



Looking Ahead to Programmatic in Local TV in 2016

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Executive Summary

- In this report we focus on the area of programmatic advertising in local TV. This is still a relatively new part of the programmatic marketplace. Our method is to pose key questions to a panel of industry experts representing agencies, station groups, data and platforms.
- The local TV industry is developing a new personality based on an emerging set of solutions and initiatives around data-driven audience targeting advertising. This includes programmatic TV, addressable and ad-supported video on-demand television platforms.
- The core value proposition of programmatic TV is that it can add efficiency and accuracy to the buying and selling of TV inventory. Programmatic TV supports more precise audience targeting beyond the traditional age and gender.
- We analyze four impediments to the success of local programmatic TV: lack of transparency; potential for sales channel conflicts; concerns about effective reach and frequency unduplicated across channels; and data and universe definition incompatibilities.
- After a brief historical perspective of programmatic TV, we highlight some of the current platforms including: Placemedia, Videology, Clypd, Turn, TubeMogul, One by AOL (formerly AdapTV), AudienceXpress, AdMore, Media Ocean, Rocket Fuel, Cadent Networks, Videa, WideOrbit, comScore-Rentrak, TiVo/TRA, Experian, Epsilon, 4C, Nielsen, 4C, Epsilon, Acxiom, Sinclair, Experian, The Trade Desk, and NCC's Audience Plus.
- **Russell Zingale**, part of our panel of industry experts and **president of the Eastern division of USIM, MediaPost's "programmatic agency of the year,"** summed up the state of programmatic TV very well.

"Programmatic, while still in its early stages, is a step forward for traditional media to deliver more accountability and ROI metrics that are similar to digital executions. For me

programmatic TV has been either a supplement to a traditional media buy or an addition where TV was not previously part of the media mix.”

- **Placemedia’s Chris Raleigh** on the state of programmatic TV.

“Agencies acceptance varies dramatically by agency and holding company. Most large clients spend the bulk of their media dollars in linear TV. With clients increasingly pushing them towards the targeting, optimization, reporting and attribution models that digital/mobile advertising provides, agencies need to evolve their legacy TV media buying.”

- And finally, **how soon will programmatic TV come to local?** Our panel estimates it will impact buying sometime in the next 18-24 months. **Sinclair’s Weisbord believes,**

“From a local perspective, I believe it will start with addressable delivery to TV stations sometime in 2016 and we are at least 18-24 months away from a full-blown solution. In addition, the transformation will begin with national advertisers prior to it reaching the local level.”

Introduction

Rick Ducey

At BIA/Kelsey, we’ve launched a coverage area for local programmatic TV advertising to deliver strategic insights and consulting. Programmatic TV’s promise is the virtue of richness in data-driven marketing and audience targeting that programmatic platforms bring to the process. This richness in data provides apparent precision in audience targeting and

inventory valuation from both the buyer and seller perspectives. Supply Side Platforms and Demand Side Platforms bring their first-party (e.g., publisher audience data) and second-party data (data from publisher partners) to the programmatic TV marketplace. Data Management Platforms add literally tens of thousands of audience targeting signals from a variety of third party databases to support the development of consumer graphs mapping the purchase journey.

In this report, we focus on the area of programmatic TV advertising in the local DMA. This is still a relatively new part of the programmatic marketplace. Programmatic TV builds on the earlier developments we’ve seen in “advanced television.” The local TV industry is developing a new personality based on an emerging set of solutions and initiatives around data-driven audience targeting advertising. This includes programmatic TV, addressable and ad-supported video on-demand television platforms.

The buy-side is organizing around advanced television’s benefits while recognizing and acting on the challenges. According to some recent research by STRATA, Modi Media (part of WPP’s Group M unit), Starcom, Dentsu and Horizon Media are among the growing number of agencies looking to address video fragmentation with integrated offers for their clients. On the media side, the game is going to have to rise to a new level to be competitive. As **Dentsu Aegis’ Patrick Rubin** puts it,

“I was for some time managing TV, online video and display all in one, and it created an opportunity here [at Dentsu] to shape a

greater role for advanced TV. “We saw the market was moving toward a structure which favored data and technology that drove better business results for clients.”

Christina Beaumier at WPP’s Xaxis programmatic group concluded that,

“Today, you can buy across broadcast television, connected TV and video, but sometimes those things are separate and siloed. We’re focused on making the value of Xaxis a reality in the connected TV environment, but we’re really looking at this

now as an omnichannel approach – stitching it all together and measuring not just for completion and click-through, but did a person show up in store?”

Beaumier really sets the stage for what’s next in media and marketing. Our question is, **“are local TV groups and their buyers ready for this?”** BIA/Kelsey is launching our new practice area in programmatic TV and addressable TV so that that our clients can develop a more confident affirmation of strategy and roadmap and say, “yes, we are ready.”



Programmatic TV: Is this the Best of All Possible Worlds?

Mitch Oscar

There was a philosophy espoused by Voltaire’s fictitious personality in his 1759 Candide, Dr. Peter Pangloss. Around the time of the devastating Lisbon earthquake of 1755, Pangloss stressed that “things cannot be otherwise than they are; for as all things have been created for some end, they must necessarily be created for the best end.”

Take programmatic TV for example.

We see programmatic TV as evolutionary and inevitable. In Panglossian terms, it is an

end onto itself, whether or not programmatic is “necessarily created for the best end” remains to be seen. We hope so. The core value proposition of programmatic TV is that it can add efficiency and accuracy to the buying and selling of TV inventory. Programmatic TV supports more precise audience targeting beyond the traditional age and gender targeting in the traditional TV marketplace.

