Addressable TV Advertising
New Opportunities for International Advertisers to Reach European Audiences
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As viewer consumption behaviours continue to drift towards digital platforms, so has ad spend. Advertisers now expect to be able to reach their core audience through efficient, cost-effective, and data-driven tactics — on any device. Not that long ago, these innate advantages of digital advertising were unavailable within the traditional TV broadcast environment.

The introduction of Addressable TV (ATV) advertising changed all of that. Today, brands of any size are able to launch targeted TV ad campaigns — within premium TV content — using the same data-driven tactics they apply to their digital campaigns. With this white paper, we share our findings on the current state of ATV advertising across Europe, offer insights from industry experts on local developments and specific case studies, and provide guidance to advertisers on how to include ATV advertising in their media strategy.

While many TV markets continue to face obstacles for implementing ATV advertising solutions, we have seen notable progress across most European countries. This includes significant technological advancements, changes in legislation, and the widespread adoption of ATV solutions by media owners. smartclip is leading the way in providing ATV solutions to European broadcasters and international advertisers.

A subsidiary of RTL Deutschland, smartclip continues to innovate and collaborate to provide the best ATV solutions to the market, most recently including the full addressability of the traditional ad break, new cross-device targeting solutions for a cookie-less future, and advanced performance measurement and reporting. We have also taken significant steps to streamline buying processes for advertisers. To that end, we are excited to announce our plans to create TechAlliance, a joint venture with Amobee that aims to provide a full-stack solution for broadcasters including an innovative new buying concept that gives advertisers programmatic access to ATV and premium broadcaster inventory.

ATV advertising is gaining momentum across Europe, yet it remains an underutilised strategy for advertisers. Broadcasters have heard the demands of advertisers: digital access to premium linear content and reach, standardised measurement and reporting, and seamless, data-driven buying options. Through smartclip and eventually TechAlliance, broadcasters will be able to meet those demands.

Now is the time for advertisers to leverage the opportunities created by ATV. Brands and agencies must be willing to invest and experiment with ATV advertising in order to continue pushing ATV innovation forward. We encourage you to take an active part in shaping the future of our industry.

We hope that you decide to join us.
Introduction
Introduction

The proliferation of digital media and the rapid shifts in consumption habits have reshaped the entire TV advertising ecosystem. Consumers are increasingly viewing video content on more platforms and more devices. While these shifts have presented challenges for advertisers, they have also opened the door for new technologies and opportunities. Advertisers are now accustomed to reaching their consumers with precise, data-driven targeting and easy, streamlined access to cost-effective ad space. Addressable TV (ATV) is bringing those advantages to traditional TV, a medium that remains unparalleled in its ability to effectively deliver powerful brand messaging.

Despite audience fragmentation across devices and platforms, overall TV viewing numbers are still strong, with 78% of Europeans viewing traditional TV on a daily basis. Consumers trust TV, and advertisers profit from its premium content and brand-safe environment. Perhaps most importantly, TV ads continue to have the strongest and longest-lasting impact on viewers, which in turn generates more sales uplift than any other platform on any other device. Finally, TV is still the main driver of audience reach in cross-device campaigns. According to Nielsen, the average number of impressions generated by TV in the 18–49 age group is nearly eight times higher than those generated by digital campaigns.

However, advertisers want the same degree of granular targeting and attribution that digital advertising provides. The development of digital advertising has provided marketers with important tools to narrowcast their advertising efforts and focus their ad spend on the right audiences for their offering. Broadcasters and other content distributors — for example, telcos, cable operators, and over-the-top (OTT) service providers — have responded to their buyers’ evolving needs by introducing precise, data-driven, and versatile advertising solutions within TV content.

ATV advertising melds the benefits of traditional broadcast TV with digital marketing capabilities and offers unique advertising opportunities to all advertisers — not just traditional buyers of TV advertising. ATV technology and offerings have accelerated rapidly over recent years thanks, in part, to the proliferation of smart TVs and broadcasters’ responses to the changes in consumer behaviour. As consumers shifted towards online content, broadcasters recognised the need to adapt their advertising offerings in order to meet their bottom lines and stay relevant.

Collaboration among broadcasters, operators, and distributors has also spurred the growth of ATV across Europe. European players are forming partnerships, alliances, and joint ventures in an effort to protect local advertising ecosystems and recover budgets captured by Silicon Valley giants. This trend towards collaboration benefits advertisers, as they subsequently gain access to attractive cross-media portfolios and better data offerings, as well as fair and standardised buying solutions.

We cannot ignore the fact that the COVID-19 pandemic and its economic consequences have severely impacted global ad spends. At the same time, the pressure on all market participants has expedited regulatory decisions and technical advancements to the benefit of ATV. In France, a recent legislative change has paved the way for targeted ads in linear broadcast streams, while Belgium and Austria have successfully expanded their commercial ATV offerings. Thanks to the ongoing development of innovative features, more advanced ATV markets such as Italy and Spain have been able to further establish the medium, in spite of the crisis. Additionally, the German ATV market — the pioneer for HbbTV-based ATV implementation — has been mostly left unscathed by the pandemic and continues to show significant growth year-on-year.
There is no doubt that the future of TV advertising is fully addressable and will eventually replace the traditional one-to-many communication. According to market trends, ATV will continue to mature in the coming years, becoming a key topic in media planning and relevant to all parties within the European advertising ecosystem. Advertisers will need to pursue strategic combinations of TV and digital in order to overcome the growing challenge of audience fragmentation.

Implementing and utilising ATV has not come without challenges. The industry has not yet agreed on a uniform definition of ATV. For example, broadcasters and advertisers in the UK and Denmark refer to Broadcaster Video-on-Demand (BVOD) as ATV, whereas ATV in markets such as Germany and Spain is still most commonly reserved for live linear TV content. As a result, many advertisers remain uncertain about what exactly ATV can offer and how to best utilise its capabilities. At the same time, there are significant differences between local markets in how ATV is distributed and regulated. This means that ATV offerings that are available in one market may not be available in another. The fragmentation in offerings and regulations has also led to fragmented buying options.

We set out to explore this complex ecosystem — including varying technology, nuanced market offerings, and international buying opportunities — in order to help international advertisers make better use of this new advertising medium. This paper provides an analysis of ATV advertising across Europe, with emphasis on the opportunities available to international advertisers. First, we examined the state of ATV advertising in select European TV markets, including opportunities and trends, hurdles, and future projections. We further explored successful campaigns from across continental Europe and bundled these with insights captured from interviews with senior industry executives. Our findings point to best practices that brands and agencies can use in order to unlock the full potential of ATV advertising.

There is definitely an opportunity for Addressable TV in both the linear and BVOD space because of the clear uplifts TV content brings to advertisers. I expect the medium’s popularity to grow and attract advertisers who have focused budgets on display and OLV particularly. The whole advertising industry needs to work together closely to create elaborate cross-channel and cross-screen measurement systems, which in my view will reinforce the value of TV content and the value of quality environments and contexts.

Nick Ashley
Head of Media and Campaign Planning at Tesco
Defining Addressable TV
Defining Addressable TV

Addressable TV (ATV) advertising remains an ambiguous concept; a clear-cut, industry-wide definition does not exist. This is due, in part, to the rapid pace of change and the fact that different global markets use different terminologies, as do different players within those markets. These are classic characteristics of a nascent technology. However, the lack of clarity surrounding the meaning of ATV can be problematic for advertisers, as they risk overlooking unique opportunities to reach their target audience.

Associations such as the Global TV Group and IAB Europe have coined their own definitions of the term. The Global TV Group defines ATV as “technology that lets you show different ads to different audience segments watching the same TV program.” According to IAB Europe, this “segmentation can occur at geographic, demographic, behavioral and (in some cases) first and third party data-matched household levels, through cable, satellite, and Internet Protocol television (IPTV) delivery systems.”

While these definitions help provide a general understanding of ATV, an industry-wide definition is not feasible because of significant local market differences in regulations, technology, market players, and media sales strategies. Rather than attempting to articulate a uniform definition, it is more useful to focus on the essential and collectively agreed upon elements of ATV while also acknowledging that these concepts will continue to evolve. Additionally, further exploration into how ATV is categorised from a technology perspective and how it is marketed and sold from a media sales perspective can provide additional clarity.
**WHAT IS ADDRESSABLE TV?**

Despite local and company-specific variations in the definition of ATV, the industry generally agrees that, at its core, ATV is targeted advertising within broadcaster content.

Across Europe, ATV is widely regarded as an innovative technology-driven approach that marries the best of traditional TV advertising with the best of digital marketing.

By and large, it entails the delivery of one-to-one, real-time advertisements into TV content streams.

This allows different households watching the same TV programme to be shown personalised advertisements based on specific criteria, such as demographic profile, viewing behaviour, interests, and location.
The possibilities of ATV cater to the diverse and individual needs of advertisers, broadcasters, TV manufacturers, and distributors.

**Advertisers**

The main focus for advertisers, agencies, and brands is gaining access to granular targeting capabilities through standardised ad buying processes. In doing so, advertisers can identify and reach relevant consumers or segments of consumers — at scale — throughout the customer journey and across all devices.

**Broadcasters**

Broadcasters are under pressure from digital competitors and need to invest in technologies in order to offer brands and agencies seamless, scalable, and state-of-the-art advertising products. These technologies should keep the broadcaster’s business competitive while also ensuring that both data ownership and the quality of the viewing experience remain uncompromised.

**TV manufacturers and distributors**

TV manufacturers and distributors — including IPTV providers, operators, telcos, and OTT service providers — are seeking to secure their position in the value chain and capture new revenue streams, which requires investing in proprietary technologies that enable ATV advertising products.

Given the varying needs of key players, ATV is explained, packaged, and sold in different ways on the technology side (to broadcasters, TV manufacturers, and distributors) and on the media sales side (to advertisers and agencies). This is yet another reason why a clear-cut, industry-wide definition is not feasible.
WHAT IS ATV FROM A TECHNOLOGY PERSPECTIVE?

On the technology side, ATV advertising can be delivered by an array of methods to different devices and platforms, which undoubtedly contributes to confusion in terminology. Generally speaking, ATV delivery methods can be classified into three categories as outlined below.

1. **Digital Video Broadcasting (DVB) TV**

   DVB is the conventional broadcast. The pan-European Hybrid Broadcast Broadband TV (HbbTV) standard has played an important role in advancing ATV advertising through DVB. The HbbTV standard, which most smart TVs in Europe carry, enables ATV advertising in non-proprietary and broadcaster-controlled TV ecosystems.

2. **Managed TV Platforms**

   Managed TV platforms are usually controlled by operators, such as a telecommunications company, who offer an Internet Protocol TV (IPTV) product that usually requires a set-top box for receiving an operator’s linear broadcast TV offerings. In operator-controlled environments, managed TV platforms and set-top boxes act as enabling devices for ATV technology, which must be implemented by broadcasters.

3. **Over-the-top (OTT) TV**

   OTT services enable TV consumption over the internet through web services and mobile and Connected TV (CTV) applications. This includes BVOD offerings as well as third-party owned OTT TV service providers. Internet-based OTT TV is often part of “TV everywhere” packages that allow access to TV content on any device. Thanks to the digital nature of OTT, dynamic ad insertion technology makes it possible to exchange and insert advertising spots on the fly within live linear broadcasting.
WHAT IS ATV FROM A MEDIA SALES PERSPECTIVE?

