

MEDIACOM

Digital Video Advertising


Great opportunities and some over-promising

Oliver Gertz, MediaCom worldwide

18. January 2017




Introduction




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Oliver Gertz 1st
Managing Director Interaction EMEA, Programmatic Lead Global Clients at MediaCom
Munich Area, Germany | Marketing and Advertising
Current **MediaCom Worldwide**
Previous **MediaCom Germany/Beyond Interaction, Plan.Net media**
Education **Rheinisch-Westfälische Technische Hochschule Aachen**
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<https://de.linkedin.com/in/olivergertz> [Contact Info](#)

Background


 Experience


Programmatic Lead global Clients
MediaCom Worldwide
January 2015 – Present (1 year) | Munich Area, Germany
I work with our EMEA based international clients and our markets to drive the digital transformation into data-driven programmatic advertising

Managing Director Interaction EMEA
MediaCom
January 2009 – Present (7 years)
I bring people from MediaCom across EMEA together to share and reapply best practice to make MediaCom the strongest integrated interaction agency
▶ 1 recommendation


Managing Director
MediaCom Germany/Beyond Interaction
October 2004 – December 2008 (4 years 3 months)

Director Planning, COO
Plan.Net media
January 1997 – September 2004 (7 years 9 months)




7 SEKUNDEN UM ZU WISSEN, WAS MAN WILL.
[JETZT PROBEFAHREN](#) 


People Also Viewed




Max-Philipp Deitmer
Managing Partner Programmatic & Digital Analytics at MediaCom Agentur für Media-Beratung GmbH




