

PROGRAMMATIC BUYING

A Game-Changer for Recruitment Advertising

WHITE PAPER PUBLISHED BY LINKUP JOB SEARCH ENGINE



NOVEMBER 2015

LinkUp
job search engine

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INTRODUCTION

Back in the early days of recruitment advertising, an employer simply hung a “Help Wanted” sign out when they needed to fill a position. Over time, the sign in the window was replaced by newspaper help wanted ads. Then, as new technology emerged, newspapers took a back seat to online job boards where employers paid a flat rate (pay-to-post) to list their job for potential applicants.

While online job boards increased the reach for employers, they created new challenges for recruiters: applicants applying to filled and outdated positions, low return on investments, and no intelligent insights. To help address some of those frustrations, job aggregators and job search engines like LinkUp entered the recruitment space with performance-based advertising.

Made popular with Google’s Adwords model, performance-based advertising became the standard for how most job search engines operate. Performance-based advertising means advertisers pay based on how well the ad works through a pay-per-click or pay-per-application model. In addition to only having to pay for actual results, employers are also able to leverage detailed analytics and track campaigns at a very granular level, allowing them to further reduce costs and increase returns on their investments.

Due to its stronger value proposition, performance-based advertising has captured a larger share of recruitment advertising spend and the shift away from older advertising models has accelerated rapidly. Technology advancements have improved and performance-based advertising solutions have become increasingly sophisticated and powerful.

At the same time as the recruitment advertising industry has been undergoing these shifts, so has the general advertising world seen incredible change with the dramatic growth of programmatic advertising. This year, an estimated \$14 billion worth of advertising will be purchased through automated software programs, technology that powers what is commonly referred to as ‘Programmatic’ advertising.

Within the talent acquisition industry, these larger trends are rapidly converging with the emergence and growth of programmatic recruitment advertising. And while we are all quite used to the constant rate of monumental change, programmatic recruitment advertising represents one of the most significant developments in our industry.

In publishing this white paper, we at LinkUp hope to provide an introduction to programmatic advertising and help employers understand how it impacts their talent acquisition strategies and how they can best leverage it to strengthen and improve their recruitment advertising.

WHAT IS PROGRAMMATIC BUYING

Programmatic buying is not a new concept, but there has been a lot of buzz about it in the last couple of years. The term refers to the concept of **technology that automates ad buying and placement and optimizes the advertiser's positions to reach the best audience.** Programmatic is synonymous with "automatic." Another way to think of it is as an ad buy performed by computers or software, not people.¹

Benefits of programmatic advertising include:



Efficiency:

Automates and increases the speed at which ads are placed and optimized



Decreased cost:

Decreases overhead resources necessary for ad buying operations



Precision:

Allows for more accurate and successful audience targeting



Value:

Facilitates a performance-based pay structure and increases return on investment (ROI)

With programmatic ad buying, this entire process is automated. The ad buyer simply enters demographic details (referred to as rules) about the targeted group and how many of them he or she wants to reach. Then the software places the ads in the available inventory that accomplish the task (obey the rules). If the buy needs optimization (meaning a better target or a more specific placement), the technology does it in real time, not in a month after analyzing results. It connects advertisers with their target audience automatically and as efficiently as possible.

¹ Peterson, Tim, et al. "The CMO's Guide to Programmatic Buying: Nine Things Every Advertiser Should Know." Adage.com. 19 May 2014. Web. 24 September 2015.
<http://adage.com/article/digital/cmo-s-guide-programmatic-buying/293257/>.

PROGRAMMATIC BUYING FOR RECRUITMENT

Programmatic recruitment ad buying works just the same as programmatic ad buying. We would define online programmatic recruitment ad buying as follows:

Programmatic recruitment ad buying encompasses an array of technologies to automate the buying and placement of job openings on a predetermined network of job-related websites on a pay-per-click or cost-per-app basis. Programmatic ad buying maximizes targeting efficiency by continually optimizing placements for the highest conversion rate at the job level.

With programmatic recruitment advertising, recruiters are becoming marketers who leverage the programmatic buying software to do the advertising for them. It is rules based. For employers with positions to fill, you can “program” the rules for the type of candidate that you want to reach and the software will place your online recruitment ad in front of those people. The advertisement can be text or display or another type of ad, including the actual job from the company’s career site. In its simplest form, it is software-driven recruiting.

