

Ad Age

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THE PROGRAMMATIC REVOLUTION

How Technology Is
Transforming Marketing

Google™

doubleclick
by Google

Realizing the vision for one-to-one engagement

We've all heard it before: Marketing is most effective when you've achieved the three R's—the right message, to the right person, at the right time. The challenge is doing that accurately, in real time, at scale. Traditionally, brands have had to make do with generic audience segments that blunt targeting and relevance, operational inefficiencies that slow fulfillment and strain resources, and disconnected systems that make it difficult to deliver insight-driven campaigns across channels. Today, that's changing with programmatic buying technologies that leverage data to automate marketing across channels, achieving higher levels of targeting, relevance, efficiency and impact.

It's not news that the channels and touchpoints consumers have with brands today are rapidly proliferating. Marketers need to maintain a consistent view of how people interact with their messages across these devices and platforms. Programmatic buying is a critical step enabling them to do this by bringing together disparate data points and providing a holistic view of the consumer across various channels in the sales and loyalty life cycle. This drives better campaign performance as well as media buying efficiencies that free marketers to focus on more strategic and creative initiatives.

But programmatic buying does not benefit marketers alone. Media companies, with inventory to sell, can unlock the value of underutilized inventory by optimizing CPMs and building deeper relationships with marketers. As a result, the customer's journey becomes more relevant, interesting and seamless across every type of media, from desktop to mobile to TV and offline display. It may be a few years before such real-time, cross-channel targeting and optimization become the norm, but forward-thinking brands and media companies are already making rapid progress in this direction and seeing real benefits.

Programmatic buying isn't for everyone, however; as some entities are waiting for the market to evolve and mature before investing in it heavily. These marketers and publishers cite concerns around technical complexity, quality, transparency, data security and fraud. Addressing these issues will be crucial to continuing the growing trend toward programmatic buying.

Across the programmatic landscape, one theme emerges clearly: the need for education. The technologies and models for highly effective programmatic buying are already at hand. The sooner marketers and media companies throughout the advertising industry learn to put them to use, the sooner the full promise of programmatic will come to fruition.

What we mean by programmatic

In a survey conducted earlier this year by the Association of National Advertisers, only 26.0% of respondents said they knew what programmatic buying is and have actually used it.

As investment in advertising technology has increased over the past few years, the marketplace has become crowded with companies eager to differentiate themselves, defining programmatic in terms of their own strengths. This has led to considerable confusion.

In Advertising Age's 2014 Programmatic Buying & Selling Survey, conducted for DoubleClick, 307 respondents from marketers, agencies and media companies cited "audience targeting" (40.1%), "real-time bidding" (36.5%) and "automation" (30.0%) as the phrases they

most associate with programmatic buying. Beneath the associated acronyms and buzzwords, the fundamentals of programmatic buying are straightforward: It is the practice of using technology and audience insights to automatically buy and run an ad campaign in real time to reach the right consumer with the right message in the right context. Regardless of the goal, programmatic buying means simple, efficient, effective transactions.

There's no question that programmatic buying is growing quickly. Magna Global, the buying arm of Interpublic Group of Companies, projects that programmatic spending will reach \$9.8 billion in the U.S. in 2014, or about 20% of the overall digital ad market. More than half of the media respondents (56.3%) in the Ad Age survey reported that agencies and marketers are requesting a programmatic approach to media buying.

● Making good marketing better

For marketers and agencies, programmatic buying provides a way to make campaigns more effective at a greater scale by harnessing data for real-time targeting and optimization. It maximizes the impact of each impression within existing budgets while driving campaign and operational efficiencies. “Programmatic buying reduces our reliance on human-to-human interaction and gets us out of Excel and faxes so we can become more efficient, freeing mind share to focus on creativity and business performance,” says David Cohen, chief investment officer of UM. “It’s already a meaningful part of our business today, especially in digital—and, increasingly, in television in the months to come. We have a goal to automate 50% of our overall media buy by the end of next year—not just digital, but every format.”

While click-through rate is only one measure of effectiveness, the Ad Age survey shows a trend to greater consumer engagement through ads served programmatically (Figure 1). Almost half of the respondents (44.3%) believe that click-through rates have been positively affected by programmatic, and slightly more than half think this rise will continue in the future (51.5%).

● Helping publishers unlock new revenue

The promise of programmatic buying isn’t just for advertisers. Programmatic selling helps media companies increase profitability both by increasing margins on current sales through operational efficiencies and by better leveraging the data and insights they have about their audiences to meet advertiser goals.

