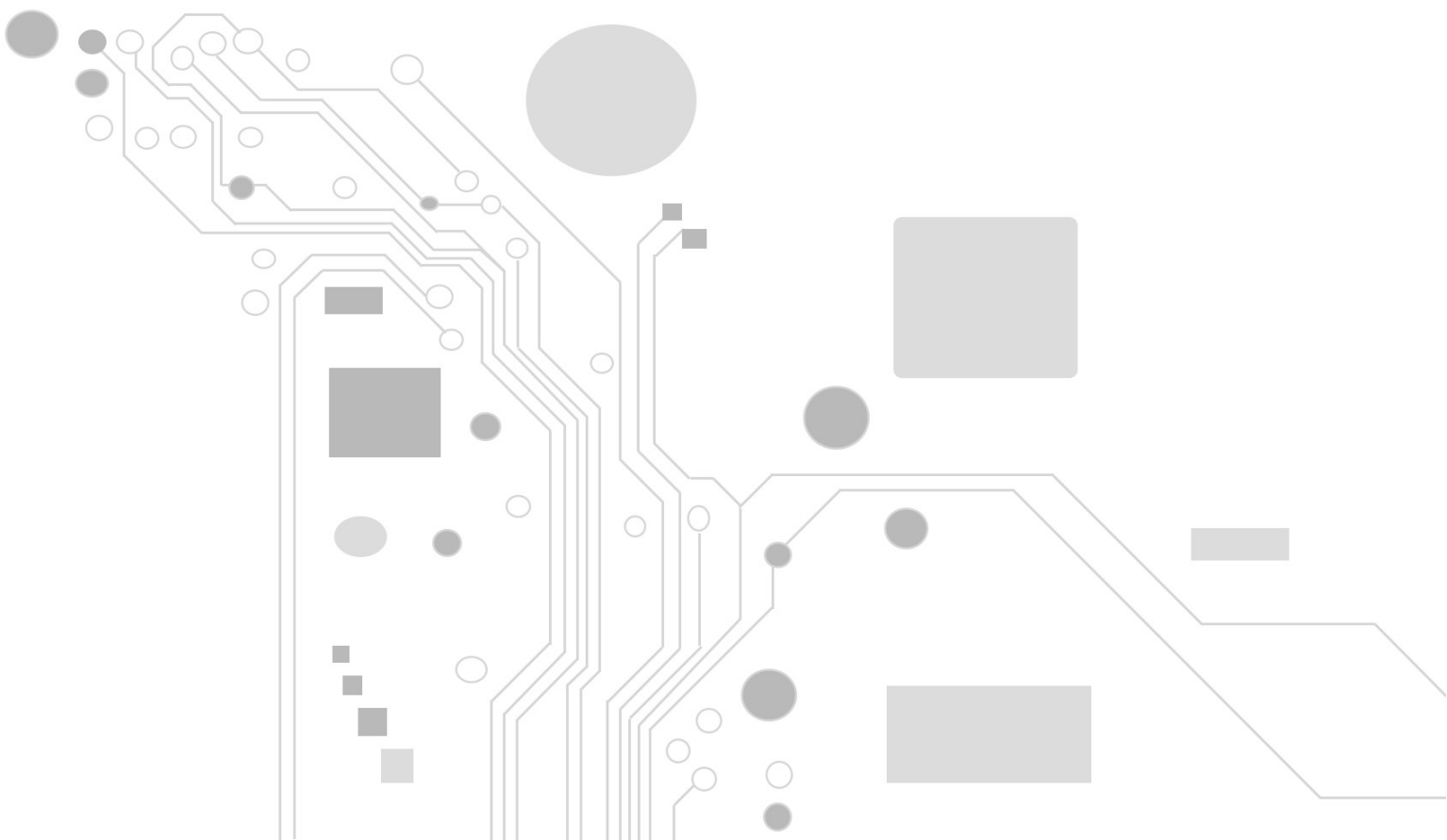




PROGRAMMATIC PLAYBOOK 2015





Contents

The Programmatic Lowdown	4
Programmatic in 2015: 3 Resolutions for Brands	7
Programmatic Video: The what, where, how and why	11
The Role of Data in Programmatic	15
Will Programmatic Kill the Ad Campaign?	18
Taking your programmatic marketing in-house	21
Plan your path to programmatic success	25
Why is the Future of Audience Management so Important?	29
Agencies and Publishers – capitalizing on the programmatic opportunity	32
Programmatic Campaign Workflow	36
Programmatic Campaign Workflow - Detailed Steps	37

Welcome to the 2015 IAB Australia Programmatic Playbook. Programmatic ad buying has changed the face of online advertising, but there's still confusion around what it actually is. This handbook serves to define what it represents for digital advertisers in Australia and what the future might hold in this space.

Programmatic buying is on the rise. It has grown from the simple idea of automating a process in order to gain efficiencies to an opportunity to help deliver on much of digital marketing's promises – speed combined with smart, true data integration and creative flexibility.

It is not a set and forget industry. It needs people and machines to work to its fullest potential, and the best examples of what programmatic can be are those that integrate human judgement and creativity with the efficiency and processing power

of computers. And we are seeing that marketers are getting more directly involved in the process, further proof of the need for a human factor in this automated process.

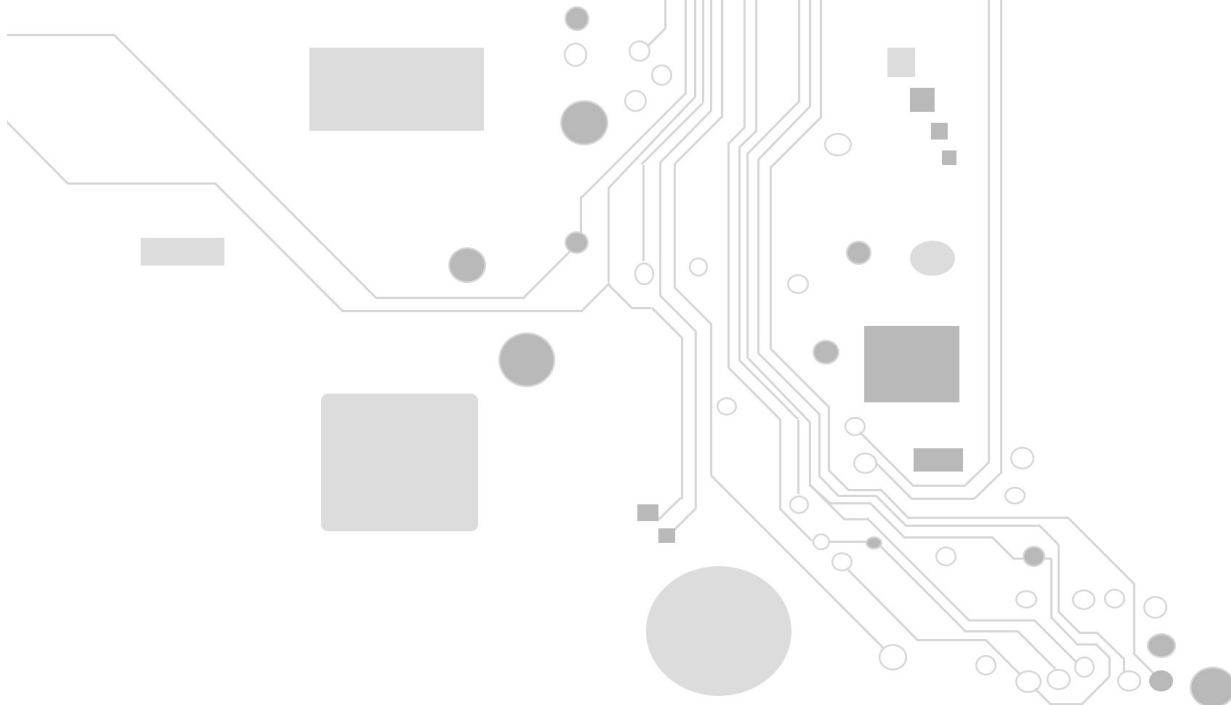
As an industry, we can't just make noises about integration as in the past. Getting tech integration right is essential to push programmatic ad serving forward. And this incorporates new and more sophisticated ways of measuring "success" which need to be developed, particularly as programmatic buying is used increasingly for branding purposes.

Going forward, programmatic will continue to stretch beyond desktop inventory buying into the areas of video, mobile, outdoor and TV advertising. In such a fragmented and – at times – fickle world of media consumption, systems to automate and assist in audience buying are going to be ever more essential, and the quality and monitoring of inventory will be key to the success of this rapidly expanding industry.

The IAB has brought together some of the smartest digital minds to contribute to this playbook, representative of the work that goes on at the IAB to make sense of the phenomenon that is programmatic.



Alice Manners
CEO, IAB Australia



The Programmatic Lowdown

Sarah Wyse
Managing Director, ANZ
Videology
IAB Australia Head Trainer

It's a word you've heard uttered in a number of meetings, and seen analysed at length in the trade press. The digital, ad tech-savvy kid in the office talks about it incessantly, but now your peers are also getting involved in the conversation. As programmatic buying becomes an essential part of any media buyer's digital strategy, now's the time to get your head around it.

So what is programmatic anyway?

Firstly it's probably a good idea to tackle the word itself - programmatic. Who came up with that one? Not exactly helping shed digital's reputation for over complicating things, is it? There are a number of definitions out there, each created from a certain perspective within the industry. It's difficult to come up with a one size fits all definition as depending on where you sit, it means different things to different people, but here goes.

For me, if you strip back all of the technology, data, algorithms, automation, optimisation etc. associated with the term, programmatic in its simplest form is a strategic approach to creating deeper customer relationships. It's about utilising all of these tools together via one platform to have a more meaningful dialogue with the right person, at the right time, in the right environment.

Programmatic is also about creating efficiencies, through the removal of manual processes. Building tools that allow us to spend less time on low-level tactical work like IO signatures, RFPs and manual bookings, and more time on strategic initiatives that achieve the best results, and improve your overall business efficiencies. Programmatic is simply the most exciting development within the media industry since the emergence of digital and you need to understand what it brings to the table.

So where did programmatic come from?

In the beginning, digital advertising was simple, an advertiser or agency would buy inventory direct from a publisher. As the industry

10 Principles of Programmatic Trading

- 1. More effective media planning and buying**
- 2. Precision audience targeting**
- 3. Reduce campaign wastage**
- 4. Real-time actionable data insights**
- 5. Deeper customer relationships**
- 6. Greater transparency and control**
- 7. Brand safety**
- 8. Increased yields**
- 9. Cost savings**
- 10. Time and workflow efficiencies**

grew, ad networks emerged, gathering together unsold inventory across multiple websites and selling them on to advertisers as packages, at scale. As this model gained popularity, the market became flooded with networks selling the same inventory, so finding the right audience at the right price became a huge drain on time and resource. There was a desperate need for greater efficiency, which saw the introduction of the ad exchange model, allowing buyers and sellers to trade audiences in a bidded, auction-based environment, much like the well-established stock exchange model utilised so effectively within the finance industry.

As the landscape continued to develop in complexity, the industry saw huge opportunity to create greater efficiencies and simplifications via technology. This gave rise to agency trading desks, and demand side platforms on the buy side, to allow advertisers to trade on ad exchanges more efficiently and in real-time, using data to influence their decision-making. Similarly, on the sell side, publishers either chose to sell their inventory direct on the ad exchanges, or employed supply side platforms to help them optimise selling points and get the most money for their inventory. With its origins in the display advertising market, early

adopters embraced this new programmatic way of working for the efficiencies it created.

Today, programmatic trading encompasses all forms of buying and selling across all types of inventory, from real-time exchanges, to long-term, upfront, direct buys on premium content. With programmatic's ability to provide greater audience insights through the use of data, it's a natural progression that marketers are now seeking that same level of understanding across their entire media buy.

If programmatic is designed to simplify, why do we talk about it in such complex terms?

When discussing programmatic with clients, or those unfamiliar with the practice, it's easy to get hung up on the term itself and the various component features. We need to take a step back, forget the acronyms and explain the benefits in simple terms. Programmatic buying empowers marketers to move from broad, wasteful segment buys, to hyper targeted, individual buys that yield better results. Analysing rich data points from 1st and 3rd party sources, we're able to build an incredibly detailed picture of each consumer. Piecing together the jigsaw, programmatic platforms can, in the blink of an eye, pinpoint which consumer is the best prospect for a specific advertiser, based on specific goals.

Is programmatic here to stay?

Yes. There are a number of statistics out there talking about the growth of programmatic trading, all of which show increased adoption across the industry. As with all predictions, it's difficult to find a universal figure to hang your hat on, but currently it's estimated that between 20 and 30 percent of ad budgets are traded this way in Australia, according to market participants. We're already

Top 5 Programmatic Takeaways

- 1. Programmatic uses technology to eliminate inefficiencies and drive deeper customer relationships.**
- 2. Although its roots are in display advertising, elements of programmatic can be applied to all media, including video, mobile, social, out of home, cinema, radio and TV, breaking down silos to offer a single cross-campaign solution.**
- 3. Programmatic uses 1st and 3rd party data to build detailed customer profiles. Using this insight minimises wastage and produces better results by optimising in real-time towards the most relevant prospect for your campaign.**
- 4. Programmatic platforms employ multi-pronged technical solutions to ensure a marketer's brand safety guidelines are met and minimise the risk of appearing against unsuitable content.**
- 5. Programmatic creates greater business efficiencies by automating low level, manual tasks, freeing up time and resource to focus on more strategic initiatives.**

leading the way as one of the world's top four most active markets for programmatic media trading. According to research firm Magna Global, growth rates are estimated at between 60 and 70 percent over the next three years.

How do I get the most out of programmatic?

It's important to arm yourself with all the facts, seek out information (the IAB for example has an excellent training program), read the trade press, take part in webinars, question jargon, in order to make your own informed decision about what programmatic means for you, your business and your clients. In order to truly benefit from programmatic, it's important to think about the challenges you're looking to overcome. Whether it's moving to automated processes, utilising data in real-time, creating greater workflow efficiencies, or moving your business focus to creative initiatives rather than

spot buying and selling, programmatic offers a solution.

Doing all of this on your own sounds like a daunting task, but don't worry, it doesn't have to be. In order to truly embrace programmatic, it's important to find the right partner to walk with you on the journey. And it is a journey. The ever-shifting, evolving nature of programmatic means there will always be new areas to explore and understand. Partnering with the right platform, whilst developing in-house skills and knowledge around programmatic tools will pay dividends in the long-term, as clients increasingly use data to inform their business strategies.

Through the successful adoption of programmatic technologies, we're already seeing a new breed of marketer emerge – one free from the distractions of manual processes, with the ability to buy, measure, optimise and report across one cohesive platform to truly understand advertising's impact. Don't just sit back and watch this seismic shift in media take place, be part of it. The time for change is now.



Programmatic in 2015: 3 Resolutions for Brands



Bob Arnold
North America, Digital Media
& Strategy Lead
Google

All marketers have a common goal: to connect with the right people in the moments that matter. To do so, more and more brands are embracing programmatic buying to deliver relevant, engaging experiences and, ultimately, earn brand

love. In this article, Bob Arnold, a digital marketer who has worked at Procter and Gamble, Kellogg, and now Google, offers three resolutions for marketers as they implement programmatic in 2015: measure what matters, be relentless about inventory quality, and prioritize mobile and video.

Much has changed for marketers over the years, but one thing remains the same: the desire to connect with people in all the moments that matter. This is why brands spend a great deal of time and resources to gain audience insights. Under-

standing people's motivations—what drives or excites them, for example—is essential to designing compelling creative that resonates. But how do we make sure we're reaching the right people at the right time? This is where programmatic technology comes into play.

As a digital marketer for the last decade plus at Procter and Gamble, Kellogg, and now Google, I've seen how technology can help personalize mass reach. I believe this is why more and more brands are embracing programmatic. Nike is a great example. During the World Cup, Nike used real-time buying to deliver immersive 3D display ads across sites and apps in 15 countries. After a memorable match, fans were able to interact with these moments, making them their own. This type of personalized, interactive experience earned Nike over 2 million engagements.

