This inaugural research study on the state of the nation of programmatic understanding in the Canadian marketing community was made possible through the collaborative efforts of Marketing magazine, AcuityAds and Rogers Research.

Based on research conducted by Rogers Media Insights Custom External Research, on behalf of AcuityAds, and in partnership with Marketing magazine.
The research study

92% of brands surveyed agree that digital media and digital marketing are "important" to their business and brand success.

Over 2/3rds (67%) of C-Suite Level Brand/Marketing Director Senior Brand/Marketing Manager Brand/Marketing Manager agreed that their companies had embraced the new digital paradigm.

Brands also see the digital world as a more cost effective - 69% surveyed indicated that digital campaigns offer a higher ROI than non-digital campaigns.

Yet only 18% say that their company performs "better than average" in using digital marketing campaigns.

DIGITAL MEDIA UTILIZATION

Question
Based on your own personal experience, how well does your company utilize digital media in advertising and marketing campaigns?

We perform better than average
18%

We are about average
57%

We perform below average
25%

GROWTH OVER 2 YEARS

The majority of brands that use digital marketing have experienced growth over the last 2 years.

15% decliners (NET)
85% growers (NET)

47% consistent growth
21% growth neutral
17% growth leaders

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About programmatic trading

**What is programmatic trading?**

*Marketing* magazine defines programmatic ad buying as:

The use of computer **algorithms** to buy media placements for digital advertising. Programmatic can refer to several methods of algorithm-based buying, but it’s most often used as a catch-all for any buying method that involves **automation** at some level.

**% DIGITAL BUDGET SPENT ON PROGRAMMATIC**

- **Marketers plan to increase their spend on programmatic by 100% over the next 3 years**
- **Amongst all brands surveyed that make use of programmatic buying,** all expect to increase their spend over the next 3 years, regardless of size and/or revenue

**AWARENESS OF PROGRAMMATIC BUYING IS LOW**

- **34% are unaware**
- **37% heard of it**
- **1% expert level**
- **21% understand basics**
- **7% use effectively**

Of our respondents, only 1% consider themselves experts and 7% use effectively; the others are at a basic level and below.

**PERFORMANCE**

- **Very few brands consider themselves leaders in programmatic**
- **ONLY 17%** said they were “market leaders” or “better than average” (NET) in programmatic executions

- **29%** said they were in line with the rest of the industry/average
- **45%** said they were “below average” or “lagging behind” (NET)
- **10%** said they didn’t know enough about the landscape to make a guess

**HOWEVER…**

- **46%** of “leaders” indicate they perform “better than average” in terms of digital executions — only 18% of brands that are “average” identify as “better than average”
- **Companies that are experiencing declines in growth are more likely to identify as “laggers” (NET) than companies experiencing growth (58% vs 43%, respectively)**

- **“Leaders” (NET) are most likely to be found in the $100M-249M range (30%) and $250M+ range (25%)**

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Use/benefits of programmatic trading

**REACH YOUR GOALS**

- **Top 2 responses**
  - Better targeting: 54%
  - An ability to optimize campaigns in real time: 50%
- **Top 3 responses**
  - More precise and extensive performance metrics: 46%
  - Building brand awareness: 46%
  - Cost savings: 41%

**UNDERSTANDING**

- **Top 2 responses**
  - **Awareness**: 54%
  - **An ability to optimize campaigns in real time**: 50%
- **Top 3 responses**
  - More precise and extensive performance metrics: 46%
  - Building brand awareness: 46%
  - Cost savings: 41%

When asked to self assess their awareness of programmatic trading, respondents highlighted significant organizational and managerial knowledge gaps. Participants were asked to score their understanding on a 10 point scale. Mean scores are presented.

**Organizational**

- **Awareness**: 3.9
- **An ability to optimize campaigns in real time**: 79%
- More precise and extensive performance metrics: 76%
- Building brand awareness: 75%
- Cost savings: 76%

**Executive**

- **Awareness**: 4.0
- **An ability to optimize campaigns in real time**: 79%
- More precise and extensive performance metrics: 84%
- Building brand awareness: 85%
- Cost savings: 86%

**Junior level**

- **Awareness**: 3.3
- **An ability to optimize campaigns in real time**: 79%
- More precise and extensive performance metrics: 84%
- Building brand awareness: 85%
- Cost savings: 86%

Programmatic buying is not necessarily related directly to factors such as brand safety and direct revenue generation, but more closely tied towards refining campaigns for efficiency and measuring correctly.

**Question**

Please indicate your level of agreement with the following statements:

- Programmatic buying is already an essential part of the Canadian digital media landscape: 10% Agree strongly, 61% Agree (NET)
- Programmatic buying is cost effective: 13% Agree strongly, 74% Agree (NET)
- Programmatic buying is valuable for brand advertisers: 19% Agree strongly, 84% Agree (NET)
- Programmatic buying is valuable for direct response advertisers: 21% Agree strongly, 85% Agree (NET)
- Programmatic buying is an effective way to reach consumers with targeted messaging: 24% Agree strongly, 86% Agree (NET)

**FORMATS YOU USE**

- **Open exchanges**: 30%
- **RTB**: 8%
- **Private/premium exchange**: 11%
- **Programmatic direct buys**: 33%
- **Uncertain**: 20%
- **Agency decides**: 3%
- **Other**: 3%

Open exchanges remain the most common programmatic format amongst brands that employ it, although 20% of brands see agencies taking care of programmatic buying completely.

