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# STATE OF PROGRAMMATIC INDEPENDENT DEMAND

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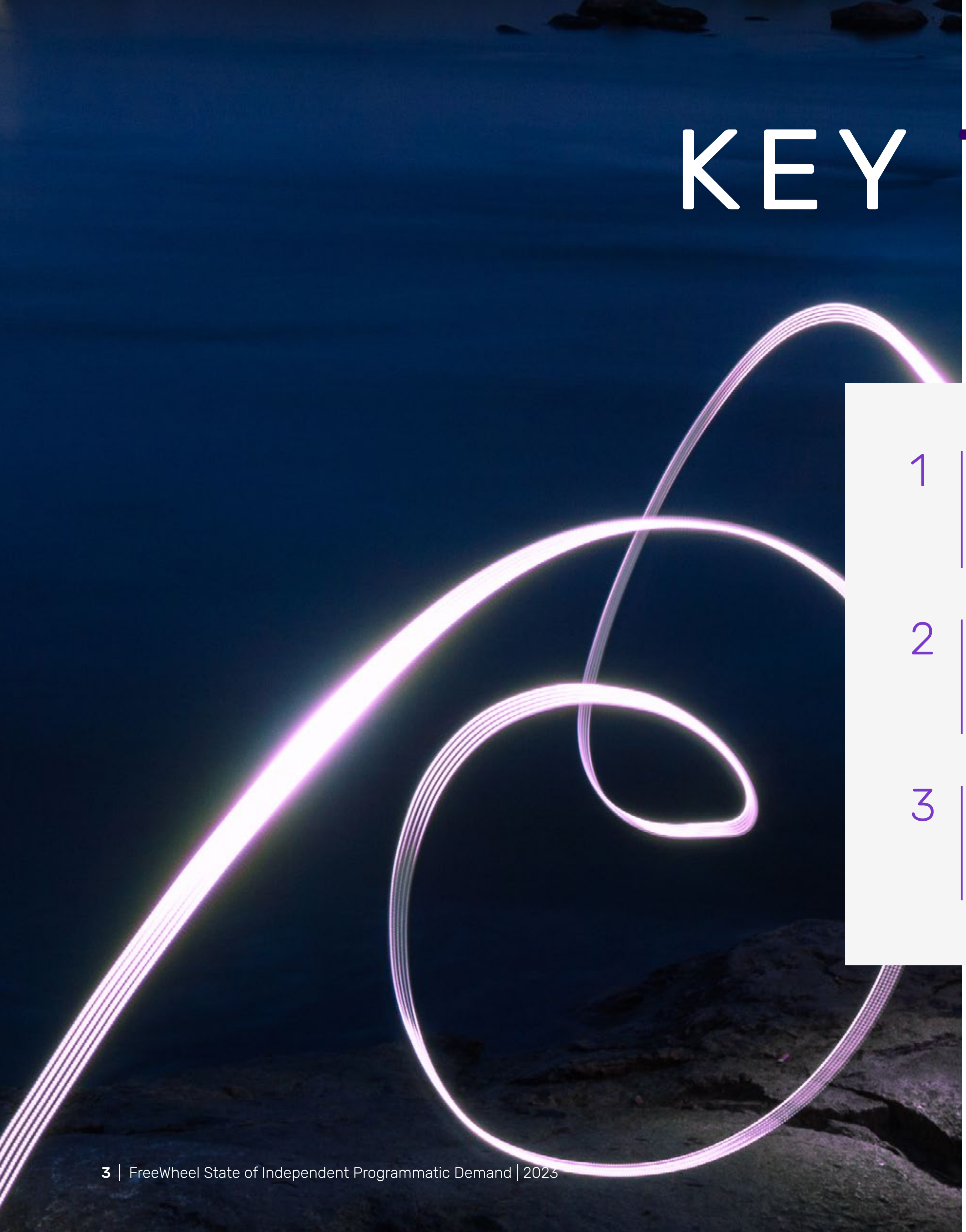
The FreeWheel State of Programmatic Independent Demand highlights how this dynamic market segment is activating programmatically on premium video. For this report, FreeWheel defines “independent demand” as ad buys coming from agencies and buying entities that are not owned by a holding company.

The data set used for this report is one of the largest available on the usage and monetization of professional, rights-managed ad-supported video content in the United States and is based on aggregated advertising data collected through the FreeWheel platform specifically for the independent market.