However, programmatic recruitment advertising is more than just targeting; it also manages recruiting budget down to the job level based on performance. Ken Clark, CEO of Recruitics, an analytics and automation platform for recruitment marketing strategy, explained that programmatic ad buying automates the highest return on investment when employers buy recruitment ads. By using the algorithmic logic, it adjusts the bid, the channel, or which job posting it promotes to achieve this goal.

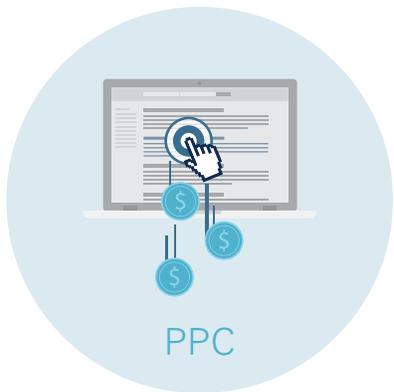
“Programmatic ad buying is not the end state,” he said. “It is simply a means to deliver against the real goal—providing great talent to an employer at an efficient cost.” –Ken Clark, Recruitics CEO

HOW PERFORMANCE-BASED ADVERTISING IS USED IN PROGRAMMATIC BUYING

There are two categories of performance-based advertising used in programmatic buying:

- **Pay-per-click (PPC):**

Buyers are charged **each time someone selects (clicks)** the job description.



- **Cost-per-application (CPA):**

Buyers are charged for **each application they receive** for the job description.



The process for programmatic recruitment ad buying online is as follows:

- ① **Job listings:** First, the recruiter identifies the jobs they want to target and provide exposure to.
- ② **Budget:** Next, the recruiter sets their total budget allocation, as well as what they will pay for each click or application.
- ③ **Rules:** Then, the recruiter establishes the rules. These include the details like demographics of their desired audience, their behaviors, their specific reach goals (total number of people who see the ad at least once), and budget.
- ④ **Execute buy:** Now, the software or platform initiates the buy using these variables as the guidelines, placing the ads across publishers, such as LinkUp Job Search Engine.
- ⑤ **Automated optimization:** Finally, the software of platform adjusts the settings throughout the campaign to achieve the desired ROI for the advertiser.²

² Jack. "An Introduction to Programmatic Buying." Retargeter.com. Web. 24 September 2015.

<https://retargeter.com/blog/strategy-2/programmatic-buying-intro>.

THE PROS AND CONS

The benefits of programmatic recruitment ad buying are numerous. But, like most advertising channels, it also has drawbacks. It's important to understand what is great about programmatic ad buying so you can employ its strengths to your benefit. It is equally important to be aware of its shortcomings so you can minimize their effects on your results.

Let's take a look at the many pros of programmatic buying and compare those with the cons:

Pros of programmatic recruitment ad buying:

- **Precision targeting:** Instead of talking to all candidates and hoping a few of them are the right ones, programmatic buying puts the right ad in front of the right job seeker at the right time.
- **Performance analytics:** Real-time performance analytics and data generated by the programmatic software allow users to optimize their rules and make smarter decisions. The recruiter has campaign insights comparing the performance variables, channels, and key metrics of the campaign. It will also generate consumer insights for demographic variables. It can even identify which creative campaign message pulled best in what format and where, reporting in an intelligent dashboard.³
- **Great value:** Performance-based advertising options mean recruiters only pay when a click occurs, or an application is received, a vast improvement over "posting and praying" associated with site listings in the past.
- **Automatic optimization:** With programmatic buys, recruiters are not limited to one publisher or job site. It moves your ad to the most successful publishers automatically.
- **Control:** Recruiters specify their financial parameters. In this way, the ad buy resembles a bank account that only is debited when the ad works. Additionally, recruiters can allocate specific resources down to the job level based on priority and difficulty to fill (i.e., requires additional budget).
- **Low risk:** By setting the rules and only paying when an application is submitted, you reduce the chances of paying for disinterested or inappropriate candidates.

³ Siebelink, Roland. "10 Questions about Programmatic Buying." www.industryindex.com. Web. 25 September 2015. PDF Page-12. http://industryindex.com/uploads/white_papers/bd5e9b411031bad5aaa494e9d6d916cb0f9b6af0.pdf.

