

Ad Spending on Private Marketplaces Will Pass Open Exchanges Next Year

Article

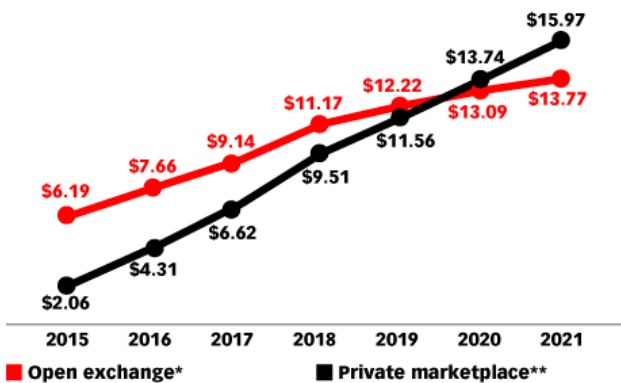
Advertiser investment in private marketplaces (PMPs) has risen over the past several years thanks to ongoing issues of ad quality and brand safety associated with open

market buying. Next year, for the first time, US ad spending on real-time bidding (RTB) transactions where buyers and sellers have some sort of private agreement in place will overtake outlays on open exchanges, per our latest forecast.

We estimate US advertisers will spend \$12.22 billion on open exchanges and \$11.56 billion on PMPs this year. By 2021, those figures will rise to \$13.77 billion and \$15.97 billion, respectively.

US Real-Time Bidding (RTB) Digital Display Ad Spending, by Segment, 2015-2021

billions



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 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 invite a select number of buyers to bid on its inventory
 Source: eMarketer, April 2019

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We define open exchanges as public RTB auctions that are open to all buyers and sellers. A PMP is defined as an auction run by a single publisher or a small group of publishers and open only to select buyers.

Buyers and sellers have both contributed to the surge in PMPs. Publishers have demanded more control over what ads run on their websites and how their audience data is being used. Advertisers have become distrustful of open exchanges and demanded better access to premium inventory. These trends have resulted in more PMP deals, which offer advertisers and publishers a greater ability to negotiate price and data terms than do open exchanges.

“Whereas programmatic was first thought to obviate the need for buyer-seller relationships, this trend indicates that one-to-one agreements and conversations are only increasing in

importance—and it emphasizes that programmatic has become so much more than just open market, real-time buying,” eMarketer principal analyst Lauren Fisher wrote in our recent “[US Programmatic Ad Spending Forecast 2019](#)” report. “For publishers, this opens up new opportunities to identify programmatic advertisers ripe for bigger deals and commitments. And for buyers, this means greater emphasis on building stronger relationships.”

eMarketer PRO subscribers can access the full report: “[US Programmatic Ad Spending Forecast 2019](#).”

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