



WINTERBERRY  GROUP

Going Global: Programmatic Audience Development Around the World

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This white paper would not have been possible without the significant contributions of more than 200 executive-level thought leaders—including contributors, international trade association supporters and reviewers representing all segments of the advertising, marketing, media and technology industries across 12 global markets—Australia, Brazil, Canada, China, France, Germany, the Persian Gulf region, Japan, Mexico, South Africa, the United Kingdom and the United States. In particular, Winterberry Group is grateful to our research partner, the Interactive Advertising Bureau, as well as the above sponsors for their generous support of this research initiative.

Additionally, we extend our deepest appreciation to the marketers, publishers, technology developers and service providers who contributed their time, insights and enthusiasm in support of our research. Though their individual names are not mentioned in this paper, they represent some of the most respected and innovative companies in the data-driven marketing and media world—including AdAudience, AJ Advisers, Aunica, Brandwatch Germany, Clicks2Customers.com, Dell, Inc., Dentsu Aegis Network, Kaspersky Lab, makazi, News Corp Australia, nugg.ad AG, ROIx Brazil, SAP, Simbiose Ventures Brazil, and many others.

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**INTRODUCTION
AND EXECUTIVE
SUMMARY**

“It’s a running joke among the local publisher and agency communities around here. A U.S. company picks up on the enormous opportunity to expand to ‘Europe,’ opens a tiny office in London and sets out to conquer the continent. As if it were that easy.”

—CHIEF PRODUCT OFFICER, MEDIA OPTIMIZATION PLATFORM, BENELUX REGION

Humor sometimes has a hard time cutting through language and cultural barriers. But it’s no joke how the proliferation of data and technology is reshaping the media business. Publishers are looking to build audiences defined by specific interests and behaviors. Marketers are aiming to engage with consumers across devices, points of sale and geographies. And technology developers, agencies and other service providers? They’re racing to make all of it happen.

They’ve been spurred on by a pair of recent developments that together represent the most profound paradigm shift to affect the practice of publishing since the dawn of the Internet. The first is the embrace of the consumer *audience*—as defined by a wide range of expressed, observed and inferred data points—as the strategic pillar upon which the transaction of media can and ought to be based. The second—the meteoric growth of *programmatic marketing*—follows in natural order, representing the tactical means by which practitioners bring the promise of audience development to life.

But while the media community in the United States, the United Kingdom and certain other markets has been awash in programmatic fever for more than five years, the shift to an “audience culture” has been slower to take hold elsewhere. Rapidly, though, that’s changing. In fact, the accessibility of both data and technology—along with a growing recognition of how the practice of “programmatic” may help media companies overcome daunting challenges to their underlying business models—are driving vast new interest in the approach, with publishers and marketers alike rapidly moving to build their global audiences, establish properties in new markets and forge alliances with partners in markets all over the world.

The 2013 promise of “programmatic everywhere,” it seems, is rapidly becoming a 2014 reality.

Unfortunately, the shift to an audience culture in media circles hasn’t yet managed to reform a wider world defined by vastly different political, technological and cultural norms. So even while they race to build programmatic infrastructure across markets—with U.S. brands moving to stand up a presence in overseas markets, and “global” brands casting their sights on the U.S. and elsewhere—digital publishers are confronting a slew of challenges and opportunities that are both new and unique to each individual market. Where, for example, are local advertisers most accustomed to engaging with programmatic technology? How do contrasting regulatory frameworks impact the accessibility of behavioral data? And where are general market conditions most likely to reward audience investments over the long term?

This white paper, published in partnership with the Interactive Advertising Bureau, will explore these dynamics and present a snapshot of how publishers, marketers and technologists are “going global” in their practice of programmatic audience development across each of 12 markets. With conclusions derived through a combination of survey and interview data—encompassing feedback from more than 200 executive-level leaders in the Americas, Europe, Africa, Asia, Australia and the Middle East—it will show:



The concept of “audience development” is firmly entrenched as a key pillar of digital media strategy and execution in the U.S....

... though the same publishers—even when supporting a global portfolio of media and commerce properties—have been slightly slower to expand their programmatic efforts abroad.

- Virtually all respondents to a survey of U.S. and U.S.-based global publishers (98.3 percent) said they’re currently pursuing a data-driven, programmatic approach to audience development in their home market, with 58.6 percent “aggressively pursuing” the same
- By contrast, 72.4 percent of the same panel are currently pursuing a data-driven, programmatic approach to audience engagement in *non-U.S.* markets



The drive to globalize the practice of programmatic audience development is in full force, pioneered by advertising technology companies seeking to build a seamless worldwide presence in advance of their clients’ expansion efforts...

... and followed increasingly by large publishers (based primarily in the U.S., U.K. and Western Europe) seeking to scale their global reach. Meanwhile, smaller media companies (and those in emerging markets) are moving to import established programmatic practices and technology in an effort to drive efficiencies, build know-how and improve the attractiveness of their properties to audience-driven advertisers.

- 56.6 percent of U.S. and U.S.-based global technology and service provider survey respondents said that they’re actively building programmatic audience development capabilities *outside* of the U.S.—with more than half of those “aggressively” pursuing the same
- Only a third (33.8 percent) of advertisers and publishers said they’re currently pursuing programmatic audience development beyond their home borders—though the vast majority of those surveyed and interviewed expressed an intent to expand their efforts to do so over the next two years



To date, local and cross-border industry efforts to build “programmatic” capabilities outside the U.S. have been concentrated in four core markets...

... but publishers, marketers and technologists alike say they expect to diversify and expand that effort substantially over the next two years.

- Owing primarily to cultural, language and longstanding business ties with the U.S. (where most of today’s dominant programmatic technology and business process was pioneered), survey respondents said their global programmatic efforts have thus far been invested primarily in the United Kingdom, Canada, Australia and France
- While new programmatic investment is expected to flood *all* regions over the coming years, global practitioners said they expect to accelerate their efforts the most in emerging markets (including China and Brazil) as well as Germany—a mature media market that, compared to its peers, has been slow to initiate and welcome cross-border audience development efforts



Above all else, publishers say they look for available third-party audience data—as well as suitable programmatic technology, whether developed in-market or sourced from a global provider—before deciding whether to build new media properties or expand audience development efforts in a given market...

... and while government regulation can serve to inhibit audience development strategies, its presence has generally not served to curtail the practice as much as some may fear.

- 52.4 percent of survey respondents cited “third-party data availability” as the most important consideration when assessing the attractiveness of a new marketplace, more than any other factor
- Next on the list of market requirements: the “availability of tools geared to the needs of audience development use cases,” cited by 47.6 percent of respondents as a factor considered attractive to new or expanded investment
- Though 43.2 percent of survey respondents said that government regulation *generally* detracts from the attractiveness of a given market for new programmatic investment, only 23.2 percent said that regulatory concerns rank among the three factors most *actively* inhibiting their cross-border efforts



Standing in the way of richer investment in cross-border programmatic audience development: a lack of universal “know-how” when it comes to strategic use cases, processes and platform applications...

... as well as lingering doubts around the extent to which the programmatic approach is well suited to monetize audiences in markets where “scale” is difficult to achieve.

- More than a third of survey respondents (34.2 percent) said that a “lack of understanding of ‘audience development’ across all markets” is a substantial inhibitor to their current global efforts—representing a more daunting challenge than any other
- Another 31.7 percent of respondents said “concerns about generating results at needed scale” is an active inhibitor of their programmatic investment, especially with respect to smaller markets (or those where media distribution is concentrated in fewer brands)



Though publishers and advertisers say they expect to expand their programmatic footprint broadly over the next two years, perhaps the most promising intersection of growth opportunity, infrastructure and digital demand is lurking south of the equator.

- Though only 13.7 percent of U.S. and U.S.-based global survey respondents said they’re actively engaging in programmatic audience development in Brazil today, 39.1 percent expect to do so within two years—with 32.6 percent saying they expect to pursue opportunities in the Brazilian market “substantially.”

And what makes for a marketplace that's conducive to audience development, programmatic marketing and other data-driven approaches to media execution? Panelists said that seven “attractiveness criteria” help distinguish markets that are ideal for both publishers and marketers looking to *go global* in their programmatic efforts—whether the aim is to develop new audiences for their existing properties, establish new properties in emerging markets or grow partnerships to support their audience extension efforts. They include:

- **Embrace of the Audience:** an orientation on “audience development”—the use of data to identify and maintain persistent engagement with consumer populations based on specific target attributes—as a foundation of the advertising, marketing and/or media strategy
- **Programmatic Know-How:** an understanding of how business needs drive the adoption and evolution of specific programmatic marketing use cases, including those linked specifically to the media transaction (e.g. “open market RTB,” “private marketplace,” etc.) and those that apply the same automation tools and processes to broader business purposes (e.g. “customer analytics,” “marketing attribution,” “media mix modeling,” etc.)
- **A Transparent, Open Market Culture:** a free and fair marketplace for transacting business, receptive to new entrants—including those founded elsewhere
- **Data, Data, Data:** the availability of third-party audience data (and legal ability to transact the same through responsible, consumer-friendly means)
- **Technology—and the Means to Use It:** the availability of the platforms, tools and applications—either homegrown or licensed from elsewhere—upon which audiences are identified and developed (as well as the expertise to leverage the same)
- **Standards in Measurement and Accountability:** a commitment to develop and maintain universal standards to govern audience identification, measurement and valuation across the marketplace, including reliable legal and self-regulatory protections against fraud and other adverse effects; and
- **An Opportunity to Build Scale:** an audience population that, either independently or as aggregated with those from other markets, offers a meaningful opportunity to drive value for all parties to the media transaction.

