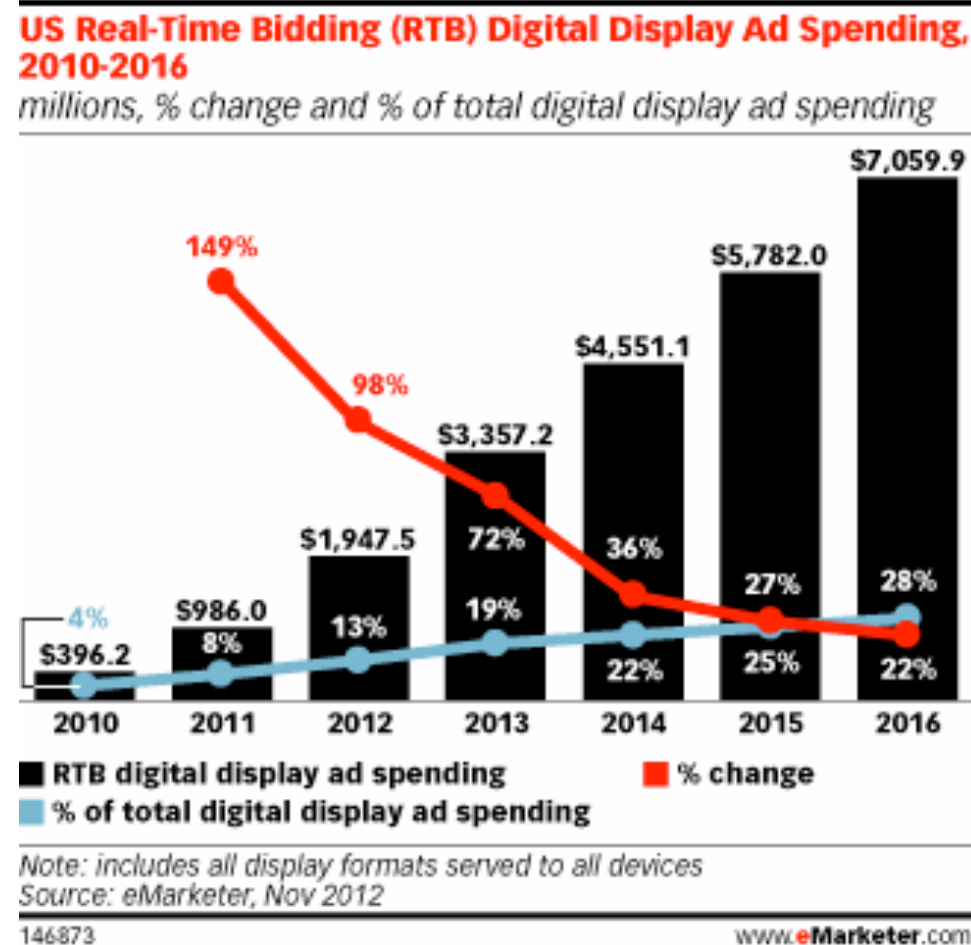# cpeX

PROGRAMMATIC TRADING FOR MEDIA

Agenda

- About RTB / programmatic trading

- Programmatic from the publisher's perspective

- Entering the ecosystem

