

REPORT – SEPTEMBER 2020

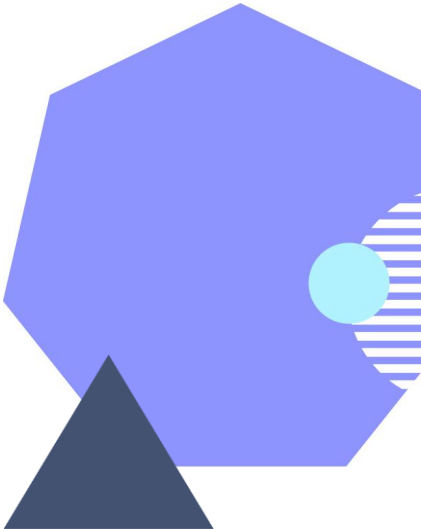


# ATTITUDES TO PROGRAMMATIC ADVERTISING 2020

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# EXECUTIVE SUMMARY

The 2020 IAB Europe Attitudes to Programmatic study highlights the following:

- Digital advertising budgets continue to increase, with programmatic once again benefitting from greater investment. The percentage of advertisers investing more than 41% of their display inventory via programmatic methods increased to 70% in 2020 from 55% in 2019.
- Video remains a key driver of programmatic investment amongst agencies; 54% of agencies now buy more than 41% of their video inventory programmatically compared to 50% in 2019.
- With the rise in advertiser investment in programmatic, ads.txt inventory purchasing is increasing, as is awareness. 52% of Publishers meanwhile said they were selling more than 81% of their ads.txt inventory.
- The trend of in-housing that the industry was talking about is now moving in the opposite direction as advertisers with an in-house model have decreased from 38% (2019) to 20% (2020)
- Now, the buy-side continues to evolve towards hybrid models. In 2019, 15% of advertisers stated that they had a hybrid model for programmatic trading. This has increased to 30% in 2020.

As first reported last year, most buy-side decision-makers agree that data and targeting efficiencies drive their programmatic investments. Concurrently, as publishers look to evolve their activation and measurement solutions not reliant on cookies, nearly half (48%) cite data as driving their programmatic investments and strategies, a 10% increase over last year.

Advertisers also want access to media at a lower cost while agencies want access to premium inventory. Ad tech vendors are working to meet the demands of both. To alleviate cost concerns, nearly two thirds of ad tech vendors report making investments to offer a fully transparent business model. To satisfy agencies, just over half of ad tech vendors are buying premium inventory at scale.

Looking at the barriers to programmatic adoption, it's not surprising that supply chain transparency ranks as the primary concern for advertisers. With advertisers reporting the need for greater control of inventory and at a lower cost, they are demanding transparency and clarity around technology fees from their partners.

We have also seen publishers increase their focus on demand path optimization this year driven by an opaque supply chain, publishers want to know how their supply is being offered vs their competitors’.

It’s encouraging to see that there’s been a significant drop in brand safety reported by advertisers and publishers. Sales KPIs continue to be the key metrics for evaluating programmatic campaigns. Brand metrics such as brand awareness and purchase intent have also increased amongst advertisers and agencies suggesting more brand campaigns are being delivered through programmatic mechanisms.

The number of agencies looking at contextual targeting as a solution given the impact of data protection regulations and browser cookie controls has increased from 57% in 2019 to 71% in 2020.

Nearly 90% of agencies are also using first-party data compared to 80% in 2019. There has also been an increase in the use of third-party data amongst agencies; 84% in 2020 compared to 77% in 2019.

As far as growth areas are concerned, one clear winner stood out across all others: Connected Television (CTV).

We all know 2020 has brought new challenges to the digital advertising industry. A surprising silver lining has been the resilience the programmatic landscape has demonstrated, by turning these difficult times into insight-fuelled opportunities. This “Attitudes to Programmatic Advertising” study is an excellent compilation of those insights and future opportunities as we look ahead.

**David Goddard,**  
**Senior Director**  
**Business**  
**Development**  
**Solutions EMEA,**  
**DoubleVerify &**  
**Chair of IAB Europe**  
**Programmatic**  
**Trading Committee**

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*I'm always excited when this time of the year comes around as it is time for the annual Attitudes to programmatic survey to be released. It truly is a finger on the pulse of the European digital market and each year the survey really does flesh out the key concerns and opportunities that impact all of digital marketing. It enables the committee and the wider industry to devise new and amend current strategies to tackle key issues or take advantage of opportunities for the next year to come. I hope you all enjoy reading this year's report on the survey findings and draw out insights that will help you plan for future growth.*

# 1. INTRODUCTION

In order to understand the status of programmatic adoption across Europe on both the buy-side and sell-side of the digital advertising industry, IAB Europe's Programmatic Trading Committee developed the Attitudes to Programmatic Advertising survey in [2015](#). Now in its sixth year, the study has become an industry benchmark to show how programmatic advertising attitudes, adoption and strategies are evolving.

The survey attracted respondents who command significant volumes of advertising supply and demand. More than half of the respondents across advertisers, agencies and publishers manage annual advertising budgets of €1m or above.

The survey asked about the following areas:

- How much programmatic is used for different formats (display, mobile and video)
- Drivers and barriers to programmatic investment
- Operational models used for programmatic
- Measurement and data strategy
- The future of programmatic investment

The report, written by industry experts from IAB Europe's membership, forms part of a comprehensive programme of pan-European educational and guidance outputs published by the [IAB Europe Programmatic Trading Committee](#). Other outputs that may be of interest:

- [Industry Guide to SPO](#)
- [Transparency Guide for the Digital Advertising Supply Chain](#)
- [Header Bidding and Auction Dynamics White Paper](#)
- [Programmatic Mobile White Paper](#)
- [Key considerations for buy-side and sell-side programmatic strategies](#)
- [Using Data Effectively in Programmatic White Paper V2.0 with GDPR updates](#)

The previous versions of the Attitudes to Programmatic report can be accessed via the following links:

- [2019](#)
- [2018](#)
- [2017](#)
- [2016](#)
- [2015](#)

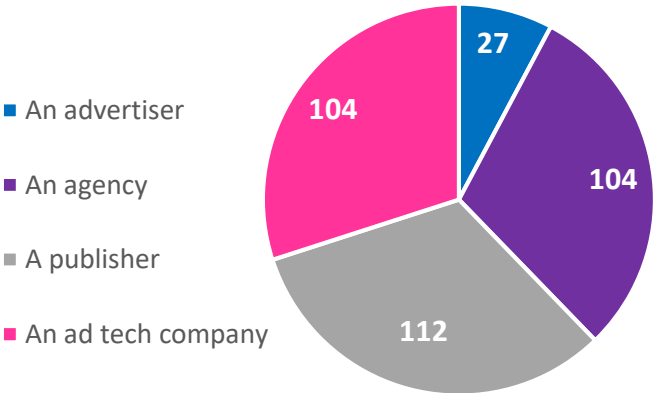
# 2. METHODOLOGY

An online survey was used with the help of the national IAB network to ensure a representative sample across European markets. The survey received approximately 350 respondents between May and July 2020. The responses came from advertisers, agencies, publishers and ad tech vendors in 31 markets and respondents with both pan-European and Global remits.

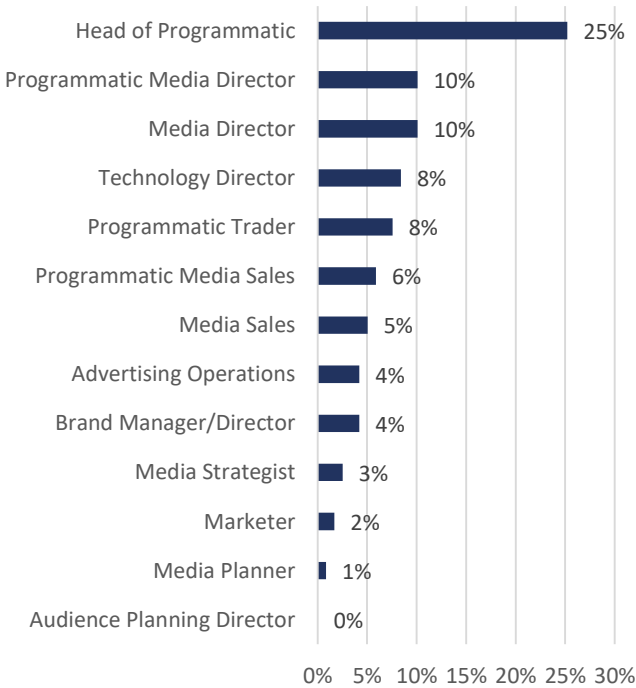
The majority of respondents were programmatic or media buying specialists.

