

Q1 // 2015

HOW-TO

TALK INTELLIGENTLY ABOUT PROGRAMMATIC BRANDING



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Chango

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THE **CMO** CLUB™



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ABOUT CHANGO

Chango is a programmatic advertising company, purpose-built for the marketer. The company uses exclusive intent data and technology to create relevant, timely advertising campaigns, and produce rich customer insights. The company’s unique live-profile technology makes intent data available faster than anyone else to help clients efficiently build brand awareness, acquire new customers and retarget site visitors. Chango works with more than 60 of Fortune 500 marketers and companies such as eBay, Sears, Clorox, Sprint and Toyota.

TO FIND OUT MORE, VISIT CHANGO.COM

ABOUT THE CMO CLUB

The CMO Club (TheCMOClub.com) is the world’s most engaged and inspired community of Senior Marketing Executives who help each other solve their biggest challenges, within a candid, trusted, and sharing environment. Collaboration fueled by inspiring events and within the CMO Solutions Clubhouse raises the standard for what is required to be a successful Chief Marketing Officer. With more than 850 members and a no vendor selling policy, The CMO Club is the go-to center for today’s Senior Marketer for peer-based personal and career success support. FOR MORE DETAILS ON MEMBERSHIP OR BECOMING A THOUGHT LEADERSHIP PARTNER, PLEASE VISIT THECMOCLUB.COM

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Dax Hamman is the Chief Product Officer and a Founding Member of Chango who is based in Denver. Dax founded and led the global iCrossing media group, developing the concept of 'performance display', an innovative planning strategy that drove significant ROI from display advertising for some of the world’s largest and coolest brands.

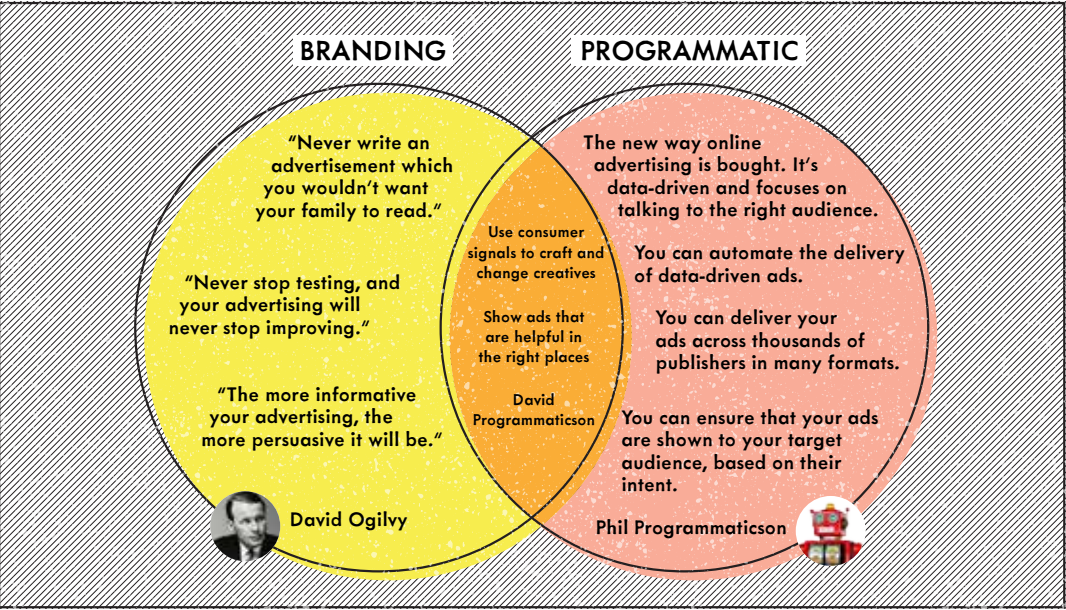
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Ben is responsible for Chango’s brand, integrated marketing and demand generation. His team has created one of the most robust thought leadership platforms in the industry and has won multiple marketing and design awards. Prior to joining Chango, Ben worked with GE Capital for four years to establish and lead the digital media practice.

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Programmatic and branding, two different things right? Wrong, that's what Venn diagrams are for! Here's a break down of what the hell we are talking about when we say 'programmatic branding.'

Build Brand Awareness

Use upper funnel content and formats (e.g. videos) to raise awareness of your brand. Show videos to consumers that you know have an interest in your category. For example, if they have visited an outdoor website, show them a pre-roll on YouTube for Subaru.

Change Brand Perception

Use retargeting based on brand affinity signals to change perception. For example, show the McDonald's, 'paying with love,' display ads to people who have visited mcdonalds.com to change how the brand is perceived (make it more human).

Build Brand Affinity

Use CRM retargeting to strengthen the brand relationship between the consumer and the brand. For example, GEICO may serve mobile ads on phones to consumers who have recently purchased a car.

Build Brand Engagement

Use look-alike targeting to find consumers who are going to engage similarly to your best consumers. For example, Verizon may show Facebook ads to potential consumers who shared the same characteristics as current consumers (they may visit the same websites).

IS IT EASY ENOUGH TO EXPLAIN?

HOW TO EXPLAIN
PROGRAMMATIC
VIDEO TO YOUR
GRANDMA

When it comes to branding, nothing is quite so dazzling to consumers as a triad of sight, sound, and motion. They just love their videos—and so do marketers, which is why brands have traditionally favored television. TV offers scale, speed, and untold levels of creativity, all in a single channel. Increasingly, these advantages can be replicated online.

Now that programmatic is going mainstream (driven by stellar results stemming from the intelligent use of vast datasets), it's no surprise that brand marketers want in on the action. And that, my friends, means programmatic video is hotter than hot.

It's not hard to see why. Programmatic video offers exciting opportunities for brands to gain media efficiency, target the right audience at the right time, and extend the reach of their branding campaigns. Let's take a closer look.

Media Efficiency

Break it down and you'll find that programmatic is really about allowing marketers to cherry-pick the consumers who will see their ads. Using data tied to consumer segments and web behavior, advertisers can select each impression they wish to buy for a campaign. This puts an end to the ineffective practice of blasting the same message to everyone in the room, whether they're likely to purchase what's

being advertised or not. Programmatic video lets you zero in on your most qualified consumers, and that increases the odds that they'll take action and engage with your brand.

