

PLAYBOOK:

Combining Location-Based Context
& Programmatic Scale



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WHAT'S A PLAYBOOK?

A playbook is an extension of what the AdMonsters community has been doing at our conferences for more than 19 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.

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 playbook will start to take shape and, with additional contributors, grow in both depth and breadth.

INTRODUCTION

Does “location-based advertising” automatically make you think of geofencing? If so, congratulations—you’ve made it to the cutting edge of 2010!

Truth is, there’s much more to location than pushing a half-off coupon to a mobile consumer when they’re near their favorite chain coffee shop. Location-based advertising in 2019 is about analyzing a wide set of mobile data over extended periods of time in order to better understand individuals and audiences—and, most of all, it’s about delivering robust contextual and personalized experiences to consumers—every screen, every time.

The data that advertisers and marketers can access when mobile consumers grant them permission to see location-focused device information allows them to unlock insights about those users’ preferences, passions, and patterns of behavior. These insights mean brands and marketers can then build relationships with defined, segmented audiences... discovering new customers, separating signal from noise, seeing the bigger picture that reveals new prospects who are likely to love the goods and services and identify the advertiser as a new favorite brand.

At the same time, the programmatic space has greatly evolved to bring this quest for personalization and context to the scale that competitive advertisers require. Programmatic, however, all too often associated with a

fraud-filled cookie-hunting ground full of remnant inventory, has required a great deal of refinement and effort—but it’s safe to say that, in 2019, a premium-class programmatic experience exists. Newer approaches, including private marketplaces and programmatic guaranteed, now offer advertisers and publishers brand safety, control, and transparency.

Meanwhile, location-technology partners that can assess, score, and cleanse the second- and third-party data that has contributed to programmatic’s historically shaky reputation are now building the future in new and innovative ways for advertisers, publishers, and marketers. The ecosystem has evolved. The time for bringing location and programmatic into fresh focus as the premium go-forward approach for all has arrived.

This playbook is for publishers, brands, and marketers who are looking for a snapshot of how location and programmatic fit together to create market-changing, consumer-forward approaches. In addition to helping publishers and advertisers understand the nuances of location data, this playbook represents a guide to the workings of private marketplaces and programmatic guaranteed, and also a look at what factors in the near future will further influence the world of location-based and programmatic ads.



LOCATION-BASED SUCCESS: Consumers + Data + Relevance

47%

of C-level executives surveyed by Carto and Hanover Research in 2017 reported that ensuring location data quality and accuracy was a serious challenge.

42% said extracting data from existing systems was a hurdle while 39% cited normalizing and cleaning as well as determining data sources as challenges.

Location-based advertising is a powerful approach to marketing that helps ensure mobile ads effectively stand out in the noisy space of always-on digital creative.

From behavioral targeting to radius and geo-targeting, from geofencing to local search, advertisers and marketers know that putting location into the mix empowers mobile creative to connect with audiences—foregrounding highly refined relevance and context—and that is what *mobile consumers demand* in exchange for permitting brands and marketers to access their personal mobile data in the first place.

As location enriches the digital advertising experience with personalized context, the outcome is not only good for brands, it is good for the publishers that want to sell them the inventory that delivers their campaigns. To succeed at this takes signals—and a lot of them. In the next section, we look at key examples needed to bring a robust mix into play.

SIGNALS AND SUCCESS IN LOCATION-BASED MARKETING

By relying on a spectrum of location-identifying signals—from device IDs to Wi-Fi, GPS, cell towers, beacons, and more—marketers can send ads to consumers' screens that closely match the geography and evidenced behaviors of those individuals as they travel, work, and play. Of course, mobile consumers must first (and always) opt in for this data to be available; location-based marketing is fueled in this way by the consumer's granted permissions.

