



TV'S ROLE IN AN OMNICHANNEL WORLD

VIANT.[®]

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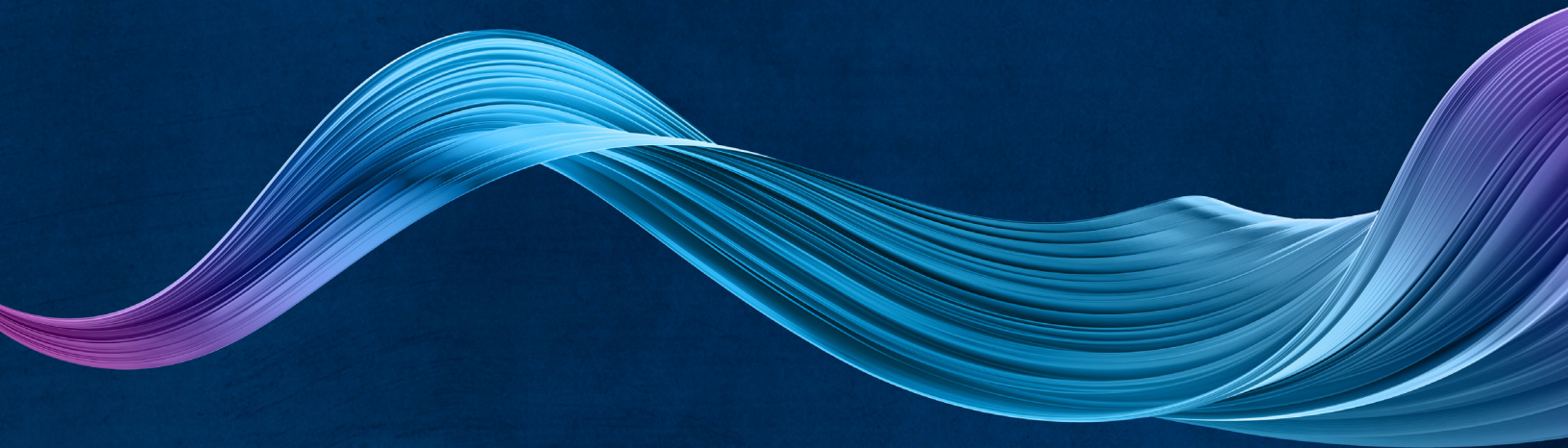


FOREWORD: TV'S EVOLVING ROLE

While consumers' attention is spread thin, linear television remains attractive for its mass reach and brand safety. This remains true even as the number of cable TV subscriptions has dropped by more than 16 million over just the last five years.¹ TV's role in today's increasingly omnichannel world is evolving – what worked in 2015 won't work in 2020 and beyond.

Today's audiences expect relevant, personalized ads, yet linear TV lags behind other channels in targeting capabilities. Successful advertisers must discern how to balance traditional TV efforts with new technologies that reach consumers where they're paying attention and allow for personalization. This is especially true as advertisers work to navigate the effects of COVID-19 (coronavirus) on our industry and the world at large.

In the pages that follow, we'll break down the current state of mind on TV advertising, highlight ways in which marketers can break through the distraction of competing screens and delve into what the future of omnichannel measurement will look like.



METHODOLOGY

The primary sources for these findings are live TV viewing data from Viant's network of 20 million smart TVs monitored with automatic content recognition (ACR); Viant's digital ad impression data; and real-time bidding (RTB) ad requests, which capture digital ad opportunities fulfilled outside of the Adelphic platform. These findings also include online conversion behaviors measured through pixels placed on client websites.

Additionally, parts of this paper come from a survey, commissioned by independent market research company Censuswide, of 500 marketing decision-makers at U.S. companies conducted in January 2020. Each respondent was asked to complete a questionnaire about their opinions and experiences in television advertising.



IMPORTANT LESSONS FROM THE PANDEMIC

Whether audiences are locked into the nightly news for updates or binge-watching a guilty pleasure, one thing is for certain: During a challenging time, no matter if it's a pandemic, economic downturn, natural disaster or anything else, media use is a constant. People will always seek out information and entertainment.

