Room For Growth In Market For Real-Time Bidding

Contributed by eMarketer
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Display Ads Make Up Bulk Of Available Inventory

Real-time bidding is helping to propel the online ad market, as publishers and advertisers find more efficient ways to monetize inventory. But there may be a long way to go before media buyers and publishers are making the most of those efficiencies.

Less a third of US publishers (31%) offered media buyers the possibility of real-time bidding on their ad inventory in 2010, according to December research from real-time media management platform DataXu and DIGIDAY.

Thatâ€™s set to increase to 43.7% of publishers next year, but according to the report, they â€œstill see it as a remnant resourc

Publishers expect only 25.1% of all inventory to be available through real-time bidding this year.

Display ads are most commonly put on the auction block, followed by rich media.

Publishers may be reluctant to step further into the space, with a quarter of respondents saying real-time bidding hurt their relationships with clients. While many publishers experienced the benefits of greater incremental revenues or better CPMs, some also reported losing money.

Overall, 37% of respondents said real-time bidding increased their respective CPMs by an average of 31.7%, compared with 23% of publishers whose revenues declined by 37.5%.

On the media buyer side, advertisers and agencies alike are looking to put more dollars toward real-time bidding this year.

Agencies said that on average they would shift 18% of their spending on ad networks in 2010 to demand-side platforms in 2011, and advertisers expected to move 11.3% of budgets in the same direction.

Among advertisers, 27.3% said they had used demand-side platforms, including real-time bidding, compared with 81.8% that used general ad networks.

But more than a third of respondents (34.4%) said they would increase their use of demand-side platforms this year.

Companies in the real-time bidding space are attempting to open up the market further by teaming up to create efficiencies.

Ad Age reported in December that several demand-side and real-time bidding platforms, including DataXu, created the group OpenRTB to have a single standard for bidding on inventory.

â€œFor publishers,â€• Ad Age said, the new unit â€œwill mean more potential buyers with access to their inventory; for agencie marketers that buy online ad impressions, this coalition means more inventory at their fingertips.â€•

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