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Adapting to the new landscape

Obstacles to getting companies to invest more in programmatic buying

- 32% Lack of understanding overall in my company
- 31% Concerns over whether premium content is actually “premium”
- 29% Don’t think the ads are being viewed by the right audience
- 26% Concerns about ads being placed on inappropriate sites
- 25% I can't see how money is being spent

The use of programmatic trading cannot take place in a vacuum

- 88% of brand marketers are aware that the new digital landscape requires new skill sets
- 60% felt that their organization was doing enough to recruit and train people to execute an effective digital campaign
- 60% agreed with the statement “my company has all the tools it needs to execute an effective digital advertising campaign”
- 59% agreed with the statement “my company has all the knowledge and skill sets it needs to execute an effective digital advertising campaign”
- 59% agreed with the statement “my company is doing a good job in investing financial resources in new digital advertising techniques”

Programmatic users appear to be more capable in executing digital campaigns.

- 94% of brands which used programmatic agreed with the statement “my company has all the tools it needs to execute an effective digital advertising campaign”
- 94% of programmatic users also agreed with the statement “my company has all the knowledge and skill sets it needs to execute an effective digital advertising campaign”

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Agency and partner relations

High % of marketers are unsure as to how programmatic is being planned and bought on their behalf.

Carried out externally:
- Strategy
- Buying
- Both Strategy + Buying
- Unsure

uncertainty regarding basic facets of the programmatic work (strategy and buying) appears to be more common amongst brands who use external partners.

INFORMATION NEEDS

Overall, agency partners do a good job informing me about the technology used in programmatic executions:

- 17% Strongly agree
- 71% Total agree (NET)

My agency involves me in decisions about programmatic execution:

- 11% Strongly agree
- 71% Total agree (NET)

I am satisfied with how my agency partners handle my programmatic executions:

- 13% Strongly agree
- 68% Total agree (NET)

My agency partners clearly communicate the benefits of programmatic to my organization:

- 14% Strongly agree
- 59% Total agree (NET)

My agency partners capture and disseminate audience data to me after each programmatic execution:

- 15% Strongly agree
- 69% Total agree (NET)

My agency partners clearly communicate the benefits of programmatic to me:

- 14% Strongly agree
- 66% Total agree (NET)

My agency partners provide me with clear, easy to understand reports about my programmatic campaigns:

- 12% Strongly agree
- 79% Total agree (NET)

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acuityads.com
Looking to the future

**Question**

“Which of the following do you see as the top digital marketing trends emerging over the next 3-5 years?”

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<thead>
<tr>
<th>38%</th>
<th>38%</th>
<th>44%</th>
<th>45%</th>
<th>56%</th>
<th>61%</th>
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<tbody>
<tr>
<td>Companies becoming less conservative and more proactive in adopting new digital advertising platforms/methods</td>
<td>Companies working to train/retraining staff to have broader digital skill sets</td>
<td>Businesses devoting more financial resources to expand their digital advertising capabilities</td>
<td>Advanced analytics that allow for broader data capture</td>
<td>Adoption of digital marketing methods that allow for more personalized advertising experiences</td>
<td>Digital advertising campaigns becoming more focused on handheld/mobile devices</td>
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**Looking Forward**

**DIGITAL ADVERTISING IS HERE TO STAY**

Programmatic buying is a technique which can help improve the quality and cost-effectiveness of digital campaigns – but few marketers use it.

Using programmatic effectively can help brands achieve success in the new digital landscape.

**Take action!**

The media buying process is being automated in a similar way to the shift that occurred in the travel industry many years ago — from paper based transactions to automated transactions conducted by machines and algorithms.

Although the importance of digital is well understood by Canadian marketers, the automation of media buying (programmatic) is still not well understood by marketers in Canada and this was clearly demonstrated in the honest answers given.

**Acuity** is very interested in helping to elevate this understanding and focuses on simplicity when discussing or explaining the space. If you wish to learn more about this study or programmatic please contact us at **416-218-9888**.

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**We are real-time bidding.**

**Target and Connect Intelligently.**

**WE BUILD TECHNOLOGY THAT DELIVERS RESULTS.**

Our programmatic marketing platform was built by people who are passionate about finding intelligent ways for advertisers to connect with consumers. Since opening our doors in 2009, we’ve grown from a 7 person business to a public company with presence in Toronto, Montreal, New York, San Francisco, Los Angeles, Chicago and Dallas.

- Reach your audience across display, video, mobile and social.
- Manage data, campaign insights and optimization within one platform.
- Industry leading fraud protection including third-party audits via FraudLogix, Peer39 and Adometry.
- Our algorithm uses up-to-the-minute data to avoid fraudulent unsafe environments in real-time.
- More efficient campaigns, less fraudulent traffic.
- Secure peace of mind that your ads are being seen while fraudulent and wasted impressions are minimized.
- Only pay for ads that are seen.*
- Our customizable solution leverages multiple levels of brand safety including contextual data to understand page content, blacklists and ad verification tools all fully integrated. Our classifier will not bid on unknown domains.
- Giving consumers the choice of opting out from behavioral targeting.
- Acuity is a proud supporter of the AdChoices program.
- Advertisers now have more targeting options, as well as access to hundreds of consumer segments and audience groups for their campaigns.