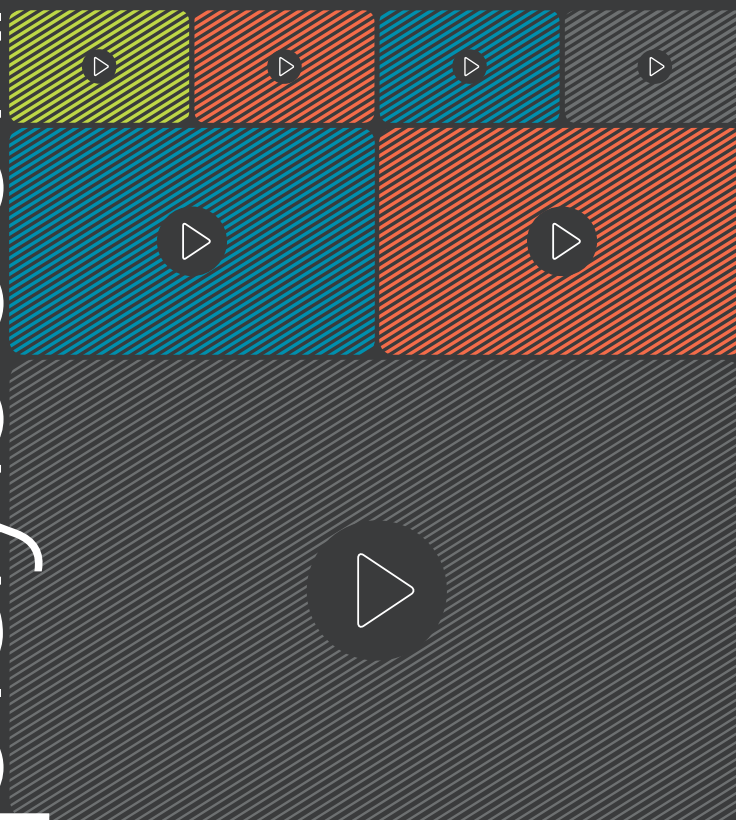
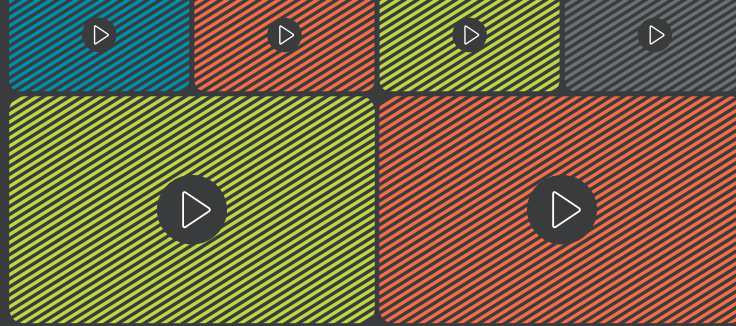


playbook:

Incorporating Programmatic Video





introduction

It doesn't take a savant to see that digital video advertising is hotter than an industrial forge. eMarketer estimated that digital video ad spend hit \$6 billion in 2014, and spend for 2015 will run somewhere around \$7.7 billion. And within that, programmatic video spend will hit \$2.8 billion in 2015 (37% of total digital spend) and increase the next year to \$3.8 billion (40%). A 2014 industry survey suggested that more than half of digital publishers are making their premium video inventory available for programmatic buying.

Yet, premium digital video is still considered a scarce resource, and it's arguable that supply is not meeting demand. While many video publishers can sell out of inventory easily through direct sales efforts, any publisher monetizing video must have a programmatic strategy in place considering the serious cash injections the space is witnessing. Beyond that, digital publishers getting their video programs up and running will find that programmatic is a highly effective way to sell inventory, lure in new advertisers and determine pricing.

But where to start? What should you be expecting from a video SSP, and where should you even look? What are the integration requirements? How does this VPAID thing work? Is a unified platform preferable to a piecemeal solution? Are private marketplaces the way or do open exchanges have their perks?



