

The Guide to Programmatic Advertising



Programmatic Advertising 101

Programmatic ads enable media buyers to purchase advertising space. This is done using a programmatic platform that leverages data insights and algorithms to reach the right users.

In this guide, you'll learn the basics of programmatic advertising, including how it works, its benefits, programmatic channels, and programmatic advertising strategies.

By the end of this guide, you'll be ready to take the first step in introducing programmatic into your media plan.



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What Is Programmatic Advertising?

Programmatic advertising is a process of buying advertising space that is automatic, rather than the traditional, manual process. Driven by an automated bidding process, ads are served at the right time, and at the right price.

According to estimates, global programmatic ad spend reached 418 billion USD in 2021. This figure is expected to reach 725 billion USD by 2026, signaling the growing relevance of programmatically-sold advertising.

There are many different channels and formats that marketers can leverage in programmatic advertising, but some of the common ones are native, display, audio, video, connected TV (CTV), in-game, and digital out-of-home (DOOH).

It's possible to use a mix of complementary channels with a multi-channel strategy.

A multi-channel strategy increases the percentage of the total target audience that you can reach, and it helps you to craft a brand story throughout the entire customer journey, and on all devices used by your audience.





Benefits of Programmatic Advertising

Here are 5 of the major benefits of programmatic advertising:

- 1 It's scalable, flexible, and transparent.
- 2 Powered by machine learning and AI.
- 3 Enables multi-channel campaigns.
- 4 Expands your reach with access to inventory partners.
- 5 Enables you to reach tailored audiences.

1

Scalable, Flexible, and Transparent

Programmatic campaigns are completely scalable and flexible when it comes to campaign spend. This makes programmatic a suitable advertising strategy for a range of businesses, from small to large, and across different industries.

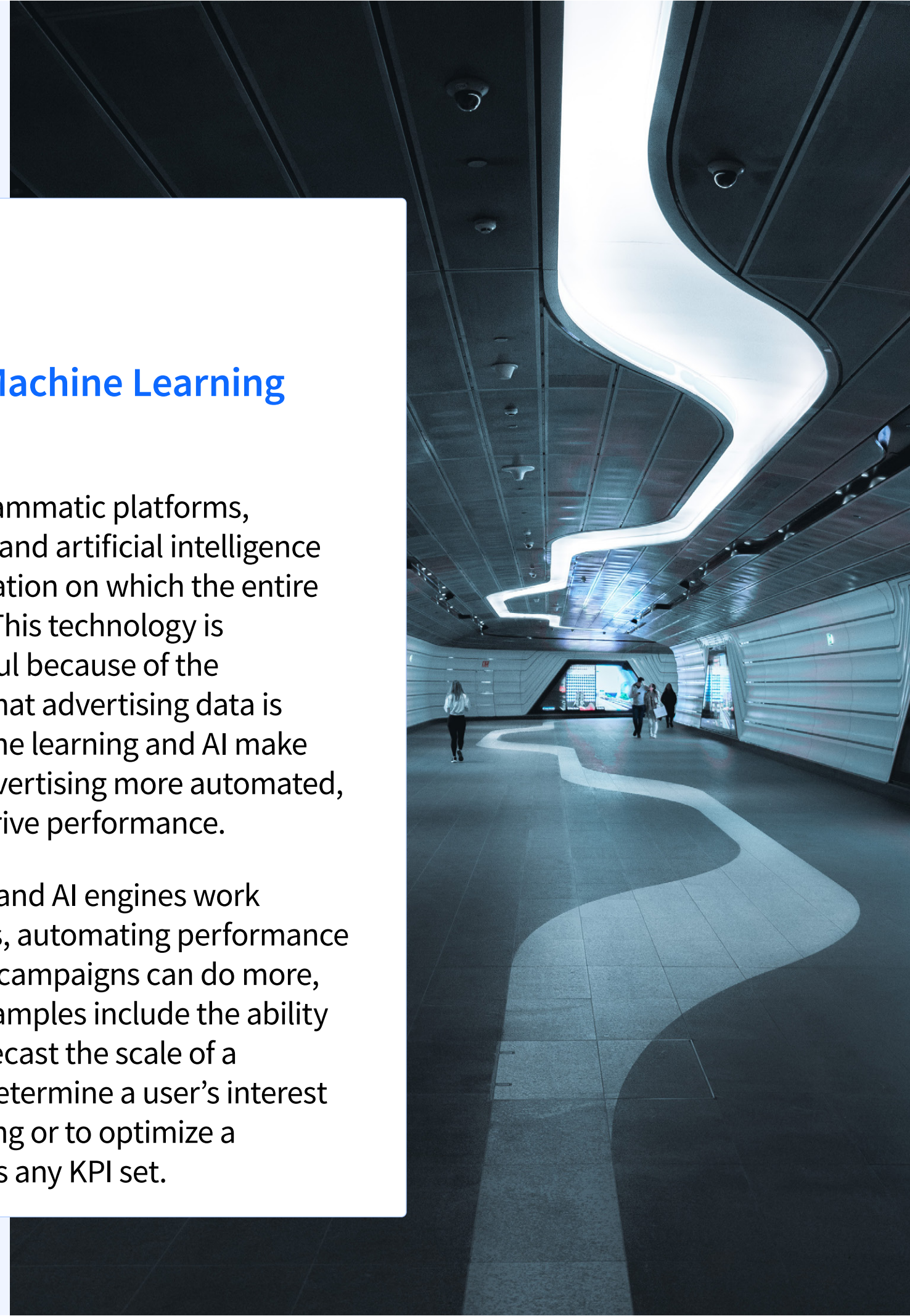
Programmatic advertising also delivers the benefit of transparency. You have total visibility over your campaigns in that you can see exactly what sites your ads are placed on, what audiences are seeing them, and the return on investment (ROI) earned from your campaigns. This makes it easier to optimize your programmatic strategy, and determine the success of your campaign.

