How can Avazu Inc, a global digital advertising company, remain competitive in the retargeting and audience targeting markets, in the foreseeable future?

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Date	01/06/2013
Version	Final

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1.Rational

The Internet has heavily changed the way advertising is done. It is more efficient and competitive than ever because of the great emphasis that advertisers put on Return On Investment. The latest trends, which are retargeting and audience targeting are good examples of this pursuit of high performance. Furthermore, the display advertising market is a fast moving environment which forces the players to be reactive. This thesis aims at answering the following question:

How can Avazu Inc, a global digital advertising company, remain competitive in the retargeting and audience targeting markets, in the foreseeable future?

Avazu is a display advertising company founded in 2009. The company owns its own private exchange business - an ad network called Avazu Network - and a proprietary developed Demand Side-Platform called Avazu DSP. This DSP offers performance oriented advertisers a one stop media buying solution across the largest ad exchange platforms and yield optimizers (SSP) worldwide.

The company is at the moment facing a tough competition that reduces it's likeliness of attaining it's desired situation. The company thus has to come up with a strategy that would help it rectify this trend.
Consequently, this thesis' empirical part will focus on a series of comparisons and analysis to thoroughly assess Avazu prospects in the retargeting and audience targeting market. Thus, a Porter's 5 forces analysis, a SWOT analysis, and a perceptual mapping of the main competitors will be completed in addition to an Alexa traffic ranking and a pricing models and services comparison.

In the theoretical part, this paper will investigate the upcoming trends in order to quantify the expected growth of these markets and therefore the potential of these technologies.

2.Situational Analysis

Retargeting and audience targeting are part of the online display advertising market, which is defined as "a form of online advertising where an advertiser's message is shown on a destination web page, generally set off in a box at the top or bottom or to one side of the content of the page" (Glossary of Interactive Advertising terms.)

This is one of the fastest growing advertising segments. Indeed, this market is currently roughly 27 billion USD internationally, with an expected growth of 36% for 2013, which would make it reach 34.4 billion USD. (Optimedia)

The wideness of this market, coupled with growth prospects have attracted many players, which resulted in a tremendously competitive ecosystem.

This competition has driven players to specialize in services and technologies.

Retargeting, a technology that enables advertisers to specifically target their websites' visitor, and audience targeting, the process of identifying segments of similar users and incorporating them into the ad delivery decision (Mirian) are the two latest technologies that advertising companies use in order to enhance their efficiency. This enhancement is put in favor of the exchange of inventory between the advertisers and the publishers.

2.1 Evolution of online display advertising

In order to understand Avazu's position in these two markets, it is essential to understand which are the different actors. The best way to do so is to quickly review the fast paced evolution of this industry.

At the beginning, there was an advertiser or advertiser's agency that purchased publisher's advertising space.
Everything was done directly between these two parties. The advertising space that was bought or sold was commonly called publisher's inventory.
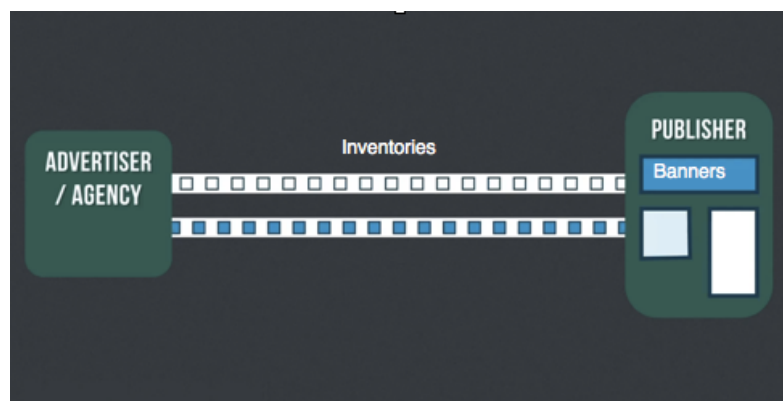

The exchange currency of these inventories was called impressions. The advertiser or agency bought in thousands of impressions (cpm / cost per mill) and inserted his banners in the advertising spaces.

Over time, the publishers created thousands of web pages, which created billion of remnant inventories.
As a consequence, a new kind of service emerged, the Ad Network.

The Ad Networks are acting as middleman or broker. They buy in wholesale the remnant inventories, add a layer of technology, aggregate audiences and sell a package that enable the advertisers to reach a very specific target. (What is the difference between ad networks and ad exchanges)

Quickly, ad networks were numerous and competition was thus very high. Therefore, Ad Networks started to diversify the way to market inventories.
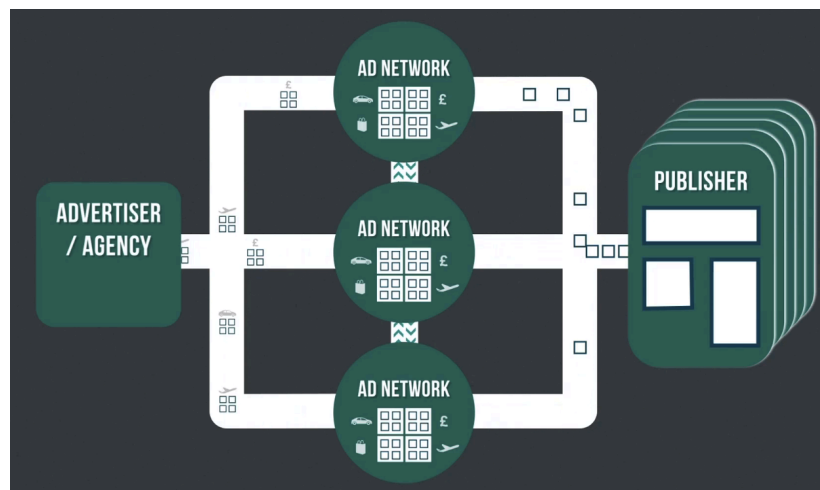
Everything was very complicated. They often had to negotiate with many societies, all looking to buy or sell inventories at the best purchase price. Furthermore, it was quite common that advertisers bought the same audience multiple times.

