The State Of The Open Internet

A data-driven perspective on the forces that will shape the ad-supported open internet in 2025

JOUNCEMEDIA

About This Research

Jounce Media is the industry leader in programmatic supply chain management and is trusted by the world's largest marketers, media companies, and advertising technology platforms to inform high efficiency buying and selling strategies.

Powered by a combination of public ad tech disclosures and private data sharing agreements, we maintain the industry’s most comprehensive data set that tracks supply and demand across all global RTB-traded websites, mobile apps, and CTV apps.

This annual report provides our data-driven perspective on how marketers will deploy paid media investments in 2025 and the market forces that are driving share shift among open internet media companies and advertising technology providers.

Summary Findings

There are three vectors of competition on the open internet: supply, demand, and signal.

Competing On Supply

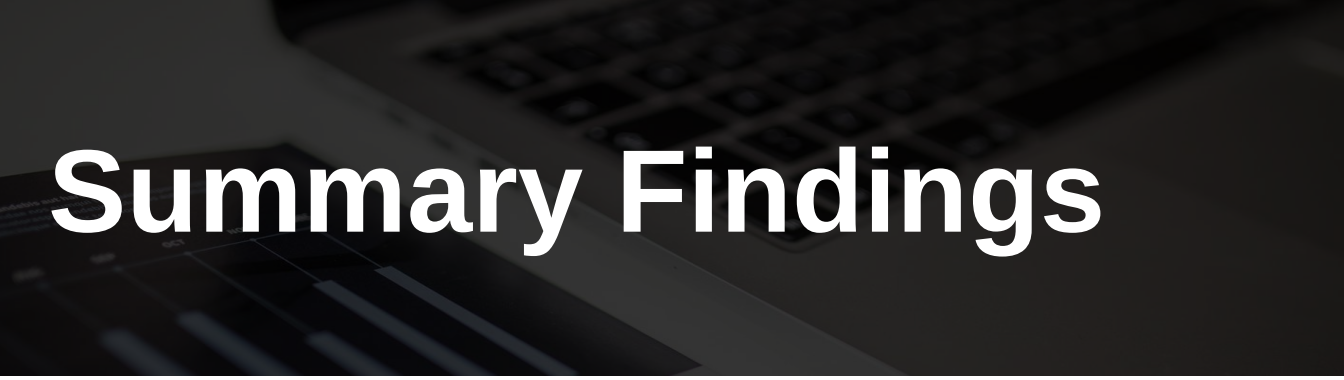
Companies that compete on supply make a misguided bet that media buyers and their buy-side technology platforms will reward the highest quality supply with an outsize share of wallet. The behavior of the market indicates automated bidding systems treat supply as a commodity, and the incentive for media companies is to flood the market with the maximum volume of supply at the minimum possible cost.

Competing On Demand

Because automated bidding systems treat supply as a commodity, media companies and advertising technology platforms must compete on demand by building direct, trusted relationships with brands and agencies. The companies that are responsible for deploying programmatic advertising investments control the market. Historically, that meant a small number of DSPs consolidated market power, but sell-side curation opens the door for publishers, ad exchanges, and data providers to wrestle demand control away from DSPs.

Competing On Signal

What is left is a long list of ad tech platforms and publishers that have undifferentiated supply and scarce buyer relationships. When these companies fail to control demand, they resort to competing on signal – structuring RTB bid requests in a way that is not true to the spirit of industry specifications with the goal of coaxing demand out of DSPs. Competing on signal erodes trust in the programmatic supply chain and leads the companies that do control demand to build end-to-end technology stacks that bypass auctions operated by unreliable intermediaries.



Summary Findings

The open internet is more dynamic in 2025 than it has been at any point in the last decade.

At current course and speed, programmatic advertising budgets will continue to consolidate to a small number of scaled buy-side platforms, and these companies will accumulate growing leverage over ad exchanges and media companies. But the emergence of sell-side curation is a disruptive force that has the potential to reset industry power dynamics.

By decoupling the expensive part of ad tech (infrastructure) from the valuable part of ad tech (decisioning), sell-side curation greatly reduces the barrier to entry. Where previously only the highest scale advertising platforms had a credible opportunity to manage programmatic advertising investments, now any company with trusted buyer relationships can claim control of ad placement decisions.

Competing on supply and competing on signal are not viable long term strategies in the programmatic advertising market. The future success or failure of every ad tech company and every publisher rests on its ability to control demand, and the emergence of curation unlocks that opportunity for every company in the programmatic supply chain. The DSPs and ad networks that have historically controlled demand now find themselves in competition with their suppliers, whose futures depend on wrestling control away from the buy-side of the market.

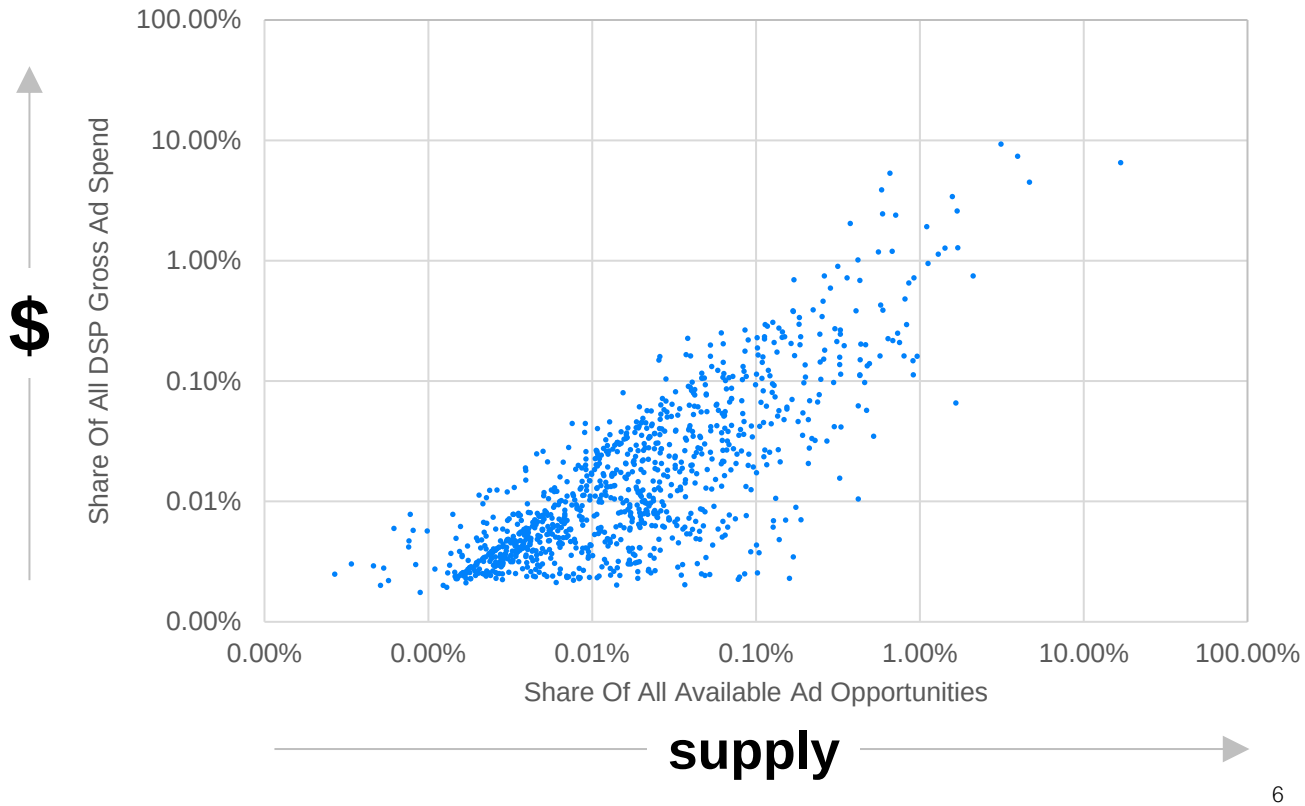
Competing On Supply

Companies that compete on supply make a misguided bet that media buyers and their buy-side technology platforms will reward the highest quality supply with an outsize share of wallet. The behavior of the market indicates automated bidding systems treat supply as a commodity, and the incentive for media companies is to flood the market with the maximum volume of supply at the minimum possible cost.

Competing On Supply

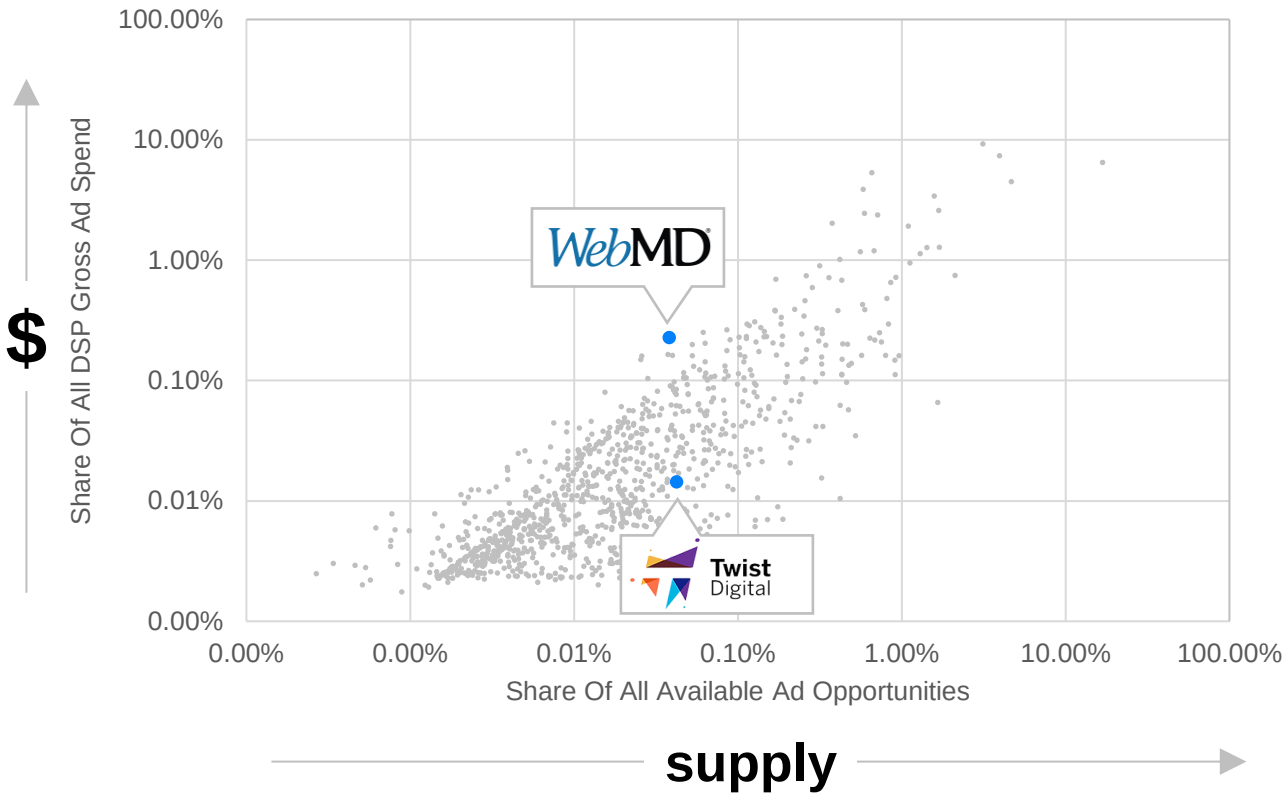
The best predictor of a publisher's programmatic revenue is its volume of programmatic auctions. There are of course many factors that influence the allocation of DSP investments across publishers – content relevance, audience mix, inventory quality, direct-sold deals (more on this later), bidstream signals (more on this later), and many others. But the dominant driver is simply the volume of bid requests presented to DSPs.

The scatter plot below has one dot for each of the 1,000 largest programmatic sellers. Position left-right is the percentage of RTB bid requests that are generated by each seller, and position high-low is the percentage of DSP gross ad spend that is captured by each seller. Broadly speaking, demand follows supply.



Competing On Supply

The correlation is not perfect, and we do observe material differences in the demand generation success of each programmatic seller. Consider two sellers with a similar share of supply but a very different share of demand.



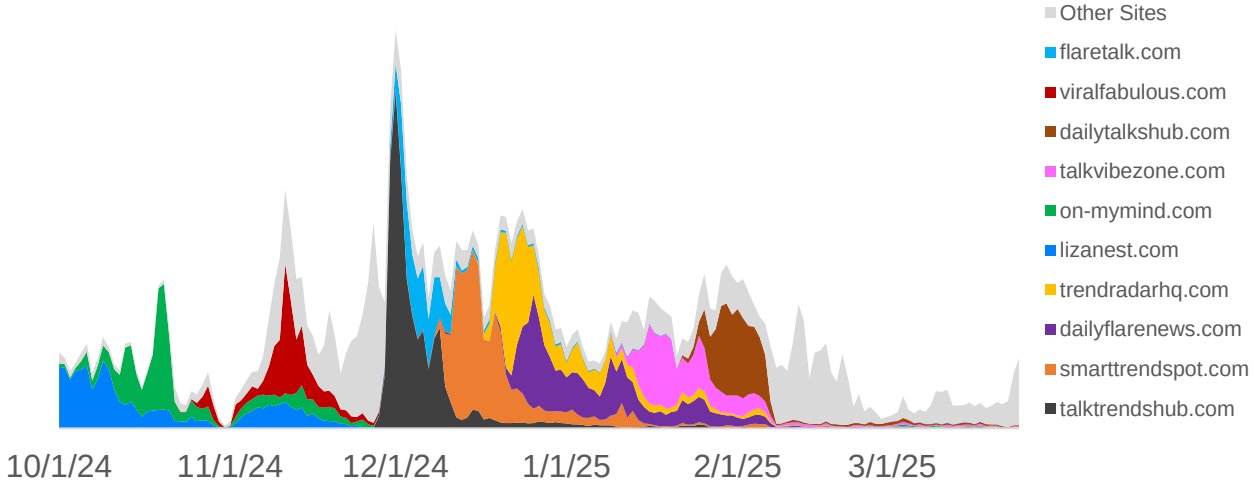
The data is presented at log scale, so small positional differences in the chart reflect large real-world differences in supply and demand. With a similar volume of RTB bid requests, WebMD's share of DSP demand is more than 10x larger than Twist Digital's, reflecting the buy-side's aversion to Made For Advertising traffic arbitrage in favor of premium web publishers. Still, it is surprising that Twist Digital continues to have a viable business that takes any DSP demand at all.

Competing On Supply

Twist Digital, like all MFA publishers, operates an ad arbitrage business model that pairs paid traffic with aggressive ad loads. We discussed the economics of ad arbitrage in depth in our 2024 State Of The Open Internet report[1], and our key insight is that MFA publishers have very thin margins that make them vulnerable to small shifts in advertiser demand. As marketers worked to avoid MFA supply in the wake of the ANA's 2023 Programmatic Transparency Study[2], the traffic arbitrage opportunity failed, and most MFA publishers collapsed. We noted in our December 2024 SPO report[3] that 18 of the 20 largest MFA publishers contracted by more than 95% in the 18 months following the ANA's report.

Twist Digital remains a viable entity by taking aggressive action to evade marketer block lists. Twist launches a new site every 3-4 weeks, sending paid traffic to a new high volume MFA website that is not yet on marketer blocklists.

