

VOLUME 1

ISSUE: 01

# BIG BOOK OF DIGITAL MARKETING



IGNITIONONE®









## PHILIPS INCREASES EMAIL CAMPAIGN PERFORMANCE BY 300% WITH IGNITIONONE

### CHALLENGE:

Philips sought to enhance revenue and conversion potential of its email marketing

### STRATEGY:

Use **IgnitionOne's** Marketing Automation solution to enhance the customer profile

### SOLUTION:

**IgnitionOne** was able to personalize email (subject lines and body content) with products that the customer was interested in. IgnitionOne married insights from its DMP with signals gathered from the customer on-site to build a richer profile. These insights also indicated when to send an email based on the customer's likelihood to convert.

### RESULTS:

**250%** lift in CTA

**340%** lift in CTR

**90%** lift in open rate

# TABLE OF CONTENTS



## CHAPTER 1: PEOPLE AND BIG DATA

• There's No Such Thing as Bad Data	7
• How Data Ageing Could be Affecting Your Online Marketing Efficiency	8
• Data Visualization Can Unlock Digital's Advertising Confusion	9
• Why Offline Data is Key to Online Data Segmentation	10
• Let's Use Data Not Just to Target Ads, but to Make Ads Better	12
• Hyper-Local Data: Programmatic Game-Changer, and Not Just for Mobile	13



## CHAPTER 2: UNDERSTANDING AD TECH

• AdTech: Can You Explain What You Do?	15
• People Use Buzzwords as a Box They Need To Check, but Often Don't Know What They Mean	16
• Picking A Lane in the Programmatic Marketplace	18
• Agencies & Tech: Better Out Than In?	19
• What M&A Means for Programmatic Marketers	20
• Will Need for Transparency Drive Ad Networks Out of Business?	21
• DSPs: Still Not Enough	23
• The Dangers of Buckets	24
• Ad Tech's People Problem	25



## CHAPTER 3: PROGRAMMATIC/RTB

• Stop Confusing Real-Time Bidding with Programmatic	29
• Programmatic, Real-time & Predictive: Display is Ready for Primetime	30
• Decoding RTB: Breaking the Acronym to Understand the Practice	32
• With RTB, Premium is in the Eye of the Beholder	34
• RTB - The Missing Link in Brand Display	35
• The Future of TV Advertising Lies In RTB	36
• The Importance of People in Programmatic	37



## CHAPTER 4: MOBILE & DEVICES

• Mobile: Still a Pain Point for the Buy Side	39
• The Agency Paradigm Undermines Mobile	40
• Consumer Appliance Marketers Are Becoming the Next Data Warehouse	41



## CHAPTER 5: INTEGRATION

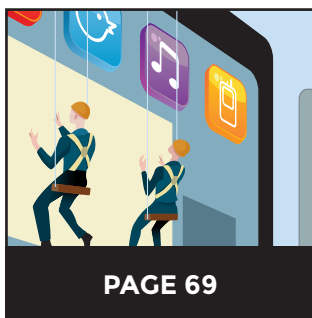
• White Lightning	43
• When It Comes To Bid Optimization, Are You 'Book Smart' or 'Street Smart?'	45
• 3 Ways to Gather Your Data Resources	46
• What Data Should You Use and What Can You Do With It?	47
• A New Attribution Metric to Rule Them All	48





## CHAPTER 6: BEST MARKETING PRACTICES

• CMO Tips: Goals, Objectives, Strategies and Tactics	51
• Agencies Better Cozy Up to Ad Tech	52
• Conversion Optimization: Your Own Online Sales Associate	53
• 3 Types of Data You Can Use to Increase Profit	54
• 5 Ways to Re-Engage Abandoned Carts with Data	56
• The Expense of Discounting	57
• The 4 Magic R's That Online Gambling Marketers Must Make Work Together	58
• Why Retailers Win With Google Shopping	60
• Has Search Lost its Luster?	61
• Brave New Search World	62
• Keep Your Paid Search Thriving with Search Query Expands	63
• Viewability May Save Display from Itself	64
• The Sweet Spot for Conversions	65
• Getting Real with Remarketing	66
• B2B Perspective: Email Vital to Keeping Brand's Conversation Going with the Buyer	67



## CHAPTER 7: SHIFTS IN THE MARKETING LANDSCAPE

• If We Want to be Taken Seriously, Then We Need to Get Serious	70
• Ad Tech Progress Requires Drastic Shift in Agency Priorities	71
• It's Time to Bring Data Scientists on Sales Calls	73
• Are Marketers Ready for the Age of 'Peak Cookie'?	74
• The New Millennials: Generation FB	75
• Management Lessons from a Public Company Gone Private	76

# WELCOME

Now is such an exciting time to be in digital marketing. Integrated marketing is all about allowing a brand to tell a digital story to its consumer, and although there will always be room for innovation, new ways to measure and gain insight, we finally have the tools, technology and techniques to seamlessly weave a beginning, middle and end (and an epilogue and maybe a duology, trilogy or more, because really, the customer lifecycle is a constant loop that can always be nurtured). There are a lot of companies in this space that have capabilities to speak fluently to one channel, maybe two. But there are very few that are capable of having a full conversation

using multiple channels.

IgnitionOne and Netmining have been trailblazers in the industry, exerting our knowledge first through campaign performance and then through exemplary thought leadership in publications such as AdAge, MediaPost, Digiday and many more. We are so proud to share our ideas and best practices across a vast range of channels, individually and holistically. This collection of articles showcases our successes, learnings, and most importantly, innovation. They are an incredible resource for marketers seeking a useful guide that will help them navigate

through a complex and constantly changing space.

Enjoy and happy reading,  
Will Margiloff, CEO



# PEOPLE AND BIG DATA

Big Data can seem like a nebulous buzzword, but it's more than some new jargon. At IgnitionOne and Netmining, we focus on digesting big data to create smart data that we can act upon for marketers. There's a lot more data at our fingertips now both directly from consumers and from various 3rd party sources, and it's our duty to figure out how we can apply data (big or small, aggregated or segmented) to positively impact consumers and their lives. We also can't forget the human element - those analysts that make data work effectively and their unique skillsets in this increasingly data-driven industry.



*"Good, bad, or ugly, data received from a campaign is always a source of fuel that helps power optimizations for live campaigns and valuable knowledge for future initiatives."*

# There's No Such Thing as Bad Data

JOE LAVAN, MEDIAPOST

By definition, programmatic buying allows advertisers to hit their desired audience with every impression while providing instant feedback as well as a strong foundation to make optimizations. Conceptually, it sounds as if every campaign should drive results through the roof. However, the reality of advertising is that campaigns sometimes miss the mark. But (in my best John Madden voice), that's why you play the game (and don't run ad campaigns on paper)!

While missed KPIs are never a goal, they should be far from a nightmare. It's surprising that so many marketers throw the baby out with the bathwater when talking about why a campaign failed, mislabeling misses as "bad data." Good, bad, or ugly, data received from a campaign is always a source of fuel that helps power optimizations for live campaigns and valuable knowledge for future initiatives.

So why does data get thrown out? Advertisers and agencies often operate on the mindset that failure is something to be avoided like the plague, rather than something that can be learned from. I'm not here to say that every caterpillar is a butterfly, but too many marketers pull the plug on poor performing programmatic campaigns without really giving them a chance to mature. Programmatic buying allows marketers to test campaigns, learn and adjust. Marketers may even learn that their notions of their target audience are false.

Let's look at an example using an American motorcycle brand. If you asked 20 random people on the street what a motorcycle owner looked like, they would probably think of a crowd of tatted-up, rough and tumble dudes who spend a lot of time maintaining their bikes. Think Jesse James or the types of guys you see on American choppers. A motorcycle brand

may task its agency to build a campaign targeting individuals who fit this standard description; building profiles around online users who display affinity for stereotypically "macho" things.

Now, what if that campaign misses the KPIs, even though the desired audience is hit? Maybe traffic to the brand's website rises slightly, while interactions and clicks are half of what was expected.

Most marketers would probably write this off as a failure. Is the Web just not an effective place for a brand like this to advertise?

Instead, marketers should try and see what insights they can glean from their "failed" campaign. Who actually did visit the site as a result of the ads? Who was clicking and engaging?

The brand may find that the specific audiences that

responded to buying a new chopper are also concerned with the merits of vinyl versus aluminum siding for their garage, or paying for their kid's college education. Perhaps the preconceived notion about the audience is incorrect. They shouldn't be looking for hardcore bikers, but rather for men suffering from mid-life crises looking at a motorcycle as a way to rekindle their coolness. You know, the whole "can't judge a book by its cover" theory. The next round of campaigns can optimize toward this mid-life crisis audience, and the brand can expect to see the original desired results.

How do we achieve the best outcome possible from a less-than-stellar campaign? Without digging too deep, there are so many small things to look for in every campaign, whether the KPIs were low or off the charts:

## Creative & Messaging

Is there a noticeable difference in how audiences respond to different creative? Consider how to change that on campaigns going forward, so that the pieces drawing a response are used more frequently.

## Time of Day

Is there a specific window during the day that performance is particularly strong? Analyzing something like time of day can tell us a lot about a brand. Is this something that people engage with at work? On weekends?

## Sequence of Messaging

Marketers using dynamic creative to build custom units may notice that one sequence or product set outperformed all others. Use that as building block going forward. There's plenty to glean from these three items alone, and every subsequent campaign results in more learning. We can all agree that wasting money on poor-performing campaigns is foolish, and eventually marketers have to make tough business decisions. But if brands and agencies were willing to learn from what they consider "bad data," then what looks like a loss turns into a new opportunity and a better marketing strategy. Remember: Chickens come from hatched eggs, not smashed ones.



# How Data Ageing Could be Affecting Your Online Marketing Efficiency

FILIP LAUWERES, THE DRUM

Data is one of the pillars of the digital marketing industry. Every technology provider spent most of 2013 talking about it and every brand spent most of 2013 trying to work out how to get it, and now we're all wondering what we should do with it.

As an industry, digital advertising relies on data. Part of the growth of online advertising, particularly throughout the financial crisis, has been the ability to deliver targeted campaigns to the right audiences, measure campaign success and concretely show ROI, all powered by data.

So given our love affair with data and what we can do with it, it surprises me that very few people are talking about data aging. Depending on the campaign objective, data gains or loses value over time. However,

most marketers never query data age or how that may possibly impact a campaign.

Probably the most commonly discussed use of data is behavioral targeting. Although most tech providers implement cookie lengths (a particular span of time after which the cookie stays on the individual's machine), the cookie gets dropped at a particular point in time and judges the individual on that particular point in time until the cookie expires. Does it consider where the individual might be in the purchase process and how time might have affected their move down or out of the purchase funnel?

Building a digital advertising campaign around data that is no longer relevant impacts the potential results. Is that individual still in the market for trousers or, after visiting the trousers section for a week, are

they now looking at the shoes section of your website? Does that indicate that they've made a purchase? How quickly does a cookie with a three-month lifespan pick that up?

In computer sciences, there is a great saying: "Garbage in, garbage out". It's used when talking about computers unquestioningly processing unintended data, but this easily applies to digital advertising as well. If you are still serving a dynamic display advert for trousers on the person now looking for shoes, you are definitely not going to see a great result.

Similarly, this impacts the digital advertising industry as a whole. We pride ourselves on being transparent, on being able to show results and ROI, so when campaign results aren't successful there is nowhere to hide. By running inefficient

campaigns, the entire industry loses credibility and becomes the other 50 per cent of the John Wanamaker quote.

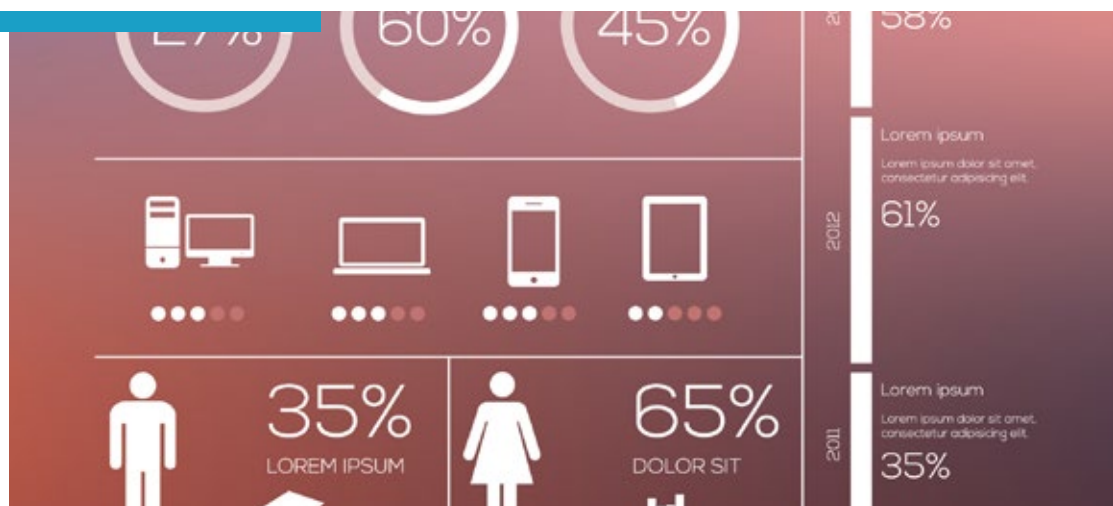
But what I find most worrying is that marketers aren't asking about data aging. I'm frequently asked about what data we use and what third party partners we work with, but I'm very rarely asked, if ever at all, about how we handle the data ageing, which makes me think that it's not a serious part of the agenda.

The digital industry has made leaps and bounds in being able to deliver the right message at the right time but without considering what we know about the individual and how quickly that changes, we jeopardize our ability to stay.



*"Depending on the campaign objective, data gains or loses value over time. However, most marketers never query data age or how that may possibly impact a campaign."*

*"Visualizing the results lets anyone understand the success in an instant, rather than the hours or days needed to sort through a paper report."*



# Data Visualization Can Unlock Digital's Advertising Confusion

CHRISTOPHER HANSEN, ADOTAS

Which would you rather read: USA Today or the phone book? I'm going to bet nearly 100 percent of people would take the first choice and flip through the newspaper with colorful charts and graphs over a brick of monotonous listings. The paper is just easier to read and process. It's alarming then, that online campaign analysis is closer to handing a client the phone book than it is to providing easily digestible information.

In this age of data and measurement, we can target consumers online and slice the results to give a very clear understanding of what happened in a campaign and why it happened. But the current state of analysis – stacks of Excel spreadsheets – is holding agencies and brands back. Too much time goes into drawing out insights, rather than putting those insights into action. If the buy-side wants to make an impact online, data reporting, much like data management, should be automated and dynamic.

One of the main issues is that

campaign management and performance data are probably 15 years behind ad serving technologies, stuck in a Web 1.0 world that sometimes requires printouts and faxes. This limits how anyone on the buy-side even approaches the practice of analytics. Because the information comes so long after a campaign ends, it serves only as a report, not a forecasting and optimization tool. Ads are bought, sold and served in real-time. Therefore, client understanding shouldn't take days or weeks.

Things get more complicated when you add in the number of devices where ads now appear. Mobile, tablets and connected TV are now an undeniable part of the media landscape, adding another dimension of reporting and a greater expectation of the marketers to drive performance. When purchasing media across multiple formats, the marketer needs a simple process to understand their investment and performance, and then move forward with everything they've learned.

Visualizing the results lets anyone understand the suc-

cess in an instant, rather than the hours or days needed to sort through a paper report. But is there a Web 2.0 solution to campaign management, with this kind of visualization? Much of the work done today has focused on clunky UIs that are more of an attempt to fix spreadsheets than they are to shift the paradigm. Nearly every campaign management system on the market is line item based and tabular – while there may be a clear way to understand data, the planners still need to go step by step to take any action. It's a major issue if the main job function of a smart campaign manager is to cobble together a cohesive report. Those man-hours should be spent understanding the results, not assembling them.

Getting to that 2.0 era of management and analytics requires both practices to be combined, with clear visualization serving as the key component. Imagine a campaign manager looking at a geographic heat map of where consumers are responding to ads and, at a glance, seeing which pockets have potential for increased

conversions. We could all benefit from a dynamic visual that informs optimization and budget allocation strategies.

This isn't an endorsement for full automation. Agencies and brands always need to understand the numbers in front of them, no matter what. Combining analytics and planning cuts out several steps – too many to count – that are still slowing down the process. Someone will always have to bring quarterly reports to a meeting with the client. This is about spending less time assembling those reports and more time improving the results contained in the report.

A clean interface that agencies and marketers use to understand online advertising is bound to drive a major uptick in digital spending. Campaign management is about acting on information, and information is easiest to understand when it's visualized. For proof, pick up a copy of USA Today.

# Why Offline Data is Key to Online Data Segmentation

CHRISTOPHER HANSEN, MEDIAPOST

Now that advertising is driven by “big data,” marketers are well aware that certain targeting segments can make a positive impact on their campaigns. In ad tech, anyone with an algorithm and a data scientist on their staff can make a few bucks by pulling together some appealing segments and selling them to marketers. However, not all data segments are created equal. If online marketers and data companies keep trying to plug in the same segments, campaign after campaign, they will see diminishing returns. Targeting the same mom or auto intender segments doesn’t do much good. Marketers need some outside-the-box thinking to uncover new data segments, and the secret may lie in offline marketing tactics.

When thinking about data segments, it’s important to consider the major life changes when consumers end up making lots of purchases. This is how offline direct-response advertising works, hitting consumers with offers when there’s a likelihood of purchase.

Consider mover data, which could be one of the most powerful data segments out there. Have you ever received a mailer from a Homegoods retailer when moving? The direct-mail guys have been making a killing off of this data for years, so why aren’t digital marketers?

It should be easy to track. A marketer’s partner can understand which customers are 90, 60 and 30 days out from moving based on publicly available real estate data. These 30-day buckets are effective because they allow a marketer -- say a home-supply store or big-box retailer -- to measure the degree of frequency for serving ads, as well as the creative.

Home Depot and Lowe’s are going to push moving supplies in that 60-day period, while a retailer like IKEA may target urban movers in a shorter 15-day window. Research shows that two-thirds of households that are moving formulate the majority of major-purchase decisions before the move. With a sense of the actual move date, marketers can also use this data to suppress irrelevant ads and audiences. Meanwhile, Best Buy can start serving ads post-move, when it’s time to get a new TV.

This kind of data is applicable across many other verticals that aren’t endemically tied to moving: retail, CPG, banking, insurance, you name it. Take a step back and ask “Why do people move?” It might be for a new job, moving to the suburbs with their spouse, or even to start a family. These life changes often lead to changes in purchasing behavior as well.

Stats show that even when a move event occurs within a short distance, such as within a zip code, marketers can’t prove that purchasing patterns will remain the same. According to a study







*"When thinking about data segments, it's important to consider the major life changes when consumers end up making lots of purchases."*

conducted by Epsilon, brand loyalty gets put to the test during a move, with a mover being twice as likely to change brands or providers than a non-mover. So while an agency planner might not think a pre-mover segment is an endemic or valuable audience to hit, stats show those who move are 372% more likely to switch baby product brands than those who are not moving, as reported by Ipsos. Certainly, your beer-drinking habits may change based on where you lay your head: Sixpoint in Brooklyn, Yuengling in Philadelphia, and Augustiner in Munich. Why wouldn't other brands change for consumers?

Moving is not simply about cars and mortgages and furniture. Consumers make big electronics purchases after moves: about 55% of moving homeowners purchased at least one major appliance post-move and tend to splurge on themselves more than non-movers. This qualified audience will spend more money on major purchases during the three months surrounding the move (pre- and post-) than non-movers will spend in a five-year period, representing the kind of opportunities that online marketers dream about.

Creating the most accurate and current data set of "new movers" requires working with offline providers who collect lists of new home sales, using the new phone and utility installs (electric, water, gas, etc.) as validators against the municipal deed filings and address changes that are initiated by the consumer. This data can then be matched to IP addresses and scrubbed of personally identifiable information before being made available to marketers.

For other kinds of data, online partners can organize the offline CRM data into segments, then upload that data to a match partner, based on the segment needs. These onboarded segments can be updated on a weekly basis, just like online behavioral segments, but they'll be much more highly qualified.

The truth is that offline direct-response data can be a lot better than what we make do with online. It's not inference-based, but instead real consumer data that is cleaned up, made anonymous, and then made actionable. Marketers and ad tech companies alike should be figuring out the process of onboarding it for online use. In the very near future, we're going to see the old-school way of targeting consumers becoming the new-school data source in online marketing.

# Let's Use Data Not Just to Target Ads, But to Make Ads Better

CHRISTOPHER HANSEN, AD AGE



*"To show consumers the most valuable, rewarding or entertaining creative executions possible, marketers now need to take advantage of data there too."*

The booming data and ad-tech industry has marketers focused on showing their ads to the people they consider their targets. But with the growth of automated ad buying, creative execution is sometimes overlooked in favor of standardized efficiency. So, while ads get to the right consumers, many of them are neither memorable nor engaging.

To show consumers the most valuable, rewarding or entertaining creative executions possible, marketers now need to take advantage of data there too.

We are barely scratching the surface of the information provided by the uptick of online shopping sites and consumer activity in digital arenas. Sure, this data can be applied to decide which product a banner ad winds up highlighting for different groups of consumers, but we can take it farther -- with better looking ads that create an easier and more

personalized shopping experience. Not many display ads incorporate user-level data, purchase data or assets from social media outlets in a flexible manner. An ad served could change its colors, text and formats to seamlessly match its environment. And what about customizing the ad with time, location and weather data tailored to the consumer's location? Marketers have a chance to combine seemingly disparate data sources to create a cohesive, engaging, creative message for each consumer.

Facebook is making a good attempt at creating a seamless advertising experience served programmatically. The news-feed advertising executed on the Facebook Exchange integrates the look and feel of the rest of the site and also incorporates users' "friends" in the marketing placements to increase interest from the targeted consumers. This level of targeting and data usage may not be perfect -- it can

seem intrusive -- but shaping the creative with multiple data points is a step in the right direction.

Luxury retailers could easily integrate meta-data and social data into their ads. These brands promote consumer engagement through a presence on Facebook, Twitter, Instagram and Pinterest. Consumer-generated posts featuring these retailers are loaded with hash tags, similar to search keywords, but provided by the consumers themselves. Take those keywords to a media/targeting partner, and the brand can then segment its content, with insights into the consumer's sharing habits. A luxury retailer could drill down to the detailed level of consumers looking for #mens #wallets in a #camouflageprint, for example, and spark a re-targeting effort aimed directly at those consumers, even if they haven't visited the retailer's brand site.

This shatters the opinion that display is only a realm for direct response. Brand ads can be executed on a much deeper level, offering consumers more utility than sheer awareness. For example, an auto marketer can use weather data to play up "it's a beautiful day, go for a drive" or "it's raining out, stay safe with our unique features" types of messaging. The idea is that marketers should be thinking about how they can match their creative to consumers' thinking in real time. People say you can't plan for the weather, but in programmatic advertising you can.

Good advertising is about storytelling, but online advertising has largely focused on the science and technology of delivery and not the message itself. We need to start giving the art just as much emphasis.

Skilled audience targeting gets the marketer to the consumer, but it's the creative that gets the consumer to engage back.

# Hyper-local Data: Programmatic Game-Changer, and Not Just for Mobile

DEAN VEGLIANTE, MEDIAPOST

**H**yper-local data is now available via programmatic media buying, and the implications are huge. Hyper-local targeting mainly uses a consumer's latitudinal and longitudinal coordinates (abbreviated as lat/long) to deliver a targeted ad. We've been doing this since Columbus sailed the ocean blue in 1492. It's flown under the radar with the ease of cookie data collection, but location-based targeting is coming back with innovative opportunities. Retailers have the option

hyper-local is as a replacement or complement to cookie targeting. Rather than dropping pixels and making assumptions just off online behavior, advertisers can leverage location-based data to build more advanced segments. For example, brands could use this data to find people who travel often, serving this specific consumer segment appropriate targeted ads relevant to their traveling habits.

