RETHINKING TV REACH IN THE DIGITAL AGE

The evolution of TV advertising in Belgium, with a look at the future

December 2021

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Summary

The year 2021 is coming to an end. It has been a year dominated by Covid and we are far from being back in a 'normal' situation. The past two years have been an interesting period for the use of an in-home medium such as TV. Existing trends in terms of how 'video' is consumed have accelerated during the lockdowns.

Linear viewing has changed, new touchpoints have been added and 'on demand' viewing is on the rise. ATAWAD (anytime, anywhere, any device) is becoming the new normal.

And those trends have an effect on the reach of advertising campaigns on TV. The downward trend in live viewing, combined with high levels of ad avoidance in time shifted viewing, have resulted in a decrease in campaign reach in 2021 – with slight differences in North and South and depending on the target groups.

At first glance, this phenomenon seems dramatic. But as it has been mainly the light viewers who have dropped out from live viewing, the efficiency of the TV investment has even increased if one strives for a minimum level of repetition. This is confirmed by advertising impact measurements, in which, on average, there has been no decrease.

In the future, linear TV will require a supplement to build a broad reach. In addition, action is needed against ad avoidance. Those measures, which VIA announced in August 2021, will be introduced gradually and over time, depending on the technical capabilities of telecom companies.

In the upper part of the marketing funnel, BVOD (Broadcaster Video On Demand) is a logical qualitative complement, capable of increasing campaign reach by 2 to 4%. The View Through Rate of commercials is almost as high as for linear TV, which, compared to other platforms, is an important parameter in terms of quality.

When shorter ads are an option, for example to build awareness, short form video content can also be used. This is an interesting supplement which is offered by Belgian news editors.

At the bottom of the marketing funnel, the audience must above all be relevant. With addressable TV, the industry has taken a big step forward. The operators Proximus and Telenet already make it possible to target 58% of households. BVOD also allows a segmented approach, as do the short form formats of publishers. Another big step forward is expected from the server-to-server unlocking of time shifted viewing on the big screen, creating additional full digital possibilities.

The most important future project is the establishment of a 'One Connected Video Ecosystem', which will connect the advertising servers of the different platforms. It will allow contact management on all platforms, as a step towards programmatic campaign management.

We would like to conclude by putting everything into perspective. Impact surveys of all kinds point in the same direction. According to them, creativity is the most important key to success. Brand factors also play a major role. But, of course, the messages have to be 'distributed'. And this is where VIA members play an important role, which they wish to take up in the future with just as much enthusiasm and motivation.

VIA is the Belgian Association of AV Media, representing the following sales houses

Transfer, Brightfish and Belgium Television are adherent members of VIA.

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Communication goals and the role of TV

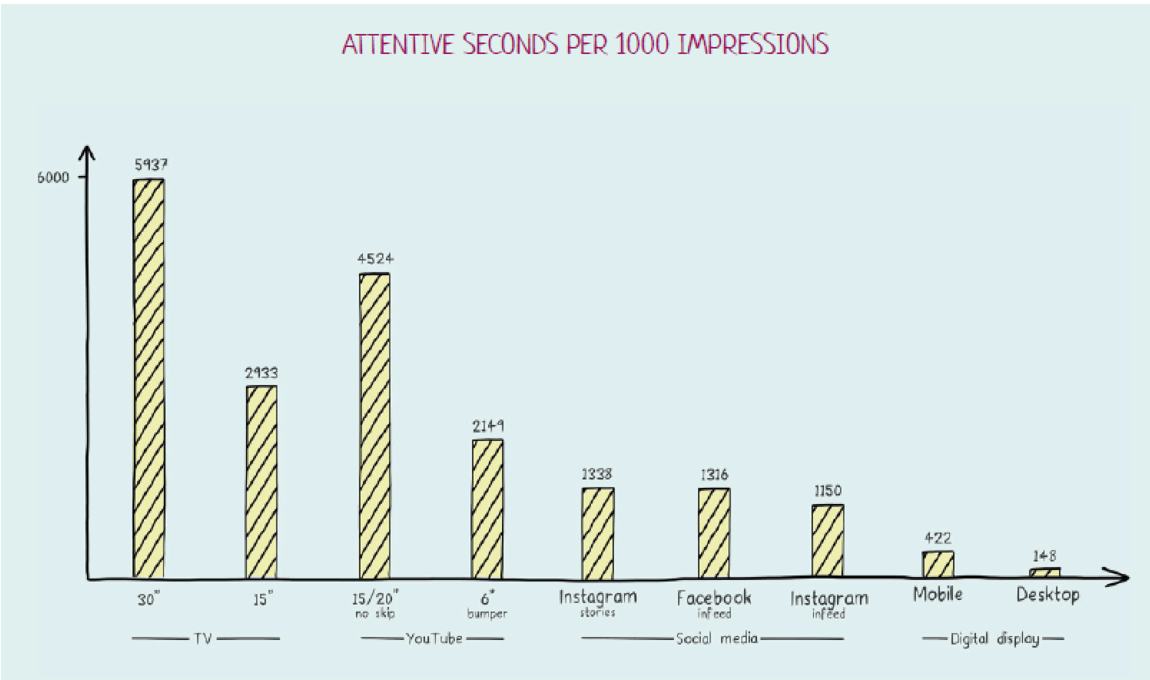
What role can TV play in communication? To answer this question, we have to take into account the different stages of the funnel, the communication objectives and the media needs that go with it.

TOP OF THE FUNNEL: Discover, Capture attention, Think...
In this phase, the main aim is to build awareness and be visible to a broad group of consumers. Reach is therefore a crucial parameter at this stage. In addition, it is important that a certain frequency is achieved. Given that the messages are often not that complex, it is also possible to work with shorter content formats, even billboards and sponsorships.

MIDDLE OF THE FUNNEL: Engage, Provide Information, Strengthen opinion, Feel, Consideration
This is where TV expresses all its power, through the combination of sound and picture. Usually, longer ad formats (15 to 30”) are used, which allows the communication to provide a narrative. Minimal repetition is more essential than reach here. The desired level of repetition differs according to the message and depends on various factors, including complexity, degree of novelty, desired change in habits, etc.

BOTTOM OF THE FUNNEL: Act, Encourage purchase/subscribe, Do, Conversion
This is the ‘harvesting’ stage. The better we know who is interested, the greater the conversion rate is and the better the end result will be. Relevant targeting is key here, with a digital approach offering more options. Sometimes a broad approach is used, e.g. with a call-to-action at the end of a TV spot. The growing Direct to Consumer (DTC) market is increasingly adopting this approach.
In general we can say that 'relevant' reach is crucial here. The focus is on increasing relevance.

Finally, we would like to stress the importance of attention when sending a message (complex or not) to the consumer.



Bron: Ebiquity, The challenge of attention, June 2021.

Due to the explosion in terms of numbers of screens and platforms, there is an increasing need for comparability, which has given research on attention a new boost.

(Linear) TV manages to generate the most attention for longer formats, in combination with a broad reach. YouTube also scores well on this parameter, provided, of course, that the ad is not skipped. However, little is published about skipping ads on YouTube. An IPG study reported that 65% of ads on YouTube are skipped. Halfway through the measured ads, only 20% of the audience remained.[1]

DPG Media's attention research is also relevant in this regard. Eye tracking analysis showed that advertisements on VTM GO get attention 66% of the time, versus 41% on YouTube. When viewed via a smartphone, the attention for advertisements at VTM GO even peaks at 74%.[2]

IP Belgium also conducted an eye tracking study in 2017 and came to similar conclusions. The memorisation of brands in advertising was highest on TV (42%), followed by info sites (32%) and finally YouTube: 23% when the video was watched and … 0% when the spot was skipped.

> Higher in *the funnel* attention becomes an important metric. *Bottom of the funnel* it is action that counts.

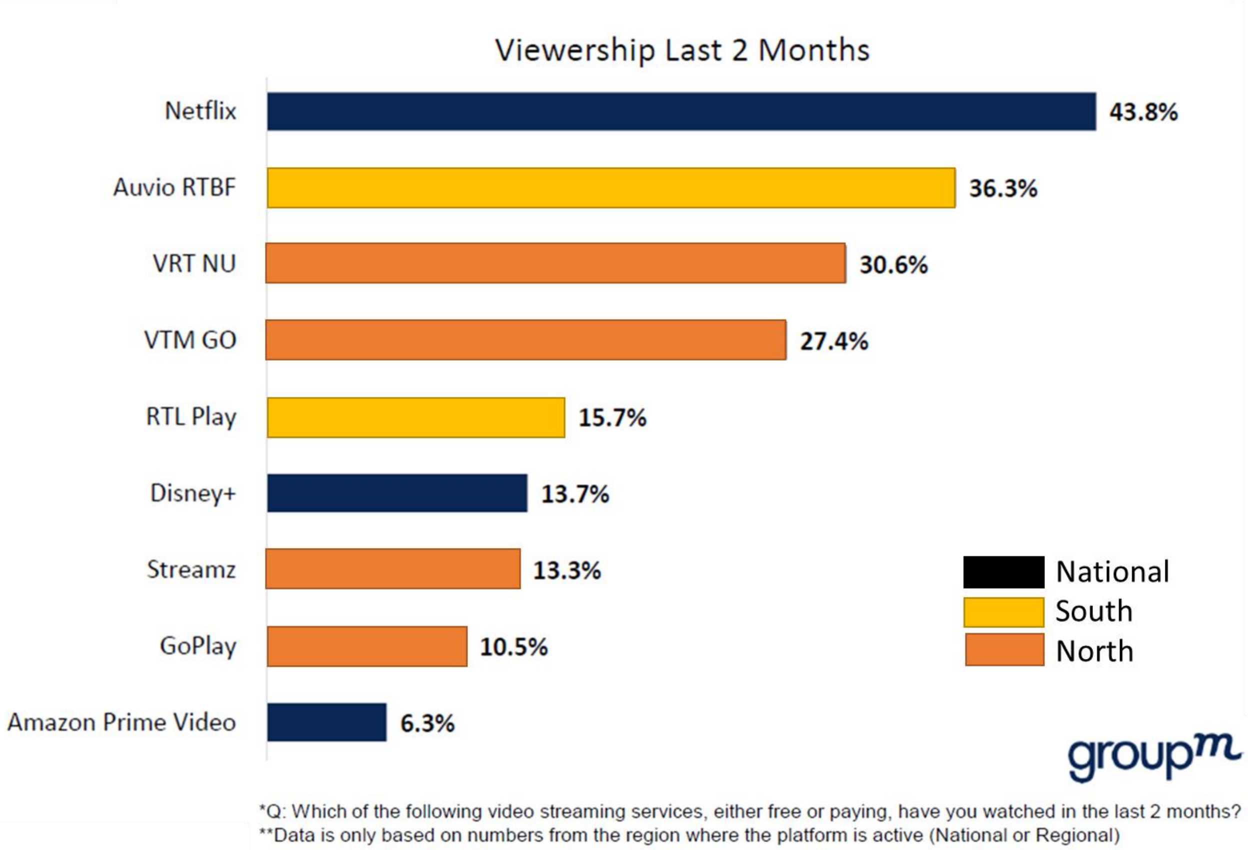
The evolution of video consumption

Video is no longer the exclusive domain of linear TV. For years now, consumers have been watching new types of video content via digital platforms on their smartphone, tablet or computer. Following the emergence of Netflix, the offer of SVOD (Subscription Video on Demand) has also exploded. An evening of binge-watching is now commonplace, and various SVOD providers are competing for the attention (and money) of the public.

