

Entering the Age of Precision Targeting

The IAA's take from Dmexco 2016



Inspiring Excellence
in Communications
WorldwideSM

'If you operate in technology, media, digital and marketing you want to come here,' stated Luca Benini, SVP, GM EMEA, Olapic, in our final interview after two grueling days of exploring Dmexco 2016. Why? 'Because you know your peers and partners will be here.' And that was certainly true. With eight exhibitions halls and countless conference and seminar rooms bursting with enthusiasm and knowledge about the digital arena, we agreed that you needed a week to take it all in... or a carefully orchestrated team plan!

The International Advertising Association last reported from Cannes Lions, an event equally as impressive but less frenetic because while Cannes is about nurturing relationships, Dmexco is where the doers go 'to do'. The challenge, however, was an unnerving level of complexity and confusion in an industry that seems to change by the minute.

Peak Complexity?

According to Damian Blackden, WW Chief Strategy Officer at Maxus, there is a good reason for all this confusion: 'We have entered a stage of peak complexity,' he says, looking down on the tangle of people swarming the halls below the press centre. 'We're half way between the old and the new. Half of advertising is programmatic and half is not programmatic... Things are pretty much as complicated as they can possibly be.'

Dmexco was established to push the novelty of programmatic solutions to the advertising industry, but what Dmexco 2016 made clear is that programmatic is now pretty much mainstream. Looking through the topics for Dmexco's 22 official tours, this year they included content marketing and social media trends alongside the 'traditional' programmatic themes.

This suggests a big change in that technology in media itself is no longer the story. Instead, what people want to hear about is the exciting developments that technology is making possible for media. 'Naturally everything will be digital, so it will be bought digitally,' noted Tim Webster, co-founder and CSO at The Exchange Lab whose meta-DSP technology, called Proteus, amalgamates multiple DSPs into one platform. 'Now it's about how companies can work together to bring the best solutions to clients,' Webster added.

This is probably the reason why this year there were more mainstream speakers like Lego and Nestle speaking on the main stages at Dmexco, as they exemplify how far technology has enabled even the biggest of media businesses. Hearing such clients speak makes us appreciate even more the words of Jerry Bulhmann, CEO of Dentsu, at Cannes last year. He predicted that 'Media buying would be 100% programmatic by 2020.'

Building Emotional Connections Through Content, Enabled by Technology

But the message that everyone seems to have woken up to this year is that technology can only take us so far, as there needs to be a human connection as well. After all, we are in the business of influencing people, which means building emotional connections.

Sebastian Schindler, Insight Manager at InSkin Media elaborated that what becomes crucial in media today is 'how a brand or product is represented in consumers' minds – and creates value for consumers.' InSkin use eye-tracking and other emotional technology to try to identify which specific engagements lead to changes in consumer behavior – crucial knowledge for truly targeted advertising.

Blackden from Maxus agrees that there is a growing need to bring interesting content to consumers, more and more often on an individual basis.

Yaron Galai, Co-Founder & CEO from Outbrain, noted that: 'The biggest need that marketers have is capturing the attention of an audience, and that's becoming harder and harder with traditional advertising'. Galai continued, 'We all know that personal messaging is the most powerful and meaningful messaging, and that technology is making personalization easier than ever.'

Undoubtedly the digital-age has made advertising more multi-layered. However, even as automation enables the mass individualization of ads, some were at pains to stress the value of more intuitive connections. 'We're finding the more authentic the content, the more it resonates with the audience,' said Robbie Douek, MD of Makers Studios. As YouTubers, they see partnering with natural talent to create authentic content as an excellent alternative way to engage with consumers on a more personal level.

What's more, with greater audience information than ever the opportunity for precision targeting at both ends of the funnel is really exciting. Perhaps it will even all but eradicate wastage and revolutionize the way brands interact with consumers. At Dmexco there was an emphasis on the importance of looking at audiences rather than devices, and the real need for everything to join up from the ad to retail to CRM. Indeed, Sandro Catanzaro, Founder and SVP Analytics and Innovation at DataXu, explained that there is a 250% amplification in consumer interest when content is made available across four or five devices. That's certainly something to think about.

