

# Programmatic Buying of Long-Tailed Traffic Ads Eliminating Differences between Dominant Culture and Subculture

Zheyu Li

*Advertising Institute, Communication University of China, Beijing, China  
lizheyu@cuc.edu.cn*

**Abstract:** *This article proposes to analyse the mode of long-tailed traffic ads of programmatic buying and takes this mode as a much different one to the mode of traditional media buying. The mode of long-tailed traffic of programmatic buying is a supplement of traditional one, and it is also a way to optimize and redistribute the capital from advertiser. This mode could guide the capital into the long-tailed areas of medium, particularly into the subculture concerned medium to stimulate its content reproduction. Meanwhile, the price system of this mode is to assess the value of every single user's attention and then make a real-time bidding for it. This price system is also much different from the traditional one, which assesses the value of diverse medium. The mode of long-tailed traffic of programmatic buying negates value difference existing among different types of content and media, and insists there is no distinction between the primary and the secondary among content and media. The differences between dominant culture and subculture have been eliminated and the structure has been deconstructed.*

**Keywords:** *Programmatic Buying; Long-Tailed Traffic; Subculture; Cultural Structure*

## 1. Introduction

Scholars used to analyzing the representation, explanation and construction of culture through the content of advertisements, however, in the era of Internet and mobile Internet, it could be a new possible research perspective that we analyzing the influence of advertising on culture at the level of structure rather than content through an advertising buying mode.

Programmatic buying mode of long-tailed traffic ads differs from traditional media buying, it is also a supplement to the traditional media buying and an optimized redistribution of advertisers' capital. The capital of programmatic buying mode of long-tailed traffic ads could flow into a several of long-tailed media which could support the production and reproduction of subcultural communities and subcultural content. The pricing system of programmatic buying mode of long-tailed traffic ads evaluates the value of different users' attention and gives a real-time bidding, which differs from the pricing system of traditional media buying. Traditional media buying always purchases fixed ads position, its cost depends on the merits of media or media platform, location, content, target user coverage etc., ad buyers buy media resources separately or in a package, which may involves some less good media resources. The traditional media buying mode focuses on the purchase of advertising resources of dominant and high-quality media, while the programmatic buying of long-tailed traffic ads focuses on the individual buying of non-core advertising resources of dominant and high-quality media and non-dominant and non-high-quality media.

In the mode and system of programmatic buying of long-tailed traffic ads, advertising is considered as a kind of capital treating all types of media content and media as the same. The value of different content and media is undifferentiated. The differences between dominant culture and subculture have been eliminated in it.

## 2. The Long-Tailed Distribution of user Attention in the Internet

The Pareto principle (or the 80-20 rule) is familiar for us in our society, but Chris Anderson argues in his book *The Long Tail: Why the Future of Business Is Selling Less of More* that the 80-20 rule is not inapplicable in the era of Internet. He believes that it is an era to cope with individualized needs,

products and consumption, making an example that a quarter of Amazon's book was sold which is ranked below 100,000. It is obvious that the distribution of user attention and online commodity sales is a long-tailed distribution in the era of the Internet, so do the distribution of subcultural content and subculture groups' attention.

Subculture groups are active users in various popular media platforms, social media and their specific subcultural media platforms, forums, social media and online communities. For example, there are many head apps gathering a large number of users and web traffic in China, such as Wechat, Taobao, JD, Douyin (Tiktok), Weibo and so on, and there are also many relatively niche media, apps and we media with less and may stable users and traffic. The distribution of the attention of the Internet users is a typical long-tailed distribution.

In the web traffic of its middle and later part, there are many niche media, apps and we media focusing on the production, distribution of subcultural content. Before their traffic is connected to the programmatic buying platforms, their traffic and ads position are often ignored by large and medium-sized advertisers and media agents, because these kind of media are not belong to prime media traditionally, and it is hard to be sold with a good price in the advertising trading market at that time. Large and medium-sized advertisers and media agents always choose and buy the ads position of head media or high quality media in vertical areas individually or in a package. Active users and stable traffic cannot bring a high income to these subcultural media. A shift occurs after the long-tailed traffic and its ads have an access to the programmatic buying platforms.

### 3. Programmatic Buying Activates the Advertising Value of the Long-Tailed Traffic

Internet technology has brought a revolution to media buying that is programmatic buying mode. It has been a long time that media-buying purchase from traditional media's pages and period to Internet media's position with period, and now, it is possible for advertisers and media agents to buy every single Internet user's attention with an abundance of tags, advertising is much more accurate.