Faced with these trends, broadcasters have developed their own Broadcaster Video on Demand (BVOD) platforms and embraced non-linear viewing of their long form video offerings. In doing so, they have created new digital opportunities that match the new viewing behaviour. Their offer is still growing and expectations amongst broadcasters are high.

GroupM published current figures on the reach of SVOD and BVOD players in Belgium in November 2021.[3]

[1] 'Turbo Charging your skippable pre-roll campaign', Magna IPG Lab, 2017.
[2] DPG Media, VTM GO of YouTube: wie wint de online video battle?, 2020.
[3] GoupM: Streaming Wars, Field September 2021, 18-59y



Meanwhile, on the TV screen, the digibox has become commonplace, with greatly simplified recording options. Programmes can be viewed at any time and viewers have adopted the convenience of Time Shifted Viewing (TSV). This phenomenon has become more and more popular, but has also given the viewer extra options to avoid or skip advertising (well known in digital advertising due to the installation of ad blockers). This advertising avoidance has a major impact on the inventory of potential advertising contacts.

Table: drop in reach of advertising on live TV, TSV and the use of adblockers[4]

			Ad avoidance in % on TV and online		
			TV screen		Online
Jan-Oct 2021	Main channels	% TSV	Live	TSV	Adblockers
North	VTM1/2/3+Play4/5	38,7%	-20%	-65%	-32%
South	La Une/Tipik+AB3+ RTL/ Club/Plug	26,8%	-14%	-45%	
			Space Perf barometer 18-54		Global Webindex Q2 2021

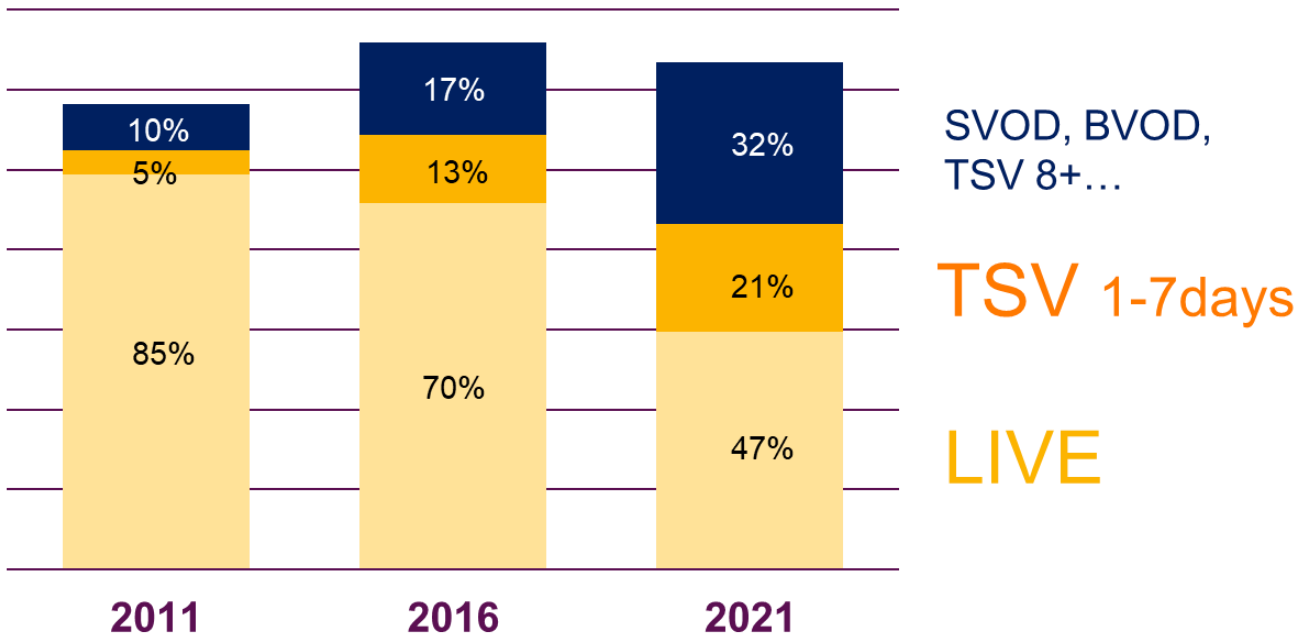
[4] For TV this was calculated as the difference between the ratings of the commercial breaks versus total ratings.

However, the ability to skip TV commercials creates a negative spiral and puts the entire TV ecosystem under pressure. By avoiding commercial breaks, those contacts must be compensated elsewhere, which leads to longer ad breaks. These in turn stimulate the ad-avoiding of the viewer, which, sooner or later, will lead to a reduction in resources for programme makers and thus a leaner content offer. This makes TV less interesting for the viewer, who drops out… which further increases the advertising pressure.
How we can break this negative spiral is discussed further in this paper.

What impact did Covid have on TV?
Lockdown measures kept us at home a lot and we looked for news and entertainment on our big (and small) screens. This was an excellent opportunity to discover new content, new platforms and new viewing options. That benefited almost all providers, but it was especially beneficial for the SVOD platforms and for non-linear viewing.

Has this atypical situation fundamentally changed our viewing habits? It has certainly accelerated existing trends. When we map the long term, the evolution from 'live' to 'on demand' has been unmistakable. Linear viewing is making way for anytime, anywhere, any device (ATAWAD) viewing.

Evolution in TV viewing volumes, January-September 2011-2016-2021 (National).



The evolution of linear advertising reach

The decline in linear viewing and the increase in ad avoidance in delayed viewing may also have an effect on campaign results.

An analysis of three consecutive years of campaign results confirms this suspicion.

We chose the period from January until May: a 'normal' period, without the atypical sports month of June and without the weather-dependent summer months. The starting point are the campaigns that actually run on all channels in the North and the South. The extremes have been removed from the analysis: short (-7 days) or long (6+ weeks) campaigns, but also weak (<100GRP[5]) and very strong campaigns (1000+ GRP) were excluded.

With this approach, we obtain a significant number of campaigns that achieve an equivalent GRP level for the three periods, allowing us to compare the reach.

Table: evolution of reach compared to the reference year 2019 (pre-Covid).

18-54	NORTH								SOUTH							
Period	Campaigns		Coverage 1+		Coverage 3+		Coverage 5+		Campaigns		Coverage 1+		Coverage 3+		Coverage 5+	
Jan-May	#	GRP	%	evol	%	evol	%	evol	#	GRP	%	evol	%	evol	%	evol
2019	769	275	61,9		32,6		19,0		697	258	58,7		31,7		18,9	
2020	577	293	62,1	+ 0,2	34,2	+ 1,6	20,8	+ 1,8	544	274	58,2	- 0,4	32,4	+ 0,7	20,1	+ 1,2
2021	647	284	55,7	- 6,1	31,6	- 1,1	20,4	+ 1,4	623	266	52,8	- 5,8	29,8	- 1,9	19,3	+ 0,3

In Covid year 2020, the total reach remained stable, but, at a higher frequency level, the reach increased because of longer viewing habits.

In the 'post-Covid' year 2021 we see a strong decrease in total reach 1+, but not so at 3+. At 5+ we even see an increase compared to the reference year 2019.

This evolution (2021 compared to 2019) can be found in various target groups, including the young and the upscale part (Social groups 1-4) of the 18-54 age group.

Jan-May 2021	NORTH evolution versus 2019								SOUTH evolution versus 2019							
	Campaigns		Coverage 1+		Coverage 3+		Coverage 5+		Campaigns		Coverage 1+		Coverage 3+		Coverage 5+	
Targets	#	GRP	%	evol	%	evol	%	evol	#	GRP	%	evol	%	evol	%	evol
18-54	647	284	55,7	- 6,1	31,6	- 1,1	20,4	+ 1,4	623	266	52,8	- 5,8	29,8	- 1,9	19,3	+ 0,3
VVA 18-54	673	313	59,5	- 5,7	34,6	- 1,2	22,5	+ 1,0	656	290	55,7	- 6,5	32,3	- 2,7	21,2	- 0,2
18-54 SGR 1-4	613	250	55,1	- 6,9	29,7	- 0,9	18,3	+ 2,2	583	225	51,2	- 6,3	27,1	- 1,4	16,4	+ 1,1
15-34	541	200	48,2	- 6,9	24,1	- 1,8	14,3	+ 0,7	464	187	43,9	- 8,0	20,8	- 3,8	12,5	- 1,2

[5] GRP = Gross Rating Point, or 1% of the target. When the size of the target is divided by 100, the number of contacts (or impressions) is obtained – and vice-versa.

For a nostalgic TV planner, this must come as a shock. Gone are the days when only live TV was enough to reach all target groups. Today one has to consider whether the attainable reach is sufficient. If this is not the case, then one has to consider which additional channels and platforms can be used to achieve a higher reach at 1+.

The recipes for maximising reach with linear TV have not changed compared to the past:

- Use a broad pallet of channels
- Good spread over the different days
- Good spread over the whole day
- Have an eye for occasional/unique content such as live programmes, films, sports competitions...

By plotting all campaigns for the spring (January-May) in a graph with the relationship ‘investment’ (expressed in GRP) versus 'result' (expressed in reach) on the target group of 18 to 54 year olds, we get a picture of what linear TV can bring (see next page).

