

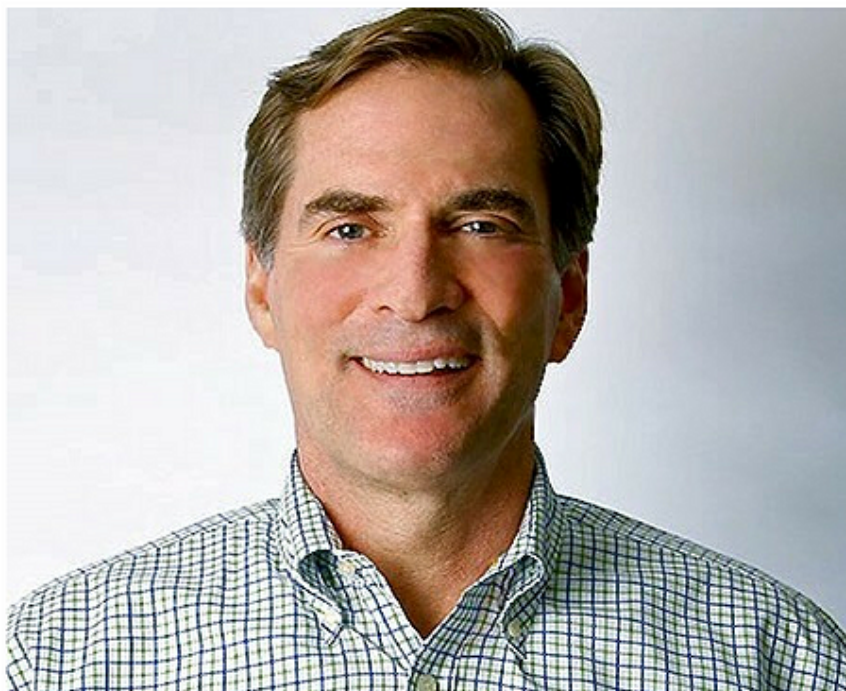


Long Ellis of Longview Media Consulting: The Ad Automation and Programmatic Confidantes

BY JAY SEARS

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In a series of conversations with the leading confidantes and consultants in the ad automation and programmatic area, Jay Sears, Senior Vice President Marketplace Development of Rubicon Project, discusses trends and issues of the day impacting advertisers and media owners. In this interview, he talks with Long Ellis, President of Longview Media Consulting. Ellis has worked for an array of TV networks, lead the television initiative with Google TV Ads, worked at Canoe Ventures and has also spent time in start-ups including Flurry and Alphonso.

JAY SEARS: What do you read to keep up with politics, art and culture?

LONG ELLIS: I have gone from reading The New York Times cover to cover every morning on the train to a much quicker personal news update that I get on the Flipboard app. This way I can aggregate my information consumption across multiple publishers. Art and Culture are definitely lacking these days, however. Weekend movies and reading a few magazines like Outdoor Life, Men's Journal and Mountain Living are all I have time for, I'm afraid.

SEARS: What do you read to keep up with friends?

ELLIS: The usual suspects like Facebook and Instagram. I am also part of a college e-mail chain where people who graduated in or near my class bring up things that they remember about you on your birthday each year. It has slowly morphed into a great way to stay in touch and lend support to people who need some assistance.

SEARS: What do you read to keep up with the advertising technology industry?

ELLIS: Mediapost, Broadcasting & Cable, Cynopsis, Pando Daily, Business Insider, Ad Exchanger

SEARS: What's your favorite commercial of all time?

ELLIS: So hard to pick one!

SEARS: With regards to advertising automation, what are the three biggest trends you expect to impact companies in 2016?

ELLIS:

1. New inventory yield optimization technologies that can handle the explosion of advanced audience targeting data
2. Marketplaces that do not attempt to optimize for the buyer (DSP) or the seller (SSP), but provide intelligence on both sides and a way to transact without there being a distinct advantage on one side or the other.
3. A continuing trend towards arbitrage will change the way media is approached. Technology that facilitates arbitrage and futures trading will evolve.

SEARS: With regards to advertising automation, what are the three most overblown topics that you wish would just go away?

ELLIS:

1. "What is the definition of programmatic TV"
2. "When will linear TV become programmatic?"
3. "Is TV dead?"

SEARS: Describe your firm and then tell us the three most common issues you help clients on with respect to advertising automation and programmatic trading.

ELLIS: Longview Media Consulting was created to help early and mid-stage start-ups develop sales and business development relationships, as well as create both sales and product strategies that will accelerate revenue growth.

