

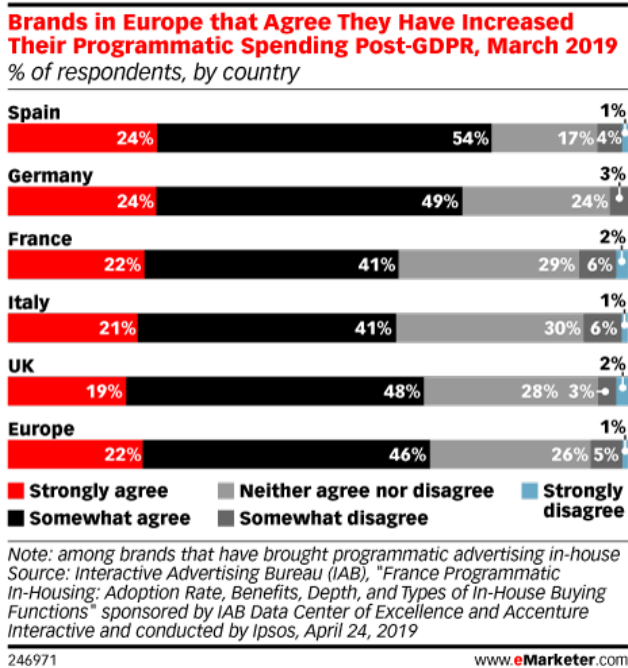
# Why GDPR Didn't Inhibit Programmatic Growth in the UK as Anticipated

## Article

**T**he General Data Protection Regulation (GDPR), enacted in May 2018, was supposed to cause a huge backlash against programmatic trading in the UK. It was going to bring heightened awareness of privacy among consumers and more scrutiny of ad tech than ever before. Marketers were going to become wary of playing “fast and loose” with consumer data.

Of course, there have been varying degrees of truth in those statements, and while initial effects were felt, the longer-term impact on programmatic ad spend has not been substantial.

In March 2019 polling by Ipsos for the Interactive Advertising Bureau (IAB) and Accenture Interactive, among brands in the UK that had brought their programmatic buying in-house, 67% said they either strongly or somewhat agreed with the statement that they had increased their programmatic spending post-GDPR. This was largely in line with the European average. A measly 5%, meanwhile, disagreed—a percentage point lower than the European average.



As discussed in our latest report on **programmatic digital display ad spending in the UK**, much of the changes that have happened are related to the transactional mix. The erosion in trust in open exchanges (often conflated to mean programmatic) has been more than compensated for by growth in private marketplaces and programmatic direct.

None of this is to say that marketers aren't concerned about the challenges of programmatic trading. Privacy concerns notwithstanding, 45.5% of UK digital media professionals reported targeting the right audience as a significant challenge presented by programmatic advertising, according to a February 2019 report from Integral Ad Science. Not far behind were brand safety, ad fraud and viewability.

## Significant Programmatic Advertising Challenges According to UK Digital Media Professionals, Dec 2018

% of respondents



Note: in the past year

Source: Integral Ad Science (IAS), "UK Industry Pulse: Advertising trends, technologies, and priorities that will shape the UK industry in 2019," Feb 7, 2019

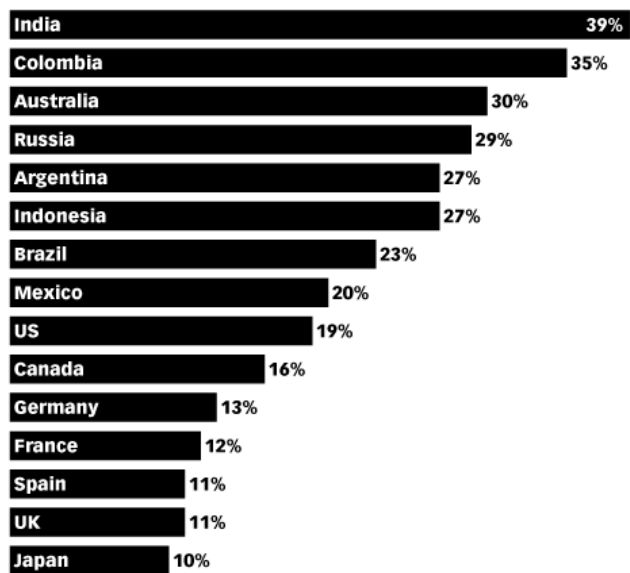
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Such issues have followed programmatic advertising around like a bad smell. Problems around fraud and brand safety, in particular, found their way into the mainstream press in the past several years, with programmatic often cited—rightly or wrongly—as the culprit for such issues.

However, on closer inspection, programmatic trading in the UK doesn't appear to have as big an issue in these areas as some other countries. For example, data from Pixalate in Q2 2019 showed that, of the 15 select countries covered by the study, only Japan had lower rates of fraud than the UK.

**Programmatic Display Ad Fraud Rates for Select Countries, Q2 2019**  
among impressions analyzed by Pixalate



*Note: represents activity on Pixalate's platform, broader industry metrics may vary; read as 39% of programmatic display ad impressions in India were measured as invalid*  
Source: Pixalate, "Q2 2019 Ad Fraud Update," Aug 23, 2019

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Viewability rates, which were also a point of contention for programmatic buys, appear to perform reasonably well for programmatic vs. traditional buys in the UK. H2 2018 data from Integral Ad Science, for example, found that rates for programmatic ad impressions across purchase methods and devices were often as high as for publisher direct buys.

**UK Display and Video Ad Performance Metrics: Viewability Rate, by Purchase Method and Device, H2 2018**  
among impressions analyzed by Integral Ad Science

	Programmatic	Publisher direct	All buy types
Desktop display	69.1%	67.7%	68.8%
Desktop video	65.7%	66.7%	66.1%
Mobile web video	63.2%	68.2%	65.2%
Mobile web display	62.4%	60.4%	62.0%
Mobile app display	42.8%	53.6%	45.1%

*Note: represents activity on the Integral Ad Science platform, broader industry metrics may vary; in-view as per MRC standard; read as 42.8% of mobile app display ads bought programmatically are viewable for 1+ second(s)*  
Source: Integral Ad Science (IAS), "H2 2018 Media Quality Report: UK," April 2, 2019

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So, despite all the furor surrounding GDPR and the impact on programmatic, we have yet to see any lasting impacts. However, ad tech shouldn't get too comfortable. In June this year, the

Information Commissioner's Office (ICO), which is responsible in the UK for implementing GDPR, published its "Update report into adtech and real time bidding."

The report outlines the concerns the ICO has with the creation and sharing of personal data profiles brought about specifically by real-time bidding practices. It was passed to players in the ad tech sector for response and will be further reviewed by the end of 2019.

"They have fired warning shots across the bows of ad tech," said Andrew Buckman, CEO at digital ad marketplace Sublime. "They're not happy with the way that ad tech is managing GDPR and are essentially asking them to be stricter in the near future. Over the next 12 to 24 months, consumers who have consented to be targeted based on data are going to become rarer and rarer, which means that they will become more expensive."

For more analysis of UK programmatic ad spending, eMarketer PRO subscribers can read our report.

**Report** by Bill Fisher Nov 21, 2019

## UK Programmatic Digital Display Ad Spending



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