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SAMPLE: Demand-Side Platforms

Buyer's Guide

Sample only, please download the full report from:

http://econsultancy.com/reports/dsps-buyers-guide

SAMPLE: Demand-Side Platforms

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Contents

1. Introduction

Econsultancy's buyer's guides are the ideal starting place for anybody researching new suppliers in digital market sectors. They contain **in-depth vendor profiles**; to help you quickly evaluate suppliers and service providers, as well as **market analysis** to help you put things into perspective. Vendors are selected for the report based on a combination of factors, *not limited to but including*:

- **Analysis of capabilities** (services / products)
- **Clients**
- **Experience** (qualifications / trade bodies / case studies)
- **Expertise** (by sector / topic)
- **UK and/or USA status** (occasional exceptions are made)
- **Ability to take on and fulfill new projects**
- **Recommendations from trusted sources** (or anecdotal evidence to the contrary)
- **Google visibility**
- **Business model** (a high proportion of turnover should be related to these services)
- **Company Web site**

Econsultancy does not explicitly recommend any of the suppliers featured in these guides, principally because it is impossible for us to work with all of them to form a first-hand opinion. But we do believe - based on an intensive and careful selection process - that the chosen vendors represent quality.

Buyer's Guides are updated on an annual basis, so the information contained within is recent and thus valid. Send any questions or comments to Econsultancy's Research Director Linus Gregoriadis (linus@econsultancy.com).

1.1. About Econsultancy

Econsultancy is a digital publishing and training group used by more than 200,000 Internet professionals every month.

The company publishes practical and time-saving research to help marketers make better decisions about the digital environment, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy has offices in New York and London, and hosts more than 100 events every year in the US and UK. Many of the world's most famous brands use Econsultancy to educate and train their staff.

Some of Econsultancy's members include: Google, Yahoo, Dell, BBC, BT, Shell, Vodafone, Virgin Atlantic, Barclays, Deloitte, T-Mobile and Estée Lauder.

Join Econsultancy today to learn what's happening in digital marketing – and what works.

Call us to find out more on +1 212 699 3626 (New York) or +44 (0)20 7269 1450 (London). You can also contact us online.

2. Executive Summary

The focus of this report is **demand-side platforms (DSPs)**, including an analysis of online display advertising market trends and detailed profiles of the leading DSPs.

There has been a profound transformation of the display ad marketplace in the last few months. Advertisers and publishers alike are increasingly dissatisfied with the 'black box' model adopted by most ad networks and turning to the biddable media market.

With the advent of real-time bidding (RTB) and development of demand-side platforms, advertisers are able to reach their audiences more effectively and select the best impressions to bid on.

The sector is evolving quickly as media buyers and publishers focus more than ever on transparency, actionable insights, digital media convergence and cross-channel attribution.

Trends covered in this guide include:

- Advertising budgets are shifting from traditional ad networks to ad exchanges and other automated channels.
- Advertisers are taking more control of their display advertising campaigns.
- Data has become one of the most valuable commodities in the real-time bidding ecosystem.
- There is a fundamental shift in media buying from buying placements to buying audiences.
- Increased adoption of a holistic approach to how media is purchased and managed.
- Mobile and video advertising provide new ways of reaching and engaging with users.

The *Supplier Marketplace and Profiles* section (*Section 9*) contains profiles of the following demand-side platforms: AdBuyer.com, Adnetik, DataXu, Efficient Frontier, Infectious Media, Invite Media, The Media Innovation Group (MIG), MediaMath, mexad, Rocket Fuel, SearchIgnite, StrikeAd, The Trade Desk, Triggit, Turn and XA.net.

The content of this report is relevant globally. Ideally, it should be read in conjunction with our Online Media Report, which also examines the online advertising ecosystem in detail, as well as looking at the evolution of media buying in the last decade.

3. The Online Display Advertising Market

Over the last years, the online display advertising market has become extremely fragmented, making media buying across multiple platforms more and more complex. Demand-side platforms have certainly changed the way ad impressions are purchased and managed while helping to meet the need for more accountable and effective auction-based media buying.

Interest in display advertising has intensified and demand-side platforms have been reaping the benefits. The evolution and impact of DSPs can only be understood in the context of the overall display advertising market, so this section aims to provide an overview of the market's growth and recent trends.