RTB /
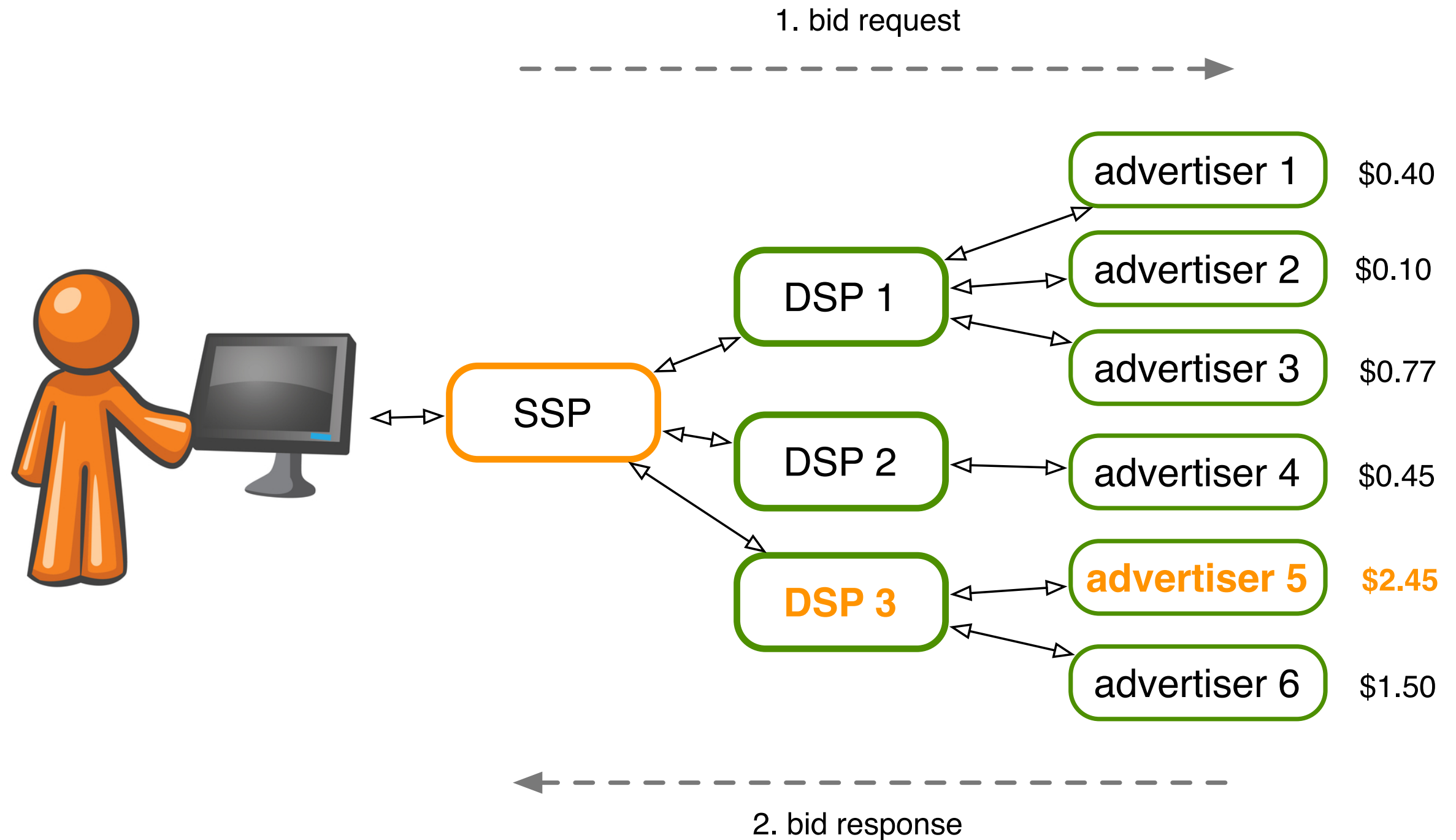# PROGRAMMATIC TRADING

Programmatic Is Growing

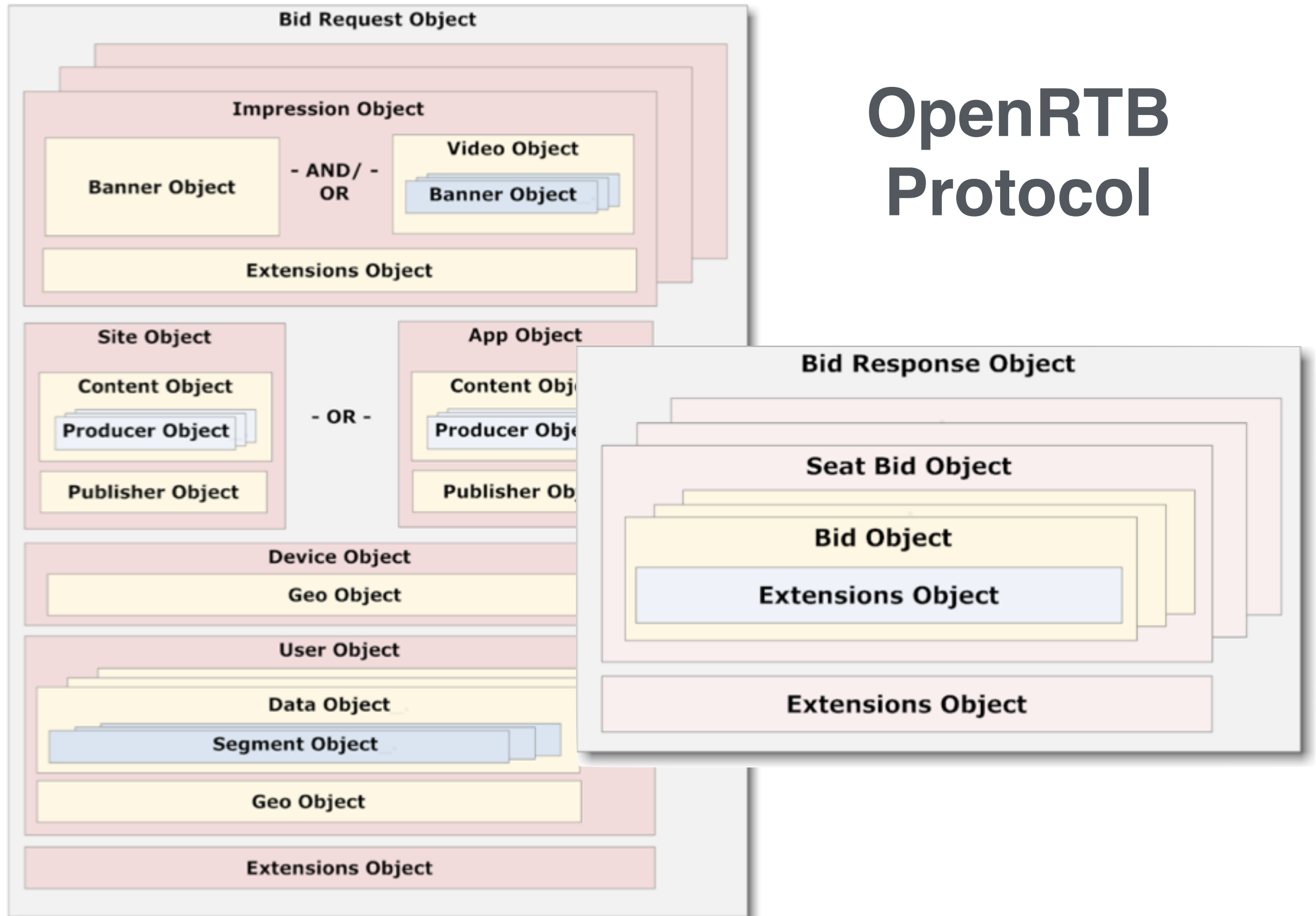- Efficient for both advertisers and publishers