IAB Europe members can access the full data set by contacting Helen Mussard (contact details at the back of this report).

**Figure 1**  
Breakdown of respondents by stakeholder type



**Figure 2**  
Respondents job roles



# 3. CURRENT ADOPTION & STRATEGIES

## Investment

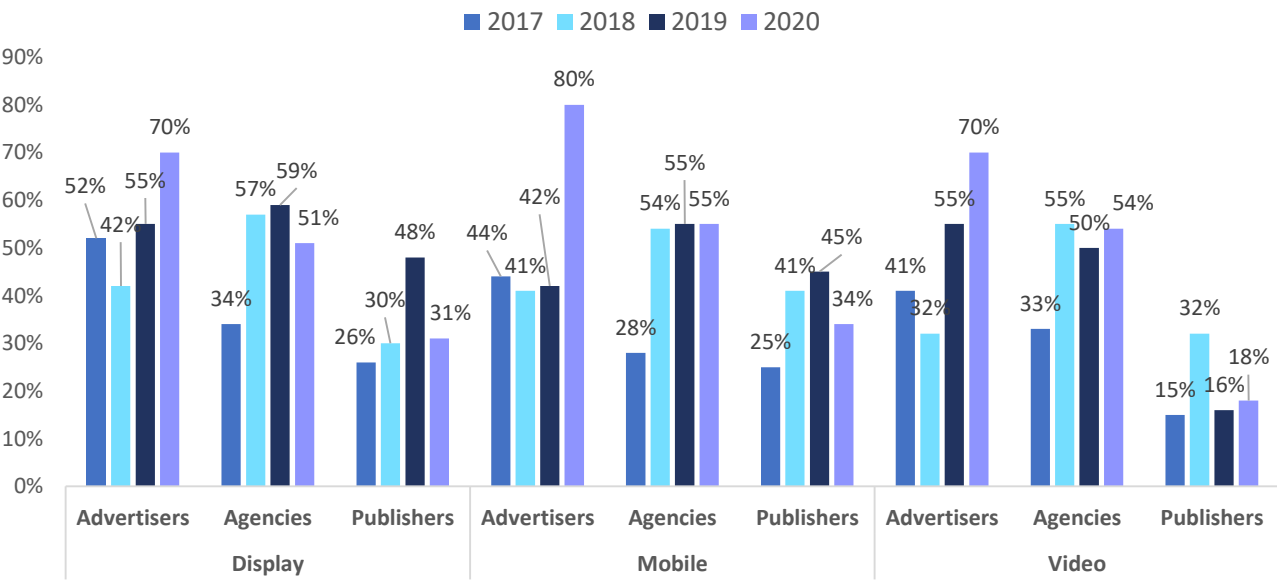
Digital advertising budgets continue to increase, with programmatic once again benefitting from greater investment. The percentage of advertisers investing more than 41% of their display inventory via programmatic methods increased to 70% in 2020 from 55% in 2019.

Whilst the overall number of agencies trading mobile inventory via programmatic methods has remained stable, the number trading the majority of their mobile inventory via programmatic has increased.

When looking at mobile, we see that the number of advertisers buying over 41% of their mobile inventory via programmatic channels has almost doubled since 2019 – 80% in 2020 compared to 42% in 2019.

Video remains a key driver of programmatic investment amongst agencies; 54% of agencies now buy more than 41% of their video inventory programmatically compared to 50% in 2019.

**Figure 3**  
Percentage of stakeholders that use programmatic to buy / sell more than 41% of their display, mobile video inventory



### 3. CURRENT ADOPTION & STRATEGIES

There has also been an increase in the amount of video inventory that both advertisers (70% in 2020; 55% in 2019) and publishers (18% in 2020; 16% in 2019) have traded programmatically.

There has also been an increase from agencies with 54% of agencies now buying more than 41% of their video inventory via programmatic in 2020 compared to 50% in 2019.

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Agathe Rakowicz,  
Global Director,  
Programmatic  
Business, Outbrain

*As advertisers and agencies confirmed in the survey this year, the key driver to invest in programmatic is access to premium inventory, and in 2020, this only became more important. The rising adoption of programmatic in native advertising has proven to follow this industry trend, offering a path to access high-trust, premium environments but with new and engaging native ad experiences. Advertisers who once looked mainly at display strategies, historically focused on impression and viewability, are diversifying inventory sources with native advertising campaigns to focus on clear and measurable outcomes in the form of clicks, engagement, and conversions.*



### 3. CURRENT ADOPTION & STRATEGIES

#### Transaction Types

Where it is traded programmatically, video is mainly traded through private marketplaces (PMP). 50% of advertisers and 38% of agencies state that the majority of their video advertising is bought via a PMP. This is a significant increase from last year when just 16% of advertisers and 20% of agencies stated that the majority of their video advertising is bought via a PMP. A third of publishers are also using automated guaranteed for accessing video and display inventory. The figures drawn out from figure 4 further highlight the usage of PMPs for advertisers and agencies :

- 40% of advertisers are using PMPs for buying more than 41% of their display inventory (32% in 2019); 40% also using PMPs for buying more than 41% of their mobile inventory (26% in 2019)

- Agencies have also increased their use of PMPs for display inventory; 43% now use a PMP to buy more than 41% of their display inventory compared to 35% in 2019
- 41% of agencies now use a PMP to source more than 41% of their mobile inventory compared to 26% in 2019

Agencies have also increased their use of open auctions for more than 41% of their display inventory (57% in 2020 vs. 40% in 2019)

Open auctions are mostly used for trading display inventory, with 57% of agencies, 40% of advertisers and 60% of publishers using an open auction to buy or sell more than 41% of their display inventory.

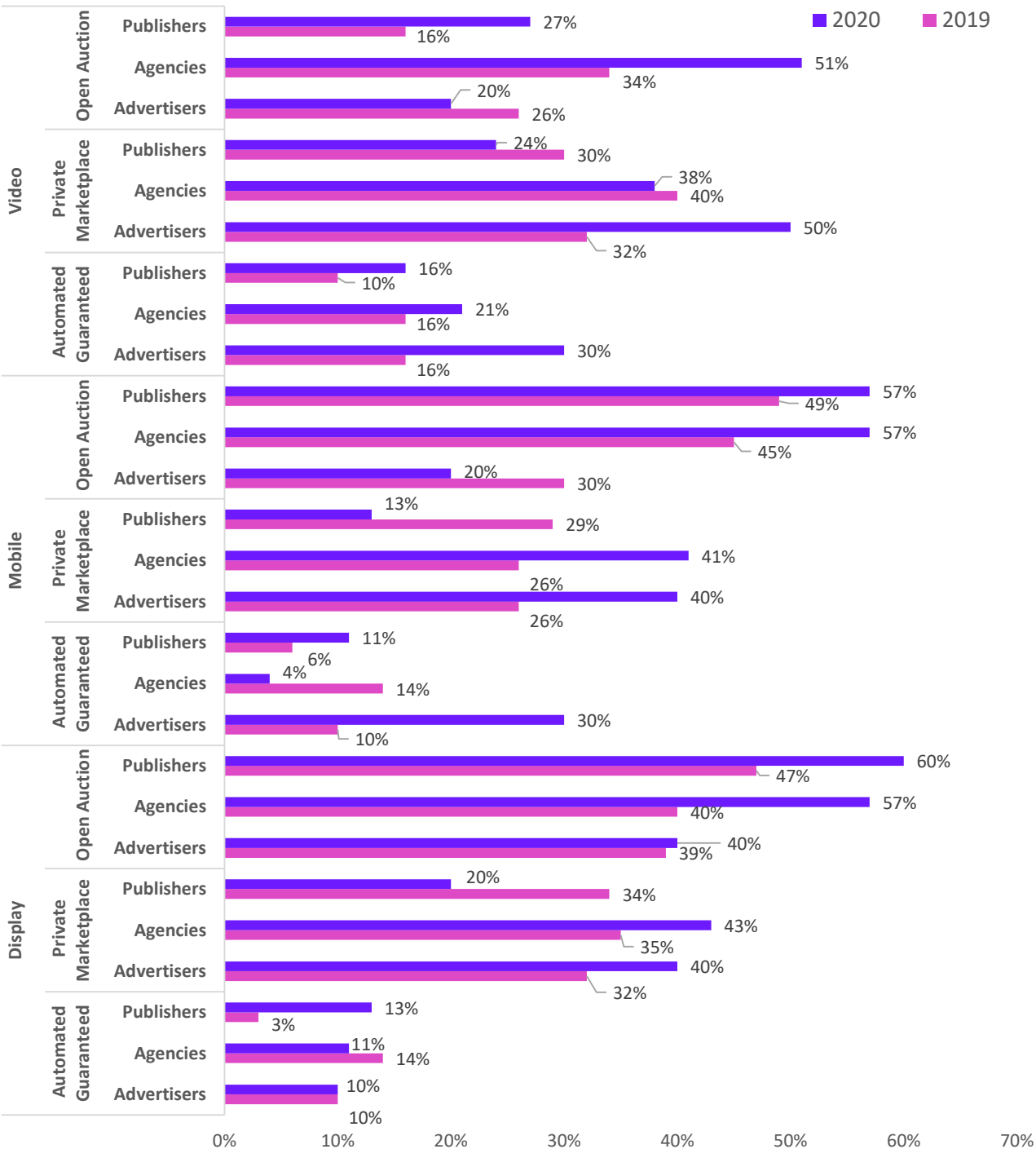
Lisa Kalyuzhny,  
Director  
Advertising  
Solutions,  
PubMatic

