

The State of Programmatic Buying

An ANA/Forrester Survey

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AdvertisingAge

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THE WALL STREET JOURNAL

Marketers Flock to Programmatic Ads Despite Concerns About Fraud and Transparency

March 2016



About the ANA



About the ANA

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Survey Methodology

- Fielded February 2016
- 128 ANA member respondents

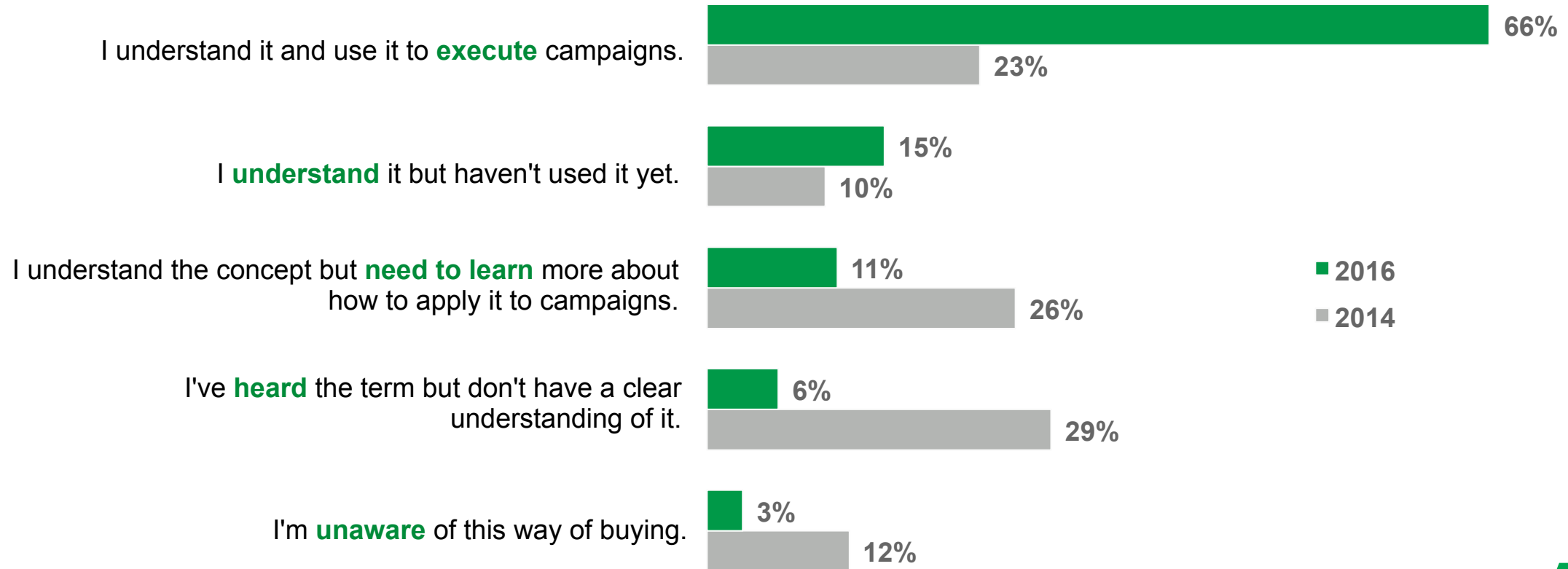
About the Respondents

- 48% w/ organization's U.S. media budget < \$100M; 52% >\$100M
- 57% director level and above
- 17 years experience

RESULTS

Programmatic buying is well understood

Please pick the statement which best describes your level of understanding of programmatic buying.