When you free hyper-local from

full-funnel RTB strategy. It's no longer about mobile, but a full brand-building exercise across multiple consumer touch points.

Of course, no conversation about hyper-local and lat/long targeting is complete without addressing privacy. The thought of being tracked everywhere you go will undoubtedly creep out a lot of consumers, as it should.

Sections of the public are always frightened by new advancements in technology. My grandfather was upset with the launch of E-ZPass because he saw it as a government tracking mechanism. Any expansion into hyper-local lat/long targeting needs to address these concerns head-on, explaining that none of this information is personally identifiable, and offering clear opt-outs.

We've come a long way from freak-outs caused by aggressive retargeting ads following consumers across the Web, and it's safe to say consumers are more comfortable with the practice of targeting. Location based data is opening up an entirely new era of targeted advertising, one that possibly even be a good hedge to cookies. Of course, that's not possible if the industry crosses the line on privacy. Let's be sure to learn from the lessons of advertising's past as we move into the future.

## New World of Data Crunching Still Needs Human Touch

Simon Haynes, Online Media Daily

We need to find a happy medium between Don Draper and Don Zagier. Digital media is based on the understanding and assimilation of technology, and as a result you can't deny that digital media has become driven by data and technology. However, the 'media' portion of the piece also needs to be understood. That is based on intuition and experience – but is intrinsically a human interaction. Currently, there are too many people who are digital or media; for the industry to evolve, we need to develop professionals who are a combination of the two. For this to occur, we need to respect both facets but realize that they are interdependent.

to serve ads to consumers as they walk by a store. CPG marketers can target those same consumers once inside. Furthermore, beaconing will take this to a whole other level. So much of the hyper-local storyline to date has focused on mobile due to the nature of device mobility. But that's only one example of how this data can be leveraged. It's entirely possible to target on a hyper-local level in traditional ways, and it's these executions that will make hyper-local a pillar of online advertising in the near future.

One way to think about

residing only in the mobile bucket and think of it as a new data set, it opens up a world of opportunities. We're at a point where traditional media, out-of-home, and connected home appliances can leverage this data as well. Google purchased Nest last year, and we're on the brink of household devices that can deliver ads. There have been great strides in digital out-of-home, and we'll soon see digital billboards that deliver dynamic messaging depending on which consumer is standing in front of the device. Combining these media opportunities with hyper-local data points gives marketers a

*"Sections of the public are always frightened by new advancements in technology."*



# UNDERSTANDING AD TECH

When people think of advertising they often envision the days of “Mad Men”, old boys sitting around conference rooms brainstorming the next big magazine print ad. These days, with digital becoming an increasingly more prevalent medium for advertising, we need to have more pointed and effective ways to reach consumers with brand messaging. However, online ad technologies are challenged with less clear-cut delineation and ‘buckets’ than traditional advertising. It’s exciting, but not easy, defining our dynamic space while transformations within technology companies and categories take place at the same time.

---



# AdTech: Can You Explain What You Do?

WILL DOHERTY, DIGIDAY

**W**ant to gauge feelings about online advertising? Ask yourself if you're comfortable telling your parents how digital advertising works and discussing your role in the ecosystem.

My father worked in marketing and traditional merchandizing, and has collected personally identifiable information like addresses and phone numbers from data companies to drive awareness and sales. Yet to him, the concept of an online cookie is creepy. He even questioned the legality. This is someone working in marketing and is well versed in traditional media targeting tactics. It seems like the rules for traditional marketing do not apply to the space online. Is it because we sit behind a screen when we browse and conduct online transactions? Does the lack of a physical presence give the general consumer population a misdirected sense of anonymity online?

Online, we're in an era where the industry's fear of transparency is as great as consumers' fears about the use of their data. Even when survey after survey reveals that a majority of consumers actually prefer ads tailored to their interests, online advertising has the dubious distinction of being reviled and ignored at the same time. This is largely because online advertisers have failed to communicate what and why we do what we do. While "Mad Men" has made advertising look glamorous again, none of the "Mad Men" hip factor has been passed on to programmatic display (despite what Turn would have you believe). The earnest goal that we have as online programmatic advertisers is to get to the point where we demonstrate real value to the consumers with a high level of transparency that changes perceptions.

However, any negative mindset is the industry's fault, because we are not overly explicit and upfront about our business. The industry hides behind privacy policies and jargon, appeases market watch groups with just enough action instead of embracing it. Nearly everyone working in digital understands people

inherently don't love advertising or, more to the point, they loathe the "idea" of advertising. But I will always argue advertising at its best provides as much value and entertainment as any other art form.

Digital needs to tout how we advertise and how we do it effectively. Can we get to the day where someone will talk about how they were really lucky to be served an ad that had just the right deal they were looking for? Or helped them plan a better vacation? Not when online companies like Mozilla try to dictate how consumers should feel and harm the lifeblood that makes the Internet free and exciting. There has always been a trade-off online, even in traditional media like TV, where advertising accompanies the content.

The value in advertising is relevance for the consumer, that's how we can make advertising better. We need to build up advertising's role as a trusted adviser to consumers. To get there, of course, consumers need to share their data as part of the trade-off. Data needs to be disclosed to achieve relevancy and honesty. Otherwise, consumers need to be prepared to pay for content or receive completely irrelevant (more annoying) ads that they will never be able to opt out from seeing.

*"Ask yourself if you're comfortable telling your parents how digital advertising works and discussing your role in the ecosystem."*



# People Use Buzzwords as a Box They Need to Check, but Often Don't Know What They Mean

WILL MARGILOFF, EXCHANGE WIRE

Our industry is drowning in buzzwords. This should come as no surprise to you if you have read any article, been to any conference or sat through any sales presentation. I hear them in my sleep ‘big data’, ‘programmatic’, ‘real-time’, ‘earned/owned’, ‘discovery marketing’ and on and on..

But being a buzzword is not necessarily a bad thing.

There is usually a reason people are talking about it (beneath all the hype). Something new happens: there is a trend, a movement in the industry, and it needs a description, a term. But what starts off with a definition often gets fuzzy. People end up using the buzzword as a placeholder or a box they need to check, but don't know what it means.

People string these buzzwords together into sentences and hope they mean something. The fact that this goes (mostly) unchallenged is a testament to the resignation and in some cases, the wilful ignorance, of members of our ecosystem.

It's as if people enjoy the cover that complexity can offer in the digital marketing arena.

## ‘Marketing automation’ as the buzzword du jour

There is one buzzword in particular that has been on my mind a lot lately – one that is perhaps the most flagrant example of a catch-all phrase, the meaning of which has gotten increasingly fuzzy. I'm speaking, of course, of: ‘marketing automation’.

What I would like to challenge our industry to do is not just try to remove the fuzziness from the definition of this particular buzzword, but also rethink the definition altogether. Marketing automation is an area of our industry which is ready for a rebirth.

What is the traditional meaning of the term? You're thinking it probably has something to do with email marketing or delivering messages to customers you already know.

Marketing automation occupies a very narrow, specific segment of digital marketing-automated, rules-based email marketing with an emphasis on CRM and not so much on lead generation. But now as technology and marketers become increasingly more sophisticated, the notion of marketing automation is accruing new and broader significance.

Marketing automation is now as much about new customer acquisition and top of the funnel efforts as it is about retention and bottom of the funnel efforts. Where it was simple to automate communications to those consumers who have self-identified, setting up rules based on information they have outright told you, it is a trickier task to take those tactics and reach those potential customers who have not yet raised their hands.





*"What I would like to challenge our industry to do is not just try to remove the fuzziness from the definition of this particular buzzword, but also rethink the definition altogether."*

**MARKETING**  
**CAL**  
**SOCIAL LISTENING**  
**REEN**  
**CROSS-DEVICE**  
**RIBUT**  
**ON AUDIENCE TARGET**  
**VE ADVERT**  
**ORY**  
**MMATIC**

### Connecting the dots

Tricky but increasingly far from impossible. In fact, this type of thing is starting to help marketers all over the world expand their efforts in a scalable, programmatic way and reach the 90%-plus of visitors to their sites who never make it past the 'just visiting' part. I'm here to tell you it's just about connecting the dots. The problem is too many marketers can't take that step due to dealing with marketing channels mired in silos and not having centralized data.

I have made many calls to integrate marketing and unify data, and here are some compelling scenarios clamoring for it to happen:

- You already know where a user has come from.
- You know what media that user has been exposed to (Have they searched for your product? Have they clicked on an ad? Have they seen a banner, liked a post, mentioned you to their friends?)
- You know when they visit your site, how often they visit and how long between visits.
- You know what pages they look at, what their behavior is like when they are there, if they act like a converter.

### Now you understand the buzzword, you can understand the user

If you can put these things together in one place and understand the user, you have more than enough to communicate the right message to the right user at the right time – automatically. You just wouldn't be doing it over email or traditional marketing automation channels. You'd be delivering the right message to the right user at the right time in a cohesive, nuanced multi-channel media plan with an emphasis on site conversion.

Why not take that intelligence and use it to deliver these messages when the user is visiting your site? Deliver promotions or chat or offer forms to push them to the next level. Not in an annoying one-size-fits-all way where everyone gets served the same message, but in an automated, personally tailored way.

Take those tactics and deliver those messages when they leave your site too – through partner sites or through media. Why not call this marketing automation?

Yes, in other words, marketing automation is marketing! You may now be saying that I am just adding more fuzziness to an already fuzzy term. That is not my intention.

I want to remove the fuzziness and both expand and hone the term so that it is more inclusive with more clarity and will inspire marketers to actualize the term by delivering automated personally tailored messages to both their potential customers and current customers.

By doing this we not only usher in a new definition for a "buzzword" but welcome a new era for digital marketing

# Picking a Lane in the Programmatic Marketplace

DEAN VEGLIANTE, MEDIAPOST

We've all seen it: the rampant self-identification and re-identification that goes on in the programmatic marketplace. A company is a DSP, SSP or DMP one day, and a combination of a couple, or all, ad tech categories the next. There's a desire to be all things to all buyers -- but therein lies the risk that we lose identity and opportunity in the process.

At some point, in order to scale, a company needs to have its "come to Jesus" moment and figure out what side of the market its products and solutions are addressing. In fact, we are seeing an increasing trend of companies "sunsetting" products and pivoting the business toward a single solution to stay focused within the loud ad tech space. Companies like Turn are getting rid of its ad network to focus on DSP business; PulsePoint went through a similar transition by moving to an SSP orientation.

In the world of programmatic, dealing with the massive pools of data we sit upon, it's a Herculean task to be everything to everyone. However, that doesn't stop some of us from trying. Look no further than Forrester's recent Wave report, in which several companies, including Rubicon Project, PubMatic and Google were called out as "leaders." However, PubMatic was referenced as the only remaining company in the mix focused purely on the interests of the publisher, "the last of the purebred SSPs." Most of its peers have ventured onto the advertising exchange side as well.

From the advertisers' standpoint, this could be a damaging prospect, as they're no longer using tools that help them maximize pricing and efficiency, and diluting the offering. From the demand-side, we see the SSP market as a very crowded place. So, if a company chooses to transition and stay competitive, it will need to keep innovating and provide value and higher eCPMs to publishers. It will need to aggregate demand from partners, and in turn those of us from the demand-side will need such companies

to get us the best quality inventory placements. Otherwise, it's a vicious cycle, and the demand side will need to start going directly to pubs -- and, well, you see where this is going.

Not to mention the conflict of interest. This co-mingling of identities becomes confusing when, as a business, you start competing head to head with the companies that are cutting your checks. For example, what if one of our major partners was to set up a direct-to-advertiser/agency product? How would they expect us to stay motivated to grow as partners, share ideas, if they were going to put us at risk of losing our client budgets?

The classic ad network model worked when things were simple, when it was efficient for a company to play both sides, or develop separate solutions for each part of the supply chain. Now, there is way too much data, real-time decisioning, scale, and processes in play to allow for this model. This huge scope is all too much for one company to take on, unless you are Google.

At the end of the day, the wisest course is to look at all this from the marketer's view. When evaluating the programmatic space, marketers should be selecting partners that focus on them, providing best-of-class service and expert guidance. We are in an era where middlemen are valued and appreciated for digesting the data and inventory to best service marketers. We'd all be wise to be as clearly defined, focused and conflict-free as possible.



*"There's a desire to be all things to all buyers -- but therein lies the risk that we lose identity and opportunity in the process."*

*"By selecting and partnering with the best independent technologies, an agency can gain efficiencies, increase stability and drive better results for their clients."*



## Agencies & Tech: Better Out Than In?

WILL MARGIOFF, EXCHANGEWIRE

Holding companies and their agencies do a lot of things very well (which explains the enormous number of awards they give to each other every year). Whether it's amazingly creative, multi-faceted campaigns, expertly-timed tweets, or well-thought out advertising strategies – agencies constantly push the envelope and help their clients tell stories and influence audiences.

What about technology, though? As in big, complex advertising platform technology? Should agencies and holding companies build their own tech? Well, as a CEO of an ad tech company who has lived both inside and (now once again) outside the holding company world, I feel I have some insights to share on the topic.

I have been getting the question, "why did you go independent?" quite a bit. Now, don't get me wrong – our company, IgnitionOne, benefited in a lot of ways from being a part of one of the fastest growing agencies in the world. However, our technology existed (though was less evolved) even before we were acquired, back in January of 2010. For the most part, we existed as independently as possible from within the agency; but as a technology in such a situation, you run up against limitations. For us, our technology is ideal for large agencies and their clients, but we continually faced difficulties reaching that audience due to perceived conflicts of interest. So, while even if we had the best solution (which we believe we did and still do) we were limited in our potential.

For an agency, does it make sense to invest the time, money and resources to create an industry-leading cohesive technology? Is there the drive to invest the money needed? Are there the skills internally to shepherd a technology to lead the industry? Most often (but not all the time) the answer is "no", but this is not a bad thing. Holding companies have strong core competencies and the need to invest in their people and expansion. These competencies

and investments do not necessarily translate into a fertile ground for technologies with a goal of leading the entire market.

So, agencies and holding companies should leverage technology from external vendors, right? Yes, but what often happens is that this results in not just getting a single technology for a media channel, but getting several. Agency teams must then learn to use and juggle multiple technologies for every channel, including multiple demand-side-platforms, search platforms, cross-channel attribution platforms, as well as all of the emerging media management and optimization solutions. This does not create efficiencies and does not better serve customers. Technology should make the agency more efficient in order to pass those efficiencies (read: savings) onto the client.

By selecting and partnering with the best independent technologies, an agency can gain efficiencies, increase stability and drive better results for their clients. I'm not even saying that the agency is required to go with an integrated stack that does everything (though it's not a bad idea). I am saying that picking the best tech for each channel is an improvement on either trying to build everything internally, or by using every tech under the sun.

Agencies and holding companies need to do what they do best and focus on being strategic, and doing the right thing for their clients. Independent technology providers can make the necessary investments and agencies can choose the solutions that best meet the needs of their brands. When we all (holding companies, agencies and tech vendors) focus only on doing what is best for our clients, good things happen.

# What M&A Means for Programmatic Marketers

DEAN VEGLIANTE, MEDIAPOST

## Let's group M&A deals into three scenarios:

### 1. The land grab or double-down:

Two companies in the space combine, or a big company buys a smaller one to gain market share and/or access to a new geographic territory.

This situation is a clear chance for the acquirer to gain access to a new set of clients and partners while taking out a competitor at the same time. As an example, Ensign recently purchased Tagman. These transactions make sense, but if I am on the client side of that table, what does this kind of deal do for me? Usually the acquired-side client is gobbled up into a bigger system with new processes and workflow to deal with, and the consolidation could possibly lead to higher rates.

### 2. Whitespace:

When a company acquires a complementary business to fill in one of its existing soft spots and help complete a strategic vision.

The benefit of filling in the whitespace is that the whole is often greater than the sum of the parts. For a marketer, this is the best-case scenario, because it should allow the two companies to grow with each other, offering better products and services. Examples of this kind of acquisition are Dstillery (formerly Media6Degrees) buying EveryScreen Media to get into mobile, and IgnitionOne purchasing Knotch for the DMP and email capabilities

### 3. Random:

A big company makes an acquisition just because it can.

Sometimes acquisitions leave you scratching your head, such as Microsoft buying Aquantive, Google purchasing Motorola, or HP buying Palm. Yes, these could be profitable business lines, but it's not evident that they need to be part of one greater company. Often you'll see the acquired company shut down a few years later. This situation was common during the dot-com bubble and is less than ideal for clients.

There is uncertainty for incoming clients even in the best-case scenarios. The best that can happen is a warm welcome with new, complementary products and services that add value to the relationship. Marketer clients also need to hope for continued relationships with their day-to-day contacts (there's always the chance of employee cash-outs).

The worst possibility is that an advertiser's trusted partner is shut down as a direct result of a sale. That forces the marketer to sign on with another set of partners to maintain their programmatic operation, which means new products, work-flows, and people.

There are plenty of great successes to dispel any doom and gloom, but clients should always do their due diligence and seek out answers for the following:

- Which of the three acquisition scenarios is this?
- What will change in the near- and long-term?
- Will my client-facing teams change?

- Does my contract automatically get assigned to the new entity?

The final piece is culture and client service. Each company has its own DNA that attracts clients. It's very hard not to change that DNA during a big acquisition, and there is no magic bullet for transposing culture from one entity to another. The best advice for marketers is to do their digging and always maintain a few programmatic partners in a testing pattern. If things start to decline, find a new home for the business.



# Will Need For Transparency Drive Ad Networks Out Of Business?

DEAN VEGLIANTE, MEDIAPOST

Ad networks have always faced scrutiny in the ad tech world for a variety of reasons. There were complaints of too many ad networks, then not enough of them; concerns of high margins, opacity and unsavory inventory. But since the late '90s, ad networks have weathered and adapted to every economic and technological storm, and the successful players are still growing. In fact, I believe the explosion of programmatic media buying has made them indispensable for marketers looking to drive performance for their brand.

However, many still insist that ad networks are on their last legs. There is talk that data management platforms (DMPs) and demand-side platforms (DSPs) are the new tools that will finally kill networks, because they provide something networks supposedly lack: transparency. These new platforms take advantage of marketers' desire for transparency. But, marketers need to ask themselves if this "transparency" is really only an illusion of control, and if they possess the right analytical and operational skill sets to leverage these tools successfully in the first place.

At the center of the discussion surrounding ad tech transparency is the issue of pricing. The proposition of a self-service DSP or DMP is to give marketers control of all the media buying levers, and to provide them with a clear view of what they're paying for each impression. The players condemning ad networks would have you believe that on the

other side of the transparency spectrum, ad networks are black boxes making a profit off of arbitrage and heavy markups. That sure sounds sketchy, but it's not the case. The network cost isn't the result of surreptitious markup, but of the bundling of services that go along with the media buy.

Networks do not function in the same way as DSPs or DMPs because there is a clear difference in how the services are packaged – networks sell targeting, data, RTB technology and media together. While many technology types (DSPs, networks, etc.) programmatically access and buy from the same display inventory, each company evaluates the media differently using its own unique process and algorithms. The efficiency of determining where, when, what ad to serve, and more importantly how much to pay for it, is affected by the technology's ability to use a combination of algorithmic and manual optimizations to interact with data in a holistic way. Separating each of these elements may look cheaper on paper, but marketers need to consider what the final costs are once the time and efforts have been put in to reach the same actionable results.

Let's say the marketer is a homeowner looking to remodel his/her home. The homeowner can hire an architect and a contractor, or he/she can do it themselves to cut costs. Many who go the latter route fail to factor in time and other costs besides materials. In the end,

*"The best advice for marketers is to do their digging and always maintain a few programmatic partners in a testing pattern."*



## Will Need For Transparency Drive Ad Networks Out Of Business? cont.

the project may cost the same and the DIY-effort often doesn't look as good as a professional job. Homeowners are always advised to be careful where they cut corners - and the same goes in media.

This is important, because as much as marketers gripe about the cost of media, they rarely judge partners on the upfront cost alone. At the end of the campaign, return on ad spend is the most significant criterion on which marketers are judged. Whether the media is purchased on a cost-per-click model or flat fee, it doesn't matter. It's all a math exercise. The true mark of success for a direct response campaign is whether a partner had better return than everyone else on the media plan. For all the marketing and buzzwords that ad tech companies use, performance is what matters.

Networks may have previously worked within the flat CPM model, but the idea that network costs are shrouded in a black box is no longer relevant. Networks that have evolved over the years are flexible in their pricing models and do provide various levels of pricing transparency. Much like a DSP, networks can show marketers the variability in the bid pricing landscape for each campaign. Although networks and DSPs strive for the same end goal for marketers, the differences between them lie in the unique paths they take to get there, the additional service provided by networks and the corporate brand positioning/packaging surrounding each company.

Another misguided transparency stereotype for ad networks is about "premium" inventory. The perception is that ad networks offer little insight into their inventory and cannot provide brand-safe environments, while DSPs allow buyers to dictate what is premium and what they want to pay for it. We seem to be missing the point that "premium" is not defined by the buyer or seller, but by the consumer sitting on a page with content. Only they can determine what is truly premium content. Furthermore, most technologies employ some level of ad verification and URL blocking to alleviate concerns over risky sites and ensure well-lit ad placements. The technology has evolved to address all of these concerns.

The negative "ad tech chatter" and branding behind some of the ad tech companies in our space have led some marketers to believe that networks are bad, that transparency is lacking and that tighter data controls are necessary. All this does is breed fear and distrust in the ad tech industry. Transparency – or ad tech's definition of it – doesn't matter if there is no return on investment. Media buying is not a matter of access, but of knowing how to connect with audiences. Regardless of who implements the service, advertisers need someone to sort out audience and data, and attach those insights to media placements to generate positive results.



*"What has changed is the incredible amount of data available, and that the market's emphasis has now been centralized around this fire hose of data."*



# DSPs: Still Not Enough

ERIC BAMBERGER, RTB INSIDER

A colleague brought up some comments I made two years ago about the weakness of DSPs and how they were just not cutting it for marketers. He now wondered if things had changed any: Had DSPs closed that gap? It was a valid question – it wasn't that long ago that all anyone could talk about were DSPs. However, times have changed and DSPs are no longer the hot new technology; in fact, they are far from the only game in town. It was true then and it's true now: DSPs are not enough.

While programmatic media buying didn't even have a name two years ago, everything seems to be real-time bidding (RTB) now. The old story was, you had to use a DSP to centralize your efforts, but the truth is that they could never scale to meet marketers' needs. This still stands true, but for a different reason.

What has changed is the incredible amount of data available, and that the market's emphasis has now been centralized around this fire hose of data. To this end, marketers are exploring all options for effectively leveraging this data across all marketing tactics.

It was this shift in attention that created an opening for DMPs. These data platforms have benefited from changes in the ad tech marketplace, but the new challenge is connecting the dots between all of these tools, the data they collect and resources with the knowledge to leverage it all. There is a very important human aspect and skill set needed for optimization and integrating all the data points together that gets lost in the focus on pure technology and self-service solutions.

