



Certificate II
COURSE 3,
PROGRAMMATIC

CERTIFICATE II
PROGRAMMATIC



DIGITAL FOUNDATIONS

MODULE 1

PROGRAMMATIC:

WHAT IS IT?

STUDY GUIDE

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| 3 | Evolution of Programmatic Buying | 7 | Measurement & Optimisation |
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There are two Certificates, which cover 8 different topics that you need to know to achieve MFA Digital Foundations Certification.

This is the third topic for Certificate II, i.e., Programmatic.

There are similarities across the topics. Where the similarities occur, we will attempt to show examples and share our experiences for Programmatic.

In this training workshop, we will cover:

MODULE 1 – Programmatic. What is it?

MODULE 2 – Why it's different to traditional

MODULE 3 – Evolution of Programmatic Buying

MODULE 4 – Programmatic Ecosystem

MODULE 5 – Benefits of Buying Programmatically

MODULE 6 – Buy types

MODULE 7 – Measurement & Optimisation



MODULE 1 PROGRAMMATIC - WHAT IS IT?

Let's revisit the definition of "Programmatic" as discussed in Certificate I.
Programmatic is automated buying and selling of inventory in real time, using data and technology.

Programmatic allows you to find your audience at the right time, in the right place and deliver the audience the right message.

Programmatic buying has evolved the way we buy digital media inventory.

We have shifted from mass targeting and serving the same message, to a more refined and targeted approach.

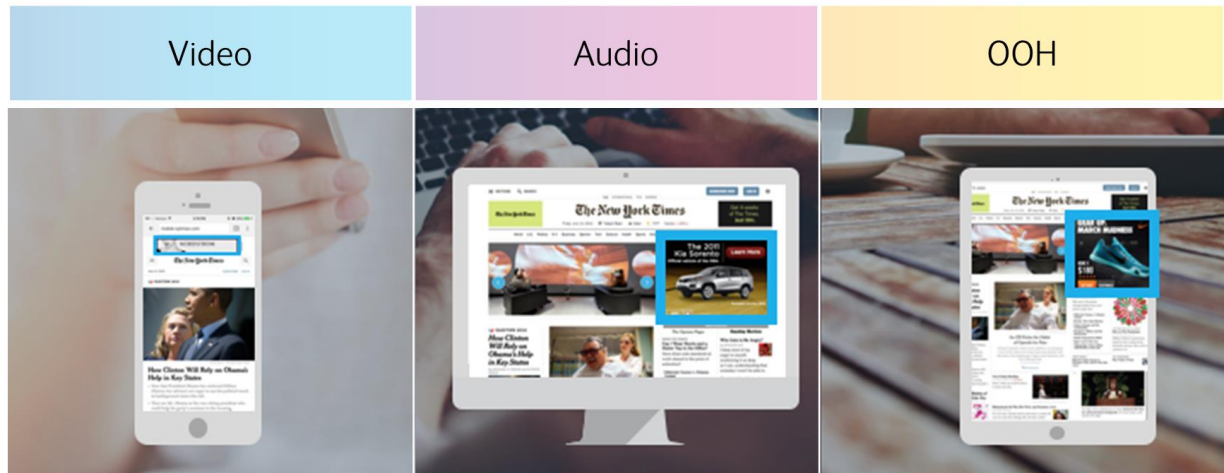
Utilising programmatic, for example:

- We can target Wally
- Serve him a relevant message
- At a relevant time within an appropriate relevant environment
- In real time

Using **data** and **technology** and find **audiences** at scale and delivering relevant messaging in the moments that matter – all in real time.

PROGRAMMATIC AT ITS MOST ESSENTIAL enables AUDIENCE BUYING AT SCALE

The same site, with tailored advertising to each specific audience.



PROGRAMMATIC ENABLES HIGHLY TARGETED AUDIENCE BUYING AT SCALE

At its simplest, Programmatic advertising is the automation of buying digital advertising, where computers are used:

- To make decisions in milliseconds
- About which impression to buy and
- Which ad to serve

The connection between buyer and seller is becoming increasingly automated.

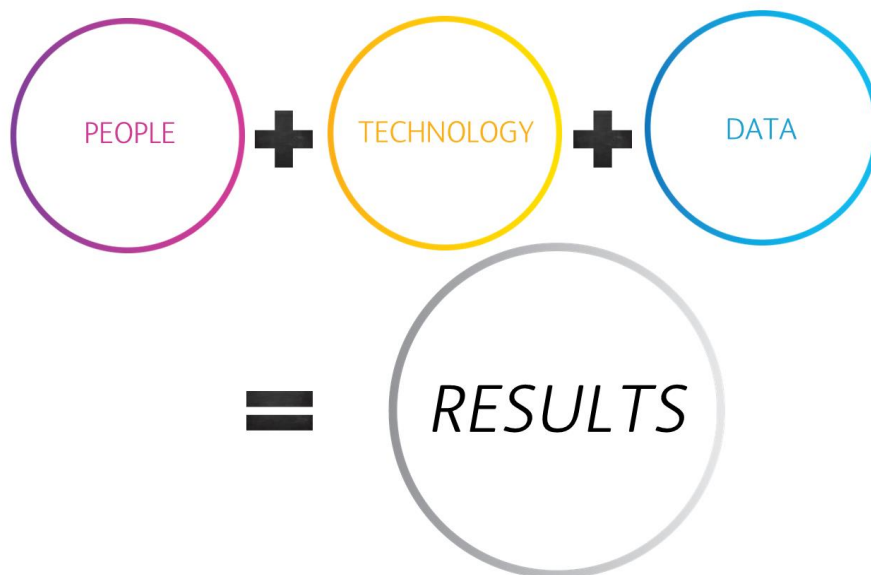
However, don't be misled by the term 'automated'. This does not mean that humans are no longer required.

It simply isn't the case of pushing a button and campaigns get magically delivered. There is work required to make it all happen.

There are many advantages to applying this level of intelligence through the use of data and technology, including:

- Better audience targeting.
- Improved campaign performance outcomes.
- The ability to identify and deliver the most relevant message on different platforms.
- The ability to determine how much you want to pay for the message.
- Delivering the campaign in real time.

WHAT PROGRAMMATIC NEEDS



WHAT PROGRAMMATIC NEEDS

As covered in Certificate I (Display).

Programmatic requires skilled people, sophisticated technology and quality data to deliver the best results.

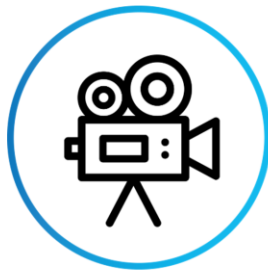
In order to deliver results and the most effective campaigns for your client, you need three fundamental elements:

1. **PEOPLE.** With the skills to make the right decisions around the technology, data and vendors. They also need to be able to generate insights from the knowledge they've gained and influence future decisions.
For example, your team.
2. **Sophisticated TECHNOLOGY** vendors to deliver Programmatic buying.
We say vendors as there are a variety of specialist companies that provide different capabilities so often you need a few to help with the complete process.
For example, DSP, SSP, DMP.
3. The quality of the **DATA** used is also paramount.
Data helps you understand your audience so you can target them effectively and efficiently.
For example, First or Third-Party data.

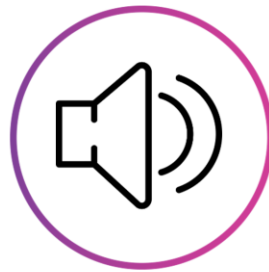
CURRENTLY YOU CAN TRADE PROGRAMMATICALLY ...



DISPLAY



VIDEO



AUDIO



NATIVE

RAPID GROWTH

UNDERSTANDING PROGRAMMATIC – SIMPLIFIED

CURRENTLY YOU CAN TRADE PROGRAMMATICALLY ...

The Beginning: Display was the first format to be traded programmatically.

Quickly followed by Video, Native and Audio. These have all seen rapid growth.

Display and Video are not the only media types that can be bought programmatically.

Others include:

- Native Advertising - resembles an article on a page and is marked 'sponsored content' to ensure site users understand this is paid-for advertising (the Daily Mail does this regularly).
- Audio – mainly streaming services such as Spotify or podcasts.

All can be traded across device, e.g., video can be bought across mobile, desktop and connected TV.

UNDERSTANDING PROGRAMMATIC



<https://www.youtube.com/watch?v=86qHw2w0rPc>

Available inventory is massive. The landscape is complex and vast.

UNDERSTANDING PROGRAMMATIC DIGITAL ADVERTISING AS PUBLISHED BY THE IAB.

This video is several years old, but it offers a simple, comprehensible explanation of Programmatic buying.

What we found interesting:

- Programmatic is not just about real time bidding and remnant inventory.
- The shift to data-driven strategies and more personalization.
- The rate of growth has decreased since 2014 but the market still has a way to go to reach maturity.

Programmatic delivers better efficiencies in the buying process and better client outcomes (incl. Brand solutions).

What is Programmatic Digital Advertising (according to the video's experts)

- Using technology to buy and sell media.
- Booking mechanism to sell inventory to advertisers.
- Tools or software and RTB is a component.

What does RTB stand for? What is its promise?

- Real Time Bidding.
- To serve the right ad to the right person at the right time. This is done by using data.

Why has programmatic been a hot platform?

- 70-80% growth rate.
- Marketers embrace new formats.
- Technology is moving fast.

IN THIS SECTION WE HAVE COVERED...

1	The definition of Programmatic
2	What Programmatic enables
3	The Programmatic Components- People, Technology and Data.
4	What formats you can currently trade
5	A video for understanding Programmatic

SUMMARY

Module 1: Programmatic - What is it?

In this section we covered:

- The definition of programmatic.
- What programmatic enables.
- The programmatic components – People, Tech and Data.
- What formats you can currently trade.
- We watched a video for understanding programmatic.

