



The Fundamentals of Programmatic Advertising

Programmatic 101



What is programmatic?



It's the buying and selling of advertising by software (aka "programs").

Speak to your world, not the whole world

Crafting a standout campaign in the real world hinges on nailing the who, where and when.

Precision in audience, location and timing transforms your campaign from background noise to a memorable encounter.

3.42 pm

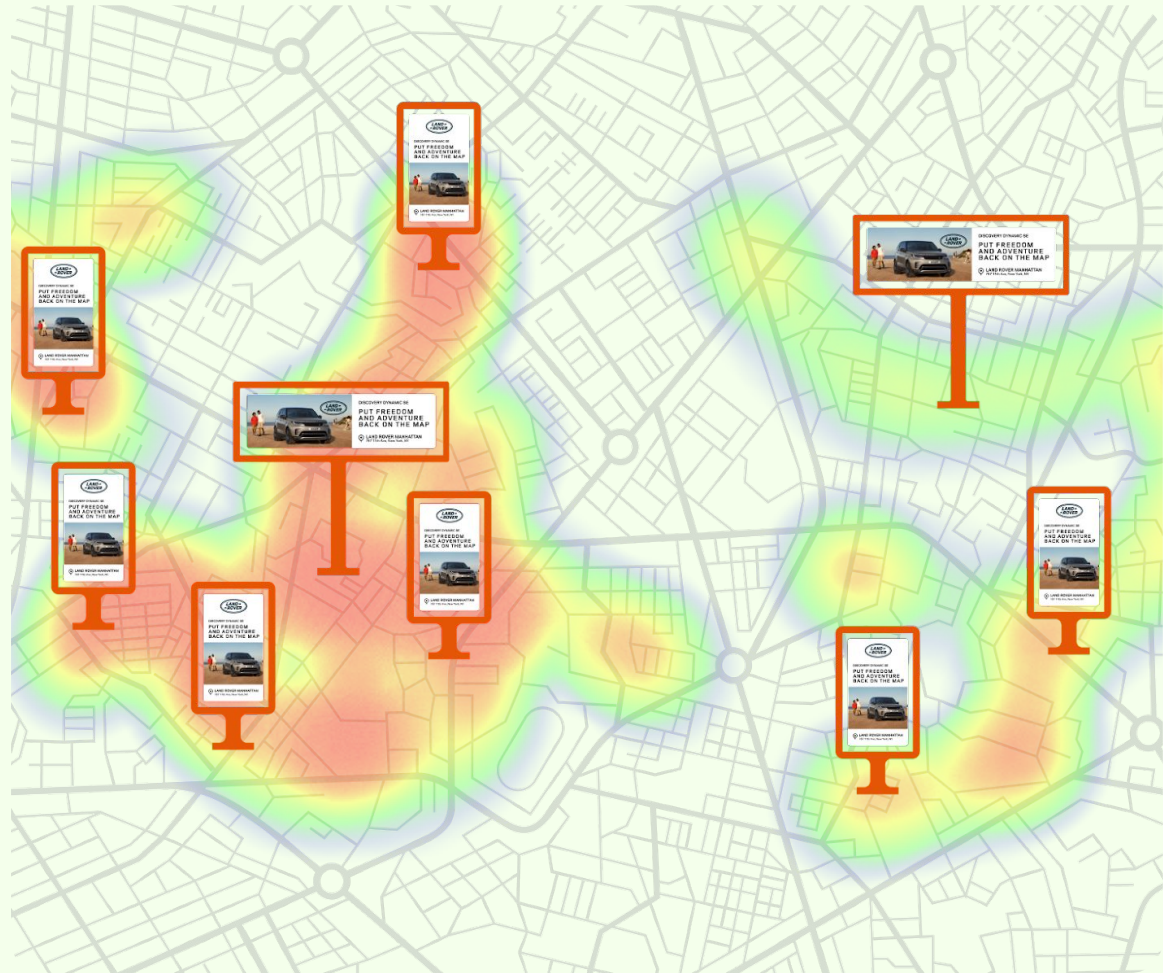
RITZ
* UV / Today
0 10 11

SUMMER'S MOST WANTED
The Ritual of Karma

52°35'83"N, 4°88'10"E

How it works

Similarly to how the online world uses cookies to target audiences on the websites they visit, anonymized GPS location data is used in OOH to understand where consumers go, how they spend their time and which paths they take.



