

# Looking Beyond Programmatic





# BACKGROUND

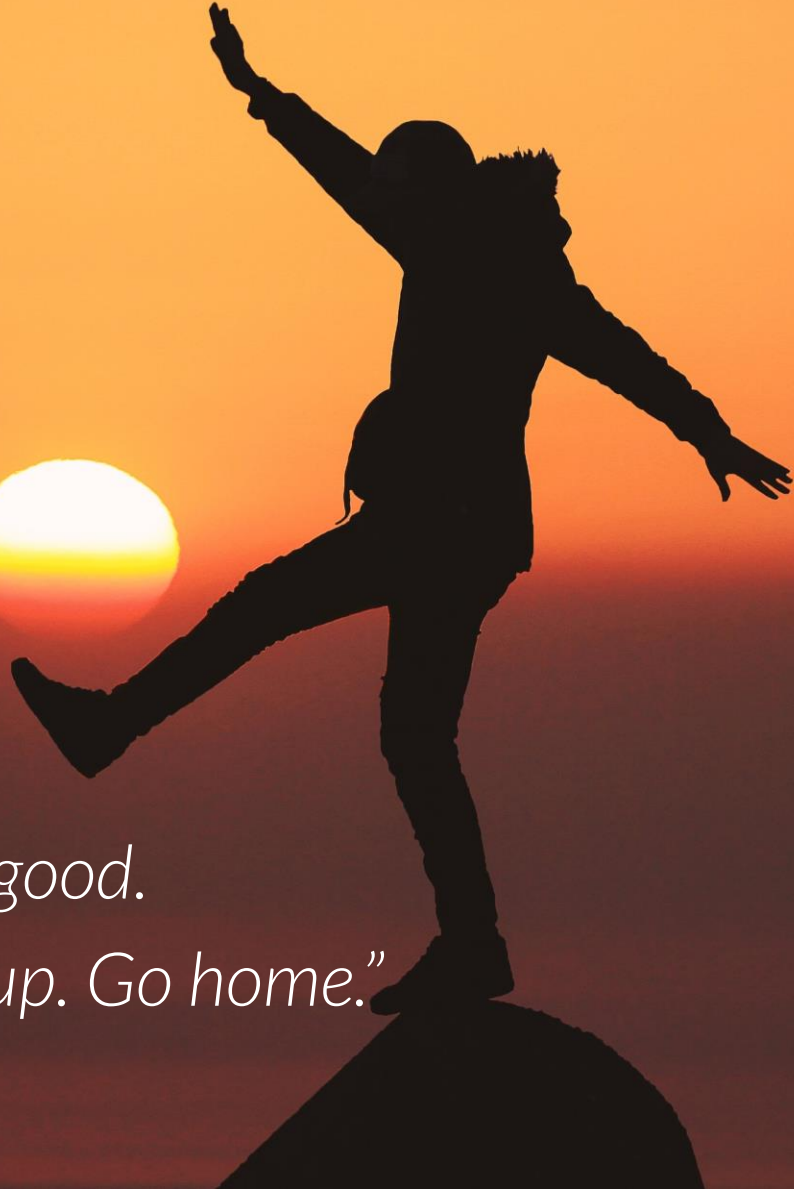


Kevin Almeida

VP Marketing, Creative Digital Agency

- 3-time winner, Mobile Marketing Association (MMA) Smarties Awards
- Built the largest travel-centric social ad network in the world, reaching 35 million travel lovers
- Ranked in Top 6 Ad Agencies of 2018 by AgencySpotter.com





