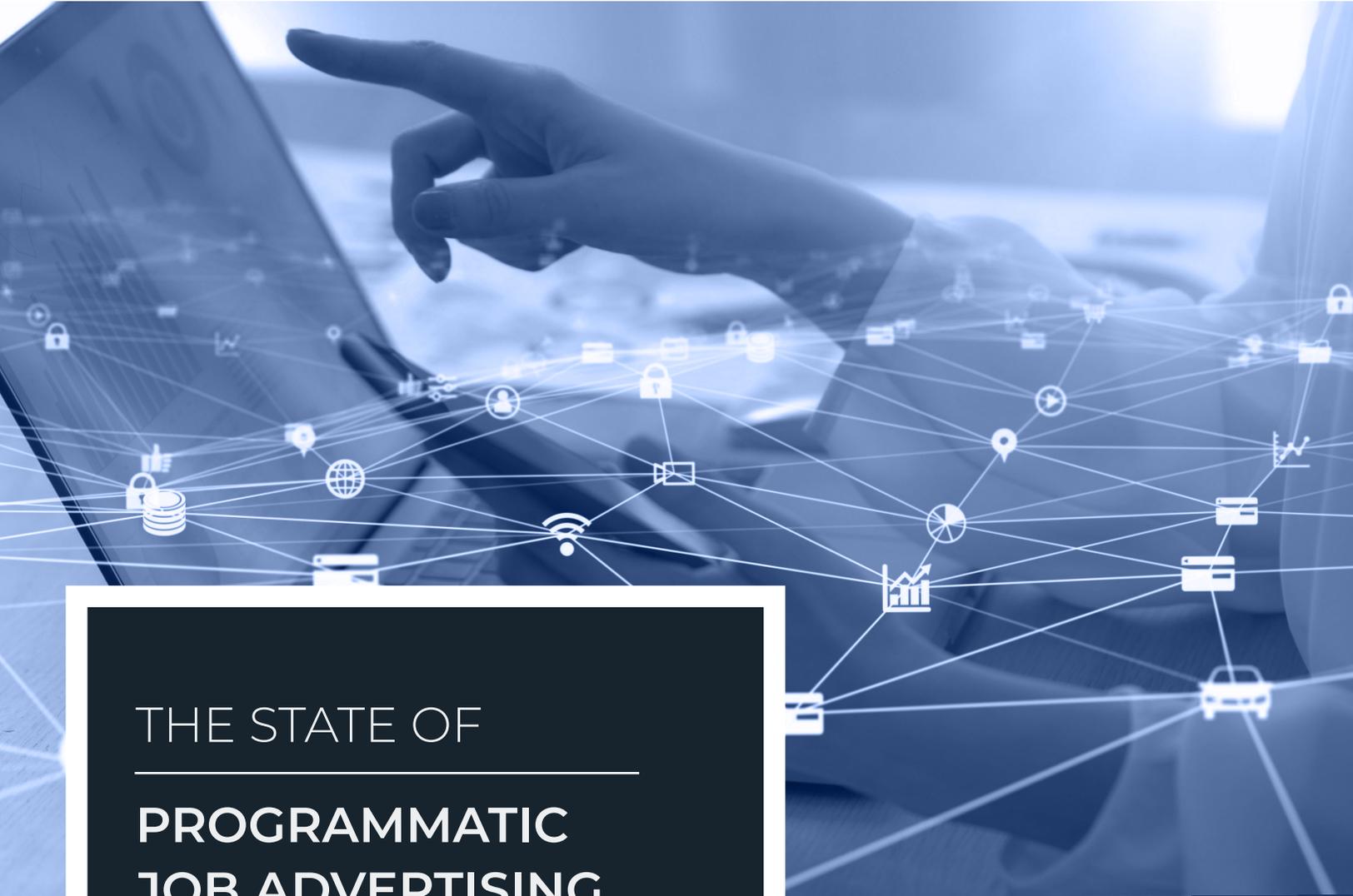




Authored by:
Madeline Laurano
Founder, Aptitude Research



THE STATE OF

**PROGRAMMATIC
JOB ADVERTISING**

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The Pando Logic logo consists of the word 'pando' in blue and 'logic' in green, with a stylized cluster of dots in blue and green above the 'o' in 'logic'. The text is underlined with a blue line under 'pando' and a green line under 'logic'.



INTRODUCTION:

Traditional job advertising is expensive, inefficient and, at times, ineffective. Recruiters must manually negotiate, purchase and monitor their advertising with different job sites. And the only way to increase their online presence is by spending more, but that comes without a guarantee that they will reach the right candidates. **According to Aptitude Research, on average, 40% of job advertising spend is wasted and one in three companies are still planning to increase their investment this year without exploring better options.**

Programmatic buying has changed the face of job advertising. It has helped companies save costs, streamline job advertising, target the right candidates and maximize ROI. While traditional job advertising increases spend, programmatic reduces it. Once companies move to a programmatic model, they are unlikely to go back to a manual one. This study found that companies that use programmatic job advertising are two times more likely to improve time to fill and three times more likely to improve the quality of their sources.

Despite these benefits, most employers are unclear as to what programmatic advertising is and how it can provide value. While marketing and sales departments have embraced programmatic advertising, talent acquisition has been slow to respond.

As companies look to transform their talent acquisition efforts in 2021, programmatic job advertising is a critical part of the equation. This report, based on data collected in January and February 2021, is a guide for any company interested in exploring programmatic job advertising to reduce their spend or increase performance on their job campaign. It will uncover the misconceptions of programmatic advertising, the strategies companies are taking, and the impact on marketing and talent acquisition efforts.



According to
Aptitude Research,
on average,
40%
of job advertising
spend is wasted and
one in three companies
are still planning
to increase their
investment this year
without exploring
better options.

Some of the questions addressed in this report include:

- What are the differences between traditional job advertising and programmatic job advertising?
- How can companies build a business case for programmatic job advertising?
- What are the benefits of a programmatic model?
- How can companies progress to a fully optimized programmatic model?
- What are the key performance indicators of programmatic job advertising?



Aptitude Research conducted the research cited in this report in January and February 2021.

Quantitative Research: 426 responses of talent acquisition and HR director level and above

Qualitative Research: Series of interviews in 2021 on the challenges, strategies and technology influencing decisions around programmatic advertising.



Top Findings in Programmatic Job Advertising

1

Once They Start Programmatic, Companies Do Not Go Back:

Although adoption is low, companies that leverage programmatic advertising rarely go back to a manual process. The benefits across efficiency, spend and experience are too significant.

Fifty-seven percent of companies that are using programmatic advertising plan to increase their investment in 2021, while over 30% of companies are continuing the same investment.

2

Programmatic Does Not Require a New Budget:

The greatest misconception about programmatic job advertising is that companies will need to find new budget. A programmatic model is a cost-savings solution. It is designed to help companies reduce spend, make performance-driven decisions and replace ineffective advertising methods. When building a business case for programmatic job advertising, companies should focus on how to shift budget from what is not working and focus on the benefits of a streamlined approach.

