FIELD GUIDE TO
DIGITAL MARKETING

mediaocean

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OVERVIEW & HISTORY

Digital is a dynamic and ever-growing space. In this section, we give an overview of digital's history and the direction it is taking for the future.

OVERVIEW & HISTORY

INTRODUCTION

Mediaocean's Digital Marketing Field Guide aims to provide a high-level overview of the digital marketing world in a short, easy-to-understand package, with plenty of visuals and a robust glossary to answer your questions.

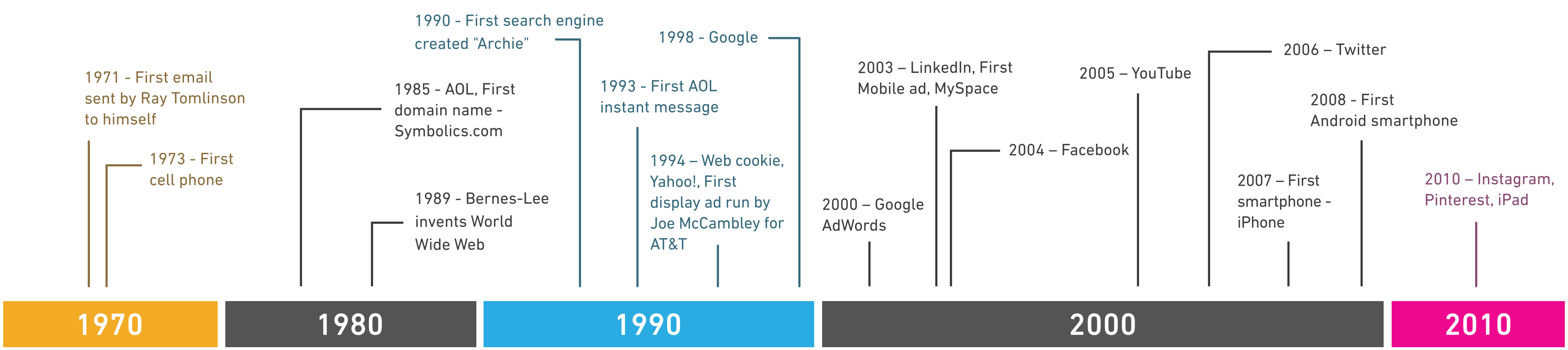
If you work in digital marketing, it's more than likely you've seen a derivative of the now infamous "lumascape" that displays the myriad of players and technologies that make digital marketing incredibly complex and exciting - however, it's also easy to feel overwhelmed. If you're a Prisma user or simply interested in learning more, Mediaocean suggests participating in its monthly Digital 101 webinar, hosted by the Mediaocean training team.

WHAT IS DIGITAL MARKETING?

Digital marketing is the strategy and processes that connect advertisers with their audiences across digital channels. An advertisement itself is a piece of creative shared via digital inventory - the space a publisher makes available for advertisements on its platform.

Digital refers to a number of different channels, all used to uniquely engage audiences and tackle various goals of the conversion funnel. The channels include display, search, mobile, social, and video. It is considered "Inbound Marketing" in that it reaches out to audiences while also letting them reach back out. Thanks to digital's vast amounts of targeting technology and capturing of personal data, marketers are able to reach both large audiences and more granular segments without compromising scale. This includes being able to target by specific attribute including demographic, behavioral, psychographic, and more. Not only can marketers target groups of people, they can also target specific devices and even individual users regardless of what device they may be using.

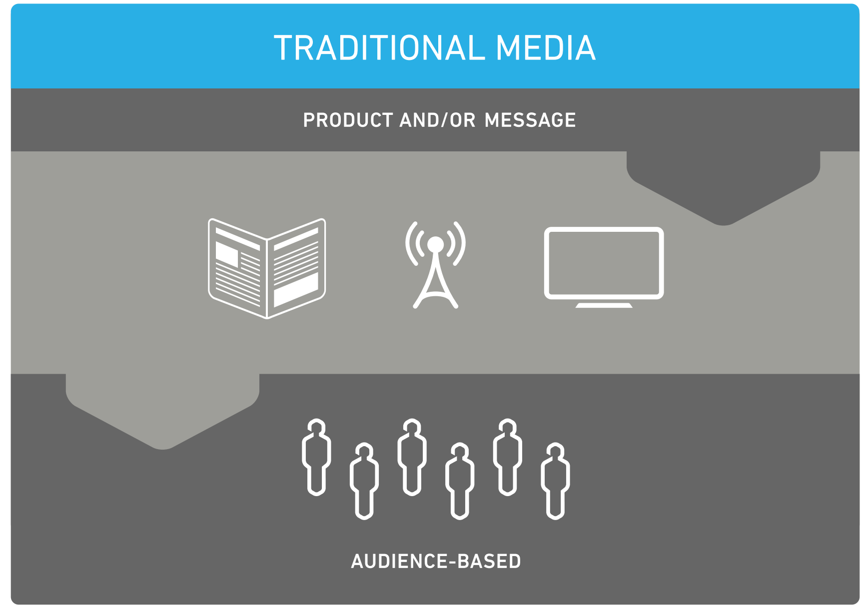
In addition, digital marketers are especially determined to measure success of campaigns. A number of user engagements can be tracked such as impressions, clicks, website hits, leads, and actual purchases. Therefore, digital makes it easier than traditional media to track Return on Investment (ROI), helping marketers to see the efficacy of their campaigns and make better decisions for optimization and the future.

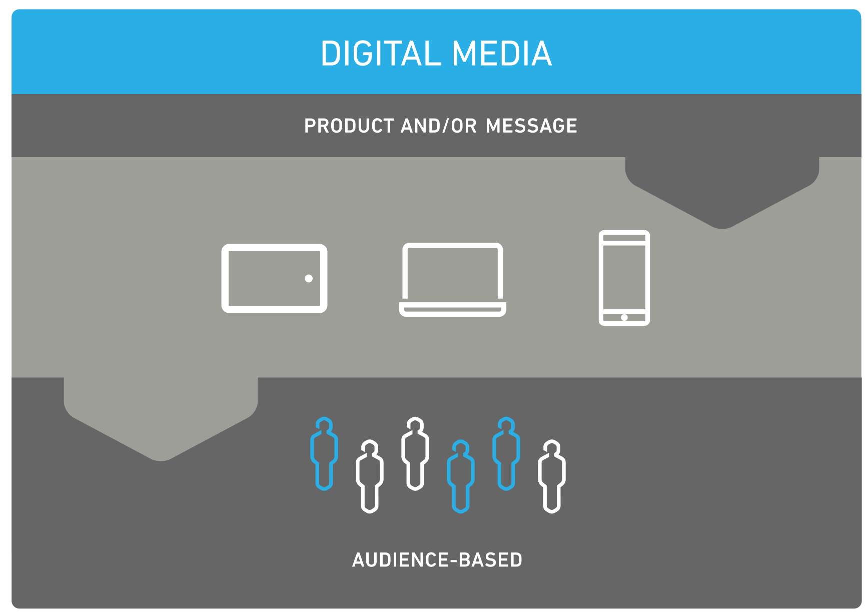


HOW DOES DIGITAL DIFFER FROM TRADITIONAL ADVERTISING?

Traditional refers to linear TV, print, radio, direct mail, and out-of-home (often known as billboard) advertising. A key differentiator of these media is that the messaging is a one-way conversation. This defines traditional as "Outbound Marketing" in that it reaches out to consumers, but consumers do not communicate back. In addition, traditional's targeting is much broader as it is defined by only an estimate of viewership. If an advertiser wanted to execute more granular targeting by coupling different demographic and behavioral attributes, they would be unable to, as publisher audiences are more loosely defined with traditional media.

The final major difference - which is often used as a point of argument among the two sides - is traditional's absence of measurement methods. If a potential customer views an ad on linear TV and later buys that product in-store, it is impossible for marketers to connect the action back to the advertisement. What marketers are able to do instead is measure sales lift prior and post campaign. Another method is including a specific phone number or email address in advertisements whenever possible, so that conversions can be directly attributed.



