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Why TV Should Be Part of Every Brand Marketer's Toolkit

Consumers still love TV, and it's easier for brands to get in the game than ever before

BY MICKEY WILSON

Television has long been the go-to medium for reaching audiences at scale. The first TV advertisement in the U.S. — a spot for Bulova Watch — aired in 1941, costing the company a cool $9, *Quartz* reports. That spot opened the floodgates for the TV advertising industry to grow into what's now an estimated $70 billion industry.

It makes sense that TV commercials quickly became one of the most popular ad media buys among consumer marketers. Nothing captures the attention quite like a well-crafted television ad.

Even so, TV has a growing number of doubters in the consumer marketing community. They may have heard anecdotal evidence that viewer attention is fragmenting across screens and media formats, cord-cutting is spreading quickly, and younger generations are less interested in TV content. Things are changing, it's true — but it doesn't mean TV is going away. TV is still worthy of attention from brand marketers.

TV Is Still the Best Choice for Reach and Engagement

It's fair to say that TV content is now being consumed in new ways. Long gone are the days when the majority of Americans gathered around the living room TV for "appointment viewing" of shows on a handful of national broadcast networks. Thanks to the growth of subscription cable, the internet, digital streaming, and mobile devices, there has been a significant and obvious evolution of viewership and viewing habits.

Even so, people are still fundamentally and deeply engaged with TV. Live and time-shifted TV make up 93 percent of all video minutes watched on all screens, according to a 2018 report from Nielsen. And the most popular options for digital video still aren't close to TV's reach; according to Nielsen TV reaches 96 percent of U.S. households, while eMarketer reports that YouTube only reaches 58 percent and Facebook 50 percent.

Despite what marketers may hear about millennials and their viewing habits, TV remains a huge part of this generation's consumption. Today's average 18- to 34-year-old spends more than four hours daily with television content, according to Nielsen.

TV's effectiveness holds its place as second to none in the media mix. Simply put, it works. In fact, *Adweek*, citing a 2015 study by MarketShare, declared TV "has the highest efficiency at achieving key performance indicators … like sales and new accounts. When comparing performance at similar spending levels, TV averaged four times the sales lift of digital."

The idea that traditional TV is losing importance in the marketing mix may require setting aside personal biases and experiences about media consumption. As *The Drum* reported in its summary of a 2017 Video Advertising Bureau study, "The average American spends far more time watching live TV and far less time online than advertisers think. … Their target viewers are in fact sticking with live television, and view video and TV online far less often than assumed."

TV Inventory Sources Each Have Unique Reach and Benefits

For marketers accustomed to thinking in digital terms, TV will seem like a different ballgame. There are different campaign planning metrics and KPIs to learn and track. Then there's the challenge of applying audience insights from data to TV inventory sources in a manner that optimizes campaigns and increases media efficiency.

Here are the different kinds of TV inventory, their capabilities, and their limitations.

National networks. In the U.S., the major national broadcasters are ABC, CBS, NBC, FOX, CW, and Univision. Inventory purchased from the major broadcasters reaches viewers across the country during network blocks of primetime programming, national news shows, and national daytime programming.

The obvious upside to running ads on national networks is their reach — literally every U.S. household with a TV can potentially see a spot. But even when CPMs are relatively low, national networks are obviously an expensive option in terms of raw dollars per spot.

Cable networks. Each cable network reaches some proportion of the U.S. households that subscribe to cable or satellite — in other words, a percentage of a percentage of all TV households. Ads can be placed on cable networks by working with their direct sales teams or multichannel video program distributors (MVPDs).

Logically, there's no single cable network that can reach a brand's entire universe of target viewers. Each offers targeted content that reaches a subset of U.S. households. CNN, TNT, and ESPN are examples of major cable networks available to nearly every cable subscriber. There is also a world of cable networks with special interest programming, everything from HGTV to Hallmark Channel, that are not standard in every cable subscription package and reach an increasingly smaller proportion of the entire universe of TV viewers.

Local broadcasters. The approximately 1,400 commercial broadcast stations in 210 U.S. metropolitan areas play an important role in distributing content from the national broadcast networks. Each area's most powerful stations typically enter into an affiliate relationship with one of the major broadcast networks that makes them the local distribution point for their content.

National programming is the cornerstone of a local station's content, but the station must also fill the rest of the day with programming and advertising. In addition to airing the national networks' approximately four-to-six hours of daily primetime programming, national news, sports, and major events (like the Oscars and Super Bowl), local broadcasters offer trusted, brand-safe content like local news and syndicated programming. Local TV stations can sell spots at any time on any show on their channel — not just the "network blocks."

Running campaigns on local television can be advantageous because it enables a more targeted buy by region or municipality. Inventory can be purchased from local stations or their parent station groups. Programmatic TV platforms can automate and streamline the work of buying local TV from multiple broadcast inventory sources.

Multichannel video program distributors. MVPDs are better known as local cable and satellite companies. Providers like Comcast, DirecTV, and Cox have the largest presence nationwide, and there are several thousand other smaller operators that serve distinct geographic areas.

