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IAB Latin America Report on Programmatic In-Housing

August 2020

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About US



The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. It is comprised of more than 650 leading media and technology companies responsible for selling, delivering, and optimizing digital advertising and marketing campaigns.

Working with its member companies, IAB develops technical standards and best practices, and fields critical research on interactive advertising, while educating brands, agencies, and the wider business community on the importance of digital marketing. The organization is committed to professional development by elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. IAB advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers through the work of its public policy office in Washington, D.C.

Founded in 1996, IAB is headquartered in New York City and has a West Coast office in San Francisco.

About Our Sponsors



The IAB Programmatic+Data Center is a unit within IAB, founded to enhance existing IAB resources, and to drive the data agenda for the digital media, marketing, and advertising industry. The Programmatic+Data Center's mission is to expand the programmatic universe, increase the understanding of how data drives business, and make them easily accessible to all.

IAB Programmatic+Data Center is focused on:

- Gathering industry thought leaders to drive and set the data agenda
- Funding industry research to provide benchmarks and actionable insights on data management across platforms including programmatic, mobile, and the internet of things
- Developing industry best practices, guidelines, and standards for privacy, data security, measurement, and consumer data protection
- Creating educational materials including certification, infographics, videos, webinars, and seminars to demystify data for marketers and advertisers
- Hosting data-focused events that feature industry luminaries discussing data related topics

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The purpose of this report:

Programmatic advertising has become a key element in most digital ad budgets for its scale and efficiency in targeting and placing digital advertising. As a result, more brands are bringing the management of programmatic in-house. This shift is changing the role that brands and agencies play in this arena and the structure of how they are managed.

With programmatic's rise, the IAB Programmatic+Data Center aims to help inform its clients how programmatic is evolving the digital media landscape. The purpose of this report is to discuss the role that programmatic plays in the broader digital media ecosystem and how it is evolving, especially with the changing regulatory environment around data privacy. The insights from this report were gleaned from a variety of sources, including interviews with subject matter experts, a quantitative IAB survey, and additional secondary research from industry leaders.

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Executive Summary

- Programmatic advertising has been on a meteoric rise. Programmatic's share of digital ad spend worldwide is expected to grow to 68% this year with Latin America not far behind at 63%.
- The LatAm market, in particular, is poised for programmatic growth as mobile usage is rising dramatically. Mobile accounted for 63% of LatAm programmatic digital display ad spend in 2019.
 - As internet usage increases, video content is growing in prominence. Brazil, one of the largest markets for programmatic video ad spend, is projected to be 6th largest programmatic video ad market in the world this year.
- Brands desire more control over programmatic, and we are seeing a trend towards brands in-housing some or all of this function. The majority of LatAm brands surveyed have moved some function of programmatic buying in-house. 16% of LatAm organizations have completely moved this function in-house, and almost half have partially moved programmatic buying in-house.
 - In-housing of programmatic allows brands more transparency over the operation, which increases cost efficiency and campaign effectiveness, allowing for better ROI attribution.
- Within LatAm brand organizations that have brought their programmatic in-house, most are taking a hybrid approach and partnering with an agency on some elements of the operation.
 - Many organizations are either currently working with or would consider working with a partner on technology infrastructure and campaign analysis/optimization.
 - However, there are some functions, like algorithm creation and key performance indicator (KPI) development, that these organizations prefer to keep in-house.
- The General Data Protection Regulation (GDPR) was implemented in the EU in May of 2018. However, LatAm has been late in enacting their own guidelines with only a handful of countries enacting legislation on data protection.
 - Nonetheless, LatAm organizations are very supportive of a stricter regulatory environment. The current guidelines, though, are nebulous, and most organizations are struggling with what constitutes compliance.
 - Earlier, there were concerns that regulations would negatively impact consumer trust for brands and limit brand profitability, yet those concerns have been largely unfounded. In fact, an unexpected benefit of regulations is that brands are now working with cleaner data. While regulations have culled down the number of customers who can be targeted, those that remain are more relevant and interested, resulting in a more effective ad spend.

- The future of the regulatory environment continues to evolve, but the anticipated limit or disappearance of cookies and third-party data magnifies the need for companies to manage their own first-party data. Thus, the ability to implement effective programmatic advertising hinges on an organization's ability to obtain and manage its customer's data.
- The digital ecosystem is constantly evolving through innovation and technological advancements, which will create new opportunities and needs within programmatic, both for brands and agencies.
- The COVID-19 pandemic has impacted brands across the world, with many limiting or shutting down operations. As a result, short-term spend on advertising has decreased and/or been repurposed, though it is unclear what impact, if any, this pandemic may have on long-term advertising.
 - Some struggling brands, like those in hospitality or travel, have almost eliminated advertising. Others that are still operating, like grocers, Consumer Packaged Goods (CPGs) and telecommunications, are creating more relevant ads to reflect the current environment.

Defining Programmatic Media Buying

Programmatic allows a brand to target consumers, tailor messaging and purchase relevant ad space more effectively by leveraging data in an automated process. For instance, an ad for swimwear being served to a 19-year-old female college freshman three weeks before Spring Break, while reading her favorite beauty blog.

Programmatic media has had a relatively brief history. It all started with the banner ad, which ushered in the advent of ad servers, which begot ad networks, Real-Time Bidding (RTB) ad exchanges and ultimately, programmatic. It is staggering to see how much more effective ad targeting has become in a span of 20 years.

