

Why Marketers Need To Adopt A Programmatic Marketing, Vs. Programmatic Advertising, Mindset

Author : Tobi Elkin

Date : June 5, 2016



A new [white paper](#) from The CMO Club in partnership with MediaMath makes the point that CMOs are increasingly adopting a programmatic **marketing** mindset vs. a programmatic **advertising** one.

What does that mean?

The paper suggests that while programmatic media buying has been around for nearly a decade, marketers have yet to reach its full potential. Programmatic media can be tapped for 100% of media budgets and used to enable more sophisticated audience management and analytics. In other words, it's much more than a mere line item on media plans.

The white paper defined programmatic as that which “leverages technology to automate and optimize the planning, purchasing, execution and analysis of **digital marketing** across channels, [and] is empowering CMOs to connect their technology decisions with real business results.”

The growing convergence of ad and **marketing** tech, driven by automated systems on both sides of the equation, plus the cornucopia of available data, has the ability to make ads more targeted across paid and owned media. Marketers and publishers need to expand their range of vision where programmatic is concerned to include more channels and functions.

“The future of programmatic is looking at other mediums. Currently, programmatic is being used in video and mobile, but TV is just dabbling in this space. What about the Internet of Things?” asked Sean Cheyney, VP, audience extension sales, Triad Retail Media.

Thinking about programmatic **marketing** more broadly requires the ability to incorporate programmatic best practices across a **brand's** entire **marketing** strategy, the white paper notes. That's a sensible approach. Integrating programmatic strategies makes sense throughout the entire media planning process.

While agencies can serve as the lead partner with **brands** on programmatic, they also need to connect clients to the best media buying, data management and measurement approaches

across different channels. Frequently, these approaches are actually vendors in their own “preferred partner” network, but agencies need to facilitate other relationships where they make sense to ensure **brands** have all the right partners in place. This is where an agency can add more value, since the converging ad-tech and mar-tech landscape is such a confusing jumble—the technology itself changes week-to-week, product offerings are constantly iterating and partnerships are multiplying.

“CMOs and agencies need to be on the same page for a successful partnership to work,” Cheyney told *RTBlog* via email. “Programmatic can help advance business and **marketing** objectives, but in order for it to work it needs to be part of the strategy, not just be a tactic.”

Cheyney said that CMOs are relying even more on agency partners to help make sense of data. “Agencies are most effective when they can help their partners understand how to harness the data to drive business objectives. Agencies that understand programmatic and its place within the overall **advertising** strategy can be a critical asset for CMOs,” he said.

Taking a slightly different view, Matt Nespoli, **digital** media supervisor at Butler/Till, stated: “The agency of the future is going to be full of consultants. They will be strategic thinkers and bring new technologies and approaches to their clients. When you’re not always in the weeds, you can think more strategically—and that’s why agencies will always be around. We’re doing this and finding ourselves in that consultative role, which allows us to be proactive instead of reactive.”

The survey of more than 70 CMOs at **brands** and agencies revealed that marketers still want to work with their agencies on programmatic strategies, but they want to approach things differently. **Brands** are leaning on their agencies and ad-tech/mar-tech vendors to interact with one another and have a relationship.

Among the findings:

- 68% of those surveyed said that adding a technology partner to their agency relationship would help maximize **marketing** ROI.
- 59.38% said audience insights and optimization best practices are the most valuable contributions agencies provide CMOs to help educate their **brand**.
- 34.85% said their agency has access to some of their first-party data, while 27.27% said their agency has access to *all* of their first-party data.
- 30.3% said that excellent agency support means a relationship based on complete transparency.
- When it comes to audience management, 62% of The CMO Club survey respondents said their agency is accessing and activating at least some of their first-party data for **advertising** efforts.

- Where transparency is concerned, 30% identified it as a top priority for their agency relationships. Some defined transparency as “fees,” while others said it meant communication between agency and **brand**.

Robin Thomas, director of media and **social** for Chili’s Grill & Bar, is focused on transparency as it relates to how the media-buying process is being executed, in addition to what happens on the technology platform. “The biggest challenges initially for us were staying on top of the transparency in the buy and the back-end actualization, auditing of the buy, and using a programmatic platform,” she stated.

The findings revealed that 70% of CMOs surveyed ranked the partnership between **marketing** technology providers and agencies as "very important" to their success. Marketers’ embrace of programmatic has created a new dynamic between **brands** and agencies.