Fern Potter
Head of Search & Biddable EMEA / Programmatic Worldwide Team London




Deirdre McGlashan
Chief Digital Officer at MediaCom




Monty Weber
Global Digital Director @ MediaCom Team Volkswagen




Lars Engelbrecht
Head of Programmatic Buying at Havas Media




Hannah Mirza
Global Head Media Partnerships



Tom Barker
Global Digital Director at MediaCom



Petra Seipp
Digital Group Head at MediaCom Deutschland



Paul Frampton
CEO at Havas Media • Group Managing Director for Havas Media

Introduction



MEDIACOM

The Content + Connections Agency

We represent
one third of the
world's top thirty
advertisers

MARS



Coca-Cola



SONY





01

The Power of Video

**No other medium has
more impact**

Visual

+

Motion

+

Sound

Information

+

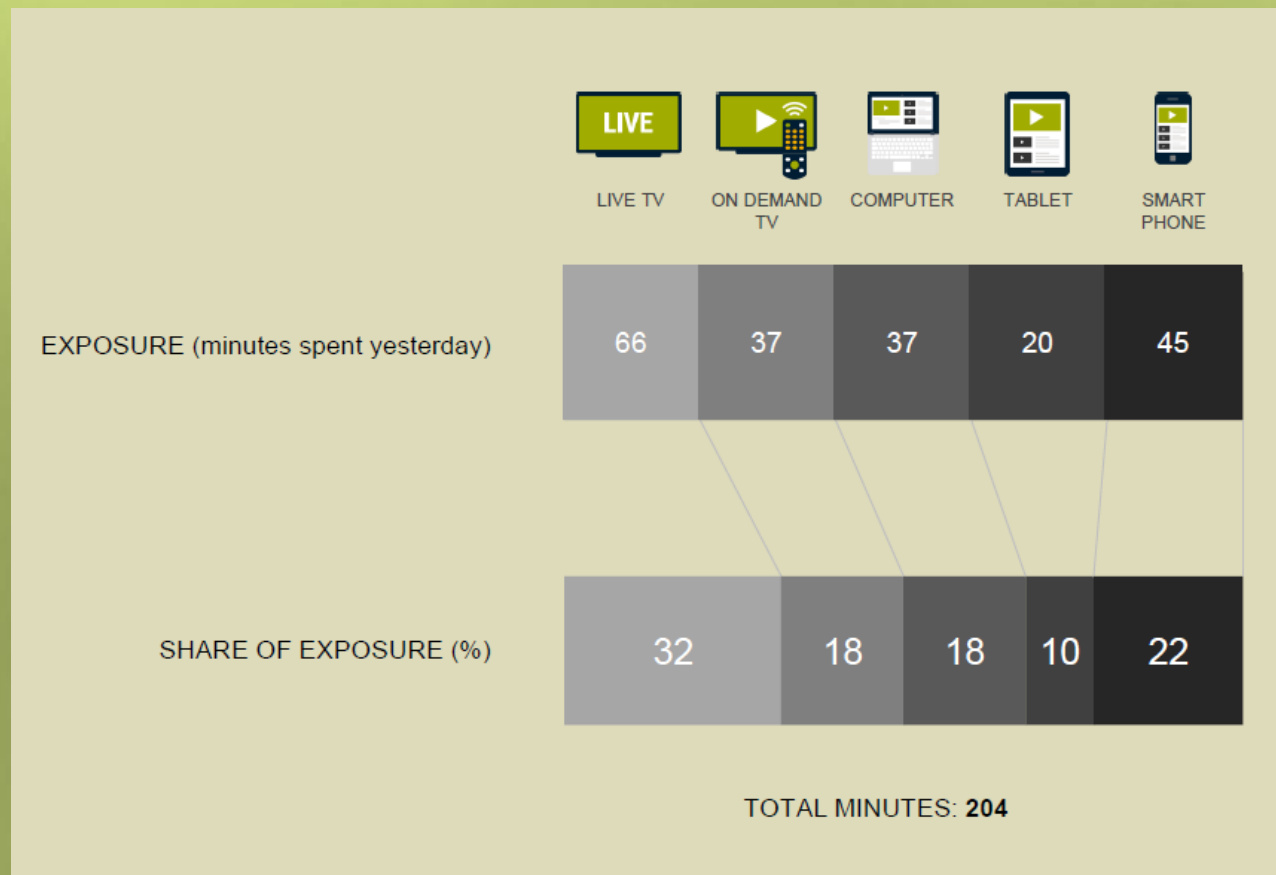
Emotion

Reach

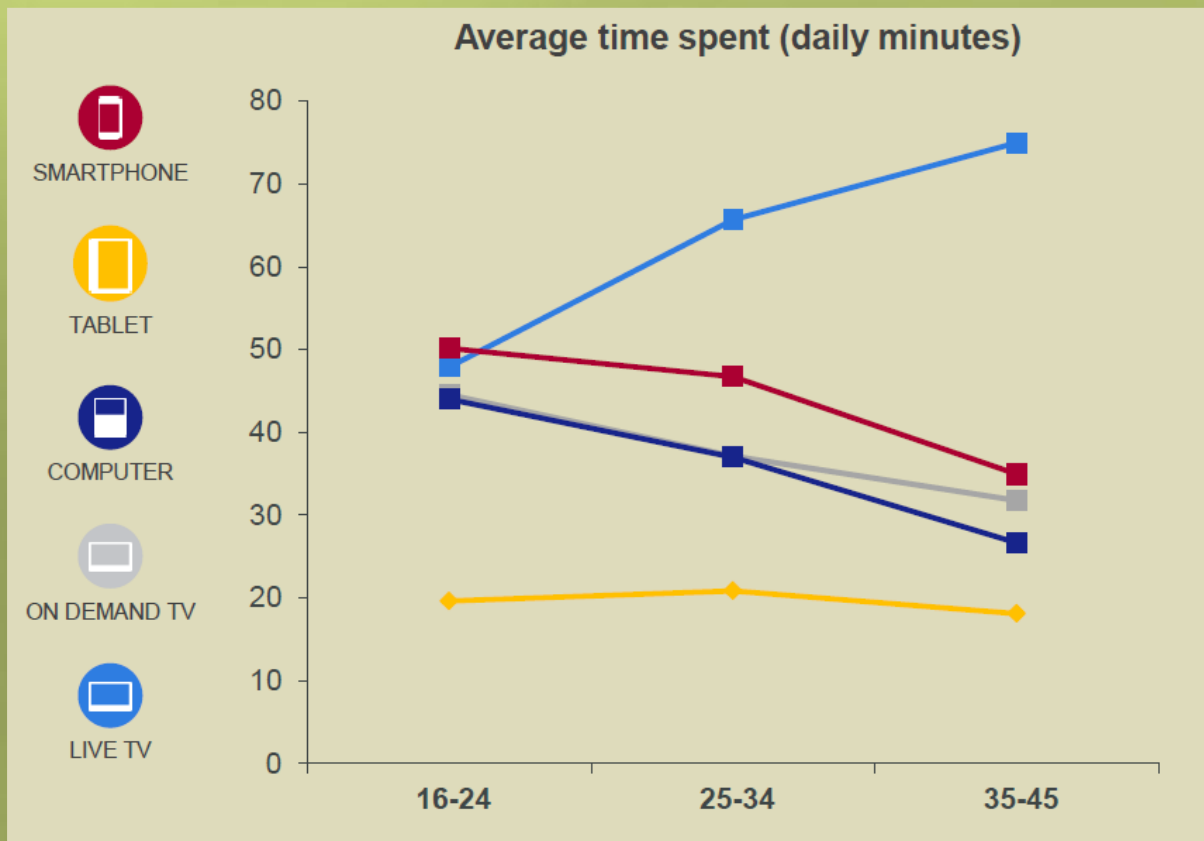
+

Impact

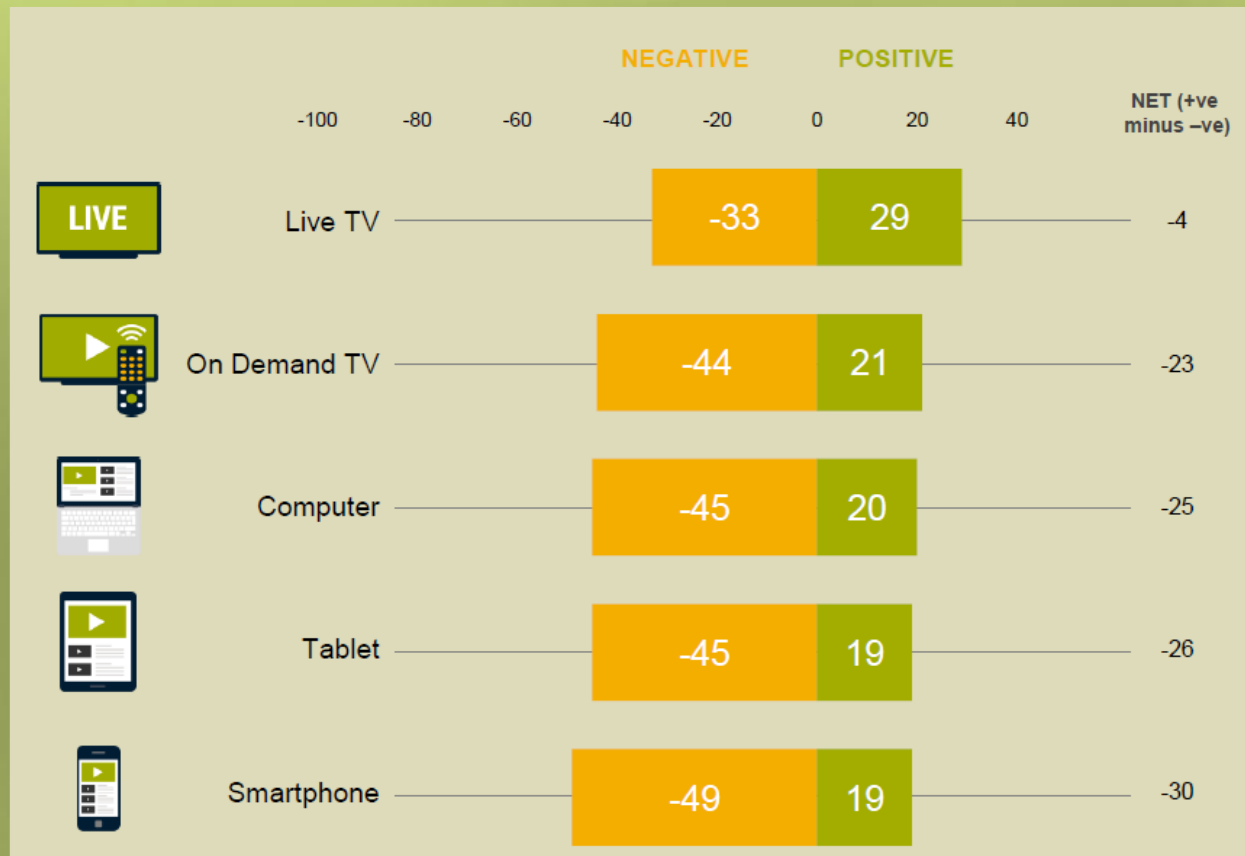
TV still has most time spend



Younger Audiences move to mobile, but still high on TV

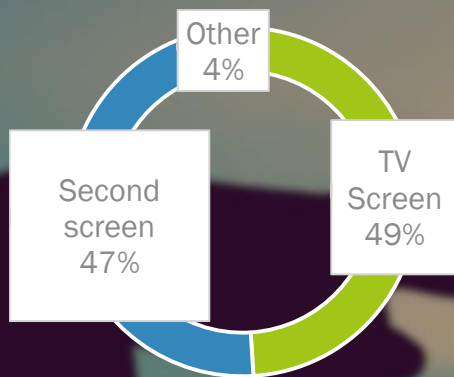


Advertising is more accepted on TV

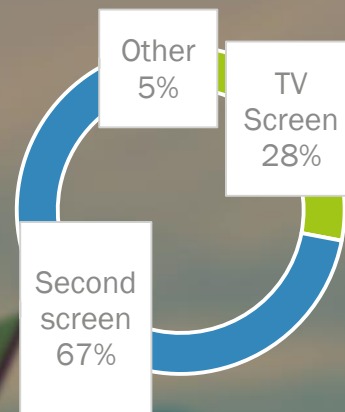


Even during TV viewing,
eyeballs stray...