Demand-side Platform (DSP) entered China in 2012, while programmatic buying of display advertising can be traced back to the establishment of Google AdSense in 2003. It seems that it may be an innovation and revolution in the areas of process of media buying and the process of ads display, however, due to the tags through users' browsing behavior and interactive behavior, it is possible to display ads to users in a real-time, individual, precise and redirected way, it is also possible to optimize the advertising effects in a period by data monitoring, analyzing and evaluation.

According to the Interactive Advertising Bureau (IAB), programmatic buying could be classified into four categories: (1) Automated Guaranteed, it is quite similar to the media buying to traditional media; (2) Unreserved Fixed Rate, it is about to buy ads in a Private Market Place (PMP) with no reserved ad position but fixed price in programmatic buying platform; (3) Invitation-Only Auction, it is about to buy ads in a PMP with no reserved ad position and no fixed price in programmatic buying platforms; (4) Open Auction, it is about to buy ads in an open advertising trading market, all advertisers could bid the one-off opportunity of ad display with no reserved ad position and no fixed price in real-time bidding in order to display the ad to one user with tags. The first three categories are often prime media buying purchased by large and medium-sized advertisers to make both brand advertising and effect advertising. The forth one is about buying the one-off opportunity of advertising display in the long-tailed traffic, it is often bought by medium and small-sized advertisers. As long as there are traffic and users' browsing behavior, media would gain capital from advertisers and programmatic buying platforms.

"Report on Programmatic Buying Market Trending in China 2017" by iResearch shows a gradual transformation process of the market share of programmatic buying from 2012 to 2016 in China, RTB (Real-time bidding) and Non-RTB (Non-real-time bidding) in programmatic buying market accounted for 100%:0% (2012); 94.1%:5.7% (2013); 66.3%:33.7% (2014); 65.2%:34.8% (2015); 52.5%:47.5% (2016). The market size of programmatic buying in display ads from 2012 to 2016 was: 550 million yuan (2012); 1.53 billion yuan (2013); 4.84 billion yuan (2014); 11.51 billion yuan (2015); 20.53 billion yuan (2016), the growth rate of programmatic buying of ads trading market is amazing. Though the market share of RTB has decreased, the whole programmatic buying of ads trading market is still increasing year by year.

Every exposure opportunity of the long-tailed traffic ads of programmatic buying is the cost that advertisers want to communicate with the targeted user carrying matched "tags". Every user's

interaction with the ads--no matter it is browsing, clicking or more interactive behavior, would directly turn into advertising revenue, which makes these media--traditionally considered as non-dominant and non-high-quality media can possibly share a dividend of redistribution brought by Internet Technology.

As long as media has content, steady traffic and users, media owner could gain profit from programmatic buying platforms through connecting their long-tailed media resources to them. Steady traffic could turn into steady income, as well as for the subcultural media and online communities.

Steady traffic through users' visiting and interaction on the subculture-related media is considered valuable by advertisers while every single get tagged user's attention is valuable. It is possible to buy the users' attention, all because of the mode of the real-time bidding programmatic buying of the long-tailed traffic ads.

The application of Internet technology in the field of advertising, especially in its media buying, has activated the commercial value of long-tailed traffic. It also provides a new opportunity for advertisers to optimize their allocation of resources in media buying.

#### **4. Programmatic Buying of Long-Tailed Traffic Ads Supports Subculture With Undifferentiated Capital Inflow: An Extension of Advertising Function**

There is no doubt that in the era of the Internet, possessing traffic is equal to possessing capital, even if it is long-tailed media and traffic, which is traditionally considered as non-dominant and non-high-quality media, would gain more profit by this new type of distribution called programmatic buying of long-tailed traffic ads. Many a little makes a mickle, change seems predictable.

In China, some subculture, such as animation and e-sports, have formed their integrated industrial chain, owning a growing large number of participants, and taking long-term courses of deep cultivating and development in the content field, which has been marketized and operated professionally. Some subculture, such as Hip-hop, has got a piece of cake in the age of pan-entertainment, owning stable audiences in China, holding music festivals and producing its own online show, which makes Hip-hop has gradually gone from "underground" to "becoming a little popular". Part of it has integrated into mass popular culture and won a lot of new fans and audiences.

However, a large part of subcultures still exist in the "underground" for various reasons, and cannot be easily observed, understood, and accepted by the public. These different subcultures also have a stable of participants and fixed "places" on the Internet to produce and distribute their content and to communicate with each other. There are some specialized people to manage and operate their users, content, and online communities, however the cost of maintenance and operation is often from internal users' spontaneous donation, or may from direct payment for the consumption from users for the subcultural-related content or commodities.

