Digital Advertising Transparency
WHERE IS THE MONEY GOING?

Global digital advertising is now a $200 billion industry, but while advertisers are spending more than ever before in digital, it has found that many advertisers lack the transparency and control needed to make the most of their digital investments. With digital continuing to grow in importance for advertisers globally, it is essential that advertisers overcome these challenges and find solutions that fit their agency. As the industry grows, more agencies are asking, "Where is the money going?"

TRADITIONAL VS. SELF-SERVE

Traditional Digital Media Buying

- Working Media: $2.1
- Agency Service Fees: $0.27
- Trading Desk Fees: $0.12
- Technology Fees: $0.35

$1 Media Budget

Self-serve Digital Media Buying

- Working Media: $0.40
- Ad Serving & Technology Fees: $0.55
- Agency Service Fees: $0.05

$1 Media Budget

BUT WITH THE QUESTION OF WHERE THE MONEY IS GOING, AGENCIES ARE FACED WITH A FEW CHALLENGES

1. ADVERTISERS LACK DETAILED INSIGHT ON DIGITAL MEDIA BUDGET ALLOCATION

- Nearly two-thirds reported either no insight at all or only high level reports from their agencies.
- Only a third of advertisers get full transparency into all costs (including third-party fees) associated with digital media spend.


2. ADVERTISERS HIGHLY UNDERESTIMATE COSTS ASSOCIATED WITH FEES AND MEDIA ARBITRAGE

According to information provided to K2, markups on media sold through principal transactions can range from approximately 30% to 90%.

30%-90%

http://www.warnermedia.com/content/dam/warnermedia/industry-initiatives/media-transparency

TRANSPARENCY IS THE KEY TO MINIMIZING WASTE

Forty percent of advertisers believe that the single most effective way to manage digital media waste is to use a tool that provides transparency to their digital media spend. They should look towards their media buying teams for guidance on how to best approach working directly with advertising technology vendors who can offer the ROI and transparency to help agencies grow.