Second screen usage during
programming



Second screen usage during
ad break



1.5
Changes/
min.

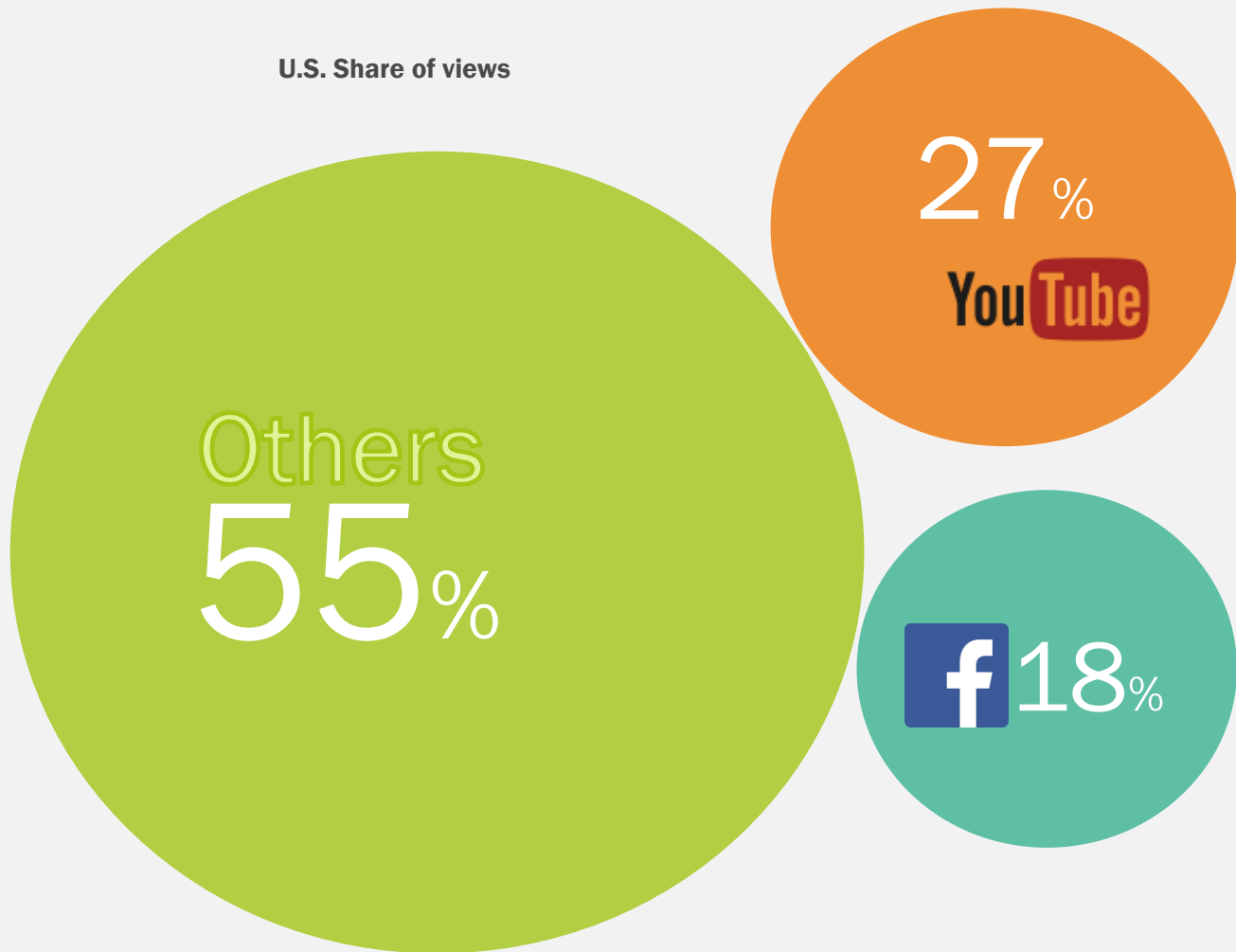


4.1
Changes
/min.

Online Video is more than YouTube and Facebook

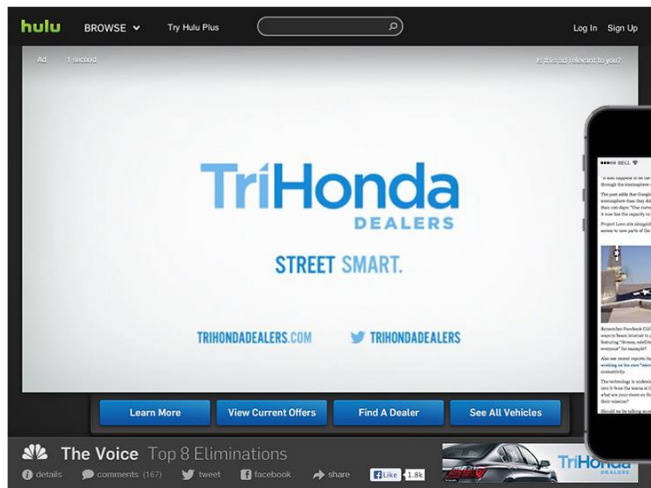
- While YouTube and Facebook dominate, plenty of opportunity lies elsewhere.
- 55% of online video viewing takes place off these two platforms

U.S. Share of views

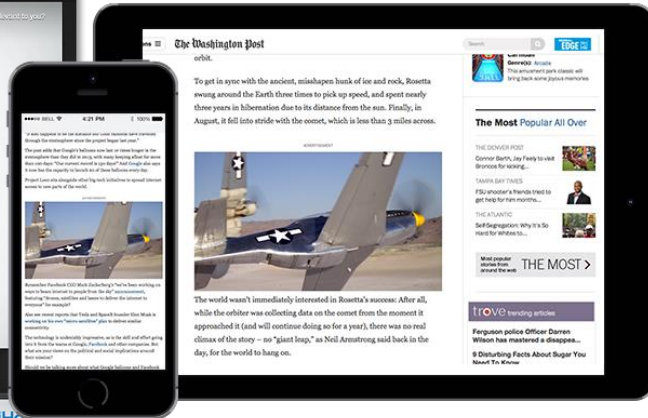


There are two major format categories

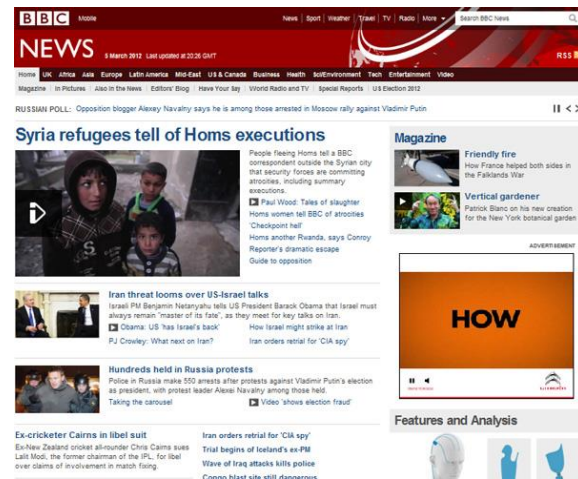
Pre-roll



In-read



Out-stream



In-stream

Attached to video content in **pre-roll**, **mid-roll** and **post-roll** formats.

Out-stream

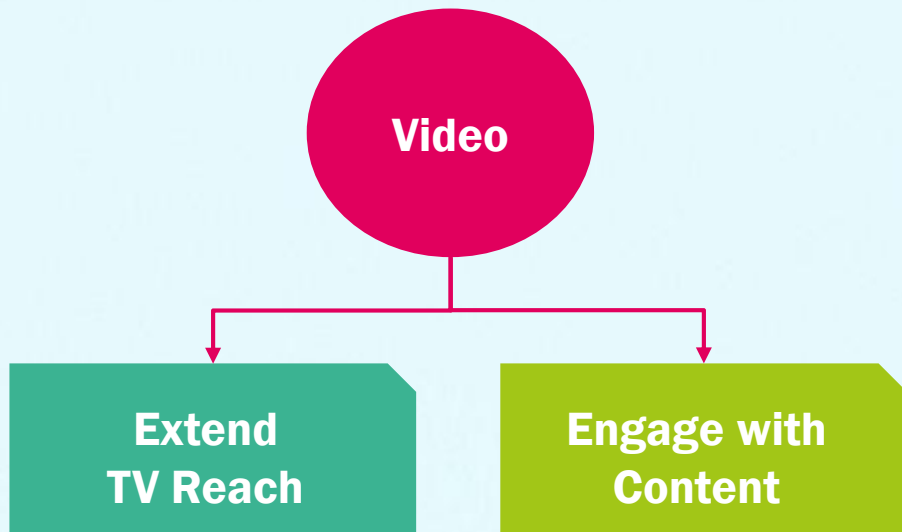
Not attached to main video content. Can be **in-banner** or **in-read** video. They either play automatically on the page or when there is action from the user (click/hover).