02



what's a playbook?

A playbook is an extension of what the AdMonsters community has been doing at our conferences for over 14 years. A playbook solidifies what has made our events “must attend” for many digital strategists. By bringing people together to share learnings and best practices in a focused way, people can create a plan and avoid hours—if not days—of doing research on their own.

The AdMonsters playbook concept takes existing AdMonsters content (from conferences and AdMonsters.com) and, with the help of the AdMonsters community, “crowd sources” a document that outlines best practices on a particular topic. Our belief is that this will allow for a free exchange of ideas with the benefit of curation for accuracy.

This document does not get into specifics around individual solution providers intentionally. Programmatic video solution providers were excluded from the research

of this document, as it's our belief that this playbook should be written by technology end users for technology end users.

Great effort has gone into writing the playbook in a fashion that applies to as many publishers as possible without becoming too general. In a technology-driven industry like digital advertising, information quickly becomes obsolete. The intention is that, based on the feedback of the AdMonsters community, the next version of this playbook will start to take shape and, with additional contributors, grow in both depth and breadth. Publication of future versions will be scheduled based upon the needs of the community.

For the purposes of this playbook, programmatic is focused on auctions using real-time bidding technology and video is instream video.





why go prog?

Was the amount of estimated spend (\$2.8 billion in 2015; 37% of total digital video ad spend) not enough to pique your interest? Well, perhaps it was enough to get you to turn the page, but you still need some convincing. Think about it this way: just like in display, the vast majority of standard IAB video units will eventually be handled by programmatic channels. Then take it a step further: hype about the programmatic TV market is reaching a fever pitch in early 2015. Programmatic digital video transactions are the root of something much bigger—the future of buying TV and video across all screens. Now is the time to get in on the ground floor or potentially miss the party.

Some other common questions include...

Why would I venture into programmatic video when I always sell out my inventory through the direct sales team?

Because demand for video is extremely high, many providers of premium video regularly sell out of inventory through direct sales efforts. Many of these providers are also broadcasters that can tie digital deals to TV buys and are selling against digital streams of TV programming. Advertisers know the programs they're buying and have a good idea of the audience that is watching based on offline data or online GRPs. Digital video is a stone's throw away from TV, though you need to have a really good throwing arm and a highly aerodynamic stone.

If you are selling out of your inventory regularly through direct channels, you may be missing opportunities in the programmatic space—some advertisers may be willing to pay more for certain impressions or programmatic access. In addition, if you're trying to expand your advertiser base, programmatic can be a great tool for seeing what other

companies are willing to pay for your inventory. Also, programmatic can be a great way to monetize hard-to-sell-direct inventory like mobile and over-the-top/connected TV.

Finally, if your advertisers are moving their spend to programmatic channels, you want to be ready for them. In fact, you can prove to be their partner as they get a handle on programmatic buying, helping them figure out this relatively new space at the same time you are.

But then what if you're not a broadcaster and don't have household-name video programming? Your video inventory may be a tougher sell from a direct standpoint. Programmatic is a great tool for helping you establish the advertisers interested in your inventory—advertisers can literally find their audiences through good old cookie-matching. And on the other side, programmatic can be a proving ground for your nascent video efforts.

Programmatic means super-efficient, right? It's like automatic?

Ha ha! No, programmatic doesn't equal automatic—programmatic means “following a plan, policy or program”; if anything, working with networks is more automatic. Programmatic is a tool that will only prove fruitful if wielded wisely, and figuring out the right people to wield it (and how many) is another step in the process.



03

I have programmatic display down cold; how different can video be?

There's really only one thing to take over from your display experience: programmatic can be less than efficient and require a great deal of hands-on work if it isn't implemented correctly. Besides that, you might want to forget nearly everything you know about programmatic display because video is an entirely different beast.

