PROGRAMMATIC ADVERTISING TRENDS

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Evolution of Digital Media & Advertising
Innovation Expands the Supply Chain

Traditional Media
Publisher  Advertiser

Digital Media
Publisher  Ad Server  Advertiser  Ad Server
Programmatic Spend

- 83% 2018
- 87.5% 2021

- 17% of Programmatic Spend will be directed to Open RTB by 2021

- Balance of spend moving to Programmatic Direct and Private Marketplace

*Source: April 2019 eMarketer Programmatic Spend*
Ad Spend Trending Toward Quality

Open RTB

Direct/Private

Supply

Demand

Supply

Demand
Digital Buyer Expectations

Buyers want quality media environments and specific audiences

- Brand safety
- Relevant audience
- Operational efficiencies
- ROI
What is Programmatic Anyhow?

- Automated, technology driven, data informed
- In theory, it replaces the traditional use of manual RFPs, insertion orders and reporting
- More and more programmatic is Proga-Manual
What is Programmatic Anyhow?

What does it mean to be Progra-Manual?

- Setting up the inventory takes people
- Pricing, floor settings, report aggregation
- People, people, people
What is Programmatic Anyhow?

Programmatic Advertising is the **automation of advertising/media transactions**.

This typically involves **machine-learning decisioning** and both **biddable and non-biddable inventory**, but currently relies on **human input to create rules** for both the buy and sell side.

Some examples of programmatic:

- Facebook
- Google Adwords Search
- Display Open Auction
- Private Marketplace
What is Programmatic Anyhow?

Transaction Dynamics (Pricing)
What is Programmatic Anyhow?

The Buyer’s Focus (In Theory)

**Previous Focus**
- Lower CPMs
- Targeting
- Speed
- Efficiency

**Current Focus**
- Lower CPMs
- Targeting
- Speed
- Quality
- Efficiency+

The definition of efficiency changes from lower cost to eliminating waste by paying the right price for each impression.
Leveraging Your SSP (Supply-Side Platform)

Reporting
Automation and Campaign Management and Measurement
Why does Brand Safety matter to you – the Publisher?
The Importance of Viewability

- Marketers buy media to reach eyeballs.

- Digital media presents a unique and exciting opportunity to directly measure whether an ad was in-view of a consumer.
Brand Safety Protocols

Requirements to Participate in Today’s Programmatic Market

► Note that for some agencies/advertisers, the standards are even higher

► Video ads require 100% in view for a minimum of 50% of the time

► The MRC (Media Rating Council) accredits companies to monitor and track viewable ads
Audience Extension Expands Scale and Revenue Potential
“If there’s anything the digital world has taught us over the last two years, it’s that context matters. Beyond just thinking about PMPs in terms of viewability, verification and price-based value, OMD will look to understand context as part of our value equation for investment. Can empathy give us a lens to evaluate the difference between a Facebook news feed ad and a streaming video ad. Context and content matter a hell of a lot more than we’ve given due.”

George Manas,
President, OMD
Audience Extension Example

SCENARIO A:
MICROSOFT HAS $100K BUDGET TO PROMOTE A NEW SOFTWARE

THEY REACH OUT
They love your audience.
They want you to be part of the launch.
They RFP you for $25k.

The RFP is $25K
You pitch $25K
You close $25K

YOUR PITCH
$25k combination of your print and online products.
SCENARIO B:
MICROSOFT HAS $100K BUDGET TO PROMOTE A NEW SOFTWARE

THEY REACH OUT
They love your audience.
They want you to be part of the launch.
They RFP you for $25k.

The RFP is $25K
You pitch $75K
You close $50K

YOUR PITCH
$75k combination of print, online, plus your audience once they leave your site.
Includes strong mix of desktop, mobile and video.
Thank You!
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