Evelyn Mitchell

The Daily: A multicurrency TV measurement future, longer mobile video ads, and marketing's image problem

Audio

On today's episode, we discuss the significance of Nielsen getting its national accreditation back, whether this year will be the first true multicurrency upfront, and what advertisers should do today to prepare for a less-than-certain measurement future. "In Other News," we talk about whether longer video ads are actually the way to go on mobile and whether marketing has an image problem. Tune in to the discussion with our analyst Evelyn Mitchell.

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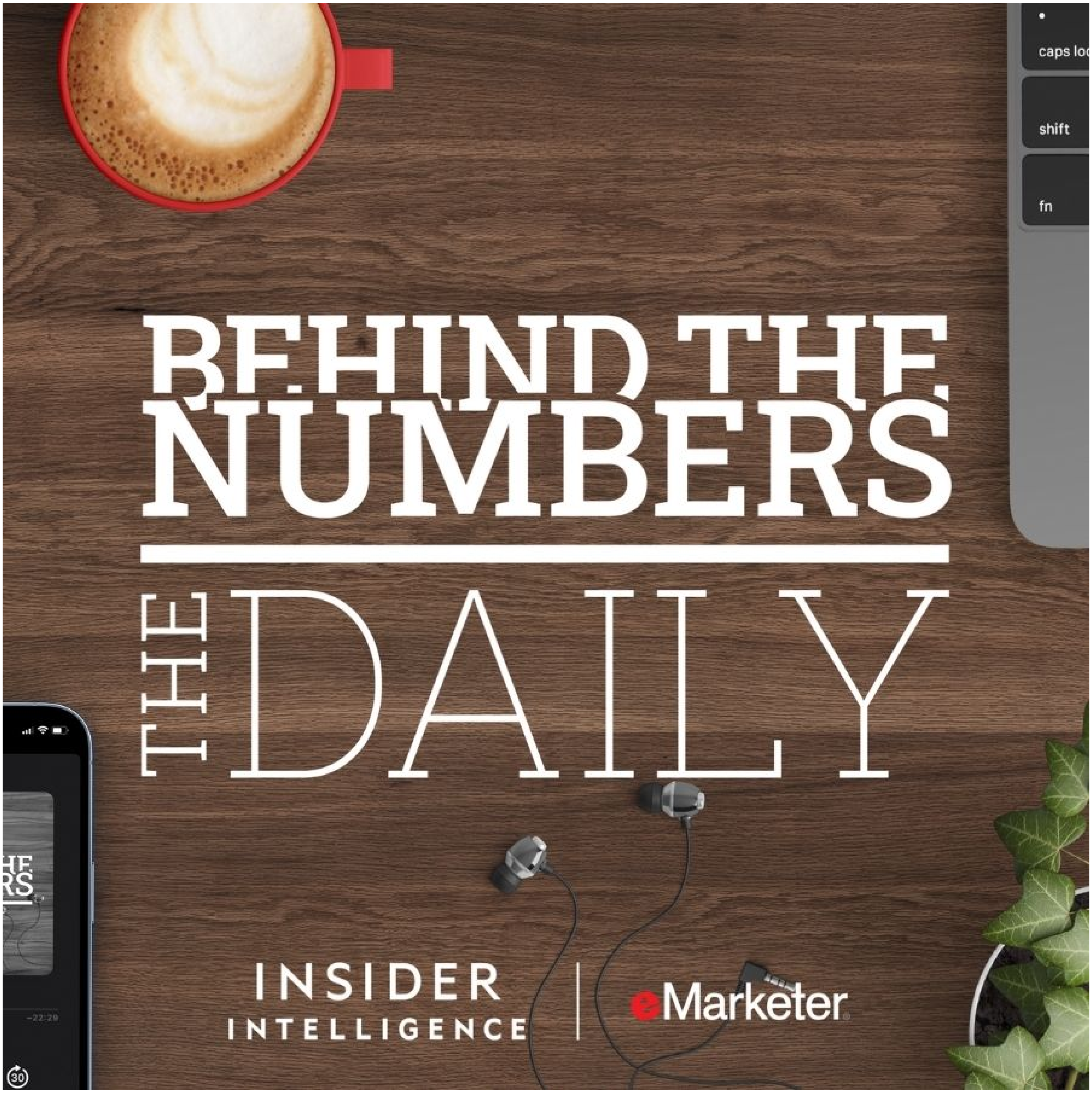

Episode Transcript:

Marcus Johnson:

Hey gang, it's Monday, May 1st, Evelyn and listeners, welcome to the Behind the Numbers Daily an eMarket podcast made possible by InMobi. I'm Marcus, today I'm joined by one of our senior analysts covering digital advertising and media based out of Virginia, it's Evelyn Mitchell.

