Impactful Video Investment Strategies to Drive Brand Growth

Addressing the role of TV in a world of fragmentation

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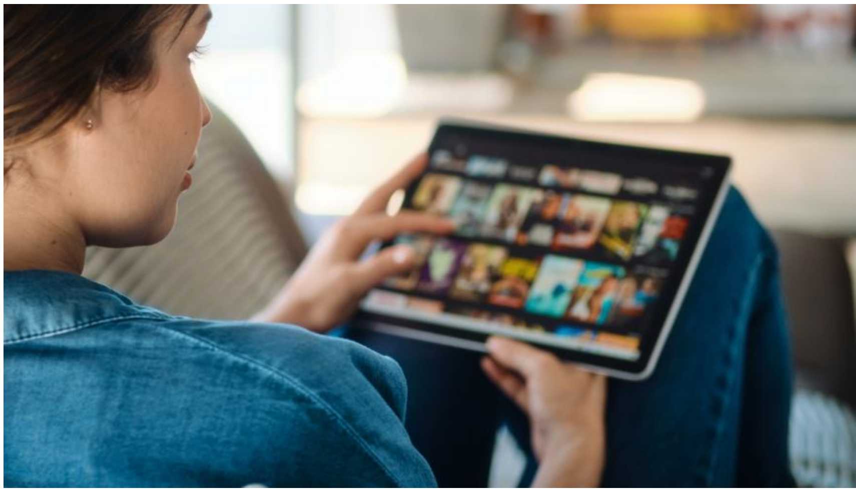
TV FRAGMENTATION: FRIEND OR FOE FOR BRAND BUILDERS?

Everyone knows that broadcast (and even cable) television viewership is on the decline. It has been this way for quite some time and there are a few related reasons behind the decline, but the primary issue is simply this: viewership fragmentation. We all know that the TV landscape has changed dramatically in the last 5-10 years, with changes accelerating even more due to COVID-19. Streaming services are now offering even more custom-tailored, on-demand viewing experiences for a lower price than traditional cable subscriptions, which has led to more fragmented viewership than ever before. So, what does this mean for marketers?

After speaking with many industry leaders and CMOs about the evolving television landscape, it is both the best of times and the worst of times for brands. On one hand, some brands find the evolving landscape challenging and are frustrated by the risks and inefficiencies with linear TV. On the other hand, many brands view fragmentation as an opportunity to rethink their approach to planning; these brands typically maintain a stronger foundation of data and analytics to remain nimble, making shifts like this far easier to navigate. This article explores the causes of fragmentation, provides an overview of the current TV landscape, and identifies how marketers can shift strategies to capitalize on the opportunities this fragmentation provides.

WHAT IS CAUSING THE FRAGMENTATION OF TELEVISION?

Before we dive into the opportunities, let's first understand why fragmentation is occurring. To keep it simple:



