

# MEDIA BUYING 101

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## Media Buying 101

We've put together a small guide on display media buying. This guide will cover the pre media buy research you need to do to get ready to start your media buy as well as limit your risk and improve your return on investment while buying, the types of display media buys you can do and what to remember when you're actually negotiating the terms of your media buy. Let's get started....

## The Pre-Buy

Before you start buying media you need to do some research. There are a couple parts of this, demographic research and competitive analysis

### *Demographic Research*

You can do demographic research for free using many websites found around the web. You can also pay for this information from providers like ComScore. The information on these may not be 100% accurate, but will give a pretty good picture about what's happening around the web. The free sites we're going to dig into are alexa.com, quantcast.com and Google Ad Planner (google.com/adplanner).

**Alexa.com:** What is Alexa? To quote from their website "Alexa is continually crawling all publicly-available websites to create a series of snapshots of the web. We use the data we collect to create features and services. Alexa employs web usage information, which tells us what's being seen on the web by real people. This information comes from our community of Alexa Toolbar users". By doing a search for a domain, demographic information becomes available for free.

**Quantcast.com:** Quantcast provides worldwide audience and demographic data. Quantcast couples machine learning with massive quantities of directly measured data to deliver detailed audience data in real-time. Search any website within Quantcast to get measured demographics and volume results.

**Google Ad Planner:** Google Ad Planner takes demographic information as collected by Google and allows you to search for websites demographics to better plan media buying campaigns.

Now you know how to find demographics, who should you be targeting? You can use your own website to see demographics if you have analytic software installed, or you can base it off your competitor's website demographics. The other way to do demographic analysis is by evaluating competitor's campaigns, not their site. Who are they specifically targeting? By doing this research you'll be able to find websites who has an audience that matches your demographic needs to buy media from, or present these metrics to ad networks to better target your media buy.

**Important demographic metrics:** gender, age, children, income, education, ethnicity

**Age** – For the most part age and/or gender is going to be your most important demographic category to target.

**Gender** – in some cases, gender won't matter, in others it will. For examples, the cosmetics niche will probably do better with a female audience versus a male audience.

**Education**– This will depend on your target audience. For example, if you are doing lead generation for an MBA or graduate program, you obviously would want to target sites that cater to individuals with a higher education level.

**Has Children** – Again, depending on your target audience this could be a key demographic. For example, if a source is predominately male and doesn't have a child that is probably not a good place to promote any sort of baby or parenting guides.

**Income:** Income levels matter for the type of product you are trying to promote. If it is a high cost product, let's say a private jet, targeting low income demographics may not yield the best results.

**Ethnicity:** If you have ethnic specific markets or products, this metric becomes pretty important.

### **Competitive Intelligence**

Using competitive intelligence platforms will save you a lot of time and provide a much more detailed understanding of what is working in competitors ads and media buy campaigns. This information is valuable because by using the information on what is actually working for them, you can find what they've spent money and time testing and what to not waste money using. WhatRunsWhere.com is a competitive intelligence platform for media buying that is a must have for any media buyer, brand new or an old veteran.

Once logged in, you can search by advertiser, website or ad network to find out what is performing best for any of the three search options. This allows you to quickly see top ads, placements and trends. By taking what a competitor has already spent money testing and perfected and improving on it, you're able to save a lot of time and money once you launch your media buy.

When using the tool you want to try to get Key Performance Indicators (KPI). These include, target demographics (of the places they're advertising on and who's coming to their website) and ad copy. By spotting recurring trends and themes in this information you can turbo charge your media buy and get a huge leg up from the get go (or use it to bring an existing campaign to a whole new level of profitability and scale).

## Where to Put Your Media Buy

### There are two basic types of media buys:

Direct buy: buying ad space directly on a website from the website owner. For example doing a media buy on nba.com would be an example of a direct media buy.

Network/Agency buy: buying ad space through a third party network or agency, examples include: Google Adwords Content Network, MSN Content Network, AOL Adsonar, Pulse360, Interclick, Tribal Fusion, Blue Lithium, BuySellAds, Burst Media, Rubicon Project, 247 Real Media, Contextweb, Valueclick, Adbrite and there are hundreds more.

In the following section we are going to go through the basics of each type of buy and what it exactly they are/it entails.

## **Network/Agency Buy Methodology**

Ad networks are companies that aggregate available ad space across a large number of websites (publishers) and sell it to an advertiser. There are many types of ad networks from the very large to niche ones targeted to a specific audience. By going to these networks and buying from them, you can achieve a large reach for your ads and scale your campaigns quickly by leveraging their depth and breadth of publishers available.

**Pros of ad networks:** Set up quickly, Test a lot of sites fast, Potential to Scale, Swap out ads and content quickly, work with a representative to optimize your media buy

**Cons of ad networks:** Traditionally there is more risk (higher \$ minimums to start buying), Varying levels of actual transparency, reliance on a representative to do their job, you don't necessarily know where your ads are showing up (there is a degree of black box effect)

Examples of some ad networks include CPX Interactive, Blue Lithium, ValueClick, AdBrite, and many others.

