



What Is Audience-Based Buying?

Untangling and simplifying marketing topics and terms

Definition:

*Many marketers plan and purchase television advertising based upon a demographic - primarily age and/or gender, such as adults 25-54 or women 18-49. **However, with advances in technology and measurement, marketers can target and buy multiscreen TV ad campaigns against specific audiences such as lifestyle characteristics and purchase behavior.** The process of planning and buying advertising in this way is called 'audience-based buying'.*

*Using anonymized aggregated data to inform their decision-making, **marketers can deliver relevant advertising directly to custom audience segments** like "new parents" or "in-market car shoppers", wherever and whenever they are watching.*

What are the 3 things to know about it:

- *The ad industry has long voiced support for advancements in ad targeting capabilities and the need for it has been accelerated significantly by COVID-19. In fact, **65%** of advertisers agree that the **increased financial pressures brought on by the pandemic** have resulted in a heightened need to **demonstrate direct sales outcomes** from their campaigns.¹*
- *Traditional buying against a demo-based audience like adults 25-54 is no longer in sync with actual viewing behaviors and U.S. population shifts. Fast growing brands, like those in the direct-to-consumer space, who **rely on outcomes data to make their decisions**, have found success by embracing audience-based buying.*
- *Currently, only **1 in 5** marketers think they are effectively reaching the right audience. Fortunately, a growing number of programmers and platforms now offer audience-buying solutions to advertisers. Similarly, there are many measurement companies who can help advertisers quantify the impact of their cross-platform video buys.²*

Why it's important:

*An audience-based buying approach offers marketers a smarter way to plan and buy TV - one that provides **greater precision** to reach their target audiences, that integrates **comparable metrics to plan and buy cross-platform campaigns** and that delivers the ability to **tie campaigns directly to brand outcomes**. Therefore, industry-wide calls for an evolution to audience-based buying have gained momentum.*

What Is...



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By thinking beyond traditional demos, like adults 25-54, and opening up buying to all audiences, marketers can better engage their most likely current (and future) customers and unlock access to consumers that spend **nearly \$4 trillion annually, or 45% of total U.S. spending.**

Marketers looking to get started with audience-based TV buying have a variety of platforms to choose from. Major media companies have already **introduced their own solutions**, such as NBCU's [NBCUniversal One Platform™](#) and Ampersand's [The AND Platform](#), to provide marketers with turnkey solutions for targeting their buys while still connecting at scale.

To overcome issues with standardization and simplify the process for advertisers, consortiums like [Project OAR](#) and [OpenAP](#) are collaborating with companies like AMC, FOX, ViacomCBS, Univision, FreeWheel and Vizio, signifying the weight of support behind this evolution.

Industry Perspectives:

- **Data & Measurement Perspective:** *"The industry needs a **currency that accounts for total audience**....we wanted to really take the impression and amplify that and be able to measure it, tie it to outcomes and tie it to audience all from a single platform."* – Jo Kinsella, President, TVSquared (regarding the launch of TVSquared's cross-platform measurement platform, Advantage XP)³
- **Seller Perspective:** *"There's no going back....we've seen such a **major shift** since COVID started **toward audience-based buying**."* – James Rooke, General Manager, Effectv⁴
- **Marketer Perspective:** *"We used to look at our media plan, and say, 'here's what our linear plan is,' and then, 'how do we fill in with some of these other mediums?' **We're now saying, 'where is our audience?'**"* – Melissa Grady, CMO, Cadillac⁵

Future Outlook:

The factors that are accelerating the need for audience-based buying have only strengthened: **shifting population dynamics**, the new **opportunities in ad tech and measurement** and the **increased pressure** on marketers to **demonstrate ROI** from their media buys.

Already **28%** of advertisers plan on **increasing their investment on data-driven linear TV** in the next year⁶ and more marketers will gravitate towards audience-based TV buying solutions to **reach their target audience more precisely and efficiently**. These marketers also have a **desire for better measurement** within their TV campaigns which will provide them with greater insights around consumer purchase motivations and the **ability to optimize** both their current and future buys.

Challenges exist, but there is a path forward: *tackling obstacles like improving **data integration and accuracy**, as well as **standardizing audience definitions** across media sellers, will help bring audience-based buying to scale. However, much of that will require cooperation across linear and digital companies to bring about unified data solutions.*

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Related Terms:

- **Addressable Advertising:** *A form of audience-based buying, addressable advertising gives marketers the ability to target specific households and serve different relevant ads to different viewers within the same program.⁷*
 - **Associated Terms:** *Addressable TV, Household Addressable, Video-on-Demand Addressable*
- **Advanced TV:** *Any TV advertising that goes beyond traditional buying practices to deliver more efficiency and measurability. 'Advanced TV' is often used as an umbrella term when talking about the data-driven TV landscape, encompassing Connected TV, OTT / Streaming, Addressable TV, and Programmatic TV.*
 - **Associated Terms:** *Addressable TV, Over-the-Top (OTT), Connected TV (CTV), Programmatic TV*
- **Data-Driven Linear TV:** *Targeted linear TV advertising that is based on consumer data beyond just age and gender. By combining demographic data with viewing behaviors and consumer interests, marketers can target specific networks and dayparts to enhance their ability to reach a specific audience segment.*
 - **Associated Terms:** *Data-enabled linear TV, Programmatic TV*
- **Index-Based Targeting:** *Allows marketers to target based on indexed viewership data against traits like income, hobbies or food preferences. Programs with the right audience composition can then be targeted based on the index of a given characteristic.⁷*
- **Outcomes-Based Buying:** *The practice of utilizing performance-based metrics (i.e. awareness, conversions, sales, etc.) to measure success of a media plan or buy.*
- **Programmatic Linear TV:** *TV advertising that leverages data to automate targeted ad delivery based on viewing behaviors.*
- **Total Audience:** *Transacting on a currency that accounts for all adults 18+, rather than on demographic sub-groups such as 18-34 or 25-54 and encompassing viewing across all screens and platforms.*

Want to learn more?

Click on the images below for the content.



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Interested in seeing audience-based buying in practice? Look out for our upcoming release featuring a **collection of case studies** that showcase **real-world examples** of how brands have successfully implemented an **audience-first buying approach** within their multiscreen TV campaigns.

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.

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.**

Sources

1. Advertiser Perceptions, *Coronavirus Effect on Advertising report*, March 2020.
2. Xandr via MediaPost, [Survey: 55% Of Video Ad Spend Is Audience-Based, But 1 In 5 Aren't Sure They're Reaching The Right Audience](#), 11/20/2020.
3. Beet.TV, [TVSquared's Outcome Measurement Goes Cross-Platform, Kinsella Says](#), 2/2/2021.
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5. Beet.TV, [CTV Offers More Data Insights for Marketers: Cadillac CMO Melissa Grady](#), 2/11/2021.
6. Advertiser Perceptions, *Video Advertising Convergence Report, Wave 9: 2H 2020*, February 2021.
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