The circumstances created by the COVID-19 outbreak have certainly led to a number of unique occurrences – for instance, the cancelation of all live sports, concerts and gatherings of any kind. Although this has had a very pronounced negative impact on linear television and broadcaster ad revenue, it has also led to a significant increase in media consumption overall.

Using live sports as an example, the audiences that would have watched the NCAA Basketball Tournament are still tuning into their TVs and connected devices despite the tournament's cancelation. They can still be reached via the other programming they are consuming instead. Our data, for instance, tells us that last year's tournament fans are tuning into programs including *NBC Nightly News*, *SportsCenter* and *Diners, Drive-Ins and Dives* at high rates this year.

Marketers are always compelled to evaluate their specific situation and respond appropriately. Certain companies are prudent to pause advertising and wait, including airlines, hotels, cruise lines and so forth. Others will see this situation as an opportunity to stay the course while increasing share of voice, projecting an image of corporate stability and taking advantage of declines in the cost of advertising inventory. In all cases, consumer messaging will need to adjust and better align with the current situation.

TV ADVERTISING: THE CURRENT STATE OF MIND

In our 2018 report *TV Viewability in the Age of the Distracted Viewer*, we found that 83% of marketers planned to spend the same amount or more on linear TV advertising that year as they did the previous year. In 2020, that's no longer the case. While TV is still the epicenter of home entertainment, the way people are consuming media has indeed changed. Marketers have recognized this, as just two years later, most are spending **less or the same** than they did a year ago.

IS YOUR PLANNED SPEND ON LINEAR TV ADVERTISING
(% OF TOTAL BUDGET) MORE, LESS, OR THE SAME AS LAST YEAR?

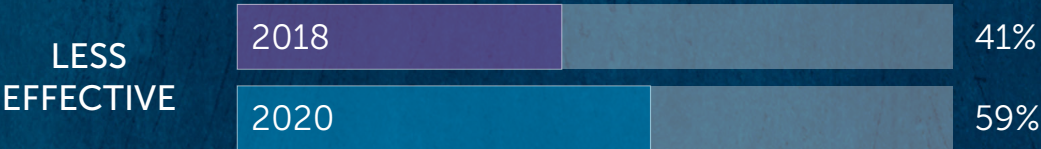
LESS OR
THE SAME





Marketers' beliefs about the effectiveness of linear TV ad spend have similarly trended downward. While the vast majority in 2018 believed linear TV ad spend was more effective or just as effective as it was five years earlier, most in 2020 find it to be less effective now than it was in 2015. Considering perpetual ratings declines across the board and the growing number of cord-cutters among younger demographics, this doesn't come as a surprise.

DO YOU BELIEVE LINEAR TV AD SPEND IS MORE OR LESS EFFECTIVE THAN IT WAS FIVE YEARS AGO?



In 2020, 84% of marketers agree it's getting harder to grab a consumer's attention with television advertising alone. We found that most of the marketers we surveyed say they don't plan their TV advertising before their digital advertising. That's a key indicator that linear TV is no longer the advertising powerhouse it was in the past. It's become more important than ever before for marketers to supplement their linear TV advertising efforts with the new and emerging digital advertising channels now available.

FROM A MEDIA BUDGET PERSPECTIVE, DO YOU PLAN YOUR TV ADVERTISING BEFORE YOU PLAN YOUR DIGITAL ADVERTISING?





