



November 17, 2021

# Paradigm Shifts in Local Video Advertising:

Audience Building, Targeting,  
and Measurement

**BIA**

ADVISORY  
SERVICES

# Welcome Everyone!

## Today's agenda

- **We'll talk through these topics:**
  - BIA's ad forecast estimates for local video in 2022
  - Status of local video measurement
- **We'll explain how BIA can help you:**
  - Local Media Forecasts
  - CI and Strategic Consulting
  - BIA ADVantage Local Market Forecasts

## Webinar Hosts



**Rick Ducey**  
Managing Director  
BIA Advisory Services



**Mitch Oscar**  
Director of Advanced TV  
Strategy, USIM

# **BIA's 2022 Local Video Forecast**

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Issued Sept. 2021





# BIA's Local Video Advertising Revenue Comes from Each of these Media:

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**Local Television** – all its core over-the-air advertising revenue (excludes digital revenue and retransmission consent fees)

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**Local Cable** – all its local cable systems' advertising revenue

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**Local Out-of-Home** – digital cinema advertising revenue and advertising revenue from out-of-home video delivery (e.g., taxicab video)

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**Local Online** – portion of local online revenue generated from video advertising by pure-play online companies and online sites of other local media (newspapers, television, radio and directories)

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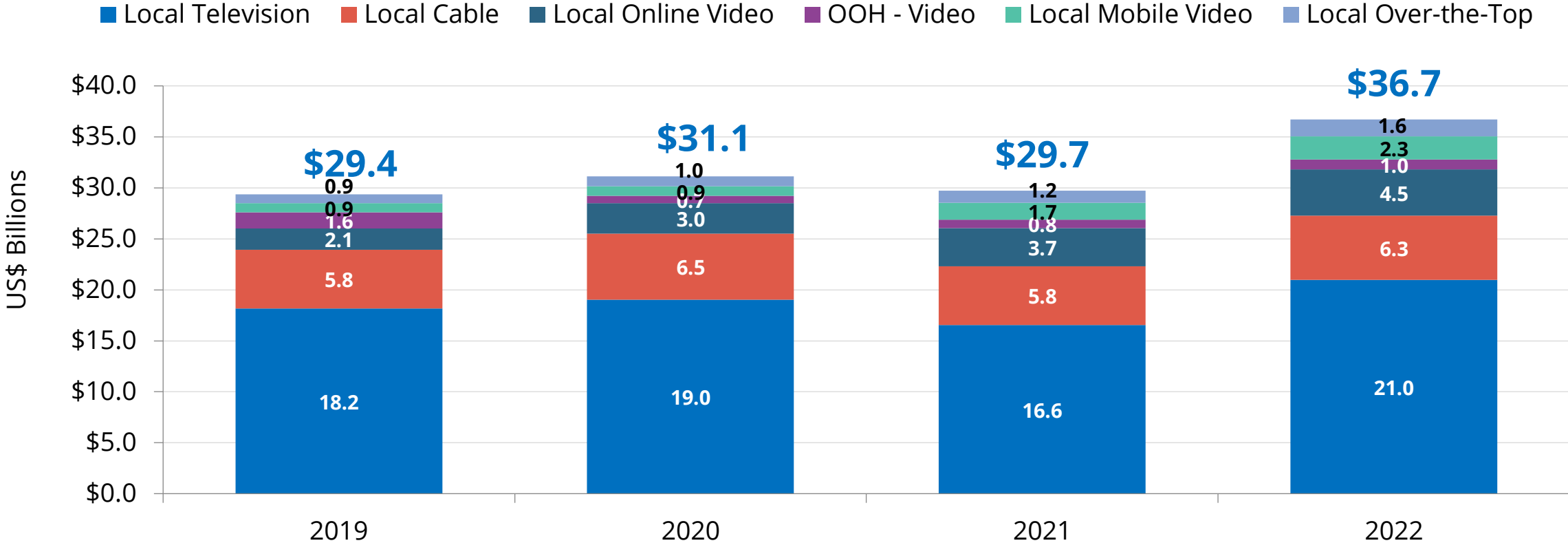
**Local Mobile** – revenue from advertising related to mobile video services

