playbook:
Putting Audience Extension Into Action

As we commented in a piece last year, audience extension is not a new technology or service, but it has a rising profile as publishers increasingly realize the tremendous value of their audiences.

Half of the publishers surveyed in a recent Audience Accelerator-Digiday report, *Audience Extension Industry Overview*, currently offer audience extension. About 29% of that group began offering extension in the past year—according to the report, these were mostly publishers with under 20 million monthly uniques. Extension is rapidly gaining supply-side adopters, and a host of technology providers have entered the landscape with flexible offerings that can meet a variety of needs.

Audience extension is the process in which a publisher targets its audience (or lookalike audiences) away from its owned and operated sites, and then buys inventory and serves advertising on third-party sites on a client's behalf. Basically, publishers become media buyers, with their own audiences as the primary target.

In the past, many publishers would primarily use audience extension for makegoods when under-delivering on campaigns—at its heart, extension provides a way to generate additional inventory when on-site inventory cannot meet advertiser demand. However, the tool has taken off as publishers increasingly cultivate their first-party data and build high-performing audience segments.

These segments are so attractive that clients want to find them all across the Internet, which is why audience extension is becoming a common item on RFPs. According to the *Audience Extension Industry Overview*, 54% of advertisers planned to increase revenue flowing into audience extension in 2014, and about half of that group said it would be shifting budgets from broad or niche networks.

But audience extension can be far more versatile, enabling publishers to drive traffic back to a site, boost spends in channels where onsite inventory may be limited (e.g., video), and to offer multichannel campaigns. While the extension does drive additional revenue into publisher pockets—64% of pubs surveyed by Audience Accelerator and Digiday reported extension accounted for 1-10% of their revenue—it also assists in deepening partnerships with advertisers. Publishers can further bolster these relationships by building creative and wading into up-and-coming transaction methods like programmatic direct.

AdMonsters' **earlier playbook on audience extension** explained the underlying benefits of audience extension initiatives and mapped out the various players involved. This playbook focuses on what goes into establishing and executing an audience extension program, including developing the product with sales, working with clients, choosing the right extension partner, and campaign optimization.

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 specific solution providers intentionally. Monitoring solution providers were excluded from the research of this document, as it is 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.

Just how does a publisher leap into the world of audience extension? Who leads the charge, ops or sales?

Chances are sales will come to ops with some familiar issues: How do we bring in better RFPs? What's an easy way to get our best advertisers to spend more? How do we nail that $100,000 deal when we only have $90,000 worth of inventory? Can't we get a chunk of the money going into Facebook? How can we drive additional video revenue when supply is limited?

Audience extension may provide a solution for all of these problems—and one that's easy to implement at that. It's increasingly an item on RFPs, so publishers should include the option to attract a wider field of advertisers and answer more substantial requests. In general, the tool is quite handy in negotiating for higher spend; enabling advertisers to reach your valuable audience on third-party sites is a straightforward way to pump a buy up to the next level.

And, audience extension is not just for display—video is in high demand and publisher supply often can barely keep up. If your on-site video inventory is limited or routinely sold out, one way to grab extra video budget and earn some impressive CPMs is to offer extension. With programmatic video tools, you can target your audience on a swath of video inventory across the web—even the seemingly infinite supply on YouTube. (Of course, with any user-generated content, brand safety is a concern.)

In addition, the Facebook exchange has opened up a wide valley of inventory where publishers can find their audience for advertisers—social is a lovely new frontier. Mobile is another field with huge amounts of (relatively cheap) inventory where advertisers would love to find your audience. Through audience extension, any publisher can offer multichannel campaigns—onsite inventory plus offsite display, mobile, social and video. Yes, any—you are no longer limited by your on-site inventory.

Of course, ops professionals don't need to wait for sales to come a-calling (though they typically do) and can lead the charge themselves. This is a great idea as sales group organizations increasingly shift and roles become blurred—it's another reason for ops to be seen as a revenue driver rather than a cost center.

So speak up when you can, but make sure you bring the right research to the table—what types of media you want to sell, which kind of provider (DSP, DMP, SSP, exchange, etc.) you want to work with, and a list of potential providers. (This playbook will probably be helpful—nudge, nudge.) And we always suggest you ask other ad operations professionals for guidance on how they broke the extension ice.

74% of publishers cited "adding a unique value proposition" as a chief reason for venturing into extension.

64% of publishers offer audience extension to advertiser partners, typically on a case-by-case basis. However, **28%** said they offer it on "most" or "all" of their proposals. **38%** of publishers plan to include extension on campaign proposals "often or always" over the next 12 months.

77% of advertisers considered cross-platform video opportunities important.

