

Automation is changing the Ad Operations game

It's time to learn how to play

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Executive Summary

In recent years, the rapid advances in automation technologies have completely transformed the world of advertising. This paradigm shift is reshaping the landscape of Ad Operations, redefining the way enterprises engage with target audiences, manage campaigns, and allocate resources, and revolutionizing how they are orchestrated and executed across increasingly diverse platforms and channels. This paper delves into the profound implications of automation on Ad Operations and the ensuing ramifications for the industry.

To gain deeper insights into the current challenges, and how the appropriate automation tools have the potential to revolutionize the industry, Theorem commissioned Hypothesis to conduct a quantitative survey and a series of 1:1 interviews with industry professionals from three key audiences (Ad Ops Pros, Ad Sales Pros, and Signatories) within two industry segments (Media and Entertainment, and Retail Media). Participants discussed an array of topics from the everyday challenges in their specific roles, prospects for process enhancement, awareness and perceived benefits of automation solutions, and their priorities for implementing novel solutions or partnerships.

The ensuing research uncovered a myriad of shared pain points amongst ad sales and operations professionals throughout the Order-To-Cash (OTC) process, spanning various functions within the business. Glaring inefficiencies in workflows, fragmented data, excessive, error-driven makegoods, poor communication among teams, and an overwhelming workload with limited timelines are bottlenecks that must be resolved for ad teams to enhance productivity, drive revenue growth, and retain their competitive edge.

The results of this research and subsequent analysis have been compiled here to provide critical insights into the state of the industry, the tangible benefits of implementing an automation technology solution into the ad sales and operations ecosystems, and a roadmap for getting there. But first, a brief look back at the evolution of Ad Operations, and where things stand today.