3 AI is a Key Differentiator:

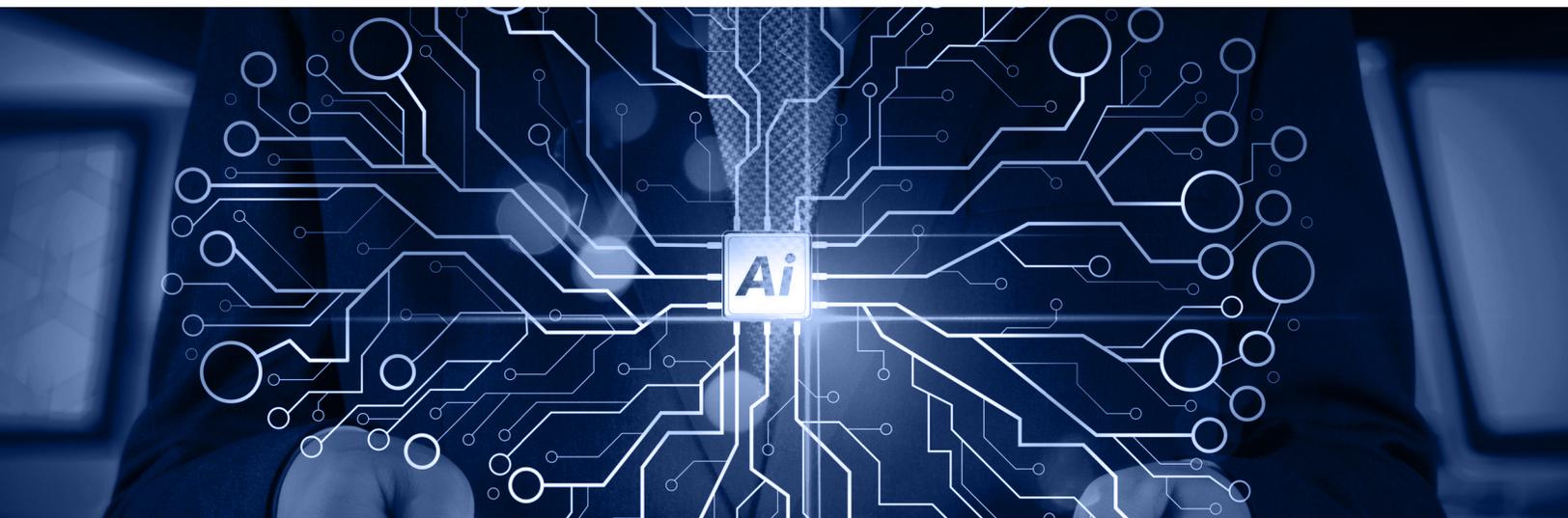
One of the strongest use cases for AI in talent acquisition is programmatic job advertising, yet not every provider has an AI-driven platform. AI helps companies go beyond real-time bidding and streamlines advertising. It uses historical and predictive data and intelligence throughout the campaign, optimizing performance in real-time. Currently, 27% of companies define programmatic advertising as an AI-enabled platform that eliminates humans from the negotiation.

4 Programmatic Requires Expertise:

Although some applicant tracking systems (ATS) partner with programmatic solutions – and CRM providers are starting to dip their toes in this market – the programmatic space is largely a stand-alone market. The companies that are offering the best partnerships focus their expertise solely on the programmatic model. Less than 20% of companies are looking at their primary ATS or recruitment provider for programmatic job advertising capabilities. For companies looking directly at stand-alone providers or an ATS partner, they must work with a truly programmatic solution not just doing job distribution.

5 Programmatic Impacts both Marketing and Talent Acquisition Metrics:

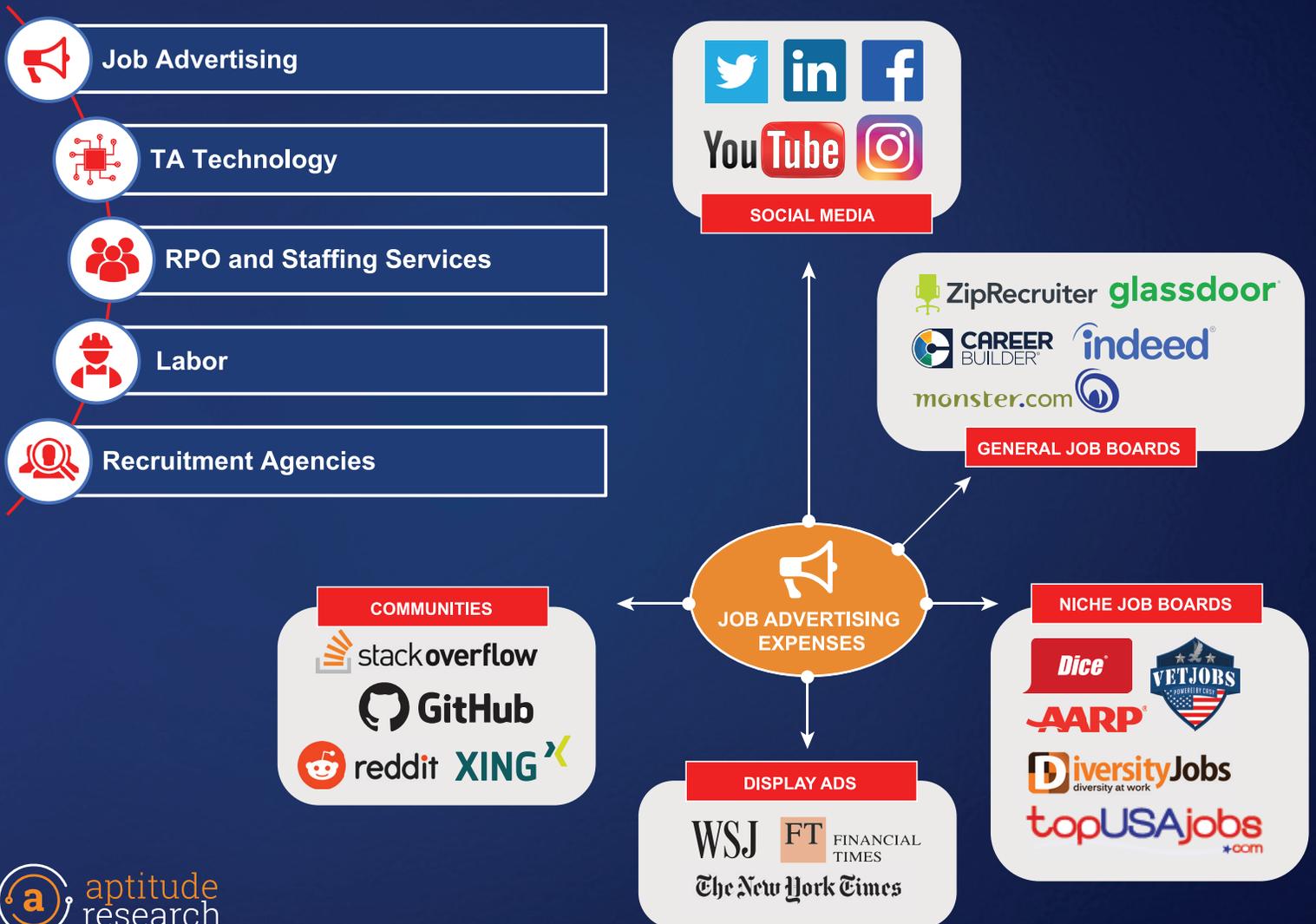
Marketing and talent acquisition face many of the same challenges and strategies when it comes to identifying and attracting leads. Programmatic job advertising impacts both marketing and talent acquisition metrics, with companies seeing a two-fold improvement on job views and campaign effectiveness.



