

# Programmatic Advertising

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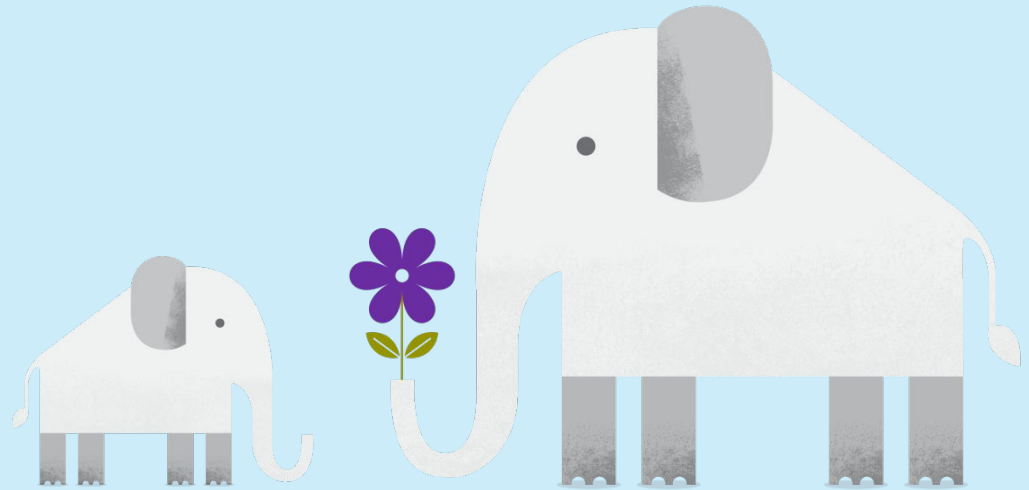
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# Agenda

1. What is programmatic?
  - Introduction
  - White Board
  - Key Players
  - Inventory Source
2. The Programmatic Landscape
3. The Strategy
4. What should brands be focusing on?
