

A large, light blue circular graphic with a sunburst or radial pattern of thin lines extending from the center to the edge. The outer edge of this circle is decorated with a series of overlapping, light blue cloud-like shapes.

THE VISIBILITY GAP: HOW LEGACY REPORTING PRACTICES HINDER PROGRAMMATIC BUYING

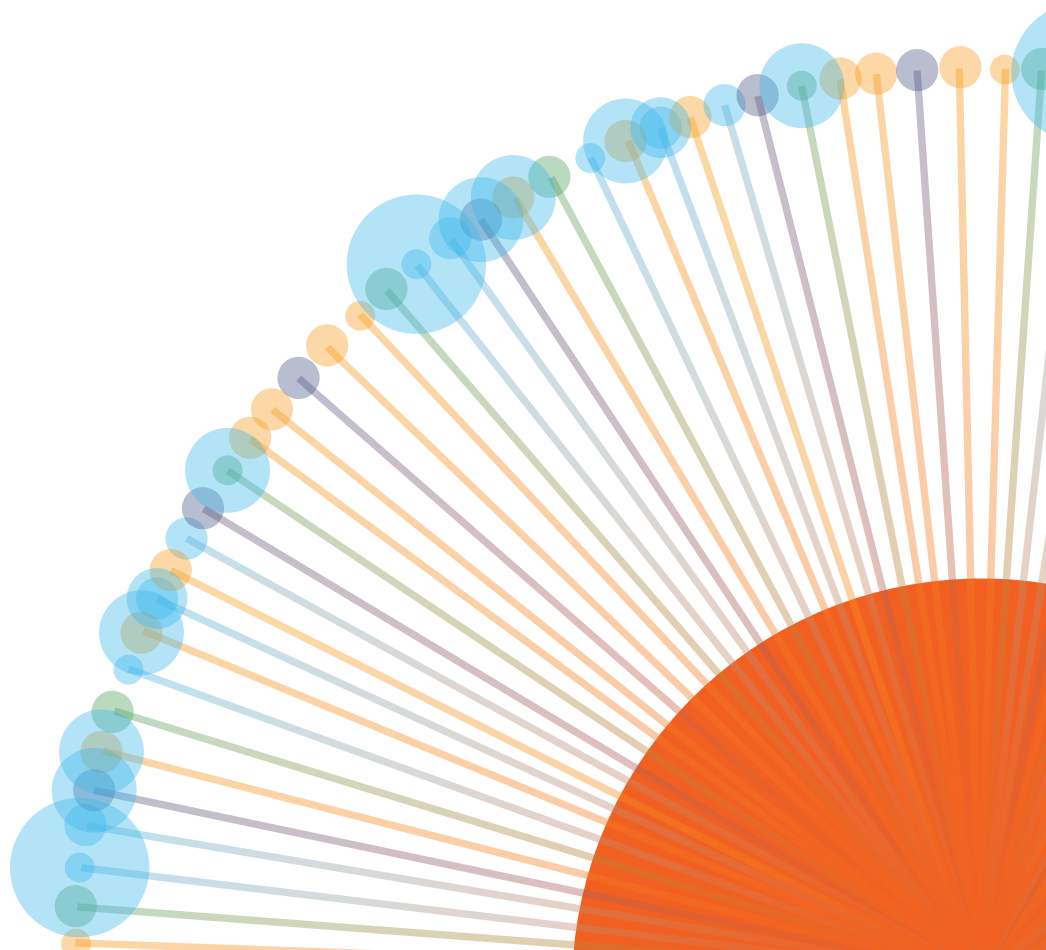
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A White Paper

