

THE FUTURE IS BIDDABLE

The state of US programmatic advertising in 2022 and the trends that will define the future.

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A NOTE ON OUR METHODOLOGY

We have surveyed veteran marketers at brands and agencies who have over a decade of experience in order to break down the trends defining programmatic – and what they mean for marketers gearing up for the year to come.

Using a mix of inventory and consumption behavior trends across multiple partners and channels, we put together this report to show the changes in user behavior across ad supported media inventories over the past 18 months. We used the results from an extensive B2B survey of 127 mid-senior level media planners across the United States from a wide variety of verticals. The highly accurate and robust data merged with over eleven years of programmatic experience was used to the key themes and opportunities marketers need to think about as they plan for 2022.

Within five years, every media impression will be bought or informed by addressable tactics; every marketer will be measuring data and performance in clean rooms; and every consumer will be truly anonymous AND targetable.

As we dive into 2022, now is the perfect time to look ahead and assess where the industry is headed. Traditional inventory is already migrating at unprecedented records to programmatic platforms because of cost and scale efficiency. And as the world evolves and new products enter the market, all inventory will be directly available through programmatic channels. Therefore, it is critical for marketers to understand the right mix of programmatic channels and formats to run a successful campaign.

In the next few years, brands will report on path to conversion on a per sku/user/ cohort level inside clean data environments. This shift will lead to the clearer picture of a user journey and will enable more informed decision making than ever. Programmatic partners will need to provide expert data, insights and analytics teams who know how

to work within clean rooms - because this type of measurement and reporting will be unmatched compared to other solutions. And finally, where will our industry net out with privacy regulations related to targeted advertising? Private but also at the same time targetable might seem like a paradox, but that is what the future is looking like.

By understanding these top trends and innovations in the market, advertisers can discern how best to plan for the future. Examined through the lens of general trends, omnichannel measurement and the explosion of CTV, this report will offer an unbiased exploration of how marketers are gearing up for 2022 and beyond, and provide actionable recommendations that can be leveraged for a successful year ahead.