Some organization was therefore a necessary step in order to achieve a higher performance.
Therefore, a new business model, called Ad Exchange appeared. The Ad Exchanges allow buyers and sellers to shift from a purchase of impressions logical to an audience purchase logical.
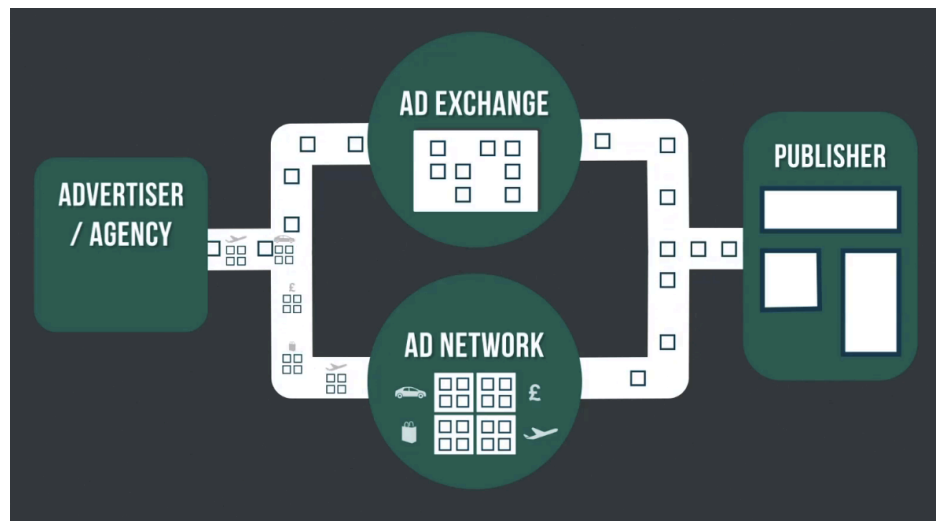
Sellers, offer their audience for sale on the platform, where buyers can bid. Whoever wins the auction can serve its advertising to the right audience, at the right time.

Advertising spaces can now be purchased in two ways: via an AD network where they are aggregated and packaged and via an AD exchange where the purchase is made on specific audience.
The AD exchanges provide a new opportunity to optimize both the supply and the demand side.

Some agencies established trading desk or engaged in Demand-Side Platform (DSP). This gives them the ability to negotiate effectively in real-time on Ad Exchange. The targeted data being their arbitrage decisions for their decisions making. (What is a Demand Side Platform or DSP? | Crowd Science)

Some publishers work in direct via Ad Exchanges. Others use providers called SSP (sell side platform) that optimize the publishers' offer.
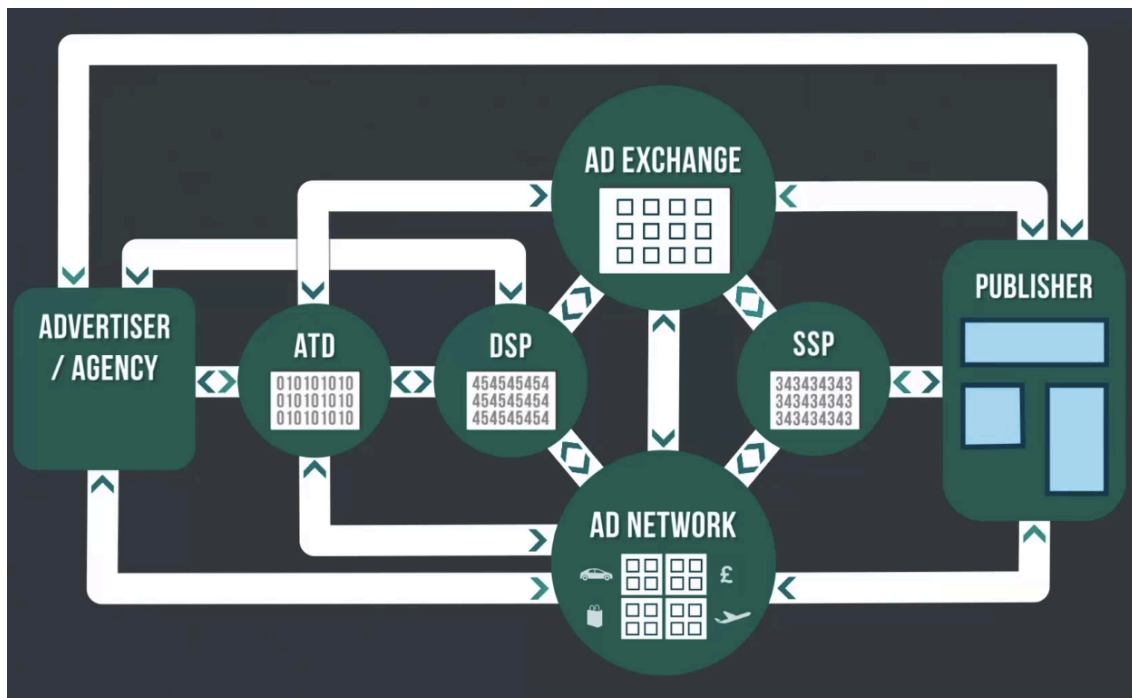
That said, AD networks should not be forgotten and remains a convenient way to buy and sell inventories.
In addition, AD exchanges are also a great opportunities to optimize their services. (AD networks and Exchanges 101)

To summarize Avazu's position in this market, the company acts both as an AD network and as a Demand-Side Platform (DSP). Indeed, according to Yi Shi who is both the CEO & the Founder, "Avazu is a display advertising company with its own private exchange business (an AD network called Avazu Network) and a proprietary developed demande side-platform (Avazu DSP), offering performance oriented advertisers, one stop media buying solutions across the largest AD exchange platforms and yield optimizers (SSP) worldwide". (Yi Shi CEO & Founder, Avazu Inc, Talks About The Companyís Private Exchange Business And DSP Solution)

2.2 Focus on the targeting technology:

Retargeting is an e-marketing approach that offers behavioral targeting through personalized dynamic banners that redirect to the advertiser's website in order to give the potential customer another chance to purchase the product/service. This technology emerged around 2005, Criteo being the first company to propose it.

This concept stands on 3 fundamental points:

1) Identification of the right customer: Only visitors that have already shown an interest in the product will be retargeted. This greatly improves the effectiveness of the displayed ad.

2) Dynamic personalized banners: flash banners that display (sometime in real time) the price, descriptions, logo and product image are used so that the potential customer is incented to click on it.

3) Redirection to specific placement: the dynamic banner directly links to the page of the product the user already shown interest in. This allows minimizing the number of clicks and thus the effort that the user has to produce in order to process to the purchase.

Finally, one of the advantage of retargeting is that you are without any doubt "victim" of this technology even though you probably don't realize it.

A small example to put you in a retargeting situation:

You are looking to buy a product. Naturally, you will start doing some research on a search engine such as Google by typing keywords that match your search. Appears in front of you a wide range of online shops (eCommerce) that sell the product you are looking for. You obviously visit multiple websites, trying to find the best price.

