

POV

New Age Advertising **The backspin in campaign building strategy**

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Transformation in the **Advanced TV space** has led to a huge growth in video access options, and thus consumers are adopting new viewing habits. This **speed of change** is remarkable and has brought in a significant shift in the ad-campaign models and money is gradually shifting from linear to Over-The-Top (OTT) and Connected TVs (CTV).

to be continued ...

However, TV is still the dominant screen for viewing OTT video content, accounting for 82% of time spent on the activity; and nearly 128 million people in the US will watch advertising-based video-on-demand (AVOD) this year, a growth of 17.6%, over 2020. This means over 50% of all digital video viewers in the US are watching AVOD (source: eMarketer 2021). While streaming discussions are often focused on having access to premium content, and so is ad-supported Advanced-TV, its reach continues to expand across cost-conscious consumers. The companies in this space are offering content in an increasingly popular way while facilitating targeted Dynamic Ad Insertions (DAI).

This shift is creating new channels for **global brands** to adopt effective ways for reaching out their target audiences. This includes building the right media-mix campaigns and establishing the right measurement criteria. Advanced TV offers an array of advertising experiences to improve the audience reach and engagement for aggregation. This approach allows more interactive ad-units and eventually helps in improving the ability to measure the impact of the advertisement and its effectiveness. With **distribution technologies** and

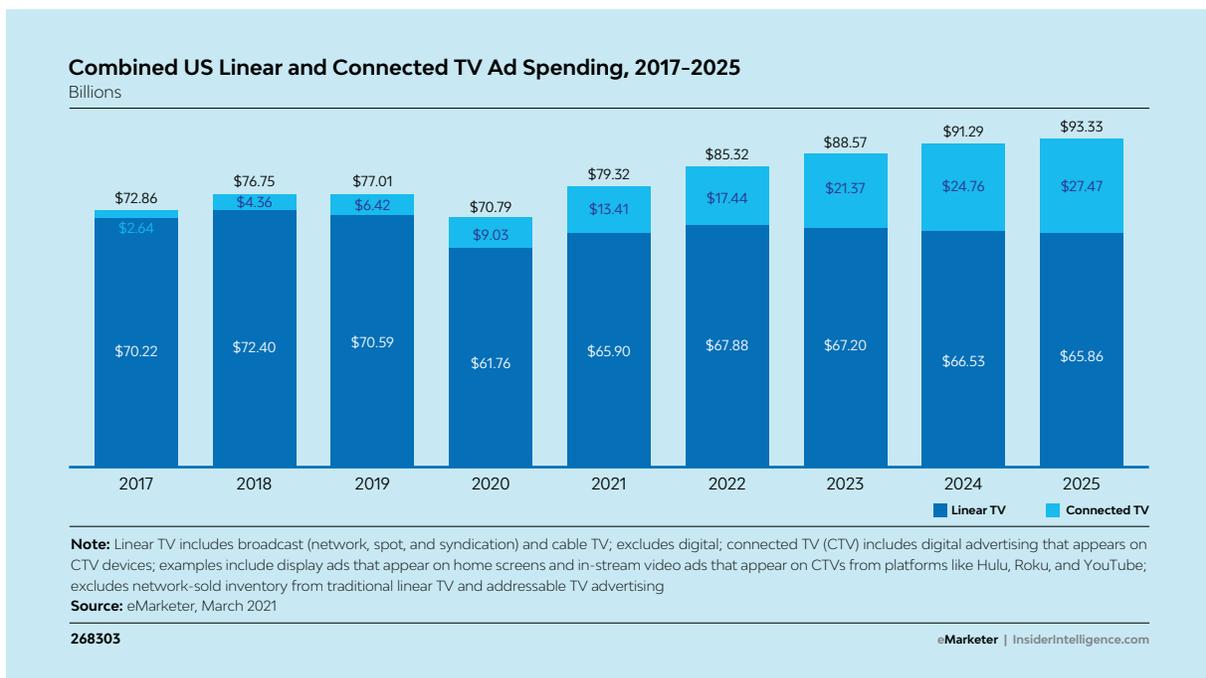
opportunities in place, it has pushed new age TV closer to what brands have come to expect from digital display and video advertising available on the Internet. Increased focus on measuring the campaign performance brings in new dimensions of measurement. Reach metrics to performance metrics are changing the models to manage the solutions for buying and selling TV advertising. Advanced TV offerings – CTV, Addressable Technology has pushed this space and significantly reduced the gap of bringing brands and audiences closer through next-generation data driven solutions.

