From Pixels To People

A Programmatic Pioneers Report

"It is an exciting time for any advertiser as they really start to shed light on the messages, campaigns and tactics that are working for them, regardless of device or channel."

- Phil Macauley, Vice President
Global Sales at Quantcast

# What's Inside

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INTRODUCTION

Online marketing is in a state of flux. The shifting landscape is being rocked by factors as diverse as fraud and ad-blocking software. In this environment brand marketers face a myriad of challenges as they compete to reap the potential benefits offered by unprecedented market access. Great brands are built and optimised over decades. Now, with greater emphasis placed on online, marketers now have the ability to analyse and optimise in real time. This shift has not only provided benefits, but has also presented several hurdles. How marketers are dealing with these was the subject of our recent research.
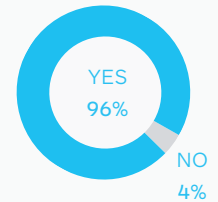
We interviewed 100 senior marketers from some of Europe's most well known brands, to find out how they are responding to these tectonic shifts.

All interviews were conducted by telephone appointment in February 2016.

Location of Respondents

UK	70%
Germany	15%
Denmark	5%
Norway	2%
Sweden	5%
Finland	3%
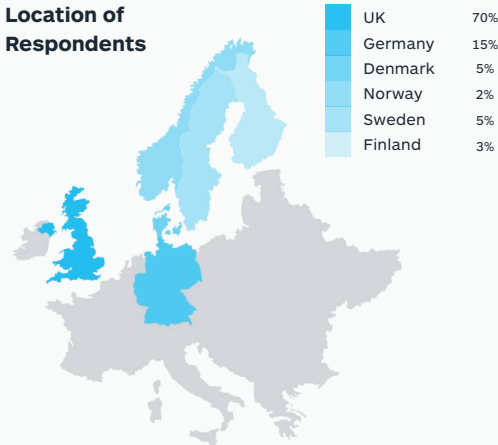
Do you run campaigns across multiple digital channels?

YES 96%

NO 4%

Respondent's Industry

30%
30%
30%
10%

Brands
CPG's
Others
Retail
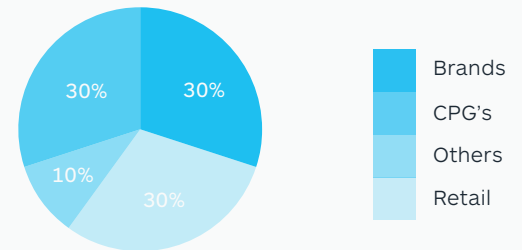
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THE DIGITAL LANDSCAPE

"*The digital ad landscape continues to rapidly evolve. Traditional ads and creative used to take centre stage – but advertisers are becoming increasingly aware of the scope which programmatic advertising offers.*

Plenty of data and technology is already available to buy in real time, and can deliver much more relevant advertising to consumers than is available via conventional means. However, the key to doing this effectively is to employ the right programmatic tools and strategy. We are now at a point where data can be used proactively (in real time) rather than retroactively within the planning process. We can measure entire consumer journeys rather than just the last touch point. It is an exciting time for any advertiser as they really start to shed light on the messages, campaigns and tactics which work for them, regardless of device or channel.

We surveyed 100 executives about their feelings on programmatic advertising, including the investment they plan to allocate to it over the next few years, how confident they are in implementing it, and what barriers they face in their organisation.

We think a lot of progress has been made in the level of understanding around programmatic; however, there's still more to do – education is key to driving new technology. Over time, as consumers look for a better online ad experience, we believe programmatic advertising and the benefits it provides will prove to be a crucial part of every advertiser's strategy."

