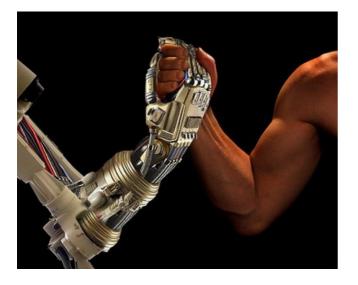


Man vs Machine - Programmatic media

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One thing is for sure and that is that most people are resistant to change! Especially so when it comes to technology - changes in technology take you out of that nice, cosy comfort zone you have been cruising in so smoothly. It therefore comes as no surprise that there are marketers that still resist the move into programmatic media buying, especially here in South Africa.



The reality is that many marketers also fear that the automation that programmatic media buying brings would threaten their jobs. Surely if the machines will be doing the buying, humans will no longer be needed...

As much as it is true that programmatic increases efficiency and simplifies the media buying process, the human element is still vital. This means we are still many years away from computers taking over the marketer's role. In fact, now more than ever, we need an increasing amount of digital marketing specialists.

This is due to the growing demand in brands looking to buy new media. Technology is improving the effectiveness of digital marketing as an advertising medium, along with that comes more marketing spend and more career opportunities in digital media! Roles that never existed in marketing like data analysts are now becoming central to any business that does programmatic media buying effectively.

So it is great for buyers, but what about the sellers of media?

Often publishers feel that the problem with programmatic is that it favours only the advertisers while it only drives down CPM rates and therefore the revenue of the publisher. This was indeed the case when programmatic started and is still the case for many publishers who simply rely on ad exchanges and backfill through ad networks, but those that have embraced the technology and do effective yield management are seeing great results.

It also opens additional revenue streams for publishers that package their inventory together with their data and provide advertisers smarter and more effective targeting opportunities, or simply sell the data to advertisers as third party data.

So what are the numbers?

Unfortunately there is no programmatic spending numbers available for SA just yet, but IAB numbers for the US indicated

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that 52% of display spend in the US was bought programmatically during 2014. Yes, that is more than half, and the same <u>number for the UK</u> in 2014 was 45% (up from 28% in 2013!).

It took a while for us to realise the value of digital media here in SA and now programmatic seems to complicate that further, but we need to catch up with the rest of the world! Most of the more traditional formats of media seems so much easier to book. No different creative sizes, no tags to implement and no technology that seems complicated. What marketers often miss though is the great targeting options, analytics, data and interaction with customers that is mostly not possible with more traditional media placements.

So where do we go from here?

Firstly, realise that digital media is the most effective medium to reach your target audience. Secondly, realise that programmatic is the most efficient way to buy digital media. Thirdly, educate your team on programmatic and find a specialist partner to assist in integrating this into your overall marketing strategy.

Lastly, realise that programmatic will only take your job if you choose to ignore its existence! In the words of South Africa IAB chairman, <u>Jarred Cinman</u>: "Whatever the reality, there is no doubt that this new way of buying and selling media is the true digital advertising revolution. Are you ready for it?"

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