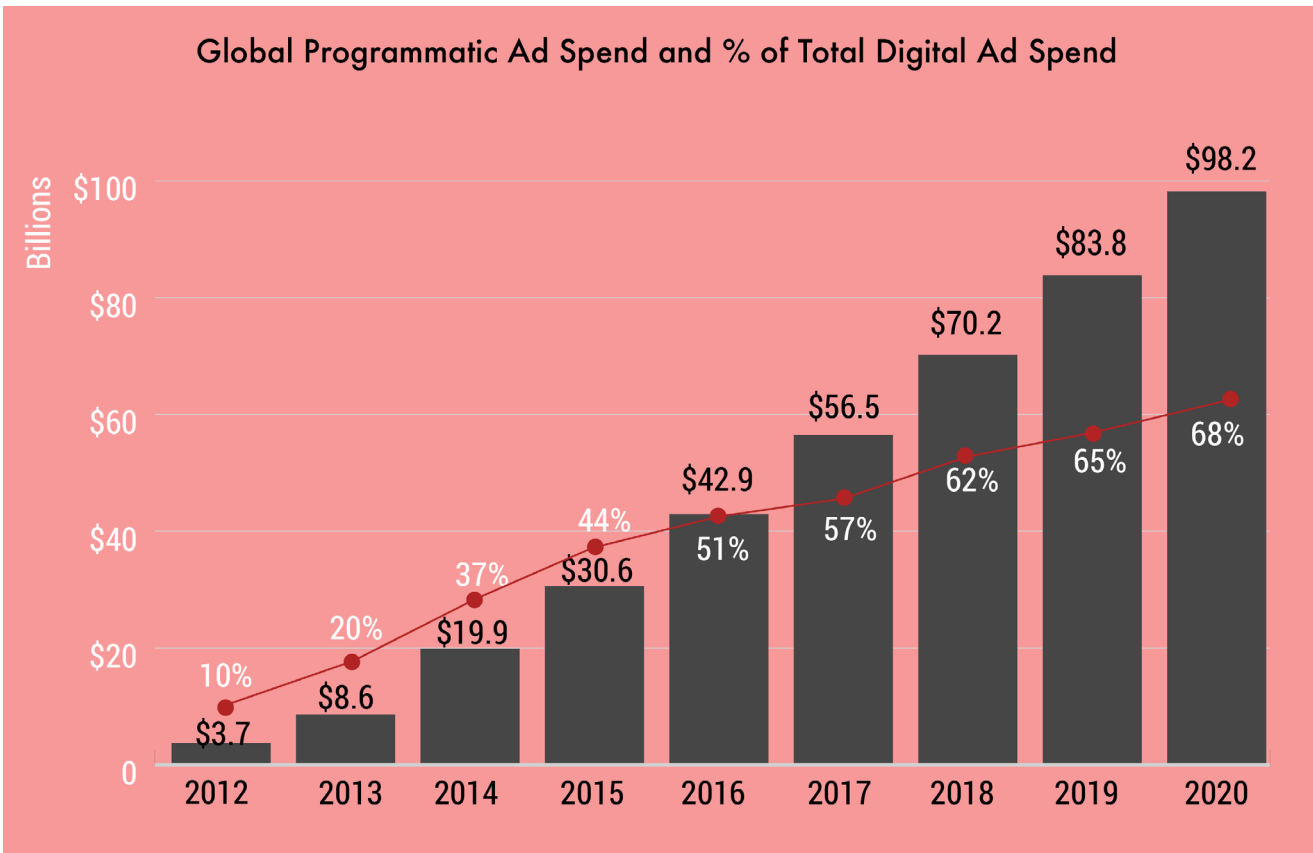
Programmatic allows brands to market to different audiences by segmenting across categories like age, gender and geography, and behaviors like media consumption. As different segments are identified, a brand can then tailor messaging for that particular segment while sending differentiated and relevant messages to particular groups simultaneously. All of this is executed algorithmically through an automated process, which means that it is done in real time without relying on human touch. As a result, brands are only paying for relevant ad content, delivered to the right people at the right time— which results in a more efficient and effective ad spend. One digital executive described programmatic as, “buying against a target, not buying content or properties. It’s a target we can measure and then quantify the impact.” It is no wonder that brands have turned to programmatic media buying over the traditional “spray and pray” approach where brands cast a wide net and hope for the best.

The Growth of Programmatic

The terms “customer-centric,” “authenticity,” and “personalization” are perennial marketing buzz words. Everyone is trying to market to customers in a way that feels authentic and relevant. But in order to do that, we need to know about our customers—that is, we need data! As brands started to capture more and more data from their customers, they became capable of segmenting their customers into groups and developing messaging to these particular groups. With this came the need to deliver these messages in an efficient way. The old process of manually buying and placing ads limited the extent to which brands could target their communications. But with the advent of programmatic, brands were able to deliver targeted messaging to a relevant audience by automating the transactions of media via a technology platform, in real time, while reducing human error.

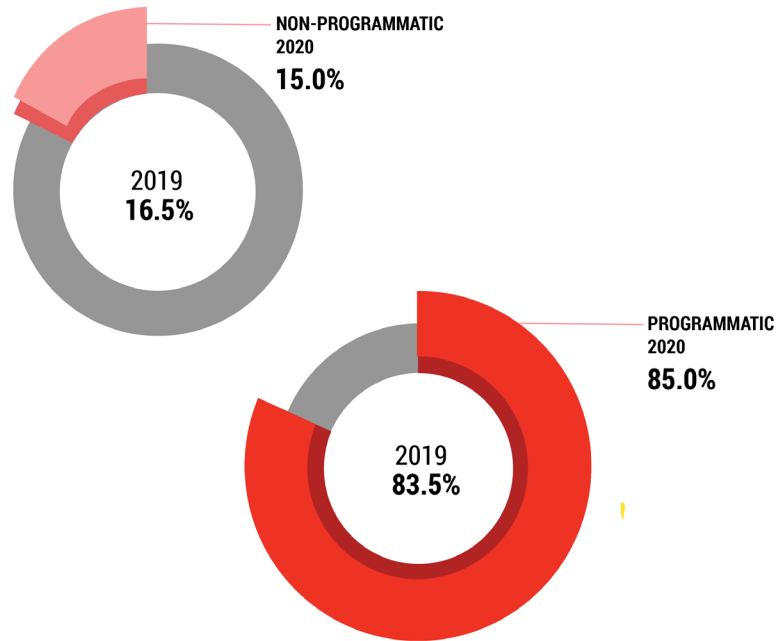
Programmatic has proven its value to the industry, and organizations are devoting more of their digital ad spend to it. In fact, according to the Zenith Programmatic Marketing Forecasts 2019 Report, programmatic’s share of digital ad spend worldwide is expected to grow to 68% this year with Latin America not far behind at [63%](#).

The total dollars spent on programmatic worldwide has seen a 54% increase in the last five years. Worldwide, more than two of every three display ad dollars is being spent programmatically.



Source: Zenith Programmatic Marketing Forecasts 2019

The shift in spend towards programmatic is outpacing the increases in overall marketing spend, which means that programmatic is getting a bigger slice of the ad spend pie. And the medium continues to evolve; consequently, organizations must be nimble and frequently revise their approach. As one global digital executive said, “I read a lot in the press about what’s going on in programmatic. I am also part of a few associations, but I still don’t feel like I know of all the changes taking place.”



