

The Media Plan of the Future

ADVERTISING DIGITAL FUTURE OF TV

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By combining online and TV we can reach larger audiences more effectively. High demand means pre-roll and mid-roll ads are a seller's market so we must consider all formats in order to achieve the best return on investment (ROI).

TV is still a very effective advertising tool. The power of video to tell stories and evoke emotions is unparalleled by any other push-media channel. Television sells and advertisers see the effect. So it was no surprise that the TV-advertising market was less affected by the recession and recovered faster than many other channels, notably print.

However, TV is also suffering. The effectiveness is declining as spots get lost in the clutter

and consumers are increasingly multitasking, using the TV just as background noise in a similar way they used to consume radio. And younger audiences are moving online, consuming more video content online than ever before.

The question that advertisers ask media agencies is no longer “TV or online?” The question of the day is “How to best combine TV with online?”

To find the answer to that question, we must consider three things: Firstly, how do you plan TV and online reach? Secondly, how do you buy video-reach effectively? And thirdly, how do you measure effectiveness?

Planning for more reach or more engagement?

TV campaigns build reach quickly. But with increasing reach, more and more spots simply reach the same heavy viewers because TV has diminishing returns on investment.

Therefore many advertisers look for online video to increase reach while maintaining the same budget. By shifting the budget for the last TV reach-points into online video, the overall reach can be increased without spending more money. Other advertisers look for the multiplying effect of cross-media contacts. Many research studies have shown that delivering the same message through two channels is more effective than delivering it twice in the same channel. And the opportunity to interact and click onto the video to get more involved with the offer is an additional benefit. So ideally, the consumer sees the spot first on TV and then can click on the video ad if the product or offer is interesting.

Delivering reach in online video

The obvious solution is to buy video ads with the same content as on TV. Pre-roll or mid-roll ads that are shown before or during long-format TV content that is streamed on-demand on the internet. Many TV Stations are offering catch-up TV, allowing viewers to watch the shows they missed whenever and wherever they want. More production companies are also producing high-quality video content just for the web.

Pre-and mid-rolls are usually single-spots, seen in an active lean-forward mode by active viewers, generating a much higher impact than the normal TV spot within an ad break.

Advertisers do also face some challenges in this space, however. First of all, the reach of video-content is limited. Despite the enormous growth rates of video usage, most surfers still consume more traditional text-based web than video. The demand for video advertising is strong, leading to high CPMs, much higher than for traditional TV in most markets. So alternative web options should be considered.

One alternative is to use standard online ad-formats and stream the spot into them. The advantage is nearly unlimited reach as those ads are available on all websites. Advertisers also benefit from much lower CPMs as standard ads are traded in a buyer's market where demand still is growing slower than the available ad impressions. Even though effectiveness research has shown that streaming-ads are not as impactful as pre-rolls or TV spots, they are much less expensive and therefore generate a higher ROI.

An even more powerful alternative is a new ad format, the targ.ad TV Video-Interstitial, which GroupM is rolling out exclusively for our clients. A full-screen single spot that runs on multiple websites, combining the impact of a pre-roll with the reach and cost effectiveness of a regular online ad. The targ.ad TV format also offers social engagement functions, allowing consumers to comment, rate, send to a friend and share on social networks as well.

No one could argue that a full-screen video ad is not what consumers want. However, targ.ad TV allows state-of-the art targeting on demographics, interests and limits the exposure. That leads to high acceptance rates and rather low skip-rates by the consumer.

Targeting in high-reach media

Today we buy media placements that have high reach and affinity in the defend target groups, thereby trying to minimise wastage of delivering the message to people we do not really plan to reach. While we want to reach people with our media placements we do media planning rather than audience planning. This is the same, whether we buy a TV spot, a print ad or place a banner on a website.

In digital media, however, ads are delivered in real-time to each individual user. So far, the promise of one-to-one-marketing has not really been fulfilled, but new targeting technologies are changing that. While people surf through the web, anonymous user profiles are built with their interests and combined with aggregated registration data to get demographic information.