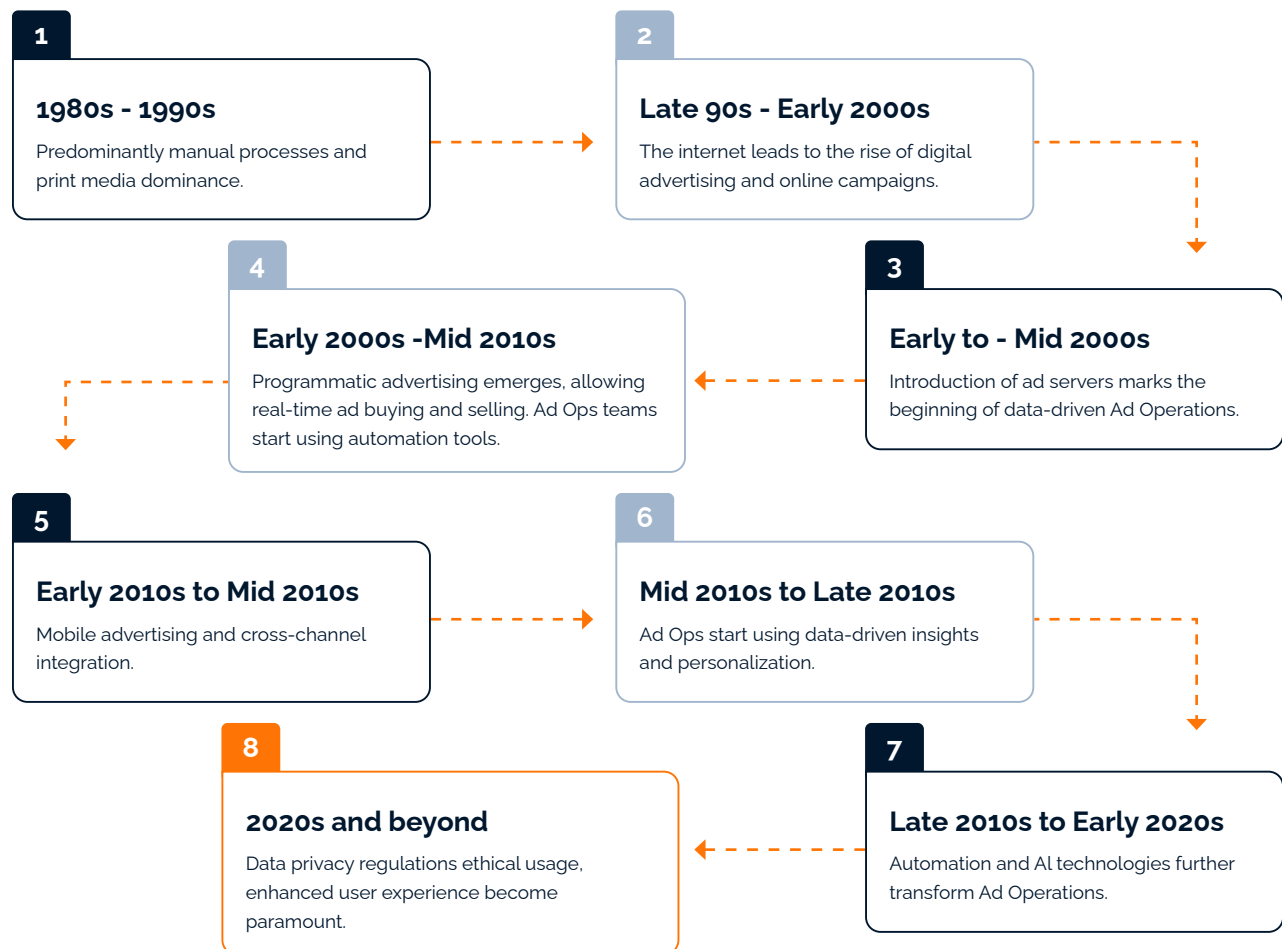


The Evolution (Development of Ad Operations)

The Ad Operations ecosystem of today did not happen overnight. It was a gradual process heavily influenced by technological advancements, changes in consumer behaviour, and dynamic shifts in the advertising landscape. The timeline below represents a snapshot of that evolution over the years, during which time, the role of Ad Operations expanded beyond manual tasks to encompass data-driven decision-making, real-time optimization, and personalized targeting.

The integration of automation, AI, and data analytics played (and continues to play), a pivotal role in reshaping Ad Operations by enabling advertisers to engage with audiences more effectively, while simultaneously

contributing to the progression of diverse revenue models across the Media and Entertainment, and Retail Media segments of the industry.





Evolving Ad Revenue Models

To fully grasp the Ad Operations landscape of today and the overwhelming impact automation has brought about, it is essential to understand the remarkable transformation of revenue models in both the Media & Entertainment and Retail Media sectors.

Media & Entertainment Revenue Models

One of the few sectors to experience a massive surge in growth during the COVID-19 pandemic, Media & Entertainment brands saw their subscriber numbers skyrocket. In fact, in 2020, the number of streaming subscriptions across platforms surpassed one billion across the globe.

However, fast forward to the post-pandemic era and an influx of new streaming platforms to choose from, and the competition for subscriber-driven revenue has changed the game entirely. According to a Nielsen study, a nearly 20% increase in unique program titles over the past three years has 46% of audiences feeling overwhelmed by the increasing number of choices, which may explain why 18% of Americans in 2022 reportedly paying for four streaming services vs the 7% who did three years ago.

With the subscriber base becoming more and more diluted, many brands are re-evaluating their existing revenue models beyond subscription models and adopting advertising / monetization of their content as a new revenue stream in their business models.

Non-subscription services are also adapting to the digital age, expanding to online platforms, and streaming services, with data and automation-driven programmatic advertising revolutionizing Ad placement and targeting.

There is also the hybrid revenue model that combines subscription and non-subscription elements, offering a basic level of content for free and enticing users to upgrade to a premium subscription (freemium).

These dramatic shifts in revenue models have significant implications for Ad Operations, requiring advertisers to find new ways to engage audiences and create innovative ad formats that strike the right balance of resonating with increasingly savvy, selective viewers, without being intrusive.





● Retail Media Revenue Models

Shaped by the fusion of technology, e-commerce, and changing consumer behaviours, the retail media industry is also undergoing significant changes in its revenue models. With the boom of e-commerce changing the way consumers shop and interact with brands, retail media companies have shifted to a data-driven monetization model. Retailers are able to harness a wealth of customer data to offer targeted advertising and marketing opportunities to brands.

