LiveIntent

A COMPLETE GUIDE TO

# Programmatic Advertising in Email

Read that title again. Programmatic? In email? That headline isn't something you could say ten times fast. But the shift from mass advertising (like TV ads) to targeted, personalized digital advertising and now, to automated, real-time ads in email, happened in the blink of an eye.

According to eMarketer, programmatic ad spending was at $36.85 billion in 2017, spread across a mix of programmatic display, addressable TV, digital out-of-home, email and other channels. It's forecasted to hit $46 billion in 2018.

That's a lot of investment, right? We agree! For that you'd get around 657 brand-new Gulfstream jets. Or 46 billion downloads of Ed Sheeran's single "The Shape of You" (don't judge). But what makes programmatic advertising in email so special?

It's virtually fraud-free and offers the last truly authentic way to connect with consumers at scale, as people. How can it be all these things? And why email? Let's get all up in how the industry got here.

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## How Email Became the Darling of Programmatic

# It all started with the tidal wave that is programmatic advertising.

Once upon a time, all online banner advertisements were placed by hand, but this method was even more painful than AT&T's first display ad. So marketers and publishers quickly automated the process. Sales and placements became programmatic. This came at a cost.

Easily reaching the right people at scale also meant reaching a bewildering number of the wrong people. The digital ad industry was rocked by click farms, bots, and fraud to the tune of $16.4 billion in 2017 alone. Impression-drunk marketers burned through consumer trust faster than Don Draper through a box of Lucky Strikes and consumers became fatigued, developed banner blindness, and hid behind ad-blockers.

That brings us to today. Marketers that want to fix these programmatic issues are torn between using what's known as the Triopoly – Google, Facebook, and now, Amazon – or doing it themselves. The upside to these tech giants is that they offer fraud-free walled gardens with precise ad targeting. The downside is that they don't share their data.

Walled gardens are black holes – data goes in but never comes back out, and marketers can't improve their advertising. But, surviving outside the Triopoly is even worse: Marketers struggle with adtech that's vulnerable to fraud and ineffective at targeting because it's reliant on crumbling browser cookie technology, which Apple dealt yet another blow to when it blocked it from iOS 11.

How can modern marketers achieve their dream of delivering targeted, relevant campaigns without being squeezed by the ad mafia? Simply, by using programmatic advertising in email.

As this guide will explain, email advertising is exploding in popularity because it offers an alternative, open garden with the key advantages of being people-based, deterministic, and highly effective. Many marketers now consider it their superpower.

A Tale of Two Technologies: Programmatic and Email

# Programmatic has become the standard in advertising.

It accounted for nearly 80% of the $209 billion advertising industry in 2017, surpassing TV for the first time. Its key players are already household names — Google, Facebook, and Amazon — who take in more than 65% of all digital ad revenue and 89% of all digital ad spend growth. Together, they dwarf the next competitor, Microsoft (which includes LinkedIn).

We know what you're thinking: Why does Amazon get to be part of the Triopoly? Because of its scale. Amazon nets 44% of all U.S. ecommerce sales, 64% of U.S. households have an Amazon Prime membership, and in 2017, 55% of all product searches began on its site. When CEO Jeff Bezos declares that the company will now conquer advertising, we believe him. Amazon won't remain number five for long.

