Presented by

CYNOPSIS

NYI NEW YORK INTERCONNECT

Media Buying for Today's Market

TV isn't going anywhere. It's going everywhere.

What TV Means Today for Advertisers and Media Buyers

The way viewers consume media is evolving, ushering in a whole new paradigm. And when you factor in the pandemic that has taken over the industry and society, there's a ripple effect across today's media landscape. Consumers are watching TV across all screens like never before. The proliferation of streaming services and apps puts viewers in the driver's seat of when, where and how they consume content. The debate between TV and digital is over; all content is now considered "TV" – it just depends on where you watch it. We're not only in a new golden age of programming, but a golden age of advertising as well. TV media buying is always evolving, but expertise in media buying and planning has never been more important than it is right now. Here's how to stay ahead of the curve as new technologies, measurements, and needs continue to emerge.

The US advertising and marketing spend is projected to surpass $390 billion in 2020, according to Winterberry Research Group. Of the total number, addressable TV will see the largest boost, according to Winterberry projections, growing 44% to $2.9 billion. And New Yorkers are 122% more likely to have an income over $250K, with an effective buying income 27% higher than the rest of the US, according to Scarborough USA.

For advertisers and media buyers, the opportunity to reach consumers across screens and devices has never been greater, or more necessary. Video content—whether accessed via streaming or network apps, live television or digital and social platforms—is the new currency, and campaigns will succeed on their ability to generate impressions and capitalize on markets across all platforms.

The streaming age is upon us. On the strength of several embedded services and a slew of new contenders, the global video streaming market is expected to reach $184.3 billion by 2027, according to Grand View Research. While enthusiasm for subscription-based services is strong, viewers are increasingly receptive to free services that feature ads, especially when the spots are targeted to them. That unlocks limitless possibilities for brand messaging in the AVOD sphere. In the SVOD lane, strategies such as automatic content recognition (ACR) data targeting and implementing contextual signals to inform ad buys are a few ways that marketers can make an impact.

But brands would be remiss in discounting the power of linear television. While market fragmentation makes targeting more challenging than ever, linear TV remains a robust staple. In the powerful New York designated market area (DMA), 81% of households are connected to either a cable or satellite provider, compared with the nationwide average of 70%. Two-thirds of adults watch live television, and 90% of adults who stream content watch linear cable networks. In NY and across the US, television remains the primary driver behind key category spends in media.

"Any savvy marketer knows New York is critical to a brand's success," says Charlie Holmes, SVP of Sales for NY Interconnect, who oversees the NY, NJ and Connecticut tri-state area. "And New York is not like the rest of the country. We have a much higher concentration of traditional linear video consumers. They're also broadband customers and are changing the way they consume media. So while they have the traditional cable/satellite-connected TVs because they want to get their news, they want to get their sports, too, so they are also streaming and using broadband connections to consume media differently."

So how can marketers best maximize ROI in the new multiplatform terrain? Advertising that can consolidate campaigns across data-driven platforms and reach viewers where they live will emerge victorious. Media buyers, simply put, need to connect with their audiences across all media.

The present and future of the industry are multiplatform campaigns, propelled by platforms such as NY Interconnect's Audience One—an industry leader in streamlining the process for buying impressions across any device, from TV to desktop to mobile.

TV TODAY

5 FAST FACTS

1

In Q3 2018, adults 35-49 watched

3:34hrs

of traditional TV per day.

1:40 minutes more than the 18-34 demographic.

