

WHITE PAPER



ALPHIX
SOLUTIONS

THE AMX EDITION

Programmatic 101

Mythbusting, Data and
Actual Artificial Intelligence

Introduction

Programmatic advertising has been around for quite some time now and has evolved significantly. It is now so widely used, that whilst final results are being collated, it was expected that a **staggering \$594 billion** was due to be **spent programmatically** in 2024.

In this paper we are going to dive into a few key areas that are highlighted below. We will talk through common fears and misconceptions about programmatic and how Alphix Media Exchange is future-facing in a way that is designed to answer your marketing needs.



"How do you know you are reaching good audiences?"

"Compliance say no, it's not targeted enough"

"Super cheap and mass-scale"

"Provides targeting not possible in other media"

"Gives us deeper data and insights"

"A way to target precisely across a wide domain list"

If you are new to the programmatic world, feel free to reach out to the AMX team who can assist you in your learning.

What we will cover

Mythbusting

"It's weird and complicated, I don't understand it enough to use it I'm worried about ad fraud and bot traffic."

Transparency

What data points are available to enforce your targeting?

What reporting data can be provided to reassure advertisers of quality?

The future

Everyone is claiming they use AI, machine learning and more – what is actually possible?

MYTHBUSTING

Since its inception, [programmatic advertising](#) has evolved into many different forms over the decades.

From just buying up some of the remnant inventory at its infancy, to becoming a huge beast in the 2010s that allowed large swathes of inventory to be sold at low cost. As programmatic advertising grew, it also started to be seen as more complex, causing people to ask

What is a DSP?

How does that fit into something called an SSP?

Who's in charge of the online auction?

What am I even buying and is it safe?

First off, the technology isn't as scary as it seems. You can think of it as simply trading in apples.

Sell side

A farmer grows apples (ad impressions) to sell

He sells 90% of them to direct buyers (e.g. a publisher making a direct buy)

The other 10% he gives to an official apple trader (sell-side platform) who sells each apple by auction at market

Buy side

You and your family (i.e. your marketing team) want to buy apples, although you want them from a specific location, a specific age and you want red not green apples (you set your audience buying strategy)

You have access to an official apple buyer (buy-side platform (e.g. AMX) who goes and buys the most appropriate apples on your behalf at the market

I know this is a simple analogy, but we have found it is a very useful example for marketers. It's not as complicated or as intimidating as it may seem.

At Alphix Media Exchange (AMX), we make sure to make our clients' lives as simple and easy as possible. We're happy to start with just a target country and audience and handle all the heavy lifting—whether it's strategic direction, target specifics, runlist curation, or search phrase creation.

Then we have the second concern in the myth busting chapter – ***“I’m worried about ad fraud and bot traffic.”***

This is a fair and valid concern. As with anything, once a good thing is made there are always people taking advantage of it in nefarious ways. In 2023, around 22% of all [digital advertising spend was attributed to ad fraud](#) and unfortunately this is only expected to rise. What's driving this? Bot and

click farms have infiltrated the advertising world, some having the potential to cause problems to advertisers via invalid clicks.

What does this mean? For those affected, it can mean that attribution of your impressions, clicks and page entrances is becoming even harder and those still utilising cookie-based floodlight pools will probably be targeting at least 60% bots.

Given programmatic advertising involves so many moving parts with servers and exchanges all being interlinked, there could be a natural inclination to think that programmatic could end up targeting incorrect users. Thus, again there is a need to reassure marketers. At AMX, we are deeply entrenched in data and are therefore able to have a very transparent approach to our targeting. Furthermore, our reporting restores confidence that we are targeting only quality human users.

One example is our analytics platform, which includes a constantly updating bot identification tool, so that once we identify a bot crawler across any ad or site, we can immediately block it from any real-time targeting. Furthermore, we can analyse where the bot is entering the advertising journey. Of late, we have seen that bots come in post-click riding on the coat tails of human users. Whilst looking strange, bots are a very normal part of the internet, so bots investigating the pages post-click for data scraping etc is not damaging to your campaign.