# KEY TAKEAWAYS

1 **TREMENDOUS GROWTH, BUT NOWHERE NEAR MATURITY**

There has been strong year-over-year growth in programmatic ad impressions from independent demand due to increases in both marketer adoption and access to premium CTV supply. Both factors are expected to continue.

2 **A NEED TO BE PRECISE, BUT AT SCALE**

Agencies are embracing the use of cross-publisher Private Marketplace (PMP) Bundles to target specific audiences across a wider supply pool. This is especially true for marketers leveraging first-party data to target granular audiences.

3 **THE POTENTIAL OF PROGRAMMATIC FOR LIVE**

For programmatic to meet the moment for live, the tech can't be getting in the way. Things like targeting, pacing, and forecasting need to be figured out for the highest-profile events in TV.

# GROWTH OF INDEPENDENT PROGRAMMATIC MARKETPLACE

Three forces are driving the growth of programmatic impressions in the independent CTV market:

1. Advertisers of all sizes are growing more comfortable with programmatic activation on CTV.
2. Programmatic CTV increasingly includes premium inventory, not just long-tail content.
3. Programmatic activation enables agencies of all sizes to get access to this premium inventory.

The industry is working toward untangling these challenges so that programmatic continues to push forward in growing valuable impression opportunities.

> "With niche first-party audiences, scale can often be an issue. Curated group deals have been integral in complementing publisher direct programmatic activations to expand reach of high-value audiences for brands, enabling Kepler to achieve and exceed client business goals from both brand awareness to performance objectives."
>
> GARRETT DALE
> Chief Partnership Officer and Co-Founder, Kepler Group

CHART 1

## INDEPENDENT PROGRAMMATIC GROWTH

2023 Programmatic Activation Insights

**5.9B**
Programmatic Impressions
Independent Demand

**+24%**
Independent Growth
YOY (Impressions)

*Source: FreeWheel Data, January 2023 – December 2023*

# PROGRAMMATIC VIEWS BY DEAL TYPE

**Non-guaranteed transactions account for 3/4 of ad views (76%) across the U.S.**

Media buyers who have historically relied on manual direct deals first transitioned to programmatic guaranteed transactions and now to non-guaranteed deals.

This is a boon especially for independent demand advertisers, who are gaining flexibility in how they target audiences and manage budgets — plus increased access to a large swath of premium inventory that was previously less accessible programmatically.

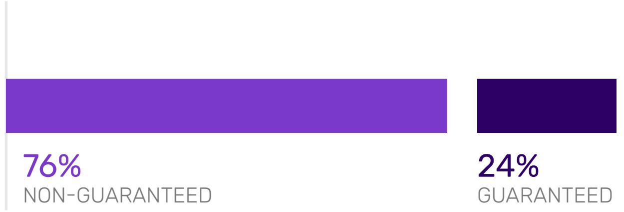
Advertisers will have to balance guaranteed and non-guaranteed buys to manage frequency and find their optimal audience mix.

*Source: FreeWheel Data, January 2023 – December 2023*

CHART 2

## INDEPENDENT PROGRAMMATIC DEALS

2023 Programmatic Activation Insights




***Guaranteed:** Includes Programmatic Guaranteed only*
***Non-Guaranteed:** All other programmatic deal types*

> "Our clients are our priority, and since programmatic results have spoken for themselves, **our clients are more comfortable shifting spend to programmatic to receive much better attribution, measurement, premium content and scale.** Now that we can tackle premium – and at scale, we can expand reach to viewers."
>
> THOMAS DISCEPOLA
> Director of Programmatic, Tatari

# NON-GUARANTEED DEALS BY ACTIVATION TYPE

For non-guaranteed transactions, Publisher Direct deals account for over 3/4 of ad views. However, PMP/Bundles are growing at a strong rate year over year with 119% impression growth in 2023.

