

# INTRODUCTION

Programmatic advertising has revolutionized the way advertising is bought and sold. It has automated the process and made it easier to aggregate both content and audiences to create critical mass and scale among an increasingly fragmented media landscape. The programmatic ecosystem has developed a lexicon unique unto itself and in order to help eliminate confusion and provide clarity for healthcare marketers, the PHC has created this glossary. Included are definitions of the terms commonly used in programmatic conversations, along with health-specific examples to provide context.

#### ABOUT THE PROGRAMMATIC HEALTH COUNCIL

The Programmatic Health Council (PHC) is an advocacy group comprised of programmatic and healthcare advertising experts committed to leading efforts to advance programmatic advertising among health brands, agencies and publishers.

# PROGRAMMATIC HEALTH GLOSSARY SUB-COMMITTEE MEMBERS

Tina Breithaupt, InTouch Solutions Tricia Vivona, InTouch Solutions Dan Wilmer, DMD Elizabeth Pardieu, PulsePoint

# PROGRAMMATIC HEALTH COUNCIL

Council Chair: Chris Neuner, PulsePoint

CMI	Coegi	Crossix
Digital Health Coalition	DMD	<b>EHealthcare Solutions</b>
<b>EHealthcare Solutions</b>	<b>Greater Than One</b>	HCB Health
InTouch Solutions	LifeScript	MedData
Medicx Media	Netmining	Philly Cooke
Publicis Health Media	PulsePoint	Slack, Inc.
SSCG	Sudler & Hennessey	Symphony

# TABLE OF CONTENTS

A	
Addressable	6
Ad Inventory	6
Ad Server	6
Agency Trading Desk	7
Attribution Measurement	7
Audience Extension	7
Audience Segment	8
В	
Behavioral Targeting (also Interest-Based Advertising)	8
Blacklist	9
Brand Safety	9
<b>C</b>	
Click-Through Rate	9
Completion Rate	9
Contextual Advertising	10
Cookie	10
Cookie Sync or Match	11
Content Marketing	11 11
Cost Per Click (CPC)	12
Cost Per Click (CPC) Cost Per Thousand (CPM)	12
Creative	12
Rich Media Advertisement	12
Native Advertising	13
Overlay Ad	13
Cross-Device Tracking	14
Customer Relationship Management (CRM)	14
D	
Data Management Platform (DMP)	14
Data Overlay	15
Deal ID	15
Demand-Side Platform (DSP)	15

Deterministic Data	16
Device ID	16
Dynamic Pricing	16
E	
Exchange	16
F	
Frequency Cap	17
First-Party Data	17
First-Price Auction	17
G	
Geofencing	18
1	
Insertion Order	18
K	10
Key Performance Indicator (KPI)	18
N	
Non-Human Traffic (NHT)	19
NAI Code	19
0	
Over-The-Top (OTT)	19
P	
Price Floor	19
Private Exchange	20
Private Marketplace	20
Probabilistic Data	20
Programmatic A/B Testing	20
Programmatic Creative (or Dynamic Creative)	21
Programmatic Guaranteed or Programmatic Direct	21

R	
Rate Card	22
Real-Time Bidding (RTB)	22
Remnant Inventory	23
<b>S</b> Second-Party Data	23
Second-Price Auction	23
Sensitive Data	23
Supply-Side Platform (SSP)	24
Third Darty Date	24
Third-Party Data Tracking Pixel	24 24
Tracking Fixer	24
U	
User Opt-Out	25
<b>V</b>	
Viewability (Viewable Impression)	25
W	
Walled garden	25
Whitelist Win Rate	25 26
Will Rate	20
Y	
Yield Optimization	26
IMPORTANT INDUSTRY ORGANIZATIONS	
AdChoices	27
Digital Advertising Alliance (DAA)	27
Interactive Advertising Bureau (IAB)	27 27

#### **ADDRESSABLE**

A method of targeting where a specific ad is delivered at a household level. The target is determined based on audience data, such as age, income, media preference, presence of children, etc. This term is most often discussed in terms of addressable television, where this type of targeting occurs via set-top box data, making it possible for two households watching the same program to see two different TV spots.

