

MOVING BEYOND AGE AND GENDER: What Should the TV Business be Measuring

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Editor's note: The following is a transcript of a webinar on big data that I hosted recently, lightly edited in some spots but otherwise a verbatim transcript of the organic conversation as it unfolded. It offers some good zoom-away perspective mixed with detailed, how-to advice. –Dennis Kneale

DENNIS KNEALE:

Hello and welcome to the *Broadcasting & Cable* webinar on the future of advertising, "Moving Beyond Age and Gender: What Should the TV Business be Measuring", sponsored by our friends at RSG Media. Thanks for joining us. I'm Dennis Kneale, a long-time journalist. I started covering media at the Wall Street Journal three long decades ago when the demo ruled the TV dial. Now we're in the second decade of a new century, there it is, the good old demo still holding sway. But there's a better way. There's a wealth of new data to take us beyond the demo to look at viewers in new ways, those who watch alike and act alike rather than just look alike.

To discuss this new frontier today we have Gabe Bevilacqua, a Vice President at Viacom Vantage that's data-driven ad targeting business of Viacom. Hello, Gabe.

GABE BEVILACQUA:

Hello, Dennis. Thanks so much for having me.

DENNIS KNEALE:

Glad you could join us. We also have John Curran,

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Director of Media Analysis at RFG Media and a guy who frankly is just way too tall.

JOHN CURRAN:

How are you doing, Dennis. I barely fit in the room today.

DENNIS KNEALE:

I usually interview people shorter than me. I do look up to both of you. Thanks for being with us. Gabe, let's go ahead and start with you and tell us what you got.

GABE BEVILACQUA:

So the theme of today's webinar is "Moving Beyond Age and Gender". You know, really I want to start, before getting into the content of the presentation by thinking about what that means and the broader context of that change because in a lot of ways there is a huge change happening in the television business right now. We'd call it a turning point for TV where we're looking at new ways to plan, new ways to measure, new ways to optimize television based on data that goes well beyond the traditional age and gender breaks. But there's also a lot of ways in which this isn't new at all. In fact, when you look from the perspective of the planner or the marketer, they've been looking at television this way for years in that most marketers and most agencies have been thinking strategically about who their target consumer is for a long, long time.

They've used to the most up to date data. They've used the most up to date statistical techniques to come up with what is really a precise, measured,

scientifically derived, strategic target for their product. The issue has been traditionally that the television business has said congratulations. You've done all this work to define this strategic target but what we have to offer you in return is adults 18 to 49. So a lot of effort has gone into traditionally trying to map that strategic target that a marketer in the agency has conceived with what television had for sale, which was these broad definitions of our audience.

Optimizing for strategic targets

So what I think you're seeing right now and what we're going to talk about today is the transition and the turning point from not just planning and thinking at the marketer and the agency about those strategic targets but the television industry more broadly acknowledging those targets and looking for ways to make it easier to plan, to optimize and to measure around a strategic target and not just any age and gender break.

What I'm going to talk about today is what we've learned with Viacom Vantage. Viacom Vantage is our advanced television platform where a big part of what we do with vantage is allow marketers to activate strategic targets across all of our Viacom networks. We call that a virtual network. It's where we are finding your audience all across our grid, across different networks and in the highest concentration possible.

So this is our third year of working with Vantage. We have lots of partners and clients across lots of industries and so I thought I would use this time in this webinar to talk about what we've learned and what we think works when you do make that transition beyond the traditional breaks. So it's a new way of doing business and we also see it reflected across the industry in the way we work with our partners, the way we work with marketers, the way we work with agencies.

There's lots of data out there and I think the more conversations you have, the more you learn that really every marketer is unique.

So of course every network group, every marketer is unique. Your mileage may vary but in terms of the general rules of the road and how we're thinking about the future of measurement and optimization, I'm going to share some of the insights and some of the things we've learned that are working for us today and we believe are going to work for the industry in the future.

If we're moving from a traditional set of definitions to a new set of definitions we need to define what is that new set of definitions. What we have learned and I would say is foundationally important is in the case of defining the next generation target the marketer is making the rules. I mentioned that in many ways they're way ahead of the rest of us in thinking through all the different data sources and attributes that go into defining an advanced target and what we've learned is that you need, as a network group and as a partner at any part of this process you need to be able to work with the marketer on the terms that make sense for them.