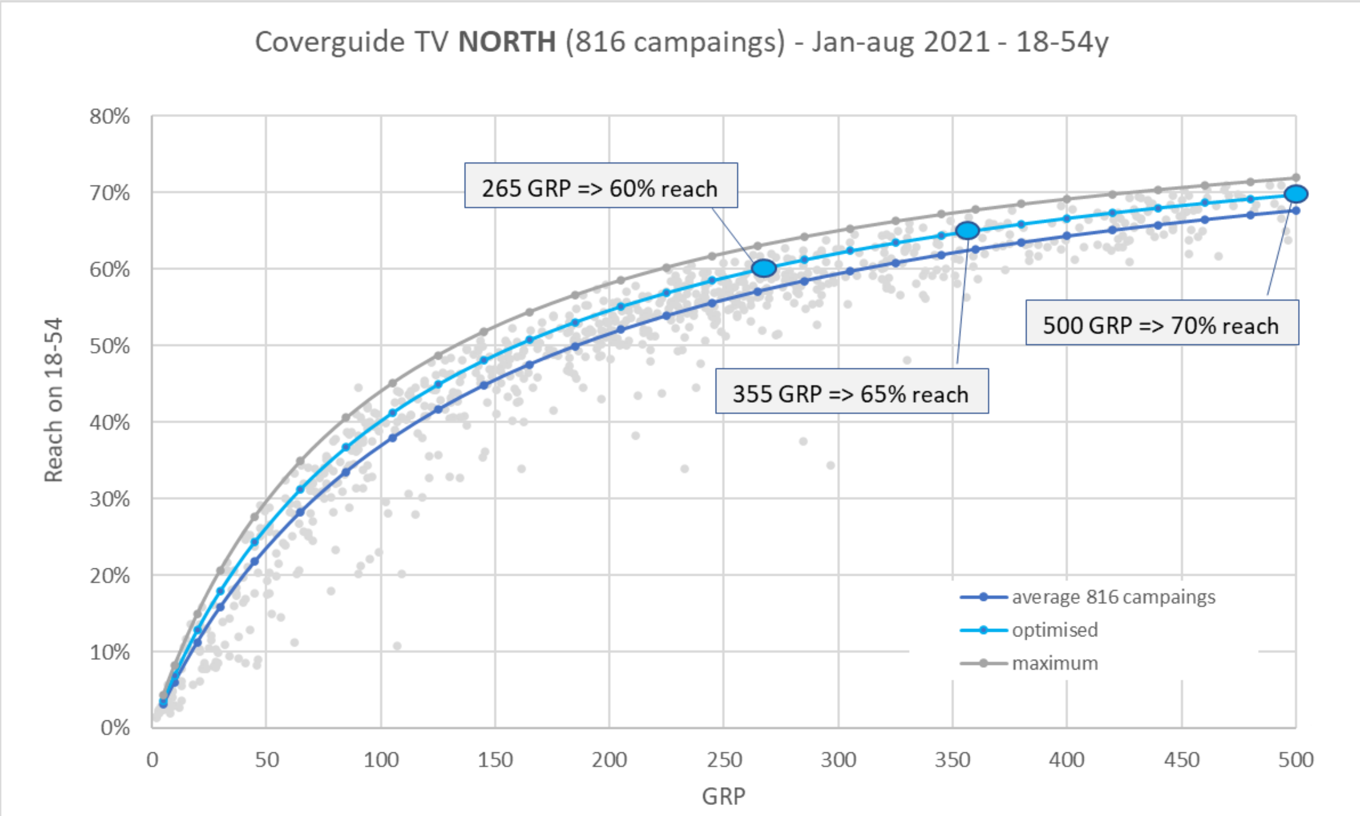
We have drawn three curves here that outline the picture: the average, the maximum and the optimised curve, an in-between which is clearly achievable provided that the necessary attention is paid to reach optimisation.

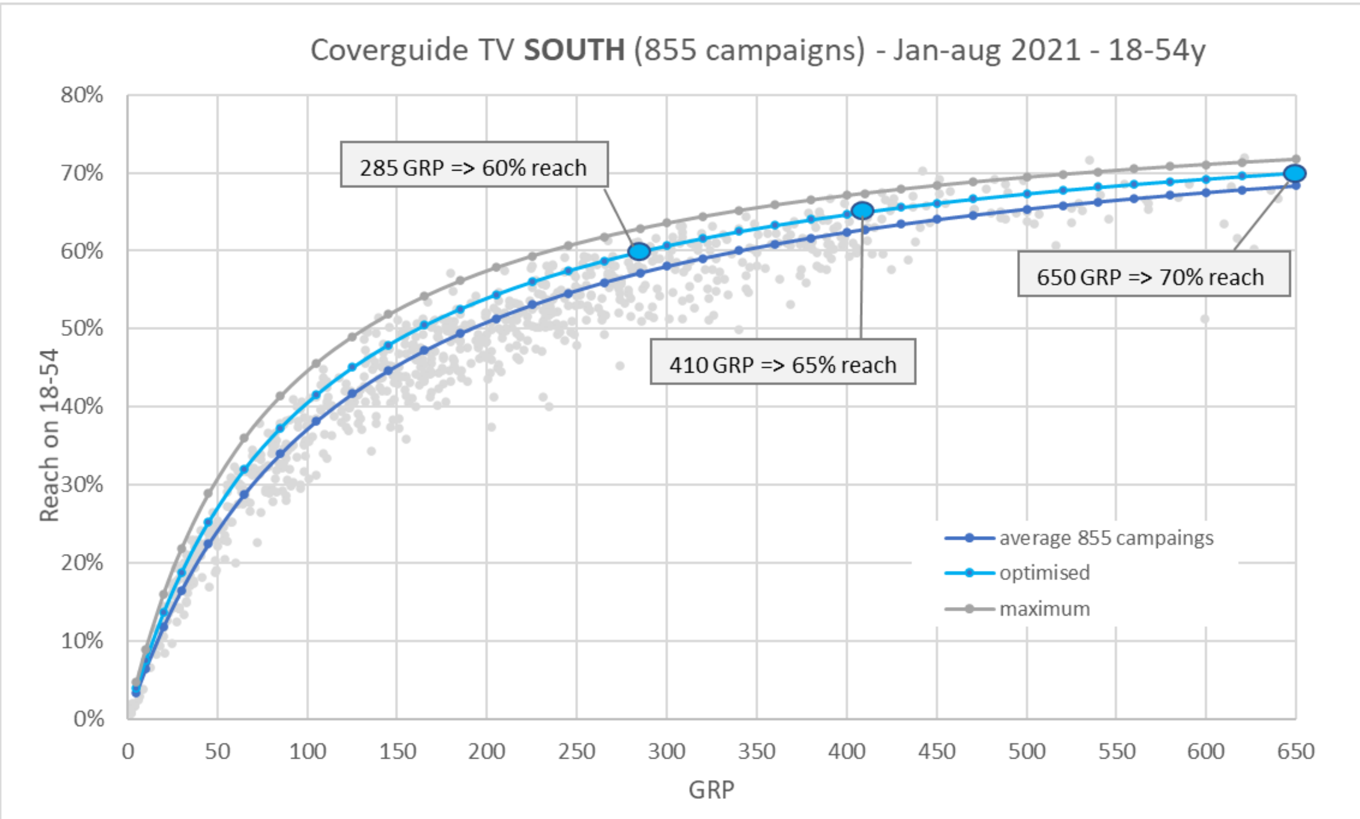
Based on the optimised curve, the following benchmarks are valid today:

	North	South
60% reach	265 GRP	285 GRP
65% reach	355 GRP	410 GRP
70% reach	500 GRP	650 GRP

Today an average campaign on TV obtains 65% reach, when attention is paid to optimisation of reach

Cover guides on 18-54, all campaigns January-May 2021 – North and South.





The efficiency of linear TV has grown

Building reach & frequency with linear TV cannot be managed as it can be with a digital campaign. Frequency capping is not possible until further notice, so a TV campaign must be continuously monitored.
It is known that every campaign always has a fair number of occasional viewers, who have only been reached once or twice – not always enough to deliver a message with sufficient impact.

And so here is the good news. The declining reach is primarily caused by the absence of those occasional viewers, while the core target is still there. Of all the GRPs deployed, less will therefore be deployed inefficiently. In the technical jargon, this is referred to as the 'effective GRP' at a certain effective frequency threshold.

In plain language, taking the example of GRP at the threshold of 3+, it means that all GRPs spent on 1 or 2 contacts are not counted. These contacts certainly have value, but the basic principle is that they do not contribute enough to an efficient message transfer. In this example we therefore only count the GRPs that do contribute to a repetition of three times (or more).

Table: % of GRPs that are effective at a given frequency level

North	18-54		effective rating points				South	18-54		effective rating points			
	GRP	Reach	GRP	GRP	GRP	GRP		GRP	Reach	GRP	GRP	GRP	GRP
Jan-May	all	1+	@2+	@3+	@4+	@5+	Jan-May	all	1+	@2+	@3+	@4+	@5+
2019	275	61,9	77%	69%	63%	59%	2019	290	61,4	79%	72%	67%	63%
2020	293	62,1	79%	71%	66%	62%	2020	317	61,3	81%	74%	70%	66%
2021	284	55,7	80%	74%	69%	66%	2021	292	54,7	81%	75%	71%	68%
index 2021 vs 2019		90	104	107	110	112	index 2021 vs 2019		89	103	105	107	108

From 3+, the improvement can already be called spectacular. For linear TV, where little can be done about frequency management, the new situation ensures a better distribution of the purchased GRPs. The number of contacts that cannot be regarded as efficient decreases in favour of investments that do achieve the intended recurrence level.

Extra good news is that this improvement occurs with all targets and is even higher with the harder-to-reach target groups like youngsters or upscale (social groups 1-4).

Table: evolution index of reach and effective GRPs in Jan-May 2021 versus 2019

North		effective rating points				South		effective rating points			
	Reach	GRP	GRP	GRP	GRP		Reach	GRP	GRP	GRP	GRP
Jan-May	1+	@2+	@3+	@4+	@5+	Jan-May	1+	@2+	@3+	@4+	@5+
18-54	90	104	107	110	112	18-54	89	103	105	107	108
VVA 18-54	91	103	105	107	108	VVA 18-54	89	103	104	106	107
18-54 SG 1-4	89	106	112	117	122	18-54 SG 1-4	88	104	108	111	113
15-34	87	104	108	112	115	18-34	83	103	106	108	110

The impact of TV campaigns remains stable

Now that we know that reach does not decline at higher replay levels, it is not surprising that the measured impact of TV campaigns is not being eroded. This immediately shows that this impact only arises when the message is repeated. In other words: that occasional contacts do not (yet) have the desired effect.

