

dun & bradstreet

GROWING RELATIONSHIPS THROUGH DATA

Programmatic
Advertising



The B2B
Marketer

2015 Benchmarks, Budgets and Trends

FOREWORD



I've been bullish on the promise of programmatic advertising ever since I witnessed the value, efficiency and performance it delivered for my customers almost a decade ago at CNET. Of course, back then it was primarily seen as a repository for unsold inventory and only used by a handful of the most technologically-oriented, data-obsessed, yield managers. Flash-forward to today and programmatic has become part of the marketing lexicon, accounting for billions of dollars in ad spend. Yet there is still some debate on what programmatic actually is and how it will be used, especially for the B2B community.

That's why we commissioned this research. It was personally important for me to gauge the temperature of you, the B2B community, on the state of programmatic – to baseline where we are and to better understand how you, and your peers, are thinking about it moving forward. The opportunity to share and distill your opinions is very powerful. We are convinced that intelligent, data-driven programmatic advertising is more capable than ever of moving the needle in B2B sales and marketing. I hope the findings revealed in this study will offer each of you a better understanding of what programmatic is, and how your colleagues are planning to use it within their organizations.

Dun & Bradstreet has always operated with the goal of helping B2B marketers effectively manage their data to better engage with target customers and drive predictable revenue. With the introduction of programmatic to the mainstream, the way you approach and utilize data becomes even more important. In order to clearly realize the potential that lies ahead, we must all begin having an open dialogue on programmatic. I hope this starts sparks that conversation.

Best,

Michael Bird
General Manager
Dun & Bradstreet

INTRODUCTION

The digital advertising community has been abuzz about programmatic advertising. Perhaps you've seen or heard the headlines claiming that more than *half* of digital ad sales would be programmatic by 2018. Or, maybe you've heard some of the world's leading marketing executives tout the benefits of programmatic on stage at an industry event. That's all well and good for the B2C community, but what does it mean for the B2B marketer?

While some marketers are quickly jumping on the programmatic advertising bandwagon, many more don't know the first thing about it or what the benefits are. In order to uncover the real state of the programmatic industry and how it applies to the B2B community, Dun & Bradstreet surveyed over 100 B2B marketers, most of whom are directly responsible for managing advertising at their organization. We asked them to share their thoughts on programmatic and how it will play into their future plans. We hope this insight into how your colleagues and peers will be using programmatic helps you make better decisions about your own future advertising methods.

Before we dive into the results, let's define programmatic in plain English, without the fancy jargon.

Programmatic advertising refers to the use of automated technology to buy and sell digital media across millions of Websites, as opposed to relying on human interactions to manually secure digital ad placements. In other words, anytime a machine is used to purchase and deliver a digital ad, it's considered programmatic.

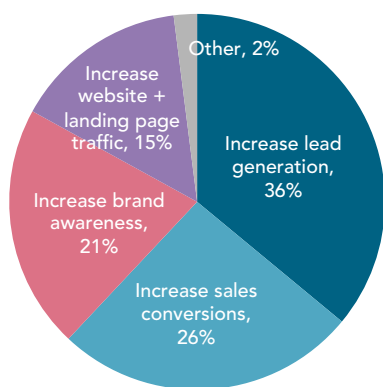
WHAT YOU NEED TO KNOW

- 54% of B2B Marketers are Currently Buying Advertising Programmatically
- 65% of B2B Marketers Plan to Spend More Money on Programmatic in 2016
- 78% of B2B Marketers Will Spend Up To 50% of Their Budgets on Programmatic in 2016
- 66% of B2B Marketers Believe Programmatic is Just as Valuable for Them as it is for B2C Marketers



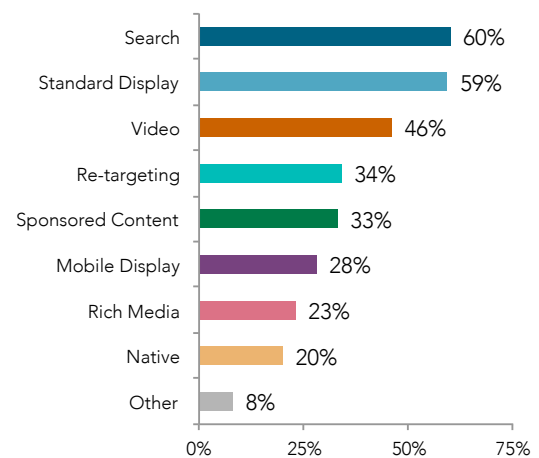
DIGITAL ADVERTISING FOR THE B2B MARKETER

FIGURE 1 Most Important Goal of Digital Advertising Strategy (% of Respondents)



B2B Marketers are notoriously fixated on boosting their bottom line. Not surprisingly, when it comes to digital advertising, “increasing lead generation” and “increasing sales conversions” are cited in the survey as the most important goals of their advertising strategy. (Figure 1) And while B2C marketers have steadily employed flashier brand awareness strategies, only a small majority of B2B marketers list brand awareness as their most important advertising goal. As one respondent said, “the business goal is always to increase sales, even if we are executing a brand awareness campaign.”

