

Programmatic Insights **2019**

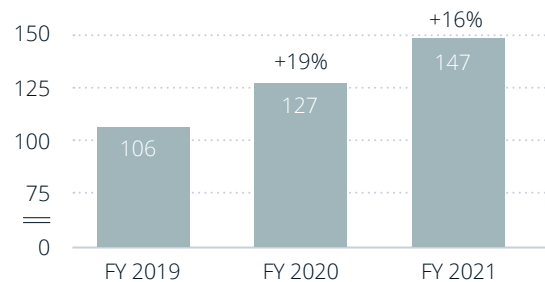
April 2020

Executive SUMMARY

According to Zenith Media, \$106 billion USD was spent through programmatic channels in 2019, representing 19% growth over the prior year. That same report anticipated continued growth in dollars shifting to programmatic this year, with up to two-thirds of all digital media being executed through automated channels.

Global Programmatic Media Spend

Zenith Media November 2019 (billions USD)



As the global leader in smart programmatic infrastructure, BidSwitch has a unique position in the digital ecosystem. Our technology facilitates more than 4,000 trading connections between 300+ DSPs and SSPs globally across all media channels and formats. Analyzing almost 50 trillion ad requests quarterly gives BidSwitch unparalleled visibility into both micro-movements taking place in the bidstream, as well as global trends shaping programmatic buying patterns. This report looks at data collected between 2018 and 2019 to present highlights into those changing dynamics, and the impact of various industry initiatives and market forces on programmatic activity.

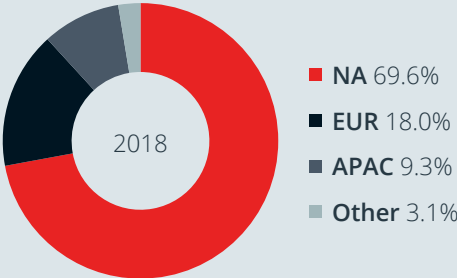
FIVE KEY TRENDS

Impacting Programmatic in 2019

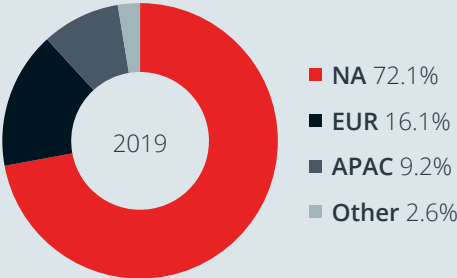
- 1** Following shifts in user consumption patterns, marketer appetite for native and mobile inventory surges, as display and desktop continue to decline.
- 2** Traditional media channels such as DOOH, Advanced TV, and Audio are continuing to go programmatic and buyers are following suit.
- 3** Agencies to media buyers are looking for more direct pathways to premium supply and industry initiatives like ads.txt and app ads.txt are improving their ability to do so.
- 4** Deals are growing in importance as buyers look to lock up brand safe premium supply with maximum pricing and fee transparency.
- 5** As the lifespan of third party cookies grows increasingly short, unsynced traffic remains undervalued, presenting opportunity for performance buyers.

