



# Programmatic Media: Improving Your Bottom Line

Presented by:

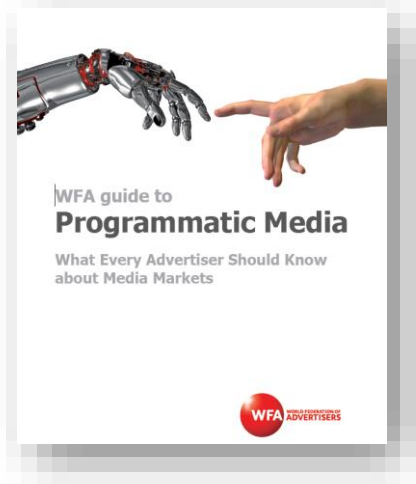
Keri S. Bruce, Partner, Reed Smith LLP

Sam Tomlinson, Partner, PwC

ANA Financial Management Conference – October 7, 2020

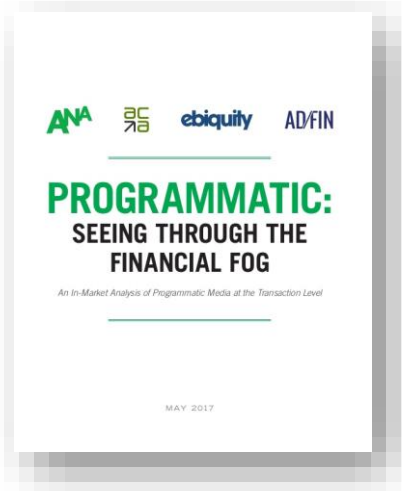


# 2014 – 2020 Reports on Digital Waterfall



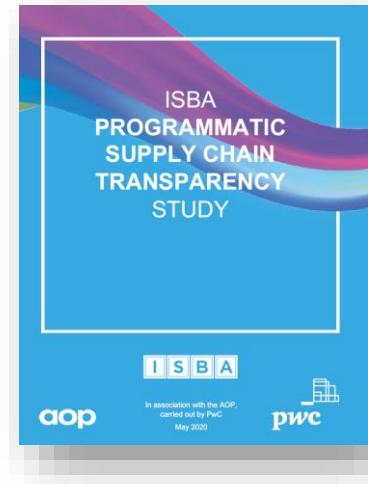
2014

- 40% -- media inventory and audience exposure
- 60% -- supply chain transaction fees



2017

- 58% -- media inventory and audience exposure
- 42% -- supply chain transaction fees
- Did not include SSP's

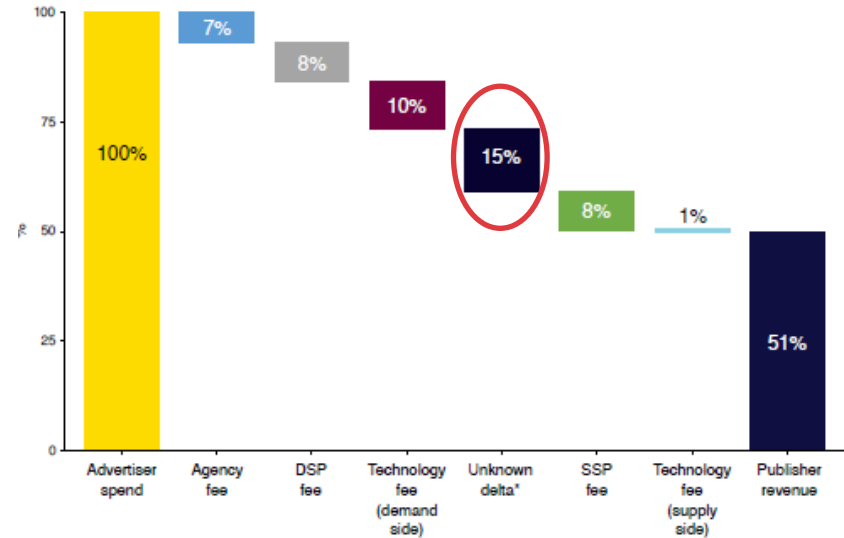


2020

- 51% -- media inventory and audience exposure
- 49% -- supply chain transaction fees
- End-to-end on 12%

# 2020 – ISBA, AOP, PwC Study

- Premium study
- 15% of spend could not be attributed
- Only 12% could be traced end-to-end
- 1,000+ individual supply chains
- Advertisers appeared on average of 40,000 websites



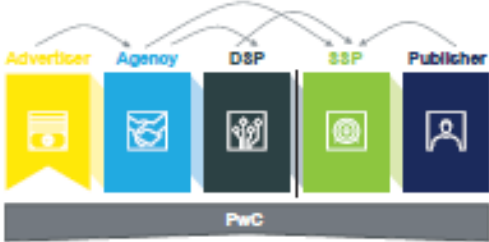
# What is this costing brands?

