

egta insight

ADDRESSABLE TV: AN OVERVIEW OF
BUSINESS STRATEGIES FOR TV COMPANIES

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INTRODUCTION

If 2020 has taught us anything, it is that all businesses need to adapt to the unpredictable world in which we live.

Following years of TV set evolution and advancements in ad tech, advertising has entered the new era of accurate targeting that is now also available on television. Over the past years, the bar has been raised for what both marketers and viewers expect when it comes to ads on TV. Marketers want speed, precision and better data to inform their marketing plans. Viewers demand more seamless and relevant viewing experiences. Therefore, any company, product, or service looking to attain a sustainable offering in the fast-paced video market must invest in innovation. With digital adoption reaching new heights, for any TV broadcaster, a solid data-driven offer is now more critical than ever.

Addressable TV offers the best of both digital and traditional television. For this reason, more and more TV companies are currently investing in this type of solutions. That said, such targeted propositions do not operate in a vacuum as they need to be integrated within the complex ecosystems of existing workflows, commercial practices and technologies. Yet another layer of complexity is added by the lack of common definitions of ATV as products vary between different markets and companies.

While addressable TV can be very profitable for broadcasters, it also presents several challenges from the tech, business and legal points of view. Staying relevant means that publishers have to build a comprehensive tech stack to harness the power of data as well as to control and monetise their video inventory effectively. It often requires large investments of resources and new infrastructure. It also calls for new ways of thinking about their commercial

proposition to ensure that both parts of their offer – classical and data-driven – work in harmony and not against each other.

egta has compiled this insight to help its member sales houses as they consider the need to develop targeted ad products. The report is a comprehensive compendium of knowledge for both: companies who already offer advanced addressable solutions as well as those who take their first steps in this market segment.

Part 01 highlights the many ways in which addressable ads can be delivered.

Part 02 focuses on how addressable campaigns are commercialised. It provides an overview of the addressable ecosystem and the different types of companies who sell such products. It also explores the numerous possible formats of addressable campaigns and how they can be monetised. This section also explains the pricing systems used by TV companies to commercialise such products. Furthermore, it explores the various challenges linked to inventory and yield management in the addressable context.

Part 03 provides an analysis of the main challenges related to the measurement and reporting of addressable campaigns.

Part 04 examines the main legal challenges surrounding targeted ad offers that TV companies encounter.

Part 05 includes a series of interviews and business cases from broadcasters, an ad tech provider and a measurement company – all aiming at showcasing monetisation practices and market trends related to addressable TV.

We hope egta's examination and analysis, combined with various insightful cases, will offer inspiration to readers and support sales houses in their endeavours when it comes to targeted advertising.

LEGAL NOTICE

This publication has been researched and produced by egta's TV department, and it draws inspiration from open sources, egta materials and databases, conversations with industry experts and literature from multiple sources. Whilst every effort has been made to ensure the accuracy of the information in the publication, egta does not accept responsibility for possible errors or omissions. The opinions and analysis expressed in the publication are those of egta and do not necessarily reflect the views of the other parties.

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The background features a complex, abstract pattern of overlapping, irregular shapes in various colors including blue, green, yellow, orange, and purple. These shapes are outlined in black, creating a grid-like structure. The overall effect is a vibrant, multi-colored geometric composition.

PART 01:
WHAT IS
ADDRESSABLE
TV?

1.1 Definitions

Addressable TV (ATV) is a set of advertising technologies allowing for “showing different ads to different audience segments watching the same TV program”¹. Depending on the delivery mechanism and used technologies, segmentation can occur at demographic, geographic, behavioural, self-selected individual household or user levels. Addressable TV ads can be delivered through cable, satellite and Internet Protocol Television (IPTV), OTT as well as set-top boxes (STBs).

Advanced TV is an umbrella term that refers to television content that evolves beyond traditional, linear TV delivery models². Advanced TV includes such categories as: VOD and OTT services, connected TV, TV everywhere, addressable TV, programmatic TV. This generic term is often used to emphasise advanced functionalities linked to targeting (the ability to serve personalised ads to households/users based on granular targeting criteria), interactivity, user tracking and complementary measurement tools and techniques (eg. direct measurement of actions taken by the viewers – such as clicks and sales – after seeing an ad, etc.).

Over-the-top (OTT) refers to any service that is directly delivered to users over the Internet, bypassing telecommunications and broadcast platforms that traditionally act as controllers or distributors of such type of services. In broad terms, OTT can describe a wide range of solutions and products (such as messaging apps, video streaming systems, etc.) that once depended on satellite or cable delivery mode

(texts, video calls, access to TV programming, etc.) but now use the internet instead. In broadcasting, OTT refers to the delivery of video content via the Internet, without requiring users to subscribe to a traditional cable or satellite pay TV service.

Video-on-demand (VOD) should be considered as video content that is controlled, enabled, and consumed whenever and wherever a viewer chooses to watch it. VOD content can be found on set-top-boxes, OTT devices, mobile web, mobile apps, and video streaming services³. In this context, VOD refers to OTT understood in a broadcasting context. Videos can be distributed through a download and storage offer on the user’s computer hard drive (or another device) or as streamed content (also called progressive download). In this case, the programme is not permanently stored on the user’s device: the process permits video only to be played⁴. VOD services on the Internet cover a wide range of offerings, whether free of charge or subject to payment. The video sharing services of the type provided by YouTube or Dailymotion normally employ streaming.

Catch-up TV is a system for watching TV programmes after they have been broadcast, using a computer, a smartphone/tablet, set-top-box, smart TV or another device that is connected to the Internet.

Connected TV (CTV) refers to any TV that is connected to the Internet and access content beyond what is available via the normal offering of a cable provider⁵. This term also applies to devices that use a television as a display and can connect to the internet to access content.

A **smart TV** is a television set with integrated Internet (older television sets can also be made “smart” through set-top boxes that enable advanced functions).

Programmatic TV is a technology-automated and data-driven method of buying and delivering ads against TV content⁶. This includes digital TV ads served across OTT, mobile devices, and connected TVs, as well as linear TV ads served across set-top boxes.

TV Everywhere (TVE) is a business model in which broadcasters allow their customers to access live or on-demand video content from their channels through a variety of devices and platforms, including linear and Internet-based services and platforms.

1.2 Advantages for publishers and brands

From a commercial point of view, the impact of addressable advertising can be very positive both for TV companies and brands as it allows them to drive additional revenue and incremental reach across multiple media outlets.

a. Advantages for brands

Addressable TV (both linear and on OTT) offers brands the possibility to run ads that only reach viewers in their specific target, similar to what they do online. When run in conjunction with “classic” non-addressable campaigns, this gives brands incremental reach with viewers they may have otherwise missed.

Another argument is that addressable TV is an efficiency game: reaching a targeted audience with the right message can be simply more cost-effective than sending one message to a large number of viewers who are not interested

in the product. Moreover, used as a frequency and sequencing mechanism, addressability helps preventing over- or underexposure of certain audience segments.

b. Advantages for broadcasters

For broadcasters, addressability may open additional monetisation opportunities for unsold or difficult-to-sell inventory (*see page 33*).

Addressable solutions can also help TV companies drive back some of the digital budgets back to television, without cannibalising their core linear proposition. Most TV companies interviewed for this publication, indicate that addressability brings new revenue streams. This implies that money invested in such targeted campaigns comes from:

- Completely new categories of clients: due to its “digital-like” targeting nature, addressable advertising can help TV companies attract new groups of advertisers – eg. SMEs, local or highly specialised niche brands – that usually do not invest in TV. Since many smaller advertisers are more experienced in working with online, they may expect addressable TV offers to help them achieve similar objectives at a similar price. Broadcasters can accommodate such expectations as there is a lot of TV inventory (placed across different channels, dayparts, shows) that can be used for addressable and meet advertisers’ needs both in terms of effectiveness and pricing. (*See page 38 for more information on campaign costs*);
- Brands, which are already investing on TV, but decided to use it in a different way: addressability can also provide complementary tools for brands that

1 The Global TV Group’s TV Glossary, August 2020, <http://www.theglobaltvgroup.com/tv-glossary/>.

2 Advanced TV targeting primer, IAB, November 2018, https://www.iab.com/wp-content/uploads/2018/11/IAB_Advanced_TV_Targeting_2018-11.pdf.

3 Video Advertising Glossary, IAB, <http://dvglossary.www2.iab.com/>.

4 Video on demand and catch-up TV in Europe, European Audiovisual Observatory, October 2009, <https://rm.coe.int/16807835d3>.

5 Linear vs. Advanced TV: The Current State of Television Advertising, <https://www.cuebiq.com/resource-center/resources/linear-vs-advanced-tv/>.

6 Evolution of TV: The Promise of Programmatic TV, <https://www.thinkwithgoogle.com/marketing-resources/programmatic-evolution-of-tv-programmatic-tv/>.

are looking for solutions to solve certain problems linked to linear TV – for instance, it can be used to finetune frequency and sequencing of bigger campaigns (see page 30 for more information on campaign formats).

Moreover, addressable TV allows for targeting high-net-worth audiences and such premium capability, at higher price, can further enrich broadcasters' offers.

1.3 Debunking the myths on TV vs. digital targeting

a. TV in linear and online environments

With the convergence of TV and online technologies, nearly all screen devices can now offer some form of TV/video functionalities. Therefore, the distinction between *television* and *digital* may no longer be valid as, in fact, every device used to watch TV is now *digital*, most likely online-enabled and *connected*⁷. According to Decipher, in order to understand how addressable solutions are created and served, it is necessary to understand the different *contexts* in which ads and content are viewed⁸. Therefore, when discussing addressability for television, it seems more relevant to focus on the **audience context** – for TV experiences in the *linear* environment and the **user context** – for TV in the *online* environment⁹. This distinction is particularly valid when it comes to advertising as it has a material impact on how, and by whom, ads can be delivered, sold and measured as well as what kind, and quality, of data can be used for targeting purposes; as well as who owns and controls these data sets.

b. More than one kind of addressability?

One of the most commonly used arguments appearing in the public debate, is that TV does not allow for sophisticated audience targeting as opposed to the online environment, where, in theory, marketers can address individual users. Such presumptions are largely inaccurate – for several reasons.

Even in its “simplest” (linear broadcast) form, television is a very sophisticated tool that can be used by brands to address their campaigns to specific audiences. In most markets, TV allows for national and regional targeting. Marketers can also target audiences by choosing specific dayparts, TV channels and programmes to place their commercial communications.

TV companies' propositions usually include a wide range of data-driven ad products both for their linear and VOD/OTT outlets (incl. proprietary digital, mobile and CTV apps and video streaming services). This category includes, among others, *data-enabled TV* (DTV) that refers to the ability to overlay data segments on traditional linear TV to more effectively deliver ads to the desired strategic target. Examples of such products are various performance tracking and campaign optimisation tools as well as ROI tracking products (eg. OneData by T1 Publicité¹⁰, Cynch by Corus, CanalXchange and Canalytics by Canal+ France – see page 93 for more details). Another variation of this kind of offers is *linear TV plus data* solutions, through which broadcasters help brands reach more specific audiences – eg. a TV company may offer a package including ad placement in so-called *indexed* shows that typically have a high concentration of certain categories of viewers (eg. car enthusiasts)¹¹.

FIGURE 01: AUDIENCE CONTEXT IN THE LINEAR AND ONLINE ENVIRONMENTS

| | TV in the <i>linear</i> environment | TV in the <i>online</i> environment |
|-------------------------|--|-------------------------------------|
| Viewers | Shared audiences (audience is not a cumulative sum of a group of individual users) | Individual users |
| Access | No login required | Predominantly requires login |
| Interactivity | No/very limited interactivity | Supports interactivity |
| Measurement | Relies on standardised audience measurement systems with strong role of measurement companies and JICs | Relies on web measurement |
| Commercial offer | In-deal (advertising on linear TV falls into the traditional agency deal structure) | Out-of-deal |

Source: egta's Online Talk with N. Walley – Managing Director at Decipher (virtual workshop + preparatory materials), July 2020, <http://www.egta.com/>.

Many broadcasters also offer *contextual advertising* solutions, which allow for placing commercials in the right TV/video context (eg. Contextual Moments by Channel 4¹², AKOUO by France Télévisions¹³, solutions offered by Ster in the Netherlands, M6 in France and many more).

Moreover, some TV companies have also developed new sales offers that include additional audience targets (eg. purchaser/shopper, decision-maker, lifestyle, etc.). For instance, France Télévisions Publicité and TF1 joined forces for the creation of the new *shoppers* categories (for national FMCG brands). These new targets were made available to the advertising market through the Kantar

Worldpanel in 2019 to feed media planning. Another example of data-driven solution is OneData by the French broadcaster TF1 that enables marketers to purchase guaranteed GRPs based on product sectors and market share data, rather than on simple demographics. (For more information on the above-mentioned offers, please refer to [egta's insight on advances in audience buying](#)).

Several TV companies also offer specific addressable formats – both on linear TV and VOD/OTT (see case studies in Part 05 for more information).

The accuracy and effectiveness of online targeting is often questioned due to low quality

7 Defining Addressable TV, April 2020, <https://www.decipher.co.uk/2020/04/25/defining-addressable-tv/>.

8 The emerging context for TV addressability. A Decipher white paper for ISBA, January 2019.

9 Idem.

10 See egta's Insight on Advances in Audience Buying for more information: https://bit.ly/egta_insight_audience_buying.

11 TV[R]EV. Special report: The state of addressable advertising, October 2019, <https://tvrev.com/reports/the-state-of-addressable-advertising/>.

12 Contextual Moments is an AI-driven TV advertising technology developed by Channel 4 that enables the broadcaster to place a brand's ads next to relevant scenes in a linear TV show. automatically identifies unique scenarios within a programme that present valuable contextual opportunities for advertisers, tapping into both audio and visual data. Advertisers can buy bundles of these nuanced contextual moments that are relevant to their brand under categories such as food, hot drinks, relationships or mobile phones.

13 AKOUO is a new, artificial intelligence-based marketing service launched by France Télévisions Publicité in 2020. It combines several data sources: conversational data (derived from public internet data), brand data (collected by YouGov), behavioural data (from Kantar), program data (drawn from Harris Interactive's Quali TV survey). It aims at providing marketers with recommendations for intelligent, context-based audience planning at the heart of its TV and digital program offering.

of data that online campaigns are based on, lack of common standards, multitude of definitions, lack of standardised auditing and technical limitations of elements used for user tracking, risk of ad fraud, etc. In fact, a big part of online targeting is based on broad attributes, inferred and household data as well as IP addresses and cookies (that in many cases do not allow to identify specific users).

c. Addressability in the TV world. Content delivery methods and their impact on advertising

As TV delivery mechanisms have significantly changed over the past years, the concept of television is sometimes poorly defined when it comes to ad-tech innovation. Targeting and addressability in the “TV world” can occur in various forms using different techniques that have a direct impact on monetisation strategies. It is therefore important to identify the building blocks of the TV ecosystem, which is now composed of numerous content formats and ad solutions¹⁴.

Over-the-air linear channels

Over-the-air linear channels are the “classic” form of television. This form of broadcast arrives in a home via aerial, satellite dish or cable and can be delivered directly to a TV screen or to the screen via a set top box (STB).

Traditionally, in this delivery mechanism, advertising is inserted by the broadcaster prior to the distribution. However, addressability is possible in this environment. Targeted ads can be inserted in linear programming using dynamic ad insertion (DAI) techniques that allow for the replacement (over-writing) of original ads (or ad pods) on the STB or smart screen level.

Recorded programmes

Most set-top-boxes are technically equipped to record TV programmes. From a content point of view, these systems are the first form of *on-demand*. Known as **digital or personal video recorders (DVRs or PVRs)**, they record shows with original ads still in place. While the current solutions available on the market struggle with ad replacement in recorded shows, future addressable TV systems may fully embrace this functionality. Such operation would require some form of a commercial agreement concluded between the original programmer (TV channel, broadcaster) and the cable operator (many of which have declared interest in enabling such options). It is also worth noting that newly emerging solutions in this segment offer recording capacity *in the network* (nPVRs) or *in the cloud* (CloudPVRs). These may expand the functionalities of smart TVs enabling such devices to offer recording for the first time.

IP (streamed) linear channels

Internet protocol television (IPTV) is a system through which television services (content and ads) are delivered to STBs or smart apps using the Internet protocol suite over a packet-switched network such as a LAN or the Internet, instead of being delivered through terrestrial, satellite signal, or cable television formats¹⁵. IP linear channels have quickly become one of the fastest-moving market segments since the technical and distribution costs are significantly lower than those associated to over-the-air broadcast.

There are three ways to distribute IPTV content over a LAN or Internet network and deliver it to a TV set¹⁶:

- Broadcast: data is sent from one source to all possible destination devices – *one-to-all*;
- Unicast: data is transmitted from one source to one destination device – *one-to-one*. It is the most common way of streaming TV channels over the Internet. The maximum delivery capacity for this method is approximately 150 thousand homes;
- Multicast: data is transported from one source to multiple destinations stating an interest in receiving the signal – *one-to-many-that-requested*. The maximum delivery capacity for this method is approximately 5 million homes.

While these delivery methods do not have any practical impact on how viewers consume content, they strongly influence the way advertising can be inserted, configured and

monetized. Most TV platforms across Europe have all three kinds of channel delivery in their offer.

Addressability on IP channels is possible through dynamic ad insertion (DAI) – at the STB, smart screen or server (before playout) level. The latter gives TV channels a possibility to insert targeted ads into their simulcast stream both in their proprietary apps (including those available on smart TV sets) without the necessity to go through the STB and the cable operator. That said, if such apps do not require log in, broadcasters may still need to conclude some form of partnership agreements with cable operators or/and device manufacturers to properly identify users, devices and households. Moreover, almost all of the current ad insertion technologies are designed for unicast and are not fully configured to be used in multicast.



¹⁴ egta's Online Talk with N. Walley – Managing Director at Decipher (virtual workshop + preparatory materials), July 2020, <http://www.egta.com/>.

¹⁵ IPTV Streaming – Ultimate Guide (2020 Update), <https://iptvinsider.com/iptv-streaming-ultimate-guide/>.

¹⁶ The IP distribution, <https://koovik.com/en/2018/09/21/iptv-broadcast-multicast-unicast-streaming/> and egta's Online Talk with N. Walley – Managing Director at Decipher (virtual workshop + preparatory materials), July 2020, <http://www.egta.com/>.

Further technological developments are required in order to fully exploit the advertising opportunities associated with this delivery method.

On demand

The on-demand segment is a wide group of short- and long-form VOD/OTT services (subscription-based and ad-supported) developed by:

- TV companies (eg. JOYN, MyTF1, TVnow, BritBox, Hulu, CBS AllAccess, Pluto TV, etc.) and
- Digital players (YouTube, IMDB TV, Netflix, Prime Video, Facebook Watch, etc.)

While many VOD/OTT platforms started as app/ browser-based services consumed on portable devices (computers and mobile), over the past years they were integrated into STB and CTVs. This migration back towards TV sets reinforces the argument of the resilience of big screen viewing as an opportunity for advertisers, which can be exploited through addressable TV.

d. How addressable ads can be delivered

Addressable ads in a TV ecosystem can be inserted at different stages of the content delivery process. Technically, there are four areas where addressable TV capability can be built¹⁷.

Server-side ad insertion (SSAI)

This mechanism allows for inserting/replacing ads in linear IP streams or on-demand programming (available on mobile/desktop and smart TV apps as well as on STB) as the video content leaves the server.

- **Advantages:** this form of ad insertion helps prevent ad blocking by seamlessly stitching

together content and ad. It provides users with an optimal, broadcast-like viewing experience. From the technical point of view, it simplifies the delivery process as it eliminates the need to maintain multiple software development kits (SDKs). It gives TV companies a greater control over the ad insertion process by enabling them to insert digital ads (also over linear slates) into their own programming, without the necessity to pass through the cable operator/STB provider.

- **Disadvantages:** as mentioned above, in order to be successful in this segment, TV companies still rely on set-top-box ID systems and telcos for user/household identification. This process may incur additional costs related to technology assets and multiple ad tech partners involved in the process.

Splitter-based (road-side or head-end) ad insertion

This method is one of the most commonly used by cable and multicast IP networks (the cable industry is pioneering in this mechanism for cable VOD).

- **Advantages:** In this mechanism, ad insertion happens “closer” to the user. Most tech development costs are assumed by the cable network operator. It allows TV companies to increase the quality of the delivered signal.
- **Disadvantages:** this method does not allow dynamic ad insertion in over-the-air broadcast channels. In this set-up, TV companies have less control over the ad insertion process as they heavily rely on their telco partners (who do the actual ad switching on their network – excluding the

ad decisioning that is often controlled by the broadcaster). Addressable technologies for multicast networks remain limited (most of them are only adapted to unicast).

Ad insertion at the STB level

STBs are the only parts of the TV infrastructure that enable ad insertion into broadcast linear channels, IP linear, VOD and (potentially) PVR/ DVR recorded content.

- **Advantages:** In this set-up, set-top-boxes can act as central “media/network hubs” and local ad servers for all connected user devices within a given household. All viewing, data and ad targeting is centralised and coordinated in the STB at a home level. STB development costs usually lie on the cable network operator’s side. However, this technique also requires some advanced software engineering and ad tech investments on the broadcaster’s side as several tech components of its own infrastructure must be linked to the STB (incl. a decision engine connected to the broadcaster’s ad servers – for content delivery and scheduling of breaks, ad insertion software, etc.).
- **Disadvantages:** Targeting is possible on a household (not user) level. The effectiveness of this method is also limited by the storage and technical capacity of STBs. TV companies have less control over the ad insertion process as they heavily rely on their telco partners. This mechanism requires close interaction between broadcasters and cable operators. This method favours large, vertically integrated media companies, which have both TV/video content businesses and telco operators within their group.

Ad insertion on glass level

Addressable ads can also be inserted directly on the TV screen using automatic content recognition (ACR) mechanisms. ACR is an opt-in technology that captures and identifies content across many types of Internet-connected devices (smart TVs, laptops, smartphones, and tablets). This method is based on the sampling of a portion of audio, video, still images or watermark cues that are matched back to a source database for reference and verification. In practice, this technique provides Internet-connected devices with the ability to become “content-aware”, i.e. able to identify what content is being watched. The device can then deliver complementary and fully synchronised content associated with the viewed show or ad.

ACR technology is currently used mostly in the U.S. (eg. by companies such as Vizio) but some initiatives in this area are already starting in Europe (eg. Samsung Ads).

- **Advantages:** ACR tech has the potential to capture all types of TV viewing: linear, video on demand, OTT, commercials and video games. This system favours broadcasters over telco and cable operators as it allows them to directly control ad insertion on the TV screen (as opposite to STB-based addressable).
- **Disadvantages:** ACR requires a special chipset/software to be built into the TV set. Therefore, broadcasters need to cooperate with original equipment manufacturers (OEMs) in order to use this technique. Addressability delivered through this technology requires that the ACR-based systems in place are compatible (and do not interfere) with STBs plugged to the smart screen.

¹⁷ egta’s Online Talk with N. Walley – Managing Director at Decipher (virtual workshop + preparatory materials), July 2020, <http://www.egta.com/>.

e. Delivery standards

HbbTV

Hybrid Broadcast Broadband TV (HbbTV) is both an industry standard and a promotional initiative for hybrid digital TV. It was created by The HbbTV Association to harmonize and seamlessly blend the broadcast, IPTV, and broadband delivery of audiovisual services to the end consumer, through connected/smart TVs and STBs. It was developed as an open platform alternative to proprietary technologies. Products and services using the HbbTV specification can operate over different broadcasting technologies – including satellite, cable, or terrestrial networks.

The HbbTV standard was initially introduced to enable hybrid broadcast broadband services, allowing TV companies to provide catch-up/on-demand TV, additional programme information, and red-button style interactivity (eg. news feeds, voting/quiz participation). The specification also offers a roadmap towards addressable TV advertising built around open and non-proprietary TV ecosystems that are independent of pay TV and cable operators.

In the context of addressable TV, the HbbTV standard is mainly used for two purposes:

- **Tracking:** when a viewer tunes into a participating broadcast channel, an HbbTV app (installed on the TV set) is launched and it “informs” the broadcaster that this household is watching their broadcast signal. TV companies, who have significant amounts of data about their audiences (eg. customer data for cable operators or sign-on and behavioural data for those operating OTT services) and developed data strategies, can then establish a link between the different IP-enabled devices in the home (CTV, STB, other). This information can then be used as the basis for household profiling.

- **Ad replacement:** HbbTV technology also facilitates ad delivery. Through the use of standard digital ad servers (with no significant changes at the broadcaster back office), digital commercials can be served to the hybrid broadcast/IP-enabled device over the Internet. The viewing device receives the signal to switch screen output from the broadcast (DTT/satellite) to the IP video advertising stream and the IP delivered ad temporarily replaces the broadcast signal. The device then switches back from the IP input to the broadcast signal. Broadcasters can choose how they use the IP-into-broadcast insertion. One option is to show an advertisement as soon as someone tunes into a channel belonging to the broadcaster. Another is to replace broadcast ads with IP ads within existing advertising breaks.

In commercial deployment, HbbTV has been largely used in Europe (eg. Germany, Italy, Spain) to insert static ads, with a classic example being the overlay L-shaped graphics around the programme that is arriving on the broadcast signal. These graphical ads can be interactive and can lead to more advertiser content if viewers want to explore them. Several TV companies have already started using this technology for video ad replacement.

HbbTV 2.0 was introduced in 2015 and was quickly replaced with HbbTV 2.0.1, which is the latest available version of this standard. In 2019, a special task force was established to prepare the next update and further optimise targeted advertising in the TV environment.

ATSC 3.0

ATSC 3.0 is another standard that can be used to deliver addressable solutions in the TV environment. It was launched in the U.S. in 2019 (approved by the Federal Communications Commission in 2019 as the next version of the

previously used ATSC 2.0, it is currently being tested by TV networks). It has been operational in South Korea since 2018.

Developed in conjunction with the Advanced Television Systems Committee (hence the name), it provides a hybrid signal to compatible smart TVs – audio and video are sent over the air, while advertising and other data are sent to the smart TV via a broadband connection. Much like HbbTV, ATSC 3.0 enables TV companies to offer targeted addressable ads and to track viewership across their programmes. It also allows for broadcasts to be received on mobile devices.

ATSC 3.0 is not “backwards-compatible”. Therefore, viewers who are currently using older devices, will need to buy new TV sets for it to work, which in reality means it is not likely to be a force for at least three to five years, if not longer.

Compared to the current version of the HbbTV standard, ATSC 3.0 enables a more seamless and continuous transition between the two sources of the video input: broadcast and IP. This is a direct consequence of the fact that ATSC 3.0’s conventional broadcast video delivery shares the same fundamental underlying all-IP transport standards (branded NextGen TV) as those used by the latest OTT streaming video services.

In the advertising context, ATSC 3.0 may seem like a “latecomer” compared to the HbbTV specification (favoured in Europe). However, the more advanced technological features of ATSC 3.0 may well allow the technology to better deliver against its potential.



