

Programmatic technology allows matching ad spend to mobile growth

The Mary Meeker 2015 Internet Trends report shows that while 20% of the time we spend on media is within a mobile environment, only 4% of the US's advertising spend is allocated to mobile. South Africa, on the other hand, has among the most sophisticated mobile use in the world, with very high penetration and a four times growth in smartphones alone this year.

South African companies are rapidly switching their attention to mobile advertising, as Africa becomes the world's fastest growing smartphone economy with digital ads, especially those on cellphones, showing rapid growth.

"Programmatic marketing gets to know each consumer and his or her preferences across multiple digital platforms, which means advertisers aren't flinching, as market terror grips the world," says Chanel MacKay, media director of Cape Town's digital agency Atmosphere Orange.

A hefty \$156.8bn globally is leading this data-driven, digital format marketing growth. eMarketer predicts that 83% of all display buys will be programmatic by 2017, and this year it will top \$14bn in the US alone. A BI Intelligence report says real-time bidding sales for video ads should hit \$3.9bn in 2018 (up from \$500m in 2014).

Keep advertising through recessionary times

What do winning brands do in a recession? They keep marketing, often increasing the budget to ensure they stay ahead of their game. It is what Proctor & Gamble, Kellogg and Kraft Foods have been doing for years based on methodology by Roland S. Vaile, first published in the Harvard Business Review in April 1927.



Image via [123RF](#)

South African marketers wanting to maximise the value of their advertising investment need to be flexing their muscles and asking definitive questions regarding the digital opportunity. Not to be confused with just pay per click (PPC), the digital phenomenon is being led by the principles of programmatic marketing, steered by data, and lots of it. South African brands are already managing their own campaigns and getting the results with increased market share. Placing a portion of campaign budgets with programmatic ensures 360-degree market intelligence, multi-screen reach and an increase in customer-centric communications.

Hanging onto the tiger's tail, South African brands need to be grasping the digital phenomenon, embracing programmatic concepts and challenging their own traditional ways of media buying. Brand leverage in a financially volatile economy is about measuring return on investments and advertising technology is delivering it.

Programmatic technology deepens connections

"Knowledge is power. Programmatic technology has created a way for brands to establish deeper connections with their audiences by helping them get the right ad to the right consumer on any screen and in any channel. Brands can now measure the viewability of ads and buy impressions based on this metric while making sure their ads are placed in safe, quality environments.

"The brands that succeed in 2015 will be those that think beyond formats and platforms and leverage the strength of programmatic to understand their audiences and deliver compelling creative that consumers want to view. Our clients are reaping the rewards of planning smarter. They are reaching unique audiences, getting repeat purchases and growing brand ambassadors."

Programmatic technology, such as MediaMath is automating marketing processes over the buying, placement and optimisation of media inventory across all media channels, including desktop, mobile, tablet, radio and television. It is no longer possible for a human brain to manage the complexity of the digital inventory platform and it is no longer feasible to market a brand only within one or two media silos.

Google research shows, "Breakthroughs in measurement are helping move marketers closer to meaningful brand metrics. Brands can finally understand if their ads were seen and if they reached the right people. They can learn what people thought about their ads and if the ads changed people's perceptions. And, ultimately, brands can understand what people did as a result of seeing their ads."

"It is the consumer who is all powerful now," continues MacKay. "Brands need to track where their customer is and speak to them in the instant they need something or are in the mood to buy. Because they are always switched on, brands need to be responsive. They need to be there first in order to serve the ad in real time. The exciting part is that it also provides a new storytelling opportunity for creative. Using metrics, we can predict, optimise in real time and use fine-grain tactics to

make every budget cent count whether our client has multiple products or objectives. Programmatic works consistently across brand awareness, engagement campaigns, information gathering, conversions or new business development."

Industry opinions

Jack Loechner of mediapost.com and editor of The Center for Media Research's daily Research Brief, reported on a study by Econsultancy that saw marketers state the 'major benefits' of programmatic were; increased efficiency (64%), reduced overall advertising costs (58%), the ability to optimise in real time (56%) and the opportunity to leverage first-party data (52%).

Marketing Magazine's James Aitken, quotes "Experts in our industry claim that 80% of all ad spend will be bought programmatically within the next 10 years."

Programmatic technology is still relatively new to the local market, and marketers are still struggling to breach the hurdle of having to familiarise themselves with new marketing technologies and the often associated fear of process change.

"It isn't about taking a risk, it's about taking the advantage," encourages MacKay, who has been at the forefront of the digital media buying industry for over 12 years. "If marketers start cutting back on budgets because of China's financial indicators, they are going to become less visible. They will be sending a message that they are not strong enough to weather difficult financial times. It is about remaining aggressive and today's advertising technology will help them stay there. Smart companies looking for growth will fill the communications vacuum left behind by those more timid companies. There is no better time to communicate a brand's value proposition."

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