CURRENT STATE OF JOB ADVERTISING: MORE MONEY, MORE PROBLEMS

When asked how talent acquisition budgets are allocated, companies spend more on job advertising than any other area of recruitment – and one in three companies are increasing this investment in 2021. Job advertising is the primary way that organizations “sell” jobs to candidates. In the past, companies relied on print media to advertise jobs – requiring little effort from recruiting teams and producing limited results. The switch to online job advertising and digital media has allowed companies to expand their reach to multiple channels, but requires more time and investment from recruiters to manage, negotiate and monitor that activity. Many companies rely on agencies to take on the heavy lifting in exchange for hefty fees. **When traditional job advertising fails to deliver the right candidates, companies are required to spend more money without any visibility into effectiveness.**

Figure 1: Talent Acquisition Budget Allocation

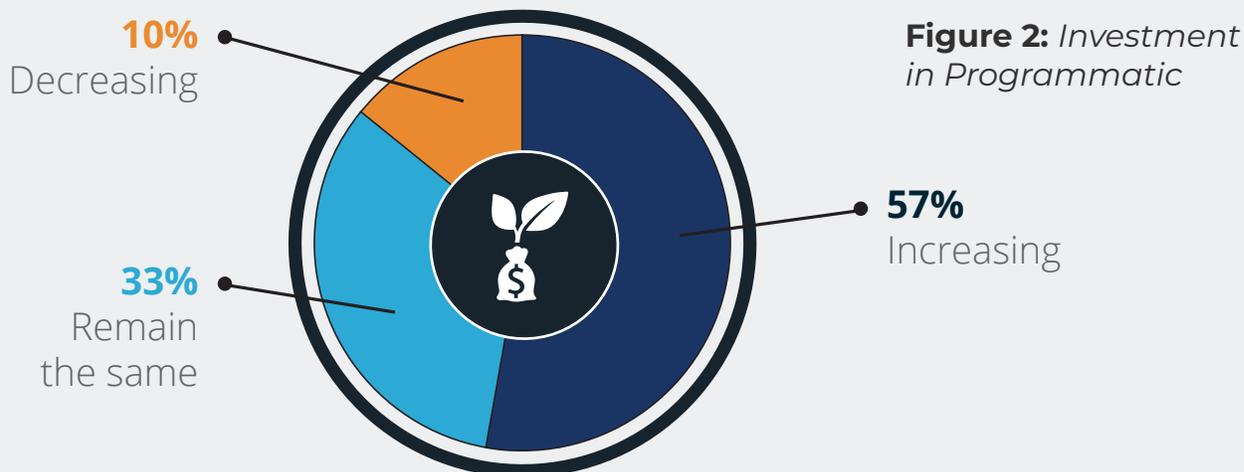


Shifting from Traditional Job Advertising to Programmatic Job Advertising

In addition to costs, companies face some of the following challenges with traditional advertising models:

- **Lack of dedicated role:** Only 20% of companies have a dedicated recruitment marketing role that would be responsible for job advertising. For most companies, talent acquisition (TA) professionals must juggle advertising with their day-to-day activities, which can create delays and errors.
- **Limited number of job sites or job aggregators:** Companies that manually manage job advertising tend to post to just one or two of the big job aggregators. They go with what they know even if they are not reaching the right candidates. This traditional approach to advertising limits companies and forces spend on sites that may be ineffective. Additionally, sticking to a single publisher does not always guarantee that companies are reaching the most diverse or qualified set of candidates. When the goal is to promote your positions to a large and diverse group of candidates, a single source may not be the best way forward. Diversifying the sites where companies post jobs can help provide a fair and inclusive TA process.
- **Lack of visibility:** When companies are managing their own job advertising, they typically don't have visibility into results. They use agencies or aggregators without understanding which specific sites are delivering the best candidates.

Fortunately, some companies have recognized the challenges with traditional advertising models and have turned to a programmatic approach to deliver better results. A programmatic approach requires less work for recruiting teams and automates the process so that companies can make data-driven decisions around advertising spend. Aptitude Research found that for companies using programmatic job advertising, 90% are either continuing to invest or will increase their spend this year (see Figure 2).



Unlike traditional job advertising models that are slow and time-consuming, a programmatic approach solves an immediate need for companies today – greater efficiency. Companies state that the key driver for technology decisions is reducing time to fill and improving overall efficiency. By streamlining advertising and targeting the right candidates, the process of attracting and recruiting talent improves significantly. Figure 3 outlines the differences between traditional job advertising and programmatic job advertising.



PROGRAMMATIC JOB ADVERTISING

VS



TRADITIONAL JOB ADVERTISING

Programmatic job advertising uses technology to automate the buying and selling of advertising, removing human negotiations and streamlining the process.

Definition

Traditional advertising puts the burden of buying and selling ads on recruiters.

Programmatic automates all the advertising spend and investment so it happens in real-time. Companies can improve efficiency by predicting the performance of where they will advertise in the future.

Efficiency

Traditional job advertising is slow, tedious and dependent on recruiters' schedules. It is prone to error.

Programmatic advertising is an automated process where all activity is streamlined and visible in one dashboard.

Process

Pricing depends on how companies want to manage, negotiate and monitor the different advertising channels and on the agencies they use.

Programmatic uses a real-time bidding model where companies spend based on the demand.

Pricing

Pricing depends on how companies want to manage, negotiate and monitor the different advertising channels and on the agencies they use.

Programmatic job advertising enables specific targeting to make the process more transparent, deliver better results and provide insights into where companies are spending.

