Key considerations for a **buy-side** programmatic strategy

iab. europe

Step 1: Is my business suited to a programmatic strategy?

Data rich	Strong digital measurement established	Data driven and innovation culture	Scale
Am I a business where a significant part of the consumer purchase journey happens online so that a lot of consumer intent signals can be collected and used for better targeting?	Am I able to measure the business impact of my digital campaigns? Easy for online business, but also possible for multi-channel or CPG	Is my business open to try new things and to change ways of working based on data? Programmatic thrives in a test & learn culture.	Do I have sufficient budget to test out all relevant channels and tactics? Can I benefit from cross-country learnings?

Step 2: How do I want to buy?

Programmatic Product
A defined product combining tech, data, inventory and service, e.g. an audience ad network or retargeted
- Advertiser or agency sends insertion order to Programmatic Product company for a well defined product with usually a pre-determined price
- All cost components (media, tech, data, service) are bundled into the product price and not disclosed separately
- Vendor earns a margin on the media

Retargeting	Branding objectives	Audience Buying
(+) Pay for leads, sales & actions for performance objectives	**(+)** Provider may have specialised tech to maximise ROI	**(+)** Provider may have large proprietary audience data pool
(+) Pay for actions related to branding objectives, e.g. awareness	**(-)** Siloed optimisation on last step of purchase process	**(-)** Quality of audience data hard to validate
(-) Provider takes risk but control and any upside of campaign	**(-)** Lack of control on frequency may frustrate users	

Programmatic Service
Outsource operations on your behalf
- Service provider (usually agency or technology vendor) operate trading desk for advertiser
- Usually advertiser has full choice of tools, data partners and media inventory used
- Usually, all those cost components are charged separately and are fully disclosed
- Advertiser drives strategy and controls data, operations is outsourced

Agency or Agency Trading Desk	Independent Trading Desk	Managed Service by Tech Vendors
(+) Integration across channels, established service model	**(+)** Specialised agency sometimes with own tech	**(+)** Know their tools best
(+) Usually global scale with local & central operations	**(-)** Siloed channel-optimisers	**(-)** No unbiased view on technology opportunities
(+) Integration of private market place deals w/ existing media volume	**(-)** Understanding agency fees and media margin	**(-)** Does provider earn on fee only or also on media margin
(-) Agency fees & media margin		

In-House
Build team, technology licence, or build technology / stack
Consisting of tech, data, inventory, service
- Advertiser builds in-house team
- Technology usually licenced from ad tech vendors, some eBusinesses commission custom built or build in-house
- Often strong focus on in-house data management and analytics, combining data from marketing, sales

Build Team	Source DSP and DMP	Build Competence In-House
(+) All know-how integrated into organisation	**(+)** Good choice of tools available	**(+)** Good connection of CRM, sales, customer service
(-) Hard to find right skills, risk of siloed view on market	**(-)** Own team needs to keep up to speed with new tools	**(-)** Significant training effort to bring outside knowledge in-house
		(-) Large investment in big data storage and management

Hybrid – inventory can be accessed via any combination of these methods

Step 3: What next?

- Test and Fail repeatedly
- Go through a process of learning & improvement
- Your situation will improve