State of Advertising 2025

Key insights to make your ads
more effective & memorable

Trusted by Top Brands & Agencies

UBS · Teads · Detroit Pistons · RAIFFEISEN · Tropicana · dentsu

Google · TARGET · TikTok · VISA · FIVE GUYS · KANTAR

facebook · Schibsted · L'ORÉAL · Meta · CHANEL · OMG Omnicom MediaGroup

Welcome to the State of Advertising

Note from our CEO

People see thousands of ads every day, but only a few leave a lasting impression. Attention spans are shrinking, and most ads go completely unnoticed. In 2018, the average mobile ad was viewed for 3.4 seconds.

Today, that number is just 2.2 seconds.

That's a 35% drop in seven years. But there's a silver lining.

While platforms and interactions evolve, the way we process what we see remains the same. Human cognition is deeply rooted in our biology. Across cultures, we are drawn to the same visual patterns, cues, and structures.

Advertisers can tap into these universal principles of perception.

The right visuals in the right context don't just improve advertising. They help brands create stronger, more meaningful connections with their customers. This report is designed to help you do just that.

With a deeper understanding of how people see, engage with, and remember ads, businesses can build customer experiences that truly make a difference.

Explore our key insights from a year of scientific research, conducted with global brands, top media agencies, and tens of thousands of consumers.

Dr. Thomas Z. Ramsøy

Neurons Founder, CEO,
Chief Science Officer

TL;DR

🆎 Ad Platforms

The largest neuromarketing study in recent history confirms that platform choice has a significant impact on how positively consumers perceive ads, brands, and products.

Learn more →

🎞 Cinema Ads

Big screens and immersive environments help advertisers deliver complex messages and positive emotions, making cinema a powerful platform for branding.

Learn more →

🆎 Ad Formats

Customers expect different types of content in vertical and horizontal formats. Storytelling strategies must adapt to these expectations to maximize advertising success.

Learn more →

📢 Brand Equity

The Norwegian streaming market shows how strong brand equity drives deeper emotional and motivational connections to brands and products.

Learn more →

🤖 AI in Advertising

AI adoption keeps growing, with most advertisers planning new investments in 2025. However, they also demand transparency and responsibility from AI companies.

Learn more →

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How to Read this Report

We've turned our scientific research into actionable insights so you can find the information that matters most to you.

To help you navigate it, each chapter starts with a summary.

This allows you to quickly assess whether you want to dive deeper or move on. Some chapters are more relevant to you than others, and that's okay. While the Report follows a logical flow, you don't have to read it cover to cover.

Skip sections. Jump around. Read it backward.

There's no wrong way to read this Report.

Note: We don't endorse any particular method or platform. We simply report what science has to say about ad effectiveness in different contexts.

Table of Contents

The State of Advertising Survey

In addition to our studies, this year we also surveyed 321 advertisers & marketers to get a pulse on industry trends.

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State of Advertising Survey

In this report, we draw on insights from our collaborative research projects with major companies, combined with proprietary data from the State of Advertising Survey.

We surveyed 321 global advertisers and marketing professionals in January 2025 to gain insights for this report.

The survey findings serve as a foundation for the chapter structure and narrative, helping to contextualize and validate key takeaways from our broader research.

Regions represented include North America, the UK, and Europe. Respondents came from companies of various sizes, from small businesses to large enterprises, spanning the B2B, B2C, and B2B + B2C sectors.

Marketers surveyed held roles ranging from C-suite executives and directors to general marketers, project managers, consultants, and specialists.

👥 PARTICIPANTS
321

💼 SECTORS
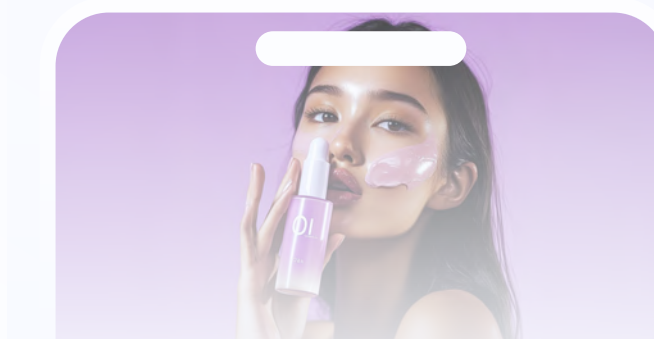# B2C, B2B, B2B + B2C

🌐 REGIONS
North America, UK, Europe

Platforms & Ad Perception

Studying the interplay between ads, platforms, and perception

Chapter Summary

We tested ads on over 4000 participants to find out how different platforms impact ad performance.

Mobile Attention continues to shrink

The average ad is viewed for less than **2.2 seconds** on mobile. This is a 35% decrease since 2018.

Focusing on immediate ad impact and brand exposure must be a priority for advertisers in 2025.

Big Screen, Even Bigger Impact

Ads on larger screens capture more attention and are seen more favorably compared to mobile.

Cinema, TV, and streaming platforms avoid consumer ad fatigue and deliver higher recall.

Attention Leads to Memory

We found a strong positive correlation (0.69) between attention and ad memory.

This shows that the more attention an ad draws, the more memorable it becomes.

Study Background

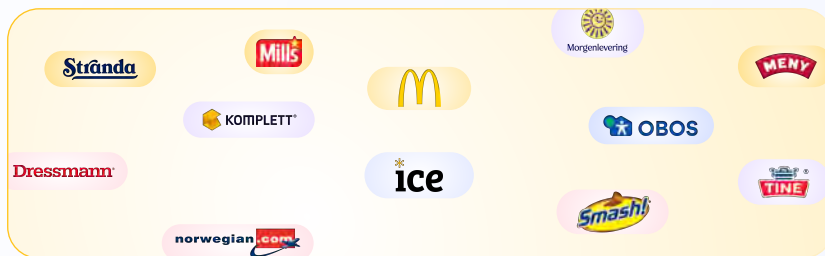**Nearly**
4,000
Norwegians Participated In This Study

Including
1,331
With Eye-Tracking

10
Media Channels Tested

12
Advertisers Involved

Stranda · Mills · Morgenlevering · MENY · KOMPLETT · OBOS · Dressmann · ice · Smash! · TINE · norwegian.com

Additional validation with Neurons AI

More than
30
Metrics available for ad-level analysis

In partnership with Emerge, we've launched one of the largest neuromarketing studies ever conducted, as part of MediaHub.

This ongoing, comprehensive research in Norway is designed to help advertisers optimize their content for better in-market performance and advance the industry in the process.

To evaluate the effectiveness of each ad creative, the project combines implicit and explicit response tests, eye-tracking, and artificial intelligence powered by Neurons AI.

The project aligned with insights from our past studies.

In the following pages, you'll find our aggregated findings from years of our research on platforms, screens, and ad perception.

Some of these will include:

- The decline in mobile attention
- Screen sizes and ad perception
- Attention's role in memory formation

Mobile Attention Continues to Shrink

We've long known that mobile ads struggle to capture sustained attention. Back in 2018, our research with MMA *(Mobile Marketing Association) and* ARF *(Advisertising Research Foundation)* revealed that the average mobile ad was viewed for 3.4 seconds.

Fast forward to today, and that number has dropped significantly.

In 2025, the average real viewing time for mobile ads is just 2.2 seconds. This is a 35% decrease in attention in just seven years.

Mobile Ad View-time (AVG)

3.4s

35% Decrease

2.2s

2018

2025

sponsored

EELIE

KOSAB
le parfum

2.2s

neurons
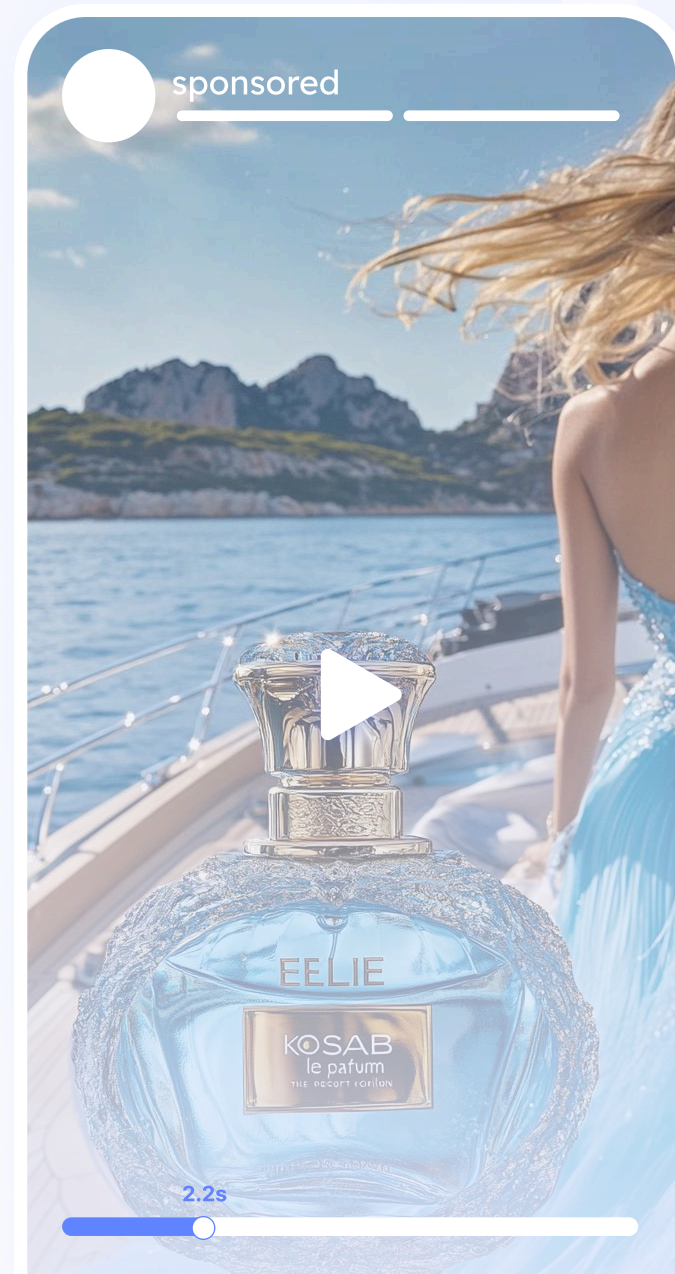
Mobile Attention Continues to Shrink

How do you evaluate the success of different creative assets in a campaign?