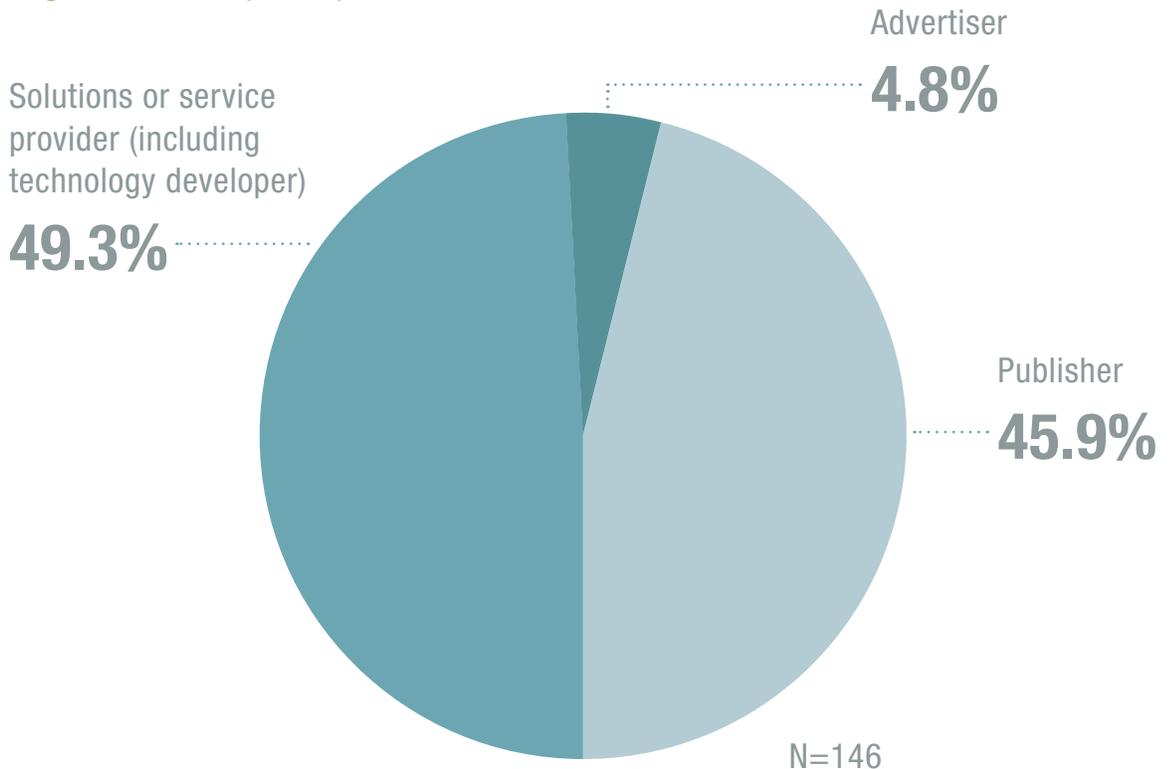
**RESEARCH
METHODOLOGY**

This white paper explores the current state and likely evolution of data-driven, programmatic audience development practices across 12 global markets.

Published in partnership with the Interactive Advertising Bureau—and with the sponsorship of Adobe, DataXu, Visual IQ, Oracle Marketing Cloud, Quantcast and Selligent—the effort was bolstered substantially by the research contributions of IAB partner organizations around the world, who so graciously referred executive-level thought leaders from across their networks (representing publisher, marketer, agency, service provider and technology constituents of the industry) to participate in more than 45 intensive in-person and telephone interviews (between March and July 2014). We are grateful to IAB Australia, IAB Brasil, IAB Canada, IAB France, BVDW (Germany), IAB Mexico and IAB South Africa for their assistance and support.

Additionally, the paper’s findings are based on an online survey of more than 145 advertiser, publisher, service provider and technology leaders sourced through U.S. IAB membership (and compiled between May and June 2014). Though this panel primarily represents companies based in the U.S., it includes substantial representation from both U.S.-based *global* companies (as well as non-U.S. companies that are members of IAB in the U.S.).

Survey Respondents: How would you describe your organization’s principal business?



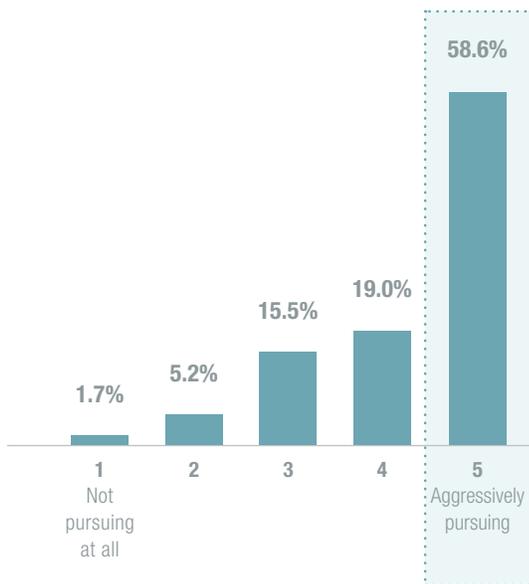
TOWARD THE GLOBAL AUDIENCE: “Programmatic” in Practice Around the World



The Takeaway: *The concept of “audience development” is firmly entrenched as a key pillar of digital media strategy and execution in the U.S.... though the same publishers—even when supporting a global portfolio of media and commerce properties—have been slightly slower to expand their programmatic efforts abroad.*

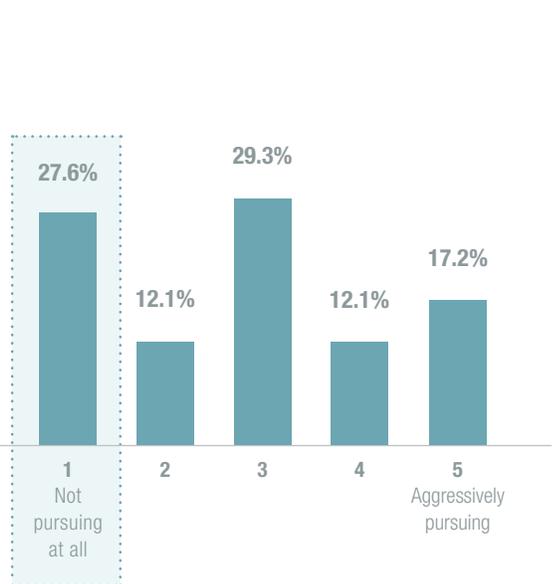
Publishers: To what extent is your organization currently pursuing data-driven, programmatic approaches to audience engagement...

...within the United States?



Virtually all respondents to a survey of U.S. and U.S.-based global publishers (98.3 percent) said they’re currently pursuing a data-driven, programmatic approach to audience development in their home market, with 58.6 percent “aggressively pursuing” the same

...in markets outside of the United States?



By contrast, 72.4 percent of the same panel are currently pursuing a data-driven, programmatic approach to audience engagement in non-U.S. markets.

**IN THEIR OWN
WORDS**

“From a global perspective, data-driven audience engagement is absolutely important. The appetite across regions is strong, but in a lot of places the sophistication needs to catch up with the interest. The goal is ‘customer centricity,’ but getting there is not always a straight-forward path... I don’t think there’s any country or region that doesn’t want to go down this path [of expanded investment in programmatic marketing]. There’s a definite acknowledgement that it’s a better way to do business, show ROI and get significant efficiency results. Often we just don’t know where to start when looking across global regions, but we’re starting to roll out strategies.”

—GLOBAL MARKETING SCIENCES LEAD, U.S.-BASED HARDWARE MANUFACTURER

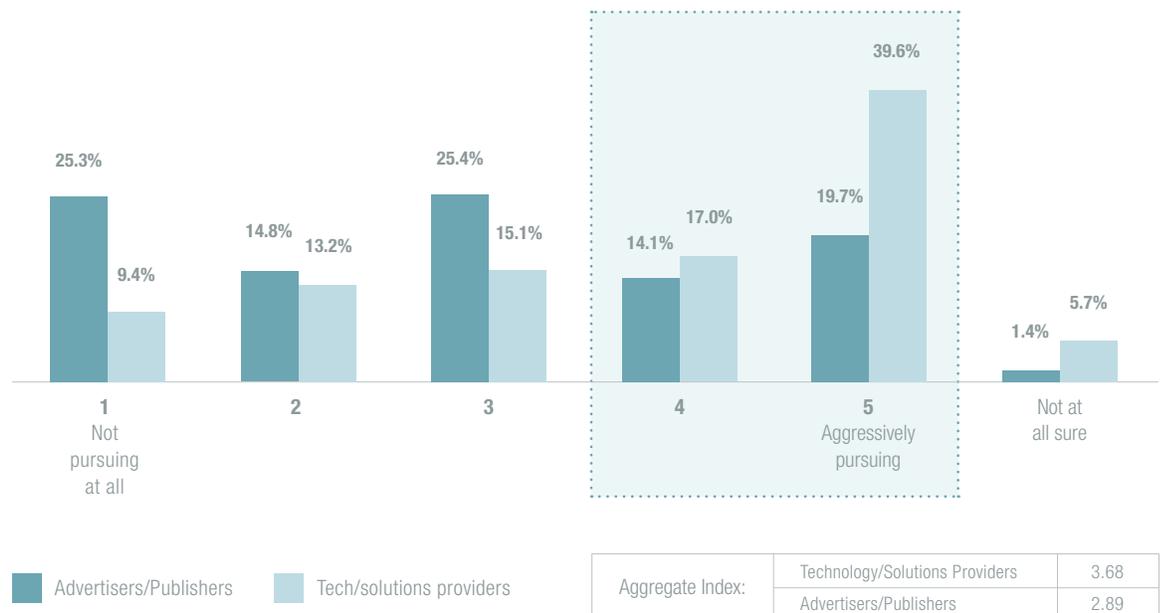
“Marketers in Latin America are not really aware of what’s out there [with respect to programmatic use cases and possible results], and they certainly don’t know how to make it work to their advantage. But we’re a big agency—a global network—and we can leverage our experience from the U.S. and Europe to bring that knowledge to Mexico. All the same, this market still has some growing to do.”