## **Media Buying via Demand Side Platforms (DSP)**

Media buying is constantly changing and evolving. New technology and ways to buy and sell ads are always being developed. One trend that has caught on in the last little bit is a new platform that takes demand side platforms (DSP) audiences (a DSP is a platform that allows advertisers to buy traffic) and allows you to buy it from a single interface. This technology is known as Real Time Bidding or RTB.

“Real-time bidding (RTB) is a relatively new advertising technology that allows online advertising to be purchased and served on the fly. Instead of reserving prepaid advertising space, advertisers bid on each ad impression as it is served. The impression goes to the highest bidder and their ad is served on the page. The closest analogy would be to the stock market: as stocks (online advertising spaces) come up for sale, brokers (advertisers) bid for the stock. Whoever bids the highest price gets that stock (the ad is served). Then the process immediately starts all over again.” (Taken from the crowdscience.com blog)

RTB platforms allow you to bid on a huge amount of inventory from a lot of different sources in one interface. Each RTB platform is different and the capabilities are different too. Some allow you to just bid on traffic networks or audiences like AdBuyer.com, while others like SiteScout.com allow you to bid on specific websites allowing you to essentially do single site placements on a mass scale. This allows a quicker and easier way to set up and manage campaigns as well as making the media process less labor intensive than it has been in the past.

The other nice thing about most RTB platforms is that they require a very low minimum (usually between \$500-1000) to start buying through. Examples of DSP platforms include MediaMath, Turn and SiteScout.com.

### *Direct Buy Methodology*

Direct buys are going on a website by website basis and buying inventory directly from the website owner or company.

**Pros of Direct Buys:** Tap into high volumes of traffic, cut out middle men (such as ad networks), build relationships with direct websites for future buys, lock inventory in creating barriers to entry for competition

**Cons of Direct Buys:** Time consuming to locate direct buy sources (unless you use spy tools like WhatRunsWhere where the information is condensed for you), Need to monitor a lot of websites, need to pay for a third party ad server to deliver for ads onto the site (Examples of adservers include SiteScout.com, AdShuffle.com, Zedo.com), scaling is a harder and more manual process, time consuming to manage and optimize a lot of direct buys on an individual basis

By buying directly you have more transparency on what is actually happening with your advertising and more control of the traffic sources where your ads are placed.

To find direct sites to buy from you can use tools like WhatRunsWhere.com, Google Ad Planner, and Quantcast.com. These tools have research and planning capacities that will generate lists of websites that fit with your media buy plan (Quantcast.com and Google Ad Planner) or that your competitors are using to already buy media from (WhatRunsWhere.com).

Contact these websites directly after you've found them is the first step to having a direct buy up and live in no time!

## Negotiating the Media Buy

Now that you've found where you want to actually run your media buy, it's time to negotiate what you're going to pay for it. We're going to try to give a high level overview of pricing structures in the media buying world. There are three basic pricing structures:

**Cost per Thousand Impressions (CPM):** A CPM is how much you will pay per thousand impressions of your ad during your buy. For example if you have a \$1 CPM, you will pay \$1 every time your ad is shown 1000 times.

**Cost Per Click (CPC):** A CPC is how much you will pay every time your ad is clicked. For example, if you have a \$0.50 CPC, you will pay 50 cents each time that someone clicks your ad.

**Cost per Action (CPA):** A CPA is how much you will pay when a designated action is performed. For example, if you negotiate that a signup is worth \$5, then whenever someone completes that action (sign up), you will pay \$5.

There are generally two types of inventory available on media buys, premium and remnant inventory. Premium inventory is normal high quality inventory. Remnant inventory is unsold or lower quality inventory. As you can imagine premium inventory is usually more expensive on a site by site basis while remnant inventory is cheaper. The type of inventory you want to buy depends on your goals and budget for the campaign.

### *The Insertion Order*

Unless you are buying directly through a self-serve RTB platform (For example SiteScout.com), you will come across an insertion order. An insertion order is a formal, printed order to run an ad campaign. Typically an insertion order identifies: Typically, the insertion order identifies the campaign name, the website or ad network receiving the order and the planner or buyer giving the order, the individual ads to be run (or who will provide them), the ad sizes, the campaign beginning and end dates, the fee structure, the estimated total cost per billing period, discounts to be applied, reporting requirements and possible penalties or stipulations relative to the failure to deliver the impressions, out clause (the maximum time needed to stop the buy in case of failure or issue). Insertion orders vary per order so there is no one size fits all templates.

## Conclusion

Hopefully this guide has given a better understanding on how to research and pick the type of media buy to do as well as what you need to understand when you are ready to actually execute the media buy. Happy buying!

**About WhatRunsWhere.com:** WhatRunsWhere is a competitive intelligence service for online media buying. It allows you to look up what advertisers are doing online, where they are running ads, from who they are buying inventory, and what exact ads they are using. WhatRunsWhere allows you to see what is happening on any website: who is advertising there, who is selling the inventory for them, and what ads they are running. With data from multiple countries and actionable insights from the data, WhatRunsWhere quickly allows anyone to dissect advertising campaigns, resulting in reduced risk and a higher ROI for online advertising campaigns. Try it today for just \$1 at [www.whatrunswhere.com](http://www.whatrunswhere.com)