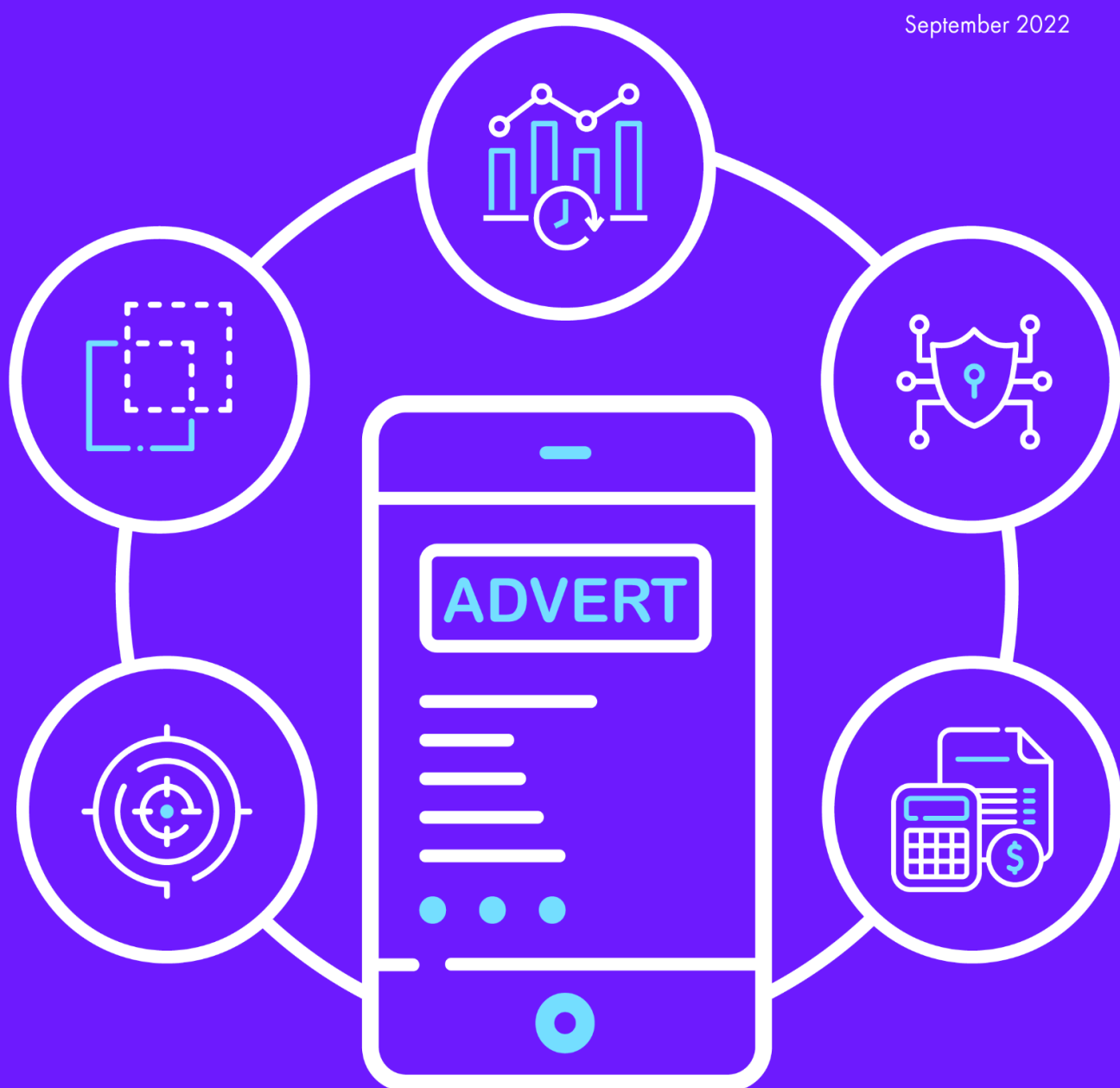


September 2022

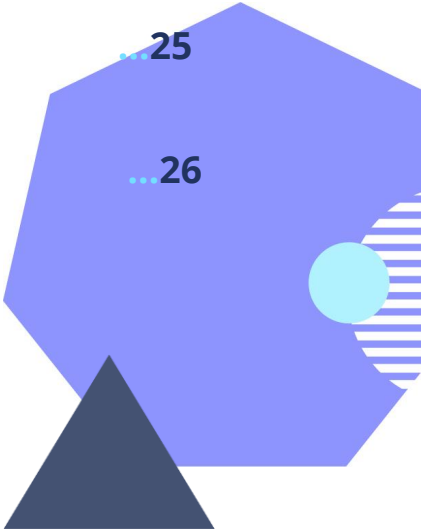


IAB EUROPE'S ATTITUDES TO PROGRAMMATIC ADVERTISING REPORT

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EXECUTIVE SUMMARY

The 2022 Attitudes to Programmatic study highlights the following key trends:

- There has been an increase in the use of Programmatic Guaranteed which suggests a more direct relationship between publishers and advertisers, which brings more transparency for advertisers in both price and quality.
- More than a quarter of advertisers and agencies ranked cost efficiencies as the most important driver for programmatic investment. This is closely followed by granularity of controls and transparency of reporting.
- Advertisers also cite costs as a barrier to investment; 22% ranked it as the number 1 barrier. Quality of media is also a concern (38% ranked this as the first or second barrier to investment).
- For agencies, hiring and training staff is a key barrier to programmatic investment.
- Advertisers are most likely to turn to curated marketplaces as a solution to find new audiences given the impact of data protection regulations and browser cookie controls (53%). Agencies are most likely to look to first-party data (53%).
- There has been a shift in the type of data that stakeholders are using - the data shows a decrease in first and third-party and an increase in second-party.
- Connected TV is cited as the biggest key programmatic growth area over the next 12 months by all stakeholder groups



Nick Welch, Head of
EMEA Programmatic
Sales at IAS and
Programmatic Trading
Committee Chair at
IAB Europe

“

The 'Attitudes to Programmatic Advertising 2022 Study' serves as an important annual benchmark towards programmatic strategies in digital advertising. The widening of the research shows its focus across various players in the industry from multiple markets. We're grateful for all the respondents to the study and helping set the agenda for the coming 12 months. Even amongst the backdrop of tightening budgets and further media scrutiny, it's encouraging to see that investment in programmatic is likely to increase. Alongside this, we're witnessing tremendous appetite across growing environments such as CTV and audio. However, marketers must play a crucial role in these areas, ensuring that balance is found between optimising media spend, data transparency and delivering a targeted and enjoyable consumer experience.

“

The annual Attitudes to Programmatic Report from IAB Europe is an important indicator for the industry on the opportunities and challenges for programmatic advertising. It's positive to see that CTV remains the largest growth area for programmatic, with key learnings in this report hopefully the industry can take a step closer to capitalising on this opportunity



James Collins
SVP, Media Network,
Rakuten Advertising

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 eighth 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 three quarters 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 recent outputs from across our committees that may be of interest:

- [Guide to Identity](#)
- [Guide to SPO – updated June 2022](#)
- [Guide to Programmatic Out of Home Advertising](#)
- [Buyer's Guide to Digital Audio](#)
- [Guide to Ad Fraud](#)
- [Guide to the Post Third-Party Cookie Era – updated March 2022](#)
- [Supply Chain Transparency Guide – updated July 2022](#)
- [Guide to the Programmatic CTV Opportunity in Europe](#)
- [Guide to Brand Safety in CTV](#)
- [Guide to Contextual Advertising](#)
- [Guide to Quality](#)

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

- [2021](#)
- [2020](#)
- [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 29 European markets. The survey received approximately 1000 respondents between July and August 2022.