For one thing, there's a new element in the mix: the player. While the player and the page do communicate, the ad calls are being sent from the player rather than the page. And though standard XML schema like VAST and VPAID are supposed to facilitate communication between video players and ad servers, not every player or provider is compliant with all standards and systems, so breakdowns can occur.

Is programmatic video just another tool for remnant/unsold inventory?

That's not a healthy way to view it. Particularly if you're a rookie in the video content biz, programmatic may be a great selling tool—advertisers may not be interested in buying direct because they aren't sure who is watching your content. Some time on the exchanges could seriously drum up business.

But dissatisfaction with your unsold channels might lead you down the programmatic path. Just like in display, video ad networks are at the service of publishers looking to monetize the unsold, but demands such as daily caps and monthly volume requirements may get onerous. Blocking and price controls? Forget it. The main problem with networks, however, is a lack of transparency into the ultimate buyers and the prices they are paying.

Programmatic offers flexibility, freedom and control. Not only can you keep the rubbish (i.e., unsavory or brand-marring ads) out, you can find advertisers for upselling. It works in reverse as well—programmatic can expose your inventory to more buyers, and ultimately build deeper direct connections with the people holding the purse strings.

With control, you can also drive additional revenue through smartly arranging demand sources and setting price floors. Digital video is much more prone to traffic fluctuations than display, so programmatic is a keen tool for making sure solid revenue keeps coming in through the peaks and troughs.

Most important, programmatic offers transparency into who is buying your inventory for how much. Note that you can, and most likely will, allow networks to buy your inventory through the exchanges, but you'll have the power to put them at a lower priority.



04



where to start

It's said the first step is the hardest, but that's less the case with programmatic video. If you're already serving video ads, talk to your ad server. (If you don't have a video ad server, well, that's a talk for another playbook, but know that you should consider the programmatic connections in your evaluation.) Your video ad server should have connections to a slew of video SSPs, and you can even ask them to make introductions. In addition, tap the publisher grapevine (ahem, AdMonsters' Forums?) to see which companies have good reputations.

At the same time, you're going to want to talk to as many SSPs as possible, even those that aren't chummy with your ad server. It's time to dust off your RFP-writing skills—you'll need to design a list of questions (20 was the average from our sources) to discover vendor offerings. You may hear the same story again and again, but those tiny differentiators will likely be central to your ultimate decision.

What Should I Expect From Providers?

What is desired from a video SSP will differ from publisher to publisher, but there are some standard expectations.

- Traditional ad serving capabilities
- Intuitive and comprehensive dashboard for management of demand sources and reporting
- Assistance in congregating advertiser data and metadata, including price and volume
- Ease in switching demand source priority levels
- Granular and dynamic control of content channels, and the terms under which the channels are offered
- Mobile capabilities and, depending on your product, the ability to work across web and app
- Over-the-top/connected TV support (of particular interest for broadcasters)
- Source and content category level blocking (for avoiding channel conflict and keeping out icky creative)
- Geotargeting functionality
- Creative management (notably the ability to identify bad creative)
- Global support
- Bot/fraud prevention
- Control over placements
- In-depth reporting and analytics (ask for all elements captured)

04

Dedicated vs. Broad-Based Solutions?

Oh look, your video ad server also has an SSP! Or maybe one of the SSPs you're chatting with seems to have a nice ad server. Perhaps all of your tools should share a brand...

In a unified (broad-based) platform, there will always be efficiencies—in theory the auction to server connection should be seamless (emphasis on “in theory”) and the initial setup will be easier. However, there's typically a tradeoff in tech quality for those efficiencies.

The unified solution is unlikely to be best of breed at both ad serving and setting up auctions. Really it's a question for your organization of what's more valuable: efficiencies or best-in-breed technology. Finding both in one is the holy grail—if it appears, grab it, but no sense in going out on a crusade.

