



**★PubGalaxy**

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# Direct ad sales in a programmatic world

A portrait of Callan Smith, a man with dark hair and a slight stubble, wearing a red button-down shirt. He is looking directly at the camera with a neutral expression. The background is slightly out of focus, showing green foliage and a building with a grid-like facade.

Who's speaking?

**Callan Smith**

*VP Publisher Development*

Over 5 years of experience in the programmatic advertising industry, working for various publisher networks. Key areas of expertise:

- Driving publisher growth through bespoke monetization strategies.
- Packaging and selling publisher inventory to agencies & brands directly.
- Educating independent publishers on industry trends and the intricacies of Programmatic.

[www.pubgalaxy.com](http://www.pubgalaxy.com) | [callan.s@pubgalaxy.com](mailto:callan.s@pubgalaxy.com)





# About PubGalaxy

## Who are we?

A publisher-centric monetization platform working across the entire programmatic advertising ecosystem. We leverage top-tier demand relationships, sophisticated technology and 18+ years of experience to supercharge ad revenue and drive business growth for independent publishers.

## Background

Our origins lie with the creation of PhoneArena.com, founded in 2001. We started out as a publisher ourselves, an endeavour which still continues to this day. Over more than a decade, we gained first-hand knowledge of the challenges presented by programmatic monetization, which eventually led us to start sharing our acquired knowledge with other publishers.

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# Topic introduction

Programmatic advertising didn't just give birth to RTB, but it also revolutionized campaign models and buyer relationships.

Programmatic direct is increasing in popularity, especially when it comes to guaranteed deals, which account for over 60% of the programmatic ad spend in the US right now.

Going into direct advertiser relationships is a natural next step for every publisher at a certain point of their growth, as open market selling ultimately has a cap on its potential.





# Today's agenda

Webinar Highlights



**1**

**Programmatic  
direct's role in the  
ecosystem**

**2**

**Key benefits of  
Programmatic  
Guaranteed**

**3**

**Where to start with  
Programmatic  
Guaranteed**

**4**

**Guidelines for  
developing direct  
ad sales strategies**

**5**

**Overview of  
relevant future  
trends**



# THE PROGRAMMATIC LANDSCAPE

Where does Programmatic Guaranteed fit in the big picture?



# PRIMARY AD SALES CATEGORIES

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## Programmatic Guaranteed

Used when inventory has a high sell through rate, or unique (valuable) data associated with it.