The majority of respondents were programmatic or media buying specialists. More than half of all respondents represent

buy-side stakeholders (20% advertisers; 34% agencies) and the majority command ad budgets of more than 1 Million Euros.

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

Figure 1
Breakdown of respondents by stakeholder type

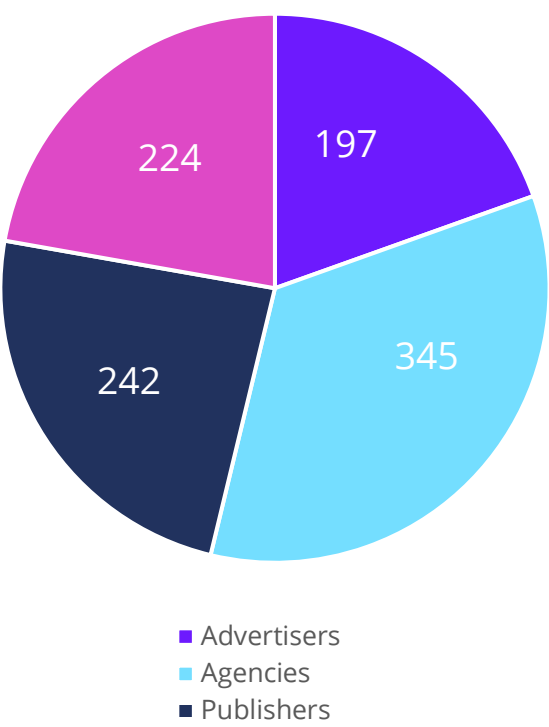
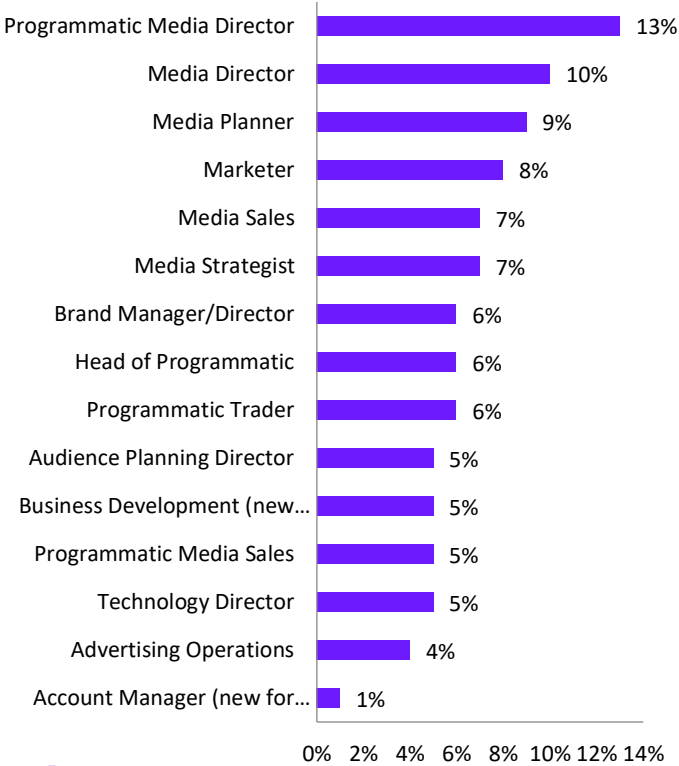


Figure 2
Respondents job roles



3. CURRENT ADOPTION & STRATEGIES

Investment

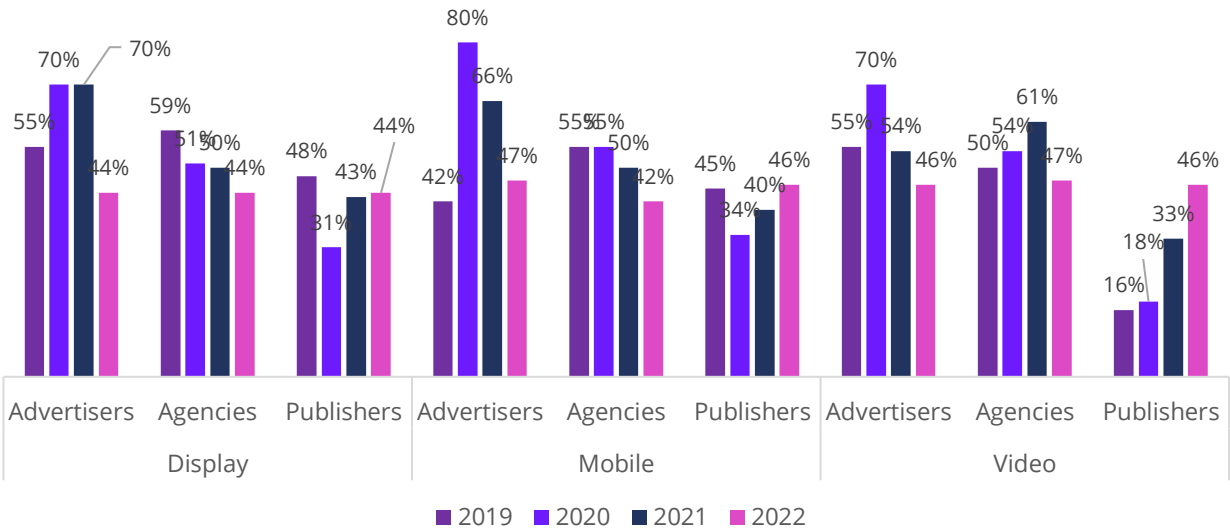
According to the IAB Europe [AdEx Benchmark 2021 study](#) (released June 2022), the European digital ad market, valued at 92 million EU, is now programmatic first with 57% of all non-social display spend now being transacted programmatically. This is a 33% increase in programmatic investment from 2020. However, the Attitudes to Programmatic Study 2022 showed that investment trends from advertisers and agencies decreased from 2021 amongst those that said they bought over 41% of their display campaigns programmatically: Advertisers accounted for 44% in 2022 vs 70% in 2021 and agencies 44% in 2022 vs 50% in 2021.

The situation is similar for mobile campaigns: advertisers 47% in 2022 vs 66% in 2021, Agencies 42% in 2022 vs 50% in 2021). Video campaigns also followed a similar trend (advertisers 46% in 2022 vs 54% in 2021, Agencies 47% in 2022 vs 61% in 2021).

The one stakeholder group who declared increases for all three categories were publishers:

- display: 44% in 2022 vs 43% in 2021
- mobile: 46% in 2022 vs 40% in 2021
- video: 46% in 2022 vs 33% in 2021)

Figure 3
Percentage of stakeholders that use programmatic to buy / sell more than 41% of their display, mobile video inventory (2017-2022)



3. CURRENT ADOPTION & STRATEGIES

Transaction Types

The survey results showed that In 2022, both advertisers and agencies significantly increased investments in various programmatic direct models, focusing on much greater cooperation with publishers. It is especially visible for Programmatic Guaranteed, which is the closest to the traditional model. The use of programmatic direct allows advertisers and agencies to purchase premium inventory from publishers that they may not make available to all buyers in the open market. In addition, programmatic direct buy allows them to run campaigns using the publisher's own data.