2%   4.3%

4.3%

26.3%

20.9%

- Amazon
- Oath
- Microsoft (with LinkedIn)
- Facebook
- Google
- Other

42.2%
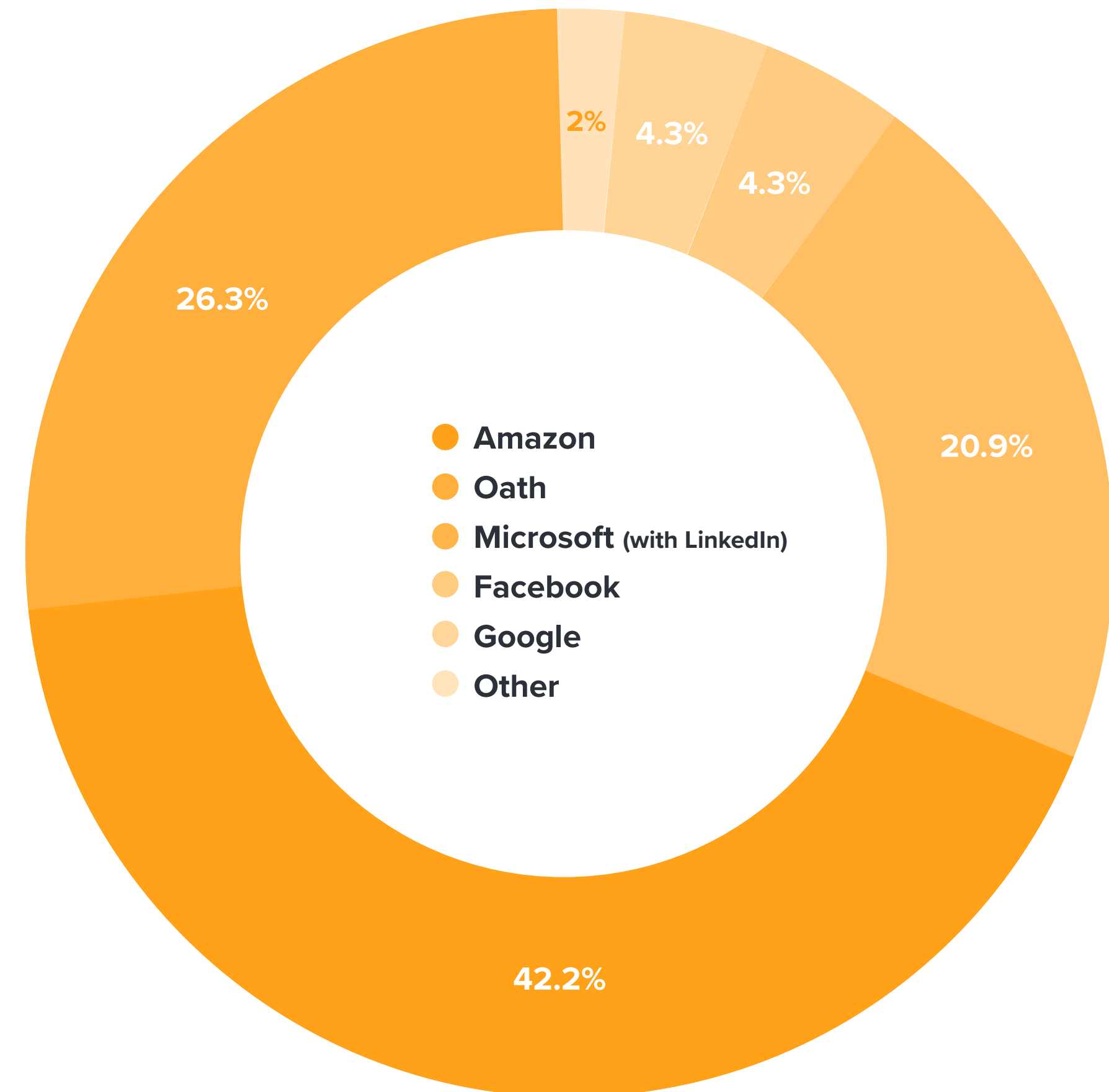
But the struggle is real for marketers who want to connect with buyers via programmatic. Display ad click-through rates are down to just 0.05% according to research firm SmartInsights. That's five clicks for every 10,000 impressions. Not good, for those keeping score at home.

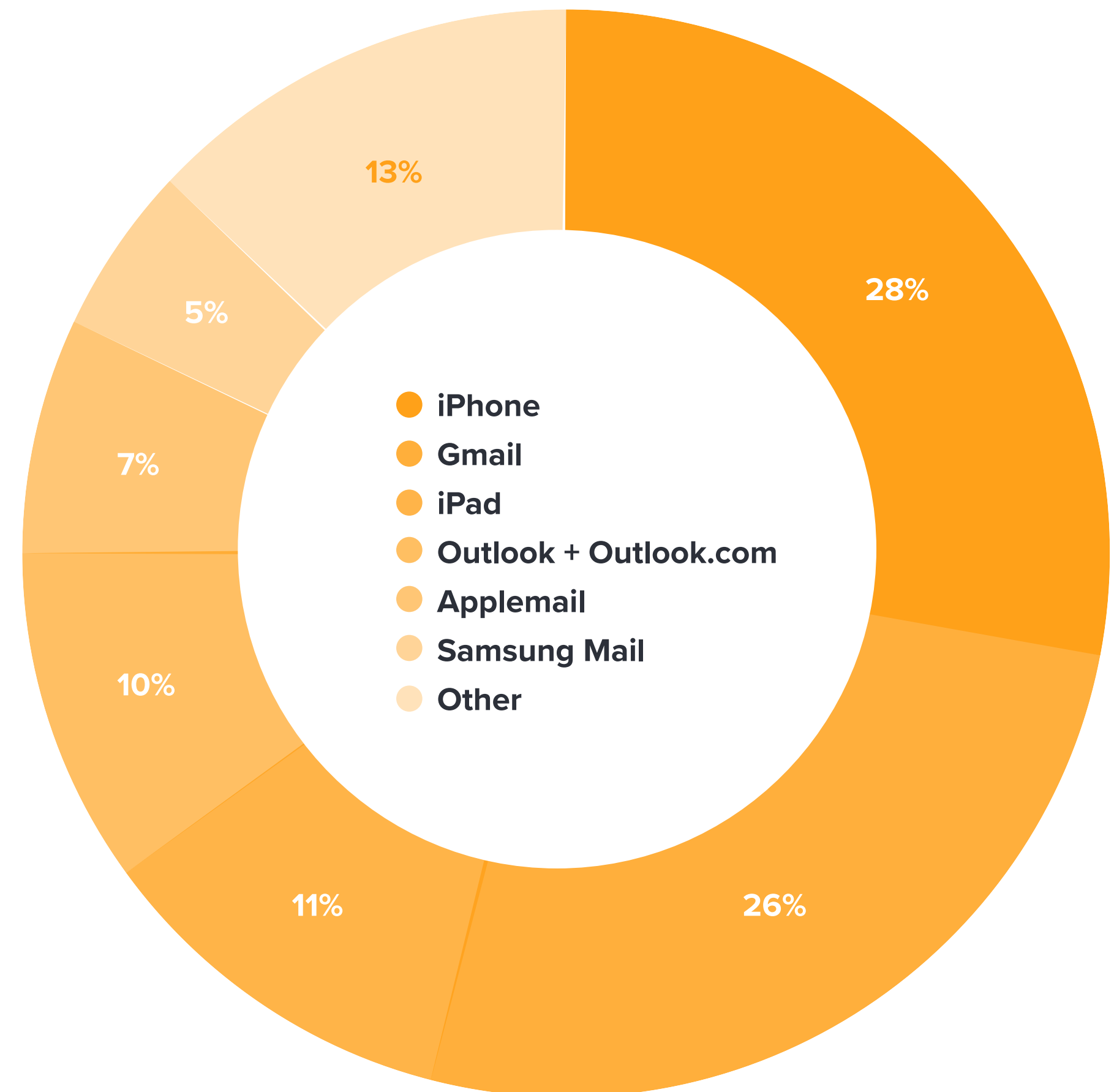# It's no wonder that email has piqued marketers' interest.