It's all in a day's journey



6 A.M. COFFEE SHOP



7:30 A.M. TRAIN STATION



5:30 P.M. GYM



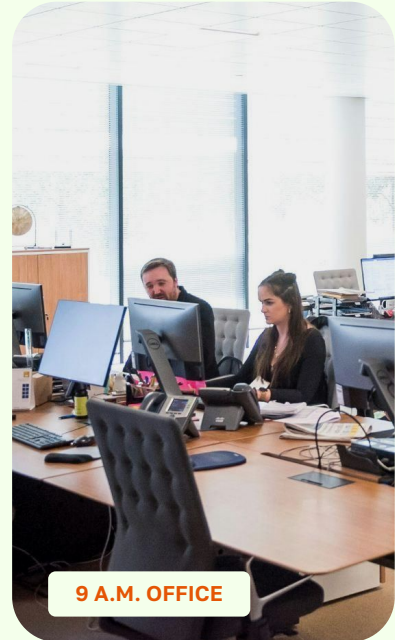
7 P.M. BAR



9 P.M. TRAIN STATION

Consider the daily journey of public transit commuters - morning train rides, office hours, evening unwind at a bar.

Understanding these patterns allows you to launch your ads precisely where and when they'll make the biggest impact - and nowhere (or when) that it won't.



9 A.M. OFFICE

So, what are the core features of programmatic?

Optimized buying:

Automated auction-based marketplace or exchange efficiently buy ad space.

Granular targeting:

Bid on individual impressions or ad spots based on factors like demographics and interests.

Real-time decisions:

Make campaign adjustments based on performance and market conditions.

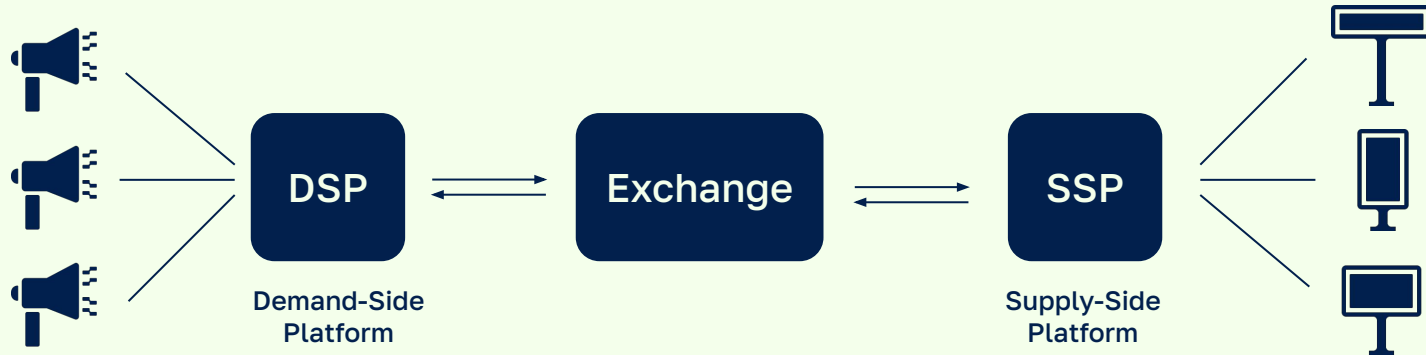


The Programmatic

Marketplace

Programmatic technology

The programmatic landscape is made up of two main platforms – a demand-side platform (DSP) and a supply-side platform (SSP) – that connect to and from an exchange, which is where inventory is bought and sold.



What is a demand-side platform?

A DSP is a powerful tool that automates media buying for advertisers providing the ability for control and personalization of DOOH campaigns.

It acts as a central hub where buyers can access a wide range of inventory, target audiences with precision, bid strategically in real-time, and leverage key insights to make campaign adjustments on the fly.



Wide Access to
Inventory



Data-Driven
Targeting Rules



Real-Time
Strategic Bidding



Serve, Track &
Optimize Ads

What is a supply-side platform?

A SSP is a computer-based platform that automates media selling. It connects sellers with a variety of buyers and streamlines the selling process through real-time auctions.

An SSP showcases available ad space to the world and provides real-time insights to set flexible pricing models to maximize the value of a seller's ad space.



Make inventory available for purchase via an exchange



Manage and report on programmatic campaign delivery

An aerial, top-down view of a busy city street intersection. The street is wide with multiple lanes, marked with white lines and crosswalks. Several vehicles, including cars, buses, and taxis, are visible on the road. Tall, modern buildings with grid-like window patterns surround the intersection. The scene is brightly lit, suggesting daytime. Two orange rectangular callouts are overlaid on the image, containing the text 'Programmatic' and 'Benefits'.

