

# The Media Buying Narrative is Broken

...and here's how to fix it.





# Today's prevailing narrative

**A prevailing narrative from marketers today is the lament about the rising cost of media. Marketers make statements like,**

- “I pay too much for media.”
- “My year on year CPM increases are way too high.”
- “My greatest concern for this year’s upfront is about how to measure unduplicated reach.”
- “It’s great that all media is becoming data enabled, but it costs more money to execute and takes away from my bottom line impressions.”
- “There is not enough transparency in the media supply chain.”

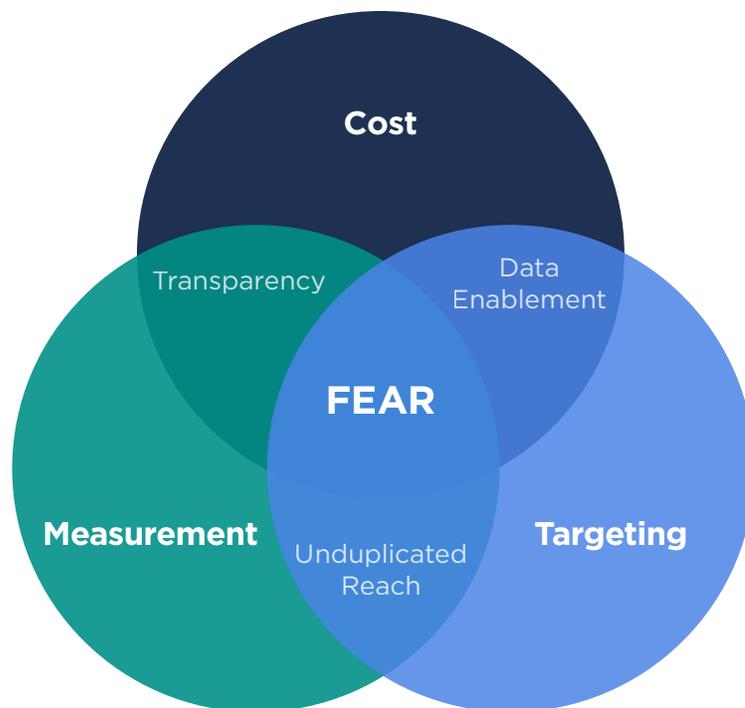
The industry should be focusing on the excitement for innovation and new business models given the digitization of video and the opportunity that it creates. Yet fear is the prevailing narrative, and it is based on using old scales to measure a new marketplace.

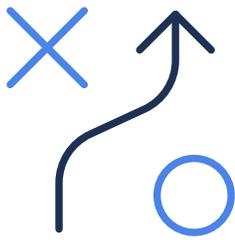


# Convert the fear into a new business model

A visual representation of that fear narrative might look like this, with the main conversation bubbles being cost, measurement, and targeting. Their overlapping by-products lead to conversations around transparency, data-enablement, and understanding unduplicated reach. Today, fear becomes the output of those conversations and leads to industry paralysis.

The industry needs to convert that fear into a new business model that promotes a new mindmeld. The new working model would use the new platforms and ad models to reshape how the industry thinks about costs and measurement and targeting so that marketers can take advantage of new opportunities.





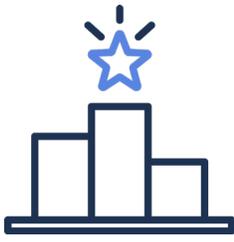
# Navigating today's complex marketplace

**Take, for example, cost and deconstructing the value of an impression.**

The commonly held belief is that different impressions placed in different circumstances have a different value, and the industry has operated in this model for a long time. In the past, marketers were willing to pay more for an impression that generates a larger audience, or is more targeted. But today's marketplace is more complex and proposes challenging new questions:

- What about an impression that runs in the same piece of content on different platforms? Should you pay the same regardless of platform?
- What about ad saturation within the content (3 minutes of ads versus 16 minutes of ads?)
- What if the ad is data-enabled and is targeted to a precise target audience and not a massive A18-49 target?
- What about the cost to deliver, traffic and measure ads?
- What about the cost to optimize a buy across many media companies and platforms?

