



NAA Revenue Webinar Series

Programmatic Opportunity, and How to Capitalize on It!

Presenter:

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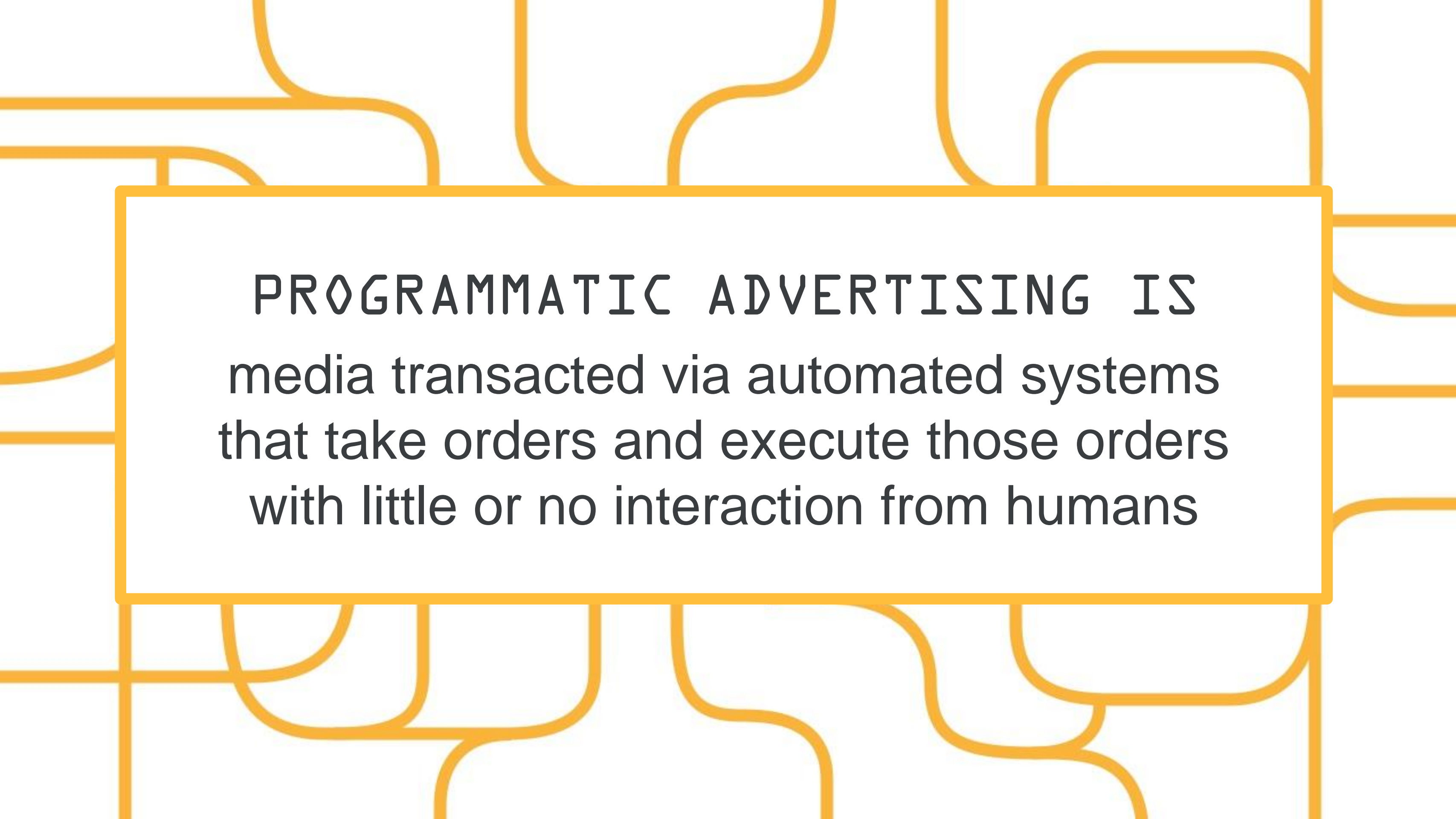
Moderator:

