

TV2.0

Automated Buying Strategies for
the New Era of TV



coegi



Table of Contents

- 1: TV Buying, A Brief History
- 2: Automated TV Buying Explained
- 3: Buying Tactics
- 4: Putting it into Practice
- 5: Defining TV Formats

State of the Industry

Cord-Cutting Driven by Convenience

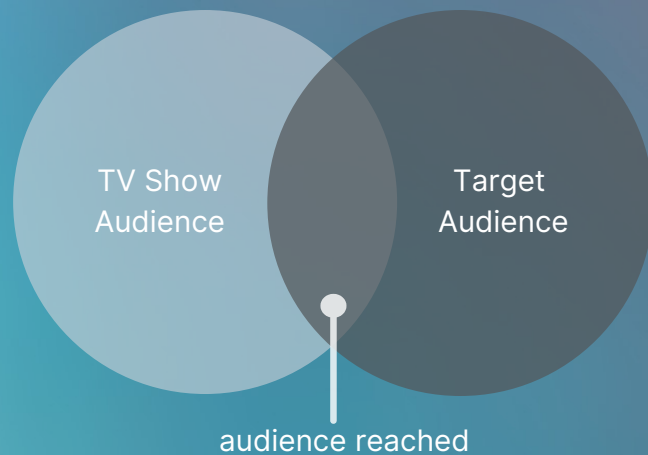
Connected TV has grown massively as more and more people cut the cord and spent time streaming. With over 213M CTV viewers in the US, CTV media spend is following a similar trajectory.

Consumers value convenience now more than ever. They want to watch shows on their own schedule, with or without ads. CTV offers massive benefits for brands looking to reach these users: accessible placement on the largest screen in the house, high impact creative, buying flexibility, audience addressability, and incremental reach. Continue reading to leverage these benefits for your brand by understanding the foundations of strategic automated TV buying.



Context Based Buying

Make assumptions about who is watching which program in order to determine where to invest dollars.



Addressable Household Buying

Reach your target demographic directly, regardless of what show they are watching.



TV Buying, A Brief History

One of the biggest advances in TV buying is addressability.

TV targeting began as one to many, with buys on local and national broadcast and cable. It then evolved to include one to some - think regional networks, targeted digital video, broadcast programs, and cable networks. Now, it has evolved to allow highly granular 1:1 targeting with addressable TV, targeted digital video and mobile video.

Linear TV was historically purchased and measured via GRPs, but has more recently moved to impression-based tracking. This allows for more holistic tracking between connected TV and linear TV because success is defined by impression-based metrics in both. However, the addressability of CTV differs from linear TV, creating some disparity.

Each TV ad is placed in a 2 minute pod which is broken down by :60, :30 and :15 second spots. This way of placing ads creates a finite amount of inventory in each program and delivers the same ads to all viewers.

Addressability allows us to divide ad pods into audience-based segments that can deliver multiple advertisers to multiple audiences at once, reducing waste and increasing total inventory.



Automated TV Buying Explained

What is Programmatic TV buying?

Programmatic media buying is the process of an advertiser transacting through a SaaS, software as a service, tool that connects to inventory management systems to buy advertising space according to predetermined parameters. The graphic to the right illustrates it nicely.

