

DEMAND-SIDE PLATFORM FROM A TO Z. A FULL GUIDE ON HOW AND WHY TO ADVERTISE WITH A DSP

Written for you by Adscann team



WHY DID WE DECIDE TO WRITE THIS E-BOOK?



"Demand-side platforms are unique. They unite creativity and smart technology, and this is a game-changer for the whole ad industry. When companies and brands master media buying on DSPs, the boundaries no longer exist."

CEO at Adscann



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CHAPTER I. DEMAND-SIDE PLATFORM 101: THE BASICS

CHAPTER I.

INTRO TO PROGRAMMATIC ADVERTISING

If someone suddenly decided to choose the most frequently used word in online advertising, that would probably be *programmatic*. At one time a game-changing technology, programmatic has transformed into an essential part of the digital advertising ecosystem.

Zenith's latest programmatic marketing research forecasts that by the end of 2019 advertisers will spend \$84 billion programmatically (compared to \$70 billion in 2018). This number amounts to 65% of all global online ad spending. This year the US advertisers alone are expected to spend nearly \$60 billion (84%) on programmatic ads which will turn the US into the biggest player on the programmatic market. And two-thirds of this sum will go to mobile.

Experts agree that the programmatic shares in the video, mobile, and in-app advertising will continue to grow in 2020. This tendency towards growth is expected. The industry has undergone major changes because consequently the expansion of programmatic has led to massive in-house adoption of the technology among ad agencies and brands.

A portion of the companies started handling media buying internally by acquiring traffic from a variety of demand-side platforms (DSPs). The minority of these companies ended up building their own DSPs. The demand for greater transparency over media buying makes digital marketers seriously consider doing their programmatic media buying in-house. A recent IAB study showed that of the 65% of marketers that purchase ads programmatically, 18% have moved it in-house, and 47% want to further incorporate the process.

The DSP is their gateway to programmatic advertising. After reading this e-book, you'll be ready to come onboard and blast off.



FAST FACT



WHAT IS A DEMAND-SIDE PLATFORM?

The demand-side platform or DSP is an automated programmatic platform for running, managing and optimizing online ad campaigns. The DSP is a technology that allows you to buy ad impressions in real time. Along with other marketing channels (like social media), DSP is an option to enlarge your presence on the Internet.

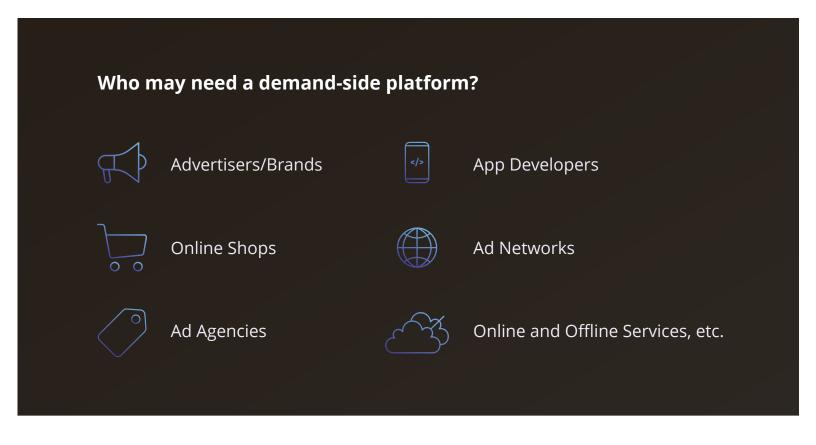
In your everyday workflow, the DSP will look like a private account where you set up, start and manage your ad campaigns, connect to traffic sources and receive stats on your performance in real time.

The backbone of every DSP is the real-time bidding technology. This means that the media buyer sets a unique bid for every ad impression and competes for this impression during a real-time auction. For advertisers and media buyers a DSP is the technology that keeps ad activities under control, but mainly, it's a source of online traffic. With its connection to hundreds of websites, SSPs and ad exchanges, the demand-side platform multiplies spots where an advertiser can reach and communicate with the audience online.

The DSP creates the perfect setting for running multiple performance ad campaigns simultaneously. And its automation at all levels eliminates the human-factor aspect. The platform needs milliseconds to deliver an impression and to display the results of the ad performance on a private dashboard.

