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Advanced TV – the questions to ask

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Summary

How we watch TV is changing. How ads are served on TV is changing. How consumers are targeted on TV is changing. This all means that TV is a term too narrow with too much legacy to adequately describe advertising wrapped around the experience of watching filmed entertainment. TV has grown up to become Advanced TV.

The Internet Advertising Bureau defines advanced TV as: “an umbrella term that refers to television content ... beyond traditional, linear TV delivery models. Advanced TV targeting enables advertisers to serve one ad to one household as opposed to broadcasting the same ad to all households. Advanced TV includes OTT (Over the Top)/Connected TV, Addressable TV, and Addressable Video on Demand.”*

It's vital that advertisers invest in advanced TV with their eyes wide open. The best way to do this is by holding their agency partners to account, challenging them – knowledgably – on new technologies and the diverse and innovative ways they can buy TV advertising.

*<https://www.iab.com/insights/advanced-tv-targeting/>

A rapidly-changing TV market

The digital revolution has changed what we mean by and understand of TV, fundamentally and forever, blurring the lines between TV and video content watched for entertainment offline and online. It's changed how video content is delivered to consumers and who delivers it. It's changed how video content is watched – when, where, and on what devices. And it's changed how advertising is served to consumers, wrapped around video, as well as how ads are sold to brands and how their impact is measured. Welcome to the world of advanced TV, already a regular or experimental route to market for half of advertisers according to analysts Forrester.*

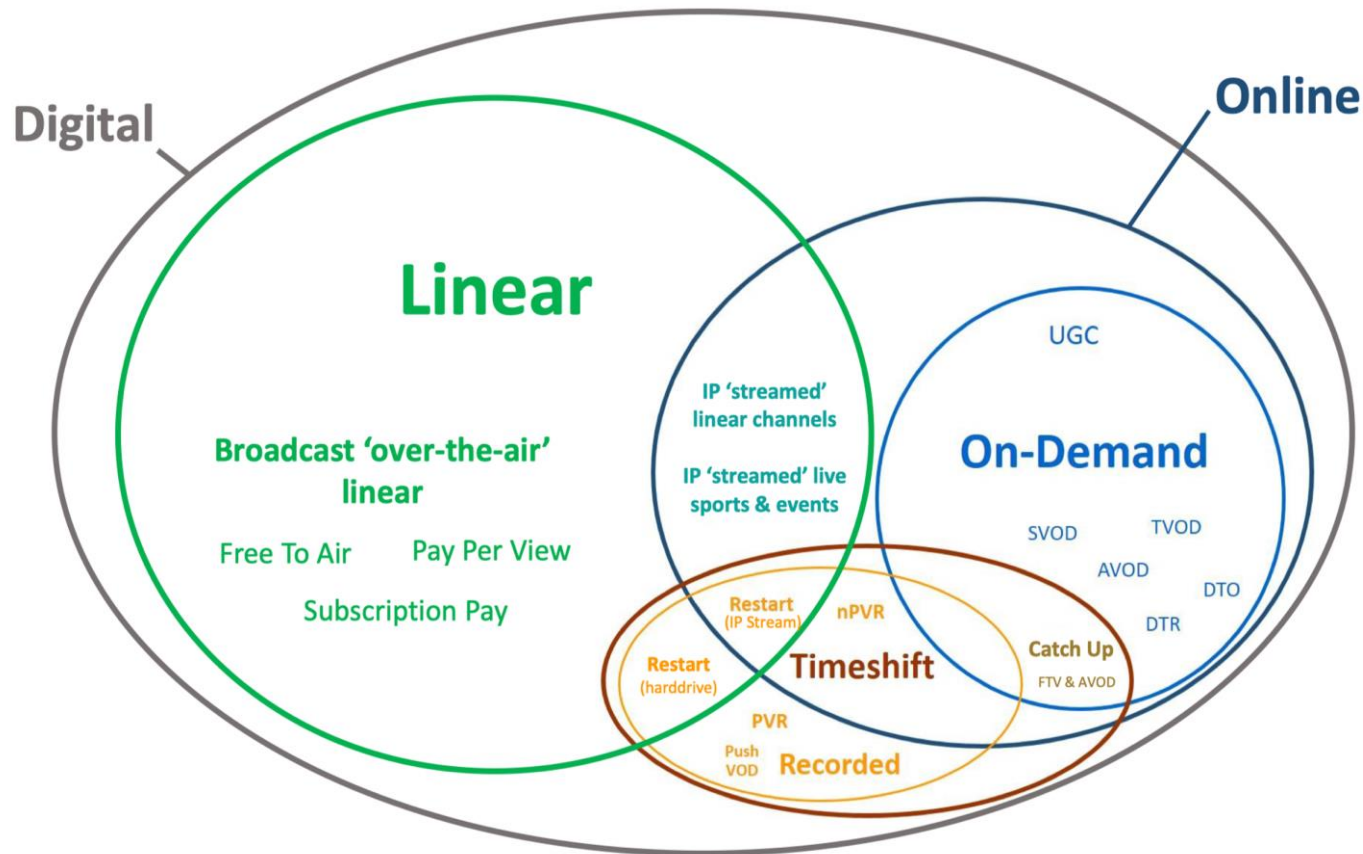
The attraction and potential of advanced TV – in theory at least – is that it enables advertisers to combine the impact of broadcast TV with the addressability of programmatic digital media buying. For many brands, traditional, linear TV advertising has reached the point of diminishing returns and only advanced TV has the potential to deliver incremental reach at scale.

