

Programmatic Advertising

Programmatic advertising is when a company buys digital advertising space automatically using special software. The computers use machines and algorithms to decide which type of campaign to buy and how much to pay for it, often in real time. The programmatic system is designed to determine what kinds of ads to choose and where to place them. Programmatic advertising can even be used with TV ads.

Traditionally, buying digital ad space required making proposals, quotes and human negotiation. With programmatic ads, marketers no longer have to do these routine, boring tasks manually. So now they have more time to plan, optimise and target their advertising. Programmatic advertising has proved to be successful because it uses time and resources efficiently.

However, programmatic advertising doesn't just save time, it saves money too. Its artificial intelligence (AI) component is able to optimise ad campaigns. The system actually 'learns' what type of campaign will offer the best return on investment (ROI). So programmatic advertising successfully substitutes the old-fashioned, hit-or-miss campaign design which used to cost marketers a lot of money. First, the programmatic system is provided with information about the campaign together with key performance indicators, and then the system launches the campaign and monitors the ad spending to look for areas of improvement.

That doesn't mean it's perfect, however. In 2017, some advertisers decided to remove their ads from YouTube because they were worried that the ads would end up where they shouldn't. This was after two telecom companies in America, AT&T and Verizon, as well as many other important companies, found that their ads had appeared next to videos promoting extremist views or hate speech.

Marketers can use a blacklist or whitelist to avoid these problems. A whitelist includes a list of acceptable sites on which they can run their advertising and blocks all other sites, while a blacklist indicates the sites to be excluded.

There have also been some stories of programmatic advertising being associated with fraudulent ads. But let's remember that ad fraud is not new and existed long before the advent of programmatic advertising. Furthermore, artificial intelligence can detect ad fraud and avoid it. In fact, there is likely to be less fraud with programmatic advertising rather than the traditional type.

Programmatic advertising can quickly crunch info provided by Big Data in a way that no human being could do. That allows marketers to do many things as, for example, targeting a particular market segment. It can also discover trends to find hidden markets.

Programmatic advertising is the future of advertising campaigns. So why not sign up now for a course in digital marketing and programmatic advertising?

(From: *Think Business*, Petrini, p. 136)