5. Q&A

# What is programmatic?



# What is programmatic?

**The buying or selling media and data by a buyer or advertiser through a technology platform**

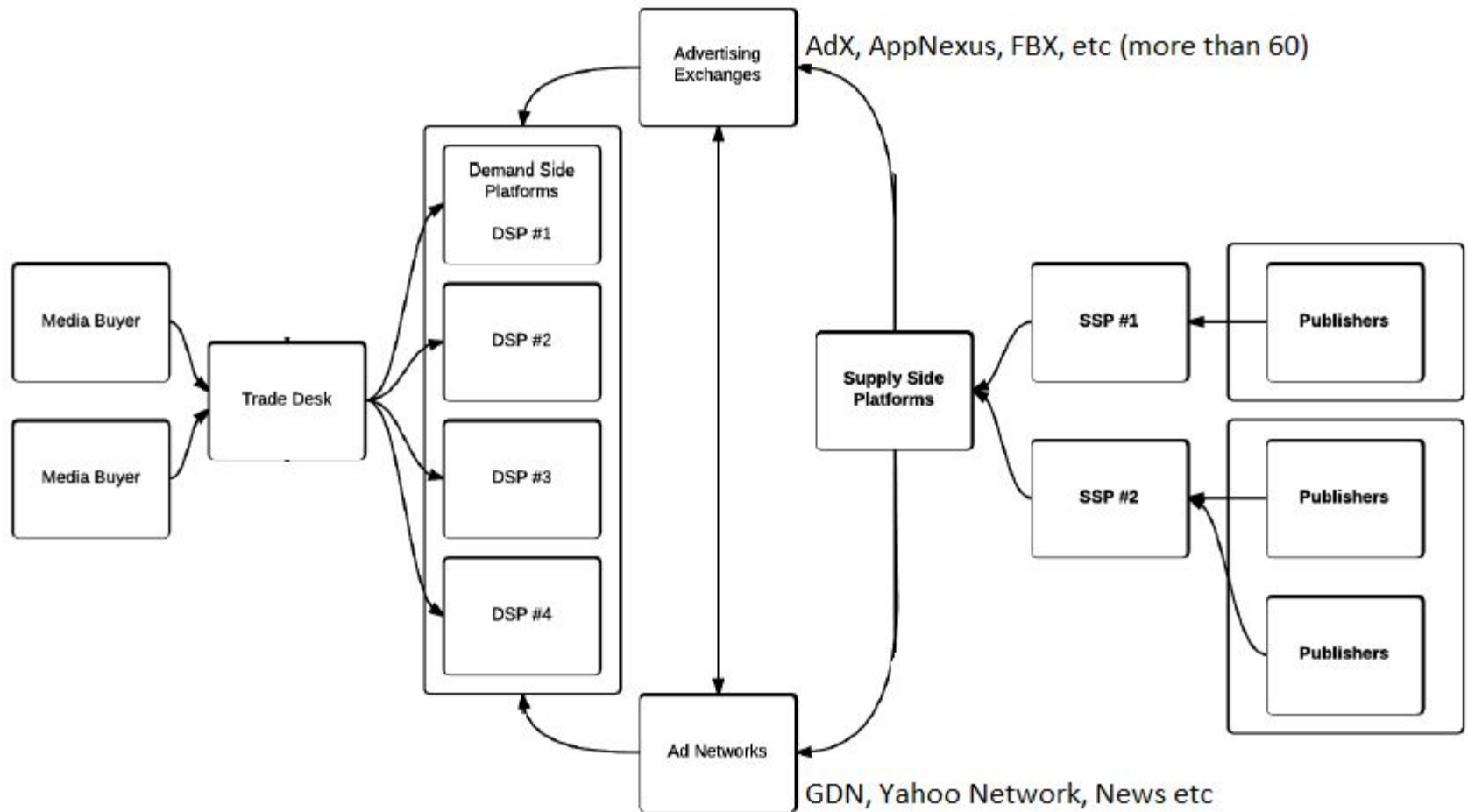
**The process builds efficiency and allows the targeting of specific audiences and allows the advertiser to push different message to individual at different times**

