



Focus on APAC programmatic maturity

From the WFA, in association with Infectious Media

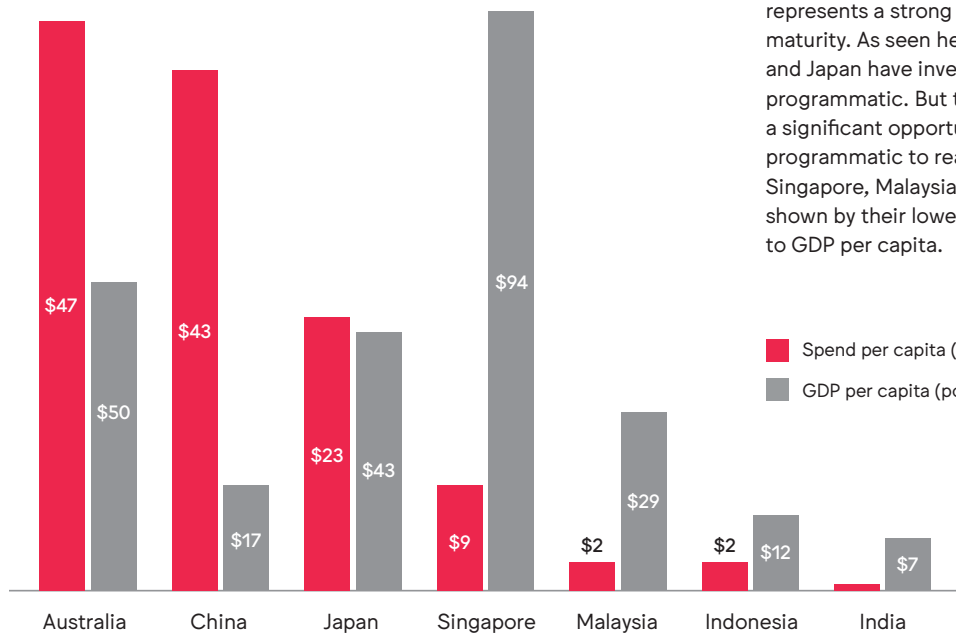
SUMMARY FINDINGS

As part of the WFA global programmatic maturity report, this focus on APAC shows many differences between the largest markets in the area. Below we look at those in detail and give advice on how advertisers need to adapt their approach to programmatic to scale their activity throughout the region.

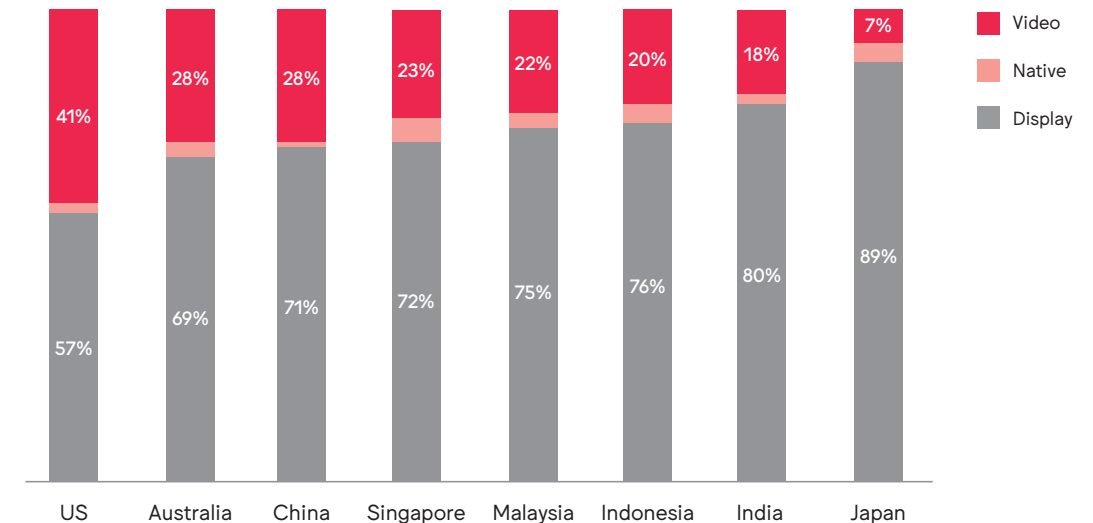
Programmatic spend per capita vs GDP per capita

← Programmatic spend per capita represents a strong indication of market maturity. As seen here, Australia, China and Japan have invested heavily in programmatic. But there is still a significant opportunity to invest in programmatic to reach audiences in Singapore, Malaysia and Indonesia, as shown by their lower ratio of investment to GDP per capita.