Health Example: A pharma advertiser looking to make a more targeted broadcast television plan leveraged addressable television to reach a more niche population of their consumer base.

#### **AD INVENTORY**

All available digital advertising opportunities offered by publishers through supply-side platforms. Advertisers have the opportunity to bid on ad inventory through demand-side platforms.

- Ad inventory includes all available digital display, video, mobile, in-image, and native units. (Available inventory for a specific campaign line item is frequently referred to as "avails.")
- Programmatic ad inventory also includes non-traditional inventory, such as audio ad placements on connected devices, addressable TV, out of home (OOH), and many others.

Health Example: An OTC allergy brand buys digital display, video, addressable TV, and in-flight video campaigns programmatically.

# **AD SERVER**

A third-party platform used for digital campaign management including trafficking, delivery of ad creative, and reporting. Ad servers enable publishers and marketers to generate tracking pixels, conversion pixels (or floodlights), and integrate other verification services.

# **AGENCY TRADING DESK**

The independent programmatic media buying arm of a larger

media agency. This team is tasked with keeping up-to-date with technical advances in the programmatic space and acts as internal experts in programmatic media buying. An agency trading desk often employs one or more Demand Side Platform (DSP), Data Management Platform (DMP), and other technical solutions to execute programmatic strategies.

# ATTRIBUTION MEASUREMENT

A method of analyzing data across an ad campaign's various consumer touch points and then assigning a value to each contact point that contributed to a specific outcome.

The most common attribution measurement techniques are:

- First touch attribution Crediting the marketing technique or ad that first introduced the brand to the customer — kicking off the process of converting them from a lead to a customer.
- Last touch attribution Crediting the last marketing technique or ad the user was exposed to before they ultimately converted from a lead to a customer.
- Multi-touch attribution Weighing the various marketing techniques employed across the lifecycle of a user's path from lead to customer and assigning attribution value across all of the various touch points.

Health Example: An agency marketing vitamins online feels that their target audience is generally impulsive in making purchase decisions. As a result, the agency used a last touch attribution measurement model, crediting the last programmatic campaign exposure before purchase with driving the sale.

# **AUDIENCE EXTENSION**

A type of behavioral targeting technology leveraged by publishers in order to deliver ads to users who have previously accessed their site(s). Audience extension enables publishers to target their same quality audience on different digital destinations across the programmatic landscape.

Health Example: A large health website cookies users accessing their site's diabetes content. Advertisers interested in reaching that website's diabetes audience can now reach the same premium audience wherever they are consuming digital content.

#### **AUDIENCE SEGMENT**

A collection of anonymized users, grouped together based on similar characteristics or behaviors that may be derived from data acquired during a user's browser session.

Health Example: A health website anonymously tracks a group of users who have accessed psoriasis content to build an audience segment allowing marketers to target only users who have shown an interest in psoriasis.

#### BEHAVIORAL TARGETING

#### (ALSO INTEREST-BASED ADVERTISING)

A method of targeting based on a user's past online behavior. Behavioral targeting tracks user behaviors such as ads clicked on, searches performed, websites visited, etc., and then makes inferences based on these behaviors. To protect each individual user's privacy, people exhibiting like behaviors are grouped, so advertisers can target an audience with specific traits; e.g., Travel Enthusiasts, Auto Intenders, Moms, New Homeowners, etc.

Health Example: A drug company marketing a product for a type-2 diabetes treatment can leverage a behavioral audience segment containing "users who have searched for or purchased diabetes test strips in the past month."

## **BLACKLIST**

An aggregate of publisher sites where a buyer does not want their advertiser to appear. Sites may be blacklisted for a number of reasons including performance, context or brand safety reasons.

Health Example: The buyer recommended blacklisting antivaxer websites when running ads promoting a vaccine.

#### **BRAND SAFETY**

An issue of controlling a brand's exposure to content or environments they deem inappropriate or harmful. There are several tools utilized by agencies (e.g., MOAT, IAS, DoubleVerify) to monitor placements in order to ensure brand safety.

Health Example: A vendor working with pharma brands would avoid having ads appear alongside content about lawsuits related to drug side effects.

