

HOW TRADERS TRADE

PROGRAMMATIC
TRADER SURVEY 2019





Content

1	Foreword	3
2	Introduction	4
3	Who are our survey respondents?	5
4	Where do they trade?	6
5	How do they work?	7
6	Spotlight on Optimisation	9
7	Spotlight on Reporting	11
8	Summary	13

**Dominic Powers**

Chief Executive Officer,
CtrlShift

Foreword

Programmatic traders are, without a doubt, the ultimate knowledge workers in today's digital advertising ecosystem. The role requires not just in-depth knowledge of multiple platforms and optimisation strategies, but deep understanding of consumers and a constant need to be up to date on the latest trends.

Decisions made by programmatic traders are what really move the needle on key campaign deliverables, but not enough attention and investment has been made on improving their day-to-day lives and workload.

The industry's most tragic and unrealised opportunity is the underutilisation of our programmatic traders. There is little room to harness their contribution as true knowledge workers, when so much of their time is spent managing mundane complexities and disparate processes.

Giving our traders the tools to work more efficiently, we can free them up to apply their experience and knowledge of how the programmatic ecosystem operates to the benefit of both the agency's and the client's bottom lines.

Every working media dollar becomes that much more effectively spent.

Seems straightforward enough, no?

At CtrlShift, traders have sat at the heart of our mission to streamline and simplify the digital media ecosystem. We could not be more delighted by the level of participation our inaugural trader survey has had. I hope the insights shared within this report will spark some much needed discussions about how traders trade, and how we can help them do it better.



Report and analysis by
John Thankamony
Head of Programmatic
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Introduction

How traders work and the tasks that make up their day-to-day reality has become increasingly important as the amount of ad spend in play continues to trend upwards.

According to Zenith's Programmatic Marketing Forecasts report released in November 2018, 65% of all money spent on advertising in digital media in 2019, will be traded programmatically.

Advertisers will spend US\$84 billion programmatically in 2019, up from US\$70 billion in 2018, which represents 62% of digital media expenditure.

With more dollars at stake, coupled with the pressing need for marketing efforts to be data-driven, real-time and accountable, the work of programmatic traders holds a crucial place in how well advertisers engage with their consumers.

Over the past 10 years the advertising ecosystem has been infused with innovation via technology being built to support or enable functions spanning planning to reporting.

Unfortunately, each point solution introduced to the ecosystem only adds to the fragmentation, resulting in increased operational burden and opaqueness that is undesirable.

This prevents media buying teams from operating in an efficient and effective manner with speed and scale. It is a situation that frustrates many marketers as it hinders optimal use of advertising technology as an enabler of marketing objectives.

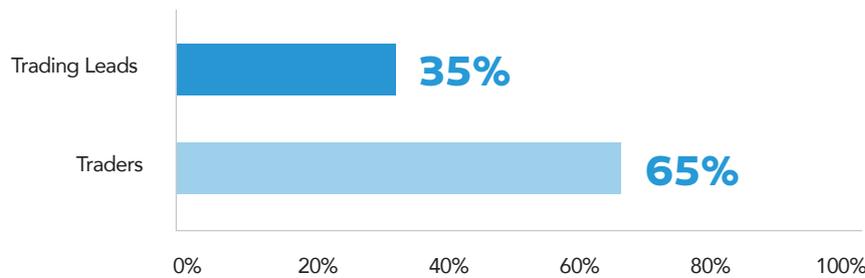
On the front lines, programmatic traders grapple with multiple technologies, platforms and buying ecosystems daily. Challenged to respond quickly to data from a number of data sources, traders are expected to be thinkers and doers - analysing data on the go and acting on them with timely optimisations to ensure effective campaigns.

Anecdotal evidence suggests that the average programmatic campaign requires a trader to log in to multiple disparate environments, master just as many workflows and spend 8 – 20 hours extracting and processing performance data to assess campaign performance.

This survey is an attempt to move beyond the anecdotal and get a quantitative glimpse of the nitty gritty realities of programmatic trading.



Who are our survey respondents?



Trading Leads

Programmatic Trading leads have some of the most interesting and challenging jobs in the media industry with responsibilities from motivating high energy teams to keeping tabs on the latest in ad tech.



42% of respondents had been at their current roles for over 2 years, though only 6% had reached the 5-year mark.