Customer Service

In selecting a partner, customer service must be a priority because you will be leaning on the SSP/ad server a great deal, especially in the early days. Sure, machines do a lot of the work, but the human elements are plentiful—meaning reliable humans on your service provider are priceless.

Don't be afraid to ask any and all questions to your tech providers because they are the people who best know how their platforms work. Programmatic video has a

steep learning curve, and you need good teachers from your service provider to climb it. Quick response times are mandatory—while your provider may not have answers for everything off the bat, they should be diligent in finding you answers. Any obfuscation or sloppy behavior in the RFP process should be taken as a (bad) omen.

Error Reporting

With so much complexity in the process and so many tools employed, you bet there are going to errors. Fixing the errors is the easy part; finding them is tough.

Your service provider must provide you with extensive error reporting so you can build a checklist or troubleshooting guide. Not every error will be in your control; when you pass the error baton to your partners (SSP and demand sources), make sure they tell you the exact problem and solution. Add these to your troubleshooting checklist—eventually you can help your partners find their issue rapidly and get campaign rolling even faster. Chances are you will become quite familiar with the VAST 3.0 error code table (section 2.4.2.3 in the IAB's guide).

The Most Important Quality?

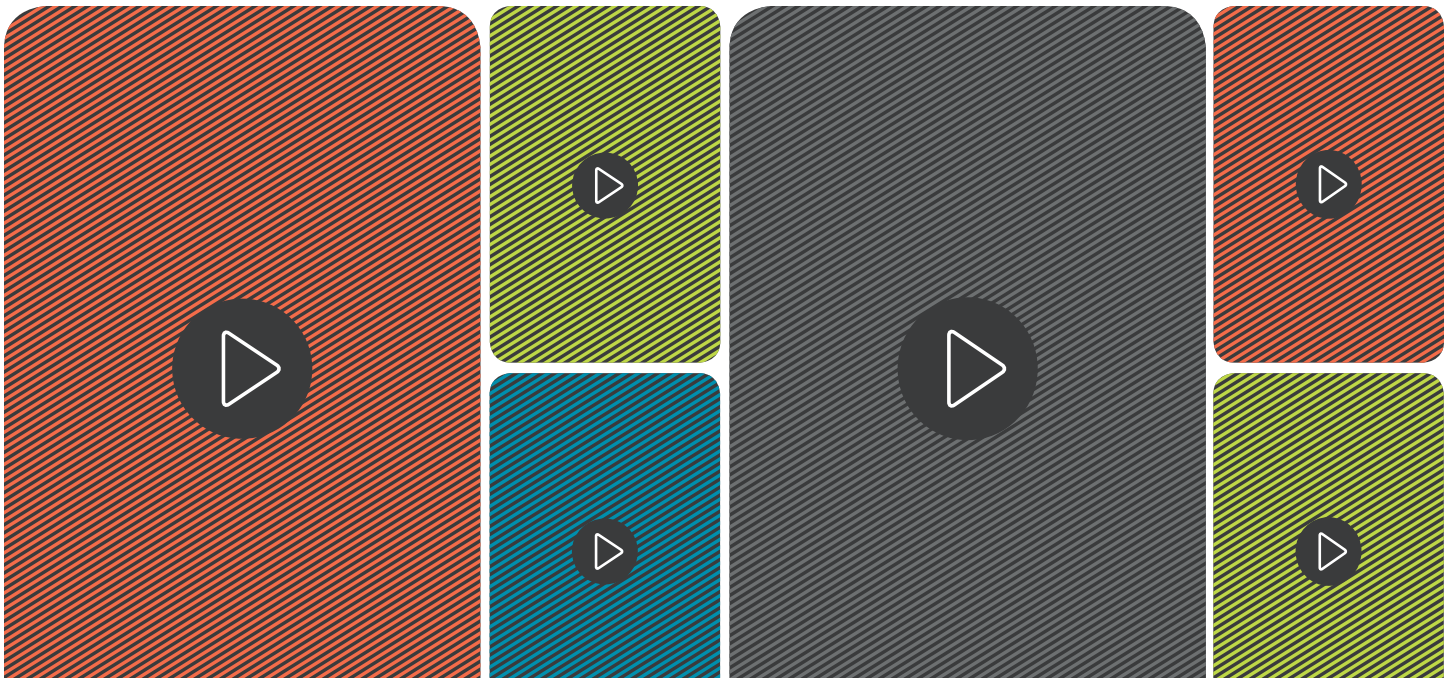
Hands down, the tech itself. Not only the quality of the tech, but how it works with the systems you already have in place. Remember, you're just getting into the swing of programmatic, not trying to overhaul your whole stack.