PART 02:
HOW IS
ADDRESSABLE
ADVERTISING
SOLD AND
BOUGHT?

From a marketer's point of view, one of the main challenges when it comes to buying addressable TV is that such campaigns can be purchased from different vendors, with a variety of sales tools – both through direct and programmatic deals. This market segment is also characterised by a multitude of different sales approaches. Publishers often make their offers available on several marketplaces/platforms, which forces them to apply different pricing strategies depending on the sales method, the place where this inventory can be purchased, the type of inventory (linear, VOD/OTT), etc.

2.1 Who can sell addressable campaigns? Main players on the addressable TV market

On a macro level, there are currently five groups of actors who can sell addressable campaigns. This specification focuses on the sales chain and takes into account the technical mechanisms used to deliver addressability as well as who controls the devices and the data used to enable targeted ads. The list does not include an ad tech providers category as such entities act as technology vendors and do not operate any ad sales and ad placement activities. However, some companies included in the below-mentioned list have tech divisions and they can act as technology vendors making their software solutions available to other players on the market.

a. Vertically integrated multichannel media holdings

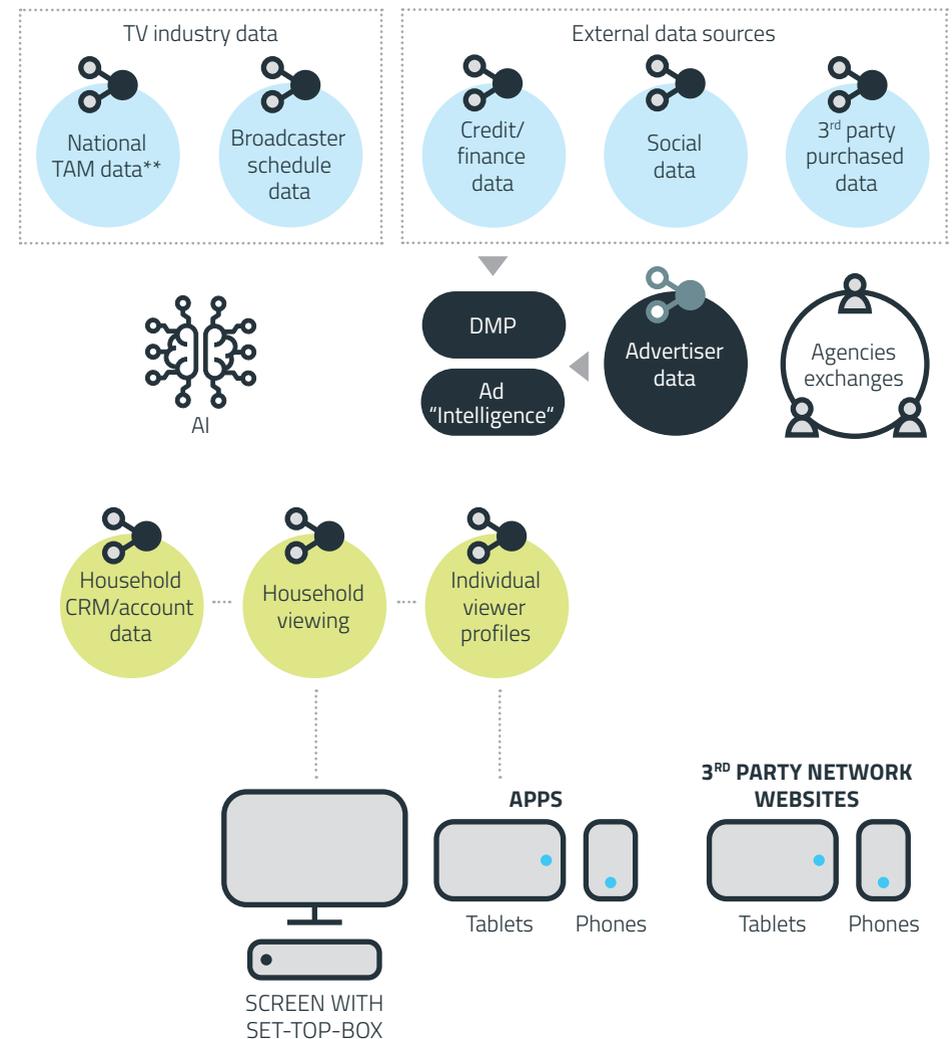
This group of actors can also be described as multichannel video programming distributors (MVPDs). Widely used in the U.S., this term relates to a cable operator, a multichannel

multipoint distribution service, a direct broadcast satellite service, or a television receive-only satellite program distributor, who makes multiple channels of video programming available for purchase (by subscribers or customers)¹⁸. In practice, such actors are usually large media groups operating in one or several markets, who integrate in their portfolio several types of services (usually as independent entities): telco and cable operators, TV channels (pay TV or free-to-air), VOD/OTT services and (often) ad tech providers.

Traditionally, companies belonging to this group started their operations in the distribution business and their market expansion happened through acquisitions of other components of the media value chain – be it TV channels or technology. Examples of such entities include: AT&T (its subsidiaries include, among others: Warner Media, Xandr, AT&T Communications), Comcast (owns NBCUniversal, Sky Group, Xfinity, Freewheel), Liberty Global (has in its portfolio brands such as UPC, Virgin Media, Telenet, SBS Belgium), Bouygues (owns TF1 in France).

However, with the constant evolution of online-based services, this category of actors has significantly changed. Apart from multimedia holdings that have some forms of *pure* broadcast businesses in their portfolio, this segment now also includes some *digital*-first companies. An example of a new entrant, who has recently transitioned into this group is Amazon. Its portfolio of services includes operations ranging from e-commerce, through first- and third-party video content apps (Prime Video and IMDb TV), devices (Alexa, Echo, Fire TV) cloud computing (Amazon Web Services), ad tech (it owns one of the largest SSPs and links its media assets to the e-commerce data) and recently

FIGURE 02: WHAT DATA IS AVAILABLE FOR ADDRESSABILITY – MVPDs*



Source: The emerging context for TV addressability. A Decipher white paper for ISBA, January 2019.

* Decipher uses the term "platforms".

** Decipher refers to BARB in the U.K. context.

18 https://www.law.cornell.edu/definitions/uscode.php?width=840&height=800&iframe=true&def_id=47-USC-1329842821-2064614876&term_occur=1&term_src=title:47:chapter:5:subchapter:III:part:I:section:325.

– sports rights (including UEFA Champion’s League, NFL, WTA and more)¹⁹. Other players aspiring to join this market segment are: Roku (a provider of a variety of digital media players and devices for video streaming of third-party content) and Samsung (a device manufacturer that has recently expanded its TV ad sales businesses; its data-driven ad solutions for CTVs are built around ACR and sign-in systems; it offers inventory in interfaces/display, third-party VOD and on Samsung TV+).

One of the common characteristics of companies belonging to this category is that they control most (or all) parts of the content delivery chain – from content production, through ad sales/content monetization to distribution and technology. In other words: they can deliver both functionality and content.

This ubiquity of offered products and services allows them to connect viewing behaviour data and insight across devices, platforms and providers (belonging to one group). Moreover, MVPDs usually have contractual relationships with their viewers – through their telco/cable/pay TV operations as well as their VOD/OTT platforms. This gives them access to large quantities of customer information (eg. credit card and billing details) that can be linked to viewership data. This enables them to identify, track, connect and target audiences in various environments (be it media or finance), which is the key element for building a sustainable strategy in an addressable future.

Moreover, multimedia groups are increasingly investing in building their own private software environments and private ad tech stacks (eg. supply-side platforms – SSPs) as well as creating their own private market places (PMPs) where they sell their inventories.

Multimedia holdings usually own or control certain devices (hardware – eg. STBs) or software (eg. apps installed on smart TVs) and some of them also specialise in offering stand-alone ad solutions (eg. Comcast’s Freewheel or Warner Media’s Xandr).

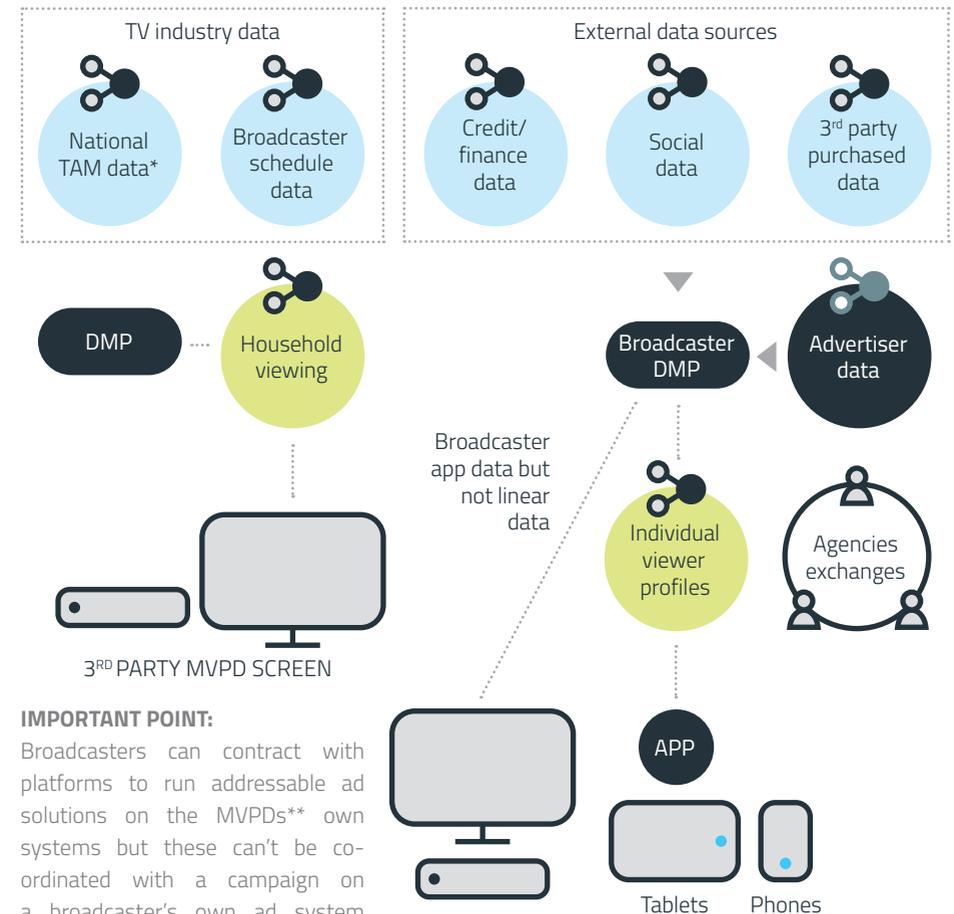
b. Broadcasters and publishing-first companies

This category of players includes a wide range of companies and media groups whose core business started and is still built around broadcast and publishing services. Examples of such entities include, among others: ITV (UK), Channel 4 (UK), SevenOne Media Group, RTL Group, TV2 (Denmark) and many more.

Broadcasters usually do not own nor control devices. The commercial proposition of such players mainly focuses on mass scale linear services and the surrounding content monetisation opportunities.

Unlike MVPDs, the relationship between broadcasters and their viewers is rarely contractual. This results in limited customer/CRM-type data sets. Traditionally, TV companies mostly rely on TAM data as the main source of insight about their viewers. With the

FIGURE 03: WHAT DATA IS AVAILABLE FOR ADDRESSABILITY – BROADCASTERS



IMPORTANT POINT:

Broadcasters can contract with platforms to run addressable ad solutions on the MVPDs** own systems but these can’t be coordinated with a campaign on a broadcaster’s own ad system as MVPDs and broadcasters do not share viewer or household ID information.

Similarly, data on the viewing of broadcast channels may be available to that broadcaster as part of a platform deal, but currently can’t be used to inform addressable solutions on the broadcasters own ad systems because MVPDs and broadcasters do not share viewer ID information.

CONNECTED SMART TV

Lack of log-in on smart TVs means no usable viewer data can be returned on linear TV use.

Broadcasters can build individual profiles based on app log-ins, but can not build household data or data which includes use of their broadcast channel in most instances.

Source: *The emerging context for TV addressability*. A Decipher white paper for ISBA, January 2019.

* Decipher refers to BARB in the U.K. context.

** Decipher uses the term “platforms”.

19 Examples of such deals include: a) UEFA Champions League (in December 2019, Amazon secured exclusive German rights to a package of 16 Champions League football matches per season for three seasons, starting in 2021/22); b) Women’s Tennis Association (WTA) (in June 2019, Amazon won four-year exclusive rights to WTA Tour events in the UK and Ireland, from 2020-24, offering up to 2,000 live and on-demand matches per year); c) English Premier League (EPL) (in June 2018, Amazon purchased exclusive UK rights to stream 20 Premier League football matches per season for three seasons, starting in 2019/20); d) National Football League (NFL) (in April 2018, Amazon bought exclusive digital rights to a package of 11 Thursday Night Football games globally on Prime Video and Twitch for the 2018 and 2019 seasons); e) US Open tennis (in April 2018, Amazon secured exclusive five-year rights to stream US Open tennis tournament in the UK through 2022); f) Association for Tennis Professionals (ATP) (in November 2017, Amazon secured exclusive five-year rights to stream 37 ATP World Tour tennis events in the UK and Ireland, from 2019-2023). Source: Amazon will be streaming the Yankees for Prime Members, Business Insider, May 2020. <https://www.businessinsider.com/amazon-expands-sports-streaming-ambitions-2020-3?r=US&IR=T>.

emergence of online services, the majority of TV companies completed their portfolios with proprietary VOD/OTT services. Since many of such platforms require users to log in (and some of them include paid tiers), TV publishers gained access to new types of data about their audience. This new information sets (often combined with additional second- and third-party data sets) allowed them to build new targeting capacities for their advertising offers.

Over the past years, many TV companies have heavily invested in ad tech infrastructure to create complementary data-based offers. For instance, in 2020, ITV launched its new addressable platform – Planet V – as a result of an exclusive deal with Amobee (for more information on Planet V please refer to page 88). RTL's offer includes solutions such as VMP Connect – a dedicated platform for pan-Euro ad buys across premium BVOD sites. The group also acts as an ad tech provider through its ownership of SmartClip, SpotX and YoSpace. Together with its competitor ProSieben, it also launched a dedicated addressable TV platform – d-force (see page 80). TV2 Denmark has a rich addressable offer on OTT (through TV2 Play and soon through its new self-service ad buying platform – TV2 Connect; see page 66).

While the core part of TV companies' inventory is sold through face-to-face and manual deals, broadcasters are also slowly venturing into the programmatic space (examples of solutions in this segment include products such as VMP Connect by RTL, One PTV by TF1, Ad Alliance in Germany and many more).

While, compared to MVPDs, TV companies are weaker in terms of ad tech and hardware infrastructure, they are in a privileged position when it comes to content and innovation around ad formats.

c. Online-based players

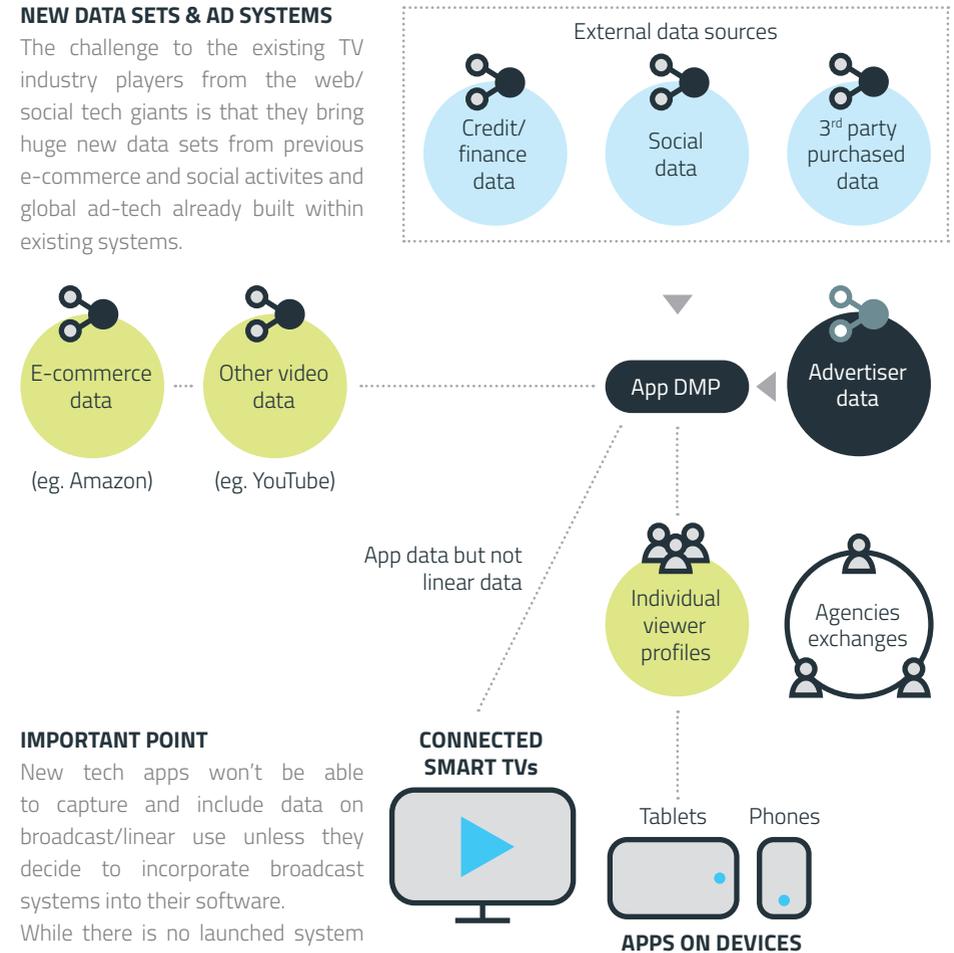
This group of players includes a wide range of companies that offer VOD and OTT services as a part of their portfolio, which often also includes other businesses (eg. devices, e-commerce, operating systems, ad tech solutions). Their streaming platforms operate under various business models – AVOD (ad-funded VOD), SVOD (subscription-based VOD), TVOD (transaction-based VOD; pay per view) or HVOD (hybrid VOD). Their commercial offer is mostly programmatic. Depending on their business formula (and whether it involves the collection of login and payment information from their users), such companies have access to large quantities of user data – both personal information and that about viewers' browsing behaviour. Examples of such companies currently include: Roku (aspiring to transition to the virtual MVPD category, if it manages to acquire control over more devices), Rakuten TV (owned by Rakuten – an electronic commerce and online retailing company; it may shift to the broadcasters' category, if it acquires more video content), Acorn TV (a video streaming service owned by AMC), YouTube, Facebook or Twitch (a live video streaming service for gamers operated by Amazon).

While it is debatable whether such type of commercial proposition can be treated as *television*, online-first players aggressively compete with TV companies for video ad budgets and are progressively shifting their interests from personal devices to the big screen. Digital giants have long pitched their video offer as an alternative to traditional TV advertising. On a purely marketing level, digital companies often include the word "TV" in the branding of their streaming services. This trend capitalizes on the ongoing convergence between different types of video content and media, and on the fact that most viewers do not

FIGURE 04: WHAT DATA IS AVAILABLE FOR ADDRESSABILITY – ONLINE-BASED PLAYERS

NEW DATA SETS & AD SYSTEMS

The challenge to the existing TV industry players from the web/social tech giants is that they bring huge new data sets from previous e-commerce and social activities and global ad-tech already built within existing systems.



IMPORTANT POINT

New tech apps won't be able to capture and include data on broadcast/linear use unless they decide to incorporate broadcast systems into their software.

While there is no launched system that allows this, Amazon have announced that they will build linear IP channels into the new versions of FireTV and Google have incorporated Android TV into the operating systems of new smart TVs.

Source: The emerging context for TV addressability. A Decipher white paper for ISBA, January 2019.
* Decipher uses the term "apps and devices".

care about the type of platform on which they can access their favourite programming as long as such programming is accessible.

Moreover, many online-first companies act as technology vendors and offer advanced software solutions that are used by TV companies as a part of their own ad tech stacks – eg. The Walt Disney Company now uses Google’s ad technology, Google Ad Manager, to deliver digital video and display ads across its brands.

Another possible way, in which digital tech giants can tap into the TV ad market, are agreements with telecoms. In September 2020, the press reported that Bouygues Telecom, the third-largest teleco provider in France, awarded a contract to Google to develop a targeted TV ad system that uses data such as browsing behaviour and socio-demographic information on Bouygues’ set-top TV boxes²⁰. Although the details of the agreement were not made public, the original request for proposals released by the telco, outlined a contract to develop a backend solution to store Bouygues’ targeting data, select which ad should be served to which household, and redirect this information to the ad server of the TV ad sales house or other monetization partners. The agreement is a first of its kind for Google in Europe and could open the door for the online advertising giant to strike partnerships with other television providers. Google also has a similar arrangement in Mexico with Totalplay Telecomunicaciones, which also offers TV packages to customers delivered over its fibre broadband network. According to some experts, such agreements (in the context of STB-level addressability) may result in internet service providers creating their own TV ad sales units (independent from TV sales houses) and tech giants getting access to TV

inventory. Subsequently, TV companies would not be the only players to monetize targeted audience data on TV.

d. Media agencies and data solutions providers

Media agencies and specialised data companies are also investing in specialised data solutions to help brands navigate through addressable offers. Examples of players falling into this category include, among others: GroupM’s Finecast (and its Addressable TV Group in the U.S.), Interpublic Group’s Matterkind (a new unit specialised in selling addressable TV offers), Samba TV (content recommendation engine and viewer tracking application designed for Smart TVs; it uses ACR); Beatgrid Media (that uses ACR to capture data and monitor campaigns and provides single-source TV and radio attribution solutions; Beatgrid sells data sets to advertisers), Smartclip (owned by RTL Group, is a multi-screen and multi-brand advertising company that distributes video ad formats across all devices and platforms).

e. Device manufacturers

Another group of players that sell addressable TV ads are smart TV manufacturers. Such companies commercialise a portion of ad inventory on their interfaces and apps (similarly to Roku and Amazon) using ACR technology. Two examples of such companies are VIZIO and Samsung. While these two players have been monetising their inventory through various SSPs, over the last two years, both of them decided to launch their own sales divisions: Samsung Ads entered the market in 2018 and VIZIO Ads Advantage in late 2019.

VIZIO’s ad offer is currently focused on the U.S. market. In terms of ad formats, until recently, its proposition was rather focused on display ads.

However, as of 2019, VIZIO also sells TV spots programmatically on the various apps that live on its SmartCast interface. Its ad products are powered by data from Inscope (the smart TV data company and subsidiary of VIZIO), allowing for near real-time reaction to glass-level viewing data. In 2020, the company introduced an additional service to complete its addressable portfolio – True Incremental Reach. Adjustable in near real time, it is designed to enable brands to use deterministic data to understand the overlap of audiences and the percentage of ad investments that hit “unreachable” households that are not exposed to advertising on linear or broadcast formats.

Samsung’s strategy in this area is different compared to its competitor. Unlike VIZIO (and its data selling arm, Inscope), Samsung Ads does not sell its data to ad vendors (no data licensing). It instead operates as its own mini walled garden, “effectively creating a tertiary business selling ad space”²¹. In practice, brands approach Samsung to buy ads. Samsung then facilitates ad delivery on the client’s behalf. In this way, Samsung keeps its user data protected, internal and valuable. Samsung Ads operates on several markets (including the U.S. and the U.K.).

The core argument of original equipment manufacturers’ (OEM) addressable sales pitch is data accuracy – derived from their technical capacities as hardware (CTV) and software (OS, UI) providers. Another important element of their offer relates to data privacy. Ad products offered by such companies are targeted at a household (rather than user) level and they do not use cookie data. Instead, they require user consent (often expressed during the initial set-up of the device). However, some OEMs may choose to sell data obtained from their users to external vendors (eg. VIZIO). TV manufacturers

also remain reliant on media partners for content as without it, it would be hard for them to go after ad budgets in any meaningful way.

f. Cross-industry ad sales and tech consortia

This category includes companies such as Ampersand (formerly NCC Media) in the US. This TV ad sales group is owned by Charter, Cox, Comcast and Beachfront Media and was launched to simplify advanced TV ad buys by pooling the fragmented inventory across networks and cable operators. Ampersand partners with OpenAP (see page 37) to allow advertisers to use consistent audience definitions based on standard-based approaches to data translations necessary for local and national campaigns. In January 2020, the consortium launched its AND Platform – a new interface where ad buyers can buy, plan and measure advanced TV inventory across Ampersand’s 85 million households and 120 cable networks. That footprint also includes 55% of U.S. addressable homes. This tool connects with Ampersand’s data platform, which houses set-top box data from 40 million homes that buyers can use to target local and national audiences.

2.2 How can marketers buy addressable TV campaigns?

a. Direct buys

The first (and the simplest way) for marketers to buy addressable linear and BVOD inventory is through direct sales from TV companies. In this set-up, brands and agencies can purchase addressable ad campaigns using broadcasters’ dedicated sales teams or their sales house. The main advantage for marketers is that this system gives them more control over the

20 Bouygues Telecom se lance dans la publicité adressée avec Google, Septembre 2020, <https://www.zdnet.fr/actualites/bouygues-telecom-se-lance-dans-la-publicite-adressee-avec-google-39909677.htm>.

21 Samsung Ads Makes Its Pitch. What’s It Selling?, October 2018, <https://www.adexchanger.com/digital-tv/samsung-ads-makes-its-pitch-whats-it-selling/>.

buying process as it allows them to select the exact types of shows/content where their ads should appear. The main disadvantage of such a solution is that audience definitions across publishers may be significantly different, which can make it difficult for a client to plan a cross-publisher campaign (especially if the said campaign is supposed to combine OTT and linear). To facilitate this direct process, broadcasters in certain countries, have put in place shared sets of audience segments for advanced advertising on linear television. An example of such initiatives are common audience segments adopted by Bell Media, Corus Entertainment, Rogers Sports and Media and Quebecor Media in Canada. This approach aims at facilitating the harmonised media buying across the publishers' portfolios²².

b. Programmatic and automated buys

Automated and programmatic ad buying often goes hand in hand with addressable as a considerable part of addressable inventory (especially on VOD/OTT) is sold in this way. Programmatic TV can be defined as a technology-enabled automated and data-driven method of buying and delivering ads against TV content. This includes digital TV ads served across the web, mobile devices, and connected TVs, as well as linear TV ads served across set-top boxes. Such automation, can take the form of automated market places and self-service platforms through which marketers can buy video inventory. However, such tools may also include various proprietary tools used internally by publishers and their sales teams (not accessible directly to their clients) that allow for the simplification and automation of media planning and workflows.

Walled gardens

Clients can also purchase addressable campaigns from walled gardens. For instance, Roku and Amazon both sell ads for apps that run on their platforms. Such sales are made on a programmatic basis and allow marketers to tap into rich data sets gathered by the streaming service. Such data sets often also include login details as well as other types of information (eg. behavioural, purchase, credit card and billing information) gathered throughout different operations and business branches of the group who owns the streaming platform. Another advantage for clients is a relatively low price point that offers an interesting alternative for advertisers who have very limited ad budgets. On the other hand, the main disadvantage of this set-up is again the lack of consistence when it comes to audience definitions across different environments. Another downside is the quality differences when it comes to inventory coming from different providers.