—CHIEF DIGITAL OFFICER, GLOBAL MEDIA AGENCY, MEXICO



The Takeaway: *The drive to globalize the practice of programmatic audience development is in full force, pioneered by advertising technology companies seeking to build a seamless worldwide presence in advance of their clients' expansion efforts... and followed increasingly by large publishers (based primarily in the U.S., U.K. and Western Europe) seeking to scale their global reach. Meanwhile, smaller media companies (and those in emerging markets) are moving to import established programmatic practices and technology in an effort to drive efficiencies, build know-how and improve the attractiveness of their properties to audience-driven advertisers.*

To what extent is your organization currently pursuing data-driven, programmatic approaches to audience engagement in markets outside of the United States?



- ▶ 56.6 percent of U.S. and U.S.-based global technology and service provider survey respondents said that they're actively building programmatic audience development capabilities outside of the U.S.—with more than half of those “aggressively” pursuing the same
- ▶ Only a third (33.8 percent) of advertisers and publishers said they're currently pursuing programmatic audience development beyond their home borders—though the vast majority of those surveyed and interviewed expressed intent to expand their efforts to do so over the next two years
- ▶ Though practitioners in smaller markets have generally been slower to pursue programmatic tactics (and certainly less aggressive about expanding those efforts across borders), the appetite to initiate such programs is growing, spurred on by a growing demand for the efficiency benefits offered by the automation of an otherwise manual media transaction. In this respect, agencies are playing a particularly influential role in educating practitioners on both the “supply” and “demand” sides of the table.

**IN THEIR OWN
WORDS**

“As more advertisers started talking about DMPs and other technologies that they were starting to leverage in the U.S., we also saw those same tech companies started furious market grabs, selling to everyone.”

—GLOBAL DIRECTOR, DIGITAL ADVERTISING AND INSIGHT, GLOBAL PUBLISHER, UNITED KINGDOM

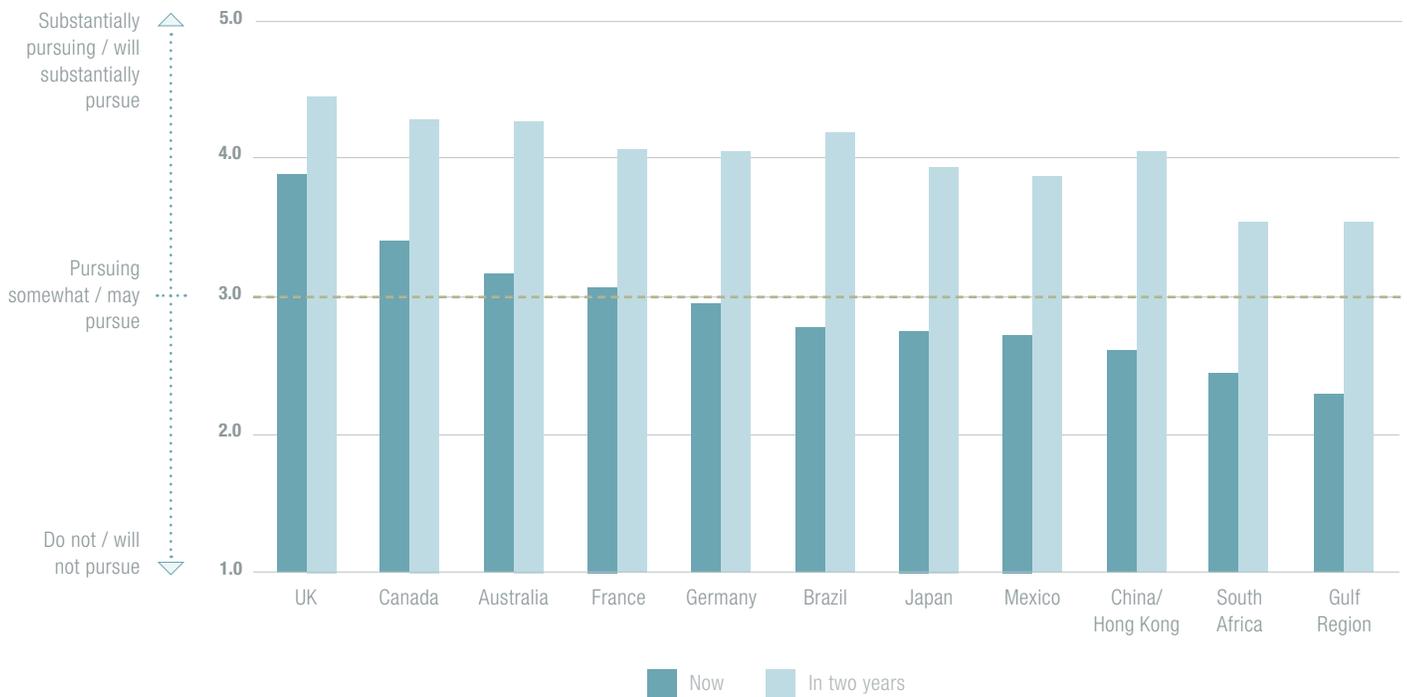
“Right now there are 10 times more technology players competing for business than our market can support. It's crammed; we have more players than is possible to use, but advertisers and publishers are learning what solutions are available, and starting to make decisions to buy.”

—MANAGING DIRECTOR, MARKETING AUTOMATION PLATFORM, BRAZIL



The Takeaway: *To date, local and cross-border industry efforts to build “programmatic” capabilities outside the U.S. have been concentrated in four core markets... but publishers, marketers and technologists alike say they expect to diversify and expand that effort substantially over the next two years.*

To what extent does your organization pursue data-driven, programmatic approaches to audience engagement in each of the following markets? How likely are you to do so within two years?



- ▶ Owing primarily to cultural, language and longstanding business ties with the U.S. (where most of today’s dominant programmatic technology and business process was pioneered), survey respondents said their global programmatic efforts have thus far been invested primarily in the United Kingdom, Canada, Australia and France
- ▶ While new programmatic investment is expected to flood all regions over the coming years, global practitioners said they expect to accelerate their efforts the most in emerging markets (including China and Brazil) as well as Germany—a mature media market that, compared to its peers, has been slow to initiate and welcome cross-border audience development efforts.

**IN THEIR OWN
WORDS**

“Practices first spread from the U.S. to the U.K. . . . and both of those markets are far along. The U.K. has had the benefit of seeing what doesn’t work in the U.S.; [publishers there] learn and leapfrog ahead. Canada is similar—they’re interested in these approaches and it’s easy to serve the market from the U.S., so expanding there doesn’t really pose the same challenges in terms of barriers to entry that exist elsewhere.”