04

If the SSP and the ad server don't communicate well, you could lose a lot of placements. For example: when receiving no bids, your programmatic partner could send code that confuses the ad server and it may refuse to hit up another demand source—lost opportunities abound. (Of course, if the programmatic channel is at the bottom of the stack, this may not matter as much.)

You might be blinded by all that shiny demand certain partners boast, but you should be less concerned about that than tech congruency. Some partners might have impressive demand but lack the technical capability to help you expand your programmatic video operations. You can pump up demand yourself by rooting in other SSPs as demand sources. In fact, numerous SSPs and DSPs are offering managed services directly to brands (a trend that may grow depending on who you talk to).

Finally, you're not necessarily stuck forever with your SSP first choice. While migrating SSPs is no walk in the park, it's not quite the slog of migrating ad servers. Keep your options open and your tech flexible as this is a burgeoning space and new developments could shake it to its core.



05



getting rolling

Are you ready for some integration? First, you have to make sure you have top-notch people in place on your side, possibly ones that have been through an integration or two. People with prior video experience are a definite plus and, believe it or not, may be more valuable than those with programmatic display experience. Furthermore:

Starting Lineup

For the integration, you need to know what kind of resources from the publisher side are required to go live. Can your ops team head it up or do you need to bring in engineers? A complicated integration could prove smooth running going forward, while a simple integration may mean hiccups down the road. Be prepared and don't skimp on resources.

Desktop Does It

Unless you're mobile-only, it's easiest to experiment with programmatic on desktop—particularly since that's where the majority of demand is currently.

Slice and Dice

For targeting purposes, chop up your inventory by content types and use key variables to split up these content channels.

One and Only?

Starting out, it's best to only have one auction going. This auction will feature multiple layers, enabling priority stacking and the passing through of key variables to cut out different floors in that auction. A single tag should include

all the required parameters. In addition, it will allow your demand partners to view your inventory more dynamically. Multiple auctions is an advanced strategy (read more in section 7).

Pass It On

Make sure you are passing through key variables to third parties (partner or vendor) for them to evaluate your inventory—player size, URL, content vertical. Your providers can help you with this.

Give 'em What They Want

Stacking your valued partners higher will help ensure they get the delivery they're seeking.

New Best Friends?

Trading desks can be great programmatic allies because they are tied close to the client budget and always looking for excuses to grab more of the pie. Trading desks will employ multiple DSPs for their client, but deals such as PMPs can benefit both sides and limit the number of intermediaries. You will probably want to give higher priority to trading desk partners, as well as enable them to plug in DMPs for targeting.

Stopping Power

A good service provider will enable demand source blocking as well as content category level blocking. You must pay attention to your demand sources—if icky content is coming through, best talk to them, lower their priority or kick them off the auction entirely.

05

How Many Partners Is Too Many?

That will depend on you and the size of your team. Our sources suggested the four to five partners is reasonable for many publishers along with the open marketplace.