Programmatic

Benefits

Benefits to buyers

- Single access point for all inventory
- Centralized purchasing process for better transparency into budgets and performance

Aggregate
Supply

Efficient
Workflow

Data-Informed
Purchasing

Aggregate
Measurement

Benefits to buyers

- No need to manage multiple contracts & IOs
- Small teams can execute large-scale programs

Aggregate
Supply

Efficient
Workflow

Data-Informed
Purchasing

Aggregate
Measurement

Benefits to buyers

- Use data to inform buying decisions for every ad placement at the impression/spot level

Aggregate
Supply

Efficient
Workflow

Data-Informed
Purchasing

Aggregate
Measurement

Benefits to buyers

- Apply overarching measurement to understand the impact of DOOH campaigns across all inventory types

Aggregate
Supply

Efficient
Workflow

Data-Informed
Purchasing

Aggregate
Measurement

Benefits to sellers

- Make inventory discoverable to a large set of digital buyers instantly through a single point of access

Aggregate
Demand

Fully
Monetized
Inventory

Curated
Premium
Inventory

New Revenue
Stream

Benefits to sellers

- Maximize yield on a network by monetizing all available inventory via an additional sales channel that requires little direct effort

Aggregate
Supply

Fully
Monetized
Inventory

Curated
Premium
Inventory

New Revenue
Stream

Benefits to sellers

- Segment target audiences more effectively and justify increased advertiser spend
- Leverage data to identify inventory that aligns with audiences

Aggregate Supply

Fully Monetized Inventory

Curated Premium Inventory

New Revenue Stream

Benefits to sellers

- Tap into advertising groups beyond the standard channel-based buyers, including trading desks and programmatic teams

Aggregate
Supply

Fully
Monetized
Inventory

Curated
Premium
Inventory

New Revenue
Stream



How Money and

Inventory Flow

Biddable marketplace

At a basic level, programmatic technology creates a biddable marketplace. Biddable marketplaces allow people to purchase things based on bids submitted to an auction, where the highest bid wins. There are plenty of these in the world today that you may already be familiar with, such as:



Stock market



eBay



Priceline

How the biddable marketplace works in out-of-home

1.

A media owner's digital network alerts the SSP when there are impressions available for a programmatic buy to fill

2.

The notification is broadcasted through the exchange with location details provided by the SSP

3.

Buyers set up campaigns within a DSP, including creative assets, budgets and targeting criteria

4.

The DSP evaluates exchange inventory based on this criteria. If an impression meets the buyer's criteria, a bid is placed.

How the biddable marketplace works in out-of-home

5.

The exchange runs an auction, comparing all bids on the available impression.

6.

The winning bid is selected, win notification & price are delivered to both DSP & SSP.

7.

The SSP sends ad creative for delivery.

8.

The ad plays on the screen(s).



Impression-Based

Transactions

What is impression-based buying?



Ad Plays

Buying a set spot in a loop.



Impressions

Buying a certain volume of people.

Flexibility for varying demand



Make every spot available to an unlimited pool of buyers, selling to the highest price and take advantage of the different priorities of different brands.

1-to-many medium

Because OOH is a 1:many medium, multiple people have the ability to see an ad each time it plays.

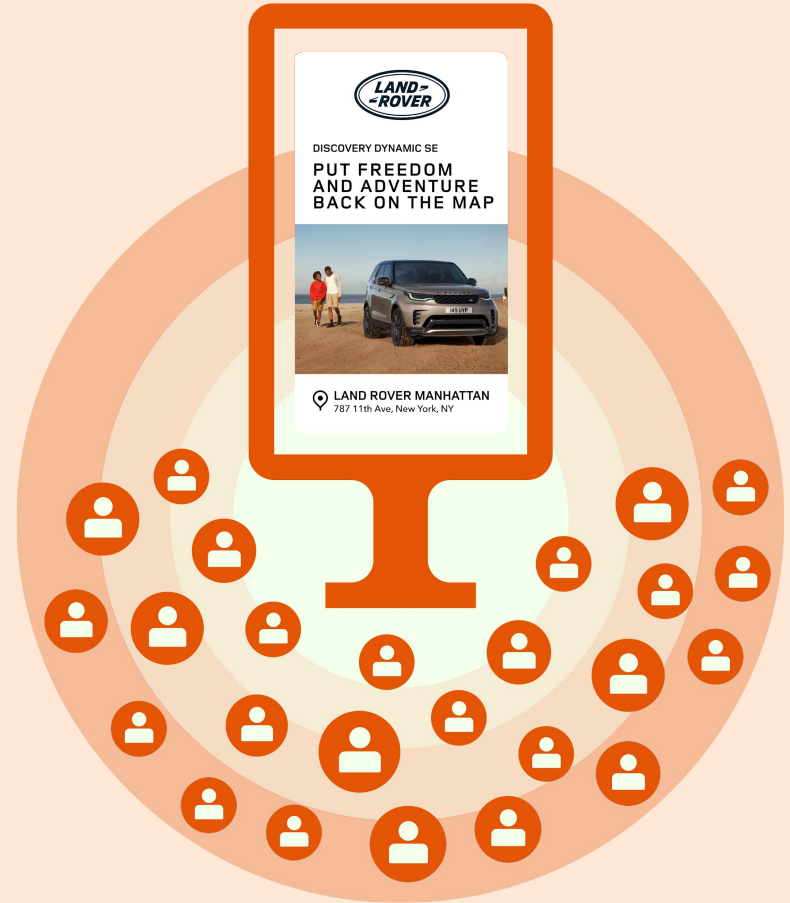
Out-of-home impressions are rated based on variables such as speed data, traffic, on-site counts and audience distribution data.