North America Continues to Dominate Programmatic Spend

Programmatic Spend by Region

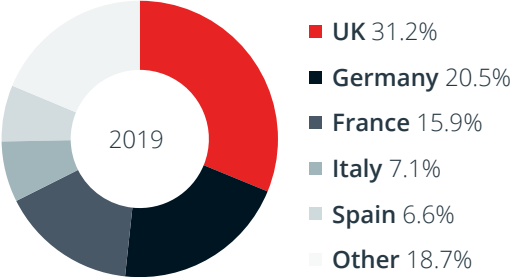


Programmatic Spend by Region

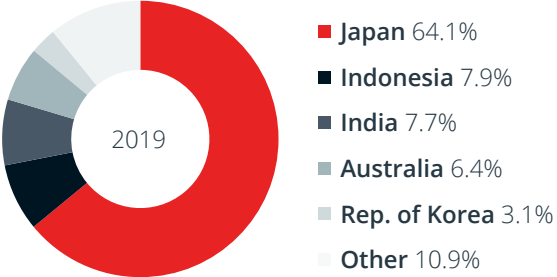


Europe and APAC spend dominated by small group of major markets

European Programmatic Spend by Country

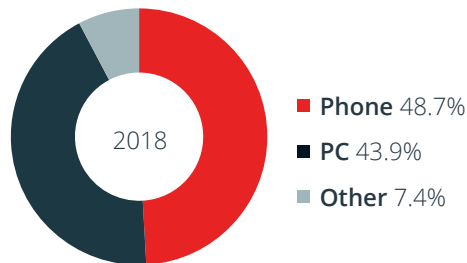


APAC Programmatic Spend by Country

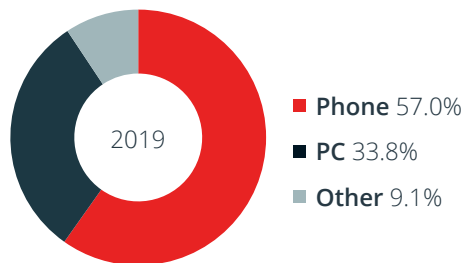


Global ad spend is increasingly mobile, as desktop continues to decline

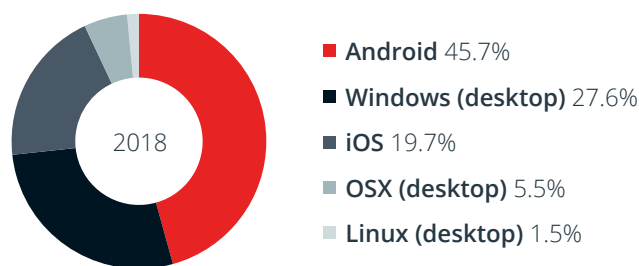
Global Spend by Device Type



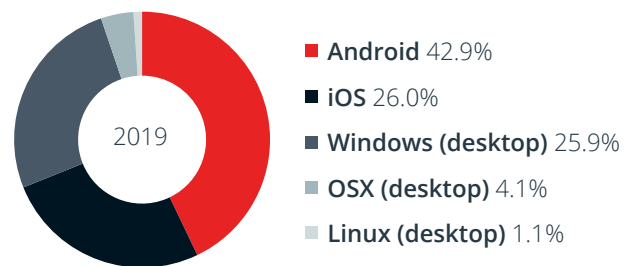
Global Spend by Device Type



Top 5 OS by Media Spend

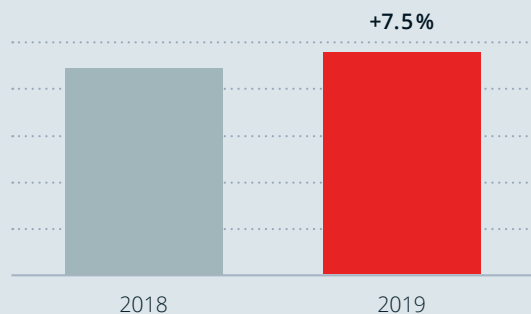


Top 5 OS by Bid Request

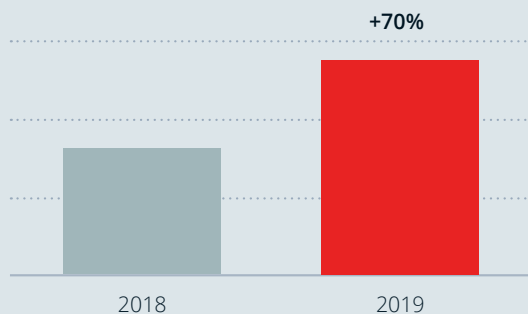


Native formats gain strength as display stagnates

Display Bid Requests



Native Bid Requests



Display inventory growth slows while native inventory surges at similar CPM levels.

Inventory for emerging channels growing as “traditional” media shifts to programmatic

