

An Interview with Jeff Green, CEO and Co-Founder at The Trade Desk



 theTradeDesk

Jeff Green oversees strategy for The Trade Desk, a demand-side platform that powers the desks of digital advertising buyers. The company was an alpha partner in Facebook's launch of Facebook Exchange. Prior to The Trade Desk, Green founded AdECN in 2004, an online advertising exchange and real-time bidding (RTB) system. AdECN was acquired by Microsoft within three years of its launch. Green is a two-time finalist for the EY (Ernst & Young) Entrepreneur of the Year award in Greater Los Angeles and was named to the Pacific Coast Business Times' 40 Under 40.

Can you describe The Trade Desk and its market niche?

Jeff Green: We are a sophisticated demand-side platform. We're able to give agencies and aggregators the tools and technology to have full transparency and control over what they buy, how they buy and when they buy it. We are a platform that powers hundreds of agencies and aggregators—we're empowering the entire service layer to accelerate the world moving into programmatic.

We have global deals with all the major advertising holding companies, including Omnicom and WPP. We also power three of the top five ad networks, as well as marketing solutions and SEM [search engine marketing] platforms. We have more than 160 people in offices in major media markets across the US, as well as Europe and Asia. We just celebrated a year in Singapore, which was tremendous fun.

"I'm constantly going into the database to look up the macro numbers, constantly benchmarking and asking, 'At what pace does eMarketer think things are going to grow?'"

What are your three most important business priorities right now?

Green: Our first priority is international growth and making certain that we can service brands globally. Particularly as more dollars move into digital and programmatic transactions, the big brands need a global presence. We're firm believers in a fully integrated stack for the buy side.

The next priority is capturing the opportunity as television advertising goes digital. We upped our video spend by 10 times last year. Our goal is to [increase video expenditure 10 times] again this year. By that, I mean that I want our October 2014 [video spend] to be 10 times what it was

in October 2013, which was 10 times what our October 2012 video spend was. Our growth rate is faster than the industry's. We definitely have a goal to grow more than our "fair share."

Thirdly, we think the biggest weakness of RTB is that it doesn't provide guarantees. There are no scaled programmatic "upfronts." That makes planning very difficult. We are focused on the future of the programmatic market, which will help the convergence of linear TV, digital TV and web video. The impact will be felt across all of digital media.

In time, we need to think of the value proposition of RTB not as its real-time functionality, but as the unified auction where the spot market is the real-time component. We use a unified auction to also offer, buy and sell guarantees, and those guarantees make it so that upfront buying can be part of programmatic in a much stronger way.

Within a short period of time, programmatic will offer guarantees, and we will redistribute the lion's share of traditional marketing dollars as a programmatic industry.

What are the greatest challenges facing marketers that you're working with?

Green: The single biggest challenge facing our partners, and one we're actively engaged in overcoming, is digesting the complexity of the current landscape. Our constituents include agencies working with constantly evolving brands, as well as publishers that are trying to figure out what their inventory is worth in an open auction.

I was at a conference not too long ago, where the head of programmatic for a Fortune 100 company raised his hand and asked, "Can everybody just bring down the three-letter acronyms and all the complexity that you guys are talking about inside of programmatic? Because I don't understand what you're talking about." But he asked the wrong question. What he really needed was an expert partner he could trust to distill a massively complicated landscape, because the issues are getting *more* complex. As markets mature and scale, complexity becomes inevitable. And because we're dealing with this issue full-time, we become a strategic resource and not simply another link in the chain.

Another challenge the industry faces is that of third-party cookies and user identification. Some companies and browsers have made third-party cookies less viable. As an industry, we're all working on supplements to the cookie,

and that creates a lot of complexity. It makes measurement more difficult, and that has its own set of problems and new privacy implications.

Our last major challenge is attribution. In much of the digital world, people tend to focus on metrics such as last-click or last-view attribution. We need to make sure that we develop simple and digestible forms of measuring attribution in order for programmatic to continue to grow and be recognized as the most effective marketing element on the plan.

What are you keeping your eye on right now?

Green: We are focused on growing the percentage of impressions that have third-party data layered on top of them. Too many impressions have no third-party data informing the decisions made on any given impression. This makes it so that third-party data has not played nearly the role that it should and will play in the future.

I believe that while there are hundreds of data points on every internet user that could be incorporated in the decision-making, there's a problem that we as an industry have around pricing the data, incorporating it and making it available. There are nuances around it.

How do you and your team use eMarketer?

Green: eMarketer is a critical tool for us to understand and interpret the advertising landscape. People who know this industry and live it are full of bias. Wall Street is a great example of this. Almost no analyst report is free of bias. So eMarketer becomes really important since it's working hard to provide objective, quantitative reports. The views are considered, evaluated and incorporated into our business.

I'm constantly going into the database to look up the macro numbers, constantly benchmarking and asking, "At what pace does eMarketer think things are going to grow?" When we're making product decisions between video and mobile, for instance, what does the growth look like? What do the CPMs across those channels look like? We are trying to get that level of macro insight, and eMarketer is a place that I always go to for that.

eMarketer is looking at the entire landscape through various channels—video, mobile, social, display, TV—with a higher level of objectivity.

When we were preparing for our Series B round of funding, we did market sizing and were trying to

demonstrate our growth. We could talk about those numbers until we were blue in the face, but what the VCs [venture capitalists] wanted to understand is that we were part of something that was growing with a healthy marketplace.

The presentations we prepared were filled with eMarketer charts. We put together market sizing reports and trend lines so that we could help the VCs understand the size of the opportunity and the pace of industry growth. These helped give the proper context for our numbers and projections for the future. We rely on the reports, forecasts and data, first and foremost, to create objective, independent validation for our assertions.

eMarketer is also a crucial tool for us from an internal coordination standpoint, to ensure that we're all referencing the same data, the same materials, and that there isn't some anecdotal market size number that people tend to quote and the biggest number wins out. It's a partnership that we appreciate on many levels. ■

To learn how eMarketer can help your business, please contact us at:

Direct: 212-763-6010 or Toll-free: 800-405-0844

sales@emarketer.com

www.emarketer.com

Read more interviews with eMarketer clients:

www.emarketer.com/Corporate/Clients

Do you have an Inside Digital story to tell?

Contact David Iankelevich at:

diankelevich@emarketer.com Direct: 212-763-6037