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*The rising level of interest in PMPs and the ever-increasing ad inventory availability across the web, in-app and OTT is prompting many in the industry to call for more education around the future of PMPs. The fundamental drivers of the growth of PMPs is the ability to create a fair value exchange that benefits both advertisers and publishers and the ability to fully customise deals.*

# 3. CURRENT ADOPTION & STRATEGIES

**Figure 4**  
Percentage of stakeholders that use the following transaction types buy / sell more than 41% of their display, mobile and video inventory



# 3. CURRENT ADOPTION & STRATEGIES

## Connected TV (CTV)

For the first time, respondents were asked about the percentage of their overall programmatic advertising budgets that were invested in CTV. 60% of agencies and advertisers said they were investing less than 20% and 73% of publishers said they were not investing anything.

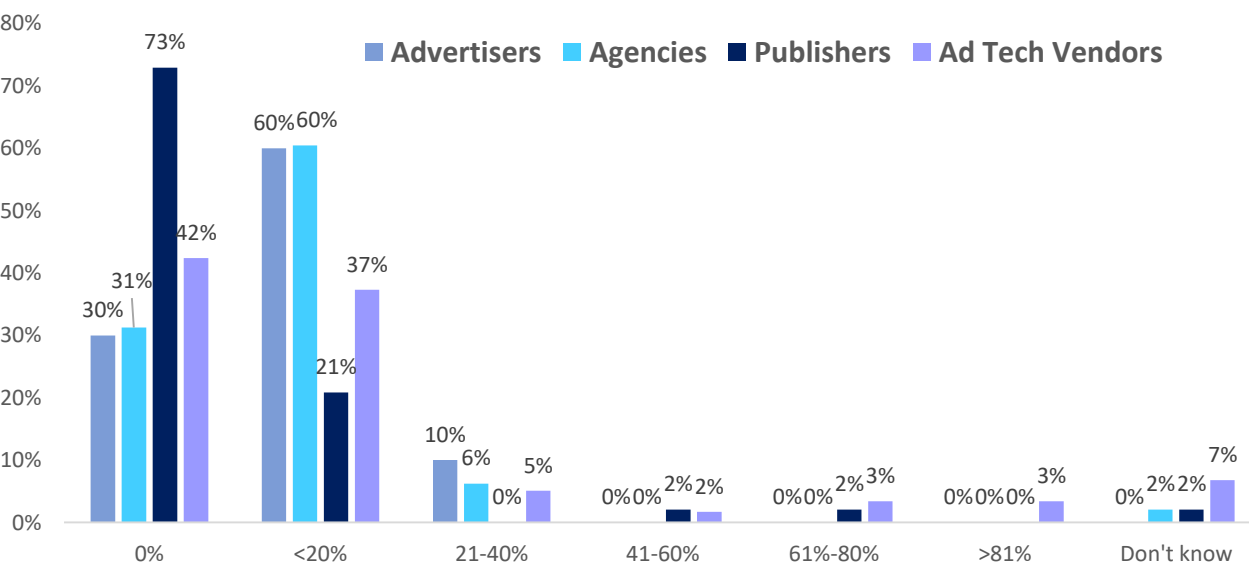
Despite the relatively low investment in CTV as a percentage of overall programmatic investment, consumption of OTT content is on the rise with CTV being one of the fastest growing environments for consumers to access this content.

In addition, CTV is the only way to reach two critical audiences on the household's biggest screen:

- **Cord-cutters:** Households looking to watch TV on their own schedule.
- **Cord-nevers:** Digitally native audiences that reject legacy linear TV outright.

According to eMarketer, CTV ad spend is expected to reach \$8 billion this year and continue to grow with estimates of over \$17 billion by 2024. Following US trends from 2019, which invariably make their way over to EMEA, OTT viewership is measured to be as high as 62% of the population, and growing.

**Figure 5**  
Percentage of stakeholders overall programmatic advertising budgets that are invested in CTV.



# 3. CURRENT ADOPTION & STRATEGIES

Increase in demand for OTT is not restricted to the US; demand is also surging globally in both established and emerging markets. This increase in consumer demand for OTT is fuelling a paradigm shift in global linear TV advertising spend. Marketers are following the trend in how consumers watch long-form video content, and are allocating more of their media budgets to OTT platforms like CTV.

## Challenges in CTV

eMarketer estimates that almost 60% of CTV inventory will be bought programmatically by 2021. With more inventory bought through intermediary platforms, the risk of fraud rises. Fraud follows ad spend — especially within emerging channels, where standards have yet to be established and demand outstrips supply. In Q1 2020, DoubleVerify detected a 161% increase year-over-year in fraudulent CTV traffic. Further, DV identified more than 500 fraudulent CTV apps in 2019 alone.

Advertisers need to be able to detect and prevent fraudulent activity that can have a significant, adverse impact on program success and return on media investment.

## Ads.txt Inventory

With the rise in advertiser investment in programmatic, ads.txt inventory purchasing is increasing, as is awareness. 42% of agencies state that they are buying more than 81% of ads.txt inventory compared to 26% in 2019. Advertiser investment in ads.txt was split for 2020 with 30% citing they were not buying, 20% citing they were buying less than 20% and 20% citing they were buying 61%-81%.

52% of Publishers meanwhile said they were selling more than 81% of their ads.txt inventory. Whilst this was a small drop from the 2019 figures where 56% said they were selling more than 81%, overall publisher inventory supply remains high.

