

A 3D bar chart with seven bars of varying heights, set against a blue background with a grid of dotted lines. Two large, semi-transparent blue arrows point upwards and to the right, indicating growth or progress. The bars are dark grey with a slight shadow on the ground plane.

# Simulmedia: Bringing a digital approach to TV advertising

**US Department of Justice**  
*Public Workshop on Competition in  
Television and Digital Advertising*  
May 2, 2019

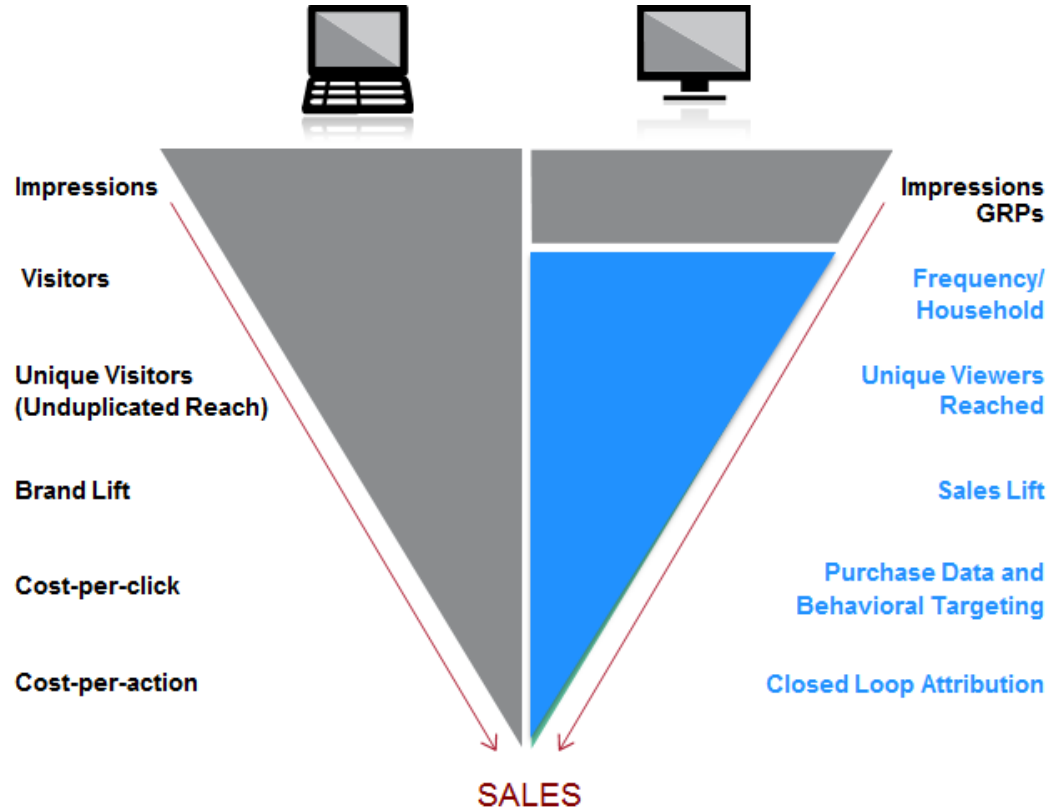
# About Simulmedia

- New York City-based TV & video advertising technology company
- Launched in 2008
- Pioneer of data-optimized linear TV advertising
- Operates two linear TV & OTT ad marketplaces:
  - **Transparent TV** (large national brand advertisers)
  - **D2Cx.com** (emerging direct-to-consumer brands)
- Top 10 national TV companies are partners and/or customers

# TV (and TV ads) not dying

- Linear TV still has massive scale
  - 4+ hours per person/day (Nielsen, 2018, age 18+)
  - *Judge Judy* delivers 85+% of video “ad load” of YouTube in US every day (though captures fraction of ad monetization)
    - 190MM audience ad minutes/day v. 210MM audience ad minutes/day
- 35% of US lack fixed broadband at home (Pew, 2018)
- 50% of US do not access Internet at broadband speeds (“162.8 million people are not using the internet at broadband speeds,” Microsoft 2019)