Private marketplaces

Many publishers also run their own private marketplaces that enable advertisers and agencies to programmatically purchase video ads running across their live TV and on-demand outlets. Such proprietary solutions have been launched both by individual operators (eg. Hulu's PMP or solutions like One Platform by NBCU – see page 37) and wider coalitions of companies (eg. OpenAP – see page 37).

Demand- and supply-side platforms

VOD and linear inventories that are neither sold directly by the TV companies nor available via one of the walled gardens, can be sold and purchased programmatically through a multitude of demand-side platforms (DSP) and supply-side platforms (SSP) available on the market



(eg. those offered by SpotX, Beachfront or The Trade Desk). Many TV companies have recently invested in various programmatic solutions to boost their data-driven propositions for both their VOD/OTT and linear offers. Some of them make parts of their inventories available for purchase via agency trading desks. An example of such solution is previously mentioned One PTV by TF1 in France. Through this proposition (a direct consequence of its deal with The Trade Desk), TF1 Publicité makes its non-primetime linear inventory (on TMC, TF1 SÉRIES FILM and TFX) available to buy via agency trading desks. Buyers can purchase campaigns against close

to 100 attributes. The solution uses fixed CPM/ fixed volume pricing model with guaranteed delivery. While the One PTV offer cannot (yet) be accounted as addressable TV *sensu stricto*, it is a natural continuation of the broadcaster's earlier data-driven products and projects (eg. LaBox²³, Sygma²⁴ or CPM 5 écrans²⁵) and may be seen as a step in its preparation for the addressable future (it is noteworthy that addressable TV was officially legalised in France in August 2020).

²³ LaBox is a special media buying and video creation tool by TF1. It is addressed to small and medium companies that do not use media agencies and gives them the ability to run advertising on the TF1 group's media outlets while benefiting from video ad creation without ever leaving the platform.

²⁴ Launched in 2018, Sygma SYGMA is a set of common principles related to security and data privacy on the French TV market. It includes a number of requirements that demand-side platforms have to meet to in order to access the valuable login-based VOD inventory from France Télévisions, M6, and TF1 (i.e. respectively France.tv, 6play and MyTF1).

²⁵ CPM 5 écrans is a special data offer by TF1 that allows brands to plan their campaigns on all screens (TV, IPTV, desktops, tablets and mobile) using one metric (net CPM) and based on the Shoppers target (i.e. individuals from households generating the highest quantities of brand purchases from any of the 44 products/market categories). The offer is available on TF1, all TNT channels (TMC, TFX, TF1 Séries Films, LCI) and MYTF1.

²² Common advanced advertising segments, June 2020, <https://thinktv.ca/post/common-advanced-advertising-segments/>.

2.3 Examples of addressable campaign formats

Addressable TV offers countless possibilities in terms of campaign formats (both display and video)²⁶.

a. Standalone hyperlocal campaigns

This format allows brands to run specific regional campaigns where there is no parallel national campaign. Segmentation can be done based on post codes (with a low data requirement, it only requires an approximate location) or on proximity locations – when certain audiences can be included/excluded based on their proximity to a specific location (eg. within 5 min from restaurant X). Hyperlocal campaigns can be particularly interesting for small, medium and regional clients. This type of addressability can be an interesting alternative to social media campaigns – largely used by small businesses – which could allow broadcasters to bring back to TV some of the ad budgets that have shifted to digital over the last couple of years.

b. (Hyper)local campaign ran as part of a larger campaign (ie. in combination with local, regional and national)

Using this mechanism, brands can deliver specific local messages within the context of a parallel national television campaign. Segmentation can be done based on post codes or proximity locations.

c. Shared ad breaks campaigns

This format is primarily a trading mechanism in which an umbrella brand/group buys a spot (or an entire ad break) and shares its use among its sub-brands or products. The split can be done:

- either by target (and associated product category): in such set-up the spot is divided between different products/brands owned by the same group (eg. an automotive manufacturer like Volkswagen Group can decide that households with families see an ad for VW Touran and singles in large cities see an ad for Audi A1);
- or by company: in this case, an agency books a single spot and “splits” its use between its own clients.

This mechanism can be interesting for big advertisers having several brands within one group.

d. Addressable campaigns used to optimise ad frequency (frequency capping and ad sequencing)

This format can be useful for brands that both struggle with reaching specific audience segments and wish to prevent over-exposure among other categories of viewers. Addressable ads falling into this category do not replace traditional large-scale campaigns, but complement them to achieve one of the above-mentioned objectives. Using addressability, advertisers can control the contact frequency of an ad over any given period of time, which enables them to optimise ad spend and exposure. This results in more efficient campaigns, with extended reach and a better viewer experience. Marketeers can also finetune the sequencing by defining the exact number of ads in a single TV flight and the order of their delivery. This enables them to effectively build a storyline of episodic-type ads that can result in higher ad impact and engagement

e. Campaigns with segmented messaging

With this type of campaigns, an advertiser delivers different messages to different audience segments built using either first- or third-party data. The use of third-party data allows for a subtle campaign refinement based on message variations (while not running multiple campaigns). Targeting based on customer segments (first-party data) enables audience splits that could include – for instance – lapsed, current and future customers. Brands can also reach specific audiences with an impending date (contract renewal etc.), as opposed to the main group that would receive the “standard” message.

f. Specific profile/call-out campaigns

This format allows brands to use addressability to target very specific audience segments, selected based on demographic or behavioural trait, that simply cannot be reached by mass scale TV campaigns. Since the key to the success of such campaigns is the depth and quality of data, this is the area where TV companies can gain advantage over their digital competitors. This mechanism can be particularly profitable for broadcasters that are part of larger vertically integrated media groups (which also have cable/telco/pay TV operators in their portfolio), as well as for those who have large quantities of log-in data about their viewers (eg. coming from their VOD/OTT offer). This kind of campaigns can be used as an extension of the existing digital video ad campaigns.

2.4 How much addressable inventory is out there?

a. U.S. and Europe

In the U.S., addressability on linear TV is limited to two minutes per hour of the ad inventory (i.e. *local avails*) granted to cable operators by the TV networks under their affiliation agreements. In the current state of the market, there is no addressability available on the four main TV networks (ABC, FOX, CBS, NBC) at the national level. That said, some of these broadcasters intensified their efforts to unify different components of their TV offers and maximize up-scaled targeting capacities across all parts of their media outlets (see page 36). There is also a number of wider cross-industry initiatives focused on technical standardization, audience measurement, audience segments definition and media buying that may have a positive impact on the future development of the addressable market (eg. Project OAR – see page 46, OpenAP – see page 37).

In Europe, TV companies are usually not bound by any strict local agreements with cable operators when it comes to the exact number of minutes per hour that can be allocated to addressable slots on linear TV. Most limitations result from three types of constraints: commercial (composition of the company’s global TV offer; risk of cannibalisation of assets, etc.), technical (eg. tech capabilities of STBs, existence of advanced ad tech stacks, availability of high-quality data sets) and legal (data privacy and data protection legislation on both a national and EU level – see page 48).

Independently of the region, TV companies could use addressability to create value for unsold and hard-to-sell parts of their linear airtime that cannot be monetised in a traditional way (see page 33). Depending on the country and each individual company, this possibility

²⁶ egta’s Online Talk with N. Walley – Managing Director at Decipher (virtual workshop + preparatory materials), July 2020, <http://www.egta.com/>.

could extend the total amount of inventory that can be replaced by addressable ads.

In addition to linear TV, there are large amounts of one-to-one addressable inventory available across various OTT options. These include: “traditional” BVOD services and apps operated by individual TV channels as well as services such as Sling and Roku. Many OTT platforms (eg. Hulu Live TV, Pluto TV, Direct TV etc.) also offer live TV channels to their users and for some TV companies linear OTT is the only (or primary) way for delivering addressability.

b. Does scale really matter?

Scale is frequently named as one of the key challenges when it comes to addressability. In this context, the central question remains: how to upscale audience-based data-driven solutions to serve national campaigns?

Addressable TV advertising is often viewed as a viable alternative to ad products offered by the GAFAs. While most TV companies still operate within individual national markets, the current video ecosystem becomes increasingly convergent. Globalisation tends to favour global online platforms whose ad propositions are more *horizontal* and can be applied across several markets or regions. Since many brands plan their ad budgets on a regional – rather than national – level, they need multi-market advertising solutions that can support their global business objectives. Therefore, in order to succeed in the addressable space, TV companies would need to develop large-scale data-driven products, offering similar levels of sophistication (in terms of audience targeting, media planning, buying and reporting) to those proposed by the global online players.

While large-scale solutions can certainly bring in profits for broadcasters and brands alike, many experts indicate that the key benefit of addressable is not massive reach, but rather

the ability to target efficiently. Trying to hit all households with several variations of the same addressable campaign may not be the most effective and cost-efficient solution for an advertiser. Instead, the true value comes from addressing smaller but very specific audience segments. In this approach, addressability becomes a high-end specialised solution acting as a complement, not a replacement, for mass-scale linear TV broadcast offers. It can be used as a means to extend reach or manage ad exposure in case of national campaigns, or to attract completely new types of clients, who otherwise would not invest in TV due to budgetary limitations or type of activity (eg. niche brands, very specialised luxury products). *(For more information on campaign types please see page 30).*

Yet another question relates to the very definition of addressability. This aspect is often linked to the level of targeting proposed by different ad sellers and media operators. In fact, most data-driven products offered by TV companies are based on *one-to-many* principle. However, unlike in the case of “traditional” TV, such solutions allow for serving ads to *selected groups* of viewers who meet specific criteria. Additionally, especially in the linear context, addressable solutions usually rely on the household (not *user-level*) targeting *(see page 10 for more details on targeting in the online and linear environments)*.



2.5 How do TV companies sell addressable TV?

a. Commercial challenges related to ad insertion and inventory optimisation

One of the main challenges when it comes to selling addressable offers is linked to spot (re)placement: each time an addressable commercial is delivered, it overwrites another ad. While in the online environment (VOD/OTT) it is less of a problem as most video ads are dynamically inserted, spot replacement is more complicated on linear TV. There, TV companies need to “find space” for each addressable ad and reconcile all aspects of addressability with their “traditional” offer (measurement, pricing, sales).

This issue is more or less pronounced depending on the ad format. Display-type addressable ads (in the form of lower thirds, L-shape, partial

overlays, full screen creatives with video previews, etc.) are usually less problematic. They are typically used in relation to another video commercial from the same advertiser to provide more information about a product/service or add an extra layer of interactivity, or around elements of a TV show (eg. credits). Therefore, they usually do not result in replacing any concurring commercials.

The situation is more complicated in case of dynamically inserted video ads as they require a TV company to insert them in place of other video content. There are several ways in which a broadcaster may deal with this challenge. Most of these rely on the choice of inventory that can be replaced with addressable commercials.

One tactic that a TV company can employ is to limit the ad replacement to its “own assets”. This means that addressable commercials will be inserted in place of auto-promotional spots, parts of shows’ credits and similar material.

From a business point of view, the insertion (all technical aspects aside) becomes a relatively streamlined process. Since the replaced commercials are broadcasters' own properties, such an operation usually does not have any considerable impact on revenues, invoicing and relationships with clients. The main downside of this tactic is the limited number of ad slots that can be used for addressable slots – especially, in view of the limitations as to the amount of advertising allowed on TV per hour (eg. 12 min in the EU).

Broadcasters, who want to scale up their addressable offer, usually are looking for ways to increase the amount of available inventory for targeted ads. For this reason, some TV companies decide to also replace other (not only self-owned) TV ads. This means that addressable commercials may be inserted in place of regular spots that were broadcast in the original transmission, which most likely were paid for by another advertiser. Such form of an ad insertion can be challenging from a business point of view. First, the measurement (or the reporting) system in place should be able to determine which original commercials were replaced. It should also be able to account for addressable impressions when compiling the information from the TV panels (to prevent skewing the data by addressable exposures). Second, this method may require some form of compensation for advertisers whose linear ads were overwritten. BARB in the U.K. (who has been measuring Sky AdSmart since 2013 and started measuring Virgin Media addressable TV ads in 2019) estimates that approximately 1.5% of ads on Sky's TV channels were overwritten²⁷. If these were all paid-for commercials, it would

represent £20 million²⁸. While this may not sound like a lot, if a similar value was applied to the U.S. market (at a national level), it would represent close to \$1 billion of linear TV ad overwrites.²⁹

One possible work-around to counter the revenue loss linked to overwriting ads, is the single-advertiser spot optimization (SASO), which means that addressable TV ads will only overwrite linear TV ads purchased by the same advertiser (*more on campaign formats can be found on page 30*).

The broadcaster can also choose to partially replace its own content (auto-promotion, credits, etc.) and supplement any possible lacks of inventory by overwriting some of the clients' ads to minimise the commercial impact of such measure.

Some TV companies, if forced to overwrite external paid-for spots, only choose to replace GRP cost-guaranteed campaigns (if they have such spots in their offer). With this method, those GRPs, coming from ads that were overwritten, are excluded from the final reporting and the advertiser, whose ads were replaced, does not pay for them.

Addressability can also be used by broadcasters to create value for certain types of inventory that may otherwise be difficult to sell – eg. ads on niche channels, in certain dayparts outside primetime, etc. In particular, this is the case of zero-rated spots (ZRS) that are, in many cases, one of the primary types of ads to be replaced. While this tactic can be profitable for a TV company, it is often criticised by marketers. First, because traded CPMs for addressable linear offers are much higher than those for

“traditional” linear TV. Second, ZRS inventory often comes for free to brands in case of classic linear campaigns (if no minimum rating criteria are defined by the sales house).

b. Evolution of the pricing of addressable offers compared to linear TV and VOD/OTT

It is difficult to make a comparison in terms of pricing when it comes to linear TV, VOD/OTT and addressable offers as the cost of spot placement on TV varies heavily depending on the type of platform (linear vs. OTT), channel (mainstream/niche), daypart and type of show. One of the figures often quoted both in the press and in TV publishers' rate cards indicates that CPMs for addressable campaigns are three to four times higher than those for linear broadcast ads. However, such estimates should be treated as approximative benchmarks rather than as an industry-wide standard.

With the progressing automation of sales, we can anticipate the proliferation of on-demand pricing systems and private market places which will further simplify ad buying processes. Nevertheless, it seems unlikely that the majority of TV inventory (including its addressable components) will be sold programmatically due to the regulatory constraints that broadcasters are subjected to. The pricing of addressable offers (in relation to the price of linear offers) is likely to find its “natural” level determined – among others – by the amount of inventory available on each market and the evolution of ad tech, which may help streamlining the ad buying operations.

c. Trading currencies

While “traditional” TV uses GRPs (gross rating points) as the primary trading and reporting metric, addressable offers usually rely on impressions. This mechanism is used by the majority of TV companies offering addressable solutions as it seems more adapted for targeted

ads. However, the use of different trading currencies for linear broadcast and addressable campaigns is one of the major challenges when it comes to commercialising data-driven offers. For big brands, who use addressability to extend the reach of their national campaigns and manage frequency, using GRPs could help them calculate these metrics. On the other hand, a lot of smaller and regional brands (who often are the primary clients attracted by addressable offers) are used to impression-based metrics as online media have been their primary marketing channels for years. This aspect is closely linked to how addressable ads are measured and reported (*more on this topic on page 41*).

d. Pricing models

In the current state of the market, most broadcasters use some form of **CPM-based pricing models** to commercialise their addressable offers (both on linear and VOD/OTT). CPM stands for *cost per mille (cost per thousand)* and refers to the solution whereby an advertiser pays a flat rate for every 1000 impressions that an ad receives. These ad responses must be recorded as late as possible in the process of delivery to capture the closest to actual opportunity for an ad to be seen by a user. From the broadcaster's point of view, this model is advantageous because it focuses on deliverability (showing an ad to a specific audience) and measurable results (reporting how many impressions were actually delivered), and both elements are the strongpoints of the TV business.

Many variations of the CPM-based mechanism can be applied by TV broadcasters and the decision as to which option works best for a particular company, depends on many factors. These include the specificity and the composition of each company's addressable offer (eg. type of targeting criteria, types of spots that will be replaced by addressable ads,

27 As Addressable TV Advertising Grows, The Industry Must Address Overwrite Measurement, January 2020, <https://www.adexchanger.com/tv-and-video/as-addressable-tv-advertising-grows-the-industry-must-address-overwrite-measurement/>.

28 Idem.

29 Idem.

campaign types and ad formats, integration of addressable products into broadcaster's global TV proposition, etc.) as well as market dynamics (eg. overall amount of addressable inventory available on the market, competitors' propositions, etc.).

Most pricing strategies applied in this area by TV companies emphasise the link between the price of the campaign and the level of sophistication in terms of targeting. In certain commercial approaches, the cost of different targeting criteria (or combination of attributes) may vary significantly. In fact, the more granular and complicated targeting is, the more expensive the campaign gets. However, such a solution may easily result in making an ATV offer very complex. For this reason, many broadcasters employ different tactics in order to ensure greater simplicity and clarity when it comes to pricing. This usually implies some form of a "fixed price" approach, in which the combination and weighting of different targeting parameters chosen by the client determines the fixed/flat price (and often volume) for each particular campaign based on its audience, objectives, etc. Another example is a flat-CPM model, in which each targeting attribute is priced the same. Of course, a client can build audience segments based on multiple criteria. Many TV companies apply such a fixed price to a certain number of "standard" pre-defined audience attributes. The broadcaster may also offer additional targeting possibilities (not included in the basic offer) which price may be different from the flat basic rates mentioned above. Therefore, any "premium" attribute (usually those that are used for targeting very refined audience segments and require more sophisticated tech) or custom attribute (built at the request of a specific advertiser) can be charged extra.

(More information on individual pricing systems applied by different TV companies for their addressable properties can be found in Part 05).

e. Addressable TV and the simplification of TV offers

Insufficient automation and great complexity of the TV planning and buying processes are among the key challenges holding back the expansion of the addressable TV market. Many marketers are keen to align their video ad buying tools and practices across all key platforms – including TV. They want a holistic view of audiences, data-driven targeting, optimized campaign management, easy buying as well as detailed and swift (possibly near real-time) reporting for their video campaigns across all platforms and devices.

While addressability certainly brings the promise of automated audience- and outcome-based ad buys to the mix, it also triggers a wider discussion on the evolution of TV offers. In the context of addressable advertising, questions related to automation and audience buying go beyond the choice of suitable ad tech and the creation of self-service tools for marketers. In fact, these concepts often appear as different facets of the same debate: *how can a TV company come up with a consistent holistic offer for multiplatform TV, while making ad campaigns easier to plan, buy, measure and more accountable?*

While the biggest part of most TV offerings (including addressable and data-driven propositions) is still sold through direct deals, indirect sales (usually completed by an automated process) are on the rise. Moreover, over the past years, many TV companies have developed specialised solutions to bridge different parts and aspects of their inventories: linear + VOD/OTT; mass reach + targeting and personalisation; direct sales + automation and programmatic; general TAM viewing data



+ specific reporting for digital and ad-driven products, etc.

An interesting initiative in this area is OpenAP – a TV network consortium (currently including³⁰ NBCUniversal, Fox, ViacomCBS, AMC Networks and Univision) operating on the U.S. market. Founded in 2017, in its initial form, OpenAP solely focused on standardising audience segments definitions across the participating publishers (and only allowed brands to find the shows that indexed best against their target audiences – using an indexed advertising technique). The improved 2.0 version (called OpenAP Market) premiered in October 2019. It was designed to enable unified, audience-based buying of premium video advertising inventory across digital and linear TV programming. With these improvements, the solution gained a true addressable footprint in a sense that it

now enables marketers to effectively plan campaigns and buy the audiences they want. The marketplace connects directly to agency planning systems and approved DSPs via standard APIs. Buyers can create, upload and augment an audience, as well as collaborate with OpenAP to build or extend an audience (without duplication) using custom or licensed data. Marketers can also buy inventory from a single publisher, purchase cross-platform campaigns and review one forecast of goals based on media plans from each network. The tool gives them access to unified, cross-network forecast insights for improved messaging and budget allocation planning.

Another recent example in this area is One Platform by NBCUniversal. This new tool, announced in 2020, is part of an ongoing trend by the media industry to harness the

³⁰ One of the founding members of the consortium – Turner – left Open AP in April 2019.

explosive surge in video viewing and advertiser demands for clear metrics and ease of use across different ad sales systems³¹. According to NBCU, One Platform will be the first truly holistic addressable advertising solution that lets clients plan, schedule, optimize and measure across both digital and linear channels. Previously, separate systems oversaw digital and linear channels. With this new approach, NBCU unifies its commercial offer and provides an integrated approach to the development of its addressable products.

On the functional level, One Platform is composed of four interconnected segments³²:

- One Optimizer: a unified cross-platform optimizer based on reach/frequency objectives;
- One Plan: which enables advertisers to create one streamlined plan for media investment;
- One Delivery: a new system to unify scheduling and trafficking of campaigns across linear and digital platforms; and
- One Measurement: in which NBCU's existing CFlight measure unifies impressions across all NBCU screens – TV networks and digital platforms – with a single metric for a marketer's campaign.

The main selling point of One Platform is NBCU's new all-audience transaction model enabling the TV company to specifically offer four categories of audiences: broad reach audiences, demo target audiences, advanced target audiences, and audiences who are passionate about live events.

The above-mentioned projects are only two examples of a wider market trend towards

the simplification of TV sales offers. Whether understood as a consolidation of tools, technologies and business approaches within single companies or as collaborative cross-market projects, such initiatives may be the first step towards facilitating the proliferation of addressable offers.

f. Costs and complexity

High CPMs for addressable TV ads are often among the key reasons why advertisers remain reluctant to invest in this type of campaigns.

From a technical standpoint, addressable TV requires cooperation between various companies, including broadcasters, telco and cable operators as well as ad tech providers – and each of these entities needs to be remunerated in the process. Another cost-inducing factor relates to the complexity in terms of campaign planning, management and execution. Addressable campaigns usually require additional coordination between several actors to create multiple variations of campaign's creatives, plan several highly calibrated messages based on multiple data sets and optimize the campaign's roll-out depending on its performance. Higher CPMs are therefore driven by the necessity to pay all stakeholders in the campaign's value chain. For this reason, such environment favours large media groups offering various types of businesses under one umbrella: from telco and cable operators to creative units and content providers.

It is noteworthy that addressability may not be the best solution for certain brands, types of products or brand objectives. For instance, advertisers, who plan to reach more than 25-30% of total TV viewers, may achieve better

results buying linear TV (which is easier to plan and execute) than investing in addressable ads. It is therefore essential to establish the most effective media channel, type of messaging and campaign format for any given product to avoid unnecessary expenses.

That said, addressability offers several mechanisms when it comes to costs optimisation. Since it allows brands to reach their exact targets, it enables them to avoid over- and under-investment in certain audience segments. Despite higher CPMs than on linear TV, the overall campaign cost for addressable campaigns may be much lower than on linear broadcast (less waste – more ROI). Additionally, TV companies, who have a lot of different types of inventory, can calibrate their individual offers in a way that they can surpass similar solutions offered by digital-only players – in terms of data quality, targeting options, creative formats and brand safety. Such finetuned solutions may have lower (total) price point than mass-scale broadcast campaigns while being more effective than typical online video ads.

³¹ Other examples of such tools on the U.S. market include Viacom's optimization program – Vantage; AT&T's subsidiary Xandr is working to bridge the telco's assets with Turner and the rest of WarnerMedia.

³² NBCU To Unify, Simplify Ad Campaign Tools With 'One Platform', January 2020, <https://www.mediapost.com/publications/article/345416/nbcu-to-unify-simplify-ad-campaign-tools-with-on.html>.



PART 03:
HOW ARE
ADDRESSABLE
CAMPAIGNS
MEASURED?

One of the most complicated aspects related to addressability in the TV context is linked to audience measurement. Unlike for “traditional” TV ads, TV ratings do not play a critical role when it comes to addressable campaigns: due to the very nature of targeted advertising, marketers are less concerned by the total number of viewers who watched a show or an ad. Instead, they want to make sure that their commercials are delivered to the right viewers or households who meet specific criteria.

While there is a lot of information on campaign delivery (gathered by telco/cable operators, TV companies, video streaming providers, specialised data companies, etc.), there is currently no universal measurement standard (nor trading currency) that can be applied to addressable campaigns running on any specific category of platforms/devices or across the entire TV/video environment.

In fact, addressable advertising is measured and reported differently depending on:

- the delivery mechanism and technology (eg. set-top-box, ACR, desktop or mobile apps, CTV apps, proprietary CTV solutions based on HBBTV or ATSC protocol, etc.);
- the device/platform on which such ads appear (CTV, mobile, desktop, etc.)
- the provider who sells and/or effectively enables addressability (eg. TV company, telco or cable operator, ACR provider, etc.)

3.1 Combining various data sets

The first layer of complexity in this debate results from the multitude of data sets used to enable addressable campaigns. These include: set-top-box data (owned by telco or cable operator), national TAM data, ACR data, TV companies’ first-party data (eg. login, behavioural for VOD/OTT and pay TV), data provided by advertisers

and agencies, third-party data sets, credit card and billing information gathered by TV companies, telcos or digital streaming services, social data or some combination of the above. (See pages 21, 23 and 25 for more information about data that is available for addressability).

3.2 Navigating a multitude of reporting systems

Marketers and companies that run addressable ads usually rely on various internal reporting systems to track the number of delivered impressions. Such reporting information is often validated by audience measurement companies (eg. Comscore – for Xandr’s products, Nielsen’s DAR – for Freewheel and Google), data firms (eg. Invidi, iSpot) or even some JICs (joint industry committees – e.g. BARB in the U.K.). This data can also be supplemented by tools provided by a number of marketing technology companies to track, analyse and match up the various data sets employed in addressable campaigns. For instance, companies such as Oracle or LiveRamp can help combine data from a TV network like Comcast with advertiser’s customer information; similarly, Xandr works with 20 external third-party data providers.

3.3 Measuring linear and online environments

a. Data gathering tools

One of the main obstacles when it comes to both measuring and delivering addressable ads is the idea of *individual users* and *households*. While addressable OTT ads, at least in theory, are aimed at individual users, addressable ads on TV sets are usually aimed at households because of inherent data limitations imposed by the delivery methods. ACR and STB data currently rely on probabilistic modelling to determine who in the household viewed an ad

(otherwise these delivery mechanisms can only offer a household-level targeting). One solution to this problem can be the use of personal people meters (PPMs) that may provide person-level data on who is actually watching TV content or an ad. PPMs are employed by many measurement companies (e.g. Nielsen, Kantar and Comscore) as a complement to their various measurement services used in some TAM systems. For instance, Nielsen’s PPM technology is integrated into the local TV measurement in 44 local markets in the U.S. Outside the U.S., in the TV context, PPM panels are currently being used in Canada and Iceland. Viewing information gathered using PPMs could also be combined with the TV panel data, allowing for improvement of the statistical and probabilistic modelling – at least when it comes to addressable TV.

b. Aligning metrics and calculation methods

Another challenge in this area comes from the fact that linear broadcast TV uses GRPs (gross rating points) as the trading and reporting standard, while addressable TV usually relies on impressions. While the latter introduces an online metric to world of TV, there are some arguments to be made for “not discarding the use of GRPs” in this segment. Many industry representatives emphasise that it would allow (at least partial) alignment between trading currencies used to sell different parts of TV offers. Since “traditional” TV is measured and sold based on long-established, transparent and well audited metrics, this approach could help raise the bar for the measurement of addressable ads. In case of big brands, who use addressability to extend the reach of their national campaigns and manage frequency, GRPs could help them calculate these metrics.