Daily Bid Requests On Twist Digital O&O Websites



1: https://jouncemedia.com/portal/research/annual-reports/2024-annual-report
2: https://www.ana.net/miccontent/show/id/rr-2023-12-ana-programmatic-media-supply-chain-transparency-study
3: https://jouncemedia.com/portal/research/monthly-reports/seller-sentiment-survey

Competing On Supply

If there are marketers that actively seek Twist's supply, their buying power is insufficient to sustain the company's ad arbitrage business model. Each individual MFA site is only viable for a short period of time until a critical mass of marketers has identified and blocked the new domain. But the Twist business sustains itself by continuously injecting new not-yet-blocked supply into the market.

This is the competitive reality for a publisher like WebMD. DSP demand follows supply, even supply that marketers are actively attempting to avoid.

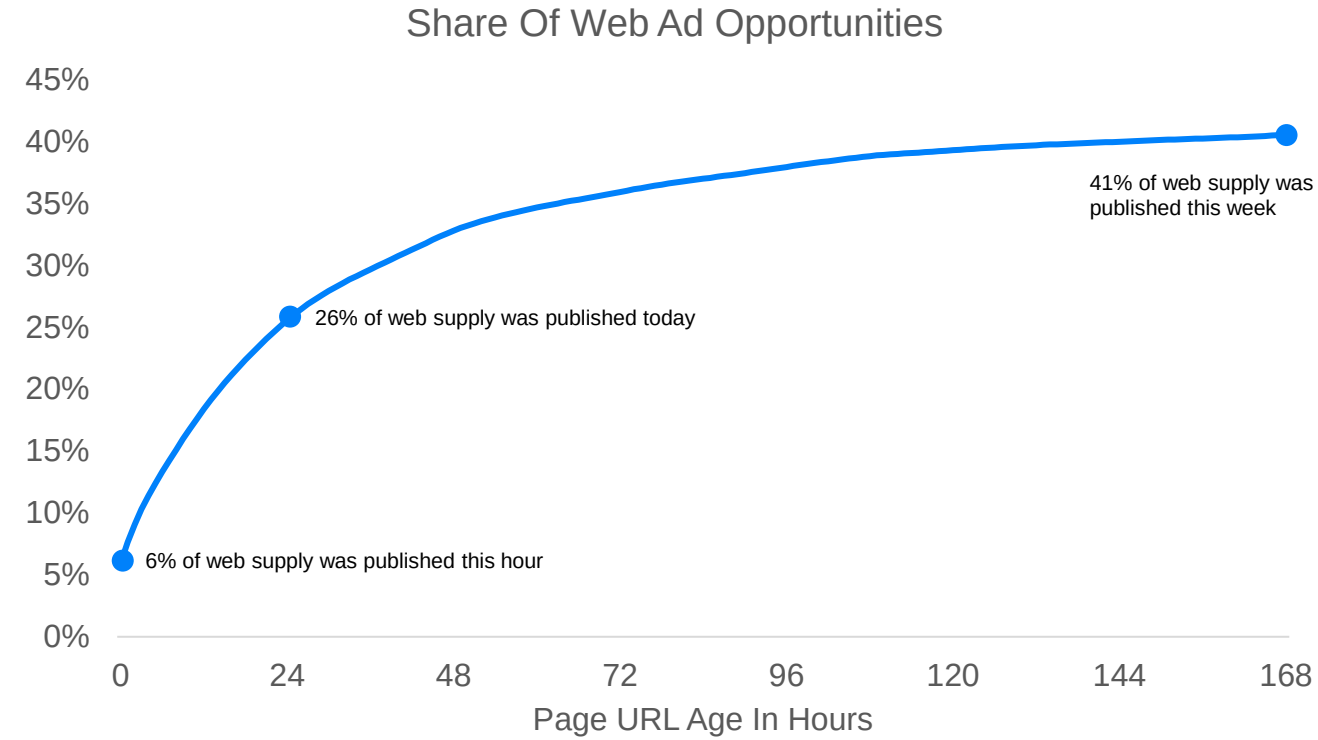
> **DSP demand follows supply, even supply that marketers are actively attempting to avoid.**

Evading advertiser blocklists is a dubious publishing strategy, but it illustrates the market reality that open internet publishers face. The RTB market is default on – new supply gets monetized by default. And so manufacturing more supply, even the lowest quality supply, is the most reliable way for publishers to take market share and grow top line revenue.

Competing On Supply

If demand follows supply, then publishers are in a race to produce the next piece of content that will win today's distribution and capture today's DSP demand.

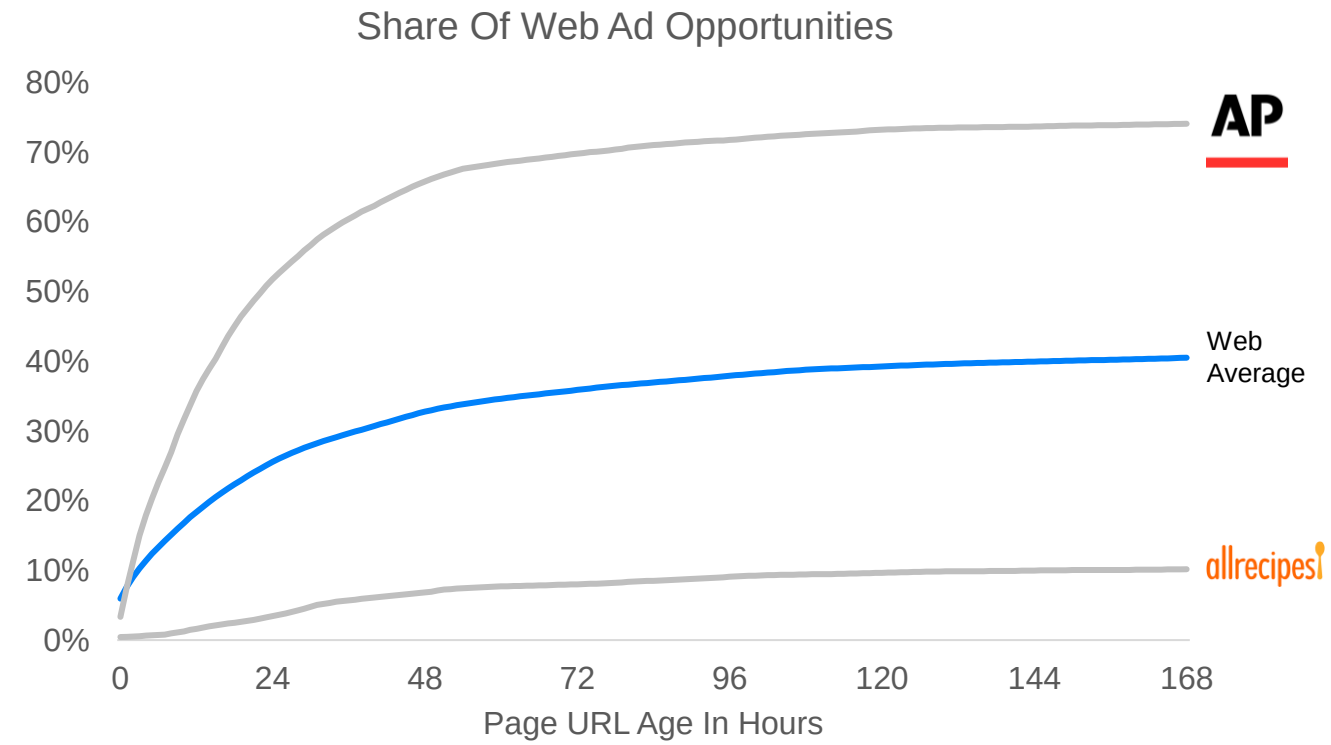
This content production race is most acute and most measurable on the web. There is a natural decay in the traffic and revenue of any piece of web content. The typical URL generates most of its attention and value in its first few days and then has a quickly diminishing contribution to the publisher's business. Consumer attention, and the search and social algorithms that direct attention to web publishers, appear to continuously follow what's new. 6% of available web supply is content that was published this hour. 26% of available web supply was published today. And 41% was published this week.



Competing On Supply

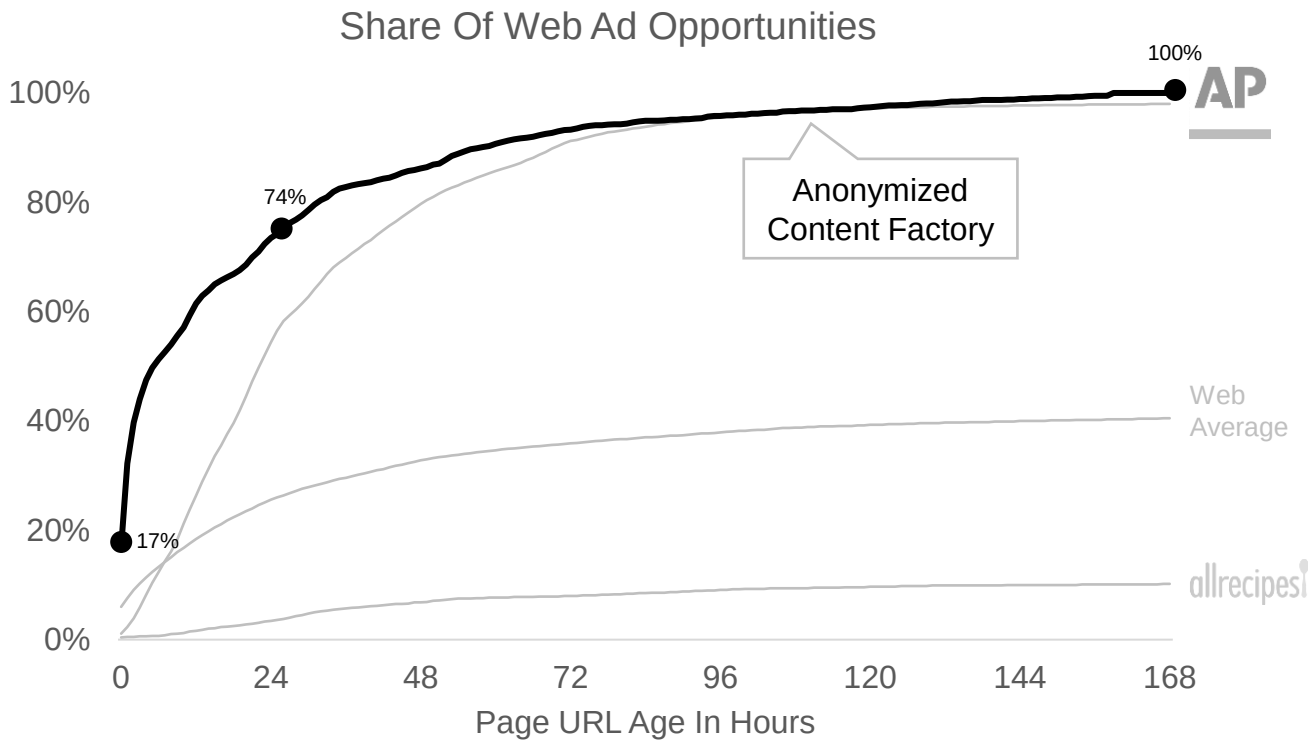
Any individual website is skewed either above the average (fast burn content) or below the average (slow burn content).

AP News, for example, is in the business of producing reliable reporting about breaking news events and therefore has a distribution curve that is above the web average. AllRecipes, by contrast, monetizes evergreen cooking content and is therefore shifted below the web average.



Competing On Supply

If we consider AP and AllRecipes to be the outer edges of professionally produced content, we also see large volumes of web supply from what appear to be content factories – websites that produce huge quantities of new content with rapidly decaying traffic.



Content factories flood search and social algorithms with a super-human pace of new URLs. As long as production costs are sufficiently low, which is increasingly achievable through AI-assisted content generation, these websites can tolerate a situation where most URLs generate near-zero traffic on the bet that they'll occasionally generate an SEO hit. When that happens, the content factory occupies a large share of the bidstream and harvests the associated DSP spend.

Competing On Supply

Our framing suggests content factories should be avoided, but there is no evidence that high velocity web publishers produce low quality advertising products, and so automated bidding algorithms fund this content. There is also scarce evidence that marquee cultural content with long production cycles yields advertising products that automated bidding algorithms reward with outsize demand. More generally, content production costs are a drag on publisher economics without commensurate programmatic revenue upside.

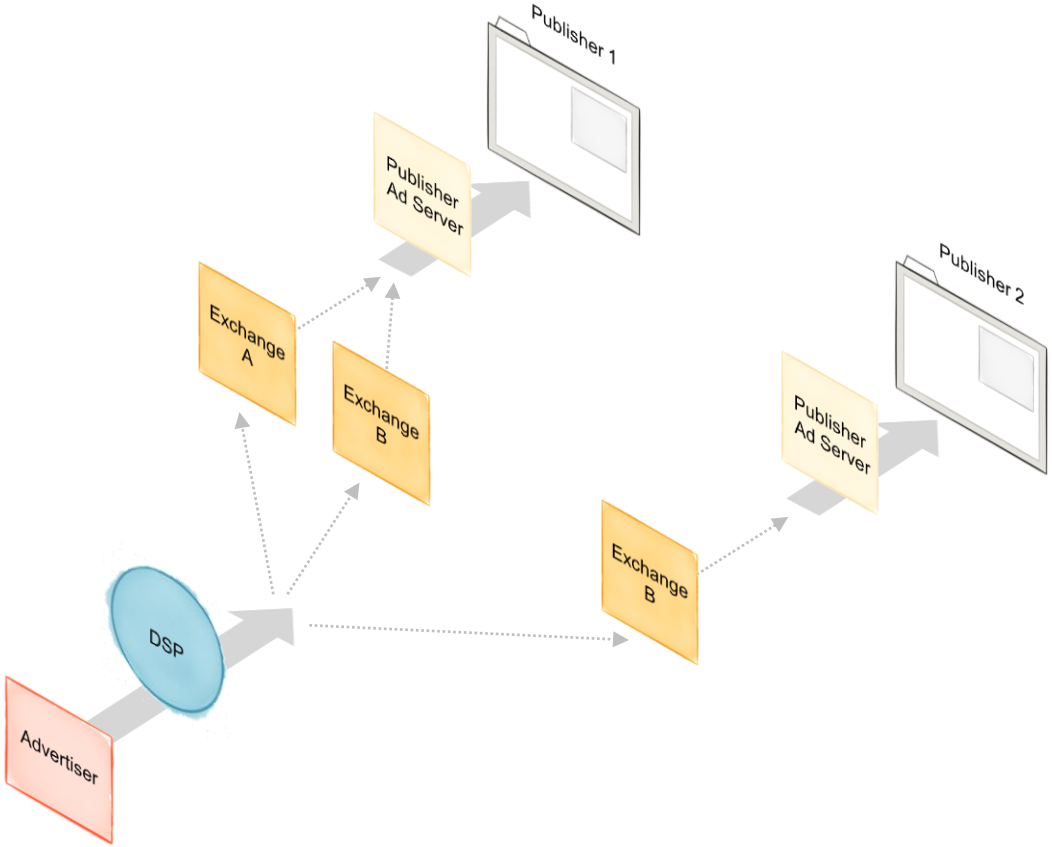
Across all three major environments, publishers need to either produce the maximum amount of content at the minimum cost or diversify revenue away from programmatic advertising:

Web Supply	On the web, publishers that staff large editorial teams must offset high cost journalistic efforts with low cost, high volume filler content. Additionally or alternatively, web publishers turn to advertising sponsorships, affiliate e-commerce programs, and subscriptions to reduce their dependence on DSP demand.
Mobile App Supply	In the mobile app category, the dominant source of supply is free-to-play casual games. App developers that make large upfront investments in game production and user acquisition must supplement biddable advertising revenue with in-game purchases.
CTV Supply	The RTB-traded CTV category is dominated by FAST services (free ad-supported television), which source both user-generated content and deep catalog content at low and sometimes zero cost. Streaming services that need to overcome high production costs require some combination of direct-sold advertising revenue and subscriptions.

