



Published
February 2018

The Benefits of Consolidating Media Buys on a Single Platform

Google

Summary

With DoubleClick's Programmatic Guaranteed solution, advertisers and media owners can transact both reservation and open auction media buys programmatically using a single platform. This means advertisers get one view of all their buys across a campaign, allowing them to more effectively control reach and frequency so they get better results. And advertisers and media owners each benefit from a simpler and more efficient workflow.

We worked with Nielsen and the Boston Consulting Group (BCG) to quantify the benefits of this technology for advertisers, agencies and media owners.

Across 10 global campaigns, we found that the consolidated ad buying approach offered by Programmatic Guaranteed drove an 11% increase in reach efficiency. This means that marketers in the Nielsen study reached 11% more unique consumers – without increasing their campaign investment – when using Programmatic Guaranteed compared to a siloed approach where reservation and open auction buys were transacted and managed separately.¹



Buyers and sellers also save significant time when using Programmatic Guaranteed: from insertion order to billing, agency marketers in the BCG study spent 29% less time on set-up and ongoing management of campaigns compared to traditional reservations. Media owners in the BCG study spent 57% less time on set-up and ongoing management of Programmatic Guaranteed campaigns compared to traditional reservations.²



¹ Results based on a Google-commissioned Nielsen study, EMEA (Italy, France, UK), APAC (Hong Kong, Australia), Americas (US), May-Dec 2017. Campaigns in the siloed media buying portion of the study reached an average of 322,575 unique consumers for each million impressions purchased compared to campaigns in the consolidated media portion of the study which reached an average of 359,617 unique consumers for each million impressions purchased, as measured by Nielsen Digital Ad Ratings.

² A Google commissioned BCG report, "A Guaranteed Opportunity in Programmatic Advertising," July-September 2017, 40 participants from 12 countries (Australia, Brazil, China, France, Germany, India, Italy, Japan, Singapore, the UAE, the UK, and the US).

Reservation and open auction buys, a tale of two platforms

In the early days of internet advertising, if you wanted to place an ad on sites like NYTimes.com, TimesOfIndia.com, or TheGuardian.com, you would have to contact the owner of the site and negotiate to buy impressions from them directly. These transactions, known as tag reservations or direct buys, became the standard method for buying and selling digital advertising.

Over time, as the internet grew in popularity, more and more ad inventory became available. To help publishers sell their inventory in a more scalable way and help buyers find the right inventory, new advertising technologies such as programmatic emerged to handle the large volumes of transactions.

While programmatic ad exchanges provided scale, many top publishers decided to keep their premium inventory outside of the exchanges. This meant that some inventory was available on the open market, and some was still bought and sold through tag reservations. For many years this was the status quo, and even today these two models continue to operate separately.

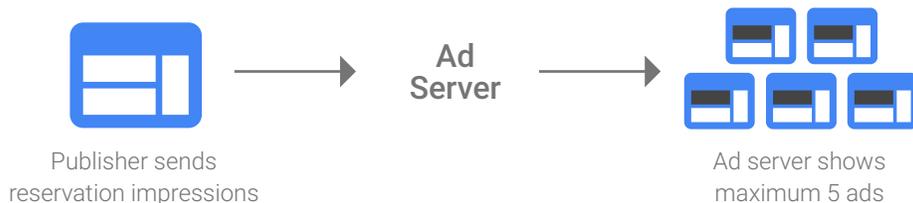


Why buying media in silos leads to suboptimal results

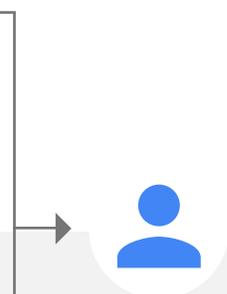
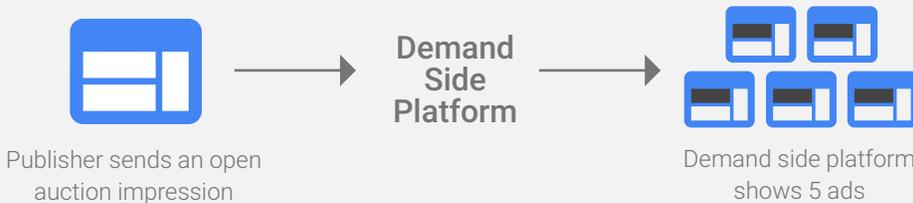
The challenge for advertisers is that when you use both open auction and tag reservation buys for the same campaign, you are likely reaching some consumers more often than you intend. This means that you are wasting ad dollars that could otherwise be applied to increasing the reach of your campaign.

As an example, consider a tag reservation that’s running at the same time as an open auction buy. To reach a consumer five times, most marketers would set a frequency goal of five for each type of ad buy. But this means you’d actually reach some people up to ten times. You could try to correct for this by setting a frequency of three for your tag reservations and two for your open auction buy – but while you may get it right and reach some consumers five times, your overall average frequency will likely fall short of your goal because the two systems are not communicating with each other.