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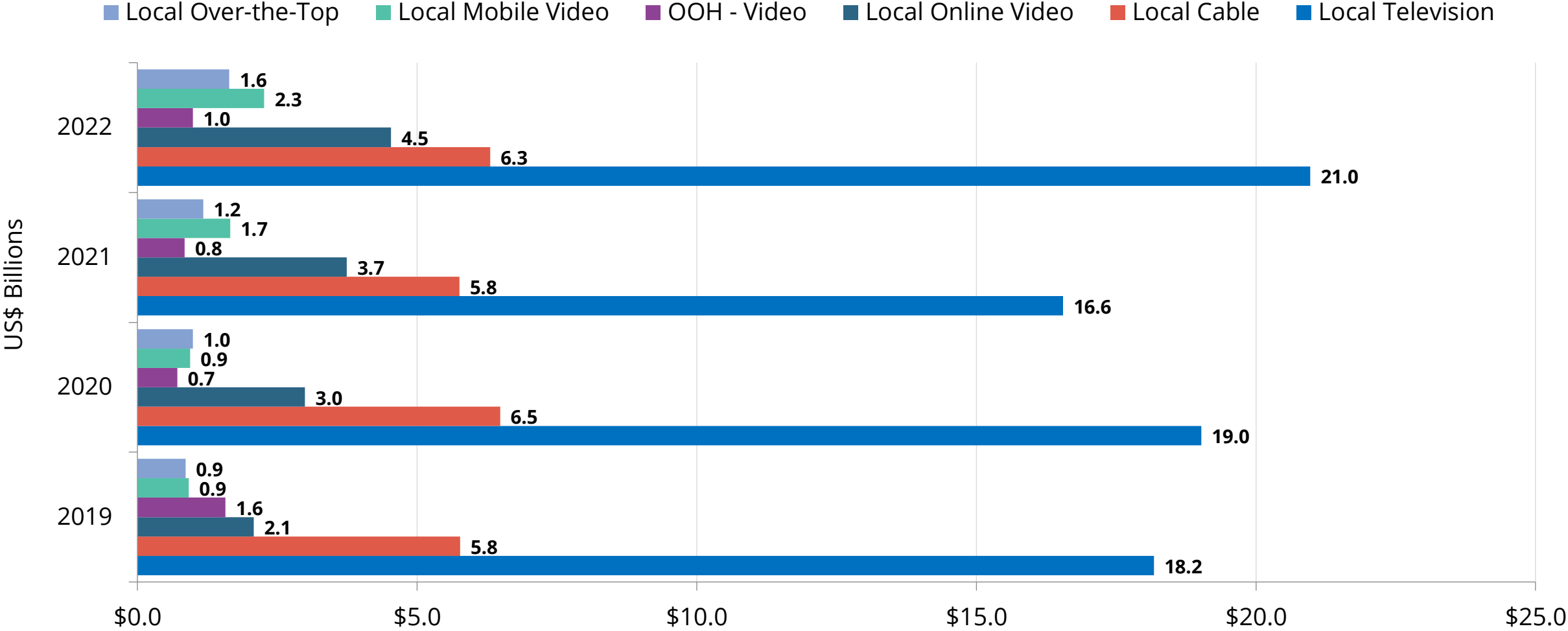


# Local Video Advertising Revenue Estimates 2019-2022

Looking out five years, BIA estimates total local video advertising revenue will grow through 2026 (+8.5% CAGR); slightly above the overall local advertising market.



