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Digital Media to Take Center Stage at Advertising Week

BuzzFeed, Instagram, Automated Ad Buying to Dominate Chatter at Annual Conference

By

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Advertising is quickly becoming a digital business. For proof, look no further than Advertising Week in New York.



*Linzie Hunter*

This year, many of the hundreds of panels and discussions scheduled for the annual event will be on digital topics, from mobile marketing to data mining.

Top digital executives, such as Yahoo Inc. Chief Executive [Marissa Mayer](http://topics.wsj.com/person/M/Marissa-Mayer/6954), AOL Chief Executive [Tim Armstrong](http://topics.wsj.com/person/A/Tim-Armstrong/696) and Facebook Chief Operating Officer [Sheryl Sandberg](http://topics.wsj.com/person/S/Sheryl-Sandberg/588), will headline events. They will be seeking to woo marketers such as [PepsiCo](http://quotes.wsj.com/PEP) Inc, [**PEP**](http://quotes.wsj.com/PEP) **in** Your Value Your Change Short position [Allstate](http://quotes.wsj.com/ALL) Corp. [**ALL**](http://quotes.wsj.com/ALL) **in** Your Value Your Change Short position and [Mondelez International](http://quotes.wsj.com/MDLZ) Inc [**MDLZ**](http://quotes.wsj.com/MDLZ) **in** Your Value Your Change Short position who have been allocating ever-greater portions of their marketing budgets to digital in recent years.

Talk at the swanky cocktail parties is likely to revolve around things that didn't even exist a decade ago, from BuzzFeed and Instagram to programmatic ad buying and the marketing cloud. The chatter over canapés will entail an alphabet soup of new marketing jargon such as DSP, SSP, DMP and RTB.

It is a far cry from the first Advertising Week, 11 years ago, when much of the talk among ad executives was whether the prize for fan-favorite ad icon would go to Tony the Tiger or the M&M characters.

But this year's festival is mirroring what is happening in the broader business as digital advertising continues to take up an ever-growing portion of the global advertising pie.

ZenithOptimedia predicts that Internet advertising will command about 24% of the $523 billion that is expected to be spent on ads around the globe in 2014. This year, for the first time, Internet advertising will exceed the combined share spent on newspapers and magazines, Zenith predicts.

Roughly 95,000 marketing professionals are expected to participate in this year's Advertising Week, which kicks off Monday.

One topic expected to get plenty of attention: programmatic ad buying, which is when automated software systems—rather than calls, faxes or emails to salespeople—are used to buy and book ads. There are more than 20 panels that will discuss some aspect of programmatic ad buying.

On Monday, a panel will lay out how automating ad buying can help the bottom line for publishers. Ad-technology firm Turn will host a panel on Tuesday that will show how a retailer reduced its ad prices 25% by using programmatic methods.

Technology and media companies are trying to grab some of the dollars that marketers, who see automated ad buying as more efficient, are shifting to programmatic buying.

Magna Global, a research and ad-buying unit of [Interpublic Group](http://quotes.wsj.com/IPG) [IPG -0.16%](http://quotes.wsj.com/IPG) [**IPG**](http://quotes.wsj.com/IPG) **in** Your Value Your Change Short position of Cos., estimates that digital-ad spending around the world done through programmatic channels will increase 52% this year to $21 billion.

Even traditional media companies are expected to tout their moves to automate some aspects of their ad business. [Comcast](http://quotes.wsj.com/CMCSA) Corp.'s [**CMCSA**](http://quotes.wsj.com/CMCSA) **in** Your Value Your Change Short position NBCUniversal entertainment arm, for example, is expected to announce Monday that it will sell some video, display and mobile ads programmatically.

"As marketers have identified the efficiencies of programmatic, there is pressure" on all types of media companies to change, said Michael Kassan, CEO of MediaLink, a media and marketing consulting firm. "The yoke of infrastructure has slowed the pace of change in our industry, and it's about to accelerate," he said.

The trend isn't without risk. The ad conference will also try to address some of the problems that have emerged as a result of automated buying, such as the rise of phony websites where criminals employ computer programs to infect computers and mimic human traffic. These "bots" can create artificial ad impressions that then can be sold to advertisers across ad exchanges and ad networks.

On Thursday, a panel titled "Ad Fraud: The Dark Side of Advertising" will demonstrate how online ad fraud is milking marketers of billions of dollars a year.

"The way we buy ads now is so fundamentally different from how we bought them 11 years ago," said Matt Freeman, an operating partner at Bain Capital and chairman of Advertising Week. "As buying becomes more automated, we have to make sure integrity remains."

—The Week Ahead looks at coming corporate events.

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