2

Powered by Machine Learning and AI

For leading programmatic platforms, machine learning and artificial intelligence (AI) are the foundation on which the entire platform is built. This technology is incredibly powerful because of the speed and scale that advertising data is processed. Machine learning and AI make programmatic advertising more automated, faster, and help drive performance.

Machine learning and AI engines work behind the scenes, automating performance decisions so your campaigns can do more, at scale. Some examples include the ability to proactively forecast the scale of a campaign, or to determine a user's interest level before bidding or to optimize a campaign towards any KPI set.



3

Multi-Channel Campaigns

Programmatic advertising provides marketers the ability to create a cohesive experience across multiple channels, including emerging ones. With consumers adopting new channels all the time, it's important that marketers introduce and experiment with those new advertising mediums in their media mix. Plus, multi-channel campaigns make it possible to reach your audience across multiple stages and touch points in the customer journey.

4

Access to Inventory Partners

When you're partnered with the right programmatic platform, you'll have access to native, display, video, CTV, audio, in-game, and DOOH ad placements. Through partnerships with different exchanges, your programmatic platform will provide access to tens of thousands of sites and apps. This large selection creates more opportunities to reach the right audiences, at the right moment.

5

Highly-Customized Audience Targeting

With programmatic, it's possible to leverage audience segments to find hyper-relevant users for campaigns. There are many ways to find the right audience, including targeting people using mobile devices, targeting users reading about a particular topic on the web, or viewing a competitor website.

It's also possible to upload proprietary 1st-party CRM data into the platform in near real-time, or access a catalogue of 3rd-party segments from data intelligence providers. Ultimately, this allows for highly-customizable audiences.

Programmatic Channels

People are increasingly using their phones, laptops, and internet connected TVs to consume content. With users discovering content on multiple devices, it's time for brands to capitalize on the power of programmatic channels to get noticed.

There are the traditional channels, like display and native, but we're seeing exciting growth in new channels like CTV, in-game, and DOOH.

Below are the go-to channels for marketers who are hoping to reach digital audiences:



Native



Display



Video



CTV



Audio



In-Game



DOOH



Native Advertising

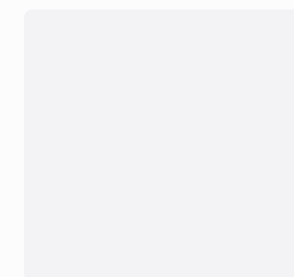
Native advertising is a form of advertising that integrates high-quality content into the organic experience of a given platform.

Native ad units conform to the design and feel of the websites on which they display, preserving the immersive user-experience while producing click-through rates like that of editorial content.