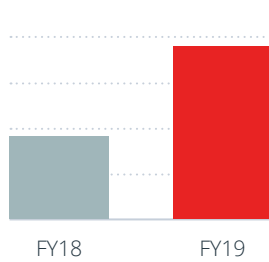
Audio Bid Requests

16% YoY growth



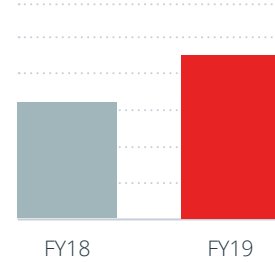
DOOH Bid Requests

107% YoY growth



Connected TV Bid Requests

39% YoY growth

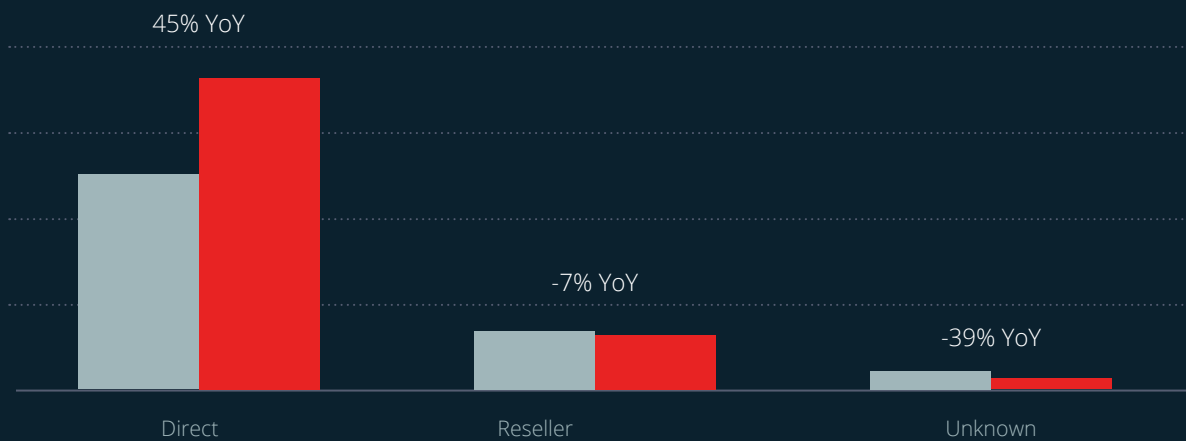


Decisioning against ads.txt grows as buyers prioritize direct paths

Direct vs Reseller ads.txt Status by Media Spend

Q4 2018 vs Q4 2019

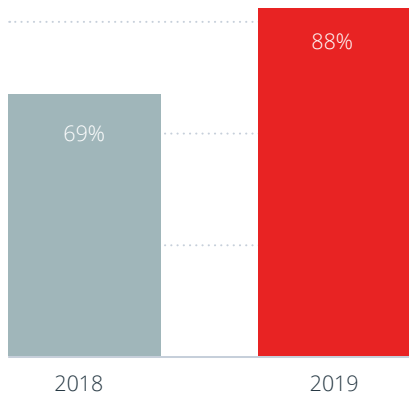
■ Q4 2018
■ Q4 2019



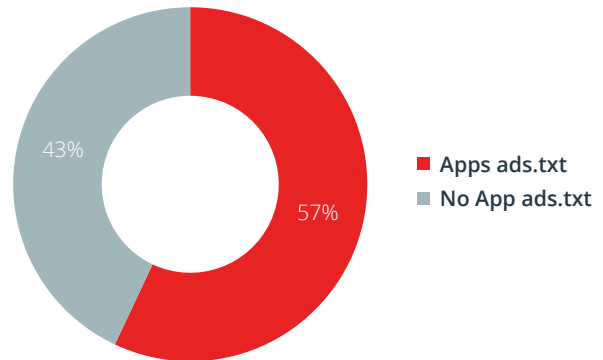
Advertisers spending less on reseller and unauthorized inventory as SPO, brand safety, and transparency concerns continue to gain hold with brands and agencies.

