

A photograph of a person sitting on a couch in a living room, watching a television. The TV screen shows a news anchor sitting at a desk with a 'BREAKING NEWS' banner in the background. The person on the couch is holding a remote control. The entire image has a blue tint.

TV Buying Basics

WIDEORBIT

Welcome from Mickey

It's no secret that video is a go-to strategy for consumer marketers.

It's obvious why. Sight, sound, and motion create a powerful brand experience, while digital targeting capabilities make it easy and cost-efficient to place video ads in front of the right people at the right time.

Advertiser demand for cross-screen campaigns and the rise of programmatic TV platforms are prompting marketers to consider running digital video executions on TV, the world's most watched and most effective mass medium.

Buying TV is a different experience for planners accustomed to setting up digital campaigns in a buying console. There is a whole new set of metrics to learn for campaign planning and measuring. Then there is the task of figuring out whom to buy from and which inventory is most likely to reach the target audience.

To marketers looking to give TV a try, welcome! I hope you find this primer interesting and helpful.



CHIEF MARKETING OFFICER

Mickey Wilson

TV – The Most Powerful Ad Medium

It has been more than 75 years since the first TV ad aired: a five-second spot on a major league baseball game. Much has changed since then, except for the fact that TV remains the most premium, effective, and farthest reaching ad medium.

REACH

TV engages audiences in nearly every American home. No advertising medium comes close to that kind of reach.

VIEWABILITY

The screen scale and limited distractions of TV command unparalleled viewer attention.

IMPACT

TV is a trusted place for brand messages, and TV ads create greater sales life from associated programming context and audience perception of “premiumness”.

BRAND-SAFETY

Due to its nature, measurement standards, and delivery methods, TV does not have issues with impression fraud or brand safety.

Video audience monthly reach by platform Q2 2017

Source: Nielsen Comparable Metrics, Q2 2017 (Adults 18+)

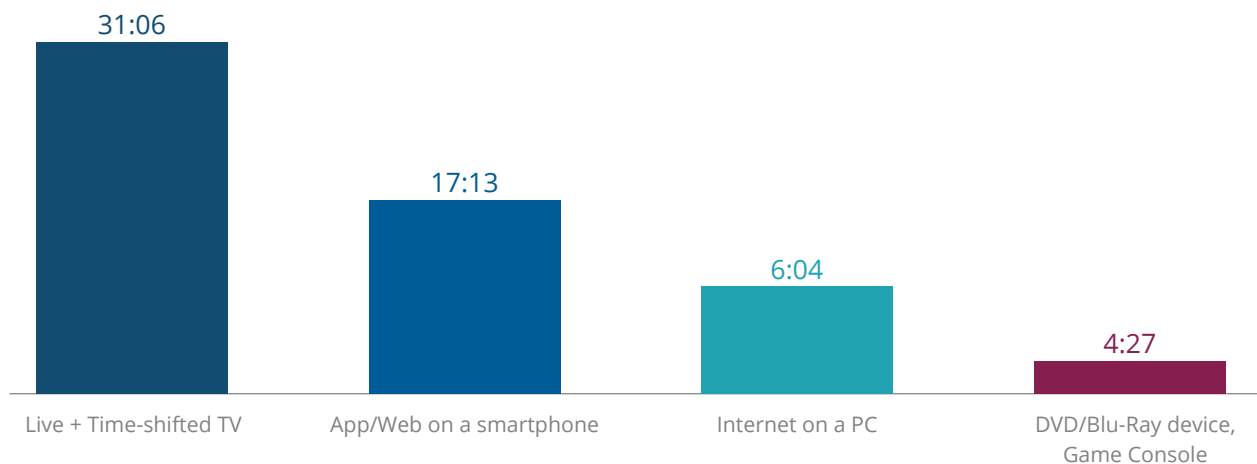


The Power of TV

Adults 18+ spend the most time watching TV

Weekly time spent in hours:minutes among US population

Source: Nielsen Comparable Metrics Report Q2 2017



Most video is watched on TVs

Even though consumers choose from more screens than ever, 91% of all video minutes are watched on screens, according to Nielsen.

