

Building a Faster, Simpler Future for TV Advertising

Matt Stagg in conversation with Graham Heap, Imagine Communications

IAMT Studio Visual Podcast Series

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Thank you, and welcome back to the IAMT podcast series with myself, Matt Stagg. And I'm delighted to introduce Graham Heap, who's a VP of Product Strategy at Imagine Communications. We're going to talk about something that will be — if you know it, you'll know the pain — and that's looking at, you know, advertising and how we solve some of those problems — non-technical, really, as in that, you know... And we'll come on to that. I wonder, for any — well, that one person who's never heard of Imagine Communications — can you just give a bit of a background on where you sit as a part —

Yeah. No, absolutely. Hey, Matt. Yeah, lovely to be here. And so Imagine Communications provide, you know, really two sides of our business. We have a kind of play-out, networking and distribution business on the — you know, getting the content distributed in all the necessary ways — and we have an ad tech business looking after our customers who are trying to monetise their inventory. So I look after the strategy on the ad tech side. So I look after kind of where we're taking the products and where the market is going. And, you know, this topic — it's really like, you know, we're poking at an open wound to an extent because, as you say, everyone kind of knows that, you know, the friction in television is uncomfortable. And, you know, the rise of simpler buying methods on the digital side are, you know, kind of shining a light on that.

Well, this is the thing. It's not just that there's a lot of friction in it anyway — it just looks so much worse every time that something gets easier to do somewhere else. And so, can you talk about that, and why is it still difficult?

Well, it's kind of — Matt, if we take one step back, and I think, you know, the reason that we're talking about this topic is because television itself has intrinsic value, right? Everyone knows that adverts on TV deliver, you know, super-high attention. They drive great outcomes at the end of the day, and that's why advertisers still, you know, going through the pain barrier and spending money on television. I don't think that that value is in question, but there's two parts of the value chain that are an issue. One is the difficulty in trading and buying because, you know, it's complicated, and I'll get into what I think the root causes of that are. And it's this idea of, well, I want to get the reach and the value that television can give me, and I want that to be a bit easier to transact. And then I want to better understand the outcomes, because the other thing that digital does, frankly, way better than television is that there's a much more direct connection to advert and outcome.

Yeah. That person watched it for that long —

Then did something else.

Yeah, exactly. You know what they're doing after. Yeah. That's so —

So television's got some catch-up to do, you know, to reduce that divide, because you can prove the value of television after the fact with research, but the time lag between placing a budget, placing some ads and getting feedback on the outcomes is just a little bit too long.

And expensive. You know? Like, that's the thing. You go through all of the expense of having it, then you go through all of the expense of working out what money you made. It just — you know, it's very, very complex and clunky.

Yeah. And then to your other point on, well, what is actually difficult about buying television — why is it difficult? And I think, you know, it's an ageing industry, let's be honest. Television's been a great source of advertising for, you know, many, many years, and it's grown up with a hugely fragmented supply side. So if I'm an advertiser trying to spend a budget, I've got a lot of places to go and spend my money, and I've got to figure out what's the balance across those different supply sides. And when I do that, within each of those media sellers that I'm transacting with, I'm probably now — because I'm trying to reach an audience, some of which is only on digital and some of which is watching television — I now need to spend my budget, you know, through two sales channels. So I've got all this supply, and I've got complexity within each, trying to buy from any one of them. And that fragmentation is kind of —

Yeah. And organisationally — you know, we'll come on to... because I know you've got some very good and strong ideas into how this is done — but organisationally, the digital side have lived somewhere completely different from schedulers or, you know, advertising. And then, you know, many companies, many organisations, they just have completely different budgets and, you know, it's like the right hand doesn't know what the left hand's doing. So that whole thing — which is why you're here. Right? Yeah, because you're going to tell us —

We do. But yeah —

You're going to fix it. Come on.

Well, we're certainly part of the solution, and I think there's some fundamentals I think would need to be addressed first in how television is sold, because particularly in markets like the US and others around the world, television is bought on a kind of spot basis. In other words, I'm buying a spot, and I'm being committed to that — that spot is going to be in a certain bit of inventory, and I'm committing on a value of audience I think it's going to reach. And I've got this complicated idea. I'm buying a spot, and in digital, I'm just buying an audience. So to answer your question, I think the first thing that TV needs to sort of address — and some markets do — is I need to sell my television inventory on an audience basis, right? Because what the advertisers are really after is the eyeballs — and valuable, attentive eyeballs — and, you know, for the buy side to be trying to plan and decide exactly what spots I need where to achieve that attention seems a little counterintuitive.

