AI+
Transparency

The 2017 White Paper on Best Practice of Transparency in digital advertising

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59.8% market share of China's brand programmatic buying

Source: Analysys International 2015 China Programmatic Advertising Report

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Established in 2008, iPinYou has set its sights to be China's leading platform in marketing strategies through its cutting edge big data technology and artificial intelligence.

By having one of the best big data analysis and machine learning teams in the world, iPinYou has been a pioneer in the ad tech industry especially in the field of big data study. The company's real-time bidding platform meets international standards and offers the most technologically advanced solutions in audience profiling. Through strategic collaborations with third-party measurement vendors, iPinYou has built up data resources that puts its DSP at an advantageous position in China's fast moving internet space. The company has also been working with more clients and brand marketers from Asia, Europe and North America, offering them one-stop solution in intelligent marketing and strategies.

In 2011, iPinYou was the first in the Chinese market to launch its DSP real-time bidding system. Moving ahead to 2012, iPinYou released the first audience profiling system in China for digital marketing (DAAT) which got patented later, making it the first in the industry to use tagging in audience profile analysis. In 2016, iPinYou launched its fully transparent trading platform - Optimus Prime, that guarantees brand safety and transparency in ad serving. Currently, iPinYou is able to integrate online and offline data as well as various market sentiments, supporting mobile, video, PC, OTT in cross-screen strategy and management. The marketing intelligence can be applied to multiple industries, while the daily amount of data that the company processes reaches the level of petabytes, churning out 400,000 smart strategies in every second. It is undeniably one of the leading data and AI platform in the country currently.

The current market share of iPinYou in China's programmatic ad market stands at 59.8 percent. Until December 2016, iPinYou's clients in ad tech numbering more than 1,800 include brands from various sectors such as ecommerce, retail, auto, IT, finance, travel, real estate and games. Among them were big brands such as Unilever, General Motors, Ctrip, Air China, Sunning while more than 300 of Fortune 500 companies were involved in collaborations with iPinYou. Besides, the company also helped around 10 of its clients to build DMP, streamlining AI-powered marketing software and platform for better data management. The company has been acknowledged by Google, Alibaba, Tencent and Baidu as the best partner in programmatic marketing, while it has also received prizes at the Chinese International Advertising Festival, Great Wall Awards, ROI Festival, among other industrial recognitions received.

iPinYou is on an ongoing effort to streamline strategies and platforms in smart marketing through AI and big data to help brand marketers achieve their ROI.

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PREFACE

A publication of iPinYou Research Institute.

iPinYou Research Institute, the centre of intelligence in the age of programmatic marketing.

Having one of the world's best teams in big data analysis and machine learning, coupled with the company's vast experience in serving clients from Asia, Europe and North America in the management of digital marketing over the years make the findings from the institute very insightful in the field of programmatic advertising.

Banking on its rich data trove and successful case studies, the research institute wants to spearhead the transparency of programmatic in the spirit of openness and sharing.

As of the time of writing, the iPinYou Research Institute has released eight comprehensive industrial reports:

1. iPinYou 2015 Programmatic Buying Audience Profiling Report - Online Banking
2. iPinYou 2015 Programmatic Buying Audience Profiling Report - Ecommerce
3. iPinYou 2015 Programmatic Buying Audience Profiling Report - Home furniture
4. iPinYou 2016 Programmatic Buying Audience Profiling Report - Ecommerce
5. The 2016 White Paper Report on the Best Practices in Anti Fraud
6. Digital Advertising Anti-Fraud Best Practices White Paper for 2016
7. iPinYou 2016 Programmatic Buying Industrial Profiling Report - 1. Mobile Synthesis edition
8. iPinYou 2017 Programmatic Buying Industrial Profiling Report - 2. Mobile Video edition

It is without a doubt that "transparent programmatic" are the keywords for digital advertising in 2017. Transparency and trust have been central to the digital advertising over the past year, headlining the discussions among the adlanders.

For a start, transparency marks the first phase in the positive development of the industry and it is the first step towards increasing effectiveness in marketing. A "trustworthy" AI needs to first address the transparency in the machine learning process so that it can be easily understood.

However, we are only at the first steps towards transparency and the journey is far from over. More parties should work together to build a strong technical foundations before programmatic earn its due acceptance and trust. At the same time, the effort should be complimented by technical know-how from AI to further increase marketing effectiveness, from the perspective of programmatic.

iPinYou believes that an AI-powered strategy will make programmatic more transparent and effective. Therefore, the company is releasing this white paper report as a guidance to help brand marketers have a better understanding of the programmatic process and ways to form a fruitful collaboration towards transparency.

The starting point of this white paper report is transparency, with AI as its anchor to look at how AI can make the whole process of programmatic buying more transparency. Ultimately, a transparent AI-backed strategy will streamline the management process. We hope this white paper report will be a helpful reference for brand marketers who want to make digital advertising more transparent.

iPinYou research institute
September 2017

Artificial intelligence is the driving force behind the revolution of marketing. At iPinYou, we strongly believe that transparency forms the basis of our effort to harness AI in marketing strategy. Indeed, transparency is the most important keyword in the completion of any marketing effort. With transparency, we could strengthen trust between different parties working within the industry. Most importantly, brand marketers will see the fruit of AI-powered marketing that promises to be more effective. Therefore, transparency will inevitably move the industry forward through innovation in technology, while brand marketers are spurred to set higher goals at the same time.

It must also be stressed that the true potential of technology can only be unlocked when digital marketing becomes fully transparent. It is only then that attention shifts to developing better technology to increase marketing effectiveness. We hope that by the time a full transparency is achieved in the future, programmatic will be moving towards the direction of AI.

Grace Huang
iPinYou founder CEO

A transparent programmatic strategy and ad serving is the right thing to do, because only then can we ensure the effectiveness of advertising. Transparency will reduce the need for additional cost and make every cent of your investment count. With transparency, we can clearly define the role played by each party along the advertising chain and cut down conflict of interest to strengthen the collaboration. Besides, we also want to protect the interest of brands, while building deeper understanding of our responsibilities in the work process and outcome along the way.

