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THE POWER OF AN EXPANDING OTT UNIVERSE

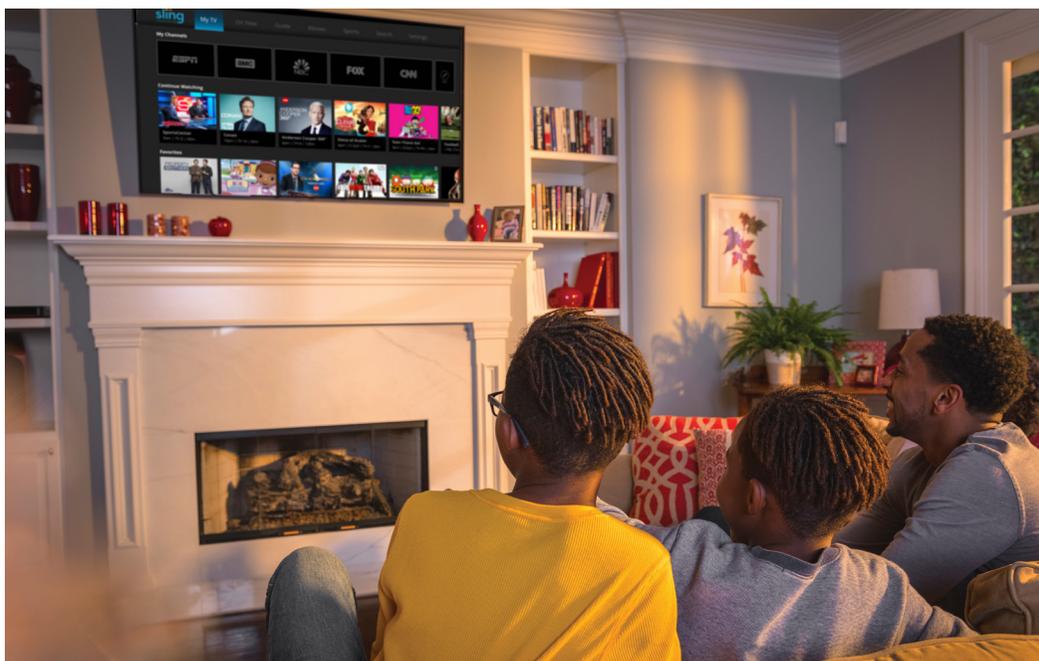
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A growing array of marketers are reaping the benefits of OTT's blend of top-tier television content with digital targeting capabilities.



As consumers continue to seek out new, flexible digital entertainment options, one thing is quickly becoming clear: The over-the-top television (OTT) market is here to stay. In 2018, the number of OTT service users in the U.S. jumped 11 percent, from 153 million to 170 million, and will reach almost 200 million by 2022, according to projections from Statista. More than half (51.7 percent) of the U.S. population now views content on a subscription OTT service at least once per month.

Traditional TV cannot compete with the versatility of OTT's affordable services, flexible programming and quality original content. While cable providers still command the majority of mainstream TV viewership,

consumers—especially the younger, tech-savvy ones that marketers often covet—are increasingly opting for skinny bundle services that allow them to pick and choose channel/program menus and scale back on unwanted content. According to UBS, skinny bundles will comprise one-quarter of all pay-TV subscription services by 2022.

“OTT is now the single source of live and on-demand video for many consumers,” says Kevin Arrix, senior vice president of DISH Media and Sling TV. “Whether cutting the cord or entering the world of pay TV for the first time, there’s a growing group of consumers putting OTT as their first choice.”

Introduced in the mid-2000s, OTT services

have entered a new stage of growth. DISH launched Sling TV in 2015 as the first OTT service to offer live and on-demand programming, and over the past year, the live-TV streaming marketplace has expanded significantly. Major players including Sling TV, Hulu with Live TV, YouTube TV and DirecTV Now give consumers the ability to stream live sports and premium entertainment programs on any device, and from any location of their choosing. “The landscape has evolved on two fronts: Those that have been in the space for a while, like Sling, have achieved critical mass and scale and developed strong monetization solutions. Plus, newer players increase the number of content offerings and consumer options in the category,” notes Arrix.

As is typical for emerging media, OTT ad spending has previously lagged behind consumer adoption of the technology. But it is poised for future growth. Total OTT ad revenue will reach just over \$2 billion in 2018, up 40 percent from 2017, according to Magna, a division of Interpublic Group.

Targeted Advertising Welcomes OTT

Marketers are increasingly drawn to OTT as a more targeted alternative to linear-TV advertising. OTT ads deliver impressions to an advertiser-defined segment, which can be characterized by demo, daypart, device, genre, network, location and platform, or highly targeted customizable segments using anonymized first- or third-party data.

