

# Maximize cross-media revenues with machine intelligence



June 2020



# What is cross-media?

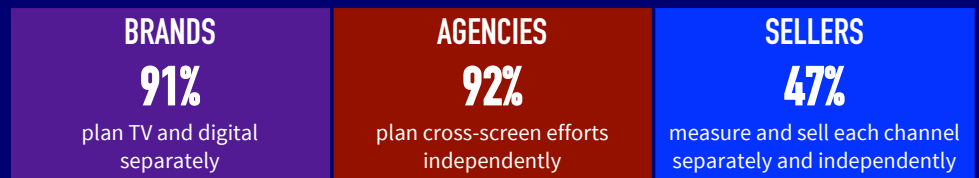
In the context of advanced advertising, ‘cross-platform’ is an overused term, often being used interchangeably with ‘cross-media’.

For example, if you’re selling ad-tech, it generally refers to the advertising platforms which your software supports, e.g. digital video, OTT, display. A buyer of digital impressions would likely agree, because that is normally the platform being used for the campaign they’re managing.

However, a planner in a brand agency may consider things a little differently. Their client, the brand advertiser, wants their message to be delivered across all mediums, both linear and non-linear, resulting in a diversity of audience measures. And they’ll want to do it in a way that ensures brand safety and without fraud, otherwise payments for the campaign may come up short.

Advertisers are very clear in their marketing objectives, and their marketing investments power the advertising industry. Wherever a potential audience for their product or service is to be found, advertisers want to reach them. They want the right audiences, with the right message, at the right time, for the right price. And, they want them across all the right advertising delivery platforms.

They want a cross-media campaign delivered across all effective advertising platforms.



Source: Ipsos

A *cross-platform* campaign is executed across individual delivery platforms independently. In today’s world, coordinated campaign audience delivery incurs significant operational cost overheads which are expensive.

A *cross-media* campaign is orchestrated ‘across all platforms’ for maximum financial and delivery performance. It is business and service delivery focused. It optimizes audiences and inventory across all of the ad delivery platforms to enable maximum revenue opportunities.

***Cross-media maximizes revenues and saves costs.***

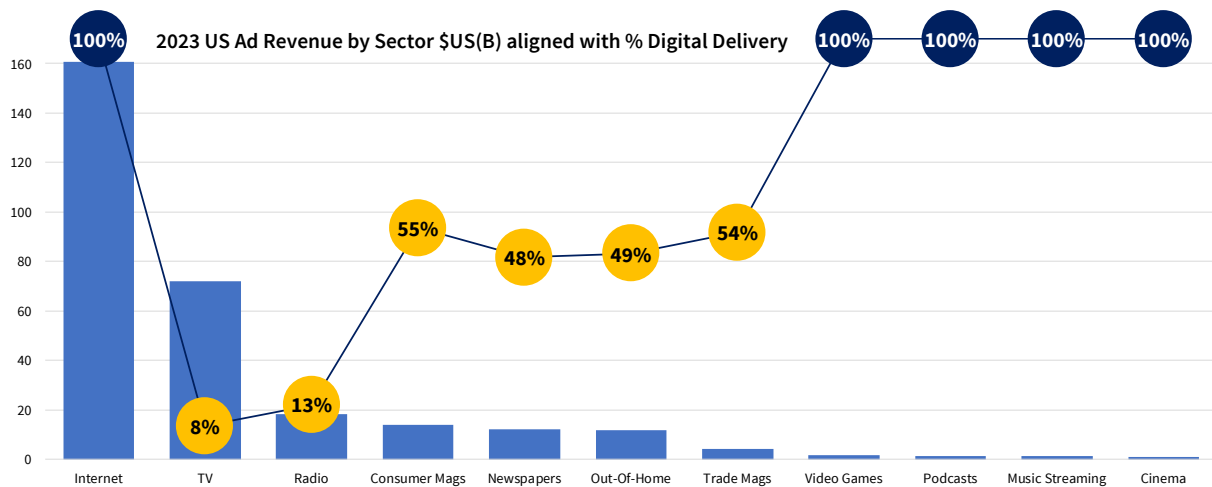
# But media is digital, right?