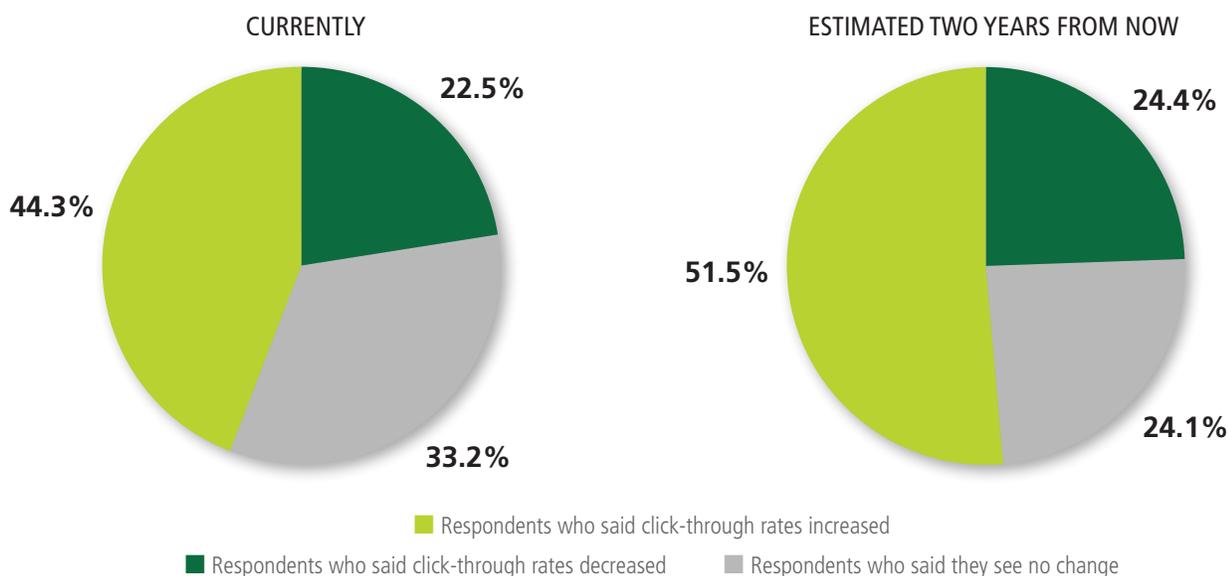
Publishers can now shift attention to meeting marketers’ needs in new ways, often using a “barbell strategy,” with resources focused on programmatic sales on one end to automate selling and fulfillment of IAB standard units, and high-value custom deals on the other. “Buyers are getting more sophisticated. So the most evolved publishers are focusing direct sales teams on highly customizable, large-scale sponsorships, high-CPM placements and cross-channel delivery to differentiate and build bigger relationships,” says Shane Peros, managing director of U.S. Sales: Entertainment & Consumer Services at Google. With better targeting backed by robust data, publishers can now also magnify the value and impact they deliver to advertisers.

Bottom line: Publishers care about revenue and access to buyer demand. Efficient and transparent automated marketplaces connect publishers with a broader universe

HOW PROGRAMMATIC AFFECTS CLICK-THROUGH RATES

Figure 1

How have the current click-through rates for programmatic ads changed over the last year, and how do you expect them to change in the future?



Base = 307 respondents

of potential ad buyers, such as smaller agencies beyond the reach of a publisher's sales team. Increased competition for inventory coupled with a smart segmentation strategy increases yield. "The ultimate benefit that we're working toward is to address the totality of demand in the market—something we could never do without programmatic," says Michael Zimbalist, senior VP- new business opportunities at *The New York Times*. "This is becoming an important part of an integrated yield optimization strategy for any publisher."

Beyond automation: Making every audience count

Beyond the benefits of automation, both marketers and media companies value the segmentation and targeting programmatic buying makes possible. Marketers participating in the Ad Age survey emphasized the importance of the fine-grained segmentation and targeting programmatic buying enables, along with the improved relevance and performance it makes possible (Figure 2). These are the capabilities that most often draw marketers

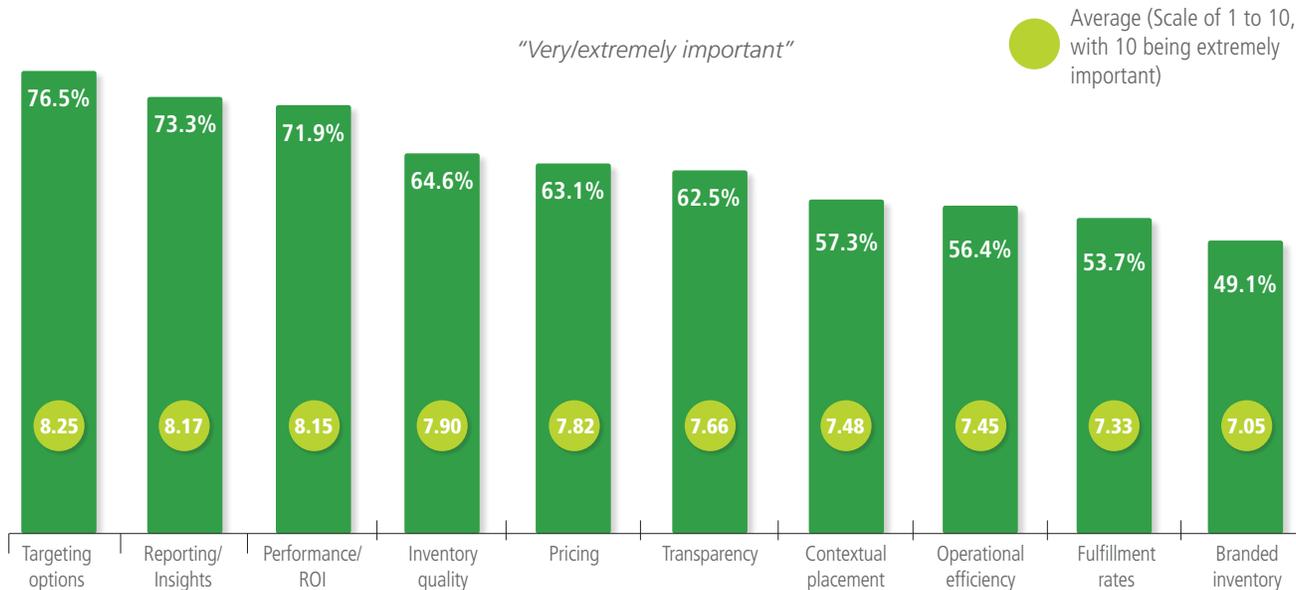
to use programmatic; according to the survey, the most important factors when choosing to buy online media through programmatic technology are targeting options (76.5%), reporting/insights (73.3%) and performance/ROI (71.9%). The perceived benefits of programmatic reflect the impact marketers expect to realize through these tools. Half of the respondents (50.0%) believe that the biggest benefit of programmatic buying is being able to more effectively target consumers across digital media platforms; many also cited improving the relevance of marketing messaging (30.1%).