- Therfore growing fast

Programmatic is coming.

How to treat it?

RTB – Selling Ads In Real Time

OpenRTB Protocol

Bid Request Object

Impression Object

Banner Object

- AND/ -
OR

Video Object

Banner Object

Extensions Object

Site Object

Content Object

Producer Object

Publisher Object

- OR -

App Object

Content Object

Producer Object

Publisher Object

Device Object

Geo Object

User Object

Data Object

Segment Object

Geo Object

Extensions Object

Bid Response Object

Seat Bid Object

Bid Object

Extensions Object

Extensions Object

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RTB Ecosystem

Demand-Side Platforms (DSPs)

A DSP is a technology layer on top of display-buying systems that streamlines the media buying process by using impression-level decisioning based on multiple parameters and data sources. DSPs help media buyers aggregate, bid on and optimise digital inventory across multiple sources.

RTB Role: DSPs are at the fore-front of the real-time bidding (RTB) ecosystem, working with multiple agencies and advertisers to provide the technology and expertise needed to support RTB campaigns.

Ad Exchanges

Advertising exchanges are open marketplaces that allow publishers and advertisers to connect (same as a stock exchange). They facilitate transactions, but do not take ownership of inventory.

RTB Role: Most ad exchanges have built RTB capabilities for ad buyers (e.g. advertisers, agencies, ad networks).

Supply-Side Platforms (SSPs)

More commonly known as yield managers/optimisers, supply-side platforms help publishers better manage and price their inventory. Premium publishers favour SSPs, as they are able to protect proprietary audience data and brand reputation. SSPs currently represent some of the largest sources of display ad inventory.

RTB Role: SSPs facilitate demand from buy-side platforms.

Agency Buying Desks

Agency buying/trading desks are specialized entities of media buying agencies focusing on media trading and RTB. Each desk represents an agency.

RTB Role: Agency buying desks represent the liaison between advertiser or parent agency and the platforms used to facilitate RTB.

As some agencies don't have core RTB technology, they may partner with a third-party company such as a DSP to support RTB campaigns.

Ad Networks

Advertising networks enable the publishers of the websites they represent to sell more inventory. A website can either be represented exclusively by a single network or have relationships with a number of networks.

The publisher will either use a network to sell remnant inventory (to supplement sales by its own sales team), or it will depend on the network for all its ad sales.

RTB Role: Some ad networks are adding RTB capabilities to facilitate real-time transactions on behalf of advertisers, agencies and trading desks. They are increasingly competing with demand-side platforms for advertising budgets.

Data Partners

Data partners include data providers and data management platforms (DMPs). Data management platforms allow all parties involved in media buying and selling to manage proprietary data, facilitate the usage of third-party data or port audience data to other platforms. As capabilities of DSPs extend to integrate other media such as mobile, video and social, providers of these emerging types of data and analytics/DMPs will become an increasingly important part of the display advertising landscape.