Using AI in programmatic and ad strategies to increase the effectiveness of advertising is akin to putting icing on the cake or "delivering coal during winter" as the Chinese saying goes. The rapid development of the market puts a high demand on the quick response and strategies from marketers. Brand marketers may need to plan a personal ad serving schedule for each consumer, and that is clearly beyond the capabilities that can be achieved by manual labour alone. But we can do that with the help of AI, and that is a smart solution to help you plan a strategy that can maximise your resources to achieve the desired outcome.

Mark xie
iPinYou co-founder COO

Intention

WHY

Why the need for transparency?

Because

Transparency = Trust

"We hope to see innovation in digitisation, but it should not be in conflict with transparency in advertising. Rather, both aspects should be complimentary in order for us to raise our standards"

—— **XuMin ,the president of e-commerce, media and brand operations of P&G (China)**

"Just as the New York Advertising Week last September had had the inner circle of marketing talking about 'trust', this year in July, US data company TUNE had brought up the issue during the mobile marketing summit PostBack, transparency in advertising became an important topic once again."

—— **Peter Hamilton, the CEO of TUNE(U.S.)**

"In the age of internet, marketing is all about transparency and engagement."

—— **HeYong, the vice presideng of KFC Planning Department**

"The higher leadership of L'oreal is unsatisfied with the level of transparency in media buying in China. Issues such as the suitability of media, brand safety, viewability, invalid traffic should not just stop at the surface of PR, it is hope that there will be substantial development in this area."

—— **L'OREAL China**

"Playing our part in the management of media buying as GroupM China, we have taken action by by bringing together key advertisers, publishers, third party measurement vendors and the China Media Assessment Council to set up a brand safety initiative."

—— **GroupM**

The difference of data transparency caused by different ecosystems is a challenge. To promote localization and personification in China, transparency is the primary foundation of technological innovation. We are looking forward to the "transparency 2.0 " strategy launched by iPinYou and believe that on this basis, we will help advertisers achieve more technological innovations and marketing breakthroughs.

—— **Billy Turchin, Vice President, Digital and Voice, IHG Greater China**

Because

Transparency will bring positive development to the industry.

The very intention is to make the media buying chain in the industry transparent, so as to increase its effectiveness as well as the openness of data.

Strengthening collaboration

Strengthening collaboration between publishers, agencies, ad tech platforms and advertisers in order to build a transparent working model.

Setting higher KPI

From the perspective of the industry, the biggest change would be standardisation and the establishment of a benchmark for the industry. With that, it is possible for the industry to set higher KPI's

A transparent trading chain

The industry's vision is to have a transparent trading chain, high effectiveness and the breaking down of the walled garden. All parties must be prepared to implement a widely recognised benchmark within the industry. Team effort is needed to build a healthy, honest and regulated digital marketing market.

Because

Advertisers should have transparency when they embark on "smart marketing"

Advertisers who collaborate with ad tech partners under a transparent partnership model will be able to enjoy the benefits that AI bring to marketing.

Transparent collaboration model

Smart Marketing

'Transparency' will solve the problems between ad tech players and advertisers, ad tech players are able to provide AI solutions to advertisers. However, the value of AI is negligible if both parties do not collaborate in a transparent manner. Transparency is the precursor for an effective partnership.

Implementation
HOW

How to put transparency into practice?

There are four important factors that contribute to transparency in ad serving

KPI

Scientifically backed KPI

Advertisers must establish measurable KPI's with a scientific approach

Responsibilities

The parties involved must have clear-cut and not overlapping roles

Advertisers, agencies, ad tech players and measurement vendors must each define their own roles and not have conflict of interest when performing their duties.

Standardisation

Choosing your tech partners rationally

1 Standard of guarantee of the system: The ad serving tools and platforms must be built on a transparent and open business model.

2 Avoid overlapping roles: All participants must be aware of their own roles and avoid the situation of being the referee and the athlete at the same time.

Process

Setting up a scientifically detailed transparent process

Each stage of a transparent process is closely linked with clearly defined roles.

Based on marketing requirements, advertisers need to set up the KPI's of their marketing targets using a scientific approach. The KPI must be measurable, and related to the ads and quantified scientifically.

Example ↘

Categorization of marketing requirements and the related KPI

Marketing requirement	Marketing target	KPI
Raising brand awareness	Increased awareness of new products Offline activities Brand building	e-CPM NCR new user coverage、1 + Reach% audience reach rate Frequency control
Increasing attention	Exposure on new platform Increased awareness of new products Publicity of products	CPUV per capita coverage cost Brand keyword search on Baidu CPC
Increasing engagement	Penetration among target audience Follow-up activities	3+ Reach % audience reach rate Arrival rate
Increasing conversion rate	Reservations, registration Online sales App installs	Exposure conversion, click-through conversion ROI, orders successful orders Download activations

KPI index that are set too high or too low will cause problems, while all indices will be affected by certain factors. The key is for all KPI indices to be complimentary for an objective assessment and comparison.

Example ↘

Common ad serving and web platform indices that advertisers should look out for:

Index	Abnorm-ality	Traffic quality	Quality of ad material	Landing page design	Webpage user experience
Click-through rate	Too low ↘	Webpage has low-quality traffic Poor ad placement at the page Exposure fraud	Low quality ad items (dull, unattractive) Ad items are too small	——	——
	Too high ↗	Ad item wrongly placed Click through fraud	——	——	——
Reach rate	Too low ↘	Low-quality click traffic Ad item wrongly placed where users may click by mistake Exposure fraud Click fraud	——	Landing page loads too slowly.	——
	Too high ↗	Interception by telco	——	——	——
Double-jump rate	Too low ↘	Traffic going to the website is of low quality Exposure fraud Click fraud	——	Landing page and designs of the ad are poorly matched. Unclear directions on landing page.	Web interface/app not user-friendly.
	Too high ↗	——	——	——	——
Conversion rate	Too low ↘	Traffic not from target audience (audience reach rate is low).	——	Conversion tags on landing page unclear, confusing. Complicated conversion flow on landing page.	Web interface/app design not user-friendly Unclear conversion tags on webpage Content poorly matched with ads Complicated conversion flow. Product quality, price and retail issues Inaccurate estimation of conversion (must include exposure conversion)
	Too high ↗	Conversion fraud Interception from telco	——	——	——

Tip: Advertisers may refer to the common indices, and use an AI system to interpret the data and strategize.