With data and audience insights that enable better targeting, publishers can not only create custom packages at premium rates but also unlock the value of narrowly defined but previously overlooked segments. "Automation is a nice benefit, but the real value of programmatic is using our data on intent-based traffic to allow [ad buyers] to access inventory against groups, particularly in areas that we haven't been able to monetize effectively before," says Neil Vogel, CEO of About.com. "By placing our inventory in a real-time marketplace with parameters, we can often uncover more value than we anticipated."

FACTORS INFLUENCING PROGRAMMATIC BUYING DECISIONS

Figure 2

Please rate how important each of the following is when [purchasing/selling] digital advertising through programmatic technology.



Base = 307 respondents

*Performance/ROI based on 71 media respondents only, and Pricing based on 236 agency and marketer respondents only. Scale of 1 – 10 where 1 = Not at all important and 10 = extremely important (chart based on 8–10 ratings).

Barriers to realizing the value of programmatic buying

Some marketers and media companies see areas that need improvement. Across both groups, the top factors mentioned as preventing them from using a programmatic approach to all their buying/selling of digital advertising are:

► **Budget/cost/price.** One respondent commented that programmatic is “too new of a solution—would like to see more results before allocating more budget to programmatic buying.” Others cited the cost of applications and training. Strategic factors also come into play, such as a focus on retention rather than acquisition, or sheer confusion on the part of an agency’s clients, making it difficult to justify the required spend.

► **Complexity/newness/insufficient education.** The desire for more information ranges from the data used to make decisions to what’s involved in building and maintaining the underlying technology infrastructure. Unfamiliarity and inexperience contribute to a lack of trust and confidence among many respondents, especially as they contemplate the training of both staff and clients that would be required for programmatic success.

► **Inventory.** One respondent summed up the concerns expressed by many about the ability to buy premium inventory and to be assured of the quality of the inventory bought through programmatic: “I believe ‘Programmatic’ is a black box. Where exactly is the inventory coming from? Who is viewing? Is this the remnant inventory? How is it targeted? Seems like a race to the bottom for impressions, which is not sustainable year over year.” This is why some buyers and media publishers prefer to work directly with each other.

There are also priorities specific to each side of the market:

► **Agencies and marketers agree** that they would buy more programmatically if there were greater emphasis on the quality of viewable impressions (79.7%); if it were easier to

determine the value proposition of different supply sources and what sets them apart (75.4%); and if there were greater transparency in the programmatic buying process (72.4%).

► **Media respondents agree** that they would sell more programmatically if there were stronger support for cross-platform monetization (71.8%); if they had more visibility into who’s buying (70.4%); and if they could be assured that their data was secure (67.6%).

A common thread running through many responses is the desire for greater visibility and control over the buying process and its participants. As they increase their use of automation, media companies must remain vigilant about the quality of ads that run on their sites. The solution set for programmatic includes tools to monitor and block advertisers, but these require ongoing human attention to be effective.

Perhaps more serious is the problem of some companies misleading sales business practices. “There are companies with programmatic technology capabilities who have a reputation for not serving ads in the manner in which you’re buying them. There’s a big problem with ad fraud in the digital industry as a whole,” says Zach Friedman, VP-digital ad sales at FOX News Channel and FOX Business Network. This includes networks of shell websites flooded with traffic generated by bots—automated software—instead of human consumers.

Media buyers evaluated by their ability to fulfill campaigns according to optimization algorithms may not be inclined to investigate the quality of the traffic they find. “Both buyers and sellers can make money even if it’s a fake ad, so the industry and IAB need to step in and get it under control,” Friedman says. The recently released IAB viewability standard will likely help improve accountability both within programmatic and across the larger digital ecosystem by helping marketers validate the quality of the impressions they buy.



