You're Selling Digital Advertising — Now What?

Streamline Operations and Grow Revenue with the Right Digital Ad Execution Framework

Marketron

How You Execute Digital Ads Impacts Margins and Efficiency

Media companies selling digital advertising have a lot to consider when building their strategy and process. The "selling" part comes with its own challenges and opportunities, but what happens next?

Your organization must build an ad operations framework to execute those ads on their respective platforms — demand-side platforms (DSPs) for programmatic, social media sites, Google Ads, and trafficking to over-the-top (OTT) platforms.

The structure you use has a significant impact on your margins and the efficiency of your process. With multiple options, you might feel overwhelmed with what to select. What you need is a practical guide with the pros and cons of each model so you can make an informed decision. That's what you'll get in this e-book. With what you learn, you can scale your digital sales efforts and generate revenue.

What's inside:

- What Is Ad Ops?

- What's Included in Ad Ops?

- Ad Execution Options: Third-Party Digital, In-House Operations, Outsourcing or a Hybrid Approach

- Key Questions to Ask When Comparing Frameworks
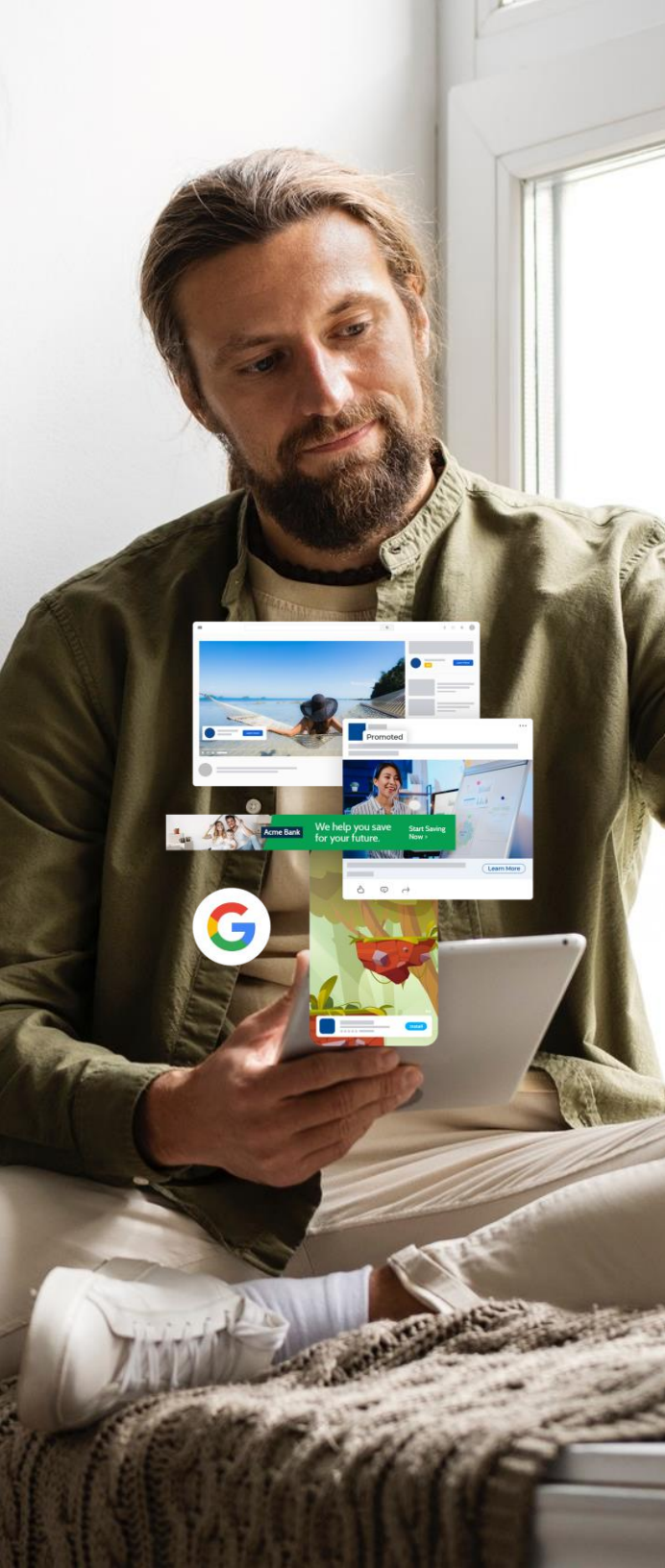
What Is Ad Ops?

Ad ops (advertising operations) describes how you execute digital ad orders after sales. It applies to all tactics — display, geofencing, social media, OTT/CTV, search engine marketing (SEM) and video. It involves systems and processes to support ad management and delivery.

What Does Ad Ops Include?

