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CYNOPSIS

NEW YORK INTERCONNECT

Think Nationally. Buy Locally.

The Importance of Single-Market Media Buying

Why single-market media buying is essential to your brand's success

There's a lot of noise in the national market. Brands are competing with other national businesses as well as local marketers in any given commercial sector, and the sound can be deafening.

At the same time, the unique assets of the local market have never been more indispensable.

The total market for local advertising revenue in the U.S. will see a significant increase to $137.5 billion in 2021, according to BIA Advisory Services' latest U.S. Local Advertising Forecast. Of that tally across all media, the BIA projects local TV will account for 11.4% of the business, with linear media revenue comprising 55.3% of all local advertising and digital capturing 44.7% of the U.S. total.

There are numerous reasons national media buyers, both traditional marketers and digital marketers new to the television landscape, should be investing in single markets. If you're buying nationally, you're no doubt missing out on key audiences and efficiencies that can only be found in local markets. What's more, single-market buying—particularly in a top DMA like New York—offers greater targeting capabilities, quality inventory and actionable reporting.

Advertising in a single market provides an opportunity to connect with targeted, desirable consumer segments while simultaneously growing your business across the country.

Read on to learn why it's critical to think nationally, but buy locally.

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The total market for local advertising revenue in the U.S. will see a significant increase to $137.5 billion in 2021.

BIA Advisory Services' latest
U.S. Local Advertising Forecast

Targeting

Targetability in local markets is unmatched compared to that of a national market buy. And the benefit of targeting in a single designated market area is only going to become more salient as the industry barrels toward a cookie-less environment.

Third-party browser tracking, aka cookies, is already beginning to disappear from websites and related ecosystems. It will effectively vanish by the end of 2022, the date at which Google has committed to eliminating all cookies. Enter the power of targeting in local markets to optimize and prove a brand's ROI via TV, addressable and digital reporting.

The majority of targeting on a national basis is likely to remain modeled or aggregated in some fashion. Local campaigns that offer IP targeting and 1:1 data down to the household level, in contrast, are customized and are best positioned to result in a specific consumer action.

In the best-case scenario, such as New York Interconnect's Audience One platform, local targeting spans all available platforms and screens—from traditional TV to addressable and OTT—and takes into account a myriad of indicators including users' location, household income, age and education levels of household members. Once a local campaign is live, brands can analyze various data points to continuously refine their targeting universe to yield maximum results.

For advertisers that are looking to glean data and intel before launching a national rollout, starting with a targeted single-market campaign can also shed critical light and provide direction.

According to the Location Based Marketing Association's 2020 Global Location Trends Report, over half of all marketers think location-based marketing is extremely important to their business. Of the 871 companies surveyed, 8 out of 10 global respondents agreed location-based data is valuable, and 81% see location-based data as actionable. Nearly half (46%) of respondents reported they're engaging in local targeting via location services. This type of activation was seen as the most beneficial feature of location-based marketing among respondents. Increasing brand recall (21%) and driving sales at POS (17%) also tracked as key benefits for some respondents.

The number of smart TV users in the U.S. is forecast to grow to 119 million by 2022, representing about 58.3% of all connected TV users.

Statista, January 2021

The benefit of targeting in a single designated market area is only going to become more salient as the industry barrels toward a cookie-less environment.

Interactive Advertising Bureau, November 2020

Supply is skyrocketing as consumers embrace streaming, while viewership on linear TV is still at an all-time high.

Regardless of age, **more time is spent with linear TV than any other video platform.**

VAB analysis of 2Q '20 data, Nielsen Total Audience Report, Nov 2020

28% of advertisers plan to increase investment on data-driven linear TV in the next year as they gravitate towards audience-based TV buying solutions.

Advertiser Perceptions, Video Advertising Convergence Report, Wave 9: 2H 2020, February 2021

By 2024, connected TV ad spend is forecasted to **grow by over $10B.**

eMarketer, October 2020

Audiences

No matter how splashy a campaign may be, its success is rooted in its ability to reach the right audience at the right time with the right message. Increasingly, thinking inside a box based solely on gender and age is so… *yesterday*.

Savvy advertisers are moving away from buys based on demographics and leaning toward those that capture audiences. The industry is shifting away from mass-market messaging and toward data-driven impressions. Local markets can deliver those audiences like no other.