# Local Video Media Breakout Estimates



# Further Insights: Local Video Advertising Next Five Years

- **Local television stations'** advertising will grow slower than overall advertising through 2026 (+5.8% CAGR); strong advertising growth in even-numbered years due to political makes up for erosion in other verticals.
- **Cable** continues to suffer loss of paid video subscribers. "Cord-cutting" and "cord-shaving" by consumers has negatively affect local cable systems' reach and advertising revenue. Strong political advertising is still occurring in the even-numbered years.
- **Over-the-Top (OTT)** advertising will have strong growth through 2026 (CAGR +19.0%), as more consumers take advantage of various streaming services on their TVs.
- **Out-of-Home (OOH)** video advertising grows stronger than traditional video through 2026 (CAGR +12.8%), targeting consumers close to points of purchase and high exposure rates.
- **Local PC/Laptop video display advertising** continues to grow at a substantial rate (CAGR +19.8%), as advertisers can use this platform to target specific types of consumers.
- **Local Mobile video advertising** maintains its strong growth (CAGR +16.0%), as increased mobile usage gives advertisers the ability to target consumers near their points of purchase.
- **NextGen TV** (ATSC 3.0) roll-out continues with a goal of transitioning 62 markets serving 75% of viewers, according to ATSC by 2021. We don't expect to see significant ad revenues from this platform for several more years.

# Local Video Digital (Display Ad Spending)

BIA's ad forecast shows video display advertising growing from \$4.05 billion in 2019 to nearly \$8.7 billion in 2022.

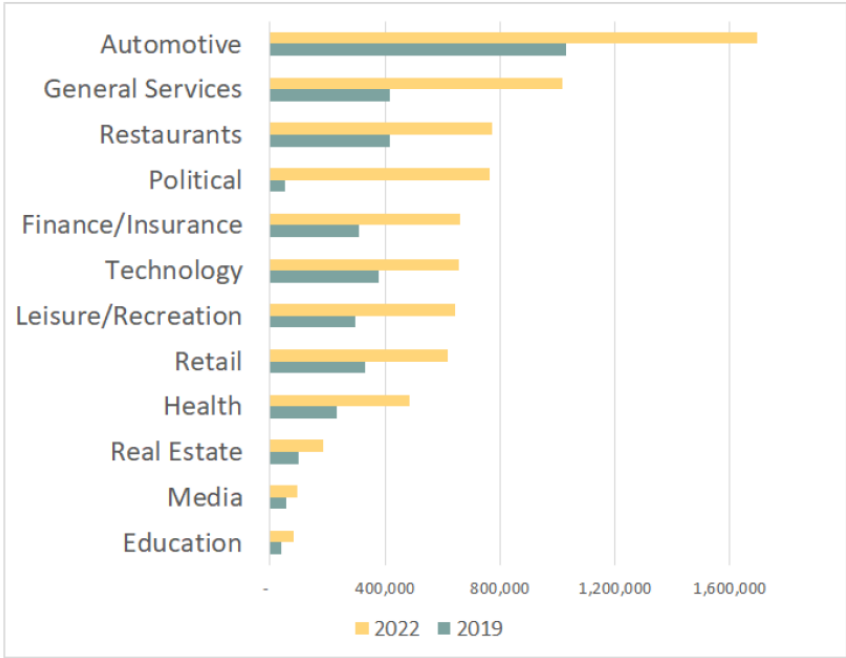
- Increased investments in video ads, mobile and programmatic transactions is driving growth.

**\$8.7B**  
*2022 Projected Local Ad Spend*

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**28.9%**  
*Ad Spend Growth (CAGR) 2019-2022*

VIDEO DISPLAY AD SPEND BY SUPER VERTICAL



Source: BIA U.S. Local Advertising Forecast 2022, Issued Sept. 2021

 [Download PDF of this data in the Control Panel.](#)