Media companies whose revenue depends on automated bidding systems are commodity suppliers. High content production costs are at odds with current RTB market dynamics.

Competing On Supply

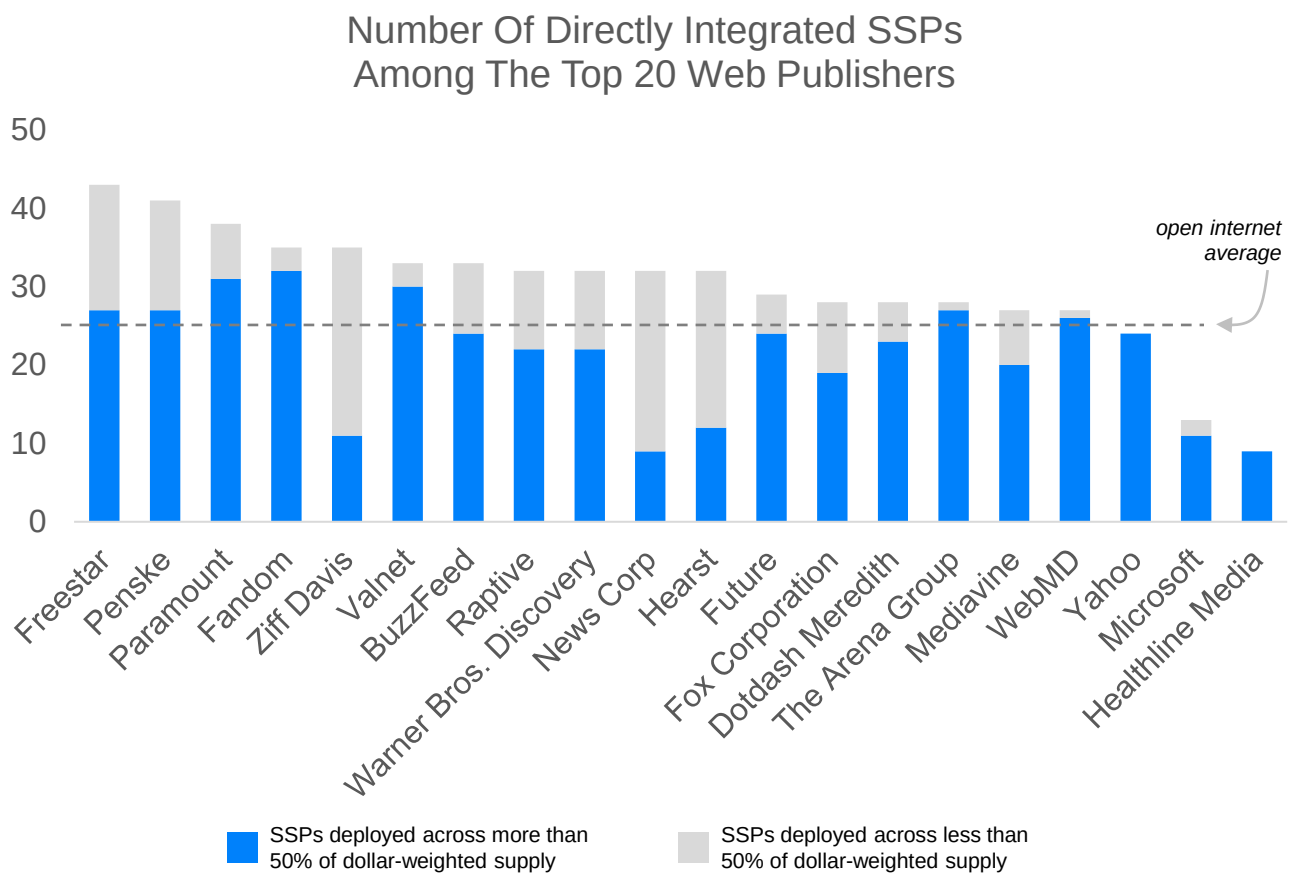
Open internet media companies can also increase their share of programmatic supply without producing any new content or acquiring any new users. Our research has highlighted since 2020[4] that the simplest and most effective yield lever for open internet media companies is auction duplication. As soon as the first web publishers adopted header bidding and began issuing duplicate bid requests for each available impression, the arms race was on. Each publisher is incentivized to create more duplicate requests per available impression than the current industry average in order to represent an outsize share of bid requests and therefore capture an outsize share of DSP demand.



4: https://jouncemedia.com/portal/research/monthly-reports/volume-bias

Competing On Supply

But auction duplication is a zero sum game that only advantages each publisher relative to the current average of its peers. And that average is now 24.5 directly integrated SSPs. Consider the current monetization stack of the top 20 web publishers:

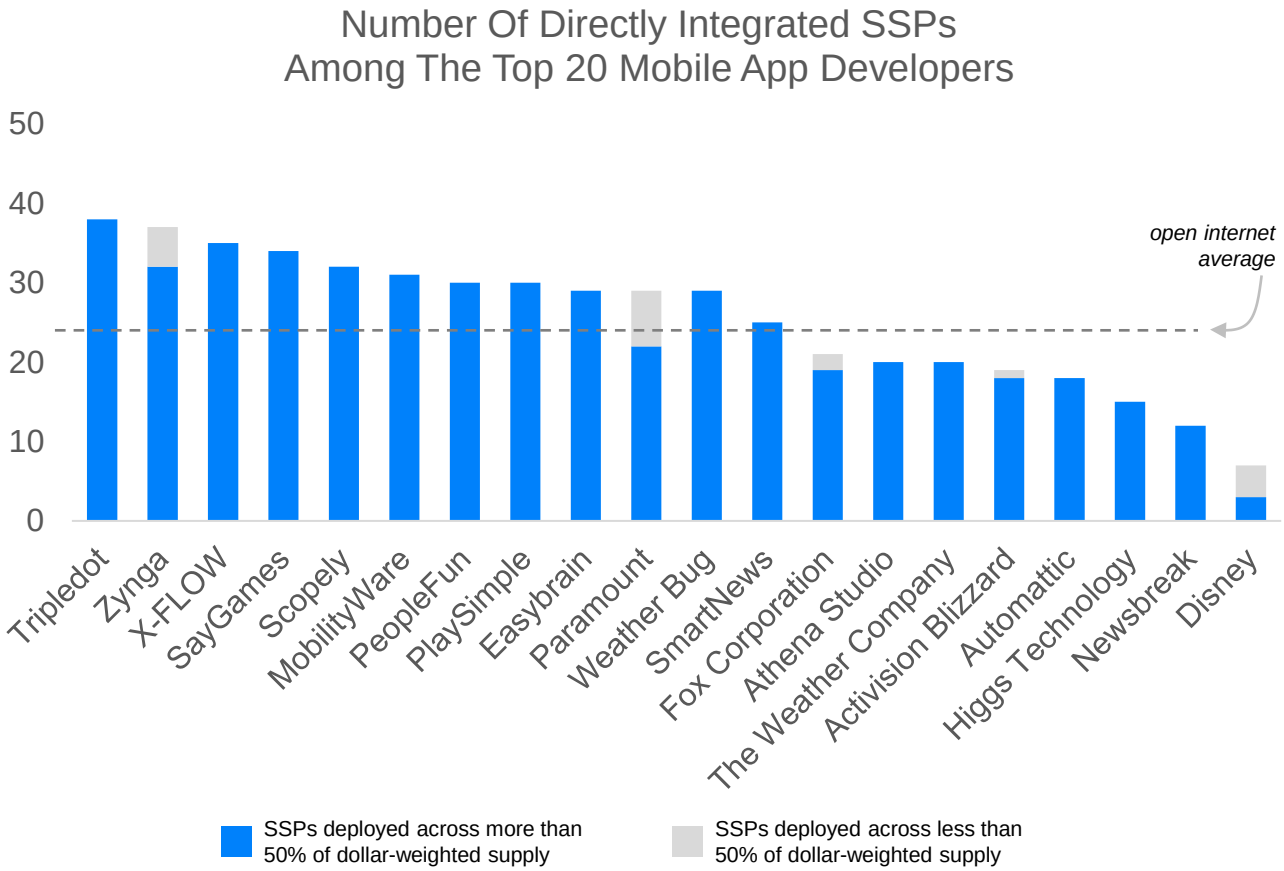


Auction duplication dilutes the unit economics of the supply chain. Operating an RTB auction has a fixed cost to ad tech platforms, and of course only one bid request can fill each available impression. The cost of operating the

Competing On Supply

supply chain is at least 10x higher than necessary, but each individual publisher loses market share if it does not contribute to this problem.

Auction duplication is also widespread in the mobile app category. Consider the top 20 mobile app developers:



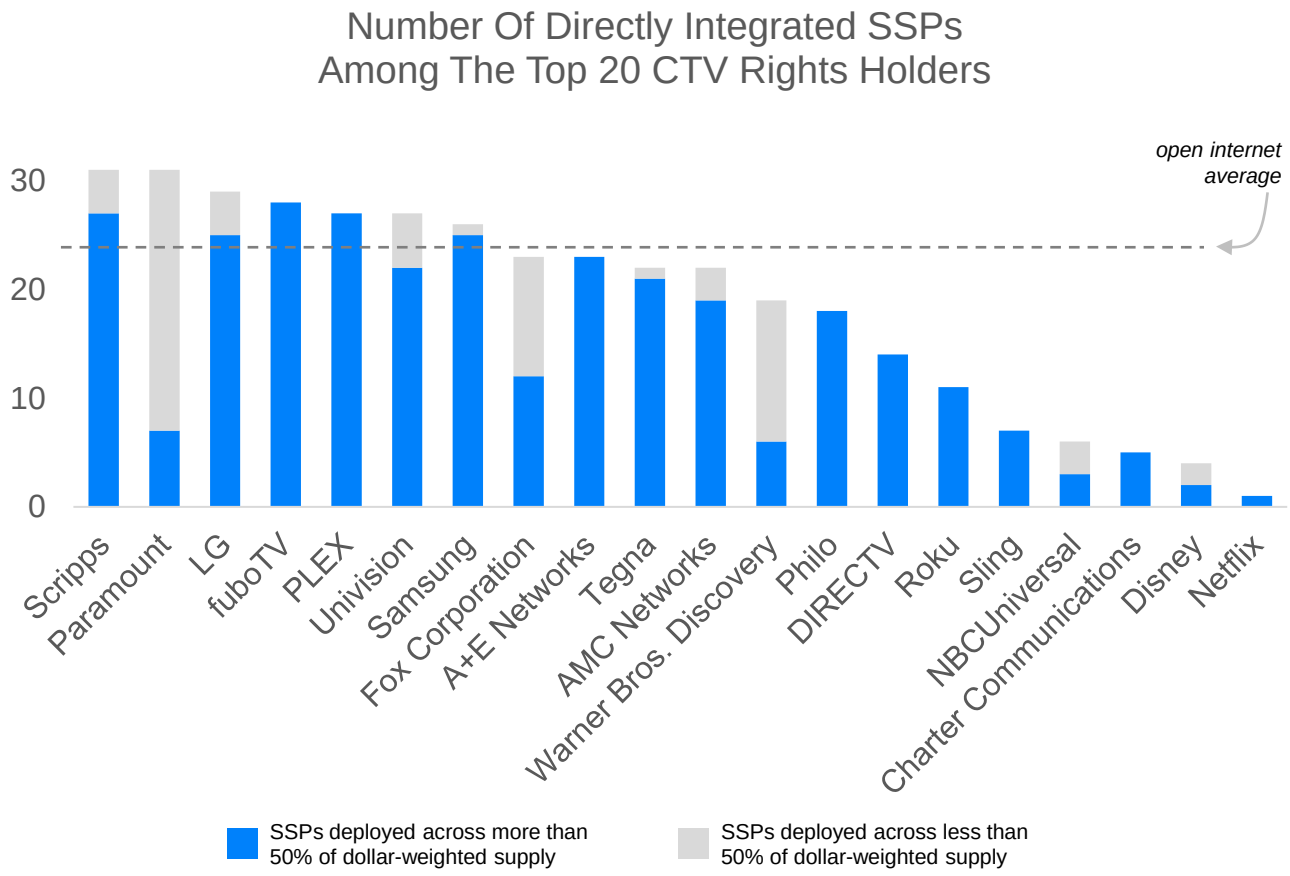
Capturing DSP demand requires occupying the largest possible share of the bidstream, and it is extraordinarily hard to find an open internet media

Competing On Supply

company that monetizes through fewer than 5 SSPs.

Disney is one of those outliers. Disney's ESPN mobile apps are monetized by just 3 SSPs (Magnite, Google, and Taboola), and Disney's Hulu and Disney+ streaming services are monetized by just 2 SSPs (Magnite and Google).

Again though, auction duplication is becoming the norm in the CTV category, and Disney's lean monetization stack is the outlier:



Competing On Supply

Every one of the top 20 CTV media companies captures DSP demand through publisher-sold private marketplaces and programmatic guarantees. To the left of the prior chart, companies like Scripps, Paramount, and LG supplement direct-sold demand with open auction demand that is sourced by dozens of SSPs. These sellers use advertising technology in two ways – as rails to execute direct-sold campaigns and as demand generation to source incremental DSP spend. To the right of this chart, companies like Netflix and Disney only activate the "rails" use case and walk away from the demand generation benefits of multiple SSPs. We view this as a strategically logical but operationally unstable approach that market forces will eventually undo.

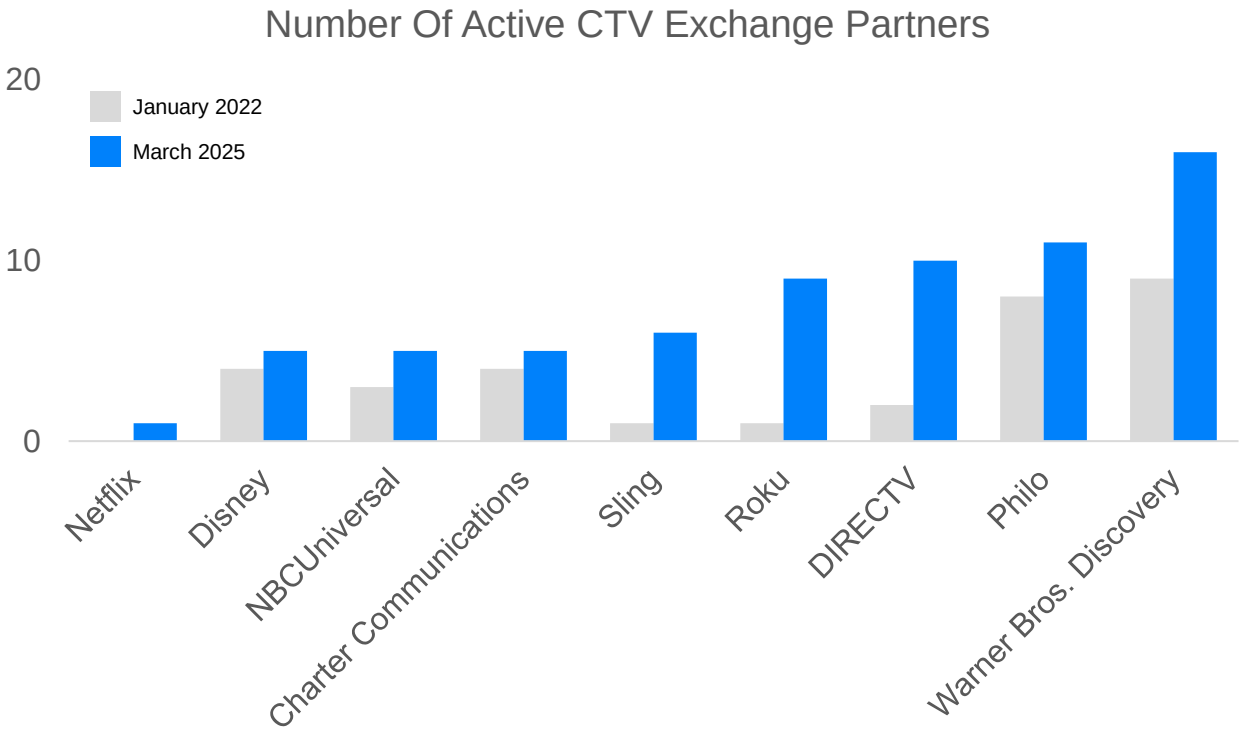
Some media companies have sufficient market power to dictate terms to brands and agencies. In the next section of this report, we'll discuss walled gardens like Meta and YouTube that do not support DSP interoperability and instead require media buyers to use seller-hosted buying tools (Meta Ads Manager, Google Ad Manager, etc.)