36% of Trading Leads had over 5 years of Programmatic experience

There were also leads with less than 12 months of programmatic experience (12%), heralding a new type of programmatic trading lead – one with complementary digital and platform leadership backgrounds.



73% of respondents oversaw annual spends of US\$5 million and above.



Almost 50% of our respondents had 5 to 10 team members.

Traders



50% of traders had more than 2 years of programmatic experience.



23% of traders had less than 12 months experience.

One thing that did stand out was that almost half of the traders were in their current role for less than 12 months, highlighting an ongoing industry challenge - retaining programmatic talent.



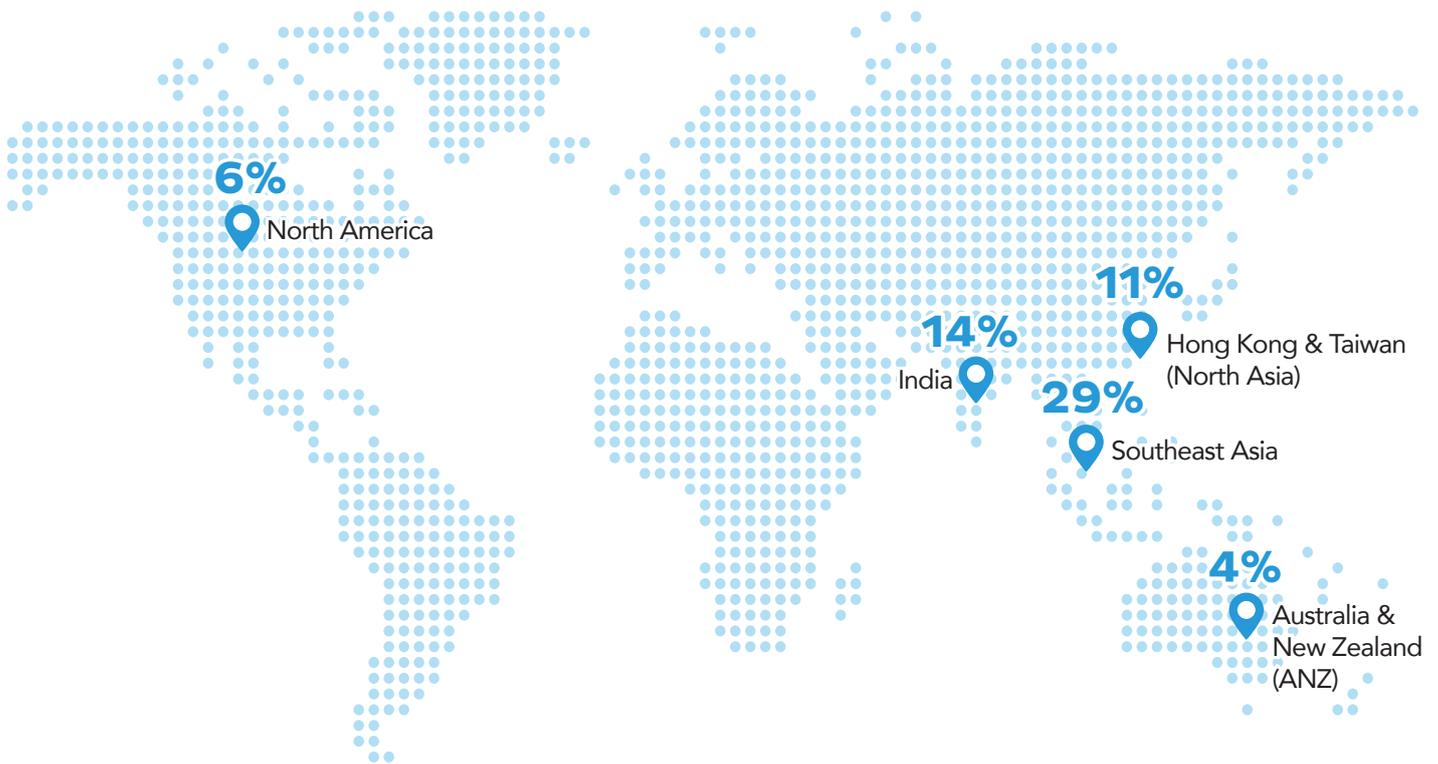
65% of the respondents managed 6 or more campaigns at a given time.