*“Balance is key.*

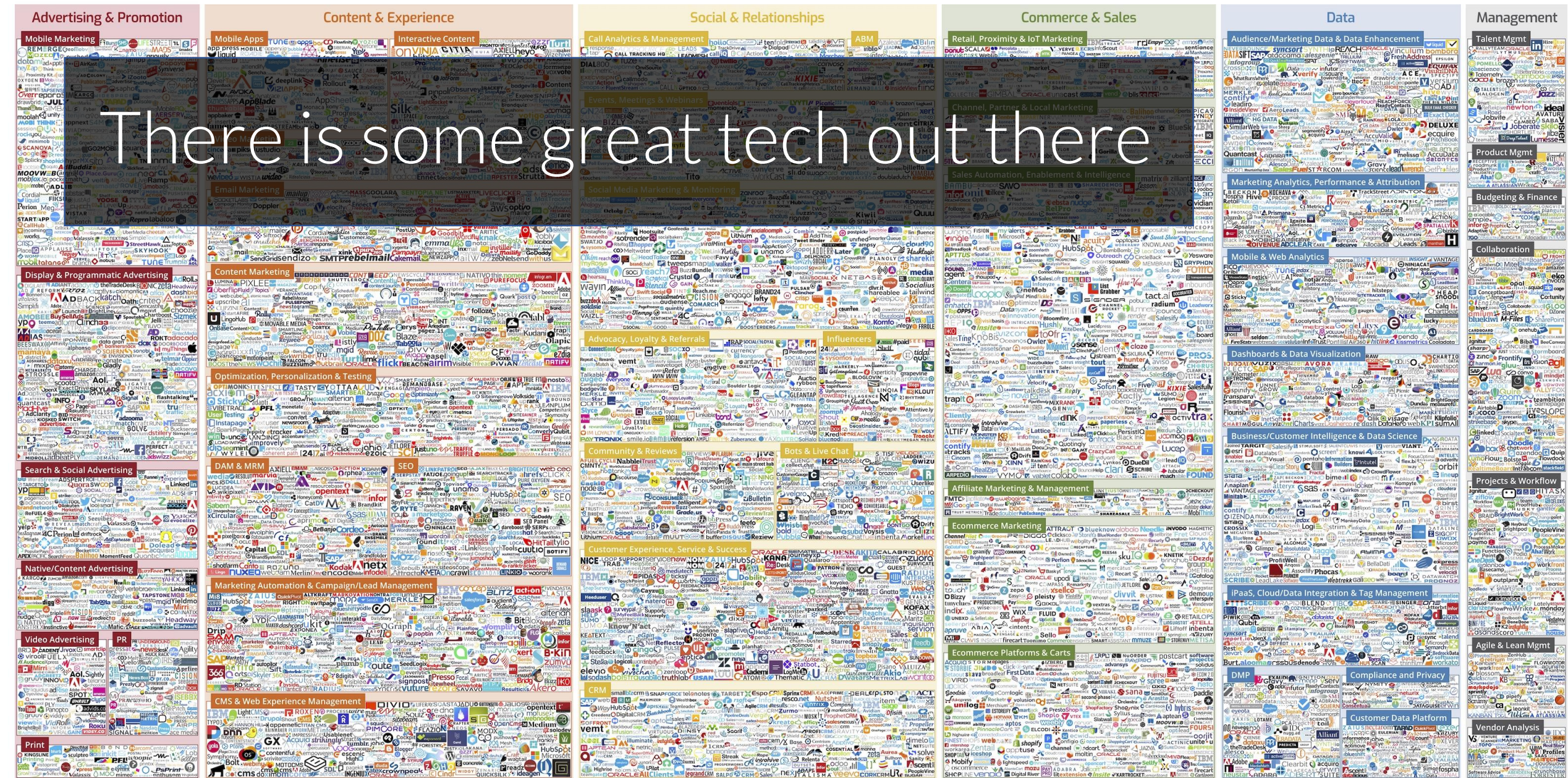
*Balance good, everything good.*

*Balance bad, better pack up. Go home.”*

*Mr. Miyagi | The Karate Kid*



There is some great tech out there





# Traditional Approach to Digital

Traditional logic for an effective programmatic campaign:

1. Optimize for lowest cost conversions
2. Revenue-based KPIs
3. Account for some fraud/low quality in the mix
4. Cleverly leverage data partners & analytics
5. Prove most cost-effective spend

# Traditional Approach to Digital

Common sense, right?

Spend =  $\$X$

Prove You Earned =  $\$X + \$Y$

# Traditional Approach to Digital

The priority of advertising has shifted from inspiration to **reducing waste**.

