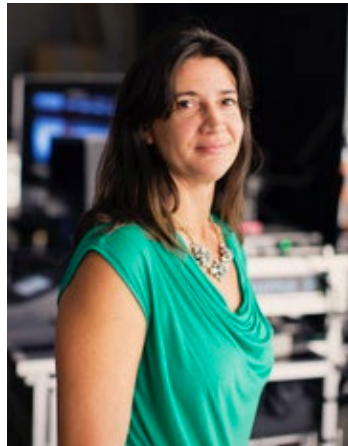




The Emerging Context For TV Addressability

A Decipher white paper for ISBA
January 2019



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Foreword

There has never been a more exciting nor challenging time to be a marketer, given the rate of change in today's media landscape and audience behaviours.

This is particularly true of television as it undergoes its digital transformation. It is still a phenomenal way of reaching and engaging consumers at mass; now though, addressable TV allows marketers to use it to target niche groups too. Given how marketing has traditionally looked to increased targeting as a way of improving return, it has to be good news that we can begin to target beyond broad demographics and program choice in this key channel.

While Addressable TV's scale has been limited so far, it's clear this is now changing in the UK and marketers need to acquire a deeper understanding of the emerging opportunities.

It's not simply about competitive advantage but, critically, to ensure the advertiser's voice is recognised as a principle stakeholder in the shaping of this key market as it matures to ensure it does so in a way that meets our needs.

ISBA has teamed up with Decipher to produce this white paper to help marketers be informed on this exciting new opportunity.

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Television is changing. TV and the internet are moving closer together and previously separate industries are finding themselves 'converged'.

What used to be a wholly 'broadcast' industry is embracing new distribution formats like on-demand and streamed content. At the same time TV is adopting the data, analysis and targeting techniques of the web. 'Addressable TV' is at the heart of this convergence.

However, this new television landscape is challenging long-held perceptions and exposing gaps in knowledge. Television needs to ensure that all players in the industry understand the new technologies and new terminology so everyone can join the debate.

This document is aimed at the marketing and advertising industry and is intended to help brand advertisers and their agencies understand this exciting but fast moving new format.

It is intended to explain the emerging technology and commercial concepts around 'addressable' TV and begin the debate about how it should be deployed.

TV is Changing

TV is changing, but while the underlying technology evolves rapidly, the marketing industry's understanding of how to use the new capabilities is only slowly getting up to speed. The industry must be able to investigate and debate the media landscape that is evolving in front of us. To do this, all players need a clear understanding of the TV distribution and advertising technology and to be precise in their use of an agreed TV and advertising terminology.

TV TECH IS CHANGING

TV and web technologies are converging and every device we use to watch TV is now 'digital' and most likely 'online' and 'connected'. We need to understand a TV and advertising landscape that includes digital broadcast and IP linear channels, closed format on-demand, web on-demand, short-form and interactive TV formats.

Also, television is beginning to move freely between our different devices at home and to make links between services in the home and those served from the 'cloud'.

Understanding the implication for how, when and where advertising can be delivered into these formats, and the differences in what can be targeted and measured in each context, is now crucial.

TERMINOLOGY EVOLVES

As the TV tech landscape evolves, so the terminology we use to describe services, functionality and devices needs to evolve if we are to have a meaningful debate about their use.

The TV and web industries need to share mutually agreed definitions and terminology. But words become

redundant as our understanding is refined. 'Digital', online, 'OTT' and even 'broadcast' have been through this process. Once helpful, they are no longer sufficiently precise and now add to a fog of confusion.

This market needs to agree a language that is sufficiently precise to enable debate but also helpful in explaining media concepts.

A NEW DEBATE IS STARTING

All screen devices can now offer all forms of TV. Advertising and data concepts that were previously only available on the web are migrating onto mainstream TV. It is not yet resolved which players are best positioned to capture data and insight, to formulate services and to deliver advertising value in this new landscape.

Addressable TV is now at the point where this debate can happen and the industry needs all players to be sufficiently informed to join in.

This document is intended to explain this emerging TV and addressable landscape for TV, and to begin the debate on how marketers need it to evolve.

Introduction

What is TV?

While everybody intuitively knows when they are ‘watching telly’, the concept of ‘television’ is sometimes poorly defined when commenting on ad-tech innovation. For the purposes of this report we define television as consisting of the following components (not all of which contain advertising).

‘OVER-THE-AIR’ LINEAR CHANNELS

Previously called ‘broadcast’ channels – the traditional form of television – these channels arrive in a home via aerial, dish or cable and can be delivered directly to a TV screen or to the screen via a set top box (STB). Advertising is inserted by the broadcaster prior to distribution. However, new technologies may allow those ads to be overwritten in the home.

IP STREAMED LINEAR CHANNELS

Sometimes called ‘simulcast’ these are normally a direct copy of the over-the-air channels. Originally simulcast channels were only available in smart device apps. Now IP streamed channels are available in many ‘connected’ screens (large or small) or in internet connected STBs. Eg YouView has over 50 linear channels delivered as IP streams.

Advertising may be a copy of the over-the-air ads, or may be overwritten using Dynamic Ad Insertion (DAI) at server, set top box or screen.

RECORDED PROGRAMMES

Most STBs (but not smart TVs) can record TV programmes. Known as a digital or personal video recorders (DVRs or PVRs) these record a show with its original ads still in place.

Future ‘addressable TV’ systems may allow ads in recorded shows to be

swapped out. Newly emerging systems offer recording capacity ‘in the network’ or ‘cloud’ (nPVRs or CloudPVRs). These will allow smart TVs to offer recording for the first time.

ON-DEMAND ON BIG SCREEN TV

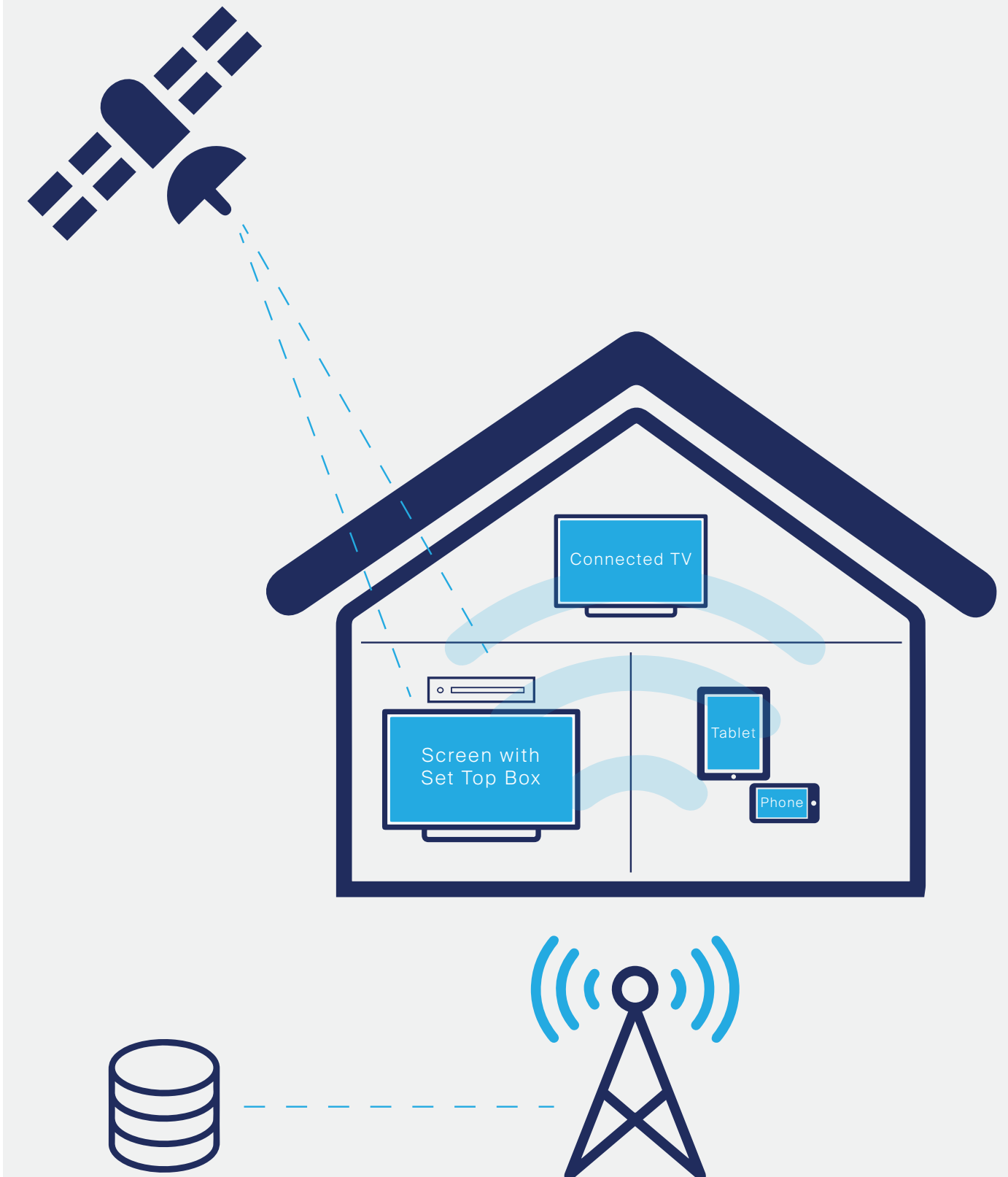
When on-demand first launched, it was only available on PCs and smart devices. However, it quickly migrated onto mainstream TV via connected set top boxes and ‘smart’ TV screens.

