How Does Programmatic Marketing Change The Aspects of Campaign Planning And Their Structures?

Jost Löhnenbach
Media Hungary, Siófok, 12/05/2015

DataXu
Data. Insight. Action.℠

Leaders in Industry Innovation

Scientific

Data Science born out of MIT and Used by NASA

Seasoned

Founding team still at the helm

Innovative

"DataXu is the number one offering in market"

Global

Operating in 50 countries

Aligned

Born as a software company, not an ad network

Successful

#1 Fastest Growing Advertising & Marketing Company

Definition: Programmatic Marketing

- ✓ An automated marketing approach
- ✓ that uses data, analytics, and real-time software
- ✓ to deliver the most relevant message
- ✓ to the right person
- ✓ in the right context
- ✓ for optimal return on investment.

Changes in Consumer Behavior:
Who is the Omni-Channel Consumer?

Morning   Afternoon   Evening
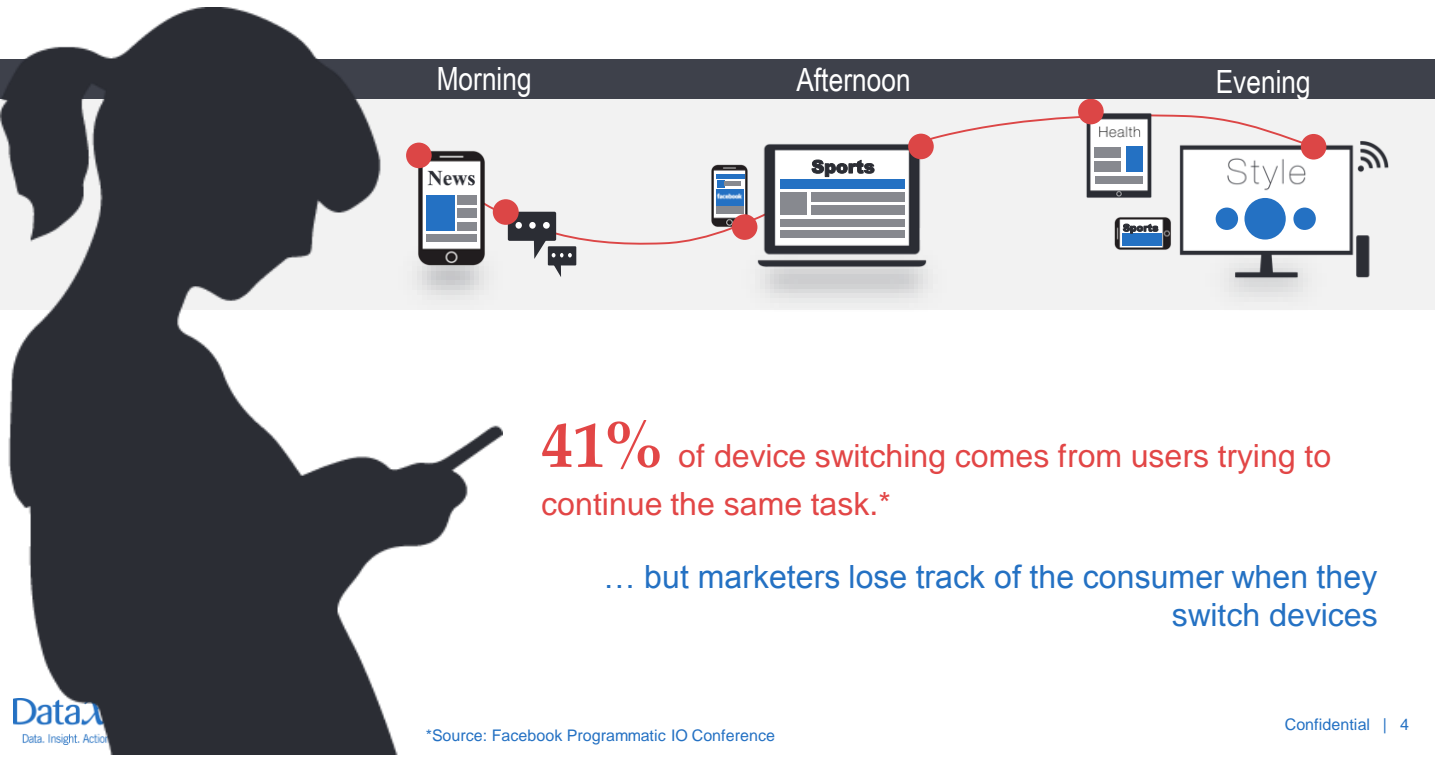
41% of device switching comes from users trying to continue the same task.*

