

Digiday Research Data Pack

The state of programmatic media for publishers

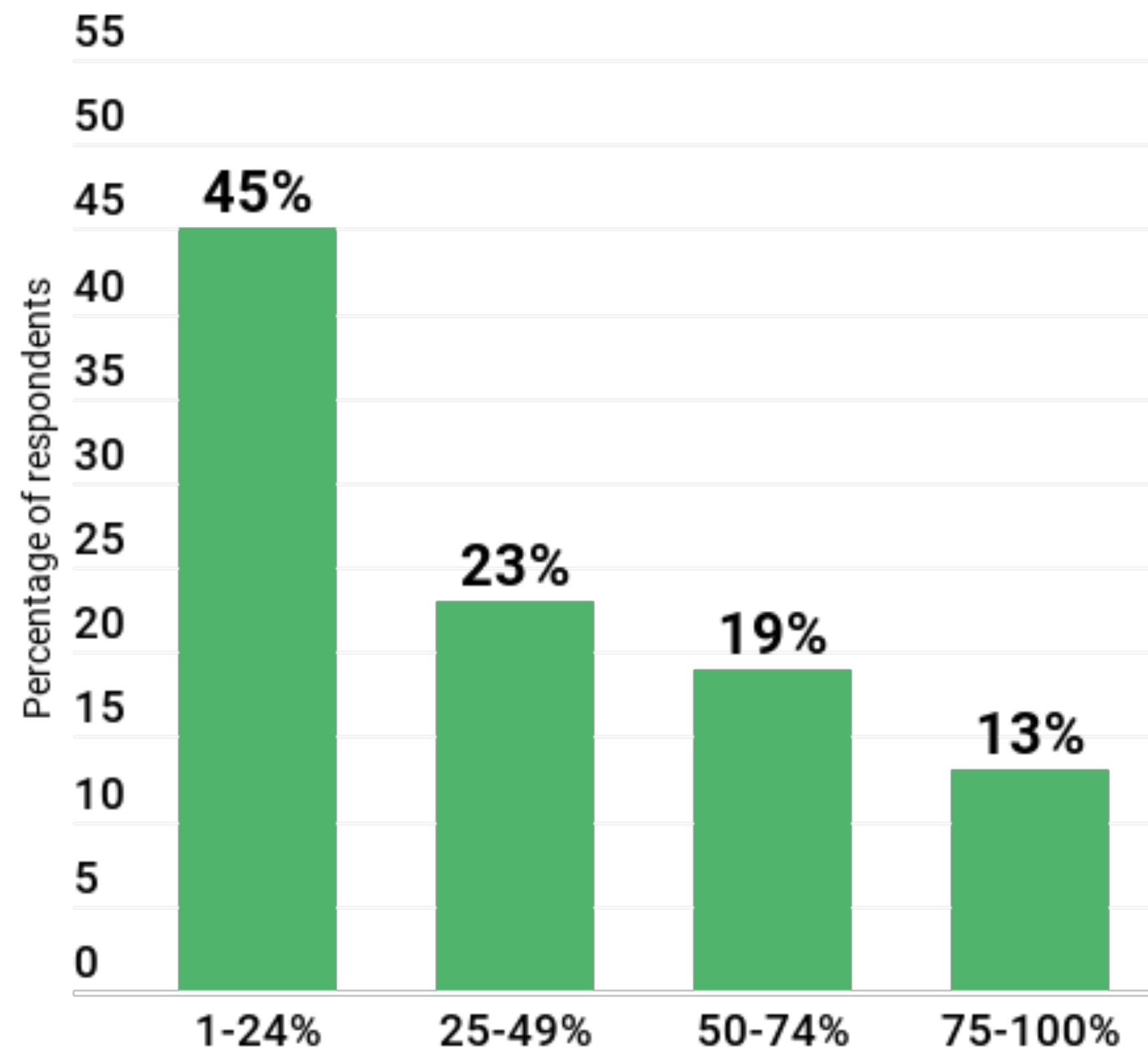
NOVEMBER 2018

The data showcased in this report were collected in November 2018 from a sample of 318 publisher executives involved with programmatic ad sales. Survey respondents were selected from Digiday Research's proprietary panel, made up of thousands of executives and decision makers across the media and marketing industries.

DIGIDAY⁺

Few publishers are dependent on programmatic revenue

What percentage of your digital advertising revenue comes via programmatic ad selling?



- 32 percent of publishers said at least half of their advertising revenues from programmatic sales.

- This highlights the ongoing importance of direct sales, despite programmatic's continued rise.

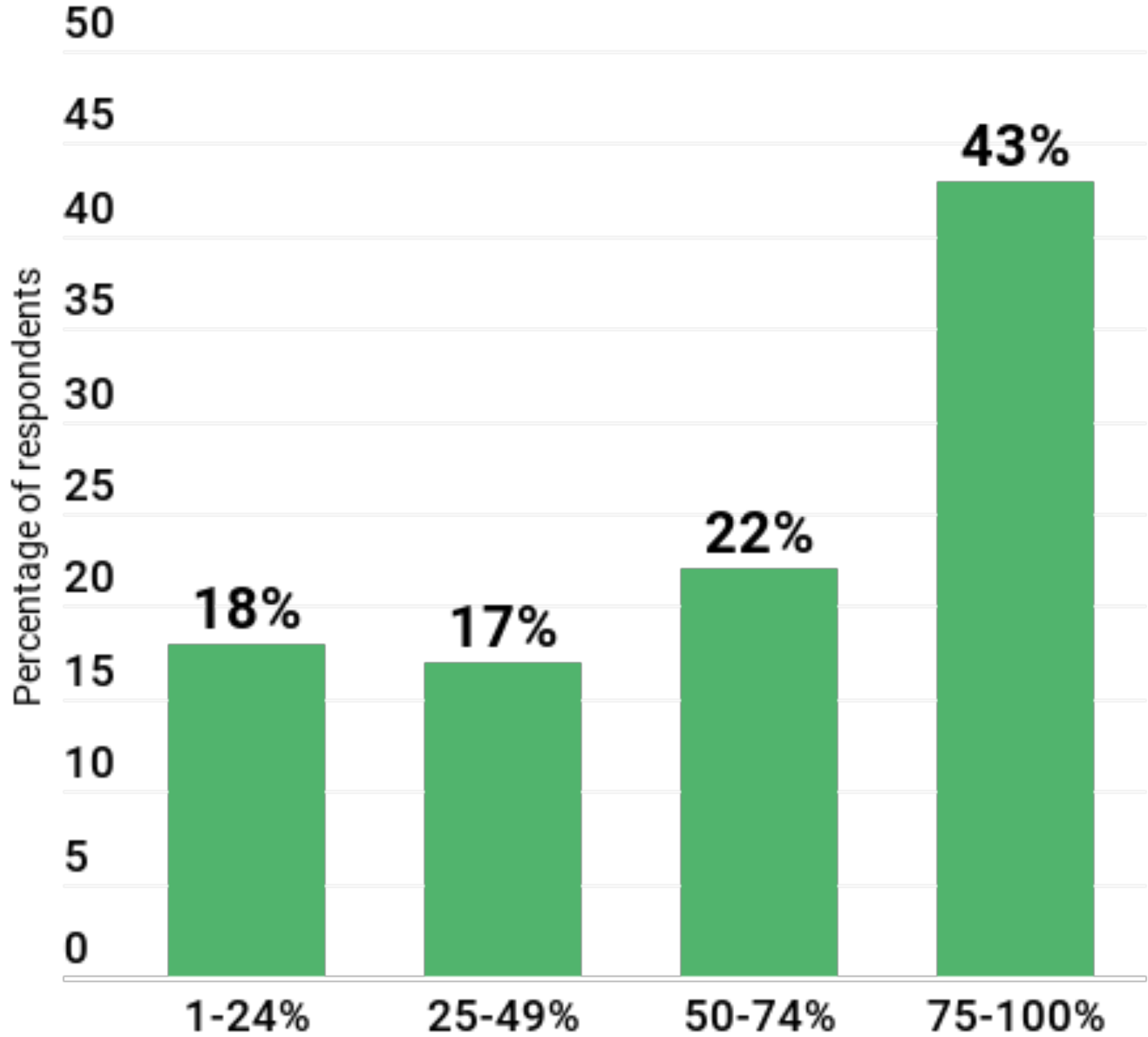
Source n= 185 publishers in the Digiday Research: Programmatic Media Survey,