This is where retargeting comes into play. You have visited a shop but did not purchase anything. As it is often the case, we often look but do not buy. In fact the real converted share of users are only about 2%. (The Ultimate Guide to Increasing Ecommerce Conversion Rates, 2012)

Tagging system, implemented in collaboration with the advertising agency allows the shops to mark with a cookie the individuals that they want to expose to possible advertisement later on. The user will thus see a personalized ad about the product when browsing diverse websites.

Thanks to this technology, a company like Avazu has seen a conversion rate boost of up to 700%, from around 1% to 7%. The user being obviously much more likely to purchase a product that they are already interested in, rather than a random one. This is furthermore also translated into an increase in the customer lifetime value.

2.3 Focus on the audience targeting technology:

Audience targeting is "the process of identifying segments of similar users and incorporating them into the ad delivery decision" (Mirian)

This new Display solution uses the most advanced technologies in the industry.

<u>It is built upon 3 foundational principles:</u>

1) Defining the most profitable audiences - automatic analysis of the conversion funnel and behavior of the advertiser's users to define the different audience profiles present.

2) Use of Real Time Bidding - the display agencies or advertisers purchase impressions from the publishers. The amount of the bid is defined by the quality of the data obtained on the user.

3) Combination with Audience data - the data is obtained from the publisher network and technology partners (data mining providers which harvest and then sell data) and segmented into multiple audience profiles. Internet use and navigation habits are integrated into specific demographic, contextual or intention categories.

The information are gathered through an audience tracking pixel placed in the in-house network of direct publishers and partners as well as from registration data on partner sites.

As for the targeting technology, banners can be dynamic and personalized to the targeted audience. The result is that display campaigns are geared to the right audiences with the same profile as the advertiser's current clients. In this way, the targeted users see relevant creatives across the websites they frequently browse.

To summarize, audience targeting technology is used to increase the number of new users. Combined with retargeting, this can have a tremendously positive effect as the new users will then be made faithful customers.

2.4 The main players in the Retargeting and audience marketing market

Retargeting and audience targeting are both recent technologies. As a consequence, not that many companies propose this kind of services. Nevertheless, the companies that do, use it as a competitive advantage and are therefore prone to be innovative and highly aggressive in order to squeeze out the competition and thus maintain their foothold in the market.

Avazu, as an international company faces competition from all around the world. This said, the vast majority of its competitors are from America and Europe. Furthermore, almost only the European companies tend to expand their activities on a global scale.

Retargeting companies	Date of retargeting launch	Date of Audience targeting (or similar) launch	Location
criteo.	2008	2012	France
nextperformance	2009	2012	France
myThings	2009	2012	United Kingdom
Avazu	2010	2012	Mainland China
Adgorithms	2010	2012	France
P! PUBLIC !DÉES	2009	2012	France
Vizury	2008	2008	India
sociomantic	2008	2009	Germany

The precursor of retargeting is Criteo. According to their official website, Criteo was founded in Paris in 2005 and spent the first four years focused on R&D. The company's headquarters is based in France. It is the biggest European R&D center dedicated to predictive advertising. (Criteo opens in Paris one of the first R&D centers dedicated to predictive advertising in Europe)

The company currently operates in a total of 30 countries around the world. (French Retargeting Company Descends on Silicon Valley)

Criteo was in 2009 and is still nowadays almost only focused on CPC (cost per click) model. Next Performance reproduced the same technology but adapted it to a CPA (cost per action) price model, making it its differentiation advantage.

MyThings and Avazu arrived later in the retargeting market. Both of them chose to widen their pricing models and include CTR (click-through rate), CPC (cost per click) as well as CPA. They also chose to focus more on premium advertisers. Indeed, Criteo and Next Performance are less premium oriented and instead prefer to increase as much as possible their basis of customers by not requiring high deals. Finally, Vizury, SocioMatic and Avazu chose to focus more on expending internationally. They are indeed all very well implemented in Europe, Asia, Oceania and North and Latin America countries.

Criteo, Vizury and SocioMatic are thus the biggest competitors of Avazu in the retargeting market.

Concerning Audience Targeting, there is only a handful of companies proposing this service strictly speaking but some like myThings proposes very similar ones. In myThings case, it is called "Pre-targeting". Pre-targeting only difference with Audience targeting is that it leans on visual recognition technology which allows to match images of products displayed on the website the user browses with identical or similar ads about these products. (Donovan, 2012)

3. Theoretical background:

In this part, we will take stab at identifying the theories that should be considered while adjusting a strategy in order to remain competitive.

First of all, we need to identify the different actors that compose this market. According to Zeff, the Online Display advertising industry is composed of three institutional groups. Sellers, Buyers and Infrastructure. (Zeff, 1999),

Sellers are called publisher. They are a company or a natural person who owns or control web traffic and sell it to advertisers (buyers), which owns or controls campaigns and pay publishers to get traffic.

The infrastructure part includes the affiliate networks, which manage multiple affiliate programs and connect the advertisers with the publishers and the agencies. They are companies that manage the affiliate program for an advertiser and connects the affiliate networks, the advertisers and the publishers altogether.

Avazu, being an Ad network and a demand-side platform (DSP) is thus part of the "infrastructure" category.