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PROGRAMMATIC



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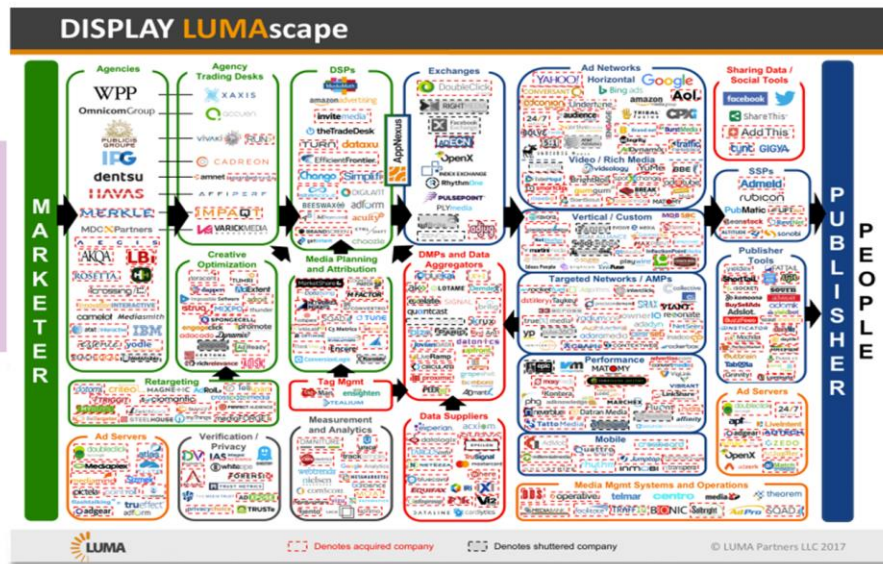
MODULE 2

WHY IS IT DIFFERENT TO TRADITIONAL?

STUDY GUIDE

AVAILABLE INVENTORY IS MASSIVE

The landscape is complex and vast.



Module 2 – Why is it different to traditional?

The digital media landscape is complex and is represented by far more than just media channels.

There are now dozens of categories including agency trading desks, data management platforms, publishers and more.

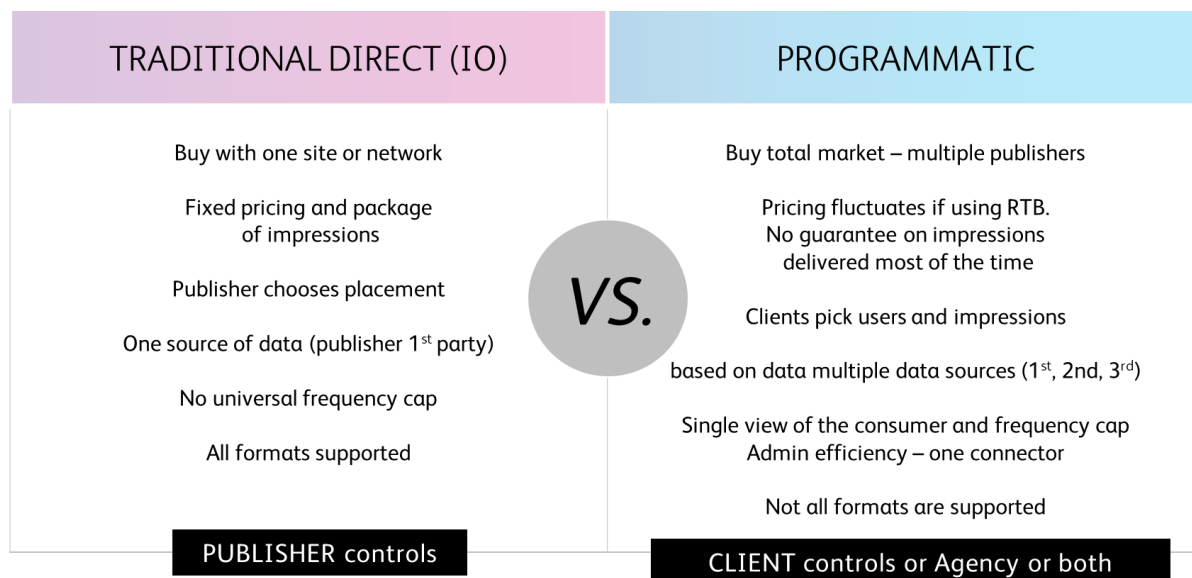
For a closer look of this example LUMAscape – www.lumapartners.com/luma-institute/lumascapes/display-ad-tech-lumascape/

Programmatic allows agencies/clients to access the vast Australian inventory via a programmatic platform, for example, an agency trading desk (ATD) or DSP.

Please note that each company, or agencies holding group have their own based on their client’s needs.

Examples are:
Cadreon, XASIS, Accuen.

TRADITIONAL DIRECT VS PROGRAMMATIC



There are two ways of buying digital:

Buying directly with publishers using the traditional method of Insertion Orders (IOs)

OR

Buying using the programmatic method.

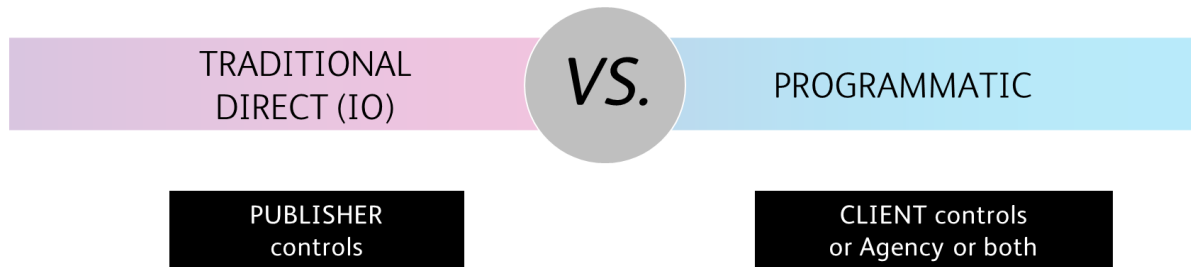
The differences are:

- Traditional - Buy with one site or network.
- Programmatic – Buy total market – multiple publishers.
- Traditional – Fixed pricing and package of impressions.
- Programmatic – Pricing fluctuates (if using RTB) and no guarantee on impressions delivered unless using a guaranteed approach.
- Traditional - Publisher chooses placement.
- Programmatic – Clients pick users and impressions based on their campaign objectives.
- Traditional – One source of data (publisher 1st party).
- Programmatic – Multiple data sources (1st, 2nd and 3rd).
- Traditional – No universal frequency cap.
- Programmatic – Single view of the consumer and control frequency. This allows for admin efficiency as there is one connector across the entire buy.
- Traditional – All formats supported.
- Programmatic – Not all formats are supported.

In summary, there are differences between Traditional Direct (IO) and Programmatic buying.

It is important to understand what the priorities are for the campaign and which is the right approach for your campaign.

WHY USE IO METHOD VS PROGRAMMATIC?



What is the role of traditional buys when programmatic seems to deliver better efficiencies?

Some of the reasons for using the traditional (IO) method might include:

1. A publisher doesn't have the capabilities to trade programmatically.
For example, niche publisher.
2. Formats are not supported.
For example, high impact homepage takeover, editorial or custom builds.
3. Integrated sponsorships.
For example, multi-channel deals like The Voice. It may be a better approach to trade across channels to gain better efficiencies.

IOs do have value, it just depends on your requirements and objectives.



IN THIS SECTION WE HAVE COVERED...

1	Digital and Programmatic have made the landscape more complex
2	The differences of Traditional IO vs Programmatic
3	Why Traditional IO is still a way of trading

SUMMARY

Module 2: Why is it different to traditional?

That concludes the second bite sized module.

In this module we have covered:

- Digital has made the landscape more complex
- The differences of Traditional IO vs Programmatic
- Why Traditional IO is still a way of trading

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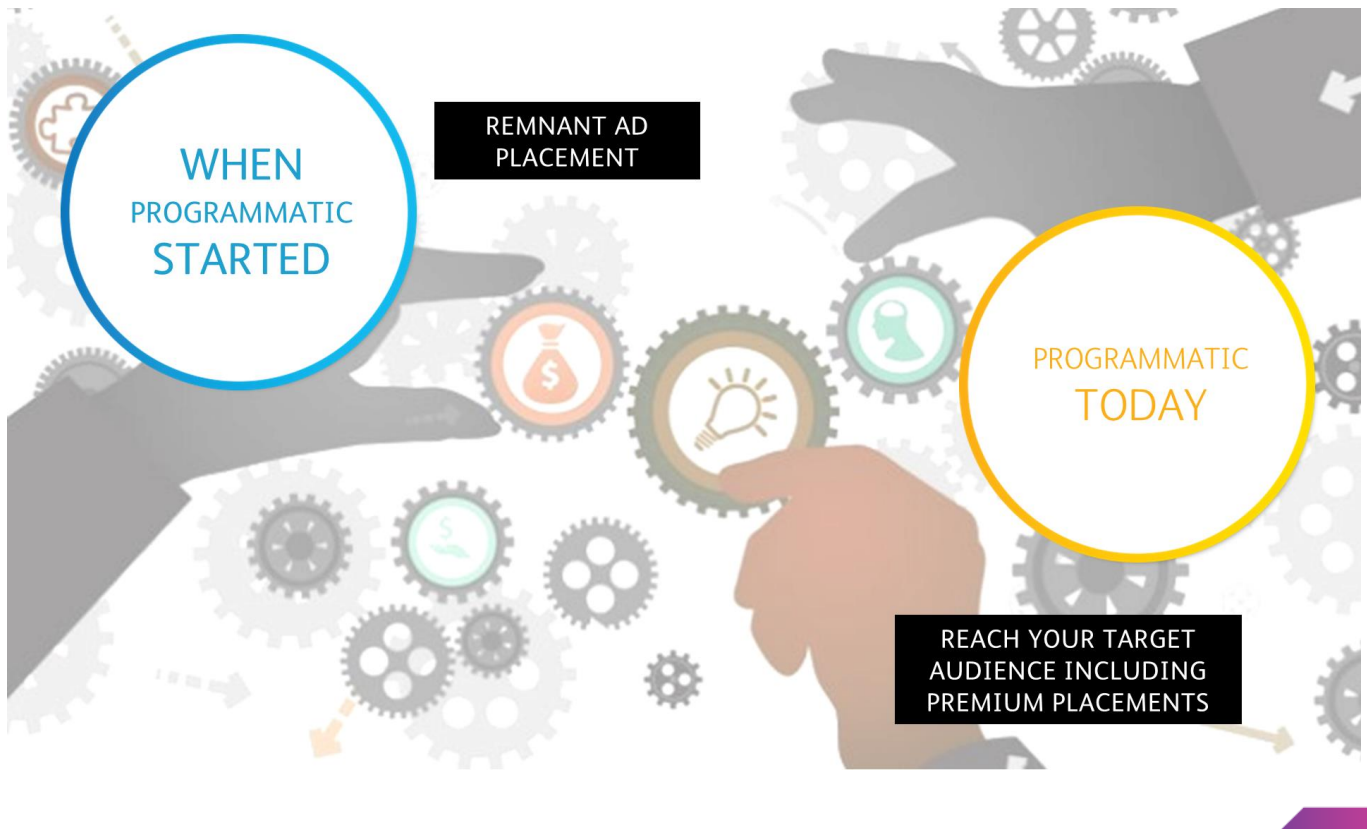


