

How GDPR Is Moving Ad Budgets Toward Private Marketplaces

Article

Data privacy concerns are driving ad buyers to work closer with their publisher partners.

In a May survey of 300 US marketers **conducted by Advertiser Perceptions and Trusted Media Brands**, 55% of respondents agreed that recent data protection issues make them more inclined to move ad dollars from open exchanges to programmatic guaranteed and private marketplace (PMP) deals. The survey underscores how laws like the EU's General

Data Protection Regulation (GDPR)—which went live in May and stipulates that user data can be used only if a company has explicit permission from the individual—have led many ad buyers to adjust the ways they buy ad inventory programmatically.

US Marketers'* Attitudes Toward Programmatic Ad Buying, May 2018

% of respondents

	Agree completely	Agree somewhat
Want to see programmatic marketplace become decentralized in the future by leveraging blockchain technology	15%	33%
Difficult to ensure brand-safe environments when buying programmatically on the open exchange	14%	47%
Don't see a lot of improvement in the transparency of buying ad inventory on the open exchange	14%	35%
Recent issues about consumer privacy/data protection has/will impact my audience buying strategy	13%	45%
Lifestyle publishers are more important than ever to ensure a brand-safe environment for advertising	10%	46%
Recent issues about consumer privacy/data protection make me more inclined to use programmatic guaranteed/private marketplaces vs. the open exchange	10%	45%
The implementation of ads.txt has made programmatic buying more transparent	10%	36%
I do not see a lot of difference today between buying programmatically on the open exchange or the private marketplace	7%	27%

Note: among respondents involved with programmatic ads; *from agencies and marketing firms

Source: Trusted Media Brands (TMB), "Programmatic in the Era of Transparency" conducted by Advertiser Perceptions, July 11, 2018

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After the GDPR went live, business publisher the Financial Times **shut down its open marketplace** activity to minimize its risk of getting fined for not complying with the new data regulation. This led to increased advertiser interest around the publisher's programmatic guaranteed products.

In July, **Digiday reported** that several other publishers experienced a surge in demand for programmatic guaranteed deals following the launch of the GDPR. This is because PMPs and programmatic guaranteed deals, unlike open exchanges, allow advertisers to work directly with publishers in a controlled setting that often involves agreeing to prices before bids comes in. This helps ad buyers and sellers alike avoid getting paired up with unscrupulous partners who leverage their data and audiences in shady ways.

The tradeoff of moving away from open exchanges is that it can be expensive to do so since higher-quality inventory costs more. In Q1 2018, mobile PMP eCPMs worldwide were 170%

higher than open exchange eCPMs, **according to PubMatic.**

Looking to learn more about how programmatic advertising is changing? Check out our [Supply Chain Transparency report](#) that comes out August 7.