# MiQ

# PROGRAMMATIC TRENDS FOR 2022

The state of programmatic advertising and the trends that will define the future



PROGRAMMATIC TRENDS FOR 2022

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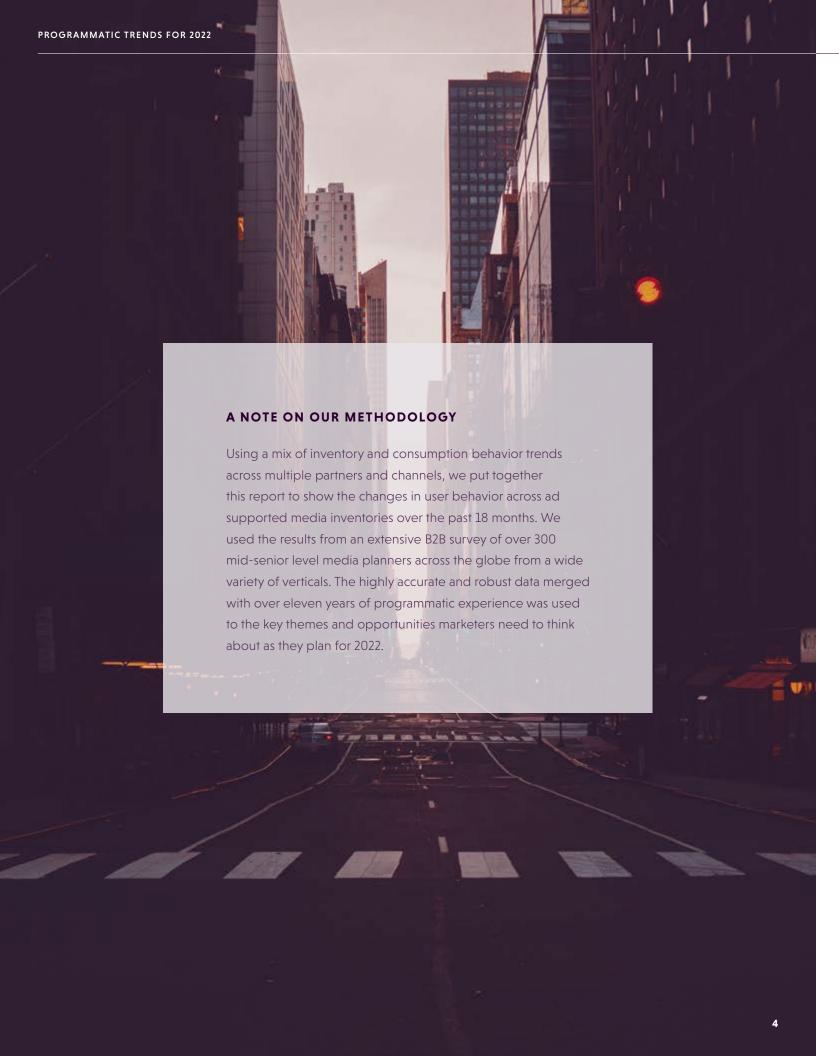
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How to prepare and build a plan for 2022



We don't have to tell you that Covid-19 changed the world and our behaviors and that 2021 has been a year marked by recovery. We all lived through it. But we do want to explain the trends that have shaped the programmatic world over the last year since they, like everything else, have shifted.

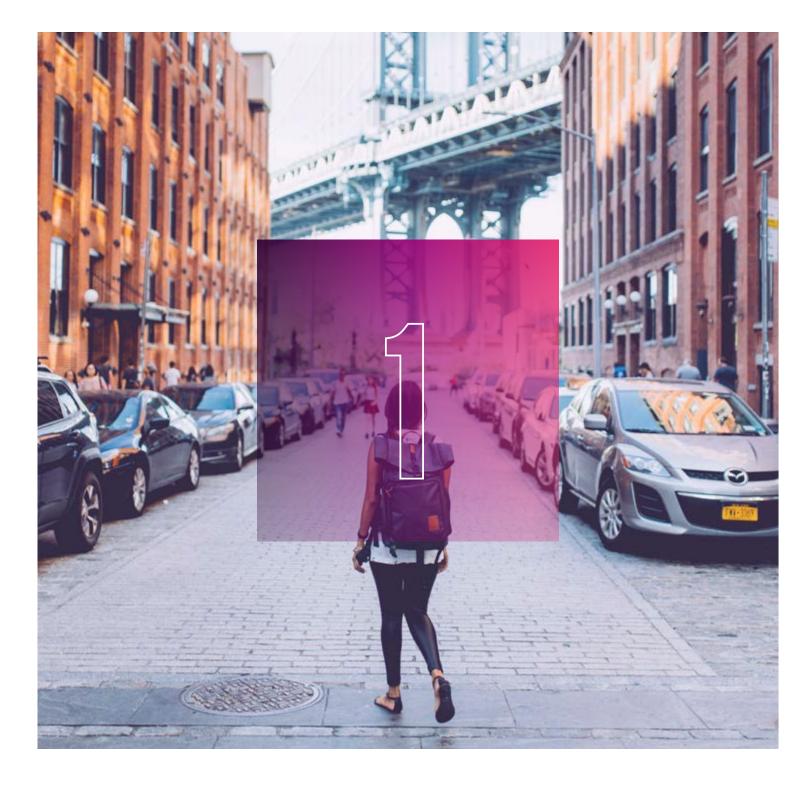
Marketers had to scramble in 2020 to figure out how to react and pick the best ways to pivot their media plans to adapt to the new normal. But then 2021 came, armed with vaccines and a positive socio-economic push by governments for the world's economy to rebound. Digital advertising mirrored the economic resurgence, growing at a stronger than

anticipated pace. Join that with positive consumer spending indicators and it presents an optimistic outlook for advertisers for the next year, despite still being marred by supply chain challenges. But, what's next?

As marketers gear up for 2022, now is the perfect time to take a peek back at what has happened in the digital

media landscape over the past 18 months and where we go from here. The future is pretty hard to predict but we are going to try to do it by using data from the past and present. This report will offer an accurate and unbiased estimate of where we are headed and how marketers should plan for 2022.

PROGRAMMATIC TRENDS FOR 2022



# Key themes that will drive programmatic media through next year

#### A summary of the key themes for 2022

#### CONNECTED TV (CTV)



It wouldn't be an understatement if we claimed that 2021 was the year of CTV advertising. It is highly unlikely that this focus will change in 2022 especially with almost 80% of advertisers looking to boost their ad investments across CTV compared to 2021 spending. Cost, measurement and reach will remain the focus for CTV campaigns. But with growing competition in the space and not much to differentiate offerings, it makes sense that marketers might look for partners providing value added services, like creative consultancy, analytics support and help with campaign planning through pre-flight intelligence and competitor mapping. Folding CTV into already existing media plans will be a priority for one in three marketers in 2022.

# PREPARING FOR THE COOKIELESS FUTURE



After Google changed the deprecation date for third-party cookies to 2023, cookieless preparation fell down the priority list for a majority of marketers. But no matter whether you are an advertiser or an agency, starting early is key to seamlessly transition into the cookieless future. There is unlikely to be a silver bullet for advertisers so looking at alternatives is the best bet. We know that measurement, reach and performance will dominate a lot of conversations. Small and midsize businesses are also likely to search for a reliable partner to help them collect and make sense of their first party data for digital activations.

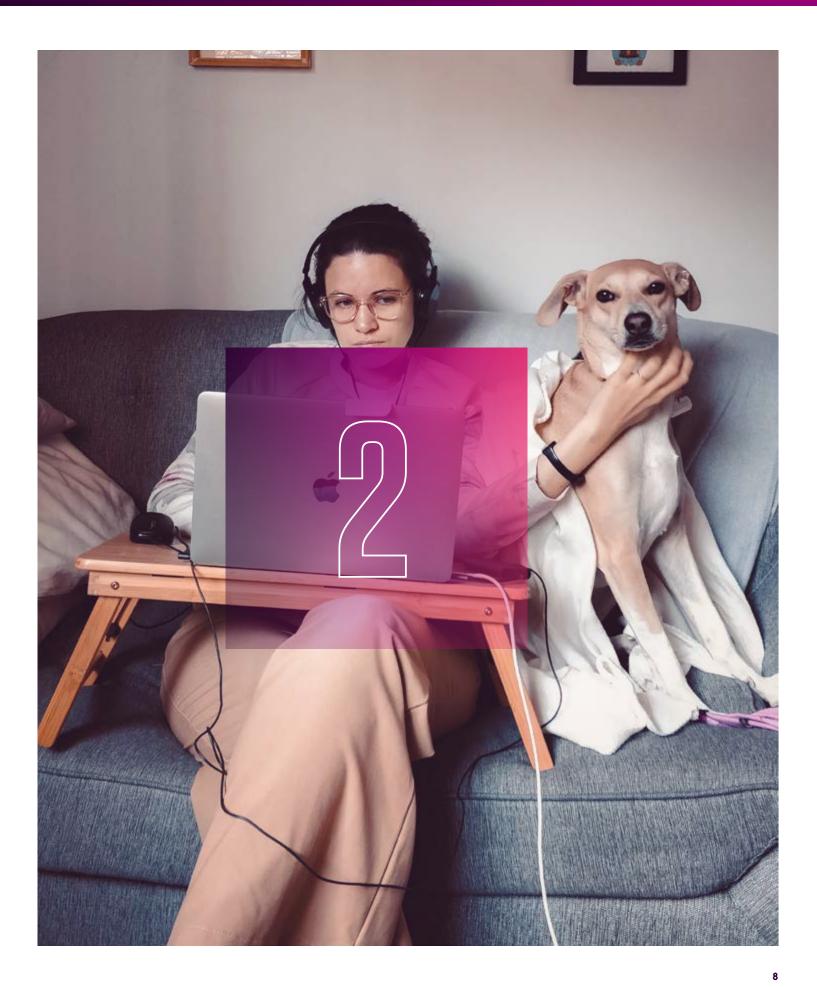
# OMNICHANNEL ACTIVATIONS

Omnichannel is hot and is emerging as high on the list for marketers going into 2022. One in two marketers globally see incremental reach and campaign optimizations as the biggest opportunities and barriers to omnichannel advertising. Looking at Canadian marketers we see that they are looking for partners that offer analytics and reporting capabilities. Creative support and consultancy is also something that often is a challenge for marketers everywhere (less so in the US).