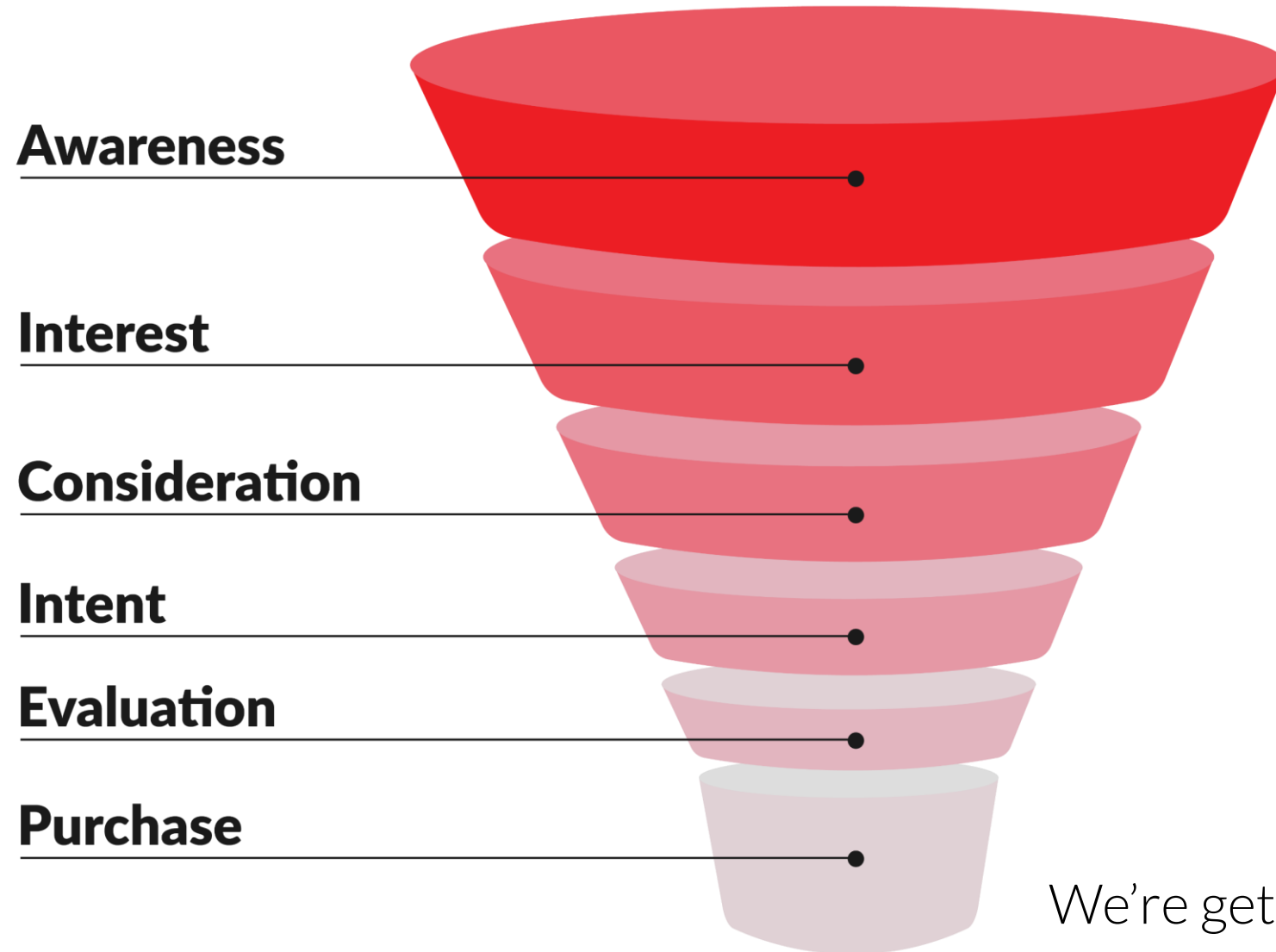


# Traditional Approach to Digital

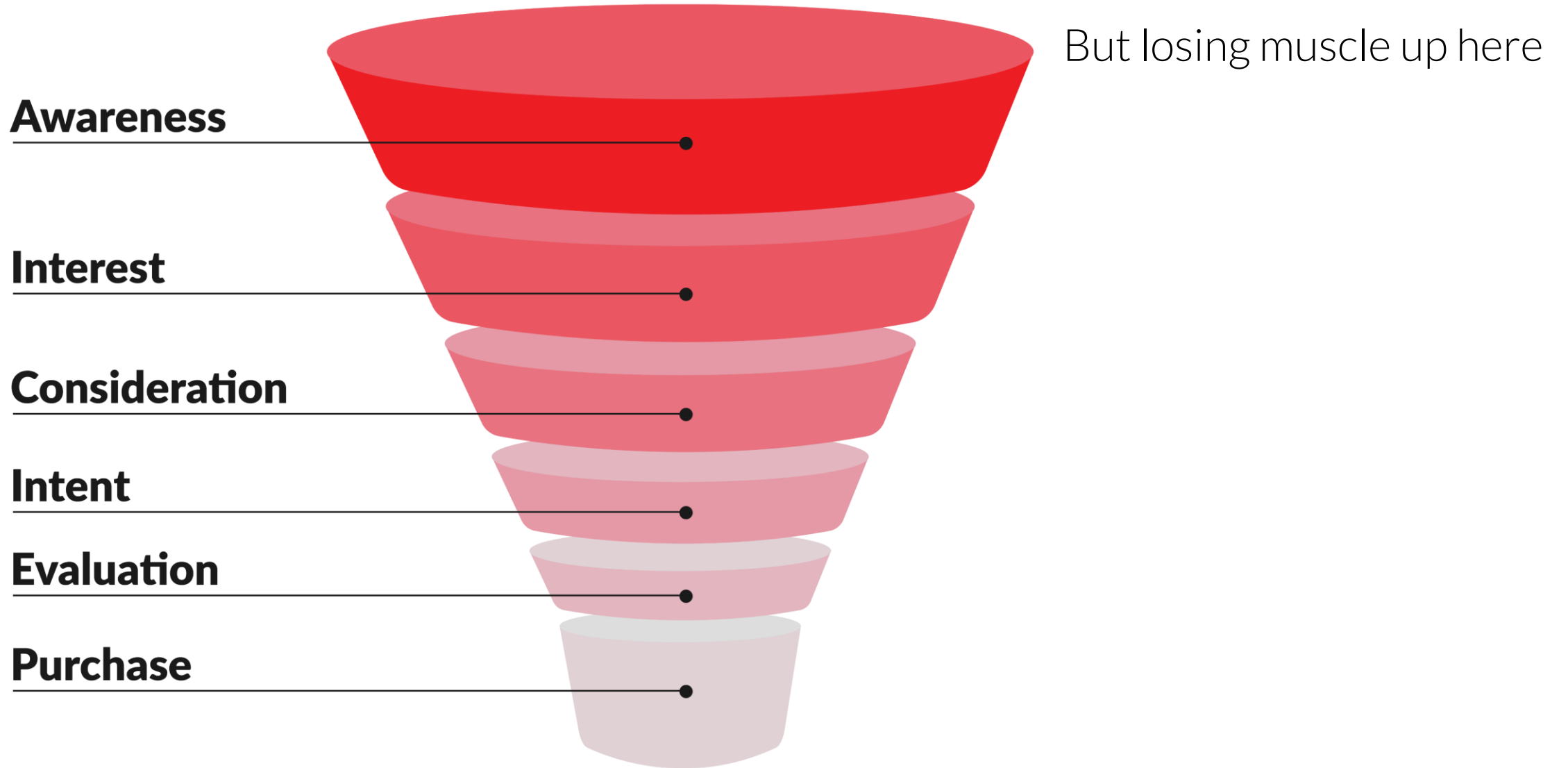
- Optimizing Conversions
- Highly-Granular Targeting
- Minimizing CPMs







We're getting stronger down here





It's the opposite of  
skipping leg day.



