

A background image showing three people in a meeting. A woman on the left is looking at a laptop, a woman in the center is pointing at a document, and a man on the right is looking towards the center. The image is dimmed and overlaid with a dark blue gradient.

PROGRAMMATIC ADVERTISING 101 FOR B2B DIGITAL MARKETING



Introduction

Experienced B2B marketers understand that no two campaigns are identical; each one requires a customized approach in order to reach a target audience and achieve the desired results. Programmatic display advertising—also referred to as programmatic marketing—is one way to create an effective touchpoint with the customer. By using this digital marketing channel, you can increase the impact of every dollar spent by ensuring ads only appear for the most relevant audiences at the most appropriate times.



What is Programmatic Advertising?

Programmatic advertising uses artificial intelligence (AI) and sophisticated algorithms to automate the process of buying ads or ad space across the digital landscape—display, mobile, video, social, etc. Using a combination of data points, such as demographic information and internet browsing activity, algorithms rapidly determine which ads are delivered to specific audiences. This automated process happens in real-time within a matter of milliseconds with little-to-no human interaction needed, and it's entirely driven by data.

Programmatic advertising gives marketers greater control over refining their ads and audiences by allowing customization of the following:

- Ad frequency
- Bid price
- Target audiences
- Ad placement
- Ad platform
- Ad goals
- Day and time
- Geolocation

With programmatic advertising, you only pay for relevant impressions on ads. When you only pay for **relevant impressions**, you're investing money in ads that are more likely to lead to conversions.

Programmatic Advertising Tools

Programmatic advertising is designed to be employed in conjunction with various other marketing tools and tactics to be as effective as possible. There are four main tools you should be familiar with when creating a programmatic marketing campaign:

1. Demand Side Platform (DSP)
2. Supply Side Platform (SSP)
3. Data Management Platform (DMP)
4. Real-Time Bidding (RTB)

Demand Side Platform

A demand side platform is an automated software application used by advertisers and agencies to purchase digital ad inventory. Ads on mobile apps, banner ads on webpages, and in-stream video ads are all examples of digital ad inventory that can be purchased on a DSP. DSPs also make it easier for marketers to optimize campaigns in one central location; this includes managing target audiences, viewing real-time campaign performance, and quickly adjusting budget allocation.

Supply Side Platform

Where a DSP is used to purchase digital ad inventory as cost-effectively as possible, a supply side platform is used by publishers (website or app owners) to facilitate the sale of their digital ad inventory to the highest possible bidder. Google Ad Manager is an example of one of the most widely used SSPs in the industry; it's utilized by some of the largest companies in the world, including Amazon. SSPs work in conjunction with data management platforms (DMPs) to make sure your ads are only displayed to relevant in-market target audiences.



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Data Management Platform

A data management platform is exactly what it sounds like: a platform designed to collect and manage data on target audiences. There are many data sources from which DMPs collect information on target audiences, including:

- Web data
- Search history
- Mobile apps
- CRM data
- Social media
- Streaming data