Source: <https://pubmatic.com/wp-content/uploads/2019/12/2020-Global-Digital-Ad-Trends.pdf> (eMarketer)

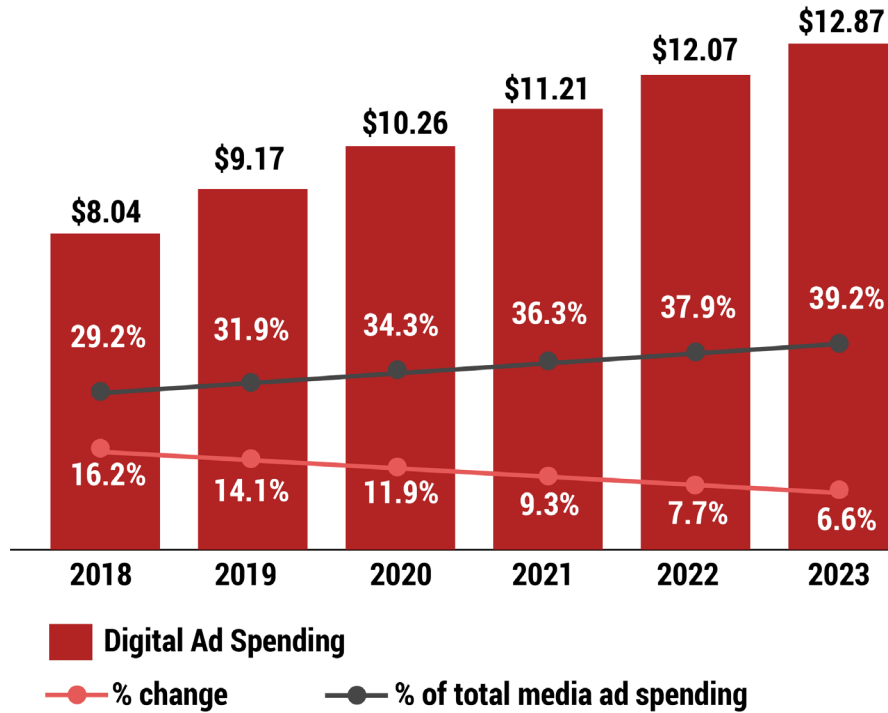
While Latin America is not as large in programmatic spend as many other regions, it is catching up. According to a recent IAB survey, only 59% of LatAm organizations surveyed are buying programmatic advertising, which lags behind the U.S. at 75% (the forerunner in programmatic spend. Brazil, Latin America’s largest advertising market, is the third fastest growing country in terms of programmatic ad spend (just behind India and Indonesia in growth versus [2019](#)). In Brazil, programmatic accounts for more than [half](#) of digital ad spend.

Latin America Poised for Programmatic Growth

While Latin America has historically been a TV-heavy region, internet user penetration is increasing, and therefore advertising is moving towards digital. In fact, LatAm digital ad spend in 2019 increased 14% as brands are embracing digital advertising as an essential part of their media strategy. As digital ads increase, so does the use of programmatic.

Digital Ad Spending in Latin America, 2018-2023

billion, % change and % of total media ad spending



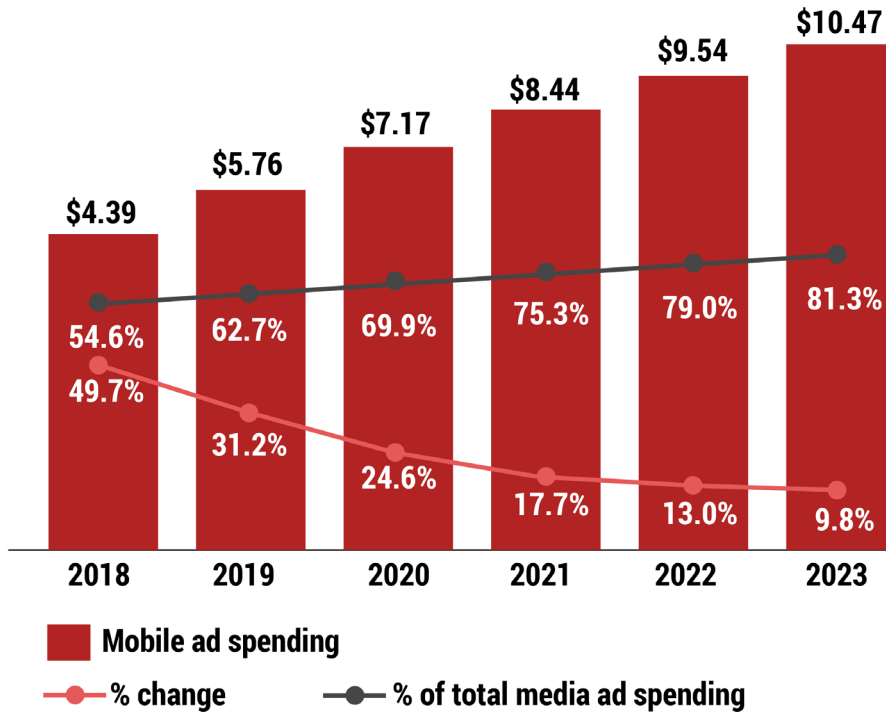
Note: includes advertising that appears on desktop and laptop computers as well as mobile phone, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS, and P2P messaging -base advertising

Source: eMarketer, February 2019

One medium driving growth of programmatic is mobile. Smartphone use is increasing. By 2022, the LatAm market is expected to account for half of the globe’s smartphone users. Mobile digital ad spend in the region is projected to be 75% of total digital ad spend by 2020 and 81% by 2023. According to Magna Global Intelligence, programmatic will account for 63% of digital display spend in Latin America. Programmatic in Brazil already accounts for roughly half of total display spend.

