

# Digital advertising and working with partners

Global survey report  
October 2020



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# About this report

Regulators across the world are increasingly focused on digital advertising and have been seeking to understand whether there are any competition concerns in the online advertising market and whether advertisers face challenges when conducting business with large online platforms.

The aim of this research is therefore to build a picture of WFA corporate members' approaches to digital advertising and more details about their experience in working with online advertising platforms and ad tech vendors.

## The research approach



### Target

Brands from WFA's global corporate membership



### Data collection

Online survey



### Period

August 2020



### Respondents

50 individuals from 40 WFA corporate member companies, representing approximately \$63bn on global advertising

# Executive Summary

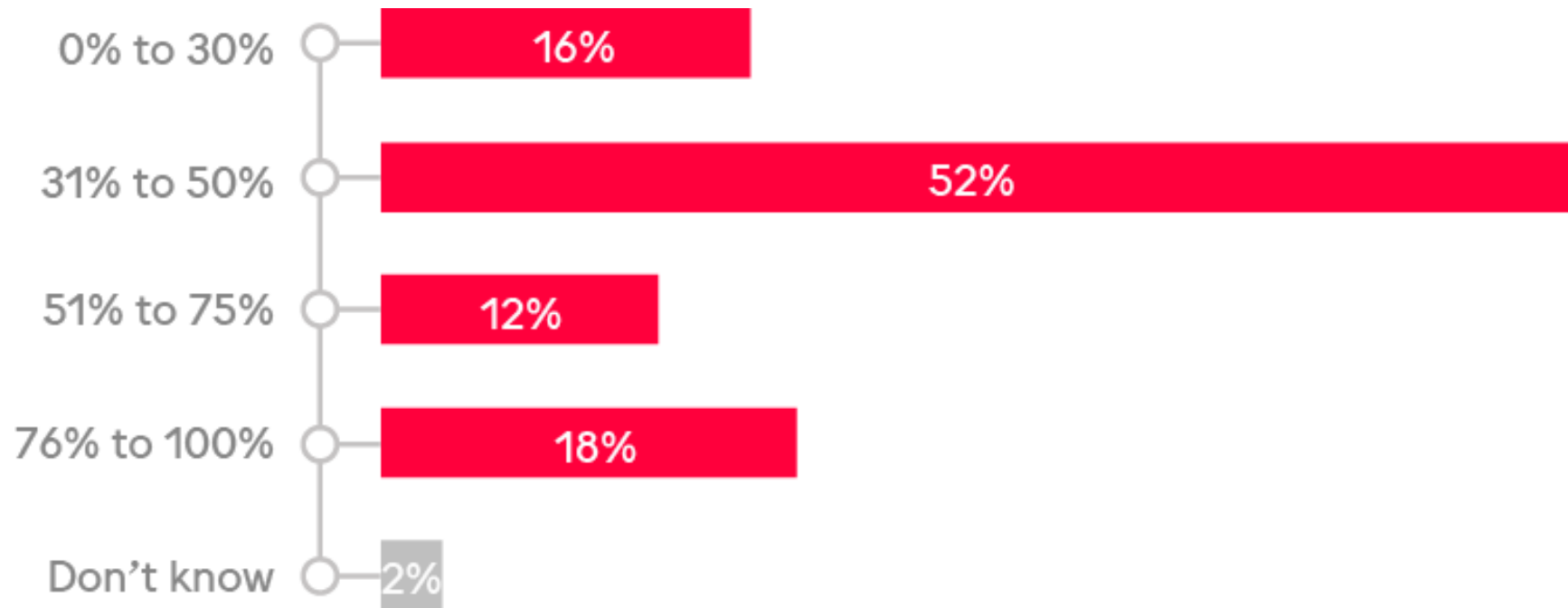
- Digital advertising now makes up just under half of global ad budgets and although audience targeting continues to dominate digital ad spend, representing around 65%, members plan to spend more on both audience and contextual targeting in the future.
- Approximately 70% of yearly global digital ad spend goes to Google and Facebook.
- 35% of advertisers encounter unfair contractual terms when working with online advertising platforms, such as non-negotiable terms and conditions, restrictions to data access and a lack of data around viewability and measurement.
- However, over 75% lack the necessary data to measure the quality and effectiveness of their ads and data about how intermediaries in the supply chain are remunerated.
- Respondents state that increased data sharing from online platforms would result in higher returns on investments, better consumer experiences and more transparency and trust in digital advertising markets
- 3 in 4 also face a lack of interoperability between different ad tech vendors, and over 60% lack the necessary transparency they need to see where their ads were placed.