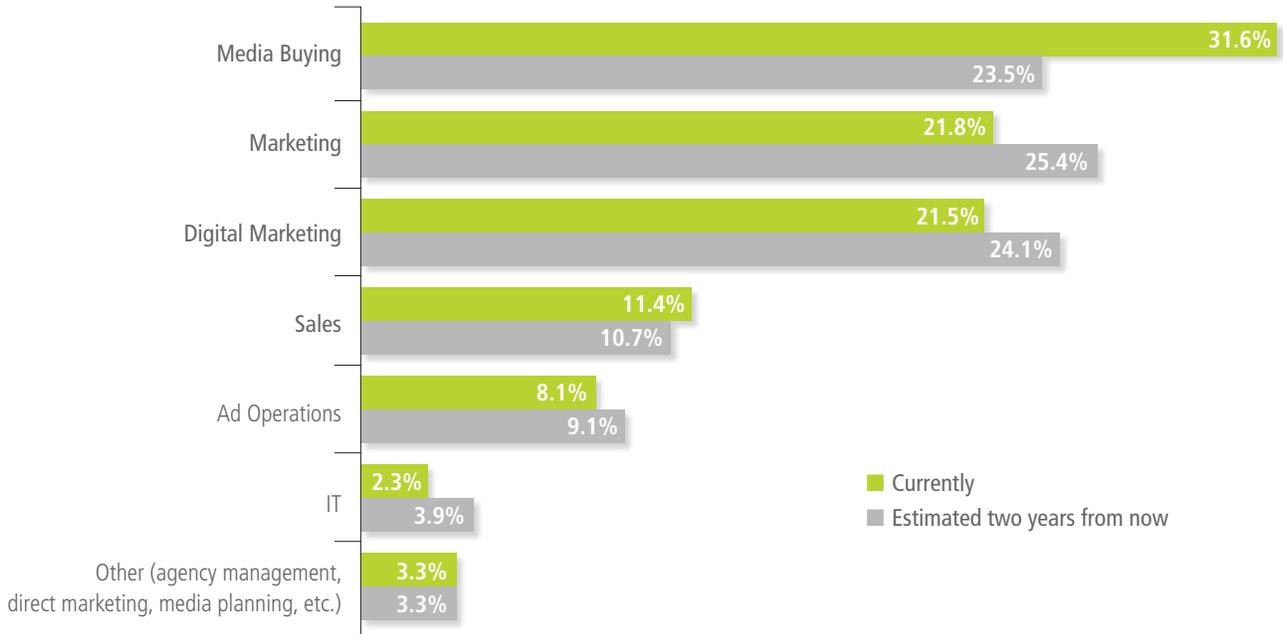
“Programmatic buying ... [frees] mind share to focus on creativity and business performance. It’s already a meaningful part of our business today, especially in digital.”

—David Cohen, chief investment officer, UM

WHOSE RESPONSIBILITY IS PROGRAMMATIC BUYING?

Figure 3

What function within your organization is the primary advocate for a programmatic approach?
Who do you believe will advocate for it in the future?



Base = 307 respondents

How marketers are adopting programmatic

One of the first questions an organization needs to answer when adopting programmatic buying is who will lead its efforts. Typically the advocate for programmatic is a senior executive, most often at the director level or higher. While today, media buyers are the most common advocates for programmatic, many respondents to the Ad Age survey believe that this function will shift toward marketers as programmatic buying becomes a strategic investment affecting almost every element of a marketer's job (Figure 3).

- **Building the programmatic stack: A problem of plenty**

Much of the perceived complexity of programmatic buying and selling results from the large number of partners that can make up an organization's technology "stack," including demand-side platforms, supply-side platforms, yield management platforms, data management platforms, data providers, inventory sources, verification services, viewability

solutions, transactional systems and buy-side forecasting tools. "It would be wonderful to have a single holistic solution from ad call to ad serve, but for the moment we have to address each of these elements in a piecemeal fashion," says Cohen of UM.

Further muddying the picture, these providers run the gamut, including overly narrow or undifferentiated tools, those unable to deliver promised results and true best-of-breed solutions struggling to stand out from the crowd.

VivaKi, the ad tech arm of Publicis Groupe, has created a centralized unit to oversee programmatic buying and provide centralized knowledge for all Publicis agencies. "We develop best practices and evaluate technology partners to make sure the ones we want to work with meet our standards. By identifying individual providers that are 'VivaKi Verified,' we can help simplify the programmatic landscape for Publicis agencies and their clients," says VivaKi Global President of Data and Technology Domenic Venuto. "A key part of the agency's role in programmatic is to help clients sort through the complexity to identify and stitch together the smartest,

most advanced, highest quality solutions that deliver the right messages to the right people at the highest moment of receptivity.” In determining which providers merit the VivaKi Verified stamp, Venuto looks at criteria such as global scalability, brand protection functionality, viewability standards and media performance. “We weed out the bottom two-thirds of the industry and even then work with only a small percentage of those who pass our standards,” he says.