Yes, You Will Run Into Latency

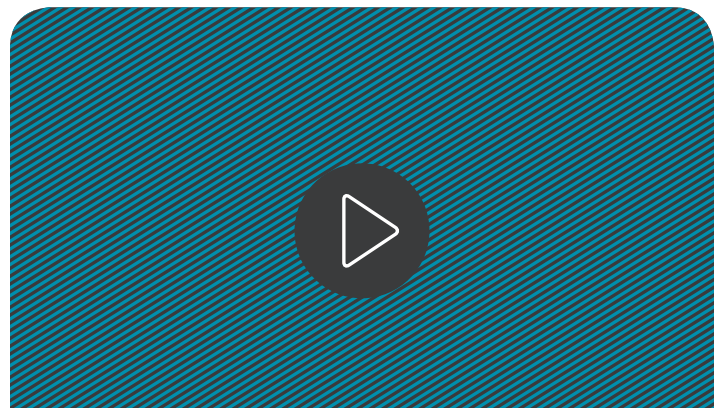
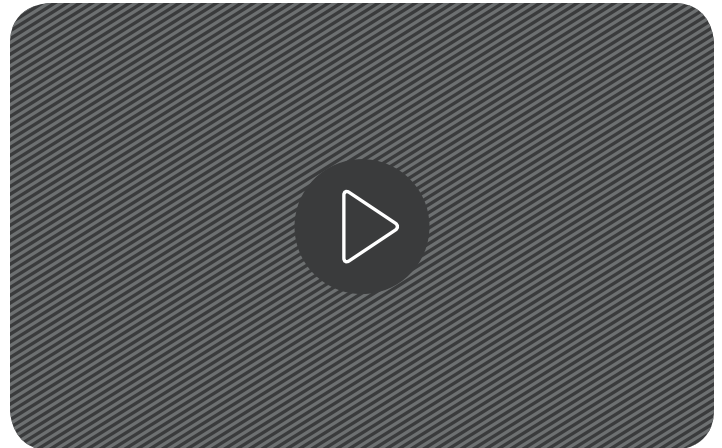
There's a lot of back and forth going on, and it can cause sluggish loading times. While revenue is great, it's not worth irking your users. Ensure you have an ad timeout (2 seconds recommended) to prevent serious lag issues.

Player Down!

In the case of player crashes, the easiest approach is to shut off the guilty demand source, though this could cost you potential revenue. If you have a good relationship with your demand partner, they should be able to remove or block the troublesome campaign so you can keep the channel open.

Mobile Opportunity

Mobile inventory can be a particularly hard sell through direct channels, so programmatic may be the tool for driving revenue here. However, VPAID units tend to require Flash and should only be targeted to desktop. You must double-check how your SSP's auctions are run on mobile, and you might need a custom server-side implementation to keep non-compliant ads from showing up on mobile (see next page).





issues with VPAID

Just a quick refresher: The Video Ad Serving Template, or VAST, is a common language between ad servers, publisher video players and third-party providers that “describes expected video player behavior when executing VAST-formatted ad responses.” (IAB) The Video Player Ad-Serving Interface Definition, or VPAID, enables communication between the ad unit and the video player. When layered within a VAST tag (really a URL, but semantics...) it’s handy for adding interactivity to ads (e.g., boxes on video ads that enable sharing to social networks) and enhancing reporting through deeper metrics. And... it can be used as a buy-side decisioning engine in programmatic video trading, but sometimes to the detriment of publisher and user.

Not all programmatic solutions and inventory need to be VPAID compliant—it’s only one flavor of programmatic video. VPAID is both an interface and an application, and the client side—which could be an agency trading desk, a DSP or a network—potentially could open another auction inside your auction... And then another, and another and another... Yes, picture never-ending Russian nesting dolls.

As we explained in an article about VPAID errors (VAST code 901), “The buy source may load a VPAID into the publisher player only to find it does not have an actual campaign to run. The potential buyers in the nested, buy-side auction may turn down the impression—perhaps a closer inspection of the metadata left their algorithms unpleased. When an empty VPAID is all that remains, this is (rather misleadingly) chalked up as a VPAID error and the SSP’s auction continues.”