June 2015

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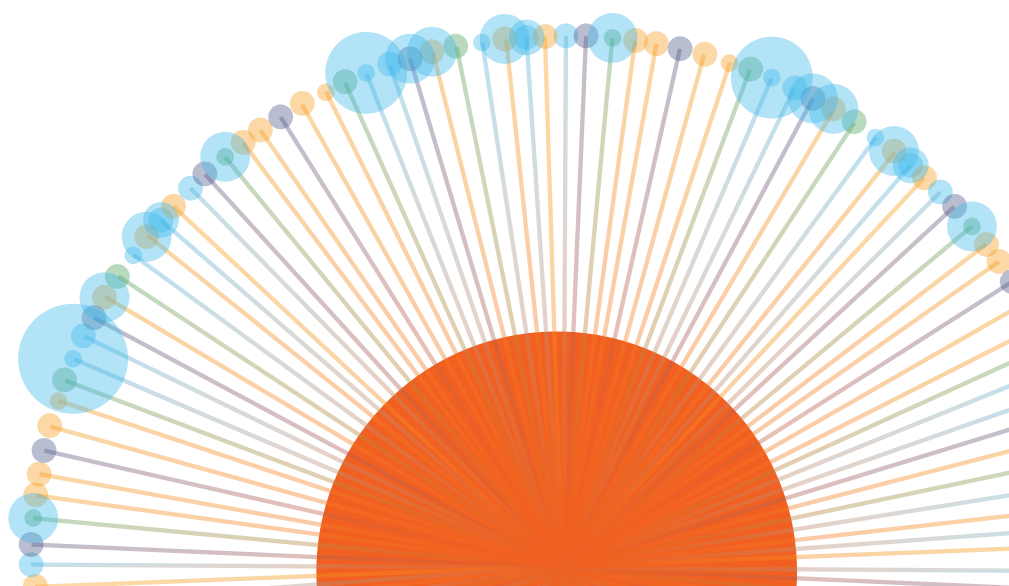


EXECUTIVE SUMMARY

Over the past two months, we surveyed more than 30 major programmatic buyers about how they plan and optimize campaigns. The discussions revealed that the reporting practices of many exchanges result in a visibility gap that hinders spending. In addition, buyers told us that they are likely to spend more with exchanges that provide inventory discovery, pricing, and performance data through Metamarkets.

Some highlights:

- **42%** of buyers regularly get data from exchanges through spreadsheet attachments.
- **55%** of buyers said it was a challenge to aggregate all the data they needed from exchanges, and **52%** said it was too difficult to explore the data for insights.
- **65%** of buyers said their company was more likely to spend on an exchange that provides visibility through Metamarkets.
- **85%** of buyers said it was easier to do business with an exchange that provides visibility through Metamarkets.



THE STATUS QUO

Buyers Under a Growing Mountain of Data

As programmatic advertising has scaled, inventory discovery has become increasingly difficult. Unlike budgets, which grow in a fairly linear fashion, the volume of bid requests across the marketplace tends to leap by orders of magnitude.

Even the most sophisticated programmatic players have difficulty wrangling these massive data streams. Not only is the technical infrastructure remarkably expensive to build and maintain, it requires the allocation of significant engineering resources. For this reason, buyers are increasingly looking to exchanges for more robust reporting.



52%

of buyers said it was too difficult to explore exchanges' data for insights.

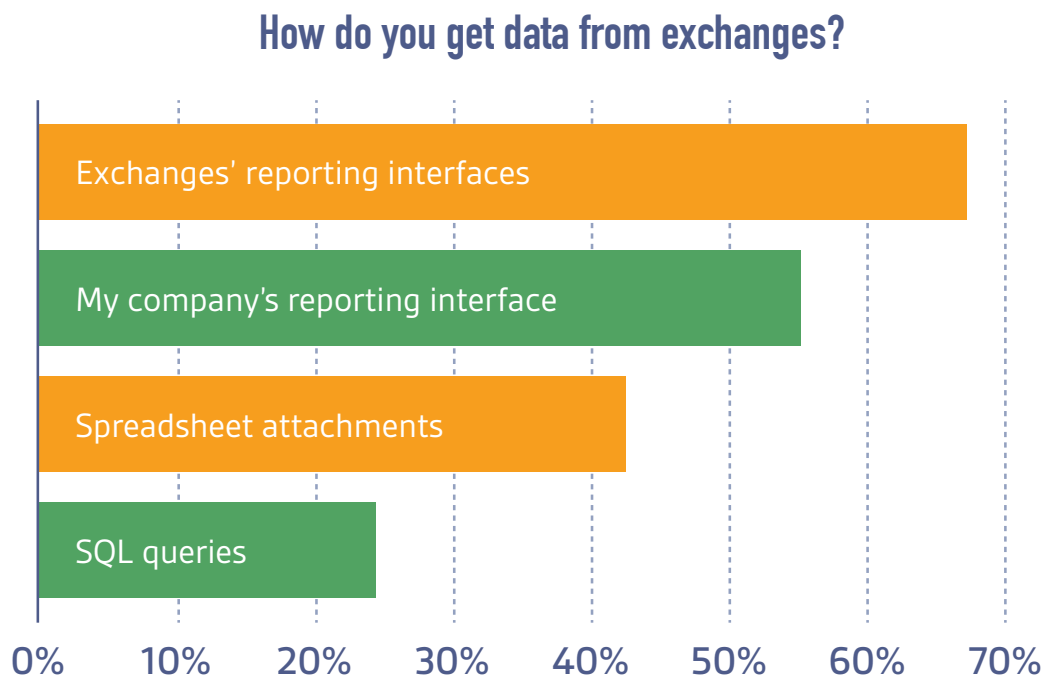
“Listening to every bid request is cost-prohibitive, so we rely on our exchange partners to give us reports that are up-to-date, easy to explore and uncluttered by flat fill orders, static impressions, and other noise.”