… but marketers lose track of the consumer when they switch devices

What Marketers Want

Accurate Frequency

Unified counting across all devices

Message Control

Sequence messages across devices

Improved Efficiency

Deduplication of Channels

Conversion Path in Real Time

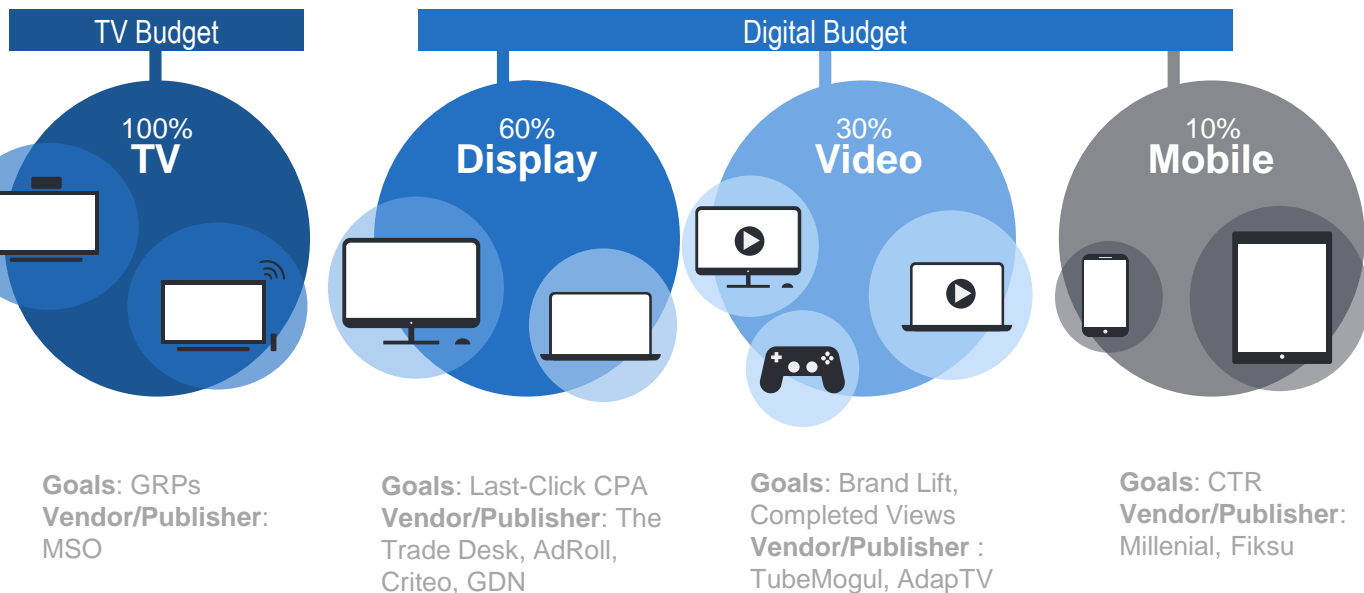See multi-device conversion and path analysis
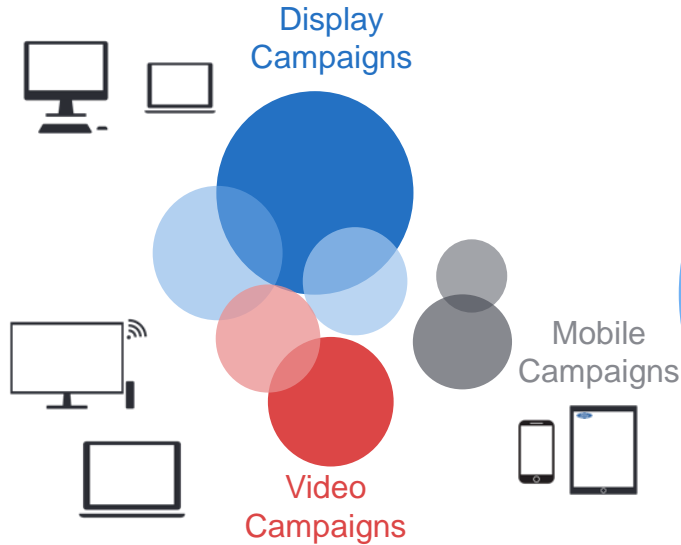
Link TV Campaigns