## Private Marketplace

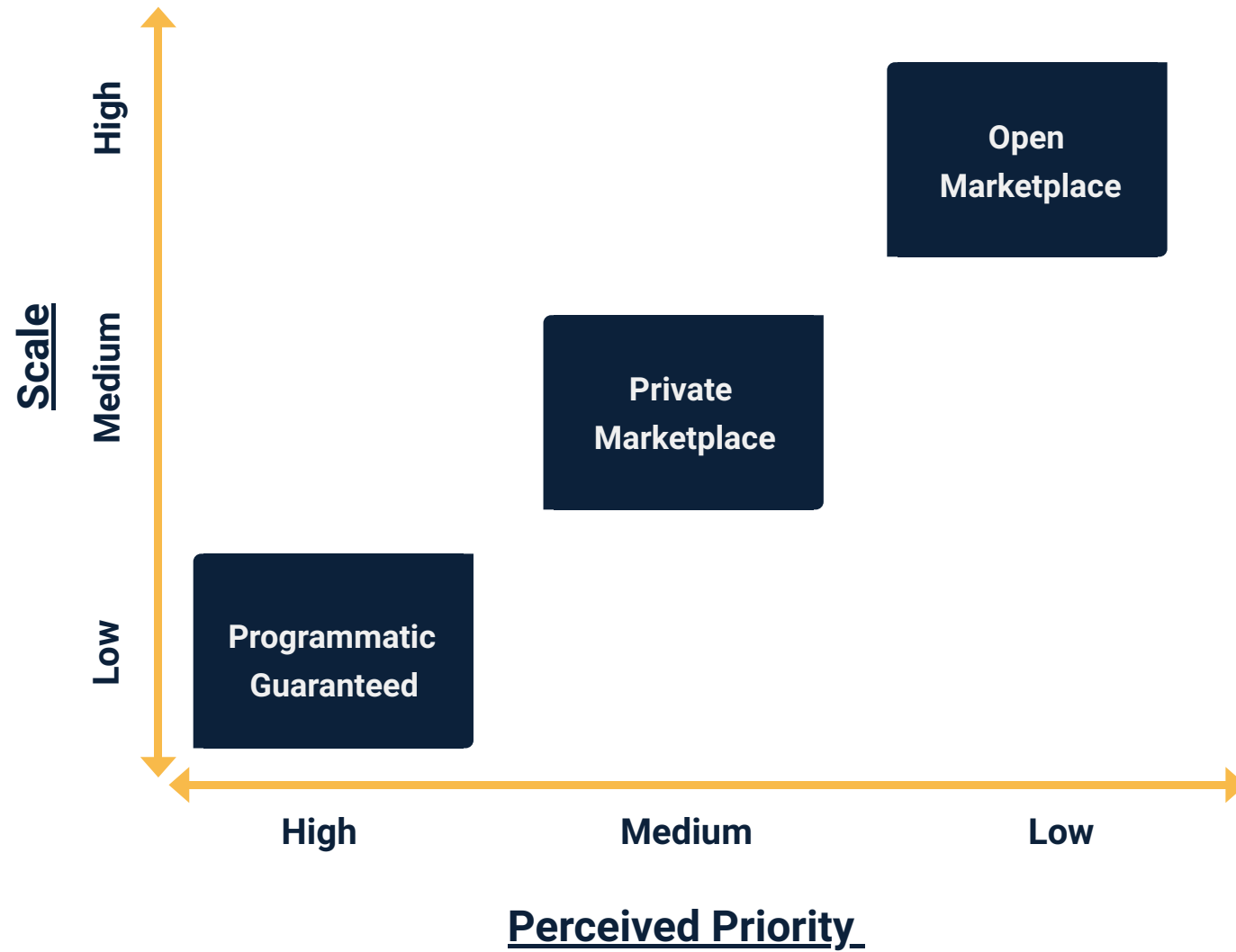
Used to gain access to media bundles with unique and valuable 2nd party data.



## Open Marketplace

Used for a wide variety of performance campaigns where quality scale is required to drive business performance.

# VALUE HIERARCHY



1

## Programmatic Guaranteed

Highest revenue potential, but difficult to scale up and sustain.

2

## Private Marketplace

Higher monetary value than with openRTB, but rather inconsistent.

3

## Open Marketplace

Highly scalable, but with lower average value than other methods.



# PROGRAMMATIC DIRECT TYPES



Programmatic  
guaranteed

PMPs

Preferred  
deals

Old-school  
(IO-based)  
campaigns



CURRENT POPULARITY

# THE PROGRAMMATIC GUARANTEED ADVANTAGE



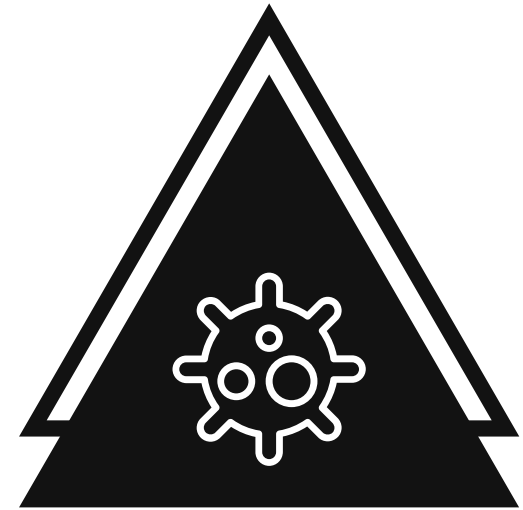
## Transparency

Buyers know exactly what they're paying for, while publishers have a clear view of the advertiser's goals



## Quality

Even with every preventive measure in place, malicious and low-quality ads sometimes manage to bypass security and find their way to your pages.



## Price

Leveraging user data and providing a consistent ROI (hand-picked, guaranteed inventory) makes these types of campaigns the highest paying option in the ecosystem



# KEY COMPONENTS



## Exposure

How do you connect with advertisers at scale?