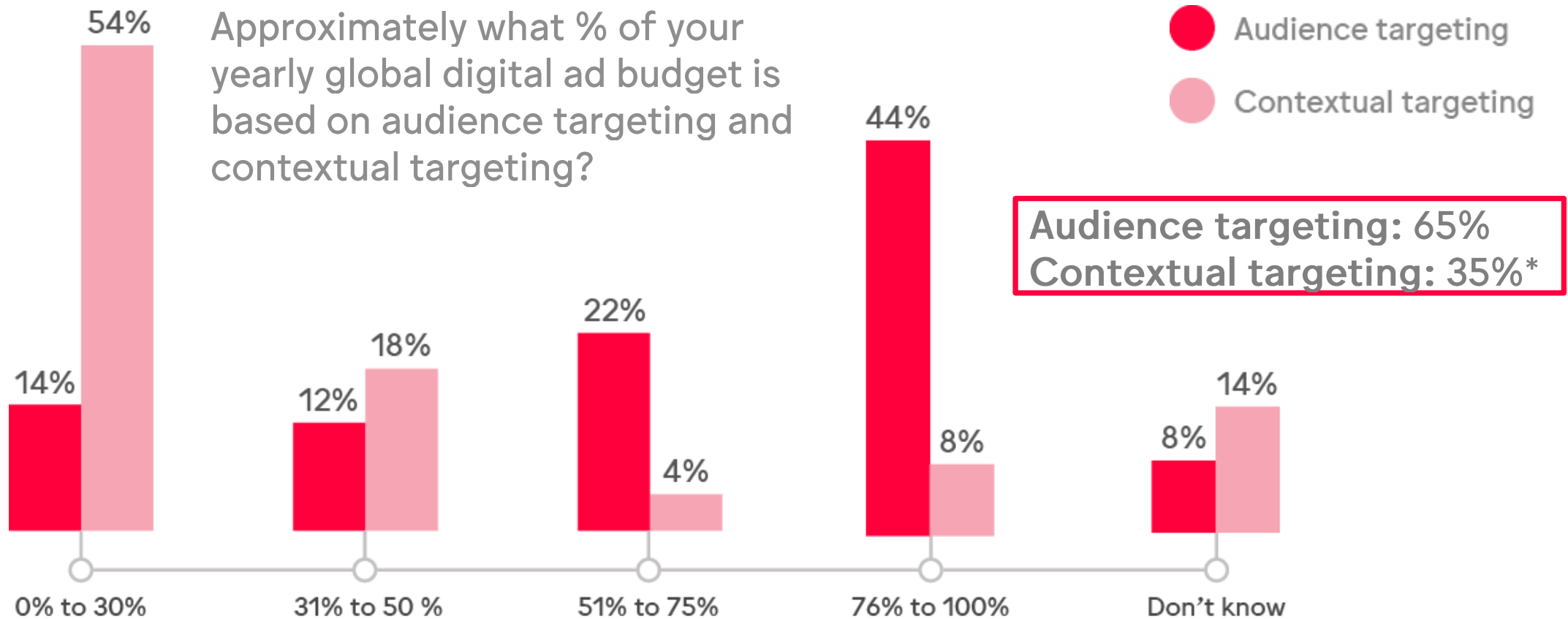
# Approaches to digital advertising

# Digital advertising makes up approximately 49%\* of yearly global ad budgets

Approximately what % of your global ad budget is committed to all paid digital advertising?



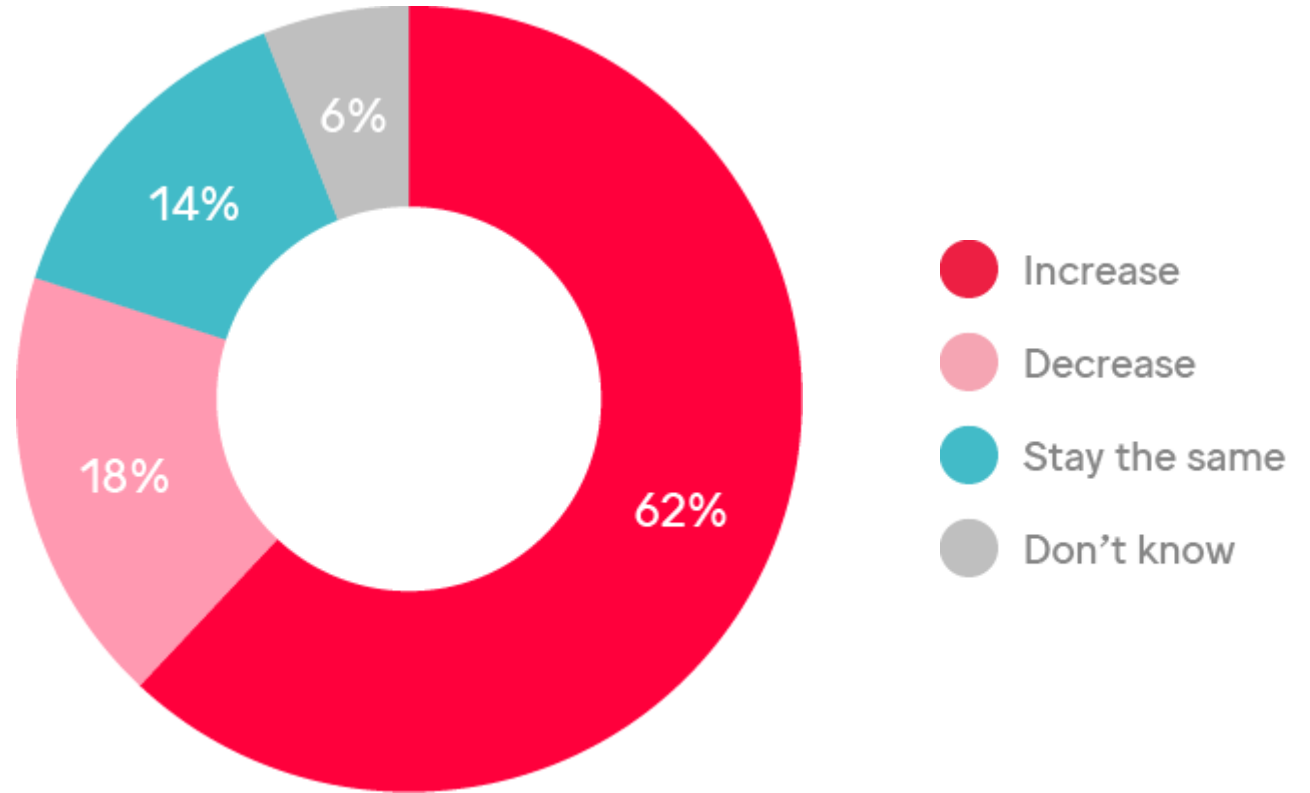
# Audience targeting makes up approximately 65%\* of global digital ad budgets



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# Over half think that global spend on audience targeting will continue to increase in the future

