

# IN PURSUIT OF THE PERFECT PROGRAMMATIC VIDEO STRATEGY

## PATH FOR THE ADVERTISER

Looking for a programmatic solution for your video ads? Choose your best path.

Do you want to know your price in advance?

YES

Great! Programmatic will streamline my paperwork.

Do you want reserved inventory?

YES

I'm all about planning in advance.

NO

Let me see what's available.

NO

I'm really looking for performance first.

Do you want to buy via an auction?

YES

I like to set my parameters as I'm about to buy.

NO

Maybe I really want to know my price in advance. Go back to start!

95% of 18-29 year olds watch or download online video.<sup>2</sup>

Video RTB will account for nearly 25% of U.S. online video ad spend this year.<sup>1</sup>

It takes less than 200 milliseconds to serve a programmatic video ad.<sup>3</sup>

55 MIN is the time spent daily with digital video, rising from 6 minutes in 2010.<sup>4</sup>

The most popular digital video content categories: entertainment, sports, food.<sup>3</sup>

Digital video ad spending will hit \$5.89B in 2014, up 41%.<sup>4</sup>

Would you like to be on an invite list?

YES

I want to make sure I have access.

NO

I'll compete against all other buyers.

Second-price auctions are derived from Vickrey auctions, a sealed-bid process first described by Nobel Prize-winning economist William Vickrey in 1961.

## Breaking Down Your Programmatic Video Options

**AUTOMATED GUARANTEED**  
Think of this as "programmatic direct." It is a direct deal between an advertiser and publisher with pre-arranged prices and reserved inventory that takes advantage of automation for things like RFP responses, I/Os and campaign trafficking.

**UNRESERVED FIXED RATE**  
This transaction is similar to Automated Guaranteed, except that the inventory is not reserved. It operates within the exchange environment, but the inventory that is available has pre-negotiated, fixed pricing.

**INVITATION-ONLY AUCTION**  
Unreserved inventory may be made available to a select group of invited bidders, so prices are not pre-set (although there may be a floor price). Typically a second-price (or Vickrey) auction, where the winner pays \$.01 more than the second-highest bid.

**OPEN AUCTION**  
The least restrictive programmatic sale, this is a second-price auction open to any DSP plugged into a specific SSP—the IAB calls it the "Wild West" of auctions. Buyers may not even know what publishers they're buying from.

## PATH FOR THE PUBLISHER

Owners of video inventory have programmatic choices to make as well.

Do you want to set your price in advance?

YES

NO

Want to set aside premium inventory?

YES

NO

Want to open your inventory up to any bidder?

NO

YES

Reports suggest over half of publishers make inventory available through programmatic channels.

SOURCES: <sup>1</sup>FORRESTER RESEARCH <sup>2</sup>PEW RESEARCH CENTER <sup>3</sup>TREMOR VIDEO <sup>4</sup>EMARKETER