



CHOOSING THE RIGHT IN-HOUSING SOLUTION FOR YOUR BUSINESS

Getting the most out of a managed service relationship





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The different marketer needs and motivations for in-housing, and the challenges you can expect to face

2

What the path to in-housing looks like, and the steps brands need to take to succeed

3

The continuum of in-housing solutions and how they can be applied to meet your precise challenges

4

How to get the most out of your managed service partners

5

How does MiQ tech: Trading Lab, Analytics Studio, Intelligence Hub empower the brands we work with?

6

Case study: How MiQ helped a telecoms company achieve better performance and efficiency on their in-housing journey.

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Introduction

In-housing has been a hot trend for advertisers over the past five years. In the 2020 US Programmatic In-housing report, the IAB found that 18% of brands had brought their programmatic buying functions fully in-house, while another 51% had done so partially. MiQ’s own research through Advertiser Perceptions shows that about half of brands have either already shifted or are in the process of shifting away

from a traditional agency model when it comes to programmatic buying. This is even more true for Direct-to-consumer (DTC) brands, particularly those in the UK.

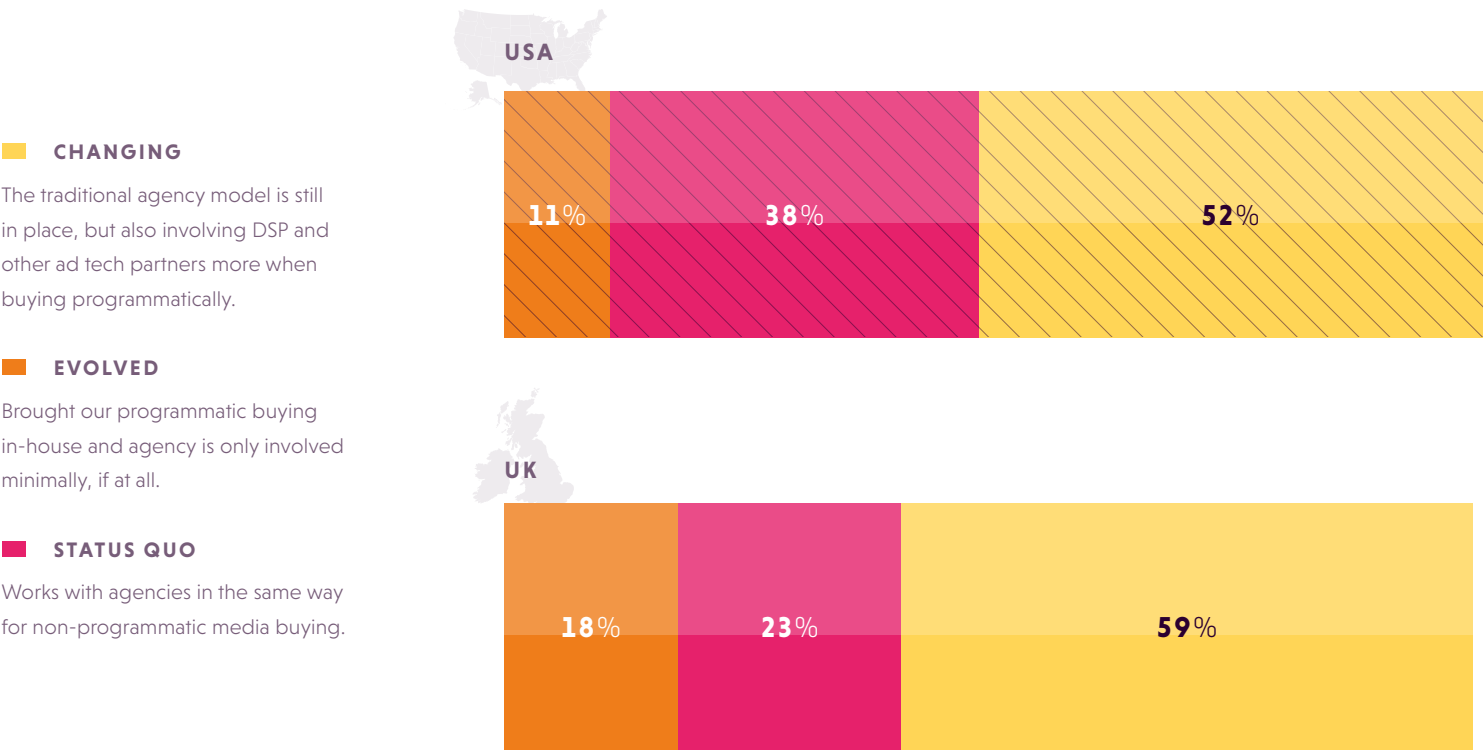
The reasons for this are varied but clear: Whether it be through improved ROI and transparency, cost efficiency, or data management, in-housing for brands is all about reclaiming control.

But as brands have in-housed, they’ve learned that replicating the institutional knowledge and technology capabilities of agencies and programmatic trading companies is much easier said than done. The process is fraught with challenges, both for the organizations and the people they hire.