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MODULE 3

EVOLUTION OF PROGRAMMATIC MEDIA BUYING

STUDY GUIDE



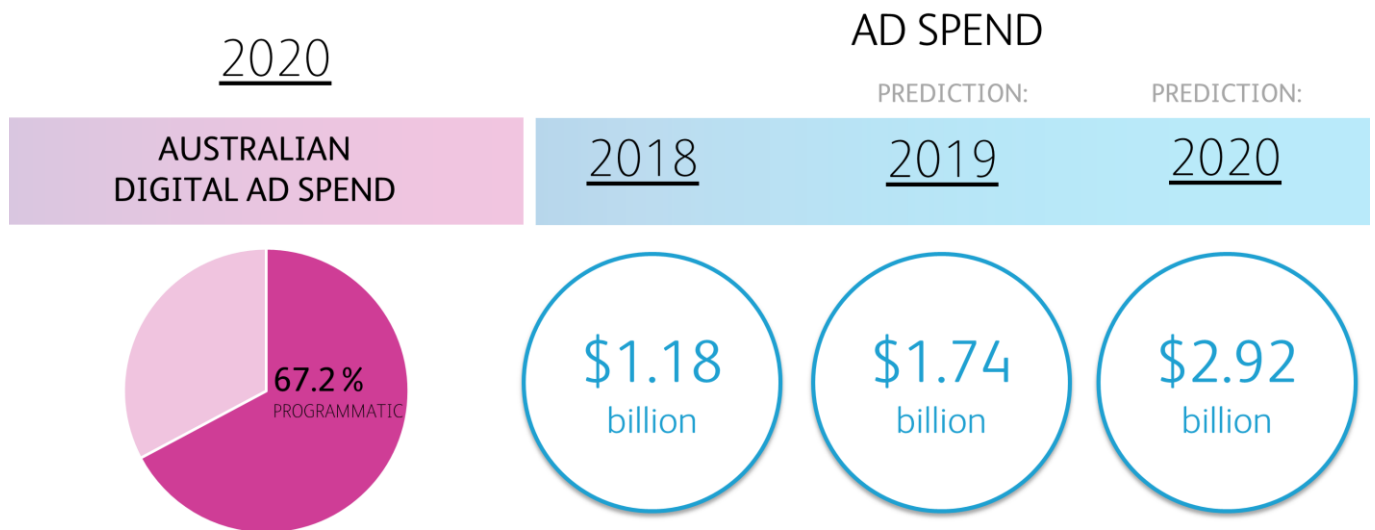
MODULE 3 - EVOLUTION OF PROGRAMMATIC MEDIA BUYING

Evolution of Programmatic Media Buying

When Programmatic started, advertisers had access to large volumes of unsold 'remnant' inventory (unsold inventory) across multiple difference sources.

Today, Programmatic utilises rich data to reach target audiences wherever they are on the internet, including on premium placements.

PROJECTIONS FOR PROGRAMMATIC



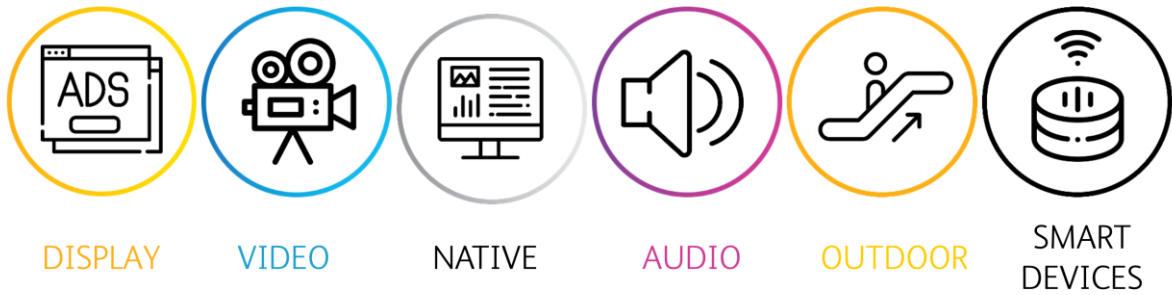
There are many projections on the growth of programmatic buying.

According to all sources Programmatic is growing dramatically and will represent the majority of digital ad spend.

The growth is primarily driven by one channel i.e., video. This is quite a telling story considering that video is used to build brands online. This means that programmatic is moving well beyond display campaigns and into brand building campaigns.

For example, with the decline of free-to-air audiences, video plays a key role in reaching audiences across platform as part of a full brand strategy.

CURRENTLY YOU CAN TRADE PROGRAMMATICALLY ...



THE BEGINNINGS

FOR A WHILE AND RAPID GROWTH

NOW & BEING TESTED

Creating further opportunities to deliver data driven
CROSS CHANNEL CONNECTED COMMUNICATIONS.

POTENTIALLY, EVERYTHING WILL BE TRADED PROGRAMMATICALLY

The Beginning: Display was the first format to be traded programmatically.

Video, Native and Audio platforms followed, and have seen rapid growth.

OOH and Smart Devices are now being tested, and eventually will be traded programmatically.

For example:

I could be at home and ask Google Home "Hey Google, is there a pizza place near me?"

This could trigger Dominos, to serve me an ad on Google Home encouraging me to place an order for the meat-lovers pizza.

This could be at scale for any voice searches asking for dinner ideas near them.

This will create further opportunities to deliver data-driven, cross-channel-connected communications that is targeted.

The Evolution of Online Display Advertising

Click to play

This is the video from the Display module in Certificate I and is a good reminder of the evolution of online buying, which has led to the Programmatic ecosystem.

Potentially, everything will be traded Programmatically.

Let's watch this video to summarise the evolution of online buying and set up for the next section – the Programmatic Ecosystem.



IN THIS SECTION WE HAVE COVERED...

1	How Programmatic has developed and will continue to be a primary source of buying
2	How Programmatic will extend to all media
3	Recap of the Evolution of Online Buying

Module 3: Evolution of Programmatic Media Buying

That concludes the third bite sized module.

In this section we covered:

- How Programmatic has developed and will continue to be a primary source of buying.
- How Programmatic will extend to all media.
- Recap of the Evolution of Online Buying.

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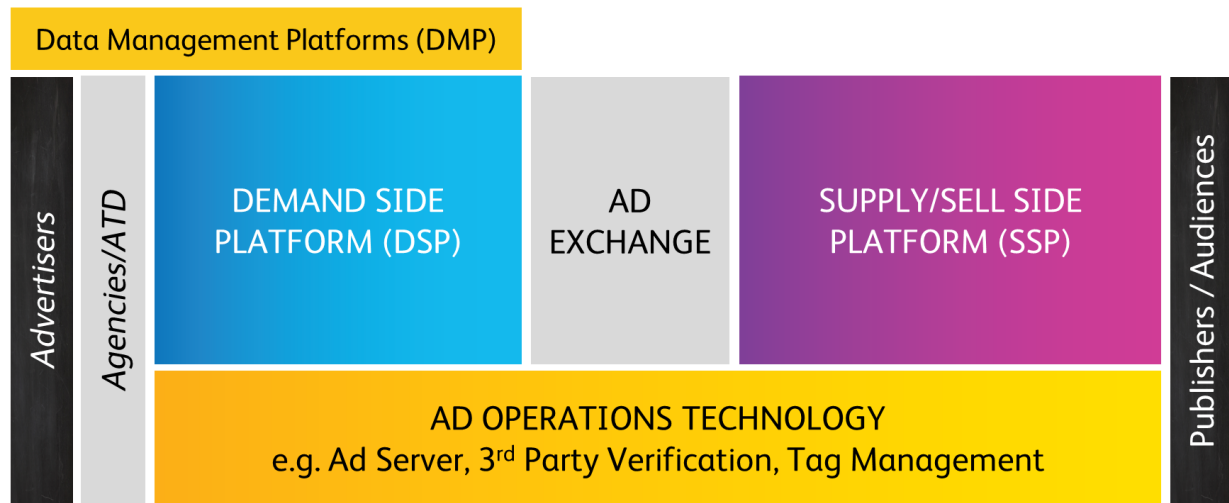


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MODULE 4
PROGRAMMATIC
ECOSYSTEM

STUDY GUIDE

THE PROGRAMMATIC ECOSYSTEM



Module 4 - Programmatic Ecosystem

Some of you may recall this chart from the Display Course in Certificate I.

This is a simplified schematic of the Programmatic Ecosystem.

While it may appear to be a complex supply chain, basically it is a way to connect the buyer with the seller. To do this, you need multiple providers, processes and technology platforms to make it all come together.

Let's explain this chart from left to right.

On the left-hand side there are Advertisers and the Agencies ATD (Agency Trading Desk), for example, Cadreon, Xaxis etc

These connect to the Demand Side Platform (DSP) where campaigns are set up with targeting and pricing parameters.

Then on the right-hand side there are publishers and audiences who make their inventory available for Supply Side Platforms (SSP).

In the middle is the Ad Exchange – where the auction happens.

Underpinned by Tech, e.g., Ad Server – Campaign Manager, Sizmek, 3rd party verification – IAS, Moat, Nielsen and Tag Management – Tealium and Google tag management. They allow you to drop pixel on the clients site to better understand audiences and measure conversions.

DEMAND SIDE PLATFORM (DSP)

KEY FUNCTIONS

DSPs give media buyers access to multiple inventory sources and data providers in one single interface.



