Digital Ad Strategies explained
Programmatic & Native

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Ad strategies explained

The challenges
The opportunities
The problems
The solutions
The examples
Publishers’ Headaches
Publishers' headaches
The commodity trap

Increasing competition causes fast decreasing ad unit prices.

Importance of media brands decreases for advertisers as they shift towards data-driven advertising models.
Publishers‘ headaches

The platform dilemma

The mobile screen is users‘ first choice, but it displays less banner positions than the desktop. Therefore the ad inventory shrinks.
Publishers’ headaches

The data gap

As users rarely log in, or buy content, publishers can only offer little data to advertisers. Even worse, most publishers are unable to attribute additional third-party data.
The opportunities
The Opportunities
Media Usage is
higher than ever

Micro Moments:
Technology drives
media usage, regardless of time
or location. Media usage is now
at to 10 hours per day.
People look for
music, games, news, video, messaging.
The Opportunities
Advertising will not disappear
13,000 ads per day – the number is still rising!
The Opportunities

Storytelling is successful and a home game

People follow stories from their personal reference group rather than products or brands.

Content is publishers home play and delivers the most valuable marketing tools in a time of information overload, including:

- Social marketing
- Search marketing
- Direct marketing
The Opportunities
Advertisers need user engagement & data
Problems with data & programmatic
The idea of programmatic

Automation makes advertising easier:
Buyers (client) find right place and right audience at the right price
Buyers define their audience and willingness to pay
Sellers (publisher) deliver maximum possible information and minimum acceptable willingness to sell (price)
Perfect market: available inventory and general demand match in realtime, pricing reflects perfect market value

As price and product match in milliseconds automatically, both sides have efficiency gains
Programmatic Advertising: the basic setup

- Direct Deal
- Private Auction
- Automated Guaranteed over SSP/DSP
- Open Auction
- Open RTB
- Open Direct
- Automated Guaranteed via Open Direct API

Agency-friendly
Publisher-friendly
Reality of programmatic I

Interest of buyer and seller are not corresponding

Publishers intent to package the audience in bigger pieces, as this increases average revenue per ad flight.

Advertisers want to take a closer look at an audience beforehand, in order not to buy weak ad units
Reality of programmatic II

Technologies are hardly corresponding: Big ad networks (Google, Xaxis, Facebook) are building walled gardens and take few efforts to integrate other systems.

Too many intermediates make the cake smaller for everyone.

There is an ongoing need for strategic adaption, a kind of prisoner’s dilemma as advertisers interact to that.
Private Marketplace (PMP)

Direct Deal
- Deal between client and publisher
- Client takes a 1st Look
- Client and Buyer know each other
- CPM is negotiated and fixed – no bidding
- No guaranteed volume

Private Auction
- Publisher invites a selected group of clients
- 2nd Price Auction via Floorprice
- No guaranteed volume

Automated Guaranteed
- Publisher delivers a certain number of Impressions (capped)
- Client can take them, but has no obligations
- No guaranteed volume

Client friendly: Client has no commitment—picks ad impressions that fits to the campaign
Open RTB

Open Auction

- Publisher can create blacklists
- CPM is negotiated and fixed – no bidding
- No guaranteed volume

Client-friendly:
No commitment, clients picks the ads he needs

Open Direct

Automated Guaranteed

- Adserver Open Direct API - no bidding
- Publisher sells packages and places them in „storefronts“
- Fixed numbers of impressions
  - Client has to buy them
  - Volume is guaranteed

Publisher-friendly:
Client has to pick the ads on offer
Programmatic: Key lessons for publishers

1.) Understand your advertising partner’s technology and terminology – there are 1,900 ad-technology providers.

2.) Clear price strategy: do you want to optimize revenues short- or longterm? How deep is relation to advertisers?

3.) Do not underestimate human effort: if you want to maximize monetization, you might even increase staff.

4.) Train your team: it’s all about information & technology, expertise will make huge difference in terms of revenues.

5.) Close all holes: outsourcing sounds good, but as soon as you do, revenue drivers & sales competence slips away.
SSP und Adserver 2 Systems: Sequential Adserving

First all direct sold campaigns are served, RTB follows. For a network like styria digital one, this is very complex.
SSP & Adserver integrated: Holistic Adserving

Decision on the individual ad impression, if needed for RTB or if it will be directly sold. Better optimization of revenues.
SSP & Adserver integrated: Holistic Adserving + waterfall

Additional SSPs are added, to reduce the unsold inventory
Learnings for styria digital one

1.) Go „fullstack“, meaning that the marketplace is integrated part of adserver, otherwise you pay much and loose inventory

2.) Everyone is learning, everyone makes mistakes

3.) You can‘t be successfull in programmatic if you do it on the fly – it needs your full attention - much will go wrong

4.) Make sure you have a stable basic demand for your inventory to lift prices in the auctions

5.) Don‘t believe all the promises of technology providers – it won‘t work automatically, you need time to fix bugs

6.) Keep setup simple, it‘s better than being a front-runner
Challenges with native advertising
Basic idea of native advertising

Native Advertising is about distributing high-end, engaging content, that is sponsored by advertisers, clearly labeled and integrated into the editorial content from a visual and storytelling perspective.

What you do: Adapt the advertising content to the storytelling techniques and language of the publisher and its target groups.

