

# Legacy Media Companies Are Leading the Charge in Advanced TV

But the hype of programmatic TV is overblown

**INTERVIEW** | **JANUARY 2018**

**Ross Benes**





An interview with:  
**Dave Morgan**

CEO  
Simulmedia



**M**any marketing tech aficionados believe television ad buying is overdue for a digital overhaul. Dave Morgan, CEO of TV ad targeting firm Simulmedia, spoke with eMarketer's Ross Benes about which digital applications are likely to find success within TV advertising and which products are overhyped.

**eMarketer:**

Where is advanced TV showing real signs of success?

**Dave Morgan:**

The places where we are starting to see something real are being catalyzed by efforts of the TV companies themselves to implement data-driven or outcome-based selling of their inventory.

It is everything from [NBCUniversal's targeted ads](#), to Turner's Ignite product, to Viacom's Vantage product, and to the [audience targeting collective consortium](#) from Turner, Viacom and Fox. They are selling real product and delivering campaigns that are rated by Nielsen, so advertisers feel a degree of comfort. They are also able to deliver on the deeper promise of advanced TV, which is being able to target with digital elements and track it back to sales generated. The efforts are still modest and are just a couple of years old. But it's encouraging.

**eMarketer:**

What's encouraging about this?

**Dave Morgan:**

It is encouraging because it's the TV companies that control the money in the business that are saying, "We will have to sell, package and measure our product differently in the future if we are really going to be competitive to digital advertising."

**eMarketer:**

Advertisers in the US **will spend more than \$70 billion on TV** this year, eMarketer estimates. That sounds like a good business to be in — does TV advertising actually have to change?

**Dave Morgan:**

It doesn't have to change right now. The progress in advanced TV is encouraging because it is a recognition that the TV companies can't keep the gravy train rolling without building some new roads. It isn't so broke it has to be fixed.

**eMarketer:**

What are the biggest challenges ahead for TV ad buyers?

**Dave Morgan:**

I don't think anybody thinks that millennials are going to suddenly become a scheduled-programming audience and tolerate 16 minutes of ads an hour. We will see people in that age cohort and in the upper-income cohort whose video viewing will change. Linear TV is going to change dramatically in the next five to seven years.

**eMarketer:**

How so?

**Dave Morgan:**

The TV companies will have no choice but to deliver lighter ad loads in their programming, particularly with nonlive events. They will be able to charge higher prices, but they will have to make it more relevant and better measured.

**eMarketer:**

Why is programmatic TV still such a **small chunk of overall TV ad buying**?

**Dave Morgan:**

What is being called programmatic TV and marketed as such is a lot of "bright shiny object" selling. What you see and what is sold isn't always what you get. You have amalgamated products, which mix digital video and connected TV with little sprinklings of real linear TV, and they package it up as if they are TV products. People have found the reality didn't meet the promise.

**eMarketer:**

Can you elaborate on that disconnect between promise and reality?

**Dave Morgan:**

The idea was that in an automatic auction bid format, you could buy inventory on TV in real time. It turned out that's not really the case.

**eMarketer:**

Aren't companies doing this, though?

**Dave Morgan:**

Companies may be doing it, but that doesn't mean it actually really exists. You can do real-time insertion into video, but there is virtually no linear TV that is IP-addressable. It just doesn't exist. You can access some inventory from cable and satellite groups, but it is inventory that might not run for weeks.

There was a sense that this digital world was going to wrap around TV and suddenly changed how it worked. I'm not trying to criticize the companies that tried to apply it—in most cases, they did what they said they would do. But there was a perception, particularly among digital ad buyers, that TV buying was going to work just like it does with digital. And that's the part where there was disappointment.

**eMarketer:**

What else is overhyped when it comes to TV ad buying?

**Dave Morgan:**

Ad agencies becoming media-agnostic is a story we have heard for five years that is not really reality. Agencies have understandably combined organizational structures, but TV is still a silo, digital is still a silo, and there is very little true integration between the two at a tactical campaign level.

**eMarketer:**

Why are terms like advanced TV, addressable TV and programmatic TV used interchangeably even though they each have different meanings?

**Dave Morgan:**

New things are coming into the industry so quickly, and there is a massive amount of complication. With advanced TV you are dealing with a hybrid of digital techniques with legacy delivery systems, so it's just complicated. The people who are doing the buying and selling aren't technically sophisticated enough to actually understand at a detailed level what in fact the products are. So the industry transacts on buzzwords, and this is why people will switch buzzwords quickly, because when one term becomes tainted other terms come in.

**eMarketer:**

You are **fond of saying** that Judge Judy delivers more advertising watch time per day than all of the videos on YouTube combined. I'm surprised Judge Judy didn't come up in this conversation.

**Dave Morgan:**

I think I have overused Judge Judy. I am afraid people roll their eyes at me, but the good thing is her **numbers are still up**.

Interview conducted on January 30, 2018