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Press Release

Latest Survey "State of Commerce Advertising Q3/2023" by mrge: Survey in the advertising industry reveals: 80 percent of respondents already use generative AI tools

Hamburg, July 11, 2023 - mrge, one of the world's leading platforms for Commerce Advertising, conducts quarterly surveys to analyze the sentiment among publishers, advertisers, and networks. The survey results are summarized by mrge in the industry index "State of Commerce Advertising." The results for the second quarter and the forecasts for the third quarter of 2023 are now available, revealing not only a positive sales development and the increasing relevance of Commerce Advertising but also a significant adoption of generative AI. Most respondents have worked with generative AI at some point, with many using it regularly and ChatGPT ranking at the top of the list. These findings set the stage for optimal conditions for the success of Commerce Advertising.

In the industry index "State of Commerce Advertising," over 80 percent of respondents stated that they have worked with generative AI tools. Only 13.3 percent of respondents have not yet done so. When it comes to frequency, the usage is slightly more nuanced: 23.3 percent of industry experts use generative AI tools at least once a week, 23.3 percent use them daily, and 20 percent use them at least once a month. On the other hand, 33.4 percent of respondents use generative tools less than once a month. In response to an optional question about specific tools used by respondents, 94.4 percent mentioned ChatGPT by OpenAI, while only 5.6 percent additionally mentioned Google's alternative, Bard.

For Commerce Advertising, this is a positive development, as Felix Witte, General Manager & SVP Publishers at mrge, commented: "We see significant advantages for Commerce Advertising in the trend towards the effective use of generative AI tools in the advertising industry. Publishers, in particular, can benefit greatly. In Commerce Content, they create monetizable content. However, there is often a lack of resources in the implementation phase to create this content. Generative AI can now assist in various stages of the process: from generating content such as articles, product descriptions, and social media posts to keyword research and SEO optimization, as well as analyzing and optimizing existing content marketing and affiliate marketing strategies. We find the development of AI-powered chatbots for content particularly exciting: they can help users find suitable products quickly and provide recommendations with affiliate links."

For the industry survey "State of Commerce Advertising," mrge surveyed a total of 45 industry experts worldwide about their assessment of the past quarter and their expectations for the coming months. The survey was conducted from June 5th to June 19th, 2023. You can find all the results of the industry report <u>here</u>. The participants included advertisers, publishers, networks, agencies, and technology providers.





Felix Witte, General Manager & SVP Publishers, mrge

The share of Commerce Advertising in total revenue has increased to 36.7 percent

36.7 percent of participating industry experts now generate more than a quarter of their total revenue through Commerce Advertising. This represents a significant increase of over seven percentage points compared to the previous quarter. For a fifth of the respondents, the share of revenue from Commerce Advertising ranges from 15 to 25 percent, doubling in comparison to the last quarter. In total, over half of the respondents surveyed by mrge (56.7 percent) generate at least 15 percent of their revenue through Commerce Advertising.

Additional results:

- **Satisfaction:** Overall, 78.4 percent of the respondents rated the past quarter as neutral to very satisfied. Nearly half (48.7 percent) are satisfied or very satisfied.
- **Outlook:** Respondents are even more positive about the upcoming quarter than the previous one. Over half of them (56.8 percent) are optimistic or very optimistic about the coming months, with less than 11 percent expressing pessimism.
- **Sales development:** For 67.6 percent of respondents, sales remained at the same level (37.8 percent) or even increased (29.8 percent) in the past quarter. This represents an increase of over ten percentage points compared to the previous quarter. These findings indicate a positive and upward sales trend in Q2/2023, which could explain the unwavering optimism.



About mrge:

mrge is one of the world's leading platforms for Commerce Advertising, connecting over 5,500 publishers, 55,000 advertisers, and 100 networks across more than 160 countries. In 2022, the group generated 3.5 billion tracked clicks for its publisher clients, resulting in over two billion euros in additional e-commerce revenues for its advertiser clients. By merging intelligent tools, technologies, and formats, mrge brings campaign messages closer to content, creating value for publishers, advertisers, and users alike.

mrge combines the strengths of four market-leading companies: **digidip**, focusing on premium publishers with high traffic; **shopping24**, providing solutions for product recommendations; **SourceKnowledge**, an established CPC platform; and **Yieldkit**, offering high reach and performance. mrge is supported by the private equity investment group Waterland as the majority owner and led by CEO Dave Reed, CFO Michael von Stern, and CTO Nils Grabbert. With offices in Hamburg and Berlin (Germany), and Montreal (Canada), mrge has a dedicated team of over 140 professionals. <u>www.mrge.com</u>

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