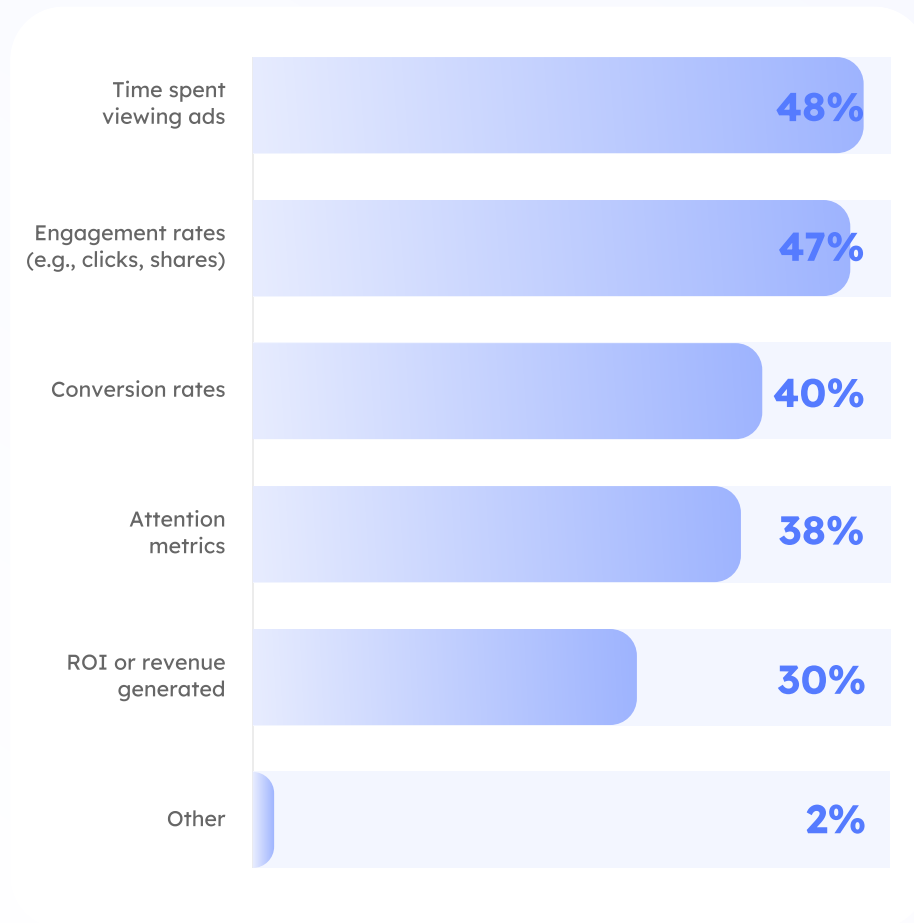|	
Time spent viewing ads	**48%**
Engagement rates (e.g., clicks, shares)	**47%**
Conversion rates	**40%**
Attention metrics	**38%**
ROI or revenue generated	**30%**
Other	**2%**

This sharp decline has major implications for advertisers.

"Time spent viewing ads" is ranked by marketers as the most important factor in measuring ad success.

Ad platforms misclassify nearly half of all mobile ads as "unviewable," even though a significant portion of them are seen.

This happens because traditional metrics measure device activity, not human attention. The reality is, fewer than 1 in 10 impressions go completely unviewed.

This means that the number one measure of ad success is unreliable, leading to a false understanding of ad performance.

For reliable results, using attention as a key metric when measuring ad performance is a superior strategy.

Attention is a great predictor of in-market performance.

Read more in our eBook

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Attention-Driven Demand Generation
How To Draw, Measure & Convert Attention in Advertising

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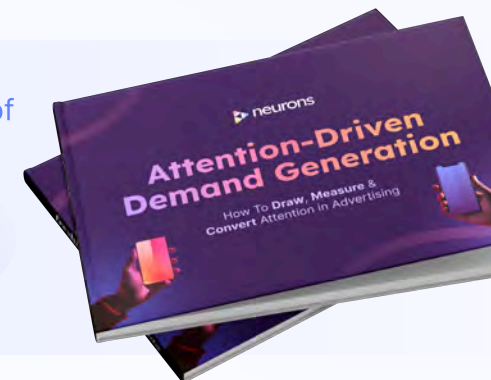
Design Ads for Immediate Impact

2.2 seconds of watch time seems short, but its impact can be profound. If you use those first moments effectively, ads that aren't watched all the way can still leave a lasting impression.

This is where the 1-second strategy comes into play.

In just one second, customers can notice your ad, process its message, feel an emotional response, and form a memory.

Designing ads with this brief window in mind, can help you stand out and create lasting connections.

67%
of ads are seen

10%
of ads are create an emotional response

>50%
of ads create a memory

400 ms   700 ms   1 sec
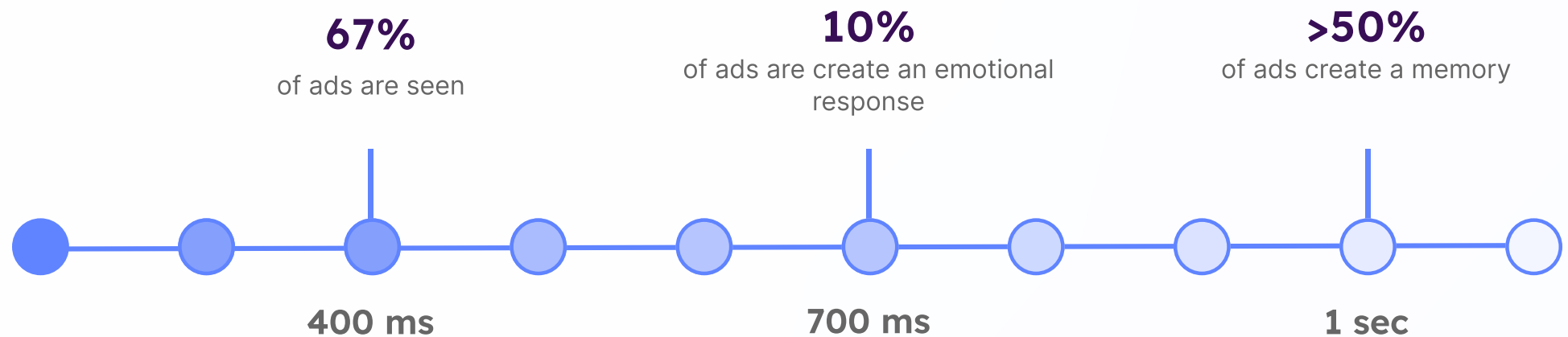
Big Screen, Even Bigger Impact

Our research shows that Cinema, TV, and streaming platforms significantly outperform social media and other mobile-first platforms in both reported and subconscious associations.

These large-screen environments create a sweet spot for generating stronger emotions and motivation.

Cinema and TV ads boast nearly 100% exposure, making them as close to real-world forced exposure as it gets. On average, the same ad shown on large screens is viewed for three times as long as on mobile.

Large screens help deliver messages, while mobile ads run the risk of being misunderstood due to their shorter format.

Cinema, TV, and streaming platforms not only avoid consumer ad fatigue but also generate positive audience perceptions and deliver higher recall.

As you'll see in the upcoming chapter with DRF, Cinema may be the ideal platform for building trust in both brands and ads.

