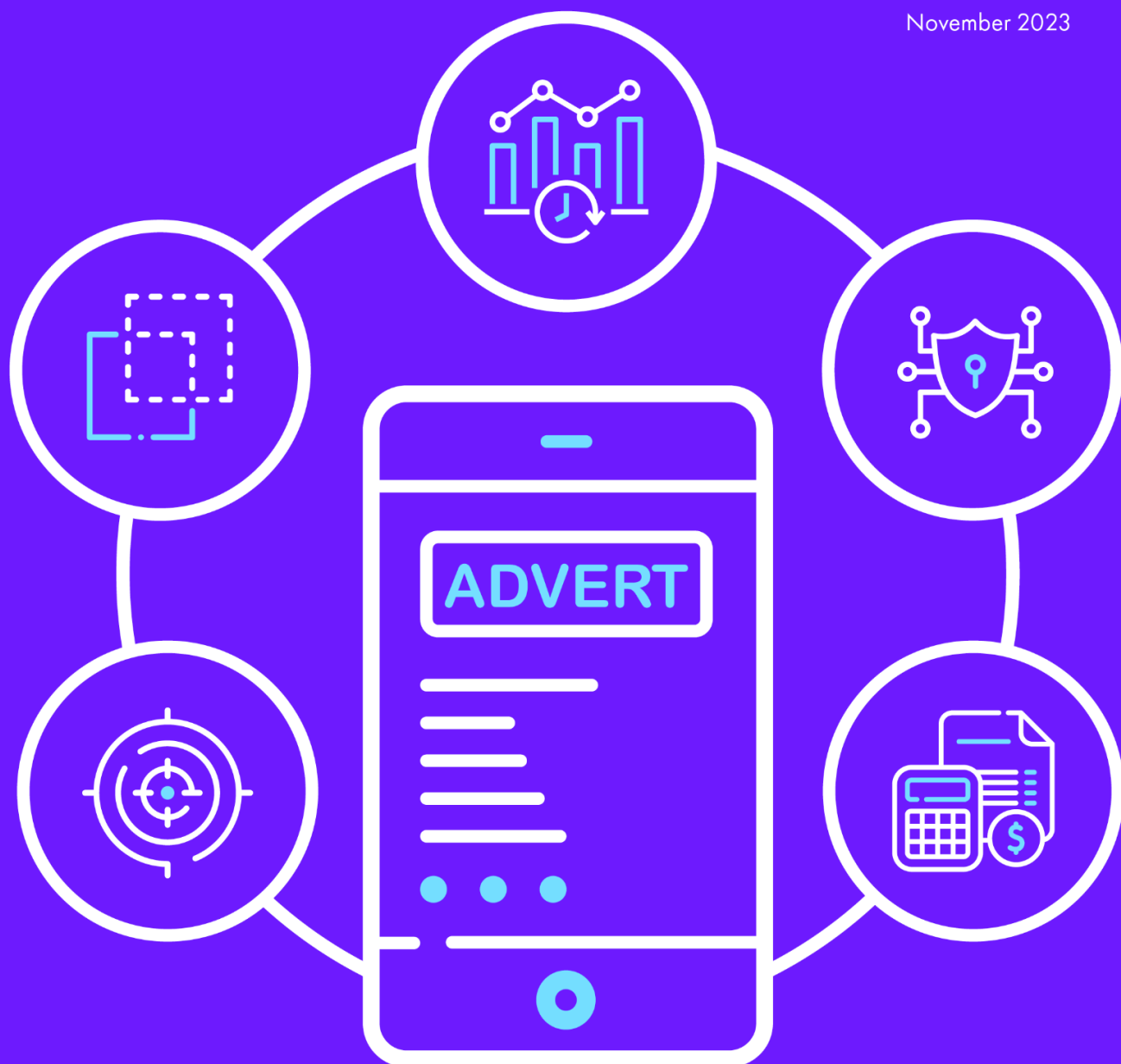


November 2023



# IAB EUROPE'S ATTITUDES TO PROGRAMMATIC ADVERTISING REPORT

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The 2023 Attitudes to Programmatic study highlights the following key trends:

## 1. Programmatic Investment Resilience:

- Despite macroeconomic and geopolitical challenges, the European digital ad market, valued at 86 billion EUR, continues to demonstrate resilience, with 58% of all non-social display spend transacted programmatically.

## 2. Current Adoption and Strategies:

- There has been a significant increase in programmatic investment from the buy side, with more than half of advertisers allocating over 41% of their display, mobile, and video campaign investments to programmatic.
- Operational models indicate a shift towards in-housing for advertisers, but a hybrid model combining in-house and outsourcing is still prevalent.
- Over two-thirds of advertisers are considering bringing programmatic trading in-house in the next 12 months.

## 3. Drivers and Barriers:

- For agencies, cost efficiencies continue to be the primary driver for programmatic investment, with advertisers emphasizing operational efficiencies.
- Barriers to programmatic adoption for advertisers in 2023 include concerns about the quality of media (35% of advertisers), political/economic factors, and regulatory compliance. Agencies show a growing concern for sustainability.

## 4. Measurement and Data Strategy:

- Traditional metrics such as CPMs and CPVs remain important for advertisers and agencies, despite a growing focus on quality metrics like viewability, fraud, and brand safety.
- First-party data usage is on the rise, with 88% of publishers and 81% of agencies utilising it. 81% of agencies are currently using third party data, a significant increase on last year.
- Contextual targeting emerges as a popular category for finding new audiences.

# KEY FINDINGS

## 5. Future of Programmatic:

- AI is seen as the number one key driver of programmatic growth for advertisers. Publishers selected audio and retail media as their top two growth areas for programmatic growth.
- The confidence in retail media fuelling new investment opportunities was most strongly backed by ad tech vendors with 43% selecting it as the number one driver.
- Connected TV was the one consistent driver for all stakeholder groups. Around one third of each stakeholder group selected it as the key growth area.

## 6. Progress Towards Net Zero:

- Over 80% of respondents acknowledge sustainability as a strategic focus for their organisations.
- Advertisers lead the way, with 44% stating that sustainable programmatic advertising is a part of their strategic focus.
- Over half of respondents perceive progress towards Net Zero, with agencies leading the way.
- Advertisers and ad tech vendors are leading the way on incorporating sustainability into their media plans. 2 in 3 advertisers agree sustainability should be a key part of RFPs alongside 4 in 5 ad tech vendors.

# 1. INTRODUCTION

In order to understand the status of programmatic adoption across Europe on both the buy-side and sell-side of the digital advertising industry, IAB Europe's Programmatic Trading Committee developed the Attitudes to Programmatic Advertising survey in 2015.

Now in its ninth year, the study has become an industry benchmark to show how programmatic advertising attitudes, adoption and strategies are evolving across Europe. The survey provides valuable insights to IAB Europe, its members and the larger industry to help shape work plans and direction of focus. It also acts as an indicator to any areas where programmatic trading requires improvement be it cost or operational elements, enabling IAB Europe members to address these quickly and effectively, before it becomes a large-scale barrier to future investments.

The survey attracted respondents who command significant volumes of advertising supply and demand. More than half of the respondents across advertisers, agencies and publishers manage annual advertising budgets of €1m or above.

The survey asked about the following areas:

- How much programmatic is used for different formats (display, mobile and video)
- Drivers and barriers to programmatic investment
- Operational models used for programmatic
- Measurement and data strategy
- The importance of sustainability in programmatic trading
- The future of programmatic investment

The report, written by industry experts from IAB Europe's membership, forms part of a comprehensive programme of pan-European educational and guidance outputs published by the [IAB Europe Programmatic Trading Committee](#).