Table: evolution of the impact of TV campaigns in 2021 versus 2020.

Target 18-64	2020	2021	evol
nbr of cases	221	157	
Ad recognition	47.9%	49.0%	**102**
Attribution	53.6%	52.8%	**99**
Useful score (ad impact)	25.7%	25.9%	**101**

Source: MIP (DPG Media) + Ad Scan (IP Belgium)

The ad impact model of DPG Media[6] indicates that media planning factors are more important in the recognition (recall) stage. If we investigate the relationship between reach and impact, we must first look at recognition. And this remains stable or even increases in 2021 versus 2020.

It should be noted that the number of analysed cases is limited and that other factors such as creation or type of brand also play a role.

[6] More details in the 'Final note' at the end of this paper.

TV evolves into Total Video

It has been 15 years since digital TV emerged and since the slogan 'the consumer in control' created turmoil in the advertising market. A book entitled 'Life After the 30-Second Spot' was an instant hit. Author Joseph Jaffe presented his vision of the future in quite a catchy way, yet his predictions have only become a reality to a limited extent.

A lot has happened in ‘videoland’ since then:

- the digitisation of TV, which made more channels available – however, the predicted interactivity has not materialised (remember the 'the red button'?),
- the breakthrough of user-generated video content platforms such as YouTube,
- the rise of Facebook and social media,
- the ability to watch TV on other screens, including mobile-on-the-go,
- the rise of Netflix and other SVOD platforms,
- the creation of BVOD broadcast platforms,
- the broadening of the publisher websites to video (and audio),
- the rise of addressable TV advertising,
- the battle on the 1st screen between content creators, telcos and device makers for the interface with the consumer.

Today we are looking at a whole new ecosystem in which the slogan 'the consumer in control' has become reality. Anytime, anywhere, any device (ATAWAD) is the new mantra.

And that also has consequences for advertising. As described above, linear TV alone is no longer the perfect recipe for those who want to obtain maximum reach with a video message. Nevertheless, linear TV is still by far the most important platform. For many advertisers, the medium is sufficient to support their marketing effort. And due to recent evolutions, this is even more efficient than ever.

In the future, campaigns will increasingly use a combination of platforms. At the moment, these platforms are still siloed, but we believe that they will be linked together. Perhaps not all platforms, but more and more.

The different parts of the future Total Video reach:

1) Linear TV as we know it now generates a high reach, but does not allow the frequency of messages to be capped yet. With addressable TV, a first step has already been taken in the controlled delivery of spots. In the future, linear TV will evolve further towards adserver-to-adserver connectivity. It will then be possible to control the delivery of messages, at least at household level.

2) TV Everywhere or Telco Apps. By this we mean the possibility to watch live TV online, such as via Yelo, Pickx, Voo motion… Linear TV spots are also shown here, but these contacts are not yet included in the total post-buy report. They are 'lost' eyeballs that urgently need to surface. There is a good chance that this will happen immediately adserver-to-adserver, because we are completely in a digital environment here.

3) BVOD: the broadcasters' platforms where their programmes can be viewed both live and on demand. The video players of these platforms are measured by the CIM (Centre of Information on Media – the Belgian JIC) Internet study, with the number of (profiled) real users and measured viewing time. The programme ratings are added to the linear broadcast on the first screen if they were broadcast live in the last month.
The advertising here partly already takes place from the ad server, whereby the ads can be replaced in live mode, while they are inserted freely in on demand mode.

4) Video platforms (YouTube, etc.) and social media provide additional opportunities to reach people with video ads. This is primarily done instream, resulting in comparable contacts. As we mentioned earlier, it is not obvious on these platforms to link longer ad messages to a high reach. With outstream or in-the-feed it is even more difficult to obtain high completion rates – this is why short messages are gaining the upper hand.

5) Publisher websites: news brands and some magazine apps and websites are increasingly betting on audio and video. The broadcasters' info sites also fall within this category. Usually it concerns shorter video content with instream possibilities. The reach of this category is already quite high and thus certainly interesting. On top of that, there is also room here for outstream possibilities (e.g. Teads).

6) SVOD remains an ad-free island attracting a growing number of viewers for a fee. However, there are already alternative ad-supported formulas abroad such as Hulu, HBO Max and Peacock. If this also happens in Belgium, an additional source of reach would be created.

In order to achieve a high reach in the future,
a set of different platforms will be required.
Depending on the communication objectives,
that set will be different.

Top of the funnel reach building

We would like to emphasise, once again, the need to distinguish upper funnel messages on the one hand and more conversion-oriented communication on the other. After all, the reach requirement differs. Higher in the funnel there is (usually) the need for a high reach, while conversion is not so much about large, but rather about relevant reach.

In this chapter, we will explore opportunities to build reach in the evolving world of Total Video. We do this in two phases:

- How much reach do the different building blocks provide? How will this evolve?
- What is the duplication of the different elements? How much incremental reach do they deliver?

1) Linear TV

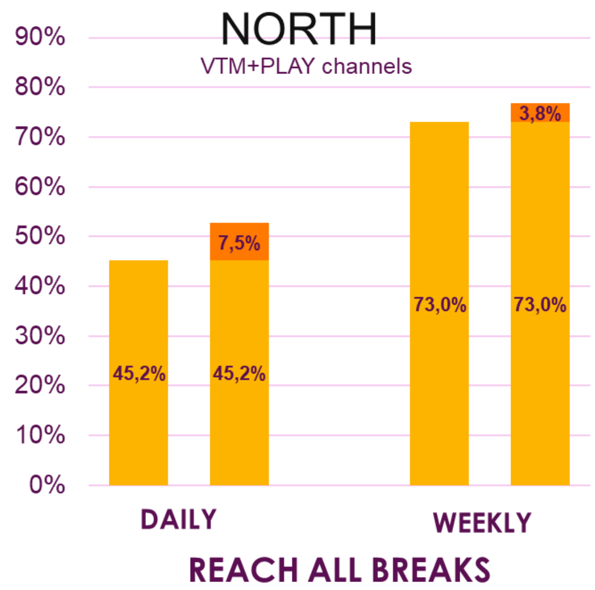
As we mentioned above, there has been a significant erosion in 2021 and the reach 1+ has dropped much more than expected.

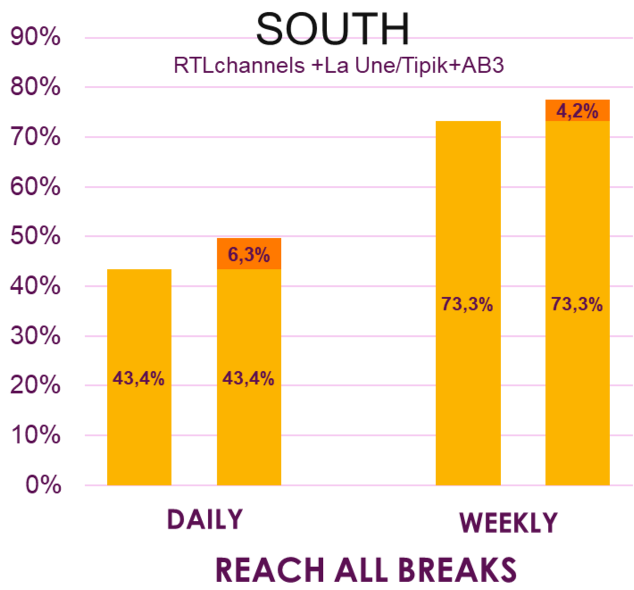
Our sector does not want to undergo this evolution just like that. A major problem remains advertising avoidance. It gives rise to the necessity to find a good balance between the needs of the advertising market and the comfort of the viewer. In August 2021, VIA published a vision note in which this aim was included as the first action point.

In the short term, the following measures were announced:

- Free 'Replay 7 days' for everyone, with unskippable commercial breaks in return,
- An unskippable pre-roll of 1 minute for programmes recorded on the digicorder.

We have estimated the potential extra reach of these measures for the target group of 18-54 year olds[7]





[7] To estimate the potential reach contribution, we have taken the reach of the blocks in live & TSV supplemented with the reach from all programmes watched in TSV. We therefore assume full disclosure of the TSV window. This analysis was done on the following channels: 5 x VTM, 4 x Play, La Une, La Deux, AB3, RTL, ClubRTL, PlugRTL - over a number of weeks in 2021 (weeks 5,10,12,27,33,40,42) on the 18-54 target group.

The roll-out of the system depends on the telco provider. For the time being, this is only Telenet, which represents 65% of the potential in the North, but only 4% in the South. With Proximus, the roll-out will increase significantly. As the second largest telco provider, VOO can also play an important role in the South.

2) Apps of the telcos

It is currently also possible to watch live TV via TV-everywhere apps such as Yelo, Pickx and Voo Motion. As long as this is done via casting on the 1st screen, this will be included in the CIM viewing figures. But the main use of these apps is rather on other screens, whether or not on-the-go. We can assume that this use is often more focused on following a certain programme at a time when it is not possible on the big screen. The reach can therefore be high, but the viewing time and thus the viewing volume is rather low.

Very few figures are published about this reach. The CIM Establishment Survey asks about it but, due to Covid, the last fieldwork dates back to 2019.

Question: CIM ES 2019 – "Which of the following apps or sites do you use to watch TV or videos on your TV or other screens?"

Total 18-54	North (NL)	South (FR)
Yeloplay	25,9%	1,2%
Proximus Tv (now Pickx)	12,1%	18,6%
Voo Motion	0,0%	6,5%
Orange Tv	3,2%	4,3%
TOTAL (estimate)	41,2%	30,6%

It is very likely that households have only one TV provider. As a result, there is little overlap between these apps. If we add up everything, we will already arrive at 1/3 of the 18-54 target group in 2019.

In 2020, we can learn from a survey by the Belgian Institute for Postal Services and Telecommunications (BIPT/IBPT) that the penetration of 'internet television' in Flanders was 38.6%, in Wallonia 28.7% and in Brussels 36%. If we divide Brussels 80/20, we arrive at 38.5% in the North (NL), and 30.2% in the South (FR). These figures confirm those of 2019.

