



PROGRAMMATIC TRADING - BEST PRACTICES

A Guide for Marketers

Table of Contents

03	Introduction
05	Key Concerns of Industry Users using Programmatic Platforms
05	Key Factors in the Measurement of Advertising Effectiveness
06	Best Practices & Guidelines for Setting up Programmatic Platforms
07	Conclusion
08	Source
09	About the Author
10	About Wipro Ltd.

Introduction

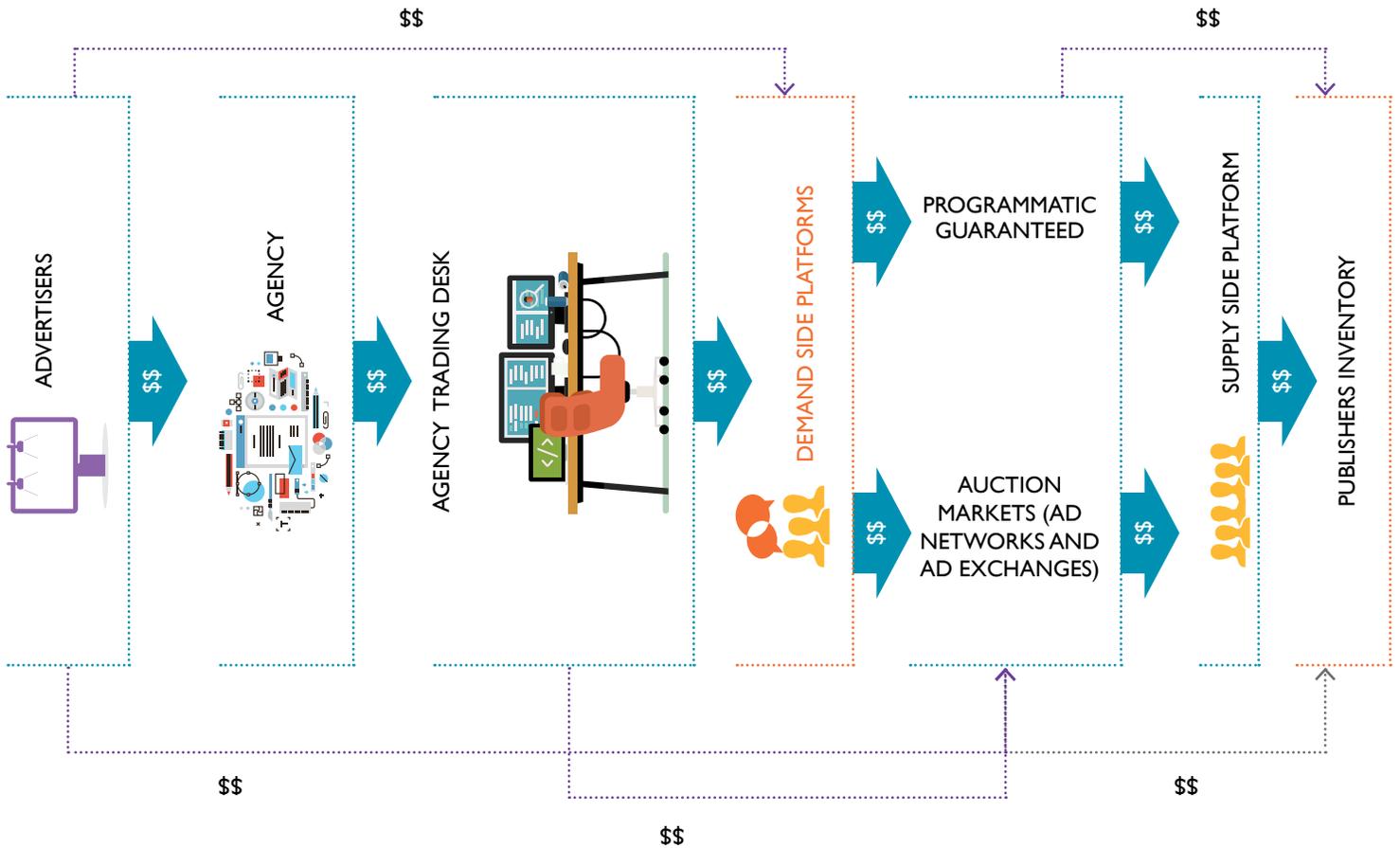
Digital Advertising holds a lot of promise to marketers to demonstrate and prove the marketing ROI by reaching out to the right target at the right time while providing transparency to the buyers and sellers community. With the prevalent fraudulent activities and data assumptions & tracking of impressions getting tricky with mobile, marketers are finding it difficult to get the desired results from their ad campaigns.