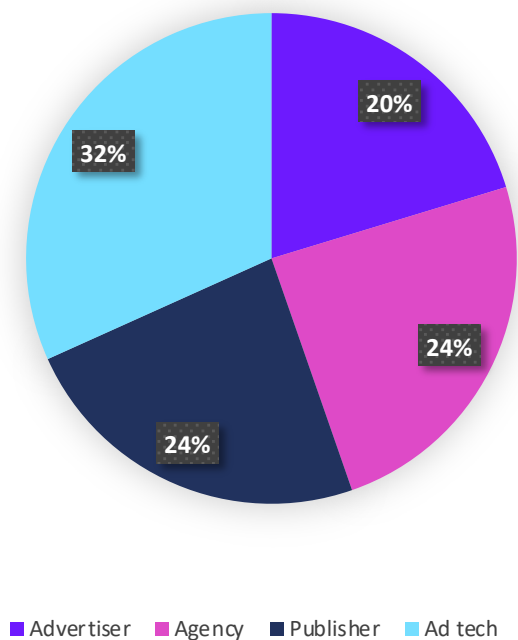
The previous versions of the Attitudes to Programmatic report can be accessed via the following links:

- [2022](#)
- [2021](#)
- [2020](#)
- [2019](#)
- [2018](#)
- [2017](#)
- [2016](#)
- [2015](#)

# 2. METHODOLOGY

An online survey was sent out via email to IAB Europe members and the wider industry. With the additional help of the National IAB network, operating in over 27 European countries, it helped to ensure a representative sample across European markets. The survey received 396 respondents between July and August 2023. The responses came from advertisers, agencies, publishers and ad tech vendors in 31 markets, with respondents having both pan-European and Global remits.

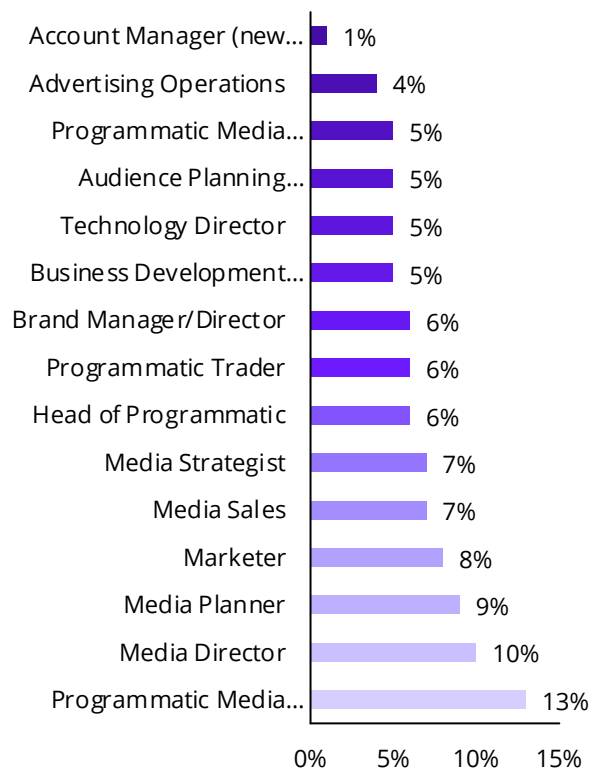
**Figure 1**  
Breakdown of respondents by stakeholder type



The majority of respondents were programmatic or media buying specialists. Just under half of all respondents represent buy-side stakeholders (20% advertisers; 24% agencies) and the majority command ad budgets of more than 11 Million Euros, with just over 10% having responsibilities of 150m+ advertising budgets.

*IAB Europe members can access the full data set by contacting the IAB Europe team (contact details at the back of this report).*

**Figure 2**  
Respondents job roles



# 3. CURRENT ADOPTION & STRATEGIES

## Investment

According to the recently released [AdEx Benchmark 2022 study](#) (released June 2023), the European digital ad market, valued at 86 billion EU, continues to be programmatic first with 58% of all non-social display spend now being transacted programmatically. Despite facing unprecedented macroeconomic and geopolitical challenges, such as the war in Ukraine and rising inflation, the digital advertising market demonstrated exceptional resilience with increases in programmatic and overall digital advertising investments.

The 2023 survey findings further highlight this trend and indicate that the industry has picked itself back up from the declines witnessed in the 2022 survey. That year, overall programmatic investment was slightly down compared to 2021. In 2023 there is a significant increase from the buy side on the percentage of their digital campaigns that is being allocated to programmatic investment from display through to mobile.

## Display

54% of advertisers said that over 41% of their display campaigns were bought programmatically as opposed to manually. This is a significant increase from 2022, where 44% of advertisers said that over 41%

of their display campaigns were bought programmatically. Display is still commanding a significant programmatic investment from the buy side with 30% of advertisers citing that over 81% of their display investment is now programmatic. Agencies followed a similar spike in programmatic investment. Compared to 2022 where 44% of agencies said that 41% of their display was bought programmatically, in 2023 it increased to 55%. Now over half of all display budgets for the buy side is bought programmatically.

## Mobile

The situation is similar for mobile campaigns. When asked about the percentage they invest in mobile programmatically, 53% of advertisers and 55% of agencies said that 41%+ of their mobile investments was programmatic. This is a pivotal increase from 2022, where just under half of advertisers (47%) and agencies (42%) said it was over 41%. Breaking down the 41%+ investment in 2023, 38% of advertisers and 35% of agencies cited that the percentage dedicated to buying mobile programmatically was 81%+.