# Meet Our Expert Panel



**Brad Adgate**  
Media Consultant  
and **Forbes** Contributor



**Mike Braun**  
SVP, Digital Media  
**Gray TV**



**Justin Evans**  
Global Head of Analytics and Insight  
**Samsung Ads**



**Bob Ivins**  
Chief Strategy Officer  
**TVSquared**



**Brad Thompson**  
SVP, Partner, Integrated Investment  
**Universal McCann**



**Chris Wilson**  
Chief Commercial Officer  
**Comscore**



**Forbes**

# For Nielsen Ratings Complaints And Potential Competitors Is Nothing New

BRAD ADGATE

MEDIA CONSULTANT & FORBES.COM CONTRIBUTOR

NOVEMBER 17, 2021

# NIELSEN: IN THE BEGINNING

- Began national TV ratings service in 1950
- Using a audimeter that passively collected HH tuning from 1700 homes. Households turned over every five years.
- Later National Audience Composition (NAC) was added. Weekly TV diaries of about 625 persons, were integrated for demographic ratings.
- Household ratings measured daily, demographic ratings measured 38 weeks a year.
- TV universe were the broadcast networks.

# EARLY NIELSEN TIMELINE

1973: National daily household ratings (overnights) began in 1973.

1980: Nielsen Homescan launched measures VCRs & cable.

1985: National syndication ratings begun.

1987: National People Meters replaces audimeter/diary

Nielsen has been the sole provider of national TV audiences for decades.

# NIELSEN PEOPLE METERS

- Sample size has grown from 2,000 homes in 1987 to 40,000 homes.
- Households in sample for no more than 2 years.
- Continued measurement.
- Annual turnover 60%-70%.
- Respondents told to notify Nielsen for any changes that could impact ratings.
- Nielsen personnel calls every three months & in-home visit every six months.
- Local People Meters (25 markets) part of national sample, weighted.
- Out-of-home audiences via PPM added in 2020. (44 TV markets)
- Secondary/vacation homes not measured.



# AGB & PEOPLE METERS

AGB, a British company began testing People Meters in Boston 1985. Rolled out a national sample of 2,000 households in 1987.

AGB clients were CBS, MTV Networks & a handful of ad agencies.

Nielsen introduced its own national People Meter sample of 2,000 households.

With little difference, industry stayed with Nielsen.

In 1988 AGB suspended U.S. operations.

## R.D. PERCY (1987)

R.D. Percy developed a passive meter using heat sensitive, infrared device that that detected when a person was leaving the vicinity of a TV. Respondents were flashed a message when they returned. Had capability to measure ad zapping.

Failed to gain any industry support.

## OTHER NIELSEN COMPETITORS: SCAN AMERICA (1991)

Arbitron launched Scan America, a single source measurement which combined TV viewing with a wand that tracked UPC purchases to measure ROI.

CBS, Young & Rubicam and a few CPG advertisers were clients. Lack of funding led to a shut down of the service.

Arbitron was acquired by Nielsen in 2013 now Nielsen Audio.

## SMART (1993)

Funded by broadcast networks, Statistical Research, SMART was a “state of the art” that would measure out-of-home TV viewing. Broadcasters claimed Nielsen overreported cable TV audiences and underreported younger audiences. Would be able to measure out-of-home.

Lack of industry support beyond the broadcasters doomed SMART.

## ERINMEDIA (2006)

erinMedia used set-top-box from MVPDs to measure tuning. Nielsen announced plans to launch a new division called “Digital Plus” using similar methodology. The announcement stymied erinMedia funding.

erinMedia sued Nielsen which was confidentially settled out of court in 2008.



# COMSCORE

Based on longevity and clients, Comscore has been the most successful Nielsen rival.

Acquisition of Rentrak in 2015 enabled for TV tuning information from MVPDs and cross platform measurement.

Comscore measures national TV, local TV, box office, ad supported VOD, addressability, place-based, digital, cross platform.

Clients include prominent ad agencies, TV networks and station groups.

Have accelerated their MRC accreditation.

Have become financially stable with investments from MVPDs.

# NIELSEN HOUSEHOLD EDITING RULES (IN-TAB SAMPLE)

Mechanical Failure/ Equipment Breakdown

Phone Lines Down

Unidentified Viewing

TV set or People Meter Unplugged

Natural Disasters

On average 85%-90% of sample homes provide usable data each day. Called in-tab sample.

