

THE SMART CMO's
SURVIVAL HANDBOOK
FOR DATA-DRIVEN ADVERTISING

Making Data-Driven Advertising Work for YOUR Brand

criteo.

It's a Fact.

Today's "smart" data management techniques (aka "Big Data") can make your online display advertising much more efficient than it's ever been.

How it Works.

By injecting customer intelligence into your ad buy strategy and carefully crafting the message, you're much more likely to reach the right user at the right time. Oh yeah, and also at the right cost.

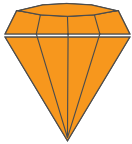
Why You Care.

This approach allows your ad budget to work harder, better, faster and stronger. Seriously, read on...

*This handbook sums up the most actionable nuggets of wisdom from a Forrester Consulting thought leadership paper** commissioned by Criteo and released in March, 2013 (available at www.criteo.com/forrester), and from a year of keynote presentations at "Boom" events in New York, London, Munich, Berlin and Paris.*

Make your ad dollars work...

Harder



The most visible result of riding the data-driven train is that your CTR can increase by up to 7 times.

- » Regular display ads: 100
- » Segmented display ads: up to 192
- » **Segmented, personalized display ads: up to 700**

Better



“Smart” display techniques allow you to personalize your creative and make it relevant to each user’s individual preferences.

- » Classical display campaigns 5-10 creatives
- » **“Smart” display campaigns up to 1,000 creatives**

Faster



This works in real-time. Real fast time, too.

- » Blink of an eye 300ms
- » Web search 200ms
- » Light around the Earth 134ms
- » Camera shutter speed 8ms
- » **Criteo generates a banner in real-time 6ms**

You see the better value here?

Stronger



On average, you can expect the return on your data-driven display ad spend to match or beat that of your Search campaigns.

- » Avg. return on ad spend ~ Search \$7.49***
- » **Avg. return on ad spend ~ Criteo \$12.96*****

See? We Told You So.

Oh, and by the way, regardless of whether you embrace data-driven advertising or not, you should know one thing: **your competitors are already doing it.**

However, newbies:

Beware.

Before you take the big leap, **there are 5 things you should know...** just 5.



Real-time is **NOT** for the Faint of Heart

Mind if we give you some advice?

USE THE RIGHT DATA
QUICKLY  AT SCALE

Missed ad impressions due to delays translate into wasted opportunities for profit, as does buying less-than- optimal ad impressions.

GOOD TO KNOW:

» **Required computing power is massive**

In peak times, Criteo servers process up to 500,000 requests every second, and receive 20 Terabytes of data every day.

That's twice the size of Wikipedia.* Yikes.

» **R&D separates the winners from the losers.**

Key decision-makers interviewed in a Forrester study commissioned by Criteo said, "Traditional players such as ad networks with 10-year-old technology and no real-time capabilities might face quickly dwindling relevance."*

“We have around 750 different data processing jobs running at any time. Machine learning makes this possible.”

VP of business development at a US DSP**



SURVIVAL TIPS

#1

Make a CTO your buddy. Even though you drive the strategy, the techies will do most of the heavy lifting.

#2

Bet on partners with both a sufficient capacity AND a strong commitment to R&D.

#3

Don't be shy about asking potential partners for the percentage of engineers within their total workforce.

2

You Want the **Right Data**, Not Just **More Data**

“**Big Data**” doesn’t need to be considered synonymous with “**Fat Data.**”

In fact, it shouldn’t be huge, because it needs to be **actionable**. Agile. Sprightly, even.

YOU MUST REMEMBER THIS:

- » The real value isn’t found in the data per se. It’s found in the cross pollination of formerly siloed datasets.
- » And what’s even more important? Whether people in your organization can actually extract value from your data.

SURVIVAL TIPS

#1

Invest in technologies that will allow the most people in your company to crunch and visualize your data.

#2

Partner with vendors who provide high-value, meaningful reporting.

#3

Clean your existing in-house data aggressively so it can be used widely, both internally and externally. (Oh yes, your data could also be a source of revenue if you can sell some of it externally.

Be careful, however, not to cannibalize your own revenue if you sell your data.)

3

Surround Yourself with the Right People (this means Data Scientists)

As you embrace “smart” display advertising, hire the talent that will allow you to make the most of all this new data.