Data is growing more sophisticated, and so are the various ways brands can parse the influx of information. Simply put, there's so much more to know about your potential customers: who they are, where they live, and what they do. Knowing your audience better leads to better behavioral and contextual targeting, and more effective results.

Driven by census-level, first-party data, targeting audiences within a local market has the ability to get more granular and finite than a national solution, since it has the ability to reach down to the household level. It's about finding out what content viewers are *really* watching and when they're watching it, and then targeting them around the most relevant programming, in the dayparts that matter to them.

Another benefit of finding audiences in single markets? Many brands and brand categories, even those with mass national or global reach, aren't in fact entirely mass-market marquees.

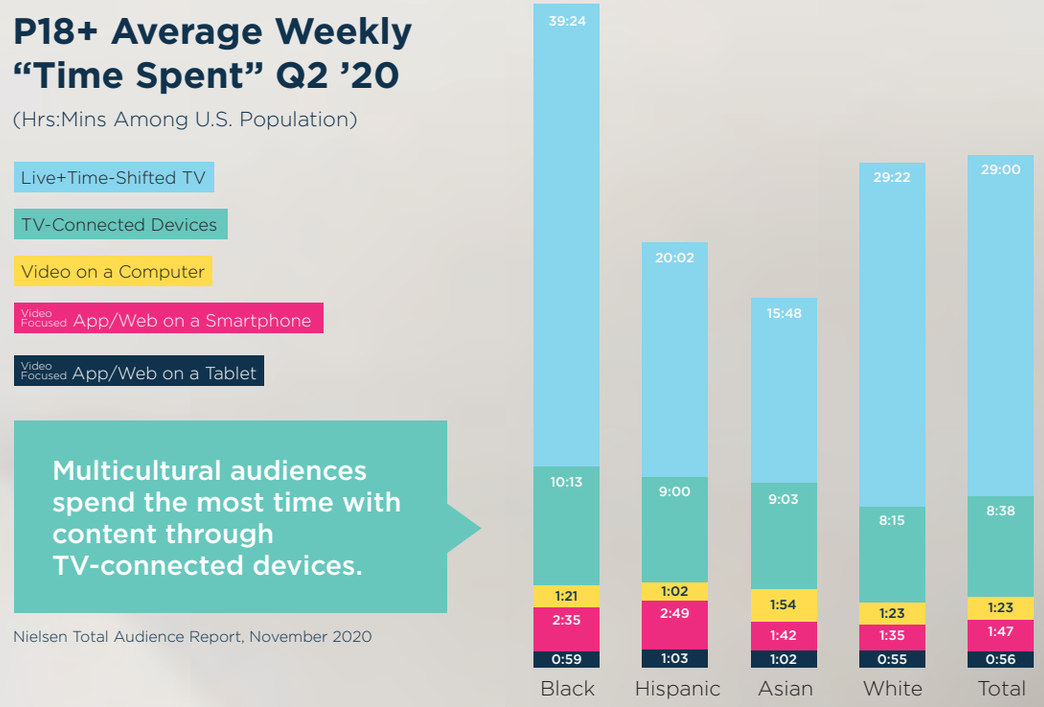
Advertisers in industries like automotive, lifestyle, CPG and other sectors can succeed in mapping out a smart media plan that hits home, in the right homes, by focusing on specific audiences in a specific market.

The industry is shifting away from mass-market messaging and toward data-driven impressions.

Linear TV dominates time spent with video viewing across ethnicities.

P18+ Average Weekly "Time Spent" Q2 '20

(Hrs:Mins Among U.S. Population)



Multicultural audiences spend the most time with content through TV-connected devices.

Nielsen Total Audience Report, November 2020

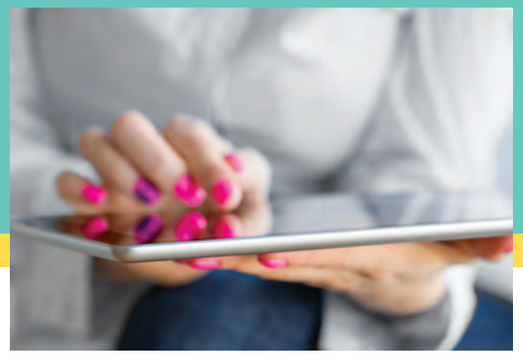
Testing + Reporting

> **“ The more technology a provider offers, the more diverse the local market solution is, resulting in larger market share. ”**
>
> ***Beth Miller***
> VP of National Sales, NYI

Both first- and third-party data are more difficult to capture on a national level than they are in local markets. And both are critical for organizations and brands as they plan, execute and evaluate an advertising campaign.

