

# How improved targeting adds to your monetization strategy

In a modern marketing context, "targeting" refers to strategies that allow advertising to be matched to the most appropriate target groups. It aims at avoiding waste coverage and turning interested viewers into buyers. The following article shows how to improve targeting and enable advertising placements as well as revenue opportunities to tap their full potential.

**C**ommercials continue to be a major source of revenue for many TV broadcasters. Despite growing competition in a disruptive media market, linear television dominates advertising expenditure with a market share of around 46.1 percent<sup>1</sup> dominates advertising expenditure in Germany. However, it is more and more expected that the expansive targeting capabilities of online and social media platforms are also offered in classic TV.

## Targeting in linear TV?

How does it work? Each program has its rating for classic target groups which are measured by gender and age. Besides, it is evaluated which type of people prefers a program, such as people with high incomes or many children. For each of these segments, the program is assigned an index that equals to 1 if the program is watched by the population average and greater than 1 if people with these characteristics are the preferred audience of the program.



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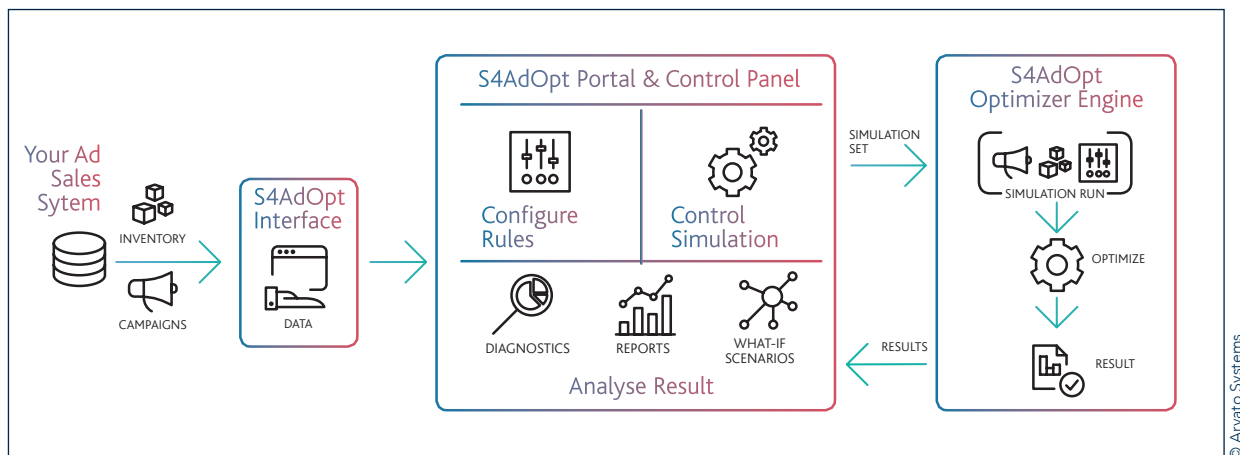
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Therefore, if you want to mainly reach people with high incomes and more than three children on linear television, you have to select programs that have these characteristics. A total of around 30 different attributes are already available in the system. Moreover, the agency can also determine its own attributes and incorporate them into the program evaluation.

In this context, the manufacturer of premium dog food could not only include the target group „high earners“, but also attributes such as „dog owners“ or



„city dwellers“, for example. Moreover, the program allows determining the weighting of attributes to further refine the result. For an advertising planner who works manually, this would be a task impossible to fulfill. It is only possible if the ad placement process is automated and this requirement is taken along additionally.

### Placing ads automatically

With S4AdOpt, the placement process itself becomes rule-based and largely automated so that the customer can be offered attractive advertising opportunities. The solution enables the best possible spot placement for the advertiser in a shorter time. At the same time, providers can optimize their revenue by selling additional analysis parameters.

S4AdOpt consists of three pillars of functionality, which provide for optimal placement of the advertising inventory, a better monetization, and increased customer satisfaction.

- **Optimization:** A „decision engine“ decides where the spots are placed.
- **Management:** An intuitive and flexible user interface allows the rule to be managed.
- **Forecasting and booking:** This module enables AI-controlled audience forecasts and proof of delivery.

To achieve an optimal spot placement, various parameters can be defined. For example, goals such as „unsold inventory“ (plotting), „maximize revenue“ or „rating points“ can be defined. Legal or company-specific requirements can also be set or flexibly adapted.

All defined data is aggregated and included in the automated placement process. All general requirements are taken into account simultaneously. The system recommends a placement that comes closest to the specified objectives.

Individually defined  
parameters refine  
the placement process

### Solving conflicts and testing scenarios

S4AdOpt supports automatic conflict resolution. The system checks whether all spots have been placed according to advertising guidelines, restrictions of the advertising campaign or inventory specifications and resolves any conflicts independently.

An intuitive user interface ensures that all parameters can be set quickly and easily. During the entry process, the user may not only determine predefined rule sets and control the simulation but also to comprehensively analyze the results.

In addition to evaluations and reports on the simulations, the tool also enables the creation of „what-if“ scenarios. This allows testing various options before determining the actual placement.

The advantage of this approach is that correlations can be understood even better. For example, it becomes evident what would happen if an attribute were omitted or added. That way, it is even possible to find solutions that were not expected before.

### Outlook

The advertising market will become even more complex in the coming years. For advertisers, this means that they will have even more opportunities at hand to market their products and services to their target audience and thus get more out of their investment.

AI-supported tools provide agencies and broadcasters with solutions that allow them to support their customers in the optimal placement of their advertising material and increase customer satisfaction and loyalty. At the same time, they have new opportunities for profitable marketing models while saving time and money throughout the planning process. ➤

[1] Nielsen adjusted advertising trend, gross advertising expenditure. Germany as at August 2019. <https://www.nielsen.com/de/de/top-ten/>