



**PROGRAMMATIC VIDEO ADVERTISING INSIGHTS
Q4, 2019**





2019: The Tipping Point for Programmatic Video Advertising

55%

of marketers use a programmatic company to buy their video advertising in 2019¹

50%

of total programmatic digital display ad spend in 2019 in the US will be on video²

5X

faster growth for programmatic video ads than overall advertising in 2019³



Programmatic Video Is Set to Dominate The Advertising World

Growing ad spends Y-o-Y

\$29.2 billion: Total programmatic video ad spending in 2019 in the US alone. It is expected to cross \$34 by 2020, a 26% increase. With such high growth numbers, marketers need a healthy mix of the programmatic video in their marketing mix to ensure they stay ahead of the curve¹

Rising Digital Video Consumption

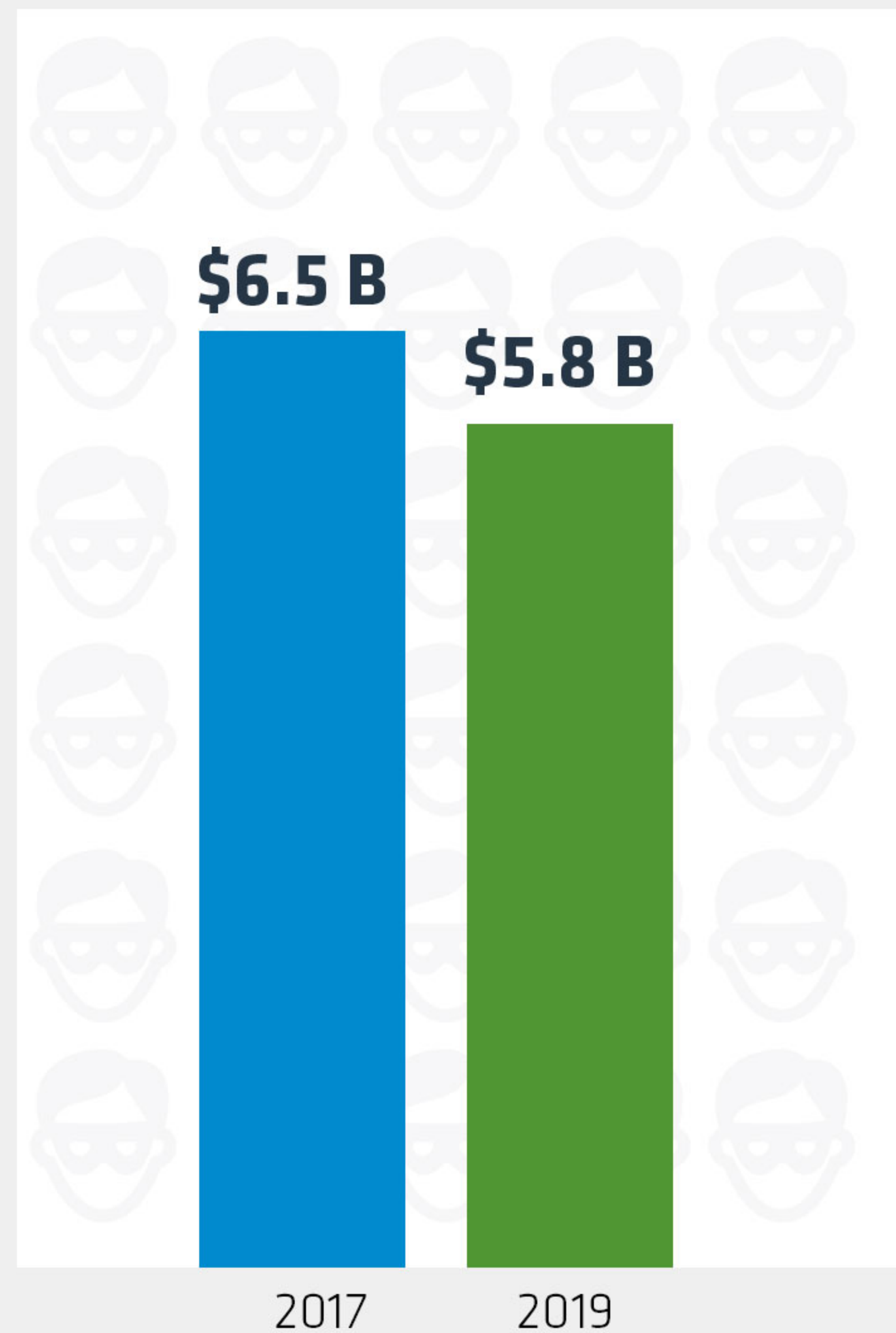
240 million+: US digital video viewers in 2020. To match this scale, marketers need to leverage the scalability offered by programmatic otherwise they will lose significantly audience mindshare if routing through traditional buying mechanisms²

New Digital Devices Driving Programmatic

66%: global growth in programmatic OTT/CTV ad transactions in H1 2019. With the proliferation of new OTT/CTV devices, marketers are bound to follow the eyes of the customers. Programmatic offers a seamless way of creating a multi-channel digital video ad strategy that touches consumers at the right time on the right device³

What Has Increased Confidence in Programmatic Video?

Decrease in Ad Fraud

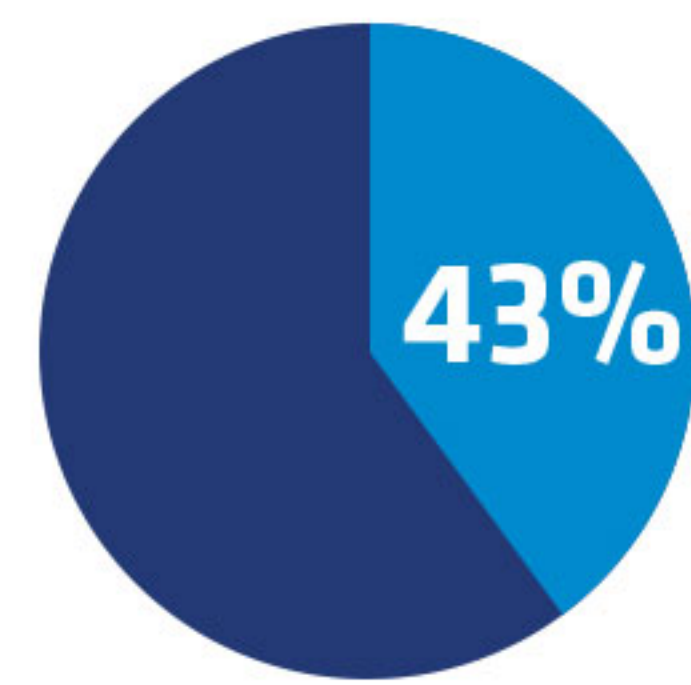


-11%

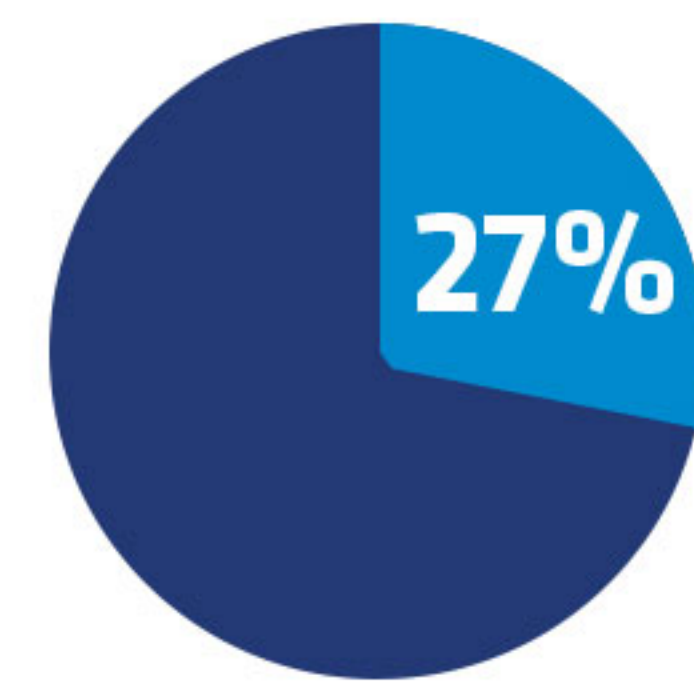
Decline in ad fraud in digital advertising in 2019 vs 2017⁵