AGENCY RELATIONSHIP WHEN PURCHASING AD INVENTORY PROGRAMMATICALLY

PERCENTAGE OF RESPONDENTS

Source: MiQ Advertiser Perceptions Wave 5 study, US n=64 UK n=39





KEY CHALLENGES FOR BRANDS

1

LACK OF INTERNAL SKILLS AND PERSONNEL AROUND PROGRAMMATIC BUYING

For brands looking to make the jump, some of the biggest hurdles to overcome are a lack of internal skills and talent - not only does the organization have to be trained on programmatic and how to use it, but the trading process requires hiring a large team of full-time employees with skills that are in high demand. For brands that are headquartered outside of major markets, this can be an even larger challenge - staffing a large team of competent traders in those markets may be costly, extremely difficult, or often both.

2

IN-HOUSING IS NOT THE SILVER BULLET FOR SAVINGS IT MAY SEEM

Many brands may find that in-housing isn't as cheap or cost-effective as they believe it will be - there are many hidden costs and the bills from consultants and partners are still pretty large (and add up quick). And there may be a longer runway to profitability than brands initially expect.

3

THE NEED TO LICENSE THE RIGHT TOOLS AND TECHNOLOGY

Licensing the right tech, getting a seat on an ad exchange, and making sure traders are equipped with the necessary tools to do their jobs is an expensive and time-consuming process and can be difficult to navigate for buyers who aren't already familiar with the programmatic buying process.

4

TIME COMMITMENT

In-housing programmatic buying is a full-time operation for a team of traders and analysts, not something that can be done haphazardly as a part time function.

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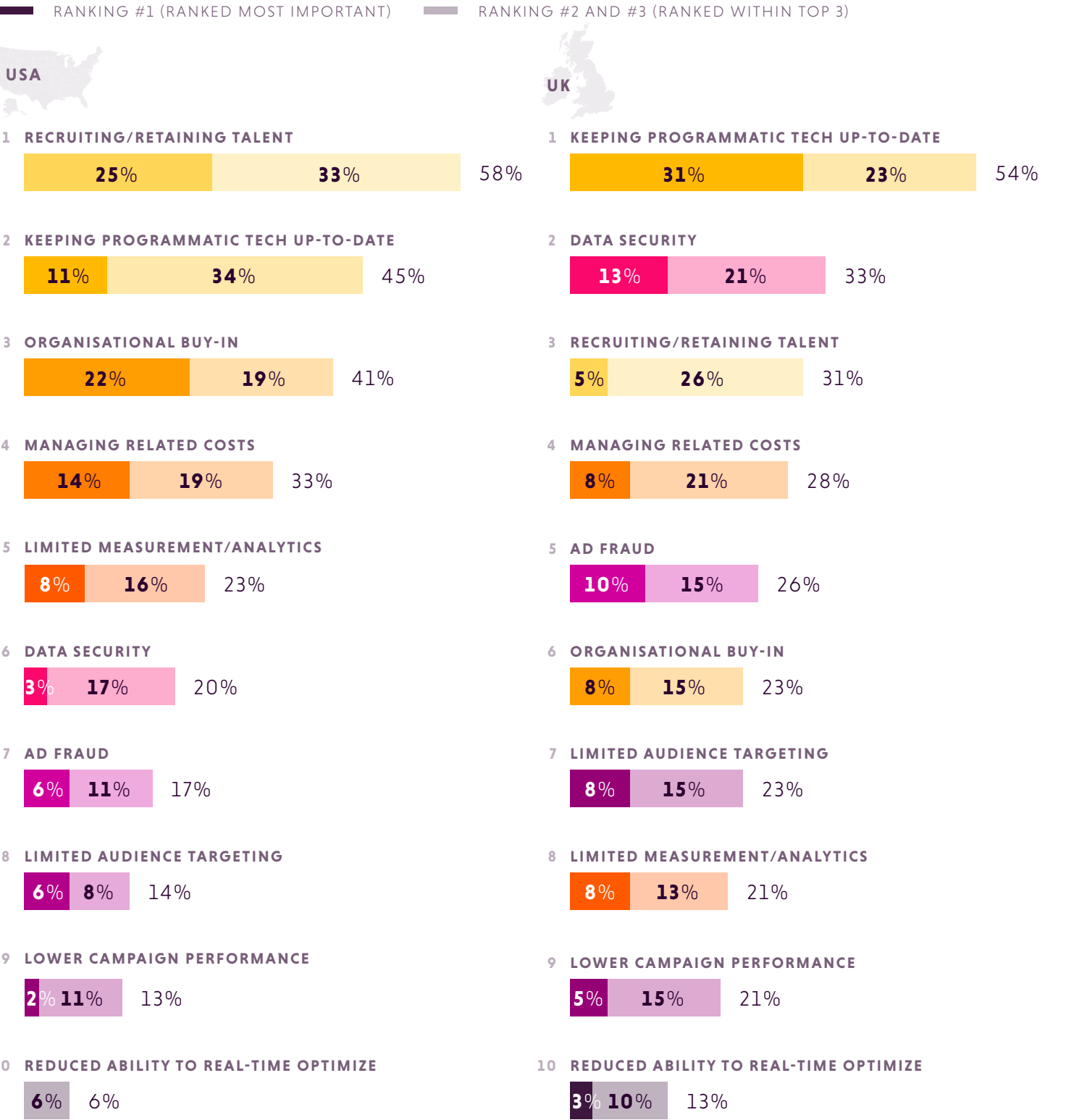
INVENTORY MANAGEMENT

Running quality campaigns means securing quality inventory, which means finding brand-safe, viewable inventory to run campaigns on and managing publisher relationships. Often this will mean building and managing PMPs.