November 2018

DIGIDAY⁺

Publishers are making the majority of their inventory available for sale programmatically

What percentage of your ad inventory is made available to purchase programmatically?

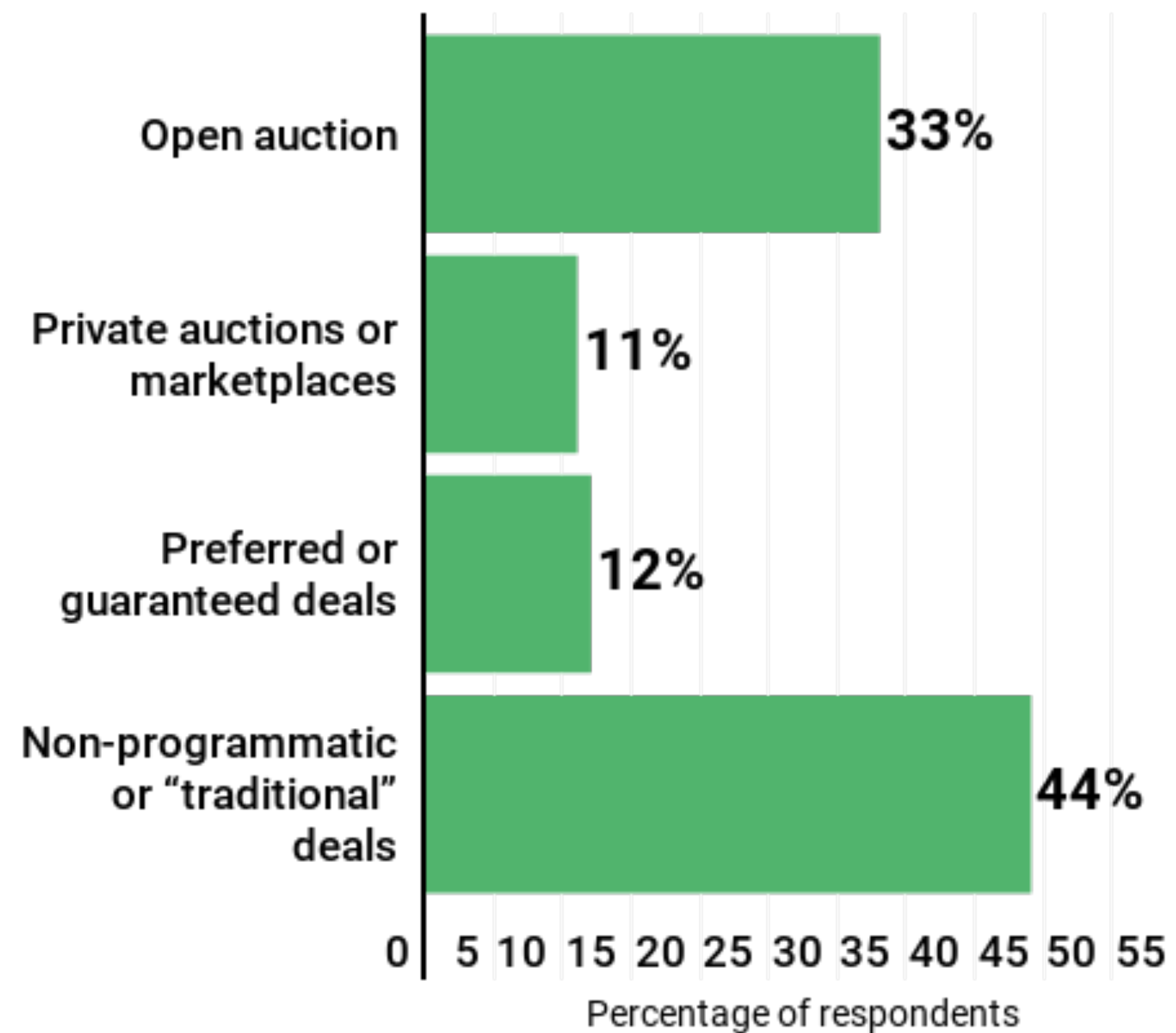


- 65 percent of publishers make half of their inventory available to buyers, but just 32 percent of publishers say programmatic is responsible for half of their digital ad revenues.

Source n= 187 publishers in the Digiday Research: Programmatic Media Survey, November 2018

Open auctions are driving programmatic revenues

What channel drives the most revenue for your company?



- “Traditional” or non-programmatic deals still drive a significant amount of publishers’ digital ad revenues.