Overall, emails are just far more engaging, with an average click-through rate of around 8% according to email provider ConstantContact. Email is also the default form of communication on the web: It's used by half the world's population, is fully cross-device, and is where many of us stay connected for 5.4 hours every day.

**ENGAGING**

People spend
**5.4 hours**
per day in email

**HUGE**

Email is used by
**3.75 Billion**
people worldwide

**OMNIPRESENT**

Email is checked every
**12 minutes\***
(3x more often on mobile)\*\*

\*New York Post, \*\*Google

# In the big world of email, mobile devices rule. And so does Apple.

Apple has by far the greatest market share according to email software provider Litmus, and holds the first, third, and fifth spots with its operating systems and devices. Google's Gmail comes in at a close second, followed by Outlook. Of the top five email clients, only Google and Outlook even offer ads, allowing marketers to reach people in an engaging place programmatically. But as you'll learn, they aren't quite the panacea marketers wish for.

28%

13%

5%

7%

10%

11%

26%

● iPhone
● Gmail
● iPad
● Outlook + Outlook.com
● Applemail
● Samsung Mail
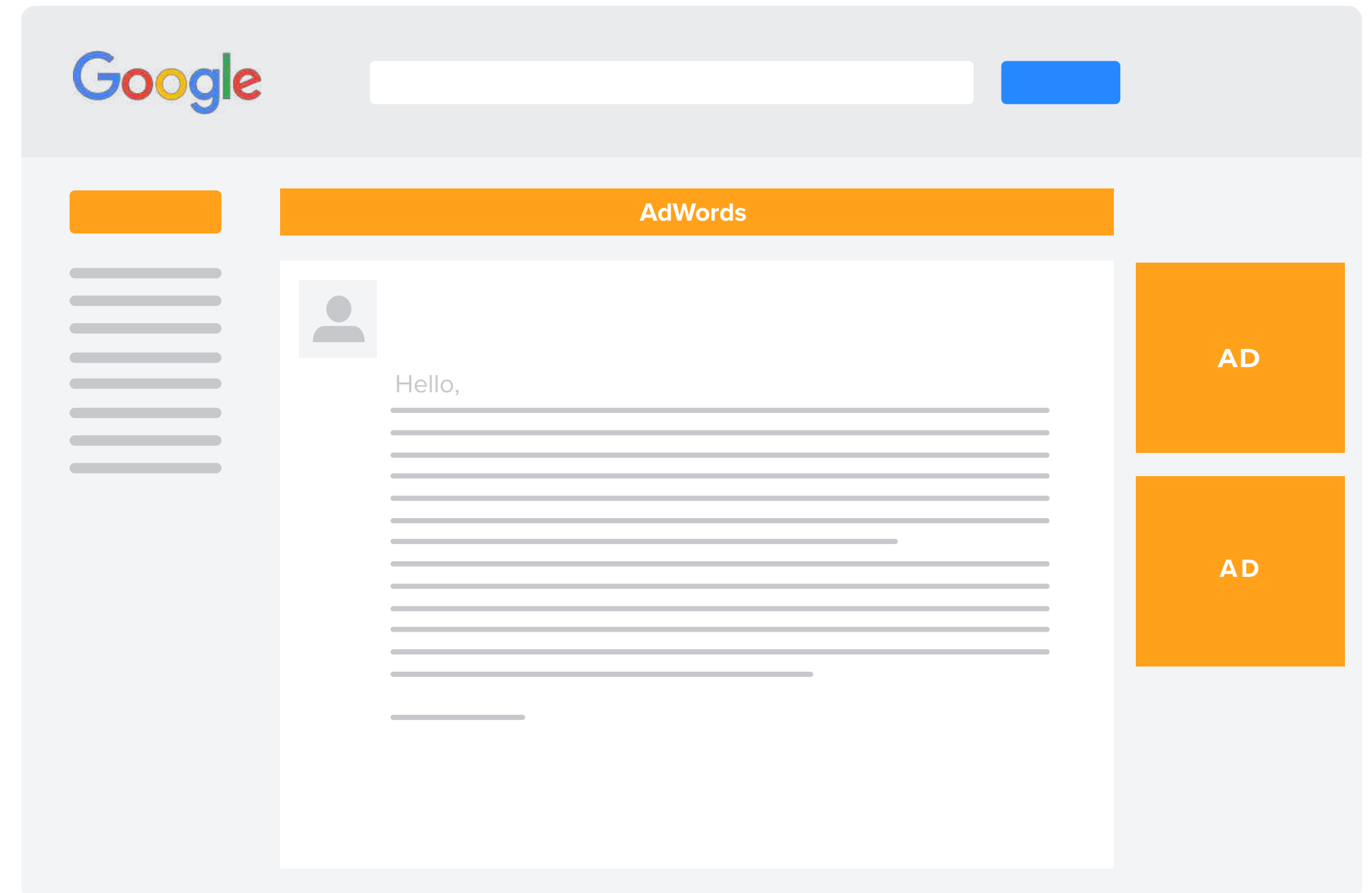● Other

**2017 Email Client Market Share (Litmus)**

# 3 Traditional Ways to Advertise in Email

# It's true. Advertising in email wasn't always sexy.

Marketers that wanted to get in on the email-engagement bonanza had just two options. They could either run programmatic ads in email clients, or drop hand-coded native ads into an email. Neither produces revolutionary results.