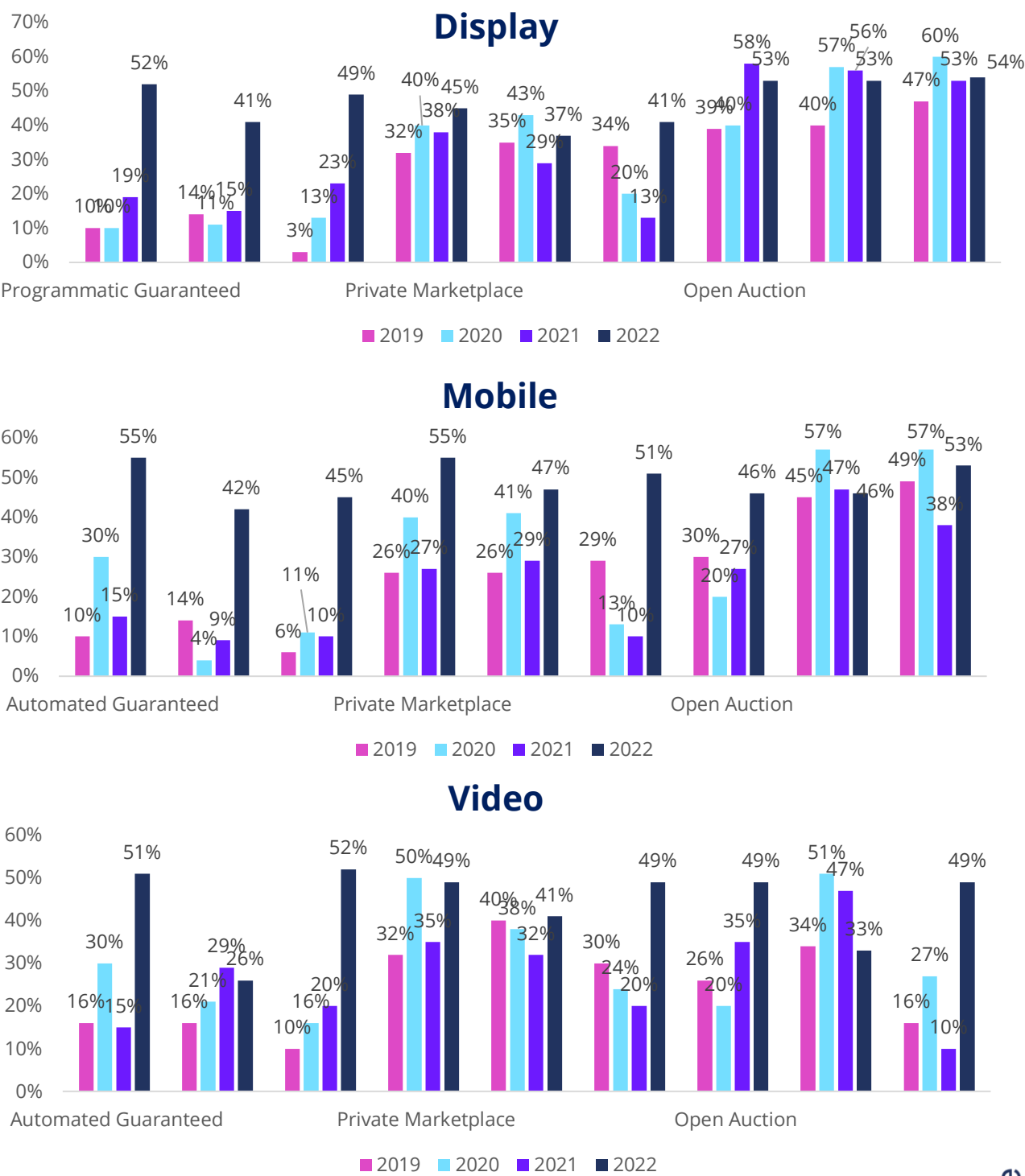
Vytautas
Paukstys
CEO, Eskimi

“

“With the rise of emerging channels such as CTV and DOOH, advertisers naturally shift more towards Private Marketplaces. This is positive, as the inventory quality and control is greater, but has the downside of lower accessibility for many. We see that changing rapidly with new players entering the field and CTV traffic opening up, resulting in more advertiser experimentation and quicker adoption.”

3. CURRENT ADOPTION & STRATEGIES

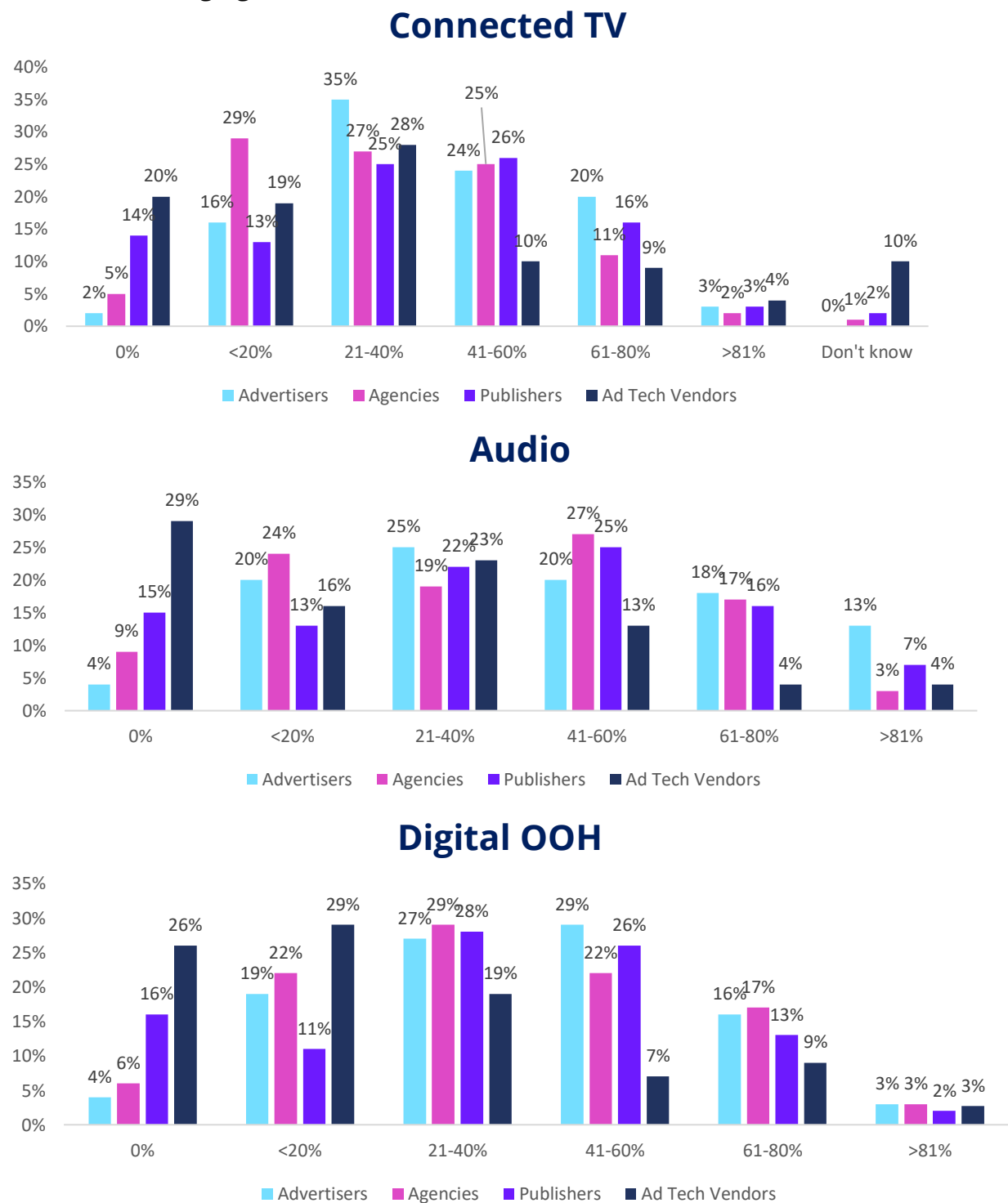
Figure 4
Percentage of stakeholders that use the following transaction types buy / sell more than 41% of their display, mobile and video inventory (2019-2022)