02

How to use Video for Advertising

Two major use cases for Video Advertising

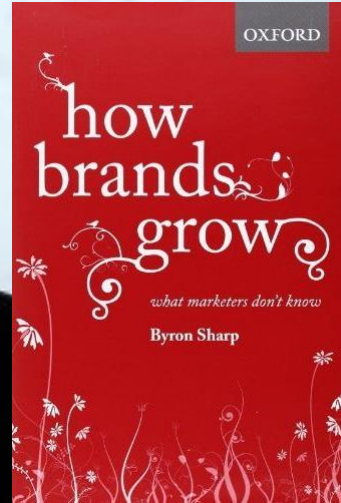
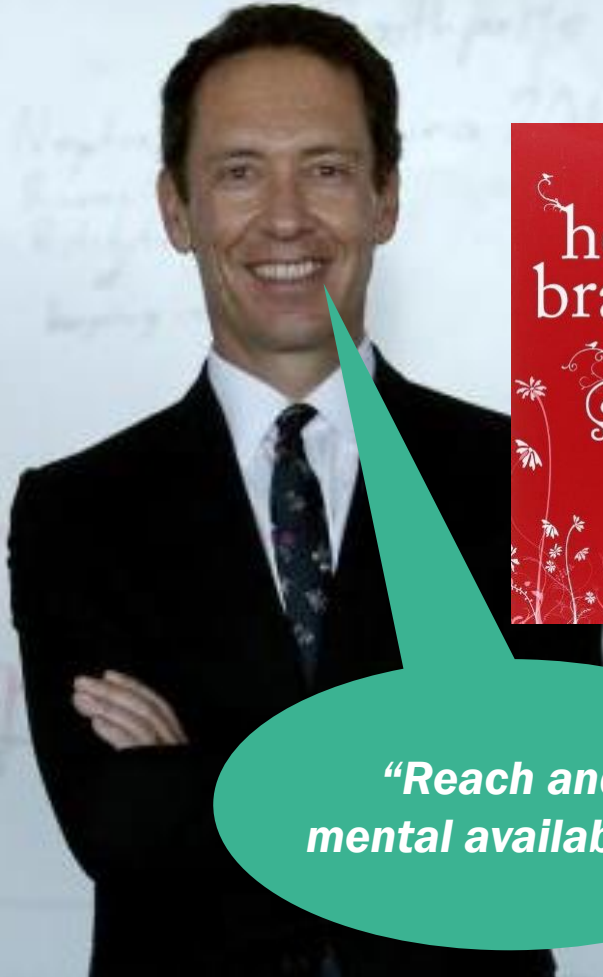


"Recipient"

"User"