Evelyn Mitchell:

Hey there, Marcus. Happy May everyone.

Marcus Johnson:

Hello. Somehow it is that month. Thank you so much for hanging out, Evelyn. Today's fact, triskaidekaphobia is a fear of what?

Evelyn Mitchell:

The number 13.

Marcus Johnson:

It is a fear of the number 13. The condition can cause people to suffer from acute anxiety over the number 13. The condition is the reason that a lot of hotels don't have a 13th floor. A 2007 Gallup poll noted, 13%, rather coincidentally, of respondents said they'd feel uneasy staying on the 13th floor of a hotel. A Travel and Leisure article by Stacey Leasca notes that many buildings in New York City will call that floor 12B or 14A. A survey by CityRealty found that out of over 600 condo buildings listed with 13 or more floors, only 55 of the 600 labeled the 13th floor as the 13th floor, that means over 90% of buildings with a 13th floor renamed it in hopes of attracting would-be buyers and renters.

Evelyn Mitchell:

It's quite the strategy.

Marcus Johnson:

Yes. We also don't have a 13th floor, right?

Evelyn Mitchell:

No, we do not.

Marcus Johnson:

Our office, in Times Square, we have a 12 and a 14, [inaudible 00:02:29] 13

Evelyn Mitchell:

Both of which we occupy.

Marcus Johnson:

We do. We do indeed.

Evelyn Mitchell:

So we really feel the absence of the 13th floor.

Marcus Johnson:

Of the 13th.

Yes, indeed. Today's real topic, measuring measurement.

In today's lead, we'll cover the TV measurement currency race. Then for in another news we'll discuss why longer mobile video ads might be the way forward and whether marketing has an image problem. Well, we start with the lead, we're talking about measurements, TV measurements in particular, and we've got to start with the recent news that Nielsen has regained its national accreditation after losing it in 2021. I quickly asked Paul about this on an episode, Paul Verna, who's on the same team as Evelyn, last week, but wanted to kick today's show off with it to get your take, Evelyn. So Mollie Cahillane of Adweek explains the Media Ratings Council first trip Nielsen's accreditation, of its national ratings, after the measurement giant admitted to low balling audiences nationally and locally earlier in the pandemic, potentially costing clients millions of dollars. Ms. Cahillane points out that the reinstatement does not include its digital TV ratings, local market TV service, digital ad rating service, or the new Nielsen One service. So this is, it's national accreditation that it's got back, not those other ones. What's your take on Nielsen getting its accreditation back?

Evelyn Mitchell:

So it's definitely a big deal for Nielsen and the timing is certainly fortuitous with upfront negotiations kicking off in the next few weeks here. Our research suggests that Nielsen wasn't going to be lacking in terms of the 2023 upfronts, even before the accreditation news we foresaw plenty of upfront transactions guaranteed on Nielsen currency, and there will definitely be more transactions on alternative currencies this year versus last, but Nielsen has the incumbents advantage here. TV measurement infrastructures were built for and around

Nielsen, which means it takes a lot of effort and money to set things up for multiple currencies, or any non-Nielsen currency at all, and not every advertiser, or network, has that luxury.

So accreditation is a helpful PR boost, but Nielsen would've been fine without it. I think the more important takeaway is that this accreditation decision is just a bandaid, for lack of a better term, and there are two reasons. First, this accreditation is for the panel-based National Ratings Service and it does not include any big data from smart TVs or set top boxes, which means it still doesn't really have enough scale to accurately measure viewership that's fragmented across linear, and all the various streaming platforms, so that's the first reason.

And the second one is that Nielsen plans to sunset its legacy metrics by next fall, so fall of 2024, and like you mentioned, it doesn't have accreditation for Nielsen One, which has been billed as the cornerstone of Nielsen's next phase.

Marcus Johnson:

It's future.

Evelyn Mitchell:

It officially started rolling it out back in January. So come next fall, this accreditation decision, it won't have meant nothing, but it will essentially be irrelevant.

Marcus Johnson:

You mentioned the incumbents advantage and Nielsen certainly has the most experience as Bill Bradley of Adweek was pointing out, alongside Nielsen some of the main players in measurement are VideoAmp, comScore, iSpot, Samba TV, EDO in the 605. Nielsen was founded in 1923, so it's about to celebrate its 100th birthday as a company. If you added up the years of experience across the other six companies combined, the ones that I mentioned, you'd get 74 years. So it's been doing it for a minute, which is definitely a benefit, even though there are those other players out there, Nielsen still carries so much weight as a measurement company, and Evelyn, you just finished a report on measurement, that published right before this Nielsen News.

Evelyn Mitchell:

Yes.

Marcus Johnson:

We've updated it since. In light of this development, do you still expect this to be, as you mentioned in your report before this news, the industry's first true multicurrency upfront? Or has this Nielsen news changed that?

