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# The A,B,C's of Programmatic Advertising

A glossary of terms from Centro  
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# Welcome.

Centro's Programmatic Glossary is an essential tool for navigating the complexities of programmatic advertising. Offering a comprehensive list of the most widely used (and often misunderstood) terms associated with programmatic, we built this for digital marketers of every level and skill set.

We've compiled definitions from a wide range of sources including the IAB, IAB Canada, Ad Age, as well as a core group of Centro experts. During this process, we learned that there are some terms whose definitions vary greatly and other cases where we have different ways of saying the same thing. We've noted this in every possible instance.

It often seems our day-to-day lingo is evolving just as rapidly as the technology itself. So as new words come to light and old ones change, so, too, will this glossary. New releases will occur regularly.

As digital marketing continues to grow, it's clear that a consensus on programmatic terminology and trends is essential for greater adoption. Whether you're a seasoned digital marketer or just joining the movement, it's time to put the industry jargon aside and spell out the details of programmatic. Let's get started.

## A

**Ad Exchange:** A virtual marketplace where participating suppliers (such as publishers, ad networks and other exchanges) sell their impressions to eligible buyers. The ad exchange announces each impression, in real time, and asks buyers if they are interested in buying said impression and at which price. (Interactive Advertising Bureau of Canada)

**Ad Network:** Aggregated unsold inventory from any number of publishers available for purchase through a singular platform.

**Ad Server:** A technology that stores display advertisements and delivers them to website visitors.

**Ad Verification (also Audience Verification):** A service that confirms if an ad ran only where it was intended to by the advertiser. It is often used to ensure brand safety, so that an ad does not appear on an inappropriate page or site. (Interactive Advertising Bureau of Canada)

**Agency Trading Desk (ATD):** A services department or arm of an agency that oversees programmatic buying. Many agency holding companies have trading desks. Agency trading desks (ATD) use demand side platforms (DSP) as a tool for programmatic buying. A company (not owned by an agency) that uses DSP technology to provide programmatic and auction buying services is generally known as an independent trading desk or media trading desk. (Interactive Advertising Bureau of Canada)

**Aggregated Information:** Data combined from many individual users that does not identify any single user. (Interactive Advertising Bureau of Canada)

**Algorithm:** A process or set of rules to be followed in calculations or other problem solving operations, especially by a computer. For example, search engines use algorithms to determine the order of search results. Advertising technology vendors use them to calculate and optimize campaign performance.

**Anonymous Information:** Data points that do not identify a specific person, such as age or gender. (Interactive Advertising Bureau of Canada)

**Application Programming Interface (API):** A set of definitions and specifications that software programs can follow to communicate with each other. (Interactive Advertising Bureau of Canada)

**Attribution Modeling:** A methodology for linking marketing activities to specific outcomes such as an online product purchase. Attribution modeling typically analyzes the degree to which different blends of media exposure, across different channels, generate results. This can establish causality to properly credit each media channel for its impact on the final outcome.

**Audience Buying:** The ability to purchase online advertising impressions targeting users with specific attributes in real-time as they visit various websites.

**Audience Data:** Consumer data that is provided by a first-party such as a publisher or a DMP or other third-party data sources. This term is frequently used in reference to an advertiser's own retargeting list or to data coming directly from a publisher, which is available at the moment an ad impression is made available.

- First-party data is generated when a cookie is placed on a website by the owner (publisher) so that the owner can recognize return visitors to the website. (Interactive Advertising Bureau of Canada)
- Third-party data is generated when a cookie is placed on a website by a third-party, such as an ad server or data provider. Information from these cookies is collected and can be used to place users in one or more segments, based on their online activity. These cookies are used to target advertisements and segment audiences. (Interactive Advertising Bureau of Canada)

**Audience Intelligence:** The use of first and third-party data to determine an advertiser's audience. (Interactive Advertising Bureau of Canada; Internet Advertising Bureau, 2013)

**Audience Segment:** A data group that has common demographic attributes, habits or behaviors. These segments are used to target online advertising campaigns.

**Automated Guaranteed (also Guaranteed Reserved):** A fixed number of ad impressions purchased on a specific web page prior to the scheduled run date.

**Auto-Optimization (also Automated Optimization):** When algorithms or automated decision processes are used to improve campaign performance indicators (e.g. cost-per-click or cost-per-acquisition) based on available data.