The people you need – the people with the skills required to do this right – **are called Data Scientists.**

They are quickly becoming as indispensable to CMOs as financial controllers are to CFOs.

“One of the key challenges is finding enough people who understand math and technology, but also understand media. We’re... interested in the people who breathe data and analytics across the company.”

VP of business development
at a US DSP**



SURVIVAL TIPS

#1

Get sophisticated about how you analyze the data. By this, we mean that you should forget about medians and averages. As you move deeper into one-to-one marketing, things like variances and quintiles will become as important (maybe more) as aggregate numbers.

#2

Beef up your testing. With so many players in the space, it is crucial that CMOs develop a strong internal infrastructure that allows them to invite multiple companies to come and test their solutions.

#3

Run, don't walk. Find your Data Scientists. The supply is likely to run dry within the next few years.****



(If the Harvard Business Review said so, it must be right, mustn't it?)

“Back in the 1990s, computer engineer and Wall Street “quant” were the hot occupations in business. Today data scientists are the hires firms are competing to make. As companies wrestle with unprecedented volumes and types of information, demand for these experts has raced well ahead of supply. Indeed, Greylock Partners, the VC firm that backed Facebook and LinkedIn, is so worried about the shortage of data scientists that it has a recruiting team dedicated to channeling them to the businesses in its portfolio.”

Source: Harvard Business Review, October, 2012
Data Scientist: The Sexiest Job of the 21st Century
by Thomas H. Davenport and D.J. Patil

4

Embrace Your Display Vendor. Literally.

Data-driven display advertising relies on algorithms, which feed on your data.

SO KEEP IN MIND...

- » Algorithms work better the more time you give them to learn your clients' and prospects' behavioral patterns.
- » The more data you share with your display vendor, the more profitable the relationship will be for you. Data-driven advertising means closer and longer-term relationships with display vendors than ever before.

SURVIVAL TIPS

#1

Forget about “campaigns.” Advertise constantly and let the algorithms work their magic.

#2

Don't shy away from sharing as much data with your display vendor as possible.

#3

The best ROI goes to those advertisers who stay with the same vendor for long periods of time.

#4

Look beyond your comfort zone. Be prepared to make a change with your current ad-tech partners, even if making the switch seems difficult.

5

Make Friends with the Legal Department.

(Those People Know the Best Lawyer Jokes.)

With Big Data Comes Big Responsibility

Data-driven advertising puts your company in contact with sensitive consumer information that could be subject to regulations.

And those regulations change faster than you can say,
“Of course we’re compliant!”

Take this one seriously. You’ll be glad you did.



“Our No. 1 [concern] is privacy and trust... It’s an industry problem, not the problem of one individual company.”

Product manager at a global ad exchange



SURVIVAL TIPS

#1

If your business is involved with EU consumers at any point, ask your Legal team about the European Union Revised Data Protection Directive, due to become active in 2014 or 2015.

#2

Get proof from your display targeting partners that they are compliant with any privacy laws and industry practices.

Parting thoughts

The injection of intelligence and real-time has changed advertising forever. This means: more relevance to the user, more efficiency and, ultimately, far better returns on advertisers' advertising expenditures.

THE GOOD NEWS IS:

Now, you have what it takes to make data-driven advertising work for your brand.



QUICK RECAP

Wimpy? Don't be.

Data? Quality, not quantity.

Nerds? Get some.

Vendor? Hug.

Lawyers? Yup.

Sources:

*: Criteo

***: Maximizing Display Advertising's Potential Requires A Data-Centric Approach, a Forrester study commissioned by Criteo, March, 2013 – full report available at <http://www.criteo.com/forrester>*

***: Kenshoo, 2012 – Criteo, 2011

****: McKinsey Global Institute, May 2011

Ready?

Go and reap the rewards of
data-driven advertising.

ABOUT CRITEO

Criteo is a global leader in digital performance display advertising and currently partners with over 3,000 international advertisers. Every day on a pure cost-per-click basis – where advertisers only pay for results - Criteo generates millions of leads through dynamic and relevant advertising. Currently operating in more than 30 countries across Americas, Europe and Asia from 15 international offices and employing more than 700 people.

For more information, please visit <http://www.criteo.com>