WHO NEEDS A DSP?

We've already found out that the DSP is a platform where users may promote their offers (services, products, goods, etc.) through setting up ad campaigns, managing performance and driving new leads.



In fact, anyone who needs to expand the promotion of products or services online, may decide to advertising through a DSP.

HOW DOES THE DSP WORK?

On one side DSPs have hundreds of media buyers. On the other side, DSPs are connected to ad exchanges which, in turn, bridge them with SSPs, websites, and mobile apps. And the role of the DSP is to make the purchase of the targeted impression.

How does everything work all together? When the advertiser starts a new ad campaign, the DSP gets ready to receive ad requests for this ad campaign from ad exchanges or SSPs and bid on them.

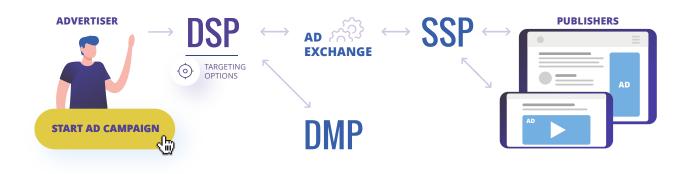
To bid on the right impression, the DSP stores an information array about the ad campaign. The DSP knows that this ad campaign needs impressions to match specific targeting, ad format, ad size, etc.

After going live, the ad campaign joins the real-time bidding action. This means that it's ready to bid on requests coming from ad exchanges and SSPs. The last ones, send ad requests with a specific array of data about the user who will see the ad. A request also contains details on a specific on-site or in-app spot where the impression is going to be delivered.

Ready to buy this impression, DSPs start bidding and finally, the advertiser with the relevant targeting and the highest bid wins the impression.

One of the most important metrics in DSP advertising is queries per second (QPS). The number of QPS reflects how many times a DSP gets called to make a bid on an ad placement to reach a user. A higher QPS represents the speed and frequency of analyzing and acting on those bids. After making a bid to reach a unique user at a specific price, the DSP learns if the price was accepted. If the price was not accepted, the DSP is made aware and that it may require a higher price to win future bids.

Even though the process seems very complicated, it lasts no longer than a few seconds in real life.



THE KEY FEATURES OF DSPs

We already defined that DSP is a platform to purchase online inventory. By its main purpose, it may remind you of other media buying platforms like ad networks. However, demand-side platforms have a number of distinctive features giving them an edge over their alternatives.

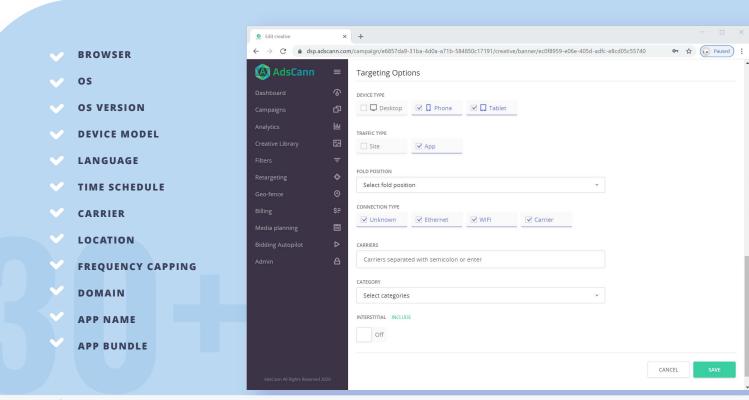
1. Data-driven advertising

Most DSPs integrate third-party data providers to empower businesses with insights into their targeted audience. How does it work? When setting up your ad campaign with DSP you'll be offered to set an extended targeting, like the age, interests, and other details about users. Data-based ads secure media-buyers from purchasing irrelevant impressions.

2. Precise audience targeting

DSPs are equipped with a wide array of precise targeting options. Accurate behavioral and demographic targeting helps media buyers draw a more relevant audience, and better defined audience brings more conversions. While the number of conversions goes up, the average price for every impression drops. For advertisers with performance ad campaigns, DSP's targeting is a chance to save on acquiring quality leads and conversions.

