

IAB Europe's Programmatic White Paper and Sizing of the Programmatic Ad Market

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- Pan-European Programmatic Trading White Paper
 - What is Programmatic Trading?
 - Benefits of Programmatic
 - Changing Programmatic landscape
 - Moving to Programmatic
- European online advertising market
- Programmatic market sizing
- Programmatic work agenda
- Summary



Programmatic Trading
An IAB Europe White Paper
July 2014

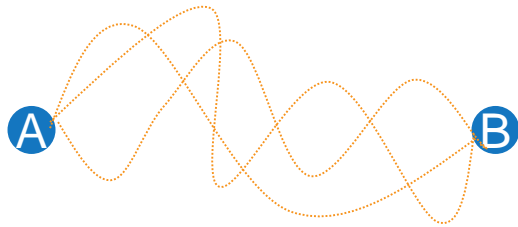


First Pan-European Programmatic Trading White Paper

What is Programmatic Trading?



Where the market is inefficient...



...Programmatic increases efficiency



Traditional Buying

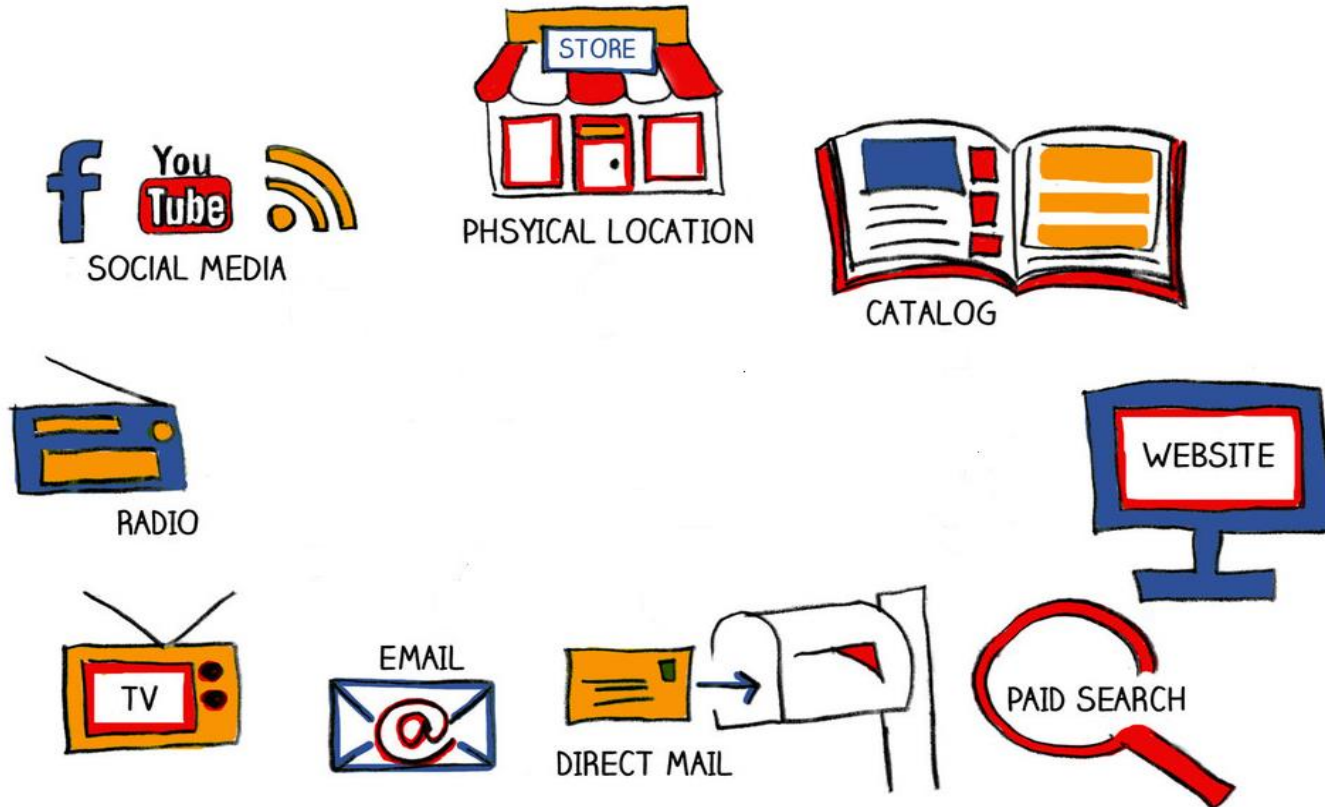
Pre-negotiated fixed price
Users grouped over periods of time
Lack of campaign levers
Limited scale
User duplication