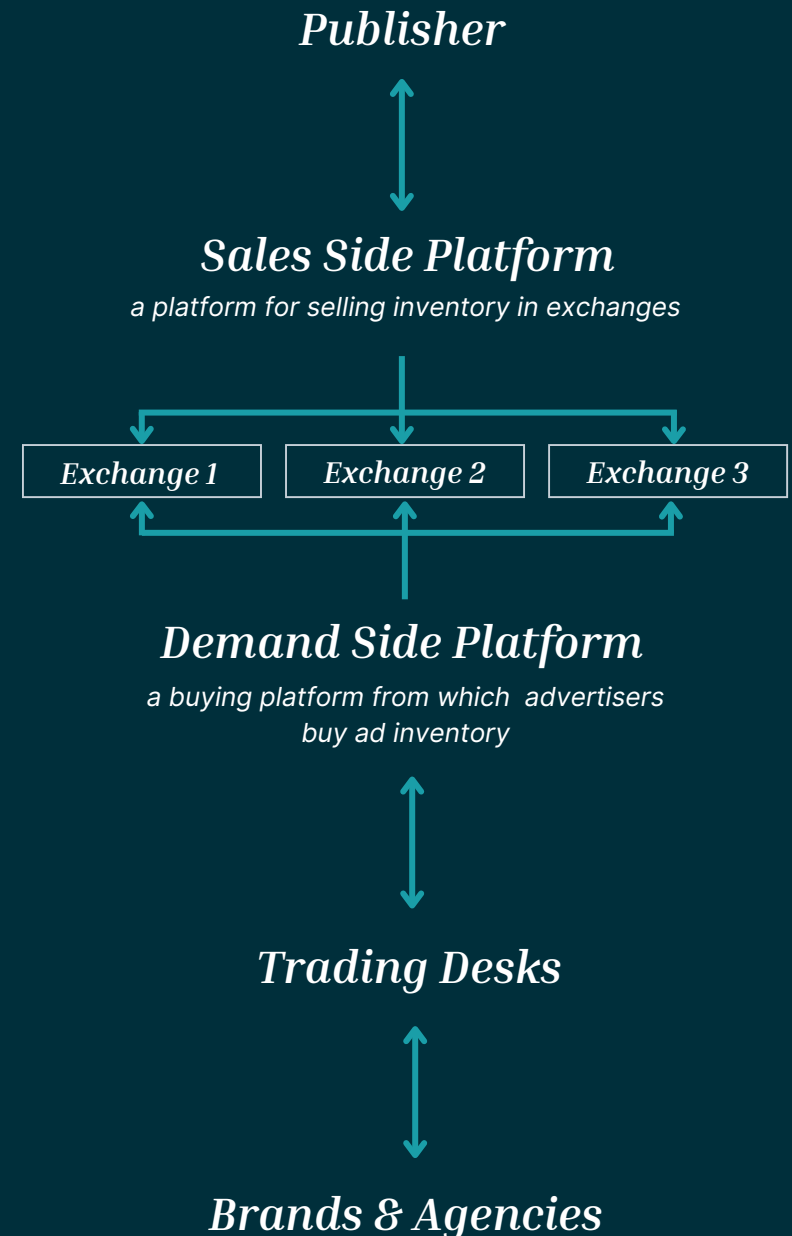
The Ecosystem of Programmatic TV Players

- The TV advertisers and their agencies Role: Book campaigns
- The demand side platforms Role: Marry data from DMPs with available inventory and execute the buy
- The supply side platforms Role: Integrate legacy TV systems for each network to make the automated buy technically possible
- The data management platforms Role: Layer data on top of the TV program to allow for smart buying decisions.
- The Publishers/TV networks Role: Supply the inventory

Why Explore Automated TV Buying?

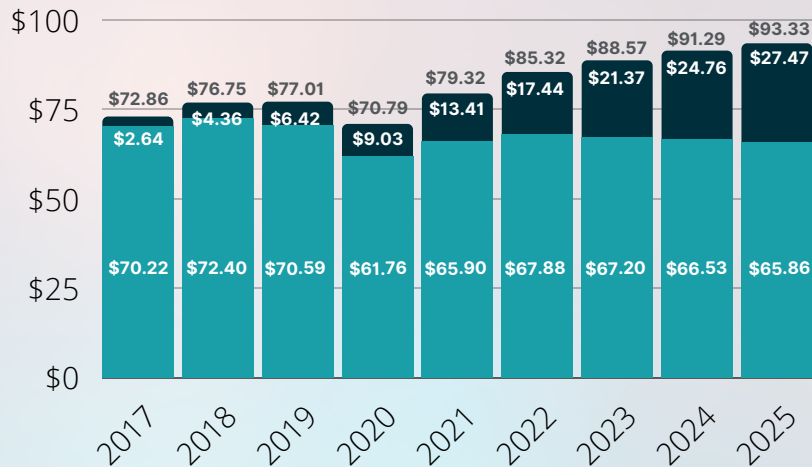
More real-time, digital buying is taking hold and will become a dominant buying procedure. According to eMarketer, CTV will account for over 10% of the US TV market in 2022.

