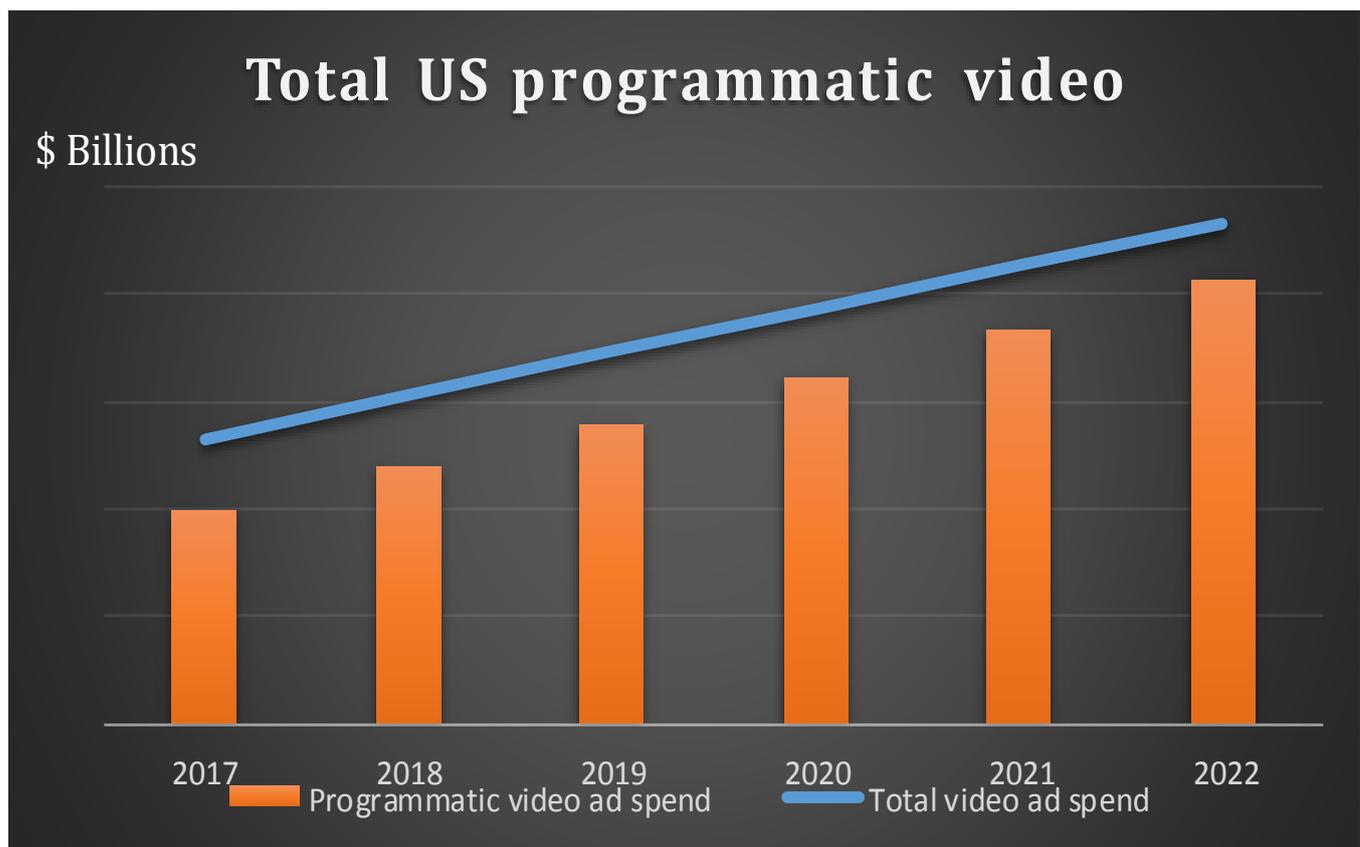


# **Programmatic Advertising for Video**

## **Where will it take the TV Industry?**

### **Revenue Forecast 2017-2022**



**Executive Summary Only**

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# Programmatic Advertising for Video

## Where will it take the TV Industry?

### Key Takeaways

- Programmatic video advertising in the US will more than double over the next five years to reach \$XX billion by 2022.
- Programmatic will account for nearly 90% of all digital video advertising by 2022.
- Ad-supported OTT video revenue will grow 1.6X to reach \$XX billion by 2022
- Programmatic TV ad spend will reach \$XX billion by 2020, representing under 20% of total TV ad budgets

### Introduction

As more eyeballs move to Internet-distributed video, more ad budgets are heading that way, too. The great transition to digital media we've witnessed over the past five years has opened up a new world of video monetization, powered by the two-way communication between content provider and viewers – now considered end users in the TV-as-app paradigm that has come to fruition.