THE NEW GENERATION OF TV ADVERTISING TECHNOLOGIES

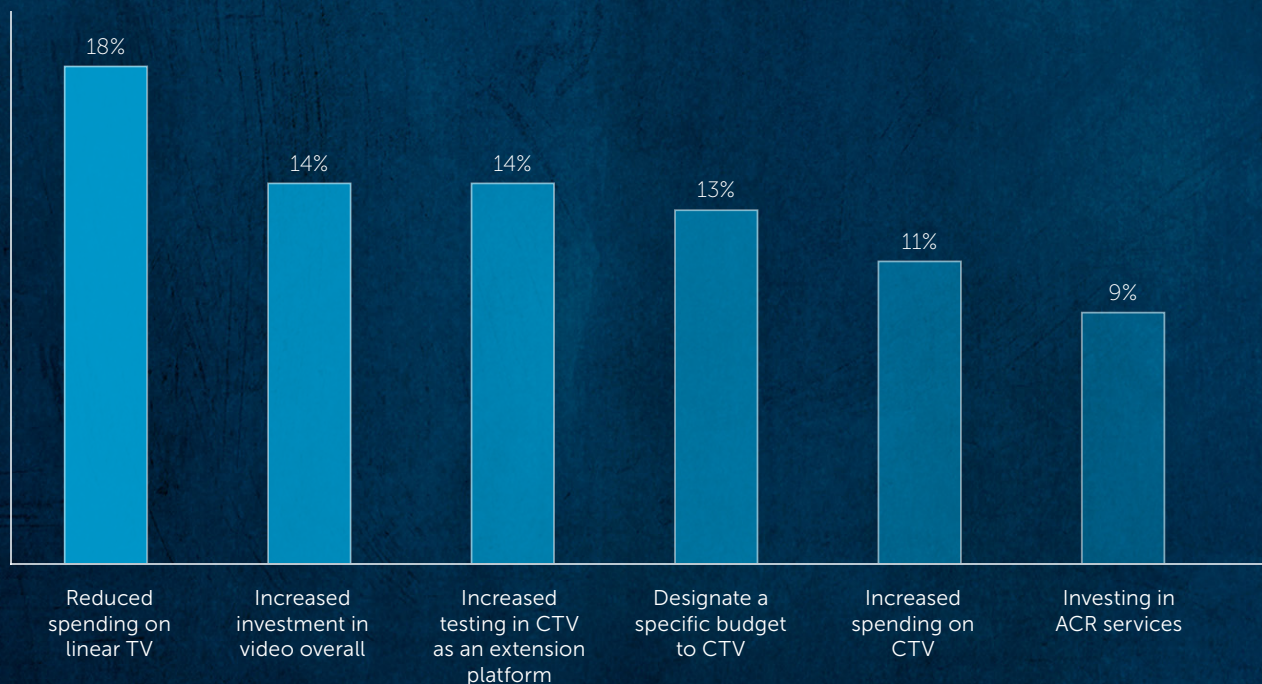
While the way viewers watch TV has changed, TV remains an incredibly attractive platform for marketers. This is especially the case now as many consumers are spending considerably more time at home because of COVID-19. Marketers, however, must be aware of the new and emerging tools they can use in their approach to television advertising. Listed below are three of the new digital advertising channels that are empowering marketers to reach their target audiences and get the most return from their TV advertising campaigns.

CONNECTED TV:

Generally referred to as "CTV," Connected TV advertising refers to ads that are digitally delivered to internet-connected TVs – for instance, via Hulu or Roku. And CTV is dramatically increasing in popularity for marketers, as viewers embrace this platform and more ad inventory becomes available. In fact, CTV advertising spend is expected to grow from \$6.94 billion in 2019 to \$8.88 billion this year, a 28% increase.²

As CTV's popularity grows, resulting in an increase of cord-cutters, the number of streaming services has proliferated. As such, we found that many marketers are re-evaluating their approach to TV advertising by designating a specific budget to CTV and increasing testing in the space.

HOW WILL THE NEW STREAMING SERVICES (FOR EXAMPLE, NBC'S PEACOCK, DISNEY+, APPLE TV+) IMPACT YOUR PLANS FOR 2020?



PROGRAMMATIC LINEAR TV:

This is the purchasing of linear TV ads using programmatic tools, which then allows for targeting based on Nielsen-based user-level data (e.g., age, demographic, income) or media-level targeting (e.g., show, daypart, network).

While the technology is still quite new, 20% of marketers are incorporating programmatic linear into their 2020 plans. Plus, an additional 20% of those we surveyed said that, while they aren't spending on programmatic linear this year, they plan to in the future.

IS PROGRAMMATIC LINEAR TV PART OF YOUR 2020 CAMPAIGN SPEND?



AUTOMATIC CONTENT RECOGNITION:

Commonly referred to as "ACR," Automatic Content Recognition technology identifies the programs and ads that are being watched on internet-connected TVs in near real time. ACR technology enables marketers to understand the viewing habits of their audiences and improve their targeting and measurement at the household level. And, as we've found, there's still a lot of opportunity for marketers to embrace ACR – only about half of marketers are exploring using this kind of data to enhance their TV exposure.

