



2021

The VAB Top 10

A top-line view of how the industry is adopting audience-based buying



89%

of marketers are expecting a **“significant shift”** to an audience-based TV buying approach over the next 3 years

To help marketers prepare for the future, we are **sharing an “insider’s look”** at how your peers in the industry are evolving their TV buying strategies, investment priorities and infrastructure. This understanding can be used to help influence your own buying strategies in 2021 and beyond.

Source VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q170. How much do you agree or disagree with the following statements? (strongly/somewhat agree). Base = Total Respondents.

Custom research to understand buying strategies



In March 2021, VAB, in partnership with Spectrum Reach, conducted a custom study of over 200 marketers to assess how the industry is adopting audience-based TV buying – from their level of awareness and familiarity to their belief in the ability of the approach to drive business outcomes.

First Release!

Part I: Top 10 Findings



This piece equips you with the **10 key findings** from the survey. We uncover to what extent marketers are familiar with, executing, and investing in ABB as part of their video buying strategies.

Part II: Industry Insider Look Coming in June



An insider's look at how **small and large agencies and brand marketers** are approaching their TV buying strategies.

Part III: Challenges & Solutions Coming in July



We identify the **challenges** agencies and brand marketers are facing in embracing an audience-first mindset and the solutions to help overcome those obstacles.

See appendix for greater details behind the make-up of the 211 marketer respondents. Survey fielded March 23 - 31, 2021.

10 key questions that marketers need to know about audience-based buying

1

Do marketers understand what audience-based buying is?

2

How willing are marketers to adopt audience-based buying for their TV campaigns?

3

To what extent are marketers adopting an audience-based TV buying approach?

4

When buying video, how often are marketers planning against specific audiences vs. demos?

5

As an organization, how are marketers buying and budgeting for audience-based buys?

6

What % of marketers' budget is going to ABB vs. traditional demo-based TV buying and how did COVID impact this?

7

To what degree are marketers satisfied with their experience of the audience-based TV process?

8

To what degree do marketers believe audience-based TV campaigns can drive KPIs and business outcomes?

9

What signs are there that an audience-based buying approach is working for marketers?

10

What would encourage marketers to expand their investment in audience-based TV buying?

Click through any question box to be brought directly to the appropriate section

1

Do marketers understand what audience-based buying is?



When given six definitions, only 33% of marketers correctly identified the precise definition for audience-based TV buying demonstrating a need for further education on the practice throughout the industry

Which of the following best defines audience-based TV buying?
% of respondents

33%

“Segmenting viewers beyond traditional demographics to target a group of consumers based on behavioral, attitudinal, and / or lifestyle data”

14%

“A buying process based on data that is only purchased or obtained from a variety of sources by entities that do not have a direct relationship with the original consumer / source that the data is based on”

Third-party data

14%

“A process based on inserting targeted ads into a content stream, allowing for different ads to be served to relevant households / audiences within the same ad break”

Dynamic ad insertion

12%

“A form of buying based on both psychographics and traditional demographic data”

Approach that includes traditional demo-based buying

8%

“The ability to transact on impressions and cost-per-thousand (CPMs) instead of traditional gross rating points (GRPs) and cost-per-points (CPPs)”

Impressions-based buying

6%

“A tactic that encourages the audience to directly engage with an ad on screen through technology like augmented reality and QR codes”

Interactive advertising

12% = “All of the above” / 1% = “None of the above”

Source: VAB / Advertiser Perceptions ‘Audience-Based Buying Survey,’ fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q45. Which of the following best defines TV ‘audience-based buying’? Even if you’re not familiar with TV ‘audience-based’ buying, we’d like your opinion. Base = Total Respondents. *Italics* reflects the answers for each of the definitions.

2

How willing are marketers to adopt audience-based buying for their TV campaigns?



Over 80% of marketers are willing to upend the way they buy media, welcoming the industry-wide shift towards audience-based TV buying which they expect will occur within the next three years

% of respondents that agree with the following statements

89%

“Over the next three years, I believe the industry will **significantly shift** from traditional TV buying (GRPs) to an audience-based TV buying approach”

82%

“**I am comfortable** with moving from traditional, GRP-driven TV buying to an audience-based TV buying approach”

Source VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q170. How much do you agree or disagree with the following statements? (strongly/somewhat agree) Base = Total Respondents.

3

To what extent are marketers adopting an audience-based TV buying approach?



92% of TV advertisers are utilizing audience-based TV buying at some level with one-third currently implementing the approach as a key part of their strategy

Which of the following best describes your (company's/main client's) current approach to audience-based buying for TV advertising?



