

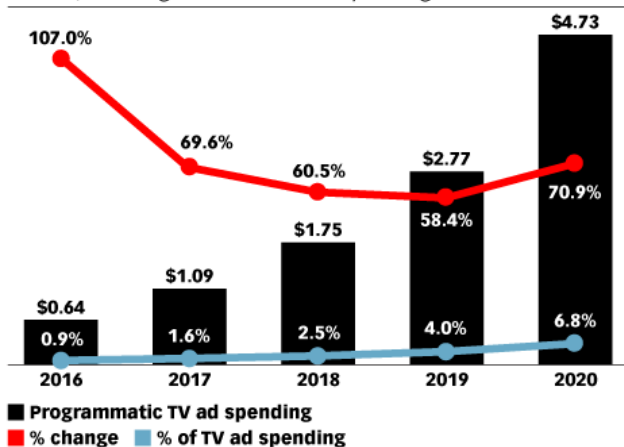
Live TV Isn't Ready for Programmatic Yet

Article

Programmatic might account for just 2.5% of all US TV ad spending today, but it's still a multi-billion-dollar market that's working quickly to expand automation's role in the buying, selling and fulfillment of linear TV advertising.

US Programmatic TV Ad Spending, 2016-2020

billions, % change and % of TV ad spending



Note: the use of software platforms to automate the buying, selling or fulfillment of live TV and VOD advertising, distributed through cable, satellite or broadcast networks

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Still, full-scale automation is still years away due to continued challenges associated with bringing programmatic to legacy ad-buying systems, measurement methods, and even organizational practices.

Brand safety is another factor, and it's one that both buyers and sellers are eyeing with caution as programmatic continues its push into linear TV advertising.

"Brand safety and viewer experience are two really big topics when it comes to programmatic TV," said David Dworin, vice president of advisory services at TV supply-side platform (SSP) FreeWheel, which is owned by Comcast.

"Both the advertisers and the programmers are focused on protecting the marketplaces and sales channels that ensure brand safety and creative quality," he said. "The programmers very much value the relationship they have with the viewer and they don't want to put advertising in place that betrays that relationship. And advertisers want to know what type of content their advertisements are running against to make sure it aligns with their brand's values."

eMarketer's Lauren Fisher spoke with Dworin about this and other hangups and areas of opportunities for programmatic enablement of linear TV advertising.

eMarketer: Besides brand safety, what other major obstacles must programmatic advertising overcome in the linear TV space?

David Dworin: The industry is focused on adapting all the different tools that are designed for programmatic display offerings to work with something like TV where viewership is different.

eMarketer: What types of tools are required to account for the differences in TV and digital video viewership?

Dworin: If you're doing programmatic versions of linear TV and you're applying programmatic buying to live TV, on the digital front, a demand-side platform (DSP) is typically used to pace a campaign throughout the day. In live TV, the DSP needs to be able to treat an event where everybody sees the ad at the same time a little bit differently.

With live TV, you have a huge surge of demand happening at the same time. The DSPs need to be ready for that. If someone is watching sports, all of the viewing happens during that live commercial break, so all the technical infrastructure needs to be ready to handle a major surge in traffic right at that time. They also need to be able to deliver the right ad to the right people with the right pacing all at once, rather than over the course of the campaign, like they would in display or even time-shifted TV.

eMarketer: Measurement is also a challenge. What trends are you seeing on that front?

Dworin: I'm hearing people talk about wanting to measure around outcomes. When you start to realize there are a lot of different ways of viewing, now every advertiser cares about a different outcome. It might be sales or brand lift or awareness. We're starting to see brands ask about using an outcome-based currency. That's what people want to back into, but marketers recognize that the value of TV is more than just last-click attribution.

There is a lot that goes into building a campaign beyond just the point right before you purchase or go into a store. TV's role in the marketing mix needs to be measured based on what you're trying to accomplish with your campaign and not just the immediate short-term sales. TV works across the full funnel, including against sales metrics, but you need to understand the purpose of your campaign and the right metrics for it. Publishers are also becoming more cognizant of their advertisers' outcomes in coming up with media plans for them.

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DAVID DWORIN
VICE PRESIDENT OF ADVISORY SERVICES, FREEWHEEL

eMarketer: Is this true for both brand and performance advertisers?

Dworin: I don’t think we’ve reached a point where everyone is buying based on the same specific outcomes. In part, that’s because marketers recognize that the value of TV is more than just last-click attribution. There’s a lot that goes into building a campaign, like building awareness or building brand affinity, among others. TV’s role in the marketing mix needs to be measured based on what you’re trying to accomplish with your campaign and not just immediate short-term sales.

eMarketer: Are there certain types of ad inventory that are more prone to move programmatically?

Dworin: The easiest inventory to move programmatically is definitely video-on-demand (VOD) inventory, especially VOD through digital channels. The tech is a little more mature there.

We’re starting to see programmatic go through live events. We’re also seeing a couple of different programmatic approaches that aggregate different types of inventory, whether it’s from the spot or scatter markets or from using programmatic to balance yield.

Dworin was interviewed as part of eMarketer's December report, "[Programmatic Advertising Beyond Display: Automation Moves to Audio, Out-of-Home and Television](#)."

eMarketer PRO subscribers can read the full report for more on programmatic TV advertising. Not sure if your company subscribes? [Check here](#).