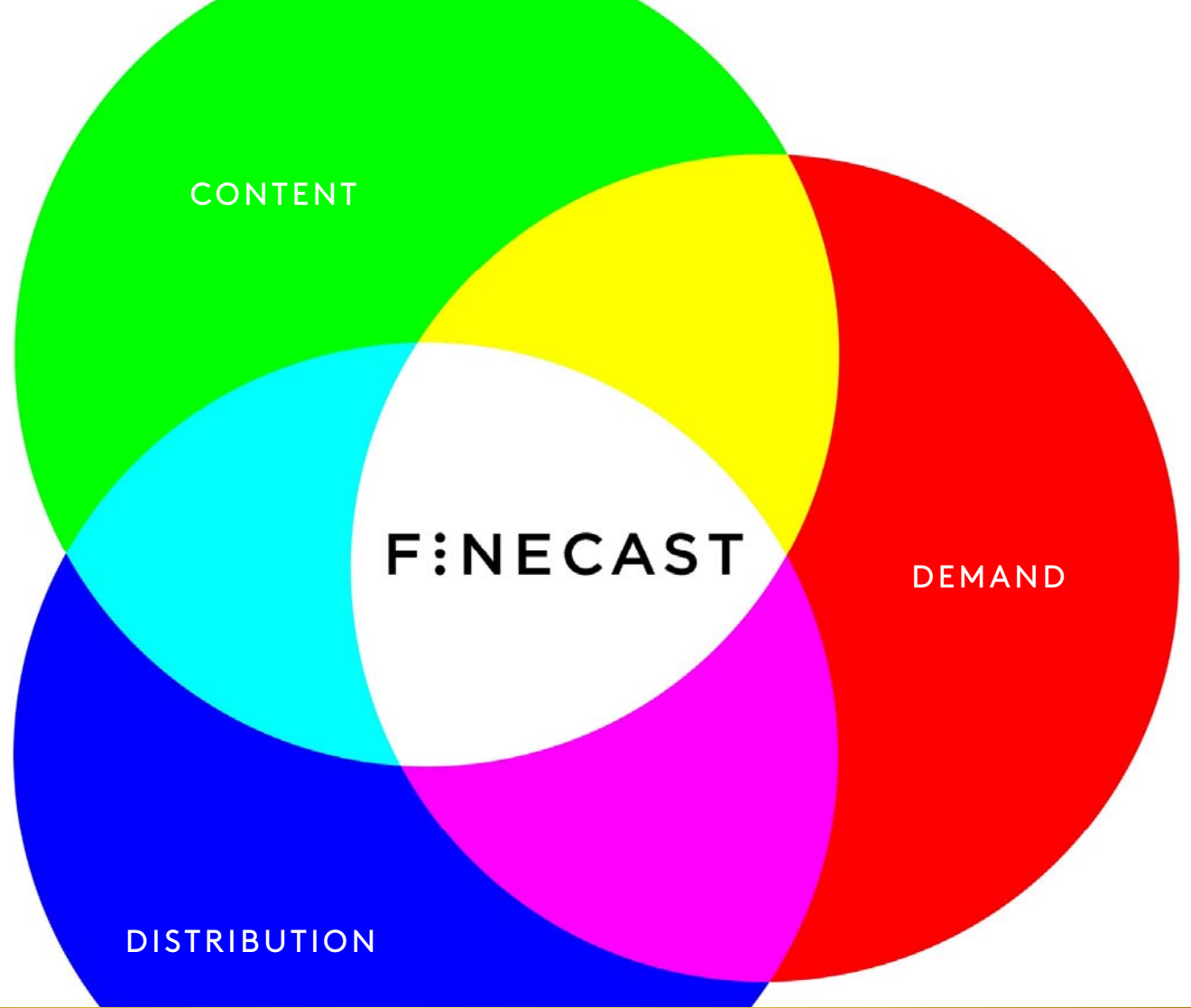


## Addressable Advertising

Finally Ready for Primetime TV?