The binary nature of digital technology has created a corresponding binary belief in the immediate marketing invincibility of digital.

With the expenditure on digital platforms eclipsing traditional TV, digital platform owners would have you believe that traditional advertising mediums are largely obsolete.

However, experienced marketers will tell you that cross-media marketing powers the platform mix itself, and that all mediums are viable - if there are valuable audiences.

Internet delivered media is projected to comprise 54% of all media revenues by 2023. And, 66% of all media will be transacted in a digital workflow. At that same time, TV, arguably the most engaging medium, will be transacting only an estimated 8% of its revenues with digital sales models. And, 34% of all media revenues will still be leveraging traditional business models.



Source: MarketingCharts.com June 2019; PwC (traditional media figures include online equivalents)

If the history and longevity of radio and print are any indicator, a cross-media world will be normal for some time to come.

In reality, instead of simply thinking about how the ad delivery technology will be converted to digital, we should be asking "How can I preserve the value of audiences across all of my delivery platforms, while I am transforming my business models?"

***The digital transformation is happening, but not tomorrow.***

# Revenue Maximization

Optimization finds the **best solution from all the possibilities**. In other words, how does one find the best balance between guaranteeing advertising delivery, maximizing advertising revenue and ensuring that inventory value, both short-term and longer-term, is not decimated.

The actual math is very complex, and gets more so, as time goes on.

Because more time results in more data to process. And, more data creates more possibilities.

That's why the system needs to learn.

There are three unassailable principles in maximizing revenue for media enterprises with more than one advertising delivery platform.

## 1 Maximize inventory value across all platforms

Imagine the situation where two salespeople, each selling a different advertising platform, are competing for an advertiser's campaign dollars. In order to achieve their respective sales objective, they will compete with each other for the client's wallet share. Without careful pricing coordination, the net effect is the dilution of inventory value for the enterprise. Clearly, to maximize revenue potential, inventory positions must be accurately known, and inventory values must be correctly priced, preserved, and enhanced.

## 2 Enhance audience values with efficient utilization

Using the right audience, at the right price, on the right platform, at the right time is the cornerstone of campaign optimization. Targeting audiences both during planning and delivery, and understanding how they economically intersect, ensures revenue maximization.

## 3 Optimize campaigns across all platforms

Imagine landing what you think is a great advertising deal. Is it really a good deal? Consider that the money earned from this one big deal may not exceed the liability of the damage it does to other deals which will now underdeliver because of the conflicts with your new "big deal". To make up audience deficiencies, these other deals have to consume additional inventory that could otherwise have been sold. With current approaches, delivery demands constant manual attention for all campaigns. Without intelligent forecasting, there cannot be any optimization. And without optimization, finding the best inventory to minimize campaign cannibalism is impossible. There is no opportunity to maximize revenue.

***All campaigns and proposals must be considered holistically.***

# Why Machine Intelligence?



Consider the simple problem of optimizing five campaigns, each spanning four weeks and making use of four inventory pools (or, say 4 different platforms).

That's 80 possibilities, right? Well, in the current way of thinking, that may be in the right ballpark, but unfortunately, this approach pushes more effort onto the operational folks that steward delivery of those campaigns.

That's where this starts to get tricky. You see, current work practices dictate that stewardship is just a fact of life. The emphasis is on taking business at any cost. The problem gets pushed down to traffic and delivery systems - *et voila!*

We then waste our inventory to make up deficiencies, we churn our inventory and customer expectations, we wrack our brains to make deals fit, and we usually end up doing this at the last, most stressful minute.

And, the math? Actually, it is not '80', but '80 choose 16' - or how many combinations of 16 can I choose from those 80 possibilities to search for an answer.

The math comes to a scary 550 quadrillion, or 550,000,000,000,000 possibilities that need to be reduced to the best set of optimum answers.

This is certainly well beyond the capabilities of our human mind!