—SVP INTERNATIONAL, DIGITAL VERIFICATION PROVIDER, UNITED STATES

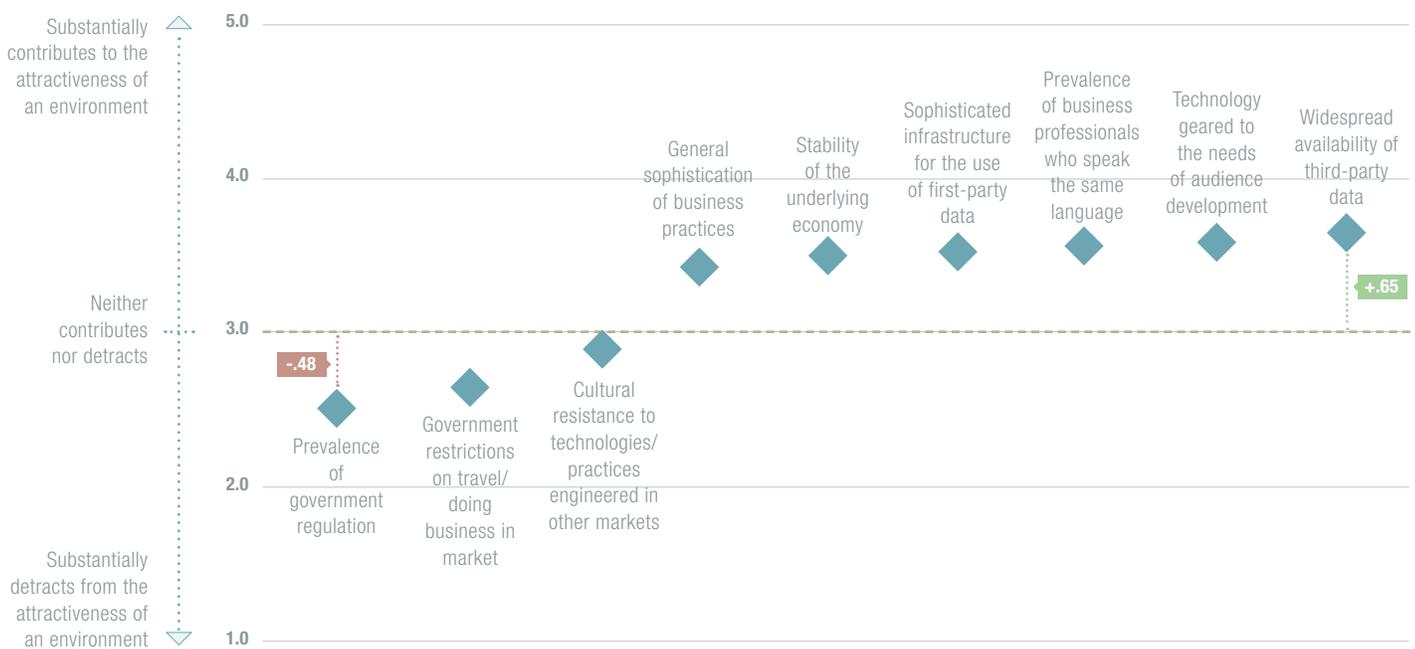
“There is a growth opportunity in Germany because the money is there and if you get Germany you have Europe. But so far the smaller European markets have moved faster . . . Germany is very slow and methodical in their evaluation and adoption of new systems or processes. It can be slow-going, but there is an opportunity.”

—FOUNDER, MEDIA OPTIMIZATION PLATFORM, BENELUX REGION



The Takeaway: Above all else, publishers say they look for available third-party audience data—as well as suitable programmatic technology, whether developed in-market or sourced from a global provider—before deciding whether to build new media properties or expand audience development efforts in a given market... and while government regulation can serve to inhibit audience development strategies, its presence has generally not served to curtail the practice as much as some may fear.

Thinking about the marketplace conditions in the regions where your company does business, to what extent do you believe each of the following factors contribute to (or detract from) an ideal climate for practicing data-driven, programmatic audience engagement?



- ▶ 52.4 percent of survey respondents cited “third-party data availability” as the most important consideration when assessing the attractiveness of a new marketplace, more than any other factor
- ▶ Next on the list of market requirements: the “availability of tools geared to the needs of audience development use cases,” cited by 47.6 percent of respondents as a factor considered attractive to new or expanded investment
- ▶ Though 43.2 percent of survey respondents said that government regulation generally detracts from the attractiveness of a given market for new programmatic investment, only 23.2 percent said that regulatory concerns rank among the three factors most actively inhibiting their cross-border efforts (see page 16)

IN THEIR OWN WORDS

Interview panelists said that government regulation, while a cause of some anxiety, can generally be managed when guidelines are reasonable and clear...

“Actually, we’re finding that the laws [governing access to third-party data and consumer opt-in requirements] are becoming more defined across more markets. And [even though we’d clearly prefer to work without any burdensome regulation], it’s growing easier because the canvas has effectively been set in most places where we do business. In fact, advertisers rely on us to see what they can do and can’t do.”

—VP SOLUTIONS, DATA MANAGEMENT PLATFORM, FRANCE

“Regulatory obstacles and privacy issues of course exist, but they can be dealt with through proper business processes and technology—so I don’t see them presenting a real barrier to growth. The real barrier in markets outside of the U.S. is the publishers making the data available.”

—CEO, MARKETING INSIGHT DEVELOPMENT AND ACTIVATION PLATFORM, CANADA

Accessing the right data and technology resources, on the other hand, is recognized as a crucial requirement (and not always easy to accomplish)...

“There is so much audience information available in the U.S., but that’s not the case elsewhere. When you expand to other countries there is no data control processes—so clean, quality data just doesn’t exist to the same extent. It makes expanding into regions really difficult when data is sparse.”

—INTERACTIVE MARKETING STRATEGIST, U.S.-BASED GLOBAL SHIPPING PROVIDER

“What’s key to growing practices across regions is that the core [data management and transactional platforms] remain the same. That way, just the data changes depending on the region, but the technology and the algorithms powering the strategy remain consistent; you just customize with regional data. Having one system overall is the important part for growing a practice across borders.”

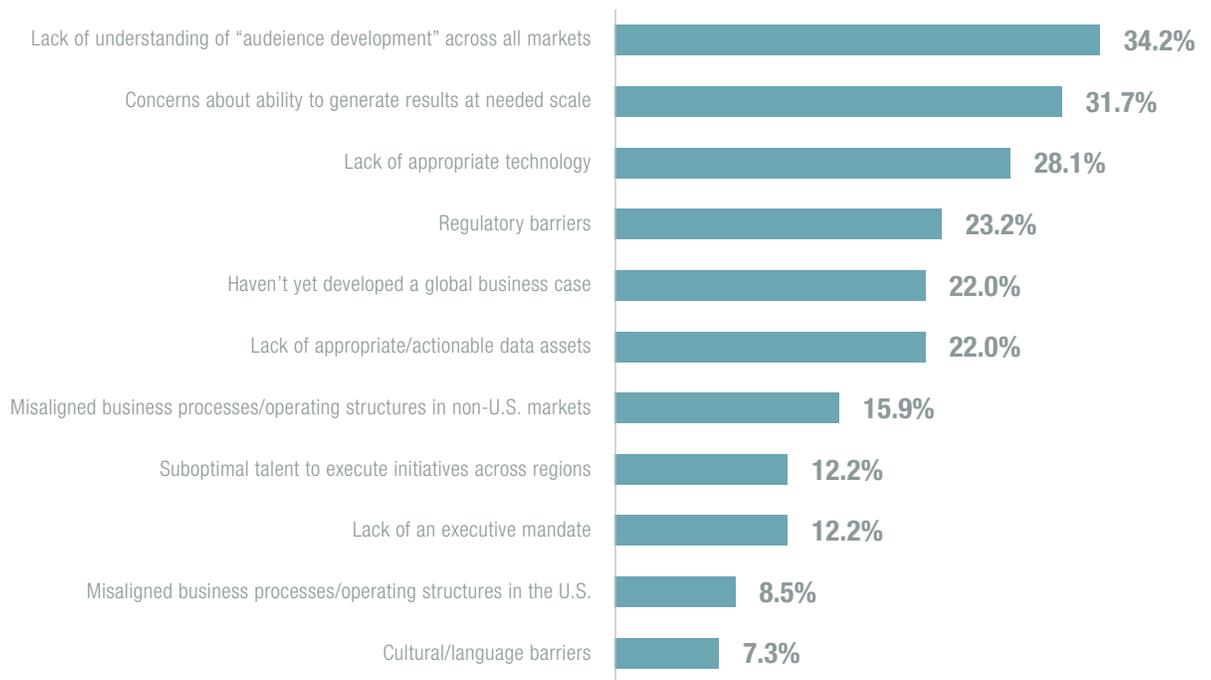
—MANAGING DIRECTOR, AUDIENCE TARGETING PLATFORM, GERMANY



The Takeaway: *Standing in the way of richer investment in cross-border programmatic audience development: a lack of universal “know-how” when it comes to strategic use cases, processes and platform applications... as well as lingering doubts around the extent to which the programmatic approach is well suited to monetize audiences in markets where “scale” is difficult to achieve.*

What factors, if any, are inhibiting your organization’s ability to develop an audience engagement practice that spans national borders?

(Select top 3 factors)



- ▶ More than a third of survey respondents (34.2 percent) said that a “lack of understanding of ‘audience development’ across all markets” is a substantial inhibitor to their current global efforts—representing a more daunting challenge than any other
- ▶ Another 31.7 percent of respondents said “concerns about generating results at needed scale” is an active inhibitor of their programmatic investment, especially with respect to smaller markets (or those where media distribution is concentrated in fewer brands)

IN THEIR OWN WORDS

“Technology, in some respects, is actually the easiest part of the equation. And as we build up our data partner network, I think the data will get there too. The challenge is really people and process. I’m on our global analytics and optimization team, so I’m unique in that I have cross-organization responsibility. But I step on a lot of toes rolling [audience development strategies] out, since they’re disruptive to traditional marketing approaches.”

—AUDIENCE OPTIMIZATION AND PERSONALIZATION MANAGER, HARDWARE MANUFACTURER, UNITED STATES

“The [programmatic] technology is good, that’s not a problem. The real issue is that the buy side hasn’t caught up with the technology in terms of understanding the use cases that it supports, and how best to leverage it. But we’re learning.”

—CEO, DIGITAL PUBLISHER, SOUTH AFRICA

“What I really need is a massive pipeline of solution architects to come out of school and sew all of these point solutions together, understanding how to extract value from the tools. I didn’t get into this business to be a plumber, but I spend more and more time doing that. If I can get people who understand the concepts and the technology to sew this stuff together, that’s what I need. That’s where the magic is.”