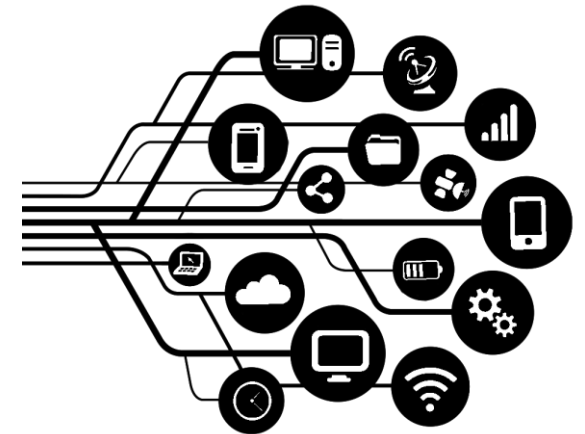
# A Re-Balancing Act



High-value  
promotions



High-quality  
creative



Sophisticated tech





Limited  
awareness

Transient  
Occupancy  
Travel Radius

## THE WALL STREET JOURNAL.

P&G Cuts More Than \$100 Million in 'Largely Ineffective' Digital Ads

### BuzzFeed News

Ad Industry Insiders Profited From An Ad Fraud Scheme That Researchers Say Stole Millions Of Dollars

### DIGIDAY

CMOs have a trust issue with programmatic

### ADWEEK

Advertisers Are More Concerned Than Ever About Brand Safety, According to New Study

### Forbes

Brand Safety Troubles In Digital Advertising Remind Us That Adjacency Matters Too

- Risk to brand safety
- Limited transparency
- Potential for fraud

### Technology Intelligence

YouTube refunds advertisers after terror content scandal



Procter & Gamble chief marketer slams 'crappy media supply chain', urges marketers to act



Controversy of the Year: Brand Safety



# New Priorities for Our Tech Partners

- How do we get people excited at the inspiration stage?
- How do we ensure our ads are brand-safe and free from fraud?
- How do we boost exposure in a meaningful way?
- **How do we measure the results?**

# A Re-Balancing Act

## Challenges

- Limited budget
- Prove ROAI at top-of-funnel
- Get buy-in from stakeholders on longterm investment





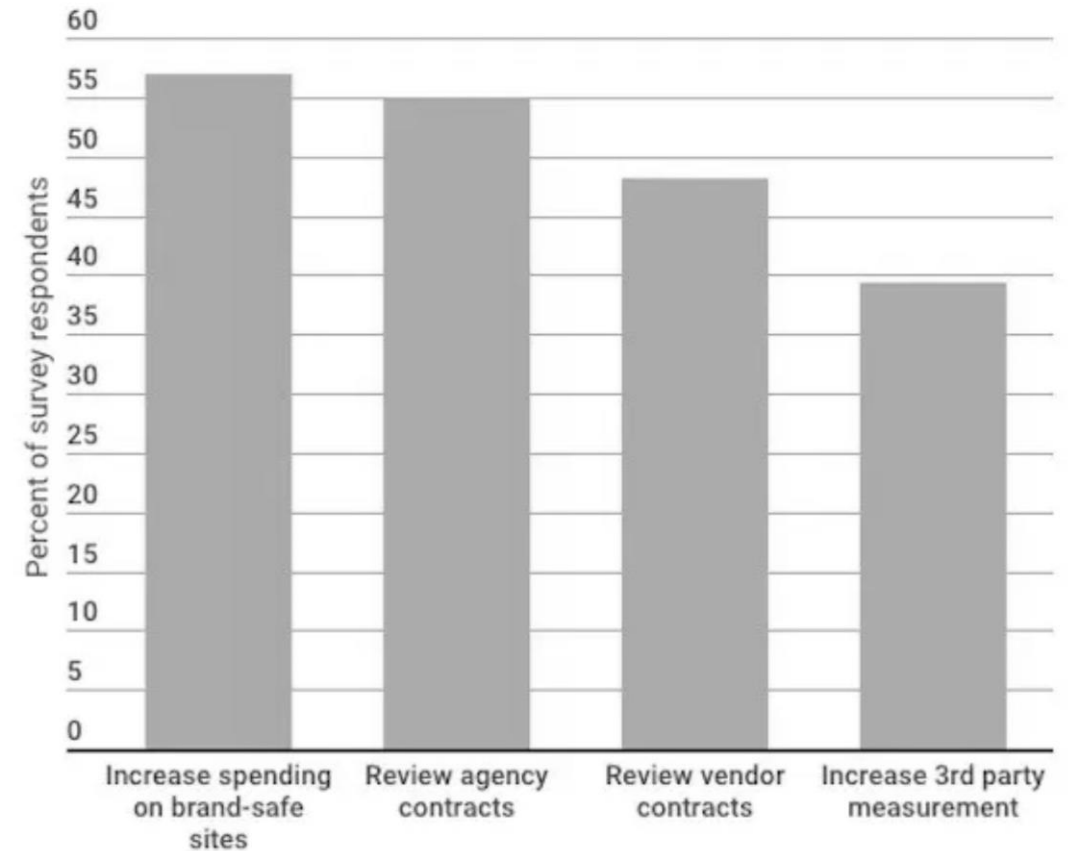
# Industry Response

The #1 way the industry is responding?  
Increased focus on **buying direct** from  
brand-safe publishers.