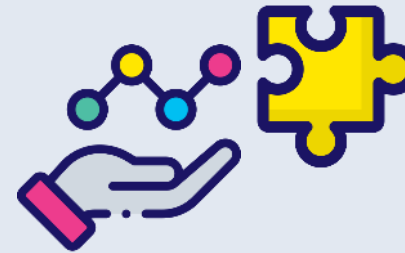
33%

“Audience-based buying is a **key part** of our TV strategy”



39%

“Audience-based buying is a **small part** of our TV strategy”



20%

“We’re **testing** audience-based buying and **determining its role** in our TV strategies”



8%

“We’re **not currently using** audience-based buying for TV”

Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q70. Which of the following best describes your (company's/main client's) current approach to audience-based buying for TV advertising? Base = Total Respondents.

4

When buying video, how often are marketers planning against specific audiences vs. demos?



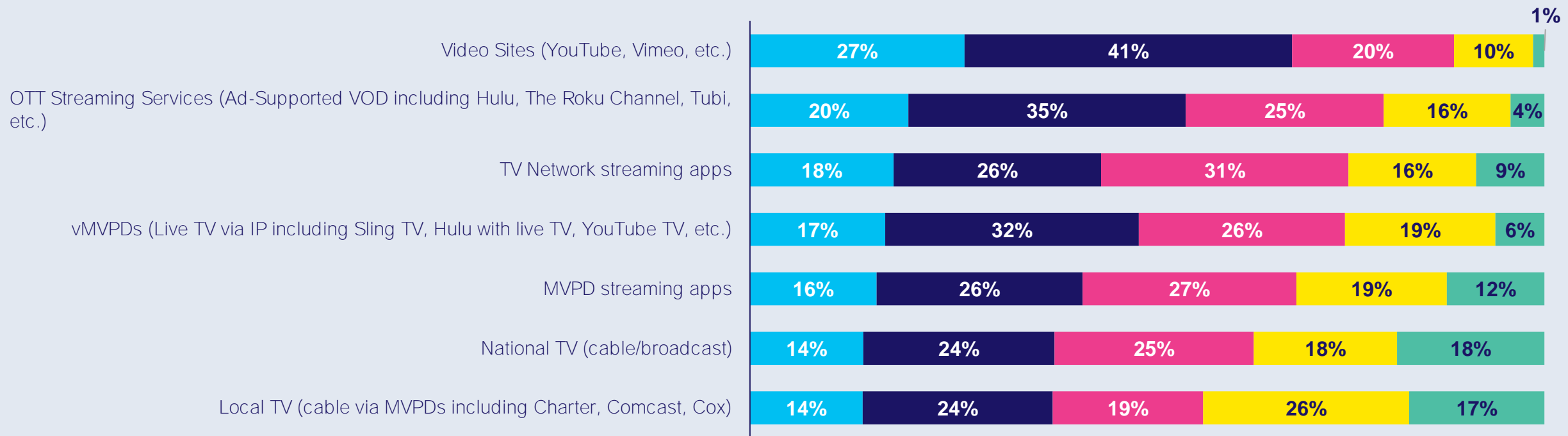
Planning against specific audiences is a common practice for digital video and OTT platforms while greater adoption lags for both national and local TV

- ▶ From a buying perspective, frequency is slightly higher for local and national TV - 41% and 40% for 'at least most of the time,' respectively – but there continues to be a large gap between TV and digital video / OTT platforms

When planning each of the following video advertising tactics, how often are you doing so against specific audience targets (vs. age/gender demos)?

% of respondents

■ All the Time (100%) ■ Most of the Time (75%) ■ Half of the Time (50%) ■ Less than half of the time (25%) ■ Never (0%)