Built-in “impression multipliers” can take these ratings into account automatically – ensuring proper impression delivery and tracking for buyers.

nielsen
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geopath

AUDIENCE LOCATION MEASUREMENT



Aligning sales teams

A proper sales structure is the key to making programmatic an effective part of a network. Some companies are establishing a dedicated team on programmatic digital sales whereas the majority are educating their sales team and expanding their book of business.

Dedicated Specialist

A team focused on the digital customer set, tasked with growing programmatic as a distinct revenue stream.

Full Team Alignment

Expanding every seller's book of business to include programmatic as just another way to sell.

A vibrant city street scene, likely in New York City, featuring the iconic Flatiron Building. The scene is filled with tall buildings, yellow taxis, a white bus, and a clock tower. The sky is clear and blue. An orange speech bubble is overlaid on the image, containing the text "Control in Programmatic".

Control in

Programmatic

Protecting your value

Media owners know their networks best - and they determine the value of their impressions, based on the unique nature of the inventory.



- High dwell time
- Smaller screen size
- Low impression count
- Specific audience types



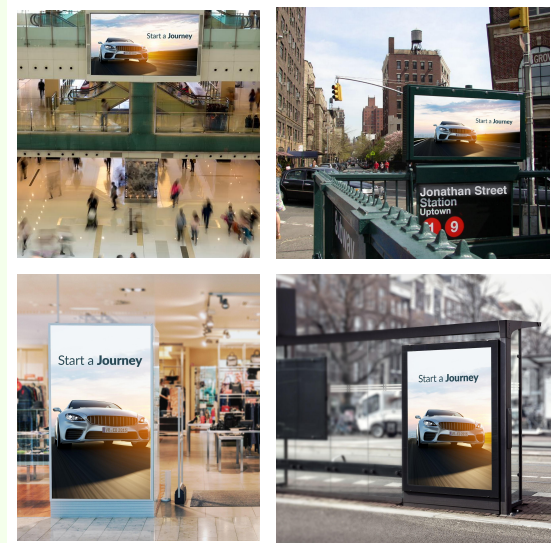
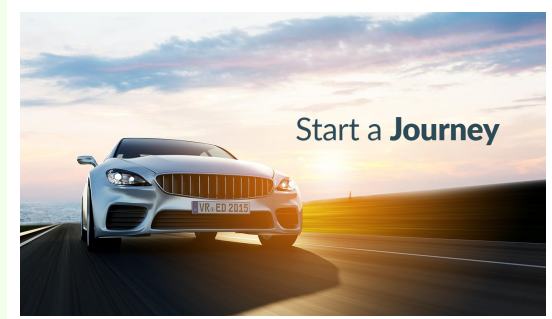
- Low dwell time
- Large format, high impact
- Extremely high impression count at rush hour
- Broad audience types



- Medium dwell time
- High-end retail location
- Unique audience types

Creative resizing made easy

Unlike the online world, digital out-of-home screens come in all shapes and sizes. To ensure proper creative displays across all screen types, creatives can either be produced pre-buy (creating multiple different versions of the creative), or post-buy through automated transcoding technology.



Creative approvals

For OOH, creative must be manually approved by the media owner prior to display. SSPs for OOH must provide a creative approval workflow to ensure timely review while maintaining control.

There is no room for error in this public-facing medium, so systems are built for control & safety.

TASTES GREAT?

YEP.