- CEO at Major DSP*

*Some commenters asked to remain anonymous.

Assembling the Fragments

So how do exchanges deliver this data to buyers? We asked participants to share their most common methods (excluding Metamarkets).



On the most basic level, these responses reflect a lack of standardized reporting practices across the industry. Buyers must cobble together a picture of the market from a variety of proprietary interfaces, spreadsheet attachments, and databases that require them to code their own queries.

42%

of respondents still get data from exchanges via spreadsheets attached to emails.

“One of the world’s largest exchanges provides a dated spreadsheet that does not have adequate information about pricing and scale. So to run on their platform, we have to take a ‘Fire-Ready-Aim’ approach.”

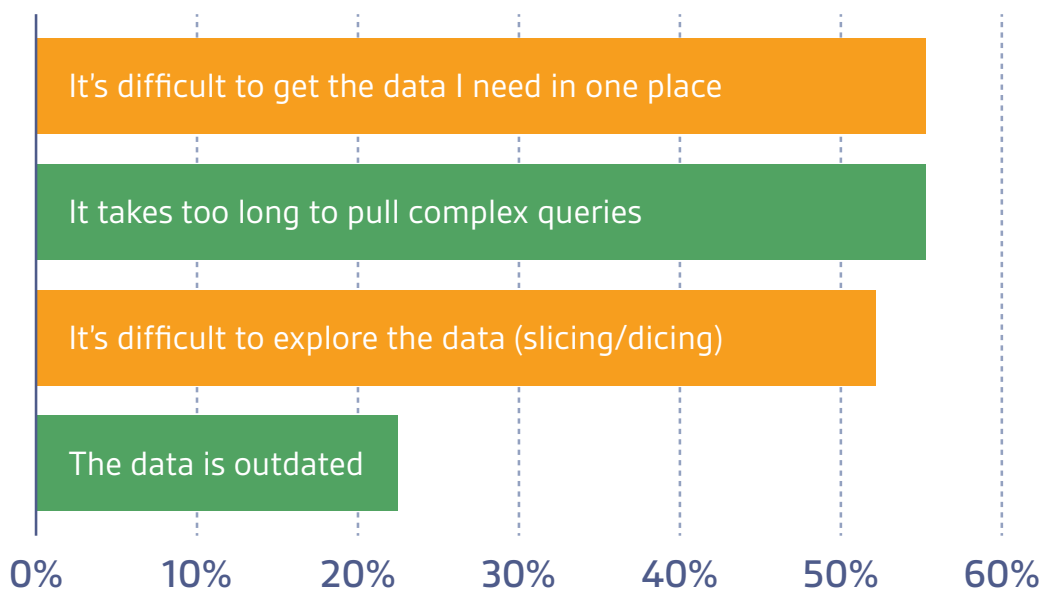
- COO at Major DSP*

*Some commenters asked to remain anonymous.

Data Doesn't Equal Insights

We asked participants to drill down and specify the difficulties they face when working with data provided by exchanges.

What are the main challenges with how exchanges give you data?



Though there's an ongoing debate in the advertising industry about transparency, the above suggests a more fundamental friction point: visibility.

Visibility requires the delivery of data to partners in ways that make it easy to extract insights. It requires adherence to standards of formatting and transmission that make the data usable and explorable.