Digital platforms and technologies have ushered in a new era of advertising. Thanks to the troves of data being generated and collected each minute around user behaviors online, publishers and advertisers alike are now able to know their target audiences in greater detail than ever before.

That means they can craft their marketing messages and execute ad campaigns in more responsive, and personalized ways that benefit both the brand and the consumer. Marketers and brands have steadily grown their digital advertising budgets, and advertising technologies like pro-



grammatic and real time bidding continue to gain momentum. With the advent of machine learning and artificial intelligence, digital advertising is only getting more efficient, precise, and effective. And as linear TV viewers continue to migrate away from traditional TV and towards new, interactive online platforms, advertisers now rely on digital advertising technologies to reach specific segments of the increasingly fragmented population of viewers.

At the center of this advertising revolution is programmatic buying. In display advertising, programmatic refers to the automated buying of ads, executed through real-time bidding. Programmatic buying promises many benefits to advertisers and content owners alike. For publishers, it delivers flexibility in monetizing inventory across channels; for advertisers, it's the ability to more precisely target audiences across platforms and channels.

## **Programmatic TV is inevitable, but inevitable is a long way away**

The shift of eyeballs to online platforms has forced broadcasters and TV networks to reluctantly move some of their content to these new devices and platforms. For these traditional players, adjusting to the world of digital advertising has been a slow and stilted process.

2017 has proven to be a seminal year for a number of key trends in media, and particularly for programmatic video advertising. There's a sense that video advertising is on the cusp of a new phase of evolution in media. The end of this evolution will see a convergence of digital video and traditional TV in advertising, following a convergence across these two mediums for content consumption.

Automation features are gaining traction, so much so that the term programmatic has become a synonym for automation in video advertising – though not necessarily in other formats of digital advertising.

## Key Vendors discussed in this Report

Adobe  
Brightroll  
Clypd  
DataXu  
Facebook Audience Network (FAN)  
Freewheel  
Grapeshot  
Google's DoubleClick Bid Manager  
Google's AdX  
Horizon Media  
LiveRamp  
Mediaocean  
Neustar  
Oath  
Omnicom Group  
ONE by AOL  
Roku  
RTL Group  
Rubicon Project  
Snapchat  
Spark Foundry  
SpotX  
StickAds.tv  
Strata  
Telaria  
The Trade Desk  
TrueView (YouTube)  
Tru Optik  
TubeMogul  
VideoAmp  
Videology  
Virool  
WideOrbit  
YuMe



## Who should buy this report?

This report contains a full forecast of US programmatic advertising across all types of online delivery - apps on phones, browser-based devices, set tops and connected TVs, on social media and on mobile generally. Anyone connected to the advertising and video ecosystem - in particular pay TV operators, advertising agencies, investors, as well as software suppliers in both Demand side, Supply side and real time bidding systems.

Pretty much every operator and technology vendor in the OTT video market needs to be aware of the development of programmatic advertising, its rate of growth and the opportunities it will offer, as it unfolds. Later we hope to bring a similar market study based in Europe, where programmatic is at an earlier stage, but growth perhaps even faster.

CEOs, CMOs, strategic planners, product marketing specialists, OTT service marketing specialists and the entire advertising ecosystem should consider buying this report.

## About Rethink Technology Research

Rethink is an expert in technology - wireless, video and the Internet of Things. It offers consulting, advisory services, research papers, plus three weekly research services; **Wireless Watch** which has become a major influence among leading wireless operators and equipment makers, and which has pioneered research coverage of 4G, 5G and M2M; and **Faultline**, which studies disruptive changes in media due to emerging digital networks, and **RIoT**, Rethink's Internet of Things paid research service. Each of these have a parallel research product, and Rethink TV, goes hand in hand with Faultline, our paper on the future of TV.

Where will it take pay TV?—Forecasts 2017 to 2022

## How To Buy This Report

This report is part of the Rethink TV service and is free to existing subscribers or can be purchased separately for \$1,850 for an individual license, or \$2,500 for a corporate license. Our ecommerce store is at [www.rethinkresearch.biz/store](http://www.rethinkresearch.biz/store)

To purchase an annual license to Rethink TV costs just \$2,500 and this comes with 100 Operator profiles, and a monthly forecast about some aspect of video, including this report.

If you wish for a Faultline analyst to give a presentation on any aspect of the video ecosystem or to educate your customers, your staff or to light up a conference we are happy to do this.

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