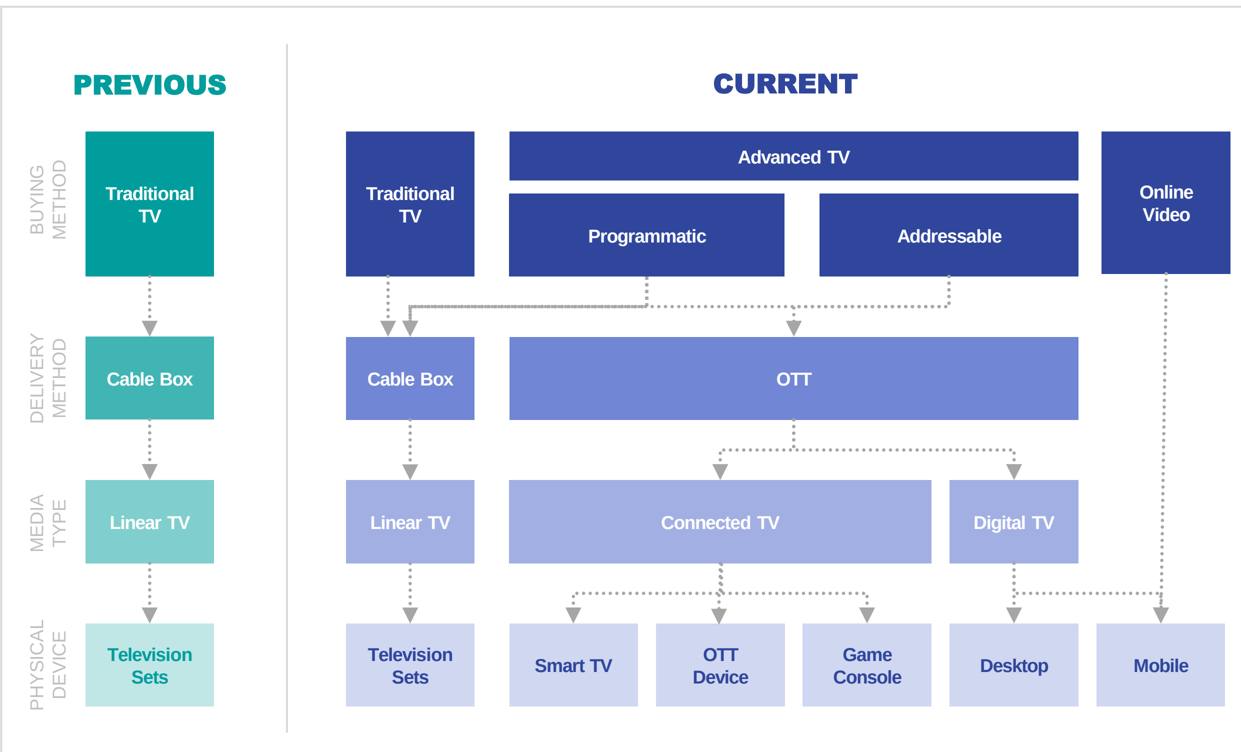
- **TVs are smarter,** and they have been for a while, which makes cord-cutting easier. Smart TVs are not the only TVs connected to the internet - OTT devices (Apple TV, Roku, Fire TV) also enable streamed content delivery to households. In short, this allows viewers to download and subscribe to their favorite streaming apps on their TV set.
- **Streaming services are on the rise,** and it's not just coming from Netflix, Hulu, and Prime; many "old school" television networks are playing in the space as well. Over the years, the industry has shifted focus towards streaming, between the rise of HBO Max, Peacock, Disney+, and many others, viewers no longer need to tune into a cable box to find their favorite programs and films. Streaming also provides viewers a way to customize the content they subscribe to for a more palatable monthly rate vs. paying for 500+ channels they never end up watching anyway.
- **Viewership happens when the viewer wants it to happen.** Gone are the days of gathering around the television at 8pm each night to watch your favorite programs. VOD (Video on Demand) is more prevalent now than ever before, which means the time a program airs on TV is becoming less and less relevant.
- **Content is everywhere.** Mobile devices, tablets, laptops, or virtually any screen gives individuals the ability to consume content. Additionally, content does not just mean television shows and movies – it can be anything these days, including videos on YouTube, Facebook/Instagram, TikTok, Snap, and the list goes on.

WHAT DOES THE TV LANDSCAPE CURRENTLY LOOK LIKE?

Originally, investing in TV advertising was straight forward. Brands would select networks, programs, and even dayparts that attracted an audience that vaguely resembled their desired customer based on a broad demographic make-up. This was (and still is) linear TV at its core. While this traditional form of television viewing continues to splinter, it has not fragmented to the point where brands should avoid using it to reach the masses. In other words, linear TV is still an effective strategy for brands to reach a broad audience, especially if the goal is to drive awareness; however, there are far more options for brands interested in finding more refined audiences through video investment.

