

Nielsen Is Adding Addressable Ads to National TV Measurement in Major Shift



For several years, networks and marketers alike have been trying to scale addressable advertising on linear TV, making only minimal progress. Now, Nielsen is about to supercharge those efforts in one of the company's biggest moves in a decade.

Nielsen is adding addressable ad measurement to its national TV currency, the company said today. Its national TV panel of 100,000 people will expand to include 55 million smart TV and set-top box devices: DirecTV, Dish, Nielsen advanced video advertising and addressable campaigns on Vizio TVs that utilize Project OAR's open addressable standard.

The company said it will begin sharing preview data in the first half of 2021, but will leave it to networks, marketers and agencies to decide when they want to begin transacting on the expanded metrics.

The move, Nielsen said, will drive the adoption of addressable

advertising, allow marketers to better monetize their impressions—buying targeted ads—without impacting linear ratings and making linear TV look more like the digital landscape. It will also benefit consumers, who will receive more relevant ads.

“Part of the reason why addressable hasn’t already grown more is in order to grow, it has to be monetized. And typically, that’s linked with measurement. So third-party measurement to provide the data is going to help as a tipping point for more innovation in the TV world,” Scott Brown, gm of audience measurement, who called this the biggest change in his decade-plus at Nielsen, said.

As connected TV usage continues to grow (Nielsen estimated that 77% of U.S. homes have at least one enabled connected device), the ability to insert addressable ads in linear broadcast feeds will enable marketers to target specific audiences in any commercial minute, not just the two minutes per hour that are controlled by MVPDs. Addressable TV ad spend will reach an estimated \$3.6 billion in 2022, a 75% increase from August 2020, according to eMarketer.

Until now, networks have been restricted in their addressable efforts in part because the C3 and C7 metrics, which were adopted in 2007 by the industry, required programs to have identical ad loads to be counted in the ratings.

That will no longer be the case for Nielsen’s data partners. Nielsen’s new data will show the total measurement and break out the linear and addressable components.

“It’s one of these rare scenarios where we’ve got a lot of excitement on both sides of the aisle: We have networks excited about the opportunity here, and agencies and advertisers excited,” Brown said.

This will not only accelerate the arrival of addressable in linear TV, but help agencies and marketers understand how the

linear audiences crosses into connected TV. “This is one of the first major steps to evolving how the TV market works, so it looks more like digital,” Brown said.

The 55 million new devices give Nielsen the larger data set necessary to measure fragmentation as networks and agencies begin to insert addressable ads into the linear ad load.

Still, the company emphasizes its core national TV panel will remain essential to its measurement efforts. Nielsen will use its panel to compare with its partner data and make necessary data corrections. “The panel will be the primary source of data to train our AI and machine learning models that ultimately project person’s level data on these 55 million devices,” Brown said.

The DirecTV, Dish and Vizio announcements represent the “first wave” of partnerships, Brown said, and he expects “a second wave to get announced in the coming months, because this is clearly where the world is going.”

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