Attention Drop-off Rate
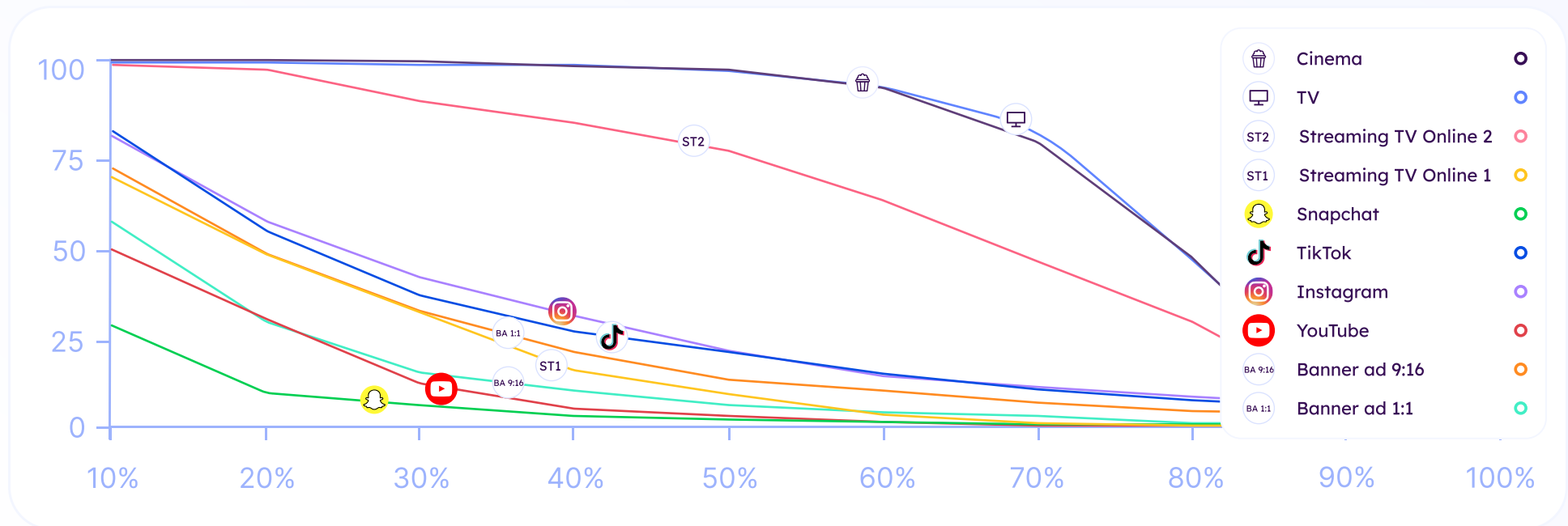
Average viewer drop-off rates across media platforms over ad duration percentages

The Platform Isn't Everything

While platforms play a key role in customer perceptions, ad performance varies widely within each channel.

As you can see on the charts to the right, there's a significant amount of variance in attention on each platform.

This is the impact of the ad creatives.

Campaign quality and narrative have a greater influence on emotional and motivational outcomes than the platform itself. Following best practices and testing ads before launch can help maximize impact on any platform.

The average ad on mobile is is viewed for 2.2 seconds, but it doesn't mean you have to settle for the average.

Not at all.

The platform impact discussed in this chapter serves as a guide to help you optimize your ads within their specific context.

Attention Drop-Off Rate Per Platform

Legend: — Average Attention Drop-Off Rate   ▢ Range of Attention Retention (Min-Max)
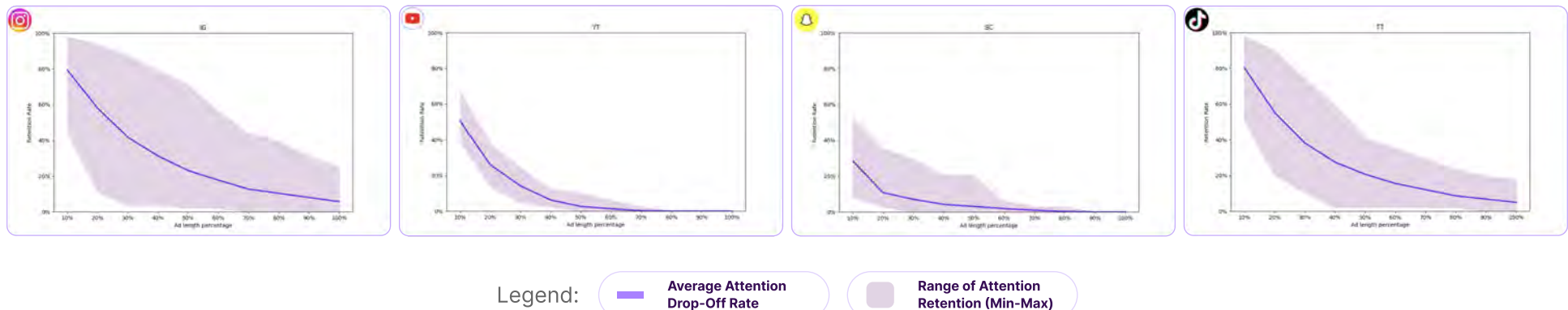
"The creative drives much of the variance in ad attention, particularly on social media and banner ads"

Dr. Thomas Z. Ramsøy
CEO & Chief Science Officer, Neurons

neurons

Attention Leads to Memory

Getting people's attention in the right places isn't just about creating an emotional reaction.

It also makes a big difference in whether your ad stays with them.

Our studies reveal a strong positive correlation between attention and ad memory, showing that the more attention your ad draws, the higher its chances of being remembered.

Ads in cinema, TV, and streaming platforms consistently outperform social media and banner ads when it comes to memory retention. These environments keep audiences focused on the content, which makes it easier for them to stay engaged and remember the message.

Mobile banner ads, on the other hand, face challenges like shorter exposure times, fragmented attention, and unclear messaging. These factors make it harder for audiences to connect with the ad and hold onto its message.

As a result, mobile banner ads often struggle to achieve the same level of awareness as ads on larger, more immersive platforms.

Memory Score

Attention Score

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Did you know?

Neurons AI, the same AI used in this study, enables advertisers to measure how their ads capture attention, drive motivation, engage cognition, and create memories.

Book a demo
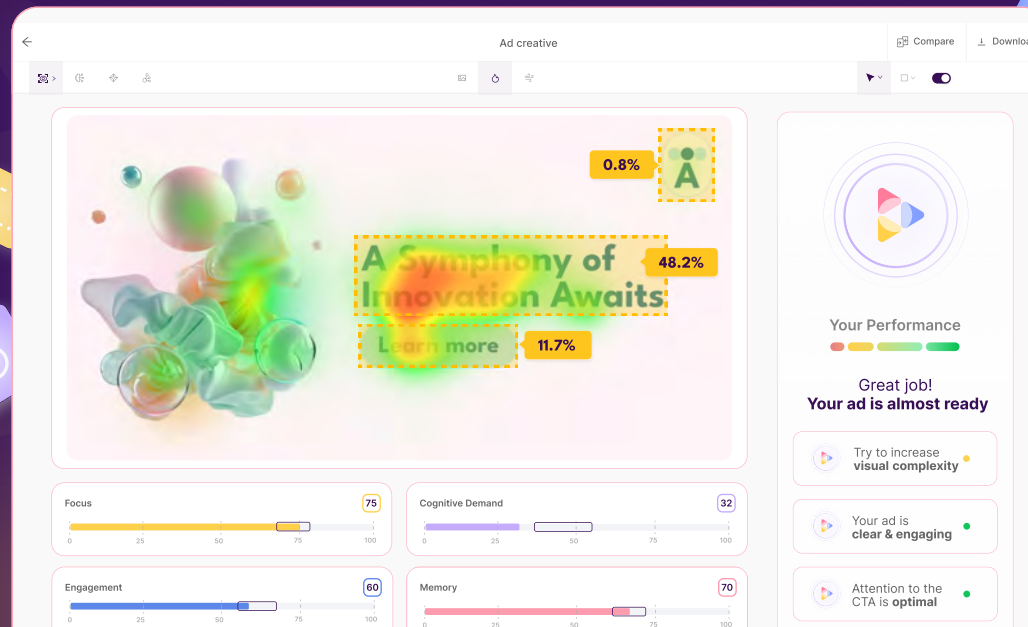
Cinema Is Still the King of Ad Perception

How the most immersive environment impacts advertising

Chapter Summary

We tested how Cinema, TV, and YouTube changes the perceived qualities of advertisements.

Big Screens Motivate Customers to Act

Cinema ads grab more attention than TV and Youtube ads.

They also drive a 10% increase in motivational associations compared to TV, and a 16% increase compared to YouTube.

Cinema Reduces Cognitive Load*

YouTube and TV ads often lead to excessive cognitive load.

Cinema ads tend to avoid this issue entirely, with most cinema ads falling within the optimal range for cognitive load.

Cinema Enables Storytelling

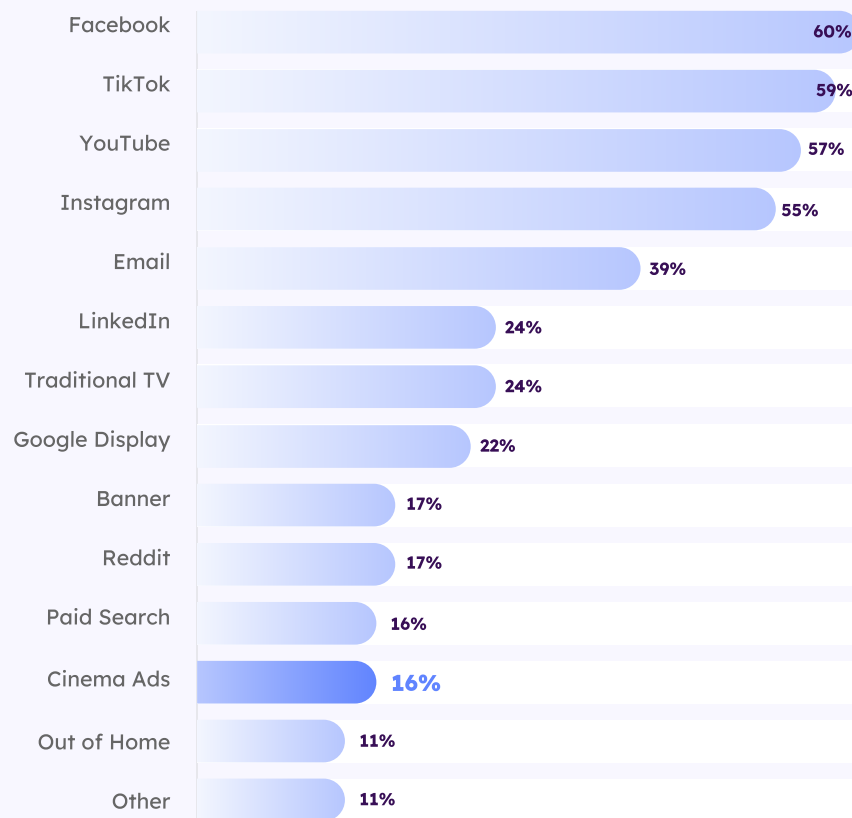Cinemas allow advertisers to tell complex stories without overloading audiences.