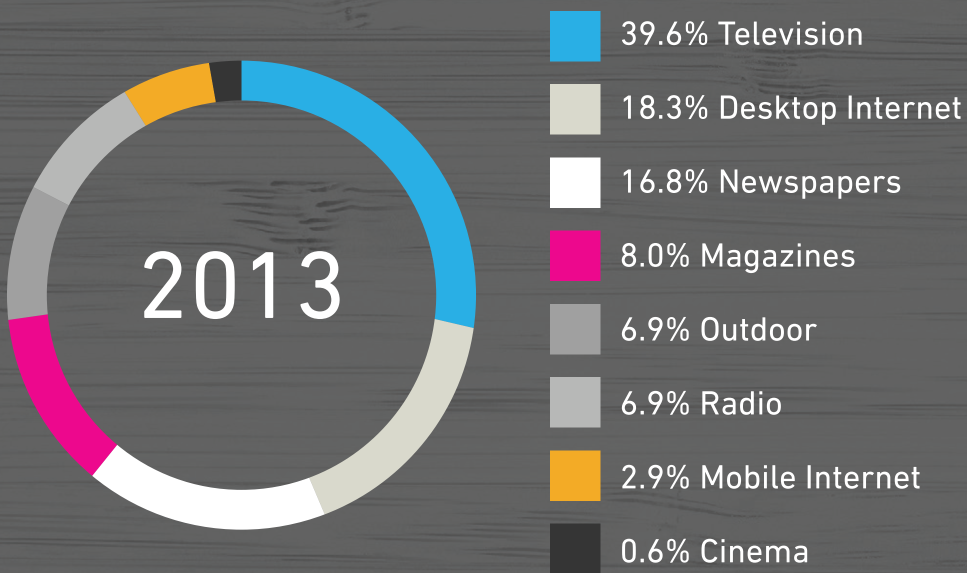


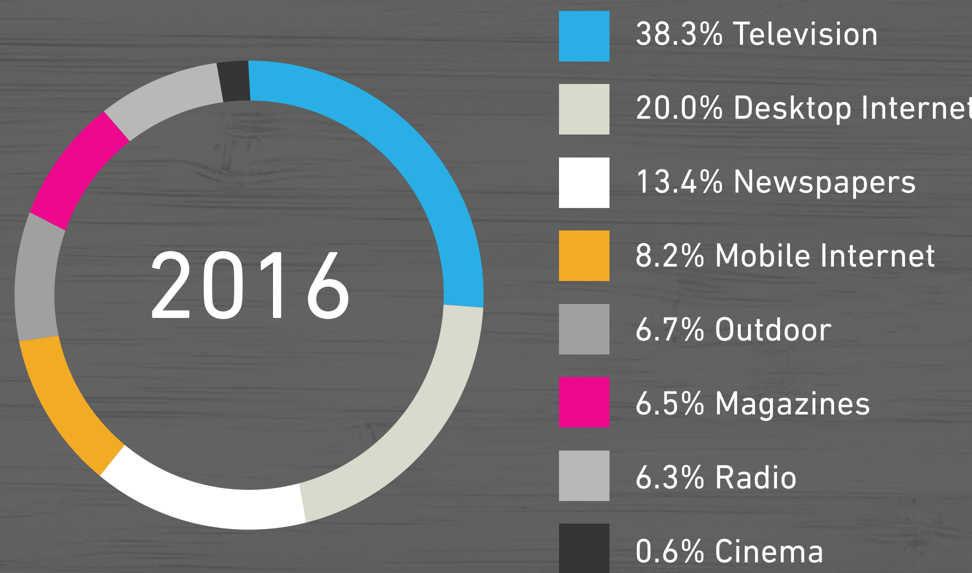
HOW DOES DIGITAL MARKETING STACK UP AGAINST TRADITIONAL MARKETING IN THE MODERN ERA?

A recent report by Zenith Optimedia concluded that between 2013 and 2016, digital ad spend will grow from 16.8% to 20%, while mobile will grow from 2.9% to 8.2%. While television will still hold the majority of ad spend, other major media such as print and radio will see a decline.

Check out the Lumascape's industry landscapes!

SHARE OF GLOBAL AD SPEND BY MEDIUM (%)





CHANNELS & PLACEMENT

Marketers use multiple digital channels and methods to reach consumers. Here's an overview of the different media types and how marketers use them to convey their brand message.

CHANNELS & PLACEMENT

WHAT IS DIGITAL INVENTORY AND WHAT ARE THE DIFFERENT CHANNELS?

Digital inventory is the space a publisher makes available for advertisements on its platform and/or properties. Digital advertisers can purchase inventory across a range of channels:

SEARCH ENGINE MARKETING (SEM)

A form of marketing that aims to increase exposure through the means of Paid and Organic search results, generating a call-to-action for interested audiences. Paid search refers to paid placements at the top of search engine results, known as Pay-Per-Click (PPC) ads. Organic Search refers to Search Engine Optimization (SEO), a form of marketing that seeks to enhance on-site and off-site elements to achieve better SE ranking.

SOCIAL

Marketing via social media includes profiles and paid advertising on sites such as Facebook, Twitter, Instagram, and LinkedIn. It can take the form of ads displayed to the side of content, or even natively within the actual content. Additionally, brands can manage their online presence by establishing social profiles – this typically aims to build awareness and trust with consumers.

DISPLAY

A form of advertising in which messages are displayed alongside native web content. Display ads can be text, graphical (often known as banners), rich/interactive media, and video. Unlike Search, a display ad is presented to anyone within a targeted demographic or visiting a particular site. Additionally, display ads often serve for brand awareness and reinforcement rather than pure conversion.

MOBILE

Mobile specifically aims to capture audiences that are on their mobile and tablet devices, whether on the go or stationary. Advertising can come in multiple forms such as mobile banners and interstitial ads, in-app advertising, video, search ads, and more. Technology such as location-based targeting also gives marketers the ability to show ads to users at or near a store or specific location.

VIDEO

This is a form of display advertising that has a video within it. It is typically displayed before, during, or after a user watches video content.

HOW SEARCH DIFFERS FROM DISPLAY, SOCIAL, MOBILE, AND VIDEO

Search differs from all other channels in the audience's intent and the way they discover the ad.

When someone comes across a search ad, it means they have triggered the advertisement by searching for a related term. So, a search ad is dependent on the user's search/browsing history and intention. On the other hand, display, mobile, video and social ads are presented to anyone within a targeted demographic or visiting a particular site.

CATEGORIZING INVENTORY

Most publisher inventory can be categorized as either premium or remnant. Premium inventory is the most visible space a publisher has to offer, and therefore the most desired. Traditional print advertising terms such as "above the fold" (considered premium) now also apply to websites. Most video and mobile inventory is considered premium. However, what is considered premium inventory often differs depending on the intent of the campaign and type of purchasing involved. Remnant inventory is the space considered less desirable, often "below the fold" and/or sold as run-of-site (rather than as a specified placement), normally used to bulk up campaign impressions once the budget for premium inventory has been decided upon. Inventory is also categorized as guaranteed or non-guaranteed.

Guaranteed inventory ensures that an ad will be delivered to the number of purchased impressions. Guaranteed inventory can be purchased through an RFP (request for proposal), or can be purchased at a fixed price with just a few clicks. (Until very recently, submitting an RFP was the only option.) The latter option, known as "programmatic direct" or "automated guaranteed," is a faster way to purchase and repurchase premium inventory.

Non-guaranteed inventory refers to the space a publisher offers with no guaranteed number of impressions. This can occur when a publisher does not reach the number of impressions planned within a specific range of dates matching a marketer's target criteria. Non-guaranteed inventory often includes remnant inventory purchased through RTB (real-time bidding) and inventory available via programmatic purchasing.

Different channels can also be categorized as paid, owned, and earned media. Check out this infographic to learn more!

