



Paul Dalton of DigitasLBI on Advertising Automation and Programmatic

BY JAY SEARS

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Jay Sears, Senior Vice President Marketplace Development of Rubicon Project discusses advertising automation with Paul Dalton, Chief Media Officer, International of DigitasLBI as part of a series of buyer conversations on the topic.



(Pictured left to right: Jay Sears; [Art Muldoon](#), CEO and Co-founder, Accordant Media; Oleg Korenfeld, Executive Vice President, Ad Tech and Platforms, Mediavest | Spark; Hossein Houssaini, Global Head of Programmatic Solutions, Havas Media Group; [Mac Delaney](#), Head of Programmatic, Merkle, and Paul Dalton. Click on the links above to read Jay's interviews with other members of this group.)

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

PAUL DALTON: Twitter (morning wind up and nightly wind down), the BBC, Fast Company, Wired, Coolhunting, Hypebeast, The Economist and TechCrunch

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

DALTON: Facebook and Twitter. LinkedIn, increasingly.

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

DALTON: AdExchanger, ExchangeWire, The Drum, Product Hunt, Campaign, TechCrunch and Digiday. I also follow a long list of VCs, thought leaders and ad tech enthusiasts on Twitter.

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

DALTON: [Blackcurrant Tango](#)

SEARS: With regards to advertising automation, what are the three biggest trends you expect to impact companies in 2016 and 2017?

DALTON:

1. Experimentation with machine learning
2. Brand-specific media trading technologies
3. Increased experimentation with dynamic creative

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

DALTON:

1. Custom segments. It's all about the individual.
2. Minimum viewability standards
3. Brand vs DR. It's not a war.

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

DALTON: DigitasLBI is a modern, data-inspired agency. We are the only agency designed to offer clients who seek to transform their marketing to a complete stack of services, from integrated communications, to commerce to CRM and innovation services, across the world, all driven by our data about what really counts for your business.

Our global workforce of 6,000 includes industry-leading creatives in each region, working with data scientists, technology experts and media specialists to demonstrate what can be achieved when hard data meets imagination.

The three most common issues are:

1. The gap in client understanding
2. Implementation challenges due to complexities of integrating new technologies
3. Linking exposure through to high-stake business goals such as sales (in both physical and digital channels)

SEARS: Tell us about your company or division.

DALTON:

QUESTION	ANSWER
How many employees do you have that work on ad automation / programmatic?	There isn't a colleague that doesn't touch programmatic (media, data, technology and creative), in some capacity. It's why everyone who works here has a programmatic training plan, from Apprentice level to Technical Master.
What percentage of your advertising budget (media spend) will be spent via ad automation / programmatic channels in 2016 globally?	50-60% of those channels which can be bought programmatically
Do you believe the overall managed budget (media spend) for your automated trading operations will continue to increase in 2017 over prior years?	Yes – 60-70%
Yes or no? If ad spend can be automated and data driven, it should be...	Yes

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

DALTON:

1. Lack of USP in a crowded market
2. Inventory challenges
3. Poor client service
4. No self-serve platform

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?

DALTON:

1. Strong USP -- doing at least one vital thing better than anyone else
2. Clearly articulated vision and growth plan
3. Flexibility in deal structures (not one-size-fits-all)
4. Investment in R&D -- continual development of new products and services

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?

DALTON: No. Google and Facebook are powerhouses that clearly lead the marketplace in many critical areas of need. But there are areas that they do not. And there are marketing needs that others are better equipped to service.

SEARS: How can advertising automation help the strategy and planning functions (directly or indirectly) at an advertising agency?

DALTON: The richness of data-led intelligence that can be garnered from programmatic platforms is still largely undervalued and underutilized. It can be used to make previously hidden signals of human behavior both visible and actionable, which in the hands of a great strategist or plan, is gold.

SEARS: Transparency -- on media costs, on data, on inventory -- continues to be a lightning rod issue. Should transparency be a negotiated benefit for the advertiser client, yes or no?

DALTON: No. Without full transparency, an agency can't expect to earn long-term client trust.

SEARS: Please answer the following statements yes or no.

DALTON:

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		Too hard to say at this stage. It will be interesting to see what companies come to the fore when AI makes its way into the search space.
Amazon is a data company	Yes	And it's just getting started.
Facebook will remain a dominant company for the next 10 years	Yes	
Facebook will remain a dominant company for the next 20 years		See above.
Chinese Internet companies such as Alibaba will become active buyers and/or investors in US based Internet companies in the next two years	Yes	In an effort to fast track marketplace growth.
Yahoo! is dead	No	Parts of Yahoo! still have good value
Less than 20 companies on the "Lumascap" are of a material size and these companies will behave as the consolidators of the group.	No	Different players with different strengths will succeed in different regions.
Ad technology is not well understood by advertisers	Yes	Agencies can play a key role in addressing
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	The trading of all media will be impacted and improved by automation over the next 5 years, regardless of type.
Ad automation will start to materially impact media trading in the \$70 billion US television market in the next two years.	No	There will be too much resistance from the establishment.
Ad automation improves (or can improve) the direct trading relationship between a media company and an advertiser—by improving efficiency (workflow) and effectiveness (leveraging data).	Yes	It has the potential to remove a huge amount of human inefficiencies and errors.

SEARS: If you owned a yacht, what would you name it?

DALTON: Mr. Small

SEARS: A young family member has come to you seeking career advice. They must choose one of the following careers: ad agency executive, ad tech executive, company marketing executive or ice cream shop owner on the French Riviera. Which career path do you recommend and why?

DALTON: Ad tech executive. Technology and its application across every aspect of our lives will be transformative.

SEARS: What is your favorite restaurant in the world?

DALTON: Waffle House

SEARS: Thanks, Paul!

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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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