Programmatic ads that appear in Gmail (via Google's AdWords ad network) or Outlook (via Microsoft's Bing Ads network) are simply regular old text or display ads. They appear at the borders of the email client interface and get the same engagement as one might expect from any other display ad. Some users disable the ads, which anyone can do in their settings. Others don't need to – their browser-based ad-blockers do it for them (with the exception of Outlook's desktop client). Home scorekeepers: go ahead and check the box for "same old, same old."

The other option is manual placement. Marketers can either sponsor someone else's email or run a native ad in their own. Note that there's no mention here of "programmatic." Just like that tote with the clever quote you picked up on Etsy, these babies are handcrafted. Native ads are labor intensive and personalizing them to every individual is utterly impossible.

So what can marketers do? How can they get the automated upside without the manual downside?

# The answer lies in the meteoric rise of the humble newsletter.

# Newsletters are the Secret to Advertising in Email

# The internet has a new homepage, according to **Wired**: the email newsletter.

As consumers are avoiding bad user experience, they're flocking to newsletters.

What is it about newsletters that consumers love? Newsletters summarize their favorite content right in their inbox, where they already spend so much of their day. Hundreds of millions of consumers subscribe to newsletters and 61% of consumers say that they prefer to hear from brands via email.

Email is ubiquitous, and fully cross-device. It's such an integral part of consumers' lives that they use it as their login for just about everything.

Why do marketers love newsletters? Uh, did we mention that hundreds of millions of consumers love them? But also, now, thanks to people-based marketing platforms (like LiveIntent), brands can easily activate programmatic ads within their own newsletters, and across a network of more than 2,000 premium publishers. Learn more about our programmatic partners in chapter 6.

# Newsletters offer marketers five key advantages.

## 1

**Access to a Highly Engaged Audience**

Most people check their email upon waking up and going to bed. They spend most of their day there. And if they're subscribed to a newsletter, they're active viewers. Perusing a display ad takes no effort and reveals very little information about a visitor, but the fact that someone went through several steps to enter and confirm their email to join a newsletter means they're engaged by choice. And thanks to opt-out legislation like CAN-SPAM, it's easy to unsubscribe. So if consumers are reading, they care. As a result, ads in newsletters receive 10x higher engagement than their web display counterparts.
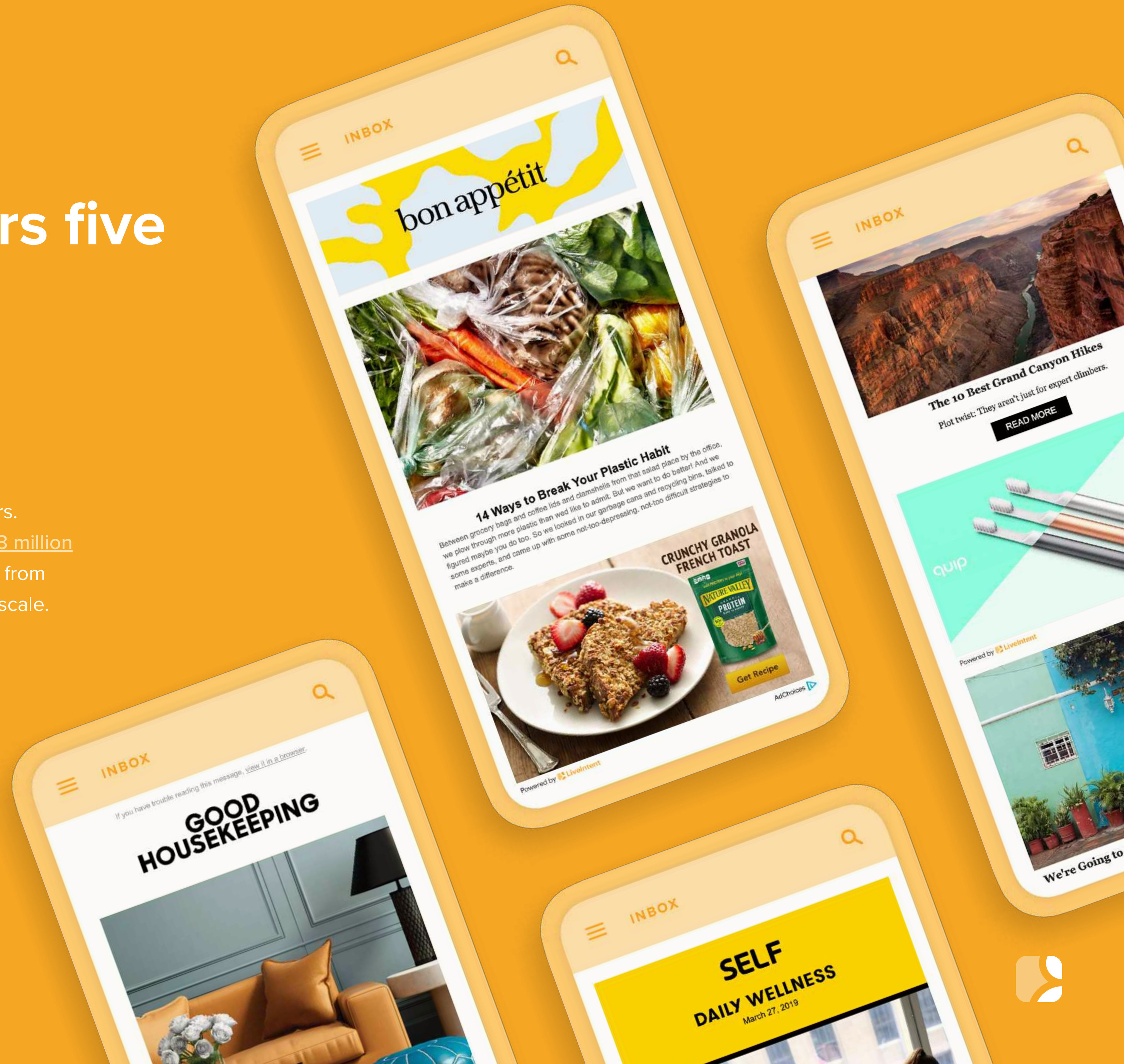
SIGNUP