This paper presents a view on buying, selling, targeting and measuring the success parameters of ad-campaigns and the necessary media-mix that is required in the Advanced TV segment.

Advanced TV is an umbrella term that refers to accessing television content via OTT /Connected TV/ Addressable TV/ Addressable VOD/ Devices. Advanced TV targeting enables advertisers to serve one to one household or a group of targeted customers

Rise of Advanced TV advertising

Over the past few years, the industry has observed a significant increase in advanced TV spending as more brands are joining the party. The combined US ad spending on linear and CTV platforms will exceed \$93 billion by 2025, from just under \$80 billion in 2020. All the growth will come from CTV spending (source: eMarketer)



Advanced TV enables a targetable, measurable and scalable platform. It also has a competitive entry price than Traditional TV. In-built abilities like non-skippable ads and focussed measurable KPIs supplements the campaigns with strategic priorities of respective brands. Incremental reach, ability

to manage frequency, target premium audiences and improved accountability helps in quantification of ROI and optimize targeted campaigns. For example, Addressable TV is useful in understanding how adoption of the format differs so vastly country-by-country, and market-by-market.

Accessing streaming video through digital platforms is gaining momentum and allows brands to reach their audiences directly sitting in their living rooms. Many initiatives are rising and a consortium of TV publishers are joining hands to build cross-publisher audience targeting and measurement techniques. Here, buyers can onboard their data to the system, define viewership against the audience graph that the respective participants have and subsequently measure their performances through real time view of inventory, transaction of orders and receipt of reporting data.

This has naturally inclined the consumers to seek out new and engaging ways and streaming has come to their rescue. Ad-supported services (like The Roku Channel, Hulu, and Pluto TV) are gaining share. Price-conscious consumers are proven to be a big driver of AVOD and Virtual Multichannel Video Programming Distributor (vMVPD) adoption. And for advertising, Advanced TV provides a measurable medium. Its ability to understand who is receiving the impression and being able to track it to a transactional level (so one knows who converts from an

advertisement) is very beneficial to marketers. Additionally, post-campaign attribution analysis enables comprehensive measurement. This enables companies to know the value of every dollar that they spend.

It is important that advertisers and their agencies take a close look at distribution technologies and opportunities as this pushes Advanced TV closer to what brands have come to expect from digital display and video advertising.

Unification and Measurement in the success of ATV campaigns

Shifting habits has triggered the need of a unified buying experience that give brands a single and seamless platform from where they can plan, buy, measure and manage all their advertising campaigns holistically, whether target audiences are viewing ads irrespective of any devices. The goal is to unify TV Audiences, Devices, Data, Supply and Measurement.

The TV landscape is fragmented and brings in many an individual parts. Advanced TV enables marketers to demonstrate the ROI and improve performance from campaign to campaign. However, fragmentation, complexity and lack of standards has long hindered the growth. This ecosystem has resulted in

a multi-seller marketplace which enables measurable, collaborative, cross-screen and cross-supplier activation.

Campaign strategy has moved beyond basic demographic and household

targeting. Today's brands are focused on incorporating all channels into their campaigns to ensure they're reaching their customers in their preferred channel. Marketers develop strategies that reach individuals whenever possible rather than households. Having the ability to deliver relevant TV-Ads based on behavioral insights is key for marketers. It helps to increase engagement and connect with consumers on an emotional level.

TV Landscape

- ✔ **Media Agencies**
- ✔ **Demand Side Platform**
- ✔ **Sell Side Platform**
- ✔ **Ad Servers**
- ✔ **Broadcast**
- ✔ **Networks**
- ✔ **MVPDs**
- ✔ **Smart TV & Devices**
- ✔ **Streaming Services**
- ✔ **Identity Resolution**
- ✔ **Data Providers**
- ✔ **Measurement & Attribution**

Campaigns devised around **Advanced TV (ATV)** presents three focused benefits that include – the ability to identify the effective audience group, enable greater viewer engagement to optimize addressability and measurement techniques to monitor the campaign effectiveness. A significant part of the budget of advertisers for traditional television has been transferred to these new mediums, because of the advantages they offer. Addressable TV advertising allows marketers to deliver different ads to different households within a given TV program. Ads can show up to each household based on audience data and household viewing behaviour.

Measuring campaign outcomes in Advanced TV uses impressions against an audience and provides a common currency for buying. There is a fundamental shift in the model and effort is towards achieving the true target guarantee against planning targets. For example, the specific target could be a boy who consumes 3 or more units of health drink and is part of a football club than a kid in the 10-18 age group. For addressable campaigns, buyers and sellers are creating plans based on unique target universes and associated households (HHs) for every buy.