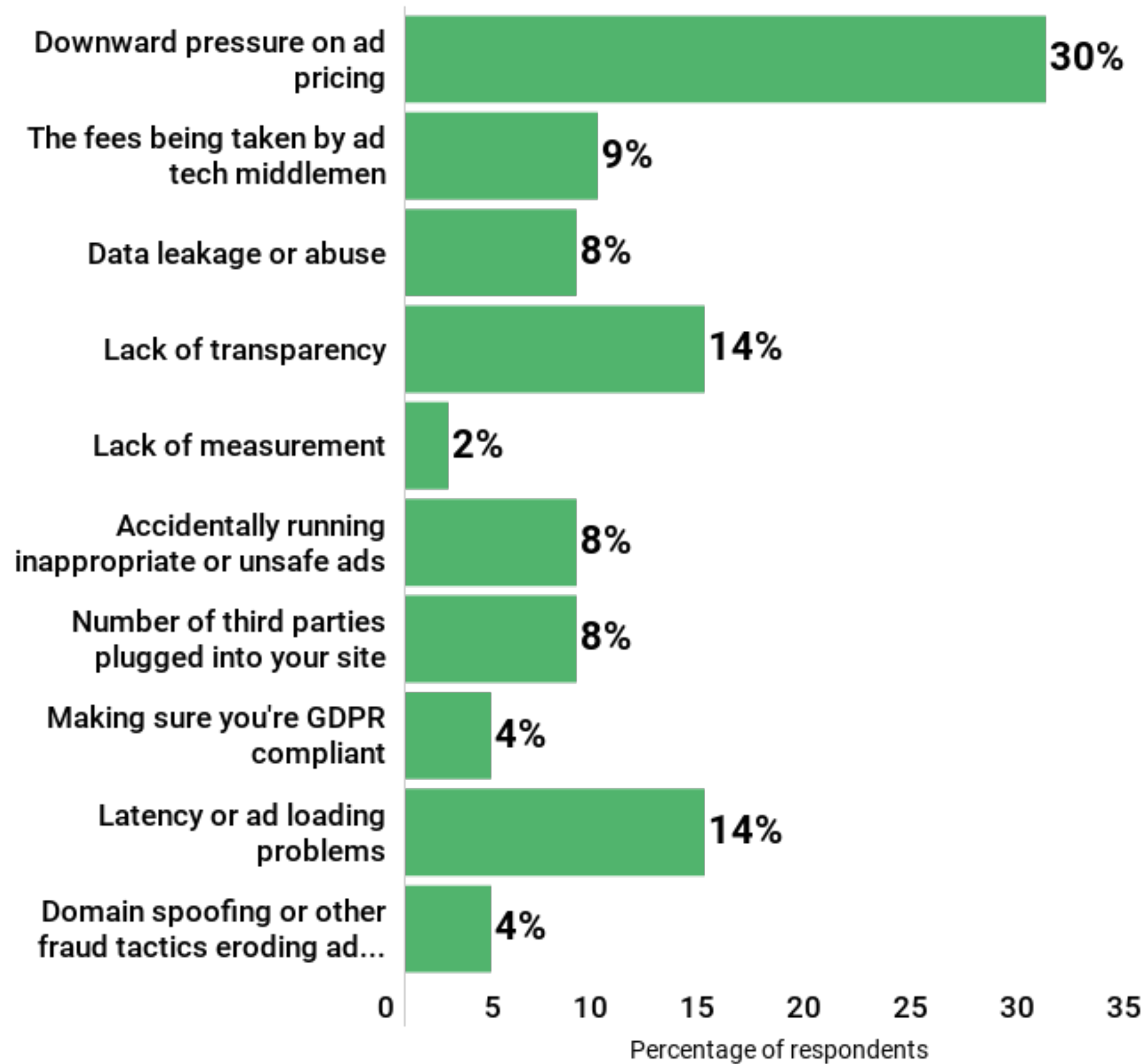
- Open exchanges are still where publishers make most of their programmatic revenues.

Source n= 187 publishers in the Digiday Research: Programmatic Media Survey,

November 2018

Pricing pressure remains a concern

What is your biggest concern about programmatic advertising?

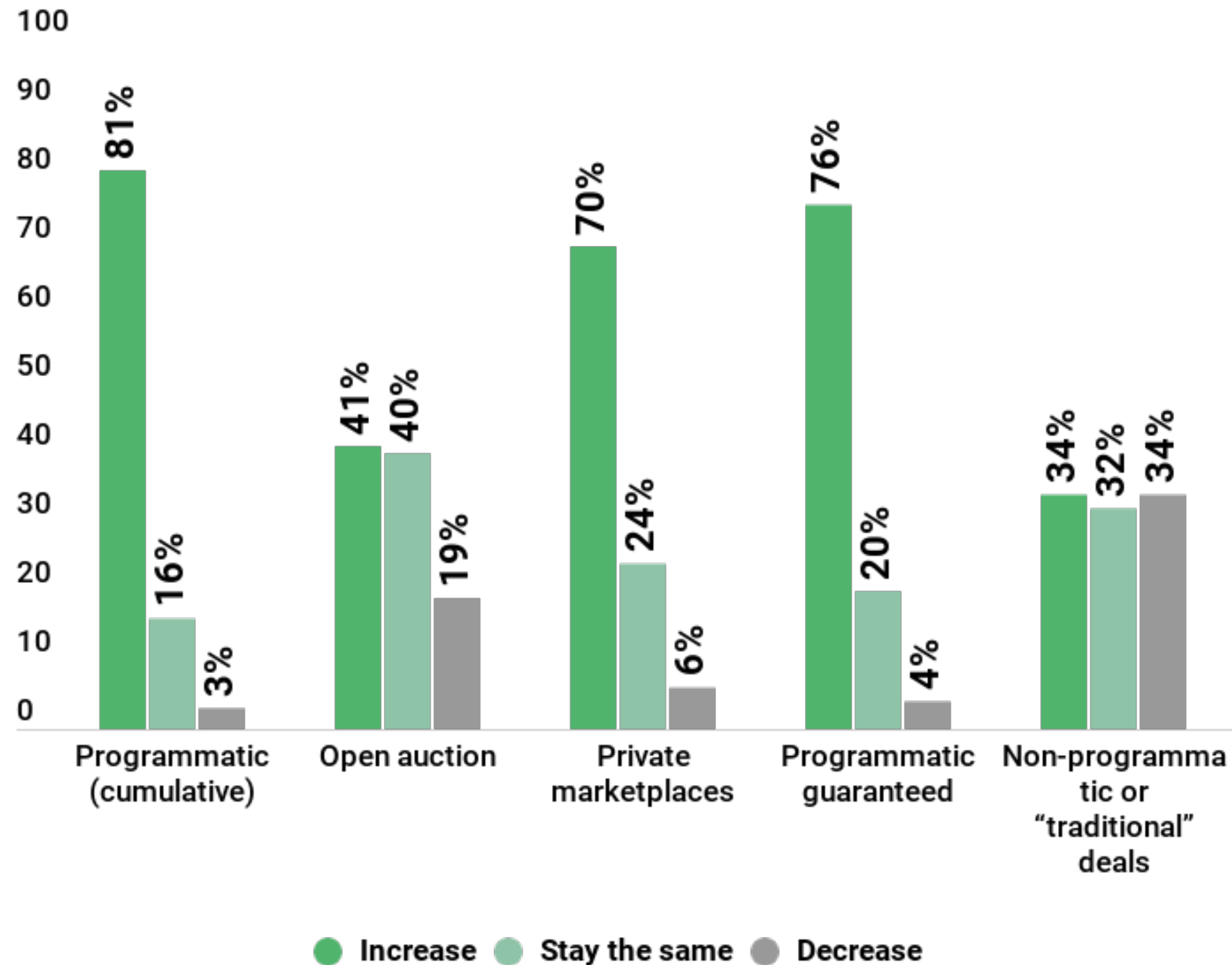


- 30 percent of publishers said their primary concern with programmatic advertising is downward pressure on pricing.
- 14 percent said they're most concerned with a lack of transparency.
- 14 percent highlighted problems with site speed and loading issues.