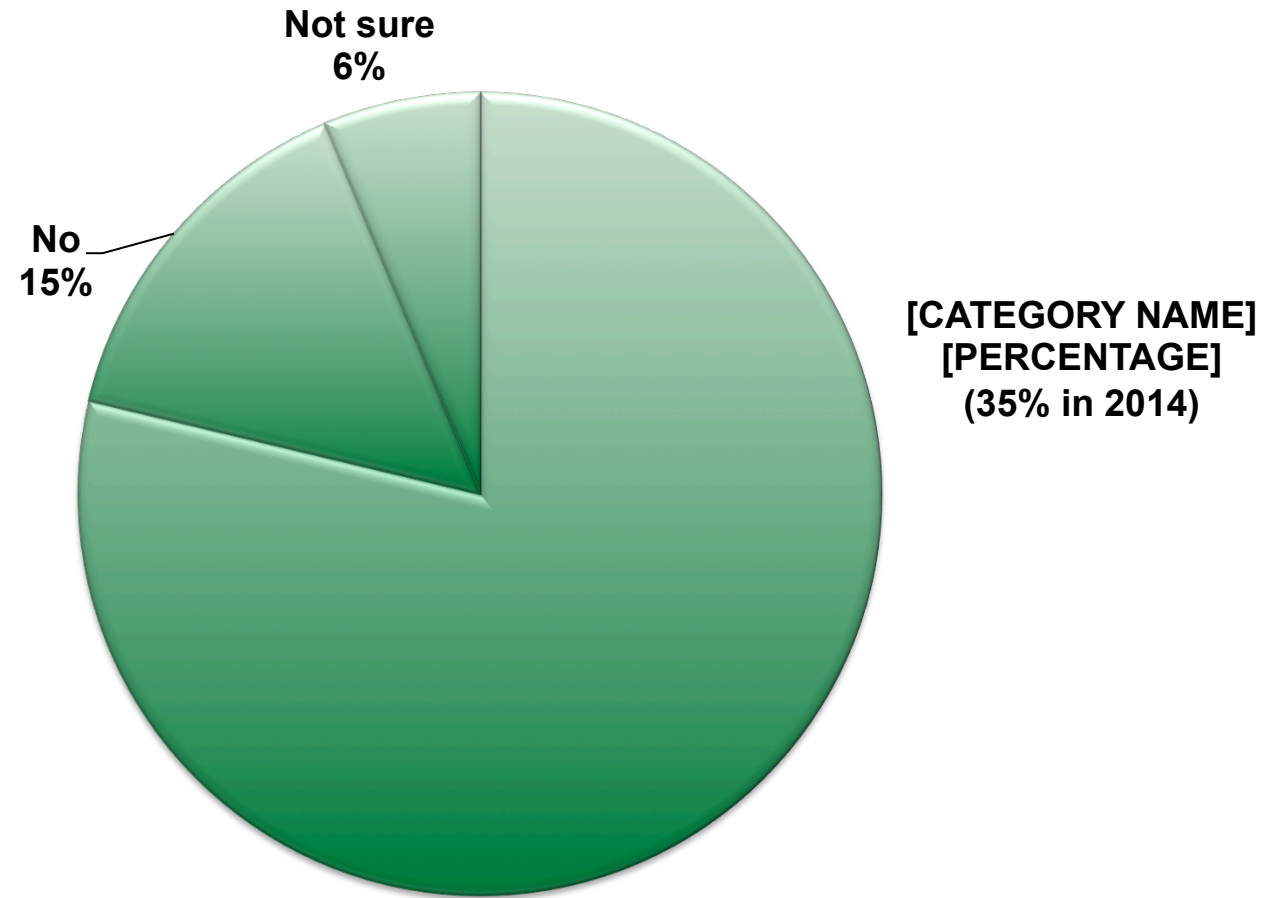


Base: 126 (2014) and 128 (2016) marketers

Sources: 2014 ANA/Forrester: Media Buying's Evolution Challenges Marketers Survey; ANA/Forrester 2016 Programmatic Media Buying Survey



Has your firm done programmatic in the last year?

