

Advertisers favor closed and private ecosystems for access to data and premium inventory

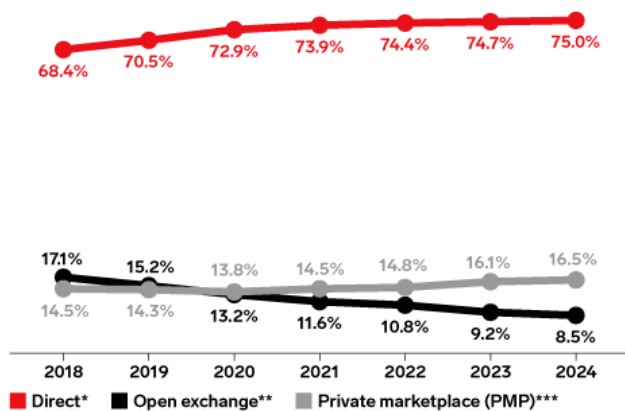
Article

Ad spending is increasing across all transaction types, but growth rates are higher for programmatic direct and private marketplaces (PMPs). Here's what's behind the trend:

- **Retail media networks are exploding.** With third-party data signals dwindling, advertisers are swarming around the first-party consumer data and closed-loop attribution offered by retailers like Amazon and Walmart.
- **Major publishers are betting on direct sales.** Those with premium content, like Bloomberg, are opting to take their inventory off the open exchange. While this may dampen ad revenues in the short term, Bloomberg is investing in its user experience by ensuring ad quality.
- **Buyers are integrating more directly with sellers.** Demand-side platform The Trade Desk made headlines launching its OpenPath initiative in February 2022, which it said had generated interest from over 100 premium publishers within a few months. Agencies like GroupM, Havas, and Horizon Media are also optimizing supply paths through partnerships with major supply-side platforms for inventory curation and identity resolution.

US Programmatic Digital Display Ad Spending Share, by Transaction Method, 2018-2024

% of total programmatic digital display ad spending



Note: includes native ads and ads on social networks like Facebook and Twitter; includes advertising that appears on desktop/laptop computers, mobile phones, tablets, and other internet-connected devices; includes programmatic ads that are transacted in real time, at the impression level; *includes all programmatic ads that are transacted as blocks of inventory using a non-auction-based approach via an API; **includes ads transacted through a public RTB auction in which any buyer or seller can participate, also known as open auction or open marketplace; ***includes ads transacted through an invitation-only RTB auction where one publisher or a select group of publishers invites a select number of buyers to bid on its inventory

Source: eMarketer, Nov 2022

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What will change now: Momentum is building toward a more transparent—and therefore, more efficient—programmatic ecosystem. Publishers, which have historically been incentivized to make their inventory available through as many supply paths as possible to boost revenues, will start to see demand dry up if they don't fall in line.

Report by Evelyn Mitchell Feb 24, 2023

Programmatic Ad Spending Forecast Q1 2023