The big debate: Byron Sharp vs. Larry Page



***“Reach and
mental availability”***

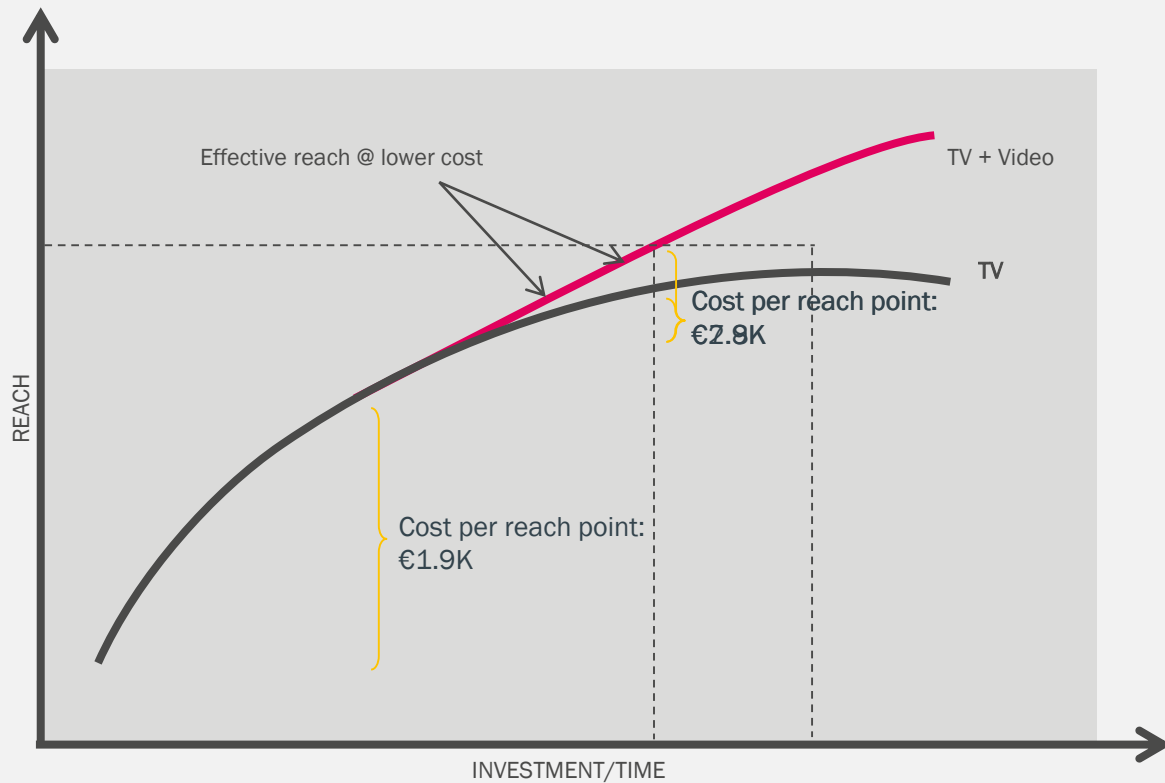


***“Targeting the right user
at the right moment
with the right message”***

Mixing TV and Online Video drives efficiency

More reach for the same budget

Less budget for the desired reach



Content can do more than story telling

The 3 I's help us identify what kind of content assets to develop and deploy in order to get our communication system performing at it's best.

Inspire

'Inspire is the really creative, entertaining stuff. The offline experiential stunt, the hit viral YouTube video or the ad funded telly programme designed for wide-scale appeal and awareness.'

Inform

'Inform is exactly that: how-to videos, product demos, stuff that answers consumer questions or needs.

Involve

'Involve is about then engaging with the audience. This is always-on content and often includes competitions, activations or social community management.



03

**Same creative for
all screens?**



More and more Video is
consumed in Newsfeeds



Tilt and rotate
360° Video

31K Likes 4.1K Comments 592K Views



But the majority of this content is
not being optimised for the
newsfeed

6 seconds

The average
video view

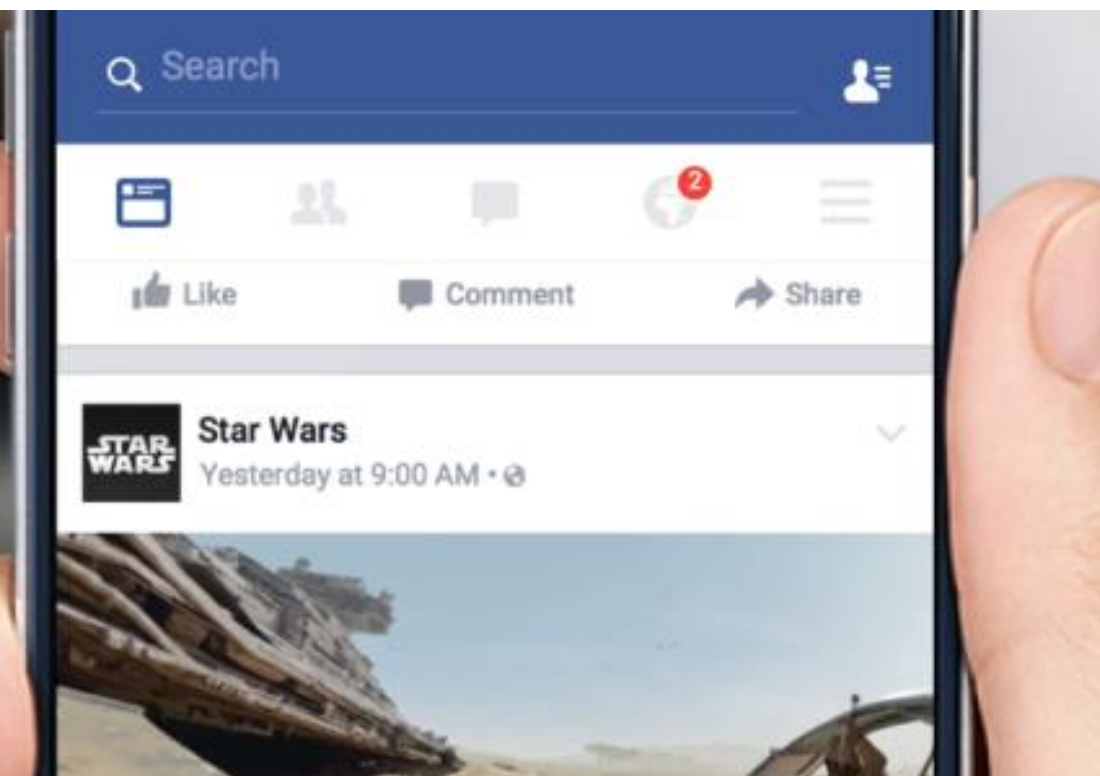
52%

Contained no identifiable
brand cues

24%

Were understandable
without sound

The newsfeed is a unique
creative environment



1.7 seconds

to make an impact
(average scroll rate)

92%

mobile views

We're competing with
everything for our
audience's attention
(even that cute cat video)