BIGGEST CHALLENGES OF IN-HOUSING PROGRAMMATIC ADVERTISING FUNCTIONS

PERCENT OF RESPONDENTS RANKING OF IMPORTANCE (1-3)

Source: MiQ Advertiser Perceptions Wave 5 study, US n=64 UK n=39





KEY CHALLENGES FOR TRADERS

1

LACK OF NECESSARY RESOURCES TO EXECUTE

One of the key challenges for traders at in-housing brands is a lack of the necessary resources to execute - the integrations and tools needed to build smart campaigns that take advantage of first-party data may still be in their infancy or yet to be implemented.

2

MANAGING A GROWING NUMBER OF CHANNELS, FORMATS, AND PLATFORMS

The number of digital ad channels and formats with biddable inventory has exploded over the past few years, making the landscape more crowded and confusing than ever for traders, who now need to be on top of dozens of platforms and formats.

3

STAYING ON TOP OF AND MANAGING MULTIPLE DSPS

Additionally the number of DSPs that traders must learn to manage and work with continues to increase, and each has its own nuances and restrictions.

4

TIME MANAGEMENT

As brands run more campaigns through their trading teams, traders' time becomes a precious resource. Time spent managing campaigns has to be balanced against managing DSPs, monitoring performance, set-up, managing brand safety, and analysis. The net result is a time crunch for traders that quickly adds up.

5

PICKING AND MANAGING THE RIGHT PARTNERS

Traders will need to maintain and manage relationships with the partners in their stack to ensure campaigns are executed smoothly, further drawing their attention from campaign management.

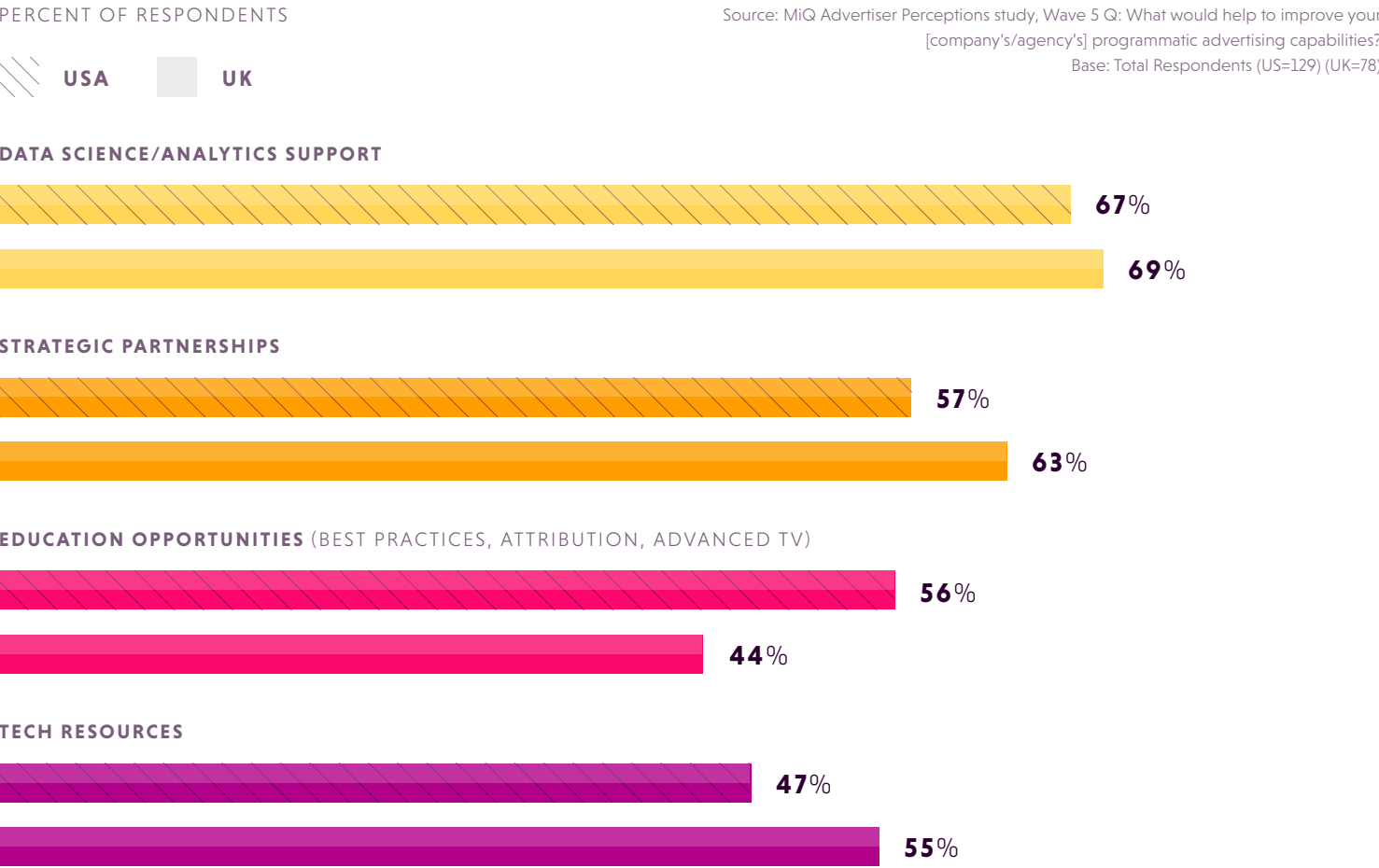
6

ACCESS TO DATA SCIENCE

There's more to trading than buying inventory, and understanding how and where to optimize effectively requires access to custom tools and machine learning algorithms to help make sense of vast quantities of unstructured data in short amounts of time.