This combination creates an ideal environment for brand building.

Cognitive load refers to the amount of information our working memory can process at any given time.

Only 16% of Advertisers Use Cinema Ads

In last year's report, we predicted that streaming services would follow Hulu's lead by offering cheaper subscriptions with roll ads. This is because in-stream ads drive value for both the platforms and the advertisers. **But streaming is not alone in this respect.**

Which platforms do you regularly include in your advertising strategy?

| Platform	Percentage
Facebook	60%
TikTok	59%
YouTube	57%
Instagram	55%
Email	39%
LinkedIn	24%
Traditional TV	24%
Google Display	22%
Banner	17%
Reddit	17%
Paid Search	16%
Cinema Ads	16%
Out of Home	11%
Other	11%

As we covered in the previous chapter, streaming, Cinema, and TV ads result in the most positive ad perception and memory.

But did you know that **only 16% of advertisers include Cinema** in their advertising strategies?

Long-term brand impact is the number one driver for advertisers when assessing the success of their ad campaigns, ahead of engagement, sales impact, or ROI.

We all know that branding is key to long-term commercial success, and Cinema might just be the ideal platform to leave the right impressions for optimal brand impact. Although Cinema advertising is not be for everyone, you'll see that considering this platform could be the move that sets your brand apart.

What measures matter most when you're assessing ad performance?

Campaign ROI
17.2%

Long-term brand impact
30.4%

Short-term sales impact
24.3%

Audience engagement
27.9%
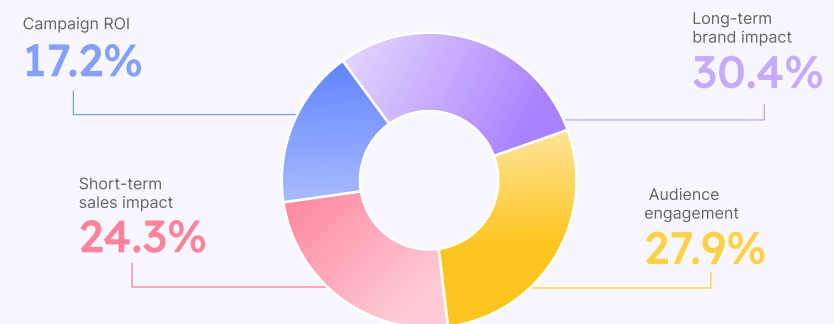
Advertisers value brand impact over campaign ROI in ad performance.

Study Background

Denmark has a long tradition of cinema advertising.

The first commercials were shown on the big screen as early as 1903, and over the years, several companies have sold and distributed promotional films to Danish cinemas.

Dansk Reklame Film (DRF) wanted to understand how cinema advertising stacks up against other forms of advertising, such as mobile ads and connected TV.

To explore this, Dansk Reklame Film partnered with Publicis and Neurons on a research project.

The study focused on the four powers of effective advertising: **attention, cognitive load, motivation, and memory.**

We used advanced eye-tracking and EEG technology to assess how consumers engage with ads across different platforms, followed by implicit and explicit association tests and memory assessments.

YouTube

Participants	N=36
Gender	56% Female, 44% Male
Age	19-65, Mean 42, Std. Dev. 12.13

TV

Participants	N=33
Gender	55% Female, 45% Male
Age	18-61, Mean 42, Std. Dev. 12.21

Cinema

Participants	N=38
Gender	47% Female, 53% Male
Age	18-63, Mean 39, Std. Dev. 12.88

Cinema Motivates Customers to Act

Motivation
The higher the motivation score, the more positive the emotions.

YouTube: 55
TV: 58
Cinema: 64

+14%
+10%

Arousal
The higher the arousal score, the more intense the emotions.
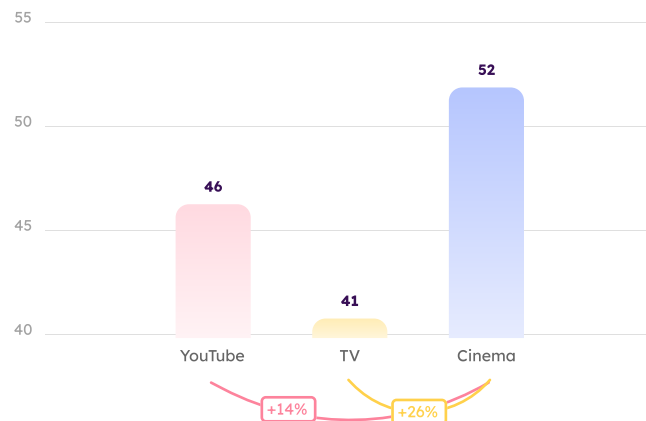
YouTube: 46
TV: 41
Cinema: 52

+14%
+26%
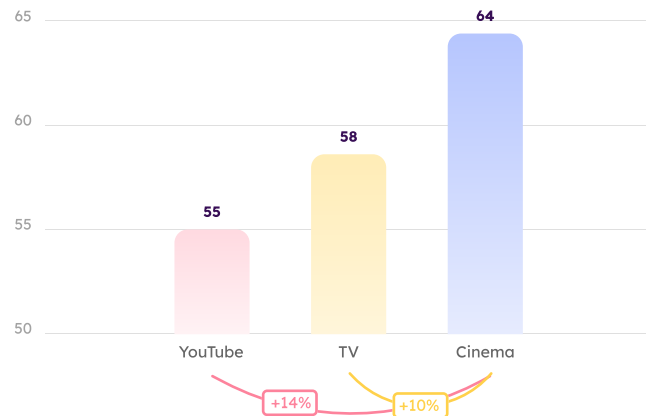
As we mentioned earlier, the cinema screen is the ultimate attention grabber. Ads shown in cinemas achieve higher view percentages, longer viewing times, increased Attention Per Mille (aPM), and more engaged attention compared to TV and YouTube.

But cinema ads deliver more than just attention.

Audiences also perceive ads more favorably in cinemas than on other platforms. This doesn't just impact how the ad is received, but it also influences the brand's overall position in the viewer's subconscious. Cinema ads drive a 10% increase in motivational associations compared to TV and a 16% increase compared to YouTube ads.

Emotional advertising, a proven method for building admired brands and selling products, is particularly effective on the big screen. Longer ads with narrative storytelling thrive in this environment, making the most of the immersive experience.

"Cinema's immersive nature makes it a powerful platform for advertisers to tell compelling brand stories."

Mike Storm
Chief Operating Officer, Neurons

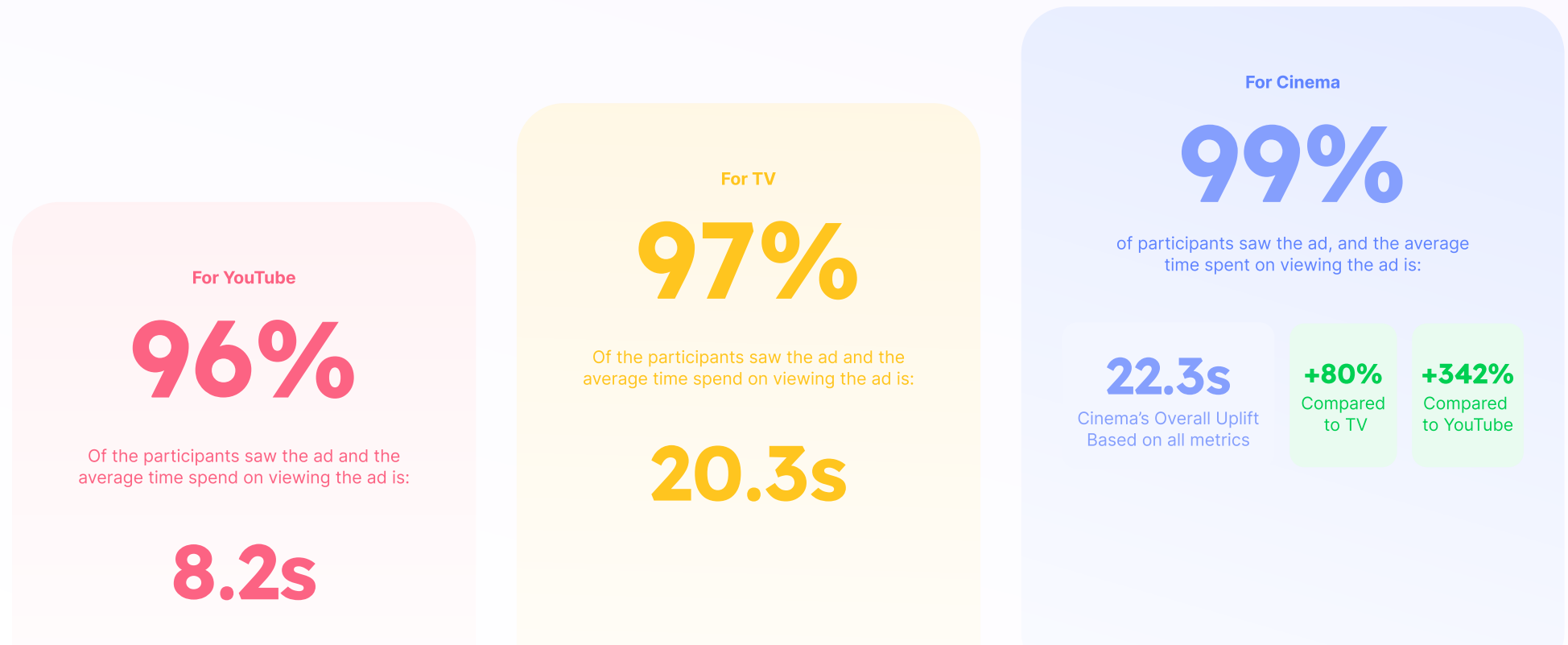neurons

The Big Screen Helps You Tell Your Story

Cinema offers a unique environment where audiences rarely experience information overload. Unlike YouTube and TV ads, which often lead to excessive cognitive load (what we call cognitive overload), cinema ads tend to avoid this issue entirely.

