## HOW IT WORKS: PROGRAMMATIC FOR BRANDS



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## Introduction

It is really hard to imagine a successful brand without its presence in the digital space. The main anguish of brand marketers was how to reach their target clients with the right message, wherever they are, and what is even more important is how to reach this audience at the right moment. It was a problem until 2009 when Real-time bidding (RTB) appeared which led to the formation of programmatic media buying of programmatic in other words. Programmatic acts as a powerful enabler in order to avoid tons of emails, long and most of the time not really effective negotiations with the advertising manager or editor of this site or platform.

Despite the many advantages of programmatic media buying, there are still brand marketers who leave programmatic out of the game because they think it has nothing to do with increasing brand awareness, influence consideration, or sustaining client loyalty, but rather with performance marketing. Although brands can and should engage their customers with useful experience. In this paper, we will look at the opportunities for brand marketers using programmatic advertising, discuss the most efficient channels for branding campaigns and explore the challenges that can lead to the waste of budget without achieving KPIs.

## **Drivers of programmatic rapid adoption**

Programmatic buying refers to any media buying that is run through an automated system. Today, almost all programmatic ads are bought and managed through RTB, which uses real-time auctions to bid on individual impressions across web, mobile and tablet, which makes it possible to show ads to the right person in the right context.

Currently, increasingly more brands are choosing programmatic for their ad campaigns. According to the eMarketer <u>report</u>, by 2021, nearly 88% of all US digital display ad dollars, or \$81.00 billion, will flow via automation or in other words with the help of programmatic. Every year this number grows.

### **Programmatic in 2007**



# MUCH, MUCH, MUCH LATER

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Do you want to know the key factors that have contributed to programmatic accelerated growth?

### **Programmatic in 2020**



### **Programmatic accelerated growth**

### Customized audience targeting

Whether you want to target women with a high level of wealth, or single mothers aged 21 to 30 with two or more kids living in a village, programmatic will definitely help. It allows branding advertisers to reach very specific audiences that fit your marketing goals. They can target using language, location, level of wealth, gender, online behavior, using keywords or look-alike model and many other parameters. You can be as specific as you need if you want to reach this particular segment. It means that you will most likely "reach the right door".



It can be difficult from the get-go to reach the right segment if you are not really sure what your customer looks like or how to distribute the budget between geos and channels. Programmatic allows you to measure and monitor how your ad campaigns are doing in real time. During the campaign, you will be able to see what channel works better or what creatives generate more impressions. Programmatic will give you an opportunity to optimize your campaign on the fly or if you choose managed-service, analytics will take control over your campaign and optimize it for you. You can rechannel your budget and focus on the ads that perform well and cut the ones that do not deliver.

### Measurement & Optimization

### **C**ross-device marketing

Cross-device marketing is marketing that allows an advertiser to reach its potential client on various devices and not to repeat ads across one person's various devices. To do this, an ad is created that can be broadcast on different types of devices, not only on smartphones and tablets, but also game consoles, TVs with Internet access, personal computers, etc. Now the customer's path along the devices can be very fragmented and tangled, but even with such circumstances, programmatic can establish and grow brand affinity. As a result, you will have the most complete picture of your consumer. Platform can track the effectiveness of marketing the consumer is exposed to from start to finish, connecting branding initiatives in a meaningful way to sale, consideration, and retention, closing the loop on the previously immeasurable metrics.

Some time ago, programmatic was associated with a certain "leftover" inventory. Today, the situation has changed. Now we can see that increasingly more leading publishers give their inventory to ad exchanges. More than 3,000,000 sites around world are available for the displaying ads. This is the reason why this inventory is characterized as a high-quality inventory. The system will offer the most optimal price per impression or click, according to specific conditions and circumstances and the number of buyers on this market.