Native advertising may sound like a buzzword that's applied to anything that isn't a banner ad. In reality, it's much more. Native is an ad channel and format that is highly-scalable and beneficial to a multi-channel strategy. At its core, native advertising describes the intersection of beautifully customized native content delivery and the power of programmatic technology.

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This Suitcase Is a Must Have Item for Your Vacation



Placeholder text for a native ad unit.



3 Reasons Why You Should Fly With This Airline for Your Trip

Placeholder text for a native ad unit.



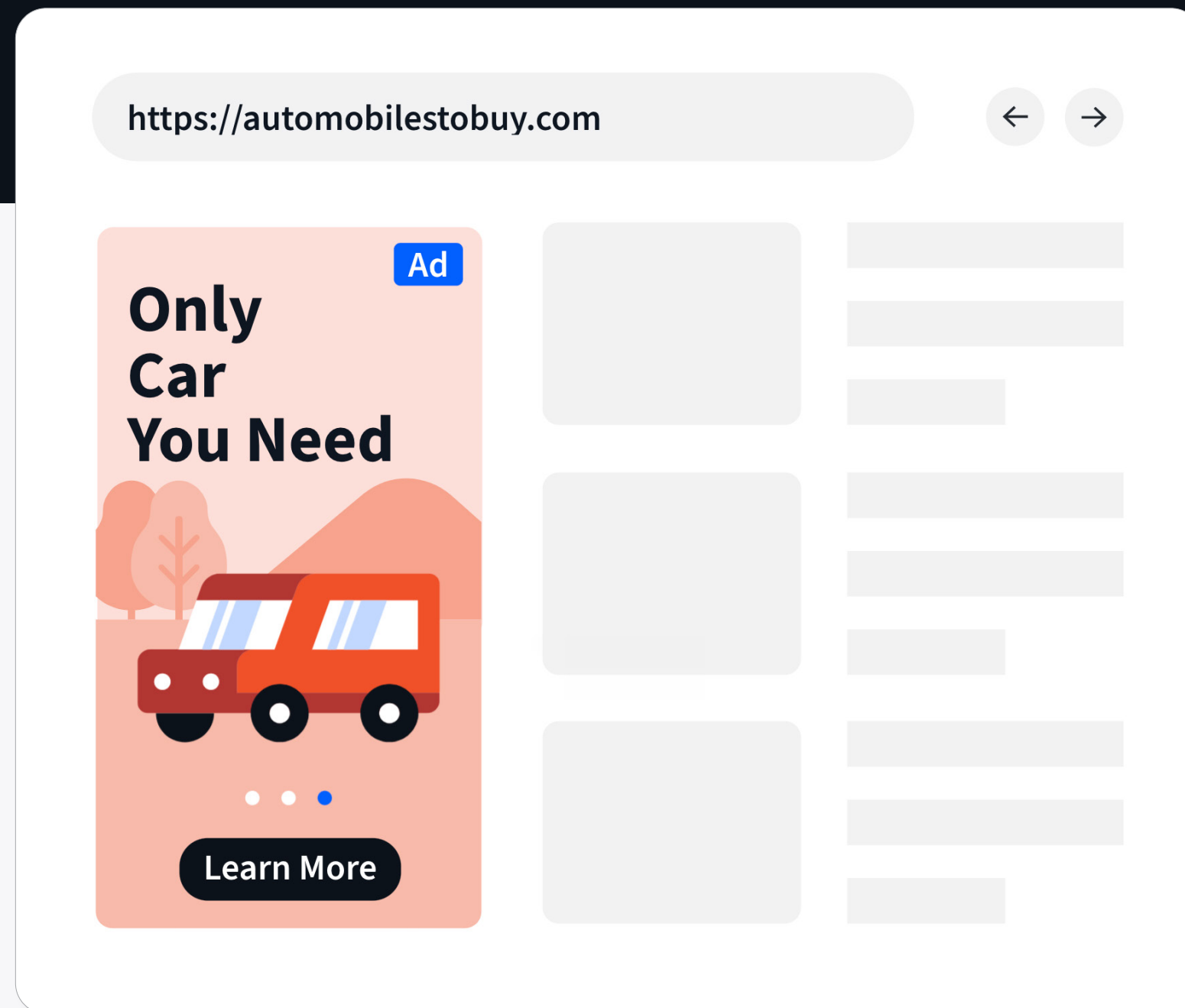
Display Advertising

Display ads are designed to look like banners that stand out.