Evelyn Mitchell:

My prediction has not changed. There will definitely be alternative currencies on the table and more advertisers have publicly committed to transacting on them this upfront cycle. It's just really a nice PR boost for Nielsen, like I mentioned.

Marcus Johnson:

Yeah, in your report you note some research. So before this Nielsen news about them getting their national accreditation back, you say three in 10 buyers had expected the average upfront deal to use a Nielsen alternative, that was from advertiser perceptions. There's a note in your research as well that we're still in the test and learn stage, and it's unclear how many measurement currencies the industry will ultimately support. What are these possible futures that you envision when it comes to measurement currencies?

Evelyn Mitchell:

So Deloitte put out a fantastic qualitative study commissioned by the ANA, the 4A's and the Coalition for Innovative Media Measurement that found three potential outcomes. One, we end up with one primary currency, which would be complemented by multiple secondary measurement solutions based on the advertising use case. Two, we end up with 3 to 5 independent operating currencies, which is kind of where we are right now, we have networks and advertisers testing alternative currencies while guaranteeing on Nielsen or having parts of buys guaranteed on an alternative currency. It's messy, and for this scenario to be sustainable, all sellers would essentially have to support all currencies. So that's a little bit unrealistic, and the third scenario...

Marcus Johnson:

So, that's three to five, you said 3 to 5.

Evelyn Mitchell:

Yes.

Marcus Johnson:

Which sounds like a string of numbers.

Evelyn Mitchell:

It sounds like 605.

Marcus Johnson:

Three to five.

Evelyn Mitchell:

Between three and five currencies

Marcus Johnson:

Somewhere around four.

Evelyn Mitchell:

The distinction there being that two independent operating currencies would be a duopoly and therefore not as attractive as three or more.

Marcus Johnson:

Okay.

Evelyn Mitchell:

And then the third scenario is that we end up with one or more currencies overseen by a Joint Industry Committee or a JIC for short, and I think that scenario is the most likely outcome. Other countries like the UK employ a JIC approach to measurement, and a US JIC was formed in January.

There's been some debate about whether the US JIC is really a JIC at all. The UK JIC, for example, selects one currency for each channel and then periodically reassesses its choice and any competitors. The US JIC was formed specifically to support a multicurrency market, which means that it would not select one currency to rule them all, but instead is crafting standards for currency providers and common data resources. There's also been some drama with the JIC around who is and isn't participating. YouTube and Nielsen have both now had public disagreements with the JIC, but from my perspective, it seems like the sell side is so set on not going back to the way things were before with Nielsen, that they'll do just about anything to make sure the market supports more than one currency and the JIC is becoming core to that mission.

Marcus Johnson:

So the Joint Industry Committee is the JIC?

Evelyn Mitchell:

Yes.

Marcus Johnson:

I was hoping you were going to say that this one wasn't going to be most likely because that can't, [inaudible 00:10:02] use that as the acronym.

Evelyn Mitchell:

JIC.

Marcus Johnson:

Yeah, it just sounded too weird. We're going to have to change that. We'll figure something else out. So I want to get your take on a measurement related article. Olivia Morley of Adweek just wrote a piece titled, May the Best Attention Metric Win, and in it she notes that most agency leaders agree that established attention metrics would be better measurement alternatives to now common ad metrics like CPMs, impressions, reach and viewability. What to you was the most interesting part of her article around attention metrics?

Evelyn Mitchell:

What jumped out to me is that competitive differentiation among attention measurement providers, stands in the way of standardization, which in turn stands in the way of widespread adoption of attention metrics, and it's a tough position for these measurement providers to be in because in order to grow their businesses, they need to adhere to standards as they're developed, but then once attention is defined and everyone agrees on how to measure it, to continue growing, vendors have to retain parts of their methodology or value proposition that make them the best choice, and we're seeing a similar situation playing out on the TV currency side too. Standards allow for interoperability, but if everything is interoperable and we don't allow for any idiosyncrasies, what's the point of having multiple currencies at all? How can one currency provider be better for a specific advertiser if in the end they're all the same?

Marcus Johnson:

Yeah, that's a good point. Final question, what are two things advertisers should do today to prepare for this less than certain measurement future?

Evelyn Mitchell:

First, align internally. It is so important to know what your internal resources look like, what your goals are, who your audience is before you approach measurement vendors, and you may already be knees deep in these conversations with TV currency providers, but internal alignment is always going to strengthen your position in navigating change and second, dive into the fray. It is confusing and expensive, but the legacy Nielsen currency isn't long for this world, so even if it's just a measurement only test, assessing alternatives now will increase the chances of a smoother transition down the line, and we've talked mostly about TV currencies today, but both of these takeaways applied to measurement more broadly, like third party cookies and mobile ad IDs are also on the way out.