Does one ad in those situations have more value than the other? Arguably the answer is yes. But the question is: **how much more or less value?**



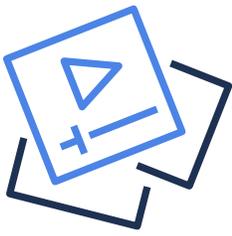
# Uncovering value through experimentation

**These are the new models marketers need to understand and stress test. It's not an exact relational value.**

It will require experimentation to understand the value that the different ads create in generating sales. Players across the industry will need to test different price points in media just as brands test different price points for their product on shelves.

That may mean experimenting with 300% price increases on a CPM. But that CPM is a significantly different animal than a 2020 linear TV CPM. It's like trying to compare a 2D 2 x 2 inch cut out of an elephant with the real thing; the two aren't comparable.

Blowing up old rule books to test new models is not a commitment to a new benchmark, it's a commitment to learning. So why is it so hard to test these different price points in media? It makes everyone at the table (buyers, sellers and marketers) want to scream into the dark air like the figure in Edvard Munch's "The Scream." This is what happens when CFOs make media decisions, not CMOs.



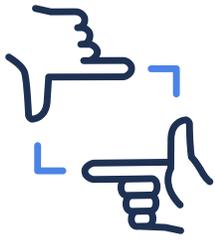
# It's time to flip the narrative

Moving beyond absolute price, another common refrain from marketers is that all of the partners in the supply chain that make their media more targeted, measurable, automated, and optimized are tearing money away from their media support and reducing the value of their spend because it is not going directly to the end publisher. This narrative of lack of transparency and money being pulled away from the publisher began in programmatic, but has crossed the divide into supply reserved inventory.

Rather than debating transparency in programmatic, which could potentially corrupt the narrative around data-enabled reserved media before it can expand its wings, we need to understand the true value of data-enabled media across different platforms and learn whether it's a better use of media and improves the viewing experience.

## **So let's flip the narrative.**

Instead of arguing about reducing spend value, what if the new video marketplace works harder and better for marketers and viewers through more targeted ads to reduce consumer annoyance? Perhaps reduced ad loads can attract greater consumer attention and reduce ad fatigue. Perhaps reducing ad frequency and extending unduplicated reach might actually be good for everyone. Perhaps the industry should agree to find a solution before arguing how much it costs. It may cost more, much more, on a unit or impression basis, but in aggregate it may just save the ad-supported marketplace and keep free or reduced cost content available to consumers. And it may help marketers sell more of their products and services. After all, it is a marketplace driven by supply and demand. And in this type of marketplace answers reveal themselves over time. Cost eventually finds its equilibrium.