# MEASUREMENT AND ATTRIBUTION

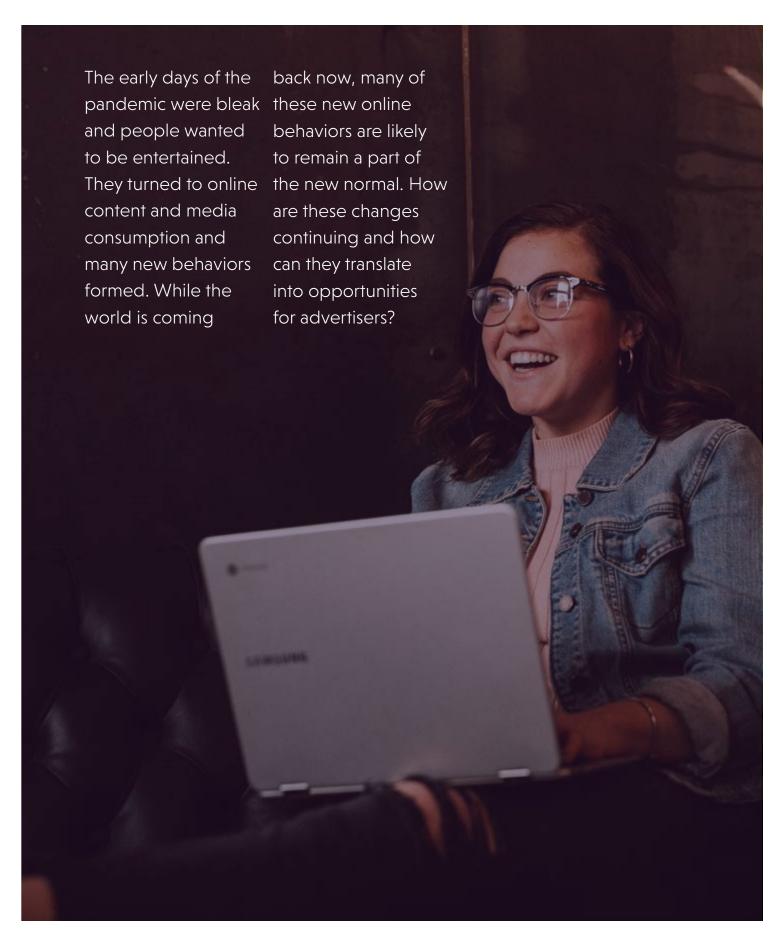


Six in ten marketers really struggle to connect the traditional advertising KPIs to relevant business outcomes globally. We see UK marketers looking to figure out the reach of their digital ad campaigns using incremental measurement and 47% of Canadian marketers are looking to invest in the attention economy. No matter what path marketers take, supply path optimization and cost transparency will remain big constraints influencing spends and advertiser confidence.



# Understand the changes from the past 18 months and why you should go down the programmatic road

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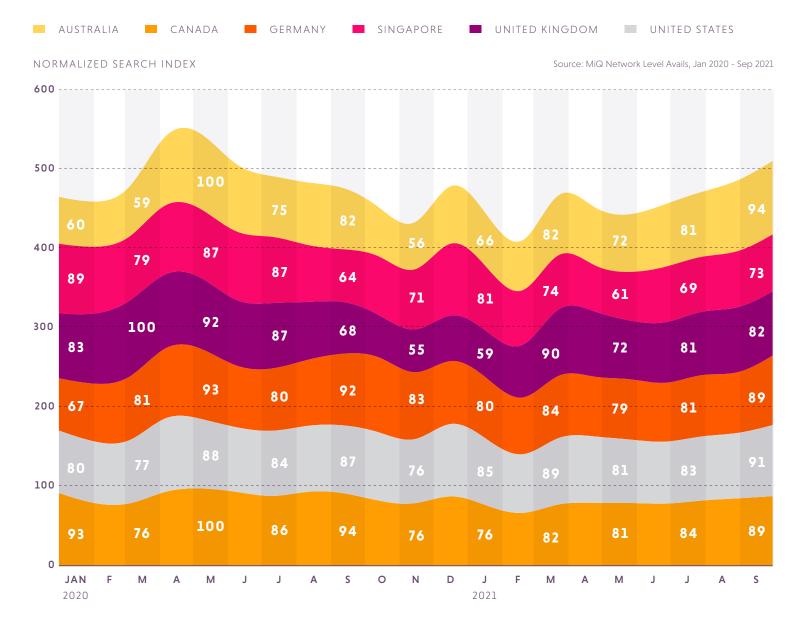


#### **CHANGE IN CONSUMPTION AND FOCUS AREAS**

It's obvious that online content consumption had a massive surge at the start of the pandemic, but then it started to taper off. Although still higher than the pre-

pandemic averages, we see that online consumption trends in 2021 picked up from where 2020 left off and have improved gradually over the last nine months. More people are online now and they are even more active during each of their sessions consuming more content on a daily and weekly basis.

#### ONLINE PROGRAMMATIC OPPORTUNITY, JAN 2020- SEP 2021



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#### A GENERAL TREND OF MEDIA CONSUMPTION, BY CONTENT CATEGORIES



QUARTER

# This graph makes sense, we promise! Look a bit closer.

With all those people logging on and browsing, we have to take a look at what content they are consuming and how that's changed over the past 18 months. During initial lockdowns, we had increased interest in content around health & wellness, news and pets. This saw the most significant jump in user interest (over 77% increase in daily loads).

But as audiences adjusted to the new normal, the focus shifted to searches for arts and entertainment, lifestyle, sports, etc. This changed once again during the later part of the year to self improvement and educational content with a 43% year-over-year increase.

Our year-of lockdown report established how online shopping and product research gained massive traction over the last 18 months with three in four consumers globally picking up alternate shopping behaviors during the pandemic, of which 80% are looking to stick with it in the post-pandemic world.

Apart from changes in types of content consumption, we also saw weekday traffic increase (18% - 71%) across
a multitude of non-business
related site domains (arts and
entertainment, shopping,
hobby related, personal
wellness, etc) across the
globe. While the weekend
traffic has either remained
stagnant or dropped
marginally over the 12 months
with people choosing to
spend less time on their
screens, especially over the
last six months.
While the growth across

different types of inventories showed reasonable regional variation, video inventories continued to outpace display inventories in 2021 globally in terms of avails, witnessing an 11% change to the compound annual growth rate through this year. Mobile continued to be a dominant platform, where we saw user consumption across both mobile web and app inventories growing steadily over the last 12 months.

#### OPPORTUNITY CHANGE, BY CONTENT CATEGORIES PRE AND POST PANDEMIC







Growth in inventories was a lucrative opportunity for marketers to reach prospecting customers but there were challenges because of the quality of inventory. The increase in opportunity was challenged by a decline in viewability (-7.3%) during the early phases of the pandemic and a 3% decline in percentage completions. Now we see that both the quality of inventories and the viewability metrics have improved to prepandemic levels.

Who are the most engaged when it comes to video advertisements? American and Canadian audiences are leading the way compared

to the global averages (CPA in NA has been 1.18% lower compared to the global average (Cost per Action (CPA)). European audiences tend to marginally lag in engagement across video ads (average completion rates are 4.8% lower compared to global averages).

What about audio consumption? After an initial decline last year, we see podcasts and music streaming apps opening doors to more active consumer segments. Weekly podcast listenership increased 17% since last year, and Spotify has experienced a 30% increase in ad-supported monthly active users since last year. An average user spent

over one hour and 35 minutes a week on ad-supported audio services. This is a good indicator of the continued relevance of digital audio advertising.

The future of work is unknown but there is a real uptick in the adoption of digital mediums and the growth of content consumption. Advertisers should look at this as an opportunity to reach new audiences in more places. A great tactic-diversifying spend across display, video and audio channels. Using a connected campaign through programmatic can also help achieve incremental reach without sacrificing on the performance considerations.



#### **INVENTORY VARIATIONS**

In the early stages of the pandemic, inventory costs decreased and the cost per action metrics remained fairly stagnant. This showed lower user response rates which were caused by the dwindling quality of inventory, changes

in macroeconomics and a general content overload. Much like the macroeconomic climate, inventory prices rebounded this year. Only display ads have maintained the lower levels from 2020, while the inventory costs for

audio and video advertising are almost approaching the pre-pandemic averages. The marginal increase in inventory costs have been accompanied by a 3%-8% decline in CPA levels across different regions, offering higher ROI's to the marketers.

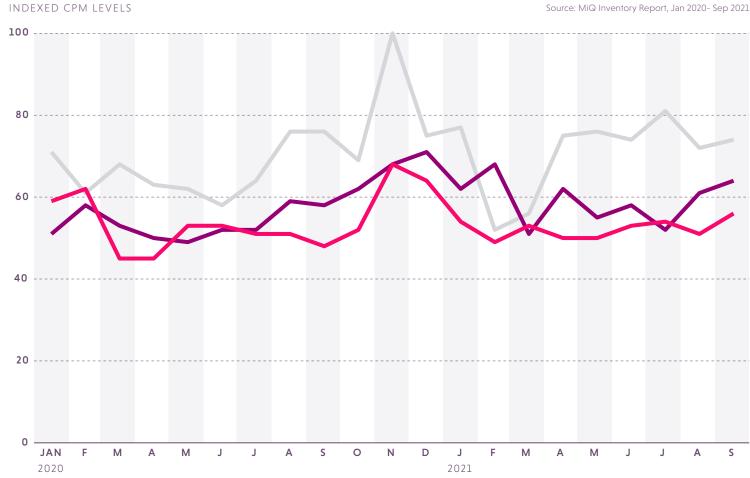
#### CPM VARIATIONS ACROSS INVENTORY FORMATS







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Source: marketingcharts

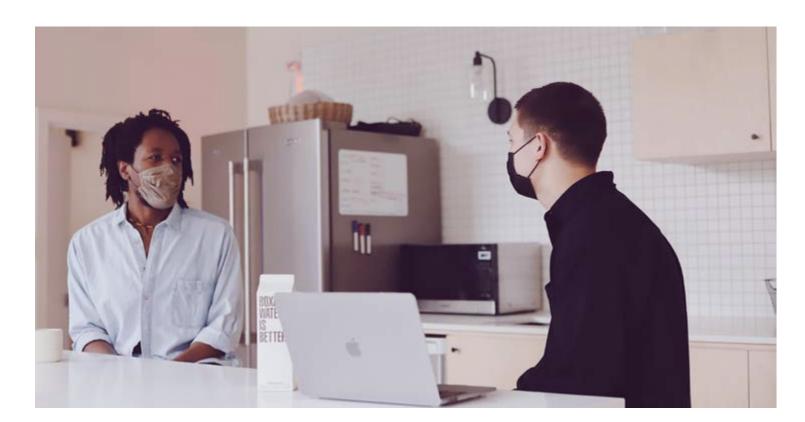
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Let's bust a myth, an increase in inventory price is not always equivalent to decline in return scope for programmatic on investment (ROI). The UK in-app advertising landscape over the last 18 months is a prime example of this. A 2.8% increase in average inventory cost across the supply type resulted in a 6.4% improvement in CPA level. The video advertising landscape in Canada and the US also witnessed improvements in CPA metrics despite an increase in inventory costs.

Marketers should review their cost-benefit ratio to measure how their current media focus

is working and look to making minor pivots in targeting campaigns (optimizing bid-levels, CPM (cost per thousand impressions) estimates, inventory lists). There are multiple paths to obtaining the same inventory, but identifying the most optimal path to media buying can be huge. Supply Path Optimization can help marketers achieve massive uplifts in ROI's for both branding and performance campaigns.

