

Advanced Learning

**How Advanced TV
Can Drive Brand Results**

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According to our 2019 survey on the State of Advanced TV Buying¹, less than 13 percent of decision-makers at brands and agencies feel extremely comfortable with their knowledge of the space. More than half — 54 percent — described their knowledge level as average, limited, or very limited.

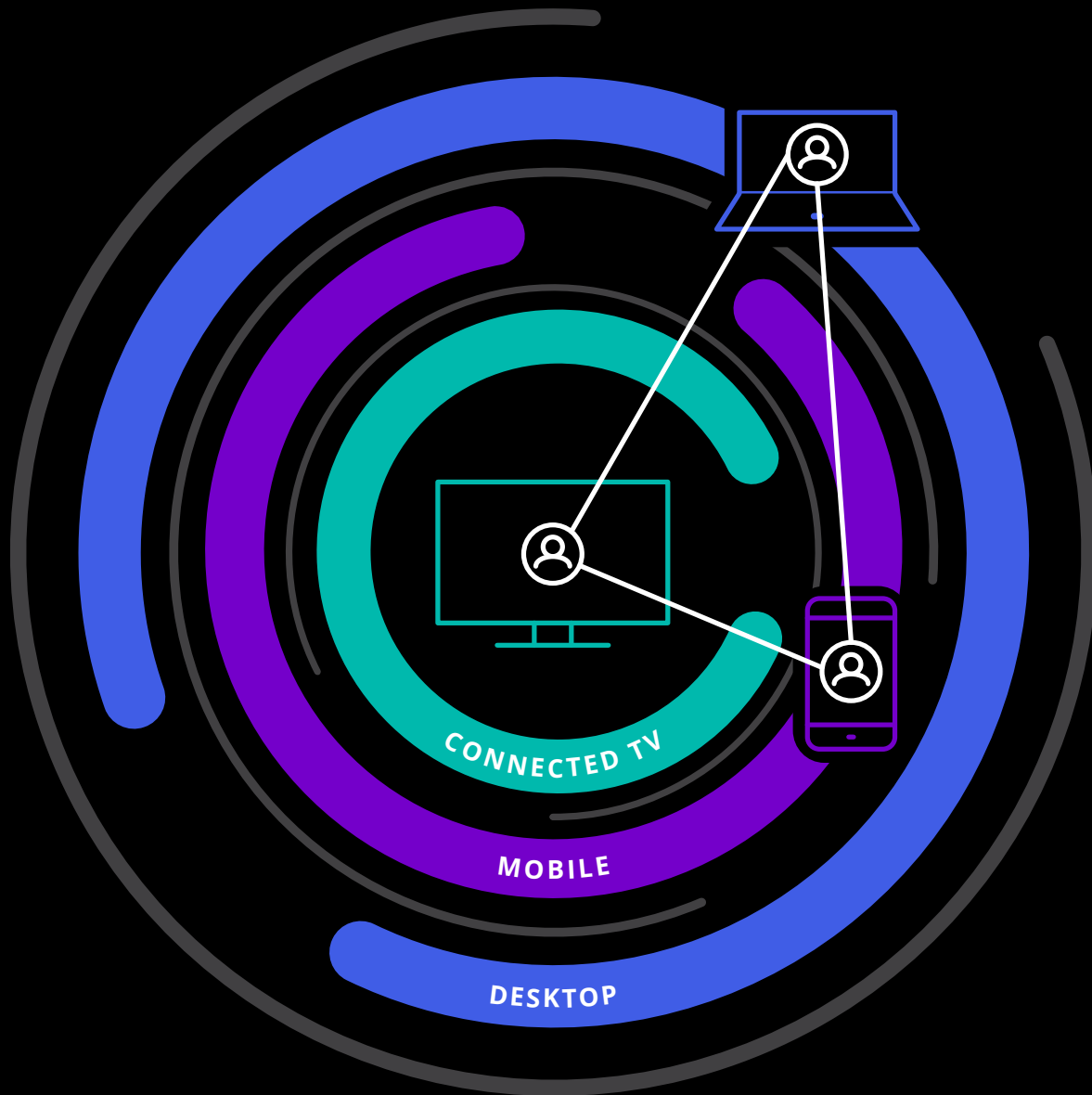
We want to change that. This eBook provides an overview of the advanced TV space—what it is, how it works and why it matters. It also introduces you to VDX.tv, a global advertising technology company that creates and delivers tailored video-driven experiences for brands across all screens so they can build meaningful connections with consumers and create a powerful halo effect. Our solutions make it simple to integrate advanced TV into your media mix, so you can move beyond the theoretical and capitalise on the space's unique marketing benefits.