Much of what I have worked on with my clients is finding the best positioning or functionality for their products and/or helping to identify the biggest opportunity in the marketplace for their solutions. Ironically, the founders of ad tech or media start-ups do not always know that much about media or the problems the marketplace is looking to solve. They are smart, but need an industry expert to take the company to the next level.

SEARS: Tell us about your firm.

ELLIS:

QUESTION	ANSWER
How many employees does your firm have?	One
Where is your headquarters?	Rowayton, CT
Where are you located?	Rowayton, CT
When was your firm started?	October 2015
Approximately what percentage of client engagement dollars are spent to address ad automation and related issues?	75%
Do any markets outside your home market account for more than 10% of overall billings?	NA

SEARS: What are the most common issues you help clients with in regards to automation?

ELLIS:

1. How does a given functionality relate to how media was approached before automation? Will it work given historical business practices and rules?
2. Self-serve vs managed service: Which is preferable for any given customer?
3. Will both buyers and sellers benefit or is one optimizing against the other and therefore you can't please both sides of the transaction.

SEARS: The majority of ad technology companies have struggled. (They are relatively small, unprofitable or both.) Of the poor performers, what are the commonalities between them that have contributed to this weakness?

ELLIS: I think the two most significant challenges have been differentiating the capabilities of the product and reaching the necessary scale. There are lots of DSPs! Which one is the best? The marketplace makes early decisions and many are left in the dust unless they can come up with something unique. Without scale, there is no reason to use many of these platforms.

SEARS: A smaller handful of ad technology companies has achieved scale and performed better than the rest. What are the commonalities between them that have contributed to this relative strength?

ELLIS: They have concentrated on a particular aspect of media and have succeeded in staying ahead of their competition because of their intense focus. Being really good at one thing is much better than being average at many things. Early birds in a hot category can also obtain financing that will become more difficult for the companies that follow. Money helps scale the business more quickly.

SEARS: Do we live in a "tale of two cities" where Google and Facebook win almost everything, advertisers are dictated to and other media companies fight for the scraps?

ELLIS: Yes. The best solution is to innovate faster than they can and then be purchased by them.

SEARS: Please answer the following statements yes or no.

ELLIS:

STATEMENT	Yes or No	One Sentence Explanation
Google will remain a dominant company for the next 10 years	Yes	
Google will remain a dominant company for the next 20 years	Yes	

Amazon is a data company	Yes	
Facebook will remain a dominant company for the next 10 years	Yes	
Facebook will remain a dominant company for the next 20 years	No	
Chinese Internet companies such as Alibaba will become active buyers and/or investors in US based Internet companies in the next two years	Yes	
Yahoo! is dead	Yes	But many of the pieces may live another day!
Less than 20 companies on the “Lumascapex” are of a material size and these companies will behave as the consolidators of the group.	Yes	Consolidation is already happening. There will be a trend away from the middleman and ad tech margins will be squeezed.
Ad technology is not well understood by investors	Yes	
The impact of ad automation to date has largely been in digitally traded media, however impacts of automation will be felt across the entire \$600 billion worldwide media market over the next five years including the out of home and television markets.	Yes	Systems/platforms are currently being developed that can help traditional mediums with optimization and efficiencies without a sea change in the transaction process. Technologies will focus on complexity and decision making for traditional media, not the transaction.
Ad automation will start to materially impact media trading in the \$70 billion US television market in the next two years.	Yes	It will start in Direct Response and also “programmatic remnant”, which is code for selling remnant TV inventory as part of a digital video audience buy.

Ad automation improves (or can improve) the direct trading relationship between a media company and an advertiser—by improving efficiency (work-flow) and effectiveness (leveraging data).	Yes	I think the biggest issue with the current set up of DSPs and SSPs is that they only help one side of the equation. Previous attempts to create a marketplace have fallen flat because you can’t optimize for both sides in RTB. A new trading model will emerge!
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SEARS: If you could go to the airport *right now* with friends or family and fly anywhere in the world for vacation, who would you take and where would you go?

ELLIS: Me, my wife and three other couples on a one week sailing charter in the British Islands.

SEARS: If you could create an endowment to fund any existing non-profit you designated, what lucky non-profit organization would that be?

ELLIS: Probably a full college scholarship for a student athlete.

SEARS: What is your favorite restaurant in the world?

ELLIS: Trail Creek Cabin, Sun Valley, ID

SEARS: Thanks, Long!

Do you know a leading ad automation consultant in the ad automation and programmatic area advising advertisers and media companies that I should consider interviewing? [Tell me!](#)

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Jay Sears

Jay Sears was Senior Vice President Marketplace Development for Rubicon Project, where he worked with management and business unit heads across the company to expand Rubicon Project's market -- and across the media owner and adver... [read more](#)

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