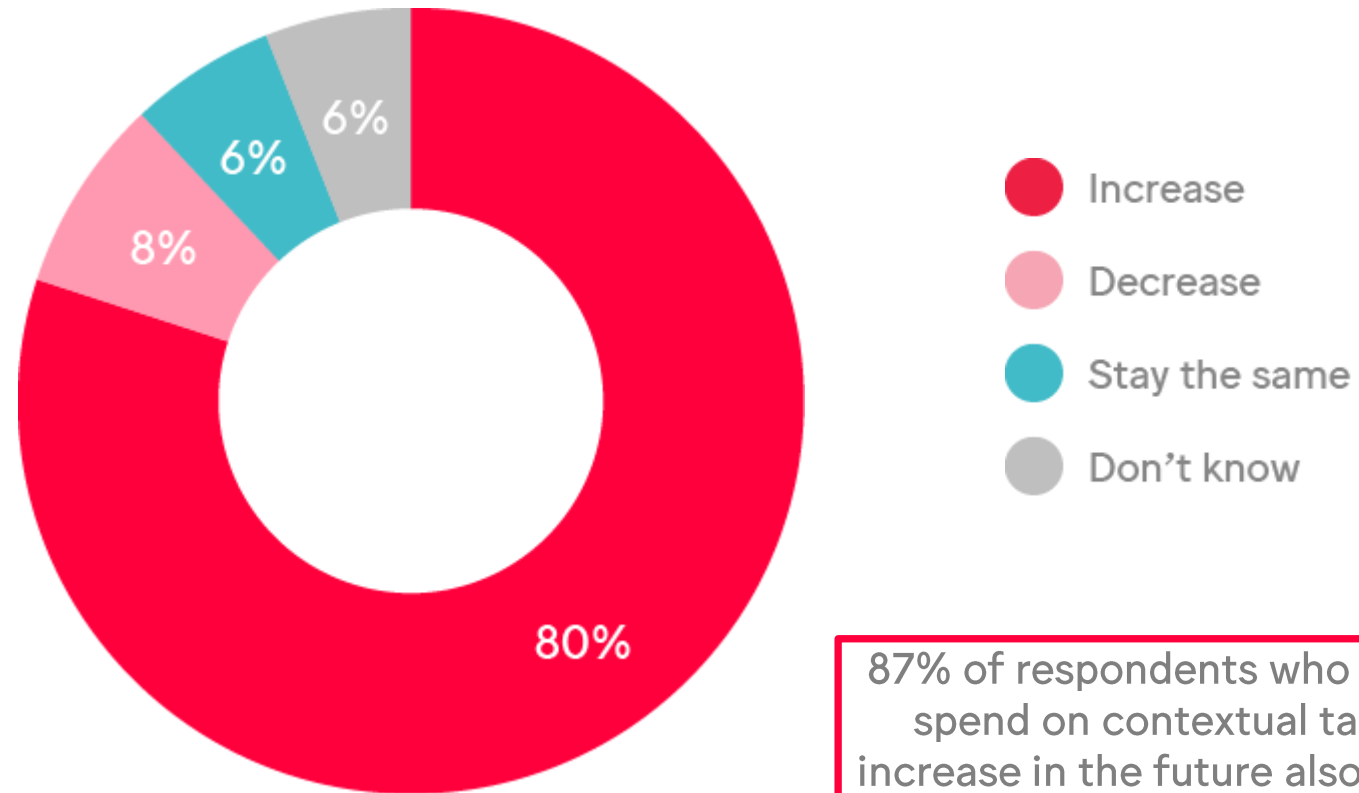
How do you expect your yearly global spend on *audience targeting* to evolve over the next 5 years?



Source: WFA Survey on Digital Advertising and working with partners, August 2020; Base: 50 responses

# But more respondents think that global spend on contextual targeting will increase

How do you expect your yearly global spend on *contextual targeting* to evolve over the next 5 years?



87% of respondents who said their global spend on contextual targeting would increase in the future also said their spend on audience targeting would increase