On the other hand, using impressions makes a lot of sense since the buying process for addressable ads is both audience- and

outcome-based. It is also a system that a lot of smaller brands are used to as digital media have been their primary marketing channels for years. However, this approach faces challenges when it comes to defining what an *impression* is. Such definitions are closely linked to the *viewability* standards and those vary depending on the platform operator or media owner. Some publishers understand an *impression* as the number of viewers who watched the first “X” seconds of an ad; others define it as the number of people who watched an ad to its completion. This kind of reporting often lacks transparency and is not independently audited. It is therefore impossible to make any “apple-to-apple” comparisons across different platforms and publishers.

c. Attribution

One of the terms that has gained a lot of attention (also in the context of addressable TV) is multitouch attribution. This concept refers to the practice of assigning credit to marketing touchpoints proportionally to their impact in driving a desired conversion outcome. In practice, it allows for measuring viewers’ journey in the sales funnel to understand what ads they were initially exposed to, all the way up to the commercials they saw directly before the purchase. Companies offering such solutions deploy specialised algorithms that allow them to identify *lookalike audiences* (with similar demographics and purchase intent) across TV and digital channels who were not exposed to the ads in question. The behaviour of those lookalike audiences is then compared with audiences who have seen the ads in order to determine which creative units were most effective, at which times of day, on which networks or platforms, on which devices and in which geographic codes. One potential problem when it comes to multitouch attribution is the quality of algorithms used by different providers

(therefore the quality of *attribution* service varies from one company to another and it makes comparison of different approaches difficult). Another issue is that the effectiveness of this technique heavily depends on the brand's KPIs (e.g. it is easier to determine which ads led to a purchase than what commercial contributed to improving an overall brand's image). For this reason, TV networks use attribution as a complement rather than as the key element of their reporting systems (based on various types of data).

d. Addressable TV and cross-platform measurement

Independently of the applied data gathering method, measuring addressable ads in the linear environment presents several challenges. The most important one manifests itself when an addressable commercial replaces a linear ad that had been purchased by another client (*see page 33*). As true cross-platform measurement still seems very elusive, one of the issues that still lacks generalized standards relates to uncoupling measurement and reporting of addressable spots from national ratings (for "traditional/non-targeted" ads). The measurement system should make it possible to capture and report such events so that they do not have a negative statistical impact on the general panel data. Until now, it also has been impossible to overlay and deduplicate viewers between the different addressable TV inventory providers or to measure *like-for-like*. This is not only because of the fragmentation (delivery mechanisms, ad tech, measurement methods, analytics, reporting, etc.), but also because many market players are protective of their inventory and trading position. Finally, there is the challenge of measuring and resolving an *addressable collision* (ie. a situation when a smart TV DAI ad overwrites a set-top box addressable

TV ad). Cable, satellite and smart TV DAI systems need to communicate to ensure that broadcasters do not sell the same impression twice.

In some countries, addressable TV campaigns are measured by the JICs (joint industry committees). This is the case of the U.K., where BARB – the Broadcasters' Audience Research Board – has been measuring Sky's AdSmart since 2013. That said, BARB only reports the commercial impacts for dynamically served ads at an aggregate level and this data is not part of a common market currency.

An interesting example of a corporate-led initiative in the measurement area is CFlight. Launched in 2018, this multiscreen metric was developed by NBCUniversal and was initially available on the U.S. market. In 2019, the solution was introduced in Europe by Sky after its acquisition by Comcast. In Europe, Cflight was first rolled out in the UK, and it may be progressively expanded to other markets where Sky operates throughout 2020.

CFlight is billed as the industry's first unified advertising metric that captures all live, on-demand and time-shifted commercial impressions on any platform. It also captures co-viewing where possible. NBCU and Sky position it as an open-source solution that could become the basis for a global standard in cross-platform measurement and its adoption in Europe was an important step towards this goal. In 2020, the CFlight methodology was included in NBCU's One Platform – a unified commercial proposition launched to improve the broadcaster's addressable ad offer (*see page 37*). On the U.S. market, in 2019, ViacomCBS adopted its own (adapted) version of the CFlight methodology for the TV upfronts, demonstrating a possibility of adopting this mechanism beyond



Comcast-owned properties³³.

The significant fragmentation when it comes to measurement and reporting led to some companies consolidating their efforts around collaborative initiatives (such as Project OAR – *see page 46*) to make addressable easier to sell and buy thanks to the creation of common technical standards for tracking inventory.

3.4 The evolving role of measurement companies

Yet another facet in the debate relates to the role of measurement firms, who have recently started building their own ad tech stacks in order to develop solutions specifically designed for measuring addressable ads. An example of such company is Nielsen, who after a series of acquisitions (including

Sorenson Media – specialised in ACR, Qterics – offering privacy management solutions and Gracenote – specialised in data and analytics), in January 2019, launched its Advanced Video Advertising Group. This initiative led to the creation of Nielsen's Addressable TV Platform that premiered in January 2020 for the U.S. market. This new solution consists of a set of tools designed for publishers to allow them to manage inventory, campaigns, and to measure their effects. The platform is currently being tested by the leading TV networks (including A+E Networks, AMC Networks, ViacomCBS, Discovery, FOX, NBCUniversal, WarnerMedia and Univision) and some ad tech providers (including Xandr and Freewheel). The beta program is underway and will run through 2020 in preparation for its commercial debut later in the year.

³³ Viacom Starts CFlight For Upfront TV Marketers, April 2020, <https://www.mediapost.com/publications/article/334580/viacom-starts-cflight-for-upfront-tv-marketers.html?edition=113537>.

While Nielsen does not intend to use this new solution to sell the ads themselves, the platform includes a self-service campaign management tool for programmers enabling them to sell ads on their own behalf. The solution will allow both programmatic (it uses RTB and VAST protocols) and direct sales/buys (through standard insertion orders).

Since there are many similarities between Nielsen's and OAR initiatives, it seems that the two projects may at some point align. *(For more information on Nielsen's new platform and the evolution of audience measurement in the addressable world, please refer to page 104).*

3.5 Technical standardization for inventory tracking and ad replacement: Project OAR

As addressable TV advertising continues to grow, it requires standards that are agreed upon and applicable to the entire industry. One such initiative is Project OAR (for "Open Addressable Ready"). Launched in 2019 (for the U.S. market), Project OAR is a consortium of networks and agencies that aim at developing a set of standards for addressable advertising within linear environments (in particular, CTVs). Members of the initiative include: Inscap, Vizio, AMC Networks, Discovery, Disney, Fox, Freewheel, Hearst, NBC Universal, ViacomCBS, WarnerMedia and Xandr. The main goal of this initiative is to give owners of TV ad inventory (whether programmers or distributors) the technical ability to monetize TV impressions through segment-based audience targets and dynamic, addressable ad insertion. OAR's enabling technology is being developed by Inscap (ACR and data-tracking company owned by Vizio) and the technical standards will be fully open and available to all comers.

The OAR standard allows media sellers to watermark the inventory that they want to make addressable. If a buyer wants to replace a static commercial with an addressable ad, Vizio smart TVs read the watermark and send that information to the seller's ad server, which swaps in the addressable ad in real time. Buyers can target the ads using first- and third-party data. Such solution allows for a clear understanding of who an ad belongs to, what it replaced and whether it ran where the buyer or seller intended. Instead of creating its own decisioning engine, Vizio offers integrations with the existing solutions used by buyers and sellers so that they can transact with the platforms they already have in place.

From the commercial standpoint, TV companies still have to allocate the inventory they want to make addressable. The new system was launched in January 2020 and is currently being tested by TV networks, who can develop different individual business strategies around ad replacement.

Vizio has pledged that once the standard is developed, it will deploy support for OAR addressable ads on its footprint of smart TVs in the U.S. But it remains to be seen whether other TV and connected-device manufacturers (eg. Samsung, Sony or LG) will join the initiative to give it the necessary scale to be commercially viable.

Project OAR is one of two groups that are currently working to develop standards around addressability in the TV environment, Nielsen being the other one (*see page 104*). There is considerable overlap between the companies involved in both groups and many industry experts express the hope that they would eventually combine forces.



More on this topic

Please refer to egta's insight on the evolution of the current TV and video audience measurement systems: https://cli.re/2020_egta_insight_audience_measurement_tv.



PART 04:
**DATA PROTECTION
AND PRIVACY
ISSUES**

As soon as user data is collected and processed by a service, data protection and privacy regulations kick in.

In Europe, the General Data Protection Regulation has been in effect since 2018, while the existing ePrivacy Directive (relating to cookies and similar tracking techniques) is currently being reviewed. Data protection laws have also emerged in other parts of the world in recent years, such as in California, where the California Consumer and Privacy Act entered into force on 1st January 2020.

Taking a look at EU law – without entering into endless technicalities – the legal framework puts a strong focus on the need to obtain prior consent from users before:

- processing their personal data (GDPR);
- or even accessing/collecting information from their terminal equipment – personal or non-personal data indistinctly (ePrivacy Directive).

Although consent can usually be bypassed for strictly necessary reasons (e.g. to technically convey a service requested by the end-user) and other legal bases may apply to process personal data (e.g. legitimate interest, with many strings attached), consent is generally considered the safest ground from a legal standpoint.

One of the main challenges which make the European data protection framework so strict is the high standard for consent to be legally valid as well as the wide definition of what constitutes personal data.

This may create technical challenges for broadcasters to ensure that they offer users easy means of consenting to the use of their data while providing the appropriate level

of information and transparency. It is also necessary to ensure that users can easily withdraw consent and can action their rights provided by law (e.g. right to access).

The complexity of the online and programmatic advertising value chain is also a factor to take into account when complying with data protection and privacy rules. To address this issue, tech intermediaries, under the IAB Europe banner, have proposed solutions such as the *Transparency and Consent Framework* which allows consent signals to be passed along to all actors involved, from publisher/broadcaster to advertiser.

On a purely legal level, the diverging interpretations of national Data Protection Authorities have equally added to the legal uncertainty: for example, the ability for content providers to restrict access to their services if users do not consent to the use of their data (e.g. cookie walls) has been subject to legal challenges, with varying outcomes³⁴.

On top of the legal aspects, industry standards are also evolving in online advertising, with potential impacts on addressable TV. Google Chrome's decision to phase out third-party cookies by 2022 and Apple's announcement that it would ask consent for the use of its IDFA (identifier for advertisers) identification number show that systemic industry actors are taking a more cautious approach when it comes to data uses.

Finally, the risk of a low consent rate exists as some users may not feel comfortable with companies collecting and using their data. In this case, broadcasters can always rely on solutions that do not require the processing of user data. For example, in the Netherlands,

the public broadcaster NPO has implemented a new contextual advertising solution which could represent an interesting alternative³⁵.



More on this topic

For more information on ad targeting in the privacy-driven world, please refer to egta insight on the future of online advertising without third party cookies: https://bit.ly/2020-egta_insight_post_cookies.

³⁴ In the Netherlands, the Data Protection Authority published guidance stating that cookie walls were illegal, while a similar interpretation by the French Data Protection Authority has been [rejected](#) by the French highest administrative court (Conseil d'Etat).

³⁵ Data from Dutch public broadcaster shows the value of ditching creepy ads, <https://techcrunch.com/2020/07/24/data-from-dutch-public-broadcaster-shows-the-value-of-ditching-creepy-ads/>.

A person's silhouette is walking through a digital tunnel composed of numerous glowing lines. The lines are primarily pink and blue, creating a sense of depth and movement. The person is walking from left to right, and their shadow is cast on the ground. The background is dark, making the glowing lines stand out.

PART 05:
CASE STUDIES



UNLOCKING THE ADDRESSABLE FUTURE. WHAT'S NEXT FOR TV?

In an interview with egta, **Nigel Walley, Managing Director at Decipher** shared his insights on the evolution of the addressable TV market in Europe and beyond, and how TV companies can embrace this systemic change to strengthen their position in a technology- and data-driven world.

egta: *Tech providers and online-first players largely dominate the debate on addressable advertising. Why is it crucial for TV companies to become more vocal in such discussions?*

Nigel Walley (NW): You are right. I would just add one detail to this, which is that both *TV companies* and *advertising agencies* should get more involved in these debates.

NW: My intention here is not to criticise the tech companies since it is natural for them to be vocal in discussions concerning their primary area of expertise. However, products that they develop should be better calibrated to their end-users' needs as well as the commercial realities in which their potential clients operate. That said, the television industry and the agency world may need to acquire some additional skills and knowledge to strengthen their position in the debate about how the new TV landscape should evolve.



TV companies cannot avoid convergence. Now, with the advent of addressable television, the industry is adopting the data, analysis and targeting techniques of the web. If TV companies do not take control of the ad tech debates, the outcome of such debates will be imposed to them. And so, new services will be designed and delivered in a way that may not suit their interests. This has to be a cross-industry effort, a "coming-together" of all industry players to create the new kind of television.

egta: *When it comes to addressable, there are a lot of strategic issues for our industry to discuss in order to grow this market segment. In your opinion, what are the biggest challenges to the proliferation of addressable solutions? What can the TV industry do to overcome those hurdles?*

NW: It is an excellent question. I think that everyone would agree that we are right in the middle of a big strategic shift when it comes to how TV is evolving. As we said before, we are in the land of convergence. At the same time, market realities, in which TV companies operate, change too. While for a long time, television has been a "national thing", the current video market becomes more and more global. Digital-first companies (such as Netflix, Amazon, Google/YouTube, Facebook) have compiled rich ad propositions that compete with broadcaster's commercial offerings. In particular, companies such as Amazon fuel their multi-market streaming offers with e-commerce data and this trend may cause a strategic shift on the video ad market.

Therefore, in my opinion, the biggest strategic challenge (which follows on the convergence challenge) is scale. TV companies need to gain scale to be able to survive in this world. I think it can be very hard for broadcasters (or TV platforms), operating on a single market, to stay strong and compete with multinational media/tech groups (which often have various businesses under their umbrella, including e-commerce, cloud computing, digital streaming, devices, etc.). This also applies to addressable TV offers.

egta: *Does the addressable TV market need common measurement standards and trading currency in order to grow?*

NW: I do not think that having one universal measurement standard is necessarily the key element to make the addressable market grow.

Before we start any discussion on this, it is important to reflect what addressable TV can deliver to brands and where it fits in the media mix. Addressable TV acts rather as a complement to and not a replacement of the "traditional" television. Sometimes, addressability is applied on top of classic broadcast campaigns. In other instances, it is used as a complement of online video or social media campaigns. Then, it can also be employed as a stand-alone mechanism. Therefore, the metrics used to measure addressable ads should reflect the wider context (and purpose) in which addressability is being used. They need to match other components of the media plan and allow a certain level of comparability between these elements – and that may be different from one campaign to another. So, while, I always like to see improvements in measurement techniques, I do not feel that we need a universal standard to make addressable a profitable business.

egta: *Can addressable be the factor that will transform the way TV ads are bought and sold? What is your take on this?*

NW: I think two elements should be mentioned here. First of them relates to the very nature of sales practices used in the TV ecosystem. We often hear that the growth of addressable TV market is closely linked to the automation of ad buying processes and simplification of TV offers. Currently, we often have very sophisticated TV ad products that are sold in a very "old fashioned" way – especially when we compare that to the advanced interfaces through which advertising is sold by Facebook or Google. More and more marketeers expect to be able to build audience segments, plan, purchase, monitor (preferably in real-time) and optimise campaigns through online dashboards. That rarely exists in the TV world. I believe that automation will certainly help as it will bring more of the TV inventory into the broader programmatic world and make it easier to buy. It may also help improve existing reporting. While doing our research on addressable, we were slightly surprised with the relatively poor quality (and granularity) of reporting systems used by TV companies for their data-driven products. Broadcasters and TV platforms should certainly focus on this area in order to be able to compete with digital giants.

The second element in this mix is pricing. Many marketeers think that addressable TV campaigns are both very expensive and complicated to execute. I think the key element that TV companies should focus on in their negotiations with clients is the relationship between the price of addressable ads and their effectiveness. Addressability can be a very effective way for brands to reduce waste, limit overexposure of certain targets and reach some specific audience segments. The actual overall campaign cost of a well-calibrated addressable

TV campaign, especially when compared to ROI, can be much lower than they think. Cost evaluation should therefore be based on wider analysis – not only on the CPM levels. That said, if the television industry wants to maintain a high price for their addressable ad products, it has to do a lot of work to prove their value, because the “normal” journey for technology-based concepts is that prices, usually, progressively go down. This is a common trend when the number of similar solutions available on the market increases – especially, if advances in new technologies allow for further simplification of delivery, planning, buying, etc.

egta: *Can/should TV companies cooperate when it comes to addressable?*

NW: I think collaboration is a good route to deliver scale. I would not be surprised to see more and more regional cooperation initiatives happening in this field (especially in Europe). This collaboration can focus on the “technical” aspects of delivering addressability. However, if TV companies want to capture money from the big pan-European advertisers, in my opinion, they need to also collaborate on a more commercial level. This because their clients are increasingly expecting more regional (not national) solutions. The push has to come from the money and the money sits with the big global brands.

egta: *What will be the “next big thing” for addressable TV? What does the future of addressable look like?*

NW: I would also expect to see more data being brought into television. I think that the convergence of video and e-commerce data may be the “next big thing” on the addressable ad market. We could imagine more global retailers bringing such data sets into addressable TV. So, for me, the next phase of development of this market segment will be marked by further data

integrations, coming from surprising sources.





Launched in 2014, **Sky Media's AdSmart** is widely regarded as a pioneering technology that revolutionised TV advertising and kick-started the era of addressable TV.

egta spoke to **Dev Sangani, Capability and Strategy Director at Sky Media**, to explore whether AdSmart could become a global standard in the deployment of household-targetable TV advertising.

egta: *As of 2019, Channel 4 is a part of the AdSmart ecosystem. Viacom, Discovery, A+E Networks and Fox are also among the group of broadcasters that already make their inventory available through your platform. Is addressable advertising a team effort or an individual sport?*

Dev Sangani (DS): Our development of AdSmart really led the way in addressable TV and has been a great success for us, but it also started to showcase the advanced capabilities of TV. To continue to build for the future we want to scale AdSmart to as many platforms and channels as possible, becoming the global standard for addressable. Fragmentation doesn't help advertisers, so we're trying to bring it together under one platform to deliver the consistency the industry demands.

egta: *A few years ago, addressable advertising represented only a single digit percentage in your overall advertising revenue – how has that evolved in 2020?*

DS: Adsmart revenues continue to grow at double digit rates; what's great is the breadth of

businesses that can harness TV for both brand building and response - opening up two strands of investment. Larger brands are constantly finding new user cases for AdSmart with high return rates, and local and niche brands are bringing new money to TV, as addressable TV's reduced cost and flexibility allow us to compete for what has traditionally been digital budgets. Yet, we but deliver in a more engaging, effective and trusted format.

egta: *AdSmart also expanded beyond Sky satellite homes to cover the Virgin Media footprint as part of a deal signed in 2017, which went live last year. Do you plan to collaborate with other telco providers? How can such a cooperation help improve the scale of addressable?*

DS: Cooperation is key to delivering the scale and consistency that is needed for sustained growth. We're reaching 40% of UK households now but have a roadmap to 60%, adding new platforms including Now TV in the UK. We'll continue to expand working with other Sky partners, territories and beyond with NBCU & Comcast.

egta: *Many experts say that "TV works, but addressable TV works harder". What is the current biggest challenge when it comes to getting brands and agencies to invest in addressable? How do you convince those clients who ask whether the CPMs they pay for addressable are justified by the return on ad spend? Can you share some examples of campaign results?*

DS: The current challenges are around education, helping advertisers to understand the expanding range of capabilities and the misperceptions around cost. Addressability brings a multitude of benefits for businesses of all shapes and sizes. Advertisers must close the loop on attribution to see the effective CPMs and consider how AdSmart can be used solus or as part of a cross-platform solution. By looking at 5 years of insights from AdSmart we see a 35% increase in ad engagement, a 49% increase in ad recall when combined with linear and an increase in sales metrics by as much as 20% when using AdSmart.

egta: *What kind of targeting options and attributes are included in AdSmart?*

DS: With AdSmart, our clients can choose from an almost unlimited range of household attributes, in any combination to make sure they connect with their ideal audience.

Starting with the simplest forms of targeting, advertisers can apply one of our many location-based criteria. They can compose their campaigns by choosing a specific region(s), local authority sector or postcode area; or be more detailed defining a specific catchment area by radius or drive time from their store. AdSmart also offers a wide range of fixed attribute-based segments including: purchase behaviour, lifestyle & interest, demographics and life-stage events. In addition to these fixed attributes, we also offer advertisers the option to create their custom segments using their own customer data.

egta: *Questions related to the effectiveness of addressable campaigns are certainly among those most asked the most by advertisers. Could you please tell us more about your efforts in this field?*

DS: Having launched AdSmart six years ago, now we have a great deal of insight into what works and what doesn't – as well as a bank of

effectiveness norms and case studies. We know that in addressable ad breaks, there's a 48% reduction in channel switching, and AdSmart campaigns see a 35% higher ad enjoyment, a 10% higher ad recall and up to an 20% increase in purchase intent. What's also interesting is the impact of adding addressable to a linear campaign – increasing ad awareness by 22% and recall by as much as 49%.

We want to keep on pushing in the measurement space to help brands understand the impact of their advertising. One example of activities in this area is our recent partnership with TVSquared and the Direct Web Attribution tool that we are currently working on. This new solution will be available across linear, on-demand and addressable TV campaigns via AdSmart (sponsorship will be added in the coming months). Our clients will be able to access attribution, reach, frequency and reach extension analytics for their TV campaigns. The platform will allow them to measure the exact impact of their TV campaigns when it comes to generating interest and subsequent traffic to their brand's website and apps. Our intent is to help our clients measure mid-funnel consideration and intent goals, link TV exposure to online response and directly understand the customer journey. All of this will be available to view via Sky Analytics – our self-serve reporting tool and it will allow brands to plan and reactively adapt in real time.

egta: *Do you see any kind of specificity when it comes to types of brands that invest in addressable? How do you avoid the growth of Adsmart coming at the expense of Sky's traditional TV ad revenues?*

DS: With the expanding capability of AdSmart we're able to access new budgets where TV wasn't previously considered like SMEs and niche brands. D2C brands for example have traditionally grown from digital platforms, but

more and more are realising brand fame is key to rapid growth and following in the footsteps of the digital giants who have shifted spend to TV. Larger advertisers are using it as part of their mix of channels, using it tactically, incorporating data and are thus able to test specific creative and locations with TV which wasn't previously possible.

egta: *In May 2020, Sky launched a special support scheme for SMEs that was powered by AdSmart. Could you please tell us more about it?*

DS: Our SME250 support programme was created specifically to help small and medium businesses (which make up 99.9% of all business in the UK) during the Covid-19 pandemic. Many companies were struggling or had pivoted to an online model and we knew TV could help them get their message out there in a time when TV was even more central and important to people's lives. We decided that 250 companies would benefit from a £10k AdSmart campaign – meaning a total investment of £2.5m. We were massively oversubscribed with strong interest from SMEs and production companies up and down the country – the scheme helped businesses understand that addressable TV makes TV viable for businesses of all shapes and sizes and isn't just for big brands with big budgets.

What was amazing was the quality and speed at which the ads were produced – local production companies filming in lock-down or using stock footage were able to deliver engaging, funny and relevant ads with an average cost of £3.5k. Many of the businesses are already coming back to commit more spend and we have some amazing success stories like Black Shuck Gin who achieved a 700% increase in online sales off the back on their campaign.

egta: *Sky is also building out an analytics business that tries to match the level of sophistication offered by the tech giants. How does Sky Analytics complement your other products: Sky AdSmart and Sky Advance?*

DS: AdSmart and AdVance are tools to help you reach and engage your audience. Sky Analytics takes what the digital industry has done so well and applies it to TV. Because of our rich customer data, we're able to help advertisers better plan, measure and analyse their campaign – Sky Analytics is the window that allows you to do this.

Our customers really value the ability to size and plan their campaigns using Sky Analytics, taking control of their audience targeting and understand how their campaigns have performed.

We are extending our Analytics capability to encompass One Campaign and CFlight providing advertisers with the unique ability to plan, book and see deduplicated, cross-platform reporting and measurement.

egta: *After NBCU's adoption of AdSmart, can we say that your platform is evolving towards a more global addressable solution? Has their C-Flight initiative changed anything to the way you report and sell your addressable offer?*

DS: As discussed earlier, consistency is massively important, so we want to have a global view with NBCU on what we're developing, but still act locally to be as relevant as possible to the market. CFlight will help advertisers view the whole picture – across linear TV, VOD and addressable. CFlight is integral to our new *One Campaign* proposition which is a major priority for us moving forward. It's important that we spearhead change in how TV advertising is bought, managed and measured. Audiences don't distinguish between when and how they watch TV, so buying linear,

VoD and addressable in silos just doesn't make sense anymore. Specifically, in measurement, to be able to understand the impact of your campaign with a unique view of reach and frequency and be able to adapt and plan for best results will be incredibly powerful. One Campaign will make the planning, buying and measuring of campaigns as simple as possible for agencies and advertisers so they can focus on outcomes – delivering **one** audience (their audience), **one** currency and **one** simple way to book, manage and measure campaigns.

egta: *We often hear that ad sales should be more about the audiences and business objectives rather than devices and platforms. Since targeting is closely linked to audience measurement and the simplification of audience buying processes, what are your main objectives with regards to these three areas?*

DS: For us it is about connecting advertisers with audiences to drive brand and business outcomes. We want to enable brands to harness the Sky Media ecosystem across both brand building and sales activation in one easy solution. In this way we can help reach their current and future customers however and whenever they consume content. One Campaign is key to this simpler, joined-up approach. With fragmented viewing, transforming the TV advertising landscape is needed to focus on audiences not platforms.



egta spoke to **Jeroen Coeymans, Director of Business Intelligence at SBS Belgium** about SBS's addressable product – **Smart AD**.

egta: *Could you please tell us more about the key components of your addressable offer? What are the main solutions offered by SBS in this area? Who are the partners involved (ad tech partners, telco providers)?*

Jeroen Coeymans (JC): The key element of our addressable offer is the dynamic ad replacement in live TV (spot-by-spot replacement). Our Smart AD product was launched in September 2017 and initially it fully relied on the cable network (set-top-box) technology. Our first partner was Telenet. In January 2020, we extended our offer. Thanks to an agreement with Proximus, we are now able to offer IP-based addressable solutions. Deals with these two telco operators allow us to cover 75% of households in Flanders. This makes Flanders the region with the highest penetration in the world when it comes to addressable TV.