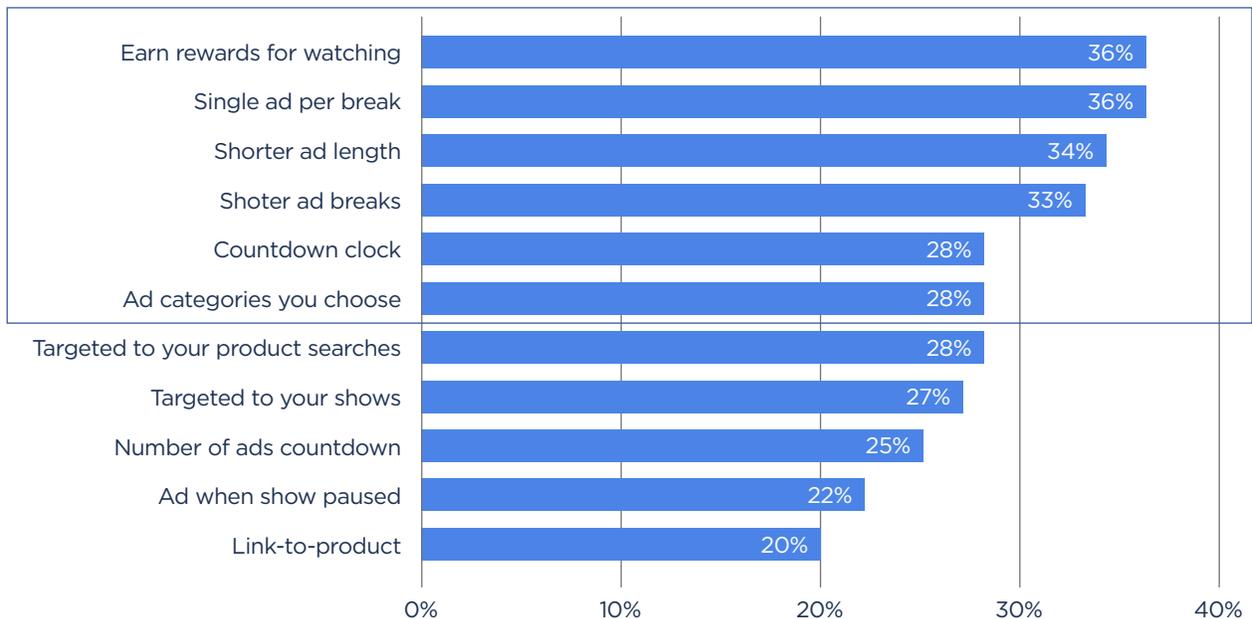


# Reframe the conversation

The first step is to reframe the conversation from one of impressions to one of attention.

It doesn't matter how many people have the *opportunity* to see an ad, it matters how many people *actually view* an ad. The average viewer encounters between 6-10K ads per day. That's a lot! When consumers were asked what factors would make them pay more attention to ads during a show, most and all the top responses were about creating a better experience by reducing ad loads, better targeting or rewards for watching ads.