Source n= 186 publishers in the Digiday Research: Programmatic Media Survey, November 2018

Private marketplaces continue to gain traction

How do you expect revenue from the following channels to change in 2019?

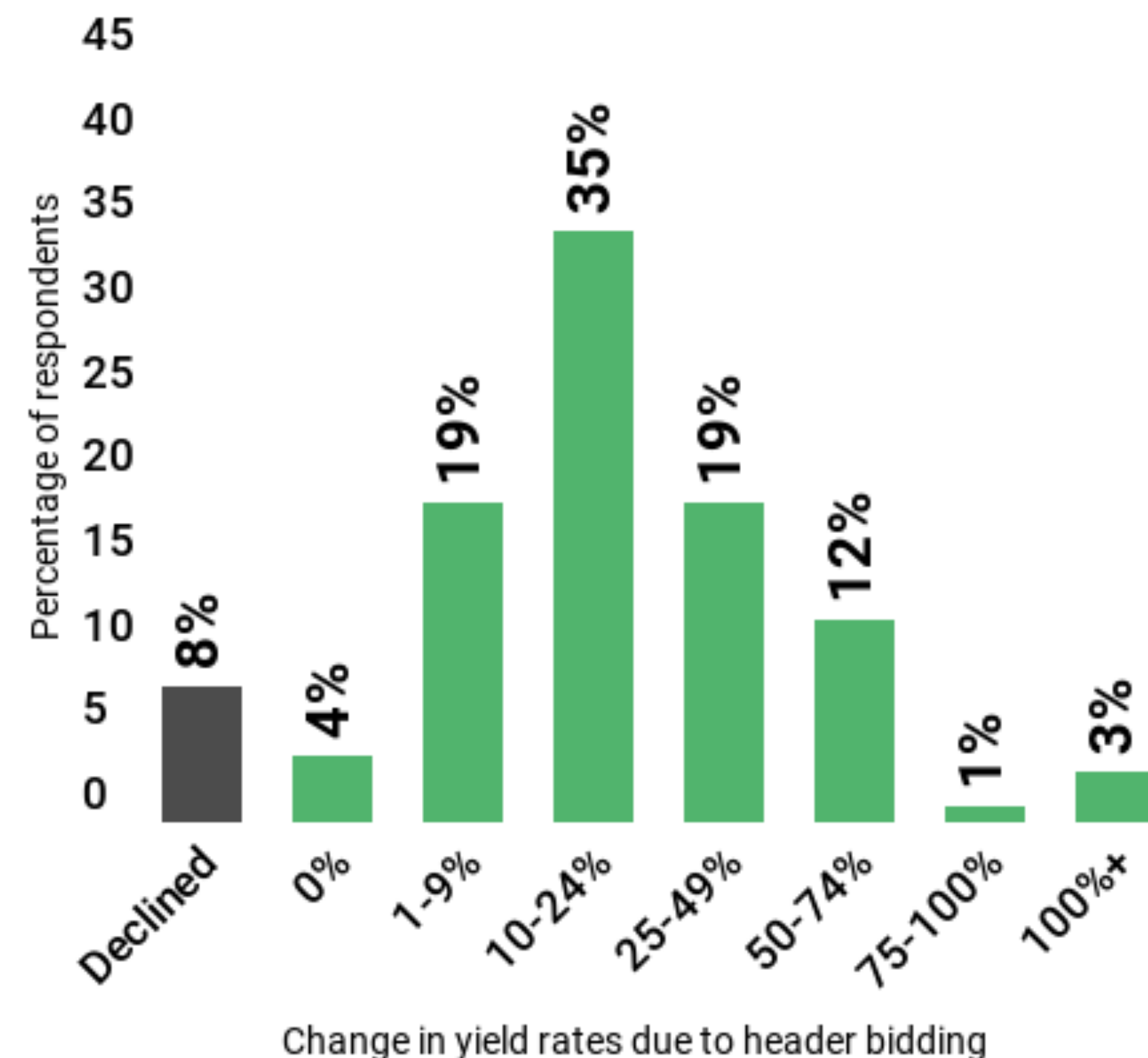


- 4 in 5 publishers said they expect their programmatic revenues to increase, but less than half said that growth will come from open auctions.

- Instead, private deals are expected to increase revenues despite issues surrounding lack of inventory and lengthy setups.

Header bidding is helping to increase yield

How much have yields increased since the introduction of header bidding?