Their colour, placement, and branding should contrast the website they're delivered on and are meant to stand out to the user.

Display ad units have been around since the beginning of programmatic advertising, and this channel continues to be an essential component in advertiser toolkits. Display ads can also be made more engaging with animations and interactivity. It is still the richest tactic to learn about your users and collect information that helps you communicate most effectively.

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Video Advertising

Video advertising allows you to reach potential customers wherever they may be watching video content online.

Audiences may see an ad before, during or after their intended video, while scrolling through a blog, or a news article.

Programmatic video advertising is the perfect channel for creating an emotional connection between your brand and your audience. This medium will capture the undivided attention of your target audience, provide an opportunity to educate them, build brand awareness, and develop trust.

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Food Lovers

Ad





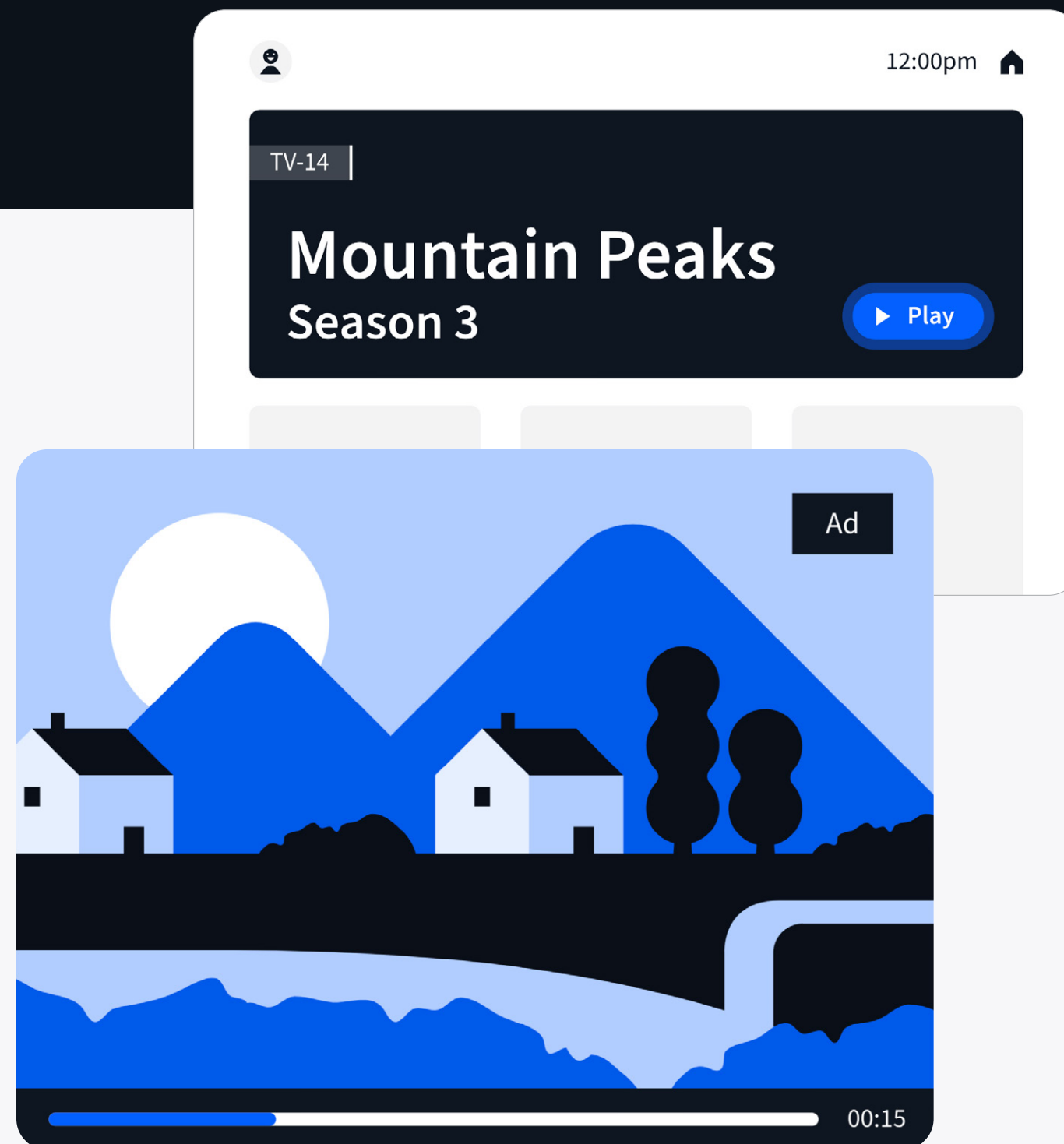
Connected TV Advertising

CTV advertising describes any ads that are delivered through a connected TV (CTV) device.