Demand Side Platform (DSP)

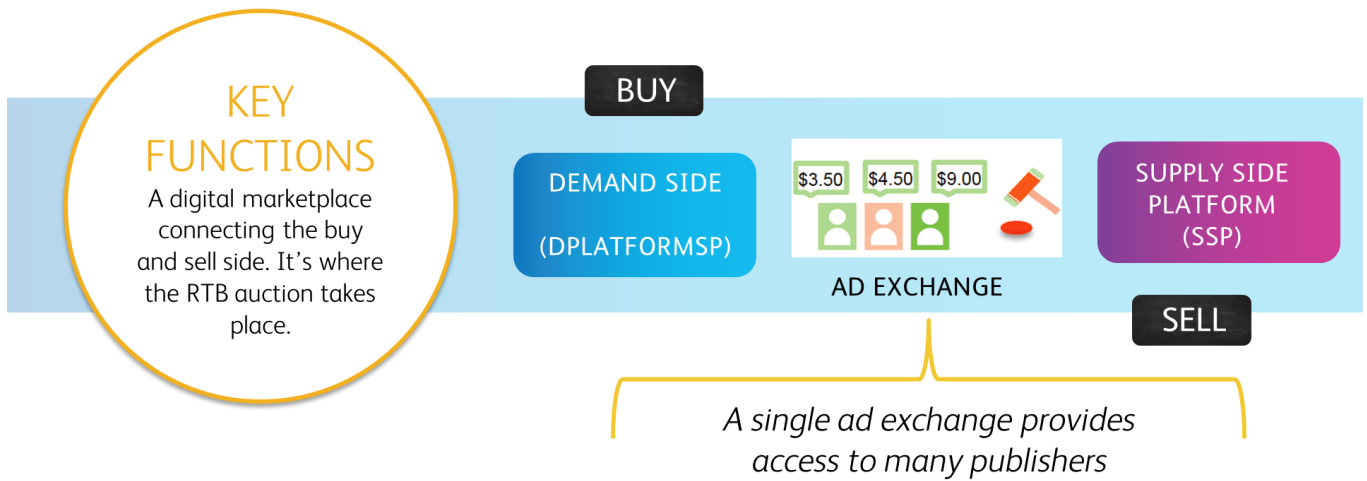
DSPs key functions are to give media buyers access to multiple inventory sources and data providers in a single interface.

- Buys and serves ads in real time based on a set of predetermined criteria.
- Analyses inventory to see if prospective audience meet the criteria.
- In-built algorithms choose value of audience and place \$bid for each impression that meets the criteria.
- The DSP allows you to track performance. You can also optimise towards campaign KPIs. This is completed through a visual interface.

This chart shows a snapshot of what a DSP interface could look like.

- There is spend, CPA and impressions served over a 7-day period.
- Programmatic traders use this to optimise their campaign in time and monitor results as they go through the campaign.

AD EXCHANGE



Ad Exchange

The Ad Exchange is the digital marketplace that connects the buy and sell sides.

It's where the RTB auction takes place:

- Enables per impression buying/selling across display, video and audio formats.
- Each buyer determines the value of the impression, depending of the audience value.

The chart on the right demonstrates how the auction works within the Ad Exchange. The Ad Exchange provides access to many publishers.

SUPPLY SIDE PLATFORM (SSP)



KEY FUNCTIONS
 SSP is the technology that enables the selling of digital ad impressions in automated auctions.

Deal Name	Publisher	Package	Access	Min Bid
Essential Energy	Bureau of Meteorology	The Bureau of Meteorology - NSW	Priority	US \$5.00
Essential Energy	DNS- Digital Network Sales	Bureau of Meteorology - NSW	Priority	US \$5.00
Essential Energy	APN	APN ATM - IDN - Leaderboards	Standard	US \$7.67
Essential Energy	APN	APN ATM - IDN - MRECS	Standard	US \$7.67
Essential Energy	APN	APN ATM - IDN - Mobile Banners	Standard	US \$7.67
Essential Energy	APN	APN ATM - Mobile MRECS	Standard	US \$6.14
Guardian Proposal	Guardian Media Group	C-suits (audience) - Standard (US - The Trade Desk (India))	Standard	US \$4.89
Guardian Proposal	Guardian Media Group	Business Decision Makers (audience) - Standard (US - The Trade Desk (India))	Standard	US \$5.10
Guardian Proposal	Guardian Media Group	IT Decision Makers (audience) - Standard (US - The Trade Desk (India))	Standard	US \$5.10
HM Communications - Chik_2	Times Internet	Finance - Times Internet (www.timesofindia.com) (www.economist)	Priority	US \$7.00



Supply Side Platform (SSP)

SSP is the technology that enables the selling of digital ad impressions in automated auctions.

Publishers can sell and manage display, video or native ad inventory on desktop and mobile through SSPs.

- Enables publishers to sell their inventory.
- Automated process allows publishers to monetise every last impression.
- Some SSPs have exclusive deals with publishers.
- They have account representatives who recommend relevant inventory for campaigns.
- Every publisher will deal with how they sell differently.
- Their goal is to achieve the highest yield for their inventory.
- An example of yield management is Married at First Sight. Due to a large amount of people watching on Catch-Up TV, Nine may offer this inventory at a lower cost due to the amount of inventory they have available.

The chart is an example of the interface of an SSP.

While Nine might have sold most of their inventory through Guaranteed or Direct IO's upfront, because they are seeing more traffic in real time, Programmatic allows them to monetize that inventory.

DATA

1 ST PARTY DATA	2 ND PARTY DATA	3 RD PARTY DATA
Client-owned Data	Publisher-owned Data	3rd Party Companies
CRM Data Website Visitors, App Downloaders etc		

As reviewed in Certificate I – Social Course. Let’s review the difference between 1st party data, 2nd party data and 3rd party data.

1st party data is owned by the client (CRM, website visitors, app downloaders etc).

- A rich source of information about who their customers are, what their purchase habits are, and their level of loyalty with the brand.

2nd party data is owned by the publisher which is used on their own site.

- In this example CarsGuide, Ebay and NEWS.com provide 2nd party data which provides behavioural segmentation of the audience that visits their website/s.

For example:

- Cars Guide - makes and models, visited, customer lifecycle – whether someone is in the consideration phase or actively seeking to buy a car.
- An insurance company, could see someone is about to purchase, and serve an ad around car insurance.

3rd party data – is owned by data suppliers – decoupled from the inventory you are trying to buy.

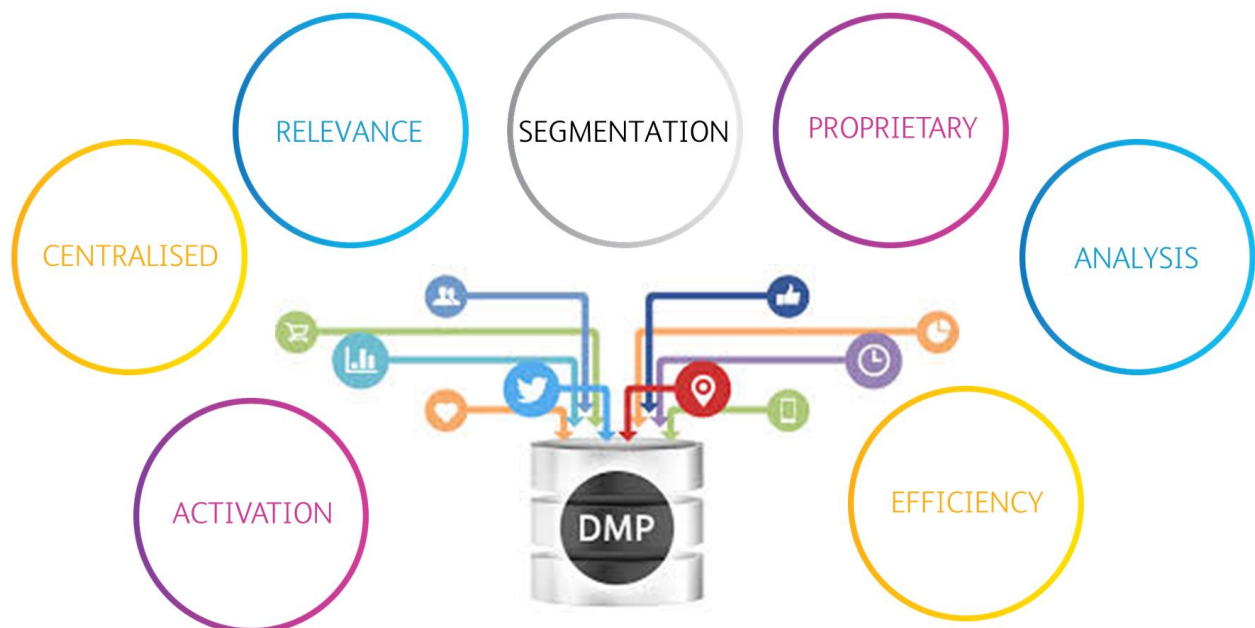
- These are tech companies dedicated to data collection, interpretation and outputs.
- Generally, this is a mix of data sets, combined to give a rich view of an audience.
- For example, Quantum matches Woolworths loyalty data with credit card purchase data from NAB, finds the similarities and provides insights on purchase behaviour.
- You could use Quantum data to determine who has a cat or a dog depending on what pet food they purchase.

There is no hard and fast rule as to what data source you use and when – it will vary depending on the client’s business objectives and the information available.

Take the time to investigate every source of information available to you, interrogating:

- Source – is it deterministic or inferred.
- Scale – what’s the size of the audience segment.
- Recency – how frequently is it refreshed (for example if you are looking to buy a travel intender and the segment is 2 months old, that person may have already gone on holiday).
- Cost - versus the performance uplift to determine the value of the data.

DATA MANAGEMENT PLATFORM



Data Management Platform

DATA MANAGEMENT PLATFORMS = DATA + CAMPAIGN RESULTS IN, AUDIENCE AND MEASUREMENT OUT.

The DMPs key function is to collect, organise and activate data from any source, both online and offline.

While having a rich source of data available is invaluable, it has to be manageable and usable.

This is where having a DMP to manage all your data in one platform can greatly increase your productivity and efficiency in delivering your campaign goals.

DMPs can customise data inputs and outputs so you can access the most relevant information.

This doesn't only relate to the complete source of data, but also to segment the data and customise audiences. However you need to view it.

The sort of information you can analyse through the DMP includes data across channels and device, audience profile and behaviour as well as creating predictive performance patterns are invaluable tools for forward planning.

The outputs provided by the DMP means you can activate campaigns to certain audiences across different platforms. Knowing that the data sources are working hard to help make this happen.

However, not every client needs DMP to trade programmatically. An example is an FMCG client which may not have a lot of first party data, so a tech investment may not be appropriate for that account.

Some categories have more first party data than others – for example financial services have a one-to-one relationship and a lot of online interaction with their clients.