So what that means is you need to invest in all sorts of capabilities and data sources, be it commercially available data, be it attitudinal psychographic data, be it location-based data, be it royalty card and shopping data. There's lots of data out there and I think the more conversations you have, the more you learn that really every marketer is unique. You know, if you were going to make this work and if we are going to take this step forward, everyone has to

be committed to accommodating all the different ways that targets are defined because fundamentally what we can't have is a set of separate target definitions that exist only in small little pools of audiences across television. We need the marketer to be able to take a target and activate it across their buy and across different network groups. What that requires I think on behalf of all of us is an acknowledgement that the marketer is driving the car here. They're making the rules and we need to be able to keep up with them.

Predictive plans look ahead not behind

The second insight we have is when we're talking about planning and this flows through the way people have been thinking about planning for a long time. There was a lot of historical review of if this is our strategic target even going beyond the traditional breaks, what were the network that they watched last year? Where did we find them? What did it look like? In a lot of ways you would use that to inform the next year's plan. Well, what we've learned in the course of working with lots of clients and lots of partners is that copy pasting last quarter's results, much less last year's results is not going to get you an optimal concentration of your target audience.

So the reality is that not only are the behaviors of audiences changing really across the board in terms of how they consume media, where they're going, how quickly they're moving, but you also find that just strategies and programming grids move pretty quickly as well. So in order to really, really capture an ideal slice of a marketer's audience you can't just take last quarter or year's results and assume it's going to work again. You have to start thinking about prediction. What that means is that there's going to be a little more data science involved, there's going to be a little more work involved, there's going to be a little more thought involved but your goal is to find that audience on behalf of the marketer and to try to accommodate all the

different ways that that audiences' behavior is changing and moving across the networks.

It's really essential that you take that view that this is constantly dynamic, audience behaviors are changing, the grid is changing and you need to accommodate that by trying to predict in as tight a window as you can where we're going to most optimally find that audience over the next two weeks, month, etcetera. We found the predictive results produce better outcomes pretty much every time across the board. We find that if you want good results this is the way you need to really be doing it.

So that's how finding the audience has worked in terms of planning. I think there is also a very, very important insight here. If we put all this effort into first defining an audience and then doing predictions to figure out where that audience is going to be. It's essential that everyone who's involved is committed to the audience as the definition and the true north for the campaign. So what we do with Vantage and I think what you're seeing a lot in the industry right now is we don't just talk about planning around a strategic target and working with marketers to plan that way. We actually want to guarantee and measure on it. If you care about a strategic audience well let's be all in on that strategic audience and let's guarantee the buy around it. Let's optimize as often as we're going to optimize to reach that specific audience. Let's measure it and let's have that be the results and have that be the delivery for the campaign.

Speaking very candidly, this is a big change for the industry. As Dennis noted in the intro, when he started it was all about the demo and here we are three decades later. As with anything, these transitions are never too fast and they're never simple and straight forward. So while we acknowledge that it's a big change and it's a different way of doing business for a lot of folks

in the industry, we think in order for these efforts and these campaigns to be successful you need to be fully committed to the strategic target, to that strategic audience and really rally around it.

It doesn't mean that you don't evaluate it in whatever way makes sense for your business. It doesn't mean that you abandon everything else you're doing. Frankly, with targeting it's always part of a broader strategy and every marketer has their own set of goals and their own set of ways of achieving those goals, but if you're going to do a strategic audience buy, if you're going to do a targeted buy it is best to fully commit to the guarantee and to the measurement on that strategic target.

Measuring insights for the strategic target

The next insight really flows out of that third insight of committing to the strategic target, which is it's really about change here. When we think about change and we think about how much is moving here and how different this looks what we've found and what I sort of encourage everyone who works with us to embrace is this needs to be open, this needs to be collaborative. So I think it's fair to say I have a bit of a background in digital media. It's very fair to say that there's a universe of audience buying that I think marketers and agencies are familiar with that's existed for the last decade-and-a-half in digital where things weren't always transparent in terms of what you were buying and what you were getting. So it was the belief in data, the belief in targeting, we'll find the inventory wherever we need to. Don't worry about it. It's safe to say that those strategies haven't always yielded optimum results, be it bot traffic or fraud or ads showing up in environments that maybe a brand isn't comfortable with.