Terence Kawaja goes further and proposes a more in depth approach that results in the following map of the digital advertising universe:
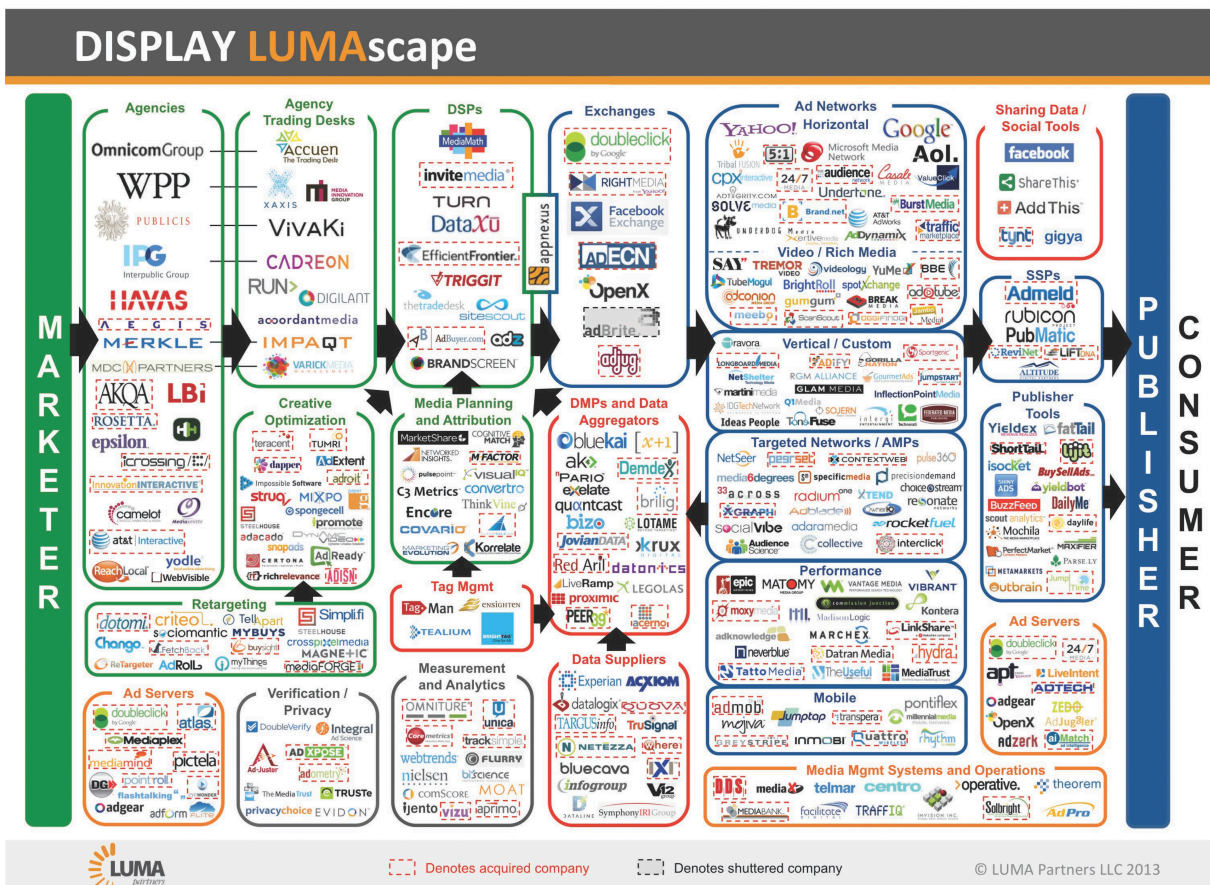

(Kawaja, 2012),

As this illustration highlights, the display-advertising environment is quite complex. As a consequence, it is necessary to further describe the identified group of this market

Sellers

A publisher is "an individual or organization that prepares, issues and disseminates content for public distribution or sale via one or more media." In the case of display advertising, a publisher can be a website owner that get traffic (inventory) by displaying content on his site and that monetize this traffic by displaying monetized advertising space. Publishers' website are therefore used as a link between the consumers and the advertisers. (Marketing & Advertising Terms)

Buyers

The Buyers are the advertisers. They use publisher' advertising space in order to run their ads which have for ultimate goal to improve their sell of goods and services. They remunerate the publishers for each conversion or action, which can be a sale or a lead.
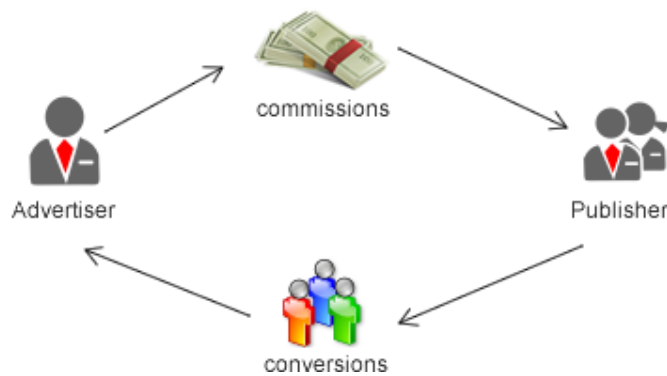
Infrastructure

We are now aware of the concepts behind affiliate marketing, like in other industries there are also other different kinds of players who act as middlemen in the supply chain. These are mainly affiliate networks and agencies. Affiliate networks and agencies normally have thousands of advertisers in their portfolio and their task is to put the advertisers and the publishers in connection as a 3rd party instance.

For every generated conversion they get paid like publishers. The regular payout for affiliate networks is up to 30% of the publisher´s revenue. As for agencies, it is up to 20% of the publisher´s revenue.
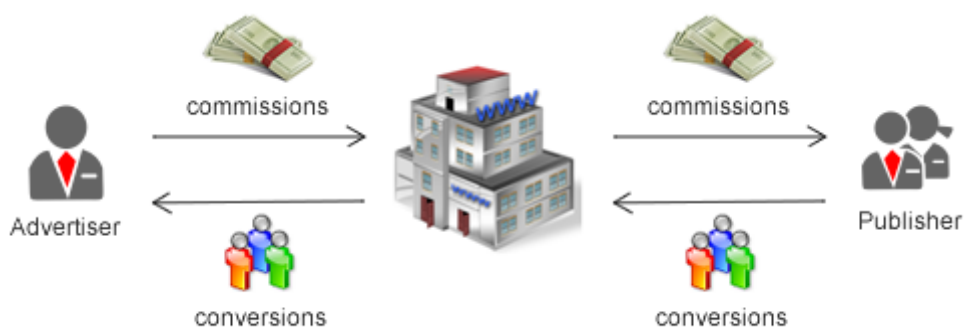
However, this business model has changed greatly in the past few years and the infrastructure part is not a simple as it used to be. Please refer to the part 2.1 Evolution of online display advertising that studies the fast paced evolution of online display advertising.

Now that we understand which are the different actors in this market, we need to understand the factors that create this so desired competitive advantage.

As Grant Robert M defines in his book "The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation", strategy is "the match an organization makes between its internal resources and skills and the opportunities and risks created by its external environment". (M, 1991) Furthermore, as defined by Jones and George: "Competitive advantage is the ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than they do" (George, 2010)

A SWOT analysis, which is a "Situation analysis in which internal strengths and weaknesses of an organization, and external opportunities and threats faced by it are closely examined to chart a strategy "(businessdictionary), would thus be a relevant tool in order to assess Avazu prospects in the retargeting and audience targeting markets.

One kind of opportunity that a SWOT analysis will highlight is the research of new markets. "Being first to market with innovative and high-quality products helps a company develop a reputation as a market leader [...], when a company is consistently first to market, it can dictate the competitive playing field of its industry and remain a top competitor" (Kogan). This kind of opportunity is thus of high importance in a market such as the display advertising, where the competition is high. Indeed, being the first to arrive in a market, can give a non-negligible competitive advantage.