That's why machine intelligence underpinned by a total understanding of media economics is necessary.

There really is no alternative.

The fundamental flaw in all traffic, billing, sales and agency buying systems in the marketplace today is that they merely focus their placement engines on getting the best delivery *per order*. These classic systems, designed in simpler times, merely stuff orders into the schedule based upon some 'rules', push aside others, and kick debt down the road.

None of them consider the destruction wreaked upon other campaigns in the process, or the revenue potential sacrificed in doing so.

A successful cross-media approach *evaluates all proposals, optimizes all orders, and leverages all candidate inventory* for the entire sales ecosystem in real-time to maximize revenue. Ensuring efficient inventory utilization and comprehensive copy management for insertion orders, aligned to audience values, is essential.

***The real math is very complicated.***

# Brand safety and fraud

Major brands and agencies have realized that the scale and efficiency offered by major online properties comes at a cost. That cost is in the form of transparency and often editorial relevance.



This realization offers an opportunity to premium video media brands with a diverse set of properties to offer a brand safe approach by delivering the right message, to the right audience, in the right context. In most organizations there are a variety of current practices, endemic to media sellers, that exacerbate these issues, but there are solutions and they start with the building blocks of yield management.

## Globally manage all business

1

In order to deliver a cross-media campaign, one that can follow the relevant audience across platforms, machine intelligence is necessary to coordinate and orchestrate many isolated systems that lack awareness of each other. Managing campaigns globally ensures all campaigns are considered during planning and take into account inventory needed to deliver contractual guarantees

## Know your inventory

2

Using the right audience, at the right price, on the right platform, at the right time is the cornerstone of campaign optimization. Understanding your inventory, audience profiles within your ecosystem, and how to reach them, is the foundation for accurate forecasting and pricing. This ultimately forms the basis for an advertising monetization strategy. Inventory that is not clearly understood cannot reliably deliver the desired audiences in brand safe content. While knowing your inventory position with the aim of preventing impression delivery waste may achieve advertising goals, it can also fail to meet the spirit of the campaign. That simplistic approach is just bad business practice.

## Be Efficient

3

The efficient utilization of inventory is critical to ensure a brand safe experience. Delivering the appropriate ad exposure to the right audience guarantees campaign pacing, given enough inventory. Without tools to manage delivery, viewers will be over exposed, depleting owned inventory, driving rates down, and forcing sellers to play margin games with open market inventory of questionable quality.

***Fraud management and brand safety will maximize inventory value.***

# Transaction Transparency

Taking a little off the top, and flying under the radar, is one path to business sustainability. After all, banking, insurance and gambling are examples of industries founded upon this principle in one way or another. The concepts of service fees, arbitrage and risk are inextricably linked in their business models.

Many large advertisers have long felt a lack of clarity in their relationships with agencies, often asking themselves “Are we getting all we are entitled to from our ad spend?” Advertisers currently have concerns about agency transparency in three primary areas, specifically media rebates, programmatic fees, and data and intellectual property related to technology.

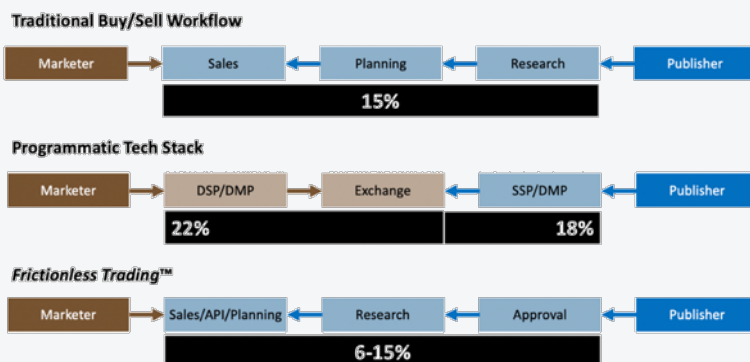
The Association of National Advertisers in the “*The Programmatic Fog*” report surface the amount of money forfeited by both buyers and sellers to middlemen. The amount of money that an inventory owner receives for their audiences is between \$0.40 and \$0.72 per each advertising dollar spent. The agency averages about \$0.06, and the rest goes to the supply chain consisting of technology providers, exchanges and transaction verifiers. This is a large economic disparity from the traditional Buy/Sell workflow.