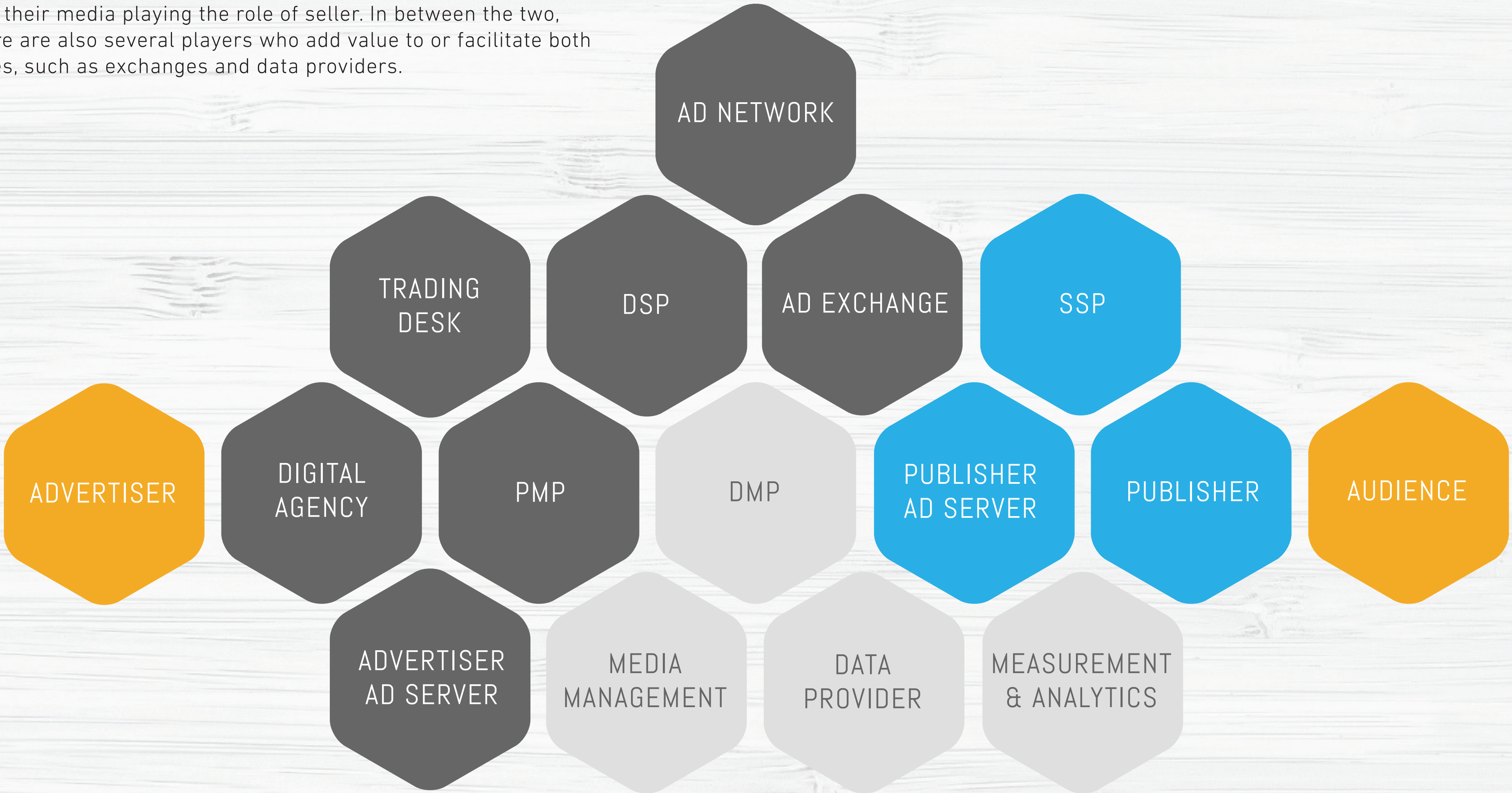
KEY INDUSTRY PLAYERS

The ultimate goal for marketers is to connect with their audience. The process of making that connection requires working through a web of relationships. In this section, we will review the players you will encounter when navigating this space.

THE ECOSYSTEM

The process of connecting an advertiser with their audience is complex; the varying paths between the two often include hundreds or even thousands of touch points. To keep it simple, we can look at the ecosystem as two sides: Demand (the buy side) and Supply (the sell side).

Advertisers and agencies play the role of buyer, with publishers and their media playing the role of seller. In between the two, there are also several players who add value to or facilitate both sides, such as exchanges and data providers.



KEY INDUSTRY PLAYERS

ADVERTISER

A company that pays to advertise a product or service.

DIGITAL AGENCY

An agency offers digital marketing services to advertisers; some offer full-service approaches, while others focus on a specific area or sector.

Read Mediaocean's VP of Client Service UK & Ireland,Stuart Smith, discusses the evolution and future of media agencies.

PUBLISHER

Publishers are the distribution channels for media. Their digital inventory spans web, mobile, social, search, and video.

ADVERTISER & AD SERVERS

Ad servers store advertisements and then push them to their designated place in a publisher's inventory when the correct impression opportunity comes up. A publisher ad server works to determine which advertiser their placement will be sold to. An advertiser ad server then chooses which creative will be shown to the publisher's audience. Both ad servers then record how many ads were served and how they performed, and aggregate user data to later share it.

AD NETWORKS

Publisher-advertiser relationships can be labor-intensive when it comes to buying and selling, so networks of relationships between the buy and sell side make the process easier and expose more inventory and purchasing opportunities. Networks generally focus on a select group of publishers, whether that be publishers in a certain sector, reaching a certain audience segment, or premium publishers looking for an extension of their sales team.

AD EXCHANGE

An ad exchange is a web of ad networks, enabling real-time bidding transactions through a single source. As the next evolution, most ad network inventory is also available through exchanges, but exchanges are noted to be more transparent to both publishers and advertisers, and inventory is often sold at a higher price per impression as advertisers are competing against eachother.

Check out this compilation of how marketing leaders define "Programmatic," at Advertising Week.

DSP (DEMAND SIDE PLATFORM)

A DSP is a platform that executes programmatic media buying - a form of buying in which inventory is purchased real-time to show one specific ad, to one consumer, in one individual context, including determining which media, how much to buy, and at what price. This means that ad placement is bought on an individual-impression basis, as opposed to being bought per thousand impressions (CPM). By doing so, advertisers are able to execute more granular targeting while also being able to scale in mass. The DSP algorithm automatically optimizes buying decisions to lower buying costs and maximize performance.

SUPPLY SIDE PLATFORM (SSP)

A Supply Side Platform serves a similar function to a DSP, but on the sell side: it is the platform publishers use to facilitate their real-time bidding (RTB), as well as some direct buys. Its goal is to help publishers maximize the prices their impressions sell for, whereas a DSP's goal is to help advertisers purchase impressions more efficiently.

PRIVATE MARKETPLACE (PMP)

An invitation-only marketplace that gives agency buyers access to premium inventory while using automated or programmatic buying methods to purchase faster, thus eliminating the RFP and negotiation process.

TRADING DESKS

A Trading Desk is the programmatic buying arm of an agency holding company, an independent company, or internal team of an agency that aggregates programmatic, auction-based inventory across various DSPs and ad exchanges. Recently, many organizations traditionally referred to as trading desks are now eschewing the term due to a trading desk's frequent association with high margins and a lack of transparency.

DATA MANAGEMENT PLATFORM (DMP)

A data management platform stores, organizes, and analyzes first- and third- party data to better discover and reach target audiences; it then applies in-depth measurement to optimize media buying and creatives. DMPs originally started as an integrated layer with DSPs, but are now being offered as stand-alone data sources for both the buy and sell sides.

MEDIA MANAGEMENT

Working alongside all the players in the ecosystem, media management companies provide tools to manage campaigns; they work to automate every step of the advertising workflow, including planning, buying, analyzing, optimizing, and invoicing.

MEASUREMENT & ANALYTICS

Measurement and analytics providers aggregate and organize data so that marketers can get a holistic view of the campaign metrics they care about most.

DATA PROVIDERS

Data providers offer insight across the spectrum, from audience to pricing, so that marketers may make better decisions. Data is specifically used for targeting, segmentation, identification, verification, and more.

Still confused about DSPs, DMPs, SSPs, and all the acronyms? Check out the WTF series from Digiday.

AUDIENCE & TARGETING

Digital ads aren't like magazine or traditional TV ads in that there is a plethora of targeting options – from targeting devices to reaching specific people. In this section, you'll learn about different types of targeting, technology used for targeting, and how to target more effectively.

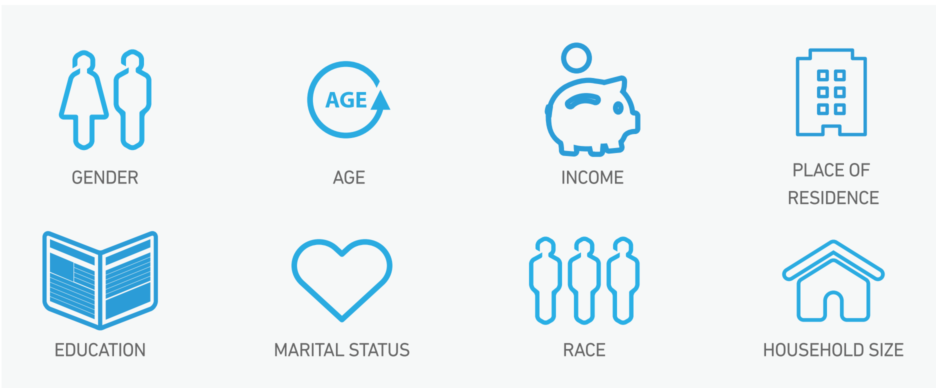
AUDIENCE & TARGETING

TYPES OF TARGETING

There are two main types of targeting c inventory targeting, which serves ads on sites that offer a specific type of content or are visited frequently by individuals within a particular demographic, and user targeting, which serves ads to individuals who have exhibited a particular behavior or interest.

TYPES OF SEGMENTATION STRATEGIES

Demographic: Marketing segmentation strategy where the audience (potential customers) is divided into externally measurable characteristics.



Behavioral: A more focused form of market segmentation, which groups consumers based on specific consumption patterns they display.

- Past purchasing history
- Browsing history

Dayparting: Targeting users that are active at a particular time of day or day of the week.