By focusing on a single DMA, advertisers can use targeted data as they engage in media planning on the front end, to determine the best ways to saturate the market. Critical learnings from testing will help steer a campaign’s direction as it gets “smarter,” and continually narrows its focus on the most actionable audience.

A single-market focus also enables marketers to succinctly scrutinize their ROI. Ad platforms reporting on a regional buy can, with greater efficiency, use matchbacks to prove to a client that an intended target audience was in fact reached.



New York Interconnect’s integrated multi-screen Audience One platform includes robust data and attribution insights to provide hyper-informed multi-screen media strategies and fluid ROI reporting.

“The more technology a provider offers, the more diverse the local market solution is, resulting in larger market share,” says Beth Miller, VP of National Sales at NYI. “NYI’s advantage is that we leverage data to provide front-end targeting across multiple platforms, and then close the loop with a performance matchback to prove the ROI, giving the client a leg up in the New York DMA when it comes to effective advertising.”

Traditional brands that are three years old or younger saw a +50% lift in their average monthly website traffic when they were airing on TV vs. their three-month average website traffic prior to TV.

VAB’s ‘The Halo Effect: TV as a Growth Engine’, November 2020. VAB analysis of Nielsen Ad Intel data.

Local Inventory

How can a national advertiser benefit from advertising around local inventory?

Let us count the ways.

For one, messaging in the right local market can get your brand in front of important audiences you’d completely overlook with a national spend. For another, big-ticket live programming events such as sports and entertainment shows tend to sell out quickly on a national basis. Local spots in top markets allow brands to get inventory in those same programs.

Sports, for example, are among the best gateways for brands to incorporate ads in a local market. Certain sports—baseball, basketball and football among them—have a decidedly more regional fan base. Those sports, and teams, consistently draw higher ratings in select markets.

Going local helps brands reach consumers on a more personal level, around inventory that matters to them. Thanks to advanced targeting capabilities and census-level data in local markets, your ad and your highly desirable audience go hand-in-hand, and your messaging is delivered around content ranging from news and awards shows to big game nights and scheduled serial programming.

So although an automotive company generally has the same message for all viewers — drive our vehicles — the company can execute a more focused creative in select local markets and your messaging is delivered around content ranging from news and awards shows to big game nights and scheduled serial programming.

Going local helps brands reach consumers on a more personal level, around inventory that matters to them.

More than half of advertisers identify linear TV as their single most valuable video tactic.

Advertiser Perceptions, Video Advertising Convergence Report, Wave 9, 2H 2020, February 2021.

On average, adding Streaming TV to a Linear campaign will deliver an incremental 17% lift in reach.

Comscore State of OTT, OTT Intelligence, TV Essentials and OnDemand Essentials, April 2020 vs April 2019. U.S.

Messaging + Creative

Local marketing humanizes your brand, and plants it in the front yard of your desired audience. A well-engineered local creative can foster a deep connection with consumers by making a strong, emotionally connected statement.

The old adage that all press is good press does not apply to advertising. Marketers want their creative to stand out, but only if it delivers the intended tone to the intended audience. Determining that tone is an important exercise that entails multiple considerations before executing on a concept. Among them are determining what your brand stands for, what differentiates you from the crowd, how you want to be conceived by consumers and how your brand wants to make people feel. From there, it's helpful to create a set of guidelines and standards the team can continually refer to while iterating one or multiple activations.

From a practical perspective, honing in on a single market eases the issue of juggling a large volume of ads with different copy and executions. The savviest brands speak to local populations with any number of relevant messaging cues, from distinct accents to specific scenery to unique landmarks and personalities that can resonate well beyond a 30-second spot and lock in a unique voice that cements brand recognition and loyalty.