 **Agency Daily**

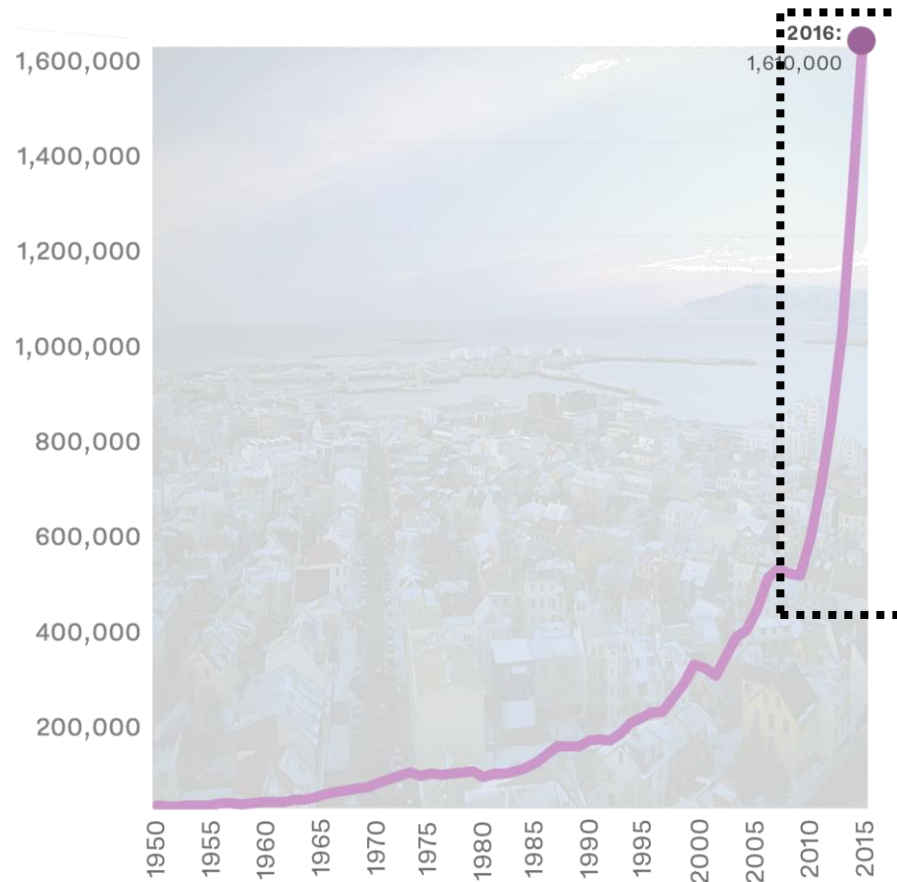
**Report: Fewer Brands Using  
Programmatic Ads This Year**

## How advertisers address brand safety concerns



# Top Advertisers are Re-Balancing

Iceland Tourism: 1950-2016



Source: Icelandic Tourism Board



“Growth has been so rapid in the last five years, it’s difficult to keep up.”

**Hjalti Thorarinsson**

**Project Manager, Visit North Iceland**

- 2016 saw a **65% increase** in searches for Iceland hotels on Kayak.com
- American tourists now outnumber Iceland’s **entire population**



#iceland  
9,147,672 posts

#icelandic  
570,838 posts

#icelandair  
327,426 posts

#icelandtrip  
221,173 posts

#icelandtravel  
533,268 posts

#icelandIS  
356,403 posts

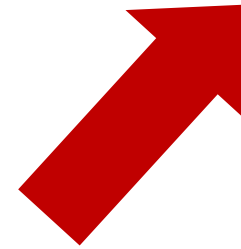


# Top Advertisers are Re-Balancing

*P&G*



**\$200 Million**  
cut from programmatic spend



**25% Increase**  
to direct spend



# Top Advertisers are Re-Balancing



**112% increase**  
to # of brands buying direct



# Top Advertisers are Re-Balancing



**98.75% decrease**  
to # of programmatic publishers





# Top Advertisers are Re-Balancing



**10% increase**  
to reach



**3% growth**  
in YOY sales



**0% drop**  
in ad performance

What does this mean  
for the travel industry?