Common KPI guidelines

PC banner

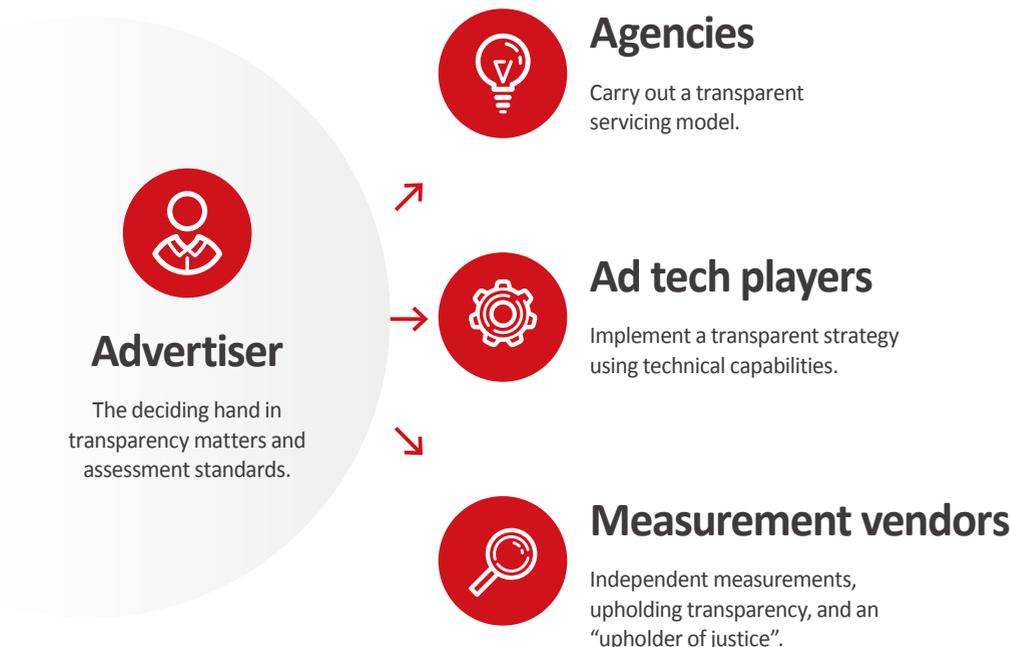| Serving model	CTR	Visitor tag		Conversion tag	
		Landing	Double-jump	Click-conversion	CPA
Nationwide	0.1% - 0.5%	40% - 65%	5% - 20%	0.01% - 0.15%	—
Hong Kong, Taiwan	0.08%	40% - 55%	0.9% - 1.2%		

Mobile

Serving model	First-line media (YK, iqiyi, sohu & Tencent)		Second-line media (Fundex & Ietv, BF, Ku6,etc.)		Attention
	CTR	CPC	CTR	CPC	
MOB video 15s	1.5% - 2.5%	—	1.5% - 2.5%	—	
PC pop-up video 15s	0.5% - 0.6%	—	0.7% - 1.5%	—	Related to client's publisher white list
MOB video 30s	2% - 3%	—	2% - 3.5%	—	
PC pop-up video 30s	0.6% - 0.8%	—	0.8% - 1.6%	—	

OTV

Serving model	Before tagging	After tagging		Attention
	CTR	Landing rate	Two jump	
MOB banner	0.6% - 1.5%	40% - 60%	5% - 15%	
Message flow	0.6% - 1.2%	25% - 50%	10% - 15%	Click-through rate related to media, good conversion
Pre-roll video	1% - 2%	30% - 50%	0.5% - 5%	
LBS (time of action and distance)	0.6% - 1%	40% - 55%	—	Certain platforms
Footprint	0.6% - 1.2%	40% - 55%	—	
Expanded banner	0.5% - 1.5%	—		Certain platforms
Taiwan	0.08% - 0.12%	35% - 50%	—	Certain platforms

Tip: *The KPI guidelines were derived from iPinYou sources together with contribution from the China*

Advertising Association. The guidelines are subject to change.

A transparent ecosystem requires advertisers, agencies, ad tech players and third-party measurement vendors to divide their responsibilities accordingly.

Advertiser

The deciding hand in transparency matters and assessment standards.

Agencies

Carry out a transparent servicing model.

Ad tech players

Implement a transparent strategy using technical capabilities.

Measurement vendors

Independent measurements, upholding transparency, and an "upholder of justice".

Advertisers hold the right to demand for transparency. They can be the driving force behind the transparency initiative while also setting the benchmark for assessment.

Agencies need to have a transparent working model between advertisers and ad tech platforms. They must avoid conflict of interest with publishers and parties that generate traffic.

Advertiser

Responsibilities of advertisers

Increase the awareness on transparency.

Strengthen professional know-how on transparency assessment.

Develop a scientifically sound assessment method.

Get fully involved in strategy planning, advocate for transparent ad serving.

Agencies

Responsibilities of agencies

Implement a transparent servicing model.

Being a transparent agency-collaborator.

Avoid conflict of interest with publishers and traffic-generating parties.

1. Advertisers must be fully involved in determining the marketing strategy to ensure transparency in the whole ad serving chain.

2. Advertisers must have a good understanding of the market and the role played by each party and technical platform in implementing a transparent strategy.

3. Advertisers must develop an assessment method using a scientific approach. They must be aware of the parameters of a transparency assessment and make sure that it is fully implemented.