There are six parts of the entire ad ops life cycle. They vary depending on the type of campaign, typically including all these tasks in the workflow.

1

Proposal Creation

Before executing a campaign, you have to create a proposal, including the tactics, budget allocation, duration and targeting. Once the advertiser approves it, it's time to execute.

2
Ad Execution Setup

To execute an ad, you have to complete its components. Those include:

- Targeting criteria (e.g., geography, demographics, interests and behaviors)

- Setting geofences

- Choosing keywords (for SEM)

- Building the creative (e.g., ad imagery, video or text)

- Ensuring ad content meets requirements (e.g., restricted category guidelines or specs)

Once you finish the setup, it's time to execute.

3
Ad Execution and Trafficking

The ads are ready for execution or trafficking, depending on the tactic. There are two types of trafficking for programmatic — automated and manual. In automated, the ads run directly through a DSP via a bidding process for available inventory. It's simple and fast, but you don't get to pick the inventory.

Manual trafficking is working with one or multiple publishers that advise of the availability of inventory that matches your targeting criteria, with execution on each separate platform. These avail requests often require specialized knowledge and take a lot of extra time and work.

Other ad types, including social media and SEM, are executed on specific platforms. OTT/CTV execution occurs through a supply-side platform (SSP).

Ads are "published" into the digital ecosystem, where they should appear to relevant people looking for the advertiser's products or services.

4
Optimization

Once a campaign is running, optimization can improve performance, and you should be monitoring this for insights. With SEM specifically, you can use conversion-based optimization, which allocates budget to the keywords and text ads that are performing the best.

5

Reporting

After the campaign concludes, you'll review its performance with the advertiser through a metrics report. It would include impressions, clicks, click-through rate (CTR), video completions and more. Having reporting as part of your ad ops engine ensures you can deliver meaningful insights to customers.

6

Billing

The last part of the ad life cycle is to bill it. When this is part of your ad ops solution, it's more convenient for you and your advertisers.

With all these steps in the process, it's crucial for your sales team to be able to execute each step effectively and seamlessly. If it's too cumbersome, complex, expensive or time consuming, you'll see a direct impact on revenue and seller productivity. There is usually a mix of automation and manual work within this workflow.

Those are the basics of ad ops, and they play out differently depending on your framework.

# Ad Execution Options: Third-Party Digital Platforms, In-House Operations, Outsourcing or a Hybrid Approach

The ad execution landscape isn't short on options. Each has pros and cons, with costs, resources, ease of use, advertiser types and many other factors influencing your decision. Let's look at each framework and its pros and cons.
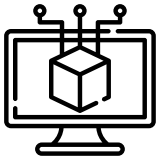
Third-Party Digital Platforms

A third-party digital platform works like a self-service solution, covering all the components of ad ops in one system. Sellers of local media are its intended users. There are many different ones on the market, ranging in features and pricing. Many cater to the agency experience rather than that of a local media seller, which can make them needlessly complex. The most effective ones parallel how you work — proposal to order to execution to reporting to billing.

With a solution like this, users don't need much granular technical knowledge. They can easily execute ads with a guided approach that includes automation to build out the size of an audience once you input targeting, for example.

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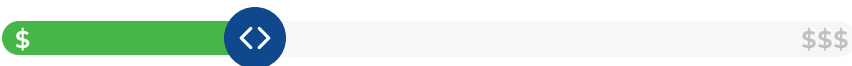
Pricing for these platforms can range widely. Some vendors charge high fees for each user and charge you for implementation and onboarding. On top of that, they get a percentage of the retail cost. Take the total cost of ownership into consideration when comparing options.

The quality of the platform also has a lot to do with the DSP and SSP connected to it. You want to evaluate the inventory where programmatic and OTT/CTV ads will run. There's a lot of "junk" out there, and it's crucial to avoid it to ensure better results for advertisers. Another element of the DSP is whether it allows for ads in restricted categories, like cannabis, CBD, alcohol, gambling and political.
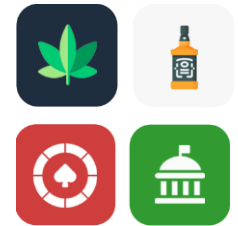
While these solutions are user-friendly for sellers, some offer additional execution and support services for custom campaigns and niche social media platforms. These digital experts can help build and publish tailored advertising solutions.

The other great thing about third-party digital platforms is that they can integrate with other systems, including your radio traffic software, customer relationship management (CRM) systems, sales tools and other data applications.

Is a Third-Party Digital Platform Right for You?

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Pros

- Consolidation of the workflow creates efficiency and insights.

- It's typically a low-cost option versus others.

- Automation saves time.

- When built for media companies, these platforms' learning curves are minimal.

- Targeting, geofencing and optimization are built-in features.