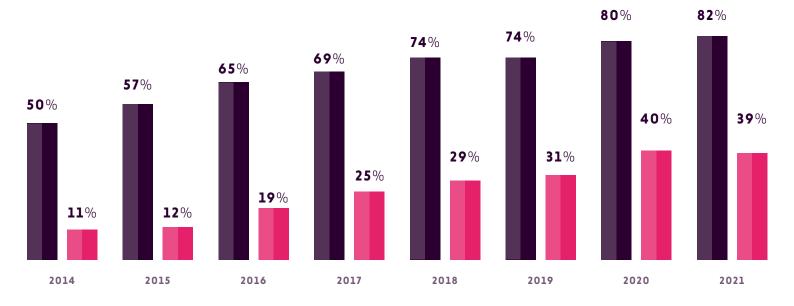
Looking at seasonal variations across channels and inventories can give marketers the advantage to proactively plan their spends throughout the year. Holiday shopping season (late October - December) has often driven the cost of certain inventories up, putting stress on CPA goals. Last year, while the increase in CPM across mobile and tablets was higher than for desktop, mobile continued to offer higher ROI. Thinking about changing campaign timelines can save money and build consideration among your target audience.



#### CONNECTED TV PENETRATIONS AND DAILY USAGE, 2014 - 2021

- % OF US TV HOUSEHOLDS WITH AT LEAST ONE INTERNET-CONNECTED TV DEVICE
- % OF ADULTS IN US TV HOUSEHOLDS WHO WATCH VIDEO ON TV VIA A CONNECTED DEVICE DAILY

NORMALIZED SEARCH INDEX



#### TRENDS ACROSS CONNECTED TV

Connected TV (CTV) has grown over the last year due to new streaming services and an increase in the volume of audiences cutting the cord. With close to 80% of the American households being reachable through a smart TV, that's a lot of people to advertise to.

2020 was a good year for CTV engagement and then it stalled in 2021. While the overall viewership across CTV in the US remained stagnant compared to H2 last year, the

OTT consumption continued to outpace linear TV viewing. A 4% increase was recorded in Canada over the last six months while the overall TV viewership in Australia went up 3.9% over the same period. After a decline in the active engagement per household during the first half of 2021 compared to the pandemic, we witnessed a minor improvement in TV consumption per household globally.

What audience segments had growth in engagement? The 25-34 aged audience had the most growth although a high take up of OTT services among mature audiences (45 years and above) during the pandemic and the lockdowns last year also make them a potential high value segment. They were previously unreachable through CTV advertising. Among households with kids, the usage of CTV in Q3 went up marginally compared to Q2, but was still 13% lower

compared to engagement in Q3 last year.

Let's look at gaming behaviors since the pandemic started.

After a massive increase in both active audiences (+47% compared to pre-pandemic averages) and engagement levels (+83% in streaming hours consumed on Twitch, Mixer) during the early onset of COVID, these behaviors

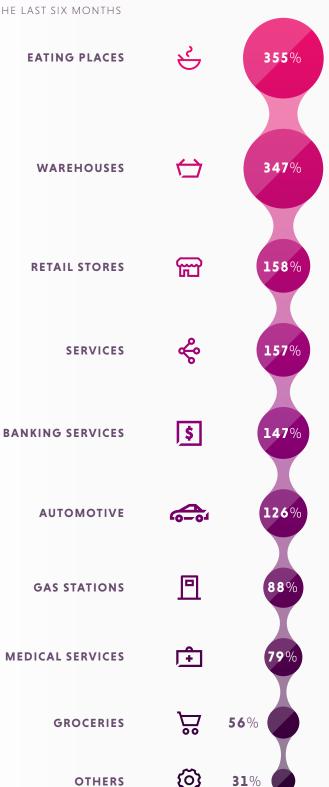
normalized over time. The pandemic added millions of passive gamers/ new gamers to the digital landscape.

Gaming consoles are now a way for marketers to find different audiences.

CTV growth and second screen opportunities are becoming an important part of the puzzle for marketers that will continue in 2022.

#### PERCENTAGE INCREASE IN FOOTFALLS

PERCENTAGE INCREASE IN FOOTFALL OVER THE LAST SIX MONTHS





#### THE OFFLINE OPPORTUNITY

Offline opportunities took a backseat during lockdowns but it's on the way back up. In the US, the footfalls at local eateries and bars have increased by over 300%, while the average footfalls at retail outlets have also grown by 158% over the last six months. Offline shopping for groceries and daily essentials never completely died but it is posed for a stronger return as vaccination levels go up.

Where are people going?
We see the under the age
of 24 audience seeking
entertainment outside the
home while those over 45
are back to shopping in brick

and mortar stores. We predict that this holiday season, most big ticket items will be made offline, barring supply chain issues.

People are heading out again and we are seeing increases in dwell times at points of interest. Canadian audiences seem to have more confidence when staying out while Americans are keeping the offline visits short. The offline opportunity is only likely to grow, you should look to geo-contextual targeting mechanisms and using digital out of home as a medium to establish high impact branding propositions.



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Source: MiQ Unacast partnership, April 2021 -October 2021



# A five-year outlook into the programmatic advertising industry



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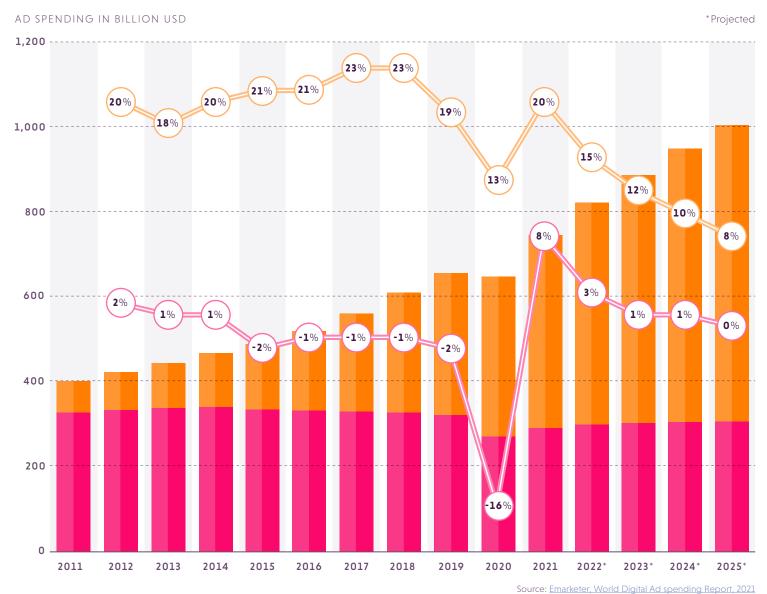
A FIVE-YEAR OUTLOOK INTO THE PROGRAMMATIC OPPORTUN

How has ad spend changed recently? Traditional advertising channel spending dipped by as much as 16% during the pandemic globally but the digital advertising platforms continued to

grow strongly (+12% yearon-year increase compared to the 9% forecast initially). While the growth across traditional platforms display and video remained steady, the emergence of platforms like connected TV (CTV) and gaming consoles this year contributed to the fast rebound in 2021. This year is likely to end with a 20% year-on-year growth in digital ad spending.

#### TRADITIONAL VS DIGITAL GLOBAL AD SPEND

DIGITAL AD SPENDING
 TRADITIONAL MEDIA AD SPENDING
 DIGITAL AD SPENDING YOY PERCENTAGE CHANGE
 TRADITIONAL MEDIA AD SPENDING YOY PERCENTAGE CHANGE

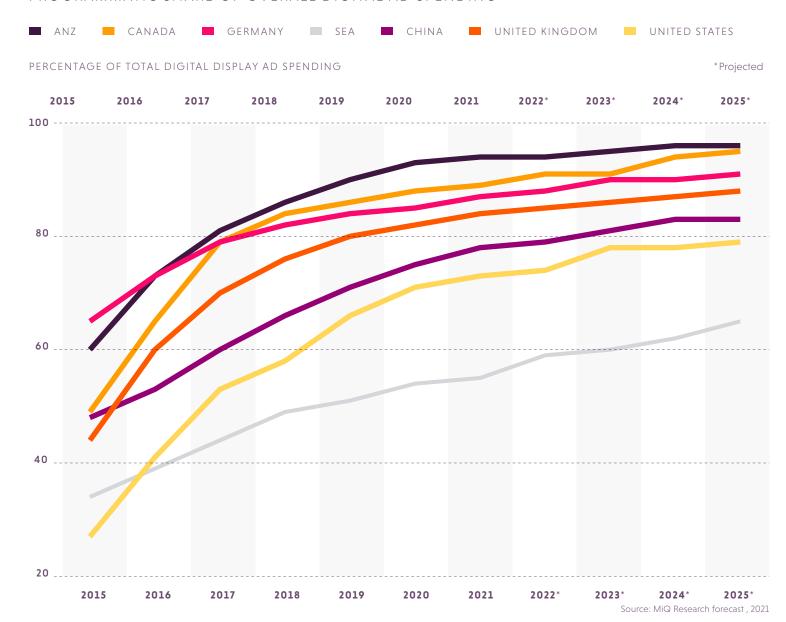


There's been a significant increase in digital ad spending worldwide. How much has been driven programmatically? We found that seven out of ten ad dollars across digital platforms is being spent programmatically. Mature

markets like the US and
EMEA lead the pack with
about 85%- 90% of digital
ad spending being done
through programmatic
channels, while emerging
markets like SEA, MENA
and ANZ are likely to grow
significantly over the next few

years. The future looks really bright for programmatic, by 2025, nine out of ten ad dollars globally will be spent programmatically with mature markets like EMEA and the US seeing almost 95% programmatic adoption. That's a really positive future.

#### PROGRAMMATIC SHARE OF OVERALL DIGITAL AD SPENDING



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**PROGRAMMATIC TRENDS FOR 2022** 

This growth is pretty impressive with the global programmatic industry slated to grow at a rate of 12% yearon-year over the next five years. We see China, India and MENA being big drivers of this growth. The overall programmatic spending in the US is likely to breach the \$150 billion mark by 2025 with Looking at the US market China emerging as the next most lucrative market in scale for programmatic marketers (if key channels. Connected a recession can be avoided) in TV is a massive untapped

the next five years.

With traditional programmatic channels like online display, video and audio along with emerging channels like CTV and DOOH growing rapidly, can you afford to not be part of these opportunities?