John Murray, NAA VP, Audience Development

May 19, 2016
1:00 PM - 2:00 PM EST

THE PROGRAMMATIC OPPORTUNITY, AND HOW TO CAPITALIZE ON IT





PROGRAMMATIC ADVERTISING IS
media transacted via automated systems
that take orders and execute those orders
with little or no interaction from humans

THE ABC'S OF PROGRAMMATIC

Real Time Bidding (RTB) – a media **buying method** of purchasing a single impression via an auction based system in real time

Exchange – a **digital marketplace** that enables advertisers and publishers to buy and sell advertising space

Supply Side Platform (SSP) – a **selling platform** that provides tiled management capabilities to publishers, enabling them to sell their inventory via exchanges

Demand Side Platform (DSP) – a **buying platform** that enables advertisers to buy inventory from exchanges while integrating audience data via RTB

Trading Desk – a combined effort of computer automation/bidding and human touch. **A team** managing across a DSP is typically defined as a Trading Desk

Data Management Platform (DMP) – a unifying **data platform** that collects, organizes and activates first- and third-party audience data from multiple sources

PAST, PRESENT, FUTURE

MEDIA CONNECTS AUDIENCES WITH ADVERTISERS

**For generations, media companies
have thrived with the same
business model: Use O&O to
connect great audiences with
great brands**





**“THE PROGRAMMATIC SHIFT
IS AMONG THE MOST
POWERFUL TRENDS
IN ONLINE DISPLAY”**

WHY?

- ✓ Better real-time price discovery
- ✓ A more efficient ad buying process
- ✓ The ability to better link ad spend to actual transactions

— Morgan Stanley's 2016 Ad Tech Macro Outlook

STEADY PROGRAMMATIC GROWTH



Programmatic will account for

72% OF TOTAL
DIGITAL
DISPLAY

in the U.S. by 2017

■ Programmatic digital display ad spending ■ % change ■ % of total digital display ad spending*

MULTI CHANNEL GROWTH INTO 2017

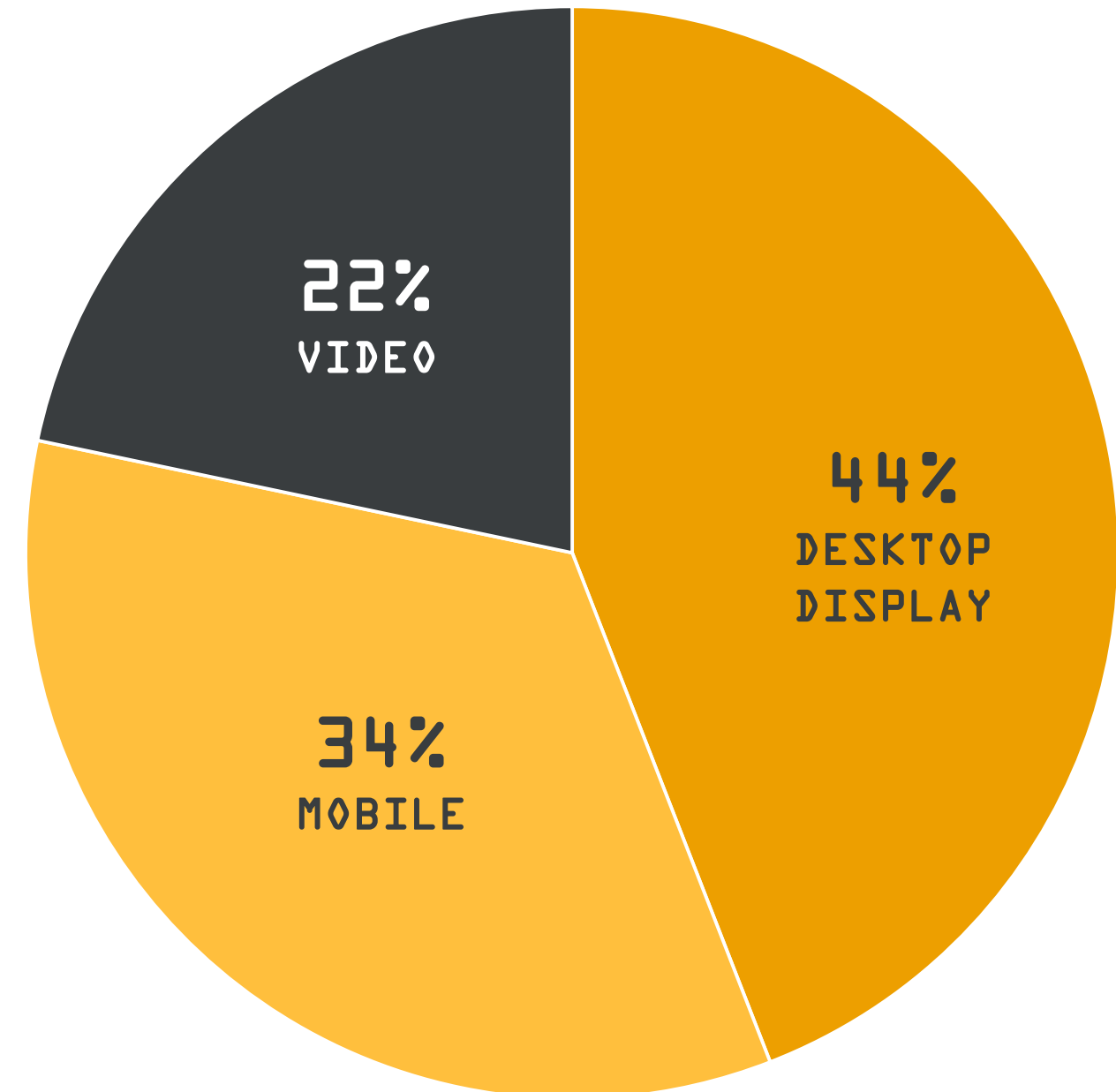
Mobile and Video will go
from accounting for just