Nielsen Total Audience Report, April 2019

2

66%

of adults watch live television

Morning Consult data, June 2019

3

Of the 31M US consumers who've never paid for a traditional pay TV service,

27%

said they plan to sign up for a pay-TV service in the next six months

MRI-Simmons' Cord Evolution Report, April 2019

4

almost

90%

of adult streamers watch linear cable networks

Nielsen Local Watch report, August 2019

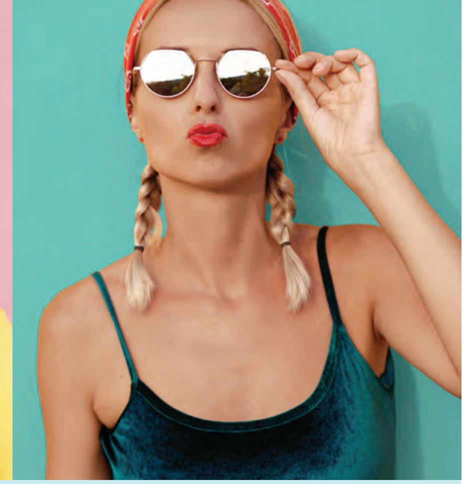
5

TV influences online brand search by up to

80%

FastCasual, 2017





It's All About Impressions

In our rapidly evolving television market, it would be understandable to assume that reaching the right audiences would be a more daunting task than ever. It's not.

With the right partner, finding and connecting with targeted individuals and demographics is as easy as one of the oldest gestures in the book—making a good impression. It's all about getting the right creative in front of the right audience. For decades, ratings have been the advertising currency on television. But cost per point (CPP), which reflects how much it costs to buy one rating point, is being replaced by cost per impression (CPM) as the metric of choice. Since the pandemic, audiences are consuming content like never before which translates into advertisers experiencing substantial increases in impressions.

Agencies and media buyers are also adapting quickly. By mid-2021, for those buying on an audience basis, the market will be majority impression-based, says Sona Pehlivanian, NYI VP of Operations and Campaigns. **"Digital was always bought on an impression and audience basis. With CTV coming into its own, TV is starting to behave more like digital. And if it's behaving that way, you can buy that way,"** she says.

Buying impressions enables the delivery of a potent triple-play: more ads, more targeted ads and more effective ads. It opens new avenues of marketing that previously were overlooked or unattainable, such as audiences on networks that don't have ratings, but do have coveted eyeballs. Today it's about finding audiences, a business model that no longer resides solely in linear TV. The key is a partner that can help advertisers cross the bridge between digital and television, and the rise of connected TV is helping close the gap.

While linear television still holds the vast majority of TV marketing budgets, cross-channel purchasing continues to ramp up. Media buyers can no longer simply buy a television spot and think that's the end game. Linear+, addressable TV, set-top-box VOD, live streaming, OTT, mobile apps, contextual-oriented platforms such as YouTube and social media are all swimming in the soup—and new offerings are speeding to the market that don't yet even have a name.

Matching the messaging with viewers who will be most receptive to it, within and around the right premium programming—from sports to news to entertainment—is now a multi-pronged process. Step one is identifying the desired audience, using first-party and third-party data. The second step is about execution, getting the commercials in front of the people who matter across the myriad platforms. The last step is granular back-end attribution, which connects the marketing directly to revenue.

"Attribution, the post-campaign analysis we do for clients, is really the icing on the cake," says Charlie Holmes, SVP of Sales at NY Interconnect. NYI measures an ever-growing pool of data, from ROI conversion data to location data to website visitation to brand health studies and more. "It's really an end-to-end solution for the advertisers, from a data-informed front end media plan to executing across all the different platforms to tying it in with attribution on the back end."

Attribution has shown that targeting is a practice that should be under continual evaluation and refinement. The key to the process is the balancing act of targeting specific audiences without over-targeting so that the desired audience is achieved and no ad spend is wasted.

> **"Attribution, the post-campaign analysis we do for clients, is really the icing on the cake."**
>
> **Charlie Holmes**, SVP of Sales at NYI

Additionally, some marketers choose to evaluate various viewer segments, or various creatives, in relation to one another and not in isolation. "In a lot of cases we do attribution based on the audiences that are delivered via traditional linear delivery and then combine that with audiences delivered through a digital delivery method," Holmes says.

MAXIMIZING AD SPEND

5 FAST FACTS

1 Key trends in marketing attribution:

- Data-driven attribution with machine learning
- Multi-touch attribution marketing
- Cross-device attribution

2 TV had an estimated **85%** weekly reach among adults in 4Q 2019.

Nielsen Total Audience Report April 2020, 4Q '19 Weekly Reach among A18+ for Live + Time-shifted TV, Total U.S.

