

Unlocking the Power of Programmatic Advertising

Programmatic advertising spend is on the rise. Three out of four marketing executives (75%) report that 50% or more of their campaign spend is already allocated toward programmatic advertising, and seven out of ten (70%) expect programmatic advertising spend to increase a lot or a little over the next 12 to 48 months.

With programmatic advertising playing an increasingly prominent role in organizations' overall strategies, marketing executives need to gain deeper insight into how their peers utilize it and learn how to take full advantage of its capabilities. This report — driven by a survey of 169 marketing executives — explores how marketing executives are approaching programmatic and debunks common misconceptions about it.



Consumers are spending more time researching across multiple channels before making purchase decisions. This makes it more important than ever for marketers to reach consumers with relevant messaging during their journeys. And each message needs to be delivered on the right channel, and at the right time, for brands to capture consumers' attention.

Programmatic advertising helps marketers leverage audience-specific data, target their end consumers more efficiently, and optimize their campaigns in real-time. Testing can help brands determine what works best for them.

To know which approach works best for your goals, it's critical that you test and gather data. This can help you maximize your budget for subsequent campaigns.

As they delve into those future campaigns, marketers are wise to learn how their peers are taking advantage of the benefits of programmatic. Here are five trends to emerge from Farotech's research into how marketing executives approach programmatic advertising.



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Chris Carr
CEO at Farotech



ONE

Marketing executives recognize many benefits of programmatic. 75% of marketing executives see value in programmatic.



About three out of four marketing executives agree with the following statements about programmatic advertising:



Programmatic advertising can provide unique data and insights



Programmatic advertising can work for small and mid-sized brands



Programmatic advertising can help reach niche audiences



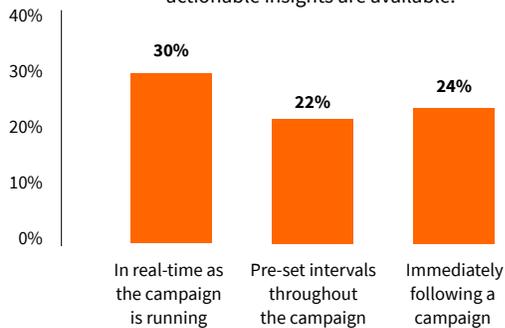
Programmatic advertising can help scale campaigns



Programmatic advertising can help me better understand my customers' preferences

While running a programmatic campaign, how often have you been able to make quick decisions based on the insights you received?

Most marketing executives (76%) say that actionable insights are available:

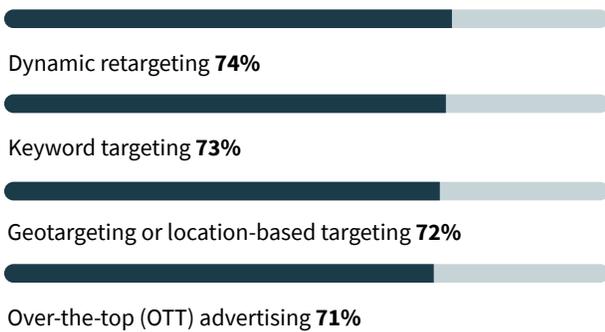


Most marketing executives (87%) report that they can make quick decisions based on insights received while running programmatic advertising campaigns. And for the most part, demand-side platforms (DSPs) and other programmatic advertising partners are providing them with timely information on which to base those decisions: Most marketing executives (76%) say that actionable insights are available either in real-time as the campaign is running (30%), at pre-set intervals throughout the campaign (22%), or immediately following a campaign (24%).

TWO

Marketing executives are sophisticated programmatic users, with 74% familiar with dynamic retargeting. They're adept at measuring their performance and stacking themselves up against their competitors, and they've learned tactics to overcome walled garden limitations.

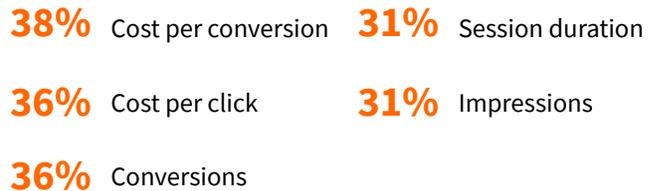
More than seven out of ten marketing executives report being extremely or very familiar with:



The metrics marketing executives measure themselves against can vary, however, as a brand's campaign goals can always change.

Companies have different needs when it comes to their campaigns. Site traffic could be important for one company while conversions and cost per lead really matter to another. Understanding and developing metrics around your own primary goals for a campaign will ultimately help you reach that goal.

Marketing executives surveyed showed interest in many metrics. **More than two out of five (43%) say that click-through rate is seen as the most important metric when measuring the success of an online advertising campaign. But there are other metrics mentioned almost as frequently:**



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Mark Oestreicher
COO at Farotech



Also, more than four out of five marketing executives (82%) believe that industry benchmarking is extremely or very important as marketers are developing advertising campaigns and setting metrics.

Understanding benchmarks is another area where effective testing comes into play.

