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RETAIL INTERVIEW ROUNDUP

Retailers have a lot on their plates. From mobile and tablet-based shopping to social messaging, mobile-optimized emails and beacons, the omnichannel experience has many faces. Meanwhile, automated ad buying methods are revolutionizing "traditional" digital ads. This roundup includes eMarketer interviews with thought leaders and industry experts around the retail space about what will be new and important to their businesses in the coming months.

Overview

Retailers' world has shifted. Omnichannel is no longer optional, and with each holiday shopping season, mobile is proving its increased importance to the sector.

During the final months of 2014, mobile accounted for somewhere between 16% and 25% of all retail ecommerce sales in the US, according to estimates from Custora, IBM and Adobe. Those three firms, along with comScore, all also reported that Thanksgiving and Black Friday were among the biggest days of the holiday season for mobile commerce.

If any retailers still needed evidence about the need for an omnichannel experience, those holiday stats should provide it. This year, eMarketer expects beacons to begin providing an even closer link between the real world and mobile, providing retailers potentially unprecedented information about what shoppers are actually doing in stores as well as the tools to convert them.

Retail industry players interviewed by eMarketer also saw the value in using programmatic advertising to boost their business. Other data from the most recent holiday season also supports this. According to IgnitionOne data about Thanksgiving weekend 2014, US retailers were spending 43% more than the year before on programmatic digital ads. Even more impressive, their conversions were up 58%.

eMarketer estimates total retail sales in the US will reach $4.874 trillion this year. Of that total, 7.2%, or $349.06 billion, will be transacted digitally, whether on a desktop or laptop computer or a mobile device. Mobile phones, tablets and other mobile devices will account for $76.79 billion in 2015, or 22.0% of retail ecommerce sales.

Comparative Estimates: US Mcommerce Holiday Season Sales Share, Nov-Dec 2014
% of total retail ecommerce holiday season sales

*Note: *share of digital orders; **data from 4,500 retail websites*
Source: various, as noted, Jan 2015

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Growth of US Retail Programmatic Display Spending and Conversions on Thanksgiving Weekend, by Day, Nov 2014
% change vs. same day of prior year

	Spending	Conversions
Thanksgiving	46%	102%
Black Friday	40%	77%
Cyber Monday	43%	29%
Total	**43%**	**58%**

Note: represents activity on IgnitionOne's network, broader industry metrics may vary
Source: IgnitionOne, "Digital Marketing Report: Mid-Q4 2014," Dec 5, 2014

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Mobile Was Linchpin to 2014 Holiday Season Success

Ken Burke

Founder and CEO

MarketLive

Mobile played a major role for retailers in 2014's holiday season. Ken Burke, founder and CEO of omnichannel ecommerce toolset provider MarketLive, spoke to eMarketer's Lisa Barron about the importance of the medium, as well as some of the factors helping or hindering ecommerce growth in general.

eMarketer: MarketLive recently released its annual Q4 Performance Index. What were the key findings?

Ken Burke: There was an uptick in mobile traffic and revenue. Mobile traffic grew 47% and smartphone revenue was up 111%.

Retailers that we work with also reported seeing 50% more traffic coming from mobile during the holiday season. That's a huge shift from before.

eMarketer: What's driving this increase in mobile traffic?

Burke: One of the main drivers is the fact that email is predominantly viewed on mobile. Mobile is getting better and retailers are beginning to get that. A big trend in this industry is responsive design—the ability to render a site on any device—and it's taking off quickly.

"Visa Checkout, Amazon's 1-Click ordering, MasterCard's MasterPass and PayPal … are all vying to own the mobile transaction."

Additionally, payments are getting easier. There's Visa Checkout, Amazon's 1-Click ordering, MasterCard's MasterPass and PayPal. These companies are all vying to own the mobile transaction. The use of mobile is becoming more prolific as these alternative payments develop and as mobile sites become better, faster and more intelligent.

eMarketer: To what extent are consumers buying more online vs. in-store?

Burke: If you're talking about percentage of increases, the volume is increasing more online than it is offline. Many things are driving that, including shipping offers, which are getting better.

eMarketer: What about buy-online, pick up in-store options?

Burke: Buy online and pick up in-store is growing, but it's not growing as fast as it should. The feature has tremendous value for the consumer, but retailers are behind because they can't get their own internal infrastructure squared away in order to guarantee that the experience is at the level that it needs to be.