Transparency

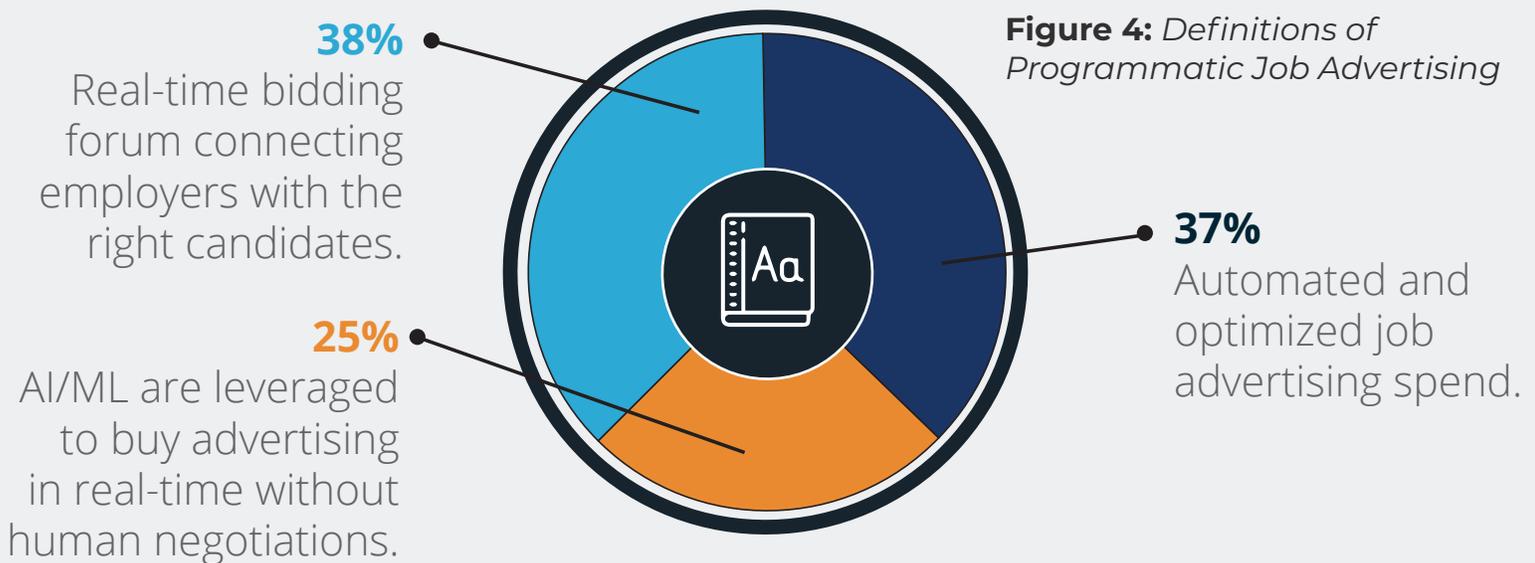
In a traditional model, recruiters have little visibility into the effectiveness of different channels and how their money is spent.

Understanding Programmatic Job Advertising: Debunking the Myths

Despite the benefits of programmatic job advertising, many TA leaders are slow to adopt it and misconceptions exist around what it is, how it works and when to build a business case for the model.

What is Programmatic?

One of the fundamental challenges with programmatic is the lack of education and awareness in talent acquisition. Although marketing departments have quickly embraced programmatic advertising, talent acquisition leaders are not clear on the value it provides. One reason is that companies have different ways of defining “programmatic”. Thirty-eight percent (38%) of companies define “programmatic” as automating and optimizing job advertising spend. Thirty-seven percent (37%) of companies define it as a real-time bidding forum connecting employers with the right candidates. And, 25% of companies define “programmatic” as AI and Machine Learning leveraged to buy advertising in real-time.



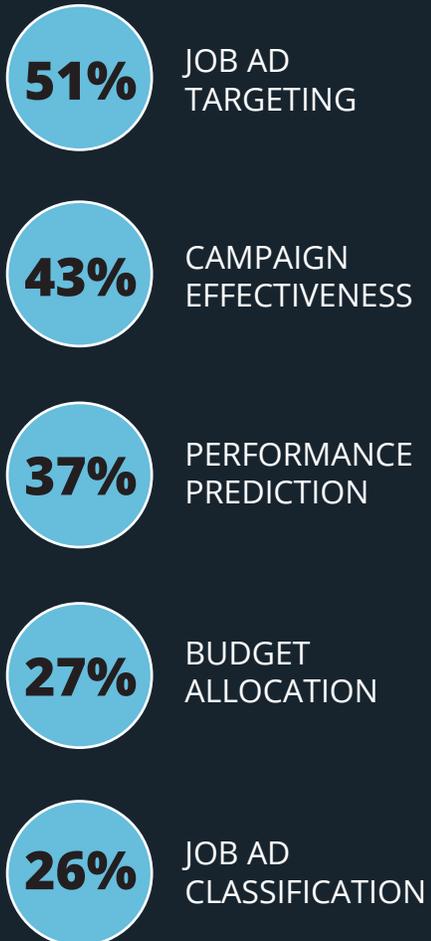
By narrowly defining programmatic as just real-time bidding, companies may lose sight of its true value as a single performance-based platform. Real-time bidding is not the only type of programmatic advertising. **AI and Machine Learning take programmatic job advertising to the next level by leveraging job attributes and historical data to predict performance.** With AI, companies can buy guaranteed ads in advance from specific job sites that they know will perform. AI and Machine Learning provides advertisers with the ability to work at a much larger scale and much more efficiently, allowing them to focus on developing effective campaign strategies.

How Does Programmatic Work?

Programmatic reduces the complexity of job advertising. It provides a consolidated platform to manage your advertising spend. By utilizing predictive analytics, historical data and job seeker-supplied information, your jobs are automatically distributed to the sites with the right audience where they will perform the best. Performance is monitored and optimized in real-time to ensure companies are hitting their goals.

When asked what capabilities are most important in programmatic advertising, companies identified job ad targeting, campaign effectiveness, performance prediction, budget allocation and job ad classification as most critical.

Figure 5:
Key Capabilities of Programmatic Job Advertising



PROGRAMMATIC JOB ADVERTISING



Job ad targeting:

Job seekers are targeted with the most relevant jobs on the right channels.



Campaign effectiveness:

Companies can see how effective campaigns are at meeting the goal of maximizing their spending to achieve positive results.



Budget allocation:

Companies can determine which channels are effective and adjust spend accordingly.



Performance prediction:

A programmatic approach, when driven by AI, can help companies predict the performance of their advertising and provide recommendations.



Job ad classification:

Companies can determine which job ads are performing and which are converting leads.

How Can Companies Build a Case for Programmatic?

The first step toward building a case for programmatic job advertising is to address the misconceptions that exist today. Companies identified wanting to keep control, not having the budget and concerns about cost as the top hesitations for investing in programmatic (see Figure 6).



Figure 6:

Reasons for Not Investing in Programmatic Job Advertising

To build a business case for programmatic job advertising, TA leaders must address these misconceptions and help articulate the value internally.

MYTH 1

We Will Lose Control:

Traditional job advertising is messy. The challenge most companies face is that they do not have the internal expertise or time to manage this process. The result is lack of control over spend and results. Programmatic advertising utilizes one system to help companies be efficient and effective. It gives companies increased visibility and allows them to focus on more strategic initiatives.

MYTH 2

We Do Not Have the Budget:

The greatest misconception about programmatic job advertising is that companies will need to find the budget to support it. But in actuality, a programmatic model is a cost-savings solution. It is designed to help companies reduce spend and make performance-driven decisions that will ultimately save money by replacing ineffective advertising methods. When building a business case for programmatic job advertising, companies should focus on how to shift budget away from wasted spend and toward cost savings realized from a more streamlined approach.