# 3. CURRENT ADOPTION & STRATEGIES

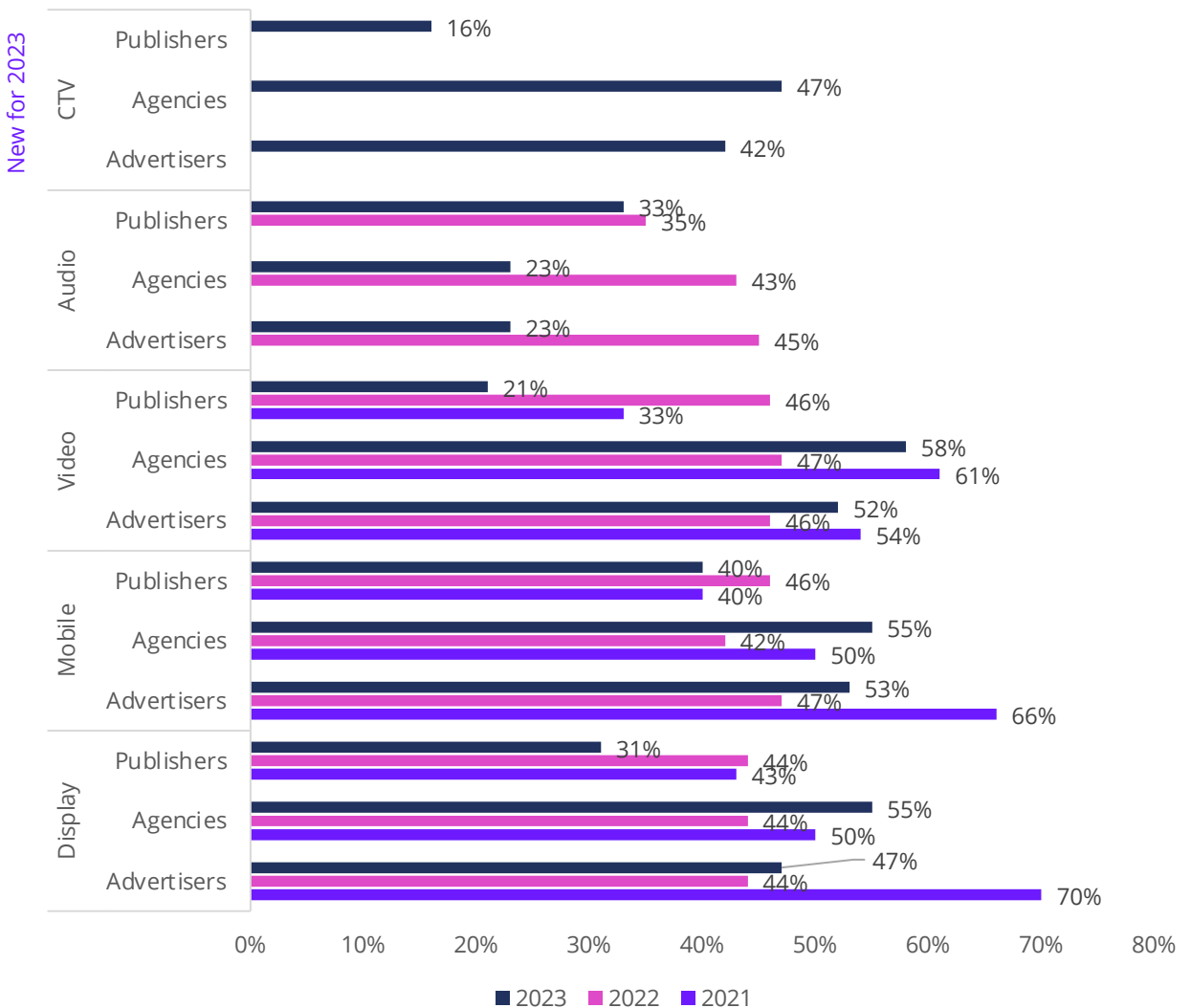
## Video

For video, 53% of advertisers and 58% of agencies cited that over 41% of their video investment was bought programmatically, compared to 46% of advertisers and 47% of agencies in 2022. As with display and mobile, again it is around a third of the buy side that

said that 81%+ of their video investment is bought programmatically, highlighting the dependence of programmatic for the buy side.

**Figure 3**

Percentage of stakeholders that use programmatic to buy / sell more than 41% of their display, mobile, video, audio or CTV inventory (2021-2023)



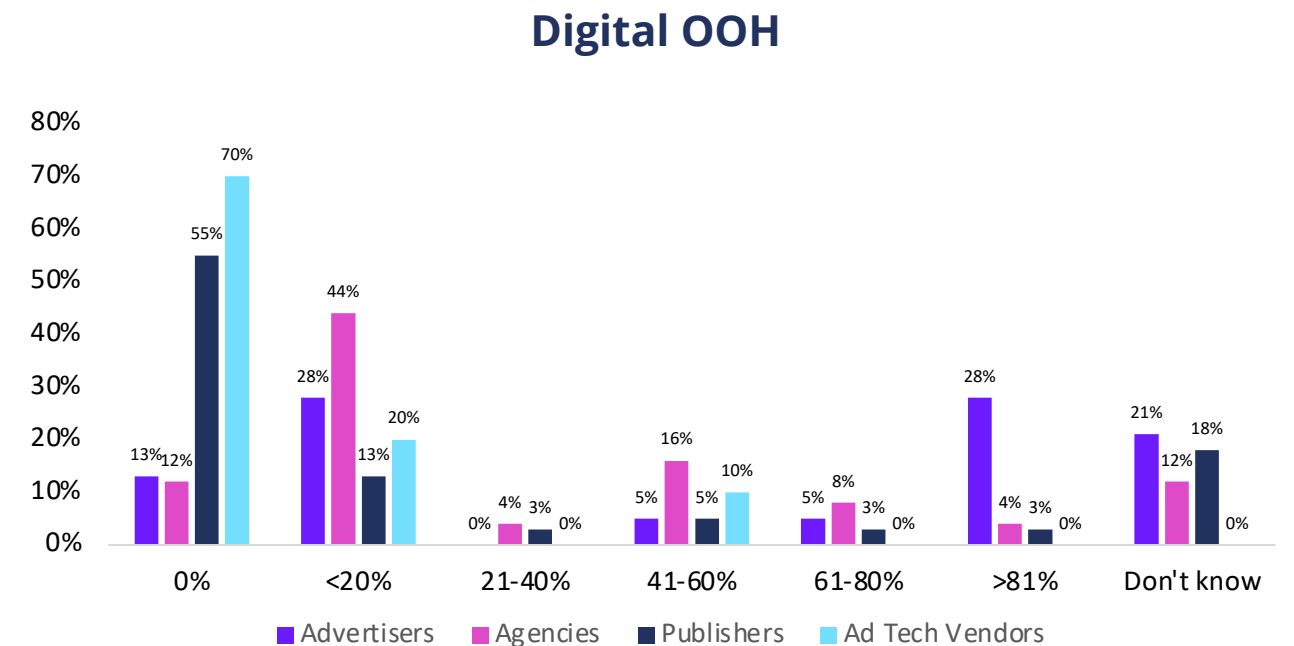
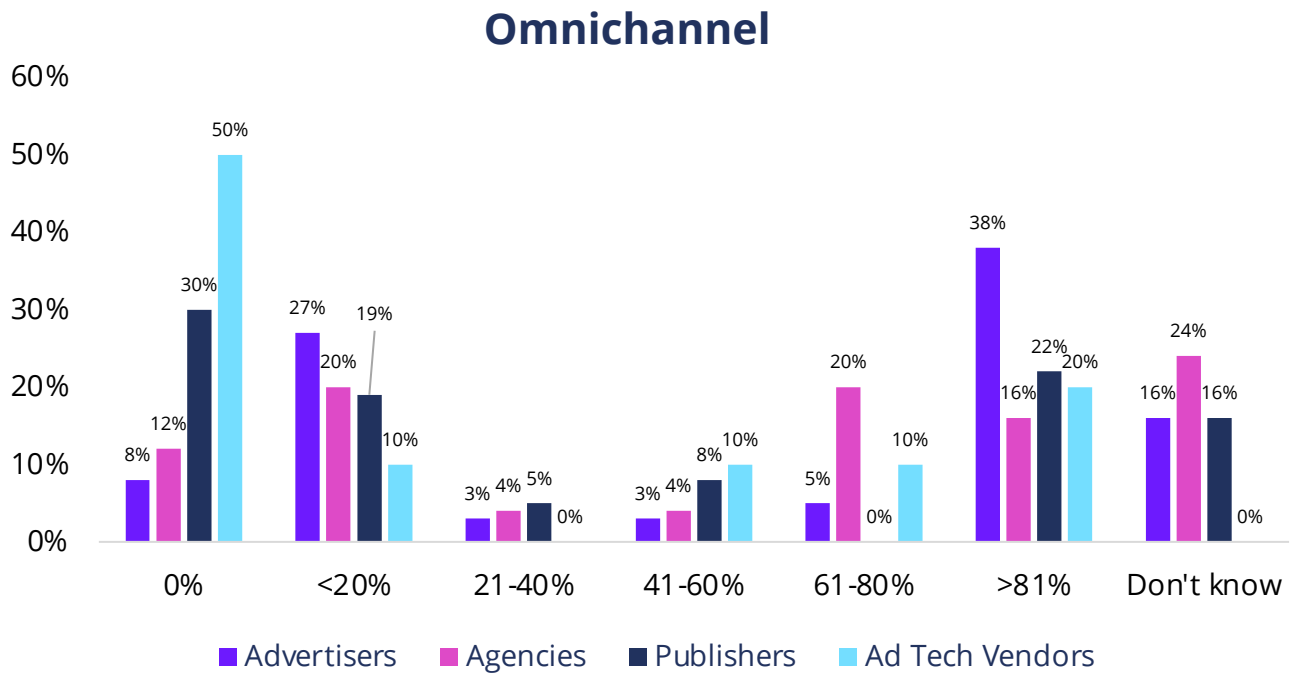