Most cinema ads fall within the optimal range for cognitive load: enough to keep audiences engaged without overwhelming them.

If the cognitive load is too low, audiences may become bored, while a load that's too high can lead to confusion and disengagement.

This makes cinema the ideal platform for conveying complex messages and adding depth to your storytelling. Storytelling requires undivided attention, and as we've seen, cinema provides this like no other medium.

You'll learn more about why this matters for storytelling ads in the chapter about Schibsted.

For YouTube

96%

Of the participants saw the ad and the average time spend on viewing the ad is:

8.2s

For TV

97%

Of the participants saw the ad and the average time spend on viewing the ad is:

20.3s

For Cinema

99%

of participants saw the ad, and the average time spent on viewing the ad is:

22.3s
Cinema's Overall Uplift Based on all metrics

+80%
Compared to TV

+342%
Compared to YouTube

neurons

The Big Screen Helps You Tell Your Story

Cinema makes it easier to use storytelling to convey your message, but it also drives stronger aided and unaided brand recall (both critical for building brand awareness and equity).

Unsurprisingly, during our research, cinema ads excelled in overall memorability for both ads and their brands, outperforming other platforms. Memory relies heavily on an ad's ability to capture attention, resonate emotionally, and deliver a clear message.

Cinema's immersive environment amplifies these effects, offering the ideal stage for storytelling advertisements.

When these elements of storytelling are in place, combined with the right balance of brand and product placement, creating a lasting memory becomes far more achievable.

Neurons' COO, Mike Storm presenting the research findings on attention and impact in audiovisual advertising to over 300 participants from the media industry.

Choosing the Right Ad Formats

How storytelling strategies fit in with different ad formats

New Perfume

Jasmine & Rose

VS

Chapter Summary

The study investigated how storytelling strategies impact ad performance in vertical vs. horizontal formats

Storytelling Excels in Landscape Formats

When shown in a horizontal format, storytelling ads reduced negative audience reactions.

These reactions include annoyance, intrusiveness, boredom, and avoidance behavior.

Products Thrive in Vertical Advertising

Simple narrative ads outperformed storytelling ads across all metrics when displayed vertically.

Both ad and brand memory were significantly enhanced by the use of simple messaging in this format.

It All Comes Down to Audience Expectations

Vertical content is designed for quick, bite-sized consumption, ideal for simpler narratives.

In contrast, complex storytelling often require audiences to be more invested, which aligns more with horizontal formats.

Everybody Wants Vertical Videos

Short-form vertical videos are everywhere these days. Nearly every platform has adopted this format, which is one of the most immersive and widely used ways to consume content.

TikTok's meteoric rise in 2020 set the standard, popularizing the short-form vertical video format that has since become a core part of how we consume content.

Long-form platforms like YouTube adapted it, text-based platforms like X and Threads added it, and even professional networking platforms like LinkedIn embraced it.

Now, short-form vertical videos are used in most advertising strategies. It's a cornerstone for marketers aiming to connect with their audiences.

But make no mistake. That doesn't mean it should be.

Our research indicates that short-form vertical videos may not be the best choice for every advertising campaign.
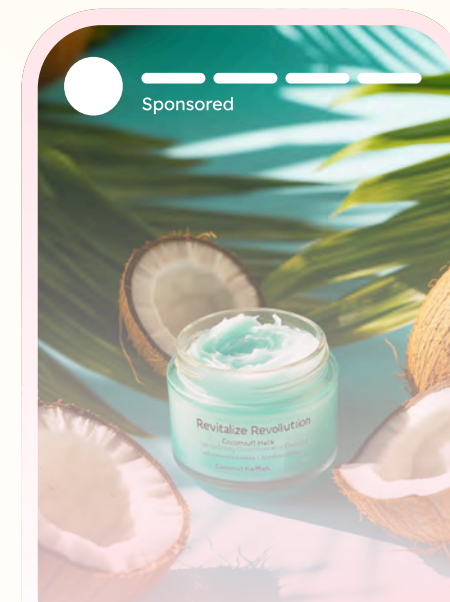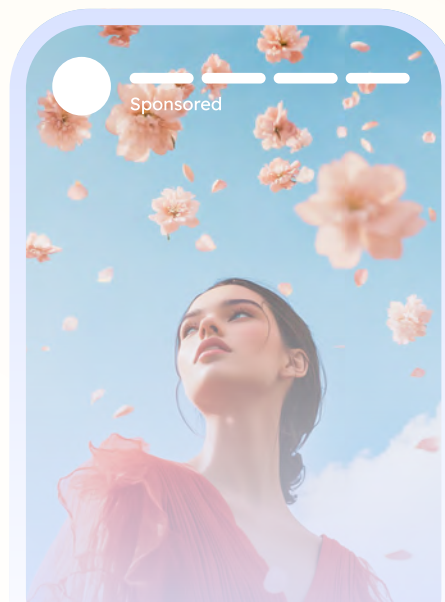
Different Goals, Different Ad Formats

We asked advertisers whether they used horizontal or vertical ad formats for ads based on campaign goals and storytelling strategies. Interestingly, the type of ad had little to no impact on their choice of format.

So, how do advertisers decide which ad formats to use?

According to our survey, marketers rely on audience preferences rather than platform best practices. Surprisingly, platform guidelines are often less influential than the opinions of stakeholders, such as managers or clients.

But this might be a major mistake.

What ad formats do you typically use for the following storytelling strategies?

Product-focused Ads		Story Ads
54%	Horizontal	53%
48%	Vertical	47%
43%	Square	43%
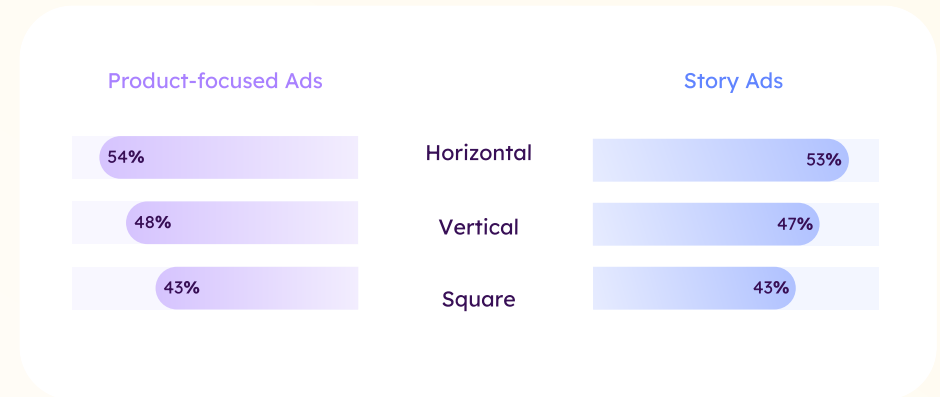
Advertisers choose formats without considering narrative style

How do you decide which ad format to use for a specific campaign?

34%	28%	28%	26%	25%	24%
Audience preference	Product type	Campaign objective	What stakeholders, clients, or managers want	Platform requirements or best practices	Budget constraints

Stakeholder opinion outweighs best practices in ad format choice

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Study Background

Participants	N=103
Gender	52% Female, 48% Male
Age	18-64, Mean 35, Std. Dev. 10.9
Country	Norway

Participants	N=103
Gender	55% Female, 45% Male
Age	18-60, Mean 35, Std. Dev. 10.5
Country	Norway

Participants	N=101
Gender	55% Female, 45% Male
Age	18-60, Mean 35, Std. Dev. 10.3
Country	Norway

Participants	N=97
Gender	51% Female, 46% Male
Age	18-60, Mean 35, Std. Dev. 10.0
Country	Norway

Storytelling

Product focus

Our study with Schibsted suggests that storytelling strategy should play a central role in deciding which ad formats to use.

To explore this further, we set out to understand how audiences reacted to storytelling ads versus product-focused ads.

Specifically, we wanted to see how the screen's shape impacts the perceived qualities of an advertisement.

We tested two ad campaigns:

Story Ad - Focused on narrative and storytelling to build a brand. (complex narrative, deeper message)

Product Ad - Focused on the product to generate conversions. (product close-ups, simple CTAs)

We tested both campaigns in vertical and horizontal ad formats to see how storytelling strategy and ad format related to audience perceptions.

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Storytelling vs Product Focus

Storytelling Excels in Landscape Formats

When shown in a horizontal format, the Story Ad significantly reduced negative reactions such as annoyance, boredom, intrusiveness, and avoidance behavior.

Even with smaller screen occupancy, it proved highly effective at driving intent and enhancing memory retention.