Be aware: the advertising has to create clear benefits for the users.

What you need: native advertising units that work as teasers and lead to the native ad content.
Our chance: Advertisers are a bit lost
Everybody does content marketing, but only few advertisers have a strategy

- 76% use content marketing as part of their communication
- 38% have content marketing effectively implemented in their organisation
- 43% know what an efficient content marketing strategy looks like
- 37% have a documented content marketing strategy
Native Advertising needs Project Management

- Content Strategy
- Content Creation
- Content Homebase
- Content Distribution
- Project Management
- Optimization & Measurement

(styria digital one)
What clients want vs. need

Branded Content
Storytelling
Sponsored Content
Native Ad Unit
Scrollytelling
Content Marketing
Buyer Personas
Curated Content
Sponsored Stories
Content-driven Advertising
Native Advertising
Native Content Marketing

B2C Paid Advertising Usage

- Promoted Posts (e.g., promoted Tweets) 76%
- Search Engine Marketing (SEM) 76%
- Social Ads (e.g., LinkedIn ads) 74%
- Print or Other Offline Promotion 69%
- Traditional Online Banner Ads 65%
- Native Advertising (long-form paid content placement on external sites) 46%
- Content Discovery Tools 21%

Average Number Used 4

2016 B2C Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs
Success factors – you need to measure!

1. Reach: How many users?

2. Costs: Costs of creation?

3. Opinion: What is the impact of user conversations regarding your content in social networks?

4. Engagement: How deeply are users connected to your content?

5. Output: How many leads?

styria digital one
Native Advertising: Key lessons for publishers

1. „Put your client on a pedestal“ – advertisers need 360 degree solutions, being overwhelmed by new ad formats

2. As native advertising brings increasing production costs, make sure the added value is visible to the client and can be charged additionally to the media budget

3. Google & Facebook could be part of the solution

4. A broad variety of ad products can make the difference – Native Advertising is the new premium advertising.

5. Your digital news room knows what works – make sure you build knowledge bridges to your native teams.
How to act as an ad agency without being one

Focus on: excellent consulting, conception & project management, build a network of internal & external experts that you can partner with.

Client

Client Director

Conception & Project Management Teams

Senior Client Manager/Project Manager
plus
Junior Project Manager/Media Consultant

Expert / Network
Content
Production
Performance
Data
Social

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You want to be able to achieve scaling effects.
Useful Tools to create scale
This might be your „standard“ native portfolio

- Content Hubs
- How-to’s
- „Snowfalls“ (Scrollytelling)
- Videos
- FAQs
- Guides
- E-Books
- Webinars
- Infographics
- E-Mails
- Vlogs
- Blogs
- Podcasts
- Photo blogs
- White Papers
- Surveys
- Quizzes
- Interviews
- Memes
- Content Curation
- Case Studies
- Illustrations
- Slideshares
- Quotes
- Market research

2016 B2C Content Marketing Trends—North America: Content

Native Advertising: styria digital one‘s key lessons

1. Act like an agency and provide the full solution to the client. This is the competitive advantage over the big tech players.

2. Partner with your editorial teams: You share the brand, the engagement and the audience and break former boarders.

3. Train the people – make a shift from sales to consulting.
It's all about the money

Native Advertising Revenue (US)
Desktop And Mobile

BI INTELLIGENCE

Source: BI Intelligence estimates, Interactive Advertising Bureau
case study
#woimmerdubist
#whereeveryouare
The target group of our brand miss are young women between 16 and 35. The Household Decision-Makers of the future.
The **smartphone** is at the center of the **targetgroup-mediausage**, as a tool for entertainment, interaction and information.
SOCIAL MEDIA IS THE NEW FOCUS
The **missTEAM** represents the **missTARGETGROUP**:
In the editorial unit, the targetgroup is writing for the targetgroup!
Maximizing the **reach** when it comes to the target group of young women

Maximizing the **engagement** (=closeness to the users)
INCREASE ON FACEBOOK IN 2015

82,304 FANS

+211%

255,576 FANS
IN 2015 **miss POSTS** HAD:

- **3,702,536** LIKES
- **520,823** COMMENTS
- **431,574** SHARES
IN TOTAL miss POSTS HAVE BEEN SEEN...

711.615.934 TIMES
With **295,000 Facebook-fans**, miss is the most successful Social Media Platform for women in Austria.

95% of the miss-fans are women!
### miss-FACEBOOK: HIGHEST ENGAGEMENT IN DISTRIBUTED CONTENT-MODEL

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Last 28 days; source: fanpage karma
miss.at (incl. missAPP): 5,1 Million Visits in March 2016
Traffic-Sources: 95% via Smartphones / 93% via Facebook
February 2015:
the missAPP launch!

The missAPP is an interactive tool for the target group, which maximizes engagement and loyalty!
HOW TO USE THE missAPP – 4 CHANNELS

65,000 downloads – 30,000 fully registered users

Usetime/visit: 7 minutes
More than 7 million collected diamonds
missMAGAZINE: THE GOLDEN SOCIAL MEDIA CIRCLE

Trial subscriptions

Paid subscriptions
missMIND IS THE MISSING LINK

Editorial stuff

Sales team
missMIND is responsible for presenting all brands and products in a way that resonates with the miss targetgroup mindset:

360° – digital, mobile and printed