

# Transforming Programmatic Advertising for Marketers



## Low quality data and inaccurate measurement make marketers skeptical of programmatic advertising

The traditional approach to programmatic advertising is broken, requiring brands to invest in disparate technologies in order to segment audiences and deliver ads, all with little or no success.

Marketers are increasing investments in digital advertising but are unable to effectively measure results and determine ROI.

## The State of Programmatic Advertising

**\$129.34 billion**

forecasted spend on digital advertising in this year<sup>1</sup>

**54.2%**

Digital will account for over half of all projected ad spend this year.<sup>2</sup>

The level of waste due to a **lack of transparency and attribution** is causing brands to **re-evaluate their digital advertising spend**.

Procter and Gamble announced they **reduced ad spend by \$200M** and reported that it had a **positive impact on acquisition growth**.

## What's standing in the way of effective programmatic advertising?

Marketers want a simpler way to understand and optimize ad-buying, but programmatic ad technologies are unable to provide them with accurate and automated reporting and attribution.



### Concerns About Programmatic Ads According to Senior Ad Buyers Worldwide, Dec 2017

% of respondents



**Ad fatigue is another growing concern.** Ads follow consumers around the web, even after purchase.

**60% of marketers** are not confident in the accuracy of the reports they receive on ad frequency<sup>3</sup>

**More than 25% of US internet users** will block ads this year<sup>4</sup>

**88% of consumers** report seeing retargeted ads for products they've already purchased<sup>5</sup>

**The amount of budget wasted on ineffective ad retargeting is a major opportunity for optimization.**

## Better segmentation of an ad audience by demographics, interests, and/or behaviors is the best way to address the ad fatigue challenge.

## Rethinking Standard Compensation Models

Much of the advertising industry is willing to trade off quality of engagement to ensure that it delivers the highest quantity of impressions as a metric of success.

**But brands are demanding a change.**

The cost per click (CPC) compensation model must be changed to a cost per engagement (CPE) model.

The Economist found an **almost 11% lift in brand awareness for a time-based ad campaign**, where a client was billed for display impressions garnering more than five seconds of active reader time, versus a typical lift of 2%.<sup>6</sup>

Evaluate what engagement metrics matter most to you. Determine whether an advertiser's engagement metrics matches your view. Implement a closed-loop process to measure performance and fuel a more comprehensive cost-benefit analysis to prove ROI for your digital ad budget.

## Increase Engagement with More Relevant, Personalized Experiences

By knowing everything there is to know about a consumer, it is possible for a brand to use a specific digital asset that is most likely to generate a positive engagement.

**Personalization pays off.**

Personalization can deliver **five to eight times the ROI on marketing spend** and can **lift sales by 10% or more.**

### Personalization



reduces acquisition costs as much as 50%



lifts revenues between 5% & 15%

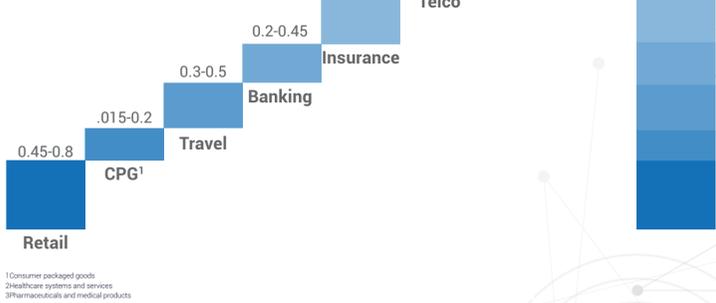


and increases the efficiency of marketing spend by 10% to as much as 30%<sup>7</sup>

**According to McKinsey, personalization can result in up to \$3 trillion in additional value across eight industries, from retail and consumer packaged goods to banking and healthcare.<sup>8</sup>**

The value of personalization is in the trillions of dollars.

Sector, \$ trillion



<sup>1</sup> Consumer packaged goods  
<sup>2</sup> Healthcare systems and services  
<sup>3</sup> Pharmaceuticals and medical products

Source: Based on projects in McKinsey Global Institute, "Notes from the AI frontier: Insights from hundreds of use cases," April 2018. The study notes that this new value will be captured in a variety of ways, for example, more valued products and services, revenue growth, cost savings, or indeed, consumer surplus.

## Achieving Relevant Ad Experiences with a CDP vs. a DMP

**Up until now, brands have had to stitch together historical data from disparate technology to deliver more targeted, personalized ad experiences.**

Data management platforms (DMP) managed programmatic advertising, relying on anonymous, temporary browser cookies.