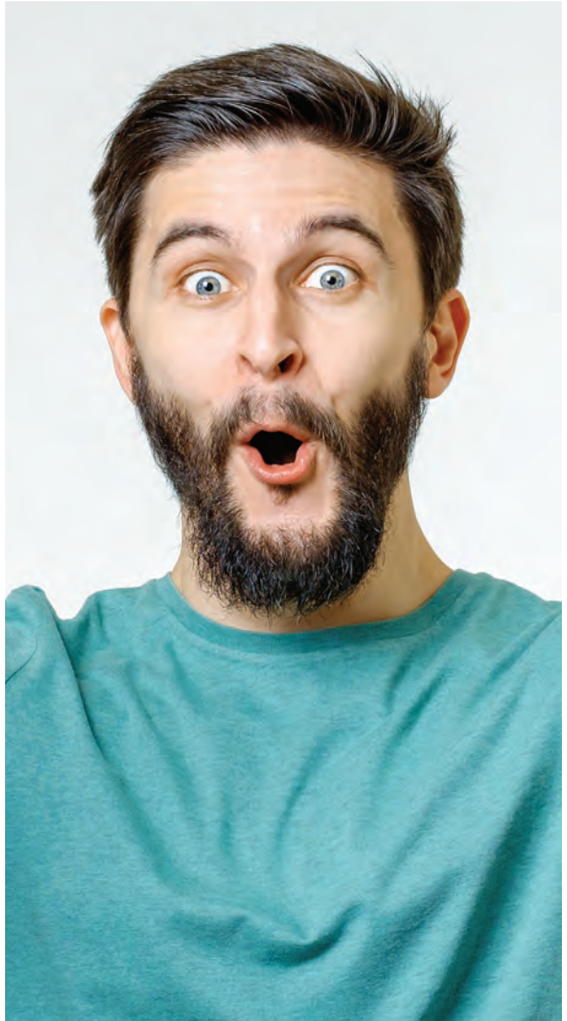
New York Interconnect, which plays in the largest, most diverse market in the U.S., connects brands to 7.7 million households. They have a portfolio of integrated local success stories ranging from from News 12's "We're Open" campaigns launched by a variety of local businesses during the pandemic, to NY-specific activations from national brands.

Case Study:
Tri-State Ford Dealer Association

Offering a different take on a "mobile" campaign deeply integrated in the tri-state area, the Tri-State Ford Dealer Association teamed with hyper-local news channel News 12 to roll out seven Ford Explorer trucks into the community—from Long Island to Jersey City to Westchester—from which members of the News 12 weather team travel around and deliver daily reports. Known as Thunderbolt 12, the fleet is ingrained in the fabric of the newscast both on air and online. The campaign launched in Q4 2019, and has been renewed for a second year.

Fun Fact

Launching campaigns with more than one creative message is important for promoting TV shows and movies.



