

Television That Follows The Viewer

LJUBLJANA, 1 February 2018

We are witnessing a paradigm shift in the world of television advertising. Programmatic TV can target a single viewer. This means that audience targeting methods are changing and new metrics are entering the digital TV field.

Igor Mali, COO, iPROM



Classic television advertising is somewhat similar to offshore fishing. Fishermen cast a big net and sometimes they catch a lot of fish and other times only a few. Advertisers who opt for classic television as the medium of transmission of their messages choose to face these challenges. The price of such fishing is also very high in environments where users are bombarded with various advertisements to the extent that they are already developing resistance to them. What can be done? Let me briefly cover the background before answering the question.

In the world of TV advertising we are witnessing a great disruption. Classic TV advertising is slowly declining as it is being replaced by programmatic TV ads lease on new technology platforms. Different studies deliver different numbers and values of the advertising dollars for the digital TV market. In the United States, for example, advertising on digital platforms accounted to around \$ 50 billion in 2017 and by 2022, according to analysts' estimates, this amount will exceed \$ 100 billion.

An explosion is about to happen, like it did with digital and online media. Digital advertising is becoming more and more programmatic and rest assured television will also be affected. PwC researchers predict that advertisers will lease a third of advertising space on television programs programmatically while a study from Videology suggests that industry experts are even more optimistic – in four years time programmatic television in the US should pick up at least as many advertising dollars as classic TV.



The future belongs to programmatic TV

Moving television and video content onto digital platforms means that in the future all types and forms of TV content will be delivered programmatically. Video On Demand

(VOD) is a television that does not provide live streaming but the wealth of content selection that can be viewed on virtually every screen device captures users and already allows programmatic lease of TV content. Platforms with streaming video content, such as YouTube and Vimeo, are even more advanced as they are the real masters of programmatic lease because they really know their viewers and how to capture their attention. OTT platforms are predominant in this segment as they can obtain and analyze a wide range of user data through their hardware which also enables them to better target users and customize content. The numerous advantages of programmatic TV are becoming increasingly recognizable by digital broadcasters as well.

Programmatic lease of TV advertising space is catching on for the same reasons as is online advertising. Advertisers are looking for highly targeted and relevant communication as they want to know who exactly are they addressing and how. In addition, the smart data provided by digital TV platforms allows for extensive analytics; the knowledge and experience learned from digital advertising world can be used by advertisers in the case of programmatic TV as well.