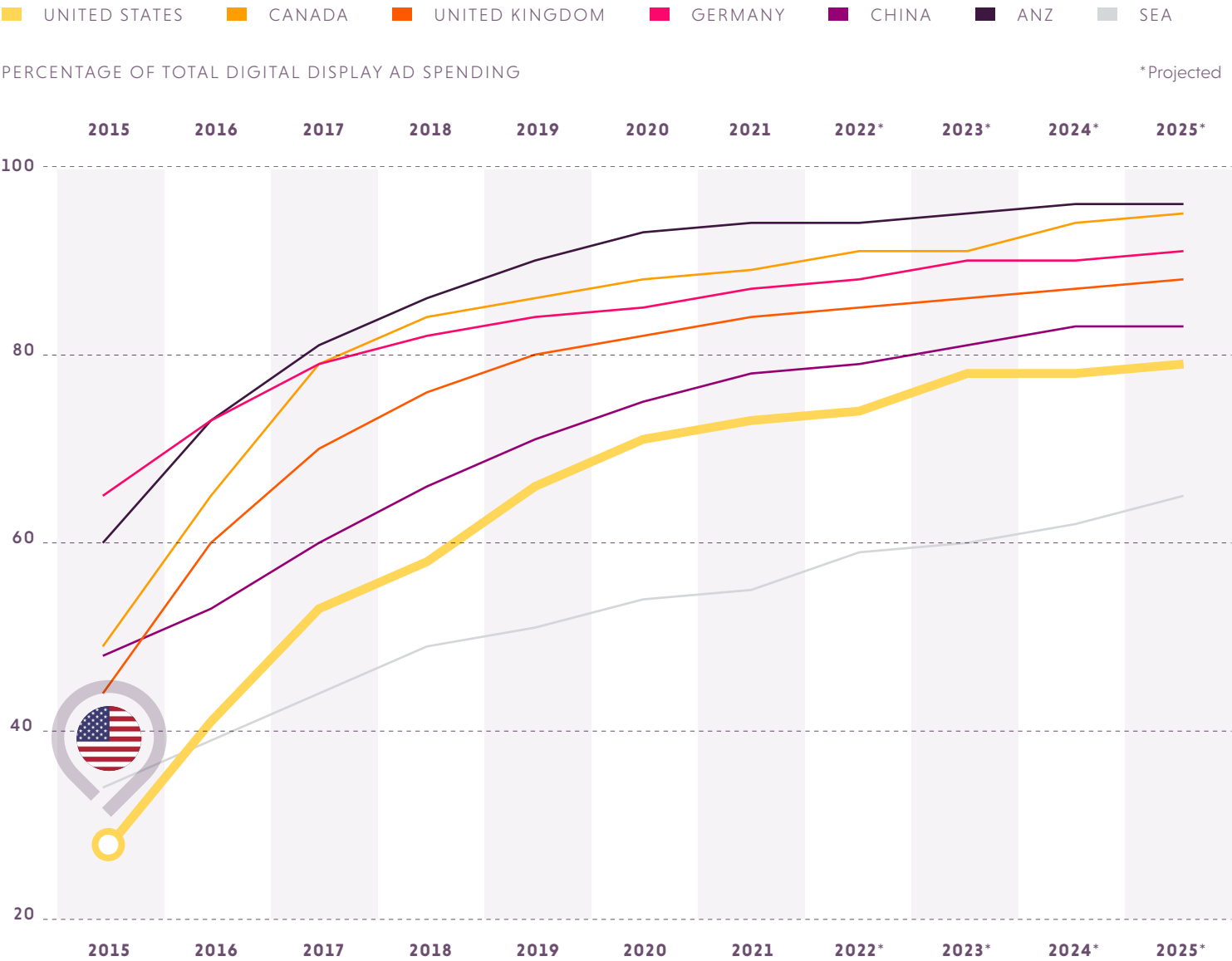


Programmatic spend projections

The data shows marketers who are prepared for the future are leveraging programmatic today.

Today, almost 87% of display ad spend in the US occurs through programmatic channels, accounting for approximately \$85 billion. Fast forward to 2025, and that figure is likely to breach the \$130 billion mark – indicating an extremely strong future for programmatic adoption.