ARE YOU EXPLORING USING AUDIENCE TARGETING DATA TO ENHANCE YOUR TV EXPOSURE?





HOW TO MAKE TV AND DIGITAL ADVERTISING WORK TOGETHER

In 2018's ***TV Viewability in the Age of the Distracted Viewer***, we investigated the behavior of television viewers on their companion devices while watching TV. We did so by examining our TV viewership data via ACR in conjunction with corresponding digital ad requests.

Two years later, and with a dataset that includes eight million more smart TVs, we've again found that a variety of factors impact whether viewers are more active on their companion devices during commercial breaks or programming itself. In the following pages, we'll provide some insights that marketers can incorporate as they strive to produce effective omnichannel strategies and solve for the changing role of television in the home's entertainment ecosystem.

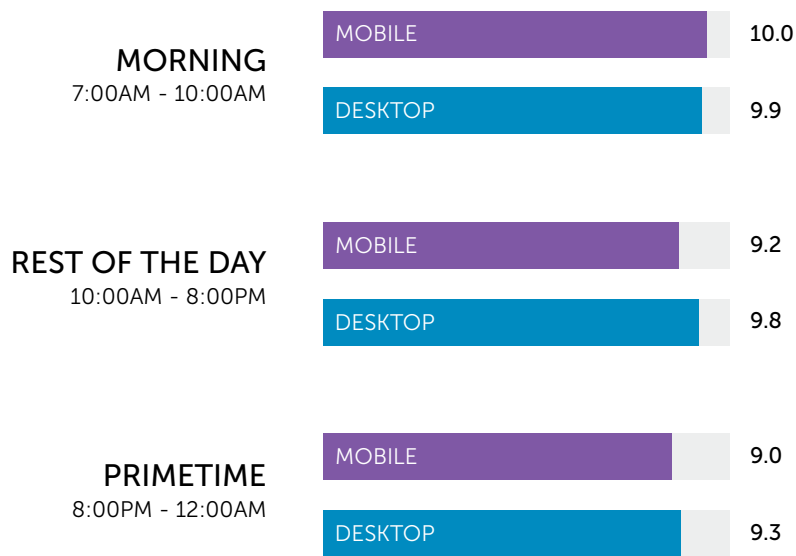


DAYPART

When we conducted our original analysis in 2018, TV viewers were most active on their companion devices during morning TV viewing, before the standard workday begins. This is once again the case – but in 2020, morning TV viewers are seeing more ads on both their mobile phones and computers than ever before.

A quick note: Throughout this section, the number of ads served on desktop and laptop devices will be higher than those served on mobile the vast majority of the time. This can be explained by screen size; as we know, a typical laptop screen has more room for ad placements than most mobile devices.

Digital Ad Calls Per 30 Minutes While Watching TV Program





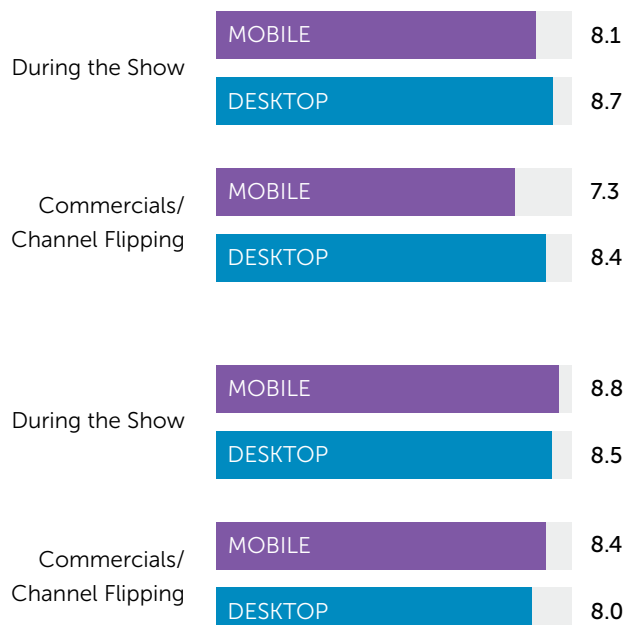
POLITICS

When it comes to political opinion talk shows, viewers of both FOX News's *Hannity* and MSNBC's *The Rachel Maddow Show* are more active on their companion devices while watching the shows than they are during commercial breaks.

