

Programmatic advertising in Africa - a friend or foe?

By [Musa Kalenga & Samuel Segun](#)

11 Feb 2021

There is a great potential for programmatic advertising in Africa, especially since the continent is seeing a growth in smartphone penetration, which grew to over 26% in 2018. As at 2019, there were 525 million internet users in Africa, with an estimated 80% of the 800 million people in sub-Saharan Africa expected to have mobile devices by the end of 2020.



Photo by Markus Spiske © from [Pexels](#)

With such an unprecedented increase in mobile and internet access, it is understandable that the surrounding sectors would be ripe for advancement in technology. Media buying traditionally was the physical negotiating and securing of media real estate on billboards, in magazines and on street poles.

Mobile devices have shifted the attention and much valued “eyeballs” into the world of banner ads, pre-rolls and interstitial advertisements. To some extent, the same logic relating to negotiating, agreeing a price and flighting media still applies, but at a much faster, more insightful way - just like magic.

Programmatic advertising in itself is ever evolving, especially with the growth in machine learning; a piece of software can now handle the sale, placement and engagement of digital ad impressions in split seconds through an ad exchange platform. Programmatic advertising creates an online intersection for advertisers wanting to buy ad spaces online and publishers who want to sell these spaces. We believe that we will see an increased appetite for programmatic due to businesses looking for effectiveness and efficiencies out of their media investments.



#BizTrends2021: Tech democratisation will set the tone for 2021

Andrew Smit and Johan Walters 6 Jan 2021



More value, for less

Covid-19 has created immense constraints on consumer demand in most markets, and in response, brands will be looking to get far more value for a far reduced spend. As a direct response to market conditions, this is where programmatic can be advantageous as programmatic advertising is all about improving cost and resource efficiency throughout the media buying process. The real secret sauce of programmatic advertising is that it leverages on data traffic and other online targeting avenues to serve as impressions and efficiently reach a wide audience. For advertisers and publishers, having a system that accurately accounts for impressions and efficiently handling this at scale would translate to better return on investment (ROI).

With programmatic advertising, there may be exponential growth in sight for African advertisers; publishers and advertising agencies who run ad exchanges can now optimise the auction process and connect with advertisers in real time.

Benefits of programmatic advertising for African advertisers

- **Wider reach** – Advertisers on the continent can now reach a wider audience with programmatic advertising because it supports a large number at a higher frequency of ad exchanges and networks, giving advertisers access to more ad spaces across multiple websites.
- On the continent, South Africa stands out as one of the leading programmatic ad markets and in the last couple of years, programmatic advertising has taken up a major portion of digital advertising. Statista Digital Advertising Report of 2020 shows that in 2019, 79% of digital ads were obtained through programmatic advertising and this number is likely to grow up to 83% by 2024.
- **Competitive pricing** – With advertisers spoilt for choice and having a one-stop-shop to source for ad spaces across multiple websites, rates become competitive and advertisers have the opportunity to advertise at scale with affordable prices and with little extra work to drive conversion.
- **Data analytics and real-time monitoring** – Advertisers and publishers are now able to garner insights from real-time data. With real-time data, advertisers can optimise ad campaigns and monitor performance.
- **Transparency** – Since advertisers and publishers can access real-time data about ads, placement and engagement, programmatic advertising helps with transparency as to how well a campaign is doing. This also plays a role in terms of cost transparency.
- **Targeted advertising** – Programmatic advertising takes advantage of lookalike audience or interest targeting technology to profile customer behaviour and find ideal customers for advertisers. For example, Facebook uses interest targeting by extracting data from user profiles to find ideal customers for businesses. Google uses its 'similar audience' solution, a similar technology, which profiles users through their search histories to push targeted adverts.

Despite these impressive benefits, there are some considerations with regards to the disadvantages of programmatic advertising.

- **Lack of Human Control** - Some may argue that this is an advantage, but the fact remains that one of the obvious

concerns of ad automation lies with the human element of the process. That is why different agencies produce different results. It takes highly skilled, highly trained programmatic ad professionals to launch, manage and execute successful campaigns.