These problems aren't unsolvable, but they all add up to a series of challenges that must be overcome and each organization may find different solutions for doing so.

WHAT WOULD HELP IMPROVE PROGRAMMATIC ADVERTISING CAPABILITIES





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In-housing is a continuum, not an either/or proposition

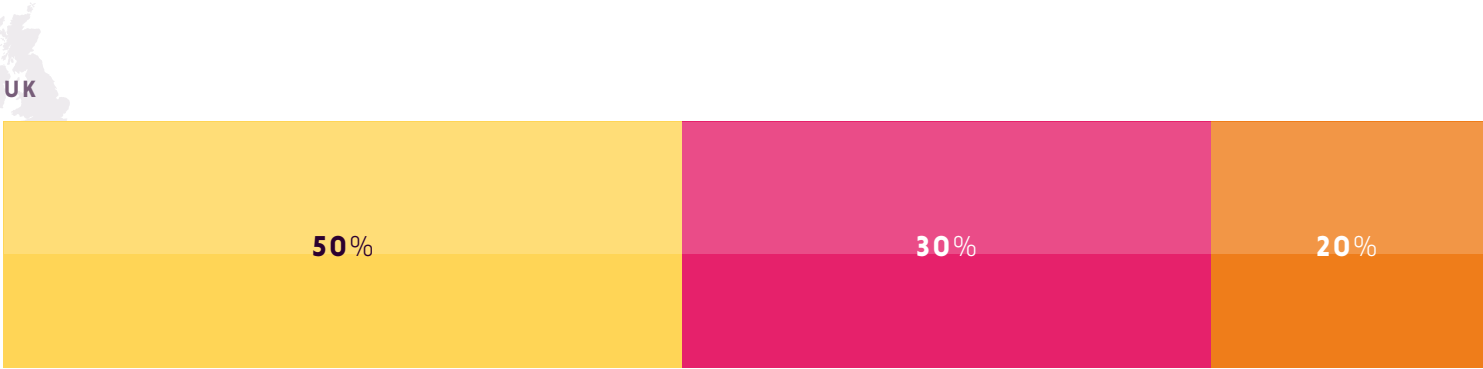
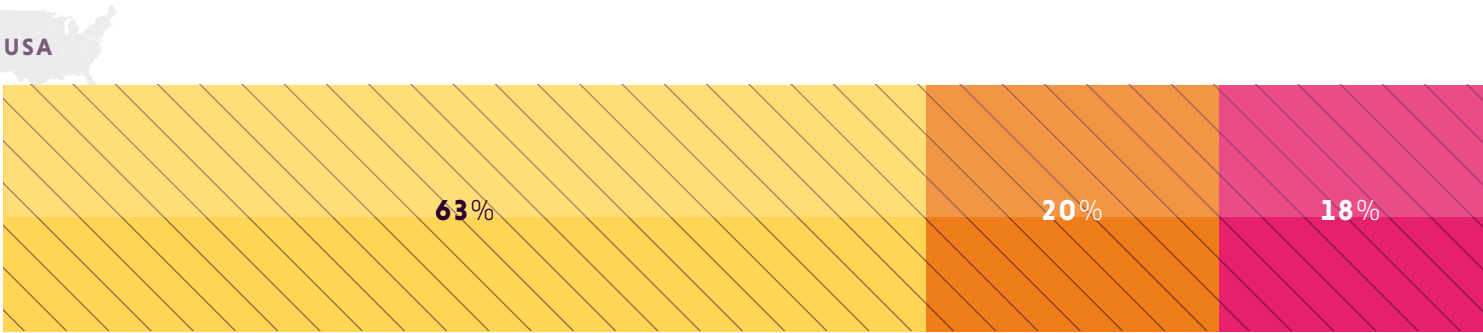
In-housing is not a binary decision, where brands have to be either “all in” or “all out” when it comes to how they manage their buying. Instead, in-housing for most brands will follow a sort of linear progression, where they start by pulling some aspects of their buying in-house and add more over time as they increase their capabilities. In our research, the majority of marketers in the US (63%) and half of UK marketers (50%) said they were currently employing a mix of managed and self-serve programmatic partners, and only 20% were all-in on self-serve.

