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THE PROGRAMMATIC PLAYBOOK

A GUIDE TO PROGRAMMATIC ADVERTISING FOR THE BUY AND SELL SIDES

OCTOBER 2017

FOREWARD

The IAB's mission is to simplify the digital ecosystem and to inspire better outcomes from the channel - and this playbook delivers on both.

In an ever-complex world of acronyms and nuances on programmatic definitions, the contributors to this playbook have expanded and built out simple definitions of the programmatic landscape which were first developed in 2015. They have also taken a structured approach to address the key sell-side and buy-side areas of programmatic and to provide a lens on how to navigate the landscape.

Within the playbook you will find key focus areas such as the operational and technical requirements to embark or optimise programmatic processes, how to effectively and efficiently optimise the programmatic day-to-day and, importantly, how to scale these processes for continued growth and success.

This playbook provides an adaptable programmatic guide that will continue to be updated based on changes in the landscape. Importantly though, it has been designed to provide the reader with the strategic thought starters to build, maintain and sustain quality programmatic output for both sides of the ecosystem.

I hope that this playbook enables you to stay informed in making the best programmatic decisions to set your business up for future success.

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INTRODUCTION

The IAB Australia created its first Programmatic Playbook back in 2015. The purpose of this new and updated playbook is two-fold:

- To build upon the excellent work done previously by firstly bringing the information up-to-date and taking into consideration the recent evolutions in this space over the past two years.
- To build out a framework and foundation for regular, digestible and more frequent updates on key topics and themes. This will allow us all to be more constructive in how we react to the relentless changes in advertising technology but also to be more proactive in terms of the information and guidelines that we produce. We will produce this content in the form of a series, which we will call 'The Automation Series'.

Firstly, we will need to define the term programmatic and then, in order for us to look forwards – we will need to look back at where programmatic came from and how this has evolved.

DEFINITION

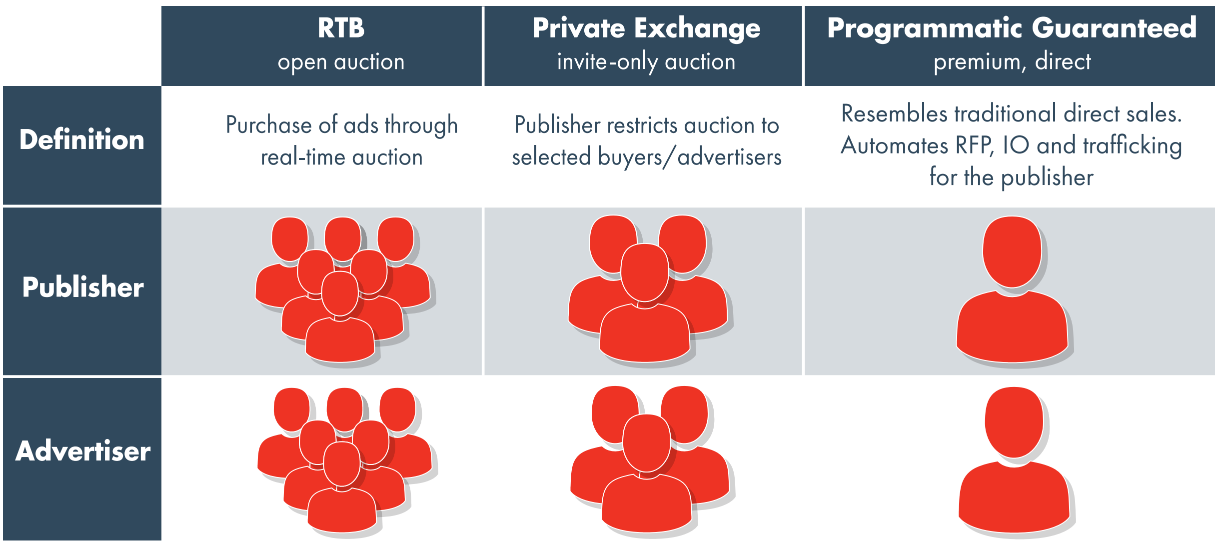
The simplest definition of programmatic is that it is the utilisation of software to buy and sell advertising. Additional key considerations are:

- It is not exclusive to any one medium, channel or product.
- Treat it simply as a mechanism, the principle benefit of which is automation.
- When used competently and appropriately the overall benefits are improved efficiency and effectiveness.