4. Advertisers must understand the objectivity in ad serving and persevere in improving the system.

5. Advertisers must be objective in qualitative and quantitative assessment as well as being aware of the interlinking qualitative and quantitative factors with KPI.

1. Agencies must play their role well by assisting brands in planning a marketing strategy, taking up the design and creatives work as well as carrying out the marketing campaign.

2. Agencies must have a good understanding of the capabilities of ad tech platforms and design a marketing strategy that makes full use of the technical capabilities.

3. Agencies must not treat ad tech platforms as publishers. Under a transparent ecosystem, the ad tech players have a distinctly different role compared to publishers.

Ad tech vendors are the most important key in the transparency drive. Through their technical capabilities, ad tech players can nip the "black box behaviours" in the bud and ensure that ads are served in a real environment.

Responsibilities of ad tech vendors:

Laying out estimations for the marketing strategy.

Planning out the audience profile.

Data management and consolidation through its DMP platform, identify the best publishers and other strategies.

Ad tech players

1. Ad tech vendors must use their technical capabilities to fully tap the potential of transparency.

2. Ad tech vendors must have the capabilities to control the level of transparency.

3. Ad tech vendors must be involved in the early stage of strategy planning so as to work out on a scientific approach with the advertisers.

4. Ad tech vendors must be assertive in their demand for transparency to ensure a win-win situation for all.

5. Ad tech vendors must support their strategies with data.

Measurement vendors are the gatekeepers of transparency, they should treat all parties fairly without any prejudice.

Responsibilities of measurement vendors:

Assess all parties on the advertising chain.

Use a standardized benchmark in assessment.

Request publishers to acknowledge and support the duties of measurement vendors.

Third-party measurement vendors

1. Measurement vendors need to follow a standardized benchmark when assessing all parties involved on the advertising chain. This is to ensure the reliability in the measurement of data.

2. Strictly request all publisher to support and only allow accredited measurement vendors, work with the various parties involved to set new standards to suit the latest marketing scene.

3. Measurement vendors must play their role as third-party agent responsibly by not getting involved in ad serving and strategizing.

4. Measurement vendors must not have any role in strategy or ad serving, and must relinquish their duties in that area to ensure independence of their assessment.

Technical service providers must be independent from publishers and ad network as a third-party platform in order to be aligned with the interest of the advertisers.

Independent third-party platform
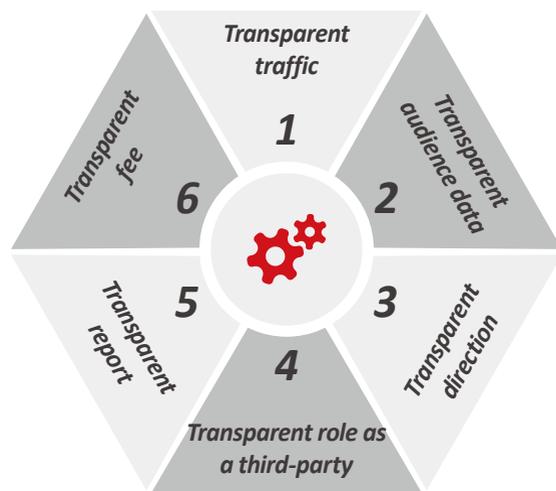
Ad tech venfors play a key role in a transparent process by not only being an independent third-party but also by aligning their interest with that of the advertisers. At the same time, the performance of ad tech vendors can be measured in six aspects from traffic, its orientation function, audience data, third-party capabilities, statistics and final report.

Common guidelines used in the industry to assess ad tech platforms:

1 Transparency in traffic
To determine the effectiveness of programmatic support and the exchange of various types of traffic.

Table of comparison on the transparency benchmarks of ad tech platforms		(Please tick)
Transparency in traffic	Completed the docking of flow of platform	
	Daily traffic volume	
	Completed the docking of traffic type, ad type	
	Completed docking the daily flow of displayed ads	
	Completed docking the daily flow of video ads	
	Completed docking the daily flow of native ads	
	Completed docking the daily flow of mobile ads	
	Ability to provide the publisher whitelist for different types of traffic	
	(RTB/PD/PDB/Header Bidding) Exchange models that can be supported (RTB/PD/PDB/Header Bidding)	
	Ability to support private traffic and its utilization	
	Ability to support individual ad serving on platform	
	Ability to support the assessment of traffic from different parameters	

2 Transparency in audience data
To determine the ability to use profiles and data so that advertisers would know whether they can use third-party data to serve ads in a transparent manner.

Table of comparison on the transparency benchmarks of ad tech platforms		(Please tick)
Transparency in audience data	platform opens up its audience tag system	
	Categorization of audience tags according to types and traffic	
	Data source of audience tag system	
	The platform receives audience data from third-parties	
	Third-party audience data partner that has been docked	
	The platform opens up its third-party audience data	
	The platform sets up security control for its private DMP data	

3 Transparency in orientation

The ability to use a systematic approach to solve the issue of ad serving in multiple scenarios, including different streams of traffic, audience, and having the required technical capabilities to serve the needs of advertisers.

Table of comparison on the transparency benchmarks of ad tech platforms		(Please tick)
Transparency in orientation	The platform supports different orientations of traffic	
	The platform supports the orientation of ads required	
	The level of support afforded to publishers (platform/publisher type/publisher)	
	The platform supports geography orientations	
	The platform supports the basis of geographical orientations (publisher platform data/latitude and longtitude/IP)	
	The platform supports LBS orientation	
	The platform supports audience orientation	
	The platform supports audience tags and its classification	
	The platform supports redirection functions (retracing exposures and clicks)	
	The platform supports set audience orientation	
	The platform supports revisitations by viewers	
	platform supports technical orientations (browser/facilities/operators/mobile internet)	

4 Transparency in the functions of third parties

To determine whether the ad tech platform offers the best technical capabilities, so as to give advertisers a fully transparent and in-depth third-party service.