**It's reported on a regular basis in the same way that a traditional campaign could/would have been**

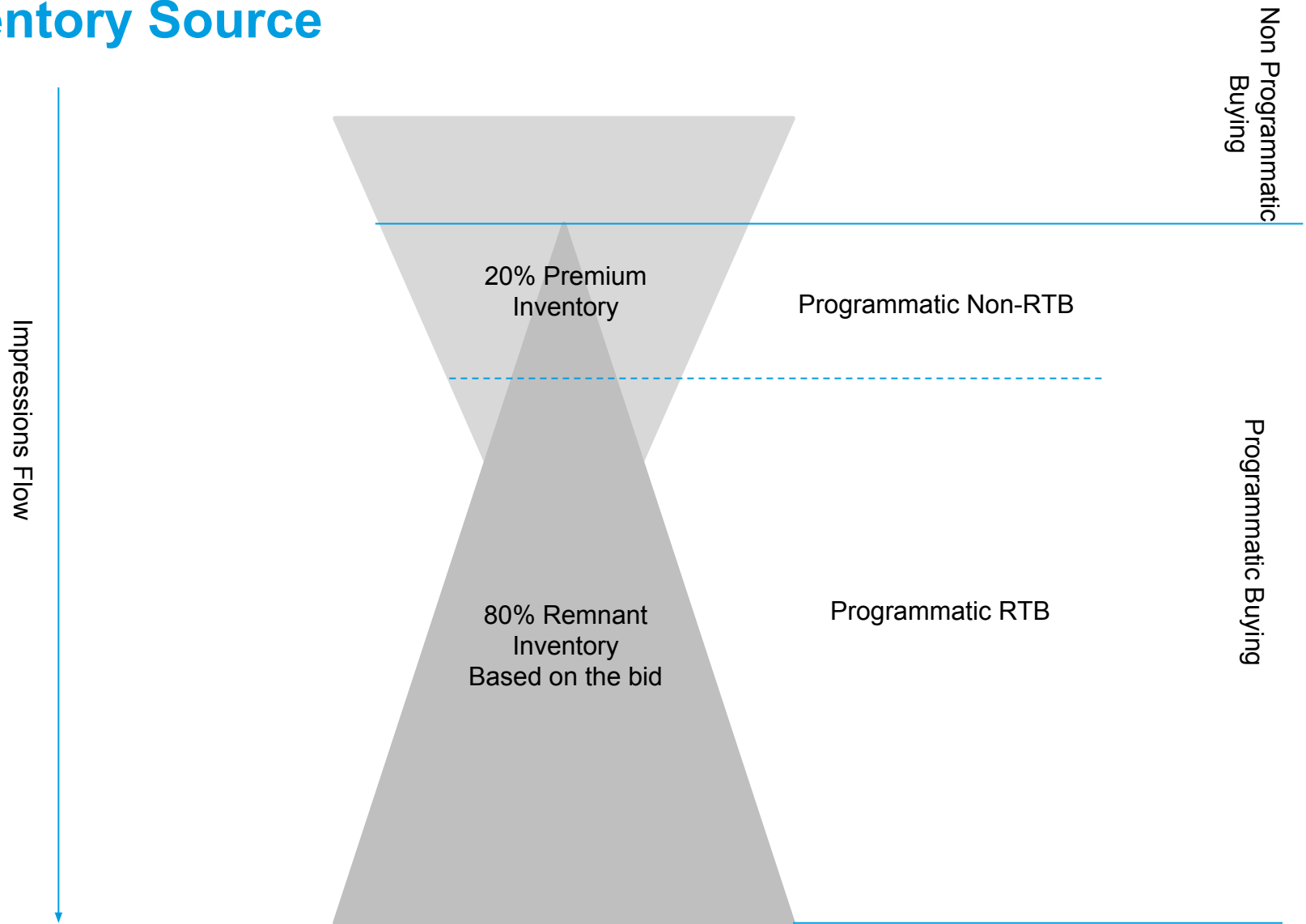
# White Board

- Demand (Buy) [Advertisers]
- Supply (Sell Inventory) [Publishers]
- Network [Publisher Inventory Aggregator]
- Exchange [Inventory Source]
- Data (1<sup>st</sup>/2<sup>nd</sup>/3<sup>rd</sup>)