So what we've embraced in this move to an audience based, strategic target for a buy is let's be open, let's be transparent about it. For

us, that's meant being really, really clear about where the audience buy is going to run down to the telecast level. It means being completely transparent about how we're delivering both against the strategic target and if we need to also show the traditional breaks as well we'll do that as well. What we've learned is this is a big transition and it's a big change. We need to show them exactly what we're doing and how we're doing it and to partner with them quite frankly to make sure that we're delivering what makes sense for their target and for their goals. So we've sort of embraced transparency. This is not a black box. We're very clear about where you're running and how you're getting there and how you're performing. That's a huge priority for us. Quite frankly, in a time of change, taking that approach is kind of essential to having these succeed.

So in terms of what we've learned and the big question here and I think John's going to go into this in a lot more detail, we're doing audience buying, we're thinking about moving beyond those traditional breaks. Does it work? What does it deliver? How do we actually see results? John's going to take you through a lot of details there.

What we've seen is just on the surface, just when you consider does a targeted audience member react differently to seeing your brand's message? What we've seen is that there's **more engagement when there's more relevance**. So we looked at second by second data. What we've seen is that a targeted viewer is going to watch 68 percent more of your ads. So if someone is in target and the ad is relevant for them they're actually going to watch it more, they're not going to change the channel. When you combine that with an understanding of the ad's context and where the brand feels more comfortable that goes beyond just the straight audience definition, that impact hops up to 150 percent versus non-targeted viewers.

Don't just talk about planning around a strategic target and working with marketers to plan that way. We actually want to guarantee and measure on it.

So just on the surface of looking at second by second data do people who are targeted watch more and engage more with the brand's ads if they're targeted. The results we've seen have been overwhelmingly yes and the results have been really strong that way. So with that, I think I am going to turn it over now to John. He is going to take us through some more details on that front.

JOHN CURRAN:

As Gabe mentioned, I will be discussing an example of how advanced targeting actually has proven out to have some really high ROI, specifically in the world of promo campaigns where you don't have to worry about buying and selling based on guaranteed demos and having to worry about C3 being the common currency. It's just the results if you get conversions or not.

So before I do that, I wanted to give you a tiny bit of background on RSG Media. I'm sure you all have heard of Viacom. I'm not sure that all of you have heard of RSG. For the last 30 years, RSG has been working with media companies like Viacom, Turner, Discovery Communications, NBC Universal, A&E Networks, just essentially providing technology services and building products with the goal of increasing the bottom line for all of our clients.

We specialize in the management and optimization of the media company's three main inventories. That's your content, the programs that you're actually airing, ad sales so those are the commercials that we're all talking about like Toyota and stuff, and then promos which I'll be getting to a little bit later when you're actually promoting. The commercials you're using to promote shows on your own network.

I'm the Director of Media Analytics at RSG Media. Our team's focus is really using data science to optimize the commercial and promo schedules. We don't focus as much on content. That's the other side of our business. But essentially for commercials and promos we're trying to get more bang for your buck, create as much efficiency in all spots as possible. In regards to the topic of moving beyond age and demo and targeting based on behavior, our standpoint really is just from an application and optimization point of view. We are utilizing the predictive modeling and machine learning algorithms that we've developed in-house but also in partnership with our clients who are actually going to be using these.

Targeted campaign management

So when approaching this business need, our main objective is to provide a targeted campaign management application that pretty much utilizes machine learning and predictive analytics to create automatically generated commercial schedules which maximize the delivery of guaranteed custom segment deals. I know Gabe was using the term custom targets. I don't want to confuse anyone. I'm just going to use the term custom segments because that's what I'm used to. Using as little inventory as possible.