Factors that make viewers pay more attention to ads during shows

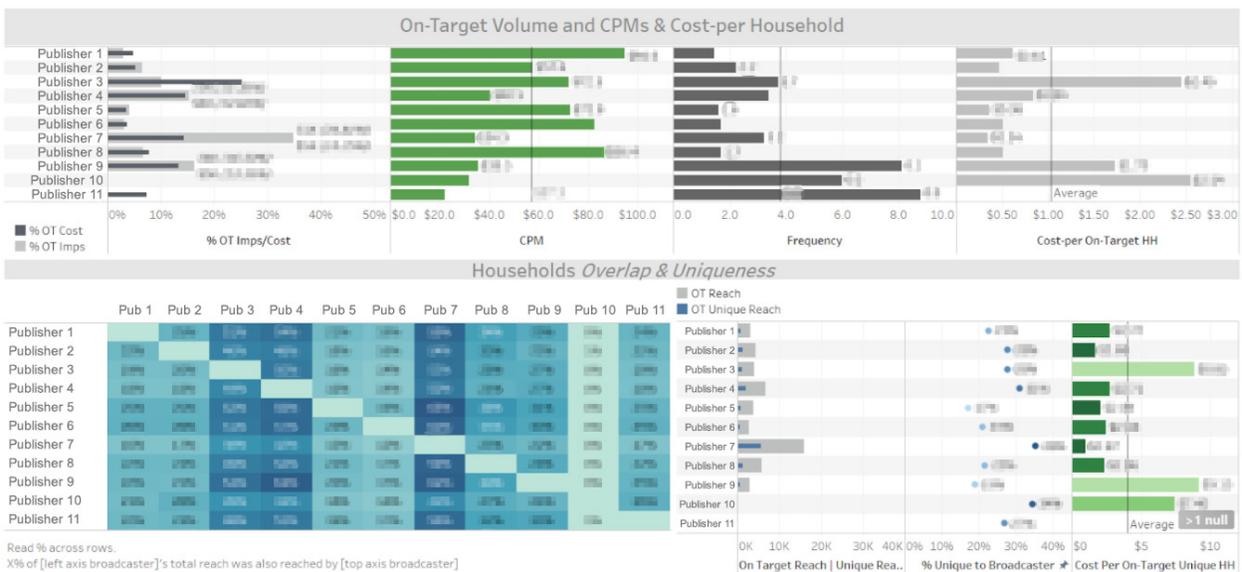




# The value of unduplicated reach

Next, the industry will have to solve for reach. Ad buyers know the value of unduplicated reach. The problem with that is there is no industry standard solution to solve this because most media owners don't want to share data across companies. They want to keep it tightly knit in their own version of a walled garden. This is especially true in the planning stage. This is another example of fear ruling the industry. Let competition select the winners and losers for each ad dollar. This is another opportunity to reframe unduplicated reach from looking inside of one media company to looking across media companies. Amobee can do this with proprietary tools. Amobee's reporting options can show a buyer unduplicated reach across media players and across screens. And it can do this in the planning stage with accurate forecasting and optimization.

This report below reframes the value of reach from one partner to many partners. It helps marketers decide when their media money will yield them the most viewers. Buyers need to understand these trade offs during planning so they can make the best buying decisions. Money during planning needs to be fluid. Media companies need to recognize the value of fluidity just as they are asking buyers to recognize the value of reduced ad loads for greater targeting.



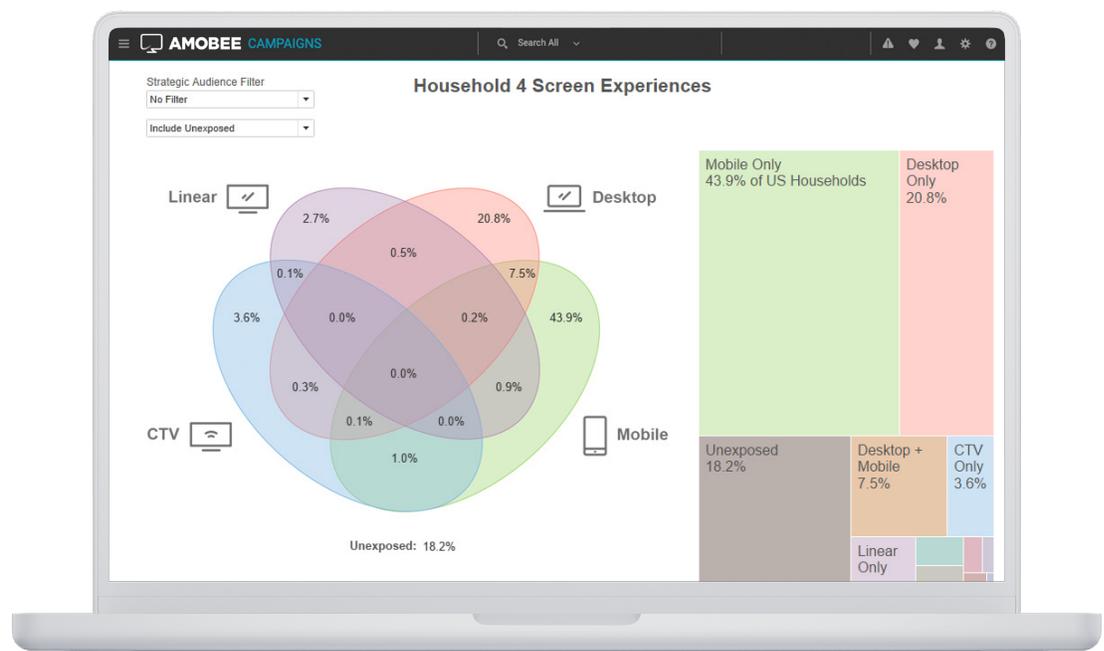


# The new narrative begins to take shape

**The same Amobee tool can show duplication across screens to reframe the discussion from one screen to all screens. Information and insights become the basis for deal points.**

Based on where the industry is and where it wants to go—everyone needs to work on creating a new narrative. The conversation needs to move beyond cost as the benchmark for our discussions and shift to attention, frequency management, understanding reach overlap and opportunity areas across media companies, and looking holistically across all screens. Reframing the conversation can move the industry away from a fear-based narrative.

