

## Highlights from the **Future of TV Advertising** **Canada 2022 Conference**

*“The future is already here, it’s just not evenly distributed” – William Gibson*

That famous line, quoted by Scott Harris, Senior Manager, Digital Research at Bell Media in one of the day’s final sessions, is a great way to sum up the journey we’re making in the evolution of the television advertising industry: Despite a number of challenges, and advancements still to come, the broadcasters are further ahead in terms of embracing new technologies than most people realize - and the opportunity for advertisers is about to explode.

We’ve highlighted a number of our favourite sessions – **watch them [here](#)** – but for now here’s a brief overview of the key themes and topics that were covered at the conference.

### **Linear TV’s Staying Power**

[Canadians continue to watch a lot of linear TV](#) (over 13 hours per week for Adults 25-54; almost 10 for Adults 18-34). Sarah Thompson, president of Dentsu Media, reminded the 400+ audience that despite some of the hype around Netflix and other streaming competitors, “linear TV isn’t going away.” In fact, Thompson said there is an ongoing need to educate media buyers who may be new to the industry about the return on investment for linear TV spending, suggesting that the more talked-about digital channels including social media and influencer marketing often (erroneously) get more attention.

Lindsey Talbot, chief investment officer at GroupM, added that even some brands need to be reminded of the role linear TV plays in complementing a marketing strategy that includes digital buys.

“We’re big supporters of linear television,” she said. “It’s our role and our job to explain what it does if you pull out of linear TV, and how much time and money it will take to bring back all that brand equity that they took time to build.”

### **Clearing Up Misinformation About Cord-Cutters**

Part of the issue might be misinformation, for example when it comes to cord-cutting – which has been far over-stated. There were several sessions, for instance, where speakers made off-hand and over-arching claims about younger viewers not being willing to pay for cable TV, and slides that showed only 51% of Canadians are linear subscribers.



Let's set the record straight: The reality is that the majority of Canadians have a paid TV subscription (10.3 M subscriptions\*— including 68% of Adults 18-34 (the group that are purported to have abandoned linear TV en masse). With paid TV subscriptions down only 1% year over year\*, we would encourage everyone to start quoting facts, not fiction, and be wary of sources that don't include IPTV subscriptions in their paid TV totals.

*\*source: MediaStats*

## The Evolution of Streaming

Getting the details right is more important than ever as we navigate a new, more fragmented video landscape. Streaming has gone from a largely SVOD / non-advertising market to an increasingly ad-supported offering, with Netflix making the biggest headlines.

While Netflix offers marketers the next shiny object – and no doubt there will be value there for certain companies – there were several sessions that put the Netflix offering in context, starting with the (estimated) size of the market.

Ampere Analysis's Guy Bisset outlined that Netflix is only forecast to earn a 6% share of the total online video advertising market in Canada (and not until 2027). Meanwhile, another session with Simulmedia's Dave Morgan and Robert Tas from McKinsey & Co covered a range of challenges the company will face, from high CPMs to a lack of third-party verification.

Netflix will off a new platform for advertisers, but as Lindsey Talbot, Chief Investment Office at GroupM Canada reminded us, "Netflix is not a strategy. Disney+ is not a strategy."

## Advancements In Measurement Capabilities

Of course, digital has proven attractive to marketers in part because of the ability to measure performance in myriad ways (not all of them useful, of course). Measurement is key, and the video space is no exception: thinktv's Catherine MacLeod lead a panel discussion about Numeris' Video Audience Measurement ([VAM](#)), launched in November of last year. VAM captures video consumption from linear television, OTT services and online viewing on all devices and platform, giving agencies the ability to understand and compare the value of investment in both linear and digital video and identify the consumer video journey and trends.

Anita Boyle-Evans, vice-president of client services at Numeris, said that while VAM will continue to be refined and improved, it represents a significant milestone in helping marketers view linear and non-linear channels in a more strategic and holistic way: "In the Canadian market we need to distinguish between perfection and progress. This is progress," she said.



## So What is the Future of TV?

In many ways the future of TV is already here, with programming available across time, devices, and platforms, and an increasing array of advertising opportunities with connected and addressable TV soon coming to Canada at scale.

While the Connected TV (CTV) market is still relatively small in Canada – roughly 50 million dollars in 2021\* - it's growing exponentially and provides an excellent opportunity for marketers.

Advanced advertising is making TV more flexible and a more attractive investment for a wider range of businesses. With access to first-party data, customised audiences, geo-targeting, data matching and simplified buying approaches, advanced TV has opened the door for businesses of all shapes and sizes.

Total TV – linear, CTV (connected TV) and addressable – provides the balance of mass and targeted required to drive business growth. Increasing data availability and targeting options are driving more outcomes-based decisions, with a priority on impression-based measurement and real-time, data-backed insights.

More specifically, both Bell and Rogers announced that they'll be launching addressable capabilities before the end of this year, and Corus' Cynch now has VOD and CTV in their inventory; SAM, with Bell First Party Data, and Cynch are already providing advertisers with valuable optimization options.

CTV represents one of the largest areas of growth potential for broadcasters and offers a huge opportunity for advertisers. BVOD - professionally produced content with professionally managed ad breaks – has an incredible ROI, double the digital average\*; it's no wonder Rose Hutchison, Director of Advanced Advertising Solutions, Rogers Sports & Media, predicts that by 2024 half of their business will be automated and addressable (through SAM, Cynch & Magnite).

BVOD commercial inventory is poised to grow substantially over the next few months – and that's good for viewers and advertisers alike.

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