Table of comparison on the transparency benchmarks of ad tech platforms		(Please tick)
Transparency in the functions of third parties	Third-party services that have been docked	
	Third-party suppliers that have been docked	
	Fee calculations in third-party services	
	Fees for third-party services are listed	

5 Transparency in report

To determine whether the report includes data sources, orientation settings, and elaborations on the potential of strategy readjustments. Advertisers must be able to obtain report that shows results from multidimensional data in order to get to the bottom of the most minute details.

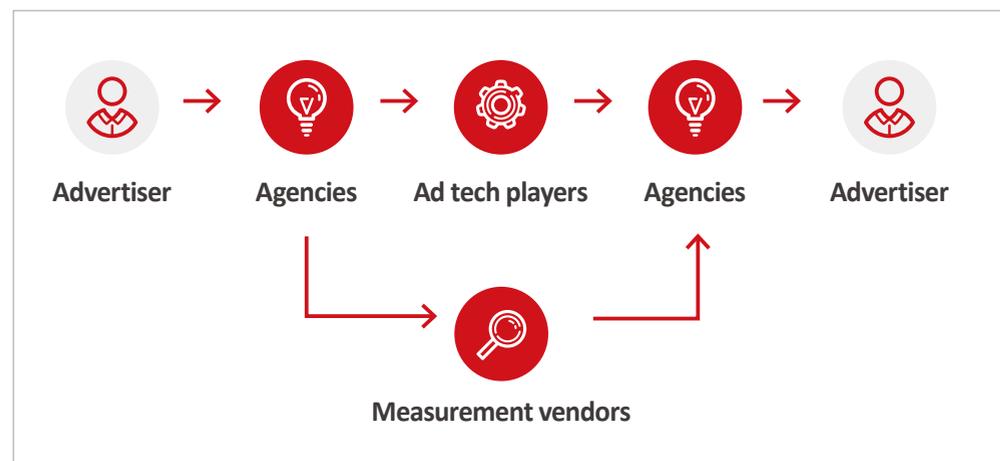| Table of comparison on the transparency benchmarks of ad tech platforms		(Please tick)
Transparency in report	Real-time display of ad serving data	
	Dimensional types and specifications that can be revealed	
	Logical analysis on conversions that can be revealed	
	Supports API docking with data	
	Supports daily log data docking	

6 Transparency in fees

To check whether the cost of media buying is listed, as well as other related service fees. Advertisers should expect clear and transparent billing.

Table of comparison on the transparency benchmarks of ad tech platforms		(Please tick)
Transparency in report	Cost of media buying is listed	
	Cost of platform services is listed	
	Service fees are clearly listed in the system	
	Open to external examinations	

Let advertisers truly own the ad serving process and receive real-time feedback so that they can adjust their strategies accordingly. It is important that advertisers are involved and participating in the decision-making process.

Pre-transparency

| Advertiser | Agencies | Ad tech players | Agencies | Advertiser |

Measurement vendors

Post-transparency

Advertiser

Ad tech players

Agencies

Measurement vendors
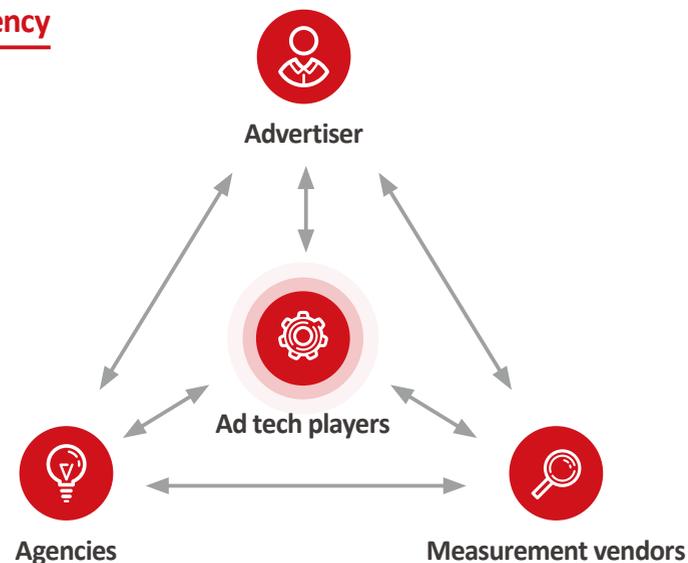
Strategy

SOLUTION

Solutions for transparent ad serving in the age of smart marketing

PD+RTB+PDB Budget planning for multi-screen control to apply machine learning in cross-screen targeting.