Let’s move on to consider three stages of programmatic TV:

1. The Local Conundrum: Cable vs. Broadcast
2. Contextual Audience Networks (CANs)
3. Current State of Programmatic TV

The Local Conundrum: Cable versus Broadcast

One of the monumental issues facing the cable industry at the turn of the century was how to persuade TV buyers, local in this instance, that local cable was as valuable in delivering an audience as local broadcast.

The impediment: a TV station in a major market could offer a one stop, one commercial delivery of, for example, a 5.0 household rating but local cable operators were only able to offer, on average, a 0.5 household rating by network. This is a disproportionate comparison.

Enter: Invidi Media

By mid-decade, Invidi, which was in the pre-throes of challenging Visible World for the mantle of leading purveyor of addressable technology in the U.S., began experimenting with the concept of Invidi Media.

- Today, Invidi remains the leading technology backbone for addressable TV advertising, deployed with Dish, DirecTV, Verizon, and Cox, and with a deal in place for deployment with Comcast systems.
- The premise of the Invidi platform was to aggregate local cable inventory in a market to roll up into a highly concentrated audience (age and gender) rating that would be competitive with a standard broadcast TV spot delivery.
- A 5.0 rolled-up household rating from a plethora of local cable networks that had a high concentration of a desired

audience would be more competitive than a rival broadcast station's equally delivered 5.0 household rating.

- The price would be comparable – even more efficient in many instances, but the effective CPM would be...well...more effective.
- One campaign post analysis, one invoice and affidavits (network and program) would be proffered at the conclusion of the campaign.

At that moment in time, there were at least four significant impediments expressed by the TV buying and selling community:

1. Lack of transparency in the rolled up offering. The platforms primarily provide breakdowns of networks and total schedule dayparts. Only after the campaign is complete will there be a possibility of individual spot affidavits shared. This occurred even though sometimes the platforms would share information about the networks and dayparts during the negotiation and/or prior to campaign airing.
2. Concerns about effective reach and frequency. If opaqueness did allow partial visibility, then would the rolled up local/national inventory replicate what the TV buyer was already purchasing from the pay TV operators (currently referred to as MVPDs), national cable networks, and/or broadcast station sales team and therefore, create a redundancy that minimized reach and over extended frequency?

3. Sales channel conflict. Programmatic buyers could have access to similar inventory replicating the plug-and-play concept propagated by the broadband ad networks and their publishers. From the point of view of the MVPDs, TV networks and TV stations, the issue is emphatically sales channel conflict i.e., “if a TV buyer could purchase my inventory from you at a more efficient price then wouldn’t I be negotiating against myself and/or taking commission out of the pockets of my valued salespeople to populate the coffers of others.”
4. Platform universes. The universe of each platform was not universal making campaign planning, buying, optimization and evaluation difficult.

Arise: Navic

On the heels of the Invidi offering arose Navic, a purveyor of interactive banner addressability accessible through a cable operator’s set-top-box.

- Navic’s platform built upon Invidi’s accumulation concept in what is referred to as the horizontal (see MediaPost article, “TV Programmatic: A Horizontal Transmutation” published on August 22, 2014).

- Not only would Navic aggregate cable inventory in a local market to build a competitive, robust, highly targeted audience delivery comparable to a broadcast household delivery – a horizontal build-out across multiple networks.
- It would also provide analysis of the cable operator’s programming to ascertain what programs might target a particular audience in what might be considered a non-intuitive approach.
- As an example: a marketer is only interested in purchasing programming that relates to ice hockey. Easy enough to find via Tribune’s Zap2it program guide. However, upon Navic’s analysis, many of those devoted hockey fans also watch knitting programming – a discovery that led to a vertical view across multiple networks. Navic would build out a plan to accommodate both horizontal and vertical delivery of a marketer’s targeted audience.

Today, Navic is no more. The company was purchased by Microsoft for a reported \$200+ million, transmogrified into Admira, and after a short while, laid to rest.



Contextual Audience Networks (CANs)

Building upon the conceptual audience aggregation platforms that Invidi and Navic promulgated, three companies arose within the next couple of years to expand the category referred to as contextual audience networks: Google TV Ads, Admira and Simulmedia.

- The premise: the utilization of set-top-box viewership (Rentrak, TRA, Kantar's DirectView, AT&T U-verse, Charter, FourthWall) coupled with third party data (Epsilon, Experian, Prizm segments, Equifax, P\$ycle, Acxiom, custom segmentation, Nielsen) to inform the acquisition of local cable TV and national cable networks inventory.
- Essentially, these platforms took the shift away from buying TV inventory based upon program content and most popularly rated TV programs to concentrate on audience delivery in less popular dayparts and less highly rated programming.
- Although the media community was enthralled at the time – and still is, rightfully so – by the promise of addressable targeted TV ads, the CANs offered something less than addressability but more than the standard traditional approach utilized by the buying community. CANs added value by delivering higher concentration of the audience target (demographic viewer per set). Each CAN offered a unique twist to the model.
- Google TV actually purchased inventory to re-sell to the TV buying community and utilized a Real Time Bidding (RTB)

mechanism to sell the TV spots it acquired via a TV upfront.

- Admira, formerly known as Navic and foster-parented by Microsoft, only offered inventory (when available) from national networks – claiming priority partnerships.
- Simulmedia developed relationships with local and national inventory providers (e.g., cabling, satcasters and telcos) claiming the largest inventory universe (when available) across 106 million TV homes. Simulmedia's initial approach was to focus on the marketing vertical of “content promoters” or TV networks, to make its bones and improve its product prior to expanding its sales efforts to other marketing verticals.
- Simulmedia was founded on the heritage of Tacoda, a behavioral targeted online advertising service delivering ads to consumers based on their web surfing habits and now algorithmically focused on TV surfing habits via set top box reportage.

Similar to Invidi and Navic, the CANs rolled up inventory to create a nationally delivered schedule and provided one campaign post analysis, one invoice and affidavits (network and program) to be proffered at the conclusion of the campaign. To their credit, these platforms added some unique twists to their predecessors' value proposition.