On the media sales side, traditional sales strategies play an important role in the ways in which ATV is packaged and sold in various local markets, which also contributes to confusion in terminology. TV and Online Video (OLV) are well-established media products that come with a clear set of rules and expectations on both the supply side and the demand side. With the inception of ATV, broadcasters have the opportunity to form their own playing field where ATV can be packaged and sold as a totally new and separate advertising genre alongside traditional TV and OLV products.

Broadcasters have the opportunity to be in the driver’s seat and define these rules in line with their overarching strategy. This is critical given how fast the market is evolving and the growing competition broadcasters face in the TV business. For broadcasters, the most critical factors that will ensure long-term success are media sales strategies where broadcasters control the following: first-party data, commercial rules (e.g. pricing and KPIs), the programmatic value chain, and access to inventory.

Broadcasters are well aware that these requirements might lead to implementing media sales strategies that are not fully embraced by all market participants. While this power shift is necessary in order for broadcasters to thrive, finding the best possible ATV sales approach is an ongoing challenge.

Four examples of common ATV sales strategies are listed and explained below.

1. The TV device focus: ATV is “big screen” TV inventory

A common product packaging for ATV advertising centres on the television as the exclusive device for consumption. Advertisers value “big screen” qualities such as ad impact and brand safety. This is why on-demand content, consumed on the TV device, is becoming increasingly popular for ATV packaging, as it essentially extends the benefits of the traditional live linear TV setting to catch-up platforms consumed on TV. TV environments usually give broadcasters a high level of control over their content, which is why packaging ATV products with a TV device focus is attractive to them.

One of the main challenges in terms of packaging ATV based on the TV device is the sheer fact that broadcaster content is increasingly consumed on other devices such as desktop and mobile. This growth area would be overlooked in this sales approach. Additionally, OTT TV services and BVOD platforms have historically been part of the open OLV market — for highly competitive prices — and not only accessible via exclusive, broadcaster-controlled “big screen” ATV offerings.

2. The consumption behaviour focus: ATV is linear live TV inventory

In many markets, ATV packaging has been tied to the consumption of live linear broadcast TV content, irrespective of the device. In this sales approach, when TV content is consumed (i.e. live) is of primary importance as opposed to where TV content is consumed (i.e. on which device).

However, debates surrounding the impact of the TV device itself and the consumption setting associated with it (i.e. lean-back versus lean-forward) are a major challenge for this packaging approach. More specifically, there might be pushback from advertisers because, as mentioned above, OTT TV and BVOD inventories have always been accessible via independent third-party buying platforms for highly competitive prices. At the same time, on-demand consumption behaviour is growing considerably, and its increasing significance shifts the value of TV content from the pure live aspect to broadcaster-distributed content in general.
3. The content focus: ATV is broadcaster content

A defining feature of broadcaster content is that it is typically high-quality and brand-safe. Audiences — and therefore advertisers — value and trust broadcaster-owned and broadcaster-distributed content. At the same time, consumer expectations and usage behaviours are rapidly changing as a result of digitisation and new market offers. Consumer attention is fragmented across devices and platforms, and expectations are moving towards content that can be accessed at any time. Therefore, it is in advertisers’ best interest for broadcasters to open up their inventory and data across screens, platforms, and distribution channels, in order to streamline buying, tracking, and reporting processes. In this sales approach, all data-driven access to TV content is packaged as ATV. This makes it technologically complex, but broadcasters would have full control over data and buying.

Nevertheless, similar to the challenges pertaining to the TV device and consumption behaviour sales strategies, in most markets, buyers are used to accessing OLV broadcaster content at a competitive price in private marketplace set-ups that utilise multiple demand-side platforms (DSPs).

4. The technology focus: ATV is executed by one specific technology

By focusing exclusively on the technology used for ATV products (e.g. HbbTV or IPTV), broadcasters are able to offer standardised ad formats and targeting capabilities to advertisers while keeping a clear distinction between ATV inventory and OLV inventory. In the early days of ATV, this seemed to be a logical step in order to implement and establish a new type of ad product.

However, this sales approach is not entirely scalable, nor does it meet the needs of advertisers who seek holistic addressability across all screens. Therefore, it is unlikely to be a long-term, future-proof sales approach. Moreover, as CTV penetration is growing and “TV everywhere” consumption is on the rise, broadcasters feel new pressure to protect their highly valuable inventory while offering attractive advertising products across platforms.

These sales strategies do not exist in a vacuum. While some broadcasters leverage one approach, others have used multiple. For example, in Germany, there has been a clear evolution in the approach to ATV media sales, which has leveraged several common sales strategies over time.
ATV MEDIA SALES EVOLUTION IN GERMANY

**PHASE 1: Technology focus — HbbTV in DVB is ATV**
Since the introduction of ATV into the German market, the focus has been on tying ATV specifically to the HbbTV technology standard. This has been a useful approach for introducing this new ad product to the market as it enabled broadcasters to offer standardised ad formats and targeting capabilities to advertisers, while keeping a clear differentiation between ATV and OLV inventory.

**PHASE 2: TV device focus — “big screen” TV inventory is ATV**
As ATV grew in the German market, it became evident that a technology focus was not scalable. ATV media sales packaging evolved to centre on the television, independent of technology. With this, ATV included “big screen” inventory also on OTT and IPTV. This sales approach resonated with advertisers and agencies who were attracted to the well-known benefits associated with TV advertising.

**PHASE 3: The consumption behaviour focus — live linear TV inventory is ATV**
As broadcaster content consumption grew significantly across other devices, packaging ATV based on the TV device did not match changes in consumer habits and the growing demand from advertisers to reach their target groups on any device. Hence, it quickly became a logical next step to package live linear TV inventory as ATV.

**CURRENT PHASE: Exploring how to package on-demand content as ATV**
Today, on-demand content consumption is growing considerably in the German market. Debates in terms of how best to package on-demand content are now at the centre of ATV media sales discussions. One option is to tie on-demand content to the TV device. Another option is to package on-demand content as ATV irrespective of device. However, this would ultimately require reclassifying media products that are currently packaged under OLV. Clearly, this will spark heated discussions between the buy side and broadcasters, especially with regard to advertising conditions and programmatic access to TV inventory.

German broadcasters understand not only the importance of this sales focus shift but also the impact this might have on their business relations with advertisers. This will require broadcasters to further invest in state-of-the-art ATV technology in order to provide cutting-edge media products that continue to meet the evolving needs of advertisers.

In summary, constantly evolving market conditions are leading broadcasters to rethink their product offerings and sales strategies in order for them to stay competitive. Nevertheless, collaboration between advertisers and broadcasters will be key when re-evaluating inventory to make sure that new product packages meet the needs of both parties. There is not one solution that works for every market across Europe, and sales tactics need to be weighed against local market conditions (e.g. technological set-ups, legal requirements, and client demands).

To give a better overview of the local differences, the following chapter explores in more detail which ATV offerings and technological advances advertisers can already benefit from in various European markets.
The European Addressable TV Landscape
The European Addressable TV Landscape

Country-specific technological set-ups, sales approaches, and legal regulations mean that different Addressable TV (ATV) offerings — and therefore different ad formats — are available to advertisers across local European markets. This chapter provides an overview of the status of ATV in the main European TV markets and in select countries that have recently undergone notable developments in ATV. Based on insights captured from interviews with leading industry experts, we detail current trends, opportunities, hurdles, and predictions about the future of ATV in these markets.

There are various ATV potentials across technologically divergent markets. These can be leveraged strategically and for distinct reasons. Looking at our international clients’ needs, the possibility of effective contact class control, OTS-optimisation, and incremental reach are currently some of the key drivers of ATV.

Stéphane Coruble
Managing Director at RTL AdConnect
Austria

Trends and Opportunities

ATV has seen significant growth in Austria thanks to the rapid increase in HbbTV-enabled devices, of which there are now 1.5 million. Advertisers can reach their target audience with ATV display ads on all major TV channels in Austria. SevenOne Media, IP Austria, and Goldbach Austria have all successfully launched ATV solutions and are continuing to expand their offerings. In 2020, d-force, the German joint venture between ProSiebenSat.1 and RTL Deutschland, launched in Austria and enabled local programmatic ATV buying.

Hurdles

Although HbbTV penetration is growing, a significant number of TV devices do not yet support this technology standard. The main local operators, including A1, Drei, and Magenta, provide IPTV services but have not yet rolled out commercial ATV solutions. While all operators offer OTT streaming services, their implementation of ATV products is still in its infancy.

Predictions

Senior industry executives predict ATV will be the next major advertising trend and expect it to become as prevalent in Austria as in other major ATV markets. HbbTV will remain the primary driver for ATV. It is uncertain as to whether IPTV solutions will become an option in the future and how quickly ATV solutions in OTT environments will gain traction.

“Although traditional TV advertising has been extremely sought after during the pandemic, we see that Addressable TV is especially attractive to our regional clients, who benefit from the option to efficiently spend their ad budgets on relevant audiences alone.

Wolfgang Pernkopf
Director Digital Sales at Goldbach Austria

“The early years of Addressable TV in Austria required open-minded clients to test and advance the product while reach was still limited. Today, since the number of HbbTV-enabled devices has grown significantly, we see strong demand for the medium among our buyers and high acceptance among viewers. Without a doubt, Addressable TV has come to stay.

Matthias Zottl
Head of Online at IP Austria
Key Takeaway

ATV is gaining momentum in Austria. The recent expansion in ATV offerings — including Goldbach Austria’s entry into the ATV market and the local introduction of d-force — has sparked interest and attracted new advertisers to the ATV market.
Belgium

Trends and Opportunities

In Belgium, ATV technologies are driven by operator-controlled set-top boxes that enable targeted spot replacement. Public broadcaster RMB and all leading commercial broadcasters now offer ATV solutions. In recent years, the deployment of ATV solutions has been facilitated by close collaboration between Belgian operators and broadcasters. The market leaders — SBS Belgium, DPG Media, RTL/IP Belgium, RMB, Telenet, and Proximus — have aligned their ATV technologies, target groups, and KPI reporting in an effort to create a mature, uniform product. In addition, Telenet/SBS, Mediahuis, Proximus/Skynet, and Pebble Media have announced a new joint sales house, which will combine their sales activities to further consolidate the market and foster standardisation.

Hurdles

HbbTV has not been an effective approach for ATV in Belgium because of low penetration. Most Belgian operators have enabled ATV through their set-top boxes. However, a major local operator, VOO, has not yet implemented ATV technologies, which has thus far prevented full ATV coverage in Belgium.

Despite great efforts to establish standardised ATV solutions, the Belgian market still lacks a central buying platform, which is needed to increase ad spend potential. In addition to the already existing standardised KPIs and reporting mechanisms, agencies require a seamless process to access ATV inventory.

Addressable TV in Belgium has found high acclaim and has proven to be a particularly interesting format for new-to-TV advertisers. We see a high interest and bookings from niche brands and product lines that can now efficiently reach the appropriate target audiences for their offering. This trend is mirrored in both nationwide and geo-targeted campaigns.

Véronique Destaebel
Media, Digital & Innovation Director at IP Belgium
Predictions

Senior industry executives predict that the next focus of local product development will be the expansion of cross-device targeting capabilities. The key players in the market will continue to streamline their ATV offerings to the benefit of the whole advertising market.

Digital Video Broadcast (DVB) TV

HbbTV is not currently utilised for ATV advertising and is unlikely to be used in the future.

Managed TV Platforms

The following vendors provide IPTV-based ATV offerings: SBS and DPG Media in cooperation with Telenet (parent company of SBS) and Proximus in the Flemish-speaking north; RTL/IP Belgium and RMB in cooperation with Proximus in the French-speaking south.