But the overwhelming majority of media companies do not have this degree of market power and rationally choose to source demand from third party bidding systems. Netflix and Disney have acknowledged that they are not sufficiently powerful to operate a walled garden but have not yet accepted that they are operating in a market that requires auction duplication. They have by necessity built interoperability with third party demand but currently forego the demand generation capabilities of those third parties.

This is a road that many media companies have traveled. In the earliest days of header bidding on the web, premier web publishers held onto the notion of a primary SSP with the goal of preserving scarcity but eventually caved to the business requirement to maximize programmatic revenue through a multi-SSP stack. Similarly, the most premier CTV media companies are gradually moving away from a scarcity mindset.

Competing On Supply

11 of the top 20 CTV media companies already monetize through 20 or more SSPs. Consider the histories of the other nine:



We have spoken privately with many of these companies to understand their monetization strategies, and we consistently hear the same line of logic. In spite of the publisher's strategic desire to drive pricing power through scarcity, SSPs continually demonstrate an ability to generate incremental demand. That incremental demand is sometimes the result of an SSP's business partnership with a large brand or agency and is sometimes simply the result of inflating bid request volumes in the open auction. In either case, the multi-SSP strategy that most CTV media companies would have rejected in 2020 is the market norm in 2025. It's hard to imagine a market in 2030 where Disney and Netflix continue to create supply scarcity.

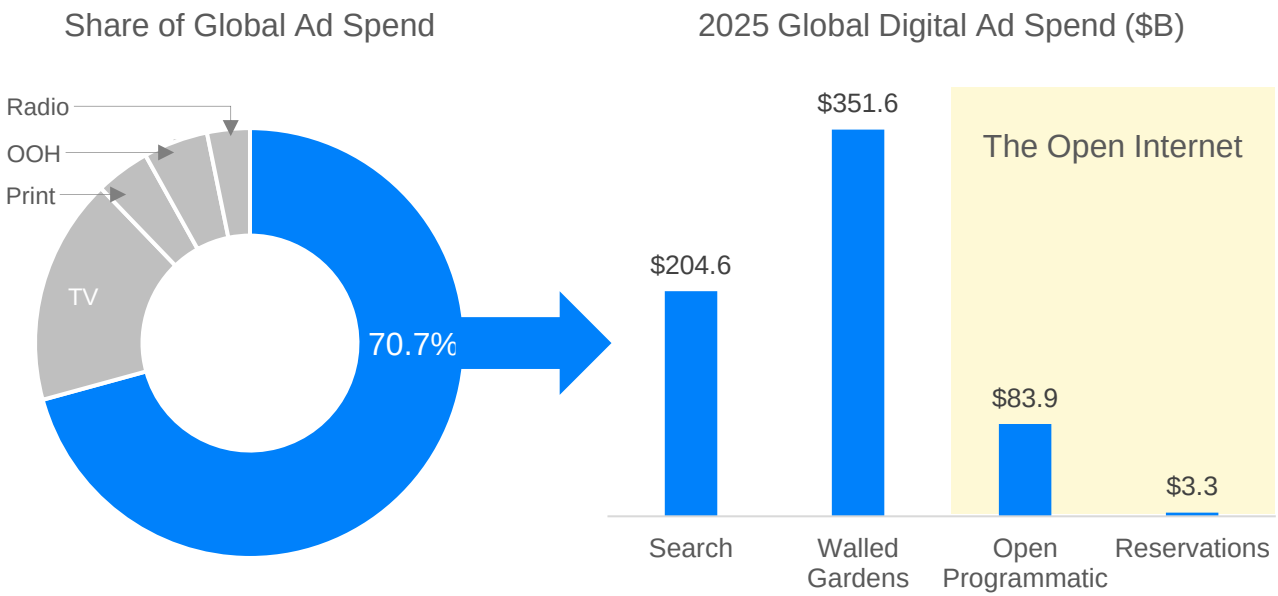
Competing On Demand

Because automated bidding systems treat supply as a commodity, media companies and advertising technology platforms must compete on demand by building direct, trusted relationships with brands and agencies. The companies that are responsible for deploying programmatic advertising investments control the market. Historically, that meant a small number of DSPs consolidated market power, but sell-side curation opens the door for publishers, ad exchanges, and data providers to wrestle demand control away from DSPs.

Competing On Demand

In a market where supply is treated as a commodity, strategic and financial value accrue to the companies that control demand. Demand is the scarce resource, and the companies that are deputized by media buyers to manage the allocation of programmatic budgets exert a high degree of control on the market.

In total, brands will deploy nearly $1 trillion of paid media investments[5] in 2025, and more than half of that spend will be allocated to digital channels:



The lion's share of digital investments are captured by paid search and walled gardens, two categories where media budgets are managed by tools built and operated by the media company. Google Ads is the only media buying tool available to marketers that want to run ads on Google Search and YouTube. Meta Ads Manager is the only tool available for placing ads on

5: See the appendix of this report for a full breakout of our market sizing estimates.

Competing On Demand

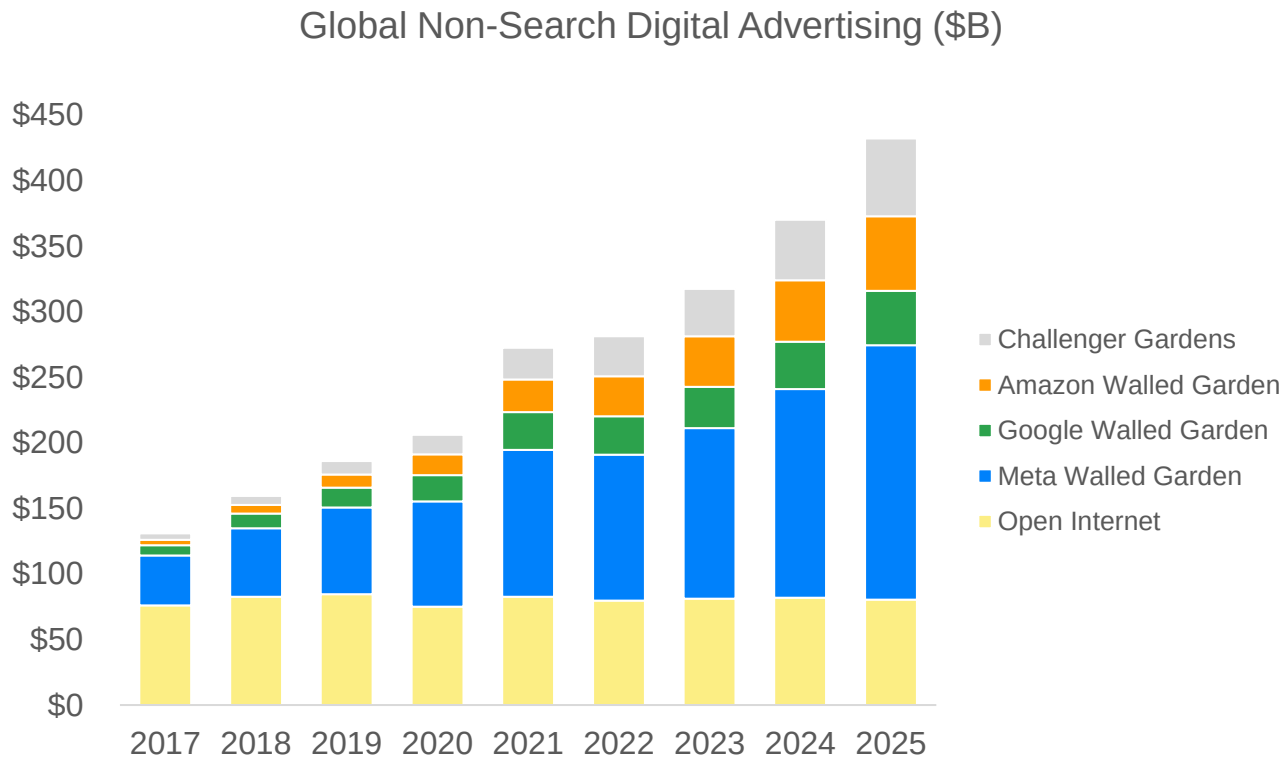
Meta's family of apps. Similarly TikTok, Snap, and LinkedIn operate as walled gardens. In the retail media category, Amazon, Walmart, and several smaller peers operate a walled garden model in which media buyers must use tools operated by the media seller.

Company	Walled Garden Supply	Projected 2025 Gross Ad Spend ($B)
Meta	Facebook, Instagram, WhatsApp	$194.0
amazon	Amazon.com, Prime Video	$56.7
Google	YouTube	$41.5
TikTok	TikTok	$30.8
Snap Inc.	Snap	$6.2
LinkedIn	LinkedIn	$5.7
Walmart	Walmart.com	$4.0
Other Commerce Media	Instacart, Kroger, Uber, & others	$7.4

But the number of closed advertising systems is small and shrinking. Pinterest supply is now available through RTB auctions operated by Index Exchange. X (formerly Twitter) supply is now available through RTB auctions operated by Google Ad Manager. It is extraordinarily rare for a media company to have sufficient leverage to require a direct contractual relationship with every advertiser, and almost every digital media company rationally chooses to interoperate with third party demand.

Competing On Demand

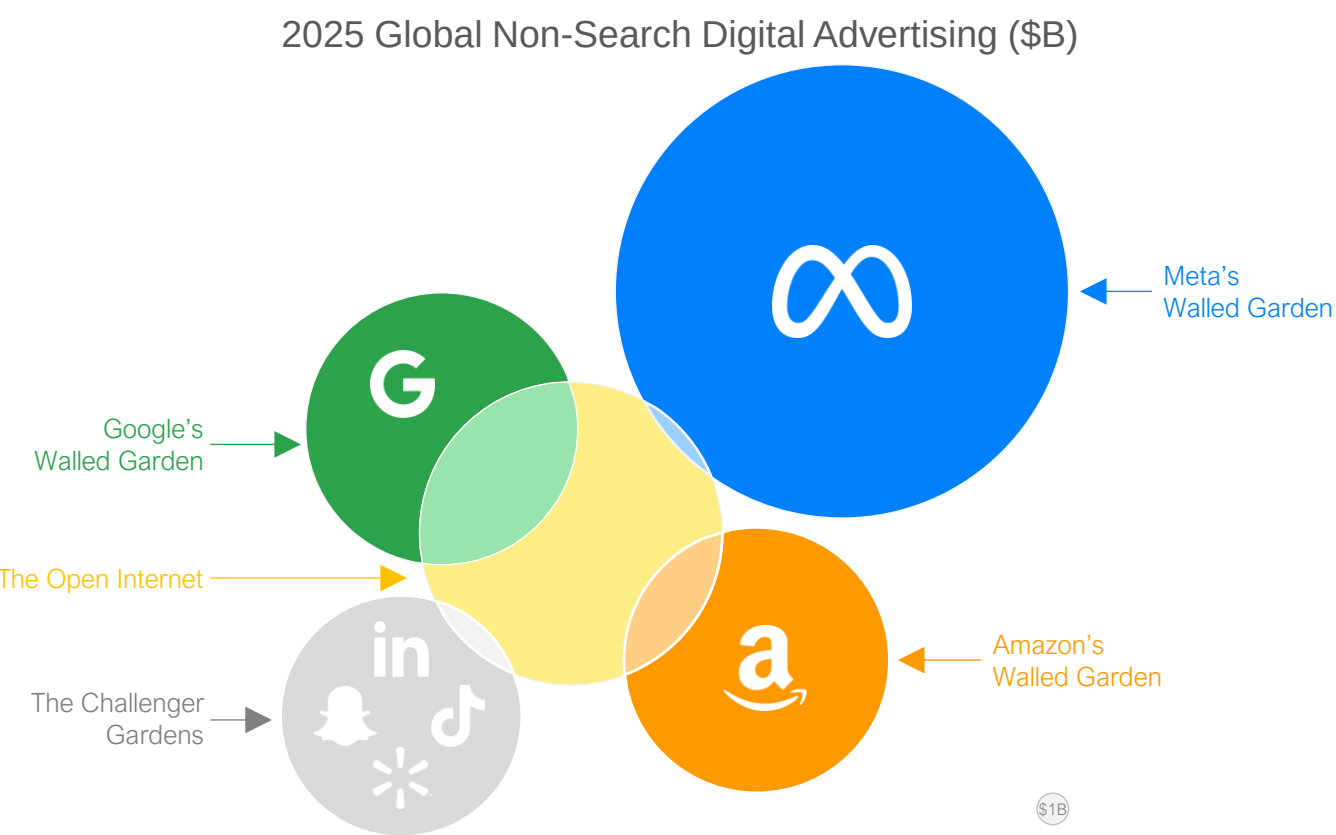
But the small and shrinking number of walled gardens have captured a large and growing share of all digital investments. In 2017, 42% of all global non-search digital advertising budgets were allocated to walled gardens. By 2025, we expect that figure will climb to 81%.



Further, most walled gardens operate DSPs and ad networks that have become the primary source of revenue for open internet media companies. A large share of the Open Internet band in the chart above is ad spend that originates with Google (Google Ads + DV360), Amazon (Amazon DSP), and ad networks operated by other walled garden media companies.