FRAGMENTATION OF THE TELEVISION LANDSCAPE

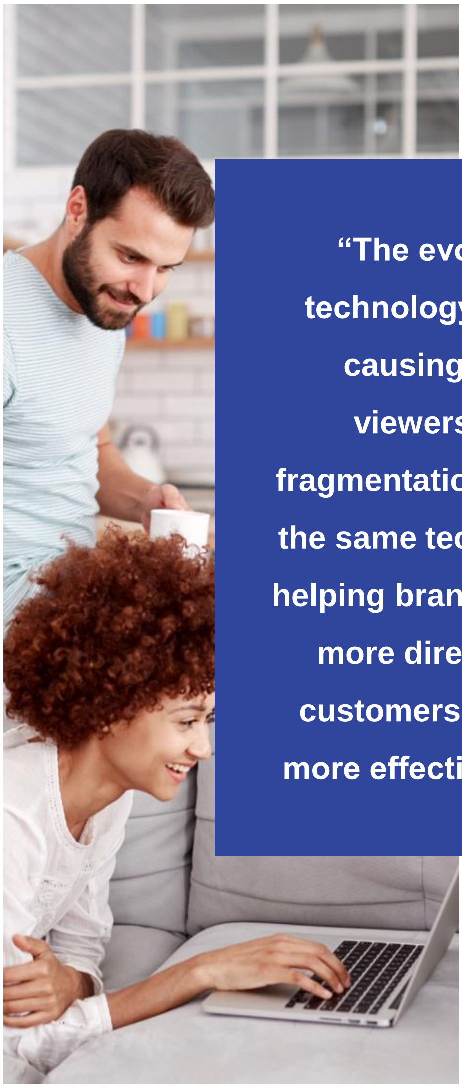
AN OVER-SIMPLIFIED VIEW



HOW ARE MARKETERS TAKING ADVANTAGE OF TODAY'S VIDEO LANDSCAPE?

Fragmentation of linear and CTV enables brands to shift towards audience-focused planning; however, without the right data and analytics in place, fragmentation can be scary. On the contrary, with the right analytics in place, fragmentation becomes an opportunity to shift investment strategies for the better. Data-driven brands are capitalizing on the fragmentation trend in several ways, but all of them share a common thread – moving away from siloed channel planning towards a more holistic approach to strategic planning. The following shares a few examples of this…

- **Leveraging advanced targeting capabilities within Television:** Evolving video capabilities create new opportunities for brands looking to message to high value prospects. This happens through investments in programmatic/addressable television, OTT, online video, etc. In short, all these different investment types allow brands to target households in a more focused manner. Rather than buying A25-34 or W35-54 or any audience from a demographic perspective only, brands can now look to curate audience segments with more specific attributes that resemble their ideal customer base. Additionally, these buys provide marketers a way to speak directly to different audiences with unique, more relevant messages - gone are the days where your TV spot must be a one-size-fits-all message. Of course, this form of targeting on TV is relatively new and expensive but will certainly continue to evolve as viewers continue to cut the cord.



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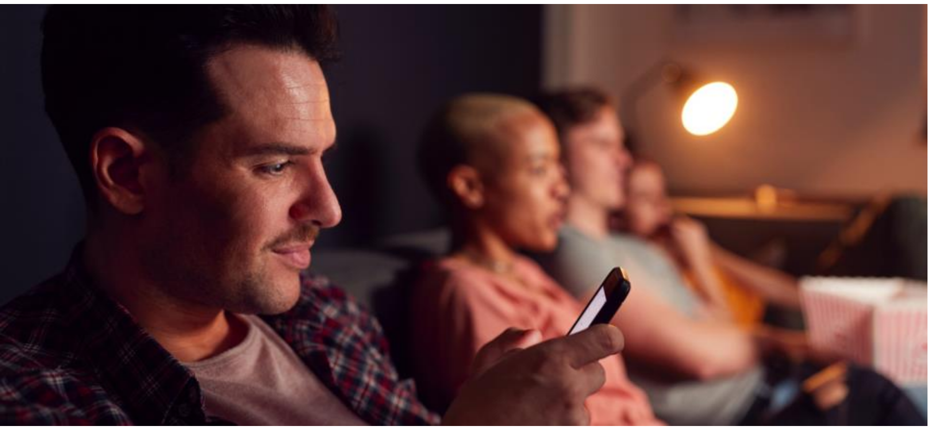
- **Utilizing Online Video to build cost-efficient frequency:** In this instance, online video is a catch-all phrase for essentially any browser-based video ads that can appear on an online video platform, social network, or beside an article or webpage, etc. These are purchased like any other digital advertisement and can target very specific audiences based on an individual's online behavior and demo-based indicators. Brands today can use these investments in many ways; however, this is a particularly great option to build incremental frequency towards specific audiences in a more cost-efficient manner.