THE PROS AND CONS

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Cons of programmatic buying

- **Risk of inappropriate site placement:** There are a wide variety of sites with programmatic buying inventory, and marketers don't need to be everywhere their candidates might go. You can set rules to help prevent inappropriate sites. Subscribing to a "white list" might also help although it likely means competing harder with other advertisers (paying more) in the real-time bidding type of programmatic buying.⁴
- **Possibility of fraud:** Fraud can occur with fake sites and audiences, sometimes the result of as "click farms" where people (usually in foreign countries) are paid to view or "like" sites. However, most publishers have tools in place to detect and protect against fraud.
- **Possibility of failure:** No system is 100% accurate; there will be failures. Be sure to ask your platform provider what their strategy is for fixing failures with ad buys.

There are pros and cons to every type of advertising. Having a diversified approach is important to your recruitment advertising strategy. Adding programmatic ad buying should be a significant part of your solution, but not the *only* solution. Through a diversified advertising mix, employers can determine which ones perform the best for a particular objective. In this way, employers can allocate resources accordingly to meet overall candidate sourcing objectives.

⁴ Siebelink, Roland. "10 Questions about Programmatic Buying." www.industryindex.com. Web. 25 September 2015. PDF Page-8. http://industryindex.com/uploads/white_papers/bd5e9b411031bad5aaa494e9d6d916cb0f9b6af0.pdf.

⁵ "Click farm." [www.wikipedia.org](https://en.wikipedia.org/wiki/Click_farm). Web. 8 October 2015. https://en.wikipedia.org/wiki/Click_farm.

BEST PRACTICES

Even with all of the demonstrated benefits to programmatic, there are a few things employers can do to facilitate better responses and drive the cost per hire down.

- **Use job groupings:** Group your positions by difficulty to fill. Invest more in the difficult to fill positions budget allocations, and less in the easier to fill positions.
- **Keep it short for mobile:** When buying mobile programmatic ads, feature jobs that have easier and shorter applications. If possible leverage plug-ins to fill in some of the information for the applicant. Any job that you list on mobile should have a short or reduced application process to work with the device.
- **Set clear goals and strategy:** It is important to set clear goals for your programmatic campaign. Also, when adjusting strategy, be sure to change one thing at a time so you glean better data about what's working—and what isn't.

A final bit advice from Clark, particularly for those recruiters that are new to programmatic buying, remember with any new type of marketing there is a learning period. Many variables affect results that range from the type of candidate desired to the landing pages used, and even the number of jobs recruiters promote at any given moment. Most recruiters leveraging programmatic have made adjustments to their strategy and tested new things before they settled in on a recruitment ad process.

A MINI-CASE STUDY

Clark shared a success story from one of Recruitics' staffing clients. One of the country's largest staffing providers experienced a rapid increase in the number of open positions posted by their clients. They needed an immediate increase in the quality of qualified candidates to these positions while maintaining an appropriate cost-per-application (CPA).



Recruitics conducted a 30-day audit of the company's pay-per-click (PPC) campaigns and identified several red flags:



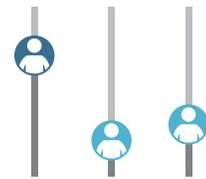
The staffing company spent 50% of their budget on jobs that only generated 2% of the applications.



The CPA on these jobs was over \$300 more than the average CPA of all their other jobs.



Jobs with good conversion rates were not getting enough traffic to drive significant applicant flow.



Campaigns for low priority jobs were taking budget away from the hardest-to-fill and highest-revenue positions.

It was clear the staffing company needed a new approach—and fast! Recruitics developed a scalable bid optimization strategy for a programmatic buy, segmenting the company's jobs into categories. Also, they designed a method to drive more applications to high priority jobs with an aim to reduce the overall CPA.

Within 30 days of implementing the new programmatic recruitment ad strategy, Recruitics' client saw:

↑130%

Increase in high priority leads

↓\$214

Decrease in cost for high priority leads

↓\$10

Decrease in overall CPA

After 90 days, the staffing company saw:

↑400%

Increase in total leads year-over-year with the same budget

These results allowed them to reallocate all of those dollars to campaigns with higher ROI.

THE KEY PLAYERS

Programmatic recruitment ad buying is here to stay—and growing fast.

In the programmatic space there are providers and there are publishers. Providers develop the proprietary programmatic software and/or manage programmatic recruitment ad buying campaigns.