The Right Audience

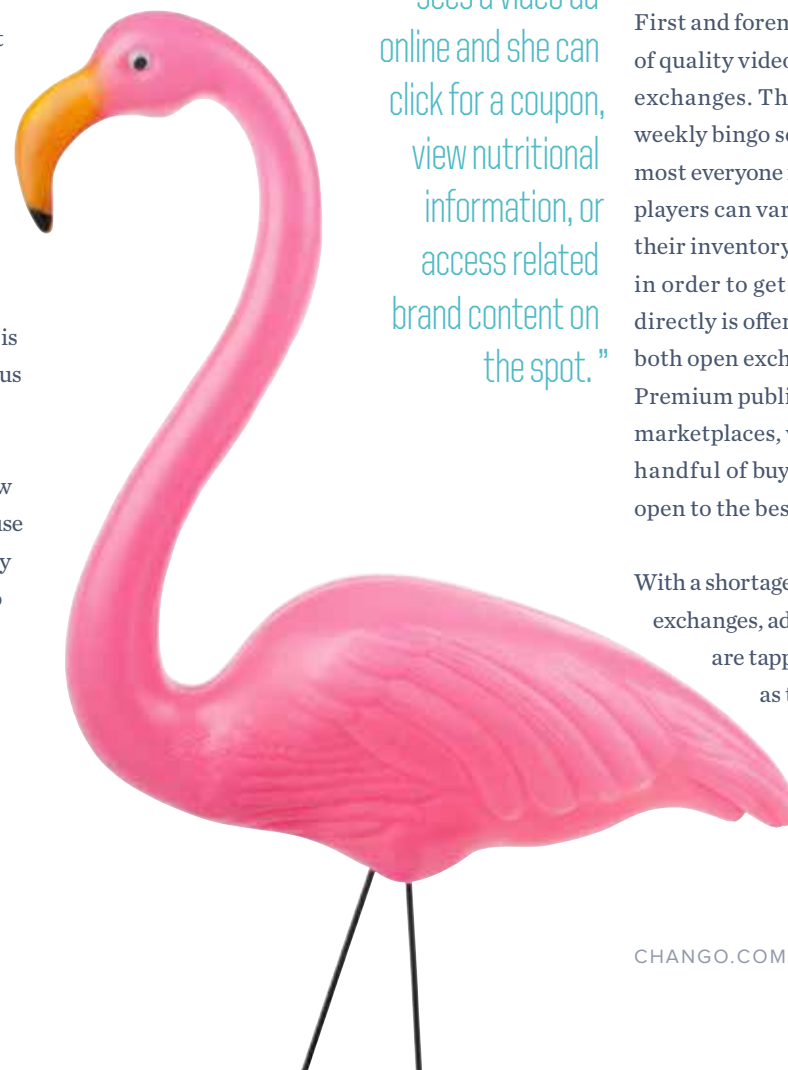
Think of it this way: if only one in a thousand people are primed to purchase a product like yours, why bother showing your ad to the other 999? Data is the driving force behind programmatic and that data helps the programmatic platform delivering your ads to figure out who to target. Let's say you're Nestlé and you're promoting TOLL HOUSE chocolate chips, a classic and trusted product that appeals to baby boomers, and in particular, grandmas. Programmatic platforms will find those grannies and nanas and bubbes where they're spending time online. What it won't do is promote the chocolate to the dieting, health-conscious consumers who are unlikely to buy them anyway.

Better still, with programmatic you can measure how often those grandmas respond to your ads. You can use that insight to make the ads better by featuring happy grandkids in the creative or tweaking the message to focus on nostalgia.

Extending Those Brand Campaigns

There are countless consumers of all ages who no longer use a TV to watch their favorite

"A consumer sees a TV spot and files the brand message away for later. A consumer sees a video ad online and she can click for a coupon, view nutritional information, or access related brand content on the spot."



TV shows, preferring instead the "anytime, anywhere" convenience of digital channels, such as Verizon's TV-on-demand, Netflix, Hulu, and YouTube. So how does a brand like Nestlé show grandmas its TOLL HOUSE ads if they're getting their entertainment online? That's where programmatic video comes in. Programmatic video ads are targeted and highly relevant to the viewer, but they're also interactive. A consumer sees a TV spot and files the brand message away for later. A consumer sees a video ad online and she can click for a coupon, view nutritional information, or access related brand content on the spot.

So will 2015 be the year that programmatic video replaces TV ads? Not so fast. Programmatic video still has some great opportunities, chief among them improving inventory quality and campaign measurement. Here's where the industry stands today—explained in a way that even your grandma could understand.

First and foremost, marketers face a shortage of quality video inventory within open ad exchanges. These exchanges are like your weekly bingo session or bridge club meeting; most everyone is welcome, but the caliber of the players can vary. Many publishers prefer to sell their inventory directly to agencies and brands in order to get higher prices. What they can't sell directly is offered to the real-time markets, both open exchanges and private marketplaces. Premium publishers often prefer private marketplaces, which are typically limited to a handful of buyers—like a private tournament only open to the best competitors.

With a shortage of quality inventory in the open ad exchanges, advertising vendors such as Chango are tapping into additional sources, such as those PMP's, or entering into an exclusive relationship with a publisher.

Still with us, grandma?

This isn't to say that open exchange inventory is useless. A lot of it is decent, and some is really great. But like grandma's all-sorts candy dish, there's also some junk in the mix, and you have to watch out for those undesirable sweets. How do you tell the good from the bad? Advertisers tend to rely on a combination of video-specific metrics, such as viewability, percent of video watched, and percent of completed views. These aren't always reliable. Brands need to distinguish between click-to-play and auto-play ad formats, and consider that while auto-play views will naturally drive completed views, that isn't the same as grabbing a consumer's attention. In other words, the metrics used should be determined by the campaign, and should effectively reflect the goals the advertiser wants to achieve. Viewability is a good metric for programmatic video campaigns (why pay for an ad that a consumer has no chance of seeing?), but what does viewability actually buy you? The Media Rating Council (MRC) definition of the metric requires that 50 percent of the ad creative must be in view for just one second. Better get out those bifocals!

Click-through rate in programmatic video has its share of caveats as well. Accidental clicks are common, occurring as consumers attempt to close an ad and miss that tiny little X. And with video, advertisers need to measure not just the volume of clicks they receive, but the quality. This might involve strategies like looking at site analytics, bounce rates, and subsequent user engagements (such as clicks on the store-locator tab on a landing page).

Is programmatic video a complicated business? Yes. But it's a business that's aware of its challenges and limitations, and is actively working to resolve them. Like grandma always says: you can do anything if you just put your mind to it. And programmatic video is something well worth doing.



THE MARKETER'S VIEW:

AN INTERVIEW WITH CLOROX'S ERICA LAMOREAUX



“Being able to layer on data to understand who is interacting with our brands and when, not only helps us reach our targets, but also helps us refine our targets as we learn more.”

Erica Lamoreaux is Associate Director of Digital Media at The Clorox Company. She's an accomplished online marketing professional with over 8 years of experience developing digital strategy and executing large scale paid search and digital media campaigns. She's currently leading digital media strategy at The Clorox Company, with a key focus on driving digital innovation in the CPG space. She manages all digital media efforts across Clorox brands, including display, SEM, SEO, video, eCommerce, and mobile.

What are the top goals a brand like Clorox wants to achieve from programmatic buying?