Bridge digital and TV campaign data

Channel-Centric Planning is Inefficient

**Siloed Channels make it difficult to switch budgets, optimize, and report**

TV Budget

100% TV

Goals: GRPs
Vendor/Publisher: MSO

Digital Budget

60% Display

Goals: Last-Click CPA
Vendor/Publisher: The Trade Desk, AdRoll, Criteo, GDN

30% Video

Goals: Brand Lift, Completed Views
Vendor/Publisher : TubeMogul, AdapTV

10% Mobile

Goals: CTR
Vendor/Publisher: Millenial, Fiksu

Engage Customers, not Channels

Display Campaigns

Mobile Campaigns

Video Campaigns

Channel-centric

Fragmented Budgets and
Operations
Manual Optimisation
Slow to react
Poor consumer intelligence
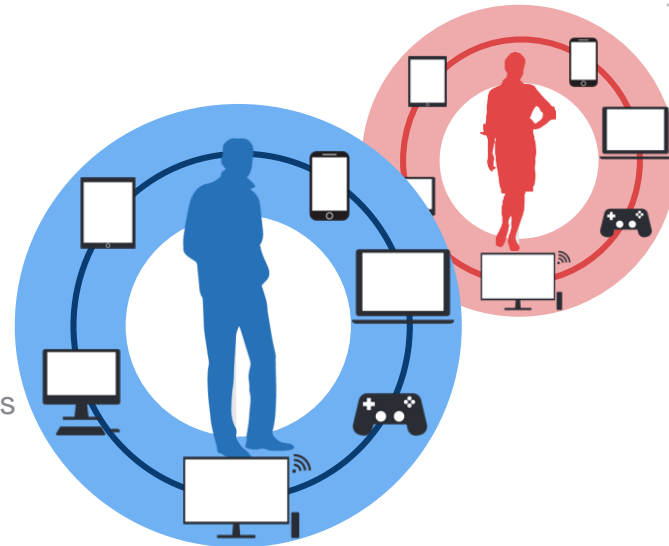
Customer-centric

Single view of the consumer across
devices
Real-time Optimisation
Dynamic allocation of budgets
→ Improved Marketing ROI

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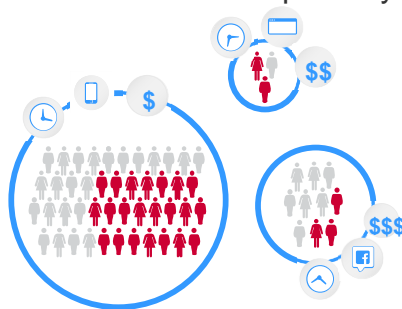
The Programmatic Difference

Traditional Execution

- Plan and revise quarterly
- Buy blocks of impressions
- Fixed price dynamics
- "Averaged" audience insights
- Static
- Faith & Opacity
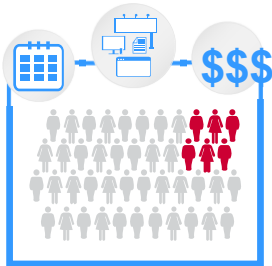
Programmatic Execution

