



Advanced TV: Ad Buyer Perceptions

Research Conducted by:

Advertiser
Perceptions™
A PERCEPTORS GROUP COMPANY

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Today's Discussion

How do advertisers think about Advanced TV?

Insights and Perceptions

- ✓ How do advertisers define Advanced TV?
- ✓ Advanced TV Advertising Trends
- ✓ Advanced TV Awareness, Usage and Perceptions



Methodology, Profile and Ad Categories

Method

- All interviews conducted online
- Incentives include cash and information
- Timeframe:
 - June 29 – July 8th 2015

Sample: Marketer and Agency contacts from *The Advertiser Perceptions Media Decision Maker Database* and third-party databases as needed.

Qualification: TV, Online Video, Mobile or Advanced TV Media Decision Makers

100% Involved in Media Brand Selection Decisions
\$1 Million+ Total Advertising Spend

Directional Data: Some findings in the presentation could reflect data with low bases.

Verbatim Comments: Some comments in the presentation are from the IAB Advanced TV Qualitative Study fielded by Advertiser Perceptions from May 21st – June 8th 2015. These comments are labeled accordingly.

Represents Leading U.S. Advertisers by Ad Category and Media Type

- Automotive/Motorcycle/Off-Road/RV and Related
- Baby, Child or Parenthood Related
- Consumer Electronics (Non-Computer/Software)
- Consumer Packaged Goods
- Entertainment
- Financial Products/Services (including Insurance and Real Estate)
- Home and Appliances
- Liquor, Beer and Wine (Domestic and Imported)
- Men's Apparel (Accessories, Jewelry and Watches)
- Men's Toiletries & Cosmetics
- Pharmaceuticals & Remedies (OTC and DTC)
- Quick Service Restaurants (QSR)
- Retail
- Technology (Hardware, Software or Services)
- Telecommunications (Cellular, Mobile, Wireless)
- Travel
- Women's Apparel (Accessories, Jewelry and Watches)
- Women's Toiletries & Cosmetics

Profile of 255 Respondents	Overall
Agency	60%
Marketer	40%
VP and Above	39%
Director/Supervisor	39%
Manager/Planner/Buyer	22%

Summary of Key Findings

Advanced TV Advertising – Marketplace Traction & Trends

Though **Advanced TV Advertising is still nascent**, marketplace traction metrics reflect a solid foothold, with **steady growth projected in 2016 and beyond**

- Most TV/digital video advertisers are in the earliest stages of Advanced TV adoption &/or ‘wait and see’ mode
 - Advertisers have a moderately positive outlook on Advanced TV Advertising, though it is **not yet considered essential**
 - The majority believe Advanced TV advertising can work in support of their marketing objectives; however, **less than 20% view any single Advanced TV type as very important**
 - Inverse relationship between overall Ad Spend and share of budget allocated to Advanced TV
 - Qualitative input suggests smaller spenders see Advanced TV as a path to more competitive share of voice, while larger spenders are waiting for more available inventory
- With the trend of cord-cutting expected to continue, **nearly three-quarters agree Advanced TV Advertising will be an important advertising tool within 5 years**
 - Strong Optimism (plans to spend more) for Advanced TV advertising in the coming 12 months
- **Marketers tend to be earlier adopters, heavier users and are more bullish on Advanced TV’s benefits** than Agencies
- **Programmatic TV Buying** and **Addressable Targeting** are the Advanced TV types with the most traction, both currently and projected
 - Less traction and optimism for *Interactive TV*

Summary of Key Findings

What's Driving Current Adoption of Advanced TV Advertising

- While the term 'Advanced TV' means different things to different advertisers, and is encompassing of numerous media types and trends, the most commonly associated concept is **Targeting** – seen as **Advanced TV's biggest benefit by a wide margin**
- **Advanced TV advertising is held to higher accountability as a performance medium**
 - Advanced TV is more likely to be used for Performance objectives, while linear TV continues to be used more for Brand campaigns
 - While *Traditional 30-Second Spots* and *Banner Ads* are the most popular Advanced TV ad formats currently used, advertisers plan to expand their creative approaches to include more performance-oriented formats, including *Addressable*, *Second Screen Ads* and *Interactive Tags*
- Key **Drivers of Satisfaction** for existing users of Advanced TV
 - *More Effective Audience Targeting*
 - *Increased Consumer Engagement*

Summary of Key Findings

What Advertisers Are Looking for from Advanced TV Media Partners

- Address Perceived Obstacles to Advanced TV usage/adoption:
 - *Confusion*
 - Evidence of marketplace confusion persists: e.g., 58% aren't sure if 'Connected TV' and 'Advanced TV' are different
 - *Lack of Transparency* about the process/how it works
 - *Expense/Budget*-related concerns
- Advanced TV offerings that 'check the box' on the criteria of most importance to advertisers:
 - *Price/Value*
 - *Addressable Targeting Granularity*
 - *Reporting Transparency*
 - *Campaign/Audience Insights*
- Evaluation metrics of central importance when selecting an Advanced TV media partner:
 - **ROI is the most important evaluation metric overall** – and especially among bottom-line oriented Marketers
 - Consistent with the dynamics of overall media management, Agencies apply more scrutiny to campaign-level micro-metrics (in addition to overall ROI/ROAS evaluation) and set a higher bar for robust *Reporting* and *Insights* than Marketers

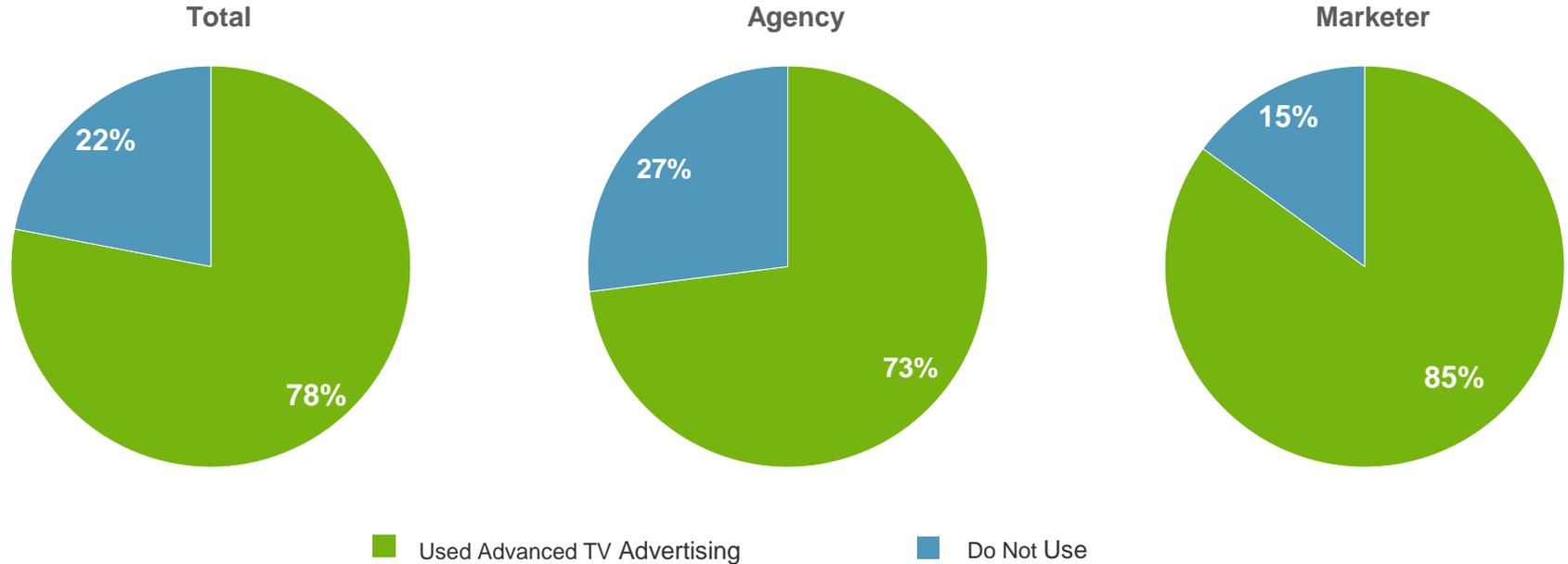
Advanced TV Advertising Adoption & Trends

- Usage
- Definitions – Aided and Unaided
- Familiarity / Understanding of Different Advanced TV Types
- Adoption Spectrum
- Brand vs. Performance Campaign Objectives



Advanced TV Advertising Usage

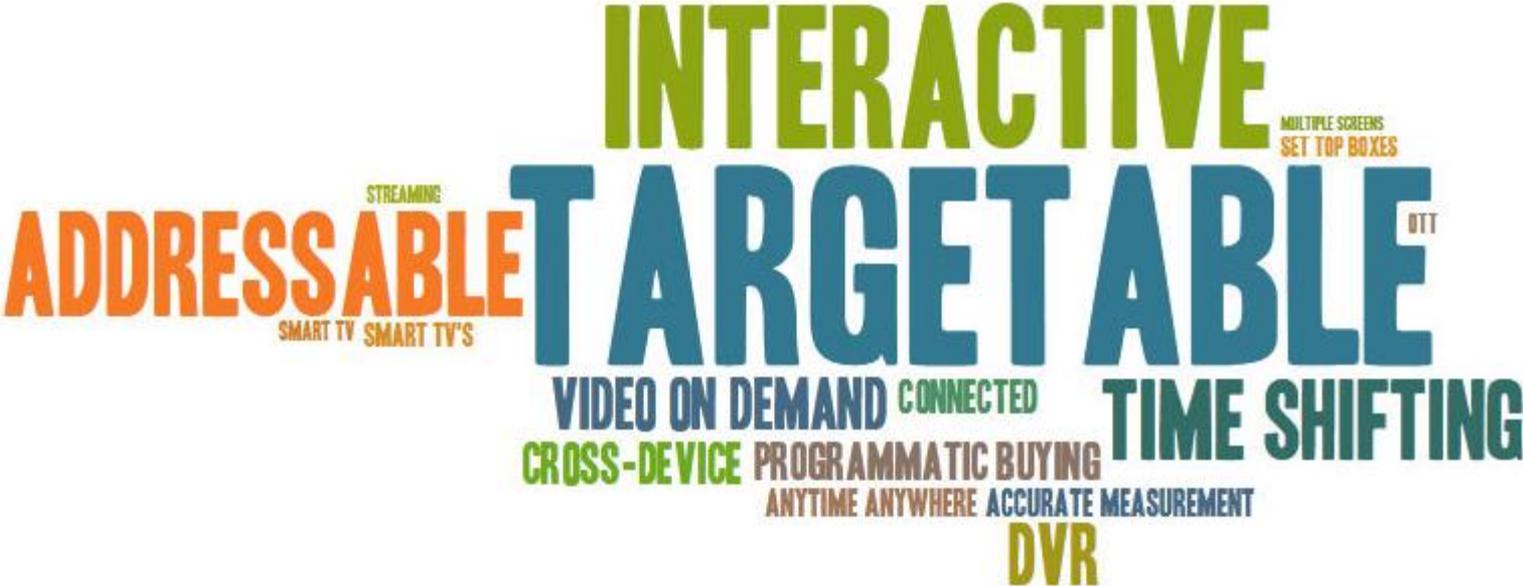
Nearly 8 in 10 Advertisers Report Using Advanced TV | Usage Heavier Among Marketers



S15b: Which type of TV advertising have you purchased, recommended or approved during the past 12 months?