Designated Market Area: A segment Nielsen uses to standardize geographic areas for the purposes of targeting and measurement.

Retargeting: Targeting past visitors of your site.

Product-related: Segmenting the audience based on usage of a product (such as heavy vs. light).

TARGETING BEST PRACTICES

Target appropriately across media: Don't address your audience purely from one front; you may be reaching a different audience with your mobile and social strategy, and consumers interacting with your message through these channels may behave differently than they would through other channels.

Use past campaign analysis to revise your targeting strategy: It may sound obvious, but careful tracking of pacing and performance across past campaigns will tell you how well your message resonates with your target audience. If your message is underperforming, it may be the creative – or it may be that the audience you have set doesn't mesh with a particular medium, or perhaps you've defined your target audience too narrowly.

Frequency cap: Bombarding your audience over and over tends to lead to decreased engagement with an ad, and at worst, overexposure can lead to a negative association with your brand. Industry best practices place the frequency cap at 3.

A/B test: This is best practice for all types of advertising, and will help you better measure your campaign's success and plan for future retargeting campaigns.

Burn pixel: Just as consumers don't want to see the same retargeted ad 50 times, they don't want to continue seeing ads after they have converted, such as making a purchase. An easy solution is to use a burn pixel, which untags viewers as recipients of your ad once they have made a purchase.

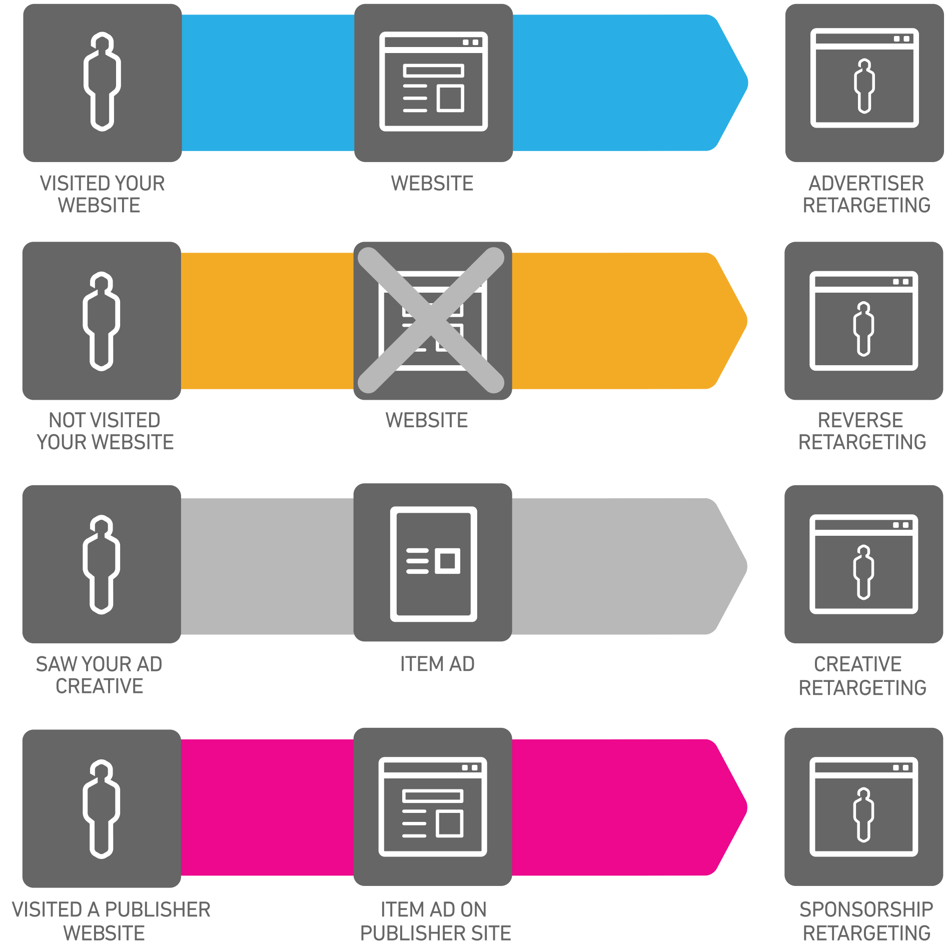
Overwhelmed by the digital language? Check out our Field Guide glossary for a full list of digital terms!

RETARGETING

Retargeting is a cookie-based technology that uses simple JavaScript code to anonymously "follow" your audience all over the web.

Here's how it works: you place a small, unobtrusive piece of code on your website (this code is sometimes referred to as a pixel). Your visitors will not see the code, and it will not affect your site's performance. Every time a new visitor comes to your site, the code drops an anonymous browser cookie. Later, when these visitors browse the web, the cookie will let your retargeting provider know when to serve ads, ensuring that your ads are served to people who have previously visited your site.

RETARGET CONSUMERS WHO HAVE...



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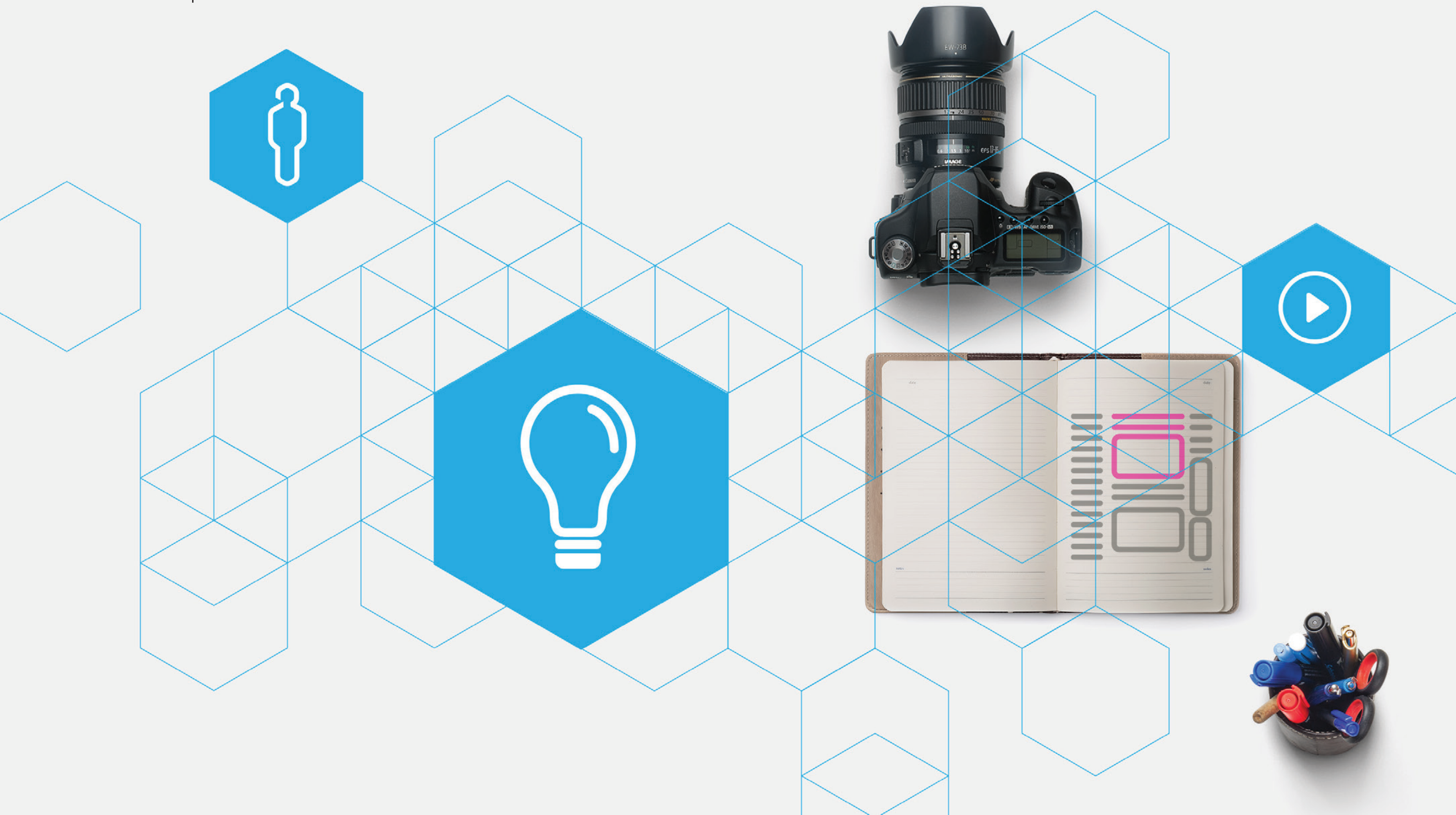
ADVERTISING CREATIVE

From start to finish, what are the considerations involved in planning and creating media, and what are the best practices?