Nearly 90% of TV is watched live

Nielsen's Q2 2017 TAM report found that only about four hours per week of adult TV viewing is time-shifted.

Despite what you may hear, Millennials watch plenty of TV

According to Nielsen, the average 18-34 year old spends more than four hours a day watching TV.

TV ads are effective

Neustar found that TV ads generate more sales lift than digital or offline media at similar spending levels.

Types of TV ad inventory

Five kinds of businesses own the vast majority of TV ad inventory. National Broadcasters, Syndicators, and Cable Networks are typically used for national advertising, while Local Broadcasters and MVPDs are frequently used for market-specific campaigns. Here is more detail on how these businesses operate:

National Broadcast Networks

Major National Broadcasters in the US are ABC, CBS, NBC, FOX, and The CW. Broadcasters develop most of their premium programming, and spots purchased from them reach viewers across the country.

Cable Networks

Cable Network programming is distributed by MVPDs (Multichannel Video Programming Distributors). Major cable networks such as TNT and ESPN reach almost all US households that subscribe to cable. Minor cable networks only reach subscribers that purchase a channel package tier that includes them. Spots purchased from a Cable Network will reach the associated MVPD subscribers.

Syndicators and Studios

First-run syndication means programming that is a new episode of a show made specifically to sell directly into syndication. An example is a daytime talk show like *Dr. Phil*. Off-network syndication is licensing of a program that originally ran on network television and sometimes first-run syndication. Off-network examples are usually prime time shows like *Friends*. Syndicators can sell part of the ad time within programs, so reach is usually national.

Local Broadcast Stations and Groups

There are hundreds of local broadcast stations across the country. Each has a broadcast range reaching viewers in one or more of 210 Nielsen Designated Market Areas (DMAs). Stations may be owned by an independent station group like Hearst or Tribune, or owned and operated by one of the National Broadcast Networks. Spots are purchased from individual stations to reach an audience within their DMA or across several of its owner's stations. Local Stations show syndicated programming and content from National Broadcasters with which they develop affiliate relationships. They may also develop content for their local markets, like news shows. For example, FOX5 Atlanta produces local news and airs national content from FOX and syndicated shows.

TV Measurement

Television is measured with Ratings Points, Share, and GRPs. As digital advertising has grown, impressions and CPMs are becoming more common. These newer metrics appeal to buyers who want to target audience segments with demographic data more complex than age and gender.

All TV metrics account for the period of time in which a program was viewed. Most buys are based on “C3 ratings”, which counts viewers who viewed live or time-shifted TV within three days of airing.

Here’s a deeper dive into how TV is measured:

RATING POINTS

The percentage of total households with a TV that saw a show.

Example: If there are 100 million TV equipped households in the US and 5 million watch a program, it gets 5 Rating Points.

$$\text{Rating Points} = \frac{\# \text{ Viewing Households}}{\# \text{ Total TV Households}}$$

SHARE

The percentage of tuned-in households who watched a certain show.

Example: If 10 million households are watching TV at a given time and 3 million watch a certain program, the program has a 30% Share.

$$\text{Share (\%)} = \frac{\# \text{ Viewing Households}}{\# \text{ Total Tuned-In Households}}$$

GROSS RATING POINTS (GRPs)

The total campaign impressions seen by a target audience divided by its population.

Example: If a campaign targets 4 million females 18 to 34 years old and there are 1 million views by this group of women within a specified time frame, it has captured 25 GRPs. This number can be over 100 if the target audience sees the campaign multiple times.

$$\text{GRPs (\%)} = 100 \times \left(\frac{\# \text{ Impressions}}{\# \text{ Population}} \right)$$

COST PER THOUSAND (CPMs)

The cost of a thousand views of a particular ad or program.

