



A Brand Marketer's Guide to Taking **Programmatic Advertising In-house**

By Hannah Middleton & Megan Sullivan-Jenks



**In 2018, the Association
of National Advertisers (ANA)
reported that**

78%

**of its members brought some
advertising in-house.**

You're not alone in this journey, modern marketer. In fact, many brands like yours are taking programmatic advertising in-house. The ANA also found that [35 percent of its marketers](#) expanded their in-house programmatic media buying in 2018—more than double of what they reported for the same survey the year before.

In this guide, we'll explain the shift away from traditional media buying, explore the benefits of self-serve programmatic advertising for brand marketers, and give you the confidence to set up and run programmatic media buying in-house.

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01

Why In-house Programmatic Advertising

Let's consider the traditional media buy: ads are bought and sold manually by human buyers, who are often overpriced, unreliable, and less than forthright about their margins and campaign performance. And when dealing with insertion orders and back and forths between these buyers, marketers can't focus on strategy and optimization.

Brand marketers are fed up with the middleman. That's why they're saying bye-bye to traditional media

buying and taking the power back into their own hands with self-serve programmatic advertising.

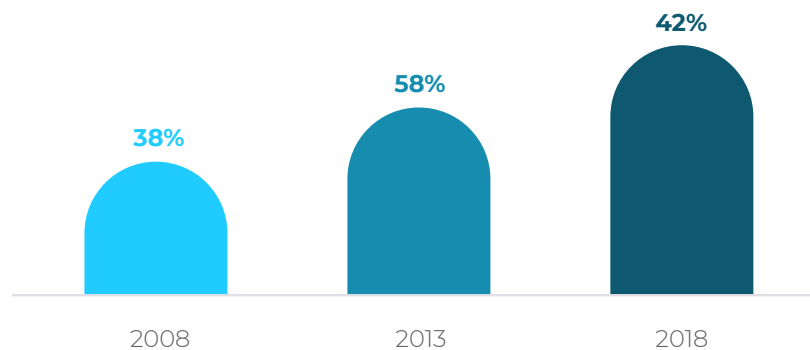
Major international [brands like Kellogg's and Netflix](#) have already taken programmatic advertising in-house, citing the power to control their own customer data as well as results.

The rise of programmatic advertising has given marketers the ability to see the marketing data, and, subsequently, its direct impact on revenue.

More Companies Now Have In-house Agencies

In 2018, 78 percent of companies have an in-house agency. That is up dramatically from prior ANA surveys.

In-house Agency Adoption



Q. Does your company currently have an in-house agency? An "in-house agency" is defined as a department, group, or person who has responsibilities that typically are performed by an external advertising or other MarComm agency. For the purposes of this survey, an internal PR function is not part of our definition of an in-house agency.

Note: Reproduced from <https://www.ana.net/miccontent/show/id/rr-2018-in-house-agency>

For the 22 percent of respondents whose companies currently do not have an in-house agency, eight percent are considering opening one, two percent used to have an in-house agency but have since discontinued, and 12 percent have never had one and are not considering opening one. [1 https://www.ana.net/miccontent/show/id/rr-2018-in-house-agency](https://www.ana.net/miccontent/show/id/rr-2018-in-house-agency)

01 Why In-house Programmatic Advertising

Control

Data privacy is an increasing concern in the digital world. Consequently, marketers are becoming more reliant on first-party data. Perhaps the greatest benefit of in-house programmatic advertising is the control that comes with it.

It's why the language learning company Rosetta Stone has its own in-house media buying team. Speaking [with Digiday](#), the company's Senior Manager of Digital Marketing, Caitlin Romig, shared the value of managing your own first-party data. *"It's important that we're not sharing that data outwardly with an agency that could potentially work with a competitor down the line."*

Cost Efficiencies Are Primary Benefit

Cost efficiencies are ranked as the primary benefit of having an in-house agency (when respondents were asked to select just a single benefit). Cost efficiencies were also the top-cited primary benefit in the 2008 and 2013 surveys.²

Flexibility

Another benefit of having an in-house team is [flexibility](#). Rather than wait for a vendor to respond to changes in market conditions, decisions are made and rapidly put into action by marketing teams. In a sense, internal marketing teams are *"in the moment"* by embracing more efficient and agile ways of working that fit the needs of the business.

Talking with [Marketing Week](#), Debbie Morrison, director of consultancy at ISBA, explained how in-house media teams can impact a business's bottom line and streamline workflows. *"It's the old chestnut around agility. To get a more agile route to market, brands are doing it themselves."*

In-house media teams give brands the ability to act fast. Having full access to campaign metrics and performance reports allows teams to optimize and adjust strategies based on real-time feedback.