- Excluding RTB by Google, both Google and Admira offered delivery guarantees based upon a minimal viewing of the commercial, which translated to less than 5 seconds for Google and less 10



for Admira before the audience could be counted towards their guaranteed delivery.

- Also, a program title and content keyword search was injected into the offering across all three platforms to help determine, as one of the criteria, the best schedule programming mix.
- Google covered a realm of 30+ million homes with 9 national networks coupled with local inventory from pay TV operators.
- Admira, 100 million homes through coverage on 22 national networks.
- Simulmedia, the largest of the footprints, covered nearly the entire swath of TV households in the U.S representing national TV networks and local inventory from pay TV operators (cable, satcaster and telco).

Status: R.I.P. Google TV Ads and Admira (2012) while Simulmedia endeavors to expand to other verticals.

Current State of Programmatic TV

In 2006, the broadband video community announced the death of TV. By 2011 the digital video community adopted the notion of “if you can’t deplete them join them” and developed broadband video TV reach extension products that would add reach to a marketer’s traditional TV campaign by utilizing set-top-box data coupled with third party data and first party data appendages plus, of course, broadband video inventory.

By 2013, these entities were looking to enhance their public media personas. Whether contemplating IPOs or becoming attractive acquisition targets, they began the early stage development of programmatic TV platforms.

- Some, such as Placemedia, Videology, and Clypd, hope to become pipes helping TV buyers and TV sellers to commercially communicate.
- Others, such as Turn, arrived with a valued DMP secret sauce to manage data across digital (social, display, video) and

television inventory – and as quickly disappeared.

- Still others, such as TubeMogul and One by AOL (formerly AdapTV), evolve with the “if you can’t deplete them join them” approach.
- Some others still, born out of the TV side of the marketing equation, such as AudienceXpress, AdMore and Cadent Networks (formerly TelAmerica), hope to use their infinite knowledge and relationships in the TV space (local and national TV supply side personages as well as the TV buying/planning community) to their advantage.
- Entities such as Videa, Audience Plus and WideOrbit hope to exploit their existing foothold in the local DMAs through existing partnerships.
- Some perceive that other companies, who may have been slow to the market, such as Collective, Tremor, and YuMe whose roots are planted in the broadband realm, are in stealth mode but rumored to be approaching visibility.

- Other of their programmatic compatriots, such as Rubicon, The Trade Desk, and DataXu, have crossed Caesar’s Rubicon and are currently in the marketplace providing TV inventory – not just “connected TV inventory – in their programmatic cross media platforms.

Of course, any discussion about programmatic TV would be incomplete without mentioning the dataists, such as comScore-Rentrak, TiVo/TRA, Experian, Epsilon, 4C, Nielsen, 4C, Epsilon, Acxiom who are infusing their TV viewing audience intelligence beyond age and gender to help TV inventory owners to glean better value for their content, and concurrently assist the buying community in their endeavor to provide their clients with better return on marketing investment.

Again as Dr. Pangloss would have us believe, “For it is impossible for things not to be as they are, for everything is for the best.”

It remains to be seen whether or not programmatic TV is for the best.



Programmatic Experts – An Industry Panel

To develop some deep learning into what is, or may, be going in local programmatic television we recruited a panel of industry experts to help us. The panel represents the major roles in the programmatic TV space including buy and sell sides, data and platform players.

We developed a series of questions that we posed to our panel and in this report we provided a summary of the insights they shared with us.

Our panel comprised:

- **Agencies:** U.S. International Media is an independent agency recognized by MediaPost as its “2015 Programmatic Agency of the Year” for its pioneering initiatives. We’re fortunate to include on our panel, Russell Zingale, President, Eastern Region, USIM who’s been doing programmatic TV buying at the national level and Dot DiLorenzo, USIM’s EVP and Director of Planning who specializes in local TV planning and strategy. TV Group: Sinclair is one of the largest television groups in the U.S. and often at the forefront of new technology and business initiatives. Rob Weisbord serves as COO of Sinclair’s Digital Group.
- **Data Firms:** We’ve included representatives from two of the leading data firms, Steve Walsh, EVP Local Markets, comScore who previously was with Rentrak, acquired by comScore in January 2016 and Brad Danaher from Experian.

- **Platform Firms:** Bridging the buying and selling communities are platform companies providing the software stacks to support required business workflows. Videa and Placemedia and STRATA are three such companies. For this report, we’ve been able to include Chris Raleigh, Chief Commercial Officer at Placemedia; Judd Rubin, VP Revenue Development at STRATA and Brett Adamczyk, VP Business Development and Strategy, Videa.
- In the next section, move on to the specific questions we posed to the panel and summaries of their answers.

Question 1:

Describe your company and your role in programmatic TV?



Chris Raleigh, Placemedia:

I hold the title of Chief Commercial Officer whose responsibilities include oversight of the aggregation of inventory from media company partners and managing the companywide revenue generation from advertisers, agencies and demand side partners. I also manage the national distribution and advertiser sales teams. Placemedia, a wholly owned subsidiary of Viamedia, is a fully automated supply side platform for linear and video on demand TV commercial inventory.



Dot DiLorenzo, USIM (Local):

My title is EVP, Director of Planning and my responsibilities include strategy and research at USIM.U.S. International Media is an independent, full-service media agency that provides innovative media strategies and executions to maximize advertising spend return on investment. In 2015, USIM was awarded MediaPost's first ever Programmatic Agency of the Year.



Rob Weisbord, Sinclair:

My function at the company is Chief Operating Officer of the Digital Group and I oversee all things digital at the Sinclair Broadcast Group, which is the owner of television stations in 80 U.S. markets, 4 radio stations in the Seattle DMA, American Sports Network, Comet TV as well as the recently announced acquisition of The Tennis Channel.