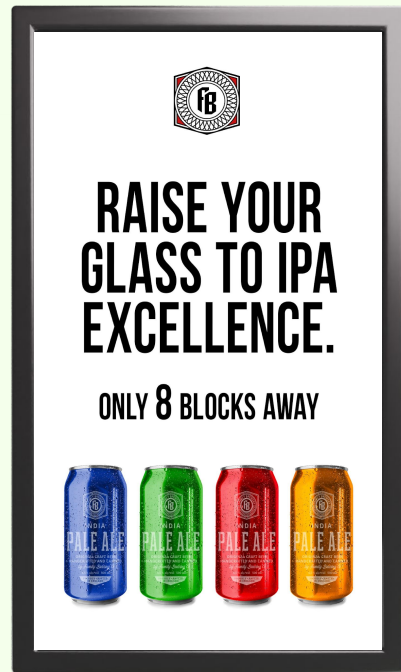
BUD LIGHT Seltzer
BLACK CHERRY 5% 100 CALORIES
BUD LIGHT Seltzer
LEMON LIME 5% 100 CALORIES
BUD LIGHT Seltzer
STRAWBERRY 5% 100 CALORIES
BUD LIGHT Seltzer
MANGO 5% 100 CALORIES


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Pre-defined restrictions

A network may have certain content requirements due to location, regulations, internal policy and existing sales relationships.

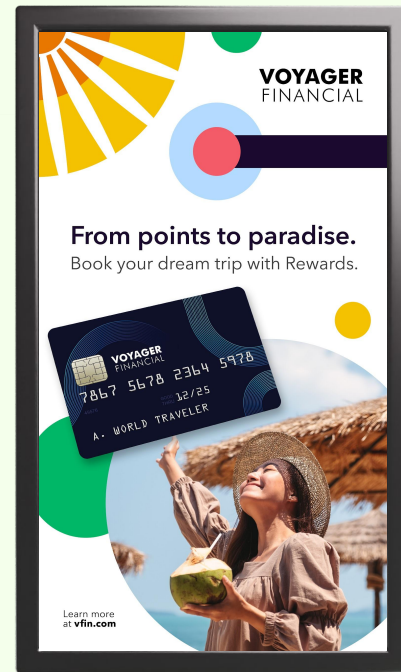

Category and brand restrictions allow operators to control what campaigns can target a network, even before the individual creative comes through for approval.







**RAISE YOUR
GLASS TO IPA
EXCELLENCE.**

ONLY 8 BLOCKS AWAY



**VOYAGER
FINANCIAL**

From points to paradise.
Book your dream trip with Rewards.



Learn more
at vfin.com



Transparent

Buying Types

In Programmatic DOOH

Traditional buying

Since the 1800's, the world's most influential brands have leveraged out-of-home advertising to generate brand awareness and product adoption. As the medium continues to advance, both static and digital OOH have proven their ability to hold their own in today's multifaceted advertising landscape.



Static

- ✓ Always-On Message
- ✓ Eye-Catching Creative
- ✓ Longer-Term Commitments



Digital

- ✓ Spot-in-loop buying
- ✓ Real-time messaging
- ✓ Quick activations

Modern buying



Brands of all sizes are embracing OOH and recognizing the value of high-dwell time locations.

Digitally native and traditional brands are adapting digital strategies to extend audience-based plans into all channels.



Transparent buying for DOOH



The **open exchange** offers real-time access to a vast amount of available inventory, allowing you to connect with audiences on any screen, without the need for individual negotiations with media owners.

Private Marketplace Deals (PMPs) offer the chance to negotiate directly with media owners, ensuring priority access to specific inventory groups. Enjoy the simplicity of activating designated inventory at a predetermined price, giving you a personalized and direct connection to high-value placements.

Flexible Buying Types

Execute campaigns your way, with full clarity on your buy.

Open Exchange

- Access to scale across all inventory types
- Best application of an audience-based buying strategy
- Great for extending your strategies across mobile and other channels
- Full transparency by media owner & lat/long & ability to include/exclude by media owner
- Include multiple/all media owners within a category without additional setup work

Private Marketplace

1:1

- Priority access to high-demand inventory
- Great for choosing specific placements that fit your campaign goals
- POPs available from select media owners

1:Many

- Pre-packaged deals that don't require negotiations
- Great for buying custom packages of inventory put together by media owners
- Access to select inventory not available on the open exchange

Media owners can set PMP priority to ensure campaigns deliver ahead of all other campaigns, perfect for buyers seeking a guaranteed solution.

So, what's the takeaway?



Programmatic brings new buyers to out-of-home and innovative technology delivers new types of campaigns.

With programmatic DOOH...

- Buyers can make more efficient and strategic media buys and easily integrate DOOH into their marketing strategies.
- Media owners can increase monetization by making inventory discoverable to a large set of buyers instantly through a single point of access.



www.vistarmedia.com | info@vistarmedia.com