AI Machine Learning to Drive ‘Real Time Bid’ Advertising Spend to $42Bn Globally by 2021

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Finally living up to the market hype

Hampshire, UK – 5th September 2016: Juniper Research (http://www.juniperresearch.com/home?utm_source=sourcewirerpr&utm_medium=email&utm_campaign=AI_ML_Media_16_P has found that machine learning algorithms used to enable more efficient ad bids over RTB (real-time bidding) networks will generate some $42 billion in annual ad spend by 2021, up from an estimated $3.5 billion in 2016.

Machine learning; a subset of AI; has arrived at a point where it is both accessible as well as affordable to a wide range of stakeholders. Juniper anticipates that the technology will eventually permeate into nearly all industries in the next five years.

Bots & Digital Assistants

In the case of the media industry, machine learning is being used to develop so-called ‘bots’ and digital assistants, as well as maximise returns on digital advertising. In the case of the former, companies such as Facebook and Google are leading the drive, with the likes of Rocket Fuel and Datacratic developing innovative solutions for the latter use case.

Behaviour, Context & Prediction

The new study, AI & Machine Learning: Media Dynamics, Disruption & Future Opportunities 2016-2021 (http://www.juniperresearch.com/researchstore/strategy-competition/ai-machine-learning-media?utm_source=sourcewirepr&u found that current RTB bidding mechanisms are based on segmentation, as opposed to the individual, while rules for determining bid amounts are often rudimentary.

Machine learning promises to transform this segment of the digital advertising market, in that algorithms are able to predict the success outcome of an impression, and thus adjust bid amounts dynamically. For example, the fact that the end-user has recently been delivered a similar advert may impact their likelihood of clicking on another. Meanwhile, other behavioural and contextual attributes are used to predict how successful an impression may be – on an individual level.

“Typical RTB allows the advertiser to target demographics or various population subsets,” noted research author Steffen Sorrell. “Adding machine learning into the mix effectively allows RTB networks to target the individual. This is a much more powerful tool.”

Personalisation is the Future

In addition, the study found that machine learning is likely to lead to an era of ‘fully personalised’ ad delivery. This concept was demonstrated last year by M&C Saatchi via their adaptive digital poster in London. Meanwhile, advances in machine learning will enable computer systems to

understand both the images and text delivered to web pages, offering an opportunity for unique ad campaigns.

The whitepaper, Media AI ~ Smart Marketing (http://www.juniperresearch.com/document-library/white-papers/media-ai-smart-marketing?utm_source=sourcewirepr&utm_m is available to download from the Juniper website together with further details of the full research.

Juniper Research provides research and analytical services to the global hi-tech communications sector, providing consultancy, analyst reports and industry commentary.

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