- Some platforms have expanded tactic capabilities for niche social and restricted categories.

- The quality of the DSP and SSP inventory can be high.

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Cons

- Some systems are too complex and not designed for media sellers.

- It may not work for high-touch clients that need special support.

- DSP and SSP quality can be low.

- Not all systems combine all aspects of ad ops.

In-House Ad Operations

The next framework is doing all the work in-house. Enterprise media companies are most likely to use this setup, as they have a high volume of orders and many high-touch customers. In-house ad execution gives you all the control and all the work.

It would seem like the ideal structure because of those characteristics, but there are many other expenses, mainly related to salaries for digital advertising specialists. The average salary for these roles is $60,359, and you'll likely need several. As digital advertising changes, you may also have to invest in these employees with training and certifications.

Plus, you may find yourself in a precarious situation if execution is dependent on these specialists and you experience turnover. It could cause disruptions to operations and impact campaign performance.

$60,359
Average salary

You will also have to purchase other software products for these professionals to cover all ad execution components. You'll still have to pay fees for execution on the advertising medium or with a DSP, too.

Does that make sense in the long run for profitability? Not really, when you consider that **most digital buys at the local level are high volume but low budget**. How many campaigns come in under $5,000? In-house ad ops on those won't see much margin after all the costs and commissions. Scaling doesn't improve the margins, either.

## Is In-House Ad Ops Right for You?

Pros

- You have control over the entire process.

- Specialized professionals can support sales with insights on tactics, targeting and more.

- You can make more granular, customized decisions around ad inventory and placement.

- High-touch advertisers get the personalization they expect.

Cons

- It's expensive, and scaling doesn't necessarily decrease costs.

- Finding and keeping talent can be a challenge.

- High-volume, low-budget campaigns deliver slim margins.

- You still have software, application and platform fees.

- It's a time-consuming, manual process, which can impact hitting campaign dates.
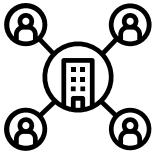
Outsourcing Ad Execution

The third framework for ad execution is to outsource it to an agency. Your team only sells, while your agency partner does all the ad ops. It can be very convenient, especially with a small sales team. However, there are drawbacks.

When you outsource, your sales team won't build their digital tactic knowledge if they aren't part of the operational side. **This makes it harder for your team to explain tactics to customers and limits what they feel confident in proposing, leaving money on the table.**

Another concern with this option is that you'll have razor-thin margins. You already have to pay the retail costs of execution and commissions. Now, you'll also pay the agency for their work. For the lowest-margin tactics, like SEM and OTT/CTV, it becomes cost-prohibitive, so your capabilities decrease.

Running all your campaigns through an agency can also slow down execution times and introduce more errors. When you add another layer between signing proposals and running campaigns, it means more handoffs from one team to another and opportunities for mistakes or miscommunication.

Agencies are also your competitors. They want your customers and are learning all kinds of things about the campaigns they run. If you don't have ironclad agreements about who owns the customer, they can swoop in and take them.

Your sellers will also find campaign analysis challenging in this model. Agencies may provide you with standard reporting, but you can't dig deeper because you're not part of the operational side of things. It can cause disconnects and **impact your renewal rate** in the long term.

**Razor-thin margins**

Is Outsourcing Right for You?

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Pros

- Your team only has to sell.
- Sellers don't have to become digital experts.
- You don't have to pay for software or platforms.

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Cons

- Sellers won't hone their knowledge of tactics or strategy, making winning new deals harder.
- Your margins will be slim when you have to pay others to execute.
- You don't have complete visibility into each campaign's setup and performance, making renewals more challenging.
- Agencies are your competition and could displace you with advertisers.
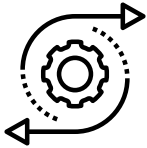
Hybrid Ad Execution Models

For some media companies, one framework doesn't check all the boxes. If you're a large organization, mixing third-party digital platforms and in-house may make the most sense. Third-party digital can likely handle about 90% of your sales. Those would be the high-volume, low-budget campaigns that don't require anything "special."

The last 10% would be the advertisers that spend six digits or more with you each year and have many custom needs for their digital advertising. Digital specialists could manage those accounts to ensure those customers get all the support they need and expect.

90%

of sales can be handled by third-party digital.

You improve your margins by executing standard campaigns on a third-party digital platform, and you keep your most valuable customers happy. Sellers also continue to be more involved and expand their digital advertising acumen. They become experts, and it shows as they continue to bring in new business and win renewals.

So, how do you decide which model is right for your media company?

Key Questions to Ask When Comparing Frameworks

No matter where you are in your digital sales journey, you can always pivot to fit your current and future needs. In evaluating each framework, you should approach it with these questions.