* *Television advertising reaches a revolutionary digital “inflection point”*, WARC, <https://bit.ly/3dyrFE2>

Over the last two years, ISBA has produced two papers in partnership with Decipher to help advertisers get up-to-speed with this rapid evolution of TV and its convergence with the internet. In January 2019, ISBA published a white paper titled *The Emerging Context for TV Addressability*. This paper aimed to level-up understanding among advertisers on: what TV means today, who can deliver TV (platforms, broadcasters, apps, and devices), and the opportunities offered by addressability in TV. The paper can be freely downloaded [here](#).

This was followed in March 2021 with a follow-up paper which demonstrates that advanced TV is now mainstream and no longer emerging. It argues that the time is now right for brands to lean into the new landscape – both the new ways of trading ads and new, unified approaches to measuring total TV advertising performance. The paper details how advertising on advanced TV is now sold by TV platforms, broadcasters, second-tier TV apps, and web and social apps. It uses recent, in-market case studies to show how advanced TV can help advertisers extend reach, reduce wastage, refine targeting, and extend digital. This more recent paper is available for ISBA members to download, from [this link](#). Both guides include diagrams that map out the evolving advanced TV ecosystem – the 2021 chart is shown overleaf in Figure 1. – together with helpful glossaries of new terminology and jargon.

Figure 1. TV Terminology – Illustrated (Source: Advanced TV – Part 2, ISBA, March 2021)

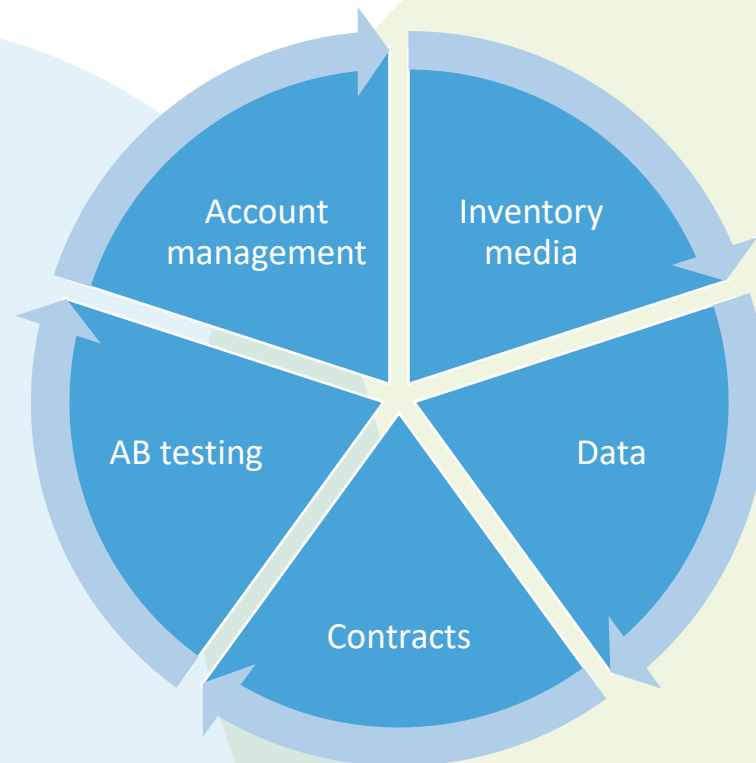


For many brands, TV remains the biggest single medium in which they invest, delivering the best ROI and awareness of any channel. That said, for some TV is rapidly approaching the point of diminishing returns; Ebiqumy's reports [*TV at the Tipping Point*](#) (2019) and [*Mind the Gap*](#) (2020) show exactly how. Digital media now accounts for more than half of all media space traded. With the line between TV and digital blurring, TV and advanced TV today represent the bulk of most brands' media investment.

The purpose of *this* short guide is to provide marketers with a set of simple, practical questions to ask agency partners about advanced TV. It's been created by Ebiqumy's Tech Advisory team. Ebiqumy is the world leader in independent media analysis and a long-term partner of ISBA.

Questions for advertisers to ask their agency partners about advanced TV

There are five areas relating to advanced TV which advertisers should contemplate and review in depth with their agency partners. These are:



1. Inventory media: back to the future?

Agencies often offer advertising for advanced TV as bundled, inventory media deals. This is how agencies used to offer display advertising sold programmatically, although many advertisers now routinely challenge their agency partners about what goes to make up inventory media deals for digital display.

Inventory media is media that agencies (and agency holding companies) buy in bulk, upfront, and at their own risk from media owners, publishers, and platforms. With inventory media deals, agencies act as agent AND principal, and this can create conflicts of interest. There's more on inventory media in [this article](#) from Ebiquity's contract compliance arm, FirmDecisions, titled "Open your eyes to the realities of inventory media".