## Targeting

How do you match buyers with valuable target audiences?



## Pricing

How to develop a pricing strategy for long-term growth?



1

# EXPOSURE

How do you connect with advertisers at scale?



# EXPOSURE

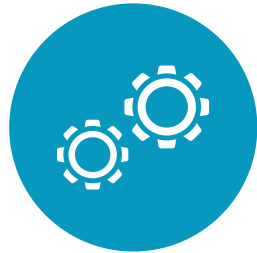
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## Choosing the right platform

Multiple options available, with Google Ad Manager being the most popular right now. GAM is the most commonly used ad serving platform across the entire ecosystem, but here are a few key advantages it has in the context of Programmatic Guaranteed:



Most  
sophisticated  
functionalities



Wide range of  
integrations  
available



Best access to  
data (1st and  
3rd party)



Dynamic  
allocation



# EXPOSURE

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## CREATING A MEDIA KIT

Your media kit is your most important sales tool, used to provoke advertiser interest and guide future conversations with buyers. It's not a strict pricing sheet, but a marketing asset that indicates scope and capabilities.



### 01

#### Understand advertiser goals & limitations

- What products/services would likely be a good fit for your audience?
- What are the most common marketing strategies in that segment?
- What types of campaigns & pricing models would be appropriate?

### 02

#### Provide audience insights

Let buyers know who your visitors are and why their attention is valuable.

### 03

#### Create pre-built packages

Communicate capabilities and scope of work.

Examples:

- Awareness package - high scale, high viewability, competitive rates.
- Conversion package - niche targeting, high sell-through rate, contextual placements.

# EXPOSURE

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## Where to start?



### Building a platform profile

Create a seller profile and provide a detailed overview of your audience and offering.



### On-site information

Place your media kit and other key details on a prominent, easy-to-find page on your website.



### Outreach to current buyers

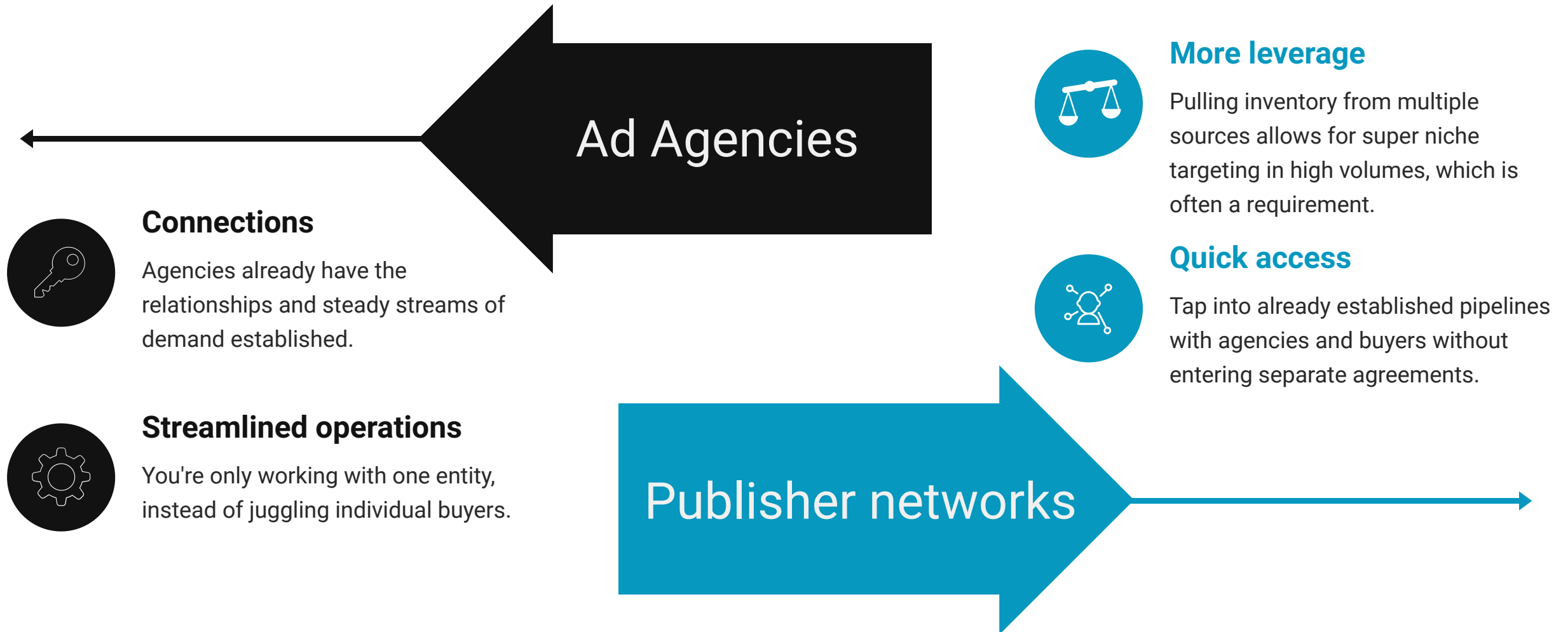
Research which advertisers/agencies are regularly buying from you through RTB and reach out to them directly.





