Boostr MAST Report

1H 2024 Media Ad Sales Trend Flash Report

Welcome to Boostr's "Media Ad Sales Trend (MAST) Report" for 1H 2024. This flash report sheds light on market performance across more than 100 media companies of varying sizes and types from 1H 2024.

The topline news is positive:

- **The rebound is underway**, with buying activity ramping up significantly in Q2 and overall revenue growth in low double-digits.
- **Forecasting is harder than ever**, due in large part to increased in-quarter activity, with the majority of deals being sold and activated within the quarter.
- **More RFPs, faster launch times, and larger deal sizes** are increasing the strain on Media Sales and Ad Ops teams, which must respond to and activate a higher volume of business more quickly than in the past.
- **Net revenue retention (NRR) is up to 2022 levels (phew!)**, but at under 60% overall, retention still needs work.

This analysis refers to direct-sold channels and excludes open exchange/RTB programmatic revenues. In this way, we can paint a clearer picture of what's actually happening on the ground and in the field for the world's media companies, large and small.

At Boostr, we have the honor of working with the world's leading media companies, helping them grow with our end-to-end advertising management platform. What follows is a breakdown of what we—and by extension, our customers—are seeing across the market. We hope you find it useful as you plan your own sales and marketing strategies for the remainder of 2024 and beyond. As always, we welcome your feedback and questions for further inquiry.

- The Boostr Team

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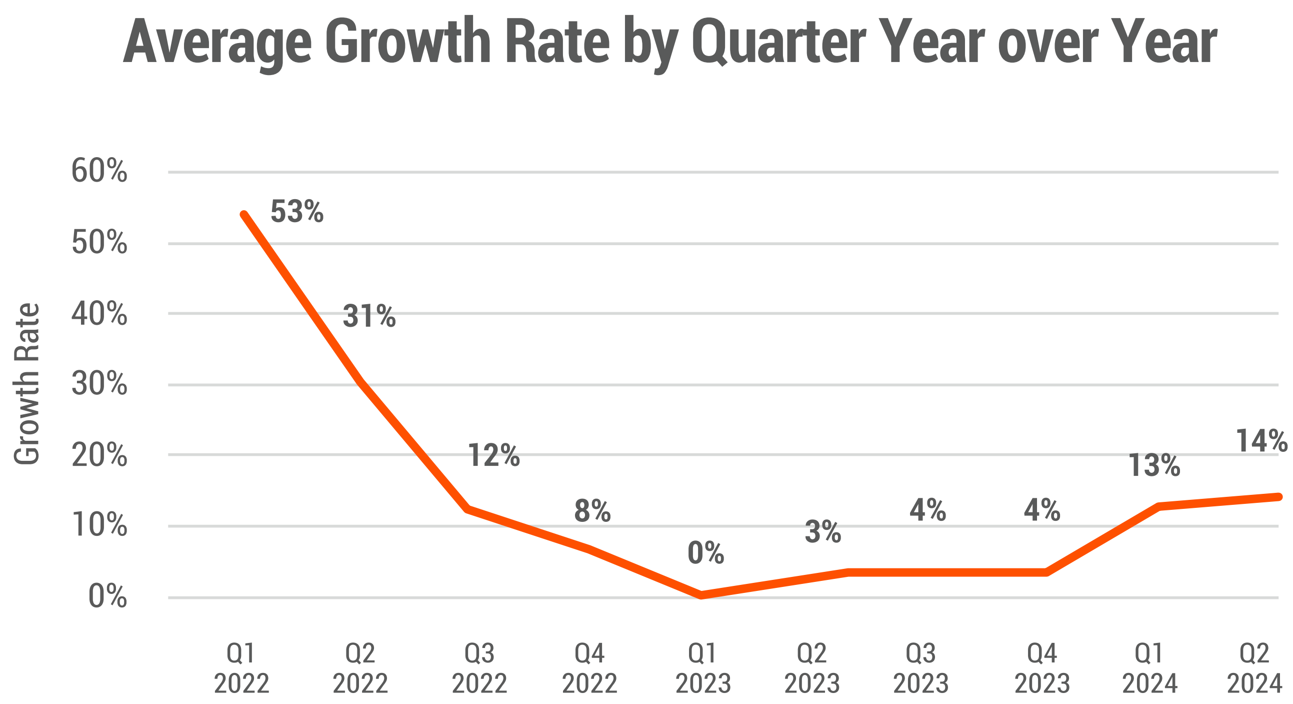
Is that growth curve starting to grin?