Base: Total Respondents

Unaided Description of Advanced TV

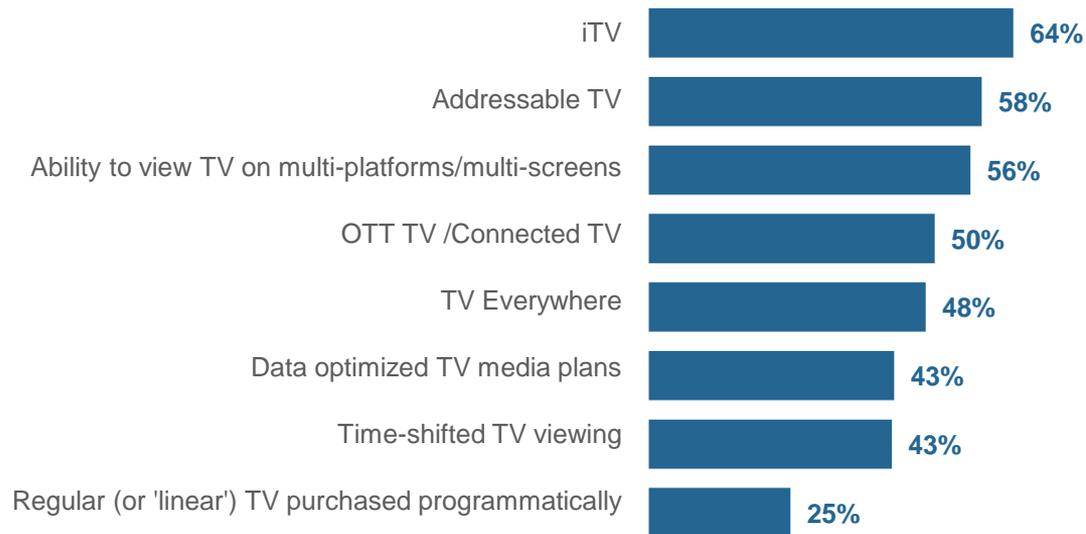


Q1. How would you describe Advanced TV in your own words? Please include details and, if possible, specific examples.

Base: Total Respondents

What Is Advanced TV? (Aided)

A Majority of Advertisers Believe Advanced TV Includes *Interactive, Addressable* and *Cross Platform Viewing* | To a Slightly Lesser Extent Other Formats Such as *OTT* and *TV Everywhere* Are Also Considered Advanced TV



Notable Differences

Time Shifted TV Viewing
Agency: 37%
Marketer: 51%

Q10. In your opinion, which of the following can be considered Advanced TV?

Base: Total Respondents

What Is Advanced TV? *(In Their Own Words)*

“Advanced TV to me means just going beyond linear television. So really any sort of programming you would do where you would use TV as your medium, but it would have some sort of digital technology around it so that it **can be either interactive or making TV more addressable and accountable than just your standard linear television.**”*

– Agency, Director

“The idea that **you can target using a cable provider to identify specific targets using their data and then delivering different creatives**, depending on the message. We really haven’t gone that way [yet]. We’ve been more using the targeting capabilities to buy TV audiences.”*

– Agency, VP

“I call [‘TV Everywhere’ and TV content viewed on the web] ‘cross-platform’ and not Advanced TV right now because **we can’t use precision targeting to buy from the networks on their websites or on Hulu.**”*

– Marketer, Director

“Connected TV means that you can surf the web, where **Advanced TV would require more of the consumer decision journey element** in how to engage.”*

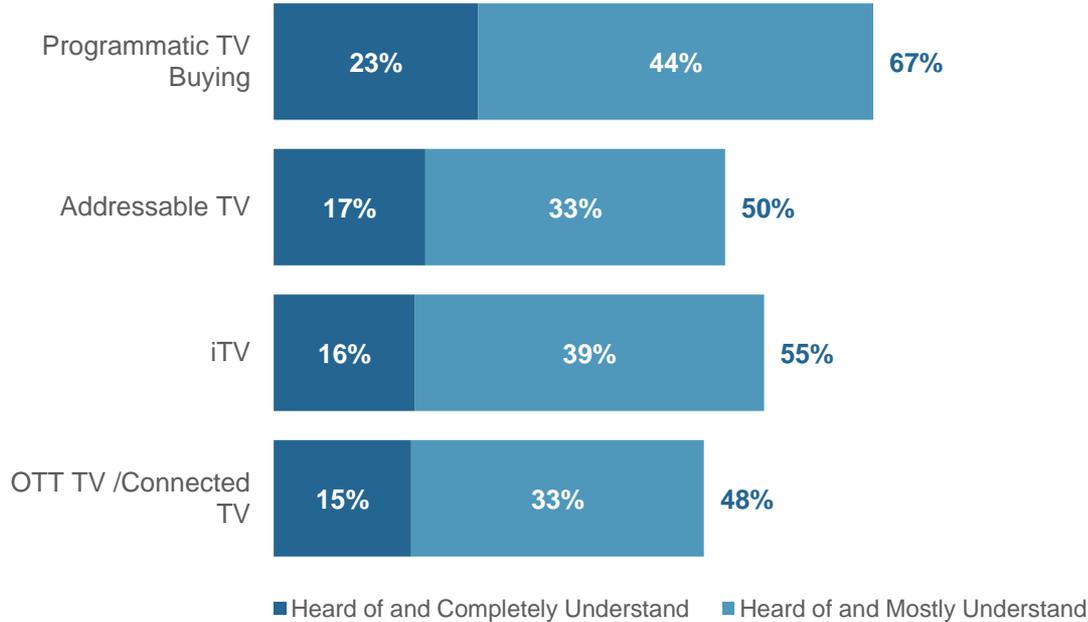
– Marketer, Director, CPG

*Source: 2015 Advanced TV Qualitative Study

Familiarity With TV Advertising Trends

Advertisers Are Most Familiar With Programmatic TV Buying | There Is Slightly Less Understanding Around Addressable and Connected TV | Marketers Are More Familiar With Advanced TV Advertising Trends Overall

Percent Rating 4 to 5 on a 5-Point Scale



Notable Differences Top 2 Box

Addressable TV
Agency: 48%
Marketer: 53%

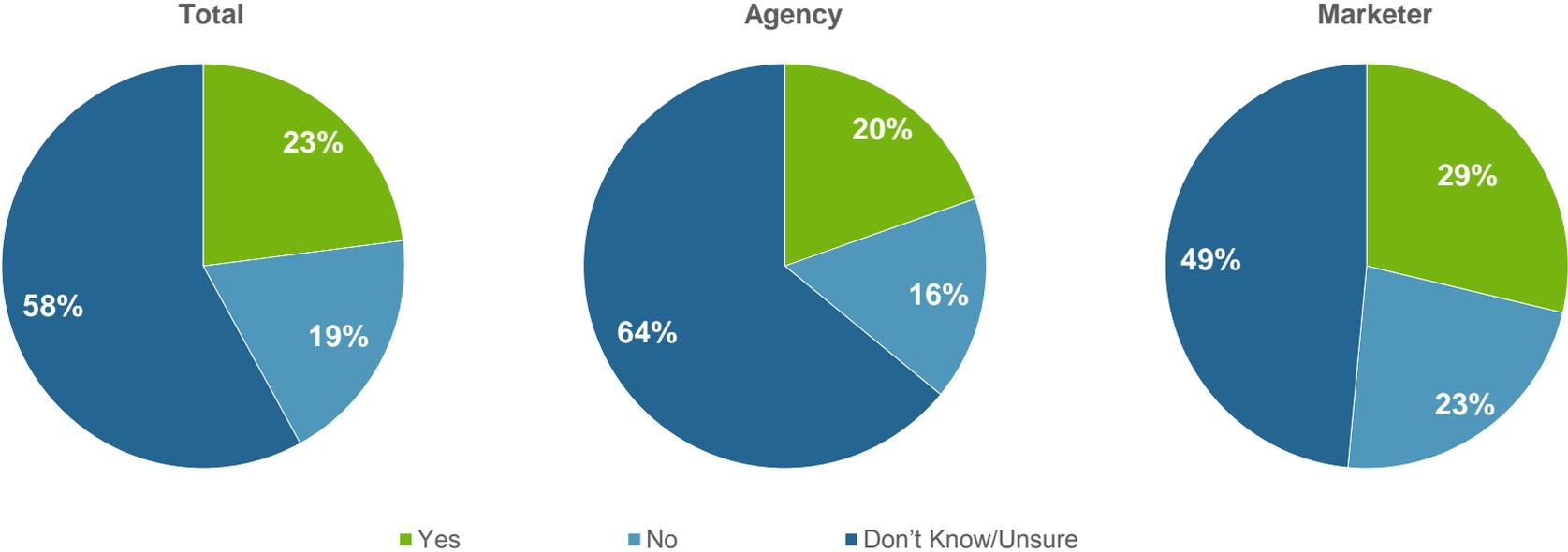
iTV
Agency: 50%
Marketer: 61%

Q5. How familiar are you with each of the following trends in TV advertising today?

Base: Total Respondents

Do Advertisers Distinguish Between Connected TV and Advanced TV?

The Majority of Advertisers Are Unsure if Connected TV Advertising Differs From Advanced TV | Marketers More Likely to View Connected TV as Being Different



Q15. Does Connected TV and its advertising differ from Advanced TV?
Base: Total Respondents

How Connected TV Differs From Advanced TV *(In Their Own Words)*



Connected = Internet (22%)

More precise targeting (12%)

Not addressable (8%)

Subset of Advanced TV (8%)

Not interactive (7%)



“Connected TV you would know exactly who your audience was, not just broad demos.” – *Agency, VP+*

“Connected TV has web content/capabilities within a TV. I would consider Connected TV a subset of Advanced TV.” – *Agency, VP+*

“Advanced TV uses OTT set-top box data; Connected TV relies predominantly on the Internet.”
-- *Marketer, VP+*

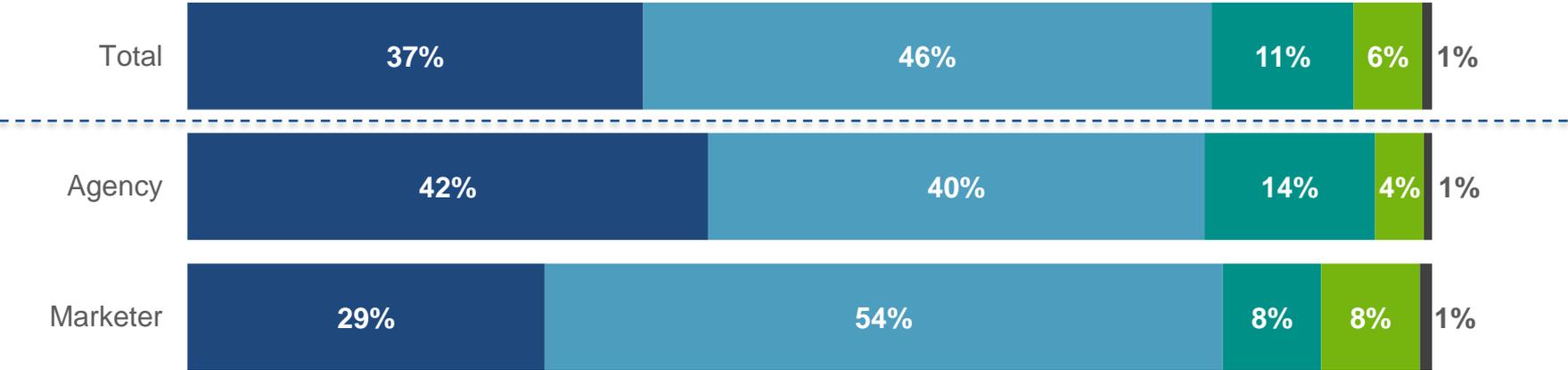
“Connected TV is more about access to TV wherever and whenever. Advanced TV is about customization whether through addressable advertising, interactive ads, etc.” – *Marketer, Director/Supervisor*



Q16. How does Connected TV and its advertising differ from Advanced TV?
Base: Total Respondents Who Say Connected TV Is Different From Advanced TV

Adoption of Advanced TV Advertising

The Bulk of Advertisers Are in the Early Stages of Adopting Advanced TV Advertising | Marketers More Likely to Use Advanced TV Advertising and to View Themselves as Early Adopters



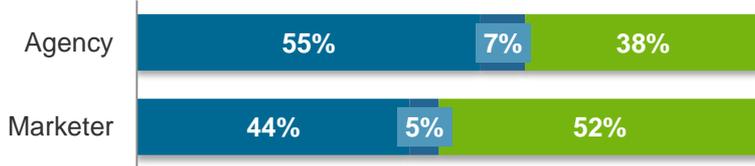
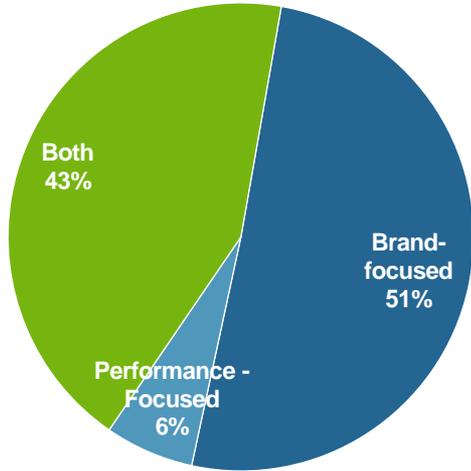
- My company/client is:
- taking a 'wait and see' attitude toward Advanced TV advertising
 - just beginning to adopt and use Advanced TV advertising
 - a mainstream adopter of Advanced TV advertising
 - an early adopter of Advanced TV advertising
 - at the cutting edge of Advanced TV advertising

