



**ONE TOUGH QUESTION: PROGRAMMATIC**  
**WHAT TO EXPECT FROM**  
**PROGRAMMATIC IN 2015**

*Predictions for programmatic are plentiful; 11 experts forecast which are most likely to come to fruition, and how marketers should prepare.*

In the search for marketing efficiencies, programmatic is high on many marketers' list of ways to achieve it. As adoption grows, so do predictions for what's next. The outlook for programmatic in 2015 includes brands investing in in-house trading desks, viewability improving, attribution becoming more accurate, cross-device evolving from desire to reality, and programmatic mobile and TV buys increasing. The enthusiasm for programmatic in some cases belies the reality, so we asked 11 experts the following: What one prediction about programmatic is most likely to come to fruition this year, why, and what should marketers do to prepare for or harness the change? Here, their responses.

-GINGER CONLON



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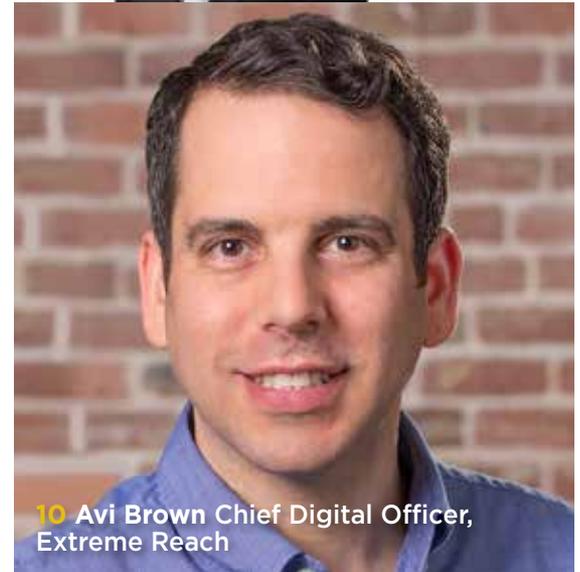
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Many of the challenges faced today by programmatic buyers—viewability, fraud, and brand safety—will begin to curb with greater demand for programmatic-direct relationships. Programmatic sellers can tailor ads and audiences to buyers' needs, which—more often than not, lately—are ad quality metrics. Elevating buying practices is a true win-win. Brands get transparency, stable pricing, and quality; publishers grow relationships, increase yield, and shift inventory away from open auctions.

Marketers are already helping to drive this change by making programmatic a larger share of their media budgets, centralizing spend with their “can’t live without” set of publishers, and establishing ad quality standards for their brand. Within the agencies we see media strategy teams sitting side by side with programmatic buyers to ensure that the “pipes” connect more than just via APIs.



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This will be the year of real data. Marketers will own, organize, and use their first-party data—from their CRM system and online behavioral data—like never before. The organization of this data and the creation of “data plumbing” to effectively connect and allow the flow of it in and out of their systems, will make it possible for marketers to use the programmatic world to enrich their interactions with consumers in unparalleled ways. Specifically, they’ll be able to deliver rich, truly individualized advertising to consumers via display, mobile, and video. When you add in the improved attribution understanding marketers have in 2015, we’re looking at forever changing the way marketers leverage meaningful customer data for each individual consumer.

Marketers can prepare for this change by understanding that data ownership and organization is likely the most important marketing task they’ll ever undertake. So, CMOs, grab your CIO or CTO and learn what data you have, where it sits, and how to organize and use it. Then, start demanding that media partners feed you back the data from the programs they run on your behalf. The best ones will give you insights into your own business through such data.

**ERIK PAVELKA**  
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Viewability and overall quality will—finally—come back to the forefront of advertising, particularly for top-of-the-funnel branding activities. We’ve spent too long rushing down the path of lower CPMs, mass reach, and the promise of RTB. This has brought us lower prices and the ability to scale infinitely, but it has also brought with it high levels of fraud and low levels of viewable ads.

The demand for quality inventory, as defined by quality audiences on quality sites with viewable and often high-impact ad units, will increase significantly. GroupM’s mantra of only buying 100% viewable inventory is reason enough for the industry to make this change.

The supply of such inventory, however, will not be as readily available. The buyers of high-quality inventory are scrambling to secure it through up-front deals with not only the biggest publishers, but also other players that can provide quality at scale.

