

A WHITE PAPER BY THE OTHER LOT

THE BUSINESS OF MEDIA

Why Addressable is Television's Answer to the Outcomes Era

Written by Justin Lebbon
Partner, The Other Lot
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EXECUTIVE SUMMARY

MEASURABLE, BUT NOT EFFECTIVE

Over the past fifteen years, advertising has become far more measurable and markedly less effective. Budgets have migrated to the channels that are easiest to count rather than those that build brands.

51%	43/60	2.5s	5-25%
of global media spend goes to Google, Meta and Amazon	top US advertisers grew more slowly than nominal GDP over the last 15 years	the attention threshold an ad must pass to grow a brand	of a market is ready to buy at any given moment

Google, Meta and Amazon now take an estimated 51% of global media spend, while over the last 15 years, 43 of the top 60 US advertisers have grown more slowly than nominal GDP.

The evidence on how brands grow has not changed. Most of a brand's buyers are light buyers, and only 5% to 25% of a market is ready to buy at any given moment. Growth comes from broad, high-quality reach that builds memory and trust over time.

Television delivers what that evidence says works. Its 15- and 30-second ads are watched in full, well beyond the 2.5-second attention threshold an ad must pass to grow a brand. It is the most trusted advertising environment among all adults and among 16 to 34 year olds, and its content is professionally produced and brand-safe. Addressable TV adds what advertisers have come to expect from digital: household-level targeting, efficient reach into light viewers and precise measurement of outcomes, all without leaving that premium environment.

Yet TV has not shared in the industry's growth. In chasing performance budgets, parts of the industry adopted programmatic models borrowed from digital display, and inherited their problems: opaque supply chains, layers of intermediaries each taking a margin, incentives that favor cheap inventory, and "TV-like" supply passed off as television.

This paper argues that sellers of premium TV advertising should:

01 **Build scale collectively.** Make premium inventory, including addressable, as easy to buy as the platforms, and ring-fence it to a clear quality standard.

02 **Own direct supply paths,** and show advertisers that around 90% of their spend reaches working media.

03 **Redefine quality** in terms of attention, trust and brand safety, not just reach and cost.

04 **Offer common outcomes and measurement across sellers,** so advertisers can measure the households they actually reached on the same basis everywhere.

05 **Pursue the messy middle:** mid-sized, digital-native brands outside the major holding-company agencies, an opportunity worth over a trillion dollars that TV can really attack.

> *For advertisers, the conclusion is straightforward: quality reach, attention and trust grow brands. Television offers the Super Bowl every day. Most brands simply haven't noticed.*

01 THE LOST DECADE OF GROWTH

The IPA Databank, one of the world's most comprehensive records of advertising effectiveness, tracks the average number of very large business effects reported by for-profit campaigns. Between 2002 and 2008 that figure rose from around 1.2 to a peak of 2.0. Then the performance era arrived. By 2018 it had fallen to around 1.3, and it stood at only around 1.4 in 2024. Peter Field and others call this "the lost decade of growth." The decline mirrors the shift of budgets toward search, social and programmatic activity, bought and judged on short-term, attributable response.