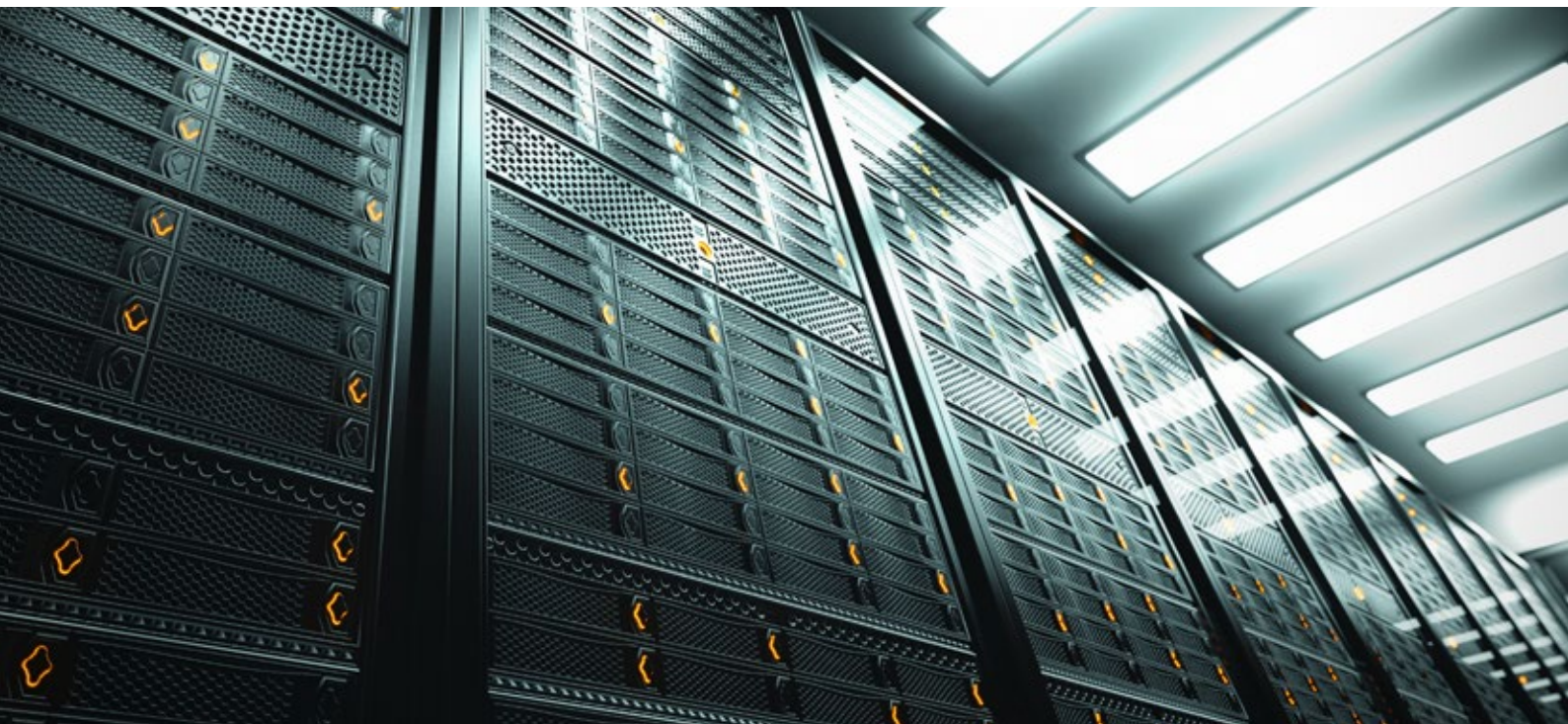
So now, DSPs are trying to pivot to DMPs to keep a toehold, but DMPs have their own flaws.

What marketers need to strive toward is an integrated approach: a truly data-driven media strategy. To achieve this, marketers need not only to understand the value of their own data (first party) but also to figure out how to incorporate the immense amount of third-party data to complement it in a media setting.

## Where does this leave stand-alone DSPs?

It's clear that spending your display media budget in a single place didn't work two years ago, and it doesn't work now. There are just too many data variables, inventory options, and media partners available to centralize display efforts to one partner. It's impossible to cover all bases, and the potential loss of opportunity is too large.

Marketers need to stay current by testing new technologies and DSPs, which should be a part of their strategy, but not the only part. Even after all this time, DSPs lack finesse and tactical expertise. They may be a good vehicle to get scale (up to a point) and avoid duplication, but they clearly fall flat with more sophisticated marketing techniques. And, in the end, those sophisticated techniques are impossible to achieve when focusing on a single channel. Marketers need not only to look beyond DSPs, but beyond single-channel solutions. It is not until you bring together all of your media touchpoints (and their data) that you can begin to leverage the magic of cross-channel attribution.



# The Dangers of Buckets

CHRISTOPHER HANSEN, DIGIDAY



*"In our quest to quickly identify where an individual, an ad tech product or service, or even a company fits into the media equation, we tend to force them into buckets with only a quick glance so we can stay on course. Or so we think."*

**W**e've got a bad habit as an industry. Perhaps it's laziness, or perhaps it's ignorance. More likely, it is our craving for clear shortcuts amid a fragmented and hectic terrain. In our quest to quickly identify where an individual, an ad tech product or service, or even a company fits into the media equation, we tend to force them into buckets with only a quick glance so we can stay on course. Or so we think.

This has been an ongoing challenge for many companies, including buyers and sellers who strive to be flexible for their clients and partners by expanding their offerings while maintaining their core identity and *raison d'être*. For example, on the product or inventory side, it may sometimes seem that media planners want to put your company into a bucket for convenience and their client budgets. They'll say, "Are you a network? An exchange? Are you a DSP?

You offer retargeting, right? Just break this down for me."

For those on the agency side, does the following sound familiar? "So you buy media, right? What do you mean integrated marketing services? You buy banners. What's your commission? I just want to understand the basis for the "services" fee. What services? You're just executing my buy, right?"

Mitchell Weinstein, SVP, director of ad operations at Universal McCann, recently explained it to me in a way that resonated. There's a certain level of responsibility on both sides of the table, he said, but "as tempting as it is to put companies into a bucket, it is much better to keep an open mind and take a company's description for what it's worth, without comparing it to other vendors in the space. At some point in history, someone had to be the first ad network, DSP, DMP, etc., and had to explain the concept to a perplexed

buyer who could not find the right bucket for them. In those cases, the mold was broken."

In many ways, bucketization is unavoidable. In such a fragmented, intricate, ever-changing marketplace, the urge to simplify and summarize becomes a reflex. It's daunting to slow down and take the time to truly understand, and we almost involuntarily try to make our own lives easier by dumbing down the madness that is media tech. When faced with this, it's your own responsibility to slow the train down and educate. But the key is not to over-blow that responsibility and overwhelm the conversation.

It's important to know the ecosystems and articulate where you fit into the picture. Understand that you are, in fact, part of a system of interrelated parts, and know your own capabilities. With that in mind, don't be afraid to correct misstatements.

Authenticity is key to setting and delivering on (and hopefully exceeding) expectations. And don't fall back on jargon. Nomenclature is a vital part of any industry, but we must not assume it speaks for itself.

It's worth remembering that the excitement brought us into this fast-paced, constantly changing industry in the first place. So why in the world should we be lazy or complacent within any of our dealings with each other? There's no reason to make the person on the other side of the table — and this goes for both buyers and sellers — do all the work to understand the proposition. We must mutually commit to clear expression and understanding, and we need to be authentic in how we lay out our capabilities and the promise of working together.



# Ad Tech's People Problem

WILL DOHERTY, DIGIDAY

Data is changing online marketing fast, but every company in the industry is faced with a shortage of the right people for this new era.

Ad tech needs more engineers, of course, but it also desperately needs people from more diverse backgrounds. As an industry interested in evolving its talent along with the products and services, we should find a way to be sexier and more accessible to the next generation.

Spell out the creative opportunities. Pinpoint the diverse backgrounds that make up successful startup culture. Talk to prospective

industry. It's easy to see how their time and energy will be spent on creative pursuits in an agency setting. Yet to attract investment from major brands, ad tech companies will need these same inventive types to use their gifts and skills, whether it's translating data or developing ways for the ad creative to translate to different screens.

We have one particularly talented data strategist who can analyze the numbers and turn them into a narrative. He transforms the raw data into actionable insights that make sense to both our team and our clients. However, he didn't start his career as a trained

demand, but this industry is also looking for people of all stripes. Unfortunately, we may have built a digital advertising community that looks so complex from the outside that it turns off prospective hires.

We're seeing plenty who would have previously become Wall Street quants enter the online media and technology businesses instead. But the talent gap doesn't end with rocket scientists. Let's not create the perception that this is all we value. Digital marketing hasn't done a good job of marketing itself to new college graduates who might not be angling for a job in this industry but, in reality, would make great additions to the right digital marketing company provided they receive the right training and come with a strong work ethic.

The wider market should understand that it's entirely possible to break into this industry by being a smart, thoughtful individual who responds well to training. After all, technology really doesn't matter without a client-facing team, because technology can't sell itself.

The talent is out there, but the employer and the potential hires are not getting matched up. Does all the talk about big data and advanced algorithms scare fresh talent away? Or is it the simple fact that we use the same buzzwords and jargon we throw at our clients when we try to recruit new employees? Either way, it's up to all of us to make this industry more inviting to the best and brightest.

## Have Marketers Outgrown Multichannel?

Roger Barnette, Direct Marketing News

Has technology pushed marketers to outgrow multichannel marketing? "Absolutely not," says Roger Barnette, president of digital marketing company IgnitionOne. "[Multichannel marketing] might be passé at shows or on panels, but not on the front lines. Multichannel and omnichannel aren't mutually exclusive."

Barnette explains that omnichannel is driven by the customer and how they interact with brands across offline and online channels. Multichannel is more marketer driven; more concerned with how campaigns are constructed across channels behind the scenes. "They can be happening at the same time; it's not one or the other," he says.

new hires about the potential for this to be more than just a job, but a successful career. Whether ad tech's undeniable complexity is the problem or not, presenting an image of a career that's less focused on technology and more focused on the company culture and opportunities can go a long way.

Creative job candidates interested in advertising often look toward the agency world as the gateway into the

data scientist – he came to us as a creative writing major from Tulane. But his creative background has contributed his success in storytelling.

The Harvard Business Review recently called data scientist "the sexiest job of the 21st century." Still, it's important to remember that ad tech benefits from a hodgepodge of people with a variety of backgrounds. Job candidates with degrees in computer science, engineering and statistics will always be in

*"As an industry interested in evolving its talent along with the products and services, we should find a way to be sexier and more accessible to the next generation."*

# Netmining's Partnership with a Leading Agency Shows Proven Success

**Netmining's** long-standing relationship with a Leading Agency has led to a successful track record across a variety of campaigns, both with direct response and branding tactics.



Ask us how we can customize our audience capabilities for your next campaign and become your best performing partner!

## CHALLENGE

Achieve above-industry standard viewability (50%) on all branding campaigns.

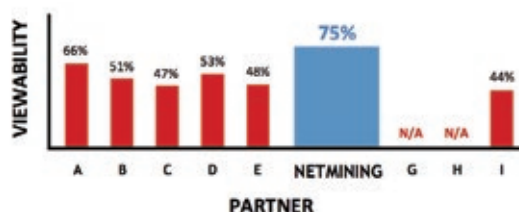


**CELLPHONE  
COMPANY**

## STRATEGY

Partnered with IAS to place **viewability filters** across all campaigns. Monitored and tracked delivery to sustain scale of impressions. Leveraged **private marketplace deals** (ex. LinkedIn, eBay) to heavy up on premium inventory.

## RESULTS



Averaged **75%** viewability rate across all campaigns (with up to **80%** viewability)

Became top viewability partner, outperformed 8 other media partners



## CHALLENGE

Drive brand awareness among highly-qualified, new consumers across a series of nation-wide campaigns with short flights, at a benchmark CPA goal.

## STRATEGY

Implemented **Data-driven Audience Prospecting** tactics and **Conquesting** (ex. against leading clothing retailer).



## RESULTS



Hit CPA benchmark across entire series of campaigns



Became one of the top performing partners

## CHALLENGE

Drive KPI conversion actions on brand site, at a benchmark CPA goal.

## STRATEGY

Implemented **SmartRemarketing<sup>SM</sup>** and **Data-driven Audience Prospecting** tactics.



## RESULTS



Surpassed CPA benchmark by **58%**



Quoted by team as "extremely efficient" media partner



## CHALLENGE

Drive KPI conversion actions on brand site, at a benchmark CPL goal.

## STRATEGY

Implemented **SmartRemarketing<sup>SM</sup>** and **Data-driven Audience Prospecting** tactics.



## RESULTS



Surpassed CPL benchmark by **60%**



Tied as top performing partner

# PROGRAMMATIC/RTB

Programmatic and RTB sometimes seem interchangeable. RTB is programmatic; however programmatic is not necessarily RTB. Below, we debunk the popular myths and shine light onto one of the fastest-growing topics and revolutionary developments in our media space.





*"The failure to distinguish the two could result in advertisers missing out on one of the biggest technological leaps in decades."*

419,83	1,53	0,73	210,63	210,66	208,31	211,36	208,31	211,36
25,488	-0,022	-0,09	25,48	25,49	25,38	25,30	25,38	25,30
53,64	0,24	0,45	53,64	53,65	53,45	53,46	53,45	53,46
1,15	-0,02	-1,71	1,15	1,16	1,15	1,16	1,15	1,16
19,1285	-0,2515	-1,30	19,11	19,17	18,30	18,70	18,30	18,70
14,7201	0,4001	2,79	14,72	14,73	14,25	14,73	14,25	14,73
31,47	0,32	1,03	31,46	31,47	31,12	31,17	31,12	31,17
620,50	1,10	0,18	620,50	620,54	618,28	622,46	618,28	622,46
20,5389	0,1379	0,68	20,53	20,54	20,25	20,28	20,25	20,28
30,93	-0,46	-1,47	30,93	30,94	30,80	30,28	30,80	30,28
10,10	-0,045	-0,44	10,10	10,11	10,05	10,20	10,05	10,20

# Stop Confusing Real-Time Bidding with Programmatic

**WILL DOHERTY, IMEDIA CONNECTION**

The digital ad industry is incredibly myopic. In the past year or so, the industry adopted the term programmatic to describe how technology has permanently changed media buying. Prior to that, the latest and greatest ad tech advancement was real-time bidding (RTB) -- the trading of online media in an auction based environment. While the focus has shifted beyond RTB to the bigger picture of programmatic media buying, many are still guilty of using these terms interchangeably. RTB is not programmatic. The failure to distinguish the two could result in advertisers missing out on one of the biggest technological leaps in decades.

RTB is, in fact, a feature of programmatic -- a subset. When RTB emerged in the market, the key players quickly grasped what it meant and the smart ad tech companies built real-time bidders into their platforms. It did not end there. The industry came to realize that the technological advance-

ment was not limited to an auction and frictionless buying was possible across a much greater spectrum.

RTB's key benefit is providing buyers with access to real-time inventory at scale -- at a price those buyers want to pay. Yet changes in media consumption left buyers wanting to target across devices, gain more flexibility, and transact directly with premium publishers. At that moment, private marketplaces were born. Nearly all online media buying and selling systems accommodate direct private relationships between buyers and sellers while maintaining the existing real-time pipes. This allows vast amounts of data and impressions to pass between buyer and seller without necessarily being part of the auction model. Programmatic methodology now surpasses the limitations of RTB.

Programmatic is automated buying, at a large scale, accomplished via a combination of machine-based

transactions, data, and algorithms. The process is guided by a human element, with the end goal of centralizing data and generating meaningful intelligence that buyers or their agencies can act upon quickly. Programmatic can serve marketers that don't bid in real-time and also applies to disciplines outside of our digital media world. The strategy can be leveraged in out-of-home mall kiosks, billboards, and potentially (one day soon) TV. The market has already started moving in this direction, with pioneers such as Vistar Media saving marketers valuable time on tedious one-off media buys.

Brand marketers are faced with fragmented audiences looking for their desired content in multiple locations and across devices. These consumers expect on-demand content capabilities and have short attention spans. Marketers will increasingly need to rely on the cross-platform capabilities of programmatic to reach those consumers. The data used to

target to these consumers can no longer be treated separately from the creative canvas that consumers engage with.

The industry needs to start thinking about the future opportunities of programmatic and not constrain itself to the already limited definition of RTB. In the same way RTB became a catch-all for display media buying, brands that are heavily reliant on engaging with their consumers will turn to programmatic solutions. It's now possible to have the same always-on marketing plan but to react to customer opinions and results automatically. Truly embracing programmatic -- and ceasing calling it RTB -- will create new types of relationships between buyers and sellers and unlock new possibilities to take collected data and make it actionable.

# Programmatic, Real-time and Predictive: Display is Ready for Primetime

CHRISTOPHER HANSEN, DIRECT MARKETING NEWS

Search has been the Cal Ripken of online marketing—its “Iron Horse”—a dominant and consistent player that can always be found on the media plan, having commanded a large share of the online media budget for years. Search earned its prominence through clear-cut consumer intent data collected when consumers are clearly and explicitly looking for something they want.

But search isn't the only channel capable of targeting on intent these days, as display algorithms are utilizing more data points for advanced targeting and improved performance. With Forrester Research predicting that by 2016, display spending will have tripled since 2011, while search merely doubles, it seems like display is ready for primetime.

As display transitioned to a real-time targeted medium, it was greatly informed by search. Real-time bidding (RTB), in the simplest terms, is about buying and selling display ads in a fashion similar to search, relying on the familiar auction-based bidding process and the immediate ad-serving environment. While search is arguably limited to keyword data, display takes all the accessible data points surrounding the unique user into consideration, which allows for smarter targeting technology. Like search, display offers geo and time-of-day targeting, and it can utilize keywords, but it also allows buyers to partition their targets, identifying the most engaged groups and building audience models that can find more targetable consumers. Furthermore, display's bidding decisions

take place in real-time, whereas search bids are somewhat asynchronous.

## Predictive and precise

Display technology has developed so marketers can now look across the bid opportunities received on a daily basis and calculate how many impressions the advertiser will win, and the cost of those impressions. This allows buyers to see how incremental increases in bid price can drive more wins in real-time marketplaces, which in turn will increase the probability of conversions. Predictive media planning is now in play. If marketers want to average a \$5 cost-per-action, they can look along the curve to see how many conversions they will get at that rate.

Programmatic and real-time display buying are already working to achieve efficiency and to uncover inventory that drives a high return on investment. Adding in predictive media planning unlocks further benefits for the marketer. First and foremost, marketers will be able to adapt on the fly. While marketers approach online advertising today with a specific budget and timeframe, the new world of display moves beyond a fixed number of ad impressions at a steady CPM. Instead, like search inventory, efficient ad serving fluctuates depending on the marketer's changing needs, and the traffic and demand of sites where media is running. As a result, marketers will be able to allocate and optimize budget more effectively across key periods of their campaigns.



*"While search is arguably limited to keyword data, display takes all the accessible data points surrounding the unique user into consideration, which allows for smarter targeting technology."*

*"It's simply the fact that display technology has reached a point where it offers marketers a high spend-to-return ratio while simultaneously targeting consumers across the Web."*

### Changing agency relationships

The agency world is still reliant on contracts with vendors and monthly allotments of budget. With an adaptive display methodology, agencies can give their partners different benchmarks that speak better to the performance goal of a campaign, such as a conversion target, rather than a monthly end-date.

Forecasting is hugely beneficial here as well. A lot of the time, media budget is divided among multiple partners who each get a piece and fight to prove they can perform in the short-term. But with an improved understanding of performance in relation to bid price, advertisers can look at the bigger picture and what they'll achieve with incremental spend—an additional \$10,000 with one partner may very well create a bigger return than dividing that money among several.

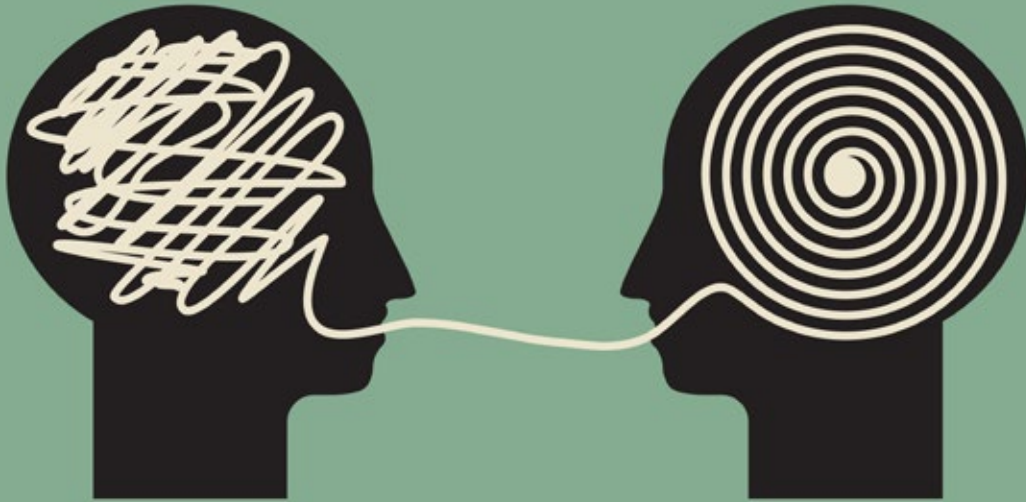
This creates an opportunity to explore open budgets and new agency/vendor models in the display space. Rather than chasing as many conversions as possible in a 30-day period, an advertiser can build a long-term relationship with ad serving partners, tasking partners with a certain number of conversions per month or quarter. If the CPA is acceptable, the budget stays open, and advertisers know what they're paying for each online conversion.

Changes in display technology and buying practices are leading to a shift, which could finally end search's iron man streak. Search isn't losing any of its appeal, so its reign at the top isn't ending because of injury. It's simply the fact that display technology has reached a point where it offers marketers a high spend-to-return ratio while simultaneously targeting consumers across the Web. This is what marketers have always wanted, and display has finally caught up



# Decoding RTB: Breaking the Acronym to Understand the Practice

CHRISTOPHER HANSEN, THE MAKEGOOD



*"Decoding RTB and developing a full scope of understanding all things 'real-time' is critical to sustaining the momentum at hand – and claiming its full potential."*

As the media industry evolves, fresh lingo floods the market. We've seen this with search, mobile, social, video, networks, exchanges and now real-time bidding (RTB) and display media. Because of our industry's dynamism, the media glossary is a living, breathing, endless list. But, within segments where ad technology and granular media mechanics are heaviest, the lexicon and acronyms are especially tricky. For example, the entire segment of RTB – DSPs, SSPs, MMPs – is absolutely awash in alphabet soup. Yet, the market is booming, with a reported spending growth of over 200%, from last year – and numerous other stats indicating the rise of RTB.

Even though the segment is thriving, talk to agency supervisors, and they will tell you that their teams are still foggy on the terminology and intricacies of the real-time bidded display market. So, one of two things is true: none of it matters and this is a passing trend or those transacting business in this arena are winging it without full understanding.

The trajectory and steady investment within this ecosystem, despite the fogginess, indicate that it is the latter. And, that can be fixed.

It's important to look at the big picture of what it means to strategize, plan, operate and optimize in real time. Decoding RTB and developing a full scope of understanding all things "real-time" is critical to sustaining the momentum at hand – and claiming its full potential.

## First, What RTB is Not

Contrary to unfortunate popular misconception, RTB does not mean remnant inventory, it does not mean sub-premium, low-quality – or even exchange inventory. In fact, it does not directly

refer to the inventory at all. It refers to the pipes and not the water; the wire and not the current. It is the mechanism by which we can pinpoint, transact and optimize inventory in real time. Publishers of all ilk are allocating increasing share of their inventory to this framework. And in order to avail ourselves of it, we must understand that the real-time operability extends beyond bidding. It extends beyond knowing how to execute bidding rules. We must think in a more expansive way about the immediacy RTB provides.