# EXPOSURE

Seeking external help can help you quickly ramp up programmatic guaranteed sales.





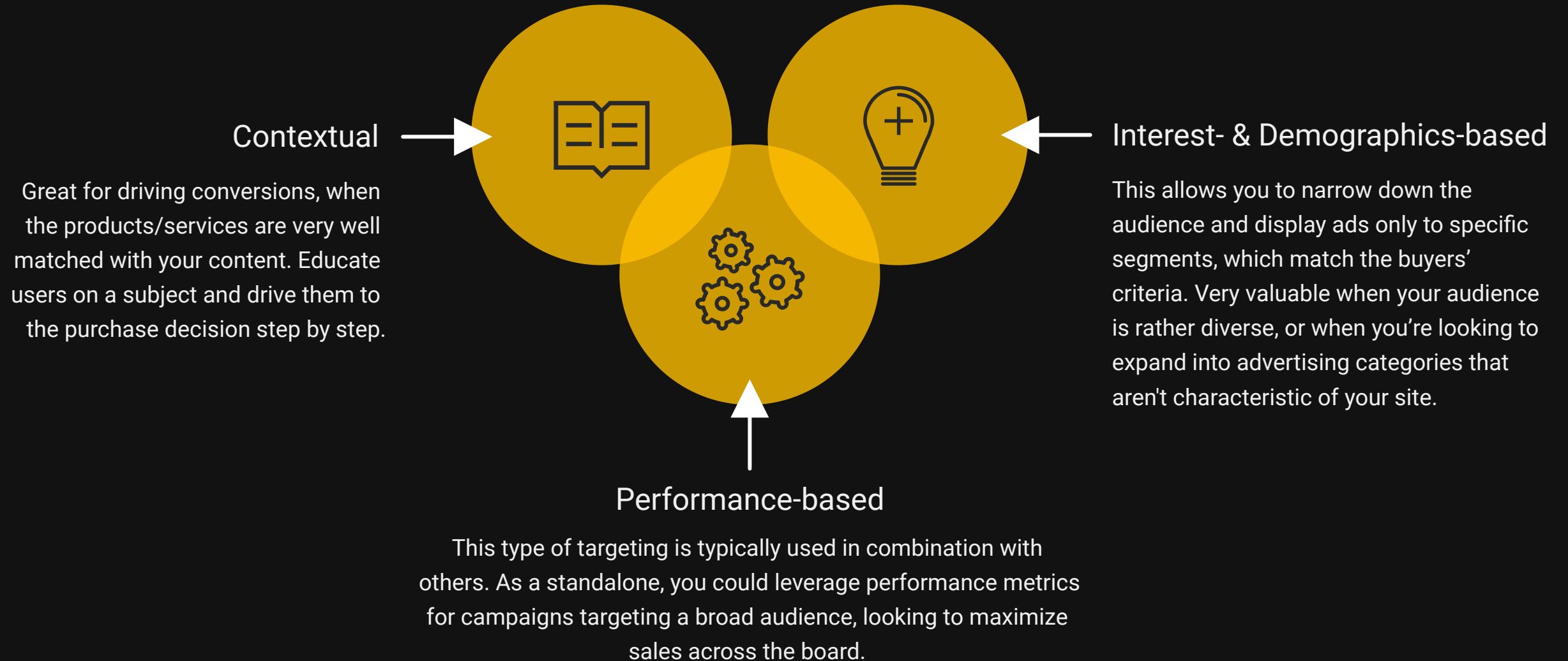
# 2

## TARGETING

How do you match buyers with their most valuable target audiences?