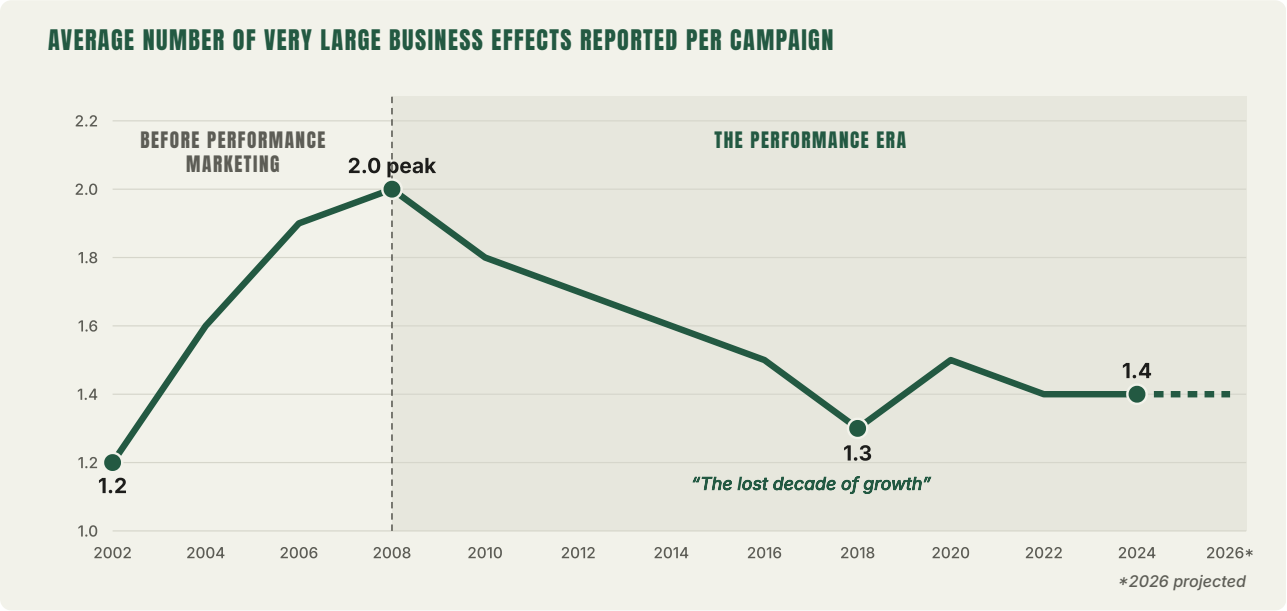


Figure 1. The lost decade of growth. Average number of very large business effects, for-profit cases. Source: IPA Databank, 1998–2024 for-profit cases. 2026 is projected.

The winners are easy to identify. In 2026, Google's advertising revenue is expected to reach around $330bn, Meta's $250bn and Amazon's $84bn, up from $296bn, $201bn and $68bn respectively in 2025. Their advantages compound: they are universally understood, frictionless to buy at national or local scale, precisely targeted, and backed by closed-loop attribution and dashboards that make the case for every dollar spent.