As more cookie journeys use mobile devices, cookie-less browsers, ad-blocking and cookie rejectors, consumers are becoming tougher to reach, making third-party browser cookies less useful.

**DMPs are becoming obsolete. Enter: the customer data platform (CDP).**

A native CDP – which ingests all types and sources of data and resolves identities across impressions, purchases, transactions, and profiles – provides marketers with the insights necessary to optimize digital ad spend.

Access first-party data from CRM systems, database systems, and third-party data providers

Onboard audiences to data management platforms (DMPs) for audience segmentation

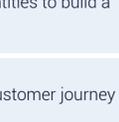
Activate audiences to demand side or supply side platforms for creative ad buys, and deliver ads to consumers

Feature	DMP	CDP
Aggregate 1st-, 2nd- 3rd-party anonymous data	x	x
Target anonymous customers across channels	x	x
Micro-segment audiences		x
Resolve anonymous and known identities to build a single customer view		x
Integrate analytics in-line with the customer journey		x

**CDPs are key to powering the efficiency and effectiveness of a digital acquisition platform (DAP), helping brands achieve:**



More efficient digital ad spend



More effective acquisition through real-time customer engagement



More scalable resources through closed-loop digital marketing

**RedPoint's Digital Acquisition Platform optimizes programmatic advertising and can result in:**

**10% lift** in category sales Y/Y

**200% increase** in ROAS Y/Y

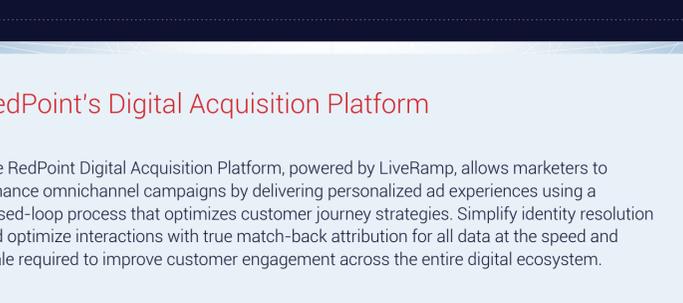
**350% Increase** in ROAS by delivering optimal media mix

**6X Revenue** attributed to display when including offline transactions

## RedPoint's Digital Acquisition Platform

The RedPoint Digital Acquisition Platform, powered by LiveRamp, allows marketers to enhance omnichannel campaigns by delivering personalized ad experiences using a closed-loop process that optimizes customer journey strategies. Simplifies identity resolution and optimize interactions with true match-back attribution for all data at the speed and scale required to improve customer engagement across the entire digital ecosystem.

### RedPoint Removes Friction from the Programmatic Lifecycle



#### About RedPoint Global Inc.

RedPoint Global's software solutions empower brands to transform how customer experience is delivered. RedPoint Global's solutions provide a single point of control to connect all customer data, determine next best actions in real time, and orchestrate interactions across all enterprise touchpoints. Leading companies of all sizes trust RedPoint Global to deliver highly personalized and contextually relevant experiences that optimize customer engagement.

**The RedPoint Customer Engagement Hub™** helps marketers overcome silos of data, business rules, and processes and enables them to deliver seamless, **hyper-personalized** interactions at the speed of the customer by providing a single point of control over data and customer journeys. Marketers need a single point of control to orchestrate customer interactions across an entire lifecycle. The Customer Engagement Hub provides marketers with the insight they need to present a continuous, dynamic path to purchase that is personalized based on contextually relevant insight for each customer and can be delivered wherever they show up next.

For more information, visit [www.redpointglobal.com/digital-acquisition-platform](http://www.redpointglobal.com/digital-acquisition-platform) or email [contact.us@redpointglobal.com](mailto:contact.us@redpointglobal.com).

<sup>1</sup>eMarketer

<sup>2</sup><https://www.marketingcharts.com/advertising-trends-107831>

<sup>3</sup>The CMO Club, 2018 <https://www.makethunder.com/cmcs-say-ad-experiences/>

<sup>4</sup>eMarketer, 2017 <https://www.marketingdive.com/news/emarker-over-25-of-us-internet-users-will-use-ad-blockers-this-year/421349/>

<sup>5</sup>Navigans, 2018 <https://www.navigans.com/2018/05/08/research-consumers-and-advertisers-agree-that-retargeting-needs-fixing/>

<sup>6</sup><https://digitoday.com/uk/economist-plans-scale-time-based-ad-sales/>

<sup>7</sup><https://hbr.org/2015/11/how-marketers-can-personalize-at-scale>

<sup>8</sup>McKinsey Global Institute, "Notes from the AI frontier: Insights from hundreds of use cases," April 2018.