Russell Zingale, USIM (National):

U.S. International Media is an independent, full-service media agency that provides innovative media strategies and executions to maximize advertising spend return on investment. In 2015, USIM was awarded MediaPost's first ever Programmatic Agency of the Year. My title is President Eastern Division. As my title suggests, I am responsible for oversight of all USIM East Coast business that includes client retention, new business development and staff management. Also, I am an active participant in our company's development of new media technology and innovation.



Judd Rubin, STRATA:

As Vice President Revenue Development at Strata I am responsible for revenue development and marketing. STRATA is the industry leading provider of media buying and sales systems. On the buy side, we power over 1,000 media buying agencies with a platform that delivers complete agency stewardship system for all media, including Spot Cable, TV and Radio, National Cable and TV, Digital (Display / Mobile / Search / Social), Streaming / Online Video and Audio, Print, OOH. Through a scalable, modular solution, with open APIs,

STRATA offers a flexible system to support a rapidly changing landscape.



Steve Walsh, comScore:

My role is EVP, Local Television. I run comScore's Local Market division. Rentrak and comScore have merged to create the new comScore, a cross-platform measurement company built on a precise, innovation-led understanding of audiences, brands and consumer behavior at massive scale and across all screens, from TV to Movies to PC's, Laptops, Tablets and Mobile devices. It brings together two great entrepreneurial companies that invented their respective fields and their respective trusted currencies. Both companies have unmatched expertise in unifying billions of pieces of proprietary "census" data, encompassing digital, TV set-top box, movie screens and demographic information with the behavior of millions of individual consumers. In the United States, comScore will now be measuring behavior on more than 260 million desktop screens, 160 million mobile phone screens, 95 million tablet screens, 40 million television screens, 120 million video-on-demand screens, and 40,000 movie theater screens representing well over 100,000,000 movie-goers.



Brad Danaher, Experian:

My function at the company is to develop business partnerships with media partners in the TV ecosystem that enables targeted TV advertising to be deployed, connected and measured. If a media seller is in the TV world and wants to make their media more targeted, I am their guy. Experian Marketing Services has the world's largest consumer database and is a one of the largest original compilers of consumer demographics, lifestyle, transaction and automotive data. Our company has been actively engaged in the addressable TV realm since its inception. We have licensing agreements with all of the major addressable TV operators. Currently, our data is being utilized to drive multichannel campaigns across a variety of platforms including programmatic TV.



Brett Adamczyk, Videa:

My title is VP Business Development and I am responsible for supply and demand side integrations, data partnerships and overall business strategy. Videa is a supply-side platform that brings automation and data-driven targeting to the buying and

selling of television advertising. We enable local broadcasters to monetize their inventory while opening new demand channels to enhance the value of spot television at scale.

Question 2:

Do you have any key partnerships or initiatives in the programmatic TV realm that you could share?

- **Chris Raleigh, Placemedia:** We have relationships with 98+ cable networks and other supply partners for national and local cable inventory as well as ad supported video on demand platforms. Moreover, we have agreements and technical integrations with 11 of the leading DSPs including (alphabetically) AOL, Collective, Rocket Fuel, The Trade Desk, Tremor, TubeMogul, and Videology.
- **Rob Weisbord, Sinclair:** The company has a joint venture with Visible World through its programmatic TV platform AudienceXpress to build out our programmatic TV capabilities. Also, we have a deal with Sorenson Media to utilize their ACR technology for addressable delivery of TV commercials.
- **Dot DiLorenzo, USIM (Local):** USIM is a charter participant in NCC's Audience Plus local cable programmatic TV initiative.
- **Steve Walsh, comScore:** We are working with Clypd, AudienceXpress, Team AOL, The Trade Desk, Videology and PlaceMedia. There really aren't any programmatic-only agencies at this point, just existing shops that are involved in their own way whether it's through their own trade desk or a platform or DSP.
- **Judd Rubin, STRATA:** Our main business is providing media workflow, research analytics and campaign management tools to media agencies. We have several types of partnerships that we have established in order to permit our customers to have access to their inventory. We're are working with Videa and AudienceExpress as well as many others in what we think of internally as linear automation - but others certainly call Programmatic. Step 1 is integrating systems and making inventory available to buyers. Step 2, and more interesting, will be how do we make it easier (thus scalable) to consider and buy the burgeoning cross media video offerings.
- **Brad Danaher, Experian:** We work with all the significant players in the TV ecosystem. However, it has been our company policy to keep our PR to a minimum so I guess I will continue that trend here.
- **Brett Adamczk, Videa:** Videa is building partnerships across the advertising ecosystem both with supply partners and demand partners. As a supply-side platform our most important relationships are with the inventory holders, but we view our direct integrations with Media Ocean and Strata as extremely important. We are one of the only platforms with this form of integration into arguably the two largest traditional planning and buying platforms that provide us access to thousands of agency buyers. We also

have many partnerships with DSP platforms to help drive new demand to television, including a key partnership with Videology. We are also working diligently on a data management platform that will provide our inventory holders a similar level of tools and analytics that can be applied at the program level to better inform their pricing and selling strategies.

Question 3:

Have you been involved in the purchase of programmatic TV campaigns for your clients: local and/or national? If so, what clients or marketing verticals were involved?

- **Dot DiLorenzo, USIM (Local):** We plan and buy commercial TV inventory for the Local Dealer Associations of major auto brand. As you may be aware, the local and regional big auto brands are heavy local TV advertisers. We do a lot of business with NCC. NCC is an advertising sales, marketing and technology company owned by the major cable operators. Last year, NCC approached USIM with their new local programmatic TV platform Audience Plus, which is available in 30 million pay TV households: 20 million Comcast subscribers plus an additional 10 million Interconnect households. Audience Plus provided an opportunity to aggregate more targeted – beyond age and gender – impressions across dozens of cable networks and dayparts. At launch, there were 14 pre-arranged NetworkPAKs that were customized to deliver a higher concentration of desirable audiences. In our first campaign we selected those that targeted potential new truck and car purchasers.