By using programmatic buying to deliver relevant, engaging experiences, brands can elevate their appeal and, ultimately, get rewarded with brand love. Whether you're new to it or not, I've got three suggestions—resolutions, if you will—for marketers as they begin to implement programmatic in 2015.

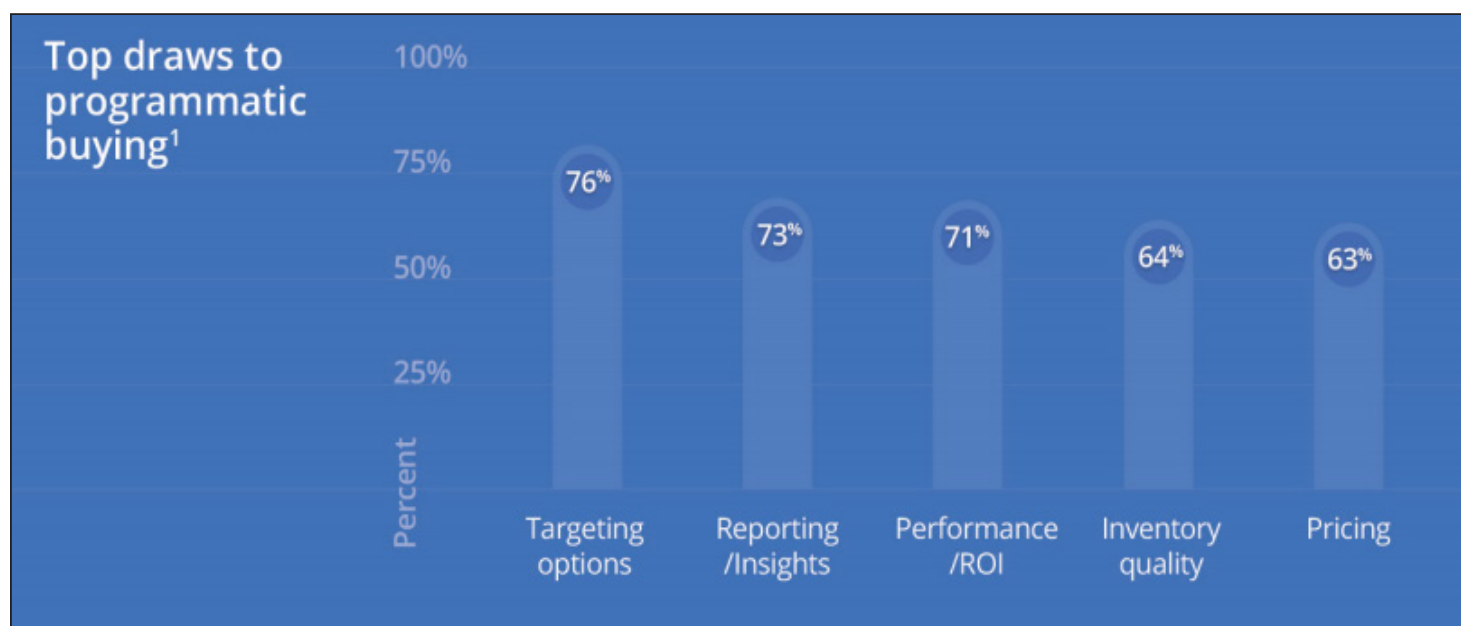
Resolution #1: Measure what matters

Breakthroughs in measurement are helping

move marketers closer to meaningful brand metrics. Brands can finally understand if their ads were seen and if they reached the right people. They can learn what people thought about their ads and if the ads changed people's perceptions. And, ultimately, brands can understand what people did as a result of seeing their ads. These advancements are turning brand measurement in digital from a weakness to a strength.

Recent Google research shows, among other things, that 56.1% of all served ad impressions are not seen. Metrics mean nothing (or, should I say, reveal nothing) if an ad isn't seen. A new measurement metric, the viewable impression, now gives marketers better insight into whether people actually saw their ads. And that's the point, right? If they didn't see your ad, you're guaranteed that they didn't interact with it. Being able to measure programmatic buys based on this metric means that your creative really will have a chance to make an impact.

Viewability is having a profound effect on our own marketing efforts here at Google. We took these learnings and applied them to our Chrome campaigns. The results were truly astonishing. When we maximized brand visibility by targeting viewability with ActiveView on DoubleClick Bid Manager, viewability more than doubled while viewable CPM decreased by more than 50%. More ads were seen, and costs decreased as a



result.

Our customers are also seeing positive results by transacting on viewability. For the TalkTalk Telecom Group, viewability of its ads was a key challenge to quantifying and validating its digital investment. In an effort to get more eyeballs on its ads, TalkTalk used DoubleClick's Active View solution and was able to increase viewable impressions by 93% while lowering costs (post-click CPA by 43%).

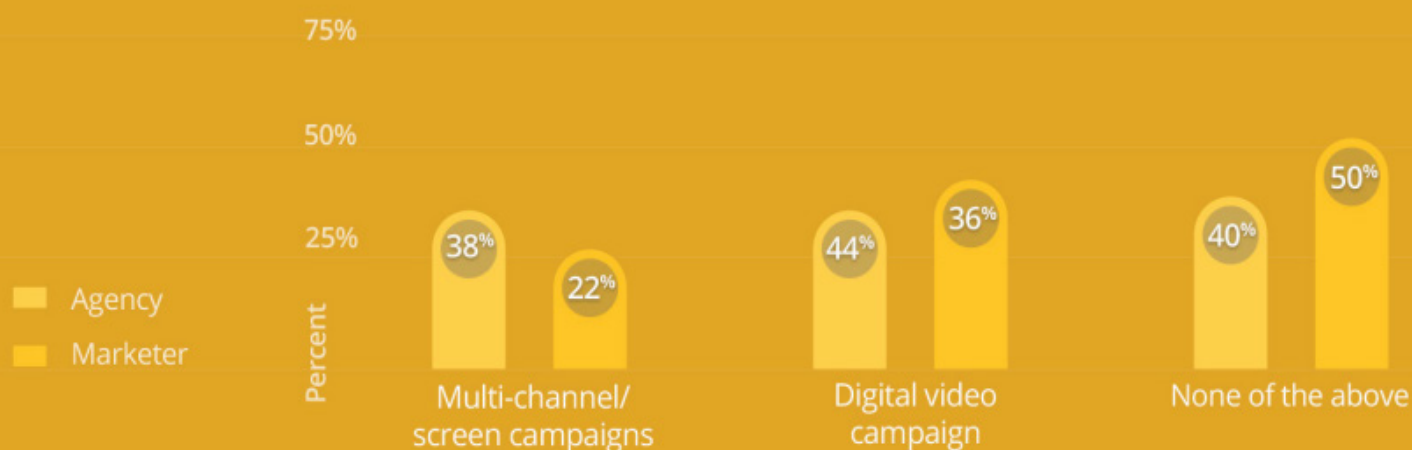
Resolution #2: Be relentless about inventory quality

With programmatic buying, brands have access to vast amounts of inventory, data, and tar-

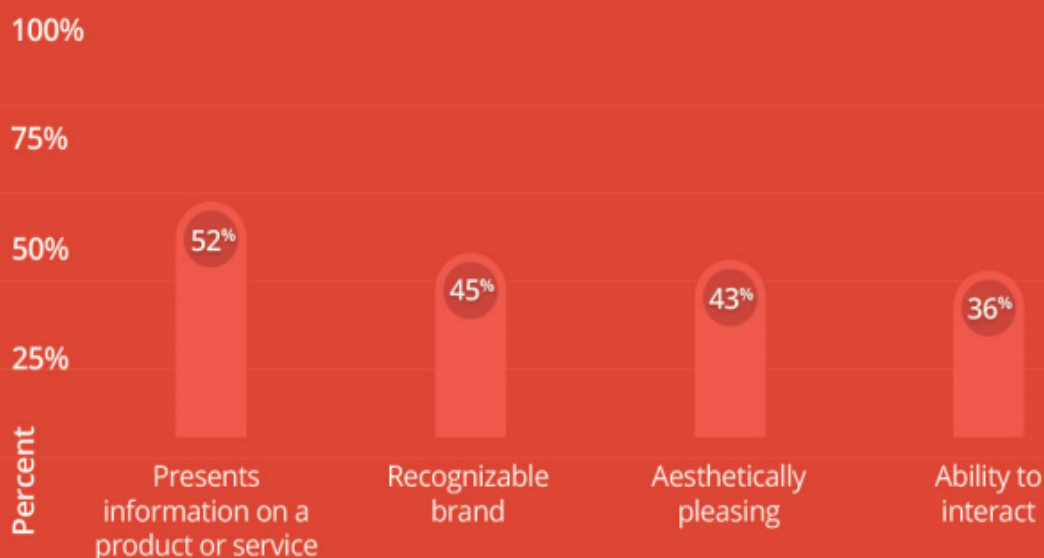
geting. In fact, eMarketer predicts that 83% of all display buys will be programmatic by 2017. As the numbers rise, inventory quality will become even more of a priority as brands strive to get the content and context right. Significant innovation in areas like verification and fraud detection are helping rectify many longstanding inventory quality issues, and verification solutions will help marketers protect both their brand and budget by ensuring that inventory is placed in only "safe" environments.

One growing trend is the popularity among big publishers to use private marketplaces and programmatic direct buys to sell their inventory. This means there is more premium inventory available programmatically than ever before, and this is the inventory brands want to buy. Depending on

More programmatic buys are now happening across channels and ad formats.¹³



Important features for driving ad engagement⁴



the desired mix of control and scale, brands can choose from a myriad of options to ensure they reach people in brand safe environments.

Resolution #3: Make mobile and video a priority

With consumers constantly connected, marketers face a challenge in reaching and engaging people wherever they are. In fact, according to Mary Meeker's 2014 Internet Trends report, while 20% of the time we spend on media is within a mobile environment, only 4% of the U.S.'s advertising spend is allocated to mobile. The good news is that the reach of programmatic across screens, channels, and formats makes the opportunity to connect with people, wherever they are, achievable.

Further, a tremendous amount of creative flexibility now exists in digital advertising. We can do anything in an ad that can be done on a web page—embed a game, host a Hangout, show a video, and more. Thanks to technologies such as HTML5, these capabilities are not just limited to the desktop; ads can be created for any screen, which is critical given the increasing amount of time consumers spend across screens.

We're also seeing impressive growth in video. In 2014 we saw 4X growth in the number of impressions for videos transacted programmatically. This isn't surprising given that the sight, sound, motion, and interactivity of video engages consumers like no other medium. And programmatic video

can be much more powerful because brands are able to reach the right audience. According to a BI Intelligence report, real-time bidding sales for video ads should hit \$3.9B in 2018 (up from \$500M in 2014). By prioritizing cross-screen reach and rich formats with their advertising, brands follow the consumer and set themselves up for success with programmatic buying.

Delivering brand love in 2015

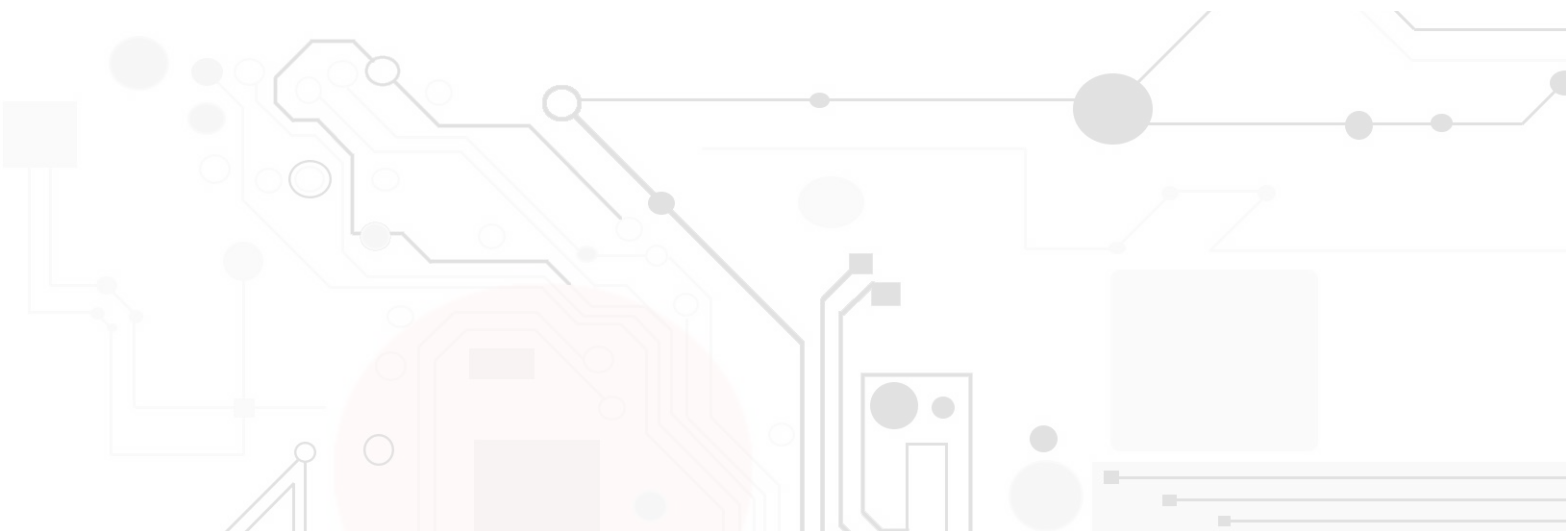
Programmatic technology has created a way for brands to establish deeper connections with their audiences by helping them get the right ad to the right consumer on any screen and in any channel. Brands can now measure the viewability of ads and buy impressions based on this metric while making sure their ads are placed in safe, quality environments. The brands that succeed in 2015 will be those that think beyond formats and platforms and leverage the strength of programmatic to understand their audiences and deliver compelling creative that consumers want to view.

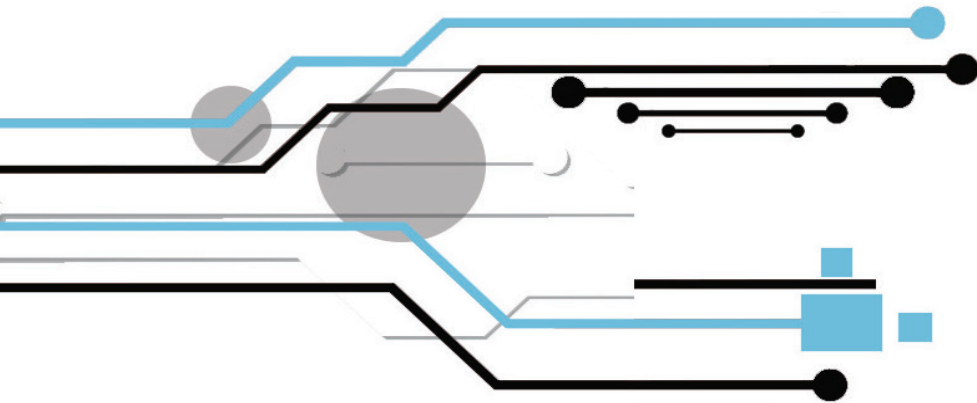
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"Brand Engagement in the Participation Age", AdAge and Google, February 2014

1 "The Programmatic Revolution: How Technology is Transforming Marketing", Advertising Age and DoubleClick September 2014





Programmatic Video: The what, where, how and why

Mitch Waters
ANZ Managing Director
Adap.tv owned by AOL Platforms

13.4 million Australians¹ watch video online each month. Programmatic buying helps planners reach this audience, extending their reach and enabling more effective targeting, using richer data and real-time results. It seems only one factor inhibits the growth of this practice – the availability of inventory.

The growth of online video

Australian consumption of online video is on the rise, with increasing market penetration of tablet devices, smartphones and connected TVs. Driven by rich datasets and programmatic platforms, the opportunity for precise targeting increases as the divide between conventional TV and online blurs.

