SPORTS, MEDIA & ENTERTAINMENT

Scatter Is The New Black:

How the Scatter Marketplace is Reshaping the Economics of Advertising and Demanding ‘Value at Velocity’

With Scattered Attention, Value Is in Flux

For decades, advertising economics were built around concentrated audiences, predictable buying cycles, and upfront commitments. In today’s world of infinite content, fragmented journeys, and real-time signals, economic advantage no longer comes from traditional positional strength but from achieving **Value at Velocity** — the ability to convert outcome intelligence into economic action faster than competitors.

This is not just a shift in audience content consumption, but a reshuffling of the economics of media. As attention has fragmented, value has concentrated in new ways. Today, the tech “triopoly” (Meta, Alphabet, Amazon) captures almost 60% of total US ad dollars, commensurate with their large, aggregated users and audience base[i].

Against this backdrop, the Scatter marketplace has evolved from a remnant auction for secondary TV ad inventory into a strategic battleground as advertisers demand more flexibility, measurable outcomes, and real-time optimization.

While other traditional market characteristics persist — including the Upfronts, direct sales, and programmatic — Alvarez & Marsal’s Sports, Media & Entertainment practice believes that Scatter is a leading indicator of economic shifts and a prime vehicle for profitable growth across media and advertising.

Simply put, the next era of industry value will be defined by those who convert volatility into velocity.

Scatter Marketplace

Economic Conditions

- Fragmented Attention
- Heightened Competition
- Compressed Decision Windows
- Outcome-Based Measurement
- Real-Time Optimization

Response

Value at Velocity:

The ability of a company to convert outcome intelligence into economic action faster than competitors.

+ 6.58%

CAGR for total US ad spend through 2030

(Source: Statista)

31% ⟶ 14%

linear TV’s share of US ad spend, 2019—2025

(Source: MoffettNathanson)

– 3.2%

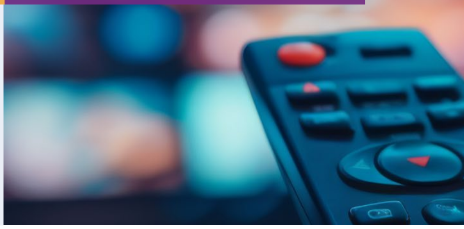
CAGR for Upfront linear TV ad spend 2021—2025

(Source: Statista)

+ 20% more Scatter

inventory within 2-3 years according to agency, network, and platform executives interviewed by A&M

> “You’ve got to steal money from Facebook and Google’s SMB business. That’s it.”
>
> **President**, Advertising, Major Media Company



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[i] EMARKETER, The Triopoly’s Share of Total Ad Spend Is Rising, but Its Hold on Digital Is Slipping, 2025

Executive Questions

to consider while reading Scatter Is the New Black

- Where do you sit on the **Intelligence–Reactivity Matrix?**
- Can your operating model move at **signal speed** — minutes, not days?
- Are you still planning on Upfront timelines while buyers operate on **Scatter moments?**
- Do you have **outcome-linked data** partnerships to move beyond demographic proxies?
- What are your data **latency gaps** costing you in a market where windows close fast?
- What **workflow or systems friction** stands between your intel and actions?
- How would you **measure performance** differently if you could?

A Bigger Scatter Brings Bigger Stakes

Scatter's momentum is due to the confluence of many forces across media consumption, macroeconomics, and technology. Taken together, these trends have turned Scatter into a strategic cornerstone.

In fact, the vast majority of industry executives interviewed by A&M — including networks, agencies, and platforms — expect that more than 20% of additional inventory will migrate to Scatter within the next two to three years.

Fragmentation plus compression equals (and will continue to equal) continuous reallocation, not fixed transactions.

THEN	NOW
Certainty	**Flexibility** Upfront commitments gave certainty. Scatter rewards agility.
Broad Audiences	**Precise Outcomes** Reach used to win. Now attribution, performance metrics, and eventually AI-driven outcome optimization matter
Annual Planning	**Decisioning Speed** The winners will be those who can turn signals into action faster than competitors

As Scatter grows in importance, the following market characteristics become more commonplace: volatility, unpredictability, cash flow uncertainty, high switch speed, and decision-compression.

> "The Scatter market is increasingly important because buyers are buying closer to the window rather than further out."