A MAJORITY USE FULL AND SELF-SERVE PROGRAMMATIC PARTNERS UK MARKETERS MORE LIKELY IN FULL-SERVICE RELATIONSHIPS THAN US COUNTERPARTS

PRIMARY RELATIONSHIP WITH PROGRAMMATIC PARTNERS
PERCENT OF RESPONDENTS

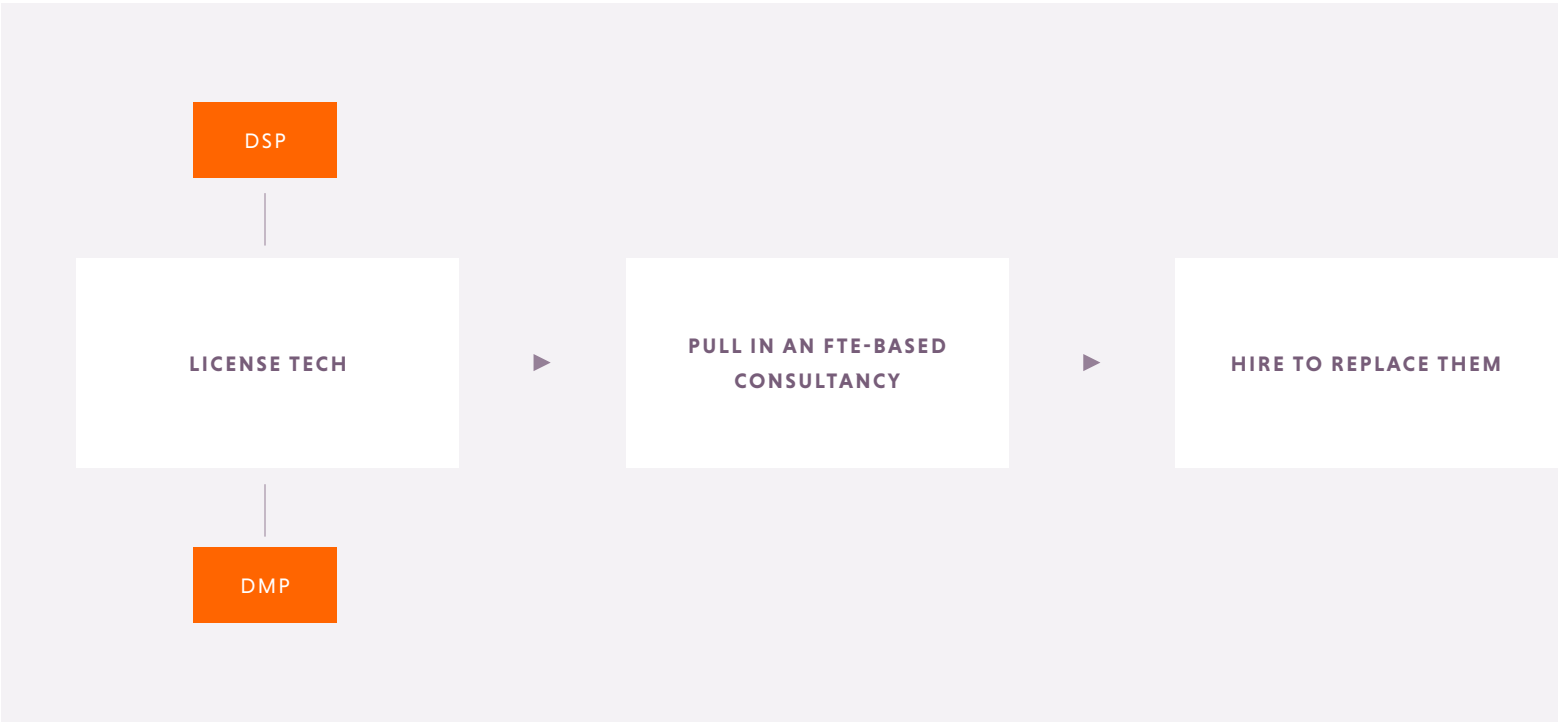
Source: MiQ Advertiser Perceptions Wave 5 study, US n=64 UK n=39

MIX SELF-SERVICE MANAGED / FULL SERVICE



MODIFYING THE BLUEPRINT FOR IN-HOUSING

Currently, the model for in-housing looks something like this:



But as brands become more savvy and the solutions become more sophisticated, involving increasingly detailed plans that see more nuanced use of first- and third-party data, needs may

extend beyond trading and training. That’s where a more detailed long-term model may pay dividends, where a partner like MiQ can provide long-term strategic support, helping onboard, ingest,

and process data and build custom tools that continue to improve the efficiency of your traders.