Over-the-top (OTT) TV

Early forms of ATV offerings are available with targeted ads in BVOD environments, including RTLplay (RTL/IP Belgium), VTM GO (DPG), GoPlay (SBS), and Auvio (RTBF/RMB).

Key Takeaway

Belgium is a highly developed market with standardised formats and reporting. In fact, from an advertiser perspective, it is the most advanced market in Europe and has high reach for TV ad substitution formats within the linear ad break.
Croatia

Trends and Opportunities

TV viewership in Croatia is stable, and TV ad spend remains high. Nevertheless, broadcasters have started to partner up and explore new ways of distributing their content. For instance, RTL Croatia’s streaming platform, RTL Play, offers advanced on-demand targeting capabilities and cooperates with Discovery, which has also made its content available through the OTT service. The Croatian TV market has yet to deploy commercial linear ATV technologies, but major broadcasters have entered initial test stages.

Hurdles

The country’s strong, stable TV viewership means that broadcasters have not yet felt the need to accelerate development of their ATV product offerings. Additionally, because of Croatia’s telco-operated infrastructure, any HbbTV- or IPTV-based ATV solutions must be developed in cooperation with the operators who control their distribution. Furthermore, low penetration of HbbTV is still a major challenge.

Predictions

HbbTV is expected to grow in the coming years, and IPTV will play an increasing role in the development of ATV solutions. As a result, both technologies will become worthwhile opportunities for broadcasters and advertisers to take advantage of targeted TV ads.

“We are currently looking into untapped opportunities that fit the local market requirements. Advertisers would love more efficient targeting opportunities, and consumers would benefit from relevant advertising messages. But it will take a few more years for the Croatian market to fully adapt to Addressable TV.”

Ivan Gale
Sales Director at RTL Croatia
In the near future, OTT environments will be the main ATV opportunity for advertisers. However, there is a growing willingness from broadcasters to innovate and experiment with HbbTV and IPTV trials.
France

Trends and Opportunities

2020 was a groundbreaking year for ATV in France with the passage of much-anticipated legislation that finally authorised the use of targeted and personalised ads within a broadcast stream’s linear ad break. Since then, ATV (often locally referred to as “Segmented TV”) developments have accelerated. Major public and private broadcasters have announced partnerships with leading operators as part of their IPTV-based ATV initiatives for TV spot substitution.

In addition to operator-reliant IPTV technologies, HbbTV is gaining attention. M6 has been using HbbTV-enabled ATV advertising products for several years and recently launched their new L-shaped display ad formats that either overlay the traditional TV spot or appear outside of the ad break during the regular TV programme. Furthermore, major broadcasters are currently looking into HbbTV opportunities to create video ad replacement products, which would extend ATV’s reach beyond IPTV.

Hurdles

As it stands, ATV reach is still limited. While most households have a TV with digital reception, only about 3 million of those households can be reached with targeted ads via either IPTV or HbbTV. Operators need to equip more households with the latest generation of set-top boxes in order to increase ATV reach. As is common when ATV is first introduced to a market, some French advertisers have remained sceptical. Innovative advertisers who are willing to lead the way and experiment will be key to expanding ATV throughout the market. Intensive testing phases are underway as French broadcasters are careful to avoid rolling out products prematurely so as to avoid pushback from their audience.

2021 is a very exciting year for the advertising market, and we can see the attractiveness of our ATV offerings. Targeting individuals on the biggest, safest, and most efficient screen with high-quality content is a great opportunity for well-known and new advertisers alike. We hope that the market will continue to grow in 2022, as this will bring more technical opportunities and a wider reach.

Thibaud Chevalier
Directeur Commercial Digital at M6 Publicité
Key Takeaway

Advertisers have access to a variety of ATV ad formats via all major broadcasters. The unique combination of how broadcasters utilise both HbbTV technologies and agreements with IPTV operators has set the stage for a successful implementation of ATV in France.

Predictions

In light of current developments in the local ATV market, broadcasters will continue to expand the commercial roll-out of their ATV solutions. By 2023, an estimated 16 million French households (about 70% of the market) will be addressable.¹¹

Digital Video Broadcast (DVB) TV

M6 has been pioneering HbbTV-based ATV offerings in France since 2018. Since then, major broadcasters (e.g. France TV) have also invested in the development of HbbTV-based ATV offerings.

Managed TV Platforms

The following vendors provide IPTV-based ATV offerings: M6, TF1, and France TV in cooperation with Orange and Bouygues; Canal+ in cooperation with Bouygues; and NextRadioTV in cooperation with its parent company SFR.

Over-the-top (OTT) TV

Early forms of ATV offerings are available with targeted ads in BVOD environments, including 6play (M6). Major OTT streaming service Salto is still ad-free, while competitor Molotov has recently introduced an ad-supported version.
Germany

Trends and Opportunities

Germany is one of the most developed ATV markets. With its depth of experience and strong revenue growth, it is regarded as a blueprint for HbbTV-based ATV solutions across Europe. ATV in Germany benefits from the prevalence of free-to-air TV, as broadcasters have been able to leverage the HbbTV opportunity outside of operator-reliant IPTV environments. All of Germany’s major ad-funded broadcasters have been implementing ATV technologies for several years. More than 18 million TV devices are HbbTV-enabled and can, therefore, receive addressable ads. So far, IPTV-based ATV is extremely limited because of operators’ proprietary standards and legacy set-top boxes. Sky offers an ATV solution, Sky AdSmart, which has limited scale compared to HbbTV and only reaches 3.1 million households. Other managed TV platforms have not yet launched ATV products.

Today, ATV is widely integrated into the media strategies of many major brands and agencies. In 2020, smaller enterprises were able to gain increased access to ATV thanks to smartclip’s launch of a unit dedicated to small and medium-sized enterprises (SMEs).

Advertisers can take advantage of well-established video and display formats, both within and outside the regular ad break, and have access to advanced cross-device targeting technologies. To streamline access to local ATV offerings, the two largest broadcaster groups — RTL Deutschland and ProSiebenSat.1 — have made their ATV inventory exclusively available for programmatic buying via their joint venture, d-force. German broadcasters and publishers have understood the importance of building powerful partnerships in order to compete with tech giants such as Google and Facebook. Ad Alliance, Joyn, and netID are examples of these partnerships, and each provides attractive cross-media portfolios and unique data pools for efficient campaign execution.

Hurdles

There is high demand for addressable video inventory within the ad break — the ATV Spot (see page 55) — and this demand continues to exceed supply. All broadcasters are investing heavily in products to respond to the rapidly growing interest across all of their distribution platforms (HbbTV, IPTV, and OTT).

Predictions

The next major step for ATV in Germany will be to build out the complete addressability of any placement within the traditional ad break. Collaborations such as RTL Deutschland’s new partnership with Deutsche Telekom, Germany’s largest operator, will further increase the ATV reach of free-to-air broadcasters into IPTV and OTT platforms. ATV will continue to gain traction with SMEs, which have already spent more on ATV in the first quarter of 2021 than they did in all of 2020.

ATV is the most significant growth driver in the German advertising market. Access to quality data is therefore key to effective and precise customer targeting. Matching our clients’ first-party data with our own high-quality data pools creates a 360-degree opportunity for our clients to target TV viewers.

Michael Paluszkiwicz
General Director Sales Addressable TV at Ad Alliance
Digital Video Broadcast (DVB) TV

All dominant commercial broadcasters provide HbbTV-based ATV offerings. They do this via the following vendors: Ad Alliance (portfolios of RTL Deutschland, Discovery, and Visoon, as well as Disney Channel, Sport 1, Tele5, Welt der Wunder, and Hamburg 1) and SevenOne Media (ProSiebenSat.1 portfolio).

The d-force portfolio for programmatic buying comprises the ATV offerings of Ad Alliance and SevenOne Media.

Managed TV Platforms

Sky AdSmart provides ATV offerings, and the largest operators — Deutsche Telekom and Vodafone — are currently working on the development of IPTV-based ATV solutions.

Over-the-top (OTT) TV

Varying forms of ATV offerings are available in BVOD environments, including RTL+ (RTL Deutschland) and Joyn (ProSiebenSat.1 and Discovery), as well as on OTT services such as Zattoo and waipu.tv.

Key Takeaway

The German advertising landscape benefits greatly from a number of collaborative initiatives. Advertisers can profit from video and display ATV formats within the linear broadcast and from advanced cross-device targeting capabilities via all commercial broadcasters. Increased scalability of the fully addressable ad break is a major focus for broadcasters, and more inventory will soon be available to advertisers.
Hungary

Trends and Opportunities

In Hungary, TV advertising spend is consistently high and there are currently no linear ATV solutions in place. However, leading broadcasters are actively exploring opportunities to make TV even more future-proof. RTL Hungary was the first to launch a truly local OTT streaming platform, RTL Most, and is looking to further expand digital targeting capabilities into the live linear stream. HbbTV penetration is slowly but steadily growing and will be a future opportunity for broadcasters to implement ATV in linear broadcast.

Hurdles

Similar to many Eastern European countries, TV viewing numbers are steadily high. As a result, broadcasters have not yet felt pressure to invest in advertising innovations such as ATV. Furthermore, since consumer behaviour has not yet significantly shifted to on-demand viewing, OTT products have not gained as much traction as in other markets.

Predictions

As an initial step towards ATV, broadcasters will bring ad stitching to OTT environments. Beyond BVOD targeting opportunities, ad stitching will allow advertisers to override the traditional TV advert with targeted ads within the digital live linear stream. Furthermore, broadcasters will continue to test ATV’s potential as distribution technologies such as HbbTV become more prevalent.

We have to move in the direction of digital and combine the great TV experience with digital capabilities. We see the large potential to grow our OTT-based Addressable TV offering and continue to test HbbTV or other solutions as the technologies become more prevalent. As the generation on the buy side is changing, the requirements for advertising products will ultimately change too.

Gergely Dudás
Ad Sales Director at RTL Hungary
Broadcasters see the benefits and potential of ATV. The first ATV solutions are available within BVOD environments. While broadcasters are currently focused on developing ATV solutions for OTT, HbbTV-based technologies are on the horizon.
Italy

Trends and Opportunities

ATV advertising solutions in Italy are mainly distributed via HbbTV. Currently, more than 4 million households can be reached by HbbTV-based ATV in the live linear broadcast stream. Since the introduction of this technology in 2017, the market has significantly developed to fully embrace ATV ads, and many major broadcasters already offer targeted ad formats.

In 2020, the market made another significant step towards full product maturity with the implementation of advanced cross-device solutions. Cross-device solutions utilise HbbTV data to extend ATV campaigns across other digital devices — via IO and programmatic. smartclip, Mediaset, and other Italian players are currently working on the ATV Spot — the full addressability of the regular ad break using HbbTV.

Hurdles

Despite the success of HbbTV, its reach is still limited. Some broadcasters have not yet adopted HbbTV, and smaller broadcasters still need to open up to collaboration. Through collaboration, resources can be combined to implement the required technology and better connect advertisers with local inventories. Cooperation and partnerships among market participants is also required in order to prevent a highly fragmented market that would be detrimental to the entire local advertising ecosystem.

“Thanks to the innovative technologies of Addressable TV, we can match up to the targeted ad offerings of digital competitors. While we are a specialty channel, we were among the first in Italy to adopt Addressable TV. The creation of precise data segments for Addressable TV advertisements — including geo-targeting paired with interactive ad formats — generates additional revenue streams and brings completely new advertiser groups to our channel.”