It’s not just advertisers dealing with this complexity. Publishers, too, are now faced with many decisions to make around what technology partners to use and how to efficiently segment their inventory across channels. “There’s the strategy piece and the execution piece,” says Vogel of About.com. “The strategy piece isn’t an issue—you put your inventory in the right places with the right rules and let the right people access it so it works in alignment with your broader sales strategy. The fear is that you’ll invest in the wrong tools or partners. Each publisher has its own needs, and different partners are good at different things. You have to identify the partners that make sense for the inventory you have.”

Given these considerations, it’s not surprising that buyers in the Ad Age survey tend to express a preference for working with a robust, unified platform (64.4%) rather than an array of individual niche vendors (35.6%) for purchasing mobile, video and display advertising.

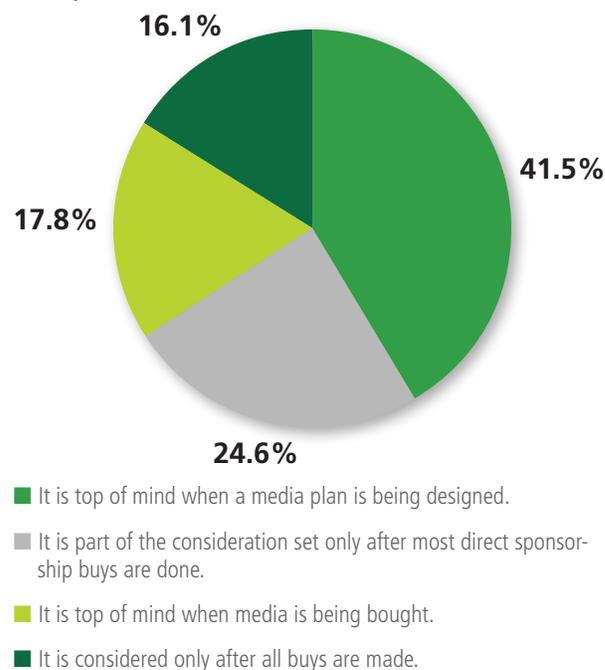
● **Doing more with technology: Bringing programmatic buying to premium campaigns**

While programmatic buying was once seen as an efficient way to access remnant inventory—particularly through real-time bidding platforms—more and more marketers are putting reserve buys into programmatic channels as well. “To use the power and sophistication of a demand-side platform or audience-buying platform to work only for the lowest end just doesn’t make sense,” says Damian McKenna, director, DoubleClick Americas at Google. “We see people using programmatic now to buy, manage and serve site sponsorships and other premium campaigns.” This is already the practice of 38.6% of the agencies and marketers responding to the Ad Age survey; of those who aren’t already doing so, 63.4% expect programmatic to be part of

WHERE PROGRAMMATIC FITS IN THE BUYING PROCESS

Figure 4

As part of your organization’s current purchase process for digital advertising, when is programmatic made a part of the buy?



Base = 236 respondents
Filter: Agency and marketer respondents only

their sponsorship or direct sales negotiations in the future.

This trend contributes to the expansion of programmatic discussions earlier in the buying process. In the Ad Age survey, 41.5% of agencies and marketers indicated they believe that programmatic is top-of-mind when a media plan is being designed rather than after all buys are made (Figure 4).

Procter & Gamble Co., for example, made news earlier this year with its intention to buy 70% to 75% of its U.S. digital media programmatically by the end of 2014, an aggressive goal that will depend on the availability of premium inventory through programmatic buying. The company said it plans a similar push into programmatic for its mobile ad buying next year.

Marketers are also expanding programmatic beyond display into online video, television, multi-screen and even offline media, using rich audience data to buy more effectively across channels. Still, this trend is in the early stages on both the buy and sell sides. About one in three marketers and publishers in the Ad Age survey reported

using a programmatic approach for digital video or multichannel/multi-screen campaigns, while almost half (48.2%) are using neither approach, most often because they either don't perceive a demand or have yet to make it a priority.

Programmatic direct and other sell-side strategies

To meet marketers' rising demand for top-tier placements via programmatic channels, a growing number of media publishers are taking a holistic view of their inventory and weaving programmatic throughout the sales process. High-quality inventory is now being made available through programmatic direct deals to advertisers, but media execs do cite the need for better forecasting tools to support this strategy.

This strategy also calls for organizational changes, and some publishers have assembled programmatic teams that work closely with their direct sales teams to coordinate the management of large programmatic buying budgets. Others have merged ad operations, programmatic and sales teams to streamline operations and meet buyer demands. However, the proportion of media companies taking a broader view of programmatic currently lags behind the expressed interest of marketers, suggesting the potential for competitive differentiation by publishers that look beyond remnant inventory (Figure 5).