CEO, CTV DSP

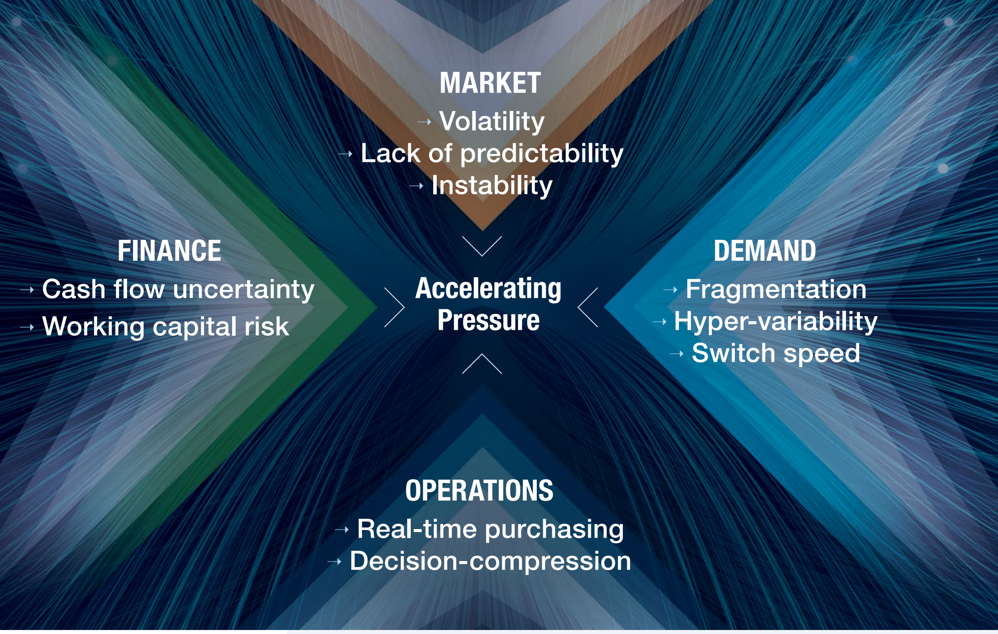
> "Scatter budgets get released pretty quickly and have to be spent just as fast."

Head of Agency, Ad Platform

Accelerating Pressure for All Participants

With this come accelerating pressures that will reshape every industry participant on both sides of the media transaction.

Companies that master this new environmental volatility will generate above-average returns, not despite the volatility, but because of it.



A Path Forward: Mastering Volatility

While it's true that a bigger Scatter brings outsized fragmentation and uncertainty, it also presents a new path to economic advantage. In the "new normal," the path to black hinges on developing two interdependent capabilities: Outcome Intelligence and Real-Time Reactivity. Companies that master and fuse these two competencies will compound advantage over time.

- **Outcome Intelligence:** The quality and precision of data used to inform both sides of the media equation.
- **Real-Time Reactivity:** The speed, harmonization, and fluidity with which decisions are translated into action.

> "The objective of writing it upfront has been replaced by securing the most meaningful mix of programming at the best possible price."
>
> **CEO,** Advertising Agency