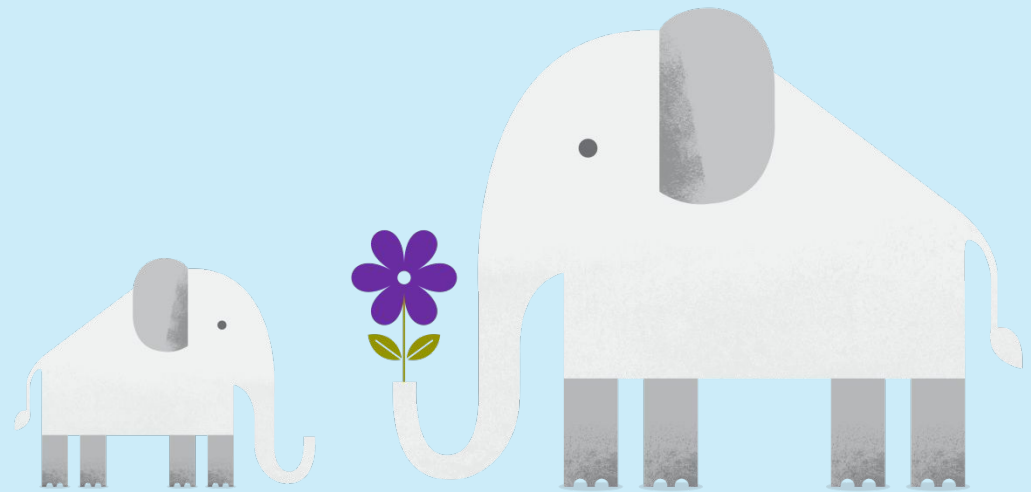
# Key players in programmatic



# Inventory Source

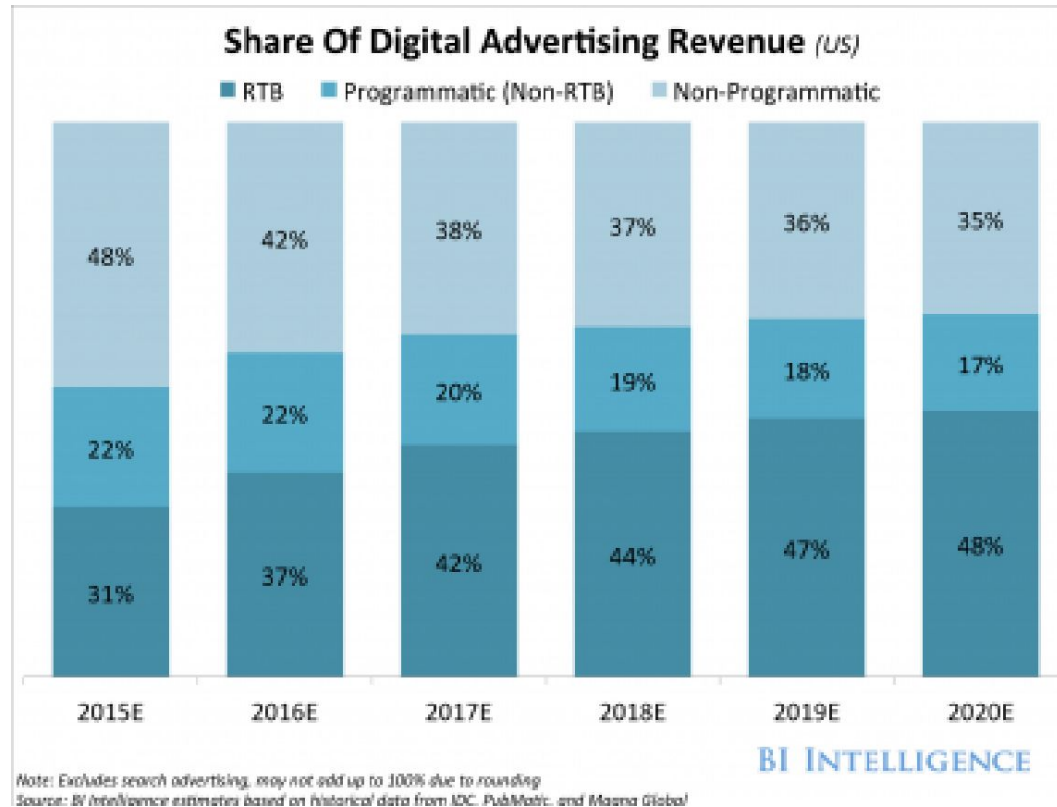


# The Programmatic Landscape



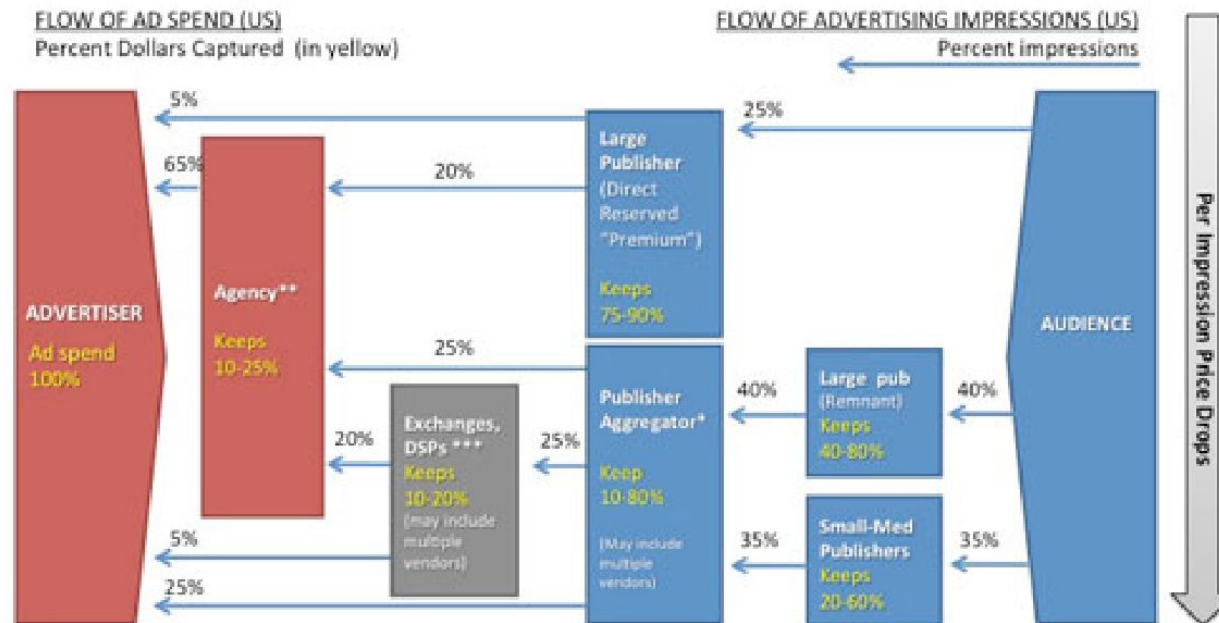


# The programmatic state of market



# Who Clips The Programmatic Media Tickets

## Advertising Ecosystem Impression / Dollar Flow



\* Includes: Ad Networks, SSPs, Private Exchanges, and Ad Rep Firms

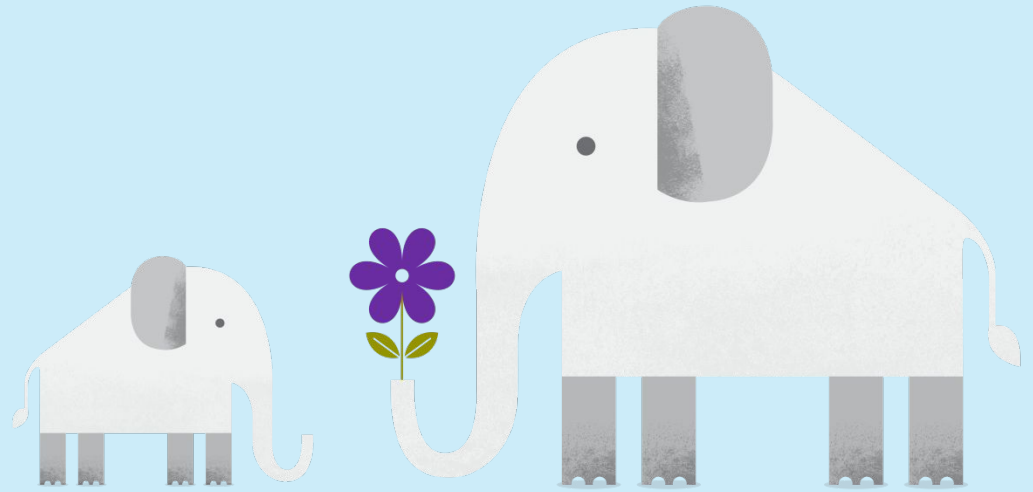
\*\* Includes: Media Agencies, Creative Agencies, Trading Desks

\*\*\* Includes: Ad Exchanges and DSPs

This slide represents Display, Video, Mobile – based on Rare Crowds Analysis of Marketplace

Note: Ad Servers, Yield Management Systems, Analytics, DMPs, etc... Take out about 8-10% of spend in total as they pass through the ecosystem

# The Strategy



# Strategic Pillars

- To succeed in programmatic, you need to be succeeding at digital – programmatic is just part of digital channels
- Requires a well developed and refined strategy, a team, media spend and the clarity around channel commitments
- The technology plays a part, but supports your strategy and execution – with whichever model you elect to be your approach
- The media execution is limited without creative, persona targeting and a sound onsite experience
- Without data, analytics and a reporting view, one can't action insight

