Advertising Industry
Overview
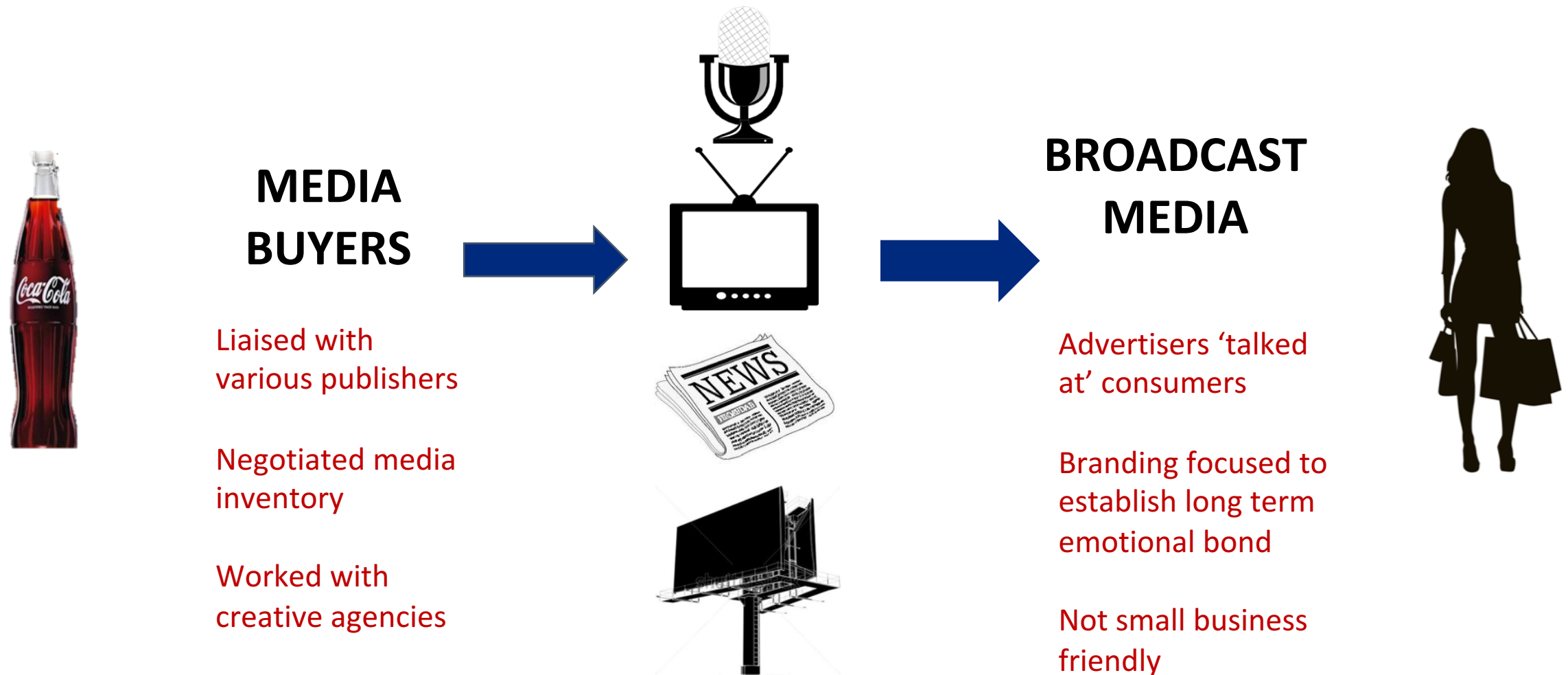
MEDIA BUYERS