CONFIRM

ENGAGE

OPEN

# Newsletters offer marketers five key advantages.

**2**

**Immense Scale**

Like we said, hundreds of millions of people subscribe to newsletters. Digiday reported that The New York Times' newsletters alone had 13 million subscribers as of mid-2017. Thousands of even larger media outlets from NBC Universal to Condé Nast and Hearst Media offer even greater scale.
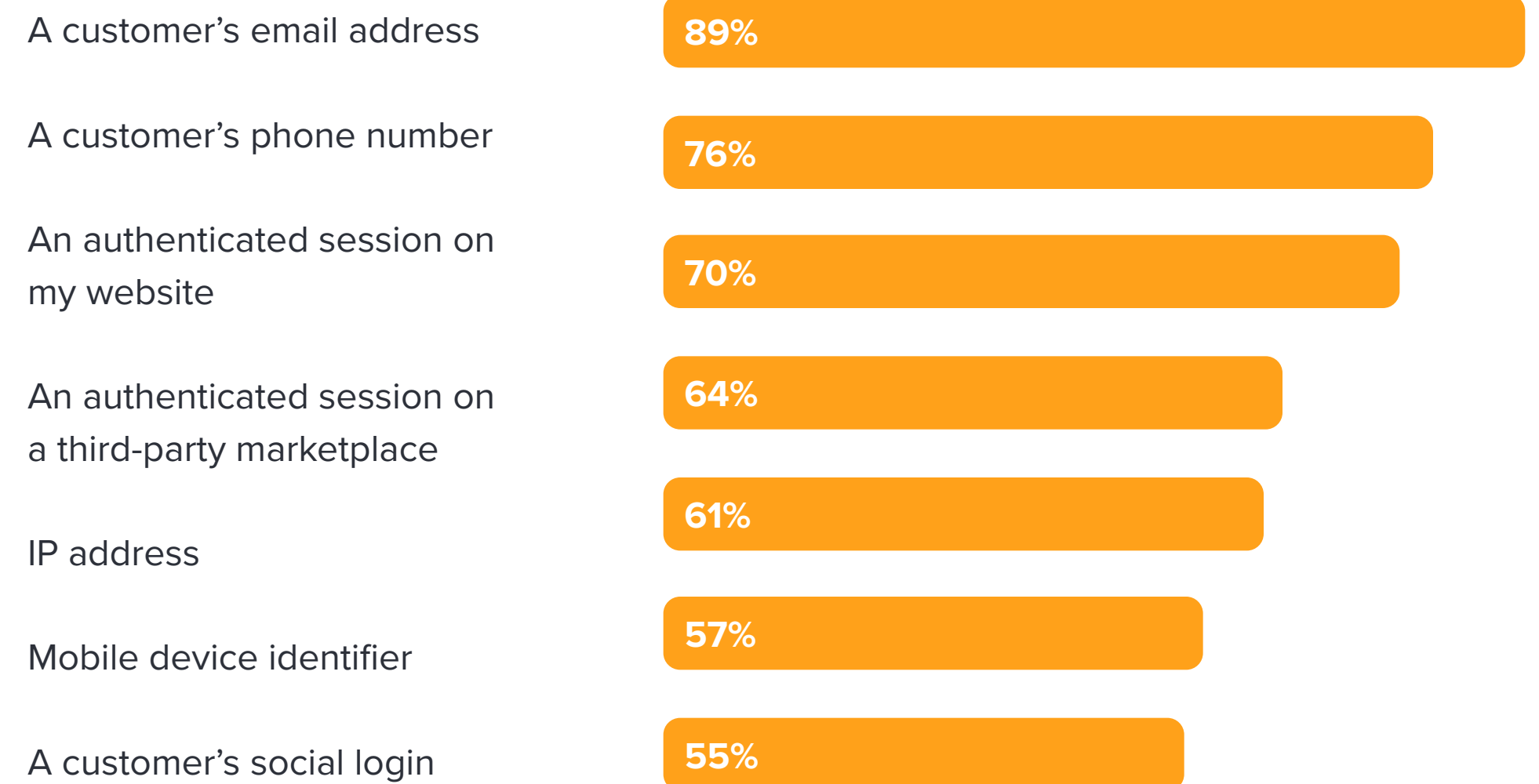
# Newsletters offer marketers five key advantages.