Q25.: Select the option that best completes this sentence: My company/client...
 Base: Total Respondents

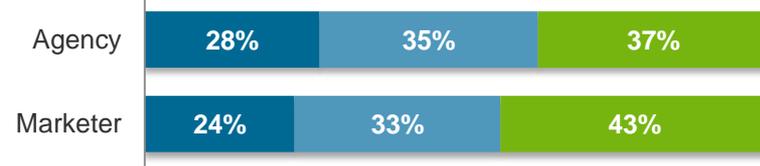
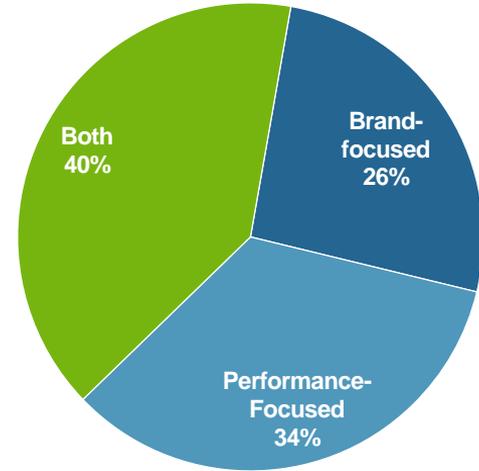
Brand Versus Performance Advertising Campaigns

Advanced TV More Likely to Be Used for Performance Objectives, While Linear TV Used More for Brand Campaigns | Marketers More Likely than Agencies to Expect Both Linear and Advanced TV to Deliver on *Both* Brand and Performance Objectives

TV Advertising



Advanced TV Advertising



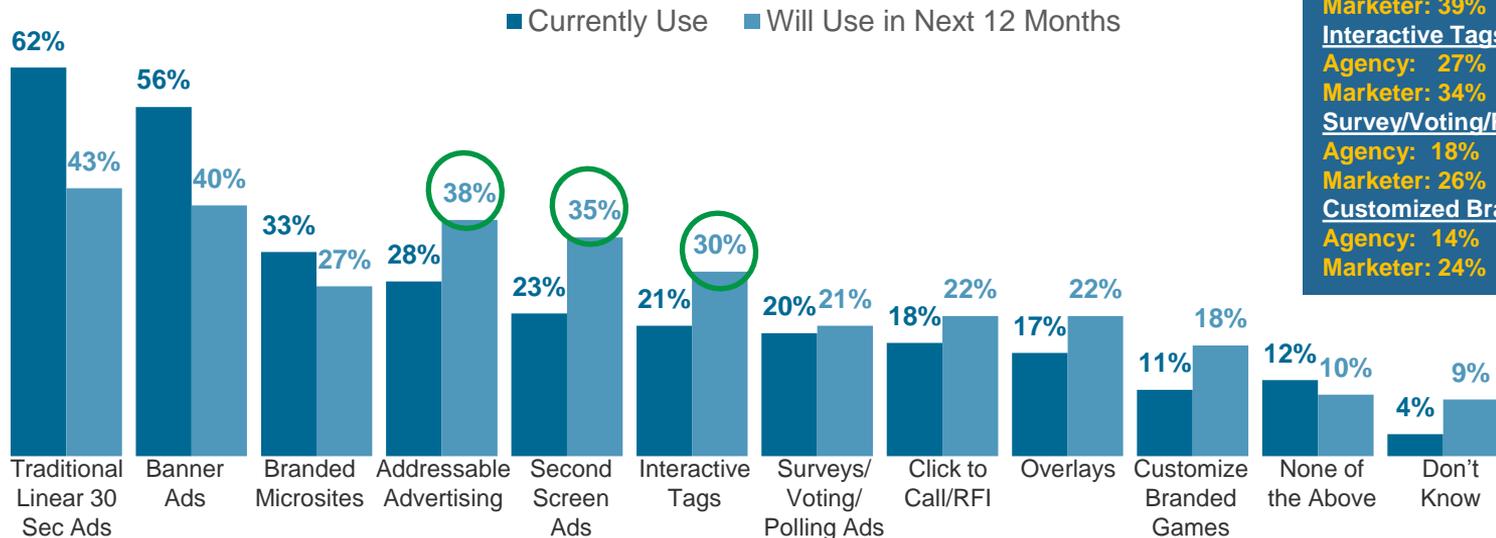
Q26. Thinking about the majority of your ad campaigns for TV or Advanced TV, would you say the primary objective for each medium is usually brand or performance?

Base: Total Respondents Involved in TV

Base: Total Respondents Involved in Advanced TV

Advanced TV Ad Formats Currently Using / Plan to Use

Traditional 30-Second Spots and Banner Ads Are the Most Popular Advanced TV Ad Formats Currently Used | In the Next 12 Months Advertisers Will Expand Their Creative Approaches to More Performance-Oriented Formats Including Addressable, Second Screen Ads and Interactive Tags | Marketers Plan to Use a Greater Variety of Advanced TV Ad Formats



Notable Differences: Plan to Use Second Screen Ads

Agency: 33%

Marketer: 39%

Interactive Tags

Agency: 27%

Marketer: 34%

Survey/Voting/Polling

Agency: 18%

Marketer: 26%

Customized Branded Games

Agency: 14%

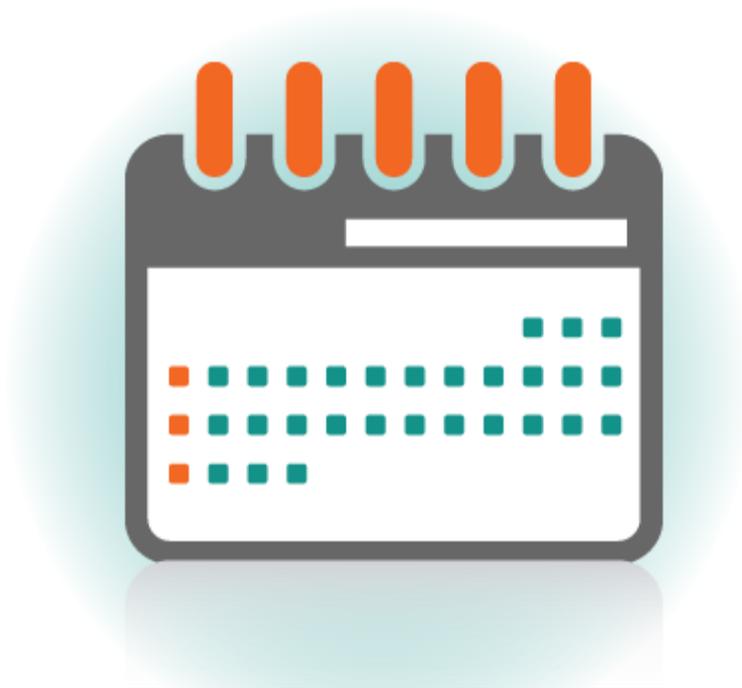
Marketer: 24%

Q19. Of the following ad formats that can be used for Advanced TV, which are you currently using (used within the past 12 months) and which of these ad formats will you use in the next 12 months?

Base: Total Respondents

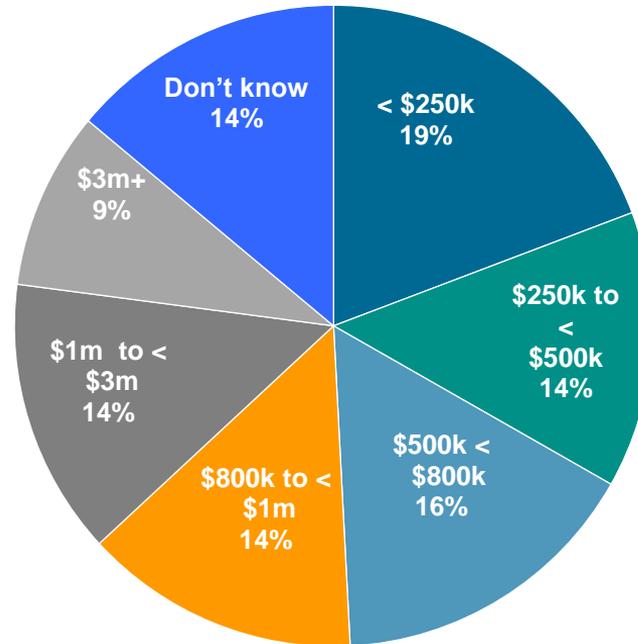
Advanced TV Spending & Budgeting

- 2015 Estimated Spending
- Spend Optimism for Advanced TV Category
- Budget Allocations: 3-year Trend 2013-2015
- Sources of Funding for Advanced TV Increase
- 2015 Usage / 2016 Plans by Advanced TV Type
- Budget Allocation to Each Advanced TV Type
 - Directional Trend of Spending by Type
- Decision-Making Purview & Budget Source
- Current/Projected Use of Advanced TV Ad Formats



2015 Estimated Spending on Advanced TV Advertising

Advertisers Will Spend \$1.4 Million on Average on Advanced TV Advertising in 2015



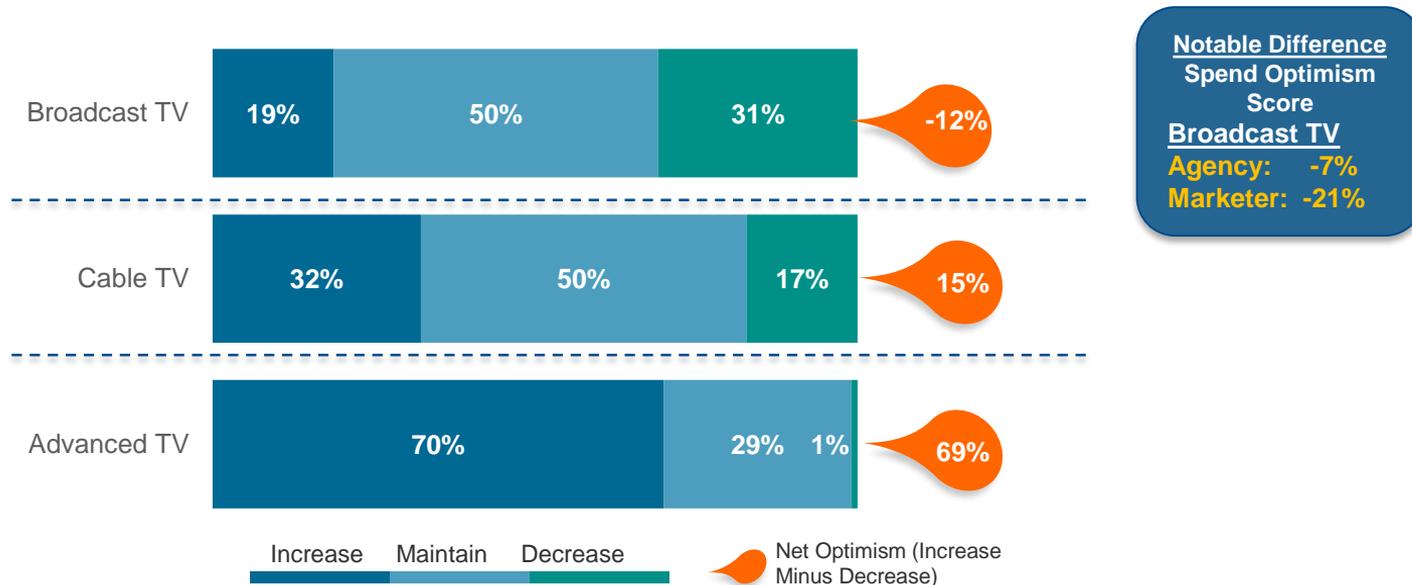
**Mean Spend
\$1.4 Million**

Q30. Approximately how much will [your company/your clients] spend on Advanced TV advertising (including addressable targeting, Interactive TV, etc.) in this year?

