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Steve Lanzano of the TVB on the Impact of Ad Automation and Programmatic

TVB



The Rubicon Project recently talked with TVB President and COO Steve Lanzano about the impact of ad automation and programmatic and other issues of concern to advertisers and media owners. Their Q&A follows.

RUBICON: What do you read to keep up with politics, art and culture?

LANZANO: Of course our local station websites, but also Politico, Morning Consult, The Hill, Wall Street Journal and The New York Times.

RUBICON: What do you read to keep up with friends?

LANZANO: I keep up through texts and e-mail but I have this crazy habit that I use a smartphone as an actual phone. I like to hear the voices of my friends and family. Better yet, let's Facetime. (It was initially invented at the 1964 World Fair and called the videophone. Yes, I was there.).

RUBICON: What do you read to keep up with the media and advertising technology industries?

LANZANO: Everything I can possibly get my hands on. TVNewscheck, NetNewscheck, AdAge, Adweek, Mediapost, Medialife, WSJ, Broadcasting & Cable, The New York Times, Spots N Dots, TVTechnology, RBR/TVBR, Smartbriefs. God gave me the ability to be a voracious reader. BTW, all on my iPad.

RUBICON: What's your favorite commercial of all time?

LANZANO: There are so many. But, my favorite commercial at this time is the [GEICO Marco Polo](#) spot. It cracks me up.

RUBICON: Describe your membership.

LANZANO: Broadcast groups, owned station groups, reps, syndicators. Over 800 stations are members of the TVB. Total spend with local broadcast stations is over \$20 billion annually. And you can target both local and national including TV, mobile, web, SMS, streaming video, digital sub-channels, etc.

RUBICON: With regards major impacts to your membership, what are the three biggest trends in 2016 and 2017?

LANZANO:

1. Automated Buying. The opportunity to make the buying process more efficient, incorporate data resulting in terrific opportunities, especially for national advertisers;
2. Measurement. Cross platform, total audience, out of home. Monetize audience not measured at this time. Inclusion of other measurement tools -- return path, PPM, etc.
3. Spectrum/Consolidation/Ownership Cap. Will need to see how this ultimately plays out.

RUBICON: With specific regards to advertising spend, what are the three biggest trends in 2016 and 2017?

LANZANO:



1. In 2016 (even years), political and Olympics clearly have a major impact on advertising.
2. In all years, maintaining positive core advertising particularly in automotive; building emerging categories such as healthcare.
3. Continuing to build out digital capabilities and spending.

RUBICON: Describe your trade association and then tell us your top three initiatives overall.

LANZANO: Very simply, our mission [is to] drive more dollars to local broadcast stations. Period. Everything we do must go through this funnel (our work, our talent, our structure, our operations).

I always say we have three "legs to our stool."

1. Business Development. National and local. Road shows (we do almost 50 a year), station training, one-on-one consultations with local advertisers. Automotive headed up by former Toyota CMO Steve Sturm and political led by our D.C. public relations firm The Herald Group. In the past six months, I think we've seen every "acronym" in D.C.
2. Research and Measurement. Proprietary research to support our business development teams and members in order to demonstrate the power and influence of local broadcast TV, ensuring stable and reliable measurement to monetize our audience across all devices.

3. Advocacy. Again, to support our business development team particularly in key categories such as automotive and political; presence in key industry conferences and of course our own 500+ attendee annual Forward Conference; meetings with investors and analysts.

QUESTION	ANSWER
How many employees your association have?	16
What is your annual operating budget?	\$6MM+
Where is your headquarters?	New York City

RUBICON: Advertising automation -- and data-driven advertising -- continues to be a surging force. It *promises* unprecedented control, but not all supply chain participants [consumers, media owners, agencies, advertisers] feel in control. Is this simply the result of an emerging, fast changing dynamic market, or what is missing?

LANZANO: Like any new, fast-paced, dynamic market some will initially feel a little out of control. I believe as the market matures participants will be much more confident and comfortable with automation.

RUBICON: Will Nielsen remain the standard for media currency with video/TV? Will the innovations be primarily in audience definition and measurement, with these innovations being "translated back" to Nielsen as the currency?

LANZANO: We now have two players in the field, Nielsen and comScore. (Who knows down the road if there will be others?) Having competition is good for any market. Very simply what we need is stability, reliability and projectability in our currency. That will cure a lot of ills. Additionally, we need audience measurement across all devices and a currency that is consistent across all devices. The entire buying and selling industry needs to come together to make this happen.

RUBICON: Do we live in a "tale of two cities" where Google and Facebook win almost everything, advertisers are dictated to and other media companies fight for the scraps? What do you expect the impact of Google and Facebook to be in "video everywhere"/TV?

LANZANO: Well, I'm sure Google and Facebook will do just fine but remember we actually produce the news and entertainment content that audiences want to see (including on YouTube and Facebook) so I'm pretty bullish on our future vitality.

RUBICON: Please answer the following statements yes or no.

LANZANO:

STATEMENT	Yes or No	One Sentence Explanation
Ad Automation—across all major media—will take five (5) years	Yes	To some degree. Certainly a much greater degree in low demand/high supply distribution channels.
Ad Automation—across all major media—will take ten (10) years	See Above	
Google will remain a dominant company for the next 10 years	Yes	Most likely but who knows. 10 years is a long time.
Google has a current impact on TV / "video everywhere" spend and that impact will become greater over time.	No	Not to the degree people think. I think monies are coming from other media and TV and Google "complement each other".
Facebook will remain a dominant company for the next 10 years	Maybe	Maybe not as dominant as I believe there will be other new, unforeseen players in this space. But they are big.
Facebook has a current impact on TV / "video everywhere" spend and that impact will become greater over time.	No	See Google answer above.
The impact of ad automation to date has largely been in digitally traded media, however impacts of automation will be felt across the entire \$600 billion worldwide media market over the next five years including the out of home and television markets.	Yes	
Ad automation will start to materially impact media trading in the \$70 billion US television market in the next two years.	No	Not materially. It'll be a little longer ramp up.

RUBICON: If you had your own TV talk show, what would you name it?

LANZANO: Steve. Keep it simple, like *Harry* (Harry Connick Jr.).

RUBICON: What annual conference -- not run by your own association -- do you enjoy attending the most and why?

LANZANO: [ANA Masters of Marketing](#). Bob Liodice does a great job. I love the case history format and the great advertisers Bob brings in.

RUBICON: Finally, what is your favorite restaurant in the world?

LANZANO: Well, by my office Peter Luger's and Grimaldi's across the river in Brooklyn. But Fuor D'Aqua in Florence, Italy may have been the best meal I ever had.

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