**"How valuable are each of the following pieces of customer identification for your marketing program?"**

(Showing combined "valuable" and "extremely valuable")

**3**

**A Deterministic Consumer ID**

Because consumers use their email address to log into practically everything, it's a simple cross-device identifier. People may share browsers but they don't share emails, and it's likely that any person logged into their email is in fact that person.

With email as a foundation, marketers can weave together probabilistic data to create rich consumer profiles, without having to rely on the Triopoly's walled gardens. That includes appending metadata like additional emails, browsing habits, and CRM data. 89% of marketers agree that email is the single most valuable identifier they have for consumers.

| | |
|---|---|
| A customer's email address | **89%** |
| A customer's phone number | **76%** |
| An authenticated session on my website | **70%** |
| An authenticated session on a third-party marketplace | **64%** |
| IP address | **61%** |
| Mobile device identifier | **57%** |
| A customer's social login | **55%** |

A commissioned study conducted by Forrester Consulting on behalf of LiveIntent, April 2017

# Newsletters offer marketers five key advantages.

**4**

**A Brand-Safe, Fraud-Free Environment**

Email newsletters offer a brand-safe oasis. Marketers can be highly selective about their publishers, and because email is a logged-in environment, they know they are reaching a real person and not a bot or non-human traffic.

# Newsletters offer marketers five key advantages.

**5**

**Improves Customer Experience and Reduces Banner Blindness**

When viewers load email images, they load ads. They're one and the same. And, done correctly, ads in emails aren't a disturbance because consumers appreciate ads that are contextually relevant and useful. If they're primed to enjoy the newsletter content, they're primed to enjoy the ad.

The same cannot be said of advertising in email clients where ads are disruptive and detract from the user experience. Ads in Outlook, in particular, receive criticism because they take up extra space and display an overbearing message to users with ad blockers. (Go ask an Outlook user.)
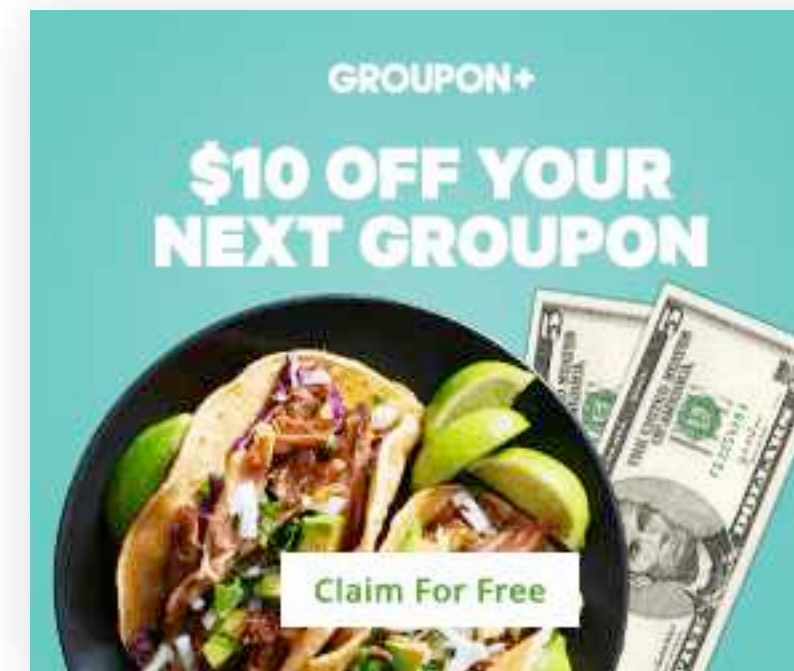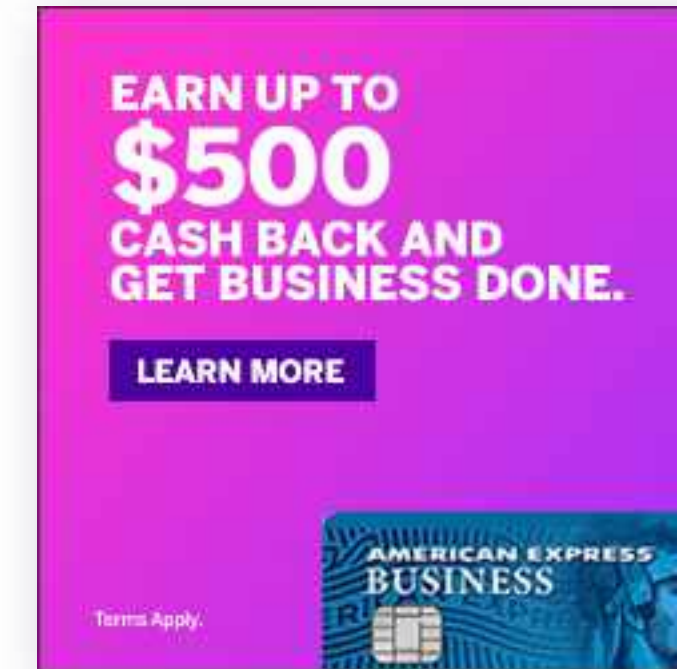
# Debunking Popular Programmatic Myths

Marketers that are new to programmatic in email often have plenty of concerns. For example, won't their ads be ignored next to more interesting content? And for publishers, won't ads direct clicks away from owned media and potentially have a negative brand impact?

