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DIGITAL INTELLIGENCE

Buying Display Ad Inventory
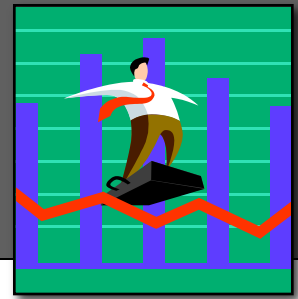
David Hallerman

Principal Analyst

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What we'll look at today...

- **Display ad market trends:** spending and attitudes

- **Targeting tactics:** audience vs. content (context)

- **Range of inventory sources:** benefits and caveats

- **Publisher direct:** finding brand value with premium inventory

- **Ad networks:** ways to use inventory aggregation

- **Ad exchanges:** including influx of private exchanges

- **DSPs:** including growth of agency trading desks

- **Real-time bidding:** how it fits into several inventory channels

- **Integrating ad inventory:** blending sources and data

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Display Ad Overview

(Spending and Attitudes)

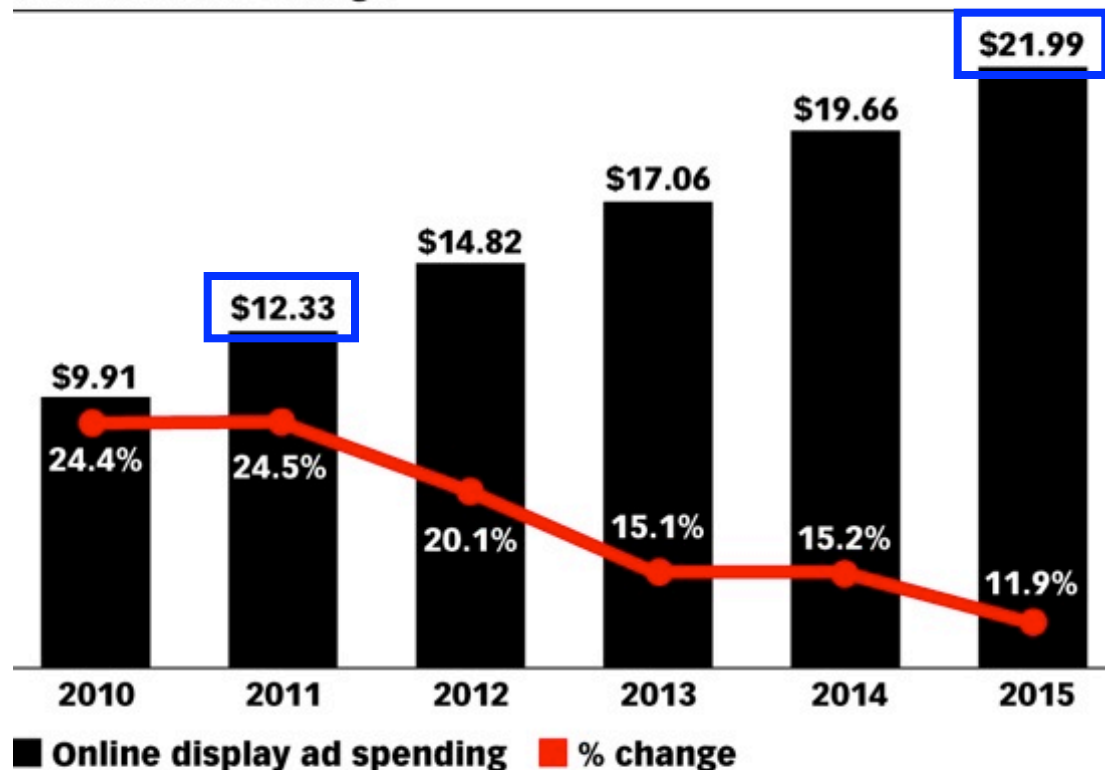Rapid changes in online display ad inventory emphasize the need to **sharpen** spending decisions

Display ad spending includes:

- banners
- rich media
- sponsorship
- video

US Online Display Ad Spending, 2010-2015
billions and % change

Year	Spending	% change
2010	$9.91	24.4%
2011	$12.33	24.5%
2012	$14.82	20.1%
2013	$17.06	15.1%
2014	$19.66	15.2%
2015	$21.99	11.9%

■ Online display ad spending ■ % change

Note: includes banner ads, rich media, sponsorships and video
Source: eMarketer, June 2011

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Marketing that US consumers trust: Display formats at bottom

Types of Ads/Recommendations Trusted by US Consumers, Q1 2011

% of respondents

Personal recommendations
76%

Online consumer opinions
49%

Opt-in emails
40%

Brand websites
35%

Search ads
21%

Online video ads
19%

Online banner ads
16%

Social network ads
15%

Mobile ads
13%

Note: respondents who chose "trust completely" or "trust somewhat"
Source: The Nielsen Company, "Trends in Advertising Spend and Effectiveness," June 10, 2011

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Ridiculously low click rates on banners partially reflect that missing trust

Clickthrough Rate for Mobile vs. Online Banner Ads in North America, Q1 2011

Mobile banner	0.61%
0.07% Online banner	

Note: on the MediaMind network; includes campaigns with at least one active mobile ad

Source: MediaMind, "Tiny Screen, Huge Results: Maximizing Mobile Advertising Performance," July 5, 2011

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Audience vs. Content Targeting

(New vs. Traditional)

One crucial reason most people never click on banners:

The ads are rarely **relevant** to them

Reasons US Internet Users Do Not Click on Online Banner Ads, March 2011

% of respondents

Don't want to be distracted ("Online banner ads take me away from my current website, or from what I am doing.")
61%

Ads are not that relevant to them
58%

Wary of opening something they'll wish they hadn't (afraid of spam or viruses, pop-ups taking over their screen, etc.)
57%

Ads don't seem interesting or engaging
43%

Only want to click ads when they're in the mood or interested in looking at them
31%

Worried that their internet behavior will be tracked
31%

Note: n=600 who have hardly ever or never clicked on an online banner ad
Source: AdKeeper & 24/7 Real Media as cited in press release, April 19, 2011

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More targeting has produced more relevancy, but still more is needed

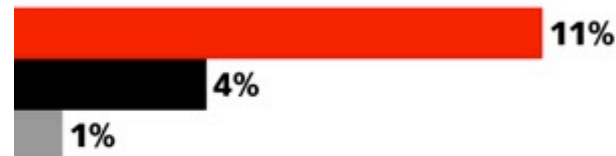**Percent of Online Display Ads US Internet Users Consider Relevant to Their Individual Needs, 2008-2011**

% of respondents

2008
- 9%
- 2%
- 1%

2009
- 11%
- 4%
- 1%

2011
- 23%
- 8%
- 1%

■ 26-50% ■ 51-75% ■ 76-100%

Note: n=1,004
Source: Harris Interactive, "Behavioral Advertising and Privacy: What Consumers Think They Know…And What Advertisers Need to Do About It" commissioned by TRUSTe, July 25, 2011

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30% of marketers or less cite content targeting as most important vs. at least 70% who favor audience targeting

Most Important Type of Targeting According to Advertisers and Agencies in North America, March 2011

% of respondents

Type	Audience	Content
Agency trading desk	90%	10%
Agency	72%	28%
Advertiser—brand	71%	29%
Advertiser—performance	70%	30%
Advertiser—mix	70%	30%