3 Brand favorability lift doubles when combining **Linear TV & OTT, vs. OTT only.**

VAB 2018 "Living Together in Harmony

4 When TV works in conjunction with digital, **ROI increases 60%**

Analytic Partners, 2016; Analysis based on over 3,200 campaigns from 2010-2015. Digital includes video and display advertising on desktop and mobile devices. Study presented at the 2016 ARF Conference.

5 **OTT/CTV accounts for 29% of television viewing** but has attracted only 3% of TV ad budgets.

Magna Global

New York:

The #1 Market Leading the Media-Buying Evolution

There's a reason Madison Avenue runs both literally and figuratively through New York City. With $3 trillion in total wealth held by individuals living there, the city is the richest in the world, home to 65 billionaires and more than 380,000 millionaires.

NYC's private wealth—which comprises property, cash, equities and business interests—lands it well ahead of second-place Tokyo's $2.5 trillion, and positions it as the leader in the ad-consuming evolution. As any savvy marketer knows, NY is critical to a brand campaign's success, even on a national basis.

In fact, with household income at 31% higher than the national average, New York's more than 8.5 million residents spent in excess of $600 billion on advertised products and services in 2019. Residents are buying across a myriad of categories, including auto, beauty, consumer packaged goods (CPG), entertainment, financial, healthcare & pharma, retail and travel.

In addition to being the world's most affluent population, the NY market also is among the most diverse—in demographics, in income, in social influence. Consider the hustle and bustle of Manhattan. Or the suburban-leaning vibe of Queens, which was crowned the nation's most diverse large county. The borough, with nearly 2.4 million residents, claimed the highest rate of racial and ethnic variety of all counties in the US larger than 1 million, according to a study of 2017 census data by news outlet Axios. NYC's other boroughs followed, while neighboring locales including Long Island and Westchester, NY, and nearby portions of New Jersey also boast a diverse landscape.

For advertisers, the city's array of niche markets translates to a range of audiences consuming advertising wherever they are—across all screens, devices and media—whenever they choose to engage.

Synonymous with the New York market, NYI is leading the evolution in advertising across live TV, streaming, apps and more in the new TV landscape. In a time of rapidly evolving media consumption, New Yorkers are too savvy to fall for outdated marketing tactics such as irrelevant placements, paid influencers and over-personalized outreach.

> **"In addition to being the world's most affluent population, the New York market also is among the most diverse."**
>
> Axios

Today's climate calls for a streamlined, highly integrated advertising game plan that will capture the attention of individuals who populate the market with the greatest spending power on the planet—and draw them down-funnel to act on their interest.

In the city that never sleeps, NYI is wide awake, and there's never been a more powerful time in NY to be a part of the advertising industry.

NYI NEW YORK INTERCONNECT

NEW YORK AUDIENCES

5 FAST FACTS

1

8/10

NY has 8 of the top 10 ZIP codes when it comes to income

2

New Yorkers have the highest income

They are 122% more likely to have an income over $250K vs. the Total U.S.*

*Scarborough USA+ 2019 Release 1 (Jan 2018 – May 2019). Base 18+. Target: NY DMA. Index based on NY DMA vs Total U.S.

3

New York is the #1 and #2 market,

respectively, for Black and Hispanic TV households.

Nielsen, 2020 DMA Universe Estimates for TV Households

4

New Yorkers are the biggest spenders

They have an effective buying income 27% higher than the rest of the US.

Claritas 360. 2020

5

New Yorkers are watching on every screen

They are spending

43%

of their time watching VOD, OTT, and live streaming in an average week.

MRI Cord Evolution Study, November 2019, NY DMA, A18+

NEW YORK INTERCONNECT

One on One

with

Sona Pehlivanian,

NY Interconnect VP, Operations & Campaigns

How fast are advertisers adopting impression-based buying, and what are the biggest benefits?

This has changed quickly. We've started to see agencies looking to buy on an impression-based level rather than just straight GRPs. I've always worked in advanced media, so this just always made sense to me. To me, Nielsen ratings and buying straight GRPs was always a stretch but it was amazing to me that the whole industry was based on this. We found, especially through addressable advertising in the early days, that there were networks that didn't really have any ratings, but the data showed the target audience was watching. That was a learning curve. We're seeing more agencies come around to the concept of buying impressions and it's a great change in the right direction. A year ago we maybe had one or two and it was kind of under the radar. Now it's something everyone's talking about and I think in another year we'll be closer to the majority who are buying audiences and impressions.