Perhaps, but thousands of marketers and publishers have discovered that most of these fears aren't founded in reality. If marketers have a programmatic email partner that matches them up with the right publishers and provides expertise on creative and formatting, email ads drive clicks at a far higher rate than on the web. And for publishers, the diversion fear is a myth. As companies move away from achieving scale at all cost to trying to create quality and engaged audiences, they increasingly realize that content-quality ads improve the experience while opening a new revenue stream. Plus, any fear of negative brand impact can be moderated with the use of allow lists and block lists.

**PROGRAMMATIC**

Email ads drove
**25% more**
revenue

with
**ZERO**
impact on sales and click rates
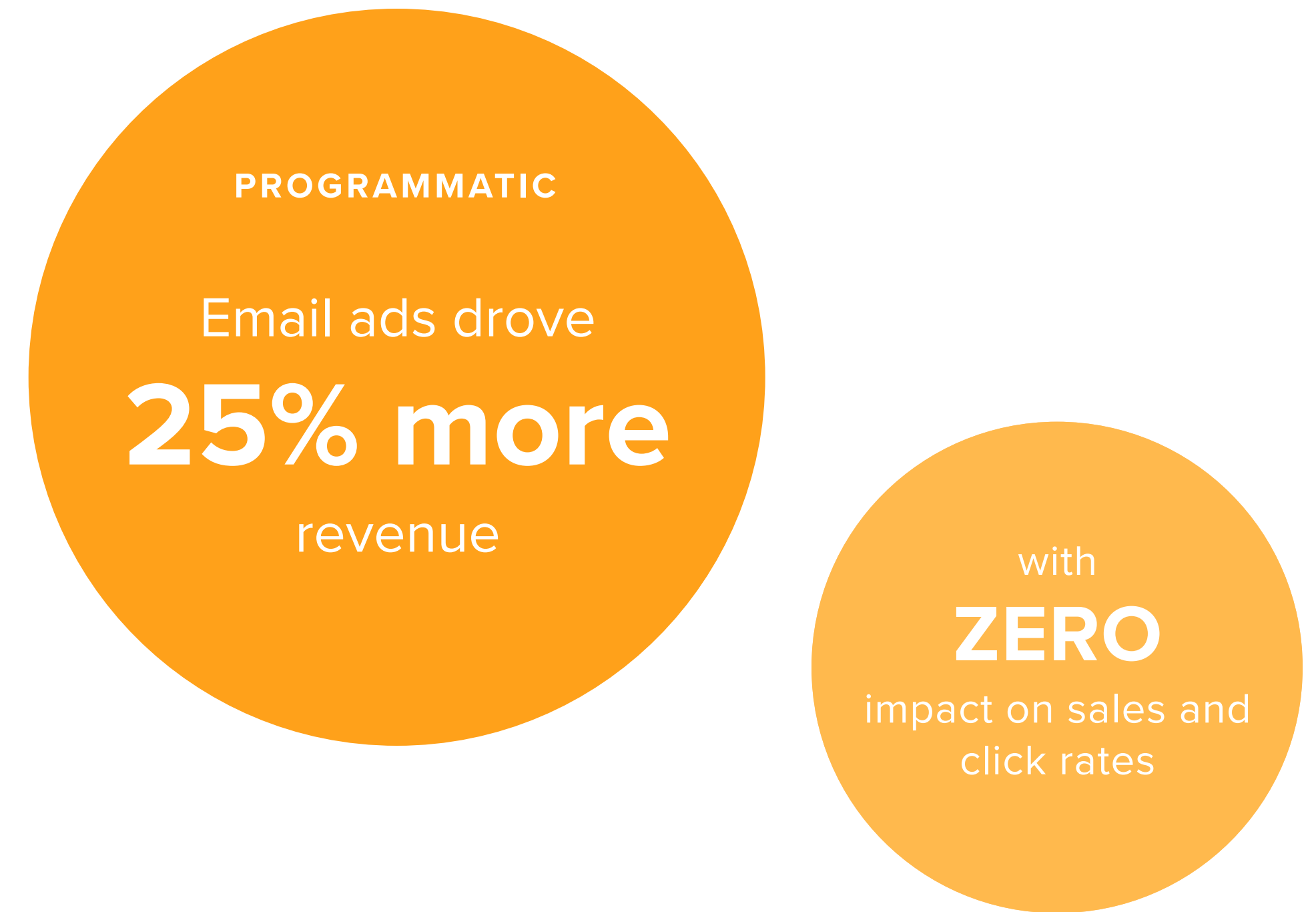
The leading travel deals site Fareportal Media Group wanted to increase the ROI on its newsletters so it put these myths to the test. It incrementally implemented LiveTags from LiveIntent to judge the impact. It found that the newsletter variant with programmatic email ads drove 25% more revenue and had zero impact on sales and click rates.

So, what can an eager marketer do to get ads into premium newsletters?

# 5

# How to Run Programmatic Ads in Email Newsletters

# So how does programmatic advertising in email actually work?

It's pretty simple. LiveIntent partners with thousands of premium newsletter publishers. Marketers can run programmatic offers on LiveIntent's platform to reach 187 million people on every device. They can operationalize it like so:

Premium publishers like The Wall Street Journal, Condé Nast, NBCUniversal, Oath, Hearst Media, and many more choose to monetize their email newsletter audiences by implementing our platform. This improves the user experience and gives them access to an alternate revenue stream.