Dynamic/Real-Time Creative Optimisation

Dynamic creative optimisation tools help advertisers evaluate and optimise creative elements in real-time in order to identify the best performing combinations for their campaigns.

Real-time testing against a specific audience group allows marketers to personalise messages and optimise their campaigns' performance in a scalable way.
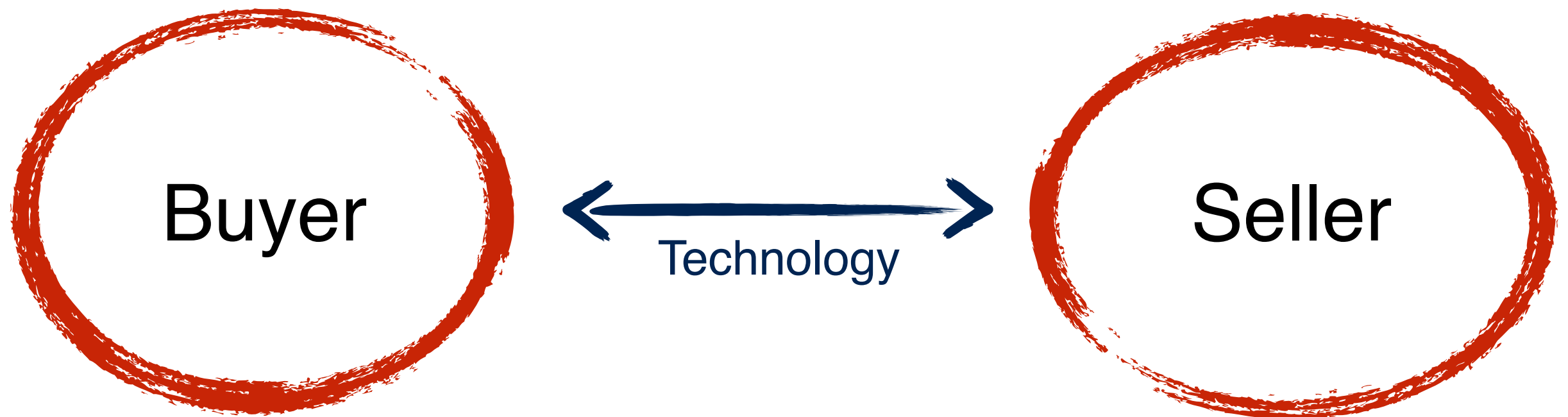
Ad Verification and Brand Protection Platforms

Ad verification, as a means of safely and efficiently buying advertising inventory, is seen by many media buyers as an essential component of their advertising strategy. Ad verification entails a post-campaign auditing methodology that enables campaign reconciliation, while brand protection is more preventative in nature by validating an ad call before ad serving

Brand protection platforms investigate audiences, media destinations and advertisers to provide assurance that ads are not inappropriately placed.

Note: This is not a comprehensive list/representation of companies present in the real-time bidding (RTB) ecosystem, but is intended as a starting point for identifying main parties/platforms and their role in facilitating RTB transactions.

* AppNexus is not a demand-side platform, but exclusively focuses on being a technology provider and partners with DSPs.
** mexad is a Display Engine Marketing (DEM) agency.

The Essence of RTB Ecosystem

Buyer ←→ Technology ←→ Seller

AdWords vs. RTB

AdWords

- **Proprietary, closed**

- Integration (data, reporting, targeting)

- GDN only ad space

- Typically higher transaction costs

RTB

- **Open system**

- More control, expandable

- Private exchanges

- More banner ad space (esp. premium)

- Lower transaction costs

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Woman 25–30

Loves snowboarding

Plans vacation

Needs mortgage loan

Audience Buying

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Efficiency

Transactional RFPs Take Time And Cost Money (per month)

Pre- Planning	Campaign Planning	Flighting	Maintenance	Post Campaign
598 Hours	518 Hours	168 Hours	128 Hours	188 Hours

70%

30%

- 1,116 Hours per month pitching for 23 Transactional RFP's
- 35% win rate & 26% completion rate
- 74% waste, or 826 Hours
- 52% of total hours generate no income

- 484 Hours per month fulfilling 8 Transactional RFP's
- 2 of the 8 will not complete
- 24% waste, or 116 Hours