MYTH 3

It Costs Too Much:

As talent acquisition is held more accountable to the business, being able to show the value and the timeframe of an investment is critical. Measuring and demonstrating ROI is a crucial part of any technology decision and does not need to happen after a company makes its investment - it should be considered before. Companies that use programmatic job advertising can show that the benefits outweigh the costs through an ROI analysis. The ROI is calculated simply as the Net Benefit compared to the Total Cost of the project - the time-period is also an important consideration. For most companies using a programmatic model, the time period for seeing results is immediate.

FUTURE STATE OF PROGRAMMATIC JOB ADVERTISING: A MODEL FOR SUCCESS

Marketing can serve as a case study for TA professionals looking to adopt programmatic job advertising. According to eMarketer, programmatic display advertising marketing increased from \$25 billion in 2016 to \$85 billion in 2021. Several other studies have found that programmatic now accounts for 85% of all digital ad spending. Programmatic advertising has reshaped how companies connect with consumers, while allowing marketers to focus on strategy.

Marketing as a Role Model

The parallels between recruitment and marketing are pervasive. **And, while 70% of TA respondents state that their own internal marketing departments use programmatic advertising to attract consumers, 63% are not working closely with marketing on their own advertising strategies.**

Marketing and TA need more collaboration. Companies are looking for better ways to reach the right buyers in the same way that TA is looking for better ways to reach the right candidates. Programmatic advertising can help achieve both goals. Some of the reasons that marketing was successful at adopting a programmatic approach are included in Figure 7.



And, while 70% of TA respondents state that their own internal marketing departments use programmatic advertising to attract consumers, 63% are not working closely with marketing on their own advertising strategies.

Figure 7: *Aptitude Research Programmatic Job Advertising Maturity Model*

	Marketing Approach	TA Approach	What TA Can Do
 <p>Programmatic is an Integrated Strategy</p>	<p>Programmatic is not an isolated activity. It is part of a strategic marketing plan that includes clear objectives.</p>	<p>Programmatic is a TA initiative or solution that is not aligned with the overall strategy.</p>	<p>TA must include programmatic in their recruitment marketing or overall TA strategy.</p>
 <p>Talent Audiences are Clear</p>	<p>To optimize the effectiveness of a marketing campaign, companies need to carefully consider the audiences that they are targeting. Personas are an important part of how companies think about their advertising effectiveness. Marketing teams invest time and research into understanding these audiences.</p>	<p>TA does not always define its audiences before identifying and attracting talent, making it more difficult to advertise to the right candidates and manage applicant volume.</p>	<p>TA must look closely at its hiring objectives and better understand the talent audiences that they are targeting, which may include diverse, veteran or university hires.</p>
 <p>KPIs are Clearly Defined</p>	<p>KPIs are clearly defined and linked to overall marketing objectives that include targeting, campaign effectiveness and reduced spend.</p>	<p>KPIs are not clearly defined or linked to advertising investment.</p>	<p>TA must determine what will drive success from advertising efforts and focus on solutions that can help determine the strategy, set goals if needed and achieve objectives.</p>

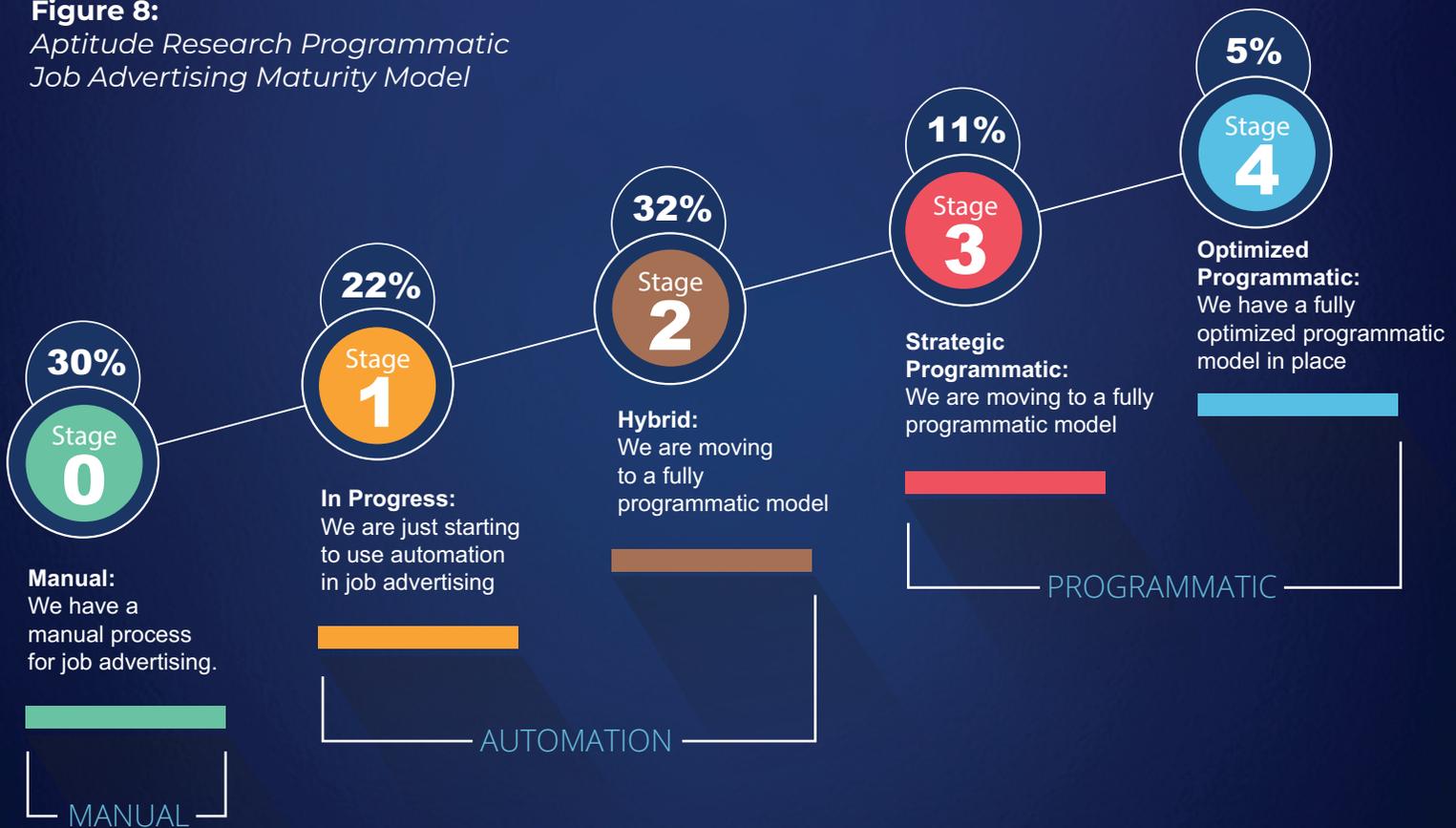
Programmatic Job Advertising Maturity Model

In talent acquisition, every company is at a different stage in their advertising and recruitment marketing journey. Some companies are just getting started and still making reactionary decisions based on short-term demands for talent, while others are strategically looking at better options and more visibility into their spend. Although companies using programmatic job advertising are increasing their investment, most companies are still immature in adopting a programmatic model.