In part, the growth is driven by the adoption of new devices – such as smartphones and tablets – suited to the consumption of video. Increasingly though, connected TV's are also having an impact, driving viewing for video on demand services.

¹ AUSTRALIAN MULTI-SCREEN REPORT QUARTER 3 2014

It's not just about online

The digital video ad market in Australia reached \$196 million in 2014's financial year, up 76 percent from the previous year. Whilst that accounts for just 2 percent of the total Australian advertising market, it's already half-way to the value of the pay-TV market.

However, programmatic trading isn't con-

Households from Q3 2012 to Q3 2014:

- With a tablet rose from 22% to 45%
- With an Internet cable TV rose from 18% to 29%

Time spent watching video on the Internet has risen from 5:18 hours to 7:30 hours from Q3 2013 to Q3 2014.

On average, each month we spend:

- 7:30 hours watching video on our PC or laptop
- 1:56 hours watching video on our smartphones (8:48 hours amongst teens)
- 1:47 hours watching video on our tablets

Of tablet users under 45, more than half use it to watch video at least once a week.

Source: AUSTRALIAN MULTI-SCREEN REPORT QUARTER 3 2014

fined to online video. It can operate effectively wherever customer data can be collected and advertisements can be appropriately served. That means we'll soon be seeing tailored campaigns reaching viewers through television set-top boxes. In Australia a deal between Adap.tv (owned by AOL Platforms) and MCN will deliver a private programmatic trading platform for advertisers looking to reach Foxtel's viewers. It will mean planners can reach pay-TV audiences in the same way they reach online video audiences, but with a broader inventory and a greater share of the viewing audience.

TV consumers already spend more than eight hours per month watching playback TV on their big screen TV. This, combined with new video on demand (VOD) services, will see more and more content that, with the right set-top devices could be included in future programmatic buys, whether the television content is delivered across cable, off-air or over the Internet. At the moment, though the free-to-air (FTA) television industry has yet to unite in providing a standard in the same way as, for example, Freeview owned jointly by the UK's major TV companies has. If the big players here can unite in the same way the door will swing open for programmatic buying to have a bigger influence, helping to protect FTA companies revenues from online competitors.

Consumers want advertising

A recent report, "Online and on demand" from Screen Australia², showed that most VOD viewers are reticent to pay for content, preferring ad-supported services. Even though half of Internet-connected Australians watch professionally produced VOD content online, this trend has only shown prominence in the last two years.

80% of VOD viewers use ad-supported video services.

Only 37% use subscription, non ad-supported VOD services.

² Online and on demand Trends in Australian online video use, Screen Australia, 2014

This rise in connected viewers, responsive to advertising, shows the enormous potential for programmatic in the online video space.

Planners want video

The brand-building power of video is well known. That's why television has always been such a popular medium for advertisers. Now, with more devices and connectivity, digital video is quickly becoming a popular choice amongst media buyers. The AOL IAB 2014 Australian State of the Video Industry report showed that in 2014, video ad spend increased 34 percent and is expected to rise by an additional 37 percent this year.

In 2013, much of the advertising spend on video came at the expense of print advertising. In 2014, as planners shifted from experimental dabbling to accepting online video as a vital part of their media mix, the budgets have shifted from a variety of sources, but most noticeably from FTA television – their video budgets grew through advertising budget reallocation from a variety of sources, but most noticeably from FTA television. Two thirds of buyers said they'd taken money from their FTA TV budget to fund their digital video advertising. (See chart on next page.)

Inventory is the stumbling block

One of the biggest issues the online video industry faces is the scarcity of premium inventory. Among media buyers, almost two thirds consider the shortage to be an issue, with 89 percent concerned specifically about the limited availability of long form content.

While this is bad news for planners, the shortage has an upside for publishers, for whom the scarceness is resulting in higher yields. Almost two thirds of publishers said their CPMs have increased in the last 12 months with an average increase of 25 percent.

Programmatic trading helps cope with this shortage and benefits all sides of the transaction.

Publishers can easily see which of their inventory units is selling and which is providing the greatest return. On the other side of the equation, advertisers gain greater visibility into precisely what is available and exactly how much it is and can then plan their campaigns accordingly.

Programmatic video ad formats

One of the advantages of video advertising is the interactivity of the creative that digital provides. All of the formats below can already be traded programmatically:

- In-Stream - Pre/mid/post-roll advertising

within a video player

- Skippable - As above but with the option to skip (popular on YouTube)
- VPAID - Interactive In-Stream ads.
- In-Banner Video - A video ad served within a display placement i.e. 300x250
- Overlays - A display ad that typically appears at the bottom of a video player

The Programmatic challenge

One of the major stumbling blocks the video advertising sector faces is the complexity of the programmatic advertising. There are so many ad

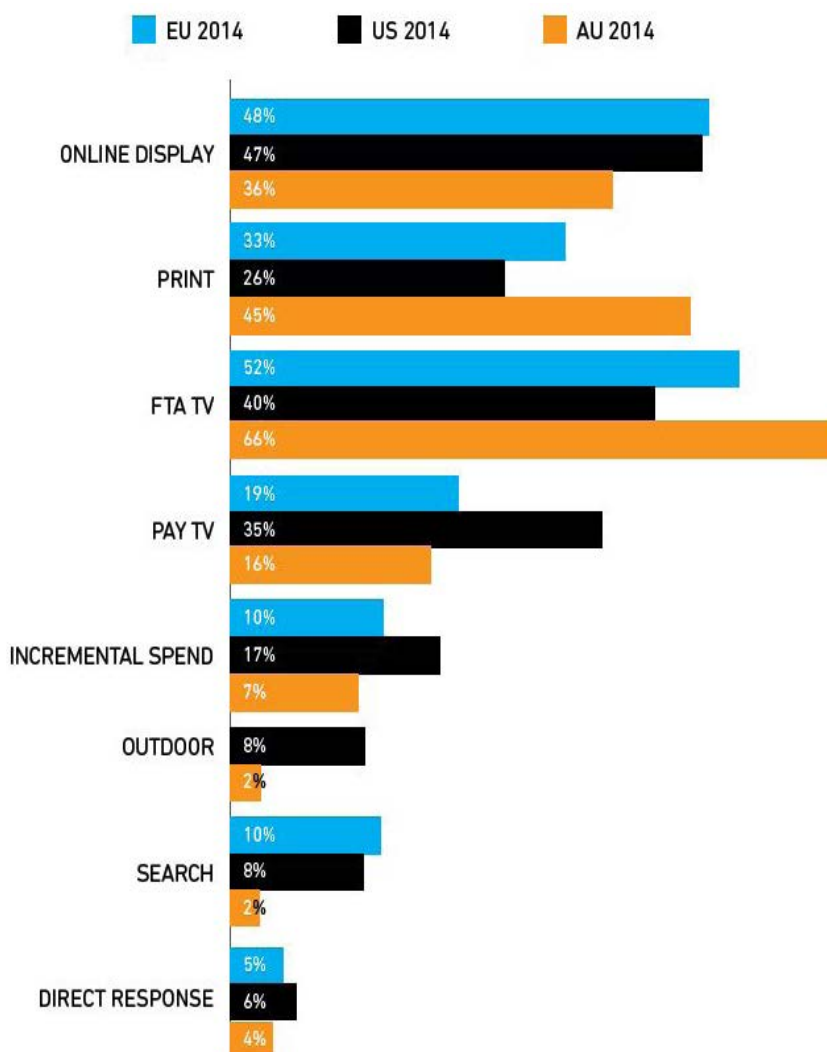
formats available, numerous ways to message the audience and a wealth of behavioural and demographic data on which to base advertising decisions. It's a big step forward for many media planners: understanding the interplay between all these factors to make purchase decisions, then effectively fulfilling the campaign whilst tweaking changes based on early results. A lack of expertise and a lack of supporting systems and processes are two of the biggest obstacles highlighted by agencies when it comes to the programmatic trading of digital video.

Measurement

A major issue marketers are faced with when running digital campaigns is that of measurement. How can one measure the relative impact of video and television when both require using different reporting methods and metrics to determine success? Fortunately, Nielsen's Online Campaign Ratings now provide comparable metrics between online and TV, just one day after the launch of a campaign.

Digital video rewards planners

Percentage of buyers shifting from specific marketing channels to fund digital video, by region



Source: State of the Video Industry, IAB/Adap.tv, 2014

with significantly more data than conventional television. Marketers now have the information as to who watched their ad, how engaged they were, what they did next and if they bought. As systems and processes become more sophisticated, it is becoming increasingly possible to track the influence of video throughout the buying cycle.

This means planners can now see how online can be used to extend the reach and frequency of FTA campaigns and make changes to the digital campaign based on real time analytics.

The viewability challenge

When is a video ad not a video ad? When it's not seen. The standard for a video impression in Australia has recently followed the United States definition, 50 percent of a video advertisement needs to be on a screen for at least two seconds before it can be counted as "viewable." Programmatic systems need to be able to identify the likelihood that an impression will be "viewable" before the ad is served – buyers need to see the likely impression rates at the planning stage, not be hit with a post-campaign report showing half of their planned hits were not viewable.

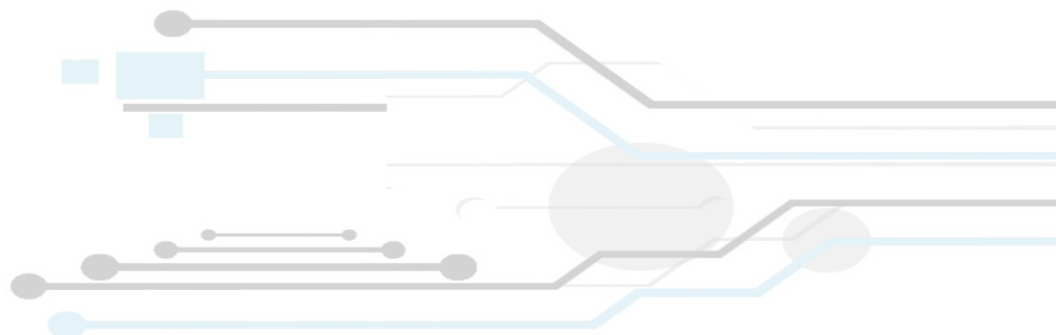
Ad-fraud

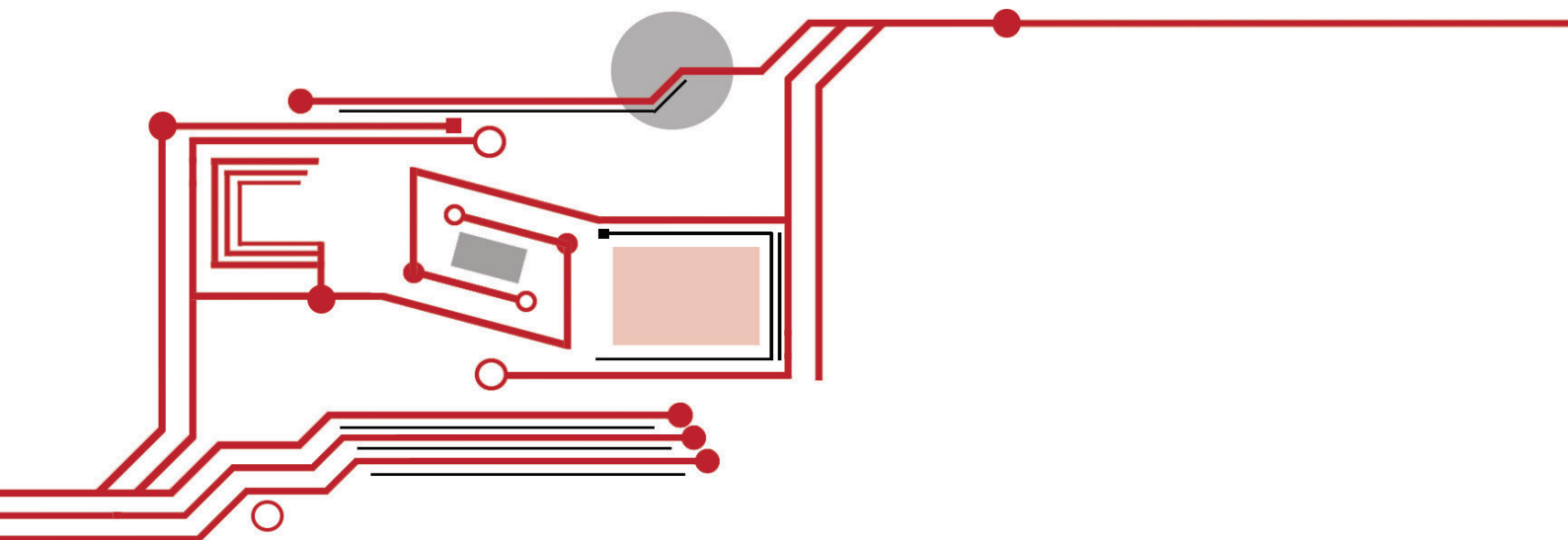
The problems of ad-fraud are not unique to online video although, given the inventory shortage, perhaps there's a greater risk that planners will search harder for publishers to meet their reach

targets. The higher CPMs for online video also attract the fraudsters who create "fake views". Their methods range from non-human traffic (bots), to hiding the video player outside of page margins to even resizing it to a single pixel. These views are disguised by muting the ad and allowing it to auto-roll. Fraudsters then count these unwatched plays as valid views and collect money for these "impressions". The industry is working hard to build software that detects and blocks this type of activity. This is a big advantage of using a programmatic platform, particularly when it uses software that can highlight potential fraudulent inventory. The wealth of reporting data also means it's easier to spot sites that are underperforming, which could be the result of ad-fraud. Fortunately, the domination of several large publishers in Australia means ad-fraud is less of an issue than in markets with a more diversified media.

The payback

The influence of online video will continue to grow as consumption increases across multiple devices. Planners who embrace the change, seamlessly planning campaigns across all screens through a single programmatic platform, will reward their clients with better outcomes. For agencies, the investment in programmatic technology will provide a rapid ROI, meeting the demands of an increasingly sophisticated clientele, looking to better analyse their broader media mix, often with their own rich data sets to aid in planning decisions.





The Role of Data in Programmatic

Jo Gaines
Country manager, ANZ
KruX

The link between marketing and data is stronger than ever. By offering a complete, real-time view of user behavior, data empowers organisations to deliver the right experience to the right screen at the right moment across multiple media and content channels.

Capturing the data, however, is just the first step in a marketer's journey towards true empowerment. The value of data is inextricably linked to what we demand of it as well as the resulting insight. By harnessing the full potential of data, organisations can begin to unlock deep audience insights, power targeting across devices, manage content personalisation and improve campaign performance in real time.

The Digital Shift

Consumers' dramatic shift away from tradi-

tional channels has marketers vying for the latest and greatest ways to get in front of target audiences. Tried and trusted linear platforms such as television and print are resulting in fewer sales.

The cost of online media is more affordable and marketers have the ability online to reliably measure brand engagement and customer acquisition by channel i.e. Search, display, mobile, video, etc.

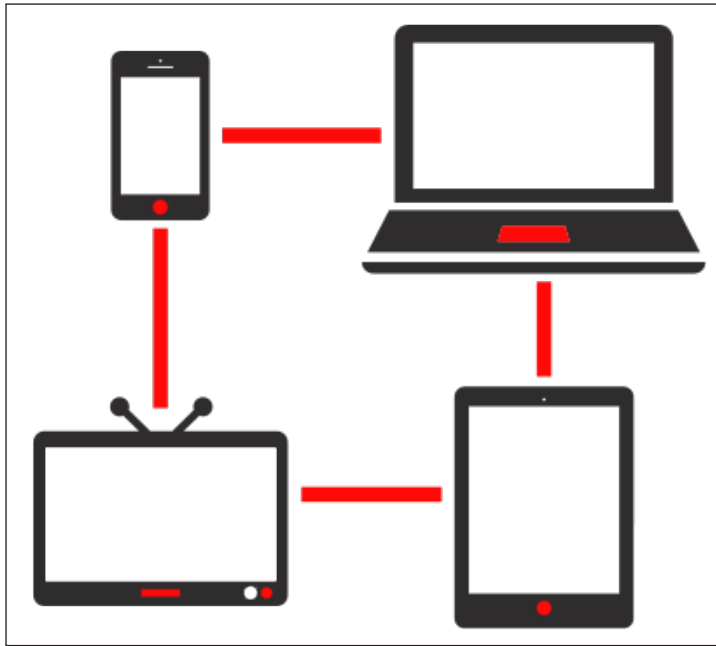
By automating media buying, through programmatic technology, we simplify an otherwise complex and fragmented ecosystem and establish a viable method of driving meaningful consumer engagement. Most marketers, however, are just starting to gain the digital competency needed to make programmatic branding a reality.