■ Audience   ■ Content

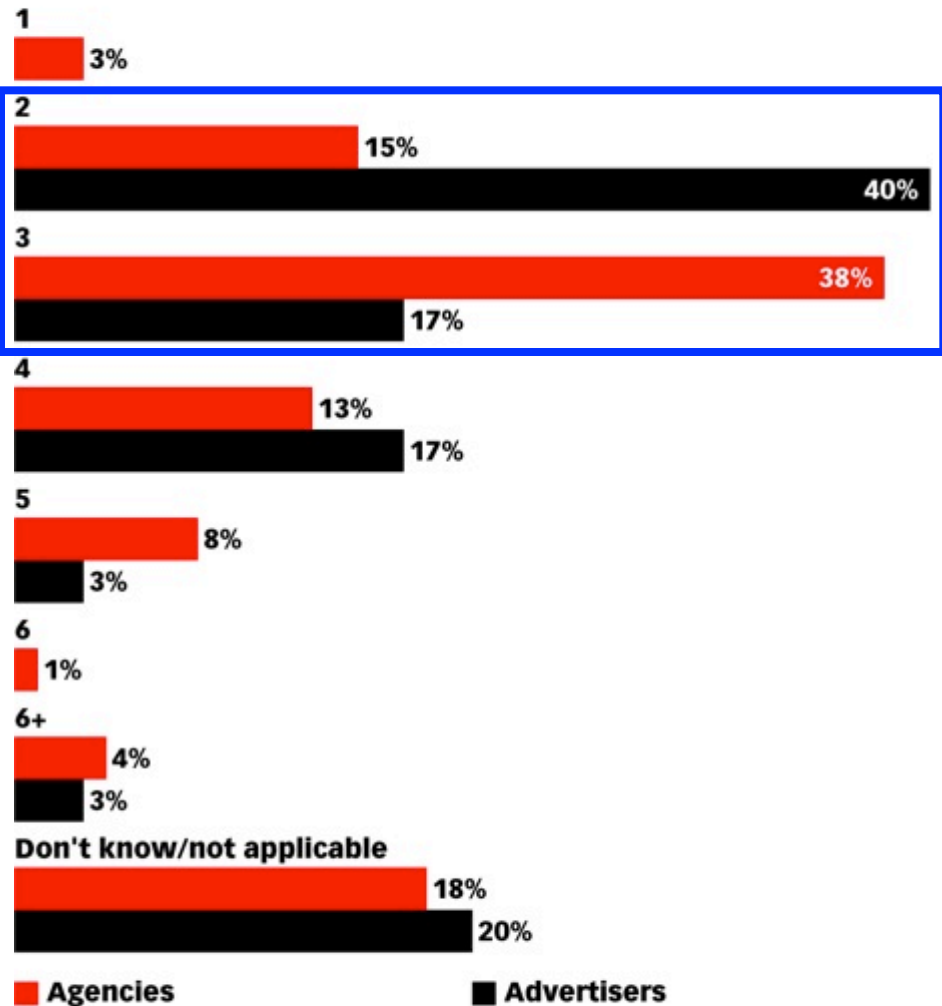Source: PubMatic and DIGIDAY, "Publisher Trends: Brand + Audience," March 28, 2011

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57% of advertisers and 53% of agencies said 2 or 3 targeting segments are optimal

Optimal Number of Targeting Segments Used per Ad Campaign According to Advertisers and Agencies in North America, April 2011

% of respondents

Segments	Agencies	Advertisers
1	3%	
2	15%	40%
3	38%	17%
4	13%	17%
5	8%	3%
6	1%	
6+	4%	3%
Don't know/not applicable	18%	20%

■ Agencies ■ Advertisers

Source: AudienceScience and DIGIDAY, "Audience Targeting: Mapping the Future Evolution of Audience Targeting and Data Management," May 5, 2011

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Limits of audience data—and therefore targeting—will be shaped increasingly by the types of info that users will **NOT** share

Types of Information that US Internet Users Would Not Share with Advertisers, July 2011
% of respondents

Type of Information	Definitely would not consent	Probably would not consent
Financial information	66%	14%
Contact information (email, phone, physical address)	49%	22%
Health-related information	52%	18%
Current location	46%	20%
Name	45%	19%
Online browsing behavior	34%	21%
Profession	32%	19%
Demographic information (not PII)	27%	15%
Hobbies/interests	26%	14%

■ **Definitely would not consent** ■ **Probably would not consent**

Note: n=1,004
Source: Harris Interactive, "Behavioral Advertising and Privacy: What Consumers Think They Know...And What Advertisers Need to Do About It" commissioned by TRUSTe, July 25, 2011

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Audience targeting tends to diminish transparency for media buyers

Online advertising transparency can be defined in several ways

➤ Details about inventory and data **sources**

➤ Recency or frequency of audience intent data (aka "**freshness**")

➤ Where an advertiser's message **ran**

➤ Basic understanding of the **algorithms used** used to identify targets

➤ Identification of any **behavioral** data used

Ad Inventory Sources and Methods

(Reach vs. Overlap)

Ad **inventory** options, sources and methods

➤ Publisher direct (premium)

➤ Ad networks

➤ Ad exchanges

➤ Private exchanges

➤ Demand-side platforms (DSPs)

➤ Agency trading desks

➤ Real-time bidding (RTB)

Publishers and networks (branding) vs. exchanges, DSPs, RTB (direct response)

Best Use of Select Display Inventory Sources/Buying Methods According to US Agencies, Dec 2010

% of respondents

1. Fostering engagement
2. Generating awareness
3. Prospecting
4. Direct response
5. Cost-effective

	1	2	3	4	5
Premium publishers	22%	54%	4%	7%	6%
General ad networks	6%	33%	14%	13%	33%
Exchanges, DSPs, RTB	5%	13%	13%	24%	40%

Note: n=109
Source: DataXu and DIGIDAY, "Digital Advertising State of the Industry Survey," Dec 9, 2010