Rich Astley  
Chief Product Officer

Finecast has been created to provide a global ecosystem for the development of addressable TV advertising



# The TV landscape is undergoing a period of profound change

## CONTENT PROVIDERS

## VIEWING TYPES



LINEAR TV



LINEAR IPTV



ON DEMAND



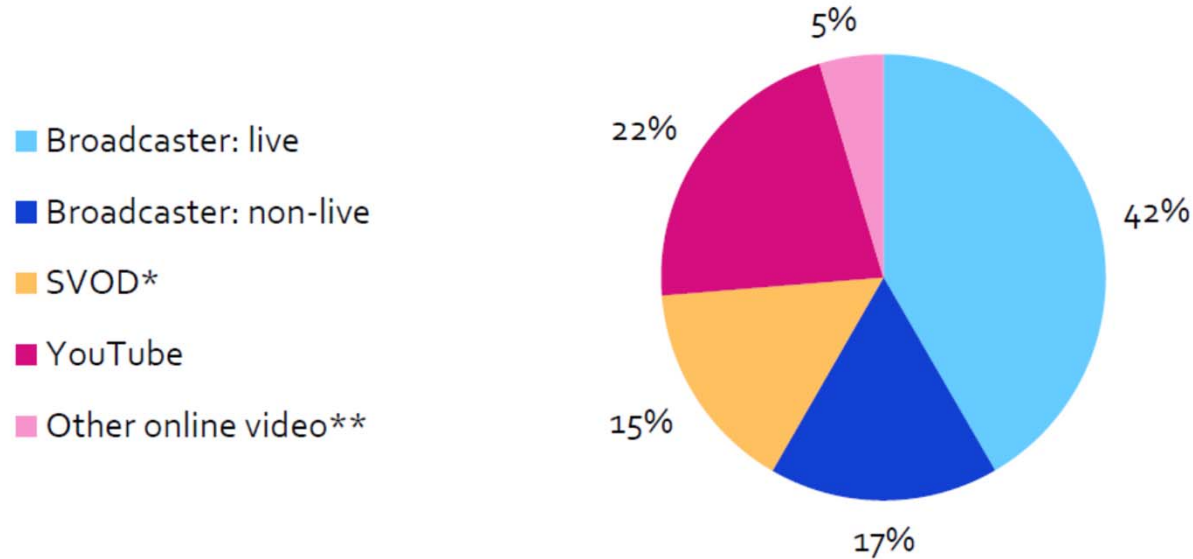
SVOD

## DISTRIBUTION PLATFORMS

## DEVICES

# Total TV viewing for 16-34s gives us a glimpse into the future

Breakdown of video viewing, UK adults 16-34, 2017 (5)



\*Broadcaster SVOD services (e.g. NOW TV) fall under 'Broadcaster'.