This trend is driven by targetability, or addressability, which is cited by marketing professionals as the top benefit of CTV advertising. Targeting individuals on a 1:1 basis allows for more personalized ads, clearer measurement results, and less media waste. It also allows advertisers to monitor ad frequency to prevent ad fatigue.



Combined US Linear and Connected TV Ad Spending, 2017 - 2025

Billions



Source

Buying Tactics

TV campaigns are traditionally planned around a demographic and the inventory is bought to maximize the amount of impressions to that demographic against a budget. With the introduction of data and metrics beyond demographics, more campaigns will begin to use different metrics, such as secondary guarantees and engagement metrics.

Programmatic TV gives the ability to define and track success metrics. The initial step is to decide which metric is right for your campaign and business goals. You can report on several metrics, but can only maximize one at a time.

An appropriate entry point could be to start tracking the additional metrics and reporting them alongside GRPs. This provides a fuller picture of the campaign, making it more accountable and gaining a better understanding of the value compared to digital campaigns.

Addressable TV allows for TV ads to include CTA conversions such as click to order or click for more info. Attribution methods allow marketers to measure TV's impact on foot traffic and web traffic, tying ad performance directly to business goals.

Open Auction vs Private Marketplace

Programmatic online started as an open auction market, but many TV networks are setting up direct sales deals via private marketplaces. These allow tighter controls on pricing while keeping the advantages of programmatic. That said, Programmatic TV is not about getting cheaper inventory. It's about getting the right inventory.

TV budgets are bigger and typically brands are reliant on their advertising to produce immediate results - so a private marketplace allows advertisers to strike deals with publishers they are familiar with and not risk their entire budget on an open exchange.



Buying Tactics

(Traditional) Demographic buying

Most campaigns are planned and bought on gender and age demographics, based on the Nielsen TV panel. Programs with the highest reach and best price within a defined demographic will be bought.

Index-based buying

New set-top boxes allow service providers to capture viewing habits in granular detail. Combining this data with other sources allows publishers to build viewer profiles, going way beyond traditional demographics. Household income, family status, hobbies, food preferences etc. can be used to better define and reach the desired audience using contextual data. This approach ranks programs based on the targeting metrics for each campaign. One caveat remains: if the network agrees to a guaranteed index-based audience, it will require both advertisers and networks to agree on a standard for targeting data.

Engagement-based Buying

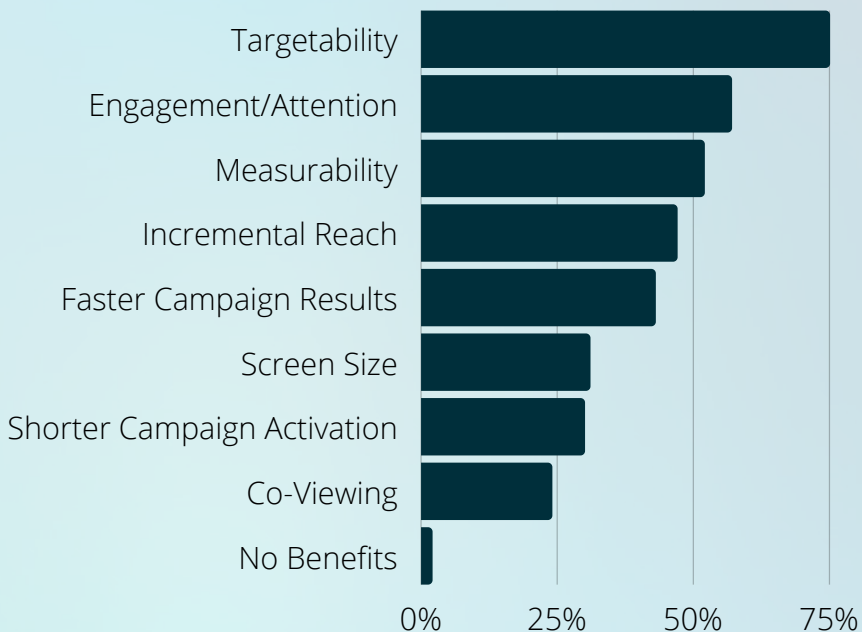
Almost all viewers now watch TV using a second screen in parallel. This change in viewing habits results in many viewers engaging with TV ads immediately following the airing, blurring the traditional boundaries between brand and direct-response TV advertising. Advertisers are starting to measure the impact of their TV advertising on online channels. These impact metrics can be used to rank the TV program based on people who are highly interested and most likely to engage. The advantage is that there is no need to predefine the audience as the viewers' engagement is the relevant optimization metric. However, as engagement comes first, the challenge is to combine this with the advantage of TV's broad reach for branding to less attentive viewers.