Original TVC

In-Feed



Feed Ready TVC

In-Feed

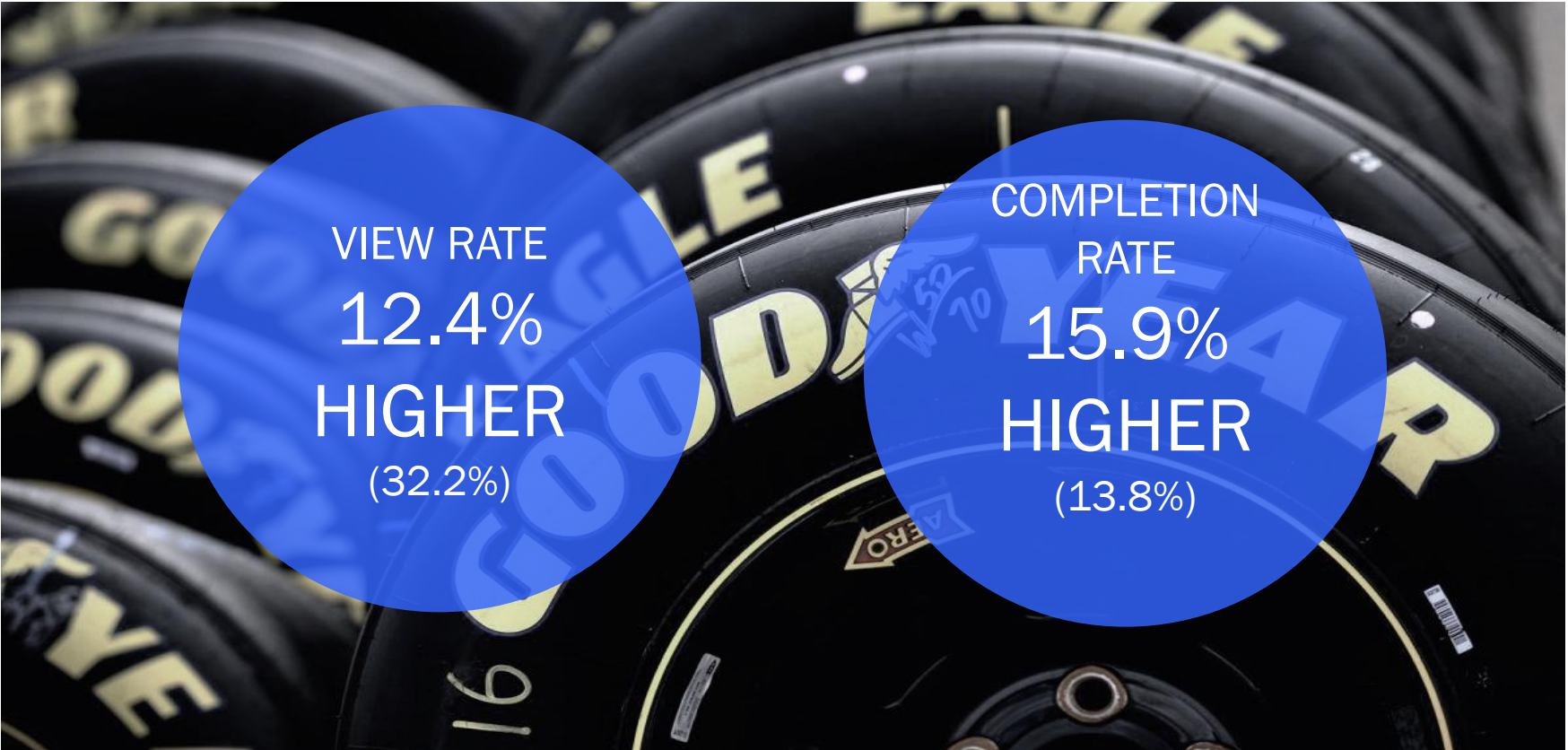


Feed Ready TVC Overview



- Framed to 1:1 ratio
- High impact opening sequence
- Branding visible within the first seconds
- Brand message story telling throughout
- Recognisable faces early on and throughout
- Clearer association between the partnership and the product
- Tangible in an audio-off environment

The early indications are looking like we have a success story on our hands



VIEW RATE
12.4%
HIGHER
(32.2%)

COMPLETION
RATE
15.9%
HIGHER
(13.8%)

A photograph of a server room with rows of server racks. The room is dimly lit with blue ambient lighting. A white rectangular box highlights a specific server rack in the foreground. A red speech bubble-like shape is overlaid on the left side of the image, containing the text '04 TV going Programmatic?'.

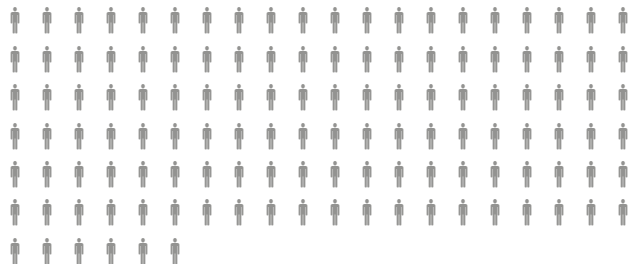
04

**TV going
Programmatic?**

Programmatic buying means cherry picking impressions and users in real-time instead of buying media packages

Traditional media buying

Publisher or Ad-Network
sell fixed package of impression

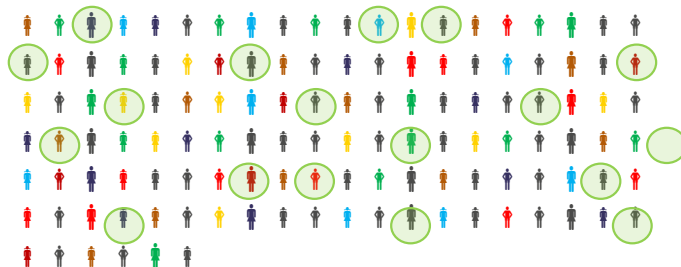


Client

Publisher controls which people and ad impressions CLIENT buys

Programmatic

Publisher offers Ad impressions
in real time



Client

CLIENT cherry picks people and impressions based on targeting data

Digital video will move programmatic, but will TV?

