

DECODING ADDRESSABILITY

RESEARCH CONDUCTED BY



ON BEHALF OF

WarnerMedia | DIRECTV

Marketplace perceptions of addressable TV in a cross-screen world

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Advertisers are taking advantage of addressable TV and are satisfied with the results. Uniquely spanning linear and digital delivery, addressable TV is well-positioned to support linear TV advertisers who are seeking targeting capabilities and CTV advertisers who are looking for both greater scale and the opportunity to experiment across screens.

TOP 5 TAKEAWAYS

1 ADVERTISERS VALUE ADDRESSABLE TV

As consumers continue to move dynamically across media, advertisers need solutions for serving ads to the right audience at the right moment in time. Addressable TV has emerged as an effective tool, delivering the audiences and results advertisers are seeking.

85%

agree addressable TV is a reliable way to reach their audience

79%

are satisfied with results from their addressable TV campaigns

Q WHICH OF THE FOLLOWING BEST DESCRIBES YOUR OPINION OF ADDRESSABLE TV?

	2020*	2021
A MUST-BUY	25%	32%
A COMPLEMENTARY BUY	41%	44%
A DISCRETIONARY BUY	24%	18%
AN EXPERIMENTAL BUY	10%	6%

2 ADVERTISERS DEFINE ADDRESSABLE HOLISTICALLY

Addressable TV advertising can be delivered via digital and linear means. "Targeting" and "household" are two key terms that come to mind when advertisers think about addressability.

79%
say they consider themselves knowledgeable about addressable TV



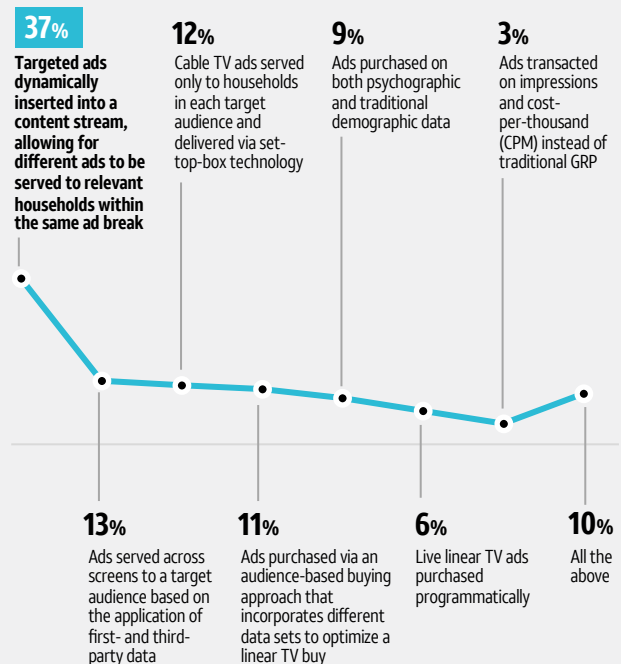
Q WHAT FIRST COMES TO MIND WHEN YOU HEAR THE TERM "ADDRESSABLE"?

"Right message, right person, right time."
— MARKETER, DIRECTOR

"Advertising that is sent to individual households based on meeting specific targeting criteria."
— AGENCY, SUPERVISOR

"Confusion. I can't quite seem to remember the precise difference between OTT, CTV, Addressable, and Data-Driven, to be honest."
— MARKETER, MANAGER

Q WHICH OF THE FOLLOWING BEST DEFINES ADDRESSABLE TV ADVERTISING?



*Source: March 2020 Survey of 200 Video Advertisers on Perceptions of Advanced TV
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3 INVESTMENTS IN ADDRESSABLE ARE DRIVEN BY 3 “R’S”— RELIABLE TARGETING, RELEVANCE, ROI

Advertisers include addressable TV in their media mix because it offers precise targeting, relevant advertising, and clear ROI. This is true regardless of whether advertisers consider linear TV or CTV their most valued ad channel.

For those advertisers with a preference for linear TV, targeting and relevance are the clear reasons why they include addressable TV as part of their media strategies.



