



Programmatic Media Transparency RFP

Eliminating Waste Throughout the
Entire Programmatic Marketplace

APRIL 2021

INTRODUCTION

The programmatic marketplace is substantial, rapidly growing, and far-reaching, with connected TV as its latest accelerant.

But as powerful a tool as programmatic advertising has been for marketers, the programmatic market has been riddled with material issues, including a lack of transparency (data and dollars), fractured accountability, and mind-numbing complexity. These issues impair critical decision-making by marketers, leading to wasteful and unproductive media-buying decisions and crippled and meaningless analytical capabilities.

Previous and separate studies by the ANA, the WFA, and the ISBA have not only analyzed some of these issues but also reinforced troubling conclusions, leaving the industry at a critical inflection point. The industry must now move to rectify the issues and restore the productivity of billions of dollars of marketing investments.

The goals are simple:

- Drive business and brand growth through the elimination of wasteful and unproductive spending.
- Make the whole digital media supply chain understandable, highly transparent, and analytically rich.
- Institute corrective solutions and industry standards that have long-term sustainability.
- Determine whether industry oversight bodies are needed to ensure the integrity of the programmatic ecosystem.

In comparison to previous studies, this undertaking will expand the size and scope:

FROM	TO
Advertiser to Publisher	Advertiser to Audience
Open Web Only	All programmatic trading platforms

We are seeking outside help from independent consultants to help us achieve a better future for the programmatic market in the interests of advertisers and their partners.

OVERVIEW

Digital media now accounts for 56 percent of global advertising spending, according to eMarketer. Numerous studies and papers conducted over the past five years by the ANA, the ISBA, the WFA, R3, Ebiquity, the AANA, and others demonstrate that only 40 to 60 percent of digital dollars programmatically invested by advertisers find their way to publishers in the form of working media and audience ad exposure opportunity (Appendix 1). And there is additional loss between the publisher and audience, given ad fraud, viewability issues, latency, and brand safety issues.

These same studies have exclusively focused on the Open Web portion of programmatic transparency and waste, and they have only detailed ad spend up to the publisher. These past studies have also not looked at programmatic ad quality, waste, or transparency after ad render on the publisher. And no study has been global in scope.

This is a critical concern for marketers who do not have a clear picture of the deployment, mechanics, delivery, value contributions, or waste factor of their significant investments across, and at each step of, their programmatic supply chains. Advertisers are subject to arbitrage, markups, rebates, proprietary and opaque algorithms, data transparency issues, a myriad of dataset costs, and a plethora of charges that have not been fully exposed. Lack of full transparency for ad delivery and ad quality is negating their ability to fully optimize their investments and drive greater business growth.

This excessive waste must stop!

To quote from the programmatic study conducted by the Australian equivalent of the ANA:

“If advertisers remain passive, it’s likely that transparency, data, and trust failures will plague them for years.”

Deconstructing and demystifying the programmatic supply chain are essential to eliminate waste and optimize the allocation of more than \$200 billion in global digital ad spend.

It is time for marketers to take back control and lift the veil on their deployment of investments and the value created or lost at every step of the programmatic supply chain, from the advertiser to the customer. Quite simply, as advertisers we need to know at each step of the process and across all platforms:

- Who are we or our suppliers paying?
- What are we paying for?
- What do we get?
- How do we know we got it?
- What value is created?
- Where is the waste?

OVERVIEW

With greater transparency and clarity gained by answering these questions, marketers will be better equipped to manage and optimize their investments along their own programmatic supply chains, making their investments work harder and smarter by reducing waste (including both time and cost), improving ad effectiveness and efficiency, and improving decision-making. Brands have heard too many excuses about why transparency is not possible and need to understand if those excuses are legitimate and whether they can be resolved to ensure full transparency.

And this needs to be done now. As traditional media like linear TV crosses over to connected TV, investment in digital programmatic media continues to grow. This transparency problem, and the associated waste, will only get larger unless addressed and resolved.

The programmatic market is undergoing dramatic change as one of its basic building blocks — personalization based on third-party cookies — is removed and privacy concerns lead to new identity solutions. Previously much of the transaction cost of programmatic advertising was supposedly justified by the ability to precisely target audiences. This needs to be challenged.