So to give you a better idea of what the application actually is and what it does, let me just take you through the workflow and explain what the model and machine learning algorithm is doing at every stage. So **stage one**, pre-campaign planning. The application, aside from first party data as well

as third party data, the application is pulling the following data for each guaranteed custom segment deal from your deal planning system. Essentially your traffic system or deal planning system. The data that we're pulling in is all the advertisers' custom segment goals, the flighting information for the campaign, as in how long is a campaign going to be on air. As well as other parameters and constraints associated with the deal. For instance, if it's Toyota, if Toyota doesn't want it to air, Toyota requires that it has to be at least 30 minutes away from any other Toyota spot on your network or if you gave Toyota pod exclusivity then in a commercial break if Toyota's in there only Toyota can be in there and no other autos are allowed. These are all very important things that our optimizer has to be able to pull in to understand what world it's living in and what it's playing with.

Also using first party data gathered by network research teams like if we were working with Viacom it would be Gabe's team at Viacom Vantage. Our system will pull a ranker of all the programming that's on your network for the guaranteed custom segments associated with the deal and all of its campaigns. For those folks who do not have an internal resource like Viacom Vantage, we pull in third party data and work with your teams to create our own custom segment rankers for you and with you.

So all of this information for each custom segment deal and campaign, it gets fed into our machine learning algorithm to assist with the optimization process, which comes to **stage two**. So stage two, optimize inventory. In this stage the model will create an overall optimized plan to hit the custom segment goals for all custom segment deals airing on the network. So this isn't just one at a time. We look at all of the deals that you have going right now that all have their own advanced target custom segment guarantees that have been promised. We're trying to hit all those guarantees at the same time using as little inventory as possible.

So it takes into account all of the information that was gathered in stage one for each current and upcoming custom segment deal. The utilizing the custom segment program ranker plus the expected inventory avails that we pull from the traffic system. The machine learning algorithm will literally run hundreds of thousands of simulations quickly of scheduling spots and predicting the results before settling on the optimal solution that best delivers each custom segment deal by the end of their flights.

We're trying to get more bang for your buck, create as much efficiency in all spots as possible.

So just to take a quick step back I should note that the creators of these machine learning algorithms are a 12 person team in-house here at RSG Media of PhD data scientists and they're led by the dean of the India School of Business, which if you're unaware, like I was, it's pretty much the equivalent of a top Ivy League school here in the United States. I digress. Let me get on to stage three.

Stage three – automated scheduling. So this is very important. The application seamlessly integrates with your traffic system to push the schedules that were created in stage one and stage two on to your daily logs. A seamless integration is essential to avoid the time consuming manual placement of spots. However, I should note that if integration is not an option there are some traffic systems that don't like to integrate with anyone. The value of the hyper-targeting, each spot still outweighs the cost of having folks in-house manually place these spots or manually place constraints on each individual unit in the traffic system. The ROI really shows that it's

worth the work and effort that's going into it, but if you can get an automated process that's integrated seamlessly with your systems obviously that's ideal and saves a lot of time.

So let me combine **stage four and stage five** of the application. That's campaign tracking daily and campaign effectiveness or post-analysis. We built these fleet dashboards with our clients. For the folks that are using the application they can dynamically track the performance of all campaigns. We're providing them with easy to read charts and graphs for analysis all with the most up to date data. I'll just give you an example. With promos like Nielsen AMRLD data it's very important to the promo folks. It's all minute respondent level data. That data comes from Nielsen about two days after air and then it takes us about 24 hours, give or take a couple hours, to process that data and load it up into the system so it can be accessed easily.

Also available are numerous post-analysis charts and graphs breaking down the effectiveness of each campaign for not only their guaranteed custom segment and target demos but multiple secondary custom segments and demos as well.

Finally, **stage six**, the machine learning algorithm takes all this information. It looks back in the past to make its first predictions when you're first using it but then each time you use it it's applying the new learnings from the last time. So it's always constantly starting the process over each time you use it. That's really the key. The model is constantly churning the data and constantly learning from its past successes but most importantly it's learning from its past failures. We've come into situations where we've realized that seasonality means a lot more.

I mean obviously in December it's not going to be the same as November the way that viewership is happening or it's not going to be the same as

October. So in December seasonality when you're tweaking a model really comes into play. So it's really important that you know that the benefits have really proven.

As I spoke about before, utilizing machine learning algorithms to assist in campaign planning and commercial scheduling, this provides significant benefits. It truly maximizes the potential of every spot on the schedule and going beyond age and sex and targeting based on behavior has shown tremendous ROI in the world of commercial advertising but I'm going to give you an example that shows you how well it's performing in the world of promos.