Along with audience targeting, programmatic DSP offers a bunch of basic targeting options including:

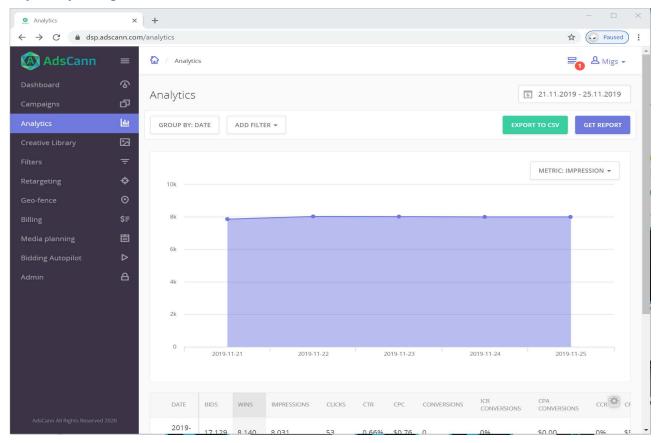




3. Ad performance tracking & live statistics

DSPs allow media buyers to monitor conversions, ad viewability, retention rate, and other metrics to measure ad campaign effectiveness. In fact, this is done to all ad campaigns you have active in your DSP account. DSP delivers tons of live stats about ad campaigns performance right to your dashboard. For example, the Adscann DSP brings reports on performance to your account in less than 0.2 seconds after the conversion happened.

When displayed in one place, analytics may expose gaps in marketing strategies, as well as suggest further steps on your way to a higher ROI.



4. Access to hundreds of traffic sources in one interface

The DSP is a gateway to hundreds of traffic sources like desktop and mobile websites, mobile apps, SSPs and ad exchanges. With only one DSP, the media buyer can reach the intended audience through millions of touchpoints all at once.

Programmatic demand-side platforms sell inventory coming from a wide variety of SSPs. The latter, in turn, carry out direct connections with sites and apps all over the world. As a result, after signing up for only one DSP you receive uncontested access to quality traffic sources all across the globe.

5. Retargeting

Retargeting is a must-have feature for businesses focused on driving performance and sales. Not all DSPs can boast about this feature, but many of them can. The fact is that customers do not always make a purchase on their first visit.

Retargeting ensures the gathering and segmentation of users that somehow interacted with your site or brand in the past, and then brings them back to the point from where they left off. Within the demand-side platform, media buyers are able to create a special code (like a Facebook pixel) and add it to the website or on a specific landing page. Afterward, the audiences are gathered and they can be used for targeting with the DSP.

6. Automated optimization based on your ad goals

Automated is the main adjective that can be used towards the work of DSPs. DSPs automate media buying at many levels. When media buyers handle dozens of performance ad campaigns, some details may get out of control. To eliminate manual work, DSPs develop smart optimization algorithms. As a result, the DSPs are able to optimize ad campaigns in real time, switch off underperforming traffic sources and keep the ROI positive even when the media buyer is offline.

7. Running the cross-device ad campaigns

A DSP is a handy tool for running a great number of multi screen ad campaigns at a time. With only one DSP, media buyers may acquire mobile impressions, reach desktop screens and launch video creatives simultaneously. Having all cross-device ad campaigns in one place helps understand, which creatives and traffic sources work better, and which ones have to be excluded.

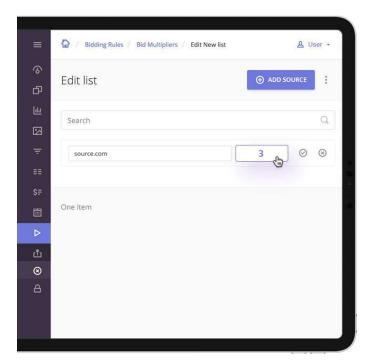
SOME OF THE ADVANCED FEATURES OF DSPs

In addition to standard features, DSPs can offer a bunch of other useful features for cost-effective media buying. Make a note of them, when searching for your perfect demand-side platform.

As an example, let us point out a couple of unique features developed by Adscann team:

1. Bidding Multiplier

The Bidding Multiplier automatically adjusts ad campaign bids for specific traffic sources to ensure that the media buyer **wins the impression** without overpaying for it.





2. Exposure Time Multiplier

Exposure Time Multiplier exponentially lowers the bid for non-unique users. This means that each following impression from the same user costs cheaper than the previous one. The more often a user sees the creative, the less the media buyer pays for the impressions.

