

Don't Buy the Negative Hype About Video Ad Exchanges

Over half of the top 100 publishers in comScore Video Metrix are available for real-time media buying, representing over 29% of biddable pre-roll volume.

Conventional wisdom assumes that video ad exchanges are comprised primarily of low-end inventory. At OMMA AdNets in July, for instance, Program Director Ross Fadner posed the question: "will publishers ever put good quality inventory on exchanges?" Jason Krebs, Chief Media Officer at Tremor Media, quipped: "I don't think there is any great need, nor do I think it will happen."

Well it is happening, at least in part. Running an internal analysis of inventory available for real-time media buying across a five-day sample of over 200 million streams and cross-checking against comScore's top 100 publishers in Video Metrix, we discovered a few interesting facts.

- 54 out of 100 companies listed in the comScore 100 have inventory available for real-time bidding on the top exchanges and supply-side platforms.
- 29.1% of pre-roll impressions available for real-time buying are from comScore 100 publishers.
- YouTube, despite its massive reach, only accounts for slightly over one-fifth (20.0%) of comScore 100 volume. Other sources, including top media companies, constitute a majority of sites.

Why might this be happening? Publisher-direct sales, often involving faxes and IOs, are not always perfect. Unpredicted viewership spikes can mean unsold inventory. Also, top exchanges and supply-side platforms are increasingly giving publishers more control over how they monetize, letting them set minimum CPMs, parameters on who gets access, line-item controls and much more, freeing up available inventory.

This is not meant to imply that premium video inventory is not scarce, or that video is in any way analogous to display, where a glut in inventory led to more rapid adoption of exchanges. Recent discussions about private exchanges, and the role they could play in the marketplace, indicate that many top-tier publishers want additional tools to maximize revenue before they will be willing to drastically increase the inventory onto real-time exchanges and platforms.

We obviously bring an agenda to this. But since only an aggregator can see across this inventory in detail, we felt obliged to publish these early numbers in the hope that a more nuanced discussion might take place about how real-time bidding fits into the broader video ad ecosystem.

Video ad exchanges may not be a "silver bullet," but there are several natural advantages that suggest criticism is premature. At its best, real-time audience buying leveraging third-party data can pinpoint any audience, on any device, at scale. It also promises to bring market-like precision and transparency to an industry where price and other variables are often difficult to understand.

So the next time you hear an ad network -- or anyone else -- malign real-time video, ask them where they are getting their numbers. Top-tier inventory is increasingly out there, awaiting bidding.

