



QuaeroView

Four Ways to Capitalize On the Future of Ad Sales

Why wait?



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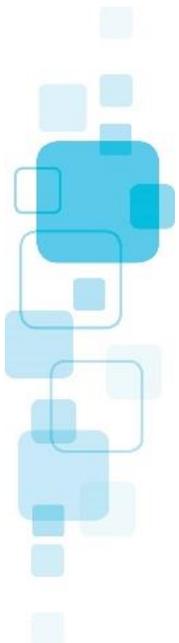
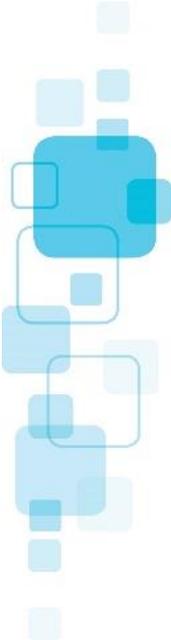


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Introduction

The future of ad sales is really not about sales at all. Yes, I said it. It's *NOT* about us.

The future is all about the changing patterns of content consumption and evolving opportunities to leverage content in context.

It's about the person consuming content – on the device they choose, when they choose, and where they choose. But, more importantly, it's about capturing readers when the brand's story is most relevant.

Your future success in ad sales depends on guiding brands into the future, one leap at a time.

Relevance in Action- *Almost*

A few weeks ago, my 12 year-old son was given the chance to try the anti-gravity treadmill at his physical therapist's office. It was love at first float. For two weeks afterwards, he begged for a treadmill every time a treadmill commercial aired.

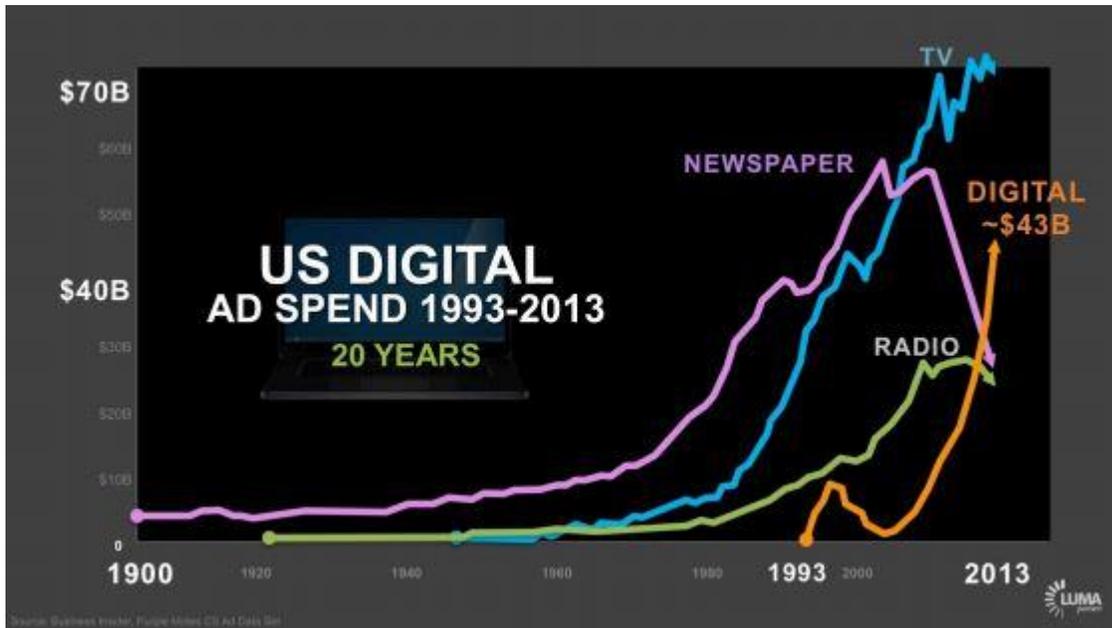
My resolve started to waiver, and I logged into Amazon to search for a few options. That search defined my budget and narrowed down the type of treadmill we wanted to purchase to one that could serve both my son's and my needs. A few days later I did a Google search specifically for incline treadmills. I read on-line reviews and several articles. I even visited NordicTrack's website.