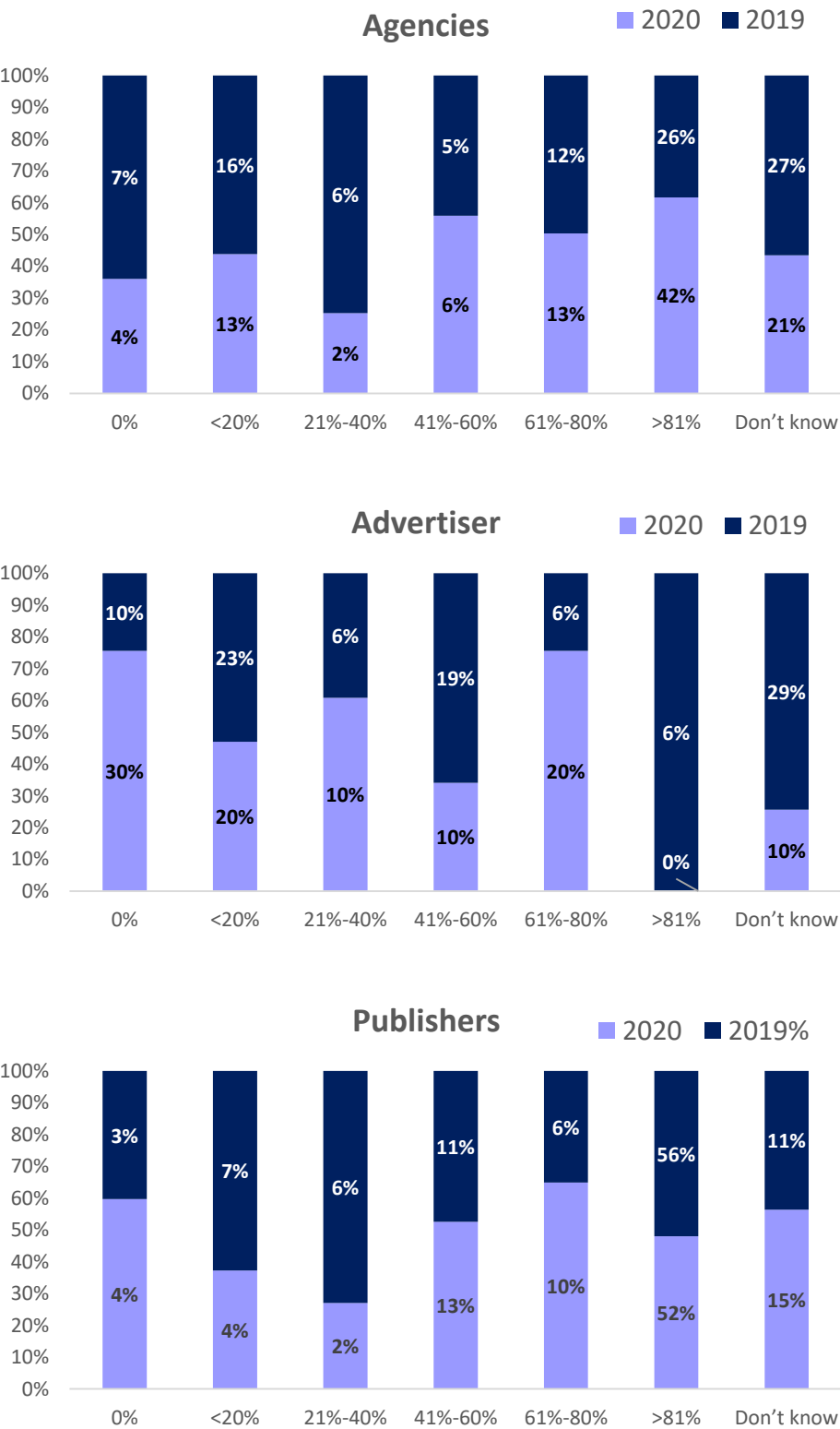
## App-Ads.txt Inventory

21% of agencies and 15% of publishers are buying / selling more than 81% app-ads.txt inventory whilst 40% of advertisers don't know what percentage of app-ads.txt inventory they are buying.

The education of ads.txt and app-ads.txt needs to continue in 2021 with a particular focus on advertisers, especially considering the trend of in-housing and growing hybrid models.

# 3. CURRENT ADOPTION & STRATEGIES

**Figure 6**  
Percentage of ads.txt digital advertising that stakeholders are buying / selling



# 3. CURRENT ADOPTION & STRATEGIES

## Sellers.json Inventory

Awareness of adoption of sellers.json is low. For the first time we asked about the percentage of sellers.json inventory that ad tech vendors are seeing traded via their platforms and 47% said they didn't know, whilst 23% of respondents said it was >41%.

Sellers.json is designed to enable a greater level of supply chain transparency through the attitudes to programmatic flags as a barrier investment every year. A published and accessible sellers.json file allows the identity of the final seller of a bid request to be discovered (assuming that they are ads.txt authorized).

**So what should buyers do?** Buyers should continue to target inventory sold through ads.txt and app-ads.txt channels, cutting out misrepresented inventory by buying through authorized channels. Buyers can review supply chain objects and verify identifiers within sellers.json files. This supply path to transparency will support more confident programmatic spend.

## Operational Models

The trend of in-housing that the industry was talking about is now moving in the opposite direction as advertisers with an in-house model have decreased from 38% (2019) to 20% (2020), as has the number of agencies with an in-house trading desk decreased from 66% in 2019 to 50% in 2020.

Now, the buy-side continues to evolve towards hybrid models. In 2019, 15% of advertisers stated that they had a hybrid model for programmatic trading. This has increased to 30% in 2020. Similarly, 15% of agencies stated that they had a hybrid model for programmatic trading. This has increased to 35% in 2020.

In-housing challenges reside around skill sets and technology, which the hybrid model appears to address. More agencies (70%) cite 'hiring people with the right skill set' as the main challenge of their in-house strategy than in 2019 (47%). Programmatic budgets have increased rapidly in recent years creating high demand for programmatic expertise & skills, additionally advertisers hiring directly places more demand upon the talent marketplace.

### 3. CURRENT ADOPTION & STRATEGIES

Another factor could be the number of agencies with in-house trading desks decreasing, impacting the new programmatic talent streams as agencies have less concern about training and ability to adapt to the rapidly evolving technology and landscape. Further, 64% of agencies that don't have an in-house model cite 'difficulty in hiring people with the right skill set' as the key barrier to not developing an in-house model so far.

Similarly, 50% of advertisers not considering an in-house model cite 'difficulty in hiring people with the right skill set' and 'difficulties in training people adequately' as key barriers.

However, the trend towards hybrid models and in-housing looks likely to continue, as more than two thirds of advertisers (67%) are looking to increase their operational control and reduce media costs by bringing programmatic in-house.

Publishers are taking more control of their programmatic buying. In 2020, 71% of publishers said they were buying more than 81% of their programmatically bought display advertising in-house, compared to 65% in 2019.

Publishers are also concerned with hiring the right skill sets (40%), but see campaign optimisation (40%) and assessing and vetting technology partners (40%) as equal challenges. Technology challenges prevail with publishers as more than two thirds (67%) of those without an in-house strategy, and not considering one, cite both difficulties in understanding the technology requirements and keeping up with changing technology as the key reasons.

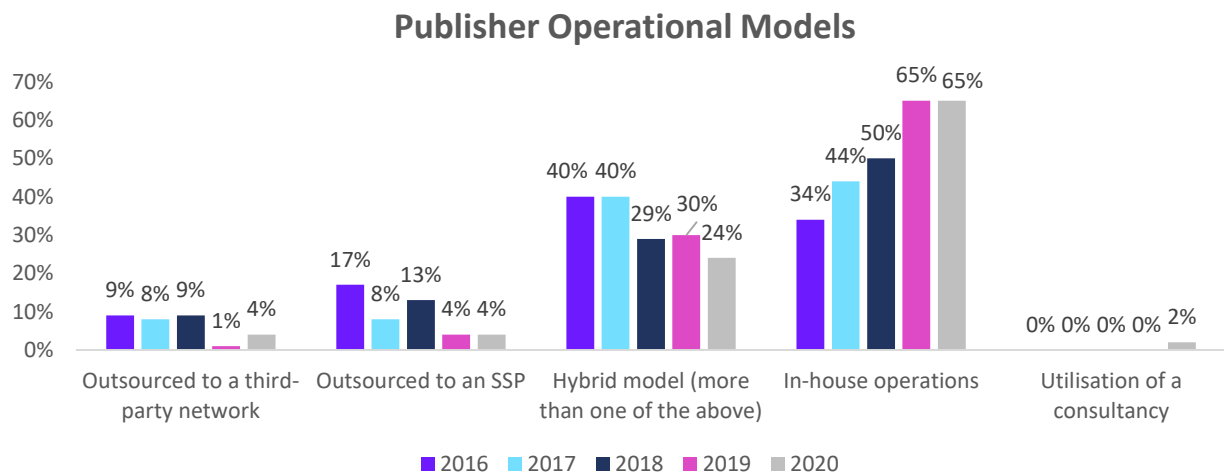
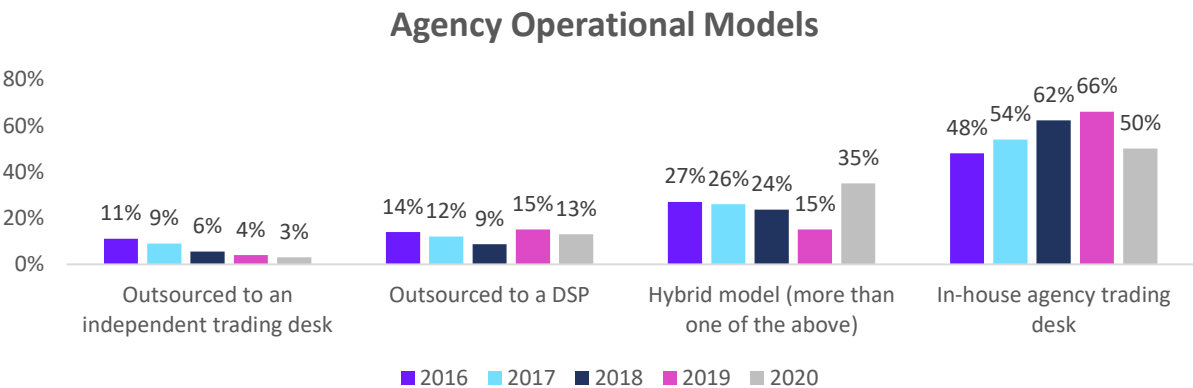
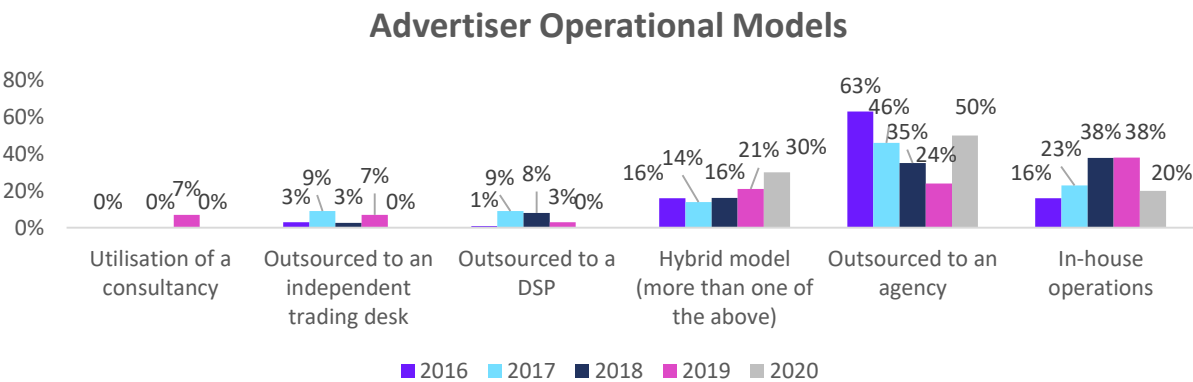
Over the past few years, we've been assessing the impact that consultancies are having on programmatic adoption. Industry stakeholders appear to see the value, as all advertisers that responded, and a third of publishers, are also considering using an external consultancy.