Certainly efficiency from the media cost perspective. But also in terms of freeing up time and resources for our agency. Allowing them to spend more time on thought leadership and understanding target audience makes it easier to reach them through programmatic buying. We're using more and more data to understand who our consumer is, and more importantly, find the right moment and right message to reach her for our brands. It's hard to find those moments! Being able to layer on data to understand who is interacting with our brands and when, not only helps us reach our target audience, but also helps us refine that audience as we learn more.

How are CPG brands using data and programmatic technology to amplify their message and brand story more efficiently today?

In a nutshell, it comes down to more precise targeting and efficient scale. Through programmatic, brands like Clorox can leverage multiple data sources beyond online-only data to understand and reach consumers on their path to purchase. However, how programmatic is used depends on the brand. We have a lot of brands and many different categories. We are principled in looking at our business and the brand objective before we decide to go out and buy certain data segments. Choosing which piece of information will be the most useful to help us reach specific goals. We tie everything back to what the brand is trying to achieve. We leverage purchased data for our products—or even competitor categories—to understand purchase behavior within the category. We also use behavioral data to try to get at moments when we can reach our consumer when they are most receptive to our brand message.

What are the pros and cons of using of first-party data (e.g. CRM data, purchase history, coupon data) for programmatic buying?

FURTHER
READING

THE CPG LAUNDRY LIST GUIDE

bit.ly/1B5c1GG

Chango

For a CPG company like Clorox, first-party data can be less robust than, say, for a retailer or financial institution. We know that people who have signed up to receive emails are likely purchasers or brand loyalists, but our lists do not give us a huge amount of scale. In order to keep filling the top of the purchase funnel, we leverage our CRM lists in programmatic media to help us find more people that look like that core handful of loyalists. As we've gotten smarter in how we leverage our first-party data, we have started being able to tie specific offers to different types of consumers. The next ad seen by a loyalist could have a different offer from someone that we know has recently switched to a competitor's product.

How does the rise of private exchanges and programmatic direct affect Clorox's media-buy strategy?

We see private exchanges as a happy medium between the efficient, targeted scale of programmatic and the quality, high impact advertising of premium media buys. Inventory quality and brand safety have been concerns in the programmatic space up until now. Technology is helping to mitigate this, but private exchanges also ensure that our ads are being seen only in high-quality environments. We know that in addition to demographic and behavioral targeting, contextual

relevance still plays an important role in digital media performance.

How important are video and mobile to Clorox's branding goals?

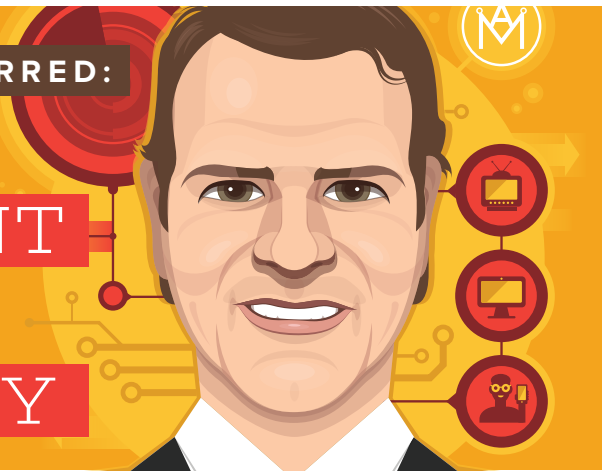
Video and mobile are table stakes if you want to play in the world of modern digital marketing. We know that our consumer is consuming content everywhere and we want to find the right moments to introduce our content to her, whether through video or display, on mobile or desktop. As technology advances, form and device become almost secondary to the overarching marketing message. Being able to have that ongoing one-to-one conversation with our consumer, wherever and whenever she chooses to engage with our brands, is key. The consumer is more in control now than ever before and brands are expected to meet that challenge.

“Video and Mobile are table stakes if you want to play in the world of modern digital marketing.”



MARKETING SHAKEN, NOT STIRRED:

INTRODUCING (CHANGE) AGENT MOLONEY, CHRIS MOLONEY



Chris Moloney is a Chief Marketing Officer, strategic growth leader and digital change agent with senior leadership experience across a variety of global brands, including Wells Fargo Advisors, Experian and Scottrade. He has substantial expertise in helping companies succeed in their digital and social media efforts. Ever the envelope-pusher, Chris was doing advanced programmatic targeting and content marketing – back in 2008!

Let's start with finding out more about you and your background.

I've spent 10 years of my career working for marketing agencies, focused on customer relationship and loyalty programs. In these roles, I worked with some of the largest financial services firms, including Citi, Chase and Wells Fargo. I was responsible for a lot of their customer loyalty programs attached to their credit card programs. So the first half of my career was spent selling marketing services. The second half has been spent buying them. My selling experience has helped me be a better buyer.

You've bought a lot of media over the course of your career, both online and offline. How has buying changed over the past few years?

Up until seven or eight years ago, everything was driven by TV – the creative process, marketing messages, campaign concepts. We'd present to an executive committee to get their buy-in.

I remember the first time I bought a campaign that started in the digital world. We wanted to do a TV campaign, but were unsure of the right direction, so we did two or three tests online. Those results also drove the TV, radio and print campaigns, because it was measurable. After that, we made all of our marketing decisions based on online performance. Later on at Experian, we won a Grand Midas Award for a campaign that was driven by social media.

Over the years, the driving force has gone from TV to digital to social media. The evolution has been pretty dramatic.

Have you used programmatic buying to launch a campaign?

When I was at Scottrade we had this notion that advertising should be information and context driven. Specifically, if someone searched for, say, Apple stock on Yahoo!, we wanted to present that user with an ad that said something about the state of Apple stock. To do that, we built a custom ad called SmartText, which scanned and coded the content of the user's screen to determine the stock

"It has long been said in marketing that 'I know half of my advertising works--I just don't know which half.' For those of us in digital, I think we can say we know that 80% of it works!"

"Let's use a simple analogy: It's like having a billboard with a coffee ad, that's shown only to coffee drinkers who happen to be driving down the road."

of interest. That stock ticker symbol was pushed into our research system, which built a chart that was then returned to the page as an ad. So this was using real-time data to customize ads back in 2008, before the programmatic market really existed!

That effort got us thinking about every type of targeting that today would be considered programmatic. For instance, we used cookies to determine which audiences to target with which investment type. In the investment industry, the time of day that you advertise to is important. If it's during market hours, you send one message, after hours, you send another. We also learned that the state of the market itself should determine our level of media buying. Interestingly, in the online investment industry, a down-market day drives more activity than an up-market day.

In my world, programmatic started by utilizing highly targeted and customized ads based on user profiles, time of day, and their content interests. I still think these attributes are key to success. It's also key to build some machine learning tools to continuously improve performance.

That's pretty incredible. How do you summarize the benefits of programmatic to someone who is new to programmatic?

Let's use a simple analogy: It's like having a billboard with a coffee ad, that's shown only to coffee drinkers who happen to be driving down the road. And on top of that, you only pay for the impressions that are seen by coffee drinkers. That's very hard to do in the regular world, but in the online world it's just a matter of logic and science.