### High quality, affordable price

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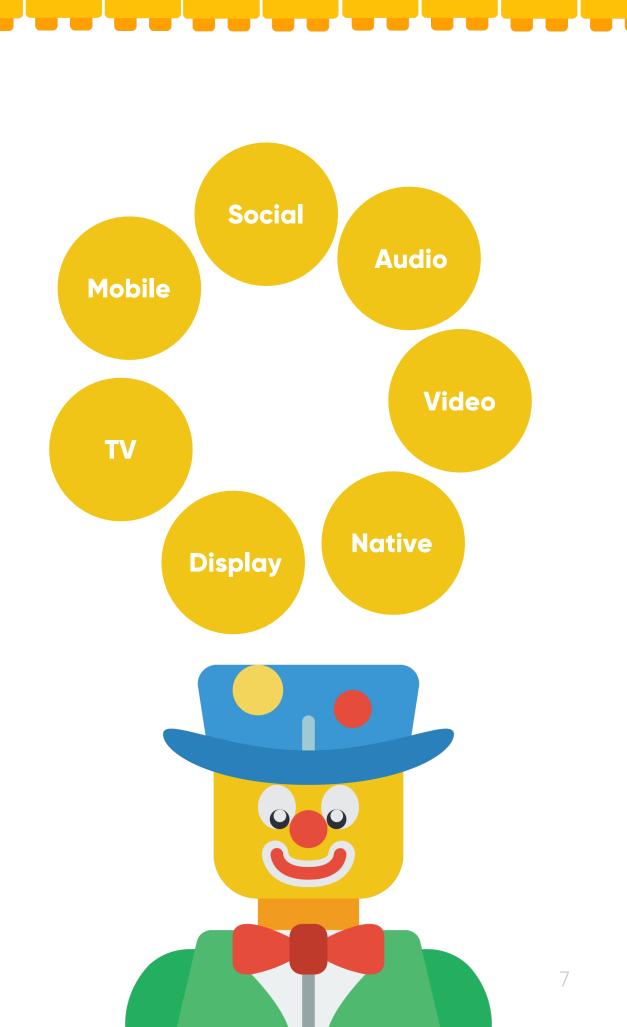
## **Omnichannel approach**

Another difference of programmatic media buying is that programmatic provides an access to integrated management of various digital channels. As a result, we can see the effective distribution of the budget, ROI(Return on investment) growth, LTV(Customer lifetime value) and other metrics. Moreover, the automatic algorithms and the possibility of Real-Time optimization, throughout the entire period of an ad campaign, allows you to monitor and redistribute budget and efforts to different channels in order to archive all KPIs. With the help of programmatic, you will be able to reach one of your customers with a mobile video ad and another with display ad on a tablet device, depending on what will have the best impact.

The most efficient channels for branding campaigns include: **Display, Video, Social, Audio, Native, TV, Mobile**.



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## **Programmatic Display**

**Display advertising** is a type of advertising focused on the audience's spectacular perception. It is developed using special techniques to attract customers' attention and may include text, company logo, photos, and other images. At first sight, this method of promotion is preferable, because it is necessary to attract the attention of users in order to promote the brand, but the varieties should be considered separately.

The most popular format is a banner. There are a lot of different kinds of banners, but the three most wide spread are static, dynamic and interactive.