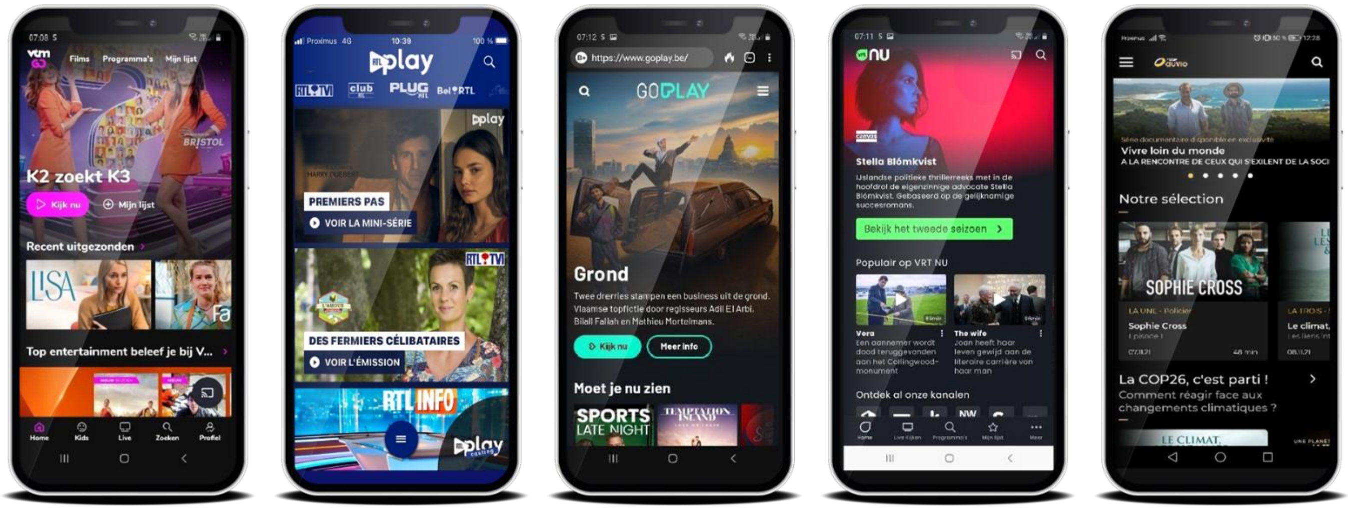
So the reach potential is quite high, the GRP potential probably not.

However, this is a part of linear TV. The degradation on the first screen is partially offset by these apps on other screens, but reach and contacts are lost for now.

Because it concerns digital platforms, they are very suitable for ad replacement so it would be interesting to use them that way. In a Digital Ad Insertion mode (DAI), reach can be built up in an optimal way while frequency can be controlled and excess avoided.

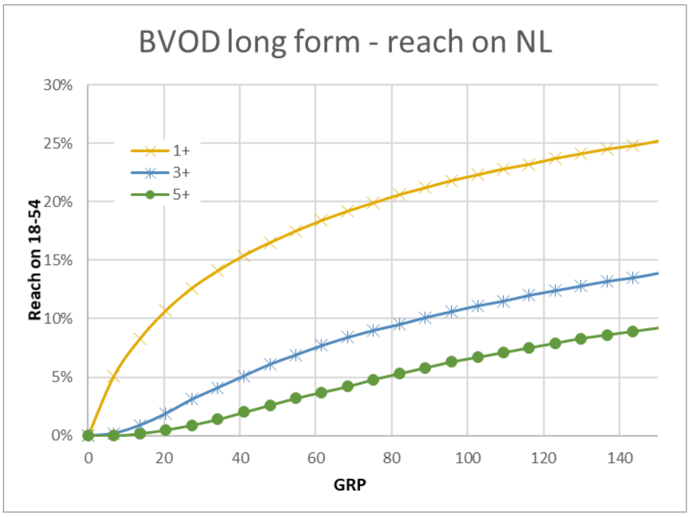
3) BVOD – 'long form'

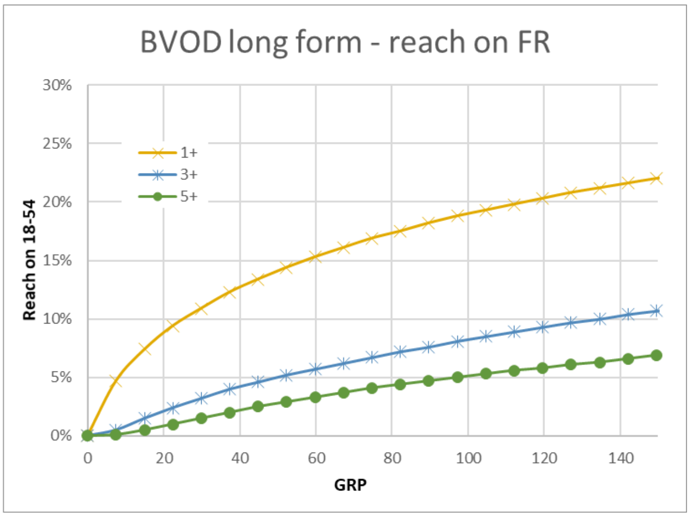
The broadcasters offer their programmes both live and in a non-linear way on their video platforms. These platforms are solely focused on video (there are no articles) and they offer full episodes of programmes. In terms of look & feel, they are completely comparable to the SVOD platforms.



In live mode, DAI (Digital Ad Insertion) is possible. In the on demand mode, pre- and mid-rolls can be dynamically inserted with a more limited adload to optimise the viewer's comfort. Advertising is unskippable, but ad blockers can block the DAI. Some of the BVOD platforms are therefore not available when a blocker is active. However, this situation makes it difficult to measure the potential reach of campaigns based on the (profiled) CIM figures.
Thanks to the DAI, capping is possible. Until further notice, this will take place on each platform separately, so in practice global frequency cannot really be controlled.
Please note that VRTNU will only offer the option of (pre-roll) advertising starting in 2022.

Graph: joint build of reach of BVOD platforms VTMGO + GoPlay + VRTNU + Auvio + RTLPlay in the North (NL) and in the South (FR)





BVOD has a reach potential of 20 to 25%

4) User-generated video platforms & social media

Platforms such as YouTube or Dailymotion are more likely to offer short form video content. In such a context, it is not easy to run longer advertising formats, especially when they are unskippable. The TrueView concept is a solution to that, but advertising avoidance is (very) high. However, this approach does facilitate bringing very long, rather 'native' formats to a limited but interested audience.

Social media is even less evident for video, because the focus is on the feed. It is an outstream environment with an apparently high reach, provided that viewing time is not taken into account. It only takes a few seconds to appear on the screen to be counted.

In this paper we will not discuss the reach options of these platforms. We want to make a case for an equivalent comparison between video contacts on these platforms and TV metrics. After all, the definitions can be very different.

In the online world, the US Media Rating Council (MRC) has set the minimum standard for video at "minimum 2 seconds on screen, with at least 50% of the pixels in view". This definition is also endorsed by the Interactive Advertising Bureau (IAB). More recently, MRC raised the viewability requirement to 100% of the pixels in view. However, this is of little value if you want to tell a 20” or 30” story. MRC is aware of this and now also asks for duration-weighted metrics to be provided as extra information.

Nevertheless, it appears to be difficult to arrive at an internationally accepted standard for a View Through Rate. There are too many conflicting interests and opinions.
In Belgium, an agreement was reached within the CIM for TV from the start of the measurement, whereby the entire market subscribed to one unique definition: at least 50% of the spot had been watched. On the 1st screen, there are also 100% pixels on the screen.
In the BVOD platforms of the broadcasters, advertising is unskippable. As a result, the viewing time is very high and very comparable to TV.

If we compare that with the benchmarks that Moat publishes for online video (always Audible and Fully on screen for half of duration) we see a huge difference[8] :

			online video total market		
Platforms Source>	**TV** CIM by def.	**BVOD** Moat jan-sep 2021	Desktop Moat Q2 2021	Mobile Web Moat Q2 2021	Mobile App Moat Q2 2021
Audible & Fully on screen for Half of duration	**100%**	**95%**	**31%**	**20%**	**46%**

If you do not take into account the View Through Rate of an ad,
a fair comparison of the different video platforms is impossible

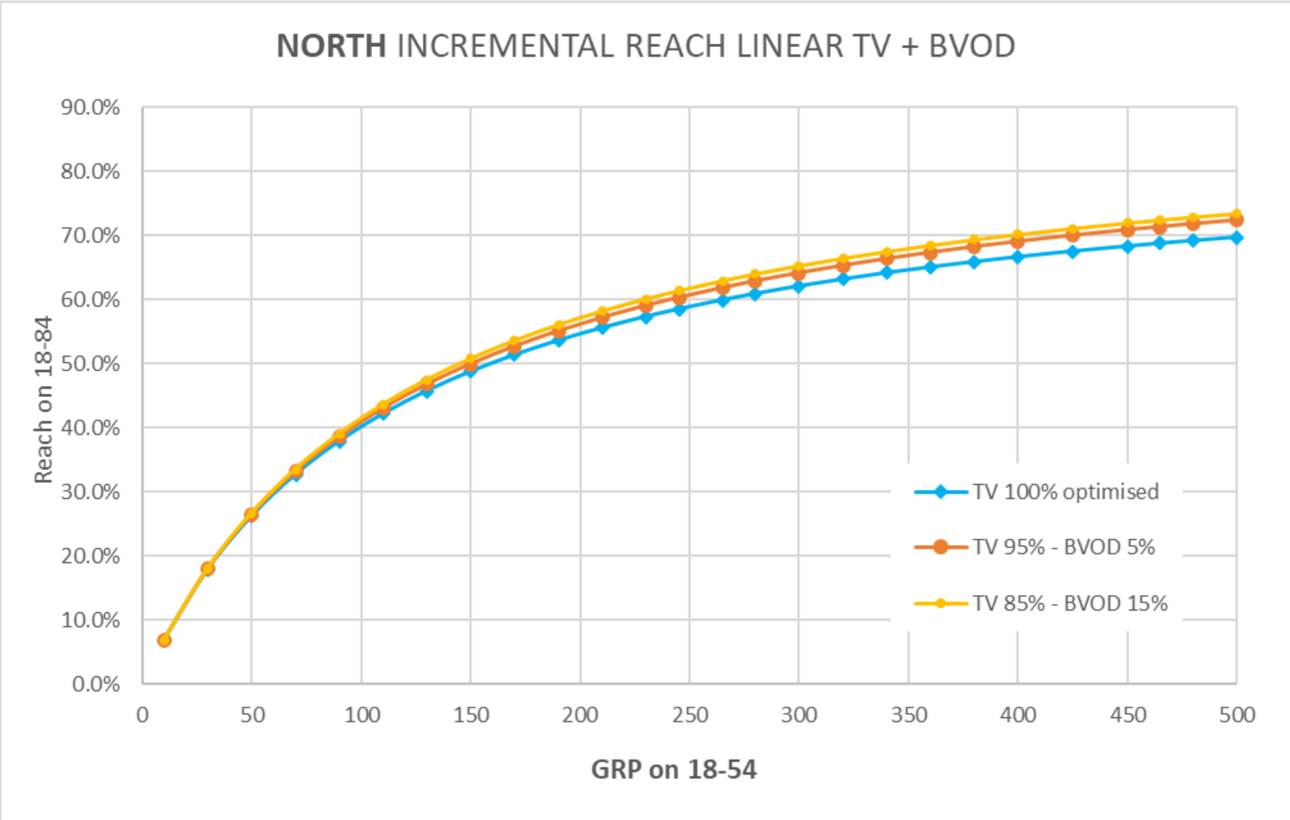
Finally, we would like to point out that the use of user-generated platforms can certainly contribute to a dynamic campaign, but that it is desirable to adapt the content to those environments. For example, by making other montages. The points of attention for video are different from those for TV. Or make the spot shorter or simply supplement it with posts that match the story.

