Overview of Display Advertising Landscape in Vietnam

July, 2018
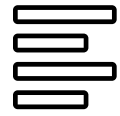
CONTENT

01. Objectives

❖ Enrich know-how of display advertising eco-system: major components of selling side, roles, key players

❖ Give insights of programmatic buying: Conception and beneficials to buying side

Report summary

Category	Key learnings
Display advertising landscape	Although DSP is ideally the most powerful party, others still play an important role in display ad booking: • **Ad networks** having exclusive sites and relevant additive connected sites benefit advertisers/agencies significantly • **Ad exchange** minimizes risk of inventory duplication, but faces the issue of low quality inventories • **DSP and SSP** are the future but they are facing challenging problems Getting to know exacly how each display ad company to be beneficial is more important than its name because **boundaries between parties aren't always clear**
Buying methods	**eCPM (effective cost per mille)** is the ultimate goal of any pricing base regardless of buying method **Programmatic buying** help advertisers/agencies enhance cost efficiency and performance tracking ability by: • Minimizing middle layers (human) in display ad booking • Single interface management

02. Display advertising landscape

- Major components of selling sides, roles, key players
- Situation of each involved component in Vietnam

Ideally, DSP is the most powerful party in term of inventory coverage

Selling party* / Category	Publisher	SSP	Ad network	Ad exchange	DSP
Definition	Website, platform which allow to display ads on	Platform which facilitates publishers to manage their ad space	Company which aggregate ad space supply from multiples parties	Platform which facilitates the buying and selling of media ad inventory from multiple parties	Platform which facilitates the buying of online advertising
Source of inventories	Its own inventories	Connected publishers	Connected publishers, SSP	Connect publishers, ad networks, SSP	**Connected ad network, ad exchange**
Some key players	• Website: dantri, vnexpress, 24h • Video platform: Youtube, Vimeo, phimmoi • Social network: Facebook, Instagram, Pinterest • Apps: Skype, Zalo	Double Click for publisher, Innity, ANTS	Admicro, Google display network, Adtima, Blue seed	Double Click Ad exchange, ANTS	Ureka, MicroAd Blade, Innity, Double Click Ad Manager

See visual of selling parties in display advertising landscape at appendix

Parties owning large inventory coverage help advertiser, agency avoid risks when working with individual publishers

Common goal of advertiser/agency	Drawbacks when working with individual publishers
Right audience targeting	Each publisher has it own audience, which might not match with targeted audience of advertiser, agency. Even when it matches, it is risky to depend on a single publisher with limited traffic from targeted audience.
Human workload reduction	Advertiser, agency have to work with many parties when they want to display ads on many publishers.
Cost efficiency & user experience protection	An user who access to a publisher is counted as a new user on another publisher if he/she goes there. Working with multiple publishers, advertiser and agency face the risk of having he/she to see too much ads of a campaign, which is costly and harm to user experience.

Ad networks having exclusive sites and additive connected sites benefit advertisers/agencies significantly

Situation		Example
Site Exclusiveness	Some popular publishers are exclusively linking to some ad networks. In order to reach these audience advertisers/agencies have to work with their ad networks	• Vnexpress of Eclick • Dantri of Admicro
Additive connected sites	Each ad network has its own strength of targeting a specific group of audience, which depends on characteristics of connected sites and categories	• Adtima (users using mobile apps) • Admicro (users accessing to websites) • Blueseed (users watching video format)
	Connecting to websites which are relevant to diversified categories, a certain ad networks allow advertisers/ agencies to approach a wide range of targeted audiences in different scenarios	• Admicro connects to websites which are relevant to more than 20 categories (see more in appendix)

Ad exchange minimizes risk of inventory duplication, but faces the issue of low quality inventories

Cost efficiency & user experience protection

- Advertiser/agency can buy inventory of multiple publishers without facing risk of duplicated booking when a publisher works with multiple ad networks. Duplicated booking is not only costly but also harms to user experience if users see identical/similar ads at once.
- Advertiser/agency can set price they want to buy, thus they are more fexible in cost control.

Risk of low quality inventory

- Publisher/ad network might consider ad exchange is a platform to sell low quality inventory which is hard for audience to be impressed, because they can sell good inventory at higher price by their own.