So the example that I'm giving is the 2015 video music awards show. MTV used our predictive modeling technology and machine learning algorithms toward this campaign as opposed to 2014 when they didn't. This by the way is just focusing on their linear promo campaign across all the networks. This did not have anything to do with the digital campaigns.

Even though the total viewership is up year over year, TV usage is actually down. So in the coveted people 18 to 49 demo, we're down six percent for total TV usage, and 12 percent for the average cable network weekly reach. Now, this puts tremendous pressure on ad sales teams to deliver their deals which requires more ADUs to make them good. Where are you getting that free commercial inventory to make the ADU inventory, most likely you're not taking them from programming. Most likely you're taking them from the promo teams. For those looking to promote content and increase ratings, they are living in a world with less available inventory to hit a dwindling target audience.

So MTV saw the writing on the wall and about two-and-a-half years ago they looked to tackle this

issue literally head on. We've been working with Viacom for about 25 years, so we worked together and came up with a combined objective and that was to create a platform that maximizes reach in a shrinking marketplace. So if you don't know what reach is, reach is a unique exposure to a campaign. I'll use *The Walking Dead* as an example. Let's say I saw a promo for a certain campaign that AMC was running for *The Walking Dead*. If I see it once that's counted as once. Just one reach or whatever. Now, if I see that promo three times or five times that's frequency. So I'm one unique person has seen it three times or five times. So in a shrinking marketplace we wanted to maximize the reach of all MTV campaigns that are airing.

Number two, increase conversion rates with the decreasing available promo inventory. So essentially getting the most out of it that we possibly can and for the folks that don't know what a conversion is, a conversion is if I was exposed to the promo and I watched the program that the promo was promoting for one minute. Now, in order to get a rating I would have to watch it for six minutes but in order to get a conversion you only have to watch it for one minute.

It's sort of like the whole thing, you can lead a horse to water but you can't make him drink. It's up to the research teams and the marketing teams to make sure that they get viewers to the show but then it's up to the programmers to make sure that those folks that got there stay there in order to get the rating.

Three, utilize sister networks through cross-channel marketing. If you're like Viacom and you have 15 different networks that means that you have 14 other sister networks that you could air your promos on and increase your reach dramatically. I'll show you the example later on how that actually happened.

Number four, use advanced targeting through reciprocal affinity and that really is where AMRLD

Year over year, with less inventory, the 2015 VMA campaign increased conversion rate by 26 percent.

data came into play here. So all minute respondent level data from Nielsen literally tracks minute by minute what all of their respondents are watching. So with reciprocal affinity, what is that? That's essentially audience sharing. So MTV had this new show that's like *Game of Thrones* that came out that's called *Shinara*. I actually really like it. Let's say 15 percent of *Shinara's* viewers also watch *Teen Wolf*. That makes up about 10 percent of *Teen Wolf* viewers. Now, that shows a level of affinity. If I'm trying to promote *Shinara* for season two and *Teen Wolf* is on I see that there's a level of audience share there that those people have in common. So if I promote my show, this is behavioral targeting now not just demographic targeting. I'm now targeting based on behavior.

If I promote in *Teen Wolf*, I create a higher probability of converting the 90 percent of their viewers that aren't watching *Shinara* to actually tune in and see what's going on because there's a level of affinity there that's higher than if I was promoting *Shinara* and I placed it on to another show that the audience share is much lower. So what you're always trying to do is increase the probability of conversion.

Number five machine learning algorithm, essentially we've been talking about that a lot. It's automatically scheduling promos and it's learning from its past successes and failures, automatically adjusting to those past successes and failures as well as the marketplace as a whole.

Now, in the interest of time I'm going to speed up a little bit, but I just want you to know that our two teams worked on these algorithms and on this application for a good nine months to a year. Rigorous testing, rigorous development and after it was all said and done, we maximized reach for all of their campaigns using much less inventory than what they were using before. So let me now take you through the actual 2015 Video Music Awards.