3. CURRENT ADOPTION & STRATEGIES

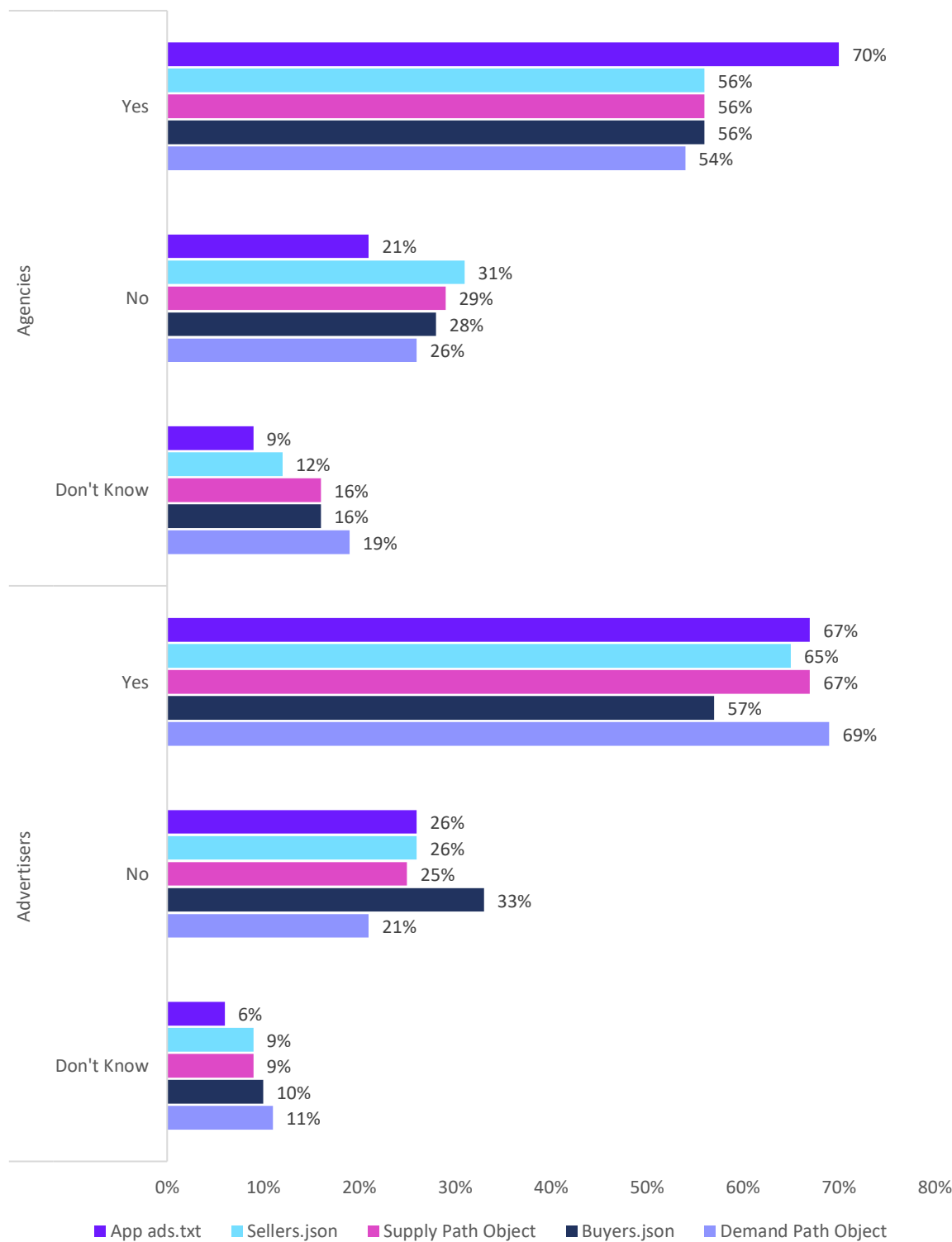
Emerging Channels

Figure 5
Percentage of stakeholders overall programmatic advertising budgets that are invested in emerging channels (2022)



3. CURRENT ADOPTION & STRATEGIES

Figure 6
Industry standards that stakeholders support / use (2021)



3. CURRENT ADOPTION & STRATEGIES

Operational Models

A drop in in-housing for advertisers leads to a more dynamic approach

Last year 50% of advertisers said they had an in-house model. This seems to have dropped down to 16% in 2022. There seems to be a more hybrid or dynamic approach with advertisers tapping into a range of methods such as outsourcing to a DSP, independent trading desk etc. This is perhaps being

driven by the struggle to source the correct talent, paving the way for consultancies to play a more vital role in the process.

The data shows that many advertisers and agencies have started using not only Ads.txt and Seller.json standards but also Demand Path Object, Buyers.json and Supply Path Object standards will see a strong increase in usage in 2022.

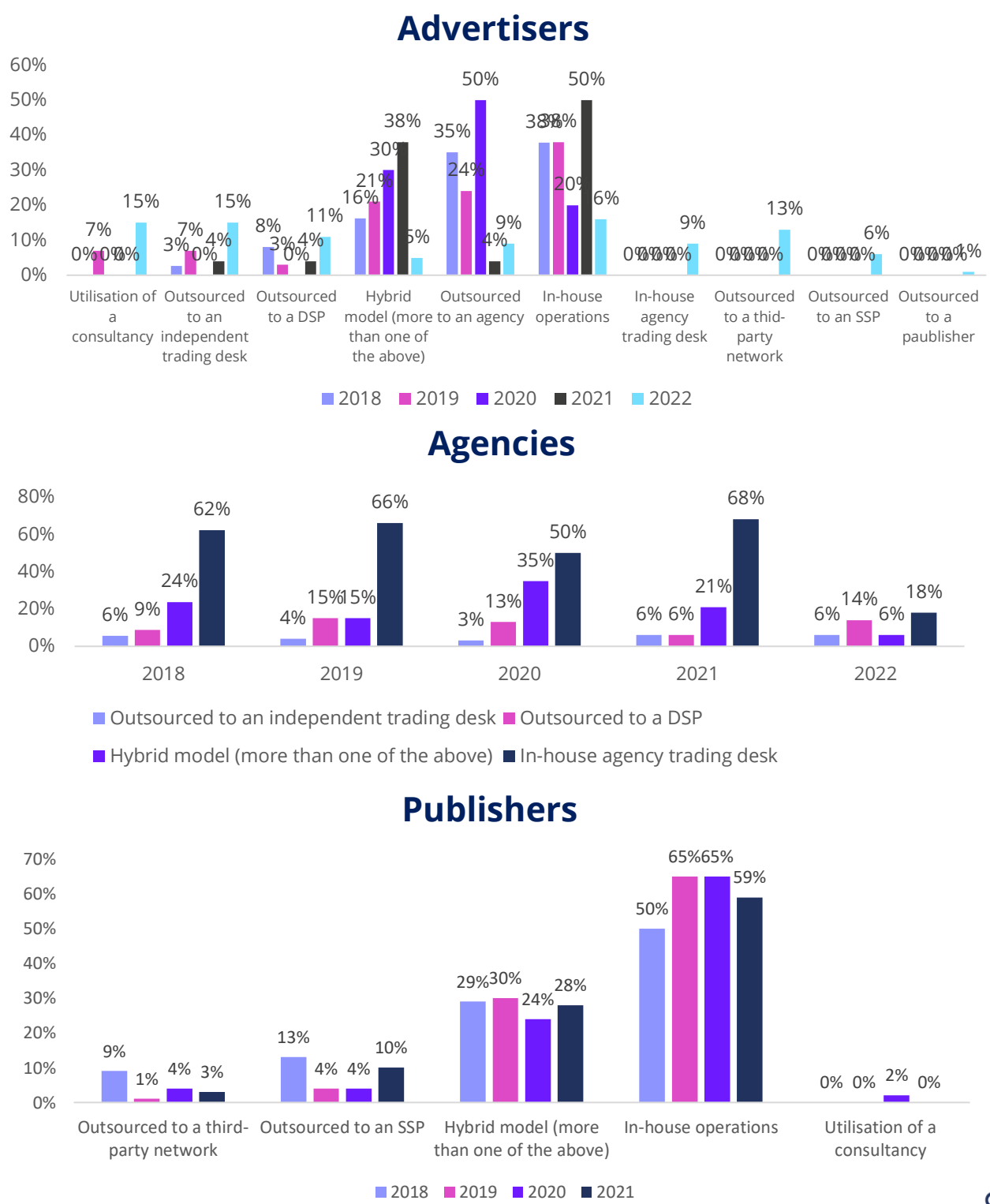
Elżbieta
Kondziola,
Representing
IAB Poland