All Hail the “Halo Effect”

You have seen the stats. We live in a multiscreen world in which audiences move seamlessly between mobile, desktop and television. Advanced TV allows marketers to keep up with user behaviour, engaging prospects and the people who influence those prospects' decision-making, with video delivered across all screens. Advanced TV marries the unequivocal storytelling power of video with the sophisticated targeting and measurement capabilities of digital. For marketers, the opportunity is massive. But it is still early days. While advanced TV's benefits make sense, in theory, actually entering the space — in a strategic, data-driven way — can feel challenging.

Don't let confusion or uncertainty stop you from capitalising on advanced TV's potential. The space is poised for tremendous growth, and brands who figure it out early could create a competitive advantage.



Omnichannel consumer engagement drives greater success.

Connected TV

Video on TV screens brings brand messages to life with sight, sound and motion. 68% of households have a connected TV device and that number is expected to increase².

Mobile

Across the world, mobile is becoming the primary means for accessing video. Forecasts show that 2.72 billion people will watch video on their mobile phones in 2023, up from 2.16 billion in 2019³.

Desktop

Consuming media is a full-time job. 2 out of 3 people use a second screen to look up information they saw about a product during a TV program⁴.

What is Advanced TV?

(Asking for a friend)

No judgment. Advanced TV is a catchall term for any television content beyond linear television (scheduled programs conventionally broadcast over the air or through satellite or cable). Advanced TV includes over the top (OTT), Addressable TV, and data-driven linear. Viewers can watch advanced TV across devices: TV, desktop, or mobile.



The IAB describes advanced television as “the ability to serve one ad to one household as opposed to broadcasting the same ad to all households,”⁵ as you do with linear television. Data is the differentiator. Brands layer first-party data, such as household addresses from a customer relationship management (CRM) platform, with third-party behavioural and demographic data to create targeted audience segments. Then, they can serve personalised ad experiences that reflect viewers’ preferences, behaviours, demographics and need states.

To viewers, advanced TV is really just television. It is how they choose to engage with premium content, when and where they want to, across devices, channels and services. While the fragmented media landscape presents challenges for brands, it also creates opportunity. Advertisers and publishers use data and technology to understand their audiences’ preferences, to create sophisticated omnichannel marketing campaigns, and to evaluate and optimise ad creative and targeting to improve the value of their campaign spend.



Advanced TV “Cheat Sheet”

Here’s a high-level explanation of the terms that define the advanced TV ecosystem.

Over the Top (OTT)

The delivery of TV content via Web 2.0 across devices. Users are not required to subscribe to traditional cable or satellite providers to watch TV content. Typically, video is delivered in a streaming or video-on-demand (VOD) format, i.e. Netflix, Amazon Prime, Disney+ and Rakuten TV.

Connected TV (CTV)

CTV refers to devices, whether that be a smart TV, streaming stick, or gaming console, that have built-in internet capabilities or can be connected to the internet to access content beyond normal cable offerings.

Addressable TV

Addressable TV advertising is the ability to show different ads to different households while they are watching the same program. With the help of addressable advertising, advertisers can move beyond large-scale traditional TV ad buys to focus on relevance and impact. Addressable has two components:

- Linear Addressable: The addressable ad is inserted into live programming. For example, AdSmart by Sky and Movistar+ offer linear addressable inventory.
- VOD (Video On-Demand) Addressable: The addressable ad is inserted into cable programs within the VOD content accessible through a cable provider set-top box.

