

# Programmatic Advertising Is Driving Rapid Growth in Mobile Video

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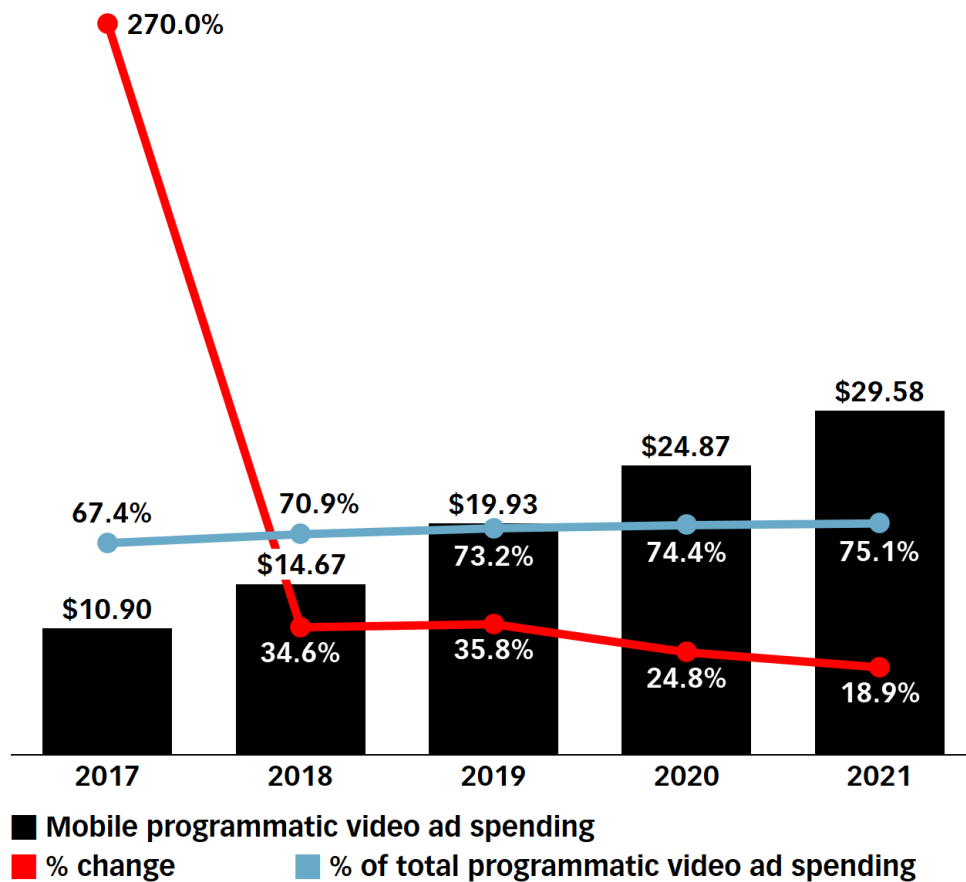
**Yoram Wurmser**

**A**s more people watch video content on their mobile devices, the nature of mobile video monetization is changing. This is particularly the case for programmatic advertising, which we define as an automated, technology-driven method of buying, selling or fulfilling digital display ad placements. Overall, mobile video ads sold programmatically generated \$19.93 billion in revenues in 2019 in the US and will generate \$24.87 billion in 2020.

Mobile programmatic video ads represented 87.1% of total mobile video ad spending in 2019. Roughly half of mobile video ad spending went to native video ads (mostly in-feed ads in social media), which are overwhelmingly sold programmatically. The other half were in-stream ads, including those within YouTube, Twitter, Snapchat and Facebook Watch as well as premium OTT channels like Hulu.

## Mobile Programmatic Video Ad Spending in the US, 2017-2021

billions, % change and % of total programmatic video ad spending



*Note: mobile display ads transacted and fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes in-stream video such as those appearing before, during or after digital video content in a video player (pre-roll, mid-roll, post-roll video ads) and video overlays; includes social network in-stream video advertising in platforms such as Facebook Watch and Snapchat Shows; includes outstream video ads such as native, in-feed (including video ads in Facebook's News Feed and Twitter's Promoted Tweets), in-article, in-banner and interstitial video ads; data for 2008-2016 excludes outstream video ads; includes ad spending on tablets*

Source: eMarketer, October 2019

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Premium OTT channels, and even many mobile-first video publishers, have traditionally sold much of their mobile inventory via direct buys. This remains broadly true, but increasingly, those direct sales are using

programmatic elements. Typically, these deals are programmatic guarantees for inventory on premium OTT services.

"Even if the seller and the buyer know each other, they are using programmatic pipes for executing a transaction and for serving a campaign," said Kevin Schaum, vice president of advanced solutions group at SpotX, an ad-serving and supply-side platform (SSP) for video publishers. "That shift has been one of the main things that we've seen."

With programmatic buying now widespread, ad buyers have more opportunities to place their content by device type. Although a few advertisers create versions of their advertising for different segments of users, for the most part, the targeting is using general data, including metropolitan statistical area.

As competition for advertisers grows fiercer, many of the small to medium-sized publishers have established partnerships that let them sell ads via programmatic direct. They can tout the brand safety advantages of buying through a known publisher but also the scale across sites that advertisers want. Group Nine Media, Insider Inc. and BuzzFeed have formed one such partnership.

"Rather than having our advertisers come to us individually and only buying YouTube or in-feed [ads] on our owned and operated [O&O], we're trying to package that up for them and give them the scale they're looking for," said Ken Blom, senior vice president of strategy and operations at BuzzFeed.

"If you choose to buy all your media programmatically and not talk to publishers, you'll miss out on the fact that we have ad formats that aren't programmatically offered, or there's some audiences that you might be missing if you understood how we're making more affiliate content," he said.

For more information on programmatic in the mobile video ad space, eMarketer PRO subscribers can read our recent report:

**Report** by Yoram Wurmser Nov 14, 2019

## Mobile Video Monetization 2019

### MOBILE VIDEO MONETIZATION 2019

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