Industry Initiatives

Adoption of Ads.txt & App-ads.txt



of top 1000 domains have ads.txt file¹



of top 1000 apps have app-ads.txt²

TAG Certified Against Fraud Seal

131 companies have (Direct Buyers, Direct Sellers, Intermediaries and Anti-Fraud & Measurement Services) been awarded the seal communicating their commitment to combating fraudulent traffic in the digital supply chain³



Sellers.json and OpenRTB Supply Chain Object

109 sellers have implemented and made their sellers.json file publicly available

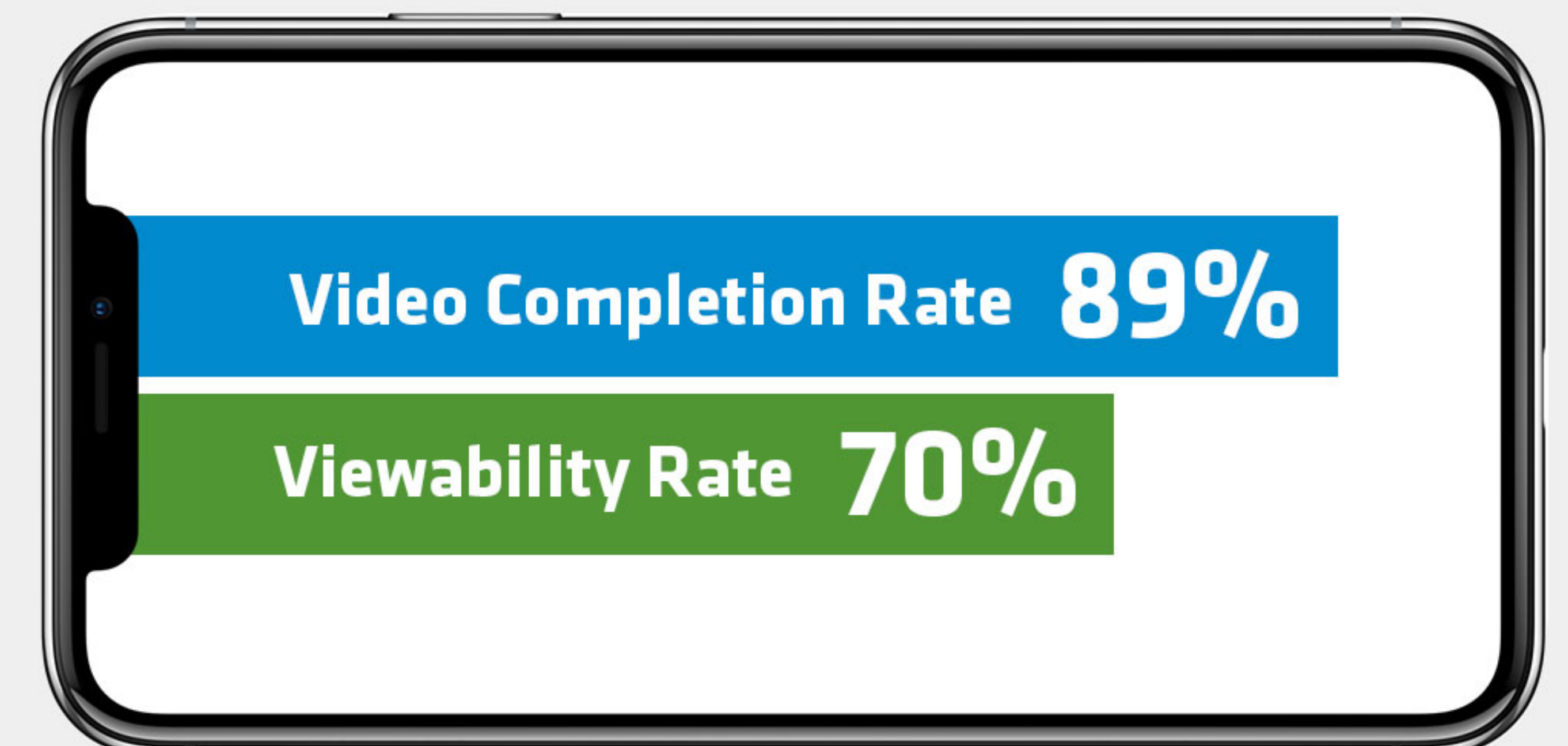
Improved Video Ad Experience

Bidding and Auction moving to Server-Side connections



Publishers and buyers are moving to server-side auctions to alleviate the limitations (latency, complex implementation, limited ad requests) of client-side technology

High Viewability and Video Completion Rates⁴



¹adstxt.firstimpression.io

²appadstxt.pubmatic.com

³tagtoday.net/certified-against-fraud-programcompliantcompanies/

⁴emarketer.com, July'19

⁵ANA + White Ops 2019



Programmatic Advertising Insights from Chocolate

In this report, we delve into trends seen in Q3, 2019 on Chocolate's own programmatic platform. The data that follows sheds light on how programmatic video advertising is steadily growing, how in-app ads are driving the market growth, top advertiser & publisher categories, top video ad formats and many more actionable data points that will help marketers and programmatic buyers in their media buying journey.

Chocolate is one of the leading programmatic video advertising technology company. We recently launched, **Chocolate Premium**, the world's first video SSP with 100% server-side auctions. In this report, we analyzed data from **Chocolate Marketplace**, an exchange which comprises of direct & resold inventory and Chocolate Premium, a video SSP which comprises of 100% direct inventory only. To know more about Chocolate Premium Video SSP, read our press release [here](#)