It has long been said in marketing that 'I know half of my advertising works--I just don't know which half.' For those of us in digital, I think we can say we know that 80% of it works!. We're getting better at this, because it's becoming math, science, algorithmic.

By the way, this is one of the reasons why I think CMOs should be closely aligned with CFOs. Marketing is in the fine points of a science, and when you can show results, your company will increase its ad spend. Your company is very likely to invest more money in marketing when you can show them what works. I saw that at Scottrade and Experian.

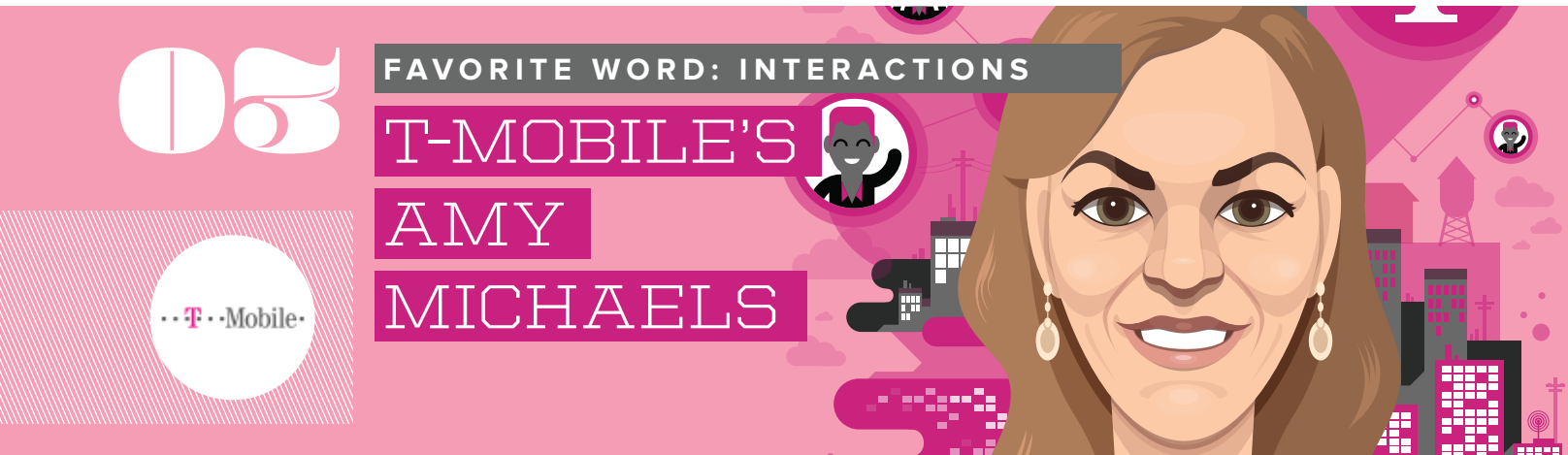
Traditionally, programmatic has been used in direct-response campaigns. Do you think there's a place for programmatic branding?

I do. One of the greatest risks of digital advocacy is that you can overlook the power of branding. We lose sight of the value of brand awareness, but it's a critical part of the marketing process.

Branding is difficult to address in digital because digital works best in the lower part of the funnel. Let's say you're interested in digital cameras and there are five brands you know of, you'll pay attention to those brands in your Google search. That's a challenge for a brand that's new to the market. Without upper funnel branding efforts, that brand is forced to compete in the lower funnel, where it has little chance to succeed. This is a risk that stems from digital's ability to measure everything. When you show the measurement of online advertising, the executives of your company say, "Let's only do that," which narrows the funnel.

I prefer content marketing for online branding, which can serve to educate the consumer on something they care about. Whenever you can provide the most educational value, you build brand credibility.

In summary, programmatic advertising may be the future, but please don't forget about the importance of your brand.



“Interactions are T-Mobile’s top priority for the simple reason that every engagement is an opportunity to learn what customers want.”

As Director of T-Mobile’s direct-to-consumer effort, Amy Michaels sees programmatic branding as a vital tool to her company’s success. But she also knows that to succeed, marketers need to change their mindsets, especially when it comes to digital initiatives, where the emphasis has long been on the number of impressions and clicks. Interactions are T-Mobile’s top priority for the simple reason that every engagement is an opportunity to learn what customers want.

How does T-Mobile acquire new customers?

Amy Michaels explains:

How do you identify the right customer to message?

We start by being obsessed with our current customers: Who are they? How long have they been with us? These people become our model, and we seek to know everything about them ... where they live, what they eat, if they’re parents. Then we ask: how many people are like them? Where are they, and how do they want to be contacted? We also want to know who’ll never be a T-Mobile customer, for whatever reason, so we don’t serve them ads.

Then there’s the large group in the middle, which is where I spend most of my time. I develop hypotheses about micro-segments, and serve up offers to see if we can get conversions.

What makes the T-Mobile brand stand out?

We’re customer obsessed. When you do things because they’re right for your customers, it solves a lot of internal conversations and makes your marketing more effective. It also means you’re already doing the right thing for the brand. Everything at T-Mobile is predicated on this concept.

Does T-Mobile use programmatic for brand campaigns?

Absolutely! That doesn’t mean we don’t do premium brand placements - we do. But – and this is important – marketers now understand that the value of an interaction is far greater than the value of an impression. Programmatic helps us understand where people want to interact with us, which allows us to focus our marketing in the right places.

How can programmatic help marketers understand the value of interactions?

Start by identifying the success events that are associated with customer interest and engagement. These are all the moments when consumers hold up their hands to say, “we want to hear from you.”

Programmatic gives marketers an opportunity to discover what a particular consumer wants to know, and identify the right message to serve; to think about the customer journey.

“We’re customer obsessed. When you do things because they’re right for your customers, it solves a lot of internal conversations and makes you marketing more effective.”

Can programmatic build awareness or change brand perceptions?

Without a doubt. Twenty years ago we had no customer data, so brand marketers had to buy TV, magazine or radio audiences. It was the best we could do to create look-alike or affinity audiences. Now with third-party data companies we get a lot of insight into customers, and we can use it across email, social and display executions, leading to one-to-one marketing. I think brand marketers are waking up to this opportunity.

How should we measure success in programmatic branding?

All brands need to define and score their unique success interactions. Obviously, some interactions are low, such as clicking on an ad, while others, such as signing up for a newsletter, are high. We also need to explore the number of low-value engagements that lead to more high-value ones, as well as the circumstances in which that happens.

What is the highest-value moment for T-Mobile?

Becoming a subscriber, but keep in mind that wireless is a considered purchase, and subscriptions are hard to achieve. But here’s some advice: If you focus only on the highest-value interaction, then you’re not curious about all of the steps that bring you to that moment. We need to focus on understanding the unique customer experiences that move consumers through the customer lifecycle.

What will it take to see programmatic branding on every media plan?