Mobile Ad Spending in Latin America, 2018-2023

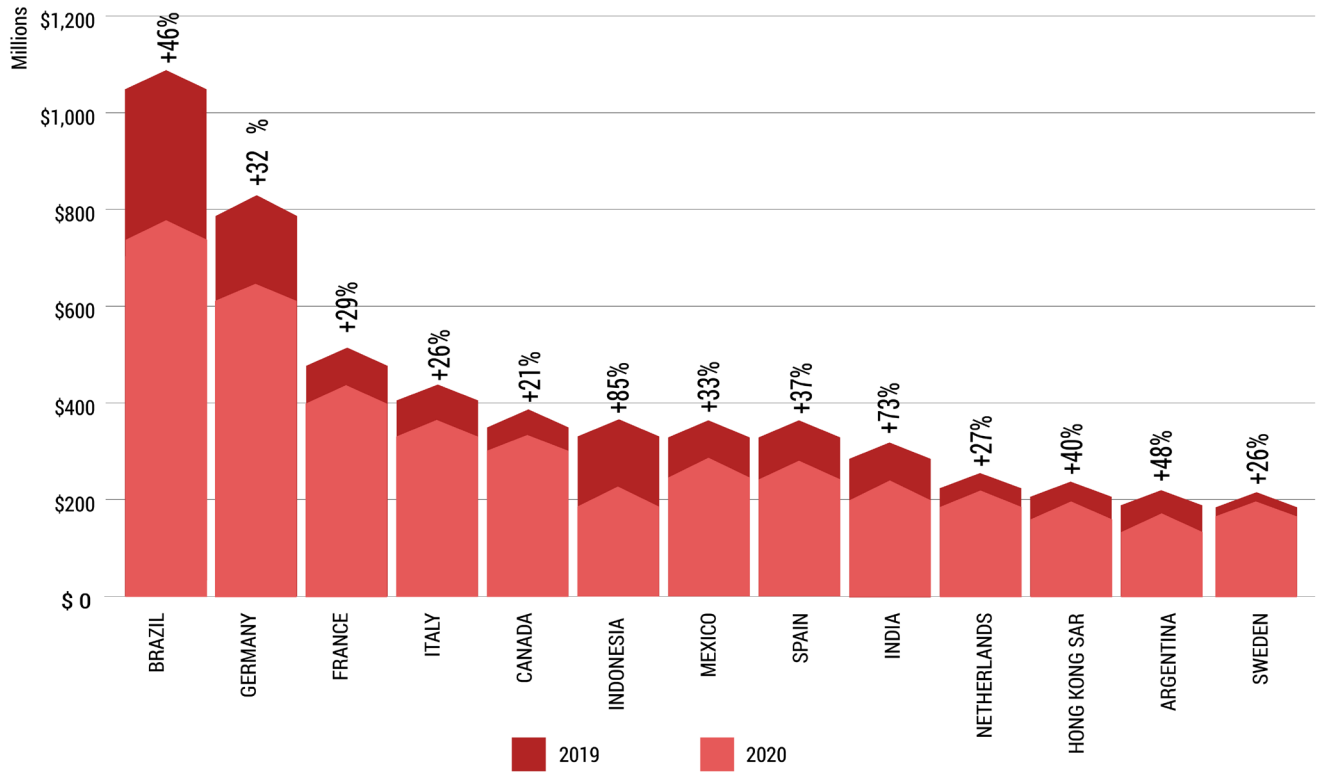
billion, % change and % of total media ad spending



Note: includes display (banners, rich text and video), search classifieds and email; includes ad spending on tablets; excludes, SMS, MMS and P2P messaging-based advertising

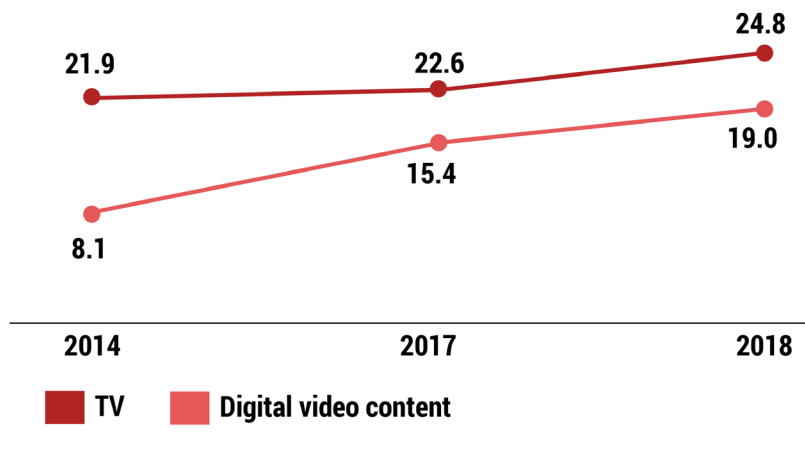
Source: eMarketer, February 2019

Programmatic is also expanding its reach in video. The projected digital video ad spend share worldwide is expected to be 75% this year, with similar growth in TV-focused LatAm. Brazil, in particular, is one of the largest markets for programmatic video ad spend. The country is projected to reach \$1 billion in 2020, making it the 6th largest programmatic video ad market in the world.



Source: <https://pubmatic.com/wp-content/uploads/2019/12/2020-Global-Digital-Ad-Trends.pdf>

How Many Hours per Week Do Consumers in Brazil Watch TV vs Digital Video Content hours, 2014, 2017 & 2018



Note: ages 14-55

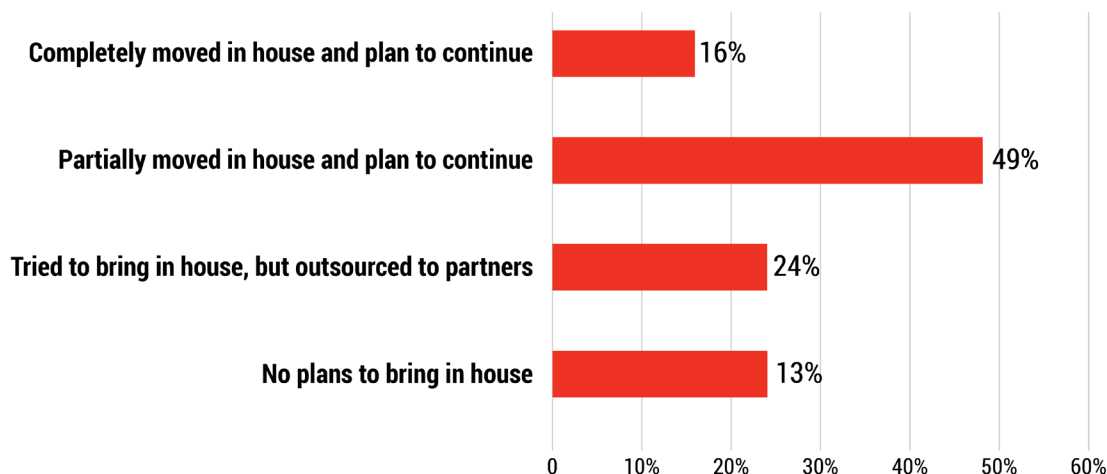
Source: Google, "Video Viewers: como os brasileiros estao consumindo videos em 2018" conducted by Provokers, Sept 19, 2018

With the growth in mobile and video, programmatic will play an increasingly key role in ad spend in Latin America. This will be an interesting market to watch as programmatic takes hold to see how they adapt relative to other regions in the world.