Without this, buyers are impeded from answering fundamental questions, such as what's for sale, what's working, and what isn't. These challenges result in what we call the 'visibility gap,' and its repercussions are felt across the industry: throttled spends, lower auction competition, lower fill rates, and reduced revenue for publishers.

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FILLING THE VISIBILITY GAP

Metamarkets provides infrastructure for exchanges to securely distribute real-time reports to their buyers. Today, exchanges such as Twitter's MoPub and Millennial Media use the platform to issue avails, pricing, and performance reports to thousands of users at hundreds of buyers across the ecosystem. The buyers we surveyed for this paper are regular users of these reports.

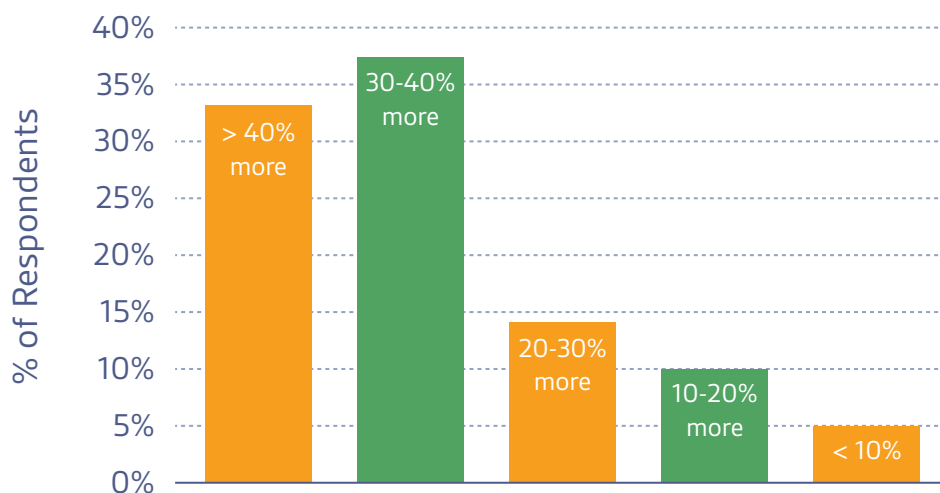
65%

said their company was more likely to spend on an exchange that provides visibility through Metamarkets.

86%

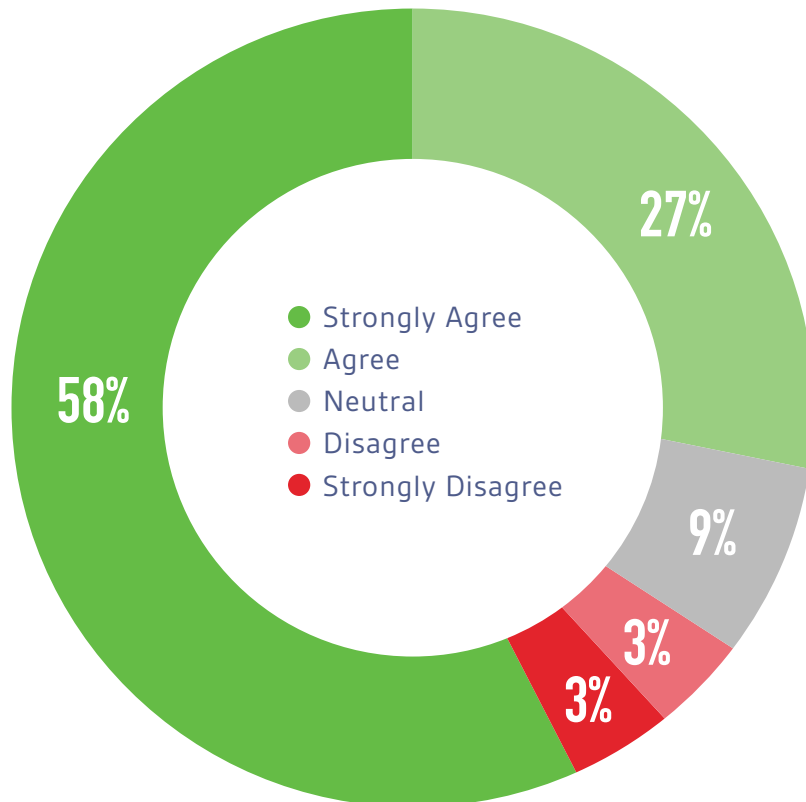
of those who said their company was more likely to spend because of Metamarkets said they'd spend at least 20% more.