“OTT addressable is more expensive than legacy linear TV, and is limited in supply, but it also offers deterministic household matching and far stronger attribution opportunities,” explains Arrix. “Some still see OTT as a seller’s market, but pricing is in-line with the results it drives.”

Addressable can be a particularly effective tool to target niche markets that are often hard to reach. For example, a recreational motorcycle brand ran an addressable campaign earlier this year in order to increase awareness among men over the age of 45 with a household income of at least \$75,000. The company recorded a 22 percent increase in website visits across the exposed households versus the control audience during the five-week campaign.

“The OTT landscape has evolved. Those in the space for a while have achieved scale and developed strong monetization solutions. Newer players have increased the number of content offerings.”

Kevin Arrix, senior vice president, DISH Media and Sling TV

Addressable can also be used to enhance post-campaign reporting on a broader demo-based buy, or to tie direct sales to ads served. As more companies tap these independent data sources to reinforce their approach, DISH executives say the entire industry will benefit from insights into standards and best practices on campaign execution and optimization.

DISH Media has yielded a number of case studies in 2018. An insurance company, for example, recently boosted the number of completed applications from their target audience—adults ages 25 to 54—by 89 percent, backed by third-party transaction data from Epsilon. Elsewhere, a home décor retailer used addressable television to identify new customers by leveraging their rich customer data to develop models of their top buyers. By targeting those buyers within a given store’s 25-mile radius, the retailer generated \$1.68 million in incremental online and offline sales, with an 8.5 percent lift in buying rate.

“Direct marketers and retailers are interested in understanding the specific performance of television, particularly how it drives awareness, consideration and, ultimately, sales,” says Jim D’Antoni, director of National Sales at DISH Media. “For these reasons, they are looking to measure with brand awareness studies, location data, online traffic and sales analysis.”

ENHANCING OTT'S CROSS- PLATFORM MEASUREMENT WITH COMSCORE

Until recently, addressable ads delivered in the OTT arena were measured independently from one platform or provider to the next. Now, through the enhanced partnership between DISH Media and Comscore announced early in 2018, marketers can see exactly how their campaigns are performing in one report across both DISH and Sling TV. The arrangement gives advertisers a fluid view of their campaign's performance across the OTT service's connected TV, mobile and desktop impressions, as well as linear-TV impressions on DISH.

"We're giving advertisers seamless transparency of their campaign across devices, platforms and even alongside traditional TV," says Kevin Arrix, senior vice president of DISH Media and Sling TV. "Advertisers can now have a single, trusted metric to validate their campaigns and bridge these

targeted, addressable-TV impressions, regardless of where they run."

Cross-platform advertising enables brands to reach DISH and Sling TV viewers in a premium, brand-safe environment with a single buy. Using anonymized data, ads are delivered during live and video-on-demand content, with pinpoint accuracy across any device, while the viewer watches TV. With this new partnership, advertisers can validate the performance of these campaigns with addressable advertising metrics across platforms, using consistent third-party measurement.

"Comscore cross-platform addressable impression verification is about validating a single audience served across OTT and TV as viewer fragmentation continues," explains Kemal Bokhari, general manager of Data and Analytics for DISH Media. Comscore is helping to bridge the gap for advertisers who want to understand the full scope of their targeted campaigns with apples-to-apples metrics.



Whereas OTT was once the purview of automakers and other big-budget advertisers, it is now seeing increased activity from brands in categories that include financial services, retail and discretionary consumer products.

Specific industries present marketers with unique advantages. CPG companies can slice and dice their target audiences in innumerable ways. A food manufacturer could target moms with two or more children who are loyalty-card holders, and develop a message specifically for that audience. For all marketers, there is a learning curve to optimizing media buying and developing effective creative for the OTT space. Generally speaking, brands that have had the most success are in it for the long haul.

“We tell advertisers to identify exactly what they’re looking to accomplish and their KPIs. Is it wide-reach or a highly targeted segment with attribution metrics?” says Kemal Bokhari, general manager of Data and Analytics for DISH Media. “OTT allows for both flexible targeting and measurement as well as multiple buying options. The key is to get into the space and use learnings to continue to inform and optimize future buys.”

Buying Across Multiple Platforms

Advertisers and marketers are perhaps most excited about the recent “cross-platform” trend in ad buying—i.e., the ability to reach targeted audiences across traditional TV and OTT in a single ad buy.

DISH Media conducted its first cross-platform addressable ad campaign with Volvo Cars in 2017. The nine-week campaign, executed through global media agency Mindshare North America, allowed Volvo to target four separate luxury-car enthusiast segments with individualized creative executions, across both the DISH and Sling TV platforms.