Managing Programmatic Media Buying

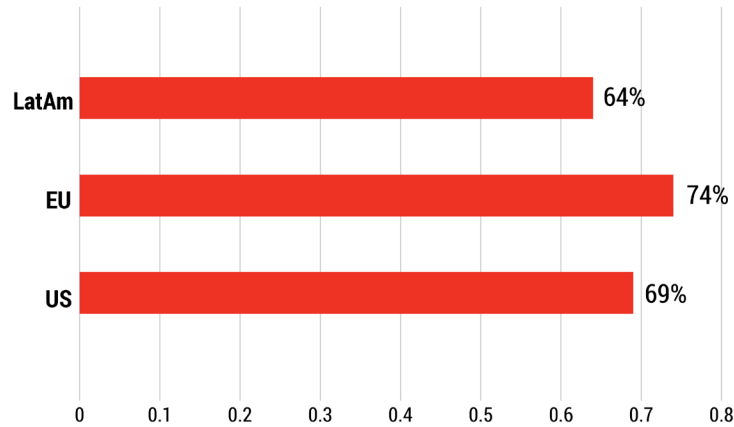
As the prominence of programmatic rises, there is a desire for more control. As is the case with many elements of advertising, more and more brands have decided to bring the capability in-house. According to a survey recently fielded by the IAB, 16% of Latin American organizations have completely moved programmatic buying in-house. This is similar to U.S. figures (18%), though half that of the EU (31%). Meanwhile, almost half of those organizations (49%) have partially moved their programmatic buying function in-house, which is similar to what we’re seeing globally.

Intent to bring programmatic in-house -Latin America



If we look at the aggregate of organizations that have partially or fully brought their programmatic in-house (see below), Europe is leading that trend with almost three quarters (74%) of organizations indicating this shift towards in-house. The U.S. is slightly behind at 69%, and LatAm is lagging at 63%. LatAm has been late to investing in programmatic relative to the U.S. and Europe so their intentions to in-house the function are understandably slower as well. It is interesting that while the U.S. is the largest programmatic market, they are not the leaders in in-housing. However, this may be due to the size of the U.S. and the difficulty of managing the volume and number of partnerships in that market.

Completely or Partially Moved Programmatic In-House Across Regions



Benefits of In-Housing Programmatic

In-housing of programmatic functions allows for brands to have more control over their operations and more transparency. Overall, programmatic allows for more effective targeting, which increases efficiency and effectiveness while providing transparency to track the ROI on campaigns. Not surprisingly, cost efficiency and campaign effectiveness were noted as the two most important objectives of in-housing programmatic, which was consistent across all three regions. “It’s all about the data transparency, we can now track our ad placements so much better,” said one CPG executive. Better audience targeting was the third most important objective for LatAm. Interestingly, ROI attribution, though listed as the number one objective in the U.S., is a less important objective in Latin America (or the EU).

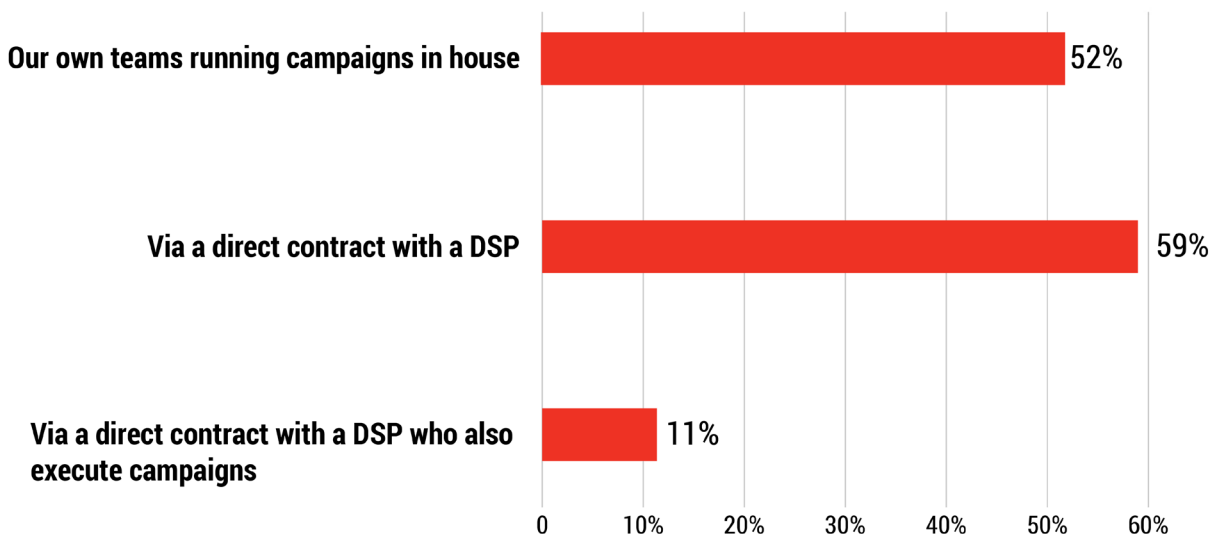
Objectives of In-House Programmatic	LatAm
Cost efficiency	44%
Campaign effectiveness	44%
Better audience targeting	31%
Extended audience reach	30%
Cross-channel planning and execution	23%
Real-time optimization	22%
ROI attribution	19%
Data management and data ownership	19%

While the benefits of in-housing are many, transitioning the operations to in-house is no small feat. It takes planning and a multi-phased approach, which oftentimes takes years to complete. As was commonly called out in the industry interviews we conducted, this type of transition requires buy-in across the organization and especially from top management. It also requires flexibility, as organizations' needs evolve, and it is only once they've started down this journey that an organization truly understands the requirements. "Our digital marketing platform was archaic, so we had to rebuild the tech stack from scratch. It wasn't until we started to rebuild it that we realized we had to completely rebuild our MarTech and AdTech to support the new platform," a hospitality executive shared.