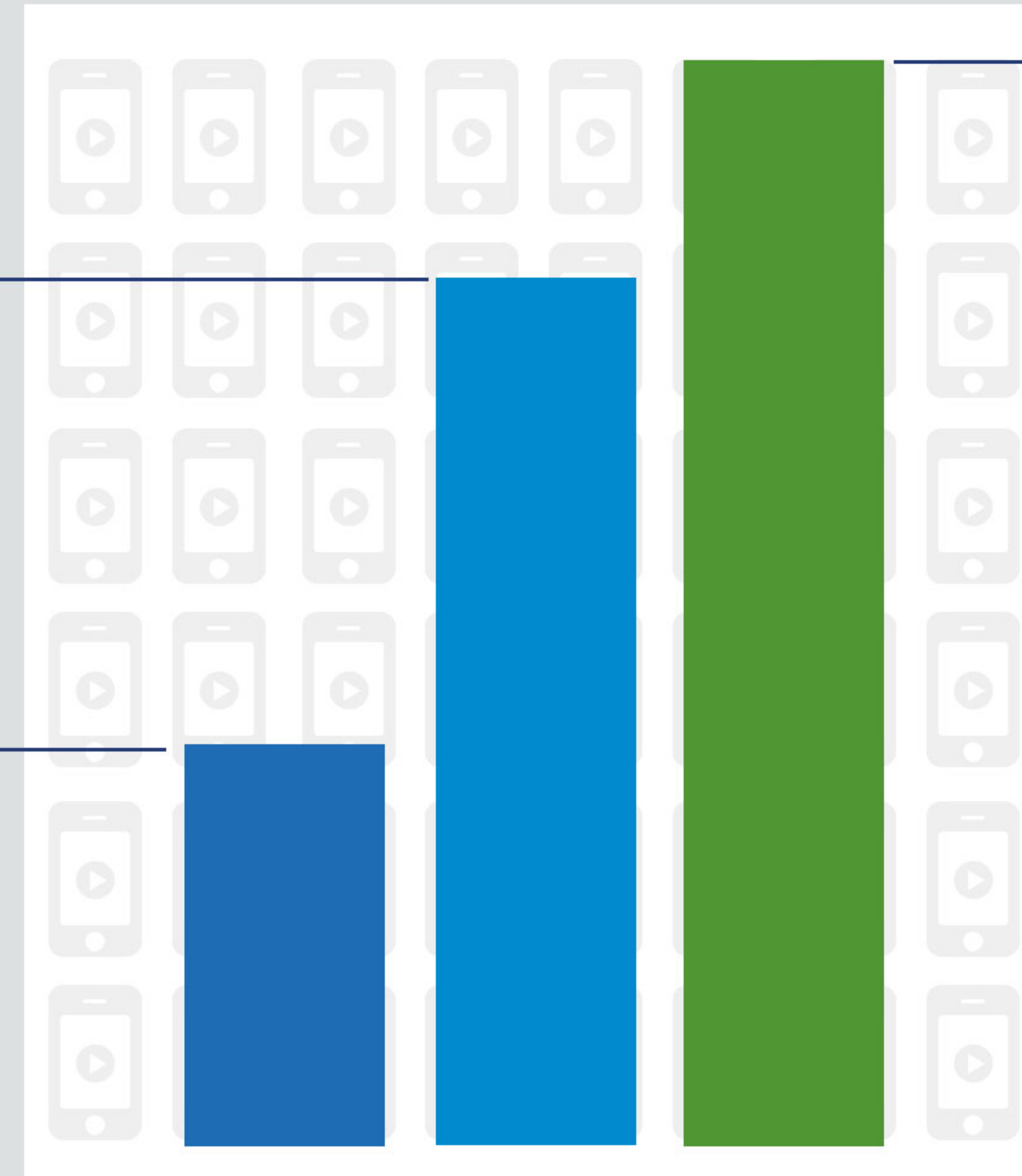
Chocolate Marketplace Overview

71%

of video impressions served under 250 ms exceeding the industry benchmark for video ad latency

32%

Increase in app ad spend in Q3'19 vs Q2'19



98%

inventory is in-app across mobile and CTV



CHOCOLATE GROWTH



Ad Spend

33%

Growth in video ad spend by demand partners (DSPs, ATDs and Agencies) on Chocolate Marketplace in Q3, 2019 vs Q2, 2019.

Video Ad Impressions

46%

Growth in video ad impressions by demand partners (DSPs, ATDs and Agencies) on Chocolate Marketplace in Q3, 2019 vs Q2, 2019.

Chocolate Premium Video SSP Overview

Fast growing, unique &
100% server-side video ad auctions



4X

increase in direct inventory on
Chocolate Premium in Q3'19 vs Q2'19



1139

leading media and broadcasting website and
apps sell their inventory on Chocolate Premium

3.45 Billion
video ad auctions
on Chocolate Premium
in Q3'19

High performance and
optimized supply path

↑ Video Ad
Impressions

92%

video ad impressions
on Chocolate Premium
served under 150 ms
exceeding industry
benchmarks for video
ad latency