Take for instance the top line in the example below. From 1 impression or click, it has yielded 4 human entrances. Then of the human entrances, one will have been from the click and the other three may have been refreshes of the page or sending the link to a colleague. Two of those overall entrances post-click would have been bots and then they have simply kept harvesting the page which is why you see the 54 non-click return entrances.

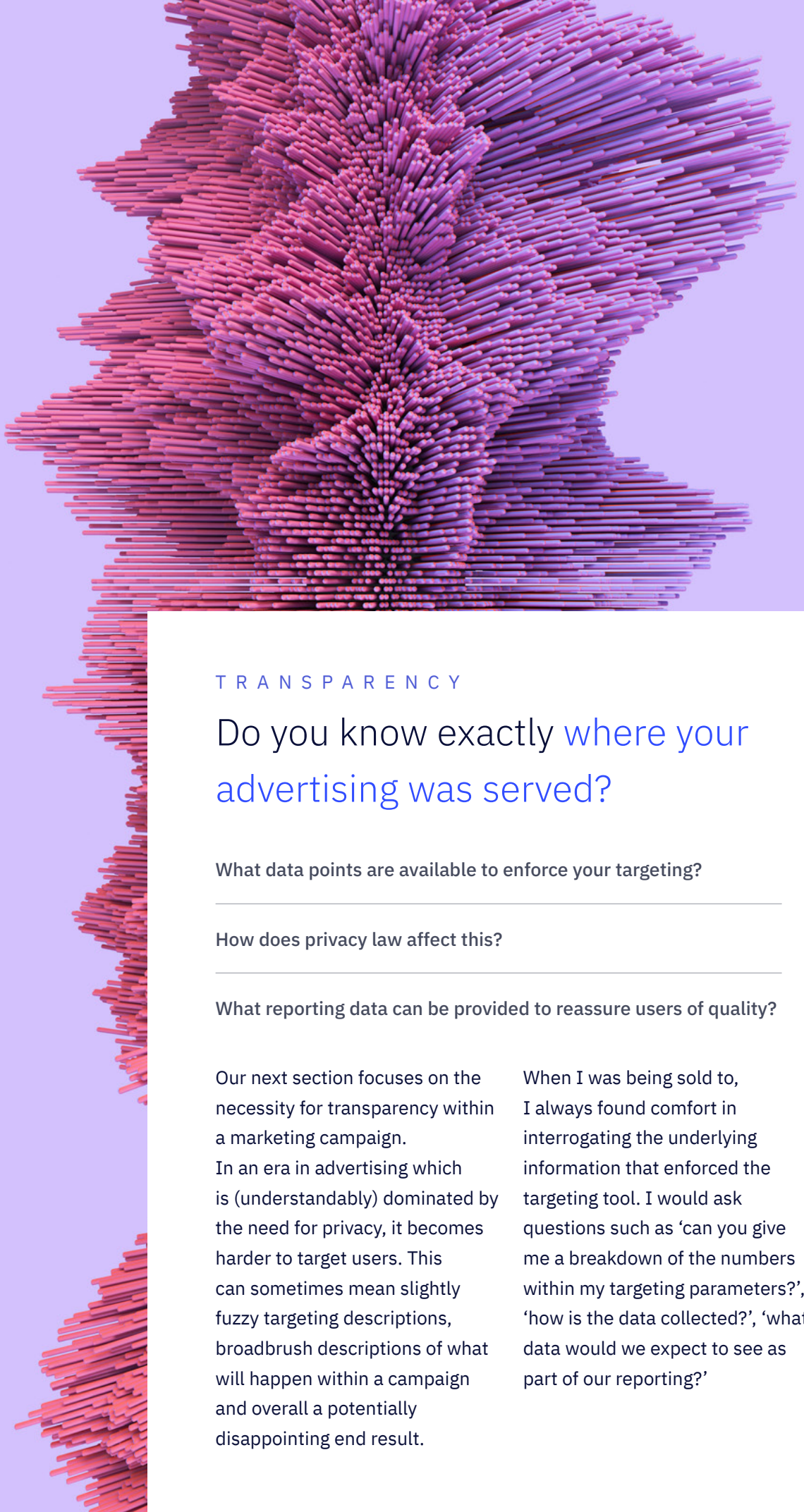
Impressions	Clicks	Entrance(s)	Non-click return entrance(s)	Human entrance(s)	Bot visits
1	1	6	54	4	60
1	1	3	24	5	22
1	1	3	41	3	41
1	1	2	16	1	17