- **Skills shortage in Africa** - Linked to a lack of human control, the kind of team required to execute programmatic is an important variable to achieving success. In South Africa, we have a shortage of skilled performance marketers and therefore we tend to see bad practices, or inexperienced staff. This becomes a major disadvantage for advertisers, as they are likely to experience a number of challenges like ads appearing on low-quality inventory, wasted viewability – or worse – a campaign that succeeds, but does not do so to its highest potential.
- **Overlooking the importance of relevant creative** - Without compelling creative work, programmatic display campaigns will suffer. As consumers, we see a lot of advertisements cross our path and consequently, we know a bad ad when we see it - instinctively. So being cognisant of small things like an off-pixel image, offensive language, or false promises are major pitfalls of ill-considered creative work.
- **Online Traffic Fraud** - Advertisers invest in quantifiable views and unfortunately, there is a major upsurge in fraudulent views being delivered by bots - which are not real. This unethical practice results in some companies creating bots that watch videos repeatedly to falsify video view rates. This is often the reason why the CPM and impressions do not align to the actual sales data.
- **Inappropriate Ad Matching** - Sometimes, when advertisers are exposed to low quality inventory, they run the risk of ads ending up next to contents, or on undesirable websites, like a financial institution having its ad up on a gambling website. These are important things to consider when managing brand safety for an organisation.
- **Privacy concerns** – Programmatic advertising depends on user data for targeted ads and this has become a growing concern, as issues of privacy continue to take front roll in conversations around internet use.

So in light of these key challenges, one needs to ask the question - ultimately, what control does a brand have over a platform?

In reality, once a programmatic system has been put in place, for the most part, it would feel like a “black box” for an advertiser who is not well versed in the technicalities. Automation by its very nature implies initial control over the inputs, but very little control over the process, which is often the work of algorithms and dashboards to monitor. With artificial intelligence, there is an opportunity to streamline ad management and achieve a higher degree of control. In reality, many businesses may not have budget to invest in AI, so they partner with agencies, who become the gatekeepers to the “black box” that creates a feeling of no control.



Mark1 launches independent martech advisory firm, Carbon1

3 Feb 2021



Are there sufficient processes to detect fraud?

According to Andrew Buckman, MD of EMEA Sublime: “The programmatic ‘black box’ prevents true visibility of where ads are served, and almost 80% of advertisers who purchase through programmatic are concerned about this lack of clarity – making it all the more vital that brands understand the supply chain and choose partners they can trust.” Lack of transparency gives rise to ad fraud and many brand-related malpractices. While that in itself cannot be resolved in a day or two, it seems like the industry is moving in the right direction.

We are seeing technologies like ads.txt and sellers.json make the supply chain more transparent for everyone. It is also worth noting that Google recently made the use of sellers.json mandatory for all Ad Manager users. With that, this standard is expected to witness better adoption.

We also believe that AI can go a long way in fraud detection and, to some degree, correction as well. Some experts argue that viewability could potentially pose a bigger problem to digital advertising than ad fraud. Essentially, with programmatic buying, you bid on every impression.

This means that you are paying for every ad displayed on a screen. Whether this ad is seen, the advertiser pays. Even if you have solved the problem of fraudulent inventory, you are still unsure whether the advertisement that you are flighting is actually shown on a screen as it might be 'below the fold', in a slot where the user has not scrolled to. With machine learning, historical data is used to improve the future outcomes.

In developing economies like Africa, some pitfalls of programmatic can become a deterrent to its use and likely compromise on the value ultimately to be received by advertisers.

We are hopeful that some creative solutions can help turn programmatic from a potential "foe" to a "friend" using machine learning to not only have better ad targeting, dynamically adjusted CPMs and ROI predictions, but also to detect and correct fraudulent occurrences.

ABOUT THE AUTHOR

Musa Kalenga is the CEO of Bridge Labs and Samuel Segun is strategy consultant & AI researcher at SBM Intelligence

For more, visit: <https://www.bizcommunity.com>