



POINT OF CARE
MARKETING
ASSOCIATION

2022 Marketplace Insights

SEPTEMBER 2022

Executive Summary

- Point of Care (POC) media companies are **facing marketplace challenges** no different from others in the industry
- The **annual inflation rate** for the United States is **8.5%** for the 12 months ending July 2022
- **US ad inflation** expected to moderate to **5.1%** next year according to auditors AuditStar and Cortex Media
- The return of **hybrid vs. full remote** was cited as an increase seen across multiple POC companies
- **Different marketplace challenges** exist depending on the type of POC media tactic being sold
- Since some POC companies specialize in certain media tactics, **not all factors are relevant**

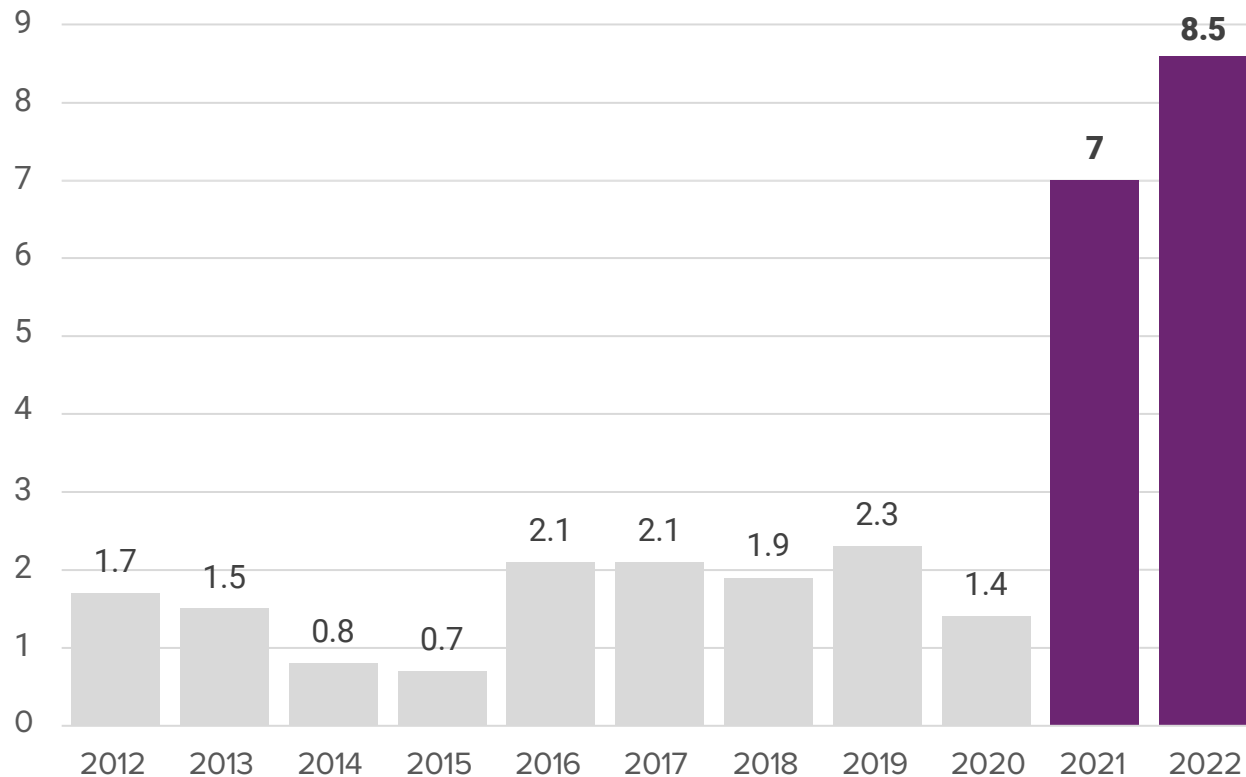
The Point of Care Marketing Association encourages all POC buyers and clients to discuss these challenges directly with their POC media partners to better understand implications on 2023 pricing



Current US Inflation Rates: 2012-2022

The annual inflation rate for the United States is **8.5%** for the 12 months ending July 2022, the largest annual increase since December 1981

Chart: US Annual Inflation Rates (2012 to 2022)