Traditional tag reservation

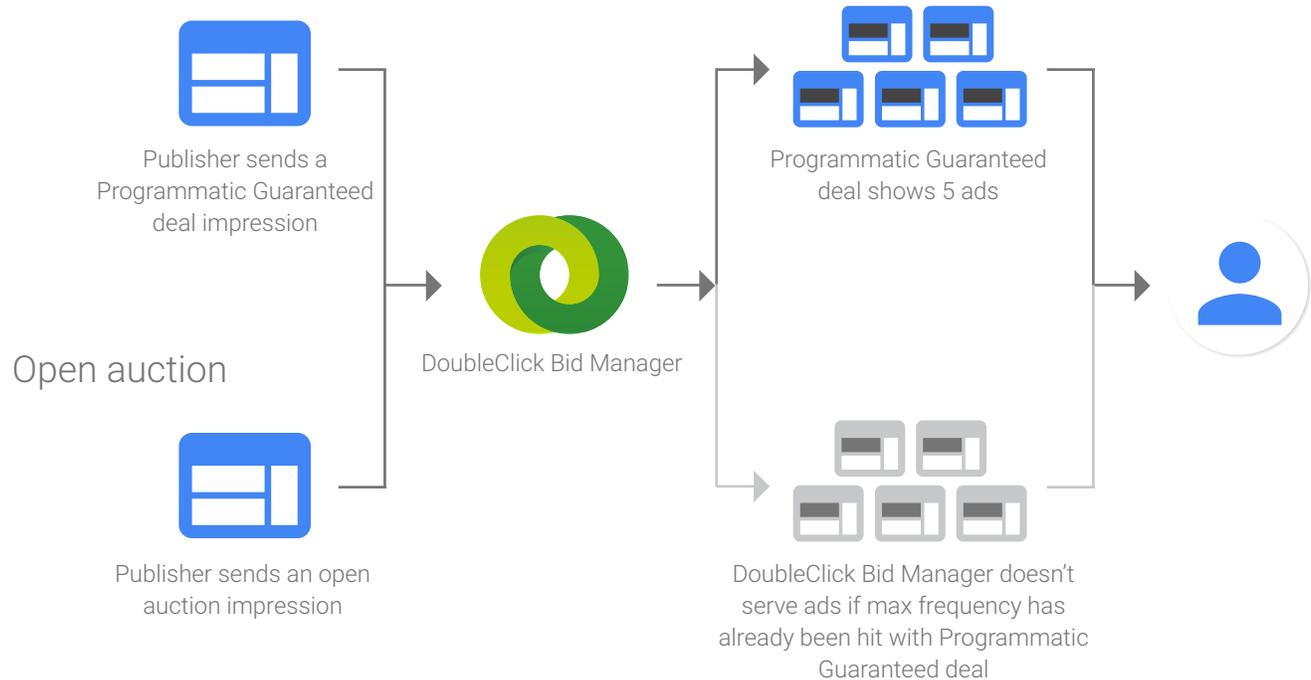


Open auction



By contrast, when you buy open auction inventory and run direct deals through a single platform like DoubleClick Bid Manager, you gain control of the overall frequency across the campaign. The auction-based part of the campaign will take the Programmatic Guaranteed deals into account when deciding whether to buy an impression. So, in the scenario described above, the open auction buy won't serve any ads to a consumer who's already been reached five times via the Programmatic Guaranteed deal. This frees up budget dollars that can be used to increase campaign reach – or re-captured for improved campaign efficiency.

Programmatic Guaranteed



From a process and workflow standpoint, managing multiple types of ad buys in parallel for the same campaign also creates operational waste for agencies, marketers, and publishers (e.g. duplicate work on budgeting, forecasting, creative reviews and other tasks for the tag reservation and open auction buys). Collectively, this 'extra' work adds up to a substantial amount of time that could be spent on other higher-impact initiatives.

Better performance

We've consistently heard from advertisers that using Programmatic Guaranteed instead of traditional reservation deals drives better performance. To quantify the benefits, we ran head-to-head tests for ten campaigns that covered more than 160 million impressions for large global advertisers in five different verticals. Each of the ten campaigns studied was split into two parts:

Control (siloeed): we ran traditional tag reservation deals through DoubleClick Campaign Manager and an open auction buy in DoubleClick Bid Manager.

Test (consolidated): we ran Programmatic Guaranteed deals alongside an open auction buy — both in DoubleClick Bid Manager.

We used Nielsen Digital Ad Ratings to compare the overall reach and frequency of each of the two campaign approaches. The results showed that by consolidating direct ad buys in DoubleClick Bid Manager using Programmatic Guaranteed, marketers reached more consumers for the same impression and investment levels, while limiting wasted frequency through overexposure. Across the ten campaigns measured, we saw an 11% increase in reach efficiency (net new unique audiences)³ when brands used a consolidated ad buying approach versus a siloeed approach.