As with any customer-centric solution, programmatic technology is only as good as the data driving it. Solid insight requires a 360-degree view of the customer – generated by the right variety and volume of data. With the perfect mix, marketers can understand customers' current needs and anticipate their future desires to develop an effective cross-channel strategy. A solid grasp of data,

powered by data management tools that enable reliable and scalable audience segmentation, activation and analysis, is at the foundation of effective programmatic technology.

Data supercharges programmatic solutions in three main areas – identity, frequency and attribution.

Matching identity to message – any device, anywhere



The goal is “right person, right place, right time,” but with digital marketing increasingly becoming one-to-one, matching a user with each of their devices is a fundamental challenge for programmatic technology.

Portable computing, always-on communications, and ubiquitous network connectivity have transformed consumer expectations. Whether it comes to selling, buying, socialising or more, people want it personal and on whatever screen happens to be in their pocket or bag.

Cross-device identity management is the key. By mapping Device IDs to cookies, other mobile identifiers and Safari browser signals, organisations get a sense of who’s who. Unlocking user identity enables organisations to construct analytic profiles that can then be utilised to curate and deliver the right piece of content,

offer or video to power the next step in the user’s experience.

If the “right person” has been identified, the next step is to reach them at the “right place and right time.” Data management can enable this holy grail of programmatic branding, helping marketers target the right consumers in the right ways, with sequential messaging that creates relevance along every step of their journey.

Who, When and How Often

One of the main challenges facing programmatic branding is waste – the byproduct of audience duplication and frequency overexposure. The heated competition for clicks has led some marketers to message their target consumers as frequently as possible. This strategy, however, often disappoints – resulting in wasted impressions due to invisible ads or robotic traffic and ineffective impressions due to frequency issues.

While smart technology and market pricing helps alleviate the first problem, data management solves the second. Data can not only help reveal the ideal frequency of impressions per channel, it also allows organisations to manage how many impressions consumers see, controlling segment membership in various platforms.

Marketers using multiple channels, such as direct-to-publisher, mobile, video and display DSPs, are likely over-serving impressions in each channel and possibly underserving in key channels such as video. Finding the frequency sweet spot – balancing the point at which impressions either reduce effectiveness or have a negligible impact – optimises the effectiveness of cross-channel advertising and can help organisations save millions.

Assessing with attribution

Marketers are constantly working to identify the ‘moment of truth.’ What compels the consumer to take action or choose their brand? While major brands may know their consumer segmentation

and behaviour inside and out, many still struggle to derive quality insight from digital channels.

Mapping the value of marketing touchpoints utilised during a conversion is critical to helping brands assess campaign effectiveness. Traditionally, marketers looked to panel-based measurement for assessment. Now, data is painting a full picture of which channels drive results and how each contributes.

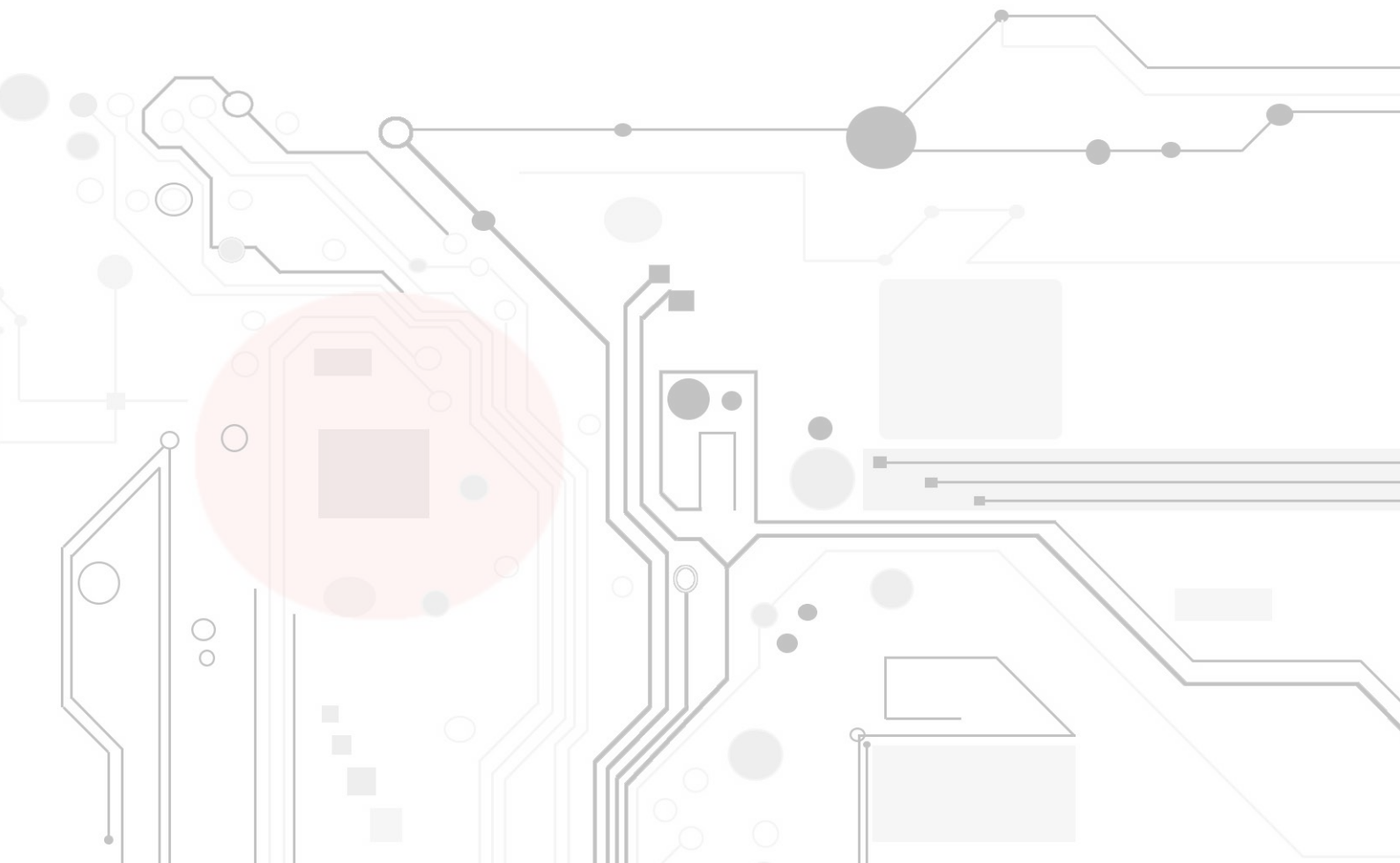
While truly reliable attribution modeling is not quite there, marketers are starting to take greater control – using data to create their own flexible attribution models that more accurately reflect the nuances of consumer engagement. These models help ensure all channels involved with driving an action receive credit where relevant – allowing marketers to leave behind static first or last click configurations. Armed with reliable insight about the full customer journey, marketers can make programming decisions informed by proven experi-

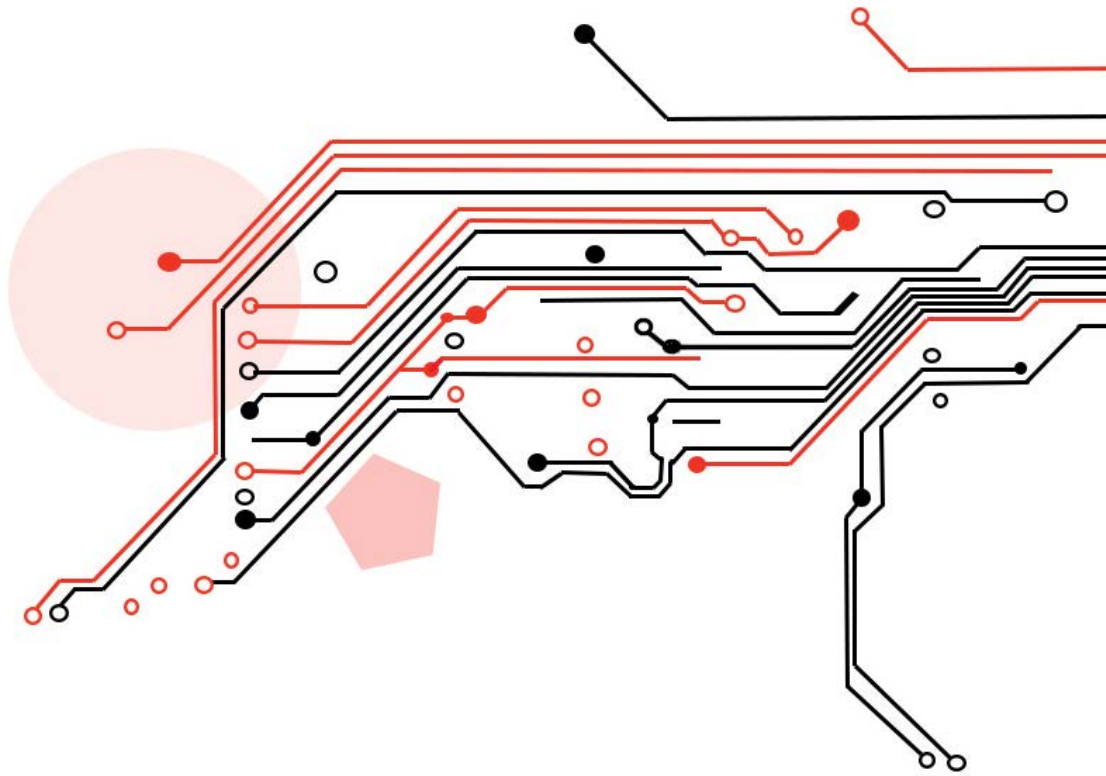
ence instead of testing. Then, marketers can start to see just how effective – or not – tactics such as standard display advertising are for driving upper-funnel engagement.

The future of programming

The more accurately marketers can map on-line user identity and understand the insight behind campaign effectiveness, the more investment will flow from linear to addressable channels.

Programmatic technology will continue to serve as an important tactic for driving consumer engagement but success requires constant evolution. Programming must become more selective and customised – blending merging creative content with increasingly advanced algorithms. This also requires evolution on the part of DMPs to manage the complexity and ensure that interactions become more relevant, effective and efficient.





Will Programmatic Kill the Ad Campaign?

Sam Smith
ANZ Managing Director
TubeMogul

There has been a lot of debate about whether programmatic software platforms in advertising will kill the big ad campaign. The answer is that advertising will become more efficient, and brands will get more bang for their buck by reaching the right audiences, at scale, and with greater precision.

The idea of an “ad campaign” is a concept as old as advertising. Over the course of history, led by television, brands ran ad campaigns over a specific time period, such as a month or a quarter. Post the campaign, the client and the media agency would assess whether their creative and media mix was working. The dominant metric was whether product was moving off the shelf.

Marketers took this approach out of necessity – television buys had to be lined up weeks

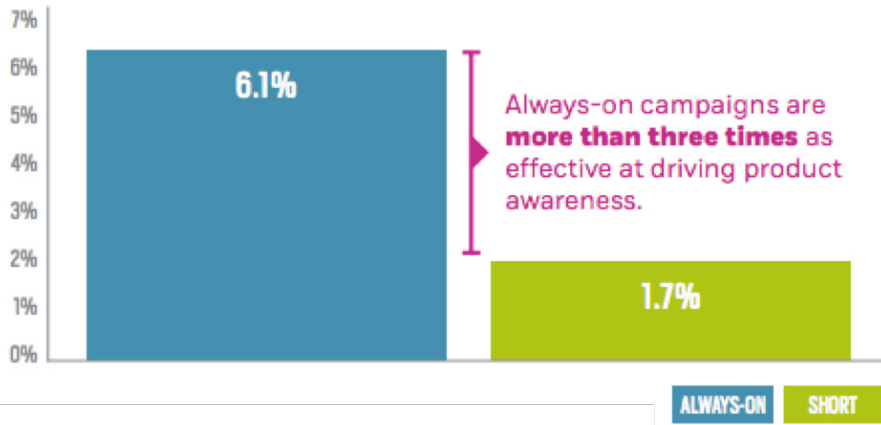
or months in advance, and getting back accurate data on effective reach, brand lift and sales results could be an arduous process.

The automated approach is turning this model on its head. With software, advertisers can see results in real time and leverage actionable insights to constantly test and learn. Agency trading desks and their platforms partners are testing and iterating campaigns quickly. There is now a greater tolerance if something doesn’t work – new age campaigns fail fast but they learn quickly and optimisations can be made from day one. Software is enabling this new approach to brand advertising.

Given this, many advertisers are now embracing an approach where the campaign never stops, allowing for iteration of creative and media strategy based on real-time data rather than fragmented insights.

A TubeMogul research study last year brought home the story for us. We gathered data across 6,000 campaigns and measured more than 6.3 billion impressions. By adopting an always-on

BRAND LIFT: PRODUCT AWARENESS



approach where you are constantly testing and learning, advertisers achieve quantifiable results in terms of cost efficiency, product awareness and viewability, the ability of the ad served to be seen by a target consumer.

The main results that we tracked related to three key metrics that brand advertisers should measure at a minimum, in always-on digital video advertising – completion rate, brand lift (product awareness) and the cost per viewable impression.

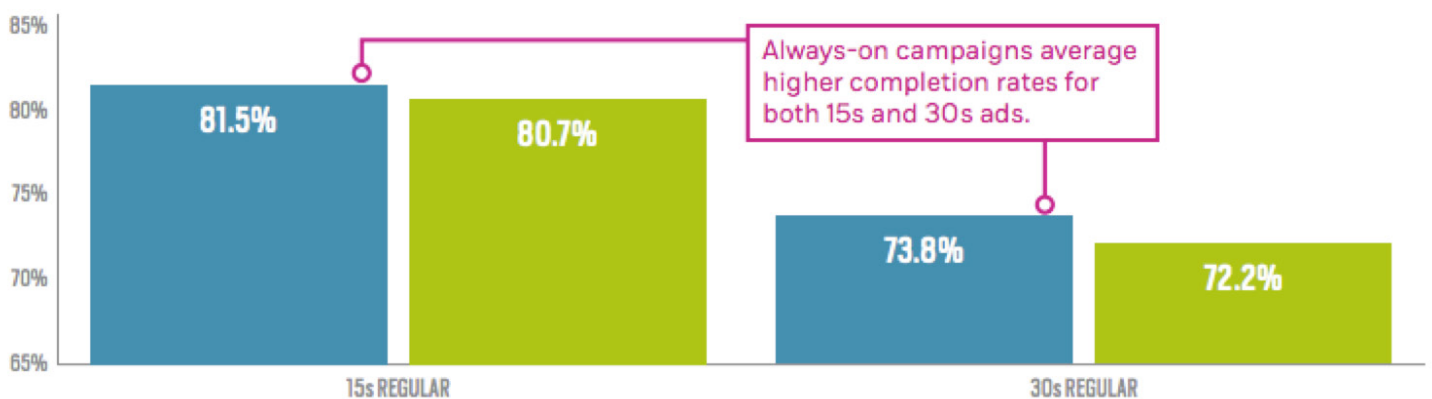
Our survey showed that always-on campaigns are more than three times as effective at driving product awareness, completion rates for 15 second and 30 second ads were higher.