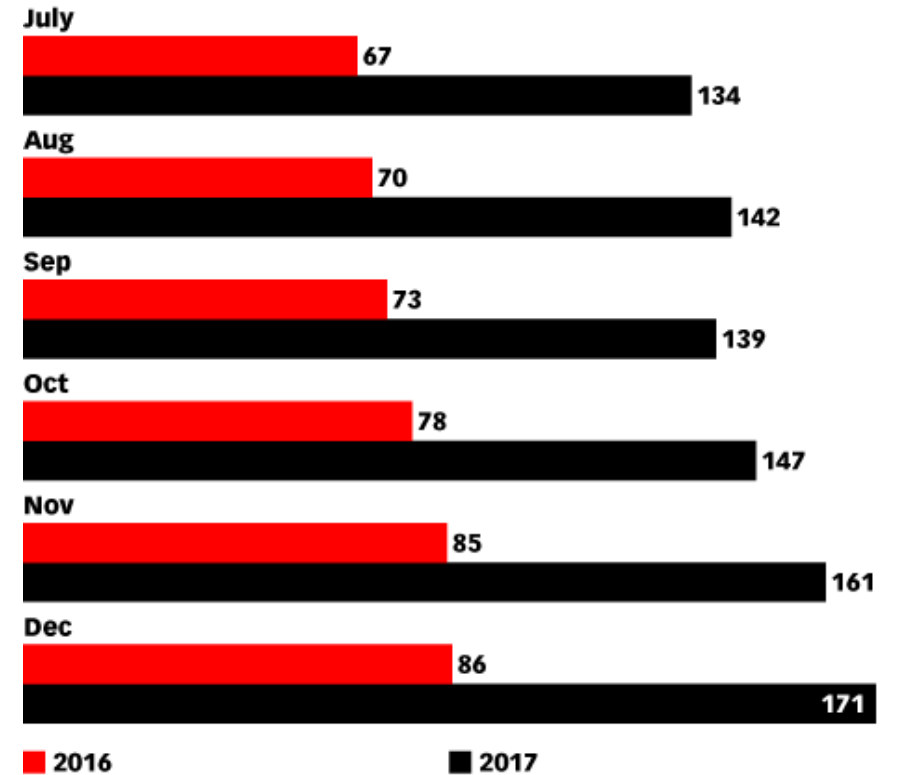
# Things are Changing

In 2017

- Brands **doubled** their investment in Instagram direct advertising:\*
- Posts with the #ad hashtag totaled **1.5 million**\*
- Direct-buy Instagram Ads generated **1 billion likes**\*
- Average engagement was **10x** the ads placed on Facebook's ad platform, **50x** traditional digital ads\*\*

## Volume of Instagram #Ad\* Posts Worldwide, July 2016-Dec 2017

thousands



Note: \*or #sponsored

Source: Klear, "The State of Influencer Marketing 2018 Report," Jan 15, 2018

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www.eMarketer.com



# Things are Changing



NATIONAL  
GEOGRAPHIC

## How Instagram Is Changing Travel

*“Instagram gives a **more genuine expression** than looking for inspiration in a tourism brochure.”*

Johan Lolos | Instagram Publisher

# Here's What We Saw

- Reached a vital new audience
- Increased brand favorability
- 2x search interest on Google Trends
- Boosted engagement rates by 10x
- Eliminated concerns about brand-safety and transparency