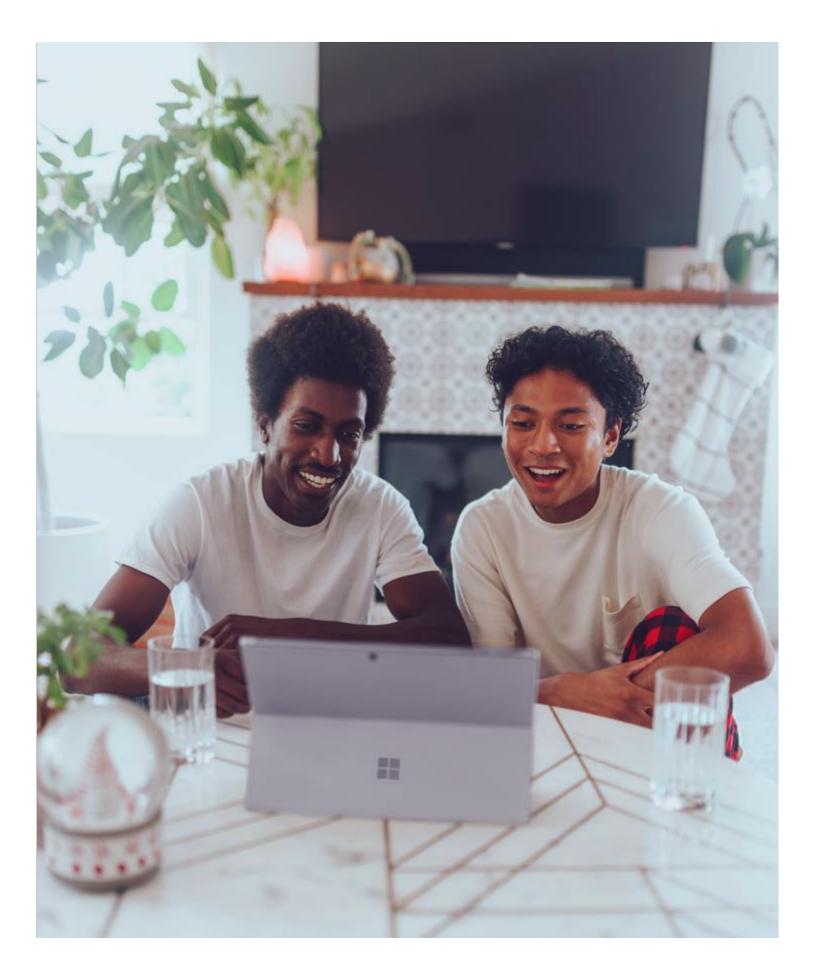
trends, we explored the forecasts of spending across

opportunity in the US with other markets following behind. Digital growth with users growing their footprints across platforms will help marketers. We also saw a shift towards privacy compliant solutions that will drive innovation within the adtech space through AI. This can help marketers in terms of planning, executing and measuring results from programmatic campaigns.

#### CHANGE IN DIGITAL AD SPENDING, BY PLATFORMS IN THE US









# A deeper dive into the channels marketers love and the barriers they want to tackle

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#### PROGRAMMATIC DISPLAY

Percentage of marketers considering online 30 display as a top three channel

Projected change in spending across display campaigns in 2022

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#### **PROGRAMMATIC VIDEO**

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#### **PROGRAMMATIC DISPLAY**

While the world is still recovering from the pandemic, marketers are spending across programmatic, specifically on display. Over 60% of media planners globally had online display among the top three programmatic channels for

their ad spend. One in four recognize it as the most important channel for their existing media buying strategy.

Where in the world is online display campaign spend the highest? The US. And

when we surveyed brand marketers we found they were more likely to spend across display campaigns in the US compared to agency marketers. This is not the case around the world where brand and agency marketers spend similarity.

#### PERCENTAGE OF MARKETERS CONSIDERING ONLINE DISPLAY AS A TOP THREE CHANNEL

PERCENTAGE OF RESPONDENTS Source: MiQ -AP survey Wave 6, Sep 2021 **65**% **59**% **57**% **55**% **51**% GLOBAL **AUSTRALIA** CANADA UNITED KINGDOM **UNITED STATES** 

Online display campaigns are not going away in 2022. We see it growing with 58% of marketers looking to increase spending. Canadian media planners are likely to be more bullish with close to 80% looking to boost their budgets for programmatic display campaigns, while one in two media planners in the US will maintain their existing spending levels.

Here's where the data got interesting, we found that senior media planners (C-level execs) were relatively less bullish on display as the platform for growth

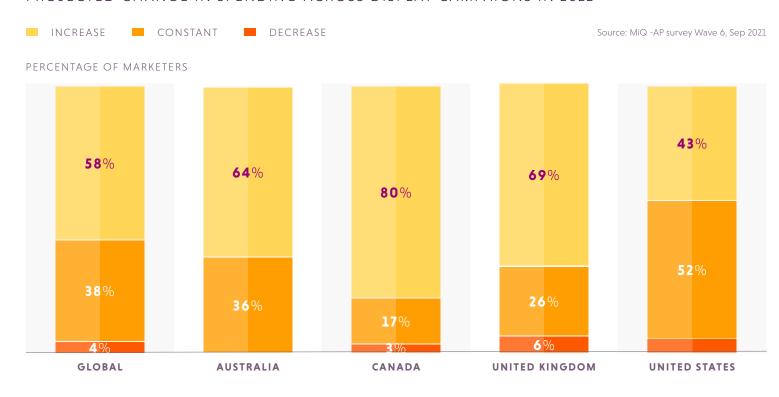
compared to mid/junior level media planners. It was the complete opposite in Australia.

What influences spending decisions? The size of the company, programmatic maturity and overall advertising budgets. In relatively mature markets like the US and the UK, low spending advertisers were more likely to continue aggressive expansion in the display landscape, while in Canada and Australia, the big fish went for investments in advancements in display advertising.



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#### PROJECTED CHANGE IN SPENDING ACROSS DISPLAY CAMPAIGNS IN 2022

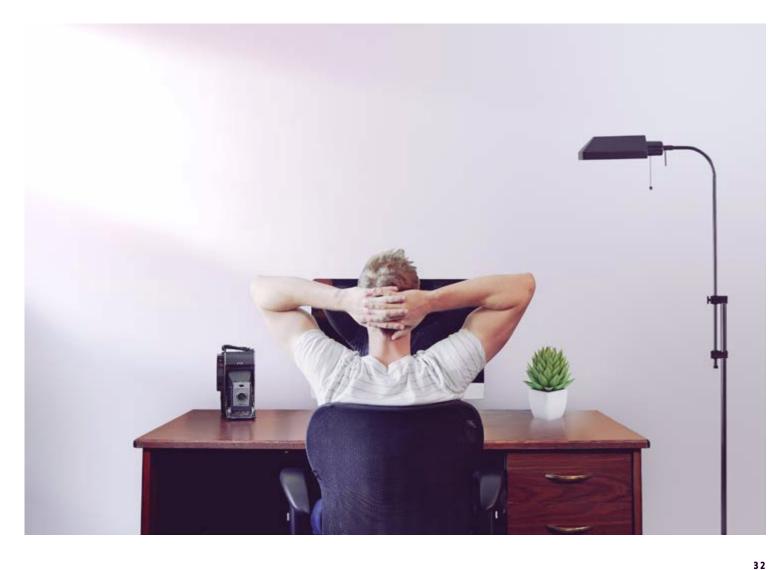


Of course the amount of spend varies but how campaigns are executed also are really different depending on location. Marketers in the US and the UK were relatively more inclined to take the inhousing / hybrid approach of media activation specifically around display campaigns, while a higher proportion of marketers in Australia and Canada (over four in ten) are still reliant on the managed-

service partners for their activation needs. While low spenders in CA are more likely to go down the in-house road, it is the high spenders in APAC who are looking to develop capabilities to take the activation in-house.

Display campaigns are really complex and marketers struggle with identifying performance, reach, optimization, measurement,

cost and analytics when activating programmatic display campaigns. US teams worry about achieving performance goals and having relevant measurement while the reach and scale of display campaigns are the top primary challenges for marketers in the UK and Canada. Australian marketers identify campaign optimization as their biggest roadblock.

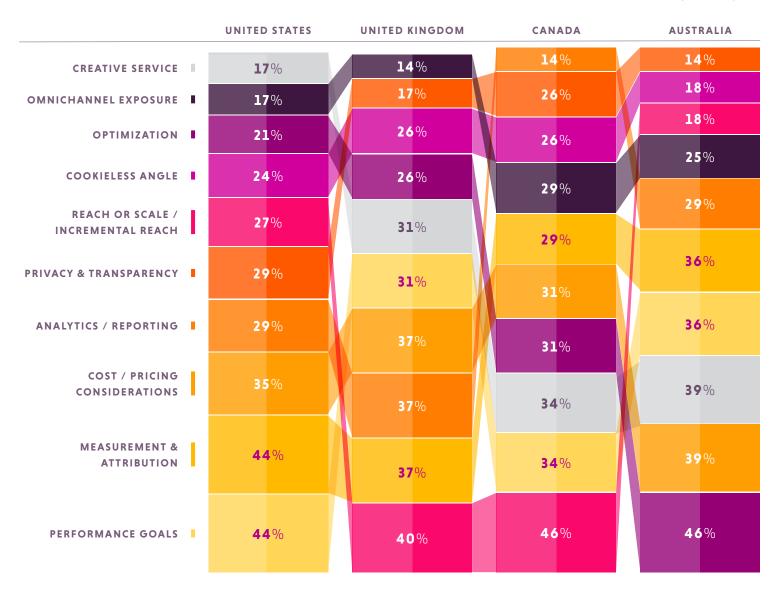


# TOP CHALLENGES WHEN PLANNING/ EXECUTING PROGRAMMATIC DISPLAY CAMPAIGNS

PERCENTAGE RANKING AMONG TOP THREE

Source: MiQ -AP survey Wave 6, Sep 2021

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#### PREPARING FOR THE COOKIELESS FUTURE

Ever since Google pushed back the deadline for the rollback of third-party cookies, cookieless planning has taken a back seat for most marketers across the globe. Although, agency planners are more likely to set aside budgets primarily focused on cookieless testing compared to brand marketers, with cookieless testing having a

significantly higher takeup among mid/junior-level media planners compared to the C-level execs.

### D

#### PROGRAMMATIC VIDEO

Let's look at the programmary video trends. First off, it's outpaced display since its inception and seems like it will continue for the next five years. Marketers know how important video is and its ranking in the top three consideration set for six in ten marketers globally. The

Let's look at the programmatic exception? Canada.

