

TV Advertising in a Multi-Channel, Multi-Platform World

Kyiv, September 2012







Questions

- *What new advertising techniques are emerging?*
- *What are the new funding models?*
- *Will commercial communications be a central part of the business models for Smart/Connected TV?*
- *What new forms of advertising might we see on Smart/Connected TVs?*
- *Will the convergence of online and broadcasting bring internet advertising techniques into the TV world?*
- *What are the implications for media regulation?*

Audience fragmentation and multiplication of outlets for advertising are driving revenue diversification

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- Was already a key metric for market analysts and investors in 2002, when TV companies' revenues were split 95/5 between advertising and sponsorship;
 - Broader revenue base offers protection against fluctuations in spot advertising;
 - But there is no “burning platform” in the TV part of the content industry, and we have had the advantage of being prepared;

Diversification

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- Can mean any number of things ...
 - Secondary TV channels, online advertising, online sales of content, e-commerce, teleshopping, product placement, sponsorship, third party airtime deals, programme sales, ancillary sales, pay TV, multiplex operation, retransmission fees, football club ownership...
 - But however it is defined, diversification is core to all commercial groups' strategies
 - More likely to be a 65/6:4:4:4:4:3:3:3:2:1:1 model than a 65/35



**(1) Revolutionary Changes in TV Advertising:
Cross-platform, cross-sectoral campaigns**

(2) Completely New Techniques

(3) Connected TV

A Few words about TVN Group



REACH



CONTEXT



ON DEMAND VIDEO



onet.pl Biznes onet.pl Kobieta
onet.pl Blog onet.pl Moto
onet.pl Gry onet.pl Muzyka
onet.pl Sport onet.pl Facet
onet.pl Wnętrza onet.pl Podróże



Case study #1 - SCALE



How to leverage the potential of mass format to increase relevance of a commodity spice brand ?

SCALE
(mass formats,
primarily
conventional tools)

CONTEXT
(chosen content,
placement / branded
content tools)

ACTIVATION
(selected theme,
contests / activations)

Putting a commodity brand into a relevant context

CHALLENGE: how to increase relevance of local spice brand Prymat and differentiate it vs well known international brands (Knorr, Nestle)



INSIGHT: Consumers less and less believe in conventional spot advertising BUT they believe cooking experts and follow their recommendations



IDEA: Link brand activities with a mass TV format where a cooking celebrity is giving insights to restaurant-keepers on running their businesses



