

THE MEDIA BUYER'S GUIDE TO IMPACTFUL AUCTION PACKAGES

WHITEPAPER

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Building a sustainable and impactful addressable advertising strategy through inventory curation

The way advertisers connect with consumers is constantly evolving. Now is the moment for media buyers to thoughtfully rethink the fundamentals of audience targeting to allow time to test, learn, and optimise in order to accommodate forthcoming changes to the privacy landscape.

Advances in multi-screen programmatic advertising technology, changes in data protection legislation, increased consumer concerns over privacy, and an increasingly fragmented digital advertising ecosystem is forcing advertisers to rethink audience targeting strategies.

What is emerging is a highly adaptable approach to cross-screen media planning.

The programmatic advertising industry consistently delivers greater efficiencies in digital media buying. However, as the online population and volume of content continue to grow, supply paths are becoming increasingly fragmented resulting in increased complexity, loss of control, reduced efficiency, and lower level of trust in programmatic.

To address these challenges media buyers are turning to solutions such as auction packages, that not only bridge the gaps in current programmatic buying methods but also add significant value. In addition, media buyers are embracing a portfolio of audience addressability strategies with an emphasis on the use of first-party customer data, identifiers, and contextual targeting across a balanced mix of screen types.

This guide explains how media buyers can tap into valuable data assets to build a scalable, privacy-centric audience strategy and create packages of curated inventory to prepare for a successful, sustainable future.

WHAT ARE AUCTION PACKAGES?

WHAT?

An auction package is a collection of open marketplace inventory specified by targeting criteria set by a media buyer or a supply-side platform (SSP). The targeting is applied at the SSP level and passed via a deal ID which typically represents a multitude of domains.

WHO?

Auction packages are ideal for buyers who want more control and transparency when buying open market inventory. The advanced targeting options enable media buyers to increase the efficiency of programmatic campaigns by targeting consumers across inventory via verticals, audience, or other demographics at scale. Furthermore, the bespoke nature of auction packages means that they are 100% transparent.

KEY BENEFITS



EFFICIENCY

An immediate option to target pre-built audiences across multiple publishers, transacted on a single deal ID that can be tracked and reported against commercial agreements



CONTROL

Buyers can select the publishers, audiences, and environments they wish to target without compromising on scale, within a single deal ID for added control



TRANSPARENCY

Built across open market inventory with fully transparent set-ups and reporting



SCALE

Layering data from platforms — such as PubMatic's Audience Encore™ — onto auction packages enables advertisers to extend campaign reach across all channels



QUALITY

Curated omnichannel inventory across many of the world's premium publishers

KEY CONSIDERATIONS FOR SETTING UP AUCTION PACKAGES

- Identify the specific goals for your auction packages, for example, do you want to improve campaign performance, reduce fraud, increase transparency, etc.?
- Ensure your auction package partner understands and provides solutions that address local nuances to availability and deal types
- Measure the total available supply, and identify where curated auction packages or deals will add value

NEW AUDIENCE ADDRESSABILITY STRATEGY: REACH YOUR DESIRED AUDIENCES

What should your new audience addressability strategy look like?

Media buyers require custom strategies to address different combinations of channels, identifiers user types, and different ways of handling data. Initially, media buyers should evaluate their approach to activation based on a matrix that considers the below.

- Environment: browser, mobile app, connected TV (CTV) app
- Contextual signals
- First-party signals
- Unique user signals

DATA

ADVERTISER FIRST-PARTY DATA

The latest privacy regulations have increased the value of advertisers' first-party data, which fundamentally is the cleanest, most accurate data that paints the clearest picture of an audience.

Today, it's vital for media buyers to understand how to find and engage target audiences in a way that won't be adversely affected by the deprecation of cookies or other identifiers. To set up for long-term success, media buyers should take the time to evaluate what first-party data is available to them. It's likely that data was collected through a variety of touchpoints and as such it may need to be re-organised to gain better visibility into customer profiles.

AUTHENTICATION AND PUBLISHER FIRST-PARTY DATA

Today, with consumer consent paramount to the future of identity, media owners are focused on forming stronger relationships with their audiences in order to gather consent, improve personalisation and the user experience, and helping media buyers reach key audiences. Publishers are more invested than ever before in collecting and activating data from their logged-in user base. This permissioned, authenticated data provides you with a rich view of the user identity, including demographic, geographic, behavioural, and other attributes.