These are devices that are used to stream internet content, like a smart TV or tablet.

Mimicking the familiar environment of a television ad, CTV viewers would subscribe to a video-on-demand (VOD) service to access their programming through that particular platform. Advertising on CTV offers the targeting of digital advertising with the lean-back experience of television.

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Programmatic Audio Advertising

Programmatic audio automates the selling and insertion of ads into audio content, using a process similar to display advertising.

With programmatic audio you can buy targeted ads from all the major audio publishers using one system.

For example, it enables you to purchase ad space in the pre-roll, mid-roll, or post-roll of a podcast. Those ads reach listeners through various devices, including desktop, mobile, and tablet. Audio advertising provides brands with the opportunity to reach audiences in screen-free moments in today's highly-mobile and connected consumer environment.

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Sponsored ad





In-Game Advertising

In-game advertising enables ads to appear in mobile, computer, and video games.

With blended in-game, ads are seamlessly integrated so they don't interrupt gameplay. This channel gives you an opportunity to tap into an expansive and growing audience.

Because gaming is an emerging programmatic channel, adopting it now gives you the unique opportunity to experiment with new strategies to reach engaged audiences.

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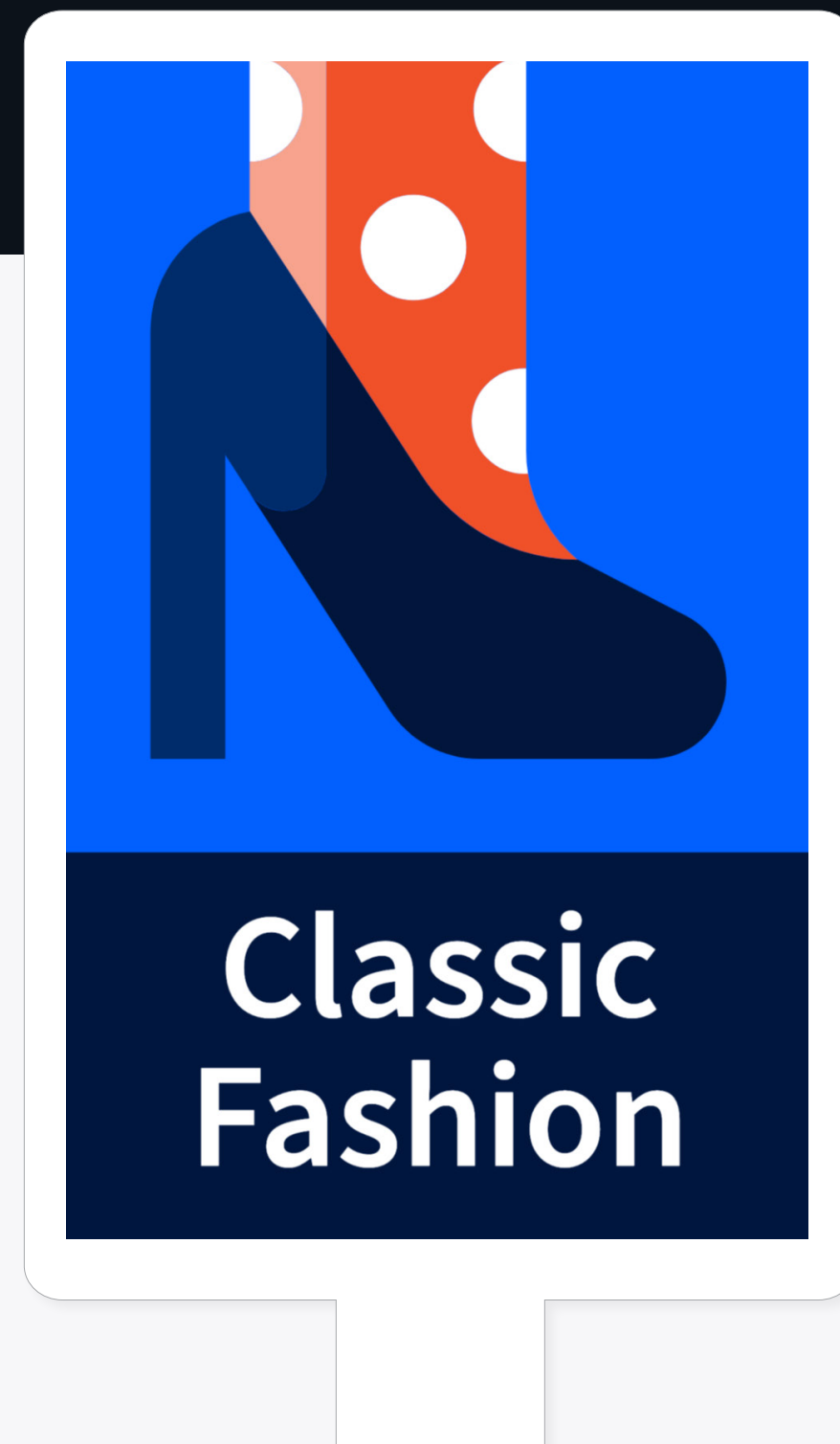
Digital Out-of-Home Advertising