Most TV platforms now offer on-demand but there are various configurations which will affect addressability. See following pages.

ON DEMAND VIA APPS

The first on-demand TV services were designed for PCs and smart devices, and predominantly created by mainstream broadcasters complementing their TV channels with catch-up services. These have been the main area where addressable TV has been developed.

Then archive and box-set VOD was introduced. This sector has now spawned on-demand only players like Netflix.



Who can Deliver TV?

Traditional TV had a reasonably simple value chain when it was merely a broadcast industry, but with the arrival of TV platforms, and more recently apps and devices without a broadcast connection, the landscape is more complicated.

TV 'Platforms'

The definition of a TV 'platform' has changed considerably since the launch of digital and pay TV. Once just the provider of a decoder box, TV platforms are increasingly providing multiple services and connecting different devices, while providing a growing part of the home infrastructure. This ubiquity allows them to connect viewing behaviour data and insight across devices, providers and audiences which may prove key in an addressable future.

'TETHERED' USER DEVICES

TV Platforms increasingly offer 'platform apps' that connect to the main TV system and allow users full access to a platform's content. This enables a platform to build individual user profiles that can be added to a home profile.

HOME NETWORK TV

Increasingly, TV platforms are building home network TV allowing all devices in a home to be connected to the central system and share content.

TV PLATFORMS EG SKY / VIRGIN / YOUVIEW

These are the large, traditional free and pay-TV platforms which control all software and apps used throughout their networks including STB, interfaces, on-demand delivery and data capture. PayTV platforms have always had data capture and consumer insight. This is only now being created by the free platforms (eg Freeview and Freesat) who know they need data to deliver the next generation of services. However, there is currently no platform level ad-tech innovation on these free-to-use platforms, and the only 'addressability' comes via ads sold on the TV apps that you can play through them (eg ITV Hub, All4 and Demand 5).

PLATFORM EVOLUTION

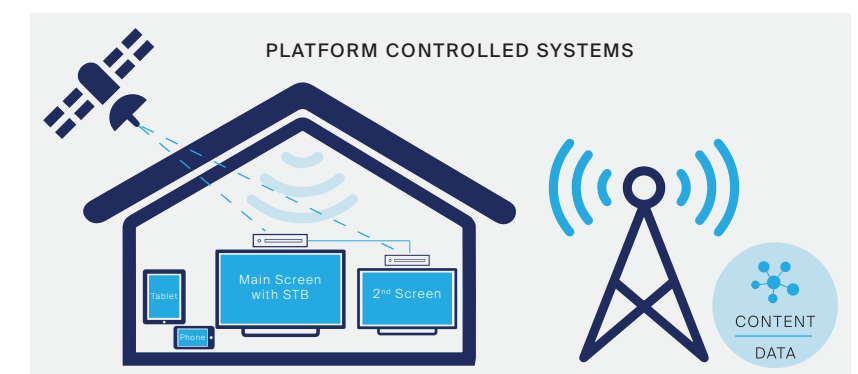
TV viewing on TV platforms is breaking out of the lounge and spreading through the house. The main set top box in a TV platform is slowly changing into a central hub for TV viewing around a home. Multiple devices are being connected

or 'tethered' to the home account and the platforms are looking to manage all software, apps and interfaces used throughout their networks. This will increasingly enable them to build data and insight for marketing purposes, across a complete household.

DATA & ADDRESSABLE AD IMPLICATION

As well as full control of content distribution – enabling them to build ad-insertion capability on linear, on-demand and short-form content – the TV platforms have customer account and viewing data across all channels and formats. This enables them to build data management platforms and end-to-end addressable TV systems to a level that it is impossible for individual broadcasters to match.

If a platform does not also own channels OD programming then its addressable capability relies on delivering ads into content on behalf of other content providers. Third party broadcasters rely on the platform to build the ad intelligence and insertion systems and pay a fee to use them.



TV ‘Broadcasters’

The definition of a ‘broadcaster’ is also undergoing change. Originally a broadcaster simply delivered over-the-air, linear ‘broadcast’ channels. But more recently their output has expanded to include on-demand services for ‘smart’ devices, ‘second-screen’ content apps and IP based, linear TV channels. Each offer potential for addressable TV solutions.

APPS ON TV

Broadcasters are able to distribute their own branded apps onto smart TV platforms. If the platform is sophisticated, it may allow linear IP channels to sit alongside over-the-air ones in the same EPG. It may also allow some integration between the channels linear and on-demand content.

APPS ON DEVICES

Broadcasters were the first groups to build apps for smart devices. Initially just delivering catch up content, they now deliver box set and linear streams which are currently copies of the main channels.

Broadcasters are also able to create ‘2nd screen’ apps which complement their broadcast content.

BROADCASTER EVOLUTION

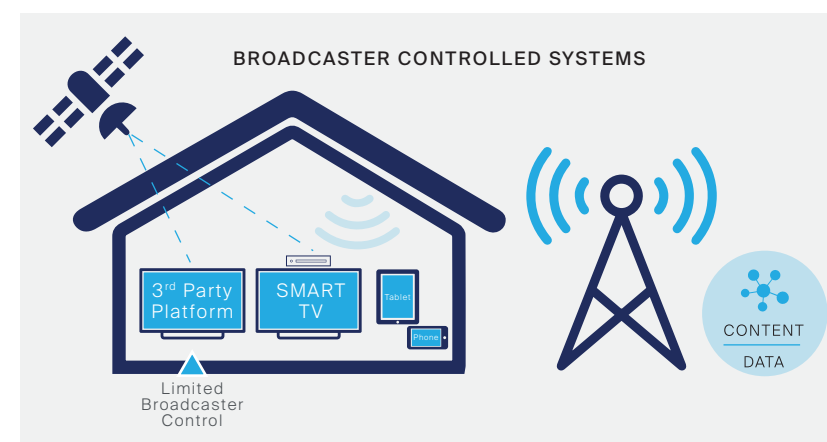
Broadcasters originally delivered their channels direct to consumer, however the arrival of TV platforms and the internet changed the landscape. Now, a 21st century broadcaster needs to manage its content through third-party TV platforms, as well as creating its own distribution and advertising technology for linear, and on-demand content. Their viewers may see their linear channels as ‘over-the-air’ channels on third party platforms, or as streams via the broadcasters own apps. The outcome for addressability is very different in these two environments.

DATA & ADDRESSABLE AD IMPLICATION

While a platform may build its own addressable TV infrastructure, broadcast channels are more limited in their capability because they don’t have direct customer contact around over-the-air linear content and may only have limited data around on-demand. They are dependent on the third party platforms for ad infrastructure and data in homes where those platforms offer service (currently half the market).

To date, most addressable advertising built by broadcasters has been in their apps, where they can generate consumer data. But this means that the viewing data they use to build profiles is limited to use of on-demand or simulcast content from their own channels.

However, broadcasters control their own content which means they are able to create advertising solutions, such as second screen apps and interactive functions which closely integrate with content in a way that platforms find hard unless they have their own linear channels.



TV ‘Apps & Devices’

The TV market has been made more complicated recently by the arrival of a new generation of internet TV devices which typically don’t include over-the-air channels; and new TV services from non-traditional players (very often linked to technology companies). In response, some TV platforms have launched me-too services creating a varied and complex TV landscape.

APPS ON TV

Eg Netflix, Amazon Prime, Hayu, Rakutan.

A new generation of on-demand only apps have appeared in recent years and have been able to reach the big screen because of the advent of smart/connected TV.