The ad market rebounded in 1H 2024, and media companies saw low double-digit growth as the broader transition to digital continues. This growth was in line with market predictions from the likes of eMarketer and AdMonsters.

Looking a bit more deeply into quarterly performance, Q1 was a mixed bag. We saw growth rates vary widely across company cohort sizes in Q1, but by Q2, nearly all media company size cohorts were up.



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It's all about what happens in the quarter

As we have noted in the past few MAST reports, it's exceedingly difficult to predict performance from one quarter to the next. If you're the head of Sales, Sales Ops, or Rev Ops, predicting how you'll end the quarter continues to be a challenge, as there is volatility within the quarter.

This year, we continue to see the trend of **buyers making last-minute commitments**. Deal cycle times continued to accelerate, decreasing 22% to 30 days in Q1 and speeding up nearly 2X from that to just 17 days in Q2. An increasing majority of deals are now closing and starting within the quarter, with 65% of deals booked and starting in Q1 (down 3% YoY).

Additionally, media companies continued to see pressure to activate campaigns after winning them, with the time from **deal closure to start date down to just 20 days in Q2**. This represents a decrease of 11% YoY and three **fewer days than in Q1**, putting even more pressure on media companies as buyers make more last-minute in-quarter investments.

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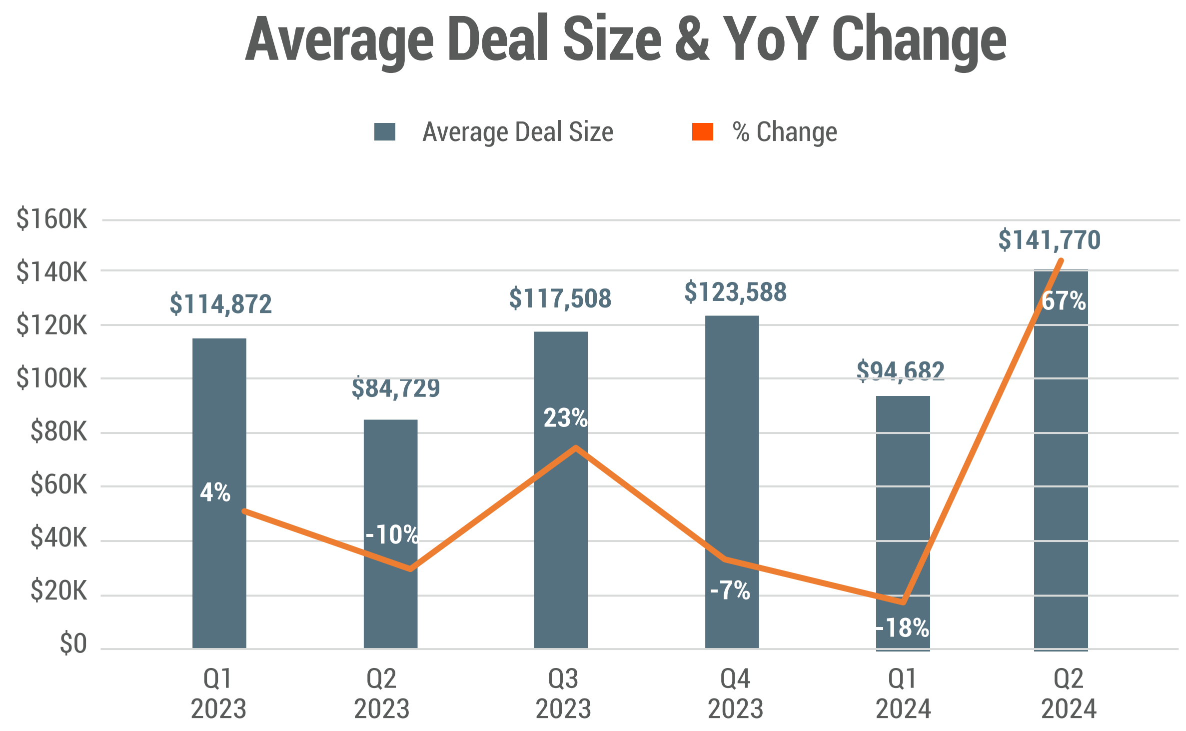
Deal sizes pop

This year got off to a slow start, with smaller average deal sizes, down 18% YoY to $95k.