Subscription-based models have also become popular in retail media, where customers pay a recurring fee to receive regular, curated product selections ranging from groceries and clothing, to pet products and more. These fundamental changes are requiring retailers to re-evaluate their store layouts, digital platforms, and partnerships to align with these new revenue-generating strategies, while adapting their advertising strategies to deliver an optimal, unintrusive customer experience.

The convergence of retail and media has created new opportunities for revenue generation and customer engagement, and as technology evolves, even more innovative approaches to monetization are expected that will transform the way we shop and interact with brands.





The Case for Automation

It is precisely the transformation of revenue models in both sectors that is driving the need for automation in Ad Operations processes. These new models add complexity, and an increasing need to refine, adapt, and automate Ad Operations to achieve target revenue growth and maximize ROI. Introducing an automation solution tailored to both the revenue model and the unique business processes within an Ad Operations team, can effectively drive gradual transformation across the organization that nets the best outcomes.

The Advent of Automation in Ad Operations

Advertisers seem to have an endless appetite for newer, better, more creative formats that help them achieve the best possible campaign results. This constant demand puts tremendous pressure on Media and Entertainment Retail Media brands to continually come up with the latest, and greatest when it comes to innovative ad formats and ways to reach consumers. The advent of automation technologies in Ad Operations did more than streamline processes, it gave teams back their most valuable asset – their time. Time that could be used to focus on strategic planning and creativity, allowing them to keep up with the demands of their advertisers.

In the past, manual processes like placing ads, managing creative assets, keeping track of campaigns, and analyzing performance were all part of Ad Operations. The efficiency and effectiveness of advertising campaigns were hampered by these manual processes and procedures, which were frequently time-consuming and prone to human error. However, the introduction of automation technologies into the Ad Operations ecosystem changed the game entirely by increasing the speed, precision, and scalability of campaigns, revolutionizing the industry.

Critical Aspects of Automation in Advertising Operations

● Streamlined Campaign Management

Automation technologies streamline the process of planning, executing, and managing campaigns across multiple channels. By setting up specific criteria, budget constraints, and target audiences, these technologies can dynamically adjust campaigns in real-time, maximizing efficiency and manual effort. Teams can spend more time honing their strategies and unleashing their creativity without having to waste resources on tedious, manual labour.

● Data-Driven Insights

Automation enables the collection and analysis of large volumes of data from multiple sources, providing advertisers with actionable insights. This data-driven approach helps marketers improve targeting tactics, fine-tune campaigns, and make data-backed decisions. Real-time analytics provide Ad Operations teams with the capability to rapidly adjust and refine campaigns.



● Personalized Advertising

By deploying automation, advertisers are able to craft advertisements tailored to the preferences, behaviours, and actions of specific demographics of consumers. Automation leverages data to personalize messaging and content, increasing the relevancy of advertisements and enhancing customer engagement.

● Dynamic Creative Optimization (DCO)

DCO utilizes automated processes to adjust advertisement elements - including visuals, copy, and offers - depending on the user's context and activity in real-time. The user experience is improved, and likelihood of conversion is increased by this sophisticated to customization.

● Ad Fraud Mitigation

By examining patterns and irregularities in ad interactions, automation systems help with the detection and prevention of ad fraud. This strengthens ad spending and guarantees that campaigns successfully reach real viewers.

Challenges and Key Considerations

● Human Oversight and Creativity

While automation increases productivity, human oversight is still important to make sure campaigns adhere to strategic goals and retain brand integrity. Additionally, the creative component of advertising requires human imagination and emotional intelligence, which are qualities that technology struggles to imitate.

● Data Privacy and Ethics

As automation is used more frequently for data analysis, issues regarding data privacy and moral application have grown. The challenge for advertisers is to strike a balance between respecting user privacy leveraging user data for targeted advertising.

● Evolving Skillsets

The implementation of automation in advertising operations requires the willingness and agility among marketers and advertisers to level-up skillsets. To maximize the benefit of automation, users need to become adept at using automation tools, deciphering data analytics, and obtaining relevant information.





The Current Media Landscape in Media and Entertainment and Retail Media

From an Ad Operations perspective, the Media and Entertainment and Retail Media sectors have embraced automation to varying degrees, reflecting the industry-specific challenges and opportunities they face.