The drivers for all stakeholders to manage programmatic in-house and hybrid models are related to the desire for increased control of data, operations and better ROI. It looks like these drivers are not going away and this trend is likely to continue on its meteoric rise.

# 3. CURRENT ADOPTION & STRATEGIES

## Operational models - graphs

**Figure 7**  
Operating models by stakeholder





### 3. CURRENT ADOPTION & STRATEGIES

**Figure 8**

Stakeholders with an in-house strategy – top 3 drivers

Advertisers		Agencies		Publishers	
Gain greater transparency on who is spending money on campaigns	100%	Increase operational control	50%	Better monetisation of inventory	70%
Gain greater transparency on who earns money on campaigns	50%	Deliver brand campaigns at scale more effectively	45%	Benefit from a more efficient sales and ad operations process	47%
Address brand safety concerns	50%	Better ability to access audience insight	45%	Gain greater transparency on who is spending money on campaigns	27%
Integrate programmatic with other in-house teams like CRM, customer service etc.	50%			Reduce technology costs	27%

**Figure 9**

Stakeholders with an in-house strategy – top 3 barriers

Advertisers		Agencies		Publishers	
Training people adequately	50%	Hiring people with the right skill set	70%	Hiring people with the right skill set	40%
Campaign optimisation	50%	Training people adequately	45%	Campaign optimisation	40%
Campaign measurement	50%	Data quality	40%	Assessing and vetting technology partners	40%
Assessing and vetting technology partners	50%				
Data quality	50%				

# 4. DRIVERS & BARRIERS

## Drivers of Programmatic Investment

### Data & Targeting Driven Investments

As first reported last year, most buy-side decision-makers agree that data and targeting efficiencies drive their programmatic investments. Among advertisers, ‘better use of data’ was the number one reason. Since last year it has become much more impactful. Jumping from 69% in 2019 to 80% in 2020. Whereas for those at the agencies, the majority cited ‘targeting efficiencies’ is their number one driver.

At least three quarters of agency buyers agree that data, and the targeting efficiencies which data enables, will continue to guide programmatic decision-making but this sign of weakening confidence suggests that the industry needs to solve for growing data

complexities. This is especially true as we look ahead to the expansion of privacy-focused regulations including Google deprecating third party cookies by 2022 and Apple announcing the default opt-out of IDFA with the release of iOS 14 in September.

Concurrently, as publishers look to evolve their activation and measurement solutions not reliant on cookies, nearly half (48%) cite data as driving their programmatic investments and strategies, a 10% increase over last year. As buyers want to transact programmatically, so the client demand for this remains the number one reason for publishers to invest in programmatic.

Ad tech vendors are also leading with a data-driven strategy. Sixty one percent say better use of data drives their investments.

**Figure 10**  
Stakeholders top drivers for programmatic investment

	Advertiser		Agency		Publisher	
	2019	2020	2019	2020	2019	2020
Targeting efficiencies	69%	70%	78%	80%		
Better use of data	69%	80%	86%	75%	38%	48%

# 4. DRIVERS & BARRIERS

## Driving Efficiency, Control, and Access are also Important to Programmatic Decision-Making

Furthering the conversation around supply path optimisation, control of media and inventory has become more important to buy-side decision-making in 2020. Trading and operational efficiencies are also more likely to have an impact on investments this year versus last, especially among the agencies but also among publishers.

Advertisers want access to media at a lower cost while agencies want access to premium inventory.

More agencies are now driven by the ability to gain access to premium inventory at scale (43% in 2020 compared to 36% in 2019)

Ad tech vendors are working to meet the demands of both. To alleviate cost concerns, nearly two thirds of ad tech vendors report making investments to offer a fully transparent business model. To satisfy agencies, just over half of ad tech vendors are buying premium inventory at scale.

Trading and operational efficiencies have been more important to publishers than ever. In 2020, there's been a 20% increase (from 28% in 2019) in publishers citing this as a key driver for investment.

**Figure 10**  
Stakeholders additional top drivers for programmatic investment

	Advertiser		Agency		Publisher	
	2019	2020	2019	2020	2019	2020
Trading / operational efficiencies	34%	40%	34%	63%	28%	48%
Increased granular control of media / inventory	31%	50%	31%	55%	20%	26%
Gaining access to premium inventory at scale	34%	20%	34%	43%		
Lower cost of media	28%	60%	28%	30%		

## 4. DRIVERS & BARRIERS

**Figure 11**

Full Data Set - Drivers of programmatic investment by stakeholder 2017-2020

													Ad Tech	
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	2019	2020
Lower cost of media	22%	38%	28%	60%	28%	29%	36%	30%	N/A	N/A	N/A	N/A	N/A	N/A
Targeting efficiencies	71%	68%	69%	70%	75%	73%	78%	80%	N/A	N/A	N/A	N/A	N/A	N/A
Better use of data		62%	69%	80%		72%	86%	75%		42%	38%	48%	67%	61%
Maximising media value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	37%	34%	41%	48%	N/A	N/A
Trading / operational efficiencies	29%	35%	34%	40%	60%	42%	46%	63%	34%	30%	28%	48%	N/A	N/A
Gain competitive advantage	29%	24%	24%	10%	38%	46%	30%	20%	48%	30%	27%	20%	43%	45%
Increased value of inventory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51%	39%	39%	N/A	N/A
Delivery of brand advertising campaigns at scale to target audience	40%	27%	55%	40%	44%	36%	38%	38%	N/A	N/A	N/A	N/A	N/A	N/A
Gaining access to premium inventory at scale	23%	19%	34%	20%	28%	24%	36%	43%	N/A	N/A	N/A	N/A	57%	N/A
Delivering audiences via programmatic mobile	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25%	20%	18%	9%	35%	16%
Reaching audiences via programmatic mobile	26%	35%	28%	30%	35%	27%	24%	20%	N/A	N/A	N/A	N/A	N/A	N/A
Increased engagement via programmatic video	49%	24%	24%	20%	21%	20%	22%	8%	21%	15%	21%	11%	36%	33%
Agency recommendation	17%	14%	17%	10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Client demand	N/A	N/A	N/A	N/A	29%	24%	30%	28%	71%	54%	55%	61%	N/A	N/A
Increased granular control of media / inventory	48%	24%	31%	50%	41%	50%	50%	55%	29%	34%	20%	26%	N/A	N/A
Offering a fully transparent business model	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65%	65%
Offering / buying premium inventory available at scale	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51%

## 4. DRIVERS & BARRIERS

### Key Barriers to Programmatic Investment

A number of barriers to programmatic investment remain at the forefront this year, faced by advertisers, agencies, publishers and ad tech vendors.

Supply chain transparency increased as a concern among advertisers and publishers that is reflective of the growing interest in supply path optimisation (SPO) and the desire to work with fewer vendors and only those that deliver value. Of note, ad tech vendors have also cited this as a barrier, with 47% of them noting transparency as a barrier to investment – perhaps due to increased margin compression among intermediaries and the perceived commoditisation of supply by programmatic buyers.

With advertisers reporting the need for greater control of inventory and at a lower cost, it's not surprising that supply chain transparency ranks as their primary concern, seeing a significant increase over last year (60% in 2020; 38% in 2019).