There are currently two main methods of programmatic buying:

1. Open market buying - advertising products purchased within advertising exchanges via real-time bidding (RTB) processes within real-time auctions. The bidding processes, auction rules and exchanges can vary depending upon the desired medium, channel or product.
2. Direct buying - advertising products purchased directly from a specified source. These can be executed as a guaranteed deal with predefined attributes or via an private auction-based marketplace (PMP), which whilst exclusive to that one buyer, is still executed using real-time bidding (RTB).

The different types of Programmatic Advertising



HISTORICAL BACKGROUND

Technically one could argue that the first programmatic product was Google AdWords, which launched as a search product in 2000.

For other digital advertising products however, it took another five years or so for advertising exchanges to emerge, largely run by larger entities such as Google and Microsoft, but also including the Right Media Exchange. At that time, the majority of media owners would either manage their own ad sales, outsource it to an ad-network or else manage a combination of the two. The primary concerns of both types of business was the average CPM yield being generated for any sold media and the overall sell-through rates of their inventory. Exchanges allowed for both media owners and ad-networks to more easily access advertiser demand in an auction-based environment.
However, the tools were quite rudimentary, the quality variable and the transparency on who was buying what was largely non-existent. As technology evolved this resulted in the emergence of supply side platforms (SSPs) from around 2008 who could provide better tools, visibility and controls for publishers. This also coincided with demand side platforms (DSPs) being developed as more powerful buying platforms giving the advertiser more control over what they were buying and for how much – all of which was being driven by the massive growth in available targeting data.

THE REMNANT EXPLOSION

Hence the operational tools available for media owners to better monetize their unsold inventory evolved exponentially. Sell-through rates improved dramatically, although the CPMs for remnant inventory remained fairly low due to the ability of DSPs to aggressively target any preferred consumers and the explosion of additional supply through the adoption of SSPs.

This would result in the majority of ad-networks becoming increasingly redundant and pressure grew on media owners to both justify the premium costs of any media being sold through their direct sales teams and to start collecting, managing and segmenting their audience data. Hence the increased adoption of data management platforms (DMPs) from around 2011 onwards.

INDUSTRY ADOPTION OF PROGRAMMATIC

These changes resulted in an explosion of initially open market buying and increasingly thereafter more direct activity via PMP's. The ease of execution via programmatic at scale as well as the seamless access to data made it operationally far more cost-effective for buyers to adopt these technologies. In return, media-owners began to focus product and sales efforts in this area in order to match the growing demand.

Increased adoption is inevitable, but there can be nuances to the technologies which often result in the related teams being treated in isolation. As programmatic increasingly standardises, these capabilities are gradually being shifted strategically into the heart of businesses – and the intent of this handbook and the 'Automation Series' is to continue to support this evolution. This is being done in conjunction with the efforts of the IAB Tech Lab in New York.

OPERATIONAL AND TECHNICAL REQUIREMENTS

Both sellers and buyers of digital advertising need to plan coherently in terms of both the proposed strategic outcomes and resources required when looking to build-out programmatic capabilities.
In this section, we will look at what is required in these initial stages and review things from both the buy-side and the sell-side for easier consumption.

OPERATIONAL AND TECHNICAL SELL-SIDE REQUIREMENTS

JONAS JAANIMAGI
EXECUTIVE CONSULTANT
IAB AUSTRALIA

As with any successful project, good planning is always critical. It is recommended that you always:

- Clarify the reasons for change
- Define what success looks like and establish appropriate KPIs
- Ascertain requirements in terms of resources, costs and technologies

Utilizing the IAB Tech Lab's 'Evolving Framework for Advertising Automation' we can easily summarise these overall requirements into three simple areas (purpose, task, process) as per the list and infographic on page 4.

In terms of resources, one must understand what people and skills are required in order to execute with excellence. You can have a great plan and all the best-in-class tech, but without good people it is doomed to failure. It is best that they care about the overall yields and revenues of your business, not just the programmatic numbers. Start by asking these simple questions:

- Do we have the right number of people in place?
- Do they have the right skills and experience?
- Who is responsible for what?

Improving the operational capabilities of your teams using programmatic technology should feel like a very natural evolution to your Operations and Product teams. With the right resources and talent on-board, it will mainly require competent management to support its adoption and the ongoing development of staff skills.