Most retailers don't have inventory visibility across all their stores, which is a big problem. They don't have the ability to ship from a store—they don't have an internal infrastructure to handle this. Retailers are going to need to put in an infrastructure in order to support this trend.

Kimberly-Clark Seeks Data Behavior Mix from Marketing Technology

Mayur Gupta

Global Head, Marketing Technology and Innovation

Kimberly-Clark

While one marketing technology partner might seem like a no-brainer, most major brands are challenged with integrating various technologies that they adopted over time. Mayur Gupta, global head of marketing technology and innovation at Kimberly-Clark, spoke with eMarketer's Danielle Drolet about the maturation of marketing technology at the CPG giant, and theories on how marketers and technologists can work together to effectively use these methods.

eMarketer: How has the role of marketing technology evolved at Kimberly-Clark?

Mayur Gupta: We've come a long way. About three years ago, we started defining what marketing technology meant for a CPG [consumer packaged goods] giant, and differentiating it from initial technology in terms of mindset, culture, behavior and, of course, all the nuances around the change in the pace of disruption.

Now, we have a global marketing organization within the CMO's role. We also have a very strategic part of our IT organization that supports marketing, which came about when we started building core capabilities from ecommerce to data and analytics. We have a level of maturity where we've applied emerging and innovative technologies to change consumer behaviors [across the enterprise]. And that's been an evolution for us at the most fundamental level—a shift of our focus from just building capabilities to actually changing consumer behaviors that will drive top-line growth.

eMarketer: To what extent do you believe your company is using marketing technology to its fullest capabilities?

Gupta: We're not even close to where we would like to be, but we are far ahead in terms of the world of CPG. On one hand, we are bringing new capabilities and innovative technologies in three big buckets: content, data and commerce. On the other hand, we're also focusing our attention on bringing fundamental changes to how we apply data and technology to changing consumer behaviors.

"The big question is, 'Are we really being consumer-focused?' How do we translate that world of 2,000-plus marketing technologies?"

eMarketer: What's your biggest challenge today?

Gupta: The big question is, 'Are we really being consumer-focused?' How do we translate that world of 2,000-plus marketing technologies? Take a look at Scott Brinker's Landscape of ChiefMarTec.com. How do we use that to solve behavioral issues of trust, perception, stigma and ultimately change behavior? We challenge ourselves to apply these technologies to deliver those seamless and frictionless consumer experiences. Ultimately, that's what matters.

eMarketer: Is it better to have a varied stack of tools from multiple providers vs. one full-suite partner?

Gupta: The theoretical answer is marketing needs a connected ecosystem where all these pieces of the puzzle work together. They compliment each other and they don't stack up, because everyone's trying to bring the pieces of the puzzle together to make a picture that makes sense.

And that's where this notion of marketing cloud comes in—the notion of marketing cloud where the IBM's, the Adobe's, the Salesforce, the SAPs and the Oracle's have invested billions in the last three years to stitch those isolated pieces together.

eMarketer: What's the reality?

Gupta: The reality is brands started the journey before that, and we've incrementally built pieces. If you look at our role in any other world of the CPG, we already have pieces of the puzzle on the table scattered around. When we are looking at these new capabilities, we ask ourselves how those additional pieces fit in our existing landscape, where I can take it away and bring something new in very quickly. How do they work together? How do they talk to each other? And that, unfortunately, now is an incremental pathway, but that's where data plays a massive role.

eMarketer: What do you think of the concept the marketing cloud?

Gupta: I like to think of it as a marketing operating system. We, as an industry, have to learn from what Steve Jobs did to the mobile world by creating an iOS. He created an open framework where everybody else could focus on creativity and application of their operating system to solve consumer needs. These four or five big players should try to ultimately create a marketing operating system, where marketers can focus more on application of that technology to solve and meet consumer needs, both rational and emotional.

eMarketer: How do you anticipate the role of marketing technology changing in the next 12 to 24 months?

Gupta: Every brand marketer will be the marketing technologist and every technology will be the marketer. And that's the DNA that we at Kimberly-Clark are trying to establish. Everybody who's working of building brands, whether you're a planner, brand strategist or a technologist, our goal is to bring you at a converging point where all these things intersect.

Dollar Shave Club's Omnichannel Strategy Aims to Boost Sales and Sentiment

Adam Weber

Senior Vice President, Marketing

Dollar Shave Club

Dollar Shave Club is a subscription service that delivers razors and other men's personal grooming products by mail. Adam Weber, the company's senior vice president of marketing, spoke with eMarketer's Elyssa Goldberg about the methods Dollar Shave Club is using to market its wares and foster a relationship with customers that's about more than just transactions.

eMarketer: Who is the Dollar Shave Club man?