That being said, once permissions are in place, the connected mobile space may seem like a garden of plenty when it comes to data. However, only a fraction of it is of sufficient quality or trustworthiness, and an even smaller amount is truly actionable. Every participant, from advertiser to publisher, needs to know the following three key data types at work in the mobile advertising ecosystem, and, more importantly, they need to understand how the nature of each impacts the quality of data with which advertisers and marketers get to work.

■ **First-party data:** First-party data includes consumer purchasing habits and customer interactions as revealed through an array of resources including website analytics, in-store beacons, mobile apps, point-of-sale communications, and customer relationship management (CRM) systems.

■ **Second-party data:** In essence, *second-party data is another company's first-party data*; the other company can be a publisher, an agency, or an advertiser, possibly even from an industry different than the one in which a brand operates. Second-party data potentially introduces the advertiser's messaging to new audiences, with the goal being to win them as new customers.

■ **Third-party data:** Data aggregator companies pay publishers and other data owners for their first-party data, amass large data sets, and sell this data in bulk. As such, this third-party data is a volume play, whereas second-party data is not always about volume (it can be, but it's often a more selective acquisition).

The most valuable location data comes from the source closest to the end user—their own mobile device. First-party data is derived directly from devices and represents the richest vein to mine in the marketing world.

First-party data is always the data that starts closest to the consumer, but it's often not the fastest or most effective pathway to the scale advertisers need to wage successful campaigns.

This is where second- and third-party data come in. However, to get the most out of second- and third-party data, processing is required—that is, they must be cleansed and often manually de-duped before advertisers and marketers can trust either to help them make a play for the eyes and ears of mobile consumers.

Some major app publishers have the resources, technology—including a dynamic SDK—and brainpower to crunch their own data into all shapes and sizes, cleansing, de-fraud, and de-duping it, but for many organizations that is a goal beyond their means. As such, most publishers with an app will need a specialist—namely, a technology partner that can process second- and third-party data into revenue-driving insights and increasingly valuable forms.

With these factors in mind, the most dynamic and powerful first-party data works in tandem with publishers that augment their apps with a software development kit—an SDK. The SDK not only allows mobile creative to work in more immersive and engaging ways within apps, it allows users to opt in to a data-rich conversation that pipes relevancy-driving first-party data back to the participants in the advertising conversation they've begun.

Some app developers and publishers have shivered at the thought of adding another SDK—for a variety of reasons such as difficult integrations, data leakage concerns, and chaos during software updates—and publishers have at times limited the number of SDKs they bring on board. The good news is, modern tech partners are putting forward modern SDK solutions that are streamlined, code-light, and updated at just the right pace.

And with the coming 5G transformation of the mobile ecosystem, historical concerns such as processing slowdowns and battery burn are soon to be a topic of the past. Bottom line, an SDK from a location data services company is a must-integrate.

THE 2019 SDK: WHAT TO DEMAND FROM YOUR TECHNOLOGY VENDOR

Differentiating between good and bad software development kits starts with looking for essential contents, critical features, and forward-leaning approaches. The following *four vectors are key* to approaching an SDK that will bring strength, not headaches, to the publisher's app.

■ **Essential Features:** The basics every publisher can identify include the ability to support standard ad sizes, standard operating systems, and all the regular, available, current standard interfaces in their own ecosystem.

■ **SDK Size:** Steer clear of SDKs packed with unnecessary graphics and piled-on functionality. AdMob's SDK and MoPub's offerings are good rules of thumb in terms of size. If something is several times bigger than one of those benchmarks, then publishers should question whether the SDK is burdened with unneeded features.

■ **SDK Update Frequency:** Look for proactive developers that balance new releases with reliable version stickiness. And, since mobile marketers know that publishers need time to test and work with an integration over time, there's no sense in updates that happen so frequently that an SDK becomes obsolete before the testing is complete!

■ **Documentation:** A well-documented SDK means a publisher can access release notes and information without additional assistance. Look for documentation that provides answers to frequently asked questions and supports those answers with clear examples. A best-case example also adds responses to queries as part of an ongoing process in real time.



