



New Study of Top 200 Brand Advertisers Finds Those Who Reallocate Budget to Double Programmatic Investment Could Yield a 6% Increase in Total Sales

12/01/16

Rubicon Project Unveils New Research Proving the Demonstrable Impact of Data-Enabled Buying on Brand Sales

LOS ANGELES--(BUSINESS WIRE)--Dec. 1, 2016-- Rubicon Project (NYSE: RUBI), which operates one of the largest advertising marketplaces in the world, today revealed new findings from a major study conducted in partnership with The Female Quotient (TFQ) Strategy, proving the power of programmatic investment and the impact of data-enabled, digital media buying. The study finds that by doubling investments in programmatic, marketers may achieve as much as a 6% increase in sales and a 22% increase in marketing return on investment.

The study examined \$20 billion of spending by top U.S. brands, each with over \$100 million on average in advertising budgets. Broken down across all vertical markets and media spending types, the study found overwhelming evidence in the value of programmatic and the direct impact it has on brands' top line results. In order for advertisers to achieve optimal sales and MROI, programmatic should comprise, on average, 10% of total media spend.

"This study of some of the largest brands in the world very clearly showcases that advertisers who are underinvested in programmatic will miss out on significant revenue opportunities," said Harry Patz, Chief Revenue Officer at Rubicon Project. "By reallocating advertising budgets to double investment in programmatic, our data shows that brands will see a significant uptick in increased sales and marketing ROI, compared to those who do not. This is not about spending more, it's about spending smarter -- having the right mix of programmatic and digital ad spending is key to a balanced portfolio in today's environment."

Key findings from the research study include:

- **Reallocation to increase programmatic is necessary:** There's no need for additional funds. To achieve an optimal allocation of advertising spend, marketers should on average shift spend: TV -3%, Radio -1%, Print -1%, Digital -1% and add these collectively to Programmatic for a 6% increase in spend
- **Data favors the young:** Brands looking to reach younger consumers should allocate, on average, 30% of their total marketing spend to digital and programmatic, and half of that spend should be allocated to mobile.
- **Video is a priority for beauty brands:** Across every major industry vertical and their optimal spend by digital format, the beauty category saw a need to allocate over 50% of total budget towards mobile and desktop video.
- **Beyond the walled gardens:** Brand marketers may see a 4.5% lift in top line sales by shifting spend to marketplaces outside of Facebook and Google.

"We have always believed in the opportunity for programmatic spending, as more data leads to dollars," said Shelley Zalis Chief Executive Officer at TFQ Strategy. "We commissioned this research with Rubicon Project because we wanted to put that theory to the test. The results were overwhelming! For advertisers who invest in programmatic, the data clearly shows that proper allocation pays off for brands who shift approximately 6% of their budget away from other more traditional mediums. Clearly, programmatic is showing significant revenue opportunities and return on marketing investment."

Methodology

Rubicon Project and TFQ Strategy utilized media spend and sales data from a sample of the top 200 U.S. brand advertisers comprising \$20 billion in advertising spend and \$450 billion in sales from 2014 - 2016. The research is based on a media mix model using multivariate data sets to determine channel allocation, creative unit and sales impact. Research was collected across eight industry verticals and all media spend including TV, radio, print, digital and programmatic within digital.

For further information on this study or insight into additional data please visit <http://rubiconproject.com/programmatic-proven>. To contact our sales team please visit www.rubiconproject.com/contact-us.

About Rubicon Project

Founded in 2007, Rubicon Project's mission is to keep the Internet free and open and fuel its growth by making it easy and safe to buy and sell advertising. Rubicon Project pioneered advertising automation technology to enable the world's leading brands, content creators and application developers to trade and protect trillions of advertising requests each month and to improve the advertising experiences of consumers. Rubicon Project is a publicly traded company (NYSE: RUBI) headquartered in Los Angeles, California.

About TFQ Strategy - Advanced Insights For Business Growth

We are a team of insight, social and visualization strategists dedicated to contextualizing complex information and modeling into digestible bytes for forward-thinking business leaders and corporations. We are passionate about what we do and constantly strive to conceive and develop new techniques that leverage our knowledge and innovative thinking to meet the evolving needs of our clients.



View source version on businesswire.com: <http://www.businesswire.com/news/home/20161201005420/en/>

Source: Rubicon Project

Rubicon Project

Eric Bonach

310-207-0272

press@rubiconproject.com