But Q2 told a different story. While Q2 traditionally sees larger deal sizes, driven by seasonal categories such as Travel, Autos, and Entertainment, spend in Q2 2024 popped 67% YoY. While these categories contributed to the increased spend, political advertising is also a likely driver.



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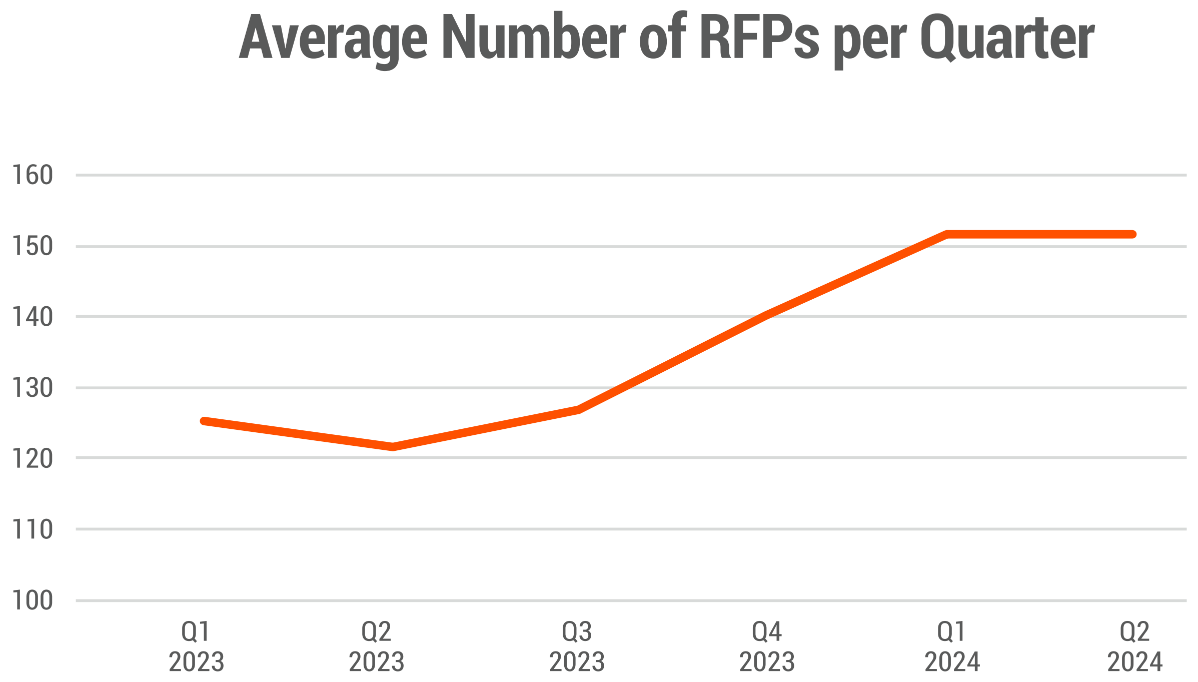
RFP volumes boom

Demand picked up sharply in Q1, with RFP volumes up 9% YoY, and again in Q2, when RFP volume was up another 17% YoY. This boom reflects the overall industry growth rate and uptick in deal size that accompanied Q2, sending strong signals that buyers are back in the market with confidence in their businesses and the economy at large.

In Q1, the biggest RFP drivers were Utilities & Power (+123%), Real Estate (+93%), and Professional Services (+70%), with almost all other categories up year over year except for slight declines in RFP volumes from CPG and Entertainment brands.

In Q2, the trend continued with Utilities & Power (+100%), Tech & Telecom (+68%), and Professional Services +63%. The only categories that declined were Adult & Gambling (-36%), Real Estate (-13%), and Government (-1%), which refers to government entities/agencies, not political spending.