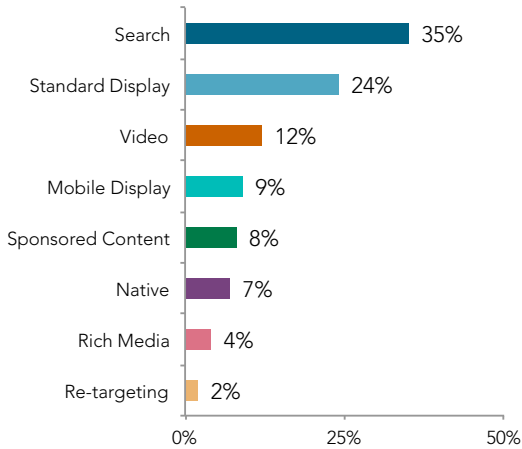
FIGURE 2 Forms of Digital Advertising Currently Using (% of Respondents)



No matter the desired outcome, there are many forms of digital advertising that B2B marketers can employ to achieve their desired goals. Among the diverse and growing list of options, a majority of B2B marketers state they currently leverage tried-and-true methods like “search” and “standard display” as part of their advertising strategy. (Figure 2) Newer, emerging channels like “video” “re-targeting”, and even “sponsored content” are steadily being used as well.

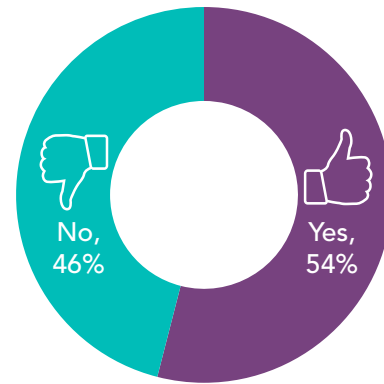
B2B marketers tend to favor the more cost-effective and proven digital advertising strategies like search and display. (Figure 3) This should come as no surprise as there is more pressure than ever to show meaningful ROI from marketing programs.

FIGURE 3 Most Preferred Form of Digital Advertising
(% of Respondents That Ranked Forms #1 in Terms of Preference)



However, we believe that number will steadily decrease as more education and tools to make programmatic more accessible are introduced to the B2B community. As it stands, of those that stated they are familiar with programmatic, more than half are already buying digital advertising in this manner. (Figure 5)

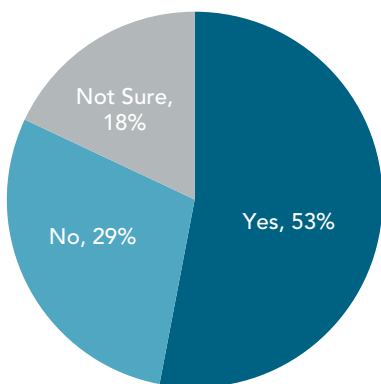
FIGURE 5 Organizations Currently Buying Advertising Programmatically
(% of Respondents)



THE PROMISE OF PROGRAMMATIC

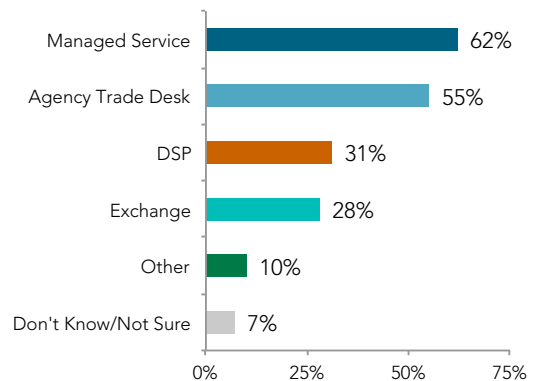
Programmatic advertising, or audience-based purchasing of media inventory, has been one of the hottest topics in digital marketing over the past few years. While B2C marketers have embraced this method, B2B marketers have been slower to adopt it. In fact, almost half of responders (47%) claim to not know or are unsure of what programmatic media buying even is. (Figure 4)

FIGURE 4 Familiarity with Method of Programmatic Media Buying
(% of Respondents)



And a majority is doing so through a managed service or agency trade desk. Only the smallest minority claims to be doing it in-house. (Figure 6)

FIGURE 6 Methods Used to Buy Programmatic
(% of Respondents)



Over the next 6-12 months, while a majority of B2B marketers will continue to buy digital media through traditional direct methods (working directly with a publisher/agency via an insertion order) (Figure 7) more than half of respondents will also be buying media programmatically and dedicating more budget on doing so than they have previously. (Figure 8) Close to half plan to earmark 26-50% of their media spend on programmatic, with the next highest group showing at least a willingness to test the strategy by allocating up to 25 percent of their budgets on it. (Figure 9) Though, we are still a long ways off from B2B marketers investing in programmatic exclusively.