Storytelling ads perform better in horizontal formats because the complex narrative resonates more emotionally with audiences and feels less intrusive compared to the Product Ad.
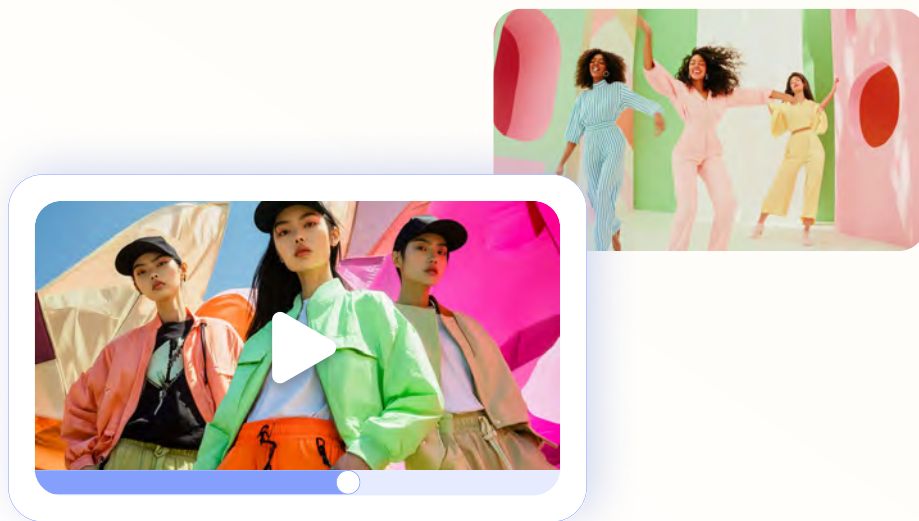
Products Thrive in Vertical Advertising

In contrast, the Product Ad performs better in a vertical format.

The vertical version of the ad elicited more positive emotional reactions and reduced feelings of annoyance and boredom. It also generated stronger purchase intent and greatly improved memory recall.

When displayed vertically, the simple narrative of the Product Ad outperformed the Story Ad across all metrics. Both ad and brand memory were significantly enhanced by the use of straightforward messaging in vertical formats.

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Customers Expect Different Content on Different Platforms

Our findings showed that horizontal formats are superior for brand building and engaging longer attention spans, while product-focused ads excel on short-format vertical videos.

This difference likely stems from viewers' expectations of each medium. Vertical content is designed for quick, bite-sized consumption, where simpler narratives are more effective. In contrast, storytelling with complex narratives often requires audiences to invest more attention and engagement, which aligns better with horizontal formats.

Despite this, over 48% of marketers still use vertical videos for storytelling ads.

This means many are leaving valuable brand-building opportunities on the table. A simple change in platform or format could unlock significant improvements in campaign results.

Insight:

When planning your storytelling strategy, remember that platform and ad format are just part of the equation. The stage of the customer funnel also influences what audiences need to see to drive the right response.

Bottom-funnel audiences often respond better to familiar brand visuals due to existing recognition.

Top-funnel audiences, on the other hand, need to see what makes your brand unique. Highlighting product features at this stage can be an effective way to grab their attention and put your brand on the map.
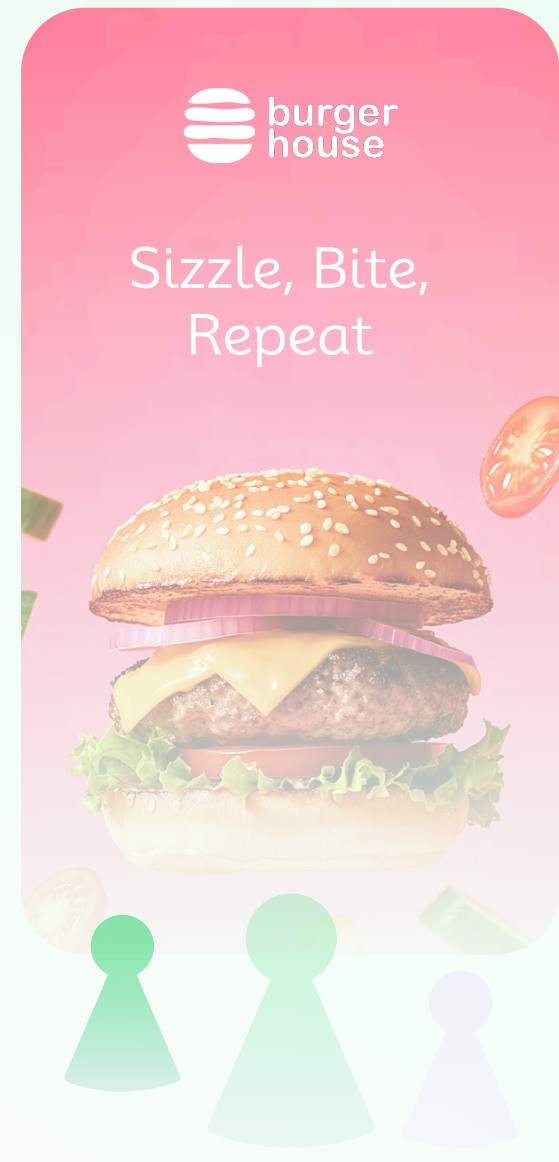
Focus on delivering the right message at the right time to turn attention into action.

Read more in our eBook

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Emotions & Brand Equity

How being the first impacts long-term brand equity.

burger house

Sizzle, Bite, Repeat

Chapter Summary

We analyzed how consumers emotionally and cognitively connect with Norwegian streaming providers

Netflix Dominates the Norwegian Market

Among the 14 brand associations tested, Netflix ranked highest in 10 of the categories.

The audience consistently rated Netflix as more, entertaining, interesting, likable, & relatable compared to other providers.

First-Mover Advantage in Branding

Brands often have a significant advantage when entering a market before the competition.

This allows them to establish strong brand recognition, build customer loyalty, and shape consumer expectations.

Using the Halo Effect of Preferred Platforms

Understanding which platforms are preferred in your region can help you decide where to run ads.

If a platform is already well-established and trusted by your audience, your brand can benefit from its Halo Effect.

Introduction

When evaluating campaign performance, long-term brand impact is the top priority for advertisers in 2025.
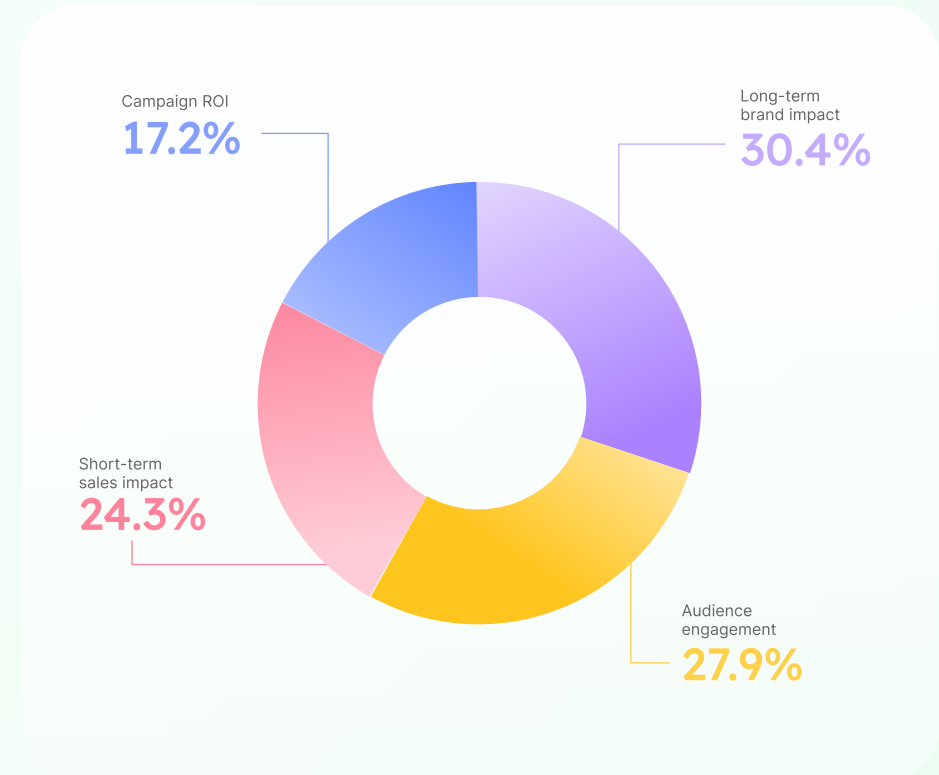
This isn't surprising, given that brand building was already a key focus for social media marketers in 2024. A strong brand does more than drive awareness. It shapes perception, influences purchase decisions, and builds long-term customer loyalty.

But what exactly makes a brand strong?

It's not just a logo or a color scheme. A brand is built on emotional associations, thoughts, and memories. As we explored in our eBook, **_Build a Memorable Brand_,** branding can elevate the perceived value of a product and create lasting connections with consumers.

To explore this further, we partnered with Trigger to study the Norwegian streaming market. The goal was to analyze Netflix's position in the market and compare how its competitors perform in terms of reported brand associations, emotions, and motivations.

What measures matter most when you're assessing ad performance?

Campaign ROI
17.2%

Long-term brand impact
30.4%

Short-term sales impact
24.3%

Audience engagement
27.9%

Study Background

Trigger wanted to understand how audiences in Norway perceive Netflix and its closest competitors in terms of emotions and motivations. To explore this, they partnered with Neurons to conduct a competitive analysis of the Norwegian streaming market.

Using Fast Response Tests (FRT) and explicit surveys, the study measured the emotional impact of each brand and consumer motivation based on logo exposure.