- Execute and optimize in real time
- Buy individual impressions
- Dynamic pricing efficiencies
- 1:1 consumer insights
- Dynamic
- Science and Transparency

Traditional Planning vs. Programmatic

Classic planning is based on fixed values

- Volume-time-booking

Budget	Impressions	Clicks

Real-Time-Advertsing is dynamic and only has the budget as fixed value

- Budget-(time)-booking
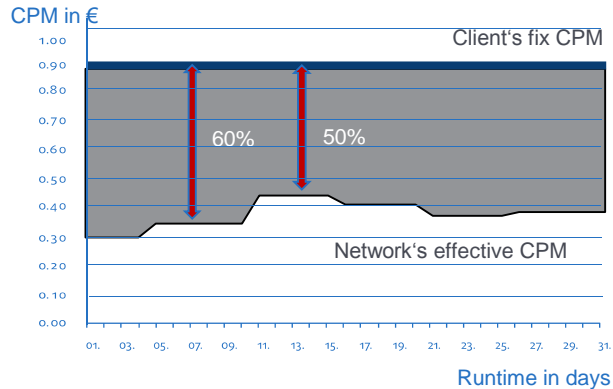
dCPM/IMPS   eCPC/Clicks

Budget

Conclusion: Real-Time-Advertising optimizes towards maximum ROI.

Important: Additional adserving costs (due to overdelivery) need to be taken into consideration.
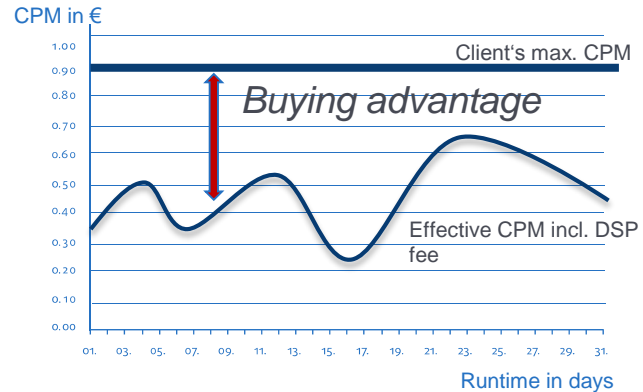
-> ToDo: Mediaplans need to adapt to dynamic models.

Traditional Planning vs. Programmatic

Traditional Planning	Programmatic Planning

Traditional Planning chart:

CPM in €

Client's fix CPM

60%   50%

Network's effective CPM

Runtime in days

(y-axis: 0.00, 0.10, 0.20, 0.30, 0.40, 0.50, 0.60, 0.70, 0.80, 0.90, 1.00)
(x-axis: 01. 03. 05. 07. 09. 11. 13. 15. 17. 19. 21. 23. 25. 27. 29. 31.)

Programmatic Planning chart:

CPM in €

Client's max. CPM

Buying advantage

Effective CPM incl. DSP fee

Runtime in days

(y-axis: 0.00, 0.10, 0.20, 0.30, 0.40, 0.50, 0.60, 0.70, 0.80, 0.90, 1.00)
(x-axis: 01. 03. 05. 07. 09. 11. 13. 15. 17. 19. 21. 23. 25. 27. 29. 31.)

Fractured Execution Leads to Misalignment

Publisher Site

USER

Publisher Best Strategy

Advertise to users who are likely to convert anyway – gain attribution credit

When it's unclear to whom to advertise, advertise at random

Spend all the budget

Advertiser Best Strategy

Advertise causally – create measureable lift

Unlimited pool of users means you can get scale with profitability

Allocate budget across publishers to get the best ROAS

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Complete Media Buying <u>Everywhere</u>