In terms of ad tech, we mostly rely on the technical base provided by our telco partners, who work directly with software and technology vendors: Telenet works with Invidi and Cadent and Proximus with FreeWheel.

egta: *Could you please explain how audience attributes, segmentation and targeting work within Smart AD? What types of data are used in your addressable solution?*

JC: Currently, we offer three targeting options:

- Advertisers can buy based on *basic segments*, which use socio-demographic information (market statistics) and viewing data provided by our telco partners. The *simple basic* criteria include: location, age, gender, purchase power, family typology/lifestyle, house owners, garden owners, etc. and can be supplemented by some *extra basic* attributes (such as culture fans, sports fans, music lovers, gamers, tech savvies and many more). Buying based on basic segments is the most popular option among our clients. In fact, 70% of the campaigns are purchased against socio-demographic criteria. Geo-targeting is used in 1/3 of the campaigns we run.
- For specific segments, apart from data sets provided by our telco partners, we also work with Bisnode – a third-party data provider.
- Our clients can also ask for *tailor-made* segmentation (eg. to be able to include/exclude their own client lists).

All data sets used in our addressable offer are GDPR compliant.

egta: *What part of your inventory is addressable?*

JC: Currently, nearly all breaks on the TV channels we sell are addressable and contain ads that can be dynamically replaced.

Since our addressable TV product is purely audience-based (they allow targeting viewers meeting specific criteria regardless of the

programme that they are currently watching), we do not exclude nor favor any type of inventory (eg. unsold inventory, dayparts, specific channels, etc.) in our addressable offer.

This approach allows us to capitalize on all types of audiences – including the *light* viewers. Since the real differentiator for *light* viewers is not reach but viewing time, this is where an addressable offer can make a difference as it can deliver very specific messages to this specific audience segment as soon as it is watching, even when these viewing sessions are short and scarce.

We pay a lot of attention to the optimisation of the campaign delivery. We have full control over campaign delivery and manage aspects such as frequency capping, spread (min. number of minutes between impressions), clash codes (to avoid ads for two competing brands appearing subsequently in one break).

egta: *What does the reporting for your addressable campaigns look like?*

JC: Currently we only offer an overview of the reach on different levels and the number of delivered impressions (including the information about the daily campaign delivery throughout the week and different day parts).

egta: *Is there any specific campaign type/format that "dominates" your addressable offer?*

You might expect that Smart AD is mainly used for call-to-action, but 75% of our addressable campaigns are targeted *branding* campaigns – without any call-to-action. This makes sense, because TV always brings a big 'branding' contribution to the table. That said, even the *call-to-action* campaigns, still bring a great *branding* value.

egta: *Do you combine your TV (targeted and linear) and OTT offers or are these two distinct products?*

JC: For the time being, we sell TV (classic and addressable) and OTT separately and we do not integrate them within the same offer – mainly due to technical reasons. Targeting on linear TV and set-top-boxes is done on a household level, while on OTT we target individual users. Currently, it is difficult to translate the household data into user data.

Another reason is the fact that we do not collect and use viewers' data in the same way (using the same criteria) on our different outlets. Therefore, we cannot transfer viewers' consent from one outlet to another and apply it to different platforms. But we are working on a retargeting solution to connect the different platforms.

egta: *Could you please tell us more about the pricing system for your addressable offer?*

JC: We believe that the key to success is to make your offer as simple and easy to understand for your clients as possible. This is why we use the flat CPM pricing model for our addressable product: the level of CPM remains the same for almost all targeting criteria, with a premium for more complex targeting.

In fact, we introduced this model as a temporary solution, when we launched Smart AD, with the intention of revising it after six months. In view of the positive market response, we decided to keep it as it is. This allowed us to make our offer simple and transparent. It also enables us to shift the center point of the negotiations with clients from pricing to campaign results.

That said, we do realize that, in the long run, the current flat CPM might not be a sustainable model (as it may result in the over-targeting of high-value targets) and therefore we may have to introduce a more granular pricing solution – depending on the market evolution.

egta: *Is there any minimal viewability criteria for paid impressions? Do you guarantee pricing if the campaign did not reach this minimal level?*

JC: Currently, we use the same viewability criteria as for our linear TV campaigns. Of course, we will adapt this principle, depending on the evolution of the audience measurement standards. On top of that we exclude unattended sessions (sessions where the set-top box is on without viewing).

egta: *What is the price difference between linear and addressable campaigns? What is the difference in terms of campaign costs?*

JC: We sell our addressable inventory at a price per point that is significantly higher compared to our linear TV inventory. Of course, while the CPM for addressable campaigns is higher (compared to “traditional” TV), the eCPM and the overall costs of the campaign are lower. We do, however, impose a minimum budget requirement for our addressable campaigns.

The key argument behind Smart AD is that it offers the best of the data-driven world without the flaws of digital. We can guarantee that all ads are placed next to premium content, in a 100% brand-safe environment that meets the viewability criteria we apply in the TV world and is ad-fraud free.

egta: *Do you see any new types of advertisers that started investing their budgets with SBS thanks to Smart AD?*

JC: We know that data-driven advanced TV advertising can be used to deliver cost-effective incremental reach and that addressable TV brings in incremental revenue. 50% of advertisers who use Smart AD are new to TV. The other 50% of our clients using this solution decided to shift their budgets, both from digital and other touchpoints, back to TV as a result of using our product.

Addressable TV can be particularly interesting for local brands. Smart AD allows us to “intercept” ad budgets that our clients would otherwise invest in other media that are traditionally strong in refining location like OOH, print and online. It also enables us to attract smaller companies who otherwise would not be able to afford a traditional campaign on linear TV. Since the campaign costs for addressable are lower, we could welcome them as our clients.

For brands, who already invest on TV, Smart AD offers additional targeting options to reach specific audience segments not available through traditional socio-demos.

egta: *Based on your three years of experience in the market, what is your main advice to TV companies that are starting their addressable business?*

JC: First of all, do not open the door for guided planning (exclusion of the channels or time bands) for addressable products. Once it is done, it will be difficult to close it. If a client wants to buy a specific context for their campaign, you can accommodate it with your linear offer. Do not mix these two products.

Second, do not launch addressable solutions on your own. Cooperate with other players in the ecosystem, including telcos and other broadcasters. Try to come up with unified products or at least make your products aligned with common standards existing on the market. Innovation is great, but sometimes learning from your counterparts is even better.

Third, keep your offer simple and easily understandable for your clients.





egta had a pleasure to speak to **Christian Godske, Head of Innovation, Addressable TV at TV 2 DENMARK A/S** about TV 2's approach to data-driven ad products.

egta: *What part of your inventory is currently addressable? How do you see that figure evolve in the next 5 years?*

Christian Godske (CG): All of our inventory on our OTT service, TV 2 PLAY, is addressable. This includes both our VOD offering and our six live TV channels, where we are using ad replacement technology to deliver targeted ads to the user. TV 2 PLAY inventory still represents only a small percentage of the ad inventory available on traditional/broadcast TV, but we will serve more than 1 billion addressable ad impressions this year (this number may be higher in light of the COVID-19 crisis). However, we are seeing massive growth, both in terms of new subscriptions and also when it comes to live TV viewing (by people who are now viewing TV 2 PLAY as their primary access point to TV 2's content).

It is difficult to say where we will be in 5 years. Will the volume of addressable ads surpass that of traditional/broadcast TV? No.

egta: *Are your addressable offers for TV and VOD combined?*

CG: Yes, we bundle VOD and TV into our addressable offering and the price (CPM/CPT) is the same. This allows us to increase the reach of addressable campaigns. It also provides

for greater flexibility in terms of delivery. However, advertisers can choose one or the other component (live or on-demand) or both, depending on their campaign objectives.

egta: *What kind of data sets do you use for your addressable campaigns? What did this mean for you in terms of GDPR compliance and data privacy?*

CG: Our addressable offer relies on TV 2's first-party data only. We made a deliberate choice not to buy any third-party data sets for our addressable products.

Our first-party data sets include registration and customer information. Additionally, we also use our content consumption data, which includes which content is being watched by each user, on which device, where in the country etc. It also includes the customer's complete viewing history, making it possible for us to target ads based on viewer's interests and psychographics. We are currently in the process of rolling out a new AI-based model for analysing viewers' profiles and predicting users' viewing behaviours, which is based on this data set. This data is owned by TV 2 and not shared with advertisers.

Last year we also launched a product called Customer Audiences, which allows us to match our data with advertisers' first-party data (primarily in the form of CRM information).

This approach is fully GDPR-compliant and it is a part of the terms and conditions for using TV 2 PLAY. The users have full transparency

as to what types of data we collect and what information is used to target them on www.mittv2.dk. Our system allows them to opt out/delete their user data as per GDPR regulations.

egta: *How do you sell and price your addressable campaigns?*

CG: All of our inventory is sold based on a fixed CPM model with add-ons for additional data. This solution was chosen to make sure it would be compatible with the existing TV ad sales and pricing models (also taking into account any advertiser discounts etc.). TV 2 actually sells some of its traditional/broadcast TV ads (based on spot placement) using an auction system. We are currently working on a solution to include the same spot placements for TV 2 PLAY into this auction model as well. We believe it would be very beneficial for advertisers: once operational, this solution would allow us to add extra, un-duplicated reach to their original spots by combining the audiences of those who watch traditional/broadcast TV and those who watch the very same channel on TV 2 PLAY live.

egta: *How do you integrate addressable into your total video offer to avoid any potential risk of cannibalisation with regards to your linear inventory?*

CG: Addressable TV is still mostly used as a supplement to traditional/broadcast TV. Our approach to addressable is based on a holistic model. We use data received from the Audience Project, which we then fuse with TV measurement data, to show the net reach contribution of addressable TV in the total TV campaign.

egta: *What are the main arguments to convince media buyers about the value of addressable campaigns?*

CG: Addressable TV delivers the proven ROI of traditional/broadcast TV and gives the

advertisers access to incremental reach (including access to light TV viewers/younger demographics). Moreover, ads are placed in a brand-safe environment, where we can ensure high levels of viewability.

egta: *We often come across statement that ad buyers are waiting for someone (broadcasters/ad tech companies) to come along and turn the addressable TV ad market into a true universal digital platform. What kind of input would TV companies need from the marketeers in order to make this a reality?*

CG: The starting point of this conversation, I believe, is not the technology to enable this, but rather the underlining core values of TV advertising that we do not want to compromise on. We pride ourselves in the quality and effectiveness that TV advertising delivers as well as the transparency of the TV advertising model. I don't think it is in the interest of either the advertisers or broadcasters to compromise on this to create a "fancy" new platform (which would also include sub-par content and non-premium formats from non-broadcasters), only to show that we have more inventory or to deliver low-cost campaigns.

egta: *What are the main challenges to the proliferation of addressable TV (eg. technical obstacles, measurement, business obstacles)? Are TV companies well equipped to help their clients navigate through the maze of targeting possibilities?*

CG: There are still some technical obstacles, but I am sure they will be worked out.

Measurement is definitely a challenge in most markets, some of which also has to do with the lack of clarity about how we define and want Addressable TV to be measured and sold. Do we sell it based on impressions (like digital platforms) or ratings (like TV – including co-viewing)?



egta had the pleasure to interview **Silvia Broggi, MarTech and International Marketing Director at Publitalia '80** to discuss the latest developments in their addressable offer.

egta: *What is Publitalia's position on the addressable TV market in terms of market penetration? What % of your inventory is addressable?*

Silvia Broggi (SB): Publitalia'80 was the first Italian sales house to launch an addressable advertising offer for smart TVs, three years ago. We can deliver addressable advertising on our linear inventory and through our OTT platform, Mediaset Play. We can also offer addressable campaigns on "on demand" content watched through Smart TVs. We all know that viewers' habits have changed but TV remains the "hot" medium as it continuously provides viewers with new paths to access high quality content, offering mobility and on demand possibilities. Hence, it was a natural choice for Publitalia to integrate and complement our traditional advertising offer with formats dedicated to the smart TV screen as it has been quickly adopted by Italians. The number of connected SmartTVs is growing fast and other TV players have launched similar offers. At present, the number of connected Smart TVs in Italy is almost 7 million, which represents nearly 25% TV households.

egta: *What kind of addressable products do you offer for on-demand and live? What are the latest developments in your offer?*

SB: As pioneers on the Italian market, we developed our application and addressable formats to run on both MHP and HbbTV standards. Today, in Italy 25% of all connected TV sets are still MHP-based. This gives us a competitive advantage over other players whose technology is exclusively enabled on HbbTV. We expect numbers to grow consistently especially when the DVBT signal will switch to DVBT2.

Our dedicated formats for Smart TV include both live TV and on-demand. On our linear TV channels, we deliver two display formats. ADD+OVER is an interactive overlay banner that is displayed on top of each TV spot of the client's linear TV campaign. ADD+INSIDE, is an interactive overlay with an L-shape design, displayed inside the editorial content on all of our channels. It allows viewers to interact with the brand product/service through a call-to-action "press OK" button (positioned inside the creative). The viewer is then redirected to a special TV site that is totally branded and dedicated to the client. This unique TV environment can include any kind of additional information relating to the advertised products or services (eg. image galleries, video, text), which gives extra visibility to the brand. The viewer's active and conscious choice to interact with the format delivers great value to the brand since it is a conscious decision to engage with the ad.

We continuously work on potential new formats, employing new technical solutions to test and release new products. Over the course of the last three years we have brought to the market many addressable TV campaigns. Our products provide advertisers with various planning tools and other functionalities that are typically used in digital environments and can now be applied to TV campaigns; for example, retargeting – to offer additional frequency management options or bring incremental reach to traditional linear campaigns.

After implementing the server-side ad insertion for digital devices, we achieved a similar result on TV by using a different technology for linear TV. Publitalia'80 set up DAI (dynamic ad insertion) – an innovative way to dynamically insert the spot within the linear break without affecting the user experience. Brands have positively welcomed this new addressable product as it allows them to deliver TV spots while benefiting from refined audience profiling options paired with advanced targeting possibilities (socio-demographic, geolocation and interest-based).

egta: *Who are your main partners for addressable products?*

SB: We tend to prefer market standard products available on the market for the main components of our solutions: eg. the ad server by Freewheel, Salesforce Audience Studio's DMP and AWS's data lake. This helps us to ensure that our solutions keep up with the latest market developments.

Although Mediaset's ad tech stack is mainly built using standard market products, some components – in particular when it comes to our addressable TV solutions – are built in-house using our vertical expertise when it comes to broadcast and TV sets. For instance, this includes solutions related to signalling advertising opportunities to TV devices. The

HbbTV app itself has also been developed in-house (in partnership with an external developing partner).

We have also made an acquisition in the ad tech space. In March 2020, Publitalia acquired Beintoo, a location intelligence Mobile Data Company able to track and collect behavioural data offline, to strengthen the data-related know-how necessary to develop our future offline attribution models.

egta: *Are there any specific types of clients that are investing in each type of campaigns?*

SB: The added value of our offer lies in its flexibility and the ability to formulate tailor made proposals that meet the needs of all customers, from large brand groups to small clients. We continuously monitor the international market to scout for new ideas that could be incorporated in our formats, to make our customers' campaigns even more engaging and relevant for consumers.

Our addressable solutions are popular among all types of clients and sectors. For instance, automotive brands can use addressability to advertise the launch of a new carline as well as to support local dealers. They can also utilise targeted TV campaigns to promote – per region – the different benefits of electric cars. Telco and Internet mainly use targeted options based on information regarding the connection speed or Internet subscription. Mass or local retailers take advantage of our TV site solution to deliver e-flyers with product promotions. The upmarket profile of the "connected households" is a perfect match for banks, insurances and luxury brands.

Overall, our addressable formats have been adopted both by big spenders – to complement TV campaigns using addressable in a tactical way – as well as medium sized clients – to integrate and extend their presence on TV

thanks to low-entry budget levels. Smaller clients use our addressable products as an effective way to communicate locally, with no dispersion and within an accessible budget – lower than on “traditional” TV.

egta: *Do you favour any specific type of inventory for addressable or can all types of inventory be used for such campaigns?*

SB: There is no unsold or difficult-to-sell inventory on our channels that could potentially be used for addressable spot replacement. TV remains a very powerful and qualitative medium and we present our addressable offer in a similar way. Addressable ads can be delivered inside all of our programming, on top of our traditional advertising offer. We identify specific slots within our programmes’ schedules and around our on-demand content on Mediaset Play, to create dedicated addressable opportunities, including dedicated positioning allocated specifically for Smart TVs.

egta: *What data sources are used in your addressable campaigns? What kind of targeting options and attributes do you offer? How are audience segments created?*

SB: One source of data, used by Publitalia for its addressable products, is derived (upon user consent) from the IP addresses of Smart TVs located in each household. This information is later used for targeting attributes such as: geolocation, TV model and brand, connection bit rate and Internet provider. The second layer of data comes from viewers’ viewing habits on our TV channels. Based on that, we assign socio-demographic variables to the TV set located in each household. We can also further enrich the profiling with interest segment information gathered from viewers’ viewing preferences on smart TVs and from content consumption across Mediamond, a digital sales house and a joint venture between Mediaset and Mondadori.

By using a single data collection point, all properties and screens send data to a single DMP, respecting all data protection (GDPR) and data privacy requirements – both in the TV and online environment. We offer various onboarding possibilities to our clients in order to share data in a compliant way. We also import geo- and behavioural data from Beintoo to enrich our audiences. We offer such solutions to both individual advertisers or media agencies. We are now also sufficiently equipped (both in terms of technology and organisation) to integrate data provided by clients in order to develop custom audience targets.

egta: *What re-targeting solutions do you offer for your addressable campaigns? How do you deal with the cross-screen audience matching?*

SB: Thanks to our advanced ad tech stack and the amount of data we collect across our platforms, we can provide advertisers with countless re-targeting combinations to fit their communication needs.

User navigation data on PCs, tablets or smartphones gathered across Mediamond’s digital properties enable us to identify users interested in topics such as: sport, cooking, news, finance and many more. Thanks to first-party data (and the consent received from our TV viewers/WEB users), we can trace which devices are connected to the IP address within the same household. We can then use this information to target that household with a specific interest-based ad (on all screens).

We can also plan addressable campaigns at the end of a linear TV campaign to target viewers who were exposed or not exposed to that specific linear campaign. In this way, the client can add frequency (targeting the exposed) or reach (reaching not exposed) more effectively: in a short amount of time and within a limited budget.

Our re-targeting products go beyond Smart TV. In fact, we offer our clients a possibility to retarget household members using second devices. This advanced feature enables advertisers to reach consumers across multiple devices and follow them on each platform they use to consume content.

egta: *How do you sell addressable: is it sold as a part of/separately from your TV offer or is it monetised in a similar way to digital? Why did you opt for such a solution – what are the main advantages?*

SB: From the beginning, we have positioned our addressable formats as complementary to our traditional TV offer. This solution seemed the most natural choice, due to the nature of our core business and our consideration of addressable advertising as an extension of TV – a medium that has changed, improved, in terms of targeting opportunities, new formats, new available screens, etc.

Bringing data to TV makes this medium even more powerful and TV campaigns on connected TVs tremendously benefit from this new environment. Thus, we are able to offer very advanced premium ad products – on full screen, with no viewability issues, delivered in a lean back experience for the viewers who are more engaged (thanks to interactivity) and targeted more precisely (thanks to granular data).

egta: *Do you offer a self-service platform through which your clients can purchase addressable campaigns? If not (yet), are you planning to launch such a tool?*

SB: One of the current priorities for our product development is to further enhance our sales channels. Our addressable TV inventory is currently sold through direct deals (i.e. classical “over-the-counter” trading). We believe that automated ad buying will become a prominent trend in the near future. With that in mind,

one of our primary client targets are small and mid-size businesses (SMEs) – in fact, we are currently working on a set of solutions to facilitate onboarding for our addressable products, directed specifically to this category of companies. We are also planning additional integrations with selected DSPs for agencies and bigger clients.

egta: *What pricing system do you use for your addressable campaigns?*

SB: We sell impressions on a CPM basis: there is a fixed price that changes according to the profiling options that the client applies to the campaigns. The more targeted and profiled the campaign is, the more expensive it gets, as the contact becomes very refined and selected with no dispersion.

egta: *What kind of reporting system do you offer for your addressable campaigns? How are such campaigns measured?*

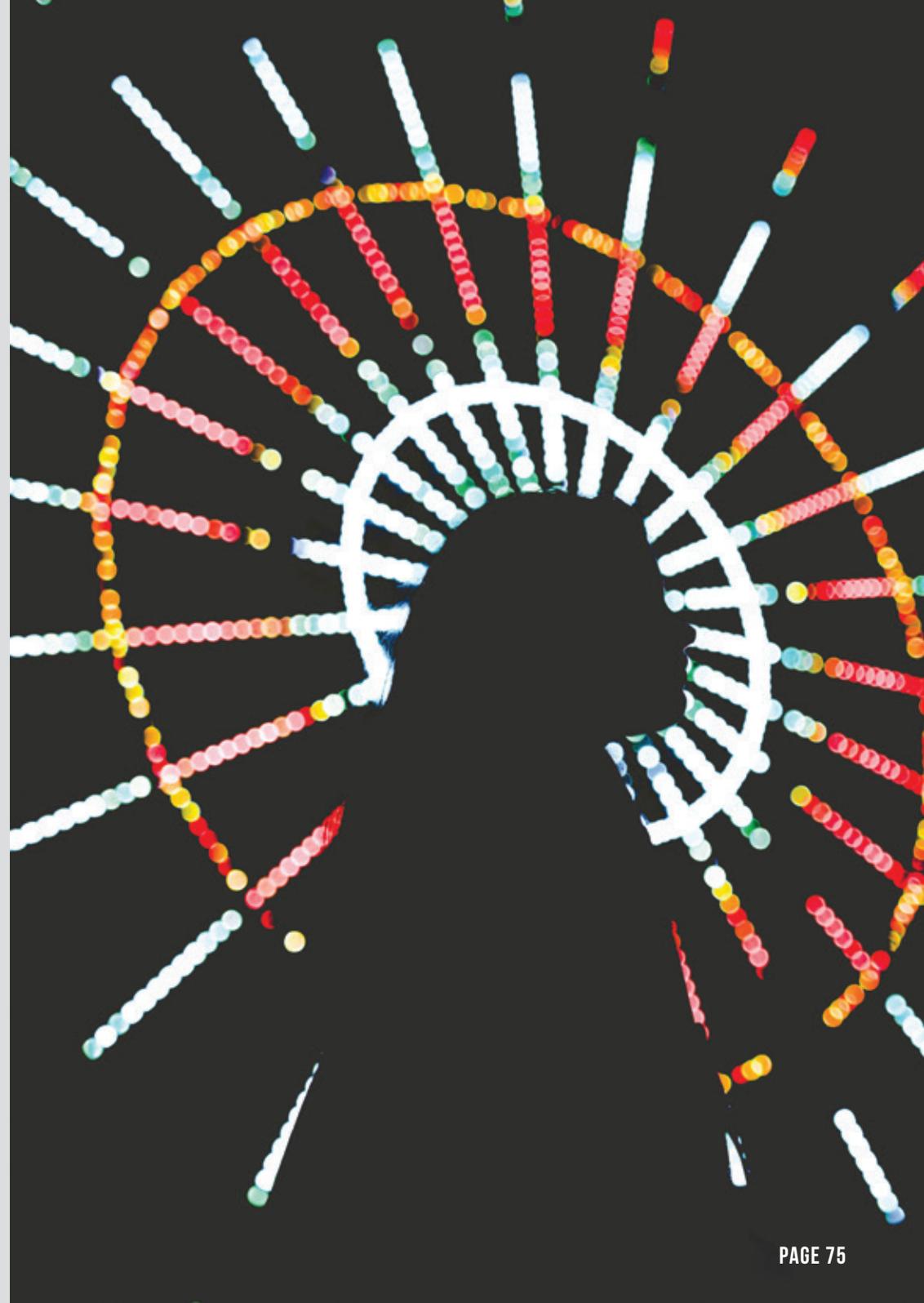
SB: Since the campaigns are delivered by an Ad Server, we are able to produce timely reports that describe the progress of the campaign. Our KPIs measure: views and accesses to the TV site, actions and time spent. After the campaign we also have frequency and unique users. This report can also be combined with a qualitative research with our partner Human Highway to measure the uplift of additional KPIs, such as Brand Awareness, Campaign Satisfaction, Intention to Buy; Call to Action; Brand Value; Recall.

egta: *What are the main challenges that you are currently facing when it comes to your addressable offer? What are the next steps?*

SB: The hybrid positioning of addressable formats represents both a challenge and an opportunity: current market practices do not provide a clear indication as to where the ad budgets invested in addressable advertising

should come from but it is evident that the market - clients and agencies - is ready to plan these hybrid campaigns and Smart TVs provide an obvious link between digital and TV - two different but connected "worlds" that complement each other - the impact and brand safety of TV and the flexibility and addressability of digital.

The next step for our Group is to bring addressability to all of our media, while leveraging first- and second-party data, in order to increase the value of our inventory. We are integrating and optimizing various pieces of technology to support and execute seamless cross screen campaigns: TV, digital, audio and soon OOH.





VIDA is United Media's latest innovation in the field of addressable advertising. The platform was officially launched in Serbia in June 2020. VIDA leverages the scale and quality of linear TV and it combines it with the targeting and measurement of digital.

egta spoke to **Marija Matić, Head of VIDA** to explore how TV companies can successfully develop addressable solutions through strategic technological investments.

egta: *Why did United Media decide to develop VIDA?*

Marija Matić (MM): Advances in the field of addressable advertising are a direct response to the evolution of viewers' media consumption habits. VIDA, being one of our flagship products, allowed us to successfully enter the crowded video and ad tech space. Through this addressable proposition, United Media can both serve new categories of clients and offer additional opportunities to brands, who already invest their ad budgets on our media outlets. VIDA is the latest piece completing our overall business strategy when it comes to embracing the Total Video world.

egta: *Could you please tell us more about VIDA's technical base?*

MM: VIDA uses technology, data and premium inventory to enable advertisers and agencies to precisely target and reach specific audience segments regardless of what (which channel/show), when (which part of the day), where (on

EON set-top-boxes/apps) or how (on which devices) they are watching.

Our product is based on award-winning end-to-end TV platform EON. VIDA works across all VIDA-enabled devices and delivery platforms – this includes EON set-top-boxes as well as apps (for personal mobile devices, desktops and connected TVs).

The product was brought to life using almost exclusively in-house ad tech resources. Most entities involved in the development of this solution are parts of the United Group's ecosystem. This includes: United Media (for content networks and production), United Cloud (for technology and integration), United Group's telco provider (for data analytics over its own customer base), EON (for distribution), VIDA addressable advertising (for project coordination and advertising sales). Our sole external partner in this venture is Freewheel, a Comcast company – we use Freewheel's Monetization and Revenue Management (MRM) tool as a part of the ad-serving and ad decisioning engine.

egta: *What sets you apart from addressable solutions proposed by other TV companies in Europe and beyond?*

MM: Due to the specificity of the Adriatic TV market, we were forced to come up with a number of unique solutions – both in terms of commercial integration and technology.