# TARGETING

The main types of campaign targeting methods can be placed in three groups:



# TARGETING

First-party data vs Third-party data

## First-party data

## Third-party data

### Reliability

Data collected and used in the same context is usually more accurate.



### Greater depth

A lot more information associated with each user is available.

### Control & Ownership

First-party data is free and yours to control, allowing flexibility and custom user attributes.

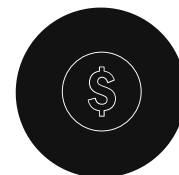


### More user groups are visible

You can identify user interests that are not directly related to your content.

### Limited information available

You can only get as much data as on-site activity allows for.



### Added DMP costs

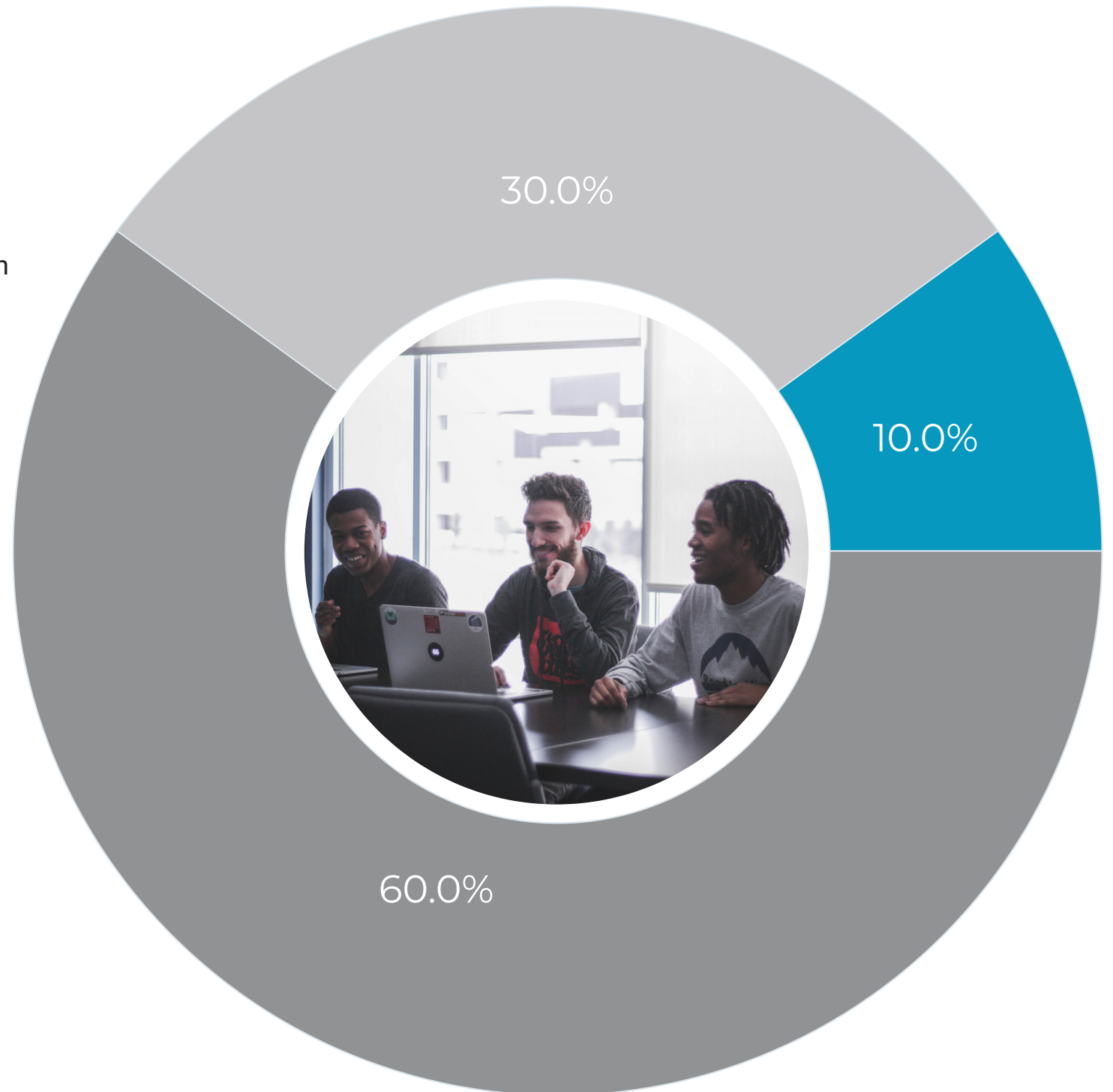
Third-party data needs to be purchased, which increases costs.