PROGRAMMATIC IN 2019: Succeeding With Premium Plays

ACCORDING TO EMARKETER,

mobile ad spending in the US should surpass spending in all “traditional” media by 2020.

BY 2022,

90 cents to the dollar of all mobile video ad spending will be transacted programmatically.

[emarketer.com]

Advertisers and publishers can take advantage of numerous aspects of location data to reach on-the-go consumers at the fabled right place, right time. Yes, this could be displaying a product offer to a user within a retail environment, or a more complicated brand engagement concerned with deepening a relationship. For example, if a shopper is often at the Little League field on springtime Saturdays, and data also shows she visits the grocery store on Thursdays, then location data has helped us understand that Tuesday or Wednesday might be the ideal time to offer that consumer a special on game-friendly snacks. Mobile is the landscape where every piece of potential context can be leveraged.

Scale is always a driving element of success. Programmatic technology is the conduit that creates the scale that brands and marketers need. It comes, however, at a price—the commitment to brand-safe, fraud-free, and premium-quality iterations. Specifically, private marketplaces and preferred deals provide the sanctuary that protects all participants from the Wild-West effect that unbridled open exchanges have helped create—newer models of programmatic are ones with which buyers and sellers can transact with safety, transparency, and confidence. The following are key examples of these models.

■ **Private Marketplaces:** Private marketplaces (PMPs) basically come in two flavors. A private auction enables select buyers access to negotiated inventory. These arrangements can be further customized with first look, a guaranteed CPM, or other agreed-upon details. PMPs ensure advertisers know on what domains and apps their creative will appear, while publishers are aware exactly which advertisers are buying their wares. PMP deals are highly customizable, potentially offering an advertiser, or a group of advertisers, first access to special inventory and audience—e.g., segments or data, and/or the ability to upwardly adjust bids as well. The key to a PMP is the Deal ID—a series of numerals shared by the buyer and the seller who have a pre-arranged deal, allowing the impression to identify itself when the bid comes in. Any criteria attached to the deal can be part of the Deal ID. Engaging with a PMP gives buyers and sellers clarity around who is in that auction. The Deal ID gives them clarity on everything else they need for that auction to work.