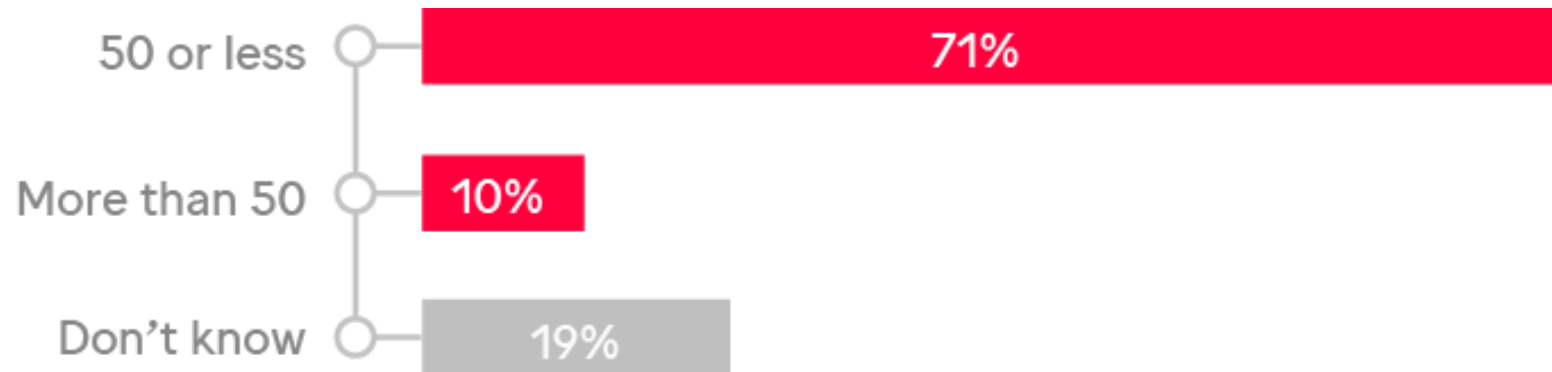




# **Working with ad tech vendors**

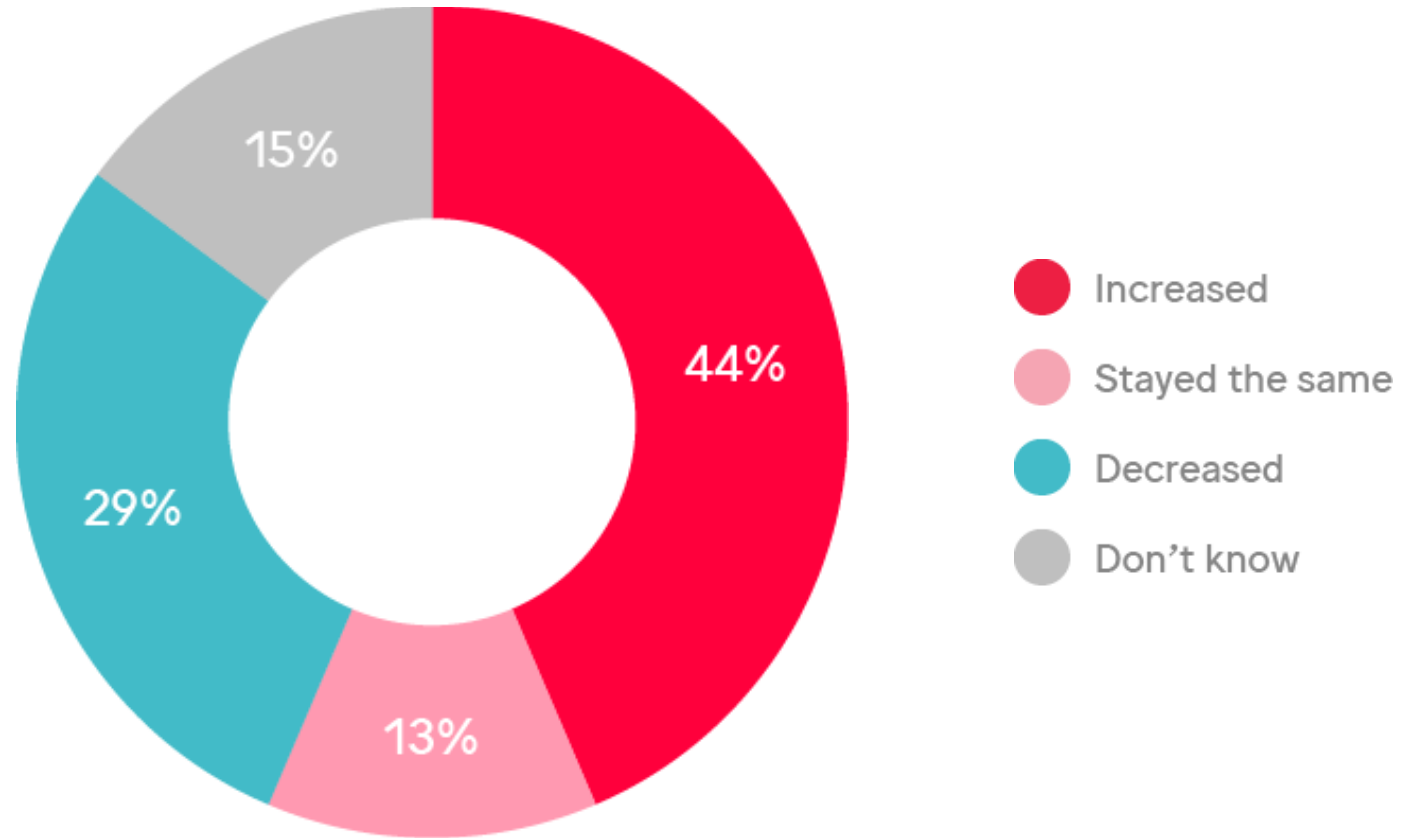
# 71% of respondents work with between 0 and 50 different buy-side and supply-side ad tech vendors

How many different buy-side and sell-side ad tech vendors do you use to buy ad inventory globally?



