WHAT IS A DEMAND SIDE PLATFORM OR DSP?

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Exchange-Based Media Management

A demand side platform is a tool used to buy media across multiple advertising and data exchanges. A DSP enables an organization to place bids for ad impressions, as well as acquire, ingest, combine and leverage first-and third-party data sources to aid in valuing the audience for each media impression. DSPs can also optimize bidding based upon measures like cost per click.

Designed for Audience-Based Media Buying

When advertisers buy media directly from publishers, they often are willing to pay a premium for the opportunity to deliver their messages in specific kinds of content. By contrast, DSPs and exchanges are focused on audience-based buying, where the advertiser seeks to reach an individual with certain characteristics, regardless of what and where they are browsing.

Designed for RTB Exchange Management

DSPs were developed to help brands participate in media auctions on digital exchanges. With exchanges, publishers can sell each media impression directly to the advertiser, instead of relying on a direct sales team or advertising networks.

DSPs are primarily used for real-time bidding, or purchasing ad impressions just as they are about to be delivered. DSPs evaluate impressions, place bids, and direct ad servers to deliver creative within the several hundred milliseconds it takes for web pages to load on a user's browser.

Some publishers prefer to sell inventory direct via exchanges to DSP users so that they can capture more of the margin paid by advertisers for media. By eliminating the ad network middleman, they believe that they make more money. Advertisers using DSPs also believe that they get better pricing without the intervention of a middleman. Other publishers and advertisers prefer to work with networks to simplify the buying and selling processes and benefit from sometimes more sophisticated buying and selling algorithms.

More Pricing and Inventory Transparency

DSPs typically charge a fixed percentage margin on top of the media cost. This gives advertisers greater pricing transparency. With most networks, margins are not transparent. Many publishers list inventory transparently on exchanges so the advertiser knows more about what they are buying. Transparent listing means that the advertiser knows that an impression will appear on a certain site and/or page before they bid. Such inventory generally sells for more money than "blind" inventory, where the website delivering the impression is unknown to the advertiser. In this case, the advertiser knows who will be reached with the impression, but not where.

DSPs versus Trading Desks

Trading desks are a service solution, usually provided by ad agencies, to manage the executional aspects of exchange-based media buying. The desks use one or more DSPs to provide the service. Some agencies price trading desk services with a fixed margin, meaning that the advertiser knows exactly how much money the agency is earning with their trading desk service. Others do not reveal their margin, focusing instead on their ability to deliver overall pricing that is better than network pricing.

Available Inventory

Exchanges focus on standard advertising units versus customized units -- for example, PC display advertising sizes like 728x90, 300x250 and 160x600. But the range of standard sizes available for exchange-based buying with DSPs is growing, and video and mobile advertising are quickly growing in availability. For custom advertising products, including native advertising, advertisers generally still work directly with publishers.

Several years ago, DSPs and exchanges primarily dealt with remnant inventory that publishers couldn't sell directly for higher prices. Today, however, many publishers sell most or all of their inventory via exchanges.

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ABOUT TAKE 5

The Take 5 series is designed to help senior marketers learn more about data-driven customer marketing by creating short educational pieces that can be read and absorbed in less than five minutes. The main content of each Take 5 is 600 words or less to stay focused and brief. The Take 5 series will also be available as a collection – a primer on data driven customer marketing.

Visit
www.Apsalar.com/Resources
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ABOUT APSALAR

Apsalar, the leader in mobile data management, helps direct marketing brands get better marketing effectiveness by providing a mobile data management platform that delivers a true understanding of customer behavior in apps and across other marketing channels.

Apsalar

MOBILE DMP

APSALAR ATTRIBUTION

Collect and measure in-app consumer behavior and marketing performance. Measure every in-app action relevent to your buinesss

APSALAR AUDIENCES

Unite your first party data from all sources, enrich it with third party data, and build high performance marketing audiences

APSALAR DATASYNC

Easily and safely share customer audiences and data with your digital marketing platforms, including analytics, marketing automation, media companies and legacy DMPs

The Apsalar Mobile DMP enables brands to measure marketing effectiveness, enhance, manage, enrich and segment profiles to build audiences, and easily and safely connect to other marketing partners so brands can confidently share their data and audiences.