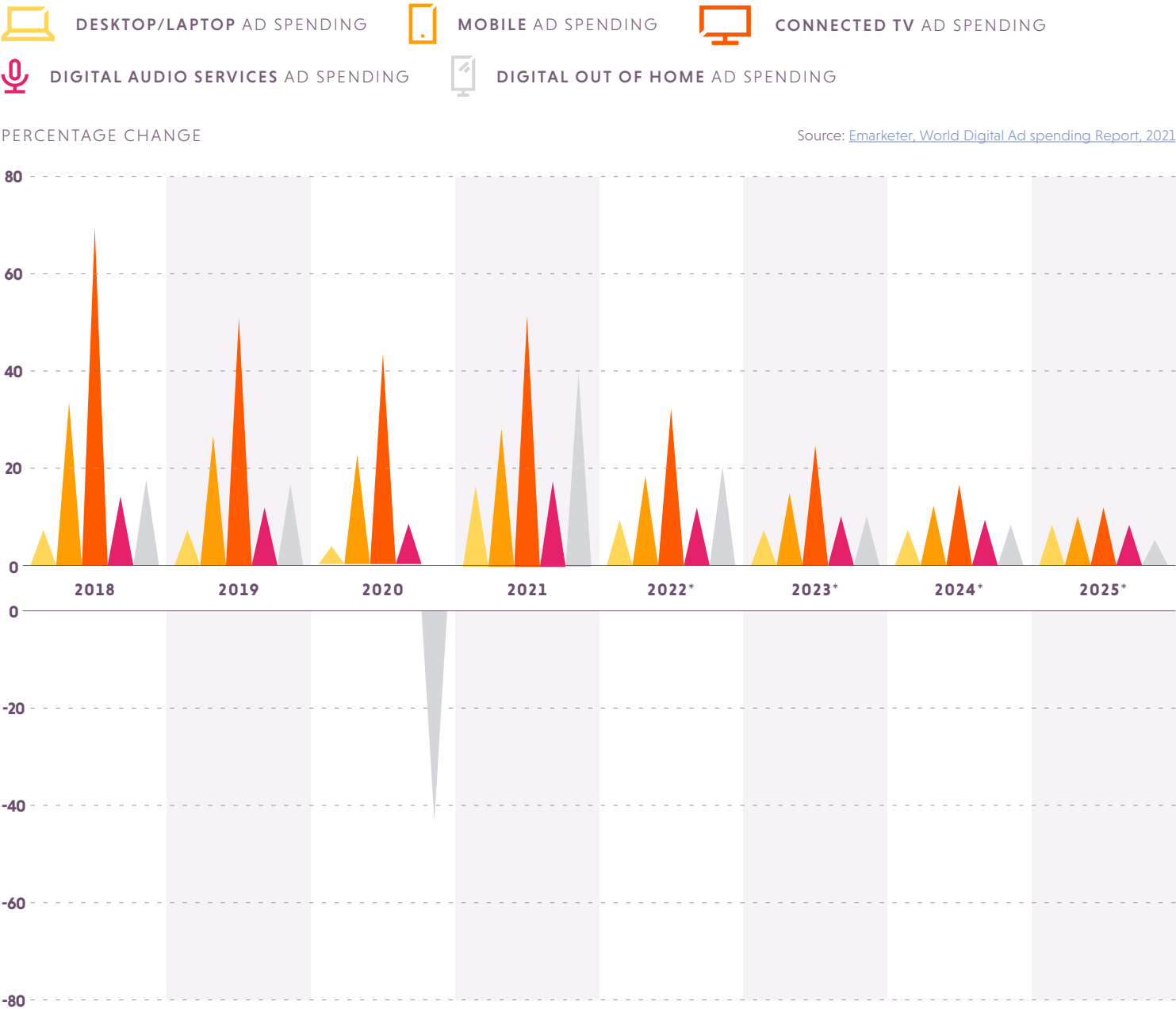
PROGRAMMATIC SHARE OF OVERALL DIGITAL AD SPENDING



Source: MiQ Research forecast , 2021

This growth comprises investment in traditional programmatic channels like online display and video as well as emerging programmatic channels like digital audio, connected TV (CTV) and digital out-of-home (DOOH) – meaning marketers have more options than ever to put programmatic technology to work. CTV, especially, represents a massive opportunity as it grows at incredible speed that corresponds with media viewership shifts. That we see digital growth across all programmatic channels is telling for the future.

CHANGE IN DIGITAL AD SPENDING, BY PLATFORMS IN THE US





HOW TO CHOOSE THE RIGHT PROGRAMMATIC PARTNER NOW AND FOR THE FUTURE

The data is clear: By 2025, nine out of 10 global ad dollars will be spent programmatically, and here in the US we'll see almost 95% programmatic adoption. Marketers who want to get the most out of their advertising budgets can't afford to ignore this trend any longer. Furthermore, with many single-solution DSPs on the market, it's important for marketers to evaluate partners that can provide access to scaled and diversified inventory, a breadth of data partnerships and best-in-class programmatic technologies that deliver across all screens.

As a technology agnostic partner, MiQ always keeps the marketer's objective at the center of consideration by offering access to all premium DSPs, with the addition of unmatched analytics and insights.



Omnichannel data and measurement

Most media planners have budgeted for omnichannel campaigns – but challenges in measurement and optimization still remain.