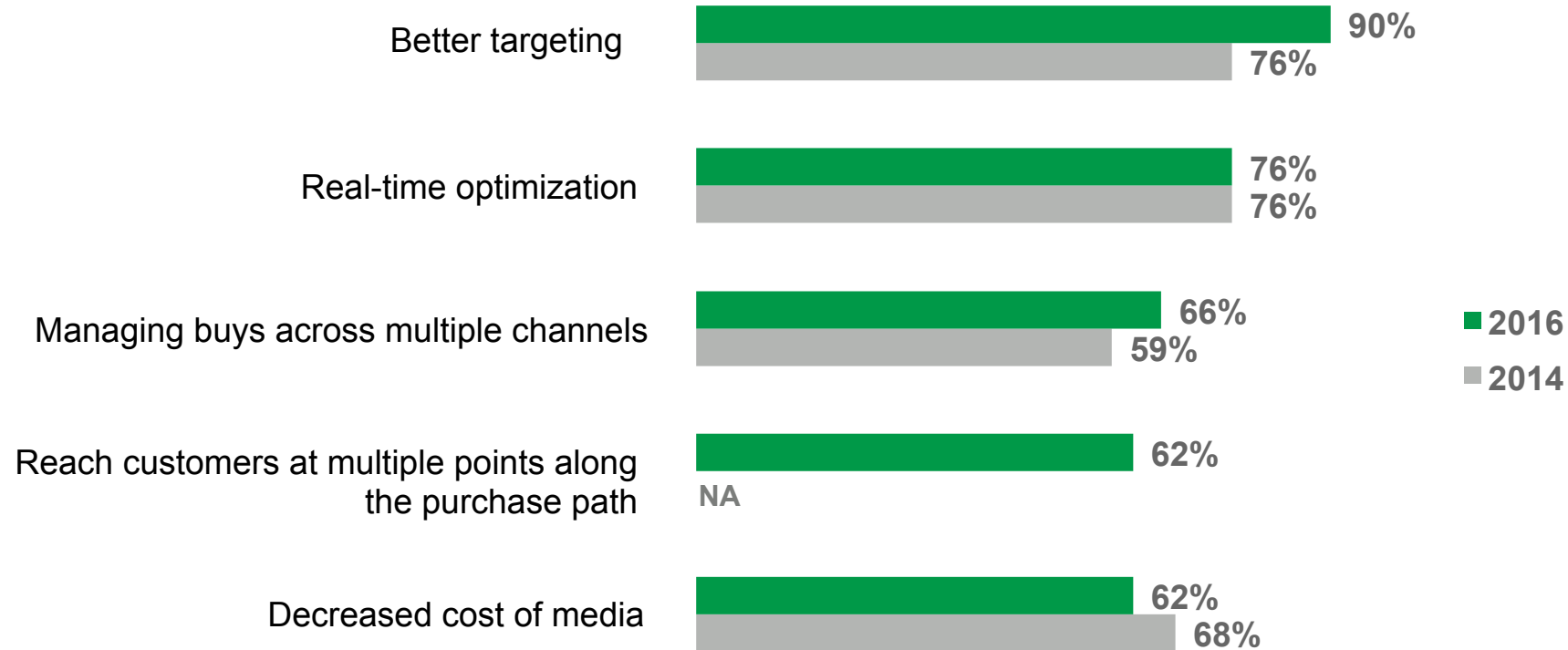


Media for Programmatic

	Past	In the
MEDIA for	Year	Next
Programmatic Buying	2016	Year
	(%)	(%)
Online Display	95	92
Online Video	81	84
Mobile Display	59	72
Mobile Video	51	69
Social Display	33	53
Online Search	28	38
Social Video	25	49
Mobile App	20	34
Television	16	32

Top benefits: targeting and optimization

In general, how important are the following potential benefits of programmatic buying?
[Percentage of responses 8 and higher on a scale from 1 (not important) to 10 (very important)].



Base: 91 (2014) and 85 (2016) marketers

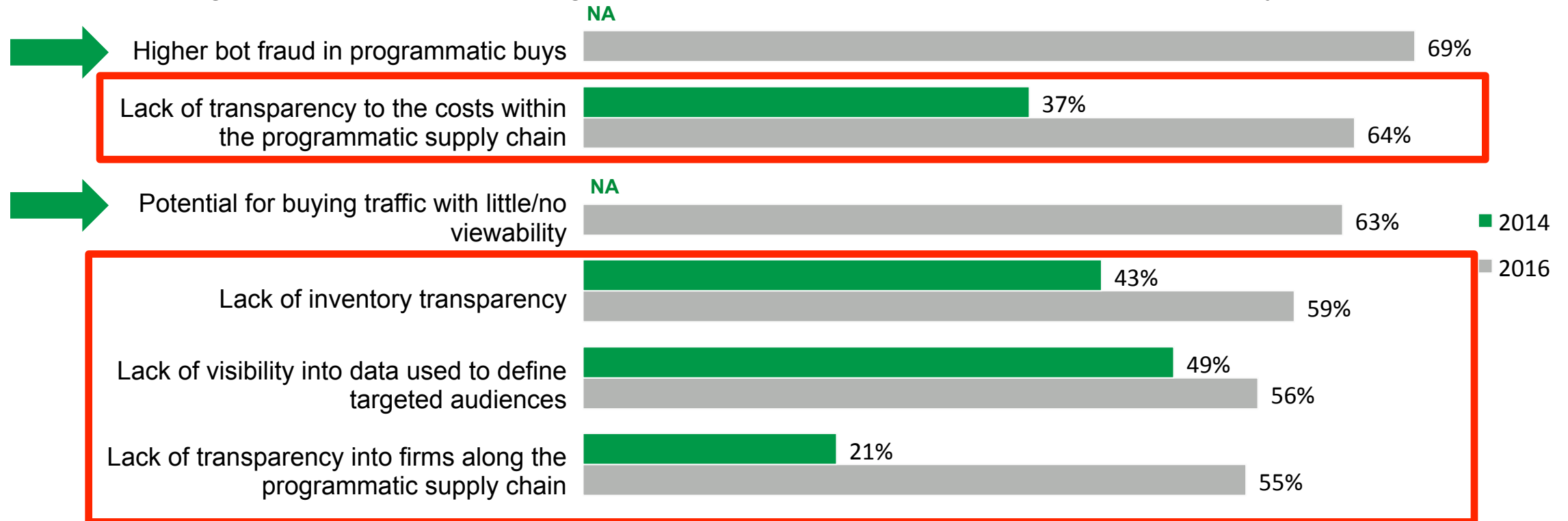
Sources: 2014 ANA/Forrester: Media Buying's Evolution Challenges Marketers Survey; ANA/Forrester 2016 Programmatic Media Buying Survey



Challenges: Bots and transparency

How significant do you consider each of the following potential challenges to your ability to use programmatic buying effectively?