DOOH is any digital advertising that is found outside the home, and in a public environment.

Programmatic combined with DOOH allows you to make more efficient and strategic out-of-home media buys.

The classic example of a DOOH ad is an ad run on a digital billboard in Times Square. But the reality is, you can run programmatic DOOH campaigns on a variety of formats and sizes, and in various public environments like on roadside dynamic displays, mall directory screens, and digital screens in arrival halls of airports.

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Behavioural Vs. Contextual Targeting

Once you know which channels you will run your programmatic campaigns on, it's time to target. Behavioural targeting has long been one of the default targeting methods on a marketer's programmatic campaign checklist.

Since the 1990s, the cookie has made tracking in-browser user behaviour a valuable tool for targeting digital ads toward receptive consumers. In today's digital landscape, we're seeing practices around 3rd-party data collection evolve and as a result, contextual targeting is becoming critical for marketers to have as part of their digital strategy. Contextual advertising is a cookieless targeting tactic that leverages the context next to which the ad appears to, delivering highly-relevant ads to the right audience, at the right moment.

Let's look at the differences between behavioural and contextual targeting.

BEHAVIOURAL

Leverages cookies and may be affected by evolving privacy regulations concerning the use of cookies in browsers.

Relies on hard, historical data of users' search history and what sites they spend the most time on.

Limits control over the website on which your ads appear.

Historical data or past behaviour may not always be relevant because it may not align with the user's current needs or buying patterns.

CONTEXTUAL

Not subject to privacy regulations because it doesn't use or collect cookies.

Uses context of a user's search "journey" to show them the right ads.

Ads align with what a user is searching, as well as with their values, which allows for brand-safe advertising.

Contextual ads are always relevant because they're based on what a user is actually searching, watching, or reading.



Contextual Targeting

Rather than targeting ads based on user behaviour, contextual advertising targets ads based on the environment in which the ad appears. This targeting method uses algorithms to target ad placements based on keywords, website content, and other metadata. This way, ads are shown to users based on the content they are consuming at that moment in time.

For example, if a user is reading a blog about coffee, they could be served ads for coffee beans or coffee makers, since it's likely that the user is thinking about coffee-related products at that time.

Because contextual targeting displays the right ads to your users at the right time, it also helps businesses boost their brand image. Ads related to what a user is searching that display in real-time are more likely to be seen as helpful and informative, and relevancy leads to positive feelings towards a brand.



Behavioural Targeting

Behavioural targeting, often referred to as audience targeting, aims to ensure that an ad is relevant to the user who is visiting a page. Behavioural targeting relies on the user's past actions to understand the kind of purchase they are likely to make. When a user performs an online or offline action, they are entered into a user pool or audience list.

For example, if a user has been clicking on ads for espresso makers, then it can be established that the user is interested in this product.

The benefit of behavioural targeting is that you can ensure your ad is relevant to the user who is viewing it, essentially ignoring the content of the page on which the ad appears. As the processes for collecting user data have become more advanced, so have the capabilities of behavioural targeting.