Where do they trade?

Analysis was based on the markets in which survey respondents managed or executed their campaigns. While most respondents (29%) were running campaigns in Southeast Asia, we also had respondents managing campaigns across markets in Europe, APAC*, India, China and ANZ. Pan-regional teams trading in APAC and Europe made up 26% and 10% of respondents respectively.

“Most respondents (29%) were running campaigns in Southeast Asia.”



**APAC was independently aggregated based on respondents choosing “APAC”, “Australia” and a few other countries within the region in a free form text field. It does not include Southeast Asia and India, listed separately in the report.*



How do they work?



48% of respondents used 5 or more platforms on a daily basis.



Almost 20% of respondents were using 8 platforms or more on daily basis!

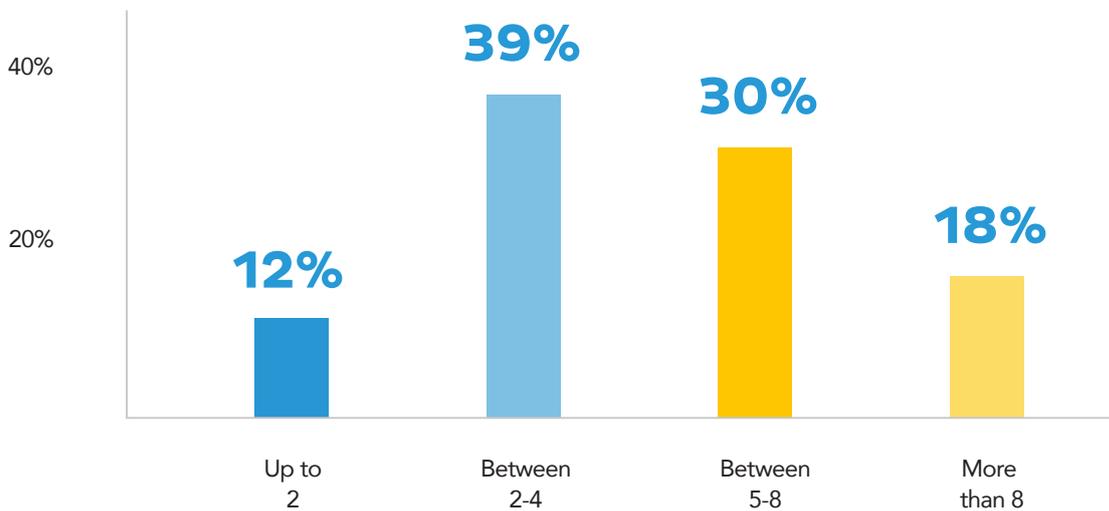
Some respondents with less than 4 team members were managing over US\$10 million annually on more than 8 platforms.



Most teams (40%) used 2 to 4 platforms.

The type of campaigns run didn't seem to have a close correlation to the number of platforms, though there was an indication that performance-heavy desks were likely to use less platforms than their branding heavy counterparts.

Number of platforms used on a daily basis





Insights: Workflows and efficiency

As programmatic matures, advertisers are looking to complement and expand on the duopoly for incremental returns. Our survey results show that despite the dominance of the duopoly, 48% of respondents are using 5 or more platforms, with 18% utilising more than 8.

Clearly, Google (Search 360 and DV 360) and Facebook accounted for at least 3 of these platforms. This matched our initial assumption that these 3 platforms, plus 2 or 3 more platforms, would be the "natural state" for most trading teams.

In addition, 13 respondents suggested that the trading team size for spends of US\$10 million and above, could be up to 10 (or sometimes more) traders. Indicating a maximum amount of US\$1 million per trader.

If we put the above two statistics together, our key question would be - are service companies efficient in media buying in their "natural state"?

If the complexity of the platforms increases, or if the number of platforms goes up, does the service company hire more traders? How much time and resource do they allocate to retraining their team when platforms evolve?