Blending the abilities of both your traditional operations staff and programmatic specialists is an important aspect of how you structure your teams. A common error is to create silos across internal teams based upon various products and channels, failing to treat programmatic simple as a mechanism.

Traditionally one looks to three areas that require resourcing, but there are often hybrids that span these disciplines.

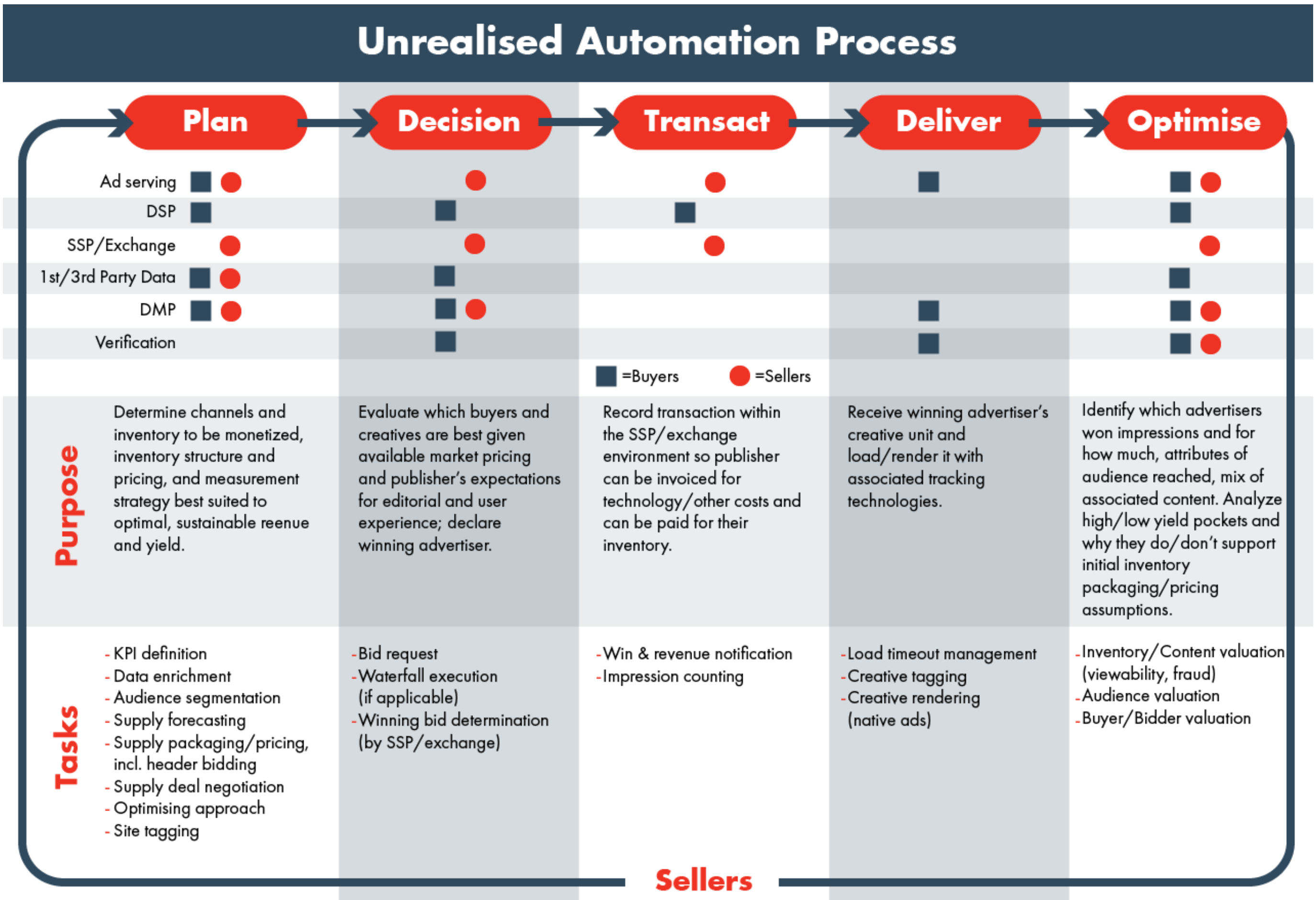
1. Commercial – strong understanding of market needs combined with an analytical approach to any of the results. Ensure that their view and influence is a holistic one across the entirety of the organisation.
2. Operational – the day-to-day work within platforms, establishing workflows and processes and also adhering to internal and external SLAs.
3. Technical – consulting on vendor integrations, providing technical solutions to improve performance and technical support in terms of fixes and enhancements.