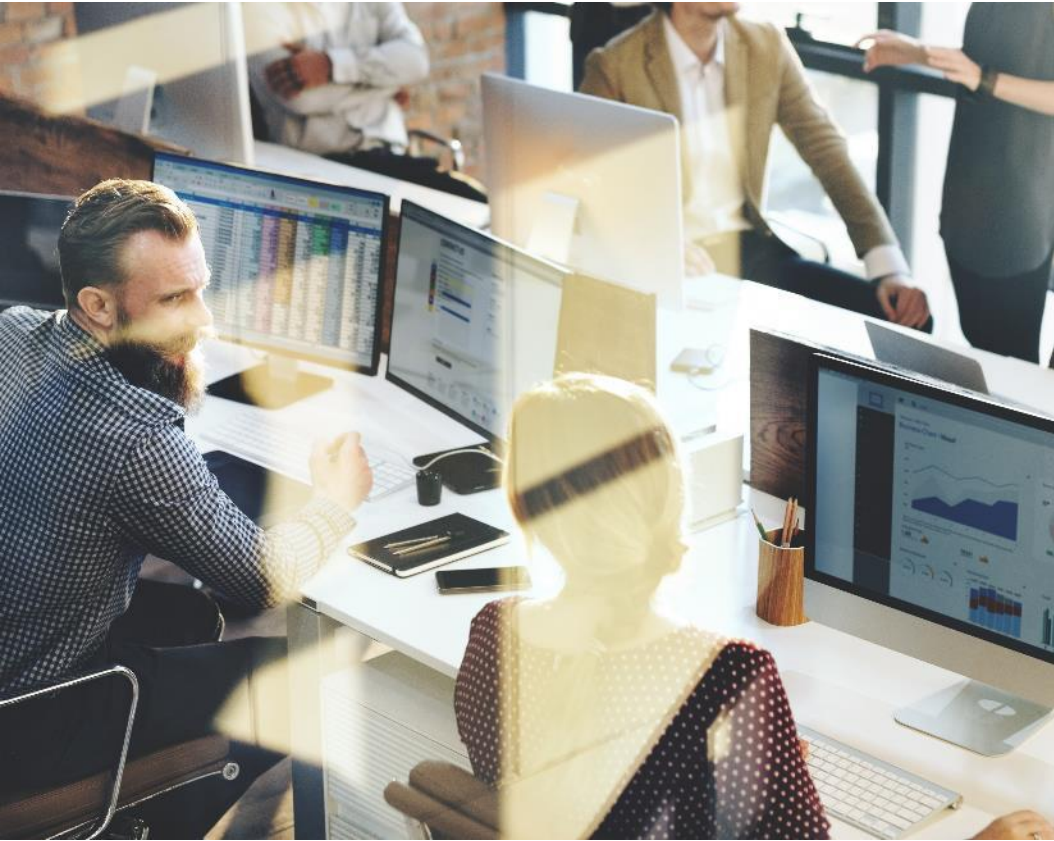
Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q60. When planning each of the following video advertising tactics, how often are you planning against specific audience targets versus age/gender demos? Base = Total Respondents. Q65. When buying each of the following video advertising tactics, how often are you buying against specific audience targets versus age/gender demos? Base = Total Respondents.

5

As an organization, how are marketers buying and budgeting for audience-based buys?



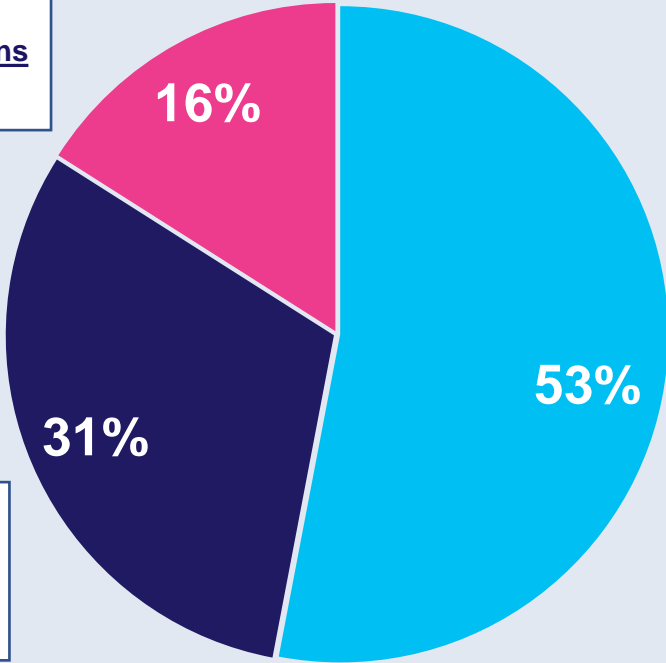
Almost half of all marketers (47%) say that their multiscreen video is planned and bought by different teams, representing the potential for organizational silos that could lead to disjointed cross-platform campaigns



How does your organization approach planning and buying video?
(TV, OTT, digital video)

Planning / strategy and buying are **done by separate organizations** (or agencies)

Linear TV and digital video are **planned and bought together** through the same team



Linear TV and digital video are **planned and bought separately** within one organization

Source VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q1. Which of the following best describes how your organization approaches planning and buying (TV, OTT, digital video)? Base = Total Respondents.

Beyond organizational silos, there are disconnects in the budgeting process as over one-third say their linear TV and digital video is allocated from separate funds

- ▶ Furthermore, among marketers who say their linear TV and digital video is allocated from separate budgets, 51% say that digital extensions of linear TV are allocated from their linear TV budget and 49% say they are allocated from their digital video budget