[8] The BVOD metric is the average of VTMGo, GoPlay and RTLPlay. VRTNU starts in 2022. Auvio will only have long form metrics available starting in 2022.

The combined reach of TV + BVOD

At CIM (Centre of Information on Media – the Belgian JIC) the Online Video Advertising planner (OVA) is in the making. This tool makes is possible to calculate the global reach of a video plan with different types of platforms. The launch of the planner is scheduled for the middle of next year.

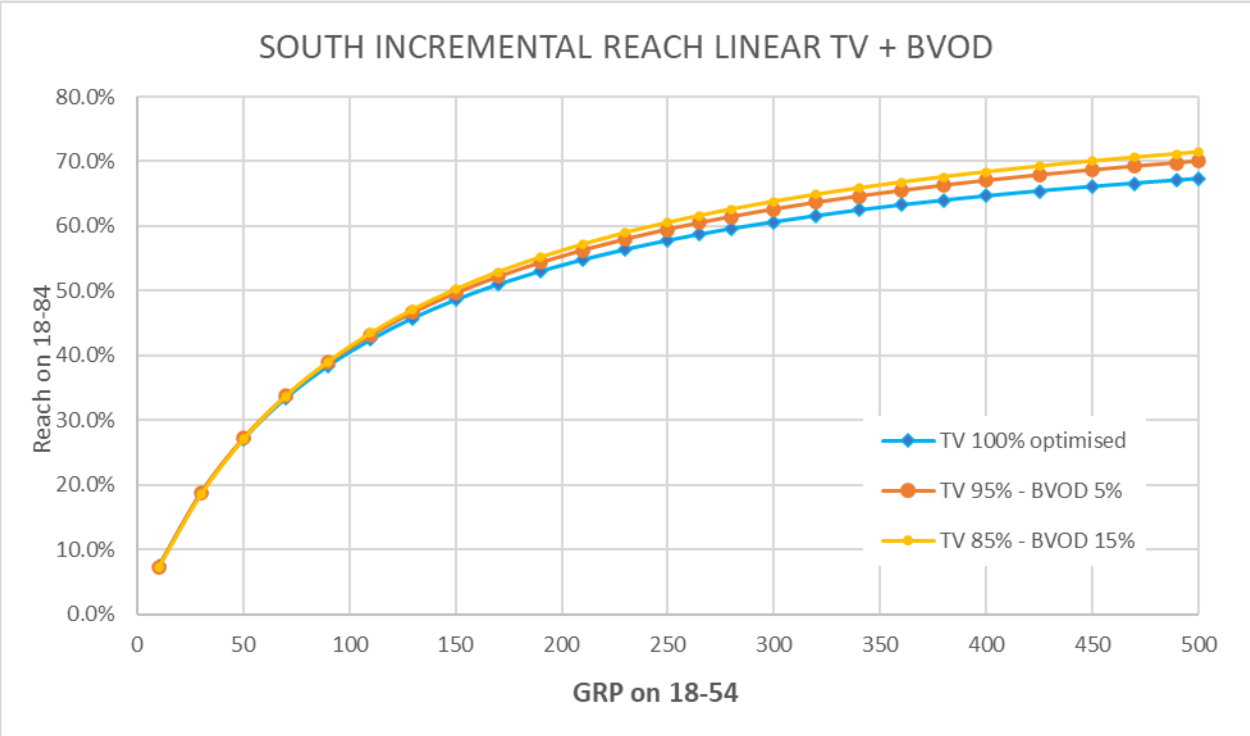
In the context of this paper, we want to make an 'expert guesstimate' of what TV + BVOD (longform) could achieve. This should already be possible on the basis of the cover guides for both elements.
We have worked on two plans where 5% or 15% of TV contacts are replaced by BVOD. BVOD's inventory has limitations because breaks are shorter. Replacing more than 15% is not so realistic at this point in time.
The linear cover guide is based on the Jan-May 2021 campaigns (see above in this document).



This is the estimation of the extra reach among the 18-54 age group:

			NORTH			
Target 18-54	split contacts		300 GRP		450 GRP	
Scenarios	TV	BVOD	reach	#	reach	#
TV optimised	100%		**61,7%**		**68,3%**	
TV+BVOD	95%	5%	63,7%	**+2,0%**	70,9%	**+2,6%**
TV+BVOD	85%	15%	64,9%	**+3,2%**	72,0%	**+3,7%**

In the South, the base cover guide of linear TV is lower – but the addition of BVOD has more effect.



The estimation of the extra reach among the 18-54 age group:

			SOUTH			
Target 18-54	split contacts		300 GRP		450 GRP	
Scenarios	TV	BVOD	reach	#	reach	#
TV optimised	100%		**60,6%**		**66,1%**	
TV+BVOD	95%	5%	62,6%	**+2,0%**	68,7%	**+2,6%**
TV+BVOD	85%	15%	63,8%	**+3,2%**	70,0%	**+3,9%**

Even a limited use of BVOD results immediately
in an extra reach of 2% to 4%

A reach boost with Short Form Video

News brands are increasingly operating in the digital field, embracing both video and audio to enrich their product. In addition, some broadcasters have info sites. And logically video is used there, but rather short form.

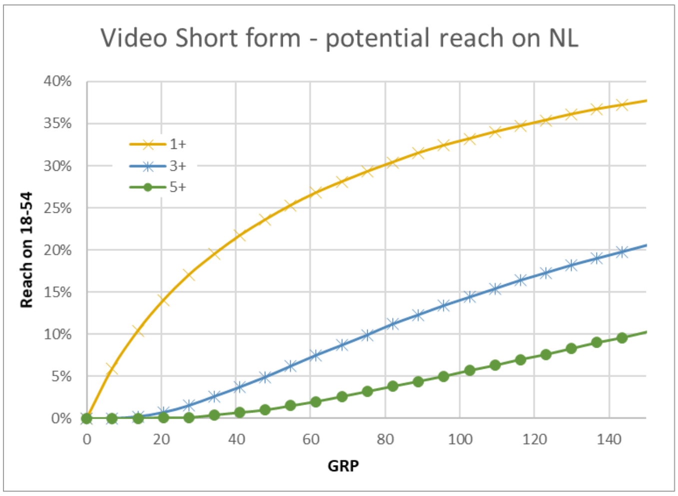
Of course it remains short form content whose consumption is much more volatile and the viewing time is lower. It is not the best place to introduce lengthy advertising formats. However, by deploying shorter ad sizes, it can become an excellent reach booster, for example when building awareness at the top of the funnel. Later in this document we outline a 'Belgian Total Video' picture to indicate the global potential.

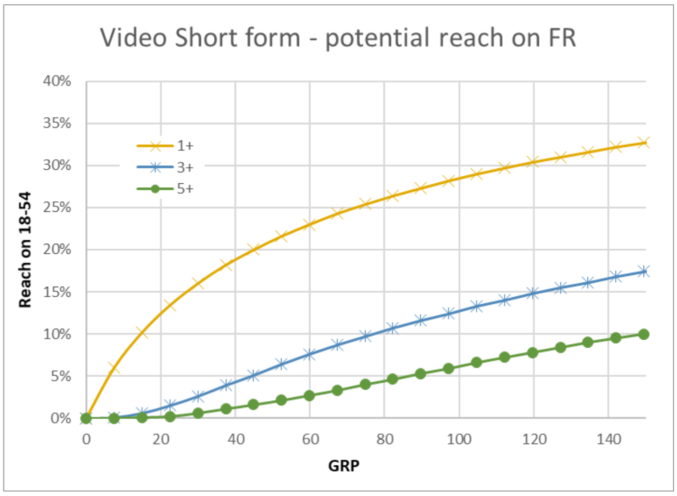
Given the digital flexibility, this form of video is of course ideal for use in the bottom of the funnel.

If we combine the following players, we get an idea of the (Belgian) short form reach potential.

South (FR)	Reach	North (NL)	Reach
IPM player (La Libre, DH, Avenir, Paris Match)	35,0%	DPG Publishing player (HLN)	43,40%
Sudinfo player	30,3%	Mediahuis player (DS, GVA, NB, BVL)	36,50%
Le Soir player	13,7%	Sporza player	15,40%
DPG Publishing player (7 sur 7)	13,5%		
RTL Info player	13,2%		

The potential reach of this offering is even higher than BVOD. But as said, it is about short form video.





The combined range of BVOD + Short Form can be found on the next page.

Short Form Video has a potential reach of 30 to 35%

Bottom of the funnel

At the bottom of the funnel, the communication needs are completely different. The goal here is to "harvest": clicks, leads, sales…

Reach is rarely the main concern. Especially when the budget is limited, it is **relevant** reach that counts: targeting consumers who have already manifested their interest in the brand or product, or who may need it, or who can afford it...