Structuring In-House Programmatic Teams

Within the organizations that have brought their programmatic operations in-house, most are still taking a hybrid approach and partnering with an agency on some elements of their operations, which is similar to what we're seeing in organizations across the world. As the chart below demonstrates, many organizations are employing more than one strategy for their programmatic buying. While they may have their own team run some campaigns entirely in-house, they may also choose to work with a DSP and/or agency to execute other campaigns on their behalf. This is similar to what we're seeing globally. Across the three regions, more than 50% of organizations are saying they have their own team running campaigns in-house and via a direct contract with a DSP. Interestingly, compared to the other regions, LatAm is executing more programmatic with a direct contract with a DSP versus in-house.

Executing In-House Programmatic Buying-Latin American



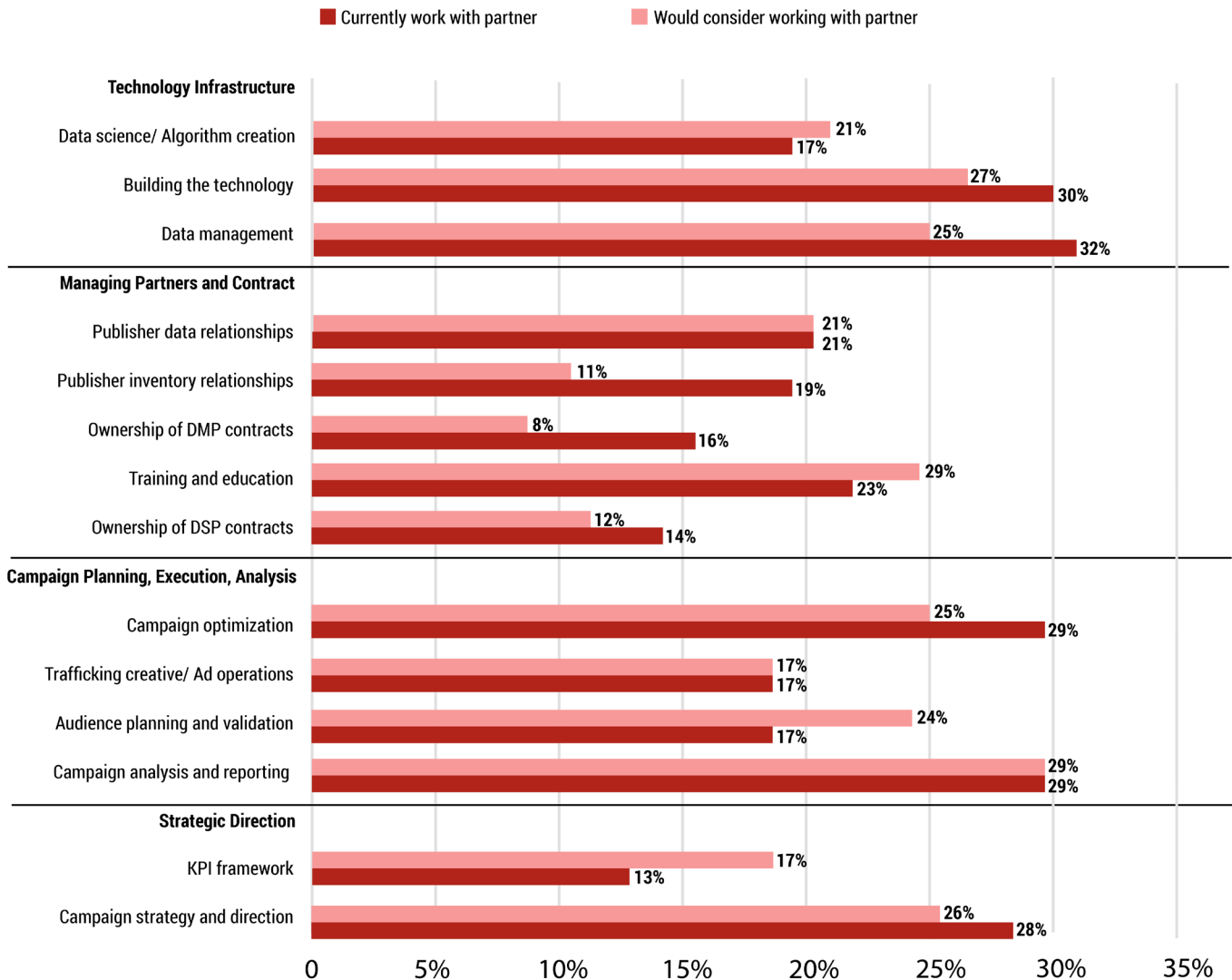
Managing Programmatic Functions

As organizations are thinking through the division of labor, what we found, according to a recent IAB survey for Latin America, is that there is still reliance upon partners for many programmatic functions (see table below). Across functions, many organizations are either currently working with or would consider working with a partner to execute key functions of programmatic buying. For example, more than half of organizations have or would relinquish control of technology infrastructure (outside of algorithm creation). Similarly, more than half of organizations have or would rely on a partner for campaign analysis and optimization.

That said, there are some functions that organizations would prefer to maintain control of. Foundational functions, like building the technology infrastructure or KPI development, are important for most organizations to keep in-house. While the decision on what technology to use is typically made in-house, the actual technology is likely outsourced to a vendor. Similarly, most organizations want to manage partners and contracts directly. With other functions—like Campaign Planning, Execution, and Analysis—we find there is a split with, about half of organizations willing to relinquish control to a partner and the other half preferring to keep those functions in-house.

However, this data demonstrates that there is a hybrid structure at play. While bringing functions in-house increases transparency and efficiency, the support of an outside partner remains crucial. In fact, as the COVID-19 pandemic has demonstrated, many brands are relying more on their agencies for data analytics on modeling consumer behavior, as well as an outside perspective on how other brands are handling the pandemic. As one energy executive noted, “At first, we were asking [our agency] how to get data. Now that we have it, we are asking them for help on how to use and interpret this new data.”

Programmatic Functions



When comparing Latin America to other regions, it is interesting to note that the EU evaluated these functions similarly in terms of their desire to work with partners or manage them in-house. The U.S., on the other hand, appeared to have a stronger desire for partner support across functions (see table below). The U.S. has been at the forefront of programmatic implementation, so their comfort with the function may manifest itself through relinquishing control to agency partners.