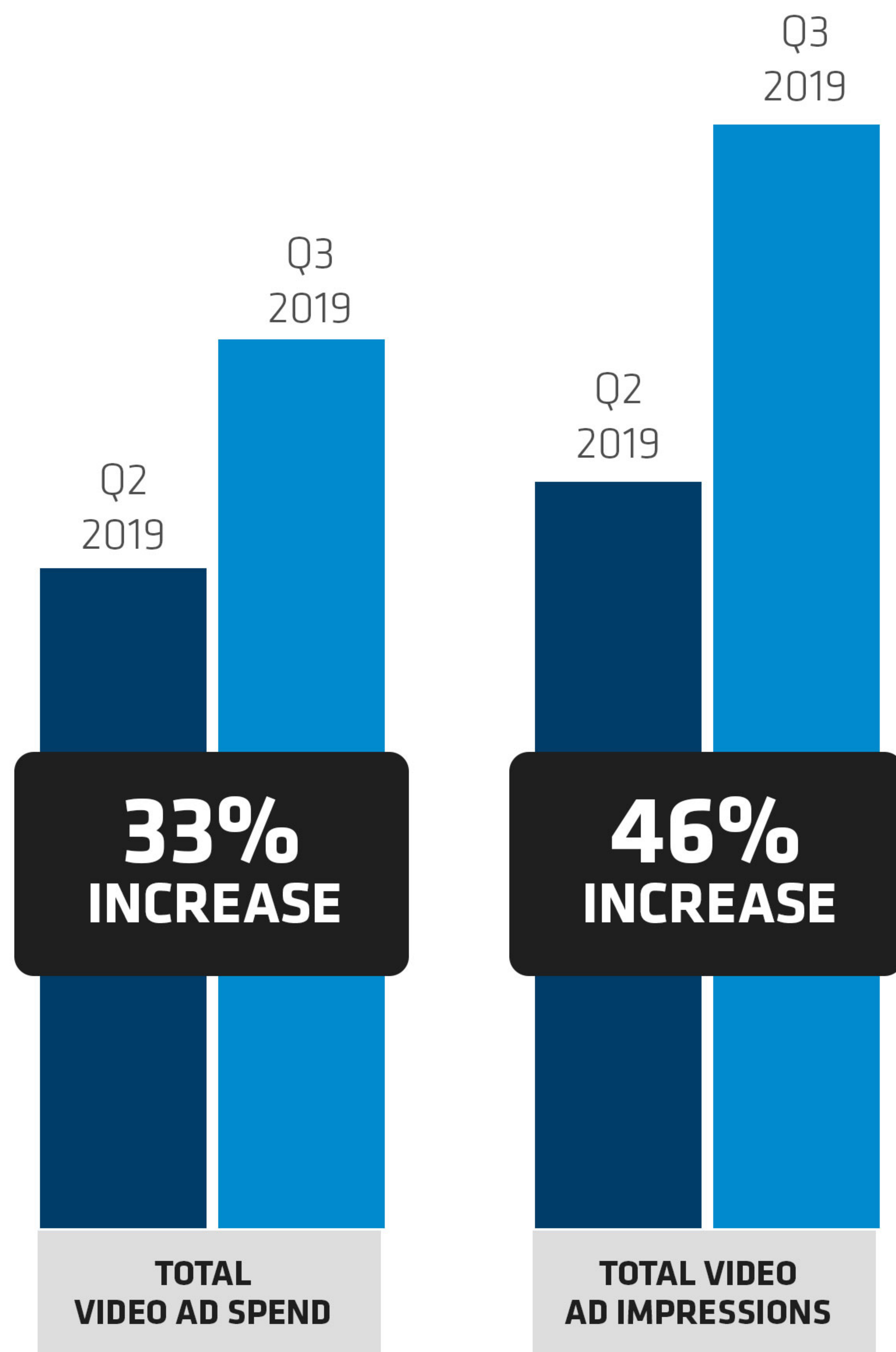
Video
Completion Rate

78%

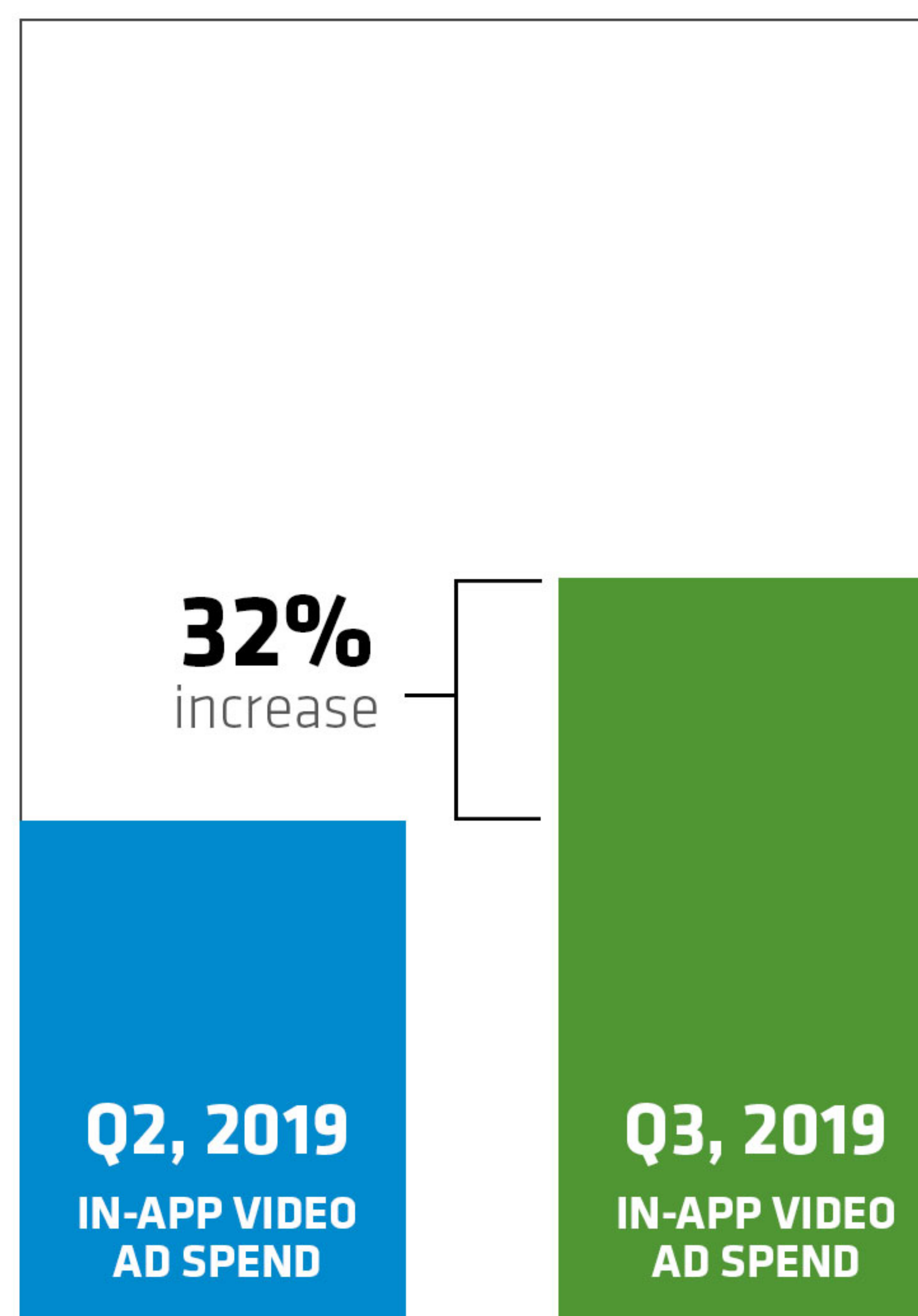
avg. video completion
rate (VCR) on Chocolate
Premium in Q3'19

Sellers.json and OpenRTB
Supply Chain Object
implemented enabling
transparency & trust in
programmatic buyers

Programmatic Video Advertising Insights

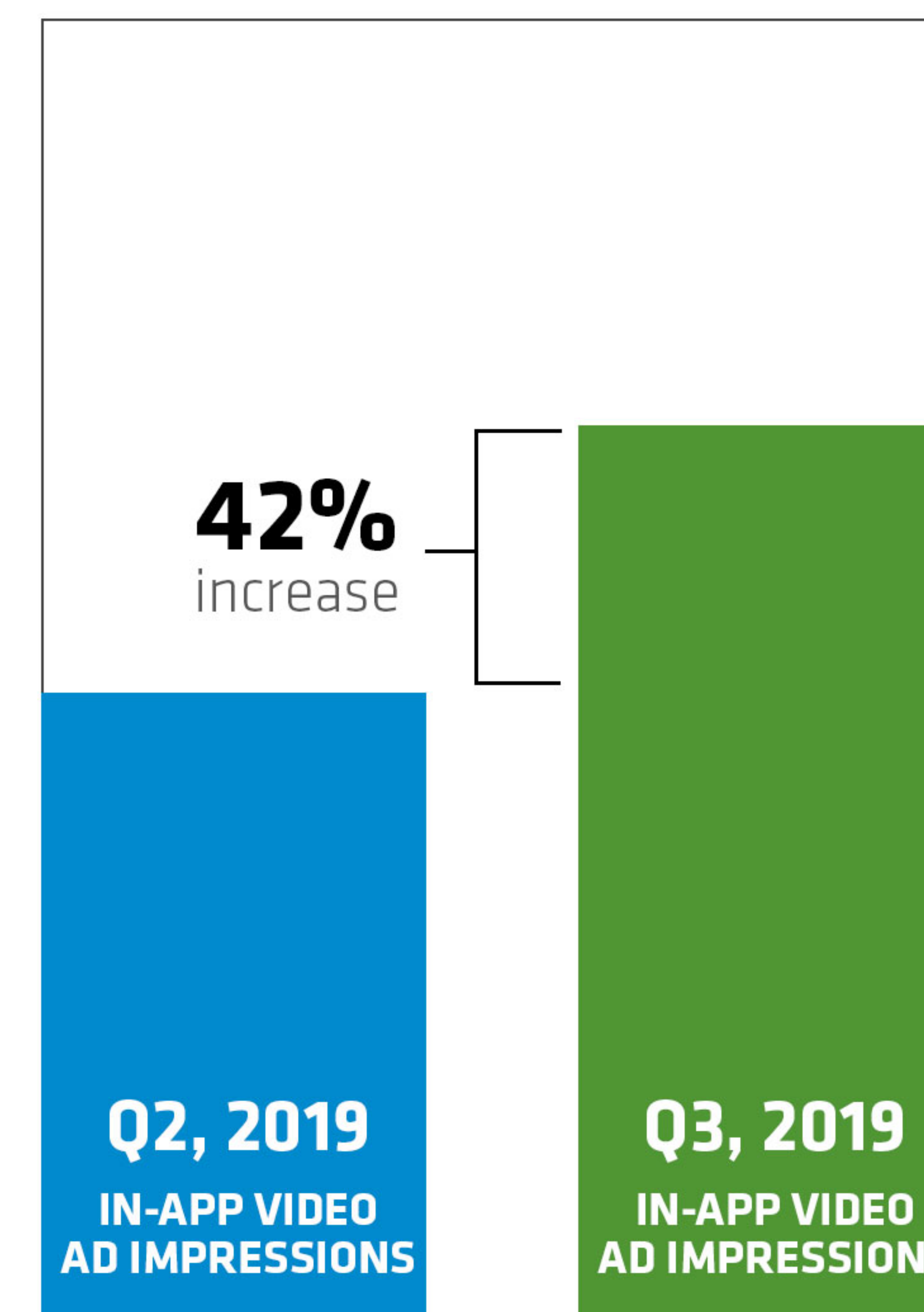


32% Increase in In-App Video Ad Spend



Marketers have embraced in-app programmatic buying. This strong growth is a positive sign for the industry as consumers spend increasingly more time on apps.