In terms of technology, the options can be fairly broad and will most likely depend upon your current vendor mix. Start by consulting with your current solution providers for feedback but always be prepared to think strategically about what your needs are. Consider these points below:

- What does success look like to other stake-holders in the business? Try to align.

Take a holistic approach. What tech has to integrate with what other tech across your business? Internal cross-business and cross-functional engagement is often key.

- Get your hands really dirty in any RFP process. Test everything you can and do your due diligence. Work appropriately with your Procurement team, if they exist and if required.
- Build trust for the long term with the vendor. It's a relationship, they need to understand your business and you need to remember that things will go wrong.
- Stay on top of what's happening in the product space across the industry and seek early insights to and influence over the vendor's product roadmap.



OPERATIONAL AND TECHNICAL BUY-SIDE REQUIREMENTS

GIL SNIR
FOUNDER & CHIEF COMMERCIAL OFFICER
BENCH

When it comes to running programmatic campaigns, the technical side of the process can often seem overwhelming. Especially, if you are still in the nascent stage of your journey.

There's your DSP for buying ad inventory, your DMP for managing that all-important audience data, various analytics tools for monitoring the performance of your media channels. And the list of technologies just goes on... Not to mention that you have to ensure these systems all play nicely together.

And each year, the programmatic 'stack' just keeps growing. As a marketer new to programmatic, where do you even start?

MEASURE TWICE, IMPLEMENT ONCE, SCALE INFINITELY

As with most things in marketing, the key to ensuring a smooth implementation of a programmatic stack is to plan ahead. This goes beyond just figuring out how much of your media budget you can allocate to the undertaking.

This is about strategically planning your programmatic 'stack' and what core technologies to include in it. And it's crucial to involve your IT team from the start to save yourself from post-implementation headaches.

This is about strategically planning the core technologies that will be included. It's crucial to involve your IT team from the start to save yourself from the programmatic equivalent of a toppling Jenga tower.

YOUR PROGRAMMATIC OPERATING SYSTEM

Here is a list of technologies that will form the core of your 'programmatic operating system:

- **Data Management Platform (DMP)**
  This is the beating heart of your setup that holds all of the audience data your other systems will use.
- **Demand-Side Platform (DSP)**
  Depending on your media strategy, you may need one or several of these. A DSP actually helps you buy the ads.
- **Cross-Channel Ad Management Platform**
  You need a tool that will allow you to manage and optimize all of your programmatic channels without having to log into multiple systems or platforms.
- **Unified Analytics Dashboard**
  In addition to managing your campaigns using one tool, you want to track everything from a single place. Programmatic is complex enough and the last thing you want is having to rely on unruly spreadsheets for managing ads.
- **Tag Management System**
  To help with analytics, you need a way to keep tabs on campaigns for reporting purposes. Tag management will greatly simplify your life.

WE HAVE BLAST OFF... BUT HOW TO STAY THE COURSE?!

Implementation is only half the battle when it comes to getting your programmatic strategy on track. As mentioned, you want your IT team assisting during each phase of the roll-out.

But once you reach the stage where it's 'all systems go,' you then have to ensure your marketing team is ready to start running campaigns. This goes beyond your new technology stack. It's all about strategy and the operational framework you put into place.

Here are some things to be aware of:

- **Clarify Media Strategy**
  Have a clearly defined media strategy and a solid understanding of who you want to reach. Without this, you're bound to waste ad dollars. Potentially, lots of them.
- **Define Responsibilities**
  Whether you rely on in-house or outsourced help, create a detailed breakdown of the tasks that will need to be managed by each person involved in the programmatic campaign management process.
- **Love Your Data**
  Know your data intimately. Like the back of your hand in fact. Because the quality of your audience data directly affects the quality of your campaigns. In programmatic, garbage in equals garbage out - multiplied by a thousand!
- **Know Your Limits**
  Understand your platforms and their limitations. Regardless of the actual configuration of your programmatic stack, each system in the chain will have its limiting factors. Build processes into your operational model to compensate for this.
- **Embrace Failure**
  Test everything. Especially, at the beginning of your journey. The more mistakes you make at the start, the better off your campaigns will perform over time. Also, have a process in place to methodically iterate on your creative and messaging.

