

Q&A with Lars Radmacher

We sat down with Fyber’s Director of Product, Programmatic, Lars Radmacher to pick his brain on the current state of programmatic, where he thinks the industry is heading, and what publishers and ad networks need to know about this rapidly-expanding

Fyber: Over the past year, a lot of big brands have jumped on the “programmatic bandwagon”, so to speak. How do you think this influx of marketing dollars is going to affect the programmatic landscape in the coming year?

Lars Radmacher: There’s no doubt that we’re seeing huge growth in programmatic, particularly on mobile. Compared to the growth of classical ad serving, it’s gaining steam much faster. So for advertisers, this means that more and more inventory is becoming available, which allows them to better distribute their budgets across supply sources. Plus, programmatic technology enables them to achieve much more sophisticated targeting, reaching – on a per-impression basis – the right user, at the right time, in the right environment. Finally, there’s the efficiency aspect: Programmatic simply makes it easier for advertisers to purchase exactly the inventory they are trying to reach, in an automated fashion.

F: Are there any ad formats that you think will see particular growth?

LR: In the early days, the focus – and indeed, the reputation – of programmatic was to fill remnant inventory. In other words, to deliver lower-paying ad units, such as banners, that were intended to fill whatever leftover inventory the publisher had after cycling through other demand sources. However, as programmatic technologies have matured and the industry is realizing the many benefits of RTB, there has been a shift towards the programmatic buying and selling of higher-quality ad formats. Publishers are beginning to see that programmatic isn’t just about fill; Rather, it enables a more efficient and targeted selling of all kinds of formats, including video, full-screen

interstitials, rich media, and native ads. But part of what is influencing this shift is not only the move towards higher performance formats, but also towards more premium inventory. Publishers, understanding that they can achieve higher eCPMs through the improved targeting offered by programmatic, are opening up their inventory and creating a marketplace that offers higher-quality and more unique traffic.

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F: Going back to what you had said about the reputation programmatic once had for primarily being a source of fill for remnant inventory – do you think that there is now a common understanding on the supply side, as well as the demand side, of its true capabilities?

LR: Yes, I do. On the supply side, I think that publishers are quickly recognizing that the programmatic landscape is changing and that it isn't just about fill anymore. For example, it enables publishers to sell their premium inventory, without requiring the force of a dedicated direct sales team. In addition, it opens the door for smaller publishers to tap into the budgets of larger advertisers which they normally wouldn't be able to access. Plus, the availability and growth of higher-quality formats is empowering pubs to take advantage of programmatic, without having to sacrifice user experience. And finally, the data transparency and granular targeting afforded by programmatic not only provides users with more relevant ad experiences, but also offers the potential to boost eCPMs for publishers as advertisers can buy into exactly the audience that is valuable for them.

F: Speaking of transparency, do you think that programmatic is delivering on its goal of increased transparency?

LR: Yes, I think it is, for sure. Particularly in the in-app environment, I think that publishers are very flexible and well-educated on the capabilities of programmatic, and how to maximize these to both their benefit and to the benefit of the advertiser. As we all know, programmatic can only be successful if publishers are willing to share certain data points with their demand partners. But I think that publishers truly recognize the value of doing so and are willing to test which kinds of targeting work best for their inventory. In the past, higher eCPM deals were traditionally executed through the direct sales. But in order to achieve this, publishers have to employ in-house sales teams, which costs both time and money. Programmatic takes this out of their hands, allowing them to optimize the sale of their premium inventory, without having to manage it directly. As a result, I believe that publishers – particularly those offering in-app inventory – understand the value of the data they have and are smart about controlling what to share, and at which price point to share it. I believe that they recognize that increased transparency opens them up to much bigger budgets from advertisers.

F: Speaking of supply-side benefits, in your opinion, what are some of the biggest benefits of programmatic for a publisher or ad network? And what are some things a publisher can do to maximize their returns if they choose to sell their inventory programmatically?

LR: Again, certainly access to larger budgets. Particularly now that most agencies are using, or exclusively using, programmatic to execute their media buys. Second, increased efficiency, as the SSP manages all contracts with DSPs and provides optimization to ensure the pub is served with the highest-paying bid. Third, increased competition, which equates to better returns for the pub. By selecting the right SSP, publishers have the ability to open themselves up to hundreds of thousands of advertisers, many of whom bring larger budgets to the table that smaller publishers would otherwise not have access to.

Many thanks to Lars for sitting down with us! Publishers that would like to learn more about the benefits of Fyber's SSP, including our Programmatic Exchange, should reach out to developers@fyber.com. If you're interested in joining Fyber's Programmatic Exchange as an advertiser, please contact advertisers@fyber.com.