And as quality and viewability are highly intertwined, in 2015 the industry will focus more on the actual execution and delivery of viewable ads. This is where the online advertising needs to move for 1) publishers to not have to overdeliver in massive quantities to reach 70 to 100% viewable levels; and 2) advertisers and agencies to have certainty that their campaigns will deliver in full.





## **ARE TRAASDAHL** **CEO, Tapad**

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Buying inventory programmatically is no longer a novel concept—it's the norm in digital advertising. What isn't the norm is the ability to successfully build and execute campaigns across devices, programmatically.

In 2015 we'll see increased adoption of cross-device programmatic, thanks in part to the growing consumer expectation for consistent brand experiences across screens. A recent study that Tapad conducted with Forrester noted that 71% of consumers admitted to reacting negatively to an inconsistent brand experience; 10% stated that inconsistencies will make them stop interacting with a brand altogether. In that same study, 28% of consumers said they expect ads to be tailored to different devices.

That leads to growing interest from the demand side. Marketers and brands understand the need to anticipate consumers' multiscreen mind-set by delivering device- and use-case-appropriate experiences. Fortunately, the technology now exists to make this kind of targeting a reality. There are solutions available that make cross-device targeting possible through a real-time bidding exchange. Marketers also will embrace cross-device programmatic because of the efficiency it offers and the ability to gather and leverage data-driven insights in real time.



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Programmatic will become a realistic option for all agencies and marketers, further increasing disintermediation in the digital media ecosystem. Once only the bastion of holding company agencies and Fortune 100 brand marketers, simpler yet powerful platforms now make programmatic ad buying and selling available to any digital marketer. With startup costs and monthly minimums quickly falling, any advertiser can begin to test, learn, and master programmatic ad buying, thus putting their clients on equal footing with even the largest ad spenders in the world.

Every digital marketer should be doing their homework by researching platforms and partners. No longer should they farm out the execution of the actual programmatic media execution, as one no longer needs to be a seasoned digital media trader to set up, run, and optimize digital media campaigns. The net benefit is the elimination of unnecessary middlemen and platforms, which puts more of the marketers' advertising dollars to work.

Marketers and CMOs want transparency, access, control, and measurability of their marketing dollars. Marketers want to understand what data they're leveraging, where their ads are being viewed, and how the campaign execution is driving ROI—all in real time. Pushing those client dollars into a full-service or "black box" solution will no longer suffice. Agencies of any size that embrace this wave of approachable programmatic ad technology will gain a major strategic advantage in 2015 and beyond.



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Making predictions about the direction of programmatic is the new black in marketing. One prediction that comes close, but just misses the mark, is the idea that brands will invest in in-house trading desks. The insight is correct that brands may well realize that the time has come to free themselves from the forced incestuous relationship that often occurs between an agency and the trading desk owned by the agency's parent media company. But the truly forward-leaning head of marketing at a midsize brand will realize that investing in the development of an in-house trading desk may be a bridge too far away from the brand's core competency.

Instead, 2015 will see the rise of the independent outsourced trading desk. The bottom line is that many digital media solution providers have been investing their own resources in technology that comes pretty close to the functionality of trading desks owned and operated by the big guys, and with some slight tweaks to address brand- or client-specific needs, these providers could easily go to work directly for brands that are committed to the programmatic landscape but look to remain media-company agnostic. Using this kind of outsourced trading desk will give brands the best of both worlds: access to the growing world of programmatic buying without overcommitting to resource allocation or to any specific agency relationship.



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As the advertising industry embraces today's automated era, there are many predictions being made about programmatic. As we build new technologies and continue to advance into uncharted territory, making 2015 a success will require a look back to the basics, starting with contextual targeting.

The ability to align ad creative with site content undoubtedly creates a more cohesive user experience and helps brands more closely identify core audiences. This offers advertisers more control and transparency into brand-safe, high-quality environments.

In 2015 contextual targeting will become increasingly important for all of us that aren't Google, Facebook, or Apple, who all have access to vast amounts of mobile user data. We're living in a mobile-first world. Mobile isn't just an important channel; it's how we consume digital. By leveraging new data sources coupled with more advanced contextual targeting features, the open marketplace as we know it today is bound to feel a seismic shift.