Adslot

Programmatic Buying

programmatic premium

RTB

preferred deals

private marketplaces

otevřená aukce

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Private Marketplaces

http://connect.rubiconproject.com/

PROGRAMMATIC FROM THE MEDIA POINT OF VIEW
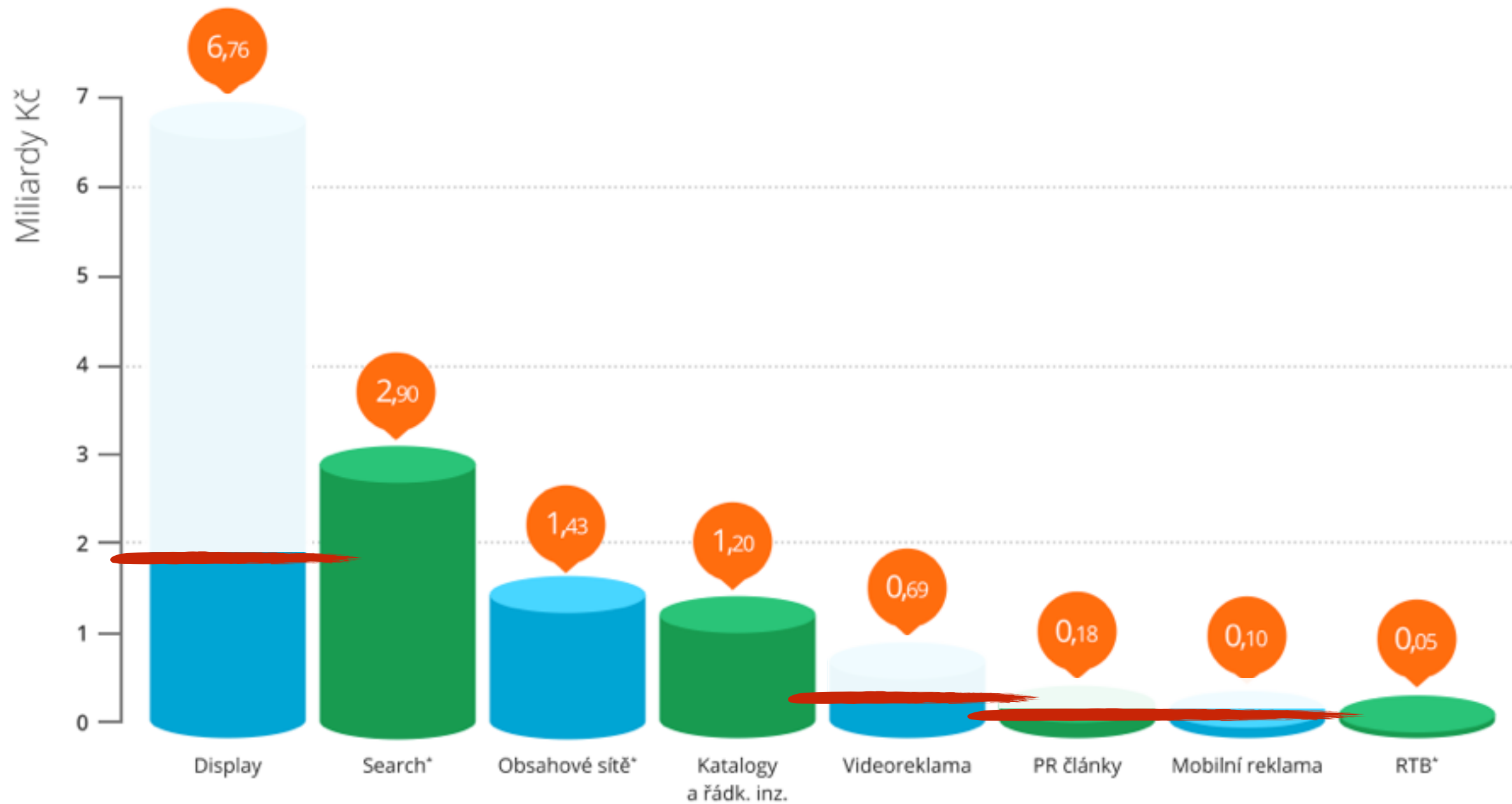
The Situation