First, don’t worry about losing the discounts you get when you pre-buy inventory; it’s way more cost effective to think about the value moments you want to achieve. What do you want the customer to do, come to a page, and then do what? Download a coupon, and then do what? It all goes back to valuing the interactions because ultimately, they’re where you’ll find your next customers. Additionally, to really nurture clients, marketers need to go beyond the data management platform (DMP) to achieve the next layer, which is one-to-one marketing across all channels. We need experts who can do that and who aren’t prohibitively expensive.

What are some of the next exciting opportunities for programmatic?

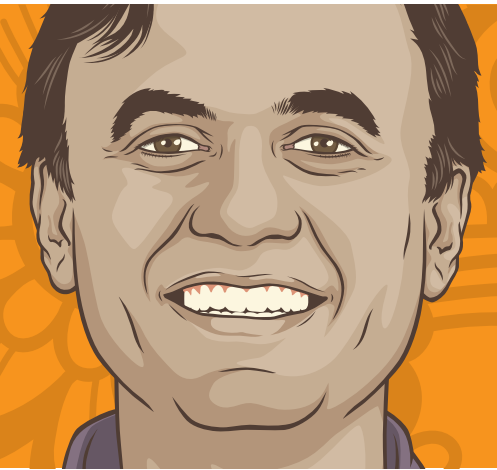
Making connections between the channels. For instance, using credit card transaction data, we can see which customers are coming up for renewal. That gives T-Mobile an opportunity to investigate the offers we present to them in, say, email, as well as ask if these customers even like to convert in email. Maybe they prefer social channels.

Programmatic gives us the opportunity to understand where the customer is in the consideration set, giving them the offer they prefer, in the right channel. This is what’s really exciting to me.



THE IT PROS:

HOW SPICEWORKS' SANJAY CASTELINO HELPS THE GROUP THAT HELPS YOU STAY CONNECTED



Sanjay Castelino is a product and marketing leader who helped grow businesses from early stage startups to public companies. In other words, he's accustomed to living on the cutting edge, which makes him a perfect candidate to help lead programmatic from a great demand-gen tactic to the perfect vehicle for branding campaigns.

Tell us about yourself and Spiceworks

I'm the VP of Marketing at Spiceworks and I've been in the industry for twenty years. Spiceworks is a professional network for the IT industry. Our goal is to help simplify IT Pros' jobs by providing applications, community, content and connecting them to technology vendors who can help them solve problems.

What has been your perspective of programmatic so far?

Programmatic is a great way to target particular users and drive actions. From a branding perspective, it lets us manage the messages we deliver to specific target audiences, and to vary where and how we reach people, whether that's on our network, a third-party network or mobile. It also offers tremendous flexibility in format. Sometimes our message reflects the emotions that surround our brand, other times our brand

campaigns focus on specific activities or content. Programmatic allows us to think about our story and to target audiences in specific ways.

How do you define programmatic branding?

A good question. I think what makes programmatic branding interesting is the data we use to determine who we want to reach and the message to deliver. The content and formats we use to target specific audiences; and the measurements and feedback loop that are essential components to the process. These elements allow us to evolve our campaigns over time.

What are some of ways in which programmatic can help marketers reach their brand goals?

I think it's particularly effective for engagement and storytelling. The true value is in the data, and the marketer's ability to customize campaigns and have that feedback loop.

From a broad awareness perspective, it gives you the ability to target more effectively than just demographics. You can get into behavioral targeting ... what are people looking at, what are their interests, and when are they even most apt to

"I need our audience to know we have available resources to make their lives easier, so I want them to see that message across multiple sites as they go through their day, and to give them a choice in assets and channels with which to engage with us."

hear your message, and combine that with the real conversations that you're having with customers to get better insights.

Our business is to serve the IT community and make their jobs easier, and our branding campaigns need to tell that story. I can start that storytelling with a video, and if I know someone has seen one ad on a particular site, I can then evolve that story with the next message he or she sees. This is hugely powerful.

Programmatic gives marketers the ability to find consumers in the moment. How important is this element of real-time targeting and immediate delivery for reaching your goals?

On the branding side I'd say it's less important. Obviously on the demand-gen side, catching people at that moment is critical, especially with IT pros. But on the brand side, we look for engaging messages that IT pros can relate to, but not by interrupting them in the middle of their workdays. They'll respond to brand messages when they have a moment to breathe. I need our audience to know we have available resources to make their lives easier, so I want them to see that message across multiple sites as they go through their day, and to give them a choice in assets and channels with which to engage with us.

What does success look like to you?

On the branding side, success looks like two things. The first is reaching the right audience, which we can determine now that there's enough technology to correlate data from site tracking. The second measure of success is engagement. We constantly tell the story of what we can do for the IT Pro, and we try to tell that story in many ways. For instance, last year we used a content asset, "Should You Buy Your IT Guy a Beer?" It was hugely popular, and a great way to introduce IT pros to our brand.

What, in your mind, are the challenges to programmatic branding today?

The biggest challenge is defining the goal of a branding campaign. The simplicity of the demand funnel is I can tell you what the goal is. With programmatic branding people get stuck on knowing how to optimize campaigns to drive specific outcomes. It's sometimes difficult to put your finger on the short-term outcome you want to drive. But if you don't figure out those exact outcomes, then you lose a lot of the value of programmatic. It just becomes display advertising.



FROM YELLOW PAGES TO FACEBOOK: MARKETING THEN AND NOW WITH PAUL KOULOGEORGE



Can you give us some background and context into your job and what you have done from a professional standpoint?

I'm the Vice President of Global Marketing at DFC Global Corp. DFC provides financial services solutions to the 'under-banked' consumer across 10 countries and twelve time-zones around the globe. I've worked at DFC for the past nine years. Prior to that, I ran marketing at EB Games, which was a chain of 2,000 videogame retail stores that later merged with GameStop. Prior to that, my career was in consumer-packaged goods marketing at Kraft Foods and The Coca-Cola Company.

Are you seeing any big differences from the way you purchased media in the past?

Yes, data continues to get richer and more detailed and the forms of media that can provide the better data get the greater share of my spending. In today's media world, we can get a fuller picture of the types of consumer and their intent – their willingness to see an ad and interact with our brand. In the past, we didn't have that kind of deep understanding of consumer's web shopping habits or where they were going after they were on our website. That ability to track the consumer's intent has really helped fine-tune our spending.

Additionally, the way social media ads are bought has changed dramatically the last few years.

Today, we feel a lot more comfortable with the targeting of the Facebook ads we're buying, not to mention the price is relatively inexpensive. As Facebook has improved their targeting and data tracking tools we've invested more money on their site. Facebook has proved to be a cheap way to deliver traffic to our website.

What is the one skill that the emerging CMO has to develop to succeed today?