Data-Driven Linear

Data-driven linear TV enables advertisers to deliver audience-based advertising through linear television by matching brand, viewership and third-party data with the ideal inventory. Companies that offer data-driven linear TV include AMC Networks Agility, A+E Networks Precision and Audience Studio by NBCU.

Why Advanced TV Matters to My Brand and Me

According to eMarketer, the number of subscription OTT video viewers worldwide will increase from 1.37 billion in 2020 to 1.81 billion in 2023⁶. Within the UK in 2019, the number of people watching digital video on a mobile device (31 million) was outpaced by the number of connected TV users (34.7 million), almost 60 percent of which were smart TV users⁷. In the Netherlands, 45.3 percent of its population is expected to be viewing subscription OTT video by 2022⁸, while France⁹ and Germany¹⁰ are not far behind, with over a third of each country's population projected to use OTT subscription services. Within the Middle East and Africa, the percentage of video viewers who subscribe to OTT services will increase from 20.3 percent in 2019, to 31.7 percent in 2022¹¹. Additionally, according to IAB Spain's Connected TV Study 2019, 57.5 percent of the Spanish population own a smart TV and 9.5 million Spaniards over the age of 16 (49 percent of the population) use their smart TVs to browse the internet¹².

With these statistics in mind, it's no surprise that many brands are prioritising CTV and OTT video in 2020 and beyond.

Let's take a look at some of the reasons brands are embracing advanced TV.

1. Go where the people are

More viewers are choosing to cut their cords and opt for OTT viewing. According to eMarketer, the number of cord-cutters will reach 55.1 million by 2022, up from 39.1 million in 2019. During this timeframe, OTT adoption is expected to grow from 170.1 million to 197.7 million¹³. Within the UK, time spent viewing broadcast television has seen a steep decline, particularly amongst younger viewers, and four in ten viewers now say that online video services are their primary means of watching television and film¹⁴.



2. Find and connect with hard-to-reach and younger audiences

Even households that subscribe to traditional TV models are watching OTT and other digital content. These “light viewers” seamlessly move between linear TV and OTT content. In fact, some advertisers report that a third or more of their linear audience watches only a couple of hours of linear TV per week, making them hard to find via traditional linear advertising¹⁵.

Younger audiences are on the forefront of cord cutting and OTT usage, which is 65 percentage for viewers age 18-34, according to recent data¹⁶. Advanced TV could be integral for brands that want to reach this audience.



Advanced TV for the Win: **Reaching audiences when it matters**

Live sporting events provide advertisers an opportunity to connect with new audiences. Some sports leagues already broadcast their competitions via OTT – for example, F1 TV broadcasts all their races, while professional wrestling company WWE distributes its own shows on the WWE Network app.¹⁷.



3. Align with a premium environment

Advanced TV allows advertisers to associate their brands with premium channels and binge-worthy content.

4. Bring your brand message to life with video

We believe that the sight, sound and motion of video is the best way for an advertiser to bring their brand to life. Video generally elicits more emotion, faster, than other forms of advertising. It is also peoples' preferred type of content. More than 50 percent of consumers want to see videos from brands, more than any other type of content, according to a report from HubSpot Research¹⁸.

5. Tap unprecedented targeting and personalised messaging

Advanced TV is data-driven. Its defining characteristic for marketers is that it allows brands to serve different TV ads to different households—even though they are watching the same show. Using data, you can create and serve personalised messages that reflect household behaviours and dynamically target consumers across multiple screens.

Because advanced TV allows for more granular audience targeting, campaigns are more effective and you reduce waste.



Advanced TV for the Win: Driving real-world sales for retail

Research shows that for every dollar that retail brands spent advertising on Hulu, they generated **\$1.45 return on ad spend (ROAS)**. That is a ROAS of 45%¹⁹.

6. Make omnichannel marketing a reality

Nielsen found that 45% of people sometimes or always use devices while watching TV²⁰. For users, moving between screens is second nature, and as such, advertisers need tools for connecting users across channels and devices. Advanced TV can help you amplify your message with omnichannel retargeting and creative re-messaging.

7. Improve measurement and attribution

Brands use advanced TV because it works. The most compelling benefits are performance metrics. Advertisers can escort consumers down the purchasing funnel by targeting households with personalised, trackable offers.