# CUSTOM AUDIENCE SEGMENTS

Combining various data sets and creating audiences with unique attributes is key to driving advertiser value.

- 01 Hybrid data**  
Mix targeting types and data sources together to close in on valuable audiences.
- 02 Creativity**  
Try to target audience attributes unique to your website, rather than generic ones when possible.
- 03 Flexibility**  
Pre-build segments are great, but be prepared to compile bespoke audiences on request.





# 3

## PRICING

How to develop a pricing strategy for long-term growth?



# PRICING

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Where do you start? How do you prepare to negotiate with advertisers/agencies and provide quotes?

## Understand your buyers

You need to be aware of your potential buyers' marketing strategy and capabilities. For example, how is a clothing company going to be different than a hardware supplier?

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## Analyze average openRTB prices

Without a clear point of comparison, your best bet is to begin by analyzing your average inventory value through open auction. That's effectively your base price, which you can build upon.

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## Narrow down your price range

Programmatic guaranteed inventory can be sold for anywhere between 120% and 700% of its standard open auction price. Consider what you can offer to each advertiser to narrow that range down.

# PRICING

Standard factors that determine inventory prices

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## Campaign and ad type/format

Some campaign types and ad formats are naturally more expensive (takeovers, video ads etc.)



## Commitment required

How much inventory do you need to 'lock in' and how easy will it be to deliver?



## Targeting parameters

The more data associated with the audience segment, the more valuable it is.



# PRICING

MOST COMMONG STRATEGIES BASED ON PUBLISHER GOALS

## SHORT-TERM VALUE



- Aggressive pricing.
- Limited amount of eligible campaigns, play for margins not scale.
- Small amounts of traffic being sold directly, the rest going to open auction.

VS

## LONG-TERM GROWTH & CONSISTENCY



- Cut down profits to nurture relationships.
- Competitive rates for large advertisers to build reputation.
- Maximize flexibility to build bespoke segments, based on buyer needs.

# PRICING

## Pricing models



### Stick with CPM

The most consistent model for sellers, so try to avoid alternative pricing options.



### CPC, CPL and CPA

Result-driven pricing is unreliable, but can be worth it if you can negotiate really good rates.



### Retainers

Reliable and safe, typically used for some campaign types only. Pricing is based on commitment.

# WHAT THE FUTURE HOLDS

Trends that could affect programmatic guaranteed sales

# WHAT THE FUTURE HOLDS



## **The future of third-party data is unclear**

Probably not going away completely, but there will be a lot less of it available. We're yet to see what the cookie-less world will bring.



## **More emphasis on first-party data**

Many publishers are starting to shift towards improving the way they collect and use first-party data to deliver better experiences, as well as maintain stable buyer relationships in case data flow is restricted.



## **Traffic retention to become a key objective**

Publishers are looking to become more platform independent and nurture loyal audiences, which relates to 1st party data acquisition. Regular visitors build up more data, which allows for better targeting.



## **The open auction landscape is becoming saturated**

Auction competition is constantly increasing, driving inventory prices up consistently. If the same trend continues, even more advertisers are likely to turn towards direct buying methods.



# THANK YOU!

If you have any questions just send us a message over email or through our website's contact form. An expert from our team will get back to you as soon as possible.

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