Deconstructing and demystifying the digital supply chain benefits all reputable participants — advertisers, agencies, publishers, advertising technology suppliers, and marketing technology suppliers — by making the entire digital ecosystem transparent, trusted, manageable, potent, and sustainable.

The ANA (Association of National Advertisers) is addressing this global issue with the support of the ISBA (Incorporated Society of British Advertisers) and the WFA (World Federation of Advertisers).

WHAT IS AT STAKE?

- Programmatic digital display ad spending worldwide is projected to be \$147 billion in 2021, up 16 percent from 2020, and accounting for 72 percent of total digital display spending, according to eMarketer. In the U.S., programmatic digital display ad spending is projected to be \$80 billion in 2021, up 26 percent, and accounting for 87 percent of total digital display ad spending.
- Programmatic video continues to grow as linear TV dollars migrate to addressable video. eMarketer estimates that U.S. programmatic video ad spend will be \$36 billion in 2021 versus \$80 billion for U.S. programmatic display ad spend. The ANA estimates that worldwide programmatic digital video ad spending in 2021 will be approximately \$60 billion.
- In 2021 the worldwide programmatic advertising marketplace (display plus video) is on track to top \$200 billion in advertiser investment.

Without full transparency into the programmatic supply chain process, marketers cannot be confident that their total investment is working in their best interest.

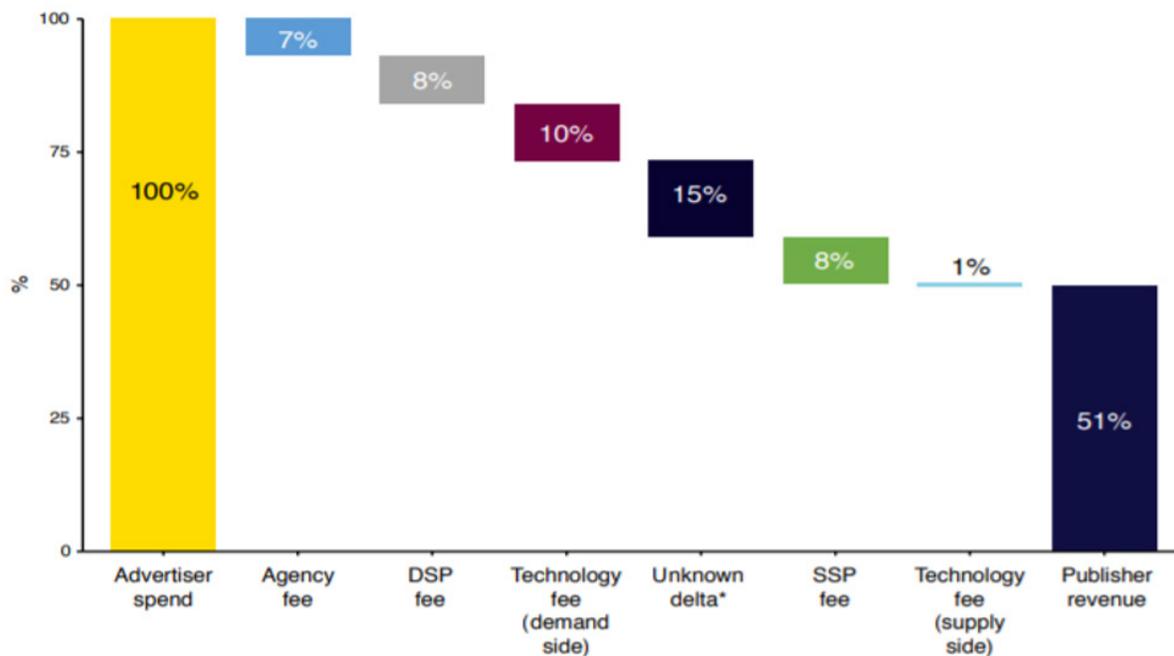
THE PAIN POINTS: PRIOR STUDIES

The May 2020 ISBA Programmatic Supply Chain Transparency Study from PwC demonstrated two major shortcomings in the programmatic value chain:

- Only 51 percent of an advertiser's spend goes to the publisher as working media. Advertisers are spending \$2 with only \$1 reaching the publisher before any ad quality factors reduce value still further.
- Between the advertiser and the publisher, there is an “unknown delta” of 15 percent of the advertiser's programmatic investment — representing one-third of non-working supply chain costs — that cannot be accounted for.

