

# PROGRAMMATIC BUYING

## RTB & Retargeting

A Professional Overview

**... the answer to what companies need**

Programmatic buying is the most exciting development to sweep across the digital landscape today. IDC has determined that there will be a 53% annual growth rate in the U.S. up until 2018. Forrester has projected that programmatic buying will ultimately capture the bulk of all digital advertising spending. Every marketing professional today needs to have a good understanding of this emerging marketing technology and the ramifications that it will have on their companies for the future of marketing.

We are founded on the belief that big data can be brought to larger companies to radically change their digital advertising, but could also be simplified to be distilled down to medium and small businesses as well to affect in a substantial way the way they market in their local areas. Make way for a brave new world!

# 1. WHAT IS PROGRAMMATIC BUYING?

## PROGRAMMATIC BUYING IS DEFINED AS:

The act of bidding on a source of advertising inventory

- in real time
- for the purpose of:
  - showing a specific ad
  - to one customer
  - in a specific context
  - at a specific time

## BIDDING ON A SOURCE OF ADVERTISING INVENTORY:

As new ad exchanges or ad marketplaces come into the marketplace, advertisers can leverage programmatic buying to bid on advertising space without having to purchase in bulk up front, pre-negotiate a price, or even agree to a minimum number of impressions or budget.

For instance, an advertiser can offer a 468x60 banner ad across multiple publishers on demand in any quantity or any location they choose.

When the consumer loads a web page with available space for this ad, there is a split second where the ad goes up to auction in the ad marketplace. The advertisers, perhaps dozens, each bid on this ad placement and the winner gets to show their ad in this position. This is called an impression when it is shown to the consumer.

## BIDDING IN REAL TIME:

Large companies have traditionally participated in "media buys" which are large quantities of impressions that are pre-purchased. This limited the buying process to only the largest companies in the world who had very large budgets.

This is no longer the case, the playing field has been leveled so that any advertiser can now bid on the spot in the ad marketplaces.

Advertisers have access to over 295 ad networks with tens of billions of daily opportunities to bid and buy digital media. These ad marketplaces hold auctions to make this available to advertisers and this all happens in a couple hundred milliseconds.

This is where the term "Real Time Bidding" (RTB) comes from. Marketplaces respond with their responses to the bids in a fraction of a second which allows the web page to load quickly and serve up the winning ad.

## SHOWING A SPECIFIC AD

One thing that makes this extraordinary is the fact that an advertiser can buy impressions individually, not in groups of thousands or millions. Each marketplace allows an advertiser to show one specific ad to one single customer in the desired context.

## TO ONE CUSTOMER

The process of buying individual impressions allows each page load to contain different ads which prevents ad fatigue and keeps customers more interested in what is being presented.

## IN A SPECIFIC CONTEXT

Ad marketplaces categorize the different websites that have ad space available in a way that allows advertisers to choose which websites show which ads. This context provides a much better user experience.

For instance, if a customer were looking on a website that focused on personal loans, having an advertisement about shoes would be a disconnect from their frame of mind. However if they saw an ad that was focused on credit scores, this is something that would complement the product or service they were researching.



This process is a very important aspect of removing a phenomenon called "ad blindness" where customers will simply not see these ads because their minds have been conditioned to block out un-necessary data. However when an ad is in context...it suddenly becomes relevant removing this "ad blindness" effect.



## 2. WHY IS THIS SO EFFECTIVE?

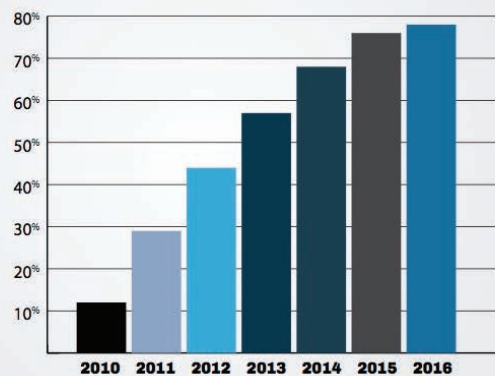
### ADVERTISERS ONLY PAY FOR THE CONSUMERS THEY WANT TO TARGET IN CONTEXTS THAT PROVIDE THE BEST ROI

Don Peppers and Martha Rogers predicted this trend in 1996 in their book *The One to One Future*, where they explain how marketers can precisely determine which consumer gets to see which ad and when.