—VP DIGITAL MARKETING, GLOBAL ENTERPRISE SOFTWARE AND SERVICES PROVIDER, FRANCE

“There is a lot of tension trying to stand up these new approaches. It’s not the same kind of people or profiles that we’ve always had. Now we have sales people selling things that they don’t understand and it’s a big problem. Roles are changing and we’re trying to restructure and train people and attract new talent, but it’s a nightmare.”

—CHIEF DIGITAL OFFICER, MARKETING SERVICES PROVIDER, CANADA

“The biggest challenge [in Mexico] is learning how to use data to uncover insights and make actions. A lot of people take information/data from their own site, but they don’t do anything with it. In order to advance we need people who are analysts, people who can generate action and optimize marketing campaigns and websites.”

—VP, GLOBAL RATINGS FIRM, MEXICO

“More than anything else, we need more talent—on all sides of the media business. We need more people that are able to think about digital marketing in a sophisticated, strategic way. We feel that many advertisers say digital is a priority, but then they don’t really understand it and TV still takes up most of the investment.”

—MANAGING DIRECTOR, AUDIENCE INTERACTION, GLOBAL MEDIA AGENCY, COLOMBIA

“The other real issue for us is scale. How do we leverage programmatic to build enough value to actually matter? With data you can slice and dice and target, but in a small market there’s a limit to how much value you can create by slicing a population [into microsegments]. We’ve had to turn down campaigns because with the strategic parameters the scope became too narrow when only looking across our market.”

—PRESIDENT, ADVERTISING NETWORK, CANADA



The Takeaway: *Though publishers and advertisers say they expect to expand their programmatic footprint broadly over the next two years, perhaps the most promising intersection of growth opportunity, infrastructure and digital demand is lurking south of the equator.*

- ▶ Though only 13.7 percent of U.S. and U.S.-based global survey respondents said they're actively engaging in programmatic audience development in Brazil today, 39.1 percent expect to do so within two years—with 32.6 percent saying they expect to pursue opportunities in the Brazilian market “substantially.” (see page 12)

IN THEIR OWN WORDS

“I'm really bullish about the opportunity in Brazil, but practitioners need to know what they're up against in entering the market—understanding the cultural differences, the way of doing business, the priorities and concerns... Relationships are hugely important here, and it may take some time for new entrants to appreciate that. Often people expect that when they enter a new market it should move very quickly, but it actually takes some time.”

—FOUNDER, DIGITAL ADVERTISING NETWORK, BRAZIL

“Brazil is very important. Looking at digital investments across Latin America, we see 50 percent going to Brazil. Mexico captures about 15 percent and then the remaining 35 percent is split among the other countries. Brazil is just huge, with so much potential.”

—MANAGING DIRECTOR, AUDIENCE INTERACTION, GLOBAL MEDIA AGENCY, COLOMBIA

“Mexico is the biggest Spanish market in Latin America and spending on the Internet is increasing at ten times the economy's rate. There's a lot of knowledge in the U.S. and there's a huge opportunity for Mexico to get the appropriate technology and learn from the U.S. experience. Mexico is a large, healthy market that's showing interest, and it'll be really exciting to watch it develop.”

—VP, GLOBAL RATINGS FIRM, MEXICO

So You Want to “Go Global”? Seven Critical Prerequisites for Successful Audience Development

Two years ago, just the mention of the term “programmatic” in the U.S. market provoked a range of contrasting interpretations—from fulsome optimism (“We’re all-in on programmatic!”) to stunted cynicism (“Oh no. Not another buzzword!”). Today, though, it’s clear that for many marketers and publishers, the approach offers a platform upon which they may better engineer the effectiveness, efficiency and bottom-line value of their advertising interactions.

Elsewhere around the globe, programmatic adoption and maturity levels differ substantially. But with a few years of audience development experience typically under their belts, panelists said that a number of universal characteristics clearly distinguish those markets that are well positioned to reward expanded programmatic investments from those that are further behind in their evolution. And understanding where various markets sit on that continuum, many said, is essential to plotting out multi-year growth strategies.

So what are the factors that distinguish a “mature” programmatic marketplace—one that’s well positioned to support cross-border investment?

WHAT?

Embrace of the Audience: an orientation on “audience development” —the use of data to identify and maintain persistent engagement with consumer populations based on specific target attributes—as a foundation of the advertising, marketing and/or media strategy

WHY?

Programmatic marketing is about automating the transaction of media, leveraging a combination of business rules, real-time optimization tools and marketplace pricing to support both advertiser and publisher requirements. But the centerpiece of that effort—and the pillar upon which media investment decisions are ultimately reached—is the identification and targeting of distinct “audiences” for specific messages and offers. Those audiences (as defined through the careful analysis of data from many potential sources) represent the ultimate beneficiary of a more impactful marketing effort—and a growing strategic focus on “audience development,” in turn, represents a step-level advance in previous approaches that did not, or could not, leverage data for such purposes.

WHERE?

Market has substantially pivoted to the notion of “audience” as the primary focal point for strategic marketing, offer management, content targeting and omnichannel integration (as distinct from other approaches that might seek to leverage, for example, “context” or media brands as proxies). Rigorous focus on building actionable audience profiles at the segment or microsegment level and, in more advanced cases, use of sophisticated attribution models to reinforce the value of efforts and optimize future approaches.



U.K.

U.S.

Smaller market sizes (and relative paucity of actionable audience data) may limit opportunities to identify meaningfully-scaled audiences—limiting broader embrace of the approach. But technology adoption and global business relationships are typically driving expanded audience-oriented initiatives.



AUSTRALIA

CANADA

FRANCE

GERMANY

JAPAN

Burgeoning interest in “data” and its marketing applications, but legacy dominance of traditional media (and/or concentration of the marketplace in one or a few dominant brands) may compromise wider migration to audience-centric practices. Where audience development efforts are in pilot mode, they have often been initiated in partnership with global efforts spearheaded elsewhere.



BRAZIL

CHINA

GULF REGION

MEXICO

SOUTH AFRICA

IN THEIR OWN WORDS

“ We realized recently that we shouldn’t speak to every user the same way because people are inherently different. So as we become more of a consumer-focused company, knowing who our audiences are and being able to segment to engage them appropriately is the priority. ”

—AUDIENCE OPTIMIZATION AND PERSONALIZATION MANAGER, TECHNOLOGY DEVELOPER, UNITED STATES

“ In France we’re just beginning to see publishers realizing that their data is a treasure—demanding more care than they’ve paid to it in the past. We are working to take that concept deeper, to provide more insights about audiences and allow media to be bought and sold accordingly. ”

—MANAGING DIRECTOR, GLOBAL MEDIA AGENCY, FRANCE

“ Advanced global clients working in Latin America have their own data and they have their own methodologies to do strategic audience targeting, so they understand this and are doing it. But otherwise, no—smaller and local marketers really haven’t embraced the concept yet. ”

—CHIEF DIGITAL OFFICER, GLOBAL MEDIA AGENCY, MEXICO

“ I think we are in the beginning stages of growth in Brazil... We just have just three or four TV channels and from those publisher’s perspective, there’s very little reason for them to provide rich data on their audiences. Advertisers, however, are starting to realize that they can use this type of data to understand their customers and target them with media, but this is all new. ”

—FOUNDER, TECHNOLOGY PLATFORM, BRAZIL

“ Right now the entire ecosystem in South Africa remains quite clearly focused on mainstream media, particularly TV and radio. The idea of ‘audience development’ and the value of targeted smaller slices of the population is not really understood. At least not yet. ”

—CEO, DIGITAL PUBLISHER, SOUTH AFRICA

<p>WHAT?</p>	<p>Programmatic Know-How: an understanding of how business needs drive the adoption and evolution of specific programmatic marketing use cases, including those linked specifically to the media transaction (e.g. “open market RTB,” “private marketplace,” etc.) and those that apply the same automation tools and processes to broader business purposes (e.g. “customer analytics,” “marketing attribution,” “media mix modeling,” “site optimization,” etc.)</p>
<p>WHY?</p>	<p>As commonly practiced, “programmatic” represents a tactical approach to deploying an “audience development” strategy across various media. It leverages a combination of tools, embedded business rules and audience identification/segmentation schema to provide for the optimization of both media effectiveness and efficiency. Markets that have embraced that potential—and where practitioners are actively pursuing opportunities to tie the activation of associated use cases to <i>business</i> objectives—present a sound foundation for short-term investment (and payback).</p>
<p>WHERE?</p>	<p>Robust market adoption of real-time bidding (“RTB”) as a core media buying practice in support of both “reserved” and “unreserved” programs—with expanding interest in leveraging the same technology and process to support both “private” and “open market” transactions. Emerging deployment of applications that apply programmatic infrastructure to business purposes that may be independent from the media transaction—e.g. customer segmentation, predictive analytics, product development, website content optimization, causal and cross-channel attribution, etc.</p> <div style="display: flex; align-items: center;">  U.K. </div> <div style="display: flex; align-items: center;">  U.S. </div> <p>Well established RTB adoption, but typically focused on supporting only “open market” auction transactions. Interest is growing in complementary media buying use cases, though alignment of programmatic practices with other business aims is in very early stages of adoption (or non-existent).</p> <div style="display: flex; align-items: center;">  AUSTRALIA </div> <div style="display: flex; align-items: center;">  CANADA </div> <div style="display: flex; align-items: center;">  FRANCE </div> <div style="display: flex; align-items: center;">  GERMANY </div> <div style="display: flex; align-items: center;">  JAPAN </div> <div style="display: flex; align-items: center;">  MEXICO </div>
	<p>RTB adoption is emerging and/or limited to specific circumstances given, for example, concentration of dominant publisher brands (Brazil, South Africa) or unique norms guiding the parceling of advertising inventory for sales purposes (China). Interest in the practice is typically on the rise, however, especially given expanding local investment from global publishers and advertisers leveraging programmatic efforts in other markets.</p> <div style="display: flex; align-items: center;">  BRAZIL </div> <div style="display: flex; align-items: center;">  CHINA </div> <div style="display: flex; align-items: center;">  GULF REGION </div> <div style="display: flex; align-items: center;">  SOUTH AFRICA </div>

IN THEIR OWN WORDS

“We’ve been focused on [leveraging programmatic buying] for the display space, but in the coming year we’re going to start taking it further... We are trying to do things like dynamic targeting and dynamic content deployment based on audience profiles.”