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Display advertising technology landscape, from Luma Partners
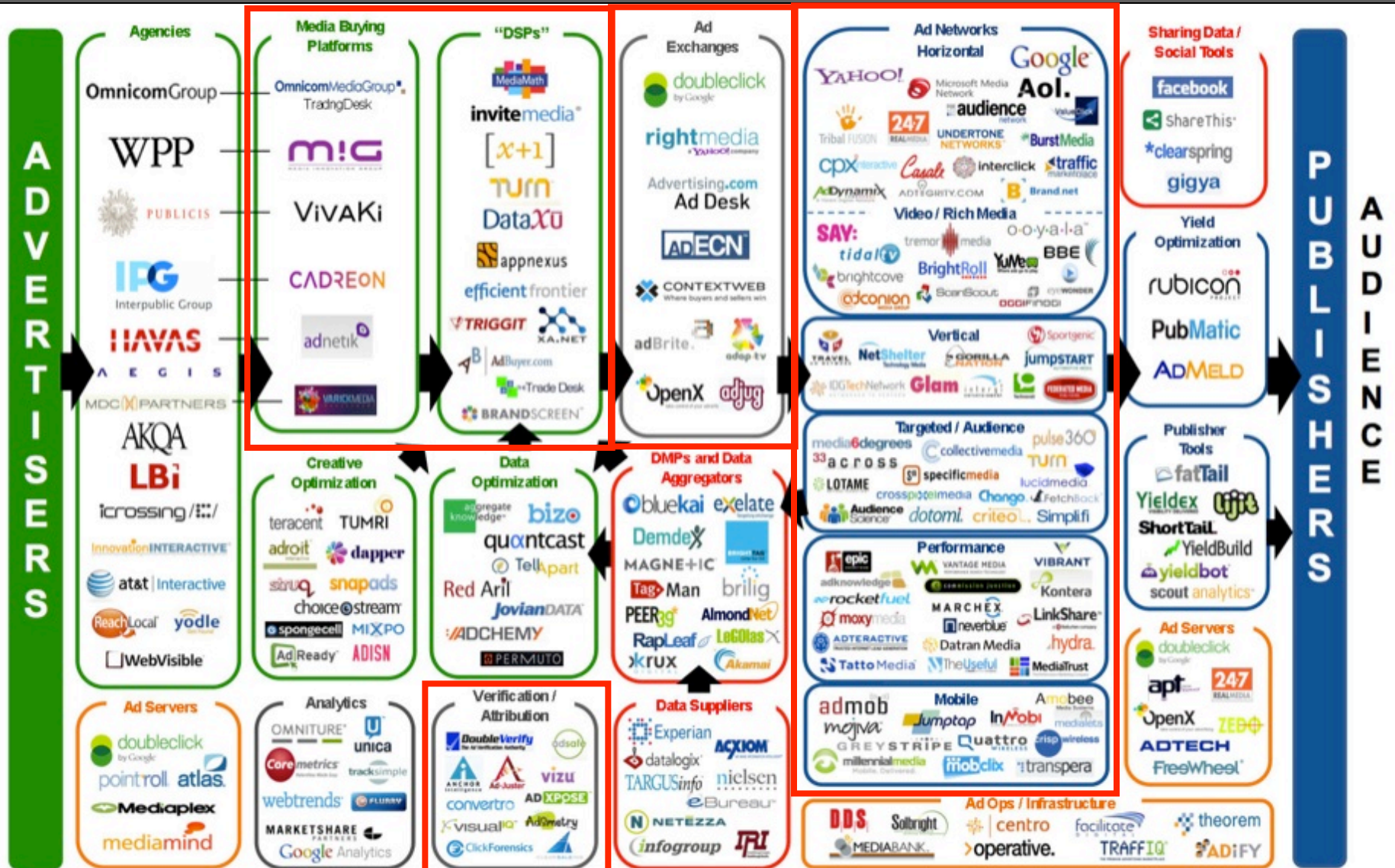
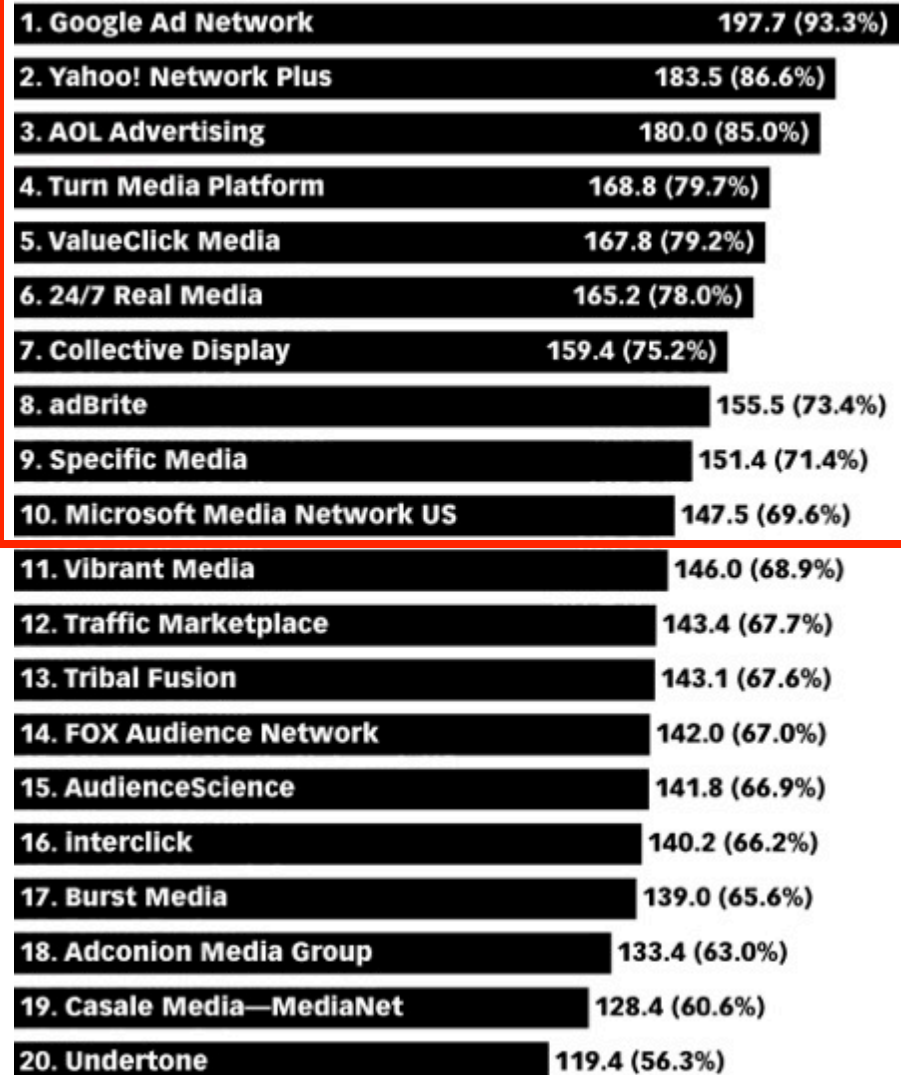# Newer ad inventory sources look to solve three basic requirements

➢ **Audience reach and scale:** Sources such as ad exchanges and DSPs offer **more audience reach, but that's typically achieved through inventory aggregation**. As a result, multiple sources offer duplicate inventory and impressions.

➢ **Cost-efficiency:** Demand for cheaper inventory is a key catalyst for the growth of ad exchanges, DSPs and agency trading desks. Rather than committing to up-front buys, advertisers purchase **inventory by the impression**, often at low margins and using RTB.

➢ **Audience-efficiency:** An influx of data-management platforms and third-party data providers look to **better define and locate audiences**. Media buyers use robust audience data, in combination with ad exchanges and DSPs, to better ensure that each impression reaches the right audience at the right time at the right price.

Multiple ad sources too often result in duplicate inventory, which is inefficient and wastes money

Top 10 ad networks each have about 70% or higher reach, making audience overlap very likely

Top 20 US Ad Networks, Ranked by Unique Visitors, Dec 2010
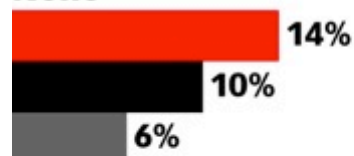*millions and % reach*

Rank	Network	Unique Visitors (% reach)
1.	Google Ad Network	197.7 (93.3%)
2.	Yahoo! Network Plus	183.5 (86.6%)
3.	AOL Advertising	180.0 (85.0%)
4.	Turn Media Platform	168.8 (79.7%)
5.	ValueClick Media	167.8 (79.2%)
6.	24/7 Real Media	165.2 (78.0%)
7.	Collective Display	159.4 (75.2%)
8.	adBrite	155.5 (73.4%)
9.	Specific Media	151.4 (71.4%)
10.	Microsoft Media Network US	147.5 (69.6%)
11.	Vibrant Media	146.0 (68.9%)
12.	Traffic Marketplace	143.4 (67.7%)
13.	Tribal Fusion	143.1 (67.6%)
14.	FOX Audience Network	142.0 (67.0%)
15.	AudienceScience	141.8 (66.9%)
16.	interclick	140.2 (66.2%)
17.	Burst Media	139.0 (65.6%)
18.	Adconion Media Group	133.4 (63.0%)
19.	Casale Media—MediaNet	128.4 (60.6%)
20.	Undertone	119.4 (56.3%)

Source: comScore Networks cited as by Barclays Capital, "Internet Data Book January 2011," provided to eMarketer, Jan 13, 2011

