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PROGRAMMATIC MEDIA BUYING
for B2B

INTRODUCTION

Are you using automated methods to buy media? If not, then maybe you're falling behind. Programmatic advertising is still growing and evolving, and companies from all industries and of all sizes are taking advantage of it. Previously, programmatic was used only to display advertising through a desktop view (mostly website banners). Today, it has found its way into almost every type of touchpoint and channel—including video, social, native advertising, mobile, connected TV, and even over-the-top (OTT) media.

Programmatic buying is the practice of buying digital advertising space automatically, with computers using data to decide which ads to buy and how much to pay for them. It allows hyper-granular targeting and bidding on each user, thus holding the potential to significantly improve the ROI of campaigns.

Designed to replace human negotiations with machine learning and AI optimization, its goal is to increase efficiency and transparency to both the advertiser and the publisher.

Those who are proactive in adopting—and developing—this technique will fully take advantage of its growth. However, this leap into the future comes at a price, especially today, when marketers need to balance consumers' need for privacy with the benefits of targeting and personalization.

Programmatic can be complicated and costly if done inefficiently. Here are **10 best practices** in the field, designed to help you to succeed in your programmatic efforts.

#1. Have an internal champion

There's one thing that everyone with programmatic experience seems to agree on: it requires a significant shift in thinking within the marketing department of the company considering it. For example, programmatic buying requires a high degree of "loosening"—sitting back and allowing computers to do their job without human intervention (this is covered in more detail later in this document).

The same applies to management, especially in companies where executives keep a close eye on every aspect of the business. It is essential to have someone internally who concurrently acts as an advocate of the practice and supervises it. Even with companies that work with external partners or agencies, having someone serve in a similar capacity is invaluable. This person would not only act as a change agent supporting the internal shift in mentality but also serve as the point-of-contact for the external partners and the decision-making authorities for the programmatic efforts of the company.

#2. Understand the basics

There is no other type of advertising that comes close in allowing such high levels of scalability and granularity at the same time. In programmatic, you can achieve this through the use of algorithms, which makes the field seem complicated and inaccessible.
However, the basics are simple enough to be grasped by non-technical marketers.

Understanding these basic concepts is essential for those who want to engage in programmatic advertising.

Here are the steps of the process:

Step 1: When a viewer lands on a website that uses programmatic advertising, it starts the automated bidding to serve an ad to this particular viewer.

Step 2: The publisher lists the ad space for this viewer on their supply-side platform (SSP). The SSP acts as the seller for the publisher, letting advertisers know the characteristics of the site, user, and ad space that allows the Demand-Side Platform (DSP) to make their bid. They advertise the product (the ad space) for sale.

Step 3: Once the SSP receives the information on the ad space, it analyzes the user's cookies to determine factors such as their geography, demographics, interests.

Step 4: The corresponding DSP reviews the information on the user provided by the SSP. DSPs act for advertisers to choose ad space that aligns with the advertiser's budget and targeting parameters. It assigns the ad placement a value based on the website and user's characteristics.

Step 5: On behalf of the advertiser, the DSP makes a bid on the ad placement. All this happens in real-time—real-time bidding (RTB).

Step 6: The SSP will then pick the winner. There are different bid strategies out there for different SSPs: waterfall bidding, client-side, and header bidding. Header bidding is widely considered the most efficient and fair.

Step 7: Once the winning bid is picked, the SSP displays the ad to the user on the publisher's site. This entire process happens in milliseconds while the page is loading for the user.

Marketplaces and types of auctions

➤ **Real-time bidding (RTB)** refers to the process of conducting a per-impression auction for given ad space. It happens in the time it takes to load the page where the ad will be displayed. Real-time bidding is the basis of programmatic advertising.

➤ **Programmatic direct** removes the auction element but keeps all other aspects of programmatic buying. Thus, the ad space is guaranteed and negotiated directly between the seller (publisher) and the buyer, while incorporating both the advanced targeting and measurement that make programmatic so efficient.

➤ **Open auction** is a public RTB process in which any seller and buyer can participate.

➤ **The private marketplace** occurs when one (or more) publisher(s) may choose to organize an invitation-only RTB platform where they will only invite a select number of buyers.