OPPORTUNITIES

- monetisation of unsold inventory
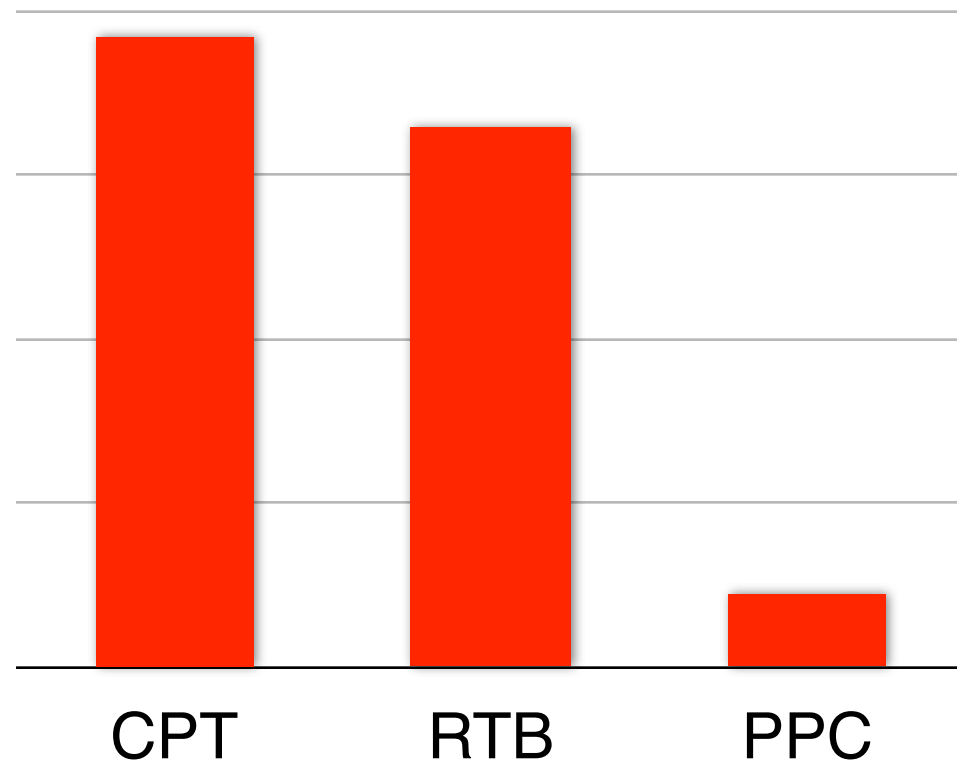- new clients – direct response marketing
- audience buying

THREATS

- price drop, cannibalisation
- key accounts moving the budgets to large networks
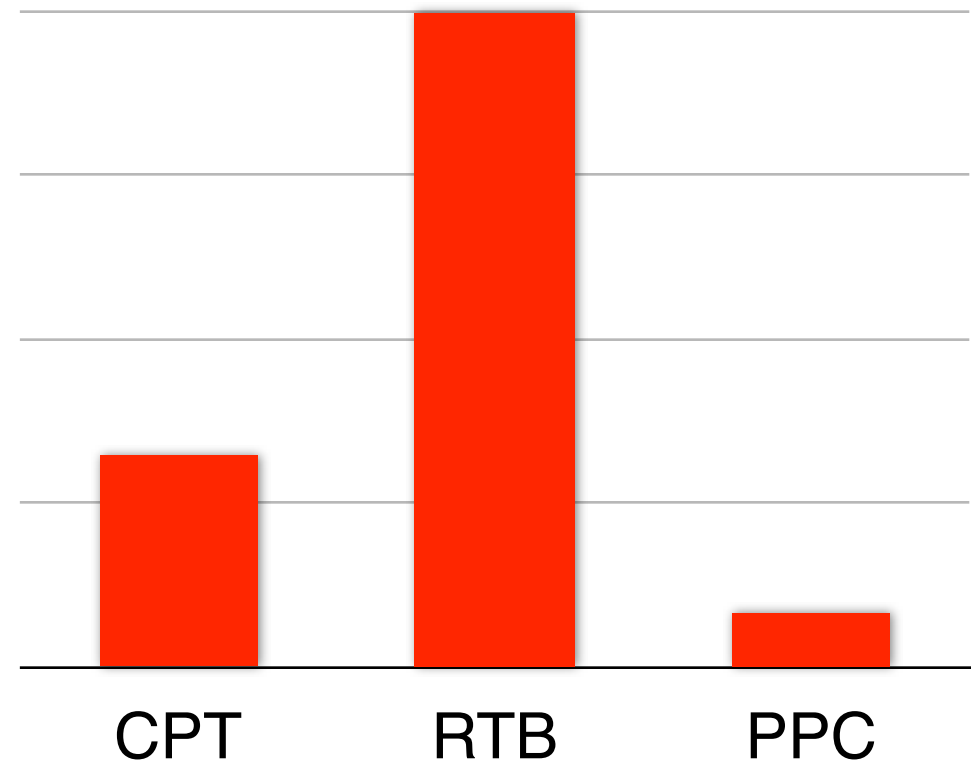- market perception