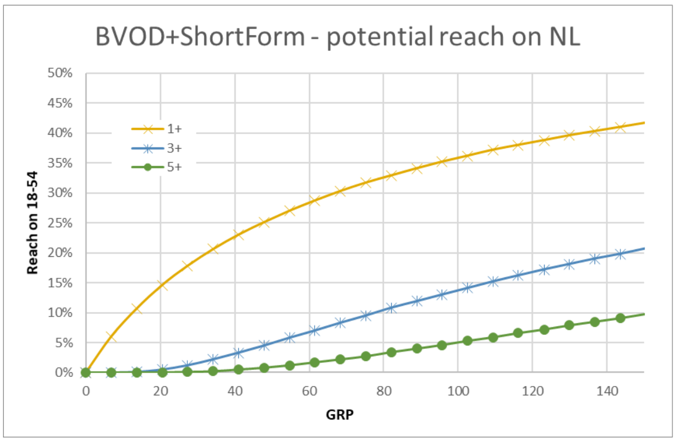
In the digital field, performant data techniques have been developed to determine the relevance to be used for one-to-one messages.

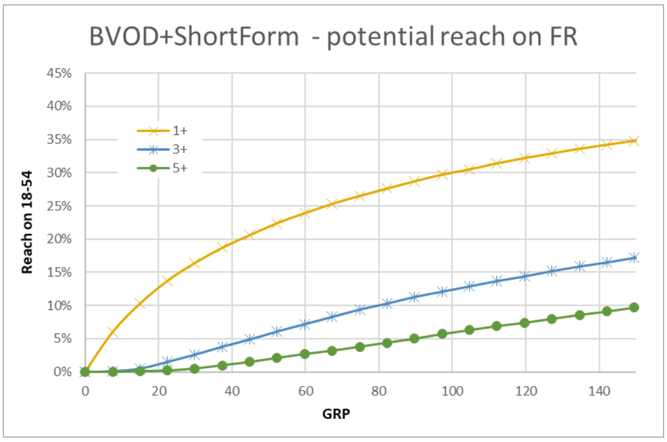
Those possibilities have also arisen on linear TV thanks to addressable TV. Until further notice, it is the set-top box that operates as the ad server and only Telenet and Proximus currently offer this service.

The number of addressable boxes has already increased considerably:

- Two million in the North - 72% of all families.
- 700,000 in the South - 37% of all families.
- Nationally, this provides a penetration level of 58% of all families.

In addition to linear addressable TV, there is of course BVOD and Short Form, both of which allow digital segmentation. We have merged both to see their combined reach potential.





BVOD and Short Form together generate a potential that goes up to 40% reach.

All players together generate a potential reach that goes up to 40%

Belgium Total Video: TV + BVOD + Short Form

What would be the result if we add up all Belgian video possibilities?

We do this exercise with a linear TV-optimised campaign: an approach that strives for reach maximisation. A moderate number of contacts are then replaced by BVOD and Short Form Video in equal parts. We have simulated two cases : 5% BVOD/Short Form (thus 90% linear TV) and 10% BVOD/Short Form (thus 80% linear TV).

The cover guides for this exercise can be found on the next page.

There are two angles to show the results in a table:

1) How much does the reach increase in each scenario, when deploying 300 GRP and 450 GRP?
   This calculation indicates how much extra reach is obtained if we divide the contacts over TV, BVOD and Short Form in the different scenarios (including those we already presented before in the paper).

	Target 18-54			NORTH				SOUTH			
	split contacts			300 GRP		450 GRP		300 GRP		450 GRP	
Scenarios	TV	BVOD	ShortF	reach	#	reach	#	reach	#	reach	#
TV optimised	100%			**61,7%**		**68,3%**		**60,6%**		**66,1%**	
TV+BVOD	95%	5%		63,7%	**+2,0%**	70,9%	**+2,6%**	62,6%	**+2,0%**	68,7%	**+2,6%**
TV+BVOD	85%	15%		64,9%	**+3,2%**	72,0%	**+3,7%**	63,8%	**+3,2%**	70,0%	**+3,9%**
TV+BVOD+ShortF	90%	5%	5%	66,6%	**+4,9%**	72,8%	**+4,5%**	65,1%	**+4,5%**	72,1%	**+6,0%**
TV+BVOD+ShortF	80%	10%	10%	69,1%	**+7,4%**	76,4%	**+8,1%**	67,6%	**+7,0%**	74,8%	**+8,7%**

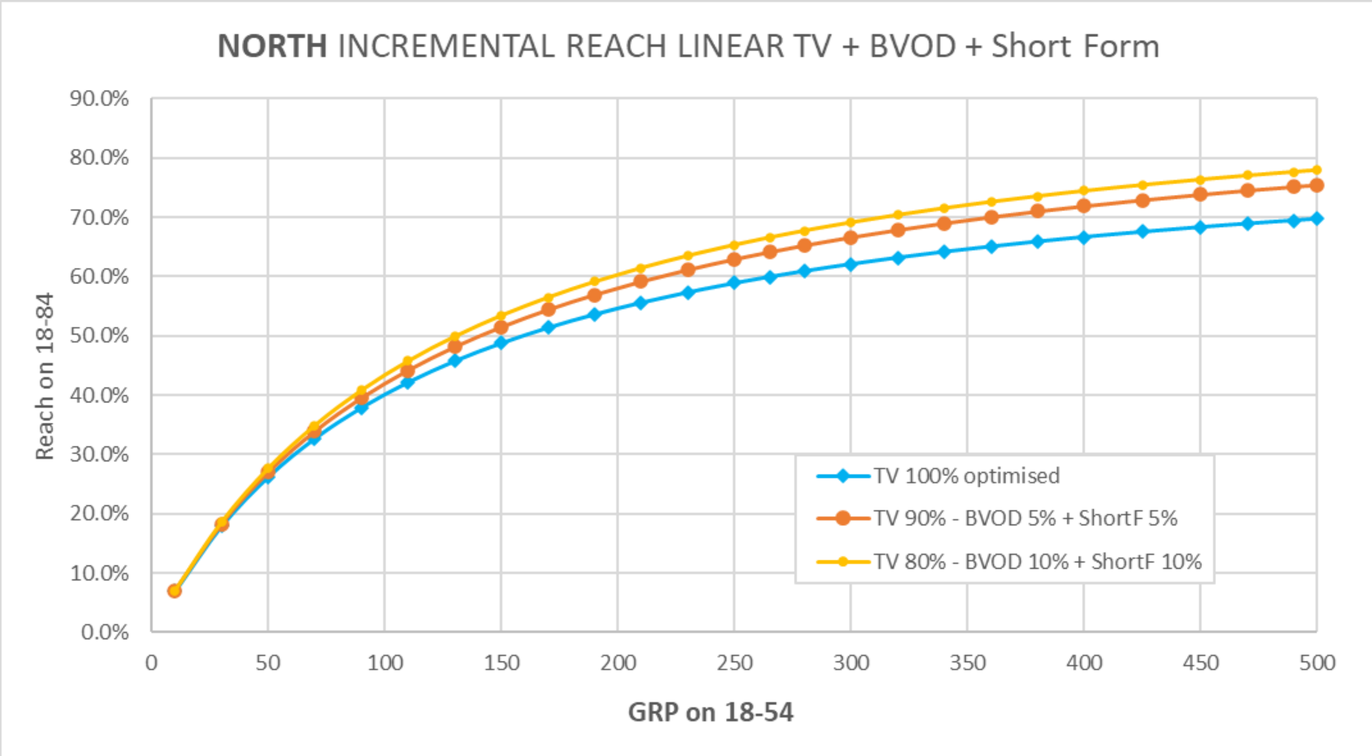
When all platforms are used, up to 8% extra reach can be obtained in both the North and the South.

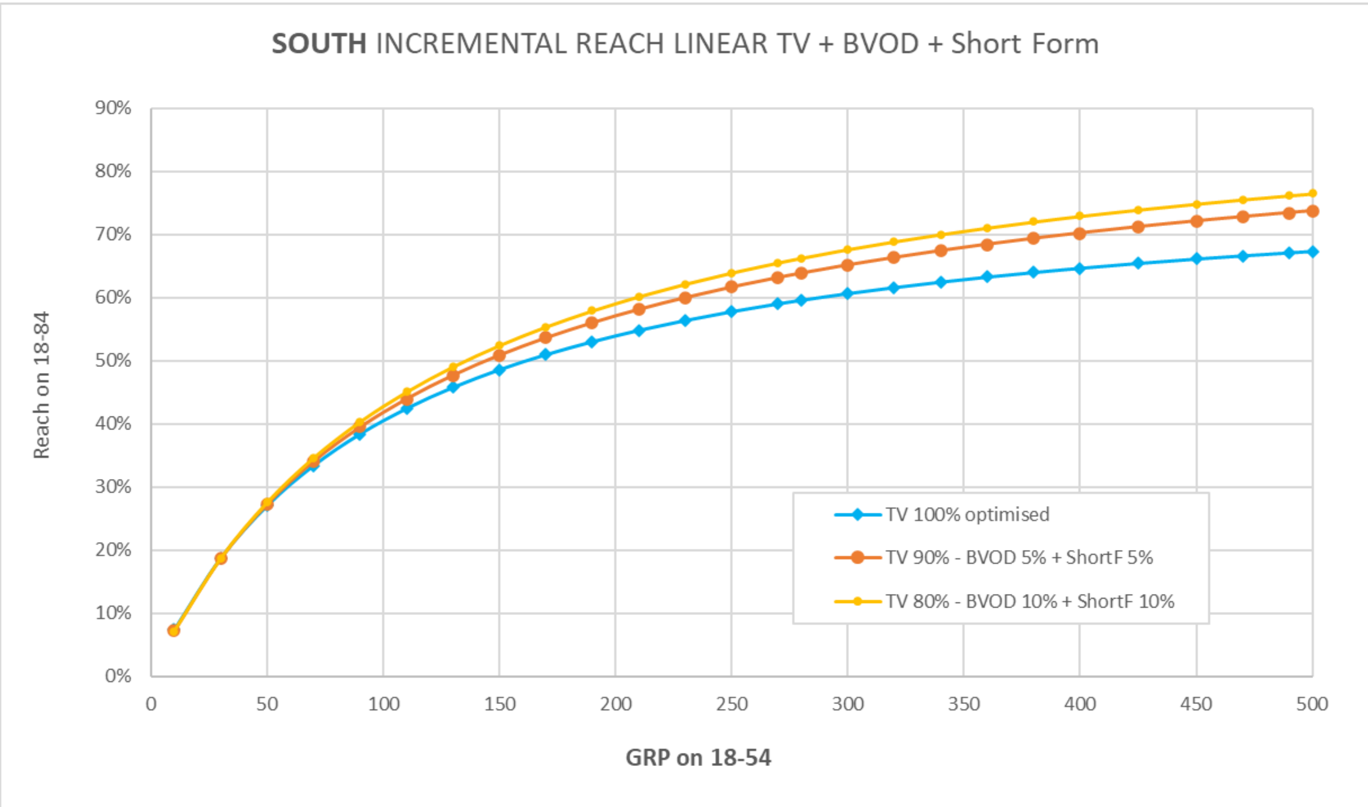
2) How much GRP should we deploy for each scenario, to achieve a reach of 65% or 70%?
   In these cases, the number of GRP will decrease if we spread the contacts over additional platforms.