Adam Weber: He's an everyday guy. Whether you're an investment banker that is at the high end of the influence scale or a guy working a blue-collar job, you have to shave.

eMarketer: How often do men shave?

Weber: We see a pretty high shave frequency among our members—definitely more than three times a week. Beards are certainly a trend, but the reality is that most men keep a clean shave.

"We don't believe in the silver bullet philosophy—that one channel will solve all of our problems."

eMarketer: How do you reach your customers?

Weber: Our marketing plan has always been based on word-of-mouth. When we launched our first video, "Our Blades Are F***ing Great," on YouTube, there was no paid advertising behind it. That kicked everything off and ignited a sharing movement.

eMarketer: Now you're airing a TV commercial. Where are you running your new TV spot?

Weber: We don't believe in the silver bullet philosophy—that one channel will solve all of our problems. That's not in line with how consumers consume media. Consumers don't just watch television or only go on Facebook.

Our omnichannel marketing plan consists of everything from TV to radio. We're very active in social, and we use content to help build awareness. We market across different channels and try to tell our story in as many places as possible.

The current media plan has a lot of live sports. We've been airing during NFL games. We're also looking at channels like Spike TV, Comedy Central and Cartoon Network that have big male audiences.

eMarketer: How do you make sure customers remain loyal?

Weber: One of our most important marketing vehicles is our actual box. A lot of ecommerce companies look at the box, and they see it as a mechanism for a transaction. They're shipping the goods in the box, and that's where it ends. We look at it differently.

It's the pinnacle of our member experience on a month-to-month basis. We have a monthly magazine called The Bathroom Minutes with editorial content mixed with information about what's going on in the club. It helps transcend a transaction relationship and makes our members feel like they're part of a bigger community—part of something more than just buying razors.

Buy Online, Pick Up In-Store Model Financially Beneficial for Retailers

Chitra Balasubramanian

Head of Business Analytics

RetailNext

With ecommerce having outpaced brick-and-mortar sales during the 2014 holiday season, retailers are increasingly merging digital and physical shopping experiences. Chitra Balasubramanian, head of business analytics for RetailNext, a provider of in-store analytics, spoke with eMarketer's Lisa Barron about omnichannel retail.

eMarketer: How strong was foot traffic this past holiday season?

Chitra Balasubramanian: In the brick-and-mortar environment, foot traffic was down compared to last year. During the combined November and December period, traffic declined about 8.3% vs. the prior year. Moreover, sales were down by about 8%.

eMarketer: What about foot traffic in the period after Christmas?

Balasubramanian: It was strong this year. Compared to last year, we saw an 8% increase in sales on December 26 and December 27 vs. last year. Traffic was also up 3% vs. last year.

"Shoppers who buy online and pick up in-store end up spending a lot more once they get to the store."

A lot of it comes down to the timing of the dates. December 26, 2014, fell on a Friday instead of a Thursday, and a lot of people had that day off. Therefore, there was more opportunity for consumers to go in-store.

eMarketer: What major trends did you identify in the 2014 holiday season?

Balasubramanian: Digital is starting to emerge as a force to be reckoned with in the retail industry, and we'll start to see more of that coming into fruition in 2015.

Retailers should be in a better position to deploy relevant technologies within the store. Many have taken on omnichannel strategies, which will likely pay big dividends this year. There is more of a focused attempt to converge the digital and physical space.

eMarketer: Who is at the forefront of this?

Balasubramanian: Victoria's Secret has done a great job. We also see big-box retailers doing a lot with buying online and picking up in-store, as well as offering kiosks and other types of technology in-store to better educate consumers on products.

eMarketer: Was the buy online and pick up in-store feature a big one in 2014?

Balasubramanian: It's a way to drive traffic from the online channel into the physical store. Shoppers who buy online and pick up in-store end up spending a lot more once they get to the store. From a financial perspective, it's beneficial for retailers to have that type of option in place.

Omnichannel vs. Unified Commerce

Ken Morris

Partner and Co-Founder

Boston Retail Partners

Retail consulting firm Boston Retail Partners (BRP) specializes in technology and business challenges associated with omnichannel retail. Ken Morris, partner and co-founder of BRP, spoke with eMarketer's Yory Wurmser about what the firm sees as the next stage in retail: unified commerce.

eMarketer: What is the difference between unified commerce and omnichannel?