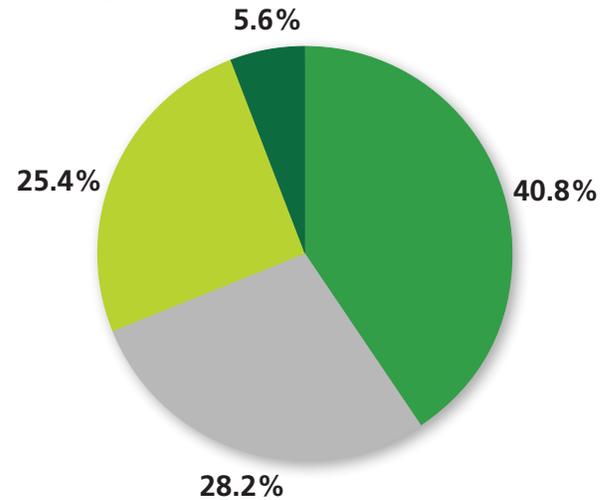
In the past, advertisers have typically held the lion's share of data and consumer insight. Programmatic is helping rebalance that, with publishers gaining the ability to use their own data more effectively and sell against the right audiences at fair prices.

Given programmatic platform capabilities and insights, many publishers are now enabling advertisers to access their inventory based on individual campaign objectives where it makes the most sense. "As the largest online premium content publisher with large-scale and valuable audiences,

WHERE PROGRAMMATIC SELLING FITS IN THE SALES PROCESS

Figure 5

As part of your organization's current selling process for digital advertising, when is programmatic made a part of the selling process?



- It is considered only to increase yield from remaining inventory.
- It is part of the consideration set only after most direct sponsorships are sold.
- It is top of mind when responding to RFPs.
- It is top of mind when designing the rate card.

Base = 71 respondents
Filter: Media respondents only

as well as an integrated ad tech stack, we are evolving the business of using our first-party data while helping advertisers understand they can get much more from their programmatic budgets than they are seeing today," says Jason White, VP-programmatic revenue at CBS Interactive.

Time Inc. used the DoubleClick Ad Exchange to launch the Time Inc. Global Exchange, giving advertisers programmatic access to premium ad inventory on *Time*, *People*, *Sports Illustrated* and *InStyle*, among others, across devices and platforms. A similar strategy is being used by the Local Media Consortium, which covers 800 daily newspapers and 200 local broadcast stations.



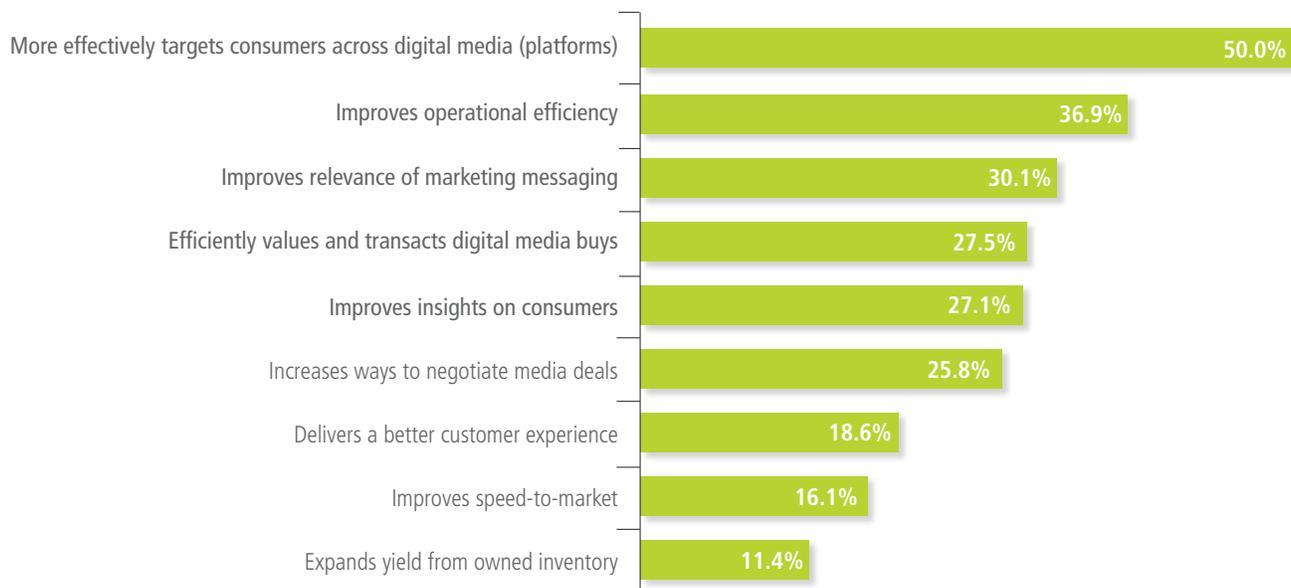
"Sellers aren't going to want to give up the control of their upfront model, with the ability to sell the majority of their inventory at once, but it'll come. Why wouldn't you want to make the whole process more efficient if you could on the digital side?"

—Zach Friedman, VP-digital ad sales, FOX News Channel and FOX Business Network

PROGRAMMATIC BUYING'S VALUE FOR MARKETERS

Figure 6

What benefits of programmatic buying have you seen in your organization?



Base = 236 respondents
Filter: Agency and marketer respondents only

Driving impact for marketers, publishers

“Programmatic has helped us drive performance and results for our clients in a more efficient way,” says UM’s Cohen. “Legacy practices like sending insertion orders and using weekly reports to guide optimization can’t continue as the world grows more complex. Programmatic technology helps us execute buys, track the results and optimize in real time across channels.”