An average of four to eight different creative executions saw

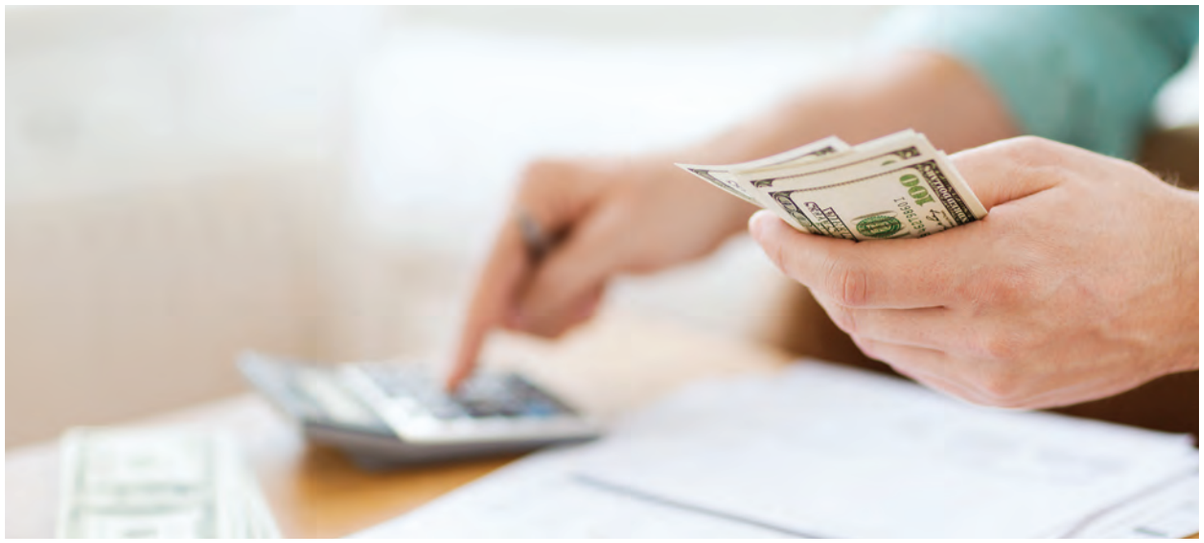
8% higher conversion

compared to advertisers with less than four creative variants.

Effectv's "Changing Tune for Tune-In Advertising" report, February 2021

Cost

The bottom line, of course, is always a top priority for marketers when assessing where to place their television buy.



When it comes to return on investment, local markets are grabbing headlines like never before as the country's economy begins to recover. Advertising in a single market is singularly cost-effective.

The average 30-second television ad costs $115,000 on a national network, according to the organization Fit Small Business. On the contrary, local spots running in the same programming are often less expensive, and at the same time are capable of generating strong brand retention with specific audiences. In the local market, a brand's message, with targeted relevancy, resonates with consumers who are more likely to take an immediate action. That translates to even better bang for the buck.

Because each local market is unique, the first step for a brand is researching and developing a short list of key markets to ensure the right audience is on your radar. Some markets are more expensive than others. From there, it's a matter of doing the math.

"Who are you really going after? If your target is within a local market, you may not be effectively reaching that audience with a national plan. It might make more sense to invest in a single market because of the local technologies and strategies that are not available nationally," says Jason Swartz, VP of Advanced Advertising, New Business & National Sales at NYI. "The power of buying locally on a market-to-market basis is that you're going to reach more of the right target audience, and you're likely going to sell more product."

The average 30-second television ad costs $115,000 on a national network... local spots are often less expensive, and at the same time, they're capable of generating even stronger brand retention.

Once you've selected one or several DMAs, it's important to work with an advertising platform that's deeply entrenched in those markets. A company with deep and broad roots in a community can help brands and agencies determine the most effective type of buy, and work with budgets to maximize the spend.

Addressable

Addressable advertising, the ability to show different ads to different households while they're watching the same program, is a game changer.

It enables advertisers to hone in on the relevance and impact of a spot, and it's being swiftly adopted across the industry as media buyers seek to engage with viewers across live TV, on-demand and streaming environments.

eMarketer estimates the addressable TV advertising spend will reach $3.6 billion by 2022—up 75% from August 2020. Ninety one percent of Adults 18+ in the NY DMA have at least one Internet-enabled connected device and 40% stream TV shows in a typical week, according to a 2020 MRI Cord Evolution Study.

As addressability rises, measurement consequently is getting more and more granular. This year, Nielsen is bringing addressable advertising measurement to market, marking one of the most significant evolutions in reporting. This new metric will no doubt shine light on the importance of addressable advertising in a single-market spend.

National addressable doesn't necessarily provide the specific geo-location data reporting for a campaign, so advertisers don't always know where their spots have run—an ad could have aired in a rural market as easily as in a major metropolitan DMA when your net is cast across the whole country.

When brands consolidate addressable ads in a single market, they're better able to target, and glean more specific data and reporting. The relevant question becomes: Why scatter across the country for a cumulative reach of 1 million when you can localize through addressable and reach more households and connect your brand with individual consumers?

To boot, select markets offer local advertising opportunities that brands and agencies can capitalize on, but may not be aware of. NYI offers solutions in the NY DMA that many planning teams don't realize or know to ask about. With end-to-end solutions comprising streaming, 1:1 addressable, targeting to audiences across both linear and OTT, and 1:1 attribution proving ROI, NYI delivers results most local markets and some national vendors are unable to achieve.

96% of households in the New York market have either linear TV or broadband-only service.

Nielsen 2019-20 Universe Estimates, NY DMA. 96% = Traditional TV service + Broadband Only Households. Base: Total Households.

Addressable TV advertising spend is expected to increase 75% to $3.6 billion by 2022.

eMarketer, February 2021

Local News Community

News publisher Axios recently began launching local news editions of its national daily newsletter. Why? For the same reason marketers would be wise to connect with local news sources in the television realm: Local news is highly valued and trusted in the communities it serves, and loyal viewers are tuning in daily.