Tools employed - combination of TV & on-line media around meaningful content

TV



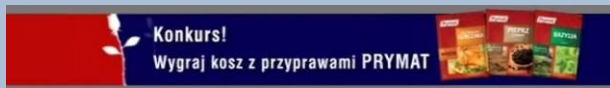
sponsorship
billboard



TV promotion
billboard



announcements
in other TVN
programs



contest for viewers



product placement



ON-LINE



Pre- and mid-roll
ads around the
format on VoD
platform



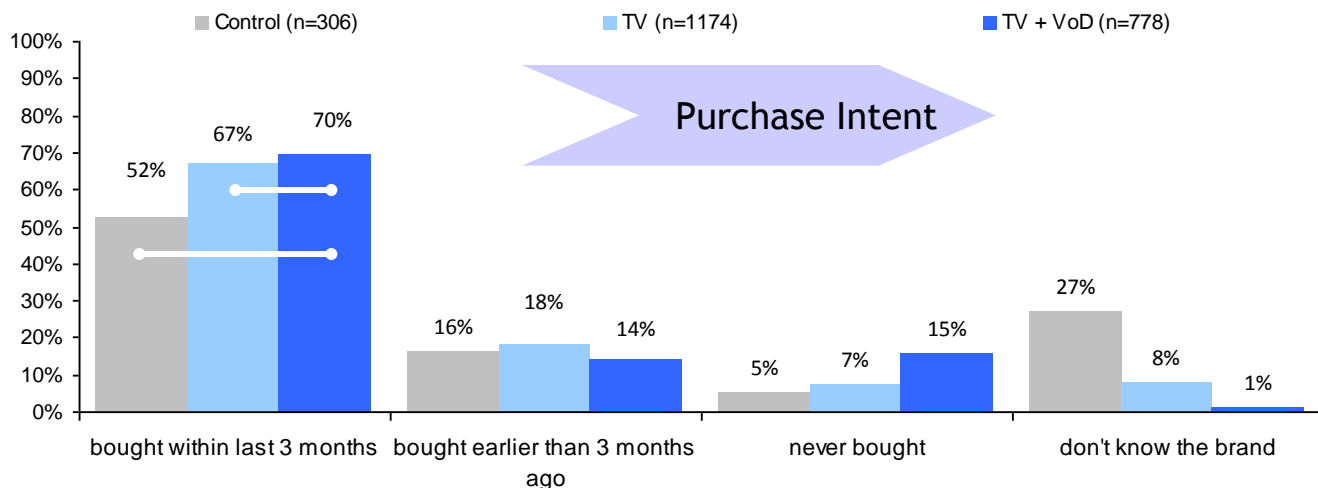
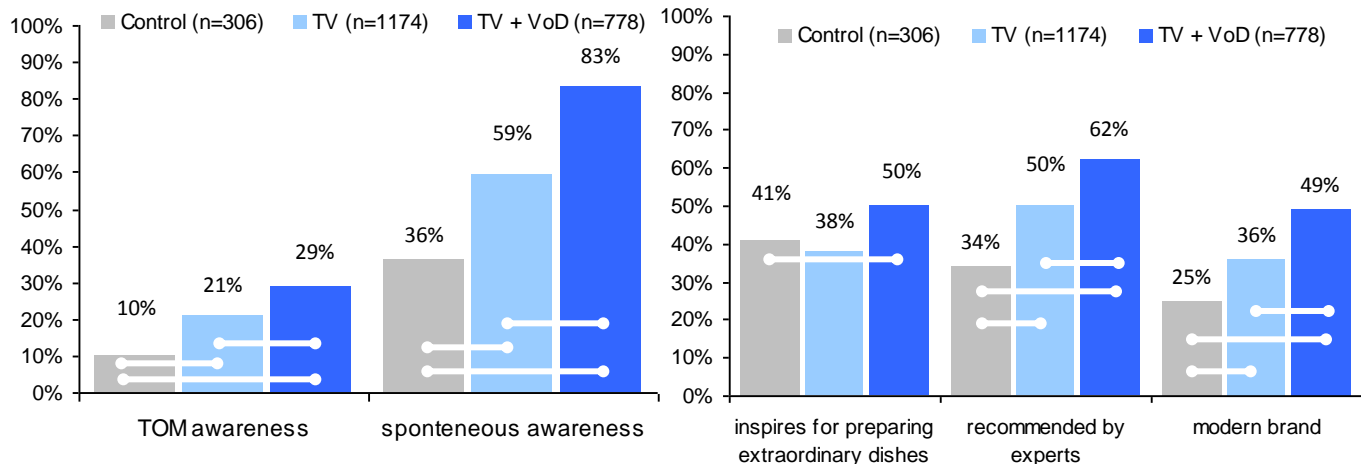
Integration with
client web site

Effects – best results achieved among consumer who were exposed to both TV and on-line media



Awareness

Equity







FEEDBACK Freund werden

Du bist hier: Home > Serien > ProSieben > Switch Reloaded > Staffel 06 Folge 02 - Switch Reloaded - Staffel 6 - Folge 2 - Switch reloaded - Switch reloaded



Nur ein Werbespot! Das Video beginnt in 8 Sekunden.

Zuschauer: 3.996 Bewerten: 0 Bewertungen mehr Infos

Abonnieren Speichern Weiterleiten



Mehr zu Switch Reloaded und Obersalzberg findet ihr auf prosieben.de

- Switch Reloaded - Ganze Folgen
- Staffel 06 Folge 02 - Switch
In der zweiten Folge Switch Reloaded lassen sich einige Parallelen zwischen den Charakteren erkennen. So greift Heidi Klum bei ihren Märkten teilweise ganz...
 - Staffel 04 Folge 03 - Staffel 4 -
Exklusivauftrag für Peter Kloeppel (Michael Kessler): Er berichtet live aus dem Schlafgemach der Obamas und stellt die ultimative Frage: Wie die ganze Welt...

(3) Connected TV

(1) The Proposition

- Current data inconclusive as to take up ... but clearly there will be demand for some form of platform combining the best of television with the internet : “can be expected that connected TV will grow relatively fast over the next few years”;
- Opportunity for European content companies (not just for non-EU hardware and ICT players);
- And can be much more radical :

(2) Connected TV : The Commercial/Regulatory Challenges

Use case *NOT* compliant with French Regulation



Partial overlay on top of the video not controlled by the channel



Incentive to buy (link to amazon.com) not respecting children protection



Content used for promoting services (betting on Bwin) not controlled by the channel