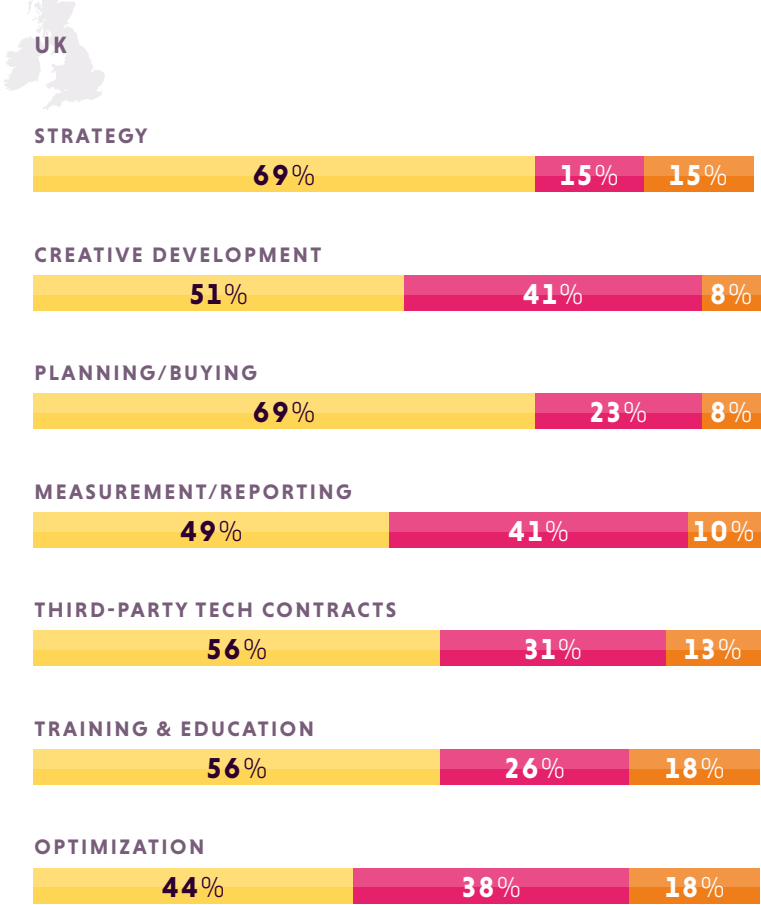
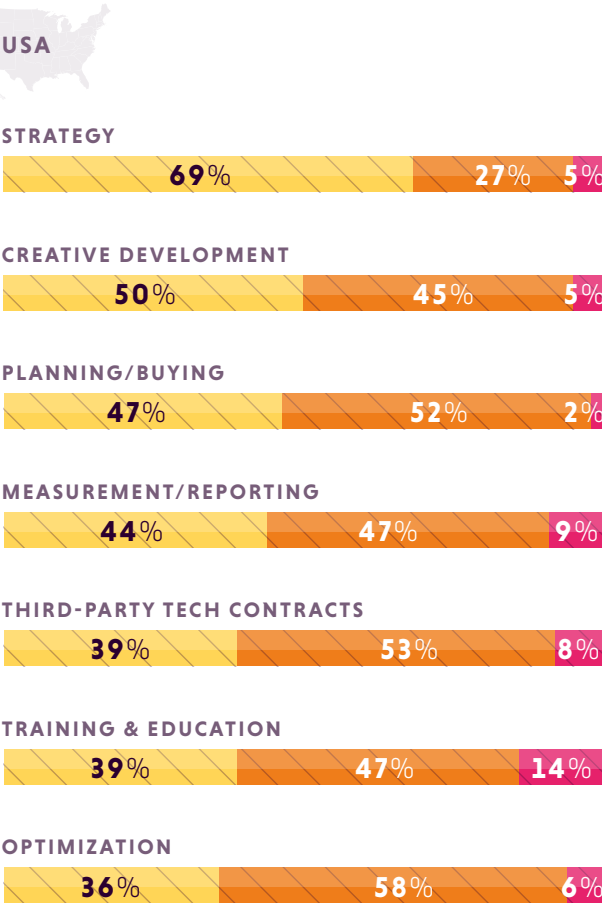
Nearly half (47%) of US marketers and one quarter (26%) of UK marketers look to their agencies for training and education with a plan to focus primarily on strategy internally. This creates a disconnect where strategic decisions may be separated from the realities and nuances of execution. As brands move planning and buying in-house they'll have an opportunity to bring those worlds together and will need to adjust their strategic thinking to incorporate their new capabilities.

MARKETERS PRIMARY RELATIONSHIP WITH PROGRAMMATIC PARTNERS

PERCENT OF RESPONDENTS

Source: MiQ Advertiser Perceptions Wave 5 study, US n=64 UK n=39

MANAGED INTERNALLY MANAGED BY AN AGENCY MANAGED BY CONSULTANTS



BUILDING TOOLS FOR THE JOB



Processing massive amounts of data and turning them from unstructured data into actionable insights and targetable entities requires more than just expertise. With our ten years of programmatic trading experience, MiQ has built several tools that empower our trading team to onboard, ingest, and process data and derive key learning and insight before the first ad is served for a campaign.