PLUG-IN DEVICES

Eg AppleTV, AmazonFireTV, Roku, Chromecast, Playstation etc

A whole new device class of media streamer boxes and sticks has appeared to help dumb TVs become smart

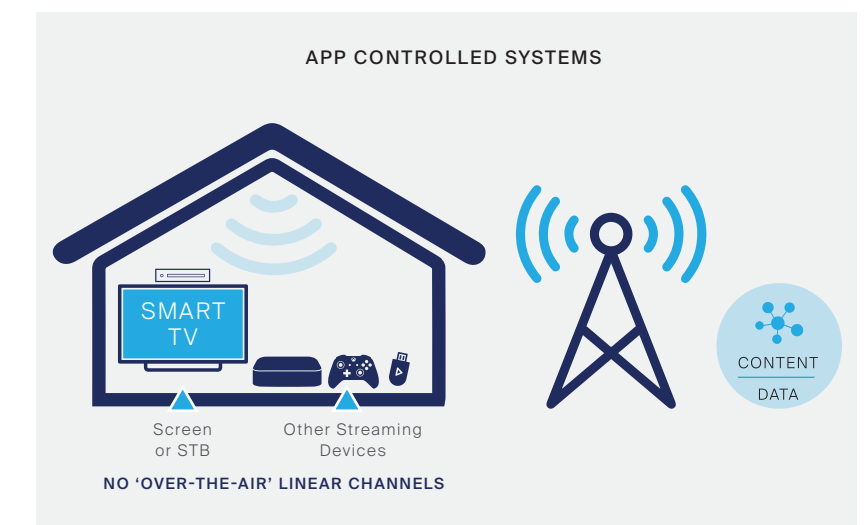
APP & DEVICE EVOLUTION

It is now possible to create a reasonable TV service without an aerial or TV platform, by plugging in an internet ‘media streamer’ box (such as Apple TV), a stick (such as Chromecast) or a games platform (such as Xbox).

These devices help viewers create a ‘smart’ outcome on a TV that didn’t have smart software or an internet connection. Until recently, most of these devices did not offer any unique advertising solutions but this is changing.

DATA & ADDRESSABLE ADS IN NEW APPS

Most of the new apps (like Netflix or Amazon Prime) have avoided creating advertising infrastructure, focussing on various models of pay-TV. However, a new generation of apps are bringing advertiser funded VOD (AVOD) to market, these include specialist apps like Twitch and even Amazon’s new free TV model. These are backed up by consumer data generated from wider e-commerce models.



DATA & ADDRESSABLE ADS ON DEVICES

Amazon FireTV and Xbox both have advertising solutions run and sold by their parent companies. They are used to sell display advertising on the screen interfaces of each device, and some limited advertising opportunities in apps that they own. Amazon’s advertising data is linked to the ecommerce data of the FireTV account holder.

Frequently Asked Questions About The TV Landscape

The following questions and answers are intended as a guide to marketers when considering an addressable campaign. The answers may evolve over time and we recommend that marketers and agencies pose these questions to sales houses when considering addressability:

“

HOW QUICKLY IS THIS HAPPENING?

Broadcasters are able to distribute their own branded apps onto smart TV platforms. If the platform is sophisticated, it may allow linear IP channels to sit alongside over-the-air ones in the same EPG. It may also allow some integration between the channels linear and on-demand content.

“

WILL THE LIST OF PLAYERS REMAIN THE SAME OVER THE NEXT FEW YEARS?

It is likely that it will change. Organisations such as Amazon and Google, who are currently listed under the Apps & Devices area, are rolling out plans to build complete home media platforms. It is not clear whether they will launch or buy TV channels as part of this.

“

IS SKY A PLATFORM OR A BROADCASTER?

Both. Various TV companies are vertically integrated across the three groups of players described here. An organisation like Sky has TV production companies, TV channels and a platforms business with three different kind of platform: Sky+HD, SkyQ and NowTV, (which is an app and device company not unlike Amazon). Its important to remember that Virgin doesn't own TV channels (except in Ireland) and BT/TalkTalk outsource the delivery of VOD to the broadcasters. In both instances this limits their ability to deliver an all encompassing addressable solution.

“

WHAT OTHER TECH IS COMING?

After 'home network TV' rolls out, the most obvious new tech affecting TV will be 'voice'. Currently TV platforms are either developing their own voice command & control systems or linking up with Amazon Alexa or Google Home. It is not yet clear how this will impact data capture of the delivery of addressable solutions.

“

HOW WILL THE TECH COMPANIES AFFECT THE MARKET FOR ADDRESSABILITY?

Of the three major tech competitors Amazon is the most evolved. It is creating TV, distributing it through its apps on different devices and trying to build a platform business using its FireTV platform. Google's tech, device and ad-tech infrastructure is very well developed but, beyond Youtube, has limited content to bring it to life. Apple is yet to announce a TV or advertising strategy.



Addressability

In a content distribution system like television, 'addressability' is the capacity to send tailored content or advertising to individual screens based on data or intelligence held on the viewers of those screens or the households they live in.

To understand how addressable solutions can be created it is essential to understand the different 'contexts' in which a screen is viewed; who is control of delivering content to the screen; and what quality of consumer data/insight they are able to generate from the viewing.

This section breaks down the viewing context for addressability, explains how it applies to television and examines what ad solutions are therefore available.

What is Addressability?

'Addressability' is not a fixed concept. Its definition and applicability vary wildly based on the type of audience/user context in which content is consumed and on the related issue of which device and service it is being viewed through. We have included Digital Out Of Home on this slide as a wider reference on screen addressability.



DIGITAL OUT OF HOME THE 'CROWD' CONTEXT

Digital screens in a public place exist in a 'Crowd context' and rely on inferred or assumed audiences.

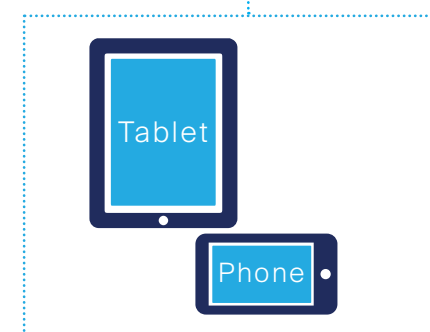
Addressable campaigns are targeted based on assumptions of the demographic of passing traffic, assumptions about their interest in features of the local area, assumptions about how interests change based on time of day/year, or changes in weather.



TELEVISION THE 'AUDIENCE' CONTEXT

The vast majority of TV viewing is still by groups of people via large, shared screens – the 'Audience context'.

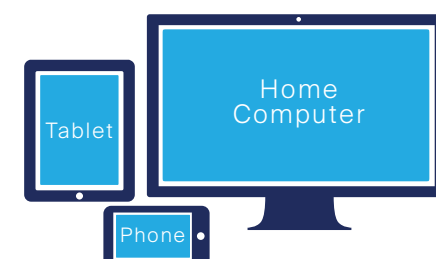
Because most TV services do not require log-in on shared screens, the ability to target using data is limited to 'household level' targeting, or 'Inferred Audiences' based on household profile, current or previous programme choice or time of day.



TETHERED PERSONAL DEVICE 'KNOWN USER CONTEXT'

When individuals in a PayTV household use the platform's app there are in the 'Known User Context' - a detailed individual profile mapped against a household profile.

A PayTV platform can build an individual identity, within the wider household profile, and map individual viewing records against inferred viewing within the main audience context.



PERSONAL DEVICE 'IDENTIFIED USER' CONTEXT

Individuals consuming media via stand-alone apps on personal devices, supported by log-in or cookies, are in an 'Identified User Context'. These devices are able to host cookies and many apps and services targeted at them require log-in.

Addressability is dependent on the media/app owner's ability to build profile data on top of basic log-in data.

What is 'TV Addressability'

TV advertising has traditionally used broad, assumed demographic groups to sell advertising with agencies choosing programmes and channels as a proxy for audiences. All viewers of any particular piece of content have traditionally seen the same advertising. 'Addressable TV' enables individual viewers or groups to receive specific ads, based on information held on the viewer, and to have their viewing captured and reported.

BACKGROUND TRENDS

Addressable TV has been made possible by a group of related innovations that have brought TV devices into the internet mainstream:

- The spread of internet 'connectivity' into mainstream set top boxes and TV screens have turned them from dumb receivers into 2-way interactive devices.
- The adoption of standard internet software to run these TV devices and the use of internet protocols for the capture, storage and use of consumer data from them has meant TV devices can be connected to broader commercial networks.
- These innovations have allowed ad-tech systems, originally created for web and social media, to be integrated with TV content distribution.

OUTCOME/DEFINITION

The net result is a new Addressable TV market whose characteristics include:

"The use of data to target TV advertising at specific individuals or groups in a broad TV audience."

"A system that can be applied to advertising in all forms of TV consumption including linear channels, on-demand and recorded programmes."

"A market of 'confirmed' audiences and accurate reporting in a TV mix that has traditionally relied on 'assumed' audiences and reporting."

"An ad format which is complementary to the demographic-based targeting used in broadcast linear TV and is intended to be used alongside it."