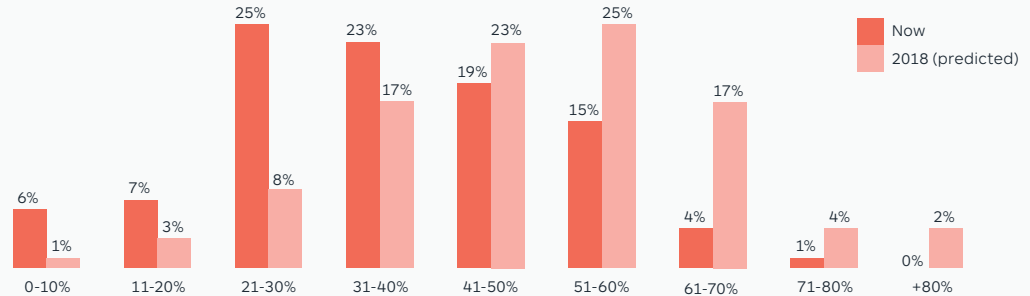**-Phil Macauley**
Vice President Global Sales, Quantcast

Profiling

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Programmatic spend vs. predicted programmatic spend in 2018

It's clear that a healthy portion of digital budgets are already being spent programmatically. But as the attractive shape of this graph suggests, these investment levels are only set to grow over the next two years.

> "*The more you invest in programmatic, the more you see in return for your investment. It is also likely that those who invest more also have a better understanding of digital, so 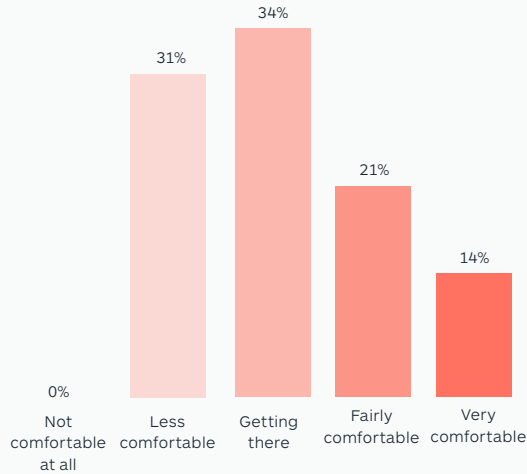will understand the potential benefits to the bottom line. However, the data suggests a significant chunk of marketers still don't view programmatic as an investment focus, and are not recognising its impact on driving marketing efficiency.*"

-Phil Macauley
Vice President Global Sales, Quantcast

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How comfortable are you about executing programmatic campaigns?

0% — Not comfortable at all
31% — Less comfortable
34% — Getting there
21% — Fairly comfortable
14% — Very comfortable

"That such a large percentage of respondents are on the lower scale of confidence does not come as a huge surprise. Programmatic is still a relatively new discipline within the broader set of marketing disciplines, and is a term that is often misunderstood. Marketers can make strides to overcome these challenges by falling back on solutions designed to deliver increased measurement and accountability, thus enabling them to deliver results back into their businesses."
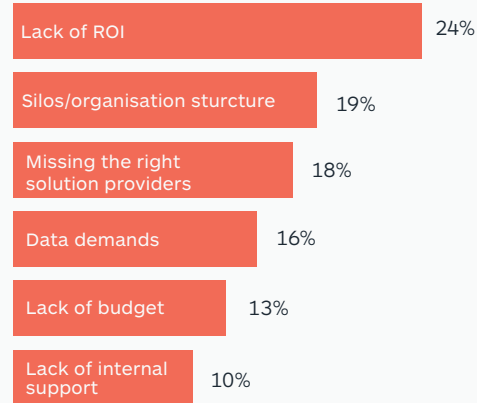
-Phil Macauley
Vice President Global Sales, Quantcast

65% of brand marketers feel they are at best 'getting there' in terms of executing programmatic campaigns. Clearly more education is needed – programmatic isn't a one size fits all approach.

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What's stopping you from using programmatic more?

Lack of ROI — 24%

Silos/organisation sturcture — 19%

Missing the right solution providers — 18%

Data demands — 16%

Lack of budget — 13%

Lack of internal support — 10%

The problem with digital marketing is because it's so accountable it's made extra accountable. Understanding how top funnel marketing affects conversion is still a muddy area and solving this going to be key in 2016. Silos/organisational structure comes in second and cemented by the very nature of how marketing departments are set up. To run a successful campaign brand marketers have to understand how different teams influence the customer on the path to purchase, this web of interaction starts to show itself when attribution sheds light on just how connected the different marketing functions are.