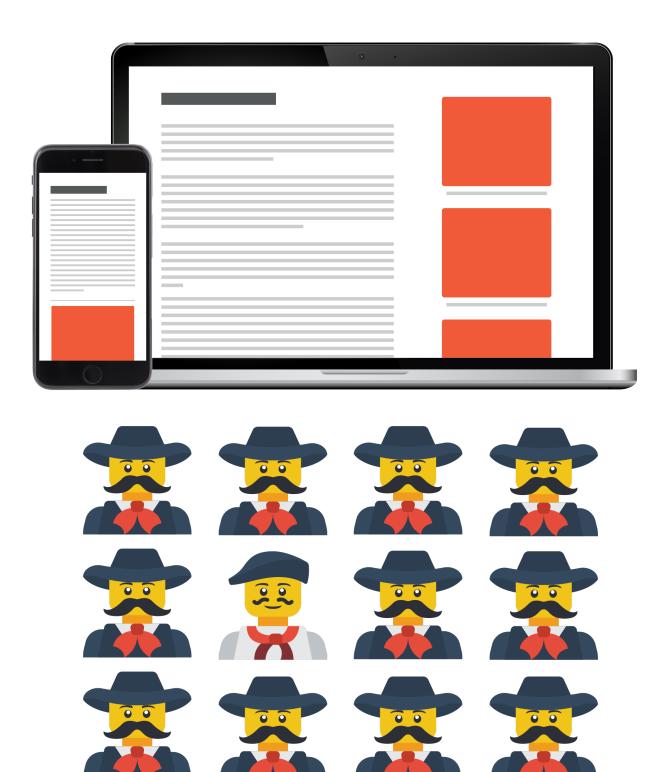
**Banner** is a block with a graphic image which represents the advertiser's offer. When a user clicks on it he goes to the advertiser's site. Using banners to lift brand metrics is quite effective. Although some people have "banner blindness" or it's also called "banner noise", it means that visitors of a website consciously or unconsciously ignore banner and just don't pay attention to it, you can limit frequency to 3-4 impressions per user and it won't distract or annoy your potential customer.

Visual memory still stores information about a particular brand in the mind of the potential customer and with programmatic you will be able to show your message to the right audience, and at the right moment. Therefore, the use of banner ads as a format for branding campaigns must take place.





## **Programmatic Native**



Different formats suit different purposes. Native ads connect to the consumer in a very inconspicuous manner and seem relevant to them. Therefore users click on it more often and look at it more frequently than banner ads so we can say that native ads are more visually engaging.

**Native advertising** is a paid advertising where the ad fits into the context of the platform where it appears due to its similar form, feel and function as the content so it doesn't distract users. On the contrary, it arouses their interest due to the fact that such ads are generally related to the content consumers like and it's more likely to be shared with friends because it is connected to the informative content. Therefore you will get better customer experience and reach.

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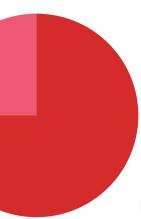
### **Programmatic Mobile**

Today's mobile is identified by a high level of daily engagement of users on their smartphones, tablets and PC/Laptops when searching for information and looking for a place to go or make purchases. Mobile engagement growth entails mobile technology improvement in Mobile Advertising regularly that instantly impacts the private user environment.

If branding advertisers decide to work with mobile, they will need to think about the format. There is a huge difference between mobile **web** and mobile **in-app** both in terms of the ad formats used and the environments themselves. **In-app** ads offer dynamic and flexible user experience, with animations and interactive effects. Mobile inapp advertising includes ad types like mobile interstitial ads, native, reward advertising, mobile ad banners, and other display formats. It's less distractive, highly interactive and has less competition.

By contrast, mobile **web** is thriving and while the experiences can be less dynamic, mobile web offers more standardized formats (banners(static, dynamic and interactive), videos, native) and greater scalability for advertisers. other formats 25%

programmatic mobile 20%



### mobile advertising 75%



### mobile advertising 80%

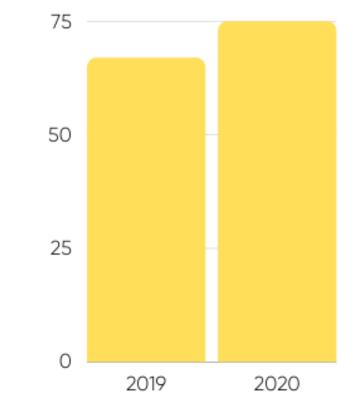
### **Programmatic Video**

The popularity of the video ad format is growing. The preference for video content is not just limited to entertainment purposes. Video extends to brands as well. Hubspot reports that 54% of consumers want to see more video content from a brand or business they support. Programmatic video allows brand advertisers to increase the ad spend more easily and to optimize it in the most beneficial WAY.