Aptitude Research developed the following maturity model to help companies understand their own process around programmatic job advertising and the steps they need to take for a more strategic and optimized approach. This maturity model includes five stages: Manual, In Progress, Hybrid, Strategic and Optimized.

Figure 8:

Aptitude Research Programmatic Job Advertising Maturity Model



Currently 30% of companies still have a completely manual advertising model where they are responsible for all the spend, negotiation and monitoring. As companies evaluate their own maturity and look to progress, they should consider the following questions:

- How much of our advertising spend is currently wasted?
- Do we have the time and resources to manage our own advertising?
- What objectives do we have for the next year?
- Are we effectively targeting the right candidates for the right roles?
- What KPIs are most critical to our organization?



STAGE 0

Manual Advertising

Key Characteristics: Companies at this stage have a traditional job advertising process where the buying and selling of ads is done manually. Advertising is expensive and tedious as recruiters must manage independent job sites and balance activity with other day-to-day activities. Advertising is also prone to human errors with little visibility into what is effective.

Over 50% of advertising spend is wasted for companies at this stage.

Approach: Companies rely on offline search to advertise jobs.

Objectives: Companies want to advertise jobs through an approach that is familiar even if it is not the most effective.

KPIs: Conversion rates, quality of applicant, source of hire, time to fill and recruiter experience are critical KPIs in this stage.

How Companies Can Progress: Research. Companies should consider their recruiter workload and the advertising spend that is wasted. They should begin to research programmatic options and outline their objectives for automating advertising.



OVER
50%
of advertising
spend is wasted
for companies
at this stage.



STAGE 1

In Progress

Key Characteristics: Companies at this stage are just starting to explore programmatic job advertising or automation and are evaluating their options. These companies are moving from a traditional job advertising model and are looking to reduce spend and streamline their efforts. Some companies at this stage may also be looking to target different audiences including diverse hires, alumni or entry-level jobs. These companies are not yet ready to move to a fully programmatic model, but they are ready to consider options that will save money and time.

Approach: Companies use independent job sites when they have advertising needs.

Objectives: Companies want to reduce spend and save recruiters' time.

KPIs: Conversion rates, quality of applicant, source of hire, time to fill, reduced spend, recruiter productivity and diverse sources are all critical KPIs.

How Companies Can Progress: Companies at this stage should research programmatic job advertising and their options. They should partner with marketing to better understand how the programmatic model is adopted to help target consumers.



STAGE 2

Hybrid

Key Characteristics: Companies at this stage are using some combination of automation and traditional advertising, but do not have a strategic programmatic approach. These companies are looking to centralize advertising, but are not yet ready to lose control of the process. They may see impact to spend and targeting abilities, but may not be familiar with a programmatic model.

Approach: Companies use one or two aggregated job sites or a job search engine.

Objectives: Companies want to maintain control of advertising, but also consider options that will streamline advertising and reduce spend.

KPIs: Conversion rates, quality of applicant, source of hire, time to fill, reduced spend, recruiter productivity and diverse sources are critical KPIs at this stage.

How Companies Can Progress: Companies should consider their objectives and build a business case to better understand programmatic job advertising. Companies at this stage should track what is not working in their current advertising.



STAGE 3

Strategic Programmatic

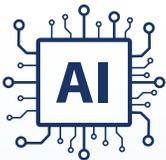
Key Characteristics: Companies at this stage are moving to a strategic programmatic model. These companies understand the value of programmatic job advertising and are interested in a more efficient and effective advertising process. They have done their research and evaluated providers in the market. They are committed to moving to a programmatic model.

Approach: Companies are automating advertising through job ad distribution.

Objectives: Companies want to move to a programmatic model, target the right candidates, and improve efficiency and effectiveness.

KPIs: Conversion rates, quality of applicant, source of hire, time to fill, reduced spend, recruiter productivity, diverse sources, quality of hire, job ad targeting and campaign effectiveness are critical KPIs.

How Companies Can Progress: Companies at this stage should start to evaluate providers in the market, determine requirements and look for partners.



STAGE 4

Optimized Programmatic Advertising

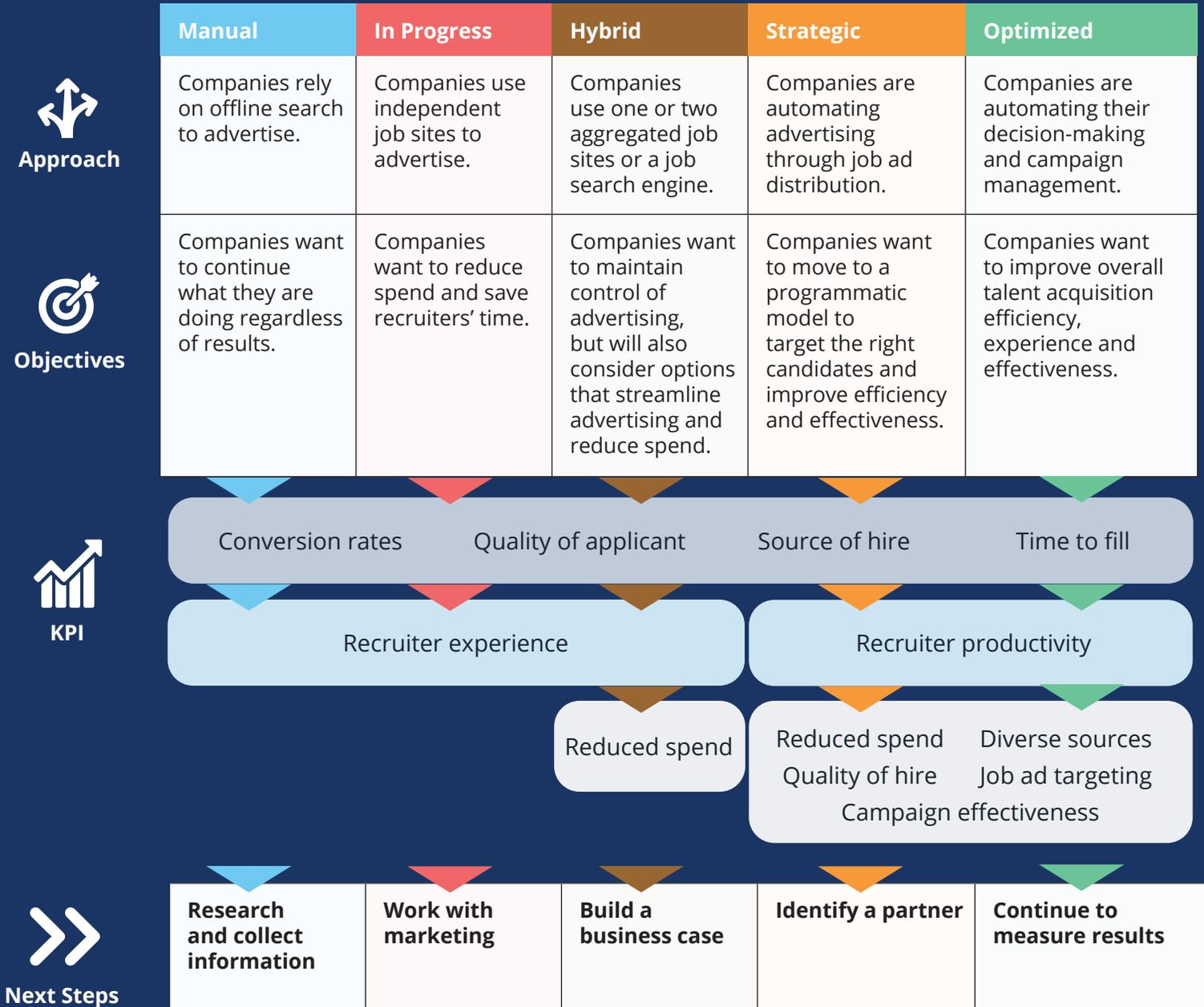
Key Characteristics: Companies at this stage have a fully programmatic model where they are automating job advertising spend and using AI or Machine Learning to predict performance and make better decisions. Companies at this stage use one platform to manage and track all of their advertising, ultimately saving time and spend.