[Percentage of responses 8 and higher on a scale from 1 (not important) to 10 (very important)]

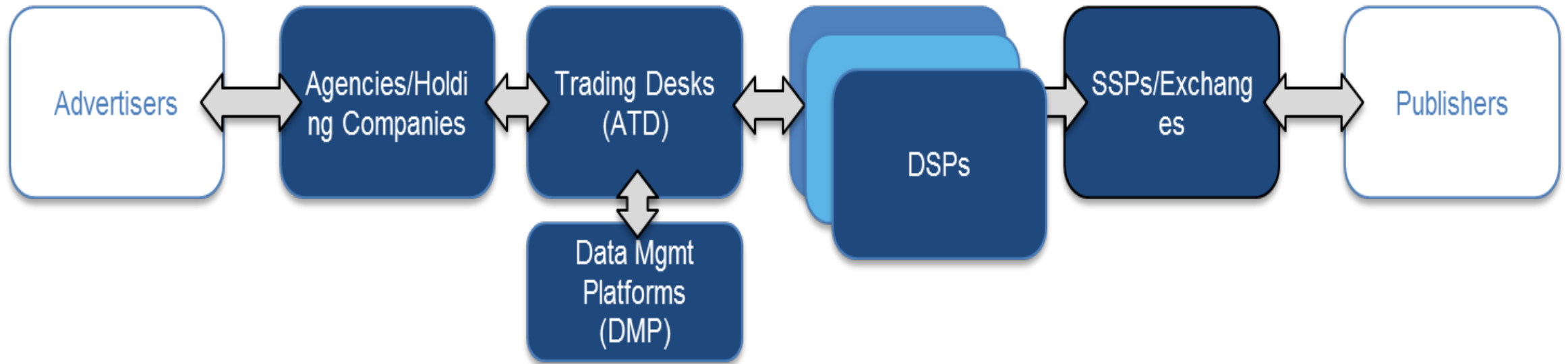


Note: not all responses shown. Base: 84 (2014) and 82 (2016) marketers

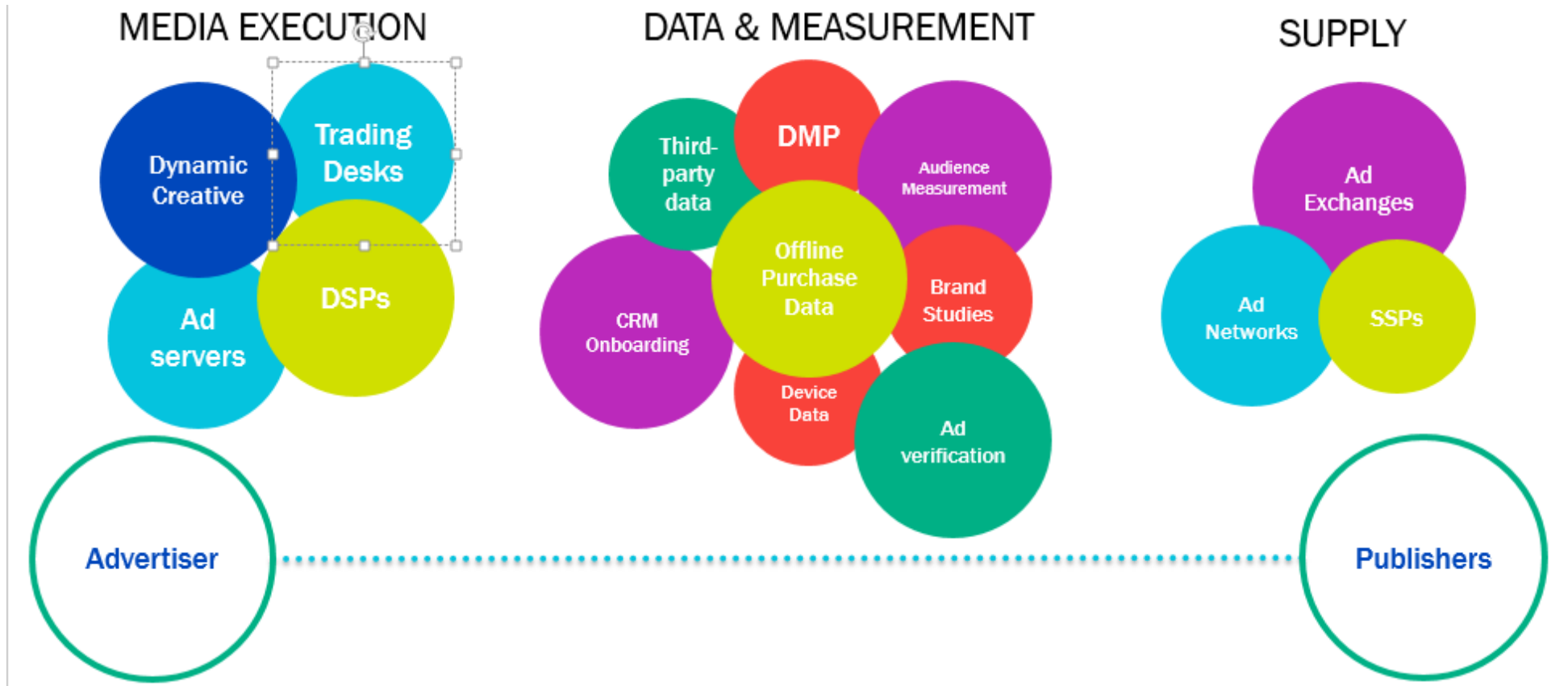
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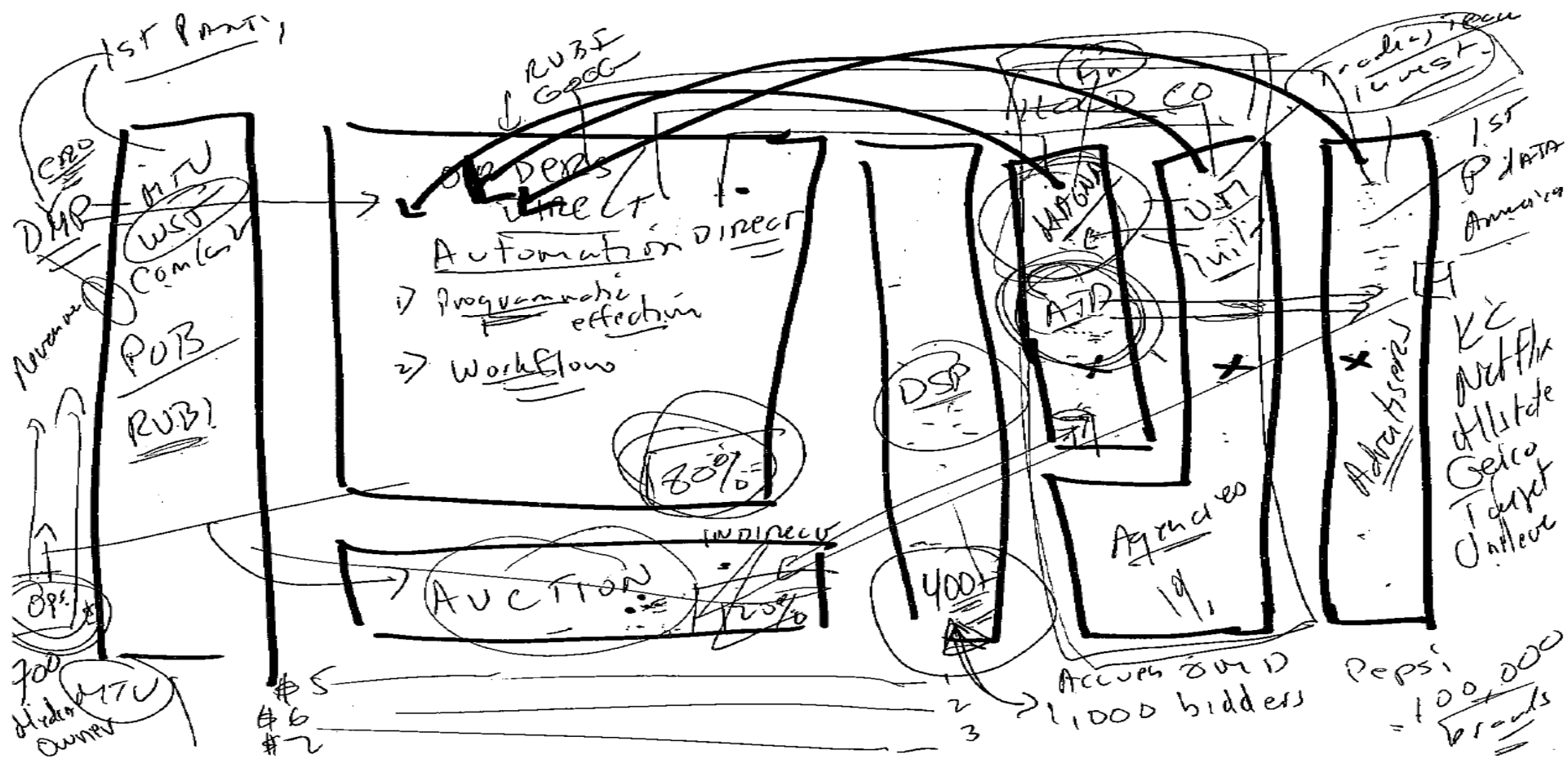
Supply Chain