One of the challenges that we had to face was that our addressable solution needed to

allow the serving of addressable commercial blocks even if we do not know their exact start times. This proves very useful in the case of sports events: no matter when the natural break occurs, we can replace the linear ad block with an addressable one. Additionally, on our market, there is no standard spot length on TV so commercials have a variable duration. Since our addressable solution mostly uses the same creatives as those of "classic" linear campaigns (of course, VIDA offers different targeting options compared to linear TV), we needed to be able to accommodate our clients' existing ad formats to be used on VIDA, which proved to be a decisive advantage.

Therefore, our solution employs various mechanisms to improve the flexibility in terms of ad duration and ad block start times while at the same time customer experience remains seamless.

egta: *What media outlets are served through VIDA? What types of addressable ad formats do you offer?*

MM: In its present form, VIDA delivers addressability on our live TV channels available across different delivery platforms and devices. Our product is purely based on video ad replacement – at this moment we do not offer any type of display ads (eg. L-shape overlays, etc.).

egta: *What data sets are used in VIDA? What kind of targeting opportunities does your solution offer?*

MM: Currently, VIDA entirely relies on first-party data collected through United Group members.

That said, we believe that the data project has always been (and will remain) a key element of our addressable offer. A dedicated data science team combines information from different units of the United Group. In the future, we hope to be able to connect all these data sets (to grow

our own data lake) and feed them into our addressable product.

Hypothetically, our solution could also accommodate additional data sets – for instance, our clients' data retrieved from other data sources. However, the main challenge here lies in the data matching with consumers' information coming from our clients' CRMs.

egta: *What types of targeting does VIDA offer?*

MM: Our tool takes into account the specific attributes characterising each type of device. Since VIDA works across both STBs and apps, we offer both household-based targeting (one-to-many, who meet certain criteria) with user-based targeting (one-to-one). This is reflected in our commercial offer. Clients can choose to target their campaigns towards individual personal devices or households.

We offer several targeting options, including geolocation, age, gender, income, type of device ownership (private/company), content consumption, etc.

We are also planning to further expand the portfolio of available attributes by including additional behavioural targets.

egta: *How did VIDA influence your internal workflows? What impact does it have on your booking process?*

MM: At this stage, our platform operates as an internal solution. The tool is not directly accessible for our clients. Marketeers can book their campaigns by providing us with their budgets, number of views and other criteria they would like to achieve regarding the specific audience segments. At this stage, the platform operates based on direct deals and it is not linked to any programmatic environment.

When it comes to organisational structure, our addressable offers are managed by a dedicated

VIDA unit – a specialized United Media team mandated to develop and adjust all types of offers our partners would like to have. All activities related to our VIDA proposition are managed by this section. This includes media planning, ad sales, B2B promotion, marketing, etc. In fact, we act as a one-stop-shop by providing our clients with a wide portfolio of services specific to our addressable product. With this regard, some of our activities are typical for a sales house, other – are more characteristic of a media agency.

egta: *How did you integrate VIDA within your pricing and sales strategy?*

MM: Companies, who have addressable TV products in their portfolio, often face the risk of cannibalisation between different parts of their commercial offer. For this reason, we decided to position VIDA as a completely new product and new business environment that is separate from our “classic” linear TV offer. This is also why we decided to create a dedicated unit to run all VIDA’s operations. In our negotiations with clients, we position VIDA as a premium data-driven solution (with the highest level of sophistication) that serves a completely new market segment.

egta: *How does the ad replacement work on VIDA? What is your commercial strategy around this process?*

MM: We replace the entire ad block (not single commercials). For instance, if a linear block on live TV is six-minute long, on VIDA-enabled devices, we can replace this entire break with addressable ads (that are served automatically according to the targeting criteria chosen by our clients). If we are not able to “fill in” the addressable block with a sufficient number of commercials, we supplement it with our auto-promotional material.

egta: *How do you position VIDA within your offer?*

MM: We often get the question: “Is VIDA TV or digital?” While our addressable product is the combination of these two worlds, our answer is always: “VIDA is something else”. In our negotiations with clients, we position this solution as a completely new marketplace. This new proposition allows them to access new households, new audience segments and new users, who they would not be able to reach (and “purchase”) through our “traditional” linear offer.

Currently, we have a pool of 20+ clients using VIDA and each of them uses (and defines) this product in a different way. It is reflected in the way they allocate their ad budgets. Depending on the type of client and the campaign format, clients may decide to make VIDA either part of their TV or digital budgets. That said, we always position our addressable solution as a new communication channel, which requires a new budget layer.

egta: *What pricing system do you use for your addressable campaigns on VIDA?*

MM: Campaigns on VIDA are priced based on CPTV, which stands for Cost per Thousand Views. Clients are only invoiced for views with the completion rate of 50% or higher.

VIDA campaigns are five to six times more expensive than our “classic” linear campaigns. That said, such estimate is not fully representative. While talking to our clients, we position VIDA as an innovative and premium solution that allows for higher ROI on specific targets, which could not be reached in other ways. Our clients understand the relationship between the price of addressable campaigns and the profits that such targeted solutions bring.

With this regard, it is worth noting that the Adriatic advertising market is very TV-centric

(TV has over 50% market share) and the prices of linear campaigns are relatively low compared to those offered by some online platforms (eg. YouTube). That said, VIDA cannot be compared to the video ad products offered by these platforms. That is because our offer focuses on high quality premium content.

egta: *What about reporting?*

MM: For each campaign, our clients receive information on the total number of impressions and views. We also provide a breakdown of how many views reached 25%, 50%, 75% and 100% completion rates. Moreover, our reporting system includes information on number of users and views generated per each VIDA enabled device and TV channel. As a part of a tailor-made service, we can also produce customised reports for individual clients, based on their specific requirements.

egta: *What is the roadmap for this project? What are the next steps?*

MM: Our addressable solution is currently commercially available in Serbia. Gradually, we will expand it to other markets where United Media operates – this includes Slovenia (our product is currently in a test phase; it will be officially launched in January 2021), then in Bosnia and Herzegovina and in Montenegro. We also plan to include third-party TV channels within this part of our offer.

At this stage, VIDA allows for the replacement of linear ad blocks by addressable commercials on live TV channels (independently of the delivery method: STB or apps). In the next phase of the project, we will extend its capacities to time-shifted viewing, catch-up, VOD and additional ad formats (eg. online banners).



Launched in 2019 in Germany, **d-force** is an ad-tech joint venture between ProSiebenSat.1 and Mediengruppe RTL. The solution allows marketers to book addressable linear TV and online video advertising campaigns via a single interface serving both media houses.

egta spoke to **Jens Mittnacht (Managing Director at SevenOne Media), Paul Mudter (COO of Ad Alliance) and Ralf Hammerath (Managing Director at d-force)** to explore how collaborative projects such as d-force can help TV companies solidify their position in the addressable space.

egta: *Could you please tell us more about your collaboration with SevenOne on d-force? Why did you feel that only a collaboration with your competitor could allow you to reach the aim you had in mind for this platform?*

Paul Mudter (PM): Advertisers and media agencies have made it clear that they want it to be as easy and efficient as possible to book a wide range of Addressable TV (ATV) and online video from different sales houses. d-force is our response to this need. By creating d-force, we have made the ATV and online video inventories of two media houses available for programmatic media purchasing via a single booking platform used by both partners advertisers with a simple, direct and efficient way to address target

groups in attractive, digital, moving-image environments with wide reach and guaranteed brand safety. Other benefits for customers and agencies include harmonised advertising and greater transparency around campaign bookings through standardised reporting. d-force meets growing market demand for digital "total video" campaigns.

egta: *What is the structure of this partnership?*

Ralf Hammerath (RH): d-force is an independent entity in which both partners hold 50% of the joint venture. The company is run by a management board consisting of one representative of each of the joint venture partners and a third representative affiliated by ADITION technologies (member of the Virtual Minds Adtech group), the provider of the multi-channel demand side platform Active Agent, which is the technical basis for this "one-stop shopping" offer. To ensure optimum implementation of cross-media and cross-channel programmatic video campaigns, d-force advises advertising companies and agencies and offers a comprehensive personal first-level support of its own. As Mediengruppe RTL and ProSiebenSat.1 are still competitors, the advertiser and/or their agency have to negotiate the whole campaign setups like CPM, inventory a.s.o. directly and separately with the sales houses.

egta: *How does d-force fit in with other collaborative initiatives on the market (eg. Ad Alliance)?*

PM: While US players tend to concentrate on data, Ad Alliance stands for much more: we offer local strength, added-value content, creativity, and a cross-media (rather than single-media) approach, while also focusing on data. We are a content and sales company and view technology as a means to an end, namely as a way of reaching our customers' desired target demographics with brand-safe content (the keyword here being brand-safe). The fact that we can link our advertising customers' advertising and brands with our top-quality, high-value content gives us a real strategic edge and provides significant added value because we meet the needs of the German market in a way that tech companies like Google cannot.

Jens Mittnacht (JM): The d-force joint venture has a very special status. For us as a media company, but also for the market in general. For the first time, ProSiebenSat.1 and Mediengruppe RTL, which compete for viewer market share and in advertising sales, agreed to cooperate on the technology infrastructure within the joint venture. This makes absolute sense for the partners, but especially for the advertisers. The fact that the joint venture is based on Virtual Minds' DSP Active Agent, in which we are invested as a shareholder, shows that we are on the right track in terms of technology development and partnerships.

RH: d-force is a powerful offer to the market in the field of programmatic ATV and video advertising – with one crucial point: We said from the outset that d-force is open to further partners and that we want the market to participate as much as possible in our initiative and in our efforts to develop programmatic video, in line with market requirements. To this end, we are also in talks with numerous

publishers and media companies. As far as major players such as Google and Facebook are concerned, we can only repeat the invitation of our founding partners to join this quality service from and for the German market.

egta: *What are the main technical components and tech partners involved in this project? Who owns the technical base? In what ways will this partnership strengthen your technological independence from global tech platforms?*

RH: In addition to the above, I would say that d-force has the task of developing new strategic, structural and operational efficiency potential for programmatic video advertising. The aim is to adequately meet the growing market demand for high-quality, high-reach and brand-safe video campaigns and thus open up new business opportunities for advertisers and publishers alike. To this end, we develop, harmonize and implement innovative technologies and media solutions for supply and demand side interfaces in direct cooperation with market partners. In combination with consulting and comprehensive personal first-level support, they ensure optimal implementation of cross-media and cross-channel programmatic video campaigns. The great advantage of d-force lies precisely in this further development of the programmatic ecosystem, which includes all market sides.

PM: ATV is a growth market and as such it is arousing considerable interest. However, it still has a great deal of untapped potential. d-force is a major step towards unlocking this potential. Thanks to Smartclip, we have, within the group, a partner that takes a European approach to technology and thus plays a leading role. Furthermore, by establishing d-force we have taken a huge, vital step forward in the development of programmatic ATV advertising.

JM: For us as a company it was very important to build our own comprehensive adtech stack. To make us less dependent on solutions from US players. Therefore, we invested in Virtual Minds at an early stage several years ago. This means that today we can cover the entire programmatic chain from DSP to SSP. The fact that Virtual Minds' DSP Active Agent now forms the technological basis for d-force proves us right in this strategy.

egta: *What kind of data sets are used by d-force?*

RH: The Active Agent DSP has interfaces to all relevant sell side platforms (SSP) and data management platforms (DMP). This means that basically all relevant data – 1st, 2nd and 3rd party data – can be used for programmatic campaign management.

egta: *How do you position d-force within your sales process?*

JM: Right from the start of the d-force founding process, it was important for us to take the customers' needs into account in the best possible way. Naturally, our sales colleagues are essential here, as they work very close to our customers. Especially with regards to addressable TV, customers demand high reach – not only in the portfolio of our company, but across all TV-companies. With d-force, we now have a solution for our customers to book both inventories with joint frequency capping. Our sales colleagues naturally also use this as a sales argument for d-force. For our own addressable TV inventories, we have always relied on "our" DSP Active Agent. This closes the circle for our customers.

PM: d-force, or rather Active Agent, is the exclusive access point to our programmatic ATV and online video offering within Ad Alliance sales. There is also the I/O option to buy and execute ATV campaigns, as with digital. Moreover, there are other demand-

side platforms connected to Ad Alliance's sell-side platforms for conventional online video. However, ATV can only be booked through Active Agent and with the support of d-force.

egta: *What percentage of your total inventory is addressable? Are there any specific types of inventory that you include in your addressable offer?*

JM: As ProSiebenSat.1, we can offer our customers a broad portfolio of Addressable TV formats on our channels – from SwitchIn products to the Addressable TV Spot. We rolled out the Addressable TV Spot on a broad basis last year, so that all formats and all timeframes can be booked. So our inventory is 100% "Addressable TV Spot ready" in case of HbbTV enabled Smart TVs.

PM: We are continuously expanding our ATV reach. Though still far smaller than that of conventional linear TV, it is steadily growing.

egta: *What were the main challenges you had to face when you decided to integrate addressable advertising into your commercial offer?*

PM: The primary challenge lies in merging the digital and linear worlds and striking the right balance between them. Technical implementation is a challenge in this respect, and one that we have managed very well so far.

JM: In the past, the issue was always where the product is located from a media planning perspective on the customers' or agencies' side. So, the question was, is Addressable TV a digital or TV advertising format? This has changed a lot recently. We and of course our customers are now thinking holistically. And accordingly, we guide our customers across the entire product portfolio – depending on the campaign goals, we offer the appropriate media solutions. And of course, Addressable TV plays an important role here.

egta: *How do you price campaigns booked through d-force (auction, fixed CPM, ...)?*

RH: Campaigns via Active Agent can basically be purchased flexibly with a wide variety of deal models. With regard to campaigns processed via d-force, the following applies: ATV campaigns can be booked via programmatic guaranteed deals or by private auction on a fixed price basis. Other video campaigns can also be booked via programmatic guaranteed deals or private auctions, where both, fixed-price bookings and floor-price deals, can be concluded. As mentioned before: each sales house negotiates the deal conditions, especially the pricing, directly and separately with the agencies and advertisers. d-force provides support in the handling of this campaigns, when necessary.

egta: *What was the market's response to the launch of d-force?*

RH: The markets in Germany and Austria have reacted extremely positively to d-force. In particular, German advertisers and their federation, the OWM, have responded very favourably to the fact that d-force has taken up central demands of the advertising industry with regard to addressable TV and developed it further in a customer-oriented manner.

"As advertisers, we want to be able to plan across all media. d-force can make an important contribution to this."

--- Uwe Storch, Head of Media, Ferrero

"For me, the creation of d-force is a great signal. Walls are being torn down – and that's exactly what the market needs. I don't see d-force as a Walled Garden either."

--- Andrea Tauber-Koch, Head of Media, Commerzbank

"By using d-force, for the first time, we are benefiting from cross-marketer contact class management for addressable TV (ATV) campaigns across media company inventories. As a result, we can use media budgets much more efficiently by reducing wastage to a minimum right from the start. At the same time, the harmonization of technical specifications offers advantages in the development of campaigns and advertising media. And what we are particularly pleased about: for the first time, the transparency and decision-making authority lies directly with the agency for the programmatic campaign management at ATV."

--- Nicole Zeiske, Agency Lead Path

"We are very pleased that ING, a brand that stands for digital progress, is first mover in campaigns with d-force and thus underline the innovative character of the offer. With the cross-media and cross-marketer programmatic planning and booking of target groups and environments via one platform, d-force makes a significant contribution to reducing the fragmentation and complexity of Addressable TV and video campaigns and thus makes a significant contribution to greater efficiency in video campaigns."

--- Julian Simons, CEO at PREX

egta: *Did your addressable offer allow you to attract new types of advertisers?*

PM: ATV is a worthwhile option for any and all customers, but also has the potential to appeal to completely new clients. ATV combines the strengths of two types of medium. It has the same extensive reach and advertising impact of TV, while enabling individual, very niche target demographics to be addressed directly. This latter characteristic, in particular, makes ATV an attractive choice for customers with very specific target groups, for whom TV has previously had a too broad reach. Thanks to ATV, they now enjoy the best of both worlds: addressability combined with the quality of TV.

JM: Addressable TV has clearly arrived on the market – and is no longer a niche product. On the contrary: Addressable TV is becoming an increasingly integral part of media plans. In this respect, we are addressing all customers with our addressable TV offers. This can be explained by the mechanics of this technology. After all, classic TV commercials can be enriched with Addressable TV motives, and retargeting based on the TV spot is also possible. With Addressable TV, TV campaigns can be optimized in terms of reach and frequency. On the other hand, Addressable TV also enables medium-sized companies in particular to use TV as a communications platform. In this respect, Addressable TV is a medium for both existing and new customers!

egta: *Can you share some examples of successful campaigns executed through d-force?*

RH: In September 2019, For ING, the largest direct bank in Germany, PREX (the programmatic agency of Serviceplan group) implemented an addressable TV campaign in the two largest German addressable TV portfolios via Active Agent, the programmatic booking platform (DSP) dedicated to d-force.

It was the first time that ING was able to implement a target group-specific campaign using the inventories of both joint venture partners and thus achieve maximum reach. The four-week branding campaign with the claim “You can” addressed the financially interested target group of 20 to 49-year-olds with an attention-grabbing SwitchIn XXL. It was played out fully automatically by the Active Agent DSP within the brand-safe premium environments of Ad Alliance and SevenOne Media.

d-force is also the first and so far, only provider to offer advertisers a cross-inventory contact class management system for campaign management. The media innovation was used for the first time in December 2019 in the new addressable TV campaign for “Felix” cat food, which was designed by Path (People at the Heart), a specialist agency at Mediacom, for the Nestlé brand Purina, and underlines the technological leadership of Active Agent. The branding campaign used a SwitchIn XXL to advertise Felix’s diverse range of snacks and was played out on all Addressable TV inventories that can be centrally booked via d-force (Run On Network) with a special time of day targeting (daily 3 pm to midnight). Programmatic media purchasing via the Active Agent DSP was auction-based, allowing maximum real-time flexibility in campaign delivery at all times. The automatic contact class management, which for the first time could be controlled centrally across all channels, made it possible to avoid uncontrolled multiple addressing of smart TV users who were watching several channels and ensured targeted incremental reach optimization and maximum coverage across the inventories of the joint venture partners. Thus, the campaign was delivered with maximum budget efficiency. In this way, d-force fulfilled one of the central requirements of the advertising industry with regard to the qualitative development of Addressable TV.

Just a few weeks after the launch of d-force in Austria in January 2020, d-force announced the first advertising customer for its innovative advertising offer in Germany’s neighbouring country. Around the Easter holidays, McDonald’s invited the Austrians to a virtual “nest hunt”. The branding campaign launched shortly before Easter (the campaign was commissioned by OMD Austria; the creative agency behind this project was DDB Vienna). It used an animated SwitchIn XXL to advertise the McDonald’s Easter raffle, in which users could take part via the app of the fast-food restaurant chain and win vouchers for their offer. The campaign was played out on all addressable TV inventories of the two Austrian TV marketers (IP Austria and ProSiebenSat.1 PULS 4), which could be booked centrally via d-force (Run On Network). The automatic contact class management, which could be controlled centrally across all channels via Active Agent, avoided uncontrolled multiple contact with smart TV users who were found on several channels. The control tool ensured targeted incremental coverage optimization and maximum reach across brand-safe TV inventories, thereby ensuring maximum budget efficiency.

egta: *Discussions about addressable advertising often oscillate around walled gardens. In your opinion, how will that all play out? Will the future lie with walled gardens: whether these are owned by digital platforms (GAFA) or linked to/parts of publishers’ media groups? What does it mean for the data that are used in d-force? Can d-force become a rival walled garden, not accessible for tech giants (such as Google)?*

JM: d-force is basically the opposite of a walled garden – and specifically open to other partners. By standardizing Addressable TV, we are also creating the best possible conditions for growth

in this area throughout the industry. That helps the whole industry!

PM: We have always been open to players who meaningfully complement our offerings, generate added value and, above all, are a good fit for us. Reach is not the only decisive factor. Media quality, relevance and concept are vital too. d-force is also happy to team up with other partners. Furthermore, every market player can make his inventory available through Active Agent, either exclusively or in addition to other platforms. While our ATV inventory is only bookable through Active Agent, we offer all other inventories to other DSPs too. We would, of course, be pleased to be joined by U.S. companies.

egta: *How is your company preparing to adapt to the post-cookie reality?*

RH: As a technology and ID agnostic demand side platform, Active Agent has been preparing for ID management beyond cookies for quite some time and is already able to process alternative identifiers such as European netID, Live Ramp or other providers. Furthermore, the Active Agent DSP is ready for the TCF 2.0 standard¹.

PM: We are currently preparing all our offerings and technologies for the new processes surrounding consent. Our technical focus is on the application of the Transparency & Consent Framework 2.0 (TCF 2.0). For us, TCF 2.0, as an international market standard, provides a comprehensive, transparent framework for all stakeholders and a long-lasting, future-oriented solution that will encompass all addressable channels. We are ready for the future.

JM: Clearly, registration data will become the strong foundation of our digital marketing products. This will involve establishing new

¹ Transparency and Consent Framework (TCF) v2.0., <https://iabeurope.eu/tcf-2-0/>.

“stable IDs”. Our own registration service 7Pass, netID and the link to the IDs of Virtual Minds play a central role for ProSiebenSat.1. In detail: We are working on a waterfall targeting, which we will offer to customers in the coming months. Based on the model of a waterfall, we will successively check which data we have from an active user in order to supply him or her with personalized advertising. In this way, we will offer our advertising customers attractive targeting opportunities in the future.

egta: *What are the next steps for d-force?*

RH: d-force has made many things possible in the past few months, e.g. the cross-inventory frequency capping and the harmonisation of the SwitchIn XXL.

At the same time programmatic marketing does not stand still and we have a well-filled roadmap for this and next year; for example, cross-device solutions for addressing target groups across devices and programmatic connected TV (CTV) will be a key point. Also, in our focus: the realization of a spot replacement – what will be a quantum leap for programmatic advertising. It will be the first time that advertisers are able to replace a spot in linear TV and address target groups with individualized TV spots. Last but not least, implementing VAST4.2 (Video Ad Serving Template) will solve several challenges that help create an easy and productive workflow between the partners in the programmatic chain and will simplify and optimize viewability measurement for online videos, especially comparing data about a video impression across the various systems involved with the delivery and tracking of that impression.





In October 2020, ITV launched its new addressable platform – **Planet V**. egta talked to **Rhys McLachlan, Director of Advanced Advertising at ITV** about these recent developments in the broadcaster's data-driven offer.

egta: *Please tell us something more about Planet V. How do you position this new solution towards the other similar products on the market?*

Rhys McLachlan (RML): In terms of timeline, the first version of Planet V was released to our external agency partners in October 2020, following an initial "concierge" period which was operating within ITV for the last few months. This concierge process allowed us to conduct in-house testing by station management and advertising operations teams.

This new tool gives advertisers and agencies more control over the purchasing of their campaigns across ITV's VOD service – ITV Hub – which currently has over 30 million registered users and is available via 28 platforms and apps.

What differs Planet V from other addressable products available on the market (eg. Sky's AdSmart) is that our solution currently focuses on all aspects of our premium video inventory offering (VOD, catch-up, simulcast). For the moment, it does not cover ITV's non-digital linear programming. However, this will change as ITV will be continually updating the platform to accommodate new distribution options as and when the infrastructure on those platforms can support addressable advertising. This will

enable ITV to provide the very best frictionless, data-driven buy, in a premium, brand safe environment, for our clients.

The platform was built in cooperation with Amobee and is a direct result of the exclusive UK and Ireland licensing agreement between ITV and this technology provider, announced earlier in 2019. This exclusive arrangement covers the entirety of Amobee's video assets. Planet V houses a DSP (via a customised interface) – for planning and buying, an SSP (for inventory management and allocation), a DMP and an ad server. This new tool is an end-to-end holistic proposition that manages the entirety of the workflow in the video ecosystem.

Although at this stage Planet V only includes ITV's inventory, we are extending an open invitation to any other broadcaster to join the platform.

We believe that this new tool is a significant step forward for us, meeting the widening demands of marketers and enabling programmatic buying across ITV's unparalleled combination of simultaneous mass reach and targeted advertising.

egta: *What are the sales mechanics behind Planet V? How is it integrated in the media buying process? What are the main advantages for your clients?*

RML: The platform was launched in self-service (one-stop-shop) capacity allowing our clients to log in and directly plan, book, manage, activate, and report their campaigns.

egta: *How do you price campaigns sold through Planet V?*

RML: In the first instance, to ensure ease of access for the clients, consistency of user experience and minimise any obstacles to data activation, Planet V will operate based on *fixed price/fixed volume* trading mechanisms against pre-defined audience segments. In this formula, pricing generation in the platform is dynamic and it determines the number of impressions per campaign. In this mechanism, at the campaign planning stage of the process, customers can define campaign targeting parameters selecting from a number of predefined characteristics (eg. age, demographics, location, content, device, social grade/status, etc.). The composition and weighting of these characteristics generates a price unique to that audience/campaign/objectives and as such it determines the campaign impression volume. Therefore, our dynamic pricing facility generates fixed price/volume metrics for each campaign.

There are also open-RTB ad capabilities integrated into the platform that will be activated at a later stage, but these will only be used to facilitate best-in-class operational functions. We're not enabling auction mechanisms.

We believe that the programmatic nature of the platform will also simplify and speed up the buying process, allowing brands to be more responsive to market dynamics, activate unique ITV data segments for custom targeting. *Bring-your-own* first-party data options can be applied via a secure and compliant process. This is a major step forward for ITV and the UK broadcasting industry.

ITV's video inventory will only be programmatically bought through Planet V – there will be no third-party buying integrations with the DSP solutions provided by other ad tech vendors. It is a strategic choice to ensure we maintain the complete sovereignty over

the entirety of our inventory, sales and pricing. This differentiates us from other broadcasters, who undertook integrations with several DSP partners and now are "retailing" their product to a number of external vendors.

To sum-up: our proposition gives our clients access to the premium inventory that can be purchased in an easy, transparent and automated way, against high-quality first-party data gathered in a GDPR-compliant way. In fact, we are unashamedly premium and this comes at a price. We believe that our offer provides a comprehensive, quality-driven and competitive alternative to other solutions currently present on the video market.

egta: *How does data work within Planet V?*

RML: In its initial phase, Planet V enables our clients to optimise and monitor campaigns in real time, building audiences with ITV's first party data. The design of the platform will also allow for integrations with additional data sources from certified data providers on the UK market. Shortly after launch, our clients will be able to integrate their own data sources and match their IDs with ITV's IDs to create super sophisticated audience segments specifically for their campaign objectives.