Base: Total Respondents Involved in Advanced TV

TV Spending Optimism

Strong Optimism for Advanced TV Advertising Over the Next 12 Months | Conversely, More Advertisers Are Planning to Decrease than Increase Their Broadcast Spend – a Downward Trend Driven More by Marketers than Agencies



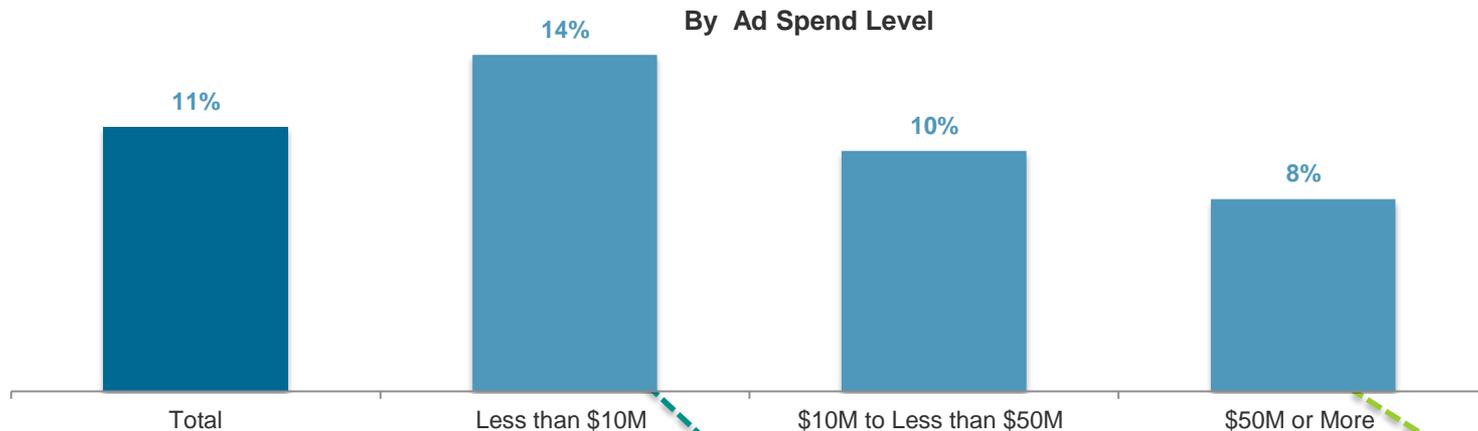
Q50. In the next 12 months, would you expect the amount of [your company's/your client's] spend on each of the following TV advertising to increase, stay the same or decrease?

Base: Respondents Involved in Broadcast TV, Cable TV, Advanced TV

2014 Overall Ad Budget Allocation for Advanced TV

Inverse Relationship between Overall Spend and Budget Allocation for Advanced TV

Average Percent Budget Allocation Among Those Involved in Advanced TV



**Qualitative input:
Advanced TV Investment
Plans/Rationale***

"I definitely expect our investment to grow... We know we can't compete with our giant competitors that are out-spending us by 6 or 7 times. We... have to be smarter about how we use TV.... **it just doesn't make sense to spend a ton on primetime and network buys where we're just not going to have the presence that our competitors have.**"

– Agency, Director

"We were purposefully conservative for two reasons: 1. Because we wanted to see how it worked, and 2. Because there isn't a lot of inventory right now. **But as the offering grows, I would see the investment grow.**" – Agency, VP

Q45. Thinking about your advertising budget for [your company's/your client's] biggest or most important product or service, what share of spending was allocated to Advanced TV advertising in 2014?

Base: Total Respondents Involved in Advanced TV ***Source:** 2015 Advanced TV Qualitative Study

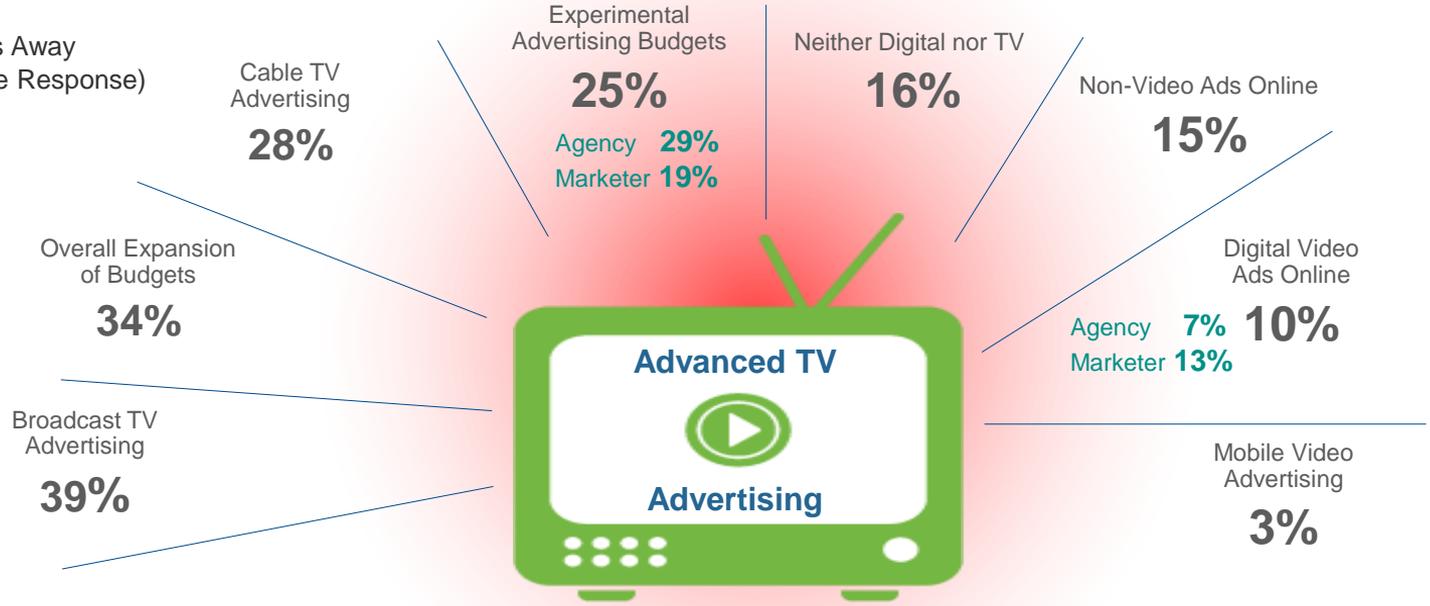
Primary Sources of Budget for Advanced TV: Shifting from TV Budgets + New/Incremental Budgets

More Than Two-Thirds Will Shift Funds Away From Linear TV, Particularly Broadcast, to Increase Advanced TV Spending | Expanding Budgets and Experimental Budgets Will Also Fund Advanced TV Advertising

Percent Indicating Shift of Funds Away From Advertising Types (Multiple Response)

Shifting Funds Away From TV (net)
Total: 68%

Expansion of Budgets/Experimental Ad Budgets (net)
Total: 54%



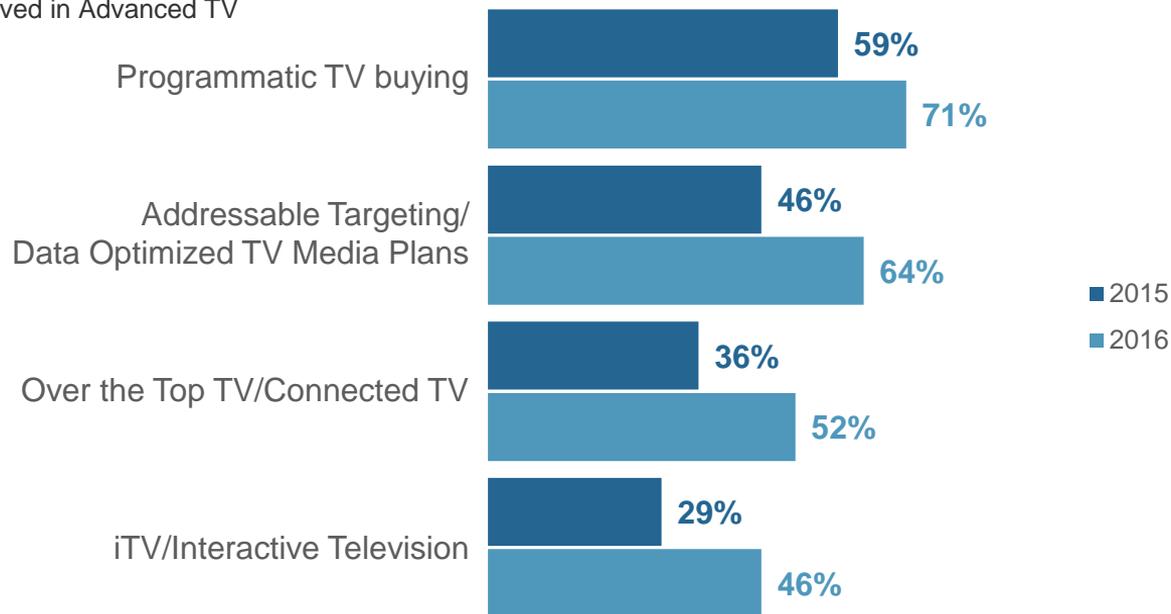
Q51. You mentioned that your spending on Advanced TV advertising will increase in the next 12 months. Where will the funding come from for the increased Advanced TV advertising spend?

Base: Respondents Whose Advanced TV Advertising Will Increase

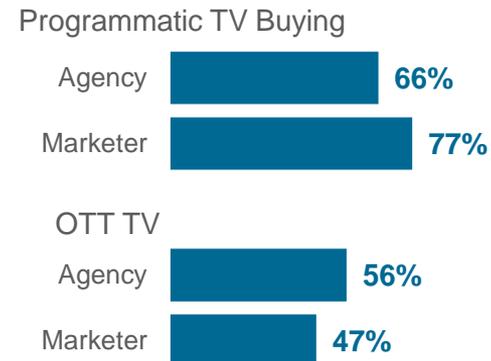
Advanced TV Advertising by Type: 2015 Usage and 2016 Plans

Substantial Increases Are Planned Across All Advanced TV Types in 2016 | *Programmatic TV Buying* and *Addressable Targeting* are the Advanced TV Types with the Most Traction Both Currently and Projected

Percent of Respondents
Involved in Advanced TV



Notable Differences Plan to Use 2016



Q35. Thinking about Advanced TV advertising which specific types have you used or plan to use this year?

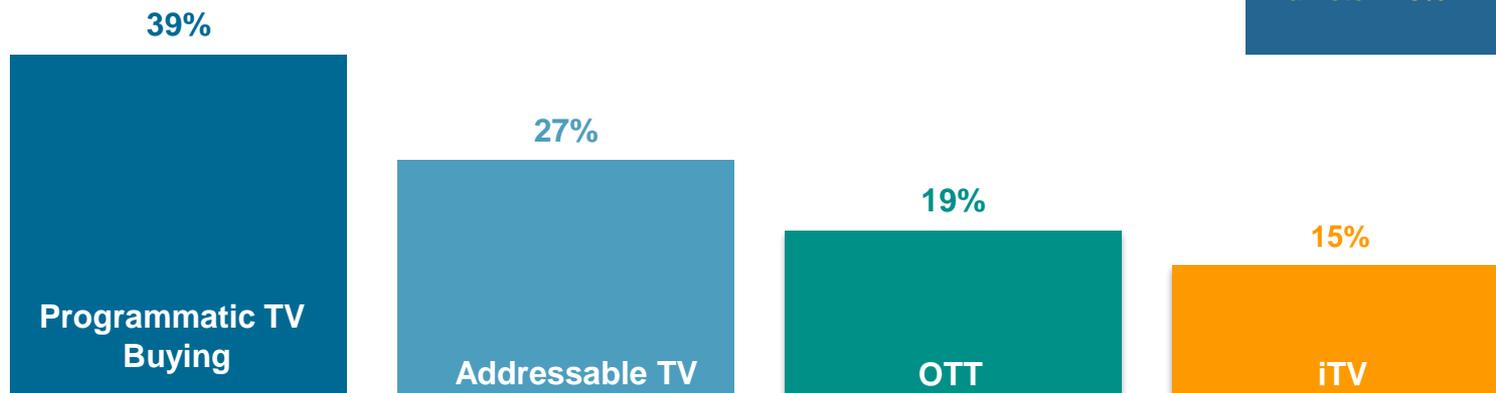
Q40. Thinking about your plans for Advanced TV advertising in 2016, which specific types do you anticipate using next year?