How much more are you likely to spend on an exchange that provides you with visibility through Metamarkets?



In addition, **85%** of respondents said it was easier to do business with exchanges that provide visibility through Metamarkets than with those that do not.

“It’s easier to do business with exchanges that provide visibility through Metamarkets.”



“One of the keys to a vibrant ad marketplace is to give your clients and partners reporting that's powerful and flexible.”

Janae McDonough

Senior Director of MoPub
Twitter

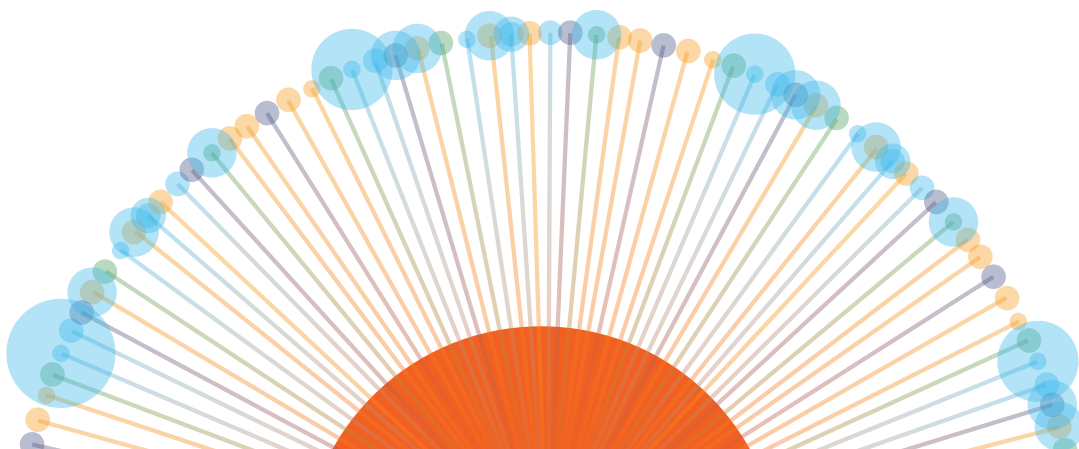


LOOKING FORWARD

Programmatic methods have changed the way advertising is bought and sold, and they're fast on the way to reshaping the broader field of marketing. Though the move to automation has delivered significant efficiencies, people remain an important part of the buying process. Even the most advanced machines require humans to build them, direct them, and monitor their performance. This isn't likely to change soon.

During the course of this study, we spoke with several exchange executives about the challenges buyers are facing. Though they were sympathetic, they noted that they already provide them with bid request data streams and various types of reports. To paraphrase their most common response: "Isn't that enough?" It's a fair question, and we encourage exchanges to ask their buyers what more they could be doing to increase visibility into their marketplace.

The costs of the visibility gap are intensifying as mobile explodes and publishers route more inventory through programmatic channels (including private exchanges). Though DSPs feel the pain most acutely today, the issue extends to anyone with a bidder, which increasingly includes advertisers and agencies. That said, buyers alone aren't likely to solve this problem. The exchanges leading the charge to close the visibility gap stand to reap disproportionate benefits for their clients.



PERSPECTIVES ON METAMARKETS

“As an active buyer across every major mobile exchange, the ability to understand how each campaign is doing in real-time is a huge advantage when measuring cross-device performance for our clients. Exchanges that provide analytics through Metamarkets enable us to more quickly spot opportunities and tailor our approach to maximize our clients' ROI.”



