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What is the real value of real-time media buying?

By Quintijn van Kessel, issued by Incubeta

28 Jun 2013

Programmatic buying is gaining ground rapidly. Within Programmatic buying, RTB plays a very important role. With the use of RTB the price of an impression is created via market sources. Under the influence of availability of impressions from the sell side like publishers, websites, SSPs and ad exchanges and the need for those impressions by the buy side like advertisers, DSPs, and media agency. Every day more advertisers, agencies and publishers get started with automated trading. The price in CPM for a 1000 impressions develops to the level where both parties are able to agree, in an auction model. But with the right use of RTB and Programmatic it is not just about buying impressions for the lowest CPM price, it should be about validating the value of those impressions properly.

Use the right evaluating metric

It happens way too often that the purchasing metric in most cases being the CPM price, is also used as the evaluation metric. By doing so the myth is maintained that RTB is all about getting the cheapest CPM price. At DQ&A Media Group we don't mind paying the highest CPM at the auction, because we know that the true value of an impression is in fact determined by a proper evaluation, based on the CPL or CPA achieved. We prefer to focus on what price is actually being paid per

lead or conversion. Ultimately, our clients do not benefit from the lowest CPM or CPC price but they will prosper with great CPL prices. With proper use of assessment techniques, we can see exactly what impression (and not just the click) has contributed to a conversion.

Real Time

The element of Real Time provides unlimited possibilities for RTB. It gives us the ability to validate the value of each impression properly before we decide which advertisement impression will be shown on what impressions. By doing so consumers will only see ads that are based on their actual interests, the publisher gets the best possible price for the available position and the advertiser will achieve higher conversion rates while their ads are shown to a truly interested audience.

Human brains

You cannot - not yet - solely rely on a computer or a system for programmatic buying. The algorithm RTB uses is not able to take in account, for instance, emotions and current weather conditions. Campaign managers are needed to judge the editorial context of an ad impression and the choices made by machines to improve the effect of a campaign and optimise. You should not rely solely on the algorithms of the programmatic buying; human brains will play a part to achieve the best results.

Campaign control

Holistic overview and the ability to manage real-time all available data play a key role in programmatic buying. Programmatic buying gives us the ability to show consumers the right advertisement at the right time. This is what adds value for consumers, publishers and advertisers. Don't focus only on the bidding 'B' part of RTB, but take pride in the added value RTB offers by continuously (real-time) managing your campaign based on all available data. If we all succeed in doing so, a mature ecosystem of supply and demand in which the actual value of impressions is paid and earned is one step closer.



ABOUT THE AUTHOR

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