In addition, being able to anticipate and reacts to already present threats is also essential to remain competitive (Porter, 1979). "Five forces industry analysis helps to assess and manage the long-term attractiveness of an industry". It is designed to explain the relationship between the five dynamic forces that affect an industry's performance; these are the Intensity of competitive rivalry, threat from new entrants, threat from substitutes, bargaining power of buyers, bargaining power of suppliers. (Prior)

To summarize, the Porter's model will focus on the industry in which Avazu operates and the SWOT will primarily bring into focus the company's position. By using both of them, Avazu will be able to concentrate on the most relevant environment when considering strategic planning initiatives. If well conduct, this business strategy is what will lead Avazu to improve its competitive advantage.

4. Conceptual Model:

On the basis of the Situational Analysis and of the Theoretical Background, the following model can be developed. It represents the most important factors that Avazu has to take into consideration in order to remain competitive in the targeting and audience targeting markets.
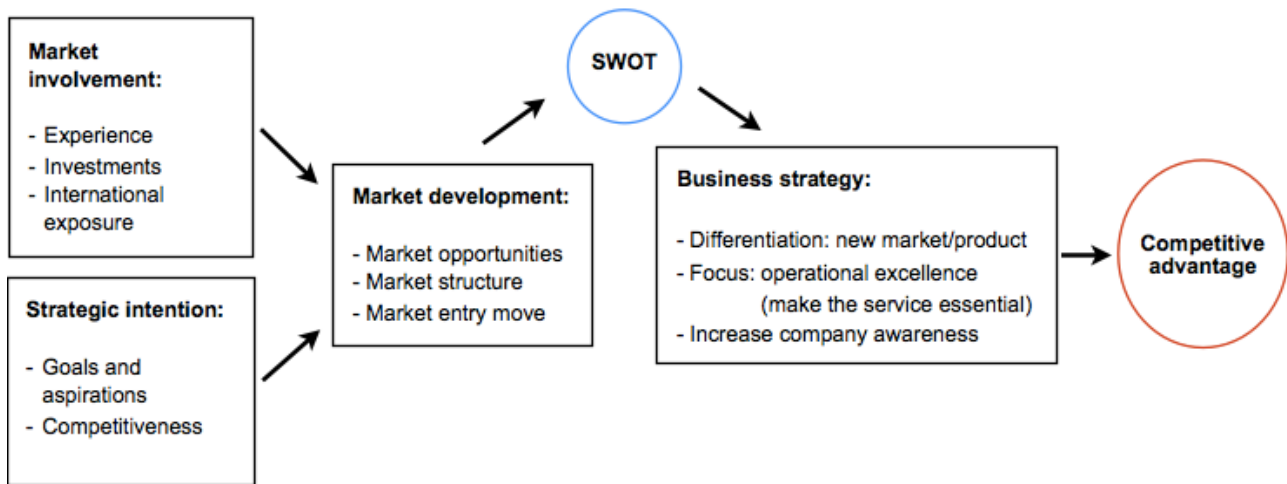
Hypothesis:

1. Determining the market development factors is essential in order to assess Avazu Strengths, Weaknesses, Opportunities and threats
2. The SWOT will allow Avazu to develop an appropriate business strategy
3. A well defined and conducted business strategy is what will lead Avazu to improve its competitive advantage

4.1 Proposed solution:

As we can see in the model, many factors have to be studied in order to define a strategy that would allow Avazu to achieve its goal.

Understanding how the company differentiates itself in term of market involvement and strategic intention is of major importance. it will be determined with a Porter's five forces model as well as with a perceptual map of the players (cf. 5.1 Competitive analysis)
These necessary steps will allow Avazu to assess the market development and thereby evaluate the standing of the company in the audience targeting and retargeting markets.

Once its position defined, the company will be able to develop a business strategy in accordance to its strengths, weaknesses, opportunities and threats. If successfully implemented into the business strategy, the SWOT conclusion will increase the company's competitive advantage. (cf. 5.2 Perceptual map)

5. Research Design and Analysis

According to the theoretical background and conceptual model parts of this report, there are several market study tools that Avazu should use in order to define its position in the retargeting and audience targeting fields. This evaluation will help the company define business strategy and thus take the appropriate measures to keep or even increase its competitive edge.

5.1 Competitive analysis:

As already explained previously, the retargeting and audience targeting markets are composed by several companies competing in order to be the most performing. In order to estimate the competitiveness of Avazu in comparison with the other players, we will proceed to a series of comparisons and analysis, including a benchmark of the competition and a SWOT analysis.
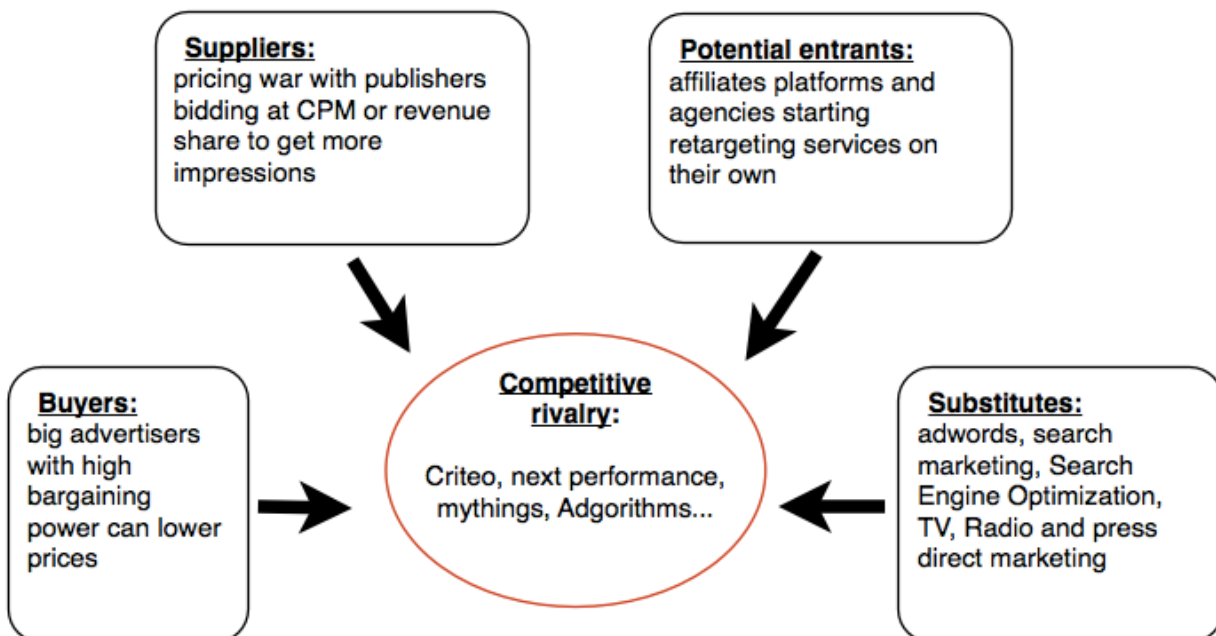
Suppliers: The publishers, which are the website owners and Ad Networks have a high bargaining power as the competition between inventory buyers is very high. They tend to fix higher and higher CPM but also to sign exclusively deals that can give a tremendous advantage.