Base: Total Respondents Involved in Advanced TV

2015 Budget Allocation for Each Advanced TV Advertising Type

Budget Allocations Across Advanced TV Types Mirrors Current and Planned Usage, with Programmatic and Addressable Targeting Getting the Lion's Share

Average % of Budget
Among Those Involved in Advanced TV



Notable Differences
Average % of Budget

Programmatic TV Buying

Agency: 37%

Marketer: 43%

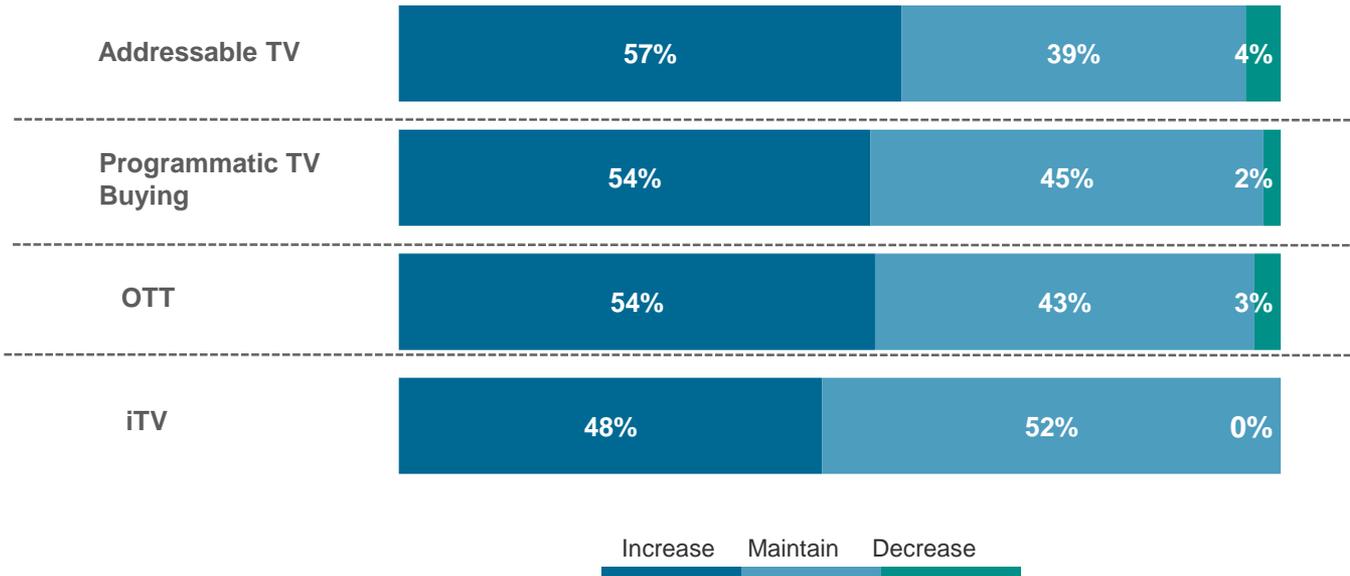
Q55. What percent of your [company's/clients'] total Advanced TV advertising budget would you estimate was allocated to each of the following types this year (2015)?

Base: Total Respondents Involved in Advanced TV

Projected Change in Budget for Each Advanced TV Advertising Type

Advertisers Expect Their Spending on *Programmatic TV Buying*, *Addressable TV* and *OTT* to Increase | Respondents Are Split Whether Their Spending on *iTV* Will Increase or Remain Flat

Projected Change in Spend in 2015
Respondents Who Use Advanced TV Types



Notable Difference Increase

Programmatic TV Buying
Agency: 58%
Marketer: 48%

OTT
Agency: 59%
Marketer: 47%

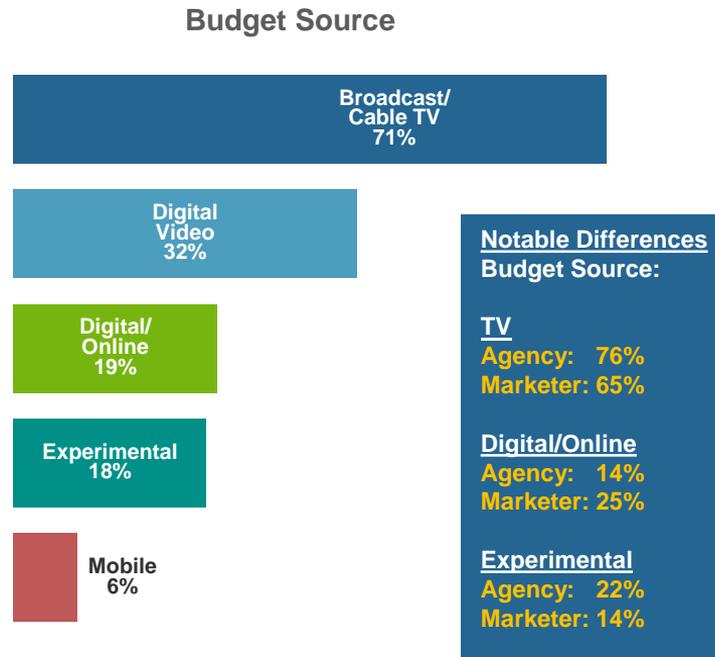
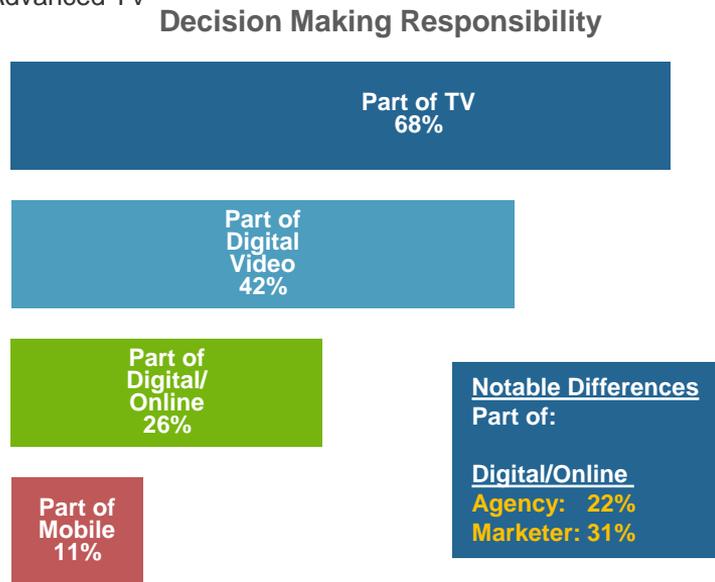
Q60. How do you expect your [company's/client's] spending on each of the following Advanced TV advertising to change in 2015?

Base: Total Respondents Use Each Type

Advanced TV Decision-Making Purview and Budget Source

Advanced TV Advertising Decision-Making and Budgets Are Most Likely to Fall Within the Purview of TV Teams

Percent of Respondents
Involved in Advanced TV



Q61. In your company, where does the responsibility for Advanced TV advertising decisions fall?

Q62. Which budget typically funds Advanced TV advertising?

Base: Total Respondents Involved in Advanced TV

Perceptual Insights: Advanced TV Effectiveness & Evaluation Criteria for Media Partners

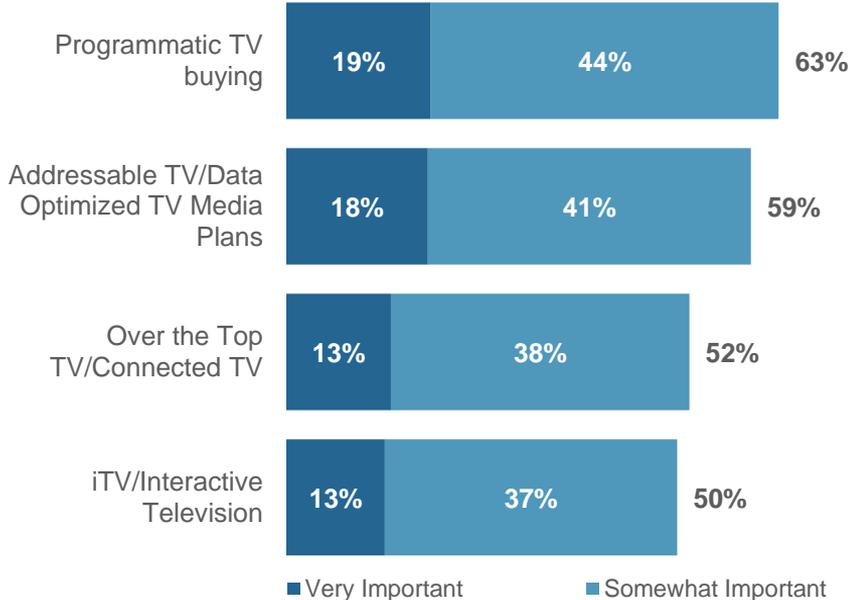
- Importance of Advanced TV Types in Supporting Marketing Objectives
- Perceived Benefits of Advanced TV
- Satisfaction with Advanced TV Advertising
- Advanced TV Media Partner Selection Criteria
- Importance of Metrics Used to Evaluate Media Partners
- Perceived Obstacles to Using Advanced TV
- Agreement Statements
 - Impact of Cord Cutting



Importance of Advanced TV Types in Supporting Marketing Objectives

Half or More Believe Advanced TV Advertising Can Work in Support of Their Marketing Objectives | However, Less Than 20% View Any Advanced TV Type as 'Very' Important, Suggesting Advanced TV Still Seen as Nice-to-Have Vs. Must-Have | Marketers More Likely to Favor *Programmatic TV Buying*, While Agencies See a Bigger Role for *OTT/Connected TV*

Percent Rating Very/Somewhat Important



Notable Differences Very/Somewhat Important

Programmatic TV Buying

Agency 59%

Marketer 69%

OTT

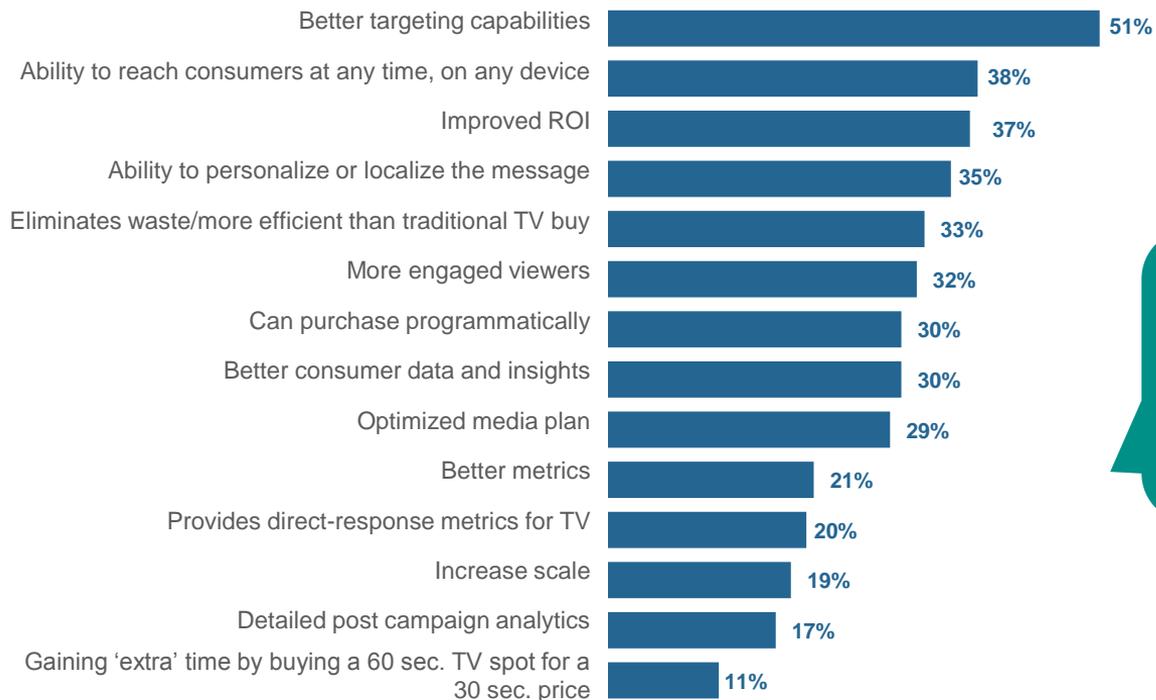
Agency 54%

Marketer 48%

Q20. Whether or not you currently use Advanced TV advertising, how important do you think each of the following can be in supporting a brands' advertising and marketing objectives?
Base: Total Respondents

Perceived Benefits of Advanced TV Advertising

Targeting Perceived as Advanced TV's Biggest Benefit by a Wide Margin



Benefits of Advanced TV*

"For something like a pet product, being able to just target people who have pets in the household is huge. And then even within our brand, we are targeting different types of pet owners. If we can get into a household that treats their dog like a child (putting clothes on it and whatnot), or a household that takes their dog hunting and fishing – that is huge." – *Marketer, Director*

"[Advanced TV] really eliminates a lot of the waste that comes with these big broadcast buys...[Advanced TV] lets us home in on our target in a variety of ways, and not only reach them with our traditional spot, but also offer them additional ways to interact – whether it's an overlay that drives them somewhere, or a Click-to-Call. It just makes our buys a lot smarter instead of trying to compete with the big guys that can be everywhere. Because we just can't be."