Media and Entertainment

In the Media and Entertainment sector, Ad Operations have seen a notable shift towards programmatic advertising and data-driven insights. Automation has enabled more precise audience targeting, leading to increased efficiency and ROI for advertisers. Dynamic creatives have become essential for capturing viewers' attention across various digital platforms. Additionally, the demand for real-time analytics and performance metrics has driven the adoption of automation tools that provide actionable insights.

Yet, the industry faces challenges related to ad viewability, ad blocking, and ensuring that ads are contextually relevant to the content they appear alongside. As such, there is a continuous need for refining automation strategies to strike the right balance between personalization, user experience, and ethical considerations.

Retail Media

In the Retail Media sector, Ad Operations have leveraged automation to enhance customer engagement and drive sales. Personalized advertising and dynamic creatives are particularly crucial in this space, as they enable retailers to deliver tailored messages and promotions to individual shoppers. Automation tools have also enabled more efficient management of ad campaigns across various e-commerce platforms.

However, data privacy and user consent remain significant concerns in Retail Media. Striking a balance between utilizing customer data for personalization and respecting privacy preferences is vital to maintaining consumer trust. Additionally, Retail Media faces challenges related to tracking the customer journey across different touchpoints and devices, which automation tools aim to address.

In both sectors, the evolution of Ad Operations continues to be shaped by the interplay between automation, user expectations, regulatory changes, and emerging technologies. Balancing the benefits of automation with the need for human oversight and creativity remains a key consideration for businesses in these industries. But to truly understand where the rubber meets the road in the case for increased automation in advertising operations, much can be learned from the boots on the ground professionals doing the heavy lifting.



What the Ad Sales and Operations Professionals are Saying

Perceived Challenges / Drawbacks

In their quantitative research report: UNDERSTANDING AD AUTOMATION, the research conducted by Hypothesis highlighted common challenges shared by advertising sales and operations professionals. (Ad Pros) One of the primary challenges in an ecosystem with so many moving parts, is the frequency of mistakes throughout the order-to-cash process. While the frequency of errors is, in and of itself problematic, a bigger issue is the normalization of errors and the resulting excess of makegoods.



Errors are normalized, while efficiency takes a back seat.

1-IN-4 FEEL

My company provides too many makegoods

Participants interviewed for the report pointed to lack of efficiency and decentralized tools as common pain points and acknowledged that time and efficiency pressures had caused them to become resigned to errors and makegoods.

“In Ad Ops, we have a joke that **it's not about if you'll make a mistake, it's when!**”

Vlad, Ad Ops

Time Constraints Force Ad Pros to be Reactive vs Proactive

What's more, the complex requirements of their daily activities in such a fast-paced industry leaves many Ad Pros without the bandwidth to proactively examine ways to overcome these challenges. 63% of Ad Pros feel their team doesn't have enough time to be more proactive, and 86% are challenged by time-consuming, inefficient processes.

3-IN-5 AGREE

Our team doesn't have enough time to be more proactive. We don't have enough people to be more proactive

“I'm too busy. This industry is very fast moving, it's hard to have the capacity for it all, **including things that really could make your job more efficient.**”

Allison, Ad Ops



Ad Pros also expressed fear of complexity, risk, and a lack of confidence in solution effectiveness.

- Expensive and takes a long time to demonstrate ROI
- Involves high levels of risk (e.g., impacts company culture and morale potential for layoffs)
- Awareness/knowledge of automation solutions is generally low
- Adds complexity (especially if unable to integrate with existing processes, may not be the right fit if not customizable)
- Cannot be relied on entirely (requires extensive training and human interaction to ensure that data inputted is correct, and to also establish a close "human" connection)



*"Every time we onboard a new partner, it's a lot of manual effort and more work initially. We onboard all the time, but **it takes 6-12 months to onboard something the way we want it.**"*

Brian, Ad Ops



*"At the end of the day, a programmatic piece is fine, **but most people want a client relationship interaction.**"*

Patrick, Ad Sales

Some of the hesitancy towards automation expressed by many Ad Pros stemmed from a perceived lack of internal organizational preparedness.