## B

**Bid Management:** A method of using historical data and analytics to determine bid price for different types of online ad inventory. This concept can also be applied to paid search.

**Blacklist:** A list of domains that an advertiser will not permit their ads to be placed on. These sites usually contain content that does not align with the advertiser's brand image. The opposite of this is whitelist. (Interactive Advertising Bureau of Canada)

**Brand Safety:** The process of ensuring that an advertisement does not display next to content that could negatively impact that advertiser's brand. This is done by analyzing data about the page and site the impression is on, such as keywords, categories, domains and more. (Interactive Advertising Bureau of Canada)

## C

**Campaign Optimization:** The process of using campaign goals and key performance indicators such as benchmarks for determining budget shifts to take advantage of top performing placements.

**Contextual Data:** Data related to the content and context of the specific webpage where the advertisement is run. (Interactive Advertising Bureau of Canada)

**Contextual Advertising (or Targeting):** Advertising on a website that is targeted to the content on the page. Contextual advertising scans the text of the website for keywords and targets ads based on those keywords. This tactic can be used for text or display ads. (Interactive Advertising Bureau of Canada)

**Cookie (also known as an HTTP cookie, web cookie or browser cookie):** A string of text sent from a web server to a user's browser that the browser is expected to send back to the web server in subsequent interactions. In online advertising, cookies generally store a unique identifier, and may contain information like what ads were recently seen (for frequency capping), when the cookie was created (to discover short duration identities) and other simple attributes. (Internet Advertising Bureau, 2013)

**Cookie Sync (or Cookie Match):** A method of enabling data appending by linking one company's user identifier to another company's user identifier. This allows advertising platforms to identify users coming from third-party sources such as ad exchanges and DMPs. Because cookies can only be read by the owner of the domain by which they were set, every company in the programmatic ecosystem has unique cookie IDs for each user (i.e. two ad serving companies may have different cookie IDs for the same exact user). The cookie syncing process makes it possible for multiple parties (i.e. a DSP, an SSP and a DMP) to map each other's IDs, allowing them to share data freely and recognize the same user.

**Cost Per Thousand (CPM):** Pricing model for purchasing media. It is the price per one thousand impressions.

## D

**Data Management Platform (DMP):** A centralized system for gathering first-party data, integrating with third-party data and applying this data to an advertising strategy. Advertisers use DMPs to analyze clicks and impressions and gain insights while planning media buys to build data segments for targeting. Publishers use DMPs to gain audience insights, target more precisely (to add value and attract higher CPMs on impressions) and sell data, among other reasons. (Interactive Advertising Bureau of Canada)

**Deal ID:** A buyer and seller identifier for private programmatic advertising deals. The Deal ID incorporates all of the agreed upon parameters of the agreement including: targeting, rates, and avails.

**Demand Side Platform (DSP):** An automated buying platform with algorithmic-driven optimizations, that is integrated into supply sources such as ad exchanges, SSPs and programmatic direct software providers. The software platform is used to cherry-pick targeted impressions.

**Dynamic Ad Insertion (also Dynamic Creative Serving):** The process by which an ad is inserted into a page in response to data about the user. Dynamic ad placement allows alteration of specific ads on a page in real-time. It permits multiple ads to be rotated through an ad space, served by a template creative. For example, an advertiser may show a certain creative and message to one user, but then show something completely different to another user because of differences in gender, age, location or more. (Interactive Advertising Bureau of Canada)

**Dynamic Pricing:** The purchase price for an ad impression that is determined via a real-time auction rather than a predetermined fixed rate.

**Dynamic CPM (dCPM):** The approach to winning ad impressions by allowing advertisers to operate within a variable cost method (between a set floor and ceiling price) where the CPM bid decreases or increases in real-time based on the optimal value of the impression. (Interactive Advertising Bureau of Canada)

## F

**First-Look (also First-Look Impressions or First-Look Inventory):** A benefit offered by publishers, ad marketplaces and supply side platforms (SSP) that allows specific advertisers to buy impressions at a set price. The impression will not be available to any other entity at any price (regardless of status, fixed or bid) until the first-look buyer declines to purchase the impression.

**Frequency:** The number of times in which an ad is served to an individual viewer within a given window of time. Often tracked by day, week, month, and campaign lifetime. 'Frequency capping' is the act of setting a limit to the number of times an ad or campaign is shown to the same user within a certain period of time. For instance, rules can be set to only show ads to each user three times per 24 hour period.