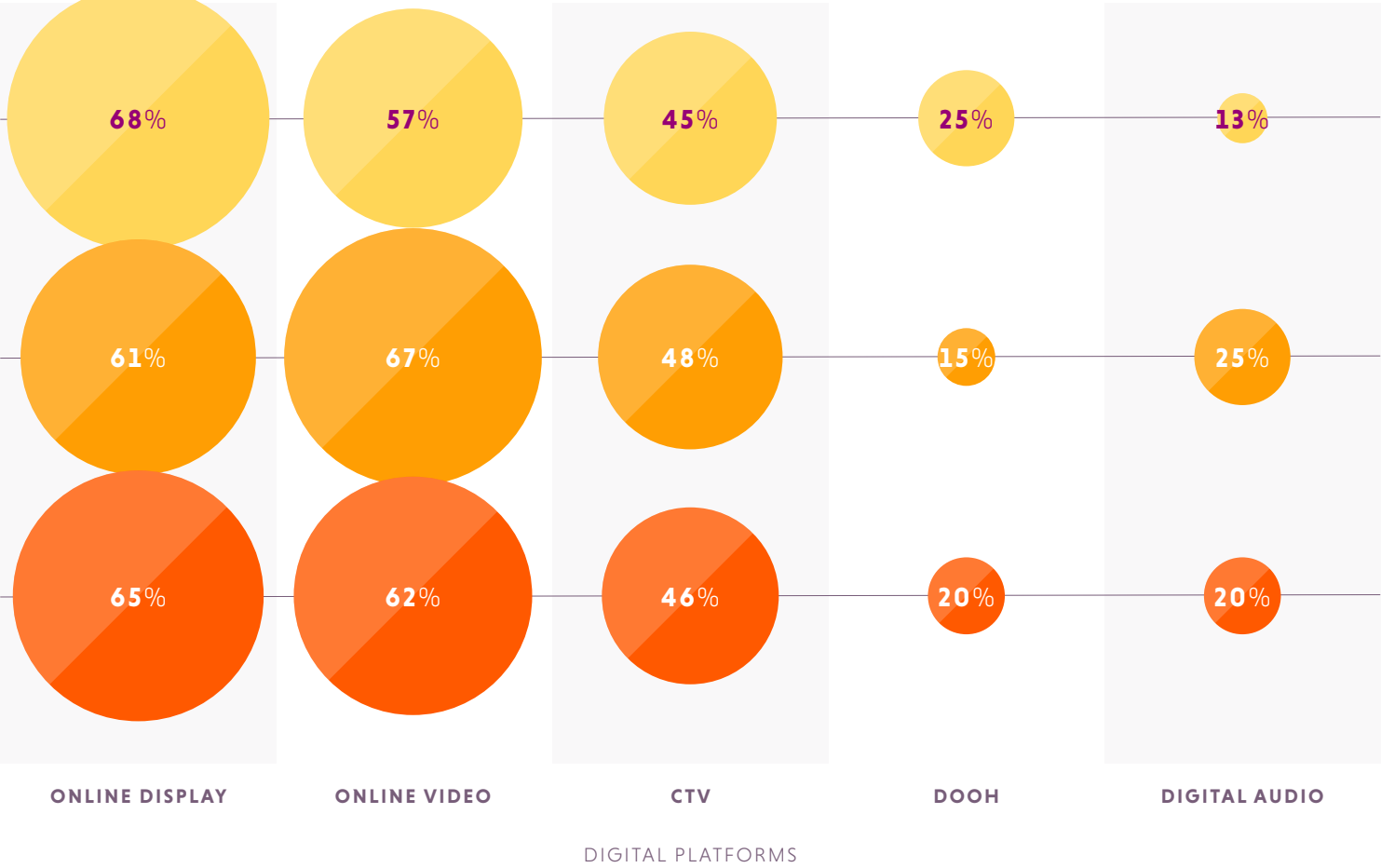
Consumer behavior has changed since the start of the pandemic, challenging legacy methods of distinguishing budgets and campaigns between branding and performance objectives. Marketers are responding by allocating budgets across a breadth of channels to tell a more complete story, reaching their audiences wherever they’re spending their time in a manner that is authentic to that particular channel.