The new narrative creates a solution that can replace fear with data-based proof points. The way to generate data-based decisions in a fragmented, walled-garden marketplace is to replace fear with knowledge and insights.

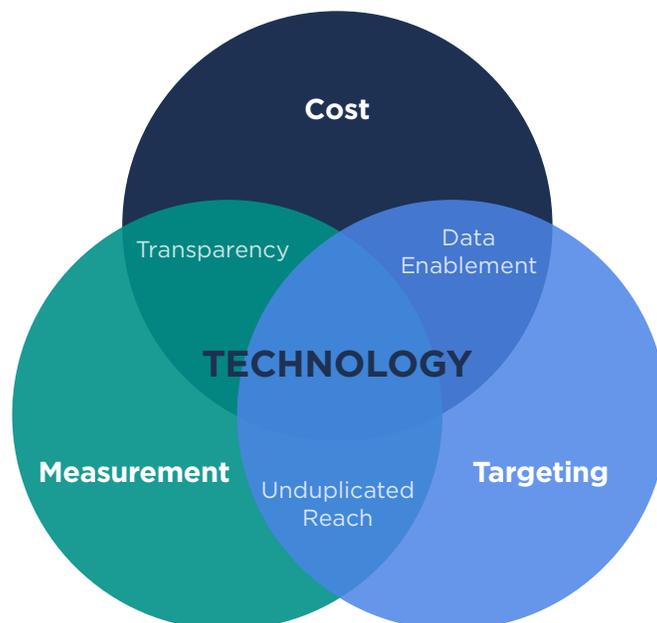




# The new narrative visualized

This is where technology comes in. Technology solutions can unify audiences and optimize impressions across all screens and supply pools in a supply-constrained marketplace to provide the knowledge and insights that buyers need to make better decisions. The right technology solution can break the cycle of industry paralysis and replace fear as a motivation. That means along with purchasing data, brands and agencies must also spend a portion of their media budgets on technology to secure their brands' place in a future dominated by consumer choice and more fragmentation. The new narrative may look similar to the current one—but the difference is that it is solution-oriented.

This new narrative accounts for cost, measurement and targeting as well as its natural watchouts and by-products, transparency, data-enablement, and unduplicated reach. But it becomes a solvable puzzle through technology. Ultimately, in this narrative, the industry can rely on technology to move forward to guide everyone through an uncharted, fragmented landscape with more choice and opportunities than ever before.





# Change takes time and strategy, but Amobee is here to assist.

Only Amobee provides agencies and advertisers with innovative, intelligence-driven data solutions that enhance consumer engagement and increase campaign performance, both for the present and cookieless future. Partner with Amobee today and begin accessing a unique tech stack that offers the capabilities to:

## **Unify**

- On-and-offline line data. Leverage web engagement, TV viewership, social listening, and bidstream data from the programmatic ecosystem within our data visualization solution called Brand Intelligence.
- Discover new insights about your customers and consumers like them.
- Unify data from disparate sources, including 1st party, offline, and CRM data to increase understanding and uncover valuable insights to inform strategy and hone target accuracy.

## **Optimize**

- Turn those insights into actionable strategies within our DSP, which is then all captured within a data warehouse where you can build measurement instruments to understand exactly what's happening in your advertising practice that matters.
- Optimize tactics and campaigns with efficient and effective audience and media activation that maximizes budget allocation and drives performance.

## **Grow**

- Utilize Amobee's DataMine and other reporting solutions to understand your audience and campaign growth, and map back to important metrics such as online/offline sales.

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