## H

**Hyper-local Targeting:** A method for targeting ads to customers based on their vicinity or location. Targeting techniques can encompass a variety of data including geolocation, contextual element of media, user preferences and more.

## L

**Long Tail Publishers:** Small publishers or commercial websites with traffic levels that (generally) fall below the comScore 1000. These websites usually cover niche content or merchandise categories.

**Look-alikes (also Audience Modeling):** A data model that is built based on an advertiser's first-party data (usually from customers who visit frequently and make purchases). These attributes are then matched against a larger audience from third-party data sources to create a pool of similar and "pre-qualified" users. (Interactive Advertising Bureau of Canada)

## N

**Non-Remnant Inventory:** Inventory sold directly by a publisher to an advertiser. Remnant inventory is usually sold by a third-party.



## P

**Pixels (also Tags or Beacons):** 1x1 pixel tags on websites that track users' locations and activities online, such as a registration or conversion. Some are powerful enough to know what a user types on a particular site.

**Private Exchange or Private Marketplace:** A virtual marketplace operated by sellers to represent their high value or premium inventory, providing programmatic access to select buyers (via a DSP) who agree to transact based on pre-negotiated terms (e.g. flight dates, floor prices, auction types, budgets, etc.). True private exchanges offer access to inventory that is not otherwise available within the open market.

**Programmatic Direct:** A reserved (guaranteed) buy with fixed rates negotiated directly with the publisher and executed in programmatic environments using Deal ID.

## R

**Reach Extension (also Audience Extension):** A process by which a publisher helps advertisers find more targeted audiences, besides the ones already visiting a publisher's owned and operated properties, on other sites. In this case, the publisher would be selling ad inventory on other sites to the marketer.

**Real-Time Bidding (RTB):** An automated process that enables advertisers and agencies to buy and sell digital media assets (display, video, mobile, social, etc.) via auction in real-time, at the impression level. This is made possible through an RTB pipe (and API) that provides a server side connection into an inventory source that pushes impressions, in real-time, to eligible buyers. (Interactive Advertising Bureau of Canada)

**Remnant Inventory:** Ad space or impressions that a publisher is unable to sell directly so it is turned over to a third-party (ad network, ad exchange, SSP, etc.) for resale. It can also be referred to as 'unsold.' (Interactive Advertising Bureau of Canada)

**Retargeting:** The act of gathering data on a web visitor and then serving an ad to that visitor on another website based on their online behavior. Data for this tactic is derived from the cookie that was placed on the visitor's computer upon the initial website visit.

## S

**Second Price Auction:** An auction where the winner of the impression typically pays one cent above the second highest bid (also known as a Vickery auction).

**Sell Side Platform (SSP):** An entity which facilitates the sale of a publisher's inventory (direct and remnant/unsold) through ad exchanges, ad networks, agency trading desks, agencies, advertisers, and other SSPs.

## T

**Tagging:** The process of placing a pixel on an advertiser's website or landing page to "tag" or track user visitors. This allows the advertiser to then re-market offers to the visitor via email or other marketing channels.

## U

**User Attribute:** Data about a user that is stored in a behavioral profile which may be used to match ad content to that user. Attributes can consist of demographic information (age, gender, geographical location), segment or cluster information (auto enthusiast), and retargeting information (visited Site X two days ago).

## V

**Viewability (also Viewable Impressions):** Viewability is an online advertising metric that aims to track only impressions that can actually be seen by users. The Media Ratings Council's standard for a viewable display impression is a minimum of 50% of pixels (of the ad) in view (within the browser) for a minimum of one second. For example, if an ad is loaded at the bottom of a webpage but a user doesn't scroll down far enough to see it, that impression would not be deemed viewable. (Digiday, 2014)

## W

**Whitelist:** A list of web sites that an advertiser will permit its ads to be placed on. Websites not on this list will not be used to display ads for the advertiser. The opposite of this is blacklist. (Interactive Advertising Bureau of Canada)

**Win Rate:** The number of impressions won over the number of impressions bid. (Interactive Advertising Bureau of Canada)

## Y

**Yield Optimization:** Method relied on by publishers to determine what their ad impressions will be worth and how to manage the flow of inventory to maximize revenue.