Viewers of *Hannity* are more active on their mobile devices than viewers of *The Rachel Maddow Show*.

Digital Ad Calls Per 30 Minutes During TV Program

**THE RACHEL
MADDOW
SHOW**



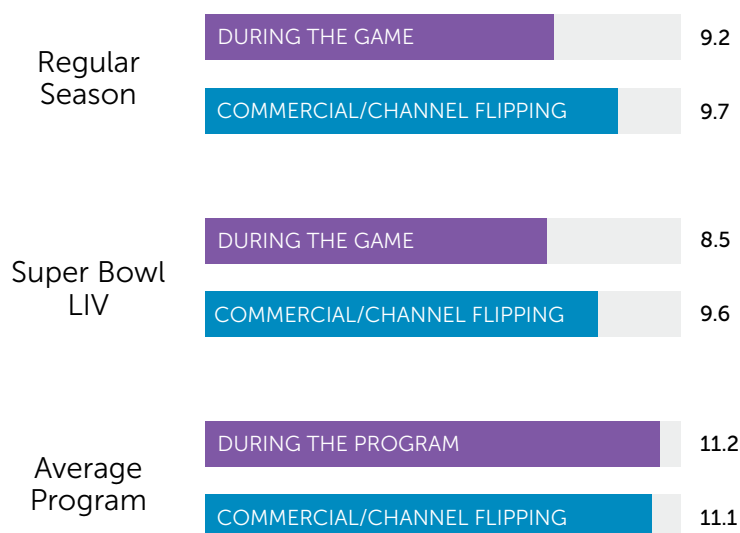
NFL FOOTBALL

Overall, viewers of NFL football are glued to their television screens more than the average TV show viewer. They're using their mobile devices, tablets, laptops and desktops at a comparatively lower rate, presumably because they don't want to miss any of the live action.

Companion device use increases during football broadcasts' commercial breaks, however. This is especially poignant during the Super Bowl, when viewers reach for their connected devices to get more information on the Big Game's much-hyped commercials.

Going forward, we expect legalized sports betting to have a dramatic impact on companion device usage during live sports.

Digital Ad Calls Per 30 Minutes During Programming (*All Devices*)



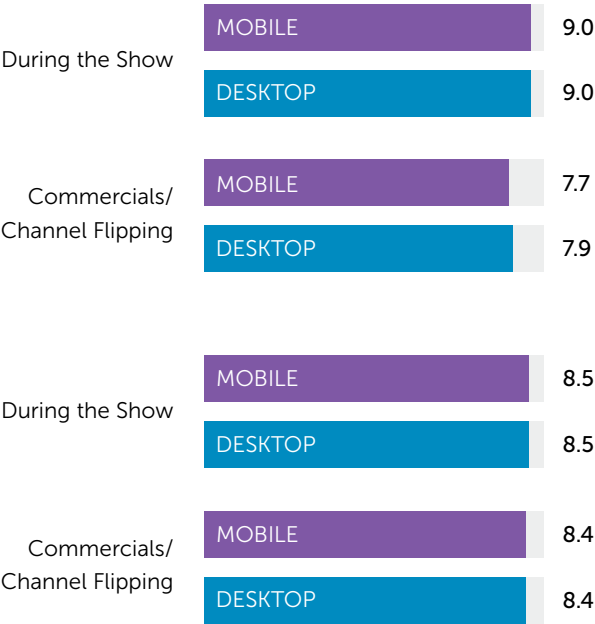


PRIMETIME PROGRAMMING

To demonstrate the differences between viewers of other popular primetime programming, we compared viewers of drama (*This is Us*) to viewers of reality competitions (*America's Got Talent*). We found that viewers of dramas are more active on their companion devices during the actual shows than viewers of reality competitions, who in turn are more focused on their secondary screens during commercial breaks.