3. Suppression Lists

Suppression lists serve to make the targeting of users more accurate. For example, the media buyers may create lists of users who already installed the app that they are going to promote and then target (or remove from targeting) those users across the web. In this way, the media buyer only bids on users with the highest install/purchase intent, and don't pay for irrelevant users.

Suppression lists are limited to lists of User IDs and don't store any personal information. Hence, all users stay anonymous and protected.

4. Bidding Autopilot

The Bidding Autopilot automates performance optimization with a system of **bidding rules**. With bidding rules, media buyers can automate their KPIs, avoid manual ad campaign management and everyday optimization. For example, if the domains don't reach requested KPIs, the bidding rules will automatically blacklist them. And media buyer won't pay a cent for the underperforming traffic.

CHAPTER II. GETTING READY TO ADVERTISING WITH DSPs

CHAPTER II.

HOW TO CHOOSE THE RIGHT DSP FOR YOUR BUSINESS?

Even though the DSP market has a lot to offer, applying for a dozen DSPs is not necessary. Today even one DSP is able to provide a unified media buying experience. Though the most time-consuming part of getting a DSP on board is discovering which DSP will fit your ad goals the best.

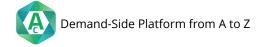
In fact, the process of choosing "only one DSP" will probably take more time than setting up your ad activities onwards.

First of all, you should ask yourself: how much time are you ready to invest in media buying? Your answer will help you understand whether you need a self-serve DSP or a managed DSP. But what's the difference?

With a self-serve DSP, you will be in charge of the settings, the targeting and the analytics tracking all by yourself. While a managed DSP assigns you to a manager who will take these responsibilities off your shoulders. Most DSPs are self-serve platforms, and they often require prepayment to start your ad campaigns. After creating a self-serve DSP account, you'll access its functionality and inventory.

Secondly, use this checklist of useful DSP options that will help you make your choice

- ✓ No entry fee is required;
- Simple and quick adding of funds through the dashboard;
- Trusted payment methods;
- Minimal monthly ad budget;
- Intuitive and simple-to-use interface;
- Transparent access to trusted and high-quality traffic sources;
- Sophisticated and flexible targeting capabilities;
- Access to user's data;
- A wide range of creative formats available (video ads, native ads, push ads, etc.)
- Strong traffic volumes in the location of your interest;
- Transparent and detailed live analytics on your performance;
- Fraud-detection tools & guaranteed protection for your ads;
- Retargeting;
- ✓ 24/7 customer support.



HOW TO START BUYING TRAFFIC FROM A DSP?

A quick 6-step guide on how to start your ad campaign with a self-serve DSP:

- **STEP 1**. Sign up for a DSP and verify your private account.
- STEP 2. Choose the type of ad campaign you are going to run (mobile, desktop, in-app, video, etc.).
- STEP 3. Adjust appropriate settings: audience targeting, frequency capping, daily/total budget etc.
- STEP 4. Upload ready-to-use creatives or add an HTML code; customize settings per creative if needed.
- STEP 5. Add a deposit to your advertiser's account.
- STEP 6. Go live and make sure that the automated optimization algorithm is on.

WHAT AD FORMATS ARE AVAILABLE ON DSPs?

The functionality and technical capabilities of different DSPs aren't the same. This also refers to ad formats. While some DSPs support a wide suite of creatives, others focus on one-two ad formats.

Generally, a DSP supports **all standard ad formats** for desktop, mobile, tablet and TV screens (banners, videos, native ads, in-feed ads, etc.)

This is why, before getting into programmatic advertising it's important to find a DSP which gives access to ad formats that drive the best performance to your offers.

If you still don't know which creatives work better for your ads, it would be fair to give a chance to a bunch of DSPs that offer a wider range of ad units. After a test, define the formats that get the most clicks and conversions (for the lower ad spendings, of course) and go on with them.