Then, when a profile is recognised by the decision engine of the adserver, it is then decided which campaign and which message to show to the consumer. This is a fundamental change: it is not the placement of the user visits that defines which ad they see; instead it is the knowledge about the user's profile and interests. Now, we can target very specific target segments with very specific messages and offers.

We do no longer have to use generic ads, that have to appeal to a wide audience, but can give specific users specific messages.

Advertisers no longer pay for advertising contacts with people they do not want to reach, they do not have to overexpose users that are heavy media users to build reach with the infrequent users: frequency capping across publishers allows us to control the number of contact a user has with the campaign as well as the sequence of messages they see.

That is the secret sauce behind the success of rather intrusive ad formats like targ.ad TV. If the ad is well targeted, relevant and shown only once, it will not be seen as disturbance by most users.

Many publishers offer targeting but their offers are limited

Today, targeting is a standard offer from many publishers and sales-houses. However, many of those offers have limitations. In the first place, they are media-owner specific, making it harder to iron out the weaknesses of each media owner's portfolio. MSN, for example, delivers a lot of Hotmail impressions but offers more casual content around general-interest topics. So a potential car-buyer may go to special interest sites for their research – an activity that takes place outside MSN.

The second weakness is that because media owners need to know advertisers' targeting criteria to implement the campaign, the process involves handing over some very sensitive commercial insight and consumer profile information to each media partner.

The third weakness is that because different media owners define audiences in different ways, targeting across a single campaign is not as precise as it could be. As each publisher has their own targeting system, such campaigns can't take into account total reach across the digital landscape. Publisher-specific frequency capping has limited effectiveness where over-exposure can be an issue.

Predictive targeting goes beyond reaching the same user again

Behavioural targeting also restricts reach. While you are waiting for evidence of a specific behaviour, the potential audience is restricted. As a result media agencies and publishers have devised solutions to these targeting challenges.

To extend the reach of behavioural and other forms of targeting, smart use of data is applied through predictive targeting. Predictive targeting allows advertisers to match the anonymous profiles of consumers who exhibit the requisite behaviour with those who are like them in every other key respect.

This includes offline data such as psychographic profile and purchase behaviour captured by research organisations or loyalty card companies, as well as anonymous profile information such as the search ads they have clicked on. The benefit of predictive targeting is that it extends the target audience, even for actions such as display retargeting.

Although it's possible to retarget based purely on those who have visited your e-commerce site or filled out a contact form, for example, predictive targeting adds users with similar profiles to widen the message. Likewise, search-based targeting strategies can be extended beyond those who have clicked on a Google keyword by creating a group of those who have a similar profile.

How do we measure effectiveness?

Online video, especially when delivered through sophisticated cross-publisher targeting tools, can generate enormous efficiencies for advertisers. We can increase the overall reach of the TV campaign, generate multiplying effects that drive direct response, or fill reach or frequency gaps in those segments that are harder to reach by TV, like younger segments or working women.

But the question is does it really drive effectiveness? Do we get higher awareness, ad-recall and most importantly, purchase intent or measured sales?

To answer that question, sophisticated analytics tools like econometric modelling can be applied, but such tools need continuous tracking of all relevant data points for a long time.

Quick results can be generated with campaign specific tracking. MediaCom Germany, for example, developed a powerful and rather inexpensive approach with TNS Infratest, which answers questions about the necessary advertising pressure for different objectives. What messages are mediated the best? Is the campaign linked to the brand (brand linkage)? And of course the key question from the TV-Online combined planning perspective: How do TV and online work within the media mix?

Combined TV and online video planning is the future and it is available today

TV is moving to digital channels and will eventually become accurately targetable, a service Sky is already offering in the UK. And the internet and TV are converging, giving consumers access to content on all screens, the TV in the living room, the laptop, tablets, mobile at home and on the go.

This is the future. And it is here today. In many markets, we can reach more than 70% of the population with online video and we can increase the effectiveness of our combined TV-online campaigns. First planning tools exist, we can buy and optimise online video very well and can target specific consumer profiles with an accuracy that is unheard of in the broadcast world, and we can measure the effectiveness. Generating the specific learnings for each brand is a top priority for most of the TV and online advertisers that MediaCom works with and we are ready to deliver.

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