Different buying and selling platforms measure impressions and creative rendering differently, which can create a lack of clarity around technology fees.

supply chain, advertisers seek transparency and publishers also want to know how their supply is being offered vis a vis their competitors'.

Interestingly, there was an increase in advertisers concerned about data protection (14% in 2019; 50% in 2020). This may be due to the depreciation of third party cookies meaning advertisers are now having to look down different avenues to find their audiences. 90% of advertisers and 74% of agencies now leverage their first party data and over 70% are now turning to contextual data as a viable targeting solution (in 2019 contextual targeting circa 57%)

Agencies and publishers still have concerns around identifying the financial benefits of programmatic with the cost of tech and identifying a clear understanding of the impact of programmatic on total revenue cited as barriers.

# 4. DRIVERS & BARRIERS

**Figure 12**  
Stakeholders top barriers to the adoption of programmatic trading

	Advertiser		Agency		Publisher	
	2019	2020	2019	2020	2019	2020
Quality of data	31%	<b>40%</b>	36%	<b>58%</b>	24%	<b>22%</b>
Constraints regarding third-party cookies (NEW IN 2020)		<b>30%</b>		<b>38%</b>		<b>41%</b>
Data protection concerns	14%	<b>50%</b>	28%	<b>15%</b>	28%	<b>22%</b>
Cost of data	21%	<b>0%</b>	12%	<b>33%</b>	6%	<b>20%</b>
Cost of technology	31%	<b>10%</b>	31%	<b>40%</b>	27%	<b>48%</b>

## Complexities of Data Challenges Programmatic Trading

While data remains a leading driver to programmatic investments, its reported influence among agencies has declined since last year. This is due in part to growing concerns about the use and future of data as it relates to campaign planning, optimisation, and reporting. For agency stakeholders, the quality of the data they are using is of chief concern. Fifty percent of advertisers report data protection concerns as being obstacles to programmatic trading, compared to just 14% last year.

Forward-looking publishers recognise the growing uncertainty as to how campaigns will be executed and optimised in a world without cookie tracking. Publishers cite constraints around third-party cookie use as the leading barrier to programmatic trading today.

Overall, both the buy-side and sell-side appear willing to invest in data. Not one advertiser indicates cost of data as being a challenge to their programmatic investments.

# 4. DRIVERS & BARRIERS

The price of data, while not a chief concern, has become more of a challenge this year for publishers and agencies. Cost of technology remains the greater concern for these two cohorts. Ultimately, good quality data will be worth the cost to publishers and agency buyers who are reliant on it for effective campaign activation and measurement.

It's encouraging to see that there's been a significant drop in brand safety reported by advertisers and publishers.

This could indicate industry advancements in these areas but also the acknowledgement that fraud protection and brand safe environment are not unique, but rather industry standards for programmatic partners to deliver and guarantee.

However, brand safety still remains the same level of concern for agencies. This is to be expected with their role in continuing to raise awareness to all parties to ensure brand safe environments for their clients.

**Figure 13**  
Stakeholders additional barriers to the adoption of programmatic trading

	Advertiser		Agency		Publisher	
	2019	2020	2019	2020	2019	2020
Supply chain transparency	38%	60%	34%	33%	37%	46%
Having a clear understanding of the impact of programmatic trading on total revenue	41%	30%	43%	33%	18%	30%
Fraud	31%	20%	34%	30%	30%	34%
Brand Safety	34%	10%	28%	28%	27%	9%

# 4. DRIVERS & BARRIERS

## Talent is Less of Concern in 2020

Stakeholders have become more confident in the ability of the talent pool. 24% of publishers report hiring people with the right skillset as a barrier to programmatic, compared to 48% last year. The trend can also be seen with advertisers and agencies, each reporting a lower percentage in the 2020 study. However, agency buyers are still twice as concerned than advertisers with talent acquisition.

1-in-3 on the ad tech side consider talent acquisition a leading barrier.

## Key Business impacts

For both agencies and advertisers, the leading business impact of programmatic is reduced media wastage through greater control and targeting.

the data and the target audience underscores the importance of supply path optimisation, and the efficiencies that buyers are looking to gain through their programmatic investments.

Similarly to last year, better targeting, less wastage, access to media at a lower rate and greater campaign flexibility were the key reasons cited by advertisers and agencies. These efficiencies were also representative of the responses from the ad tech vendors.

For publishers, while efficiencies were the number one impact of programmatic investment, it was also helping them achieve a greater return on their inventory by helping them increase the value of their media. Over half report increased trading efficiencies as being the leading business impact of programmatic trading.

**Figure 14**  
Percentage that talent acquisition is a barrier to adoption of programmatic trading

	Advertiser		Agency		Publisher	
	2019	2020	2019	2020	2019	2020
Hiring people with the right skill set	24%	20%	43%	40%	48%	24%



## 4. DRIVERS & BARRIERS

**Figure 15**

Full Data Set - Barriers of programmatic investment by stakeholder 2017-2020

	Advertiser				Agency				Publisher				Ad Tech	
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	2019	2020
Hiring people with the right skill set	43%	32%	24%	20%	52%	29%	43%	40%	46%	46%	48%	24%	45%	33%
Training people adequately	34%	38%	28%	30%	42%	25%	36%	25%	37%	38%	37%	28%	28%	18%
Cost of technology	42%	35%	31%	10%	29%	29%	31%	40%	48%	39%	27%	48%	20%	29%
Cost of data	26%	16%	21%	0%	20%	20%	12%	33%	20%	17%	6%	20%	6%	10%
Quality of data	34%	27%	31%	40%	53%	38%	36%	58%	27%	32%	24%	22%	31%	27%
Data protection concerns		24%	14%	50%		24%	28%	15%		30%	28%	22%	41%	29%
Supply chain transparency		35%	38%	60%		56%	34%	33%		41%	37%	46%	48%	47%
Selecting and setting up the right technology	26%	11%	24%	30%	22%	32%	18%	8%	37%	31%	24%	17%	31%	22%
Having a clear understanding of the impact of programmatic trading on total revenue	23%	35%	41%	30%	30%	25%	43%	33%	43%	32%	18%	30%	30%	31%
Brand safety	37%	24%	34%	10%	44%	49%	28%	28%	33%	27%	27%	9%	32%	16%
Fraud	46%	30%	31%	20%	40%	32%	34%	30%	33%	27%	30%	24%	42%	14%
Viewability	14%	24%	17%	30%	30%	24%	14%	8%	22%	17%	18%	17%	27%	16%
Creative optimisation	9%	11%	14%	10%	15%	10%	15%	10%	10%	4%	3%	9%	3%	8%
Campaign performance	11%	19%	21%	10%	18%	17%	16%	13%	14%	18%	11%	7%	8%	8%
Campaign measurement and reporting	20%	27%	17%	20%	2%	33%	14%	13%	16%	11%	15%	13%	21%	12%
Constraints regarding third-party cookies (NEW IN 2020)				30%				38%				41%		18%



# 5. MEASUREMENT & DATA STRATEGY

Programmatic measurement continues alignment with non-programmatic. The majority of all stakeholders use the same success metrics for programmatically traded display campaigns as those traded non-programmatically.

Sales KPIs continue to be key metric for evaluating programmatic campaigns. 49% of agencies cite sales KPIs as the top metric used for evaluating programmatic campaigns. Brand metrics such as brand awareness and purchase intent have also increased in use amongst advertisers and agencies suggesting more brand campaigns are being delivered through programmatic mechanisms. 40% of advertisers are using purchase intent compared to 25% in 2019.

programmatic buyers are taking advantage of efficient programmatic pricing to optimise toward conversions.

Publishers showed a bias toward transactional metrics, with 54% of publishers citing CPM as the most significant KPI.

For the first-year advertisers and publishers’ primary focus for programmatic campaigns has shifted to viewability, with agencies also viewing this as a high priority. In large part this can be attributed to an overarching shift in the market due to the third-party cookie depreciation and the need for advertisers to find new ways for targeting consumers.