TOP PLATFORMS IN EXISTING US MEDIA PLANS

BRAND AGENCY OVERALL

Source: MiQ -AP survey Wave 6, Sep 2021

PERCENTAGE OF MARKETERS (RANK 1-3 NET)



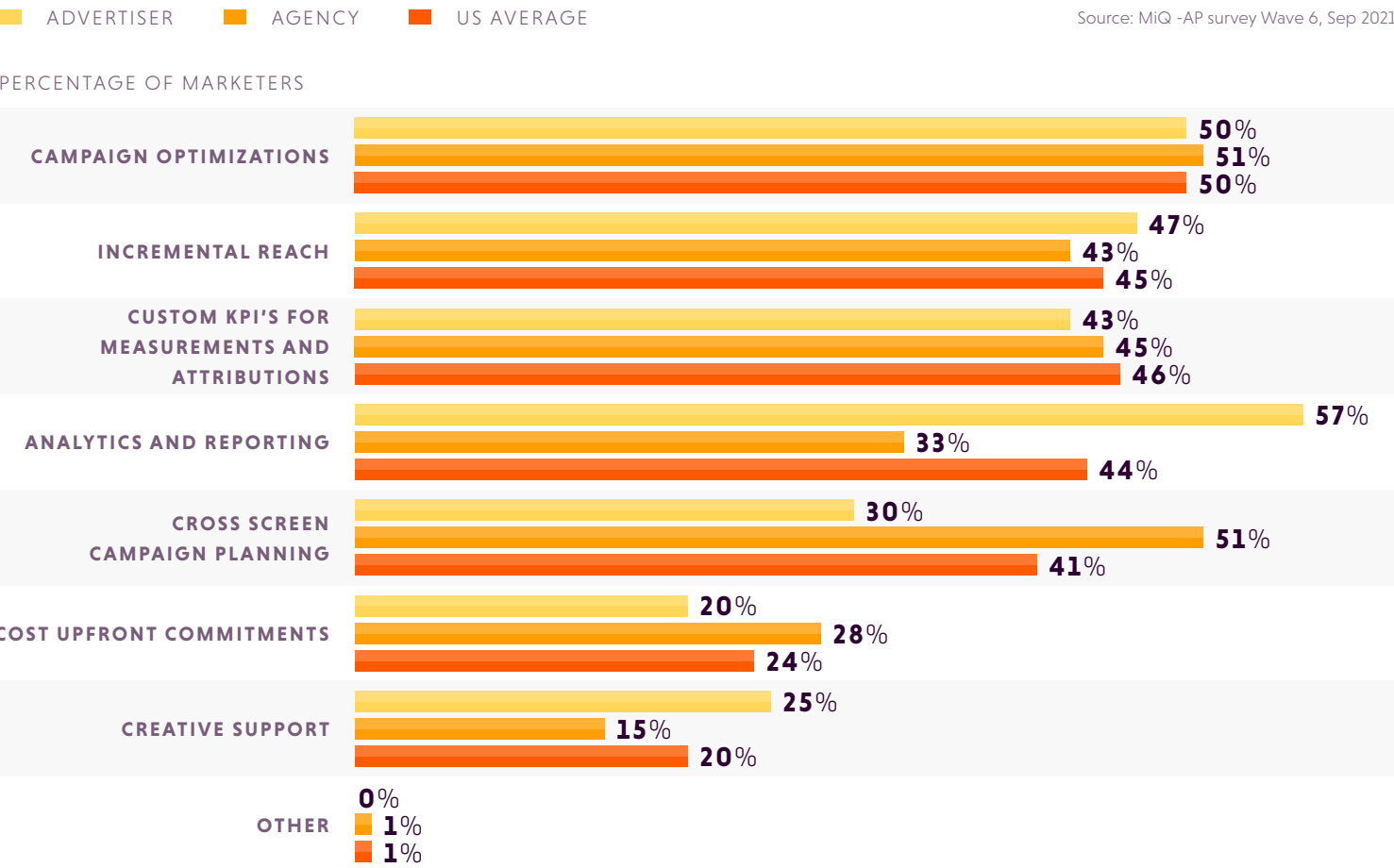
The good news is that our data shows US media planners are in a better position than their international counterparts to experiment with omnichannel campaigns, as 4 in 5 have set aside budgets for cross-channel activation. But just because marketers understand that consumer cross-channel behaviors are on the rise doesn't mean executing omnichannel strategies comes without challenges.