42% Increase in In-App Video Ad Impressions

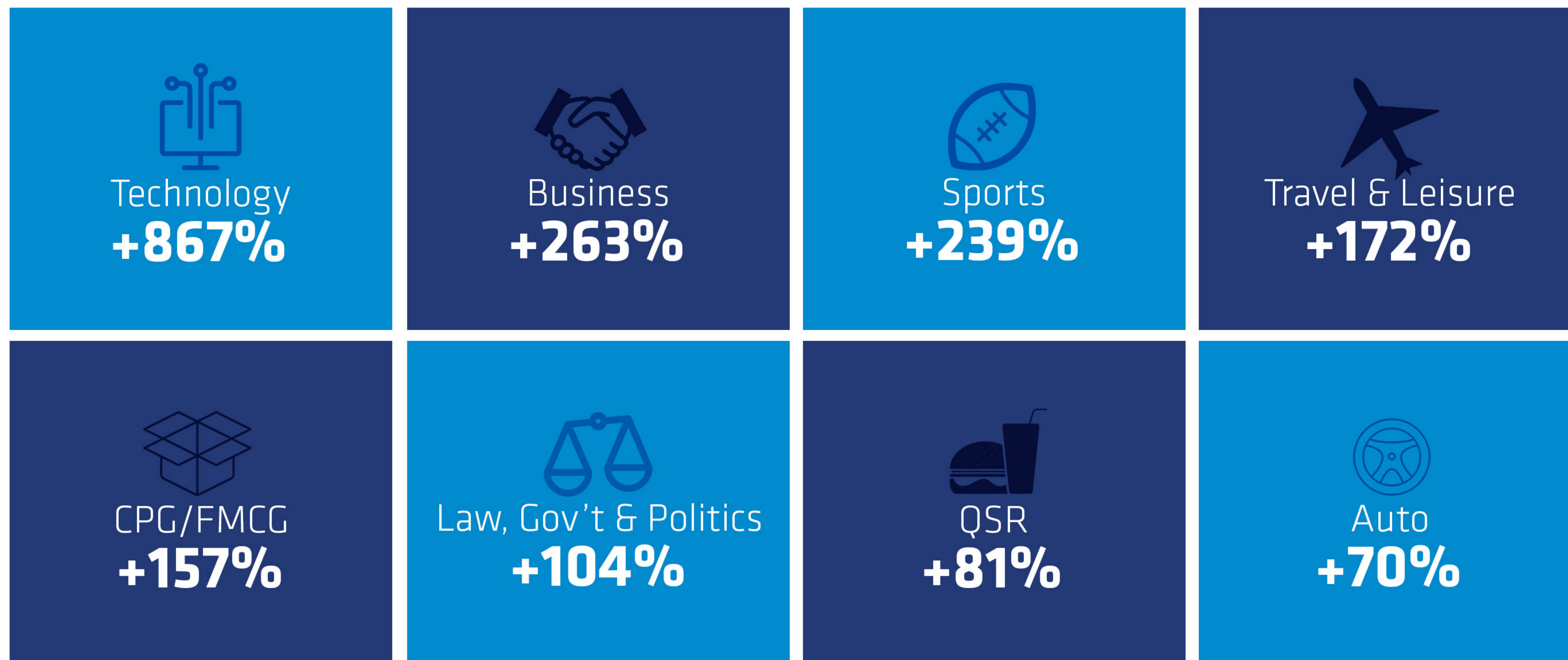


Programmatic buyers are realizing the true value of in-app advertising. As we see the no. of video impressions has gone up significantly highlighting the growing acceptance of video ads inside the app environment.

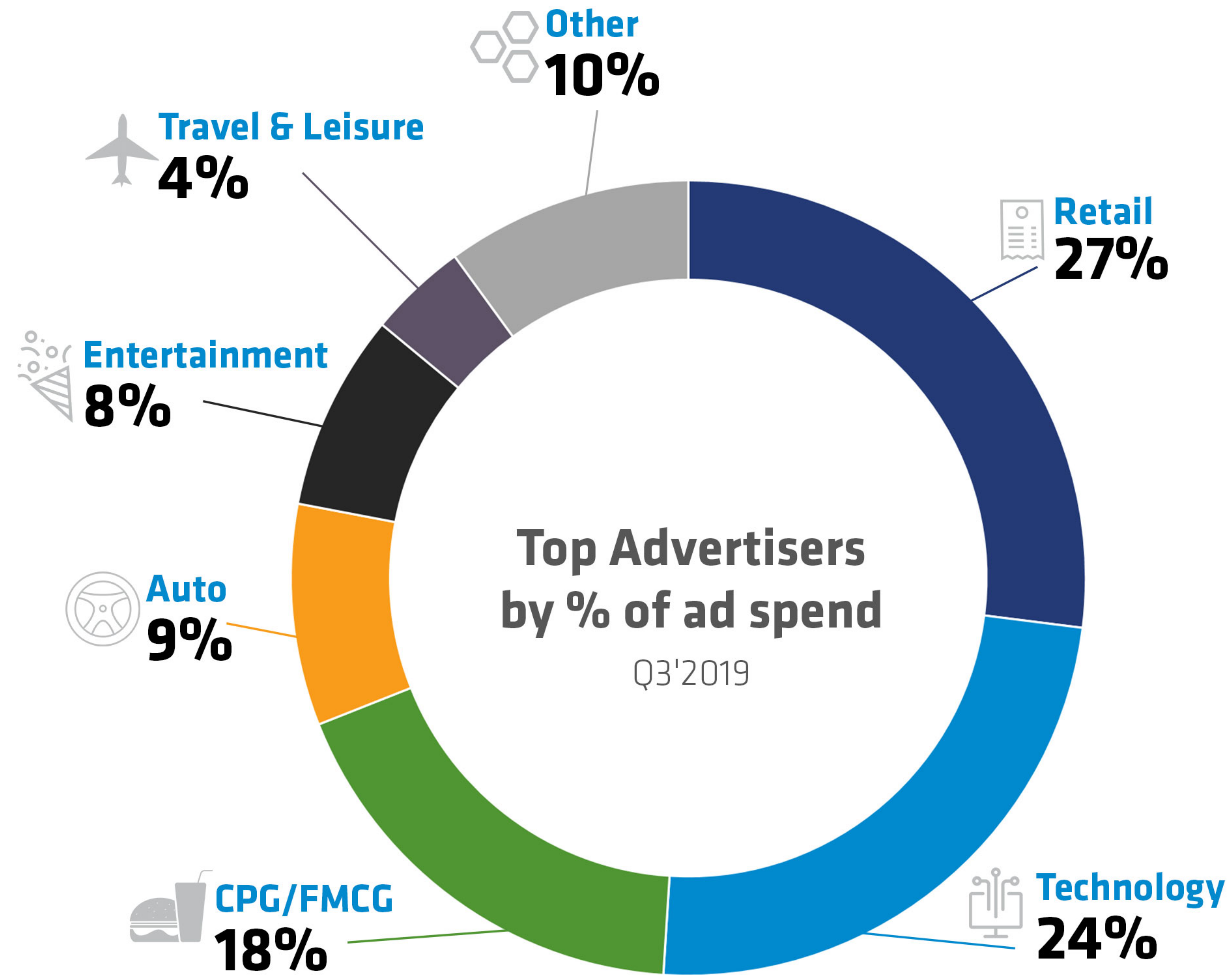
Data For Chocolate Marketplace and Premium Video SSP combined