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Largest portion of **media buyers** use only a few exchanges, somewhat more use networks, and still more use publishers
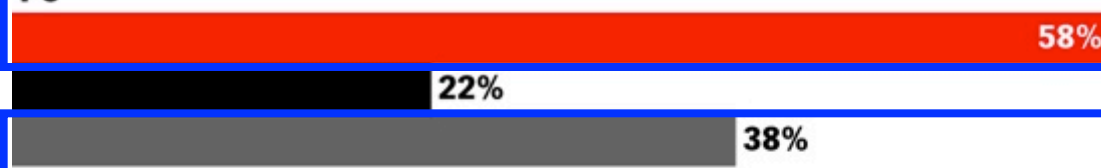
Number of Exchanges, Publishers and Networks from Which Media Buyers in North America Buy Digital Advertising, Feb 2011
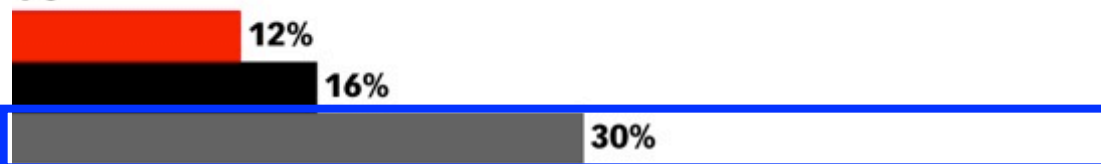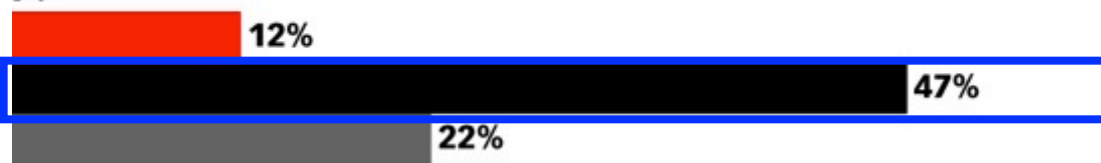
% of respondents

None
- Exchanges: 14%
- Publishers: 10%
- Networks: 6%

1-3
- Exchanges: 58%
- Publishers: 22%
- Networks: 38%

4-6
- Exchanges: 12%
- Publishers: 16%
- Networks: 30%

7+
- Exchanges: 12%
- Publishers: 47%
- Networks: 22%

■ **Exchanges**   ■ **Publishers***   ■ **Networks**

Note: n=50 for exchanges and networks; n=49 for publishers; *buy directly, not through an intermediary
Source: DIGIDAY and Google, "Real-Time Display Advertising State of the Industry" with eMarketer calculations, Feb 23, 2011

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Publisher Direct

(Premium Inventory)

What is publisher direct inventory?

➢ Bought directly from publisher, typically via **sales team** rather than automated methods

➢ Maximum **transparency** of placement, such as above-the-fold

➢ Maximum **control** over details of placements

➢ Ability to create **custom ad packages**, and sometimes wrap a brand's message into site content through sponsorships of articles, features and more

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Direct purchase most satisfying way of buying display ad inventory

Most Satisfying Methods of Buying Online Display Ads According to Media Buyers in North America, Feb 2011

% of respondents

Pre-negotiated/reservation-based buying from sites
67%

Real-time buying via demand-side platforms
47%

Real-time buying from ad networks or exchanges
47%

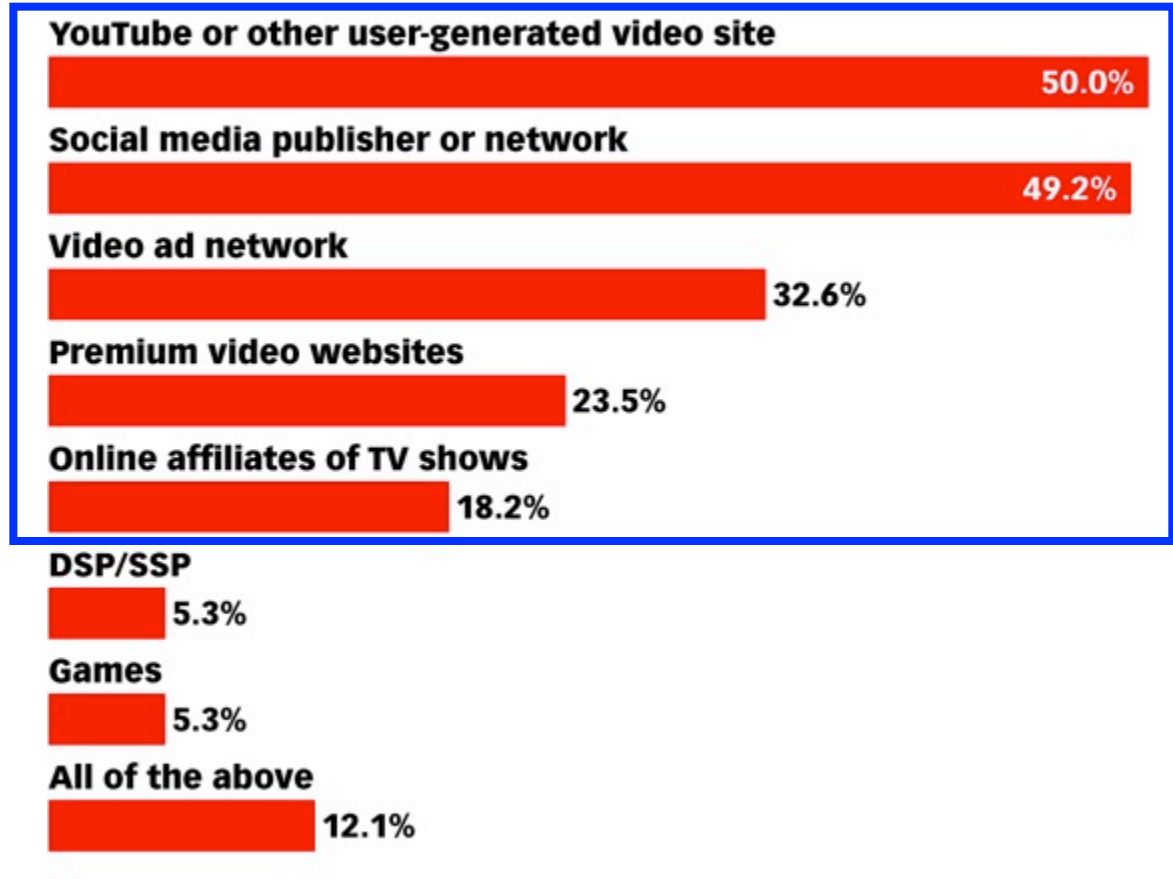**Pre-negotiated/reservation-based buying from ad networks**
41%

Note: n=50 media buyers from advertisers and agencies; "high" or "highest" satisfaction on a 4-point scale
Source: DIGIDAY and Google, "Real-Time Display Advertising State of the Industry," Feb 23, 2011

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Brands not yet spending for digital video ads would most likely buy inventory directly from publishers or on networks