**Figure 16**  
Top 3 metrics used by stakeholder

Advertisers		Agencies		Publishers	
Purchase intent	40%	Sales KPIs	49%	Level of viewability	54%
Level of viewability	40%	Brand awareness	38%	Cost per mille (CPM)	54%
Brand awareness	30%	Purchase intent	33%	Brand awareness	27%

# 5. MEASUREMENT & DATA STRATEGY

## First party data continues to dominate

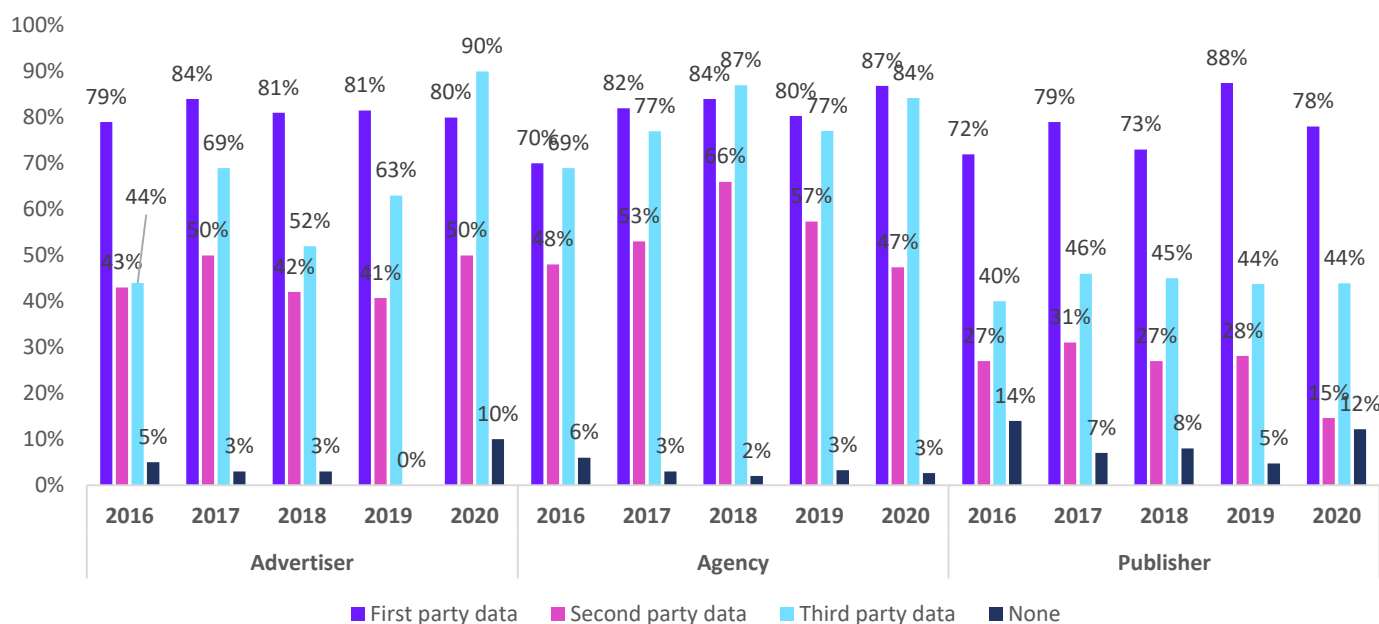
Nearly 90% of agencies are currently using first-party data compared to 80% in 2019. There has also been an increase in the use of third-party data amongst agencies; 84% in 2020 compared to 77% in 2019.

Whilst the majority of advertisers and agencies state that they are planning to leverage first-party data in the future; the number of advertisers and agencies planning to use second and third-party data in the future has decreased.

83% of publishers are also planning to leverage first-party data in the future; this has increased from 70% in 2019.

90% of advertisers and 95% of agencies state that they are planning to leverage first-party data in the future

**Figure 17**  
Type of audience data used by stakeholder



# 5. MEASUREMENT & DATA STRATEGY

## Rise in contextual targeting

The number of agencies looking at contextual targeting as a solution given the impact of data protection regulations and browser cookie controls has increased from 57% in 2019 to 71% in 2020. This is also the case for advertisers - 70% in 2020 compared to 62% in 2019.

Three quarters of agencies are also looking at leveraging first party data whilst 45% are considering identity solutions.

For publishers, the key solution is leveraging first party data (71%) followed closely by contextual targeting (68%)

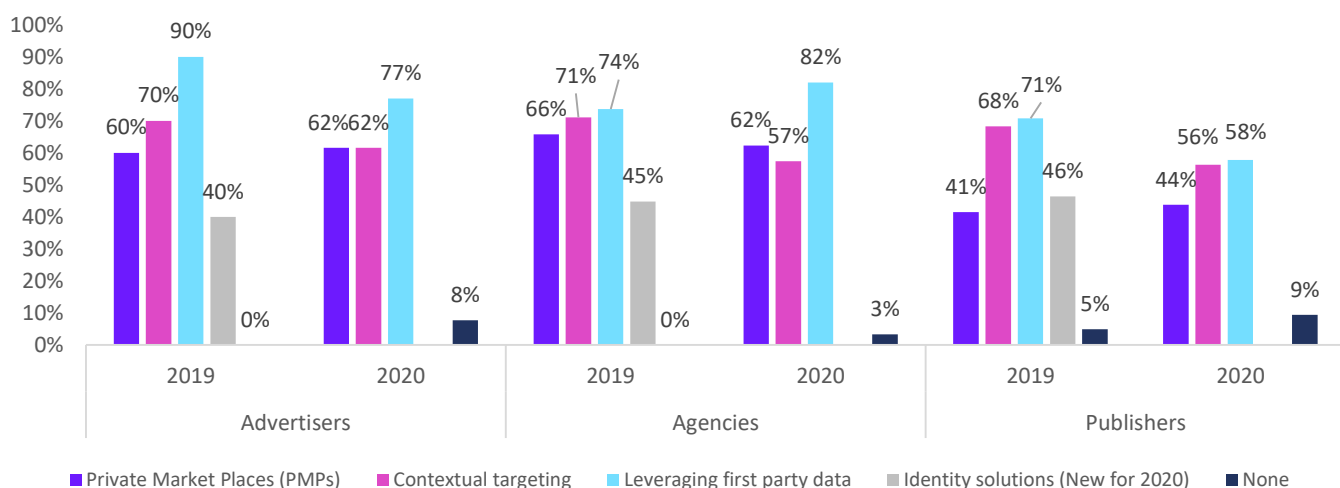
## Increase in stakeholder partnerships for data sourcing

In 2019 48% of agencies and 33% of advertisers cited 'advertiser/ agency / publisher partnerships' for sourcing data, this has increased to 68% (agencies) / 40% advertisers in 2020.

Publishers own platforms or properties are the key data source amongst publishers (66%), followed by DMPs (51%).

**Figure 19**

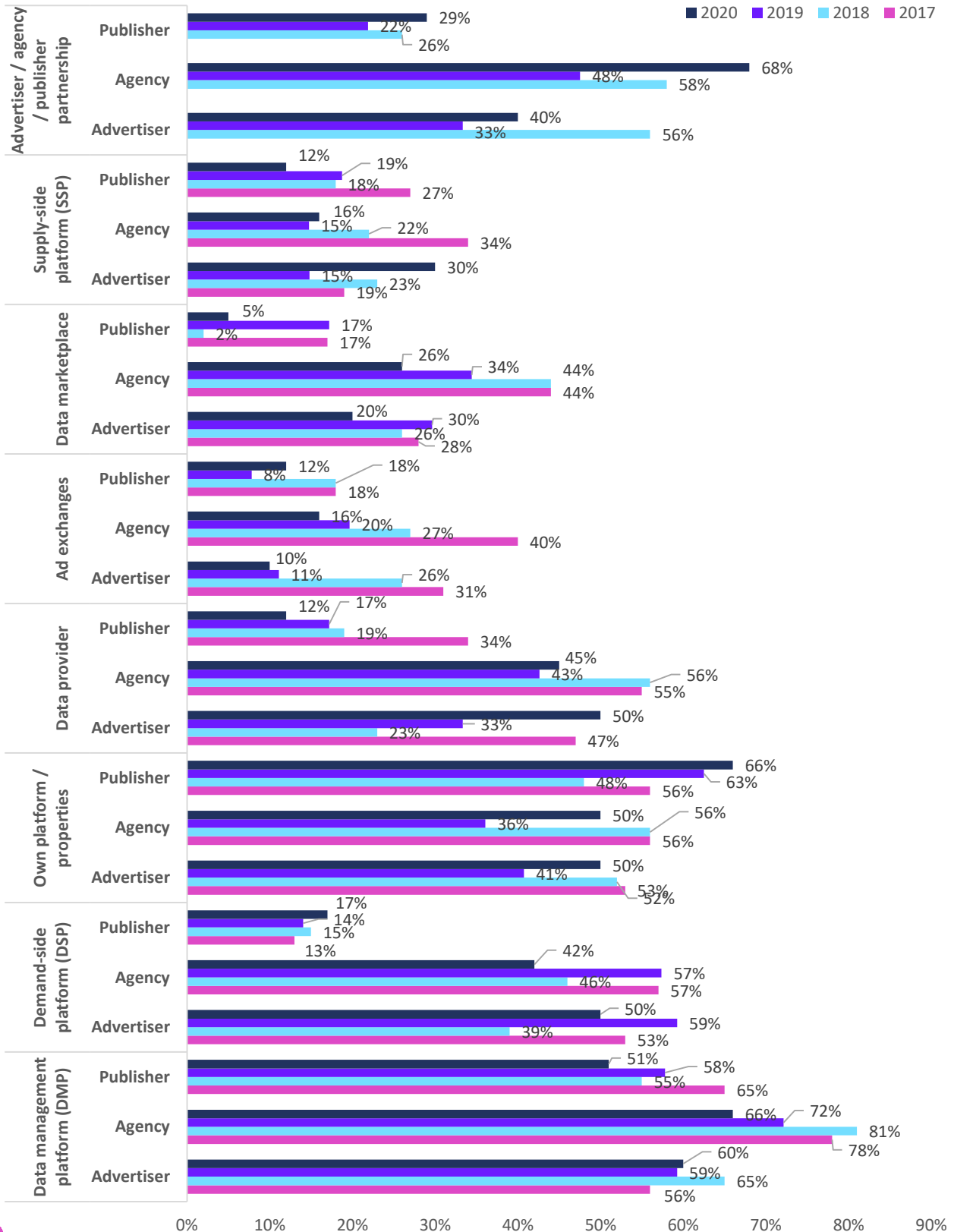
Solutions stakeholders are looking at in light of data protection regulations and browser cookie controls