> "As data's gotten more sophisticated, there's more reliable device grabs and you can get down to device-level targeting. We are at a really interesting time while the industry is working this out."

What's helping to move the needle?

There's a lot of cross-channel buying now. Digital was always bought on an impression and audience basis. And with CTV really coming into its own over the last year, TV is starting to behave more like digital, so it seems natural to buy it the same way. Here at NYI, linear television still represents the vast majority of the revenue we bring in. But it seems those agencies that are doing a lot of cross-platform buying are the ones that are able to get their hands around buying all of their advertising on an impression basis rather than a GRP.

And audiences are continuing to fragment...

You have to find them. It's certainly a challenge now. You can't just buy some ads on TV and think that's going to be the end of it. People access television so many different ways now, but in the end people still consider it TV. You're still sitting back, looking at the big screen. It's a huge branding opportunity to have that screen, and it's still a shared experience. A couple of years ago when things were heading toward digital, there was a fear you were going to lose that branding impact and that shared experience. But now Smart TVs make it so easy for everyone to access their content so you're getting the best of everything. You're getting the big screen, you're getting to pick what you watch, you're getting access to high-quality content.

How does the evolution of targeting fit into today's advertising landscape?

Targeting is a really big part of the conversation. We've been doing addressable television for many years. It [used to be] a true one-to-one targeting relationship where the third-party data companies had subscriber data and they matched it, in a privacy-compliant way, delivered it and you could get the exposure data back. With digital, they've had targeting a very long time but it was accepted that it might have been a cookie target. That was widely accepted for many years. As data's gotten more sophisticated, there's more reliable device grabs and you can get down to device-level targeting. We are at a really interesting time while the industry is working this out.

What's top of mind as targeting advances?

There are a lot of questions. When you're buying an audience and you're buying addressable television,

> "When you add other platforms to your linear addressable buy, you are able to reach even more consumers."

which is completely known, and you're also buying CTV inventory that may be at a device level... is that still addressable, is that all the same? Is it the same confidence level that you're reaching the same target? Can you interchange those two types of targeting seamlessly, and does it matter? Because we're selling packages that could include some VOD, addressable or straight linear addressable TV as well as connected TV, which I'm learning they are calling addressable. To me, coming from the addressable television side, it feels like it's a little different, but maybe it's really not. That's where we are on the path. How do all these work with each other when you have linear TV and you have CTV? Is the targeting to a device just as good as targeting to an addressable television? I think the answer is leaning toward yes, but this is literally coming up

> "Is the targeting to a device just as good as targeting to an addressable television? I think the answer is leaning toward yes, but this is literally coming up as we speak."

as we speak and we are working through that with our partners. Some of the more digitally focused partners don't really understand why you can't do some of the same things for pure digital as you can do with connected TV. And connected TV platforms don't all behave the same way. They don't all accept the same kind of tracking. You can't get all the same kind of attribution data on the back end. It's something we're knee-deep in right now with all of the platforms we work with and understanding what they can do and what the limitations are, and trying to find the common thread when you want to execute a plan and make it seamless to your advertisers.

And executing a strategy these days means covering all those bases?

You have to do it because consumption is changing. When you add other platforms to your linear addressable buy, you are able to reach even more consumers, including the cord-shavers who may not otherwise see the ad, even though they are watching the same content. You can still build the same plan you would have for your linear addressable campaign, you're just running it for CTV. You have to be in both places.

The Future of Media Buying

Advertisers need to stretch their budgets and maximize ROI. Going forward, that means buying audiences and impressions via a single media buy, and measuring metrics for every kind of viewer and every brand.