Apart from the US, brand marketers are significantly more interested in programmatic video activations compared to their agency counterparts. In the US, agency marketers are more likely to have

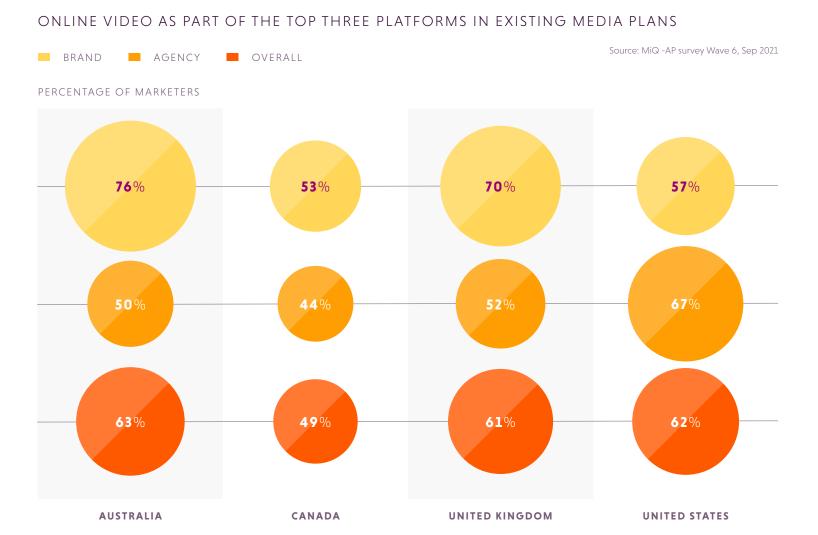
programmatic video as part of their top three consideration list. Over seven in ten brand marketers in the UK and Australia rank programmatic videos as high priority activation in their existing media plans. Marketers are slightly more bullish when it comes to their spending projections for programmatic video activations going into 2022. In the US, while 52% are looking to keep their spending across programmatic video constant, others are looking to boost their spending going into 2022. Canadian marketers

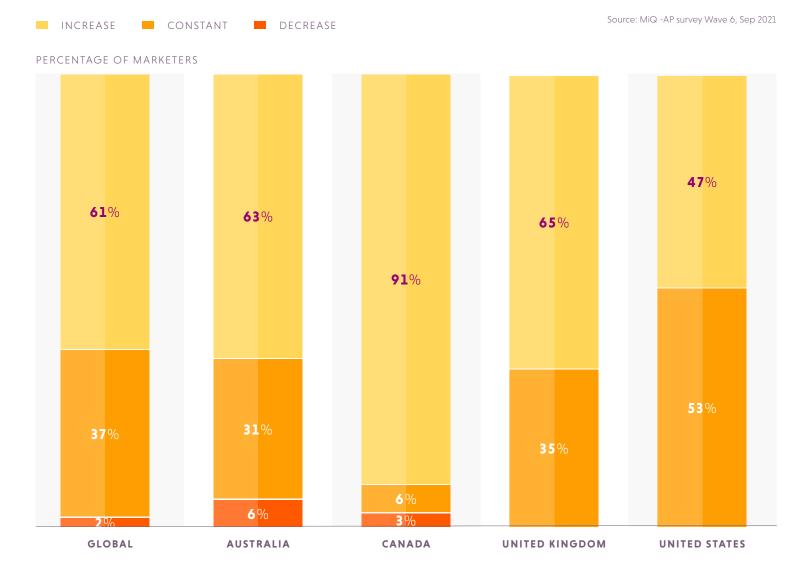
are significantly more bullish compared to their global counterparts with over nine in ten looking to increase spending on programmatic video activations compared to this year.

While agency marketers are 1.18 times more likely to boost their spending in

the US, brand marketers in the UK, Canada and Australia are likely to boost their spendings across this format significantly. Higher percentage completions (7% lift compared to 2020 average) and enhanced viewability (+13% 2021 Vs 2020 avg) witnessed over the last year are some key factors driving the ad spending.

#### CHANGE IN SPENDING PROJECTIONS ACROSS PROGRAMMATIC VIDEO CAMPAIGNS





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Buying programmatic video activations happens in different ways depending on the market. And we see a split in the different service levels. Although in Australia, the dependence on managed service partners for programmatic video activations is relatively more commonplace. In the more

mature markets, major advertisers are more likely to opt for more control by bringing it in-house, while brand marketers opt for a managed service partnership in growing markets like Canada and Australia.

Agencies acting on behalf of their major accounts are

gravitating towards building a hybrid approach looking to get more control on the execution, reporting and measurement for their video executions.

When deciding on a media partner, most marketers consider performance, scale, and cost as critical variables

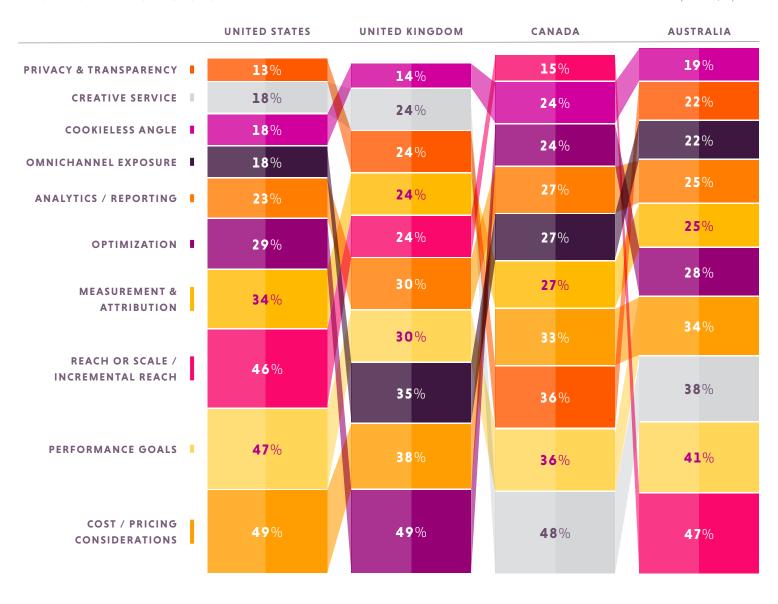


# KEY CONSIDERATIONS FOR CHOOSING PARTNERS / EXECUTING VIDEO CAMPAIGNS

PERCENTAGE RANKING AMONG TOP THREE

Source: MiQ -AP survey Wave 6, Sep 2021

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when comparing different media partners. But these are not the only things that drive these decisions, marketers look to finer execution aspects and services to identify the right partners.

For example, in Canada, marketers look for partners that can offer them creative support and consultation. For UK marketers, the ability to effectively optimize online video campaigns at different

stages in the campaign life cycle is a major factor driving partnership decisions.

While agencies working on behalf of their clients are more insights. price-sensitive, the advertisers are extraordinarily focused on British advertisers are finding performance considerations. Analytics and reporting can also be key differentiators for small/ medium scale advertisers globally with the North American marketers

being savvier with data and

that measurement and attribution are a top challenge to establish connected/ for one in three marketers when executing online video campaigns. Connecting the online video with other

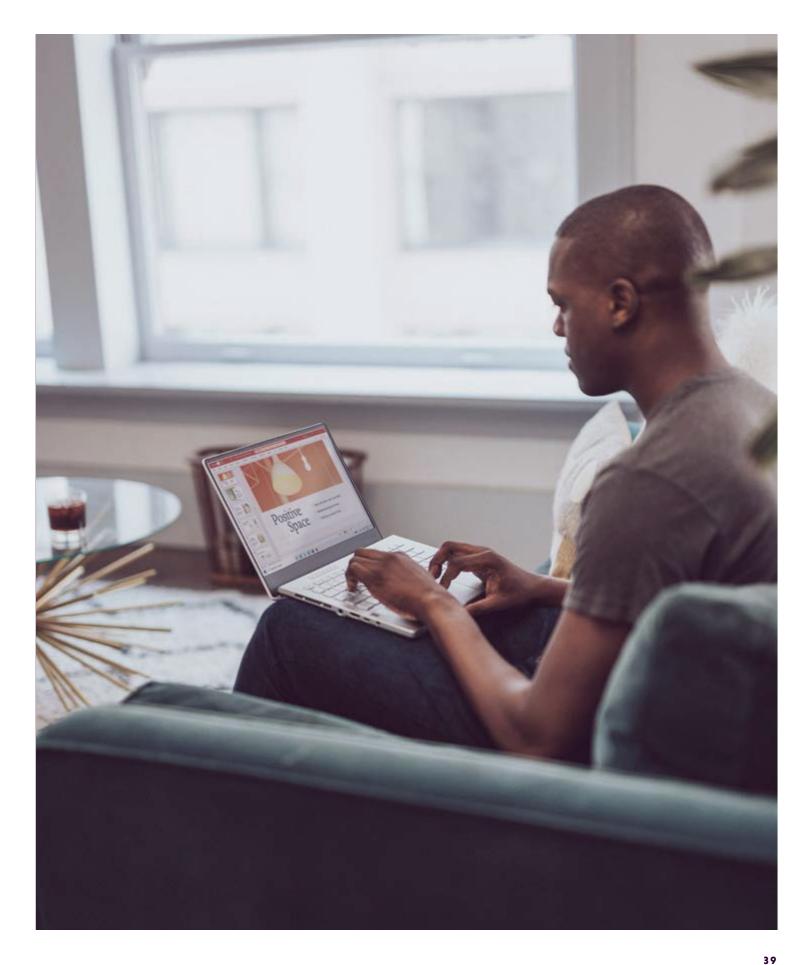
omnichannel activations is somewhat recognized as a key challenge by four in ten Canadian marketers with a higher proportion looking coherent reach across the different execution platforms.

#### TOP CHALLENGES AROUND ONLINE VIDEO CAMPAIGNS

Source: MiQ -AP survey Wave 6, Sep 2021

PERCENTAGE RANKING AMONG TOP THREE

	UNITED STATES	UNITED KINGDOM	CANADA	AUSTRALIA
		14%	15%	13%
CREATIVE SERVICE	16%	19%	21%	19%
OMNICHANNEL EXPOSURE	19%			
OPTIMIZATION	20%	24%	24%	22%
COOKIELESS ANGLE	25%	24%	24%	25%
ANALYTICS / REPORTING	25%	27%	24%	26%
PRIVACY & TRANSPARENCY	30%	27%	30%	26%
REACH OR SCALE / INCREMENTAL REACH	34%	30%	30%	31%
MEASUREMENT & ATTRIBUTION	38%	41%	42%	41%
PERFORMANCE GOALS	38%	43%	42%	44%
COST / PRICING CONSIDERATIONS	43%	46%	45%	47%



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#### **PROGRAMMATIC AUDIO**

The pandemic brought massive growth to the audio space with larger audiences plugging in to listen regularly to podcasts or radio. Weekly podcast listenership increased 17% since last year, and Spotify has experienced a 30% increase in ad-supported monthly active users since last year. While the audience for digital radio was down 3.07% over the past 18 months, it is slated to make a strong return

at a compound annual growth rate of 2.55% to hit 20.5 billion USD in 2023 globally.

Not surprisingly digital audio consumption audio ranks much lower in priority compared to display and video with only 20% of the marketers surveyed putting it in their top three considerations. But if audience numbers continue climbing, one in two will consider it.