The main goals of programmatic video are launching a new product on the market and introduction of a brand, increasing brand awareness, informing about a product or event and drawing attention. Therefore it's not a surprise that this channel is very popular among brand marketers. Moreover due to the fact that there is very high competition for high-quality inventory, because more and more brands want to use video ads in their campaigns, videos look more interesting and memorable that lead to the increase of ad recall.



Digital video ad spent, IAB report





### **Out-stream works better on** the selecting stage in the funnel and in-stream works on the interest



## **Programmatic Social**

This channel becomes increasingly more popular each day. The reason is that social media now is only one of the most efficient and engaging ways of communication with your audience, and with the help of programmatic you will be able to take advantage of the reach of these platforms.

You will have access to a wide range of social media channels like Instagram, Facebook, TikTok, Twitter, LinkedIn, Snapchat, Pinterest and others depending on what audience you would like to reach and what goals you have. For example, at Snapchat and Tiktok you will be able to find a younger audience and LinkedIn is really good for B2B.

However, it is certainly possible to combine different social media platforms to reach the right users that have multiple accounts, which can thus help you accomplish your marketing goals. In addition, social media is not only a very good instrument in finding new consumers, but you will also be able to optimize the effectiveness of the campaign. It will increase engagement, reach and efficiency of your digital marketing strategies.



### **Programmatic Audio**

**Programmatic audio** buys and sells ads in audio content with the help of algorithmic artificial intelligence which makes these processes automatic and easy to optimize. With programmatic audio, brand advertisers will have access to all inventory of premium audio publishers in one system. The biggest advantage of this channel is that you get a very focused audience that will listen attentively to your ad, so your message will have more impact on them. Moreover, audio ads cannot be blocked as easily as display ads can be when a user has an adblocker.

As in the case of video, local targeting is available for audio. Advertisers can use it to set the radius of their reach to the target audience's devices. This option is ideal for small and medium-sized businesses, such as coffee shops, bars, or stores – when people are near them, they get the appropriate voice advertising, but audience targeting in programmatic audio is the same as in other channels. You can target classic segments or more specific, for example, people who listen to rock, who are interested in any topic, or who are in a bad mood.

Programmatic audio gives you a great opportunity to build your brand with an audience of engaged listeners. It's a fast growing channel and a very powerful instrument for brand advertisers.

Percentage of total advertising spend allocated









Already using audio advertising

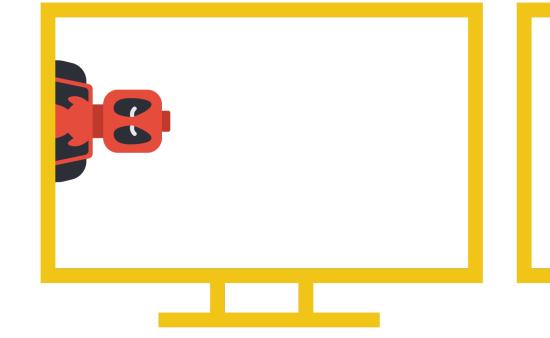


**Already utilizing** capabilities of programmatic audio

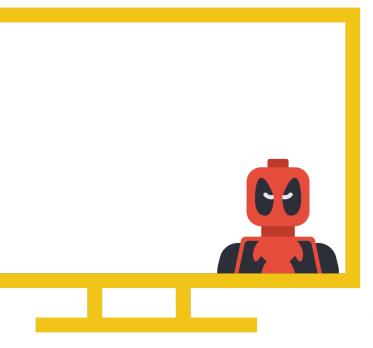
## **Programmatic TV**

Traditional TV ads are no longer efficient. Launching an ad campaign on TV takes a very long time because almost everything is done manually. Programmatic TV allows brand advertisers to make this TV buying process automatic. Although Programmatic TV offers new tools for branding campaigns, it is still quite new and not yet fully developed. The main disadvantages include costs and limited number of networks. Nevertheless, branding advertisers are able to buy local affiliates, cable and satellite companies' inventory, and target audiences that they can't reach through traditional TV buys. Programmatic TV is easier to monitor and get real-time or near real-time insights and optimize your campaign. As a result, brand advertisers will benefit from higher returns on investments in perspective.