Once you set parameters for your campaign, there are some platforms that provide benchmark estimates for forecasting. Even if they don't have a proprietary forecasting tool, some demand-side platforms use their own historical data to provide forecasted benchmarks based on channel and industry.

However, the number one thing you want to keep in mind is to look for efficiencies across platforms--both in terms of cost and performance. Allocate a test budget accordingly, and see what fits your campaign goals best.

Those campaign goals should extend beyond walled gardens like Facebook and Google, which pose limitations to brands as advertisers.

It's well known that siloed data is a huge obstacle when it comes to working within a walled garden. Essentially the data stays in those platforms and replicating campaigns in the open market becomes difficult to do efficiently. Being restricted to a platform's inventory can drive up costs, lead to ad fatigue, and compress your scale.

Most marketing executives are well acquainted with tactics and channels that might overcome walled garden limitations. A full 79% are extremely or very familiar with audio; 76% are extremely or very familiar with methods of building lookalike audiences; 71% are extremely or very familiar with native advertising; 69% are extremely or very familiar with contextual advertising; and 62% are extremely or very familiar with connected TV (CTV).

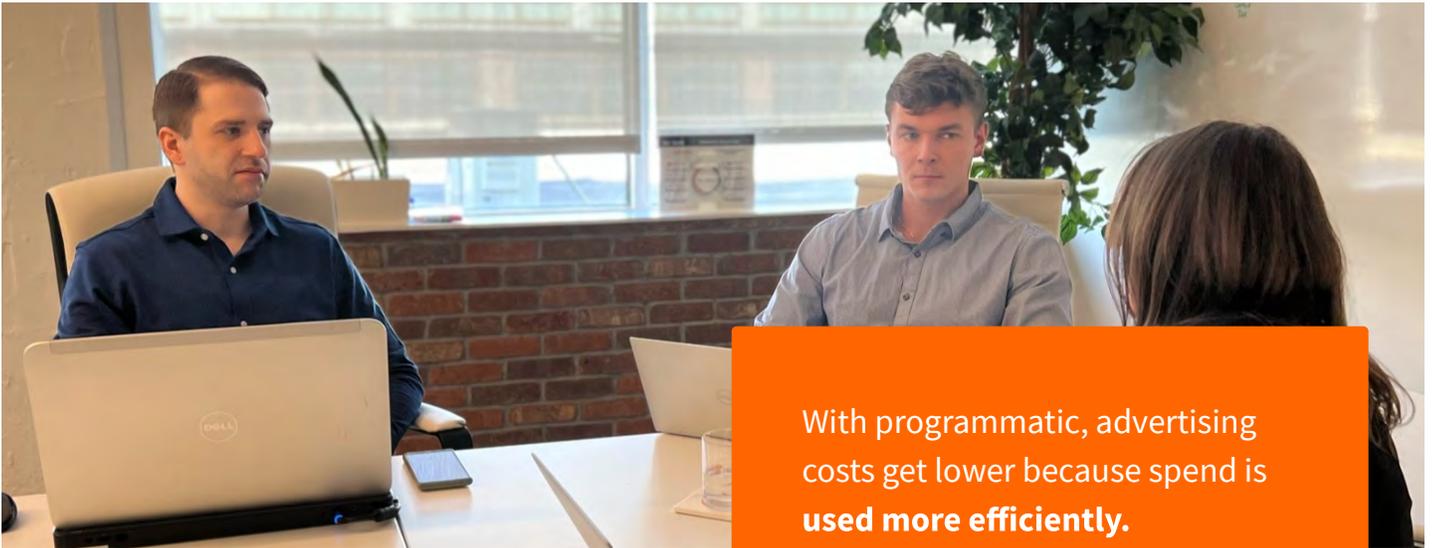
Marketing executives have encountered three limitations while working in walled gardens (that is, working in situations in which major online platforms keep control of their user data).

57% Inability to optimize or share a budget across platforms

50% Audience fragmentation – inability to target consumers outside of the closed environment

47% Inability to reconcile success metrics to determine a cross-platform ROI





With programmatic, advertising costs get lower because spend is used more efficiently.

THREE

But surprisingly, marketers maintain misconceptions about programmatic that are holding them back from utilizing it further – with 44% believing they have a lack of time to manage campaigns.

Issues preventing marketing executives from more frequent use of programmatic advertising are:



Lack of time to manage campaigns



Cost of engaging a programmatic advertising partner is too high



Dissatisfied with past results/ROI



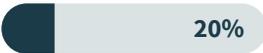
Lack of technical know-how to implement campaign



Lack of dedicated resources to manage campaign



Unsure how to implement a campaign in conjunction with other paid efforts, such as search and social



Lack of resources for asset creation



Marketing executives may perceive they have a lack of time, but programmatic is the best use of that time because so much is done automatically.