### 3. CURRENT ADOPTION & STRATEGIES

#### Emerging Channels

**Figure 4**

Percentage of stakeholders overall programmatic advertising budgets that are invested in emerging channels (2023)

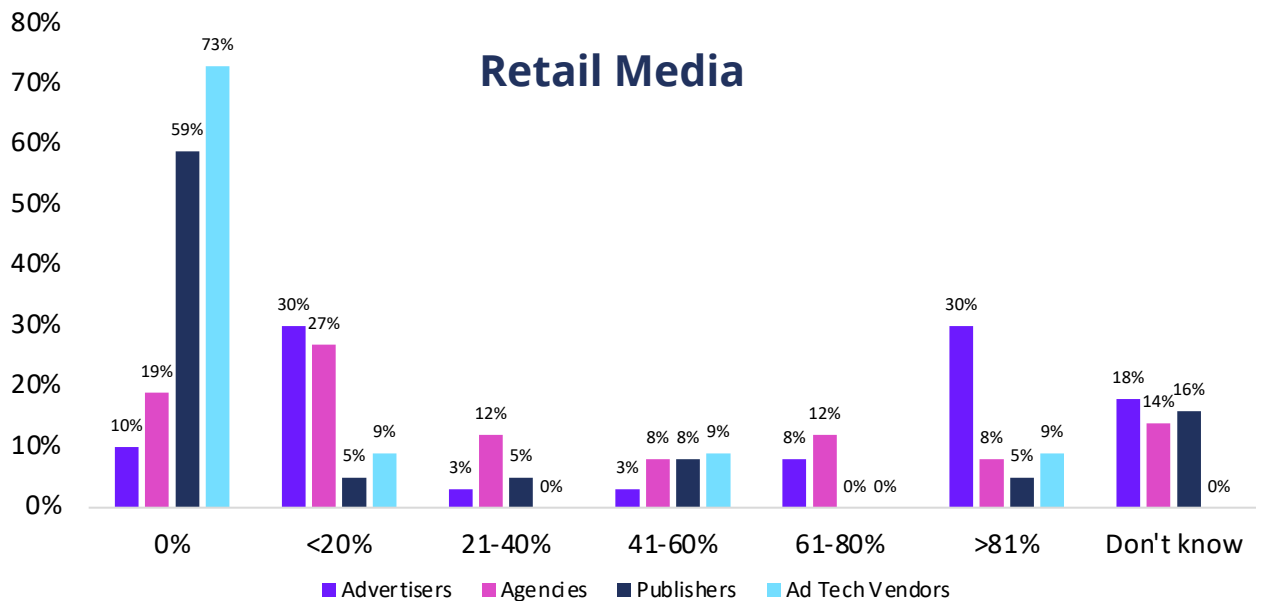
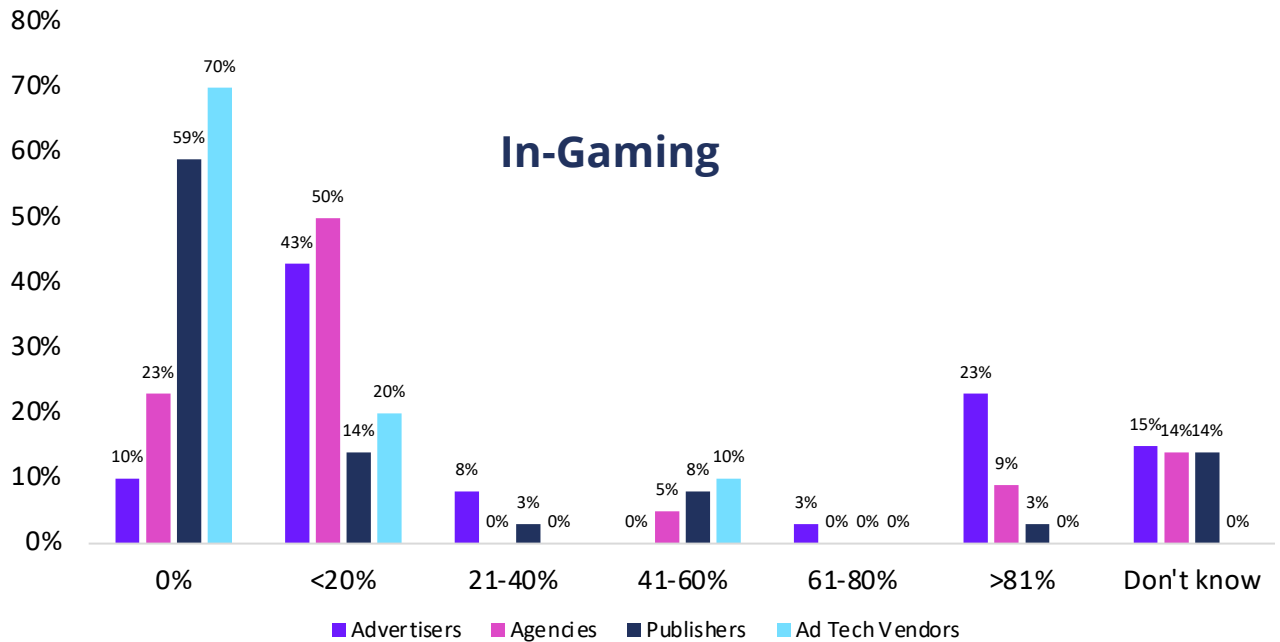


### 3. CURRENT ADOPTION & STRATEGIES

#### Emerging Channels

**Figure 5**

Percentage of stakeholders overall programmatic advertising budgets that are invested in emerging channels (2023)



### 3. CURRENT ADOPTION & STRATEGIES

#### Operational Models

*Whilst in-housing increases for advertisers, the hybrid model is still the best fit*

The last few years have been an experiment for the buy side as they navigate the best operational model for their programmatic buying. In 2021, 50% of advertisers said they had an in-house model. This dropped down to 16% in 2022, but has bounced back up in 2023 to 27% saying in-house is their main operational model.

Advertisers cited 'cost efficiencies' and 'granularity of controls and transparency of reporting' as the top two drivers for managing their programmatic trading in-house.

The most popular model, cited by 42% of advertisers, was a hybrid approach - combining both in-house and outsourcing. When asked what barriers were stopping a full in-house implementation, the two reasons cited by the majority were 'operational elements' (e.g. measurement, performance, use of data) and 'quality of

media' (e.g. fraud, brand safety, viewability, transparency).