ADVERTISING CREATIVE

STRATEGY

Marketers do extensive work to create media that is engaging and memorable. The creative process itself requires a unique strategy that has to align with the overall marketing campaign goals.

Regardless of what you are creating, the following questions must always be considered:

- What are the goals of the ad campaign and what are the established success metrics?
- Who is the target audience and what attributes do they possess?
- When, in what situation, and on what device is the ad being viewed?
- At what stage of the conversion funnel is the ad being viewed?

Read Mediaocean's SVP of Global Marketing Maria Pousa's article on the industry's "Mad Men vs Math Men" via Ad Age.

TIPS FOR DIGITAL DESIGN

Design for context and situation: When designing, consider the different user needs when viewing on desktop versus mobile. For example, a user visiting an auto insurance website on a desktop is likely looking for quotes and coverage, whereas a user on mobile may be looking for roadside assistance or contact information.

Utilize Responsive Design: Responsive Design is a unique coding style that "responds" to the specifications of the device it is being viewed on. By using it, marketers enhance experience and capture more on-the-go users. Those who don't use responsive design may have their digital properties penalized in search results or overall rankings.

Maintain a hierarchy of information: Not all content is equally valuable. Define what the most important points of your content are, and make sure this established hierarchy is reflected in your layout and design. Using sequential creatives in campaigns can lend a clearer path to conversion and more appropriate call to action.

Short and sweet messaging: If copy isn't concise and to the point, your message risks getting lost in the loud noise of the digital world.

Include a call to action: A consumer can't assume what the next step after seeing your ad is. Make sure your message has a clear follow-up on how the user can attain whatever the advertising message conveys.

A/B testing for optimization: When optimizing campaigns, instead of using subjective preference, let users and actual performance metrics decide which versions of your creatives are best to continue serving.

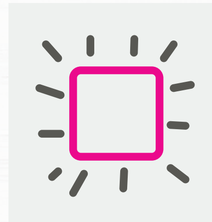
Never be boring: As Lee Clow once said, "Advertising is an interruption in people's lives, so you better make the experience worth remembering."

MOST COMMON DIGITAL MEDIA ADVERTISEMENT UNITS

BANNER ADS

Appear at the top, side, or bottom areas of websites such as blog, news, information, or community sites.

POP-UP ADS

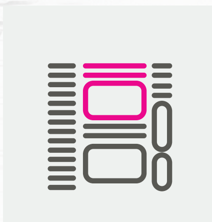


A less popular ad unit, these ads appear as new windows, or take over the screen, and are not optimal for user engagement.

PAID SOCIAL ADS

Appear as banners within social networks such Facebook, usually at the top, side, or within the content itself.

NATIVE

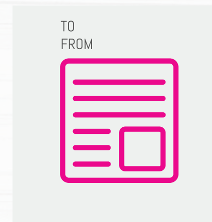


Are Integrated into a website's content and mimic the look of the content itself; e.g, social news feed ads.

MOBILE

These ads appear as ads in mobile browsers or apps, offering the same media available for desktop.

EMAIL

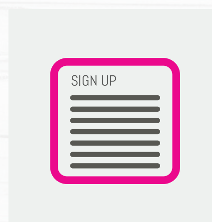


An email you receive in your inbox that most often notifies the recipient of a sale, promotion, new feature, or special offer.

RICH MEDIA

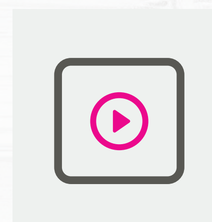
A banner ad that can be interactive, include video, or expand.

INTERSTITIAL

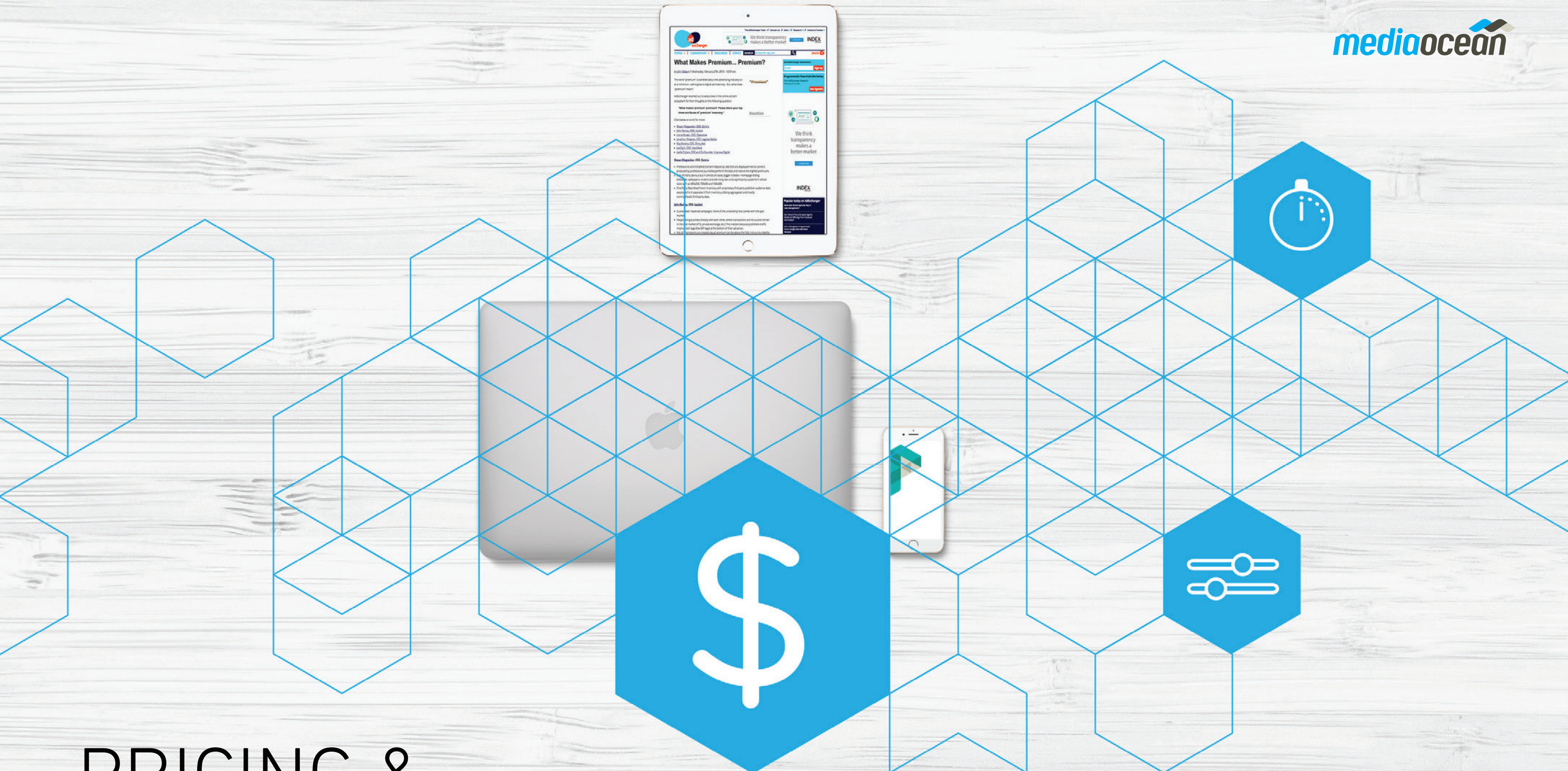


A full page ad that appears before a webpage loads.

VIDEO



Ads that appear either before, during, or after viewers watch video content.



PRICING & VIEWABILITY

With digital media buying, one of the greatest benefits is its performance-based pricing models, meaning your budget can be tracked and accounted for in whichever way makes most sense for your campaign. Marketers are also able to specify at what point they spend, based on the action the user takes after seeing their ad.

PRICING & VIEWABILITY

PRICING MODELS

A payable action determines what action a user is required to perform, at which point the advertiser pays the publisher for displaying the ad.

COST-PER-MILLE
Buying 1,000 impressions or views of the ad

CPM | < AD

COST-PER-ACTION
User "acts" or buys the product

CPA | AD < SALE

COST-PER-CLICK
User clicks on the ad

CPC | < AD

COST-PER-THOUSAND VIEWABLE (ADS)
Buying 1,000 viewed-only impressions

CPMV | AD <

COST-PER-LEAD
Lead submission: user submits information into an online form

CPL | < AD

COST-PER-INTERACTION
User interacts with the ad

CPI | AD <

VIEWABILITY

Viewability refers to a pricing and performance metric that pays and tracks only for impressions that have the ability to be actually seen by users. The goal of viewability is to reduce wasted spend on ads that are never viewed. Though it seems simple enough in concept, advertisers, agencies, ad tech vendors, and publishers all have different ideas as to what can be considered as a “viewable” ad – and what they are willing to pay for.