Channels that Brands or Agencies in North America that Do Not Use Digital Video Would Most Likely Use to Buy Online Video Ads, March 2011
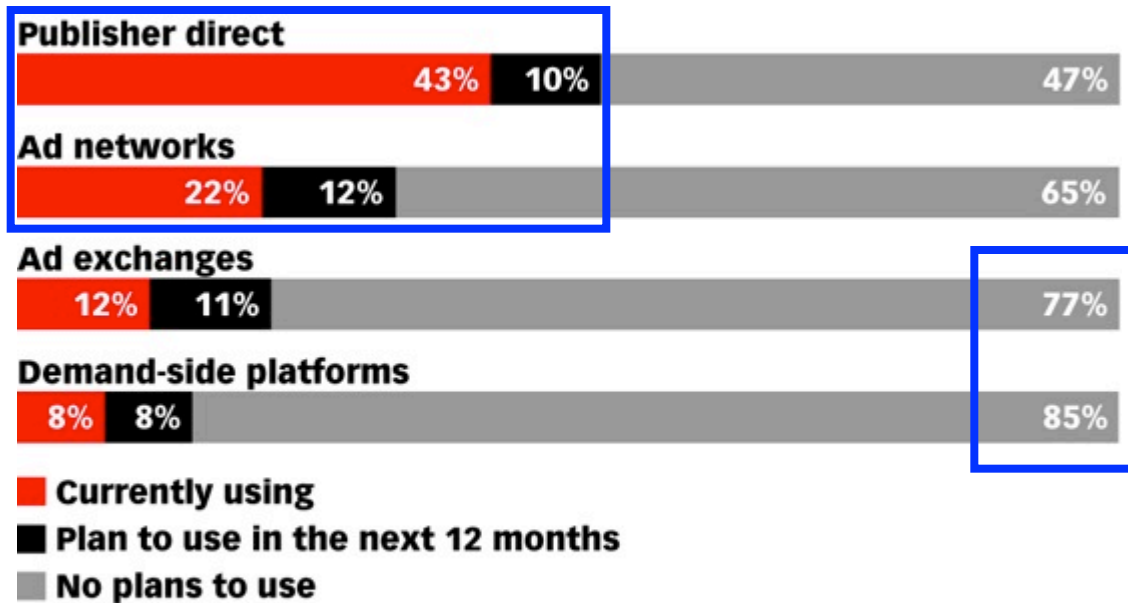*% of respondents*

YouTube or other user-generated video site
50.0%

Social media publisher or network
49.2%

Video ad network
32.6%

Premium video websites
23.5%

Online affiliates of TV shows
18.2%

DSP/SSP
5.3%

Games
5.3%

All of the above
12.1%

Note: n=132
Source: DIGIDAY and YuMe, "VIDEOUPFRONT State of the Industry Survey," April 12, 2011

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Similarly, SMBs prefer publisher direct and networks for ad buys, but are shying away from ad exchanges and DSPs

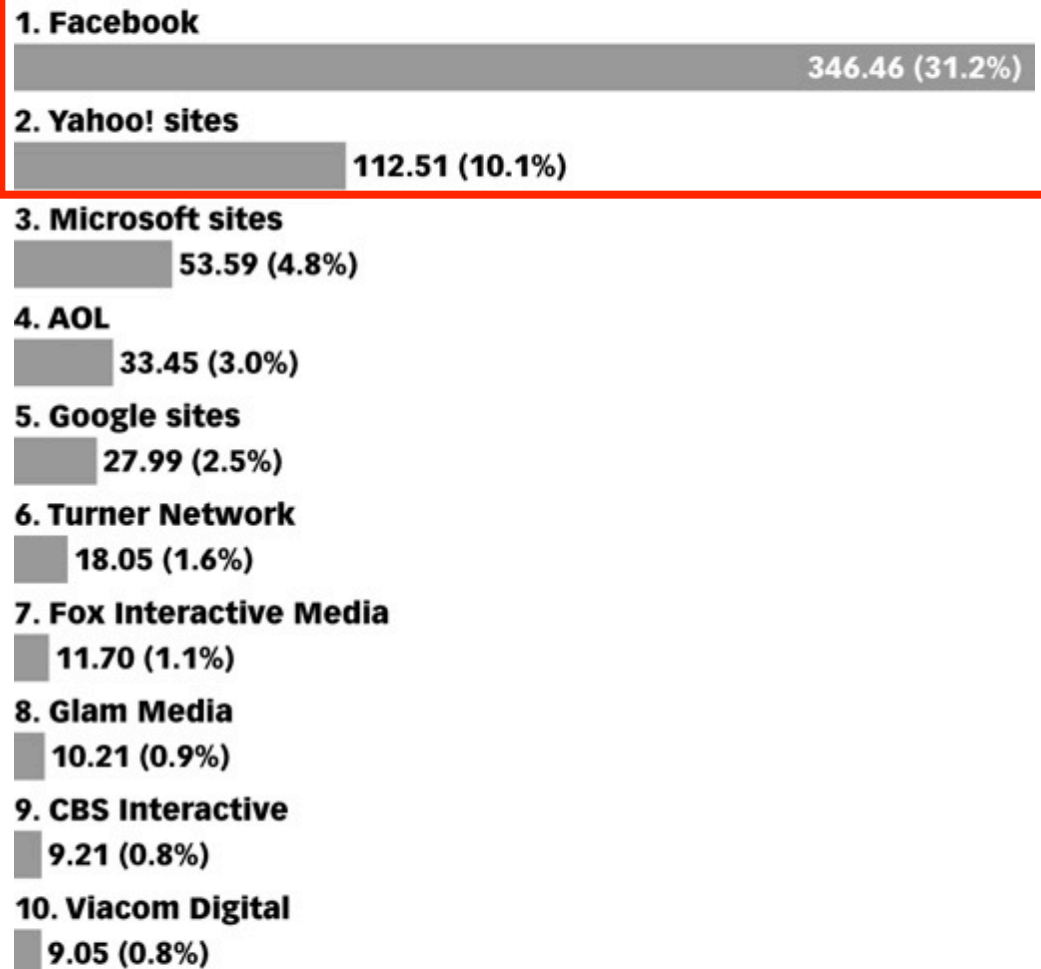**Online Display Advertising Sources Used by US-Based SMBs, Q2 2010**
% of respondents

Source	Currently using	Plan to use in the next 12 months	No plans to use
Publisher direct	43%	10%	47%
Ad networks	22%	12%	65%
Ad exchanges	12%	11%	77%
Demand-side platforms	8%	8%	85%

- 🟥 Currently using
- ⬛ Plan to use in the next 12 months
- ⬜ No plans to use

Note: n=196 online marketers working at companies with <200 employees worldwide; numbers may not add up to 100% due to rounding
Source: Forrester Research, "Interactive Marketing Priorities for SMBs," Sep 7, 2010

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Brand marketers looking to broadly disseminate their message would be wise to leverage large ad properties

Top 10 US Ad Publishers, Ranked by Online Display Ad Impressions, Q1 2011
billions and % of total

Rank	Publisher	Value
1.	Facebook	346.46 (31.2%)
2.	Yahoo! sites	112.51 (10.1%)
3.	Microsoft sites	53.59 (4.8%)
4.	AOL	33.45 (3.0%)
5.	Google sites	27.99 (2.5%)
6.	Turner Network	18.05 (1.6%)
7.	Fox Interactive Media	11.70 (1.1%)
8.	Glam Media	10.21 (0.9%)
9.	CBS Interactive	9.21 (0.8%)
10.	Viacom Digital	9.05 (0.8%)

Note: total Q1 2011 display impressions=1,110.45 billion; home, work and university locations; includes static and rich media ads and excludes video ads, house ads and very small ads (<2,500 pixels in dimension)
Source: comScore Ad Metrix as cited in press release, May 4, 2011

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Publisher direct (premium): Benefits and Caveats

- **Benefit:** context really matters, so leading brands require premium inventory

- **Caveat:** typically higher price tags than any other inventory source

- **Benefit:** useful for brand marketers looking to broadly disseminate their message; especially large ad properties such as Facebook and Yahoo!

- **Caveat:** audience reach for video ads pales compared with banners

- **Benefit:** offers media buyers the most brand control against poor-quality placements or inappropriate content

- **Caveat:** Facebook's audience will likely overlap with other publishers'

- **Benefit:** best for finding particular audiences (but doesn't really scale)

- **Caveat:** programmatic buying treats editorial quality as an added cost

- **Benefit:** greatest transparency of placement, audience, results

- **Caveat:** "you get what you pay for" is often a basic truth here

Ad Networks

(Inventory Aggregators)

What is an ad network?