# Less than half say this is an increase compared to previous years

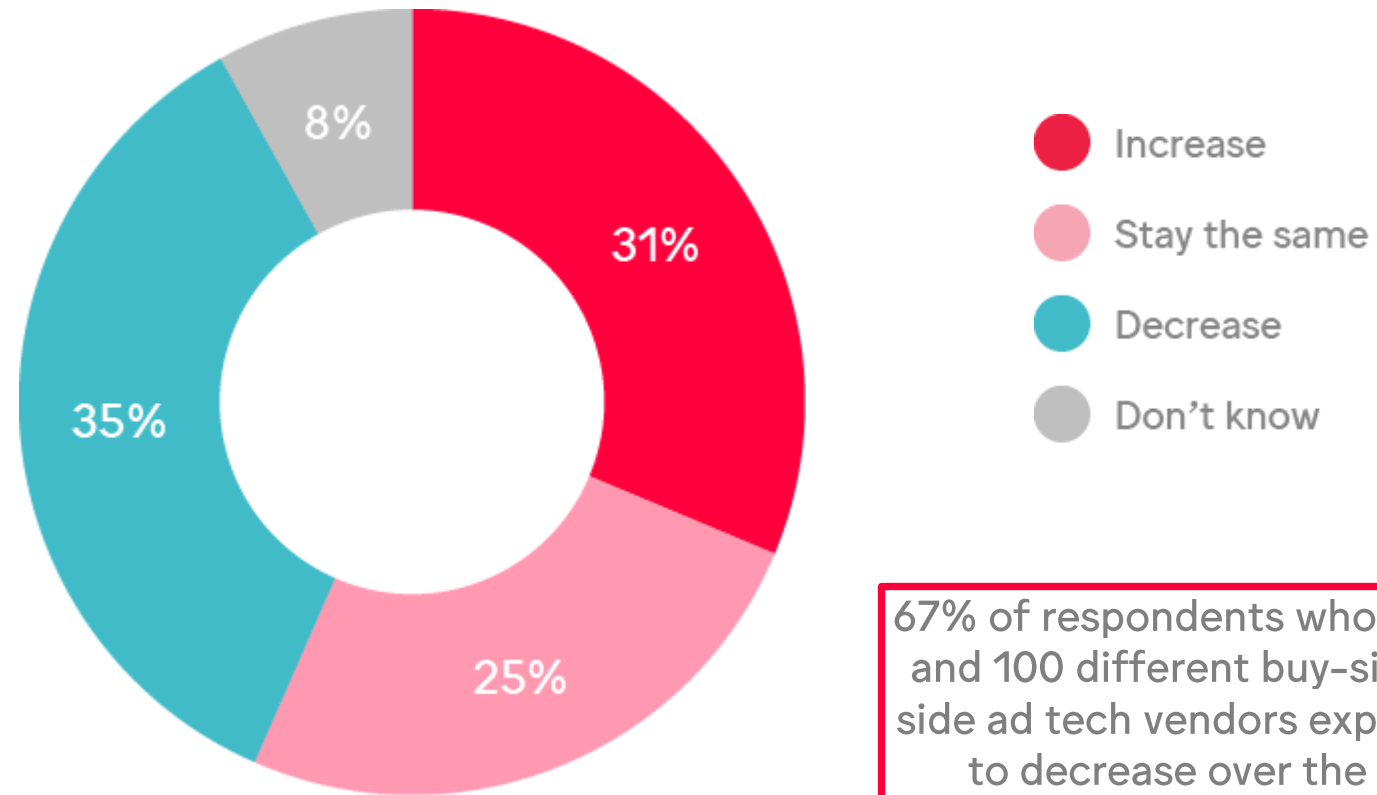
How has the number of ad tech vendors you work with changed over the past 5 years?



Source: WFA Survey on Digital Advertising and working with partners, August 2020; Base: 50 responses

# But respondents remain split as to whether the number of ad tech vendors they work with will increase or decrease in the future

How do you expect the number of ad tech vendors you work with to evolve over the next 5 years?



67% of respondents who use between 51 and 100 different buy-side and supply-side ad tech vendors expect this number to decrease over the next 5 years

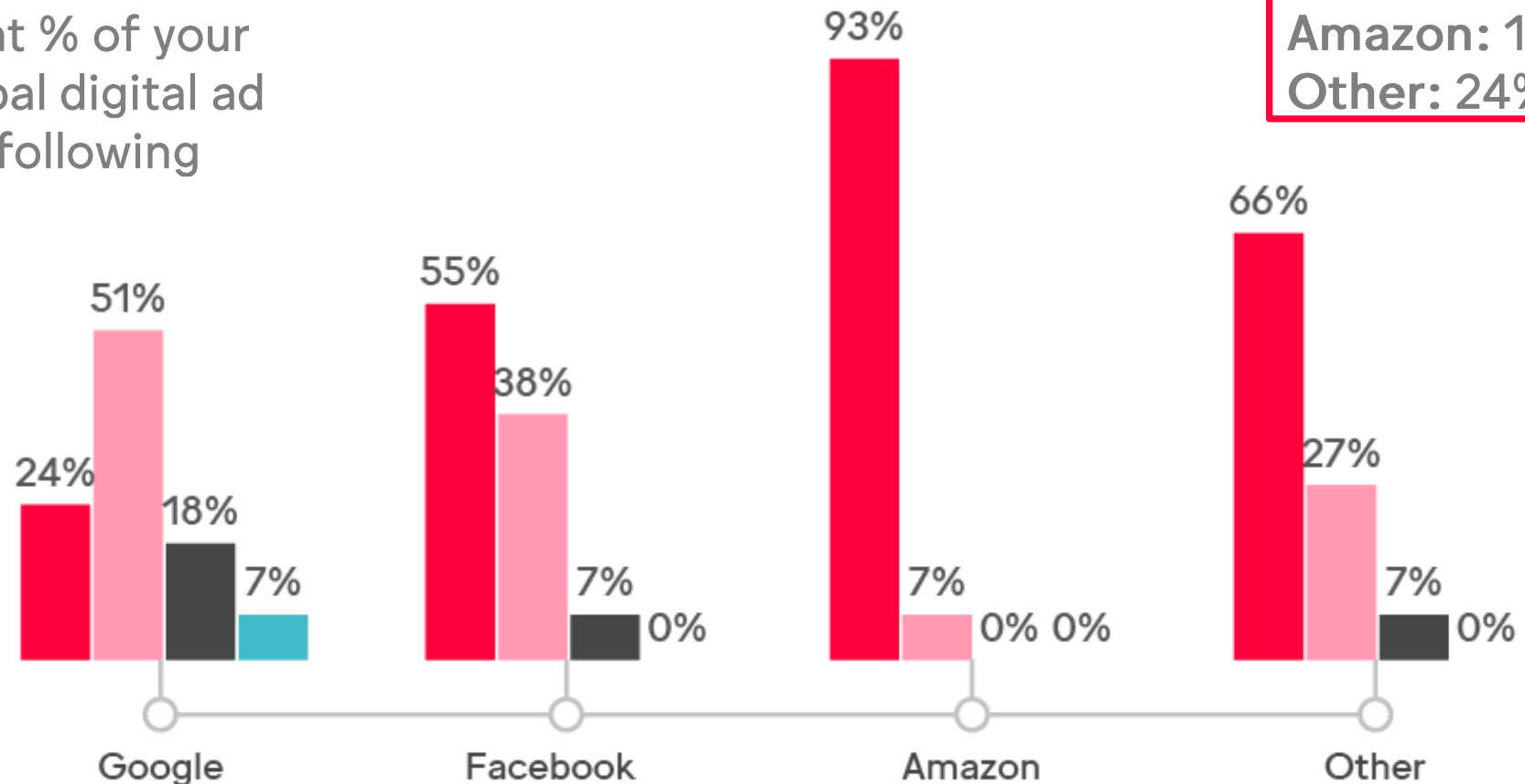
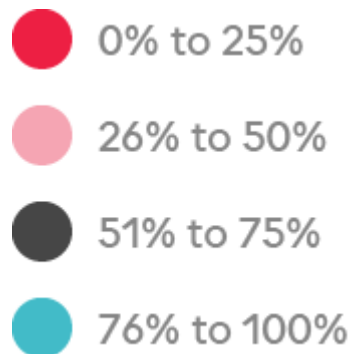