### Here's how programmatic TV advertising looks on SmartTV screens







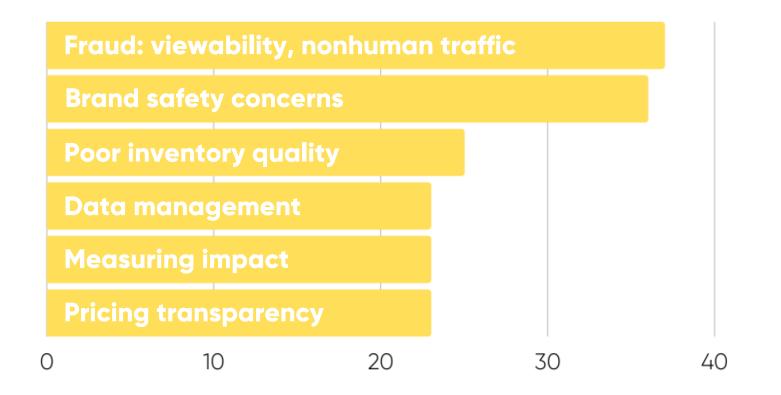


### **Obstacles to brands**

Many digital marketers are interested in using programmatic advertising for branding because of these key benefits and its omnichannel approach, but some of them remain somewhat skeptical – they faced key challenges in the programmatic space while the initial access process to every online consumer across thousands of sites seemed like a fine fit for brands trying to drive awareness and improve brand equity.

The most common challenges are Brand Safety, Fraud, Viewability and Measuring impact of the campaign, according to the eMarketer <u>report</u>.





The good news for marketers is that over the last five years, a lot of new technologies were established to solve branding advertiser anguish that allow programmatic to become an environment where their campaigns can thrive.

## **Brand Safety**

Brand reputation is really important for every advertiser. However, branding marketers don't have to worry about their ads showing up alongside objectionable or offensive materials such as racist, pirated, hate speech or adult content while using programmatic.

Programmatic platforms can minimize the possibility of your ads being run in an unsafe environment by using their own brand's safety technologies, external audit systems like Campaign Manager, and creating black and white lists of inventory where advertiser's ads may or may not be shown.

Through efforts to mitigate brand risk and ensure safety in a programmatic environment, more brands are implementing extensive whitelists and blacklists. However, stringency over safety results in sacrifice, with over 50% of U.S. advertisers citing lack of scale as one of their challenges when using a whitelist. Context helps. By understanding the desired context of the page in real time, a brand benefits from both safety and scale. Newer contextual technologies maximize the impact of every dollar spent, yielding a higher volume of brand conversions and the potential for new customer acquisition. They assure immediacy, relevance, brand safety, and insights, and can increase reach while preserving targeting.



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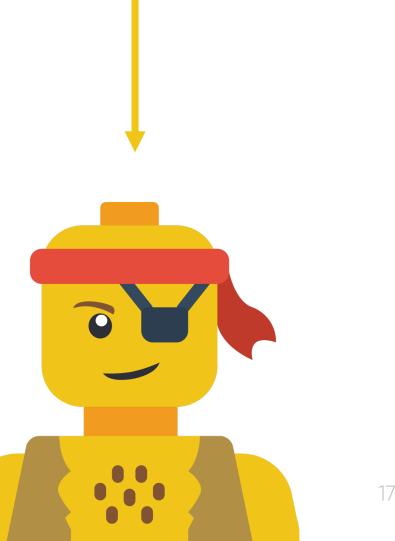
### Nonhuman traffic

Fraud affects all digital marketing by creating not real traffic. While increasingly more ads are traded programmatically and systems of fraud verification still aren't in full swing, there are a lot of brand advertisers that have faced bots instead of potential customers.

