

PLEASE EXPLAIN



EXCHANGE IS GOOD

Until a few weeks ago, Canada was an ad-bidding backwater. But things change quickly in the ad exchange game—especially when Media Experts founder Mark Sherman is driving

By David Brown

A trend that took hold in the U.S. about 18 months ago has suddenly blossomed in Canada. In the space of a few days last month, three major announcements were made related to ad exchanges, real-time bidding (RTB) and agency trading desks.

First, Media Experts said that with the launch of Xpeto, it broke ground as “the first in Canada to operate its own online media trading desk.” (Other agencies may quibble, but the truth is any trading desk activity is likely being done from U.S. offices.) Soon after, Microsoft announced its advertising exchange

was open for business in Canada and then British online ad exchange firm The Exchange Lab launched an office in Toronto—its first in North America.

Considered by many in digital media to be the next big thing, RTB lets media agencies bid on highly qualified display inventory through auction. The exchanges are simply the platforms created to centralize non-premium inventory (the stuff beyond the homepage, usually) unsold by multiple publishers. The trading desks are really just the teams trained to operate the platforms and interfaces.

In search of a little more clarity about the phenomenon, *Marketing* spoke with Mark Sherman, founder and chair of Media Experts, to get the facts behind the Xpeto move and the growth of exchanges in Canada.

Who?

Right now the trading desk is made up of six members of Media Experts’ 29-person digital team who have been trained on the platform. Sherman expects the desk to grow in size as interest in the service catches on.

What?

Simply put, Xpeto is lets Media Experts’ trading-desk jockies interface with multiple exchanges to find the best online display inventory and bid for it in real time. There is some coding involved but it is really just a console that allows the traders to use multiple demand-side platforms (DSPs) to bid in exchange auctions—though not at the same time. “If we used more than one [DSP], we could end up bidding against ourselves,” says Sherman.

Where?

Spread across the firm’s Montreal, Toronto and Vancouver offices, the desk has been buying

QUOTE UNQUOTE

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—Mark Sherman, Media Experts



exchange inventory for nine different clients, “Right now these buys don’t represent a significant portion of our display activity,” says Sherman. “We have been experimenting and, moving forward, we see that growing from less than 5% of activity to 20% over the course of the next 12 to 18 months.”

When?

“This started to emerge in America more than a year ago, so we jumped on it,” says Sherman. While Media Experts effectively soft-launched the service with existing clients about a year ago, the agency is now eager to promote the service to the entire market.

Why?

“We believe exchanges will replace networks or at least take a big part of their business,” he says. Sherman’s not alone in his opinion, though ad networks have been making moves into the exchange space. Microsoft is one example. Casale also launched CasaleX in August. Expect other moves from networks who see the writing on the wall. “The problem with buying from networks [rather than exchanges] is that you are purely buying audience without knowing where your

ads run so there is no control over context or environment,” says Sherman. Exchanges are considered more transparent, with more qualified impressions. Advertisers know exactly who they are buying impressions from and where they are going to run, along with a data layer that reveals if a person is interested in, for example, buying a car. “That makes them even more valuable,” says Sherman. “When those impressions go in a real-time auction, publishers will get more.”

How?

Traders on the Xpeto Trading Desk choose from one of several DSPs (with different ones a better fit for some clients than others), input their target parameters, including the price they’re willing to pay and let the platform search the various exchanges for the highest-quality impressions. Detailed reports let traders analyse their bidding and make changes when they see fit. Sherman says Xpeto gives its customers access to more than 500 million Canadian impressions daily from multiple exchanges. While the platform is now being used for display media, Media Experts has begun testing real-time bidding for video and mobile inventory.

HOW AD EXCHANGES WORK

Step 1

Online publishers release non-premium ad inventory to ad networks and, increasingly, exchanges which consolidate across multiple networks



Step 2

When someone visits the site, the site’s ad server requests an ad from the ad exchange or network



Step 3

Information about the visitor is included in the request, which goes out into auction for real-time bidding



Step 4

The demand-side platforms of agencies monitor various auctions and compare available inventory to parameters of client demands; highly qualified impressions go to the highest bidder

Step 5

Agency trading desks monitor the auctions and reports coming back in real time to adjust their buying tactics and bids



BOM TRABALHO!



David Ploughman, CEO of Toronto’s BStreet Communications and president of MAA Worldwide, accepts the MAAV flag.

CANADA’S GOLDEN PROMO GLOBES

Canadian agencies working in the promo and direct marketing field killed it at the 2011 Globe Awards, the Marketing Agencies Association’s global promo award show.

While “Best in Show” went to Arc Worldwide’s “Arm Yourself For the Ones You Love” campaign for Walgreens, Canadian shops brought home seven of the 80 category awards handed out in Rio de Janeiro late last month.

That haul included two Gold trophies. The first went to Inventa in the “Best Event or Experiential Marketing Campaign” category for the Richmond Centre’s “Believe” campaign. The holiday promotion sought to make the B.C. mall the “custodian” of children’s right to believe in Santa, and included a Christmas parade.

Cossette won Canada’s second Gold in “Best Small Budget Campaign” for “La Korrigane Brasserie Artisanale,” which featured hand-drawn ads in newspapers for craft brewer La Korrigane. The project saw illustrators and artists work through the night to create 1,000 original ads to distribute in copies of the urban weekly *Voir*.

Ariad Custom Communications and The Hive both won Bronze trophies. Ariad won in “Best Brand Awareness & Trial Campaign” for the promotional elements of Unilever’s BeceL pro.activ margarine launch that positioned the product as a heart-healthy product. The Hive won Bronze in “Best Use of Social Marketing in a Promotion Marketing Campaign” for the Sidney Crosby viral videos it produced for a Reebok hockey stick launch.

Rounding out Canada’s winners list, three agencies won Orders of Merit: TrojanOne for Mattel Canada’s “Hot Wheels Colour Shifters” campaign; Cossette for Six Flags La Ronde’s “Ednor” work; and The Hive’s “Cadbury Key to the Secret” for Kraft Canada. —Jeromy Lloyd

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