Also, the power of platform learnings, optimisation and constant iteration delivered an 87.2% lower cost per viewable impression.

COST PER VIEWABLE IMPRESSION



COMPLETION RATES



It is worth pointing out that adopting an always-on approach does not necessarily mean that advertisers are spreading out their ad spending evenly throughout the year. Seasonality is obviously important to many brands, as is driving up frequency during new product launches.

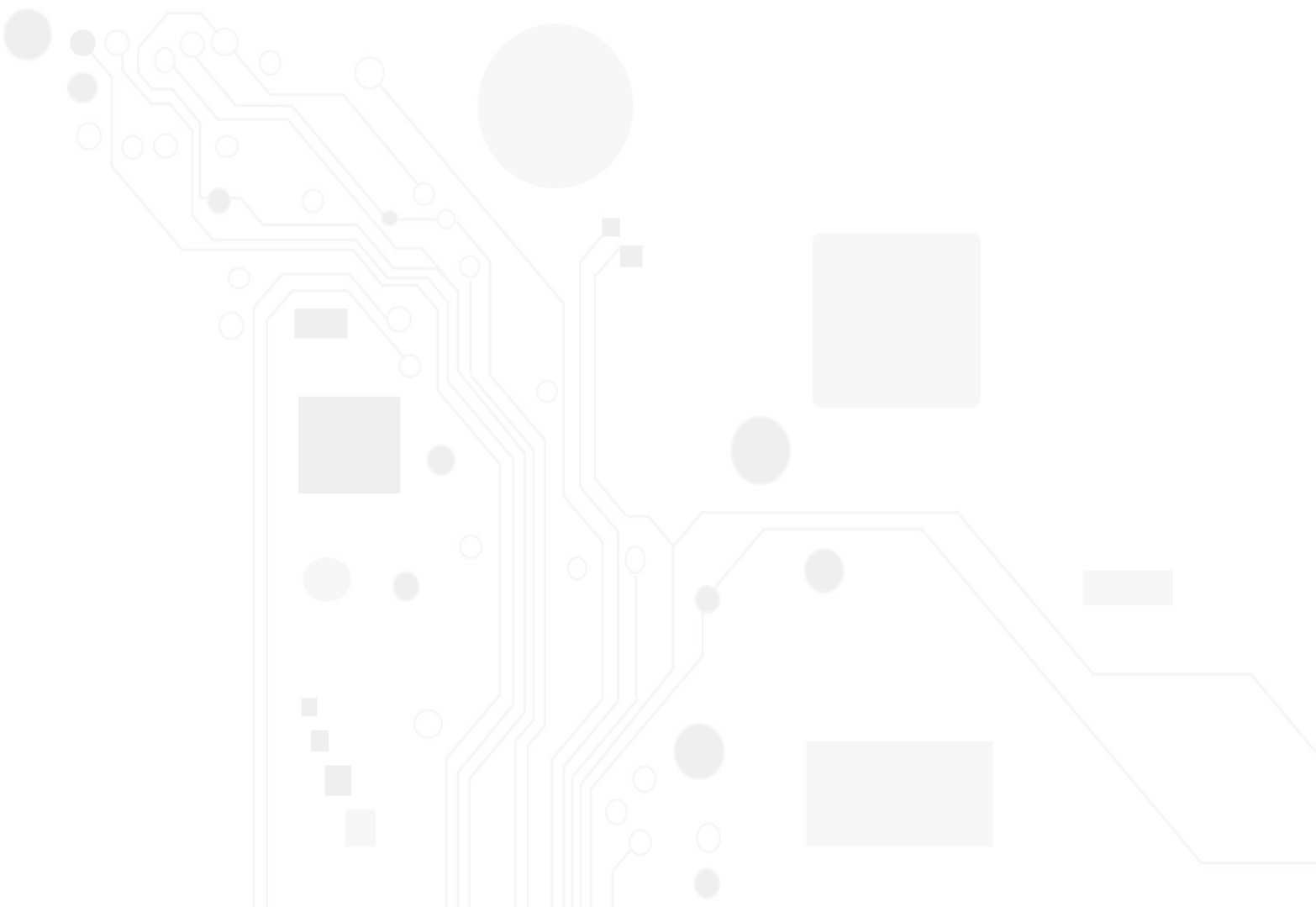
Programmatic software delivers advantages that television simply cannot currently match. The entire buying process – from campaign strategy and targeting, to optimization and brand safety – is universally managed throughout the life of the campaign and can be adjusted at any time to drive the best possible performance.

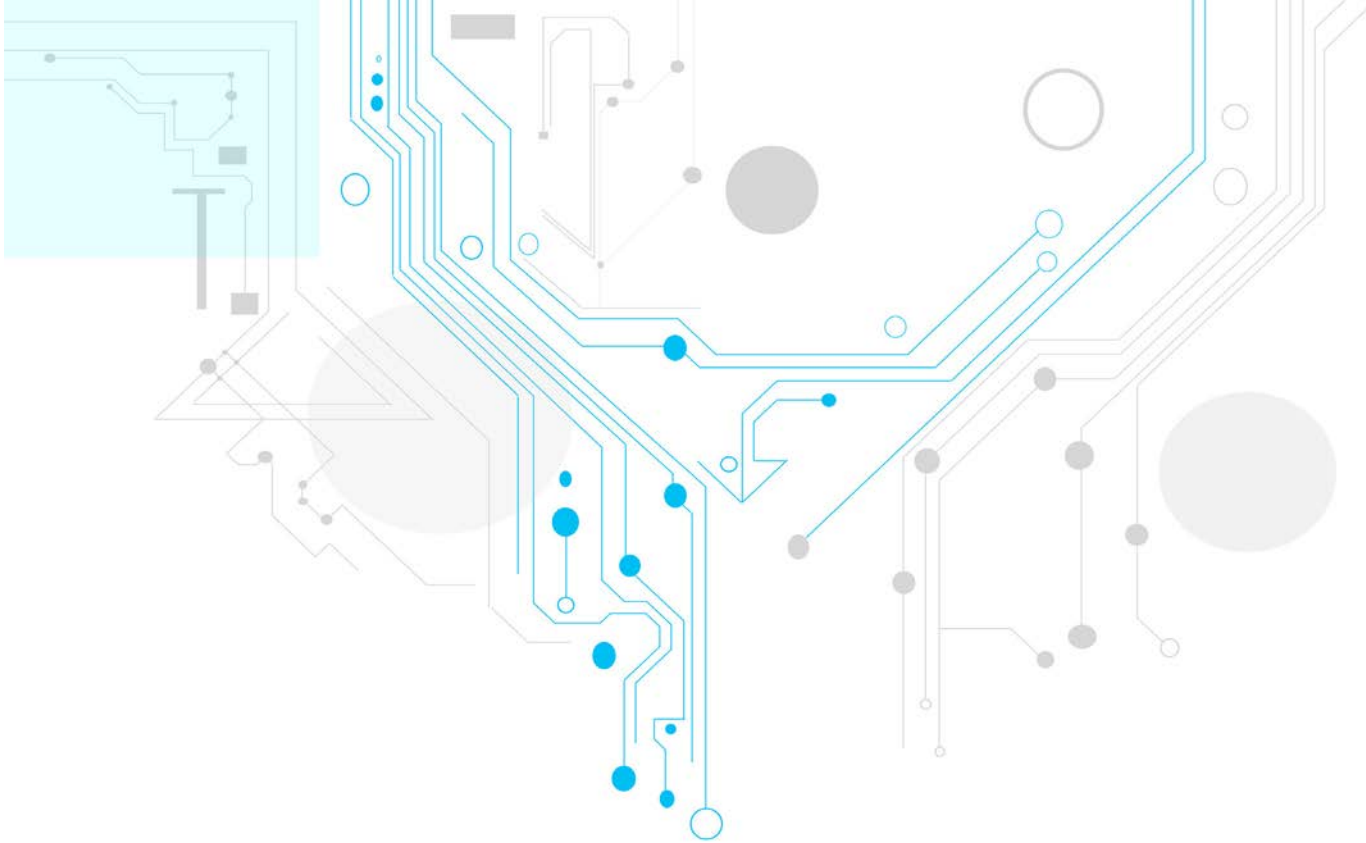
The next evolution of advertising will involve brands taking a truly cross-screen approach, which will focus on how to secure the best yield and performance from their overall marketing

spend. As viewing habits continue to change and content is increasingly delivered digitally, marketers will look at video in terms of screens – where television is just another screen, along with tablets, smartphones and desktop computers. The focus will move to targeting audiences at scale, across any screen, underpinned by unique ad executions for different devices.

Before that model of digital advertising becomes firmly established, brand advertisers and their partners will experiment, tweak and innovate.

In the dynamic and fast moving world of digital engagement, creating a model where brands never stop engaging with consumers makes a lot of sense. The ad campaign is far from dead. Its delivery, execution and targeting will become much smarter in terms of reaching the right audience.





Taking your programmatic marketing in-house

Matthew Joyce
Country Manager, ANZ
DataXu

Every day we hear from marketers and independent agencies who are interested in bringing their programmatic marketing in-house. The market is maturing and marketers are becoming more educated on the possibilities that programmatic marketing can provide, and its encouraging having open conversations with those marketers discussing their personal challenges and business goals in this space.

Should you make the move in-house?

At the very least, every marketer should know

the basics on what questions to ask before looking at taking programmatic in-house.

Operating a programmatic marketing platform is not right for everyone. In fact, many of the benefits of programmatic can and will be successfully managed by your agency operating the platform.

For those marketers interested in taking programmatic in-house or just interested to know the process and what questions to ask; here is a breakdown on the things to think about: Good luck and welcome to the world of programmatic marketing...

Planning for Programmatic

Start with a budget in mind. Understand however that there will be other factors that will help shape the resources you will need to succeed,

- Budget: The larger the budget the more

management time it will require. Smaller budgets may not be worth the effort required to take the programmatic marketing in-house.

- **Time:** More frequent and short burst campaigns will take more management time.
- **Tactics:** Campaigns with multiple tactics including prospecting, retargeting and audience buying etc are more time intensive.
- **Targeting:** Complex targeting also adds management time. For example; If you have 100 different retail locations and need a different tactic and message to each location.
- **Data:** Managing unique relationships with your own data and 3rd party data suppliers can also add additional time.

Now that we have covered off some of the considerations for in-house programmatic marketing we have discovered that different size campaigns and tactics will require different levels of workload.

Estimating the Effort

What is the ideal number of people required to run a programmatic platform? Well

it all depends on your individual client needs. If you have a \$1 million national branding campaign, this will take less effort to run than a \$1 million retail campaign split into 100 hyper-local campaigns with unique targeting requirements.

The table below gives some rough guidelines with thinking about the amount of effort required to run programmatic campaigns.

Please also note that these numbers would be for an experienced user. Newer team members will take time to ramp up to this level of efficiency. So let's take a look at who we should hire.

Hiring for Programmatic

The programmatic team will have some key tasks to perform. If you are a smaller organization or agency you can combine roles, but, if you can specialise you will reap the biggest rewards... An example set up could look like:

- Ad Ops Manager to traffic creative
- Media Trader to set up and optimize the campaigns
- Analyst that examines reporting and data

	Simple	Medium	Complex
Targeting	None to light	Tighter Constraints (e.g. contextual, local)	Layered – e.g. local budgets tied to promotional event featuring geo-specific products
Tactics - e.g. prospecting, retargeting, Audience Buying etc.	2-3	3-5	3-5
Creative Concepts	<10	Dozens	Hundreds
Campaign Set Up ¹	30 minutes	1 hour	2-3 hours or more
Ongoing Management ²	2 hours/week	5 hours/week	5-10 hours/week

¹ Don't neglect QA! Prevention is better than the cure...

² Per campaign per week! Includes campaign reporting, adjustments and change monitoring.

for actionable insights

In an ideal world you would hire people with hands-on experience using one or more DSP's. But those people are in high demand, so let's take a look at where else we can source great talent:

Media Planner:

- Pro: understands the programmatic space, capabilities and dynamic pricing
- Risks: the comfort level with a hands-on technology platform operation
- Question: Get them to explain something truly complicated to assess the ability to operate in a more technical programmatic media world.

Search Specialist:

- Pro: understands the auction-based buying model
- Risks: Comfort with multi-channel buying and more than last click metrics
- Question: Ask how they test and learn to assess the ability to harness the power of a programmatic platform. Ask questions around branding and other non click metrics to assess their marketing understanding.

Ad Operations Specialist:

- Pro: Experience with hands-on use of ad technology platforms
- Risks: May not understand the real-time piece of programmatic
- Question: Ask them how they handle cre-

ative rotation in their ad server, this is something that would be automatically handled by the better DSP's.

Data Analyst:

- Pro: Comfort with analysing data
- Risks: May not know how to come up with tests to answer customer questions and meet business needs
- Question: Assess their ability to use data to understand customer challenges. Provide the candidate with an unmarked series of charts and ask them to tell a story.

The key is to see what assets and skillsets already exist in your company and then look for a candidate that would fill the skill-set void.

Choosing the right platform for your business: Onboarding

A thoughtful onboarding process is going to be far more beneficial long term, rather than just being handed the keys. (See the table below.)

Choosing the right platform for your business: Features

There is only limited appeal and short term focus if you use a platform that only specialises in one thing (e.g. retargeting). But platforms that offer

What you want	What is should include	Why it matters
Multiple operating models	<ul style="list-style-type: none">• Managed Service "Rely on experts"• Advisory Services "Learn by doing"• Self-Serve "Take it in-house"	It may take a while to get ramped up you may need to go back and forth with the tech (e.g. a key employee leaves)
Activation Plan	<ul style="list-style-type: none">• 30-90 day period of planned incremental learning activity	Quick wins help inspire the team and reassure the CFO!
Learning Systems	<ul style="list-style-type: none">• On-demand learning• Knowledge base	Knowledge transfer is vital. Self-paced learning even more so.

What you want	What it allows	Why it matters
Native multi-channel support	Run display, mobile, video, mobile and social media from the same UI	One view of the consumer, reduce trafficking mistakes, consolidate reporting.
Ad Server	Traffic display, video and mobile creative within the same UI	Save money, time and eliminate impression discrepancies
Data Marketplace	Buy 3 rd party data (e.g. Eyeota) directly	Build complex audiences and improve audience availability
Algorithm Marketplace	Choose the best algorithm for your particular goals	Achieve faster ROI by reducing the need for excessive trial and error
“Bulk” Management	Upload & edit campaigns with lots of moving pieces	Make it easy to run complexly targeted campaigns
Pace/Performance Management	Automate finding the efficient frontier	Free up operator time for more strategic tasks
Performance Visualization	At-a-glance visualization of performance at the line item level	Free up operator time for more strategic tasks

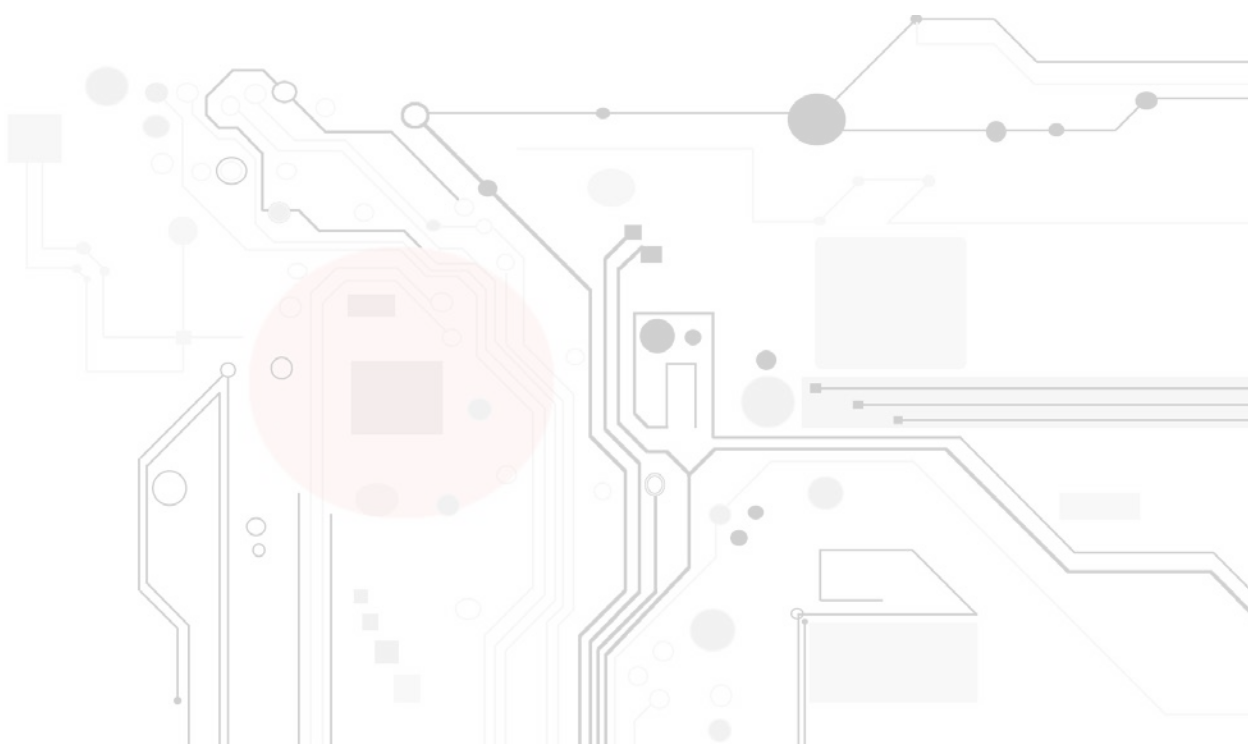
a much broader feature set will enable marketers to execute more varied strategies and be rewarded with much richer data. (See table above.)