## Achieving the Real-time State

Yes, RTB refers to a mechanic – but it also refers the greater possibility of all things real-time. We now have the capability of targeting our audience with such efficiency, data availability, clarity of decision-making and scale – that we have a whole new level of proficiency for achieving our objectives and continually raising the bar on what's possible in the first place. Using these systems and operating in real time, unlike ever before, takes us to a state that allows us to rethink our scope and operate with more control and visibility during all phases of work. This is the real-time state:

- Media planning is better informed by real audience cases, and data profiles, as agency teams progress, iterate and plan future campaigns
- Targeting with increasing comfort, expanding on known best-customer profiles and trying new combinations is no longer a leap or a guessing game
- Execution, measurement and optimization are both more nimble, every step of the way

If we think beyond bidding and consider RTB in a more expansive





*"If we take advantage of the real-time capability in the broadest sense of the term, we can hit new levels of visibility, intelligence and operability."*

way, embracing the "real time" state in general – it has key implications to our campaign workflow and how people collaborate and operate throughout. This translates to more strategic and operational value to our clients. The strongest marketing execution – whether for branding or direct response – is efficient at every turn. A real-time mindset helps assure that efficiency at every phase.

#### **Making Our Teams Successful with RTB**

We've been talking for a long time about the power of data to maximize inventory and yield. Yet our systems for doing so are only as good as our team's capacity to operate them. Having the tools, the trading desk, the access and the data at our fingertips are one thing. But this does not automatically translate to audience intelligence and operational prowess.

System and audience intelligence capabilities are only as good as a team's ability inside the agency to deal with the assets and the data in a trained, thoughtful, strategic way. We do a great disservice by simply handing over a tactical checklist to running the system. Take the time to foster an ethos of real-time media at the agency – and then train and develop an agency workflow around that imperative. When in play, the real-time approach threads research, strategy, planning, execution, analysis and optimization.

#### **Why RTB Matters**

Gone are the days where we plan and buy only based on media context. Yet, we may never reach time in this industry where it's solely about buying audience. The savvy marketer and his or her agency are constantly leveraging both – media and audience. After all, why create unnecessary limitations? If we take advantage of the real-time capability in the broadest sense of the term, we can hit new levels of visibility, intelligence and operability.

We know the industry loves to rail on acronyms. Alas, I acknowledge RTB is not a true acronym, like RADAR or FUBAR. But, regardless of how we feel about acronyms, abbreviations and other lingo, clarity of terms is vital. RTB itself would be more correctly defined as an initialism, but that would really make for an awful column title.

# With RTB, Premium is in the Eye of the Beholder

CHRISTOPHER HANSEN, DIGIDAY

There's much debate about inventory quality when it comes to real-time bidding. Some say ad exchanges are the home to lots of poor quality inventory. But the truth of the matter is RTB lets advertisers define what "premium" inventory means to their brand in an audience-targeting world.

Like with many other new things, advertisers scrunch up their faces at the mention of RTB, shake their heads and say, "No thanks, it's not for us." Buyers are afraid to try something new, even on a small scale. There is a stigma that the inventory available via RTB is "remnant." But RTB turns remnant on its head. One buyer's chaff is another's wheat.

RTB is actually simply a set of pipes for reaching the audience, and determine what you're willing to pay to reach them. Before the advent of RTB, there was very little way for buyers to value an audience. The earliest, most predominant display buying tactic emulated print. Buyers worked out deals directly with publishers because they wanted to associate their brand with a website, and because the site supposedly attracted their target audience.

Consider a luxury retailer. The New York Times is a premium buy for these types of brands, because it aligns with the brand messaging, and is visited by the type of audience who is likely to visit the brand's stores.

But the brand may find that impressions on mid-tail, non-luxury sites convert to sales at an even higher rate. That's not to say that luxury brands should abandon the Times altogether. Instead, it needs to determine what is most important for them, and then develop a formula that helps them achieve that goal.

But the brand may find that impressions on mid-tail, non-luxury sites convert at an even higher rates, with conversions being defined as sales. That's not to say that luxury retail brands should abandon the Times altogether. Instead, it needs to determine what is most important for them, and then develop a formula that helps them achieve that goal.

If conversions are your goal, that's what you should be willing to pay for. In that case, higher-converting inventory running on sites that are a far cry from The New York Times are "premium." RTB allows brands to use a combination of audience and site to get their desired results. With sites like the New York Times, the brand pays for the site, and that's OK. I'm sure some brands that buy directly on NYTimes.com see their ads convert at a higher rate elsewhere, but they're willing to pay a premium because their brand matches the context.

With RTB, brands have that ability to weigh context and audience, developing a formula that helps accomplish the campaign goals. For many, they may be willing to pay a premium for the audience, no matter where it goes on the Web, with safety measures to maintain brand-safe ad impressions. Others might want to only reach their audience on specific sites. That kind of inventory will cost more in auction models, but again, if that's the balance of audience and environment that the brand wants, they should pay the premium for it. Advertisers want premium inventory, but they now have technology that helps them find inventory that fits their definition of premium. It's not one size fits all, and shouldn't be looked at that way.



*"If conversions are your goal, that's what you should be willing to pay for."*



*"Of course, we've all heard the 'right user, right message, right time' spiel countless times – but there has always been a key component missing."*



## RTB - The Missing Link in Brand Display

CHRISTOPHER HANSEN, MEDIAPOST

Media is going through remarkable transformations – it has never been more portable and flexible for consumers than now. We have the ability to stream content to multiple devices, engage with it when we want to and access it at any time. Appointment viewing and single media outlet consumption habits are a thing of the past. However, as the democratization of media gives consumers more choice and freedom, the result is more fragmentation as consumers take nearly absolute control of what, when and how they consume media. Brands must acknowledge this reality.

Although our media space has changed profoundly, the one thing that remains constant is that advertising is still about driving an emotional connection between the consumer and the goods and services they purchase. Successful brand marketers invest a lot of emotional and financial capital, as well as time, into developing and evangelizing a narrative for their brands. As consumers change their consumption habits, how do marketers extend their prized brand narrative within our evolved digital framework? With real-time bidding (RTB), brands can leverage the current environment as an opportunity to reach their consumers.

### RTB as Key to the Opportunity

RTB is already one of the most efficient digital marketing tactics. RTB not only considers an individual's value to a specific marketer in real-time, it also provides marketers with massive reach and scale without having them make tedious and time-consuming media buys with numerous publishers and networks. The real-time ability to hone in on the most effective time and place to engage with the "right" consumer means that we are evaluating the page content the ad is being served on, the audience we are serving to, as well as the relative value of both – in less time than it takes for you to blink your eye. Furthermore, we can reach consumers across a variety of content; content that is not necessarily endemic to the brand.

Of course, we've all heard the "right user, right message, right time" spiel countless times – but there has always been a key

component missing. RTB adds "right value" into the equation to create true efficiency. For brand marketers, not only does this mean you are minimizing waste, you are stitching your fragmented audience back together, considering each user's value as you do so, and connecting with them at the optimal price.

### The Power of Context + Inclination

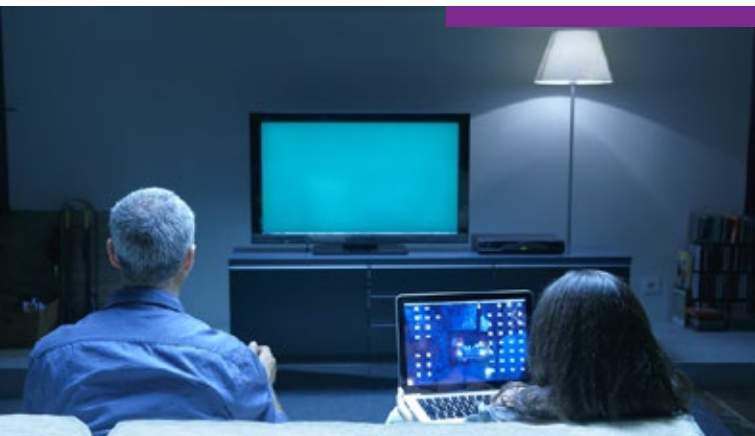
Previously, the focus of analyzing context surrounding an ad was to provide brand safety for the marketer. Now, we can use it as an important data layer that, when combined with audience data, can be extremely powerful for brands. The result is an understanding of each consumer's true interest profile, what drives them to engage with a brand and a calculated prediction of their mindset in real-time.

As we work collaboratively with marketers to understand their brand narrative and the types of audiences they want to reach, we can optimize against all the engagement triggers we see. We might find certain times of the day, days of the week, inventory sources or content types that work better than others. As we apply this intelligence with a rich creative canvas (expendables, video, rich media units, etc.) to deliver the messaging, and a set of measurement tools that allow us to track the impact of our digital initiatives to offline behavior (in-store purchase data, tune-in and exposure data, car sales and registration data, etc.), we close the loop on a fully developed display system that works for brand marketing.

It is a myth that audience targeting doesn't work for brand marketing. Instead, targeting through RTB has become a necessity for marketers to counter the nature of fragmentation and on-demand consumerism to access individual consumers at scale. Never has there been a more promising time to leverage the power of display to effectively market programmatically.

# The Future of TV Advertising Lies In RTB

CHRISTOPHER HANSEN, MEDIAPOST



*"In a world where the biggest of traditional channels – TV – is becoming increasingly fragmented, RTB has a lot of potential."*

Real-time bidding has become so entrenched in online media buying that it's hard to believe this market was nonexistent two years ago. Marketers have utilized the technologies to target consumers who are most likely to convert, serving creative that drives a consumer back to a website to make a purchase.

But RTB can do so much more than serve as a line item on a media plan. In a world where the biggest of traditional channels – TV – is becoming increasingly fragmented, RTB has a lot of potential. While TV is still the best choice for building a brand, DVR and video on demand shrink the overall number of consumers who are exposed to ads, forcing advertisers to adjust. The data capabilities of RTB can fill in the gaps for reaching a mass audience with a brand message.

The prevalent way RTB is used right now is to target users based on their behaviors on a site, which only leverages part of the available data. Many are not utilizing a combination of behavioral and content data, which gives advertisers a look at the content that users are consuming, in real-time. Scoring impressions based on content makes it very easy to align RTB display with simultaneous TV campaigns.

Every execution is different, and there are a number of possibilities. For example, if advertisers run a TV plan that only shows during prime time, Monday through Thursday, RTB allows them to tailor display campaigns to match. So, not only are they targeting across screens during the same time frame, but they can also target those content types. Think of someone who turns to a laptop to check fantasy stats while Monday Night Football goes to commercial. The advertiser hits that consumer, at a greater effective cost.

This should shake perceptions that RTB is strictly a DR tactic as well. If you're running RTB alongside TV, there's a clear opportunity for brand advertisers to raise awareness. Entertainment advertisers could benefit largely, because their campaign strategies typically involve spending a great deal of money in a short time. If they're not utilizing RTB in the online portion of the campaign, then they're either making a direct buy, which limits audience, or they're using a network to spray ads across several sites and hope they're hitting an interested audience.

An advertiser promoting a film through "The Walking Dead" on AMC can utilize RTB to target similar online content channels and make sure they are hitting that audience. Entertainment advertisers typically have a date in mind – opening night, or the season premiere – and these campaigns are worthless if consumers see them two weeks later on their DVR. RTB remedies that.

CPG brands could also benefit from RTB. This is a vertical that has to account for the decline of audiences in formats like print and radio, and the slowly shrinking cable subscribers. This may be the golden age of TV, where everyone has an opinion on the big shows, but fewer young consumers are subscribing to cable. The ability to communicate a brand message has to happen online.

So what's preventing brands from doing this right now? It primarily comes down to a lack of education. TV buying hasn't changed in 20 years, and it's a fairly easy process. Advertisers produce their spots, execute a buy, and the network pulls that spot and pushes it out on the agreed upon schedule (or run of network). Digital doesn't go back 20 years, and as I said earlier, RTB barely goes back two. There's always an educational lag, and an even greater comfort issue among buyers. TV lets brands cast a wide net, but that cost also means the message hits a lot of audience that may or may not be interested. There's a lot of fat and very little efficiency, but it's something that advertisers understand.

That should get easier as media mix models get more advanced. RTB providers can already access set top box data and marry digital exposures to tune-in. That way, an entertainment advertiser can see if consumers who saw a display impression had any lift on tune-in.

Marrying traditional media to RTB is going to become more commonplace in the coming year, as advertisers work harder to have multi-layered campaigns. While they might not totally understand RTB buying, they have to understand that conversations are happening digitally, through the phone, tablet, PC and smart TVs, and they have to have a presence in those arenas.



# The Importance of People in Programmatic

JON SCHWARTZ, IMEDIA CONNECTION

One of the most annoying and inefficient tasks in life is going grocery shopping. I have to visit up to four stores every week to find everything for the family, and that eats up plenty of time, gas, and money.

Life would be great if we could buy groceries programmatically, right? I'm not talking about simply buying them online and having them delivered (i.e. FreshDirect), but rather buying them in the same way media is bought and sold. Set a menu in advance; combine it with first-party data from a "smart fridge." The items are scanned when they're put into the fridge and tracked when taken out, put back, or getting depleted. Throw in some family eating habits, maybe some third-party data from healthy eating studies, and the groceries arrive at the door in the exact amounts needed.

This would be more efficient and result in a lot less waste, which is great for the wallet and the environment. Although buying groceries programmatically would result in a family getting a lot of their preferred food and ingredients, it would result in the same meals week after week, month after month. This limits the ability to branch out and try new things. Without going to a store and looking at the stock, you're never aware of new flavors or alternatives. Online marketers are in great danger of falling into this exact trap -- being put into siloes through an overreliance on data and ceding too much control to automated algorithms.

So, while many have touted programmatic's advantages in targeting, data, performance and, above all else, efficiency, the vital human element is often forgotten. If you're using algorithms to buy groceries, you can get out of the rut by inputting new recipes.

Marketers need this too, in the form of a data expert who can make decisions on what to do, based on data the marketer is inputting and generating with each subsequent campaign.

While programmatic leverages machine-based learning, a machine cannot make a gut decision. Humans can look at the results and say, "let's try this" to find new inventory elsewhere and produce slightly altered audience models that perform better.

A high-end headphone manufacturer may be looking for males in their 30s who live in major cities and are shopping for Apple products. But machines don't know that Samsung is putting out a hot new phone, nor can they be taught to look for big updates to Android devices. These are two situations that will trigger a behavior change in the original audience. Rather than searching for Apple products, those 30-year-olds are suddenly paying attention to Samsung, and there are far fewer Apple-intender impressions available.

A human running the campaign can change the audience target slightly to reflect the potentially larger audience pool. It's like finding a new salad dressing you never knew existed. The same basic vegetables (or attributes) are underneath, but there is a new, slightly richer characteristic on top. Algorithms may suggest something new to replace a depleted item, but a human recommendation is the strongest endorsement, whether it's for food, media or audience targets.

For more proof of the dangers of trusting formulas too deeply, just consider the broadcast television network show model. Television networks put every single one of their shows through rigorous audience testing and focus groups. Shows that test high make it on the air and are promoted with multi-million dollar ad buys. This is data-powered decision making, but every year shows are cancelled mere weeks into the season at a huge loss to the network. The focus group data turned out to be worthless, and you have to wonder if anyone had a gut feeling and was afraid to challenge the data.

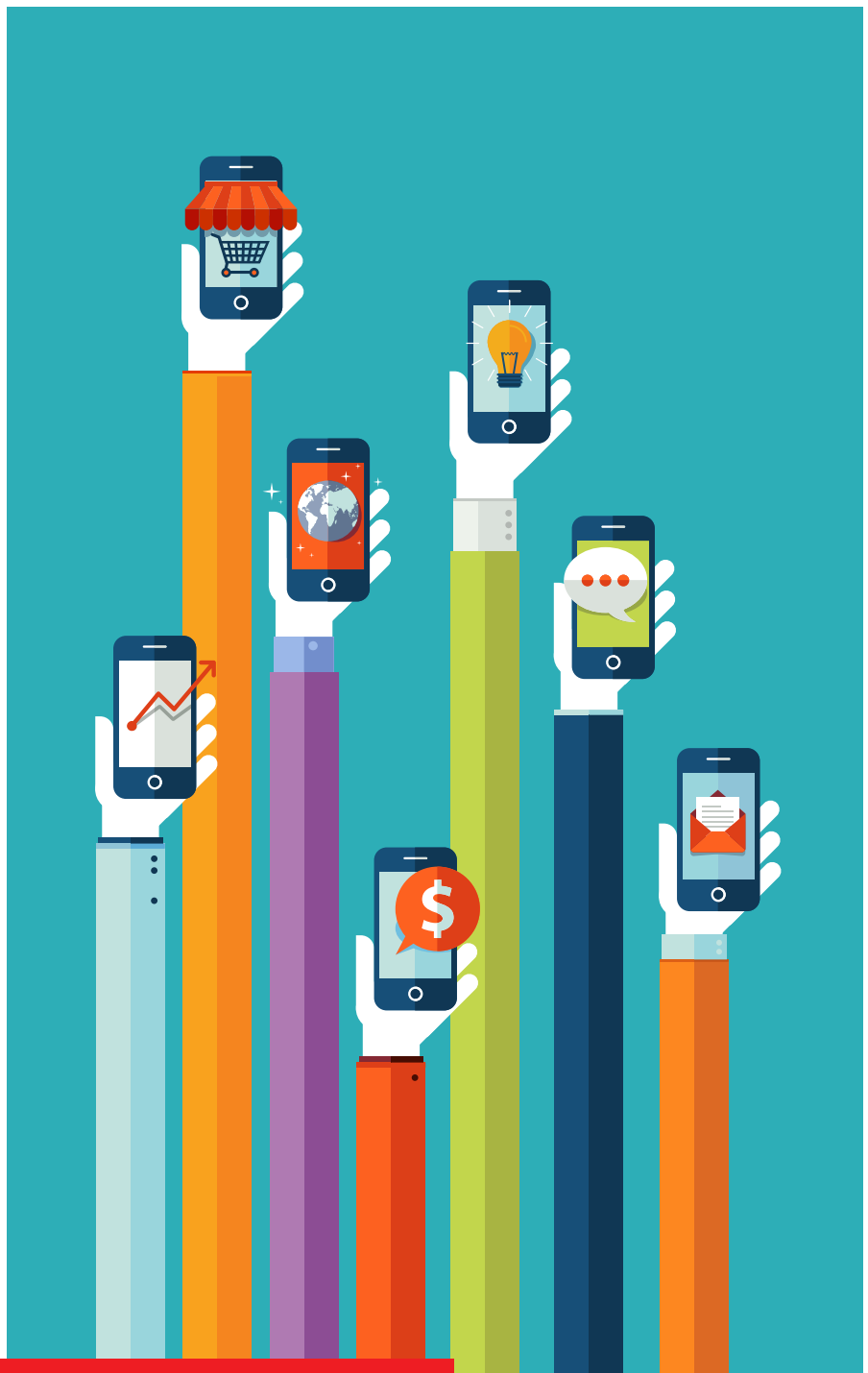
Algorithms can't do everything. They're good at helping a marketer repeat processes that are often tedious and time-consuming. But even the most cutting-edge machines are not good at exercising curiosity or understanding the potential for higher success based on outside factors. Marketers that are not using some human expertise to power their programmatic buying will be stuck eating the same inventory salad over and over

*"While programmatic leverages machine-based learning, a machine cannot make a gut decision. Humans can look at the results and say, 'let's try this' to find new inventory elsewhere and produce slightly altered audience models that perform better."*



# MOBILE & DEVICES

Lately, we're rarely seen without some kind of mobile or wearable device on our persons. With a projected 350% rise in mobile devices in 2014 alone, the role mobile will play in the world of digital advertising is a widely discussed and often debated conversation. We acknowledge that there's exciting things happening in the mobile & devices space and we're excited to start writing a new rule book with those participating in this dynamic shift.



# Mobile: Still a Pain Point for the Buy Side?

CHRISTOPHER HANSEN, ADEXCHANGER

## Mobile Is Not a Discrete Channel

It's helpful to start by simplifying the concept of digital media. Think of all ad buying falling under two tactics: display and search. Each features different ad units, with search using text while display has banners and video. Both tactics are delivered on two channels: desktop and mobile.

Under this theory, mobile would be a component of a larger display program, much the same way agencies currently view outlets like Yahoo. It's also important to look at mobile as media, rather than a conversion channel. After all, that's what brand advertisers really need – a true understanding of their media distribution and results.

When a brand considers mobile, they care more about how mobile conversions relate to the media impressions elsewhere than simply getting the ads onto the device. Brands want to know how iPad conversions factor into the cross-device story, and how to use that data to better serve ads across mobile and desktop.

If the shift in thinking – from discrete media channel to a distribution channel – doesn't take place, then agencies will never correctly value what happens on mobile devices or the value of the mobile impression to drive activity across other channels. That means they'll never allocate budget to the best channel and will fail to forecast budgets appropriately. But that requires some changes to attribution theory, as well.

## Mobile Must be Attributed to All Channels

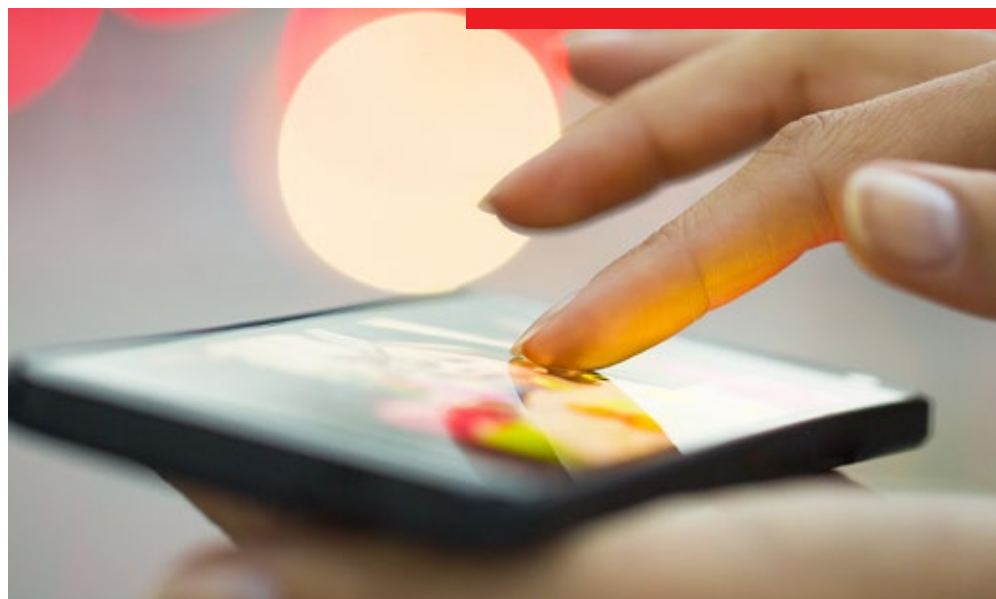
As the two main marketing tactics integrate mobile into their offering, conversion attribution will become more important for agencies. To deliver to clients, they'll have to understand whether a desktop impression drove a conversion that took place on a mobile device or app, or vice versa.

It's impossible to properly attribute conversions like this without proper cross-device tracking. This requires tying behaviors, such as purchase history, intent and consumer data, including demographics and geography, to mobile conversions.

As the mobile data set gets more sophisticated, don't be surprised to see mobile take share away from the desktop. Many industry watchers already predict this, while sites like Pinterest receive 75% of their daily traffic via mobile devices. That's not to say that the desktop is going obsolete. Rather, advertisers will have a richer understanding of consumers once mobile is woven deeper into the fabric of their media planning.