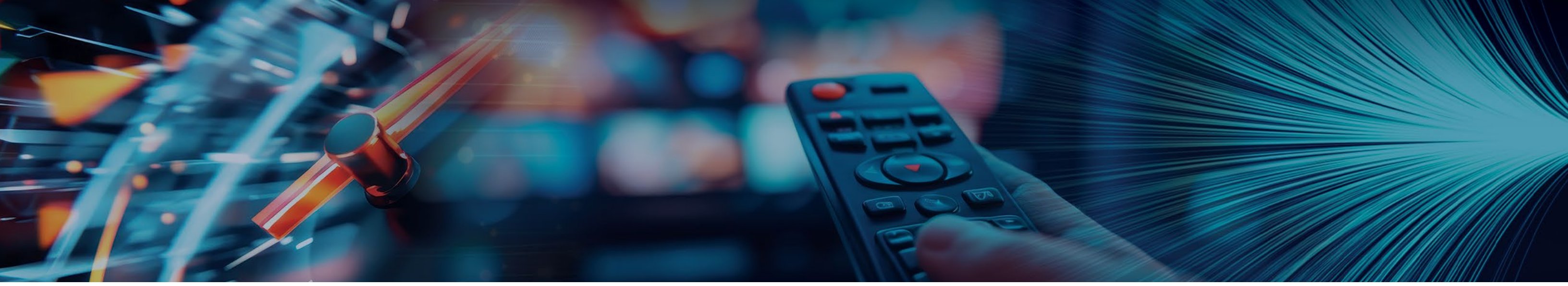
Preparing for Industry Future States

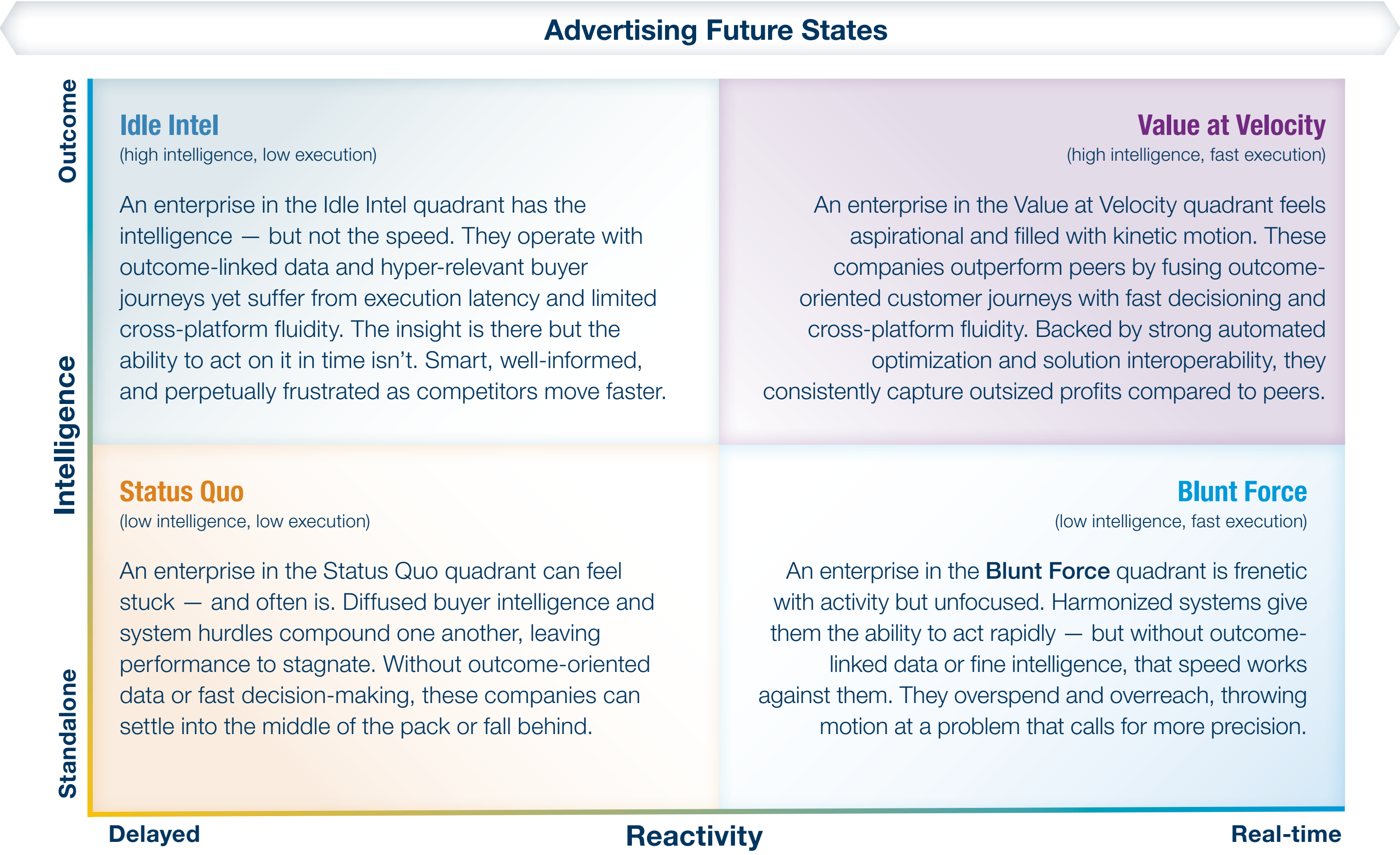
A&M evaluates future industry winners through mastery of two critical competencies, Outcome Intelligence and Real-Time Reactivity. To map a company's competitiveness, we have outlined a progression along two axes. The 2x2 model evaluates:

- **Intelligence (Y-axis):** The vertical axis runs from standalone to outcome intelligence — from broad data to purchase-linked insight that powers hyper-relevant buyer journeys.
- **Reactivity (X-axis):** The horizontal axis runs from delayed to real-time reactivity — from manual, latency-prone execution to harmonized, cross-platform activation that responds in the moment.