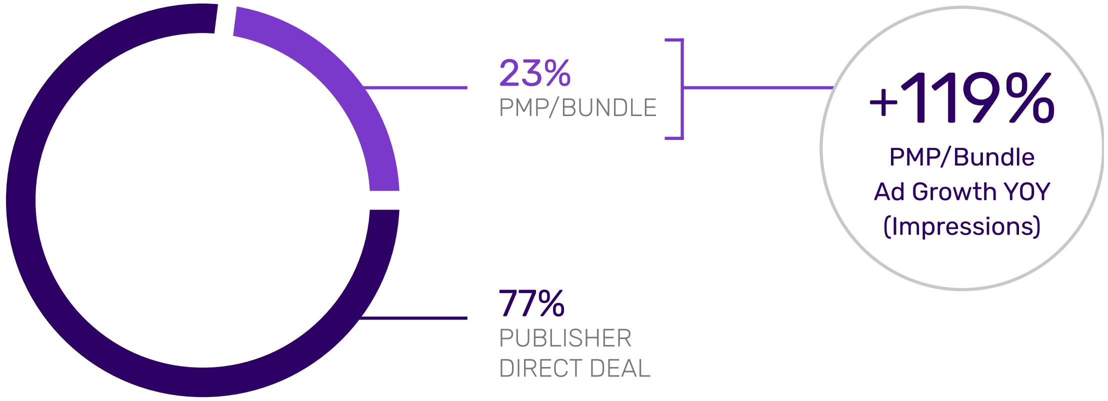
PMP/Bundles are growing rapidly as buyers recognize that they are a way to not just increase reach but also find high-value audiences. PMP/Bundles now offer a range of premium options. Advertisers that have first-party data can leverage it across a larger supply pool without sacrificing content quality.

*Source: FreeWheel Data, January 2023 – December 2023*

CHART 3

## PMP/BUNDLE VS. PUBLISHER DIRECT DEAL

2023 Programmatic Activation Insights




"While pharma has traditionally leaned heavily into linear TV, the seismic shift in consumer behaviors has led the industry to shift and adapt to utilizing programmatic. Our clients can now quickly and seamlessly test the waters of this new channel without huge investments. We can go beyond demographic buying entirely to target the most relevant audiences and connect ad exposures to scripts."

KRISTY QUAGLIARIELLO
VP, Programmatic Media, Klick Health

# TOP 5 ADVERTISER CATEGORIES BY VERTICAL

## INDEPENDENT DEMAND

| | |
|---|---|
| Pharma | 1 |
| Casino/Gambling | 2 |
| Telecom | 3 |
| E-commerce/Retail | 4 |
| Auto | 5 |

## OVERALL MARKETPLACE

| | |
|---|---|
| CPG | 1 |
| Financial/Banks | 2 |
| Auto | 3 |
| QSR | 4 |
| Insurance | 5 |

*Source: FreeWheel Data, January 2023 – December 2023*

"Programmatic has supercharged retail. For retail, the huge opportunity is to take a traditional reach vehicle of CTV and turn it into a full funnel solution. Programmatic CTV can prove out ROI when infused with retail media network data or a client's first-party data."

MIKE TREON
CTV Strategy Lead, PMG

"As supply path optimization becomes a mainstay in many strategies, it is quickly influencing how marketers view programmatic buying. Working with partners who are close to the inventory helps remove any layers of mediation within the ecosystem and allows for more direct relationships with suppliers."

RACHEL HIRSCHL
VP, Advanced TV & Programmatic Media, Power Digital

# CONTENT BY VERTICAL, RANKED

The big opportunity for the independent programmatic market in 2024 will be live sports inventory, which is currently not readily available at scale for buyers.

High viewership, differentiated prestige content, and an event-like experience with highly engaged audiences make live sports a prime category for advertisers.

All the benefits of live also bring additional complexity for programmatic activation. Increased viewership can interfere with pacing, and any latency can cause campaign failure.

But this inventory is rapidly becoming more available programmatically, and adoption will come with improved standards for execution.

> "The biggest events – NFL Playoffs, Olympics, March Madness – are all available for streaming, which offers a huge opportunity for programmatic advertising. If executed effectively, not only does this reduce the investment barriers to entry for marketers to gain access to this programming, it also brings a new level of addressability and accountability to live sports. By partnering with programmers and tech partners, we can make live sports the fastest-growing sector for biddable advertising."
>
> MOE CHUGHTAI
> Global Head of Advanced TV, MiQ

*Source: FreeWheel Data, January 2023 – December 2023*

## INDEPENDENT DEMAND

| | |
|---|---|
| Drama | 1 |
| Reality and Game Show | 2 |
| Lifestyle and Culture | 3 |
| News and Politics | 4 |
| Comedy | 5 |

## OVERALL MARKETPLACE

| | |
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| Drama | 1 |
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# A LOOK AHEAD AT WHAT'S NEXT IN 2024

## Independent Programmatic Demand

1 | Reducing operational friction to **shift large commitments** to biddable activations

2 | Making new, **high-value programmatic** supply, such as live, available

3 | Unlocking programmatic **political spend** with speed while maintaining strict creative controls


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