1-IN-3 THINK

- Current systems are **too complex for automation**
- Their processes **evolve too quickly**



*"We change things on a daily, weekly, monthly basis... **things are always changing.**"*

Brian, Ad Ops

2-IN-5 THINK AUTOMATION

- Is too **expensive & time consuming** to implement maintain
- Requires **extensive investment in training**



*"If I take 6 hours out of my day to learn about automation and am still not an expert, **that's troubling.**"*

Conner, Ad Ops



Automation as the Catalyst for Growth

The research identified three broad areas where automation solutions can deliver value.



Unity

- Improve communication between teams & connect silos
- Integrate internal platforms & enable cross communication between them
- Create a dashboard that centralizes key data to tackle visibility, collection & access issues, ultimately saving time and reducing error rates



Performance

- Improve overall ad performance, achieve goals / KPIs & boost revenue
- Reduce makegoods & credits
- Reduce delivery delay & streamline complex tasks
- Minimize errors with manual data entry
- Automate routine tasks to reclaim time and improve task accuracy
- Help people excel and find fulfillment in their roles



Guidance

- Educate around the need and benefit of more efficient processes
- Improve knowledgeability around using internal solutions
- Augment learning with user-friendly systems & adequate training
- Develop platforms that notify and alert teams of possible errors in advance

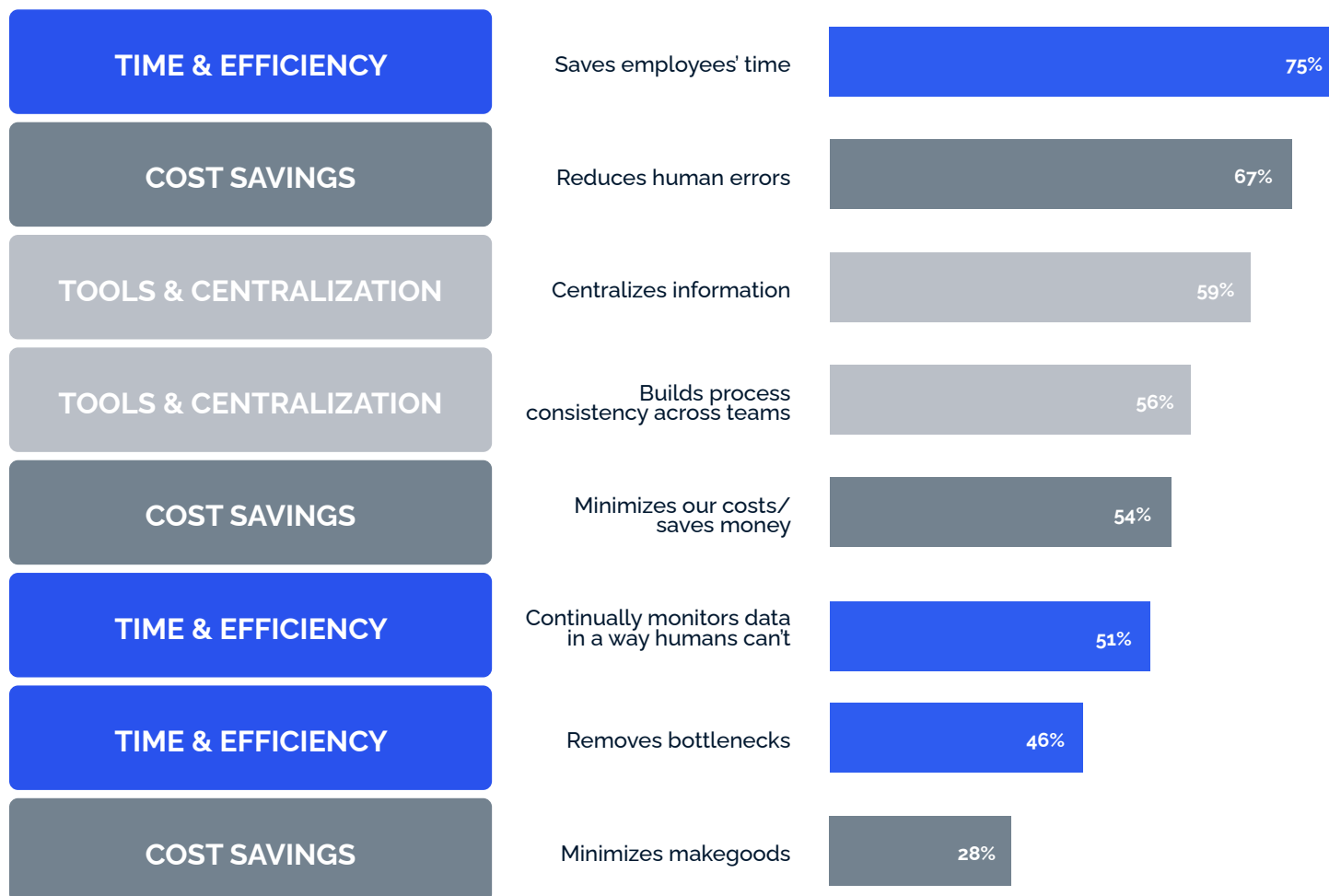
In spite of the challenges, Ad Pros understand the potential for automation to minimize bottlenecks and streamline Ad Operations processes delivering functional benefits like organizing data and information, reducing errors, and saving time, all of which can help them individually, while enhancing growth across the organization.