Supply Chain



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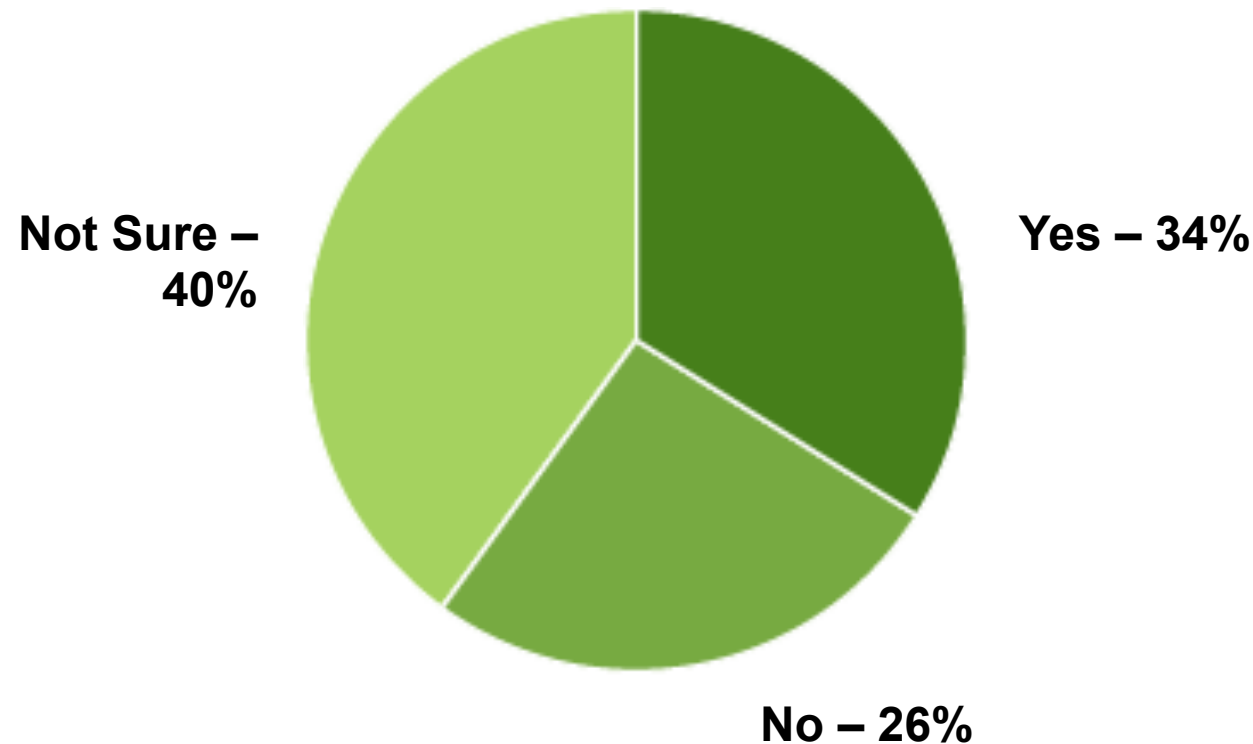


Have you used an “undisclosed” model?

- An undisclosed programmatic model typically refers to an arrangement where an agent and/or intermediary purchasing media on an advertiser's behalf does not disclose the actual closing/winning bid prices of media purchased, instead providing only a final price which includes margin and fees.
- By not disclosing the actual prices paid, margin (and potential arbitrage) are unknown and undisclosed to the client.

...as a result many lack clarity on their buy

**Q6. Have you opted into an undisclosed programmatic model with your agency/
agency trading desk?**



Base: 88 marketers whose firm has done programmatic buying in the past year
Sources: ANA/Forrester 2016 Programmatic Media Buying Survey



Why have you opted into an undisclosed model?

We leaped before we looked.

Only model currently available, but working on establishing an open model.

Feel forced into it from the agency holding group, rather than opting in.

