The Challenge in Reaching and Engaging Consumers

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Success in advanced advertising is not merely a matter of getting the technology to work. Digital connectivity has created a highly complex environment, creating new challenges for service providers, content owners, and advertisers in reaching and engaging consumers. The potential to form meaningful relationships with consumers has never been greater as connected media solutions create new opportunities to drive targeted awareness and response, build and strengthen brand loyalty, and create unified media experiences.

From a business perspective, emerging advertising technologies create new opportunities in which to identify, reach, and interact with consumers on a significant scale.

CONVERGENCE AND PERSONALIZATION

Even so, the personalization of media consumption heightens demands for seamless, cross-platform access. Emerging media services, content distribution platforms, advertising technologies, and audience measurement resources are all necessary but complicating factors within industry efforts to capitalize on digital media platforms and services.

The convergence of traditional and next-generation video platforms provides a unified means to deliver and manage targeted advertising campaigns. Specifically, the proliferation of Internet-capable connected devices, from TVs to gaming consoles to digital media players, is driving the evolution of TV content delivery platforms.

IMPACT OF CE

At the same time, increased ownership and usage in connected and mobile CE can create a new layer of fragmentation as video consumption crosses a myriad of platforms and devices, which complicates the ad selling and buying process. It is incumbent for key stakeholders to work together to establish and test new advertising business models that will sustain long-term growth.

The rewards within the advertising sector are too great to allow such opportunities to wither on the vine.

Ideally, companies will be able to target consumers across devices with messages designed specifically based on their attributes and historical levels of interest.

DIGITAL MEDIA & ADVERTISING

Digital media permit the delivery of these highly targeted ads far beyond the mass reach of traditional media. To reach this level of one-to-one connection, advertisers are seeking, and will be willing to pay a premium for, innovative ways to integrate their media campaigns into the digital entertainment consumer experience. The ability to deliver relevant advertising messages draws advertisers to emerging media platforms with the promise of eliminating ad waste.
and reaching audiences at the level of the individual user.

For consumers, digital media have opened up a world of quality content, convenience, and out-of-home access to services. It is a young person’s market, however. Consumers in general continue to rely on traditional video methods—watching video on a TV set, but young consumers, particularly those 18-34, are open to viewing video on alternative platforms such as a computer or mobile device, indicating a major shift in consumer usage behavior in the years to come.

Online video, OTT services, and web-enabled devices appeal to consumers because the solutions permit anytime, anywhere video consumption. Consumers expect a fully personalized media experience with the ability to customize the device or service to meet their needs and interests. Accordingly, consumer interest in TV Everywhere and other multiscreen services is growing.

As connected devices diffuse throughout marketplace, the industry is focusing on the development of interactive advertising products and solutions for connected TVs, game consoles, and other platforms delivering premium online content.

PRIVACY AND USE/MISUSE OF DATA

Emerging digital media sources raise privacy concerns regarding the use of data for advanced advertising purposes. One of the central inhibitors of market growth for advanced advertising is privacy concerns. Consumer advocacy groups, industry trade organizations, and the Federal Trade Commission (FTC) are concerned about the effects these digital advertising technologies have on consumers and are proactively establishing industry best practices and safeguards to protect data transmitted via Web-enabled devices.
As digital advertising becomes an integral part of ad campaigns, industry executives must recognize the potential negative impact of misuse of data gathered via digital devices. As such, paramount to the success of the advanced advertising strategies is self-regulation. Consumer transparency and opt-out mechanisms will be essential for market growth, specifically when companies employ targeted advertising strategies.

There are also limits to the amount of information collected and used, beyond which consumers will not tolerate, but this market, still in its early stages, does not know where those thresholds are. Players must watch carefully to identify those lines of demarcation in order to establish best practices for advanced advertising.

Producing innovative and effective ways for brands to market themselves requires holistic understanding of media consumption from the industry and acceptance of advanced advertising approaches from the consumer. We are still in the early stages of this market. As a result, there is still much work, research, and analysis to do to meet both of those requirements.

Premium online content offerings and consumption will continue to drive digital ad dollars.