THE IMPORTANCE OF IDENTIFIERS IN FUTURE TARGETING SOLUTIONS

There are two main types of unique user identifiers (IDs): deterministic and probabilistic. Deterministic identifiers leverage a known data point such as email address and probabilistic identifiers leverage many signals from across the web combined using machine learning to create a best guess of who a consumer is. Both should absolutely include consumer consent. These IDs are not dependent on third-party cookies and can be leveraged in Safari and Firefox browsers today to test and predict future performance in a cookieless Chrome.

CASE STUDY

VERVE GROUP AND SCREAM MALMO INCREASE REACH 21% ACROSS UNIQUE AUDIENCES

OBJECTIVES

- The removal of third-party cookies from the digital advertising ecosystem and changes to IDFA mean that media buyers require new audience targeting and measurement solutions
- Verve Group and Scream Malmo partnered with PubMatic to help them understand how different identity solutions work

SOLUTION

- A/B tests were conducted via private marketplace (PMP) deals on the mobile web (iOS & Android) and desktop
- In week one the campaign ran without applying an identity solution, in week two the ID5 ID was activated via PubMatic

RESULTS

21%
UPLIFT IN
OVERALL REACH

30%
UPLIFT IN
MOBILE REACH

90%
UPLIFT IN iOS
REACH WITH ID5 ID

“

Working with PubMatic on our campaign planning and testing strategy has brought new benefits to our clients, with audience addressability at the core. Activating the ID5 ID via PubMatic ensured that we executed our campaign strategy as efficiently and effectively as possible.

”

CARL LIVERSTAM
MANAGING DIRECTOR NORDICS
PLATFORM 161
(NOW PART OF VERVE GROUP)

CONTEXTUAL TARGETING

As we move towards a cookieless world, conversations about contextual targeting are on the rise, with a particular focus on how to use contextual targeting to complement audience targeting.

Contextual targeting is a valuable brand-building tool in that enables media buyers to achieve broad reach while still serving relevant ad experiences to target audience segments. While there is a lot of buzz around contextual targeting, there are still challenges – specifically frequency capping, ensuring a positive user experience across multiple formats and channels, and brand safety. Buyers have also voiced frustrations about a lack of standardisation and insights about the content ads will play within.

Publishers are actively addressing these concerns and working collaboratively to improve category standardisation. They are also tapping into technology that goes beyond text analysis and leverages machine learning to analyse cross-screen content. CTV publishers can also select and send specific content metadata—such as programs, episodes, genres, and live or on-demand environments—to demand-side platforms (DSP)s making it possible for media buyers to target, report, and forecast based on what viewers are watching, for example.

Contextual targeting is well suited to brand awareness campaigns and provides additional scale where audience data is scarce but improving brand safety capabilities is essential to the continued growth of contextual.

THE VALUE OF MOVING TARGETING TO THE SUPPLY-SIDE

Traditionally targeting has been activated on the demand-side, but evolving privacy regulations, continued technology consolidation and the growth of private marketplace (PMP) executions are causing this to change.

Today, media buyers are bringing their data to the supply-side and experimenting with multiple supply-side targeting approaches (for example, ID targeting, contextual targeting, and third-party data targeting) for improved efficiency and higher visibility into campaign planning.

As publishers activate their own data and invest in more complete data strategies, media buyers are able to work more closely with supply-side partners to gain a richer view of their audience.

A key consideration for buyers looking to implement supply-side targeting is to understand how to combine information from multiple sources, including first-party data, authenticated publisher data, universal IDs, and segments from other third-party data marketplaces. When looking at different options it is vital that the primary goal of improving targeting across all screens is always top of mind.

A flexible, customisable targeting strategy is the best way to ensure campaign objectives are met. First-party data is highly coveted - but the reality is that scale is still a challenge. Media buyers should take advantage of the available audience addressability solutions like IDs, contextual, third-party data targeting to make more informed investment decisions and gain significant downstream efficiencies.