- High demand for video
- Manage reach & frequency across fragmented publisher landscape
- Higher media cost = higher need for efficient buying
- More control – manage viewability, view-through, brand-safety, fraud prevention

Programmatic Digital Video Net Ad Revenues in Select Countries in Western Europe, 2014-2020

millions of € and % of total digital video net ad revenues

	2014	2015	2016	2017	2018	2019	2020
UK	€86	€135	€222	€280	€385	€492	€602
—% of total digital video net ad revenues	18.5%	22.8%	32.2%	37.2%	46.3%	53.8%	60.1%
France	€47	€67	€109	€154	€215	€297	€358
—% of total digital video net ad revenues	15.2%	18.6%	26.1%	32.5%	39.7%	49.3%	54.1%
Italy	€24	€38	€64	€109	€163	€209	€245
—% of total digital video net ad revenues	9.1%	12.3%	17.7%	27.1%	36.6%	42.9%	46.6%
Germany	€14	€31	€49	€74	€131	€186	€254
—% of total digital video net ad revenues	5.0%	9.3%	13.1%	17.4%	27.9%	35.8%	44.9%
Spain	€10	€15	€41	€57	€69	€82	€98
—% of total digital video net ad revenues	9.3%	11.5%	28.1%	34.1%	37.5%	41.8%	46.5%

Source: IHS, "Video advertising in Europe: The Road to Programmatic Ubiquity" commissioned by SpotX, Sep 9, 2015

Linear TV will not go Programmatic soon

Barriers

Programmatic = Addressable

- Penetration of Set-top boxes?
- Privacy
- TV regulation
-

No pressure to change

- TV networks highly profitable
- Rights owners sell free TV separate from digital rights
-

Some experiments

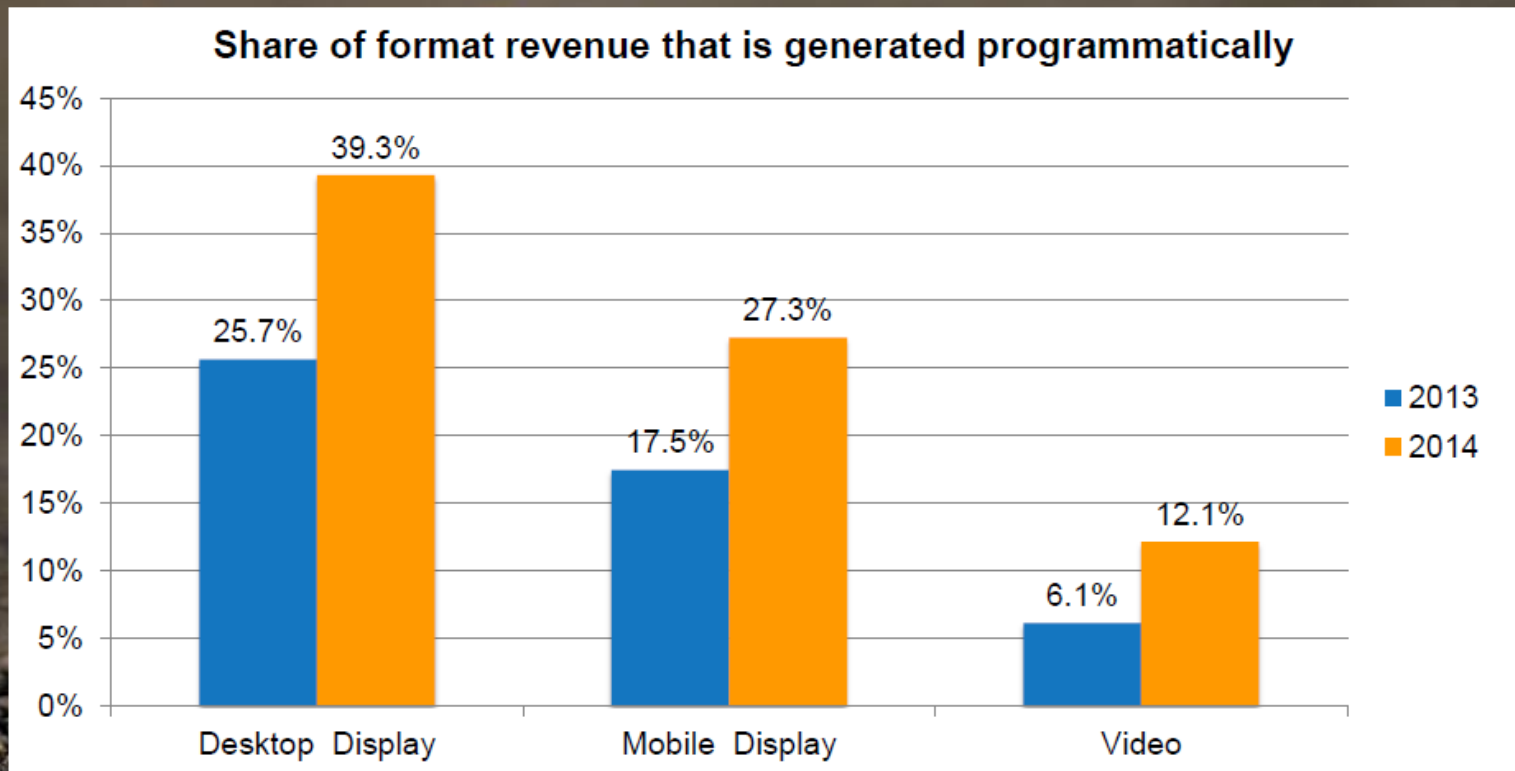
- Outside linear TV (HBBTV, smart TVs) with limited scale
- Sky Adsmart

Opportunities

Fast innovation in the web

- Aggressive players (YouTube, Facebook)
- Not regulated
- Silicon Valley innovation culture

IAB Europe reports lowest programmatic share for video



Summary

Video is the most powerful media vehicle

Video usage grows to all screens – but linear TV is still big

Online Video can generate additional reach at lower cost

Video can Inspire, Inform, Involve

Mobile and in-feed require different video production

**Programmatic video can drive huge efficiency gains,
but linear TV is slow to go programmatic**