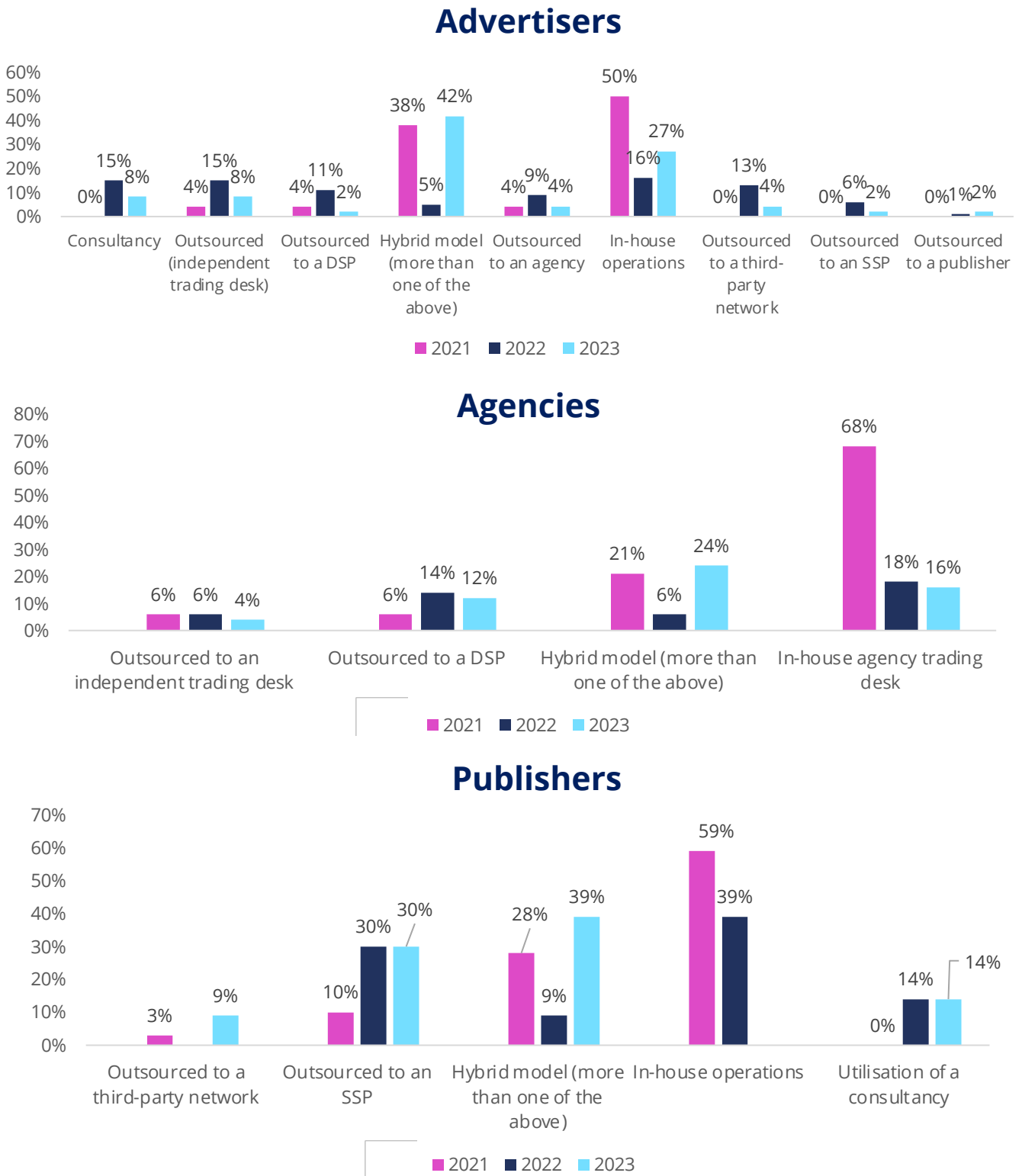
Looking towards 2024, over two-thirds (67%) of advertisers said they were considering bringing programmatic trading in-house over the next 12 months. The same proportion also said they are considering using an external consultancy for their programmatic strategy in the next 12 months.

For those who responded affirmatively to the inquiry "thinking about bringing programmatic trading in-house, does your company have sufficient budget to invest in programmatic advertising technologies and staff resources?" In comparison to the previous year, the optimism appears to have waned :

- Advertisers answered Yes: 55.56% (2023) vs. 86% (2022)
- Agencies answered Yes: 20.00% (2023) vs. 84% (2022)
- Publishers answered Yes: 50.00% (2023) vs. 85% (2022)

### 3. CURRENT ADOPTION & STRATEGIES

**Figure 6**  
Operating models by stakeholder (2021-2023)



### 3. CURRENT ADOPTION & STRATEGIES

**Figure 7**

Stakeholders with an in-house strategy – top 3 drivers (2023)

Advertisers		Agencies		Publishers	
Granularity of controls and transparency of reporting	50%	Operational efficiencies (e.g. automation)	62%	Granularity of controls and transparency of reporting	64%
Ability to discover audiences	50%	Ability to discover audiences	49%	Cost Efficiencies	55%
Cost Efficiencies	50%	Availability and scale of inventory	54%	Operational efficiencies (e.g. automation)	45%
				Availability and scale of inventory	45%

**Figure 8**

Stakeholders with an in-house strategy – top 3 barriers (2023)

Advertisers		Agencies		Publishers	
Operational elements (e.g. measurement, performance, use of data)	67%	Hiring and training staff	85%	Operational elements (e.g. measurement, performance, use of data)	55%
Quality of media (e.g. fraud, brand safety, viewability, transparency)	58%	Operational elements (e.g. measurement, performance, use of data)	62%	Hiring and training staff	50%
Hiring and training staff	50%	Costs & Quality of Media	39%	Costs	45%

# 4. DRIVERS & BARRIERS

## Drivers of Programmatic Investment

In 2022 we saw more than a quarter of advertisers and agencies ranking media cost efficiencies as the most important driver for programmatic investment. However, in 2023, there have been subtle shifts in this landscape, as evidenced by the chart below. In 2023, cost efficiencies continued to be the number one driver for agencies, increasing significantly from 26% to 32%. However, advertisers cited their main driver for programmatic advertising as operational efficiencies with 25% selecting this as their number one driver. This was closely followed by 23% of advertisers saying it was the ability to discover audiences.

Publishers, meanwhile, predominantly view operational efficiencies (e.g. automation) and the availability and scale of inventory as the top two key business impact factors worthy of investment. Ad Tech Vendors placed considerable importance on the availability and scale of inventory and the ability to discover audiences, whilst also recognising cost efficiencies as important.

Notably, a new factor, "Improved Sustainable Advertising," was introduced for evaluation by advertisers and agencies this year. Both advertisers and agencies ranked this last for drivers in programmatic investment.

## Barriers to Programmatic Investment

Looking at the barriers to programmatic adoption it's interesting to see that whilst in 2022 the buy side positioned costs as their number one barrier, this year there has been a big shift towards reviewing the quality of media and assessing the political / economic environment.

Approximately a third of advertisers (35%) cited the quality of media which includes fraud, brand safety etc, as their number one barrier. This is a clear sign that the industry needs to better educate the buy side on how they can ensure brand safe and trusted environments for their ad campaigns. The same can also be said for regulatory and policy guidance so advertisers can be confident their campaigns are privacy first and compliant for EU regulations. These key concerns also resonated with publishers who positioned them in their top two barriers alongside operational elements.

Agencies however seemed more concerned over sustainability, citing it as their number one barrier, underlining its growing significance in the industry and the subsequent importance that the industry is placing on tackling it. The hiring and training of staff was the number two barrier for agencies but was cited as the number one barrier for ad tech vendors.

## 4. DRIVERS & BARRIERS

**Figure 9**

Top driver of programmatic investment by stakeholder (2023)

	Advertiser	Agency	Publisher	Ad Tech
Operational efficiencies	25%	25%	38%	10%
Availability and scale of inventory	21%	7%	23%	40%
Ability to discover audiences	17%	21%	13%	30%
Cost efficiencies	10%	32%	13%	20%
Granularity of controls & transparency of reporting	19%	11%	13%	0%

**Figure 10**

Barriers to programmatic investment by stakeholder (2023)

	Advertiser	Agency	Publisher	Ad Tech
Costs	19%	14%	26%	10%
Operational elements (e.g. measurement, performance, use of data)	10%	18%	13%	0%
Hiring and training staff	2%	11%	15%	40%
Quality of media (e.g. fraud, brand safety, viewability, transparency)	35%	21%	15%	20%
Political and economic environment	19%	11%	28%	20%
Sustainability	15%	25%	3%	10%

# 5. MEASUREMENT & DATA STRATEGY

The 2023 survey has revealed some interesting measurement and data themes, which might point to some uncertainty whilst the industry navigates transformational changes in addressability and privacy.

