





Rob Rasko of 614 Group: The Ad Automation and Programmatic Confidantes

BY JAY SEARS NOVEMBER 17, 2016 RUBICON PROJECT ARCHIVES



In a series of conversations with the leading confidents and consultants in the ad automation and programmatic area, Jay Sears, Senior Vice President of Rubicon Project, discusses trends and issues of the day impacting advertisers and media owners. In this interview, he talks with Rob Rasko, CEO of 614 Group.

Rasko serves as an executive advisor to the Interactive Advertising Association. Prior to starting 614 Group he was President and COO of CPX Interactive.

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

ROB RASKO: For politics, arts and culture, I watch -- not read -- CNN, CNBC, PBS and the Food Network. You can learn a lot about all of the above watching Anthony Bourdain.

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

RASKO: Face-to-face time. I have three kids and lot of friends that I actually see but digitally, Facebook and LinkedIn. The latter more and more has many posts about the lives of friends I don't regularly see.

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

RASKO: MediaPost, AdExchanger and Business Insider are my favorites to understand this industry.

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

RASKO: The whole Burger King "King" series was really funny and the Like a Girl series recently has been really moving. (I have two daughters.)

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

RASKO:

- 1. Data usage (BI data). Everyone seems to be aggregating now but not actually using it properly.
- 2. Consolidation. Some companies without profits are going to disappear and therefore some platforms that folks have built automation around will no longer exist and companies will have to scramble to replace those missing elements.
- 3. A continued understanding of how to leverage programmatic at the major media companies where the majority of their revenue is still direct and traditional. These companies still don't have deep strategies on how to operationalize programmatic.

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

RASKO:

- 1. Facebook and Google: Who wins? (Sorry, Jay)
- 2. VR. It's so early.
- 3. Viewability in individual conversations, overall KPIs and measurement in digital is a conversation that needs to be discussed but one single KPI like viewability (which is mostly negotiated now anyway) is way too narrow of a discussion.

SEARS: Tell us the three most common issues you help clients on with respect to advertising automation and programmatic trading.

RASKO:

- 1. Workflow architecture and optimization regarding the sales channel which includes programmatic and automation for publishers.
- 2. Business intelligence and data and how to properly leverage BI in order to increase revenue.
- 3. Tactical solutions like campaign management on programmatic campaigns. (Yes, these still need people and we provide them.)

SEARS: Tell us about your firm.

RASKO: We are a firm and not a sole proprietorship, which means we are not doing this as hobby but to create real value for our clients. Our engagements are built to deliver ROI that can be measured. There are others companies in this space that agree and are like us, but not all of them.

The 614 Group is a digital media consultancy that serves media companies in four practice areas: Publisher Services Corporate Development, Research and Content Development and Business Intelligence. We help our clients with a variety of issues from managing outsourced ad operations to go-to-market strategy through customized market research partnerships.

Additionally, we have an events company that serves as a platform for driving thought leadership through sharing custom research and educating the market on topics including making money with brand safety, viewability, fighting ad fraud and ad blocking.

QUESTION	ANSWER	
How many employees does your firm have?	10 full time - (plus another 20 consultants - project based)	
Where is your headquarters?	Roseland, NJ	
Where are you located?	NY/NJ, San Diego, London	
When was your firm started?	2011	
Approximately what percentage of client engagement dollars are spent to address ad automation and related issues?	About 20%	
Do any markets outside your home market account for more than 10% of overall billings?	About 10%	

SEARS: What are the most common issues you help clients with regarding automation?

RASKO:

- 1. Technology systems selection and integration
- 2. Business intelligence and reporting
- 3. Business partner review (commercial non-technical)

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?

RASKO: The race to early profitability for the winners vs. not for the losers. If you are too reliant on funding you have and will continue to have a big challenge.

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?

RASKO: Besides funding as I mentioned above, a diversified product set. You need to be able do more than one thing for your clients.

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?

RASKO: I don't agree with this statement because I take a macro view. There are many other major companies, albeit some of them smaller market-cap wise that are big enough to compete with these two. Verizon, AT&T, Disney, WPP, Time Warner and Charter on the cable side; in many cases Google and Facebook have gotten big enough to compete with those guys. In the end the next phase of the media company competition is only beginning keep an eye on the connectivity to the consumer wallet that telco has as the next frontier.

SEARS: Please answer the following statements yes or no.

RASKO:

STATEMENT	YES/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	Not sure	
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 - unfortunately	
Less than 20 companies on the "Lumascape" are of a material size and these companies will behave as the consolidators of the group.	Not sure if 20 is the number but is not 100	
Ad technology is not well understood by investors	Correct	
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	
Ad automation will start to materially impact media trading in the \$70 billion US television market in the next two years.	Yes	
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	

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?

RASKO: South of France, Nice or St Tropez. I would take my wife only; sorry kids, you stay home.

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

RASKO: My wife and I have been involved in the autism area for a while; her as a 15-year therapist and I as an evangelist and fundraiser for the issue. Generally, we look for cause like Autism Family Services of NJ where the funds go to helping families that work really hard with home care and sometimes deservingly need a break.

SEARS: What is your favorite restaurant in the world?

RASKO: Johnny and Hanges in Fair Lawn, NJ. Hot dogs and chili sauce -- either you know why or you don't but you should find out.

SEARS: Thanks, Rob!

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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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