# But, TV needs digital-like “state” to compete



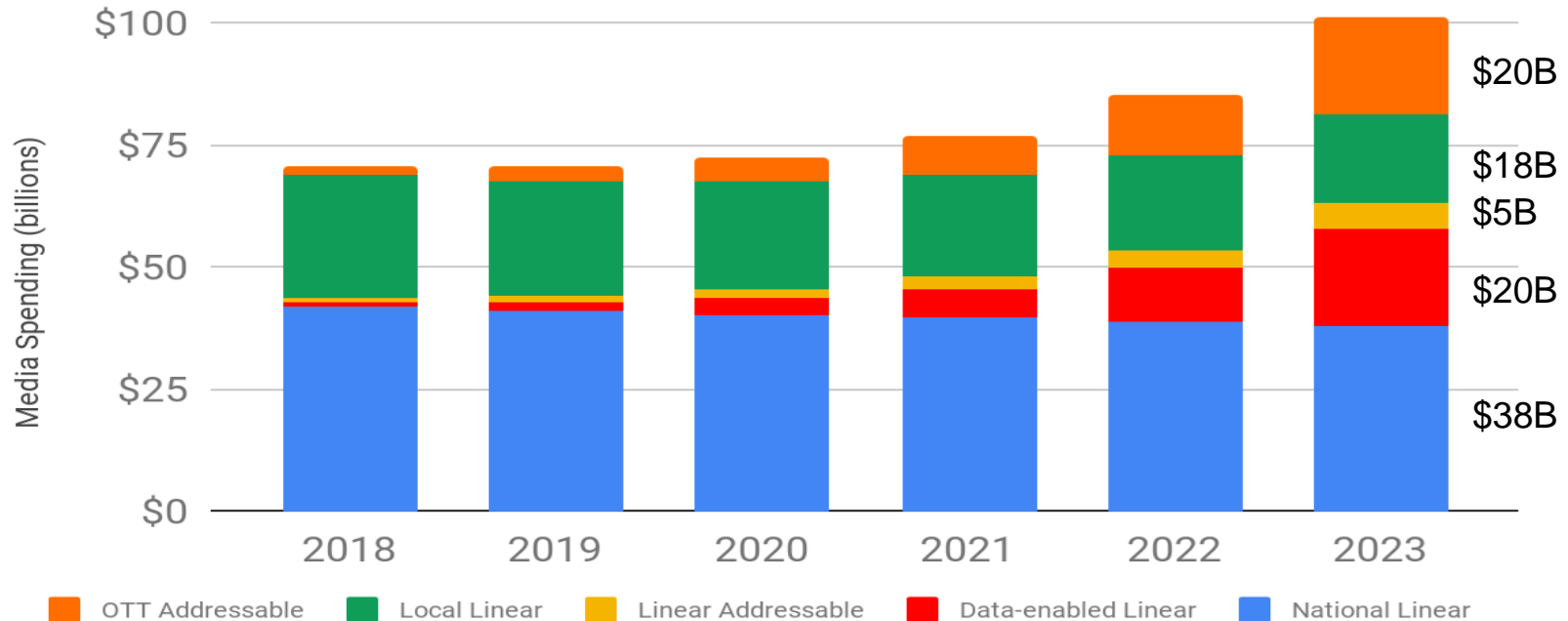
# Tech+data now enabling digital-like targeting on TV, starting to bring its advertising out of 1980's

	Ad Spend 2018	Ad Imps. (Billions)	Cost per Thousand Impressions (CPM) (No Data)	CPM (+ Data)	Potential CPM Price Increase
Linear (non-prime)	\$10B	7000	\$1.35	\$4.50-9.00	500%
Linear (prime)	\$32B	4000	\$9.00	\$15.00	67%
Addressable TV	\$0.85B	400	\$3.85	\$35.00	800%
Local TV	\$25B	2500	\$10.00	\$15.00	50%
OTT/CTV	\$2B	800	\$25.00	\$35.00	40%

Source: Nielsen Ad Intel and Nielsen May 2017 - May 2018

# ... and insure TV's participation in future of advertising

## US Video Advertising Trends



# ... of course, big challenges remain

- Growing, relentless competition for viewers and advertising from digital platforms (streaming, social, e-commerce)
- Global ad agencies favor digital platforms for video ad buys (higher fees and intermingled interests outside US)
- Digital platforms beginning to take video share from TV for precision targeted budgets (DR) and local ad budgets

**THANK YOU**

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