But addressing the potential pitfalls can make a marketer more effective. As consumers are fragmented with the

continued evolution of medium and devices, smart technologies and platforms are bringing marketers closer to realizing their goals.

Programmatic trading is seen as a game changer in the advertising ecosystem particularly in the way how advertising inventory is being bought and sold by advertisers and publishers respectively thus providing transparency, exclusivity in targeting, reducing operational costs and better ROI.

An Illustration of Exchange Market Place



Programmatic buying is on track to make up \$14.88 billion of the approximately \$58.6 billion digital advertising pie this year, according to eMarketer. That's nearly \$5 billion leap from 2014, when it accounted for \$9.9 billion.

While marketers are clearly recognizing the power of digital advertising and the complexities associated with it, this paper aims

to provide guidelines and address four key programmatic factors (big data, cross device tracking, retargeting and fraud detection) that will help marketers to device custom programmatic strategy for their organizations.

Key Concerns of Industry Users using Programmatic Platforms

Marketers, agencies and publishers are witnessing an explosion of new buying channels that connect both buyers and sellers with the objective to value inventory high and replicate the traditional direct buying process without the legacy process inefficiencies that are associated with it.

- » **According to eMarketer 2015 estimates, transparency and placement (brand safety) pose great concerns to planners and ad buyers as the loss of quality control is witnessed while buying ads programmatically; URL masking being one of the popular susceptible fraudulent activity.**
- » With Programmatic buying systems having access to some linear TV inventory and plenty of air time in OTT delivered via web, many of the big brands are thinking about more funnel tracking and buying of media; it's not just for direct response any more.
- » Advertisers want more formats (from banners to rich media to videos, native etc.) and a variety of ways to transact in the programmatic market place.
- » As the share of programmatic spend increases, fraud and audience identification tools must increase as it is also about performance and not just being safe.
- » Look beyond third party cookies – CRM, cross devices, offline purchase data for enhanced audience segmentation.
- » There are many flavors to programmatic from Open Marketplace RTB to Programmatic Direct to Spot Buying to Automated Guaranteed, Automated Performance etc. Though these are looked upon as standalone solutions, industry is rapidly catching up on consolidating them with single interface and unified customer experience.
- » Brands are taking programmatic buying in-house and at the end of 2014, 15% of the ads bought through Index Exchange were from brand's in-house teams.

Key Factors in the Measurement of Advertising Effectiveness

» Big Data and Analytics

Thanks to Big Data and Analytics that enabled online marketers to track accurate and detailed information on the path that leads to a sale, more than traditional marketing could ever do. With in-store beacons and mobile phone data, retailers can now start connecting the activity online to in-store buying and the desire for a complete understanding of a customer's behaviour drives innovation, accelerated by technology.

With Big data and analytics reaching \$125 billion worldwide and spend on rich media analytics tripling by 2015, marketers should adopt integrated strategy by removing campaign silos and work with the partners who take a media agnostic approach to marketing.

» Cross Device Tracking

More consumers are connected with the internet in many ways and with the advent of new tracking methods, businesses seek to target them across multiple devices (primarily desktop, computers, tablets and phone); though it is important to protect consumer's privacy concerns. Among the cross device identification techniques that are commonly being used are "probabilistic" and "deterministic" tracking. With the advent, still nascent, of Connected TVs, Wearables and Internet of Things, the concept of cross device is expanding exponentially to include anything that gives off a signal.

Gartner predicts that there will be 257.3 Bn PCs and connected mobile devices by 2020. As the connectivity improves and purchases through mobile devices surge, marketers need to adopt appropriate methodology and perform smart analysis to maximize returns on their marketing spend.

» Retargeting

According to Ad Roll, first time visitors who leave a site without converting amount to a substantial 98 percent. So the goal of retargeting here is to entice those customers to return to your site with ongoing brand exposures and relative messaging.

Retargeting has gained marketer's attention with 88% of marketers using Google Search and display being the dominant retargeting tools, according to Marin Software Sep 2014 report. Retargeting is being fraught with transparency-related concerns and it is a mystery for marketers, given viewability and brand safety concerns.

With Retargeting becoming a core part of marketing mix, it is critical for marketers to define clear goals for prospecting and retargeting. While attributing success to retargeting in the path to conversion, combine creative communications and targeting parameters of up sell and cross sell while applying different marketing metrics.