➢ Aggregates ad inventory from multiple **publishers** and matches it with advertiser demand

➢ Typically **groups** ad inventory by categories or demographics

➢ Often sells **remnant** inventory or from small publishers

➢ Comes in **both** horizontal and vertical varieties

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Rough estimates indicate over 300 ad networks, both horizontal and vertical

Nearly ¾ of agencies use ad networks to buy online ads, with traditional media company websites close behind

Methods Used by US Ad Agencies to Buy Online Advertising, Q4 2010
% of respondents

Through an ad network (Google, Yahoo!, yellow pages)
72.7%

Through traditional media (TV, print, radio sites)
71.6%

Direct from the publisher (Expedia, NCAA, etc.)
42.0%

Through a DSP or exchange (Invite Media, Right Media, Acxiom, etc.)
9.1%

Through self-services (e.g., FatTail's PageGage)
4.5%

Other
4.5%

Source: STRATA, "4th Quarter 2010 Survey Results," provided to eMarketer, Jan 18, 2011

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Far more marketers put greater share of ad budgets on ad networks and publisher direct (but beware rear-view mirror effect)

Online Ad Budget Allocation by US Marketers and Agencies, by Channel, Dec 2010
% of respondents

Ad networks
29%
14%

Publisher direct placements
22%
14%

Exchanges
9%
3%
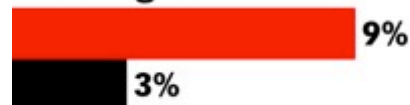
Demand side platforms (DSPs)
5%
4%

■ 25%-49% ■ 50%-100%

Source: ValueClick Media, "Advertiser Survey 2011," Feb 23, 2011

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Ad networks:
Benefits and Caveats

- **Benefit:** tend to offer more robust targeting than publisher direct

- **Caveat:** may provide only a small audience eligible for retargeting

- **Benefit:** better reach, lower costs than publisher direct

- **Caveat:** don't go live as fast as ad exchange purchases

- **Benefit:** offer brand control against poor placements or unsuitable content

- **Caveat:** often cannot specify publisher sites where ads will run

- **Benefit:** can often gain access to contextual placements and social network inventory not typically found on a DSP

- **Caveat:** often lack the audience scale found with less-transparent providers like exchanges and DSPs

- **Benefit:** various theme-specific networks, like luxury goods sites

- **Caveat:** make sure network is open to third-party data providers

Ad Exchanges

(Bidding for Inventory)

What is an ad exchange?

➢ A hub through which ad networks, and some large advertisers or agencies, can **trade** inventory within a single central marketplace

➢ Intermediary that brings **together** publishers and marketers for inventory auctions

➢ Without RTB, sells ads for **future** placements

➢ With RTB, enables automated, auction-based pricing and buying in **real time**

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Ad exchanges and DSPs often work hand-in-hand

Publishers extend their sales reach by putting inventory on exchanges or other real-time platforms

Ad exchanges tend to reduce costs compared with direct site purchases

Growing use of DSPs or exchanges, but still small shares

Methods Used by US Ad Agencies to Buy Online Advertising, Q1 & Q2 2011

% of respondents

	Q1 2011	Q2 2011
Through an ad network (Google, Yahoo!, Yellowbook, etc.)	66.0%	67.6%
Through traditional media (TV, print, radio stations, etc.)	69.1%	50.9%
Direct from the publisher (Expedia, OpenTable, NCAA, etc.)	41.5%	43.5%
Through a DSP or exchange (Invite Media, Right Media, Acxiom, etc.)	10.6%	19.4%
Through self-services (FatTail's PageGage, Adap.tv's Marketplace, etc.)	2.1%	3.7%
Other	6.4%	8.3%

Source: STRATA, "2nd Quarter 2011 Survey Results," July 26, 2011

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Reduced transparency is a major downside of ad exchanges and DSPs

Marginally more marketers value price over transparency when buying advertising

Leading Factors When Choosing a Media Partner According to US Marketers and Agencies, Dec 2010
% of respondents

Factor	%
Performance/ROI	84%
Audience targeting capabilities	67%
Price	67%
Optimization	55%
Transparency	55%
Reach	47%
Products	20%
Unique/proprietary data sets	19%
Unique content sources	17%
Third-party data	16%
Ad verification	15%
Other	10%

Source: ValueClick Media, "Advertiser Survey 2011," Feb 23, 2011

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Verification companies offer tools for improving transparency

Ad exchanges:
Benefits and Caveats

- **Benefit:** better audience scale and reach than publisher direct or networks

- **Caveat:** what quality is the inventory?

- **Benefit:** enables networks to more efficiently and cheaply trade inventory

- **Caveat:** potential for audience overlap, therefore inefficient spending

- **Benefit:** often priced CPC or CPA, best for performance goals and lead gen

- **Caveat:** often filled with inventory from small, obscure sites, or sites with low editorial quality—therefore, limited contextual placements

- **Benefit:** efficiently uses data from multiple sources to pinpoint audiences

- **Caveat:** brands especially need verification tools to prevent their ads from ending up alongside low-quality or offensive content

- **Benefit:** effective reach for retargeting site visitors

- **Caveat:** auction model can drive up prices for most effective inventory

Private Exchanges

(Cutting Out the Middleman)

What is a private exchange?

➢ Marketplace in which **one** large publisher sells inventory based on its segmented user base

➢ While many are a single publisher, some are **small,** related groups of publishers

➢ Also can be **large** groups, such as QuadrantOne, which sells inventory from hundreds of newspaper sites

➢ Often fueled using **RTB** technology

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Private exchanges:
Benefits and Caveats

- **Benefit:** gives the publisher greater control over how impressions are sold

- **Caveat:** best for publishers that have the scale and brand equity to attract advertisers into their own marketplace

- **Benefit:** more high-quality, brand-safe inventory available via RTB than through other programmatic methods

- **Caveat:** reduces transparency compared with pure direct buys

- **Benefit:** gives marketers a more efficient means of executing cross-platform buys with higher-end publishers

- **Caveat:** can't guarantee that programmatic transactions won't drive down the higher rates publishers get using direct sales

- **Benefit:** offers RTB benefits like greater audience targeting and impression-level inventory

- **Caveat:** tends toward higher CPMs than on networks or regular exchanges

Demand-Side Platforms

(DSPs)

What is a demand-side platform (DSP)?

➢ System for managing **multiple** ad exchange accounts using a single interface

➢ Lets marketers integrate outside **data** directly into DSPs for buying via RTB methods

➢ Prime example of **programmatic** buying

➢ Trading desks are essentially **in-house** agency DSPs

Steve Kerho, senior vice president, Organic

"One of the great things about DSPs is that we are moving closer to my being able to **buy a specific audience** and I can name my price."