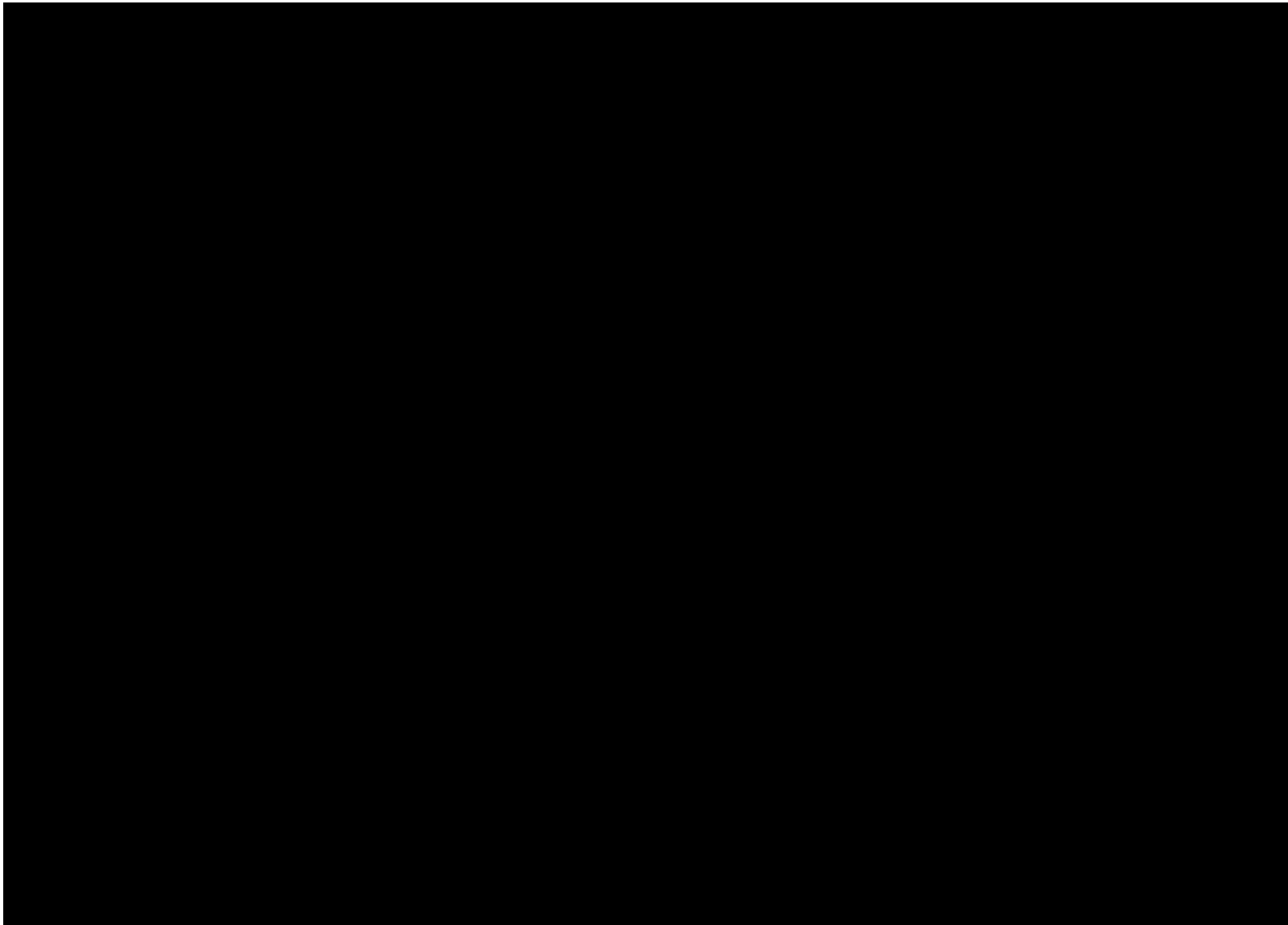


Full overlay not controlled by the channel



Mixing video and other contents not controlled by the channel





Broadcasters and Regulators : Commercial Communication Issues for the next five years

- Many of the key issues identified at AVMS – e.g., product placement or sponsorship – will make a useful incremental contribution, but will not be game-changers.
- Other “new forms of commercial communication” have (to date) been more of theoretical than commercial interest.
- Product placement will continue to develop, and sponsorship will continue to evolve (though it’s in sales houses’ interests to keep sponsorship, spot and product placement separate...)
- But these are evolutionary changes not “innovative” responses
- Three areas where commercial communication has the potential to make a real contribution to diversification activity (alongside pay TV ventures of FTA groups)
 - Cross-platform, cross-sectoral campaigns;
 - Online advertising
 - Connected TV

Media Regulations (AVMS Directive, etc) should



(a) Avoid Double Jeopardy for Compliance

(b) Focus on big strategic issues :

- Balance between privacy and freedom to advertise?
- How to ascertain wishes of the real consumer?
- How can industry help ensure the common goal of preserving the best of European media regulation?
- Data protection and privacy?



Thank you! Questions?

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