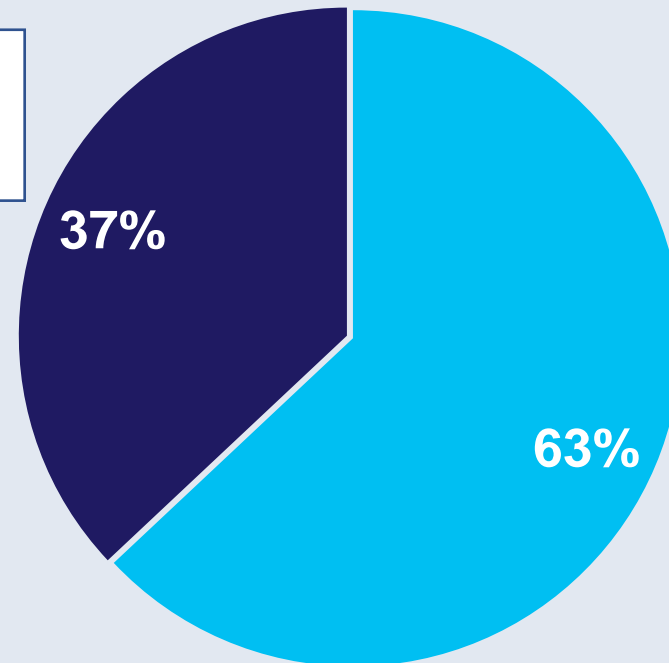


What best describes your organization's video investment approach?

% of respondents

Linear TV and digital video spending are allocated from **separate budgets**

Linear TV and digital video spending are allocated from the **same budget**



Source VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q5. Which of the following best describes your organization's video investment approach? Base = Total Respondents. Q5A. You indicated that linear TV and digital video spend are allocated from separate budgets. Which of the following best describes your organization's budget allocation? (n=78).

6

What % of marketers' budget is going to ABB vs. traditional demo-based TV buying and how did COVID impact this?

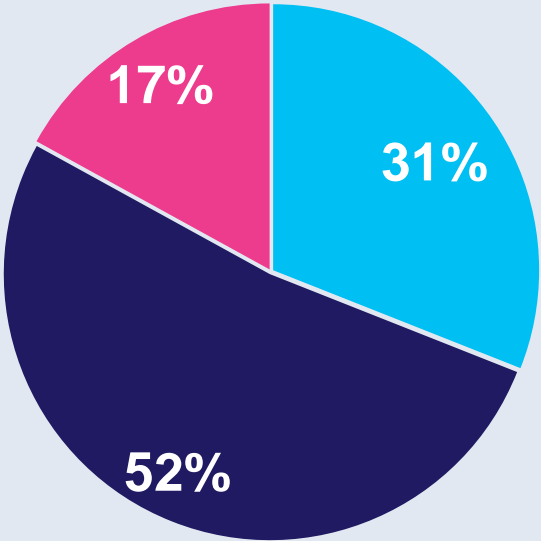


The share of TV campaign spend being activated by audience-based buying is increasing as marketers target a goal of over half of their buys being implemented by this approach

What percentage of your current TV campaign is being activated via audience-based buying and what is your anticipation for future campaigns?

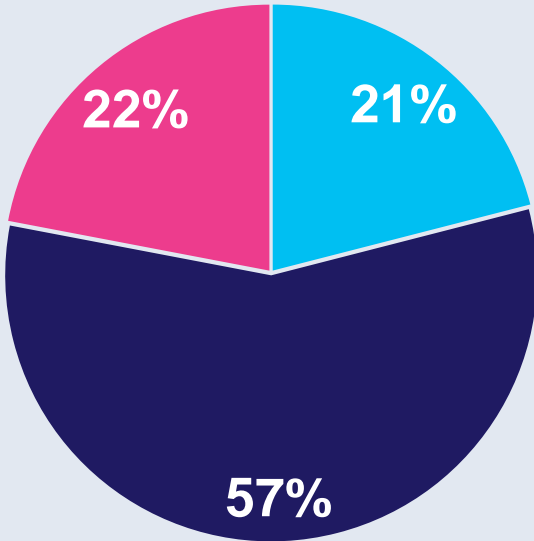
■ 0% - 30% ■ 31% - 70% ■ 71%+

Current Plans



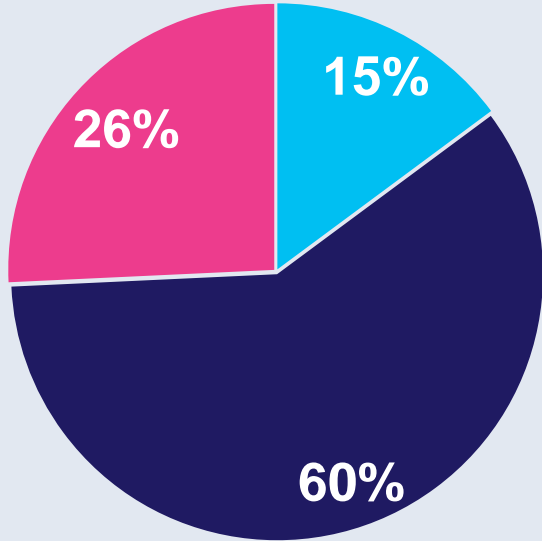
45% mean average

In 12 Months



52% mean average

Ideal Buy Allocation



57% mean average

Source VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q58. Approximately what percentage of your (company's / main client's) current TV campaign buys is being activated via audience-based buying versus traditional demographic/content-based buying? Base: Total Respondents.