Benini from Olapic summarised the place of consumer engagement and content derived from technology by saying, 'Quality content is not gut driven, but data-driven.'

The Latest on Ad Fraud and Ad Blocking

Most of the exciting developments this year are reliant on the urgent need to clean up ad fraud which the IAA reported on earlier in the year. The Association of National Advertisers (ANA) estimate that \$7bn of this year's advertising investment will be lost to robots, with ad fraud dangerously skewing campaign metrics.

Speaking with Michael Kassin, CEO of Medialink, after his standing-room only fireside chat with Julia Goldin, Global Chief Marketing Officer at Lego, he estimated that as much as '25-50% of what you think are eyeballs turn out to be bots.'

High as this figure may seem, it is half of some of last year's predictions, which may be a testament to the huge effort almost everyone has put in to fighting ad fraud over the last 12 months.

According to Cristina Constandache, MD EMEA of Cheetah Mobile, the easiest way to beat ad fraud is to partner with premium publishers that use first party data so that 'ad fraud isn't an issue.' Indeed, most companies we met insist they don't have the problem, but Tim Webster from Exchange Lab agrees that while things have moved on and people are working with verification vendors they are not infallible. 'You can still end up with fraud,' he warned.

This is certainly pushing media owners towards guaranteed viewable ads. Sandro from DataXu suggested that 'if over 3% of a campaign is fraud, money is returned,' noting that they partnered with Ad Verify in this regard. Stephen Upstone, CEO and Founder of LoopMe, confirmed that 'third party verification is there to avoid fraud and ensure viewability.'

Meanwhile ad blocking remains another ongoing issue with marketers still desperately worried that their ads are not actually being seen and ready to hold publishers to account over audience ad blockers. However there is real hope on the horizon with a recent EU ruling by the Body of European Regulators for Electronic Communications (Berec), that ad blocking is a breach of net neutrality. It's a complex issue, but perhaps we are working towards an equitable value exchange: don't block ads because we are personalizing them to be useful to you!

Layering Up Solutions

As with organizations partnering with ad verification companies, at this year's Dmexco we saw a lot of companies layering up tech to effectively provide a one-stop shop for cross-platform personalization of enriched content and greater viewability. Luca from Olapic operates within the Facebook ecosystem, asserted that 'The best start-ups are the ones that are integrated into larger solutions,' adding decisively that 'you have to be pragmatic... no client would consider a closed system.'

As an example of the increase in technology partnerships, the agency network IPG Mediabrands showcased seven of its ad-tech partners at Cologne: Placed, Grand Visual, Innovid, Layer, Yext, AdMobilize and Samba TV.

A Year is a Long Time in Digital Advertising...

With over 50,000 attendees from 92 countries, the IAA's presence at Dmexco was an intense but exhilarating two days of tech driven advertising insight. Looking around there was little doubt that this year technology innovations are focused on eliminating ad fraud, and using data to talk directly to consumers in more authentic and helpful ways, making a real effort to finally end the annoy-factor of adverts.

But still, in so many ways, confusion reigns in this sector. Have we reached peak complexity? With all the talk around AI, VR, attribution and dynamic creative that we will no doubt need to cover next year, we somehow doubt it!



Even the welcome sign, with its deliberately broken grammar was suitably vague and confusing: "...Is everything DIGITAL... Not every thing is..."



IAA talks to Maxus' Damian Blackden



Over 50,000 people from over 92 countries attended



Sebastian Schindler speaks at InSkin's event

For more information about the International Advertising Association and your nearest IAA chapter, please contact Michael Lee at michael.lee@iaaglobal.org.

Please plan your calendar to visit us at Cannes Lions 2017, where we will again be hosting partner seminars, press conferences and networking events in our cabana on the croisette.