Effective delivery, optimization and measurement capabilities are top of mind for both marketers and their agencies. In fact, half of all marketers cite campaign optimizations as a significant consideration

in their omnichannel planning, while 57% say analytics and reporting are key challenges – the most frequently selected option in the chart below. Clearly, many marketers are concerned about their ability to properly analyze and optimize performance.

There's no doubt marketers need to be focused on omnichannel advertising going forward. But as the data shows, it's not as simple as allocating budget to multiple channels. This is because those channels need to work in concert, which requires a level of uniformity that does not innately exist across channels.

SIGNIFICANT CONSIDERATIONS FOR PLANNING OMNICHANNEL CAMPAIGNS



WHY IT'S ESSENTIAL TO WORK WITH A COOKIELESS TECHNOLOGY PARTNER

Historically, the typical methods for digital optimization and measurement have been cookie-based. That's become problematic as increasing swaths of audiences are already opting out of cookie-based identification, or are consuming content on cookieless devices, like connected TVs. Thus, in order to get the most out of their advertising efforts, marketers need to partner with providers that offer cookieless solutions for identifying audiences, optimizing and measuring – ahead of the scheduled 2023 phasing out of cookies.

Today, it is essential to work with a programmatic partner who is equipped to help you beyond simply accessing inventory across your channels of choice. It's just as critical to be able to connect a consumer's

journey across channels by leveraging a combination of cookie-based and cookieless solutions. MiQ's identity spine underpins all our programmatic campaigns, empowering marketers to identify a customer consistently across multiple channels and touchpoints. This helps us customize messaging, improve real-time optimization and deliver closed-loop measurement for our clients.

MiQ's partnerships with industry-leading authenticated data providers, our proven performance in contextual advertising and our analytic innovation in leveraging clean rooms ensures a future-proofed omnichannel approach.



CTV's domination

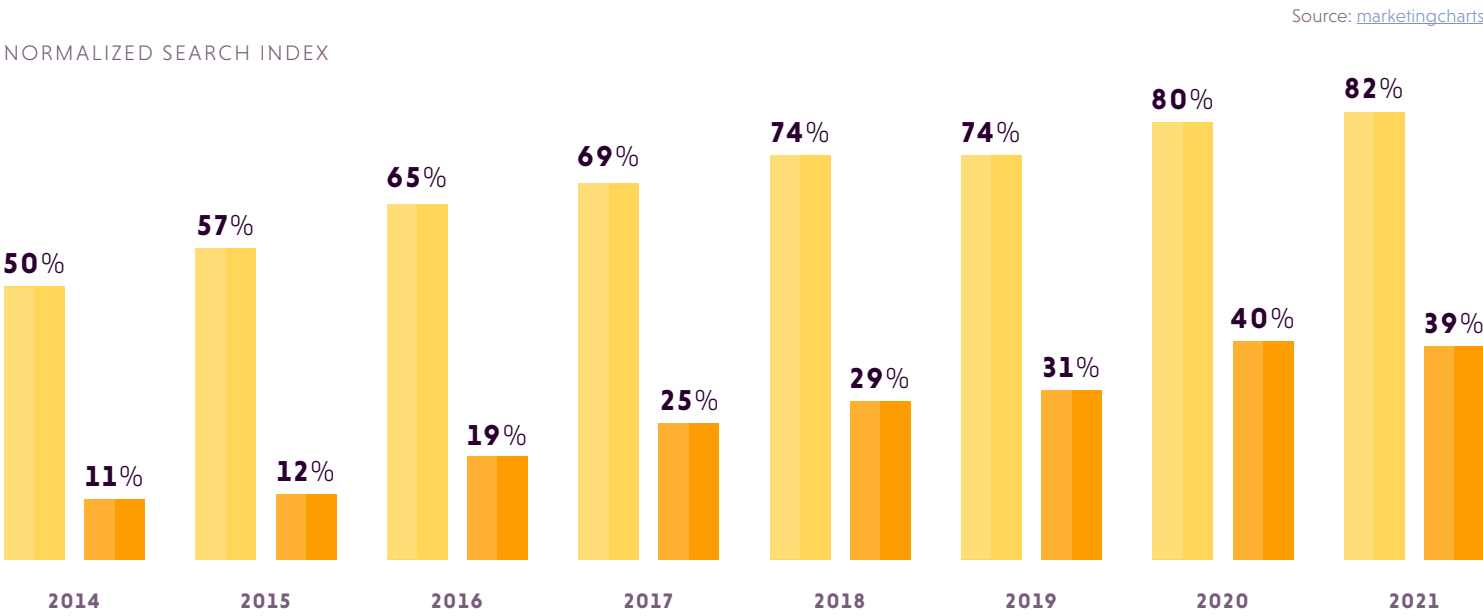
Fast-growing adoption and engagement among key demographics makes CTV a huge opportunity in 2022.