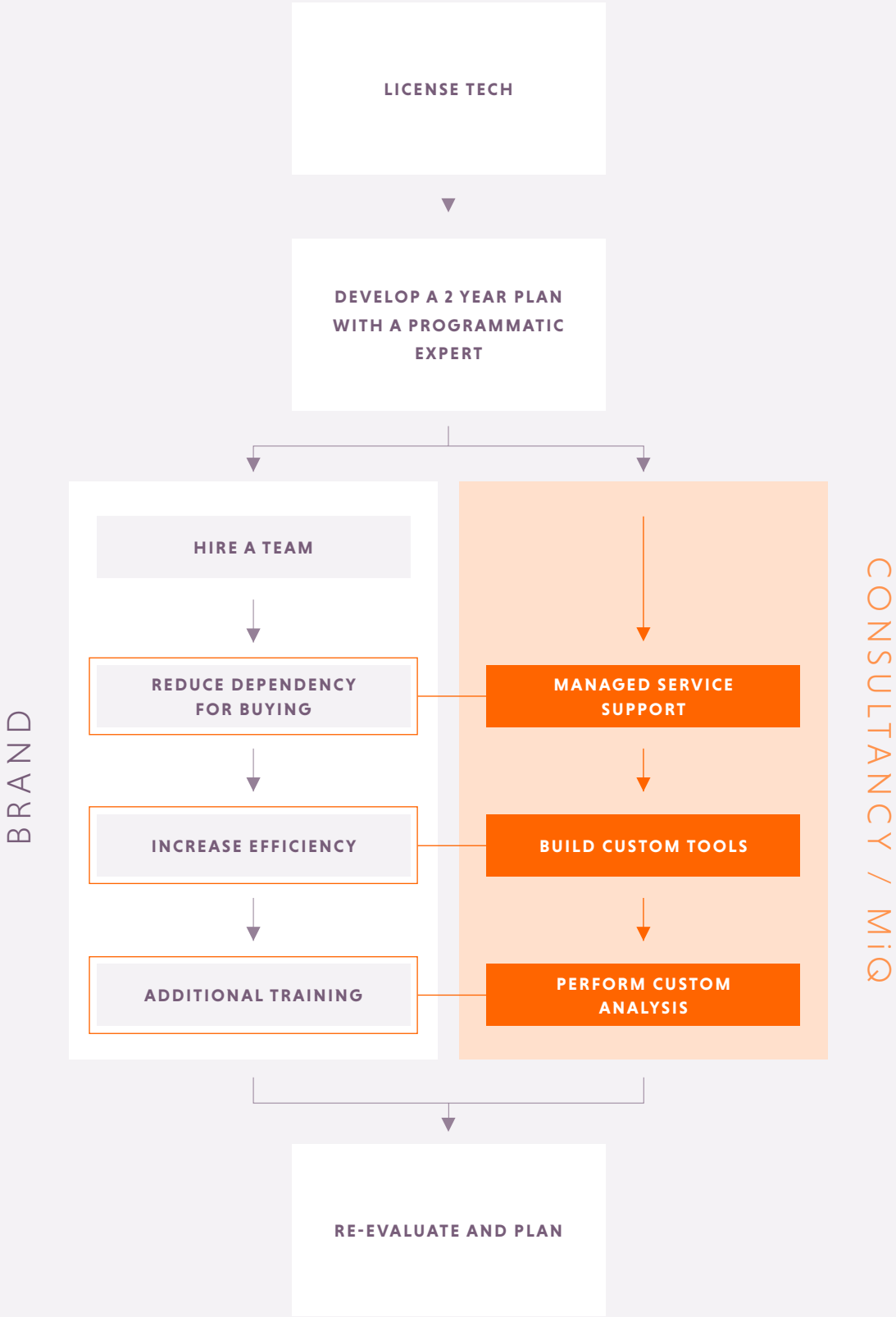
MiQ’s **Intelligence Hub** is a one such tool, an all-in-one data visualization tool designed to help traders better understand the data at their fingertips and make informed decisions during the planning stages of a campaign up through the

post-campaign analytics stage. **Analytics Studio** is a proprietary tool that allows MiQ analysts to visualize workflows that store, model, and generate actionable insights from vast data sets. By generating actionable insights we are one step closer to excelling campaign goals.

And every great programmatic trader has a secret weapon in their pocket. In the case of an MiQ trader, the **Trading Lab** is a campaign management tool that sets traders up for success. It allows them to set up hundreds of campaigns and manage costs, report and optimize campaigns all

in a single user interface. MiQ traders are consistently testing features and products to improve our suite of trading tools that power client campaigns.

Ultimately each campaign is different and so it’s important to combine technology with trader intelligence in a way that allows us to tailor our strategies to client needs and goals.





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Self-serve vs managed service

For brands who are in-housing, there’s a pressure to divide the landscape of potential partners into buckets of “managed service” and “self-serve” solutions, and choose one set to evaluate to the exclusion of all else. However, much in the same way that your business challenges are unique and your business’ data, infrastructure, and personnel are unique, it will seldom be the case that your business will need only self-service tools or a full managed service partner. Rather, even the most dedicated brands will find value in building a more custom way of working with partners in the space.

In a similar fashion, many brands may start out with a larger suite of managed service solutions as they build out their in-housing capabilities with a plan to wean themselves off those over time, having their partners work toward their own obsolescence. We believe that the key focus for brands is working toward establishing a working in-house trading apparatus with the correct tools and expertise, and that will typically mean a mix of trading solutions, training, and custom tools and data services that help increase efficiency and drive campaign success.



GETTING THE MOST OUT OF A MANAGED SERVICE RELATIONSHIP

The current paradigm in in-housing sees many brands working with a third party consultancy for managed service trading and training early on, then aggressively working toward making them obsolete by hiring a full team to replace them and having the firm train these traders to replicate their work. But this is a short-term solution that typically sees those same brands struggling to move beyond the first steps of in-housing. For brands that want to replicate the expertise and value of an agency trading desk or third party vendor, there’s lots of upside to having a longer term relationship that moves from the tactical - training traders and working on integrations - to the strategic to working on broader data and campaign strategy, building long-term plans for improvement.