Massimo Pavan
Marketing, Sales & Operations Manager at Sportitalia

18 million devices expected to be reachable via ATV in 2023.
Key Takeaway

As the Italian market adopts ATV, more and more broadcasters are offering ATV solutions to advertisers. Display ad formats and cross-device targeting capabilities are already well established, and broadcasters are preparing to launch the ATV Spot in the near future.

Predictions

Initial trials with full video ad break replacement are underway. Once completed, full ad break addressability is expected to become available and will be the next major technological advancement in the market. Senior industry experts predict that ATV will play an increasingly important role for Italian SMEs as well as regional and local broadcasters. Italy is also undergoing a nationwide technology switch to the DVB-T2 (Digital Video Broadcasting — Second Generation Terrestrial) format. The final switchover is currently estimated for early 2023\(^1\), at which point the total number of connected TV devices that can be reached by HbbTV-based ATV is expected to increase to 18 million.

Digital Video Broadcast (DVB) TV

HbbTV-based ATV offerings are provided by several vendors including Mediaset, Sky Media, Discovery, Sportitalia, MediaPason, Città Celeste, PRS Mediagroup, and LaCTV.

Managed TV Platforms

IPTV is not currently utilised for ATV advertising.

Over-the-top (OTT) TV

Early forms of ATV offerings are available with targeted ads in BVOD environments, including Rai Play, Mediaset Play, Discovery Plus, Eurosport Player, Sportitalia, and LaCTV.
Netherlands

Trends and Opportunities

The strong popularity of live and on-demand TV streaming platforms represents a vital opportunity for Dutch broadcasters to grow their targeted ad offerings and give new-to-TV advertisers access to their inventory. With so many platforms on the market and mounting pressure from the U.S. tech giants, consolidation and collaboration are key topics in the Dutch advertising market. Of particular note is the recent formation of the Ad Alliance, a new advertising sales house made up of RTL Nederland, BrandDeli, Adfactor, and Triade Media — who have brought their portfolios, data offerings, and product development under one roof.

Hurdles

Dutch cable operators control access to approximately 90% of TV households, which means broadcasters have no choice but to rely on cooperation with these operators in order to move forward with ATV solutions for the live linear broadcast stream. HbbTV is not widespread in the Netherlands and is, therefore, not a practical option for ATV technologies. ATV developments in the Netherlands experienced a major setback at the beginning of 2021 when one of the largest operators announced that it was halting its investment in ATV for the foreseeable future. KPN, which holds a market share of around 45%, will instead focus on the installation of fibre optics. Prior to the announcement, KPN had been cooperating with RTL Nederland and Talpa Network on the development of Dutch ATV solutions. Although other players have shown continued interest in building ATV, KPN’s withdrawal represents a substantial setback for local initiatives. Other leading operators are in the initial phases of deploying ATV at scale. They face significant hurdles, including the low level of user opt-ins, the creation of targetable profiles, and technical difficulties caused by different generations of set-top boxes in Dutch households.

“

The rise of streaming services and changing consumer behaviour open up a significant opportunity for ad product innovation. The creation of new ad formats is an important part of our strategy and will include the implementation of artificial intelligence and appreciation for the different viewing behaviour of streamers.

We’re thinking of completely new ad slots and considering new strategies, such as involving the pause function and user-centric advertising models with fewer advertisements for binge-watchers in comparison to light viewers.

Gijs van Beek
Director Partnerships & Innovation at Ad Alliance NL
Predictions

Further collaboration between market players will be key in order to achieve attractive scale and data sets for targeting within the fragmented Dutch market. KPN’s withdrawal has slowed the development of ATV technologies for linear broadcast, and the industry is eagerly awaiting the next steps from KPN’s main competitor, VodafoneZiggo. Until then, targeted advertising in OTT environments, as well as the creation of original ad formats therein, will be the focus areas for broadcasters and sales houses in the near future.

Digital Video Broadcast (DVB) TV

HbbTV is not currently used for ATV advertising.

Managed TV Platforms

IPTV is not currently utilised for ATV advertising.

Over-the-top (OTT) TV

Early forms of ATV offerings are available with targeted ads in BVOD environments, including RTLXL (RTL Nederland), Videoland (RTL Nederland), and Kijk (Talpa Network).

Key Takeaway

Advertisers will benefit from targeted ads in OTT environments and from innovative ad formats, both of which will be the strategic focus for Dutch broadcasters in the short term.
Nordics

Trends and Opportunities

Nordic countries are currently intensifying their efforts to overcome the hurdles that have impeded ATV initiatives. Since telco-operated pay-TV models are highly prevalent in the Nordics, broadcasters and distributors must cooperate to efficiently deploy ATV. Moreover, Nordic markets have highly mature, widely used OTT products, which will allow for the execution of addressable technologies in the future. In Denmark, TV 2 is investing heavily in its OTT products and laying the groundwork for the local ATV market.

Overall, the Nordic markets are well positioned for the successful implementation of ATV solutions, and recent initiatives to cooperate may speed up these developments. In May 2020, Telenor Group and NENT Group formed Allente, a joint venture between Canal Digital (Telenor Group’s satellite pay-TV business) and Viasat Consumer (NENT Group’s satellite pay-TV and broadband-TV business). In addition, Telia has acquired Bonnier Broadcasting and now owns the content, sales, and distribution for their inventory, putting Telia in a unique position within the market.

Finland has a slightly different broadcast TV ecosystem and high HbbTV penetration. For several years, local broadcasters such as MTV and Sanoma have been evaluating ATV’s potential with technology that does not rely upon operators.

Hurdles

The low HbbTV penetration in Sweden and Norway means that this technology alone is not an option for profitable ATV solutions in those markets. Although the Nordics have seen an increasing number of collaborations between broadcasters and operators, their markets have only just started to explore ATV.

“TV 2’s ATV offering has been very well received by advertisers and agencies in Denmark, mainly because it delivers a premium video product with high viewability, plus the addition of targeting. A large proportion of our ATV buyers are traditional TV advertisers who use ATV to extend the reach of their campaigns and for targeting younger viewers. However, advertisers are increasingly coming from digital and book through programmatic platforms. At the end of 2020, we launched a new ATV self-service platform that allows SMEs to run cost-effective, targeted ad solutions through an easy-to-use interface.”

Christian Godske
Head of Innovation, Addressable TV at TV 2 Denmark
Advertisers can already benefit from attractive ad solutions in OTT environments. The Nordic ATV markets will remain focused on OTT platforms until operators and broadcasters cooperate on solutions for IPTV environments.

**Predictions**

Local industry experts are convinced that, although it may take a couple of years, it is only a matter of time until the first commercial solutions for the insertion of targeted ads within live linear TV streams will become available to advertisers.

**Digital Video Broadcast (DVB) TV**

HbbTV is not currently utilised for ATV advertising, but Finnish broadcasters are conducting initial trials, and Swedish broadcasters are looking into HbbTV opportunities.

**Managed TV Platforms**

IPTV is not currently utilised for ATV advertising, but operators are conducting initial trials.

**Over-the-top (OTT) TV**

ATV offerings are available through the OTT services of major broadcasters in Denmark (e.g. TV 2) and Sweden (e.g. TV4).
Poland

Trends and Opportunities

Polish broadcasters are experimenting with both HbbTV and IPTV technologies in order to open up ATV advertising possibilities to the local market. The local demand for digital features is high, and TV advertisers are pushing for frequency-control tools in order to optimise their ad spend.

Hurdles

Legal barriers around the insertion of targeted ads in the live broadcast stream have slowed the adoption of ATV. Additionally, in comparison to many other countries, TV audiences are stable. There is currently no visible shift in budgets from TV to Online Video, which has been a factor for accelerated ATV developments in other markets.

Predictions

Both TVN and TVP have announced that their HbbTV-based ATV technology solutions, which are currently being tested, will likely be available soon.

“Although TV viewing numbers are stable, and the demand for linear advertising is high, there is growing pressure on broadcasters to implement ATV. Advertisers, media agencies, and TV manufacturers are looking for new possibilities to target viewers. Still, several issues, including legal, need to be resolved. The commercial implementation date has not yet been announced.

Wojciech Kowalczyk
Deputy Director of Communication & Product Strategy at TVP, Advertising Office
Key Takeaway

Advertisers can already place targeted video ads in on-demand OTT environments and display ads in live linear HbbTV environments. Major broadcasters are currently working on ad substitution solutions for the live linear broadcast stream, and the first commercial offerings are expected soon.
Spain

Trends and Opportunities

Although Spain’s ATV market is young, it is technologically advanced and has shown quick success since ATV first emerged in the market in 2019. Currently, advertisers can benefit from targeted, L-banner display ads and will soon be able to book targeted TV spot replacements. Since 2020, advertisers have been able to combine TV, ATV, and digital campaigns with advanced cross-device targeting capabilities. Atresmedia was the first broadcaster group to provide a commercial ATV solution. Other broadcasters, including Discovery and Mediaset España, as well as the sales house Pulsa, have also recently launched their own ATV offerings. Pay-TV platform Movistar+ has built an IPTV-based ATV technology to air personalized advertising on its linear channel #0. Nevertheless, HbbTV technology is the main driver of ATV in Spain and is quickly expanding its reach. Today, 16.7 million TV devices (43% of all TV devices) can be reached using targeted ads.

Hurdles

HbbTV has proven to be a successful open technology for implementing ATV in Spain. However, a significant amount of potential ATV reach is being blocked by the strong presence of IPTV operators such as Orange and Vodafone who have not yet tapped into the ATV market. Similar to previous developments in other markets, traditional TV and digital teams will need to align in order to explore and position the advantages of this new medium in the best possible way.

16.7 million devices can be reached via ATV

Our advertisers have been quickly adopting ATV. While each advertiser has a different goal, ATV allows us to create suitable solutions for each and every one of them. Both our clients’ feedback, as well as our research, show a positive reception of the new ad formats among advertisers and consumers. ATV is still a young, growing medium, but we are certain that the demand from advertisers will not disappear.

Javier Andrés Ortega
Marketing Director at Atresmedia Publicidad
Predictions

As the popularity of ATV grows among advertisers and HbbTV penetration expands, more broadcasters will invest in ATV technology. In 2021, the main product advancement will be the launch of the ATV Spot, which replaces individual commercials within the regular TV ad break.

Digital Video Broadcast (DVB) TV

Several vendors provide HbbTV-based ATV offerings, including Atresmedia, Discovery, Mediaset España, and Pulsa. RTVE, Atresmedia, and Mediaset España have also created an HbbTV-based catch-up service, LOVEStv, which offers targeted advertisements.

Managed TV Platforms

IPTV is not currently utilised for ATV advertising, but operators are conducting initial trials (e.g. Movistar+ on its linear channel #0).

Over-the-top (OTT) TV

Early forms of ATV offerings are available with targeted ads in BVOD environments, including ATRESplayer (Atresmedia) and Mitele (Mediaset España).

Key Takeaway

Although Spain is a young ATV market, the medium is gaining traction and is making quick strides towards product maturity. High audience acceptance, proven success of ATV display ad formats, and the availability of cross-device features have all accelerated local ATV developments. The ATV Spot will launch this year.
Switzerland

Trends and Opportunities

Switzerland’s advanced fibre infrastructure means that ATV developments focus on IPTV and OTT TV services. Traditional DVB TV reception via satellite and cable is still available but plays a less dominant role than in many other European markets. DVB-T (Digital Video Broadcasting – Terrestrial) was switched off nationwide in 2019.