IT'S A BIG PROGRAMMATIC UNIVERSE OUT THERE - DON'T GO IT ALONE

When it comes to the selection of a programmatic vendor, there are two types of partners who can serve you: agencies and technology platforms. These days, both often provide a hybrid service model.

So a programmatic platform may offer a managed service or an agency may closely align its operations around a particular technology stack. Which option you decide to go with depends on the existing resources of your marketing team, both human and technical.

Be mindful of the following when selecting a programmatic partner:

- **Service Level**
  How much hand-holding does your team need? This will determine whether to lean towards an agency or a platform.
- Transparency
  The programmatic waters can often be murky. Make sure your vendor is unambiguous in their dealings with you.
- **Technology Stack**
  This will highly depend on your own programmatic setup. If you choose to fully outsource this then ensure you have a very good grasp on the technology solutions your potential vendor uses. Depending on the scope of their offering, you will need to ensure their stack is compatible with and complements your own.
- **Data Privacy**
  This is also dependent on how much of your programmatic stack you choose to outsource. If your vendor manages your data, make sure you understand exactly how it will be stored and used.
- **Accurate Metrics**
  Establish a measurement framework and ensure that clear KPIs are in place that will be monitored accurately over the life of each campaign. This should also include alignment around the chosen attribution method.
- **Brand Safety**
  Understand what checks and balances will be put into place to ensure your brand is not adversely affected as a result of running programmatic campaigns.

IT'S THE PEOPLE THAT MATTER, NOT THE MACHINES

While configuring your programmatic team is beyond the scope of this piece, it is important to be aware that it's people who power the technology. Your stack will lay the technical foundation but it's usually just a handful of talented individuals who will be accountable for the success of your programmatic strategy. Choose wisely.

OPTIMISING EFFICIENCY AND EFFECTIVENESS

Having established teams, processes and an operating rhythm – operations teams will always need to find ways to work more effectively and efficiently day-to-day.

In this section, we will look at what is required to try and run your programmatic teams more efficiently from both the buy-side and the sell-side for easier consumption.

EFFICIENCY AND EFFECTIVENESS BUY-SIDE REQUIREMENTS

CARLIE YOUNG
SALES DIRECTOR NSW & QLD
EXPONENTIAL

INVESTIGATE

Choose your partners carefully.

It sounds simple, but we often work with clients who have previously run into difficulties simply by selecting the wrong partners for their particular campaign. They weren't necessarily 'bad' partners, just the wrong fit for the campaign goal.

It is important to ensure that the partners you select each bring something unique and that their role is clearly defined. This is critical as it will ultimately impact the success metrics (more on this below). For example, if you are looking for a prospecting partner then you need to be asking about their track record through the lens of attribution of first impression; if you are looking at a re-targeting partner then ask how they are converting your audience based on last click conversion.

For pure performance campaigns, it can also pay to use a three-way model of preferred partner, second preference (to keep the primary partner honest) and challenger (to test service and performance levels). It pays to encourage an element of healthy competition.

Having an attribution partner in place will allow for the campaign spend to be correctly attributed to the right partner. They will take you on a customer mapping exercise to outline the role of each partner, for example will Partner A do a better job of bringing new people into the funnel while Partner B does a better job at driving conversions? Or does Partner B have more touch points along the entire consumer journey than Partner A?

Goals: ensure they are clearly defined and understood by all partners

Naturally, setting out clear goals is a prerequisite of any campaign but it is critical for effective programmatic optimisation - it defines what you are going to optimise towards.

Cost Per Acquisition (CPA) goals, viewability targets, brand safety and attribution considerations all have significant ramifications on optimisation.

For example, brand safety concerns will increase CPA as it will preclude optimising across a broader audience. Similarly, higher viewability parameters will mean paying a higher cost for guaranteed percentages. When it comes to attribution, it is important to understand what is being valued – is it last click or first impression? This will impact on optimisation efforts.

Agreeing on any campaign goals and parameters upfront is important to avoid any challenges or miscommunication regarding responsibilities, delivery and performance and will improve overall efficiency and effectiveness.

TIMING

Effective optimisation requires pre-campaign preparation.

For optimal results, it is important to consider what actions partners need to make before the campaign begins and factor them into the timeline.