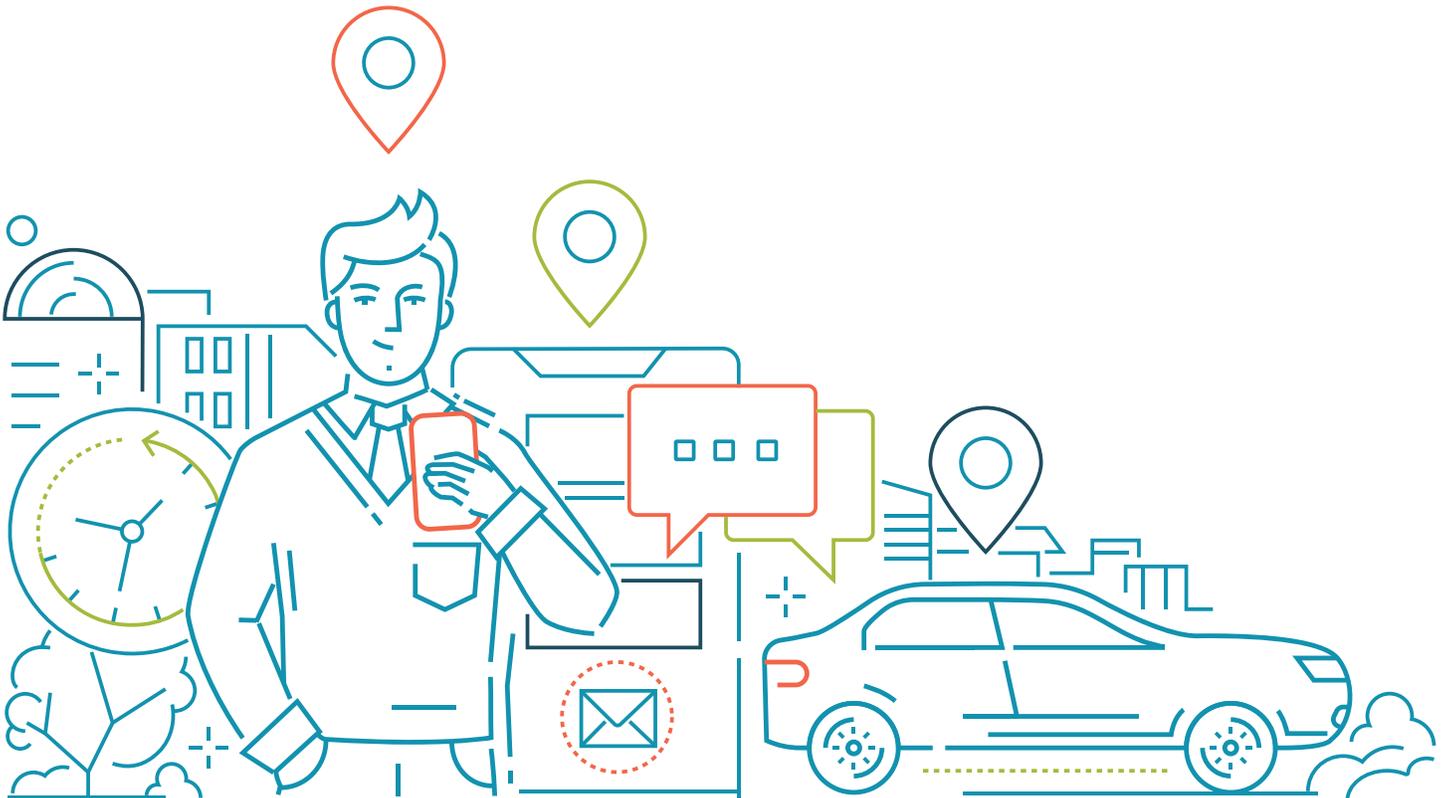
■ **Preferred Deals:** A preferred deal bypasses the auction process and gives an advertiser special access to specific inventory or audiences, typically at a guaranteed CPM. In this case, the publisher can typically approve the creative. Note, however, that while preferred deals may get advertisers

prime inventory at a hot price, the approach may limit their ability to layer-in their own data because it does not use the auction. Potentially, an advertiser and publisher could do a data merge to use as a targeting base.

■ **Programmatic Guaranteed:** With programmatic guaranteed, the deal is worked out beforehand, the buyer already has earmarked which impressions they want to buy, and the publisher can approve creative. While programmatic guaranteed leverages audience targeting, it isn't really an auction transaction. It's a guaranteed deal—the publisher can trust they'll sell the inventory they make available—that relies on the publisher's proprietary data. This promises to be a significant boon for publisher revenue. Publishers can use programmatic guaranteed to sell especially high-CPM video inventory and, with *video in particular driving advertisers' investment* in mobile programmatic spending, that's a healthy payday for pubs not far down the road.

As the advanced programmatic landscape has filled out, a February 2019 poll of advertisers by Forrester and PubMatic found 92% were expecting to increase programmatic direct in-app budgets. This is also true in mobile, where PMP spending has been ramping up over the last couple years—by the end of 2017, for example, mobile PMP spending had *reportedly increased by 37%* from the previous year. That trend is on track to continue.

None of the above approaches are set-it-and-forget-it tools, however. A neglected PMP risks languishing in obscurity, producing few benefits for either publisher or advertiser. Performance in all cases should be closely monitored by both sides—publisher and advertiser—and, even more importantly, advertisers must share KPIs with publishers. The two sides must trade feedback and collaborate to get the most out of advanced programmatic; optimizations should be constantly undertaken on both sides.