AI-powered strategy facilitates estimation to reduce the CPUV effectively

Our brief

- How to effectively reduce the CPUV (cost per unit visit) of the campaign?
- Does traffic buying (pay per click) meet the frequency needs? Each publisher has different rejection ratio, how to reduce the impact from overlapping publishers?
- How to control the quantity and quality of the traffic?
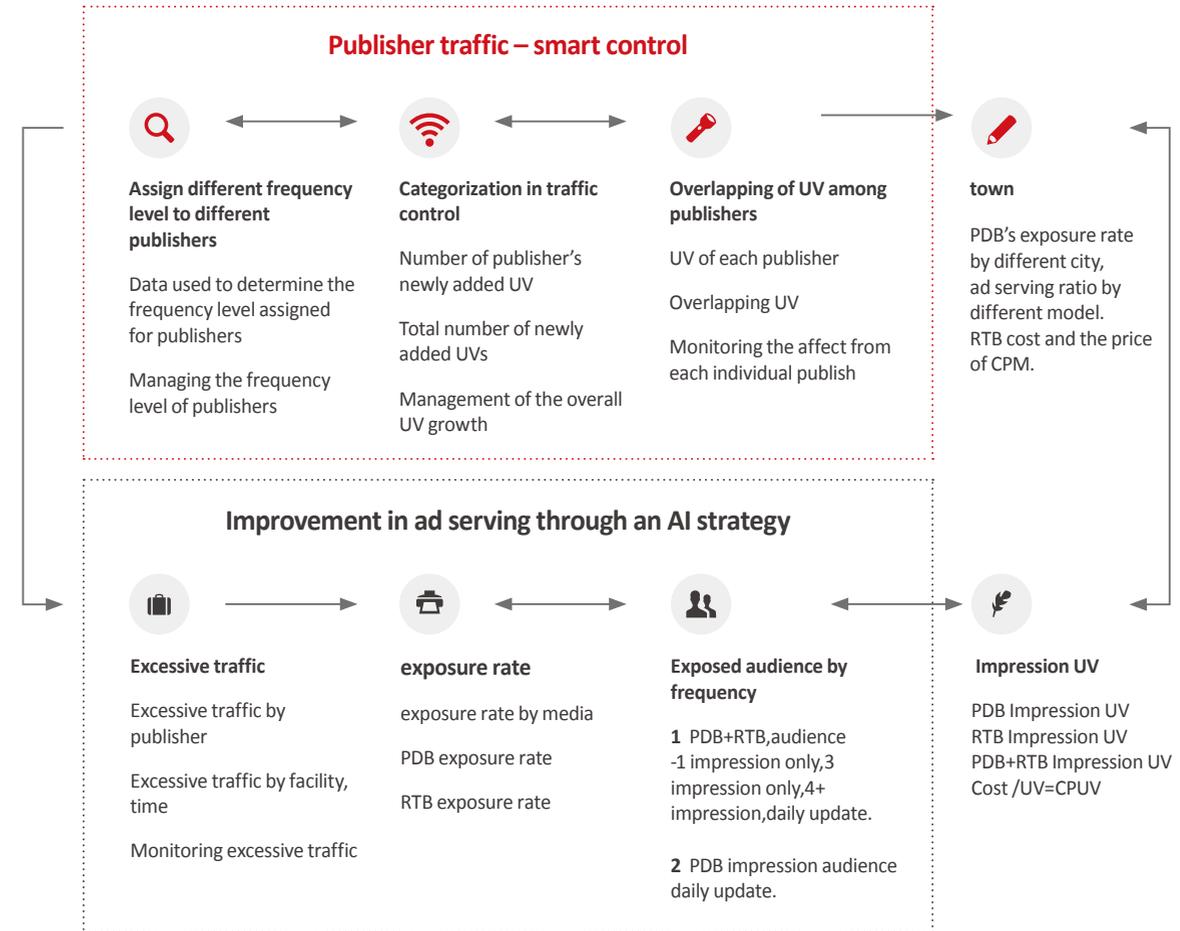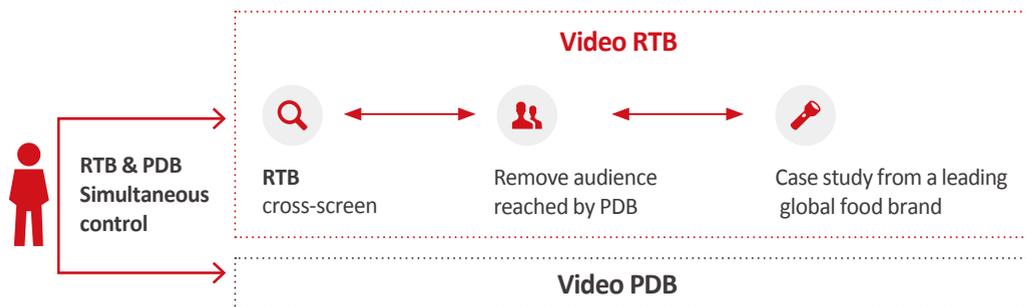
Solution

1. iPinYou's AI platform can strategize appropriate bid estimate would make to allow a smooth delivery of PD+RTB+PDB

2. The quantity and quality issue of the traffic can be resolved by a transparent collaboration model

A leading global food Brand

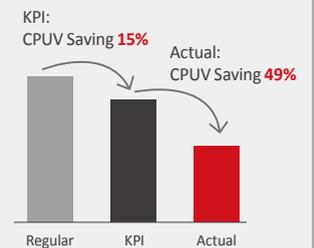### Background of the case study:

Since moving from retail to e-commerce, as well as from PC to mobile, the food advertiser was aware that video platforms would be the best route to get eyeballs. However, the advertiser was not fully convinced of RTB programmatic buying. Instead, the brand wanted to use machine learning algorithms to do PD+PDB+RTB. This would help the brand cover a wider base of their targeted audience in a cross-screen approach that would eventually reduce the CPUV cost.

RTB & PDB Simultaneous control

Video RTB

RTB cross-screen

Remove audience reached by PDB

Case study from a leading global food brand

Video PDB

Publisher traffic – smart control

Assign different frequency level to different publishers

Data used to determine the frequency level assigned for publishers

Managing the frequency level of publishers

Categorization in traffic control

Number of publisher's newly added UV

Total number of newly added UVs

Management of the overall UV growth

Overlapping of UV among publishers

UV of each publisher

Overlapping UV

Monitoring the affect from each individual publish

town

PDB's exposure rate by different city, ad serving ratio by different model. RTB cost and the price of CPM.

Improvement in ad serving through an AI strategy

Excessive traffic

Excessive traffic by publisher

Excessive traffic by facility, time

Monitoring excessive traffic

exposure rate

exposure rate by media

PDB exposure rate

RTB exposure rate

Exposed audience by frequency

1 PDB+RTB,audience -1 impression only,3 impression only,4+ impression,daily update.

2 PDB impression audience daily update.

Impression UV

PDB Impression UV
RTB Impression UV
PDB+RTB Impression UV
Cost /UV=CPUV

Results for client:

Reduced CPUV by 49%, achieve the perfect bundling of PDB and RTB.

- PDB's traffic is improved greatly by using cross-screen control.
- RTB could address the low frequency issue to help PDB add new UV.

KPI:
CPUV Saving **15%**

Actual:
CPUV Saving **49%**

Regular   KPI   Actual

iPinYou AI Marketing Solution 2

By using DMP machine learning in data consolidation, we will be able to derive deeper insights into data for more effective ad serving.

DMP machine learning data strategy . Improving the touch points of clients

Our brief

- How to increase the data source to enrich the audience data base?
- How to consolidate data from the platforms to achieve a better consolidation?