8. Localise advertising

TV is a proven advertising strategy. By leveraging addressable OTT, or the growing number of offerings from local stations and virtual multichannel video programming distributors (vMVPDs), brands can customise their creative to reflect the nuances of geographic areas and execute localised advertising at scale.

Localised video allows advertisers to reach targeted audiences with customised messages on the big screen and mobile devices.

Some of the benefits of localised video including:

- More memorable and effective advertising as a result of personalisation
- More efficient advertising as a result of brands serving ads to highly targeted audiences
- A deeper understanding of customers, resulting from advanced TV's ability to produce valuable consumer data



Advanced TV for the Win: Increasing incremental revenue for CPG

A CPG brand used targeted CTV advertising to reach non-brand buyers. The result was a 32 percent lift in sales and more than \$3 million in incremental revenue²¹.

Meet VDX.tv

Hello Tailormade Video-Driven Experiences

The advanced TV space is new and, admittedly, complex. But we believe the execution of data-driven, cross-screen video advertising should be simple and seamless.

Our product and approach are based on discussions with customers and exhaustive market research. With proprietary technology, white glove service, and industry know-how, we offer an advanced TV solution unlike anything else.

VDX.tv creates video-driven experiences that integrate a brand's TV and digital messages and empower marketers to captivate viewers, compel action, and convert awareness into response. We connect the dots between people, devices and households to deliver a more consistent, relevant and meaningful brand experience across connected TVs and personal devices.

VDX.tv's Unique Value

Advanced TV has myriad benefits for advertisers. But VDX.tv offers unique advantages that can help you derive more value from your advanced TV approach. Here is what sets us apart.

Proprietary technology

Data management, machine learning, inventory and innovative video formats are fused into a single platform that focuses on connecting advertisers with their most relevant consumers.

Industry expertise

Success takes more than tech. At VDX.tv, we give technology a human touch. With in-depth experience in data-driven advertising campaigns, our Customer Success team offers proven, turnkey solutions which include access to media planning and management specialists, research experts and other professional services.

Better data

Our data management technology merges our exclusive interest-based audience data with 1st and 3rd party data to reveal who your audience is and what they do, where they go, and what they buy. The more you know about your audience and what interests them, the more intelligent your advertising and effective your messaging will be.

Creative support and proprietary formats

Create a “halo effect” with engaging omnichannel ad formats created for your brand by our expert team. Different campaign objectives require different creative solutions. To meet these demands, VDX.tv provides you with the most dynamic, relevant and engaging video ad formats for Desktop, Mobile and CTV.

Optimisation

You need advertising technology that not only works in real-time to analyse consumer interests at the user-level, but understands how the recency and frequency of these behaviours and a user's location affects purchase intent. VDX.tv's machine learning technology does exactly this by unlocking the power of consumer data through audience-efficient real-time optimisation.



In a study conducted by Dynata, VDX.tv's interactive video ad formats outperformed standard pre-roll formats and delivered stronger brand outcomes.



40% lift in Memorability



74.1% lift in Brand Sentiment



86.4% lift in Purchase Intent

The Advanced TV Advertising Opportunity

Don't let lack of understanding hold you back from the benefits of advanced TV. Marketers that can take advantage of advanced TV now - before many of their competitors - have a unique opportunity to stand out in the crowded digital advertising ecosystem and to connect with audiences in memorable, meaningful ways.

About VDX.tv

VDX.tv is a global advertising technology company that is transforming the way brands connect with relevant audiences in today's converging video landscape. We create video-driven experiences that integrate a brand's TV and digital messages and empower marketers to captivate viewers, compel action, and convert awareness into response. We connect the dots between people, devices and households to deliver a more consistent, relevant, and meaningful brand experience across connected TVs and personal devices. Our multidimensional approach to household targeting provides visibility into the entire consumer journey, allowing brands to amplify their message and turn consumers into customers.

VDX.tv is a division of Exponential Interactive, Inc. Learn more at www.vdx.tv

Contact Us:

<http://vdx.tv/contact/>

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