DSP and SSP are the future but it is far to reach there

Contribution of DSP, SSP in Display ad eco-system

While Ad exchange, Ad network have removed human intervention in display ad booking, DSP and SSP aim to completely remove human involvement in optimization.

- DSP: Reduce cost and perform better audience targeting for advertisers/agencies

- SSP: Increase profit and perform better inventory control for publishers

Obstacles to overcome

Despite having appreared in a long time, DSP and SSP operation without human are not that being expected.

- Large scale of collected data is compulsory to facilitate optimization.

- Big data, AI, the key drivers of DSP and SSP development have not been matured yet.

Although many parties are named, boundaries between them are blurred in many cases

Some companies own more than one party in display ads eco-system.

Example:

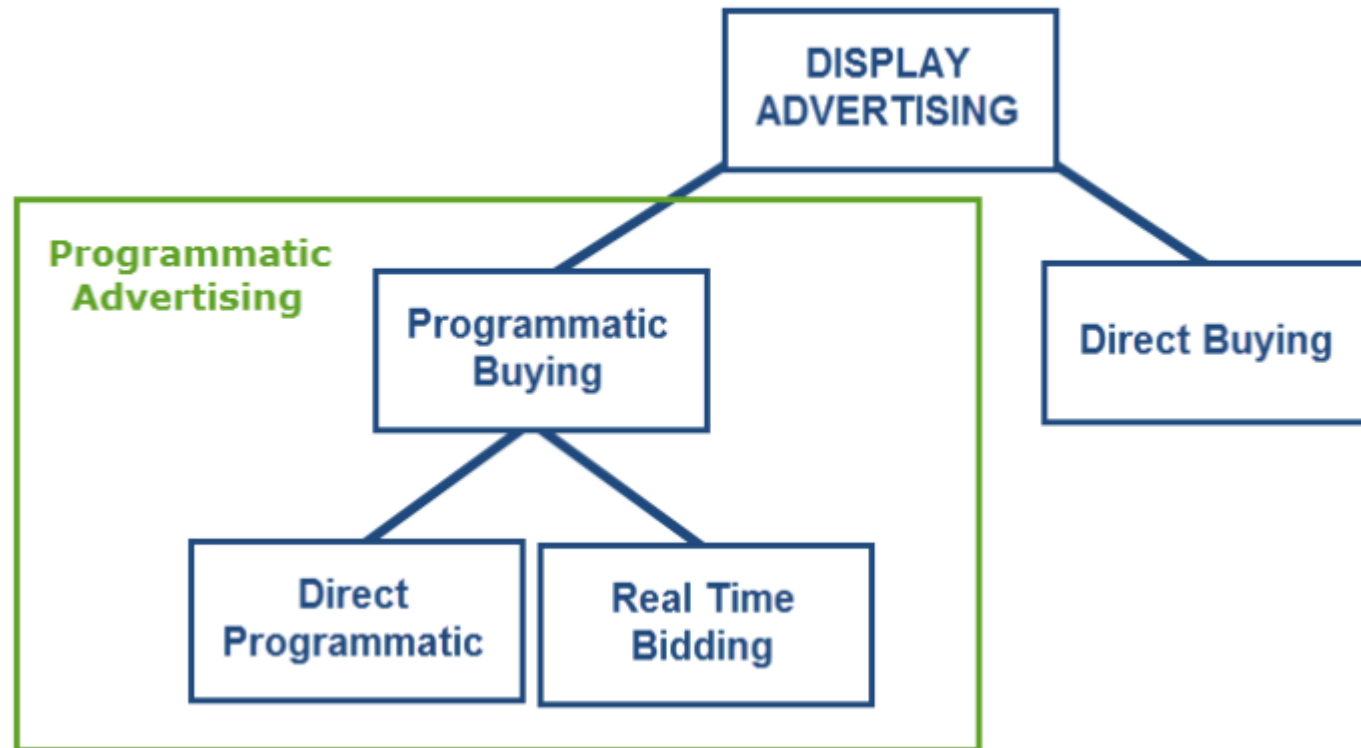|	Publisher	SSP	Ad network	Ad exchange	DSP
Google		x		x	x
ANTS		x		x	x
Innity		x		x	
Admicro	x		x		