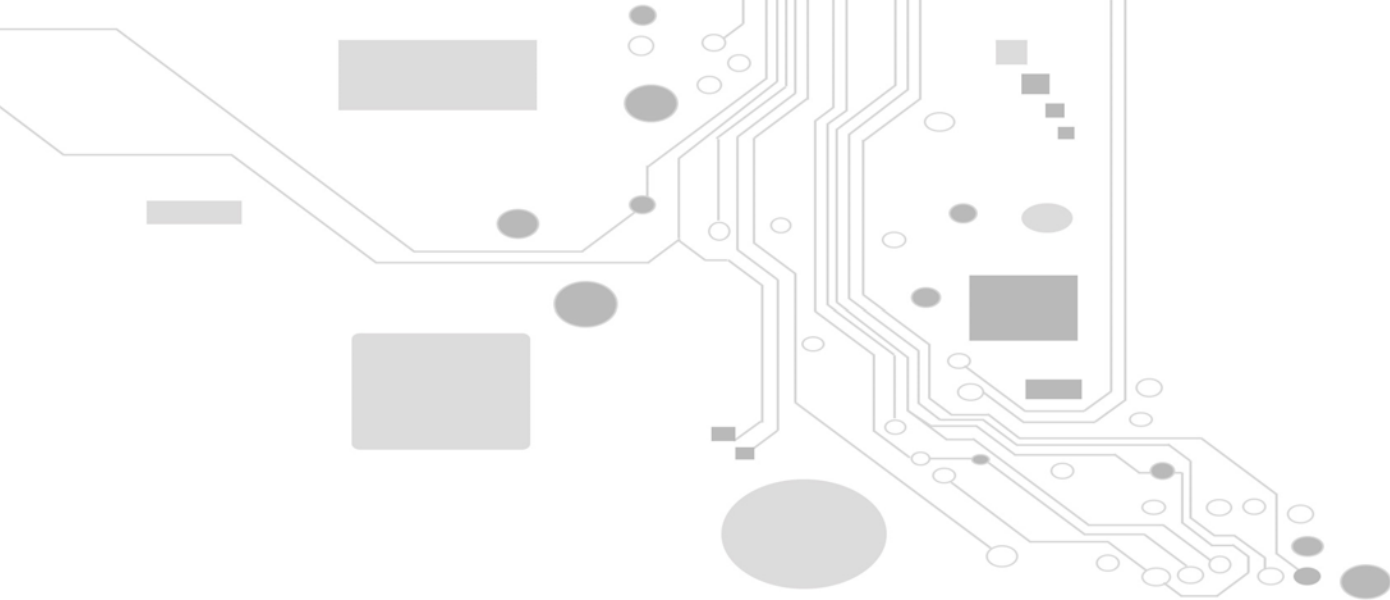
Remember, it's not just about what technology partners can do today but what they can build tomorrow. As a final check, make sure your technology partner is investing in the future. The right technology partnership can radically transform your business.

Making the leap

Institute a learning path. Take it one step at a time. It's a complex path to execute, but with good planning it can be made easy. In our experience the best marketers that transition to in-house programmatic marketing platforms follow a step-wise approach.

Whatever path you choose good luck on this exciting, engrossing and highly profitable journey!





Plan your path to programmatic success

Stuart Bartram
Country Manager, ANZ
MediaMath

Programmatic enables marketers to manage the non-linear consumer path-to-purchase across all addressable media channels, in a scalable and automated way. This drives ongoing, one-to-one consumer experiences that result in greater ROI for the advertiser and a more relevant experience for the consumer.

The benefits of a programmatic approach are clear, yet some CEOs still perceive programmatic as an addition to their marketing strategy, rather than a driving force that will transform the way they do business. Marketers can find themselves overwhelmed with choice when selecting digital marketing technology and – without a solid overview of the programmatic landscape – can find it challenging to keep pace with the complex industry jargon.




It's high time the industry focused collaboratively on helping marketers to understand the benefits of a programmatic approach, as well as the differences between each solution. Here's how you can get your organisation on the path to programmatic:

Organisational alignment around programmatic

Promising programmatic initiatives often fall apart when there is a lack of organisational alignment. Creating that alignment starts at the top with the buy-in of the CEO, CFO and CIO, who may all have different concerns about bringing a new technology approach on board. As well as obtaining the support of the C-suite, the teams that deal with transaction data, CRM data, and technology integrations also need to be involved from the outset of the programme. The marketing department itself also needs to fully align around programmatic and overcome uncertainty about how the technology will help them to do their jobs better. To address concerns about control or results, the marketing team requires a solid understanding of the fundamentals of programmatic and the role it will play in achieving marketing success.

A customer-centric, data-driven approach

Despite the excitement around big data and its potential to offer consumer insight, marketers are sometimes surprisingly behind the times when

		
Engage the C-suite	Meeting of the Minds	Define Partner Relationships
<p>The CEO, CFO, and CIO all have different concerns/questions and perhaps objections to bringing a new technology on board. Driving alignment for this investment requires you as CMO to understand the different concerns and explain the value of the investment based upon these concerns. Keep your CIO in the loop even if you are outsourcing the work and technology as there are still data sharing and integration components that are important to maximize success.</p>	<p>Meet with the person or people who control your transaction data and CRM data and your technology integrations. Get these people in a room together— oversee the conversation with attention to making sure the marketing agenda is taken into consideration when decisions are being made by these people. If there is a disconnect, it means you and your company are missing out on opportunities.</p>	<p>Sit down with your current or prospective programmatic partner(s) and expressly go over what they need from your organization to maximize success. Discuss technology integration, data sharing, process, decision making, goals and how you will measure success. Create a realistic time frame for getting started. Be sure you allocate time for internal staff training, process/role changes, technology integration, and test phases.</p>

it comes to utilising customer data. To succeed with programmatic, marketers need to integrate their own CRM and first-party data into their marketing programs. They should understand how to connect and activate that data, and enrich it with third-party data. To drive truly customer-centric marketing it is vital for marketers to be familiar with the data they have and the data they can acquire, along with how it can be used for optimal execution.

Knowledge and inventory of data stores

Before implementing programmatic, marketers should determine the data accessible to their organisation, including offline and online data, conversion and transaction data, and CRM data. This data might not all reside in the marketing de-

partment, so a cross-departmental steering committee may be required to discover what customer-centric data resides in the organisation and how it can be used. Each transfer of data between disparate systems may incur integration and security costs, so it is wise to establish a single overarching system. Ultimately, using a single platform that acts as a central repository for all campaign and audience data will enable deep data analysis and real-time execution.

Ability to set measurable goals

Programmatic allows marketers to drive true business outcomes from brand awareness and engagement, to direct response and conversion, to loyalty and retention throughout the full customer life cycle. Establishing goals at the onset of any

marketing program is essential to being able to successfully measure ROI. These goals do not need to be financial in nature, but they do need to be measurable in some capacity. By implementing measurable goals marketers can drive insights from their programmatic strategies that can be applied across the entire business.

A culture of testing

With its ability to track multiple variables in real-time, programmatic allows marketers to measure the impact of distinct campaign elements. These could include how different creative approaches are received by different audiences, or how timing similar campaigns during different parts of the day impacts results. There are no limits to the opportunities for testing, but the key is to test early and test often. To be most effective, testing must become part of a company's corporate culture and it can be used to identify the channels that work best against predetermined goals, as well as the most valuable partners in the ad tech ecosystem. Strategies that can be optimised through testing include prospecting, retargeting, creative sequencing, message sequencing, audience segmentation, custom attribution modeling, and CRM onboarding.

There are four key deployment options to choose from when adopting programmatic. These include:

- Selecting and utilising an agency and their technology plat-

form

- Managing programmatic in-house
- Collaborative technology partner management
- Using an agency partner to manage your technology platform

Before determining which of these is best for their business, marketers will need to ask themselves some questions to establish their priorities:

- Do you want greater control deploying first-party data?
- Do you want better integration with internal systems?
- Do you want normalised measurement across disparate media and campaign types?
- Do you want immediate insights and reporting?
- Do you want full control of the platform of choice?

The answers to these questions will influence which strategy marketers choose for deploying their programmatic campaigns.

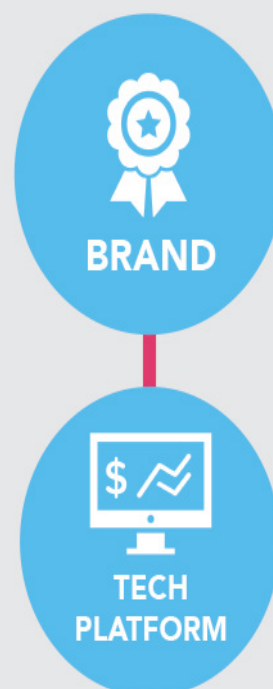
Using an agency and their technology platform offers marketers the advantage of being able to get started quickly. The agency already has the platform and skill-sets to be successful, such as internal tools, pooled media buying, data-driven creative services, and trading best practices. However, with this approach marketers have little control of the platform, as well as limited opportunities to react in real-time to the insights their campaigns are generating.

Managing programmatic in-house allows marketers to select their own technology platform and

BRAND - AGENCY



BRAND - DIRECT



to have a direct relationship with their technology vendor. The benefits of this approach include greater confidence deploying first-party data, improved integration with internal systems, and normalised measurement across all media and campaigns. This option requires new roles within the organisation for proprietary modeling and optimisation, and marketers will need to bring their staff up to speed on programmatic. Some technology partners can provide training and can manage processes alongside the in-house team until they are ready to take it on themselves.

Technology partner management also requires marketers to select their own technology platform, but in this case the technology partner will manage day-to-day optimisation and campaign strategy, and will report back with the results. In this scenario choosing the right technology partner is critical as marketers will only see the results and will have less visibility over the 'how' and 'why'. Marketers need to ensure that they understand every aspect of how their technology partner creates their media strategy, executes their media buying, and spends their budget.

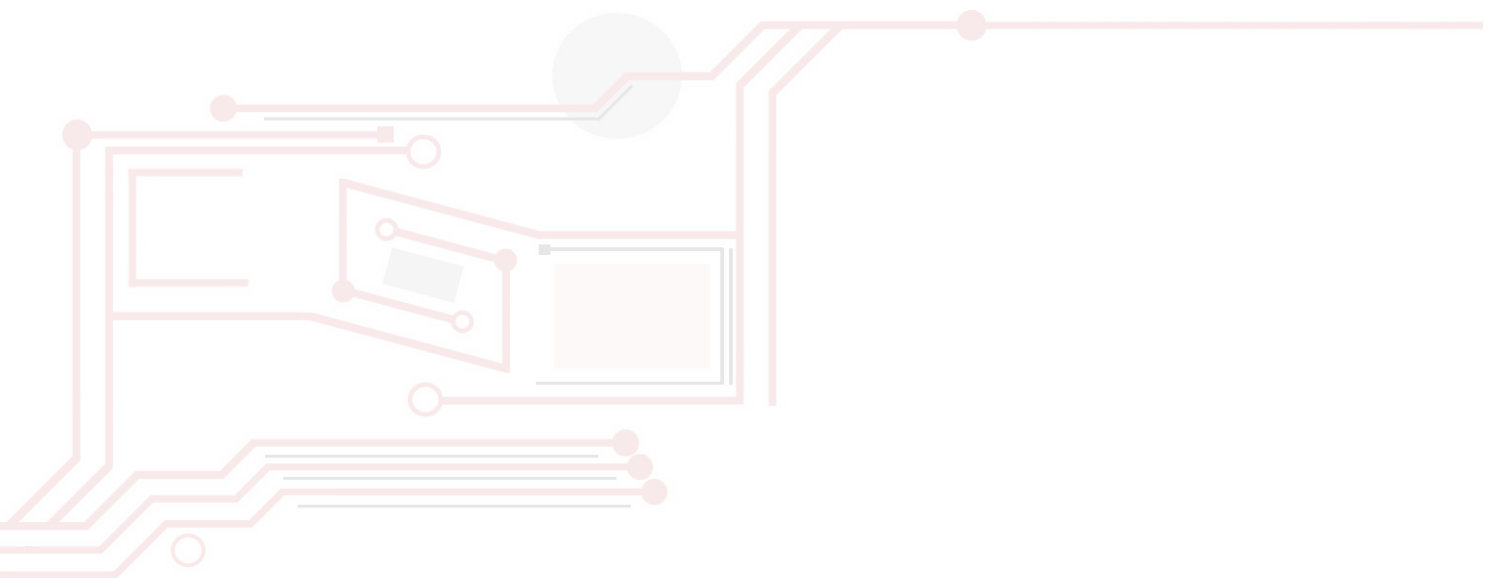
Using an agency to manage their technology platform allows marketers to combine the benefits of using an agency and the benefits of a direct relationship with a technology vendor. In these

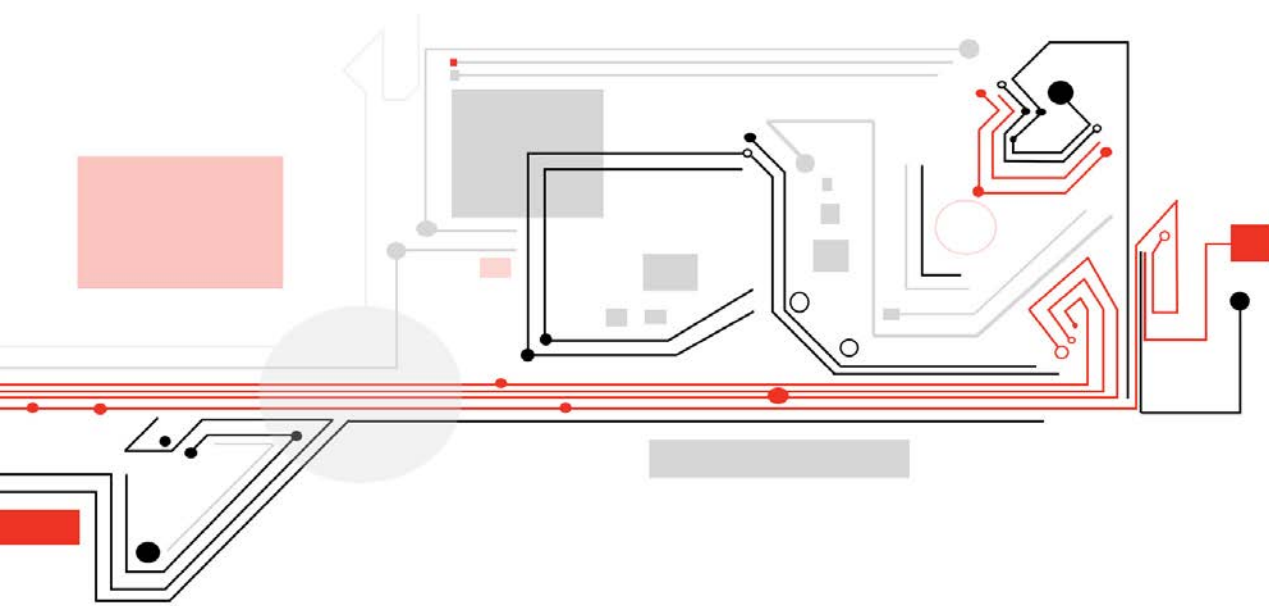
types of partnerships, marketers are able to leverage their agency partners for trading best practices, pooled media buying, cutting-edge tools, and data expertise. Many large brands have their agencies directly involved in the planning, execution, measurement, and optimisation of their marketing programs. Between advertisers, agencies, and ad tech exists a three-way collaboration of strengths that can enable brands to capitalise on the ever-evolving world of digital marketing.