Together, these axes define four distinct enterprise states. Two of them, **Blunt Force** and **Idle Intel,** represent a competitive edge in one dimension but a liability in the other. The third, **Status Quo,** represents stagnation and frustration. And the final, **Value at Velocity,** represents the standard every advertising and media company should be building toward: Outcome Intelligence, deployed in real time, at scale.

Value at Velocity is the aspirational (yet achievable) kinetic state, marked by expert decisioning, flawless execution, and over-indexed performance. Companies that achieve this state have the smarts and the speed to act in the moments that count for economic optimization.





Advertising Future States

Idle Intel
(high intelligence, low execution)

An enterprise in the Idle Intel quadrant has the intelligence — but not the speed. They operate with outcome-linked data and hyper-relevant buyer journeys yet suffer from execution latency and limited cross-platform fluidity. The insight is there but the ability to act on it in time isn't. Smart, well-informed, and perpetually frustrated as competitors move faster.

Value at Velocity
(high intelligence, fast execution)

An enterprise in the Value at Velocity quadrant feels aspirational and filled with kinetic motion. These companies outperform peers by fusing outcome-oriented customer journeys with fast decisioning and cross-platform fluidity. Backed by strong automated optimization and solution interoperability, they consistently capture outsized profits compared to peers.

Status Quo
(low intelligence, low execution)

An enterprise in the Status Quo quadrant can feel stuck — and often is. Diffused buyer intelligence and system hurdles compound one another, leaving performance to stagnate. Without outcome-oriented data or fast decision-making, these companies can settle into the middle of the pack or fall behind.

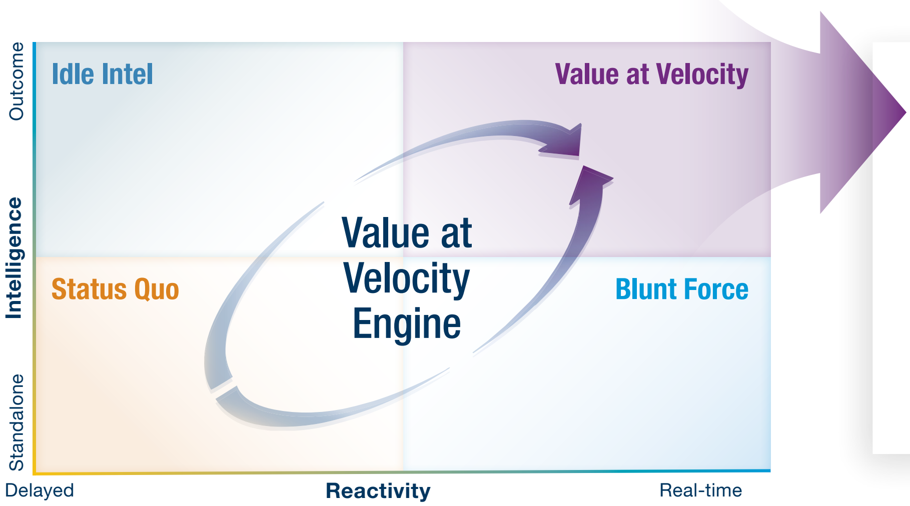
Blunt Force
(low intelligence, fast execution)

An enterprise in the **Blunt Force** quadrant is frenetic with activity but unfocused. Harmonized systems give them the ability to act rapidly — but without outcome-linked data or fine intelligence, that speed works against them. They overspend and overreach, throwing motion at a problem that calls for more precision.

Response: Building the 'Value at Velocity' Engine

The path toward this aspirational, yet achievable, future state hinges on building and operationalizing a **'Value at Velocity'** Engine to move a company from status quo to optimized. Building the enterprise mechanics requires investment along both axes toward outcome intelligence and real-time reactivity.