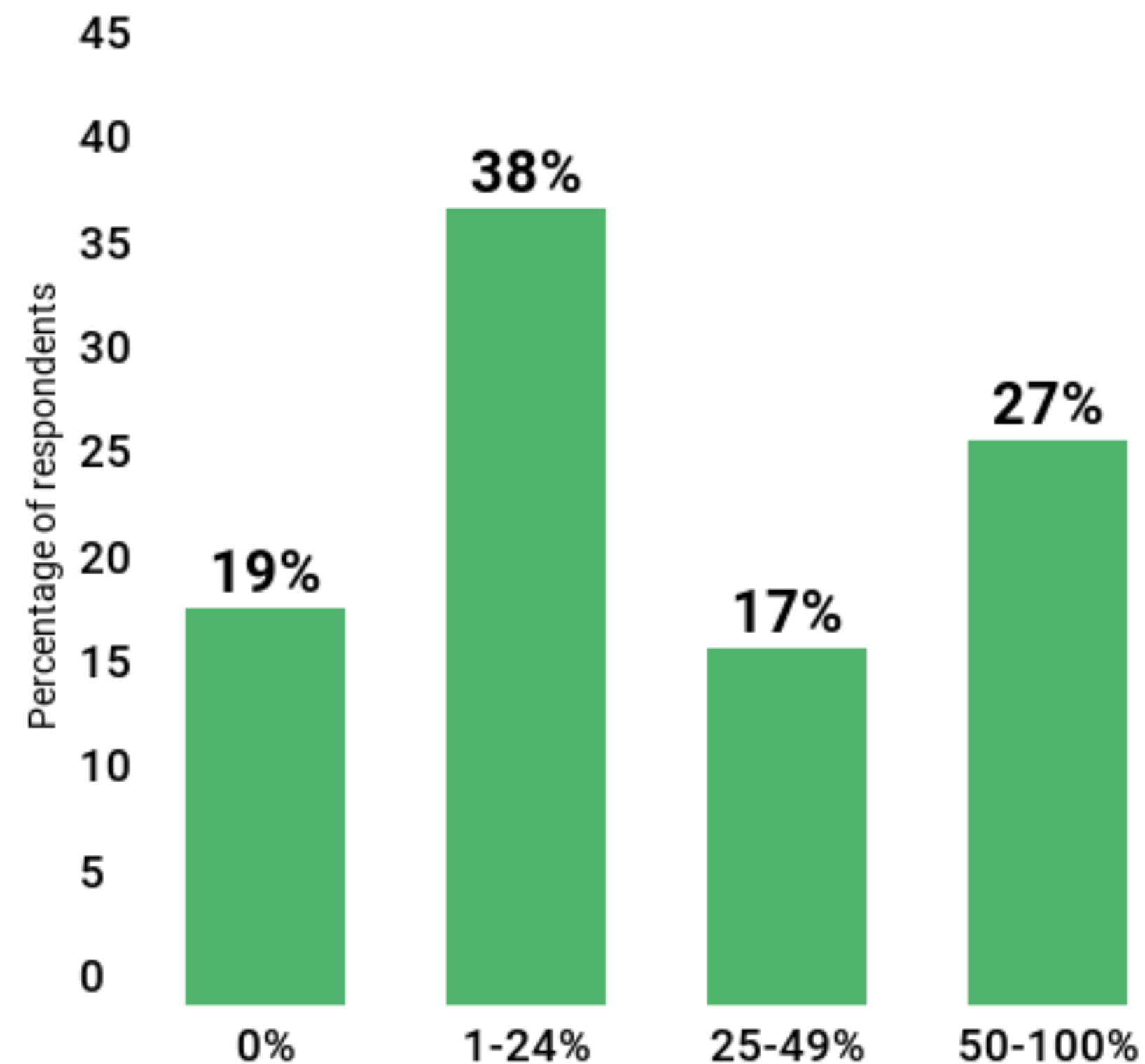


- Eighty-two percent of publishers have seen higher yields as a result of header-bidding.

- Because header bidding has more demand sources, it comes with risk such as increased ad latency. This can prevent ads from being served and lead to lower revenues.

First-price auctions are gaining traction

What percentage of your ad inventory is now traded at a first-price auction basis rather than a second price?



- One quarter of publishers said more than half of their inventory is traded in first-price auctions.

- The majority of exchanges, with the exception of AdX, now run auctions on a first-price basis.

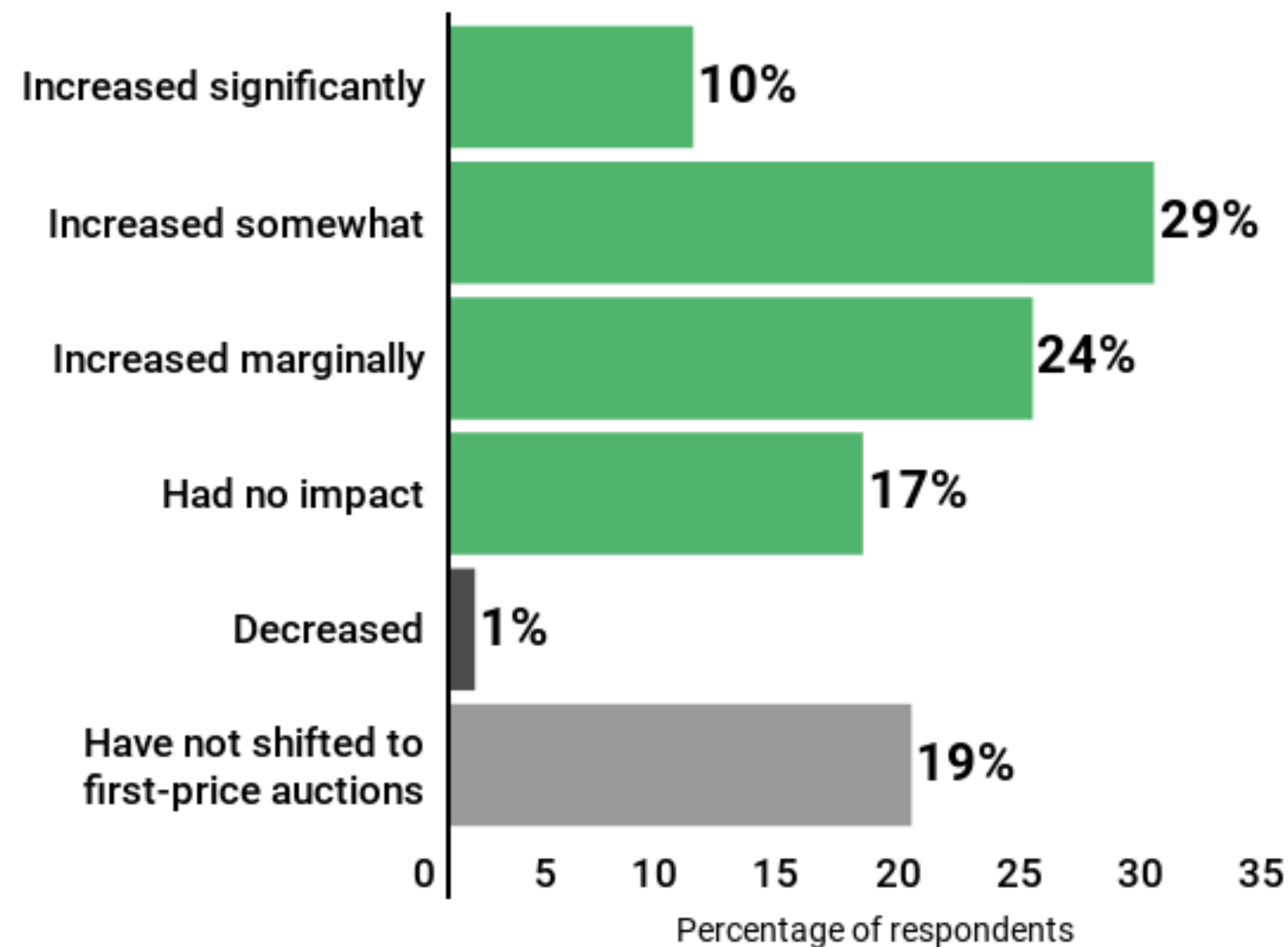
Source n = 90 publishers in the Digiday Research: Programmatic Media Survey,

November 2018

DIGIDAY⁺

First-price auctions are helping to boost revenues

What impact has the shift to first-price auctions had on your programmatic revenues?