“

The Attitudes to Programmatic Advertising Report, as an industry benchmark, shows how all the market participants think the industry will develop. Thanks to its results, we know which areas require additional education or development to ensure its further stable and safe growth.

3. CURRENT ADOPTION & STRATEGIES

Figure 7
Operating models by stakeholder (2018-2022)



3. CURRENT ADOPTION & STRATEGIES

Figure 8
Stakeholders with an in-house strategy – top 3 drivers (2022)

Advertisers		Agencies		Publishers	
Granularity of controls and transparency of reporting	57%	Operational efficiencies (e.g. automation)	51%	Availability and scale of inventory	49%
Ability to discover audiences	46%	Granularity of controls and transparency of reporting	49%	Granularity of controls and transparency of reporting	47%
Availability and scale of inventory	39%	Availability and scale of inventory	42%	Operational efficiencies (e.g. automation)	35%
				Ability to discover audiences	35%

Figure 9
Stakeholders with an in-house strategy – top 3 barriers (2022)

Advertisers		Agencies		Publishers	
Operational elements (e.g. measurement, performance, use of data)	48%	Quality of media (e.g. fraud, brand safety, viewability, transparency)	43%	Operational elements (e.g. measurement, performance, use of data)	46%
Quality of media (e.g. fraud, brand safety, viewability, transparency)	47%	Operational elements (e.g. measurement, performance, use of data)	39%	Quality of media (e.g. fraud, brand safety, viewability, transparency)	39%
Hiring and training staff	37%	Hiring and training staff	39%	Hiring and training staff	35%

4. DRIVERS & BARRIERS

Drivers of Programmatic Investment

It is important to note before reading this section that we have updated the question options to make them more concise in 2022.

Cost efficiencies seems to be the key driver for companies to consider investing in programmatic, this can include operation efficiencies of using platforms to access vast inventory sources or buyers in one place and also the 'fair price' model afforded by auction dynamics.

The increase in the use of Programmatic Guaranteed also points to a more direct relationship between publishers and advertisers, which brings more transparency for advertisers in both price and quality.

In terms of transparency, we also see an increase in the use of Demand Path Object, Buyers.json and Supply Path Object standards in 2022. The Ads.txt and Seller.json standards were already widely used. But the massive adoption of the use of these standards brings new opportunities for advertisers with transparency.

If we compare to last year, we can see that lower cost of media, targeting efficiencies and better use of data which were they key drivers for advertisers and agencies have now been surpassed by:

- Cost efficiencies; ranked as the number one priority among more than a quarter of respondents
- Granularity of control; ranked as the second biggest priority for advertisers and agencies

With increasing demands for CMOs to ask detailed questions about where their marketing is running and measuring the results efficiently, it's no surprise that controls and reporting surfaces high on the priority list for all stakeholder groups, whether that be driven by brand safety concerns or efficiencies in the current economic climate or likely, both.

4. DRIVERS & BARRIERS

Figure 10

Drivers of programmatic investment by stakeholder (2022)

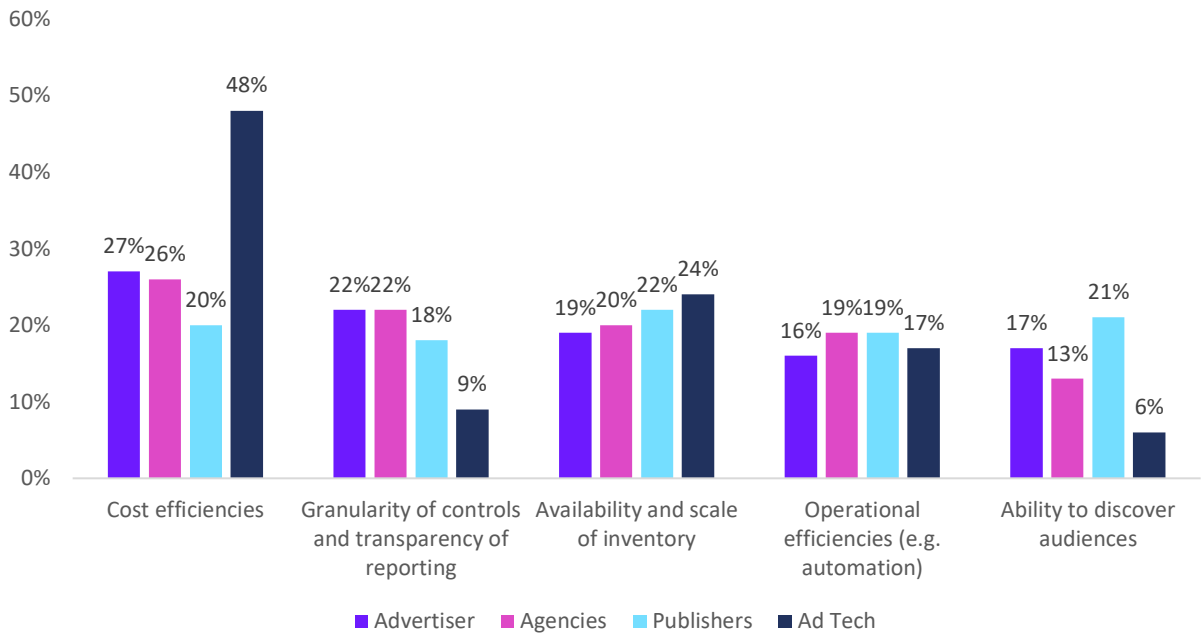
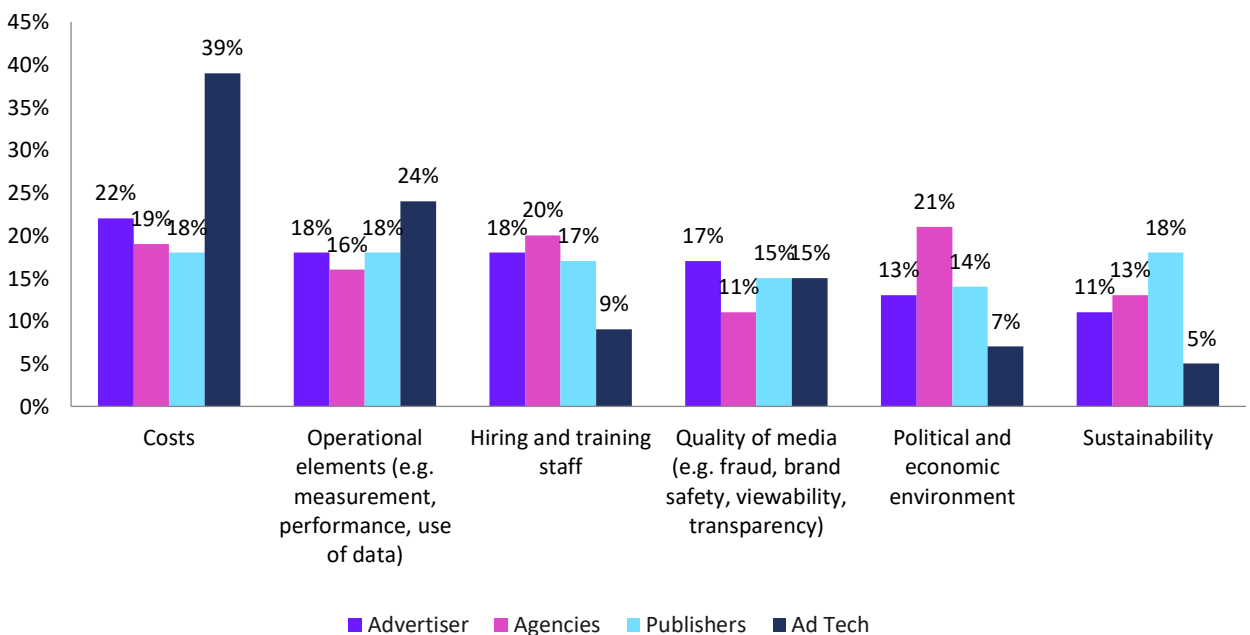