In the measurement space for example, despite the popular narrative that as an industry we should be moving beyond some of the more traditional ‘media metrics’ (e.g. CPMs & CPVs), this year, advertisers identified those metrics as the most important measurement type, and agencies had this as jointly most important alongside audience metrics (such as reach). This is despite newer ‘quality metrics’ (viewability, fraud and brand safety) being clear priorities for all respondent types other than ad tech vendors in 2022.

Perhaps more surprising is the growth in lack of measurement of programmatic campaigns from last year - 30% of advertisers and 22% of agencies do not measure the success of their campaigns - up from just 6% and 9% respectively YoY. It’s unlikely that the industry doesn’t want to measure campaigns, so limited access to the appropriate tools, data and knowledge could be driving this trend.

Focusing on data, the trends highlight that some of the more traditional workflows are not shifting just yet. After a significant drop from 2021 to 2022 for most respondent types, third party data is back. For example, 81% of agencies are currently using third party data - that’s a 55% increase on last year, and significantly ahead of the 51% that they forecasted back in 2022.

**Figure 11**  
Top 3 metrics used by stakeholder (2023)

Advertisers		Agencies		Publishers	
Media	38%	Media	59%	Quality	60%
Quality	36%	Audience	59%	Media	51%
Media	36%	Quality	55%	Revenue driving	43%



# 5. MEASUREMENT & DATA STRATEGY

Only ad tech vendors are decreasing their current use of third party data - even publishers, highly consistent over the last few years, have demonstrated a reasonable uplift in third party data use this year.

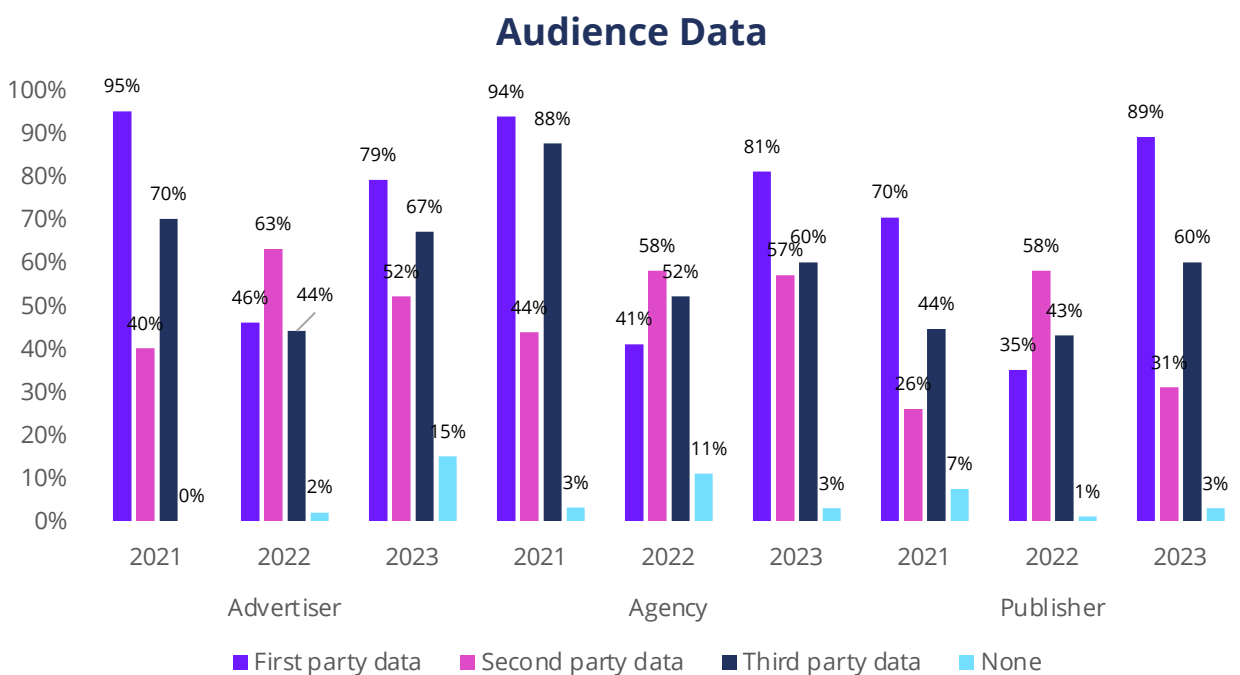
There are, however, clear signs that the industry is looking more to the future whilst still capitalising on current methodologies. Whilst third party data use appears to be growing, first party data use is growing even quicker, after a decline in 2022, 88% of publishers are using first party data, versus 35% in 2022. Agencies are showing similar growth from 42% in 2022 up to almost 81%. Across the board, it appears to be the single

most important data type in terms of future plans.

The final future growth area for measurement and targeting is the increasing importance of Contextual targeting.. In 2023, it was the most selected category ahead of leveraging first party data and newer initiatives such as identity solutions.

In summary, it seems that a mix of old and new measurement and data strategies are the current approach whilst the industry waits for clear winners and future-proof paths forward.

**Figure 12**  
Type of audience data used by stakeholder (2021-2023)



# 6. FUTURE OF PROGRAMMATIC

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We need to think about a future without third-party cookies, fingerprinting, and mobile IDs, particularly as platforms and agencies create a growing sense of urgency. We've seen in the business world, revised approaches to consumer data, driven by increased expectations and demands of the users and authorities.

First-party data is going to be critical for both brands and publishers. Advertisers will expand their ability to collect first-party data and bring all their data together with CDPs, CRMs, and other tools for analysis. Those with captive audiences and first-party data assets will also boost their efforts to monetise them through a growing collection of retail media networks.

When respondents were asked what they thought would be the key programmatic growth areas over the next 12 months, 36% of advertisers and 29% of agencies cited AI as being the number 1 contributor to future programmatic growth.