# Case Study: Visit Savannah

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## Brand Favorability

98%

comments mentioned  
favorability increase

x2 Interest

In Google Trends vs. highest  
point in preceding 12 months

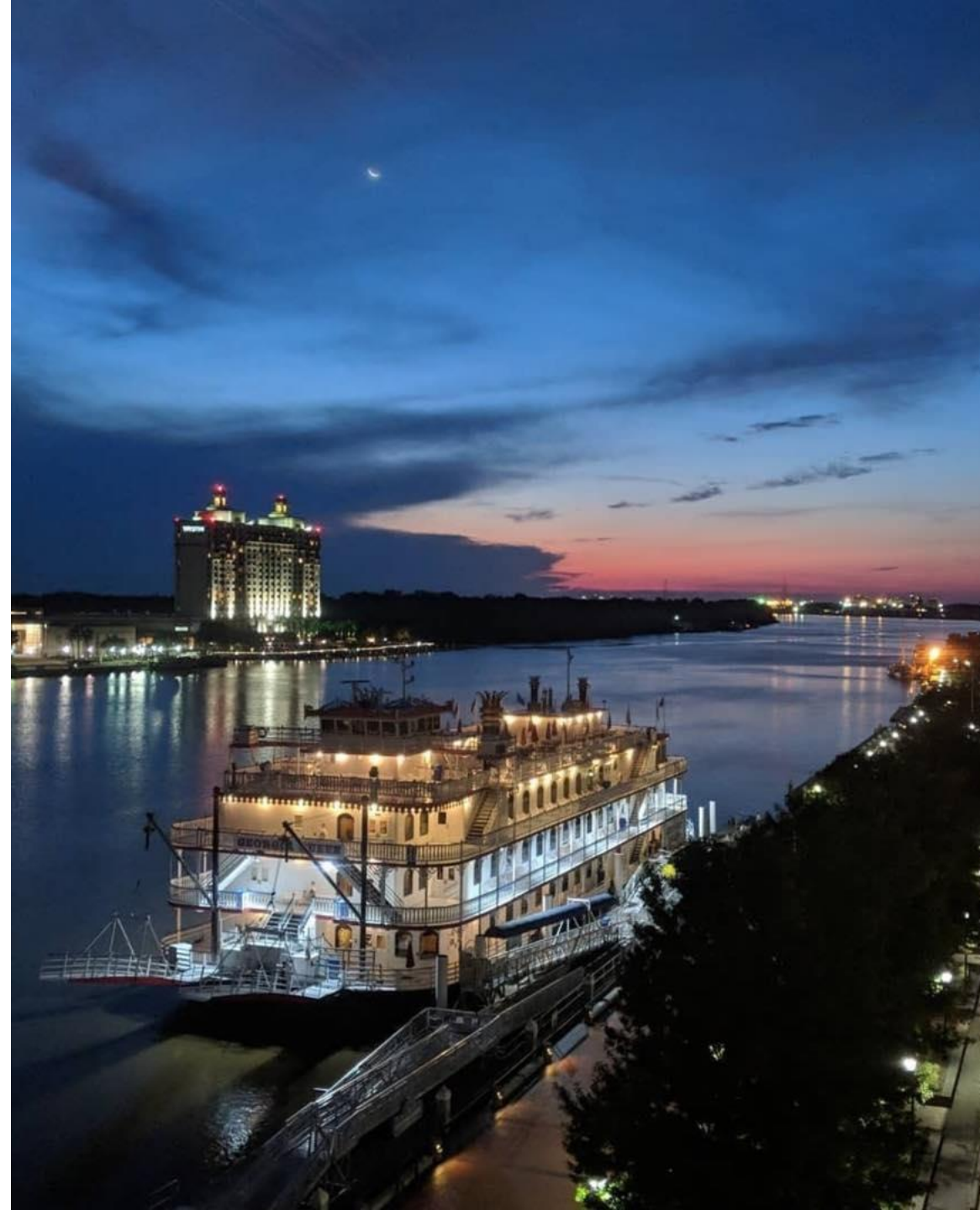
## Brand Engagement

\$0.25 CPE

vs. FB/IG newsfeed ads avg. of  
\$0.63\*

\*(for Travel audience) Wordstream.com | Facebook's Ad Benchmarks for your industry, 2018

\*\* (for Travel audience) ADSTAGE | Facebook Ads CPM, CPC, & CTR Benchmarks for Q1 2018

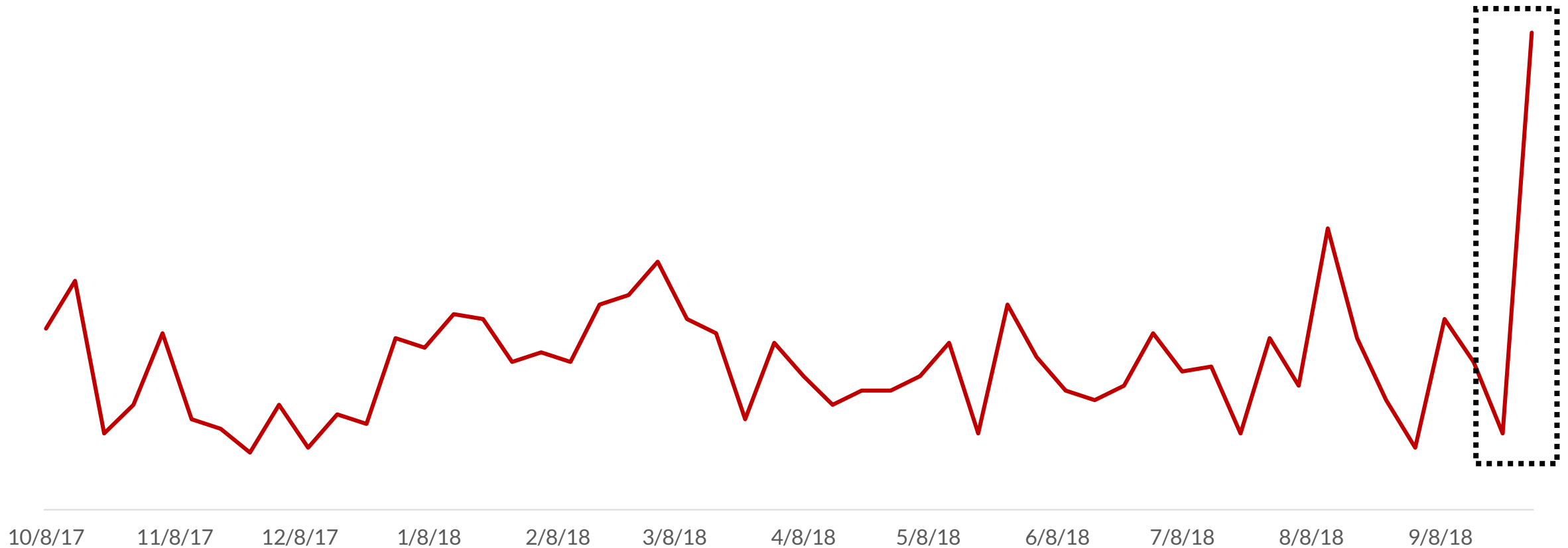




# Case Study: Visit Savannah

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“Visit Savannah” search interest, past 12 Months