Competing On Demand

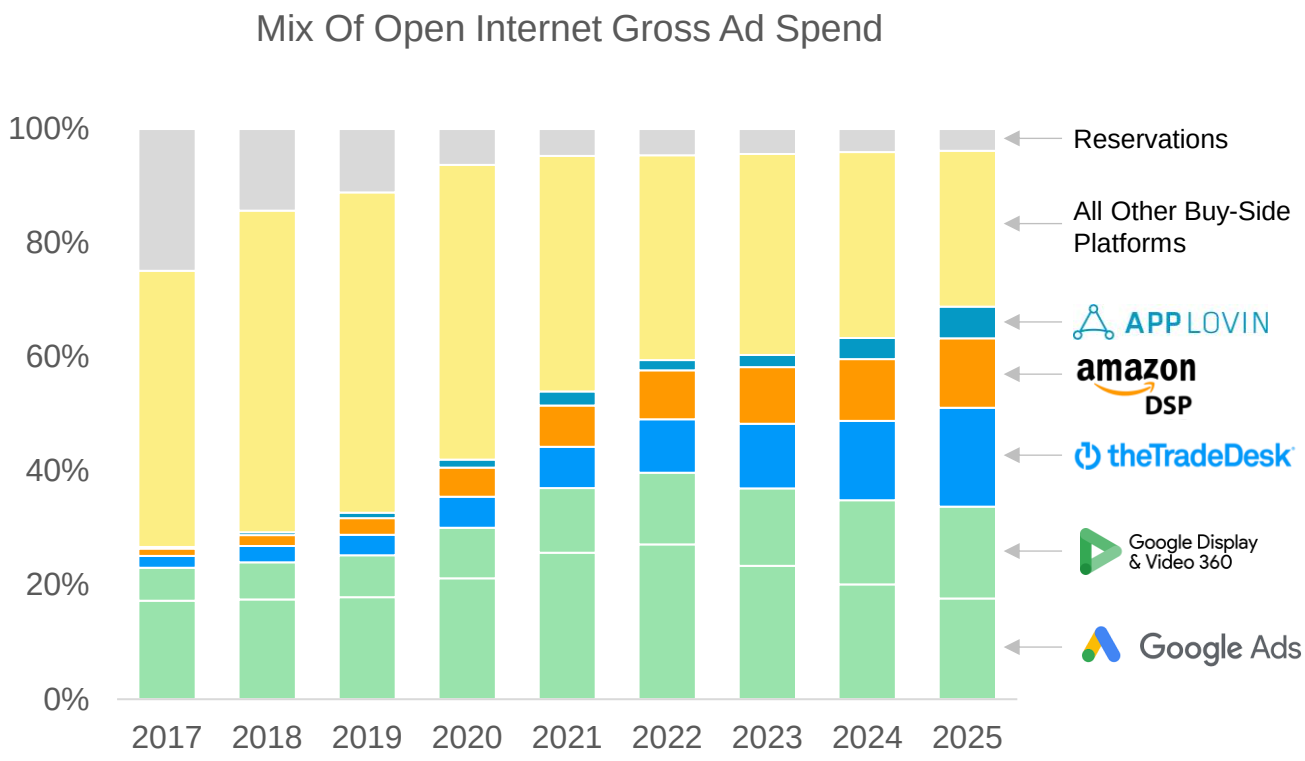
The area of each bubble in the chart below is proportional to our estimate of 2025 gross ad spend. The outer regions represent ad spend deployed to walled garden supply, and the inner region represents ad spend deployed to open internet supply.



Because media companies that operate walled gardens already control large budgets on behalf of millions of advertisers, these companies are uniquely positioned to also offer open internet media buying solutions. The light green region above is Google Ads + DV360. The light orange region is Amazon DSP. The light blue region is Meta Audience Network. And the light gray region is ad networks operated by the challenger walled gardens, most notably LinkedIn and Walmart.

Competing On Demand

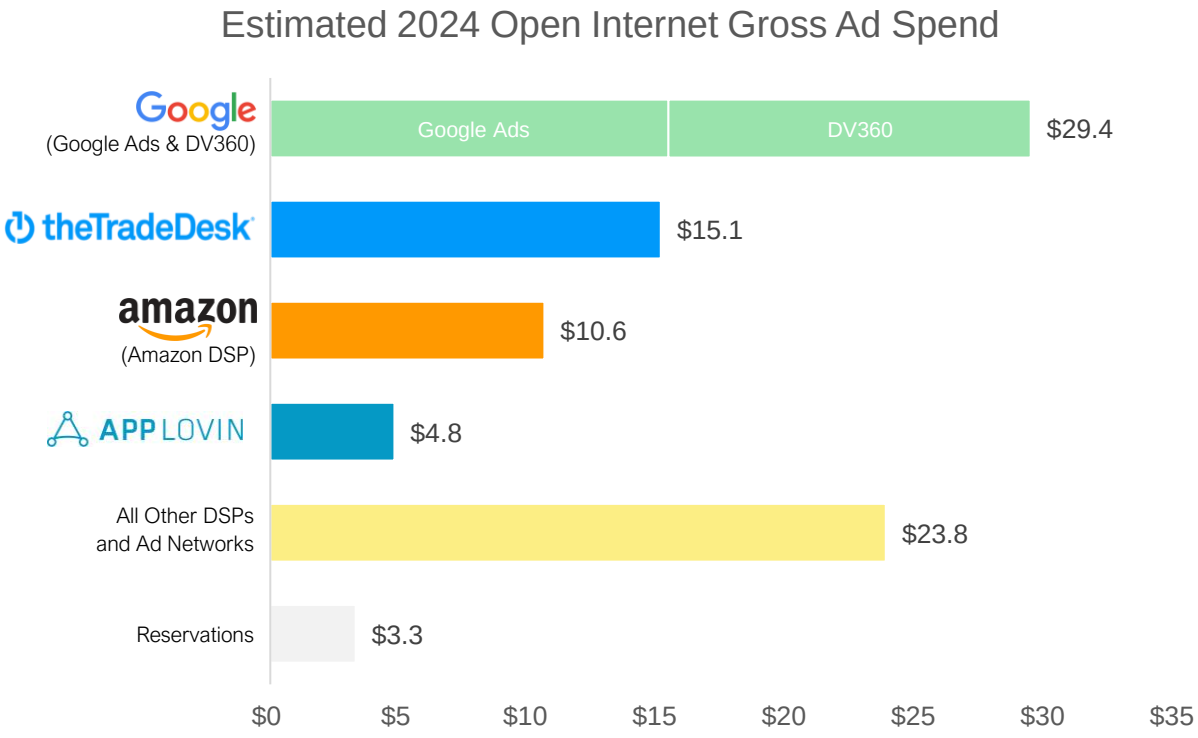
In addition to the spending power of DSPs and ad networks that are operated by walled gardens, we have also observed a winner-take-most dynamic in the independent ad tech category. The Trade Desk and AppLovin in particular have accumulated dominant positions and now each power multi-billion dollar annual budgets.



In the DSP category, scale begets scale. Once a buy-side business accumulates a critical mass of advertiser budgets, it can make fixed cost investments in infrastructure, product capabilities, and sales teams that create a positive growth flywheel.

Competing On Demand

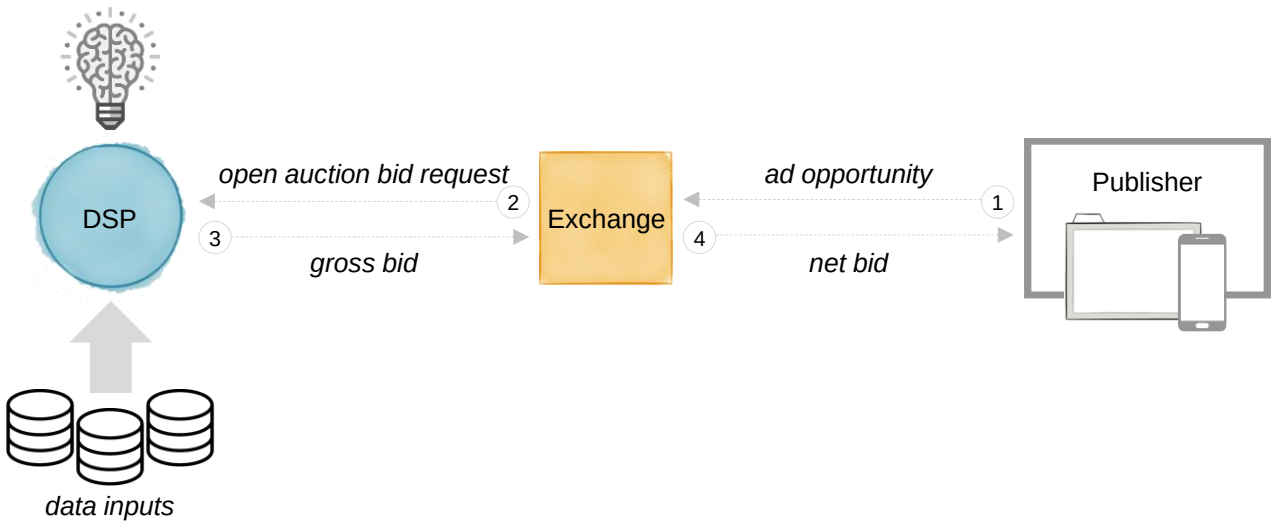
In 2025, we estimate that the five largest buy-side platforms (Google Ads, Google DV360, The Trade Desk, Amazon DSP, and AppLovin) will power nearly 70% of all open internet ad spend. Framed differently, the average web publisher, mobile app developer, and CTV media company sources more than half of its revenue from these five platforms.



Notably, though, we did not say these scaled buy-side businesses "control" 70% of demand. We instead said they "power" 70% of demand, and that distinction is critical. There is a wide range in the degree to which DSPs and ad networks exert control over the budgets they power.

Competing On Demand

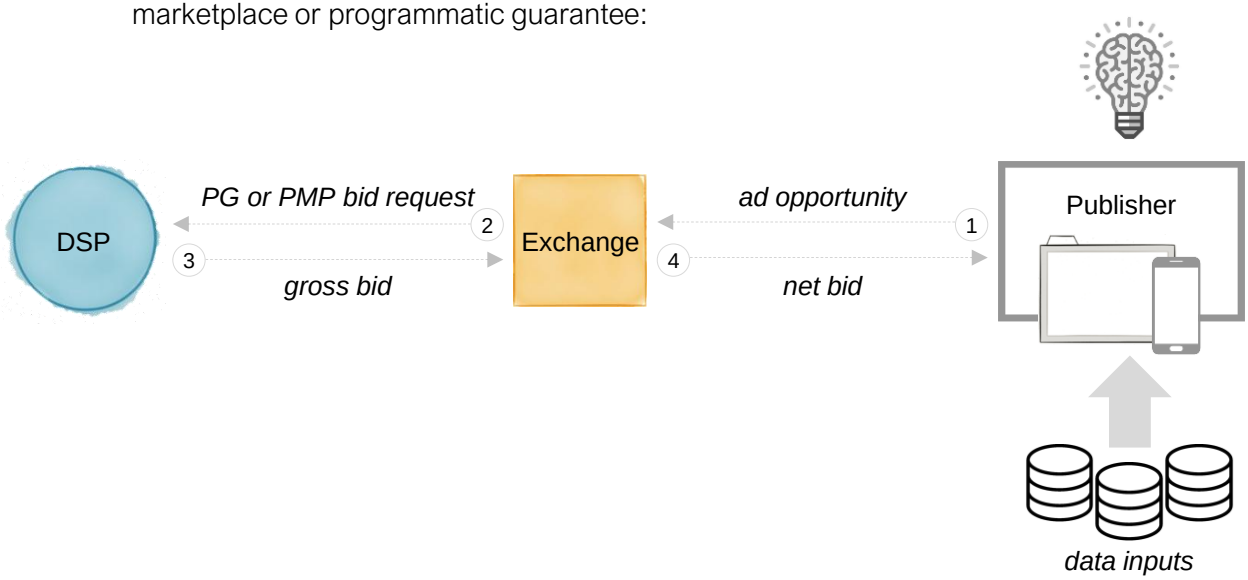
Google's Performance Max (PMax) is representative of one class of media buying solutions where the technology provider takes full control of media placement decisions. Advertisers task PMax with a certain business outcome and have little to no control or visibility into how Google buys media to achieve that goal. AppLovin, Criteo, and other performance-oriented media buying platforms similarly have a high degree of control over advertiser budgets. These companies have the opportunity to take large margins if they successfully deliver marketing outcomes, and budgets tend to be sticky because marketers are unsure how to replicate business outcomes in another buying platform. At the same time, the non-transparent nature of these media buying products is a strategic non-starter for many of the world's largest brands and agencies.



The Trade Desk is representative of a different class of media buying solutions where the platform offers extensive transparency and control to media buyers. Google DV360, Yahoo DSP, and most other self-serve DSPs similarly offer media buyers a promise of transparency and control. That value proposition is clear and compelling and has been rewarded with tens

Competing On Demand

of billions of dollars in gross ad spend. It has become and will continue to be the preferred model for the largest and most sophisticated brand marketers. But by empowering their customers, companies with a transparency-and-control market position exert a lower degree of control over budgets, and that lack of control can be a strategic Achilles heel. In the extreme, self service DSPs are exposed to the risk of being reduced to commodity workflow tools. Consider the typical flow of a publisher-sold private marketplace or programmatic guarantee:

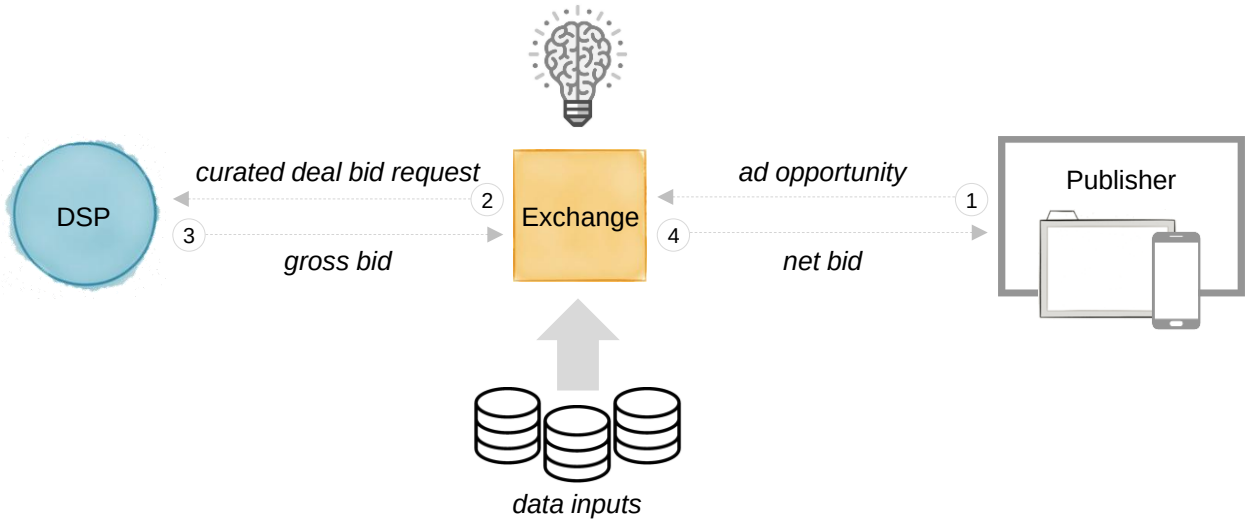


In this transaction, the publisher occupies the strategic control point. The publisher sourced the advertiser budget. The publisher is responsible for identifying the inventory that is a match for the campaign's goals. And because the publisher creates nearly all of the value, ad tech platforms experience downward pressure on their take rates. Further, publisher-controlled demand is highly portable. Because all decisioning happens on the sell side of the market, a programmatic guarantee will operate identically in any DSP, and advertisers have flexibility to port their budget to whichever DSP offers the lowest take rate. Publishers cannot simply compete by

Competing On Demand

offering the highest quality supply in the open auction, but publishers that have the most premier supply earn themselves a seat at the table to directly source and control advertiser demand.