Agents

➤ **Demand-side platforms (DSP)** allow buyers to gain access to a multitude of advertising inventories to control and monitor their campaigns from a centralized location.

➤ **Supply-side platforms (SSP)** help publishers keep track of and manage their advertising inventories effectively.

➤ **Ad exchanges are the places where buyers (through their DSPs)** and sellers (through SSPs) meet. These platforms facilitate the process through the use of automation and auctions.

➤ **Data management platforms (DMP)** are data warehouses that store vast amounts of (anonymous) data about users. DMPs add value by using the information provided by SSPs to help buyers improve their targeting and performance.

#3. Plan strategy according to business goals

Marketers need to pay very close attention to their strategy because experimenting with programmatic buying can turn out to be very costly. They need to align the programmatic initiative to the overall business strategy and not just to short-term advertising goals. Moreover, the comparison with business goals allows companies to have a better understanding of ROI.

For example:
Marketers use Cost Per Action (CPA) as a universal measure in digital advertising, including programmatic. However, its efficiency as a guide is not always reliable. Here are some cases in which other KPIs might be more relevant:

➤ When there's a business model built on customer engagement and retention (e.g., most subscription businesses), CPA might be low for such campaigns. However, the company might still be seeing a little benefit. Comparing and optimizing against a metric such as Customer Lifetime Value (CLV) would be much more relevant in these cases.

➤ When entering a new market, CPA may appear high, but there is no way to include the effect advertising campaigns have on improving brand awareness. One way to take this into account is to look at the economic effect future customers will have.

In general, tying programmatic campaigns to the overall business strategy and metrics has the potential to improve ROI significantly. And it's not just an exercise in manipulating statistics, but a real business instrument which allows managers to achieve the best results for their companies.

#4. Provide and demand transparency

It is not uncommon for businesses engaging in programmatic buying to employ the services of multiple DSPs to guarantee they get the most significant possible return on their investment.

No matter whether a company decides to work with just one or with multiple partners, they always have to make sure they provide and receive, in return, the highest level of transparency. That way, all parties in the relationship get to benefit from free-owing information.

With transparency, teams can understand how their campaigns are structured and make sure they get the best result for their money. Additionally, it allows them to provide feedback on the structure of the campaign and avoid simple—yet costly—mistakes.

For agencies and DSPs, getting timely information from their clients means they can optimize their campaigns and achieve better results. It's more useful to provide transparent information about the performance of each partner. Thus, each agency/DSP can try to improve their execution to stay competitive. The client gets the best outcome possible.

#5. Combine all types of buying in the overall strategy

No auction is better than the other. To reach maximum effectiveness and place your creativity in front of all types of customers, you have to integrate various marketplaces in your strategy.

The most effective marketers integrate RTB in open and private marketplaces along with direct programmatic inventories in their campaigns. This powers the ability to execute campaigns with different end goals: identifying new audiences (prospecting), building trust (nurturing), or reaching existing audiences (retargeting).

#6. Run campaigns along the entire funnel

An important process experts plan and execute is running campaigns along the entire funnel—from prospecting to nurturing and retargeting. This way of buying media generates multitudes of data and dramatically increases the speed by which the algorithms learn and improve their efficiency.

Splitting the funnel into stages and dividing these between different DSPs usually turns out to be inefficient and costly as it deprives each partner of the 30,000-foot view of the landscape in which their campaigns take place.

#7. Use programmatic for testing

The high speed and large scale of programmatic make it great for testing every aspect of digital media campaigns. Savvy marketers know how to use all the big data created in the process of programmatic buying.

Testing programmatic display creatives is the most obvious way to apply this practice. To test smarter, identify the key value proposition on static or less complex banners first, then experiment with more complex and interactive formats.

Layout, color, image, and copy are excellent targets for this kind of test. Since context is critical to the success of any programmatic campaign, seeing how various creative assets work in different settings is also essential.

However, programmatic is also excellent for experimenting with strategic aspects. For example, companies can relax their criteria when targeting audiences to discover new customer segments that they have not been aware of so far.

#8. Trust the machine

Relying on machine learning is the basis of programmatic buying. There is no alternative to computing power in this type of marketing due to its high-speed and high-volume nature. That is why marketers need to liberate themselves from their instincts and let machines do their job.