When a newsletter subscriber opens their email on Monday morning, a real-time auction occurs inserting highly targeted offers optimized to drive both engagement and revenue. Marketers get access to premium inventory that's 99% fraud-free, 100% cross-device, and delivers 10x higher performance on display ads.

**NEWSLETTER**

**INBOX**

**AD**

**PUBLISHER**

**RECIPIENT**

**ADVERTISER**

# What do users experience?

As far as they're concerned, highly targeted ads make things better. They get a fresh infusion of targeted, on-brand content that enhances their experience.

For example, meet Alex. She's a business-traveling redeye warrior. She's never heard of programmatic in email, but she knows she's doubly loyal to the Wall Street Journal newsletter since it started featuring highly targeted content and offers from brands she likes. Also meet Drew. He's a seasoned foodie and he's triply dedicated to his Betty Crocker newsletters since they began including alternative recipes and dishes like they were written just for him.

Both Alex and Drew may avoid web display ads like the plague, but they treat newsletter ads like any other interesting content.

ALEX

DREW

# Working with LiveIntent is easy-peasy, lemon-squeazy.

Advertising in newsletters on our platform is so simple that most marketers self-deploy. The LiveIntent platform, powered by incredibly rich data, includes top DSPs like The Trade Desk, MediaMath, AppNexus, Google, Oath, and more.

**HUGE**

**187 Million People**

**CROSS-DEVICE**

**100% Logged-In Environment**

(60% on Mobile)

**UNIQUE**

**Incremental Programmatic Inventory Source**

**SECURE**

**99% Fraud-Free**

# Deploying Programmatic in Email with LiveIntent

# Ready, Set, Deploy

So how does this work? As great as email is, there are some things you can and cannot do (ahem - like Javascript). Take a look at some best practices below for deploying with LiveIntent:

**Campaign Setup**

Create a separate line item or strategy.

**Targeting**

Leverage any first- and/or third-party data segments available in the DSP. Do NOT include a frequency cap.

Note: A frequency cap is not necessary, because the average user across LiveIntent inventory is only opening 1-2 emails a day.

**Creative and Tags**

Use an approved creative format: HTML5 standard tagsGIF/PNG/JPGJavaScript with static back upNote: Due to JavaScript restrictions in the email channel, all JavaScript tags MUST have the "no script"/static back up enabled. This way, a static image can be served.

Note: There is a maximum of two third-party tracking tagsNote: Do NOT include wrapped tags or blocking tags. Wrapped tags will not serve, due to JavaScript restrictions. Use monitoring pixels ONLY.

# LiveIntent's Programmatic Partners

AppNexus

Sizmek

Google

Oath:
A Verizon company

theTradeDesk

Basis
BY CENTRO

MediaMath

dataxu

sociomantic

# 7

# Programmatic Pop Quiz

# Quiz time! How much did you learn?

**1: What is the expected programmatic spend for 2018?**

    A: $24B

    B: $34M

    C: $46B

**2: How much did digital ad fraud cost marketers in 2017?**

    A: $1.64B

    B: $164B

    C: $16.4B

**3: The Triopoly...**

    A: Accounted for about 65% of all digital ad revenue in 2017

    B: Is unwilling to share vital data

    C: Is monopolistic

    D: All of the above

**4: Newsletters are the new**

    A: Home page

    B: Snapchat

    C: Black

**5: Compared to display advertising, advertising in email offers**

    A: Better targeting

    B: Better ROI

    C: Both

**6: Which of the following are advantages of programmatic email advertising?**

    A: A highly engaged audience

    B: Reaches real people

    C: Brand-safe ecosystem

    D: Comes with a professional hype-man who follows your boss around singing your praise

    E: A, B, and C

**7: How often do people check their email?**

    A: Every 12 minutes

    B: Every 20 minutes

    C: Every 40 minutes

Answers: 1C, 2C, 3D, 4A, 5C, 6E, 7A

# 8 Conclusion

# Programmatic advertising is now the standard, but it's not a panacea.

It's just as easy to reach lots of the wrong people as it is to reach the right ones. Marketers who want to tighten their targeting without being squeezed by the Triopoly or accepting the dismal click-through rates of display ads can turn to programmatic advertising in email. And not just any email, but in newsletters — the new home page.

Through programmatic advertising in email, publishers can monetize their inventory. Marketers can reach an unduplicated, premium inventory of 187 million people, and reach them as the individuals that they are with offers that get 10x the engagement of typical ads. And consumers get more of the personalized content they crave.

We've come a long way since TV ads or AT&T suggesting we "click our mouse here." But has your advertising approach adapted? Better get started!

# Want to learn more about programmatic advertising in email with LiveIntent?

Email programmatic@liveintent.com to get started.

**LiveIntent is a people-based marketing technology platform changing the way over 2,000 of the world's largest brands and publishers think about email.**

The LiveIntent platform transforms email from something you send and receive into the simplest, most powerful way to resolve identity and market to people in a mobile-first world. It becomes your superpower, generating a private customer graph that can augment everything from acquisition to attribution while driving incremental product sales and revenue. LiveIntent is headquartered in NYC, with offices in Berlin, Chicago, Copenhagen, Austin, Detroit, Los Angeles, and the UK, serving as home to 170 people and counting.

For more information, visit www.liveintent.com.