#### **CLICK-THROUGH RATE**

Formula calculated by the number of clicks divided by the number of impressions (clicks/impressions=click-through rate (CTR)). Historically, CTR was a predominant metric of success. There are now more granular metrics available to measure engagement beyond the click, such as cost per action, time spent, etc.

- Standard banner pharmaceutical industry average CTR for patient is 0.15%.
- Standard banner pharmaceutical industry average CTR for HCP is 0.15%.

Source: eHealthcare Solutions 2017 Benchmarks for U.S. Healthcare Publishers & Advertisers).

# **COMPLETION RATE**

Formula calculated by the number of video completions divided by the number of impressions delivered (completions / impressions = completion rate). Completion rate is often used as a metric of success for video campaigns.

 Healthcare/pharma industry average video completion rate is 82%.

Source: eMarketer Performance Metrics for US Digital Video Ads, by Industry 2015.

#### **CONTEXTUAL ADVERTISING**

A form of advertising in which digital ads are aligned with content that is relevant to the brand message.

> Health Example: A hospital seeking to increase demand for their cardiology department would contextually target content about heart health and related conditions.

#### COOKIE

A piece of data that is sent from a website and then stored in a user's browser to track browsing behavior. The cookie stores information and helps site owners classify their site's audience into user segments based on their activities. A cookie is a website's way of remembering users. Cookies remember user preferences and information in order to deliver a better and more efficient user experience. Advertisers use cookies to collect anonymous information about a website's visitors. They then use this information to create user profiles to display relevant ads.

Here are some examples of the type of information cookies are used to remember:

- Website setup: Personal preferences.
- **eCommerce:** Which products users looked at, added to the shopping cart, and purchased.
- Analytics: Data about the user's interaction with the website.
- Advertising: Identify which advertisements the user has viewed and interacted with.
- Behavioral profiling: Track the behavior of the user.

It is key to note that cookies have some restrictions on mobile devices, and other unique identifiers, such as Device ID, can be used for mobile instead.

Health Example: A Weight Watcher's subscriber was able to seamlessly return to her customized diet and fitness content at weightwatchers.com without logging into the service again because her cookies identified her upon her return to the Weight Watcher's website.

#### **COOKIE SYNC OR MATCH**

The process by which companies identify mutual audiences in order to share targeting data and information is called cookie syncing. In a cookie sync, one company's user identifier (such as a cookie ID) is appended to another company's user identifier. This is done so publishers, ad networks, and exchanges can merge user information to accurately target audience segments.

Health Example: A medical alert manufacturer was able to run banner advertisements across hundreds of websites and only reach users who had previously visited their website by enabling a cookie sync with a programmatic exchange.

#### CONTENT MARKETING

A type of marketing that involves the creation and sharing of online material (such as videos, blogs, and social media posts) that may not explicitly promote a brand but is intended to stimulate interest in its products or services.

> Health Example: An OTC allergy drug manufacturer created a seasonal allergy survival guide and used native advertising formats to distribute the article across women's lifestyle publications online.

# **COST PER ACTION/ACQUISITION (CPA)**

Formula calculated by the number of actions divided by media cost. The action is predefined at the beginning of the campaign. CPA is often a metric of success for direct response campaigns and can also be used as a cost model for media purchasing. Common actions include CRM signup, copay card, purchase devices, newsletter signup, PDF download, or e-Detailing completion.

Health Example: CPA for the campaign for the new drug was defined as the number of sales rep request submissions divided by media cost.

# **COST PER CLICK (CPC)**

Formula calculated by the number of clicks on an ad, divided by media cost (clicks/cost=CPC). This can be used as a cost model for purchasing media, or calculated post-delivery to measure campaign efficiency.

# **COST PER THOUSAND (CPM)**

The rate or price of 1,000 impressions. The formula is calculated by dividing the total number of impressions by 1,000, then dividing the total cost by the result. CPM is a typical cost model for purchasing media.

OpenRTB auctions are all run via CPM bids. Due to the automated nature of programmatic auctions, buyers are able to leverage variable CPMs across their campaigns to improve efficiency. See **DYNAMIC PRICING** for more information.