It used to be that the CMO was the creative genius in the organization. Now I would say creative is becoming less and less important. Today, CMO's need to be more of an analytical genius. When I interview potential candidates, I care less now if they're creative or not. What I do care about is their analytical skills and how quickly they react. In digital marketing, we do things really quickly. You can change things on a daily, or even hourly, basis. I ask for examples of this during interviews. I'll ask questions like, "Why am I suddenly seeing a drop in responses to my Google spending and what can you do to react in the next 10 minutes?"

The skill sets I'm looking for are very different from 10 years ago. That's a good thing!

"When I first joined the company [DFC Global Corp], one of our biggest expenses, believe it or not, was the Yellow Pages. And believe it or not, we now spend zero on the Yellow Pages."

Do you think there is room for the "creative" type in a marketing landscape that is moving towards data analytics?

There is still a vital role for creative types in the marketing departments of corporate America because we'll always need breakthrough ideas from people who think outside the box. The issue is that as marketing moves to be more about data analytics, only marketing talent who can master technology, analytics and innovation will be able to rise to the executive suite.

We aren't living in the world of Mad Men where a Don Draper can come up with a clever tagline for Kodak in the morning, went off for a 3-martini lunch and then an afternoon of golf. The glamor of the 1960's creative-led marketing department has faded and evolved into a science-driven department where every dollar spent is expected to deliver a positive ROI. Don Draper would be sitting in a cubicle in today's corporate world...not the corner office.

How do you see the increase in wearable technologies like the Fitbit and the Apple Watch changing the marketing landscape? Will such specific data be helpful to marketers like you?

Technology continues to become more personal. When I was in high school, wearable technology was a Walkman. With today's wearable technology, marketers finally have a way to connect to the consumer with the technology on their bodies. The Apple Watch tells time, receives messages, calls and mail, while at the same time, monitoring your heart. For example, the brand manager on Powerade now has the ability to send a message to someone who they can verify has just finished exercising and their message is appearing right on their body. That is the definition of "Just In Time" marketing!

In a few years we will look at the Apple Watch like I look at my old Walkman - it was great technology for that year but now we have something better. The future will see wearable devices that are even more customized and more personal (think Tom Cruise in Minority Report where each consumer saw a customized ad when walking down the street). Advertiser's that are the most authentic will capture consumer's hearts and minds. Some advertisers will fall flat on their face but that is okay because as marketers we just pick ourselves up and try again.

How do you think you'd do things differently 10 years ago if you had the technology and data that's at your disposal today?

The marketing of 10 years ago seems as odd as watching an old black and white movie. Having worked at DFC for 9 years, I've led a continuous evolution in how we bought media over a decade of revolutionary digital changes. When I first joined the company, one of our biggest expenses, believe it or not, was the Yellow Pages. Today we spend nothing on the Yellow Pages. With phone books, I couldn't track what was working or not working. Now with digital being the biggest portion of spending, I have a much better understanding of where the money is going and what's working or not working. There's been a huge evolution over 10 years, that's for sure.

06

PALMS
LAS VEGAS

COMFORT & CONVERSIONS: AN INTERVIEW WITH PALMS' ROBYN PHELAN

A lot of marketers must be very envious of your job. What is your favorite casino game and does the office get regular spa treatment?

As a local, you really try to avoid the tourist attractions. However, when I do make it out of my house and “into the wild,” I love playing Roulette. I don’t get fancy with my bets and just stick to red, black, even or odd and typically walk away with winnings. Vegas treats its locals very well, and there isn’t a week that goes by without being invited to a concert or event with complimentary admission & beverages.

What’s your role at Palms Casino Resort and what does your team look like? Is there a particular skill your team looks for in your fellow marketing co-workers?

The Ecommerce Department at Palms Casino Resort consists of 4 team members. Because we are such a lean team, we need individuals who are able to work on their own but also as a team. Multi-tasking is also a huge plus! The best thing about working with such a small team is that you need to be willing to dabble in something you are not familiar with, which means you are always learning something new.

Can you discuss your biggest marketing challenges during your time at Palms Casino

Resort? Or in other words, what keeps you up at night? (Other than the loud cheers of a guest winning the jackpot.)

When I started at Palms Casino Resort in May of 2012, the Ecommerce Department was a team of two who handled the website, all paid advertising including SEO/SEM and affiliate marketing, social media, email marketing, etc.

Needless to say we were busy people who needed to prove the importance of online advertising and digital marketing in order to grow our team. For interactive/digital marketers, the biggest challenge is getting people who are accustomed to traditional advertising to believe in online advertising. It is a battle I face every day, but one of my favorite things to do because of the data I have to support my cause. Numbers make people happy.

What has been your biggest struggle as a programmatic advertiser?

RP The biggest struggle that I experienced with programmatic advertising is getting a concrete definition from publishers. Every company seems to have its own way of explaining what it means, which makes it extremely difficult as an advertiser to want to jump into programmatic. It took some time and lots of research before I felt comfortable getting my toes wet.

“At the end of the day, we are interested in one thing: conversions. Or in other words, “Heads in Beds” & “Butts in Seats.”

What advice would you give to a marketer who is just getting started with programmatic buying?

If you have a limited budget, like I do, you have to find ways to see the highest return while spending little dollars efficiently. Programmatic advertising allows you to do that.

And how about the positives, do you have a major success story you can share?

In the summer of 2013, I created a Pinterest contest called “Vegas Summer Wishlist” which asked consumers to create a board and pin images that answered questions such as “My go-to Vegas cocktail will be_____” and “I hope to get star struck by _____ at Palms Casino Resort.” By activating Facebook, Twitter, and Instagram to support this campaign, we saw an overall social growth of 3% during the contest timeframe. Due to the success of the campaign, we were awarded “Best Social Execution of 2013” by the Las Vegas Digital Media Awards.

What services or ‘tools’ do you use to measure those campaigns? If you could name your top three metrics, what would they be?

At the end of the day, we are interested in one thing: conversions. Or in other words, “Heads in Beds” and “Butts in Seats.” In order to track these conversions, we use a third party ad-serving platform for all paid advertising, social media analytics tools, marketing automation providers, Google Analytics, and work very closely with a brand safety/viewability partner to ensure that all our ads are being seen and not being shown around adult or gaming content.

Palms Casino Resort must have a lot of impulsive visitors who are interested in booking quickly and on a whim. How does your team act as quickly as your guests, and how do you get to them before losing their attention?

The way you get a customer to choose your brand over another is by building a relationship with them. You don’t want to start communicating with them once they show interest in Vegas, but instead start that conversation early on so you are top of their mind when they begin planning for their trip. By utilizing social media, email marketing, and SMS, we are able to communicate with our customer on a daily basis, even if they are not considering a trip to Vegas in the near future. Once they start showing that interest, we then add display & video advertising to the mix to complete the circle of communication.

How will programmatic advertising play a role? Are you currently planning on exploring real-time bidding products like Twitter tailored audiences, programmatic video, or FBX News Feed to fuel branding and engagement with your resorts?