Ken Morris: In omnichannel, you have multiple channels, but you don't have one piece of software, one version of the truth: You have many versions of the truth. In the unified commerce world, it's all connected in real time. I don't just mean the web side, but the mobile side, the web side and the store side—all in real time.

50 years ago, retailers made a decision to decentralize point of sale [POS] because of a lack of network technology. The networks at that time weren't redundant, they weren't fast enough, and they were too expensive to connect. When we talk about unified commerce, it's bringing that all together in real time.

The best example is banking. Banks 25 years ago woke up to the fact that the network could revolutionize banking as we know it, and they created a network of ATMs linked together by technology.

Retailers were thrifty, and they never really invested in this network technology. ... The cloud is a much better environment to run a retail operation. It's more customer-centric and customer-friendly. That's why this unified commerce experience will be the way people go in the future.

eMarketer: What is the biggest technical challenge to linking all of this various data together?

Morris: The most important component is a middleware layer—a piece of software that connects the dots. Retailers aren't going to throw their legacy applications away, they're not going to throw their investments away, but what they have to do is link it all in real time.

"The most important component is a middleware layer—a piece of software that connects the dots."

eMarketer: What is keeping retailers from implementing unified commerce right away?

Morris: They've made an enormous amount of investment in the technology they have. Let me put it this way: A traditional retail register costs $3,500 to $4,000 per register. If you have a thousand stores, and you have five registers per store, I mean do the math: There's $50 million in investment in hardware. No one's going to allow you to throw it away, so people are moving toward mobile [as a first step].

eMarketer: When you say mobile, do you mean mobile POS?

Morris: Yes, but a lot of the mobile POS solutions are architected to talk to the in-store controller—the machine in the store, which to us is insane: It's just like another register, and you're just perpetuating the insanity of this decentralized process. A mobile solution that's cloud-based is the smart direction for retailers to move in.

eMarketer: Do you think customers themselves are demanding an omnichannel or a unified commerce experience?

Morris: This is the big debate. I always say we need to sell to my daughter not my mother, and then other people point out the reality is we need to sell to both and we need to be able to interact with the customer, regardless of how that customer wants to interact. Retailers have to engage with consumers where they want, any time they want and have a consistent message across the brand. It's rare to have a retailer that's able to do that.

eMarketer: What aspect of unified commerce has the highest potential to excite shoppers?

Morris: I'll give you an example. A liquor store we worked with has hundreds of stores, but they only have one or two people in the chain who are experts, really sommeliers. They know everything about wine. They know what Wine Spectator number is attached to this white wine or red wine, and they know the questions to ask. The retailer wanted its store associates to be able to ask the right questions in their stores: "Is it a special occasion? Is it a dinner? Is it red? Are you having meat, or are you having fish?" We've been able to take the expertise of the A associate [the expert] and give this selling experience via mobile device to the new associates—what we would call B, C or D associates. It's a win for the retailer, and it's a win for the customer.

eMarketer: Do you see hyperlocal messaging being a major thing in the future?

Morris: Absolutely. Twenty percent of the people provide 80% of the sales. That 20% is constantly changing, and to be able to identify that 20% of the top customers in real time—and take care of them, give them extraordinary service—is really the key.

Why CPG Companies Have Been Slow to Adopt Programmatic

Mike Merna

Category Development Officer, CPG

AOL

Mike Treon (not pictured)

Vice President, Platform Strategy

AOL

Culture plays a big part in keeping CPG companies from diving into programmatic. Mike Merna, category development officer for CPG, and Mike Treon, vice president of platform strategy, both at AOL, spoke to eMarketer's Danielle Drolet about programmatic ad buying and the implications for the CPG vertical.

eMarketer: In general, how far along are CPG brands in their efforts to use programmatic ad buying? Are there any that are far ahead of others? Or are brands still in the early stages?

Mike Merna: It's very different from one company to another. You've got some that are extremely nascent, and haven't put their toes into the water, and others who are doing it in-house. But minimally what we're seeing is everybody's talking about it.

Some are investing in it, while others are leading the way. Certainly companies like ours are helping with that transition and encouraging it for a lot of positive reasons. But brands more so than agencies seem to be pushing for that change.

eMarketer: Is cost the reason for the reluctance?

Merna: It's not one single thing. It's a combination of things. It's a combination of culture in which 'we've always done it this way,' and that TV is still the workhorse for some older CPG companies. Other CPG firms have more of a culture of being on the frontline and looking at what's really changing the marketplace.