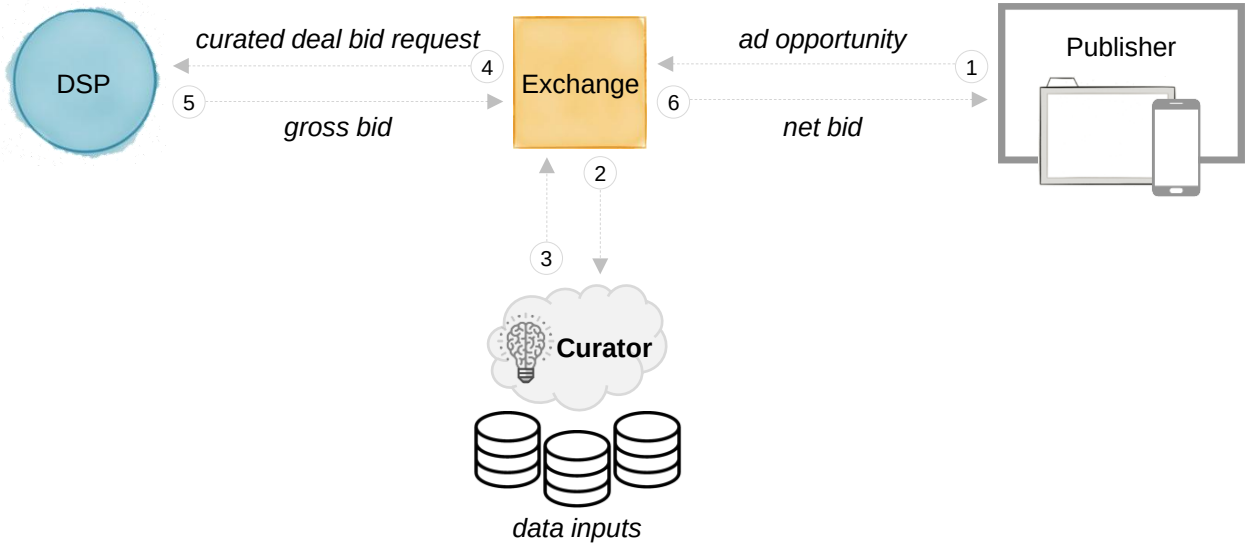
If publishers can directly source and control advertiser demand, then so can ad exchanges. Rather than packaging and selling supply from a single publisher through a private marketplace, exchanges can package and sell supply from multiple publishers through a curated deal. In this transaction model, the exchange occupies the strategic control point, pre-selecting inventory that the media buyer instructs its DSP to purchase. Like publisher-controlled demand, exchange-controlled demand is highly portable across DSPs, further eroding the defensibility of self service DSPs.



The most evolved version of the curation model decouples the expensive part of advertising technology (the infrastructure) from the valuable part of advertising technology (the decisioning). Third party curators operate on top

Competing On Demand

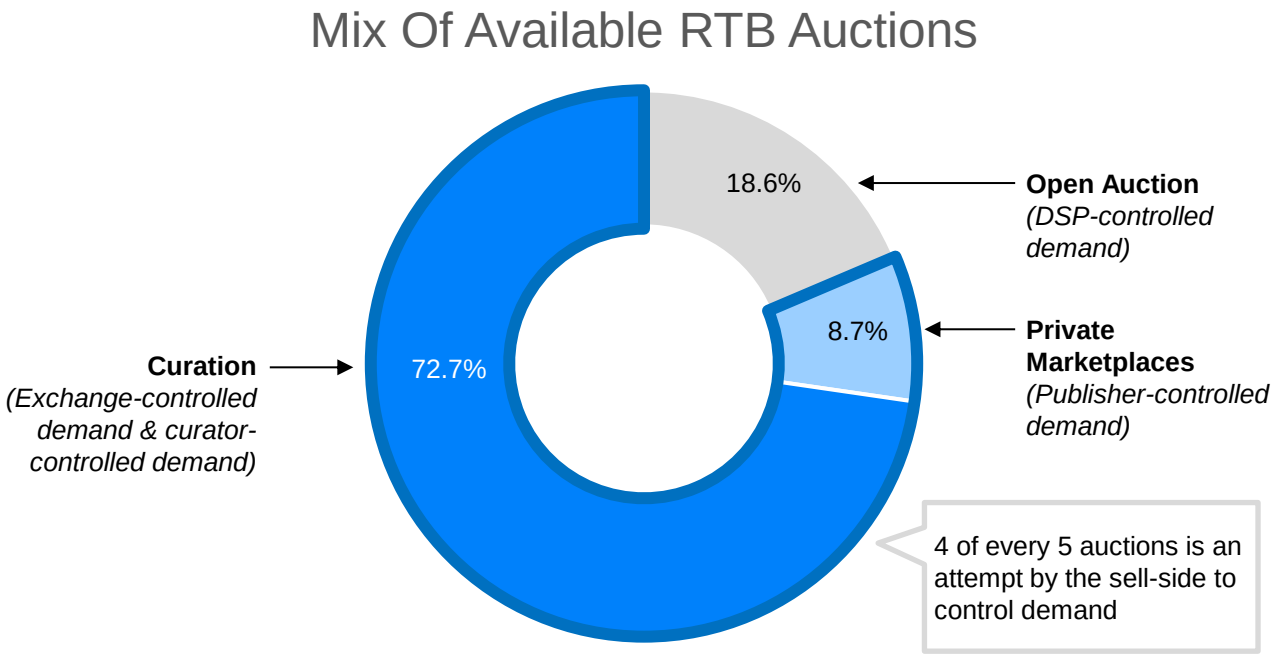
of an ad exchange, evaluating each ad opportunity before bid requests are issued to DSPs and instructing the exchange to decorate each outbound bid request with one or more curated deal IDs. Because the curator owns the media buyer relationship, it captures the financial and strategic value, and both the DSP and exchange are demoted to interchangeable pipes.



Controlling demand historically required operating an ad tech platform with high fixed infrastructure costs, and this created a significant barrier to entry. By decoupling decisioning from infrastructure, the curation paradigm greatly reduces the barrier to entry, and we should expect rapid fragmentation in the curation category.

Competing On Demand

The actions of the sell side of the market indicate an implicit awareness that supply is commoditized and that demand is the critical vector of competition. Publishers and exchanges rationally flood the market with duplicative opportunities for supply that DSPs will treat as a commodity, but publishers and exchanges also take active measures to tilt the bidstream toward ad opportunities that wrestle control away from DSPs:



DSP-controlled demand is far more than 18.6% of programmatic ad spend. But the great majority of ad opportunities presented to DSPs are attempts by the sell-side (a publisher, an exchange, or a curator) to control demand.

Competing On Signal

What is left is a long list of ad tech platforms and publishers that have undifferentiated supply and scarce buyer relationships. When these companies fail to control demand, they resort to competing on signal – structuring RTB bid requests in a way that is not true to the spirit of industry specifications with the goal of coaxing demand out of DSPs. Competing on signal erodes trust in the programmatic supply chain and leads the companies that do control demand to build end-to-end technology stacks that bypass auctions operated by unreliable intermediaries.

Competing On Signal

What do you do if you don't can't compete on supply or demand?

Our monthly reports list the top 100 sell side technology platforms, and many of these companies have no direct relationships with media buyers, offer undifferentiated access to supply, and are wholly dependent on DSP-controlled open auction demand. Still, these companies can sometimes be top revenue producers for their publisher partners.

Similarly, there are publishers that have no material in-market sales presence, produce no obviously differentiated supply, are dependent on DSP-controlled open auction demand, and yet capture a disproportionately large share of programmatic budgets.

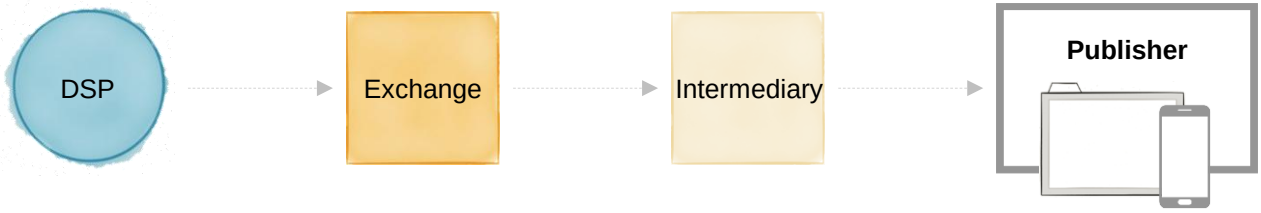
In the opening of this report, we said that the best predictor of a publisher's programmatic revenue is its volume of programmatic auctions. In the second section of this report, we highlighted the ways in which publishers and exchanges attempt to gain market share by directly controlling demand. The third major lever for programmatic monetization is competing on signal - structuring RTB bid requests in a way that coaxes excess demand out of DSPs.

Competing on signal is a normal dynamic in any market. Describing an apartment listing as "garden-level" will almost certainly capture more demand than describing it as a "basement." But unlike the real estate market, the programmatic advertising market has limited checks on the accuracy of signals and insufficient buy-side skepticism of these signals, creating a downward trajectory in the reliability of information transmitted to DSPs. To illustrate, we'll explore three unreliable supply chain signals: ads.txt directness, auction floor prices, and video placement type.

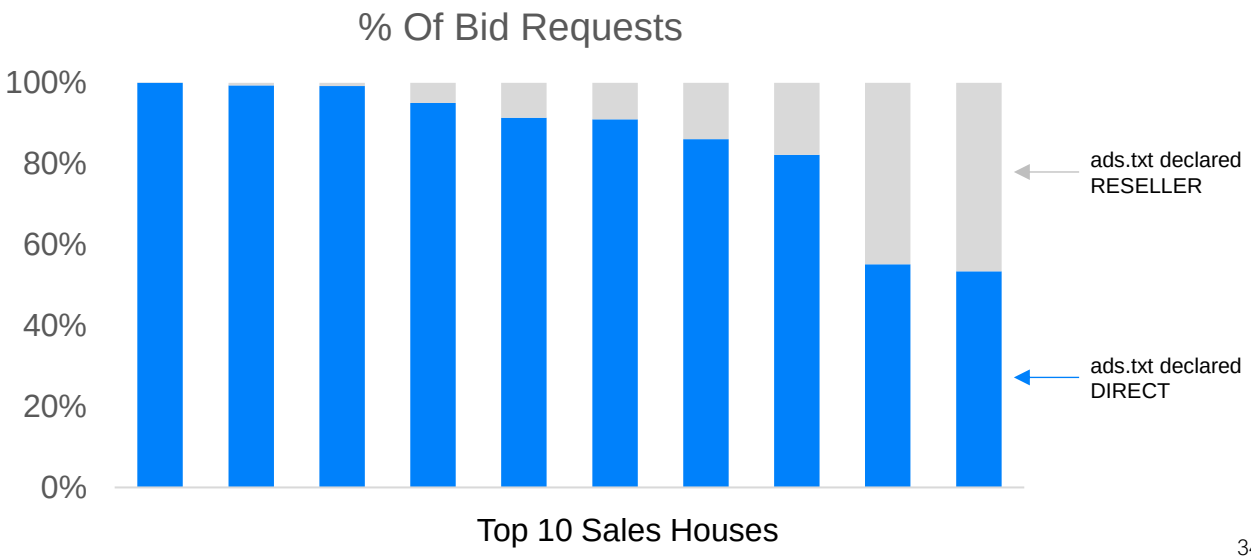
Competing On Signal

Ads.txt Directness

According to the IAB Tech Lab spec, “a value of ‘DIRECT’ indicates that the Publisher (content owner) directly controls the account.” And so a supply chain that looks like this should not be labeled DIRECT:



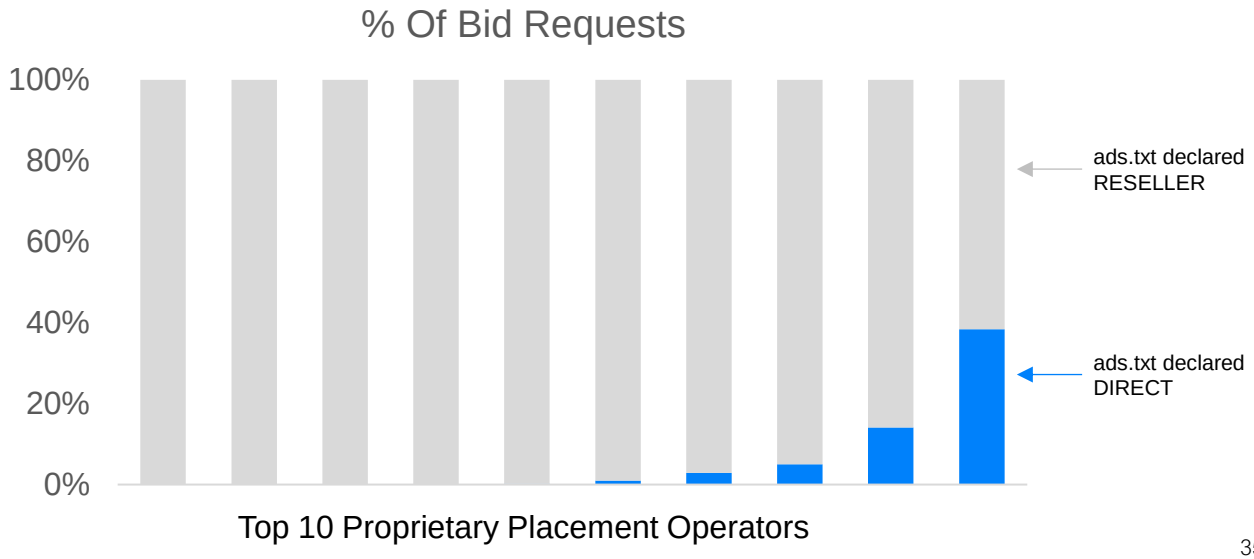
But industry norms do not always match the industry spec. When an independent content creator outsources programmatic monetization to an exclusive sales house, the spec says that those ads.txt entries should be labelled RESELLER, but they rarely are. Consider the mix of bid requests from the top 10 sales houses:



Competing On Signal

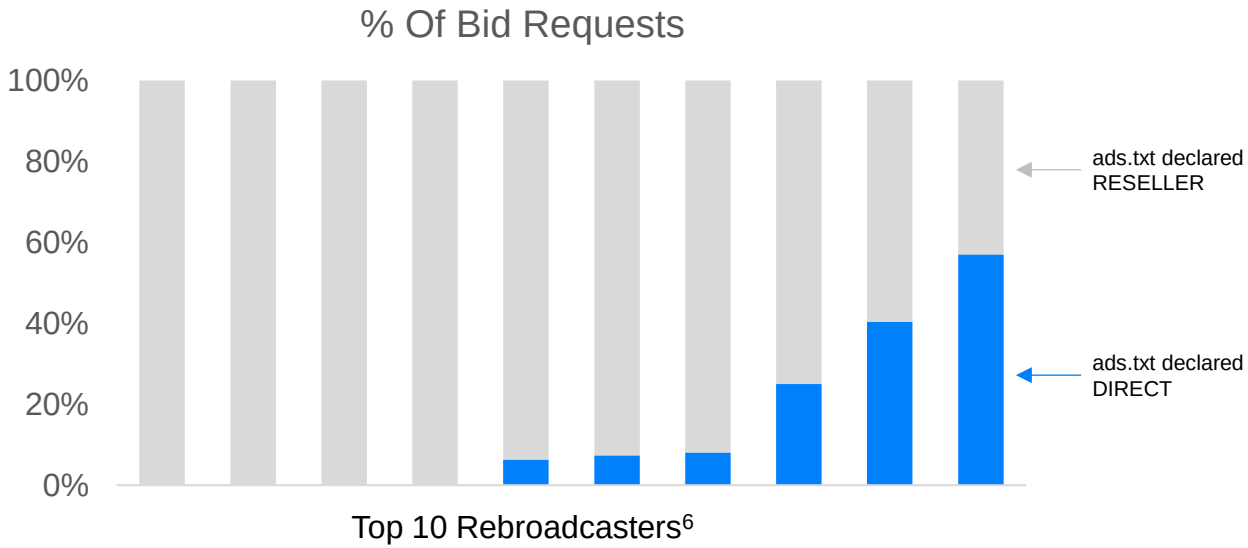
Because DSPs allow marketers to target auctions from ads.txt DIRECT supply chains, content creators that partner with sales houses have two options – comply with the spec and lose demand, or disregard the spec. Independent content creators as a group have made a determination that buyers should put their inventory on equal footing with publishers that run an in-house monetization stack, and they accomplish this by mislabeling their ads.txt files. This is a reasonable choice, and it's how we recommend independent content creators operate, but it establishes the precedent that sellers can choose to dismiss industry standards.