The interest for audio-based

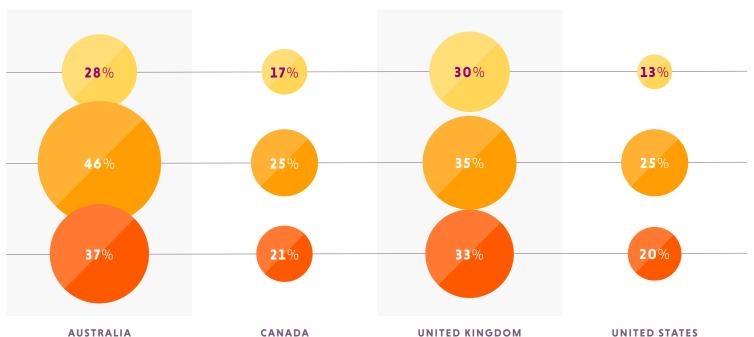
campaigns is significantly higher in the UK and APAC region compared to North America. This is driven by the audio consumption behaviors in APAC and the EMEA region with high penetration levels and active weekly usage for digital radio and ad-supported music streaming services.

### PROGRAMMATIC AUDIO AS PART OF THE TOP THREE PLATFORMS IN EXISTING MEDIA PLANS

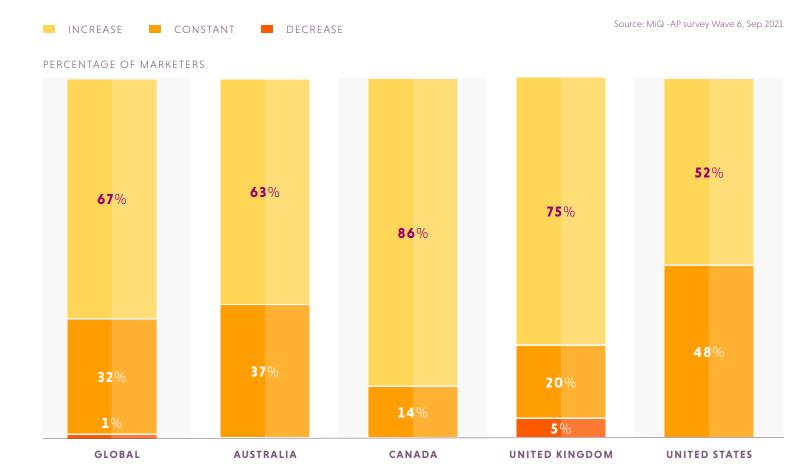


Source: MiQ -AP survey Wave 6, Sep 2021

#### PERCENTAGE OF MARKETERS



# CHANGE IN SPENDING PROJECTIONS ACROSS PROGRAMMATIC AUDIO CAMPAIGNS



Historically, D2C brands have seen digital audio as a key platform to raise brand awareness among large segments of the younger audiences. Our survey suggests that media agencies across the world are significantly more likely to suggest programmatic audio to be part of their clients' repertoire. And brand marketers are relatively less likely to take the audio approach proactively.

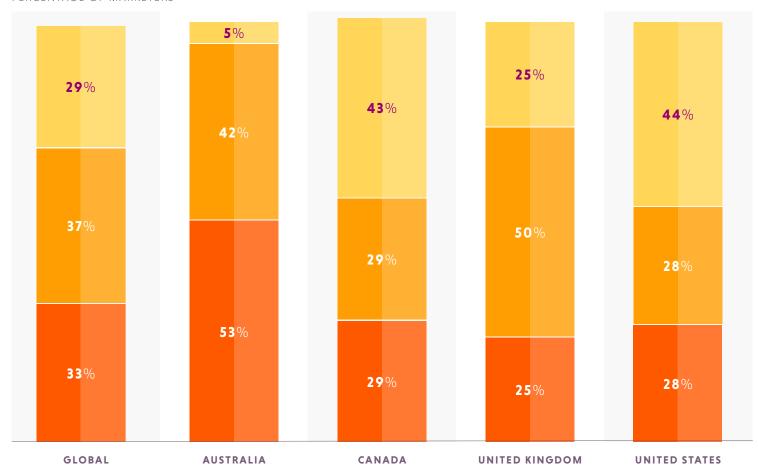
Ad spending projections for programmatic audio are likely to remain stagnant for a majority of the marketers in the US and Australia, while minor increases (between 1-20% compared to 2021 budgets) might be seen in Canada and the UK. While agency marketers are more optimistic in their audio outlook for 2022 in the UK, brand marketers are likely to lead the charge in Canada next year.



#### HOW MARKETERS ARE BUYING PROGRAMMATIC AUDIO

HYBRID MANAGED SERVICE IN-HOUSE Source: MiQ -AP survey Wave 6, Sep 2021

#### PERCENTAGE OF MARKETERS



For service level prefer going engagements, while house route marketers prefer a more hand-holding/ managed service approach in the UK Pandora are around audio activations, hybrid approaches are looking to esignificantly more popular in North America, with most using a managed service and like Google through a self-serve platform. Trade Desk. The Australian marketers

prefer going down the inhouse route.

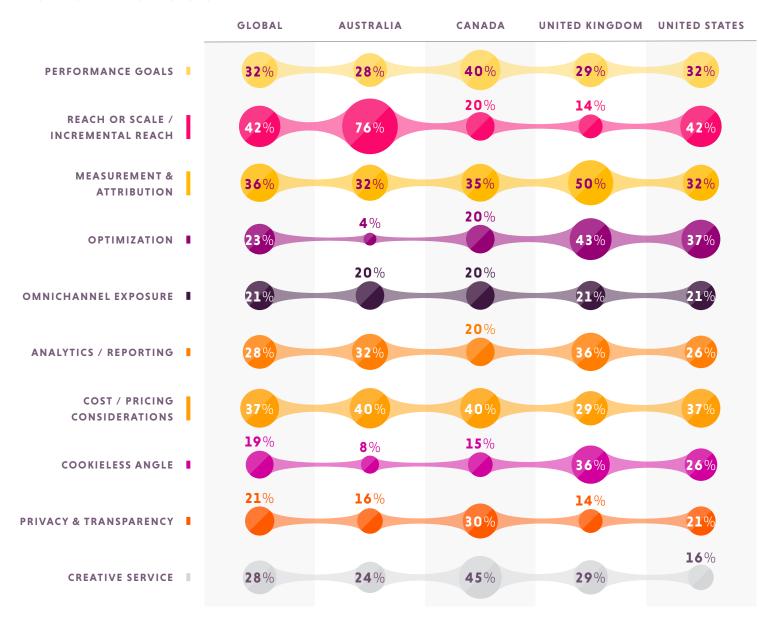
Spotify, SoundCloud and Pandora are popular audio publishers marketers are looking to engage. Although Canadian marketers are more likely to go with aggregators like Google DV 360 and the Trade Desk.



#### KEY CONSIDERATIONS FOR SELECTING ACTIVATION PARTNERS/ EXECUTING CAMPAIGNS

INCREASE CONSTANT DECREASE Source: MiQ -AP survey Wave 6, Sep 2021

#### PERCENTAGE RANKING AMONG TOP THREE



Reach, cost and measurement are the key considerations advertisers use to compare different media providers for selecting activation partners. But there are regional variations. In the US, reach is the top priority, while creative support and cost remain key considerations for marketers in the UK. Measurement and attribution are important focus areas for marketers in Canada.

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#### CONNECTED TV

2020 was the year of the connected TV (CTV) making it no surprise that 2021 turned out to be the year of CTV advertising. Agency and brand marketers both love this high-impact medium so they can reach highly engaged audiences that have for long been inaccessible via other digital channels. While some are planning their CTV campaigns as an independent entity, most have gone down the omnichannel route to boost their existing reach and performance.

The surge (over 12%) in consumption of on-demand video content and adsupported media streaming services is likely to continue

going into 2022 as consumers continue to cut the cord.

While most marketers are likely to split their budgets between their linear and CTV, a 26% increase in CTV ad spending accompanied by a 15% decline during the pandemic could indicate big changes.

Connected TV comes in as the top priority in media plans for one in four marketers and one in three have CTV in their top three globally. The UK ad community is a bit more reserved in the adoption of CTV advertising while CTV is a major hit among the American, Canadian and Australian communities.

What do brand and agency marketers think? Agency respondents representing their major accounts are a bit more optimistic about CTV compared to their advertisers running their own media. In emerging markets like Canada and Australia it's similar, while agency and brand marketers in the US and UK are more in line in terms of their expectations in the mature programmatic market. The low-mid spending advertisers in the UK are a bit more skeptical and are likely to wait to jump on the CTV bandwagon.

#### CTV AS PART OF THE TOP THREE PLATFORMS IN EXISTING MEDIA PLANS



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CTV is another platform where the media spending projections are extremely bullish for next year. Over 81% of the marketers around the globe are looking to boost their ad spending across the CTV platform going into next year, while 17% are looking to maintain their existing

levels of spending. Canadian marketers marginally trump their global counterparts as the most bullish market in their spending projections around CTV, while in terms of absolute change in value the increase in the UK could be a big surprise.

The incremental spending for CTV is not being diverted from the existing programmatic plans. The ad dollars may be coming from spend that stopped during the pandemic or are from traditional media channels.

43% of marketers globally looking to invest in CTV as advertising platforms are looking for a managed service partner to help them with their planning and activation, a stat that is extremely relevant in Australia. While in the US and the UK, one in three marketers is opting for hybrid service partnerships that are offered as a managed service

through a self-serve platform.
The Canadian marketers are
most interested in developing
CTV capabilities in-house and
activating through self-serve
platforms.

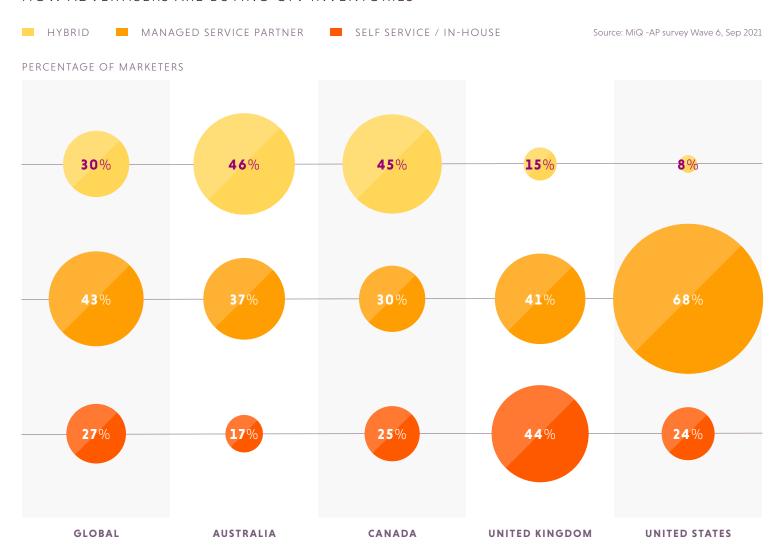
While a significant proportion of advertisers in the US are looking to collaborate with streaming service providers like Hulu and Roku directly,

advertisers in the UK, CA and Australia are more interested in opting for DSP partnerships with the likes of TTD and Amazon advertising.