Ad Pros

Ad Pros see the benefits of how automation can help pick up the slack.

Perceived Benefits of Automation



"Automation could save 5 hours a week per person. That could be thousands of hours a month and help us gain better insights."

Avi, Ad Sales



Key Benefits of Automation

- Improves operational efficiency and workflows by centralizing information
- Monitors key activities
- Drives consistency in processes, language and solutions deployed across teams
- Saves time by reducing errors, thus decreasing makegoods



*"Tying together ad performance data with revenue data would be hugely valuable – **it would make everyone's job more efficient if the data all lived in one place.**"*

Thomas, Ad Sales



*"It would be awesome to avoid makegoods. **It would be nice to have an alert that would communicate with Salesforce and alleviate the conversation we'd have to have with the client.**"*

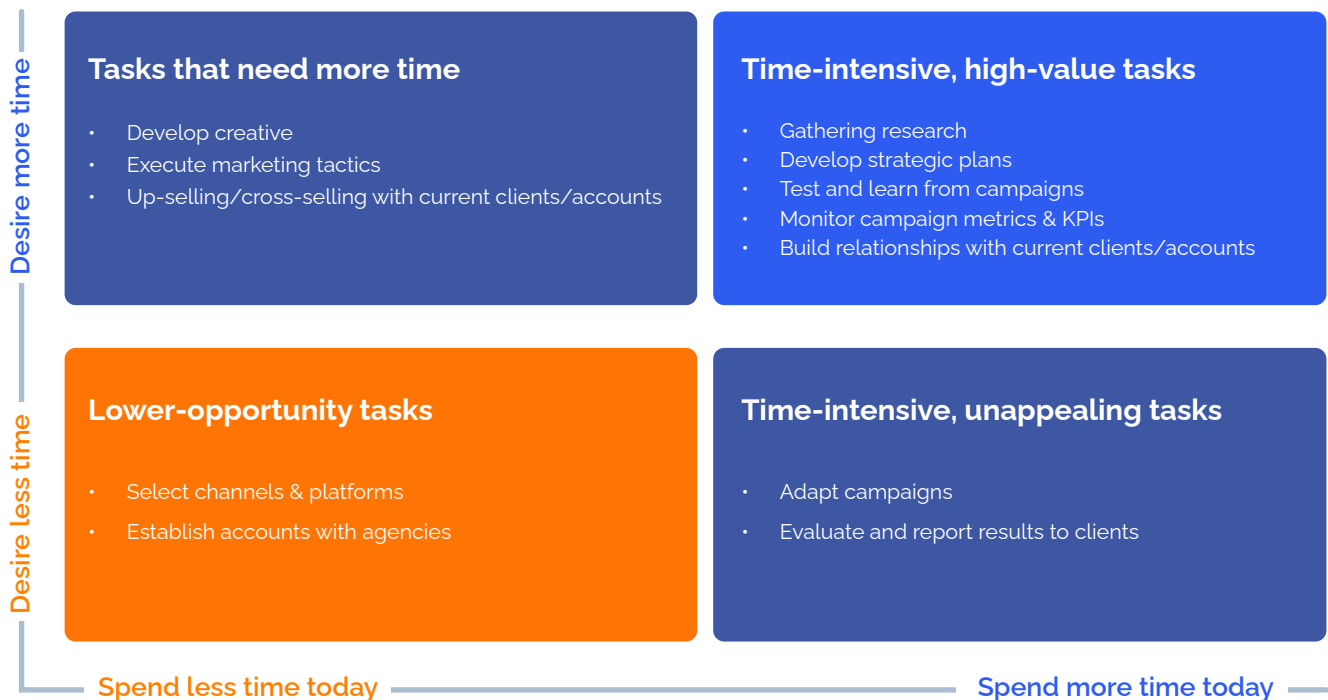
Patrick, Ad Sales



*"The benefit of automation **is saving time and allowing you to do the other 60% of your job and not be stuck in data platforms all day**"*

Andrew, Ad Sales

The use case for automation in Ad Operations is compelling. Ad Pros agreed that by implementing automation, organizations can get even more out of their teams.





4-IN-5 Have positive views of automation

Open to my role & responsibilities evolving with automation	90%
Automation can make your company more profitable	87%
Automation can modernize our business	86%
Automation would make my team more productive	83%
Automation is a complement to human workers – not a replacement	81%