The data is there, so I think step one is for TV to introduce on its menu this change — you know, these changes never happen like a light switch, but over time, on your menu, add a genuinely audience-traded version of television sales. And then work on the measurement side of it so that those audience-based sales on traditional television can be joined with impression-based sales on the digital side. This comes to a panacea of the advertiser agency being able to come to me

to buy an audience. And I can deliver that audience wherever it happens to be.

That's the key. That is — you know, that would make everybody's life just so much easier. You know where you're going, and budgets — you know, it's much easier to budget if you're saying, "We're going after this." You know, we're all going the same. It should actually be just completely decoupled from the method of viewing, because it's going to change. It changes — demographics change and new behaviour changes — where the only thing that hasn't is television, in terms of getting it right. And still, you know, especially when you start to look at, you know, high-value assets, premier sports and that, the money that's being exchanged there just needs to be so much slicker. I'd be quite interested in some of — you know, are you still seeing... I know we kind of all know that people watch the adverts on the TV and then, you know, you just have to look at the Super Bowl and things like that, but is there still a very strong ROI for —

I think there's a huge ROI. I mean, television delivers moments, it delivers high attention. I think there's extra value in what I call co-viewing — in other words, where I'm experiencing a television show with my friend and we're watching a television show together and the adverts are on. That adds value to the television experience. And we do definitely — at Imagine, we have this view on super-premium television versus the middle ground and long tail, and in that super-premium stuff — you talked about the Super Bowl or, you know, our football — then absolutely get an extra premium for that, sell it on a spot basis, white-glove control that sale and make sure that the value is drawn out of it. For the 95% of everything else, I really want to automate it. And I really want the audience to be just wherever it's watching — I want to go and catch them with ads.

So this is kind of where Imagine are coming from with our software, is converging that campaign management and then working with all the downstream delivery mechanisms — so whether that's spots on television, insertion orders being shipped out to my ad server — and have automated ways of that delivery being adjusted over the life of a campaign, whilst there's still a premium element where demand is way higher than supply, so I'm going to charge the necessary. In the Super Bowl I'm going to really handcraft that stuff and draw value out of it.

Well, this is it, isn't it? You know, same in any business. Big accounts you can sort of throw people and process at, but the money is in the thousand other ones, that you add them all together. So when you start to use, you know, automation across that, you're picking those up, and then you can let the guys do the — you know, the big jobs, if you —

But knowing the areas of real extra value — and that's certainly our approach. And we've had some good success. I mean, there is markets around the world where they're launching genuine — what we call total TV campaigns, and we're introducing this automated distribution optimisation that means that those are looking after themselves. But of course those customers also have this super-premium: "But I know I need to sell very specific things into these very specific areas to keep my big customers very happy." Brilliant, focus on that. And let the machines kind of do the heavy lifting on the rest of the inventory.

Yeah. Well, and actually it comes back to the jobs. We were talking about, in our industry, the skills gap. You know, those really laborious things — you know, get them out of the way of people coming into our thing going, "Oh, I'm going to set..." You know, it's exactly the same

when you start looking at tagging and stuff, and you've got a university degree or an IT degree, whatever, and you come in, and the first thing you do is something that no one wants to do. So I always say give AI or automation the rubbish jobs, because it doesn't complain like everybody else does.

Yeah, and it's kind of — and I think the same's true on the buy side, right? You've got buying agencies. Because television is a little bit kludgy to try and transact, you then end up with very specific teams that understand how to buy television, and then they sort of live in one world. And right down the corridor I've got my digital buying team hitting the big green button to buy impressions, you know, through the big tech platforms. And never the twain shall meet, as —

Yeah. You will see — you think like, "Oh yeah, the TV ones are in there and they've got their paper and stuff like that," and the other ones are just there with the music and —

No, we promise they're short.

Yeah, yeah, that's it. All right. Well, that's brilliant. And do you know what I really like is, sometimes you're in tech — we're all in tech — but sometimes, you know, there's very simple things that the technology can change that are such a headache, and to be able to take that and — you know, things are evolving, but it's very nice to get a company like Imagine to go back and clear up when everybody's moved through. It's like, "Okay, well, come on. Come on, TV, we'll get you sorted as well."

Yeah, we'll definitely get there.

Brilliant. Thank you. Thank you very much, and thank you all for watching. We'll be back tomorrow with some more episodes and some more guests, so see you then. Thank you.