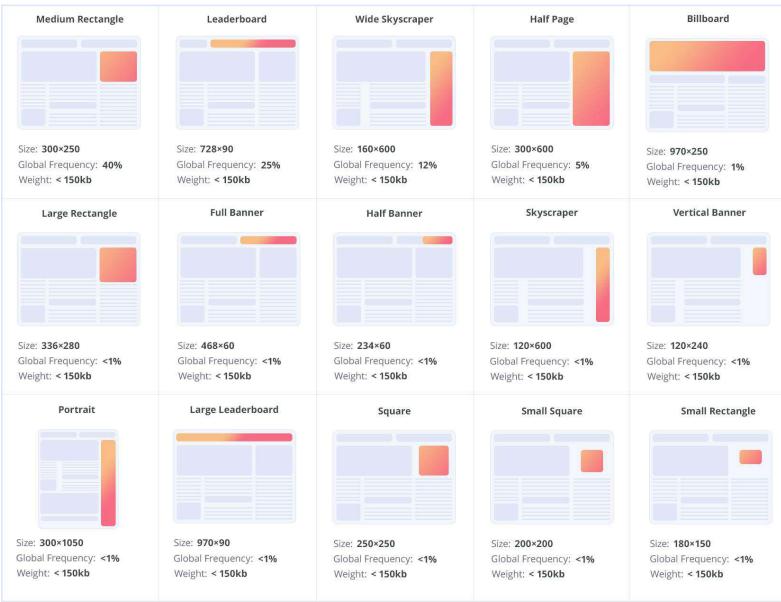
Before making the final choice of your DSP, it's also important to figure out whether the platform supports your ad types. Do you want to run video ads through HTML code or download a video file into your creative library? Can you store your files on the DSP or you will have to upload creatives from your laptop every time you need them? It is best to figure out all the options that are available before starting.

TOP PROGRAMMATIC-FRIENDLY & PERFORMANCE-DRIVING AD FORMATS

Banners

Standard banners remain one of the most popular and served ad formats on both mobile and desktop screens. Even though it may sound weird, but in 2019 more than 80% of online ads are still delivered to users in the format of banners.

These are the most used ad sizes of desktop banners



Source: www.match2one.com

MORE THAN 80%

OF ONLINE ADS ARE STILL DELIVERED TO USERS IN THE FORMAT OF BANNERS

According to eMarketer, 69.9% of all digital traffic comes from mobile devices. On average, people check their devices around 58 times throughout the day spending a daily average of around 3 hours and 15 minutes. With that said, advertisers just can't ignore mobile ads today. If you want to reach your audience online, make sure your ads are in their smartphones.

These are the most used ad sizes of mobile banners



Source: www.match2one.com

Video Ads

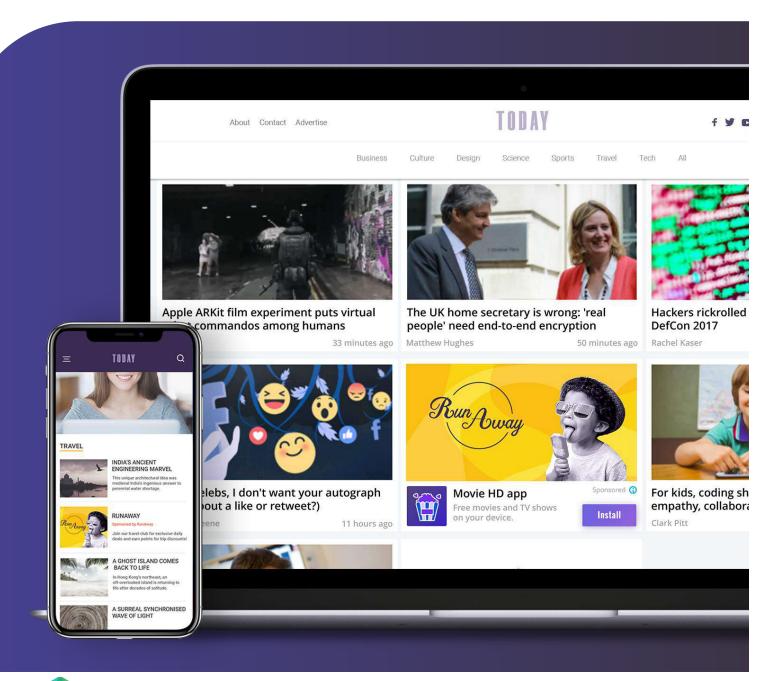
Video ads are considered to be the most preferred and less distracting ads among users. Video ads have the highest click-through-rates and their share in mobile web, desktop and in-app ads is expected to continuously grow by 2023. Telling stories through 30-sec, 10-sec and 6-sec video ads is one of the most effective ways to present your product to your customers, especially if your audience mostly consists of Millenials and Gen Zs.