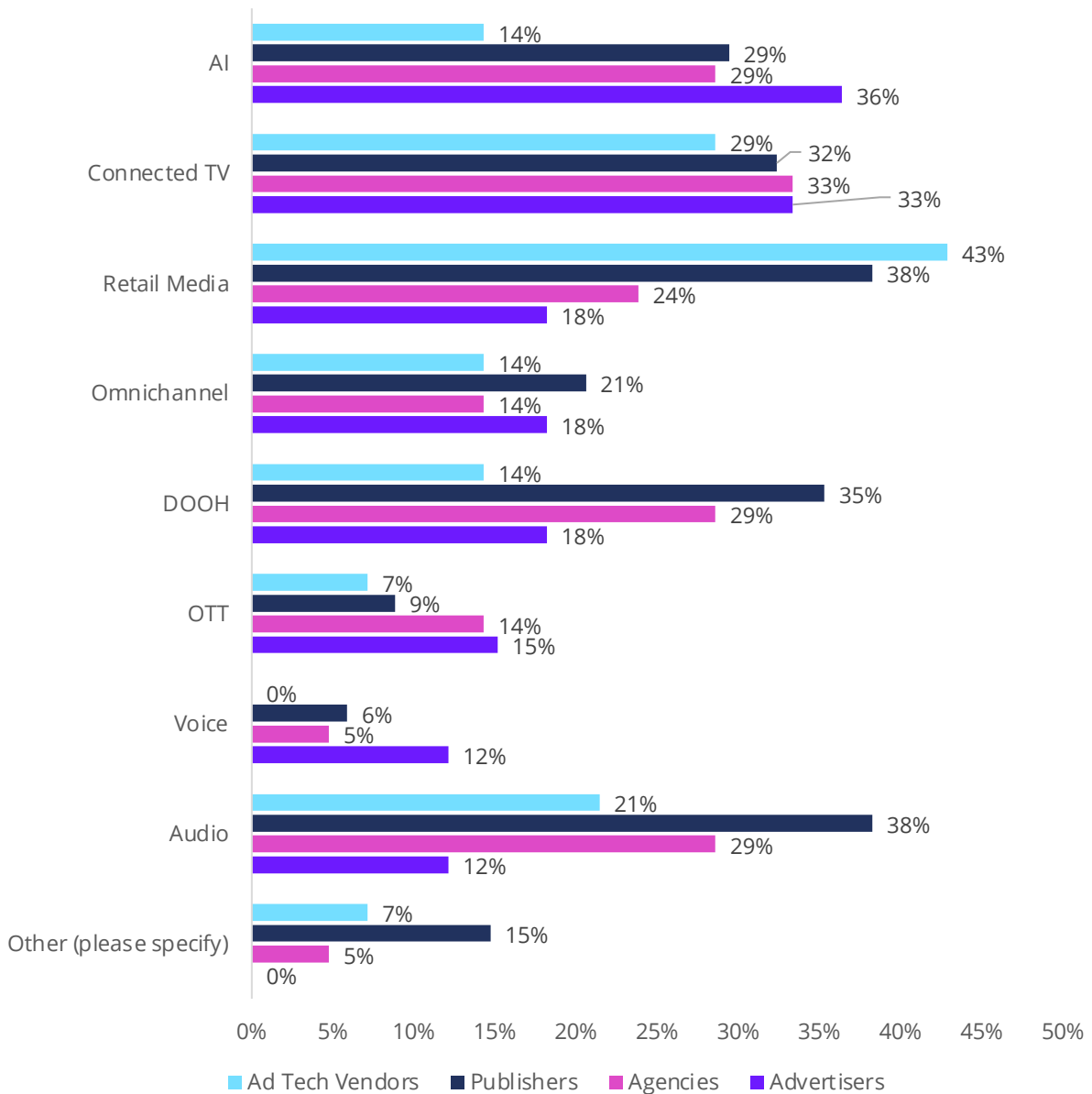
Publishers selected audio and retail media as their top two growth areas for programmatic growth. The confidence in retail media fuelling new investment opportunities was most strongly backed by ad tech vendors with 43% selecting it as the number one driver.

Connected TV was the one consistent driver for all stakeholder groups. Around one third of each stakeholder group selected it as the key growth area.

# 6. FUTURE OF PROGRAMMATIC

**Figure 13**

Future programmatic growth areas (2023)



# 7. SUSTAINABILITY

New for 2023, respondents were asked questions on sustainability. The very first question (Is achieving sustainable programmatic advertising a strategic focus for your organisation?), highlights that the majority of respondents (over 80%) answered in the affirmative. Over 40% of respondents say sustainable programmatic advertising is to some extent a strategic focus, and in ad tech that goes up to nearly 70%.

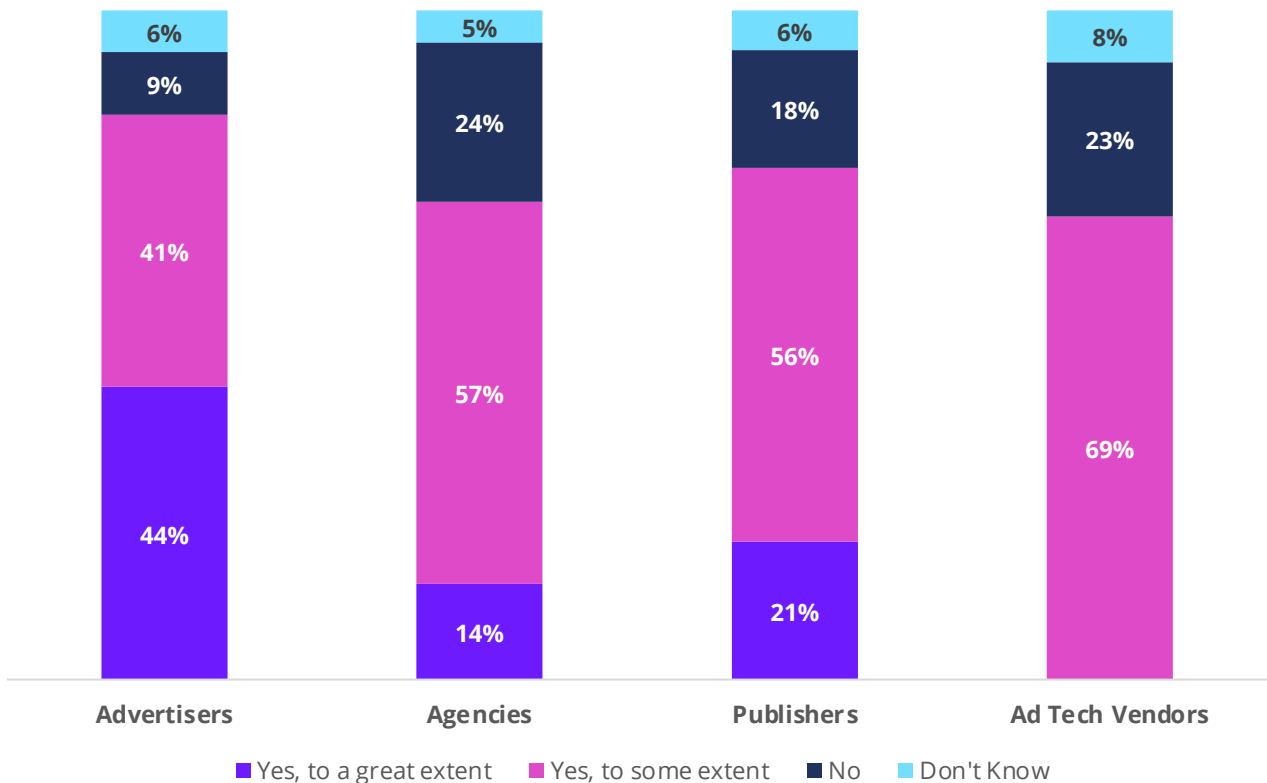
However, advertisers lead the way with 44% of respondents saying that sustainable programmatic to a great extent forms part of the strategic focus of their organisation.

Whilst the majority of the industry is committed to incorporating sustainability as a key strategic focus, there is still 1 in 10 advertisers, 1 in 4 agencies, 1 in 5 publishers and 1 in 4 ad tech vendors who cite it is not a focus.

## Strategic Focus

**Figure 14**

Sustainability as a strategic focus for programmatic advertising (2023)



## Progress towards Net Zero

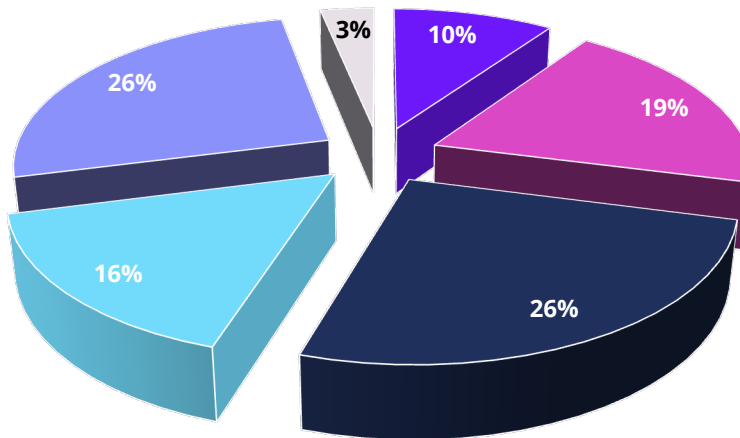
57% of respondents from Agencies perceive that there has been some progress made towards Net Zero, closely followed by Publishers (50% top of graph) and Ad Tech Vendors.

