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Media Buyers Plan To Spend 46% Of Digital Budget Via Programmatic This Year

by Tyler Loechner, Wednesday, May 6, 2015

Media buyers plan to spend nearly half (46%) of digital ad budgets via programmatic channels this year, and the remaining 54% through “traditional” means.

This represents a continued shift toward programmatic spending, as 38% of media-buyers’ digital ad budgets were programmatic last year.

The data comes from Advertiser Perceptions’ latest programmatic advertising report, released this week. For the study, Advertiser Perceptions surveyed 418 advertisers -- 328 media buyers and 90 sellers -- from agencies, brands, publishers and ad networks between December 2014 and January 2015.

On the buy-side, respondents came from companies that spent at least $1 million in total advertising in the past 12 months. For sellers, respondents came from companies that received at least 10 million unique visitors across all digital properties in the past month. All buyers and sellers surveyed were already at least somewhat involved in programmatic advertising.

The report finds that certain disconnects exists between buyers, sellers, marketers, agencies and virtually everyone involved as it relates to programmatic plans. For example, the majority of marketers (59%) say they are planning to move programmatic buying in-house, but the majority of agencies (61%) don’t believe it will happen.

“The disconnect extends to buyers and sellers,” writes Advertiser Perceptions. “Buyers anticipate their programmatic media spend will grow 21% in 2015 to account for nearly half of their total digital ad budgets, while sellers don't expect programmatic inventory to grow substantially.”

However, buyers and sellers do see eye-to-eye on at least one topic: the importance of inventory quality and viewability.

Roughly half (48%) of media buyers say that inventory quality and viewability stories “strongly impacts” their programmatic commitment, while 39% say it “somewhat impacts” plans and 13% say it has no impact.

For sellers, the numbers are similar. Over half (59%) say inventory quality and viewability stories “strongly impacts” their commitment, 27% say it “somewhat” of an impact and 14% say it has no impact.

Buyers and sellers alike might say that negative stories on inventory quality and viewability strongly impact their commitment to programmatic, and they might want it to be true, but it seems just as likely they are trying to convince themselves. Viewability has been a seesaw -- up and down and up and down -- but programmatic ad spend has been a consistent riser, as Advertiser Perceptions’ latest report confirms.

In other words, the ad industry seems committed to programmatic in spite of concerns surrounding viewability. At least for now.