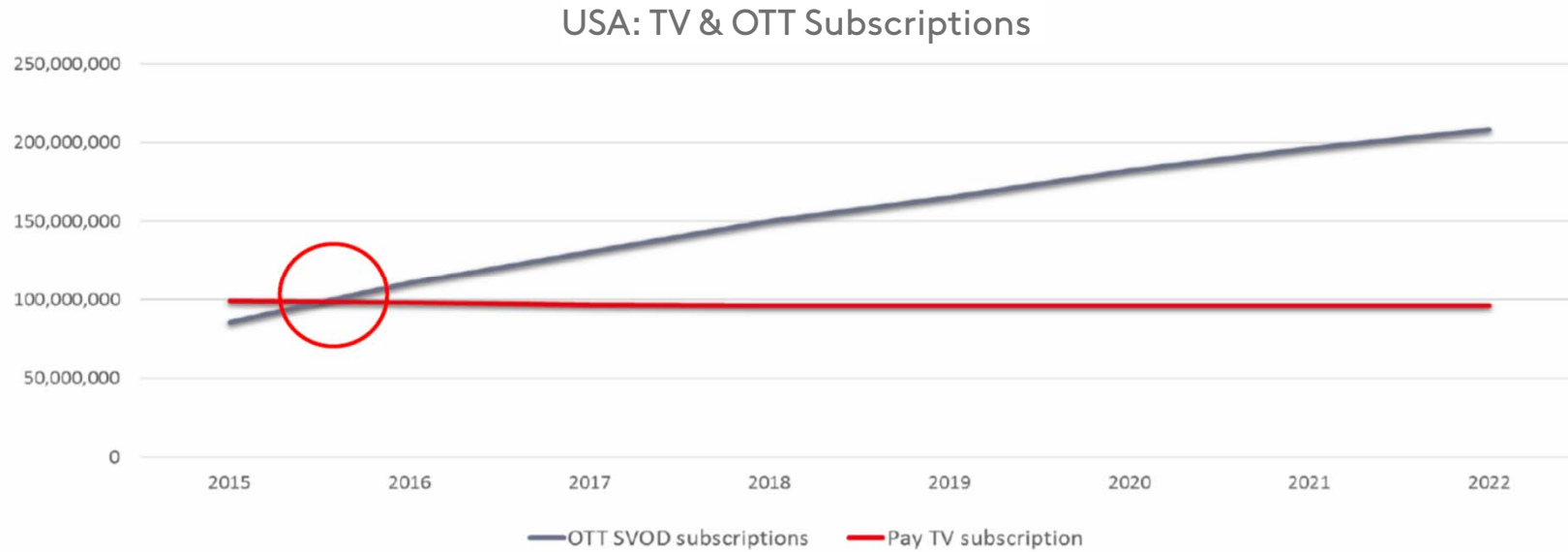
\*\*Excludes adult content.

[Source: Enders Analysis, BARB/AdvantEdge, ONS, comScore, and industry research]

# The rapid growth in OTT services is driving new viewing behaviours

Choice of low cost content packages now available as stand-alone subscriptions

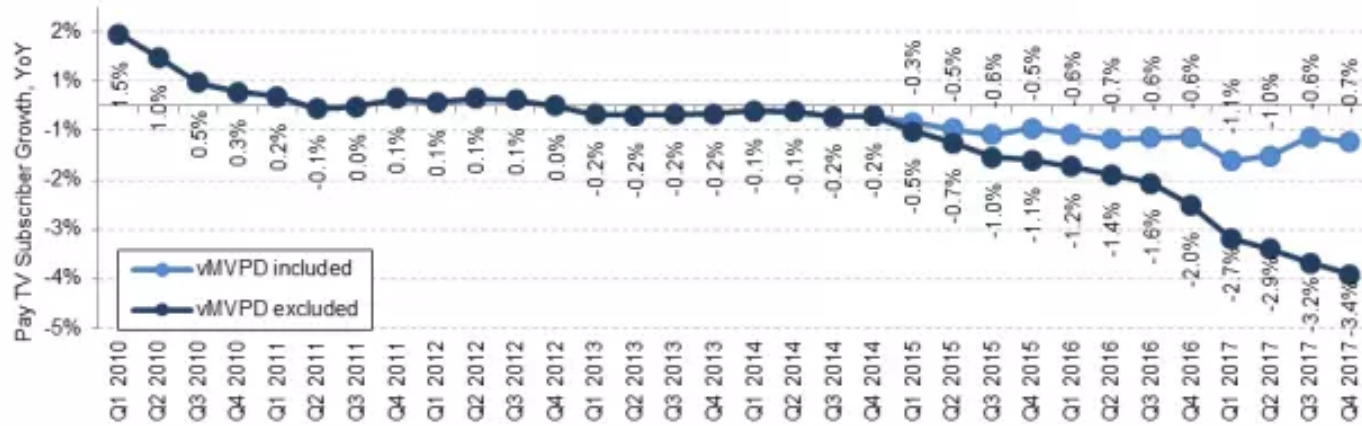
In the US, there are now many more OTT subscribers than TV subscribers