**Kamakshi
Sivaramakrishnan**

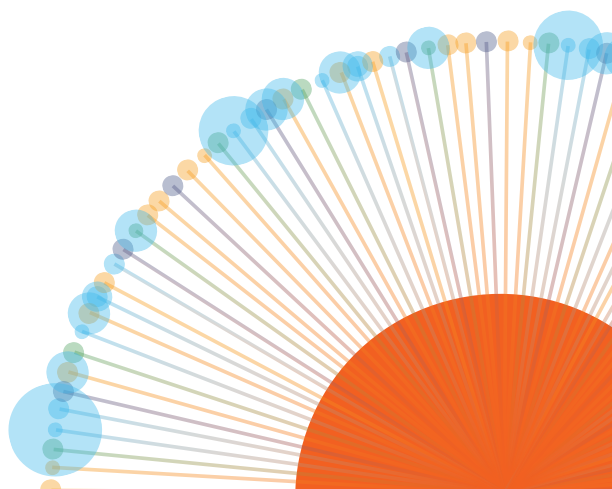
Founder & CEO
Drawbridge



Robert Fan

Co-Founder & CTO
Sharethrough

“Metamarkets' wide adoption by DSPs makes it the unrivaled leader, which allows for easier integration and complete transparency into our growing pool of programmatic data, yielding better results for our clients and greater operational efficiencies for our team.”

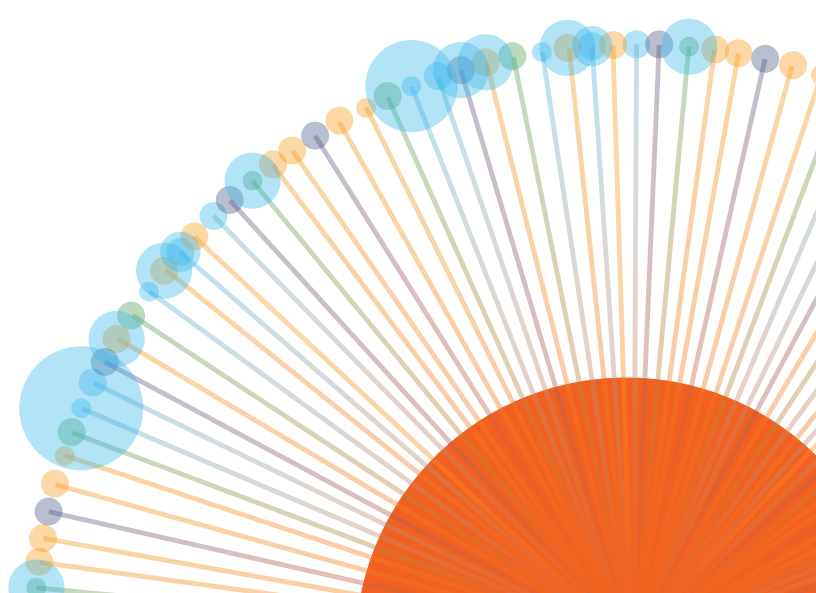


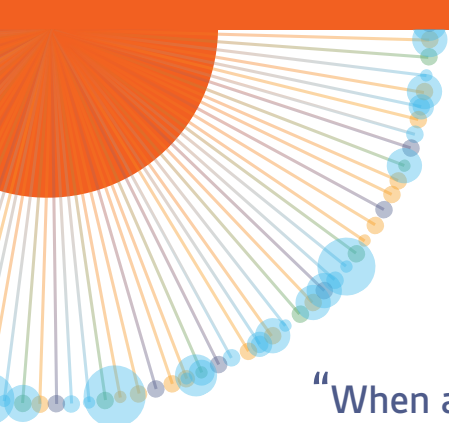


“Metamarkets’ technology is helping us drive greater awareness for our clients and improved operational efficiencies.”

Mark Connon

EVP of Platform Business
Millennial Media





“When an exchange partner gives us reporting through a Metamarkets real-time dashboard, we’re able to at least double our spend because we’re making smarter, more informed decisions.”



Vaibhav Gupta

CEO
Bidstalk

“Precision programmatic buying requires precision data. Metamarkets has set the standard for how exchanges can provide the data and visibility we need, which means exchanges embracing these tools are at a competitive advantage.”



Wes Biggs

Co-Founder & Chief Architect
Byyd



ABOUT METAMARKETS

Metamarkets provides an end-to-end analytics solution for leaders in programmatic marketing, including Twitter, LinkedIn and Sharethrough. Its technology empowers business teams with real-time insights that increase performance, operational efficiency, and engagement with partners. With offices in San Francisco and New York, Metamarkets is backed by Khosla Ventures, Data Collective, and other leading institutional investors. For more information, please visit www.metamarkets.com