Video ads offer a variety of ad formats which you can include in your DSP ad campaign. For example, rewarded video, video interstitial, instream, mid-roll, post-roll, in-read, video slider and more.

Native Ads

Along with videos, native ads are on the list of the most-preferred online ads. When being accurately built into the website feed, native ads don't distract users from consuming the content. At the same time they represent the brand in a respectful way.

Native ads are subtle and may be customized in many different ways. Usually they take the best size and design that are suitable for the website. When you create native ad units on your DSP account and don't know where exactly they will be spotted, start with 320x480 and 300x400 sizes as they proved to deliver better performance.



Rich Media Ads

Rich media ads are dynamic creatives that engage customers from the first seconds. These may be represented by Gif files, audio ads, expendables or even short videos. The IAB and Comscore study mentions that rich media ads result in 79% higher user engagement and an 18% increase in brand recall.

Rich media ads are not something ubiquitous when it comes to DSP advertising. However, some DSPs have an option to customize your creatives. This means that you may not only design your ad unit, but also choose the way it appears on the screen.

WHAT ARE THE MAIN BENEFITS OF BUYING TRAFFIC WITH DSPs?

The World's Federation of Advertisers states that 77% of all multinational companies (Netflix, L'Oreal, P&G, etc.) are planning to increase their spending on programmatic channels by the end of 2019.

It sounds reasonable, especially when you know the main advantages of DSPs. When advertising with a DSP, media buyers:

1. Don't overpay for impressions

For buying traffic within a DSP, media buyers set a bid that they can afford to pay. Then the DSP takes this bid and offers it to SSPs and ad exchanges. Then the DSP purchases the impressions during a real-time auction.

With this approach, media buyers won't overpay for the traffic they acquire, while simultaneously gaining cheaper inventory without losses in their KPIs. DSPs technical capabilities like an automated optimization safeguard advertiser's marketing budgets from being spent on underperforming traffic.

2. Keep all ad activities at the touch of a finger

The evolution of DSPs has reached a level where one unified DSP account may be used for managing all media buying activities. An entire DSP combines things like access to different types of traffic (web, in-app, TV), granular live analytics and other tools for managing ad campaign effectiveness.



3. Unlock multiple traffic sources through a single account

The DSP is a self-sustained and convenient platform for promoting products across hundreds of websites and apps. Within a *single* DSP account, media buyers open tremendous volumes of digital inventory. As a result, they get a chance to discover specific, yet high-performing traffic that would be hard to access elsewhere.

4. Consolidate media buys (ad server, anti-fraud protection, viewability, detailed reporting).

When the media buyer decides to break into programmatic advertising, a DSP is a perfect starting point. But why so? Along with a DSP account, the user also gets a technology, access to the audience through millions of screens around the world, performance tracking tools, protection against fraud and many more important features. The DSP only needs your creatives and your budgets.

Some DSPs provide functionality for designing your ad units also. For instance, the Adscann Market DSP supports branding and designing native ads from top to bottom. With only one DSP, media buyers may acquire mobile impressions, reach desktop screens and run video creatives all at the same time. Keeping all ad campaigns in one place helps to understand which creatives work better and which ones are better to be excluded.

5. Automate online advertising and performance

The demand-side platform automates most processes that media buyers are dealing with. There are plenty of one-click options like mass copypasting, connecting to specific SSPs, retargeting, report downloading, etc. By automating everyday optimization, the DSP exempts media buyers from babysitting daily analytics. The platform defines the best-performing traffic sources and gives them a higher priority while blacklisting publishers with poor results.

Stanislav S.,
Digital Marketing
Manager
at Weblium

"The feature that we enjoy the best is for sure automated optimization: you can constantly optimize I2C & eCPM without digging into the ad server account. We can run AB tests, use mass uploads and use their extensive targeting. However, the very best feature we appreciate is the absence of the discrepancies. If you are a big publisher, you know how much even a 15% discrepancy cost you."