LONG-GAME WINS: Location and Programmatic in 2019 and Beyond

The rich context of location-based advertising coupled with the ubiquity of the mobile device powered by the scale of the advanced programmatic technology at brands' and marketers' fingertips mean that publishers can now partner with advertisers in ways that are more precise, more accurate, more quantifiable and controllable than ever before.

As noted earlier, however, these approaches aren't simple, they seldom represent light lifting, and they're always dependent on every participant committing to the cutting edge of the systems and best practices that make them work. Giant companies may well have the in-house capacity to hit every mark in the location and programmatic landscape. For every other organization, partnerships are almost certainly the conduit to conquering the field.

This will be the case especially as 5G unlocks the Internet of Things in new ways, starting as early as 2019 and 2020, and partner-forward approaches will evolve into an even more central role as the demands of digital out of home, in-car, and connected-TV experiences link together across the multi-screen consumer's lifestyle.

A qualified location data services provider will have 5G plans—hopefully very exciting plans—and should be eager to share them. Similarly, from the living room to stores, restaurants, and destinations, within a federated mobile ecosystem—the smartphone serving as a hub—the direct match of the device ID to the consumer's home connects the TV to DOOH to the car dash to the entirety of IoT. What follow are some key questions to ask when considered a technology partner along these lines.

■ **What tactics can the partner provide?** Mobile programmatic isn't new. Your partner's data insights and tech should be. Because it's not 2010 anymore, they'll need to provide more than just geofencing.

■ **Does the partner bring signal density to the game?** Your mobile partner should provide deep insights from a deep well of locations. The frequency or density of signals they collect and process from each device can help determine how deep those insights go, and how granular they are at the location level. Your partner should be able to verify the quality of their data, from any of the sources they pull it.

■ **Can the partner produce immersive mobile creative?** This isn't a given. In an extension of making sure your mobile partner is with the times, they should provide sufficient capabilities to allow an ad campaign to reach their targets not only on the device level, but at what we might call the state-of-mind level. Display is display, banner ads are table stakes, so what can they do beyond these elements of mobile-ad design? Hint: a robust SDK is a strong indicator that the candidate partner can provide the kind of immersive, non-intrusive, saveable, shareable, and meaningful experiences that benefit advertisers and publishers alike.

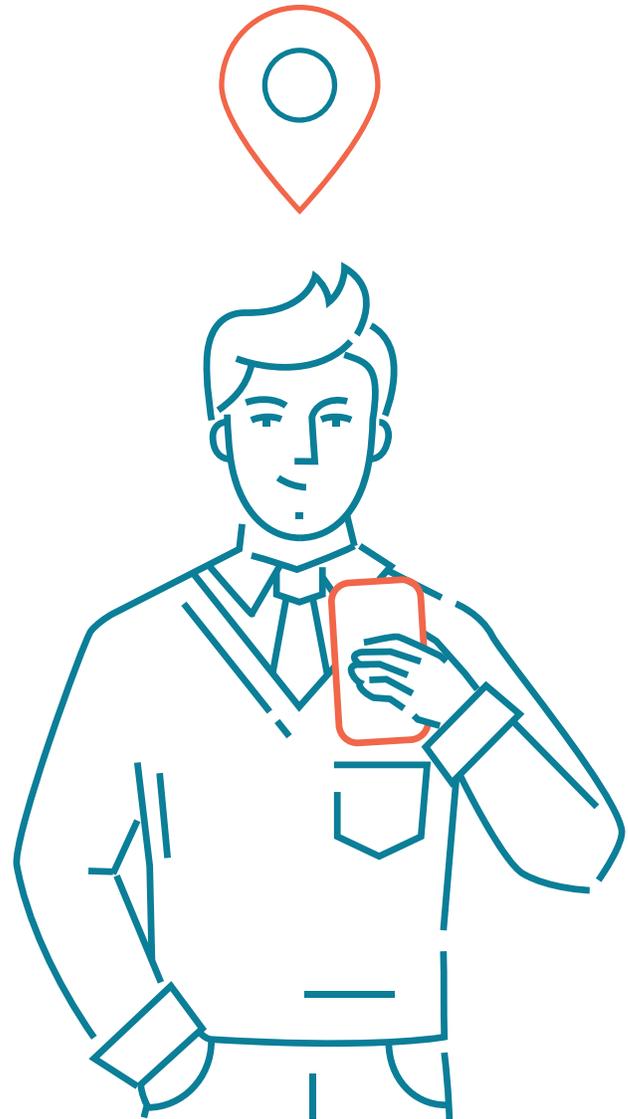
■ **Can they help with scale? Can they help brands conquest?** As a publisher, you know your audience. Your mobile provider should be able to use insights about your audience to extrapolate out and recognize other audiences like yours. The mobile space is infamously fragmented, and stitching those fragments together in a meaningful, actionable way requires cutting-edge technology.