3.1. Market value and growth

Evidence from all directions suggests a buoyant market for online advertising. According to figures from the Internet Advertising Bureau (IAB), US online advertising revenues reached $6.4 billion in the third quarter of 2010, an increase of 17% from the same period in 2009. Latest numbers from WPP's Kantar Media show that display advertising had the second largest growth rate among media sectors (after television media), up 7.7% compared to last year.

In the UK, online advertising spend reached a record market share of 24.3% during the first half of 2010 and increased by 34% year-on-year in the third quarter. UK users viewed more than 221 billion display ads, out of which almost a third (31%) were carried by Facebook.

3.2. Real-time bidding

Real-time bidding (RTB) was the hottest buzz phrase in the display advertising marketplace in 2010. But why is the implementation of real-time bidding a game-changer? A large proportion of digital media buying is done based on assumptions about certain audiences, which are often purchased in segments or buckets. The vendor decides how these audiences are segmented and sells them at a pre-negotiated price.

Typically, advertisers buy...

3.3. Demand-side platforms – the buy side

Purchasing media across multiple platforms can be a daunting task, but the emergence of demand-side platforms is helping advertisers overcome some of these challenges by providing a new way of buying and managing auction-based media.

A demand-side platform is...

3.4. Supply-side platforms – the sell side

Parallel to the development of ad exchanges, demand-side platforms and trading desks, a new type of supply-side intermediary has emerged. Previously known as publisher yield managers/optimizers, supply-side platforms such as The Rubicon Project, PubMatic and AdMeld, help publishers control how they sell each impression, maximise their advertising revenues and better manage and price their inventory.

They use data...

3.5. Market trends

3.5.1. Advertising dollars are moving to exchanges

Display advertising has reached an inflection point, as a significant shift of advertising budgets from traditional ad networks to ad exchanges and other automated channels is expected in the following months. According to IAB estimates, 39% of the UK display market went through an ad network in the first half of 2010, down from 44% in 2009.

3.5.2. Advertisers take control of their campaigns

The move to increased transparency and disintermediation is expected to dramatically change the display advertising marketplace. Advertisers are taking more control of their display advertising campaigns and are looking for easier ways to buy audience and focus. More than ever, they want accountability and return on investment. The dynamic between them and agencies has changed as they have become more involved in the creation and execution of campaigns.

3.5.3. Data plays a crucial role in the new marketplace

Data has become a valuable asset in the real-time bidding ecosystem and one of the essential components that defines a true demand-side platform. To satisfy advertisers' demand for better insights that allow them to make more timely and targeted ad buying decisions, several data exchanges (e.g. BlueKai, eXelate) and data aggregators (e.g. Experian, Acxiom) have entered the market in the last few months.

3.5.4. Shift to buying audiences, not placements

Ever since the advent of television, geographic and demographic targeting have been the main targeting approaches used. However, according to a study conducted by AudienceScience, audience targeting has gone mainstream in the last few months, as nearly 85% of advertisers and agencies use it.

3.5.5. Digital media integration and cross-channel attribution

While traditional static display ads still account for a significant share of the online advertising market, advertisers and agencies are becoming more creative with their ad formats. As major players unveil more rich media advertising formats (such as YouTube's TrueView video ads or Yahoo's new mobile ads), the need to integrate display with mobile, video, social and addressable

3.5.6. Search and display convergence

Demand-side platforms allow advertisers to manage their display campaigns in a way similar to search. As search engine marketing agencies are technology-oriented and have strong relationships with advertisers, they are increasingly integrated in the real-time bidding display advertising ecosystem through partnerships and collaborations. Companies that have a strong heritage in search engine marketing, such as Efficient Frontier and SearchIgnite, are building their own demand-side platforms and this trend is expected to continue.

3.5.7. Mobile and video – the next big thing?

Driven by the extended functionality and interactivity of smartphones and a growing user base, more brands are looking to capitalise on mobile platforms. Mobile display is gradually becoming an essential component of every brand's advertising strategy, outpacing mobile search.

