

Advanced TV Is Stymied by a Lack of Consensus Measurements

Real-time ad insertion and automated buying remain clunky

INTERVIEW | **FEBRUARY 2018**

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An interview with:
Alan Wolk

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Advanced TV and over-the-top (OTT) video services are growing quickly, but real-time ad insertion and automated ad buying are still pretty clunky with digital video. Alan Wolk, co-founder of TV industry consultancy TV[R]EV, spoke with eMarketer's Ross Benes about the current shortcomings of TV's digital transition.

eMarketer:

Where is the ad industry in terms of including linear TV when targeting ads across devices?

Alan Wolk:

Although the way digital works is we can make split-second decisions, TV is pretty far from that still. It's not a hard technology problem to solve, but there hasn't been enough audience for someone to want to go ahead and do it. I think the audience will grow exponentially and that will help a lot in bringing things like programmatic TV and dynamic ad insertion and addressable TV along.

eMarketer:

Why is dynamic ad insertion so clunky with digital video?

Alan Wolk:

It's just that there hasn't been much demand for it before and the audience hasn't been there yet. The other part is that advertisers haven't been too sure about it. And the [TV] networks haven't been trying to sell it because it is easier for them to sell a 30-second spot against an entire show than have to worry about peeling off audience segments.

"It all goes back to measurement. There hasn't been measurement that everybody agrees upon."

eMarketer:

When I watch TV shows on my computer, I still **see the same ad over and over again** within a single show. With all the technology we have, why do these annoying things keep happening?

Alan Wolk:

The reason you see those ads is not because the TV network did it on purpose. It's because the network couldn't find another advertiser.

eMarketer:

Why aren't more advertisers spending more money on online TV?

Alan Wolk:

It all goes back to measurement. There hasn't been measurement that everybody agrees upon.

The beauty of Nielsen is that whether you believe the ratings are true or not, everyone in the ecosystem agrees to them. Once you get away from the set-top box, then it's a question of, "How is this stuff rated?" And so a lot of advertisers have steered away.

eMarketer:

Is there a specific improvement you'd like to see?

Alan Wolk:

One of the things that [marketers] need to be able to do in the future is to figure out if you're binge-watching or not. If Citibank bought 40% of the ads for "Mr. Robot" and you're binge-watching "Mr. Robot," you're going to be four episodes in and say, "Oh God, I've just seen a Citibank ad for the 20th time."

“There’s a lot of growing pains in this. Netflix used to buffer a lot when it launched, but they improved their software and learned from that.”

We need to figure out if a person is binge-watching and what the threshold is so that by the time someone watches the second episode, the ads can be changed up. Because it’s not good for the advertisers either if someone sees the same ad over and over.

eMarketer:

Several demand-side platforms [DSPs] like [The Trade Desk](#) and [Adobe](#) have invested in buying TV inventory programmatically. Why are ad tech companies doing this?

Alan Wolk:

What it boils down to is the viewer at home doesn't think to themselves, “I'm watching this on live TV” or “Oh, I'm watching on video-on-demand” or “I'm watching this on OTT.” Remember that [80% to 90% of OTT viewing is done through a TV set](#).

So if I'm watching “Mr. Robot” live on USA, or if I'm watching it On Demand off of Comcast, if I'm watching it through Sling, it doesn't really matter to me. It's showing up on my TV and there's ads on it and that's what I'm concerned with. I think it makes a lot of sense for [DSPs] to start buying like that.

eMarketer:

During the last World Series, Fox tried to insert ads on the outfield wall that would be seen only by TV viewers. It became pretty awkward when **the ad swallowed an outfielder**. People already hate the creepiness of digital ads. When stuff like that happens, doesn't it provoke people to cringe at the idea of making TV advertising more digital?

Alan Wolk:

There's a lot of growing pains in this. Netflix used to buffer a lot when it launched, but they improved their software and learned from that. I think that's going to happen to all of these companies, too.

Now Fox knows to not do that anymore. But they've been at the forefront of experimenting, which is great. Every so often you're going to hit a bump. I'd rather have that than not try at all.

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