Now, we can all agree that programmatic advertising allows for audience-based media buying at scale. However, it does come at a cost - fees by middlemen, auction economics, validation of delivery, etc. This is why direct ad sales are lucrative for inventory owners who can manage it. For advertisers, the undisclosed costs are part of the reason the biggest global advertisers are trying to move programmatic in-house.

Why is it that sellers of inventory are happy with these structural discounts?

Surely, if they truly knew their audience value, they wouldn't enable exchanges to arbitrage their inventory.

Growing inventory valuations is essential to controlling the inventory supply chain and to remove elements that dilute advertising revenues. *Frictionless Trading™* provides a unique value proposition to buyers by minimizing transaction costs and enhancing operational inefficiencies by:



Comparing the transactional costs (in black) of current and emerging advertising sales workflows.

- powering traditional platforms so they can be bought programmatically
- Enabling buyers to plan and buy directly across all media properties electronically
- creating a safe programmatic solution that delivers campaign fidelity which buyers need and expect

Every one of us that has ever purchased online intuitively understands that buying advertising directly from an inventory owner results in *Frictionless Trading™*. Simple. Minimal effort. Transaction done. No overheads.

**No exchanges. No middlemen. No arbitrage. Just results.**

# Being a Cross-media Enterprise



# The cross-media checklist

Consumer behavior in the media space is leading to ever-increasing audience fragmentation and accelerating downward pressure on advertising revenues. This is impacting the economics of media delivery as resource and infrastructure costs keep escalating to deliver content in multiple formats across-platforms. As this economic disruption continues against the backdrop of device proliferation and new business models, your advertising customers struggle with fraud, brand safety and preventing disaggregation of brands.

Media enterprises are challenged with how to monetize this change in behavior. Fast is the new pace in our industry. And, growing media revenues using existing workflows is no longer tenable.

Transforming to a cross-media enterprise requires deep strategic introspection. The headline of the January 8<sup>th</sup> edition of Variety by Todd Spangler read “*Change or Die: 50% of Media and Entertainment Execs Say They Can’t Rely on Old Biz Models, Survey Finds*”. The survey by Ernst & Young in this article cited that 34% of those surveyed indicated that their company will no longer exist in five years unless their business undergoes reinvention. Take the time to organize your thoughts on the following questions to determine if you have the tools to manage a cross-media ecosystem.

## **Are you doing cross-media today?**

No team, no matter how smart or experienced, can do cross-media using traditional systems and workflow at scale without incurring massive operational overhead that overshadows the value. The size of the problem is incalculable. You need to coordinate all the data from traffic and billing, CRM, content rights, clickstream data, scheduling, proposals, audience research, financial data, currency and existing rates into a single cohesive plan.

## **How efficiently are you using inventory?**

Cataloguing inventory, managing it within silos, or not having access to monetizable capacities is not true inventory management. Implementing true cross-media campaigns, requires unified audience segments that cross the different advertising delivery platforms in a consistent and non-redundant way. By creating a coordinated cross-media campaign, your organization can focus on capturing impressions across all media types.

## **Are you getting the maximum amount of revenue for all inventory?**

Likely, true yield management and dynamic pricing are not integrated into advertising operations workflows. Without dynamic pricing that reacts to changes to inventory and demand, you are making educated guesses on the value of the inventory. It is essential to have insight into all your inventory pools and understand their real time demand pressures. You are probably leaving money on the table.

## **How do you value your inventory across all audiences and delivery platforms?**

In a true cross-media world, inventory is allocated across all advertising delivery platforms to ensure that the value of all are maximized. At any moment, allocations may require re-evaluations based upon demand, using a system that can accurately forecast the demand for each inventory pool and price it accordingly.