Source: *Audience Extension Industry Overview*, 2013

04

Even though the practice of audience extension has been around for some time, the concept causes a great deal of confusion—"What do you mean advertisers are paying us to get them inventory on other sites?" It is a tricky area, perhaps not an intuitive idea for many folks. One publisher we talked to said he was surprised that agency people have less of a grip on the concept than they let on.

Basically, think of it as cultivating products built around audience (garnered through your content) and independent of the limitations of inventory as well as page-view limitations. However, selling extension isn't as simple as getting a seat on the exchange and mentioning it to your media buyers. Navigating the waters of effectively executing targeted buys and proper positioning to media buyers means the difference between success and failure.

The people that need to be really on top of the channel is your sales team—as the first point of advertiser contact, they must have a thorough understanding of both audience extension as a concept and your site's specific offering (notably, the limits). Ad ops is not sales' only hope, but you're certainly the first number on their support list. Therefore, you need to not only know your offerings front and back, but also understand other opportunities audience extension can offer.

Like many ad tech components, the concept of audience extension can be elusive. You may think you have a grasp on it but it will quickly fall apart in your mind, or you'll get lost in the specifics. Educating sales may be a painful process, but remember repetition is your friend—for most people, the more we hear something, the more it sinks in the mind. (Explains why you inadvertently learned the lyrics to "Blurred Lines.")

If it's in the budget, outside training for sales may be a worthwhile expense—but note that it can run up a bill. At the same time, your extension service provider should offer sales training and best practices. Look to a provider's experience, as well as the advice from peers at other publications. (Perhaps the ones you met at an AdMonsters conference?)

Beyond training, though, you're going to be sales' chief pillar of support—ops is neck-deep in ad serving, data management and analytics, all the areas essential to a successful extension campaign. If you're not in on negotiations with advertisers, make sure they run everything by you—not just the sticky bits. "You know we can't do that, right?" is probably the most loathed statement to come out of ops' mouth.

04

Sales is likely to come at you with a variety of advertiser requests—by thoroughly understanding the possibilities inherent in extension, you may be able to boost a deal or two. This is also where a tight relationship with a provider could come in handy.

When it comes to actually listing the service to advertisers, you know who is good with messaging? Your marketing group—it's kind of what they do. Though it may take even more effort to explain audience extension to another division, teaming up with the marketing group to develop messaging for clients may save you time and energy in the long run— especially when your clients will have a whole other set of issues.

- Ad ops is sales' chief pillar of support—you have to not only be on point with your offerings, but audience extension capabilities in general.

- Service providers are likely to provide training and best practices to sales.

- Your marketing group could come in handy with developing the listing.

05 working with clients

Beyond driving additional revenue, audience extension can assist publishers in forging deeper relationships with their best advertisers, or turning moderate spenders into big ones. However, anyone who is married can tell you that a deeper relationship requires more effort from both sides to make it work.

For pubs, this starts with cultivating client goals—yes, going beyond simply understanding their aims and actually developing the strategy around the extension campaign. What does the client want or expect out of the audience extension campaign? Is the chief goal customer acquisition, reaching new audiences, increased awareness, or some combination? All of these are possible through audience extension, and you can be essential in forming the plan of attack.

For example, the most basic form of audience extension (and audience targeting in general) is site retargeting, which is primarily a direct response tool. But instead of re-reaching previous site visitors with the same creative, secondary messaging through extension may better draw their attention and engage them.

Extension can work wonders on the branding side as well as with reach—your highly valuable audience can be cloned or bolstered via second- or third-party data. Service providers can also build "act-alike" models off of a pub's first-party data to seek out users that match your audience's exact behavioral profile, but haven't visited your site recently.

Geolocation data can be useful not only for regional targeting, but also should be considered in messaging. In addition, extension enhances advertiser control over frequency, offering a clear picture of where and when audiences received specific campaigns and messaging.

Extension is also a handy tool for driving traffic back to a publisher's site. Sometimes the publisher goes in together with the client—in a **previous story**, we mentioned how Map My Fitness used audience extension to drive traffic to a contest sponsored by Quaker Oats. In effect, the publisher not only drove revenue, but also saw a big bump in site registrations. A campaign like this can easily turn multi-platform via extension—you can push your message through video, mobile and social channels as well.

Partnering is the key word here—audience extension effectively transforms you into a media buyer, so you need to think, act and approach your clients like one. Consider yourself the media buyer's media buyer (OK, that's pretty much what you are). Anyone on your team with prior experience at a media agency should be tapped as a resource.