FIGURE 7 Buying Direct vs. Programmatically Over the Next 6 to 12 Months (% of Respondents)

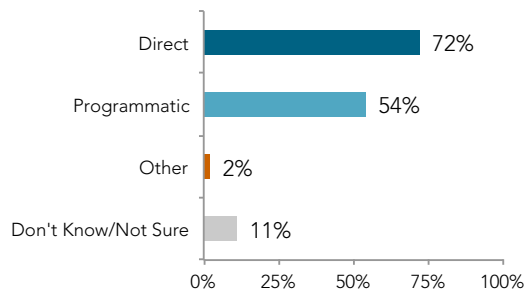


FIGURE 8 Plans to Increase Programmatic Advertising Spend in 2016 (% of Respondents)

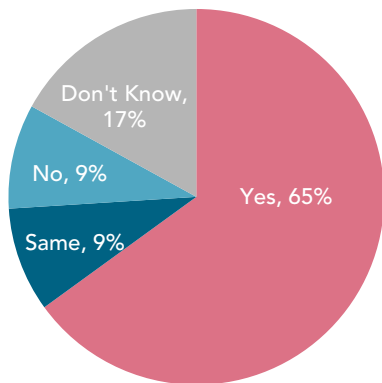
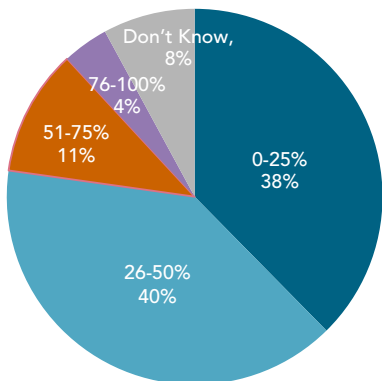
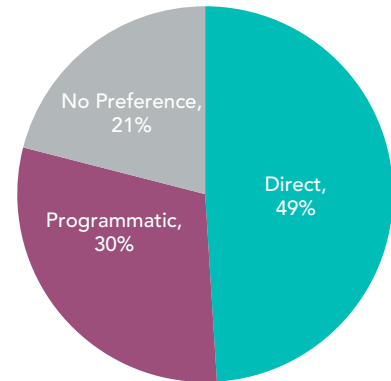


FIGURE 9 Percentage of Media Spend Anticipated for Programmatic by 2016 (% of Respondents)



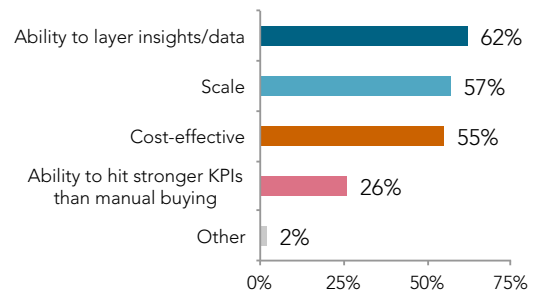
Despite plans to invest more in programmatic, almost half of respondents stated they still prefer to buy advertising direct. (Figure 10) This is a result of a perceived notion that this method is “easier” and more “familiar” to marketers who have been executing advertising this way for more than a decade.

FIGURE 10 Advertising Buying Preference (% of Respondents)



While B2B marketers may be hesitant to choose programmatic over direct, they clearly believe the method offers benefits like the ability to “scale” advertising campaigns, provide “cost-effective” advertising, and according to a majority of respondents, believe the “ability to layer insights/data” is one of the biggest benefits of programmatic. (Figure 11)

FIGURE 11 Biggest Advantages of Buying Media Programmatically (% of Respondents)





DATA: THE KEY INGREDIENT OF PROGRAMMATIC

According to *eMarketer*, digital marketers have a “love affair with data,” and are planning to increase spending and usage in data-driven marketing strategies. Data helps marketers make more informed decisions about their most receptive audiences, so it should come as no surprise that three quarters of B2B marketers currently leverage data and analytics to inform their digital advertising strategy. (Figure 12)

In fact, a clear majority believes layering in data to target prospects is very/extremely useful. (Figure 13)

FIGURE 12 Currently Leveraging Data & Analytics to Inform Digital Advertising Strategy (% of Respondents)

