

Demand Partners More Likely to Pay Late as Trend Spikes to 65%, According to OAREX

OAREX released its H2 2022 Payments Study, which revealed that digital ad publishers are paying later, extending the payment gap

CLEVELAND, OHIO, USA, February 14, 2023 /EINPresswire.com/ -- [OAREX](#), the provider of fast and flexible funding for digital media companies, today announced the release of its [H2 2022 Digital Media and Advertising Payments Report](#). The report, which

reveals data and trends in the digital ad payment space, showed that the trend toward later payments continued in the second half of 2022, with 43% of all payments reported as late, an increase of 2% from the H1 2022 report findings.



“

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Nick Carrabbia, EVP at OAREX

In addition, the frequency of late payments by individual debtors spiked. For H2 2022, 15% always paid late (more than double the 7% rate in H1), and 65% paid late more than half the time (36% in H1). Underpayments also increased to 14% of the portfolio – an increase from the reported 12% in H1.

Other key findings include:

- Late payments among programmatic debtors rose 9% over the past 12 months (33% in H2 2021 to 42% in H2 2022)
- In general, payments arrived three days late, compared to one day late in H1 2022
- Driven primarily by programmatic debtors, underpayments greater than 10% rose during H2 2022

The full OAREX H2 2022 Payments report [can be found here](#).

The data presented in the report was collected from the record of payments OAREX received from companies, which include ad networks, exchanges, Supply Side Platforms (SSPs), Demand

Side Platforms (DSPs), media buyers, advertisers, and ad agencies, across the digital media and advertising ecosystem.

OAREX analysts reviewed two key data points, which include:

- Timing of Payments. How early or late does a debtor pay, relative to their stated net terms under which the invoice should be paid?
- Amount of Payments. How much did the collected amount vary from the amount billed? This data point considers all types of advertiser offsets or disputes that may arise.

Based on the data, OAREX revealed that the shift towards early payments, which began in late 2020 and continued through 2021, continues waning and may even be reversing. In fact, late payments bottomed in June (2021) and have risen ever since, now representing 44% of all payments, compared to 37% in H2 2021.

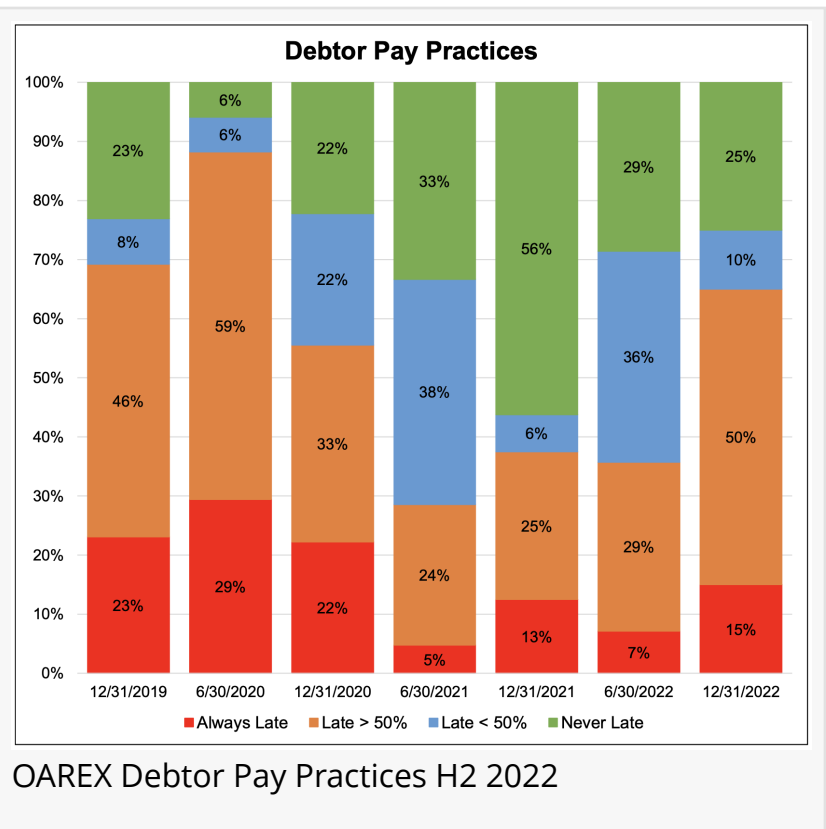
In response to the continued trend in late payments, OAREX EVP, Nick Carrabbia commented, "Across all of our metrics, payment data worsened. While it is still in line with pre-pandemic levels, the current economic landscape is very different. As credit continues tightening, fraud and bankruptcy risks will rise. Supply partners should scrutinize their demand stack and consider partnerships that hedge their credit risk."

OAREX continues to receive a record number of applications from intermediaries and supply partners across the advertising supply chain. Due to increased market risk, banks and investors have become more selective in recent months, making it difficult for companies to remain liquid and forcing them to leverage costly debt or raise equity at unfavorable terms. As a result, companies are turning to OAREX for flexible and non-dilutive financing alternatives. Opting to scale on their terms by taking control of their cash flow while preserving equity.

In line with the industry-wide push for transparency, OAREX began releasing quarterly payment data in 2018 and shifted the payments study report from quarterly reviews to semi-annual in 2021. The next report will be published in Q3 2023.

About OAREX Capital Markets, Inc.

OAREX, the Online Ad Revenue Exchange, operates a digital revenue exchange where media



businesses can exchange future revenue payouts for capital now. Established in 2013, OAREX has become a worldwide leader in financing for media and advertising businesses. East West Bank's investment in OAREX is a testament to its model and the digital media industry as a whole. See oarex.com for more information or visit go.oarex.com to open an account.

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