■ Spend per capita (users)
■ GDP per capita (pop) (\$m)



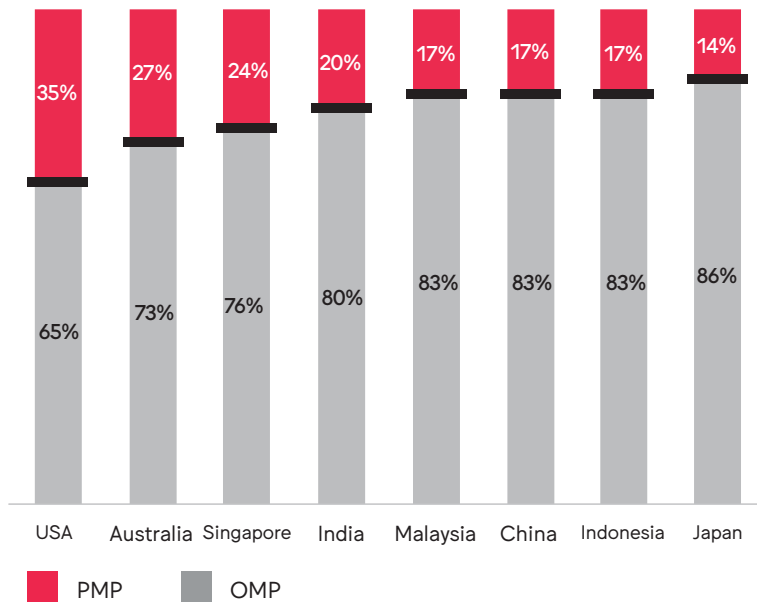
Content type



↑ The availability of video inventory is an important gauge of maturity, as the most valuable and in high demand asset it is the last one for publishers monetise programmatically.

There is a good opportunity to achieve video scale for branding campaigns in Australia and China. Although, the video inventory in Japan is obviously being sold through other means than open programmatic.

Private marketplace (PMP) adoption

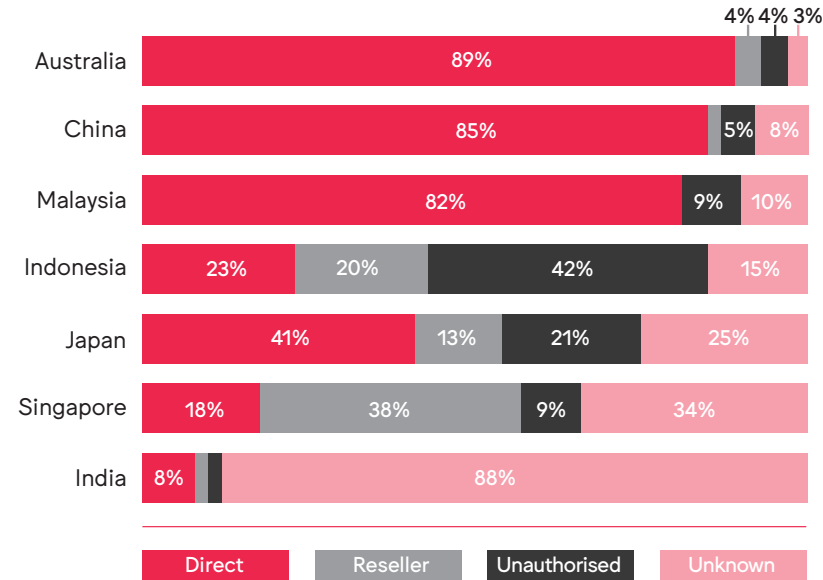


High private marketplace (PMP) adoption is a characteristic of a mature market as it is a relatively sophisticated trading method for publishers.

Australia shows its maturity once more, with a relatively high percentage of inventory traded via PMPs. Whereas, app first markets, such as China and Indonesia, score much lower.

However, mobile apps make new types of data available via the open marketplace (OMP), like location, age, gender, and context. So there is less incentive for buyers to trade via PMPs, and therefore, publishers to set them up.