#### **CREATIVE**

The advertising file(s) used in a digital advertising campaign. Common creative types can include images, rich media (animated/interactive), audio files, video files, or a combination of text and images. It is recommended that creative follows IAB standards and guidelines.

#### **Rich Media Advertisement**

An animated piece of creative leveraged by brands to enrich the advertising experience within a standard display placement size. This creative type can include interactive elements that allow a user to access additional content, input information, and perform actions within the ad creative itself. Rich media can also enable the creative to appear outside of the initial banner dimensions for a designated period of time. This is called "expandable rich media." Pharmaceutical companies often add scrolling ISI (important safety information) to rich media banners for branded campaigns.

Health Example: A pharma company targeted an HCP audience to drive them to an e-detailing portal. The brand ran rich-media banner creative to allow physicians to explore more information about the drug's indications and trial results within the creative itself in order to spark further interest in the full e-detailing site.

#### **Native Advertising**

Native advertising is a form of paid media where the ad experience follows the natural form and function of the user experience in which it is placed. Native ads match the visual design of the experience they live within, and look and feel like natural content. Native ads must behave consistently with the native user experience, and function just like natural content. Often, native advertisements are promoting branded content articles and include an article image, headline, and lead-in text about the content of the article. Must be clearly labeled as sponsored content.

Health Example: A pharma company is running a disease awareness campaign for a rare disease. In order to describe the disease/condition in greater depth, the marketer leverages native advertising placements embedded within content articles to drive traffic to long-form sponsored articles about the disease.

#### **Overlay Ad**

Also referred to as Interstitial, an ad format that covers all or some of a website's content with an advertisement usually on a semi-transparent background. Overlay ads disappear after a specified number of seconds or when the user chooses to close the advertisement (with a "Skip this ad" or "X" button). Overlay ads can be displayed on top of images, video, or text.

Health Example: A marketer driving leads to a Continuing Medical Education conference can employ overlay ads on large HCP endemic properties to achieve high-impact placement in highly relevant environments.

# **CROSS-DEVICE TRACKING**

A method in which platforms and publishers attempt to identify individual users across every device — mobile, tablet, desktop, and apps. This data is used to better understand users' behaviors online and target or retarget individuals with relevant advertising. Crossdevice tracking can be achieved through both deterministic (known) and probabilistic (inferred) approaches. Deterministic cross-device user identification might be of a user who has registered on a website

and has directly logged into the website on their home and work laptops, as well as their tablet, personal cell phone, and work cell phone. Probabilistic cross-device user identification might be a user who has registered on the website and logged in while at home, but has not directly logged in on their mobile device. When the user enters a sweepstakes on the mobile site using the same mailing address, first name, and last name as their account registration, a probabilistic assumption of that user being the same person on desktop and mobile can then be made.

Health Example: The health publisher used cross-device tracking to tally patient adherence program efficacy, which revealed that users were heavily accessing mobile tools but were less engaged on the desktop website experience. As a result, they shifted marketing budget to mobile devices to drive better patient adherence.

# **CUSTOMER RELATIONSHIP MANAGEMENT (CRM)**

The tool or tools used by a brand to collect information and manage communication with customers as they progress through the customer lifecycle.

Health Example: A pharma company can leverage a CRM tool to provide support and services to patients prescribed their medication.

# DATA MANAGEMENT PLATFORM (DMP)

A Data Management Platform (DMP) is a platform to collect, organize, and activate first- and third-party audience data from any source, including online, offline, or mobile. DMPs are used by agencies, publishers, and brands to tie user information and activity together to optimize media buys. DMPs play a critical role in helping brands perform cross-device tracking and user identification, as well as marrying offline CRM data with actionable online data.

Health Example: A manufacturer of calcium supplements augmented its first-party data of consumers who downloaded their digital coupons with third-party data of women aged

50-65 in its Data Management Platform to create a lookalike audience segment. They then used the lookalike segment to target users likely to be interested in calcium supplements.

#### **DATA OVERLAY**

The application of data in addition to other targeting already applied in a campaign. Data overlays allow the advertiser to hone in on a specific parameter in order to increase campaign engagement and performance. Examples include adding first party data, demographics, geographic information, and interests.