Over half of Ad Pros (56%) do not feel that their jobs are at risk with automation

Overall, Ad Pros overwhelmingly view automation as an effective tool for driving process efficiencies, scalability, increased productivity, and bottom-line revenue growth.



*"The benefit of automation **is saving time and allowing you to do the other 60% of your job** and not be stuck in data platforms all day"*

Andrew, Ad Sales





Breaking Down the Barriers to Adoption

However, even with an appetite for increased automation amongst Ad Pros, there are barriers to adoption that must be examined and overcome to gain consensus across the board.

A key consideration for many companies when it comes to adopting an automation tool/solution, lies in their ability to recognize how process inefficiencies are impacting their bottom line. However, even with that understanding, there are other factors that impact an organization's willingness to proactively

solve inefficiencies with long-term solutions vs short-term fixes. Organizational culture, leadership style, and specific solution qualities also come into play and affect an organization's likelihood of adopting an automation solution.

Organizational culture

How does the company view their processes and systems?

How open are they to change?

What do they value / prioritize internally?

Stakeholders involved

What leadership styles exist internally?

How close are individuals to internal processes and systems?

How much power do they hold?

What are their KPIs?

Solutions qualities

What functionality does it offer?

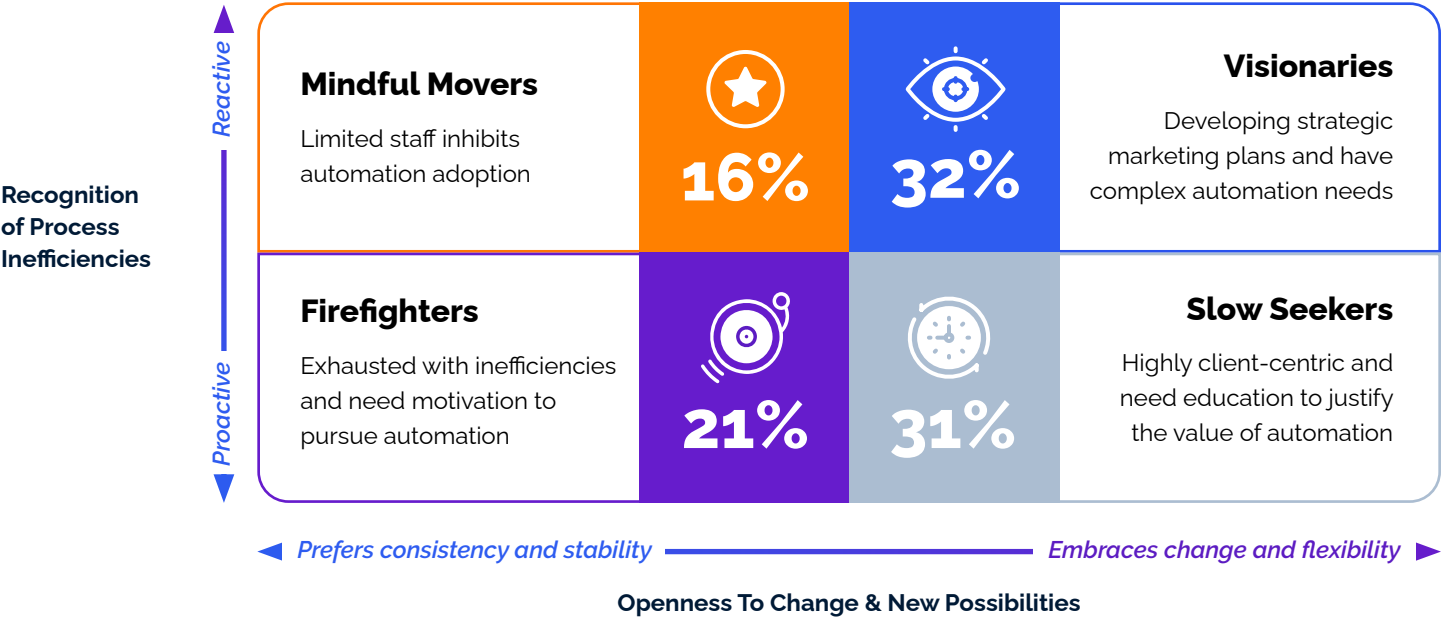
What is its USP?