#### CHANGE IN CTV BUDGET PROJECTION - 2022 VS 2021



#### HOW ADVERTISERS ARE BUYING CTV INVENTORIES



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What did we find was important when choosing a CTV partner? Reach and performance goals ranked high. In the US, incremental reach is the biggest differentiator, while in the UK campaign optimization can be

a major differentiator. Creative support through creative design and data-driven consulting is also up there for marketers in Canada and Australia. Cross-channel campaign planning and optimization,

analytics and measurement are all key challenges marketers have spent a lot of their time and money on over the last year. Over the next six- eight months they should strive to build a coherent omnichannel marketing

experience that offers high unique reach and improved return of investment. But when it comes to CTV specifically, pricing and performance considerations among current advertisers are critical challenges.

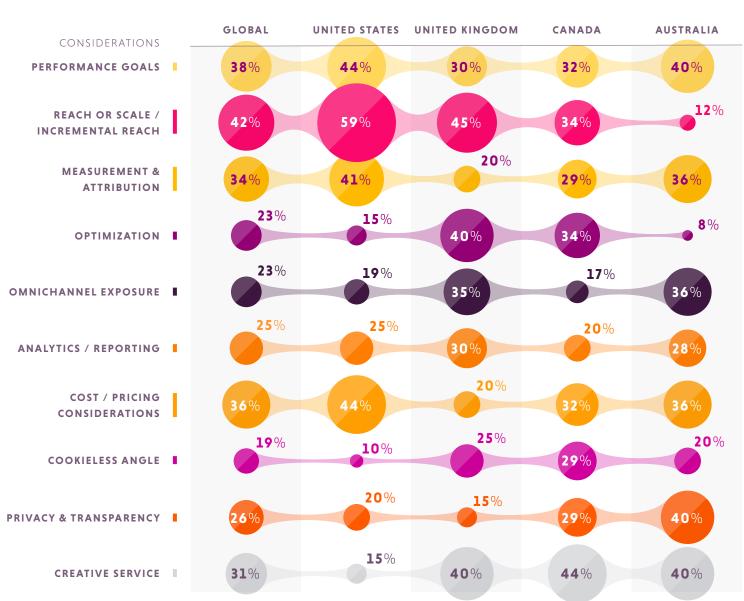
Looking at the CTV audiences, supported content to avoid we found three in five consumers continuing to subscribe to over at least one ad-supported streaming service and about 71% preferring to opt for ad-

paying for premium services. That's a big opportunity to reach highly engaged audiences with high performance and high impact campaigns.

#### KEY CONSIDERATIONS FOR SELECTING ACTIVATION PARTNERS FOR CTV ADVERTISING

PERCENTAGE RANKING AMONG TOP THREE

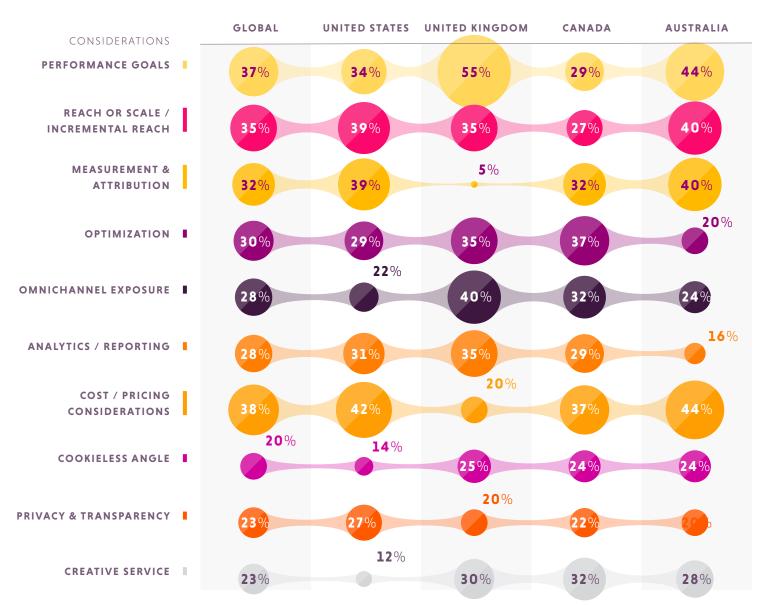
Source: MiQ -AP survey Wave 6, Sep 2021



#### KEY CHALLENGES AMONG ADVERTISERS INVESTING IN CTV ADVERTISING

PERCENTAGE RANKING AMONG TOP THREE

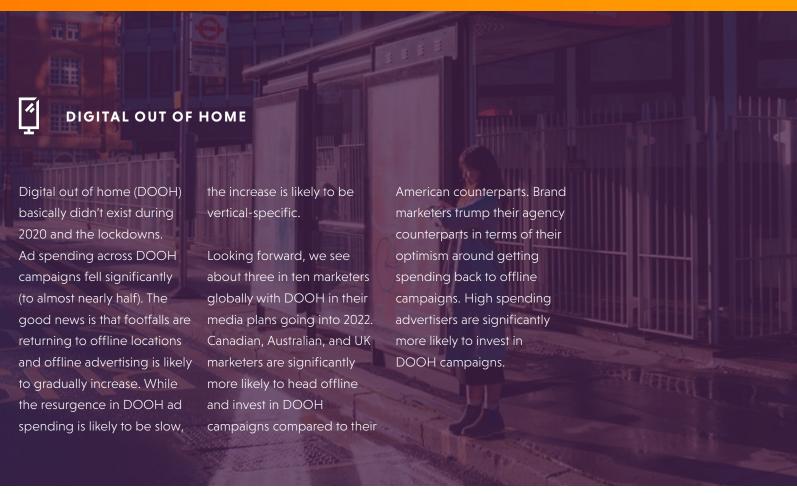
Source: MiQ -AP survey Wave 6, Sep 2021



PROGRAMMATIC TRENDS FOR 2022

A DEEPER DIVE INTO THE CHANNELS MARKETERS LOVE AND THE BARRIERS THEY WANT TO TACKLE

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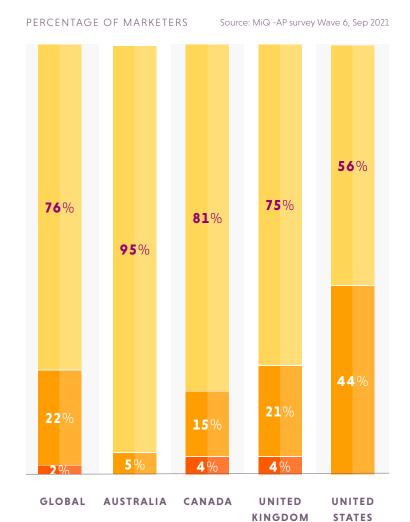


Ad spending across DOOH campaigns is going to increase because we found that three in four marketers are putting DOOH in their media plans. Australian advertisers are the most optimistic while American marketers are less optimistic about their DOOH plan.

Even with less excitement, they are expected to boost their DOOH budgets in the 2022 plans with over one in two declaring a marginal increase in their projected DOOH spending in 2022 compared to the 2021 budgets.

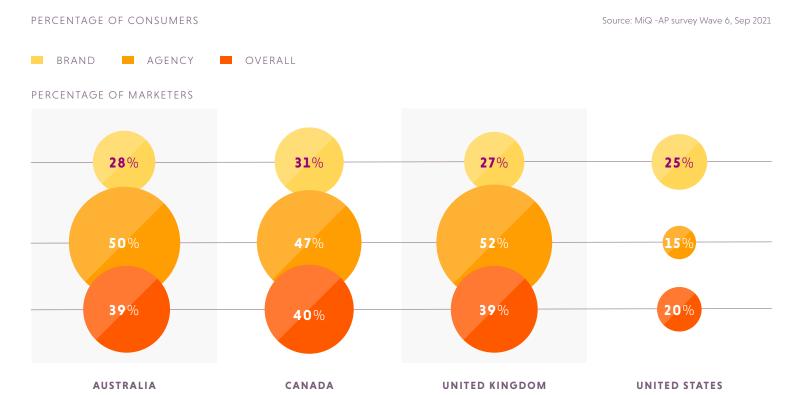
# BUDGET PROJECTIONS FOR DOOH CAMPAIGNS - 2022 VS 2021







#### MARKETERS WITH DOOH AS A TOP THREE CHANNEL IN THEIR EXISTING MEDIA PLANS



How are marketers looking to invest in DOOH activations?
About four in ten globally want help from a managed service partner and a third of them are likely to take a hybrid approach as they leverage a managed service via self-service platforms.
Australian marketers tend to

bring it in-house or through a self-service platform. We see Americans using a hybrid approach, preferring help with analytics and reporting.

Media partners, like MiQ and The Trade Desk, are preferred by two in three marketers for DOOH campaigns. Why? They provide the ability to activate campaigns across a plethora of channels in a coherent manner agency marketers are also open to exploring partnerships with local partners like Hivestack, Place, Campsite, etc.

Cost and performance top the list of what marketers are considering when looking for DOOH partners. In the US, privacy and cost transparency are often deal-breakers. UK marketers are more likely to

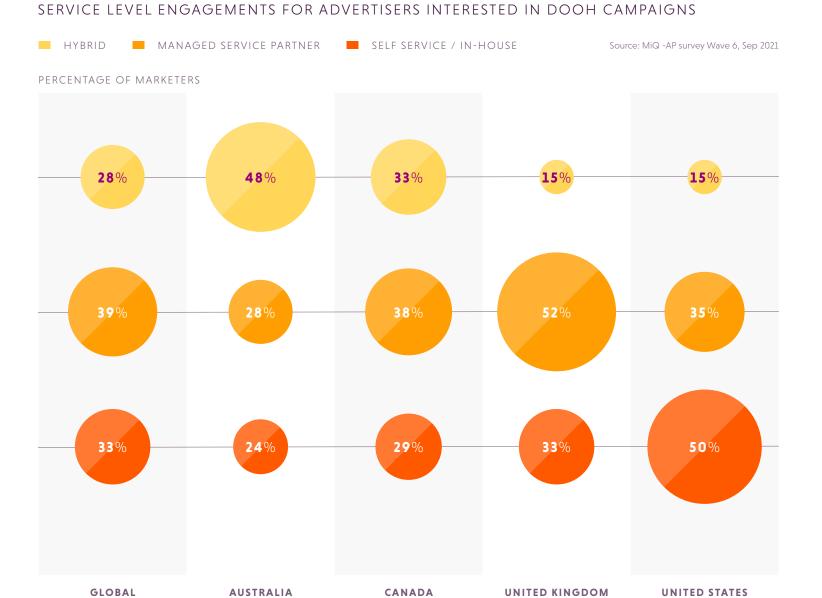
be wowed by state-of-the-art measurement and attribution frameworks, while the Canadian marketers focus on the optimization and futureproof cookieless activation concepts. The Australian marketers taking the hybrid or managed service route are likely to base their selection around the pre-mid-post campaign intelligence the service provider can offer to support future planning.