## VAB/NIELSEN (PART 1)

Long history of dissatisfaction with Nielsen among networks going back decades. Most recent was during the pandemic.

In April VAB questioned Nielsen over lower weekly TV reach and usage (defies logic in a lockdown).

VAB claims there were more zero viewing homes in sample (some respondents moving to vacation homes)? Decline of thousands in daily in-tab sample.

With a lockdown Nielsen unable to visit sample homes. VAB wanted Nielsen to be audited.

Nielsen cited more viewing to streaming providers, studios locked down among other reasons for the lower audience.

## VAB/NIELSEN (PART 2)

MRC audit says Nielsen undercounted audiences by 2%-6%, costing \$\$\$\$\$.

Nielsen requests a hiatus to their annual MRC audit, to focus on their planned cross-platform measurement initiative Nielsen One.

In September, MRC board of directors suspends Nielsen's accreditation for both national and local measurement.

NBCU sends out an RFP to 54 "potential partners" looking for innovative and effective TV/video measurement solutions.

Virtually all 2021-22 upfront deals used Nielsen as the negotiating currency.

STAY TUNED

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# Q&A with Our Expert Panel



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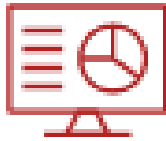
**Chris Wilson**  
Chief Commercial Officer  
**Comscore**



# How BIA Can Help Services + Data

# BIA Can Help You with OTT: Forecasts, CI & Consulting

BIA can help you keep up on the current and future trends in the local and national media ecosystem – especially around OTT.



## Local Market Forecasts

Get access to BIA's quarterly ad forecast for your local market(s). Track ad spend across 12 top verticals or 95 business categories.

**(BIA ADVantage)**

**Learn more here:**

**<http://bit.ly/BIA-ADVantage>**

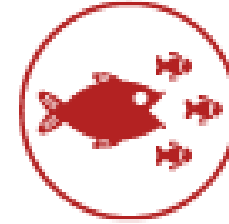


## Virtual Briefings & Strategy Sessions

Custom briefings on trends and challenges.

On demand strategy sessions on new players and products.

**(Strategic Consulting)**



## Competitive Tools

Competitor profiles, analysis and war cards that can cover verticals OTT, OTT platforms, addressability, cross platform measurement, technology and ad product messaging.

**(Competitive Intelligence Service)**

# Special Offer: U.S. Local Ad Forecast

## Get a full assessment of the local ad spend in the U.S. Local Ad Forecast for 2022.

The forecast offers

- Reliable view of the ad spend in local media
- Market outlook now and in five years
- Insights into the ad platforms that are growing in use by advertisers
- Forecasts for specific media, like Over-the-Top (OTT), Local Mobile, Local Video and more

Track activity and opportunity.

Cost: \$1,095. **Get 20% off with code: uswebinar20**

**PURCHASE ONLINE:** <https://bit.ly/LocalForecast22>

Questions? Email [sales@bia.com](mailto:sales@bia.com).

➔ **BIA ADVantage Clients:** [Login to the platform](#) to view the forecast in the *Reports & Webinars* area.



Save 20% with code:  
**uswebinar20**

<https://bit.ly/LocalForecast22>

Questions? Email us at [sales@bia.com](mailto:sales@bia.com)

The graphic features the BIA Advisory Services logo on a light green background. To the right, there is a stack of US dollar bills, with a \$100 bill prominently displayed. The text '2022 U.S. Local Advertising Forecast' is written in a large, bold, black font. At the bottom, a blue bar contains the text 'Nationwide Overview of the Local Media Advertising Marketplace 2021-2022' and a small white arrow icon pointing right.



QUESTIONS ABOUT THE FORECAST OR WANT ASSISTANCE?

**Get In  
Touch With  
Us**

**Website**

[www.bia.com](http://www.bia.com)

**Emails**

[advantage@bia.com](mailto:advantage@bia.com)

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