Stay-at-home period drove all-time highs for all forms of video streaming and they're markedly higher now that they were a year ago. Now, watching TV, via traditional channels or streaming, whether in real time or on demand, is one of the world's most popular hobbies. In fact, according to Nielsen, Americans 18 and older spend an average of more than four hours a day watching TV. To add to that, 80% of U.S. households with TVs have at least one internet-connected TV device – and of those households, 64% have three or more devices. The stay-at-home period drove all-time highs for all forms of video streaming and they're markedly higher now that they were a year ago.

In this gamut, the reliance on **ad-exchange** systems is another critical dimension here. This allows advertisers running the ad-campaign across different ad-networks through a single advertising platform. It also allows the publisher to sell their ad-spaces to multiple ad-networks. The advertiser uses the demand side platform, while the publisher uses the supply side platform. As marketers, one must identify the best partners—and that can be on linear TV, via connected TV, or a hybrid approach.

Adoption of programmatic for the demand & supply handshake

Programmatic TV is most often mentioned as the mechanism to automate the buying and selling of the ad-spots in most optimized way. This will allow marketers to reach their target audience in an optimized way. It helps advertisers achieve their marketing objectives by automating the process of buying and selling of ad spaces through real time auctions or directly between publishers and advertisers enabled in conjunction with demand-side platforms (DSP) and sell-side platforms (SSP).

Programmatic digital display ad spending in the US is forecast to reach **\$133.04 Bn in 2023**, which translates to an increase of over a third (source: eMarketer)

Demand side platforms (DSP) provide advertisers everything they need, say bid-management capabilities, audience conversion tracking and its reporting. Moreover, most of the DSP feature artificial intelligence and machine learning technologies, which analyse historical data

and automatically adjust campaign targeting settings to reach audiences that are most likely to convert. In other words, these technologies analyse the characteristics, behaviour, and purchase intent of your recent converters to target lookalike audiences that haven't interacted with your content or channel yet but are likely to convert.

Some of the called-out benefits that is provided by DSP includes, the advertiser's ability to buy ad-spots in real-time auctions or directly from publishers, real time data and insights (campaign performance, building media plan strategies), and excellent integration capabilities (with participants in the eco-system)

On the other side, Sell-side Platforms (SSP) enable selling of ad-space inventories and hence maximize their profits. Publishers who haven't managed to sell their inventory directly to advertisers can do it through private and open auctions. For example,

suppose users read travel guides about London on a publisher's website. In that case, the publisher could sell that information to advertisers who want to target users that intend to visit London. Advertisers can then reach such users with relevant promotional messages on through different platforms (such as YouTube, Channels, and other digital paths).

Some of the potential benefits enabled by SSP includes automated selling of inventories at an optimized price and generate revenue by selling the audience data to advertisers using intelligent insights (ad-space performance and monetization strategies). Jointly the benefits they can bring to both publishers and advertisers will help you better understand why so many companies have been heavily investing in programmatic media buying.

None the less, **Ad exchanges** with the introduction of real-time bidding (RTB) allow advertisers to run campaigns in multiple ad networks through a single advertising platform. Also, Ad exchanges enable advertisers to control how often the adverts appear to the same users using frequency capping across all networks. In other words,

if an advertiser wants a certain advert to appear a maximum of two times per user across all networks – it is now possible.

Simplifying the complexities and discovering the unknowns

While cross-screen viewing experience is engaging viewers, it creates complexity for marketers in campaign management and advertising life cycle. Marketers now need to reach and engage their audiences and tailor their advertising to maximize reach. Product innovation in marketing and ad tech is happening faster than ever. The companies that can act quickly will eventually be able to monetize tech-driven opportunities.

On the contrary, some of the called-out challenges in this stream is being worked upon and is reflected below:

1 Measuring ad-performances: Setting the rights KPIs and ability to fetch the accurate measurement defines the winner in this race. Additionally, the process of convergence of both linear and CTV ads is in critical need of standardization. Further, companies that own TV and video ad inventory are reluctant to share their data with buyers, putting the pressure on

agencies to come up with campaign-specific metrics.

2 Managing ad-inventories: With traditional television, inventory is sold by the networks, bought by national broadcast, and traded on Nielsen ratings – with the same players that have existed together for a good old time. Advance TV advertising has evolved a new language and questions the existence of the long-standing focus parameters. GRPs and CPMs are no more prime criteria while setting up a campaign goal and trading of addressable advertising requires a different approach in all.