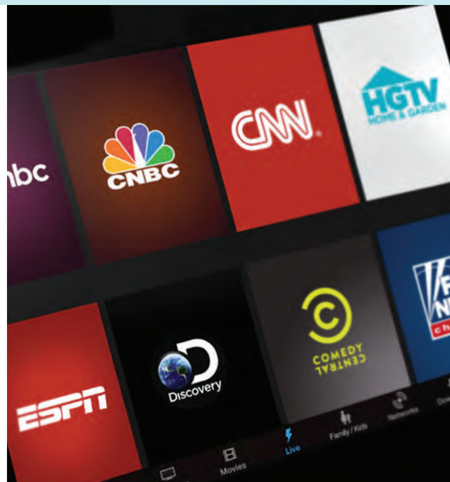
In 2022, the number of connected TV users will rise to 204.1 million, representing more than 60% of the population, according to eMarketer. Currently there are more than 200 OTT/CTV providers in the US. OTT/CTV brings rapidly advancing targeting capabilities, and opens exciting new avenues for the advertising industry. Better targeting, better data and better verification will combine to produce a marketer's holy grail—fewer and better-targeted ads that consumers want to watch.

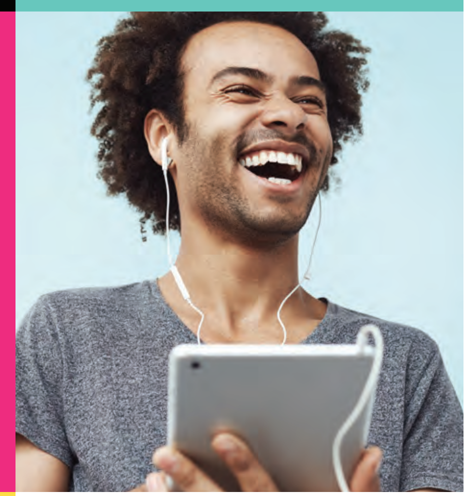
Boosting the new age of advertising is the surge in streaming services, as well as special-interest direct-to-consumer services from companies like Discovery Communications and AMC networks, shows no signs of abating. A market dominated by Netflix, along with Amazon and Hulu, is expanding to include the likes of Disney+, HBO Max, Peacock and more, plus a swelling tide of special-interest direct-to-consumer services from media companies including Discovery Communications and AMC Networks.

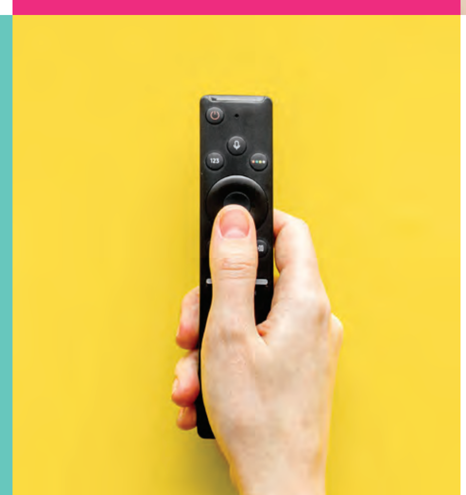
In addition to subscription services, ad-supported services are booming. Viacom snapped up Pluto, which has 20 million subscribers and counting; Comcast annexed Xumo, with close to 6 million subs; and more deals are on the table. **In total, the number of subscriptions to video on-demand services will top 947 million by 2024, according to Digital TV Research.**

Additionally, 75% of TV viewers engage with a second screen, most often the smartphone, while they're engaged with a primary screen, most often the TV—a trend that's continuing on a rapid acceleration path. These viewers are using the ancillary screen to shop, look up information related to the content they are watching, engage in social media or email regarding the content they are watching, or all of the above.

As Smart TV penetration rises, second screen marketing opportunities will rise in tandem across programmatic and other media buys. Combine that scenario with the rise of shoppable TV tech—which enables viewers to purchase straight off the TV screen—and still more marketing avenues will emerge.







THE FUTURE

5 FAST PREDICTIONS

1

OTT providers of digital TV are set to reach a value of **$119.2 B** in **2022**

Juniper Research

2

All TVs are likely to become Smart TVs by **2030**

3

Streaming wars will equal more opportunities for advertisers

4

Addressable TV ad spending will increase to more than $3.3B by the end of 2020, a **343%** increase from 2016 to 2020

Source: VAB 2019, "Address for Success."