- **Russell Zingale, USIM (National):** USIM is very active in both the programmatic and addressable TV arena. Our media placements have been local, regional, by state and national. We have placed buys in the Travel, Automotive, Education, Public Service, and CPG/Dairy categories.

Question 4:

Have you been involved in utilizing programmatic TV technology to sell TV inventory. If so, why? If not, why not?

- **Rob Weisbord, Sinclair:** In my opinion, the pure definition of programmatic does not exist in broadcast television. We will soon be launching addressable television ads and have carved out TV inventory to build a baseline for programmatic ads in the broadcast space.

Question 5:

What are the opportunities you are seeing in the programmatic TV realm for companies that manage workflow?

- **Judd Rubin, STRATA:** There are a host of interesting programmatic companies. They are all unique. Different data sources, inventory sources, user interfaces and workflow. Our customers are interested in these programmatic offerings. But, if it is not connected to their normal workflow, they cannot use them at scale. That is the critical role Strata plays. We are almost like the Rosetta stone of the industry – translating each of these unique offerings into standard workflows so that our nearly 1,000 agencies can take advantage of their offerings.



Question 6:

How do you view programmatic TV sales in terms of its compatibility to the existing approaches of traditional buying and selling?

- **Chris Raleigh, Placemedia:** We see our platform as an opportunity for advertisers to more effectively reach secondary targets beyond Nielsen or Rentrak age/gender metrics without the restraints often associated with traditional selling. We also see programmatic as an opportunity that allows advertisers to extend their reach in these challenging times of declining ratings and fragmented audiences. In these early days, we are seeing many advertisers using our platform as supplemental to their traditional TV buying. It allows for improved targeting and greater automation than their legacy buying process.
- **Dot DiLorenzo, USIM (Local):** At present, we look at programmatic TV as another buying tactic that is complementary to our branding, direct response, video on demand and addressable campaign endeavors.
- **Russell Zingale, USIM (Local):** Programmatic, while still in its early stages, is a step forward for traditional media to delivery more accountability and ROI metrics that are similar to digital executions. For me programmatic TV has been either a supplement to a traditional media buy or an addition where TV was not previously part of the media mix.
- **Steve Walsh, comScore:** comScore's programmatic services complement more traditional selling and buying approaches by enabling our clients to take advantage of the increased efficiencies and effectiveness empowered by programmatic. Marketers today are no longer satisfied with only using traditional age/sex demographics as the yardstick for a buy's presumed "effectiveness." Instead, they are turning to programmatic as a way to efficiently target what we call "advanced demographics" that describe far more effectively the true target of a

campaign. comScore's massive, passive audience databases – extending across all of TV (including VOD) and digital – are ideally suited to address the needs of both traditional and programmatic sellers and buyers.

- **Brett Adamczyk, Videa:** What makes Videa unique in the programmatic TV landscape is that our approach closely replicates how TV has traditionally been bought, with a forward-reserve pricing model and ability to plan campaigns months in advance, but brings efficiencies to that process through the use of technology and data. The auction models and arbitrage models that are prevalent in digital and now programmatic TV are not very compatible with how traditional TV has historically been bought and sold.

Question 7:

What is your opinion on programmatic TV's acceptance at advertising agencies?

- **Chris Raleigh, Placemedia:** Agencies acceptance varies dramatically by agency and holding company. Most large clients spend the bulk of their media dollars in linear TV. With clients increasingly pushing them towards the targeting, optimization, reporting and attribution models that digital/mobile advertising provides, they need to evolve their legacy TV media buying. The challenge, particularly in national TV, is that the ecosystem historically benefits the buying clout of the large holding companies and the value they have in their legacy pricing and the inventory positions/sponsorships that they have
- secured in the limited inventory of the major TV programmers. Utilizing DSPs or open marketplaces removes those advantages. It's a big challenge to pivot the process to maintain their value and yet provide their clients the metrics that digital provides. As a result, we feel that private marketplaces, essentially yesterday's "Upfronts," will continue to have a large role in the marketplace.
- **Rob Weisbord, Sinclair:** With margins getting smaller and smaller the pressure will be for the "traditional" media buyers and planners to match efficacy of the digital arms of the agency and go with automated buying that is infused with qualitative and quantitative data. Also, the future is warehousing all inventory by broadband video and linear TV so advertising agencies can make a market buy across all screens as television companies become platform agnostic.
- **Judd Rubin, STRATA:** Lack of transparency is the major impediment to programmatic TV's acceptance by advertising agencies. Strata workflow solution provides that trusted transparency.
- **Steve Walsh, comScore:** I think there is a thirst for extracting more efficiency out of the transaction process for which Programmatic is ideally suited. I also believe that agencies are highly motivated to move past simple age/sex and in addition begin buying AUDIENCES, not just those legacy demographics. Marketers are pressuring agencies to move more product with the same or fewer dollars as last year, and the best way to accomplish that is to reach the

precise consumers that the marketer is trying to talk to. Programmatic is an efficient platform for delivering that capability.

- **Brad Danaher, Experian:** Agencies know that a more automated method of buying and planning TV is inevitable so they are actively trying to figure out how they can add value to that process. As targets become more defined – beyond simply age and gender, the data to find that audience segment needs to be even more accurate and concise. If agencies can make recommendations that tweak the programmatic algorithms that result in more effective TV buys, they can really add value for their clients. Most advertising agencies see data as the onramp to precision recommendations that can show off their expertise so they are talking to us about data sources that can identify nuanced audience segments. They come to Experian because they know that our goals are aligned, we know television and we are there to help them drive performance for their clients.
- **Brett Adamczyk, Video:** The acceptance from agency buyers has been mixed, but for the most part they are excited about the prospect of buying TV more efficiently.