# 5. MEASUREMENT & DATA STRATEGY

**Figure 19**

Data sources used by stakeholder 2017-2020



## 6. FUTURE OF PROGRAMMATIC

From an advertiser perspective, there are clear signals of the uncertainty of the times. Year over year optimism relative to an increase in their programmatic investment in the next year is down to 40% this year (from 74% in 2019). That being said, fully half (50%) of them are still forecasting maintaining the same spend levels.

Similarly, agency confidence in increasing programmatic investment in 2020 has dipped down to 58% (down from 92% in 2019). Almost a quarter (24%) think their investment levels will stay the same.

There are still bright points in the ecosystem, specifically in the realm of publishers. Publishers' positive outlook is reflected in the fact that 83% of them foresee an increase in revenue from programmatic trading in the next 12 months – only 5% lower than 2019.

The importance of programmatic as a valuable marketing tool is also being underlined as a result of the current times - 79% of tech vendors expect an increase in programmatic activity (just 8% less than 2019).

Taken as a whole, the data points speak to a trend of keeping things as they are, perhaps as a result of companies taking a “wait and see” approach to the true impact of the events of 2020.

As far as growth areas are concerned, one clear winner stood out across all others: Connected Television (CTV).

The rapid growth and staying power of CTV has also been identified as a trend in a recent Adweek article, which showed how usage remained high, even as COVID-19 restrictions eased. And that's a very good thing, given the growth expectations placed on it: 70% from advertisers, 60% from agencies and ad tech, and 46% from publishers. This is an average 15% increase across the board, compared to 2019. CTV is on an “up and to the right” projected trajectory.

## 6. FUTURE OF PROGRAMMATIC

In second place, digital audio maintained similar traction compared to the previous year sitting at an average of 40% growth expectation across all parties. For the optimists of the group, publishers put it on the same level as Connected TV at 46%.

Whilst DOOH (digital out of home) was identified as the main growth area in 2019, in 2020 all parties involved identified it to be on average 15% lower. This is potentially connected to the COVID-19 aftershock that has - and still is - impacting internal and international movement.

Averaging a 4% growth expectation, voice retains its position as the lowest category for growth in the next 12 months across all parties, with publishers giving it the highest confidence with a 13% increase.

2020 has certainly been one full of unexpected developments. There is no doubt the global pandemic has played a significant role in these forecasts, especially as it relates to a decrease in DOOH and an increase in CTV and audio, which have been accelerated by COVID 19-driven consumer behaviour.

While it's difficult to predict exactly what the future holds for the programmatic advertising industry, this report is a useful tool to help advertisers navigate the uncertain waters ahead, arming them with a healthy dose of both optimism and realism around the current times.

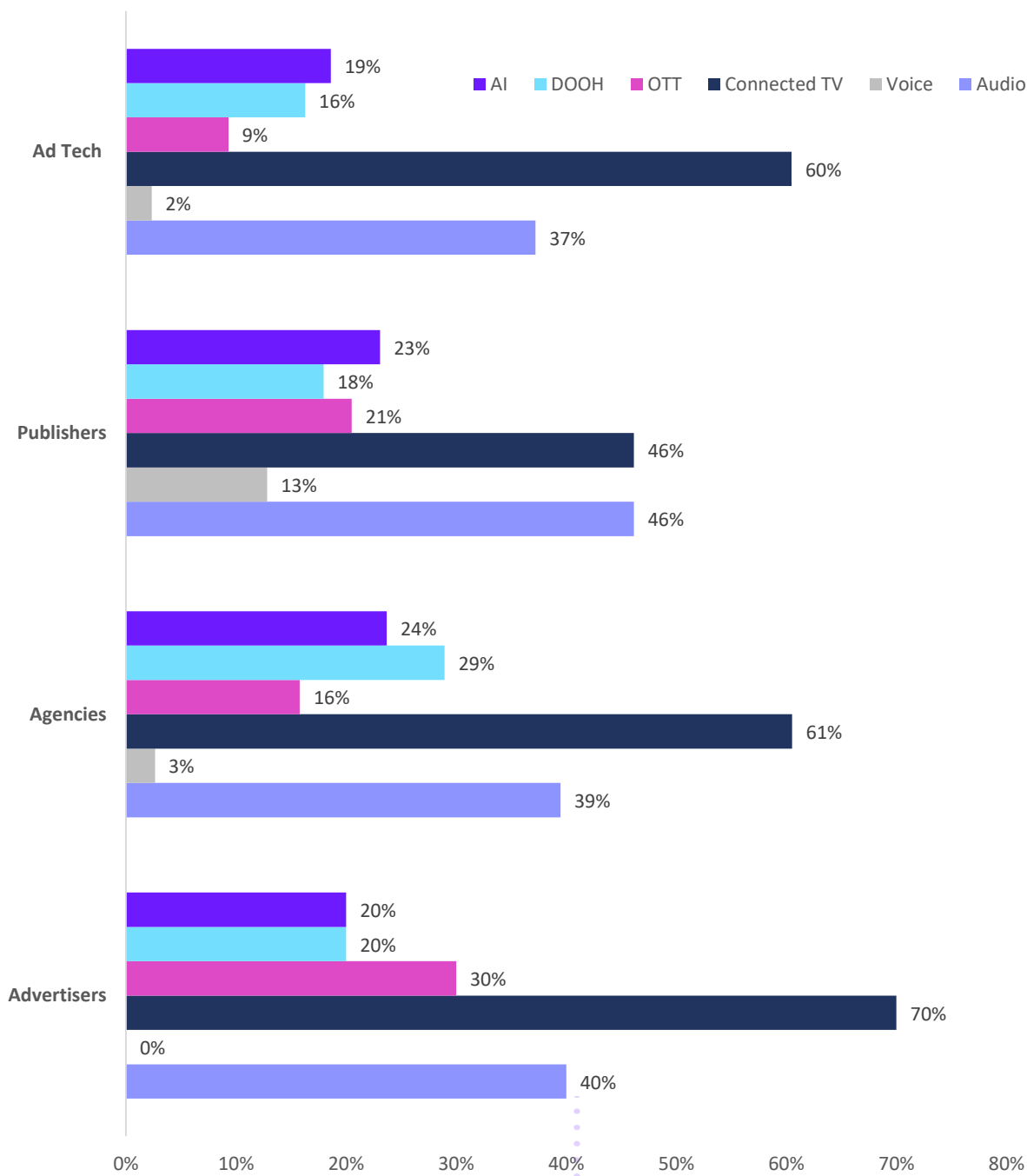
Nicola Bevan,  
Managing Director  
Operations, Xaxis  
EMEA

“

*Programmatic offers the opportunity be innovative by applying AI & human expertise to achieve targeting efficiencies and make better use of data. I already see a growing demand for customised AI solutions and expect this trend continue as we progress into 2021 and the cookie-less future beyond.”*

# 6. FUTURE OF PROGRAMMATIC

**Figure 20**  
Drivers of programmatic investment by stakeholder





## 7. WITH THANKS

IAB Europe would like to thank the following members that helped to compile this report



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