“We used the platform and the anonymized data sets to carve up DISH’s audience into specific target segments,” says Tobias Wolf, executive director, client leadership at Mindshare. He explains: “Say 25 percent are in the market or showing signals for a luxury sedan like the S90 that we have

in market currently. Then another percentage of the audience is looking for a smaller or a mid-sized SUV, so we’ll advertise the XC90 or the XC60. It’s not based on the campaign itself; it’s being able to use the data to parse that audience out into specific segments that are going to be more apt to engage.”

Programmatic Fuels OTT Spending

This past year, programmatic has become one of the main drivers of OTT ad spending. Brands are increasingly leveraging their demand-side ad platform (DSP) relationships to tap the premium, live OTT marketplace.

Proponents of programmatic OTT say the medium offers the digital advertiser a seamless buying experience. Marketers who are already buying full episodic video programming through their DSPs can, for example, buy air time during the NCAA’s March Madness in a matter of seconds.

“It’s getting brands close to that efficient and targeted digital advertising experience, but with premium TV content,” says Arrix. “That’s why there is such a strong interest and demand for OTT inventory.”

There is a growing debate over whether OTT advertising should become a fully automated ecosystem.

“The programmatic marketplace is growing in live streaming. It is a digital trend that is jumping over to TV,” notes Arrix. Still, he says, advertisers can choose whether to go through programmatic bids or direct insertion orders. “Addressable can be executed either way, though I believe that it should be automated and run through a DSP in order to tackle the primary obstacles facing the TV space versus the major digital platforms of Facebook, Amazon, Netflix and Google—namely, aggregated supply and scale.”

OTT avoids the most common pain points of digital programmatic buys, including invalid or fraudulent impressions, as real viewers must sign in to access the services. It also guarantees 100 percent viewability (TV ads run full screen, eliminating below-the-fold concerns of digital/web ads) and near 100 percent completion rates (because there are no ad-skipping mechanisms, viewers see the full ad).

EXPANDING AUDIENCE VERIFICATION THROUGH DAR

Earlier this year, Nielsen announced an enhanced partnership with DISH Media to use its Digital Ad Ratings (DAR) to evaluate delivery to target demographics using comprehensive audience measurement metrics. This type of partnership removes one of the roadblocks preventing OTT from offering scalability to advertisers, comparable with traditional TV. DISH can now utilize Nielsen's industry standard DAR to conduct audience measurement of campaigns on Sling TV.

"Nielsen is still the currency for linear TV," says Kemal Bokhari,

general manager of Data and Analytics for DISH Media.

"Many agencies and brands wanted one form of TV measurement across OTT and linear, and we have now partnered with Nielsen DAR for that purpose."

DAR enables agencies and marketers to measure audience delivery against standard Nielsen demos like adults 25 to 54 or adults 18 to 49 across OTT, which includes desktop, mobile, tablet and connected TVs (CTVs).

DISH Media's adoption of Nielsen digital measurement expands on its use of Nielsen measurement for

linear viewing and provides greater insight into viewership across platforms. DISH also enlists Nielsen's TV Ratings Service and participates in Nielsen Digital in TV Ratings to capture audiences on Sling TV across digital devices.

"This partnership evens the playing field and allows TV buyers to take advantage of the CTV landscape. We are always looking for third-party partners who advocate for evolution in measurement and continue to ideate new ways to bring fluidity across platforms," says Kevin Arrix, senior vice president of DISH Media and Sling TV.





DISH Media's first cross-platform addressable ad campaign with Volvo Cars in late 2017 targeted four separate luxury-car enthusiast segments.

Increased Scale Leads to More Opportunities

“Spend has continued to increase because scale is in fact there—DISH, Sling TV and a few others have the necessary scale—and advertisers are starting to figure out where it fits best in their TV/premium video mix,” says Arrix. “Those advertisers have also embraced what addressable ultimately transforms in the TV space: impression-based buying and stronger attribution.”

The future is bright for OTT and addressable advertising, says Arrix. “The services have become more reliable as the technology has advanced. Due to increased scale, there are now wider-reaching opportunities for brands. We see this trend as accelerating rapidly in the next two years. Remember: We are shifting a portion of an institutionalized business from legacy targeting and measurement solutions, and that doesn't happen overnight.”

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About DISH Media

DISH Media provides advertisers with intelligent solutions to efficiently maximize exposure to desired audiences across DISH and Sling TV. Through innovative platforms, viewer measurement tools and access to custom audiences on DISH and Sling TV via addressable and programmatic, advertisers employ strategically positioned, demographically targeted buys that enhance their national media campaigns.

Learn more

www.dishmediasales.com