CTV has grown by leaps and bounds in recent years, thanks to new streaming services and an increasing number of cord-cutters. As you read this, almost 80% of the country is reachable through a smart TV, while almost 40% of Americans watch streaming content every single day... that is a lot of eyeballs to reach.



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



And it's not just younger generations consuming streaming TV; marketers can be assured by growth of CTV viewership across multiple key demographics. Engagement in 2021 increased most significantly among those between 25 and 34 years old, but it should be noted that Americans 45+ also spent more time with streaming content last year. Previously, this group had been all but unreachable through CTV advertising.

It follows that CTV spending predictions are extremely bullish for the year ahead. In fact, more than two-thirds of marketers in the US are increasing their CTV spend over last year's. Most marketers are working with a managed service partner to help them with their planning and activation, though almost a quarter are activating their CTV in-house, opting for self-service platforms.

As an advertiser, you'll want to reach your consumer across all devices as well as the

content types they consume. This can make managing reach and frequency increasingly challenging in light of the fragmentation that exists across CTV data and supply, as no single DSP can provide complete access to CTV inventory. To maximize reach, smooth frequency and measure outcomes that matter most, you need a source-agnostic partner who can intelligently navigate and optimize supply paths across an expanding range of routes to premium CTV and OTT inventory sources.

No matter your specific partner needs, one thing is clear: CTV has grown beyond an emerging channel, and presents a massive opportunity that marketers can't afford to overlook. And with a single access point like MiQ, you will reach your target audiences via rich screen-agnostic planning insights that can show you the full picture across linear, OTT and digital.