CASE STUDY

PUBMATIC & SEMASIO BOOST CAMPAIGN REACH BY 205% FOR OMNICOM'S OMD NETHERLANDS

OBJECTIVES

- OMD NL was curious whether activating Semasio audience segments via PubMatic's sell-side platform (SSP) would yield better campaign results compared to applying the data segments via a DSP
- PubMatic and OMD NL worked together to devise a robust data testing strategy

SOLUTION

Tests were carried out across eight Auction Package deals:

- 4 x packages contained Semasio data targeting created in PubMatic's Media Buyer Console
- 4 x packages were set up with the Semasio data segments applied on the DSP side rather than via PubMatic

RESULTS

205%

UPLIFT IN REACH*

16%

UPLIFT IN VIEWABILITY

21%

UPLIFT IN CTR

“

Partnering with PubMatic and Semasio has produced another strong campaign result and enabled us to hit our primary objectives on this brief. This testing approach has equipped us with the evidence and confidence to migrate more data targeting to be applied by PubMatic's SSP rather than DSP partners. Our collaborative relationship with the Ad Solutions team at PubMatic has yielded benefits not only for this client but the wider OMD client roster.

”

KEVIN DONKER
PRODUCT LEAD PROGRAMMATIC
OMNICOM MEDIA GROUP

*Compared to DSP Partner

HOW TO SET-UP THE AUCTION PACKAGE AND SELECT THE RIGHT TARGETING

- 1** In order to identify which verticals and audience addressability solutions work best, you need to analyse the performance of current media buys. For example:
 - Which publishers and buy types are in play today?
 - Which verticals are working well for each campaign?
 - Which data overlays and IDs are working well?
 - Where and what type of contextual targeting based on publishers' data is working well?

- 2** Define your approach to accessing first-party data across your campaigns and ask questions to help you understand which data sets will enable you to reach your campaign goals. For example:
 - Which data sets align to your campaign goals?
 - What types of first-party audience or contextual data do you want from publishers?
 - How those audiences or contextual data are constructed by publishers?

- 3** Once you have defined your approach to accessing an alternative addressable audience, you can evaluate which audience addressability solutions will meet the required goals. For example:
 - DSP/SSP reporting to evaluate performance
 - Quantify the cost of data vs the expected performance uplift
 - Which publishers can support a multipronged approach to addressability?
 - Which audience addressability solutions are you not currently utilising that could be beneficial?

- 4** Now you have a full understanding of your supply activity and evaluated which sources meet your metrics of success, you can now look at establishing relationships with your tech partners. Key factors to consider are:
 - Are your SSP partners able to make introductions to the top-performing publishers?
 - Will they establish a testing framework to understand which first-party audiences, ID targeting or contextual targeting approaches are working?
 - Do they offer regular performance check-ins and work with data owners and ID providers to optimise your campaigns?
 - Are they making you aware of new developments from key publishers and how explaining how these developments and new audience approaches can benefit you?

BEST PRACTICES

Below you'll find some best practices for creating auction packages through the PubMatic platform.

Media buyers require custom strategies to address different combinations of channels, identifiers user types, and different ways of handling data. Initially, media buyers should evaluate their approach to activation based on a matrix that considers the below.

AUCTION PACKAGES IN CTV

CTV enables advertisers to reach and retain consumers with greater efficiency and effectiveness than linear TV through transparency, controls, and operational efficiency from a multi-publisher marketplace.

WHICH CTV DEVICES CAN BE INCLUDED IN AUCTION PACKAGES?

- **Connected or streaming devices:** Devices that connect to a TV screen to display video streams (Roku, Apple TV, etc.)
- **Smart TV:** TVs with integrated Internet connections (Samsung Smart TV, etc.)
- **Gaming consoles:** Internet-connected gaming consoles (Xbox, PlayStation, Wii, etc.)
- **Set-top boxes:** Devices delivering traditional cable and video on-demand content

CREATIVE

Because CTV ads are shown on a large screen that supports high-definition video creative formats, the following specifications are recommended:

| | |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| VAST | PubMatic supports the VAST 2.0, VAST 3.0, and VAST 4.0 specifications. Note that VPAID and MRAID are not supported on most connected TV devices |
| File format | .mp4 |
| Duration and "skippability" | 15 or 30 second non-skippable ads |

BUYING

There are three primary methods to buy addressable CTV inventory such as PMPs, Programmatic Guaranteed (PG), and open auction (OA) deal types. However, the majority of CTV inventory is currently transacted through PMP deals, which enables advertisers to discover inventory, including curated recommendations for CTV auction packages. This deal type can typically offer tighter control over supply quality, transparency, and measurability.

