

U.S. Programmatic Ad Revenues Totaled \$10.1 Billion in 2014, According to First-Ever IAB Programmatic Revenue Report



July 20, 2015

Study Reveals That Open Auctions Were Responsible for 70% of Programmatic Revenue in 2014

NEW YORK, NY (July 20, 2015) — Programmatic buying and selling of total internet advertising generated \$10.1 billion in 2014, comprising 20 percent of last year's overall internet advertising revenues (\$49.5 billion) according to the IAB Programmatic Revenue Report, a first-ever study sizing the U.S. programmatic market from the Interactive Advertising Bureau (IAB) and prepared by PwC US. This figure represents approximately 52 percent of display-related advertising in 2014 (\$19.6 billion), while non-programmatic display-related revenues accounted for the remaining 48 percent at \$9.4 billion.

Other highlights include:

- Open auctions made up approximately 70 percent of the programmatic revenue in 2014, and the report discusses marketplace indicators that point to a shift in the next few years to other programmatic transaction types, such as private auctions, unreserved fixed rate or automated guaranteed methods
- Display banner ads made up approximately 80 percent of programmatic revenues in 2014, but the findings demonstrate that mobile and video formats will take more of advertiser and publisher budgets and inventory over time
- Ad tech companies received approximately 55 percent of programmatic revenues, while publishers garnered approximately 45 percent of programmatic revenues in 2014



The report highlights that there is no industry-wide universal definition of “programmatic.” It provides an overview of the key buy- and sell-side players in the 2014 landscape, and an outline of various programmatic activities. In addition, the study offers guidance for overcoming



“Sizing the programmatic market has proven both challenging and illuminating, as we learned more about how that sector moves ads and money,” said Sherrill Mane, Senior Vice President, Research, Analytics and Measurement, IAB. “Once we garner deeper understanding of how things work and where standard definitions and best practices are needed, we will also gain insights into where greater opportunities exist for publishers and advertisers to capitalize on programmatic channels.”

“Over the last several years, publishers and advertisers have increasingly adopted programmatic buying and selling of digital inventory into their media strategies,” said David Silverman, Partner, PwC US. “This in-depth study reflects that growing trend, but in addition to pointing to where programmatic is today, we also look at where real-time bidding could be tomorrow.”

In tandem with the release of the study, IAB has launched the Programmatic Fee Transparency project. Under the auspices of the IAB Programmatic Council, this new working group will identify areas that require or deserve more transparency and develop a set of best practices involving fee disclosures.

“Limited transparency around fees in programmatic has the potential to undermine trust and liquidity in the marketplace,” said Carl Kalapesi, Vice President, Industry Initiatives, IAB. “The IAB Programmatic Fee Transparency project will develop guidance around fee disclosure and transparency within the programmatic ecosystem.”

Google and PulsePoint served as Gold Sponsors of the IAB Programmatic Revenue Report. The complete study is available for download [here](#).

For more information on the IAB Programmatic Fee Transparency Project, please email programmatic@iab.com.

Methodology



This study used three core methods to derive estimated programmatic revenues which include the following: 1) quantitative survey results administered in the fourth quarter of 2014, 2) publicly available corporate and industry data and 3) in-depth interviews with senior executives



networks, mobile providers and other online media companies that generated revenue from programmatic. Programmatic revenue, as referred to in this report, includes revenues associated with non-search internet/mobile ads that were bought or sold through a programmatic channel, including revenues that were derived from both publishers and ad tech companies. Information received throughout the study is confidential and only aggregate data is released.

About the IAB

The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. It is comprised of more than 650 leading media and technology companies that are responsible for selling, delivering, and optimizing digital advertising or marketing campaigns. Together, they account for 86 percent of online advertising in the United States. Working with its member companies, the IAB evaluates and recommends standards and practices and fields critical research on interactive advertising. The organization is committed to professional development, elevating the knowledge, skills, and expertise of individuals across the digital marketing industry. The IAB also educates marketers, agencies, media companies and the wider business community about the value of interactive advertising. Founded in 1996, the IAB is headquartered in New York City.

About PwC US

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