasts now account for an average of almost 3 hours of consumer time per day in the United States, according to Global World Index. Spotify, for example, now [boasts](#) 602 million users, 379 million of whom have selected an ad-supported option. Furthermore, Spotify’s ad-supported subscriber base is growing faster (28% year-over-year in Q4 2023) than overall subscribers (23%).

Social media, by contrast, accounts for just over 2 hours of consumer time per day, on average.

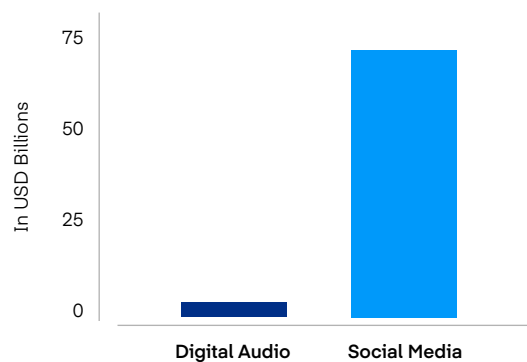
From an advertising spend perspective, however, social media dwarfs digital audio, commanding \$65 billion in campaign spend in 2023 in the United States, compared to \$7 billion for digital audio.

This imbalance will start to reverse in the years ahead as more advertisers target highly engaged digital audio consumers.

HOURS SPENT, PER DAY, BY U.S. CONSUMERS ON DIGITAL AUDIO AND SOCIAL MEDIA (2023)



TOTAL U.S. AD SPEND ON DIGITAL AUDIO AND SOCIAL MEDIA (2023)



Source: GlobalWebIndex.

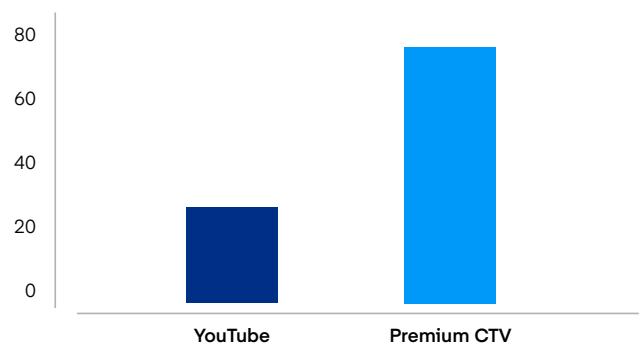
CTV WILL CHALLENGE YOUTUBE AD DOMINANCE

According to Nielsen, in January 2024, YouTube [accounted](#) for around one-quarter of all digital/streaming video consumption in the U.S. Premium CTV platforms such as Netflix, Hulu, Disney+ and Peacock accounted for more than three-quarters of consumer time spent.

By contrast, YouTube accounts for the vast bulk of digital video advertising spend. YouTube global ad revenue for 2023 totaled more than \$31b, for example, while all major streaming platforms, collectively, accounted for approximately \$20b, according to [estimates](#).

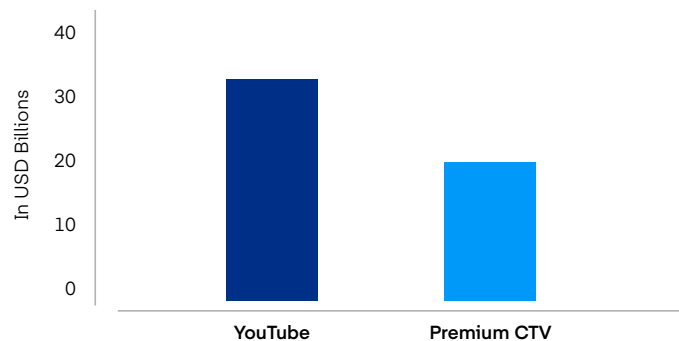
As advertisers increasingly [question](#) the brand safety of YouTube advertising, they are likely to shift spend to the professional, premium content of open internet CTV.

DIGITAL TV/VIDEO VIEWING TIME SPENT (% SHARE, JANUARY 2024)



Source: Pixilate.

2023 GLOBAL ADVERTISING REVENUE



Source: Statista.

THE OPEN INTERNET WILL BE REPLUMBED

The emerging identity and authentication fabric of the open internet will move spend from user generated content to premium, professionally produced content. That's because new approaches to identity and authentication – rapidly being embraced by many of the internet's premium publishers – can give advertisers more certainty that they are reaching their target audience against the right content at the right time.