# **Working with large online advertising platforms**

# Advertisers spend approximately 40%\* of global digital ad spend on Google

Approximately what % of your organisation's global digital ad spend goes to the following companies?



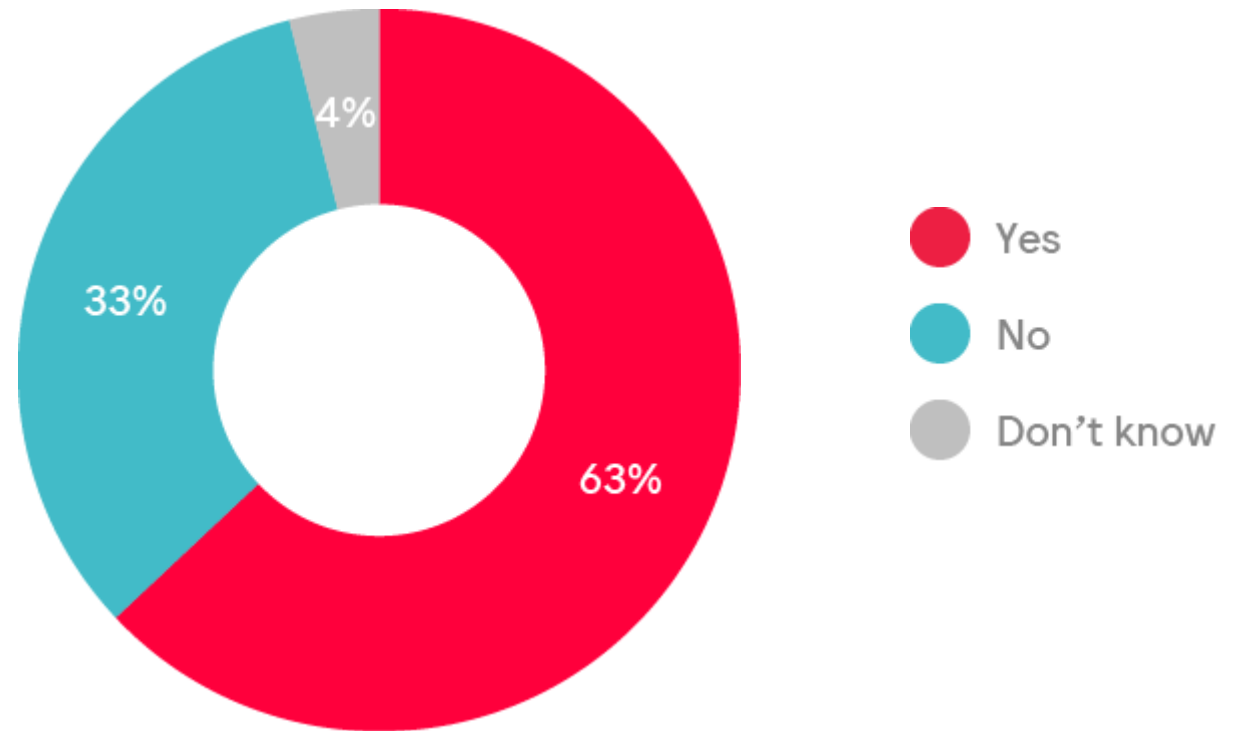
Google: 40%  
Facebook: 26%  
Amazon: 15%  
Other: 24%\*



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# 63% of respondents have direct buying relationships with publishers

Do you have direct buying relationships with publishers?