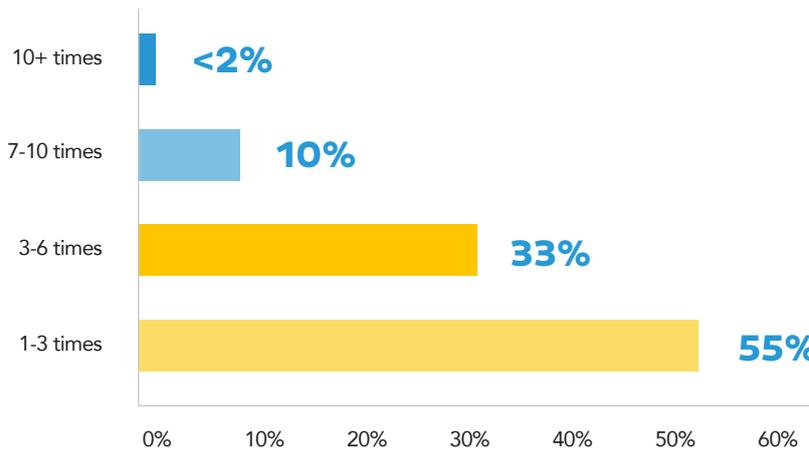
Spotlight on Optimisation

Optimisation in the platform age is expected to be agile, responding to media data as well as broader trends on the fly. Traders are expected to look at multiple reports, from multiple platforms to decide how and where to optimise, allocate budgets and decide on the right bids. This has translated into an explosion of excel reports.

“Most traders do 1 to 3 optimisations a week per campaign.”

Most traders did 1 to 3 optimisations per week per campaign. While this did tend to rise after the campaign budget exceeds US\$ 50,000, we had respondents who made 1 to 3 optimizations on campaigns of US\$1 million.

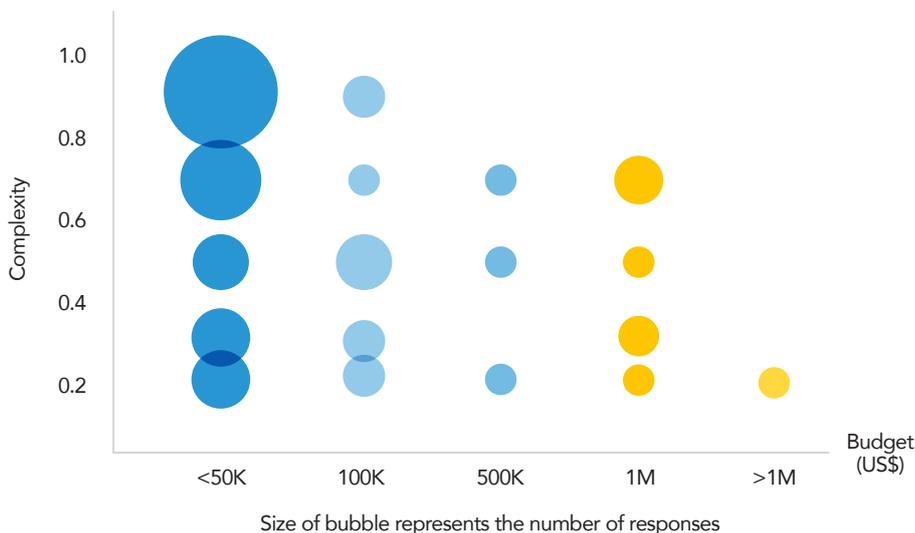
Number of optimisations per campaign per week



“Optimisation habits varied by budget size, geography and other factors. Most campaigns were optimised 1-3 times per week.”

Complexity vis a vis budget

(Complexity refers to the likelihood of using 10 line items or more at campaign set-up, with “0” being highly unlikely and “1” being highly likely)



“Smaller campaigns were found to be more likely to have complex set-ups. This may reflect the performance focused nature of such campaigns.”



APAC, India, Europe and Southeast Asia typically set up highly complex campaigns consisting of more than 10 line items or strategies per campaign. On the other end of the spectrum, ANZ, North Asia and North America were more likely to set up campaigns with fewer line items and focus on adapting on the fly.

“ANZ, North Asia, APAC and North America typically optimised campaigns 3 to 6 times a week.”

The complexity of the setup affected the weekly optimisation process. Europe, India and Southeast Asia-based traders said they did 1 to 3 optimisations per week per campaign, while traders in ANZ, North Asia, APAC and North America typically optimised campaigns 3 to 6 times per week.

Insights: Optimisation and budgets

Our survey of campaign complexity and optimisation uncovered interesting patterns across geographies and budget levels. Complexity, inferred from the number of line items or strategies created at campaign setup, tended to be consistently higher across APAC, Europe and Southeast Asia compared with ANZ, North America and North Asia.