TARGETING

- **App targeting:** Include the connected TV publisher apps you want to target by device type and app store for enhanced precision
- **Device type targeting:** Include connected TV inventory as well as individual makes and models in your video strategies through device targeting
- **Channel targeting:** Use channels to create a group of connected TV publishers that you can easily target for streamlined buying
- **Viewability targeting exemption:** By default, connected TVs are excluded from viewability targeting settings you apply to a video strategy, to ensure that your line items bid on the majority of devices to maximise reach
- **Country-level geographic targeting:** Granular geographic targeting is available for most connected TV inventory through country options for maximum efficiency and personalisation

AUCTION PACKAGES IN-APP

Dynamically reach users who continue to spend more of their time with mobile apps and grab their attention when they are most engaged.

CREATIVE GUIDELINES

Video Ads

- Minimum 24 fps
- 15 sec max length for animation
- 30 sec max length for video (unlimited user-initiated)
- 2.2 MB additional file size for host-initiated video (unlimited user-initiated)

Rewarded Video Ads

Rewarded video ads offer users a value exchange — a free in-app reward for watching a video ad

Standard Banner Ads

- 320 x 50 or 300 x 250 banner ads
- static or animated, usually clutter the top or bottom of the screen

Interstitial Banner Ads

Interstitial banner ads are visuals that cover the entire mobile screen 320 x 480

TARGETING

Digital media buyers are accustomed to sources such as Comscore rankings as the preferred reference for identifying websites with scaled, relevant, and high-quality audiences. This doesn't exist for mobile in-app because app store charts can change on a daily basis. So as an advertiser, how can you buy the best of the best for mobile in-app?

- At PubMatic, we create auction packages that identify mobile app supply based on trends in the Apple App Store and Google Play Store
- We can also help advertisers tap into apps curated by age, gender, region, and by leading categories such as entertainment, sports, news, and lifestyle
- For buyers focused on increasing awareness and shifting brand perception, ensuring the advertising message has an opportunity to make an impact is critical. We offer 'viewability auction packages' that help brands to apply viewability filters and to preselect their targeted supply sources in order to meet their targeting criteria

AUCTION PACKAGES LAYERED WITH DATA

Layering data from PubMatic's Audience Encore™ onto auction packages enables media buyers to scale campaigns across omnichannel media supplies.

TARGETING

With Audience Encore, media buyers gain access to many unique and hard-to-find data sets across first-, second- and third-party audience segments, contextual data, and alternative IDs. Using PubMatic's Identity Hub for Publishers in tandem unlocks more than 250 premium publishers who are testing the leading alternative identifiers across their network to supplement your data targeting strategies.

PubMatic's vast publisher network helps media buyers achieve increased reach and scale and because there is no extra hop to a DSP, PubMatic consistently delivers higher match rates with no added cost on the DSP side. This results in better – performance at a lower cost. By applying audience targeting on the supply-side, we can democratise the use of audience addressability solutions across planning and buying teams. Through Audience Encore, media buyers are able to create tailored audience packages that fit individual campaign objectives and audience targeting.

Targeting set-up:

1. Plan your campaign with audience targeting using first-, second- or third-party data from PubMatic's data providers or onboard your own audiences via a DMP to your PubMatic account
2. Choose from more than 125 DSPs we're connected to and enter the seat ID to activate the deal for a specific buyer
3. Based on the geographic, platform, ad format, and audience selections for your deal, PubMatic will recommend the top publishers for your deal based on reach. Alternatively, upload a publisher list to target
4. Accept the deal in DSP and assign line items/creatives

Throughout the process, the PubMatic team is on hand to assist with deal troubleshooting and optimising.

About PubMatic

PubMatic (Nasdaq: PUBM) delivers superior revenue to publishers by being an SSP of choice for agencies and advertisers. PubMatic's cloud infrastructure platform for digital advertising empowers app developers and publishers to increase monetization while enabling media buyers to drive return on investment by reaching and engaging their target audiences in brand-safe, premium environments across ad formats and devices. Since 2006, PubMatic has been expanding its owned and operated global infrastructure and continues to cultivate programmatic innovation. With a globally distributed workforce and no corporate headquarters, PubMatic operates 16 offices and eight data centers across North America, Europe, and Asia Pacific.

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