5

2nd screen engagement will allow additional targeting

The future of advertising will no doubt be different. We've seen evidence of that in the months of COVID-19, but with enhanced technology, targeting, data, attribution and measurement, the future is bright for savvy media buyers.

It's a revolutionary era in TV consumption. Media buyers who want their brands to resonate with more than 7.5 million combined TV and video households in the largest advertising market in the country need a partner that knows the New York DMA inside and out, delivers in the new currency of impressions, and is agile enough to stay ahead of the curve in this rapidly evolving landscape.

Welcome to

NYI NEW YORK INTERCONNECT

"The inventory is changing, and the way people are viewing in the New York market is changing. It's time to get on board," says Jason Swartz, NYI VP of Advanced Advertising. "Impressions can be sold to any type of device, whether it's a TV or desktop or mobile. We have a one-stop solution for everyone."

NYI has been at the forefront of the industry for more than 30 years, partnering with the largest providers to deliver the most comprehensive, innovative, advanced solutions. A joint venture among Altice USA, Charter Communications and Comcast, NYI provides a seamless integrated solution to target more than 20 million consumers served by NYI's three partners as well as households served by Fios, DirecTV, Dish, RCN, Service Electric and Blue Ridge in the New York market.

At the heart of the NYI offering is Audience One, a robust data-driven platform that simplifies brands' ability to connect via linear, linear+, addressable TV, set-top box VOD, OTT, live streaming, digital and more. It's all about impressions with data and attribution insights, and this consolidated approach brings brands to their target audiences and delivers impressions across every screen.

NYI's reach leverages more than 100 network leaders in sports, entertainment, events and news—including two of the most-watched local news networks: News 12, with 3.9 million-plus households, and Spectrum News NY1, with 2.7 million-plus households. When marketers tell their story alongside their audience's favorite programming, they forge powerful, lasting relationships that maximize engagement and influence.

Core to the success of any advertising business is the data that powers decisions. NYI captures, synthesizes, and acts on the most sophisticated data in the industry including set-top box data, IP data and third-party data. Together, those data points are used to create a three-pronged plan that encompasses finding the best audiences for a campaign, formulating strategies that effectively target those audiences, and precisely measuring cross-screen metrics to quantify results and create analyses that inform future campaigns.

And then there's the all-important human factor. No two advertiser goals are alike, and as such no two discussions with the NYI team are alike. "The conversations we have with some of the digital vendors and partners and agencies are different from the conversations we are having with the TV buyers and vendors," says Sona Pehlivanian, NYI VP of Operations and Campaigns.

With addressable reach and impressions powering all campaigns, NYI is over-delivering on expectations for an array of clients.

Check out a few recent examples:

- NYI used exclusive census-level data to boost credit card applications and approvals for a financial company. A 13-week addressable campaign targeted 286,655 households and delivered 8.46 million impressions.
- A nine-week campaign to increase tune-in for a cable news show that targeted light viewers of the show and light viewers of the network who also have a political affiliation resulted in 2.12 million impressions delivered to a target of 396,368 households.
- During four weeks, a campaign to increase pharmaceutical sales for two products targeted previous purchasers of any brand of allergy medications, and household members who suffer from nasal congestion and allergies, respectively. The campaign delivered more than 8.41 million total impressions in more than 585,000 target households.

The future of media buying is here, and NYI is blazing a triumphant trail in one of the world's most important markets. From targeted product launches to thought leadership from its team of seasoned experts to deep measurement analysis, NYI consolidates and simplifies the process and elevates results for all brands.

NYI

5 FAST FACTS

1 Serves the **#1 DMA** in the country

2 **7.5+ million** households

Nielsen October 2020 NY DMA TV HH Universe Estimate, includes broadband only homes.

3 **20+ million** targeted consumers

Claritas 360, 2020

4 **100+ networks**

5 **66M screens**

Leichtman Research Group. Nielsen October 2020 TV HH NY DMA Universe Estimate, includes broadband only homes.

CYNOPSIS

cynopsis.com

NYI NEW YORK INTERCONNECT

nyinterconnect.com