Health Example: A local hospital added a data overlay of parents of young children to their geo-targeted campaign with the hope of increasing brand awareness among their core target audience.

#### **DEAL ID**

A piece of code containing the agreed-upon terms (negotiated pricing, for example) between an advertiser and publisher that allows the advertiser to access the publisher's inventory.

Health Example: A publisher can create a deal ID with all of their diabetes inventory. Buyers will then know that any bids placed on that deal ID would be on the diabetes inventory of that publisher.

# **DEMAND-SIDE PLATFORM (DSP)**

A demand-side platform (DSP) is a computer-based platform that automates media buying across multiple sources. The DSP provides technology for advertisers to buy ad impressions across a range of publisher sites. The impressions can be targeted to specific users based on information such as location and previous browsing behavior. Publishers make their ad impressions available through marketplaces called ad exchanges, and DSPs automatically decide which of those impressions make the most sense for an advertiser to buy.

Health Example: A large hospital group looking to target users within five miles of any of their facilities can set up a campaign in their DSP to geo-target any inventory within those geographical boundaries. The DSP will then place bids on their behalf any time a supply-side platform or exchange makes a bid request for a user in that area.

#### **DETERMINISTIC DATA**

Deterministic data is information that has been provided directly by a user, so it is known to be accurate. For example, a user registering on a website and including their date of birth would provide the publisher deterministic data about that user's age. (Deterministic data is often mentioned in conjunction with probabilistic data, which is data that is inferred, or likely to be true, but not based on information received directly from a consumer.)

#### **DEVICE ID**

A unique identifier assigned to mobile devices and tablets.

#### DYNAMIC PRICING

A cost model for media spent programmatically in open and private auctions. Winning CPMs/CPCs will fluctuate based on competing demand that sets the winning price of each impression. The overall dynamic CPM, or dCPM, of a campaign can be calculated by taking the total cost of delivery and dividing it by the total number of impressions delivered, divided by 1,000.

# **EXCHANGE**

A platform that connects ad inventory from multiple supply-side platforms and publishers directly with multiple demand-side platforms for real-time bidding auctions to facilitate the buying and selling of ads.

## FREQUENCY CAP

The maximum number of times a specific user is to be shown a particular ad within a specified timeframe. Frequency caps vary by campaign, but tend to range from three to five exposures per day.

Health Example: The agency and advertiser decided to set the campaign frequency cap at three times per user per day based on the prior year's brand study results.

#### FIRST-PARTY DATA

First-party data is information collected by brands and websites about their site visitors or customers. Because companies who have this information have obtained it based on a prior relationship with their customers, they are able to use this data to communicate directly with them. First-party data may include names, addresses, phone numbers, site-interaction data and information about products purchased. First-party data is the most valuable type of data because of its accuracy, and because it is proprietary.

Health Example: The medical journal had extensive firstparty data on the content preferences for many of its health professional subscribers, enabling it to create targeted audiences for its advertisers.

#### FIRST-PRICE AUCTION

A first-price auction is a mechanism for determining the cost of an impression. The highest bidder wins the impression at the CPM they offered.

First-Price Auction Example: Two bids are submitted in a first-price auction. Bid A is \$4, bid B is \$7. Bid B wins the auction, and the CPM paid by the bidder is \$7.

# **GEOFENCING**

Geofencing is the practice of using global positioning (GPS) or radio frequency identification (RFID) to define a geographic boundary for targeting advertisements to users within a specific area.

Health Example: Walgreens uses geofencing in order to deliver advertisements containing a special offer to users who are within a five-block radius of a Walgreens store location.

## **INSERTION ORDER**

Insertion orders are frequently referred to as IOs. An insertion order is a purchase order issued between a seller of advertising and a buyer (typically issued by an agency), and is commonly the last step in the ad proposal process. An insertion order will contain details such as dates, number of impressions, creative type or ad size, and other campaign-specific details.