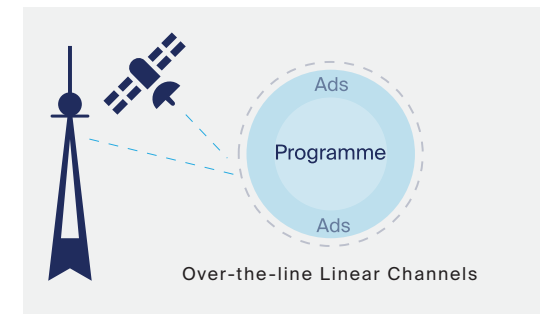
Most Addressable TV campaigns will not be targeted at individuals or known identities but will be targeted at groups or inferred audiences that are sub-sets, or cut across, normal TV audiences.

Which TV Advertising Can Be 'Addressable'

In theory, any advertising in and around television programmes and movies can be 'addressable' – targeted to viewers based on data and insight – but it requires the intelligence and data systems to have been created and available on each platform. The industry is only now rolling out these systems across all content formats:

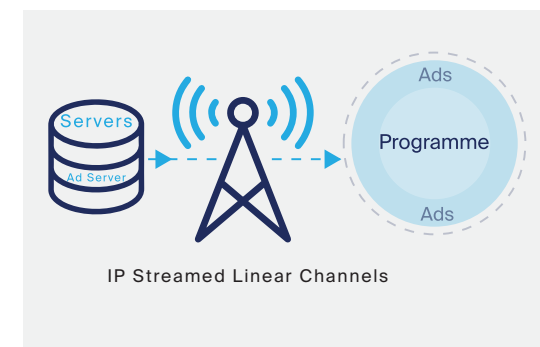
OVER-THE-AIR LINEAR CHANNELS

Ads in linear channels can be 'addressed' and inserted via Dynamic Ad Insertion (DAI) by over-writing the existing ad once the channel has reached the set top box or smart screen. To do this the operator has to control the box or screen software and have sufficient data on the consumer and/or device to enable intelligent decisions about ad choices to be made. Sky have launched this with AdSmart and ITV have announced a trial in partnership with Samsung.



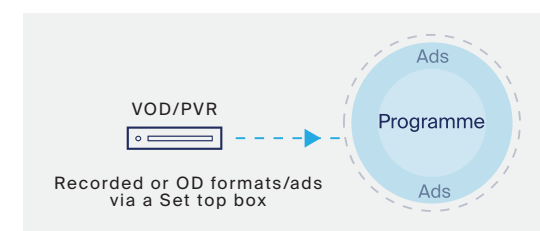
IP LINEAR CHANNELS (INTO STBS OR SMART APPS)

Ads in linear IP channels can be inserted via DAI at the set top box or smart screen but can also be inserted at the server before playout, if the network supports it. This would mean a broadcaster can insert ads into its own simulcast streams (in their own app) and may have the ability to insert ads on big screen without needing a platform. However, their ability to identify consumers, devices or homes is limited without the involvement of the organisation providing the box or screen, so a broadcaster will always need a platform or screen partner.



RECORDED PROGRAMMES

No current system enables ads in recorded shows to be overwritten with addressable ones, but many platforms have talked about doing this in the future. It would require a commercial agreement with the original broadcaster of the show for a platform to do this.

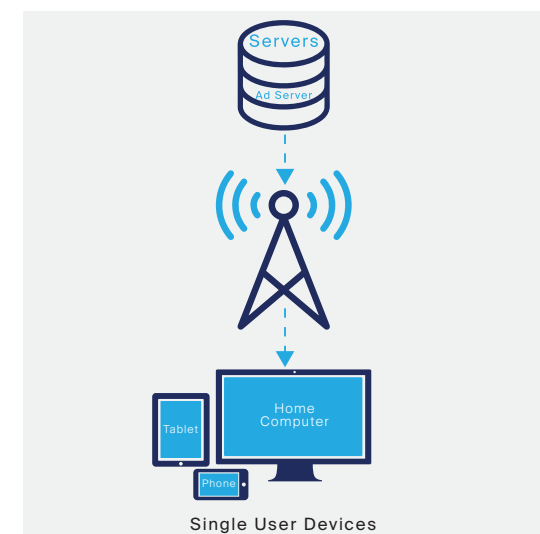


AD IN ON DEMAND ON STBS

Ads in TV on-demand will be the mainstay format for new addressable campaigns but will be different in TV OD controlled by a platform (eg Sky) and TV OD controlled by a broadcaster (eg catch up on Youview).

AD IN ON DEMAND IN COMPANION DEVICES OR WEB APPS

The original location for addressable TV advertising. OD formats and addressability options on single user smart devices will also differ depending on whether it is a platform or broadcaster controlled device.



COMPANION OR NETWORK WEBSITES

TV platforms are beginning to build a network of companion websites and apps to create a web network of sites that an addressable campaign can be extended on.

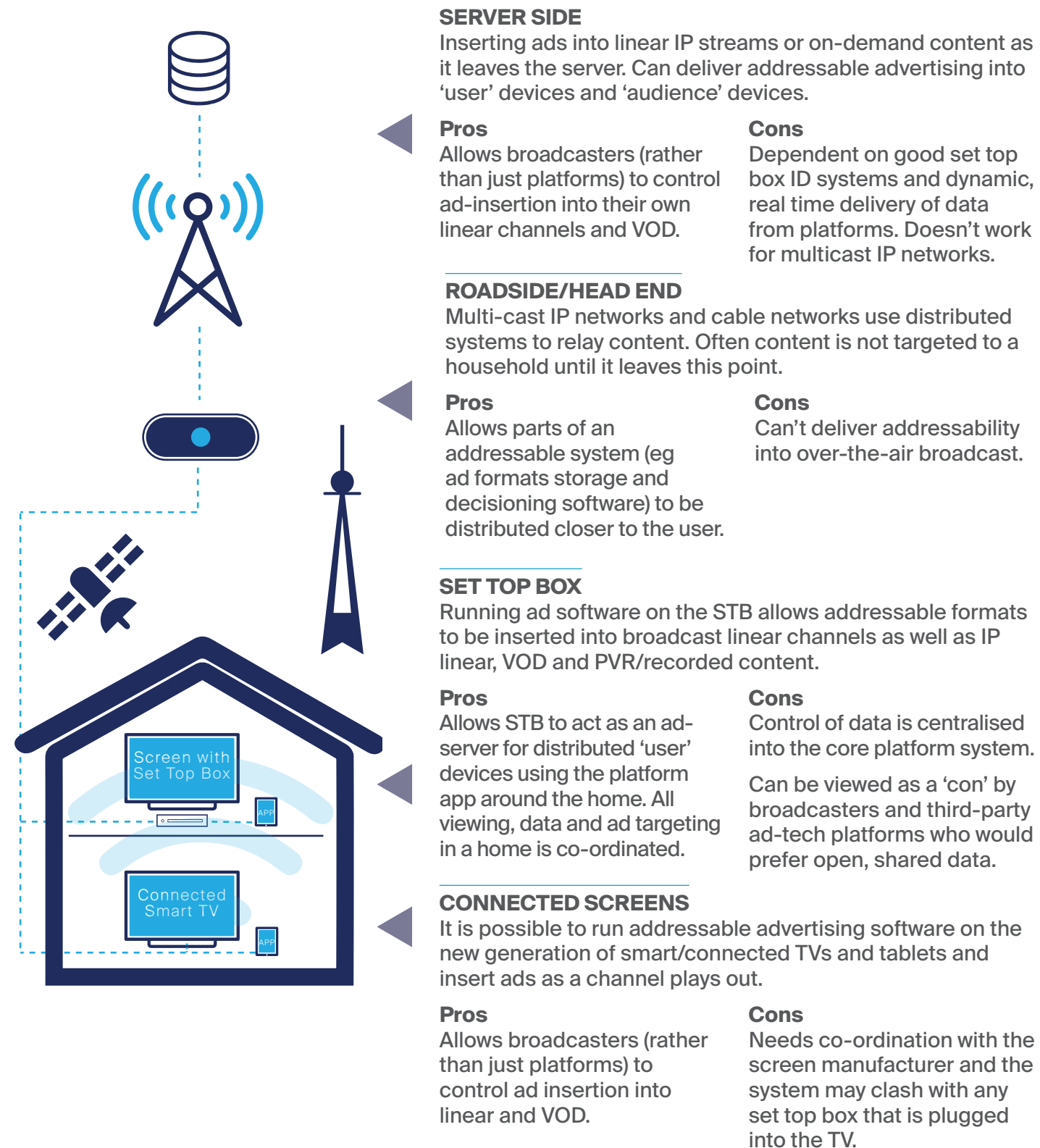
Who Can Deliver Addressable TV Advertising

Beyond the addressable formats that have been pioneered by broadcasters on their own web apps, the roll out of addressable functionality is proceeding slowly in the UK television landscape.

	sky	Virgin media	youview	Freeview	SMART TV	Apple tv	firetv
Over-the-air Linear Channels	✓	✓	✗	✗	✗	✗	✗
IP Linear Channels (into STBs or smart apps)	✗	✗	✗	✗	✗	✓	✓
Ads in Recorded Programmes	✓	✗	✗	✗	✗	✗	✗
Ad in OD On STBs	✓	✓	✓	✓	✓	✗	✓
Ad in OD in Devices or Web Apps	✓	✗	✗	✗	✗	✗	✓
Ads in Companion or Network Websites	✓	✗	✗	✗	✗	✗	✗

How is Addressability Delivered

In an addressable TV advertising system, ads can be inserted into broadcast and IP streamed linear channels, as well as into VOD and into programmes recorded in a viewer's PVR. Each of these functions and content types offer different benefits and constraints, particularly around the availability of data.