Overall, agencies and marketers say programmatic has resulted in increasingly effective targeting across platforms, improved efficiency and greater relevance (Figure 6). For large publishers, programmatic has made it possible to monetize vast amounts of inventory efficiently. “It would be hard for us to sell out billions of impressions each month without a programmatic strategy,” says FOX’s Friedman. “On a big breaking news day, we’d have traffic spikes that would be impossible to monetize effectively. Now we’ve been able to create competition for unsold inventory in a way to get the biggest yield possible while maintaining our direct-sold rate card.”

Overall, CPM rates for programmatically bought and sold inventory are expected to double in the next two years, according to Ad Age survey respondents.

Higher CPMs have indeed been one of the benefits of the shift to programmatic, and the reduction of undesirable inventory through viewability, brand safety and fraud-prevention technology will likely continue this trend. Still, given the improved targeting and relevance that come with the higher rates—as well as the ability to verify viewability—marketers are unlikely to object. More than six in 10 (62.7%) of the agencies and marketers in the Ad Age survey believe they’re seeing higher-quality ad inventory when using programmatic buying compared to two years ago, and a large majority (86.4%) believe the quality of available ad inventory will be even higher two years from now. “Rising price isn’t an issue as long as the quality is there,” VivaKi’s Venuto says. “If my ad isn’t getting viewed, it’s worth paying more to get it viewed. We can’t look at price or performance in isolation of other metrics.”

Looking ahead

While programmatic represents a fraction of the entire advertising environment, it has gained significant traction and shows strong momentum. As this growth continues, several trends will shape the way programmatic is viewed and used by media companies and marketers, including its maturation as a routine, mainstream strategy; the emergence of viewability as a common currency between buyers and sellers; the consolidation of platforms into more complete solutions; a growing role for programmatic in online video and TV; and the ability to deliver and manage campaigns across devices while maintaining a unified view of the consumer.

- **Programmatic becomes the norm**

Many newer marketers with few legacy investments and practices to slow them down are getting a fast start with programmatic. At the same time, large consumer packaged goods companies such as Kellogg’s and P&G, as well as financial services firms including American Express and Bank of America, are longtime consumers of sophisticated programmatic strategies, making it clear that the technology has reached the mainstream.

As technologies mature and buyers and sellers gain expertise, programmatic will likely become the norm. “Looking forward three to five years, people won’t say ‘programmatic’ anymore; it’ll just be the way you buy audiences, and it’ll be a more sophisticated channel,” says McKenna of DoubleClick.

Not every company shares the ambitions of American Express, which recently issued an RFP asking for strategies to shift its entire \$128.5 million online ad budget to programmatic. Ad Age survey respondents estimated that about half of their buys would take place this way within five years—a considerable shift (Figure 7).

WHAT’S AHEAD FOR PROGRAMMATIC BUYING Figure 7

What percentage of your online/digital advertising do you estimate was, is and will be bought/sold programmatically through programmatic buying?

6.8% Two years ago

18.9% Currently

31.9% Estimated two years from now

44.5% Best estimate for five years from now

Base = 307 respondents

- **Viewability enables CPV media buying**

Programmatic allows for rich data and metrics, providing a more transparent and accurate viewability-based model for media buying and selling to emerge. By using a cost-per-view (CPV) model, buyers can pay for what they most value, while publishers get the value they deserve for high performing inventory.

- **Platform consolidation**

One key step in the evolution of programmatic buying will be the consolidation of platforms. As mentioned, today, many companies must navigate a crowded vendor universe to assemble their own technology stacks from a number of providers that address individual elements of the overall solution.

While some are willing to undertake this and the risk it entails, many more will wait for more complete solutions that reduce the number of partner relationships to be managed.



“The ultimate benefit that we’re working toward is to address the totality of demand in the market—something we could never do without programmatic.”

—Michael Zimbalist, senior VP of new business opportunities, *The New York Times*

● Further inroads into online video and TV

As the march of automation continues, programmatic is expected to play a role in every type of media, including the premium inventory typically limited to direct sales. Online video is already going programmatic in spite of limited high-quality inventory and will make further progress with the evolution of digital GRPs and the emergence of viewability standards. On June 30, 2014, the Media Rating Council released the final version of its Viewable Ad Impression Measurement Guidelines, developed in collaboration with the IAB, which base impression metrics for video on either time of continuous playback or strong consumer interaction.

Programmatic video advertising will also expand through the rise of private exchanges for quality video inventory. For example, with initiatives such as Google's Partner Select, traditionally scarce high-quality video inventory is now being sold programmatically by TV broadcasters and premium online publishers, and bought by top-tier brand marketers.

Online delivery of TV and movie content will increase both the supply of high-quality video and the desire of brands to reach the audiences each channel draws; ABC has already announced that it will allow programmatic buys against some of its digital content. Although relatively few U.S. consumers currently own internet-connected televisions, this connectivity is quickly becoming standard at all price points, a trend that will further fuel this growing market and the technologies that support it.