## **Why can’t your traffic system handle cross-media campaigns?**

Traditional digital and linear traffic systems are very good in their single inventory-centric media silo. They were never designed to handle the optimal allocation, scheduling and valuation of multiple types of advertising

inventory. They are insertion-centric, and so do not understand the economic impact of creating harm to other campaigns that your business is committed to deliver.

#### □ **How are you really executing Targeted Advertising?**

If your advertising delivery is siloed into individual digital, TV, Addressable, Radio, and mobile workflows and systems, then you are not effectively doing targeted advertising across your full potential audience. To effectively implement targeted advertising, a coordinated and unified cross-media campaign that targets your audience across multiple medias must be centrally managed.

#### □ **How do you measure cross-media campaigns across different inventory types and currencies?**

Without an AI powered yield management platform to measure your business with a single pane of glass that unifies data from traffic and billing, CRM, content rights, clickstream data, scheduling, proposals, audience research, finance, currency, existing rates, etc. it is impossible. to optimize opportunities to maximize revenue.

#### □ **How do you know if your advertising deals are good deals?**

Current traffic and sales systems do not have the ability to truly forecast actual billable delivery based on optimized campaigns. They are not able to calculate a proposed campaign's liability – the amount that the proposed campaign would cannibalize from existing campaigns if it were approved. These systems are stuck in a over & under delivery cycle typified by endless preemptions and makegoods. As a result, you cannot possibly know if the net effect of this new deal is good for the business.

#### □ **How is ROI calculated for marketing and promotional campaigns?**

Now that verifiable data on viewed promotional campaigns and programs is coming back from more traditional linear delivery systems, ROI can be calculated cross-media. Processing this data was a huge undertaking that took weeks by hand to generate results. With sophisticated cross-media measurement analysis, results from tune-in campaigns can be viewed with immediacy after campaign completion.

#### □ **Is your sales organization structured to sell cross-media?**

Most organizations still have individual sales teams and systems for each type of media e.g. TV, Digital, Mobile. In reality having separate sales teams means that you are competing with yourself for ad dollars from each agency and brand. Worse, multiple sales teams typically mean multiple systems and disparate workflows to handle what should be a unified and coordinated campaign. This results in unrealistic delivery goals, uncoordinated copy rotation plans, unaligned audience targets, and service miscommunications. A coordinated sales approach provides a single point of contact, and a truly optimized campaign within a single integrated workflow.

#### □ **How do you implement frequency capping in advertising campaigns?**

If linear, addressable, digital and mobile advertising buys aren't coordinated in a true cross-media system then you can't effectively implement frequency capping across the different media types and risk bombarding an audience on several mediums with the same message or worse, with the same copy. Today, most media organizations wear the cost by not charging for frequency cap over-deliveries. But what does this do to the advertiser's campaign and brand image?

***You cannot transform without challenging the way things have always been done.***



# SUCCESS FACTORS

Transforming a business requires consideration of all viable options with a focus on risk mitigation. Disrupting users may be unavoidable, disrupting them again is undesirable, but disrupting revenue is unacceptable.

- When choosing project members, select the leader from the ranks of the business users, and hopefully someone who can serve as a thought leader and solicit user involvement.
- Allocate time for this transformation project to your business professionals. Expecting them to simply add the new responsibilities to their existing workload means they will not do justice to the project or their regular jobs.
- Give the project team the authority to make decisions, and the power to ensure that their decisions are implemented.
- Make sure the management team maintains its support for the project with both visibility and funding. Even though the management team won't be involved in the day to-day tasks of completing the project, it still plays a critical role in the project's ultimate success.
- Don't waste precious time trying to build solutions instead of buying technology, this will only increase delivery times for valuable business outcomes.
- Make a commitment to the project budget at the outset, carefully evaluate all costs and contingencies, and spend what is necessary to ensure that it's successfully completed.
- Don't fall victim to the sunk cost fallacy. If your project is well underway and isn't on a successful trajectory, don't continue investing valuable resources on a dead-end.
- Develop a comprehensive communications program to spread the word on the progress of the project and keep user enthusiasm high.