As you can see from this slide, with the new optimization engine in place, the 2015 VMA marketing campaign compared to 2014 used eight percent less inventory overall and 17 percent less on MTV itself. Also, by increasing the amount of spots on MTV's sister networks, the 2015 VMA campaign increased its reach by 27 percent on their goal demo of people 12 to 34.

Year over year, with less inventory, the 2015 VMA campaign increased conversion rate by 26 percent for people 2 plus. That means that conversion rate is the percentage of people converted that were exposed to the actual campaign. Fourteen percent for the goal demo of people 12 to 34 we increased it by 14 percent. Then for the coveted people 18 to 49 demo, we increased it year over year by 24 percent. So that pretty much concludes my portion of the demo. Now I will kick it back to Dennis.

Targeting data sources

DENNIS KNEALE:

Thanks very much, John. That was pretty interesting both of those presentations. John, let's start with you. You were talking about Nielsen AMLRD data, minute by minute data. What other data sources are out there that would be helpful to the optimization process?

JOHN CURRAN:

Well, I mean you have your social data like Facebook and Twitter to get the social sentiment. That's also very, very helpful. You have Axiom data, you have shopping cart data as Gabe was talking about before. But really what we focus on is we have a lot of different projects going on that require optimization for a lot of different types of aspects of the business for all these different media companies. We pull in tons of data from different data sources, but what we focus on for each individual project is what is the accepted currency. So for us with C3 being the accepted currency, if you want us to move some commercials on your log so you'll up C3 we can do that without having to add units and remove units from the log and also reduce the amount of AVUs. We're able to do that because that's the accepted currency and we work with that. For instance with promo optimization, Nielsen AMRLD data really is the end all, be all for what we are trying to go for because that's what our clients require and that's what they see as value.

I guess I would kick it to Gabe. Gabe, in your line of work at your end of the business, what do you see as what's important to you for accepted currency that you've had dealings with agencies that even though C3 is the overall currency. I'm sure you've had dealings with agencies that accept something between them and Viacom.

GABE BEVILACQUA:

I think when you think about the data sources here, fundamentally what you need to get agreement on is where are we measuring the actual viewing. That's sort of the first set of data sources and those are the anchor tenants for the discussion. So whether that is Nielsen, whether that is Comscore, whether that

is maybe TiVo TRA those are sort of the universes you're operating in when you say how are we going to measure whether or not the target actually consumed the commercial.

Now, when we get into what are the tools you need to have in place to define the target segment, that's where the conversation gets a lot more broad and a lot more diverse because even if you look within certain categories, say we're talking about grocery store loyalty card data. Well there's multiple vendors for that. Say we're talking about credit card data, there's multiple vendors for that. Say we're talking about geolocation data, there's multiple vendors for that. They are connected in different ways to each of those viewing universes.

One of the points I hit on earlier is what we learned is we kind of have to have a relationship and be familiar with all of these things. One of the things we hear again and again in the industry is this audience thing doesn't work if it's just a walled garden. If I can just execute my target with one network group and Viacom is great. You've got MTV, Comedy Central, VH1, Spike, CMT, etcetera. That's great but there's a bigger universe there and I don't want to be locked into a sort of proprietary target on your network and then a different proprietary target on other networks. That's really why we've taken the approach of we've got to have a big tent. We call it our open source approach to data sources. If there is something that makes a difference to a marketer we're open to it. We want to see how it work. Quite frankly, they're going to be the ones driving this.

We need to have opinions on all those data sources and that's part of partnering with an agency or a marketer is recommending solutions and understanding the rights and area and circumstances for one data source over another, but you kind of have to have them all because I don't know what all even means. I don't think there's going to come

a day when we working on Vantage at Viacom are going to say we're done, we don't need any more data sources and measurement sources to work with. We're sort of always looking on that front.

Implementing change in the business process

DENNIS KNEALE:

Is there a gap between the kinds of data that customer request because they've done the demo for so long and the new kinds of data they should be requesting and could actually get now that they aren't getting enough of?

GABE BEVILACQUA:

I think it depends on the marketer. For a lot of marketers and agencies this is still a new thing. They may have done a pilot for a few customers. There's also varying degrees and it depends on the industry.