Resources

Brands need the right people in order to make in-house programmatic advertising successful. All of which is easier said than done. You may encounter some challenges along the way, but the results are worth it. To make it easier, several programmatic advertising platforms have plenty of educational resources to get your team up to speed.

Once you assemble a team, you'll be ahead of the curve. No one knows your brand better than the people who are already immersed in it. They understand your products, your markets, and are driven to perform for your company. With an in-house team, there's a shared vision from the developer to the chief marketing officer. They also provide your company with expertise that, in the long-term, will improve campaign performance.

Primary Benefit



Q. What is the primary benefit to your company of having an in-house agency?

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02 Setting Up Your Team for Self-service Success



Win Over Your Boss

First thing's first: drive home the value of programmatic advertising to your senior team with the benefits we've just described and highlight the cost savings.

A simple cost-benefit analysis between outsourced vendors and an in-house team can be pretty persuasive. Based on the example below, a brand spending \$2 million

annually on digital advertising can save \$500,000 by taking programmatic advertising in-house.

This example includes managed service margins. According to the Boston Consulting Group's research, the average media markup is 40 percent but can be as high as 100 percent.

A Quick Cost-benefit Analysis of Outsourced Vendors vs. In-house Teams

	Outsourced vendors	In-house team
Annual digital advertising budget	\$2,000,000	\$2,000,000
Average managed services premium (30% of spend)	\$600,000	\$0
Annual software subscription	\$0	\$100,000
Annual budget for actual ad placements	\$1,400,000	\$1,900,000

Note: Reproduced from <https://www.ana.net/miccontent/show/id/rr-2018-in-house-agency>

That's a savings of \$500,000 that can be put towards growing other areas of your marketing.

If your boss needs more convincing, here are some quick stats.

- More than **80 percent of ads** were bought programmatically in 2018
- A company spending \$2 million annually on digital advertising can save one-quarter of that by **cutting out the middleman**³

Once they've given you the go-ahead, include them in planning sessions and check-ins. Junior team members are more likely to turn over, so having the support of the senior team will ensure programmatic advertising takes root at your company.

Find People to Drive the Platform

You won't find people who went to school for programmatic advertising. (Unless they've graduated from Choozle Academy.) Instead, identify individuals on the junior team who are eager to learn and upskill.

While they don't need prior experience in the space, knowledge of tools like Facebook and Google AdWords is a plus. Media and digital teams are good places to start looking for operators.

And remember: resistance to change is a natural reaction when team members are asked to, well, change. But programmatic advertising isn't going away. Reiterate to the team that this is a chance to upskill and grow in their careers. For young marketers, it's a new area of expertise that sets them apart for future opportunities.

Explaining the benefits can help change the perception of these tasks being just another responsibility on their plate.

Build an Effective Team

Once you've got everyone's buy-in, you can start figuring out who will oversee day-to-day tasks and be in charge of making decisions, and how you'll integrate these responsibilities into current workloads and sustain them long-term.

We also recommend asking your operators to share their know-how and train fellow teammates on the platform in case of turnover.

"Resistance to change is a **natural reaction** when team members are asked to, well, change."



03 Digital Ad Campaign Best Practices to Think About

Media Planning and/or Buying Services Moved from an External Agency

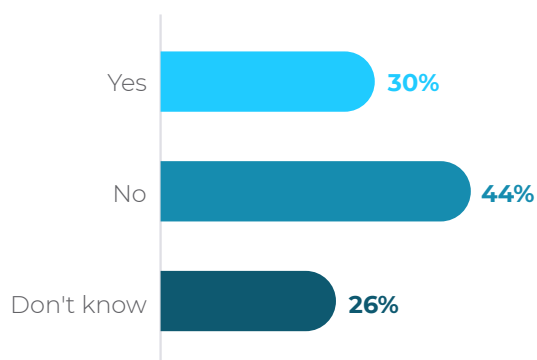
Programmatic buying and social media are the media planning/buying services most often moved from an external agency to an in-house agency over the past three years. For programmatic buying, an in-house agency provides greater transparency. For social media, an in-house agency provides faster response times.⁴

Creative Services	Percent
Programmatic (any)	26%
Social media	21%
Search engine marketing	17%
Desktop display	13%
Mobile display	13%
Search engine optimization	12%
Mobile video	12%
Desktop video	11%
Television	10%

Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency? Note: Only top responses shown above.
Note: Reproduced from <https://www.ana.net/miccontent/show/id/rr-2018-in-house-agency>

Programmatic Capabilities In-house

In 2018, 30 percent of respondents have in-house programmatic capabilities.