IN THIS SECTION WE HAVE COVERED...

1	The Programmatic Ecosystem
2	Ad Exchange, SSP, DSP
3	Types of data available
4	Data Management Platform

Module 4: Programmatic Ecosystem

That concludes the fourth bite sized module.

In this section, we covered:

- The Programmatic Ecosystem.
- DSP, Ad Exchange, SSP.
- Types of data available.
- Data Management Platform.

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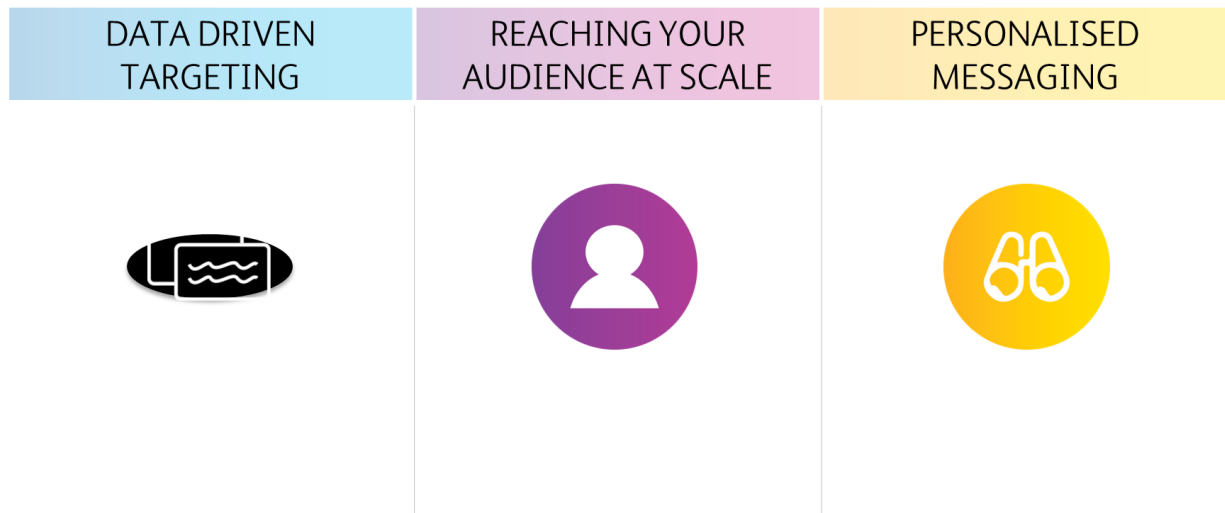
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MODULE 5

BENEFITS TO BUYING PROGRAMMATICALLY

STUDY GUIDE

BENEFITS: MARKETING



Module 5 - Benefits of Buying Programmatically

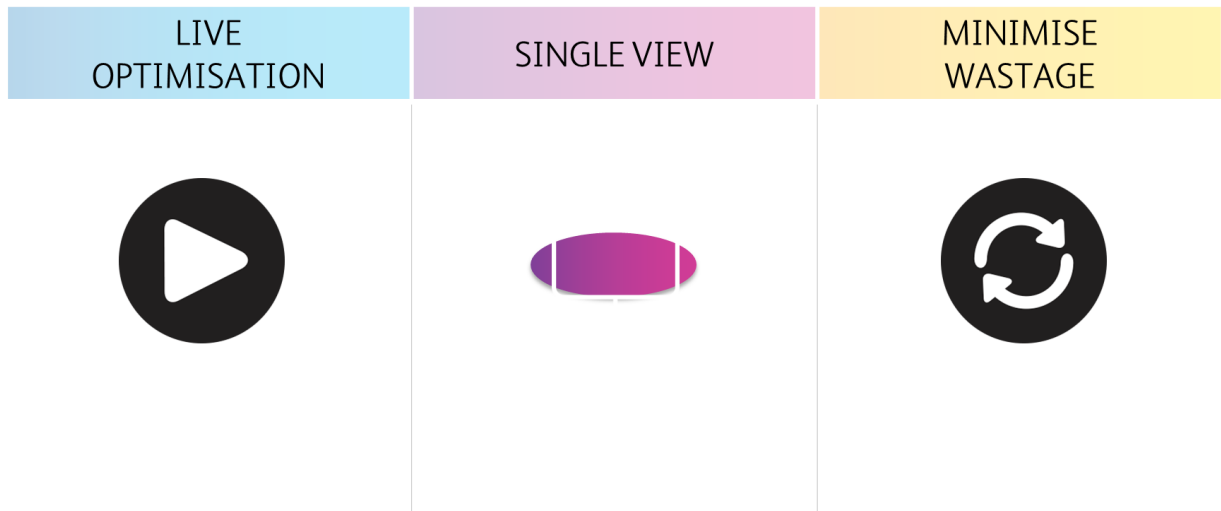
BENEFITS: MARKETING

Programmatic offers many benefits within the marketing discipline.

1. Data-driven targeting using a combination of 1st, 2nd and 3rd party data sources provides the opportunity to target the right people at the right time with the right message.
You are able to select individual impressions based on your specific customers' behaviour.
2. Reaching your target audience at scale is possible. Accessing audiences and publishers through the one system and focus the campaign to the people you want; not wasting money on reaching people you don't want.
3. Personalised Messaging – thanks to data. Can understand audience intent based on their actions, and then serve them the right message to drive the right outcome for the client.

For example, if they commenced with an action to buy something online and then abandoned the shopping cart, we know this has occurred and we can retarget with a message that might include a discounting offer on the product. This might give them a reason to come back and buy.





BENEFITS: MARKETING



BENEFITS: MARKETING continued ...

1. Live Optimisation – Programmatic is an auction-based environment where you bid for audience and inventory.
There is the opportunity to make live changes to the audiences you are targeting. i.e. when you are targeting them and what message you are delivering to them.
2. Having a single view of the consumer is a huge advantage.
Knowing how the total campaign is performing, you have a holistic view of the audience regardless of site and network, giving you deduplicated information on reach and frequency.
3. Minimising wastage through Programmatic. A level of digital sophistication is possible with the accuracy to deliver the right message at the right time to the right people in the right environment.
Media investment is optimised and financial wastage is reduced.
Also minimising time spent setting up the campaign to create efficiencies with your company resources and spending more time where it really matters, optimising your campaign.

BENEFITS: CONSUMER

RELEVANT	TIMELY	PERSONALISED AD EXPERIENCE	HELPFUL & USEFUL INFORMATION
			

BENEFITS: CONSUMER

People want to love our brands and our messages.

We are all consumers ourselves and know the value of seeing a message, that is:

1. **Relevant** to what we are looking for and interested in.
2. **Timely** in delivery.
3. Is somewhat **personalised** to our interests.
4. Is **helpful and useful** allowing us to make a more informed decision.

According to UK research:

- 61 % of consumers feel more positively about a brand when marketing messages are personalised.
- 74 % of consumers get frustrated when they receive content not relevant to them.

For example, when purchasing wedding invites:

- Had created the design.
- Hadn't purchased from a website.
- The design then appears on the banner of another site.
- Reminding to purchase.



IN THIS SECTION WE HAVE COVERED...

1

Benefits: MARKETING

2

Benefits: CONSUMER



Module 5: Benefits to Buying Programmatically

We covered how programmatic benefits:

- Marketers with more precise data-driven targeting and efficiencies.
- Whilst benefitting the consumer with highly relevant and useful advertising.

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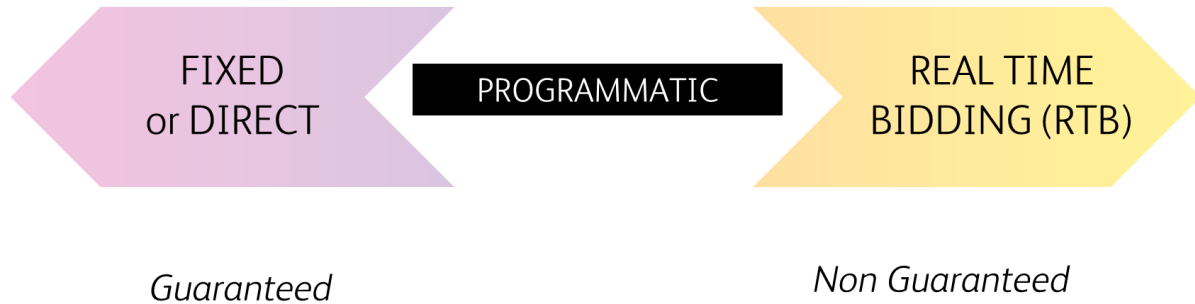


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MODULE 6 BUY TYPES

STUDY GUIDE

TWO DIFFERENT WAYS TO BUY PROGRAMMATIC



Module 6 - Buy Types

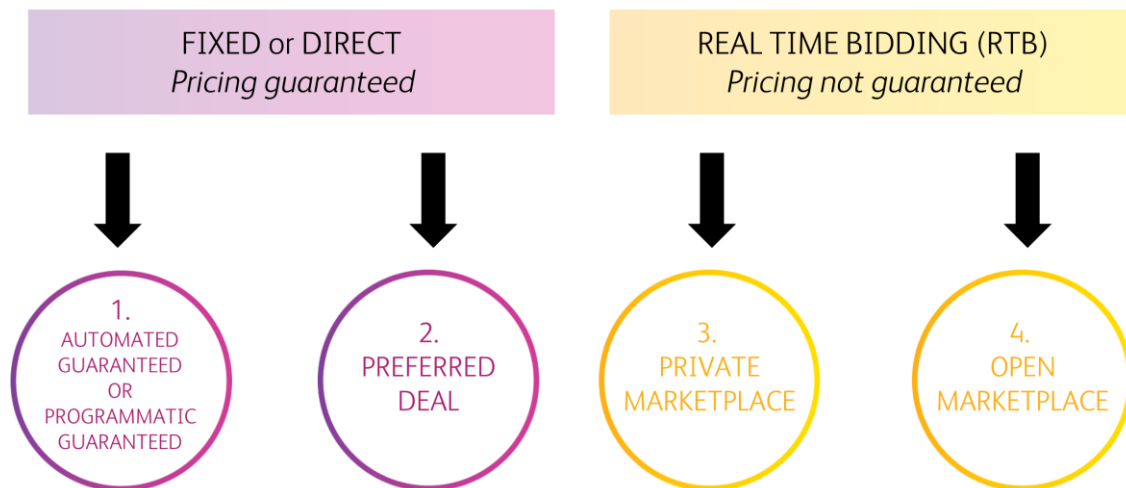
There is a misconception that Programmatic is all about real time bidding (RTB).

