

Programmatic ad spend closes in on £1 billion barrier

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According to Marketing Tech News, spending on programmatic ads in the UK is getting closer than ever to smashing the £1 billion mark, accounting for nearly half of all display ads. Around 70-80% of digital spend is estimated to be programmatic by 2018.

In the IAB's latest Media Owner Sales Techniques study, it was revealed that of £2.13 billion spent on mobile and internet display ads last year, 45% – £960 million in total – was traded programmatically, a figure that was up from 28% in 2013.

This programmatic figure is closing hot on the heels of direct sales between publishers and buyers which accounted for 49% of display ad sales. Only 6% were bought through ad networks, compared to 22% the year before.

In mobile specifically, programmatic ad sales have nearly doubled, accounting for 37% in

2013 and rising to 64% in 2014. Nearly one fifth (18%) of video ads are now traded programmatically.

What it means for the industry

Programmatic is the here and now, though some still doubt it, criticising quality and availability of inventory. This stance assumes that programmatic is primarily concerned with selling remnant and low quality inventory at a premium price because it's a new idea.

But what's becoming clear now is that if you're not planning brand, video, DR and mobile programmatically, or planning it at low quality, then you are doing it wrong. There are huge advantages to keeping data in one eco-system, and the inventory is there to do a through the line BR-DR response – now.

MediaCom expert opinion

“There is no doubt that programmatic is huge in ad spend, opportunity and complexity. However it's a broad term, covering various buying methodologies and spanning channels. That being said, complexity should not be a deterrent, and neither should the buzz around fraud and viewability.

Take learning to drive as an example; you're anxious about the decision, but you trust in the experts to guide you to success and before long it becomes second nature.

We as an agency need to demonstrate expertise and guide our clients, using technology such as ad verification and brand safety tools as standard, as well as developing trusted marketplaces and optimising viewability. We should be phasing the transition, growing tactics and layering in data to take advantage of the market growth and potential.

The opportunity is outstanding, programmatic gives us such rich insight into audience interaction that we can plan campaigns down to a moment. Remember, no one starts learning to drive and expects to become a F1 driver overnight.”

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