- **Focusing on quality over quantity:** Today, brands should focus much more on quality over quantity. It's not about how many people you're reaching, but it's about reaching the right people, with the right message, at the right time. The evolved technology that's causing this viewership fragmentation is also the same technology helping brands speak more directly to customers in a far more effective way. When executed properly, this is a great strategy to create a more tailored, cross-channel brand experience; however, brands must take a holistic approach to cross-channel audience planning to ensure these experiences are cohesive.
- **Evaluating media's long-term impact:** Marketers today are aiming to invest in a media strategy that fuels a continuous waterfall from awareness, to research/evaluation, and ultimately conversion and retention (sales). Although television investments may skew towards upper or lower funnel objectives (example: branding messages vs. promotions/LTOs), more brands are taking a more full funnel approach to measurement to understand media's full impact on the business. The result – an understanding of media's direct impact on long-term brand health along with the indirect, trickle-down effect upper funnel success has on lower funnel performance.



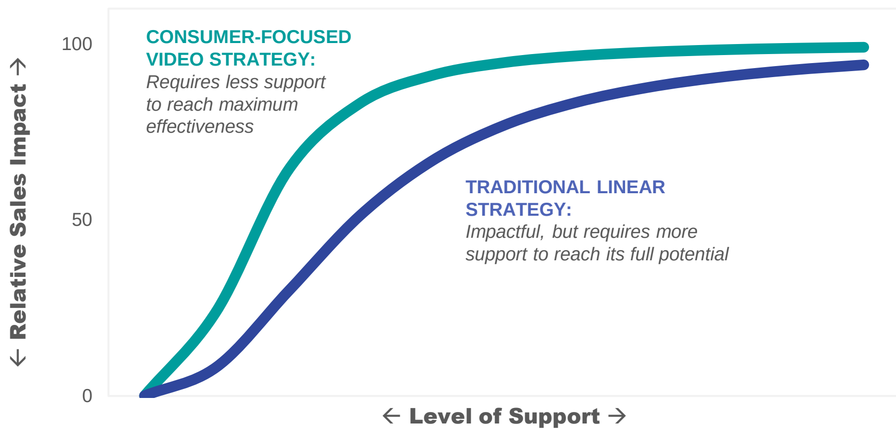
- **Taking an audience-first approach to planning:** The continued rise of OTT delivery to connected devices enables marketers to start thinking about their television investments more like their digital investments – they can now offer relevant messages to specific audiences in a much more tailored fashion. However, to make the most out of a "television" budget, marketers are beginning to think about television investment from an omni-channel perspective. Even further, brands are shifting from channel-based planning altogether and instead focusing on a customer-centric approach to planning by asking who they want to reach first, and where they can find them second.

WHAT IS THE ROLE OF DATA AND ANALYTICS?

In summary, marketers should see fragmentation as an opportunity for improved targeting, efficiency and overall ROI improvement by moving to an audience/customer-centric approach to planning and buying. This comes to life when brands bring together 1st party and 3rd party data feeds capturing customer attributes and ID-level viewership with AI driven Unified Customer Analytics to optimize who to target (prioritized audiences), where to target them (publishers), when to target them and with which content (creative, offer, format), while accounting for operations and external business drivers.

INDUSTRY EXAMPLE: IMPROVING MEDIA EFFECTIVENESS

CONSUMER-FOCUSED VS. LINEAR VIDEO



As marketers continue to adopt a consumer-first video strategy taking advantage of omni-channel synergies, brands tend to require less overall support to achieve growth objectives, in part due to a more focused plan that helps reduce waste across out-of-market consumers.