3.5.8. The great privacy debate

The debate over behavioural targeting, the use of cookies and whether they invade users' privacy has heated up in recent months. So far, the Federal Trade Commission (FTC) has mostly allowed the industry to self-regulate, which resulted in initiatives like the AboutAds self-regulatory program.

3.6. Return on investment

Investment in real-time bidding and demand-side platforms can provide organisations with numerous benefits, ranging from cost efficiency to unprecedented control over price/performance.

Effectively run campaigns using demand-side platforms can help you…

- **Reduce costs and media waste**
  - Bid-forecasting tools allow you to predict the unique user reach and impression availability for a certain audience segment.
  - Explore how reach and availability fluctuate based on a certain bid price and frequency cap.
  - Individually value each ad impression.

4. Strengths, Weaknesses, Opportunities and Threats (SWOT)

This section contains a 'SWOT' analysis of the demand-side platforms market from the perspective of several vendors. It also serves as a summary of some of the points made above.

4.1. Strengths

- **Strong growth in display advertising** means that demand-side platforms will continue to attract increasing levels of investment from advertisers and agencies.
- **Convenience: ability to access multiple inventory sources through a single interface**

  Traditionally, agencies had to work with multiple media vendors to reach the scale required by their clients.

What the experts say

"The real strength of DSPs is in their ability to deliver efficiency – both in terms of time and budget."

Sample quote

5. Costs and Pricing Models

Demand-side platforms use a wide range of pricing methods and fee structures which vary according to vendor and client requirements. They promote fully transparent pricing and state that there is no hidden margin as was the case with ad networks. Below is a rough breakdown:

- **Cost-plus:** This is a fixed percentage of media spend, based on the business relationship, level of service or how much data is used.

  Some demand-side platforms…

6. Tips and Pitfalls

6.1. Introduction

In order to identify the right demand-side platform and get the best fit for your organisation, it is important to understand that different providers offer different types of solutions and their technology and expertise varies a lot.

Some DSPs focus on technical solutions, while others provide a service layer on top. In an increasingly complex ecosystem, understanding what a DSP offers and how it suits your needs can be a challenge.

The detailed company profiles and market positioning charts included in this guide will help you find the right fit. This section contains some key questions and considerations that you need to keep in mind – and some pitfalls to avoid.

You can also refer to Econsultancy's Display Digital Marketing template files.

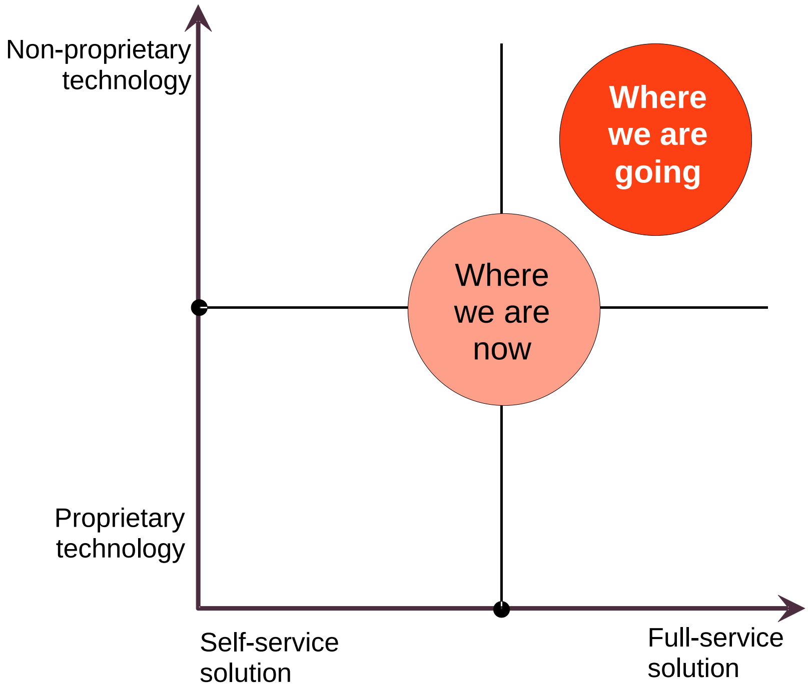
What the experts say

"There will be continued bifurcation of the DSP market into full-service and no-service solutions, allowing clients to select their preferred operations model."