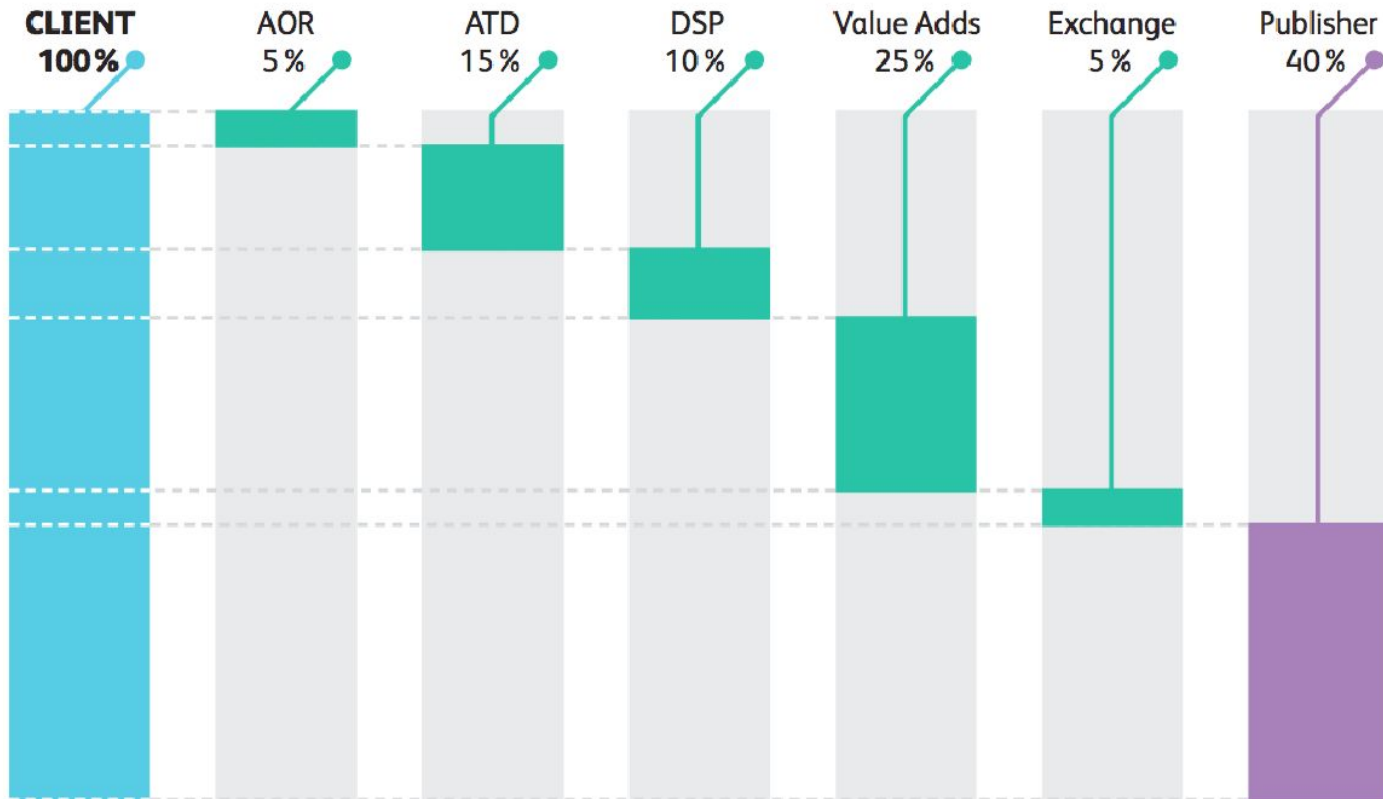
# Programmatic Models

	AGENCY TRADING DESK	HYBRID TRADING DESK	BRAND TRADING DESK
<b>Description</b>	The ATD makes all investment decisions and controls data and contracts	Exposure to contractual terms between the ATD and vendors allows advertisers improved visibility and control. The trading desk is still resourced and located within the ATD	Vendors for the programmatic stack are appointed by the advertiser, with the option to work with the ATD and flexibility to move around as needed
<b>Benefits</b>	Ease of getting started; better than ad network	Increased control; improved ROI	Total visibility and control; ease of switching
<b>Drawbacks</b>	Lack of transparency; lack of control; inferior ROI	Inferior visibility and control; not easy to switch	Requires thought leadership and re-organisation



# Agency Trade Desk

*A model for how the money may be split between the various stakeholders, in the typical programmatic 'stack'*



