

How Will Marketers Buy and Sell Media in 2020

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What will it take to win in 2020? Looking six years into the future of digital media is no easy task.

Three years ago, who could have predicted that 40 percent of all US brands would use programmatic buying platforms as our recent Online Advertising Survey showed? And today, many major agency holding companies are projecting that within the next three years, 30 to 50 percent of all media buying will be automated.

From our vantage point as an advertising technology provider for some of the largest brands and media holding companies, as well as from the findings of a survey across North America that Videology recently commissioned from Forrester Research, certain trends do seem quite likely to progress and accelerate well into the next decade. Here are a few:

Lines between traditional and digital media will continue to blur

In fact, by 2020, those delineations are likely to be a distant memory. Television and online video offer a good example of this convergence trend. In our fall 2013 survey of publishers, marketers and agencies conducted by Forrester Research, we found that 61 percent of respondents agreed that planning for online video and linear television would merge within the next three years.

In many ways, this expected shift in the way that media is planned is simply the logical extension of the way media is expected to be consumed. While we are already seeing a spike in viewership across online and mobile devices, 34 percent of respondents to our survey expect a significant increase in consumers' time spent viewing videos on connected TVs and tablets over the next three years. On the other hand, only 7 percent expect a similar increase in linear television via antenna, cable or satellite providers. Some of this content will be device-specific, such as original content developed by online publishers. Increasingly, however, the same content will be available across multiple screens. As a result, planning will become much more about a comprehensive video strategy, rather than a device-specific, siloed media strategy.

Common measurement will be key to uniting screens

Half of all respondents to our survey said that the biggest challenge in video advertising today is the ability to measure audience across all video platforms. Not surprisingly then, the single most important driver in achieving the holistic planning between television and online video has been the rollout of digital ratings by companies such as Nielsen. In our Forrester

survey, 56 percent said that they now use digital GRPs in order to holistically plan digital video with television.

Of course, not everyone believes that the introduction of online ratings into the digital space is a good thing. They argue that digital media has the ability to deliver one-to-one

addressability based on advanced targeting criteria that goes well beyond the age and gender limitations of traditional ratings. The truth is, however, that a common currency – even one less than perfect – is the needed catalyst to begin the flow of television dollars to other video platforms. Introducing a well-understood metric between screens marks a leap forward for the industry.

Of course, moving forward several years, that metric may look quite different than it does today. As the availability of data proliferates across devices, along with the ability to tie media exposure to outcomes, measurement may look very different.

Whether the measurements are tied to actual offline sales, engagements, or other hoped-for behaviors, we may be able to rid ourselves of proxy metrics – such as ratings – and begin to track actual desired outcomes. This will be true across the growing array of connected media, including video, but also stretching into mobile, social and out-of-home placements.

(Almost) Everything will be connected

Which brings us to our next point – while we are currently juggling an increasing array of devices which is alternately fragmenting and pinpointing the engagements that marketers can have with consumers, that world of devices is only going

to grow. And it won't be limited to releases of the latest and greatest smartphone.

According to IBA Research, by 2020, more than 30 billion devices will be wirelessly connected to the “Internet of Things.” Think beyond Google Glasses to watches, car windshields and refrigerators. The opportunities to connect with consumers and contribute in real ways to their daily experiences could change the definition of advertising and what we come to think of as “media.” (Interestingly, in our survey, 55 percent of respondents said that they expect video viewership to significantly/ moderately increase over the next three years on devices “yet to be identified.”) This also mean that a tremendous amount of data will be available for analysis. Understanding what to do with it and sifting through what means something or does not will be the challenge.

Technology will be the game changer

Few would argue that the migration of viewing habits, proliferation of connected devices and growing importance of data to inform advertising decisions have made media planning and buying more complex. In our survey, 66 percent of respondents said that technology will be the differentiator in responding to these changes.

What will they be trying to achieve with this technological power? When asked which capabilities would be important to the future of media buying, 69 percent pointed to the ability to target ads to individuals, 69 percent cited the ability to buy audience across all screens and 66 percent chose the ability to evaluate audiences on buying behavior. Moreover, 67 percent of publishers and 78 percent of agency executives believe that video buying across all platforms will become more automated over the next three years.

Data lives at the heart of most automated ad technology solutions, particularly as it applies to the ability to target ads to the most relevant consumers. As a result, changing privacy regulations around the world will continue to be an important – and fluctuating – part of this equation. Technology must continue to prepare for a world of restricted data – particularly as it applies to cookies – and a world of cross-screen viewing where cookie-less environments abound, such as mobile or linear television. There is also a critical need to develop alternative and complementary ways to achieve addressability. Opt-in registration data is one example, as is contextual targeting data. For example, a consumer watching a how-to video on building a deck is likely to be interested in do-it-yourself supplies while someone viewing a video on the top ten beaches in Europe may be a likely prospect for a travel advertiser. Technology must continue to innovate to look for ways to improve ROI for advertisers – which we know targeting achieves – while fully protecting the privacy of consumers.

No cookie-cutter solutions need apply

Technology will be a game changer, but what will this technological solution look like? More

importantly, what will buying and planning look like on a tactical level? Will linear television look more like digital? Or will digital video look more like linear television? According to the Forrester survey, the answer to both questions seems to be “yes.” While more than 70 percent said that programmatic is an important capability for the future of video ad buying, an equal number say that the ability to buy specific programs – similar to traditional TV buying – will remain one of the most important capabilities. The key here seems to be flexibility. Programmatic means automation. It means the end of tracking buys on Excel spreadsheets. Does it mean real-time bidding? Yes, sometimes. But it also means guaranteed buys, program specific buys, flighted campaigns, gross ratings points and all the other metrics that are important to TV-centric brand advertisers – as well as the metrics important to advertisers who traditionally benefit from digital-specific engagement tactics. Holistic planning and buying requires holistic technology that works across all brands and advertisers to meet their diverse marketing objectives.

Clearly, change is coming. And generally, with change comes some level of anxiety. What is perhaps the most striking finding from our study is that while industry executives acknowledge the challenges posed by the growing complexity of media, they are generally optimistic across the board on what this will mean for the future of advertising. The majority (68 percent) of advertisers/agencies believe that advertising effectiveness will improve. More than half (54 percent) of publishers believe they will earn more for their inventory. So that takes us back to our thesis – what will media buying and selling look like in 2020? We can be fairly certain that automated, data-driven strategies will continue to grow in importance. As always the question is: How quickly will adoption grow? Speed is usually predicated on a win-win scenario for all parties. With both the demand and

supply-side of the ecosystem mostly in agreement on the benefits, we could be looking at a majority of media dollars flowing through automated trading systems even before the next decade marker.

What do marketers need to do now to prepare for 2020:

Activate Data

Marketers may be sitting on the best asset – first-party consumer data. Partner with data management vendors or develop your own technology to turn this data into actionable insights.

Plan & Measure Holistically

As consumers' access content seamlessly across devices, it's increasingly important to look at bottom line campaign success, rather than individual performance on a given medium. While still evolving, measurement metrics such as reach and frequency across television and online video is now a reality.

Measure Against Goals

Define what it is exactly that you hope to achieve from a campaign, and understand what metrics are currently available to help you measure specific brand objectives such as awareness, purchase intent or even off-line sales. Measurement gets more sophisticated every day, so ask your agency or vendor partners for frequent updates.

Experiment

Media, measurement and technology is moving so quickly, forward thinking marketers must be willing to test for ever-evolving best practices. Fortunately, digital media allows the ability to course correct swiftly and even optimize for results while a campaign is still running.

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