—INTERACTIVE MARKETING STRATEGIST, GLOBAL SHIPPING PROVIDER, UNITED STATES

“In too many markets, programmatic is still about ‘How cheaply can I buy a bunch of inventory?’ and that’s not advancing the conversation on what the approach can really offer in terms of finding an audience first and foremost. Right now, the preoccupation is in getting the best price and that’s standing in the way of progress for so many.”

—GLOBAL DIRECTOR, DIGITAL ADVERTISING AND INSIGHT, GLOBAL PUBLISHER, UNITED KINGDOM

“When you say ‘programmatic’ in France today it’s not necessarily only RTB, but it’s mostly RTB. RTB is the trendy thing and we expect it to continue growing very fast.”

—MANAGING DIRECTOR, GLOBAL MEDIA AGENCY, FRANCE

“Programmatic grew a lot last year in Germany and it is still growing this year. When we talk about programmatic, we are referring to ‘RTA,’ or ‘real-time advertising,’ which includes private exchanges. The German market structure is more premium focused, so maybe we are more advanced in that respect—it’s not just RTB when we talk about programmatic—but the U.S. and U.K. are certainly ahead of us in terms of using automation to power more use cases.”

—DIRECTOR DATA SOLUTIONS, DATA MANAGEMENT PLATFORM, GERMANY

“Right now we haven’t yet moved to embrace the concept of programmatic ‘use cases,’ and in fact, we tend to shy away from the concept as most publishers don’t want to dilute their inventory... We don’t want to play in the commoditized race to the bottom, but instead want to deliver premium offerings to advertisers and readers... At the moment, we’re not quite sure what programmatic will do to our inventory value.”

—PUBLISHER, DIGITAL PUBLISHER, SOUTH AFRICA

“We started with programmatic buying in the past year. It’s important for our big clients—major global brands—because they understand what it is and what it means. Smaller clients have a little more trouble understanding programmatic. But change has been slowly occurring, and smaller clients are starting to get accustomed to it.”

—DIRECTOR DIGITAL PLANNING, GLOBAL MEDIA AGENCY, MEXICO

“The unique thing about the Japanese market is that although RTB has developed well, it’s unique in its structure. It’s siloed; rather than there being an open RTB environment, there are a number of key agency players that have created their own ecosystems where they control both the supply and demand sides, and as a result, each prioritizes their own inventory.”

—FOUNDER, MEDIA ADVISORY FIRM, JAPAN

“Programmatic is still new here, and people are just starting to talk about it. Most of the customers are using it for remnant inventory through RTB. A few are using data to target better media buys, but that is the exception, not the rule, in Brazil today.”

—FOUNDER, AD TECHNOLOGY PLATFORM, BRAZIL

<p>WHAT?</p>	<p>A Transparent, Open Market Culture: a free and fair marketplace for transacting business, receptive to new entrants—including those founded elsewhere</p>
<p>WHY?</p>	<p>Aggregation and sharing of data is fundamental to the practice of audience development, and doing so in a consumer-friendly way requires the maintenance of an open marketplace—where media, data and technology can be freely transacted within the boundaries of industry best practices (and reasonable regulatory oversight). Open markets also help to breed constant innovation—and stifle anti-competitive attempts to protect powerful legacy interests.</p>
<p>WHERE?</p>	<p>Generally open and welcoming to new entrants, without substantial bias for homegrown players (or opposition to those from other markets). Larger market sizes tend to support a richer competitive atmosphere and regulation, where it exists, is generally clear and well documented.</p> <ul style="list-style-type: none">  CANADA  U.K.  U.S. <hr/> <p>Large, predominately transparent and dynamic markets with burgeoning interest in both digital media and programmatic audience development, but cultural preference to do business within its own borders—or the entrenched dominance (and reach) of legacy media, like TV—can serve to slow the progress of new entrants.</p> <ul style="list-style-type: none">  BRAZIL  FRANCE  GERMANY  JAPAN  MEXICO <hr/> <p>Usually open and welcoming of new investment, but smaller market sizes, or concentration among a few powerful players, reduce the effective competitive <i>opportunity</i>, which can establish effective protective barriers around established media and technology providers (and, in some cases, even dissuade investment in programmatic audience development).</p> <ul style="list-style-type: none">  AUSTRALIA  GULF REGION  SOUTH AFRICA <hr/> <p>Substantial regulatory barriers—particularly as they relate to the free exchange of information and the rights of foreign entities—limit access to both data and media.</p> <ul style="list-style-type: none">  CHINA

IN THEIR OWN WORDS

“Germany, in particular, is a technologically advanced country. They don’t have a problem with platform sophistication, but they tend to have a preference for German-made solutions, which can hurt the market overall if others are not able to enter or innovate.”

—CEO, MARKETING INSIGHT DEVELOPMENT AND ACTIVATION PLATFORM, CANADA

“China is the long pole—it’s a big market and major area of focus but it’s also a unique challenge because of the uniqueness of the market—the government control, the size of the market and the language. It’s basically a perfect storm of hurdles and barriers to entry, but we want to get it right.”

—GLOBAL MARKETING SCIENCES LEAD, COMPUTER MANUFACTURER, UNITED STATES

“In South Africa, the effects of apartheid on the business mindset are interesting and somewhat lasting. For a long time, folks were unable to do business outside of the country, so it created a largely self-contained ecosystem. As a result, there’s a lot of apartheid-thinking; a lot of emphasis on borders, and on building wholly internal partnerships. That’s still a pervasive legacy.”

—ADVISOR, SEARCH MARKETING AGENCY, SOUTH AFRICA

“Japan is open to ideas from elsewhere; it’s not a question of your nationality, it’s more of a question of how committed you are to the market. If you have a good, unique value-added offer, people here want to hear you out... [That said, the powerful agency sector in Japan does limit some of the market’s ‘openness.’] I think the advertisers and publishers would like more of a flat environment where they could transact more openly, but the agencies have a lot of power and they have been controlling the system. My personal feeling is that it would be better if it wasn’t this way, but those in control have no incentive to change.”

—FOUNDER, MEDIA ADVISORY FIRM, JAPAN

<p>WHAT?</p>	<p>Data, Data, Data: the availability of third-party audience data (and legal ability to transact the same through responsible, consumer-friendly means) as well as a mature infrastructure related to collecting and using first-party audience data</p>
<p>WHY?</p>	<p>In an increasingly cluttered digital world, delivering a superior user experience—across advertising impressions, published news and content, e-commerce platforms and other touchpoints—requires access to a rich repository of information on visitors and their likely wants, needs and behaviors. “First-” and “second-party” data (that which is aggregated directly by an end user or sourced through its business partners, respectively) are critical to this effort, but so too is “third-party” data (that which is transacted in an open market environment, pursuant to responsible collection and use guidelines), which helps build a comprehensive view of the consumer (and the availability of which speaks to the dynamism of a marketplace and its effective “audience economy.”)</p>
<p>WHERE?</p>	<p>Ample availability on the open market through data exchanges and similar platforms, promoting a robust marketplace. Barriers to access are low, though the looming threat of enhanced regulatory oversight—and the potential impact of browser settings that are defaulted to “do-not-track” mode—could substantially diminish availability in the years ahead. Viability/contribution of third-party data use cases is evolving (capturing more attention than the question of “access”).</p> <p> U.S.</p> <hr/> <p>Relatively few barriers to access, but availability is typically very limited (given size of the markets and/or early-stage adoption of programmatic audience development); data quality can be an issue.</p> <p> BRAZIL  CANADA  MEXICO</p> <hr/> <p>High demand, but relatively high regulatory barriers—in particular, the European Union Data Protection Directive, which classifies most digitally-generated behavioral data as “personal data” for oversight purposes—effectively limits the ability of aggregators to trade information, especially outside the E.U. or to organizations that have not agreed to adhere to the U.S.-E.U. Safe Harbor Framework.</p> <p> FRANCE  GERMANY  U.K.</p> <hr/> <p>Highly concentrated, influential agency landscape (bolstered by protectionist regulation) effectively manages most data assets, making them available only as a by-product of their affiliated media transactions.</p> <p> JAPAN</p> <hr/> <p>Though first-party data aggregation is common and practiced widely among publishers (usually through site/email registration and opt-in processes), few third-party data assets are available. In some instances, publishers and others are beginning to band together to create usable (and sharable) data assets via second-party networks or associations, but these efforts are nascent.</p> <p> AUSTRALIA  CHINA  GULF REGION  SOUTH AFRICA</p>

IN THEIR OWN WORDS

“The availability of data is key. And in markets where digital behavioral data, or cookie-based data, isn't available—such as the U.K. and Europe in general—other forms of data are even more critical. In very regulated regions, non-cookie-based data can provide practitioners with an edge where otherwise there's basically liquidity.”