Solution

1. Use DMP for a deep dive into the data.

2. Use DMP to carry out a large-scaled lookalike expansion.

3. Consolidate online and offline data to form enriched first party and third party audiences.

An anonymous global hotel chain

Background of the case study:

A deeper data analysis was needed in order to better identify specific target audiences for each of the client's different brands and KPI objectives. Through iPinYou's AI data analytics audience targeting and optimization were both approved resulting in improved performance results.

1 Smartly connect strategies for prospecting and retargeting forming a holistic, integrated plan
Prospecting users are targeted more accurately through effective data crunching forming high performing lookalikes.
Prospecting users in turn help fuel client with new retargeting audiences that convert well through retargeting optimization.

2 A/B testing, data-controlled ad serving
Optimizing bids of targeted audiences while testing other performance factors such as frequency, geo, time of day, etc.
Testing of the effects from the JPG and GIF materials, product push and activities .
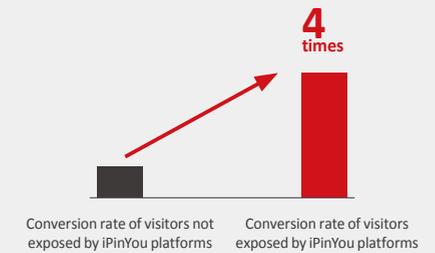
3 Logical categorization of visitors
Actionable insights across all major elements that are brand-specific, KPI-specific
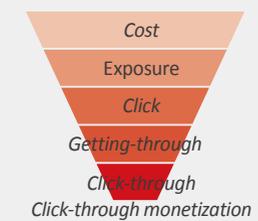Provide measurable data with appropriate index and benchmarks.

Results for client:

- Overall, results exceeded KPI with 1.46 : 1 ROI for CNY campaign.

- iPinYou total delivery: 200 million impression and 410,000 clicks .With iPinYou's continuing optimization, we successfully converted 852 post click room booking and ~13,000 post impression success room booking for IHG.

- New users brought from iPinYou platforms were of better quality than the ordinary traffic while they were also repeat visitors.
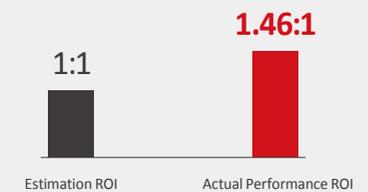
Comparison of conversion rates between exposed and non-exposed visitors in 7 days

4 times

Conversion rate of visitors not exposed by iPinYou platforms

Conversion rate of visitors exposed by iPinYou platforms

Conversion gap

Cost
Exposure
Click
Getting-through
Click-through
Click-through monetization

ROI Performance

1:1

1.46:1

Estimation ROI

Actual Performance ROI

By machine learning and AI calculations, we will be able to infiltrate native messages through the fragmented internet space which has so many different types of users

Leverage smart dynamics in creative strategy.
Increase lifting rate and ROI conversion

Our brief

● How to be creative in the fragmented internet space

● How to have smart dynamics within deep link to increase lifting rate.

● How to have an efficient match algorithm between product database and creativity.

⭐ Solution

1. Use machine learning and AI calculations to derive deep insights and online distribution algorithm.

2. Carry out creative and dynamic strategies on different target audience.

3. Expand dynamic creativity to native messagin.

A popular e-commerce site in China

Background of the case study:

During the 618 online shopping festival, the e-commerce brand came onboard iPinYou's platform in its plan to reach users with personalized messages. Based on the dynamic strategy, different ads were served according to the behavioural changes and interests of the users while the process was also adjusted with input from real-time feedback.

In addition, the search results of the web users were fed to the Deeplink technical system to match the users' purchasing history with suitable listings. That would be the best approach to come up with the highest ROI.

Results for client:

● Throughout the 618 online shopping festival, iPinYou's platform helped to increase spending by 78% and expanded the duration of peak spending period by 287%.

● Compared to the ad servings carried out previously, multiple KPI's were met, exceeding client's expectations and estimations.

Daily estimation of sales during the 618 campaign period

| | Daily sales | Sales before the peak spending period | Sales during the peak period |
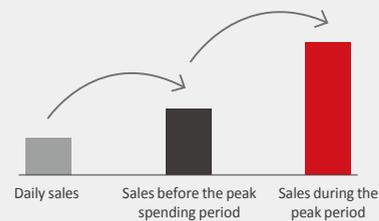
KPI	Submission ROI	Effective ROI	Reached UV's cost	Lifted UV's cost
Comparison	+400%	+197%	-40%	-52%

Strategy adjustment with creative input and insights from audience data

Plan under smart dynamics.
Apply multi-dimensional optimization

Our brief

● How to reach an equilibrium under the best budget allocation?

⭐ Solution

1. Divide the strategy to different planning stages and measure the results by different routes.

2. By using a dynamic estimation method, adjust the strategy according to audience data input and creativity.

An international retail group

Background of the case study:

Under an open system, iPinYou raised the parameters of the measurement standards to the highest level following the adjustment of the strategy according to audience data and creative input. Besides, the company also identified the high net worth target audience within the period and built up the audience profile of this consumer segment. Ads were then served to this narrow group of audience in different experiential marketing scenarios.

1. Segmenting the audience
High school students and male professionals showed better engagement, increased ad delivery to these two segments.
Business owners showed more response after increased ad delivery, delivery terminated after campaign period.

2. Restrategizing
Terminate delivery for plans that had high CPL or little conversions, increased delivery to sections with better results.

3. Driving insights into creativity
Increase delivery for posts that had better traffic and engagement.

4. Set different requirements according to planning stages
In the early stage of the campaign, ads were served to a mass audience to widen the reach to consumers.
In the later stage, ads were served in locations that had wi-fi receptions so that consumers were able to engage with the ads online.

Results for client:

● The number of dynamic optimization strategies increased to 155 under better distribution of parameters and criteria in ad serving.

● CPA fell far below the estimates and was 58% of the originally set figure.