Example: A \$100,000 campaign is targeted at dog owners. If 5 million dog owners see the ad, the CPM is \$20. CPM stands for Cost Per Mille, which is Latin for thousand.

$$\text{CPM (\$)} = \frac{\text{Total Cost (\$)}}{\# \text{ Impressions}} \div 1,000$$

Buying Programmatic TV

Programmatic TV advertising automates ad transactions and offers dynamic campaign options and advanced data tools for refining campaigns.

What to look for in programmatic TV platform



DATA-BASED TARGETING OPTIONS

Use proprietary first party data or third party data to target audiences. Make sure tools are available for adjusting order goals based on audience data sets.



INVENTORY SELECTION

Make sure your partner offers a wide variety of inventory. All genres of programming should be available to purchase – from local news and sporting events to network hits and popular syndicated programs.



ROBUST MEASUREMENT TOOLS

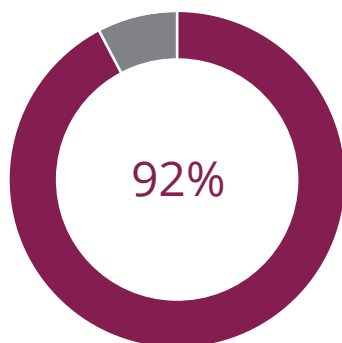
A variety of measurement tools should be available. You should have the option to plan and execute orders by applying either traditional ratings or impression metrics.

Interested in TV or Cross-Screen Campaigns?

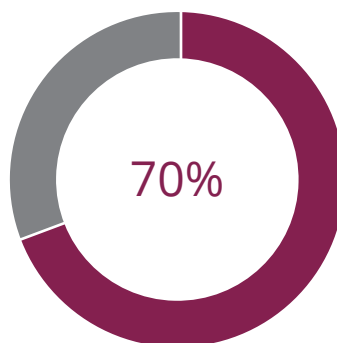
Since 1999, WideOrbit has provided the industry's most popular software for ad sales operations. Whenever you see an ad on TV, chances are WideOrbit software helped get it there.

OUR MISSION

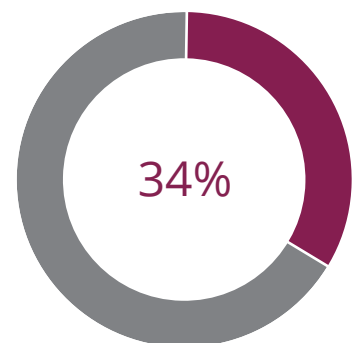
Make it easier to buy TV advertising



of US local broadcast TV revenue is managed with WideOrbit software



of US commercial TV stations rely on WideOrbit's platform



of the top 50 cable networks power advertising operations with WideOrbit

WHAT MAKES WIDEORBIT UNIQUE?

MORE INVENTORY

Your ads can run on more than 1,000 TV stations that reach 110 million households.

PREMIUM SPOTS

The entire program schedule is available to ad buyers - any show, any daypart, in almost any media market.

TRUSTED PARTNER

WideOrbit provides a direct connection between buyers and sellers. None of the inventory in our marketplace is ever arbitrated or resold.



WIDEORBIT

WideOrbit is the technology platform for media companies to connect audiences and ads, everywhere. Its mission is to simplify media buying and selling by focusing on innovation, customer delight, and value creation for both sides of media transactions. Starting with its core traffic management solution, WideOrbit centralizes operations and streamlines workflows for radio, cable, and television companies. The company continues to introduce new benefits to the media industry, including a programmatic media exchange for increasing demand for advertising inventory and improving campaign efficiency.

WideOrbit is headquartered in San Francisco with offices worldwide. Customers include NBCUniversal, Tribune Media, Entercom Communications, Raycom Media, TEGNA, AMC Networks, and many other top media companies around the world. Learn more at wideorbit.com.

CONTACT

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