Programmatic changes the very nature of media buying, so implementing this technology will require some organisational and cultural adjustment. Before making the move to programmatic, marketers need to ensure their organisations are suitably aligned and that they understand the data available to enable them to take a customer-centric approach. They also need to adopt a culture of testing, and set measureable goals around real business outcomes.

Finally, marketers need to understand their priorities in implementing programmatic to choose the right deployment strategy for their organisation. Only when the correct skills and processes are in place can marketers truly position themselves for programmatic success.

To find out more, read the 'CMO Solution Guide to Programmatic Marketing' paper, a joint MediaMath and CMO Club project.





Why is the Future of Audience Management so Important?

Michael Ungerboeck
CEO
ADMATIC

Whilst many Australian Marketers continue to try to understand 'What' Programmatic Marketing is, and 'How' it is executed, we run the risk of failing to fully maximize the benefits of Programmatic Marketing by not understanding 'Why' we seek to adopt it.

US commentators estimate that more than half of display advertising is now traded Programmatically. Advertisers such as American Express have indicated their intent to buy 100% of their display Programmatically. Do we as an industry understand 'why' Programmatic is so important to others, before having to decide 'what' we are buying and 'how' we can buy it?

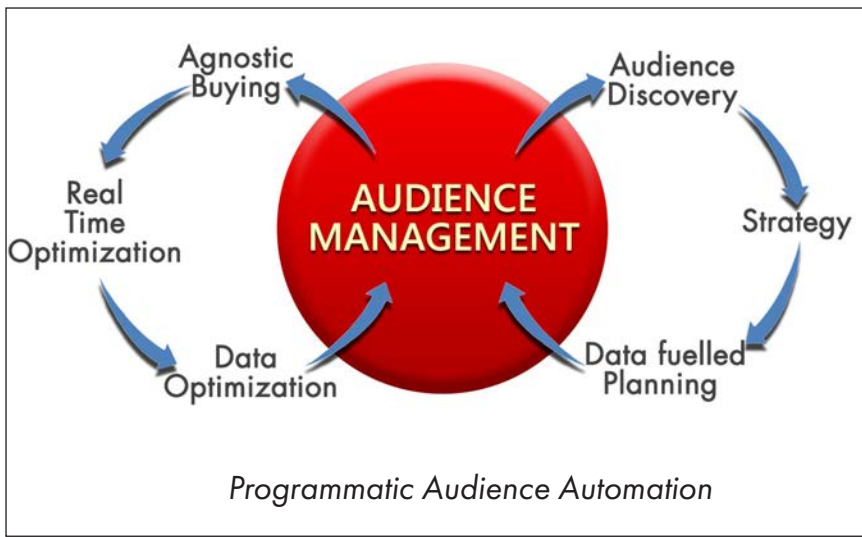
Evolving from Real Estate Agents to Real Time Thinking

Before considering Programmatic we should appreciate a significant mindset shift. For the past

20 years since the first banner impression, traditional media buyers have been purchasing placements from publishers in the hope of reaching audiences. Most deals are executed long before campaigns start and optimized post-delivery.

In leveraging automated media buying, Programmatic seeks to find audiences before buying and optimizes in Real Time whilst buying. The mindset of a Programmatic Marketer in that sense is similar to a Search Marketer, ensconced in an evolving ecosystem of optimisation, with focus





firmly set on behaviour management and audience engagement.

Programmatic Marketing is a far more transformative form of media buying and is therefore evolving more rapidly than what many can keep up with.

It should always be about the Audience

Programmatic Marketing is powering a truly audience centric focus to media buying. In fact International Marketers consistently highlight audiences as their key focus when adopting Programmatic media. Marketers believe that Programmatic allows,

- 1)** for more effective methods of targeting consumers,
- 2)** greater efficiencies in transacting and finding consumers, minimizing media wastage as an added bonus, and
- 3)** improves operational efficiencies through the automated buying process directly linking audience discovery with audience measurement.

As we loop the automated buying and optimisation process back into the audience discovery and strategy process, we find that we are leveraging available automation technologies to help drive Use cases; Use cases that will ultimately influence the development of future marketing strategies.

The power of programmatic therefore extends well beyond the buying process. Program-

matic buying serves to directly drive audience segmentation processes, by looping into future strategy development, from learned 1st & 2nd party data. A Data Management Platform therefore becomes a key component of a comprehensive Programmatic ecosystem. By employing a DMP strategy we apply the power of Programmatic across this learned audience intelligence, identifying consumer attributes and behaviours, optimising Market-er strategies toward a deeper level of consumer engagement.

Once we find the Audiences in Real Time, should it matter where they are?

Once we adopt a Real Time audience-centric approach we start to appreciate that the Programmatic methods of buying in Real Time break away from traditional rigid planning processes.

Traditional planning processes predefine channels, devices, media assets, placements, and pricing, well before a campaign launch. Budgets are set and allocated pre-launch leaving little to no flexibilities to reallocate budgets mid-flight. Traditional planning will focus on where the best deals can be bought, on who spend commitments are with, and where supplier relationships need to be honoured.

The evolving Programmatic conversation on the other hand seeks to buy and optimise agnostically in Real Time where your audiences are discovered. By taking a truly channel agnostic, device agnostic, and deal-making agnostic approach, we start to engage audiences in real time without the usual encumbrances of a rigid traditional media buy.

So Investment in Programmatic is just setting up the right Adtech then?

Once marketers have understood the possibilities in buying Programmatically, the focus will then need to quickly shift to automating their Adtech,

aligning people and mindsets, and re-organising their Marketing approach.

An efficient Programmatic ecosystem needs to consider all Adtech required to power the ecosystem. There is a view that that buying programmatically is as simple as buying into the right DSP or Trading Desk. This simple view is analogous to those who sign up to an Equities Trading platform, wanting to strike it rich by trading in the share market. If only successful share trading were that simple!

1) Consider your Investment in AdTech. You'll need to consider what and how you will buy media across a proliferation of Demand Side Platforms and Media Exchanges? You'll need to consider your overall data strategy. You'll need to investigate the many DMP solutions. Marketers will also need to plan and organize their analytics efforts, and consider how analytical tools will integrate with Customer Relationship Management platforms.

2) Consider your Investment in People: Regardless of what the automated buying spruikers speak of algorithms and computers doing the work, the simple fact is that Programmatic Marketing is 50% Tech and 50% People. The automation of auction bidding has introduced enormous technological advances to media buying, but campaigns within DSPs, DMPs, Exchanges, and Verification/Validation Platforms, still need to be driven by well educated, trained and experienced Programmatic Traders.

3) Consider your Organisation: Traditional marketing teams will find the transition to Programmatic challenging. Transitioning traditional mindsets

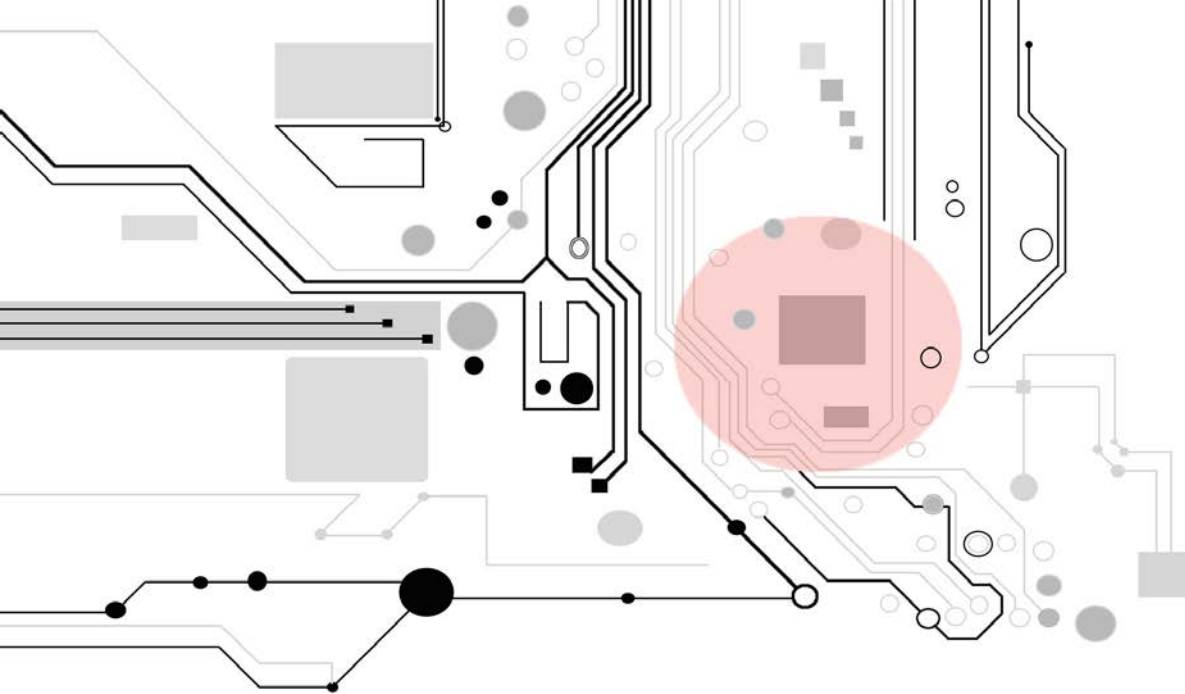
and day-to-day tasks from a model of deal making and non-real time block buying, is significantly different to Programmatic Real Time processes. Consider something simple like the build of a media schedule and the signing of an IO. Consider an IO that is traditionally signed off and committed to by media channel, by device, or by creative asset, well in advance of the campaign launch. Then consider what these simple tasks look like in a Programmatic ecosystem operating and optimising on an omni-channel basis, where buys are considered device agnostic, where each impression is bought and optimized in real time. On a larger scale consider legacy incentive structures, where strategic deals require minimum spends against traditional publishers and ad networks to achieve incentives and discounts. Consider how such a structure is able to operate in a Programmatic environment that in theory should be free of barriers and restrictions, to optimise to audience engagements.

Think about the 'Why'

In buying Programmatically, Marketers should aim to deliver a perfect ecosystem where organisational systems, processes, people, and strategies, align themselves with Programmatic automation, focused on consumer engagement.

When contemplating the 'What' and 'How' of Programmatic Marketing we should seek to understand 'Why' we are here, and whether we are prepared for it.





Agencies and Publishers – capitalizing on the programmatic opportunity

Dave Osborn
VP, Asia Pacific
AppNexus

CMO tenure may be rising as the global economy improves, but Marketers remain under intense pressure. A number of separate studies published in 2014 showed that CFOs still think of marketing as 'fluffy'¹, CEOs doubt the effectiveness of their marketing spend² and CIOs are concerned that marketers are not yet ready for the technology investments they are making³. Yet despite these concerns, the C-Suite is 'doubling-down' on marketing in 2015 with JP Morgan reporting⁴ that 75% of the world's largest advertisers have told their investors to expect increasing spend and an ac-

celerating shift to digital in the year ahead.

So what are agencies and publishers to make of this? Well, on the one hand there is the obvious opportunity of bigger budgets and some in the industry may be tempted to rely on the old adage that a rising tide lifts all boats. However, there is also an implicit threat that marketers under unprecedented pressure to perform will invest disproportionately in those areas where they feel they have most control, can drive the most measurable results and can adapt in real time across multiple screens. As the traditional media world is thought to evolve slowly, the J.P. Morgan report suggests that Google, Facebook and Twitter will be the big winners. However, the evolution of programmatic advertising and its increasing impact on the way agencies and publishers interact is allowing them to deliver new value for marketers, empower them with data and be more agile in an increasingly real time world. As a result, the programmatic technology that started out as a way of cost effectively trading media as a commodity has the potential to unlock differentiation for publishers and agencies and put them in the race. However, this will not happen by

¹ Econsultancy/Marketing Week research November 2014 <http://www.marketingweek.com/2014/11/14/what-does-your-cfo-really-think-you-do/>

² Fournaise Group <https://www.fournaisigroup.com/marketers-got-it-wrong-in-2013/>

³ Accenture CMO/CIO report <http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-2040-CMO-CIO.pdf>

⁴ JP Morgan report quoted in Mediapost <http://www.mediapost.com/publications/article/244259/big-brands-to-investors-were-boosting-2015-media.html>

chance – both agencies and publishers need to be proactive in their response to the new market dynamic and 2015 will be a significant year in determining future winners and losers.

In this piece, we take a brief look at why programmatic is emerging as the focus for digital success and what this means for agencies and publishers, and then we put forward three recommendations based on our experiences working with agencies and publishers both globally and locally.

Programmatic context

If you are new to programmatic, it can be confusing. Not only because the word itself means different things to different people, but also because it marks a resurgence of an advertising format (Display) whose death has been predicted for much of this century – so what's going on?

Recent history gives some useful context. In many markets, growth in Search has slowed as the closed ecosystem of a single dominant player results in keyword inflation and diminished ROI. At the same time, the once 'free' social media platforms have seen natural reach virtually disappear as the winners build pay-to-play walled gardens around their audience. This led Mark Ritson of Melbourne Business School to write in Marketing Week that Facebook was "abandoning social marketing"⁵. As a result, marketers are actively looking for the new opportunities to reach their audience with the right message at the right time; something that programmatic is custom built to deliver.

At its simplest, programmatic advertising is the automation of digital display where computers are used to make decisions in milliseconds on which impression to buy and which ad to serve. The intelligent use of data in this way allows for better targeting, which improves campaign performance. However, as programmatic has developed it now

powers many different types of real time interaction between buyers and sellers; from auctions to custom deals and bespoke guaranteed arrangements. The result is more the evolution of digital advertising than its simple automation, because it changes what you can do not just how you do it.

What this means for agencies and publishers

The huge potential of programmatic should be a source of significant excitement for the industry. Publishers, agencies, advertisers and consumers are set to benefit from more effective, more targeted and more valuable advertising. However, marketers, agencies and publishers each face an abundance of choice when thinking about programmatic, and with choice often comes confusion.

While marketers have traditionally had a strong grasp on the concepts delivered by their agency, and a deep understanding of the value of quality media, they are less certain about audience buying and the power of the algorithm. As a result, we now see situations where the marketer has moved at least part of their spend from a relationship they understand but don't necessarily trust (the agency), to one they trust, but do not fully understand (the programmatic specialist). Pair this with the very high profile focus on single-customer-view put forward by those companies taking a 'walled garden' approach and programmatic begins to look like a very real challenge rather than an opportunity.