- **How mature** is your digital sales model?

- **What resources** do you have currently, including people and technology?

- What is the **average dollar amount** of the campaigns you sell?

- How many **tactics** do you offer?

- What are your **current margins**?

- Do you want to sell advertising in **restricted categories**?

- Would a consolidated platform align with your **growth plans**?

- What is your **budget** for ad ops?

- Is **improving** seller productivity and efficiency important to your organization?

- How do sellers currently view the **ad execution process**?

- Is building sellers' **digital knowledge** a priority?

By answering these questions, you can see where you fit within the pros and cons of each model. Remember to calculate all the costs associated with each option to get a clear picture of profitability expectations.

Marketron NXT

## We Do the Ad Ops for You and So Much More

Helping local media companies generate sustainable digital sales revenue is one of our key pillars. We build technology that propels success, and Marketron NXT is the only third-party digital platform designed for you.

Why You'll Love It

- ✓ Consolidation of proposals, orders, reporting and billing

- ✓ Integration with your radio traffic solution, enabling combined proposals for radio and digital

- ✓ Ability to link it with other applications and systems

- ✓ Guided execution for ads

- ✓ Dedicated implementation and onboarding programs

- ✓ On-demand digital ad sales training
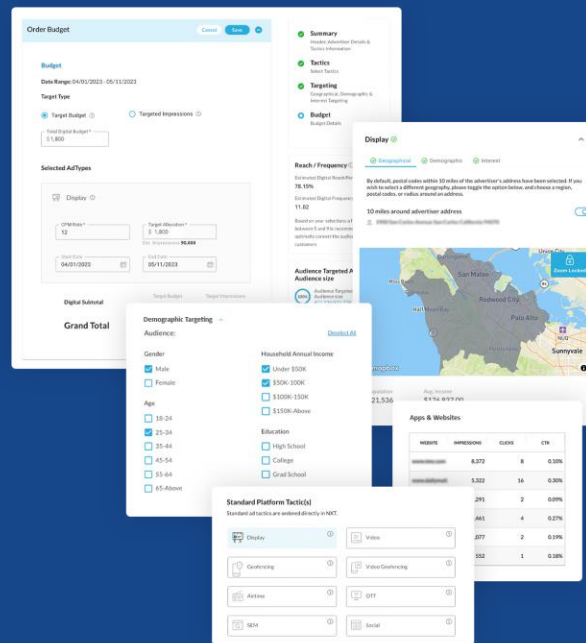
- ✓ Library of resources on the product and tactics

- ✓ Sales enablement content

- ✓ Team of digital gurus to strategize with sellers on pitches and proposals

- ✓ High-quality DSP and SSP inventory

- ✓ Custom Solutions Desk aspect for restricted categories and niche social media advertising
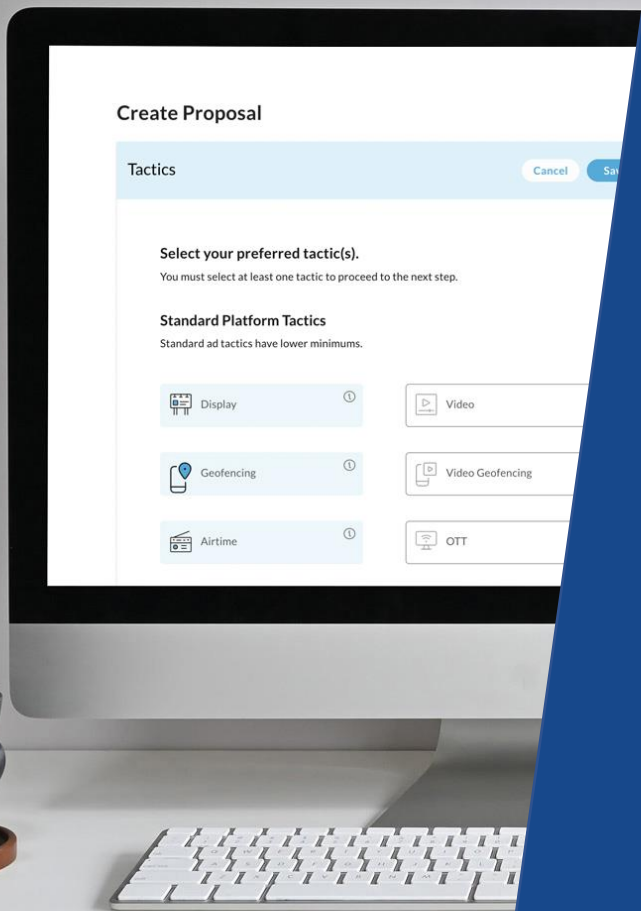
The future of local media sales includes digital, and your best approach to capturing it is with NXT.

Get a Custom NXT Demo