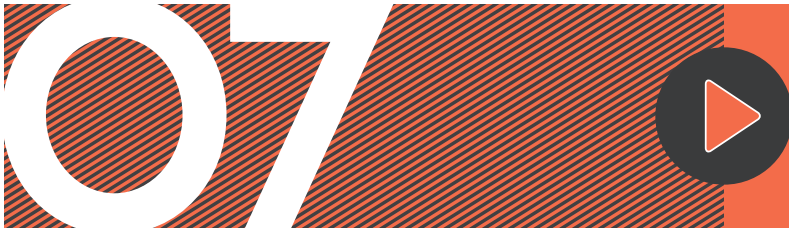
Beyond that SSPs have methods to navigate VPAID errors. The most basic is the waterfall or daisy chain, where the ad call keeps moving down the line until the SSP

receives a campaign or runs out of buy sources. This can cause serious latency issues—a few seconds of lag is a lifetime in ad loading, so a load timeout is essential. A more efficient method has SSPs simultaneously sending out multiple parallel ad calls to demand sources (also known as asynchronous ad serving); the highest bid is then accepted. In addition, follow the reporting on where the VPAID errors show up. Talk to these demand sources about the issue, as well as lower their priority or possibly cut off their access.

As one pub noted to us, countless VAST/VPAID passbacks can turn programmatic video into a Trojan horse: you’re not sure what’s going to pop out. There’s the potential for data theft in a process akin to cookie-sniffing, and for advertisers to attempt roll up all kinds of various tracking/measurement programs into VPAIDs. Some SSPs will demand their partners limit nested auctions, which doesn’t always stop them. Some ad servers lack full support for VPAID 2.0 while some publishers will refuse to accept VPAID, which causes conflict as the schema is used to add interactive features like overlays. The alternative would be Flash-endowed VASTs, which will not work in mobile.

The alternative to client-side auctions through VPAID is through server-side implementations that ensure the auction takes place completely within the SSP. This offers more control over video format (e.g., Flash or HTML5) as well as the advertisers invited to bid. However, these typically need to be custom integrations with an SSP, and VPAID may have trouble operating within the system.





level up

Feel like you've got a grasp on the basics of the prog vid game? Here are some steps for advancing your program.

Private Marketplaces

You down with PMPs? When it comes to programmatic video, some publishers only employ PMPs to limit the number of advertisers bidding, add brand protection and protect against low open marketplace yields. But pubs can also employ PMPs to upsell open marketplace advertisers, drive interest in harder-sell areas like mobile or OTT or leverage as part of a wider deal. There are many ways to arrange PMPs—invitation-only auctions; DealIDs enabling priority, transparency, price floors or data elements; unreserved fixed rate buys; and more. Figuring how to best leverage the channel is a topic large enough for another playbook. Be warned: PMP deals tend to run into obstacles in the setup due to complex arrangements, but often run quite smoothly once those initial kinks are worked out.

Multiple SSPs

While it's best to kick off your programmatic video program with a single auction, running multiple auctions through various SSPs is definitely viable. They can be stacked on top of each other, or be run so that certain impressions are sent to specific SSPs based on key variables. You can bet that strategy with multiple SSPs gets complicated very quickly.

Data

Advertisers are definitely going to use their data to find their audiences watching your video; we suggested earlier that you can even help them out here by letting the trading desks plug in their DMPS. Unfortunately, you won't be able to tell exactly what cookies advertisers are matching, but good first-party

data crunching should help you figure out what segments they are looking for—think contextually and behaviorally.

In addition, you can employ third-party or registration data to enable real-time demographic targeting, but the former can get expensive very quickly. The effectiveness of pub behavioral data overlays in programmatic video is still being understood as the supply side increasingly adopts DMPs. There is still a great deal of room for experimentation.

Sources told AdMonsters that there has not been massive demand for publisher data overlayed on video buys, and when data is utilized, lack of scale can be a problem. Instead, content channels are used as proxies for audiences, and particularly with trading desks, sharing channel-level data can encourage bigger spends. "The buys aren't as technical as a lot of articles state," a publisher commented.

