



COUNCIL FOR
PREMIUM VIDEO

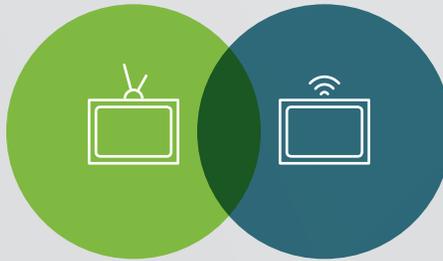
THE UNIFIED VIDEO PRIMER

**The Sales Process
for Linear & Digital TV**

MAY 2017

#UnifiedVideo

#Upfronts2017



As more premium video is consumed across different screens, so does the quantity of unified transactions that occur across linear and digital TV. This aggregation of audiences creates complexity for buyers and sellers who are often native to one side of the premium video world.

As linear starts to adopt digital practices and as digital TV matures and scales, these two previously separate channels are being pulled together. This year's Upfront demands a clearer understanding by all stakeholders of the processes, people and platforms required across both.

This graphic illuminates the typical nuances of linear and digital processes to help both linear- and digital-natives adapt to the new converged TV ecosystem.

The Sales Process for Linear & Digital TV



Linear



Digital TV



Sales Planning & Forecasting

Research teams use **one system for a ratings forecast** which feeds into revenue planning

Inventory carved out **by daypart**

Manual forecasting process based on historical trends & agency requirements

3rd party measured & non-measured platforms (derived from measured) accounted for across three different buying/selling models: unified deals, digital only, linear underdelivery make goods

Underdelivery accounted for in sales planning



Sales Execution

National/DR sales **teams organized by agency**, responding to RFPs with planning teams

Plan builds and is approved through **automated system**

Varied RFPs & extensive, unique T&Cs per agency holding company

Most unified deals are primetime (due to deltas between digital and other daypart CPMs)

Network/daypart specific sales

Plans generally more complex and **budgets smaller vs. linear**

Upfront: aligned to linear team and process

Quarterly **impression allocation** goals set per advertiser

Scatter: typically driven by digital sales team



Campaign Set-Up & Execution

Static commercial log with set amount of time to fill with ads

Automated based on ISCI codes (Industry Standard Commercial Identifier)

Dynamic delivery and optimization with regular monitoring to ensure delivery/tracking

Platform-specific and single ad tags applied to **deliver across all endpoints**

Frequency is primarily managed at episode level & generally standard across all deals (i.e. 2-3 per episode)



Reporting & Stewardship

Stewardship through one system, verified by 3rd party data

Underdelivery against ratings guarantees made good through additional units (ADUs) or digital impressions (ADIs)

Monthly/quarterly true-ups with **negotiation needed across quarters**

Some automation but mostly **manual reconciliation and troubleshooting** on reporting discrepancies, with multiple 3rd party vendors (i.e. actual vs estimated, in-demo delivery, viewability, etc.)



Billing

Billed on contract (at unit cost), all verified by 3rd party measurement provider (i.e. no discrepancy issues)

Billing can be based on contract or actuals

Generally **manual process** due to multiple metrics, 3rd party reporting sources and marrying to linear as part of unified deals

Linear make-goods delivered on digital handled separately and stewarded as part of linear process



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About The FreeWheel Council for Premium Video

The FreeWheel Council for Premium Video (FWC) serves the interest of those in the premium video industry through leadership positions, research and advocacy to promote the premium video economy. The FWC operates as an educational and organizing resource to assist marketers to reach desired audiences in premium video environments, conduct research documenting the benefits of premium video and represent the interests of member publishers and the market. The FWC is comprised of today's leading premium video publishers including ABC, A+E Networks, Comcast, Discovery Communications, ESPN, Fox, NBCUniversal, Turner Broadcasting System and Univision Communications.

For more information on the Council for Premium Video please visit www.FreeWheel.tv/fwcouncil and follow us on Twitter @fwcouncil.

FreeWheel Council

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