What Does Addressability Bring to TV

A small number of PSBs, (represent the majority of UK viewing) offer regional streams giving advertisers some flexibility on top of programme choice and daypart (see map below). However, while their web apps are able to target using the same targeting criteria and attributes as other web properties, most TV channels only offer a single, one-size-fits-all broadcast stream for the whole of the UK. TV addressability offers a chance to change the landscape dramatically.

Benefits of Addressability

REDUCED COST OF CURRENT REGIONALITY

Most Public Sector Broadcasters (PSBs) who offer regional TV advertising, do it by having a different broadcast stream for each region. On terrestrial TV (via an aerial) this is unavoidable (as it is distributed via local masts) so no great benefit may be gathered. However on satellite, regional channels have to buy 12 different national feeds. Being able to use addressable systems would allow them to use one feed, and 'regionalise' their ad breaks, dramatically reducing distribution costs.

INCREASED REGIONAL TARGETING

If platforms offer addressability to broadcasters it may simply mean that broadcasters with only a national feed currently may opt to sell regional packages to match those of the PSBs, using the addressable systems to deliver regionality.

MORE TIGHTER TARGETING

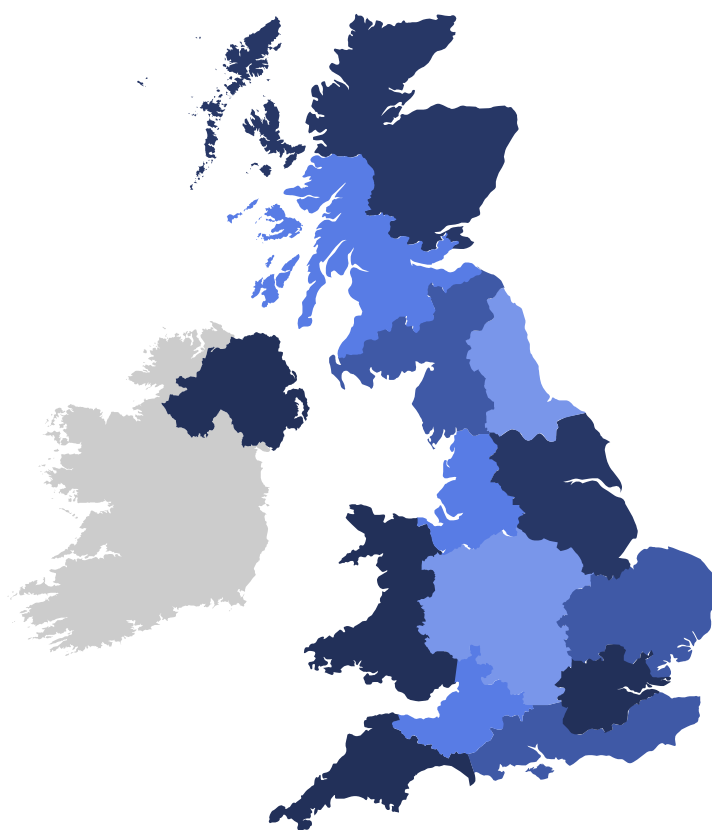
Addressable platforms such as Sky's AdSmart already allow targeting down to postcode level, or targeting using address/postcode derivatives such as Mosaic clusters. This allows a national campaign to offer a huge variety of local messages, or for local advertisers to create 'hyper-local' only campaigns.

ATTRIBUTE BASED-TARGETING

Currently advertisers use 'programme choice' to find different audience types even when running national campaigns. The advent of addressability means that a wide group of targeting attributes can be applied to a TV campaign (see appendix).

INDIVIDUAL BASED-TARGETING

While technically it will be possible to target individuals in addressable systems, it is important to remember the various contexts in which an individual isn't logged-in to a TV system, or where they are viewing as part of a group or a household.



Data

The TV industry has been slow to capture and make use of customer or viewing data. The pay TV parts of the industry have always had customer management systems, but historically these have been unconnected to the playout or analysis systems. Only in the last few years have these been rebuilt to provide a whole customer view.

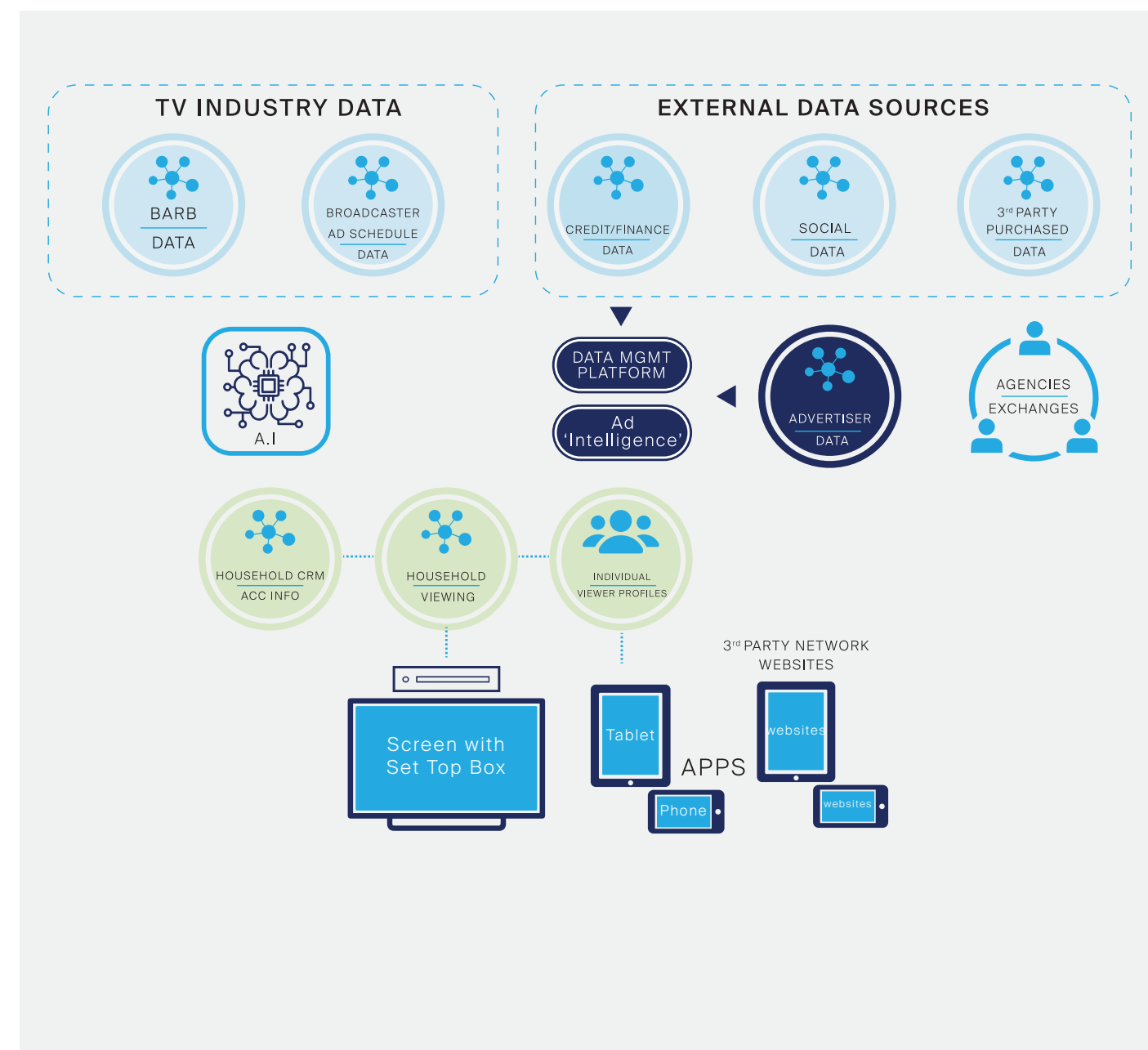
With the convergence of web and TV technology this is now changing rapidly, with the TV industry finally able to match customer data with viewing analysis, and to add third party data to create web like data management platforms.