# Putting pressure on the traditional pay TV model

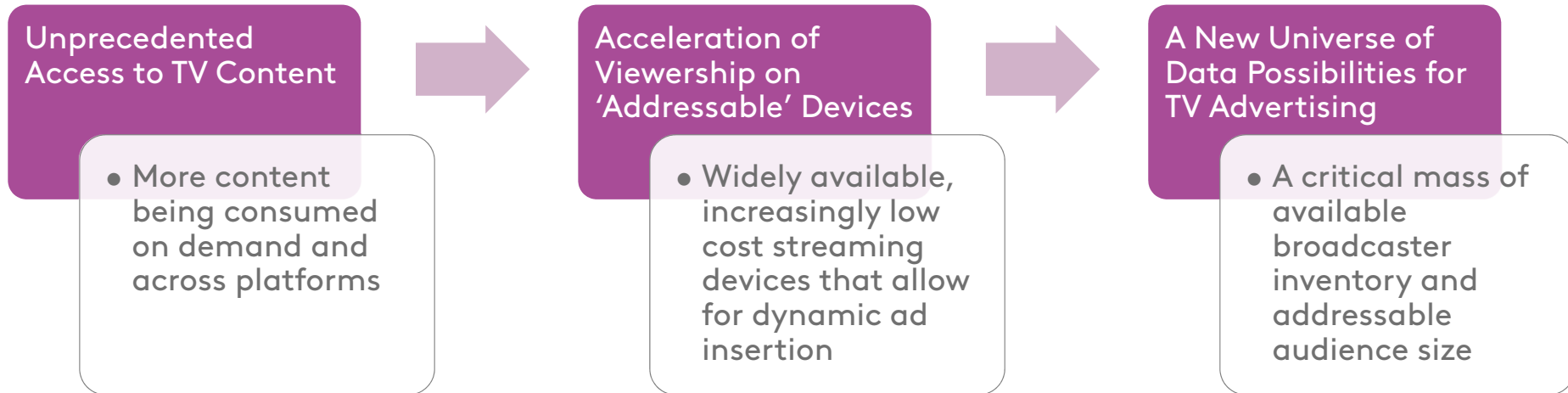
'vMVPDs' or content bundles available via apps are only addressing part of the decline

Pay TV Subscriber Growth, including and excluding vMVPDs



Source: Company reports, MoffettNathanson estimates and analysis

# So what does all of this mean for the future of TV advertising?





## **The addressable future**

Is this the start of next generation TV advertising?

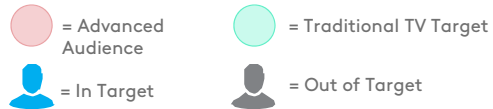


# Let's define addressable TV first

## Traditional Demo-based Buying



## 'High Index' Audience-based Buying



## Addressable TV



## KEY PRINCIPLES:

- TV commercials in TV content on TV
- Targeting specific households or clusters of households
- Applying household-level derived data

# Addressable TV technology is becoming more sophisticated and broadly available

## Set Top Box Video On Demand



- Growing consumption
- Improving consumer viewing experience
- Household level data relationship

## Connected TV Applications



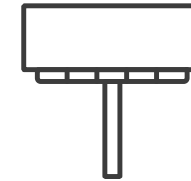
- Significant growth in connected devices
- Innovation in content navigation and search (e.g. Alexa integration)
- Improving ad serving standards

## New Linear Ad Insertion Technologies




- New broadcasting standards (ATSC 3.0 and DVB)
- Automated Content Recognition
- TV Operating system standards (e.g. HBBTV)

## Out Of Home Addressable Video Screens



- Static posters becoming cinema like screens
- Ability to micro target by location (e.g. bars, stations)
- Apply similar data sets in and out of home