100 Participants
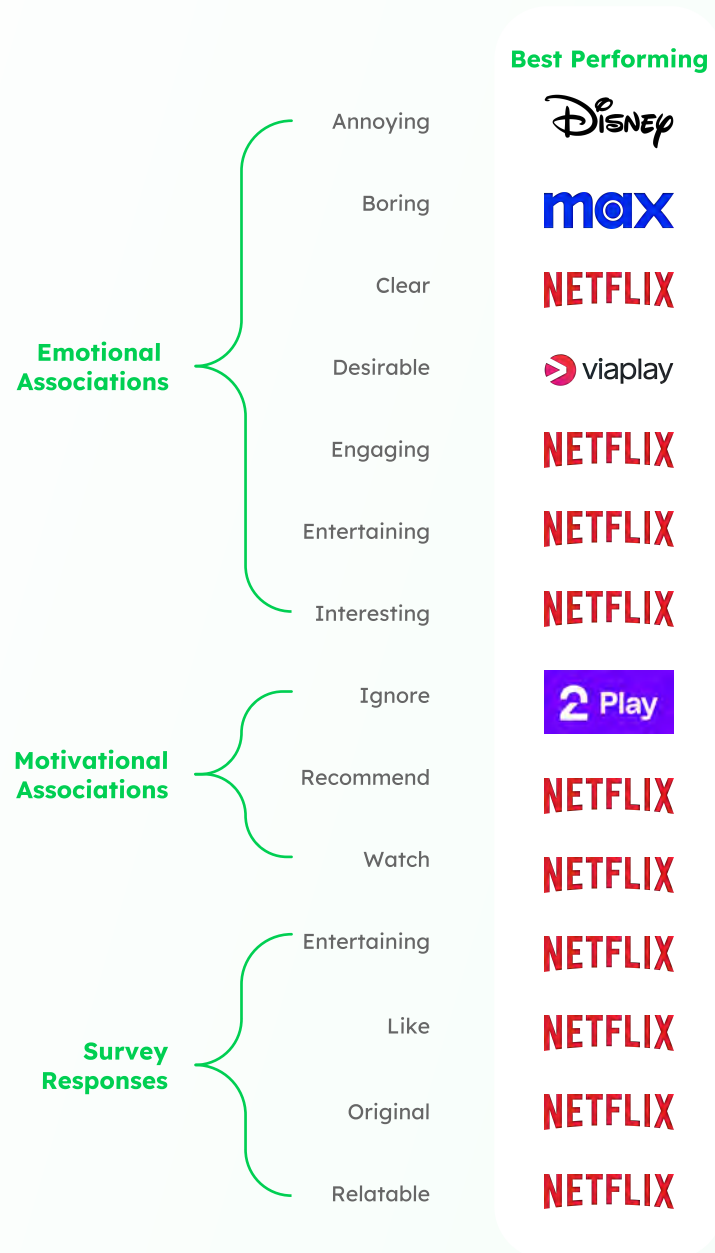
GENDER
**51% Female
49% Male**

AGE
**22-64
Mean 42
Std. Dev. 12.41**

COUNTRY
Norway

Netflix dominates the Norwegian market

Best Performing

Category		Best Performing
Emotional Associations	Annoying	Disney
	Boring	max
	Clear	NETFLIX
	Desirable	viaplay
	Engaging	NETFLIX
	Entertaining	NETFLIX
	Interesting	NETFLIX
Motivational Associations	Ignore	2 Play
	Recommend	NETFLIX
	Watch	NETFLIX
Survey Responses	Entertaining	NETFLIX
	Like	NETFLIX
	Original	NETFLIX
	Relatable	NETFLIX

Among the 14 brand associations tested, Netflix ranked highest in 10 categories.

Norwegian audiences consistently rated Netflix as more clear, engaging, entertaining, interesting, likable, original, and relatable compared to other streaming services. They also showed a higher motivation to recommend and watch Netflix over its competitors.

The only platforms with serious potential to challenge Netflix are Norway's local streaming services, yet even they fall short.

Netflix has established itself as a trustworthy and enjoyable streaming brand, giving it a strong competitive edge.

The study confirms that Netflix holds a distinct advantage over its competitors in the region.

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First-Mover Advantage in Branding

"The first-mover advantage enables a company to establish strong brand recognition and product/service loyalty before other entrants to the market."

First-mover brands often have a significant advantage. Entering a market before the competition allows them to establish strong brand recognition, build customer loyalty, and shape consumer expectations.

This is exactly what happened in Norway.

Netflix launched in 2012, securing an early foothold in the streaming market. By leveraging its brand equity and nurturing positive customer relationships, it maintained its dominance even as more competitors entered the space.

Familiarity plays a key role in strengthening customer loyalty. On top of that, first movers often benefit from word-of-mouth marketing, as early adopters share their experiences both in-person and on social media.

Early Adopters Reap the Benefits

History has shown that first movers who capitalize on new technology early can shape entire industries. We're seeing the same trend play out in AI and large language models (LLMs).

ChatGPT, introduced in late 2022, quickly became the go-to AI model for everyday users, largely due to its unprecedented market entry. By January 2023, it had reached 100 million active users, making it the fastest-growing application in history. (it was since surpassed by Meta's Threads)

But first-mover advantages don't just impact businesses.

They also benefit early adopters. The surge in AI adoption among advertisers in 2024 highlights this trend. Those who embraced AI early streamlined workflows, improved efficiency, and unlocked massive growth opportunities before competitors could catch up.

Do you measure any performance-related metrics before launching a campaign?

Yes
4.7%

No
95.3%
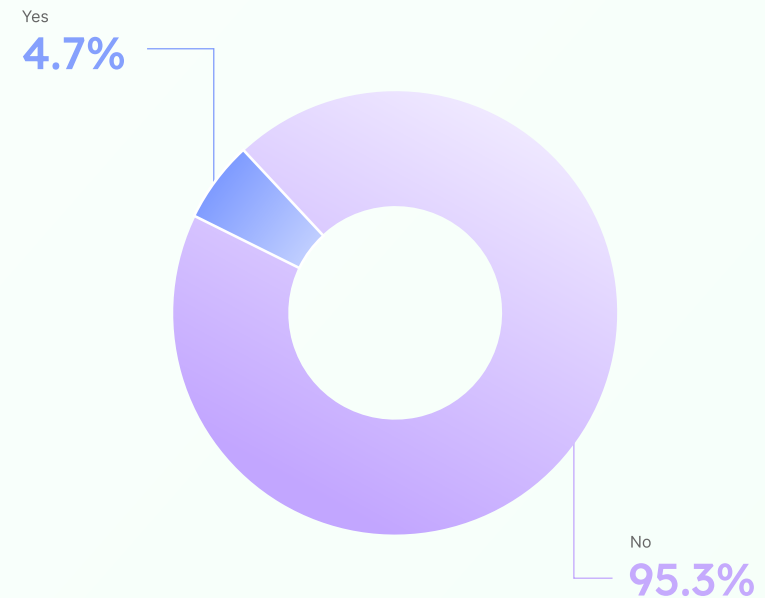
95% of advertisers DO NOT measure performance metrics before launch, which means that all the testing happens after launch.

The Halo Effect of Streaming Platforms

Understanding which streaming platform is most preferred in your target region can help you decide where to advertise.

When a platform is already well-established and trusted by your ideal audience, your brand can benefit from its Halo Effect.

As we also discussed in the chapter with MediaHub, advertising on streaming platforms can create strong emotional associations with your brand and products. This kind of brand association isn't just about where you choose to advertise.

It's also about who got there first.

Brands that establish themselves early in a market can build long-term consumer trust and familiarity, securing a strong position, and making it harder for competitors to catch up.

Read more about the Halo Effect in <u>*last year's report*</u>*).*

The Rise of Ethical AI

Advertisers demand responsible AI practices amidst accelerating adoption

Chapter Summary

With rising AI adoption, providers are under increasing scrutiny to uphold ethical standards.

AI Adoption is Not Slowing Down

Over half of advertisers increased their AI use in 2024, and around the same number of them also expects to invest in new AI technologies in 2025.

Less than 20% says they won't invest in new AI tools this year.

AI is Only as Good as the Data its trained on

If a machine learning model is built on flawed data, its outputs will be flawed too.

An AI system trained on low-quality or inaccurate data leads to misleading results and negatively impact customers.

Ethics Guide AI Adoption in Advertising

According to our survey, ethics is now the most important consideration for advertisers when choosing AI tools.

AI companies without a strong ethical foundation will face growing scrutiny in 2025.

AI Adoption is not slowing down

The AI competition is heating up.

Video generators like OpenAI's Sora and Google DeepMind's Veo 2 are competing to become the go-to tools for video editors.

Meanwhile, ChatGPT and Gemini are battling for market share in the AI assistant space, while tech giants like Apple, Microsoft, and Meta are working relentlessly to establish their foothold before competitors gain the upper hand.

This fierce competition is driving rapid innovation, leading to an explosion of AI companies in the past two years.
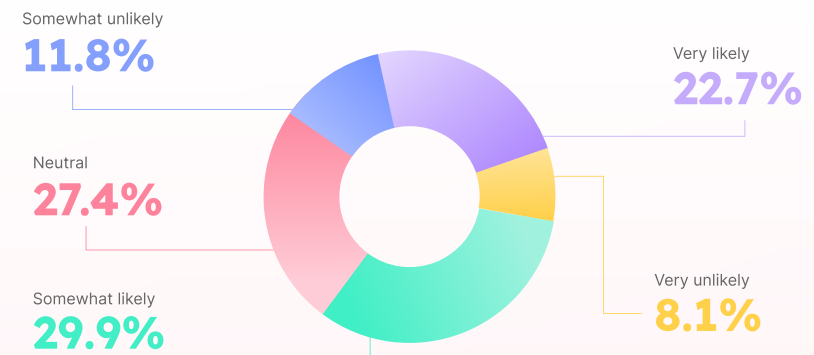
And customers are reaping the benefits.