Programmatic Functions by Region

	US		EU		LatAm	
	Currently working w/ Partner	Consider working w/ Partner	Currently working w/ Partner	Consider working w/ Partner	Currently working w/ Partner	Consider working w/ Partner
Technology Infrastructure						
Data science / Algorithm creation	22%	65%	17%	20%	17%	21%
Building technology	27%	54%	31%	28%	30%	27%
Data management	33%	39%	37%	28%	32%	25%
Managing Partners and Contracts						
Publisher data relationships	22%	54%	20%	19%	21%	21%
Publisher inventory relationships	28%	49%	22%	16%	19%	11%
Ownership of DMP contracts	23%	46%	15%	16%	16%	8%
Training and education	24%	44%	23%	26%	23%	29%
Ownership of DSP contracts	20%	39%	15%	15%	14%	12%
Campaign Planning, Execution, Analysis						
Campaign optimization	34%	41%	27%	30%	29%	25%
Trafficking creative / Ad operations	21%	52%	23%	24%	17%	17%
Audience planning and validation	32%	36%	21%	23%	17%	24%
Campaign analysis and reporting	30%	37%	27%	29%	29%	29%
Strategic Direction						
KPI framework	18%	45%	15%	18%	13%	17%
Campaign strategy and direction	16%	38%	28%	27%	28%	26%

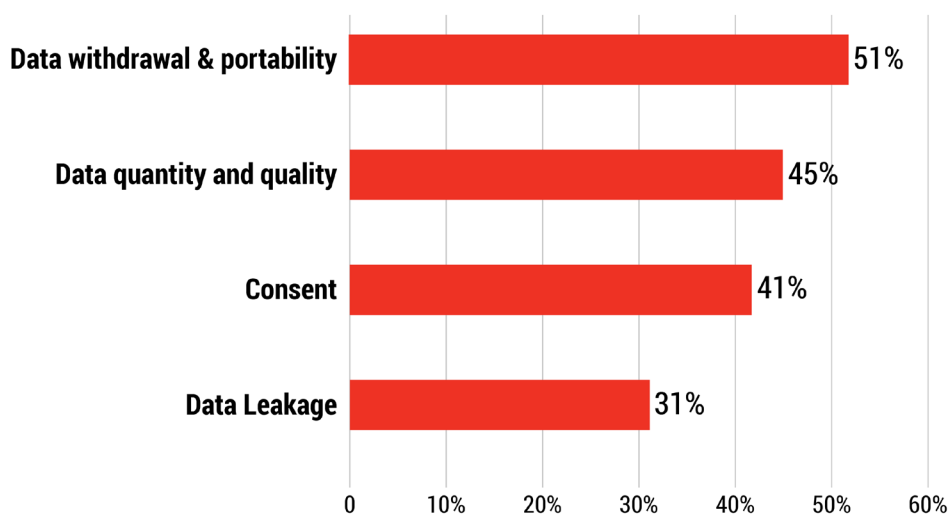
The Impact of Data Regulations

The digital landscape is young and evolving quickly; this space is ever-changing and proving difficult to regulate. Not surprisingly, there are sensitivities around how organizations are collecting and using consumer data. And with cyber-attacks and data breaches on the rise in LatAm, privacy concerns have only heightened.

After years of negotiation, the General Data Protection Regulation (GDPR) was implemented in the EU in May 2018. The goal of GDPR was to align existing data protection protocols and increase the level of protection for individuals, thereby giving customers greater control over their data and more transparency about the data being collected. These restrictions were enforced for any organization which did business in the EU or collected data from EU citizens, which impacted many Latin American brands. Relative to other regions, LatAm has been late to enacting their own guidelines. However, a number of countries in Latin America have enacted legislation on data protection: Argentina, Colombia, Chile, Mexico, Peru, and Uruguay. Brazil's new data [protection](#) law (LGPD), resembles the EU GDPR and comes into force in August 2020. However, countries like Paraguay appear to have no interest in passing legislation to comply with GDPR. As a result, the focus on data regulation in LatAm is less in comparison to other regions around the world.

That said, there is unanimous agreement among the Latin American organizations surveyed that GDPR compliance in programmatic is important. As the survey data indicates (see below), there is concern across all elements of data collection, consumer consent, and data security, with the top concern being data withdrawal and portability. However, this data illustrates that there isn't one area of focus but an overall concern with compliance. This is likely because guidelines are nebulous, and most organizations are struggling with what constitutes compliance. "While it would take a lot to be prescriptive, given all the nuances, there isn't a focus on being clear and concise, so advertisers and data partners are caught in the swirl," shared a digital executive. Across the globe, the interpretation of privacy guidelines has varied, with no consistent governing body to monitor implementation. The result is that things have been left to interpretation. As these regulations become reality, many organizations feel ill-prepared.

Top Concerns in Targeting Users in Digital Ads -Latin America



Accessing consumer data is paramount to programmatic advertising, so, needless to say, adhering to these regulations remains a focus for brands and agencies. Given the early stages we are in, the extent to which these regulations are disrupting advertising in Latin America remains to be seen.

At this point, however, the impact of GDPR has been relatively minor. While there were concerns that these regulations would negatively impact consumer trust for brands, and a brand's own profitability, those concerns have been largely unfounded, according to industry interviews. There has not been a strong consumer backlash (in terms of inquiries or complaints). Similarly, there does not appear to be a big impact to profitability.

Access to Data Remains a Concern

Continued access to and use of third-party data is uncertain. As heightened regulations became a reality, many organizations realized that the onus is on them to establish and manage their first-party data better. Many have gone to great lengths to build a DMP and refresh their first-party data. Furthermore, the use of and access to third-party data is disappearing, as is evidenced by Google's announcement to phase out the use of third-party cookies by 2022 (Apple's Safari and Mozilla's Firefox have already implemented similar measures). While there are solutions that can still allow for ad tracking (like Google's Privacy Sandbox), it is unclear what will and will not be available. As a result, there is a greater emphasis being placed on an organization's ability to access and manage their customer data. "The future of audience buying and third-party data has pushed us into data ownership and a centralized data strategy. We're pretty confident there will be significant changes that will reduce our ability to do what we're doing today. So we need to mobilize and build towards a stable future and that means being the owners and managers of our own data," said a digital executive in pharmaceuticals. Not surprisingly, those who have in-housed more of their programmatic operations seem better prepared than those who have not, because of the control they have implemented over their data.

While regulations are a looming threat, they have revealed some benefits as well. Whether first- or third-party, organizations are now working with "cleaner" data. While regulations have culled down the number of customers who can be targeted, those that remain are more relevant and interested, resulting in a more effective ad spend. Also, only targeting qualified customers can result in building a better sense of trust between brands and their consumers.