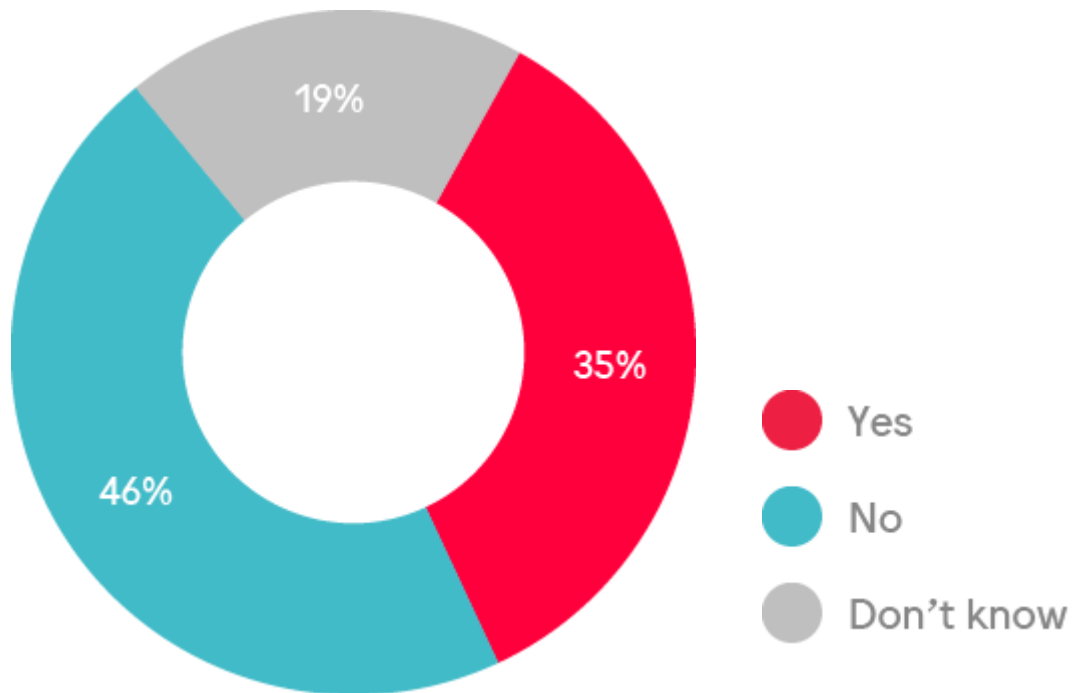


# **Issues advertisers face when dealing with large online advertising platforms**



# 35% have encountered unfair contractual terms when working with online advertising platforms

Have you encountered unfair contractual terms when dealing with large online advertising platforms?



If yes, what unfair conditions do you encounter?\*

Terms and conditions are mostly non negotiable

Lack of transparency

Restrictions on data access causing limitations to targeting and efficiency

Payment terms

Lack of data around viewability and measurement

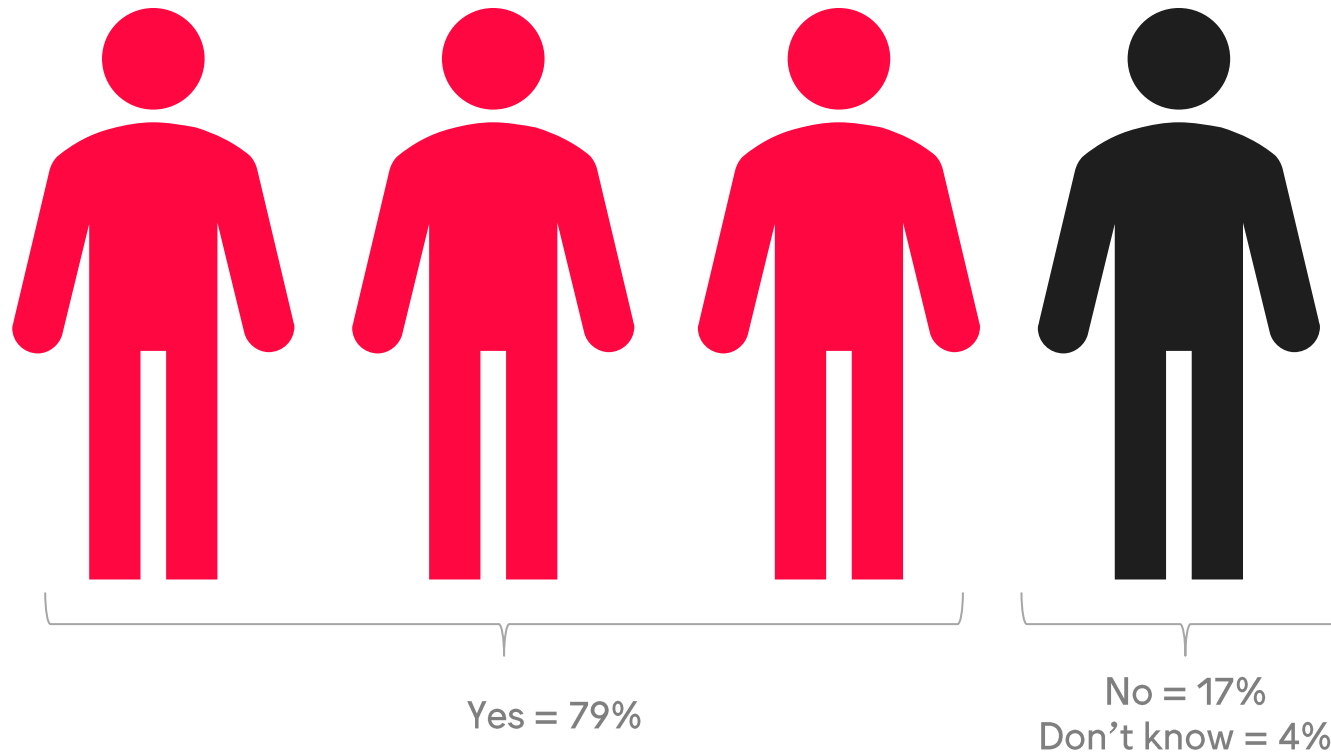


# Over 3 in 4 encounter a lack of data sharing when working with large online advertising platforms

Have you encountered a lack of data sharing when working with large online platforms?