Brands set their budgets, set their parameters, and optimize frequently — but they can let their programmatic advertising platform’s machine learning and AI do a lot of the work for them. When it comes to contextual targeting, for example, Farotech has its own in-house proprietary contextual targeting method called [Page Context AI](#), which leverages machine learning to reach a brand’s audience based on the content that audience is consuming in real time.

Handing some of the work over to AI also reduces the workload required to manage a brand’s campaigns — making it easier for agencies and organizations to build in-house teams that can run multiple campaigns successfully with the support of their programmatic advertising partner (and manage a growing number of clients).

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If you want fewer wasted clicks and higher ROI on your ad dollars, the targeting abilities of programmatic advertising is second to none as ads won't show up for people who aren't interested

Todd Smith
VP of Partner Growth at Farotech

Really, it's all about efficiency and satisfaction—first for the agency and then ultimately for the client. Our systematic approach tracks and measures vast amounts of data so you aren't working off hunches or best guesses. If you want fewer wasted clicks and higher ROI on your ad dollars, the targeting abilities of programmatic advertising is second to none as ads won't show up for people who aren't interested.

DSPs also offer creative solutions to further reduce brands’ and agencies’ internal to-dos. Farotech, for example, has a Creative Studio team, so you don’t have to worry about a lack of resources for asset creation.

FOUR

Programmatic drives results and keeps marketing executives informed.

73% of marketing executives say their programmatic advertising partners provide them with industry insights.

Not only do programmatic advertising platforms equip marketing executives with actionable insights, but they also produce benchmarks and reports that can help brands and agencies stay informed.

73%

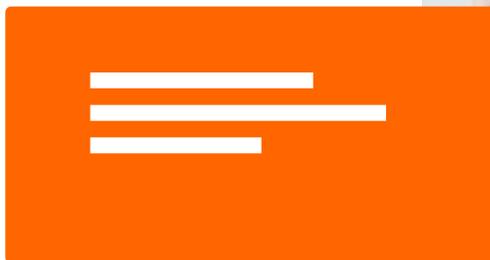
Almost three out of four marketing executives (73%) say that their programmatic advertising partners frequently or always provide marketing executives with industry-specific research.

29%

Still, three out of ten marketing executives (29%) say that other than costs and fees, the most important quality of a programmatic advertising partner is trustworthiness and transparency.

As part of that transparency, platforms should make it easy to start small and test out the use of their services.

“DSPs often have certain spend minimums in place or contractual commitments. Maybe their platform is not easy to use, or they’re charging high fees for managed services,” says Pyatt. “That prevents a lot of marketers from actually testing programmatic strategies to see if they work. Farotech, on the other hand, was built to really help encourage testing and break down those barriers for brands and agencies. We have no commitments or contracts, every client is provided with a dedicated support team, and we have an extremely easy-to-use platform which contains AI functionalities that really help to save you time.”



FIVE

The help of the right programmatic advertising platform — and a cross-channel strategy — can maximize outcomes. With 50% of marketing executives focused on social media for retargeting, they may be limiting their reach.

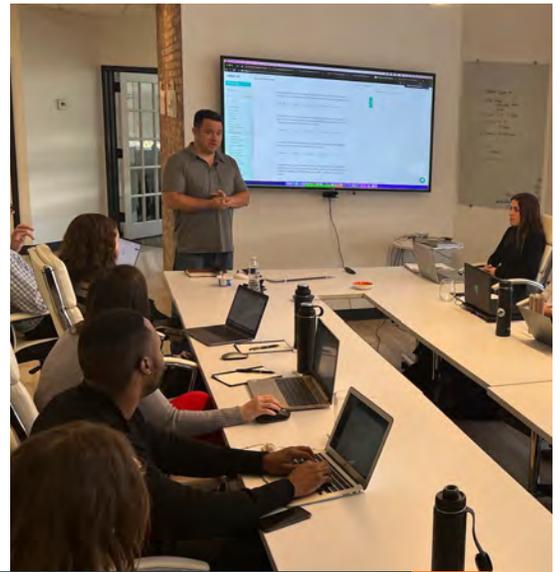
Advanced functionalities and ease-of-use make it easy for marketing executives to run the kind of holistic, cross-channel campaigns that can help them reach more consumers.

Instagram **51%**

Twitter **50%**

The two channels most often currently used or being planned for retargeting are Instagram (51%) and Twitter (50%), showing that there's room to diversify retargeting (and maybe even prospecting) across other channels.

If you bank all your marketing efforts on only one area, your brand reach will undoubtedly be limited. We know that putting all your marketing dollars into social media, for example, is risky. By reaching users on multiple devices and platforms across their buyer's journey, you can ensure the right message finds the right people at the right time.



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Lindsey Daku

Account Communications Director
at Farotech



CONCLUSION

Marketers are wise to be taking increased advantage of the benefits of programmatic. With the help of the right partner for planning, executing, and analyzing their campaigns, brands and agencies can drive up outcomes while lowering advertising costs.

Working with Farotech puts innovative tools and years of marketing expertise to work for your brand or your agency and clients. For information on how we can help you with your programmatic advertising efforts, [request a demo](#).