There are three main types of IOs in programmatic:

- Programmatic Guaranteed: Similar to a direct media buy made through an IO, a proposal with terms which were previously agreed to is executed via digital insertion order, outlining the inventory purchased, spend, and CPM.
- Non-Guaranteed IO: Still contains campaign details but does not represent a guaranteed contract and is simply a means of identifying or capping spend levels and clarifying the nature of the campaign targeting, etc.
- **Standard Buying Agreement**: Relationship established for all buying/selling that doesn't contain any campaign-specific information and is designed to span many campaigns over a prolonged period of time.

# **KEY PERFORMANCE INDICATOR (KPI)**

The metric identified as the definition of success for a campaign. This is the metric the campaign will be optimized around and the primary metric focused on when discussing reporting and performance.

Health Example: An OTC allergy drug ran a programmatic banner campaign offering a unique coupon the user could print at home and take to the point of purchase to redeem. The agency tracked campaign performance based on the KPI of cost-per-redemption, directly correlating sales at the register with the unique coupon code for that programmatic campaign.

# **NON-HUMAN TRAFFIC (NHT)**

A form of ad fraud, NHT is website traffic that is not generated by humans. Also known as invalid traffic, or bot traffic, non-human traffic is generated by malicious entities seeking to secure media dollars being spent by DSPs on fake or otherwise spoofed web traffic. Third-party verification services offered by companies like MOAT, IAS, and DoubleVerify are regularly employed by technology platforms to effectively detect and block suspicious inventory from being bought and sold.

#### **NAI CODE**

The Network Advertising Initiative (NAI) is a not-for-profit self-regulatory association dedicated to responsible data collection and its use for digital advertising. Per the NAI's website, "The NAI Code of Conduct is a set of self-regulatory principles that require NAI member companies to provide notice and choice with respect to Interest-Based Advertising and Ad Delivery and Reporting activities."

Health Tip: The NAI code has outlined health data guidelines for determining whether data is "sensitive" or "nonsensitive."

http://www.networkadvertising.org/sites/default/files/NAI\_Code15encr.pdf

# **OVER-THE-TOP (OTT)**

The delivery of video, audio, and other streaming media over the internet through connected devices, gaming consoles, set-top boxes, and other distribution channels. In short, OTT encompasses media entities that do not distribute through a cable or satellite network and instead offer content directly to consumers through apps, websites, and devices. Popular OTT providers include Hulu, Roku, Amazon Video, Netflix, and Apple TV.

# **PRICE FLOOR**

The minimum acceptable CPM for inventory in an auction, set by the publisher.

# **PRIVATE EXCHANGE**

A private exchange is the ability to transact a digital spend in a one-to-one relationship between a publisher and an advertiser. The transaction is programmatic, but a specific opportunity has been established in advance, such as audience or areas of a site. Private exchanges offer more transparency and control based on predetermined standards.

Health Example: A large agency managing multiple health brands works directly with an exchange to develop custom targeting criteria and performance standards that universally apply across all of the brands that they manage. The tailored package of inventory is then made available programmatically in a private exchange.

#### PRIVATE MARKETPLACE

A private marketplace is an exclusive invitation-only auction where a publisher and buyer execute a negotiated deal on specific inventory that runs programmatically. PMPs target specialized pools of inventory and/or audiences and are offered to buyers through unique identifiers known as deal IDs.

Health Example: A large publisher creates buckets of inventory for the top 10 diseases users come to their site to read about. The publisher allows buyers to access these buckets of inventory through private marketplace deal IDs.

#### PROBABILISTIC DATA

Data created about a user that is likely to be true, usually derived from inferred behavior or statistical models that determine the likelihood of a user to match that criteria based on users that have other similar known attributes.

# PROGRAMMATIC A/B TESTING

Automated testing of various campaign parameters to determine the best-performing ad creative, targeting, and landing page combinations.

Health Example: A pharma brand wants to test two sets of creative — one that promotes the benefits of a drug's efficacy, and the other creative that promotes a \$20 copay card to help the patient save money. The advertiser can use programmatic buying to test both versions of creative with a myriad of targeting strategies to identify which message should be used in each targeting scenario.

# PROGRAMMATIC CREATIVE (OR DYNAMIC CREATIVE)

Creative that changes in real-time, based on various data points, to ensure brand messages are received by the right person in the right place, at the right time.