Digital Ad Calls Per 30 Minutes While Watching TV Program

THIS IS US

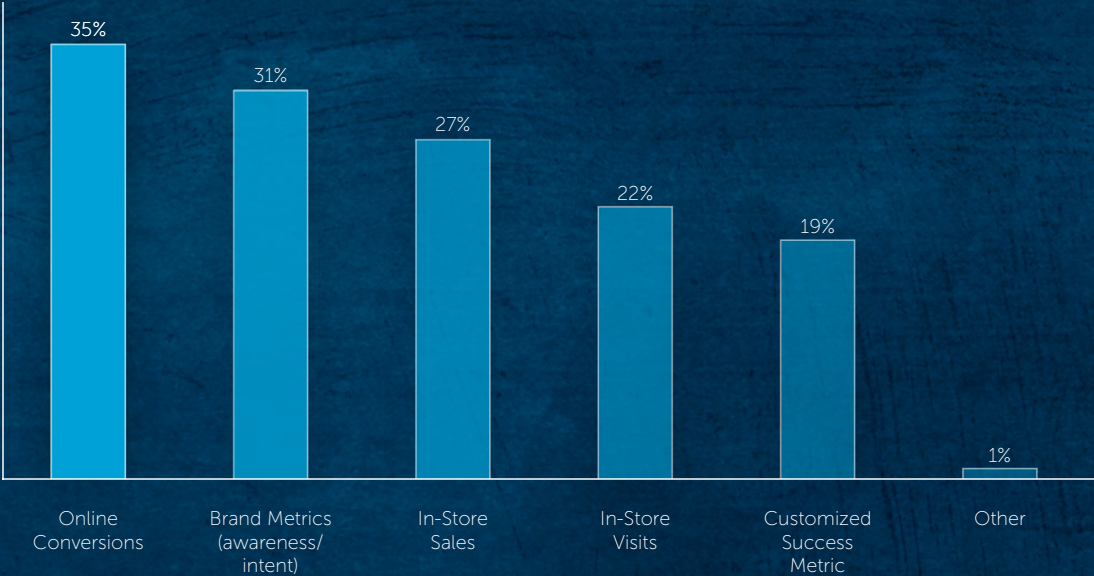




CAN A SEAMLESS OMNICHANNEL CAMPAIGN BE REALITY?

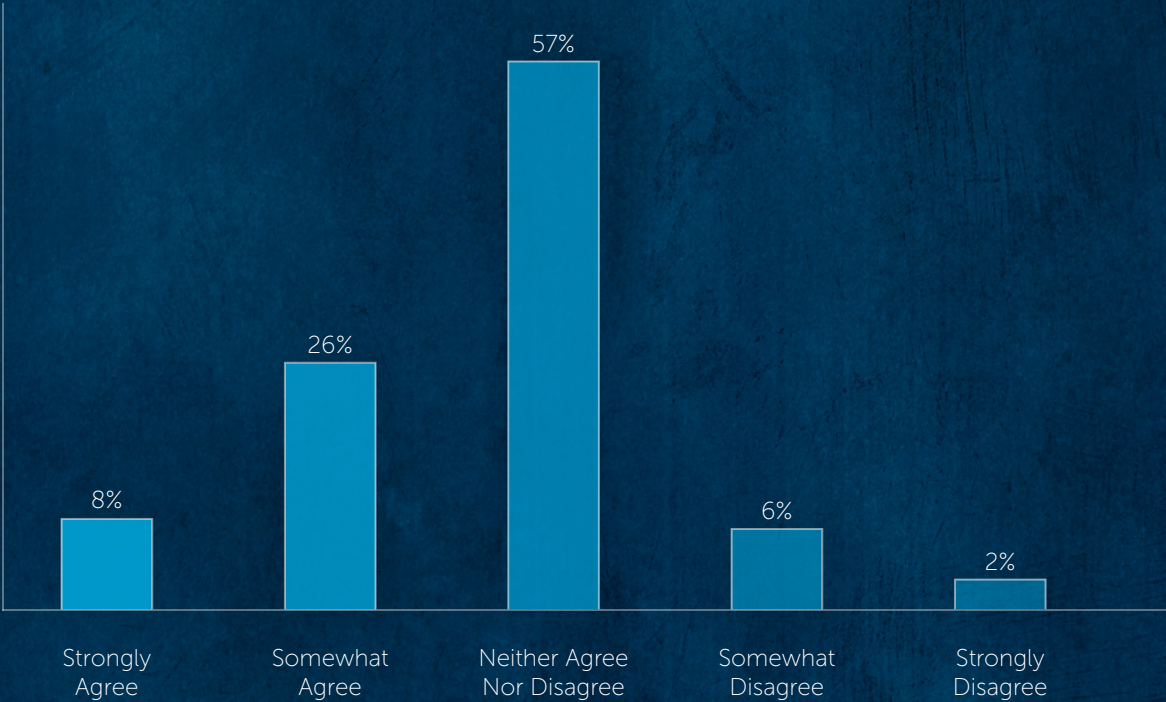
In *TV Viewability in the Age of the Distracted Viewer*, we found that 66% of marketers wished they could tie TV exposure to in-store sales, but that less than half were actually doing so. Two years later, omnichannel measurement has only become more important. And yet, we've found that the metrics marketers rely on to evaluate the success of their omnichannel campaigns remain fragmented.