Direct Buys	Private Exchange	Open Exchange
index	**NOSALTY**	**Google** spotXchange **Facebook Exchange**
✔ Chosen environment	✔ Chosen environment	✔ Contextually relevant
✔ Chosen placements	✔ Audience targeting	✔ Audience Targeting
✔ Audience Targeting	✔ Auction Price with Minimum	✔ Auction Price
✔ Right ad	✔ No guarantees	✔ Display, mobile, social, & video
✔ Pre-negotiated price	✔ Display, mobile, & video	

Programmatic buying across **100% of your digital media plan.**

Programmatic Marketing in Practice: 5 Factors of Success

1) Campaign Goal And Attribution Model
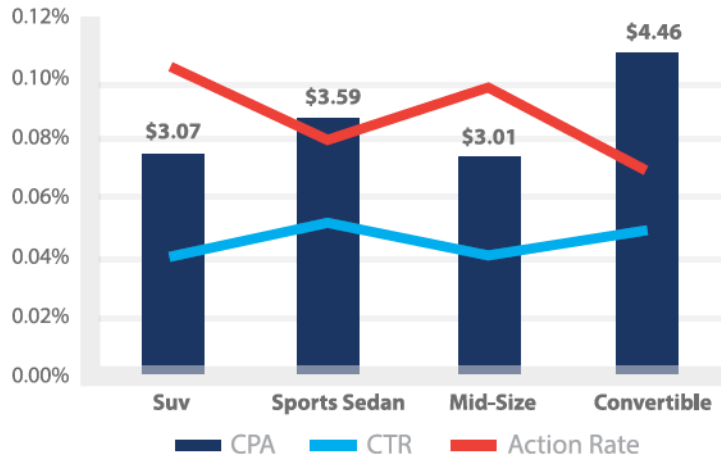
Take Aways:

1. Plan, optimize and measure campaign **success** based on **metrics** directly **tied to actions**

2. Identify **actions** that **demonstrate significant interest** in your campaign

3. **Value the View**: Focus on audiences that have a propensity to convert

Source: Out with the Old

2) Data Strategy

1. Leverage 1st party data. It's the advertiser's data, not the media owner's.

2. Data strategy example:
  1. Learning Pixel:
      1. Homepage
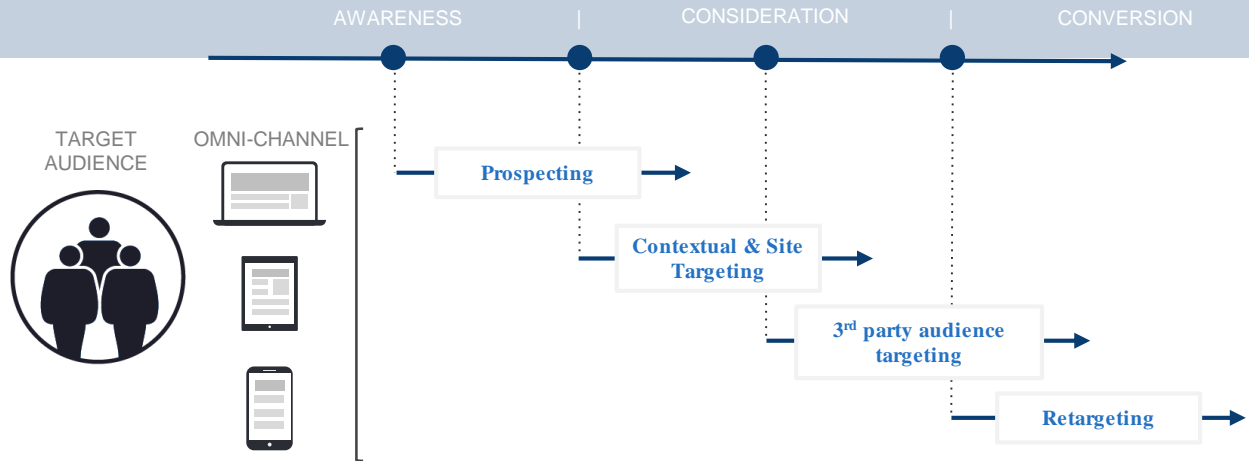   2. Landingpage
      3. Shopping Cart/ Order Process
  2. Conversion Pixel:
      1. Soft Conversion
      2. Final thank you page