Health Example: A clinical trial company has sites in 14 different markets. In lieu of developing 14 unique pieces of creative, the advertiser can develop a single template to be used across all markets. The creative would then be dynamically modified to reflect the correct city, state combination based on the user's location.

# PROGRAMMATIC GUARANTEED OR PROGRAMMATIC DIRECT

Programmatic guaranteed is the buying of inventory impressions with a guaranteed delivery (reserved traffic) or spend (fixed price) using an RTB platform. The buyer chooses which audience and which impressions to bid on. The inventory is guaranteed to win (the guaranteed portion). The deal is executed using deal ID and delivered programmatically.

Health Example: A large HCP endemic publisher has created a private exchange for their advertisers to transact programmatically on the same inventory typically purchased through direct insertion orders. In order to maintain the same deal terms with buyers, the publisher and buyer will negotiate programmatic guaranteed deals establishing the CPM, flight dates, targeting, and total spend prior to launching.

# RATE CARD

A pre-set list of prices established by a publisher or reseller for different advertising inventory. Inventory is typically segmented by various classifications on a rate card. Common examples of inventory buckets included on rate cards include:

• Creative type: display, video, mobile, native, etc.

- Screen position: Above the fold, leaderboard, within the content.
- Run of site (ROS) or specific sections such as Homepage or Diabetes.
- Audience segment: Women 18-34, adults 65+, etc.

# **REAL-TIME BIDDING (RTB)**

A mechanism of media buying that falls underneath the programmatic umbrella. RTB is a standard protocol through which buyers and sellers hold auctions for advertising inventory.

On the sell side, supply-side platforms (SSPs) and exchanges pass bid requests to demand-side platforms (DSPs). Bid requests contain all relevant information about an available impression, including placement type (banner, video, mobile, etc.), ad unit size, domain, context, user information, and many other parameters.

Advertisers utilize a demand side platform (DSP) to set up campaign targeting criteria and parameters for the type of advertising inventory they would like to buy. DSPs connect with exchanges and supply-side platforms (SSPs) to find relevant inventory. When there is a bid request for an impression that matches the buyer's requirements, the DSP will then submit a bid for that piece of inventory.

The real-time bidding auction takes place when all bids submitted from various DSPs for a single bid request compete to win that impression. There are two primary methods for determining the price paid by the winning bid: first-price auctions and second-price auctions.

# REMNANT INVENTORY

Inventory available on a publisher's website that has not been sold directly by their sales team. With the advent of programmatic advertising, the inventory playing field has been leveled thanks to sophisticated targeting capabilities. Now buyers can programmatically leverage audience, geo, context, and a multitude of other targeting criteria to surface highly relevant inventory across many publishers, making the status of "remnant" less relevant.

#### **SECOND-PARTY DATA**

First-party data that has been bought directly from a seller/publisher or through a DMP. Second-party data is directly purchased from a single source as verified, first-party data.

Health Example: The manufacturer of knee and ankle braces purchased a second-party data segment of people with high BMIs from a mobile fitness app company for its fall campaign.

#### **SECOND-PRICE AUCTION**

A second-price auction is a mechanism for determining the price paid by the winning bidder for a piece of inventory in an RTB auction. In a second-price auction, the winner's CPM is set at one cent higher than the second highest bid placed.

Second-Price Auction Example: Two bids are submitted in a second-price auction. Bid A is \$4, bid B is \$7. Bid B wins the auction, and the CPM paid by the bidder is \$4.01.

#### SENSITIVE DATA

For digital advertising, the NAI has established general guidelines for which data related to certain diseases/conditions should be considered sensitive in nature. The NAI proposed the following factors be considered when determining whether the disease/condition should be handled as sensitive:

"The seriousness of the condition, how narrowly the condition is defined, its prevalence, whether it is something that an average person would consider to be particularly private in nature, whether it is treated by over-the-counter or prescription medications, and whether it can be treated by modifications in lifestyle as opposed to medical intervention."