6% OF ALL
U.S. RTB
SPEND

in 2013, to accounting for

56% OF ALL
U.S. RTB
SPEND

in the U.S. by 2017



AUDIENCE EXTENSION DEMAND

94% OF
ADVERTISERS

Spend on audience extension

56% OF
PUBLISHERS

Win revenue from plans including
audience extension



PROGRAMMATIC IMPACT
AT EVERY LEVEL:

SELLERS

BUYERS

PEOPLE IN CHARGE

STRATEGY: SITE DIRECT



INVENTORY STRATEGY

With Site Direct buys,
you reach your target audience by
targeting specific publisher
inventory.

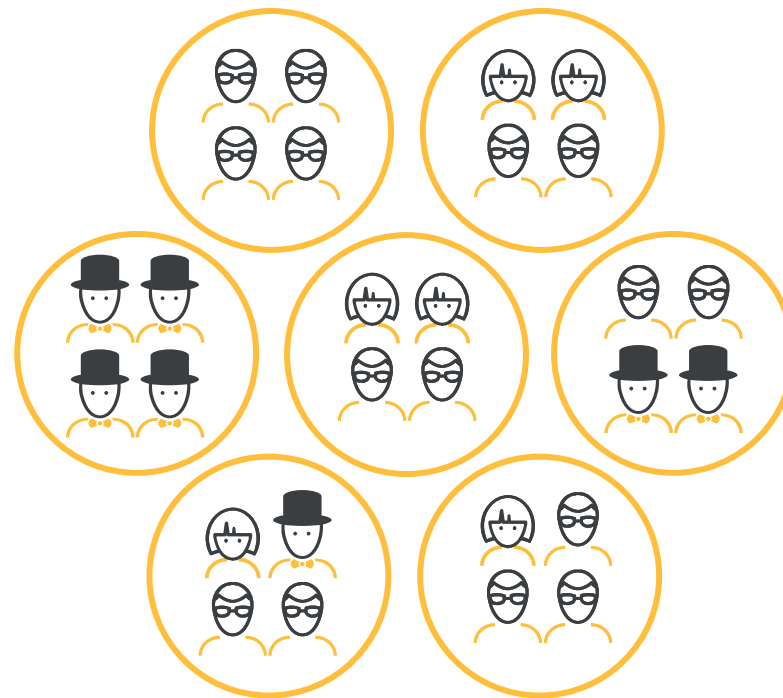
STRATEGY: REAL TIME BIDDING

Flexible Buying Strategies

With RTB, you can now reach audiences by targeting them directly via inventory, data, and contexts across thousands of sites.