Hurdles

While OTT ATV products have already been implemented, the major IPTV providers have yet to announce initiatives and collaborations to build out their ATV offerings. The main local operators, including Sunrise, Salt, Swisscom, and Quickline, provide IPTV services but have not yet tapped into IPTV-based ATV opportunities.

Predictions

Thanks to heavy investments in broadcast distribution via IPTV and OTT, ATV advertising will gain further traction. Switzerland is currently working on an industry-wide regulation concerning the replay features of IPTV providers (the so-called GT12 legislation), which will address ATV advertising.
Digital Video Broadcast (DVB) TV

Broadcasters have been conducting trials for ATV via HbbTV (e.g. on SRG), but HbbTV will play a minor role in the future of Swiss ATV.

Managed TV Platforms

IPTV is not currently utilised for ATV advertising.

Over-the-top (OTT) TV

ATV offerings are available via the leading OTT service providers: Wilmaa, Teleboy, and Zattoo.

Key Takeaway

Advertisers can leverage the first ATV offerings in OTT environments. Thanks to high investments in the technological infrastructure, Switzerland is expected to soon become one of the most advanced ATV advertising markets in Europe for OTT environments.
United Kingdom

Trends and Opportunities

Sky AdSmart is the benchmark for ATV solutions offered by managed TV platforms. As the first to bring ATV to the local market, Sky AdSmart has become the largest provider of addressable linear TV solutions in the UK. Other major broadcasters, including Channel 4, Channel 5, and the Viacom channels, have been onboarded to Sky AdSmart in recent years. Thanks to a collaboration with Virgin Media, Sky AdSmart is available via Virgin’s set-top boxes and can reach approximately 45% of the UK population. Although HbbTV penetration is growing — Freeview Play, ITV, Channel 4, Channel 5, and the BBC have already implemented HbbTV — the technology is not yet being used for ATV advertising. Recent initiatives such as ITV’s Planet V and Channel 4’s BRANDM4TCH have brought advanced targeting and simplified buying access to TV content in the BVOD space.

Hurdles

Despite high investments and collaborations among market participants, there are significant debates concerning the measurement of ATV and cross-device campaigns. Advertisers demand proof of efficacy, while broadcasters need to resolve concerns regarding privacy and quality. Initiatives such as Dovetail and CFlight promise solutions to these problems.

Predictions

As more individual broadcaster solutions enter the addressable space, senior industry experts predict growing fragmentation within the market before it will see more significant consolidation for unified products. Broadcaster-controlled platforms will expand into the OTT TV live stream, as data-driven solutions that combine broadcasters’ and advertisers’ first-party data will become a major

2020 saw significant progress from all the major UK broadcasters in developing and deploying Addressable TV solutions across the various TV platforms. Over the next 12 months, we expect to see an increase in efforts to align and consolidate on technology and data standards, which will materially accelerate progress for all parties.

Rhys McLachlan
Director of Advanced Advertising at ITV
Advertisers can leverage Sky AdSmart’s well-established ATV product, which is currently unrivalled in the live linear ATV advertising market. Broadcasters are focusing on building out their addressable formats for OTT, including data-driven buying solutions in BVOD environments.

Digital Video Broadcast (DVB) TV

HbbTV is not currently utilised for ATV advertising.

Managed TV Platforms

ATV offering Sky AdSmart is available through the Sky and Virgin Media platforms.

Over-the-top (OTT) TV

Early forms of ATV offerings are available with targeted ads in BVOD environments, including ITV Hub (via ITV’s Planet V), All 4 (via Channel 4’s BRANDM4TCH), and My5 (via Channel 5).
Buying
Addressable TV
Buying Addressable TV

As outlined in the previous chapter, Addressable TV (ATV) advertising has seen significant growth across Europe. However, the varying technical solutions and delivery methods have led to fragmented buying options for advertisers. Today, ATV inventory is primarily bought by means of direct booking with individual broadcasters, managed TV platforms, and OTT services.

The convenient, single-point access to international inventory that digital giants such as Google and Facebook offer and their uniform measurement and standardised KPI reporting are not only attractive to advertisers — they are now expected. Across the globe, advertisers are eager to integrate the same degree of data-driven tactics and simplified, programmatic ad buying used across internet platforms into their TV strategies. The automated, software-enabled purchase of inventory through corresponding demand-side platforms (DSPs) and supply-side platforms (SSPs) enables advertisers to book campaigns through highly efficient, data-driven processes.

Broadcasters require control in order to protect their data, the quality of their content, and their consumers’ viewing experience. At the same time, digital giants also seek control and influence within the industry. Up until recently, this has limited European broadcasters’ ability to offer programmatic buying of TV and ATV ads. Nevertheless, many European broadcasters have recognised the evolving needs of advertisers and have made significant advances to create innovative, scalable product offerings and simplified buying solutions.

85% of all ATV campaigns are currently booked via IO.

STREAMLINING TV AND ATV AD BUYING

Over the last few years, the European TV market has seen several new initiatives that provide brands and agencies with streamlined TV and ATV ad buying options while still giving broadcasters the control they need to protect their content. d-force, One PTV, Planet V, and VMP Connect are all recent examples of broadcaster initiatives to make more of their inventory available through data-driven ATV buying tools. The challenge herein is to balance the needs and demands of the advertiser with a ruleset driven and controlled by the broadcaster.

**d-force**

The d-force initiative was launched in 2019 and is a joint venture between RTL Deutschland and ProSiebenSat.1. It aims to create an efficient programmatic advertising ecosystem for all market participants. In Germany and Austria, d-force is a trailblazing example of the implementation of programmatic video ad buying.

d-force enables cross-device video ad campaigns. It uses TV ad campaign data from ad-funded TV channels in Germany and provides a range of benefits, such as giving buyers the opportunity to programmatically extend ad campaigns from linear TV to ATV and digital video via a single platform. Easy access to inventories from numerous sales houses is just one of the key benefits for advertisers. Furthermore, d-force manages the harmonisation of advertisers’ campaigns across channels and enables easy performance monitoring thanks to standardised reporting.

- Programmatic buying of ATV and Online Video
- Easy access to ProSiebenSat.1 and RTL Deutschland inventory
- Available in Germany and Austria
In 2020, about 80 advertisers booked more than 240 ATV campaigns via d-force’s dedicated approach to programmatic ATV. The responses from our clients show that programmatic buying and play out tools for both Addressable TV and cross-device targeting meet the exact needs of our clients.

Jens Pöppelmann
Co-Managing Director at d-force

One PTV

In 2020, French broadcaster TF1 PUB launched the One PTV platform, which opens up parts of TF1’s linear TV inventory to programmatic buying via The Trade Desk. Advertisers can book non-primetime placements on TF1’s channels (e.g. TMC, TFX, and TF1 Séries Films) in a programmatic guaranteed model. Ads purchased through One PTV are not yet fully addressable because linear TV ads could potentially be seen by individuals who are outside of the target group. Nevertheless, One PTV is a major step towards the simplification of TV ad buying via data-driven, automated processes that serve the advertiser.

✓ Programmatic buying of live linear TV inventory
✓ Exclusive TF1 inventory
✓ Available in France

Planet V

In 2020, ITV launched Planet V, which saw an immediate positive reaction from the market – showing the high demand for automated TV buying solutions. Underpinned by Amobee’s technology, Planet V gives advertisers access to curated, addressable BVOD inventory on the ITV Hub. The end-to-end solution enables ITV to manage the merchandising of its inventory while offering advertisers full control over campaign buying, tracking, and optimisation processes. Only six months after its launch, Planet V had become the second most used platform, behind Google, by agency holding groups in the UK — despite being a broadcaster-controlled solution.

✓ End-to-end BVOD buying platform
✓ Exclusive ITV inventory
✓ Available in UK and Ireland
VMP Connect

In 2020, RTL AdConnect launched VMP Connect, the world’s first programmatic marketplace for pan-European BVOD. Since 2020, the platform has grown significantly and offers buyers exclusive access to 4 billion impressions per month. Among these impressions, more than 500 million are delivered every month on BVOD and Advertising-based Video-on-Demand (AVOD) platforms across 11 markets. Buyers can currently book campaigns in Spain (ATRESplayer), Germany (RTL+), France (6play), Belgium (RTLplay, 6play, MyTF1), and Japan (TVer, TBS free). They can also access best-in-class AVOD platforms in the UK, Italy, and the Nordics. VMP Connect provides a large range of buying options — including programmatic guaranteed and private marketplaces — for OTT-based ATV and wider CTV offerings across Europe.

- Programmatic buying of BVOD
- RTL AdConnect inventory
- Available in Belgium, France, Germany, Italy, Japan, Nordics, Spain, UK

Franck Litewka
Head of Strategy & Development at RTL AdConnect
smartclip, Europe's leading adtech development unit, and Amobee, a leading global cross-screen advertising platform, are looking to expand their current partnership to launch TechAlliance — Europe's first international TV and ATV buying solution. The extended partnership aims to bring to market the first pan-European, broadcaster-centric, end-to-end advertising platform with a focus on the European market.

TechAlliance is expected to provide European broadcasters with the ability to both tailor and accelerate the digitised buying experience for brands and agencies by offering them exclusive programmatic access to their premium TV inventory. This will include addressable advertisements within the linear ad break as well as the more established display ad formats within linear TV programme content. The TechAlliance platform will be built on advanced integrations between Amobee's DSP and smartclip's SSP and ad server technology. This idea is centred on the key principles of performance and simplicity — aiming to provide privacy compliant, TV-native and TV-first solutions to both brands and broadcasters alike. By leveraging the benefits of consolidated, data-driven buying practices, advertisers will eventually be able to activate campaigns across linear TV, CTV, BVOD, and OTT — alongside OLV and other digital channels.
Data protection and quality control

Data protection and quality control are at the centre of the TechAlliance joint venture planning and are of paramount importance for all stakeholders, particularly as the ecosystem moves beyond identity strategies that rely on third-party cookies. TechAlliance will aim to provide advertisers with seamless access to anonymised TV data in a highly fragmented video advertising landscape. Because smartclip offers targeting capabilities based on proprietary device identifiers rather than third-party cookies, advertisers will be able to confidently execute addressable campaigns in a cookie-less future. At the same time, broadcasters will be able to maintain confidence in the safeguarding of their most valuable data assets, as they will be a collaborative partner in the creation of planning and reporting solutions available to brands within the TechAlliance platform. The expected combination of smartclip’s access to broadcasters’ safeguarded data and Amobee’s decisioning and allocation mechanics will produce a win-win scenario for both sides: revenue growth for broadcasters and consolidated access to a local and international premium TV marketplace for brands.

Simplified pan-European buying, measurement, and reporting

The TechAlliance storefront will be the gateway to a new TV buying experience underpinned by a data-enabled marketplace where advertisers can shop curated packages from EMEA’s largest pool of linear and ATV inventory. A one-stop shop for European broadcasters’ inventory, the self-serve platform will offer the same degree of data-driven tactics for TV strategies as is used for digital campaigns. Broadcasters and buyers will also be able to negotiate deals directly within the platform workflow.

While this joint venture is still in the initial stages of planning, both companies are confident it will pioneer a new trend in streamlined TV and ATV buying.

TechAlliance will spearhead the next generation of TV and digital adtech innovation by uniting the interests of advertisers and broadcasters: creating a unique TV-centric ecosystem that has content quality, control, and data privacy at its core.