● Yes = 79%

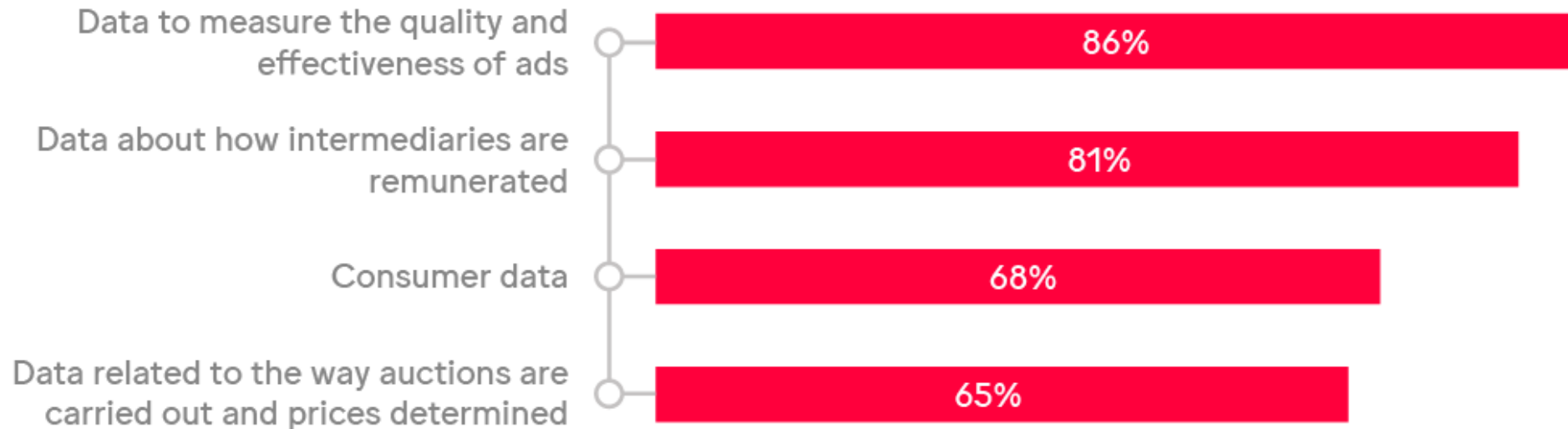
● No = 17%  
● Don't know = 4%



Source: WFA Survey on Digital Advertising and working with partners, August 2020; Base: 50 responses

# Over 80% struggle to get access to data to measure the effectiveness of ads and audit ad spend

What kind of data is missing from large online advertising platforms?



\*Other types of data cited as missing include data related to ad fraud and data about where ads are placed (brand safety).



# Increased data sharing would be beneficial for advertisers

What would be the impact of increased data sharing?\*

Higher return on investments



Better understanding of how ads are performing and better measurement

More effective and efficient ad buying, cost minimisation

Increased commercial value

Eventually, higher return on investment

Better consumer experience



More effective marketing

More personalised targeted advertising driving more relevant experience for the customer

Better consumer knowledge

More specific targeting ability, but also GDPR concerns

More transparency and trust



Increased transparency and trust

More transparency on pricing

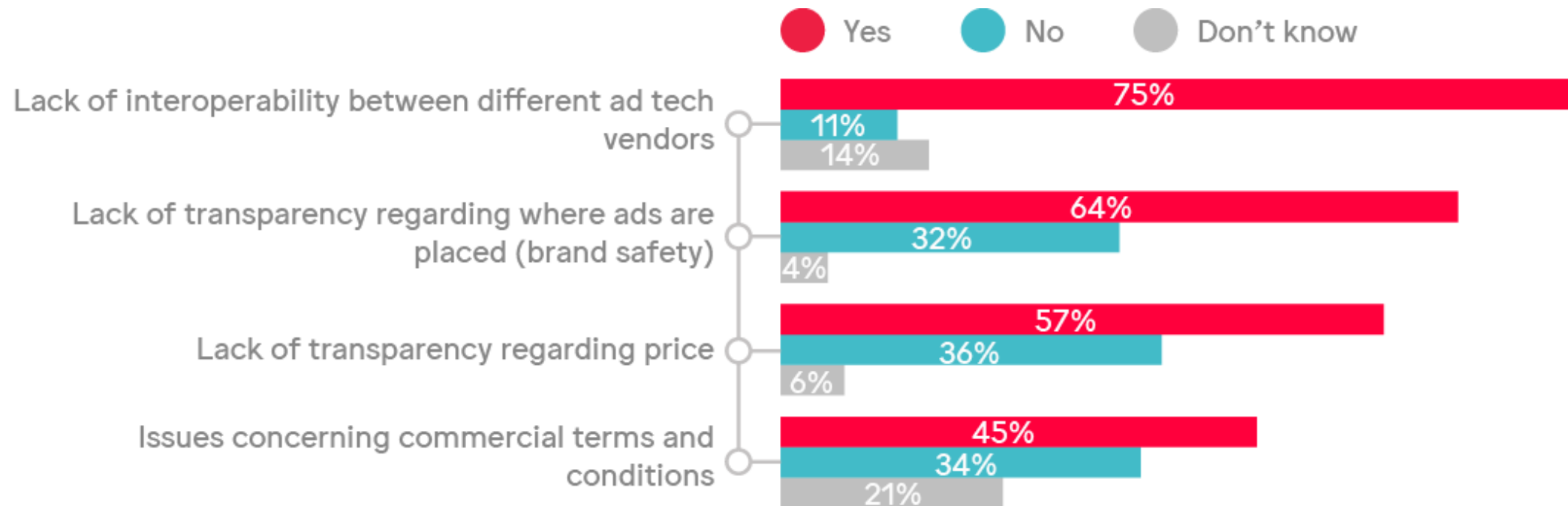
More transparency in the supply chain

More level playing field



# 3 out of 4 face a lack of interoperability between different ad tech vendors

Have you encountered any of the following issues when dealing with large online advertising platforms?



# Other issues

Are there any other issues that you would like to raise?\*



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# For more information

For more information, don't hesitate to get in touch with Gabrielle Robitaille at [g.robitaille@wfanet.org](mailto:g.robitaille@wfanet.org).



Note: All benchmarks, survey results, agendas and minutes are reviewed by Hogan Lovells International LLP, our competition lawyers

## WFA Competition law compliance policy

The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to. As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.