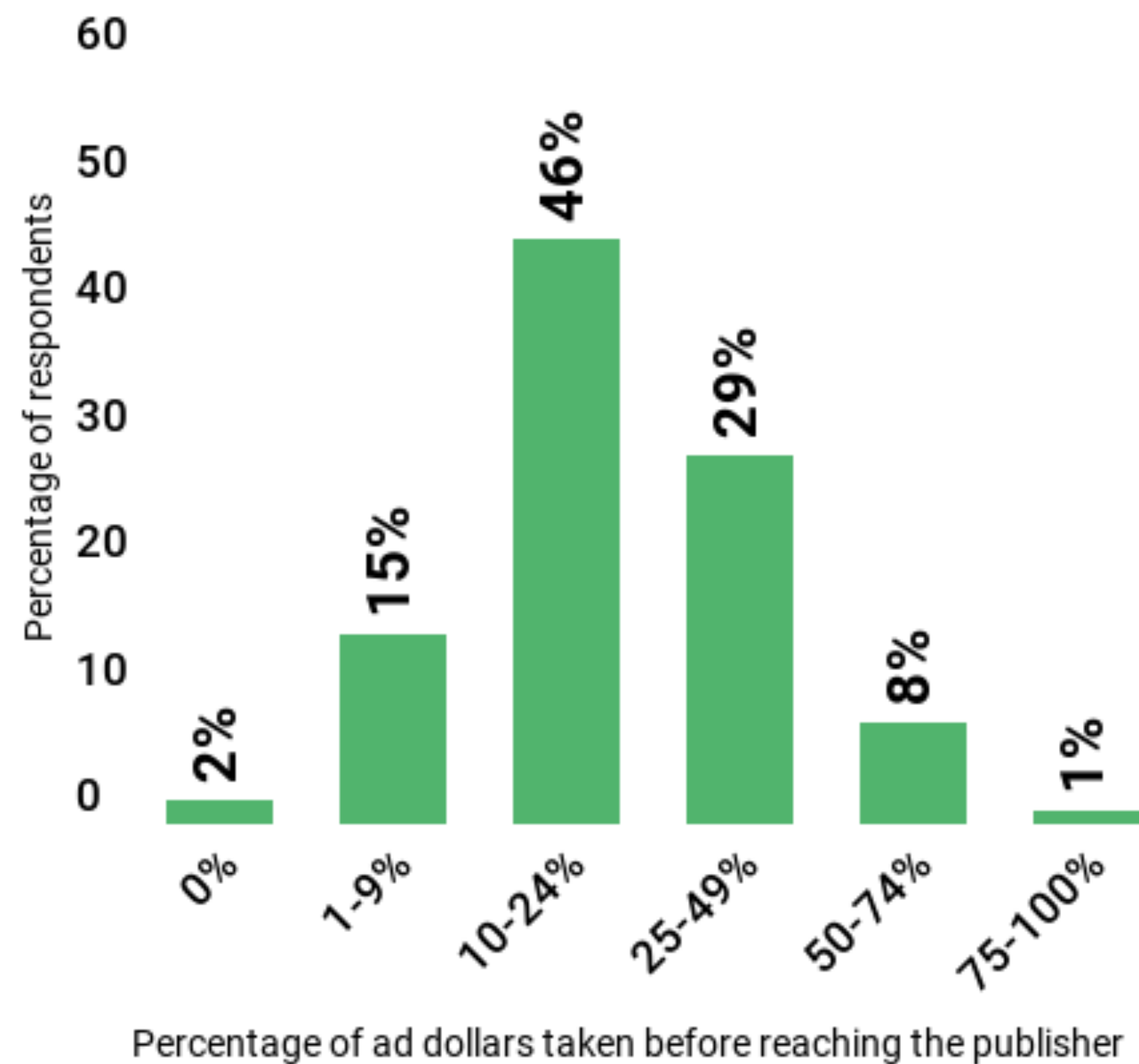


- Sixty-three percent of publishers have seen a lift in programmatic revenues from first-price auctions.

Source n = 108 publishers in the Digiday Research: Programmatic Media Survey, November 2018

Publishers are still grappling with the “ad tech tax”

What percentage of ad dollars spent on your inventory do you believe is taken by vendors or middlemen (ie. the "ad tech tax")?



- Many publishers are attempting to work with fewer partners in attempt to regain control over their inventory.
- 38 percent of publishers estimate that at least 25 percent of dollars spent on their inventory is siphoned off by middlemen.
- 9 percent believe that figure is over 50 percent.

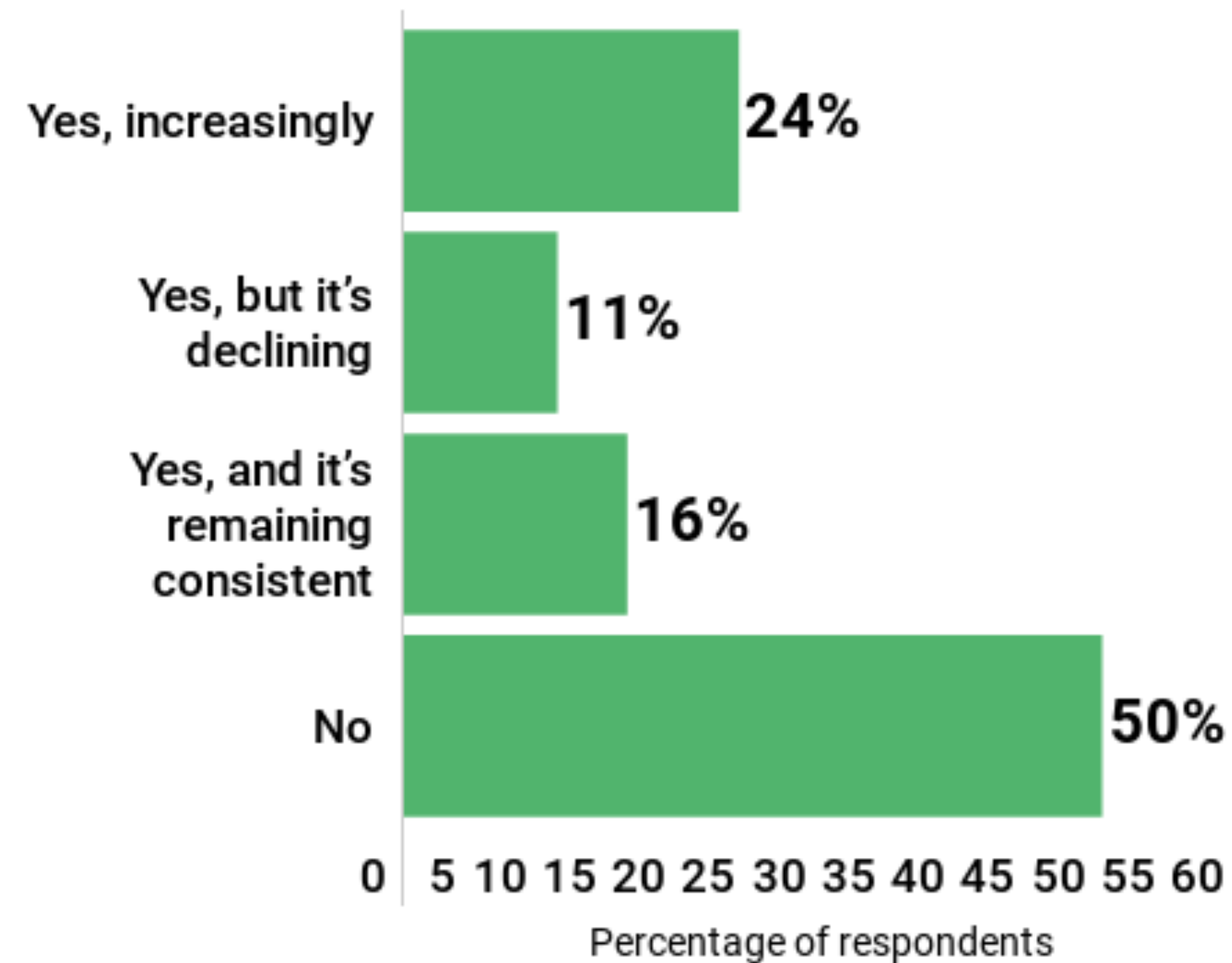
Source n= 186 publishers in the Digiday Research: Programmatic Media Survey,

November 2018

DIGIDAY⁺

Monetizing news is a challenge

Do you think marketers avoid advertising next to news content?