55% of ad buyers have partnered with a publisher offering audience extension in the past. Of that group, **58%** view audience extension favorably and **37%** said they were more likely to allocate additional budget to publishers offering solutions.

55% of advertisers said they were most likely to use audience extension for direct response purposes; **32%** said branding and **11%** "experimentation"

Source: *Audience Extension Industry Overview,* 2013

06

Despite how easy it may seem to get extension going, the rollout of a new product or service will always create friction between advertiser and publisher. With extension, the first obstacle you and your advertiser must overcome is realizing how much less control you'll have in dealing with off-site campaigns rather than on-site campaigns. While that may seem obvious, switching from master of your house to guest at another is likely to throw you, especially when you're buying media for your client.

Go in with your eyes open, and also watch out for these common client complications.

■ Buying outside of your own sites makes brand safety a heightened concern for you, the publisher. Service providers have tools to keep you out of pornography, hate speech, piracy sites and other muck, but you should work with both clients and providers when it comes to specific campaign needs (e.g., don't advertise airlines on news stories about plane crashes). While the inventory may seem plentiful, user-generated video content can present uncomfortable situations. Be sure to know and approve of your provider's methods for handling these, but also anticipate and have a plan ready if something ugly arises.

■ Clients will want specific answers regarding where their ads are going to run—due to the complexity of the digital media ecosystem, this is hard to do with any specificity. So, if a client asks for a whitelist, it's best to let 'em down easy. Whitelists of appropriate sites will harshly limit the amount of inventory available and ultimately hobble campaign potential. In addition, loading a whitelist can be a very manual processes with certain providers, decimating the value of extension as an easy-to-implement revenue stream.

■ Blacklisting, however, is another matter—you definitely don't want clients running where they really don't want to run. To an extent, publishers should also consider blacklisting any sites considered competition—it does not bode well for future on-site business with an advertiser if their extension campaign on a rival site outperforms. However, blacklisting may not be the best option if you're a niche publisher in a limited pool or have a very narrow audience segment to target.

■ Clarity about your offering is essential. You definitely don't want clients to think you're pulling a fast one—the ol' bait and switch—when it comes to spending their money. Notably in video, clients may get confused about what they're buying on your site vs. something like YouTube. Be patient and prepared to answer every question (no matter how many times it has been asked). In addition, always make sure you have an email trail to reference back to in case of misunderstandings. Always bring the conversation back to the audience they are buying—it's the real value proposition, not the platforms used for targeting.

06

client qualms

89% of ad buyers have partnered with a publisher offering audience extension in the past. Of that group, **58%** view audience extension favorably and **37%** said they were more likely to allocate additional budget to publishers offering solutions.

Source: *Audience Extension Industry Overview,* 2013

07 partnering up

Our previous playbook on audience extension offered a great list of queries for a publisher deciding what company to partner with on audience extension. This section aims to build on that by adding a strategic element—breaking the services provided into basic, intermediate and advanced. We do this to highlight the flexibility of the space, as well as how publishers can experiment and use multiple providers.

Basic

Not so long ago, pubs with audience extension needs could only turn to ad networks or use basic retargeting tools within their own ad servers. These are still around, and remain very hands-off, no-frills options—perfect for makegoods, not advanced targeting. But if that's all you need...

Intermediate

DMPs, SSPs and DSPs have all jumped into the audience extension game over the last few years, offering more advanced campaign options without a whole lot of sweat equity required from the publisher. Most extension offerings are plug and play, and require little more than dropping pixels to get going. The providers do most of the heavy lifting, including buying and optimization. However, the offerings are flexible enough to enable publishers to not only answer RFPs, but also create custom products that intrigue advertisers and make them spend more.

Each one has its charms:

- You already have a relationship with your SSP and use them to assist in audience targeting on-site. It's not a far leap for them to help you with similar targeting offsite.

- If you're using a data management platform, the provider will enable you to get extremely granular with your targeting segments, which could greatly appeal to advertisers.

- A DSP is a media-buying platform—chances are the DMPs and SSPs are buying through one of them. Coming from the buy side, they provide a different outlook and approach that could prove fruitful to your extension efforts.

07

Keep in mind that advertisers are coming to you because they want more of what they love - your audience. Picking a partner that has advanced modeling methodologies to accurately scale your core audience is crucial to the sale and successful execution of a campaign.

Advanced

For some publishers (i.e., data-heavy listing services), audience extension will prove to be more than just a way to jump on bigger RFPs, build deeper relationships with clients or expand inventory where it is limited. Extension will prove a serious revenue driver, and will best be treated as a core competency. This means publishers will expect both higher margins and levels of control, which they will likely find in establishing a trading platform on top of an exchange (or exchanges).

