

How Advertisers Can Wield Data Exhaust

Article

- Many marketers **discard excess data**. The massive data trail that users accumulate as they browse the internet is referred to as "data exhaust."
- Popularization of header bidding led to a significant **increase in the amount of data** that advertisers' demand-side platforms (DSPs) process.
- The data exhaust created by programmatic bidding can be used for lead generation.
- Publishers can use **programmatic auction data to find new advertisers** to strike direct deals with.

- Similarly, advertisers can use data generated by programmatic bidding to target audiences, map out users' customer journeys and optimize campaigns.

Even when an advertiser's programmatic bid fails to win an impression, they can **still gather data from the auction** to use across their campaigns. But doing so can be time-consuming and requires technical expertise, so many advertisers discard this data instead of utilizing it.

The amount of data that programmatic bidding creates has **increased as header bidding has become more popular**. Before header bidding's rise, programmatic advertisers relied on a system called "waterfalling," which sequentially passed bids from one ad exchange to the next. Header bidding allowed programmatic platforms to bid simultaneously on the same piece of inventory that was being offered across multiple exchanges. Three-fourths of the 1,000 most popular sites that sell programmatic ads use header bidding, according to **Adzerk**.

As the data that users generate has increased, advertisers have found themselves scrapping lots of data. In an August 2018 survey of 100 digital marketers worldwide conducted by **Digital Element**, 15% of respondents said they **throw away at least half of their data**.

What Percentage of Data Do Companies Worldwide Throw Away?

% of respondents, Aug 2018

0%-25%	29%
25%-50%	3%
50%-75%	9%
75%-100%	6%
Do not know	28%
Not applicable	21%

Source: Digital Element, "Digital Data Exhaust Report 2018" in partnership with Location Based Marketing Association (LBMA), Oct 24, 2018

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Wesley Farris, director of partnerships at programmatic agency **Digilant**, spoke to eMarketer about how advertisers can make use of data exhaust.

What sort of data can a DSP store from a programmatic auction?

"Every time a DSP gets a bid request, there are a number of data variables that are passed on: the anonymous user ID, the domain, the time stamp, the location of the page, the creative size. There could be upward of 50-plus variables that are passed in the bid request, and the DSP stores that information in what I call 'log files.'"

How can an advertiser use that information?

"You can use it for things like the customer journey. If you pull that information out, you can start to piece together a picture of how different channels and variables are affecting the campaign and put together that customer journey of how they engaged with your media. If you ingest that data across your search and social efforts, you can then more or less combine your search efforts with your social and display efforts and see how those are impacting one another.

"You can also use it for data science to find which variables within the bid stream are driving conversions or whatever key performance indicator [KPI] that's being measured. You can use it for audience discovery, bucketing users by similar variables, and reaching them on a more granular level. The data is definitely used at the DSP level for optimizations and reporting insights."

Does it cost advertisers to access this data?

"The DSPs capture this data natively, but for agencies, you'd pay a pretty penny for the data."

Do advertisers usually use this data?

"In the vast majority of cases, they don't use it or they're not even aware it's there."

What are the difficulties that advertisers face in using the data?

"You need an infrastructure, and you need to know that you can access it. You've got to be willing to pay for it. You need to have the folks that can manipulate the data and make sense of the noise—and you've got to verify it."

Any other reasons why more advertisers don't make use of this data?

"It may not be worth the hassle. Or they don't see value in it. Or they think it is too much effort. In a lot of cases, they don't know all this passive data is being stored when they run online media."