Predictions for Programmatic

Future Regulatory Impact

As the future of the regulatory environment continues to evolve, the anticipated limit or disappearance of cookies and third-party data magnifies the need for companies to manage their first-party data. This will allow them to more effectively implement programmatic advertising. Similarly, organizations will require more data transparency from their partners, such as DSPs, to understand what data is being accessed and how it is being used.

Looking forward, brands feel optimistic about the future of regulations and the power it puts back in the hands of consumers. However, in light of future regulations, organizations are craving clarification on how regulations impact them, rather than being left to interpret things on their own. "[These regulations] are not a light switch, they're a dimmer. We can still be compliant with minimal business disruptions if we work together [with regulators]," shared an industry executive.

With this regulatory uncertainty, native contextual ads are expected to increase in popularity. These are ads that are relevant to the content they are displayed with and which share a cohesive and seamless design with that content. These ads do not require cookies or customer data, so they are GDPR compliant. Additionally, they are designed to blend into content while relating to the topic a viewer is interested in, thereby feeling personalized to that viewer.

Expanding Programmatic Platforms

The digital ecosystem is constantly evolving, with new innovation and technological advancements. With it, programmatic will continue to mature as well, inevitably creating new opportunities and needs for brands and agencies.

The rise of CTV (Connected TV) and OTT (Over-the-Top) has changed the way people watch TV and see advertising. With video content being consumed across web, mobile and other connected devices, programmatic TV is going to gain more prominence with its data-driven approach for buying and delivering ads. This will be especially true for LatAm, given its high consumption of television.

Additionally, we are seeing the soaring adoption of voice-activated devices, with voice-first browsing becoming a common behavior. This presents a unique opportunity for brands to get into the consideration set earlier in the path to purchase, and create a seamless sale, all without the need to physically interact with a device. Programmatic placement for voice-activated platforms will continue to be a valuable way to interact with a relevant audience.

Finally, Digital Out of Home (DOOH) has been growing in prominence. With the advent of LED billboards, messaging and content is dynamic and much more eye-catching than static billboards. At the moment of this writing, DOOH is experiencing a temporary headwind due to COVID-19, which we expect will dissipate once the impact of the pandemic subsides. At that point, DOOH's growth trend should resume and accelerate.

In 2019, IAB reported that programmatic represented 40% of the overall \$10 billion DOOH ad revenue in the U.S.. When you layer on the capabilities of geo-location technology, and wearables, the notion of true omnichannel advertising, which follows you from home to out-of-home, becomes a reality. Programmatic will play a crucial role in integrating this data to deliver targeted ads to the right audience in a way that was hitherto impossible.

Technology Enhancements to Programmatic

There are two technology advancements expected to enhance programmatic, which we would be remiss not to mention. First, machine learning has already found its way into programmatic through highly complex algorithms that connect ads with buyers more effectively than manual ad placement. A.I., however, will further improve upon ad effectiveness by predicting customer buying patterns and placing ads at the most relevant times and places, all without human input. A.I. will allow us not only to optimize ad spaces but also to measure and improve upon them in real time.

Secondly, blockchain, while still a nascent technology, can help reduce ad fraud by improving upon programmatic's transparency and eliminating middlemen. These improvements and innovations in technology continue to strengthen the relevancy and veracity of ads, thereby improving consumer trust and safety. In conclusion, programmatic is illuminating a bright future for advertising as it helps to mitigate two age-old issues: inefficiency and waste. As the retailer John Wanamaker allegedly put it, "Half the money I spend on advertising is wasted; the trouble is I don't know which half." Programmatic is the first technology that can resolve these issues across the value chain by reducing waste by advertisers, reducing ineffective messaging for customers, and allowing publishers to monetize the attention that they generate. Overall, this improved efficiency and reduced waste results in a more relevant connection to the customer with higher customer satisfaction.

Key Takeaways

- Latin America, while lagging other regions, is quickly growing in the use of programmatic. As internet and mobile usage is growing, their desire for video content will grow, thus pushing growth in programmatic advertising. Given the size of the market and its anticipated growth, LatAm could eclipse the U.S. in programmatic spend and thus be paving the way for establishing best practices.
- While in-housing programmatic is on-trend, there is still a need for external support, either in an agency or tech partner.
 - These findings demonstrate that brand need for external partners is not being eliminated, but rather may suggest the need for specialists or niche support.
 - Given the increase in data transparency and attribution that programmatic provides, this heightens the need for a strong analytics capability in particular.
- While there is a desire for external support in some programmatic functions, organizations are more likely to keep the strategic direction of their campaigns in-house. However, as the data suggests, this is not a hard and fast rule. In fact, organizations with multiple brands may choose to maintain control over some of their brands, while relinquishing control to a partner on others.
- While the threat of privacy regulations looms large for the advertising industry, the impact in LatAm has yet to be seen. This region, in particular, has been slow to enact legislation on privacy.
 - However, it is clear that restrictions to the access of third-party data is inevitable. As a result, the organizations who build and manage a robust customer database will best adjust to new restrictions.
- The future of programmatic is rapidly changing with the proliferation of technological advances. Brands and external partners who embrace these new technologies and capabilities will be more successful in adapting to this ever-changing landscape.
 - These advances also offer more opportunities for partners to specialize in emerging areas.
- Overall, the benefits of in-housing are many, with the biggest being the ability to drive better consumer experiences through increased connectivity and collaboration across marketing. This is particularly so where media is integrated in campaign development, rather than treated as a stand-alone function. In-housing drives data integration and improves planning, thereby improving data transparency, ad efficiency and ultimately, ROI.

- As previously noted, agencies still play an important role in programmatic, even with organizations that in-house some programmatic functions. However, that agency role is shifting to more of a supporting role, which may suggest an opportunity for deeper specialization within agencies.
- The COVID-19 pandemic has led to many changes in advertising overall. While some brands are limiting their short-term media spend, those same brands are also leaning more heavily on programmatic as consumers remain inside and online. The long-term impact is unclear, and this could result in an increase in programmatic as consumers are developing stronger online habits, like doing more shopping online.
 - This pandemic also illustrates the importance of a well-integrated programmatic team when it comes to quickly responding to unexpected events.
 - Whether in-housing or working with an agency, those teams that have clear and transparent processes can pivot and adapt more easily.