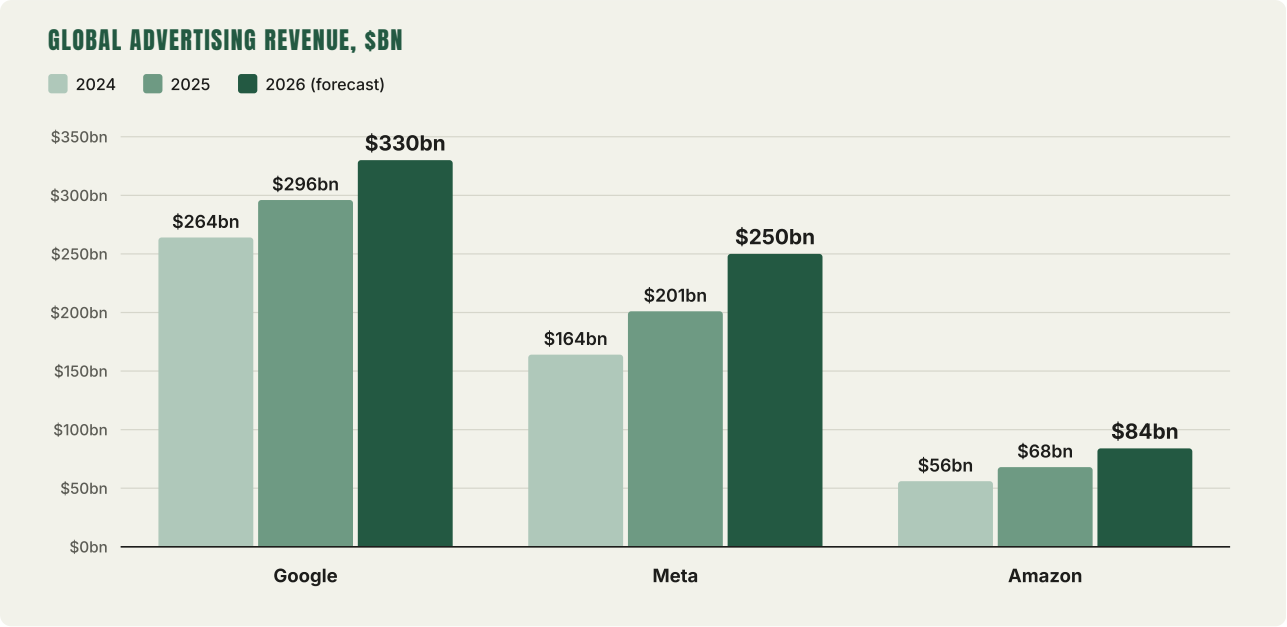


Figure 2. Ad spend is dominated by just a few players. Global advertising revenue, 2024–2026. Source: Google, Meta and Amazon financial reports 2024–2025; Statista; Madison and Wall (2026 forecast).

The biggest advertisers have not shared in that growth. Michael Farmer has charted this for years, and his updated figures with Jeff Green show that over the last 15 years, 43 of the top 60 US advertisers grew more slowly than nominal GDP. Category dynamics and economic pressures play their part, but the pattern is consistent: the most sophisticated, data-rich marketers in the world, equipped with the best measurement money can buy, are struggling to grow, in large part because of how they have executed their marketing.

02 HOW BRANDS ACTUALLY GROW

James Hurman reports that 75% of leading US marketers are now seeing diminishing returns on their performance spend. He estimates that in any category only 5% to 25% of buyers are ready to purchase at any moment. The industry has become exceptionally good at reaching them, and has largely stopped speaking to everyone else: the future customers who drive future growth. And when those future customers do come to buy, most choose a brand they were already primed towards: across categories, 84% of purchases go to a brand with a priming bias.