YES, it is a large component of programmatic buying, but it isn't the only way to trade programmatically.

Programmatic refers to two different buying methods:

1. Fixed or Direct.
 - In this option, pricing is fixed in advance.
 - Impression volume can be agreed upfront.
2. Real Time Bidding (RTB).
 - The volume of impressions and pricing is determined in real time.
 - It is not possible to guarantee impression delivery and costs upfront.

BUY TYPES



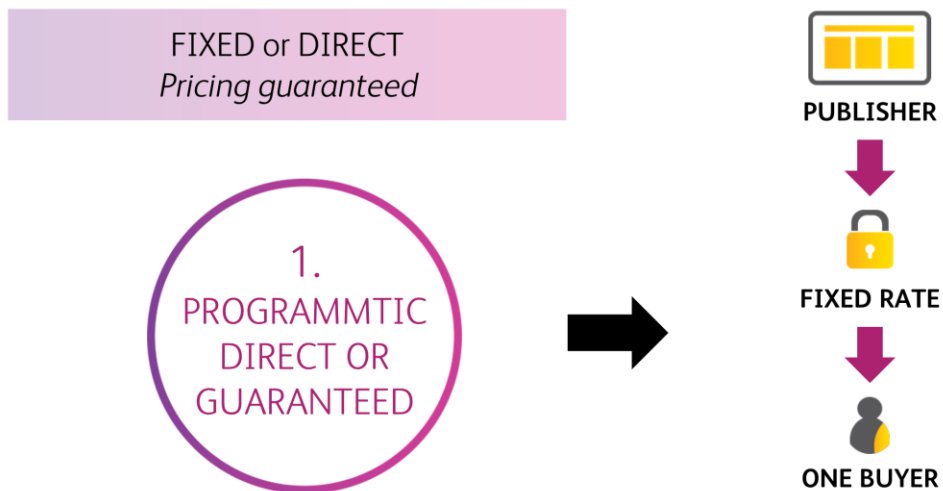
Let's run through the Buy Types.

Essentially, you have four options for buying Programmatically:

1. Fixed or Direct Buying where volume is guaranteed. This is known as Automated Guaranteed or Programmatic Guaranteed (AG or PG).
2. Preferred Deal – Number of impressions are not guaranteed, but the audience is, since buyers' DSP can use their audience data to review every ad impression, before they decide to buy it.
3. RTB – Private Market Place. The pricing is not guaranteed.
4. RTB – Open Marketplace. The pricing is not guaranteed.

We will talk through the differences next.

BUY TYPES - PROGRAMMATIC DIRECT



Buy Types – Programmatic Direct, also known as Automated Guaranteed or Programmatic Guaranteed.

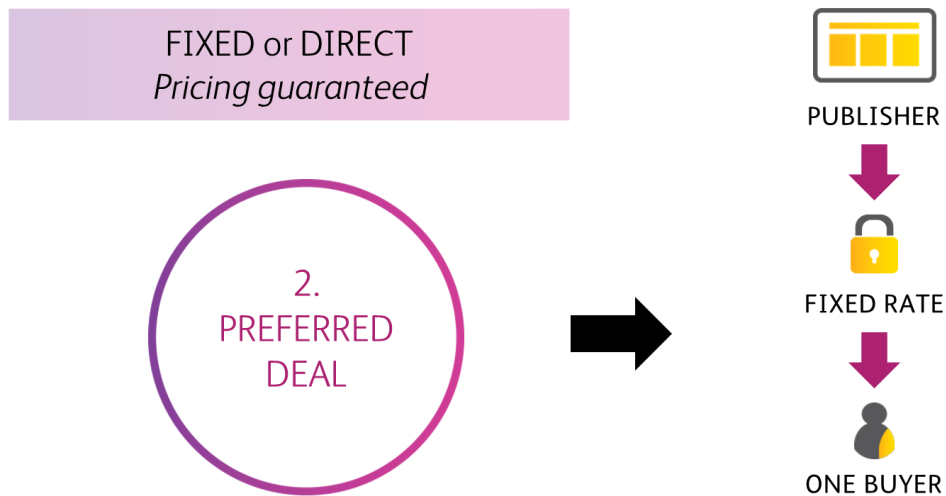
1. It is the closest buying method to **automating the current IO process**.
Takes place between a buyer and a seller.
2. There are guaranteed outcomes.
The deal is based on a fixed number of impressions that the buyer is purchasing upfront.
Campaign parameters such as CPM, Ad formats and start and end dates of the campaign are all fixed.

This buy type provides a lot more guarantees and is used when there is a greater need to control spend and delivery, rather than taking risks in auction environment.

An example of this buy type usage,

- A time sensitive campaign (product launch).
- Secure inventory upfront as opposed to taking more risk in a live auction. This can be the case of Ad formats that are commonly in short supply, e.g. premium video or Catch-Up TV.

BUY TYPES – PROGRAMMATIC DIRECT



Buy Types – Preferred Deal

1. Preferred deals are essentially, a pre-negotiated fixed price.
2. The buyers get priority and exclusive access to inventory in private, before it is made available to the open market place.
3. The number of impressions are not guaranteed, but the audience is.
The buyers' DSP uses their audience data to review every ad impression before they decide to buy it.

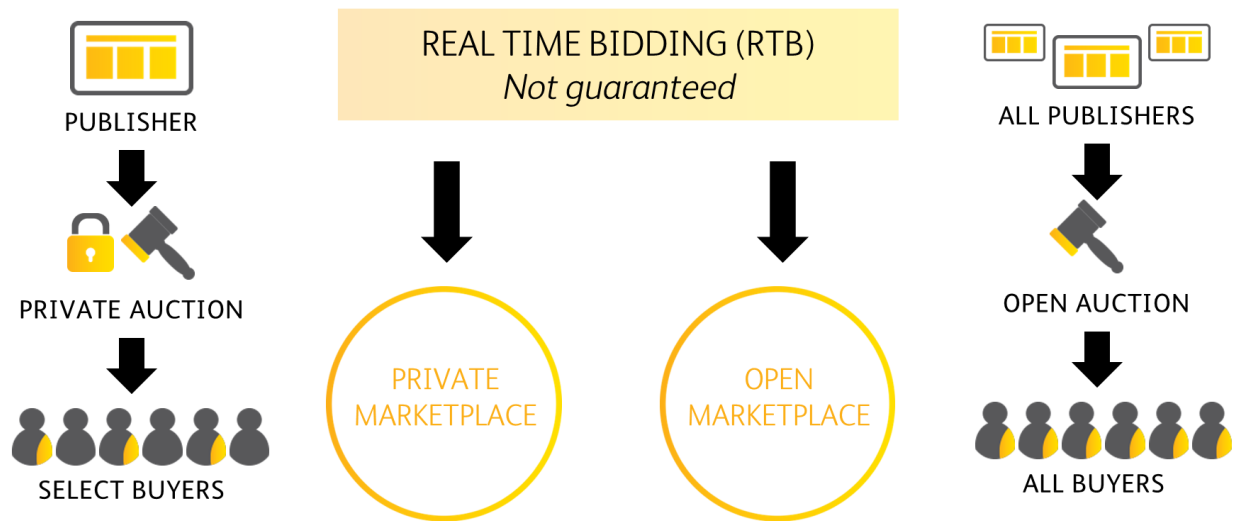
An Example of Preferred Placement is ...

A high end luxury client, who has an audience of Women 40+ and earn \$150k plus.

Needs to purchase Video On Demand inventory at \$60CPM but do not have time sensitivities on delivery of impressions.

For this reason they use a preferred deal as it is a fixed price, clearly defined audience and they do not need a guaranteed volume of impressions served, it's more important to get the right audience.

BUY TYPES – RTB



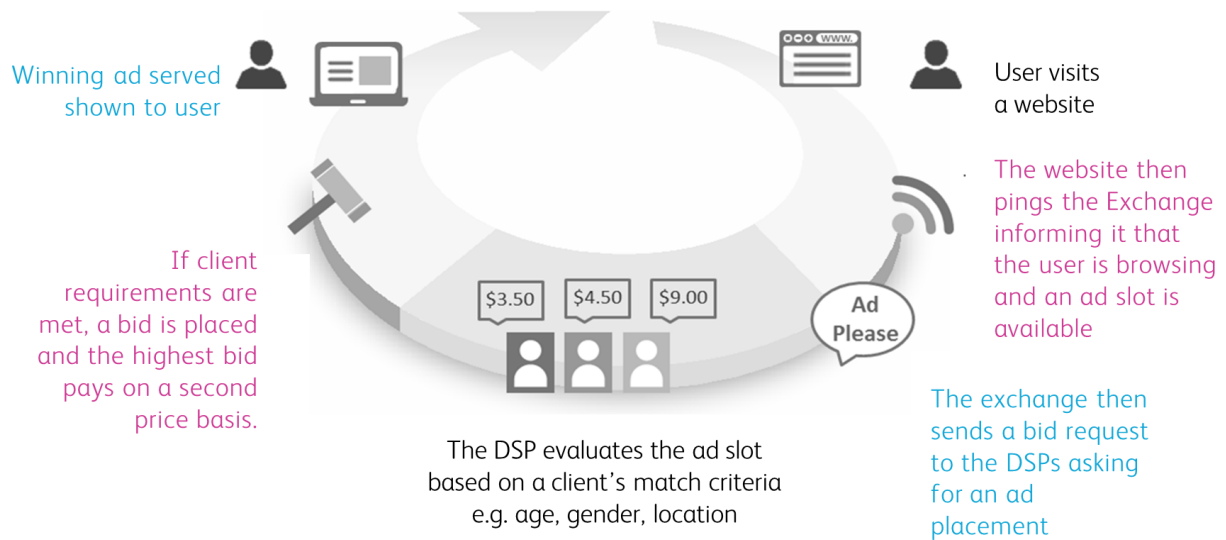
Buy Types - RTB

There are two buying options for Real Time Bidding (RTB):

- Private Marketplace and Open Marketplace.
 - RTB is 'not guaranteed'.
 - Due to an auction-based process, there's no guarantee of winning the impression.
- The Private Market Place (PMP) means that the publisher invites a select number of advertisers to participate in the auction.
 - A minimum bidding guide is provided which is called the floor rate.
 - All bidders must submit bids above the floor rate to participate.
- The Open Marketplace option means all publishers and all buyers have the potential to trade.
 - There are thousands of sites available within this buying environment.
 - The auction is a highly competitive environment, and anyone can bid.
 - There can only ever be one winning bid to secure the inventory for sale. The highest price offered will win and have their ad served.