What if we extend this same analysis to proprietary placement operators – companies that have secured exclusive sales rights for mid-article video players, content recommendation widgets, and commenting tools? In this category, the industry norm is to comply with IAB Tech Lab specs and correctly apply the RESELLER label to ads.txt entries, but there is not perfect compliance. One of the top 10 proprietary placements operators labels 40% of its volume-weighted supply DIRECT, operating outside both industry standards and category norms. That seller captures demand from DSP campaigns that target DIRECT supply chains, while its peers do not.



Competing On Signal

Ads.txt mislabeling also extends to unambiguous reselling – the simple rebroadcasting scenario in which one non-exclusive SSP resells its auction through another non-exclusive SSP.



The state of ads.txt mislabeling leaves buy-side technology companies with three options:

1. Place bids based on incorrect information.

2. Work with thousands of publishers to correct mislabeled ads.txt files.

3. Abandon the ads.txt directness signal and replace it with alternative methods of identifying maximally direct supply chains.

As long as some DSPs take option 1, publishers and intermediaries will have perverse incentives to further pollute the reliability of ads.txt labels.

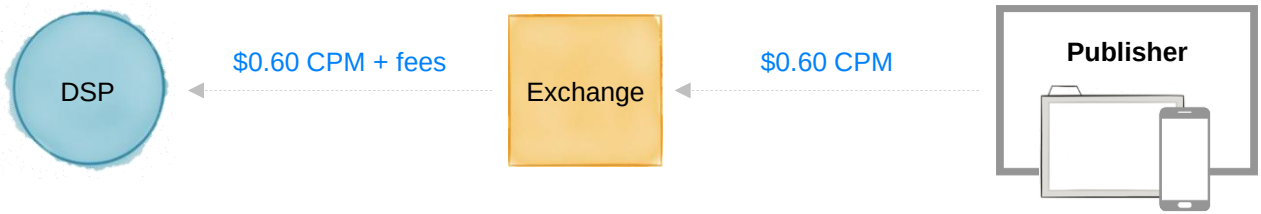
6: Excludes Google Open Bidding, which meets the IAB Tech Lab standard for ads.txt DIRECT status

Competing On Signal

Auction Floors

Publishers and their monetization partners are not simply rewarded for pushing the boundaries of accuracy – they are rewarded for testing the market with a range of possible signals. One of the non-obvious yield benefits of auction duplication is the opportunity to present each available impression to buyers with multiple different signals.

Consider a web publisher – one of the sites on our 2025 bellwether list – that operates auctions for banner inventory with a simple $0.60 CPM floor. The publisher will consider bids of $0.60 or greater and will reject bids below that price. After accounting for exchange fees (see our February 2024 report[7] for more details), the bid requests issued to DSPs should declare a floor that is modestly higher than $0.60.

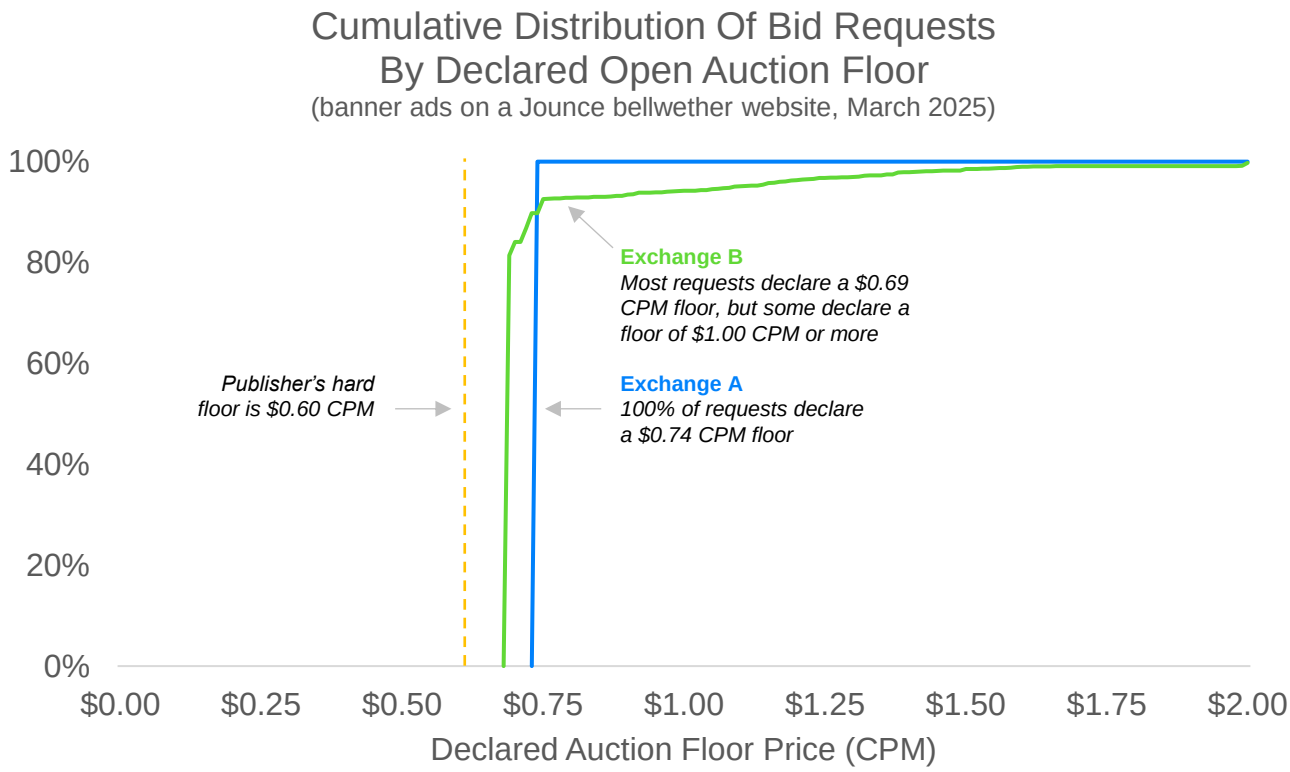


Publisher Floor	Exchange Take Rate	Expected Bid Request Floor
$0.60 CPM	10%	$0.67 CPM
$0.60 CPM	15%	$0.71 CPM
$0.60 CPM	20%	$0.75 CPM
$0.60 CPM	15%	$0.80 CPM

7: https://jouncemedia.com/portal/research/monthly-reports/floor-price-optimization

Competing On Signal

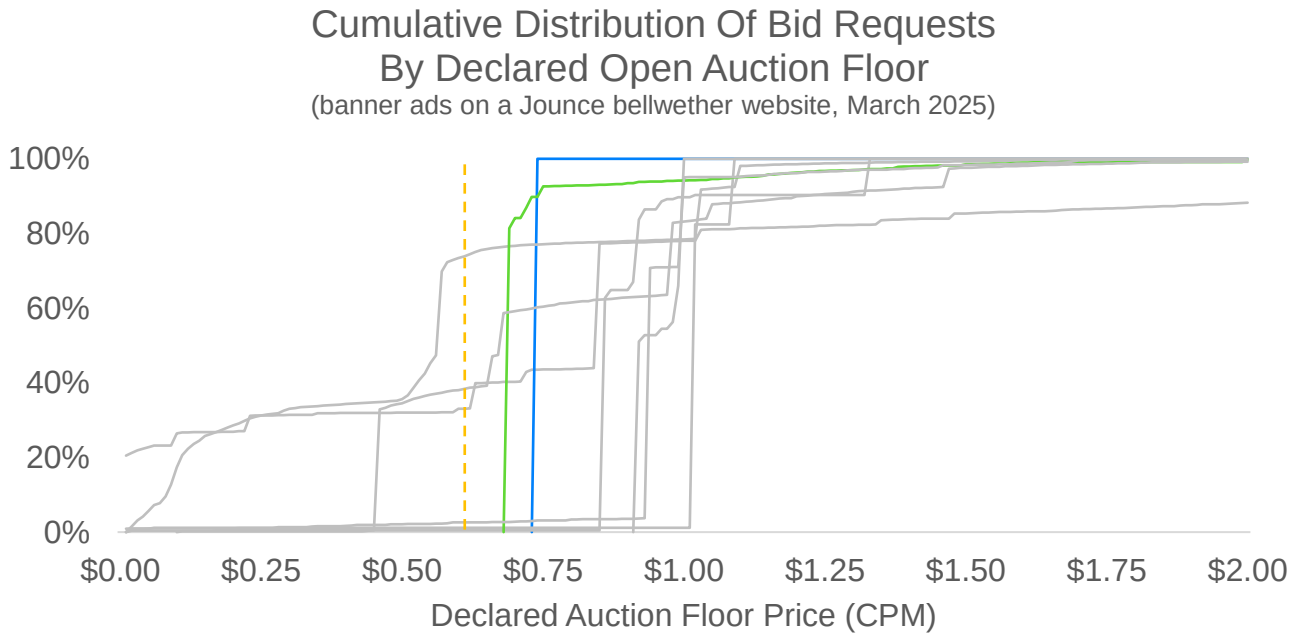
The chart below shows the cumulative distribution of declared floors from two of the publisher's directly-integrated exchange partners.



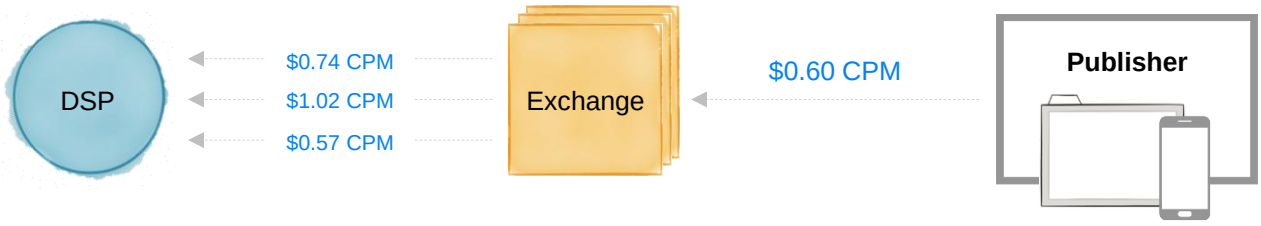
Exchange A simply marks up the publisher's floor price to account for its fee, and the result is that every bid request has a $0.74 CPM declared floor. Exchange B usually declares a floor that is lower than Exchange A (suggesting a lower exchange take rate), but sometimes increases the declared floor to $1.00 CPM or more. This modification might provide useful pricing guidance to DSPs for competitive auctions, or it might be an effort to coax unnecessarily high bids out of DSPs.

Competing On Signal

Across the 10 highest volume supply chains for this site's banner supply, the distribution of declared floors is wide and diverse.



The result is that a single available impression with a real floor of $0.60 CPM is presented to DSPs with many different declared floors that are sometimes far above the actual floor and (perplexingly) sometimes far below the actual floor.



Competing On Signal

When DSPs cannot determine which requests provide reliable pricing information, the rational behavior, which a growing number of DSPs are adopting, is to discontinue use of declared floor prices to guide bid price calculations. But as long as some DSPs take action on the declared floor, publishers and their monetization partners benefit from running concurrent auctions with a range of pricing signals to test DSP demand.

Video Placement

We discussed in our September 2024 report[8] that the most common web video experience is a mid-article player that pairs organic content with pre-roll, mid-roll, and post-roll ads. Following the redefinition of instream video in 2023, the correct classification for this supply is "accompanying content" (video.plcmt = 2), and this information is reliably signaled in RTB bid requests. But some of the largest DSPs have not yet built support for the new video signal and instead rely on the long-deprecated video.placement signal. This leaves web publishers and their monetization partners with a non-obvious and needle-moving question – what is the appropriate way to populate the legacy video.placement field for accompanying content video inventory? There are two potential answers:

Strategy	video.plcmt	video.placement	Business Rationale
Conservative	2 (accompanying content)	Either 3 (in-article) or 4 (in-feed)	The current instream definition makes it clear that mid-article videos should not be declared instream, so that is not an appropriate label for either the new or the legacy video signal.
Aggressive	2 (accompanying content)	1 (in-stream)	Mid-article video qualifies as instream under the legacy industry definition, so that is the appropriate way to populate the legacy video signal.

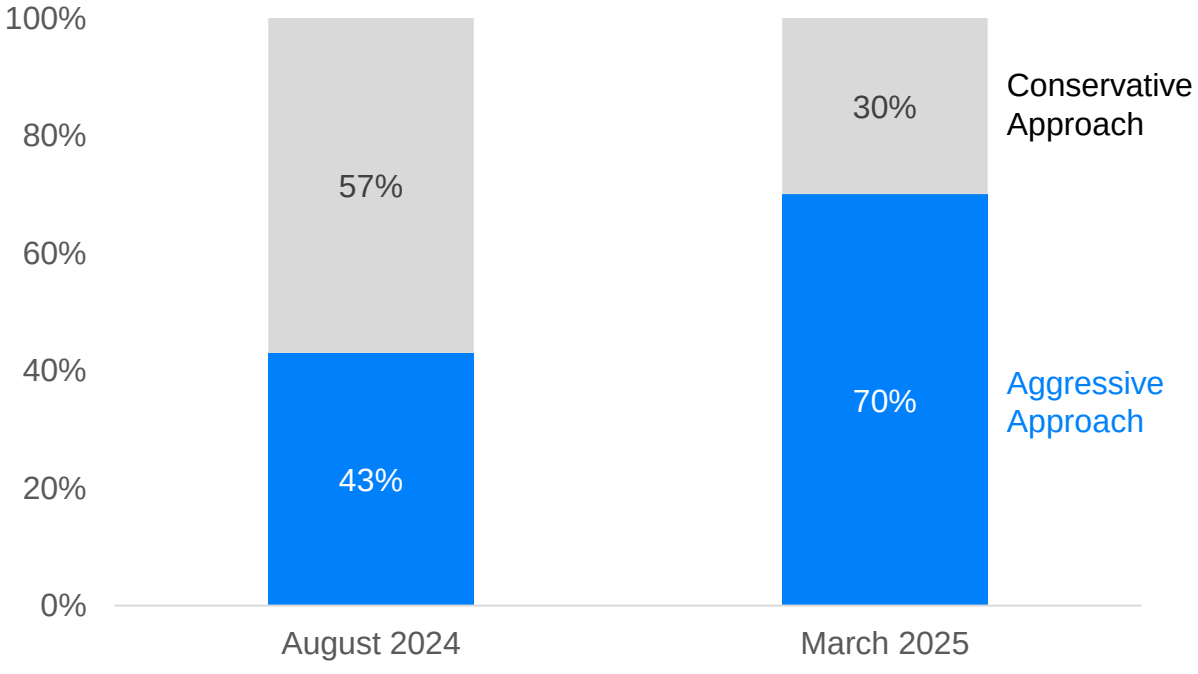
8: https://jouncemedia.com/portal/research/monthly-reports/the-instream-bidstream

Competing On Signal

For DSPs that have not yet implemented video.plcmt support, campaigns that target instream video supply will participate in auctions operated by sellers that take the aggressive approach and will not participate in auctions operated by sellers that take the conservative approach. The conservative approach is buyer-friendly but carries a financial penalty – sellers that take the conservative approach lose market share to sellers that take the aggressive approach.

When we published our report (based on August 2024 data), 43% of accompanying content bid requests used the aggressive approach. We think the primary result of that report was to raise awareness among publishers about a new signal loophole, and by March 2025 70% of accompanying content bid requests used the aggressive approach.