Some agencies are significantly more advanced in their deployment of programmatic TV methods but most agencies are leaning forward in terms of understanding how programmatic TV can work for them. There still exists a tremendous amount of learned behavior when it comes to buying TV and changing those tendencies takes time and education.

Question 8:

What motivated you to include programmatic TV strategies as part of your media campaigns?

- **Dot DiLorenzo, USIM (Local)** One of USIM's strengths is its local buying acumen and clout. We have built our reputation on being able to partner with local TV entities, whether local broadcast and/or local cable, to deliver our client's goal through traditional and advanced TV platforms. Our deal with NCC's Audience Plus platform provided us with an opportunity to gain insights on the advantages and limitations of buying programmatic TV, which include understanding and evolving workflow processes integral to the convergence of linear TV, addressable TV, programmatic TV and streaming video.



- **Russell Zingale, USIM (National):** Targetability and efficiency on a national TV level. Through the USIM trading desk, Quantum 11, we are able to deliver a targeted TV delivery against a select audience at either a very low CPM when we are looking for tonnage, or with little waste when we utilize addressable platforms to deliver our client's message to designated households with higher incomes and propensity for Caribbean travel, and even states, when applicable, with customized messages.

Question 9:

How soon do you think programmatic TV buying will have an impact on TV commercial inventory purchasing?

- **Rob Weisbord, Sinclair:** From a local perspective, I believe it will start with addressable delivery to TV stations sometime in 2016 and we are at least 18-24 months away from a full-blown solution. In addition, the transformation will begin with national advertisers prior to it reaching the local level.
- **Steve Walsh, comScore:** I believe a visible/measurable industry shift of dollars into a programmatic environment is realistically 12-18 months away, given developmental work which remains as well as the time it will take to change behavior and habit, resulting in a shift of meaningful dollars by some advertisers into programmatic.
- **Brad Danaher, Experian:** Currently, there is very little impact but it will be significant in 18-24 months as advertisers get more comfortable with the new process flow and they see that their small scale testing is paying off with good ROAS.
- **Chris Raleigh, Placemedia:** There already is a large impact from "programmatic TV" today. One has to consider the large and growing initiatives of major TV network groups including NBCU, Turner and Viacom in addition to the separate, yet rapidly growing, "open marketplace". The marriage of automation, data, and secondary demographic guarantees beyond age and gender has been a topic much discussed and analyzed since last year's upfront and I guarantee will continue to be center stage this year and years to come. Also, in this coming upfront the media community will be contemplating more ways to include cross media inventory – linear, video on demand, full episode players, programmatic, connected devices and apps - through programmatic platforms than in past years.
- **Brett Adamczyk, Video:** Programmatic TV is already having an impact on how commercial inventory is purchased, especially as it relates to the use of data to better inform buying decisions and target audiences. However, this impact is still small as both buyers and sellers continue to test and refine the methodologies deployed by Programmatic TV and DSP platforms. We believe, given the political cycle in 2016, that the real shift in programmatic buying and overall acceptance in the marketplace will happen in 2017.

Question 10:

How do you view the usage of your tools in terms of complementing your existing business with advertising agencies, distribution platforms and content providers?

- **Judd Rubin, STRATA:** Let us use Demand Side Platforms as an example. Each DSP brings a special sauce as their unique value proposition to the media community. It is important for Strata to enable its customers to use any DSP that they choose. Let's face it, there will always be other companies entering the programmatic/ cross media realm with unique ways of accessing inventory. It is our goal to enable all of these entities to work directly with our customers.
- **Brad Danaher, Experian:** We see the usage of Experian data in programmatic

TV as very consistent and complementary with our existing business because it allows advertisers to use the same segment across multiple media channels and content platforms. Multichannel campaigns are rapidly increasing and advertisers want to see the same targeting and performance metrics wherever their ad runs so we make sure we have relationships with every type of TV provider so there is a complete solution for our advertisers. The industry is really going beyond traditional demographics to now saying, *"Did this sell enough product to justify this ad buy?"* This is a big change from 5 years ago. The sell side of TV understands that data consistency allows for a much cleaner analysis and understanding of advertising campaign performance.



Question 11:

What are the opportunities you are seeing in the programmatic TV realm for data companies?

- **Brad Danaher, Experian:** Data is more important than ever as TV advertising campaigns become more and more targeted. Programmatic TV companies are mainly using behavioral and contextual identifiers now – as online buys have been. However, we see the future as a melding of these factors with transactional data and demographics – TV’s traditional tool - to create a very rich method of identifying a target audience. Bringing more known and modeled data sets to programmatic TV from a variety of sources is a real opportunity for data companies. More than ever, our media partners are using us for deploying segmentation across multiple channels, linkage for connecting to multiple 1st and 3rd party datasets and ROAS measurement to prove the value of their media.

Question 12:

What do you think could be done to improve the programmatic TV deliverable in the future?

- **Russell Zingale, USIM:** Presently, in our programmatic TV buys we are limited to

buying entire footprints. We purchase impressions on individual cable networks that are part of an overall package without knowing where our commercials will air on each network until after they run and we receive the “As Run” reports. The only guaranteed deliveries we receive are total impressions across all networks and cumulative dayparts. I would like to see greater flexibility in daypart and program selection by individual cable networks and better geographic targeting that offers a wider audience impression dispersion than the current addressable TV universe of 23 million and can still be purchased at efficient pricing.