However, not all players in the industry have equal access to data. This section explains why platforms, broadcasters and apps differ in their capabilities, and the data they have available. It explains the implications this has for the type of advertising they can sell.



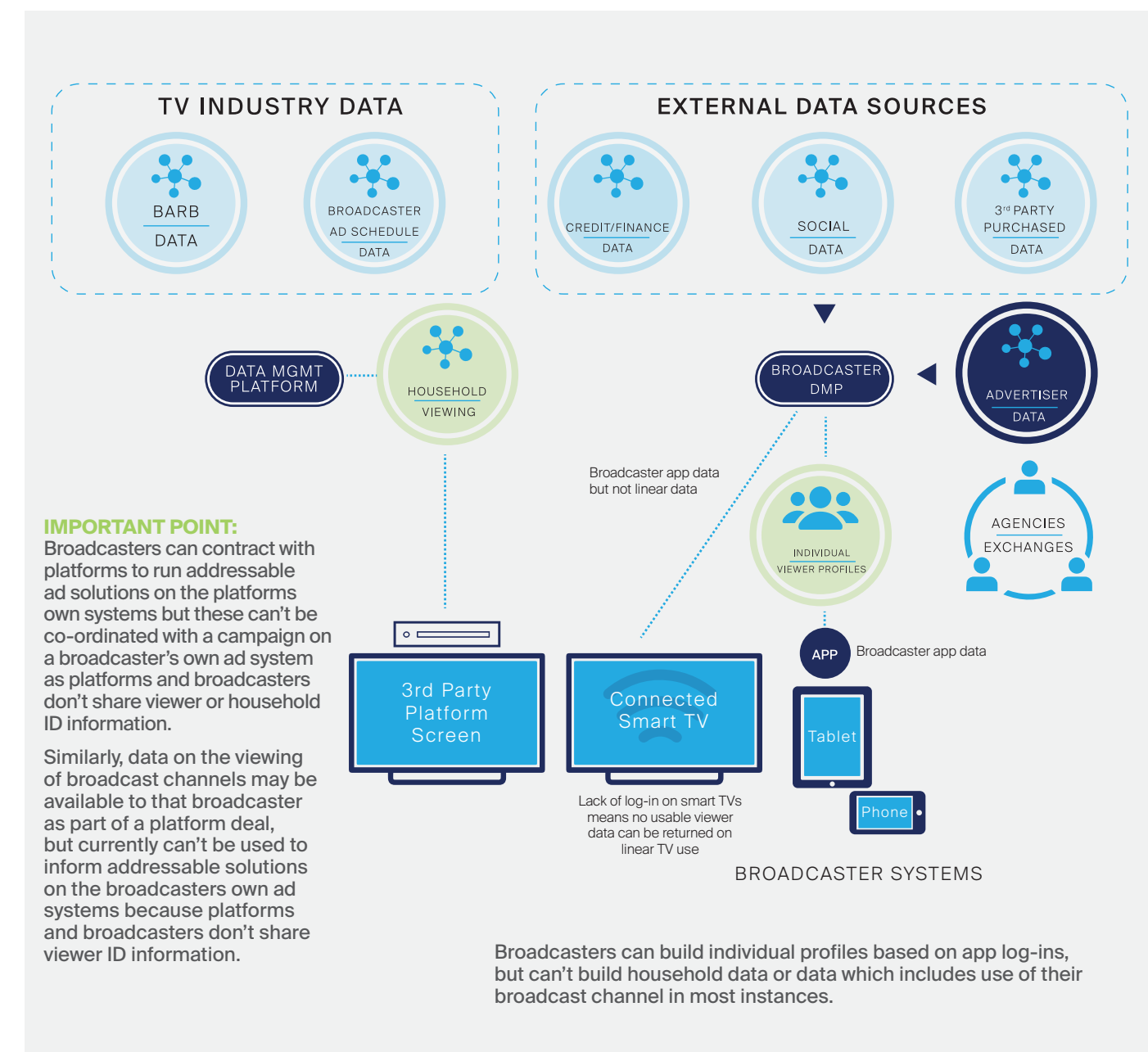
What Data is Available for Addressability - Platforms

Some TV platforms are building ad-tech infrastructure that is the equivalent of that being built by the social media giants. They are aiming to build Data Management Platforms (DMPs) and ad intelligence (decisioning and ad insertion systems) which can build on insight built across all viewing types in a home, and across all content types. Their existing customer service infrastructure means they start with a detailed, contract-based relationship with the consumer.



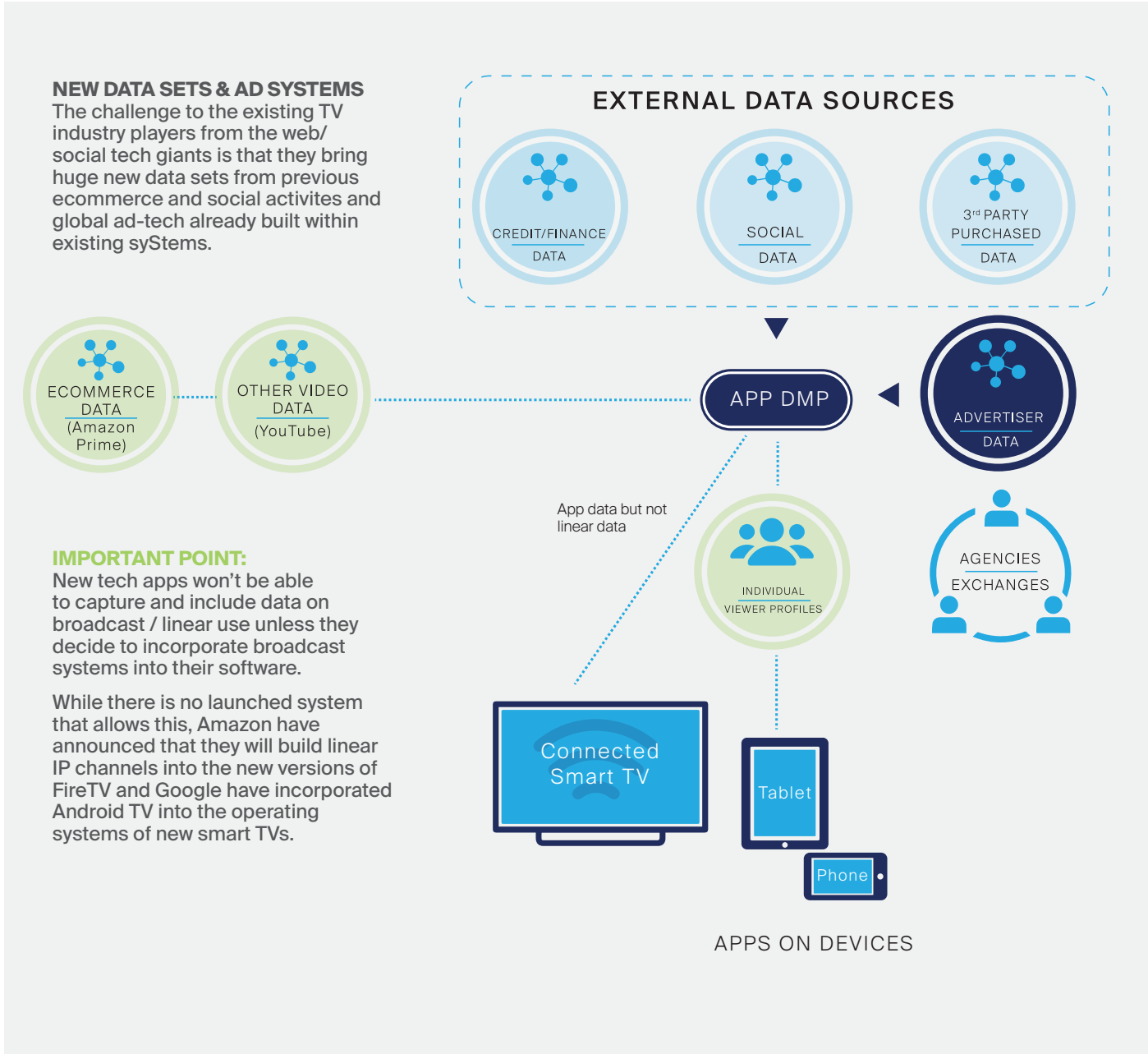
What Data is Available for Addressability - Broadcasters

While broadcasters have the same ability to build ad-tech infrastructure and buy external data, their ability to generate data and insight on viewers and viewing behaviour is much more limited than platforms. Broadcasters may only have limited access to data on linear channel consumption (and it is rarely based on a recognised ID) and is therefore usable in an 'addressable' solution.