- Half of publishers believe media buyers are avoiding placing ads next to news content.

- Roughly half of those that believe media buyers are avoiding news content think the issue is getting worse.

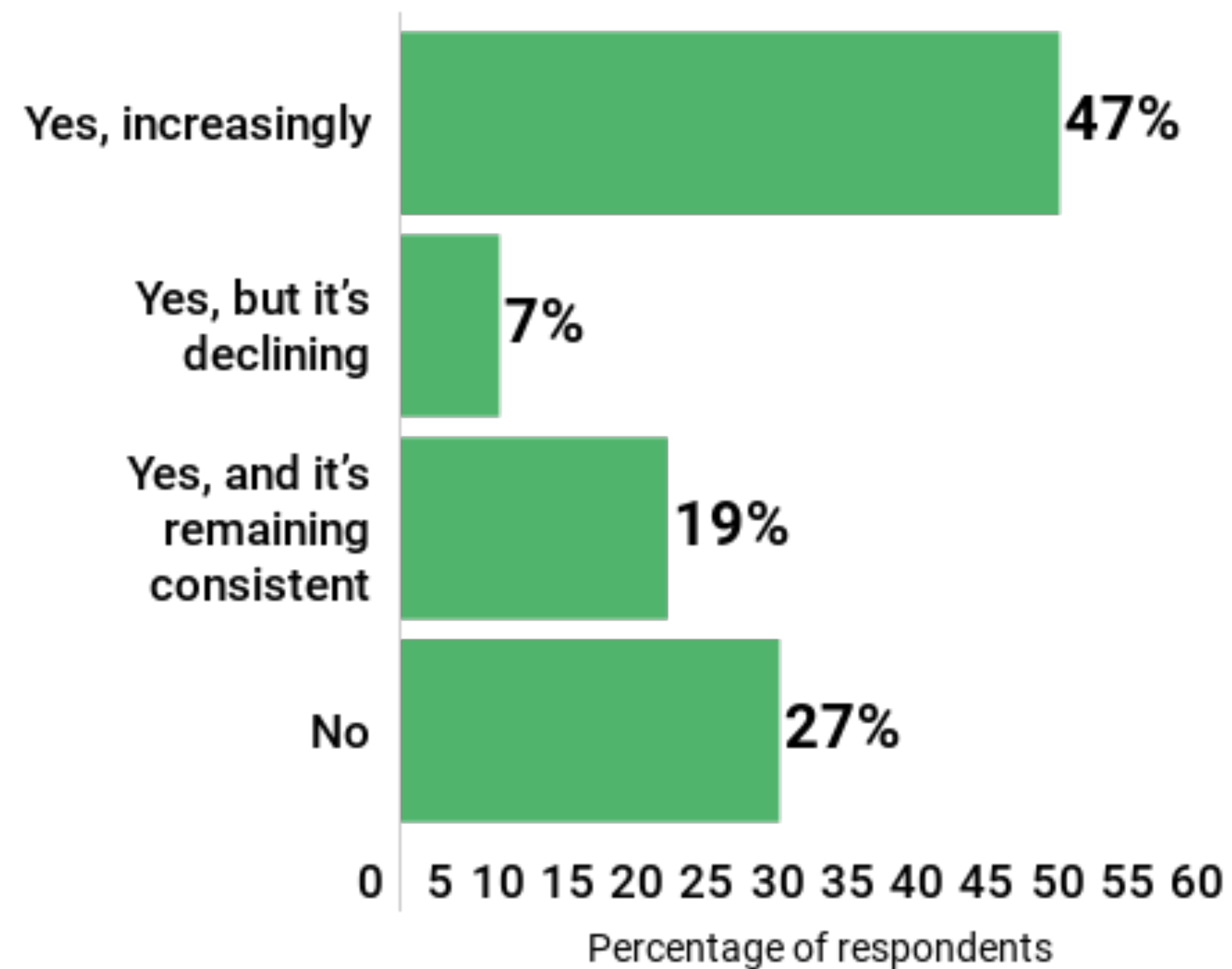
Source: 244 publisher executives surveyed through the Digiday+ Research Panel,

November 2018

DIGIDAY⁺

Advertisers are avoiding Trump

Do you think marketers avoid advertising next to Trump-related content?



- Many publishers have enjoyed a “Trump bump” in traffic and subscriptions, but that may not be leading to a boost in ad revenues.
- Just 27% of advertisers believe advertisers are not avoiding placing their ads next to Trump-related content.