Programmatic advertising is the way of the future. Who doesn’t want to hit the right person at exactly the right time while spending your limited budget efficiently? It is very important that we stay ahead of the curve, and definitely plan on exploring the different programmatic units available.

How important is mobile advertising to Palms Casino Resort? Do you currently have a mobile strategy? If so, please elaborate.

Each month, we see an increase in our mobile traffic and a decrease in our desktop traffic. People do a lot of research on their phones before making a purchase and it is extremely important to be top of mind during the consideration phase. By utilizing a cross-platform partner, we are able to follow a user from desktop to tablet to mobile to see their path to conversion. Roughly 56% of our current customers are being shown an ad on their mobile devices, and then going to desktop to make a purchase, which shows the importance of being relevant in that channel.



I

n digital marketing, finding a channel that can serve both direct response (DR) and branding needs is hardly in the bag—especially for consumer packaged goods (CPG)

brands. For years they’ve scoured the web for tools that lend themselves to both of these strategies, but time and time again they find tactics better suited to one or the other. Paid search is effective. Display ad retargeting excels at DR. Try to work in branding, though, and things get sticky.

With programmatic, the story is much the same. Because automated media buying can reach in-market consumers to incite a real-time response, CPG brands concluded early on that programmatic and DR are a great fit.

But now that Oreo is making history by becoming the first to buy a Super Bowl spot through programmatic technology,

you have to wonder: could there be more to programmatic than meets the eye? It might be nice to include both a link and the video, since it’s so clearly a branding ad.

There’s no question that CPG brands have embraced programmatic. According to reports, in Q2 of 2014, CPG companies were the biggest buyers of programmatic media, outspent only by retail brands. Compare that to a year ago, when they were the fifth biggest spender, and it’s clear the word is out about programmatic’s value to the consumer goods vertical.

Data from 2013 shows that 41 percent of companies working with fast-moving consumer goods have increased their ability to analyze large amounts of data in preparation for more programmatic campaigns. “The opportunities for layering on the data to understand who is interacting with our brands and when is not only helping us reach our

targets, but redefining them,” Erika Lamoreaux, associate director of digital media strategy at The Clorox Company, told eMarketer for its CPG and Programmatic report.

Lamoreaux goes on to say that data isn’t only aiding in targeting efforts, but affecting ad messaging as well. “That will lead to opportunities to do more with the creative—to have more tailored messaging in a real-time media environment.”

It stands to reason that CPG brands are wondering how branding fits into all of this. Spending on programmatic is rising, but brands still have a mandate to communicate their value proposition to consumers and establish a relationship that’s built on more than one-off coupon purchases alone. Can programmatic be used to achieve a CPG company’s branding goals?



“Now that Oreo is making history by becoming the first to buy a Super Bowl spot through programmatic technology, you have to wonder: could there be more to programmatic than meets the eye?”

Messaging, Without the Mess

When you think about branding with digital media, what are the primary goals? To deliver a relevant message, to be sure, but also to express a brand’s core tenets, improve brand recall, and build brand and product affinity. Traditionally, brands have achieved these objectives by aligning themselves with content that attracts their target audience, be it a TV show or a particular print magazine.

Direct response, meanwhile, is about identifying a prospective customer in an effort to incite a measurable action. Fliers, email, newspaper ads ... every channel is an opportunity if there’s a call to action. The perception among many marketers is that programmatic is better suited to the latter ‘yell and sell’ messaging that gets the job done. That’s largely because programmatic is so effective at putting the right ads in front of the right audience. Automated ads represent a direct path to a customer who has displayed some form of interest in a product. But that doesn’t mean there’s no room for ads that “brand.”

So what’s holding brands back? There are several aspects of branding campaigns that are of the utmost importance to CPG advertisers, and one of them is transparency. In the early days of programmatic, there were concerns about whether brands could retain control over their campaigns (“Where is my ad running? How can I be sure I’m not compromising the integrity of my brand?”).

Brands prioritize context online, just as they do with those TV and print campaigns. And while some marketers will tell you that programmatic doesn’t have an issue with

transparency, it’s always prudent to conduct routine brand-safety checks, and to keep an open line of communication with agency partners and technology vendors. Today, both are acutely attuned to their clients’ concerns about transparency. They’re ready and willing to educate marketers about their solutions in order to keep them happy and maintain their customers’ trust.

And then there’s the issue of quantifying a branding campaign’s results. Naturally, digital marketers expect to know how their ads are performing—and they can. As Lamoreaux told us for our Laundry List report, brands like Clorox “leverage multiple data sources beyond online-only data to understand and reach consumers on their path to purchase. We tie everything back to what the brand is trying to achieve,” she says.

Kraft, which recently overhauled its data-driven marketing efforts, is finding that measuring key performance indicators is getting easier all the time. “I think this industry was built on brand affinity metrics, studies, purchase intent, or even worse, click-through rates,” says Bob Rupczynski, the company’s VP of Media and Consumer Engagement. “And now we’re at a place where we can measure those impressions against in-store purchases.”

What many brands are trying to achieve is a balance between DR and branding that allows them to benefit from the efficiency and insight that programmatic affords them in multiple ways. Makers of laundry soap, chocolate bars, and pre-wrapped snacks want to have their Twinkie, and eat it too.

One of the ways they’re managing this is by recognizing the value of sequential—or ‘flow’ — advertising for its capacity to deliver a brand-



centric story that's memorable and engaging. These ads hinge on obtaining the optimal amount of brand exposure. If you over-communicate, you're wasting money. If you under-communicate, consumers don't get the whole story. This kind of campaign requires brands to recalibrate the way they use programmatic ads. These aren't single serving messages but an exercise in storytelling, the kind that's proving so popular in the content marketing world.

CPG companies have at their disposal a secret ingredient that's perfectly suited to telling these branding stories: video.

How Video Picks Up Where TV Leaves Off

Among the big programmatic spenders of Q2 2014 were Kellogg's, Mondelez, and Kimberly-Clark, with Kellogg's and Mondelez both breaking the top ten. A year ago, the list of the top 25 programmatic spenders didn't include a single CPG brand.

In part, it's their interest in video ads that's making CPG brands want to invest. Online video is a go-to format for branding campaigns, combining the visual appeal of TV creative with a targeted audience and interactivity. It's also a go-to for consumers. The Adobe Digital Index reports a new record for online video consumption last year, with

US video views up more than 43 percent over 2013. If they hope to get in front of their target audience, brands must follow the eyeballs online.

In a report revealing the results of its first-ever US programmatic ad spending estimates, eMarketer states that programmatic video ads will represent 40 percent of all digital video ads by 2016.

Using programmatic for video allows companies like Mondelez – maker of such brands as Oreo, Chips Ahoy, and Trident – to reach the growing camp of consumers who favor the web and mobile media over TV. “We are focusing on a more screen-agnostic approach and moving away from a traditional media focus on consumers in the living room,” Ivelisse Roche, associate director for global media and consumer engagement with Mondelez, told Adweek. Of the \$200 million that Mondelez currently spends annually on global marketing, 50 percent is expected to go to digital – with a particular focus on video – by 2016.