Being able to implement learnings from first party and third-party data to target users of ITV Hub based on behaviours is a huge addition to the reach and scale that ITV delivers on linear TV.

egta: *Could you please tell us more about the evolution of the ITV's addressable offer? With the launch of Planet V, what percentage of your inventory is now addressable?*

RML: With the launch of Planet V, 100% of our IP-delivered video inventory will be addressable – of course this does not include our "conventional" linear TV offer.

When talking about the future of addressable, any TV company needs to strike the right balance between mass reach propositions (that are specifically designed to drive brand awareness and top-of-the-funnel metrics) and enabling data-driven products that can further encourage consumers path to purchase. Planet V will allow us to work through this funnel from the top to the bottom and it is a vehicle for an enablement of many advancements in the future (eg. possible inclusion of the linear addressable product features, new data and broadcast partnerships, etc.).

egta: *What is the future of addressable TV?*

RML: In my opinion, addressable TV will not replace “traditional” TV. Addressable is rather a complement and not replacement to linear. That said, data-driven products will become a must-have table-stake option that will be expected by clients and therefore will have to be included in a broadcaster’s offer.

Currently, we can see two main obstacles to the broad adoption and use of addressable solutions. First, it is the lack of a common data currency resulting from the presence of separate data propositions developed, out of necessity, by broadcasters and other actors. Development of a common “TV ID”, which would enable marketers to plan and buy campaigns against the same taxonomy, across different publishers, platforms and devices, will be the catalyst to the further proliferation of addressable solutions. Second, there are numerous obstacles related to the multitude of technology standards and the underlying tech infrastructures that enable the purchase of addressable TV inventory. Harmonisation of standards (and possible market consolidation) will contribute to the simplification of addressable offers and of the buying process.



ADDRESSABLE TV AND ADVANCED DATA-DRIVEN AD OFFERS ON THE FRENCH TV MARKET: NEW OPPORTUNITIES FOR ADVERTISERS

Towards a more flexible regulatory framework

France was one of the biggest markets in Europe where the expansion of addressable TV was limited by a strict regulatory framework. In fact, this type of advertising was generally prohibited (with certain exceptions) by a decree dated March 1992 stating that “advertising messages must be broadcast simultaneously throughout the service area”. In recent years, broadcasters and telco operators have been trialing workarounds – including playing out swapped-out ads from a local source – to accommodate advertiser’s demands for addressable products.

Mid-2019, the French government launched a series of reforms applying to the audiovisual sector. The reform process aimed at making television advertising rules more flexible and, subsequently, at restoring a fairer balance between audiovisual and internet content providers. This legislative process resulted in a number of specific regulations – including Decree No. 2020-983 (which entered into force on 7 August 2020) that officially legalised targeted advertising on linear TV.

That said, the decree also sets some limitations. This include, among others, time restrictions. The duration of targeted advertising should not:

- Exceed six minutes per clock hour;
- Exceed a daily average of two minutes per hour over all programming periods for services broadcast by terrestrial Hertzian

over an area with a population of more than 10 million inhabitants. French national TNT channels are concerned;

- Exceed a daily average of four minutes per hour over all programming periods for services distributed by networks that do not use frequencies assigned by the French Audiovisual Council. This also concerns publishers whose services are broadcast by terrestrial Hertzian over a geographical area with a population of less than or equal to 10 million inhabitants.

Furthermore, addressable ads:

- Are prohibited immediately before, during and immediately after children’s programs;
- Should not include indication by the advertiser of an address or explicit local identification, except for broadcasters which are under the legal obligation to broadcast regional programs;
- Must be identified as such in an appropriate manner.



Canal+: Data as the DNA of the broadcaster’s advertising offer

egta spoke to **Emmanuelle Godard, Director of Marketing and Innovation at CANAL+ Brand Solutions** to explore how French TV companies are preparing for the new opportunities brought in by the relaxed legal framework.

a. Market position

Over the past years, CANAL+ has made its data strategy the centre point of its commercial offer. These efforts were made possible thanks to the unique positioning of CANAL+ Group (part of Vivendi) on the French TV market, where the company operates a number of TV channels (pay TV and free-to-air), acts as a TV distributor (it owns a proprietary set-top-box technology) and runs a dedicated sales unit for its media outlets (linear TV, VOD/OTT and cinema). The Group also has a large subscriber base that, in France, counts more than 8.4 M customers.

b. CANAL+’s current data-based offer

Through its broadcaster and distributor activities, CANAL+ was able to collect **large amounts of data on subscribers** (incl. sociodemographic, household-level, geolocation and TV consumption).

This information is used to:

- Increase loyalty among CANAL+ viewers,
- Improve the revenue per user,
- Limit ad churn,



- Personalise the user experience on CANAL+’s OTT service (MyCanal),
- Increase the value of CANAL+’s advertising offer.

In the advertising context, CANAL+ supplements its first party data with **other data sets** coming from:

- Third-party data providers (eg. 3A – for tracking based on car plates registrations; Kairos – for tracking in-store visits using the mobile IDs of Canal+ viewers captured by beacons installed in shops; other providers for consumer tracking in relation to FMCG brands, etc.),
- Brands (CRM information; in-store data),
- Public institutions (ongoing; to identify viewers who intend to or have recently moved).

CANAL+’s current data offer includes **four main products**:

- Targeted ads on VOD/OTT (MyCanal)
- CanalXchange is a dedicated product for data planning, offering the capability to match CANAL+’s subscribers’ data with third party data (instead of sociodemographic information) for campaign planning and optimisation on the broadcaster’s linear thematic pay TV channels. The data matching partner for this product is LiveRamp. All data is anonymised to ensure GDPR compliance. CANAL+ intends to extend the availability of

this offer to all of its free-to-air channels.

- **Canalytics** is a set of tools for measuring the campaign's performance (purchase behaviour, store visitation etc.). CANAL+ can combine data regarding TV consumption with information on ad exposure to determine a campaign's real impact on viewers' purchase behaviour (viewers exposed to an ad vs. those who did not see an ad). The data matching partner for this solution is LiveRamp.
- **Addressable TV** is the newest proposition in CANAL+'s data portfolio. The first ad products in this segment will be launched later in 2021.

The key element to the success of CANAL+'s data-driven offer (all data solutions) is the current capability to optimize TV planning on its channels based on data segments and to measure the performance and effectiveness of TV campaigns when it comes to driving revenue for its clients. This approach will also be one of the key pillars of the company's addressable proposition.

c. Addressable TV in France – timeline

Since the legislation legalising addressable TV came into force in August 2020, the French addressable TV market is still at a very early stage of development. Throughout T4 2020, TV operators (broadcasters, telco and cable providers) will be launching (and testing) their first addressable products. According to current estimates, the number of available addressable ad solutions will progressively grow throughout 2021. The expansion of this market segment will also correlate with the increasing number of households "eligible" for addressable ads, i.e. equipped with STBs able to carry targeted ads based on the opt-in information collected from the users. Throughout 2022, TV operators will be launching market-ready versions of their addressable ad solutions. The French

addressable market is expected to solidify in 2023.

d. CANAL+'s addressable offer

At this stage, CANAL+ is currently in talks with all telco operators and has already entered into a partnership with one of them to enable the first targeted ad solutions on linear TV. They will both demonstrate different use cases for a future addressable offer. These first sample uses cases include:

- A contextual advertising solution: this campaign solution reflects a wider approach to addressable TV, in which targeting is not done on a *one-to-one* basis but rather uses the power of context to identify which shows index best against certain specific audiences. The test campaign is currently run in cooperation with an online gambling operator;
- An ad solution allowing the campaigns to be adapted based on specific households' attributes: the test campaign is executed in cooperation with a car manufacturer;
- A geolocation-based product that is currently tested in cooperation with an FMCG brand.

In the next step (S2 2021/2022), CANAL+ will focus on its operator proposition to be able to operate addressable TV on its subscribers' base.

"The arrival of addressable TV is a major innovation and we are all very excited about it. However, it will most likely not radically disrupt the French TV market. Linear TV will not disappear. It will gain a valuable complement in offering data-driven inventories, through which broadcasters will attract new clients", says Emmanuelle Godard.

When it comes to evaluating the benefits brought in by addressable advertising, it is essential to review the overall costs of

such campaigns in relations to a brand's objectives. Emmanuelle Godard points out that "addressable TV is a great opportunity for SME or companies with very narrow targets (5% – 25% of the total population). For campaigns with broad target audiences, [addressable] benefits will be balanced with broadcast that might be a more cost-effective solution". Demonstrating the performance and ROI of addressable campaigns will be key to its development.

At last, according to CANAL+, "one of the main challenges on the French market will be the capacity of different operators to offer simple and unified tools that will allow marketers to plan and buy addressable campaigns in a similar way – independently of the provider. The cross-market cooperation and standardisation will be essential to the future expansion of addressable TV".



egta spoke to **Thomas Luisetti, Director of Digital Strategy and Innovation at France Télévisions Publicité** to explore how public broadcasters are preparing for the new addressable era.

egta: *You are one of the few public broadcasters to invest in ATV. What benefits does addressable TV present for a public broadcaster? Where does it fit in your current data-driven portfolio?*

Thomas Luisetti (TL): In the case of France Télévisions Publicité, addressable TV is a natural next step in the evolution of our data-driven offering.

Data has always been at the centre of our commercial proposition. Since 2011, we have been acting as a pioneer with our behavioural targets in the FMCG sector, based on viewers' actual purchases. In 2015, we started using the notion of *GRP data* for ad products, where targeting is not based on sociodemographic criteria but rather on behavioural data linked to viewers' interests. In 2018, in cooperation with TF1 Publicité, we launched a common audience target "Shoppers" for national FMCG brands. We also have a dedicated France TV Data offer running on digital extensions – for video and display campaigns on all personal devices – that is available for both direct sales and programmatic offers. Composed of three tiers (Datalife, Dataconso, Datapartner), this product provides our clients with a variety of analytics, targeting and retargeting tools based on pre-defined and custom audience segments

reflecting consumers' interests and behaviours.

Addressable ("segmented") TV is undoubtedly the most advanced solution in our portfolio as it allows us to combine the best of two worlds – linear and digital – into one single premium product.

Our first addressable products are aimed at national and local advertisers. As a public broadcaster, France Télévisions has a strong regional presence thanks to a number of local/regional TV channels. We decided to use these specific assets to serve new categories of clients, many of whom were not able to advertise on TV.

egta: *What are the main components of your addressable offer? What is the timeline for the launch of these products?*

TL: In terms of the timeline: the decree legalising targeted advertising on linear TV entered into force on 5 August. Since then, France Télévisions has signed agreements with two telco operators – Orange and Bouygues Telecom – which allow us to launch our first pilot products. This initial phase is planned for November and December 2020. Through this period, we will first run full-scale segmented TV campaigns on IPTV via the set-top boxes of these two partner operators. Advertisers will be able to place ads on France 2, France 3, France 3 Régions, France 5, using various audience segments based on the telco operator's data (incl. geolocation, household characteristics, viewers' media usage, etc.). We expect the finalised addressable products to be

made available to the market in January 2021. However, this second phase is strongly linked to the progress made by other broadcasters and telco operators, who, we hope, will also be ready with their offers for the official commercial launch.

egta: *Will your addressable proposition include both linear and VOD/OTT?*

TL: Our intention is to continue our efforts in line with the convergence logic – the convergence between different screens as well as content and ad delivery models. With the commercial launch of the final market-ready products (January), by default, addressability will be delivered both live – on the big screen (through audience segmentation) and on VOD/replay (initially not OTT). When we achieve a certain level of data "unity" and comparability, we will also include the OTT environment in this proposition. This will allow us to break the commercial silos between various types of TV offers.

egta: *Who are the main partners involved in the development of your addressable offer?*

TL: Ad replacement operations are done by the telco operators. As mentioned above, we currently work with Orange and Bouygues Telecom. Of course, we hope to extend our cooperation to other operators in the future.

When it comes to ad decisioning, the situation is more complex. Certain elements of our technical base are standard products sold by third-party vendors (eg. we use ad servers provided by FreeWheel). However, the core ad decisioning components used in our solution were made in-house.

egta: *Can you tell us more on the data used in your addressable campaigns?*

TL: In the beginning, our addressable products will rely on the first-party data collected by

our telco partners. However, very soon, we are planning also to add additional data sources: third-party data sets coming from the leading data vendors as well as advertisers' data.

egta: *Are you planning to sell addressable as a part of your TV offer or will it be monetised in a similar way to with digital? What pricing system will you use?*

TL: Since addressable TV is an environment that is closer to "digital", our addressable campaigns will be sold on a CPM basis. The price will be determined based on the volume of impressions and the level of targeting. The more granular/advanced targeting, the higher the price will be. Our addressable campaigns will be measured according to digital standards (impressions, completion rates).

egta: *Are you planning to offer a self-service platform through which your clients will be able to purchase addressable campaigns?*

TL: Yes. We believe that automation of buying processes is one of the key elements that are necessary to make the addressable TV market grow. Two years ago, we launched AdSpace – our automatic ad buying platform. Our addressable offer will be integrated within this tool. The platform will also be open to new categories of clients (SME, local advertisers), who we could not serve through direct deals.

egta: *Because of tighter data privacy regulation and anti-tracking changes made by browsers, many marketers are starting to look beyond one-to-one targeting. What is your take on this?*

TL: Despite the fact that our proposition does not rely on cookies (in any of the two environments: linear and online), we cannot avoid the discussion on data protection and data privacy.

First of all, it is important to clarify that addressable TV (especially on linear) is not

based on *one-to-one* targeting. This is why we prefer to use the term “segmented TV” as it emphasises the fact that ads are aimed at specific **audience segments**. We can say that it is a more “intelligent” form of *one-to-many* targeting. Since we do not use hyper-targeting, we feel that it is a bit easier for us to ensure the compliance of our products with data protection and data privacy regulation.

Second, discussions around tracking and targeted TV advertising are not limited to addressable/segmented TV. FTP also has other products in its portfolio, through which our clients can reach more refined groups of viewers. One example of such solutions is AKOUO. This new AI-based marketing service combines four complementary data sources: conversational data (derived from public internet data), brand data (collected by YouGov), behavioural data (from Kantar) and programming data (drawn from Harris Interactive’s Quali TV survey). Based on this, we are able to provide our clients with recommendations for a better-calibrated, context-based campaign planning on our linear and digital outlets.

We believe that with these two approaches to data-based targeting we can make our offer innovative, relevant (adapted to the market needs) and more responsible when it comes to data protection and data privacy.

egta: *Should TV companies cooperate to expand the addressable TV market? Can collaborative initiatives (similar to Salto) happen in the addressable space?*

TL: I think that collaboration is the way to go. First, because we need to make this market segment easy to navigate for our clients. A certain degree of standardisation (eg. in terms of targeting attributes) can help in this regard. However, all broadcasters should retain control over their commercial propositions. Second,

collaboration would allow us to gain scale in order to compete with global digital platforms.





David Amodio, Deputy Head of Digital and Innovation at Channel 4, kindly accepted to answer egta's questions about C4's latest data-driven and addressable products for VOD.

egta: *Your company recently launched new tools to target audiences across All 4. Could you please tell us more on the recently introduced data-driven products for Channel 4's digital extensions?*

David Amodio (DA): BRANDM4TCH is our new 'Bring Your Own Data' product offering. Working with our data matching partner Infosum, and our advanced data management platform Mediarithmics, the product allows brands for the first time to identify users from their own CRM data and match them with our 23 million registered users. The product enables brands to target known customers or suppress audiences to target new customers. The match takes place without the need for any cookie data and without the need for any personally identifiable data being passed to Channel 4, meaning the offering is fully GDPR compliant.

APPROVED enables Advertisers, who perhaps aren't able to use their own first party data, to reach audiences using pre-defined segments thanks to Acxiom data. We have over 100 Acxiom segments available to target across the All 4 platform to provide our clients with a greater variety of targeting and insight opportunities.

BESPOKE audiences allow advertisers the opportunity to "Build their own Audience" using All 4's first party data to deliver segments

targeting that is fully tailored to their needs. BESPOKE offers more control to agencies and advertisers allowing them to select and combine existing All 4 audiences and attributes to create segments specific to their campaign and brand. Bespoke can be used to increase either precision or reach & scale.

egta: *What kind of data are these platforms based on? You already had a very transparent and clear data strategy and opt-in policy. Did you have to further adapt it to meet the regulatory requirements?*

DA: BRANDM4TCH is based on client first-party data as well as Channel 4's first-party data (GDPR legal paperwork needs to be completed by both parties).

APPROVED uses Acxiom Infobase third-party data and Channel 4's first-party data (due diligence performed by C4 on Acxiom Infobase data).

BESPOKE exclusively relies on Channel 4's first-party data (no change is needed as users need to adhere to Channel 4's Privacy Policy).

egta: *How can solutions based on the idea of so-called "clean data rooms", help TV companies prepare their offer for a future driven by higher data protection and data privacy standards, where third party cookies are not be used anymore?*

DA: The majority of All 4 traffic is consumed via connected TVs (CTVs; 73%). Therefore, we are unable to rely on cookies for audience targeting. All 4 users share five key data points when they

register on the All 4 platform. First and last name, date of birth, gender, postcode and most importantly, email address. With these key data points, we are able to invite our advertisers to share their first party data to match with our 23 million registered users via the "clean data room" of Infosum, to allow them to speak to their customers in a way that is direct, personal and GDPR compliant.

Infosum's clean data room allows Channel 4 and our advertisers to unlock the power of their first-party data with the only end-to-end data onboarding solution that requires no movement of data.

egta: *Channel 4 also continues its programmatic evolution with the launch of M4RKETS – a new programmatic suite of products that enable advertisers to buy All 4 inventory. Could you please tell us more about this set of products? How will campaigns be priced and transacted?*

DA: Channel 4 currently offers a Tag Guaranteed (TG) product, enabling agency programmatic teams to access All 4 inventory. TG offers a process similar to a direct buy. However, campaigns can run with tags to allow tracking via DSPs Adobe, Amobee, TTD and DV360.

We have recently launched a Programmatic Guaranteed (PG) product which for the first time utilises an SSP. Agencies are now able to buy programmatically using the following DSPs: Adobe and TTD. In line with a traditional PG set up, a Deal ID is generated, and Channel 4 manages campaigns via our Freewheel SSP. Our Programmatic Guaranteed product is available on fixed impression and fixed CPM basis.

egta: *We know that addressable TV brings in incremental revenue. Do you see any new types of advertisers who started investing their budgets in this offer? Did any of your existing clients shift their digital budgets to TV thanks to your addressable offer?*

DA: It is important to define what we mean by addressable TV. Our current addressable TV offering is a VOD product across connected TV. We are also developing an addressable linear product, but this has not yet been launched.

We are beginning to see new budgets through our addressable products:

- M4RKETS, through our new DSP integrations and with the launch a Programmatic Guaranteed product, we are attracting both existing and new clients: existing – via a different buying mechanic (programmatic specific spends) and new – by appealing to advertisers solely buying programmatically.
- BRANDM4TCH is also attractive to both existing and new brands as it opens up first-party data matching and audience targeting opportunities previously only possible via cookies and on digital tech platforms.

egta: *In response to the COVID-19 crisis, many TV companies developed additional solutions to help their clients in this difficult time. How can data-driven creative solutions help both TV companies and their clients to come out as leaders in the recovery period?*

DA: An example of such solutions is ENG4GE – our creative suite that features 4 innovation products for advertisers to choose from: Interactive, Dynamic, Personalised and Amplify.

Interactive helps brands connect with viewers through interaction, whether it's extended new content, targeted creative messaging, or encouraging online purchase.

Dynamic plugs into data to create tailored messages for our viewers. We have a great relationship with our viewers which means we really know them, and this allows us to deliver more relevant content and advertising to them. Dynamic offers advertisers the opportunity to deliver thousands of bespoke messages linked

to viewers' location, the weather, where they are, the time of day, date, their age, or gender.

Our Personalised product taps into our millions of registered users and allows brands to deliver personalised named visual or audio messages.

Amplify provides an opportunity for advertisers to deliver a tailored message through a template-based frame surrounding their creative.





egta spoke to **Brian Jentz, Senior Vice President, Business Operations – Advanced Video Advertising at Nielsen**, to explore the new opportunities for TV companies brought in by Nielsen's addressable TV platform.

egta: *What are the main challenges when it comes to measuring addressable TV ads? Can panels and impressions work together?*

Brian Jentz (BJ): As with all addressable platforms, we can provide detailed impression, reach and frequency data for all addressable campaigns operated on the platform in real time. The key challenge for addressable TV is how to evolve from household impressions to real people. Co-viewing is an important piece of the TV equation and it accounts for about 30% of viewing. In order for big data sets and addressability to deliver better value, understanding real people and not just households will be an important piece of the puzzle. The other needed piece of the equation is reconciliation. By definition, replacing a linear ad for a subset of the audience with an addressable ad means that the entire audience did not uniformly receive the same ad. As a result, a reconciliation process must exist that accounts for the portion of the audience that was not actually exposed to the original linear ad. This can be achieved by integrating more granular viewership and exposure data from the Smart TV and set-top box devices to which addressable ads are delivered.

Broadly speaking there are two ways to measure addressable ads. The first one is what we can call an exclusionary approach. It focuses on how we can remove addressable impressions from the panel data so that they do not affect the total viewing figures. It is the solution adopted in markets such as the U.K. and Ireland. However, with the growing scale of addressable solutions, we feel that the TV market needs to move to a more inclusionary approach, which would include those addressable impressions in the global mix of panel data, and make those systems speak to each other. That is the solution Nielsen has been focusing on. An example of such "gold standard" approach is an [addressable measurement framework](#) laid out in the U.S. market, whereas various large data sets across return path data and smart TV providers can be integrated into the base measurement to effectively push the evolution of the C3/C7 measurement, the metric under which much of primetime advertising is bought and sold.

egta: *Why did Nielsen decide to launch its new addressable TV platform?*

BJ: Smart TVs have entered the market at lightning speed with adoption rates to match. Within five years since smart TVs were first mass-produced (2011), more than 50% of all TVs sold globally are now connected to the Internet. We saw an opportunity to help our programming clients to unlock the value of their inventory across linear TV. To-date, broadcasters have largely been locked out of

addressable TV as the opportunity has been, historically, controlled by Pay TV providers via their set-top-boxes. Utilizing the Nielsen Addressable TV solution, programmers can tap into the addressable TV opportunity through Nielsen technology embedded into leading Smart TVs.

In addition, we saw this as a unique opportunity under David Kenny's leadership when he became CEO in late 2018 to bring our tech assets and our measurement expertise to partner with the industry to solve these challenges. By analyzing the current ad tech ecosystem, we realized that most of the available products were developed for digital or OTT, where programmers (or platforms) insert ads in a "blank" space. The situation is very different when it comes to linear TV where addressable spots replace traditional linear ads that already have value. This creates a different commercial model for a broadcaster. It also requires a lot of sophisticated tools around inventory management (to determine which ads can be replaced and under what conditions) and yield management (allowing a TV company to set base prices in a way that will help to drive incremental yield by replacing those spots). With more devices capable of delivering addressable advertising, similar to the digital world, the industry needed an end-to-end, AI-optimized platform that enabled ad delivery, data-driven targeting, automation, real-time optimization, unified campaign management, and measurement. And Nielsen, given our neutrality, strong patent portfolio, and breadth of linear TV talent, was uniquely positioned to help tie all these elements together at scale.

egta: *In January 2020, your company introduced a beta version of this new addressable tool. What is the timeline for the launch of the final product?*

BJ: We began rolling out the solution in January 2020 when we kicked off a robust beta program with major U.S. TV networks (9

media companies: A+E, AMC, Discovery, Disney, FOX, NBCUniversal, Univision, ViacomCBS, WarnerMedia) as beta participants, accounting for nearly 90% of total TV impressions. When Covid-19 hit we had to think creatively as to how to still execute our beta and within eight weeks we had a full virtual lab in place to enable our clients to participate from their own homes and no longer required us or them to be in their broadcast facility. Throughout the course of Q4 2020 and the beginning of 2021, our solution will be deployed into real consumers' homes allowing us to bring the demand and sell side together to execute real non-paid commercial campaigns. The final product is expected to be released in Q1 2021.

While our solution will initially be launched in the U.S., we are planning to enter global markets as well. In fact, we are currently in discussions with various broadcasters in several key European markets about the possibility to begin testing our platform. We are looking forward to moving toward a global commercial launch later in 2021.

egta: *How do you position this new solution on the market? What are its main benefits for TV companies?*

BJ: We believe the ad experience needs to change in linear and we can play the part of improving the experience for consumers, the ROI for advertisers, and the monetisation of content by broadcasters to better invest in quality content and unlock a more flexible business model. The uniqueness of the Nielsen Addressable Platform is that ads are delivered in near real-time. By using advanced intelligence to look ahead for addressable opportunities (in conjunction with inventory rules the broadcaster sets), Nielsen Addressable Platform performs real-time ad decisions ahead of the opportunity in a live linear programmer broadcast. And, this advanced intelligence engine can be updated any time up to 15 minutes before an

addressable opportunity, unlocking the ultimate flexibility for broadcaster and advertisers alike. Our offering drives three main benefits for TV companies:

- **End to end solution:** Rather than focus on one aspect of the addressable ecosystem, i.e. ad serving, Nielsen is focused on the entire ecosystem. Nielsen has created a modular platform that allows for seamless inventory, yield and campaign management as well as ad serving. Nielsen platform is not dependent on a STB or a device to deliver the ads. We are integrating our technology directly into the TV glass enabling us to minimize technical customization hurdles and reduce technical barriers. Nielsen's addressable solution is also platform agnostic and works whether the viewer is streaming over a set-top-box, digital antenna, or virtual MVPD. Ads are served in real-time and combine the best of both television and the internet.
- **Flawless consumer experience:** We are doubling-down on the need to have a flawless consumer experience. It is in this area that Nielsen's solution truly shines compared to some of the historical (set-top box-based) incarnations of addressable TV. The smooth transition of the solutions enables the insertion of addressable ads into an existing linear TV stream in a totally seamless manner that is imperceptible to the human eye. No underlying ad frames, no padding bumpers - just a seamless transition from ad to ad in a real time broadcast experience. And when ads are replaced, the solution normalizes the audio of the replacement ad to ensure there are no jumps or dips in the audio compared to the standard linear stream that is being viewed.
- **Light touch for programmers:** While our solution is robust and comprehensive, it is very 'light touch' compared to other

addressable platforms in terms of the effort required by broadcasters to get our solution up and running. The TV companies simply need to install a server in the facility (not in the critical play-out path) and provide program logs and we're off and running. Other platforms are much more intrusive and require a heavier lift / integration impact to get them operational.