Approach: Automated decision-making and campaign management

Objectives: Companies looking to improve overall talent acquisition efficiency, experience and effectiveness.

KPIs: Conversion rates, quality of applicant, source of hire, time to fill, reduced spend, recruiter productivity, diverse sources, quality of hire, job ad targeting and campaign effectiveness are critical KPIs at this stage

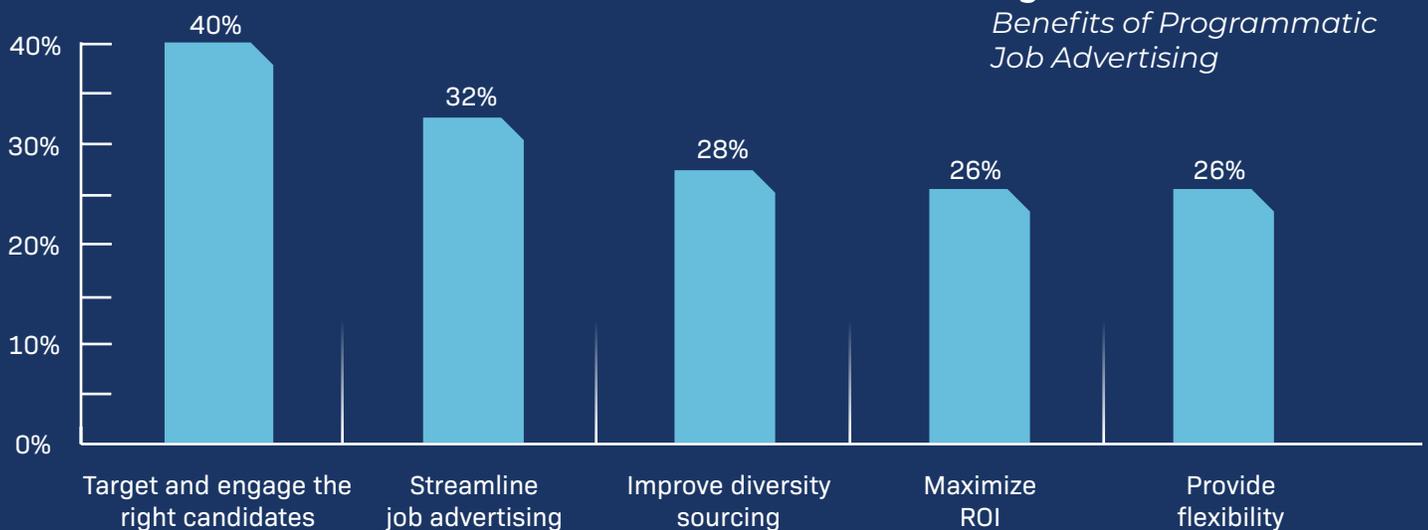
Figure 9: Maturity Model by Key Characteristics



Companies looking to mature and progress must reevaluate their approach to advertising and clearly articulate the benefits of a programmatic model. The following pages of this report will help companies build a business case for programmatic job advertising and understand the impact on recruitment marketing and TA metrics.

THE BUSINESS IMPACT

When asked what the greatest benefits are of programmatic job advertising, companies identified targeting the right candidates, streamlining job advertising, improving diversity sourcing, maximizing ROI and providing flexibility. While targeting talent and streamlining job advertising are common benefits, improving diversity sourcing is a key priority for companies today as they are being held accountable for their actions. A programmatic approach allows companies to reach a broader group of candidates and target diverse job boards and channels.

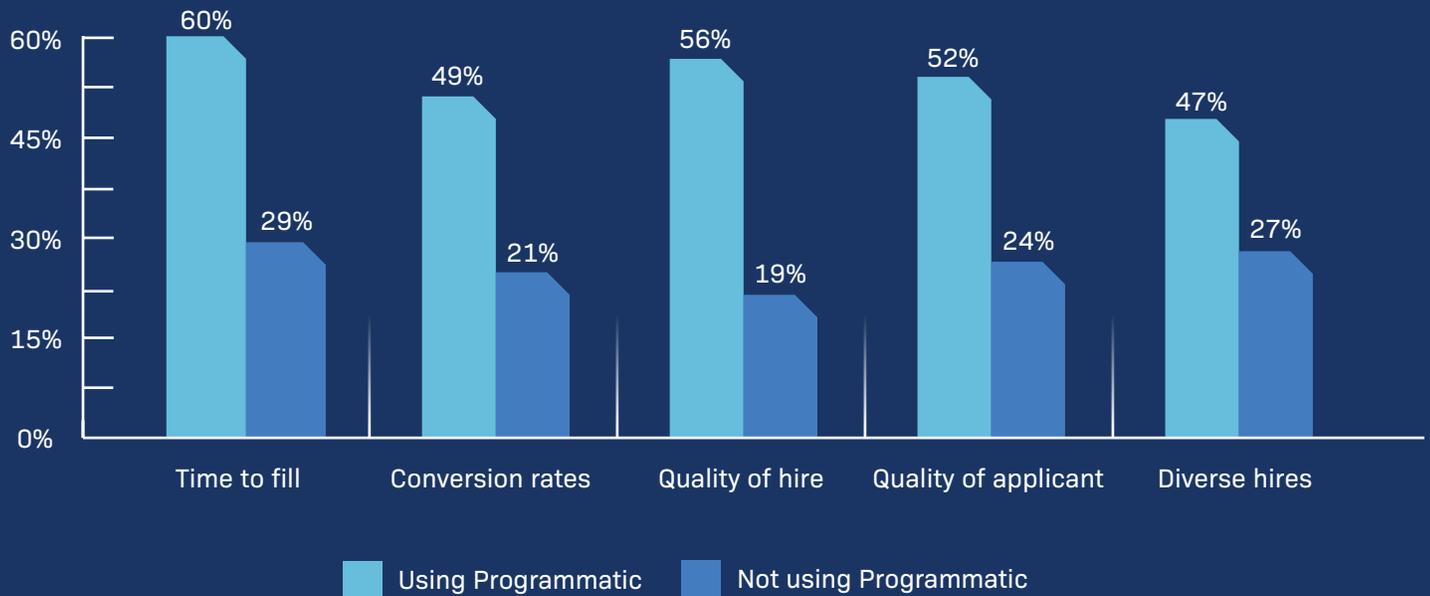


In addition to these benefits, companies that use programmatic job advertising see a dramatic improvement in overall recruitment marketing and TA metrics. **Companies that leverage programmatic job advertising are twice as likely to reduce time to fill and nearly three times more likely to improve quality of hire compared to companies using traditional advertising.** The impact of a programmatic approach increases the more companies move away from traditional advertising.