3 Audience Fragmentation and Duplication Uncertainty Across Screens: Race is to reach highly engaged audiences and the industry is looking towards re-aggregating the various pieces of desired audience segments from myriad channels. Once achieved, this enables cost-effective and optimized media plans to

target behavioral segments. In a data-driven world, advertisers are demanding more accountability of their ad spend and understanding advanced audiences is what they scout for. It helps brands in planning and optimizing campaigns and leads to improved measurement of the outcomes.

4 Lacks Standardization:

Historically, TV ad campaigns were planned, bought, and measured using Nielsen national panel ratings consisting of demographic age and gender data. But, once it came to evaluating ad campaigns performance, there is an accepted mystery that surrounds us. And to solve it, companies are identifying optimized techniques to measure all live, on-demand, and time-shifted commercial impressions on every viewing platform. The friction of multiple vendors, multiple types of attribution, and a lack of unified measurement model has in turn made advertisers less likely to invest in new types of TV advertising.

5 Data Aggregation:

To measure the true impact of cross-platform media campaign, there is a significant dependency on a third party

measurement company (like - Axiom, Calina, Experian). The data marketplace is also getting complex, and companies look to optimize the ability to integrate the fragmented data sets to achieve scalability. Agencies on the buy side when they receive the data in individualized formats are challenged to take a scalable report out of this data.

6 Call for Transparency:

Transparency is the Mar-Tech and Ad-Tech priority and having the ability to ensure accuracy around all aspects of one's financial and billing process is of prime importance. Therefore, smart billing solutions are the need of tracking complex inter-relations, account hierarchies, and help to realize order-to-cash process with near real-time reporting.

The road ahead...!!

New technologies, regulations and best practices push the frontiers to innovate in the digital marketing and advertising space. With the advancements of programmatic ad tech and partnerships with key players, brand marketers can now measure the performance of programmatic TV campaigns

using traditional metrics. But forward-thinking brands have supplemented traditional metrics with modern metrics such as

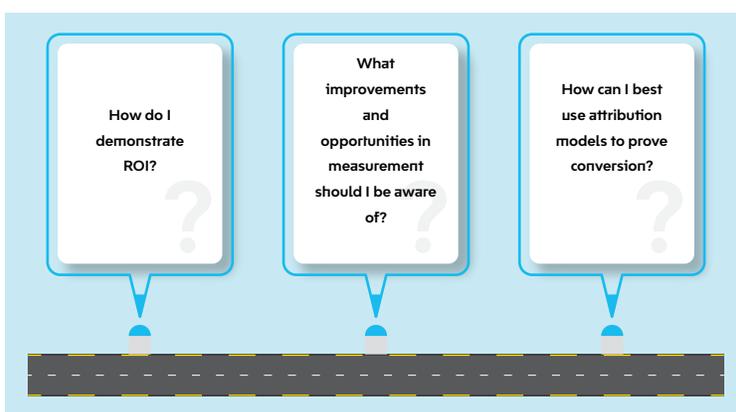
cost-per-completed view to attribute brand lift, cost per incremental reach and performance on digital/ OTT advertising.

Advertisers and brands are looking for outcome-based investments. **Measurement is speeding up and getting precise.** Demand for greater accountability in TV, the shift from demo-based guarantees to business outcomes has become a growing realization for TV broadcasters. Smart TVs, in partnership with data providers (like Inscope), offer automatic content recognition - the ability to

access and collect viewing data. Using that viewing data and smart TV identifiers, agencies derive the **reach and de-duplication reports** to present the real campaign outcomes. Advertisers are realizing that an **increasing digital inventory** becomes more accessible to brands of all sizes who are

looking to engage their audiences on various devices that their customers are using to stream digital video content. Hulu recently released an automated private marketplace allowing brand advertisers to purchase Hulu CTV inventory with their own DSP's while avoiding minimum media commitments.

All said, in some countries, linear TV viewing figures are still high. There is a misconception that absolute ratings are down and that the absolute amount of time that people are viewing TV is also down in every country globally. Even in the U.S., this format remains important and hold significant advertising market share (> 60%).



Author Profile



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Kumar Kislay is a Sr. Consultant with expertise across Media Supply Chain (including Ad-Sales, Rights Management and Streaming). He possesses 14+ years of rich experience in working with cross-functional & cross-cultural teams and is passionate about innovations in the digital space, say – AI/ ML, Cloud, Analytics/ SaaS based products.

He has worked with Fortune 500 media conglomerates that includes US based leading media broadcasters and film studios. Prime industries of expertise include: Media & Entertainment, Automotive & Aerospace, Graphics & Imaging.

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