Hybrid

Experimentation is the spice of digital media, or something like that. Publishers can use combinations of all the above providers—at times, a DMP may prove a better fit for a campaign than a DSP. Especially in the early days, it doesn't hurt to test your options and then evaluate.

Also, it's not terribly difficult to get certified as a buyer on an exchange. See what's required in building an advanced option and whether the results are worth the labor.

57% of larger publishers (50 million monthly uniques or more) make ad ops the key decision-maker on provider; **33%-39%** of small-to-medium publishers reported the same.

Source:
Audience Extension Industry Overview, 2013

08

And, finally, we're ready to launch some extension. If it's your first time, why not embark with a close advertiser, one you've performed well for in the past? If you're working with a network, DSP, SSP or DMP, execution is remarkably straightforward: assign your segments and employ the correct pixels, then the service providers will take care of the scheduling, buying and optimization.

This does not mean "fire and forget." The publishers we talked to suggested that one sales manager or ops team member—let's call them the extension leader—should oversee all the extension campaigns running, troubleshooting with the provider(s) and providing creative QA. The latter is especially important if you're running multi-platform campaigns—e.g., video with VPAID.

This person will then report into the various campaign managers with extension added on, and also make sure extension is off in case a campaign is cancelled. Depending on the number of extension campaigns running, that may be the primary duty of said team member, or just one of their responsibilities.

However, with less on the extension leader's shoulders, he or she will be better able to analyze reporting and evaluate providers; oversee complex creative and targeting arrangements; and suggest new and bolder approaches. Ultimately, how much staff you dedicate to extension will depend on how big a revenue driver the channel is.

Advanced Optimization

And when it comes to running your own trading platform, you'll need more than just one person. Basically, you're setting up your pub's own DSP—you will likely need a dedicated team working on extension campaigns, scheduling and managing only those buys.

As for the skill sets of this dedicated team, a trafficking background can be a major advantage, so the trading platform could be a good level up for your most experienced traffickers.

Chances are you will be working with multiple platforms—perhaps different ones for display, video, mobile and newsletters. Therefore, your extension people will have to be trained in all of them. In addition, as one publisher put it, any time you throw multiple ad servers into the mix, troubles with scheduling and efficiencies will follow.

With extension optimization, the team will work towards similar KPIs as on-site performance, plus more advanced ones like conversions and viewability. And then, there's the cost factor: extension teams always have an eye on the margins, which gets all the more complicated when competing against hundreds of other buyers.

Even if you're going the plug-and-play route described on top, it's good to know what's entailed in diving into the exchanges. As mentioned earlier, it doesn't hurt to experiment, and the margins may surprise you.

09 closing thoughts

Ah, you've made it to the end of the playbook! Hopefully this information dump hasn't inflated your mind to the point of bursting, and instead you're roaring to get your extension program rolling.

Extension is not hard to implement, and the assortment of providers out there offer flexible services. You may be less concerned with finding "the right one" than learning how to maximize the value of each. This is a space ripe for experimentation, and as a publisher, you can ride your valuable first-party data all across the web.

If anything, the most difficult part of extension is not dealing with the tools, but making sure all the humans involved (namely, sales and clients) are on the same page. Confusion can come easily here, so regular communication is of the utmost importance. Ops is sales' chief pillar of support, so your team has to be on top of your own offering as well as other extension options. Remember: repetition and clarity are your best friends.

In addition, consider extension as a time and work saver: your staff has spent countless hours (prolonged testing, constant iterations) trying to make difficult CPA campaigns work across (often) limited inventory, sometimes losing revenue (and client trust) in the process. Using programmatic algorithms scanning brand-safe inventory can take the heavy lifting off of your team, and let them to concentrate on what programmatic cannot manage—custom, engaging advertising units adjacent to compelling content, which is what drew your audience in the first place.

Finally, consider the next level in audience extension—creative. Publishers have long assisted advertisers in building creative, but the "native revolution" has kicked pub involvement in creative up a notch, with many major pubs opening their own studios. Considering the variety of platforms and channels through which you can access your audience via extension, offering creative services alongside extension is a way to differentiate your program while further deepening your client relationships.