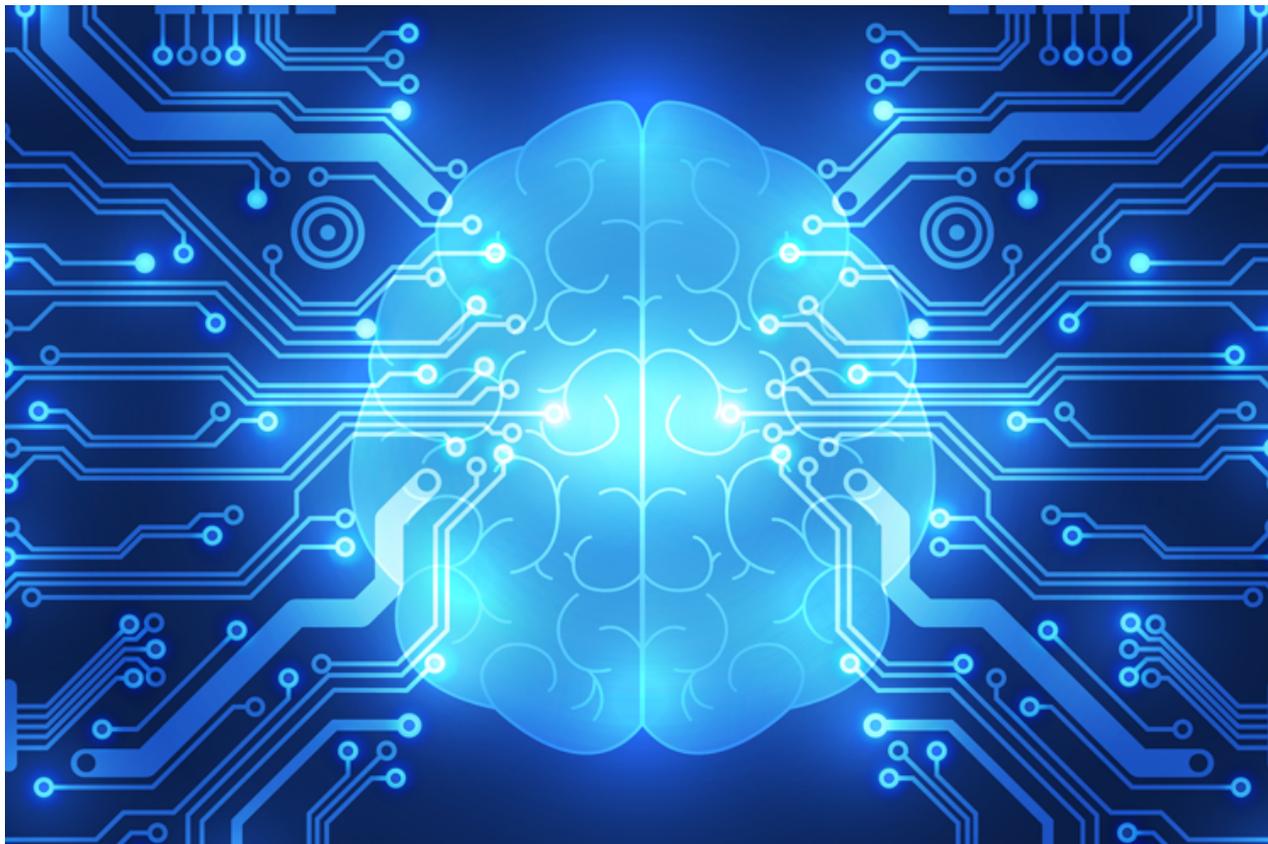


Advertising markets and interactive advertising

Similar to the field of digital advertising two approaches will take off in the world of programmatic television, namely the open and closed markets. Open markets will allow renting of programmatically served TV ads virtually anywhere while closed or private markets will only be available to certain and often fore-chosen partners. Open markets will be all about real-time lease of advertising space and time to the highest bidder, while private markets will be primarily guaranteeing "premium viewers".

Therefore the TV advertising landscape will look completely different in the coming years. Programmatic ad lease will bring transparency, flexibility, ad optimization and efficiency – advertising "fishermen" will know exactly which fish they are after. The future of programmatic television brings many other changes. Advertising is no longer a one-way street and the use of interactive elements is enabled which not only impresses the viewer over a certain product or service but also takes him/her across the entire purchase process. From this point of view the boundaries between digital and TV advertising are definitely being erased.

Just as in the case of online advertising advertisers choosing programmatic TV will be able to access consumer preferences and wishes. Netflix already uses this data for decisions about new content creation with TV series and movies. Imagine that advertisers receive information about preferences directly from the viewers and in real time. This information can make sure that viewers are not served ads they don't find interesting but only the content they are interested in – at the right time and for the right thing(s). Thus TV advertising can become moderate and useful for everyone involved.



Potential for even greater creativity

Many people in the advertising industry fear that programmatic TV advertising will take over their jobs. I am sure that this will not happen, on the contrary, the programmatic lease of TV ads will allow the people that create them to bring their creativity to life in full. Advertising messages and creatives will be automatically adapted to the individual viewer as is the case with online advertising but the creatives and ad scripts themselves will still be created by people.

###



For more information contact:

Igor Mali

COO

✉ igor.mali@iprom.eu

📱 +386 41 558 412

☎ +386 59 076 170

📞 +386 1 511 07 83

About iPROM

iPROM specializes in planning and running advertising campaigns in digital media. The tools we create are used across the industry by advertisers, direct marketers and web publishers and help them plan, execute and analyze their digital marketing activities. They are designed to increase the effectiveness of these activities as well as to make the complex world of web advertising a little simpler for our customers, justifying their investments with outstanding returns.

In a data-driven world, ad-serving efficiency is very important. Using media properties, data analytics, in-depth research and the smartest technology available, we enable marketers to deliver the right message to the right person at the right time, every time. With our tools for ultra-precise targeted audience segmentation, effective planning and proficient execution, companies are equipped to build better brands, more successful operations and stronger customer relationships.