Significant share of those considering a DSP say it will be part of a whole

Role of Demand-Side Platforms in 2011 According to US Marketers and Agencies, Dec 2010

% of respondents

Will be our exclusive media buying solution
1%

Will complement our network partnerships and other off-network buying
28%

Will consider working with a DSP
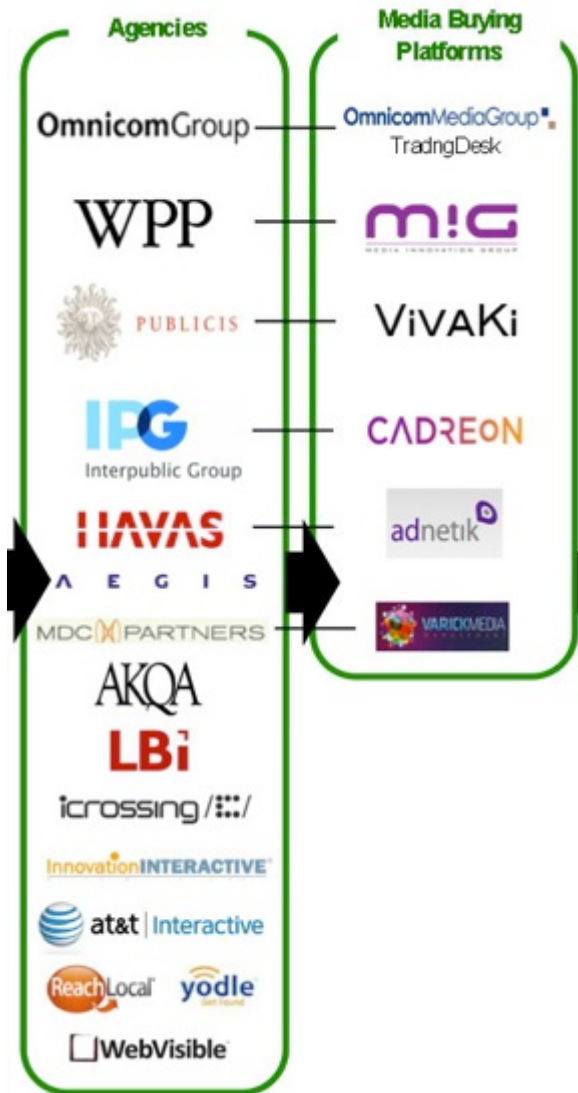40%

Do not plan on working with a DSP
30%

Note: numbers may not add up to 100% due to rounding
Source: ValueClick Media, "Advertiser Survey 2011,"

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Programmatic buying: can be more effective, but control is a concern

Media buying platforms (aka trading desks) potentially offer simpler buys

Demand-side platforms (DSPs): Benefits and Caveats

- **Benefit:** saves time in the day-to-day execution and ability to bid on inventory across various exchanges

- **Caveat:** a little too black-box for many brands, who give up control

- **Benefit:** ad network DSPs broaden the range of media they can offer beyond that which they directly represent

- **Caveat:** very little premium inventory available at this stage

- **Benefit:** data providers can segment audience data by factors such as gender, age, income, and purchasing history and intent

- **Caveat:** CPA-focused media buyers often need to factor in additional data charges to their CPA objectives, especially for third-party data

- **Benefit:** give ability to de-duplicate audience views across all ad placements, not just those made through the DSP

- **Caveat:** still often overlap, with same ad inventory as sold by exchanges

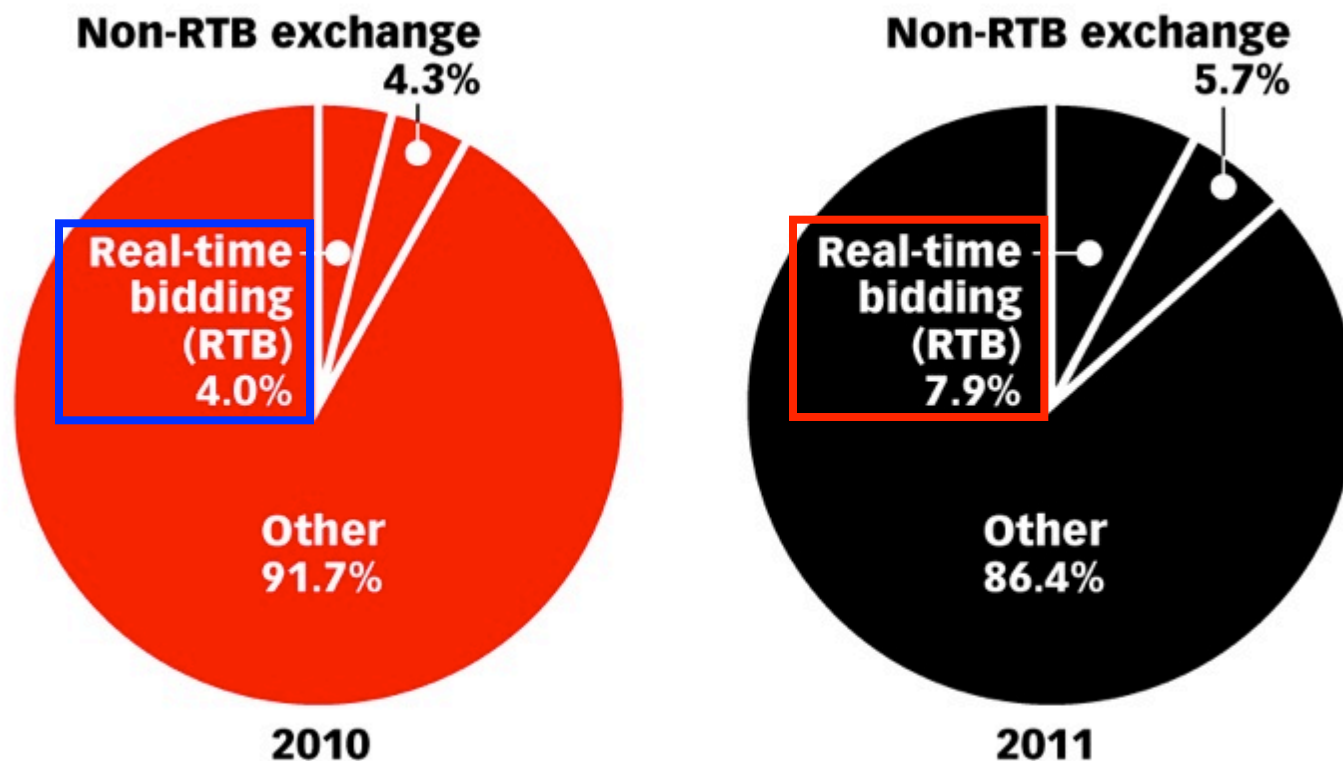# Real-Time Bidding

(RTB)

What is real-time bidding (RTB)?

➢ Component of a DSP, ad exchange or network that lets buyers use **their own data** and targeting options to bid for each ad impression

➢ Gives marketers a **controlled environment** for buying ad inventory and optimizing costs

➢ Fueled by a **wealth** of data, such as IP address, geolocation, current site user is viewing, ad unit size and format, time of day, user profile

➢ Based on **instantaneous** auctions (duh!)

RTB's share of display spending still small, but growing rapidly

US Online Display Ad Spending, by Type, 2010 & 2011

% of total

2010

- Non-RTB exchange 4.3%
- Real-time bidding (RTB) 4.0%
- Other 91.7%

2011

- Non-RTB exchange 5.7%
- Real-time bidding (RTB) 7.9%
- Other 86.4%

Source: Forrester Consulting, "RTB Hits the Mainstream" commissioned by Admeld, Feb 10, 2011

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RTB usage partly held back by shortage of publisher inventory

Ad Buyers Who Have Used Real-Time Bidding (RTB) vs. Publishers with Open Inventory to RTB in North America, March 2011

% of respondents

Ad buyers who have used real-time bidding (RTB)	62%
Publishers with open inventory to RTB	20%

Source: PubMatic and DIGIDAY, "Publisher Trends: Brand + Audience," March 28, 2011

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Direct access to publisher RTB could encourage brands to use the technique

Likelihood of Advertisers and Agencies in North America to Increase Their Overall Real-Time Bidding (RTB) Budget if They Had Direct Access to RTB*, March 2011

% of respondents

	Likely	Not likely
Advertiser—brand	74%	26%
Agency	72%	28%
Agency trading desk	62%	38%