"It's very different from one company to another. You've got some that are extremely nascent, and haven't put their toes into the water, and others who are doing it in-house."

eMarketer: The announcement in Advertising Age that P&G is aiming to spend 70% of its digital ad budget on programmatic buys has made other CPG companies look at their own efforts. What did you make of the news?

Mike Treon: There's been a lot of press in CPG and outside of CPG about the amount of spend that people want to go that way. It's both a factor of how big programmatic is getting, but also a factor of how broad the term 'programmatic' is now that there are so many ways to execute it.

If you boil it down to really hard-core data-driven buying—and it's not just real-time bidding—with big companies like a P&G, they are increasingly using data against their traditional ad buys and only overlaying data on those rich contextual placements that they have. When you start to corral everything that could be deemed programmatic, that percentage becomes a little more understandable. And that's not to say that every impression—all 70% of the impressions they buy—are going to be decisions in real time.

eMarketer: Do you think P&G, or another large CPG, could pivot into programmatic that quickly?

Treon: From what we've seen, CPG has a unique challenge to overcome simply because of the traditional way they've brought in business units, and in building out these centers of excellence. These central buying units are a huge culture shift. But it's also a good catalyst for that culture shift internally. I think it's a welcome one in the organization—it delivers results. But it's not a flick of the switch for legacy organizations because of all the systems and traditions have to be brought into the mix.

"With programmatic, think about how much quicker these companies can react to change in the marketplace or changes with their creative."

Merna: One thing that may make it a little bit easier is—take P&G, which has recently announced wanting to reduce nearly half of their brands—this is a trend in the CPG industry of companies paring down their portfolios and focusing on their core. They are asking themselves, 'What small percent of brands are driving 80% of the sales?' This makes the organization a lot more lean, and should make it a bit easier to break through some of these silos and move toward things like programmatic.

eMarketer: What are the opportunities with programmatic ad buying for CPGs?

Treon: Speaking from the publisher's perspective, as well as an ad tech partner, reduced cost doesn't necessarily translate to lower CPMs. Often, programmatic can actually encourage higher CPMs and more efficiency. For a CPG brand, that translates back to that aggregated buying strategy for P&G and others that have these multiple brands. It's really one customer, right?

Programmatic gives CPG the advantage of being able to optimize those brands and control messaging on a more one-to-one level across their portfolio. There's a lot of efficiency that can be gained. And, the real benefit on the publisher and supply side of the business is that efficiency can be translated across all of our advertisers. We're really just helping ascertain better value out of that impression, which can lead to higher CPMs and more well-connected buying.

Merna: Also, there's the optimization in real-time that's happening—making data-driven decisions in real time using machines vs. multiple analysts. Think about how much quicker these companies can react to change in the marketplace or changes with their creative. It's about that optimization, as well, and using data from multitouch, attribution-type, data-driven engines. It goes well beyond efficiencies.

"Often, programmatic can actually encourage higher CPMs and more efficiency."

eMarketer: CPG brands continue to spend so much of their ad budgets on TV and have been able to control the cost of TV advertising. By its nature, programmatic means handing over control. Could this be a reason for CPG to struggle with and potentially resist programmatic?

Treon: I don't think control is a limiting factor. In terms of segmentation, the control can offer upside as well. One of the pure benefits is the amount of strategies and tactics that you can take and learn from.

TV is safe for CPGs because they know it works, and it's been proven and grandfathered in. The challenge is with that control comes responsibility. If you gain the control, you also gain the responsibility for making sure those dollars work for ROI. If you hand the control to someone else, who is going to be in control of whether or not these tactics bring ROI?

Merna: TV, too, has become more connected—it's going to become programmatic to some degree. Not overnight or right away, but certainly over time, an increasingly large percent will move that way. It'll be interesting to see how that shakes things up.

Clorox Sold on Programmatic for 2015

Erika Lamoreaux

Associate Director, Digital Media Strategy

The Clorox Company

Traditionally CPG companies have been seen as low-involvement brands or categories. With programmatic, and the ability to layer on data sets and understand consumer behavior, The Clorox Company's Erika Lamoreaux says she could imagine a situation when she'd act fast on a message about a toilet bowl cleaner. The associate director of digital media strategy recently spoke to eMarketer's Danielle Drolet about the company's dive into programmatic and its benefits to CPGs.

eMarketer: How far along is Clorox in its efforts to use programmatic ad buying?

