



MAGNA's New Programmatic Forecasts

Global programmatic spend will reach \$42 billion by 2020

Programmatic penetration will reach 41% this year, increasing to 57% by 2020

Key Findings

- Digital media buying is being revolutionized by programmatic technologies. Over the 45 markets analyzed by MAGNA in its new report, display and video inventory transacted through programmatic methods will reach \$19 billion this year.
- Growth will remain strong through 2020, with average annual growth rates over 20%. The global market is expected to reach \$42 billion by 2020.
- The main drivers behind this growth include the opportunity to reduce transaction costs on both the buying and selling side, the opportunity to monetize a broader spectrum of impressions more effectively, and the opportunity to leverage consumer data at scale to improve the efficiency of ad campaigns.
- By 2020, mobile spend will represent 55% of global programmatic spend, and video spend will represent 66% of global programmatic spend, a departure from today's desktop display dominated marketplace.
- The United States remains the largest programmatic market globally, with nearly \$10 billion of total spend expected this year.

Programmatic technologies are reshaping the way digital media inventory is bought and sold. They are now being used on a large scale in both the US and across nearly 50 global markets. The programmatic phenomenon is global and irreversible.

The US is leading the global adoption of programmatic technology. With nearly \$10 billion of programmatic transactions expected in 2016, the US represents more than half of the global programmatic market. While growth rates are slowing as the US programmatic market matures, this is a result of stagnant display and desktop growth, and vibrant mobile and video growth.

The largest markets behind the US are China, Japan, and the UK. Despite vast differences in the technology platforms, data availability, and evolutionary paths that these markets have taken, they all have mature programmatic ecosystems.

Included in this report are detailed statistics about programmatic size, growth, and much more, for nearly 50 markets. The programmatic revolution is rapidly transforming the programmatic landscape, and staying ahead of market developments is more critical than ever.

Quick Stats:

- Programmatic spend is exploding; the global market will more than double by 2020, to \$42 billion.
- Programmatic spend will increase from 41% of display transactions this year, to 57% of transactions by 2020.
- Programmatic spend will grow by an average of 23% through 2020. Non-programmatic growth, on the other hand, will be flat.
- Today, just 1/3 of programmatic spend is mobile. By 2020, that will increase to 55% as mobile programmatic technologies continue to evolve.
- Three quarters of global programmatic spend comes from the largest 5 markets: The US, China, Japan, the UK and Germany.

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About us:

MAGNA is the centralized IPG Mediabrands resource that develops intelligence, investment and innovation strategies for agency teams and clients. We utilize our insights, forecasts and strategic relationships to provide clients with a competitive marketplace advantage. MAGNA Intelligence has set the industry standard for more than 60 years by predicting the future of media value. The MAGNA Intelligence team produces more than 40 annual reports on audience trends, media spend and market demand as well as ad effectiveness.

The logo for MAGNA, featuring the word "MAGNA" in a bold, black, sans-serif font. The letters are slightly shadowed, giving it a three-dimensional appearance.