It won't shock you to learn that since I began the treadmill search, treadmill prompts now show up in all my Amazon searches and on my Facebook page. The problem is, they include photographs and messages focused on athletes, not injury recovery or 40 something year old professionals too busy to go to the gym every day. Eventually, I did purchase a treadmill when the timing for my family was relevant. But the ads haven't stopped! I'm still getting bombarded on Facebook to purchase the exact model I already did.

I could recount dozens of similar examples as I'm sure you could. The approach of following me worked, but it was highly inefficient until the moment was relevant. In my case, relevance came when my son was injured. I'm confident we as an industry can do better than spend years promoting a brand, hoping someday the viewer will find a reason to purchase the offering.

The Mandate to Do Better

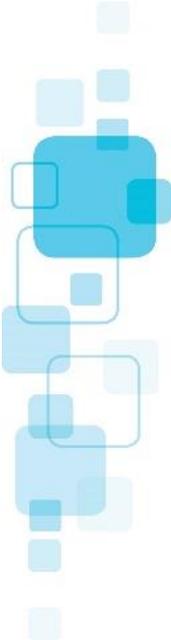
In the treadmill example there was a happy ending of sorts for NordicTrack. But, it came at a high cost to the brand. Despite years of NordicTrack advertising I did not start my buying journey with their brand; instead I did a general search. Worst still, NordicTrack continues to pay for ads targeting a buyer, me, who has already purchased the model they are promoting.



Source: [LUMA Partners LLC](#)

My buying preferences are not unique. There is a consumer revolution upon us that drives changes in our ad spending habits. The changes fueling this ad revolution are significant shifts in information consumption and expectations.

- **Multi-screen viewing-** As I write this paper, the TV is running in the background, my son is on his Kindle, and I'm toggling back and forth between my MacBook Air and smartphone. Our audience is constantly distracted. It's exhausting, but it's also a tremendous opportunity to be relevant.
- **Mobile is more than just a size-** Being mobile is about far more than creating content for a smaller screen. It's about taking advantage of the audience's physical context. Given their surroundings, how well should I expect sound to perform? Where is their physical location - on the train, walking through town, sitting in a park? Can one leverage the built-in camera to capture feedback? How do we measure proximity to the nearest store?



Have brands even begun to consider what content will perform best on smart watches?

- **We're easily bored-** If you have ever studied teaching techniques you know that learning can be a tactile experience. The more senses engage the more we internalize what we are consuming. Brand content must do the same by thinking through relevant opportunities to engage and collect feedback.
- **It's so easy to click away-** Buyers have thousands of options at their fingertips. Whether they are accessing a digital TV, browsing a Facebook page, or watching video on their smartphone, all audiences can be easily distracted. But they can be equally driven to take action immediately when presented with compelling actions at relevant moments.
- **Information ubiquity-** In the old days of broadcast TV, the industry would wait until the end of the week to get ratings. Insiders would know how many households watched their video and pretty much nothing else. Today, data can show not only what is being consumed but in large part by whom – or at least by which device.

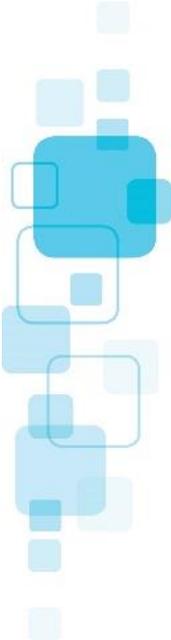
"As brands engaged in [programmatic activities that reached their audience in the right context] the average completion rate of videos jumped from less than 50% to over 74% completion rate."

Shawn Downey
VP of Americas Platform
Solutions & Innovations,
[Google](#)

It's even easy to identify which site referred the visitor to a particular video and where he or she went next. Those who integrate all available information across channels will dominate the market with better targeting and more relevant content. Not just relevant to the person – but relevant in the moment.

All of this drives brands to shift away from traditional "it's all about me" product advertising and to move towards native advertising formats. Native advertising is the art of creating an ad that follows the format upon which it will appear. Enter the rise of the advertorial, the sponsored article, "how to" videos, infographics, and so much more. Branded content is the new native advertising, and it's here to stay. Even traditional ads must live up to a higher standard of entertainment or educational value.