The economic effects of COVID-19 has led to greater ROI accountability and the openness to new solutions which has spurred the growth of audience-based TV buying

% of respondents that agree with the following statements



87%

“With the economic downturn and increased scrutiny on ROI and budgets since COVID, there has **been more pressure to prove the effectiveness** of our video campaigns”



86%

“Since COVID, my company / client has been more **open to new ways to plan, buy and measure** the efficiency and effectiveness of our TV campaigns”



56%

“**COVID-19 has had a moderate to major impact** on my TV campaign investment allocation between audience-based buying and traditional demographic-based buying”

Source VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q20. With the economic downturn and increased scrutiny on ROI (return on investment) / budgets since COVID, there has been more pressure to prove the effectiveness of our video campaign (strongly/somewhat agree). Q21. Since COVID, [my company / main client] has been more open to new ways to plan, buy and measure the efficiency and effectiveness of our TV campaigns (strongly/somewhat agree). Q59. To what extent did COVID-19 impact your TV campaign investment allocation between audience-based buying and traditional demographic/content-based buying? Base: Total Respondents.

7

To what degree are marketers satisfied with their experience of the audience-based TV process?





72%

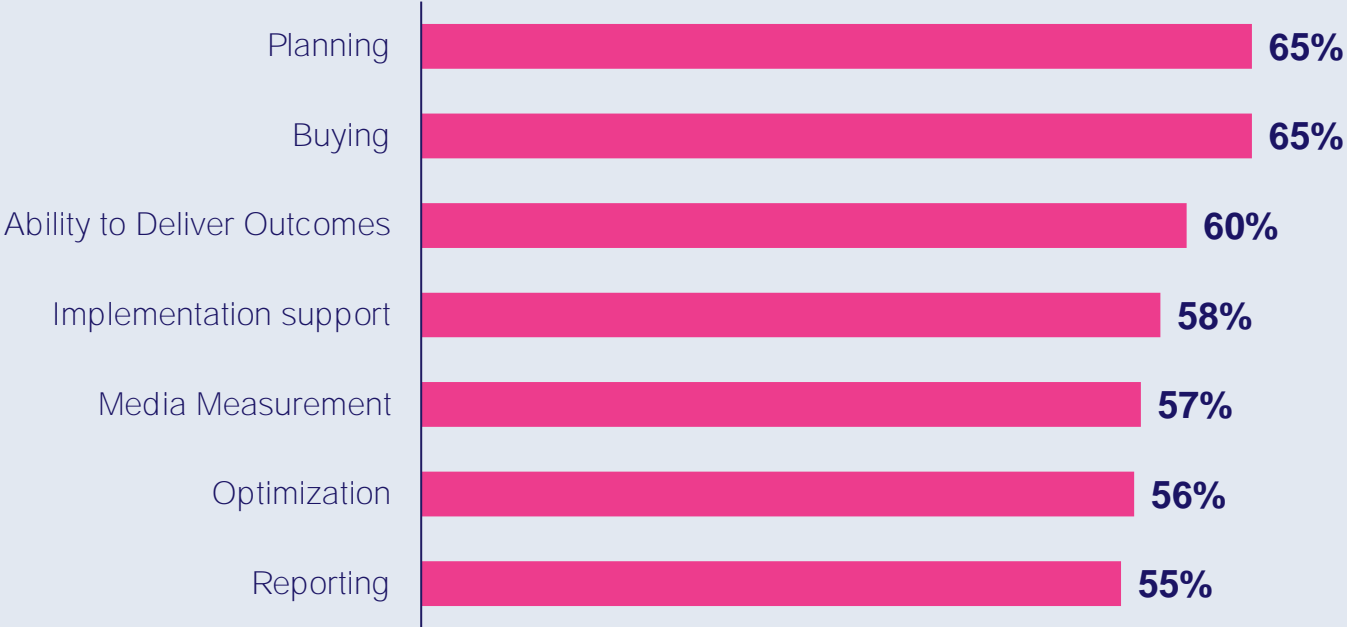
of marketers have found the shift from buying TV on traditional demos to audiences to be **easier than expected** or **about what they expected**

Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q145. Which of the following best describes your experience of the shift from buying based on traditional demographics to buying based on audiences? *Base = Respondents who say audience-based buying is a 'key part / small part' of their TV strategy (n=151).