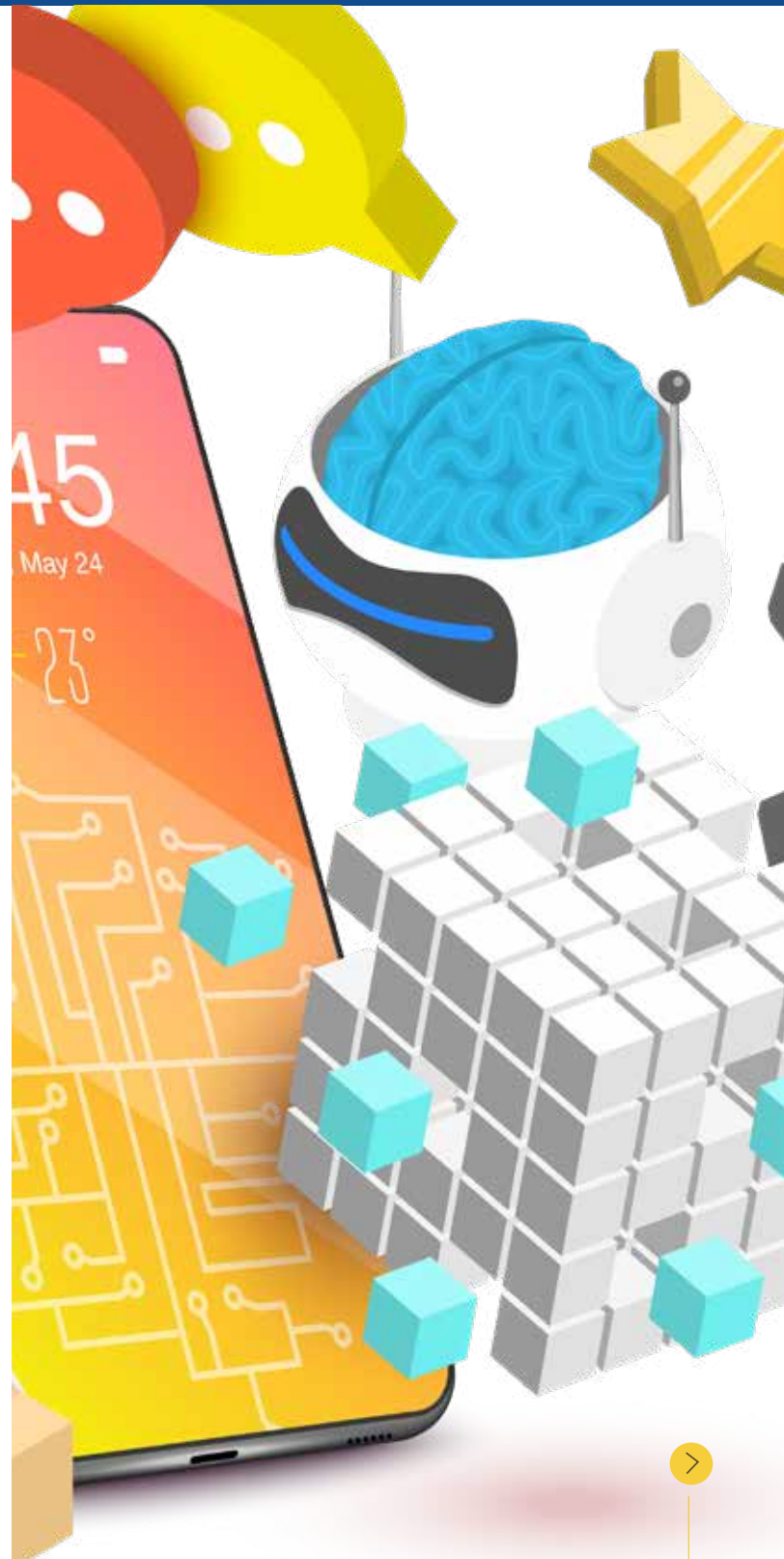
Using these data sources, a DMP collects information on target audiences and functions as a centralized repository for target audience data and content. The DMP then serves that data to the various programmatic marketing platforms to facilitate the purchase and sale of digital ads using real-time bidding strategies.

Real-Time Bidding

Real-time bidding is the purchase and sale of online impressions through real-time auctions performed within milliseconds before a webpage even loads. RTB uses the data collected by DMPs combined with the parameters established by your programmatic marketing campaign to optimize the ads served to target audiences.

Here's how real-time bidding works:

A user on a mobile app performs an action that triggers a request for an ad. Data pertaining to the user, ad format, ad size, price, and many more factors are collected and distributed to interested advertisers. The advertisers, who have previously established criteria for what type of ads they want to purchase, make a bid for the ad according to how closely the ad matches all of their established criteria—the more criteria the ad matches, the higher the bid. In a matter of milliseconds, the highest bid is determined, and the winning ad is displayed to the user who triggered the ad request. The entire process is automated and serves as a critical aspect of connecting SSPs with DSPs.



Advantages of Programmatic Advertising

Programmatic advertising provides incredible benefits to both demand generation and account-based marketing (ABM) campaigns because of the increased control over target audiences and the ability to customize campaigns. With **programmatic marketing**, the list of potential audiences gets narrowed down to targets who “will be interested in your campaign.” Additionally, you can create custom campaigns and campaign goals to align with the behaviors and needs of the refined target audience lists.

The automated bidding process is designed to be budget-conscious by analyzing user data and delivering ads to users fitting established criteria without the back and forth of negotiations. This data-driven approach maximizes ad spend because it allows advertisers to target high-value users cost-effectively, and it identifies users who are likely to monetize in the future. With negotiations cut out of the process, marketers can be certain the ad spend is used as efficiently as possible.