- **Dot DiLorenzo, USIM:** One of the most important elements that needs to be developed for any new TV platform to succeed is integration into our workflow process. USIM is a Strata shop. We think it is essential that advanced TV platforms, such as programmatic TV and addressable platforms, integrate with Strata to enable us as advertisers to utilize the technology as a complement to our existing local broadcast and cable buys as well as integrate with our digital systems to exploit enhanced metrics e.g. view completion rates, engagement, time spent, to name a few, in order to develop industry/category benchmarks for future campaigns.



About the Participants



Rick Ducey

Managing Director, BIA/Kelsey

Rick Ducey is managing director, leading our strategy consulting practice. He brings a tremendous amount of leadership experience and expertise to this role. He assists clients with their business planning and revenue models, strategic research, market assessment, and designing and implementing strategies for leveraging video media assets and inventory in local markets.

With more than 30 years of executive experience inside academia, private industry and associations, Ducey is a sought-out expert for his coverage and analysis of how disruptive technologies; emerging competition; shifting consumer demographics and media usage trends are driving changes in the media ecosystem and what C-level executives must do to be successful. As a media strategist and technologist, Ducey has consulted with major media and Fortune 500 companies including Google, Microsoft, Time Warner, NBCU/Comcast, Gannett and Yahoo, Advance Digital, Pandora, and Entravision.

Prior to joining BIA/Kelsey in 2000, Ducey was senior vice president of NAB's Research and Information Group. In this position, he

was in charge of the association's new technology assessment, audience and policy research, strategic planning and information systems, including all Internet operations.

Ducey was recognized in academia as the 2011 Shapiro Fellow at George Washington University, where he teaches entrepreneurship in new media. He has also designed and taught innovative courses while on the faculties of Michigan State University, George Mason University, George Washington University and the University of Maryland. He has published over sixty referred scholarly and industry articles and papers and serves on editorial boards of leading academic journals in the telecommunications and media fields.

Ducey received his Ph.D. from Michigan State University, M.S. from Syracuse University and B.A. from the University of Massachusetts at Amherst.



Mitch Oscar

Director of Programmatic TV Strategy, USIM Executive Industry Adviser, BIA/Kelsey

Mitchell Oscar currently holds the position of Director, Programmatic TV Strategy, a newly created position at U.S. International Media, focusing on the development and deployment of new video applications as

they traverse programmatic TV, addressable TV, connected devices and streaming video. His mission is to explore the potential value of these advanced television applications and technologies for the development (ideas and implications) and execution of advertising models and campaigns for USIM clients.

Mitch also serves as Expert Industry Advisor for BIA/Kelsey.

Prior to joining USIM, Mitch was EVP, Managing Director of Innovation at MPG; EVP, Carat Digital; and held the position of SVP/Director of Media Futures at Universal McCann.

Mr. Oscar is a standing member of industry trade associations and a frequent panelist and speaker at industry events.



Brett Adamczyk

Vice President, Business Development and Strategy, Videa

Brett joined Videa as Vice President of Business Development after spending over nine years in the financial services industry, both as an advisor and an investor.

He specialized in distressed investing and the technology, media, and telecommunications industries while at Rothschild, Cerberus Capital Management, and Berylson Capital.

Brett was a member of the Board of Directors of numerous portfolio companies and oversaw investments in the Four Points Media broadcast group and other media-related acquisitions.

Brett graduated cum laude from Babson College with a concentration in finance and applied statistics.



Brad Danaher

Television Partnership Director, Experian Marketing Services

Brad Danaher is the Television Partnership Director at Experian Marketing Services and is responsible for creating and managing key TV relationships to build Experian's product and service offerings. He works closely with TV operators, device manufacturers, measurement firms, media agencies and advertisers.

Before joining Experian in 2008, Mr. Danaher has over 20 years of experience in sales, marketing and product management at 3M, Cheetah Technologies, Tech Data and TV measurement firm erinMedia, LLC.

Mr. Danaher received a B.B.A from The University of Iowa and an M.B.A. from Florida State University.



Dot DiLorenzo

EVP, Director of Planning, U.S. International Media

Successful people are often described as exceeding expectations and that is Dot DiLorenzo's trademark. As Executive Vice President, Director of Planning, Dot brings her inspirational energy, enthusiasm and extensive media experience to U.S. International Media.

With experience at full-service agencies like O&M and JWT, media-management companies like Initiative and Carat, and with responsibilities for digital and traditional media under her belt, Dot is perfectly suited to help the wide array of USIM's clients craft communication strategies that advance the "big idea" from inception through successful execution.

In addition to loving her job that's reunited her with former co-workers who are "best in class", Dot loves travelling to remote corners of the world to dive, learn a new language & sample unique culinary delights.

Dot holds an Executive MBA from Pepperdine University.



Chris Raleigh

Chief Commercial Officer, placemedia

Chris Raleigh oversees the aggregation of inventory from media company partners and manages the companywide revenue generation from advertisers, agencies and demand side partners. In this role, he manages the national affiliate and advertiser sales teams.

Previously, Chris oversaw network advertising sales and cross platform sales for The Weather Company including weather.com, weather mobile and tablet. He also had responsibility for national sales offices for the NBCU/Bain/Blackstone-backed company. Prior to joining The Weather Company in 2008, he served as senior vice president of advertising sales for GSN, the game content cable network, then owned by Sony and Liberty Media. Raleigh joined GSN from serving four years as Vice President of Advertising Sales for Tech TV and techtv.com.

Prior to that, he was Vice President of Daytime/Late Night/Teens/All Night Sales at the NBC Television Network. He was responsible for forecasting, developing and implementing sales strategies for the leading broadcast network in the four dayparts. Before that, he was Vice President of News Sales, where he led all aspects of sales for the NBC News

properties including the “Today Show,” “Nightly News,” and “Meet the Press.”

Raleigh graduated from Babson College in Wellesley, MA. He is a Board Member for the Boy Scouts of America, Greater New York Councils.



