

Is it time for brands to jump on-board with programmatic buying?

 By [Graham Du Plessis](#)

11 Jan 2016

Programmatic buying or RTB (real-time bidding) has ceased to be that concept or 'new channel' confined to the likes of the US and Europe, or let's just say the 'developed markets', and has finally started making inroads here in South Africa after much longing from most of us that deem ourselves to be digital marketers in the know.

But amongst the excitement, first let's take a step back and just clarify what programmatic actually is. The concept itself is not rocket science. It is simply the automated purchasing of online media, mainly video and display either via auction or a private network.

Buyers and publishers alike use demand side (DSP) and sell side platforms (SSP), and can then also plug in data management platforms (DMP), make use of trading desks, data suppliers and a whole host of acronyms that can make your eyes go square. All these fancy platforms essentially are just parts of the greater programmatic eco-system and can be plugged in when and if needed.

Ok, so besides using it as another buzzword how does it affect us here in South Africa now?

Well instead of looking at each other blankly and then scrambling to be the first to bring the tech to market in order to gain some form of first mover advantage, which some agencies and trading desks have already done or in the process of doing, let's first understand the context of this new channel:

Within the confines of OUR market

Programmatic has seen a slow up-take that much is true. For starters our market itself is not as large as those mentioned above, where it's already taking up largest chunks of the digital spend. It's got nothing to do with the digital properties and publishers we have, in fact we boast great digital publications across a wide variety of verticals plus a vibrant blogging, mobile and app using community.



BUT the scale is simply not there. Yet. Mobile and let's include app's here, is finally starting to show the growth and return from an advertising point of view that it has been promising for some years now - and an area where I can see great potential for programmatic buying.

What about the necessary expertise, do we have them?

I would say yes, in pockets. Like any industry there are those that claim to have it and know what they doing, and actually know what they are doing. Then you get the others that try sell you the channel without grasping what it's actually all about and where it can really add value to the brands digital stable and spend.

Can programmatic be defined as 'new channel'?

I would suggest no, but it is a revamped way of buying ad space and brings with it a whole host of treats and benefits that were not entirely doable or practical from the traditional direct media buying model. Programmatic, to piggyback off that famous sports drink slogan, gives display wings!

Agencies and brands alike in South Africa have a great incentive to look at programmatic and should be well on their ways to be up to speed with offering and platforms available. With more of the local larger publishers signing up to private exchanges (marketplaces) and opening up inventory to the larger networks such as AppNexus, Google's Ad Exchange, OpenX and the like it more than prudent to start the learnings on running programmatic campaigns.

What are the benefits you ask? Numerous.

1. Efficiency, by its sheer definition programmatic allows for instant bidding and deploying of campaigns in real-time, direct monitoring and optimization
2. Loads of data, especially being able to leverage your first party data
3. Cost, using the data allows for less wasteful 'hit & miss' buying, so each impression has a greater chance of conversion and when first party data is included this allows for a much greater ROI
4. Better targeting of customers through audience building or utilizing 'look-a-like' audience through 3rd party data providers.
5. With automation, manual IO, lengthy correspondence, waiting for instructions to be implemented and invoices are a thing of the past
6. More time devoted to developing and testing strategy

Typically programmatic buying has been said to have three operational models:

- In-House

Where the brand opts for taking the function back within the brands walls

- Agency

Where the brand opts to have an agency service the function due to their relationships with the necessary technology and media partners

- Hybrid

The brand still opts for some oversight and control over the function but employs an agency to do the heavy lifting

Which model brands chose will largely depend on their business needs and goals. For example e-commerce companies are more likely to guard their data jealously and opt for an in-house approach. As the audience data they should have invested in building up over time is invaluable to them. With programmatic they can really start to cultivate their audience base and start spending budgets based on highly informed sales funnels, i.e. right message to the right person at the right time, which again leads to a vastly improved ROI.

This may in fact be the most important variable where programmatic buying has on traditional display. It's all about the audience and being able to have access to them, not only on one site and environment but across all devices and the web as a whole.

I am convinced 2016 will see brands and agencies alike grappling with programmatic buying in earnest within our domestic market and I can attest to the fact that the benefits mentioned within this piece are very real and once started along the programmatic path your brand will be hooked.

ABOUT GRAHAM DU PLESSIS

Experienced digital and marketing professional, with an interest in ecommerce, product development and customer experience. Started in the marTech environment before moving into the retail environment at Zando, rising quickly into the management space first as the head of mobile and then heading up the group's marketing initiatives. Currently at one of South Africa's leading performance agencies, Incubeta, managing a client portfolio within the financial and retail space.

- Tackling Black Friday in 2020 - 21 Oct 2020
- Start thinking in a 'mobile first' mindset - 27 Dec 2017
- The mobile landscape - looking at 2017 and what e-retailers could expect - 9 Dec 2016
- Direct ad buying - Have relationships taken a backseat? - 17 Nov 2016
- Where to for display? - 8 Feb 2016

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>