Erika Lamoreaux: We are moving past the early stages. This past year was about dipping our toes, testing, learning and trying to understand the impact—tying everything back to business results.

Clorox is on par with a lot of CPG industries from a programmatic perspective, or at least the direct response advertisers out there. In the coming year, we certainly expect to dive into programmatic further as measurement catches up. And then we will [add] different digital formats for video and mobile, beyond simply banners.

"We're using more and more data to try to understand who our consumer is, and more importantly, when is the right moment to reach her for cleaning brands."

eMarketer: The announcement in Advertising Age that P&G is aiming to spend 70% of its digital ad budget on programmatic buys has made other CPG companies look at their own efforts. What did you make of the news?

Lamoreaux: I was glad to see it. They're really pushing the industry, especially for CPG. We believe the industry is going this way, and it's the right thing to do. The more we can see other companies heading in that direction, the more we feel comfortable to take those steps, too.

We definitely want to take this principled approach to the way we grow programmatic. It's about understanding the impact, and continuously testing and learning before we make any huge shifts. For now, we'll wait and see what happens, and continue to push at the same time.

eMarketer: What are the opportunities with programmatic ad buying for CPG?

Lamoreaux: Certainly, efficiency … from the media cost perspective. In terms of time and resources for our agency, we want to free them up for further thought leadership before doing more programmatic, as well as understanding our target and being able to reach them better. We're using more and more data to try to understand who our consumer is, and more importantly, when is the right moment to reach her for cleaning brands. It's hard to find those moments.

Being able to layer on the data to understand who is interacting with our brands and when is not only about helping us reach our targets, but to then redefine our targets as we learn more. Lean into the opportunities then with programmatic to do more with the creative, to have more tailored messaging at the creative level as you get more into the world of real-time creative in a real-time media environment.

eMarketer: What types of data are CPG brands using for programmatic ad buys?

Lamoreaux: It depends on the brand. We have a lot of brands and many different categories. Then, we try to remain principled in looking at our business and the brand objective before we decide to go out and buy certain data segments, and which piece of information will be the most useful to help us reach goal. Ultimately, we are tying everything back to what the brand is trying to do.

"It's challenging to figure out which pieces of data are important because we have to tie it back to our goal."

We leverage purchased data for our products or even competitor categories to understand purchase behavior within the category. We also use behavioral data to try and get at these moments when we can reach our consumer as they're going to be the most receptive to our brand message. It's really about anything that helps us understand if someone is a new mom or someone who just bought a home.

We've also gotten into the world of real-time data. We definitely use weather data to help us understand when might be the right time to reach someone who could be grilling this weekend and using Kingsford brand charcoal.

eMarketer: With all this data that CPG brands have, is it a challenge to corral it all when it comes to a programmatic ad buy?

Lamoreaux: Yes. And, it's challenging to figure out which pieces of data are important because we have to tie it back to our goal. We can layer on any number of things. But, at the end of the day, what's going to drive the business results is the difference between our first-party data that we can be leveraging and the third-party data that we can go out and buy.

From a first-party data perspective, we have a pretty clear idea of who this most valuable consumer is. Then, we can turn around, find her online and find people that look like her online.

eMarketer: CPG brands continue to spend much of their ad budgets on TV and have been able to control the cost of TV advertising. By its nature, programmatic could mean handing over control. Is this an issue when considering programmatic?

Lamoreaux: Beyond the issues of viewability and click fraud, we have the potential to have so much more control in the digital space that it's not really a concern. It's the reality of the industry and the way the market it going. It's more about proving the value of programmatic as it affects ROI and whether it's meeting our brand objectives.

"We don't really have full transparency into what we're buying, as well as transparency into the pricing models of trading desks and email service providers."

eMarketer: What are the concerns specific to CPG brands with programmatic ad buying?

Lamoreaux: There's been a lot of talk about inventory quality. We don't really have full transparency into what we're buying, as well as transparency into the pricing models of trading desks and email service providers. Also, how much exactly of what I'm paying is going toward their bottom line vs. our media buy?

From an inventor-quality perspective, we've started to leverage through tools such as Moat Ad Search to measure viewability and understand if people are actually seeing the ads. Then, we can begin to understand if we need a certain mix of high-quality, high-impact inventory along with the efficient scale that programmatic buying can get us. It's important to be able to have a complete understanding of the quality of the inventory as well as the pricing transparency and then the ability to put the resources behind it to allow us to scale.

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