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JUN
29
2015

TECHNOLOGY

Vendors Weave Programmatic Web

Technology veterans see improved integration with different systems offering potential to boost TV ad revenue

6/29/2015 08:00:00 AM Eastern

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The world of programmatic TV has been in a constant state of change in the last few months, with launches of marketplaces that are likely to produce even more activity in the second half of this year.

"As an industry, we have gone from partly cloudy to partly sunny," says Travis S. Howe, senior VP of client services and operations at Invision. "A year ago, there had been a lot of announcements…but there wasn't a lot of clarity around whether the tech was working and some apprehensions about how we would move forward." More recently, Howe adds, "We are seeing a much greater willingness to offer up more inventory… and a willingness to make data available," enabling agencies to buy against those audiences.

WHY THIS MATTERS
The steady growth in the programmatic sector could take off to new levels with standards and platform synergy.

That shift is particularly apparent in local TV. "Local TV is small on its own, but when you aggregate it with programmatic platforms you get a powerful, sizeable audience that the market couldn't access before," says Brendan Condon, CEO of AdMore. "Broadcasters that didn't have a seat at the table when planning and buying was done in the past now have one with programmatic."
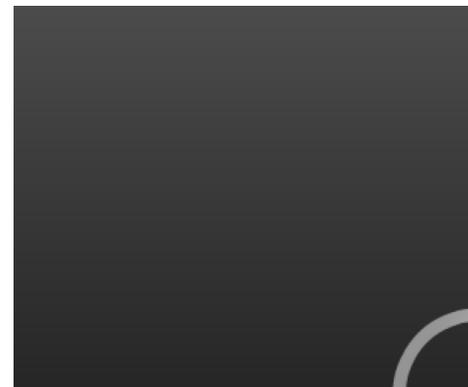
But Howe and others stress there is still a lot of work that needs to be done. "Linear TV inventory is still scarce," says Rory Paterson, product director at TVSquared. "The biggest challenge is to develop the technology to streamline workflows and reduce manual processes to make it more appealing to both the demand and supply side."

All Together Now

One key issue continues to be integrating the many different software systems used by agencies, brands, local stations, national broadcasters, cable networks and multichannel video providers. "In order to get it to work at scale, all the technologies will have to work together," Howe says.

One example of the push to tie all these systems together can be found in the recent integration between traffic and billing supplier Broadway Systems and the programmatic platform Placemedia.

"It has significantly streamlined the process of putting together programmatic campaigns, so it is a seamless process," says Derek J. Mattsson, president of Placemedia. The company is also in discussions with three or four other traffic and billing systems and is working to integrate with the agencies to automate the order process, Mattsson says.

Jeff Green, founder and CEO of The Trade Desk, adds that they have integrated their programmatic platform into offerings from WideOrbit and Placemedia and will be hooked into Videa when it launches this summer.

As part of that process, Mediaocean has been developing APIs and templates for integrating into their system, says Cordie DePascale, VP of product and partner solutions at Mediaocean. The company is already integrated with Videology and will integrate with Videa when it launches this summer, with the goal of creating open interfaces that can allow them to add many more partners.

Similar efforts can be found at Videology, where CEO Scott Ferber says "we are doing a ton of integrations" with software systems including Mediaocean, programmatic platforms like Videa and various data providers. Shereta Williams, president at Videa, notes the Cox Mediabacked platform began beta tests in December and plans to launch later this summer. "The initial focus is on TV stations," she says.

Here, there has been "a lot of interest," Williams adds. "Programmatic makes it easier to buy local inventory, and it brings in new money coming in from digital video because they have more dollars than they can place against quality video online."

Over time, these integrations will help provide a more unified system for managing campaigns across multiple platforms. "Our lofty goal is a converged media solution that would allow broadcasters to monetize their content on a much larger scale than they can today," says DePascale at Mediaocean.

These integrations will also bring together a much larger number of buyers and sellers, according to Oscar Rondon, senior director of TV strategy at TubeMogul, which has integrated its demand-side platform with a number of other players.

"Building a self-service tool that buyers can log into and access inventory from multiple partners is a top priority," Rondon says.