■ Likely   ■ Not likely
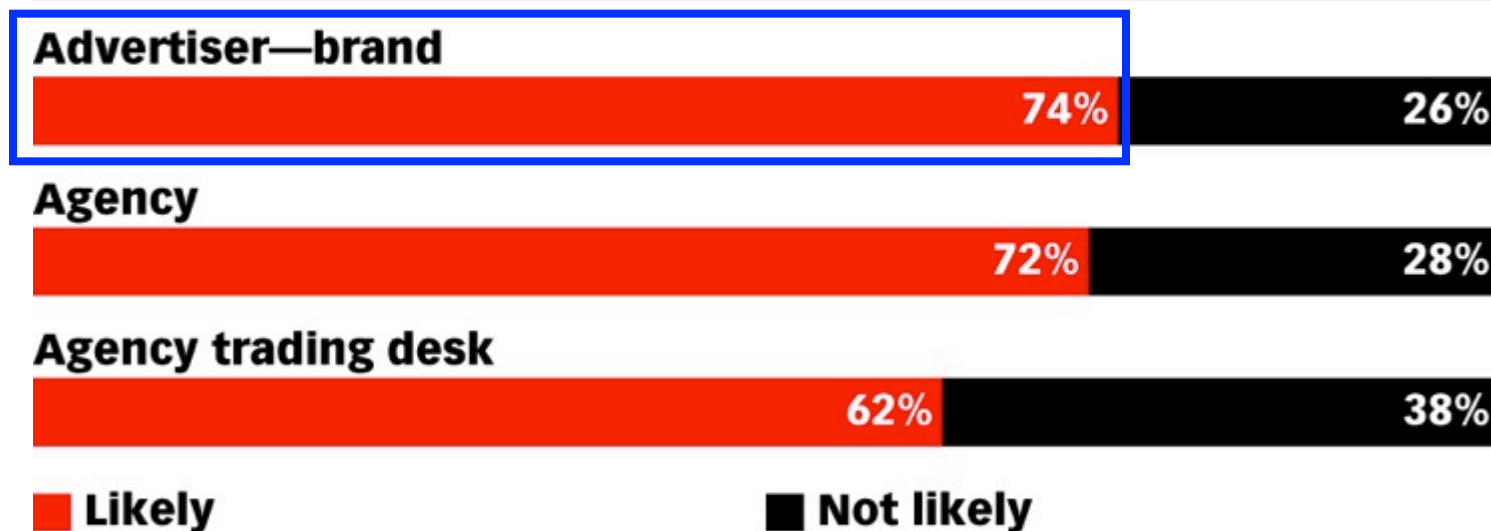
Note: *from a publisher
Source: PubMatic and DIGIDAY, "Publisher Trends: Brand + Audience," March 28, 2011

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Beware of bidding blindly on inventory based only or mainly on price

RTB's audience targeting raises hackles of privacy advocates, and users are ever more aware of being tracked

Awareness of Select Online Ad Terms Among US Internet Users, July 2011
% of respondents

Term	%
Internet cookies	84%
Interest-based advertising	66%
Online tracking	65%
Behavioral targeting	42%
Location-based tracking and advertising	41%
Online advertising networks	40%
Online behavioral advertising	35%
Do not track	30%

Note: n=1,004; number shown is percent of respondents who answered "yes" to each of the items when asked "Are you familiar with each of the following terms?"
Source: Harris Interactive, "Behavioral Advertising and Privacy: What Consumers Think They Know...And What Advertisers Need to Do About It" commissioned by TRUSTe, July 25, 2011

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Real-time bidding (RTB): Benefits and Caveats

- **Benefit:** allows buyers to evaluate mix of content, brand and audience on each impression and decide which impressions to bid on and for how much

- **Caveat:** more complex to purchase ad inventory through a bidding interface than through managed services on ad exchanges, networks and DSPs, or directly from publisher sites

- **Benefit:** relatively transparent process where buyer gets to see broad range of data, including the impression's URL, geographic and contextual information, behavioral targeting data, and historical performance

- **Caveat:** buyer's system needs to scale with the size of the inventory they view, not just the inventory they buy

- **Benefit:** can be layered on top of ad exchanges, DSPs or agency trading desks

- **Caveat:** programmatic buying still needs human control and close watch

- **Benefit:** gives advertisers desired audience at the lowest possible price

- **Caveat:** publishers are at risk of downward pricing pressure

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Integrating Ad Inventory

(Data's Central Place)

Coordinated media buying is too often fragmented by channels and silos

Very few marketers believe they've effectively integrated data across their company or channels

US Marketers Who Believe They Have Effectively Integrated Multiple Marketing Channels, April 2011
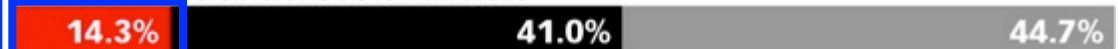% of respondents

	Effective integration	Moderately effective integration	Ineffective integration
Messaging across channels	27.4%	55.4%	17.2%
Timing of deployments across channels	16.7%	62.3%	21.0%
Customer and prospect data across the enterprise	14.8%	53.9%	31.4%
Data analytics across channels	14.3%	41.0%	44.7%
Sequencing of channels	14.0%	61.2%	24.8%
Digital asset management	10.4%	47.4%	42.2%

■ Effective integration
■ Moderately effective integration
■ Ineffective integration

Note: numbers may not add up to 100% due to rounding
Source: Direct Marketing Association (DMA), "Rowing as One: Integrated Marketing Today," May 11, 2011

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Reaching your target audience requires a continually monitored blend of inventory sources and robust data

34% of marketers cited customer data hubs as third-most likely technology to help them overcome challenges

Marketing Technologies US B2C Marketers Believe Can Help Them Overcome Their Current Marketing Challenges, May 2011

% of respondents

	1	2	3
Web analytics	27%	11%	16%
Social campaign management tools	13%	7%	12%
Customer data hubs	12%	11%	11%
Campaign management	11%	10%	10%
Social engagement tools	8%	16%	8%
Mobile marketing technology	7%	14%	8%
Social listening tools	7%	10%	7%
Email delivery	5%	10%	7%
Search bid management technologies	5%	2%	3%
Lead management/nurturing	3%	8%	5%
Display targeting solutions	2%	1%	6%
Demand-side platforms	1%	-	3%

Note: n=132; three responses allowed; 1=most helpful and 3=third most helpful; respondents did not necessarily use these technologies; excludes responses of those who answered "none of the above" or "don't know"
Source: Forrester Consulting, "The New Campaign Management Mandate" commissioned by ExactTarget, June 15, 2011

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Centralizing data into a single database with individual customer records is key

Methods Used by US Marketers to Manage Customer Data, May 2011
% of respondents

Have a centralized data repository for our client data
40%

Track acquisition costs by channel
33%

Centralize customer data from across channels to recognize the customer in a single record
33%

Measure lifetime customer value
30%

Utilize predictive customer analytics
29%

Note: n=368; top five responses shown
Source: ClickSquared and The Relevancy Group, "The Connected Marketing Campaign Management Imperative," July 28, 2011

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Conclusions

Conclusions:
Buying Display Ad Inventory

➢ Concentrate on your campaign **objectives** to leverage the strengths of each inventory source and method.

➢ The **crowded** display advertising landscape requires regular testing and measurement of the different inventory sources.

➢ Audience targeting or content targeting? A **blend** of both techniques is often the best approach.

➢ Find your optimal **balance** between costs and transparency.

➢ Never **blindly** substitute newer inventory sources and buying methods for tried-and-true solutions.

➢ Each new ad buying method aggregates inventory from its predecessors. But greater reach can create greater **overlap**.

➢ Don't buy the hype: RTB can be useful for buying both brand and performance inventory, but it is unlikely to **replace** guaranteed buys.