***Ignoring these proven practices will jeopardize your project.***



# Are you ready?

**If you have decided that you need tools to manage cross-media and have considered the factors for success, you are ready to begin forming a strategy and execution plan.**

Do not assume you know all of the details of how the business is run.

Do not engage in any change initiatives that have revenue impacts without input from executives.

Spend time with business partners in order to embrace the organization's strategy and key business stakeholders. Understand what is important to them, and pay attention to the culture.

***Consider the following framework to develop a strategy and execution plan.***

## **Value Proposition**

- Marketplace conditions are requiring a business solution to grow advertising revenues
- There are competitive advantages to offering this as part of our service
- The project has a clearly articulated, communicated, and understood value proposition.

## **Business Goals**

- Calculated ROI - Our enterprise clearly needs to understand and measure the value of our audiences across each platform
- Streamlined Workflows - New advertising services should be integrated into the sales and workflow of our enterprise
- Reduced Costs - To support our client SLAs, campaigns must be delivered profitably without operational overheads

## **Sponsorship**

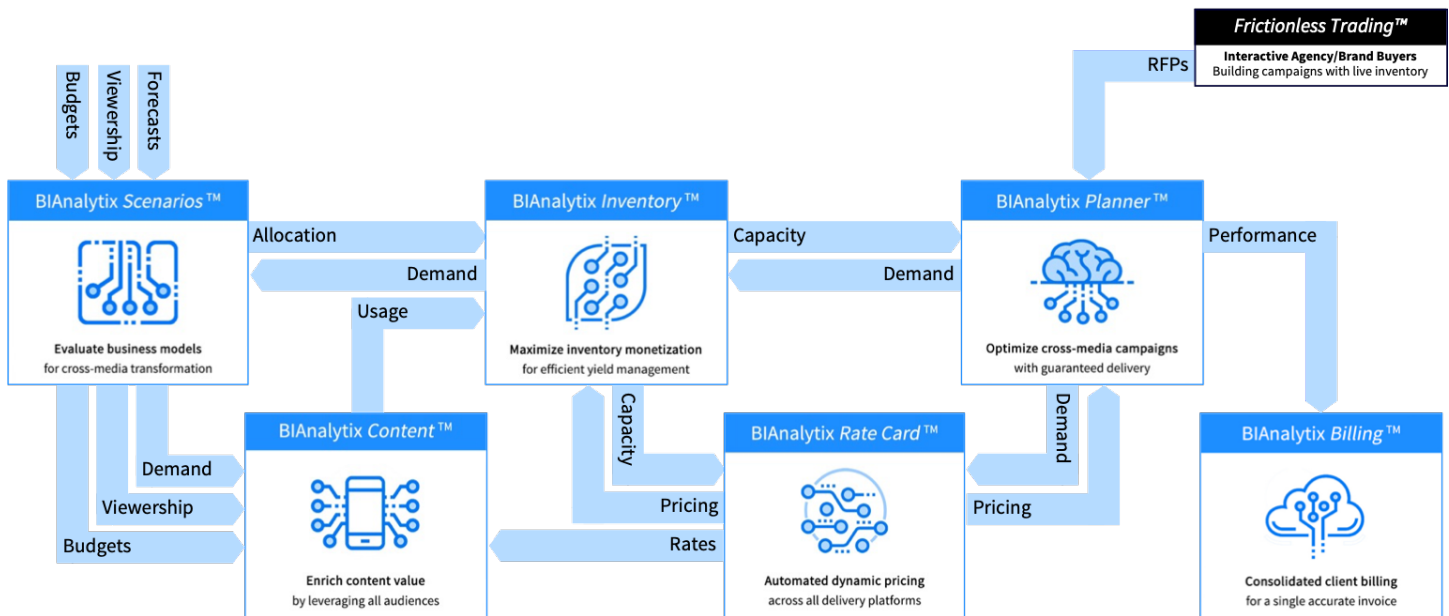
- Executive clarity and commitment to the necessary funding for an enterprise-wide solution exists
- There is an engaged leadership team focused on acquiring a cross-media business solution

## **Culture**

- Our organization is ready to embrace a culture of yield management
- Leadership is committed to changing operational workflows if necessary
- Trusted partners have been identified to help us through this journey

***Preparation is critical to a cross-media enterprise transformation.***

# The cross-media workflow



Unifying and integrating business workflows across the entire advertising ecosystem requires a precise understanding of their function and their role within the organization. This transformation to a cross-media organization requires yield management at the source of, and during the time of, the transaction being optimized.