Mobile can no longer be a pain point. Agencies need to rethink mobile's place in the media planning process, and invest in the right suppliers and systems to service this part of the mix. It's crucial to examine new tracking and data tactics outside the cookie to learn more about consumers and explore the potential and power of the mobile impression within the mix. It is only from that level of understanding that an agency can deliver long-term value to brand clients in this cross-channel world.

*"When a brand considers mobile, they care more about how mobile conversions relate to the media impressions elsewhere than simply getting the ads onto the device."*



# The Agency Paradigm Undermines Mobile

CHRISTOPHER HANSEN, ADEXCHANGER

It seems silly to think that mobile web usage caught the advertising industry off guard.

Existing ad companies, be they agencies or ad tech, were so entrenched in their ways that to just serve ads on mobile devices required a whole new batch of companies to enter the space. The agency model was stuck on the concept of cookies and desktop tracking, and mobile swept right in and started stealing traffic.

So agencies stuck mobile in a silo, and now they're desperately trying to figure out how mobile can become part of a larger plan, rather than its own unique line item. Perhaps the only way to do that is to abandon the cookie.

The No. 1 reason why agencies still struggle with mobile is that it's not cookie-based. Cookies became the default measurement mechanism, or at least the one we have come to understand so well, so many agencies built their entire digital strategy around cookie targeting. Cookies make tracking easy, but they've spoiled marketers, agencies and ad tech companies for some time. Despite the predictions, cookies aren't necessarily dying. Their value, however, is diminishing.

Mobile introduces a new level of complexity where strategies as simple as remarketing are much harder to execute. Mobile tar-

geting is still in its infancy, and plans created with a mobile component are not 100% measurable. Marketers need to accept that and get used to statistical values, as opposed to absolute values, which require a major shift in mindset. Measurement will improve over time, but it may never be as clean as the cookie.

In place of the cookie, the industry is looking for a new secret sauce, which will likely come from stitching together many data sources across multiple devices to build unique targeting IDs.

Registration data is one component that will likely go into this new profile ID, giving players like Google, Twitter, Facebook and Yahoo an upper hand through their access to user data. But other cross-device identifiers will have to go into this new ID to create a robust, yet privacy-friendly, picture of an audience. The industry needs an ID gumbo, layered with several small ingredients, yielding a combination that works much better than its individual parts. There are a lot of data points to choose from, including the mobile channel in app or Web, app category, platform, carrier, and device type and device screen size, among others.

The cookie is simple and easy, but that simplicity has meant that the industry hasn't tried to push the technology to do more. This new stitched-together ID is

less precise than a cookie, which is good from a privacy standpoint, but it has more data points, creating a robust profile that retains its richness across devices.

In the meantime, ad tech has led the effort to pull mobile out of silos by advancing the data science and systems behind it. Consolidation is accelerating at the same time as display and search companies both try to make mobile part of their core offerings. Mobile will be fully integrated into display and search within the next two to three years, but agencies must lessen their reliance on cookies before then.

The shift is comparable to the electric car. Electricity is more efficient and better for the environment than gas. While nearly every manufacturer has a hybrid model, we are only just starting to see this shift, although automakers haven't yet abandoned gas to go all-electric for every model.

In the end, agencies don't really have a choice but to navigate the pain and get to a point of deeper understanding. The bottom line is that consumers are shifting their Web surfing away from the desktop and toward their mobile devices. Marketers have come to expect data-driven marketing across platforms with some level of personalization and localization. Cookie-based models simply won't cut it.



*"The No. 1 reason why agencies still struggle with mobile is that it's not cookie-based."*



*"Having a screen that a consumer can interact with does not necessarily make a device a distinct marketing channel."*



## Consumer Appliance Marketers are Becoming the Next Data Warehouse

CHRISTOPHER HANSEN, AD AGE

For years, marketers viewed mobile as the next era in ad technology. But the term “mobile” cannot communicate the scope and complex nature of the evolving ecosystem of consumer home devices that are linked across wired and wireless networks. This is the system sometimes called the Internet of Things.

Think of all the devices consumers have at home that are (or can be) connected to the internet. In addition to computers, phones, tablets and TVs, we have Wi-Fi-connected refrigerators, light bulbs, thermostats, home-security systems and speakers, to name a few. Historically, we’ve looked at hardware with online capabilities as a unique marketing channel or conduit for delivering a message (the desktop computer being the key example). But these “things” offer something different. They are data vehicles, not marketing vehicles.

Having a screen that a consumer can interact with does not necessarily make a device a distinct marketing channel. These devices are huge first-party data stores for marketers and the manufacturers. Think

about this: Nest is not just a company that makes thermostats; it is a data company as well.

These devices don’t present display-ad opportunities, but instead add to the vast pool of data points, which marketers can use to develop messaging ops and provide value and utility back to the consumer.

A washing machine notifying a consumer that he or she is running out of preferred soap (and helping to order more through an outlet like Soap.com) can be more meaningful than a consumer packaged goods ad delivered on a mobile device. Partnerships between manufacturers and brands can leverage these data stores to develop brand loyalty. A brand like Tide can build a customer for life as the consumer’s appliance stores the brand preference, reminds him when to buy and helps find the cheapest price.

It’s impossible to deny the immense value of such data, which has not been available before. But with great data comes great responsibility. Any appliance-driven data

economy must be based on opt-in by the consumer. Consumers need to get real value out of sharing their data, so the onus is on the marketer to reciprocate.

Marketers need to embrace these devices for what they do, which is collect hyper-specific data about one aspect of consumers’ lives. We’re sitting on a pool of behavior and preference data for each consumer that can be leveraged for better marketing messages. But to stitch everything together efficiently, we need an advertising model that can aggregate these fragmented data points.

Let’s stop looking for ways to shove advertising in consumers’ faces simply because there is a rise in connected devices. Let’s look at how we can build a better picture of the consumer as an individual, based on all the signals in his house. There may be ad opportunities, but it won’t come in the form of banners or text ads, and it will likely be a different execution for every vertical.

# INTEGRATION

True integration is absolutely imperative, because when it comes to digital marketing, the whole is so much more than the sum of all of its parts. In order to be successful, you not only have to have all of the pieces to the puzzle, but you must also ensure that they fit together perfectly.



True integration is absolutely imperative, because when it comes to digital marketing, the whole is so much more than the sum of all of its parts. In order to be successful, you not only have to have all of the pieces to the puzzle, but you must also ensure that they fit together perfectly.

*"Within a Big Data marketing system, the worm is the interface system which exposes the marketing vapor to the cold water of analytics and experience."*



# White Lightning

ERIC CARLYLE, IGNITIONONE BLOG

Perhaps it is simply that I am like the other 3 million people or it is my exposure to Southern heritage (being based in Atlanta), but I am totally addicted to Discovery Channel's Moonshiners.

The docudrama follows the activities of a group of Appalachian mountain men who produce and sell illegal moonshine. What is most intriguing to me is the ingenuity of these men as they develop their illegal stills from cobbled together components while hiding their enterprise from the "law."

The other night it struck me how IgnitionOne's Digital Marketing Suite<sup>SM</sup> (DMS) technology stack and "Big Data" has connections to my favorite show.

At first blush, the linkage is pretty disjointed. But closer examination shows them to be very similar to each other.

A still is nothing more than an extraction engine designed to efficiently create alcohol (C<sub>2</sub>H<sub>5</sub>OH) from natural ingredients. Along the way, these natural ingredients impart desirable flavors and properties that are valued by its consumers.

Likewise, a "Big Data" engine like the DMS is an extraction engine designed to efficiently create marketing "white lightning" from digital data. Along the way through all the transformations and manipulation, the basic ingredients (data) is refined and distilled into products that extract the maximum kick while still maintaining its consumption value. And white lightning for marketers won't give

you a buzz (or a hangover) but it will deliver better results and efficiency.

The Mash: GIGO (Garbage In, Garbage Out)

Beyond just the basic purpose of a distillation engine, the individual pieces of each machine also have direct relationships. While each moonshiner has his own personal recipes, the basic inputs to a still are grains/sugars, yeast and water, which are combined into a "mash". Recipes vary during the year based on the price/availability of raw ingredients. The result is a balance between the strength of the mash (how much alcohol can be concentrated into the final mixture) and the potableness (suitability for drinking). A mash that is too "hot" (not able to be consumed, due to the burning feeling when consuming) is as undesirable as a mash that is too "cold" (no alcohol but is more potable). Balancing these competing properties is the art in the process that has been handed down through generations of shiners.

Likewise, within any Big Data marketing system, a multitude of different inputs are available to gain marketing insights and knowledge. Referral data, search engine data, onsite tracking, social data, CRM, demographics and a host of other data sources all contribute to the digital marketer's mash. Some of these sources are easy to obtain and some are more difficult, but ultimately to be most useful to the final product, they must be combined into a single mash. Similarly, some data is very hot (contains great marketing insights and

knowledge) but is very difficult to digest, while other data is too cold (and while consumable, is ultimately not useful in action).

Additionally there is the question of scale. In a still, it takes a lot of mash to make even a little product. The same is true in Big Data Stills where low information value data may require large amounts of processing to enable the accumulation of enough insights. Extracting the maximum amount of information at the minimum cost enters into all Big Data Stills as well.

Mash Pot: Adding Heat to Create Pressure

During the fermentation process, the mash is transferred to the mash pot. Here it is exposed to heat which releases the alcohol from the mash in the form of steam. Pressure in the mash pot builds and is captured by the steam cap which is then used to propel the alcohol heavy steam through the rest of the distillation process. An improperly designed mash pot will leak steam and therefore is not be able to propel the steam through the additional processing. Another more dangerous situation arises when the pressure is too great and the still explodes.

Big Data Stills have the same problems. Improperly designed data stores are unable to bring to the surface marketing insights in a timely fashion or may leak valuable information. Or Big Data stores will simply blow up due to scalability as the pressure and volume of the data mash and boiled up marketing insights are too great for the system to handle. Big Data marketing sys-



## White Lightning cont.

tems need to be carefully designed, flexible enough handle multiple set of inputs and built to scale.

There is another dangerous phenomenon that occurs in Big Data Stills as well as moonshine stills. During the fermentation process, a certain portion of the mash will be converted into methanol (C3OH). Methanol is a highly dangerous substance that has been known to cause blindness and even death. As a still heats up the mash releases this methanol (methanol boils at a lower temperature than alcohol), shiners call this the foreshot and discard this dangerous byproduct. This is very similar to Big Data Stills where the initial set of analysis (foreshot) from the data can be very disorienting and can blind marketers to the insights behind the data. Likewise, many times marketers overfit and/or over analyze the data mash which can lead to marketing paralysis or dangerous results.

From Steam to Hooch: The Rest of the Journey

Once the alcohol's heavy steam has left the mash pot, it flows through a series of pipes and tubes. The first stop is the thump keg, which filters the impurities from the steam, which if allowed to continue through the process, will clog up the increasing smaller diameter piping that makes up the rest of the still. Filtering the haze of analysis to ensure that it is accurate, reliable and true is also necessary in a Big Data Still. Outliers, site outages, and data delays need to be removed so that they do not lead to erroneous results and/or excess pressure in the system. A common mistake among Big Data systems is ignoring the need to control for these impurities, and while it would appear that working with digital data is surprisingly clean, these cleansing functions are surprisingly complex.

As the now purified steam leaves the thump keg, it enters the worm box. Here cool water is circulated over coiled pipes known as the worm. A shiner's worm is one of his most prized possessions (they have been known to be passed down in some West Virginia wills). Carefully crafted from hand selected copper, a superior worm imparts

warmth to the final product by slowly condensing the vapor (and the flavors of the underlying mash) across the entire length of the pipe, thereby allowing the flavors and the raw alcohol to infuse into each other. The cold water condenses the alcohol vapor within the pipes which then emerges as final product for distribution. Without the constant supply of cold water, the alcohol vapor will simply shoot out of the end of the pipe without condensing, lost forever to the wind.

Within a Big Data marketing system, the worm is the interface system which exposes the marketing vapor to the cold water of analytics and experience. Some digital marketing systems are great at producing huge amounts of processed data (and vapor) but little of it is in form that is true marketing white lightning. It is only by the constant application of judgment, experience and analytic brainpower which is constantly changing and adapting within the machine itself that the final product is effectively delivered.

Result: White Lightning

By no means am I trying to romanticize the illegal production of moonshine; instead I am trying to focus the discussion around Big Data marketing systems to their core competency.

With all the talk about Big Data marketing systems, it is important to recognize that, in the end, they are nothing more than distillation machines. There is no need for huge data stores if the information content of the data is unusable, blinding or dangerous. Additionally, your Big Data marketing system needs to be designed and run by deep institutional knowledge about how the mechanics of the system are implemented, how to mix the data ingredients, and finally how to effectively present and deliver the actionable insights and marketing knowledge that the data presents. While I would like to think that we are slightly more refined, professional (and hopefully better looking) than our mountain men brothers, our goal is the same delivering the best white lightning for our clients. Cheers!





# When It Comes To Bid Optimization, are you ‘Book Smart’ or ‘Street Smart?’

LISA ARSENAULT, IGNITIONONE BLOG

In talking with prospective customers on a daily basis, I field a lot of questions about the science of bid optimization. But over the years, the nature of the questions has shifted from “can you” to “how do you” and have become increasingly complex, as search marketers grow savvier. And even though we’ve been optimizing search campaigns using predictive portfolio methodology since 2005, the marketplace has only recently widely adopted the approach.

Taking a trip down memory lane to when I first started working with IgnitionOne (then SearchIgnite), I thought I’d share my personal recollection of how bid management questions have gotten more sophisticated, tougher, and longer over the years.

But is there a point at which the evolution of our questions and understanding (or lack thereof) of bid science will actually come at the detriment of our campaign performance? And are we relying too much on automated bid science to drive performance? Can bid and campaign optimization be completely automated by algorithms? Is an algorithm going to put me out of a job? ARE ALGORITHMS TAKING OVER THE WORLD?!

Okay- maybe I slipped too far down the slope on that last one, but hopefully you see where I’m going with this. As far as we’ve come in our understanding of rules versus portfolio logic, I’ve noticed a surprising backlash against portfolio optimization tools lately. More and more marketers have been coming to me saying that they have portfolio tools, they understand how to use them (theoretically, anyway), but they:

Can’t customize them for specific business rules or campaign goals

Aren’t getting results as advertised

(and my personal favorite) Just don’t trust them

These are all valid points if you’re relying on a black-box algorithmic portfolio model to handle your bid optimization in

a vacuum. So the question becomes: when it comes to bid optimization, are you book smart or street smart?

If you’re book smart, you can probably whiteboard visualization for how your bidding technology handles keyword clustering for optimization. You have every bid completely automated with multiple portfolios across millions of keywords organized thematically, geographically, and by device (well, for now - thanks, Google!). You haven’t touched a bid in years, and you trust your little black box because it contains a revenue-crunching bid-busting algorithm. And it’s smarter than you (right?). Wrong!

But if you’re street smart, you know that you possess two forms of logic that even the best algorithms never will: common sense and foresight. You know that the best performing campaigns are optimized against marginal cost to marginal return modeling, but you also demand transparency of the decision science. So when your algorithm is recommending that you bid down a keyword based on its rank return profile, but you know that you’re about to launch a promotion against that particular category of products, you can opt out of its recommendation without jeopardizing the relative performance of the portfolio.

So is it better to be book smart or street smart? Duh – both, of course! You don’t need to write your own algorithms, but please do remember there’s no such thing as a silver bullet when it comes to SEM, and even the smartest algorithms require human intervention every once in a while.

So ask yourself (and your technology provider):

Do I have:

- Transparency (into keyword level bid optimizations)?
- Input (over what data set(s) the algorithm is incorporating into the model)?
- Control (over individual keyword bid optimizations within the portfolio)?

*“If you’re street smart, you know that you possess two forms of logic that even the best algorithms never will: common sense and foresight.”*



# 3 Ways to Gather Your Data Resources

KIER SELINSKY, IGNITIONONE BLOG

When hiring a data driven vendor such as a DMP, there can be some hurdles – real or perceived – to getting your new project off the ground. Often, one of the first hurdles is figuring out how to gather up the resources that comprise your enterprise data. We have some guideposts for you when considering what to put together.

First, consider the quality of the data that makes up your enterprise data universe. If your company has been around a while, there are likely multiple layers of legacy or the shadows of old systems lingering. It's likely that your data intake requirements, business requirements, or management styles have changed over the years that have introduced exceptions to what can be relied upon. Before pulling any data for your new vendor, consider the impacts of these changes over the years and what they mean for the quality of the data that you'll be starting this new project with. In some scenarios, the problem is small enough that having the data is better than not; but in others, it might mean cutting off the historical records like wheat from the chaff.

Second, consider the rules that surrounded your data collection at different points in time. You might have an opt-out flag – has that always meant opting out of emails? Or did it at one time mean opting out of all marketing communications? Be sure to let your vendor know this, so that these flags can be properly converted. Furthermore, if you've managed to de-duplicate your data through the years, then good for you! But if not, take a frank look at all the different ways data may have been duplicated and start thinking about reasonable strategies to reduce that duplication.

Third, gather up your data experts from all departments that interact with it – not just managers but also your analysts and DBA's. Find out what concerns these folks, because they see all the seedy undersides of your data and any mistakes in the management of it for the last who-knows-how-many years. This is your opportunity to eliminate mistakes of the past and build your new data set – I've known more than one organization where data experts applauded the opportunity to cast aside the yolk of old mistakes.

Much of this can seem like hard work, and not terribly exciting. To a certain extent that's true. But taking the journey to build a new marketing database with a DMP is like building a house: take the time to make sure the foundation is solid and squared up, and everything goes on top of it will be that much better.

*"Often, one of the first hurdles is figuring out how to gather up the resources that comprise your enterprise data."*





# What Data Should You Use and What Can You Do With It?

KIER SELINSKY, IGNITIONONE BLOG



A lot of marketers wrestle with figuring out what the right customer data set is when considering using a data management platform. It can feel like a big sea between talking about “big data” and actually doing it. It’s a big question, full of particulars, ‘What data can I use and what can I do with it once I’ve selected a data management platform?’ The answer is just as big: [almost] everything.

It might seem excessive. Your company may have 6 years of online transactions and demographic data right down to lawn size. But the truth is: if it’s been important enough for your business to keep, it’s important enough to load it into your DMP. The last thing you want is to find yourself 6 months from now, having dreamt up the coolest campaign to date, but having to sit on your hands till your data team can get a data update over to your DMP.

The decision to load all your customer data – for both known and anonymous customers – into your DMP from the outset will make things easier down the line as your marketing efforts grow. A good DMP will be able to maintain, normalize, and grow all of this current and historical customer data and prepare it for actionable campaigns. A great DMP will make good use of your anonymous customer data by converting it to known customer data, providing a longer, richer data set on these customers and insights on how to find more like them.

Truly, there are only two types of customer data that should not be included in your DMP: extremely sensitive data and customer data that’s known to be bad, as in invalid. On the extremely sensitive side, we have data such as SSN and credit card numbers – these items won’t be used for segmentation and can increase your risks by creating another copy of them. Invalid data could be email addresses that have had a few bounces and are known to be bad. Everything else is fair game.

The uses of this data are beyond one or two dozen blog posts, as the short answer is: whatever you can think up. Anonymous data can be used for modeling your best customers. Email addresses can be leveraged in numerous ways on Facebook now. Current customers could be targeted with a combination of display banners and emails for upgrades or ancillary products. The list goes on and on

Logically, this approach is fairly obvious. Part of the point of a DMP is to have all of your data available at your fingertips for segmentation and targeting. As long as the data is good (which a DMP can help verify), your best bet is to load it and make sure it’s available for the future. Only time will tell what the right use is for your business, and having it available immediately ensures you don’t miss a single opportunity.

# A New Attribution Metric to Rule Them All

ROGER BARNETTE, ADEXCHANGER



"Brand marketers now have many more tools in their toolbox to move toward stronger, more predictable and more accountable metrics."

Brand marketers have long judged success of their digital advertising by using the "soft goals" of brand engagement. Soft goals, such as reach, views and demographics, are nice and pretty easy to obtain, but is there a closer correlation between engaging with your brand and ultimately buying products?

For too long, marketers who do not sell products online have executed digital ads like brand campaigns because they didn't need to show the impact of the campaign on user purchase behavior. This certainly has made it easier on brand marketers but it has also kept them from touting their successes and the value of their work in a tangible traditional sales ROI context.

Performance marketers have been able to hog all the accountability glory with metrics you can sink your teeth into. More recently, the ability to forecast and automatically optimize media toward those

metrics has added even more credibility. Brand marketers have had no such capacity.

Can brand marketers and those sectors of the marketing world that traditionally don't convert online — specifically CPG brands — take a page from their performance brethren's playbook? Can brand marketers measure success in ways that more directly correlate with their consumers buying their products?

Yes.

Finally, they are moving towards a methodology that may not be as directly attributable to sales as performance metrics, but will bring brand campaigns much closer.

I'm happy to say that the gap is closing. Brand marketers now have many more tools in their toolbox to move toward stronger, more predictable and more accountable metrics. The major tool is cross-channel

attribution, heretofore, the province of performance campaigns.

The discussions and debates around attribution and optimizing marketing have traditionally been focused around bottom-of-the-funnel endeavors and "attributing" credit for every sale to the media touchpoints. This standard attribution doles this credit out in actual dollar increments and is quickly becoming the only way performance marketers will fly.

## A New Set of Metrics

What's increasingly exciting is the emerging capability and interest in using attribution for brand or engagement optimization. By setting a metrics proxy, marketers can measure the impact of branding initiatives using attribution methods to optimize engagement efforts based on how consumers interact with branding assets online.

This proxy can be the engagement metrics that matter most to the brand, such as time on site, interactions with specific assets, revisits, social listening metrics or an algorithmically combined master metric or score that takes into account many of these measures. This "engagement optimization" allows media and marketing efforts to be automated in many of the same ways as performance marketing.

Does this ad drive engagement score higher than that ad? Change your budget. Content, emails, search keywords — anything that can be automated — can be optimized based on this central metric to drive brand engagement.

Danone Rethinks Media Spending

A successful example of this new application of attribution is a recent Danone Belgium effort, where an engagement score was used to make



more efficient and effective media spending decisions that drove brand engagement. A key element was understanding the engagement and contribution each campaign made across the entire click path. Through that, they were able to maximize results in real time.

Danone first needed to centralize online brand marketing and the associated data. Next they defined the right KPI — a master engagement score based on a wide range of real-time data, ranging from browsing behavior to demographics — that determined what a user was interested in and how engaged they were. By using these engagement metrics, they optimized campaigns in real time and used engagement scores to attribute credit. The analysis empowered Danone to reallocate spending to optimize budget in the right channels. Tech companies are often accused of being over-complicated in a space that's over-crowded. And instead of making this making the space simpler, tech companies either refuse to explain difficult concepts or use vague terms like engagement that are hard to define and even harder to measure.

Another one of these vague terms that us tech providers are guilty of using is marketing automation. According to our friends at Wikipedia, marketing automation is about making processes that would have been performed manually more efficient and makes new processes possible, however, more often than not, marketing automation is limited to an email timed to go out at a key time during a marketing campaign

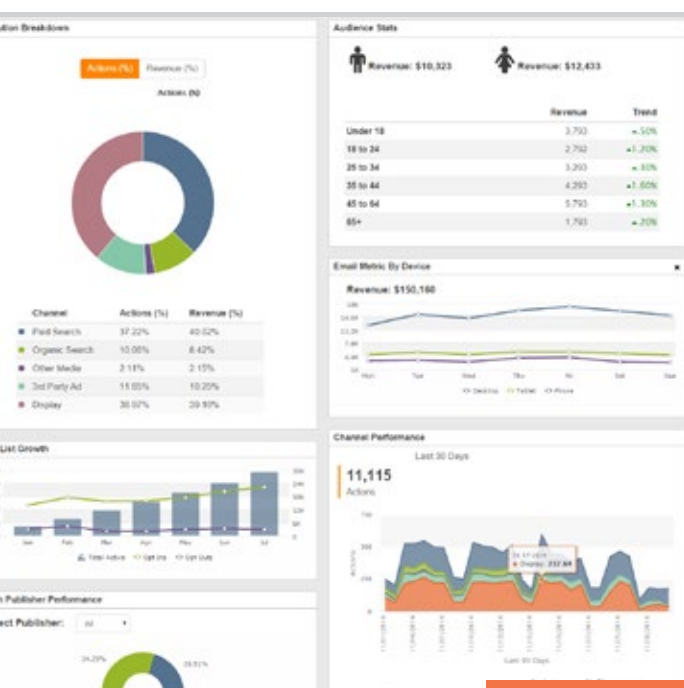
and often pulling information from an offline CRM system.