Please note, for deeper analytics into your marketing campaigns you will need an Alphix Analytics licence.

To summarise our section on mythbusting: on the surface, and in doom and gloom marketing articles, programmatic advertising could be considered to have a lot of problems. For many providers they cannot, in fact, manage or limit against some of the bot traffic or ad fraudsters. However, I advise you to not let this deter you from programmatic advertising. Done well, it is an incredibly accurate marketing channel allowing

for far more in-depth targeting that can far exceed your ability to target with some direct buys.

At AMX, we use data to provide users with reassurance that we are targeting the right human users whilst overlaying strict brand safety. We will get into those types of data in our next section.



TRANSPARENCY

Do you know exactly [where your advertising was served?](#)

What data points are available to enforce your targeting?

How does privacy law affect this?

What reporting data can be provided to reassure users of quality?

Our next section focuses on the necessity for transparency within a marketing campaign. In an era in advertising which is (understandably) dominated by the need for privacy, it becomes harder to target users. This can sometimes mean slightly fuzzy targeting descriptions, broadbrush descriptions of what will happen within a campaign and overall a potentially disappointing end result.

When I was being sold to, I always found comfort in interrogating the underlying information that enforced the targeting tool. I would ask questions such as ‘can you give me a breakdown of the numbers within my targeting parameters?’, ‘how is the data collected?’, ‘what data would we expect to see as part of our reporting?’

What is a key word there? – data.

So what information could be of use within marketing?

Simple Targeting	Advanced
Site/Domain targeting	What section of that domain? What exact article on that site?
Industry – e.g. business/finance/education	What industry is the user from? What company is the user from?
Frequency capping	Frequency cap influenced by company size and distribution of impressions
Keyword targeting	Search phrase targeting for deeper contextual relevance

On the simple targeting side, these are standard DSP targeting methods but the danger with them is ‘where exactly is my impression being served?’. It is great to know that you are serving on a key runlist of sites, however at AMX we feel it is more important to be able to choose the exact section within that domain and choose that section in advance. Further to that, through use of our contextual tool, we only target the most appropriate articles on that site.

Then from a category perspective, finding users from within certain demographics, or business groups, or even certain sales targets is harder. Category targeting may be based on data signals that indicate that a user could be from a certain field. However, at AMX we use IP data to guarantee that your impressions will only be served to users within a certain industry or company.

Overall, when it comes to transparency, we believe saying to a client ‘We will serve your impressions on Reuters.com/markets or Reuters.com/markets/global-markets-wrapup-1-2024-07-19/ and that impression will only be served when a user from JP Morgan is seen on that article’ is an incredibly powerful story and will allow for far more reassurance of targeting accuracy.

Then we have transparency of data post-click. Though there is still a place for viewability, CTR etc we believe that there is more insightful data to be had that can show the efficacy of a campaign strategy.

One of AMX’s core products is firmographic targeting. This is designed to serve impressions to a group of pre-agreed companies of the advertiser’s choice. For example, to key sales groups, or those who have been

actively engaging on certain areas of the site. However, knowing in advance who you are reaching is one part of the puzzle – we want to also give you insights into the levels of distribution per your target companies.

Though we are not able of course to target to an individual level, it is useful for the advertisers to know who is interacting with the ads or even to what frequency the distribution has been. Furthermore, it gives us deeper levels of optimisation data; for example, if we have served 5,000 impressions to a company with only 50 people then we can take them out of the targeting pool or run them at a lower level and frequency.