Less than 20% of respondents across the board believed that no progress had been made, contrasting with nearly 10% of Advertisers, and 8% of Ad Tech vendors who reported that they believed they had achieved Net Zero.

## Figure 15

Progress towards Net Zero (2023)

### Recent Progress



- Achieved Net Zero
- Made significant progress to achieving Net Zero
- Made some progress to Net Zero
- Made no progress to Net Zero
- Don't Know
- Further Comments (please specify)

## Should sustainability measures be added to all programmatic media plans?

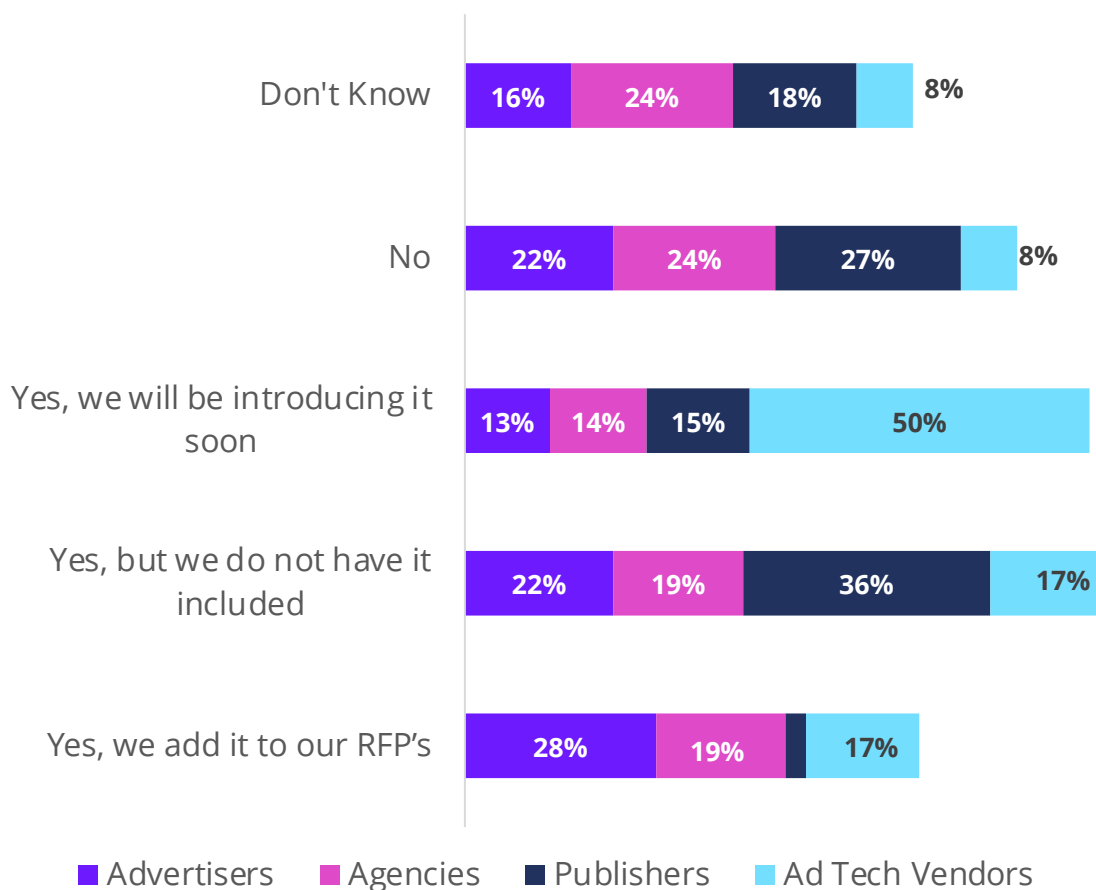
The standout statistics below help to forecast how media plans will soon incorporate sustainability measures. Overall, ad tech vendors and advertisers are leading the way in pushing sustainability to become a core component of all media plans. 2 in 3 advertisers agree sustainability should be a key part of media plans alongside 4 in 5 ad tech vendors. Nearly 30% of advertisers are already adding it to their RFPs, with over 34% agreeing it should be added. Whilst only 17%

of ad tech vendors currently incorporate it, 50% plan to add it soon.

However, as with the previous sustainability questions, there is still a small but significant section of each stakeholder group that has no ambitions to tackle sustainability. 30% of publishers and 22% say they do NOT think sustainability measures should be added to programmatic media plans.

### Figure 16

Adding sustainability to media plans



# 8. SUMMARY

The digital advertising market remains firmly rooted in its programmatic-first approach, with 58% of non-social display spend transacted programmatically. This resilience is particularly noteworthy amid challenging global conditions, including the conflict in Ukraine and escalating inflation.

The 2023 survey sheds light on a resurgent industry, rebounding from the dips observed in the 2022 survey. Programmatic investment is on an upswing, especially from the buy side. Notably, 54% of advertisers now allocate over 41% of their digital campaigns to programmatic investment, marking a significant increase from the previous year.

Operational models are evolving, with a rise in in-housing for advertisers, reaching 27% in 2023. However, the hybrid model, combining in-house and outsourcing, remains the predominant strategy for 42% of respondents.

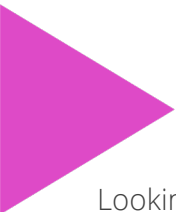
Looking ahead, the report indicates that two-thirds of advertisers are considering bringing programmatic trading in-house in the next 12 months, but questions remain on whether there will be the finances in place to make this switch.

The drivers and barriers shaping programmatic investment reveal intriguing shifts. Cost efficiencies continue to drive investment, but there's a notable transition towards operational efficiencies and finding new audiences, particularly among advertisers.

Barriers, on the other hand, showcase a nuanced landscape. Quality of media, including concerns about fraud and brand safety, takes the lead at 35%. Agencies highlight sustainability as their top barrier, emphasising the industry's growing commitment to addressing environmental concerns.

The measurement and data strategy landscape unveils a blend of tradition and change. Despite the industry narrative urging a move beyond traditional metrics, CPMs and CPVs retain their significance. Surprisingly, the report reveals a rise in the lack of measurement of programmatic campaigns, potentially attributed to limited access to appropriate tools, data, and knowledge.

# 8. SUMMARY



Looking toward the future, the programmatic landscape is set for change. The industry is bracing for a future without third-party cookies, fingerprinting, and mobile IDs. First-party data emerges as a cornerstone for both brands and publishers, and artificial intelligence (AI) takes centre stage as a key driver of programmatic growth. Notably, 36% of advertisers and 29% of agencies view AI as pivotal for the future, whilst 38% of publishers and 43% of ad tech vendors cite retail media as being the number one driver for programmatic growth.

Consistently, CTV was seen across the board by all stakeholders as being one of the driving forces for growth.

A notable addition to this year's report is a focus on sustainability. Over 80% of respondents recognise sustainable programmatic advertising as a strategic focus, with 44% of advertisers leading the way, stating it is of great extent importance.

Progress toward Net Zero is acknowledged by 57% of agencies, showcasing a collective commitment to environmental responsibility.

In conclusion, the 2023 Programmatic Advertising Report paints a vivid picture of an industry not just rebounding but evolving. It captures the resilience, adaptability, and a growing commitment to sustainability, setting the stage for a transformative era in European digital advertising.



## 9. WITH THANKS

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IAB Europe would like to thank the following members that helped to compile this report



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