Especially when you consider how much is spent on owned, earned and paid media channels and the data that brand marketers can now glean from those channels in real-time, it almost seems criminal that marketing automation is still generally only associated with email campaigns. The tech industry has made huge advances in the right person, right message, right place (and format), right time story however unless tech providers start to truly embrace marketing automation, brands will never be able to open a truly individual conversation with their customers.

IgnitionOne has worked hard to develop more efficient processes to help our clients speak directly with their customers. Our LiveMarketer shows a brand who is on their website in real-time and help brands marketers understand each individual, their interests and behavior and, most importantly, the likelihood that individual will convert. Brand marketers can also drill deeper to understand media touch points an individual has had with the brand along their path to purchase and, using our multi-channel attribution, understand how these channels contributed to the conversion.

By using a single Digital Marketing Suite, the walls between marketing disciplines are broken down and new processes formed to help brands truly embrace the individual.

*"Tech companies are often accused of being over-complicated in a space that's over-crowded."*



# BEST MARKETING PRACTICES

A lot of things can fall into the “marketing” bucket, and here at IgnitionOne and Netmining, we pride ourselves in being thought leaders in the digital marketing space, especially with our proven expertise in driving marketing campaign successes. In this chapter, you’ll read about some things that we believe will make the most out of your digital marketing strategy.

---



# CMO Tips: Goals, Objectives, Strategies and Tactics?

TOMMY MARZELLA, IGNITIONONE BLOG

In the world of marketing, often times we start on one path with a very specific objective in mind that gets contorted along the way through hundreds of e-mails, conversations, new priorities and rushed deadlines until you are left with only fragments of the original idea. For instance, after countless hours spent crafting a perfect message for headphones, the entire concept can be changed in minutes when management discovers speaker sales are down. This problem has plagued marketers for decades and causes larger issues beyond remaining sane; it directly affects the long-term growth strategy of the company. Without a clear understanding of goals, objectives, strategies and tactics, it becomes virtually impossible to achieve any form of long-standing measurable success.

Without a clear understanding of these terms and how they relate to your company, it can be easy to get lost, ultimately wasting time, resources and budgets along the way. I like to think of true success as a top-down approach; each action building on top of a larger goal in the following order to get you the results you desire:

- **Goals:** A goal is a high-level, measurable intention for the company over the course of a specific time-period. These define the strategic direction your company is going to take and should be designed and agreed upon with key management. During every decision, leaders and employees should ask, “does this action help achieve this goal?” If the answer is no, then you need to reassess what purpose it serves and if it is worth your time. For example, a product-based online exclusive may go against a larger company goal of increasing foot traffic to retail locations.

- **Objectives:** Objectives are the key milestones you need to meet in order to reach your larger goal. Each objective is designed in a way to set you up for success by supporting your larger goal. It is not uncommon to have 3-4 objectives that

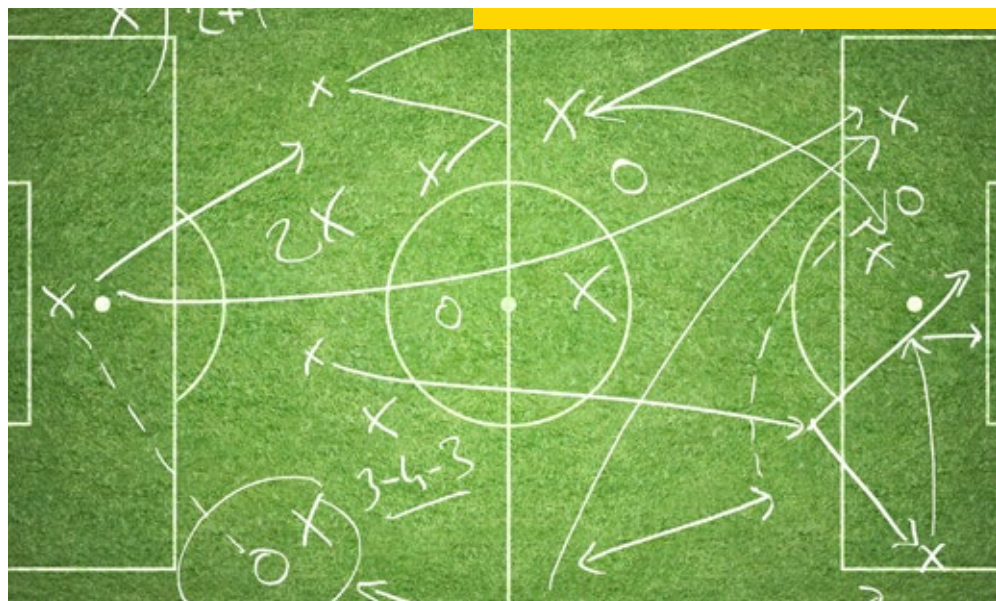
must be met in order to help you achieve your goal. Sticking with the larger goal of increasing foot traffic to retail locations, you may have multiple objectives that need to align, such as launching a customer loyalty program, expanding a popular product line and increasing your connection with customers with a synchronized approach across channels.

- **Strategies:** A strategy is a thoughtful, researched and specific game plan identifying how you are going to achieve each objective. Each objective should have a strategy in place that a team can design to build up to the objective and goal. When writing out a strategy, it is common to incorporate industry specialists, consultants, vendors and those well-versed on helping to meet your objective. If you want to enhance your connection with your customers, you need to list out each way that can be done. For example, you can use social media, useful content, special events, advertising, and programs encouraging referrals. This is where you finalize the game plan before execution.

- **Tactics:** Tactics are very specific ways to execute on a strategy. Think of tactics as the day-to-day task list to execute the strategy that will help you achieve your objective, subsequently getting you closer to your goal. In our example, the objective was to increase your connection with your customers, which included social media, useful content, events, etc. Honing in on events, we can use specific tactics, such as an event highlighting a new product line’s usefulness, which ultimately aligns with our high-level goal of increasing foot traffic.

The key is to remain focused on your long-term goals. Last-minute items come up frequently in companies but by stepping back and reassessing, you can reframe how your business is done. Ask yourself frequently, “How does this help to meet our goals?” If you find that you are unsure, you may need to revisit your strategy as a team to determine which direction is best for your company.

*“I like to think of true success as a top-down approach; each action building on top of a larger goal in the following order to get you the results you desire”*



# Agencies Better Cozy Up to Ad Tech

CHRISTOPHER HANSEN, DIGIDAY

It used to be that a few people inside the media department were in charge of vetting vendors, sometimes by doing their own cursory recon when time permitted but usually by fielding half-hour sales calls of every imaginable variety. The job of evaluating hundreds of sellers and third-party companies, and ultimately executing the handful of small deals that fit the media plan, was relegated to a handful of employees. But the stakes are much higher in this rapidly accelerating era of ad technologies and widespread automation.

Good agencies know this. They speak less often of vendors and more often of partners. The vetting and deal-making is rarely tossed to the ranks of a single department. The agency principals are hands-on, and they recognize the value of having the right ad tech providers as partners involved in their plans because they are focused on future-proofing their agencies for the long haul. The agencies that don't value their ad tech relationships will be left behind.

If involved at the right stages, your ad tech partners can directly assist in transforming, sustaining and growing your client business. Smart agencies engage prospective companies on their thoughts on scale, growth and capacity to service the agency at various stages. These partnership decisions affect multiple disciplines, but too many agencies fail to involve the right stakeholders in the vetting process, much to their detriment. The ad tech partner consideration is no longer just about servicing the media plan. Agency principals who understand this involve the right minds from client services, media, creative, technology, analytics and operations in developing the road map for ad tech partnerships.

In the complex media ecosystem, ad tech companies recognize that they are part of a small orchestra the agency is conducting. But agencies have to take the initiative to let us know where we fit into the overall strategy and the plan. Far too often, any perceived disconnect is the result of not understanding the objectives, making it difficult to tune and perform. By allowing potential partners to invest in strategic agency plans from the outset, performance likely tunes up earlier.

The best agency and ad tech partnerships work through strategy, planning and performance evaluation as a team. Goals need to be set, questions need to be asked, and reality needs to be checked periodically. No matter where you sit in your respective organizations, you should be thinking about building a sustainable business and taking the longer view. Key to this is getting real about the business relationships that shape, support and fuel our operations. For agencies that want to remain a player in the dynamic media and marketing landscape, this starts with respecting the role of their ad tech partnerships and fighting bad habits to achieve an open and honest environment.

*"The agencies that don't value their ad tech relationships will be left behind."*





# Conversion Optimization: Your Own Online Sales Associate

STEWART HOLT, IGNITIONONE BLOG



I am Chandler Bing to my friends; to a social circle filled with lawyers, teachers, insurance brokers and advertising execs- I simply work with the Internet. Attempts to explain the conversion optimization solutions I sell are met with vacant expressions and polite nods. That was until I cracked it and found a real world comparison to explain exactly what IgnitionOne's onsite technology does.

Picture this: It is Saturday afternoon and you are out shopping. You enter a suit shop. You were here last week but didn't really have the time to browse properly. You tentatively walk in and start looking around at all types of suits; grey, brown, black, navy. You decide that navy is the route you want to take, so you start looking at the cut, price, and size of navy suits. You are not convinced that you really need or can afford a new suit, but you are becoming increasingly interested. Should you try on a suit or walk away and spend your money elsewhere?

During this time, a sales assistant has been monitoring your behavior – and he is good. He recognizes you from your visit last week and notices that you have been in the store for some time. He understands that you like the brand; you wouldn't be here if you didn't. He sees that navy suits are clearly your main interest. He notices that you have some reservations though; something is holding you back from taking the next step. He approaches you, "would you like to try on this suit sir."

15 minutes later you have tried on 3 suits and purchased one.

Now, if the sales assistant had approached you as soon as you entered the shop, it would have been irritating. You didn't even know what you wanted at that point. You hadn't been convinced by the brand; you needed time to browse. Had he waited much longer to approach, you would have walked out and not made the purchase. He noticed that you had a real interest in navy suits but also picked up on the fact that you had some reservations. He stepped in to overcome these reservations and made the sale. As a result of his relevant and timely approach, you are delighted with both your purchase and the experience you have had within the shop.

IgnitionOne's conversion optimization solution is similar to an online sales assistant. By monitoring a website visitor's behavior in real-time, an individual interest profile is built. When the technology recognizes that the site visitor has reached the purchase tipping point, an interaction is triggered on screen to assist the consumer in converting. This is very simple and very effective. The value of this online sales assistant? Clients using the solution regularly see an increase of over 30% in website conversions. A sales assistant who ignores the consumer's buying signals in store would ultimately be a failure, yet the majority of marketers are happy for their websites to operate in this passive way.

If you had a retail store, how would you want your sales assistants to work? Your website should be no different.

# 3 Types of Data You Can Use to Increase Profit

TOMMY MARZELLA, IGNITIONONE BLOG

Companies need to move past trusting their gut and into trusting their data. When you think about the mass amounts of data companies own on customers (transactional, behavioral, demographic, etc.), coupled with company data (inventory, real-time sales history, logistics, web activity, etc.), there is a large opportunity to decrease bottlenecks, while increasing loyalty, efficiency and profit along the way.

While there are infinite amounts of data that can be analyzed to help add to your bottom line, here are three examples help get you in the right mindset:

## 1. Customer Data:

The phrase “customer is key” comes to mind here as knowing your customer and their preferences will put you leaps and bounds above the competition. There are countless ways to start to look at new patterns, but a good place to start is to identify the data you have and start to ask questions. For example, you might notice that sales spiked 3x its normal range during April and May, which your data later reveals is because of a promotion you ran with an 84% coupon redemption rate. With the implementation of a DMP, you can begin to tie this information to an individual user’s profile, create their shopping persona and market to their unique personal needs. Suddenly, you realize Sally visits your website every Monday at 8:45AM (searching for accessories), but never buys, which in turn might prompt you to send her an e-mail at 8:30AM with a 20% off coupon for accessories.

## 2. Employee Data:

When retailers think of profit, they often jump to sales data as a primary source for success measurement. But it is important to look at your employee data to see what the data reveals. For example, you may have thirty people in the company who work on processing orders and you discover the process is inefficient, causing delays and time for an overhaul. By collaborating with IT you are able to develop a new workflow management program to cut the order processing time from six steps to three steps. This time-savings allows your company to reallocate the time of these employees to new, profit-generating activities, while still exceeding historical efficiency levels.

## 3. Supply Chain Data:

Logistics can be complicated for any company. Knowing how much of a product to have on-hand can vary based on historical, seasonal and trending analytics. Along the process to delivery, there can be many delays, hold-ups or antiquated ways of performing tasks not rooted in data-driven thinking. Analyzing the path to purchase to delivery is a large undertaking, but can reap bountiful rewards. Once the product is delivered (if the shopper selects online delivery), you can send a follow-up survey requesting information on their experience. This information can be imported into their profile for future reference as your team develops resolutions to alert them once a viable solution is in place to their concerns. For example, if your system is not up-to-date with inventory, a customer could potentially order a product with overnight shipping expecting it in 1-2 days. Not only is the product not available, but now both the company and customer have the added headache of refunding the overnight shipping (and potentially the product if it was a time-sensitive purchase), when this problem could have been avoided in the first place.

**As you delve into the depths of data analysis, remember the key is to discover the data you need to do your best analysis.**



# NETMINING

## DRIVES 20,000+ ENGAGEMENTS FROM NEW CUSTOMERS FOR LUXURY RETAILER'S SEASONAL CAMPAIGN

### CHALLENGE

A leading luxury retailer wanted to drive traffic and awareness from highly-qualified, new consumers to their brand site and Facebook page promoting a seasonal collection.

### SOLUTION

Netmining combined 1st and 3rd party data to help the marketer target and engage with new consumers that showed affinity for the brand:

- **Modeled New Audiences**
- **Created Custom Segments**
- **Tied Offline and Online Data**

### RESULTS

Within a period of 30 days, Netmining helped the marketer exceed goals and achieve the following results:

**20K+** Unit expands

**1.9%** CTR

**13K+** Clicks to the Facebook page

**65%** View-through rate

**5K+** Clicks to the store locator



# 5 Ways to Re-Engage Abandoned Carts with Data

TOMMY MARZELLA, IGNITIONONE BLOG

With increased traffic to your website, comes the increased likelihood of higher cart abandonment rates. Here are five ways to use your data to re-engage customers who abandoned their carts:

## 1. Segment abandoned cart shoppers:

Run a query to find all of the people who have abandoned their carts. Begin to segment them based on price, time since abandonment, and number of items in the cart. Use the data that you have to identify similarities and patterns. Perhaps you will discover 85% of your consumers who've abandoned their carts would have had a check-out price of over \$100. This can help your marketing team better understand your shopper's behavior.

## 2. Monitor behavioral data:

Begin to look at the known and unknown profiles for those who have abandoned carts. Have they visited your website once in the past two weeks, or every day in the past two weeks? What e-mails have they opened, clicked-on or forwarded to a friend? Through understanding their behavioral data, such as search queries and clicks, you are on the path towards re-engaging these consumers towards purchase.

## 3. Explore previous conversion paths:

One of the best ways to learn is to see what conversion paths have worked in the past. With a multitude of device affinities and preferences, as well as finger-tip access to your brand, the shopper journey for a consumer is more complex than ever. By analyzing previous sales and asking yourself thoughtful questions, it will help you use the data you have to derive strategies and tactics for future marketing plans. Some examples might be "where did my customers come from before they got to my website?" or "what was their experience like along the way?"

## 4. Align new messaging with previous messaging success:

Before you can predict the future, you need to look at the past. Is there one e-mail you sent out that received an open-rate of 3x your average open rate? Why? Did you promote a special offer, such as 50% off or free shipping that led to an increase in open rates, click through rates, and conversion? As you craft your new message, take into account previous messaging and conduct A/B testing to see if it truly was the messaging that spiked conversion.

## 5. Be curious:

The best way to learn how to use your data is to explore it. Dig into it, ask questions and create hypotheses to test your assumptions. You don't need to be a data scientist to see that one e-mail led the company to \$10,000 in sales, while the other to \$0. As you aggregate data, you have more history to back up your marketing decisions and help re-engage your consumers who may have slipped off the path.



# The Expense of Discounting

CHUCK BADDLEY, IGNITIONONE BLOG

Sales are down. While it's tempting to develop promotions with discounts to invigorate online conversions, you need to step back and see what your data is really telling you.

The fact is that a discount campaign may cause the numbers to jump up in the short term, but it also has the potential to cause more harm than good – especially when you might not even need it to trigger the response. While it can be an effective way to drive sales, it is better for the marketer to understand what actually makes a person tick. More often than not, other things will help solicit favorable response from customers. In fact, sometimes leading with or regularly providing offers to customers can create an expectation for future offers and even a devaluation of the brand.

When you think about this from the customer perspective, what they really want is for the marketer to put the right product in front of them at the right time at a “fair” price. If you consider your own buying habits, even the greatest of discounts cannot move you to buy a product for which you have little or no use. In the same fashion you are always willing to pay full retail price for that product that you love or must have. The successful use of offers must find a balance between those two scenarios.

Offers are best used to entice a customer to try a new product, a substitute product or a product that's closely related to one that they are already using. They can also be used to successfully cross-sell products or service to the customers already showing loyalty to your brand. This cross-sell product or service does not have to be related to the current products your customers are buying but usually data can suggest to the marketer which products might be a good option.

Strategically placing the right “fringe” product in front of your customers may be enough to elicit response. If not, a discount or special offer can be tested to determine whether or not it is price or something else that's causing reluctance on the part of the customer.

Interestingly enough, my experience has taught me that discounts and promotions tend to be one of the weaker tools a marketer can use to drive long term, sustained response. I have seen successful campaigns drive sales with the use of no offers whatsoever. The best formula for success seems to be fairly simple: Understand who the customers are and then consistently put relevant products and messages in front of them. And don't forget that almost all brands have several segments of customers so they need to talk to each of them differently.

There are some really cool things we can do with data that will help to indicate which customers (segments) are likely to buy certain products. Through testing we can learn how to present marketing messages (and yes, some may have offers) in front of them to move them through the customer lifecycle to a purchase. Data management for that clear view of the customer is at the hub of that understanding.



*“Understand who the customers are and then consistently put relevant products and messages in front of them.”*

# The 4 Magic R's That Online Gambling Marketers Must Make Work Together

SIMON HAYNES, THE WALL

Gambling brands are among the best-known brands in the UK, with a quarter of British adults saying that they gamble online, according to our recent research with ComRes. Yet the polarizing effect the industry has on the public makes it one of the toughest industries for a digital marketer to work in.

In an industry fraught with sensitivity and controversy, digital marketers must navigate a wealth of challenges and obstacles – some foreseeable, some not – to not just deliver against their marketing and business goals, but to do so in a way that combines commercial priorities with responsible outcomes.

Some would argue that balancing the all-important three R's – reputation, responsibility and regulation – is not always conducive to producing that ultimate fourth R, ROI. Each of those four R's must be respected and complement each other rather than act to the other's detriment – shaping tactics around them should be at the heart of every online gambling marketer's strategy.

In our newly launched report, *Betting on Digital*, we surveyed 2,000 British consumers, as the understanding of consumer psychology is paramount when it comes to online gambling, especially when it comes to reinforcing the link between public perception, brand strength and the 4Rs. Combined with the views of 11 senior marketers who we conducted in-depth interviews with, our findings give us strong food for thought in terms of how truly excellent digital marketing can stand out in such a complex industry.

## Targeting effectiveness

Alarming, we found that two thirds of the British public is concerned about the amount of advertising for online gambling companies, while just one in five think advertising for these companies targets the right audience. This demonstrates a strong case for the use of more effective digital marketing solutions and more selective, efficient and productive targeting.

But more comfortingly, many of the marketers we interviewed placed great emphasis on the need to target the right audience and said that while segmenting was a high priority, the approach was still largely experimental to see what works and what doesn't.

Across the board, our marketers consistently recognized the importance of using their digital strategies to attract not only a high volume of traffic, but to genuinely identify and convert potential players of high quality and value.

Yet our interviews revealed that one of the biggest challenges is keeping abreast of the latest technologies – from developing new platforms that create differentiated products to offer consumers new experiences in an extremely saturated market, to improving

*"Each of those four Rs must be respected and complement each other rather than act to the other's detriment – shaping tactics around them should be at the heart of every online gambling marketer's strategy."*



## The 4 Magic R's That Online Gambling Marketers Must Make Work Together cont.

social media messaging – and exactly how an investment in a new partnership or platform will deliver. This suggests there is an opportunity for marketers to engage more effective targeting solutions to optimize the results offered by digital platforms.

The public's views also relate to those of many of the marketers interviewed who say they still place great value on TV advertising as it is a strong means of driving brand awareness and web traffic. And, survey respondents who are active or previous online gamblers say online and TV marketing channels are equally important as factors in driving them to use an online gambling site. It's worth noting though that some marketers also feel that TV is competitive and expensive, and that it is more difficult to measure traffic originating from this medium than from digital.

### Ethics and perception

Additionally, our report looks at the British public's perception of online gambling, what drives them to visit online gambling sites and if brands' efforts to behave ethically affects the reputation of the industry.

Our survey found that consumers want companies to pay taxes in Britain, make charitable donations and help those who need it. Running an ethical business is, after all, a central tenet for building consumer relations, and while the online gambling industry might be doing this, its reluctance to shout about it could be costing it valuable CSR points with the public.

There is an overarching view that responsibility is not a driver to purchase but a hygiene factor – more than half of the British public (58%) say gambling companies have some responsibility to ensure that customers gamble safely and 70% agree that online gambling companies should financially contribute towards research, education and treatment of online gambling.

One in five British adults even say they are likely to place a bet with an online gambling company specifically because it demonstrates corporate responsibility. This proportion increases to almost half when surveying only those who already gamble online. On top of this, 60% of British adults say online gambling companies can improve their reputations by making financial contributions to research, education or treatment of addicted gamblers. Consumers also expressed a desire for more government regulations to ensure that companies act responsibly towards customers.

Clearly, there is an unmistakable impact to be made on the public through more effective, positive communication of what the industry does behind the scenes to help. In general, the public has a particularly low appreciation of the gambling industry's contribution to the British economy, so there is an opportunity for marketers to highlight how gambling companies do indeed pull their weight.

### Consumer segmentation

The explosion of mobile and social gives marketers an extra challenge—in addition to convincing gamblers to leave bricks and mortar establishments in favor of gaming online, they are trying to understand a complex new consumer experience.

Looking at the consumer data alongside the marketer interviews, it is clear that in addition to paying attention to building strong products and developing innovative platforms and social media strategies, online betting and gaming companies need to pay careful attention to consumer lifestyles and habits in determining how best to reach them.

Fragmented consumer groups across more online gaming sectors than ever before are driving more segmented marketing approaches. This is pushing the knowledge of digital ROI to its frontiers. Online gambling marketers have a set of unique challenges and must use a portfolio of resources available to them to solve their own unique algorithm of reputation and regulation in order to achieve ROI.