And they're tuning in to news more often these days. The time consumers spent watching TV news peaked at just shy of 9.5 hours per week last April during the height of the pandemic lockdown. In September, U.S. adults were still consuming plenty of TV news—an average of 7 hours and 5 minutes per week, up 23% from the same period the prior year, according to Nielsen's Local Watch Report from October 2020.

What's more, viewership of local newscasts is trending younger, and more diverse. The 18-34 demo is tuning in more now than they have previously as evidenced by members of that age group increasing their total news consumption by 134% between 2019 and 2020. News viewers are also growing more diverse; Hispanic, Black and Asian viewers have driven significant gains over the past two years, according to Nielsen.

Where national news coverage can come across as remote and repetitive, local news has a more intimate, more immediate relationship with consumers. Additionally, the majority of local news viewership occurs in the linear television realm, which, despite all the talk of digital and KPIs, remains paramount in a brand's ability to confirm you're reaching your desired audience.

Digging deeper, some 69% of adults regularly watch local news, according to NYI data, and the lion's share of them are watching on cable, not broadcast. On any given night in New York, regional news networks Spectrum News NY1 and News 12 garner between a 0.8 and 1.0 Nielsen rating, compared with ABC local news, which generally comes in between 0.6-0.8.

For a myriad of advertising sectors, markets like New York, Chicago and LA are necessary buys, and local news channels offer fertile ground around which brands can present custom storytelling in a high-quality viewing environment.

For brands looking to advertise around New York local channels, News 12 and Spectrum News NY1, NYI offers seamless access. Because Altice and Charter own the two stations respectively (and NYI is a joint venture among Altice USA, Charter and Comcast) brands benefit from an unencumbered through-line.

The 18-34 demo is tuning in now more than ever, evidenced by this demo increasing their total news consumption by 134% between 2019 and 2020.

Viewership of local newscasts is trending younger, and more diverse

Average Hours/Mins Watching Local News: Q2 2020

Persons 18+			
Q2 2018	Q2 2019	Q2 2020	% Diff
5:55	5:47	8:3	**+48%**

Persons 18–34			
Q2 2018	Q2 2019	Q2 2020	% Diff
5:55	5:47	8:3	**+48%**

Total News Consumption by Race/Ethnicity: Q2 2020

Average Weekly Hours/Mins per Adult, Q2 2020

White			
Q2 2018	Q2 2019	Q2 2020	% Diff
6:20	6:16	9:13	**+47%**

Black			
Q2 2018	Q2 2019	Q2 2020	% Diff
7:07	6:43	10:38	**+58%**

Hispanic			
Q2 2018	Q2 2019	Q2 2020	% Diff
3:02	2:41	4:27	**+66%**

Asian			
Q2 2018	Q2 2019	Q2 2020	% Diff
3:45	3:17	6:06	**+86%**

Nielsen Local Watch Report, October 2020

Multi-Screen

Consumers spend an average of 122 minutes per day accessing the Internet via browsers and apps.

Viewing habits aren't just evolving, they've undergone a sea change. But the mindset of consumers who are looking to make a purchase or support a business largely remains the same. They're still, for the most part, searching with intent to act locally. For brands, this means it's more critical than ever to advertise in a geo-targeted market, across multiple screens.

The recent IAS "Streaming Wars" report found nearly 9 in 10 consumers have access to a CTV device. Among them, 76% are willing to see ads in exchange for watching free streaming video and 55% plan to watch free video streaming services in the next 12 months.

Looking ahead, the global multi-screen advertising market will register a compound annual growth rate of 35.2% between 2019-2024, according to new data from 360Market Updates. Consumers spend an average of 122 minutes per day accessing the Internet via browsers and apps, a number that's accelerated from only 10 minutes a day in 2010. Further, a full 90% of those consumers who toggle between devices are doing so to accomplish a goal, according to Google research.

"Today's marketing strategy has to cover all the bases," says Michael Minardi, NYI's VP of Regional Sales. "The data shows audiences are consuming content across all screens. Through recent advances in ad tech, we're able to pinpoint precisely where a brand's consumers are watching. This means that marketers can get reach and targeting – two key functions for success – through multi-screen strategies."