"*Most businesses with the budget to go programmatic find the biggest barrier is a lack of ROI. This isn't a new barrier for marketing budget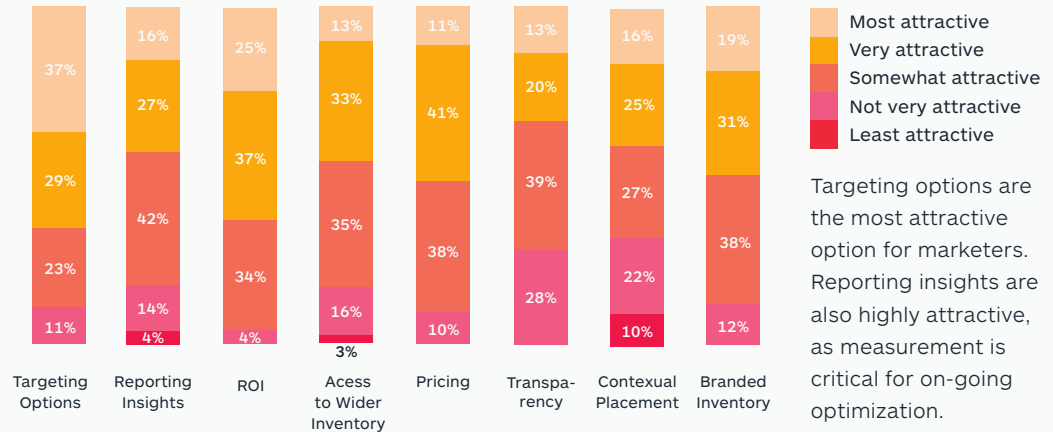s, but is a question that programmatic* *needs to answer. Lack of internal support scored low, which is a good sign and shows that the need for a programmatic approach is broadly understood within these organisations.*"

-Phil Macauley
Vice President Global Sales, Quantcast

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What attracts you most about programmatic marketing?

Legend:
- Most attractive
- Very attractive
- Somewhat attractive
- Not very attractive
- Least attractive

Targeting Options: 37%, 29%, 23%, 11%
Reporting Insights: 16%, 27%, 42%, 14%, 4%
ROI: 25%, 37%, 34%, 4%
Acess to Wider Inventory: 13%, 33%, 35%, 16%, 3%
Pricing: 11%, 41%, 38%, 10%
Transparency: 13%, 20%, 39%, 28%
Contexual Placement: 16%, 25%, 27%, 22%, 10%
Branded Inventory: 19%, 31%, 38%, 12%

Targeting options are the most attractive option for marketers. Reporting insights are also highly attractive, as measurement is critical for on-going optimization.

> *"It's exciting to see that targeting is the most attractive element of programmatic advertising, according to respondents. This shows a fundamental understanding of what program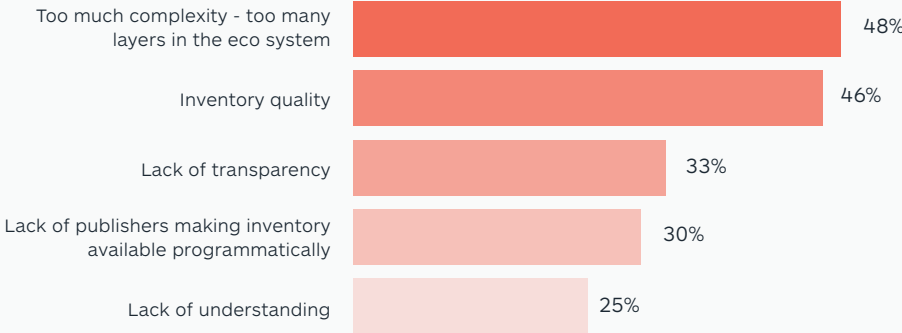matic can offer – a targeted campaign that follows the user journey in the most pragmatic way possible. Also scoring high in attraction was pricing, meaning the model in the market is currently working for marketers."*

-Phil Macauley
Vice President Global Sales, Quantcast

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What are your biggest challenges as a programmatic marketer?