What Data Is Available For Addressability – apps & devices

The new apps and devices that have emerged on the UK television landscape bring a new approach to data and viewer insight. Because most of them have a proposition that doesn't include linear channels, they have tended to focus on use of video on their own platform combined with other data sources they control such as e-commerce behaviour (eg Amazon) and social/video data (eg Google).



State of Play – Main Providers

Most broadcast channels are delivered to national audiences across multiple platforms and devices. So it is not possible to deliver addressable TV innovation consistently to all homes, or to all viewers of a particular channel. Understanding the intersection of platform and channel provision is key to understanding addressability and advertisers must push the sales houses to explain exactly which channels, devices and platforms a particular campaign may run on.

	sky	Virgin media	youview	SMART TV	OTHER FREE
PSB / FTA					
Channel 5					
Other FTA					
Sky Channels					
Sky 'Sold' Channels					
Other Pay Channels					
STB On-demand	YES	YES	YES VIA B'CASTER OWN APP	YES VIA B'CASTER OWN APP	YES VIA B'CASTER OWN APP
Smart Device OD	YES	NO	NO	NO	NO
<div><p>Ad insertion into linear via Sky AdSmart is available on all Sky branded and Sky sold channels.</p><p>Addressable campaigns can be extended onto VOD via set top box and the Sky app on user devices.</p></div> <div><p>Virgin have built an ad insertion system and have agreed with Sky to deliver addressable campaigns on Sky channels that are sold by Sky Media.</p><p>Addressable campaigns are not currently extendable onto Virgin VOD.</p></div>					

Frequently Asked Questions About Addressability & Data

The following questions and answers are intended as a guide to marketers when considering an addressable campaign. The answers may evolve over time and we recommend that marketers and agencies pose these questions to sales houses when considering addressability:

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WHY CAN'T BARB DATA BE USED FOR ADDRESSABILITY?

BARB data is a mathematical estimate of viewing based on a panel sample, and doesn't contain individual data or any unique identifiers. For addressable solutions to work the system must address all homes and be able to identify unique characteristics of all homes addressed. BARB data is still hugely valuable for assessing large linear channel audiences.

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HOW ARE ADDRESSABLE CAMPAIGNS MEASURED AND REPORTED?

In general, addressability is sold using measures and metrics which are more akin to web advertising than TV. However, while there is co-ordination around targeting attributes each platform will report campaigns differently. We recommend getting ad sales houses to outline their measurement and reporting before committing to addressable activity.

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WHAT IS THE MINIMUM SPEND FOR AN ADDRESSABLE CAMPAIGN?

Theoretically the minimum spend can be tiny because a campaign could be addressed to a single post code area or a very highly focussed set of attributes. However, initial campaign set up costs may make tiny campaigns unprofitable. Agencies and clients will need to experiment to establish their own benchmarks.

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DO PLATFORMS WORK TOGETHER TO DELIVER ADDRESSABILITY?

This is beginning to happen, and it will allow the TV industry to compete more robustly against the web/social media giants.

The best example to date is the Sky/Virgin tie up in which Virgin has agreed to structure its data, attributes and targeting systems to match Sky AdSmart. This enables it to deliver an addressable campaign on Sky channels viewed in Virgin homes, matching one being run on those channels where they are viewed in Sky platform homes.

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CAN I RUN AN ADDRESSABILITY CAMPAIGN ON ANY CHANNEL ACROSS ALL DEVICES?

No. Not all platforms have launched advertising platforms yet, and some of those that have (eg Virgin) don't sell directly to advertisers. They use their new platforms to enable broadcasters on their platform to sell addressability using their own sales platforms.

Currently in the UK the only channels selling addressable campaigns across almost all devices are Sky branded/represented ones, sold through Sky Media. However, these campaigns can only run on Sky and Virgin TV platforms (just over 50% of TV homes) and on the Sky apps associated with those channels.

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DOES ADDRESSABILITY FAVOUR ANY PARTICULAR CAMPAIGN OR ADVERTISER

In general the answer is no. However, big national advertisers running brand campaigns may find less need for it compared to highly regional advertisers or ones with complex, stratified campaigns with different messages aimed at different segments.

Addressability does offer the possibility for smaller or more local advertisers to use TV.



Note on GDPR

The new EU mandated General Data Protection Regulation (GDPR) which came into force in May 2018 seeks to improve the way data on individuals is held and managed by third parties and gives people greater control over the data that can be held on them. For addressable advertising this will affect different players in different ways.

TV IS NO DIFFERENT

TV is no different to any other industry that holds data on its customers. Those parts of the TV industry that rely on consent to process data, will now have to seek consumer consent that is 'explicit and informed' – and renewed if the use changes.

The tracking of this consent is mandatory. Most front line TV companies will be designated as 'data controllers' (an organisation that collects the data) and they must be able to show when consent was given.

Addressable advertising is particularly vulnerable to the new regulations as GDPR now categorizes cookies, IP addresses, device IDs and location data as "personal data".

For data collected on advertisers' sites/apps (e.g. Remarketing ids, conversion tracking cookies and Customer Match), advertisers are responsible for notifying users and obtaining their consent for the collection of this information.

IS EVERYONE AFFECTED

GDPR is primarily an EU regulation but the major US and global tech companies that underpin addressable ad-tech appear to have decided it's easier – not to mention a public relations win – to apply its terms globally.

However, a key sticking point will be moving personal data across borders, and particularly, in and out of the EU (which will not be allowed).

A key distinction emerging is between those TV organisations that have a contractual relationship with consumers (in which complex permissions can be managed) and those that don't.

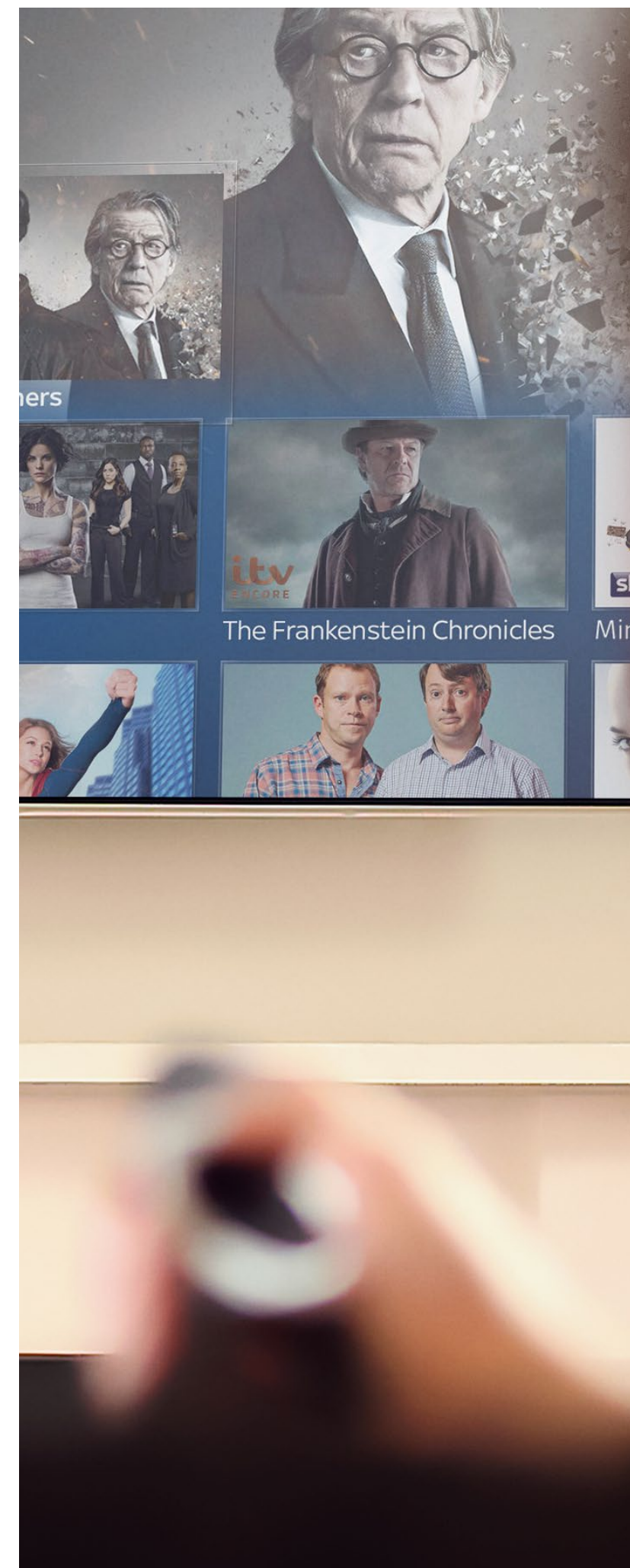
Most small and medium sized TV apps looking to sell addressable advertising have moved to a mandatory log-in model to begin the process of permission building.