Mix Of PLACEMENT Declarations For Accompanying Content Video



Competing On Signal

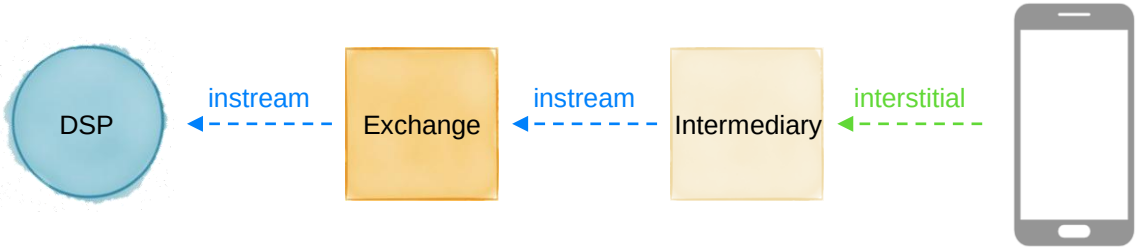
The aggressive stance further erodes buyer trust in bidstream signals, but is becoming an industry norm and a business imperative for monetizing web video supply. The Media Ratings Council has contemplated these types of issues and provided guidance in early 2024[9] that "situations where there is evidence of intentionally falsified inventory or placement type should be deemed SIVT." Populating a deprecated signal with not-quite-right but plausibly defensible information has not yet exposed publishers and SSPs to clawbacks, and it's unlikely it will. At current course and speed, we should expect universal adoption of the aggressive stance in the coming months.

But what about cases where there is demonstrable evidence of intentional signal tampering? We highlighted in our October 2024 report[10] that supply chain intermediaries sometimes overwrite publisher-provided video signals in the mobile app category. In most mobile games, the only available video product is a full screen interstitial:

9: https://mediaratingcouncil.org/sites/default/files/Standards/2024_IVT_Interim_Updates_FINAL.pdf
10: https://jouncemedia.com/portal/research/monthly-reports/mobile-app-interstitials

Competing On Signal

This full screen experience strikes us as an excellent canvas for brand advertising, but the demonstrated demand from omni-channel DSPs is thin. Instead, omni-channel DSPs seek instream video opportunities where brand advertisers can deploy their TV creative assets. Opportunistic intermediaries exploit this supply/demand imbalance by relabeling interstitial videos as instream.



Taking an inbound request for an interstitial ad unit and relabeling it instream unquestionably constitutes SIVT. But we are unaware of any MRC-accredited vendor formally labeling these auctions as fraudulent and seeking clawbacks on behalf of media buyers. More foundationally, most verification solutions have access to only a small subset of bidstream signals and are structurally unable to detect misrepresented video products.

It's hard to imagine that signal tampering becomes an industry norm, but the current lack of financial counter-incentives makes it extraordinarily difficult for sell side technology companies to prioritize marketplace quality. The exchanges that proactively detect and disable misrepresented video auctions make a bet that their long term success requires diligent marketplace quality controls. In the short term though, they lose market share to less rigorous peers that offer higher volumes of declared instream supply to DSP bidders.

More generally, management teams at every sell-side technology platform must grapple with how far they can push the envelope on signal fidelity.

Competing On Signal

In total, we have identified 8 signals that materially influence DSP bidding behavior, are poorly policed, and are therefore misrepresented in programmatic auctions:

Signal	OpenRTB Fields	Yield Opportunity
Ads.txt Directness	N/A (ads.txt files)	Declare intermediary-controlled actions as DIRECT to capture direct-targeted DSP demand.
Supply Chain	source.schain	Redact schain nodes to create the appearance of direct auctions and capture direct-targeted DSP demand.
Floor Price	imp.bidfloor deal.bidfloor	Inflate the publisher's hard floor to make low-bid DSP campaigns ineligible to participate and to limit DSP bid shading.
Auction Type	at	Declare a 1st price auction as a 2nd price auction to disable DSP bid shading.
User ID	user.buyeruid device.ifa eid.uids	Populate user IDs through non-standard matching methods to capture user-targeted DSP demand and unlock bidding for frequency-capped campaigns.
URL	site.page	Truncate the full URL string to bypass content targeting filters.
Video Type	video.plcmt video.placement	Declare mid-article web video and mobile app interstitials as instream to capture instream-targeted DSP demand.
Placement ID	imp.tagid imp.ext.gpid	Blend high quality and low quality placements into a single ID to prevent DSP cherry picking.

Competing On Signal

Without credible governance of bidstream signals, the reliability of declared auction information will continue to deteriorate. In today's market, signal fidelity and monetization success pull in opposite directions. Publishers and sell-side technology providers that prioritize signal fidelity lose market share to their peers that take a loose interpretation of industry standards. When savvy DSPs choose to ignore these unreliable signals, they place bids with incomplete information about the available impression. Worse, when naïve DSPs choose to use these signals, they place bids based on inaccurate information.

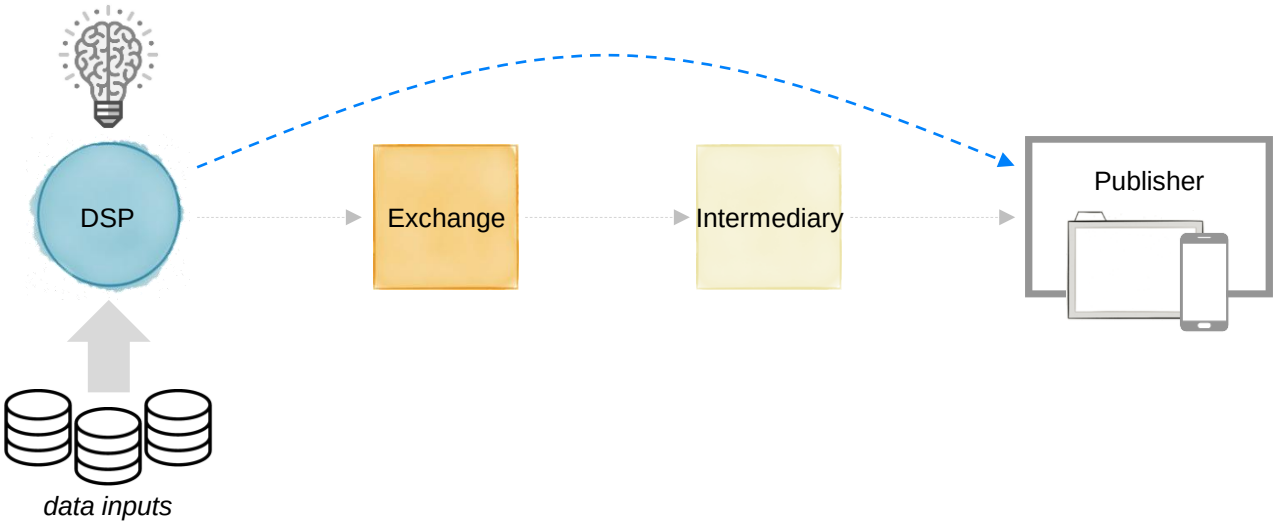
These issues are why Will Doherty, Senior Vice President of Inventory Development at The Trade Desk, said at our 2024 SPO Summit, "OpenPath's value to us is that it's the truth."

> **"OpenPath's value to us is that it's the truth."**
>
> Will Doherty
> Senior Vice President of Inventory Development
> The Trade Desk

Long supply chains are simply not a reliable source of the truth, and the only rational action for DSPs that want to build buyer confidence is to bypass unnecessary intermediaries entirely.

Competing On Signal

We increasingly think of long supply chains as zombies – ad tech platforms that don't yet know they are dead. When DSPs control demand (a critical clause in this sentence), they will disable resold auctions and even auctions operated by direct SSP accounts in favor of direct publisher integrations.



The future success or failure of every ad tech company and every publisher rests on its ability to control demand.

Publishers that do not control demand will find themselves competing to produce the maximum volume of RTB bid requests for supply that just barely meets industry minimum standards. Exchanges that do not control demand will find themselves competing to stretch the signals in bid requests and flirt with deliberate misrepresentation. The DSPs and ad networks that have historically controlled demand now find themselves in competition with their suppliers, whose futures depend on wrestling control away from the buy-side of the market.

Market Sizing Data

Market Sizing Data

Investment Categories

	Gross Ad Spend ($B)									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR
Digital	$228.7	$269.0	$311.6	$347.4	$459.3	$485.2	$539.7	$614.5	$698.1	15.0%
TV	$140.8	$163.7	$160.4	$142.7	$154.1	$152.9	$150.9	$154.3	$168.3	2.3%
Print	$81.1	$74.0	$67.5	$51.1	$47.6	$44.8	$42.9	$41.7	$40.6	-8.3%
OOH	$39.4	$40.9	$42.3	$31.1	$35.8	$39.4	$42.1	$45.0	$48.1	2.5%
Radio	$34.4	$34.9	$34.9	$27.0	$28.5	$29.3	$29.6	$30.6	$31.7	-1.0%
Total	$524.3	$582.5	$616.7	$599.2	$725.2	$751.6	$805.3	$886.2	$986.7	8.2%

	Share Of Total								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Digital	43.6%	46.2%	50.5%	58.0%	63.3%	64.6%	67.0%	69.3%	70.7%
TV	26.9%	28.1%	26.0%	23.8%	21.2%	20.3%	18.7%	17.4%	17.1%
Print	15.5%	12.7%	10.9%	8.5%	6.6%	6.0%	5.3%	4.7%	4.1%
OOH	7.5%	7.0%	6.9%	5.2%	4.9%	5.2%	5.2%	5.1%	4.9%
Radio	6.6%	6.0%	5.7%	4.5%	3.9%	3.9%	3.7%	3.5%	3.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Market Sizing Data

Digital Sub-Sectors

	Gross Ad Spend ($B)									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR
Search	$82.8	$92.6	$103.7	$122.5	$152.8	$164.6	$177.4	$190.5	$204.6	12.0%
Walled Gardens	$54.9	$76.8	$101.7	$130.9	$189.7	$201.6	$236.2	$288.1	$351.6	26.1%
Open Programmatic	$57.4	$71.3	$76.1	$72.0	$81.5	$78.7	$81.0	$83.4	$83.9	4.9%
Reservations	$19.0	$11.9	$9.5	$4.8	$4.0	$3.8	$3.7	$3.5	$3.3	-19.7%
Total	$214.2	$252.7	$290.9	$330.2	$428.2	$448.7	$498.2	$565.5	$643.3	14.7%

	Share Of Total								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Search	38.7%	36.7%	35.6%	37.1%	35.7%	36.7%	35.6%	33.7%	31.8%
Walled Gardens	25.6%	30.4%	34.9%	39.7%	44.3%	44.9%	47.4%	50.9%	54.6%
Open Programmatic	26.8%	28.2%	26.1%	21.8%	19.0%	17.5%	16.2%	14.8%	13.0%
Reservations	8.9%	4.7%	3.3%	1.4%	0.9%	0.9%	0.7%	0.6%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Market Sizing Data

Walled Gardens

	Gross Ad Spend ($B)									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR
Meta	$37.9	$52.2	$66.2	$80.3	$111.9	$111.3	$130.1	$159.1	$194.0	22.6%
Amazon	$4.1	$6.5	$10.1	$15.9	$25.0	$30.6	$38.6	$46.8	$56.7	38.8%
Google	$7.9	$11.2	$15.1	$19.8	$28.8	$29.2	$31.5	$36.1	$41.5	23.0%
TikTok	$0.5	$0.9	$1.5	$2.6	$4.7	$9.2	$14.3	$21.2	$30.8	67.6%
LinkedIn	$0.9	$1.2	$1.6	$2.4	$3.6	$4.5	$5.0	$5.3	$5.7	26.4%
Snap	$0.8	$1.2	$1.7	$2.5	$4.1	$4.6	$4.6	$5.4	$6.2	28.8%
Pinterest*	$0.5	$0.7	$1.1	$1.7	$2.6	$2.8	$3.1	$3.6	$4.4	32.0%
Walmart	$0.0	$0.1	$0.4	$0.9	$1.9	$2.2	$2.6	$3.2	$4.0	77.7%
X (Twitter)*	$2.1	$2.6	$3.0	$3.2	$4.4	$3.3	$1.6	$1.2	$0.9	-9.8%
All Others	$0.1	$0.4	$0.8	$1.7	$2.7	$3.8	$4.9	$6.2	$7.4	64.8%
Total	$54.9	$76.8	$101.7	$130.9	$189.7	$201.6	$236.2	$288.1	$351.6	26.1%

	Share Of Total								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Meta	69.1%	68.0%	65.1%	61.3%	59.0%	55.2%	55.1%	55.2%	55.2%
Amazon	7.5%	8.4%	10.0%	12.1%	13.2%	15.2%	16.3%	16.2%	16.1%
Google	14.4%	14.5%	14.9%	15.1%	15.2%	14.5%	13.3%	12.5%	11.8%
TikTok	0.9%	1.1%	1.5%	2.0%	2.5%	4.6%	6.1%	7.4%	8.8%
LinkedIn	1.6%	1.5%	1.6%	1.8%	1.9%	2.2%	2.1%	1.8%	1.6%
Snap	1.5%	1.5%	1.7%	1.9%	2.2%	2.3%	1.9%	1.9%	1.8%
Pinterest*	0.9%	0.9%	1.1%	1.3%	1.4%	1.4%	1.3%	1.3%	1.2%
Walmart	0.1%	0.2%	0.4%	0.7%	1.0%	1.1%	1.1%	1.1%	1.2%
X (Twitter)*	3.8%	3.4%	2.9%	2.4%	2.3%	1.6%	0.7%	0.4%	0.3%
All Others	0.2%	0.5%	0.8%	1.3%	1.4%	1.9%	2.1%	2.1%	2.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Pinterest and X enabled RTB transactions in 2024, but we include their advertising revenue here for consistency.

Market Sizing Data

Open Internet

	Gross Ad Spend ($B)									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR
Google Ads	$13.2	$14.6	$15.3	$16.3	$22.0	$22.4	$19.8	$17.5	$15.4	2.0%
Google DV360	$4.4	$5.4	$6.3	$6.8	$9.7	$10.4	$11.5	$12.8	$14.0	15.5%
The Trade Desk	$1.6	$2.4	$3.1	$4.2	$6.2	$7.7	$9.6	$12.1	$15.1	32.9%
Amazon DSP	$1.0	$1.6	$2.5	$3.9	$6.2	$7.1	$8.4	$9.4	$10.6	34.1%
AppLovin	$0.2	$0.4	$0.8	$1.1	$2.1	$1.5	$1.8	$3.2	$4.8	49.6%
All Other Buy-Side Platforms	$37.0	$47.0	$48.1	$39.7	$35.4	$29.6	$29.8	$28.3	$23.8	-5.4%
Reservations	$19.0	$11.9	$9.5	$4.8	$4.0	$3.8	$3.7	$3.5	$3.3	-19.7%
Total	$76.4	$83.2	$85.6	$76.8	$85.6	$82.6	$84.6	$86.9	$87.2	1.7%

	Share Of Total								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Google Ads	17.2%	17.5%	17.9%	21.2%	25.7%	27.1%	23.4%	20.2%	17.7%
Google DV360	5.8%	6.5%	7.3%	8.9%	11.4%	12.6%	13.6%	14.8%	16.1%
The Trade Desk	2.0%	2.8%	3.7%	5.5%	7.2%	9.4%	11.4%	13.9%	17.3%
Amazon DSP	1.3%	1.9%	2.9%	5.1%	7.2%	8.6%	9.9%	10.9%	12.2%
AppLovin	0.3%	0.5%	1.0%	1.5%	2.5%	1.8%	2.2%	3.7%	5.6%
All Other Buy-Side Platforms	48.5%	56.4%	56.2%	51.7%	41.3%	35.9%	35.3%	32.6%	27.3%
Reservations	24.9%	14.3%	11.1%	6.2%	4.7%	4.7%	4.3%	4.0%	3.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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