» Fraud

With the Internet Advertising Bureau predicting ad fraud could cost brands as much as \$6.5 billion, it is important for marketers to understand the limits of what programmatic partners and networks can do to increase online conversions. Technology approach will alone not suffice as the fraudsters are getting smarter and rapidly changing the compute algorithms. To address this with industry-wide standards, TAG (Trustworthy Accountability Group) was formed last September to certify publishers and ensure that the advertisers have the right metrics and data.

Brands can use 3rd party technologies like Google's Spider.io, Integral Ad Science, DoubleVerify, Forensiq, ComScore to name a few for brand safe placements and delivery.

Good understanding of various types of fraud and conversion metrics patterns, policing techniques adopted by programmatic platforms, and publishers' source of traffic, collaborating with companies and consultants that truly understand technology can help marketers to combat this problem and reach their right target segment at the right time.

Best Practices & Guidelines for Setting up Programmatic Platforms

Though the industry is driving towards consolidation of programmatic platforms, the publishers are looking for more vendor options. Some of the best practices are outlined below:

» For Publishers

- » Assess and deploy multiple SSPs to maximize yield and return on inventory
- » Establish baseline for eCPM and lift based on the current/historical data and competition benchmarks

- » While maximizing the yield, protect the value for inventory
- » With rich audience attributes, package inventory smartly with niche targeting options
- » Consistently analyze and take actions based on yield and ad revenue trends
- » Monitor vertical and competitor performance for benchmarking purpose
- » Look for in-house resources versus dedicated account management support from the product vendors
- » Be your own advocate given the disruptions in the digital marketing landscape
- » Partner with 3rd party technologies for fraud, enhanced segmentation with DMPs etc. and ensure their offerings align with your business needs
- » Always leave room for experimenting right audiences are targeted at the right time

» For Advertisers

- » Deploy multiple DSPs for best bid rates while targeting desired audience and assess the optimal bid rate
- » Identify DMP platform that integrates, scales and allows you to perform in-depth segmentation analysis
- » Assess unique audience identification capability for multi-screen targeting and the adopted methodologies addressing privacy policies
- » Analyze open integrations capability and seamless user experience interface for campaign managers
- » Single reporting view capability for marketers to take appropriate actions to deliver optimal ROIs
- » Assess pre-built analytical models and reporting options that allow analysts to perform data discovery
- » Assess the multiple format creative scheduling options
- » Benchmark bid rates vertical-wise and against competitors for optimal pricing
- » Understand product roadmap of 3rd party vendors as the medium and devices are evolving, paving a way for more targeting options (connected homes, smart watch etc.)
- » Limit the number of retargeting partners, put strict frequency caps and give attribution only to viewable ads

Conclusion

- » Marketing has unquestionably become a technology-powered discipline but technology management is not trivial compared to how media companies are reacting to change and behaving in this hyper-connected, always-on, consumer-controlled digital world. There is a paradigm shift in the nature of marketing, from a mere communications function to providing a connected hub for superior customer experience. And the bar for delivering customer experiences is rising rapidly.
- » It is critical for media organizations to apply the marketing technologies in the service of a well-organized, strategically-sound, executive led digital transformation efforts. With the advent of marketing cloud offerings and cloud integration capabilities, marketers are empowered to architect and manage a heterogeneous collection of marketing technologies. Some, such as IFTTT, let even non-technical marketers program light-weight event triggers and data is tracked on the fly.
- » Deeper collaboration within the organization's marketing, IT departments and marketing technology partners, more sophisticated marketing stacks are within the reach of more organizations.

Source

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About the Author

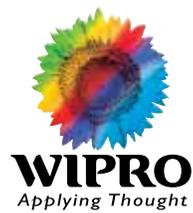
Geetha Palakkad Parameswaran has over 18 years of experience in the media and advertising industry and has an exhaustive experience in the area of ad platforms, new media ad sales, campaign management and ad analytics. She is the key business architect in designing content monetization and advertising platforms in her current stint with Wipro's Media and Telecom business unit. She drives partner strategy to strengthen Wipro's New Media and Advertising offerings across linear and non-linear media and her recent experiments in the media labs include development of ontology driven MDM models for marketers that shield them from data governance related issues.

She has helped clients across media segments to adopt Flexible Advertising models and in her recent engagement, she managed data and analytics product portfolio driving data monetization models for the global advertising agency group. She was also instrumental in setting up campaign operations team for a large search company in India.

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