– *Agency, Director*

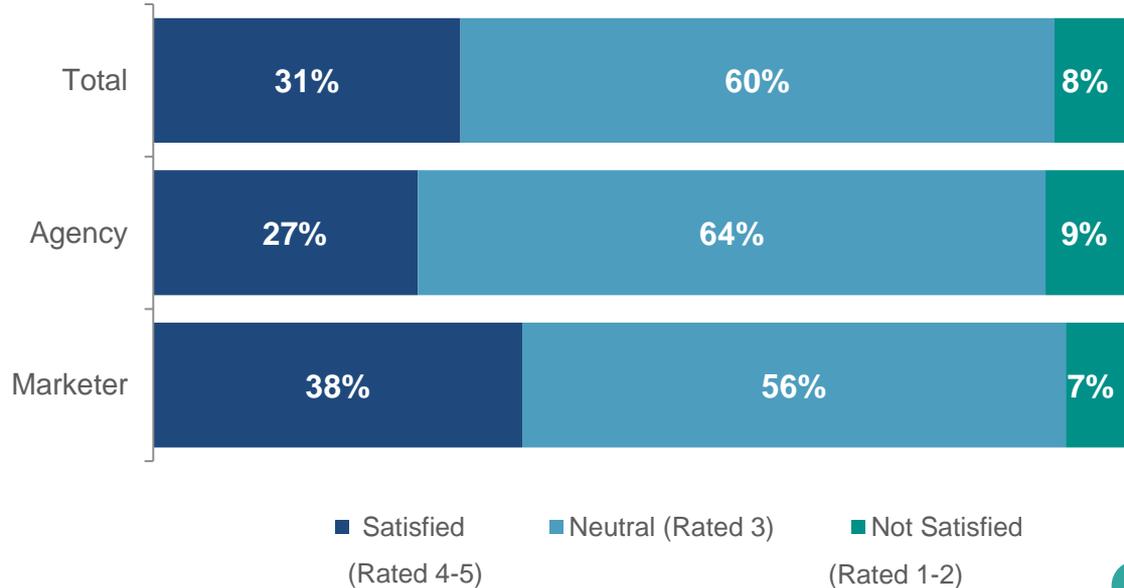
Q81. Please tell us which of the following you believe to be the biggest benefits or advantages to buying Advanced TV advertising?

Base: Total Respondents *Source: 2015 Advanced TV Qualitative Study

Satisfaction with Advanced TV Advertising

Overall There Is an Opportunity to Increase Advanced TV Advertising Satisfaction Levels, Especially Among Agencies

Percent of Respondents Involved in Advanced TV
Satisfaction Rating (Scale of 1 - 5, 5 = Extremely Satisfied)



Reasons for Satisfaction Rating*

“...We were able to show an incremental reach, and the clients were really pleased with that.” - Agency, Director

“...It delivered the GRPs we wanted it to, but on a deeper, targeted level. So for us, it was successful.” - Agency, Director

“We were satisfied with how the campaign was laid out. But there are challenges even within our internal analytics team... we’ve had trouble getting clarity on how to measure not only on just the impression, but how can we understand if the households we targeted made a purchase? ...TV has to deliver more than an impression now. It has to be tied back to a sale.” - Marketer, Director

“We’re still digging through the numbers and trying to figure out what they mean, and how [interactive TV] parallels our traditional TV and how it parallels Digital Video.” – Agency, Director

Q70. How satisfied are you, overall, with your Advanced TV advertising?

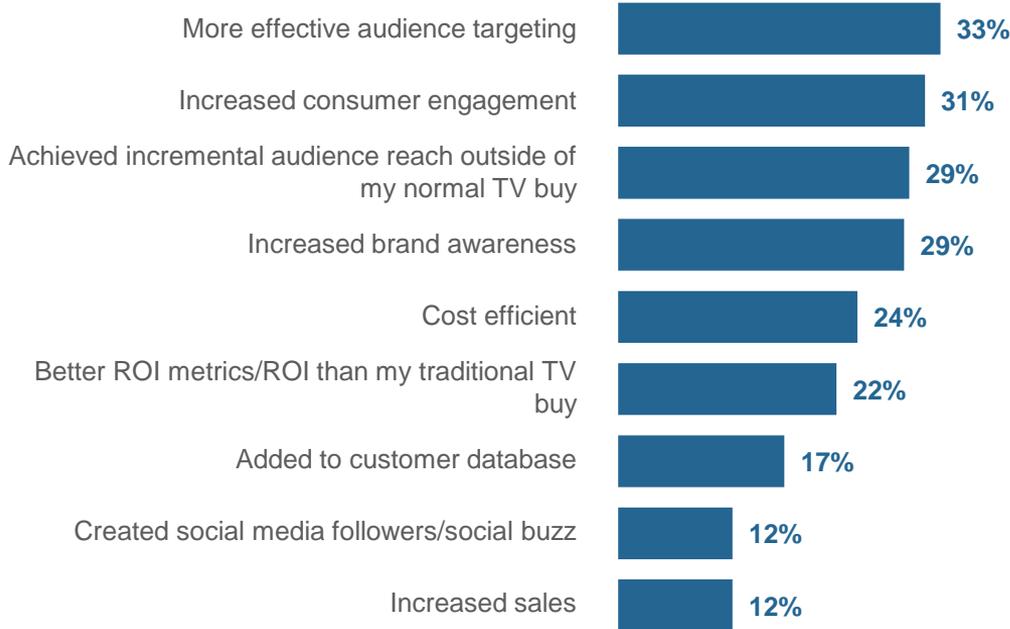
Base: Total Respondents Involved in Advanced TV

*Source: 2015 Advanced TV Qualitative Study

Reasons for Advanced TV Advertising Satisfaction

More Effective Audience Targeting and Increased Consumer Engagement Driving Advanced TV Advertiser Satisfaction | Marketers More Likely to Attribute Benefits to Their Advanced TV Advertising

Percent of Respondents Satisfied With Advanced TV Advertising



Notable Differences

Increased Consumer Engagement

Agency: 28%

Marketer: 35%

Added to Customer Database

Agency: 14%

Marketer: 21%

Created Social Media Followers

Agency: 9%

Marketer: 15%

Increased Sales

Agency: 9%

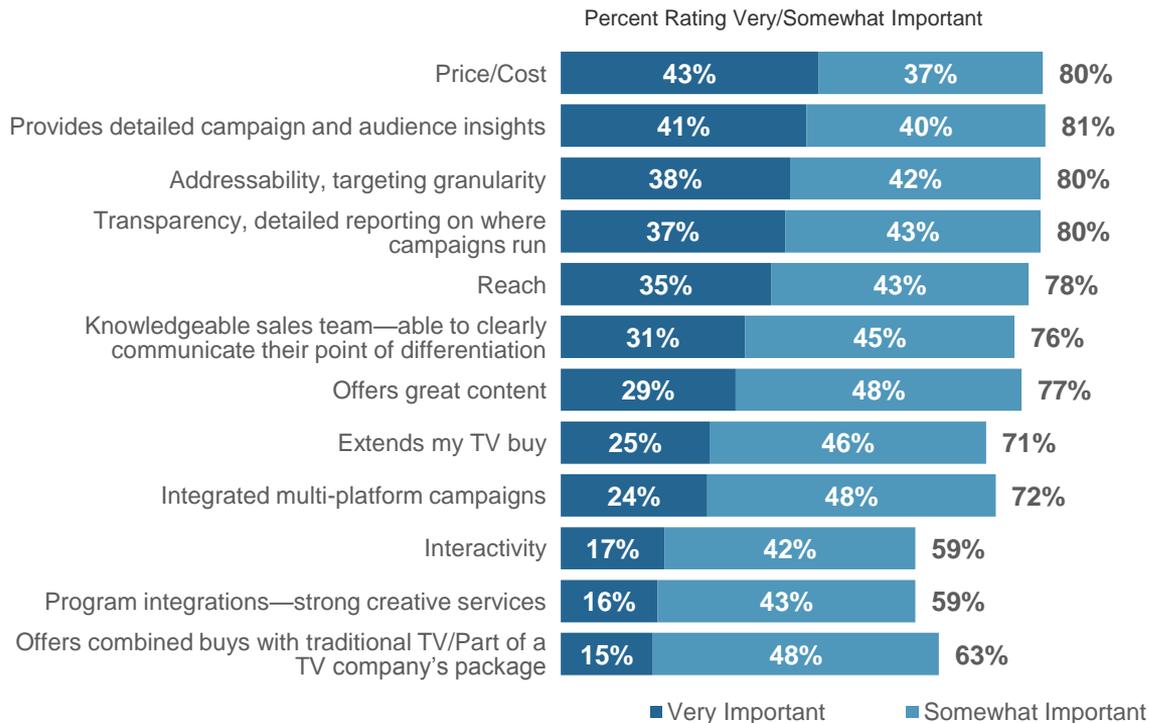
Marketer: 15%

Q100. You said you were satisfied with your Advanced TV advertising, which specific objectives did your advertising campaign achieve or surpass?

Base: Total Respondents Satisfied With Advanced TV Advertising

Importance of Selection Criteria for Advanced TV Advertising Partners

Price, Campaign/Audience Insights, Addressable Targeting Granularity and Reporting Transparency Are the Most Important Factors When Choosing an Advanced TV Advertising Partner | Agencies Set a Higher Bar for Reporting and Insights



Notable Differences Very Important

Provides Detailed Campaign /Audience Insights

Agency: 45%

Marketer: 35%

Transparency

Agency: 42%

Marketer: 30%

Integrated Multi-Platform Campaigns

Agency: 27%

Marketer: 20%

Interactivity

Agency: 15%

Marketer: 21%

Q75. Whether or not you currently use Advanced TV advertising, how important do you think each of the following are when selecting an Advanced TV advertising partner?