Indeed, advertisers are willing to pay meaningfully more when they have confidence that their ads are reaching the right audience.

Open and biddable digital audio ad impressions that include Unified ID 2.0 (UID2) are valued 28% higher by advertisers than those without UID2. Similar trends play out across all digital advertising channels.

And advertisers are embracing new opportunities to engage with authenticated audiences.

Unilever recently [reported](#) that a CTV campaign running on Disney with UID2 was 12 times more effective at reaching its target audience than with traditional targeting.

INCREASE IN BIDDABLE ADVERTISING IMPRESSION VALUE WHERE UID2 IS PRESENT

JANUARY 1 – DECEMBER 31, 2023



17%
VIDEO

28%
AUDIO



22%
DISPLAY

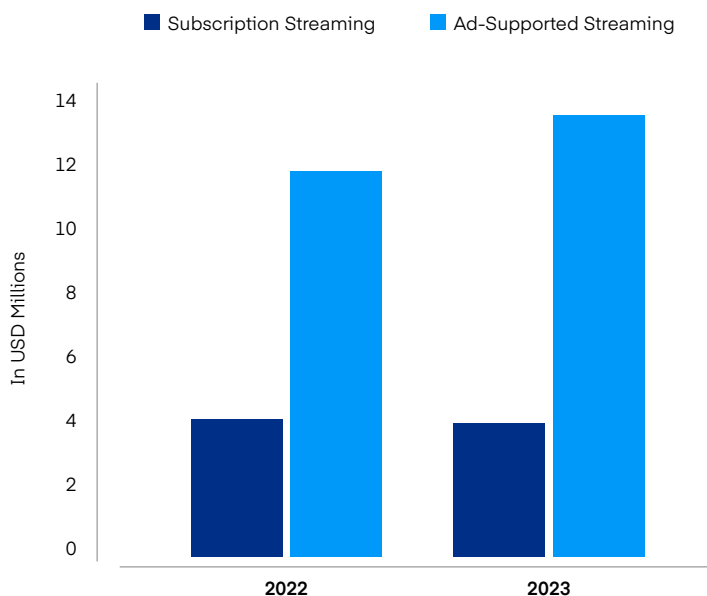
4 AD-SUPPORTED STREAMING WILL FLOURISH

As consumers have shifted en masse to CTV, and as more media giants have launched streaming services, there has been industry-wide realization that the only way to fund this new golden age of TV is via advertising.

As The Hollywood Reporter recently [posted](#), “Executives at every streaming giant with both an ad-supported and an ad-free tier (including Disney, Netflix, Paramount, Warner Bros. Discovery and NBCUniversal) say that total revenue per user is higher on the ad-supported plan than it is on the ad-free plan.”

With more incentives for viewers to select ad-supported streaming options, eMarketer [expects](#) “Ad-supported streaming to gain triple the viewers of subscription video this year.”

SUBSCRIPTION STREAMING VS. AD-SUPPORTED STREAMING, ANNUAL VIEWER GAINS



Source: eMarketer.

KEY GLOBAL CTV MARKETS WILL OUTPACE THE U.S.

It's no surprise that major CTV platforms in markets such as the U.S., U.K., Canada and Australia feature heavily among the top publishers on the open internet.

In these markets, consumers are making the shift to streaming TV and the conditions for programmatic advertising support of streaming TV are more advanced. In Australia, for example, more consumers are now [watching](#) streaming TV than traditional free-to-air broadcast TV. Streaming demand is expected to accelerate internationally over the next few years. Indeed, 2024 is [expected](#) to be the first year where the U.S. does not account for more than 50% of global streaming revenue.

CTV WILL HELP SAVE JOURNALISM

“CTV can save journalism. Period. I may go so far to say... it may be the only hope.”

- Jeff Green, Feb 27, 2024

According to a [recent](#) report by Northwestern University, since 2005, approximately one third of newspapers in the U.S. have closed, and approximately two-thirds of newspaper reporter jobs have been lost.

At the same time, according to a recent MAGNA [study](#), consumers reported that ads in news content were 8% more relevant, 6% more valuable and 4% more trustworthy when compared to non-news programming. In order to capture this opportunity, and fund a vital, thriving and trusted journalism industry, news media destinations will increasingly borrow from the CTV playbook.

With cookies deprecating, news media destinations will build new approaches to authentication, following the same strategy as today's CTV pioneers. They will leverage simple, lightweight single-sign-on technologies so they can offer advertisers more valuable insights on how to reach target audience on their sites.