Publishers on the other hand display the ad, providing the audience and the clicks. There are numerous publishers available for use in programmatic campaigns, and the software monitors and optimizes which publishers are used based on how successful they are to the campaign.

Key providers include:

AdRoll
www.adroll.com



AppCast
www.appcast.io



**Recruitment*

Katana
www.katanaconnect.com



OnRecruit
onrecruit.eu



**Recruitment*

Quantcast
www.quantcast.com



Recruitics
recruitics.com



**Recruitment*

RocketFuel
rocketfuel.com



Rubicon Project
rubiconproject.com



HOW LINKUP WORKS WITH PROGRAMMATIC

Today, LinkUp partners with and is a publisher for all of the major programmatic companies, including both Recruitics and Appcast. LinkUp is fully integrated into their systems to continue delivering quality results to their employer advertisers.

LinkUp serves as a premier programmatic advertising publisher. When employers run programmatic advertising campaigns, LinkUp's Job Search Engine is one of the available sites on which sponsored jobs may appear.

LinkUp has prioritized programmatic ad-buying integration as a top priority this year and is excited about the innovation in this space. "The shift to programmatic ad buying is impacting recruitment advertising in a major way," said LinkUp's President and CEO Toby Dayton.

"As we have seen firsthand, programmatic advertising is taking performance-based advertising to the next level, allowing employers and agencies to benefit from precision spending, improved performance analytics (down to the individual job level), greater campaign flexibility, and maybe most importantly, complete automation and continuous, 'real-time' optimization."

–Toby Dayton, LinkUp CEO

WHERE THE INDUSTRY IS HEADED

While it can be used for any media from TV to radio and others, programmatic buying is most advanced in online advertising buys. Most experts agreed a couple of years ago that programmatic buying would become the standard for how digital display advertising will be bought and sold.⁶ It turns out, they were right.

According to eMarketer, advertisers will purchase 55% of all U.S. digital display ads using programmatic buys, which translates to \$14.88 Billion (that's with a B).⁷

Chris Forman, CEO and Founder of Appcast, the first pay-per-applicant job ad exchange, said where the digital marketers go, recruiters must follow. "With the rest of the digital world marching towards programmatic, there's no way recruiting can stay stuck in the classifieds," said Forman. "If you can sell an Audi or dog food with programmatic ads you can do the same with an inventory of jobs"

Programmatic recruitment ad buying is the future of recruitment advertising. In fact, many argue that it is the future of all advertising buys. However, misconceptions remain in the advertising industry at large. Strata Marketing, Inc. is a software developer for the media buying industry. According Strata's Q2 agency survey, almost half of agencies (46%) said they were "unsure" if they trusted programmatic advertising. However, there were increases (a 49% increase over Q1) in those who did commit to trusting it and decreases (a 32% drop from Q1) in those that said they didn't trust it.⁸

⁶ "Programmatic for Dummies Everyone says it's exploding, but what is it?" www.adweek.com.

3 November 2013. Web. 25 September 2015. <http://www.adweek.com/news-gallery/advertising-branding/programmatic-dummies-153590#what-does-programmatic-actually-look-2>.

⁷ Fisher, Lauren T. "Programmatic Advertisign 2015 Outlook." www.slideshare.net. 12 February 2015.

Web. 8 October 2015. <http://www.slideshare.net/eMarketerInc/emarketer-webinar-programmatic-advertising-2015-outlook/8>.

⁸ Loechner, Tyler. "About Half of Agencies 'Unsure' They Trust Programmatic." www.mediapost.com.

Web. 28 August 2015. Web. 8 October 2015. http://www.mediapost.com/publications/article/257116/about-half-of-agencies-unsure-they-trust-program.html?utm_source=newsletter&utm_medium=email&utm_content=headline&utm_campaign=85611.

WHERE THE INDUSTRY IS HEADED

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Whether agencies are sure they trust it or not, they will be spending their money on it. According to Talking New Media, a survey of 165 agencies reveals that 85% of ad executives claiming to include programmatic buys in their strategy for 2016.⁹ Experts at IDC (International Data Corporation) predict an up to a 59% growth rate, year over year for the real-time bidding model.¹⁰

“The bottom line is programmatic advertising is another paradigm shift—and it’s set to take the laggard recruitment advertising industry by storm,” said Forman.