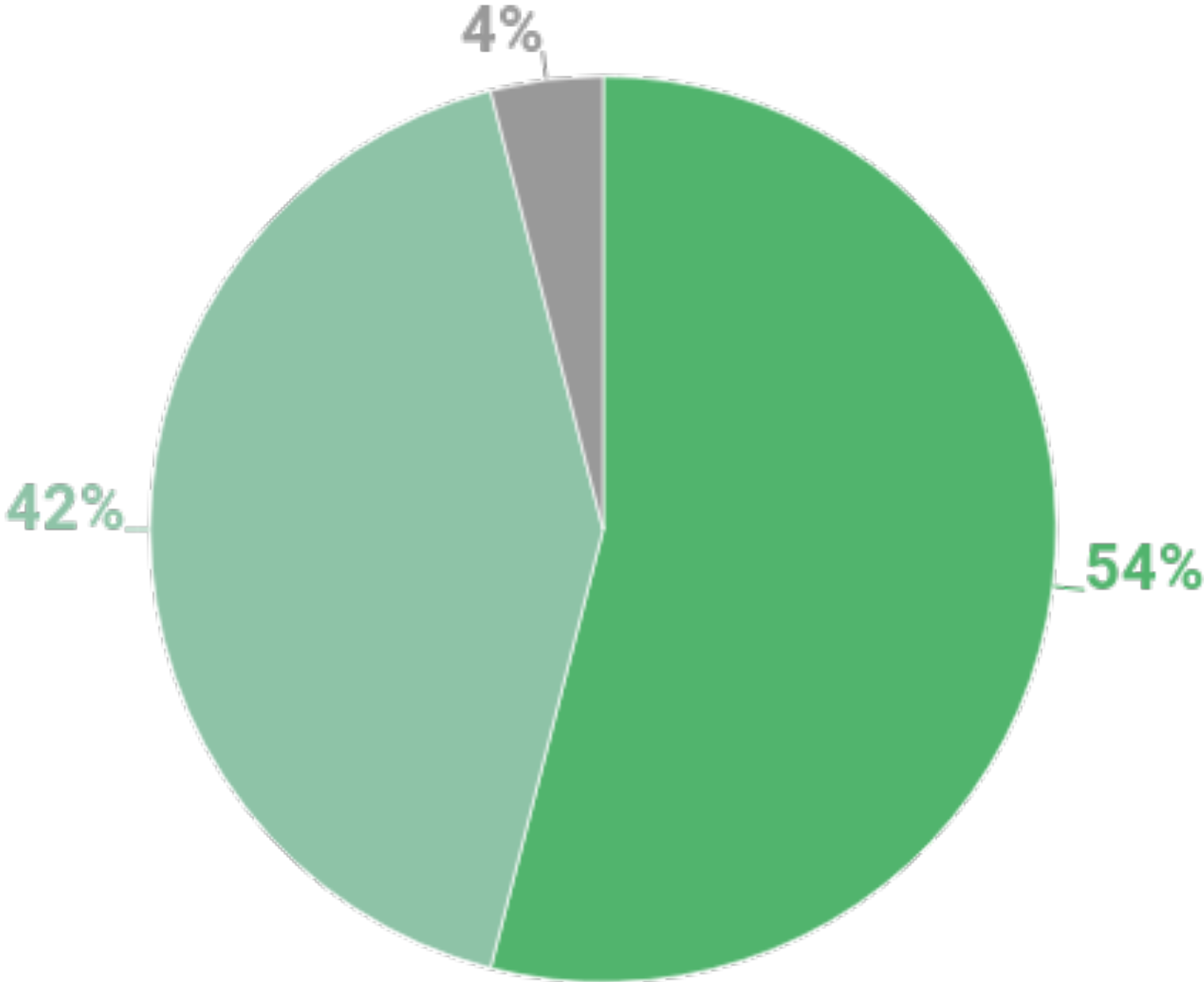
Source: 150 publisher executives surveyed through the Digiday+ Research Panel,

November 2018

DIGIDAY⁺

Publishers are investing more in programmatic talent

How do you expect spending on programmatic advertising personnel to change in 2019?



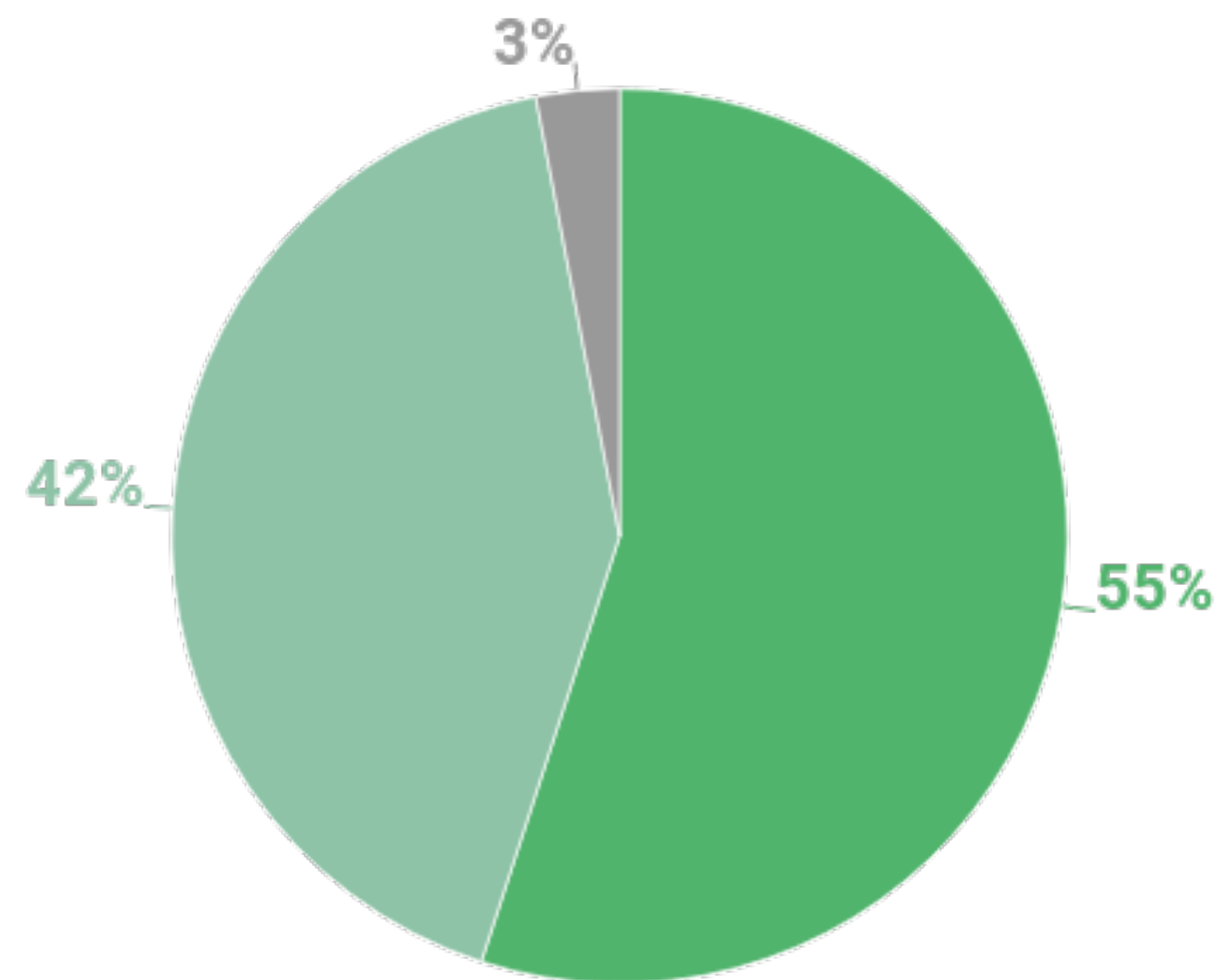
● Increase ● Remain the same ● Decrease

- 51 percent of publishers will be hiring more programmatic personnel in 2019.
- Even as the industry suffers from continued layoffs and closures, programmatic talent is still a needed skillset at publishers.

Source n= 186 publishers in the Digiday Research: Programmatic Media Survey, November 2018

Publishers are investing more in programmatic technology

How do you expect spending on programmatic ad technology to change in 2019?



● Increase ● Remain the same ● Decrease

- 55 percent of publishers say they will spend more on programmatic technology in 2019.