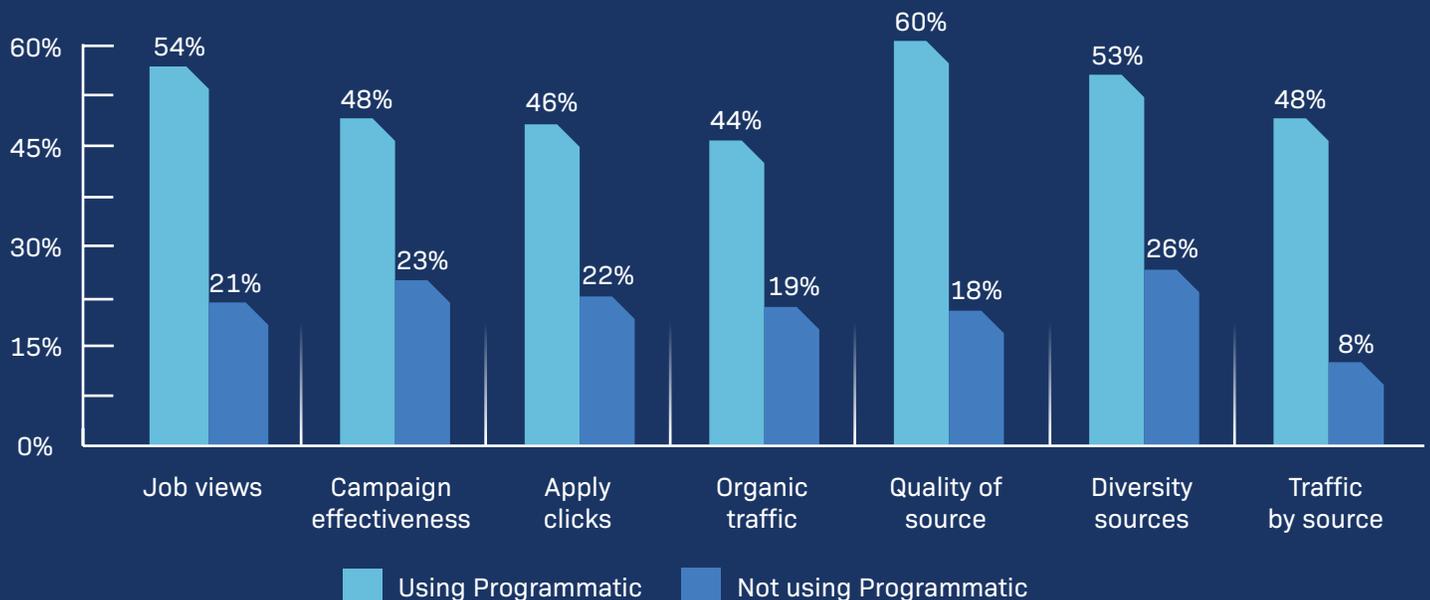
Companies that leverage programmatic job advertising are twice as likely to reduce time to fill and nearly three times more likely to improve quality of hire compared to companies using traditional advertising.

Figure 11: *The Impact of Programmatic Job Advertising on TA Metrics*



When asked about recruitment marketing and advertising metrics including job views, campaign effectiveness and apply clicks. Programmatic not only improves the paid advertising traffic, but also improves the organic site traffic that companies experience when advertising through the right channels. The most significant benefit is the quality of source with 60% of companies that use a programmatic approach seeing improvements compared to only 18% of companies using traditional advertising.

Figure 12: *The Impact of Programmatic Job Advertising on Marketing and Advertising Metrics*





CASE STUDY

Domino's Pizza is the leader in pizza delivery with over 17,000 stores with 350,000 employees in over 90 countries. With historically high turnover rates and a need to keep staffing levels in line with performance, hiring is a business priority for Domino's Pizza franchisees. Stores need to maintain a pipeline of ready-now talent and they need to find as many qualified candidates as possible to ensure business operations.



THE CHALLENGE:

NRV Pizza, a regional Domino's Pizza franchise based in Virginia, was using one job site with a set budget to market their job opportunities and build a candidate pipeline. The investment in recruiting was meaningful – they often spend over \$200 per store each month advertising jobs – however the ROI was not always there, and the quality of the candidates was not always up to their standards.



THE SOLUTION:

Through PandoLogic's programmatic job advertising platform, NRV Pizza was able to diversify recruitment sources with minimal effort and increase its candidate pipeline. It was able to automate and optimize job ad visibility across relevant sites in their network, increasing exposure to the right job seekers without overspending or manual intervention.



Domino's was able to achieve the following results:

472%

Increase in applicant volume

19%

Reduction in monthly recruitment investment

533%

Decrease in cost per applicant

15%

Increase in overall employees on payroll

KEY RECOMMENDATIONS

Programmatic improves job campaign effectiveness, streamlines advertising initiatives and supports diversity sourcing goals. Companies – at any stage in their journey – can achieve better job advertising outcomes, promote recruitment marketing and gain real-time adjustments not previously possible.

Companies looking to adopt programmatic job advertising or optimize their investment should consider the following:



- ◆ **Define Goals:**

Understand your advertising and recruitment goals and ensure that they align with business goals.



- ◆ **Build a Business Case:**

Document the benefits, costs and outcomes of your current traditional advertising, and begin to work with marketing to better articulate the value of programmatic job advertising.



- ◆ **Identify a Partner:**

Evaluate providers that have deep domain expertise in programmatic advertising and have demonstrated commitment to reducing spend and identifying the right candidates.



- ◆ **Measure ROI:**

Consider ROI and begin to determine effectiveness even before you make an investment in programmatic job advertising. By building an ROI framework, companies can continue to show the value in their investment.

ABOUT US



Aptitude Research Partners is a research-based analyst and advisory firm focused on HCM technology. We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

To learn more, visit aptituderesearch.com



PandoLogic is a leading programmatic job advertising and vendor management platform in North America. Our programmatic job advertising platform, pandoIQ, allows you to meet your hiring needs while maximizing your recruitment ad spend. By evaluating 100T job data points and making 7,000 micro-decisions per minute, pandoIQ automates and optimizes your job ad placements to transform your lead funnel. Its streamlined approach eliminates inefficiencies and waste, helping companies stretch ad budgets 10 to 20 times further; while at the same time, consolidating spends into a single performance-based platform. This consolidated approach removes the need for management of multiple contracts, vendor relationships, payment schedules, and logins – allowing our clients to focus on what matters: reaching the right candidates on the right sites at the right time for the right price.

To learn more, visit pandologic.com