Publisher adoption of ads.txt almost universal while app-ads.txt plays catch up

Publishers using ads.txt
2018 vs 2019

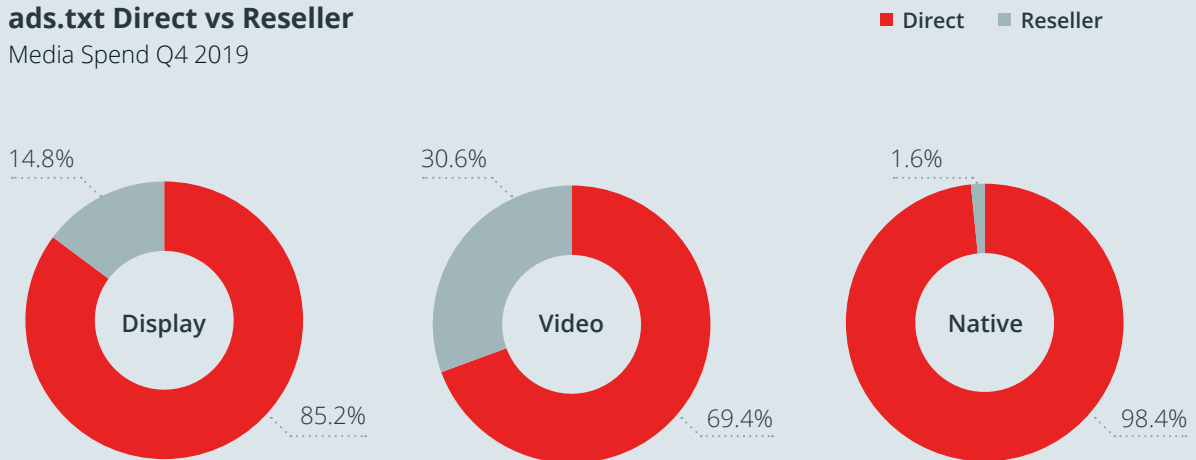


In-app publisher domains with App ads.txt
Q4 2019



Direct ads.txt buyer paths are preferred, but at varying levels across media types

ads.txt Direct vs Reseller
Media Spend Q4 2019

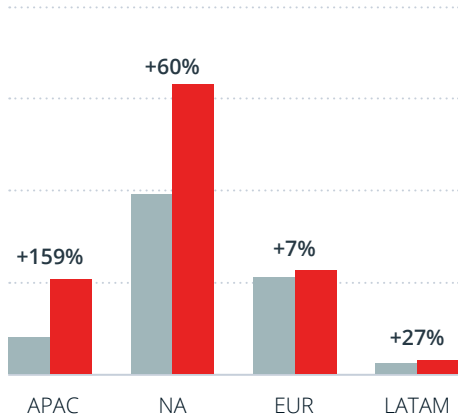


Header bidding spend and eCPMs continue to grow globally

Header Bidding Media Spend

by Region

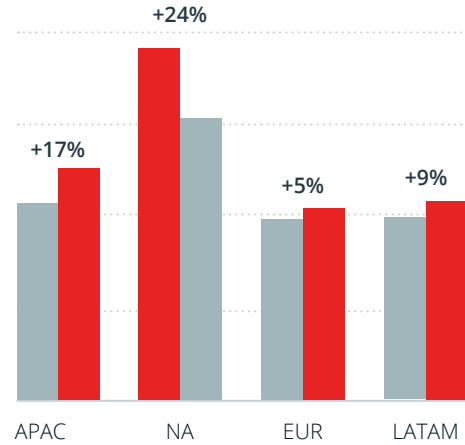
■ Q4 2018 ■ Q4 2019



Header Bidding eCPM

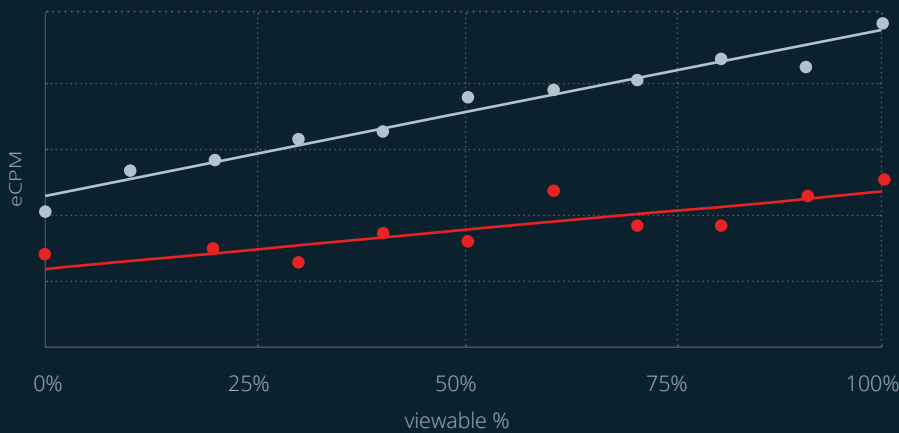
by Region

■ Q4 2018 ■ Q4 2019



High viewability is worth more to advertisers

Viewability Q4 2019



eCPMs for 100% viewable inventory were 2.5x higher than impressions with low viewability in 2019.