Programmatic advertising also lends itself to creating scalable marketing campaigns. Marketers no longer need to do the legwork to seek out potential target matches; the process is entirely automated and reaches across many publisher platforms simultaneously, making scaling campaigns much more straightforward and simple.

How Programmatic Advertising Works in the Sales Funnel

Awareness

In the awareness stage, you must use a combination of demographic and intent data to create an ideal customer profile (ICP) of the audiences most likely to turn into leads. Demographic data can include age, gender, job title, even education level. Without understanding the demographics of your target audience, you effectively advertise blindly and waste ad spend by serving ads to audiences not likely to convert.

More important to your ICP than demographic data is audience intent data, such as when targets engage with relevant topics via their internet browsing activity. A DMP uses artificial intelligence to capture this internet activity and engagement to find in-market audiences who may not have otherwise matched your target demographics. This means you’re able to optimize the campaign by delivering ads early in the buyer’s journey to in-market audiences actively researching products or services in your industry.

Programmatic marketing leverages these third-party data management platforms to consolidate target audience intent and demographic data to create your ideal customer profile. Establishing an ideal customer profile ensures your ads are always served to audiences that are most likely to engage with your content and assets, increasing brand awareness with the most relevant prospective customers.



Consideration and Validation

A customer moves from the awareness to the consideration stage after having some level of direct interaction with your campaign or company; this could be a website visit, ad click, or a shared blog post. Reaching the validation stage of the sales funnel is even more specific and requires significant brand interactions, including online form submissions, RFPs, or product brochure downloads. Programmatic advertising combines first-party data from your website, CRM platforms, and social media, with third-party data from DMPs to create high-conversion retargeting strategies to engage with these customers and move them through to the evaluation stage of the sales funnel.

Evaluation

At this stage in the sales funnel, your target audience is aware of your company, they've displayed a clear level of interest in your business, and now they are evaluating your product or service with intent to purchase. Programmatic advertising provides marketers with valuable insights into the buyer's journey, including what assets a customer has engaged with, their process through the sales funnel, and what specific product or service they are actively shopping for. Using this data, you can create one-to-one marketing campaigns with the purpose of delivering personalized content and leading to more engagement and higher conversion rates with the target. Personalization here is key, as this approach improves "customer loyalty and [has] a high return on marketing investment."



Targeting with Programmatic Advertising

Once your content is created for each stage of the funnel, it's time to execute your campaign—and that starts with targeting. Targeting is a crucial aspect of guaranteeing the success of B2B programmatic advertising, as it allows marketers to focus their efforts on engaging smaller, concentrated audiences—rather than an entire customer market. With accurate targeting, content is only consumed by the most relevant audiences, resulting in a higher ROI of ad spend. There are multiple targeting strategies, including targeting by industry or by a specified list of accounts, that can be employed to maximize the effectiveness of marketing assets.

Understanding Intent Data

You cannot understand targeting without having a grasp on intent data. At its most basic level, intent data is “data that is collected about business web users’ observed behavior... that provides insights into their interests and from this indicate potential intent to take an action.” (Bombora)

Intent data is captured by data management platforms and includes browsing activity, time spent on a particular website, recent purchases, and even what page of your website a prospective customer spent the most time on. To ensure that your target audience is engaging with relevant assets, DMPs use machine learning and natural language processors to scan through the text of a web page for topic and industry relevance. Marketers use this data to understand what products target audiences are actively

searching for, what type of assets they regularly engage with, and what their buyer journey looks like—all to craft unique marketing campaigns with a high likelihood of engagement and conversion. Intent data is a valuable tool employed by marketers at every stage of the funnel.

Targeting by Industry

Targeting an audience based on industry allows marketers to cast a wide net and garner engagement from a larger group of relevant targets. This form of targeting seeks out accounts in a specific industry based on demographics, products and services offered, and internal research. Utilizing these filters optimizes ad spend by ensuring that marketing assets are only being delivered to customers in a particular industry, e.g. SaaS or FinTech. Additionally, targeting by industry can be effective in differentiating your business’ products or services from competitors and building greater brand awareness.