Furthermore, the frequency of optimisations varied inversely with complexity at setup. This may reflect typical budget sizes and traders' understanding of audience homogeneity levels in the targeted geographies.

For example, North America-based traders may deploy large budgets over a relatively homogenous audience set initially, then optimise (including, potentially, creating more line items) only after the “test phase”, when specific patterns of audience behaviour and campaign performance become clearer.

On the other hand, traders in the Asia Pacific region, familiar with high levels of heterogeneity across the different markets and audience groups, may choose to set up multiple line items upfront, making a subset obsolete after the test phase, and optimise the remaining strategies less frequently thereafter.

This may reflect trading practices being codified in the mature markets and knowledge dissemination being more open and available. However a deeper investigation is needed before conclusions can be drawn.



Spotlight on Reporting

The one thing that stood out was that traders across the globe felt they spent a lot of time on reports. While reporting is critical to get insights to optimise and plan better, a number of respondents felt that too much of their time was spent on the task of reporting.

Around 42% of our respondents said more than 50% of their reports were done manually. A process that involves stitching together data from multiple ad tech platforms such as search, social, programmatic and ad servers.

Over half of Southeast Asia respondents (57%) said that over 50% of their reports were done manually. 28.5% said over 80% of reports were done manually.

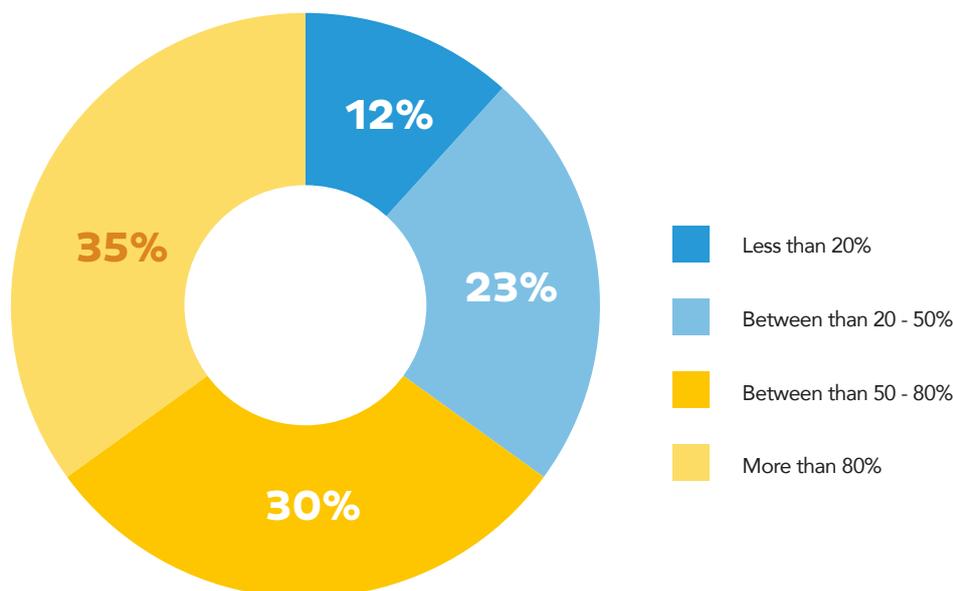
Traders who worked on intensive performance campaigns suffered the most - more than 80% of reports were done manually by all the traders, who said they made more than 10 optimisations per campaign per week.

Survey results also showed that campaigns with budgets above a million and below US\$ 50,000 required the most manual reporting. While smaller campaigns were driven by performance considerations, larger campaigns - likely branding campaigns, saw the need for customised insight.

“42% of our respondents said more than 50% of their reports were done manually.”

“28.5% said over 80% of reports were done manually.”

Prevalence of manual reporting





Insights: Reporting

Manual reporting seems to be the norm rather than the exception, based on the survey results with 50% of reports being manual, as reported by 60% of the respondents. This despite the success and availability of numerous dashboarding platforms and software that have been in the market over the past 5 years.

This indicates, firstly, that common templates across the client base of a service provider are not working well or may not even be possible. Secondly, there may be a lack of expertise in using complex dashboarding systems that are inflexible or incomplete for automated media buying. Finally, there are asymmetric requirements, knowledge and evaluation practices across the organisation when it comes to the reporting being provided to clients.