6. Avoid blind spots in media buying

Yet another upside of DSPs is their transparency. DSPs keep everything on the surface – daily reporting, spends, and most importantly, traffic sources. If you need to break down your reports by the best-performing publishers, you'll be able to accomplish that. Transparency will set the direction for tweaking your buys and make media buying more effective.

7. Take real-time business decisions

Enhanced with real-time technology, DSPs have an edge over other media buying channels according to analytics. The immediate delivery of reports to your dashboard helps to make quick decisions and prevents wasting budgets on inventory that doesn't perform well. It's really surprising how quickly the DSP can relay the performance results to your dashboard.

A FEW NUANCES TO CONSIDER BEFORE YOU START

As in any process, DSP advertising has a reverse side of the coin. There are a few pitfalls you may face when starting your first ad campaign with a DSP.

1. DSPs charge for their services

Users don't always know the real size of the margin. Most DSPs add from 5% to 30% to the final price of the impression, but sometimes that number may soar even higher. This is why when you set up a bid for a specific ad campaign, bear in mind that the DSP will cut down its fee from your set price and then start bidding with a lower rate.

2. You may pay for the same users twice

When you buy traffic on a bunch of DSPs at a time you always run the risk of paying for the same users. SSPs and ad exchanges sell their inventory to multiple DSPs simultaneously. And a DSP can't protect its media buyers from duplicating audiences unless the user uploads a list of concrete IPs and User IDs to include or exclude from targeting.

3. Time-consuming onboarding

Don't get it wrong – the process of signing up for a DSP account takes a few minutes. However, the onboarding that comes after will take more of your time and effort. To exploit the DSP capacity in full, you have to explore all the details hidden under the hood. You'll definitely save a couple of hours when navigating a new DSP with a trained specialist during the demo call.

4. Fraud

Publishers don't hesitate to sell tons of fraudulent traffic to their demand partners. And DSPs also suffer a lot. To prevent fraud, DSPs integrate fraud-detection solutions, but it's not always the case. Bot farms, ad spoofing and injectors are just a few of the most common ways to falsify traffic. What's the solution to this problem? Watch the numbers: if you received 2 million impressions without a single click, it's a signal to pack your bags.

CHAPTER III.
MEDIA BUYING
WITH ADSCANN DSP
CHAPTER
III.

BIDSTREAM DATA EXPLAINED

Bidstream is data about the user who saw the ad unit on the website or mobile app. This data comes from apps and publishers that take part in a real-time auction. Bidstream then passes basic facts about the ad request. For example, the URL, location, type of device and IP address. It may also contain audience demographic data.

And even more: platforms which specialize in users' fingerprints claim to analyze up to 50 attributes per user like

- ✓ Ad placement (app, bundle, site, page)
- Metro code
- Human movement data
- Device pixel ratio
- Mobile carrier
- ✓ OS
- ✓ Free/paid app

- Screen resolution
- Type of content
- Content category
- Keywords/ Search string
- ✓ Type of Internet connection
- Battery details and more.

With bidstream, all this information gets collected in your DSP even if you don't win the impressions. And the best part of bidstream is that you can get this tremendous amount of data for free. On top of that, compared to other types of data, bidstream is very simple to acquire and scale.

Bidstream is only available to those media buyers and advertisers who buy traffic with their own DSPs. You can't access bidstream in self-serve DSP accounts or elsewhere. Many self-serve DSPs hide the real names of apps and websites and replace them with general IDs.