For example, when Exponential are setting up a performance campaign, we ask clients to insert tags on the homepage, as well as on their conversion pages. This enables us to immediately gain visibility into what they are visiting and converting audience are doing. We prefer to run the tags for 30 days before a campaign begins in order to develop effective machine learning models; the algorithm needs to pre-learn.

Similarly, if you have engaged a data partner to seek out a custom audience then you will need to give somewhere between 30-60 days to allow the audience to be built out in order to use as part of the optimisation efforts.

The nature of machine learning is that it gets better over time. Make sure you give it time.

PREPARATION

Do your housekeeping

This is of particular importance if you are using a private deal. Ensure that you're applying blocking, site lists, metrics and price floors consistently (and don't get tripped up by forgetting something as simple as ensuring all tags are https!) so you can avoid discrepancy spikes in the chain.

SUCCESS

What does it look like and how will you find out?

If you have clearly defined goals, it also makes it easy to define and agree success metrics up front – this is important as often the campaign will need to be set up in such a way to allow collation of the appropriate metrics between the various partners.

Make sure you understand 'how' you will be finding out about the success of your campaign.

How will you receive the reporting?

Will it be self-serve or will it be piped into a system you already use?

How are results going to be aggregated?

Ensure regular third-party reporting is set up to keep on top of smooth delivery and pacing.

Importantly, if it is self-serve, is your team trained to evaluate and apply learnings for the next campaign? Either way, you need to be comfortable with the level of transparency of the results mechanism from the outset. Once the campaign has run, it is impossible to retro-fit.

COMMUNICATION

It's an ongoing conversation

No matter how well you set goals and prepare during the pre-campaign phase, it is critical for all stakeholders to keep talking during the campaign. Make sure you provide updates if anything changes and be receptive if, for example, the data is indicating a higher price might be required to meet viewability targets.

If goals aren't being hit, there could be a specific reason for that. Each player will have their own data available to them but it's incumbent to keep talking in order to tweak and refine along the way.

Open communication is critical for overall success.

EFFICIENCY AND EFFECTIVENESS SELL-SIDE REQUIREMENTS

BEN SHARP
VICE PRESIDENT AND MANAGING DIRECTOR, APAC
ADROLL

Before beginning a campaign, marketers should meet with key stakeholders to gain clarity on their goals and what makes sense for the business. Define clearly with the client what success looks like to them and how they want to measure success with each element of the campaign.

Once KPIs have been set and the campaign launched, a clear set of operations must be employed to ensure everything is ticking along. Your daily operating workflows can be divided into two categories:

- **Campaign Performance**
  Make sure that campaigns are scaling while hitting any performance KPIs.
  Make optimisations for campaigns, starting with the highest revenue campaigns first.
- **Troubleshooting**
  Make sure that the pixel is tracking correctly.
  Make sure that the audience segments are populating.
  Make sure ads are current and serving.

Advertisers should be receiving a number of reports, as standard. These performance reports should be insightful, easily readable and allow clients to share both a top level and in depth view of their advertising spend with other stakeholders in the business.

Types of reports for clients:

- Full funnel reporting to highlight influence at every stage of the funnel.
- Clear campaign and ad level reporting for insight into the best optimisations.
- Attribution reporting to highlight specific conversion paths - how each strategy/campaign/device works together to drive toward the specified KPI.
- Attribution reporting to understand performance numbers within different attribution models.

Excellent reporting is just one part of providing world-class client service. Educating your client, helping them keep on top of changing standards and new products and features along with changes to the industry are all the responsibility of the account manager.

An excellent account manager:

- Provides transparent metrics that can be substantiated by the tools the client uses.
- Provides insights and data that could be applied to other marketing initiatives.
- Listens to goals and ensures messaging is never static and is given attention when needed.
- Is open about what is working and what is not and what is being done to improve
- Makes the client an expert with resources and thought leadership.
- Makes the client look like a hero within their organisation.

In order to give clients, the best possible service, collaboration is key. Understanding who key stakeholders are across different departments and keeping them informed of progress or setbacks along the way and what steps are being taken to ensure success is the key to a successful campaign.