Finally, no consideration of location and programmatic can be complete without addressing the very real, very important consideration of consumer privacy. This is especially true in a world now working to comply with the European Union's General Data Protection Regulation (GDPR).

If a user currently in the EU doesn't want their data passed along to a third party, GDPR dictates they must be given the ability to opt out in a clear and simple fashion. The proper way to request consent and detail data practices is still murky, and many in the digital media and advertising space are undergoing a trial by fire in keeping track of the latest GDPR violations. So far, the IAB's GDPR Framework appears to hold up, though Google has not fully implemented it, sparking ire among its many media partners.

Some may wave this off as a European problem, but EU Data Protection Authorities have already gone after seemingly small fish all over the globe. Beyond that, the California Consumer Privacy Act (CCPA), going into effect on Jan. 1, 2020, applies to any property visited or used by at least 50,000 Californians annually. CCPA takes a stance on personal data perhaps even more stringent than that of the GDPR.

It is AdMonsters' belief that regulation requiring consumer opt-in will come to the entire US, and in general it is a good practice to seek the opt-in. As of publication date, guidance for CCPA is still forthcoming, but GDPR offers a good blueprint for an overall solid privacy regimen. Especially when leveraging location data—which is obviously considered very personal—it's essential to ensure compliance with GDPR, and soon enough CCPA.





AdMonsters is the global leader in strategic insight on the future of digital media and advertising technology. Through our conferences, website, and original research, we offer unparalleled in-person experiences and unique, high-quality content focused on media operations, monetization, technology, strategy, platforms and trends. Founded in 1999, AdMonsters began serving the advertising operations professional through live media and its online community. We provided a forum to share best practices, explore new technology platforms and build relationships. 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.

This vibrant community is forward-looking and results-oriented. Their success depends on strategic insights about technology and monetization, and the exchange of actionable peer-to-peer best practices. AdMonsters has built its reputation on providing objective editorial leadership based on deep, real-world expertise. We have continued to evolve our editorial strategy to address the changing needs of the market and, as a result, AdMonsters has attracted a highly focused audience who are at the forefront of the industry, and leading marketing partners have found AdMonsters to be a powerful channel to reach these decision makers. Today, our portfolio of integrated media solutions includes industry leading live events, our innovative Connect content solutions, email marketing programs, and more.

As of March 2015, AdMonsters is part of the [Access Intelligence](#) family of companies.

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Founded in 2005, Verve has always recognized the potential of mobile and its unique ability to reach people no matter where they choose to go. Since day one, Verve set out to create a dynamic location mobile marketing platform to help advertisers, large and small, utilize the power of connecting with consumers on their devices in real time. Verve's mobile experts continue to invent and build solutions with consumer engagement as a guiding principle. Harnessing the power of location-context mobile data, Verve believes that mobile advertising is more than a message; it is an experience that connects consumers with the brands, publishers, and moments they value.

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