Finding Advertising's Anchor in the Storm: Ahoy, TV

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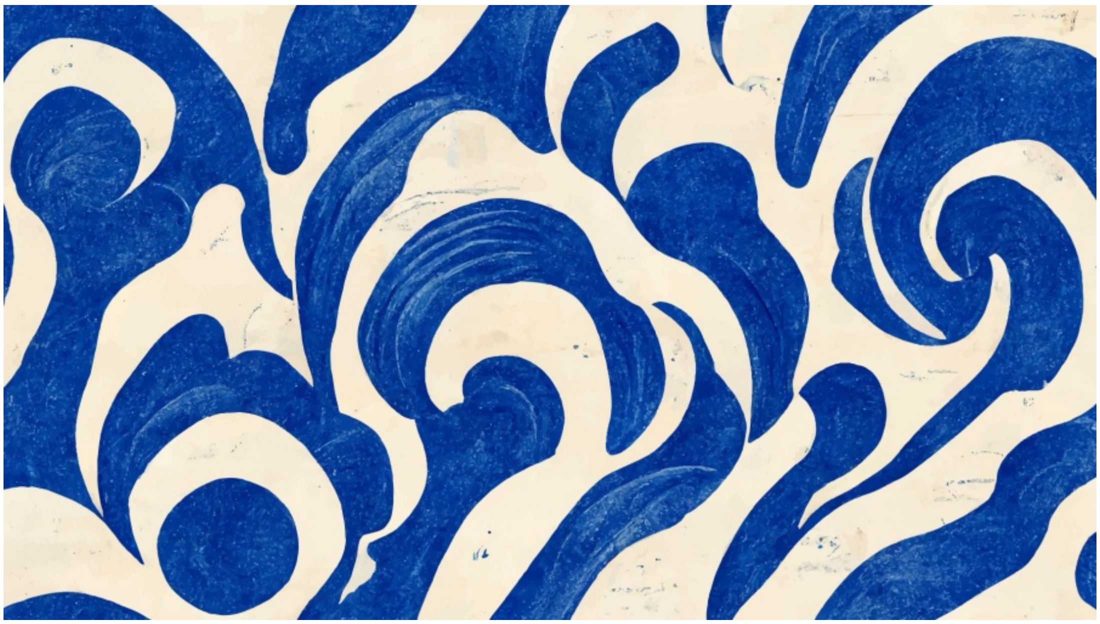

None of us are strangers to turbulence. Today's advertisers face real or perceived challenges in a time marked by unpredictable stock market fluctuations and an increasingly polarized political climate. The market volatility, driven by inflationary pressures, interest rate adjustments, and global economic uncertainties, is rippling across industries, making it tricky for companies to forecast and confidently allocate their advertising budgets. There's a delicate balance between maintaining brand visibility and managing financial risks. It's natural to go looking for an anchor.

In such an environment, strategic advertising decisions are crucial to weather the storm, seize opportunities, and play them out for the longer term. TV represents your media plan's throughline — an anchor in the broader media mix. With its unparalleled reach — capturing 43 percent of all time spent with video (eMarketer's US Time Spent With Media Forecast 2024) — and the ability to integrate first-party data in a privacy-first manner, TV offers a solid foundation in uncertain times. It's the medium that ensures broad audience engagement and adapts to the evolving regulatory landscape, providing both stability and growth potential.

The Marketing Landscape Is Fragmented, and That's a Business Problem

What we're observing today is a fragmented approach to media buying. Digital, TV, and programmatic are often purchased separately, leading to a disjointed strategy where each channel operates in its own silo. This fragmented approach is inefficient and can erode a campaign's overall quality. The industry's current focus on squeezing out every last margin from individual channels rather than viewing video holistically is a significant business problem.

The drive for margin, especially under the pressure of quarterly results, leads to a short-term focus that sacrifices long-term strategy. When Wall Street's tail starts wagging the dog, strategic marketing initiatives are eroded in favor of decisions that only serve immediate financial goals. This short-sightedness is detrimental to building lasting brand equity and the business outcomes that can be derived from that equity.

So, how can marketers develop a cohesive, long-term strategy when they are being judged by short-term results? The answer lies in fostering a partnership between the CMO and CFO, where both parties understand and respect each other's needs. Marketers must take the space to think holistically and strategically rather than being forced to prioritize only the most efficient, cost-effective options at the expense of broader brand goals. This may come across as easier said than done, but if one leadership mindset should prevail, I'd argue it's this.

The Evolved TV Opportunity Provides a Balanced Solution

As your plan's throughline, TV's evolved opportunity lies in its ability to integrate first-party data into a traditional TV environment, enhancing targeting while maintaining broad reach. This approach allows advertisers to sharpen their strategies without abandoning the fundamentals that make TV such a powerful medium. It's about balance — layering additional targeting onto a foundation of broad reach and quality programming.

Today, the danger is that many advertisers lean too heavily into targeting, driven by cost-efficiency goals, at the expense of mid-to-upper funnel strategies. This approach may deliver immediate savings, but it often results in losing brand-building opportunities crucial for long-term success.

Building a brand is akin to aging a fine wine — it requires time, patience, and respect for the process. Unlike the quick, often fleeting gratification of cheap, mass-produced options, a well-crafted brand must be curated and nurtured over time. If a brand is treated like a disposable commodity, overemphasizing cost and efficiency, it risks becoming cheap and quickly forgotten.

In today's complex and uncertain environment, advertisers must remember that a brand's long-term value cannot be measured solely by quarterly results. It's about investing in a strategy that balances short-term needs with long-term growth, using TV as the anchor for both reach and stability.

The call to action for today's advertisers is clear: embrace a long-term strategy that balances the immediate need for efficiency with the broader brand-building goal. TV remains a vital throughline in this strategy, offering the reach, reliability, and flexibility needed to navigate the current storm. By staying the course and maintaining an upbeat stance on TV, advertisers can ensure their brands sustain and thrive.

Andrew Kandel is CEO of New York Interconnect. Read more.