With the long-tailed traffic ads accessing to real-time bidding programmatic buying platforms, traffic directly brings the exposure of advertising, the long-tailed traffic becomes a kind of capital and flows into the pockets of owners and operators of subcultural media, some even flow directly into the pockets of content producers, especially for the content producers of we-media. As a kind of redistribution of advertising capital, programmatic buying of long-tailed traffic ads stimulates and encourages more high-quality content production and dissemination, which would bring more traffic and capital in return.

The technology of real-time bidding of programmatic buying and the long-tailed traffic online are two core factors to make programmatic buying of long-tailed traffic ads possible, it benefits all kinds of subcultures, their online "places" and content producers, giving undifferentiated capital support to the producing and reproducing of subcultural content, and expand of the advertising function.

#### **5. The Mode of Programmatic Buying of Long-Tailed Traffic Ads: A Power To Eliminate the Differences between Dominant Culture and Subculture**

The mode of programmatic buying of long-tailed traffic ads is a pricing system that commodifies the attention of users carrying various "tags", taking all types of media content and media as the same, no matter the content is about dominant culture or about subculture. This pricing system eliminates the differences between dominant culture and subculture.

For example, a Chinese netizen may have multiple identity and browse content of dominant culture

and different subcultures in the Internet. He uses his smartphone to read news posted by the official account of Xinhua news agency on The Paper, flip through e-sports news on Weibo, discuss TV drama in HUPU forum, buy apparel and accessories on Taobao and electronic products on JD, read fantasy trilogy on Qidian. He switches different apps or web pages and always can see a discounts ad about dog food of a certain brand just because he used his smartphone and searched this dog food of this certain brand 2 days ago. Every exposure of this dog food promotion to this netizen is the efforts and the price of winning bidding paid by both the e-commerce app and the paid promoter of this brand of dog food to communicate with this target user again and again. That means, every exposure of ads can be clearly priced and the price depends on the “tags” on this user and the offering price of the real-time bidding for this user’s attention by other promoters or advertisers in the same or different industry who want to communicate with this user.

It follows then that in the process of the real-time bidding of long-tailed traffic ads of programmatic buying, different types of content on media on the Internet is undifferentiated in advertisers’ eyes, no matter it is about dominant culture or subculture. In this pricing system, there is no different in all media content. The only difference is the value of different users’ attention carry different tags, this is what the advertisers buy and thought valuable and could be priced. In other words, the users’ online behavior brings traffic and consequently bring capital of advertising, and the price of ads depends on the value of different user carrying different tags, and not highly correlated to the types of content on media.

The impact of this pricing system is that the value of different types of Internet content is undifferentiated, the difference only lies in whether the content meets the needs and interests of users, the quality of the content production, whether the interactive experience between the page and users is friendly, and all these just mentioned bring how much traffic and the different value of different users carrying different tags. The differences between dominant culture and subculture in the structure of culture have been eliminated, the structure has been deconstructed.

## 6. Conclusion

Long-tailed distribution exists in the attention distribution of netizens, which generates long-tailed traffic. The long-tailed traffic has advertising value. It is different from the traditional media buying mode which focuses on the purchase of advertising resources of dominant and high-quality media, the programmatic buying of long-tailed traffic ads focuses on the individual buying of non-core advertising resources of dominant and high-quality media and non-dominant and non-high-quality media.

The programmatic buying of long-tailed traffic ads makes different subcultures get capital support. In the pricing system of programmatic buying of long-tailed traffic ads, advertising is considered as a kind of capital treating all types of media content and media as the same. The value of different content and media is undifferentiated. The differences between dominant culture and subculture have been eliminated in it.

Meanwhile, it can be said that commercial advertising is not only representing culture, it also can influence the structure of culture and make a positive impact on cultural diversity.

## References

- [1] Anderson, C. (2008). *The Long Tail: Why the Future of Business is Selling Less of More*. New York, NY: Hyperion.
- [2] Hal, S. & Jefferson, T. (2006). *Resistance through Rituals: Youth Subcultures in Post-War Britain* (2nd Ed.). Abingdon, Oxon: Routledge.
- [3] Jiangfeng, H. (2007). *Resistance and Incorporation: Research of Youth Subculture Theory of Birmingham School*. Unpublished doctoral dissertation, Capital Normal University, Beijing
- [4] Siess J. Anderson, Chris, and *The Long Tail: Why the Future of Business is Selling Less of More* [J]. One Person Library, 2006.
- [5] Anderson C. *Long Tail, the, revised and updated edition: Why the future of business is selling less of more* [J]. 2008.