Automated Content Recognition (ACR) Targeting

ACR technology utilizes audio, video, or watermark cues to recognize TV content, and is then matched to a source database for reference. ACR data captures key consumer behaviors associated with TV viewership, like what content is being streamed, time-shifting, and ad-skipping.



Benefits of Connected TV Advertising According to US Agency/Marketing Professionals March 2020



Source

Putting it into Practice

What's next for the TV buying landscape? Here are some things that Brands and Agencies should look for.

Trends to Know

- Introduction of interactive and conversion-based ads
 - Ex. In-stream scrollable overlay ads and clickable interactive ads
- Increase in attribution tracking and adoption of digital metrics
- Rise of independent streaming players will add a layer of complexity
 - Ie. Vudu, IMBd TV
- Media aggregators dominate will screen time
 - Ex. Roku TV and Amazon Prime Video
- Deprecation of cookies will make CTV the leader in targeted advertising and drive usage of 1st party data in TV targeting
- Live streaming will continue to grow in popularity

Determining the Ideal TV Strategy

Content providers and suppliers main benefit from real-time buying lies in the new data availability, the buying automation across providers, and the ability to optimize campaigns while in-market. Crafting an effective strategy to ladder up to business goals requires an open mindset to a new way of advertising on TV as well as knowledge of the digital landscape.



Defining TV Formats

Broadcast TV (Linear TV) - TV content delivered, free, over the air using dedicated radio frequency bands. Content is delivered at scheduled times.

Cable TV - TV delivered, to paying subscribers, via Coaxial Cable and operates on a schedule

Connected TV - TV content delivered via the internet either via the TV itself (a Smart TV) or through another device such as Roku, Chromecast, AppleTV, Xbox, etc.

Over The Top TV (OTT) - Another name for the distribution of content via the internet to either a Connected TV device or a smart TV via an app

Video on Demand - Content that is accessible to audiences whenever they want it.

TV Everywhere - Access to TV content online, on phones, tablets and on your TV that is paid for and authenticated via a username and password typically from a service provider/MVPD

Streaming - The style of viewing where the viewer can begin watching a program before the video file is completely transmitted. Live streaming is internet content and events that are available via the internet as they are happening.

Advanced TV - TV enhanced by digital features that change the way TV devices operate.

Programmatic TV - A method for efficiently buying ads, using a software program, within any of the environments listed above.





/ Performance Marketing Agency

Connecting Brands to the Audiences That Matter Most

About Coegi

Coegi is a performance marketing partner for brands and agencies that is enabled with a best-in-class technology stack to deliver custom digital solutions to meet your goals. Our team is made up of practitioners that strive for innovation and progression while treating brand dollars with the accountability of performance media.

Using data-backed personas, we create an audience targeting channel strategy brought to life with a continual “test & learn” approach toward optimization. This is all supported with a strong measurement strategy to ensure each and every channel contributes back to the established business goals.

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Capabilities

Programmatic

Display
Online Video
Native
CTV/OTT
Streaming Audio
DOOH
Paid Search

Paid Social

Facebook
Instagram
Twitter
LinkedIn
Snapchat
Pinterest
TikTok

Strategic Services

Research
Planning
Strategy
Audits
Technology Vetting

Influencer

Facebook
Instagram
Twitter
LinkedIn
Snapchat
Pinterest
TikTok