Beyond the ease of use, more than half of those utilizing audience-based TV buying are satisfied with the key aspects throughout the process, from planning to measurement and reporting to delivering outcomes



% of respondents who are satisfied with the following aspects of the audience-based TV buying process



Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q103. How satisfied are you with the following aspects of the audience-based buying process in TV advertising? (very satisfied / satisfied). Base = Respondents who say audience-based buying is a 'key part' / 'small part' of their TV strategy or are currently testing audience-based buying and determining its role (n=194).

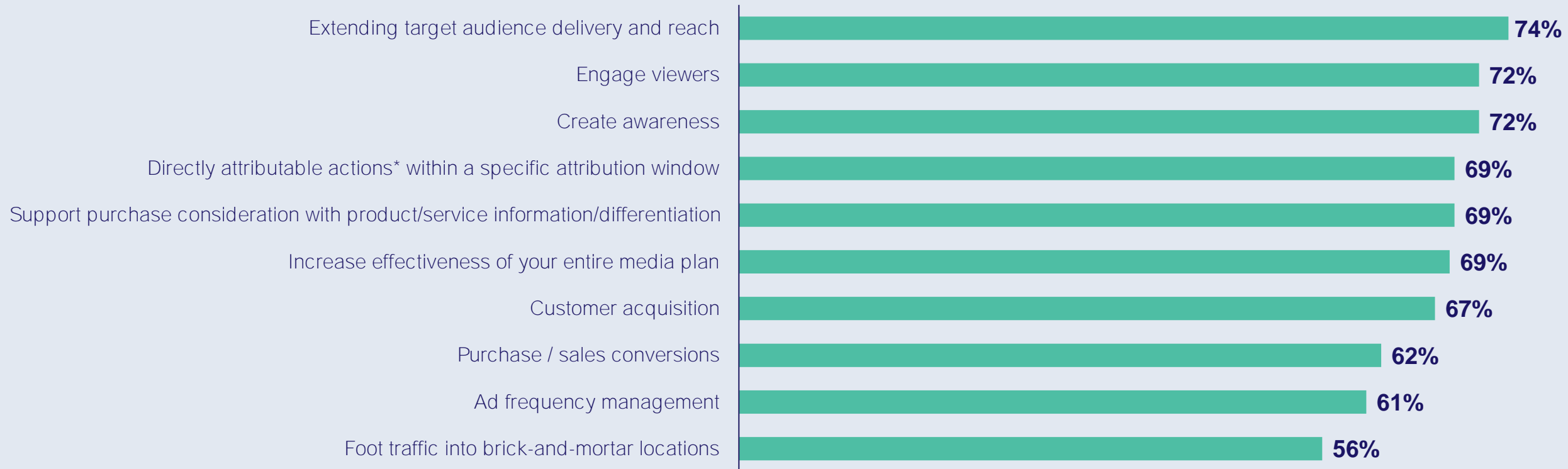
8

To what degree do marketers believe audience-based TV campaigns can drive KPIs and business outcomes?



Most marketers believe that audience-based TV buying can deliver real impact through the purchase funnel by extending target audience delivery and driving effectiveness, efficiencies and customer acquisition

% of respondents who believe audience-based TV buying can impact each of the following KPIs



Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q150. To what extent do you believe audience-based buying of TV advertising can impact each of the following KPIs? (extremely impactful / very impactful). Base: Total Respondents. *such as site visits, sign ups, login ins, downloads.

9

What signs are there that an audience-based buying approach is working for marketers?



Audience-based TV buying's ability to drive campaign success for marketers and deliver on their objectives also makes their job easier

- ▶ While 83% say audience-based TV buying is only being used by a few of their clients / brands, marketers that are utilizing it are seeing positive results

% of respondents that agree with the following statements



89%

“Implementation of audience-based buying has increased the ability to meet campaign objectives”



86%

“Overall, I am satisfied with campaign results from our audience-based buying initiatives”



79%

“Implementing audience-based buying has made my job easier”

Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q135. How much do you agree or disagree with the following statements around your experiences with TV audience-based buying? (strongly/somewhat agree). Base = Respondents who say audience-based buying is a 'key part' / 'small part' of their TV strategy (n=151).

10

What would encourage marketers to expand their investment in audience-based TV buying?



Better measurement, increased education and seller incentives would aid marketers in increasing their investment in audience-based TV buying

Which of the following would encourage you to increase your investment in audience-based TV buying?
% of respondents



Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q130. Which of the following would encourage you to increase your investment in audience-based TV buying? Base = Total Respondents.

10 Key Learnings for Marketers

1

Q: Do marketers understand what audience-based buying is?

A: Only one-third of marketers can correctly identify the definition for audience-based TV buying demonstrating a need for further education on the practice throughout the industry

2

Q: How willing are marketers to adopt audience-based buying for their TV campaigns?