Maria Flores Portillo
General Manager EMEA at Amobee
Applying Addressable TV
Applying Addressable TV

Addressable TV (ATV) advertising is the ideal solution for any advertiser seeking to better reach consumers in an increasingly fragmented ecosystem. This chapter provides an overview of ATV ad formats and targeting capabilities available to international advertisers via smartclip’s advertising technology and media sales solutions. It also provides real-world case studies from across continental Europe that point to best practices for brands and agencies to successfully target consumers.

WHY EVERY ADVERTISER BENEFITS FROM ADDRESSABLE TV

ATV is a game changer for TV advertising. It opens the door for all advertisers — regardless of size, budget, or TV ad experience — to take advantage of TV’s uniquely powerful advertising capabilities. By targeting ads to individual households or geographic locations, ATV removes the barriers that previously made TV advertisements cost prohibitive or geographically impracticable.

Traditional TV advertisers

Brands that already advertise within the regular TV ad break can either focus on ATV’s unique advantages or combine these with the strength of traditional TV ads to find the right solution for their goals.

ATV allows advertisers to optimise their ad spend by only targeting consumers who are suited to their products. Besides traditional socio-demographic profiles, TV buyers can utilise important digital features such as contact class management, geo-targeting, and ad sequencing. Furthermore, ATV has become a popular medium for TV buyers to promote additional product lines that they did not previously advertise on TV.

Thanks to the continued increase in connected smart TV devices in Austria, and the subsequent growth in Addressable TV’s reach, this is now an established channel in our media mix. The versatile targeting options help us to address specific target groups and reduce the scatter loss inherent to a mass medium such as TV.

Susanne Krali
Head of Media, Communications & MBI at Sky Austria

The implementation of Addressable TV solutions has been a success story for us and is proven by the acceptance of the product by the market beyond the traditional TV buyers. After more than two decades, ATV brought back to the TV screen big luxury brands that were formerly too niche in their product line for the mass TV audience. They are now able to connect with their target groups on TV.

Jelle Vanormelingen
Account Manager Addressable TV at DPG Media
Another significant advantage of ATV for traditional TV advertisers is its potential to effectively control contact frequency in order to achieve desired ad exposure and reduce the risk of ad fatigue. Advertisers can also increase reach by only targeting audiences who have not been exposed to the traditional TV ad or by retargeting audiences who have already been exposed to the traditional TV ad.

**Digital advertisers**

ATV offers unique advantages to advertisers who predominantly invest in digital advertising. These advertisers are able to benefit from TV's mass reach and ability to evoke emotion while also applying familiar digital marketing techniques. The ATV Spot — targeted advertisements within the regular ad break — allows for flexibility in the number of booked impressions in order to suit individual budgets. Digital advertisers who do not have the standard, full-length 20-second TV ad can still bring their message to the TV screen by repurposing shorter videos for bumper ads or by using display-only campaigns. Standalone display campaigns offer digital advertisers exclusive placements within brand-safe, premium TV environments.

**Niche brands**

ATV has become popular for niche brands whose target audience is not easily reachable within TV’s mass audience. By focusing solely on relevant target groups, ATV eliminates the danger of high scatter loss for special interest advertisements. Additionally, ATV’s flexible booking volumes and variety of ad formats ultimately makes TV advertising more accessible, regardless of size of brand, target audience, or budget.

While Addressable TV offers benefits to all of our clients’ media strategies, the medium has become noticeably attractive to typical “online” brands. Some clients like Klarna use ATV video spots as a big-screen format in addition to their usual digital placements to reach their target group. Others, like eBay Kleinanzeigen, combine traditional TV with ATV to benefit from the proven added value of the display ad formats: exclusive and cost-efficient placements. Generally, by nature, smart TV users have a high digital affinity. Advertising on the big TV screen — in the lean-back consumption mode — is highly effective and especially essential for brand awareness campaigns of digital advertisers.

Lidija Zickar
Director Media Consulting at MediaCom
Small and medium-sized enterprises (SMEs)

The capabilities of ATV — specifically in terms of individual targeting, display ad format options, and low minimum booking volumes — significantly lower the entry barrier to premium TV advertising inventory. This is particularly important for SMEs when they look to reach audiences close to their premises. ATV’s ability to place targeted ads within national TV content has proven to be a powerful alternative to online advertising. Clients that have shown particular interest in ATV include fast-moving consumer goods (FMCG) suppliers, restaurants, retailers, tradespeople, craft businesses, public authorities, and many more.

99% of all EU firms are SMEs

Digital advertising is increasingly important to the success of SMEs, which make up 99% of all EU firms. The COVID-19 pandemic made it even more crucial for SMEs to utilise digital advertising. In 2020, smartclip founded a specialised business unit for SMEs, which offers dedicated support and advice to these new-to-TV advertisers.

Our SME advertisers receive so much positive feedback from customers who have seen their ads on television. The number of repeat bookings proves to us that previous barriers no longer apply, and Addressable TV advertising is a high-quality, low-complexity alternative to GAFA.

Fabian Burgey
Director Market Development DACH & Europe at smartclip SME
The main advantages of ATV include that it allows us to create a holistic strategy to get closer to the consumer while we can control our messaging, the moments of contact, and overall coverage in a much more efficient way. This transforms into immediate savings in the media planning for our clients. After all, budgetary efficiency is necessary in today’s climate. We have always known that TV consumption is very uneven across age groups and profiles, and this helps us to differentiate and balance it.

Marina Huergo  
Account Director at Spark Foundry
Addressable TV Ad Formats

smartclip is leading the way in enabling ATV solutions across Europe, offering advertisers unique and efficient ways to reach their target consumer.

As one of the leading ATV technology providers in Europe, smartclip strives to establish the fully addressable TV ad break as a standard product within European broadcasters’ ATV offerings. The development of ATV ad formats over the last few years demonstrates the medium’s rapid evolution towards a future in which TV advertising is fully addressable. Eventually, broadcasters will be able to offer completely addressable ad breaks that are data-driven, customisable, and provisioned by digital infrastructure.

The smartclip ATV suite can provide ATV video advertising products for all prevalent TV solutions in Europe: broadcast, managed TV platforms, and OTT. At present, the platform is predominantly implementing video formats within HbbTV and OTT environments. For the latter, smartclip is cooperating with external partners such as Yospace, a leading dynamic ad insertion company and subsidiary of RTL Group. Additionally, the smartclip broadcaster ad server facilitates holistic campaign execution and optimisation across all devices and platforms.

smartclip offers a wide range of ATV ad formats that enable individual, addressable ad campaigns at scale. In addition to the widely known pre-, mid-, and post-roll ad formats of on-demand environments, smartclip’s product portfolio also includes an array of ATV ad formats that advertisers can implement into live linear broadcasting.

75.5% of viewers like brands that present innovative ad formats

SMARTCLIP AD FORMAT DEVELOPMENT

- **2017**
  - Click-to-Video
    - Combination of display and video ad elements

- **2018**
  - SwitchIn Spot
    - Insertion of video ad after switching the channel

- **2019**
  - Target Spot
    - Substitution of one single video ad placement

- **2020**
  - Spot Frame
    - Merging display with traditional TV spot

- **2021**
  - ATV Spot
    - Full addressability of the ad break
VIDEO AD FORMATS

ATV Spot

Available in Germany (coming soon to Spain and Italy)

The substitution of video ads is a key development and a groundbreaking step towards the full addressability of the regular ad break. The ATV Spot allows for a fully flexible substitution of ads within the regular TV ad break. The advertiser can now apply all digital targeting capabilities and efficiency control features within linear broadcast TV delivery.

The ATV Spot makes it possible to insert targeted ads into any position within an ad break and offers versatile options to deliver personalised messages to relevant target groups. For example, certain slots can be used by the same advertiser with alternating creatives or product lines that are most relevant to different households. Furthermore, ATV Spots can be enriched with additional data points, such as real-time sports results, stock market data, and promotions. Thanks to the technical set-up of the ATV Spot, broadcasters can make non-commercialised placements easily available to advertisers.

The much-anticipated ATV Spot was launched in Germany in 2020 and was quickly accepted by advertisers. In its first year, more than 60 brands from a wide range of industries have already benefitted from the ATV Spot. Following the success of Germany’s commercial roll-out of the ATV Spot, Spain and Italy are expected to follow suit next. In addition to big brands that traditionally advertise on TV, new-to-TV advertisers are increasingly making use of the ATV Spot because of its accessibility to SME clients and niche brands. These clients benefit greatly from applying granular targeting to reach their core customers.

✓ Addressability of the regular TV spot
✓ Extension of digital campaigns into TV
✓ Customisable creatives for one-to-one communication
✓ Buying and reporting with digital metrics
SwitchIn Spot & Bumper

Available in Germany

The SwitchIn Spot allows advertisers to place targeted TV spots outside of the regular ad break. These spots are shown directly after switching over to a new channel, which provides maximum attention for the advertising message. The spot is surrounded by an L-shaped frame (L-banner) with the TV channel branding and a countdown indicating the remaining duration of the spot. These ad formats are available as full-length videos or as shorter bumper ads.

- Exclusive placement for targeted video ads
- Superior attention and reach
- Extension of the online bumper ads to the TV screen
In HbbTV-based European ATV markets, advertisers are able to insert non-video advertisements into the live linear broadcast stream via the L-banner, Spot Frame, Zoom, or Masthead, each of which is explained in greater detail below. These formats provide additional access to premium inventory and give advertisers the option to place ads either outside of the traditional ad break and directly within the TV programme or within the traditional TV spot to enrich the ad message. As such, ATV display ads are popular supplements for traditional TV advertisers. At the same time, these versatile ads open up TV advertising to SMEs that do not have the budget for TV spots within regular ad breaks.

“As a major shipping company, geo-targeting is highly valuable for our business. Addressable TV enables us to apply this formula to TV advertising, which ultimately allows us to diversify our media strategy and leverage innovative ad formats. We were the first advertiser in Italy to use the L-banner with a promotional code for direct purchases on our website. This campaign had a significant impact on our sales strategy and proved to be hugely beneficial, which is why we are now investing in ATV. We expect our ATV budget to reach that of traditional TV advertising within five to six years.”

Representative in the Marketing Division of Grandi Navi Veloci
Incremental reach of 2–4 additional points of contact on average

The L-banner ad was the first ATV format to be introduced in Europe, and it is currently the most widespread ATV display ad format. This ad format appears outside of the regular ad break and is placed directly within the TV programme broadcast, surrounding the content in an L shape. Thanks to this exclusive placement, the ad format guarantees high attention levels for the advertising message and has been shown to increase ad recall by up to 46%.

With the L-banner, advertisers can extend their display ad’s advertising message by providing viewers with interactive calls-to-action. By clicking on the call-to-action button, the consumer can open a fully customisable microsite page, static image, or the full video commercial.

✓ Exclusive placement within the content stream
✓ High visibility covering 40% of the screen
✓ Minimal resources needed thanks to simple ad creation
✓ Versatile design and functionalities

L-banner

Available in Germany (SwitchIn XXL), Italy (Lanner), France (L-banner in-program), and Spain (Digital Skin)

Our studies on the L-banner — both as spot complement or within the content stream — show that the format is well-liked, raises attention, and contributes positively to the brand’s image. According to surveys, brands that use this innovative type of advertising are viewed very positively.

