



## Digiday Brand Summit Europe

Monte Carlo

November 28–30, 2018

**Control has been the buzzword among marketers for much of 2018**, but it isn't easy to come by in an industry that's so fragmented. At the Digiday Brand Summit in Monte Carlo, Monaco, marketers faced up to the realities of what it takes to be in control of their online media spending and relationships with partners, and debated whether those investments can ever be truly accountable.



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## WHAT WE LEARNED

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### Going in-house isn't easy

Moving more marketing functions in-house has been the industry's biggest trend this year. But attendees at the summit were warned by senior marketers at HSBC, PepsiCo, Uber, BT and Swarovski of the strategy's pitfalls. BT's head of media Graeme Adams told attendees to consider a hybrid model whereby an advertiser cuts a deal with either an agency or an ad tech vendor in a way that lets it know what ads are being bought and how its budgets are being traded.

- While there is more trepidation around what it takes to move marketing in-house, it's a move more advertisers are weighing up.
- Some advertisers – including Uber – admitted they don't need the buying power of the agency networks for biddable media like programmatic and search as the right price is a function of data, and prices fluctuate dramatically. They question the value agencies bring to those deals.
- Advertisers appear to be waking up to the fact they don't need to in-house large parts of their advertising and media to be confident in their investments. Instead, there are certain aspects like data ownership and media planning that are cheaper to run than funding an internal agency, and yet will give them the control they crave.

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#### THE BOTTOM LINE

Marketers should move buying functions in-house for the right reasons, not just because it's fashionable.

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### Programmatic can be pricey

It's taken a while, but some of the largest advertisers have realized programmatic isn't necessarily as efficient on price as they first thought. BT, Deutsche Telekom, Uber and Swarovski were among a raft of advertisers at the summit to voice their concerns over how much money could be lost in ad exchanges and supply-side platforms. The scandal around the use of bid caching to manipulate auctions this year prompted those concerns, with advertisers debating the best ways to either stop those pricing inefficiencies or exploit them.

- More money is being spent on programmatic ads, which means advertisers need to be more aware of what's going on behind the scenes.
- Once advertisers like Deutsche Telekom and Swarovski became aware of the variations in the pricing inefficiencies around their bids, they moved to explore how they could start to win more auctions without overpaying.

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#### THE BOTTOM LINE

If 2018 was about big programmatic advertisers taking control of demand-side platforms, then 2019 will be the year they wrangle supply-side platforms and ad exchanges.

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## WHAT WE LEARNED

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### The advertising triopoly is here

Ads on Amazon moved from a peripheral business for the retailer to a central one in 2018, and larger advertisers started to take notice. The vibe from those European advertisers at the summit, including from PepsiCo's digital marketing lead in Charlie Crideford, was that the platform's deep well of shopping data makes it an intriguing prospect. But so far its offerings are just too complicated to attract large budgets just yet.

- Consumer goods companies like PepsiCo are scrambling to stay on top of shifting sales to online marketplaces like Amazon. PepsiCo is exploring how to build e-commerce objectives into campaign strategies, according to Crideford.

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#### THE BOTTOM LINE

As quickly as Amazon's ad business has established itself, the site still has work to do to win larger advertisers that can rather run the type of large, sophisticated campaigns they buy from Google and Facebook.

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## SPEAKER HIGHLIGHTS

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Kellogg's social lead in the U.K. and Ireland, **Joseph Harper**, gave attendees a behind-the-scenes look at how the advertiser works with macro and micro influencers. His key points:

- Visibility into the followers of influencers is a challenge for Kellogg's, which is why it does not strike deals based on the combined reach of say 20 influencers, said Harper.
- Kellogg's is asking its agencies to scrutinize the comments on successful posts due to concerns they can be easily be mistaken for fake engagement if an influencer asks their peers to respond to them.
- The advertiser is now working with agencies that use image-recognition technology to sift through posts on social networks to find influencers who are genuine fans of the brand or its products.

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Taking media buying in-house doesn't have to be a political and logistical minefield for advertisers so long as there's clear support from the senior management team, according to Uber's head of media for Europe, Middle East and Africa **Mattia Santin**. His key points:

- It took four months between the business deciding to buy all its own biddable media in-house to actually having the team in place to do it.
- To get approval from senior management, Uber's senior marketers decided to stop 90 percent of their online bids to see whether there was a dramatic impact in performance. There wasn't and the team got the go ahead to run more tests and eventually take control of those buys from its agencies.

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BT's head of media **Graeme Adams** talked through the demands on media specialists at advertisers. His key points are below.

- When Adams took the role in 2011, he prioritized hitting sales targets, delivering brand health measures and trying to work out the balance between brand and direct response budgets.
- Adams revealed that on average BT's online inventory costs five times the price of linear TV ads.

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## OVERHEARD

“We’re creating a central data management platform that operates across our entire business.”

— **Charlie Crideford**, PepsiCo.

“We’re lucky enough to be a technology company so our challenge is actually convincing our engineers not to build so much in-house for the team.”

— Uber’s head of media for EMEA **Mattia Santin**.

“The location vendors we work with have struggled to find consent for their geo-location data since the General Data Protection Regulation came into effect.”

—Anonymous buyer.

“With artificial intelligence and GDPR, I’m not really sure what my job will be in 5 years”.

—Anonymous buyer.

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## CHALLENGE BOARD CONFESSIONS

Attendees anonymously shared some of their most pressing concerns and challenges

- “Bad data is worse than no data so we’re having to build a team that starts to create structures around how we harness and source data from different areas.”
- “There are still so many things we need to do to get our DMP to a point where it becomes more useful so there’s a lot of focus currently on making that ad tech useful for our display ads. At the moment it’s only really good for email targeting.”
- “We’re starved of data as an advertiser that hardly has an first-party data and so we’re trying to think of ways we can grow that, which could include looking at services. We’re too reliant on third-party data providers that might be strong in one or two markets but not so good at a global level.”