Lastly, through use of Alphix Solutions we are able to track the full journey at that company level too. So

for Firmographic targeting we can see the impression levels per company, the clicks (where applicable) and then all the way to the user on the site, gathering detail such as dwell time, page views, events triggered (and much much more).

So, to summarise on the point of transparency, at Alphix Media Exchange we see transparency as a necessity within marketing campaigns. If you are utilising any programmatic publisher, or any publisher at all – we urge you to allow yourself to get reassurance of the targeting methodology and process. This will allow you to let the media work harder for you and get more out of your advertising experience. For the publishers reading this, help your clients by providing that information, it will help in the long run!



THE FUTURE

Everyone is claiming they use AI, machine learning and more – what is actually possible?

Within this section we are delving into how AI is beginning to shape the advertising world. We have always been fascinated by:

The history of AI and its development

Who is doing it well?

How can it be harnessed for in-depth targeting?

What have we done at AMX?

AI isn't new, in fact it has been with us since the 1950s.

However the current market space is littered with sales decks that say 'through the power of AI', or 'by leveraging machine learning' and it begs the question – is it the new norm or are some providers slightly embellishing the truth?

From our perspective, I fully expect there are many people trying to use AI to improve their offerings and it is a very sensible thing to do. AI and machine learning are tools to make technology more efficient and more effective overall, so don't be put off by those who are using them well. A lot of these more advanced tools mean that providers may be able to filter through more data in less time, in order to provide more information that can be of use to your advertising.

So how can AI or machine learning be of use? It could be utilised to understand patterns of data from bid to the win or loss of an impression. Data such as winning price points, purchase patterns during times of day, placements that drive the highest clicks and much much more. These are all data points that have been considered for a while in order to create custom algorithms that are constantly updating to make sure certain bidding models are up to scratch.

At AMX we want to take this learning a step further. Through the data that we receive via Alphix Solutions and the huge amount of information we are consuming, we were able to start learning models that are able to predict which companies are most interested in which types of content. This allows us to then influence which companies we should focus on serving those impressions to.

Further to this, we use it for contextual advertising. Contextual has developed a lot over the years, from simple keyword matching to more advanced tools such as finding topic links between keywords to ensure more relevance. The next step up from here is to allow for machine learning to analyse any content that is available to find vectors-based matches to key phrases that are relevant to our advertising.

Let's take an example:

Term = bond

Potential results =

Bonds (finance)

James Bond (famous spy!)

Bond, definition =

"a relationship between people or groups based on shared feelings, interests, or experiences."

Bond International, the UK's leading tyre company

As per the above, simply having a keyword match of bond could get us a whole differing number of results and if that was the targeting tool then there would be a huge amount of wastage.

However, with a vectors-based approach we are able to factor in specific relevance based on search phrases and then related search terms.

Then twinned with quality scoring to re-teach the platform we have a self-evolving tool that allows for running advertising against the most relevant content to the search terms, a little like a search engine does!

For example:

Search term -

"What role does diversification play in real estate portfolio management?"

Matched article for advertising -

"Three creative strategies for building a real estate portfolio",

Search term -

"How can institutional investors benefit from real asset allocation?"

Matched article for advertising -

"20 ways proper asset allocation helps long-term financial growth"

By improving our searches and our ability to find the relevant articles from those searches we are using technology in a way to vastly improve our targeting

systems and provide better outcomes for our clients. If you are interested in an example of how to do that please feel free to reach out to AMX.

To conclude

There is a lot to programmatic advertising, it has evolved into a behemoth that is seen to be dominating the online marketing space. Everything is moving at a very fast pace, whether it be the technology that drives the advertising, the ever-increasing number of bots online, the ongoing presence of ad fraud and increasing privacy laws. It is enough to think it isn't worth it.

However, I would advise you align yourself with providers who can provide you with reassurance of the targeting, don't believe the myths and trust in the data. Correctly, programmatic advertising should sit more like how AMX sees itself, as an Enhanced Direct Buy that will provide you with the highest level of advertising accuracy.

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