What are the benefits?

Is it supportive?



Organizational characteristics can also have a direct impact on a company's recognition of inefficiencies and willingness to embrace change. During our research, four types of organizations emerged.



Evaluation Criteria / Success Metrics

Getting stakeholder buy-in for an automation solution may largely depend upon the type of organization, solution evaluation criteria and the metrics by which an organization measures success. Ad Pros identified specific evaluation criteria but overwhelmingly agreed that the most important factor for selecting an automation solution came down to performance.

Evaluation criteria for automation providers





Roadmap to Success

But in a sea of automation technology options, choosing wisely can be challenging. A tailored solution that automates the most complex workflows in an organization's OTC process can be the impetus to that enables growth and drives the business forward. Building an effective roadmap to success starts by establishing generalized, minimum benchmarks an automation tool should meet or exceed to produce value.

- Streamlined implementation that works with organizations' existing UI. Organized systems increase operational efficiencies, ability to quickly find information, enables proactivity. Serves as a repository of data & information.
- Automates repetitive manual tasks to give teams more time to focus on business-building work, elevating individual capabilities and performance.
- Reduces the financial and productivity costs of makegoods.
- Support that serves as an extension of your team, not just as a third-party vendor.
- User-friendly with simple, efficient digital processes.
- Speeds up order cycles and grows revenue faster.
- Demonstrates ROI quickly.
- Top-notch security and compliance, with certifications from [XYZ].





Conclusion

Ad Pros in today's Ad Operations ecosphere face unprecedented challenges across the OTC process where time and efficiency pressures cause them to be resigned to errors and accepting of excessive makegoods that affect bottom line profitability and productivity. However, the research is clear – Ad Pros are eager to streamline workflows through automation to allow them to focus on more important tasks such as media strategy, campaign optimization and performance, and white-glove account management. The organizations most likely to retain a competitive edge will overcome the barriers to adoption and embrace automation as a solution for optimizing Ad Operations processes, streamlining workflows, and ultimately accelerating revenue growth.



"Upward was purpose-built for content companies that monetize media with advertising. Its workflows, logic, platform recognition, nomenclature, and automation all map closely to the needs of brands in media & entertainment, retail media networks, and streaming."

Jay Kulkarni, Theorem CEO

About Theorem

With 20 years of experience in multichannel digital media operations, and a deep understanding of digital media processes across 100+ tools & platforms, Theorem helps media entertainment, retail media networks, media channels, and streaming brands optimize business processes, streamline workflows, and enhance scalability by delivering tailored automation solutions for every aspect of the ad sales and operations lifecycle.



For more information, please visit **theorem.digital**

About UPWARD

Purpose-built for Media and Entertainment, Retail Media, and streaming brands, UPWARD helps organizations streamline business processes, and enhance scalability by automating every stage of the OTC process. UPWARD automates the most complex workflows, enabling unparalleled growth and operational excellence across the Ad Ops ecosystem. Contact us today to learn more about how UPWARD is automating excellence.



For more information on our Upward solution, **please contact us**



Thanks for reading

Feel free to reach us if
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