Programmatic Strategies

Programmatic advertising leverages various channels, devices, and targeting tactics. To drive the best results with your media mix, it's important to leverage programmatic strategies that will boost performance.



Retargeting



Dynamic
Retargeting



Multi-Channel
Campaigns



Geographic
Targeting





Retargeting

Retargeting allows you to re-engage a user that has shown interest in your brand or product. To create a successful retargeting strategy, include retargeting as part of your full-funnel campaign that leverages different channels and messaging to achieve your goals.

First, identify where in the funnel a user should be when they are served a follow-up ad. In some cases, it may be at the top of the funnel, when a user has just been introduced to your brand. Or, it may make sense to retarget when they are in the middle of the funnel, once they are familiar with the brand and are exploring your product or service.



Dynamic Retargeting

Dynamic retargeting allows you to serve display or native ads to a user featuring the most recent product they've looked at. You're able to serve a creative containing the exact item a user has viewed on your website, and remind them of the product they've shown interest in during their online journey.

This strategy differs from standard retargeting where generic ads are served to users who have visited your site. Standard retargeting ads remind the user of your brand message, while a dynamic retargeting ad reminds the user of the exact item they were looking at.



Multi-Channel Campaigns

With a multi-channel strategy, you can reach consumers throughout the entire funnel. Multi-channel targeting enables you to reach users across different platforms and create a cohesive story across a variety of programmatic channels.

You may run a campaign across two, like display and audio, or across more including video and CTV. This strategy helps you to gain greater reach by capturing users who are only using some channels.

A multi-channel strategy is key in today's digital landscape because consumers are active across various channels and devices. Understanding how users are interacting across platforms is central to learning how you can effectively reach them, and reach your ROI goals.



Geographic Targeting

Reaching your ideal audience at the right time and at the right location will increase the likelihood of that audience seeing, remembering, and taking action after viewing your ads. In programmatic advertising, location refers to where consumers are surfing the web, as well as their real-time physical location.

Geotargeting is the practice of delivering content to a consumer—via mobile or web—using the geographic location information of the recipient. There are a couple different geotargeting strategies that you can leverage in your programmatic campaigns.

- **Zip or Postal Code:**

Uses a list of zip or postal codes to reach users. Consider this option if your creative messaging is centric around specific storefronts. For example, a pizza chain could use this tactic to advertise a discount within their delivery area.

- **Geo Radius:**

Leverages a list of addresses or latitude and longitude coordinates. You can customize your radius down to the mile or kilometer to target users in mobile in-app environments.

Leveraging Programmatic With Search and Social

Digital strategies should work in harmony and complement one another, not work against each other. When leveraging programmatic, don't isolate your strategy to a single channel.

Expanding your horizons beyond walled gardens will help you reach your audience where they are, and drive campaign performance. For example, programmatic can supplement the campaigns you're running on social media or search.

For example, retargeting those who have shown interest in an ad served on social media is an opportunity to encourage a conversion. You can retarget those users with an ad on a programmatic channel like native or CTV, driving them further down the funnel.

Get Started With Programmatic Advertising

One of the best aspects of programmatic advertising is that it provides marketers the ability to create a cohesive experience across multiple channels, including emerging ones. With consumers adopting new channels all the time, it's important that marketers follow suit by introducing and experimenting with those new channels in their media mix.

To run programmatic campaigns, you'll need to partner with a programmatic platform. These are commonly called demand-side platforms (DSPs). A DSP is a digital campaign platform that provides advertisers with features for buying ad placements online in real-time.

When partnered with the right DSP, you'll have access to features that support programmatic campaigns from start to finish. This includes innovative features like forecasting, where you're able to better understand how your campaign is going to scale and perform before spending at all.

Then, you're able to execute your programmatic plan across an ecosystem of programmatic channels including native, display, video, CTV, audio, in-game, and DOOH. Once a campaign is live, you have the ability to view domain-level performance, geo performance, audiences, and more.

Want to get started right away?

Request a demo to discover the self-serve programmatic advertising platform used by exceptional digital marketers like you.

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StackAdapt is a multi-channel programmatic advertising platform used by the most exceptional digital marketers. This state-of-the-art platform is where some of the most progressive work in machine learning meets cutting-edge user experience. Ad buyers plan, execute, and manage data-driven digital advertising campaigns across all devices, inventory, and publisher partners.

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