While some in the industry voice skepticism about programmatic gaining a foothold in traditional TV any time soon, cable and satellite carriers are already offering versions of programmatic buying, dynamic insertions or automated targeting against their content. "Sellers aren't going to want to give up the control of their upfront model, with the ability to sell the majority of their inventory at once, but it'll come," says FOX's Friedman. "Why wouldn't you

Amid the ongoing evolution of programmatic tools, strategies and best practices, the fundamental goal and promise still comes down to the three Rs—delivering the right message, to the right person, at the right time.

want to make the whole process more efficient if you could on the digital side?"

● Cross-device view of the consumer

Perhaps the most exciting space in the industry right now is around data and cross-platform campaigns. "We'll finally have the opportunity to get unduplicated reach across devices; that's truly amazing," says Mr. Venuto of VivaKi. "That's when you can really start to maximize your client's media investment." Given the rapid rise of multiscreen behaviors among consumers, including frequent shifts across devices over the course of the day as well as dual-screen experiences for TV and movies, this capability will be crucial for managing and optimizing brand interactions with audiences.

Amid the ongoing evolution of programmatic tools, strategies and best practices, the fundamental goal and promise still comes down to the three Rs—delivering the right message, to the right person, at the right time. Marketers are gaining better ways of doing this every day, with the best still to come.

Says Mr. Cohen: "I long for a day when we have a terminal that lets us take a client's business initiative and use a wide array of data—syndicated, and the client's and our own—to put together a sequenced communications plan, executed across channels with a few keystrokes and measured as such. Of course, we're quite far from that today. But we're getting closer every day."



"A key part of the agency's role in programmatic is to help clients sort through the complexity, identify and stitch together the smartest, most advanced, highest-quality solutions that deliver the right messages to the right people at the highest moment of receptivity."

—Domenic Venuto, global president of data and technology, VivaKi

Best Practices for Programmatic Buying and Selling

1. Choose technology partners carefully.

As vendors proliferate and practices evolve, the fast-changing field of programmatic advertising can quickly become overwhelming for marketers and media companies. On one hand, you don't want to overcommit to a single partner that might not live up to expectations; on the other hand, working with too many partners can undermine efficiency and increase technical and operational complexity. Focus on finding a trusted partner with a proven track record for each element in your platform, making sure that the partner's strengths align with your own priorities. By building stable, long-term vendor relationships, you can establish a strong base for your programmatic activities and develop best practices together.

2. Infuse programmatic across your media mix.

With its origins in RTB, many people have tended to think of programmatic buying and selling in terms of remnant inventory. This view is increasingly outdated, as marketers and publishers take advantage of the automation, data integration, analytics and other powerful capabilities of programmatic technology to increase the efficiency and impact of premium campaigns as well.

3. Pay attention to quality.

Many marketers voice reasonable concerns about the quality of the impressions delivered via programmatic. Aside from the risk of monetizing nonviewable inventory, it's true that automation can make it all too easy to lose track of where and how your ads appear. Metrics such as viewability, past performance and brand quality, together with strong

verification settings customized to a buyer's needs, should play an important role in your programmatic strategy.

4. Make creative optimization part of your strategy.

The data collected and leveraged in programmatic buying can do more than just refine targeting; it can also fuel highly effective real-time optimization of media, messaging and creative. Automated A/B or multivariate testing of multiple images, layouts, messages and calls-to-action can help you zero in on the highest-performing ad versions for each segment you target and each channel you use.

5. Trust the program.

Much of the value of programmatic lies in the use of automated optimization, guided by vast amounts of data, to continuously improve the impact of your campaign. Programmatic algorithms are designed to learn and make corrections on their own, as well as to recognize the difference between a naturally occurring variation and a problem in need of a fix. However, marketers and publishers know their brands and audiences better than anyone else and should closely monitor how well the algorithm is meeting their goals. Allow the system to run on its own long enough to get a fair evaluation, and then turn to human expertise to tweak the program as needed.

About the Survey Advertising Age and DoubleClick commissioned this online research study about programmatic. The study was conducted in January 2014 by third-party research firm Advantage Business Research. The final findings are based on 307 respondents made up of 39.2% marketers, 37.7% agencies and 23.2% media companies. The margin of error for the total of 307 respondents of the survey, at a 95% confidence level, is +/- 5.6 percentage points.



The Ad Age Content Strategy Studio, an extension of Advertising Age and adage.com, works with companies to help them tell their brand stories their way. Built on Ad Age's heritage of editorial expertise and excellence, the Content Strategy Studio works to develop the ideas that create an emotional connection with customers. Through articles, blogs, video, microsites, research, events, white papers and other opportunities, it provides end-to-end solutions for brands that will create the story that's fueling today's conversations.

Storytelling for your brand by the brand that knows how to tell stories

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ABOUT DOUBLECLICK

Google's DoubleClick provides ad management and ad serving solutions to companies that buy, create or sell digital advertising. The world's top marketers, publishers, ad networks and agencies use DoubleClick platforms as the foundation for their digital marketing. With deep expertise in ad serving, media planning, search management, rich media, video and mobile, DoubleClick platforms help customers execute their digital media strategy more effectively.