Figure 11

Barriers to programmatic investment by stakeholder (2022)



Please refer to appendix 1 and 2 for the data on programmatic drivers and barriers from previous years.

4. DRIVERS & BARRIERS

Barriers to Programmatic Investment

Whilst cost efficiencies are a key driver, costs can also be a barrier to investment. Top barriers identified include:

- Cost; ranked as the first or second priority by 40% of advertisers, 34% of agencies and 39% of publishers
- Operational elements (e.g. measurement, performance, use of data)
- Hiring the right staff seems to be still a concern for agencies as it was ranked as the number one barrier

The explosive growth of the online economy during the Covid-19 pandemic, has compounded the shortage of qualified talent. The number of companies willing to employ them increased, which resulted in an increase in the costs of their acquisition.

Programmatic is still being identified as a specialist skill and advertisers, agencies & publishers report challenges in hiring qualified talent to fulfil their operational & strategic roles. This is likely further heightened by the complexity of multiple trading, reporting and analytics platforms which require significant training to be productive, which leads to high levels of investment and retention of teams to operate efficiently.

programmatic inventory; agencies appear less concerned about this as they have a range of experience led processes along with technology tools to reduce the risk here. This may highlight an opportunity for agencies to showcase these solutions & real world impact for these problems to get advertisers & publishers more comfortable with programmatic. The key solution to overcome this barrier will be to further broadly educate the market on the settings and tools ensuring the safety of campaigns, which are available on the market and often constitute an integral part of technology platforms. They also make it possible to control the content on which the advertisement is broadcast in terms of excluding content related to, for example, war or pandemic.

5. MEASUREMENT & DATA STRATEGY

When asked which of the following metrics are important to evaluate display campaigns that are traded Programmatically, the majority of advertisers cited social interactions as the most important as opposed to sales which was the top metric in 2021 (59% vs 37%). For agencies and publishers it is in delivering quality metrics (60% and 53% respectively). This is likely for two reasons; a) increased scrutiny due to increased investment and b) the correlation between quality media metrics and ROI (minimising wastage and optimising towards humanly viewable, fraud free, safe and suitable ad placements)

Ad tech vendors are focusing significantly more (71%) on sales KPIs as a response to advertiser demands in 2021 when it was the

priority and a need to prove ROI on true business outcomes. Again this could tie back to the pressures stemming from pandemic uncertainty, when marketers had advertising budgets heavily scrutinised, requiring greater control and accountability.

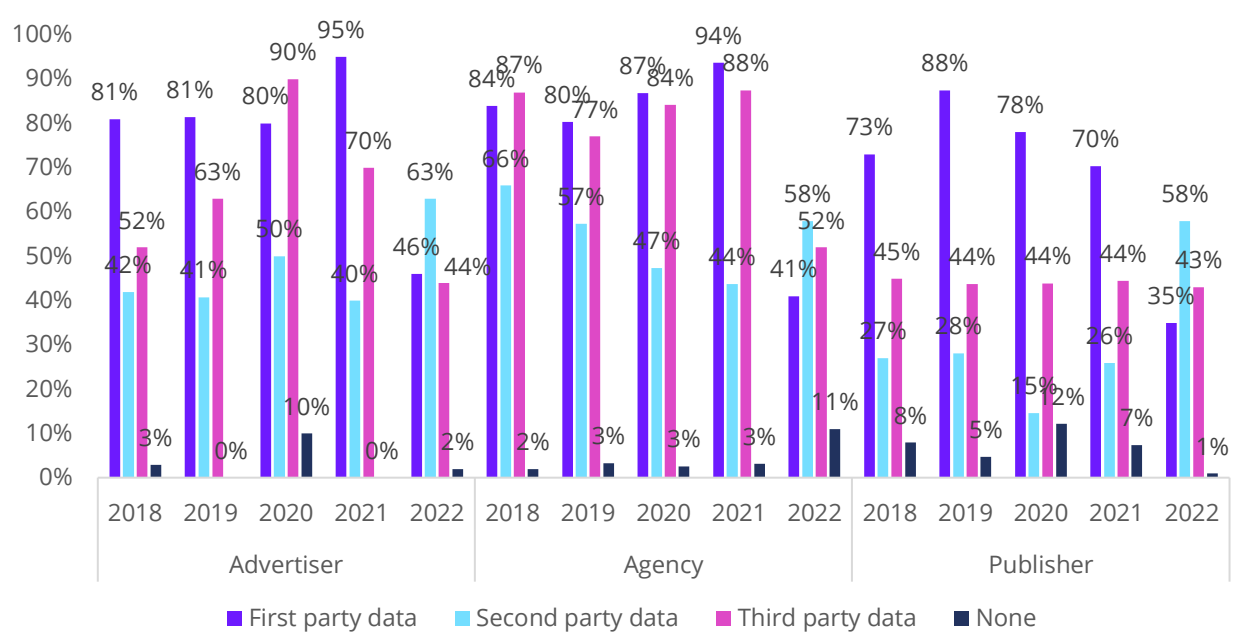
Advertisers are shifting their focus onto second-party data at the expense of first and third-party. This year there was a significant drop in the usage of first-party data across the board. It looks like the industry is starting to prepare for limited audience data available in the coming years and are starting to diversify. It may also be that certain types of data are less available as privacy regulations evolve, and advertisers look at other sources.