Programmatic Sales

We haven't really talked about the sales relationship. Most sales channel conflict can be mitigated through smart blocking. VPAID trickery might enable some of your direct advertisers to sneak in, so you will have to be adamant about this with your SSP. At the same time, publishers must be smart in how they employ blocking—if an advertiser that buys direct wants to pay more than their normal rate through programmatic, why would you stop them?

Programmatic sales is a very different beast from direct sales. Programmatic sales teams tend to focus on evangelizing a publishers' offering and building tighter relationships with all demand sources: namely SSPs, DSPs and trading desks. For some publishers this is an actual position while others employ a subject matter expert, possibly an ops person, who is called into the big sales meetings.



best practices

Put it in good hands

This is definitely not set-it-and-forget-it technology—things will break. Programmatic video is more complicated than its display cousin—there are more steps, more factors, more tools. You are going to want accomplished folks manning the helm here, particularly if programmatic video becomes the backbone of a larger transaction scheme.

Quality over quantity

The quality of your provider's tech and how it matches up with your current stack is more important than the level of demand surging through their platform. You can always find demand sources.

Dynamic pricing can save operations time

Instead of having the trafficking team manually allocate more inventory to this or that demand source, advertisers merely need to increase their bids to get more inventory—many partners are willing to do this just to get the inventory levels they crave.

Lean on your service provider as much as possible

Don't be hesitant to call or email. These guys should know their tech back and forth, and also be delighted to assist you with even your most minute issues. And this works in reverse—if the provider is not quick in responding or is less responsive than you think you deserve, perhaps it is not “the one.”

Also have your demand sources on speed dial

Your video SSP is not going to be able to fix everything; you must establish good relationships with your demand sources to quickly jump over hurdles and avoid obstacles.

Your publisher peers can be endless sources of information

Bring your issues to conferences (like the AdMonsters Publisher Forum, nudge, nudge) and share on posting boards like the AdMonsters Forums and the ops group on Reddit.

Be prepared for latency issues

Work with your SSP to minimize them, and study the demand sources to find the culprits.

Programmatic is ultimately a fantastic research tool

Never forget that it should be used to hunt down new advertisers and better determine inventory pricing. Follow the data!

Be flexible

Programmatic video is fast-growing and changing. Stay current on the tech through the trades, conferences and your providers. Always keep in mind that a better method may appear tomorrow—be ready to jump on the opportunity by using your current knowledge base.



about



Founded in 1999, AdMonsters is the global leader in providing strategic insight on the future of digital media and advertising technology through its conferences, website, research and consulting services. AdMonsters focus is on media operations, monetization, technology, strategy, platforms and trends. Its conferences and website are the meeting place for this dynamic and expanding community to connect, gain insight, develop best practices and exchange thought leadership. AdMonsters conferences include AdMonsters Publisher Forum, OPS, OPS Markets, OPS Mobile, OPS TV and AdMonsters Screens. In the early days of online media, the community was comprised largely of operations professionals at online publishers and advertising technology providers. Today's expanding ecosystem now includes publishers and content creators, agencies, SSPs, DMPs, DSPs, RTB and service providers, technology and platform developers, advertising networks, brands and investors.

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SpotXchange is the trusted video advertising platform offering premium publishers holistic inventory management in order to maximize revenue for desktop, mobile and connected TV inventory while driving down operational costs. Publishers leverage SpotXchange's ad serving, programmatic technology, and private marketplace capabilities to operate effectively in an increasingly complex digital ecosystem while gaining unprecedented transparency, insight and control over the buying behavior of today's leading brands. Over four billion video ad decisions are processed through the SpotXchange platform daily, with ads delivered to 600+ million people in over 190 countries per month. Headquartered north of Denver, SpotXchange has offices in New York, San Francisco, London, and Sydney and is consistently the top comScore video property for video ads served.

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