

How Digitization Affects TV Ad Sellers

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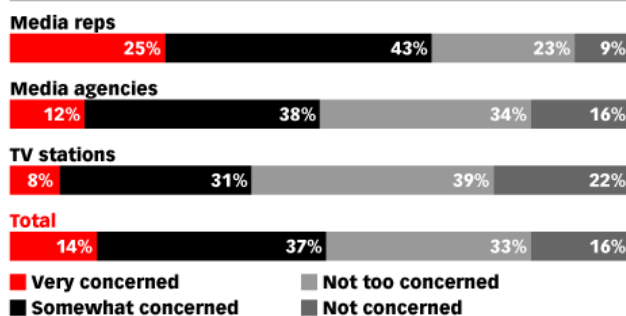
- TV advertising is **undergoing a digital transformation**.
- Just **a fraction** of TV ad spend is transacted programmatically, but automated TV buying is increasing.
- Inventory sellers are **adjusting to these technological shifts** so they don't get left behind.
- Automated TV buying won't rely on open exchanges the same way digital publishers have, according to Video President Shereta Williams.

A lot of companies in the ad industry **hope to profit from the digitalization** of TV. But as with any big change, uncertainty creates some fear.

In June 2018, **Videa and Finn Partners** released a survey of 174 US TV industry professionals, which showed that half of respondents were concerned that their organization would not be able to keep up with industry changes. And 46% of respondents believed that the tech advancements happening in the TV industry are a threat to their organization's existence.

US Media Agencies, TV Stations and Media Representation Companies that Are Concerned Their Company Will Not Be Able to Keep Up with Technological Changes in the TV Ad Industry, March 2018

% of respondents



Source: Videa and Finn Partners, "Videa Change Management Survey," June 19, 2018

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www.eMarketer.com

Shereta Williams, president of the Cox-owned supply-side platform Videa, spoke to eMarketer about how sellers of TV inventory are navigating the technological changes affecting their industry.

Have you seen a change in how advertisers approach advanced TV?

In the last two years, the marketplace has really gotten its arm around what automation for TV really is and isn't, and why it's actually a good thing in the long run.

What is automated TV buying to you?

It's making local TV station inventory easier to buy by bringing that inventory into a searchable system that any buyer can access through a screen. It is enabling the current sellers of that inventory—whether it is an external or internal rep—to manage that sales channel more effectively than they do currently.

What isn't automated TV buying?

It's not real-time bidding (RTB) for the most part. You may end up in a place where RTB serves a piece of that need, but when you talk about TV in general, you're talking about a pool of inventory that has more demand than supply. It actually has scarcity. You don't need a RTB auction model to satisfy it. It's not being about open exchanges, not

being about RTB. It's being more about that forward reserve direct model.

Because TV advertising has more demand than supply, where is the incentive to being more tech driven?

It's about advertisers wanting to have greater accountability for their marketing budgets. Advertisers are moving dollars toward things that offer accountability and away from things that don't. TV is still king of the hill in terms of where the audiences are, but not necessarily king of the hill in terms of accountability and targetability.

It's also just letting all of your dollars work together more cohesively. It's hard to plan, execute and optimize a campaign across your entire marketing budget if the biggest piece of that budget is offline.

What do you mean by accountability?

Having a more real-time measurement of how the campaign is performing and being able to make changes based on that information.

What is something that people regularly get wrong about advanced TV?

People don't realize, until they get into the trenches and see it, that it's not an open exchange where machines are sort of bidding down to the lowest common denominator. It really is letting the stations put the right guardrails around their inventory.

Isn't there trepidation around this digitization of TV?

Yeah, there is definitely still a ton of fear in the marketplace over what this ultimately means.

Because digital selling can require a different skill set than traditional TV selling, are people worried about getting pushed out of their jobs?

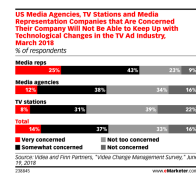
It is a new skill set that is more analytical and data driven but they're being pushed in that direction already. There are few TV sellers who aren't already selling digital websites, over-the-top video and all these different pools of inventory.

But won't many people fail to adapt?

The business has evolved, and it needs to. We're all wearing multiple hats at this point. We know wherever the audience goes; you need to be able to get the right message in front of them at the right time. The sellers who weren't willing to do that are the ones who have already been coached and developed, or asked to move on. I don't think the [talent] problem is nearly as widespread as people think it is.

Article Jun 20, 2018

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