Ensuring the right information across multiple departments including revenue management, sales, pricing/planning, and ad operations ensures that your business develops *Interlocking Departmental Goals™*, an important step to alignment and revenue maximization.

This approach enables each group to produce valuable information and pose important questions that can only be answered with integrated information and feedback loops that enable rapid learning. It helps not only each department, but the resulting integrated enterprise, it unifies both workflows and work-practices.

Consider some of the following common questions from various functional roles.

	Revenue Management	Pricing & Planning	Sales	Ad Operations
What are my revenue goals?	✓	✓	✓	
How much inventory do we have?		✓		
How should we value our inventory?	✓	✓	✓	
What sales demand do we expect?			✓	
How much can we monetize our inventory?	✓	✓	✓	✓
Should we take this business?	✓	✓	✓	✓
How do we fulfill this business?		✓	✓	✓

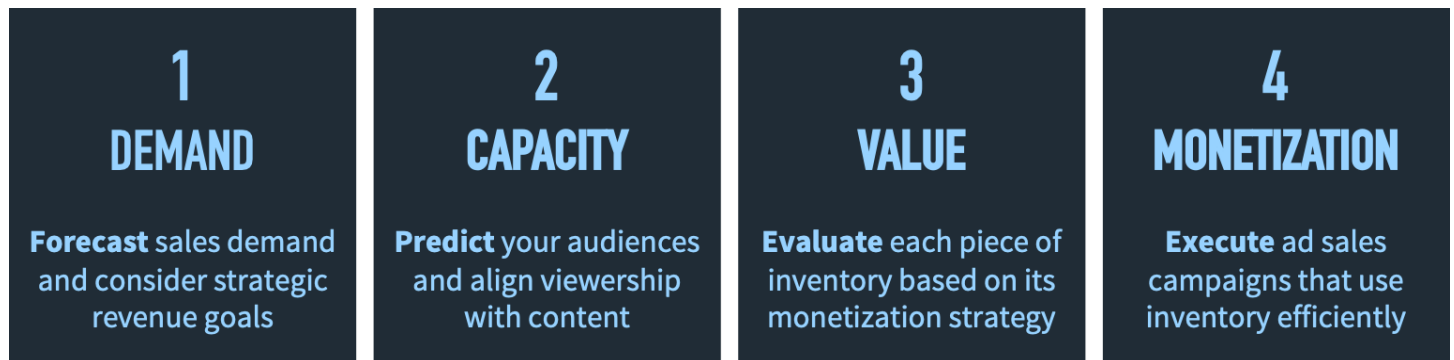
***Transforming your business is not just about systems, it involves people and processes.***

# Cross-media capabilities

*The transformational journey to cross-media requires scalable yield management tools that can optimize the use of inventory and audiences, with revenue maximization across all delivery platforms.*

How does an organization construct a monetization strategy for ad sales inventory, without commoditizing it, in an ecosystem with multiple sales channels, with different currencies, all competing for the same inventory?