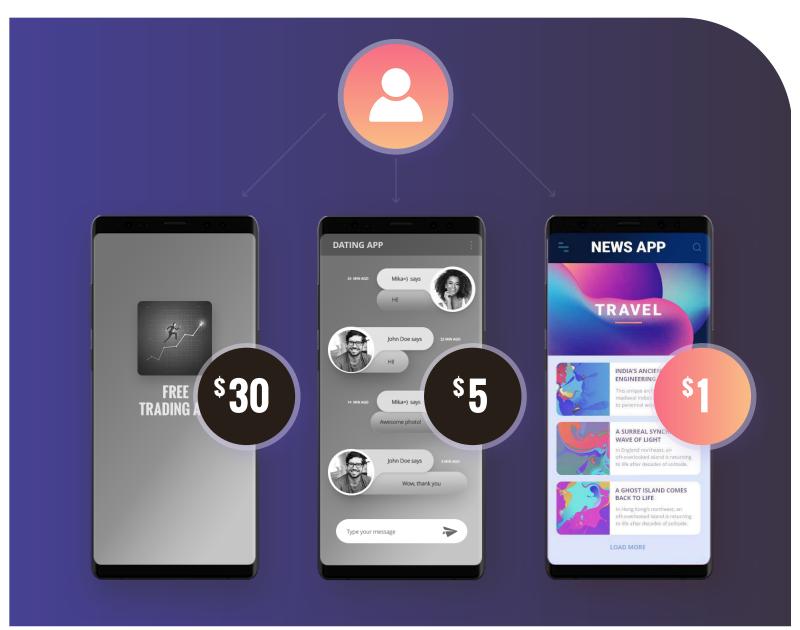
Bidstream data may be gathered via an ad request within the browser or through the SDK which is integrated into an app. In a nutshell, the user visits an app, sees an advertisement, and then the SDK sends the request to an SSP. This request already contains information about the user's device location, screen size and orientation, language settings and more. Data is then transferred to your DSP.

Irina M., Growth Marketer at Platformly "We use the White-Label Adscann platform to promote our services/buy traffic. As we created our own DSP we do not share revenue with third-party ad networks and we own all the data."

HOW BIDSTREAM CAN ELEVATE YOUR BUSINESS RIGHT NOW?

1. Buy new users cheaper than you do now

Let's say you know that your 'perfect users' spend time in the trading app, but the winning bid for that app is \$30. Quite expensive, right? However, let's not forget that the average number of apps that we use daily reaches 9. Why not follow your users outside the trading app and catch them in apps with cheaper inventory? Users IDs extracted from bidstream will help you find your audience in other apps.



By collecting many bidstream data points, like Wi-Fi or IP address, screen and battery details or clock format, you may identify users without cookies. So your DSP will remember users even when they navigate through different apps. This means you'll get exactly the same users which were in the trading app, but for a lower price.

2. Bid and pay for unique users only

There are 5.1 billion unique mobile users in the world. And the number of ad requests sent per day surpasses the total number of people that live on the planet (7.7 billion). How could that happen?

The answer lies on the surface – ad exchanges resell their own impressions to each other. Actually, bidstream has grown because companies are selling the same impression multiple times. Like it or not, but when you're buying traffic from a couple DSPs at a time you're at the risk of bidding on the same users and competing with yourself at the auction.

Bidstream helps identify unique users and target them across the web. With the help of bidstream, media buyers segment audiences and decide whether to include or exclude them from their campaigns. In this way, they eliminate the risk of wasting budgets for non-unique impressions delivered from various SSPs.

FAST FACT

7.7 BILLION

THE NUMBER OF AD REQUESTS SENT PER DAY SURPASSES THE TOTAL NUMBER OF PEOPLE THAT LIVE ON THE PLANET

3. Increase ad performance without additional spendings

Data provides insights to better targeting and optimization. With the bidstream you know which websites and apps your audience is visiting, when and where. This information has incredible potential when it is used wisely. It's free and it's right at your fingertips.

Again, you may only get bidstream data by advertising with your own DSP. Building your own DSP from scratch doesn't mean that you have to invest tons of time and money into development. The easiest and quickest way to build your own DSP is using a White-Label solution.

Aleksandra M., Customer Service at SERPed.net "We decided to create own DSP to buy traffic because it is important for us to own the data. Also, we used many ad networks before and it was rather difficult to make thorough analysis of multiple campaigns from various accounts. Now, we have aggregated stats in one dashboard. Also, the support we get from Adscann team is always very prompt and useful. The platform is user-friendly and on the most part intuitive."

CONCLUSIONS

Demand-side platforms proved to be a self-sufficient channel for effective online media buying. DSPs make programmatic advertising more convenient and affordable. They are equally suitable for running branded and performance ad campaigns.

DSPs are able to strengthen any digital marketing strategy and enhance the results driven from other channels like social media, influencer marketing or mailouts.

Just like the whole programmatic industry, demand-side platforms will continue to evolve in the years to come. With their great features and opportunities, DSPs definitely deserve a place in any marketing strategy for 2019-2020.