Programmatic Buying

Dynamic pricing
Users are assessed in real time
Limitless optimisation
Increased scale
Single user frequency cap

A process, not a channel



Changing Programmatic Landscape



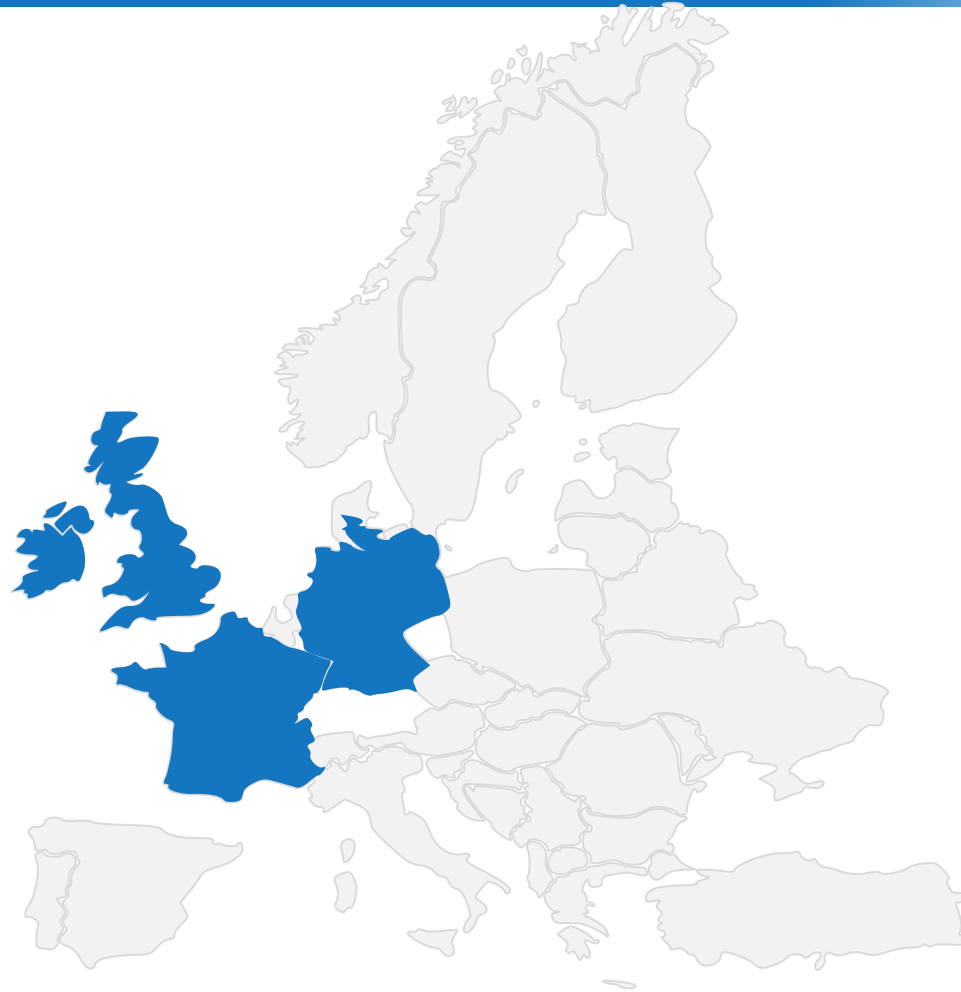
- Performance
- RTB
- Deals
- Direct

Markets across Europe vary



68M
PEOPLE

€13bn
DISPLAY

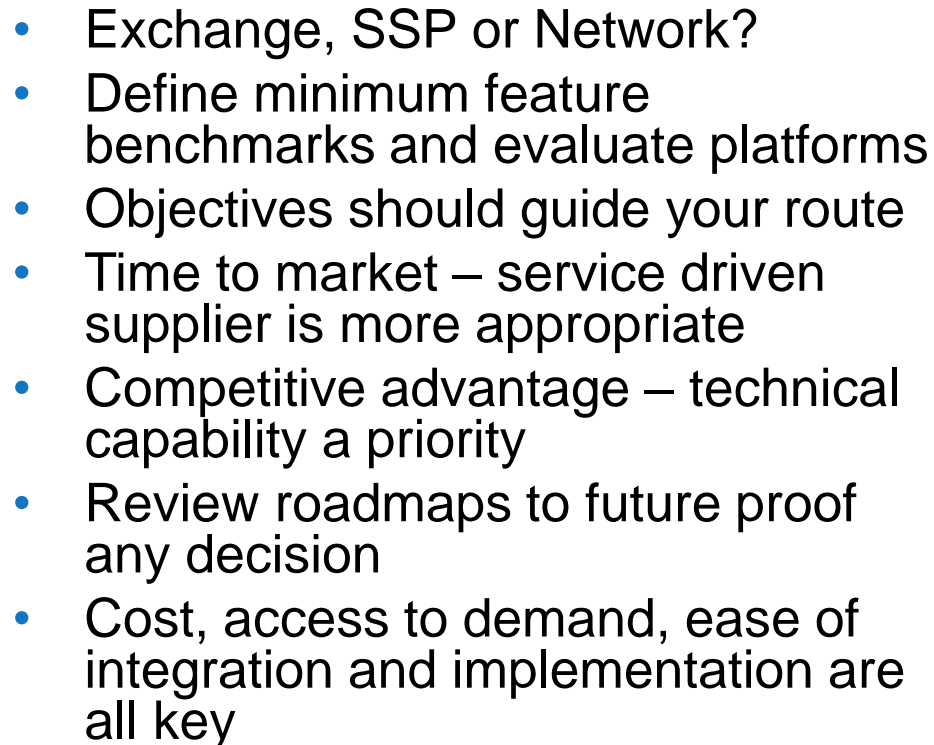


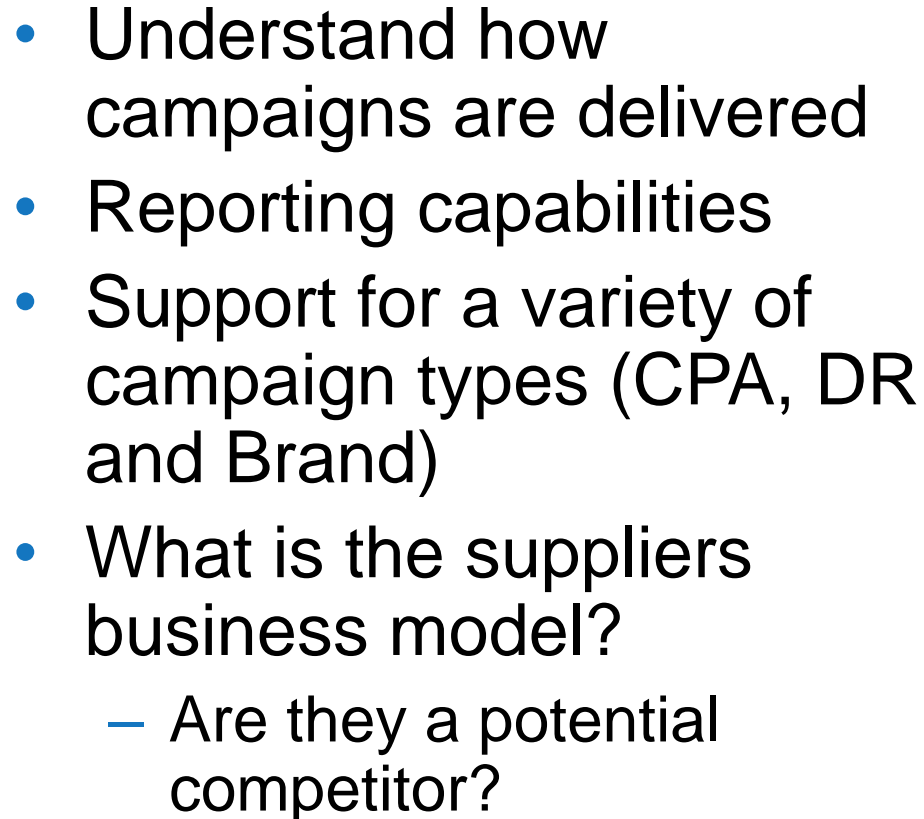
Understanding inventory

It is important for publisher's considering using Programmatic Trading to address the following:

- How to get internal stakeholders on-board
- How to make sure that they understand the reasons why a move to Programmatic Trading is being considered?
- What volume of inventory will be made available to Programmatic?
- What are the revenue expectations?
- What are the largest territories by volume?
- What placements will be made available to Programmatic?
- Will using Programmatic conflict with direct sales channels
- How will Programmatic inventory be differentiated from premium inventory?



- 
- A blue clipboard graphic with a silver clip at the top, containing a list of bullet points.
- Exchange, SSP or Network?
 - Define minimum feature benchmarks and evaluate platforms
 - Objectives should guide your route
 - Time to market – service driven supplier is more appropriate
 - Competitive advantage – technical capability a priority
 - Review roadmaps to future proof any decision
 - Cost, access to demand, ease of integration and implementation are all key

- 
- A large, light gray graphic of a clipboard with a silver clip at the top, containing a white sheet of paper with a bulleted list.
- Understand how campaigns are delivered
 - Reporting capabilities
 - Support for a variety of campaign types (CPA, DR and Brand)
 - What is the suppliers business model?
 - Are they a potential competitor?

European online advertising market

The total value of online advertising in Europe in 2013

€27.3bn

Programmatic market sizing

Online advertising revenue generated through programmatic mechanisms **exceeded €2bn** in 2013