The industry waterfall: analysis advertiser spend

In this study, publishers received half of advertiser spend. 15% of advertiser spend — the unknown delta, representing around one-third of supply chain costs — could not be attributed.



Source: 2020 ISBA Programmatic Supply Chain Transparency Study

THE PAIN POINTS: PRIOR STUDIES

Following the publication of the ISBA study, a cross-industry taskforce was established in the U.K. to improve financial transparency. This ISBA work should help inform this ANA study, and the learnings from it will be complementary to this review.

The lack of transparency into the data flows that support the supply chain is also a pain point for many advertisers. Lack of direct access to data that drives buying decisions, and the inability to examine that data, undermines trust in the ecosystem and advertiser confidence that their investments are truly optimized or allocated in their best interest.

There is still much progress to be made regarding data access, taxonomy differences, impression matching, and deal ID anomalies, with very low levels of transparency for impression trading between the various players in the value chain.

Furthermore, the ANA's landmark 2016 **“An Independent Study of Media Transparency in the U.S. Advertising Industry”** found that along the programmatic supply chain, a range of 2 to 20 percent of aggregate media spending was being paid as undisclosed rebates to media agencies or their holding companies from media suppliers. While we hope and expect progress has been made in reducing undisclosed rebates, we know a number of trading practices remain that are invisible to advertisers and beyond the reach of their contracts with their trading partners and therefore not auditable.

There remains continued and substantial opacity and value loss along the programmatic supply chain. This is diverting advertiser dollars from working to non-working media and away from consumer ad exposure, hindering investment in brand and business growth.

We believe there is substantial waste for advertisers within programmatic advertising. What we do not know is exactly how much waste there is nor the true sources of it.

THE PROGRAMMATIC SUPPLY CHAIN DECONSTRUCTION CHALLENGE

Over the past six years, numerous studies have been released that indicate a significant dilution of advertiser spend in programmatic buying before it reaches publishers (see Appendix 1). This RFP is intended to expand the scope of that work and look at the entire supply and delivery chain from advertiser to publisher to audience. The 2020 ISBA Programmatic Supply Chain Transparency Study implied that inconsistencies in industry data and practice — contractual T&Cs inconsistencies and interpretations; differing data definitions, taxonomies, and signifiers; limitations in datasets; non-visible DSP or SSP fees; trading deals; inventory reselling between tech vendors — were a major barrier to greater transparency and end-to-end supply chain visibility.

THE ASSIGNMENT

The objectives and deliverables of this study are to provide the first full analysis of the end-to-end programmatic marketplace in its entirety, meaning both advertiser to publisher and publisher to viewer, and an extremely thorough examination of the issues and the remedies along the supply chain.

It will also be the first to analyze the programmatic market in all its forms. Previous studies have only examined the Open Web; this exercise will include all forms of programmatic media, including social media and online video (see Appendix 2).

Programmatic trading in Walled Gardens accounts for about 70 percent of the whole market, and this study will be the first to examine the market dynamics of this important sector, recognizing the specific nature of these platforms and the differences in how they operate versus the Open Web, especially regarding their “owned and operated” properties.

This study distinguishes between two types of transparency:

1. Transactional transparency, including undisclosed markups, rebates, and the “unknown delta”
2. Ad quality inefficiency and waste, including data and processes required to understand what marketers are getting in return for their ad investments

The study will:

1. Identify and quantify waste along the entire programmatic supply chain in terms of the role/value of the various intermediaries, ad delivery, ad quality, data utility, and cost.
2. Investigate the methodologies behind the inventory buying process, the auction/bidding mechanics, and the clearing price of bought media.
3. Demystify the waste so we better understand the problems/issues and reasons behind them. What is the real versus perceived value delivered? What are the real costs of services? What is justifiable and what is not? Are there rebates or other incentives between the supply chain participants that are not disclosed to advertisers? What conflicts of interest exist? Who else if anyone benefits beyond the primary service providers, and why?
4. Provide advertisers better understanding, guidance, recommendations, and access to tools that help them identify and reduce waste and optimize spend along their individual programmatic supply chains.
5. Define the core for new metrics, measures, or best practices that should be established to bring more clarity, consistency, and accountability to the programmatic supply chain. Can an industry standard or benchmark of investment allocation along and at each step of the supply chain be created?
6. Recommend a solution as to how we can sustain ongoing focus on the issues in the programmatic supply chain and keep them front and center in the eyes of advertisers, agencies, publishers, and advertising technology providers. Is there an industry entity, model, or opportunity that can be created or leveraged that could maintain momentum for a shared agenda of supply chain transparency?

THE ASSIGNMENT

The programmatic supply chain is non-transparent, highly technical, and complex. We need the expertise of external consultants to bring clarity and simplicity to the explanation of your findings and remedies.

In terms of the scale and scope of the assignment, your proposals should cover the following essential items:

- The study should encompass the full programmatic marketplace: Open Web and Walled Gardens.
- The study should address the full end-to-end programmatic supply chain: advertiser to publisher to audience.
- The programmatic supply chain should be deconstructed to identify the players, quantify work done and value created at each step, uncover any waste, and identify options, best practices, and alternatives that can increase advertiser value, management, and confidence.
- The study should provide specific recommendations for the different forms of programmatic trading mechanisms, including Open Web and Walled Gardens.

We believe either the waste must stop or fees must be justified as a reasonable cost for the ROI achieved by advertisers. If fees cannot be justified, we are seeking solutions in the best interests of advertisers, publishers, and the industry. If programmatic buying is going to justify the investments being made and anticipated, the supply chain must be demystified and optimized, and waste identified and eliminated.

The following questions provide additional guidance for key areas of interest and the type of problems we are trying to solve within the study:

All platforms (Open Web and Walled Gardens)

- What techniques should be used by advertisers to harmonize and aggregate data across the whole programmatic supply chain?
- Can we better define and streamline what seems to be a myriad of supply chain participants? Which are mandatory and which are optional?
- Which costs are justified by adding value and which ones can be eliminated or minimized?
- Are there rebates or other incentives between the supply-chain participants that are not disclosed to advertisers? How can they be identified?
- At each step of the supply chain, from advertiser to publisher to audience, with whom are we dealing, what do we pay for, what do we get, how do we know we got it, and what value is created?
- What would an industry standard investment allocation process look like, and what technologies would support it?
- How should advertisers identify the difference between served and rendered impressions and the financial variances arising from it?

THE ASSIGNMENT

- How should advertisers gain access to bid stream data? What data processing do they need to achieve this?
- Where along the supply chain are the outages where value is lost through practices like non-disclosure, ad fraud, bots, viewability, ad blocking, rebates, and double-dipping? How much is each loss worth, and what can be done to negate it?
- What conflicts of interest exist in the supply chain, and how can they be identified, addressed, and eliminated?
- In the Open Web, where specifically is the unattributable 15 percent of advertiser-to-publisher spend identified as the “unknown delta” in the ISBA report going?
- What can we learn from advertisers who have brought programmatic advertising in-house? Have they achieved greater visibility and/or reduced supply chain costs? Have they seen more dollars reach both publishers and audiences?
- Can a playbook and tools be developed that enable advertisers to identify and address faults and fixes along the programmatic supply chain so they can shift a greater share of their ad investment to publisher revenue and viewer exposure?
- What contractual and legal frameworks are needed to ensure that advertisers can achieve better transparency?

Walled Gardens

- What new tools and techniques should advertisers use to aggregate and analyze the data from the multiple and incompatible direct trading platforms that advertisers routinely use?
- How should advertisers aim to acquire better visibility of the data being used for targeting?
- How should advertisers aim to understand the auction mechanics of the Walled Gardens to evaluate the true cost-effectiveness of their investments in those platforms?

It should be noted that the ANA, the WFA, and the ISBA have several existing programs in place that are addressing many of the issues in this study, including the Global Alliance for Responsible Media. The ANA and [Media Rating Council](#) in the U.S. are engaged in several initiatives that specifically address ad quality and exposure in Walled Gardens.