Properties within the PMP are generally higher-quality premium sites compared with the Open Market Place, and therefore attract a higher CPM.

WHAT IS RTB?



What is RTB?

Real Time Bidding (RTB) is a type of programmatic buying where multiple parties submit bids on inventory in real time.

An example of RTB:

1. The User visits a website.
 - The auctions are often facilitated by ad exchanges or supply-side platforms.
2. The website then pings the Exchange, informing it that the user is browsing and an ad slot is available.
3. The Exchange then sends a bid request to the DSPs asking for an ad placement.
4. The DSP evaluates the ad slot based on a client's match criteria e.g. age, gender, location.
5. If the client's requirements are met, a bid is placed and the highest bid pays.
6. The winning bidder's ad is then loaded into the webpage nearly instantly.

The whole process takes just milliseconds to complete.

Users are tracked over the web via cookie; therefore every user has an online footprint.

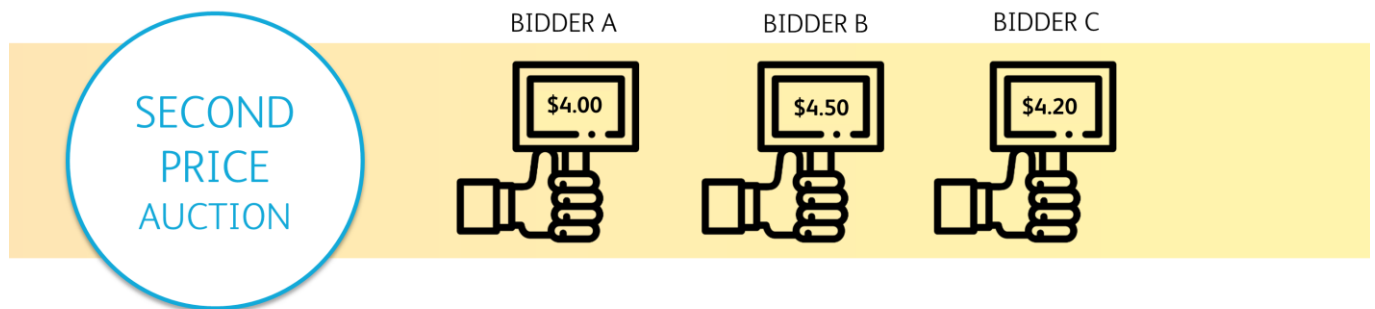
BUY TYPES - SUMMARY

DIRECT / GUARANTEED	PREFERRED DEAL	PRIVATE MARKETPLACE	OPEN MARKETPLACE
Fixed price	Fixed price	Negotiated minimum price	No floor price required
One-to-one deals	One-to-one deals	Invitation only	Open to all bidders
Guaranteed volumes	Non-guaranteed volumes	Non-guaranteed volumes	Non-guaranteed volumes

SUMMARY

THERE ARE FOUR BUY TYPES.

INSIDE THE AUCTION



Inside the Auction

There are two different auction methods in programmatic RTB

1. First price auction.
2. Second price auction.

The second-price auction model was until recently widely applied in the world of programmatic.

For years, it has allowed advertisers to bid high prices to secure impressions, but ultimately they pay a much lower price.

However, due to recent trends in the industry, and the need for more transparency. We are witnessing a steady transition to first-price auction.

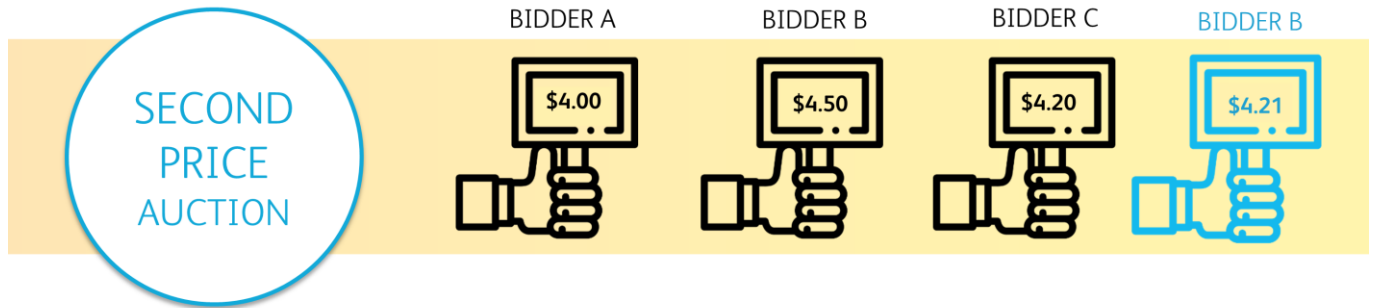
Let's first take a look at how the second price auction works in real-time bidding (RTB).

It is the same concept as Ebay's auction method, where you only pay a small amount more than the second highest bidder.

The example on this chart shows three buyers,

- Buyer A bids \$4.00
- Buyer B bids \$4.50
- Buyer C bids \$4.20

INSIDE THE AUCTION



THE WINNER.

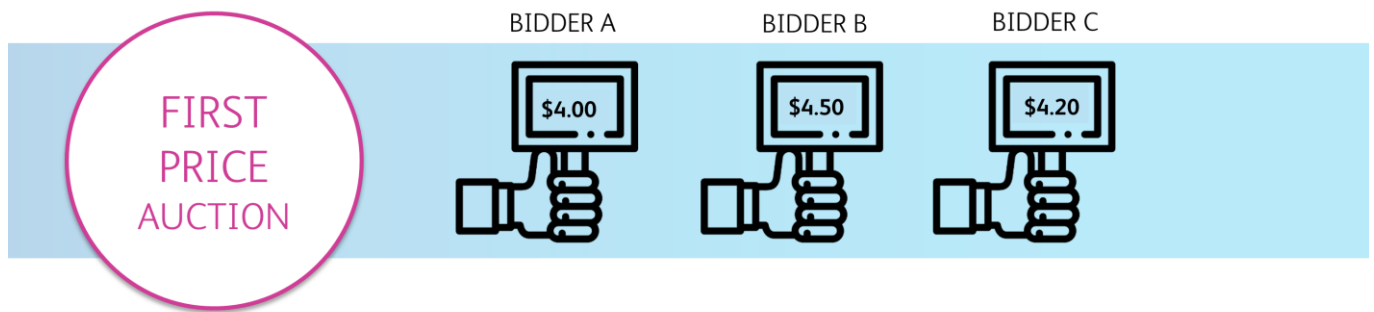
In Programmatic terms to be successful in winning an impression:

- You have to lodge the highest bid.
- But you only have to pay 1c more than the second highest bidder.

Buyer B was successful with the highest bid at \$4.50 but only has to pay 1c more than the second highest bidder which was \$4.20.

So Buyer B saved 29c on this impression.

INSIDE THE AUCTION



INSIDE THE AUCTION

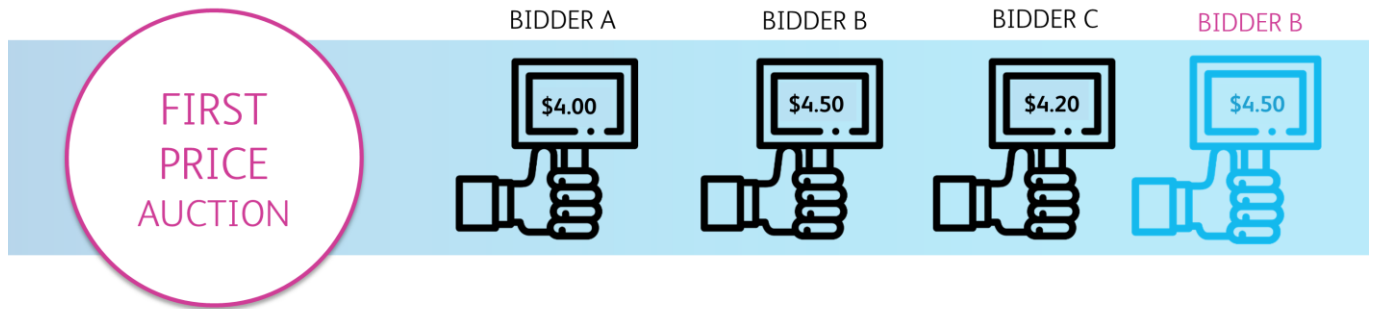
FIRST PRICE AUCTION IS LIKE BUYING A HOUSE AT AUCTION – HIGHEST BIDDER WINS.

More recently publishers have started to introduce first price auctions whereby the highest bidder wins the impression.

Using the same example,

- Buyer A bids \$4.00
- Buyer B bids \$4.50
- Buyer C bids \$4.20

INSIDE THE AUCTION



THE WINNER

In the first price auction, Buyer B is successful with the highest bid at \$4.50 and that is what is paid.

As this is a more recent evolution, there are mixed views on the benefits of first price auction.

Publishers get higher revenue, but advertisers may be overpaying.

As the buyer you need to be confident with your bid, and that it reflects the right value for what you want to pay.

There are many elements in this process ranging from the technology, the platforms, the transparency of information and cost implications that make this area complex.

It is important to stay up to date with any changes that occur in this space.

IN THIS SECTION WE HAVE COVERED...

1	Direct or Guaranteed (also known as AG and PG)
2	Preferred Deal
3	Private Market Place
4	Open Market Place
5	Inside the Auction

Module 6: Buy Types

That concludes the sixth module.