CHANGE IN UNITED STATES CTV BUDGET PROJECTION - 2022 VS 2021

PERCENTAGE OF MARKETERS



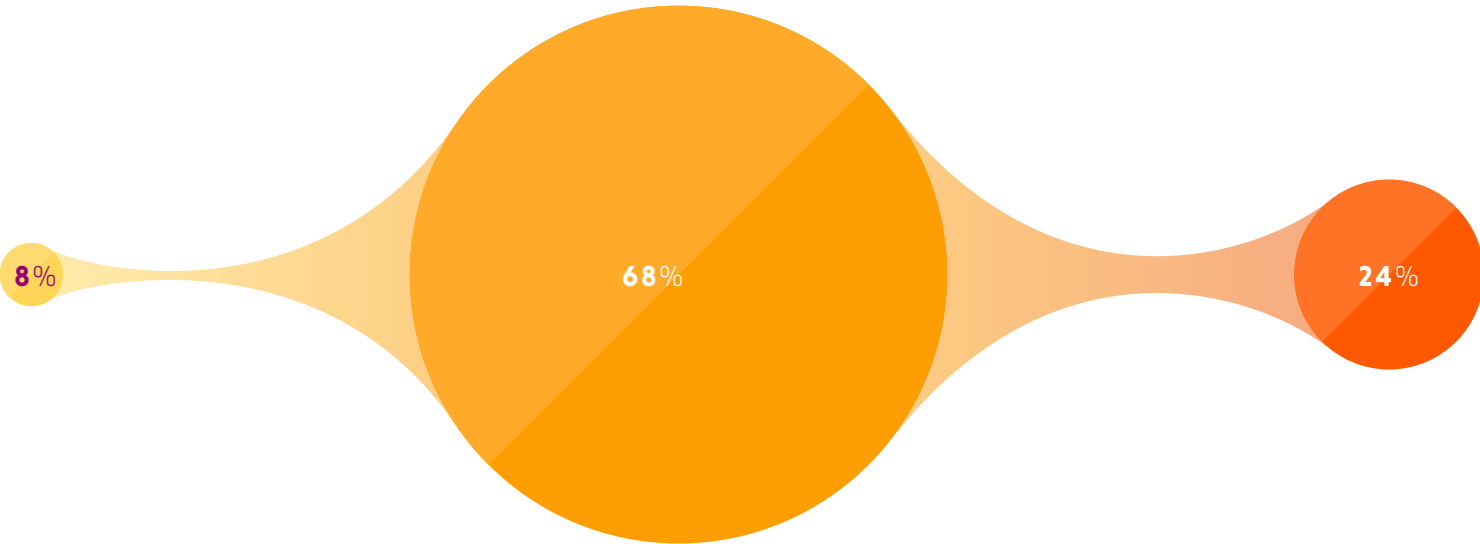
Source: MiQ -AP survey Wave 6, Sep 2021

HOW ADVERTISERS ARE BUYING CTV INVENTORIES IN THE UNITED STATES

HYBRID MANAGED SERVICE PARTNER SELF SERVICE / IN-HOUSE

Source: MiQ -AP survey Wave 6, Sep 2021

PERCENTAGE OF MARKETERS



WHY IS MIQ THE RIGHT CTV PARTNER?

As one of the premier independent Advanced TV players, we provide our clients with TV intelligence powered by household-level viewership data from multiple data partners, leveraging the biggest footprint of screen-agnostic planning and measurement insights possible.

Our people and technology help connect this to your first-party data, allowing us to understand how your existing customers consume both linear TV and CTV content before we spend a dollar of your budget. We then take this campaign, competitor and content-level intelligence and activate your

digital campaigns via hundreds of curated CTV and OTT deals.

Added programmatic intelligence across supply sources, apps, devices and streaming platforms allows us to identify the best supply path available across our multiple supply- and demand-side partnerships. We've built trading practices that optimize towards value, right sizing for some of the quality and diversity gaps that exist in standard CTV activation. This ensures our clients are in the best position for optimal reach, relevancy and ROI to counteract the ongoing fragmentation of the TV industry.



Marketing activation strategies

You’ve just consumed a lot of informative new research. Here are the top 3 takeaways to put all this information to work for you.

1

GET THE MOST OUT OF YOUR AD SPEND WITH PROGRAMMATIC

The programmatic universe will only continue to expand with new products and environments, providing marketers with more opportunities than ever to reach consumers. Marketers may need to rethink how they can incorporate them into an efficient, all-encompassing strategy. The first step is to work with a partner who can provide access to inventory across all programmatic channels to ensure you’re not limiting your capabilities right off the bat.

2

MAKE SURE YOU’RE WORKING WITH THE RIGHT PARTNER TO ACE YOUR OMNICHANNEL CAMPAIGNS

There have never been this many ways to deliver a message to your audience. While 4 in 5 media planners have set aside budgets for omnichannel campaigns, it’s critical to take the next step of making sure your programmatic partner is equipped to help you tackle three of the key challenges inherent in cross-channel advertising: measurement, optimization and identity resolution. You must work with a partner who enables you to understand the performance of your campaigns in a holistic way, while also allowing you to turn that data into action by optimizing when necessary.

3

CAPITALIZE ON THE MASSIVE OPPORTUNITY CONNECTED TV PRESENTS

The surge in consumption of on-demand streaming content isn’t going anywhere. That means that connected TV is no longer a nascent channel to dip a toe into – and it’s time to mature your CTV strategy. To do so, keep up with viewership insights related to your specific audiences and ensure you’re reaching them in a way that doesn’t treat the platform as its own silo. Think of CTV as part of your omnichannel story, and explore new and evolving creative solutions that allow for personalization and interactivity.

For questions on the research or to learn more about our products, reach out to info@miqdigital.com.