Q. Do you have in-house programmatic capabilities?
Note: Reproduced from <https://www.ana.net/miccontent/show/id/rr-2018-in-house-agency>

Among those who do not have in-house programmatic capabilities or don't know, only 15 percent have considered adding such capabilities in the next year. This indicates that the movement towards in-house programmatic media buying has likely peaked.⁵

03 Digital Ad Campaign Best Practices to Think About

Master the Basics

Launching your first campaign can be daunting, but just remember your **ABCs**: audience, budget, and creative assets.

- A.** First, find your ideal consumer (if you don't already have one). You can do this by analyzing your website traffic or chatting with the folks at your company who get the most facetime with customers. Once you've painted a portrait, you can create a target audience or custom audience—and really, all audiences are custom audiences—from first-party data, third-party data, or a blend of first and third-party data.
- B.** At the outset of the campaign, decide on your goals and objectives. These will inform the campaign budget. Any digital advertising campaign aims to grow a brand's online reach. Driving awareness and conversions are the two most important goals. Make sure you have enough budget dedicated to achieving yours. You can usually determine your goals by aligning them with business KPIs (which will also ensure long-standing success).
- C.** A creative asset is the actual ad you want to show your audience. Every campaign needs creative assets to launch. (More on best practices for creative assets [here](#).)

Choose Your Strategy & Targeting Tactics

Depending on your audience and campaign goals, some targeting strategies work better than others—but don't overthink this step. Stick to the tried-and-true targeting tactics before testing the more advanced strategies.

While you're planning, the [Choozle Campaign Planner Guide](#) will aid you in choosing strategies and targeting tactics based on your budget and campaign objectives.

You'll see the guide doesn't say how much to spend or for how long. That's because products and services are advertised differently and with different objectives.

You wouldn't expect the cost per acquisition for selling sandwiches to be the same for selling cars, right?

Launch. Optimize. Repeat.

Wait at least seven days after launching to optimize your campaign. We say seven days so that your campaign has enough time to generate the feedback and data you need to make informed decisions on where you can improve. After that, you can check back in weekly.

There are many ways to optimize, but the easiest and most effective optimizations are reallocating the budget and diversifying your targeting tactics.

Psst.
**The Choozle
Campaign
Planner Guide**
does most of
the work for you.



04 Choosing the Right Tools

Building Creative Assets

By building your creative in-house, you can control your turn-around times and nail your brand's look and feel. From free online ad makers to video editing software, there's an app for every budget and experience level. (Although, design know-how is valuable and recommended.)

Basics

Display Ads

Don't let the cost of software stop you from building your own creative assets. There are raster and vector programs available for free or for a licensing fee. The obvious ones are Adobe Illustrator, Adobe Photoshop, and Sketch, but if you're trying to be frugal and want an app that's easy to use, try Canva.

Advanced

HTML5 Ads

Depending on what you're looking for, you have several options for HTML5 ad builders. We use Flexitive, but you should also check out Bannersnack and Bannerflow.

Video Display Ads

For creating video content, programs can vary tremendously in their quality and capabilities, from the free, like iMovie and QuickTime, to software that requires licensing, like Adobe Premiere and Adobe AfterEffects.

To save money, don't overlook Adobe Photoshop's video capabilities if you already have that app.



05 Tying Marketing Metrics Back to Business Outcomes

The Marketer's Dilemma

Here's a familiar dilemma: you walk into the company board meeting, a shining marketing report in hand with numbers that will impress the hell out of everyone. But, when you present your report, the meaning is lost on everyone but you.

We're guessing you and your CEO probably don't care about the same metrics, because marketers and CEOs hardly ever do! We, as marketers, care about traffic, SEO performance, and so on. Higher-ups care about financial metrics to help them see the bigger picture. But as long as we know what we're doing and what the metrics mean, they should leave us to it, right?

"If you really want to **impress** the higher-ups, take your metrics a step further."

A marketer can dream, but, uh, your big, big boss ultimately decides where in the company to invest and approves the budget. Speaking their language can get them on your side.

Speak Your CEO's Language

Every metric tells a story. If you really want to impress the higher-ups, take your metrics a step further.

Figure out how much of your website traffic converted into leads. Show how much it costs to acquire a customer and the value of that customer over time, i.e., how much they're predicted to spend in their customer lifetime.

In Choozle's case, we can prove our return on investment with the number of conversions, or the number of customers that have signed up for an account through the Choozle website.

Go Forth and Conquer

We know this is a lot to take in, but given all that we've covered, we know you're ready to move forward. Start by getting buy-in from stakeholders, assemble your dream team and set them up with basics, launch your first campaign, and be on your way to self-service success.



Thanks for reading!

For more Choozle resources, visit www.choozle.com/resources.



Choozle provides a digital advertising software platform that leverages detailed consumer data to power programmatic advertising campaigns across display, video, mobile and other mediums—all from a single, intuitive interface.