Fernando Pino
Marketing Services Manager at Atresmedia Publicidad
Spot Frame

Available in Spain (Digital Skin) and France (L-banner in spot)

A variant of the L-banner, the Spot Frame is an L-shaped display ad overlaid onto the traditional TV ad spot. The Spot Frame ad complements the advertiser’s traditional commercial, allowing the advertiser to personalise the commercial and reinforce the ad message. The Spot Frame’s advertising message can be easily altered based on the day, channel, programme, or viewer segment.

✓ Easy customisation of TV advertisement
✓ Real-time data to complement TV advertisement
✓ Option to include interactivity

Zoom

Available in Germany (Switchln Zoom) and Italy (Side-Skin)

The Zoom ad format offers the same features as the L-banner but has a larger, C-shaped branding area for the advertising message. The format design is flexible and can be static, animated, dynamic (by means of real-time data), or interactive with a call-to-action button (click-to-video or click-to-microsite).

✓ Exclusive placement within the content stream
✓ High visibility covering 50% of the screen
✓ Versatile design and functionalities
Masthead

Available in Germany (Switchln Masthead) and Italy (Full-Skin)

The Masthead ad format is displayed for 10 seconds immediately after the viewer turns on the TV for the first time each day. The exclusive placement and large advertising space (50% of the screen) provide an ideal way to launch brand awareness campaigns. The prioritised position gives advertisers the opportunity to increase reach and focus attention on specific dates that are most important to them. The ad design can be static, animated, dynamic (i.e. by means of real-time data), or interactive with a call-to-action button (click-to-video or click-to-microsite).

- High net reach
- First contact of the day when TV is turned on
- Exclusive placement covering 50% of the screen
- Maximum ATV display advertising space

Dynamic Ads Using Third-Party Data

All ATV formats can be personalised by applying third-party data based on location and interest. Dynamic ads are effective when third-party data is used to tailor the relevance of the advertising message to the viewer. Popular options include the use of local weather forecasts, stock market data, or details about individual product prices, the store closest to the viewer’s location, or upcoming sporting event promotions, including the latest betting odds.

➤ CLICK HERE TO VIEW THE SMARTCLIP AD FORMAT GALLERY
ERDINGER, the world’s largest wheat beer brewer, set out to reposition and rejuvenate its brand by building awareness among younger audiences through reach optimisation. In summer 2020, ERDINGER launched an integrated, cross-media campaign under the motto “Weißbier ist Wochenende” (“wheat beer is weekend”), starring Jürgen Klopp. The sophisticated combination of traditional linear TV and ATV ads, which utilised geographic, socio-demographic, and behavioural targeting, was a highlight of this campaign.

**Key Campaign Facts**

- **Market**: Germany
- **Brand**: ERDINGER Weißbräu
- **Product**: ERDINGER Weißbier
- **Agency**: MediaCom
- **Ad Format**: TV spot extension with ATV L-banner (SwitchIn XXL) & ATV Masthead

**Campaign Goal:**
Reposition brand and build awareness among younger audiences.
MediaCom’s campaign used multiple tactics to reach and engage younger audiences and ultimately rejuvenate the ERDINGER brand. ATV was an essential part of the cross-channel campaign strategy. In addition to traditional TV flights, the media agency leveraged specific ATV ad formats with precise targeting and control features. The ATV campaign extended the regular national TV campaign to increase and optimise the overall net contacts while utilising frequency control tools to optimise ad spend. The focus of ERDINGER Weißbräu was to create incremental reach in its target group in key sales regions.

On 19.07.2020, the animated Masthead ATV ad format kicked off the campaign in order to draw maximum attention to the new promotion. The Masthead format is exclusively shown directly after turning on the TV for the first time of the day and was used to build up initial quality net reach for the ERDINGER campaign. Furthermore, the advertiser took advantage of the large branding area of the Masthead format to highlight the new brand ambassador, Jürgen Klopp.

The nationwide, traditional TV spot launched the following day. Three weeks into the TV spot flight, the first ATV L-banner flight started. The ATV L-banner used panel-based TV programme data to reinforce the ad message among target audiences. After the traditional TV spot flight ended, the second flight of the ATV L-banner, which utilised device data to reach target viewers who had not been exposed to the traditional TV spot, continued until 20.09.2020.

The tactical decision to combine traditional TV advertising with the selected targeting options available via Addressable TV enabled ERDINGER to maximise the impact of the campaign and achieve the overall strategic goals.

Our evaluation shows that this complementary strategy to combine TV with ATV was the optimal approach to close gaps in our traditional TV communication, optimise relevant reach, and use our budgets efficiently. Largely due to ATV, we were able to draw more attention to our advertising message. In short, we are fans of ATV and that is why we continue the ATV strategy in 2021!

Wolfgang Kuffner
Director Marketing at ERDINGER
Targeting Capabilities

The most prominent USPs of ATV advertising are its versatile, granular targeting capabilities and ad efficiency. smartclip’s GDPR-compliant platform allows linear broadcast TV advertisers to use the same degree of targeting as is used in digital environments. The platform’s Segment Builder is a powerful TV data management solution that creates advanced analysis and segmentation of real-time linear broadcast TV data on an anonymised and encrypted one-to-one device basis. This includes data segments based on TV programme viewing patterns, consumption volume, and opportunity to see (OTS) coverage for specific advertisements. The Segment Builder can build a large variety of segments for targeted advertising campaigns. The following section introduces the most popular targeting capabilities.

CONTACT CLASS CONTROL FOR OPTIMISED AD SPEND AND EXPOSURE

Frequency Capping

Frequency capping has been a standard optimisation feature since the early days of digital advertising. By applying this to TV environments, smartclip’s frequency management capabilities give advertisers complete control over the number of times a viewer sees an ad within any given period of time. This gives advertisers a whole new level of efficiency control over ad spend and exposure, and it helps prevent ad fatigue that could potentially have a negative impact on the success of an ad campaign.

Ad Sequencing

Contact Class Management allows advertisers to define the order in which ad creatives are delivered—down to a device-specific level. Advertisers can use these powerful tools to effectively build a storyline of episodic-type ads that can boost brand awareness and the impact of the ad message.

SOCIO-DEMOGRAPHIC TARGETING AND DEVICE PROFILING

Socio-demographic targeting is a major requirement for all types of advertising. Traditionally, TV has relied on panel-based data provided by audience-measurement institutions (e.g. BARB in the UK, AGF in Germany, or Mediametrie in France). The Target Audience Manager (TAM) is a comprehensive data-management feature within the smartclip ATV platform which allows for the selection of programmes by socio-demographic affinities or other programme-related attributes.

With the profiling solution, smartclip’s ATV platform allows for precise profiling on a device level. Data collection algorithms permanently match socio-demographic panel data of TV programmes with the actual viewing behaviour of the device. Through this, the device profile is constantly optimised for attributes such as gender, age group, and household income.

ENHANCE TARGETING CAPABILITIES WITH GEO-TARGETING

When used in combination with other targeting opportunities, such as audience-based targeting (e.g. socio-demographic) or frequency capping, geo-targeting enables advertisers to enhance their targeting mix based on geographic locations. This type of targeting is ideal for SMEs, who lack the need and/or budget for nationwide TV campaigns.
SMARTCLIP ATV DATA SEGMENTATION AND TARGETING

POPULAR DATA SEGMENTS AND TARGETING CAPABILITIES

Device Viewing Data (smartclip Segment Builder)
- Device Attributes
  - Region, City, Postal Code
  - Manufacturer, Screen Size, etc.
- First-Party Data (requires data partner/source & consent)
  - Socio-demographics (Gender, Age, Net income)
- Third-Party Panel Data & Machine Learning
  - Socio-demographics (Gender, Age, Household Attributes)

Third-Party Real-Time Data
- Extend Ad Messaging
  - Betting Data
  - Stock Market Data
  - Weather Data, etc.

TV Consumption Volume
- Viewing Patterns
- TV Ad Exposure

Behavioural Targeting
Rehmann & Söhne, a North Rhine-Westphalian SME furniture retailer, included ATV advertising in its media strategy in order to push its advertising message to relevant audiences. The campaign focused on women. The ATV L-banner, combined with geo-targeting and socio-demographic targeting, allowed this business to advertise its store within nationally televised primetime programming.

**Case Study**

**Rehmann & Söhne: ATV L-Banner**

Rehmann & Söhne, a North Rhine-Westphalian SME furniture retailer, included ATV advertising in its media strategy in order to push its advertising message to relevant audiences. The campaign focused on women. The ATV L-banner, combined with geo-targeting and socio-demographic targeting, allowed this business to advertise its store within nationally televised primetime programming.

**Key Campaign Facts**

- Market: Germany
- Brand: Rehmann & Söhne GmbH
- Ad Format: ATV L-banner (SwitchIn XXL) | Two creatives
- Campaign Period: 27.11. – 30.11.2020 and 01.12. – 08.12.2020

**Campaign Goal:**

Raise awareness in relevant target groups.
Addressable TV empowered us with the first-time opportunity to advertise on TV on the major channels within prime content. Following our first ATV campaign, we had significantly more customers who saw us on TV, which immediately led to more sales and revenue. We will definitely use it again.

Marc Rehmann
Managing Director at Rehmann & Söhne

Rehmann & Söhne advertised its October 2020 reopening and its November 2020 Black Friday promotions in two separate, short-run creatives. In the week following each of the campaigns, the retailer saw the direct impacts, including favourable client feedback, more customers, and higher earnings.
Global car manufacturer Nissan chose the ATV L-banner with the interactive click-to-video feature to promote the Nissan X-Trail SUV. Previous internal research had shown Nissan which regions had the highest potential for purchases. Based on this, the ATV campaign utilised geo-targeting to air the ads solely in those regions — Emilia Romagna, Lazio, Lombardy, Piedmont, Tuscany, and Veneto.

Key Campaign Facts

- Market: Italy
- Brand: Nissan
- Product: Nissan X-Trail
- Agency: OMD
- Ad Format: ATV L-banner (Lanner click-to-video)
- Campaign Period: 13.01.2020 – 26.01.2020

Campaign Goal:
Raise awareness in relevant regions.
As part of our integrated omnichannel communications, ATV is important because it grants the possibility to be more efficient in terms of targeting, mostly where a budget limit could otherwise prevent TV advertisement. We have tested all the available ATV formats and our preference is the Lanner with click-to-video or click-to-microsite interactive features. In a non-intrusive way, it engages viewers by providing the opportunity to show our video commercial or other extra contents.

Michele Petrilli  
Digital & Social Engagement Section Manager at Nissan  

and  

Giulio Bacherini  
Advertising & Media Coordinator at Nissan
BEHAVIOURAL TARGETING BASED ON THE SMARTCLIP SEGMENT BUILDER

Behavioural targeting through the smartclip Segment Builder allows advertisers to zero in on consumers based on their specific viewing behaviours. The most widely used behavioural targeting segments are based on TV advertisement exposure, TV viewing patterns, and TV consumption volume.

TV advertisement exposure

This data segment logs all devices that were or were not tuned in during a specific TV and/or ATV commercial. Advertisers can then optimise their future ad spend by targeting the devices based on whether they were tuned in during the ad run.

Building incremental reach

By applying “negative targeting” in the campaign set-up, advertisers can target all TV devices that were not tuned in during the delivery of a specific TV ad. This type of targeting optimises OTS coverage, maximises the campaign's net reach, and increases brand awareness.

Retargeting and storytelling

Positive targeting connects with all devices previously tuned in during a specific advertisement — typically a TV spot within the traditional ad break. Retargeting those consumers further enhances brand awareness and ad impact. Moreover, advertisers can build a storyline by using episodic-type ads and dictating the order in which they are delivered.