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Direct Response Marketing Opportunity

eCPM

eCPM Premium

eCPM UGC

Bid CPM / eCPM

Advertiser	Partner	Bids	Average Bid CPM	Avg Paid CPM ▼	Impressions	Win Rate	Revenue
Fitness World	Appnexus RTB	24	US $12.17	US $13.09	4	16.67%	US $0.05
Ung Rejs	Adform RTB	49	US $12.49	US $13.00	21	42.86%	US $0.27
Skyteam	MediaMath RTB	97	US $46.53	US $11.57	90	92.78%	US $1.04
Nordstrom, Inc.	Appnexus RTB	3,825	US $1.92	US $11.55	180	4.71%	US $2.08
BMW Motorrad International	Turn RTB	495	US $0.39	US $10.81	1	0.20%	US $0.01
Sky Movies	Appnexus RTB	49	US $24.08	US $10.06	49	100.00%	US $0.49
Better Bathrooms	Criteo RTB UK	22	US $1.04	US $9.73	1	4.55%	US $0.01
Shopbop.com	Amazon RTB	44	US $10.92	US $9.23	13	29.55%	US $0.12
Hotel Nikko San Francisco	Doubleclick Bid Manager RTB (Invite Media 2)	380	US $3.25	US $9.22	89	23.42%	US $0.82
HTC	Doubleclick Bid Manager RTB (Invite Media 2)	231	US $16.12	US $8.87	203	87.88%	US $1.80

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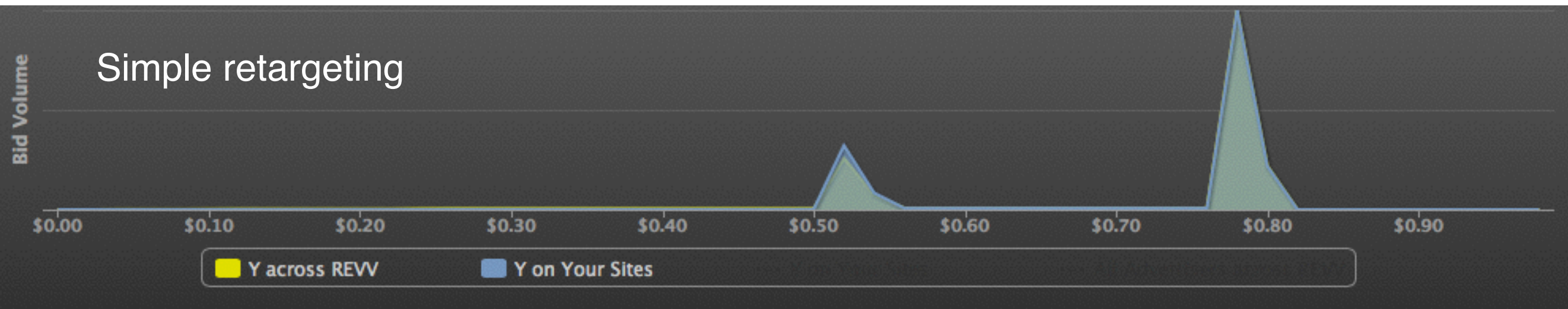
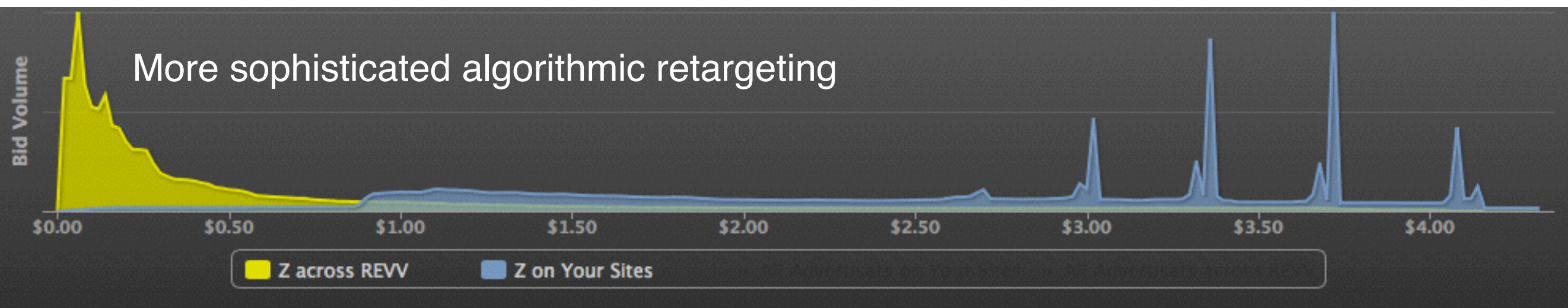# CPT > $1