Once you've identified key stakeholders in different departments follow the below steps to ensure a strong relationship:

- Prior to kicking off campaigns, hold a stakeholder meeting where you get aligned on goals, success metrics and responsibilities.
- Hold regular, recurring check-ins with all stakeholders to inform on any issues, opportunities or new information that impacts the client.
- Keep communication lines open so that any internal stakeholder update reaches all impacted internal teams seamlessly.

SCALING SUCCESSFULLY FOR THE FUTURE

Having established plans and teams, built some positive momentum and optimised effectively – how can businesses then look to scale more effectively for the future?

In this section, we will look at some pointers and suggestions as to how one can try to scale programmatic operations for the future, on both the buy and sell sides.

SCALING SELL-SIDE REQUIREMENTS

JONAS JAANIMAGI
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IAB AUSTRALIA

As with any forward planning projects, good planning is always critical. In trying to scale successfully on the sell-side consider looking at these areas:

- Strategically enable opportunities related to first, second and third-party data
- Fully leverage your key strategic and vendor partners for growth
- Establish an effective and self-sufficient 'test and learn' internal culture

SCALING FIRST, SECOND AND THIRD-PARTY DATA OPPORTUNITIES

Along with the more obvious benefits related to operational efficiency and effectiveness, the majority of the core benefits of programmatic are related to data. The ease and speed of execution against data segments brings about incremental opportunities in enriching owned and operated media inventory through data, as well as the option of acting as a third-party provider if deemed appropriate.

Most media owners are as standard starting to make the most of their behavioural signals via DMP's or other identity vendors. See our Data Handbook for more guidance on this see the [Data Best Practice Handbook].

However, it is the surfacing of and management of first party data that sits within many organisations that often remains underutilized. Concerns around governance and usage can be an issue but the value of in-house owned first-party data in enriching the value of media inventory cannot be underestimated. The resulting commercial options are much more meaningful and far broader. Once productised, testing via programmatic channels is highly recommended as it is much easier and true commercial insights are available almost immediately.

Once tested, validated and productised another option is to consider monetising your first party data via other parties. This can be in the form of a data co-op with another party (second party) or else enriching other third parties' media inventory with your data (third party).

Should you be unable to gain access to any owned and operated first-party data, then consider accessing either second or third-party data sets to enrich your inventory sales. Again, executing and testing via programmatic channels is the quickest route to success.

SCALING YOUR PARTNERSHIPS

Quality first party data will give media owners more options in how they can trade with both buyers as well as other sellers, as longs as there are appropriate relationships in place.

Finding the right partners to trade and work with is critical and trust often plays an important part in the negotiations. Governance and commercial sensitivities remain paramount. Combing audiences and inventory with other media owners can be attractive but must offer value to all involved and be contractually and technically water-tight. This extends to both potential buyers and sellers of your audiences and associated media.

Alongside this leveraging the capabilities, relationships and thinking of your key technology vendors is also advisable. Spending quality time with vendors, inputting into and influencing their product road maps, networking through their partner channels and sharing IP is common best practice. Establishing and nourishing a genuine partnership can have enormous strategic benefit for all involved and having a strong co-operative working culture can have many positive effects.

SCALING YOUR INTERNAL CULTURE

Having built out the operational capabilities and utilised the key strategic relationships in terms of vendors and commercial partners, the next step is to enable an internal culture that allows for and embraces innovation that can run concurrently with any 'business as usual' roadmap.

Often the trick here is to not build too much structure into the regular operating rhythm of the product and operations teams and ensure that they are appropriately supported by your internal tech/dev ops resources.

SCALING BUY-SIDE REQUIREMENTS

DYLAN McBRIDE
COMMERCIAL DIRECTOR
APPNEXUS

Ten years into the programmatic age, many CMOs remain sceptical as to whether this technology can elevate their brand marketing. Lingering trust issues resulting from invalid traffic, brand safety, and a lack of marketplace transparency have served to restrain their adoption of programmatic advertising on the open internet. However, a number of long-term strategies will address key challenges and unlock better performance for advertisers.

VIEWABILITY AS THE DEFAULT CURRENCY

Today, when an advertiser buys programmatically on the open internet, as many as half of the ads they're billed for may not have been viewable. In other words, 50% of their marketing budget may have been wasted in the blink of an eye. Marketers should expect viewability to become the default programmatic currency by working with technology partners that charge only for ads that actually scroll into view.