Ads.txt split of local domains



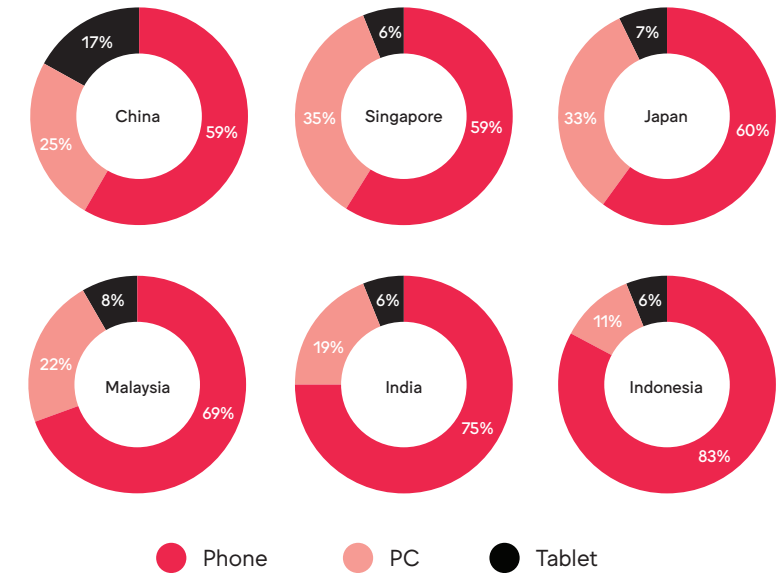
Publishers have implemented ads.txt files on their sites to reduce domain spoofing, but this only works on web inventory. Even so, dramatic differences can be seen across the markets when ads.txt data is drawn from local domains.

Australia is a largely direct to SSP market, with few intermediaries. Whereas, there has been little implementation of ads.txt in local Indian domains.

Singapore is another outlier, where there is exceptionally high concentration of reseller inventory in the market.

Similarly with Indonesia, which has an overwhelming amount of unauthorised inventory. This has to be interpreted as fraud, which advertisers will need strategies to avoid when buying in this market.

Device usage



Indonesia has by far the highest proportion of mobile inventory, with India and Malaysia coming in 2nd and 3rd. With such a concentration of mobile and app inventory, the mix of partners required by advertisers needs to be very different to US tech centric markets - where brand safety partners, data providers and DSPs generally take a web first approach.

The reverse of this trend can be seen in Japan and Singapore, both of whom have a relatively high proportion of desktop inventory. Something that may be attributed to prominent professional industries in these countries.

Tailoring the programmatic approach

Four types of market can be identified that share common characteristics in terms of their level of maturity and device usage. These can provide insight into which markets require a similar approach.



Australia

01 / Programmatic First

Push the boundaries

- Most publisher inventory outside of Facebook and Google is available via an exchange, and usually via multiple exchanges.
- Advertisers should aim for 80% of each channel to be bought programmatically in a transparent way.
- Advertisers should demand high viewability, fully disclosed trading and a high level of data access.
- Future facing marketers should be considering automated TV, audio and OOH in these markets as display begins to consolidate.



Singapore



Japan

02 / Maturing

Form relationships

- Most inventory should be available via programmatic, but access will not be fully automated.
- Dominant third parties control supply, so focus on agency and sales house relationships. Network style buys should be considered to gain access.
- Advertisers should aim for 40-50% of each channel to be bought programmatically.
- Publishers are less in control so access to data is more limited.
- Use ad spend to open up supply with the aid of a strong partnership team.



China



Indonesia



India

03 / Mobile First

Walled garden strategy

- As app usage is dominant, a solid solution for capturing and reporting on device IDs is critical.
- Advertisers will need to work directly with the super apps, and employ separate strategies in each.
- Ads.txt doesn't apply, so employ experienced resource for manual supply chain management & analysis.
- In-app fraud is very high in programmatic. Advertisers need to work with in-app fraud specialists and prioritise exchanges/networks that allow 3rd party fraud measurement.



Malaysia

04 / Emerging

Start slow, build confidence

- In these markets, programmatic can become a new way to execute existing rebate structure deals, meaning less transparency.
- Access to inventory types and data can vary based on the development of individual publishers. Advertisers need to tailor strategies to the nuances of each market.
- Advertisers will need to work with the regional specialists, and may need to forfeit transparency for controlled scale, whilst retaining tight restrictions on fraud.



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Download the full 'Global programmatic market maturity report'

The full 40 page report goes in depth on the market categories as well as the individual markets to provide insight into how advertisers need to adapt their strategies across the globe.

Contents list:

- Introduction & Executive Summary
- Background & Methodology
- Market Categorisation
 - Programmatic First Markets
 - Maturing Markets
 - Mobile First Markets
 - Emerging Markets
- Individual Market Analysis
 - US, UK, France, Australia, Germany, Japan, Brazil, China, Indonesia, India, Russia, South Africa, Malaysia
- References
- Acknowledgements

The full version of the report can be downloaded by WFA members from:

www.wfanet.org/programmaticmaturity/

“For a Global Marketer like EA, it’s imperative to have an informed understanding of how solutions built for mature markets may or may not be operable in other parts of the world. With this report, the WFA has created a very useful tool to help us inform our operations and infrastructure at the local and regional levels.”

Belinda Smith, Global Head of Media, EA