—SVP INTERNATIONAL, DIGITAL VERIFICATION PROVIDER, UNITED STATES

“Because we don't have an incentive for customers to log-in to our site, all of our users are anonymous and we have to rely on third-party data. In the U.S. this is fine, but in other regions it's hard since the quality of data is significantly lower, it makes it difficult to base business strategy on it.”

—AUDIENCE OPTIMIZATION AND PERSONALIZATION MANAGER, HARDWARE MANUFACTURER, UNITED STATES

“It's interesting, I think marketers in Germany are very educated in terms of data, but it is difficult to get good data here. Everyone one is looking for it, but there are only a small number of providers available. In that sense, despite a more sophisticated understanding, practices are still rudimentary.”

—DIRECTOR DATA SOLUTIONS, DATA MANAGEMENT PLATFORM, GERMANY

“In Japan, the most important consideration is that on the data side, the data still remains tied to the media in each of the agency silos. There isn't an open market for data... you have to go to these agency providers and they sell you data as a component of the media buy, but it's not a separate entity.”

—FOUNDER, MEDIA ADVISORY FIRM, JAPAN

WHAT?

Technology—and the Means to Use It: the availability of the platforms, tools and applications—either homegrown or licensed from elsewhere—upon which audiences are identified and developed (as well as the expertise to leverage the same)

WHY?

If data is the *fuel* that powers audience development, then technology is the *engine* that puts it to work. Over the last decade, a robust industry of standalone and integrated platforms—designed to support the real-time management, optimization and activation of data, media and direct marketing communications—has emerged on the global marketplace, and practitioners who have broad access to these tools (as well as the expertise needed to maximize their investments) typically enjoy competitive advantages. In supporting audience development efforts, these may variously include tools addressing the following functionality:

- Data management (through data management platforms, or DMPs), tag management and data onboarding/integration
- Demand- and supply-side media optimization (through DSPs and SSPs)
- Measurement, attribution and reporting
- Content verification, brand safety and privacy management
- Creative and content optimization
- Media planning, ad serving and ad operations; and
- Marketing automation (supporting, among other functions, marketing resource management, campaign management and asset management).

WHERE?

Home to a preponderance of the advertising and marketing technology platforms in use by enterprises around the globe today, and likewise, where virtually all core platform disciplines were pioneered (representing that functionality which has been adopted and is now offered by developers in other markets). Technological innovation, platform consolidation and investment from independent financial interests continues at a rapid pace.



U.S.

Widespread adoption of platforms at the enterprise level; mid-sized and smaller market participants are engaging with technology more inconsistently, though adoption is growing (largely with the support of agencies and other service provider partners). Credible homegrown tools—often engineered for unique use cases and regulatory requirements—emerging at a rapid pace, often with strategic intent to compete at a regional level (particularly in Europe) or globally.



AUSTRALIA

CANADA

FRANCE

GERMANY

JAPAN

U.K.

Adoption of the “full suite” of available audience development tools has been inconsistent, with that adoption driven in large part by agencies, who command substantial leverage with respect to both data and the execution of their clients’ media strategies. Nevertheless, interest in the burgeoning technology space is high and in some cases (particularly with respect to Brazil), homegrown tools have emerged that compete readily with global entrants. Cultural and language issues—including, for example, the presence of in-market sales and engineering support—can present challenge to successful market entry.



BRAZIL

MEXICO

Adoption of the holistic advertising and marketing technology “stack” is still largely nascent, but where it exists, platforms are primarily homegrown and/or sourced from markets with strong regional or cultural ties (i.e. Western Europe, in the case of South Africa; Singapore, in the case of China). Early-stage programmatic adoption (and stringent regulatory barriers, in some cases) have further limited deeper technology adoption or encouraged in-market agencies to engineer custom solutions to suit client need.



IN THEIR OWN WORDS

“The good news is that the technology implications are not prohibitive. We have enough technology established and in place to start moving the needle against the customer-centricity target. Right now it’s more about figuring out the appropriate use cases that are the highest priority in each market.”

–GLOBAL MARKETING SCIENCES LEAD, COMPUTER MANUFACTURER, UNITED STATES

“Technology is never the problem. You can make technology do anything you want. But, if you don’t know what business process you’re trying to improve, create or enable, your technology team is useless. If you do know that, and you know it well, technology can make the magic happen. But you always have to start with process.”

–VP DIGITAL MARKETING, GLOBAL ENTERPRISE SOFTWARE AND SERVICES PROVIDER, FRANCE

“There is a lot of technology in Germany. Lots of providers are available here whether they are native or from the U.S. In that respect it’s not about the lack of technology that’s holding up practices, but more about each company finding the right technology to fit their business and needs.”

–DIRECTOR DATA SOLUTIONS, DATA MANAGEMENT PLATFORM, GERMANY

“We are trying to introduce our DMP to the Brazilian market. It doesn’t mean everyone is buying it or using the technology today, but it is the hot topic to talk about. People are really interested and they are learning and will adopt and start using soon.”

–MANAGING DIRECTOR, GLOBAL MARKETING AUTOMATION PLATFORM, BRAZIL

WHAT?

Standards in Measurement and Accountability: a commitment to develop and maintain universal standards to govern audience identification, measurement and valuation across the marketplace

WHY?

The basis of a fair, free and productive marketplace is a unified *currency*—allowing buyers and sellers to ascribe meaningful and measurable value to any asset they may seek to transact (in this case of audience development: media, data and/or technology). But assigning specific monetary value to an intangible asset—such as an “audience”—is fraught with difficulty; as a proxy, constituents on both the demand and supply sides of the marketplace must work to develop, nurture and employ a series of complementary metrics that illustrate the size, intent, actionability and confidence level of a given audience. Transparency and clarity also help shine a light on bad actors, whose attempts to defraud and/or exploit process loopholes threaten to undermine the good intentions and investments of legitimate media, marketing and technology constituents around the world. Further progress with respect to accurate measurement, holistic, omnichannel attribution and valuation of audiences and media will help buyers and sellers equally determine the “true value” of programmatic resources, helping business leaders on both sides make more efficient investment decisions.

WHERE?

Though the global marketplace (largely through trade associations and dedicated third-party technology and service providers) is rapidly moving to recognize and tackle the “accountability issue,” those efforts are largely still nascent. Much work remains to be done at all levels—global, regional, market-specific and individual—to define, employ and optimize the audience and media metrics that may be used to establish consistency in the way those assets are valued (and, ultimately, to substantiate investments in the same). While practitioners in the most advanced markets, namely the U.S. and U.K., have done most to adopt sophisticated methodologies for digital measurement and cross-channel attribution, all markets—and practitioners on all sides of the media equation—could benefit from increased focus on this area.

Though fraud and *transactional* transparency (especially with respect to open market RTB interactions) remain ongoing challenges in many markets, they have not, to date, served to substantially dissuade investment in approaches, although more clarity around measurement and attribution would go a long way to promote additional investment—and reassure those investing that their budgets were well spent.

In a very real sense, progress on this front should serve to help both publishers and advertisers conquer the century-old dilemma famously espoused by U.S. retailer John Wanamaker: “Half my advertising is wasted. The trouble is I don’t know what half.”

-  AUSTRALIA
-  BRAZIL
-  CANADA
-  CHINA
-  FRANCE
-  GERMANY
-  GULF REGION
-  JAPAN
-  MEXICO
-  SOUTH AFRICA
-  U.K.
-  U.S.

IN THEIR OWN WORDS

“Right now, spending on display advertising is basically just funny money. Marketers know they need to do it but the performance hasn't been standardized so they have no way to evaluate what they're getting out of it... We need transparency more than anything else. Attribution and measurement is key. More than just having data, you need to understand what's happening... More than a brand safety issue or a viewability issue, it's getting a holistic view that would allow you to measure efforts appropriately... a causal attribution.”

—SVP INTERNATIONAL, DIGITAL VERIFICATION PROVIDER, UNITED STATES

“Right now, marketers think they know what the user is worth to them—while the publisher typically feels something about the value of their inventory. Neither party understands the other side and there is no credible overall truth. Each has a value for his own position but there's no Venn diagram that overlaps. We need that before things can advance.”

—PRESIDENT, ADVERTISING NETWORK, CANADA

“We started to institute our own metrics for measurement, because nothing really existed before. How you track a campaign in the U.S. wasn't the same as elsewhere. To get a global perspective was very difficult as it was very hard to marry the data across regions, so having a standard helps.”

—INTERACTIVE MARKETING STRATEGIST, GLOBAL SHIPPING PROVIDER, UNITED STATES

“The value measurement is where the industry needs to sort itself out. CPM was consistent with old school print. Whether it gave you value in the end was another story, but it was consistent and you knew how to look at it. Where's CPM in the digital space? It's all over the place. One of our customers was excited that a YouTube video got hits, but do we care? What does that do for you? We don't know. Somewhere, the Holy Grail is a consistent value metric for online media.”