2013 – €2,079m

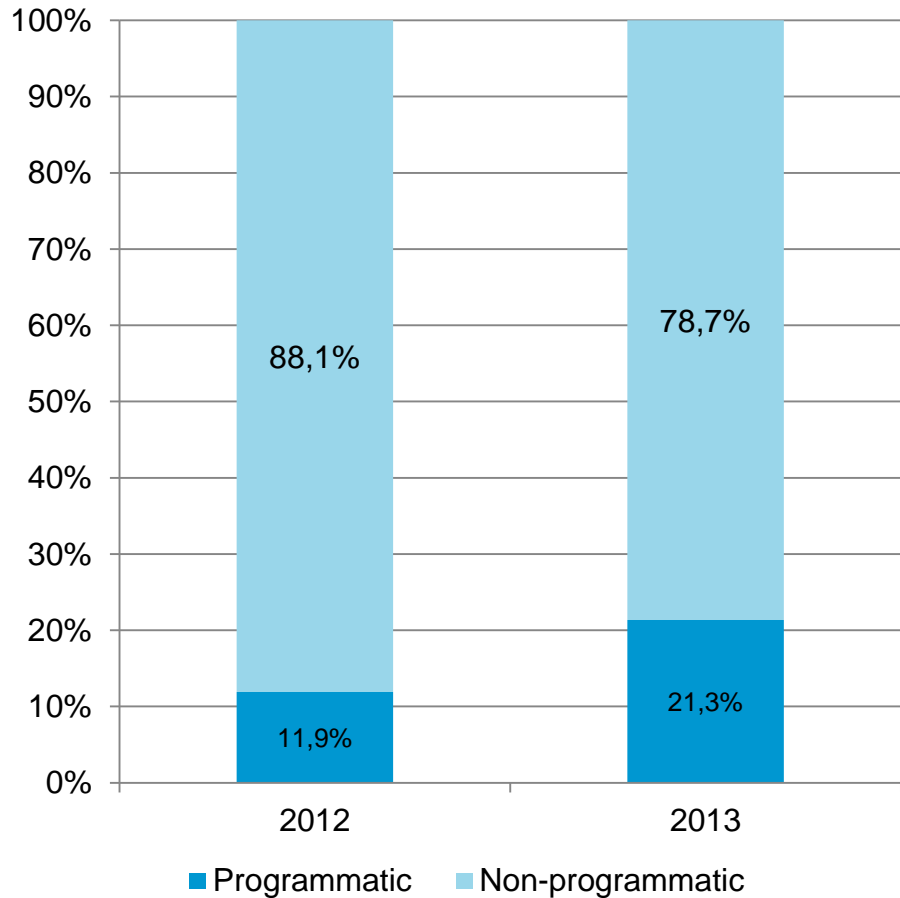
+111% year on year

2012 – €985m

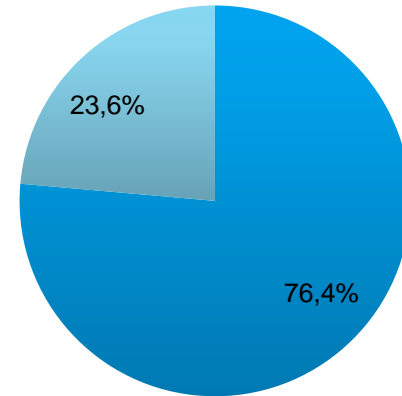


Display Programmatic in Europe

Europe: online display advertising revenue by mechanism (%)

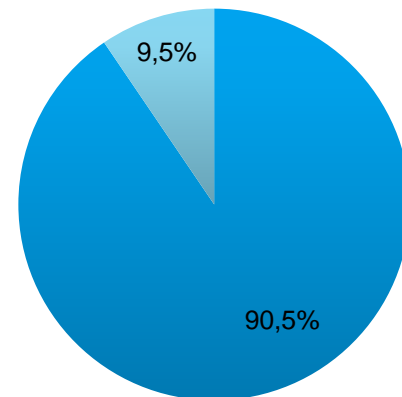


Western Europe 2013



■ Non-Programmatic ■ Programmatic

Central & Eastern Europe 2013



Programmatic sizing studies by market



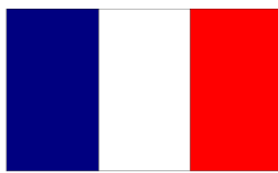
UK



France



Italy



Netherlands



Czech Republic



Germany and Sweden
aim to publish Q1
2015



The next IAB Europe Programmatic Market Sizing Report



Split between **formats**:

- Desktop (banner)
- Mobile (banner)
- Video

And then by **transactional mechanisms**

Programmatic work agenda

IAB Europe Programmatic work agenda 2015



Research into attitudes to Programmatic
from buy-side and sell-side

Road to Programmatic White Paper

Media Plurality White Paper

Educational Webinars

European Programmatic Market Sizing

Summary

- Programmatic has matured beyond RTB to performance, deals and direct
- Drives efficiency for buyer and seller
- Adoption is increasing across markets
- Lack of education is the biggest hindrance
- Missed opportunity to see how to build brands, at scale, across channels
- Technology needs to evolve further for greater transparency and inventory discovery, and consistency in metrics and measurement

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