Judd Rubin

Vice President, Revenue Development, STRATA

Judd Rubin is the Vice President, Revenue Development at STRATA. Rubin has more than 20 years of cross-industry experience in advertising, technology, political and management consulting, and has advised Fortune 500 companies along with some of the country’s top media organizations. Under his direction, Rubin has developed and launched new technology and business models for a wide range of media and technology companies.

In his role at STRATA, Rubin is responsible for new business along with marketing. He has directed business relations with leading inventory providers including Hulu, iHeartRadio, NCM, and Videa. While at Mediaocean, he led business development and growth initiatives primarily in digital, video and audio.

Rubin served as a consultant at Monitor Group, where he advised Fortune 500

companies on strategy and risk management. Prior to his time in Media, Rubin was a political consultant in California and also served as the Northwest director at AIPAC, widely considered one of the most influential lobbying groups in the U.S.



Steven Walsh

Executive Vice President, Local Markets, comScore

Steve Walsh brings more than 20 years of proven strategic sales and sales management experience to his role as Executive Vice President of Local Markets for comScore. A widely recognized sales and client relationship leader in the multi-screen audience research industry, Mr. Walsh held key sales leadership positions at research industry startups and current standard-bearers before joining comScore (then called Rentrak) in 2009. Most notably, he played a critical role in significantly shaping and expanding revenue, client base and strategic positioning for companies such as Integrated Media Measurement, Inc. (IMMI), Experian Research Services, IAG Research, Kantar Media Intelligence and Nielsen Media Research, and was instrumental in growing IAG from an eight-employee startup in 2001 into a 250-employee syndicated advertising effectiveness measurement company by 2006, eventually leading to the acquisition of IAG by Nielsen Media Research in 2008 for \$225 million.

At comScore, Mr. Walsh leads a sales and account management team that has built a client roster serving over 630 client television stations and 150 local and regional agencies in over 175 markets since comScore Local launched in 2010. Today, Mr. Walsh and his team are laser-focused on creating the new model for a dynamic, cross-platform local measurement currency based on massive scale and superior methodology, to the benefit of the local broadcasters, agencies and marketers we all serve.

Mr. Walsh holds a Bachelor of Science degree in Telecommunications Management from Syracuse University's S.I. Newhouse School of Public Communications and, in addition to being a member of the Television Bureau of Advertising (TvB), the Advertising Research Foundation (ARF) and the Advisory Board has been a featured guest lecturer at Syracuse University, New York University, the University of Florida and the University of Connecticut.



Rob Weisbord

COO, Sinclair Digital Group

Weisbord has served as Chief Operating Officer of Sinclair Digital Group, a newly created Digital Interactive Business Unit for Sinclair Broadcasting Group since January 2014.

Mr. Weisbord is responsible for all web/mobile app/social media creation, interaction of the unit with news and television station platforms, revenue generation, and exploring strategic partnerships and potential related acquisitions.

He served as Vice President/New Media from June 2010 to January 2014. From 2008 to June 2010, he served as Director of Digital Interactive Marketing for Sinclair. From 1997, he served in various management positions for the Company including Regional Group Manager, General Manager for the Company's Las Vegas duopoly of KVMY-TV and KVCW-TV, and Director of Sales. Prior to that and from 1993, he was National Sales Manager for WTVT-TV in Tampa, Florida.

Mr. Weisbord began his broadcasting career in the radio industry with Family Group Broadcasting in 1985.

Mr. Weisbord holds a Bachelor of Science degree in Business Management and a Master's in Business Administration from the University of Tampa.



Russell Zingale

President, Eastern Region, U.S. International Media

Russell is President – Eastern Region at US International Media. Russell oversees 60+

staffers across all service divisions. Russell oversees the CDC, Aruba Tourism, Century 21, O'Charley's Restaurants, People's United Bank, WellPet, K12, Delta Education, Institute of Culinary Education accounts among others on the East Coast.

Prior to working at USIM, Russell held the position of Managing Director at Media Storm. His role was dual, new business director as well as client service director on non-entertainment accounts. Russell is a 20+ year veteran in the media industry having spent the majority of his time developing strategy and running a planning group.

Russell was at Carat USA in the roles of SVP Director of Business Development and Managing Director of Carat Affiliates. He has worked at Carat's New York office for over 6 years. As Director of Business Development he oversees new business efforts across the US and interacts with the various Aegis non-Carat Divisions, as well as Carat International. His role in business development includes new client prospecting as well as current client business expansion. As the Managing Director of Carat Affiliates, he managed an account team of 9 staffers in New York overseeing accounts such as Marriott International, Viacom Networks, TOUS, Liz Claiborne perfumes, Ernst & Young, New York University, Land O' Lakes and more.

Prior to launching Carat Affiliates, Russell held management positions at Initiative Media where he worked on clients such as Applebee's, Goya, Enterprise Car Rental, AOL among a list of others. Prior to his 14 year tenure at Initiative, Russell held planning positions at Backer, Spievogel

Bates and Wells, Rich Greene managing accounts such as Proctor & Gamble, US Navy, CPC, Avis Rent a Car and other.

About BIA/Kelsey

Local media is one of the fastest moving industries of our time. And BIA/Kelsey has been at the center of it for more than 30 years.

BIA/Kelsey is the leading research and advisory firm focused on the advertising and marketing marketplace. We have proven advisory services and consulting methods that put our clients in the best possible position to compete and stand out in today's multiplatform, interactive world.

Our research, forecasts, industry analysis, competitive intelligence and industry-leading analyst team propel our clients success forward. Put yourself in the best possible position to compete and win – turn to BIA/Kelsey.

We are pleased to announce our new Programmatic Program that features a series of papers and webinars that will help our clients understand the potential of programmatic. Contact us today for more details –info@biakelsey.com.

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