155	**177%**	**-58%**
Number of dynamic optimization strategies	Click completion rate	CPA fell far below the estimated figure

Misconception
Misunderstanding

Common misconceptions when it comes to transparent ad serving

— Issues caused by role conflict | 1

When measurement vendors serve ads

Measurement party **Ad serving party**

Are they measuring or serving?

Measurement parties should not act as ad platforms or be involved in strategy planning because transparency can only happen when there are clearly defined responsibilities with no conflict of interest.
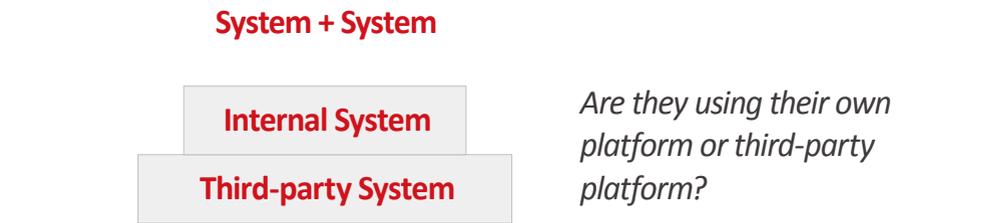
— Issues caused by role conflict | 2

When publishers get involved in ad serving

Publisher **Ad serving party**

Are they serving the interest of advertisers or their own interest?

From the division of labour perspective, publishers are responsible for traffic and they need to ensure the quality of traffic as well as fair pricing in the market. Secondly, publishers are the traffic provider and should be monitoring the quality of traffic and they cannot really represent the interest of advertisers at the end of the day. Thirdly, publishers are also limited by traffic quantity especially for those who are covering products from the same category. It is hard to expect a publisher that can offer traffic that covers the whole network.

— Technical issues

System + System

Internal System

Third-party System

Are they using their own platform or third-party platform?

Advertisers need to fully understand the technology platform.

1. Is the platform able to dock traffic directly

Ad tech vendors must be equipped with platforms that have full traffic docking capabilities to suit different requirement and technical needs.
Technical expertise - ability to identify invalid traffic. The platforms must be able to filter out invalid traffic besides being able to dock traffic. Quantity, rather than quantity should be its main concern.

2. Is the platform well equipped for data management?

The data management suite of the platform must include but not limited to safe data storage, data cleaning, data modelling, data insights, data analysis and integration as well as a reasonable data terms of usage to ensure safety and efficient usage of data.

3. Does the platform have algorithmic ability?

The time and space dimensions supported by the algorithmic ability of the platform.
Data volume supported by the platform - stronger algorithm can be achieved by a system that can handle a higher complexity and volume of data.
Algorithm timelessness. Real-time algorithm are of better quality, delays will certainly diminish algorithm efficiency.
Flexibility of algorithm model, algorithm efficiency increases along with its flexibility.
The performance measurement of the algorithm must include accuracy rate and recall rate.

4. Platform hierarchy, less is better

The ad platform must have the required programmatic capabilities to prepare for the best media buying strategy

— Other common misconceptions

Transparent = less expensive **?**

No! Transparency does not necessarily lower the cost of programmatic. However, transparency will help advertisers have a better control and achieve greater media ROI. There are many advantages to be gained from transparency from publishers, transparency in ad serving, transparency in bidding and data transparency. But transparency does not lead to lower cost, what we want to achieve is to remove "black boxes" in the marketing process.

Transparency = better efficiency **?**

No! In reality, transparency does not bring better results compared to a process that is less transparent. In fact, the efficiency in ad serving is affected by a combination of various factors such as traffic quality, audience reach, suitability of ad items and technical capabilities. Any factor on the chain will affect the final results of the campaign. Nevertheless, transparency is the prerequisite for advertisers to find out whether the campaign is really effective as a transparent process means real traffic and real audience data. It is only in a transparency environment that AI can reach its full potential.

Transparency = full control **?**

No! What is inferred from transparency here is transparency in the creative process, media buying, ad serving, exposure click-rates and conversions. This also includes transparency in fees, measurements, but that does not mean advertisers can predict and control the results of the campaign. Overall, it is still an objective process with several factors playing a part in its final outcome. (Several factors that are beyond control: competitors' move, external environment beyond the brand's purview.)

— Other common misconceptions

Transparency means taking a "middle path" ❓

Yes! Most recently, mismatched audience from programmatic had led to prolonged reduced efficiency. Since programmatic platforms is akin to the middleman in the ad exchange model as they are selling ad space, it should be an autonomous process on paper. Ideally, ad platforms should be independent (from resources and clients). Its role should be purely technical while its earnings should not be affected by traffic quality and quantity. This is the working model that we should strive for.

There are barriers of entry in a transparent model ❓

No! There is no technical barrier of entry in implementing a transparent process. Instead, it all depends on the willingness of the advertisers to embrace a transparent working model.

Can we have transparency in a regular process ❓

Yes! There is no barrier of entry in implementing a transparent structure. The transparent model that iPinYou advocates on does not discriminate between the media buying models, PDB private buying, RTB direct buying or the PD model. All advertisers need to do is to choose a transparent working model on a platform to build a transparent buying process.

— Other common misconceptions

Are ad tech vendors selling traffic ❓

No! A long-held fallacy has been that ad tech vendors are the same as the party responsible traffic on publisher's sites. This could be partly due to the irregularity within the industry where some might have demanded the platform to sell traffic at a low price. It certainly does not fall into the technical realm of their responsibilities.

On the other hand, advertisers have a narrow perception towards ad tech vendors by assuming that they are only a platform to gain traffic but not a media strategizing partner. We can safely say that many advertisers are only concerned about whether the platforms can meet the targeted traffic volume when in fact the vendors are technical strategists.

Yet, ad tech vendors should not be playing any part on publisher and traffic matters. They are in fact serving the interest of advertisers with their technical expertise alone by managing ad exchange and data exchange in real-time to help advertisers attain the ROI of their marketing efforts.

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