POTENTIAL OUTCOMES

One discussed outcome is that GDPR might continue the shift of power to the large, pay TV platforms. This shift may occur because, not only will they have the scale to afford the cost of data processing and artificial intelligence, but they also have the most detailed contractual link with their users.

Most users of a pay TV platform have signed a detailed T&Cs which can contain the relevant opt in/out clauses.

The positive thing for the TV industry is that, on the whole, it is run by organisations that cherish their consumer relationships and guard public perceptions of their brands carefully. During the recent 'brand safety' issues, the TV industry based advertisers were seen as a safe have for brand advertising. This is a position that the TV industry is looking to maintain in its response to GDPR.



Glossary

TERM	FULL NAME	EXPLANATION
Cloud storage		A method of media storage in which files (e.g. programmes) are stored remotely, and “pulled” (i.e. requested and delivered) to a device at the user’s choosing.
DAI	Dynamic Ad Insertion	A function by which ads are inserted dynamically into a stream or on-demand show at the point of playout. Normally uses data and insight on the viewer to decide ads and executions against a set of campaign rules
DMP	Data Management Platform	A set of databases and analysis tools in which consumer data is collated for use in advertising. These can be managed by publishers & platforms or by other ad-tech companies in the chain.
EPG	Electronic programme guide	A continuously updated on-screen guide of scheduled broadcast television programmes, listed by channel. On some platforms, this guide can extend up to seven days into the future.
EST/DST	Electronic sell-through Digital sell-through	Selling films or television content, via IP (see below), in a digital file format on a device’s hard disk.
Freesat		A FTA (free-to-air) UK television platform transmitted over satellite.
Freeview		A FTA UK TV platform broadcast over DTT (digital terrestrial television).
Local storage		The ability for a device, such as a set-top box, to store files (e.g. programmes) on its hard disk.
PSB		Public sector broadcaster (eg ITV, C4, Five) who deliver publicly required programming in return for beneficial regulatory treatment.

Targeting Attributes - Sky AdSmart

TERM	FULL NAME	EXPLANATION
Platform VOD	Platform video-on-demand	Video on demand (see below) made available through one of the television platforms, and initially accessed from the main platform menu (e.g. iPlayer on Sky platform).
Player VOD	Player video-on-demand	Video on demand (see below) made available in a standalone web player, delivered over IP (see above). The BBC iPlayer app is an example of this.
PVR/DVR/DTR	Personal video recorder Digital video recorder Digital television receiver	A device that records broadcast or IP video content in a digital format to a hard disk drive. Depending on the device, several recordings can sometimes be made at once.
STBs	Set-top box(es)	Device that generally contains one or several TV tuners, and displays its output to a television set or other display device.
VOD	Video on demand	Video content which a user can select to watch or listen to at a time of their choosing, rather than relying on the broadcast television schedule.
xVOD	AVOD, SVOD, TVOD	AVOD = Advertiser Funded VOD SVOD = Subscription VOD TVOD = transaction (ie paid) VOD
YouView		A FTA UK TV platform launched in 2012. BBC, ITV, Channels 4 and 5, BT and Arqiva are shareholders.



Geographic Targeting Attributes

Geographic attributes include basic postcode based options, Sky Adsmart Regions as well as division by Local Authority area and metropolitan and rural splits.



Socio-Economic Segments/ Attributes

Household composition and profiles including age, affluence of key decision makers. Lifestage and presence/ age of children, position in family (eg youngest). Mosaic groups and types.



Device / Tech/ Vehicle Ownership

Attitudes/receptiveness, to tech and propensity to use. Choice, ownership of specific devices (eg mobile phones, cars), choice of networks and service providers.



Financial Attributes

Income profiles and financial strategies of household. Home renting/ownership options, status/ownership of financial and insurance products (including renewal dates).

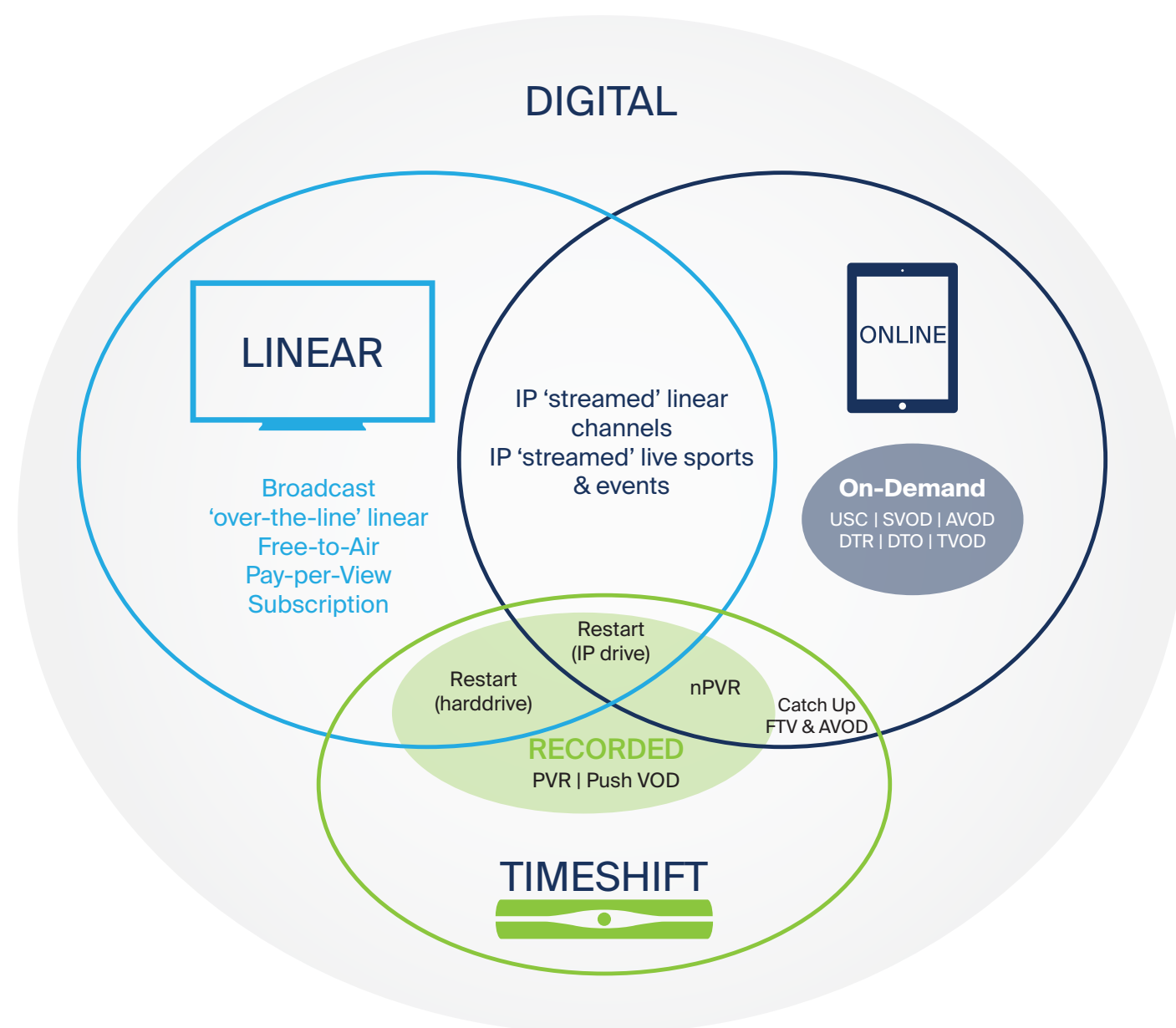


Bespoke Data & Attributes

Unique profiles built from Sky data.



TV Terminology



Note: Circle size not representative of market and/or time share



WHO IS DECIPHER?

Decipher is a media strategy and research consultancy that specialises in emerging consumer media. We operate in the area where consumer technology and consumer media consumption converges, helping major industry players chart the changing business opportunities presented. We offer a combination of strategic advisory consultancy, consumer research and executive education.



WHO IS ISBA?

Television has been the bedrock of marketing communications for decades. Whilst its benefits are well understood, we are on the precipice of fundamental change in how TV is consumed and delivered. The opportunities for brands to engage more deeply with consumers are promising but the landscape is becoming increasingly fragmented with the emergence of new players and opportunities for media consumption.

This group is focused on the development of TV and Video across all screens delivering and contributing to work streams across Audience Measurement, Regulation (eg Contract Rights Renewal), Addressable TV and Ad Quality (Brand Safety, Viewability and Ad Fraud).

The Emerging Context For TV Addressability
A Decipher white paper for ISBA

January 2019