Targeting by Account List

Targeting an audience using a specified account list provides marketers with greater control over whom their assets reach. Lists of target audiences are built based on a conjunction of sales intelligence, third-party intent data, and first-party data from audiences actively engaging with your content. By utilizing a specific account list, marketers filter out audiences that are either not appropriate for their business or that do not have the power to make purchasing decisions within their respective organizations; from there, content can be customized to ensure target audience relevance. The ability to target in-market decision-makers with tailored content as they move through the consideration and evaluation stages of the funnel is immeasurable.





How to Use Account Scoring to Determine Success of Programmatic Advertising

By far and away, account scoring is the best way to determine if your programmatic ads are successful. Account scoring is a way in which you can gain heightened insight into the quality of the accounts that are engaging with your campaigns. The account score is based on a prospective customer's level of interaction and engagement with your marketing assets and collateral either directly on your website (first-party data) or indirectly using third-party intent data from across the web. If your programmatic strategies are successful, you'll see high scoring accounts advancing through the sales funnel leading to more marketing qualified opportunities (MQO) and sales accepted opportunities (SAO).

First-party data is the data collected by your business when an account interacts directly with your website. This data is important for understanding a prospective customer's journey once they've found your website and what action needs to be taken to drive them to conversion. Some of the first-party data points marketers examine when creating an account score include:

Page Views: Marketers look at which of their webpages are most viewed, who is viewing them, and how much time is spent on each page. Additionally, specific pages on your website will be scored higher than other pages because of the level of interest it indicates. For instance, visiting a product page gets scored higher than visiting the home page; visiting a resource page gets scored higher than visiting a blog page. It's important the various page categories (product, resource, landing) are differentiated and scored appropriately according to the level of interest and intent indicated by interactions with each page category.

On-Site Interactions: You can also score accounts based on the level of direct interaction with your website. Exam-

ples of on-site interactions include call-to-action clicks, asset downloads, form submissions, redirect clicks, or even interacting with your on-site chat. When a prospective customer performs one or more of these actions, they receive points toward their account score and become a more valuable target account based on the level of interest they displayed.

Campaign Interactions: Account scores are also based on the target's level of interaction with your different ads and content across the web. Scoring campaign interactions depends on where the account is in the sales funnel (awareness, consideration, validation, evaluation); as an account moves closer to the evaluation stage, the score increases, indicating they're a higher value prospect than an account in the awareness stage of the funnel.

Third-party data is equally as important as first-party data to an account score because it provides insight into prospective customer intent based on the customer's interaction with searches or websites that match your company's profile. Third-party data is valuable for reaching audiences who are not engaging with your business directly but they're actively shopping in your industry. Third-party data aggregators, such as **Bombora**, can consolidate intent data from across the web based on "observed behavior -specifically web content consumption- [and] provides insights into their interests and from this indicate potential intent to take an action." The ability to identify prospective customers based on **third-party** data provides "insights into company buying cycles and [helps] identify ideal buyers before they talk to one of your competitors."

Combining first and third-party data points, you can then assign a numeric score for target accounts and then rank accounts accordingly—the higher the score, the more likely the account is to be converted into a sale.

How Programmatic Advertising Success Differs by Funnel Stage

To measure the success of their programmatic marketing campaigns, many marketers use key performance indicators (KPIs) as a set of measurable and achievable goals. A successful programmatic campaign, however, looks different at each stage of the sales funnel.

In the awareness stage, success is typically determined by the reach of the campaign. To measure reach, you can establish the KPI as impressions; impressions indicate how often an ad gets shown, potential number of viewers, and the location of viewers. Understanding the reach of your campaign provides the necessary insights to improve the quality of the campaigns; strategies can be adjusted accordingly.

In the consideration and validation stages, user engagement is paramount. Focus on understanding target audience interaction with campaigns and assets, audience click through rate (CTR), and page views to learn more about target audience behavior.

In the final stage, evaluation, you want your KPIs to help you understand the buyer's complete journey. Identify the total number of conversions, the cost of customer acquisition, and where conversions originated from (i.e. paid search, organic, social etc.). No two marketing campaigns are the same, so it's important to establish relevant key performance indicators for each unique campaign you create.



Conclusion

Programmatic advertising is one of the most widely used marketing channels in the industry; in fact, the channel is predicted to increase by **\$20 billion in 2021**. This is because programmatic advertising can't be beaten when it comes to personalization and targeting. Programmatic also works throughout the sales funnel, leveraging artificial intelligence and complex algorithms to serve audiences with a high statistical likelihood of conversion, therefore maximizing the overall impact and quality of marketing campaigns.





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