A CLEANER SUPPLY CHAIN

Viewabilty is just one component of campaign efficiency. Another is supply path optimisation, which maximizes how much of your investment flows directly to publishers that produce quality content. Intermediaries may take 25 percent or more of your programmatic spend.

That means, for example, a marketer spends $100,000 on advertising. In today's programmatic ecosystem, one can assume intermediaries take about 25 percent of that investment. Combined with an industry-wide viewability rate of approximately 50 percent, that leaves only around $37,500 of the original budget is put towards "working media." This is clearly unacceptable.

Premium publisher exchanges should cut out low-value intermediaries to direct spend along the most efficient path between buyers and sellers. This is even more important in the age of header bidding, which has caused bid volume to dramatically increase. Moreover, transparent and efficient auction mechanics will ensure that advertisers pay a fair rate for each impression. Additionally, blockchain, while a nascent technology, has significant potential to usher in an era of greater transparency by compressing the ad tech tax so detrimental to both the buy- and sell-side.

SMARTER TECHNOLOGY THROUGH MACHINE LEARNING

Until recently, much of the data analysis informing real-time bidding involved manually sifting through information about clicks and using statistical methods to identify behaviours and guide bid prices. But while humans can identify numerous meaningful sequences in data, machine learning algorithms can find significantly more. For instance, they could reveal consumers are more likely to click on a certain type of ad at a particular time of day, or more likely to click on a fashion ad on their smartphone than on their desktop.

When particular creative components are seen to inspire higher response rates than others, the system will automatically adjust the display, video, or audio ad. As the campaign progresses, the custom bidding logic continually learns and adapts, delivering progressively improved performance.

The advent of machine learning represents a bold departure from the generic “off-the-shelf algorithms” that are identical across all clients and cannot adapt quickly to performance fluctuations, nor take advantage of all data insights.

Standardised identity frameworks

The lack of a common people-based identifier means marketers face challenges in coordinating campaigns across formats and channels. Companies in the programmatic ecosystem rely on their own cookies or device IDs to anonymously identify audiences. As such, consumers are assigned many identifiers, which causes fragmentation and data loss. As a result, advertisers have a decreased understanding of consumers, less effective targeting, frequency management, optimization, and attribution.

Champions of the open internet are working together to form an identity consortium – a standardised framework that will make people-based marketing widely available. This will help marketers increase scale and recognition in programmatic campaigns, target cookie-less inventory as easily as display, and improve the customer experience and Return-on-Advertising-Spend by linking data from customer files, offline channels such as in-store purchases, and media exposure in a secure, shared domain.

Together, these initiatives support an open ecosystem that gives marketers end-to-end control over where their digital spend goes and creates a fair auction for advertisers and publishers alike. A more efficient and transparent supply chain creates a better internet for all.

CONCLUSION

As mentioned in the introduction, the intention of this playbook is to leverage the work done in our previous 2015 handbook and support both those that are completely new to the programmatic space. We hope that you have found the content enough to get you started, help build an awareness of what to be cognisant of and given you the confidence to grow your capabilities.

For the more advanced we want to kick-off a series of shorter and more digestible pieces of content, focusing on specific topics in more detail. This will be called the ‘Automation Series’ and our first topic will be header bidding. The intent is to release our first topic by the end of 2017.

Please find an introduction to header bidding below, as a conclusion to this playbook and as a precursor to the Automation Series.

HEADER BIDDING

Publishers have traditionally worked with only one major exchange at a time when offering out inventory for auction via real-time-bidding. It’s essentially the same as having your product available for sale (at the highest price offered) in only one shop window. Header bidding (or prebid) allows publishers to offer their inventory to multiple ad exchanges simultaneously. The increased demand results in an increase in their yield for the products being offered for sale as well as higher sell-throughs overall.

However, the additional efforts within the browser to match all the ever-increasing resulting bids put an additional strain on site page loads and requires extra effort from the incumbent ad-server delivering the winning ads cleanly on the pages. Vendors therefore produced ‘wrappers’ that help publishers manage the page integration of all of their various header-based bid partners on the page. This cleaned-up the related admin but not necessarily the site speed and the resulting negative consumer experience.

Hence the current evolution of server-to-server bidding. This ensures that only one call is made out from a publisher page and the multiple action process happens on a vendor’s server externally, before being passed back to the publisher. More bidders can now access the inventory on offer without impacting site speeds and the resulting poor user experiences. See the image to the right for a visualization of the process.