With Programmatic buying, this is now possible, and not just for the big players. Marketers can now only pay for the specific audience they are looking to impact and avoid the unnecessary cost of marketing to the wrong kind of consumer in the right context.

RTB leverages not one, two or three attributes of a consumer, but literally millions of data points are employed to deliver highly responsive campaigns directly to the consumer in way never before seen.

U.S. RTB-BASED INDIRECT AD SALES  
AS A SHARE OF TOTAL INDIRECT AD SALES  
Source: IDC, 2012



“(Marketers) can now avoid payment for the wrong kind of consumer that happens to be visiting a certain content property, or even the right kind of consumer who may be visiting in the wrong context.”

### GETTING MORE SOPHISTICATED

Advertisers are able to get a lot more bang for their buck because of the ability to take advantage of the multiple data points that are known about each customer.



Clickstream data (where customers go on the Internet), demographic data, psychographic data, behavioral data, socio-economic data, and many other data points allow advertisers to pin-point their audience instead of the old shotgun approach.

### A LARGER LANDSCAPE

Advertisers are now able to reach their “ideal customer” on many more properties than ever before.

With the sophistication of the RTB platform, we provide a simple to use interface that rides on top of an extremely sophisticated set of processes that negotiate these transactions with tens of thousands of these websites each minute.

When an advertiser can place their ads next to hyper-specialized content, they are then able to convert very specific groups of people. Only RTB marketing can uncover these millions of perfect opportunities to find the ideal customer.



## 3. WHY USE US?

### WE CAN DO THINGS OTHERS CANT....OR WONT

As a demand side platform (DSP), we have the ability to reach a very wide audience and the tools at our disposal to help you find your perfect audience. We invest in your projects up front for a long term benefit for you. We do this by providing "pre-built audiences".

#### ADVANCED MARKETING TECHNIQUES

- Sequential Ad Delivery
- Aged Customer purging
- Banner Rotating
- Simplified Campaign Creation

### PRE-BUILT AUDIENCES

A pre-built audience is just like it sounds. A retargeting audience that is created for you by us. Then you are able to market to this audience as much as you like throughout the month. We keep this list fresh by constantly targeting new customers that fit your requirements.

### LOWEST COST FIRST CLICK

We do this to provide the lowest cost first click, as well as to have a fast return on investment.

### HOW IS A PRE-BUILT AUDIENCE MADE?

We create this the same way you would, we do the research to find your perfect audience, where they hang out, or do research, we determine their demographic and psychographic parameters and zero in on just the type of person you are looking for, then we show them an ad. If they show interest, we place them in a special retargeting list that you can use to retarget, which costs in the range of \$.20-\$.50 cents CPM (cost per thousand) instead of \$4.00 - \$12.00 CPM by performing RTB advertising on your own.

For a super low cost of only \$500 for up to a 50,000 member list, you can reach a LOT of customers in a very short period of time. Plus your branding will never be better.

### WHY WOULD I WANT THIS

If you think about it, to build a list of 50,000 people on a small business website might take 3-6 months. If you were lucky enough to only pay \$1/click using a traditional PPC campaign, the list would cost you \$50,000 to create.

#### *So here are your options for a 50,000 person retargeting list:*

*3-6 months at a cost of \$50k  
or*

*One month for \$500/mo.*

You see the power that a pre-built audience could have for your marketing?

**Contact us today** to learn more about how you can take advantage of programmatic marketing and pre-built lists only by us.



# Programmatic Buying

## A Visual Overview