The IAB and Media Ratings Council states that at least 50% of the ad has to be viewable for at least 1 second (2 seconds for video) for it to be considered viewed. Not all parties agree on this though, and some demand tougher standards for viewability.

Despite the lack of agreement, there are steps you can take for best practice, including establishing a standard of measurement, using tools to help you measure, and having conversations with your publishers about your protocols for reconciling differing delivery data.

How should you use Viewability for your campaign? How do you know if your ads are being viewed? What are the different types of viewability?

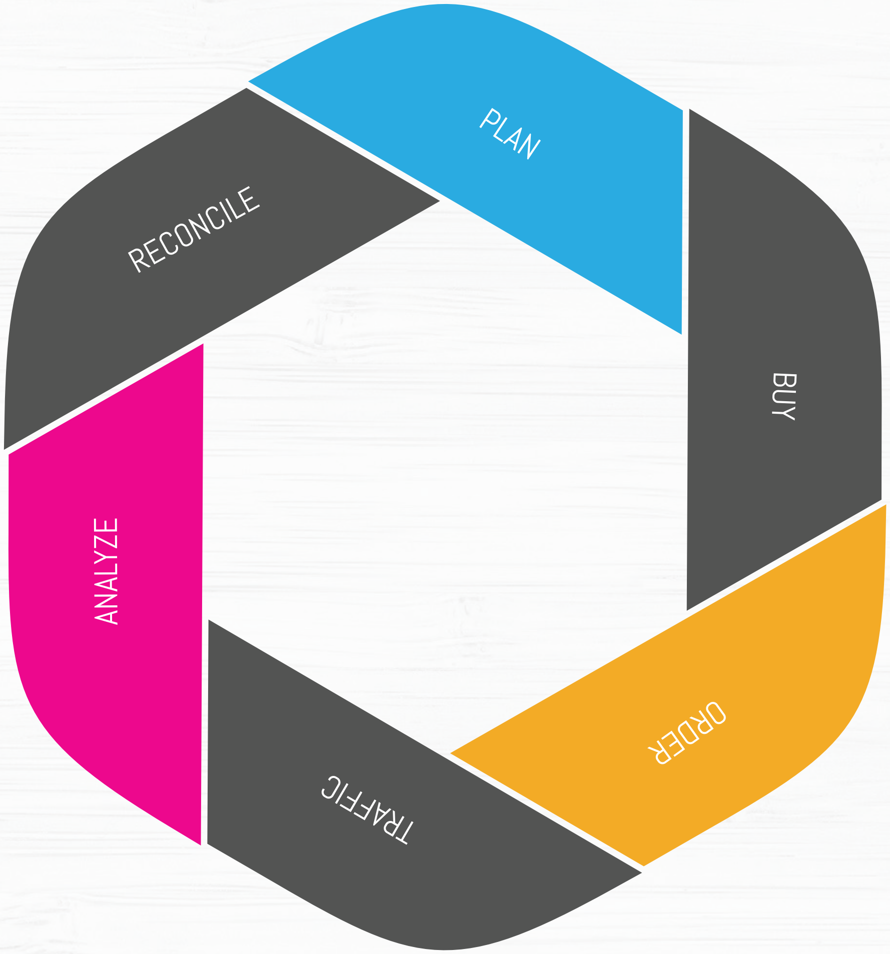
MEDIA PLANNING & BUYING

From start to finish, what is media planning and buying and what makes it successful?

MEDIA PLANNING & BUYING

STEPS IN PLANNING & BUYING

Media planning and buying is the process of strategizing, negotiating, and purchasing ad placements, or "inventory." When planning what inventory to purchase, planners must take into consideration the product being advertised, target audience, and campaign goals. In addition, not only are media buyers responsible for making the initial purchase, but also for continuing to optimize performance throughout the entire campaign lifecycle.



STEPS IN PLANNING & BUYING

PLAN

- Research your target audience and the touchpoint to best reach them.
- Plan your spend across buy types (search, display, social, etc.) – determine what percentage of your spend will be on guaranteed inventory versus non-guaranteed.
- For guaranteed inventory, this stage may include sending RFPs to suppliers. You can also purchase premium guaranteed inventory without needing to RFP via Automated Guaranteed.

ORDER

- The media plan is executed, with placements sent to the ad server, waiting their opportunity to be served to the correct audience.
- Orders are processed as "IOs" or "insertion orders," which include the planned billings for a campaign.
- The buyer-seller relationship continues throughout the order process, if any revisions are needed to an insertion order.

ANALYZE

- You can use both first-party delivery data (from the publisher's ad server) and third-party delivery data (from the agency ad server) to analyze and optimize campaigns.
- Performance can be tracked and viewed by specific creative, holistic campaign view, and even cross-campaign. Pacing measures how budget is being spent relative to time within a campaign's flight.

BUY

- For guaranteed inventory, the number of impressions and rate you are purchasing inventory for has been solidified, whether through established rates or by receiving a proposal back from a supplier.
- Complete your media plan with every placement from every supplier to be included in your campaign, including the time frame.
- Secure approval if needed, prior to sending order.

TRAFFIC

- The ad-ops or trafficking team is responsible for tagging the placements on the ad server with their appropriate pieces of creative. This includes tags for size and media type associated with each placement.
- It is generally best practice to tag a back-up static piece of creative for each placement in cases where dynamic creatives cannot be served.

RECONCILE

- Agencies and publishers compare their delivery data and other financials, and work to reconcile discrepancies
- Financials for current and future campaigns may be amended based on overdelivery or underdelivery of a campaign.
- Final costs per supplier, per time period, are communicated to the billing system for Accounts Payable.

Mediaocean's CTO, Vedant Sampath, gives a 60-second overview on the history of RFPs.

WHAT IS REAL-TIME BIDDING AND AUTOMATED GUARANTEED?

Real-Time Bidding (RTB) is a type of programmatic purchasing that buys impressions one at a time, based on demographic targeting. Buyers bid on an impression, and if they win, their ad is instantly displayed. All RTB inventory is non-guaranteed. RTB was originally used for unsold remnant inventory, but this is changing to also include premium inventory due to demand and high yields.

Automated Guaranteed differs from RTB in that inventory is purchased for future serving, rather than in real time – and that inventory is guaranteed. Also known as "programmatic direct," the buys are made directly with publishers rather than through the intermediaries commonly used for RTB. Automated guaranteed platforms directly integrate with a publisher's ad server and query the number of guaranteed impressions available, which buyers then commit to purchasing.

Mediaocean's SVP of Global Marketing, Maria Pousa, interviews execs from Mediaocean, Yahoo, and Deutsch to get their take on "Automated Guaranteed."

HOW HAS THE BUY PROCESS EVOLVED IN DIGITAL ADVERTISING'S SHORT HISTORY?

Digital advertising was originally approached as direct sales: publishers and advertisers purchased premium inventory they felt best fit their audiences directly from each other. This process often involved a lot of back-and-forth with hundreds of spreadsheets, proposals, phone calls, and emails – and is still used today. However, digital buying has evolved to now include programmatic buying (real-time bidding and automated guaranteed) and a much more streamlined RFP process.

OPTIMIZATION

Utilizing data, marketers can optimize their ad performance throughout multiple levels including creative, placement, and campaign.

WHAT IS OPTIMIZATION?

Optimization is the process of increasing the impact of an ad. Simply put, it's using past performance and future forecasting to determine how much to spend for future goals, and to amend campaigns in-flight. Optimizing campaigns involves cutting losses for underperforming segments, and scaling up high-performing segments.

LEVELS TO OPTIMIZE YOUR ADS

This optimization process begins with creative, moves on to placements and individual publishers, and finally to a campaign-wide level.

Optimization can be done pre-flight, during a campaign, or after a campaign's completion.

Optimization begins at the most granular level so that easy corrections are taken into account before making sweeping campaign management changes. Start by re-evaluating your creatives.

There are some cases for making more drastic changes to your campaigns, however:

- Poor overall CTR (click-through rate) on all creatives and placements (with significant sample size)
- Poor overall CVR (conversion rate) on the clicks coming from a site (e.g., lots of clicks, but no conversions).
- Prohibitive costs (high eCPMs) resulting in higher costs per click and action. Poor ROI.

BUY-SIDE OPTIMIZATION

Creative level: The most important element in your media buying campaigns is your creative. Optimizing your creative units can help you determine if the problem is your inventory or creative unit.

Placement level: Finding the right placement that is driving performance for your campaign – homepage, leaderboard, run of site, you name it.

Supplier level: You can optimize at the publisher level, which evaluates the publisher's overall performance including all of their placements within a campaign.