- **Four solutions lead the way to the optimized enterprise of the future:**



Developing Outcome Intelligence:
1. Purchase-Linked Data
2. Hyper-Relevant Buyer Journeys

Developing Real-time Reactivity:
3. Harmonized Intelligence x-Channels
4. Fluid Execution x-Platforms

1

Purchase-Linked Data: Most organizations are data-rich but insight-challenged — their data is abundant but not linked to measurable outcomes. Closing this gap requires moving beyond impressions-based and patchwork measurement to outcome attribution across the full consumer journey. Value is created as the gap between media spending and business results closes, giving organizations confidence to invest based on what actually drives verifiable outcomes and the overall company bottom line.

Concrete examples include pairing ad exposure data with retail POS data to close the attribution loop, connecting the impression to the actual transaction. To achieve this full-loop discipline, requirements include AI-enabled tagging and indexing; a first-party data focus and data governance; coalitions with outcome-oriented partners — POS systems, retail networks, credit card data providers, and financial third parties.

2

Hyper-Relevant Buyer Journeys: General buyer journeys built on demographic proxies are increasingly inadequate in a fragmented environment where intent signals are fleeting and windows are narrow. Improvements include adopting dynamic creative served on real-time behavioral intent indicators, not static audience segments built weeks or months before campaign activation. Value creation happens when dollars shift toward precision timing, capturing demand at the exact moment it forms rather than chasing uncertain or outdated intent signals.

Underpinning these and other step-function improvements require deep personalization engines; lookalike modeling and continuous test-and-learn loops for audience building; AI partnerships for brand visibility and funnel optimization; and recommendation and curation capabilities that move beyond demographics to behavioral signals.

3

Harmonized Intelligence Across Channels: The inability to reconcile signals across CTV, linear TV, and digital inventory in real time is one of the most common and costly sources of decision latency in today's advertising and media organizations. A unified, cross-platform data layer that reconciles CTV, linear TV, and digital opportunities in real time will enable a single view of supply, demand, and performance without manual aggregation. Value-capture happens as the insight and data reconciliation gaps close, and as budgets and inventory decisions get made at the speed of the market rather than the speed of suboptimized systems or processes.

To enable and realize interoperability, requirements include data optimization and cross-platform mapping; the ability to pair structured and unstructured data — public and private — into a unified signal picture; elimination of siloed reporting environments and more.

4

Fluid Execution Across Platforms: Decision insight without execution is unrealized potential or profits. Organizations with fragmented, bespoke technology stacks face structural limits on how fast they can convert signal into action. Concrete examples include replacing bespoke, point-to-point integrations with industry-standard APIs that enable instant reallocation across platforms without manual handoffs. This turns technology investment into realized performance — eliminating the operational drag that can imperil returns on every other capability in this framework.

To realize these gains, requirements include rationalized technology platforms; AI-enabled leapfrogging of development and system gaps; migration from bespoke to industry-standard, interoperable architectures; and the elimination of manual intervention across workflows.

→ Testing, investing, and scaling each capability is not incidental. Building the **'Value at Velocity' Engine** is not a single transformation project, but a staged journey along each of the four investment areas. A&M has mapped key steps along the maturity progression, building from entry-level to advanced capabilities across the four solution areas.

Building the Value at Velocity' Engine

	Entry	Moderate	Advanced
1 **Outcome-linked Data**	Audit current data sources Identify gaps in linkages to POS, retail, and conversion outcomes	Establish data coalitions with outcome-oriented partners (POS, retail, financial) Begin matching ad exposure to purchase behavior	Automate real-time outcome attribution across the full consumer journey Create full-loop measurement from exposure to transaction
2 **Hyper-personalized Buyer Journey**	Move beyond demographic segments Build baseline personalization using first-party data	Deploy lookalike modeling + test-and-learn loops for scaled audience building Deploy and govern AI-assisted creative optimization	Deploy and govern AI-driven individualized journeys with continuous optimization and curation Implement real-time intent-signal-based creative serving
3 **Harmonized Data Across Channels**	Map all data sources across platforms Identify structural gaps and overlaps in reporting	Integrate structured + unstructured data Implement cross-platform data mapping; reconcile CTV, linear, digital	Unify real-time data layer across all channels, public and private Ensure single view of supply, demand, and performance
4 **Fluid Execution Across Platforms**	Inventory current tech stack Flag bespoke vs. industry-standard systems; identify high-friction handoffs	Rationalize platforms; begin migration from bespoke to interoperable solutions Reduce manual decisioning steps	Fully connect and automate decisioning across platforms Eliminate manual handoffs between signal and action; AI-enabled leapfrogging of gaps