Sample quote

7. Market Positioning Charts

7.1. Explanation for Chart 1: Service model

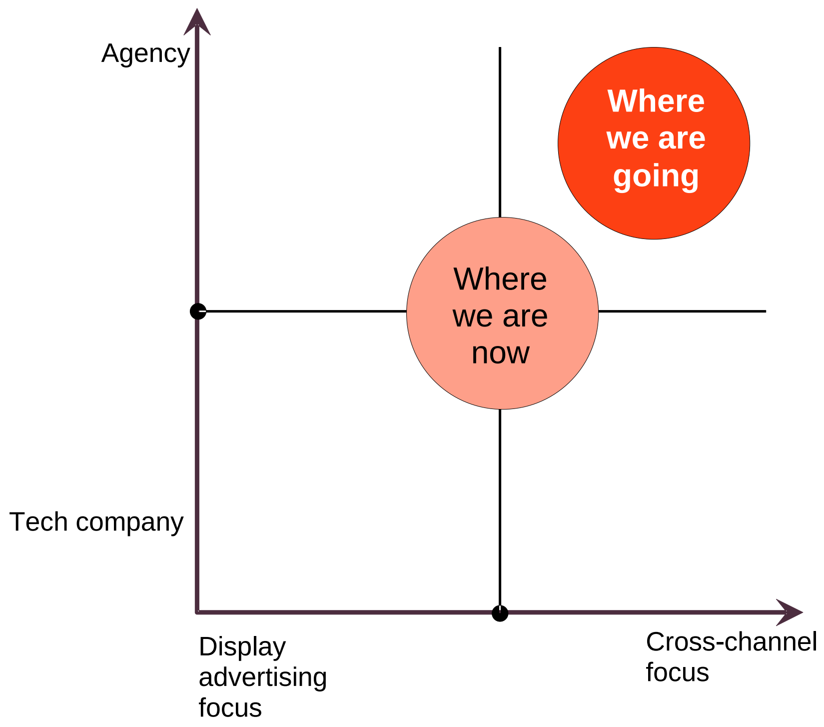


The **vertical** axis charts whether or not the company uses proprietary or third-party technology.

The **horizontal** axis charts to what extent the company provides a full-service solution, as opposed to a self-service one.

For example, a demand-side platform positioned in the bottom right quadrant will use proprietary technology and will be more geared towards offering a full-service solution.

7.2. Explanation for Chart 2: Type of company

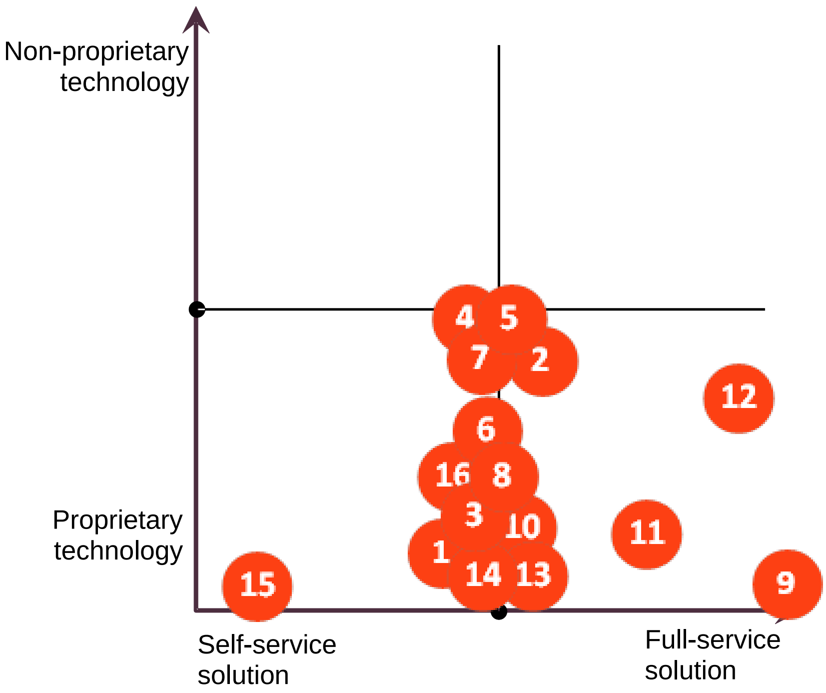


The **vertical** axis charts to what degree the demand-side platforms see themselves as a tech company as opposed to an agency.