# Why Retailers Win with Google Shopping

DAVE RAGALS, CPC STRATEGY BLOG

**W**hy do you think Google Product Listing Ads have been so successful for retailers over the past year?

PLAs have seen tremendous performance in the year and a half since they launched as a paid offering. Just comparing the key Q4 2013 to 2012, impressions and clicks more than tripled, and spend grew at roughly twice that rate. Even compared to traditional PPC, which also saw huge growth, the rates for PLAs were downright astonishing.

The key is in the CTR, which is roughly 50% higher than traditional PPC. The simple fact is PLAs put the product, price and image directly in front of the shopper who raises their hand and says “I want to buy this.” Searchers can virtually window shop from the SERP and know that they’re a click away from buying what they want at the price they’re willing to pay.

How do you see Google Shopping playing a larger, perhaps different role in Retail Search in the next 2-3 years?

The most obvious change coming is Google Shopping Campaigns, which essentially cements the concept that PLAs have gone from an optimizable feeds-based system to an optimization system first and foremost, just one that happens to be supported by a product feed. The other thing to keep an eye on is in the mobile space, where PLAs underperformed in the key holiday weekend last year. Expect a lot of attention on bringing up both CTR and spend for mobile traffic.

*“Searchers can virtually window shop from the SERP and know that they’re a click away from buying what they want at the price they’re willing to pay.”*



# Has Search Lost its Luster?

ROGER BARNETTE, MEDIAPOST

Search marketers remain a busy bunch of people. There is always significant change about which we need to worry and for which we need to adjust. Whether it's dealing with Enhanced Campaigns, new APIs, PLAs, new opportunities to reach users or just the constant honing and optimizing campaigns -- there always seems to be more on our plates than we can handle given the constraints of a 24-hour day.

But in spite of the continued evolutionary changes to the search industry and the no-time-for-rest attitude of search marketers, things are really

is -- dare I say it -- more mundane. Oh I know we are living in "the year of mobile" and hey, look at that guy wearing Google Glass! But then we go back to optimizing keywords and creative.

Has search lost its luster? Has it lost its importance?

Let's just admit it as a group: Search is not sexy, nor is it cool-- at least not as much as it once was. But you cannot beat search for reaching customers with clear intent. Search is the best medium ever invented for communicating to customers who actually want to hear from you. And seriously, for

exciting, I don't know what is.

Search is mature. Search is stable. We should not be bothered by this or feel envious of other channels. Search is still the king at the top and bottom of the purchase funnel. We are still the straw that stirs the drink. Search affects offline consumer behavior in clear ways that we are only beginning to harness. And as the world changes, it is likely only to bring search more deeply into people's lives. It's an evolution, not a revolution.

I don't know about you, but that's pretty exciting to me -- even if search no longer grabs all the industry headlines.

## It's Time for Digital Industry to "Put Down the Clearasil" And Work Collaboratively to Address Common Challenges?

Simon Haynes, The Drum

We are all in this together -- we are all stakeholders in the success or failure of the digital media industry -- it's incumbent on all of us to address these challenges and address concerns with viewability and the rights and wrongs of what the sector does on a daily basis -- we have reached the difficult teenage years now, and it's time to put down the Clearasil and start growing up.

pretty darn stable. In preparing for this column, I scoured blogs, newsletters and twitter feeds for something juicy to talk about. What controversy can I discuss? What grand prediction can I make or refute?

You know what? Search doesn't seem all that exciting anymore.

While display has the craziness and layers of acronyms and players, and social is trying so hard every day to come up with better ways to monetize their users, search is mature. Search

marketers, it does not get any better than that.

Search is the world's biggest focus group, where a huge percentage of Internet users every day let us know what they want, what information they need and how we might help them. Every day, consumers ask search engines things they wouldn't ask their friends, spouses, or pharmacists. They open their souls to Google and Bing and Yahoo and Baidu and Yandex. They type in their hopes and dreams and fears. If that isn't

*"Let's just admit it as a group: Search is not sexy, nor is it cool-- at least not as much as it once was. But you cannot beat search for reaching customers with clear intent."*

# Brave New Search World

ROGER BARNETTE, MEDIAPOST



*"Web users today, and not just young, savvy users, are adding new search tools to their toolbox when looking for answers to the questions they face every day -- questions you want to make sure your brand answers."*

## Best Marketing Practices

It is increasingly clear for both users and marketers that the search landscape is fragmenting. It doesn't feel like long ago when we would just "Google" anything we wanted to learn or discover. But web users today, and not just young, savvy users, are adding new search tools to their toolbox when looking for answers to the questions they face every day -- questions you want to make sure your brand answers.

A recent New York Times article attributed to Google the stat that "thirty-six percent of people's information needs are unmet." But that isn't stopping Google and sites like Yelp, Kayak, Amazon, LinkedIn, and Quora from trying their hardest to fill that gap. And when you add in differing experiences on different device types, the fragmentation only accelerates.

But what does this fragmentation do to the search

landscape? As with all things, there is some bad, some good -- let's look at a (small) sample of these pros and cons:

### Cons

**User experience:** When there are many potential sources of information with varied quality, users have to take the extra step to understand the best place for what they need. This can be frustrating and can discourage users from finding the "best" answer.

**Increase in marketing channels:** Additional channels and marketing options are nothing new for digital marketers. But of course, search fragmenting definitely complicates marketers' communication efforts. Marketers need robust analytics to help determine how to share budgets and optimize across all these information sources that allow for paid advertising.

### Pros

**Better answers (potentially):** When services focus on a specific area, it opens the door for users to get "better quality" and specific answers. This drives users to return and ask similar questions and provides opportunities to market to those with strong intent.

**Innovation:** Of course, Google isn't going to give up on trying to answer every question, Yelp and Foursquare will try to one up each other and Amazon will drive more investments in product searches elsewhere. By expanding the market, these companies are pushing more innovation and competition. This is almost always a positive for both users and marketers.

**More options:** While the increase in channels was under "cons," it can also be a pro. A wider range of marketing options can help marketers by creating opportunities for

improving results on a full portfolio basis.

It appears to me that there are certain items for which consumers are ready for a Google alternative. Social recommendations, for example, are an area where Facebook and Foursquare are excelling but Google Plus is lagging significantly. Users tend to trust shopping comparison to Amazon more than Google. This is not a bad thing for consumers or marketers. Google is great at a lot of things -- but no one company can be great at all things. Search and device fragmentation is a good thing -- and as with all shifts in the digital marketing landscape, this is an opportunity for savvy marketers.



# Keep Your Paid Search Thriving with Search Query Expands

DAVE RAGALS, YAHOO

**By basing your keywords on search queries, you can increase relevancy, cost efficiency, and revenue opportunity.**

Editor's Note: From time to time, we run stories by members of the Yahoo Bing Preferred Partner Program that offer expert advice and insights into SEM technology and improving the advertiser experience. Now we'd like to give you a closer look at the five partners themselves, which include IgnitionOne. Here's Dave Ragals, SVP Client Services, IgnitionOne, who discusses the value of expanding your keyword lists.

Your paid search accounts should be treated as living, breathing things, because the people on the other end of the queries are actually living, breathing things (at least we hope they are). It has been widely reported that 15% of daily searches are brand-new searches---things that we have not even considered bidding on. So how do we as search marketers keep up with the constantly shifting queries, keywords, and needs of consumers?

## Search Query Expands

One way to negotiate these shifting sands is by making search query expands part of your regular process. Search query expands help marketers understand what keywords are being searched for by consumers but are not currently being leveraged. This process is one of the most effective ways to build out the "long-tail" terms, which create a more diverse keyword set and provide more assets to bid on.

Let's say you sell all types of jeans, so you bid on the (not exactly cheap) keyword "jeans." Then last week, everyone's favorite teen heartthrob was seen wearing purple polka-dot jeans. Since you stopped reading Tiger Beat long ago, you don't know about this fresh fad, but, believe me, your customers do. Overnight you start getting an influx of searches and clicks for "purple polka dot jeans" which you are capturing through your broad match keyword "jeans." While this may generate traffic, it is not truly effective.

When you understand what keywords are being searched, you can identify this phrase and bid on it directly. In fact, you could bid on a much cheaper "exact match" and align the creative to match with the product. By expanding your keywords based on search queries, you not only ensure full coverage for the account, but you also increase relevancy and opportunity for revenue, and gain cost efficiency. Since the key to marketing success is delivering the right message to the right person at the right time at an efficient cost, this tactic a no-brainer.

## Negative Feedback

In addition to figuring out the best new keywords to add to your account, these reports can also help you identify new negative keywords that may be costing you money while not helping you (or the searchers). Matching to unwanted queries can be detrimental to your campaign performance and budget utilization.

Search Query Expands is a well-used tool in our toolbox at IgnitionOne. We pull reports at least once a month for our clients, with an increase in frequency during peak seasonal times depending on the vertical.

I want to stress that it's not just about pulling the report and adding keywords. As with most things, real live human eyes add value to the process. While your tools can do the heavy lifting, it's important to make sure someone audits any changes. And finally, after implementing the expansion, monitoring must be done to ensure the new changes are producing expected results.

Keep those accounts living, breathing, surviving, and thriving, because there is no constant except change. Continue to regularly focus on Search Query Expands to make sure you are not missing out on the next "purple polka dot jeans."



*"Your paid search accounts should be treated as living, breathing things, because the people on the other end of the queries are actually living, breathing things (at least we hope they are)."*

*"Beyond static ad units or other technologies, the key to viewability's adoption is for publishers to stop throwing ads well below the fold to juice their revenue."*



## Viewability May Save Display from Itself

CHRISTOPHER HANSEN, MEDIAPOST

Display advertising is a mainstay for digital marketers, but the necessity of scale and the glut of available inventory have made it practically impossible for buyers to not only see where their ads run, but determine whether or not consumers saw those ads as well.

While the ecosystem is aware of these flaws, it's proven truly unwilling to change its ways. It's almost in need of an intervention. Luckily, a growing focus on viewability may bring about the change this industry needs, with publishers themselves making a concerted effort to improve their ads.

Viewability is an attempt to define where on a page an ad appears, along with the consumer's likelihood of seeing that ad while on that page. Sellers are now offering impressions on a viewable CPM, or vCPM, basis. While the concept could have a major impact on display sales, it's still not the industry norm. Direct response advertisers prioritize performance, so viewability isn't necessarily tantamount to their ad buys, but vCPM resonates with brand marketers, who value viewability more than softer metrics like clicks.

Publishers need to grab hold of the concept that ads need to be more viewable, and make it one of their core competencies when designing their pages. Non-viewable ads are not valuable to marketers, so there's really little need for publishers to work them into their page design. For vCPM to scale in an effective manner – that is, moving toward a world where selling on true viewability is possible – ads below the fold should be considered worthless, to some degree. It's a particularly important concept within programmatic buying, where advertisers and agencies are building protocols to avoid impressions that are below the fold. They're doing this through the growing availability of pre-bid data, meaning that publishers that don't adapt could be cut out if buyers prioritize viewability.

There are other factors that affect the concept of viewability, including ad density. Below the fold placements are certainly of little value, but the value of prominent placements deteriorates as well when a page is overcrowded with "viewable" inventory.

Advertisers need to learn about low-value placements before their ad is served – fortunately, newer tools are solving this problem. Media verification, once bucketed as a reactive post-campaign tactic, is now moving toward an "inventory analysis" model to help judge impressions pre-bid.

Some publishers are already exploring ad formats that create stickier banners, by either fixing a bar to the bottom of the page that keeps a banner in view, or making banners that don't scroll with the rest of the page content. While not necessarily the most groundbreaking executions, these solve problems for both marketer and publisher.

When these tools become the norm, buyers should completely eliminate below the fold impressions from their bid strategy. That inventory is not efficient, and no seller wants to pass something of little or no value along to others. Advertisers should be able to pay \$2 for a 728x90 unit on the top of the page and cut their losses, rather than throw money away on units that are never seen.

Beyond static ad units or other technologies, the key to viewability's adoption is for publishers to stop throwing ads well below the fold to juice their revenue.

While advertisers can employ new tools, they don't have to worry about poor quality below-the-fold inventory if publishers eliminate it all together. Yes, it seems strange to suggest that fewer ads will actually improve display, but buyers who prioritize viewability will pay higher CPMs for the remaining units on a page. Efficiency will increase as well, as buyers sort through fewer impressions.

Cramming extra ads onto a page gives unscrupulous publishers a short-term gain, but it's a losing proposition that has deflated display's value. The shift toward viewability is the symbolic ferryman, coming to collect from the publishers who have damaged display's reputation.

# The Sweet Spot for Conversions

CHRISTOPHER HANSEN, DIGIDAY

Flip through the pages of a magazine; you'll find that advertisers often only have one ad per issue. It may be a two-page spread or a quarter page, but it's unlikely you'll see ads for the same brand 40 pages apart. Ad placements are a little different online as advertisers commonly buy space on multiple pages of the same sites. To prevent over-serving consumers with the same ad messages (and to prevent spending too much by doing so), the online ad space adopted frequency capping to limit the number of ads delivered to a single consumer over a set period of time.

The concept of frequency capping is in need of serious reconsideration. Marketers employ caps for economic reasons. They pay for each impression and don't want to spend excessively on the same user. But this logic is flawed. The marketer assumes a minimal amount of ads will drive the expected user behavior. By making this assumption, the marketer places an incorrect value on the number of ads served to a user. The frequency cap fails to account for behaviors and interests of users, instead setting an arbitrary rule that prevents advertisers from reaching consumers at the most critical moments.

Through analysis of two campaigns, we found that most conversions happen within the first few hours after a consumer engaged with the marketer's site. The first example was a remarketing campaign for a hotel chain that accounted for more than 200 conversions in the first hour after an initial site visit. The several hours that followed averaged greater than 40 conversions per hour, before falling off to less than 10 conversions an hour. The campaign still drove conversions more than four days later, but at a much slower rate. Meanwhile, a campaign for a national retailer saw the highest conversion rate in the first hour after a site visit, before falling nearly 50 percent in the second hour. After four hours, the campaign was converting at a rate of barely more than 10 percent of what it achieved in the first hour.

Consumers are continuously converting, but special attention should be given to where you can see the highest conversion rates. We have heard requests from marketers to cap messaging to two impressions per day or, even worse, two per week. The sweet spot of where impressions offer the highest value is indicated by a demonstrable drop in conversions a mere four hours after consumer engagement.

The results don't hold true for every advertiser, and pounding consumers with ads doesn't work either. For example, we see many ad buyers with longer sales cycles. These marketers may have sustained conversion rates lasting much longer than the four-hour sweet spot. This means that frequency control still has a place, and marketers need to determine their caps based on actions such as purchases, sign-ups or site visits, rather than arbitrary, blunt user-level cap.

Ads delivered within recognized sweet spots are far more likely to result in conversions and advertisers should be willing to pay more for higher valued impressions (those exhibiting the highest interest in converting), and less for those with lower interest levels. Capping fails because it can't take this value into account. It only operates based on artificial numbers that do not take individual consumer values in consideration.

Marketers should pursue the impressions most likely to convert, but maintain a level of restraint that prevents them from applying the same capping rules to all consumers. If long-tail consumers are available for a very low bid price, go for it. Otherwise, don't lose your best prospects by letting frequency capping handcuff your campaign.

*"Consumers are continuously converting, but special attention should be given to where you can see the highest conversion rates."*





# Getting Real with Remarketing

CHRISTOPHER HANSEN, ADMONSTERS

## Best Marketing Practices

Interest-based remarketing has been available to the industry for years. Today, most marketers who've been using remarketing execute it wisely -- and with skill. As a single method, remarketing has practically become an industry standard.

But, if you look closely, this approach appears to be a preferred performance marketing measure. At first, most marketers don't naturally consider remarketing a branding option. So, as an industry, we are not seeing cohesive use of remarketing when a company has both branding and performance objectives. DR seems to be the default application here.

For the industry to leverage and realize the full potential of this

approach, we need to be more aggressive and thoughtful when remarketing across our media plans -- branding and DR alike. So, what does full-fledged leverage and deployment look like? Well, it means that we are continually using what we know and what we learn about successful, productive audience profiles -- both current and discovered, endemic and non-endemic -- to do more of what's working for us.

To illustrate the issue, there are several specific ways we hurt ourselves with this short-sightedness and what is essentially a DR bias, when it comes to the remarketing method.

## Blind Budgeting:

The best ad marketing budget allocations are informed by a full appreciation for and visibility on the mix, with nothing operating in isolation. This open-mindedness is needed when determining channels, media types and platforms, visual creative and messaging -- as well as targeting methodology. Even though different teams or plans may be accountable measure by measure for what's being executed, it's important to know what's being deployed and to what degree we are investing in tools and solutions -- so that we may always learn from the outcome and apply our findings on every relevant front, and not inefficiently split and silo our targeting dollars. Fixing the discord is easy. Make sure all the right people see and review the strategy. Circulate a solid media brief up front and take a collaborative approach to performance reporting.

## Help Your Provider Help You:

An audience solutions provider worth its salt will know remarketing as a method inside and out. If you expose your providers to both your branding and performance objectives, this will empower them to deliver for you. Just as you should not silo or isolate the method within your own efforts, nor should you hinder those you are entrusting with this bias. In addition to examining all of your own audience-related data, learning and intelligence to date, your provider will be leveraging their own base of data and experience. It is only with full visibility and inclusion that they can truly scale for you, using whichever solutions you have engaged.

## Don't Get Stuck on 'Your' Audience:

By executing audience targeting and remarketing based only on what you believe and know today about your audience immediately hinders your opportunity. Sure you may know your demographics, lifestyle attributes and even have some successful behavioral models on hand, but there is no need to stop there. If you go in stuck on a set perception of your audience, only willing to mine the same audience profiles, you are not exploiting the power of the method or enjoying the benefits of the state of the science.

Consider this example of what happened when one of our car rental clients opened up his point of view and looked beyond his endemic audience. The marketer found new audiences who were more likely to take advantage of the marketer's offers in the following segments:

- Discounted fashion forward professionals turned out to be 3.4X more likely
- Observed travelers who showed multiple country impression requests in the last 30 days were 2.8X more likely
- Mainstream video delivery site visitors were 2X more likely
- Dating sites users (i.e. singles) were 1.6X more likely
- Professional service consumers turned out to be 1.5X more likely
- Automobile researchers were .2X more likely

These exponential boosts show how a marketer can find new highly qualified audience segments previously unimagined -- and benefit by targeting them. This more open approach allows a marketer to scale up conversion-driving activities and also increase exposure, visibility and branding to wider radiant audience circles. As a result, there is less discord, fewer constraints and your plan is in its best possible position to deliver.

# B2B Perspective: Email Vital to Keeping Brand's Conversation Going with the Buyer

RIMMA KATS, EMARKETER

## AN INTERVIEW WITH:

**Patti Renner**

**Director, Marketing**

**eMarketer:** Email has always been an important digital marketing tactic for B2B marketers. Have you noticed that in the past couple of years, spending on email has increased?

**Patti Renner:** More money is going into all digital channels. Email is really the anchor of many of those approaches, so that makes sense.

**eMarketer:** Was this occurring especially during the recession, because email is so comparatively cheap and consistently effective, or do you think it's happened more after the recession?

**Renner:** The recession and the economy had something to do with [the growth of email spending]. However, we're also entering the age of the customer. Mobile device usage is higher than it's ever been.

As mobile usage increases and mobile adoption rates rise, email is one of those channels that is a direct conduit into the consumer, into that point of intimacy between a consumer and the device that they use.

The funnel has pretty much collapsed. We still refer to the funnel because it's a convenient way to describe the customer path to purchase, but it's really the consumer who is driving the brand interaction. Additionally, the rise of digital and mobile usage has only supported the use of email as an effective channel. That increase of access into people's lives, into their 24/7 attention span, happened to coincide with the recession and with what's going on with the economy. But that may not necessarily be related.

The rise of digital and mobile usage has only supported the use of email as an effective channel. That increase of access into people's lives, into their 24/7 attention span, happened to coincide with the recession.

**eMarketer:** What do you believe is driving this increased spend on email?

**Renner:** Effectiveness. We are in a time when no one wants to make a bad decision, and B2B marketers tend to stick with what they know is going to work. Email has a long-proven track record whereas other channels may either not be measurable or their performance may vary.

Email is the anchor—it's the tried and true. If marketers are getting the returns on it, then that would definitely be where their money would go.

**eMarketer:** How much of an impact does content marketing have on increased spending?

**Renner:** There's something that I like to call an orchestrated conversation, and that is a digital conversation between buyer and business. The best conversations have specific useful content that's shared, which adds value to that brand relationship. It basically educates, entertains or enlightens.

There are a lot of different ways that you can approach content marketing, but for B2B, it's really to provide that level of trust and that connection that reinforces the relationship with that company. Email is the distribution channel for a lot of that content. It's what continues that conversation. After the lead generation of download, it's the essential tactic to continue to orchestrate that conversation and to build a relationship with the brand.



**eMarketer:** How important is the growing use of mobile devices?

**Renner:** The open rates of email for the B2B industry on smartphones is 30.59%. On tablets it's 7%. For mobile overall, that adds up to 37.59%. Those are the numbers from the past six months of 2013.

When you look at the numbers from the first six months of 2013, the combined total is only at 24.2% of overall mobile open rates. There's a significant jump just in six months of the adoption rates of B2B customers using email.

The hours between 7am and 11am for B2B email communications tend to be higher, and then they gradually taper off throughout the day.

**eMarketer:** Do you see any differences in terms of B2B email usage with smartphones vs. tablets?

**Renner:** There are a lot more smartphones that are being used vs. tablets. That makes sense because of the nature of B2B. Additionally, the open rates tend to be higher during the workday, especially in the morning hours. The hours between 7am and 11am for B2B email communications tend to be higher, and then they gradually taper off throughout the day, and then really plummet when it comes into the evening.

For B2B marketers who are sending email, a best practice would be to look at your data and see time of send against open. Take a look and see what time of day is most popular and look at the metrics. There may be specific segments within your overall audience. Perhaps there are five different products that you may be emailing out to promote. Separate those product audiences and look at the numbers for each. Look at the data down to each individual that you're actually sending to.

Behind each one of those email addresses is a person with specific preferences and tendencies. With a crowded inbox and with the challenges that people face, it really makes sense to look at people and to build audiences around the interests of the individual. It's important to make sure that your messaging is customer-focused and really hones in on what their behaviors, what their click activity, what has interested them in the past, what they have responded to.

*"For B2B marketers who are sending email, a best practice would be to look at your data and see time of send against open."*



# SHIFTS IN THE MARKETING LANDSCAPE

The world of marketing and advertising has been changing rapidly in a landscape where technology is king. Read more thoughts below about how the leaders in the space have been dealing with these quick shifts, what we should look out for and adapt to in order to stay relevant and agile.



*"If we believe in what we do we can no longer be the David Blaine's of advertising – hiding behind technology and data as if it were smoke and mirrors."*



## If We Want to be Taken Seriously, Then We Need to Get Serious

**SIMON HAYNES, THE DRUM**

As an industry, digital advertising has been at the forefront of change for over 15 years. At the start of a wave which would go on to change everything, from how we carry out our everyday lives through to the way we communicate and connect with each other on a basic level, the internet has given us a new environment to live in. But if the digital advertising industry wants to be taken seriously, then it's time to be serious about what we do.

With the advent of online advertising, marketers were not only able to accurately measure how many people their message was reaching but begin to develop an in-depth understanding of those people who were engaging with their message online. The internet opened the door to being able to see what else that audience was interested in and, instead of asking a select group of people who were well aware their thoughts were being recorded in market research groups, for the first time marketers were able to discover who their audience truly was and what they were interested in.