Some of the most popular types of invalid traffic are clicks-fraud (when a banner suddenly appears where the user should have clicked, it is very widespread in search and mobile advertising), artificially inflated impressions, and random and repeated clicks. Another type of fraud is Ad-Stacking. This is when multiple banners or videos are placed on top of each other in the same ad space. Since the user can't see that they are stacked, the advertiser pays for false impressions.

The good news is that programmatic platforms can fight fraud with the help of their pre-bid solutions that block the generation of a bid to an impression identified as fraudulent. With each passing year, these technologies become more and more elaborated. Coupled with black/white lists and the usage of external audit systems like MOAT, IAS or DoubleVerify, you can significantly minimize invalid traffic and unnecessary waste of time and money. This is Jack Sparrow, Capitan Jack Sparrow, he has a brand of rum. Jack wants to increase brand awareness but he doesn't want to use programmatic because he is afraid of fraud





## Viewability

Viewability is another issue that concerns every advertiser. The main problem with viewability is that the advertiser may pay for the inventory, but his ad will not appear or will appear for too short a time. For them, it would be a waste of money.

It's hard to completely prevent such situations, but now when advertisers are aware of this issue, they develop better standards around viewability and require regular reports from their partners. According to the Media Ratings Council (MRC) and Interactive Advertising Bureau (IAB), the industry <u>standard for viewability</u> is to have at least 50% of its pixels in view for at least one second (for video, 50% of a player must be in view for at least 2 seconds). It isn't so much that an ad was viewed, but that it had the opportunity to be viewed. It helps our clients to make sure that their ads were not just broadcast on the site, but the user actually saw them in the visible area.

Some advertisers also use viewability as a currency, it means that they pay only for fully viewed videos or ads that were seen by their potential customer for a specific period of time.



62%

Average Viewability Rate for Mobile App Video

Average Viewability Rate for Display across Channels

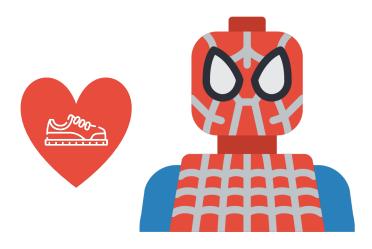
Average Viewability Rate for Video across Channels

## **Measuring impact**

Over the past five years, measurement technologies have been modified as well as cross-device measurement solutions and it is now significantly easier to track control/exposed consumers online and across devices, and identify campaign impact on brand equity.

Brand Lift survey allows measuring the impact of digital advertising campaigns aimed at brand recognition growth. Brand Lift is an automated tool which helps to assess brand or product recognition among specific target audiences before and after your advertising campaign, and thus to assess the impact of advertising campaigns on brand indicators like awareness, ad recall, and brand interest.

This measurement technology helps to analyse how customers' attitudes have changed after the campaign and to assess its efficiency. By comparing the level of brand awareness among the audience that hasn't seen your ad and the audience that has, you will be able to measure campaign efficiency on your brand.

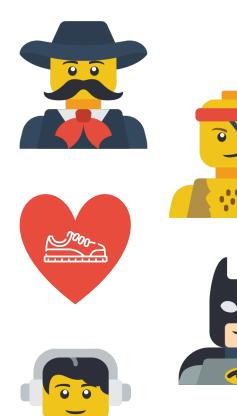






### Before Brand lift

### After Brand lift



## Get started now!

Do you want to be as cool as he is?



Contact us: info@nt.technology

As you can see, programmatic is a very efficient tool for branding. Improvements in technology, measurement, brand safety, inventory, and delivery have opened up a host of new strategies that branding advertisers can use to build successful campaigns.

At NT, we provide programmatic solutions for brands to engage their potential consumers across Display, Mobile, Video, Audio, TV, and Social. We can power your success with unique data for precise targeting, a wide range of advertising formats, cross-device synchronization and fraud detection solutions. Through our years of experience and advertising technologies powered by deep learning algorithms, we help advertisers achieve their branding goals across all channels to attract the right audience, with the right message at the right time.

The biggest market players are already using programmatic in their branding campaigns. You should try it too, and we can help you with that. See for yourself how it can take your ad campaign to the next level!