Legacy agreement. We are currently in negotiations to unbundle the fees.

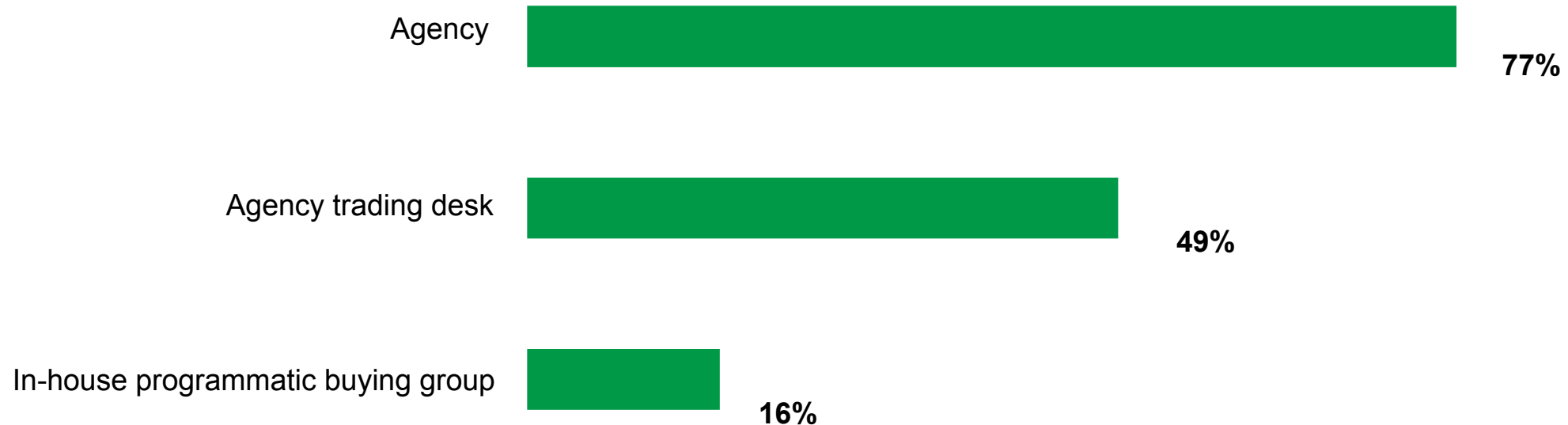
Predominantly scale – other benefits are very low fraud, big increases in KPIs and reduced costs.

What about programmatic “keeps you up at night”?



Advertisers rely on their agency for programmatic ...

Q5. Which of the following types of organizations do you use to buy media programmatically?

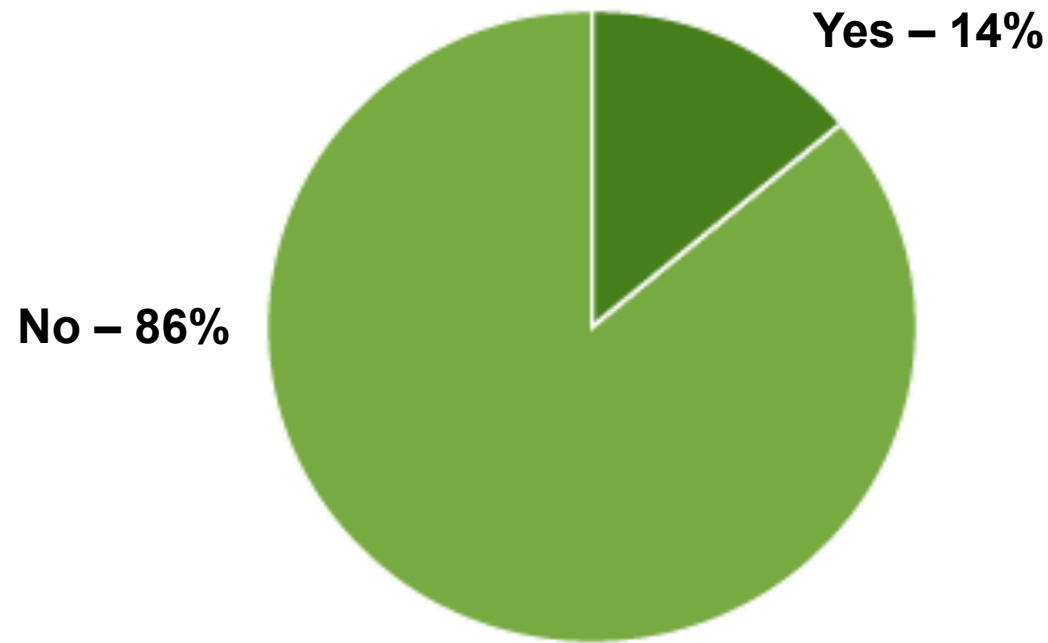


Base: 96 marketers whose firm has done programmatic buying in the past year
Sources: ANA/Forrester 2016 Programmatic Media Buying Survey



...few cut back on agency involvement

Have you reduced or eliminated the role of an external agency(s) as a result of the expansion of your in-house capabilities for programmatic buying?