Challenge	Percentage
Too much complexity - too many layers in the eco system	48%
Inventory quality	46%
Lack of transparency	33%
Lack of publishers making inventory available programmatically	30%
Lack of understanding	25%

The complexity of the ecosystem is a huge challenge and as the tech evolves, so the number of new players entering the market increases. Sharing information and knowledge is so important for marketers who want to take full advantage of what automated buying can offer. Inventory quality comes in at a close second, but just like beauty, quality is in the eye of beholder.
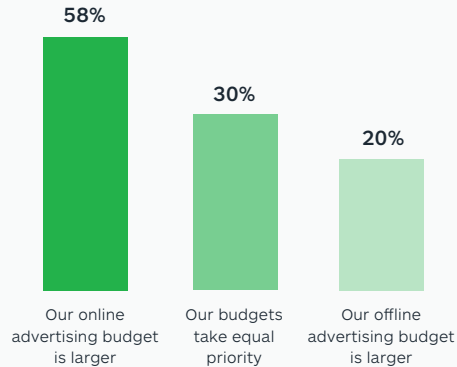
Set-Up

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Online advertising vs. offline advertising budget

58%

30%

20%

Our online advertising budget is larger

Our budgets take equal priority

Our offline advertising budget is larger

50% of brand marketers have higher online advertising budget than offline, perhaps some of that TV money has finally moved. Of course, a clear line can be tracked through programmatic from investment to ad, customer, and conversion, and thus providing evidence to demonstrate ROI – something that can be very difficult in conventional advertising, like TV for example.

How much of your web traffic is on mobile?

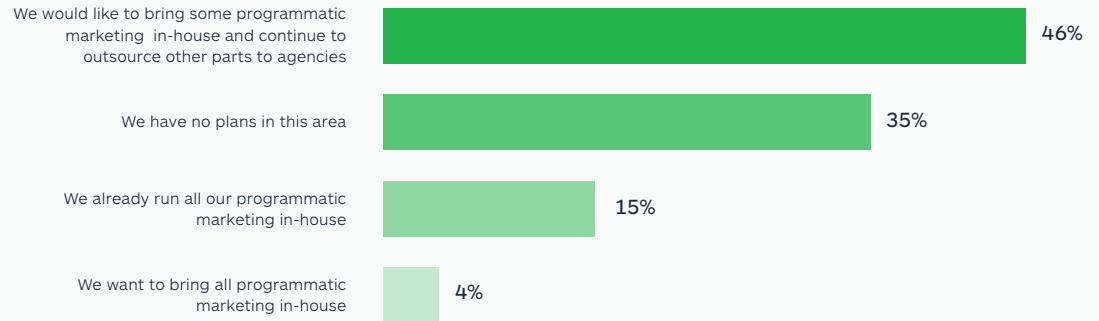|	
0-20%	4%
21-40%	28%
41-60%	36%
61-80%	26%
81-100%	4%

Mobile isn't the future, mobile is now. According to these results 30% of brands are seeing up to 61% or more of their web traffic on mobile – and this is projected to continue growing.

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Do you have any plans to bring your programmatic marketing in-house?

We would like to bring some programmatic marketing in-house and continue to outsource other parts to agencies	46%
We have no plans in this area	35%
We already run all our programmatic marketing in-house	15%
We want to bring all programmatic marketing in-house	4%

Over half of brand marketers said they plan to bring programmatic marketing in-house or already are. The most popular reason for doing this was to gain more control over strategy and planning, other reasons included cost savings, transparency and protecting/ understanding data.
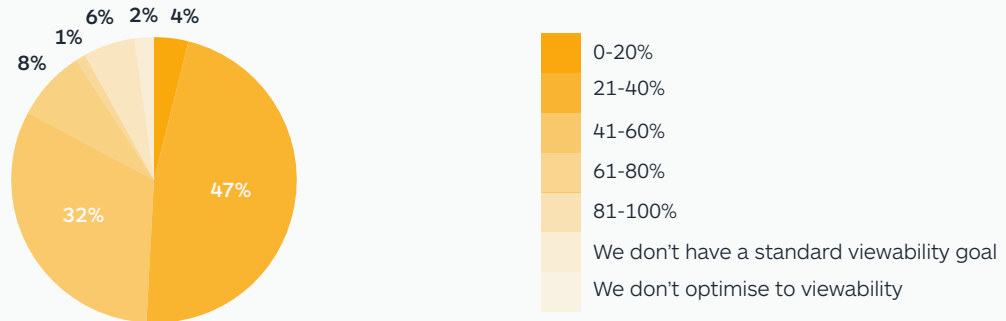
Ad-Blocking, Viewability & Attribution

Do you have a standard viewability goal for your campaigns?