Purchase Strategies

Buy as cheap as possible, no matter what

Simple retargeting

More sophisticated algorithmic retargeting

HOW TO ENTER

Strategy

- **What's my core business?**
- Maximise opportunities
- Minimise risks

CPEx Product Strategy

OPEN AUCTION

- Masked URLs
- A/B/C classification
- Limited formats
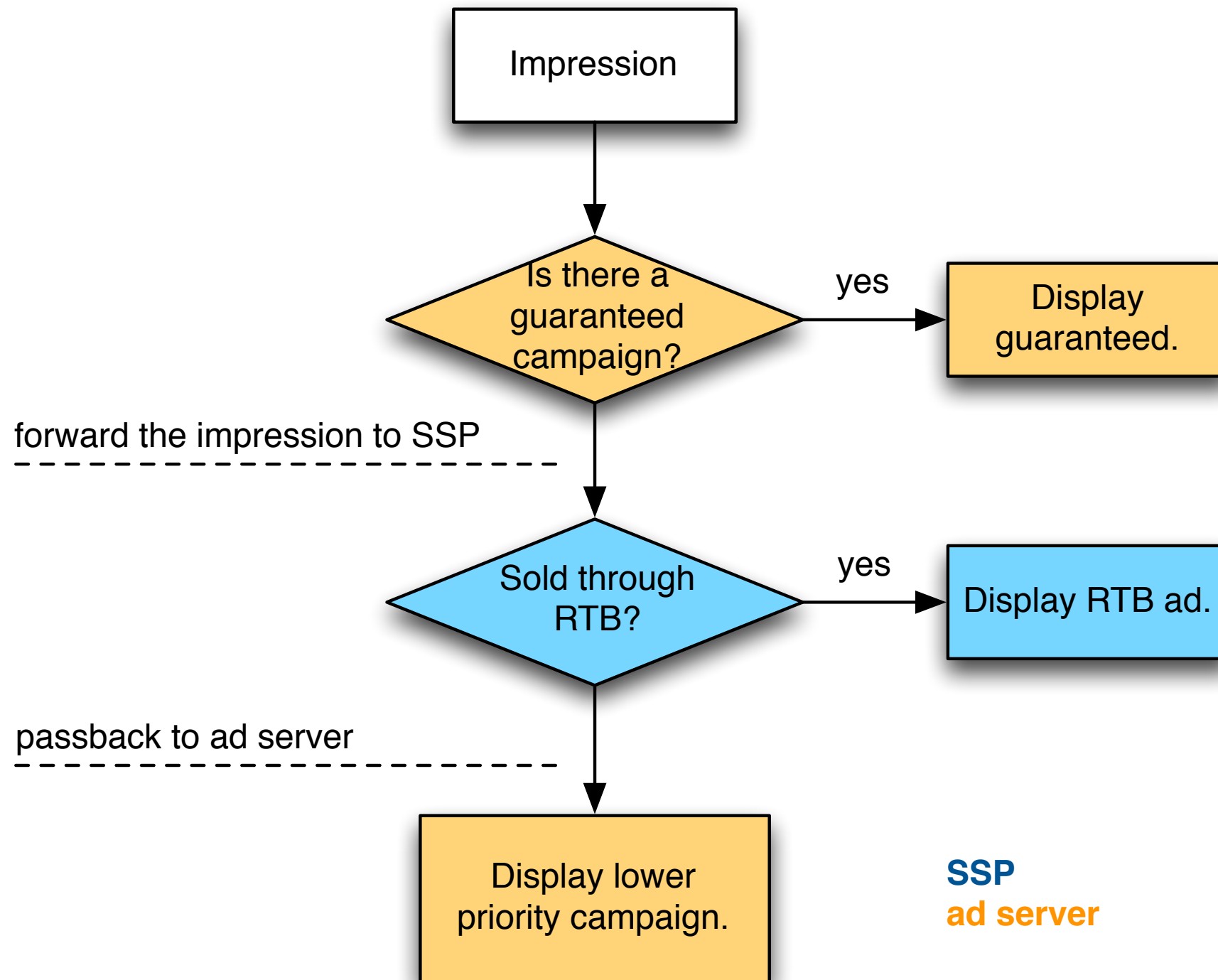- Sold by CPEx

- **Good for direct response marketing**

PMP

- Fully transparent URLs
- First right
- More interesting formats
- Sold by publishers

- **Intended for brand building**

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publisher
exchange

Technology

- Monetisation

- Control and transparency

- Support

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Ad Server Implementation

Impression

Is there a guaranteed campaign? — yes → Display guaranteed.

forward the impression to SSP

Sold through RTB? — yes → Display RTB ad.

passback to ad server

Display lower priority campaign.

SSP
ad server

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People…

Market

Czech Publisher Exchange

www.cpex.cz

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