The **horizontal** axis charts to what extent the company focuses on display advertising as opposed to having a cross-channel focus.

For example, a demand-side platform positioned in the bottom right quadrant will be a tech company with a cross-channel focus.

7.3. Market positioning overview: Service model



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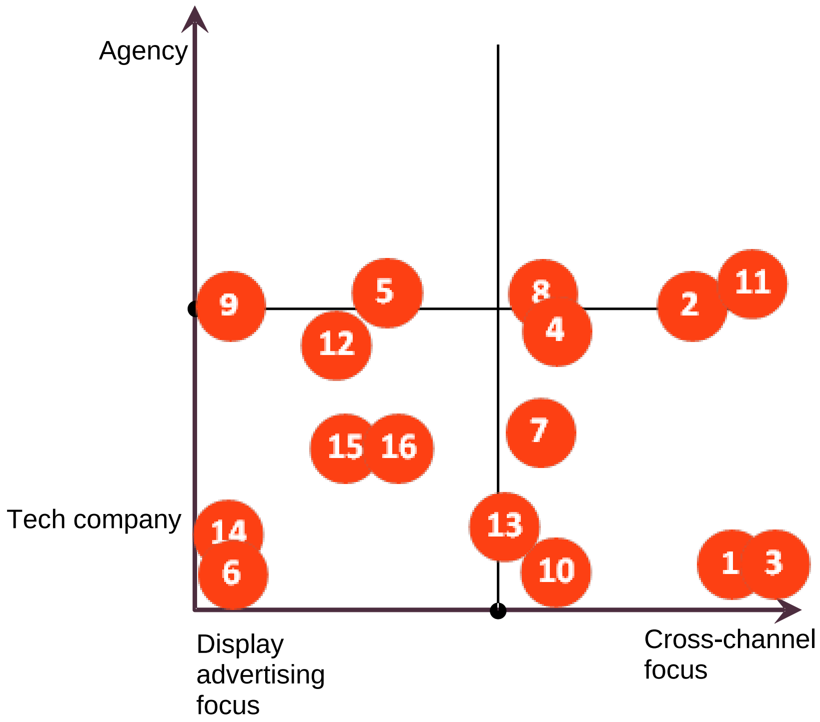
7.5. Market positioning overview: Type of company



Sample only, please download the full report from:

http://econsultancy.com/reports/dsps-buyers-guide

8. Supplier Matrix

An at-a-glance overview of who's doing what...