Potential entrants: The barrier of entry for these services is very high considering the cost of developing such technologies. In addition, players have to be very experienced in order to provide high quality solution to their clients (advertisers).

However, the threats can also come from the inside of the field. Public Idées, a French agency is a perfect example of this threatening trend insofar as it has developed its own retargeting and audience targeting technology. (OZIEL, 2009)

Substitutes: The threat comes from the fact that all the advertising fields compete for the same advertiser's budget. For the moment, display advertising performs very well but traditional media and other digital marketing services such as SEO and adwords search are still potential substitutes. Furthermore, new technologies such as mobile marketing have to be taken seriously. According to a study by Mind Commerce "the world market for mobile marketing is $29 billion currently and projected to reach $50 billion by 2014" (Crook, 2009). In comparison, the display advertising market is 27 billion USD, with an expected growth of 36% for 2013, which would make it reach 34.4 billion USD.

Buyers: Companies like Avazu have to be very attentive to buyers' bargaining power. As it is explained in The 80/20 Principle: The Secret to Achieving More with Less, written by Richard Koch, most companies make 80% of their benefit from 20% of their customers. The audience targeting and retargeting markets are not exempted from the rule. Indeed, these companies are often in risky situations because losing a major client could strongly cut down their benefits. Thus, they have to increase their highly profitable clients base in order to lower the risk. (Koch)

Competitive rivalry: Criteo, Vizury and SocioMatic are the main competitors of Avazu. Each of them invested high sums in order to develop these technologies and still do so. Indeed, innovation is a way for them to gain competitive edge. In that regards, Criteo is the biggest threats as it is the one spending the most in R&D.

Another competitive rivalry is the fact that most of Avazu's competitors are trying to expand their operation. The fact that Avazu was truly international was one of its biggest competitive advantages. The company thus has to look for new markets such as India and South East Asia which do not face too much competition at the moment. Being one of the first entrants in these markets could allow Avazu to defend its position.

5.2 Perceptual map of retargeting and audience targeting players:

Perceptual mapping is "Marketing research technique in which consumer's views about a product are traced or plotted (mapped) on a chart." (businessdictionary.com)

The following chart will compare the level of internationalization and reputation of the players:
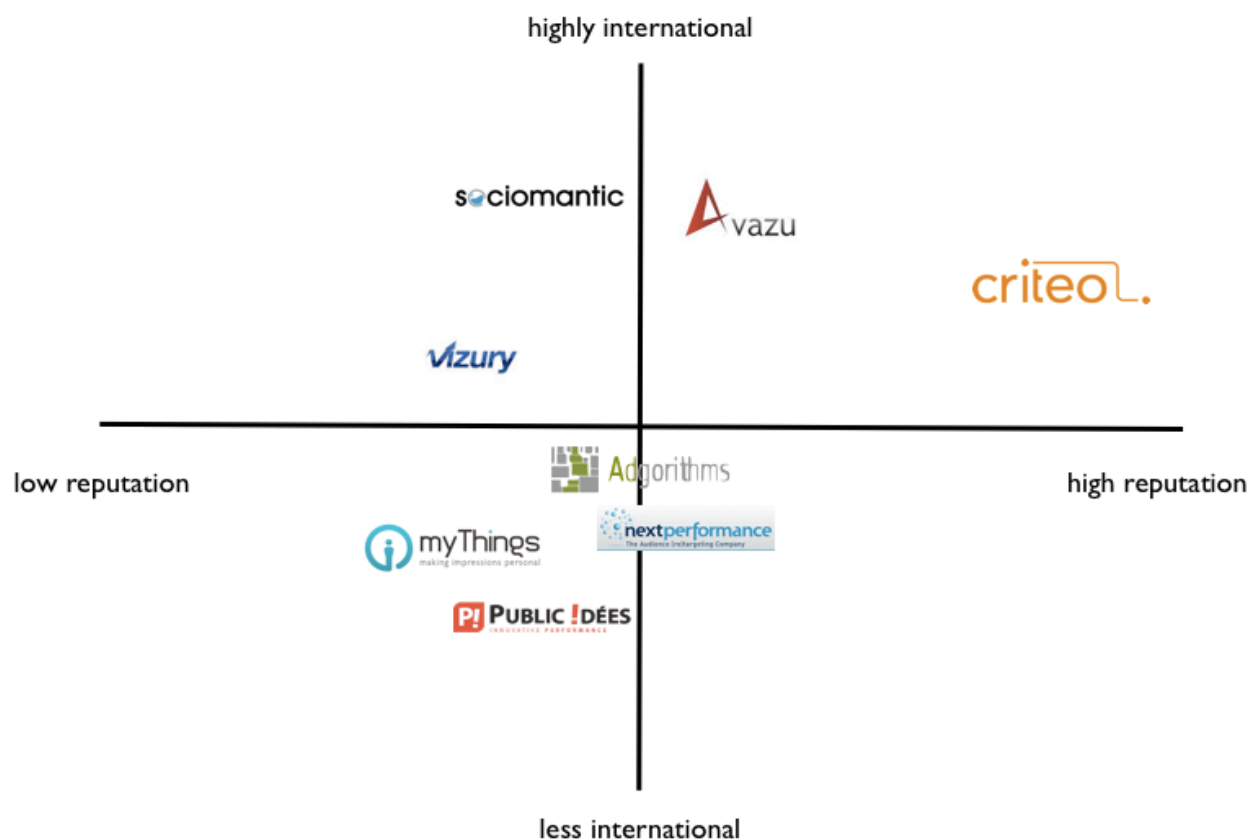
As we can see on this chart, Avazu is the most international company in this sector. This is due to Avazu having offices in Germany, Brunei, Hong Kong and Shanghai but especially because it monetizes more than 30 billions impressions a month in over 40 countries

Criteo is also very international. It is indeed present in 30 markets worldwide (Criteo opens in Paris one of the first R&D centers dedicated to predictive advertising in Europe)

Vizury being present in 27 countries and Sociomatic in 50 are also very international but their reputation is not as strong as Avazu and Criteo's one.