- 0-20%
- 21-40%
- 41-60%
- 61-80%
- 81-100%
- We don't have a standard viewability goal
- We don't optimise to viewability

"
"Nearly half of respondents have a viewability goal of up to 40%. High viewability goals are partly due to a fundamental misunderstanding of what viewability truly means today. Viewability goals are beneficial to ensure quality of inventory,
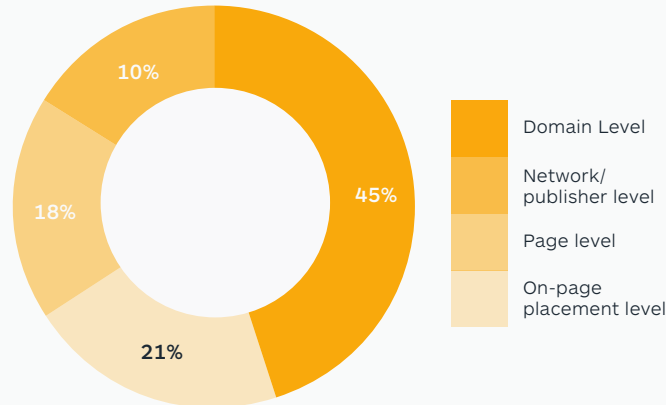
but if viewability goals are set too high, valuable inventory can actually be ignored, and the cost of a campaign can end up doubling."

-Phil Macauley
Vice President Global Sales, Quantcast

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What level of visibility do you have over where your ads are shown?

- **45%** Domain Level
- **10%** Network/publisher level
- **18%** Page level
- **21%** On-page placement level

A significant percentage of brand marketers (45%) know what domains they are buying, but only 16% understand exactly where that ad manifests.

> *Nearly half of respondents feel they have domain-level visibility into their campaigns. This is not necessarily a bad thing,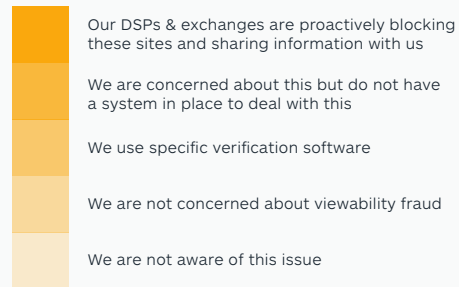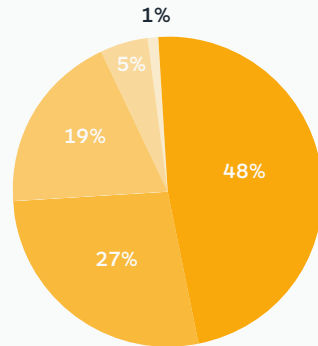 and telling of the way programmatic campaigns currently work. However, further visibility could potentially provide marketers with a better understanding of programmatic reach.*

-Phil Macauley
Vice President Global Sales, Quantcast

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What are you actively doing to combat viewability fraud?

1%
5%
19%
48%
27%

- Our DSPs & exchanges are proactively blocking these sites and sharing information with us
- We are concerned about this but do not have a system in place to deal with this
- We use specific verification software
- We are not concerned about viewability fraud
- We are not aware of this issue

Almost half of brands are working with their demand side platforms and exchanges to block suspect sites. As the industry is overcoming viewability fraud it shows that sharing of information is key for the programmatic ecosystem to flourish.
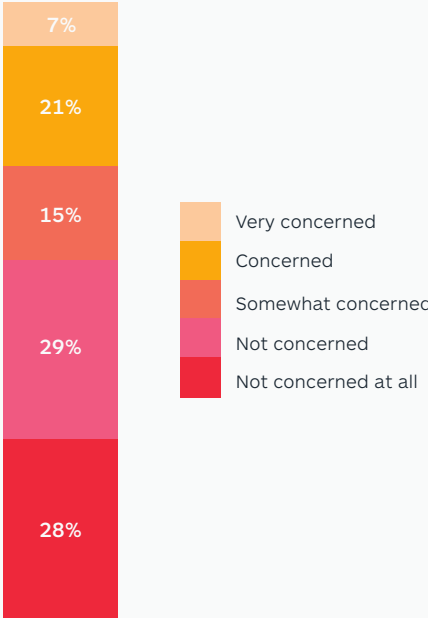
"It is a good sign that an overwhelming majority of respondents are taking a proactive approach to blocking sites where viewability fraud is an issue. Whilst most are using their DSPs and exchanges, others are using specific verification software. Both are a reasonable solution to an ongoing problem, and it's great to see such a minority either unaware of unbothered by the issue."