Clark agrees and believes programmatic will change the way recruiters buy ads to fill positions:

“Online recruitment advertising models have evolved over the last several years. From the ‘pay-per-post’ or ‘pay-per-slot’ models that originated with job boards, they progressed to one based on performance, typically via a pay-per-click or pay-per-application. These performance-based models provide immediate efficiency to the employer or recruiter as the advertiser is only charged if the advertising results in a click (job view) or applicant to the job.

That said, optimizing performance-based media across multiple channels is hard to do and time-consuming. It is challenging for most companies to manage them effectively. The industry is moving along a similar path to traditional digital advertising and ad-tech.

Platforms, such as Recruitics, provide employers and recruiters with tools to automate how they measure and optimize these ad channels. They simplify and take the “guesswork” out of how to get the highest ROI from these sources.”

Recruitment advertising continues to evolve. It surpasses the post or any one board or media. The algorithm technology has advanced to the level that it locates applicants at their “moment of influence.” Clark describes a situation where an accountant is watching Hulu when she sees an ad for an employer she never knew of but might change her life for the better.

⁹ “Survey of 165 Ad Agencies finds programmatic advertising set to explode in 2016.” [www.talkingnewmedia.com](http://www.talkingnewmedia.com/2015/09/10/survey-of-165-ad-agencies-finds-programmatic-advertising-set-to-explode-in-2016/). 10 September 2015. Web. 8 October 2015.

¹⁰ Rodgers, Zach. “IDC: RTB Spend to Grow 59% Annually Through 2016.” [Adexchanger.com](http://adexchanger.com/online-advertising/rtb-to-grow-59-annually-to-13-9-billion-by-2016-says-idc/). 23 October 2012. Web. 8 October 2015.

WHERE THE INDUSTRY IS HEADED

(CONTINUED)

However, these moments can occur across devices and in response to different stimuli. Buying individual media doesn't allow the kind of flexibility to "be there" at that moment. Programmatic buying can reach targeted individuals at that critical moment across their media, verticals or geos, and personal interests.

These cross-channel options intrigue today's marketers and recruiters. Right now programmatic features mostly on online digital display or banner advertising. For those channels, programmatic software and platforms are most developed and efficient. However, the options for programmatic buys are emerging in other arenas as well:

- **Video inventory:** YouTube has its inventory now available for programmatic buys for its pre-roll and in-banner video.
- **Mobile programmatic advances:** The inability to use cookies challenges the ability to ensure the mobile audience is the recruiter's target. However, programmatic buying developers are discovering how to form a profile of a user based on other factors, which include the users' smartphone browser settings.
- **Social media inventory:** Facebook joined the smaller social media networks in late 2012, presenting their FBX exchange for programmatic buys.
- **Cross-channel optimization:** The ability to optimize a campaign across channels has emerged with the best programmatic buying solutions.¹¹

¹¹ Siebelink, Roland. "10 Questions about Programmatic Buying." www.industryindex.com. Web. 25 September 2015. PDF Page-8. http://industryindex.com/uploads/white_papers/bd5e9b411031bad5aaa494e9d6d916cb0f9b6af0.pdf.

FINAL THOUGHTS

Programmatic ad buying is not a new concept, but it is the future of recruitment advertising. With its improved targeting and performance-based pay structure, programmatic ad buying will become the standard for employers to connect with the candidates they want. As the value proposition becomes increasingly apparent for all stakeholders, programmatic growth rates should experience dramatic acceleration in the next few years. Even today, programmatic ad buying is a crucial part of any employer strategy. Having the right partner from the outset could be the key to early and sustainable success.

For more information on programmatic ad buying, [sign up for our upcoming webinar](#). Or contact LinkUp at **866-359-9360**.

ABOUT LINKUP

LinkUp is owned and operated by JobDig, an employment focused media, technology, and advertising company that has been serving employers and job seekers since 2001. With LinkUp, the company continues its history of innovation in the industry with completely unique paid search advertising solutions for employers and the highest quality job listings available on the web today for job seekers in addition to labor demand analytics and related products.

Totally unique in the space, LinkUp only index jobs from company websites. Right now, our search engine includes over 3 million jobs indexed directly every day from 50,000 company websites.

As a result, the jobs in our search engine are always current, there are no duplicate listings, and we've eliminated all of the job board pollution that you see on almost every other job site on the web. With a much higher-quality user experience for job seekers, we deliver to employers the strongest value proposition in the industry - the highest quality candidates at the lowest cost in the market.