Top Advertisers by % growth in ad spend

% change Q3'2019 vs Q2'2019



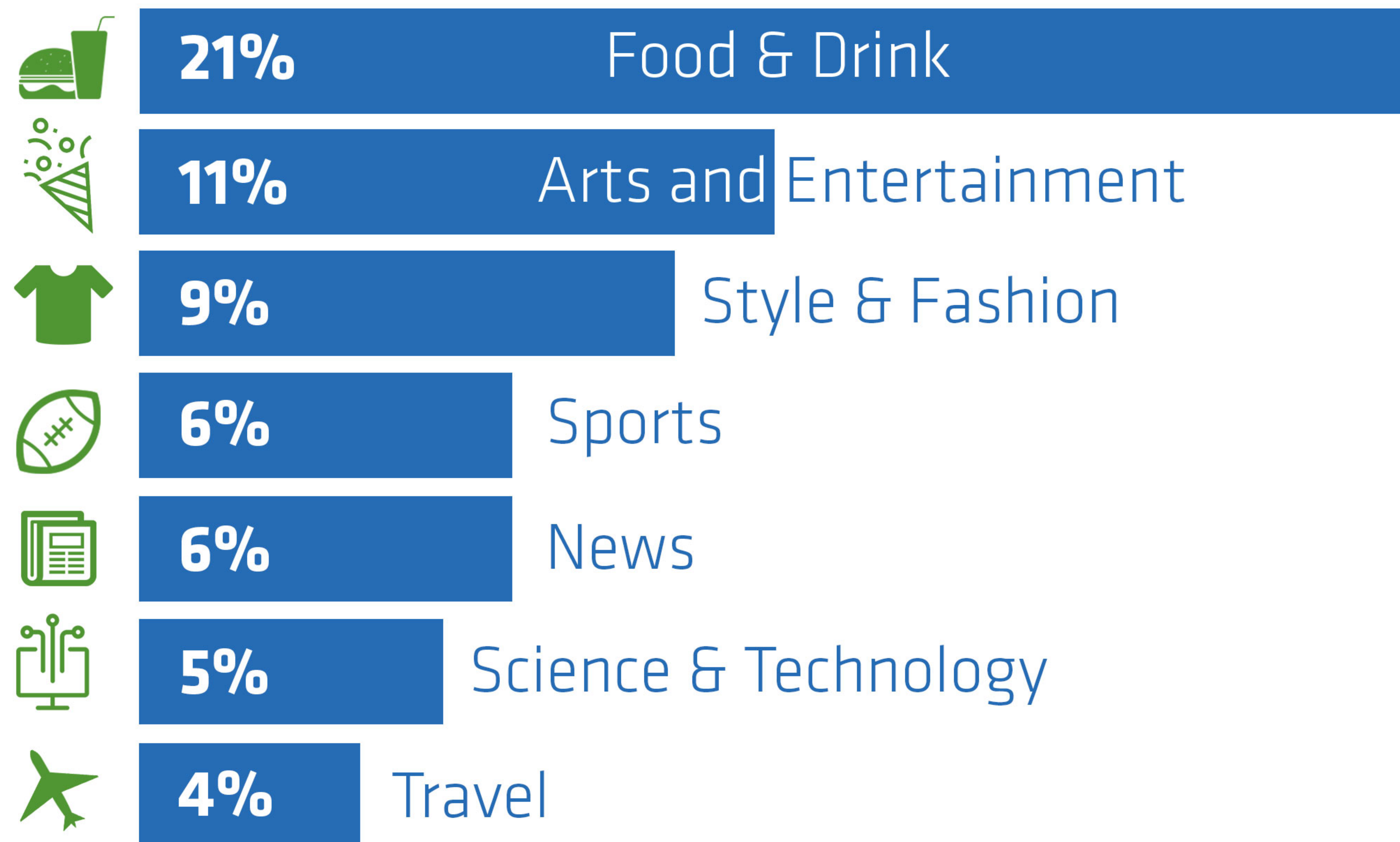
Data For Chocolate Marketplace and Premium Video SSP combined



Data For Chocolate Marketplace and Premium Video SSP combined

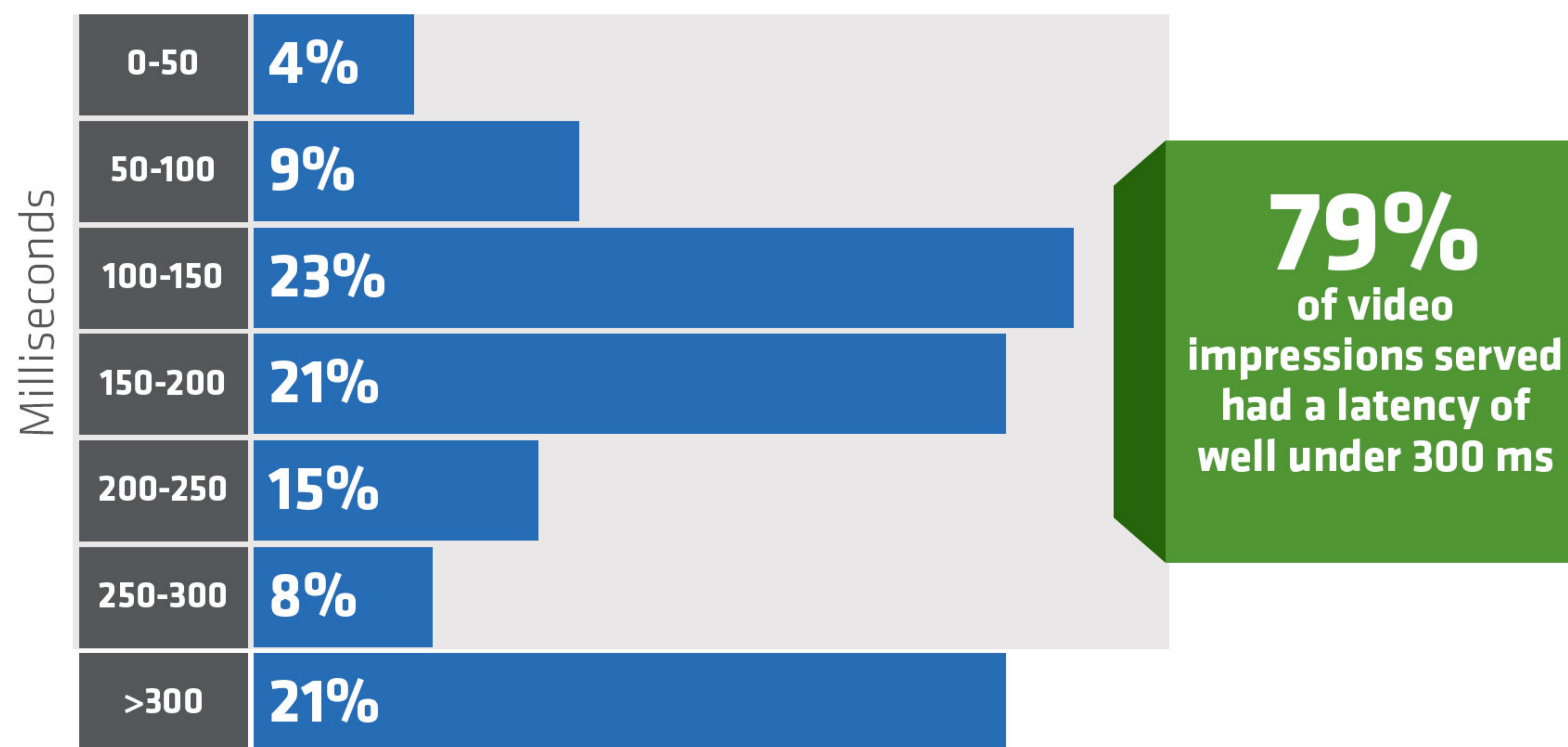
Top Publisher Categories by % of ad auctions