The principal challenge for advertisers with inventory media is that it is sold to them blind. Agencies argue that inventory media delivers significant savings and economies of scale, but to benefit from inventory media deals, advertisers are required to waive their audit rights.

Questions brands should ask their agencies about inventory media

- Where and in what format will our ads be running in my advanced TV buys?
- Who will see our ads? Can we be certain they will even be viewable by humans?
- What guarantees are there that our ads will be seen by our target audience?
- How can we be certain that our ads are appearing in brand-safe environments?
- Can we use ad verification software to determine where our ads are running?

2. Questions about data

It is often claimed that advanced TV advertising packages offer brands greatly enhanced opportunities to target audiences that can be hard to reach, particularly audiences that can't be addressed effectively by linear TV. As a result, CPMs for advanced TV are becoming increasingly expensive. But it can be challenging for advertisers to know what targeting and audience data have been applied to the buy.

We have seen agencies use four/five-digit postcode-level data to deliver a target audience of “young families” which it cannot do – young families live alongside singles, couples with no kids, and retirees – creating wastage, inaccuracy, and inflated CPMs. Advertisers should ask if and how postcode data have been applied to buys to deliver specific target audiences.

Questions to ask about data

- What layers of data have been applied to the buy?
- Do the data applied to the buy justify the premium price demanded?
- How has targeting data been collected and is it accurate?
- For mass market products – essentials used by every household, such as milk, butter, or washing-up liquid – do we even need to focus our sell to specific target audiences
- What reporting metrics will we get back from our advanced TV campaign?

3. The contract

Ebiquity's contract compliance division, FirmDecisions, recommends that the terms and conditions of advertiser-agency contracts should be revised both regularly and frequently. This is particularly true in the always-changing digital marketing ecosystem. Where new ways of buying new forms of media are introduced by agencies, advertisers should look to see this reflected in updated contractual terms. Wherever possible, these terms should deliver as close to 100% transparency as possible.

Questions advertisers should ask about contracts

- Does our contract / master service agreement (MSA) cover advanced TV buys?
- When can we review our contract to ensure that it covers advanced TV buys openly and transparently?
- How can we bake transparency about advanced TV buys into our contract?

Note: ISBA has a framework media contract that should help brands address these issues in their own contracts. Version 3 will be launched during the first half of 2021.

4. AB testing

To assess its potential – to extend reach, to reduce wastage, to refine targeting, or to extend digital – advertisers should run AB tests to compare the impact of enhancing existing campaigns with advanced TV options.

As advanced TV becomes increasingly widespread, there is evidence that it is starting to eat into mainstream TV budgets. We are aware of agencies suggesting to their clients that they run tests running well into six figures using their proprietary, black-box solutions, with minimal transparency into the inventory media deals being sold. Before investing such significant budgets, advertisers should test on a smaller scale.

Questions to ask about testing

- We're interested in the potential of advanced TV. Can we run small and contained AB test to assess its impact?
- How might we use AB testing to determine the impact of advanced TV?
- Would an AB test help us understand the role of advanced TV better in our mix?
- Before we invest big budgets in advanced TV, can we run more targeted tests first?

5. Account management

In addition to inventory media, data, contracts, and testing, the other area that advertisers should hold their agencies to account on advanced TV is account management.

Other questions for brands to ask of their agency partners

- Do our current AV teams have the necessary skills to manage advanced TV as a self-serve buy?
- What are the options for near real-time of optimisation of our advanced TV buys?
- What are you doing to ensure that our advanced TV inventory is both safe and appropriate for our brand?
- How do you guard against ad fraud in our advanced TV buy?
- What's the difference between managed and self-serve buys for advanced TV?
- We understand why you want to offer us a managed / undisclosed service for advanced TV, but what other options are available?

In conclusion

As technologies blur – and as the opportunities increase to address discrete audiences with highly-targeted campaigns that harness the power of data and technology – it's clear that advanced TV is here to stay. What isn't clear is whether the current solutions offered to brands are driving efficiencies in the ways that their agency partners say they do. This is particularly true for black box solutions and inventory media deals.

Armed with the knowledge contained in the 2019 and 2021 ISBA papers – and primed by the questions set out in this short and practical guide – advertisers stand a better chance of making the rapidly-evolving world of advanced TV work much harder for them.

About the authors

This guide was written by Maya Arber, Director of UK Consultancy (Tech Advisory), and Jason Liew, Director of Advertising and Programmatic Technology, at Ebiquity Tech Advisory.

Do feel free to get in touch directly at

Maya.Arber@ebiquity.com and

Jason.Liew@ebiquity.com

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We are a data-driven solutions company helping brand owners drive efficiency and effectiveness from their media spend, eliminating wastage and creating value.

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ebiquity.com

For more info, please contact:

ISBA

12 Henrietta Street

London

WC2E 8LH

T: 020 7291 92020

W: www.isba.org.uk