

ADWEEK

Buyers Love Advanced TV, Even Though They Still Aren't Quite Sure What It Is

New study says spending is on the rise

By [Jason Lynch](#)

Long live advanced TV! Wait — what is advanced TV again?

Those are the somewhat contradictory findings from a new Interactive Advertising Bureau study released today called *Advanced TV: Ad Buyer Perceptions*. In the IAB survey of 255 marketers and agency decision makers (all of whom make media brand-selection decisions and spend at least \$1 million in advertising), 78 percent said they are already using advanced TV, and most of them plan to increase their spend in the next 12 months.

Yet, despite that momentum, IAB's survey, conducted by Advertiser Perceptions, also revealed confusion about what exactly "advanced TV" encompasses. Fifty-eight percent of advertisers said they were unclear about the difference between advanced TV and connected TV, while 35 percent said they didn't understand advanced TV's technical process.

The industry confusion likely stems from the fact Advanced TV is a catch-all term that refers to content delivered beyond traditional TV broadcasts. It can include everything from video on demand and streaming services to interactivity and targeted advertising.



When respondents were asked to define advanced TV themselves, popular descriptors included "targetable," "interactive," "addressable," "programmatic buyer," "VOD" and "DVR." A majority of respondents believed the term covers interactive, addressable and cross-platform viewing—a smaller number added OTT and TV Everywhere as well.

"Advanced TV is not clearly defined to the marketplace," said Sherrill Mane, svp, research, analytics and measurement, IAB. "But the capabilities that are associated with digital, that make digital valuable to marketers, are now being put into their view of what advanced TV is." For example, programmatic can be applied to traditional linear TV only, but it's still associated with digital.

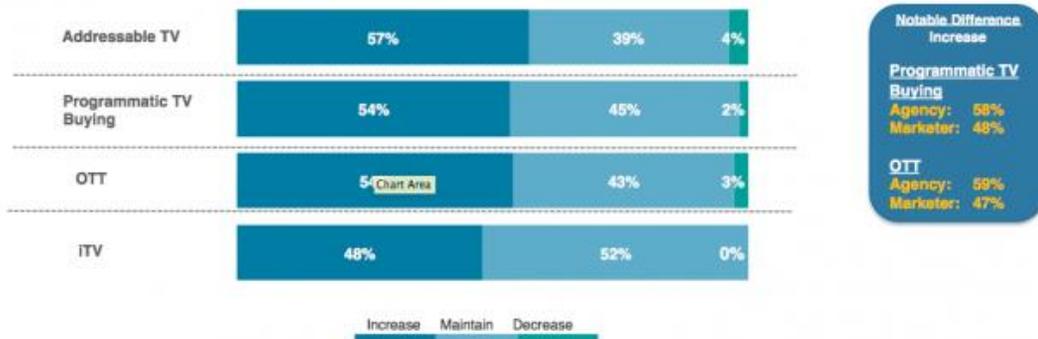
Earlier this year, IAB released [an advanced TV industry primer](#) to help clear up some of the marketplace confusion. But whatever the term "advanced TV" means, 72 percent of advertisers see it becoming an important platform for them within five years because of factors like better targeting capabilities, the ability to reach consumers anytime on any device, improved ROI and the ability to personalize or localize messages.

The current mean media budget allocation for advanced TV is \$1.4 million. Seventy percent of advertisers expect to spend more on it in the next 12 months, while 31 percent plan to decrease their broadcast TV spend and 17 percent plan to decrease their cable TV spend. Sixty-eight percent said they will shift funds away from TV budgets to fund advanced TV, and 54 percent will pull from expanded or experimental ad budgets.