Liaised with various publishers

Negotiated media inventory

Worked with creative agencies

BROADCAST MEDIA

Advertisers 'talked at' consumers

Branding focused to establish long term emotional bond
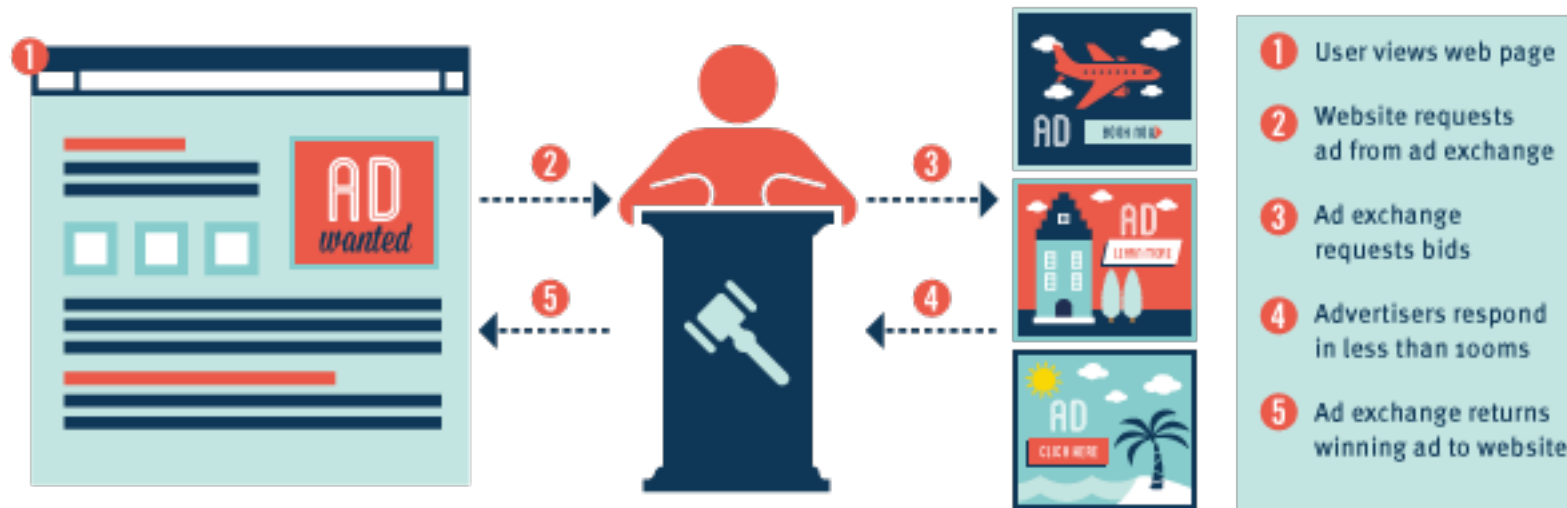
Not small business friendly
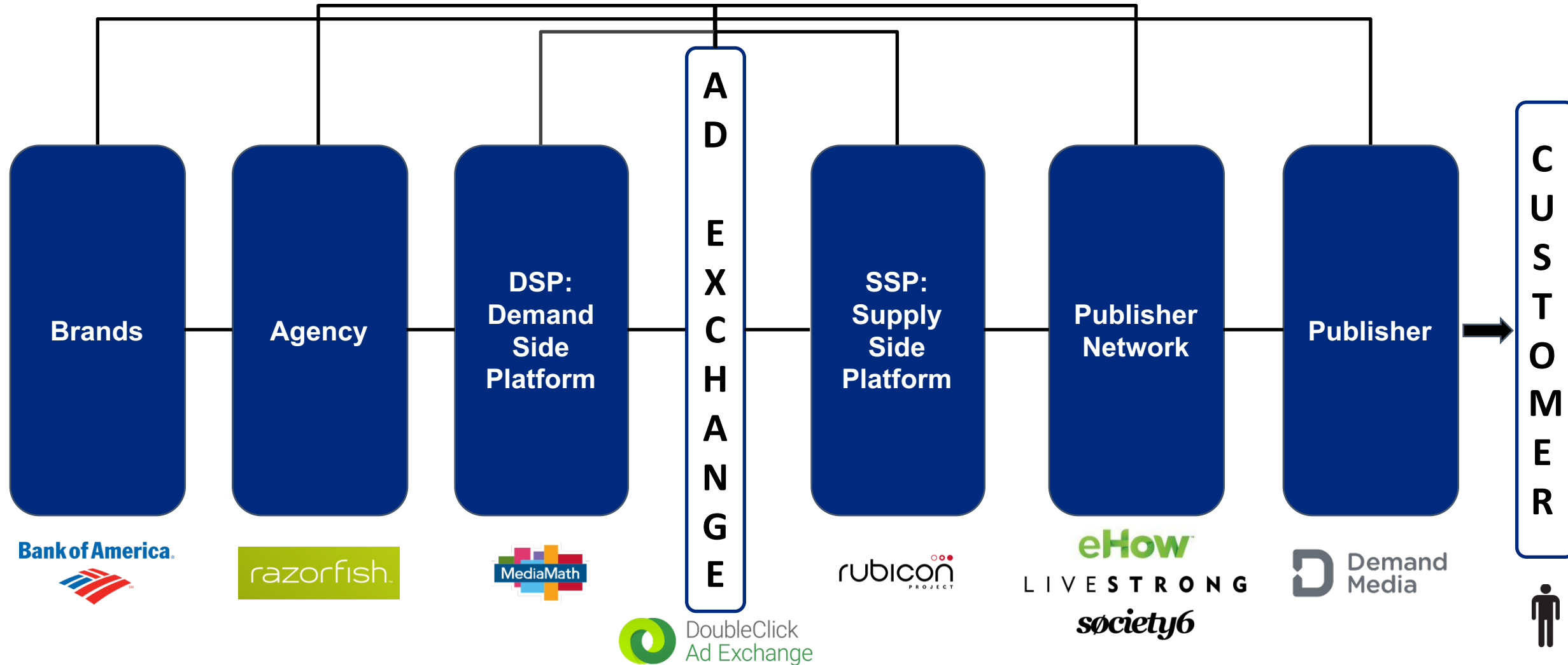
Overview