TV viewing patterns

This segment is based on consumption habits, including the choice of programming, genre, channel, and daypart. For example, a household that regularly views children’s TV shows and sports programming indicates the household includes at least one parent and one child. The devices in this household can be targeted with relevant ads for parents during the times and programmes watched by the adult household members.

TV consumption volume

As a traditional mass reach medium, TV is a successful tool in connecting with audiences who exhibit average to high TV consumption. However, the number of TV users with selective viewing behaviour is growing. ATV data segments enable advertisers to specifically connect with audiences who are difficult to reach with traditional ads because of their light TV consumption.
Case Study
iglo: Combining Traditional TV and ATV

iglo is part of Nomad Foods — Europe’s leading frozen food company.

In September 2020, iglo launched an ATV campaign in combination with a regular TV spot to raise awareness of iglo’s fish fingers. The ATV campaign was part of the 360° fish finger activation campaign, called Käpt’n iglos Kids Kombüse (Captain iglo’s Kids Galley), and strategically leveraged TV viewing pattern segments to reach parents with children.

Key Campaign Facts

- Market: Germany
- Brand: iglo
- Product: iglo Backfisch-Stäbchen (iglo Battered Fish Fingers)
- Agency: Zenith
- Ad Format: TV spot extension with ATV L-banner (SwitchIn XXL)
- Targeting: Parents 25–54 with children <10 years
- Campaign Period: 01.09.2020 – 11.10.2020

The ATV campaign used the ATV L-banner (also known as ATV SwitchIn XXL), which targeted households with children only, and ran during the same time as the regular TV spot for iglo’s fish fingers product line, iglo Backfisch-Stäbchen.

Campaign Goal:
Raise awareness in households with children.
The results of an accompanying study published by Ad Alliance® showed that the campaign successfully achieved the desired goals. Findings revealed that ad recall increased by 8%, and awareness of the Käpt’n iglos Kids Kombüse grew by 92% for the ATV test group in comparison to the control group that was not exposed to the campaign. Among viewers who were exposed to both the TV spot and the ATV L-banner campaign, purchase intent went up by 8%. Furthermore, the ATV campaign was found to have a positive impact on the product’s image. In the same study, people who were exposed to the ATV campaign reported a more positive view of iglo’s fish fingers than those who were not exposed.

Laura van den Boom
Brand Manager iglo fish fingers at iglo

92% awareness growth

The Käpt’n iglos Kids Kombüse campaign aims to encourage parents to cook delicious fish finger dishes together with their children. With the special targeting approach, the ATV campaign helped us a lot in building and optimising awareness for the Käpt’n iglos Kids Kombüse within our target group of young families. We benefitted from the ability to reach intended viewers in a targeted manner via ATV, in addition to the wide-reaching medium of TV. In addition to raising awareness, we were also able to further extend the image for the iglo brand and our fish fingers.
CROSS-DEVICE TARGETING

smartclip’s proprietary and pioneering cross-device targeting capabilities break down TV and online advertising silos by utilising linear TV data for digital video campaign targeting. With this technology, advertisers are able to serve targeted ads to consumers across multiple devices within the same household. Thus, there is no longer a need to differentiate between TV and digital ad campaigns.

smartclip’s technology utilises anonymised TV viewing data to create a household graph that maps out the other devices used within the household from which the TV data was gathered. Advertisers can then use this information to extend their TV and ATV campaigns to their online campaigns. Furthermore, the same TV data targeting segments used in the advertiser’s ATV campaigns can be applied to the digital video campaigns on any device in the household. Essentially, cross-device targeting features allow an advertiser to retarget a viewer throughout the whole customer journey, thereby intensifying ad messaging independent of third-party cookies. For example, a mobile device will receive a video ad that previously reached a TV device in the same household. Cross-device targeting has been proven to be particularly useful in building incremental reach among younger audiences.27

The cross-device feature has proven to be an efficient tool overall and particularly impactful to create incremental reach. Most notably, the additional reach points that can be created via cross-device targeting are produced by reaching light TV viewer targets and balancing the frequencies of the TV campaigns.

Ángel Fernández Nebot
Managing Director at smartclip Spain
Masmovil Group, the fourth-largest telecommunications operator in Spain, sought to gain incremental reach for its network product Yoigo. Masmovil advertised Yoigo with Atresmedia and smartclip Spain’s Prometheus product, which combines TV, ATV, and cross-device targeting.

Masmovil started the campaign with a traditional TV spot, followed by an ATV campaign and cross-device targeting that started once the growth of linear TV coverage slowed down and reached its maximum potential.

**Key Campaign Facts**

- **Market:** Spain
- **Brand:** Yoigo
- **Agency:** Spark Foundry
- **Ad Format:** TV spot extension with ATV L-banner (Digital Skin) and Cross-Device Pre-Roll and In-Text (all devices except CTV)
- **Targeting:** 25–44 with negative targeting
- **Campaign Period:** 07.09.2020 – 30.09.2020
- **ATV and Cross-Device Campaign:** 25.09.2020 – 11.10.2020

**Case Study**

**Masmovil: Combining Traditional TV With ATV and Cross-Device Targeting**

**Campaign Goal:**
Build incremental reach and frequency optimisation.
Yoigo applied negative targeting and contact class management in order to target consumers who either had not been exposed or were underexposed (fewer than three times) to the linear TV spot. The ATV and cross-device campaign was activated at a point when the linear TV campaign was no longer reaching a meaningful number of new target consumers.

The results showed that the additional reach created by ATV and cross-device targeting allowed Yoigo’s campaign to achieve the desired minimum of three contacts for each viewer reached within the core target group (ages 25–44). Given the natural decrease in reach of linear campaigns over time, achieving an OTS coverage of three or higher would have been difficult or even impossible without ATV and cross-device targeting. With ATV and cross-device targeting, however, the number of viewers within the target group who were exposed to the campaign at least three times increased by 12.4 percentage points. In total, linear TV and Prometheus resulted in the Yoigo campaign reaching 80.2% of the Spanish adult population (18+) at least three times.

12.4 percentage-point increase in reach for target group

Addressable TV is important to our media strategy because it fulfils one of the objectives that we pursue in our company: we put the consumer at the centre. Knowing if the cross-device user has watched the advertisement on TV or mobile devices helps us to expand our reach, control the frequency and therefore also the message that we want to convey. The reach that we can achieve by combining TV with ATV is higher than using other media. We especially like the L-banner format, which gives us a higher level of ad recall than conventional TV spots alone.

Ana María Alonso López
Media and Research Manager at Masmovil Group
Outlook
Outlook

The TV advertising industry has entered an era of disruptive changes and is now constantly facing new developments. Some of these developments will bring exciting progress to the field of Addressable TV (ATV) advertising in the European market.

THE FULL ADDRESSABILITY OF THE AD BREAK

The substitution of video ads within the regular broadcast TV ad break marks the beginning of a new era in digital TV advertising. smartclip introduced the ATV Spot in Germany in 2020 and will launch the product in Spain in 2021. The addressability of the ad break via HbbTV, on live linear OTT, and via managed TV platforms is becoming increasingly prevalent across Europe. The implementation of the required technology and infrastructural changes have been a top priority for European broadcasters in order to achieve full addressability of the ad break in the near future.

PROLIFERATION OF CROSS-DEVICE TARGETING

Traditional TV and digital will continue to converge. The usage of linear TV viewing data for cross-device targeting plays a pivotal role in these advancements. Thanks to cross-device targeting, consumers will receive the ad message regardless of device or platform. The popularity of these targeting capabilities will continue to grow even more once third-party cookies have been phased out. Soon after its launch in Germany in 2020, cross-device targeting became well established and is now gaining traction just as fast in Spain and Italy. The ability to reach audiences in the same household across devices offers valuable targeting opportunities and insights on where advertisers can reach their consumers.
**INCREASING COLLABORATION AND STANDARDISED BUYING TOOLS**

The industry will continue to witness more collaborations among broadcasters, distributors, publishers, and sales houses across Europe — to the advantage of advertisers. These collaborations and alliances will all strive to offer competitive products as true alternatives to the U.S. adtech powerhouses.

TechAlliance — smartclip and Amobee’s planned joint venture — is expected to provide the market with an international ATV programmatic buying platform. In addition to their plans to create a centralised access point to European broadcaster inventory, this collaboration also aims to create an ecosystem that tackles identity without third-party cookies in order to provide data-safe and precise targeting options through a user-friendly storefront concept designed to cater to advertisers’ needs. Creating a simplified buying experience is the core principle of TechAlliance. This will include innovative features that introduce a content exploration approach to the programmatic world.

Beyond streamlined accessibility, close collaboration among all market players will be required to establish the transparent cross-screen and cross-channel measurement tools that advertisers seek and require. Brands and agencies need to work together with broadcasters, operators, and adtech providers to create sustainable market standards, which are necessary for efficient cross-media campaign planning. These market standards will need to include an ATV currency that works for the entire ecosystem.

**SME ADVERTISING ON TV**

Barriers such as cost and lack of targeting have kept many SMEs from advertising on TV. However, ATV has broken down these barriers. SME advertising strategies that often include digital marketing with granular targeting opportunities can now include premium TV content in their marketing mix. As more SMEs come to learn of this massive new opportunity, ATV will come to play a pivotal role in their overall advertising strategies. SMEs are already familiar with self-service tools offered by major digital platforms, and smartclip’s SME unit is proud to be launching a self-service campaign booking tool — specifically designed for the needs of SME clients — later this year. Beyond ATV buying, smartclip’s SME self-service tool will also provide convenient access to other smartclip products.

Since 2008, smartclip has been building media solutions that support advertisers in reaching their campaign goals across all video screens and equipping broadcasters and publishers with leading adtech for innovative advertising products. If you are interested in hearing more about how we can support you in your advertising efforts, please contact us today.
About smartclip

At smartclip, we are shaping the future of video advertising — delivering advanced online video and TV advertising solutions. Our proprietary technology and services empower brands with true cross-screen storytelling on all devices, and enable broadcasters and publishers to monetise their content in the most efficient and effective way possible. We are committed to delivering the most innovative video ad experiences — spanning in-stream, out-stream, connected TV, addressable TV, and gaming.

As a subsidiary of RTL Deutschland, smartclip is part of RTL Group — Europe’s leading free-to-air broadcaster group. Headquartered in Hamburg, smartclip has offices in Berlin, Munich, Düsseldorf, Gütersloh, Stockholm, Oslo, Helsinki, Amsterdam, Milan, and Rome.

For more information:

Please visit www.smartclip.tv and follow us on Twitter and LinkedIn.

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<td>Digital Video Broadcasting — Second Generation Terrestrial</td>
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<tr>
<td>FMCG</td>
<td>Fast-Moving Consumer Goods</td>
</tr>
<tr>
<td>GAFA</td>
<td>Google, Apple, Facebook, and Amazon</td>
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<td>GDPR</td>
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<td>HbbTV</td>
<td>Hybrid Broadcast Broadband TV</td>
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<td>IPTV</td>
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<td>OLV</td>
<td>Online Video</td>
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<td>OTS</td>
<td>Opportunity to See</td>
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<tr>
<td>OTT</td>
<td>Over-the-Top</td>
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<tr>
<td>SME</td>
<td>Small and Medium-Sized Enterprises</td>
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<td>SSP</td>
<td>Supply-Side Platform</td>
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<td>TAM</td>
<td>Target Audience Manager</td>
</tr>
<tr>
<td>USP</td>
<td>Unique Selling Proposition</td>
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