How Will TV Advertising Become More Data-Driven?

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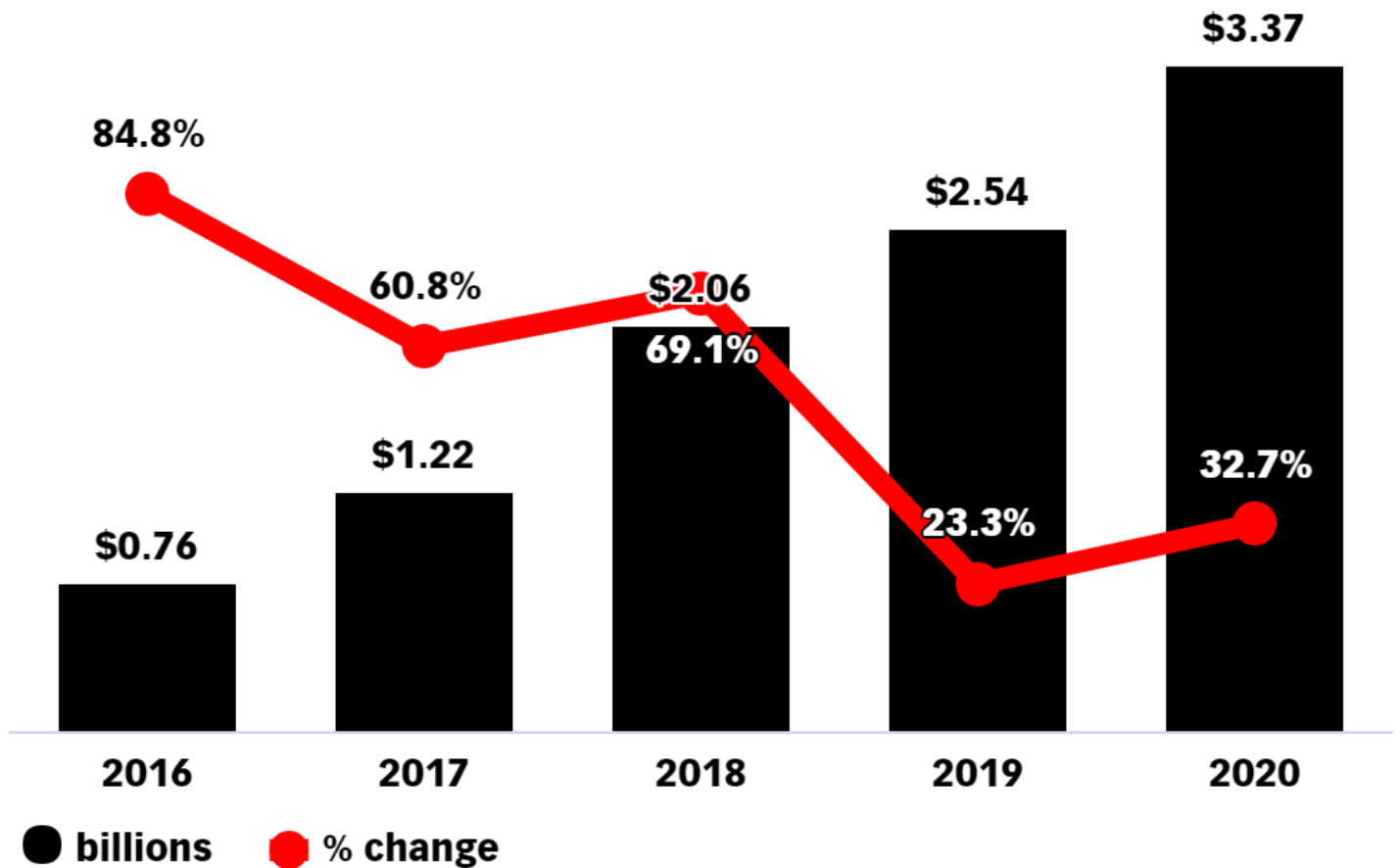
- Advertisers and their vendors are trying to make TV advertising more data-driven.

- TV ad buying is unlikely to follow the real-time bidding (RTB) model that became popular with digital advertising.

- However, many advertising tasks, including reporting, creative placement and measurement, are likely to become more automated, according to Nicolle Pangis, CEO of NCC Media.

Like many companies, NCC Media wants data to play a bigger role in TV advertising. Jointly owned by telecom giants Comcast, Spectrum and Cox, NCC focuses on selling data-driven TV ad products.

TV ad targeting is a growing sector of the ad industry. We forecast that addressable TV ad spending in the US will grow from $2.06 billion in 2018 to $3.37 billion in 2020.

Addressable TV Ad Spending
US, 2016-2020

- 2016: $0.76 billion, 84.8% change
- 2017: $1.22 billion, 60.8% change
- 2018: $2.06 billion, 69.1% change
- 2019: $2.54 billion, 23.3% change
- 2020: $3.37 billion, 32.7% change

● billions ● % change

Source: eMarketer, July 2018

www.**eMarketer**.com

We chatted with Nicolle Pangis, CEO of NCC Media, about the obstacles facing data-driven TV advertising.

You've said you want to make TV advertising more data-driven. What types of data are you hoping to leverage for TV advertising?

One is set-top box data that shows when you turn your TV off or on and what commercials you've been exposed to. Because many of our affiliates have access to the broadband connection, that gives us another data point into the household as well. We're very careful to be privacy-compliant, because of the nature of the data. We're putting that data together to be able to use it both on the linear and addressable sides of the business.

How would you use that data for linear TV?

You could use it to inform how you would buy. Even if you aggregate it to be privacy-compliant, it gives you a good sense of what is working on the linear side and what is not. It can make linear TV more data-driven, even though it's not on a one-to-one basis."

Isn't it easy to get lost in all of that data?

The great thing about having a lot of data is you have a lot of data. The bad thing about having a lot of data is you have to figure out a way to make it digestible, and then be able to activate on it.

Do you plan to build or buy technology to make that data easier to use?

It's going to be a combination of building and buying—that would be my guess right now.

Digital advertising has had a ton of problems. Why try to make TV advertising more digital?

When I moved into the TV world, I was really surprised by the amount of friction between the buy and sell sides. There are big amounts of money being transacted, but in a really manual way. There's just not enough systematizing of processes.

Can you give me an example of tasks that face too much friction?

Getting creative assets from the buy side to the sell side could happen in a simpler way. Once the advertising runs, it should be easier for the sell side to pull reporting and get it back to the buy side. I'd like to make it easier to measure and do attribution—and then make that attribution actually actionable in the next campaign.