In the early days of internet advertising, all display ad inventory was bought up-front at pre-agreed rates and pre-agreed places, much like TV, Radio and press. This then evolved to a CPM model where inventory was bought in chunks of 1000. This made measurability easier across different websites. A media planner would look at the Client's objective and she'd roughly know which websites to place the ads on. The explosion in the number of websites you could put ads on made this model of buying inefficient. You could simply not fit all relevant ad spaces across all websites into your media plan, you could miss out on a number of smaller websites that could really add power to your campaign. This gave rise to ad networks - Ad networks would go to all the websites, small and big and accumulate inventory from them and make them accessible to media planners. The problem with this model was that there was no control over where your ads were placed and no data about what impressions you were getting which meant you could not optimize your campaigns. This kind of blind advertising made media buying far from being an exact science

The Solution

Programmatic Buying and Real Time Bidding has solved this problem. A technology called Demand Side Platform provides a single view of the internet and where you could be placing your ad. It also enables you to move at looking away from websites and its context as a proxy for audience behind it. The technology evaluates each visitor together with each individual impression to get precision targeting.

1. User views web page
2. Website requests ad from ad exchange
3. Ad exchange requests bids
4. Advertisers respond in less than 100ms
5. Ad exchange returns winning ad to website

How it Works

When a user visits a webpage that has an impression available, that webpage will call the ad exchange or a 'Supply Side Platform', The ad exchange appends some information to this impression, such as time of day, day of week, the site, the browser, information about the user's computer etc. This is integrated with some additional third party information about the user and the SSP announces this impression. The DSPs keep listening to this and make decisions based on the requirements you specify in your campaign. You could specify demographics of a user, or use data from your website to retarget if the current visitor previously visited your site or data from your CRM to identify if the visitor was a previous customer and cross sell to him. All this is done in real time within a few ms and the ad is routed to the webpage where it is displayed to your target user. This process is called **Real Time Bidding**.

Why Programmatic?

RTB enables advertisers to place bids only on those inventory which is best for their campaign. Impressions are bought on an individual basis which means paying only for the impression which is relevant for the campaign.

Publishers can reach out to more advertisers: Ad Exchanges in RTB enables publishers to reach out to lot more advertisers. This ensures that publishers make most of their inventory by selling it to the highest bidder.

Future of Programmatic Advertising

Programmatic ad spending surpassed $22 billion in 2016. In other words, more than two thirds of all display advertising spend was through programmatic buying

Mobile programmatic ad revenue will reach $9.3 billion this year according to eMarketer, and marketers in the U.S. cite mobile as having the most opportunity for programmatic buying. Both Facebook and Google have led this change, as their advertising products are programmatic