But, it's not enough to have less advertise-y ads. (OK, so that's not a word. But it should be.) Ads must reach their audience at just the right moment. Programmatic Advertising helps achieve just that.



The Rise of Programmatic Advertising

The consumer has spoken, and we are listening. Programmatic advertising, the use of data-driven software to purchase ads, has seen aggressive growth. eMarketer forecasts that US programmatic video ads will grab 40% of digital video ad spending in 2016, or \$3.84 billion. 92% of those billions are purchased via real-time bidding (RTB) auctions. The other 8% is being purchased via what's called programmatic direct. It's a fancy way of saying "guaranteed buy direct from the publisher where no auction is present." With better targeting, we're likely to see significant growth in this area. In fact, eMarketer predicts programmatic direct will represent 42% of programmatic ad spend by 2016.

eMarketer expects the viewership for connected devices, like set-top boxes and game consoles to increase, estimating 35.5% of the US population will use a connected TV this year, a percentage that could double by 2017.

Programmatic advertising – via RTB or direct - replaces human negotiations and manual processes, but it does more than just drive efficiency. By leveraging software, advertisers are better able to target buyers at the moments where the brand message is most relevant.

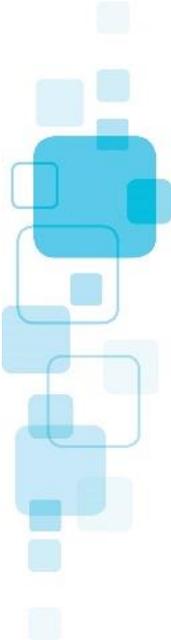
Impressions matter a lot less than the impression you make. Programmatic advertising enables us to deliver on the promise of relevancy.

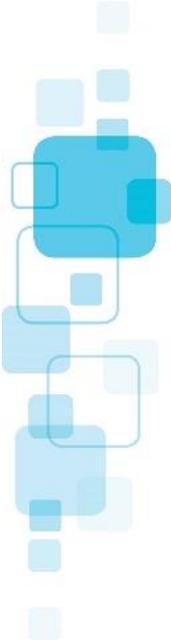
Programmatic advertising can be used across a wide range of channels. While display advertising is used by 96% of marketers, many other channels have strong adoption: video (73%), mobile (64%), social (55%) and digital-TVs (16%) according to Forbes.com. The largest explosion is happening in mobile – where seller inventory outpaces buyer demand by a few percentage points.

Four Ways to Capitalize On the Future

Yikes! By now your head might be spinning. But, rest assured, there is a tremendous opportunity for those who are ready to take the plunge.

1. **Nail your metrics**– Attribution has always been important to marketers, yet it's often been based on educated guesswork. Programmatic advertising has the potential to change all of that. Start walking the talk your marketers are living every day. Build your data foundation to enable closed-loop reporting, but also use browser history, purchase data, and shopping cart data to inform your software algorithms.

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2. **Build inventory across channels**– Mobile is exploding. Stay on top of your inventory, but don't neglect digital video and social which have great potential.
 3. **Help brands find relevant moments**– Go beyond the obvious, and become the expert. This is new territory for marketers, and I promise brands want your guidance. Ad sales resources can help them integrate offline purchases, CRM, multi-screen, and campaign data into magical moments of insight that will lead the future.
 4. **Be prepared to mitigate the inherent risks of programmatic advertising**– With the rapid adoption of programmatic advertising, the industry is moving faster than ever before to meet the demands of brands and their audience. With speed comes opportunity, but also risk. Be prepared to provide fraud free ad platforms that guarantee humans are on the receiving end of brand messages, and, more importantly, that ensure the ads being served are optimized for the device and context upon which they are being consumed. This requires an investment in educating brands on how to create and optimize content for maximum effectiveness in programmatic distribution.



Quaero

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Author

Samantha is a fast growth marketing junkie, mother of four high-energy boys and wannabe gourmet chef. Throughout her career she has launched go-to-market initiatives and lead marketing strategies for award-winning, high growth technology companies including Netezza, SAP, Ascential Software, and Powersoft. In 2012 she founded The Marketing Advisory Network to help enterprises unleash the possible within their organizations. You can read more about her marketing philosophy and get practical advice by visiting www.unleashpossibleblog.com or following her on Twitter [@samanthastone](#).