**2021 Programmatic Display (\$147B) + Programmatic Video (\$60B): \$207B**

<b>Participant</b>	<b>Fees</b>
<b>Agency (7%)</b>	\$14.5 Billion
<b>Demand Side (18%)</b>	\$37.3 Billion
<b>Supply Side (9%)</b>	\$18.6 Billion
<b>Unknown (15%)</b>	\$31 Billion
<b>TOTAL (49% of spending)</b>	\$101.4 Billion

# Challenges

## Chicken and egg permissioning



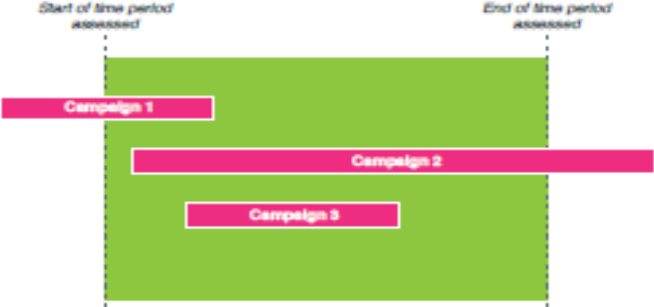
## Access Delays



## Data formatting and fidelity

Date Format	Names for revenue	Monetary format
1587800107000	AutoCPM	(\$).01
1572807658110000	EstimatedBackfillRevenue	(\$).000100
2020-01-14-20:44:20	net_revenue	(\$).00010004461000000
2019-11-11	brakeRevenue	- (\$).000000000111
11.01.20	Refill_revenue_CPM	(\$).021000

## Inflexible data retrieval



Was there any good news??



# Key Recommendations

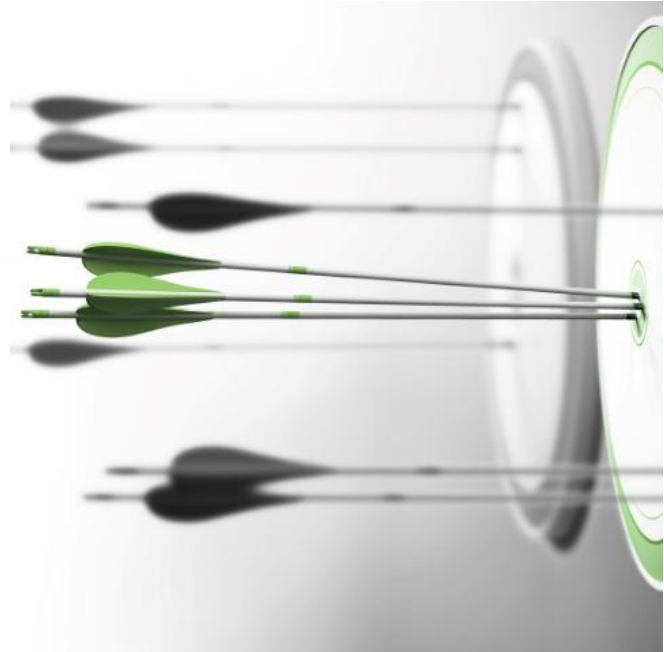
- **Partner with your business and legal teams, agencies, trade associations and other experts to implement best practices**
- **Review your media buying agreements closely**
- **Ensure your suppliers participate in key industry initiatives/certifications and programs**
- **Establish a clear process for data access and sharing throughout the ecosystem and agree to consistent data taxonomies and definitions**
- **Ensure you are working with a qualified agency team**





# Bottom Line: Why should you care?

- **Three time's the charm – no more excuses**
- **Billions is being lost to an inefficient marketplace**
- **Board and Audit Committees have a responsibility to protect shareholder values**
- **Beware of activist investors looking for accountability**
- **Congress is demanding more accountability – shades of the undercurrent that created the MRC**



# Q&A



## **Keri S. Bruce**

Reed Smith  
New York  
+1 212 549 0220  
kbruce@reedsmith.com



## **Sam Tomlinson**

PwC  
London  
+44 (0) 20 780 40726  
sam.tomlinson@pwc.com