TubeMogul offers a seamless integration with WideOrbit, which formally launched its programmatic market in April. "We have already signed a deal with digital demand-side partners

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TubeMogul and The Trade Desk and will have more announcements coming up," says Brian Burdick, executive VP of digital and programmatic at WideOrbit.

Confusion and Consolidation

For the moment, however, the growing number of players is creating some confusion. "There are a whole bunch of companies that say they are offering programmatic services," complained The Trade Desk's Green. "For the companies that are doing real stuff that is frustrating, because it creates so much confusion."

That seems to be changing as the industry consolidates. Joshua Summers, cofounder and CEO of Clypd, which is working with such TV companies as Discovery Communications, noted there has already been significant consolidation in digital video. "We're still in the early days of that process for TV programmatic, but in the next two years we'll see some major moves," Summers says.

Dan Ackerman, senior VP of One by AOL: TV, sees consolidation and partnerships helping to improve programmatic tech platforms.

"Our acquisition [by Verizon] opens up a lot of opportunities," including the potential to "break down the silos between various platforms for TV, over-the-top video, online and mobile to offer programmatic services for multiple platforms," Ackerman says. "We are seeing a redefinition of what TV is and how to monetize and measure it."

Rany Ng, product management director of video ads at Google, agrees. "The definition of TV is changing," she says. "It is not just a big screen in the living room. There is a real need among broadcasters to make sure they are enhancing their tech and ad capabilities to reach all users across all sorts of screens."

Consolidation may help with that. Ng notes that Google's acquisition of mDialog is improving dynamic ad delivery and bolstered Google's programmatic TV offerings for live TV. Currently the company's Partner Select premium private marketplace has about 30 media partners.

"We have high completion rates and CPMs have remained at a high level, so there has been strong satisfaction," Ng says.

Cross-Platform Traffic

Programmatic technologies are also being adapted for different sectors. A variety of players who had first launched their platforms with local TV station inventory are looking to add national cable, while other platforms that had initially launched with services for over-the-top offerings or national cable are now exploring offerings for local TV and other media.

A number of players have been initially focusing on local TV. Green at The Trade Desk notes that the complexities of buying local TV inventory make programmatic platforms appealing because they can automate the process.

In the past, Green notes, agencies and brands would have to cut deals with many stations to cobble together larger campaigns, which reduced demand because of the effort involved. "CPMs are erratic but tend to be lower because you don't have as much demand," Green says. "Our integration into WideOrbit now means that you can efficiently buy that inventory."

In addition to making it easier to buy inventory, WideOrbit has also set up a system to deliver the "creative to stations, which is very important for small stations," Burdick says.

Looking forward, Burdick stresses WideOrbit has ambitions to offer a wider range of inventory. It plans to add national cable advertising and radio "as fast as possible," and sometime in 2016 wants to be able to handle a full range of platforms, including digital and TV. "We want to create a common market for digital and broadcast so that sellers can sell all their inventory in one place or even have private marketplaces that span different media," Burdick says.

In addition to improved technologies for automating processes, improving the way their platforms use data in programmatic campaigns is a key priority at most vendors.

"A lot of media owners are beginning to move beyond traditional models and are starting to understand the value of advanced data sets in improving the overall yields," says Summers at Clypd.

Summers adds that data suppliers need to speed up the delivery of data. "In digital, data is instantly available" to help optimize campaigns, but in linear TV the delivery of ratings or data from set-top boxes can take much longer, he noted.

Eric Schmitt, executive VP of communications, TV and media at Allant, adds that improved data makes it possible for advertisers to more precisely target audiences and to measure the effectiveness of their ad campaigns. "We are north of 500 data attributes and are constantly adding new data," he says.

But Schmitt adds that more work needs to be done both in the use of data by programmers and in the development of standards. "Imagine that you were in the catalogue business and that instead of one post office there are 52 post offices," he says. Without standards, "it doesn't scale. You don't have the breadth of inventory and the reach of uniques." Ng at Google agrees, noting the company's efforts in coordinating with the Interactive Advertising Bureau on establishing standards. "When you have a shift to all screens versus one screen, we have to have standards in place to help that grow," Ng says. "We have to have standardized measurement and we need more timely data," says Condon at AdMore. "Today if you have a large TV campaign, it can be over before you know if you've over- or under-indexed."

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