—VP DIGITAL MARKETING, GLOBAL ENTERPRISE SOFTWARE AND SERVICES PROVIDER, FRANCE

“If I could snap my fingers and get a wish that would advance audience development practices it would be to build a better valuation metric for the brand impact of digital approaches that would move away from 'last click' attribution to more nuanced understanding of the value of exposure. If it was clear what was being purchased, practitioners could feel better about investing.”

—CEO, DIGITAL PUBLISHER, SOUTH AFRICA

WHAT?

An Opportunity to Build Scale: an audience population that, either independently or as aggregated with those from other markets, offers a meaningful opportunity to drive value for all parties to the media transaction

WHY?

One of the core motives driving publisher and technology organizations to pursue global growth opportunities is the idea of *audience extension*; in short, interest-specific audiences that would otherwise be too small to merit an investment in targeted media within any one market could be aggregated with like-minded segments from others to achieve an economical scale—an audience of substantial enough size to merit enterprise investment. At this comparably early stage of “audience culture” adoption, though, spending decisions are still typically gauged on the basis of individual-market opportunity. And markets that simply don’t offer the same consumer reach—either because the population is smaller, or because those consumers are interacting with different forms of media—will have a longer road to true programmatic maturity.

WHERE?

Widely coveted (due to its sheer size and young, digital-savvy population) but as yet sidestepped by many foreign media companies and technologists, owing largely to conditions related to its centralized economy. Media channels and marketing spending authority is concentrated in relatively few hands (and influenced heavily by the government), the free exchange of information is heavily regulated (with some brands, such as Facebook, formally blocked from public access) and the practice of audience-centered programmatic marketing has been largely marginalized by inventory practices that favor direct transactions based on timing and brand placement, not data-triggered events.

Population* (in millions)	Internet Usage, as % of Population #	Market
1,373.8	45.8%	 CHINA^

By far the largest and most mature of the “advanced” audience-centered markets, rapidly turning its attention to the integration and “programmaticization” of *all* media channels as components of omnichannel strategies. Increasingly, focus in this regard is shifting to both mobile and addressable television.

Population* (in millions)	Internet Usage, as % of Population #	Market
318.3	84.2%	 U.S.

The beneficiary of substantial homegrown technology investment over the last three years, the market will benefit from intense worldwide media exposure (and likely investment) linked to its hosting of the 2014 World Cup and 2016 Summer Olympics. The entrenched dominance of television media, however (as well as the strong influence of its largest publisher, Globo, and broader network of in-market agencies) has served to dampen wider investment in both digital marketing, generally, and audience development, more specifically.

Population* (in millions)	Internet Usage, as % of Population #	Market
202.8	51.6%	 BRAZIL

Large, diverse and digitally-centric market with relatively mature programmatic infrastructure (dominated principally by its influential agency sector). Concerns over economic stagnation, more than any other factor, have served to modestly depress more aggressive efforts at independent innovation and investment from abroad.

Population* (in millions)	Internet Usage, as % of Population #	Market
127.0	86.3%	 JAPAN

<p>Growing rapidly (and benefitting somewhat from its geographic proximity to the U.S.), the market is often promoted as a potential hub for advertising and marketing efforts across all Spanish-speaking markets of Central and South America. The development of audience development use cases has been slow to take hold to date, though, given the strong influence of the television channel and highly influential agency sector (which, as is typical in lesser developed markets, has not yet established a case for migration to programmatic media to satisfy its own economic interests).</p>	Population* <i>(in millions)</i>	Internet Usage, as % of Population #	Market
	119.7	43.5%	 MEXICO
<p>Early adopters of programmatic technology (and, where data has been available, advanced audience development use cases), media and technology emerging from Europe’s “big three” markets are rapidly influencing the roll out of similar approaches across the continent and elsewhere. In the cases of both France and Germany, business norms rooted in cultural practice can sometimes present challenges to market entrants from abroad, though panelists said these issues are receding somewhat amidst the rapid pace of innovation across the programmatic enterprise—driving participants to more readily engage with partners, clients and others in a “global audience economy.”</p>	Population* <i>(in millions)</i>	Internet Usage, as % of Population #	Market
	80.7	84.0%	 GERMANY
	65.9	81.9%	 FRANCE
	64.1	89.8%	 U.K.
<p>More modestly sized than their global peers (from a population perspective), these markets have nonetheless been early and eager adopters of both digital marketing and the media buying technologies associated with first-generation programmatic use cases (such as open market RTB). Though the economics of scale are commonly cited as a potential obstacle to more fulsome investment, the close economic and social ties of all four regions to larger peers—South Africa to most of Western Europe (as well as an entry point to the African continent), the Gulf region to the Indian subcontinent, Canada to the U.S. and Australia to the U.S., U.K. and southeast Asia—have renewed a focus on audience extension in each market.</p>	Population* <i>(in millions)</i>	Internet Usage, as % of Population #	Market
	53.0	48.9%	 SOUTH AFRICA
	49.9+	68.9%	 GULF REGION
	35.4	85.8%	 CANADA
	23.5	83.0%	 AUSTRALIA
<p>* Source: Various, including most recent government estimates and U.S. Census Bureau Population Clock # Source: World Bank ^ Including the Hong Kong and Macau special administrative regions + Includes Saudi Arabia (30.0 million inhabitants), the United Arab Emirates (9.4 million), Oman (4.0 million), Kuwait (3.1 million), Qatar (2.2 million) and Bahrain (1.2 million).</p>			

IN THEIR OWN WORDS

“The Brazilian market is the biggest [opportunity in Latin America] but the publisher side of the equation is very concentrated—just a few companies basically own all of the publishers in Brazil—so until they decide that selling inventory based on audience segments and programmatic is in their best interest, they won’t make the inventory available, though we expect this to change in the coming years.”

—CEO, MARKETING INSIGHT DEVELOPMENT AND ACTIVATION PLATFORM, CANADA

“Programmatic really started in Mexico 1.5 years ago with RTB buying. We have a few companies in Mexico offering the first wave of buying this way and I think this will increase very fast but today it’s not a huge part of media strategy in Mexico. Ten percent of people talking about programmatic in Mexico actually understand it. But once that improves, the opportunity is massive.”

—VP, GLOBAL RATINGS FIRM, MEXICO

“The Canadian agencies are trying to figure out their place in this ecosystem. With data and an increasingly global program run by centralized strategy derived from the data insights, will you really need an agency only focused on the Canadian market? Will that make sense?”

—VP INNOVATION, PUBLISHING COMPANY, CANADA

“Businesses and service providers are realizing that the West is not continuing to grow, and the real opportunity is in emerging markets... brands are entering our market with the goal of making South Africa the entry point and then expanding to the continent from there. They see the whole region as an opportunity to scale.”

—ADVISOR, SEARCH MARKETING AGENCY, SOUTH AFRICA

IN CONCLUSION In the very early days of programmatic media buying—back when the term suggested little more than “RTB,” even among its most sophisticated practitioners—the practice often fell victim to intense scrutiny. “Race to the bottom!” the skeptics would complain, forewarning a future where automation technology would serve to devalue both media and the human beings invested in its creation, packaging and deployment.

Nearly a decade later, the U.S. market is increasingly coming to see programmatic as something more: a means of activating *marketing* strategies oriented around the *audience*, and, in doing so, deliver more compelling experiences to the same. Other early-adopter markets—perhaps most notably including Australia, Canada, the U.K. and others in Western Europe—are similarly evolving from that early mindset and deploying a progressively more sophisticated array of audience development use cases.

Elsewhere around the world, maturity levels differ. And the market conditions that make *both* “audience development” and “programmatic” possible likewise vary substantially—with access to (and availability) of data, technology, expertise, media and other key ingredients differing based on both cyclical and secular trends that are specific to individual markets. Almost universally, though, the business drivers behind early-stage, intermediate and mature programmatic investments are the same: engage digital consumers, optimize marketing investments and elevate the value of digital media for both consumers and commercial purposes alike.

Though challenges remain (and the skeptics continue to sing the same song about the shortcomings of data, technology and process automation) the promise of “programmatic everywhere” is finally beginning to materialize. The extent to which its practitioners are able to realize it for themselves will depend upon their commitment to identify—and activate—the use cases most appropriate to their business goals.

WINTERBERRY GROUP

WINTERBERRY GROUP is a unique strategic consulting firm that supports the growth of advertising, marketing, media, information and technology organizations. Our services include:

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DataXu

DataXu is transforming the way companies build their brands in a digital world through the industry's only fully integrated programmatic marketing solution. The DataXu Platform offers cloud based software that leverages data science to help enterprise marketers better understand and engage consumers throughout the buying journey, and optimally manage marketing investments for more efficient and effective customer acquisition strategies. With 11 offices in eight countries, DataXu services more than 700 brands across the globe.

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Visual IQ produces the world's most powerful cross-channel marketing attribution software products. As a pioneer in the space, the company has been offering products since 2006. Its SaaS-based IQ Intelligence Suite reveals cross channel performance insights hidden deep within companies' marketing data, providing actionable recommendations and optimized media plans—at the audience segment level—to improve marketing effectiveness. These recommendations enable marketers and agencies to adjust their advertising strategies and tactics to significantly increase marketing ROI across their entire marketing mix—both online and offline. The functionality behind these products combines a powerful, user-friendly interface with multi-dimensional fractional attribution science and predictive analytics that clearly and accurately show marketers where opportunities exist for improvement.

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