“I think video has been powerful since the invention of the motion picture and television,” says B. Bonin Bough, VP Global Media and Consumer Engagement with Mondelez International. “It has the ability to create resonance with people in a unique emotional way.” Bough adds that because TV engagement rates are down, the “only way to get that back” is by adding online video into the marketing mix.

If you're wondering why CPG brands are making the switch to programmatic video now, look no further than the publishers they work with. AOL Platforms reports that more than half of surveyed publishers (51 percent) are now making their premium video inventory available through programmatic platforms. Compare that to 2013, when just 36 percent of video publishers did the same.

A format that's highly competent at delivering a branding message. An online audience that continues to swell. Premium video inventory delivered in a highly efficient fashion. It's no wonder CPG brands like Mondelez, a company with annual sales that top \$35 billion, are going programmatic.

Swapping Soap Operas for Data to Connect with Consumers

Think back to the old days of CPG advertising—or what you've heard about them. Soap operas were named for the soap manufacturers that sponsored the serial daytime dramas. In fact, Procter & Gamble owned and produced several popular soaps until CBS cancelled the last of them—“As the World Turns” and “Guiding Light”—in 2009.

“What many brands are trying to achieve is a balance between DR and branding that allows them to benefit from the efficiency and insight that programmatic affords them in multiple ways.”

The commercials that appeared throughout those shows allowed household cleaning, laundry, and personal care brands to ingratiate themselves with viewers. They were placed alongside content that appealed to their target audience, and their messages were delivered at just the right time: when consumers were inside their homes, where the products were meant to be used.

Today, catching consumers while they're at home is no longer the goal. Multi-tasking and media fragmentation have made this an outmoded approach, just as online shopping, mobile media, and access to consumer data have created more opportunities to connect with consumers closer to the point of purchase. That said, finding the right moment to reach a customer is still critical to campaign success.

Clorox's programmatic efforts and use of intent data to drive brand awareness provide a great example of this. “We're using more and more data to understand who our consumer is, and more importantly, to find the right moment and right message to reach her for our brands,” Lamoreaux says.

Taco Bell echoes this sentiment. In recent years the company has upped its investment in social advertising, and points to the value of real-time messaging to make its brand voice heard. In an interview conducted by eMarketer in 2013, former Head of Social Media with Taco Bell Nick Tran said, “Real-time marketing is really about not only the right moments, but also the right fit and whether it is something the brand should have a say in.”

Even as data is used to support branding efforts, it continues to serve a purpose for direct response CPG campaigns. In a marketing program for Sunlight soap that ran in India, Unilever targeted urban consumers who had recently bought products from competing brands. Real-time data was used to deliver limited-time special offers in an effort to attract new qualified customers. Such consumer behavior data can also be used to inform subsequent campaigns.

Real-Time Results for Fast-Moving Goods

The importance of real-time data to both branding and direct response campaigns can't be overstated. CPG companies deal in fast-moving goods, and in the race to convert customers there isn't a moment to spare.

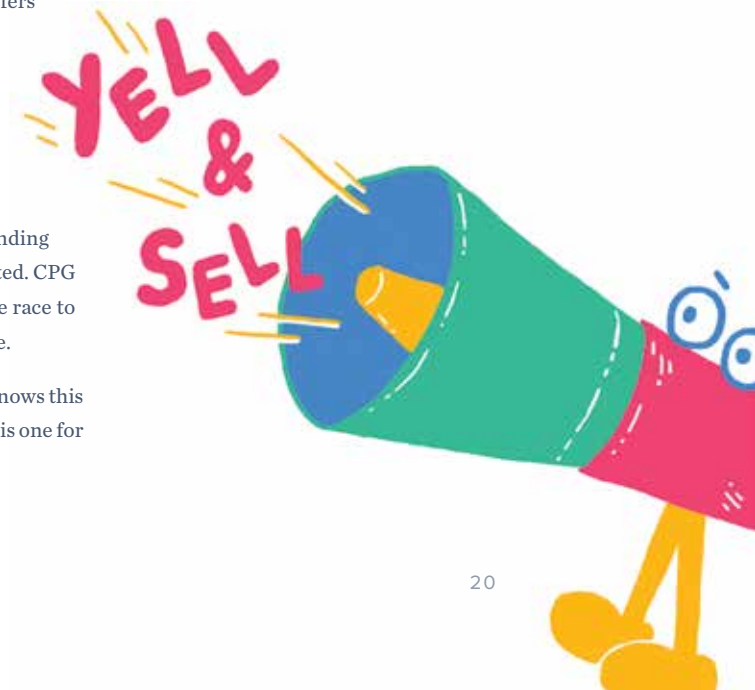
Personal care goods company Kimberly-Clark knows this well. Among its many programmatic campaigns is one for

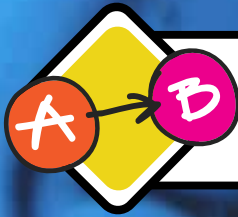
Little Swimmers swim diapers, in which it used data from the National Weather Service to target locations where the weather was sunny and over 70 degrees. In this way it was able to ensure that it was reaching the customers who were most likely to need the product, and in the process keep the brand top of mind.

According to reports, a post-campaign survey of the Little Swimmers ads showed a purchase intent of 67 percent. The campaign was also cost-effective, with cost-per-action rates 13 percent below the goal. Kimberly-Clark's Global Media, Licensing and Consumer Services Director Mark Kaline notes the value of programmatic in optimizing impressions. “Swim diapers are not in season at the same time everywhere, so waste can be eliminated by focusing on markets that met certain criteria,” he said. One can imagine many a CPG product (hot chocolate, anyone?) that could benefit from a similar approach.

Another of the company's campaigns, this time for Kleenex, leveraged data to target consumers during cold and flu season. Here too it might appear that DR is the primary goal, but let's not forget that branding is largely about brand recall. Aren't consumers who see a highly relevant ad likely to recall the brand that it promotes?

It's hard to imagine a vertical better suited to programmatic marketing than CPG. Consumer packaged goods are essential items, and yet they aren't on consumers' minds until the moment that they're needed. They're products that consumers are accustomed to seeing advertised on TV, and so online video feels like a natural extension of the marketing experience. Mix in rich consumer data and premium video inventory, and CPG brands stand to attain something they've long been waiting for: a programmatic strategy that really cleans up.





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.001 SECONDS:

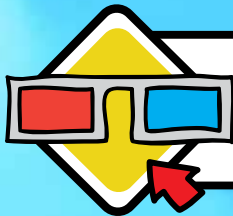
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Programmatic video can extend your brand campaigns much like a **commercial**.



Chango offers one of the best programmatic video solutions available.



Video is so effective because nothing outperforms **sight, sound & motion** for grabbing the consumer's attention.



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