The agency is potentially at risk of being marginalized and the publisher is at risk of losing sight and control of the way marketers engage with their audience. Publishers in particular have spent decades producing and curating audiences and content, and should not be facing a future of selling individual users depending on whether they logged in somewhere else first. There is no doubting the importance of tracking a logged in user across various platforms, however, this should not be executed at the expense of content, audience,

⁵ Marketing Week <http://www.marketingweek.com/2015/01/15/mark-ritson-zuckerbergs-vision-of-a-new-social-marketing-revolution-failed-to-materialise/#.VLj65-iRBao.linkedin>

and creative – all areas that agencies and publishers have delivered very well on for years.

In 2015 and beyond, the market forces won't always favour the best technology or even the optimal long-term solution. Instead, there will be powerful motives to choose the apparently easy or safe option without understanding the strategic context of that decision until it is too late.

Three steps to achieving the programmatic advantage

It is one thing to recognize the potential of a new way of working, but its often quite another to get ahead of the change and create a genuine opportunity to win. While the specific 'playbook' for every business will be different, there are common themes that emerge from our work with agencies and publishers around the world.

1. Invest in people

Programmatic is evolving fast and there are very few people in the world that have gotten anywhere close to the 10,000 hours of experience that management theorists tell us are essential to building expertise. This is particularly true in Australia and has driven salary inflation for some roles in the market that cannot be sustained. But as programmatic matures, so a deep understanding of the technology becomes less important and differentiation is increasingly achieved through the application of that technology to your unique business.

As a result, the agencies and publishers that are succeeding with programmatic have a clear focus on building their organizational muscle through education and development programs. The best of these accelerate the existing team's understanding of the opportunity and create a flexible talent pool that is capable of taking on new roles as they emerge. External hires, when necessary, are drawn not from the shallow programmatic pool but from the much deeper bench of data scientists, technologists, change managers and

consultants currently working in the wider technology, consulting and financial services industries. Not only do they bring a robust and applicable skillset, they arrive without the preconceptions of 'business as usual' and act as a catalyst for change.

2. Think and act strategically

Programmatic is not a 'one size fits all' technology. In fact, it can look dramatically different from one business to another. The key to success is in establishing a unique strategy that plays to the strength of your business and is not simply derived from what worked elsewhere. Such strategic thinking doesn't have to be slow but it does have to be deeply considered – only then can you cut through the confusion.

For example, in 2014 the World Federation of Advertisers (WFA)⁶ encouraged their members to have a unique 'investment strategy' for programmatic media buying. For some of the programmatic vendor community this was interpreted as a call to arms to encourage marketers to bring programmatic in-house or bypass the agency through a 'managed service'. In reality the WFA was exhorting their members to take responsibility for programmatic and not sleep-walk into a cookie-cutter approach where they do the same as their competition and unsurprisingly see the same results. The agencies that are thinking strategically about their clients have built deep technical skills and work with much more complex and powerful technology than could be supported by a single brand in-house. As a result, they are able to far better deliver a unique approach for each client rather than a team of novice users operating in a simplified UI.

Similarly, in the publisher world there is a need to build a strategy that serves your major buyers. However, beyond that the focus should be on capitalizing on the unique opportunities presented by your understanding of your audience and the context you provide for their

⁶ WFA report <http://www.wfanet.org/media/programmatic.pdf>

engagement. This can take many forms, but in Australia, France and other countries thinking strategically has resulted in the reframing of the competitive landscape and the setting aside of old rivalries to achieve technology and data scale that meets the challenge from the walled-garden providers.

3. Play the long game

There is an old saying: “if you take care of the cents, the dollars look after themselves”. Unfortunately, such incremental thinking is poorly suited to times of disruptive change. Those that see programmatic merely as a way to reduce short-term transaction costs may miss the bigger gains in effectiveness and efficiency. Instead, strategic thinking and action should be focused on today’s challenge but keep one eye on the long term opportunity.

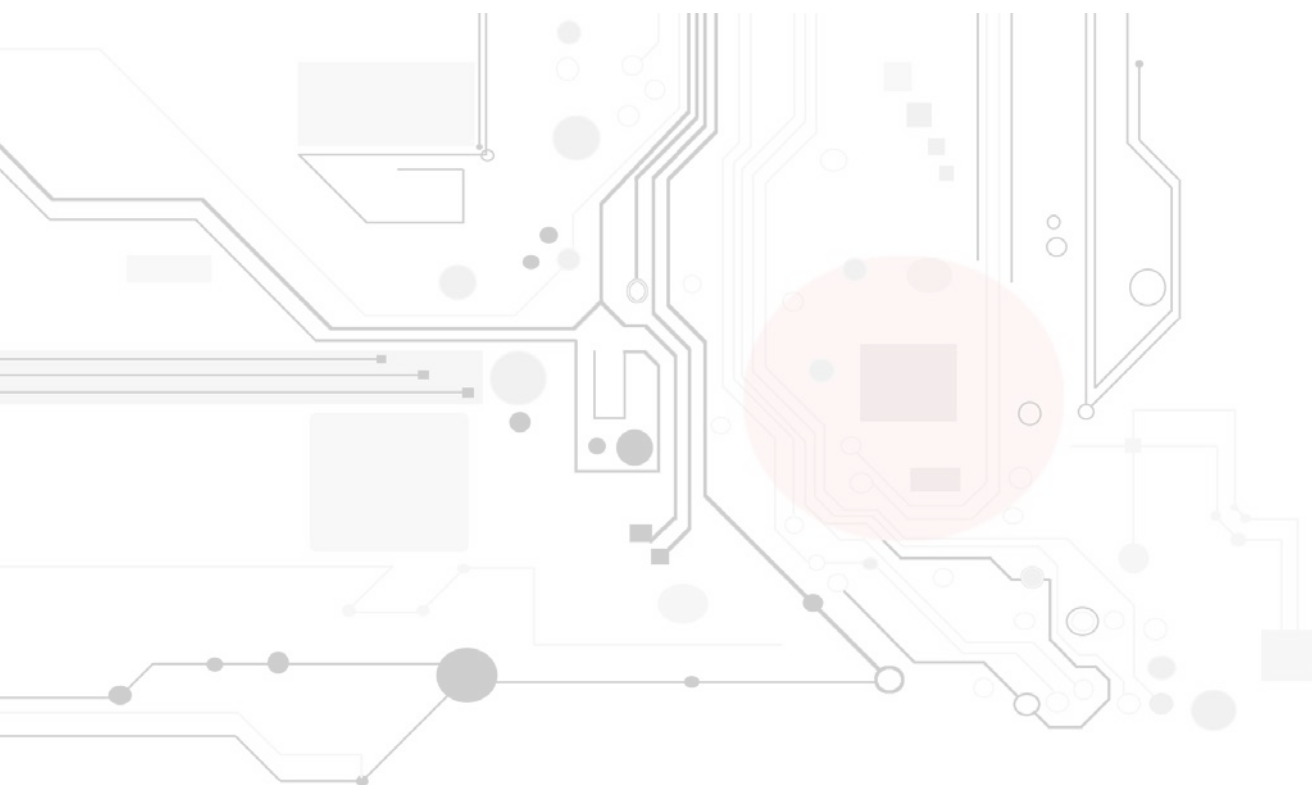
This is the area we see agencies and publishers struggle most to embrace, in part because it’s still early days and there is little public evidence of real long-term thinking but also because most companies face a consistent pressure that works in quarters not years. However, a long term focus is essential to giving the first two steps the chance to succeed.

Conclusions

So there you have it. Programmatic. At its most basic, the automated buying and selling of digital advertising. At its most advanced, the key to unlocking real-time consumer engagement at scale.

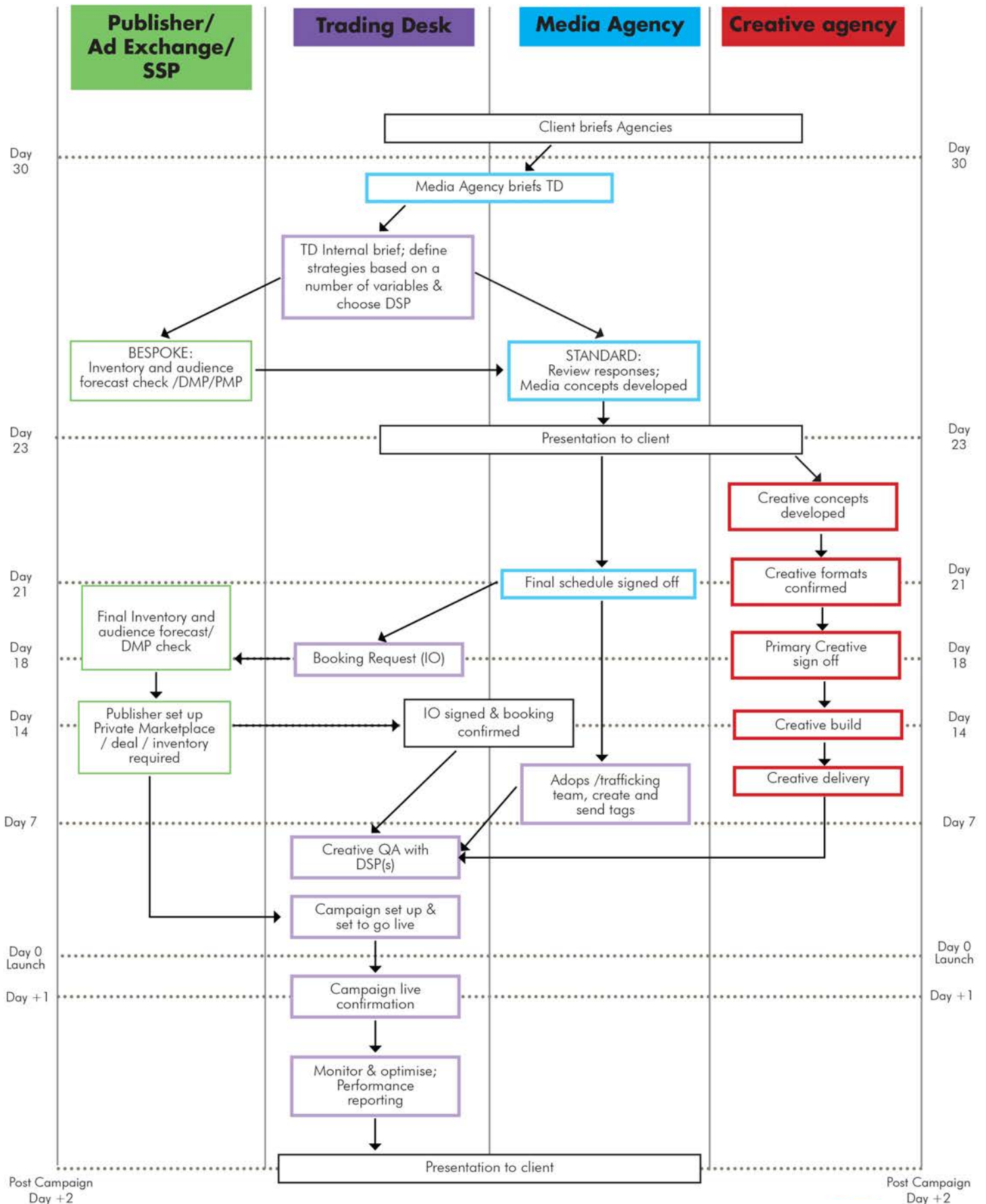
What accounts for the difference? Primarily, how well you understand the technology and how effectively your organisation is able to apply it to the unique needs of your business. As ever, what first appears to be a technology innovation is actually dependent on smarter thinking and clear action for the promise to be delivered. In 2015, it’s time for agencies and publishers to assert their rightful place and lead the programmatic movement.

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Programmatic Campaign Workflow

Produced by the IAB Standards and Guidelines Council Digital Workflow Working Group
October, 2014



Programmatic Campaign Workflow

- Detailed steps

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This workflow applies to programmatic campaigns which automate the delivery of data driven and target and relevant advertising to consumers as they interact with a brand's many touch points

30 DAYS: CLIENT BRIEFS AGENCIES > MEDIA AGENCY BRIEFS TRADING DESK

- Briefing by client of all campaign objectives to Media Agency and Creative Agency — may involve Trading Desk if required.
- Trading Desk briefed by Media Agency and campaign concepts are initially discussed and developed to primarily meet Client brief.
- Publisher engaged by Media Agency or TD to verify the available specs and/or formats available – Agency directed to most up to date specs if required.

30-23 DAYS: TRADING DESK INTERNAL BRIEF > TRADING DESK BRIEFS PUBLISHER

- TD Team agree campaign objectives and decide on DSP and tech to be applied.
- TD Team outline capabilities e.g. RT; premium inventory; display; video etc to be applied to campaign brief and available publishers.
- TD Team uncover if Custom activities are required and investigate options to meet brief.
- TD Team investigate pricing to meet client ROI.
- If Bespoke, TD check requirements with relevant Publishers/Ad Exchange/SSP and then finalise required inventory.

30-23 DAYS: TRADING DESK / MEDIA AGENCY REVIEW RESPONSES > MEDIA CONCEPTS DEVELOPED

- All responses reviewed against brief and related media concepts developed and confirmed to meet brief.

DAY 23 - 21: PRESENTATION TO CLIENT > FINAL SCHEDULE SIGN OFF > CREATIVE CONCEPTS DEVELOPED

- Media Agency (with assistance from TD if required) present media concepts to client for initial sign off.
 - Based on client feedback and any resulting conversations with TD, creative concepts are developed and readied for client sign off.
 - If necessary, creative and media agencies jointly develop overall campaign concept.
 - Media Agency shares publisher formats and specs if required or recently updated to creative team.
 - Initial online display advertising concepts to be generated either within standard formats, or with a view to creating a custom format with a publisher.
 - Media and/or Creative Agency present concepts to clients to ensure creative concepts can be delivered in media.
 - Any concept revisions will happen through feedback at this stage — TD/Media Agency to advise on impacts to turn around time if required.
- (Note: All publishers specifications should be available to creative agencies on the IAB Australia Specs Database.)*

DAY 18-14: PRIMARY CREATIVE SIGN OFF > FINAL AVAIL CHECK > BOOKING REQUEST & CONFIRMATION

- Creative sign off by client leading to full creative build.
- If Bespoke, TD conducts final avail check with Publisher to ensure avails are correct and ready.
- If Bespoke, TD/Media Agency makes formal booking request from Publisher, receives IO and signs it to lock in relevant media inventory.

DAY 14: PUBLISHER SETS UP INVENTORY > CREATIVE BUILD

- Publisher/Ad Exchange/SSP Sets up deal to enable TD to access specific inventory as per IO.
- Floor/ceiling price set up.
- Creative Agency commits final creative build of all formats and executions ready for delivery.

DAY 7: CREATIVE DELIVERY > CREATIVE QA BY TRADING DESK

- Once all assets have been built to spec, Creative Agency to supply to Trading Desk.
- This step may need to go through several iterations if Trading Desk checks identify issues in creative execution.
- QA of creative files and content — spelling; click macros; flash vrsn; size; general content.

DAY 7 1: TRADING DESK TRAFFICKS CAMPAIGN

- TD Team assign creative to inventory and sets to go live as per IO details.

+1 DAYS: TRADING DESK CONFIRMS CAMPAIGN LAUNCH

- TD Team confirms launch of campaign to Media Agency/Client — including an initial delivery report and screen grabs.
- TD Team to confirm if screen grabs created via a testing tool or live site grab.

AD HOC: TRADING DESK / MEDIA AGENCY MONITOR & OPTIMISE > PERFORMANCE REPORTING

- TD/Media Agency monitor daily/weekly/monthly delivery and optimises to ensure client ROI.
- TD/Media Agency provide campaign performance reporting to Client as required.

END DATE +2 DAYS: POST CAMPAIGN REPORTING > POST ANALYSIS MEETING

- TD provides post campaign report with primary insights and learnings to Media Agency.
- TD/Media Agency presents final campaign performance to Client.

THE IAB PROGRAMMATIC PLAYBOOK 2015 WAS
COMPILED FROM CONTRIBUTIONS BY THE FOLLOWING
IAB MEMBER COMPANIES