Ultimately, the brand will decide whether their product is designed to treat a sensitive health condition. If determined to be sensitive, the brand's digital advertising partners should follow the NAI guidelines for use of sensitive data as it relates to sensitive conditions.

http://www.networkadvertising.org/sites/default/files/NAI\_Code15encr.pdf

## SUPPLY-SIDE PLATFORM (SSP)

A technology platform used by digital publishers to manage the sale and fulfillment of their advertising inventory or supply.

#### THIRD-PARTY DATA

Third-party data often refers to information gathered from internet interactions. Data-management firms then aggregate information from sites across the web that show similar behaviors or interests and that third-party data is used to categorize people into groups. Third-party data is data acquired from a multitude of sources. The data is used to create consumer segments for targeting ads and marketing messages.

Health Example: A trading desk created an audience segment of "Fitness Intenders" by targeting third-party data of people who visited a list of diet and fitness sites during the month of January for its client, a national fitness chain.

#### TRACKING PIXEL

A small transparent image placed on a website or in an email that tracks user behavior. It is often used in combination with cookies, and may also be referred to as a beacon, conversion tag, or floodlight tag.

Health Example: The media buyer could understand the percentage of a publisher's traffic that indexed well for GERD because third-party measurement beacons were used to correlate the site's visitors with other audience research.

# **USER OPT-OUT**

The term opt-out refers to several methods by which individuals can avoid receiving unsolicited product or service information. A key opt-out method for digital advertising is AdChoices, (defined below). The AdChoices logo is added to the top right-hand corner of ads served via behavioral targeting. Users may click on this logo, read why they were served the ad and opt out, or elect not to receive any future advertising served via cookies.

It is key to note that pharma advertisers can include the AdChoices logo on the banner ad design for regulatory review, but the creative should not include the AdChoices logo because the publisher or platform running the advertisement will add it to the creative when needed as it is served.

# **VIEWABILITY (VIEWABLE IMPRESSION)**

An ad that has the opportunity to be seen by an online user. By definition, an impression is considered viewable when at least 50% of the ad was in view for at least one continuous second (banner) or two continuous seconds (video). Viewabilty can be tracked through several ad verification sources, such as MOAT, IAS, and DoubleVerify.

#### WALLED GARDEN

A metaphor used to describe publishers or platforms who restrict access to, and use of, advertising inventory and/or first-party data.

#### WHITELIST

An aggregate of publisher sites that a trader uploads in order to target for either performance, contextual, or brand safety reasons. Engaging in open exchange buying, including on a domain on a whitelist, does not guarantee that you will actually run on that domain, you are simply indicating that you are ok with bidding on impressions coming from that domain.

Health Example: The trader has created a whitelist of the top 100 performing domains for their campaign so they can shift budget to those sites and improve campaign efficiency.

# **WIN RATE**

The percentage of bids won over the number of impressions bid. This is used to gauge competition and adjust bid prices based on bid performance.

# YIELD OPTIMIZATION

Management of digital advertising inventory to increase fill rate and/or CPM paid. Various yield optimization techniques can be applied to increase a publisher's yield, or revenue per pageview.

# IMPORTANT INDUSTRY ORGANIZATIONS

#### **ADCHOICES**

AdChoices is a self-regulatory program for online advertising. The program calls for advertisers to establish and adhere to responsible privacy practices for interest-based advertising, in order to give consumers enhanced transparency and control. As a part of the program, advertisements served using cookie data display the AdChoices logo in the corner, allowing the online user to understand why they were served that ad and opt out of future cookie-based ads if they prefer.

# **DIGITAL ADVERTISING ALLIANCE (DAA)**

Nonprofit organization led by advertising and marketing trade associations which establishes and enforces responsible privacy practices across the industry for digital advertising.

# **INTERACTIVE ADVERTISING BUREAU (IAB)**

The IAB is an organization comprised of over 650 member companies in the digital advertising space. The organization works heavily with member companies to drive adoption of standards, best practices, and other initiatives to help move the advertising industry forward. Creative Ad Format Guidelines, the digital video ad serving template (VAST), and the Standard Terms and Conditions for internet advertising are among the most successful initiatives launched by the IAB.

# **NETWORK ADVERTISING INITIATIVE (NAI)**

Per the NAI's website, "NAI is a non-profit organization dedicated to responsible data collection and its use for digital advertising."