Figure 12
Top 3 metrics used by stakeholder (2022)

Advertisers		Agencies		Publishers	
Interaction metrics	59%	Quality metrics	60%	Quality metrics	53%
Quality metrics	55%	Revenue driving metrics	46%	Interaction metrics	51%
Media metrics	39%	Media metrics	44%	Revenue driving metrics	43%

5. MEASUREMENT & DATA STRATEGY

Figure 13
Type of audience data used by stakeholder (2018-2022)

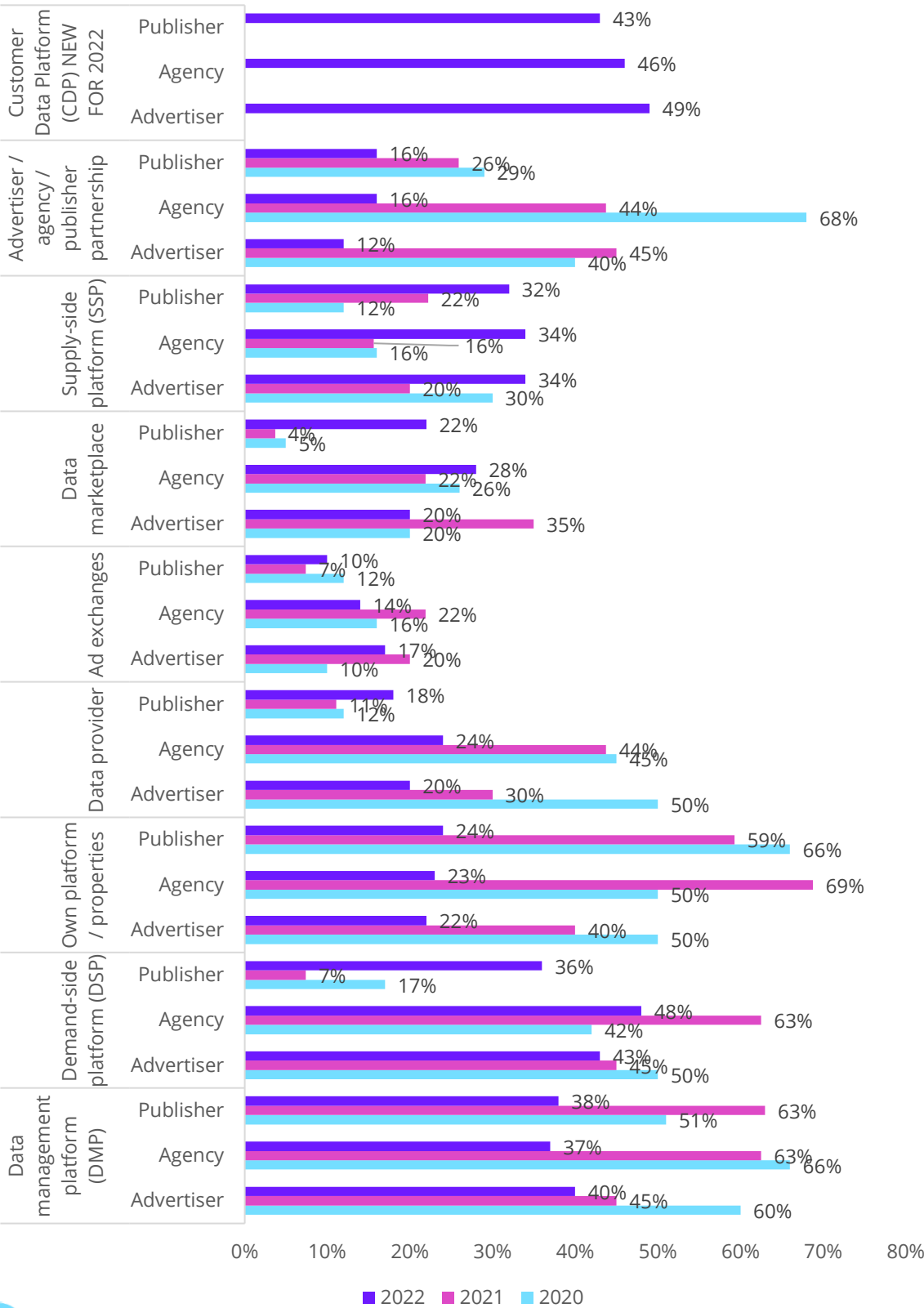


In 2021 Ad tech (45%), publishers (63%) agencies (63%) and advertisers (45%) cited DMPs as their preferred data source. This year advertisers, agencies and publishers are prioritising CDPs as a way to create and activate unified customer profiles.

All stakeholders are also putting more emphasis on SSPs as a source of data.

5. MEASUREMENT & DATA STRATEGY

Figure 14
Data sources used by stakeholder (2020-2022)



6. FUTURE OF PROGRAMMATIC

The number of stakeholders that think their investment in programmatic trading will increase over the next 12 months is lower than in 2021, however we still see the majority of all stakeholders (74% of advertisers, 80% of agencies and 68% of publishers) expecting an increase. Further, around 17% of surveyed advertisers, 12% of agencies and 22% of publishers believe that their programmatic online display revenue will decrease to a certain extent.

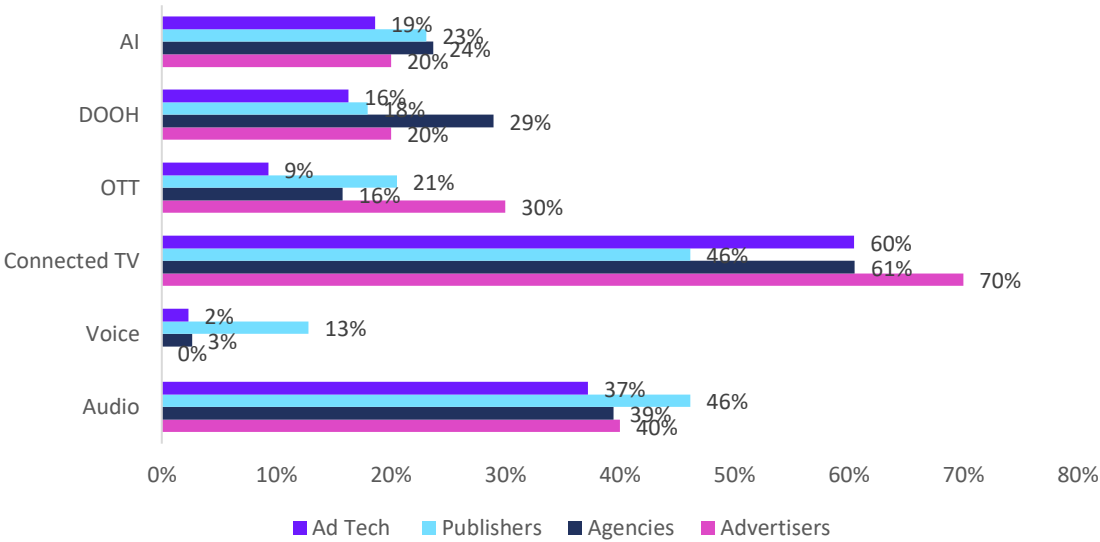
There could be a number of reasons for the slightly less positive outlook that we have seen in previous years. Political tensions and the threat of economic recession are likely to already be influencing media plans. As the political and economical climate continues to shift and evolve, we expect that marketers

will be seeking additional ways to efficiently allocate their budgets and maximise ROI with tighter spend.