Source: industry experts

# Decision Making on best approach

- **What is the most important to you**
  - Outcomes
  - Performance
  - Transparency
  - Business wide performance
  - Activating Confidential 1<sup>st</sup> Party Data
- **What resource have you got, or can you afford?**
  - Marketing
  - Media
  - Finance
  - Analytics

# Cost benefits consideration

## Ask the right question:

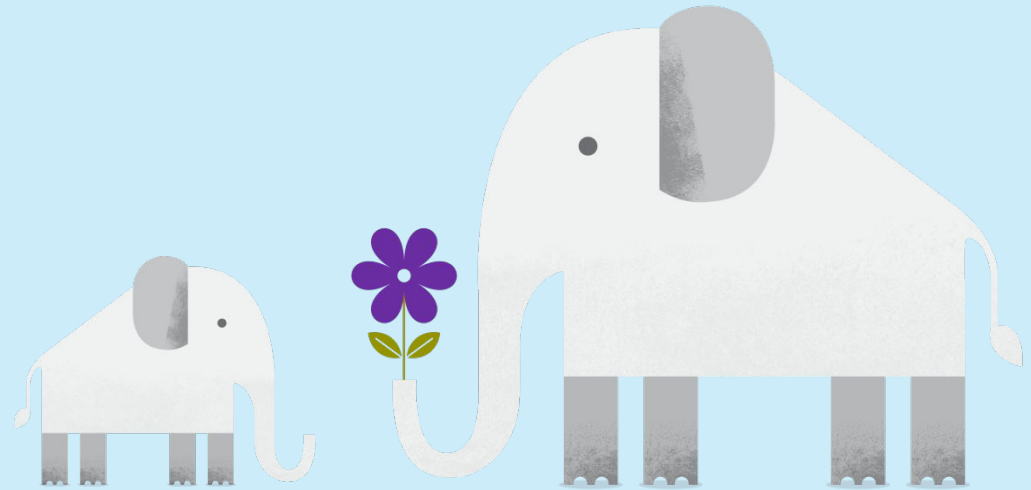
- How much and what % of my media spend has been through the ATD over the last 3 years
- If you work on 30% margin to the agency, can you do it yourself for less?
- Ask publishers what your media spend with them has been in previous years?

## Calculating the Benefit:

- If you are spending more than \$10,000,000 in digital it is almost guaranteed to deliver a benefit
- If you are spending >\$1,500,000 it will likely return savings with either a transparent margin or a small in house team
- If you assume that 30%(conservative) of your media spend is going to profit to your media agency, then calculate.



**What should brands be focusing on?**



# Data

## 1<sup>st</sup> Party Data – CRM

## 2<sup>nd</sup> Party Data (Business Alliance)

- Foxtel(through MCN) and Tradedesk
- Woolworths & NAB/Quantium

## 3<sup>rd</sup> Party Data

- Experian
- Quantium

# A Single Customer View

- **A view of your customer in all channels – cross channel impact**
- **Define Personas, Create segmentation, Engage differently**
- **An insight into behaviour and purchase**
- **Understanding what works to reach, engage and trigger response**
- **Enabling business wide and analytics and planning**

# Programmatic

- **Acquisition**

- outcome based
- allocating budget to outcome (performance)
- dynamic creative
- limited integration
- executional/campaign

- **Brand**

- online video
- streaming TVCs
- content, targeted and planned
- R&F/eTARP
- Multi-device

# Data Driven Marketing

- **With the granular data, you can appoint the data to build modelling:**
  - Attribution
  - Propensity
  - Market Mix
- **Removing assumption from the planning**
- **Dynamic allocation of budgets to performing channel – why plan up front for the year when it isn't required?**
- **Change of media buying thinking**
  - Burst vs. Always On
  - Brand
  - Campaign
  - DR

# Optimisation the Path to Purchase

- **Cross Platform Consumer Interaction:**
  - Off site (Mobile App, Creative, Messaging)
  - On Site
  - In Store
  - EDM
  
- **Audience Personalisation Based on:**
  - Persona's
  - Segmentation
  - Look-a-likes
  - Cohorts

# Brand Control

- **Brand Safety**
- **Viewability**
- **Fraudulent Activity**

# Q&A