Respondents to this RFP will need to be familiar with these programs and recommend complementary techniques to help advertisers make better-informed investment choices.

A study of this magnitude is unprecedented in its scope and demands a broad range of skills. We reserve the right to appoint more than one consultant to address different aspects, or a lead consultancy which brings in specialist expertise.

RFP/STUDY PROPOSAL DELIVERABLES

- Describe how the study's objectives will be completed, including timelines and benchmarks where appropriate.
- Explain how you will improve transparency in the supply chain.
- List resources expected to be used to complete the study, including information and data-gathering processes, sources, and techniques.
- Identify what other external resources or partners you would use to deliver the study.
- Identify what contributions, if any, are required from the ANA, its association partners, and/or its advertisers to conduct and complete the study.
- Provide a detailed and transparent estimated cost proposal, including key personnel.
- Share a timetable for project key milestones and completion.
- Detail why you are best suited to manage this study. Provide credentials and experience supporting consideration in being awarded the project, including your expertise in programmatic buying and digital technology.

TIMETABLE/PROCESS

If there is an interest in participating, please provide an expression of interest letter to the ANA no later than close of business on Friday May 14, 2021. Please submit a brief response stating why you are interested, your credentials relative to this assignment, and any potential conflicts and how they will be handled.

Following this initial step, your written RFP response will be due to the ANA no later than close of business on Friday June 11, 2021. All written proposals will be reviewed, and a short list of candidates will be invited to a virtual live meeting to present and discuss your proposal in more detail.

All responses should be directed to programmaticRFP@ana.net

Contacts at the ANA for this project are:

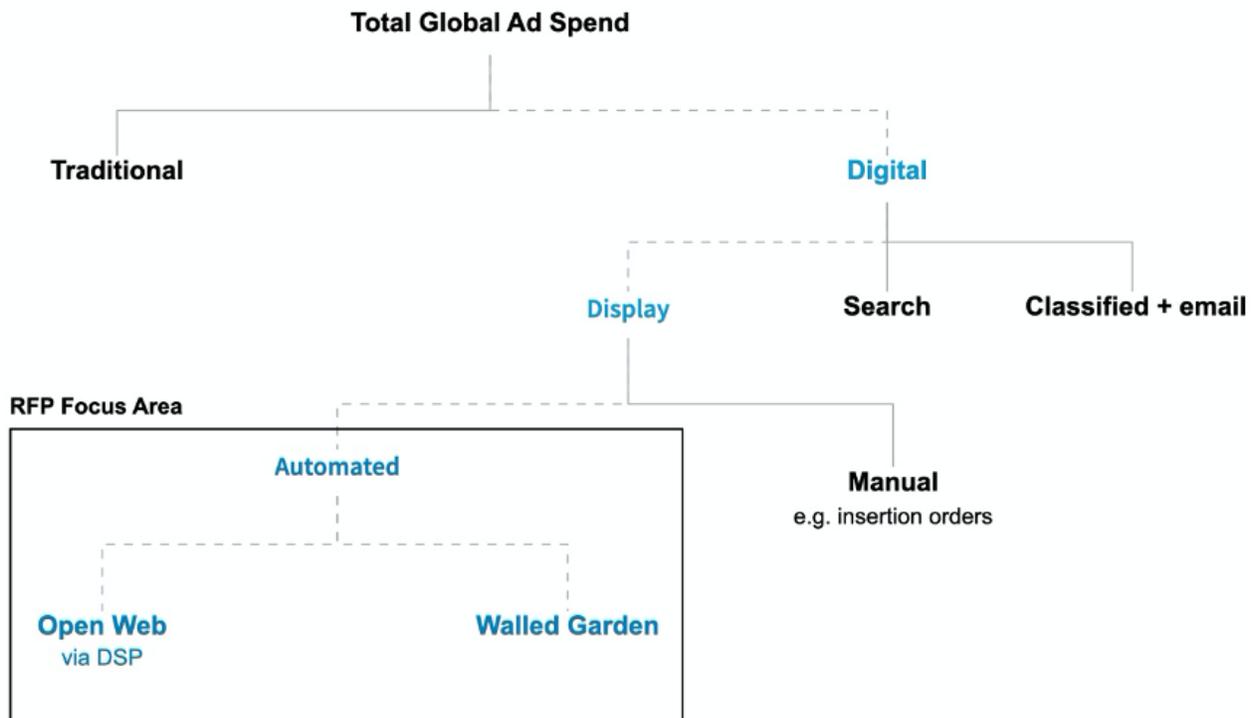
- Bill Duggan, Group EVP, bduggan@ana.net
- Mark Stewart, SVP, mstewart@ana.net