Campaign level: Finally, after a campaign has been optimized from a creative, placement, and site level, there are a few considerations you may want to make at the campaign level, such as day-parting, geo-targeting, browser, demographics, etc. Campaign level optimization is completed last, as you need to gather enough data to make informed decisions. For example, you could view an hourly breakdown of your campaign statistics to determine if campaign level day-parting should be included in your optimization efforts.

OPTIMIZATION ENGINES

There are plenty of third-party platforms that help brands and agencies optimize their media buying, often referred to as Optimization Engines. An Optimization Engine ensures an ad is delivered where it should be according to consumers, advertisers, and available websites. An optimization engine considers several factors before placing your ad:

Marketing goals: This could be increased site traffic, ad impressions, or a certain type of website for your ads.

Consumer response: This will try to replicate situations when users clicked your ad.

History: Previous patterns of how campaigns have performed, and use it to your advantage.

Bid amount: A higher bid will give you access to more inventory, and a lower bid may limit your options for available placements.

Target: The audience you are trying to reach.

SELL-SIDE OPTIMIZATION

Just like agencies and advertisers, publishers have optimization goals as well – to sell out their inventory, at the best possible prices.

What is yield optimization? At its core, a publisher's goal is to find the brand willing to pay the highest amount for one impression. Like most of digital advertising, the original players, like the publisher, managed their yield optimization in-house. Today, most large and mid-sized publishers source third parties to facilitate their yield optimization, namely SSPs (Supply Side Platforms).

Publishers selling directly to agencies and advertisers have the yield and performance of ad trafficking measured by the ad server. When inventory is sold to an exchange or network, there are a number of other factors involved in the price and impressions served, as the final buyer (the agency or advertisers) may be found through various intermediary platforms.

HOW DO SSPS HELP PUBLISHERS OPTIMIZE?

SSPs act as the intermediary between publishers and their audience for maximizing the selling of inventory, and also act as the gatekeeper for publishers. SSPs can act as the enforcer for a publisher's brand safety, so that unfavorable brands are not allowed to purchase their inventory.

Though SSPs originally gained ground as a way for publishers to sell off their remnant inventory, today many SSPs offer additional services, such as acting as the actual interface between a publisher and their exchange.

ANALYTICS & REPORTING

One of the benefits of working in digital is the level of granularity, transparency, and accountability available for your campaign and marketing budget. Here's an overview of what tactics marketers use to analyze campaign results.

METRICS

Understanding metrics helps you steer your campaigns in the direction of success, and pivot your strategy when needed. Here are the most common units used for campaign measurement:

Impressions: The number of times an ad was displayed.

Clicks: The number of times a consumer clicked an ad.

CTR (click-through rate): The percentage of ad impressions that were clicked - calculated by dividing the number of clicks by the number of impressions served.

Conversion: The action a person takes after clicking an ad, intended by the marketing – the action can include making a purchase, filling out a form, subscribing to a service, etc.

CVR (conversion rate): The percentage of clicks that resulted in a desired action – calculated by taking the number of conversions an ad received and dividing by the number of clicks.

AT WHAT LEVELS DO THESE METRICS HELP US EVALUATE SUCCESS?

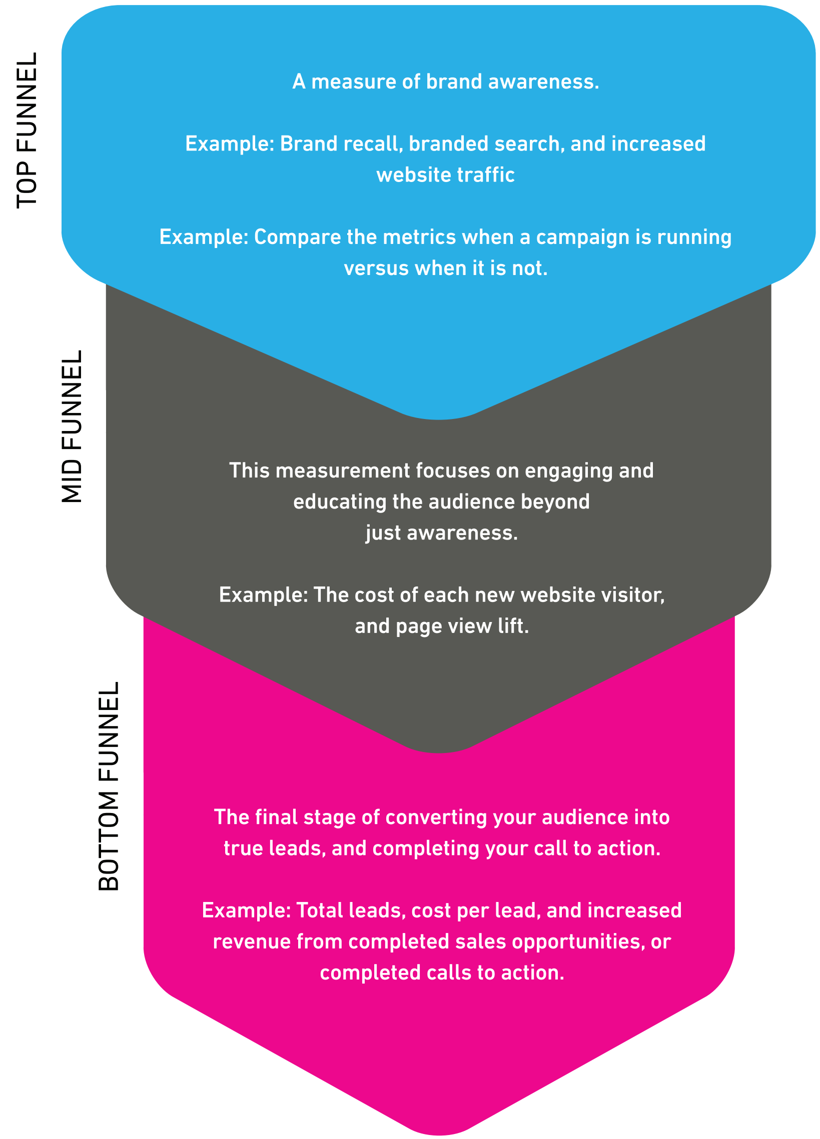
Campaign level: Measure how your campaign is doing holistically, across all suppliers, placements, and creatives.

Supplier level: Measure performance based on all campaign placements from an individual supplier.

Creative level: Measure the success of an individual piece of creative, across all placements and suppliers.

Pacing: Measure how an advertiser's budget should be spent relative to time.

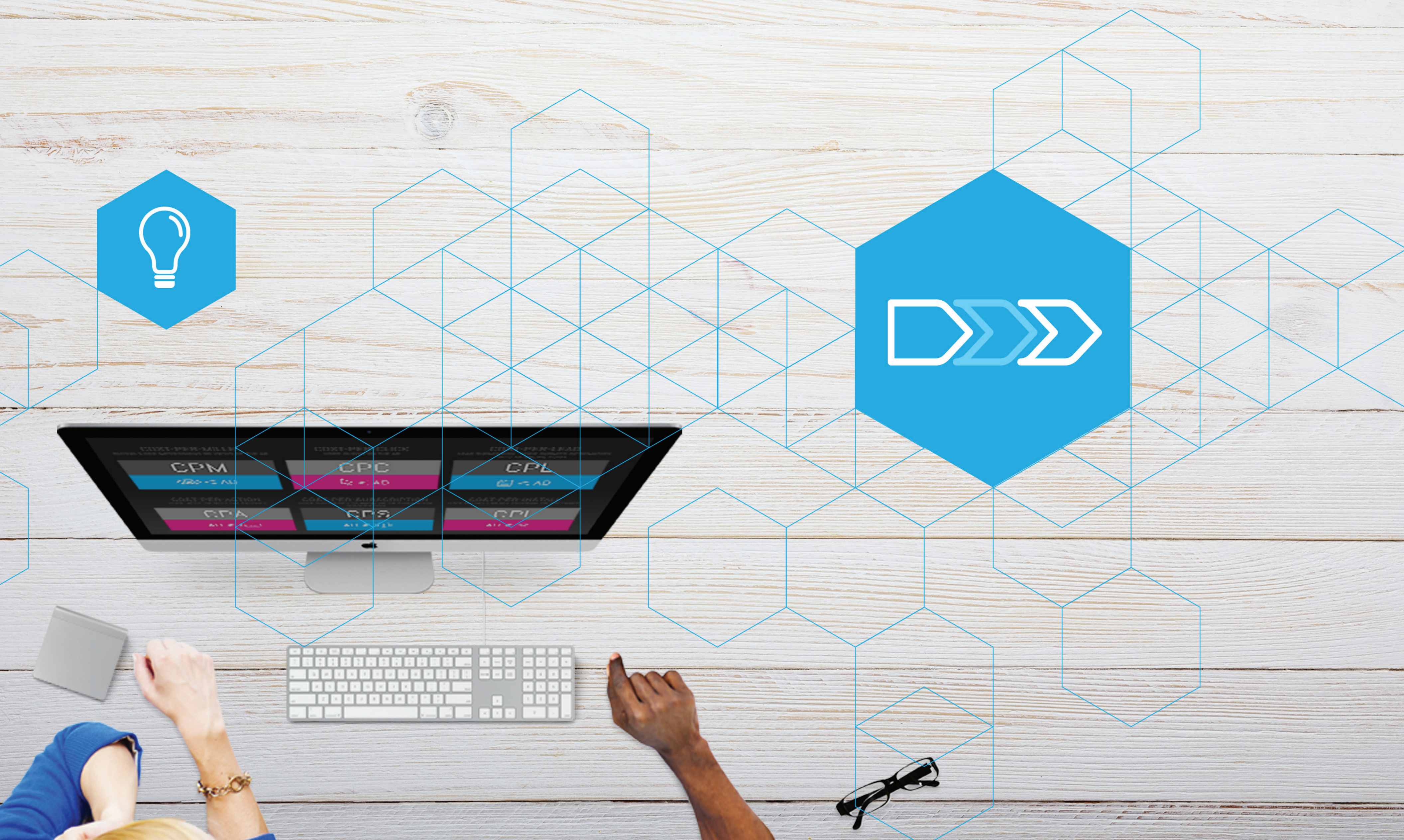
Beta testing: If your campaigns routinely use the same set of publishers, placements, and creatives, it's difficult to tell if there is room for improvement and if the metrics you're pulling in time and time again are the best you can do. Beta testing with new publishers that match your target demographic is a good place to start. Trying out multiple creatives for the same placement can also help you zero in on what degree of the placement's success is based on the message, versus the inventory.



