



## The advertiser's litmus test for using RTB

Ad Networks By **Assaf Roth** on April 04, 2011



There have been a lot of articles in the advertising trade press recently about the benefits and potential of real-time bidding (RTB) -- the ability for advertisers and agencies to bid on an ad impression, in real time, based on the actual data available about the user. As an ad optimizer, I too am excited by the potential of RTB, but I am also concerned: *Could it be that there is too much hype surrounding RTB today?* And as we all know, too much hype is not necessarily a good thing.

Here are some important items for advertisers and publishers to consider as they evaluate or implement RTB.

Advertisers:

- 1. RTB is definitely faster, but faster is only part of what makes something more efficient**  
Though speed can be an element of efficiency, it's not the only one. It's only when the resulting ad buys are better that the speed in which a buy is made can make the buy more efficient. The rules-based algorithms that are necessary to optimize performance can also function outside of RTB. As an advertiser, you need to test and confirm that with RTB, faster is also better in terms of all the metrics by which you track your campaigns.
- 2. RTB isn't inherently more transparent**  
Transparency depends on the operations and practices being employed by the ad optimizer and its relationships with its ad network, exchange, and demand-side partners. Transparency in ad optimization means that every advertiser can see on which page of which publisher each ad impression was served -- something we advocate -- and this is possible *with* or *without* RTB. As an advertiser, you need to push for transparency regardless of the method of bidding.
- 3. Technology needs to drive advertiser/agency innovation to support RTB**  
RTB works when advertisers and agencies have the necessary software to analyze and optimize a campaign's performance. Otherwise, the media planners' and buyers' roles are reduced to that of a trading desk clerk. Today, many media buyers at agencies and advertisers don't have the technology to properly evaluate and optimize campaigns in real time. The industry has to work together to ensure that agencies and advertisers are using technology which enables them to take full advantage of RTB.

Publishers:

- 1. Do you have the data to maximize RTB?**  
RTB can deliver a significant increase in revenue for each ad impression, but publishers need to be able to leverage their own data and establish data partnerships with audience data targeting companies in order to maximize the value of each ad impression. Being able to segment and target users with enhanced data is what drives up the revenues per impression.
- 2. Publisher-side technology needs to support RTB**  
Just like their agency and advertiser partners, publishers need the right technology in place in order to maximize their revenue from RTB. This means having the technology that can analyze and accept the bid being made by the advertisers for each impression in real time. Any delay on the part of the publisher could result in the loss of that ad impression due to the inability to serve the impression fast enough to its user.
- 3. RTB is only part of the optimization equation**  
As important as RTB is to publishers, it's only *one* element which publishers who seek ad selling optimization can benefit from. Another area that should go hand-in-hand with RTB is bid optimization. Any publisher should analyze actual demand for ad impressions at various price points and predict the optimal point to sell that ad impression. Given the well-documented challenges publishers are facing, wouldn't we all welcome an opportunity for publishers to maximize revenue on desirable ad impressions?

I look forward to an online advertising ecosystem where RTB is one of the elements by which we're delivering greater revenue to publishers while improving return on investment for advertisers and agencies. To make that dream a reality, we have to work together as an industry to focus on the areas of optimization that matter most and ensure that we all align our business objectives and have enabling technologies in place to benefit from these new technological opportunities.

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