Finally, the other companies such as public !dées and Mythings are lacking behind in term of internationalization. Indeed, these companies are for the most part only focused on the European market.
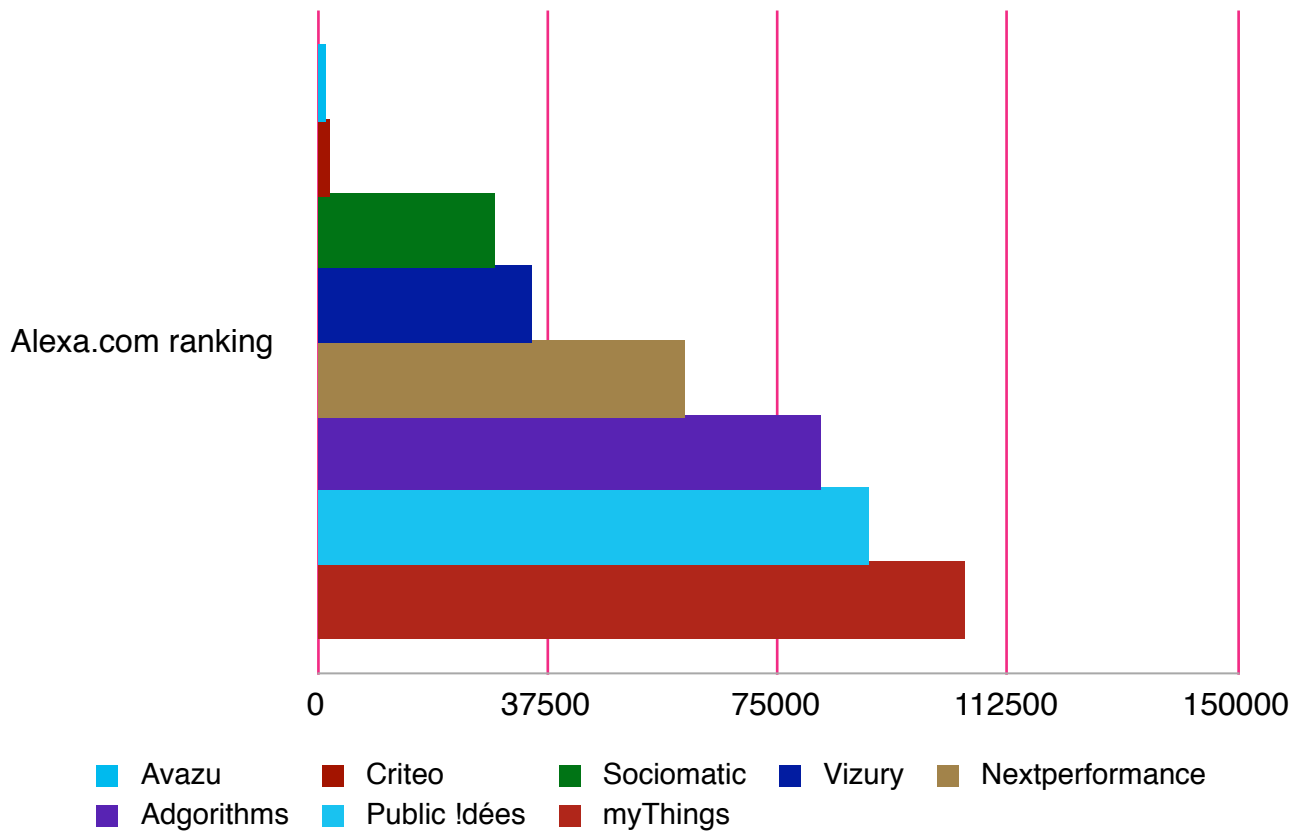
Concerning the reputation, Criteo is still one step ahead because of its 8 years of experience, which is 5 years more than Avazu. However, Avazu is catching up quickly. As we can see on the Alexa ranking, which is

"a measure of how a website is doing relative to all other sites on the web over the past 3 months" (Alexa), Avazu's website receives more visit than it's competitors which proves his well established reputation.
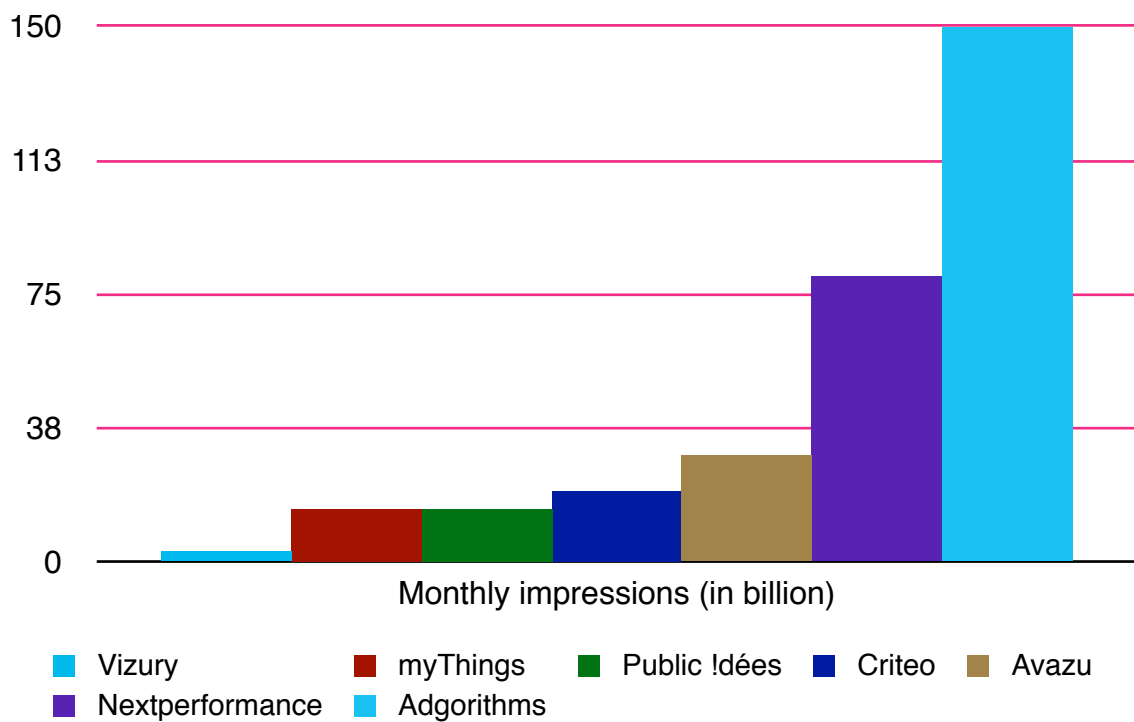
Sources:

Internationalization: Number of languages available on the company's website, amount of impression worldwide as well as Avazu's own knowledge have been used in order to rank companies.