Multi-screen strategies are all about diversifying your budget to make sure you've got reach in each bucket. Consumers are still watching plenty of traditional TV, but they're also increasingly consuming content on apps and through connected TV and VOD. Most media buyers are no longer comfortable pulling together a buy that is exclusively traditional TV, and for good reason. The best plans today encompass the full spectrum of screens, with distinct targeting that reflects the new reality that prime time is whatever time a viewer wants to watch.

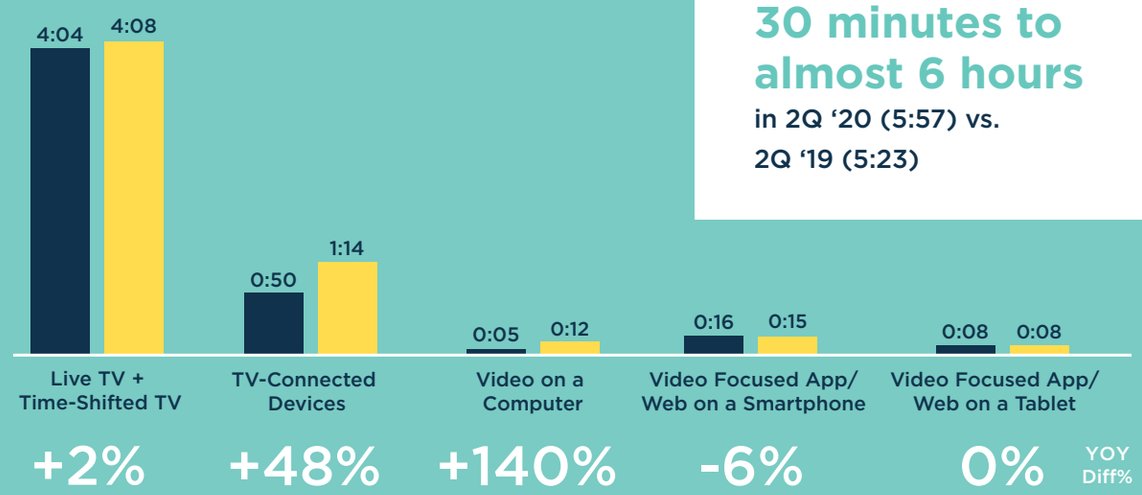
Multi-screen also offers premium programming —with guarantees of specific programming just like in linear—along with the technology to facilitate seamless buying. Brands should be on the lookout for platforms that integrate TV, digital, VOD, live streaming, OTT, and exclusive network sponsorship options in one holistic environment.

The best plans today encompass the full spectrum of screens, with distinct targeting that reflects the new reality that prime time is whatever time a viewer wants to watch.

Nielsen Total Audience Report, August 2020

TV-connected devices now account for 21% of total video viewing, an increase of five percentage points vs. a year ago

YOY average total daily video usage increased by over 30 minutes to almost 6 hours
in 2Q '20 (5:57) vs.
2Q '19 (5:23)



Average Daily Time Spent Per Adult 18+ On Video
Based On U.S. Population (Hrs:Mins)

■ Q2 2019 ■ Q2 2020

VAB analysis of data from the Nielsen Total Audience Report, November 2020.

What's Next

Entertainment viewing patterns changed in 2020, accelerating numerous evolutions already afoot in targeting, reporting, data, measurement and more. What's around the bend in media buying?

Here are a few key areas of industry focus to keep on your radar:

Tackling Deduplication

Audience targeting opens all sorts of opportunities to connect with consumers, but it needs to be managed. "That's been a big challenge for clients," Swartz says. "We work hard to ensure deduplication isn't a problem. For streaming campaigns, we can identify a frequency cap, limiting the number of times that an audience target will see a commercial. With linear addressable, we estimate the frequency a campaign will deliver to the targeted audience. Then we can identify the reached TV or streaming audience and either avoid the segment to prevent duplication or include the segment to hit the target audience with more creative."

More Is More In Streaming

The appetite for streaming content has skyrocketed, and shows no signs of slowing down. Global viewing grew 44% during the last three months of 2020, according to research firm Convivia, which tracks 500 million unique viewers and 180 billion streams annually. In fact, within this streaming surge, ad-based VOD is projected to experience 22% compound annual growth and become a $20 billion segment by 2024, according to the VAB.