ATTRIBUTION MODELS

mediaocean

In advertising, there are often numerous sources and impressions that contribute to a desired action. Here's how marketers assign the importance of each touchpoint, leading up to a conversion.



ATTRIBUTON MODELS

WHAT IS ATTRIBUTION AND HOW DO WE MEASURE IT?

Attribution is the process of crediting the appropriate marketing channels for the role they played in a subsequent conversion. There are several models marketers use for attribution:

LAST INTERACTION

All of the credit goes to the very last touchpoint right before the conversion.

FIRST INTERACTION

All of the credit goes to the very first touchpoint that initiated the sequence of marketing communications.

LINEAR

Equal credit is given to every touchpoint.

TIME DECAY

Credit is given in increasing amounts to the touchpoints closest to conversion.

POSITION BASED

The bulk of the credit goes to the first and last touchpoints, with the middle points receiving the least amount of credit.

HOW TO CHOOSE THE RIGHT ATTRIBUTION MODEL

To choose the right attribution model, you should consider factors like time of year, product category, amount spent, customer loyalty, initial and final touchpoint channels, and length of conversion path.

The most recent method for qualifying attribution is called Fractional Attribution, though a specialized vendor is required to measure this way. Consumers interact with duplicate ads throughout the conversion cycle, and fractional attribution removes repetitive impressions from the attribution model to allocate value as accurately as possible to each media partner and ad impression.

Fractional attribution is becoming an increasingly hot topic. To learn more, check out Digiday's WTF article.

For example, if the conversion was around the holiday season for a consumer electronic item less than $200, which was promoted for a very limited time, a linear attribution model might make sense. However, for a major life decision like the purchasing of a new car, it might make more sense to use fractional attribution, which addresses a longer conversion cycle.

WHAT DOES THE INDUSTRY THINK?

Many marketers believe the most holistic view of attribution is the most accurate, giving a precise weight to every touchpoint before conversion. This model in concept is called the "Full Funnel Attribution," but to date there is no way to precisely quantify the weight of each impression. Fractional attribution seems to be the closest model available today, but also requires resources and analysis well beyond that required for traditional attribution methods.

Check out this article from Mashable on attribution to learn more about how to select a model that works for your campaigns.

FRAUD & SECURITY

Online advertising has created unprecedented opportunities for marketers to reach and target consumers, prompting privacy concerns among consumers and regulators. The depth and scale of the digital ecosystem unfortunately also makes it an attractive target for fraud.

FRAUD & SECURITY

THE LAW AND WHERE IT STANDS ON PRIVACY

The United States Federal Trade Commission (FTC) has been involved in oversight of the behavioral targeting techniques used by online advertisers since the mid-1990s.

In the United States, digital advertising is regulated by federal, state, and municipal laws, as well as self-regulation. At the federal level FTC regulates the content of digital advertising and disclosures made in privacy policies through Section 5 of the FTC Act, which prohibits "unfair and deceptive acts or practices." At the state level, a wide variety of laws address the requirement of a privacy policy, including privacy policies, mandatory data security safeguards, and notice requirements in the event of data breaches. Self-regulation, such as the Digital Advertising Alliance (DAA) Principles, supplements federal and state regulation and requires additional commitments from participating companies.

WHO PERFORMS TRAFFIC FRAUD?

FRAUDSTER	ROBOTS OR BOTS	BOTNET	BOT NODE
Any person or company that engages in fraffic fraud.	Any machine or non-human that generates false traffc.	Network of PC robots infected with software that forces them to perform fraudulent actions.	A single PC that is infected with malicious software.

HOW TO PREVENT TRAFFIC FRAUD

- Use a third party verification service to ensure your ads are being delivered to real humans.
- Measure by ROI and define your audience by type instead of clicks and impressions – increased sales and actually reaching your target consumer cannot be faked.
- Pay attention to the URLs you are running ads on and make sure your third party verifier is also reviewing.
- Establish financial "what if" scenarios with your publishers in case traffic fraud does become an issue.
- Keep educating yourself on the state of fraud and what you can do to prevent it.

INDUSTRY FRAUD

Advertisers and marketers expect that the online content they output is viewed by real users; however, ads are not always viewed by real people. Instead, machines imitate actions to collect a charge; this is known as traffic fraud – a form of fraud in which systems are infiltrated by groups that then generate false clicks, visits, or views to collect profits.

According to IAB, 36% of all web traffic is fraudulent. It is also important to note that viewability concerns do not necessarily correlate with fraud or otherwise malicious activities.

This causes a number of problems including:

- Wasted advertiser spend – a WhiteOps study predicts that 6.3 billion will be lost globally in 2015.
- The value of publisher inventory is reduced, even for the most legitimate publishers.
- Gives the industry a negative reputation and attracts bad press to the companies involved, even those held harmless.
- Complicates campaign performance metrics, making it harder to optimize campaigns.

Here's a video showing what happens when a computer gets infected and generates thousands of fake clicks.

INDUSTRY AUTHORITIES

The IAB and DMA are among a large group of industry leaders responsible for shaping trends, policies, and standardization.

INDUSTRY AUTHORITIES

THE INTERACTIVE ADVERTISING BUREAU (IAB)

An advertising business organization made up of over 500 leading media and technology companies. The IAB works to educate the public about the value of interactive advertising as well as to evaluate and recommend standards and practices (such as standard unit size).

THE FEDERAL TRADE COMMISSION (FTC)

The body of regulation in the US government that oversees and regulates advertising, marketing, and interstate trade practice.

THE DIGITAL ADVERTISING ALLIANCE (DAA)

An association of leading national advertising and marketing trade groups, which together deliver effective, self-regulatory solutions to online consumer issues.

THE AMERICAN ASSOCIATION OF ADVERTISING AGENCIES (AAAA)

The AAAA is the national trade association of the ad agency business. It is a management-oriented association that represents more than 1,100 member agencies in the United States, whose offices employ over 65,000 people, offer a wide range of marketing communications services, and place 80 percent of all national advertising. Its members build their businesses and act as the industry's spokesperson with government, media, and the public sector.

THE NETWORK ADVERTISING INITIATIVE (NAI)

A coalition of more than 70 leading online marketing companies committed to building consumer awareness and reinforcing responsible business and data management practices, including the 15 largest online advertising networks in the United States.

THE DIRECT MARKETING ASSOCIATION (DMA)

The leading global trade association of businesses and nonprofit organizations using and supporting multichannel direct marketing tools and techniques. DMA advocates industry standards for responsible marketing, both online and offline. It promotes relevance as the key to reaching consumers with desirable offers, and provides cutting-edge research, education, and networking opportunities to improve results throughout the end-to-end direct marketing process.

THE ASSOCIATION OF NATIONAL ADVERTISERS (ANA)

A trade organization for data-driven marketers that provides its members with insights, collaboration, and advocacy. ANA's membership includes 400 companies with 9,000 brands that collectively spend over $100 billion in marketing communications and advertising. The ANA strives to communicate marketing best practices, lead industry initiatives, influence industry practices, manage industry affairs, and advance, promote, and protect all advertisers and marketers.