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



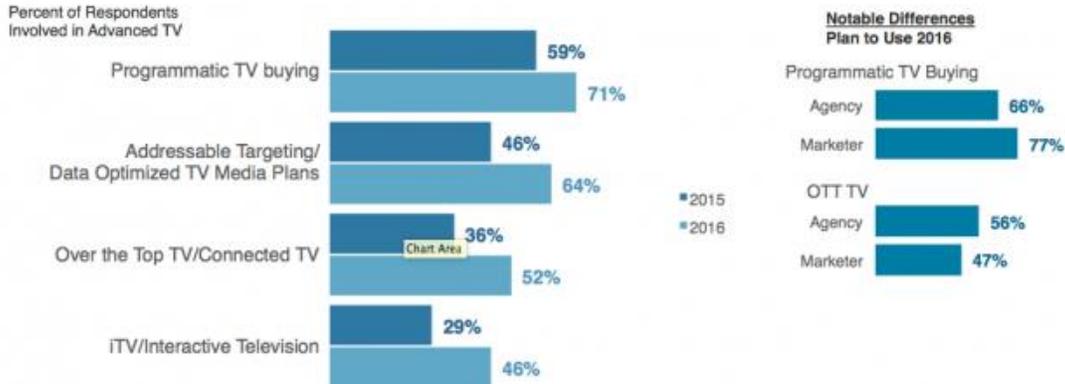
Q60. How do you expect your [company's/client's] spending on each of the following Advanced TV advertising to change in 2015?
Base: Total Respondents Use Each Type

Of those advanced TV budget increases, advertisers said they expect to increase their spending on addressable TV (57 percent), programmatic TV buying (54 percent) and OTT (54 percent).

The advanced TV formats most likely to increase in the next year include addressable advertising (from 28 percent who use it currently to 38 percent), second-screen ads (increasing from 23 percent to 35 percent) and interactive tags (from 21 percent to 30 percent).

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

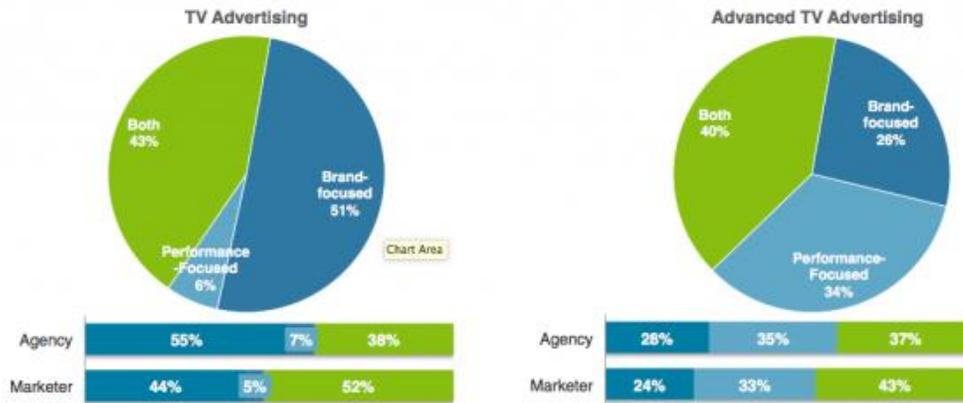


Q35. Thinking about Advanced TV advertising which specific types have you used or plan to use this year?
Q40. Thinking about your plans for Advanced TV advertising in 2016, which specific types do you anticipate using next year?
Base: Total Respondents Involved in Advanced TV

The survey also revealed that linear TV is used more for brand campaigns, while advanced TV is more likely to be used for performance objectives.

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



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

"It speaks to the understanding that what television can do for advertising among the buying community is changing. Traditional TV is for big brands, building awareness and big reach among important, niche audiences. And now you're seeing some of the performance-based folks saying, 'Hey, this is a good way to get out there,'" said Mane. "Some of the smaller overall budget clients are using advanced TV more as a way of upping their share. And that speaks to how the pricing is different and the targeting is better."

"Building brand awareness is something that traditional TV does extremely well," Mane added. "Advanced TV provides what digital capabilities in general for advertising provide, and that is ways to see how people are interacting and ways to measure an immediate response."

IAB's study shows that when it comes to dire predictions about television's future, "the Chicken Little stuff should stop," said Mane. "TV is healthier than one thinks if you look under the hood. But in addition, TV is going to be going more and more digital, because consumers want to use content digitally."

The full IAB study can be found [here](#).