Q3, 2019



Data For Chocolate Marketplace and Premium Video SSP combined

Video Ad Latency | Chocolate Marketplace



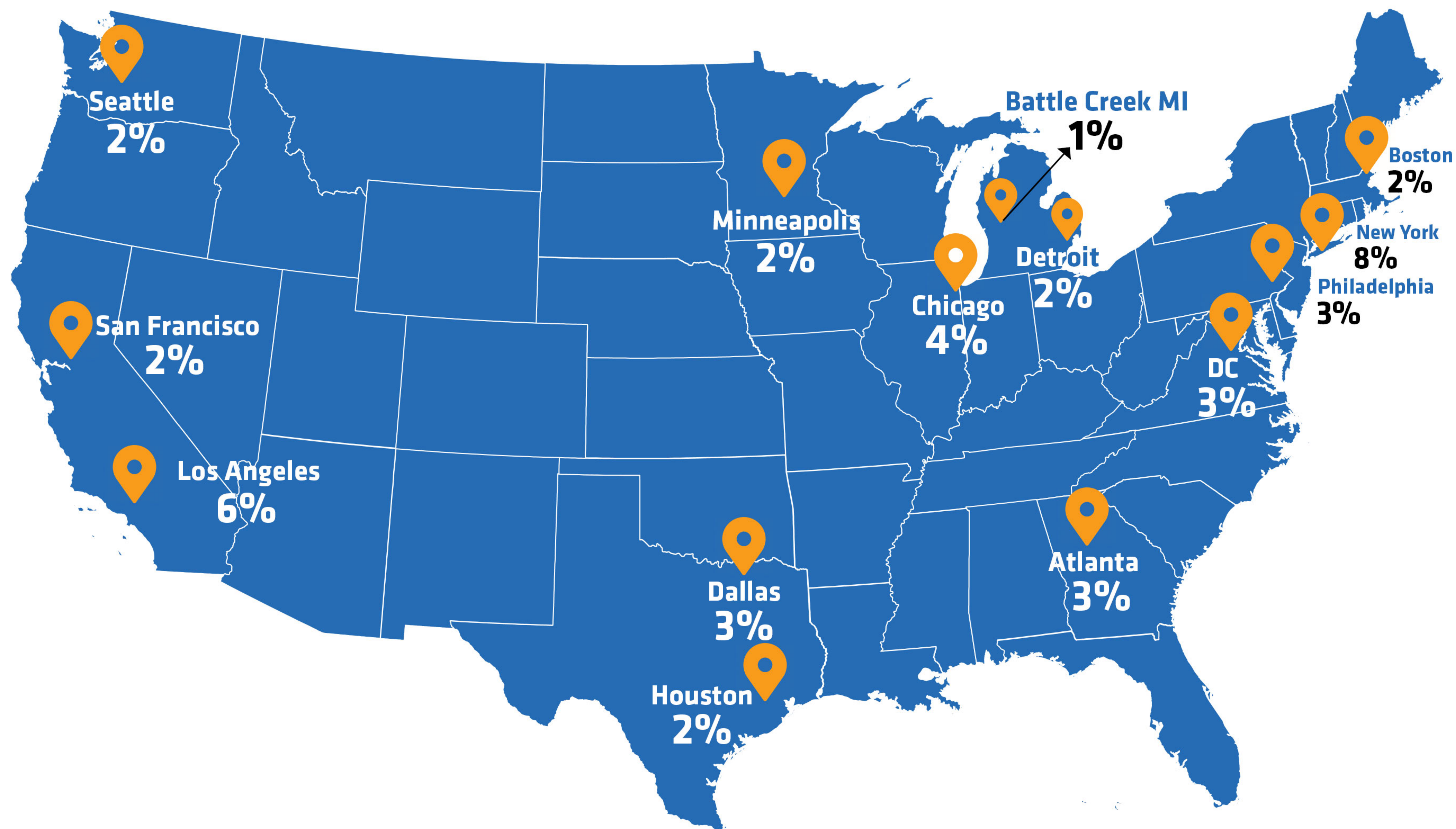
Video Ad Latency | Chocolate Premium Video SSP



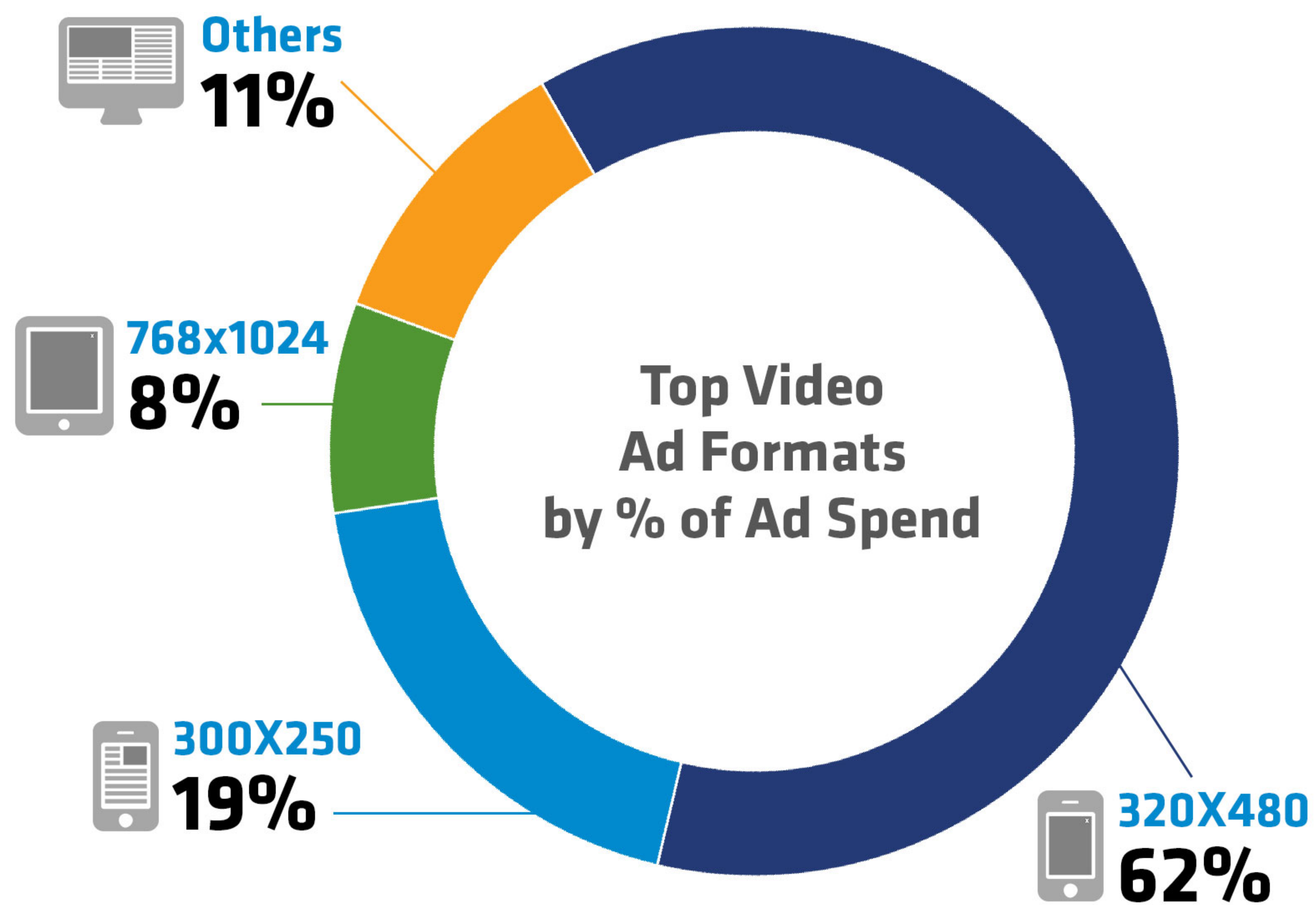
Latency has been a major pain point when it comes to video advertising. At Chocolate, we ensure a robust infrastructure to support heavy ad formats like video and more importantly, by co-locating our ad servers closer to the end-user we deliver a seamless video ad experience on any device. Chocolate has ad servers in the East & West Coast in the US, in the EU and in the APAC. Our latency numbers are at par if not exceeding the industry benchmarks which usually hover around 250-300 ms.