According to our survey, over half of advertisers increased their AI use in 2024, and 52% expect to invest in new AI technologies in 2025, while fewer than 20% say they are unlikely to do so.

How has your use of AI tools changed in 2024?
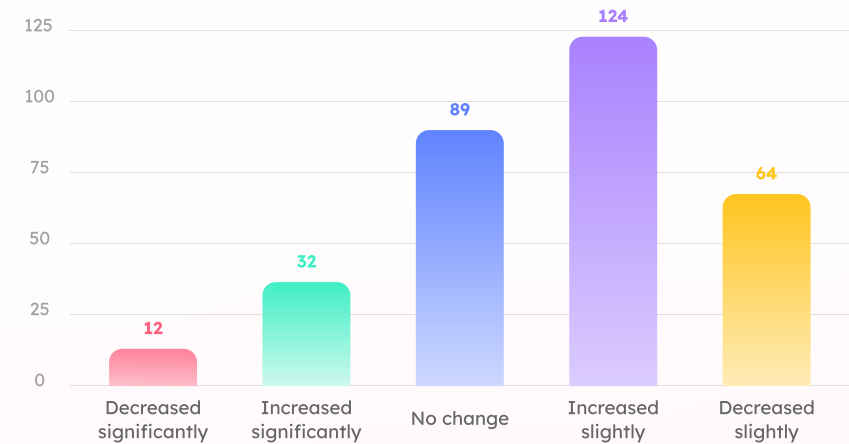
How likely are you to invest in new AI technologies for advertising within the next year?

Data Quality in AI Models

With AI exploding onto the scene and companies taking notice, there seems to be a new model launching every other day. Machine learning technology is nothing new, but its rapid commercialization has raised growing concerns about quality and reliability.

Consumers are also realizing that not all AI is created equal.
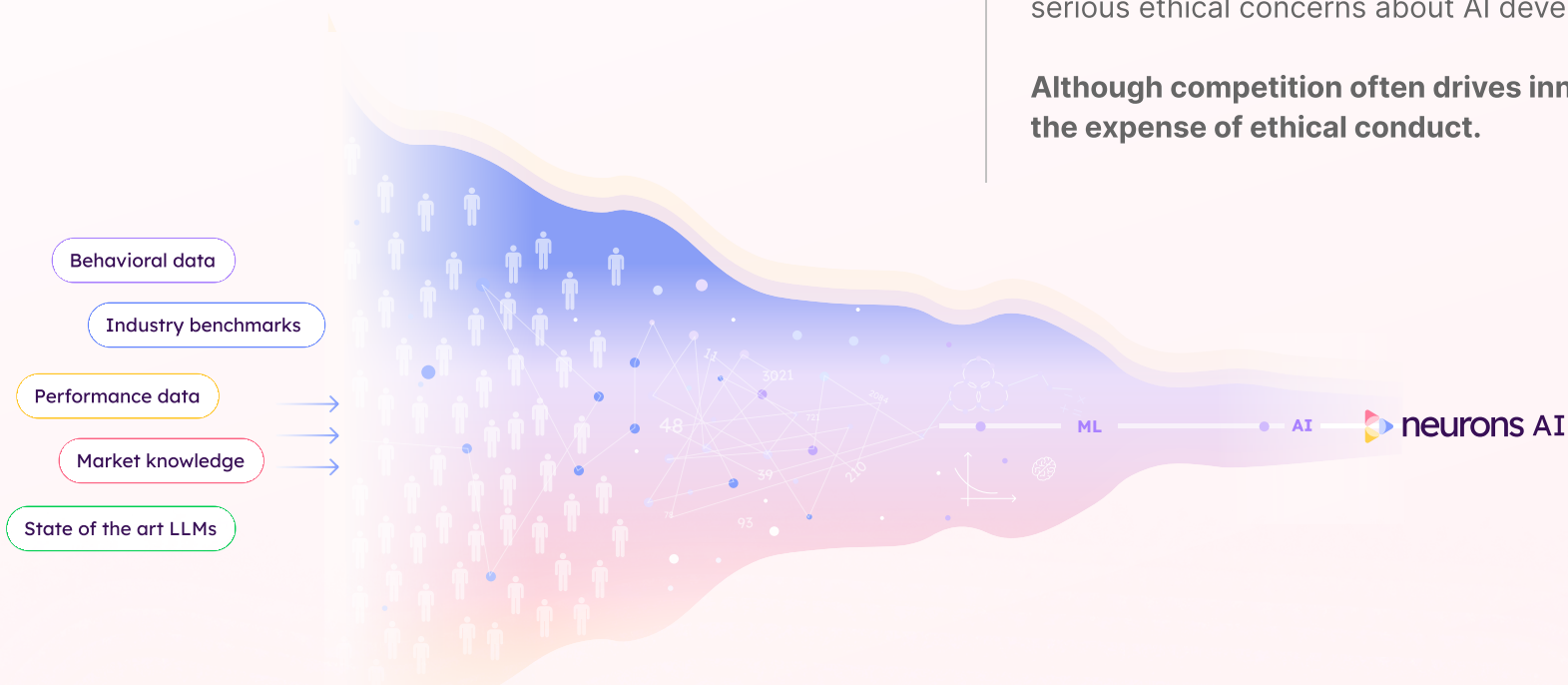
Many AI models on the market today are unreliable at best and actively misleading at worst.

The problem is that most companies lack sufficient data quality in their training sets which machine learning models depend on. In the heat of competition, many AI developers turn to open-source databases and inaccurate datasets, compromising the reliability of their models.

When it comes to AI, faking it till you make it is not a viable option. If a machine learning model is built on flawed data, its outputs will be flawed too. Once an AI system is trained on low-quality or inaccurate data, it can lead to misleading results, negative customer impact, and even the spread of misinformation.

As the saying goes, AI is only as good as the data it's trained on. Poor data quality doesn't just damage a brand, but it also raises serious ethical concerns about AI development.

Although competition often drives innovation, it cannot come at the expense of ethical conduct.

Behavioral data

Industry benchmarks

Performance data

Market knowledge

State of the art LLMs

ML   AI

neurons AI

"Unfortunately, we've seen companies get away with unethical AI practices for a long time. Those days are coming to an end."

Dr. Thomas Z. Ramsøy
CEO & Chief Science Officer, Neurons

neurons

Customers Demand Ethical AI

In last year's report, we anticipated that data quality would become a critical factor for advertisers in selecting AI products.

We also expected ethics to take a significant leap in importance. But we didn't foresee just how quickly it would rise to the top.

Our survey revealed that ethics is now the most important consideration for advertisers when choosing AI tools in 2025.

What factors do you consider most important when deciding to purchase an AI tool for your advertising strategy?

Ethical considerations (e.g., responsible AI use, data privacy)
34%

Cost-effectiveness and ROI potential
27%

Customization options to fit specific needs
27%

Efficacy and accuracy in delivering results
26%

User-friendliness and ease of use
26%

Scalability for future growth
25%

Ease of integration into existing workflows
25%

Reputation and reviews of the tool
25%

Customer support and training availability
23%

This is a positive step forward.

Ethics must guide innovation, as AI systems have the potential to profoundly affect society and the quality of our lives.

Decisions made today will shape how AI influences communication, decision-making, and more.

This is why we have an established Ethical Board to help our innovations align with our core mission: enabling people to make better decisions while safeguarding privacy and individuals.

AI companies without a strong ethical foundation will face growing scrutiny in 2025. Customers won't tolerate unethical practices, and once trust is lost, it's difficult to regain.

Perceived qualities and associations have a strong impact on how products and services live in the minds of consumers.

If the foundation is weak, everything falls apart.

Ethics must be at the heart of AI innovation in 2025.

Customers Demand Ethical AI

Our Ethical Advisory Board

The Ethical Advisory Board meets regularly and on an ad-hoc basis. They play a crucial role in inspiring, informing, challenging, and recommending ethical guidelines for our AI projects.

Thomas Z. Ramsøy, PhD.
Founder, CEO, Chief AI Officer & Bestselling author

Thomas Z. Ramsøy is a renowned neuroscientist and a leading figure in applied neuroscience & AI. He has formely led the Center for Decision Neuroscience at CBS & Copenhagen University Hospital.

Helle Thorning-Schmidt
Former Danish Prime Minister & Co-Chair at Meta Oversight Board

Helle Thorning-Schmidt, 26th Prime Minister of Denmark, former CEO of Save the Children Int., and Board Member at Meta, Vestas, Edelman & more. She's also known for her impactful global advocacy.

Jan Trzaskowski, PhD.
Professor of Law at Aalborg University

Since 1997, Jan Trzaskowski has been professionally involved in marketing law and legal aspects of electronic commerce. He is also an author and co-author of several books on these subjects.

Kris Østergaard
Bestselling author, Head of Research & Publishing

Kris Østergaard is the bestselling author of Transforming Legacy Organizations, editor of the anthology Ethics at Work and Head of Research & Publishing at Rehumanize Institute.

Dr. Imran Rashid, MD
Lecturer, Author & Director of Health Innovation

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