BUILDING A TEST-AND-LEARN FRAMEWORK

Even for experienced programmatic teams, executing campaigns is a process of trial and error, where traders are responsible not just for executing proven strategies but also finding new ways to reach the right audience. An ongoing relationship with a partner like MiQ should follow a similar framework, built on a framework of developing a series of campaign strategies, testing them rigorously in a safe environment, and then learning from those and applying the new learning to future campaigns. When traders’ resources become stretched too thin or the organization is too risk-averse, we can help dedicate the necessary resources to testing and learning.

YOU DON'T NEED TO HIRE TONS OF TRADERS TO TAKE CONTROL

Conventional wisdom suggests that doing this requires a large team of traders, essentially replacing the staff of an agency trading desk team or programmatic vendor. But the reality is much simpler. With the correct tools and automation, a small number of traders can effectively do the same job as a larger team. Accomplishing the task efficiently and effectively is more important than simply matching the raw horsepower of a larger team.

CHANGING COURSE

In-housing can be a scary proposition, particularly for brands that have seen it as an all-or-nothing approach. It can feel like there’s a pressure to succeed at all costs, where having to backtrack means losing face. For brands

struggling with in-housing, moving back to a strategic partnership with MiQ offers an easy alternative - the ability to lean on our programmatic expertise, tools and training, and strategic intel without abandoning the in-housing effort completely or being forced to backtrack.



SUMMARY

Whether it's the data, targeting, or ROI, taking control of your business outcomes is the primary focus of in-housing for most marketers. But, trading campaigns is complicated and defies a one-size-fits-all solution. Depending on

the technology, team size and trading power, for many brands in-housing may be a combination of managed and self-service partnerships and solutions. While we don’t know how quickly the ad tech landscape will change and how it will shift in-housing, we

do take note that more and more brands will start to look towards building out internal capabilities and trading desks, and having the ability to lean in on programmatic expertise like MiQ will be essential.





CASE STUDY: US TELECOMMUNICATIONS COMPANY

GOALS

A major telco brand, on a journey to bringing their trading capabilities in-house, partnered with MiQ to tap into our tech and expertise during the transition.

Initially, the brand tapped into MiQ's managed service capabilities to elevate trading

efficiency while driving increased performance based on their KPIs. After 40% improvement in performance in six weeks, they knew they had found a partner to help them achieve longer term goals around digital transformation of their trading capabilities.

- Accelerate transition to in-house programmatic trading.
- Grow online sales and drive cost efficiencies through use of AI, as part of a larger digital transformation agenda within the business.

CHALLENGES

Like many organizations, transitioning to an in-house programmatic trading team came with challenges:

- Effectively scaling an internal trade desk and hiring the right talent that will effectively use the right technology.

- Investing in powerful and scalable - but less customizable - analytics tools such as the Google stack. This meant the brand could only measure generic outcomes versus specific KPIs, and were limited in their ability to automate

and activate back into their campaigns, and measure specific performance markers.

SOLUTIONS

MiQ provided strategic consultancy to help the brand get up and running with its in-house trading team. We recommended the brand license Rio, our trading assistant built based on our own trading tech and expertise, specifically for making campaign management easier on Google.

Rio provided:

- Transparent and predictive recommendations on programmatic strategies
- In-depth diagnostics and predictions
- Machine learning to automate the optimization process

RESULTS

By partnering with MiQ and using Rio, the brand saw improved performance, greater efficiency in the way campaigns were optimized and traders gained more bandwidth to focus on strategic optimizations. The brand was able to scale its trading capabilities thus enabling them to in-house more strategically and effectively.

- EFFICIENCY**
The brand saved close to **40%** of traders' time and is able to build towards the company's digital transformation goal
- SCALE**
Rio scaled to **14** campaigns and delivered an upwards of **378** million impressions in just **4** months.

- PERFORMANCE**
Rio won head to head tests then delivered compound improvements of over **+45%**.

We collaborated with MiQ to be the first brand to use a self-service, machine-learning bidding algorithm. It has saved hours, reduced costs and improved performance with our programmatic display advertising. Fulfilling my promise toward more!

CEO OF US TELECOMMUNICATIONS COMPANY



ABOUT MIQ

We're MiQ, a programmatic media partner for marketers and agencies. Our better connected approach to programmatic advertising means we can connect data, discover insights and activate them in high-performance campaigns to deliver real business outcomes for our clients in an increasingly divided world.

Making the most of your data is complex. You need to connect all your first party data, enhance it with the right second and third party data, analyse it with data science technology and resources, then use the insights you gather to build creatives with the right messages and target them to the right audiences with expert programmatic trading.

We connect the right people, industry partnerships, and technology in a complete programmatic stack so we can solve your precise business challenges by maximising the value of your data.

Headquartered in London, MiQ has offices across North America, Europe and Asia Pacific. We work with the world's leading brands and media agencies. We were named 4th in The Sunday Times International Track 200 for 2019, the Fastest Growing Tech Company of the Year at the 2017 Stevie Awards and awarded Most Effective Use of Data at The Drum's Digital Trading Awards USA 2017. MiQ operates globally from 18 offices located in North America, Europe and APAC.

Please visit us wearemiq.com