A: Over 80% of marketers are willing to fundamentally upend the way they buy media as they predict the industry will shift to an audience-based buying TV approach over the next few years

3

Q: To what extent are marketers adopting an audience-based TV buying approach?

A: While most TV advertisers are implementing audience-based TV buying in some aspect, only one-third are using it as a key part of their TV strategy right now however, there is an influx of advertisers currently testing this data-driven approach

4

Q: When buying video, how often are marketers planning against specific audiences vs. demos?

A: Planning and buying against specific audiences is a common practice for digital video and OTT platforms while greater adoption lags for both national and local TV

5

Q: As an organization, how are marketers buying and budgeting for audience-based buys?

A: For nearly half of all marketers, multiscreen video is planned and bought by different teams which may create organizational silos, and disconnects within the budgeting process, that hinder the development of the most effective video campaigns

10 Key Learnings for Marketers

6

Q: What % of marketers' budget is going to ABB vs. traditional demo TV buys and how did COVID impact this?

A: COVID has led to a willingness of trying new approaches to drive efficiencies and ROI which sparked greater investment in audience-based TV buying and a goal by marketers to have over half their TV campaign spend be bought by this approach

7

Q: To what degree are marketers satisfied with their experience of the audience-based TV process?

A: A shift in approach **shouldn't feel too daunting**, almost three-fourths of marketers that shifted to audience-based TV buying found the process relatively easy or what they expected and there is similar satisfaction across key aspects of implementation

8

Q: To what degree do marketers believe ABB TV campaigns can drive KPIs and business outcomes?

A: Marketers have a strong belief in the ability of audience-based TV buying to deliver quantifiable impact on their video campaign goals through the purchase funnel, from target reach extensions to attributable actions

9

Q: What signs are there that an audience-based buying approach is working for marketers?

A: Marketers' belief in audience-based TV buying to drive campaign results and deliver on objectives is a sign that the approach is working for them

10

Q: What would encourage marketers to expand their investment in audience-based TV buying?

A: Greater education on audience-based buying solutions and benefits, in addition to sell-side incentives, would aid marketers in increasing their investment within this space

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Proven Strategies & Tactics In Audience-Based TV Buying
Success Stories Highlighted Through Real-World Case Studies



What Is Audience-Based Buying?
Simplifying Marketing Topics and Terms



Audience Migration in Context
Leveraging Population Shifts To Unlock \$4 Trillion in Buying Power



Audience Migration – Marketer FAQs #1-4
Engaging Adults 50+

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About VAB

VAB is an insights-driven organization that inspires marketers to reimagine their media strategies resulting in fully informed decisions.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.

Simplify

We save you time by bringing you the latest data & actionable takeaways you can use to inform your marketing plans.

Discover

We keep you one step ahead with the latest thinking so you can create innovative, forward-looking strategies.

Transform

We help you build your brand by focusing on core marketing principles that will help drive tangible business outcomes.

We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access** at theVAB.com.





Custom Study Methodology

VAB and Spectrum Reach commissioned *Advertiser Perceptions* to conduct an online survey between March 23 – March 31, 2021.

The results are based on 211 U.S. respondents of brand marketer and agency contacts from Advertiser Perceptions' Ad Pros Community with a wide range of annual total advertising budgets (\$10K - \$250 MM+) across a variety of market sectors (e.g., retail, financial, auto, food / dining, healthcare, technology, entertainment, etc)

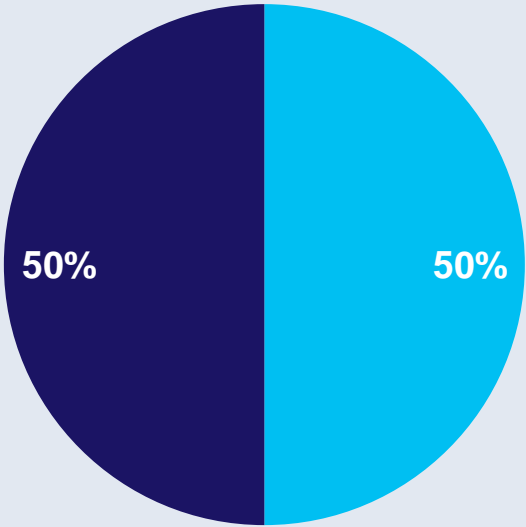
Respondent Qualifications:

- ▶ Advertising decision maker involved in TV and/or digital video advertising campaigns
- ▶ National / Regional sales focus
- ▶ Mix of job titles (junior, mid, senior level)
- ▶ Mix of independent ad agencies and holding companies

Survey respondents are evenly split between brand and agency marketers with a skew towards mid-and-senior level job responsibilities