Supplier matrix: a fast guide to services	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample
Service Model																
Full-service solution	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Self-service solution	●		●	●	●	●	●	●	●	●		●	●	●	●	●
Proprietary technology	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Campaign Planning																
ROI forecasting	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●
Bid forecasting		●	●	●	●	●	●	●	●	●			●	●	●	●
Reach forecasting		●	●	●	●	●	●	●	●	●	●		●	●	●	●
Universal frequency capping (UFC)		●	●	●	●	●	●	●	●	●	●		●	●	●	●
Server-side cookie database	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Budget control	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Pre-emptive brand safety filters		●	●	●	●	●	●	●	●	●	●		●	●	●	●
Audience Definition																
Audience extension	●	●	●	●	●	●	●	●	●		●		●	●	●	●
Custom data integrations		●	●	●	●	●	●	●	●	●	●		●	●	●	●
Intent data (*e.g. BlueKai, eXelate)*	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Unique personal data (*e.g. TARGUSinfo, Experian*)	●	●		●	●	●	●	●	●	●	●		●	●	●	●
Assessment of data effectiveness / consistency	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●
Buying																
Real-time bidding (RTB) (*e.g. impression level, rules-based*)	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Predictive targeting and bid pricing	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Cross-channel buying capabilities (*e.g. Facebook, AdWords*)	●		●	●	●	●	●		●	●	●	●	●		●	●
Dynamic inventory allocation	●	●	●	●	●	●	●	●	●	●	●			●	●	●
Inventory quality control	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Supplier matrix: a fast guide to services	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample
Optimisation																
Rules-based approach	●	●			●	●	●	●	●	●	●	●	●	●	●	●
Algorithmic-based approach	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Static algorithms	●	●			●	●	●		●				●	●		●
Dynamic algorithms	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Real-time assessment (RTA)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Page-level optimisation	●	●	●	●	●	●	●	●	●	●			●	●	●	●
Automated optimisation for CTR / CPA / eCPC	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●
Targeting Features																
HTTP/IP data	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Demographic data	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Contextual data	●	●	●	●	●	●	●	●	●	●			●		●	●
Behavioural data	●	●	●	●	●	●	●		●	●	●		●	●	●	●
Customer data (*e.g. brand preference, offline propensity models*)		●	●		●	●	●	●		●	●		●	●	●	●
Geo-targeting	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Retargeting (*e.g. cookie-level retargeting*)	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Multivariate targeting		●	●		●	●	●	●	●	●			●	●	●	●
Reporting																
Qualitative insights		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Real-time reporting	●	●	●		●	●	●	●	●	●		●	●	●	●	●
Cross-channel reporting capabilities (*e.g. Facebook, Google AdWords*)	●		●	●	●	●	●		●	●	●	●	●		●	●
Other Features																
Discrepancy management		●	●	●	●	●	●	●	●	●	●	●			●	●
Post-campaign reconciliation		●	●	●	●	●	●	●	●	●	●	●			●	●
Atlas Universal Action Tag (UAT) compliance		●	●	●	●	●	●	●	●	●	●		●	●	●	●
Support for rich media technologies	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●

9. Supplier Marketplace and Profiles

9.1. Sample

Company name

URL

Company logo

Company Proposition

<Sample>

Brief Company History

<Sample>

USP – What sets you apart from competitors?

<Sample>

Case study and/or testimonials

<Sample>

COMPANY OWNERSHIP

<Sample>

CLIENTS

<Sample>

OFFICE LOCATIONS

<Sample>

HEAD OFFICE ADDRESS

<Sample>

CONTACT

<Sample>

Background Information	
Reach	
Inventory partners	
Transparency and brand protection	
Service Model	
Full-service solution	
Self-service solution	
Proprietary technology	
Other	
Campaign Planning	
ROI forecasting	
Bid forecasting	
Reach forecasting	
Universal frequency capping (UFC)	
Server-side cookie database	
Budget control	
Pre-emptive brand safety filters	
Audience Definition	
Audience extension	
Data partners	
Custom data integrations	
Intent data (*e.g. BlueKai, eXelate*)	
Unique personal data (*e.g. TARGUSinfo, Experian*)	

Other (*Please specify*)	
Assessment of data effectiveness / consistency	
Buying	
Real-time bidding (RTB) (*e.g. impression level, rules-based*)	
Predictive targeting and bid pricing	
Cross-channel buying capabilities (*e.g. Facebook, Google AdWords*)	
Dynamic inventory allocation	
Inventory quality control	
Optimization	
Rules-based approach	
Algorithmic-based approach	
Static algorithms	
Dynamic algorithms	
Real-time assessment (RTA)	
Page-level optimization	
Automated optimization for CTR / CPA / eCPC	
Targeting Features	
HTTP/IP data	
Demographic data	
Contextual data	
Behavioural data (*if yes, please explain extent of this*)	

Customer data (*e.g. brand preference, offline propensity models*)	
Geo-targeting	
Retargeting (*e.g. cookie-level retargeting*)	
Multivariate targeting	
Other (*Please specify*)	
Reporting	
Metrics (*e.g. standard or custom*)	
Qualitative insights	
Real-time reporting	
Cross-channel reporting capabilities (*e.g. Facebook, Google AdWords*)	
Other Features	
Discrepancy management	
Post-campaign reconciliation	
Atlas Universal Action Tag (UAT) compliance	
Support for rich media technologies	
Customer Support	
What level of customer support do you provide?	
Turnaround times	
What additional costs are there for support?	

Pricing Method	
By spend	
By performance	
Other (*Please specify*)	
Additional Supporting Information	
Any other relevant information	