Base: Total Respondents

What Makes an Advanced TV Provider a Good Partner? *(In Their Own Words)*

“Being able to very clearly communicate what their functionality is and what they do that’s different from other providers. We always joke that when we’re talking to our clients [advertisers], it can be like talking to a 5-year-old. **So being able to really explain what it is they do and why.** Also, nobody wants to work with a partner that’s not going to be able to tell them where their ad is running. Gone are the days of the old ad networks. **Being fully transparent is important.**”*

- Agency, Director

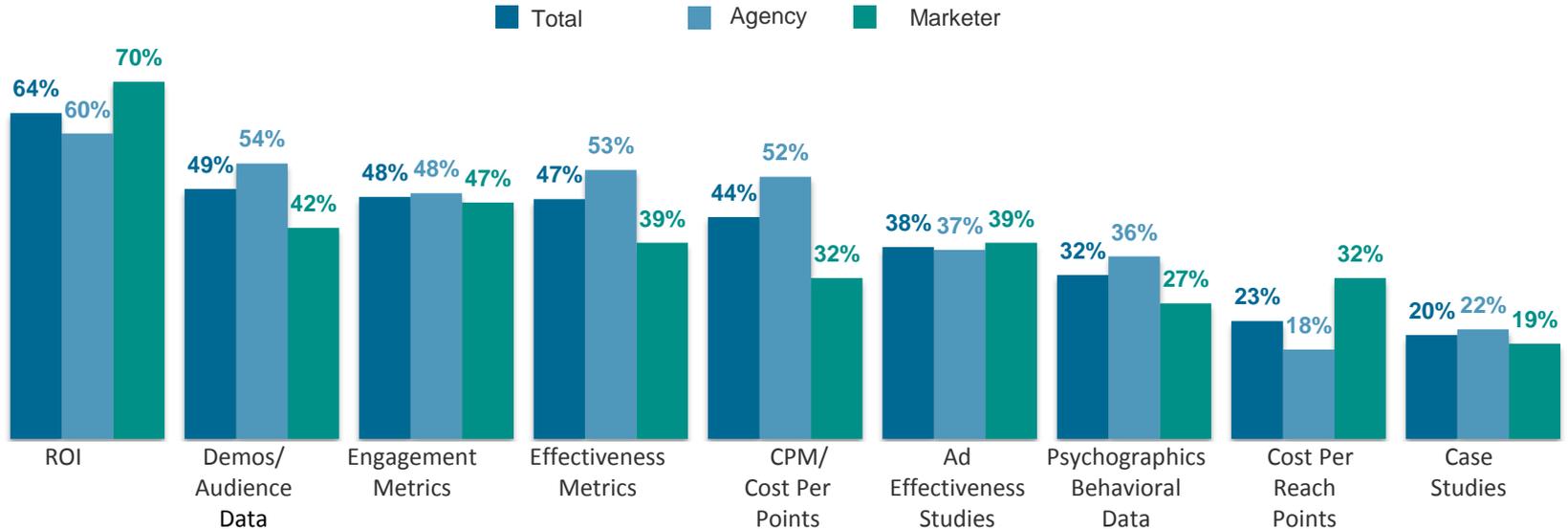
“**Really taking the time to understand what we are trying to accomplish and what are the limitations to doing that.**”*

- Agency, VP

*Source: 2015 Advanced TV Qualitative Study

Importance of Metrics Used to Evaluate Advanced TV Partners

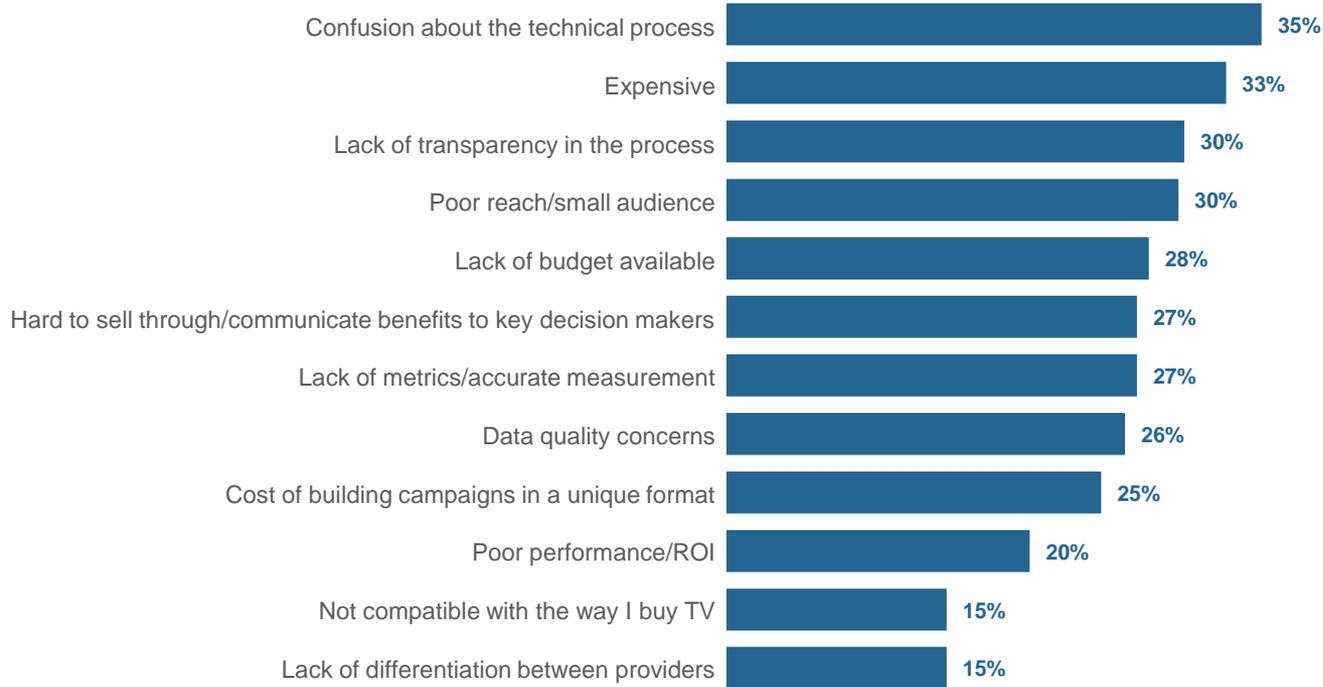
ROI Is the Most Important Metric When Evaluating Advanced TV Partners, Especially Among Bottom-Line Oriented Marketers
| Agencies Consider a Variety of Campaign Metrics Including *Audience Data/Demos*, *Ad Effectiveness* and *CPM*



Q80. Again, whether or not you currently use Advanced TV advertising, what are the most important metrics when evaluating Advanced TV partners for advertising purposes?
Base: Total Respondents

Biggest Obstacles to Using Advanced TV Advertising

Confusion/Lack of Transparency about the Process and Expense/Budget-related Concerns Are the Biggest Obstacles to Usage
| Reach/Scale Also a Concern for Nearly a Third



Q85. Please tell us which of the following you believe to be the greatest obstacles to placing Advanced TV advertising?

Base: Total Respondents

Biggest Obstacles to Using Advanced TV Advertising—*In Their Own Words*

“Case studies are always helpful. I go to a lot of AMA conferences and watch how other advertisers are engaging in new technology. And it’s really helpful to see how they do it.

Information on how they do it logistically in their organization, like how they sell it through to upper-management, how to structure your teams... best practices.”

– *Marketer, Director*

“I think case studies would be helpful. I think that proving return on investment would be incredibly helpful. And I still think that – even having something that goes through what all of the different formats are, what can each of them do and not do. **Even my agency doesn’t really understand Advanced TV.”**

– *Marketer, Manager*

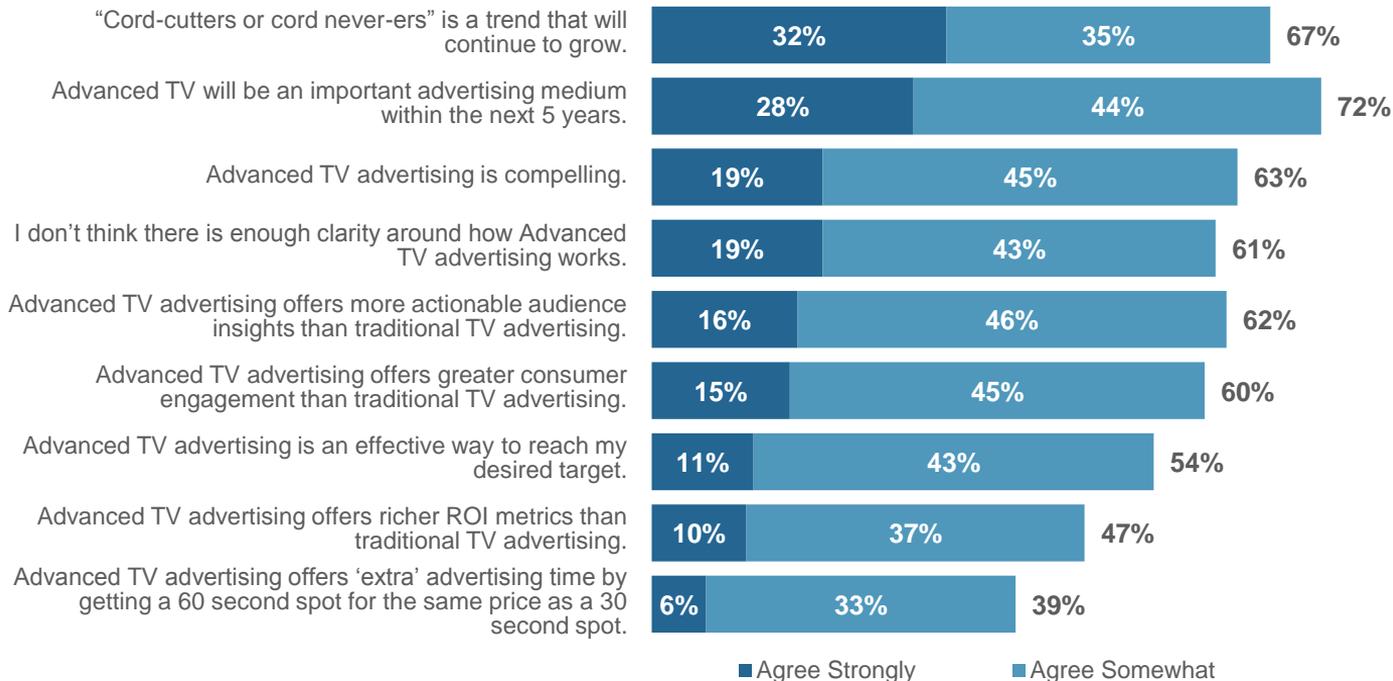
“Usually when you’re in those meetings, it’s with people at VP-level and above. And it’s like, ‘No, we really need to see **under the hood to understand how this works and how we’re going to sell this through to the client.**’ We wind up in these meetings where the [provider rep] doesn’t know how their product works.” – *Agency, VP*

Source: 2015 Advanced TV Qualitative Study

Agreement Statements Regarding Advanced TV Advertising

Nearly One-Third Strongly Agree that *Cord-Cutters or Cord Never-ers Is a Trend That Will Continue to Grow* | Related, More Than a Quarter Strongly Agree That Advanced TV Advertising Will Be an Important Advertising Tool Within 5 Years

Percent Rating Agree Strongly/Somewhat



Notable Differences Strongly Agree

Offers greater consumer engagement than traditional TV
 Agency: 10%
 Marketer: 23%

Offers richer ROI metrics than traditional TV
 Agency: 7%
 Marketer: 15%

Q90. Please indicate how much you agree or disagree with each of the statements below regarding Advanced TV advertising.

Base: Total Respondents

Is Cord-Cutting Impacting Media Plans? *(In Their Own Words)*

“We’re seeing networks struggling to meet their estimates. This is the year we’re really starting to feel [the effects of cord-cutting]. We’ve had the most under-delivery that I’ve seen in my 7 years working on this business. We’ve now set aside [some of our TV budget] to do Advanced TV testing for some brands that are more straightforward male-targeted brands. This is also the first year that we opened up to do a TV Everywhere-type campaign which is more Digital Video, but we’re counting it as TV (TRPs) so it was in ‘TV-like’ environments.”

– *Marketer, Manager*

“Our FEP budgets have gone down in the past year because we weren’t placing the inventory because we weren’t getting the impressions. **We continue to watch [the trend], but not sure whether it’s going to meet critical mass. The cable networks are really smart about how – you can’t really fully [cut the cord] because you still need your Internet access.**” - *Agency, VP*

Source: 2015 Advanced TV Qualitative Study

Appendix

- Region
- Media Type Involvement
- Company Type
- Role in Decision-Making for TV Advertising
- Job Title
- Estimated Total Ad Spend
- Market Sector Focus
- Geographic TV Advertising Targets
- Agency/Marketer Cut: Perceived Benefits of Advanced TV Advertising
- Agency/Marketer Cut: Perceived Obstacles to Advanced TV Advertising

Region

	Total	Company Type		Job Title			Have Purchased Advanced TV Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
East	58%	63%	50%	62%	57%	53%	57%	60%
West	18%	14%	25%	20%	20%	11%	20%	11%
Central	24%	23%	26%	17%	23%	37%	23%	30%

S15. In which state or territory do you currently reside?

Base: Total Respondents

Media Type Involvement

	Total	Company Type		Job Title			Have Purchased Advanced TV Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
Print (magazines and national newspapers)	67%	62%	74%	76%	71%	46%	71%	51%
Cable TV	68%	72%	61%	76%	70%	51%	75%	36%
Broadcast TV	65%	68%	61%	67%	70%	54%	72%	36%
Online/Digital Display	87%	88%	85%	91%	90%	75%	86%	91%
Online/Digital Video	86%	88%	83%	87%	87%	84%	86%	89%
Radio	61%	63%	56%	67%	61%	49%	66%	38%
Outdoor	52%	54%	50%	53%	60%	37%	56%	34%
Advanced TV	46%	47%	46%	52%	51%	30%	57%	-
Mobile Video	71%	76%	64%	74%	72%	65%	74%	60%
None of these	1%	-	3%	1%	2%	-	1%	-

S15a. In which of these media are you involved in recommending, specifying or approving advertising spending?