# Challenging the way we plan and optimise TV advertising campaigns

 Addressability reframes how we think about and plan TV as a medium:

- A household data driven approach
- Utilising 1<sup>st</sup> party data assets
- TV creative assets tailored to discrete audience segments
- Campaign optimisation: real time performance data
- ROI based measurement moving from audiences to business results



# With 4 core use cases emerging...

**SEGMENTATION**  
Application of advanced segmentation data for accurate customer targeting



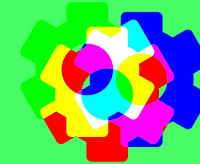
**HYPER TARGETING**  
Utilisation of owned data assets to identify and target niche audience



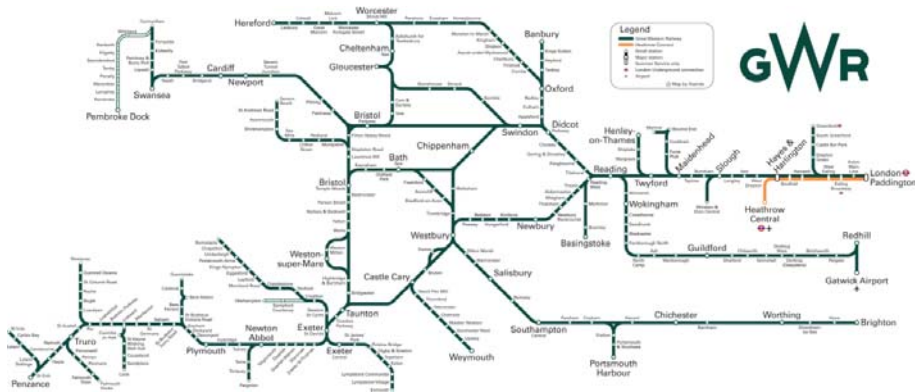
**INCREMENTAL REACH**  
Drive incremental reach in combination with traditional linear TV



**RESPONSE**  
Using targeted TV advertising to prompt action / response (e.g dynamic end frames)



# Case study: GWR



## INSIGHT

GWR, managing over 208 stations across England and Wales have a very specific geographic audience footprint. GWR wanted to 'prompt spontaneous adventure' and drive ticket revenue

## ACTIVATION

Using location based data and audience segmentation, TV households were targeted with the highest propensity to be train travellers:

## RESULTS

GWR reach **17%** of UK households with the most potential to use their service.

Brand uplift:

- Recall **72%** uplift Exposed vs. Control
- Brand favourability **28%** uplift Exposed vs. Control

## The key drivers to addressable maturity:

### Technology Adoption

- Critical mass of broadband penetration and speed
- Prevalence of connected viewing devices
- Ad insertion and ad serving standards

### Market Competition

- Multiple broadcasters/operators innovating to compete in flat or declining linear TV market
- Technology 'leaders' disrupting the market dynamic (e.g. Sky)

### Measurement Framework

- Third party audience measurement that captures shift into multiplatform TV viewing
- Agency & advertiser demand for ROI based effectiveness for television advertising

### Data Maturity

- Critical mass of household level data sets
- Appropriate permissions and regulation
- Technical infrastructure to preserve data integrity

# Common objectives for an addressable future:

How we collectively shape a sustainable addressable future:

**Prioritising New Measurement Frameworks:** Ensuring we are correctly evaluating the opportunity size of new platforms and viewing types

**Working Towards Technology Standards:** For addressable to really scale, the technical cost of entry needs to be lowered by employing standards across broadcasters and platforms

**Alignment on Acceptable Privacy Standards:** Ensuring targeting is relevant and useful, not intrusive and inappropriate

**Investing in the TV Creative Process:** Changing the way we think about building TV creative assets to talk to more discrete audiences and enable dynamic elements (eg location, weather)



Thank You!

**#**km**summit**