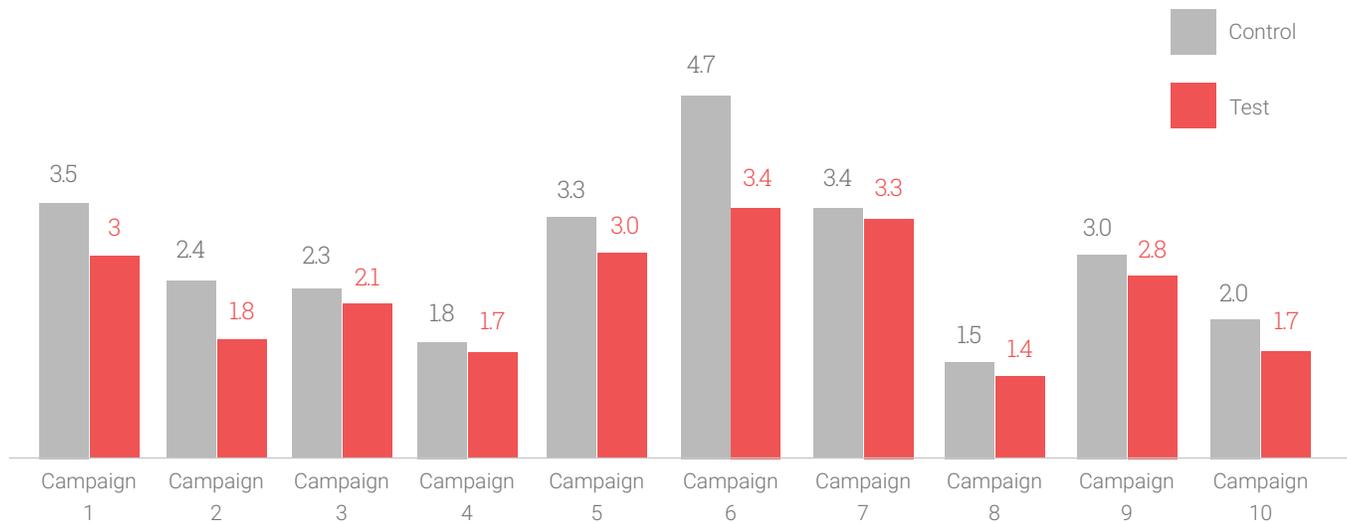


“With Programmatic Guaranteed through DoubleClick Bid Manager, you get the maximum value from your efforts because you reach more people with the same level of investment.”

- Simon Gellibrand, Business Director, Performics Australia

³ Campaigns in the siloeed media buying portion of the study reached an average of 322,575 unique consumers for each million impressions purchased compared to campaigns in the consolidated media portion of the study which reached an average of 359,617 unique consumers for each million impressions purchased, as measured by Nielsen Digital Ad Ratings.

The chart below shows average ad frequency for the Test and Control groups across the 10 campaigns studied. The data shows how a small reduction in frequency (overexposure) can be redirected to deliver more campaign reach.



Ad frequency for population aged 13+ for Control and Test groups across the 10 campaigns studied as measured by Nielsen Digital Ad Ratings

“We’ve always known that Programmatic Guaranteed works in synergy with our open exchange buys, because we can use the same buying tool. Now we have proof that it can give us control over our overall frequency. By consolidating our campaigns we can decide how many consumers we want to reach and how often, limiting waste and increasing efficiency.”

- Justyna Valente, Digital Acquisition Manager, TAP Portugal

Faster ad buying execution

In addition to their desire to optimize reach and frequency across direct and open auction buys, we often hear from advertisers that their teams spend too much time on the operational tasks tied to executing deals. And this isn't unique to advertisers – media owners also tell us they would like their ad ops teams to be spending less time on campaign set-up and troubleshooting, and more time on improving performance. To see just how much Programmatic Guaranteed increases operational efficiency, we partnered with Boston Consulting Group to perform a value chain analysis (which included mapping workflows and timing different process steps) across 40 agencies, marketers, and publishers globally that use Programmatic Guaranteed.

The report concluded that Programmatic Guaranteed deals were 29% more efficient – measured in terms of time spent on set-up and ongoing management – compared to traditional tag based reservations among agency and marketer participants in the study. For publishers, the operational efficiency gains were even greater, reaching 57%.

The report found that there was significant waste, inefficiency, and potential value left on the table when agencies and media owners transacted tag based reservations. There are a number of reasons for this - including the fact that buyers and media owners are often looking at different data about the transaction, which can lead to confusion and discrepancies that need to be resolved. The lack of an automated execution platform also creates complicated handoffs between teams which leads to a greater potential for error.

Programmatic Guaranteed vs. Traditional reservations: 57% time savings for publishers and 29% for agencies...