U.S. ad cost inflation impacts all media channels

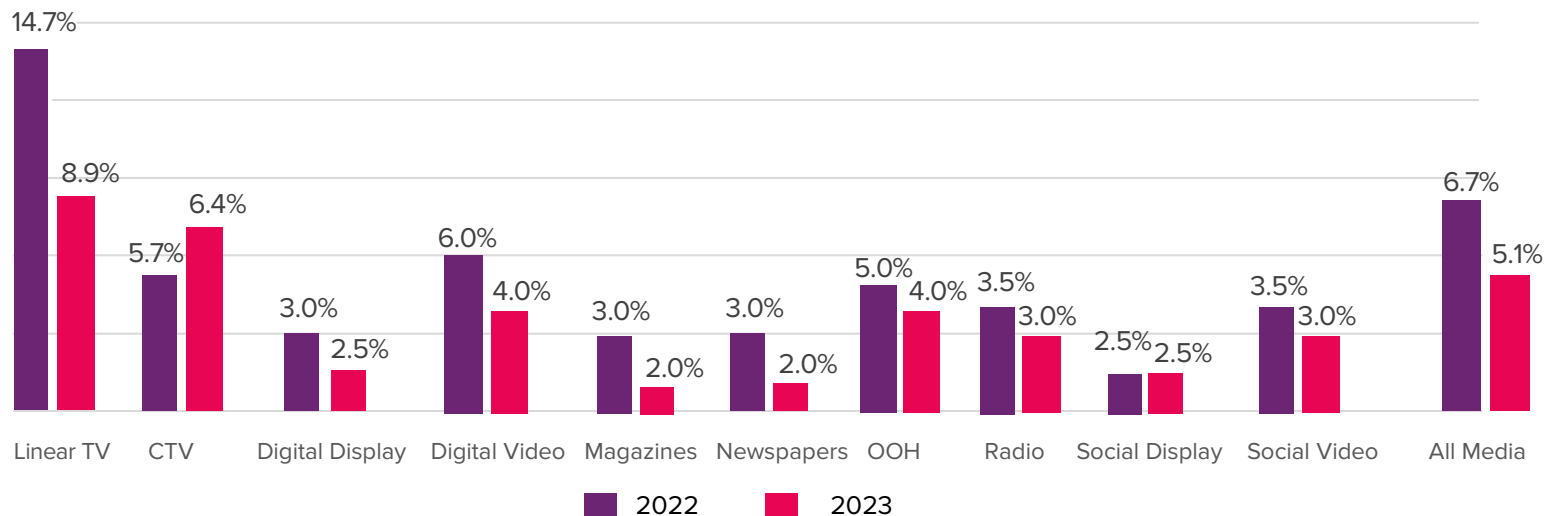
US advertising cost inflation is expected to rise 6.7% this year, and is expected to moderate to 5.1% next year

The only medium projected to inflate at a higher rate in '23 is CTV, which has been accelerating due to acute demand for what is perceived as a finite supply of inventory

Linear TV will continue to see the fastest rising ad costs

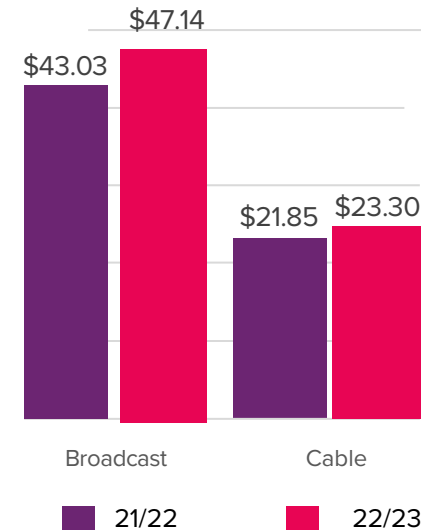
22/23 Prime-time CPM costs for broadcast and cable TV projected to rise 9.6% and 6.6% respectively vs. the 21/22 upfront CPMs

U.S. ad cost inflation, by medium



Source: AuditStar, Cortex "Media Inflation Outlook," July 2022

Network upfront prime-time CPMs



Source: Media Dynamics, July 2022.

CPMs = cost-per-thousand per30-second commercial



Multiple factors may impact POC pricing for 2023

While some of these factors are unique to the industry, they may not be relevant for all POC media partners. Please check with your media partners for additional information as it relates to impact on pricing for '23.