02. Buying methods

- *Conception*
- *Pricing base*
- *Beneficials of programmatics to buying sides*

Level of human involvement in display ad booking differentiates programmatics from direct buying

Definition
Direct buying: Advertiser/ publisher contact to a publisher to book ads.
Programmatic buying: Buying process remove human involvement, Advertisers/agencies log in a system and make ad order by their own*. This method is likely to be available at Ad Network, Ad Exchange, SSP, DSP.
2 types of programmatic buying: • **Direct programmatic:** buy inventory at determined price • **Real time bidding (RTB):** buy inventory by bidding, price is not fixed.

Display advertising tree:
- DISPLAY ADVERTISING
  - Programmatic Advertising
    - Programmatic Buying
      - Direct Programmatic
      - Real Time Bidding
  - Direct Buying

* In some cases, a selling party offers acting on behalf of advertisers/agencies in programmatic buying from publishers. Example: ADMATIC of Admicro: https://admatic.admicro.vn/

eCPM is the ultimate goal of any pricing base regardless of buying method

Except for CPD, optimizing cost per mille (eCPM) to add more value for buying side (clicks, actions) is the ultimate goal of selling side. Depending on effort taken to control KPI drivers, buying side sets the price accordingly.

Pricing base	User's expected action	KPI of selling side	Factors driving KPI
CPD (cost per duration)	Views ads	None	• None
CPM (cost per mille)	Views ads	Amount of Impressions	• Available inventory: selling side controls entirely
CPC (cost per click)	Click on ads	CTR (click through rate): % clicks over impressions	• Visuals, content of ads, display position: selling side can intervene at a certain level
CPA (cost per action)	Buy products, download apps, fill in a form	CR (conversion rate): % action over impressions	• Content, experience on a website: selling side can intervene at a certain level • Product, brand image: almost out of selling side control

Level of effort taken by selling side

Low

High

Compared to direct buying, programmatic buying is more beneficial to buying side

Direct buying

• It takes time to process booking with direct buying, because of high level of human involvement. Meanwhile, many advertisers/agencies might be competing to buy good inventory.
   – Inventory might run out without advertisers/agencies' control
   – Even when they are available the price might shoot up
 	
• Poor performance tracking and lack of reporting are mentioned as key reasons for advertisers/agencies' dissatisfaction (source: *Q&Me, "The digital marketing landscape in Vietnam", 2017*)

| Programmatic buying |
|---|
| • Buying process remove human involvement, Advertisers/agencies log in a system and make ad order by their own.
   – Decide price, quantity of order multiple times during a campaign
   – Consider alternatives promptly if determined inventores are in shortage

• Advertisers/agencies are enabled to control multiple campaigns, multiple formats, multiple platforms on a single interface simultaneously. |

04. Appendix

- *Basic visual of display advertising landscape*
- *List of content categories in Admicro network*