When you compare Nielsen's solution to other forms of addressable advertising, you will find that we've solved many existing challenges. For example:

- **No fraud:** The only inventory being served through our platform is targeted TV spots
- **Complete visibility:** Regardless of how an advertiser buys the inventory, our platform is fully transparent. Buyers will know what and where they are buying as well as when their inventory will run
- **Viewability:** Ads are always 100% viewable, no below the fold issues
- **Brand-safe environment:** Ads are always featured alongside brand-safe, premium content
- **Measurement:** More importantly is that our solutions and ads served through our platforms will always be accurately measured

egta: *What types of inventory can be managed through Nielsen's addressable platform?*

BJ: Our solution is primarily geared towards linear inventory. That said, via the ad decisioning server, it can also effectively be interoperable with other tools used for managing OTT campaigns. Therefore, broadcasters will be able to manage campaigns' frequency and reach in a holistic omni channel way across their entire portfolios.

egta: *How does Nielsen's new addressable solution fit into the media buying process?*

BJ: Nielsen has built a unified addressable TV platform in order to provide TV networks with a full working solution from day one, truly accelerating linear TV selling and buying to work more seamlessly in a cross-channel world. Due to our plug and play capabilities, our platform was built to seamlessly work across both TV and digital standards. For example, the Nielsen solution adheres to OpenRTB and VAST standards for programmatic integrations with third-party ad servers, demand-side platforms and supply-side platforms which enables the solution to be easily integrated within existing digital infrastructures. On the other hand, the solution is also capable of utilizing TV broadcast standards such as SCTE for identification and triggering of ads. Nielsen's addressable platform is truly flexible, enabling both programmatic buying and selling processes as well as supporting direct sales or direct buys with a human touch (operated through classic insertion orders).

egta: *Could you please tell us more about the technical base behind Nielsen's addressable TV platform?*

BJ: At the core of our addressable TV technology is the utilization of an industry best in class Video ACR (Automatic Content Recognition) technology, our Nielsen Gracenote ACR, which is integrated into the firmware layer of millions of smart TVs. Nielsens Gracenote ACR technology provides the ability for real-time, frame-level ad detection regardless of source or platform and can identify TV programs, video games, and advertising in real-time with unmatched accuracy, scale and quality. Our technology is proven to run at scale on various OEM platforms, and we are solving things at the glass instead of on the set-top box. The Nielsen Addressable TV Platform can be integrated across all smart

TV brands, set-top-box and other future technology, and into all existing broadcast infrastructures and agency workflows.

Our ad tech platform is also truly open and interoperable. Our addressable TV platform was built for linear TV and brings a true end-to-end ad tech platform to the table including collection and categorization of ad inventory, ad decisioning and yield, dynamic ad replacement, data and identity management and audience segmentation, media buying and bid management and revenue collection and publisher payments. We can work with existing players across the ad tech ecosystem at the behest of our programmer-partners, including access to demand side platforms. Like any solution that is either wholly or partially standards-based, someone is needed to bring together a comprehensive solution that works and that is why we started with a full end-to-end solution which is truly an industry first for linear addressable TV.

While our solution is robust and comprehensive, it is also very 'light touch' compared to other addressable TV platforms in terms of the effort required by programmers to get our solution up and running. The process to enable the solution is simple, TV programmers only need to follow two steps: (1) install our addressable engine in their broadcast plant outside of the broadcast chain and (2) provide logs of the running order of content and advertisements. This simple and low-lift onboarding process ensures the solution can be up-and-running on a programmer's networks in a matter of weeks.

egta: *What about reporting?*

BJ: Providing data and insights is a critical component of our platform. We are focused on providing a number of insights into a programmers inventory so they can answer questions such as:

- How many addressable impressions can their inventory drive, down to a unit/spot level?
- How many total linear impressions will be replaced, down to a unit/spot level?

We know the key to inventory forecasting is understanding the solution's end to end addressable conversion funnel, i.e. how many addressable impressions are generated by our solution based on the number of addressable spots we are allowed to replace. This is a key area for our solution and where we've applied a lot of efforts to ensure programmers have the information they need to make decisions about inventory allocation levels. Our solution is one of the few solutions in the market with powerful inventory and yield rules that help make it easy for programmers to manage inventory (which linear ads are made available for addressable replacement) and yield (what are the floor prices required for an addressable spot to replace a linear spot). We provide the ability for programmers to create rules based on network, (floor) CPM, time of day, product category, advertiser, brand, etc.

On the demand side, we are working collaboratively to understand an advertiser's campaign goals and audience segmentation philosophy. Addressable should be used as a complement to other channels, and we believe that it should be viewed with the lens of enhancement. By using levers within the addressable TV space, brands can either heavy-up or slowdown relevant messages to help drive consumer behaviour and engagement. We are helping to enable this by providing data and insights on a near real-time basis to allow for much more dynamic capabilities in managing a brand's campaigns' on a holistic basis. Planning can be fully 360 as campaigns can be adjusted mid-flight to ensure original goals are met. This campaign level data can be provided as a

reporting capability or a real-time API output to enable wider campaign pacing. And if the demand side provides us with insights into their linear campaigns, we are also able to offer an addressable TV ad tech stack to enable comparisons between how the linear campaign is performing against their addressable campaigns.

egta: *How do you position your addressable platform towards the other industry projects emerging on the market?*

BJ: We are super-focused on making sure we have a scalable platform and that is why we are open to working together across the Addressable TV value chain, so we can create a best-of-breed platform that can bring simplicity and remove friction for advertisers. It will take collaboration across the industry to scale the opportunity – while Nielsen is well positioned to help unlock addressable TV with our technology and measurement, we need support across the industry to work together. It will be necessary to establish industry ways of working and / or standards that are consistent, transparent, repeatable and scalable to avoid repeating the mistakes we are living with in digital video. This is why we think the moment is now and we are excited about helping the industry to unlock this value for TV.

egta: *What is the role of measurement companies in the addressable world? Will it change?*

BJ: Advances in technology that allow real-time targeting and decisioning of ads on the TV glass are coming to maturity, opening the door to a truly addressable television experience. Having trusted digital measurement, comprehensive coverage of platforms, and an open, transparent marketplace are critical components to establish a robust cross-media measurement. TV and digital clients alike are looking to help participate and drive the evolution of currency,

which must accommodate both linear and dynamic advertising. Measuring addressable TV will play a big part in the evolution of Nielsen's measurement efforts

And as TV delivery over the internet becomes a scaled reality, this will increase both the quantity and quality of viewing signals that can be captured as well as the speed with which they can be used for measurement and real-time optimization of all cross-platform campaigns. At the end of the day, buyers need to know where their viewers are being exposed to their messages and how they can control unique reach and understand frequency. Being able to help the marketplace understand these behaviours to build a media plan and optimize in real time will change the role measurement companies play in driving better value in this changing omni-channel world.



egta interviewed **Thomas Bremond, General Manager at FreeWheel International and SVP and GM, International at Comcast**, about how TV companies can seize the opportunities brought by the evolution of the addressable TV market.

egta: *We often hear that conversations on addressable TV are slowly shifting from how to make the concept work technically to how to make it work commercially for all stakeholders (viewers, broadcasters, agencies, advertisers). What are the key aspects that both publishers and their clients should keep in mind while working on addressable solutions?*

Thomas Bremond (TB): First, we should make it clear that from a technology perspective, addressable TV is ready and it has been for many years. Technology is not a blocker and has largely been proven. Hence the shift from tech to commercial discussions.

As TV/premium video becomes more sophisticated and combines the best of linear and digital to deliver quality audiences at scale, we see an opportunity for the new TV to deliver results for advertisers. TV is no longer just a top of the funnel channel. With addressability, marketers can now push consumers down through the purchase funnel with tailored messaging.

I believe there are three key elements that should be front of mind on all sides.

First is scale. This is key for all parties in the industry and will require industry collaboration to build scale on all end points. In the US a number of industry initiatives are taking place to help in this area. OnAddressability is one of the initiatives that Comcast is involved in along with Charter and Cox, two of the largest distributors in the US, to drive scale.

Second is sophistication. This is really about sophisticated ad decision-making; about bringing together the various addressable end-points to build a unified reach and make addressable a valuable proposition for advertisers, combined with the ability to adjust targeting and measure against KPIs.

Third is simplicity; to ensure advertisers and agencies can transfer and transact with publishers in an easy and simple way across all inventory and at scale. It is critical that sellers make the sophisticated decision-making simple to execute and report upon.

egta: *What are the main areas in which FreeWheel can support broadcasters when it comes to building their addressable products?*

TB: There are multiple areas where FreeWheel is supporting its broadcasters or PayTV Operator clients, as well as inviting and supporting the larger industry in collaborating.

We have been working on addressability with our clients for many years now, be that from an educational standpoint or a more strategic or technical deployment.

We have made some important technical developments to enable addressability. We are working very hard to make sure our clients can deliver the relevant ads, to the right platform, at the right time.

For distributors and operators for instance, we have supported linear addressable insertion for years and are enhancing those capabilities in support of unified decisioning across multiple endpoints, linear and digital.

For national programmers in the US, we have supported distributors to enable programmers' national time via a managed service. We are also completing a self-service solution coming in 2021 providing them with the ability to fully manage addressable campaigns within their own linear and digital inventory.

At an industry level, we are participating and supporting key industry initiatives such as Project OAR in the U.S.

egta: *The TV industry is excited about making advertising addressable, but there are big obstacles to it becoming mainstream. What are the key factors that hold addressable back (fragmentation of approaches/ad tech, pricing/profitability, lack of inventory, complexity in terms of campaign management, insufficient automation of sales, measurement, other)? Are there any differences between the U.S. and Europe? How can ad tech vendors help resolve these problems?*

TB: There is a lot of excitement around making linear TV addressable. For advertisers, the ability to get the best of both the TV and digital worlds is a unique and very powerful proposition. Having said that, it is still early days and we see a huge potential that has yet to be fulfilled. We see various reasons for this.

The first one is the lack of understanding. With the complex worlds of digital and linear TV coming together, there's inevitably going to

be challenges and complications to overcome. There's been a lack of clear messaging on how to deploy addressable campaigns, so greater efforts are needed to demystify addressable. Industry bodies and interested parties should come together to do a better job at providing greater insight on planning and trading addressable campaigns.

Organisational silos is another one. There is often a challenge that OTT/CTV, STB VOD and linear addressable sit somewhere between digital and linear so buying teams and budgets may be different per channel, or per agency. Some consideration should be given to consolidation and closer collaboration between buying teams and sellers.

The third is scale, or rather the lack thereof. It has certainly been one of the major hindrances to development. For some time, there were technological limitations preventing all devices from being addressable. On the other hand, too much targeting meant that the audience pool was too small making the campaign economics unviable. However, over recent years there has been a radical shift towards all linear devices becoming addressable. Added to time-shifted opportunities, addressable advertising is becoming a larger slice of the overall ad minutes available. Technology is playing a key role in re-aggregating inventory and enabling the viability of addressable campaigns.

In Europe some interesting initiatives such as Hybrid Broadband TV (HbbTV) are bringing many new opportunities with interactive applications and overlays on the screen.

We should also highlight that some countries like France had regulatory limitations which prohibited targeted advertising on broadcast TV. The good news is that the regulation has recently (in August 2020) been lifted, so we expect to see the first addressable campaigns

in France later this year and into 2021.

The other obstacle is pricing. Yes, the CPM price of a targeted ad is higher than that of a 'standard' ad. There is also the additional production cost for the personalised or different versioning of the ad assets.

However, it has to be considered that since the ad is targeted towards a dedicated audience, the actual cost per acquisition (CPA) can be much lower than a standard one.

The power of addressable is this ability to access harder to reach audiences and therefore allow for incremental reach for the target. The overall cost of reaching these audiences through the repetition of 'standard' ads would make the campaign substantially more expensive for the advertiser and a bad experience for the viewer. Addressable will allow advertisers to specifically target those audiences that have not yet been reached and limit the frequency of ads to those that have already seen an advertisement. So, while CPMs might be higher on first look, through less 'wastage', the overall cost will be much lower, with a much better user experience.

As regards to the production costs, these have come down greatly over the past few years, making addressable TV accessible to even smaller advertisers.

Finally, we could not end without talking about measurement. The complexity of reporting and lack of consistent measurement has certainly held back a number of brands in the past, but the insights that are now available will go a long way toward providing advertisers with the confidence they require to embark on addressability.

A lot of effort has been made to enable more comparable measurements, such as viewability metrics across a number of players. This is a step in the right direction but more needs

to be done to align measurement across all TV platforms and to allow for cross-screen frequency management. The industry needs to come together if we want to get this closer to reality and obtain a true holistic view of campaigns across devices and platforms.

In the US, another area where measurement is holding back progress is the transition from C3 average commercial minute ratings to impression-based measurement and understanding the differences between the addressable and non-addressable household impressions. This requires support from the main measurement vendors, such as Nielsen.

egta: *Can automation and unification of sales be the decisive factors to push the addressable market forward? What is your take on this? How can holistic tools, such as NBCU's One Platform, help broadcasters conquer the addressable market?*

TB: Addressable allows transactions to cross the border between linear and digital with ease. Ultimately advertisers won't buy linear or digital inventory, they'll just buy audiences within great TV content across a single, converged and integrated platform. Insight across TV, mobile, and all connected devices will help advertisers gain a more granular and strategic understanding when reaching their audiences.

A single view of unified audiences and easier decision-making would improve campaign performance and simplify everyday processes. But changing the model in this way is a big shift for the entire industry. Agencies, advertisers, broadcasters and operators each need time to prepare for this currency change. The industry will need to establish standardized values for touchpoints across digital and TV, meaning that everyone needs to be onboard to make a unified view successful.

Earlier this year, NBCUniversal announced the launch of their One Platform enabling marketers

to reach audiences everywhere across the full NBCUniversal ecosystem. They've invested massively in technology and partnerships to create advanced advertising solutions to optimise and target audiences across all screens, all networks and all dayparts.

There are three key pillars to 'One Platform'.

To start with, optimisation. Through Comcast's acquisition of SKY, NBCUniversal is now expanding its AdSmart suite of advanced advertising products, building on its proprietary audience graph, linear audience optimizer, and programmatic linear API. With these new optimisation capabilities, advertisers will be able to target all audiences across all screens at scale.

Second, is planning and delivery. Through our FreeWheel ad tech, NBCU is unifying and optimising scheduling and trafficking of campaigns across linear, addressable and digital platforms concurrently. This will enable more effective decisioning, pacing and delivery at scale.

And the third pillar is measurement. They are expanding CFlight cross-platform impression measurement to include OTT co-viewing, out-of-home measurement (OOH) as well as short-form video. NBCU will, in addition, be developing in-campaign and post-campaign measurement dashboards to provide marketers with timely and consistent insights into how each impression drives impact for their business across platforms.

As we mentioned earlier, the key here is simplicity. In an ad ecosystem which is becoming more complex, there is a real need to make TV campaign planning, booking and reporting as easy as it can be for digital platforms. One Platform is NBCUniversal's response to new planning and delivery systems, making buying and trafficking linear and digital buys as simple

as turning on the TV.

egta: *Also, how will the programmatic landscape evolve in the coming years? What are the main aspects that TV companies should focus on in this area?*

TB: There has been a foundational shift, to the extent that all linear devices are coming into the addressable space. As the proportion of media allocated to direct sold and programmatic continues to grow in the ecosystem, the lessons of these applications will be essential to boost planning effectiveness and harness the efficiencies of automation.

With respect to programmatic we do see linear and on demand inventory being enabled but primarily on a guaranteed basis. There are some inherent technical dependencies, as well as sometimes specific legal requirements, with the (pay) tv environments that preclude real-time bidding transactions.

Automation is coming to the TV and we are seeing a shift from demo-based to audience-based TV buying. The transformation will take time and measurement will be an important factor that will help unlock budgets. OpenAP is a great demonstration of the industry's willingness to standardise advanced TV audience segments and open up additional addressable inventory.

egta: *Over the past couple of years we witnessed the emergence of multiple new addressable and audience buying tools. In your opinion, will the addressable market evolve through diversity of available solutions or rather through consolidation of approaches and technologies? Are partnerships the key to success in this fragmented environment? Is any kind of standardization/unification possible when it comes to addressable?*

TB: Many of the challenges that the ad market is facing are due to lack of standards or industry

collaboration. We just need to look at the number of industry initiatives that are being created to resolve some of the current issues – look at transparency, trust... it shows the importance of standards and how pertinent these can be for the success of our industry.

Addressable is very complex and is already trying to bring together many actors, solutions, platforms, measurements...there is a realisation that for TV to thrive we need to come together to make this work; so yes, partnerships and collaborations are paramount.

Measurement has been one of the biggest successes of linear TV. Ratings provide a gold standard that everyone understands (even if they're not perfect), so addressable advertising needs to embrace a similar standard, marrying the qualities of linear and digital and the granularity of data from both worlds. There will inevitably be debate around collection methods, but there is a need for everyone to report on inventory in the same way. Standardised, transparent post-campaign reporting for each audience segment will help to drive adoption of addressable.

HbbTV is a good example of a great successful industry initiative to standardise the delivery of content through CTV, STB and multiscreen devices. This is already widely being deployed and used across Europe.

Other examples in the US are the On Addressability and Project OAR initiatives. OnAddressability currently brings together the cable operators to provide scale and standards for enabling national programmer addressability and there is an expectation that other operators will join to deliver more scale. The group very recently released a new playbook to help the TV industry 'turn-on' addressability.

On the other hand, Project OAR aims to define technical standards for TV programmers and

platforms to deliver targeted advertising in linear and on-demand formats on smart TVs.

egta: *You mentioned Project OAR? Are such initiatives the future of addressable TV? Do you think that a similar project could be developed in Europe?*

TB: Project OAR is a fantastic and necessary initiative which allows the delivery of standard addressable SmartTV solutions at scale for programmers and brand marketers. It will provide a consistent ad buying experience for advertisers and an engaging experience for consumers.

It is a good step in the right direction but more needs to be done, particularly in Europe. There is no denying that the EU market is very complex due to the variety of legacy TV infrastructure and different types of content delivery mechanisms. In France for instance, over 60% of the population access content via IPTV provided by Telco operators. This is very different to how the Brits or Germans access their entertainment content. Advertisers have to deal with a plethora of formats and standards and there is still not enough co-ordination across broadcasters, device manufacturers, pay-TV operators and other streaming platforms. This has been a major factor in limiting the growth in addressable ad spend.

While there is complexity, it does not mean it is impossible and there are a number of areas where collaboration would be possible at local or European level. The latter will take more time to come to fruition, but there are certainly areas where the industry need to focus efforts such as cross-screen measurement. The World Federation of Advertisers (WFA) is leading the charge here on a great initiative at a global level.

A number of interesting industry initiatives are also taking place at local level, such as one in France, led by the SNPTV, bringing together

telco operators and broadcasters, in data segmentation and laying the technological foundation for data enablement. With Virgin Media and Channel 4 recently announcing they will be joining the AdSmart platform, here is another example showing the benefits of working together.

And everyone will benefit, the sell-side in creating highly coveted premium inventory made accessible at scale, the buy-side in being able to more precisely target audiences and reach new or previously unreachable audiences and finally the consumer with a better ad experience through more tailored ads and frequency capping.

egta: *Data protection and privacy are certainly one of the points that are on everyone's mind. What is the future of ad tech in a privacy-driven world?*

TB: There is no doubt that ad tech will play a major part in data enablement and data protection. In our data-driven economy, access to the right data in a way that addresses data protection requirements is critical. Data can enrich an audience's experience and add real business value for publishers and marketers.

Another great example of collaborative initiative and of the role that ad tech will play in this field is Blockgraph. Launched about 36 months ago, by Comcast and other industry partners such as ViacomCBS and Charter, Blockgraph brings together key industry stakeholders from PayTV operators, broadcasters, advertisers and agencies to enable media owners and advertisers to securely share data for addressable TV advertising. It has been built as a peer-to-peer platform and offers the ability to match audience segments with inventory partners for ad targeting, measurement and reporting, without sharing any consumer's identifiable information.

egta: *What are the broadcasters' strong points in the post-cookie world? How can ad tech support them in the era of video advertising?*

TB: The fundamental issue in our industry is not necessarily that cookies will eventually go away, but the public distrust of the advertising ecosystem, regardless of the platform on which consumers engage with content or brands. This distrust has prompted governments to pass legislation focused on the practices of the advertising ecosystem. As all actors respond to this legislation- from browser vendors, device vendors, OS vendors, etc. - it will ultimately result in a better experience for consumers.

Consumer trust is a very difficult thing to gain or maintain, yet premium TV broadcasters are well positioned to do so. In this context, the strongest point for a broadcaster is precisely their own ability to engage with their viewers. Broadcasters are typically long-established brands and they are starting to leverage this by developing direct-to-consumer strategies.

Not only through the premium nature of their content, but their brands are well established and TV is a trusted media channel, regardless of the platform premium content is consumed on. However, in order to compete, in the longer-term, TV companies will need to be able to prove value at all levels of the marketing funnel. In order to do so, the ad tech world will play a major role in supporting broadcasters to embrace data privacy, building and adopting open identity solutions that respond to consumers concerns around privacy while delivering on the promise of consumer-based marketing, ensuring identity data interoperability across several actors in the industry.

ANNEX 01: EXAMPLES OF ADDRESSABLE TV OFFERS IN EUROPE (COMPARISON)

| General information | | | | Delivery mechanism | | | Ad format/type | | Type of inventory | | | |
|---------------------|----------|-----------------|-----------------|--------------------|-----|---|------------------|-----------------------------------|--------------------|----------------------|----------------|---------------------------|
| Company | Country | Name of product | Have ATV offer | HBBTV | STB | OTT (apps on mobile, desktops and CTVs) | Spot replacement | Banner/ L-shape or other overlays | Linear TV (on STB) | Linear TV (on HBBTV) | VOD | Live IP channels (on OTT) |
| AdAlliance | DE | ATV | ✓ | ✓ | - | - | ✓ | ✓ | - | ✓ | - | NB ¹ |
| Atres Media | ES | Ele | ✓ | ✓ | - | - | - | ✓ | - | ✓ | - | - |
| Channel 4 | UK | - | NB ² | - | - | ✓ | - | - | - | - | ✓ ³ | - |
| ITV | UK | Planet V | ✓ | - | - | ✓ | ✓ | - | - | - | ✓ | ✓ |
| Pubitalia'80 | IT | ADD+ | ✓ | ✓ | - | ✓ | ✓ | ✓ | - | ✓ | ✓ | - |
| SBS | BE | SmartAD | ✓ | - | ✓ | - | ✓ | - | ✓ | - | - | - |
| SevenOne Media | DE | ATV | ✓ | ✓ | - | ✓ | ✓ | ✓ | - | ✓ | - | ✓ |
| Sky Media | UK/IT/DE | AdSmart | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| TV2 | DK | ATV | ✓ | - | - | ✓ | ✓ | - | - | - | ✓ | ✓ |
| United Media | RS/SI | VIDA | ✓ | - | ✓ | ✓ | ✓ | - | ✓ | - | - | ✓ |

¹ NB: Planned for 2021.

² NB: Will have ATV offer as of 2021 with Sky.

³ Currently operate several data-driven products on All4 (OTT/VOD), but they do not label them as ATV.

Source: egta survey, October 2020.

MORE ON THIS TOPIC

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MORE ON EGTA

egta - association of television and radio sales houses

egta is the Brussels-based trade association of more than 150 television and radio advertising sales houses. egta's members are spread across 40 countries, mainly in Europe. Together, egta's TV members represent over 80% of the European television advertising market, whilst egta radio members collect 60% of radio advertising revenues in countries where they are active.

As sales houses of both public and private broadcasters, egta members commercialise the advertising space around audiovisual content available on platforms such as traditional television and radio sets, tablets, smartphones, PCs, Smart TVs and other Internet-connected devices.

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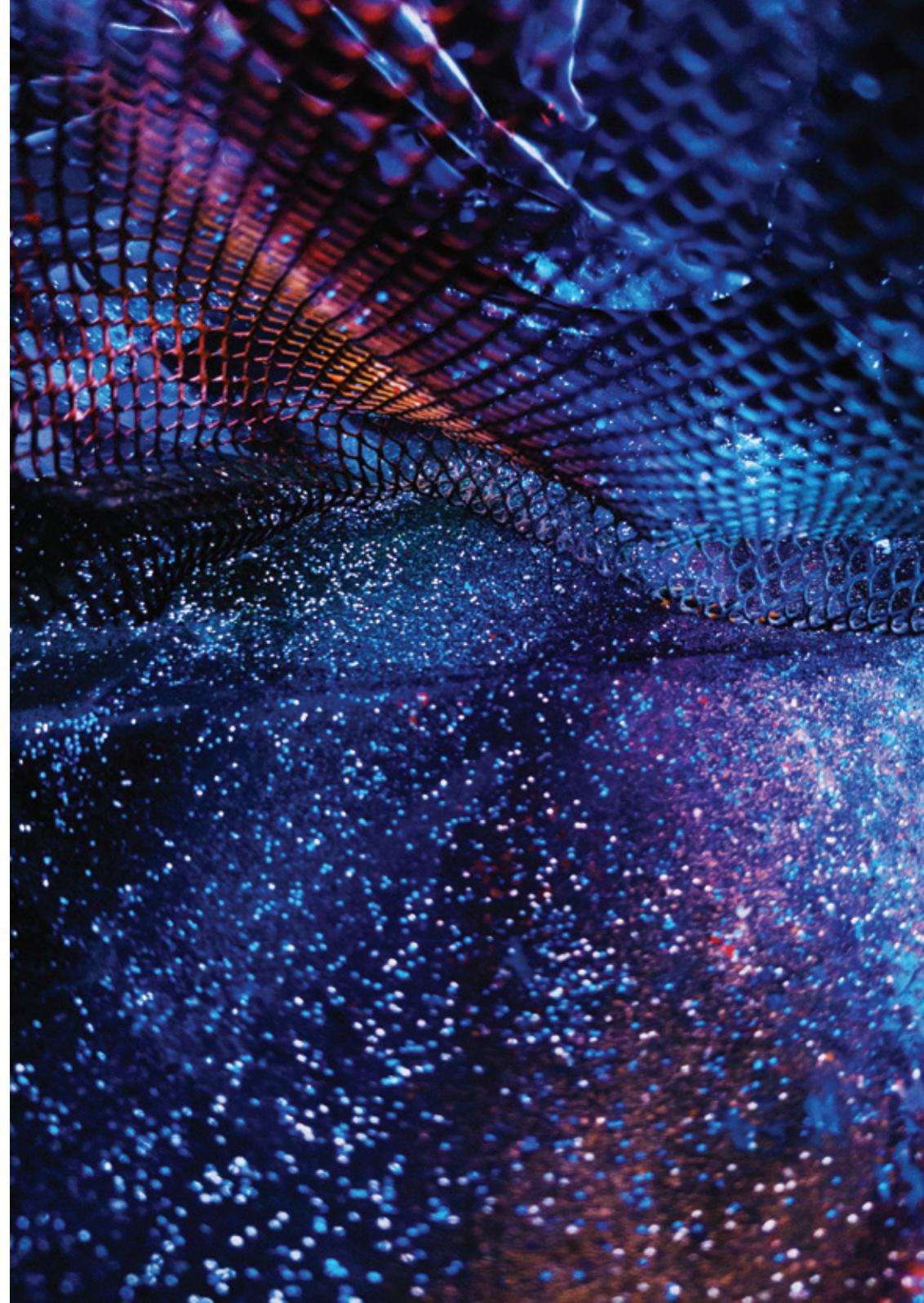
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