Cable networks allocate two minutes per hour of ad inventory to each MVPD to sell to advertisers. Spots from national networks and local broadcasters are not available from MVPDs, sharply limiting the audience that they can address.

MVPD access to customer data can help marketers target audiences more accurately. Again, this is an area where working with a programmatic TV buying platform will simplify the process of buying across multiple media outlets.

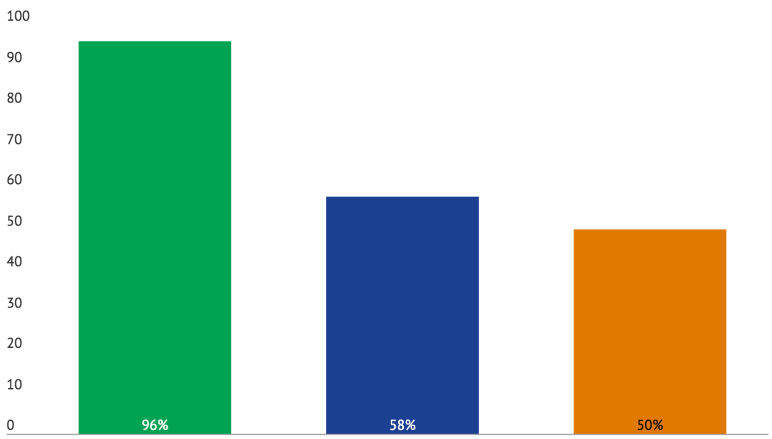
CONSIDER THIS

TV Buying Styles

Brands thinking about bringing their TV buys in-house now have many options. Marketers should make sure to ask providers about the scale and quality of their available inventory, as each works with different sources. Brands may also want to ask about a provider's business rules, including guaranteed purchases and how far in advance spots can be obtained. — *M.W.*

FIGURE 1

TV Reaches a Greater Percent of the U.S. Population Than Other Media



sources: TV, 2018 Nielsen Total Audience Report; YouTube, 2018 eMarketer Global Digital Video Viewers report; Facebook, 2018 eMarketer US Social StatPack

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Connected TV. Connected TV is delivered through streaming boxes like Roku or Apple TV, gaming consoles, or devices with built-in internet access such as smart TVs.

Advertisers typically like the concept of connected TV. Because programming is delivered over an IP connection, connected TV makes it relatively easy to target and sync campaigns across devices. The potential audience, however, is limited by the size of the provider's installed base, making it very difficult to reach more than 20 to 30 percent of the U.S. TV audience. Like MVPDs, these vendors cannot insert ads into any national network or local broadcast station content, which is almost half of the content consumed.

Options for Buying TV

Agencies still deliver value for marketers, but there are now viable alternatives. Practically since the inception of TV, the vast majority of ad transactions have been the domain of agencies that specialize in the practice of media buying. With so many television inventory options, marketers have traditionally opted to work with agency buying partners that have special expertise, software, and market power for aggregating purchases on behalf of multiple clients.

Just as it's possible to watch TV in more ways and on more devices, marketers can now buy it in more ways, too. Options are now available for bringing media purchasing in-house while conferring many of the advantages of working with an agency.

An investigative report by the ANA found extensive evidence that rebates on media paid to agencies are not automatically passed back to clients. While stopping short of declaring the practice illegal, the report did call out the issue of pricing transparency: Are brands fully aware of how agencies are compensated? Should they share in these rebates on large aggregated purchases? How will they even know when they have been part of a buy?

As a result of asking questions like these and the availability of programmatic buying platforms, many brands have elected to move some or all of their media buying to in-house departments. Thirty-five percent of brands had moved a portion of their programmatic digital buying to an in-house team, an increase more than 2.5 times over the previous year's number, *Adweek* reports.

At first this shift focused on digital buying. Now purchasing of traditional media like TV and radio is starting to move in-house, too. Robust programmatic TV platforms place buying power and, importantly, control in marketers' hands. Many of these offer the scale, transaction automation, and data-based targeting benefits of their digital cousins. These platforms have made buying TV easier, more informed, and more efficient by giving marketers the technology and data to optimize their media buys.

Why shouldn't brands bring media buying in-house? If anything, the challenge is less about technology adoption than cultivating the expertise to handle it. And some fear that programmatic technology can exact an "ad tech tax," though the size of fees charged by platform providers varies widely from partner to partner.

Nevertheless, media buying looks set to become a new core discipline for advertiser brand management departments. As one *Adweek* op-ed recently put forward, "The self-serve, auction-based model is where our industry is headed … with the right technology and partnerships, it's only a matter of time before it becomes the norm."

TV Remains a Great Choice for Brand Marketers

Between the plethora of inventory sources and an expanding set of buying options, engaging target audiences with TV advertising is easier than ever before. Advertisers can confidently reach a highly engaged target demographic in a brand-safe environment. Thanks to programmatic TV platforms, marketers can even buy it themselves with nearly the same ease as buying ads on social media or search engines.

With TV more popular and easier to buy than ever, brands and agencies that want to expand their reach beyond digital media have a clear runway for using the power of TV to fulfill their goals.

Mickey Wilson is the CMO at WideOrbit. You can email her at mwilson@wideorbit.com.