2022 seems to be a year of balance when it comes to the programmatic growth areas that advertisers, agencies, publishers and ad tech companies see as key to the next 12 months.

There seems to be consensus around connected TV as a key growth area; more than 50% of all stakeholder groups cite this as key to programmatic growth over the next 12 months. Voice, almost non-existent as key to growth in previous years - makes a strong appearance this year with 32% of advertisers and 28% of agencies citing this as a key growth area.

Figure 15
Drivers of programmatic investment by stakeholder (2021)



6. FUTURE OF PROGRAMMATIC

A better understanding from the industry on the differences between “Audio” and “Voice” formats combined with the rise of wearable and audio devices, might explain the sudden attraction with these formats. Voice also complements many of the “smart spaces” of the connected devices ecosystem (smart home, smart car, smart office, etc.).

After a positive 2021 towards DOOH, the year ahead will look more like 2020 with a more tamed growth outlook. It is also more aligned with the other areas, which signify more balanced investment plans and expected programmatic growth outlook for the year ahead. Additionally, the recent announcement (August 25th 2022) of Google including DOOH in its Display & Video 360 platform might have some incidences in this area moving forward.

Sustainability in Digital Advertising

Sustainability conversations are becoming central for brands and agencies, as well as

publishers. In the next era of media, we must work harder to create a healthier advertising ecosystem for everyone, especially the people consuming it. Brand and publishers would like to assign media dollars as a force for good and make positive and meaningful change. We've already seen some encouraging examples where both brands and the wider advertising industry have started to address the climate emergency head on. For example:

- Pivoting digital spend to low/no carbon providers and shortening the journey from data centre to audience.
- Incorporating elements of search spend in platforms offering carbon off-setting.
- Measuring the real carbon impact of digital media content throughout the lifecycle of a campaign
- Combining innovative technologies to educate audiences about their environment through engaging and immersive experiences

“

Consumer interest in 'smart spaces' is growing exponentially, where the smartphone is at the centre of a complete ecosystem of connected devices. This means that, beyond 'mobile', IoT is becoming mainstream: smart home, smart office, smart car, etc. With this evolution one of the fundamental questions to answer will be - How will the advertising user experience in this “post-smartphone” era take shape in each of the devices? Thanks to the first party data available from those connected devices, there is a lot of opportunity, yet there is still a huge room for investigation and testing to shape this rapidly arriving future.

Peter Gauden,
Senior Manager
HUAWEI WEU
EcoSystem
Marketing

7. WITH THANKS

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



Philip Mahler, CMO, Eskimi



Emmanuel Josserand, Senior Director, Agency and Industry Relations, FreeWheel



Ben Geach, Consulting Lead, gtech Professional Services, Google



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Nick Welch, Chair, IAB Europe Programmatic Trading Committee and Head of Programmatic EMEA, Integral Ad Science



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Liudmila Marczinowski, Senior Data Analyst, Smaato (Verve Group)



Emanuela Recalcati, Director, Client Solutions, Xaxis



Lindsay Wiles, Head of Programmatic EMEA, Yahoo!

APPENDIX 1

Full Data Set - Drivers of programmatic investment by stakeholder 2018-2021

	Advertiser				Agency					Publisher				Ad Tech		
	2018	2019	2020	2021	2018	2019	2020	2021		2018	2019	2020	2021	2019	2020	2021
Lower cost of media	38%	28%	60%	42%	29%	36%	30%	38%		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Targeting efficiencies	68%	69%	70%	58%	73%	78%	80%	71%		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Better use of data	62%	69%	80%	58%	72%	86%	75%	94%		42%	38%	48%	62%	67%	61%	70%
Maximising media value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59%		34%	41%	48%	59%	N/A	N/A	N/A
Trading / operational efficiencies	35%	34%	40%	33%	42%	46%	63%	71%		30%	28%	48%	45%	N/A	N/A	N/A
Gain competitive advantage	24%	24%	10%	29%	46%	30%	20%	41%		30%	27%	20%	48%	43%	45%	48%
Increased value of inventory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59%		51%	39%	39%	59%	N/A	N/A	N/A
Delivery of brand advertising campaigns at scale to target audience	27%	55%	40%	33%	36%	38%	38%	44%		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gaining access to premium inventory at scale	19%	34%	20%	50%	24%	36%	43%	41%		N/A	N/A	N/A	N/A	57%	N/A	N/A
Delivering audiences via programmatic mobile	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		20%	18%	9%	28%	35%	16%	22%
Reaching audiences via programmatic mobile	35%	28%	30%	25%	27%	24%	20%	24%		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Increased engagement via programmatic video	24%	24%	20%	25%	20%	22%	8%	18%		15%	21%	11%	14%	36%	33%	37%
Agency recommendation	14%	17%	10%	33%	N/A	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	24%	30%	28%	35%		54%	55%	61%	52%	N/A	N/A	N/A
Increased granular control of media / inventory	24%	31%	50%	33%	50%	50%	55%	41%		34%	20%	26%	34%	N/A	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%	52%
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%	63%

APPENDIX 2

Full Data Set - Barriers of programmatic investment by stakeholder (2018-2021)

	Advertiser				Agency				Publisher				Ad Tech		
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2019	2020	2021
Hiring people with the right skill set	32%	24%	20%	33%	29%	43%	40%	68%	46%	48%	24%	48%	45%	33%	32%
Training people adequately	38%	28%	30%	33%	25%	36%	25%	47%	38%	37%	28%	24%	28%	18%	25%
Cost of technology	35%	31%	10%	8%	29%	31%	40%	26%	39%	27%	48%	59%	20%	29%	21%
Cost of data	16%	21%	0%	13%	20%	12%	33%	27%	17%	6%	20%	28%	6%	10%	11%
Quality of data	27%	31%	40%	29%	38%	36%	58%	26%	32%	24%	22%	28%	31%	27%	18%
Data protection concerns	24%	14%	50%	42%	24%	28%	15%	32%	30%	28%	22%	28%	41%	29%	39%
Supply chain transparency	35%	38%	60%	25%	56%	34%	33%	26%	41%	37%	46%	48%	48%	47%	25%
Selecting and setting up the right technology	11%	24%	30%	21%	32%	18%	8%	15%	31%	24%	17%	24%	31%	22%	25%
Having a clear understanding of the impact of programmatic trading on total revenue	35%	41%	30%	46%	25%	43%	33%	38%	32%	18%	30%	17%	30%	31%	50%
Brand safety	24%	34%	10%	42%	49%	28%	28%	18%	27%	27%	9%	31%	32%	16%	25%
Fraud	30%	31%	20%	29%	32%	34%	30%	26%	27%	30%	24%	7%	42%	14%	36%
Viewability	24%	17%	30%	8%	24%	14%	8%	3%	17%	18%	17%	21%	27%	16%	21%
Creative optimisation	11%	14%	10%	4%	10%	15%	10%	18%	4%	3%	9%	14%	3%	8%	11%
Campaign performance	19%	21%	10%	21%	17%	16%	13%	6%	18%	11%	7%	28%	8%	8%	18%
Campaign measurement and reporting	27%	17%	20%	17%	33%	14%	13%	3%	11%	15%	13%	21%	21%	12%	14%
Constraints regarding third-party cookies (NEW IN 2020)			30%	33%			38%	38%			41%	34%		18%	25%


Lauren Wakefield


Marketing & Industry Programmes Director
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