Reputation: Alexa ranking as well as field studies have been used in order to determine companies' reputation.

(Alexa - The Web information Company, 2013)

150

113

75

38

0

Monthly impressions (in billion)

■ Vizury   ■ myThings   ■ Public !dées   ■ Criteo   ■ Avazu
■ Nextperformance   ■ Adgorithms

Sources:

Avazu: "We are an international Ad Network monetizing 30 billion impressions across 40+ countries monthly" (Avazu)

Criteo: "We are currently receiving 20+ Billion impressions per month" (Criteo)

Nextperformance: "80 billion impressions available each month" (Nextperformance)

Adgorithms: "With a reach of over 150 billion impressions monthly" (Adgorithms)

Public !dées: direct contact via phone

Mything: direct contact via phone

Vizury: "3 billion impressions a month" (Vizury)

5.3 SWOT Analysis of Avazu

The following SWOT analysis will analyze Strengths and Weakness (internal) as well as Opportunities and Threats (external) of Avazu in order to assess the competitiveness of Retargeting and Audience targeting players.

Strengths	Weaknesses
• Internationalization: present on most continents, first mover advantage in China • Impressions: one of the leading company in term of impression, with more than 30 billion impressions on a monthly basis • Differentiation: ROI-driven pricing model	• Avazu is younger that some of its rivals • Lack of reputation in some countries
Opportunities	**Threats**
• Emerging markets: Latin America, Eastern Europe and Russia, Asia Pacific...are increasingly developing their online industries • Not that many competition in South East Asia • Localization: Avazu could implant in Europe, especially in France, where it has many campaigns running. • Mobile retargeting and mobile audience targeting	• Affiliate platforms and agencies (ie. public idée) implementing their own retargeting and audience targeting solution • Advertisers cutting their intermediaries • Potential substitution: mobile advertising, social media, main stream marketing… • CPA model trend that favor the company that delivered the last click (Avazu can be involved in the purchasing acton but not get paid)

This SWOT highlights the fact that Avazu is at the moment in a tricky situation. The ecosystem is constantly changing, with new threats coming from inside but also outside of the market. That being said, Avazu could embrace this changes and use it as an opportunity to redefine the sources of its competitive advantage. For example, Avazu could implement its solutions in emerging markets in order to cope with the increasing competition in Europe and in the United States. What is more, as mobile is starting to put regular display advertising in shadow, the company could develop mobile retargeting and audience targeting technologies in order to get involved in this booming market

Furthermore, Avazu should also capitalise more on its strengths in order to overcome its main weakness which is a lack of reputation in some countries. Indeed, Avazu should insist on the fact that it is very international, proposes a different monetization process and is a leading company.

6. Conclusion

The increasing adoption rate of both retargeting and audience targeting amongst the display advertising ecosystem led Avazu and the other major players of this industry on a challenging field, where the companies battle in order to gain a competitive advantage. As we have seen previously, Avazu has its strengths but also weaknesses in comparison of its competitors. However, there is still a lot of room for improvement.

Furthermore, the display advertising market still has a very high growth prospect as we have seen in the Situational Analysis.

For example, emerging markets such as the Asian and South American ones still have a tremendous upside with the potential of almost doubling the current audience in the future. However, even though Avazu has already expended its activities in Asia Pacific countries (Thailand, Singapore, Malaysia and Vietnam), the company is at the moment missing great opportunities by not considering some.

Moreover, from a communication standpoint, the company almost exclusively communicates on the amount of impressions it delivers and on its Alexa rank. While this is useful in order to prove the seriousness of the company, it partially fail at communicating about the reasons why their service is better than the one of its competitors and more importantly, what makes it essential.

Finally, any improvement in technological innovations, especially in technologies such as mobile advertising, is reasons to look at a positive outlook for the industry and thus for Avazu. Indeed, this could proved itself to be a great opportunity for the company considering that the budget for mobile advertising will according to forecast increased from 12% in 2013 to 30% in 2015. (Mobile advertising to hit $20.6B in 2015)

7. Recommendations

As we have seen in the Research Design part, Avazu suffers from a strong competition, which makes it hard to improve its market position and even put it in a difficult spot.

In order to resolve this problem, the company should diversify in order to remain competitive. It already has quite some competitive advantages. Indeed, Avazu is one of the few that offer such a ROI-driven pricing model. Indeed, the company uses predictive algorithms to help the advertisers achieve higher return on investments by optimizing algorithmically towards to CTR, CPC and CPA. By using this model, the advertisers are only charged if the target audience click on the advertisement or perform an action. This is a real advantage considering the fact that most advertisers do not like to take risk. In this case Avazu holds the risk. Indeed, if the campaign does not perform well, then the company does not earn any money or even in some case lose some. Therefore, it is very well advised that everything run smoothly. Avazu should communicate more intensively about this as well as on its international position and well-known partners and clients. Because of the new threats that come from the inside of the field (ie. Public Idées, cf. research design) and the fact that advertisers tend to cut their expenditures by removing intermediaries (5 Ways Brands Are Cutting Out Agencies), Avazu should make it clear that its knowledge and experience are a necessity and not just an added value.

As the most experienced international company of the sector, it can propose a global solution for advertisers that want to run campaigns on a worldwide scale and especially in China, a market that is difficult to enter. The company currently holds offices in Shanghai, Hong Kong, Germany and Brunei and should not rest but work even harder in order to open new ones in other countries. This effort could enhance its profile in these markets and its worldwide influence. Opening a branch in France, a market where it is already well implemented could boost its reputation in Europe. The United States might also be interesting in order to counteract the expansion of Criteo – its main rival – in this market.

Furthermore, even though Avazu is already well implemented in Europe, North America, Australia and Latin America, there are still countries, notably in North East Asia (i.e. The Republic Of Korea, Malaysia and Singapore) that none of its competitors seem really interested in at the moment. These markets are thus full of opportunities.

Regarding the technology, Avazu was one of the first company to offer audience targeting and retargeting with information in real time. However, it seems that most of its competitors now offer this technologies too. Investing more in research and development in order to stay on the cutting edge of the technology is thus primordial. Additionally, implementing the retargeting and audience targeting technologies in different markets such as Mobile – which is booming - could be a way to lower the substitute threat as well as gaining a differentiation advantage.

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