Top Cities Targeted By The Marketers

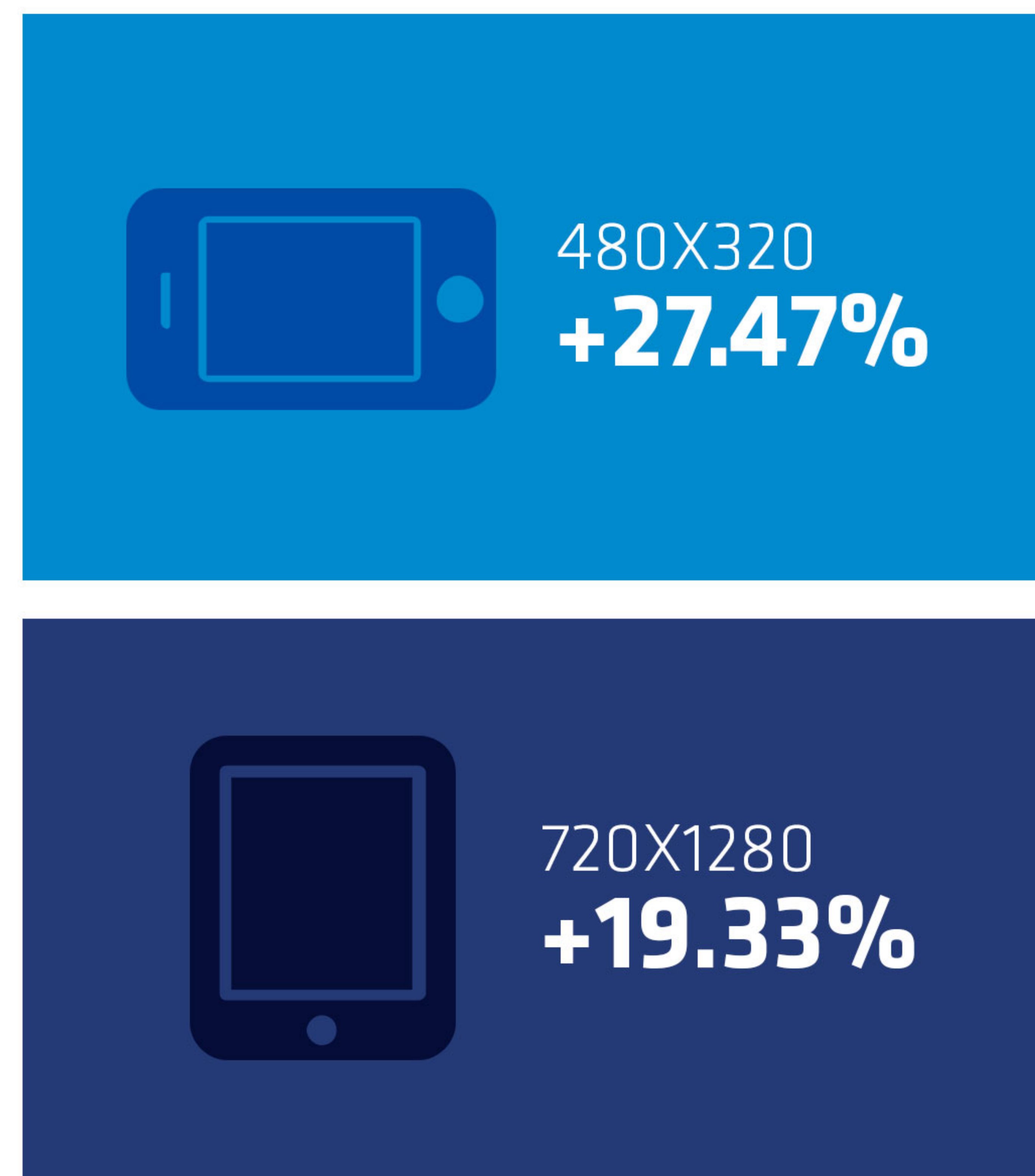
% share of total auctions conducted in each city in Q3'2019



Data For Chocolate Marketplace and Premium Video SSP combined



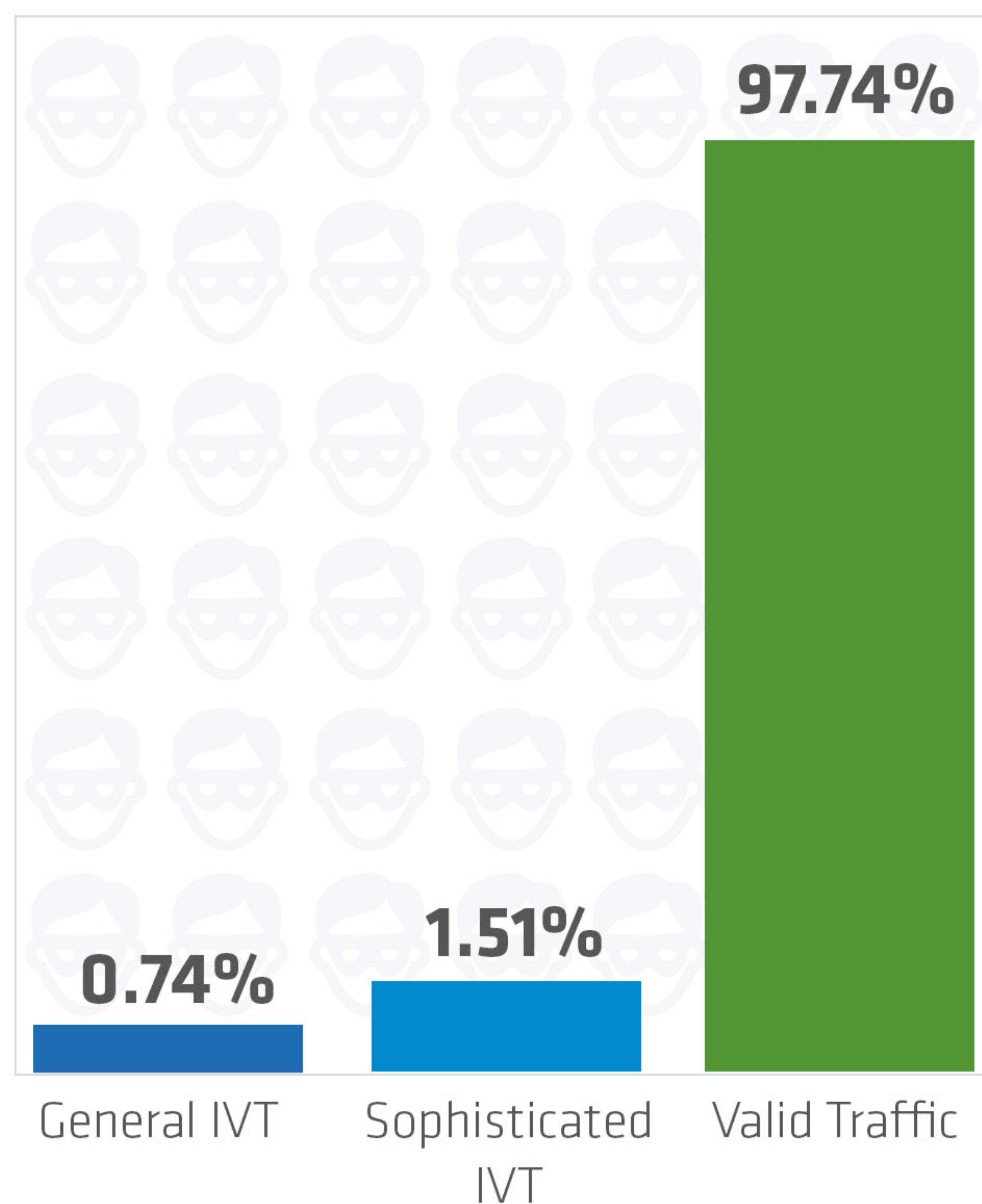
Fastest Growing Video Ad Formats by % of Ad Spend



Data For Chocolate Marketplace and Premium Video SSP combined

Eliminating Ad Fraud from Chocolate Programmatic Platform

Q3, 2019



Source: White Ops

Chocolate has partnered with White Ops, a leading trusted third-party fraud prevention and detection vendor. Through this partnership, both pre-serve IVT and post-serve IVT are covered on 100% of traffic on Chocolate. Chocolate is committed to ensuring a fraud-free, brand-safe environment for marketers and publishers alike. Chocolate is awarded TAG Certified Against Fraud Seal, and is one of the early SSPs to implement Sellers.json file and OpenRTB Supply Chain Object. With strict adherence to work with inventory that is ads.txt and app-ads.txt compliant, we are pushing forward to create an optimized supply path for marketers, DSPs, and other programmatic buyers.

Data For Chocolate Marketplace and Premium Video SSP combined

Methodology

We analyzed over **157 B** auctions on Q4, 2019 on Chocolate programmatic platform. This report incorporates auctions, impressions, revenue, and ad format data to provide a high-level analysis of key trends within the mobile advertising industry. Data is from the third (1st Jul - 30th Sept) and second (1st Apr - 30th Jun) quarter of 2019.

About Chocolate

Chocolate is a leading programmatic video advertising technology company. We offer two core products, **Chocolate Premium**, the world's first video SSP and marketplace with 100% server-side auctions and Chocolate Mediation, a revenue management platform for app developers. Chocolate is a privately held, venture-backed company headquartered in Silicon Valley with offices in San Francisco, CA, and India.



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