We covered the Programmatic buy types:

- Direct or Guaranteed, also known as AG and PG
- Preferred Deal
- Private Market Place
- Open Market Place
- Inside the Auction, second and first price auctions

CERTIFICATE II
PROGRAMMATIC



DIGITAL FOUNDATIONS

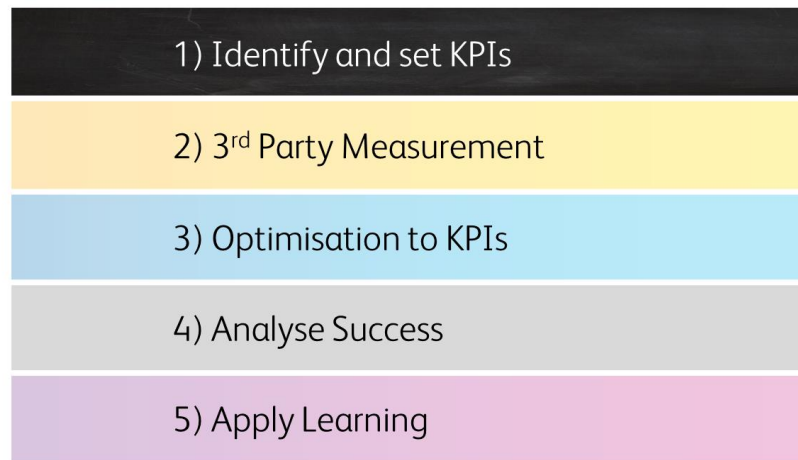
MODULE 7

MEASUREMENT &

OPTIMISATION

STUDY GUIDE

PROCESS OF MEASUREMENT



Module 7 - Measurement and Optimisation

Process of Measurement for programmatic is not different to any other process.

You must have measurement goals.

Establishing the right KPIs at the onset of any planning 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.

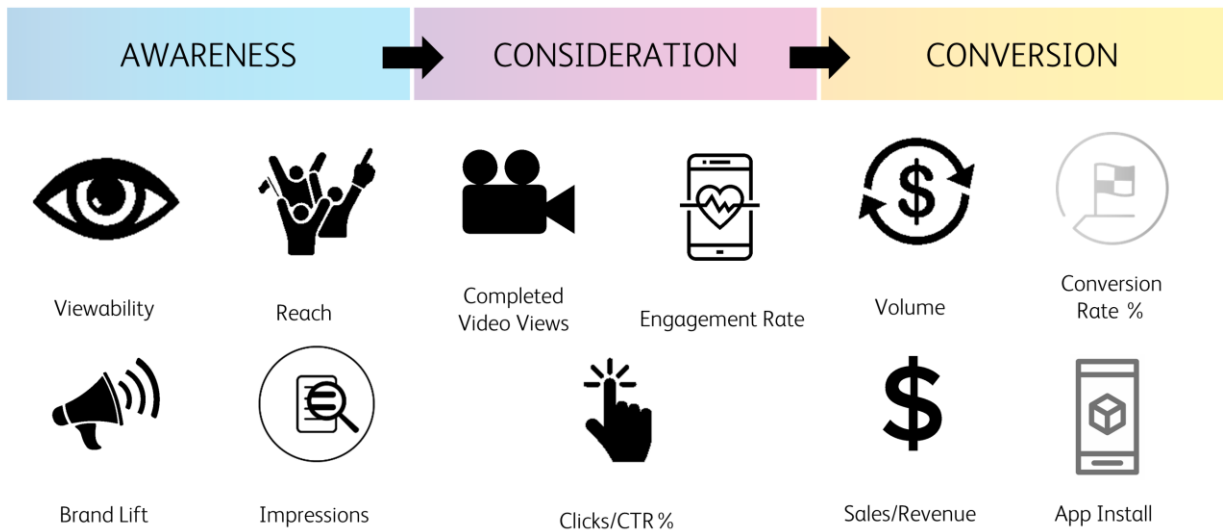
By implementing measurable goals, marketers can drive insights from their programmatic campaigns that can be applied across the entire business.

Some of the key steps in measurement are:

- Identifying and setting the **KPIs** up front.
- Make sure you have your **3rd party** vendors established and in place ready to support the **measurement** process.
- **Optimisation to KPIs** – is the campaign on track to reach your goals? If not, optimise the buy in order to improve the results.
- **Analyse success** – this relates right back to whether the KPIs were achieved.
- **Apply any insights and learnings** from the campaign to influence the next campaign.

Analysing success, and apply insights and learnings have been covered extensively in Certificate I courses.

1. SETTING YOUR KPIS



1. Setting your KPIs

Your measurement KPI metrics will be determined by the campaign objectives.

These metrics were discussed in Certificate I.

As a reminder, here are some of the metrics you might need to use if your campaign is about:

- Building awareness.
- Encouraging brand consideration or
- Down to a specific action/conversion, such as a sale.

MEASUREMENT AND VERIFICATION



Measurement and Verification

In order to gain a clear picture into the performance of the campaign (during and post) you need to use 3rd party ad verification providers, so you can validate the quality of media and the ad placements.

The main elements to review are:

- KPIs – were your communication goals met?
- Audience Measurement – did it reach the right person?
- Geo Targeting – did it appear where you intended?

Viewability, Brand Safety and Fraud are all important factors.

- Viewability – was the ad seen?
- Brand safety and suitability – was it placed in a safe environment?
- Fraud Detection – helps understand invalid and non-human traffic.

More details are covered in the Measurement That Matters' module.

2. 3RD PARTY MEASUREMENT VENDORS

CATEGORY	VENDOR	METRICS
AD SERVER	 	Impressions, Clicks, CTR %, Video views, Video completion rate, Conversions etc
AD VERIFICATION	  	Ad Fraud, Brand Safety, Viewability Geo Verification
AUDIENCE VERIFICATION		Reach, In-target reach %

2. 3rd Party Measurement Vendors

KNOW YOUR VENDORS.

Know your vendors, the chart above is an example of main vendors who provide measurement and verification for some of the KPIs.

Some are specialists in a defined field and others provide an extensive range of measurement services.

The vendors your company use will depend on the agreement between your agency and/or your client.

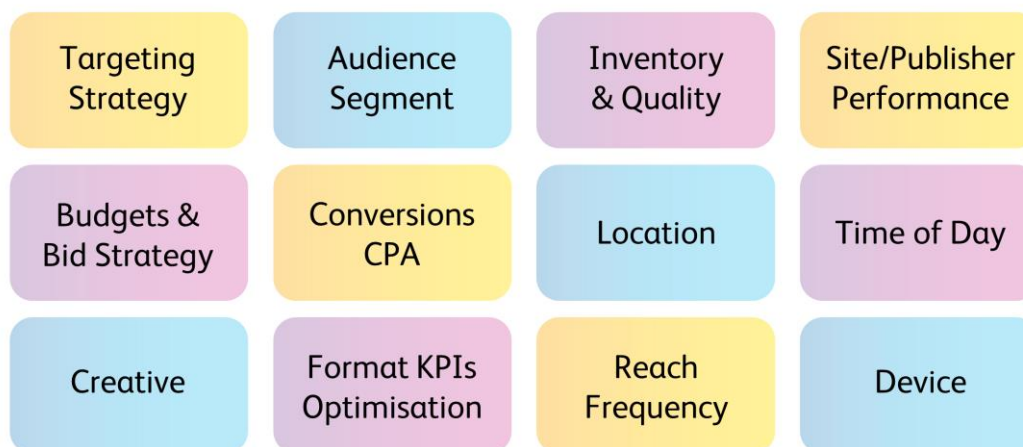
It is in your best interest to find out who these suppliers are and learn more about the services they provide.

In some cases, these vendors have been accredited by the IAB (Interactive Advertising Bureau), but there are other suppliers in the market beyond this list.

For Example – IAS measures a range of metrics such as ad fraud, brand safety and viewability whereas Nielsen DAR focuses on audience verification.

3. OPTIMISATION TO KPIS

Multiple optimisations points unique to each campaign objective.



3. Optimisation to KPIs

MULTIPLE OPTIMISATION POINTS ARE UNIQUE TO EACH CAMPAIGN'S OBJECTIVES/ KPIs.

1. Targeting Strategy
2. Audience Segment
3. Inventory and Quality
4. Site/Publisher Performance
5. Budgets and Bid Strategy
6. Conversions CPA
7. Location
8. Time of Day
9. Creative
10. Format KPI's Optimisation
11. Reach, Frequency
12. Device

For Example:

- Location: A client could see that their sales are not performing as well as they would like in Victoria. They could optimise their programmatic campaign to increase inventory across Victoria.
- Device: Video completion rates are stronger on Connected TV and therefore would optimise impression delivery on that device.
- Creative: You may set your campaign live with different creative executions and discover one of them may have a stronger call-to-action, drives a stronger conversion rate. Therefore, they would optimise towards that creative message.


IN THIS SECTION WE HAVE COVERED...

1	The Process of Measurement
2	Setting KPIs
3	3 rd Party Measurement Vendors
4	Optimisation

Module 7: Measurement and Optimisation

In summary, we covered:

- The Process of Measurement
- Setting KPIs
- 3rd Party Measurement Vendors
- Optimisation



PROGRAMMATIC IS EVER EVOLVING,
FOR MORE INFO, GO TO...

<https://www.iab.com/guidelines/programmatic-rtb/>

<https://www.marketingweek.com/2017/03/27/what-is-programmatic/>

<https://www.youtube.com/watch?v=-Glgj9RRuJs>



PROGRAMMATIC IS CONSTANTLY EVOLVING.

- 1st Price Auction is an example of this.
- We have seen new auction mechanics.
- Our role is to stay on top of the changes.

HERE ARE SOME EXAMPLES OF INDUSTRY LINKS ABOUT PROGRAMMATIC.

THERE IS NO SHORTAGE OF CONTENT AVAILABLE, BUT YOUR AGENCY IS OF COURSE THE BEST PLACE TO START LEARNING MORE ABOUT IT.

Plus, don't forget to go the MFA website for copies of the Study Guides, which include all the content and trainer's notes from today's session.

Programmatic is not the future – it is now and it's close to being the norm.

CONTENTS

COURSE: PROGRAMMATIC

1

Programmatic: What is it?

5

Benefits of Buying Programmatically

2

Why it's different to traditional

6

Buy types

3

Evolution of Programmatic Buying

7

Measurement & Optimisation

4

Programmatic Ecosystem

Programmatic – MFA Digital Foundations Certificate II

So that concludes Programmatic

Covering:

- Programmatic – What is it
- Why it's different to traditional
- Evolution of Programmatic Media Buying
- Programmatic Ecosystem
- Benefits of Buying Programmatically
- Buy Types
- Measurement and Optimisation... and a little more

To achieve certification, you will need to successfully complete the Certificate II exam.

You will need to achieve a result of 80 % or more to pass.

Good luck!