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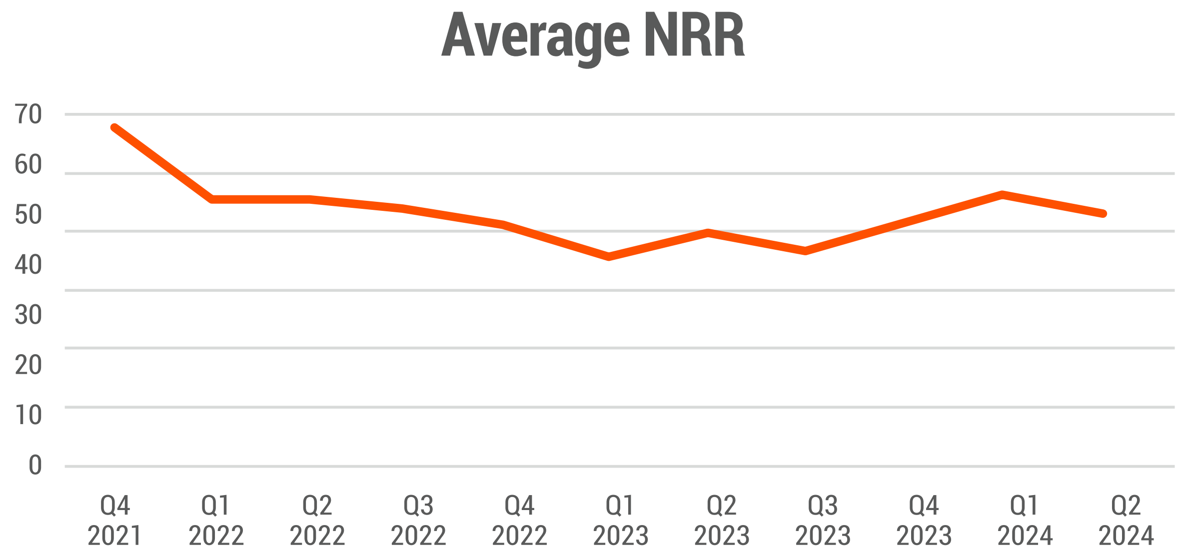
Are we finally plugging that hole in the bucket?

After multiple MAST reports in which we sounded the alarm about the "leaky bucket" retention problem facing most publishers, there is finally some good news: In Q1, Net Revenue Retention (NRR) finally crept up to 55%, a 13% increase YoY, and it held at 51% in Q2, a 4% increase YoY.

These NRR figures signal a rebound in spend and client servicing to levels we have not seen since early 2022. With recession fears largely gone, it seems buyers are more likely to return with their budgets. The increase in NRR also contributes to overall growth rate increases, as media companies received a small boost from existing client revenue, reducing the pressure to win new logos to achieve growth goals.

That said, media companies of all sizes would be wise to revisit their strategies for client expansion and acquisition for the rest of the year—especially for Q4 and other seasonal spenders. Tactical exercises like reviewing every brand that spent in Q3 and Q4 over the past three years but are not currently contracted for 2024 should be on the priority account list for reactivation or growth.



With overall NRR still below 60%, poor retention remains a drag on growth, placing undue pressure on sourcing new logos and preventing faster growth across the board.

To wit, media companies that are tracking and using NRR to strategize surgically around clients ripe for expansion, to mitigate contraction, and to prevent churn are posting outsized NRR and above-average growth rates, since these metrics are positively correlated.

Looking ahead

Media companies would be advised to do three things to succeed in Q4 and beyond:

1. Review every brand that spent in the fourth quarter of 2023 and 2022 and pitch them if they're not currently in the pipeline.
2. Identify which products should be added to every new proposal to increase deal sizes.
3. Get daily visibility on Q4 forecast revenue with an eye on submitting RFP responses early, and anticipate which already-sold campaigns might start late and underdeliver.

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About this report

The insights in this report were derived from a cohort of 100+ primarily digital U.S.-based media companies within the Boostr platform from Q1 2022 to Q2 2024.

About Boostr

Boostr provides the only advertising management platform—including a CRM, OMS, and Proposal Recommendation Engine—built specifically for modern media organizations seeking to scale. In an environment where the complexity of media selling and delivery has outpaced disconnected, manual solutions, Boostr provides the most accurate revenue forecasting, the fastest pace of industry innovations, and the most actionable insights in the industry. Boostr automates processes and frees Sales and Ops teams from manual data entry so they can focus on insights that drive revenue generation and profitability. For more information about Boostr, visit www.boostr.com.

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