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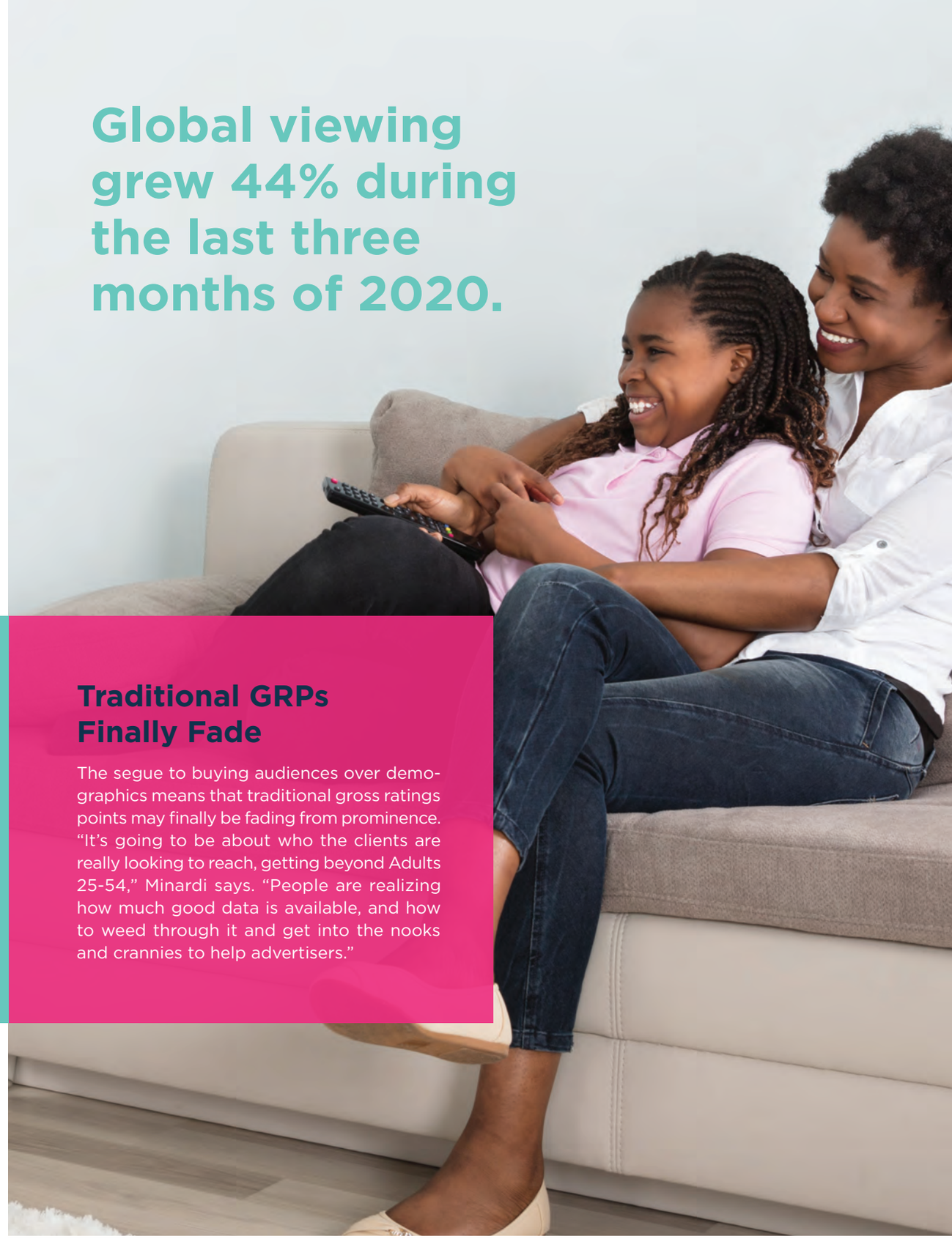

Traditional GRPs Finally Fade

The segue to buying audiences over demographics means that traditional gross ratings points may finally be fading from prominence. "It's going to be about who the clients are really looking to reach, getting beyond Adults 25-54," Minardi says. "People are realizing how much good data is available, and how to weed through it and get into the nooks and crannies to help advertisers."

cynopsis.com

nyinterconnect.com