15

10 resources

AdMonsters Audience Extension Topic Page
admonsters.com/topic/Audience-Extension

AdMonsters Audience Extension Playbook 2013
admonsters.com/AudExtensionPlaybook

Beyond Borders: Publisher Audience Extension Goes Off-Site—Part 1: The Sell-Side Buys
admonsters.com/blog/publisher-audience-extension-part1

Beyond Borders: Publisher Audience Extension Goes Off-Site—Part 2: Old Concept, New Players
admonsters.com/blog/publisher-audience-extension-part2

Extending Extension: Pushing Past Basic Techniques
admonsters.com/blog/extending-audience-extension

AdMonsters Publisher Forum Session: Reaching Out With Audience Extension (Paid Members Only)
admonsters.com/session/making-use-audience-extension/148410

Audience Extension Industry Overview Q4 2013
rocketfuel.com/industryoverview

Forrester: Boost Publishers' Effectiveness And Revenues With Audience Extension 2013
forrester.com/Boost+Publishers+Effectiveness+And+Revenues+With+Audience+Extension/fulltext/-/E-RES102401

admonsters

AdMonsters is the global leader in strategic insight on the future of digital media and advertising technology.

Through our conferences, web site, original research and consulting services, we offer unparalleled in-person experiences and unique, high quality online content focused on media operations, monetization, technology, strategy, platforms and trends. AdMonsters is the meeting place for this dynamic and expanding community to connect, gain insight, develop best practices and exchange thought leadership.

Founded in 1999, AdMonsters began serving the advertising operations professional through live media and its online community. In the early days of online media, this community was comprised largely of operations professionals at online publishers and advertising technology providers. AdMonsters actively fostered this community and 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.

AdMonsters is part of 8 Meter Media, an experiential event company that produces the AdMonsters Publisher Forum, the OPS series, the Marketing Operations Technology Summit and the Media Analytics Summit.

For more info:
See admonsters.com
Follow us on Twitter: @AdMonsters
Facebook: facebook.com/admonsters

Media contact:
Stacy O'Connell, VP, Marketing
stacyo@8meter.com
tel: +1 415 480-4114

Sponsorship contact:
Jesse Poppick, VP, Sales & Business Dev.
jpoppick@8meter.com
tel: +1 212 222-5064

about

audienceaccelerator
powered by **rocketfuel**

Rocket Fuel's Audience Accelerator group provides an unparalleled full-service audience extension platform. We help sites and networks leverage their data to effortlessly scale their audiences with outstanding results. Powered by our proven artificial intelligence technology, we enable our partners to model their unique audiences and extend reach to up to 99% of the online universe in the United States.

Our full-service team handles set up, training, and execution. We provide access to industry experts; RFP responses; and detailed, actionable campaign analysis - saving technology, staff, and infrastructure investment. Rocket Fuel is a leading provider of artificial-intelligence advertising solutions powering advertising across display, video, mobile, and social media. Recently awarded #4 in Forbes Most Promising Companies in America list, Rocket Fuel was founded by online advertising veterans and rocket scientists from NASA, DoubleClick, IBM, and Salesforce.com.

Go to www.audienceaccelerator.com for more informaton

Audience Accelerator sales and business development contact:
sales@audienceaccelerator.com
415 757-2337

Media contact:
Jinenne Sutherland, Director, Client Services Marketing
jsutherland@rocketfuel.com
415 757-2308

DELIVER RESULTS AND REVENUE

Benefit from your audience beyond your site

Audience extension is on the fast track, with 54% of advertisers planning to allocate more of their media budgets to this channel in the next year. We see a huge opportunity for publishers to increase revenue and delight their advertisers by leveraging their unique audiences through data-driven programmatic ad packages.

We created our Audience Accelerator publisher platform based on the four core pillars we believe are key to a successful audience extension solution:

- deliver massive scale
- ensure everything is results-driven
- deliver a unique offering
- keep it hassle-free

Our Audience Accelerator clients have full access to Rocket Fuel's world-class technology, with scale and results automatically built into our publisher platform. To deliver a unique offering and keep it hassle-free, we listened to our partners' needs and included:

- Pricing and product packages that grow with the business and address both brand and DR objectives
- A professional services team that will consult on go-to-market strategies and execution for audience extension
- Advanced audience intelligence modeling that accurately scales the most relevant audience segments
- Dedicated account managers
- Data-privacy services that protect your unique data
- Delivery across multiple platforms, including mobile, video, and social
- Rocket Fuel's Brand-Safety Shield

Our clients have seen tangible results, including increased average insertion order size, new business, and retention rates. We are very excited to provide this technology platform that enables you to grab a substantial piece of these revenues. Use this playbook to set your company on the path to big profits.

Sincerely,
Paul Wenz
General Manager
Rocket Fuel's
Audience Accelerator Group

*audience*accelerator
powered by rocketfuel

EFFORTLESSLY SCALE YOUR AUDIENCE WITH SPECTACULAR RESULTS

For more information on Audience Accelerator visit audienceaccelerator.com or contact us at (415) 757-2337 or sales@audienceaccelerator.com