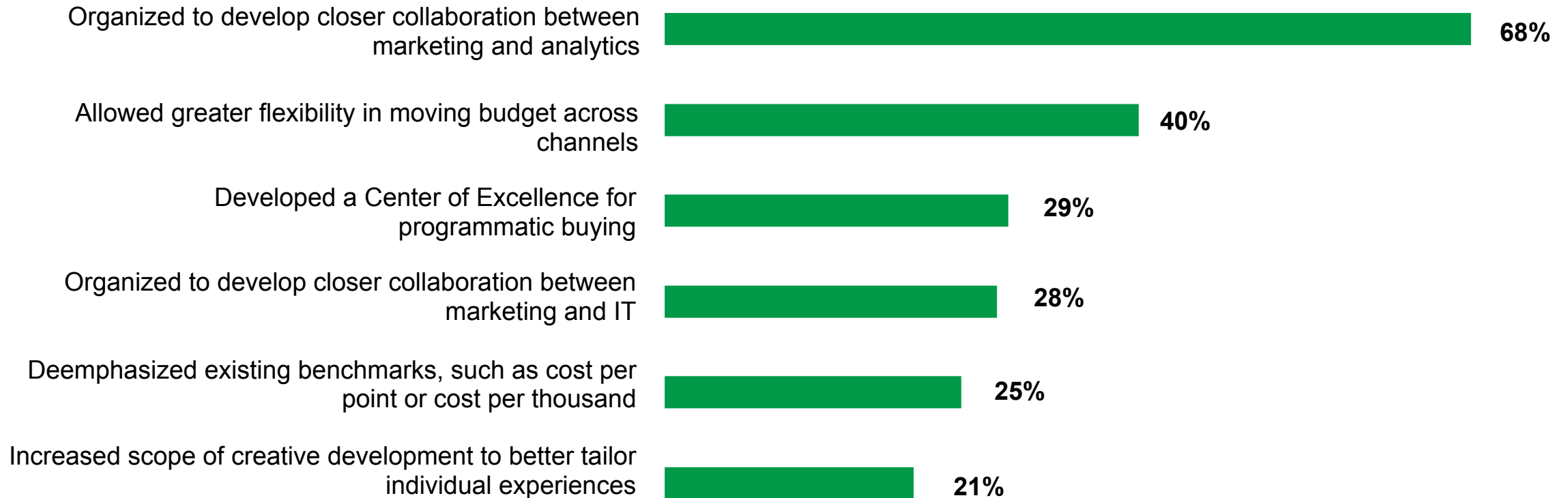


Base: 70 marketers whose firm has done programmatic buying in the past year
Source: ANA/Forrester 2016 Programmatic Media Buying Survey



A new collaboration with analytics

How has your organization adapted to incorporate programmatic buying?



Base: 68 marketers whose firm has done programmatic buying in the past year
Source: ANA/Forrester 2016 Programmatic Media Buying Survey



Marketers push for more transparency...

Which, if any, of the following actions have you taken to respond to potential concerns about the transparency of programmatic buying?



Base: 78 marketers

Source: ANA/Forrester 2016 Programmatic Media Buying Survey



...but lag on taking more control

Q10. Which, if any, of the following actions have you taken to respond to potential concerns about the transparency of programmatic buying?



Base: 78 marketers

Source: ANA/Forrester 2016 Programmatic Media Buying Survey



Questioning quality, but can do more

Which, if any, of the following actions have you taken to respond to potential concerns about the quality of media bought programmatically?



Note: not all responses shown. Base: 76 marketers
Source: ANA/Forrester 2016 Programmatic Media Buying Survey



Summary

- Programmatic's growth has been remarkable, and is expected to continue
- But it will evolve
 - Undisclosed models will likely fade
- Transparency lingers as an issue in multiple areas
 - The price of media and technology
 - Media placements
 - Targeting data
 - Agency profit

Recommendations



Advertisers: roll up your sleeves

- **Knowledge is power. Advertisers must ramp-up their programmatic intelligence**
- **Understanding the supply chain is critical.**
- **Understand the respective agency models and how agencies make money.**
- **Ask for inventory transparency. Know where your ads run.**
- **Safeguard your data.**



Additional Resources



www.tagtoday.org



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