89% say they would increase their linear TV advertising spend if they could more precisely target an audience

WHY IS ADDRESSABLE TV STILL A KEY COMPONENT TO THE MEDIA MIX?

	LINEAR TV PREFERRED	CTV PREFERRED
PRECISION TARGETING	67%	53%
INCREASED AD RELEVANCE	66%	46%
BETTER ROI	37%	42%

Base: Linear TV Preferred / CTV Preferred = 45% / 55%

4 ADDRESSABLE TV AND CTV OFFER COMPLEMENTARY BENEFITS

Advertisers view CTV and addressable TV similarly. They share the same benefits – relevant advertising, targeted audiences, and incremental reach. Advertisers also cite limited scale and campaign measurement as challenges to working with both ad channels.

TOP ADDRESSABLE TV BENEFITS	TOTAL % RANKING AS TOP 3 BENEFIT	LINEAR TV PREFERRED	CTV PREFERRED
ABILITY TO DELIVER MORE RELEVANT ADS TO CONSUMERS	38%	46% #1	30%
RELIABLE AUDIENCE TARGETING	29%	39%	20%
INCREMENTAL TARGET AUDIENCE REACH	28%	30%	26%
ABILITY TO “TEST AND LEARN”	23%	13%	32% #1
ABILITY TO ELIMINATE WASTE	23%	23%	23%

TOP CTV BENEFITS	TOTAL % RANKING AS TOP 3 BENEFIT	LINEAR TV PREFERRED	CTV PREFERRED
INCREMENTAL TARGET AUDIENCE REACH	36%	40% #1	32%
ABILITY TO DELIVER MORE RELEVANT ADS TO CONSUMERS	33%	37%	30%
RELIABLE AUDIENCE TARGETING	33%	38%	29%
ABILITY TO INTEGRATE FIRST-PARTY DATA FOR AUDIENCE TARGETING	26%	17%	34% #1
DELIVERY OF HARD-TO-REACH AUDIENCES	25%	25%	24%

Base: Linear TV Preferred / CTV Preferred = 45% / 55%

38% ↓

consider lack of scale a leading challenge in purchasing addressable TV

32% 📊

consider inadequate audience and campaign measurement a leading challenge in purchasing addressable TV

30% ⚖️

consider lack of scale a leading challenge in purchasing CTV

37% 👥

consider inadequate audience and campaign measurement a leading challenge in purchasing CTV

Q. HOW DO YOU EXPECT YOUR COMPANY'S/MAIN CLIENT'S SPEND ON EACH TV ADVERTISING FORMAT TO CHANGE OVER THE NEXT 12 MONTHS?

	INCREASE	REMAIN THE SAME	DECREASE
CTV Campaign(s) served on TV and delivered through the internet via smart TV, CTV device, or gaming console	55%	41%	4%
ADDRESSABLE TV Campaign(s) dynamically served directly to the household in live, playback, or VOD based on deterministic identifiers	47%	48%	5%

1 in 4

would increase investments in addressable TV if provided addressable TV and digital cross-screen solutions

5 INVESTMENTS IN DATA INFORM MEDIA DECISIONS

9 IN 10 ADVERTISERS INCREASED THEIR INVESTMENT IN DATA AND ANALYTICS WITHIN THE LAST 12 MONTHS AND WILL DO SO AGAIN OVER THE NEXT 12 MONTHS

Advertisers are investing in enabling first-party data, improving audience segmentation, and combining first- and third-party data. These investments are having a direct effect on how they make their media selections.

77%

have experimented with a new ad channel in the last 12 months because of their investments in data

75%

say their investments in data have affected budget allocations across media types

METHODOLOGY

In June 2021, Advertiser Perceptions fielded a 20-minute online survey among 200 U.S. advertisers with representation evenly split between brands and agencies. Qualified respondents indicated responsibility for linear TV and/or CTV/OTT media decision-making with annual spend of \$5+ million in TV or \$1+ million in digital video.