Base: Total Respondents

Company Type

	Total	Company Type		Job Title			Have Purchased Advanced TV Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
Agency (Net)	60%	100%	N/A	62%	64%	51%	57%	72%
Agency - meaning you advise clients on where to spend their advertising dollars	56%	93%	N/A	57%	60%	47%	54%	66%
Consultant on the agency side	4%	7%	N/A	5%	4%	4%	4%	6%
Marketer (Net)	40%	N/A	100%	38%	36%	49%	43%	28%
Advertiser - meaning you advertise your company's products or services (including in-house agency)	33%	N/A	82%	27%	33%	42%	34%	26%
Consultant on the advertiser side (including in-house agency)	7%	N/A	18%	11%	3%	7%	8%	2%

S20. Which of the following characterizes the work your company is primarily involved with?

Base: Total Respondents

Role in Decision-Making for Advertising

	Total	Company Type		Job Title			Have Purchased Advanced TV Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
I am the sole decision maker.	17%	9%	30%	28%	12%	7%	18%	13%
I am at an agency and I am the primary decision maker, although I collaborate considerably with the client.	31%	51%	N/A	32%	38%	16%	29%	38%
I am one of several people who collaborate on decisions.	52%	41%	70%	41%	49%	77%	53%	49%

S25. How would you describe your role in the advertising/media decision-making process?

Base: Total Respondents

Job Title

	Total	Company Type		Job Title			Have Purchased Advanced TV Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
Senior (Net)	39%	40%	37%	100%	N/A	N/A	41%	30%
C-Level	8%	5%	13%	20%	N/A	N/A	8%	9%
VP, EVP, SVP, President, etc.	31%	35%	24%	80%	N/A	N/A	33%	21%
Director/Supervisor	39%	41%	36%	N/A	100%	N/A	40%	36%
Junior (Net)	22%	19%	28%	N/A	N/A	100%	20%	34%
Buyer	4%	7%	1%	N/A	N/A	19%	2%	13%
Manager	15%	8%	25%	N/A	N/A	65%	14%	15%
Planner	2%	3%	1%	N/A	N/A	9%	2%	2%
Other	2%	2%	1%	N/A	N/A	7%	1%	4%

S26. What is your job title?

Base: Total Respondents

Estimated Total Ad Spend in Coming Year

	Total	Company Type		Job Title			Have Purchased Advanced TV Audience Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/ Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
\$1 million to less than \$2 million	11%	5%	20%	8%	15%	9%	10%	15%
\$2 million to less than \$5 million	9%	9%	10%	9%	6%	16%	9%	11%
\$5 million to less than \$10 million	17%	17%	16%	19%	13%	18%	17%	15%
\$10 million to less than \$25 million	20%	20%	19%	22%	16%	21%	20%	19%
\$25 million to less than \$50 million	13%	12%	14%	8%	16%	16%	13%	13%
\$50 million to less than \$100 million	14%	17%	9%	14%	18%	5%	14%	11%
\$100 million or more	17%	19%	13%	18%	15%	16%	16%	17%

S30. Approximately how much will [your company/your clients] spend on total advertising in all media (TV, Digital, Mobile, Print, Out-of-Home, Radio, etc.) in the coming year?

Base: Total Respondents

Market Sector Focus

	Total	Company Type		Job Title			Have Purchased Advanced TV Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/ Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
Automotive/Motorcycle/Off-Road/RV and Related	20%	26%	12%	21%	18%	23%	21%	19%
Baby, Child or Parenthood Related	9%	9%	9%	12%	10%	-	9%	6%
Consumer Electronics	9%	9%	10%	13%	4%	12%	10%	6%
Consumer Packaged Goods	24%	25%	22%	24%	22%	26%	25%	21%
Energy	8%	8%	8%	12%	5%	5%	8%	9%
Entertainment	21%	23%	18%	27%	19%	14%	23%	13%
Financial Products/Services	27%	29%	24%	34%	20%	26%	26%	30%
Home & Appliance	9%	9%	9%	12%	4%	12%	8%	13%
Liquor, Beer and Wine	9%	11%	7%	9%	13%	4%	11%	4%
Men's or Women's Apparel/Fashion	9%	10%	8%	14%	9%	2%	9%	13%
Men's or Women's Toiletries & Cosmetics	8%	9%	7%	7%	11%	4%	8%	6%
Pharmaceuticals & Remedies	16%	20%	9%	15%	20%	9%	14%	21%
Quick Service Restaurants	11%	14%	6%	11%	10%	11%	11%	9%
Retail	18%	22%	12%	20%	15%	18%	18%	15%
Technology	15%	12%	20%	18%	16%	9%	16%	13%
Telecommunications	10%	9%	12%	10%	10%	9%	10%	9%
Travel	14%	17%	9%	15%	15%	9%	14%	11%
Other	7%	10%	2%	7%	7%	5%	4%	19%

S35. For which of the following product/service market sectors do you recommend, specify or approve media selection?

Base: Total Respondents

Geographic TV Advertising Targets

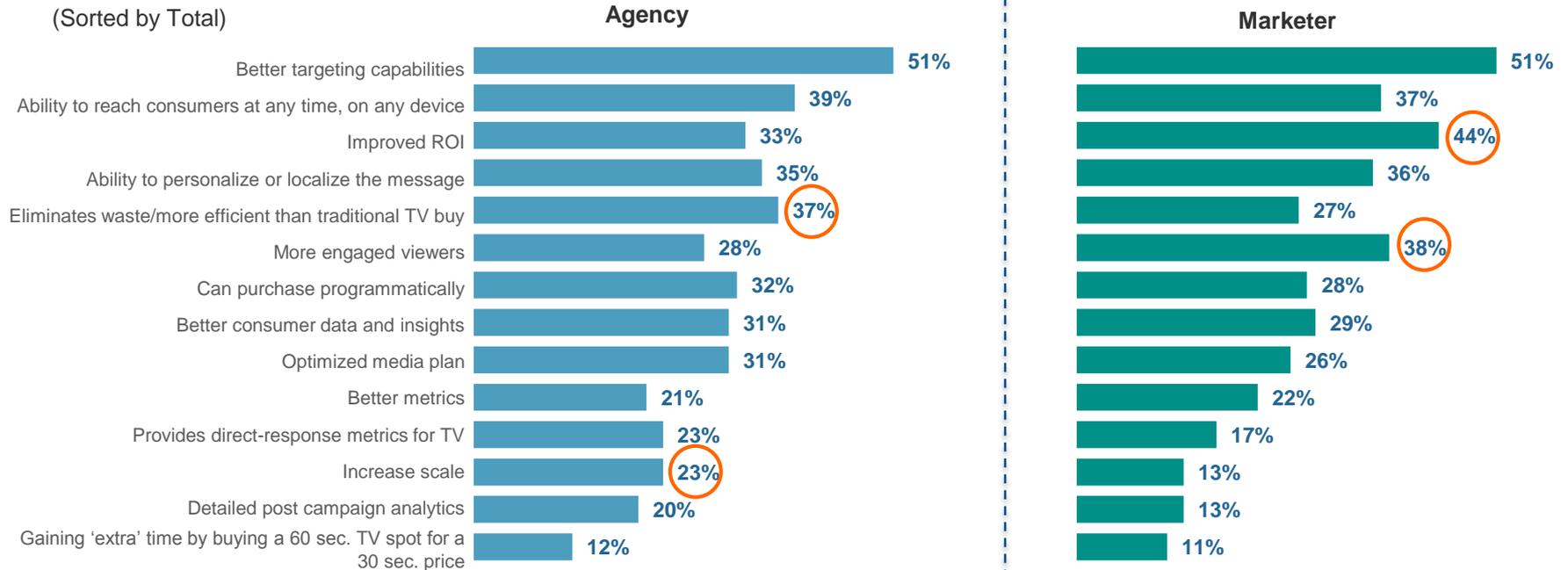
	Total	Company Type		Job Title			Have Purchased Advanced TV Advertising in Last 12 Months	
		Agency	Marketer	VP+	Director/Supervisor	Buyer, Manager, Planner, Other	Have Purchased	Have NOT Purchased
Local/Regional	63%	63%	62%	61%	62%	66%	62%	65%
National	76%	78%	73%	82%	78%	62%	78%	47%
International	14%	11%	18%	15%	12%	15%	14%	6%

S40. Thinking specifically about your current TV advertising what are your geographic targets?

Base: Total Respondents Involved in TV or Advanced TV

Advanced TV Advertising's Biggest Benefits—By Company Type

Marketers More Likely to Credit Advanced TV Advertising With *Improving ROI* and *Delivering More Engaged Viewers*



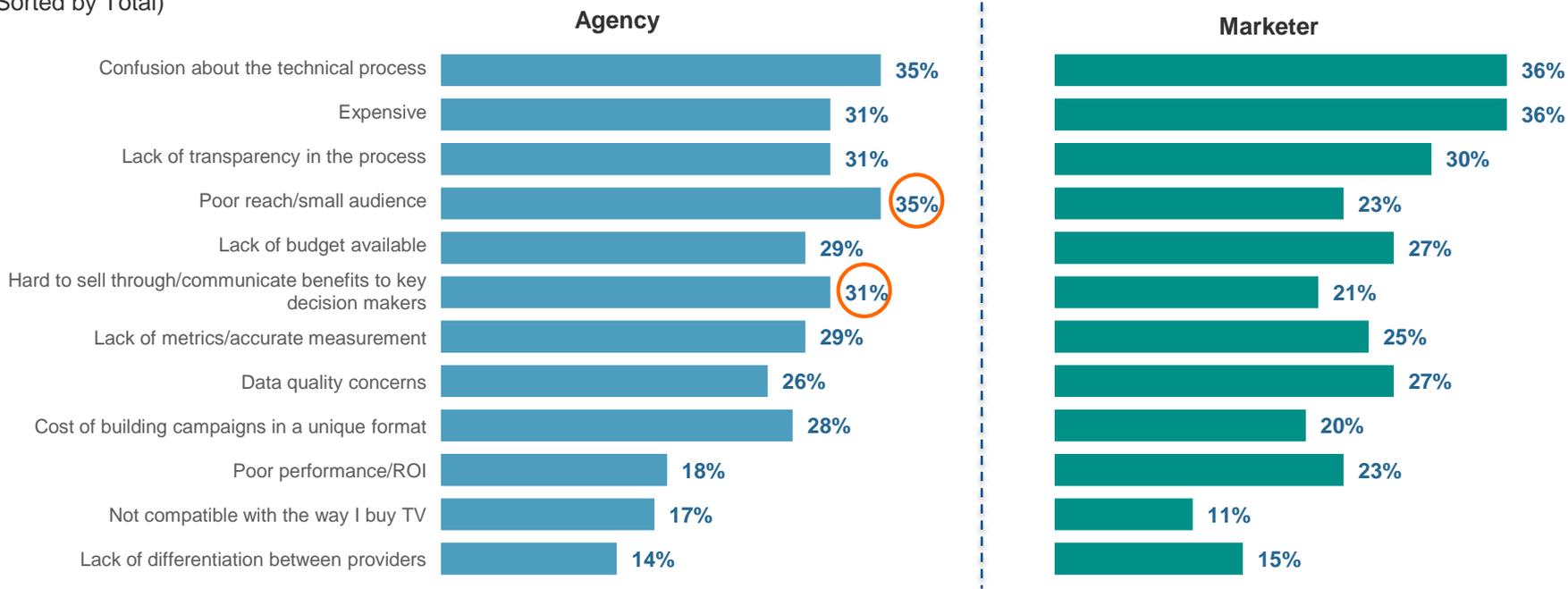
Q81. Please tell us which of the following you believe to be the biggest benefits or advantages to buying Advanced TV advertising?

Base: Total Respondents

Biggest Obstacles to Placing Advanced TV Advertising—*By Company Type*

Agencies More Likely to Cite Poor Reach and Difficulty Communicating the Benefits to Key Decision Makers as Deterrents

(Sorted by Total)



Q85. Please tell us which of the following you believe to be the greatest obstacles to placing Advanced TV advertising?

Base: Total Respondents



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The Stronger Your Brand

The More You'll Sell™

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