3. Ask for learnings: How does your data influence your marketing investments?

3) Enhance Performance At All Points During the Sales Funnel

AWARENESS | CONSIDERATION | CONVERSION

TARGET AUDIENCE

OMNI-CHANNEL

Prospecting

Contextual & Site Targeting

3rd party audience targeting
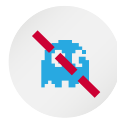
Retargeting

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4) Brand Safety & Viewability: Buying Faces, not Places

Suspicious Clicks

**Quality Scoring & Fraud Protection**

Malware and Virus Scans

BRAND SAFETY

LEVEL 1

$

AD EXCHANGE FILTERS

BASIC BRAND SAFETY PROVIDED BY EXCHANGES BLOCKS MOST OBJECTIONABLE CONTENT

LEVEL 2

$$

DYNAMIC SEMANTIC BLACKLIST

REMOVES CONTENT IN IAB "NON-STANDARD" CATEGORIES. ALLOWS ANONYMOUS INVENTORY.

LEVEL 3

$$$

DYNAMIC SEMANTIC WHITELIST

DOES NOT ALLOW UNCATEGORIZED, ANONYMOUS, OR IAB "NON-STANDARD" INVENTORY.

LEVEL 4

$$$$

CLIENT LIST

CLIENT SPECIFIED SITE LIST

INCREASING BRAND SAFETY DECREASES REACH AND INCREASES COST OF MEDIA

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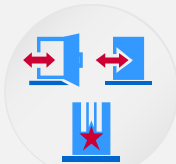# 5) Choosing a <u>Programmatic Partner</u>

Transparency

Offers clear view into price, tactics, placement

Omni-Channel Creative Decisioning
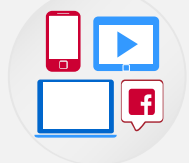
Engages buyers on every device with the right message – every time
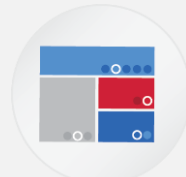
Global Scale

Applies decisioning to RTB, private exchange & direct buys

Industry Innovators

Services team educates, helps execute & innovate

Consultative Approach

Industry leaders to develop and implement programmatic strategy

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Success Story: Automotive

Targeting Tactics Work Together To Fuel Performance: Prospecting complements Retargeting

Prospecting Plays a Key Role in Driving Conversions

New Leads Driven By DataXu

Hand Raisers Coming to Site

Prospecting

Retargeting

3%

46%

51%

Conversions
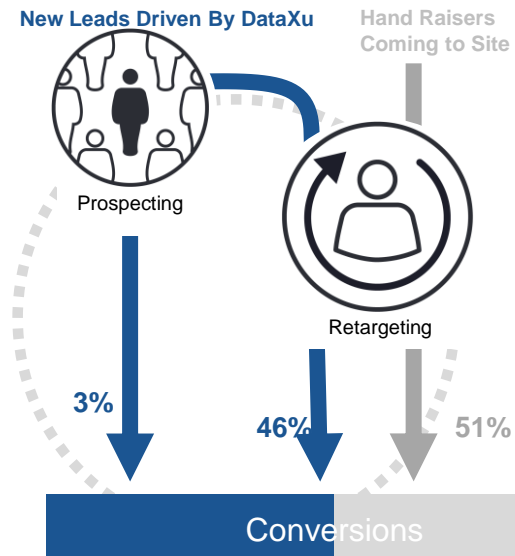
Major Auto Brand seeking to retarget consumers and acquire new leads

3% of users exposed to **prospecting** & converted to **leads** right away

46% of users **came** to site **through prospecting** & were **converted** to leads over time **by retargeting**

51% of users came to site **without prospecting** & were **converted by retargeting**

Question & Answers

Köszönöm szépen!

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Link to more resources.

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