Marcus Johnson:

There are more to-dos in your full report. It's called Ad Measurement Trends, H1 2023. You can head to insiderintelligence.com to get the full reports. Other things advertisers should be doing today to prepare for the measurement future and plenty of other research as well around measurements, that's what we've got time for for today's lead. It's time of course for the halftime report. Evelyn, one takeaway from the first half, please.

Evelyn Mitchell:

We are still really in the thick of the test and learn stage with the currency overhaul in TV advertising as we are in the transition away from cookie-based measurement on the web, buckle up, because this is an ecosystem wide transition that involves massive infrastructural change on the buy and sell sides, which means we'll be tying up loose ends for years and the road to a resolution will be bumpy.

Marcus Johnson:

Very well said. That's all we've got time for for the lead, time for the second half of the show today, In Other News. Why longer video ads might work better for mobile, and does marketing have an image problem? Story one, longer video ads work better for mobile, apparently, despite our short attention spans, in a new report from mobile marketing platform Liftoff, they found that longer video ads proved to be more effective than their shorter counterparts with mobile user acquisition managers seeing performance gains with videos between 30 to 60 seconds long, [inaudible 00:14:06] it's Colin Kirkland of MediaPost, but Evelyn, the most interesting part of this article to you was what and why?

Evelyn Mitchell:

It's that Liftoff says its report analyzed nearly 1 trillion impressions across 24.5 billion clicks and 240 million installs. If I'm following, that means Liftoff observed a click-through rate of nearly 2.5%, and that's a lot higher than other estimates I've seen for 30 to 60 second ads. So it just leads to a lot of questions for me, like how many of these ads were rewarded ads? How many were viewed to completion? Are people clicking through because the longer ads are annoying them and they accidentally click through because they're trying to find a way to close the ad, that has happened to me on many occasions. So just a lot of questions.

Marcus Johnson:

So in the article, Liftoff was telling advertisers interested in making longer videos to combine sections from multiple shorter videos into one longer video ad, more economical, the making of long video ads from scratch. And Evelyn, I'm surprised this isn't done more, ads that tell the story in chapters that when put together, make up a longer ad. It seems like it's done in the Super Bowl every now and again, which makes sense because you're sat there for the whole Super Bowl and people are more likely to see every sequence of ads, but if there was a story told, I could see people being like, "oh, I saw part one, part three and part four and five, but I missed part two", and actually going to look for that missing piece to the story potentially.

Evelyn Mitchell:

It's possible. You never know what consumers will do.

Marcus Johnson:

Yeah, as long as the story's interesting enough though that is

Evelyn Mitchell:

And that assumes they're paying attention as well.

Marcus Johnson:

Yeah, that's true. Forget it. It's a bad idea. Anyway. Speaking of stories, story two, marketing has an image problem even among its own practitioners who when surveyed anonymously mostly say they wouldn't recommend their own marketing departments to prospective hires, notes Jack Neff of Ad Age, MMA Global who surveyed over a 1000 marketers since 2021, found they gave their own marketing organizations a negative two minus two net promoter score, and it's trending in the wrong direction as well, but Evelyn, marketing having an image problem, what to you is the most interesting sentence in Mr. Neff's Ad Age article and why?

Evelyn Mitchell:

It's a quote from Professor Neil Morgan, the most successful companies have people who are good at things that matter most to driving growth, and it seems kind of obvious, but if marketing practitioners are constantly having to prove that the work they do is meaningful to the business and their contributions don't move the needle on what senior leaders consider to be the most pressing needs of the organization, that's not exactly a recipe for satisfaction, and if people aren't satisfied with their jobs, why in the world would they recommend those roles to people they like and respect?

Marcus Johnson:

Right. Two things jumped out to me and both around that exact point. One was from the marketing professor at the University of Wisconsin, Neil Morgan, saying that he thinks marketers are living through a constant state of transformation where nothing is in one place or fixed long enough for folks to get used to working that way, which can feel very unsettling, especially for a long period of time. And two, a professor of marketing at Emory University and former Coca-Cola company marketer Omar Rodriguez-Vila thinks marketers net promoter score is so low because companies are confused about the role in the marketing function and the dispersion of marketing responsibilities. Two great points, I think, really good last call. That's all we've got time for this episode. Evelyn, thank you so much for hanging out today.

Evelyn Mitchell:

Thank you, Marcus. Thanks everyone.

Marcus Johnson:

And thanks to Victoria who edits the show, James who copyedit it, and Stuart who runs the team. Thanks to everyone listening in. We'll see you guys tomorrow hopefully for the Behind The Numbers Daily, an eMarket podcast made possible by InMobi.