INVENTORY



AUDIENCE



CONTEXTUAL

WHAT VALUE ARE YOU SELLING?

SITE DIRECT

Site's Brand
Site's Audience
Frequency
Delivered Impressions/SOV
Guaranteed Placements

REAL TIME BIDDING

Thousands of Sites
Advertiser's Audience
Reach (99.5% of Internet)
Delivery against client goals
Flexibility

YOUR PITCH

SITE DIRECT

“We are going to align your brand with the site’s brand in order to put your message in front of the site’s valuable audience.”

REAL TIME BIDDING

“We are going to reach your audience across many different sites and platforms to ensure we are finding your audience wherever they are.”

PROGRAMMATIC SELLING BRINGS OPPORTUNITY & CHALLENGES

- THE OLD WAY

Product based selling

Selling based on **impressions**

Selling to a **fixed CPM**

Performance was
somewhat assumptive

Ad Network model= **Black box**

- THE NEW WAY

Needs based selling

Selling based on **budget**

Understanding **eCPM**

Performance is **measurable**

Everything is **transparent**



PROGRAMMATIC IMPACT
AT EVERY LEVEL:

SELLERS

BUYERS

PEOPLE IN CHARGE

PROGRAMMATIC BUYING BRINGS OPPORTUNITY & CHALLENGES

- THE OLD WAY

Buying meant trafficking and monitoring delivery

Performance = Delivery & CTR

Inventory is reserved

Targeting is content-focused

Pricing is fixed

Optimizations are scheduled

- THE NEW WAY

Buying is highly analytical & strategic

Performance is measured in many ways

Inventory is non-guaranteed

Targeting must be flexible & multi-level

Pricing is fluid

Optimizations are continual

TRANSLATING GOALS INTO MEASURABLE KPIS



CLIENT
GOALS

MEASURABLE
KPIS



Reach & Branding

Impressions, eCPM

Traffic

eCPC, CTR

Consumer Action

Conversions,
CPA, CPL

A group of young people, likely students, are seated in a classroom or lecture hall. They are looking at laptops and papers, suggesting a learning or collaborative environment. The image is overlaid with a semi-transparent dark layer to make the text stand out.

PROGRAMMATIC IMPACT
AT EVERY LEVEL:

SELLERS
BUYERS

PEOPLE IN CHARGE

YOU'RE STEERING A NEW COURSE

How are you incorporating programmatic into your go-to-market strategy?

How are you educating your customers?

How are you hiring, incenting, & training?

How are you empowering collaboration?

PROGRAMMATIC IMPACT AT EVERY LEVEL:

SELLERS

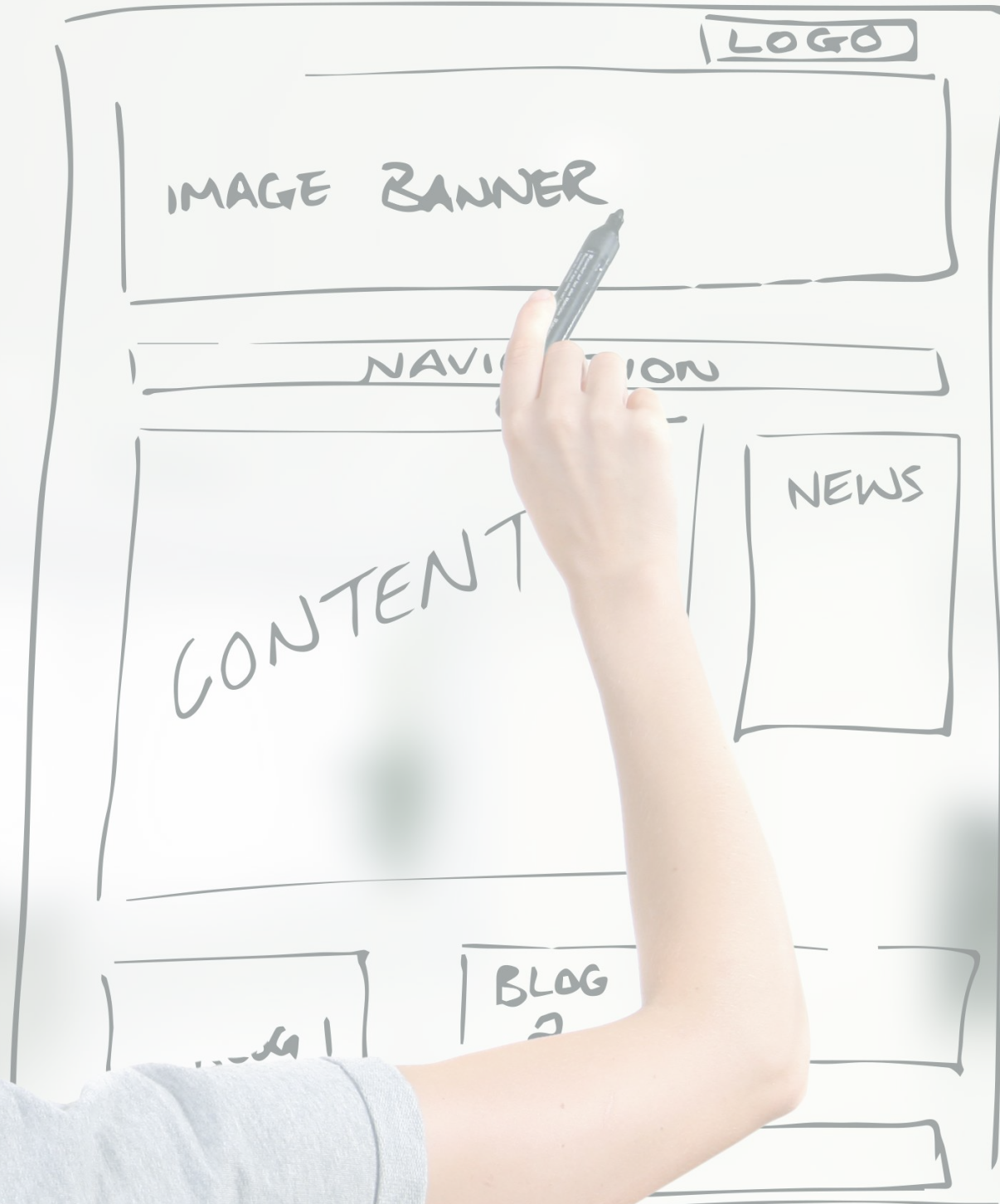


BUYERS



PEOPLE IN CHARGE

HOMEPAGE



WHY NOW?

- Local business spent more than \$140b on advertising in 2015, including roughly \$38b on digital
- Share of local US digital ad spend that is automated will more than double this year, from 4.7% to 10% (\$5b)
- By 2019, 61% of local digital ad spend is expected to be conducted programmatically (\$47b)



MACRO TRENDS IN PROGRAMMATIC

- Improvement in ad viewability and transparency
- Increased use of cross-device campaigns
- Increased importance & use of first party data sources vs. 3rd party
- Brands will continue to invest in in-house tech & trading desks

QUALITY BECOMES KEY IN 2016

Not just about price anymore

.....
Quality Ads/ Quality Data/ Quality Targeting

A photograph of three people sitting around a wooden table in a kitchen. On the left, a woman with brown hair in a ponytail, wearing a black jacket and a striped scarf, is smiling and looking towards the center. In the middle, a man with a beard, wearing a plaid shirt and a black vest with the 'Columbia' logo, is smiling and looking towards the right. On the right, a woman with blonde hair, wearing a grey patterned sweater, is smiling and looking down at a notebook on the table. The table has a bowl of lemons on the left, a glass of water, and some papers. In the background, there is a kitchen counter with a coffee maker and a refrigerator with various magnets and notes. The word 'QUESTIONS?' is overlaid in a large, yellow, serif font in the center of the image.

QUESTIONS?



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