■ Native Viewability
■ Overall Viewability

Viewability Estimate (1 = 100% viewable)

Second price auctions experience rapid decline as first price take preference

Bid Requests

FY 2018 vs FY 2019

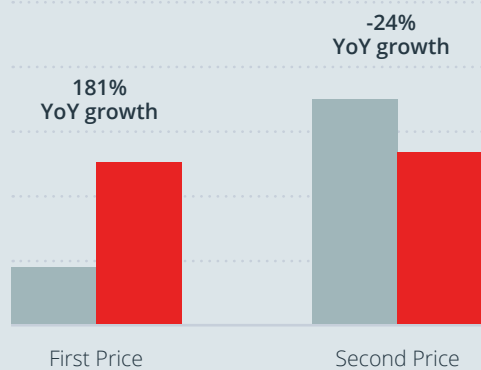
■ 2018
■ 2019



Media Spend

FY 2018 vs FY 2019

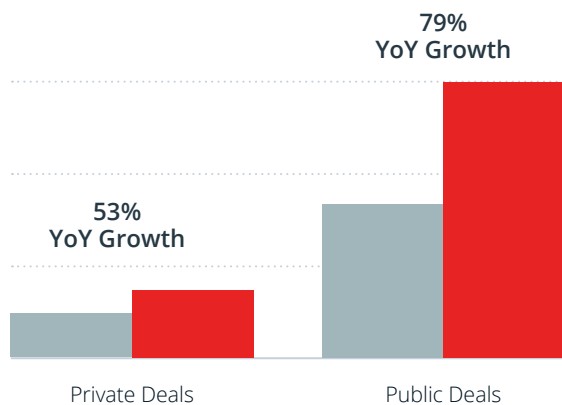
■ 2018
■ 2019



Deals surge as advertisers pay premium for transparency and pub access

Private and Public Deal Request Growth

■ FY 2018 ■ FY 2019



3.7x higher eCPM for Private Deals

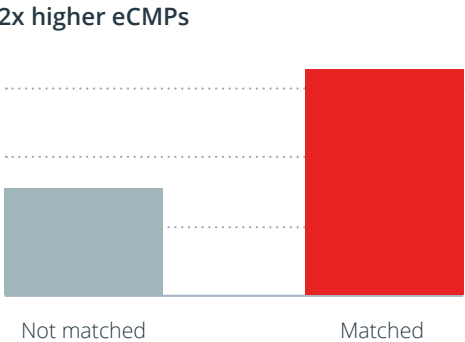
1.56x higher eCPM for Public Deals

Over OpenRTB sold inventory in 2019

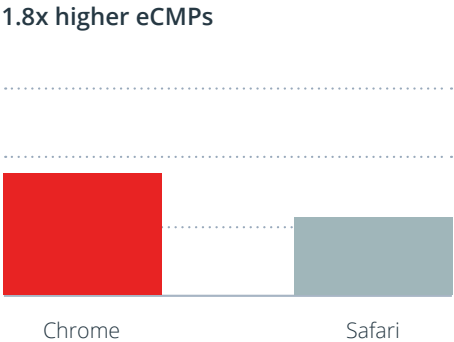
With an increased focus on transparency and privacy regulation, media buyers and sellers are looking to have more direct media transactions. eCPMs are higher for both private and public deals than ORTB, although at a lower delta than in 2018.

Cookieless traffic represents an untapped opportunity for performance buyers (or an indicator of CPMs to come)

eCMPs - Matched vs Unmatched Users



eCPMs by Browser



Bid rates for matched SSP requests are 57% higher than not matched SSP requests. The difference between Chrome and Safari CPMs has increased from .8x to 1.8x in the past year.

About BidSwitch

Engineered by IPONWEB, BidSwitch helps programmatic ad-tech and media companies overcome increasing marketplace complexity by providing partners an efficient and transparent way to manage access to supply and demand at global scale. Unlike an exchange, BidSwitch operates as a neutral, infrastructure network, intelligently routing and filtering the bidstream to ensure optimized, non-fraudulent access for buyers and sellers. Today, BidSwitch facilitates more than 350 supply and demand technology partners globally to connect and trade media across the display, mobile, video TV, native and DOOH ecosystems, all via a single standardized integration.

Visit bidswitch.com to learn more.