-Phil Macauley
Vice President Global Sales, Quantcast

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How concerned are you with ad-blocking?

7% Very concerned

21% Concerned

15% Somewhat concerned
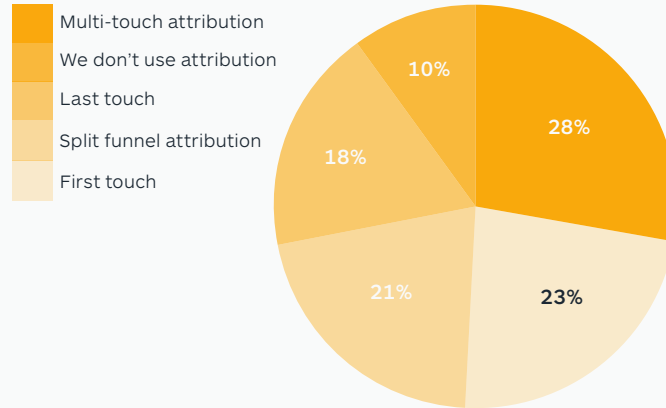
29% Not concerned

28% Not concerned at all

"Despite the media storm around ad-blocking, it seems that most respondents are not all too concerned about it. With the right strategy and the right solutions available to the market, it seems respondents feel in a safer position than before. Placing the right ad to target the right person at the right time is a viable solution to the problem, especially whilst publishers become bolder in their responses to ad-blocking."

**-Phil Macauley**
Vice President Global Sales, Quantcast

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Which method of attribution do you use?

- Multi-touch attribution
- We don't use attribution
- Last touch
- Split funnel attribution
- First touch

10%

28%

18%

23%

21%

Understanding a consumers path to purchase is a complex task, with more touch points than ever attribution paints a picture of how consumers can jump from device to device and from channel to channel. Multi-touch is a the most popular method of attribution, however what is surprising is 23% of respondents not using any method of attribution.

How confident do you feel in measuring the success of your campaigns?

- Unconfident
- Getting there
- Confident
- Very confident

| 5% | 45% | 35% | 15% |
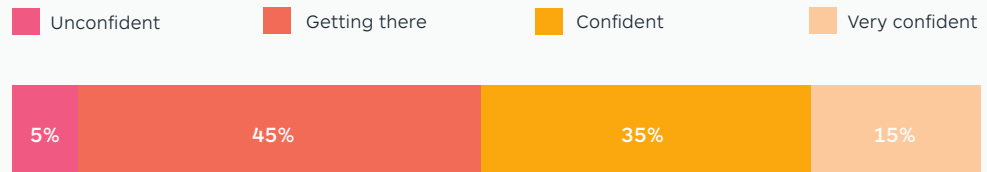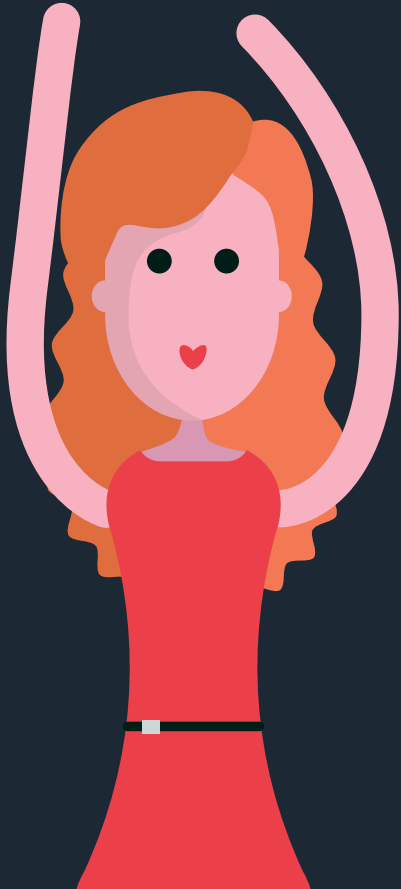
To learn more about Quantcast's advertising solutions, contact us at **EMEA@quantcast.com**