Modern marketers know that the key to having a successful advertising campaign is to focus on an individual's needs and have a relevant conversation with them. We have moved into an era where people don't want to be treated like a number or consumer and technology has made it possible for this to happen. As much as I hate the phrase, we have moved into a time where advertising needs to be a human to human conversation to break through the white noise.

The digital media industry should be proud of this. Through the algorithmic scoring of users and page level semantic analysis, we have created the technology and the ideal environment to serve the right message at the right time in the right format for every single user. We've developed the metrics to demonstrate its worth and prove our validity as an advertising channel. We have achieved a lot.

But if we believe in what we do we can no longer be the David Blaine's of advertising – hiding behind technology and data as if it were smoke and mirrors.

We should be proud of the vast sums of money, time and talent that go into developing and delivering the solutions that we provide and that pride has to take the form of us being open enough to reveal what's behind the magic.

If we, as an industry, are able to deliver a cohesive message around what our technology does and how they work in language that marketers (and everyday people who are wary of data collecting technology companies) can understand then the way I see it, the industry can only benefit. By educating people about our solutions, it will remove a lot of the fear around issues like third-party cookies that have been demonized in recent years.

It will help marketers understand why digital marketing should be an important and valued part of their advertising strategy. And it will mean that the digital marketing industry can charge a suitable metric that reflects the significant investment that the industry as a whole has put into these advertising solutions in the first place.

All marketers should be able to ask their digital agencies and their technology providers to explain their advertising solutions to a level they're satisfied with. All marketers should be able to see the results and the value that each digital agency and technology providers add to their advertising campaigns. If they can't answer you, ask them why aren't they proud of what they do? Why aren't they willing to share their knowledge? What value are they really adding to your advertising campaign?

Transparency is the next evolution of the digital media industry. It's a sign of maturity and growth and one that the digital industry should embrace. We should be proud of what we've achieved so far and be willing to share that knowledge. I know for some player this won't be an easy process and there will be winners, losers and inevitably some consolidation.

But I, for one, proudly accept the challenge.

# Ad Tech Progress Requires Drastic Shift in Agency Priorities

WILL DOHERTY, MEDIAPOST

The amount of data and intelligence available for programmatic media buying grows exponentially every day. RTB platforms can distill the data and design algorithms to endlessly exploit their potential. This gives agencies and their media buyers a daunting -- but not impossible -- challenge. They must effectively evaluate the ability of one platform or algorithm against another in an age where technology is growing more complex.

Media buyers are not data scientists, nor do they have a preternatural understanding of how to evaluate or judge the logic behind an algorithm. Yet the demand side is doubling down on the science, creating more complex and interesting solutions. Of course, complexity does not equate to high performance across the board. If media buyers are expected to vet technology in a programmatic age, then agency priorities must change.

There are plenty of brilliant planners and buyers in our industry, but truth be told, we also have a young, underpaid and overworked work force that marketers depend on for media decisions. Due to their limitations, there's never enough time to truly digest the workings of a technology. Ad tech companies tout their algorithms as a means of differentiation, but simply having an algorithm is no longer enough from an agency's perspective. Being able to understand what that algorithm is and does is important, but agencies never ask to see the algorithm. They don't want to see it, or really even know what to do with it. If algorithms are the means of differentiation, but agencies aren't prepared to identify attributes of an algorithm, that's a problem. It's great to pit two tech companies against one another and have them go head to head, but that's a slow process, and media buyers don't have time to test every technology.

Demand-side technologies are adding to the complexity by productizing menial features that are more effective as an acronym than as a differentiated product. Tech companies are also moving into what was previously agency-only turf, creating a clear and present danger for the current agency model. The people on the front lines of agency decision-making and vendor meetings aren't equipped to see through the marketing fluff.

Real-time technology partners do not get a free pass on this one. They are as guilty as agencies. We employ a dated sales strategy and staff that can't articulate what makes their science so special. Deals are often completed because of marketing jargon over more substantial conversations.

Instead, everything should be based on what technology can provide. Relationships are important in any business, but should not be the foundation of a well-articulated media plan in the programmatic age.

It may be impossible to resolve these issues overnight, but we can all agree on the need to take a step back and reexamine skill sets needed within the agencies and technology companies. Simply put, we are not having the right conversations between buyers and sellers because we often do not have the right people in the room.

Nearly every agency and technology partner I deal with wants this shift to happen, but it takes greater investment in staff. This would change the current agency practice of hiring recent graduates who will work for relatively low wages and happily report to the front lines. Lower-level buyers will still be important, but they won't have as large a role in the technology decision-making process.



*"Relationships are important in any business, but should not be the foundation of a well-articulated media plan in the programmatic age."*



*"The greatest potential of programmatic buying is in its ability to change course and quickly deploy new tactics."*

Even then, the agency side has to be wiser about how they look at technology. Agencies need a repeatable evaluation process if they are to work easily with multiple platforms. This process comes down to three things:

Clearly define goals, with and for clients. Is the campaign all about conversions? Clicks? Verified audiences? How much should those events cost clients? Are they willing to pay for it? Be realistic, but also challenge the status quo. Media plans should change as consumer behavior changes.

Examine how data is processed by various technologies. The values assigned to data will vary within tech platforms. For clients working under strict KPIs and last-click attribution systems, quantity will win out over quality. For brands that consider consumer quality and frequency paramount, an algorithm or technology that values consumer behavior and engagement is more valuable.

Leverage the flexibility of programmatic to pivot and deploy new tactics. The greatest potential of programmatic buying is in its ability to change course and quickly deploy new tactics. Listen to the data and follow it. Do not try to back the results into the goals.

All these pillars refer to practices that are not easy to learn overnight, and require an experienced media buyer who knows what to look for. Agencies as a whole aren't broken, but if they fail to devote resources to media talent, they'll continue to cede ground to bigger tech companies. Legitimate investment in talent and ad tech education on the front lines of media planning should be a priority, for both agencies and their advertiser clients.



# It's Time to Bring Data Scientists on Sales Calls

CHRISTOPHER HANSEN, AD AGE



*"It is classic syllogism -- big data is cool, and big data is managed by quants, therefore, quants are cool."*

In our data-driven world, delivering for clients is no longer as simple as staffing for sales, accounts and operations. There's a new duo making the rounds: the data scientist and the sales executive.

At first glance, you might focus on the stark contrast between them. It's like the pairing of John Voight and Dustin Hoffman in "Midnight Cowboy" or Chris Tucker and Jackie Chan in "Rush Hour." Yet as the tale unfolds, they somehow gel and help each other along.

The thought of a quant-y, algorithm-y guy selling media may frighten some. Will he or she confound the CMO who is still scratching his or her head about automated audience-buying? A few years ago, an industry friend of mine asked his chief data scientist to accompany him to a pitch. The idea was for him to sit silently in the corner, and look smart, just to show off the intelligent guy who built the algorithms. But in the ad-tech world now, a land of upstart CEOs, the companies are in fact run by nerds. They've become cool. It is classic syllogism -- big data is cool, and big data is managed by quants, therefore, quants are cool.

Thanks to "Mad Men," advertising still has the reputation for slick two-hour-lunches and mohair-suit-clad sales guys. But given the increased requirements of ad-tech, and the specialties of the sale, the make-up of the team has changed. Tech leads the space. Is it so crazy that data guys could sell the product?

Marketers' questions are getting more technical during pitches. It's hard for traditional sales people to answer them when on their feet. Furthermore, the people asking questions don't always understand the answers. The call and response requires a subtle re-framing of the questions to educate and create buy-in. This is not purely relationship selling.

Unlike a technical-enterprise sales pitch, media selling hasn't historically had the need for a position like the sales engineer. Data scientists are now the media-sales equivalent of the sales engineer. Online media companies historically sold networks and sites the same way someone sells watches: silver, gold, big face or small. But now, when display advertising is becoming commoditized and algorithms are potentially the only differentiation, the tech world needs a data-versed seller who can get down in the weeds while making it all seem not so scary. The pitch is far less about inventory and audience and more about how predictive modeling works and what insights the technology can provide.

Consider the most stereotypical of sales pitches: the car. There's an engine, body and four wheels to get you from point A to point B. It's interchangeable, one company to the next, and nearly anyone can sell them. For a brand to resonate and thrive, it needs a more advanced sale. Think about Mercedes, which sells its science, in terms of engineering and manufacturing. It doesn't sell cars, but well-engineered machines and ideas.

The differences between tech companies are intangible, but they exist, in unique data sets and algorithms. What we've done historically doesn't play in this new world of data and science. Our media world is increasingly driven by programmatic strategies, the sales pitch is changing, and we need to adapt with that. We can't ignore the fact that the data scientists, nerds and quants have become the cool kids now.

*"To avoid potential catastrophe, online media must adapt to the waning days of cookie-powered marketing."*



## Are Marketers Ready for the Age of 'Peak Cookie'?

WILL DOHERTY, MEDIAPOST

There's a strong parallel in online media, where the rise in mobile content consumption is making the cookie less important. While there are detractors to the concept of "peak oil," it's impossible to deny that we're very close to hitting "peak cookie," leaving marketers with less access to cookie-level data in the following years.

Peak oil is dangerous because the world economy hasn't taken the steps to adjust. The same fallout potential exists online, since consumers are used to free ad-supported content that relies on cookie targeting. To avoid potential catastrophe, online media must adapt to the waning days of cookie-powered marketing.

But just like oil, cookies will never go away. The desktop browser will always have a place in online marketing, but it will carry less weight. U.S. consumers are already spending more time on mobile than on the desktop, according to Nielsen data, and there's no reason to think that will change. Facebook is indicative of this changing behavior, with 53% of its ad revenue coming from mobile, according to the company's Q4 2013 earnings. Other popular networks and websites will soon switch to app-centered modalities.

In the very near future, the central consumer data signals used for marketing will be based on the form and function of the devices used to access content. For example, the screen on the tablet makes it easier to look at retail items and go online shopping. The phone is always at hand, so it's used for quick information, but it's not always a browsing tool. This matters when serving ad messages.

But looking only at mobile is a shortsighted view of the future. The post-cookie ad targeting economy will rely on the ubiquity of In-

ternet connections in consumer electronics, from wearable items like the Fitbit to household devices like Nest. Google's purchase of Nest was driven by access to data, with the understanding that it paints a richer picture of consumers' lives.

Marketers are no longer dealing with a piece of code that can teach us about browsing habits. They'll need to wade through an exponentially larger pool of data, one that allows for detailed and flexible customer profiles while also presenting a very complex intellectual challenge to the marketing community.

Just like solar power or alternative energy, tackling cookie alternatives in a post-peak-cookie world requires heavy investment in research and development right now. Advertisers need to re-configure their data collection strategies across the board. They'll be increasingly relying on their own first-party data for RTB and programmatic transactions.

Fortunately, many of them have data available from their existing customers and sales. When combined with the signals from a variety of devices, including a mix of Internet browsing devices (phone, tablet) and lifestyle electronics (fridges, fitness aids), marketers will have a very clear picture of their current and potential consumers, and how they respond to messaging in different environments.

We're more than capable of solving the problems in the era after peak cookie. Consumers will continue to accept advertising, but the challenge falls to advertisers to develop ways of extracting data and targeting that are within the privacy guidelines but still profitable enough to sustain free content. This challenge is upon us now, not later. Let's start finding that solution.



# The New Millennials: Generation FB

LISA ARSENAULT, IGNITIONONE BLOG

I am Generation Y. And apparently, that generally means I'm tech-savvy, family-centric, achievement-oriented and crave attention. Don't believe me? Check me out on Wikipedia. (Did I also mention that I'm team-oriented and gullible? Okay, I made that last part up but my generation does seem to think that Wikipedia is the new Encyclopedia Britannica).

While I mostly agree with the common traits associated with Gen Y, I do think we're being grossly misrepresented by our classification. We've been called 'Generation Next' and the 'Net Generation,' but anyone with Internet access knows how much time we waste specifically on Facebook (though I'm still revolting against Pinterest – I really only need one time-suck in my life at a time). I check Facebook before I check the news, the traffic in the morning and even my email. And I don't even like Facebook! Like most, I have a love/hate relationship with Facebook. In fact, I love to hate Facebook.

Introducing Generation FB.

**Tech-Savvy.** Yeah, I can access Facebook on my laptop, tablet, iPhone, and smart TV. Doesn't everyone?

**Family-Centric.** My grandparents didn't call me last week to wish me a happy birthday. They posted on my timeline. I've watched my niece and nephew grow up via FB posts, picture, and videos – and I've 'Liked' them all.

**Achievement-Oriented.** I love to update my status to tell everyone how much more I've done with my life than they have.

**Attention-Craving.** Really, I'm posting about how amazing my life is secretly hoping that at least two of the popular girls from high school are FB stalking me wishing they could be friends with me. And when Starbucks screws up my double skinny half-whip latte, I just need a little sympathy.

Sounds harsh, right? Well, Advertisers, it's about to get harsher.

Most of this article has been about me. And please stop to think about this, because Facebook is about me. Not you. Yes, I know I just changed my relationship status from single to engaged, but I really don't need a wedding photographer yet – so please stop blasting me with ads. But if my best friend posts on my timeline to congratulate me and shares a few of her GORGEOUS wedding photos, now I'm looking for a wedding photographer.

I realize I'm probably not completely indicative of the norm since accessing Facebook is part of my job – but I think most of my fellow Generation FB'ers are with me on this one. We tend to ignore Marketplace ads. Ever wonder why the average CTR is lower than standard display? Again – because Facebook is about me, not you. I'm there to engage with my friends and family. To play games and share stories. So engage with me.

Ask me questions. Give me incentives to share. And leverage my engagement to your advantage by supplementing those organic interactions with Sponsored Stories at the right time with the right message. That way, you're not telling me how great your product and services are directly, you're letting me act as a conduit to share that information for you. It's about bridging paid and earned media, the invaluable intersection at which you'll start to take control of your Facebook campaigns and drive results.

I'm not saying that Marketplace ads aren't without their purpose, but think about your presence on Facebook, what you're trying to achieve in being there, and develop a STRATEGY to go after it.

Not sure where to start? How about here:

Don't advertise on Facebook because you think you must or because your competitors are doing it. Get on Facebook with a real goal in mind. If you're not sure what that means for your brand, there are plenty of partners out there who would 'Like' to help you figure it out.



*"Like most, I have a love/hate relationship with Facebook. In fact, I love to hate Facebook."*

# Management Lessons from a Public Company Gone Private

WILL MARGIOFF, ENTREPRENEUR



My executive team and I recently led a management buyout of IgnitionOne, our marketing technology firm from Dentsu, the Japan-based, global holding company. While this type of ownership can offer both scale and resources, at the end of the day, we knew as an independent force we'd be able to better attract and retain talent, innovate product offering and more aggressively grow the business.

As a serial entrepreneur, I am thrilled to be returning to my roots of unfettered entrepreneurship, but this excitement doesn't come without concerns. We had grown considerably in all aspects of the business during our three and a half years as part of the holding company.

What happens to a business when it extracts itself from the sphere of publicly-traded global monolith and refashions itself as a private company? What happens to culture, process and ultimately the product?

Here are some important lessons I've learned in the process:

## 1. Do good things for your clients and good things will happen to you.

Often, when a business operates within a large, publicly-traded global holding company structure, there are many stakeholders who can distract a company from its clientele. When you are independent, you are free to focus on your clients as the number one priority.

A "clients first" mentality is the winning formula. By focusing on what's best for your clients, you'll create a culture that will maximize success.

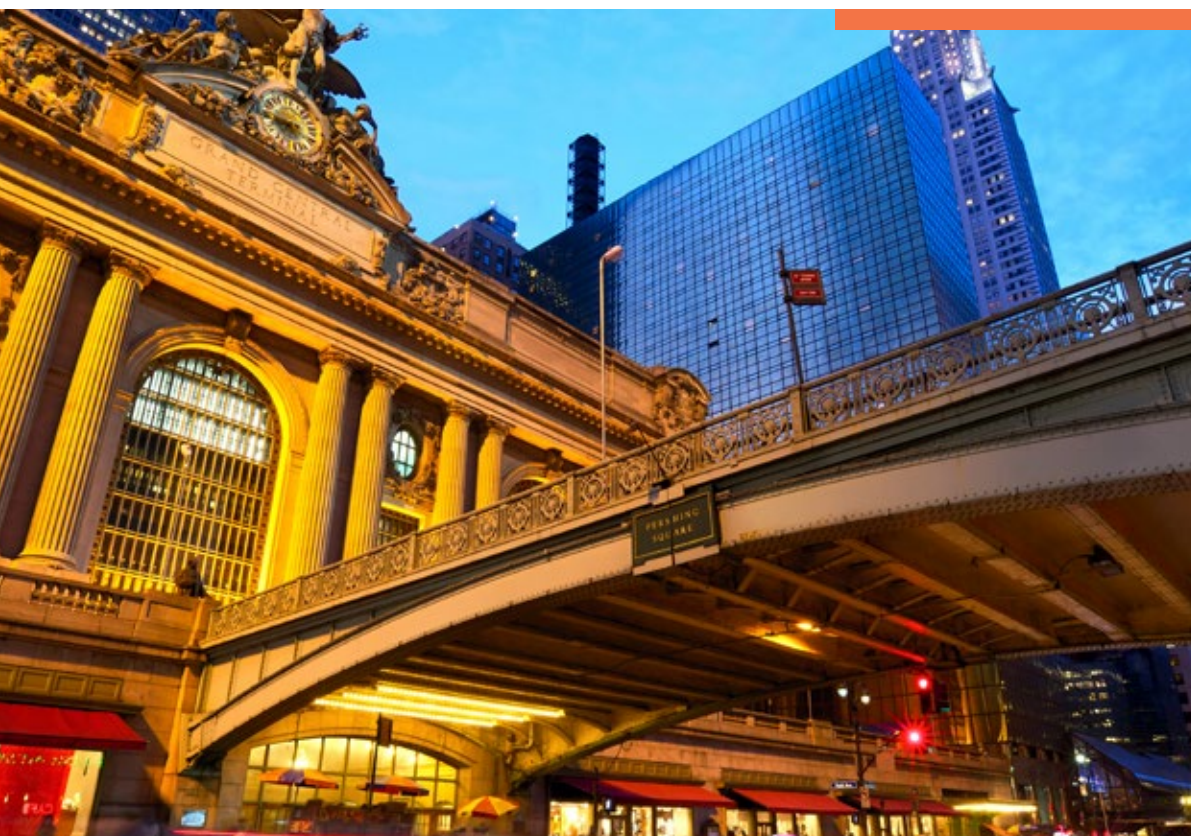
## 2. With ownership comes responsibilities and rewards.

Now that we are independent, each of our full-time employees is also an owner. We are each empowered to make decisions in the best-interest of the company and our clients. Ownership helps reinforce our goal of operating with urgency. If we want to succeed, we must work hard. And when we succeed, we all benefit. Being out from under a holding company structure will also allow us to be more creative in terms of compensation and cultural perks.

## 3. Independence means innovation.

You cannot succeed as a technology company without innovation, and as an independent company, your hardest decisions will be what not to work on. There is no time for bureaucracy or petty politics when the team has a unified freedom to dare and execute. As masters of your own destiny, you also open the doors for infinite possibilities. What will you focus your energies on next? What new capabilities will you be first to the market with next?





IGNITION ONE®



## About IgnitionOne

IgnitionOne is a global leader in cloud-based digital marketing technology. The company's Digital Marketing Suite (DMS) simplifies life for marketers by providing an integrated suite of solutions that significantly improve digital marketing performance across all devices. The DMS encompasses algorithmic media management across channels such as search, programmatic display, email and social; advanced data management; user scoring, lead optimization and website personalization. With a global footprint of over 450 employees in 17 offices across 10 countries, IgnitionOne is one of the largest independent marketing technology companies in the world.

IgnitionOne currently scores over 300 million users monthly in 75 countries and powers more than \$30 billion in revenue each year for leading brands, including General Motors, CenturyLink, Bridgestone, La Quinta and Fiat, as well as advertising agencies such as 360i, GroupM and iProspect.

For more information, please visit <http://www.ignitionone.com>, follow the company on Twitter @ignitionone or visit the blog at <http://www.digitalmarketingsuite.com>.

## About Netmining

Netmining is a leading provider of programmatic data-driven targeting solutions designed to help marketers understand and reach their audiences online. We combine our own unique blend of audience planning, targeting, bidding and optimization capabilities to deliver exceptional campaign performance. Our Audience Scoring Engine translates data into real-time customer intelligence that yields high performing and highly relevant online advertising, targeted to your customer.

Clients include BMW, Audi, Verizon, Kohl's, Pandora, Cole Haan, Chase, Hilton, GroupM, OMD, ZenithOptimedia, Universal McCann and iProspect, among others.

For more information, please visit <http://www.netmining.com>, follow the company on Twitter @netmining or visit the blog at <http://netmininginsights.tumblr.com>.





## TELLING A STORY ACROSS CHANNELS: IGNITIONONE HELPS LA QUINTA INNS & SUITES ACHIEVE BRAND LIFT

### CHALLENGE:

La Quinta Inns & Suites wanted to achieve brand lift

### STRATEGY:

Tell a sequential story through digital advertising

### SOLUTION:

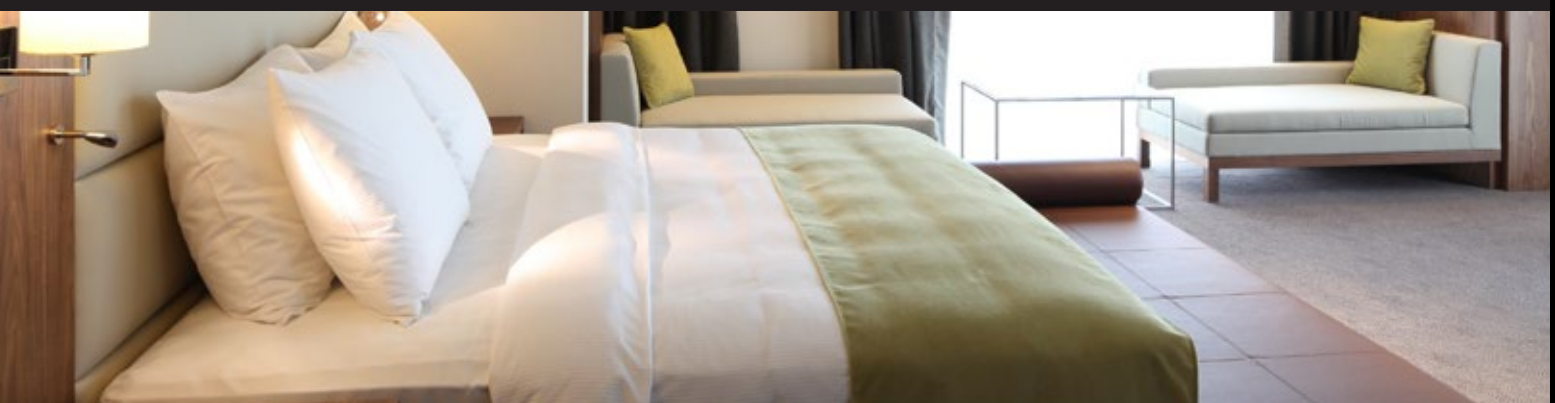
IgnitionOne served a series of remarketing ads to prospects across channels, devices and publishers through display, flash and video over a period of time in a sequence determined to be optimal to both tell a story and drive brand awareness. Messaging was specific to geographic regions based on observed trends and interests.

La Quinta was also the first in the travel vertical to use **Twitter Amplify**, which allows media brands and their advertising partners to promote television clips on **Twitter**.

### RESULTS:

**9%** brand lift

**5%** increase in brand on target percentage







IGNITIONONE®