Interrupting with manual input prevents algorithms from learning and improving their performance, and, as a result, hurts subsequent runs of the same campaign.

Another benefit of trusting the algorithms is their ability to discover new information, as we already discussed in the previous section. However, they can achieve it if marketers are ready to relax their criteria and allow for the learning to happen.

#9. Combine data with manual input

The high scalability of programmatic works both ways—it has the potential to multiply significantly positive findings, but mistakes can be very costly. So the most skillful experts always keep a close eye on their operations to be able to take action if something goes amiss.

Leaving it to the algorithms doesn't mean marketers cannot keep a reasonable degree of control without affecting the process of machine learning. For example, in a B2B environment, campaigns can be customized to stop running on weekends or avoid specific channels, such as Facebook, altogether.

We have already mentioned the benefits of testing all aspects of programmatic campaigns. However, we should clarify that experimenting with various elements that are known to be unproductive is a waste of money—and with programmatic, each such failed trial can be very costly.

#10. Find reliable partners

Not all DSPs are created equal. There is a considerable degree of variability among them all, including how sophisticated, transparent, and ultimately how effective they are. When choosing a DSP, marketers should always consider the following aspects:

Inventory. The number of publishers offering ad space is almost infinite, and most large DSPs have established relationships with the biggest and most attractive ad exchanges. However, it's always good to know beforehand what access your potential partner can provide.

Optimization. Does the platform offer scalability? Is it based on line items, or does it allow dynamic and flexible allocation of resources for best results?

Hyper-Granular Targeting. What level of targeting does the DSP offer? Is it possible to use cookies to retarget across the whole breadth of the inventory provided by the DSP? Does it enable brand-safe, hyper-relevant targeting?

Data Marketplace. Do they have access to 3rd party data overlays? Without additional 3rd party data, any campaign will be much less effective, costing companies valuable resources in running learning cycles.

Predictive Audience Learning. Does it enable studies of audience behavior, anticipating customer needs, and increasing click-through rates?

Platform Costs. These tend to be variable based on how much you're ready to spend. Most DSPs include their fee in the CPM costs, and agencies add their compensation on top of this number.

Support. For marketers who are just getting started with programmatic, support will probably come from a partner agency, helping with the setting up. It's also important to know what level of assistance the DSP has to offer and if there is an additional price associated with it.

Reports. Marketers rely on data to optimize their programmatic campaigns. Extensive, granular, and timely reports—which you can export in a format suitable for further analysis—should be one of the leading concerns when choosing a partner. Finally, while all these technical details are essential, businesses should also be interested to learn about the efficiency of their potential partners.

What's your win rate? We're talking about the ultimate measure when it comes to the performance of a buyer-side platform. All advances in the use of technology, algorithms, and 3rd party data amount to better win rates for the end buyer.

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Next steps

Programmatic buying is becoming the norm in digital advertising buying. It opened a whole new world of opportunities for businesses of all sizes.

At the same time, programmatic buying can be daunting to the inexperienced observer. Even worse, if done incorrectly, it can turn out to be extremely expensive, producing low ROI. That is why we collected the best advice on getting started. The practices presented in this whitepaper are a good starting point that will save companies from making the worst blunders.

The real programmatic success is the result of a complicated process, which takes serious effort. It is essential to find at least one trustworthy partner who can help you avoid the underwater rocks.

If you are interested in programmatic buying and would like to explore ways in which it can help your business, please do not hesitate to get in touch with INFUSEmedia. We would be happy to provide advice and help you get started with your programmatic campaign.

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Alexander Kesler is a visionary B2B digital marketer with over 20 years of experience. Focusing on solutions for B2B demand generation, digital marketing, ABM, intent, and AI-driven lead generation, among others, Alexander embraces innovation and turns concepts and methodologies into products and marketing programs that drive ROI.

As Founder and CEO of INFUSEmedia, Alexander leads a global team that executes campaigns across all industries and company sizes. He leads all facets of global marketing, including go-to-market strategy, demand generation, vertical marketing, data management, field marketing, pricing, retention, analyst relations, product management, inside sales, and sales enablement.

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