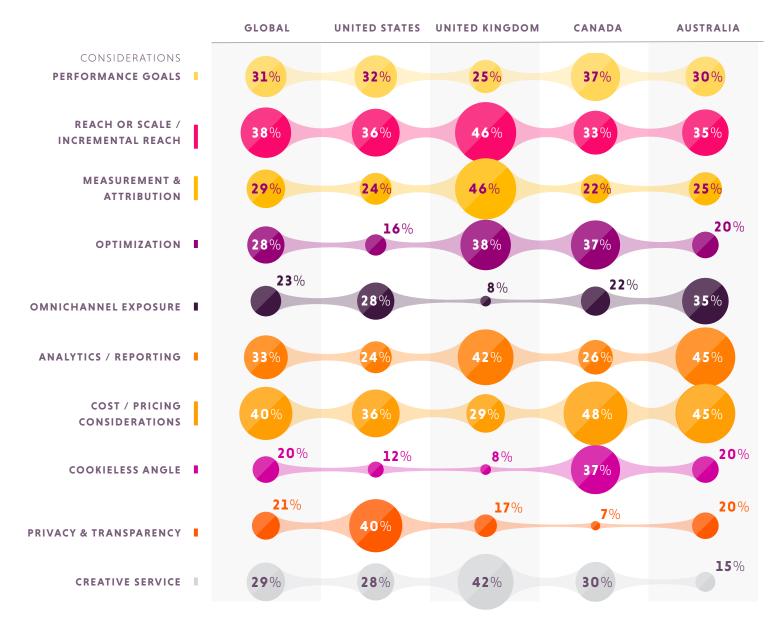
#### KEY CONSIDERATIONS FOR PARTNER SELECTION AROUND DOOH ACTIVATIONS

PERCENTAGE RANKING AMONG TOP THREE

Source: MiQ -AP survey Wave 6, Sep 2021

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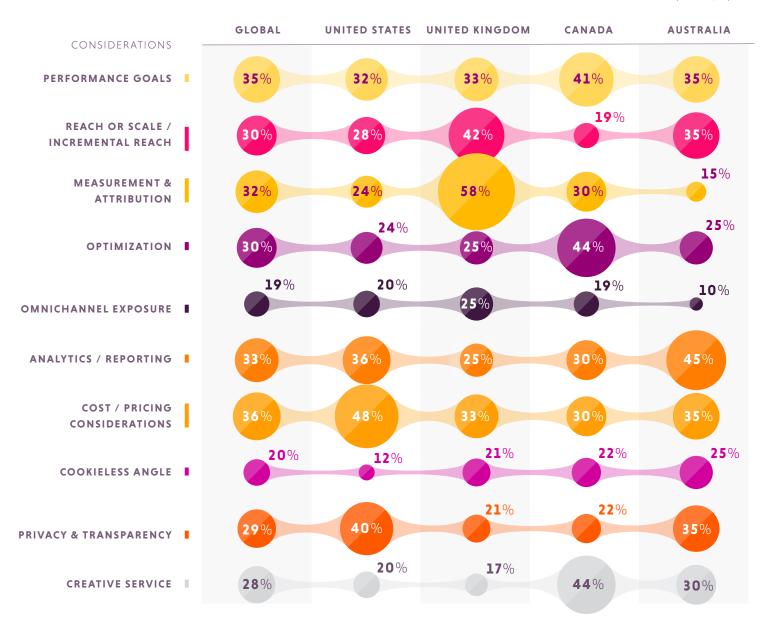
The key considerations among prospecting DOOH planners go hand in hand with the challenges identified by marketers.

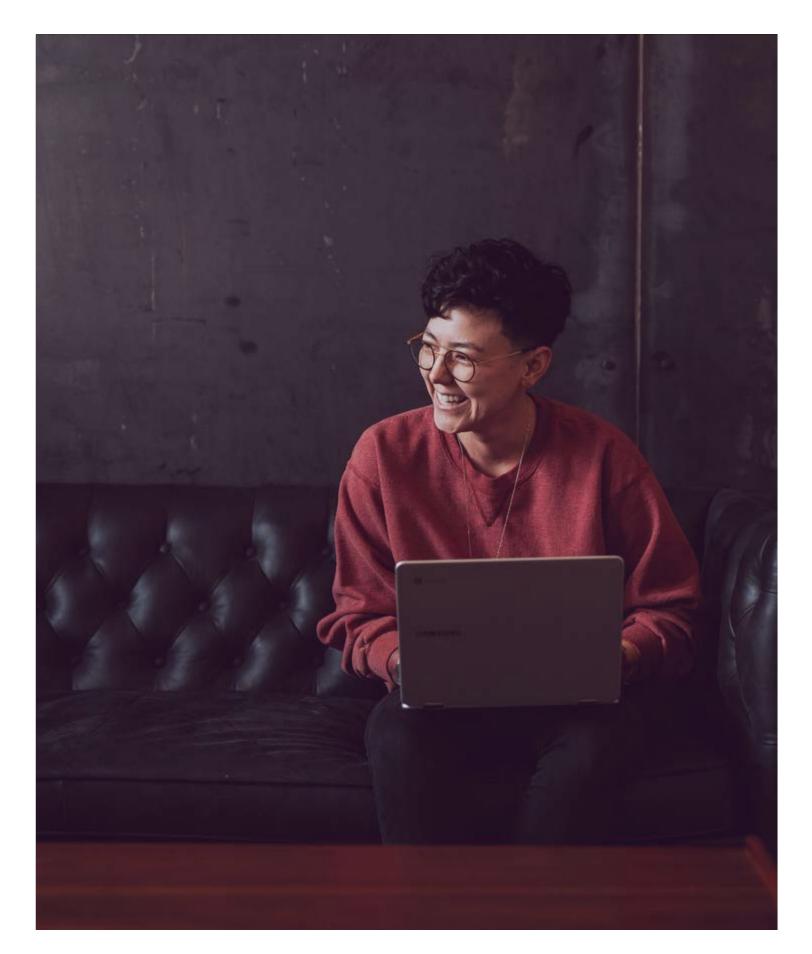
Agency marketers find reporting and analytics as a sticky point along with the cost and reach challenges, while brand marketers worry about measurement/attribution solutions.

# KEY CHALLENGES AROUND DOOH CAMPAIGNS AMONG ADVERTISERS ALREADY EXECUTING CAMPAIGNS

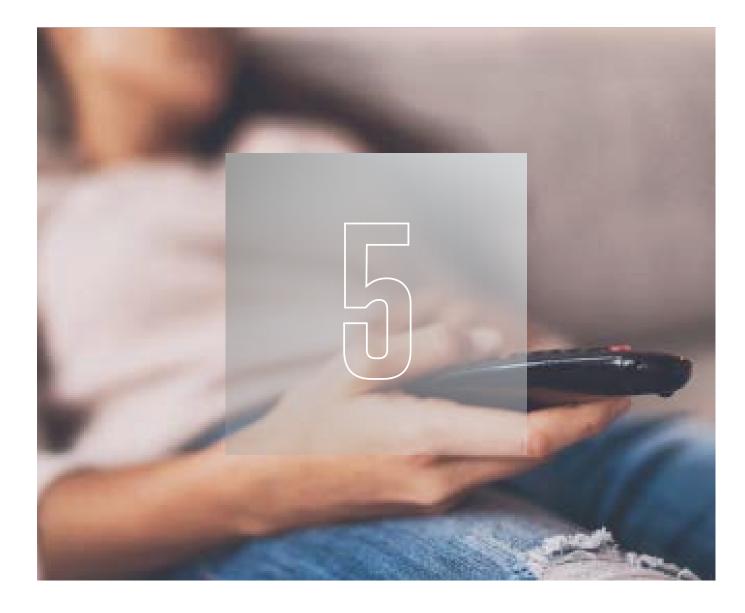
PERCENTAGE PERCENTAGE RANKING AMONG TOP THREE

Source: MiQ -AP survey Wave 6, Sep 2021





PROGRAMMATIC TRENDS FOR 2022
HOW TO PREPARE AND BUILD A PLAN FOR 2022



# How to prepare and build a plan for 2022

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How to prepare and build a plan for 2022

About MiQ

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We know that planning can be hard and with so many developments happening in the media landscape, it can be overwhelming to know where to start. We pulled out some of the best advice from this report to help marketers plan for a successful future.

Think about your KPIs carefully. Data privacy is changing every day and the old methods such as last click attribution and cost-per-click will inevitably become a thing of the past. 2022 presents a great opportunity to make decisions now on how to incorporate quality as well as quantity. Reach, attention and qualitative brand metrics are all getting a digitally-connected transformation, and are much more likely to give you the robustness and insight you need to prove marketing success. Read more in the section on changes in consumption to learn about the increase in online attention.

Don't take your foot off the gas when it comes to testing cookieless solutions. The Chrome deprecation deadline will be here soon, and the industry needs test partners to ensure there are proven solutions in place to sustain performance before that time comes. Early tests suggest cookieless strategies are already performing better than cookie-based ones, so there's nothing to be lost from starting now, and everything to be gained.

Get your first party data strategy in order. Authenticated audiences are the future when it comes to addressability across all the channels that will be available in 2022. In our section on top challenges in planning and executing programmatic, you'll see many advertisers cite attribution and cross-channel activation and measurement as key challenges and priorities for next year - and first-party data can go a long way to solving these challenges.

Advertisers who are still not collecting, processing and activating this rich source need to make it a priority in their 2022 planning, before it's too late.



GET TO KNOW THE NEW CHINESE CONSUMER

HOW TO PREPARE AND BUILD A PLAN FOR 2022



Mature your connect TV strategy. In our section on <u>trends across connected TV</u>, it's clear that this is no longer a nascent channel to dip a toe into. You need to ensure you're reading the viewership insights related to your specific audience, and reaching them in a way that doesn't treat each platform, screen or media provider in silo. Creative solutions are also getting more interesting, with interactive and personalized formats taking a spotlight - giving advertisers the opportunity to unleash their creativity in new ways on the most engaging channel.



Speaking of creative solutions, try incorporating more sophisticated data-driven creative solutions across online channels too, to ensure you are engaging consumers most likely to buy from you. In the <u>media consumption section</u> of this report you will see that shoppers are spending more time researching online, and new innovations in dynamic creative such as chatbots, or using true intent data signals to inform which creative you show the consumer will all help you improve your performance by engaging with those who are most likely to convert.



The programmatic universe keeps expanding with new products and environments, meaning marketers have to rethink how they can incorporate them into an efficient marketing strategy. There have never been this many ways to deliver a message to your audience, but capitalizing on this incrementality is not necessarily simple. The classic trope, 'to reach your audience at the right time and the right place' needs a 2022 upgrade to include 'and on the right path.' Effective supply path optimization evaluates the journey of a marketer's dollar across multiple platforms and bidding variables to yield more performant campaigns. The industry continues to grow making this trading practice even more important for effective brand and sales growth.