The Returns: Turning Volatility into ROI

As Scatter becomes a bigger force in the industry, it brings a state of play where flexibility and volatility are going-forward baseline conditions. While many traditional market characteristics persist, including the Upfronts, direct sales, and programmatic, all entry points lead to the 'Value at Velocity' Engine for returns.

Value at Velocity delivers across bottom-line metrics:

- **Improved ROAS:** Every dollar finds its highest-performing placement and with constant calibration, returns improve in real time.
- **More Efficient Campaigns:** Campaign waste shrinks and creative placement responds where it makes the most impact.
- **Better Inventory Yields and Fulfillment:** Inventory is priced, placed, and fulfilled at its peak value, not left to underperforming rates or lost moments of demand.
- **Shorter Sales Cycles:** Proposals are built faster, approved sooner, and activated without systemic delays.
- **Improved EBITDA:** Eliminated latency in decisioning and waste improves margins at each step of workflow for both sides of media.
- **Faster Decisioning:** A 'Value at Velocity' Engine continuously ingests and acts on live data, collapsing the gap between insight and action, from weeks or hours into seconds.

Value at Velocity Metrics

Questions for Executives

The future state is not distant — building the **'Value at Velocity'** Engine must be part of the here and now. The companies that lead the market will be focused on architecting their calibration competencies today.

A&M poses questions for executives to advance value realization across the advertising industry:

- Which **position on the Intelligence–Reactivity Matrix** describes your enterprise today?
- What is your plan for competing in a market where the interval between signal and required response is highly compressed — and where does your **operating model need to match that clock speed?**
- How are you building or acquiring **outcome-linked data partnerships** (POS, retail, credit card, financial) to move beyond demographic proxies to actual conversion attribution?
- Where are your greatest **data latency gaps,** and what is the opportunity cost of those delays in a market where windows close in minutes? What are the near-term hurdles to tackle?
- Which legacy systems or manual decisioning pathways create **friction between signal and action** — and where can **AI help leapfrog gaps** without a multi-year migration program?
- How are you measuring performance today, and how would you like to measure it tomorrow? What needs to change to **optimize systems, platforms, and people** to achieve it?

Moving Forward in the Black

The Scatter marketplace was once an afterthought of media; that era is over and Scatter is now a primary arena in which value will be created for both the sell- and buy-side. Companies that build their **'Value at Velocity'** Engine — outcome intelligence operating at real-time speed, across interoperable platforms, with automated decisioning paths and outcome-linked measurement — will turn market volatility into competitive advantage.

In the advertising landscape that is taking shape, black is not a fashion statement. It is the bottom line of the value-oriented calibrated enterprise.

> "The winners have not reduced scatter. They have mastered it."
>
> **A&M's Sports, Media & Entertainment Practice**

ABOUT ALVAREZ & MARSAL'S SPORTS, MEDIA & ENTERTAINMENT PRACTICE

Alvarez & Marsal's Sports, Media & Entertainment (SM&E) practice helps clients navigate growing complexity with deep industry expertise, practical solutions, and a relentless focus on results. Our team combines private equity discipline with hands-on operator experience. We include former CFOs, CIOs, presidents, and general managers from leading industry organizations who understand first-hand the challenges clients face.

The SM&E practice works alongside corporate leaders, private equity sponsors, portfolio companies, and rights holders to solve critical business challenges and accelerate performance. With capabilities that span the full business lifecycle, from strategy and operational improvement to transactions, technology modernization, data & AI, we help clients solve complex challenges and deliver measurable business outcomes with tangible P&L impact.

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"Scatter is the New Black" includes significant contribution in research and insights from **Louisa Shipnuck Jones,** Director with A&M's Sports, Media and Entertainment practice.

ABOUT ALVAREZ & MARSAL

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