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Marketers will demand absolute transparency into their digital media investment, from inventory cost to ad quality. Most notably, viewability measurement will transform ad buying decisions across all screens and formats. It's clear that marketers see no value in ad impressions that have no opportunity to be viewed or drive return on ad spend. As a result, we'll see a re-set in how display advertising is valued and what companies' marketers choose to help them navigate this paradigm shift.





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As we think about the evolution of programmatic media in 2015, the trend we at Opera Mediaworks are most excited about is the growing automation of more brand-oriented advertising, tied to the growth of private marketplaces and programmatic-direct buying models. While the vast majority of historical programmatic spending came in the RTB/Open Exchange environment, investment in brand-oriented technological capabilities will grow significantly this year and we expect brand spending within programmatic to grow with it.

These models increase the attractiveness of programmatic buying to brands by providing increased levels of environmental control, data transparency, and predictive pricing.

To best take advantage of this trend, marketers and their agencies need to align around specific answers to key questions: What are the overarching business goals for the deployment of private marketplaces or programmatic direct? What specific incremental value should be delivered? What learnings can be transferred from previous programmatic activation in the open exchange space? Where did that activation fall short, and how can these new approaches deliver new solutions?

Marketers should ensure that they have the right demand-side technology platform partners in place to support an automation design that fulfills their end business goals. At the same time, they should use their market power to ensure that their media partners are programmatically enabled to deliver in that manner.

As automated brand-oriented advertising grows via private marketplaces/programmatic direct, media partners that can deliver premium environments, differentiated data, and operational flexibility will be well-positioned to win.



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With triple-digit growth in spending over the past year, programmatic advertising now accounts for 45% of U.S. digital display sales, according to eMarketer. In 2015 programmatic advertising will become more like self-driving cars—leveraging artificial intelligence (AI) to deliver fully automated campaigns. Self-driving advertising platforms have begun to permeate the industry, giving marketers the tools to bring their programmatic campaigns in-house. By handing control of campaign optimization over to AI, marketers are free to focus on the higher-value aspects of the campaigns, such as creative and overall strategy. Because AI never stops working, campaigns will grow more responsive to changing market dynamics, such as location, news, and weather, any time of day. By enabling marketers from any size company to run their own programmatic campaigns, self-driving

advertising will level the playing field for small- to medium-size businesses, allowing them to compete with bigger brands. The best programmatic tools will fit all campaign sizes and deliver reusable market insights to help all marketers navigate on strategy.

Finally, self-driving advertising campaigns will start to eliminate the remaining barrier to adoption of programmatic: ad fraud. Self-driving advertising minimizes fraud and waste by applying a divergent model to campaigns. It starts with a smaller pool of qualified publishers, and then expands, based on what's working, to maximize what's working and minimize fraud. This divergent self-driving approach gets marketers to their key performance indicators faster and more sustainably at scale, and it minimizes waste and fraud.



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While “programmatic advertising” has become an extremely hot topic over the past few years, the term still means different things to different people. The most commonly accepted definition, however inaccurate or incomplete, is that programmatic media involves real-time bidding. While RTB is certainly a type of programmatic media buying, this definition doesn’t paint the full picture, and also carries the negative tint of only availing itself to less-than-premium inventory. The irony of RTB is that it was originally intended to provide marketers with a microscopic level of transparency and accuracy to surface only the best inventory, but has turned out to be more opaque than buying directly from publishers and is widely thought to be fraught with fraudulent traffic, non-viewable impressions, and, generally, low-quality inventory.

I believe that a more accurate definition of programmatic, while encompassing RTB, is simply advertising efficiency and accuracy achieved through technology and automation. Marissa Mayer famously said, “The opposite of programmatic is manual, not premium,” and I couldn’t agree more. Buying directly from premium publishers with complete transparency has historically been a labor-intensive process that has involved many technology vendors, Excel spreadsheets, PDFs, emails, and even faxes. Media buyers still allocate most of their budgets to these buys because most premium publishers and broadcasters still do business via the traditional RFP, proposal, I.O. method.

The time has come to automate the direct buy. I predict that 2015 will be the year that programmatic solutions become available to buyers and sellers of media who want efficiency, but are not interested in RTB’s baggage or complexity. We all expect programmatic media buying to continue its rapid growth trajectory. In fact, some predict that all media budgets will someday be spent programmatically. Programmatic direct is the natural path to this truly coming to fruition, and 2015 will be the year it begins to gain real traction.