It depends on where the marketer is coming from in their own consumer segmentation and data science sophistication sort of what they bring to the table. We sort of understand that when we're engaging with an advertiser or an agency we expect them to have a clear view on the data sources they want to use. We expect that sometimes they're going to press us to go find data sources that maybe we haven't worked with in the past and challenge us there. At the same time,

It's about finding new customers. It's about a specific product launch for next quarter.

we also never approach a client or an opportunity without some ideas for what we would do.

In some cases, it's you are going on the journey together. You might be starting from higher order goals around it's about taking share from a competitor. It's about finding new customers. It's about a specific product launch for next quarter. What's the best way to get there? We typically come armed with ideas to approach those strategies. In some cases, we're absolutely bringing up data sources that maybe a client or agency hasn't thought about, but I'd say sometimes the opposite is true as well where we're being challenged. That's a long way of saying it depends but it's such a diverse landscape of clients and industries. Certain clients have a lot of first party data that they want to bring to bear. We haven't even talked about that.

Think of it as the investment that a brand has made in their own CRM system where they know a lot about their customer so an industry where you send people a bill every month you're going to have a lot of data on your end customers. You might have also made a huge investment in a DMP, a data management platform, that you've been activating in digital and programmatic. You might want to think about how can I activate that in linear television.

So that's not everyone but that's some of the marketers out there. Again, we have to have the tools in place to be able to work with those scenarios as well.

DENNIS KNEALE:

That is especially interesting. Have you ever received any pushback or run into any difficulties when implementing your products at RSG Media into your client's business process? It's a real cat fight out there, isn't it, John?

JOHN CURRAN:

Yeah, it can be. You know, we've had two different examples, which I won't get into specifics with who. Some traffic systems want to work with you. Others don't. Now, when you show a tremendous ROI to your client, the media company itself, and they see that they would have the ability to really move the needle and make a lot of money based on this product and what's holding it up is the traffic system that they're using doesn't necessarily want to work with other vendors, sometimes if they have enough clout with that traffic system, maybe they have a really good deal with them or something like that, they can push it through where they will have to work with you. If not, then you try and figure out a manual process to get around it, whether it's pulling a file or helping them to pull a file that they sent you. You optimize the schedule and you send it back to them and then they make the changes on their own. It all depends on who you're working with.

Then when it comes to the teams themselves, when you're coming in there and you're saying I'm going to schedule your commercial inventory and your promo inventory a little bit more optimally than based on data science and what the data is showing us compared to what you're currently doing, saying it that way is kind of how it's sometimes taken. But really what we're trying to do is provide those business knowledge experts with the tools to be able to make even more informed choices when making schedules.

I'll give you even a third example with content scheduling, even though that's not my side of the business I am a little bit heavily involved in it. What we've been doing is we've been optimizing the actual program schedules on networks to be able to give it a little bit more of an audience flow from show to show to show so you don't have a severe

drop off. Now, we don't touch prime in that case. Prime is the baby of every single network out there, and you have people paying a lot of money to figure out what needs to go into primetime, but there is literally 20 hours of I need to focus on prime. I don't know if I can focus on late night. I don't know if I can focus on what's going to airing from 1 a.m. to 2 a.m. or 2 a.m. to 3 a.m.

That's where we can come in and assist. So there's a lot of different areas that may be very time consuming, places where it's taking your focus away from where you could be placing it. That would be more efficient for you and more beneficial to the company where we can step in and say let us help you with this. Of course, at the end of the day, you always have the decision whether or not to take our recommendation but really what we're doing is we're just bringing data into the world. We're trying to bring data into the world of television similar to what Gabe is doing and just showing the value of it and seeing how you can really make it work for you.

GABE BEVILACQUA:

One of the advantages of doing this as a network group, Vantage, we absolutely access prime. We are looking at the whole schedule. It's a question we get, what does audience mean? Does this mean that this is just the leftovers and the remnant? To my earlier point about transparency, absolutely runs in prime, it runs in premieres and we're completely transparent about where we're running and we show you every last bit of that.

DENNIS KNEALE:

Let me do a follow-up question for Gabe. What is, do you figure, the biggest obstacle to implementation of this kind of 'beyond the demo' capability? Is it we've got too much data overload? Is it not enough

iron for processing through all of the stuff we could be doing? Is it human, behavioral, and personality?