Basic visual of display advertsing landscape* in Vietnam
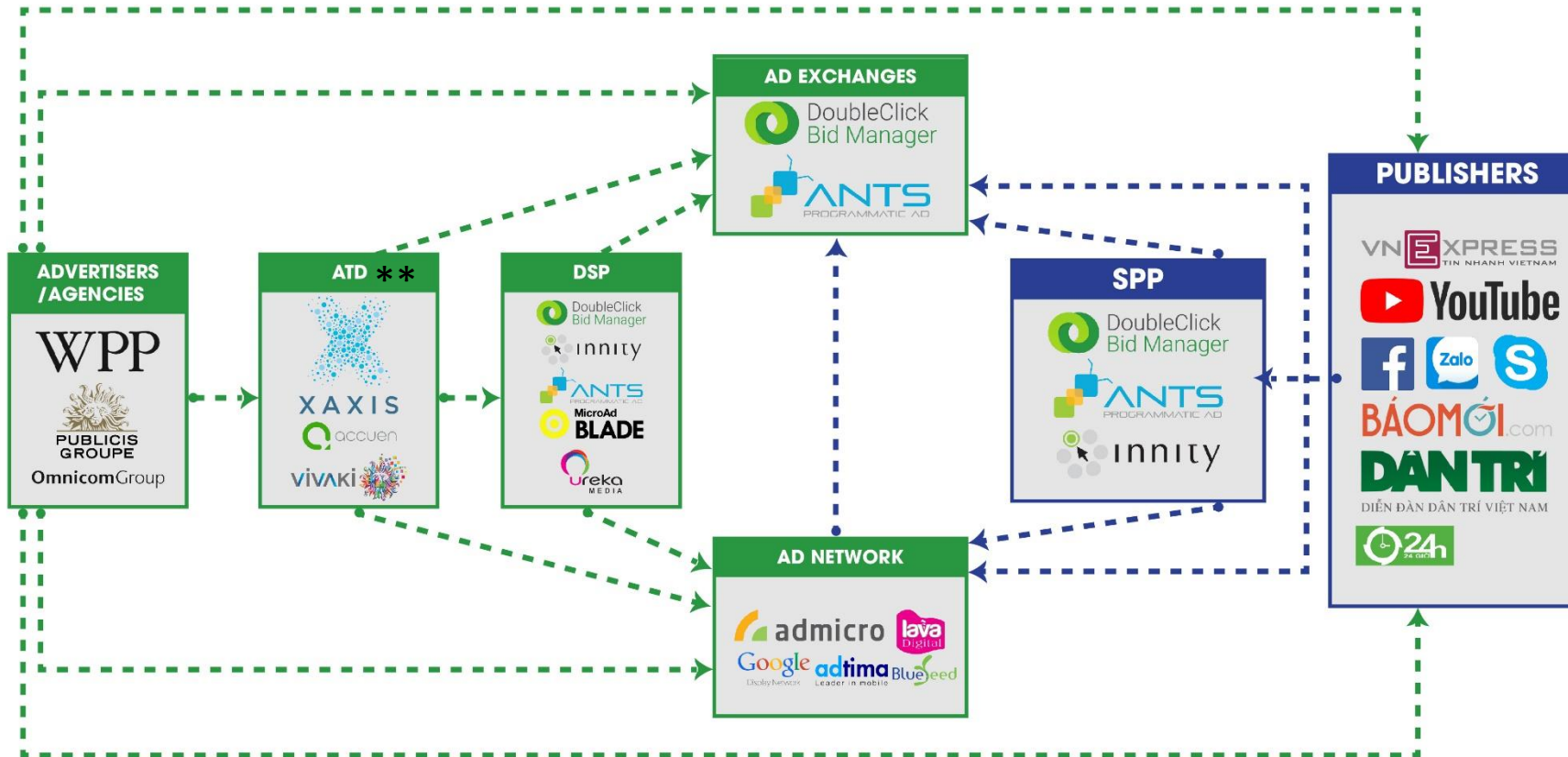
** Agency Trading Desk (ATD) is a system built by global/large agencies
- Purpose: manage a large number of their clients'campaigns and budget annually
- Connection: Ad exchange, DSP, Ad network
- Some key players: Xaxis, Vivaki, Accuen

Some parties such as ad server, data management platform are not mentioned to simplify the landscape

Admicro network owns and connects websites with content matching Maslow's hierarchy of needs

Need type	Category in Admicro Network	
Self-actualization	Technology	Discovery
	Travel	Science
Esteem	Beauty	Religion
	Fashion	Culture
	Automobile	
Love and belonging	Lifestyle	National defense
	Kindness	World
	Youth	Sport
	Society	Breaking news
		Love
Safety needs	Real estate	Environment
	Education	Law
	Business	Health
Physiological needs	Cuisine	Entertainment
	Game	Love

Maslow's hierarchy of Needs

Self-actualization
desire to become the most that one can be

Esteem
respect, self-esteem, status, recognition, strength, freedom

Love and belonging
friendship, intimacy, family, sense of connection

Safety needs
personal security, employment, resources, health, property

Physiological needs
air, water, food, shelter, sleep, clothing, reproduction

The matching might not be an absolute point of view as content of a category is varied. For example, romance (in love) belongs "love and belonging" while reproduction part is a "physiological need"

Thank you!

Note:

- The report is made available by Strategic Solutions Department- Admicro of VCCorp

- Please contact us via data-insight@admicro.vn if you have any enquiries or using the report for any purposes.

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