APPENDIX 1

- I. WFA (2014)
[Review full report](#)
- II. Programmatic: Seeing Through the Financial Fog (ANA, ACA, Ebiquity, Ad/Fin; May 2017)
[Review full report](#)
- III. The State of Programmatic Media Buying (ANA; December 2017)
[Review full report](#)
- IV. ISBA Programmatic Supply Chain Transparency Study (PwC; May 2020)
[Review full report](#)

APPENDIX 2: THE SCOPE OF THIS RFP

Figure 1: RFP Focus Area: Categorized Ad Spend



APPENDIX 2: THE SCOPE OF THIS RFP

Figure 2: RFP Focus Area: End-to-End Supply Chain

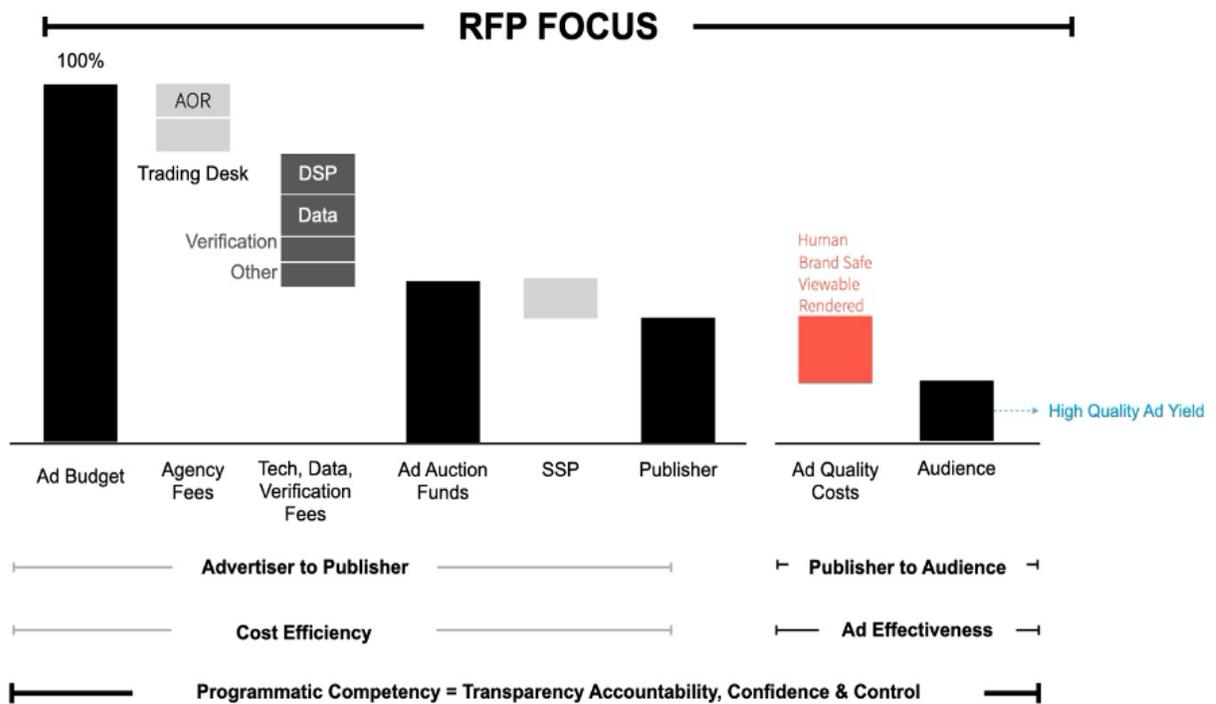


Figure 3: RFP Focus Area: Open Web vs. Walled Garden Supply Chain