GABE BEVILACQUA:

I would say maybe two years ago we hadn't figured out all of the technical details, maybe some of the operational hurdles. Where we sit right now, we were very deliberate a year ago in last year's upfront in offering Vantage to a limited set of partners. So it was 11 brands that we were working with, carefully selected. That was a real growth year for us. This year, we're expanding this program a lot more broadly and one of the reasons

You need to show them the value in what the data can provide them.

we can do that is that we've figured out not only all of the optimization, all of the prediction and planning, as well as all the segmentation stuff, but we've also figured out the plumbing, the operational what did the bill look like, what do your reports look like? All the boring stuff that no one likes to talk about but it really matters if you're going to scale these things.

So in terms of challenges for implementation I think it comes down to a broader question of you are challenging a way of buying that is well-established, that a lot of marketing planning has been built around for a really long time. So our hedge is we guarantee on that custom target. We are going to deliver an optimize of the custom target but we are still going to show you what you delivered against adults 18 to 49 because we need you to understand as a partner and as a marketer working with us...

you need some way to compare the old and the new. That's the bridge for doing it. Ultimately, for us, I don't know if every network group is there. I don't know where everyone is but barriers to moving forward with these campaigns aren't really about the can we do it or how long will it take us to do it. Our implementation times are really, really fast right now. It's more about the conversation of does this make sense for the marketer, how do I understand this in the context of what I've done before, what is this really going to look like and how is it going to impact my result.

DENNIS KNEALE:

How about you, John? If you had to point to the bigger obstacle, whether it's human or technological or data capacity? What are the things that get in the way?

JOHN CURRAN:

Gabe hit it right on the head. It comes down to the fact that you're trying to go in there and suggest a different way of doing things when people have been doing things their way successfully for years and year and years.

DENNIS KNEALE:

We hate change.

JOHN CURRAN:

If it's not broke don't fix it. So what you really need to do is you just need to keep at it. You need to show them the value in what the data can provide them and how much easier it can make their job so that they can really look at the entire marketplace,

see what's really going on, and then make their informed decision that they're getting paid a lot of money to make. It's just providing the tools to these decision makers to make the most informed decisions that they possibly can.

DENNIS KNEALE:

John and Gabe, one advantage of the new big data approach and the machine learning algorithms and all of that is that you start with so much data that you're therefore able to track a lot of things and prove some things quantifiably with the figures to kind or prove return on investment. I think having worked with RSG Media on a couple things and written a couple columns, you guys actually go out of your way to really try to quantify claims and actually cite specific percentage figures on returns, which sometimes are rather astounding.

JOHN CURRAN:

It's really awesome when we work with folks like the folks at Viacom. We can't necessarily scream to the moon what we're doing for all of our clients but the generosity that we've gotten from folks at Viacom, we're doing articles together and stuff like that to really explain the great things that we're doing together is absolutely amazing.

GABE BEVILACQUA:

I would say what we're talking about with Vantage is

separate from the work that John's been discussing. I think I like that the folks at MTV are open. I like to see on the other side of our business and the folks at MTV are open to that kind of transparency because that's the approach we try to take. I think you'll see case studies start to surface a little more broadly with some of these things from a marketer perspective. I think that's really driven by it's early, people are learning. You don't see a ton of folks talking about what they're doing here in the press quite yet but I have a feeling it's coming pretty soon. We look forward to that because we're measuring, we're sharing, we're doing concurrent effectiveness research with a lot of our Vantage clients. We're very happy with the results. Our clients are as well. Everyone who's done Vantage has continued doing Vantage, so that's very, very encouraging for us. It reinforces that it's working for them.

DENNIS KNEALE:

Well Viacom is the perfect place to home-grow a solution like that and then be able to help push an entire industry its way. It does seem like with the technology we've got in place and the big data techniques and the data mining and the machine learning that we are getting closer and closer to a future of an audience of one, of an ability to track every single viewer. We no longer need to track 35 thousand homes to project Nielsen ratings on to 120 million or something. Instead, we'll know what each and every one is doing. I am Dennis Kneale telling you all thank you very much for tuning in and thanks to RSG Media. Until the next one, guys, have a great day, everyone.

For more information, please email marketing@rsgmedia.com.

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