# Case Study: Visit Philippines

Brand Awareness

**\$5 CPM**

vs. FB/IG newsfeed average of  
\$11.20\*\*

Brand Engagement

**\$0.09 CPE**

vs. FB/IG newsfeed ads avg. of  
\$0.63\*



**3,805,000** Travelers  
Reached



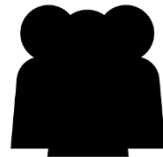
**383,000** Likes



**3,960,000** Story Views



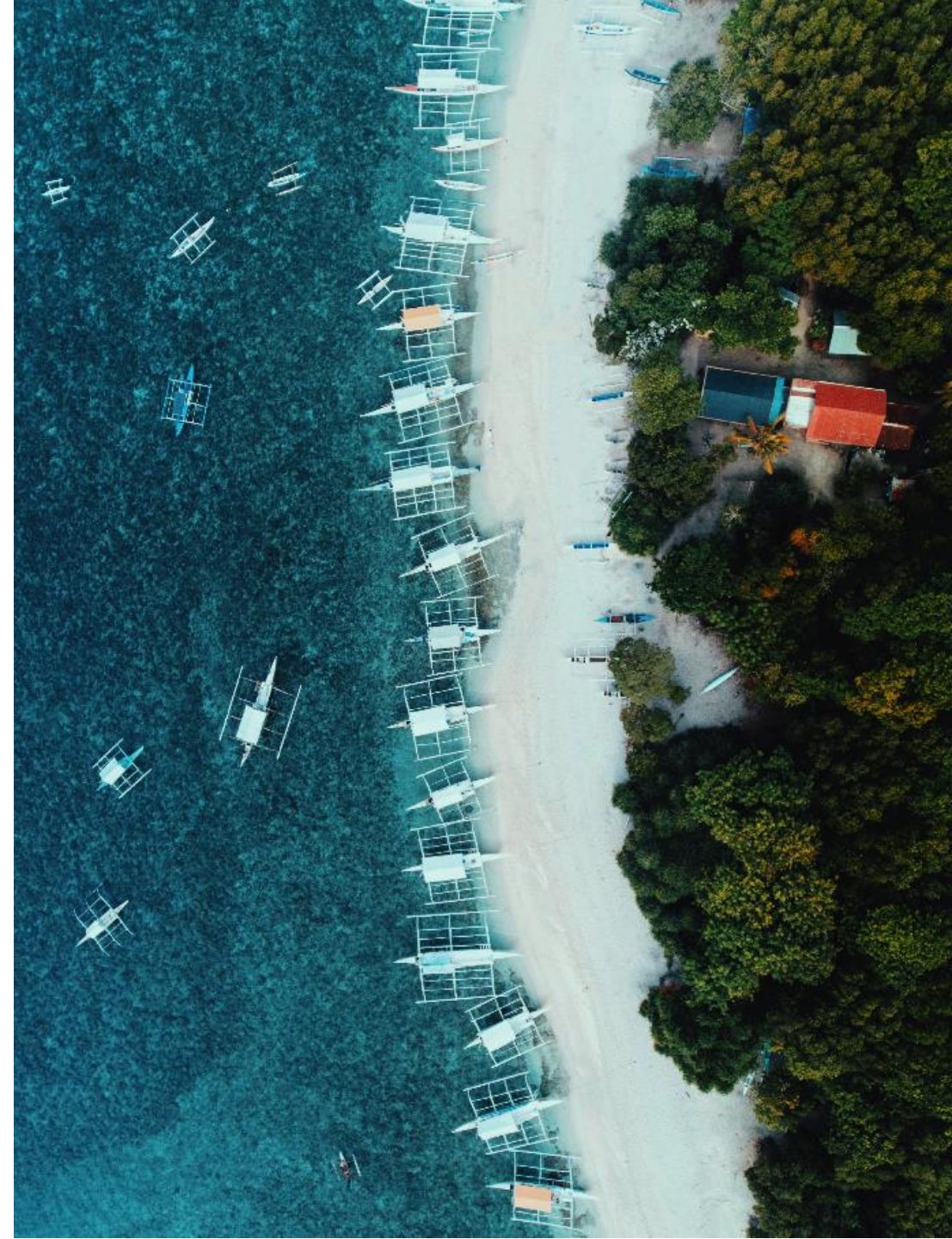
**2,900** comments



**7 Million** Impressions

\*(for Travel audience) Wordstream.com | Facebook's Ad Benchmarks for your industry, 2018

\*\* (for Travel audience) ADSTAGE | Facebook Ads CPM, CPC, & CTR Benchmarks for Q1 2018





# Case Study: Visit Barcelona

Brand Awareness

\$6 CPM

vs. FB/IG newsfeed average of  
\$11.20\*\*

Brand Engagement

\$0.13 CPE

vs. FB/IG newsfeed ads avg. of  
\$0.63\*

Brand Favorability

**10X**

The week of the promotion,  
@VisitBarcelona's follower  
count **grew 10x the  
normal rate**



@VisitBarcelona made  
the **front page of Reddit**

**SOLD OUT!**

Helicopter tour above the  
city **sold out for  
subsequent 4 months**

\*(for Travel audience) Wordstream.com | Facebook's Ad Benchmarks for your industry, 2018

\*\* (for Travel audience) ADSTAGE | Facebook Ads CPM, CPC, & CTR Benchmarks for Q1 2018





Thank You

For more information, please contact:

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