WHAT TYPES OF METRICS DO YOU CURRENTLY USE TO MEASURE THE SUCCESS OF AN OMNICHANNEL CAMPAIGN?



At the same time, marketers aren't so sure about the idea of a new single currency to evaluate omnichannel campaign performance, either. While marketers are indeed constantly searching for better ways to track performance and meet their goals, only about a third believe there should be a new kind of metric created specifically to measure omnichannel success.

TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT:
THERE SHOULD BE A NEW SINGLE CURRENCY FOR OMNICHANNEL MEASUREMENT



So, what does the pathway forward look like?

To succeed, marketers must be armed with platforms that can measure as many channels as possible and allow them to optimize their campaigns in real time. In prior research, we have confirmed that the growing number of channels and advertising formats has made marketers' jobs more challenging, and that more than 98% of programmatic traders wish they had a platform they trusted enough to run all of their omnichannel campaigns.³

As one-to-many channels like TV and out-of-home evolve in the digital space, the industry is in need of more reliable and all-encompassing identification currencies that enable personalization and measurement. As such, we're returning to household-level targeting – and the IP address is re-emerging as the metric of choice for marketers who seek to understand the effect of different channels on individuals within the household.

Planning at the household level and understanding the complexities of the household are key for marketers going forward. With help from new tools, strategies and data-driven insights, marketers can learn which channels positively impact their messaging, and tie that back to the relevant household via the IP address. By refocusing on individual households, marketers will drive better results through stronger consumer interactions.

3 | Programmatic Advertising in the Trenches, Adelphic, 2019



KEY TAKEAWAYS

1

In 2020, 84% of marketers are spending the same amount or less on their linear TV advertising. That's a 47% increase in the number who are reporting this since 2018. This will likely increase further as a result of the impact of COVID-19.

2

More than half of marketers believe traditional TV ad spend is less effective than it was five years ago.

3

As the world becomes increasingly omnichannel, marketers' priorities are changing. Today, only 21% percent plan their TV advertising before they plan their digital advertising.

4

20% of marketers say that programmatic linear TV is already part of their 2020 campaign spend, and an additional 20% say they plan to run programmatic linear campaigns in the future.

5

In 2020, TV viewers are most active on their companion devices during morning TV viewing, before the standard workday begins.

6

Only 34% of marketers believe there should be a new single currency for omnichannel measurement.

7

Household-level targeting is re-emerging as the metric of choice for marketers who seek to understand the effect of different channels on individuals within the household.

ABOUT VIANT

Viant® is a leading advertising technology company enabling ad buyers to plan, create, execute and measure their digital advertising investments through a cloud-based platform. Through its self-service platform, Adelphic, marketers have access to over 12,000 audience attributes from the leading 50 data companies and the ability to purchase advertising across desktop, mobile, CTV, and Digital Out-of-Home devices. Founded in 1999, Viant is a 2018 Inc. Magazine Best Workplaces award winner. For more information, please visit viantinc.com or contact Sarah Baicker, Director of Content Marketing, sbaicker@viantinc.com.