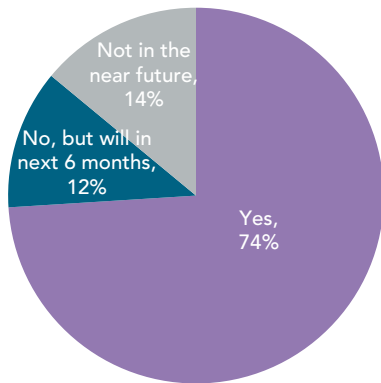
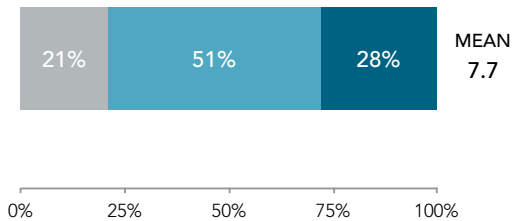


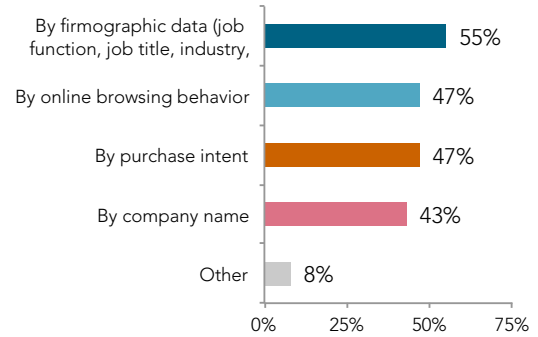
FIGURE 13 How Useful Layering in Data to Make Decisions Is (% of Respondents)



Not at all useful ■ Rated 0 to 6 ■ Rated 7 to 8 ■ Rated 9 to 10 Extremely useful

Interestingly, when it comes to the types of targeting used by B2B marketers, more than half cite firmographic data (i.e. job function, job title, industry, company size, etc.) as being the most useful. (Figure 14)

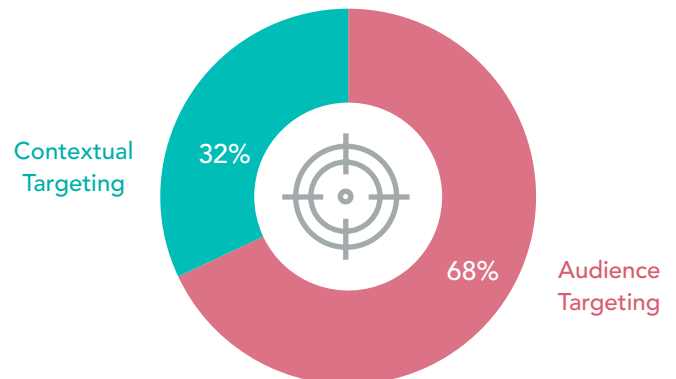
FIGURE 14 Most Useful Types of Targeting for Digital Advertising (% of Respondents)



With data playing such an important role in B2B marketers’ digital advertising strategy, it makes sense that it was selected as one of the chief benefits offered by programmatic. When it comes to programmatic, data is the essential ingredient that makes it so effective. It helps marketers hone in on their ideal customers, no matter where they are across the Web. And when it comes to reaching a specific targeted user audience trumps context.

Contextual targeting, a form of digital advertising associated with traditional direct media buying based on ads being relevant to the content on a Web page used to be the de facto form of advertising, but the ability to layer in real-time data to target a specific user anywhere on the Web has afforded marketers the opportunity to minimize wasted media spend. Almost a third of B2B marketers find this form of targeting to be more valuable. It just so happens this is the foundation for programmatic. (Figure 15)

FIGURE 15 Value of Audience Targeting vs. Contextual Targeting (% of Respondents)

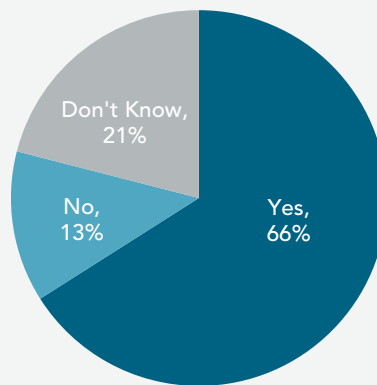


CONCLUSION

B2B marketers clearly understand the promise of programmatic as part of their larger advertising strategy, though they are only dipping their toes in the water at the moment. It may be a few years before we see the B2B community dive directly into the programmatic pool. Until then, they will continue to experiment and examine the cost benefits, while becoming more familiar and comfortable with the model. Despite their B2C counterparts embracing programmatic with more gusto, more than half of B2B marketers believe programmatic is just as valuable for them. (Figure 16)

For a group of marketers feeling more pressure to produce quantifiable ROI with limited budgets, programmatic may be the silver bullet that enables them to conduct advertising with scale and efficiency.

FIGURE 16 Is Programmatic Media Buying Just as Valuable for B2B as B2C?
(% of Respondents)



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with a smarter programmatic strategy



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