	Target 18-54			NORTH				SOUTH			
	split contacts			Goal 65%		Goal 70%		Goal 65%		Goal 70%	
Scenarios	TV	BVOD	ShortF	GRP	#	GRP	#	GRP	#	GRP	#
TV optimised	100%			**355**		**510**		**410**		**650**	
TV+BVOD	95%	5%		310	**-13%**	425	**-17%**	350	**-15%**	500	**-23%**
TV+BVOD	85%	15%		295	**-17%**	395	**-23%**	320	**-22%**	450	**-31%**
TV+BVOD+ShortF	90%	5%	5%	275	**-23%**	360	**-29%**	300	**-27%**	400	**-38%**
TV+BVOD+ShortF	80%	10%	10%	245	**-31%**	310	**-39%**	260	**-37%**	345	**-47%**

The decreases are quite spectacular but we need to point out that we do not take costs into account in this exercise, which may vary between platforms. Every case is different, but the basis is certainly very healthy.

Cover guides Belgium Total Video





The future: one connected video ecosystem

The many evolutions described in this paper will have a major impact on the way advertising will be organised in the future. In August 2021, VIA published a vision statement about this as the sector wants to face these challenges ambitiously. This ambition now also includes a concrete action plan.

1. The digitisation of TV

Addressable TV was the first step towards targeted advertising for the big screen in the living room. The next phase? The completion of a 100% digital model in time-shifted-viewing, where the ad decisionmaking will be carried out by the ad server of the broadcaster.

The latter aspect is crucial for a unified commercial video network and allows broadcasters to evolve towards a single campaign set-up where a centralised campaign can be run and where budget control can be carried out from their own ad server, equipped with all digital functionalities.

2. Connecting the 100% digital TV model to BVOD platforms

Once TV is fully digitised, we can connect this ad server to that of the online BVOD offering. For example, campaigns can be managed across both platforms and delivery can be controlled on a broad basis. With many new possibilities as a result:

- combined run-of-network (RON) campaigns on TV and BVOD,
- more targeting options through onboarding of broadcaster data,
- uniform target groups for both platforms,
- device targeting,
- frequency control (capping).

This action plan will be rolled out gradually. DPG Media and SBS will be the first broadcasters to start a proof of concept (POC) for this 100% digital model at the end of 2021.
This model is expected to be officially launched in the course of 2022.

3. What does this mean in concrete terms for an advertising market?

Digital disruption has caused a fundamental change in consumer viewing habits, with an (international) battle for eyeballs as a result. ATAWAD has become the new normal, for viewers and advertisers alike.

New advertising models follow consumers and respond to changing viewing habits so that advertisers can continue to reach their target audience with the greatest possible impact and efficiency in the future.

The digitisation of TV also runs in parallel to the creation of a new video scheduling tool able to plan video campaigns across all video platforms, deduplicating and optimising reach and frequency. It will be based on first-party data from broadcasters and operators so that the relevance of the advertising messages will be maximised.

Together with the launch of these new viewing and advertising models, the first step towards programmatic TV will thus have been taken.

Our One Connected Video Ecosystem of the future guarantees even more deepening, broadening and enrichment, whereby advertisers will be served digitally in the most impactful way, regardless of which window or platform the viewer is in.

Final note: what makes advertising effective?

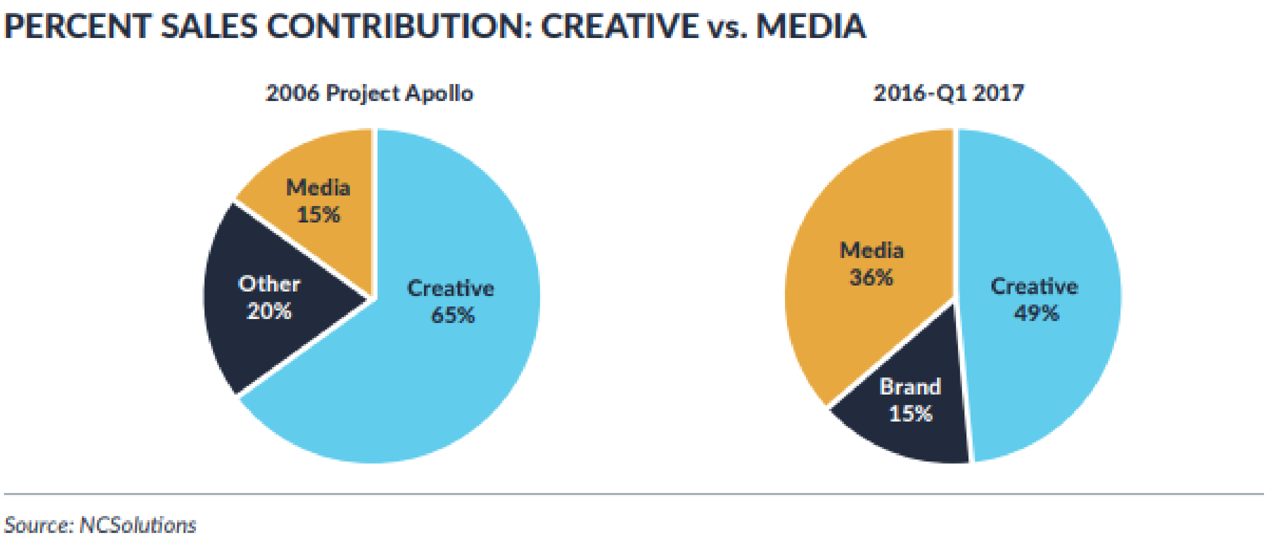
To end this paper, we would like to put everything in perspective.

So we dare to ask ourselves: are the factors that describe the delivery of campaigns the most decisive elements for success?

The answer is nuanced.

There are many variables that determine whether an ad campaign is successful or not. The media-related elements are only part of a larger whole. Many studies show that other elements, with the creative execution on top, are more important.

Nielsen Catalina Solutions mapped the levers in 2017 based on 500 campaigns and found that 36% were media related. Within these, reach is the most important factor (22%), then targeting (9%) and finally recency (5%). There was a clear evolution compared to a decade earlier: the impact of media has surely become more pronounced.



More recently, Kantar updated its ‘Top 10 drivers of Advertising profitability’, a study they first conducted in 2014.

The top driver in 2014 was the size of the brand. Creativity came second. Furthermore, other brand-related elements were important (where to support, which brands to support, which variants of the brand). Purely media-related elements had a much more limited effect, with the right media choice being the most important.

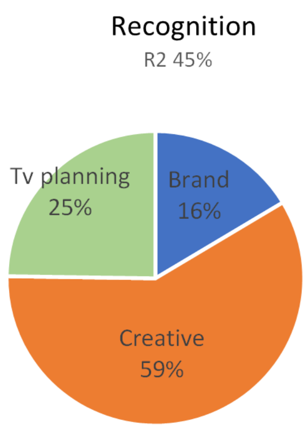
In their recent update, the authors indicated that only the criterion 'Brand versus Performance' (the way budgets are allocated) has gained in importance, albeit in a limited way. When asked for their perception, marketers gave much more importance to the media-related elements (multimedia, brand versus performance – while brand and creativity were only in 4th and 5th place).

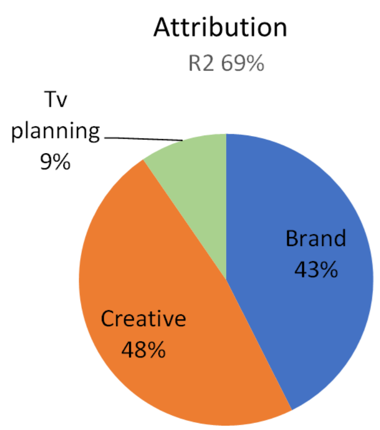
Kantar: Top 10 drivers of advertising profitability

Top 10 Drivers of Advertising Profitability		
Rank	**Factor**	**Profitability Multiplier**
1	Brand Size	18
2	Creative quality	12
3	Budget setting across geographies	5
4	Budget setting across portfolios	3
5	Multimedia	2.5
6	Budget setting across variants	1.7
7	Cost/product seasonality	1.6
8	Brand v Product v Season (Brand vs Performance)	1.4
9	Laydown/Phasing	1.15
10	Target Audience	1.1

A similar exercise was also conducted by DPG Media in 2016 and supplemented in 2021 with 300 new TV campaign cases.

Based on cases from the MIP study, this ad impact model provides insight into the impact-determining elements of a campaign. 'Brand' includes all measured awareness factors (top of mind, spontaneous, assisted, total). Under 'TV planning' the number of GRP, Reach, OTS, GRP/week, GRP peak & off peak and the spot length.





Creation is by far the most important parameter for the recognition of the campaign, but TV planning factors also play a role here. This is much less the case with attribution, where the reputation of the brand starts to weigh heavily in the result.

The ultimate impact of a campaign is built by a combination of both elements – recognition x correct attribution. The determining factors are:

- **57% creation -** recognisability of the brand cues (visual & auditory) as the most important driver
- **32% brand awareness**
- **11% media planning –** frequency and reach have approximately equal importance

The hard consequence of this analysis is that the ultimate impact of a campaign is only determined to a limited extent by the reach of the campaign. This is certainly the case with well-known brands that can achieve results faster. Conversely, for lesser-known brands, reach and repetition will play a greater role, but they will mainly make their impact with a striking creation.