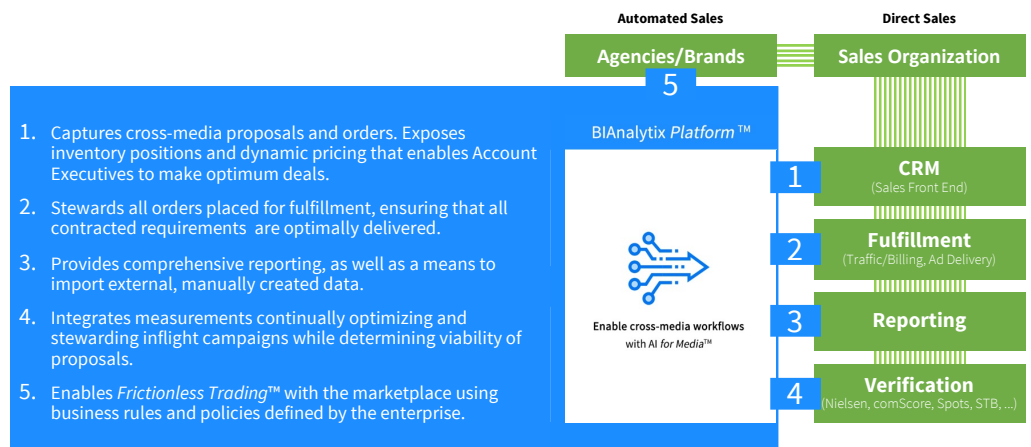
The answer starts by understanding the building blocks of yield management:



And, it is important to leverage all existing systems and resources; after all, revenues need to be maintained while transformation occurs. With the building blocks and workflow well understood, a map of the various systems and their strengths and role within the workflow should be defined.

No one vendor can offer an end to end solution for complex media organizations.

Therefore, it's important to find partners that play to their strengths, remembering that yield management and effective data governance are core to revenue maximization.



Most importantly, a successful orchestration of all existing advertising systems will ensure that they are not displaced but operationally enhanced, allowing them to fulfill the business functions for which they were designed.

***To maximize revenues, compress and streamline workflows across-systems.***

# Cross-media benefits

When the industry speaks of digital transformation, it refers to the creative ways that brands connect with audiences. These connections require delivery of advertising across a wide variety of platforms.

This diverse future demands that media enterprises institute advertising workflows with a single, predictable, quality experience for clients. These changes are not going to happen overnight. They are going to happen because of marketplace forces imposing reinvention.

It is essential to have platform that can both compress and streamline your workflows, take your multi-platform business, and transform your organization into a cross-media enterprise.

Decentrix believes that the optimal solution for this challenge is BIAlytix™ because it uniquely maximizes revenues to power your transformation with the following capabilities.



## ***Maximize inventory values across all properties***

- Know inventory and audiences accurately, all the time, in real-time
- Understand the demand pressure across your entire sales ecosystem
- Monetize your inventory based on clear policies and valuations



## ***Enhance audience values with efficient utilization***

- Know current and future values of your audiences at any given moment
- Protect the value of your assets by delivering on commitment
- Create more monetization opportunities, enhancing overall valuations



## ***Optimize campaigns across all platforms***

- Reach the right audience at the right time with the right message
- Deliver to contract while respecting client campaign intent
- Utilize inventory to maximize revenue without operational overhead



## ***Consolidate billing for cross-media accounting***

- Streamline client approvals by producing one invoice for one campaign
- Simplify financial processes with automatic reconciliation
- Minimize payment delays with accurate cross-media details

While the promise of digital is enormous. The effort to navigate this transformation is equally so. As the future unfolds, the reality of the present exists. BIAlytix™ enables that transformation.

***BIAlytix™. Revenue. Maximized.***



Decentrix is a globally focused data technology company with AI-powered solutions that maximize advertising and content revenues across all media distribution platforms for Brand Advertisers, Telecommunications, and Media and Entertainment companies.

Decentrix *AI for Media*™ technology powers BIAnalytix™ - by far, the most comprehensive media enterprise platform today. BIAnalytix™ intelligently enables cross-media planning, inventory optimization, dynamic rate cards, *Frictionless Trading*™, content ROI, analytics, and consolidated billing.

All of which, maximize revenue opportunities with transformative machine intelligence.

This uniquely focused capability results in substantially enhanced revenue outcomes across entire portfolios of our client's businesses including traditional linear, digital, addressable, and mobile media, with a rapid deployment model delivering results in weeks, not years.

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