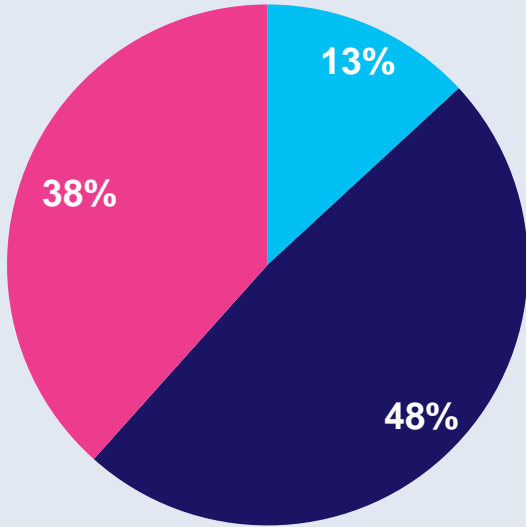
Marketer Type

■ Brand ■ Agency



Job Title

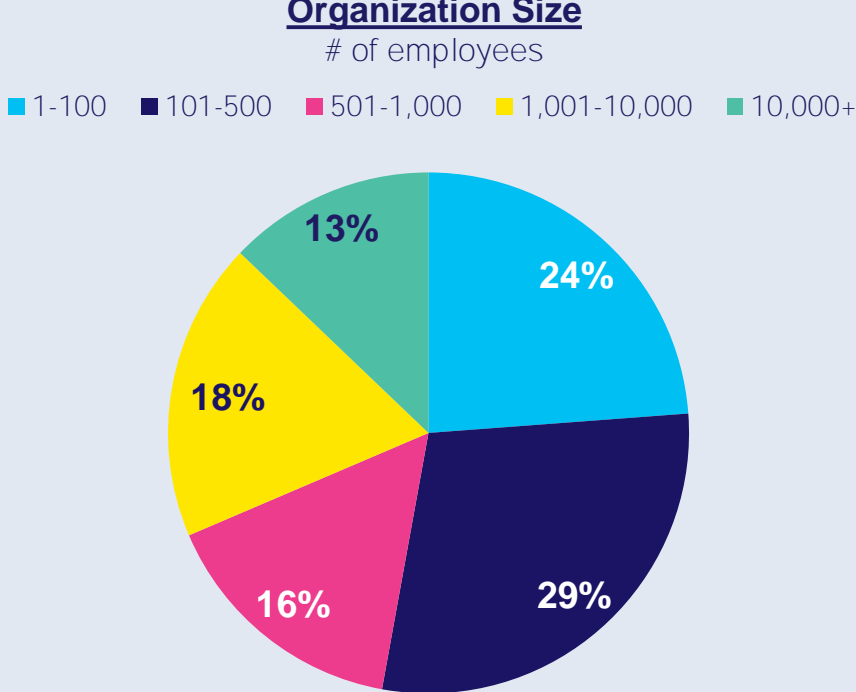
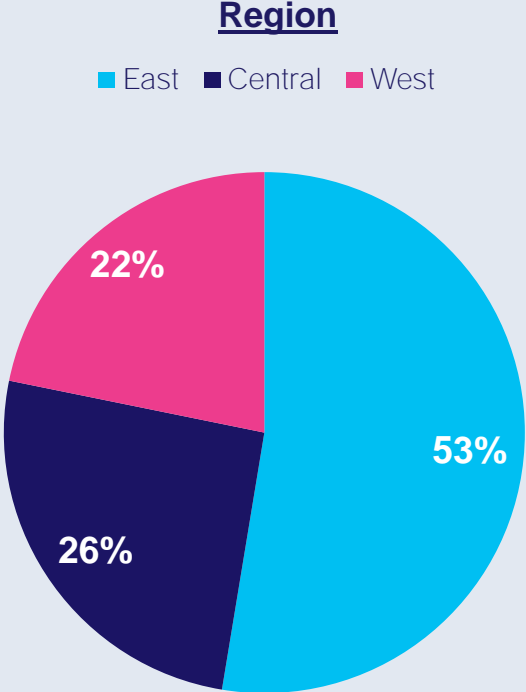
■ Junior Level ■ Mid Level ■ Senior Level



Senior Level: C-Level, President, EVP, SVP, VP
Mid Level: Director, Supervisor/Department Head/Group Manager
Junior Level: Manager, Strategist, Associate, Analyst, Buyer, Planner

Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). QS25. What type of company do you currently work for? QS5. What is your job level/title? QS5. What is your job title/level?

Survey respondents are primarily from the eastern U.S. with a nearly equal split between central and western U.S. and they represent a mix of small, mid-sized and large companies from a personnel perspective



Source: VAB / Advertiser Perceptions 'Audience-Based Buying Survey,' fielded March 23 – 31, 2021. Survey base: Advertising decision-makers who are involved in buying or planning digital video, cable / broadcast TV, or advanced TV (n=211). Q1. In which state do you primarily work? Q240. How many people are employed at your company (all locations)?