The broader implication? That visibility and transparency have been deprioritised amidst other pressing concerns in ensuring effective marketing outcomes.

The frequency of optimisation is also positively correlated with the amount of manual reporting. This was most prevalent for performance campaigns, signalling the existence of a coalition of factors that contribute to the intensity of trading. This combination of campaign objective (performance), frequency of optimisation and a lack of automation in reporting has implications on stress levels and the likelihood of “burn out” in traders.

This ultimately means that many marketers are not receiving real time information about their campaigns. This disconnect between campaign execution and reporting invites marketers to question the value and use of advertising technologies. Why bid in real time if decisions are not also made in real time?



Summary

The survey corroborates some existing challenges and throws light on some new ones.

- ▶ Talent retention remains an ongoing challenge, with almost 50% of traders surveyed clocking less than 12 months in their current role.
- ▶ A percentage (12%) of Trading Leads surveyed had less than 12 months of programmatic experience – indicating a new category of leadership that stems from related digital and platform backgrounds.
- ▶ The “natural state” for a large number of trading teams (48%) appears to be an operating environment comprising 5 or more platforms. This need to engage with multiple platforms naturally raises questions about media buying efficiencies.
- ▶ While a deeper investigation is needed before conclusions can be drawn, there were distinct differences in how campaigns were set up and optimised across different regions. India, Europe and Southeast Asia typically set up highly complex campaigns consisting of more than 10 line items or strategies per campaign. While North Asia and North America were likely to set up campaigns with fewer line items and focus on adapting on the fly.
- ▶ The majority of respondents shared that 50% of reports were done manually, and this was most prevalent for performance campaigns – highlighting a state of norm that has yet to be addressed by many organisations.
- ▶ The survey results collectively signal the existence of a coalition of factors that contribute to the intensity of programmatic trading and trader “burn out” – especially with 65% of respondents managing 6 or more campaigns at a given time.

The disparate and complex reality of programmatic trading operations today inadvertently contribute to marketers undervaluing not just advertising technology and its usage, but the people at the heart of its dealings.

Afterword

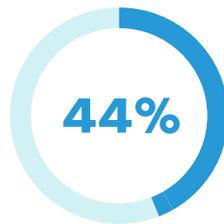
If there is one other takeaway to be had from this survey, it is the significant need for more research into the business challenges and operational issues unique to the digital advertising industry. Sharing information and improving on the challenges highlighted remains inadequate in our industry.

We have just started and it's early days, but it is clear that the ecosystem, the traders and the decision makers, must demand solutions that offer efficiency, effectiveness, speed and scale across the mentioned challenges, it is after all 2019!



Trading Pains

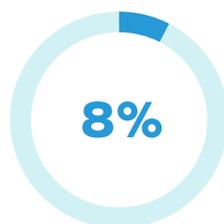
Inspired by our friends in trading, the survey also included an optional section that asked respondents about the literal pains of the job. Of course, these ailments and challenges are faced by everyone working a desk-bound role but one thing's for sure, "Trader Shoulder" definitely exists!



A whopping 44% said that they had Trader Shoulder (shoulder pain, stiffness of the muscles and limited range of movement).



15% of respondents shared that they face recurring back pain.



Traders generally have good social lives with only **8% saying they suffered from "death of social life."**

Promotion comes at a price!



39% of the Trading Leads said that they had sought therapeutic help versus 25% for Traders.

About The Survey:

The survey was anonymous, taking place from November 2018 to January 2019, and garnered 93 respondents from the programmatic trading field.

Imagine contract-less relationships with all the best buying partners in the world.

Imagine meaningful transparency into how your media dollars are being spent.

Imagine machine learning-powered optimisation.

Imagine real-time campaign performance updates.

Imagine every new campaign guided by accumulated knowledge.



**Frictionless
advertising?
Imagine that.**



Produced by CtrlShift

CtrlShift is a technology company simplifying the digital media ecosystem via aggregation and automation. We aim to make advertising truly 'frictionless' in a complex playing field.

The Hub, our flagship product, is enterprise programmatic advertising software for unified media planning, activation & insights. We aggregate platforms (social, search, RTB, native) to streamline digital media management and help you achieve more.

Want to work with us?



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