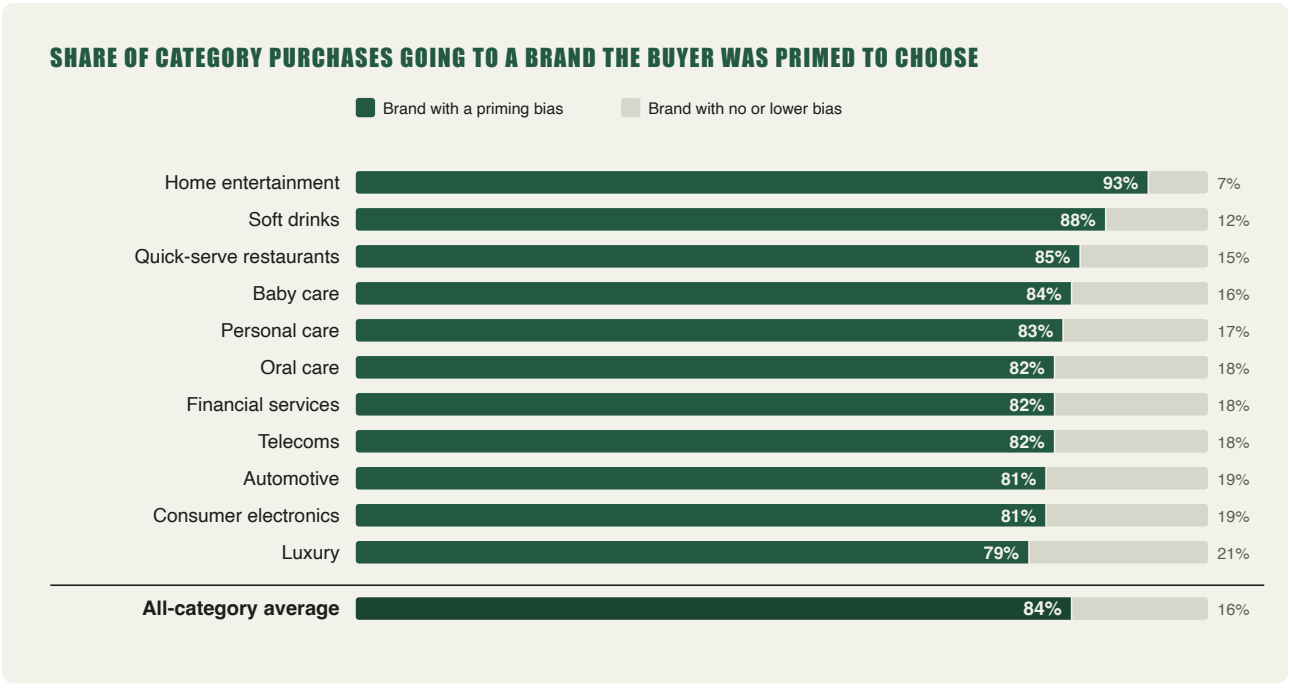


Figure 3. Most purchases go to brands buyers were already primed to choose. Proportion of category purchases going to a brand with a priming bias, by category. Source: James Hurman, ***Future Demand***; How Humans Decide, WPP Media/Oxford Saïd Business School, 2025.

Byron Sharp's work explains why that matters. For almost any brand, around 70% of buyers are light buyers who purchase between one and five times.

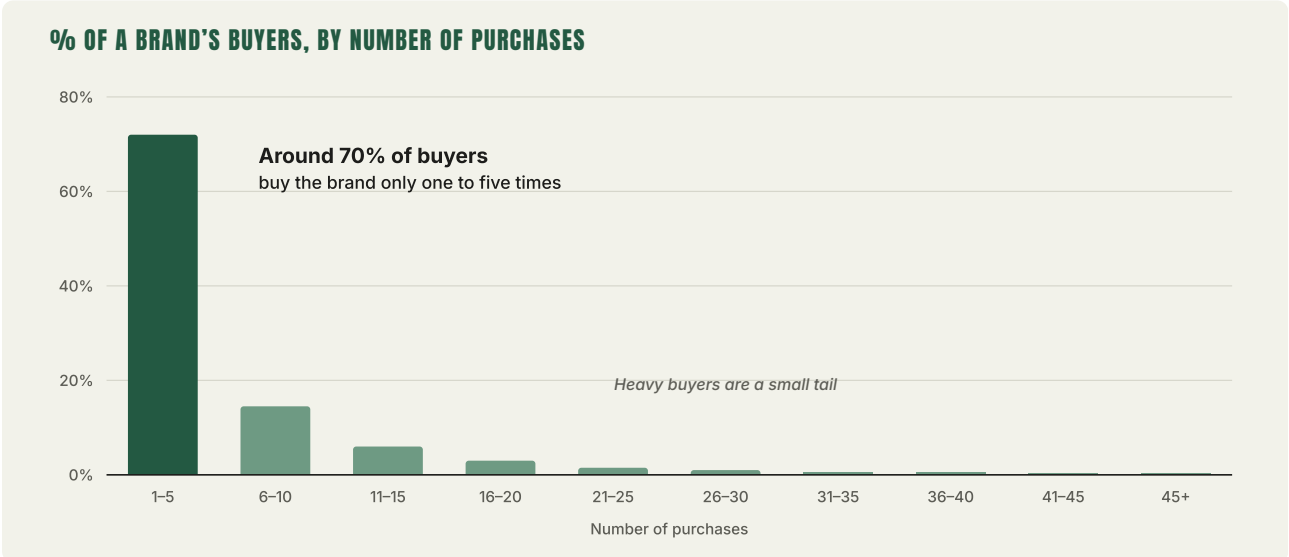


Figure 4. The banana curve. Typical purchase-frequency distribution: most buyers buy rarely. Reference: Wiemer Snijders (ed.), *Eat Your Greens*.

Dove is a well-known illustration. While running its "Real Beauty" campaign, it grew market share by 50%, yet more than 80% of its buyers bought it once a year or less, and that group accounted for over half of its sales. Dove did not grow through exceptional loyalty. It grew by recruiting new, mostly very light buyers. That is what reach achieves, and what narrow targeting cannot.

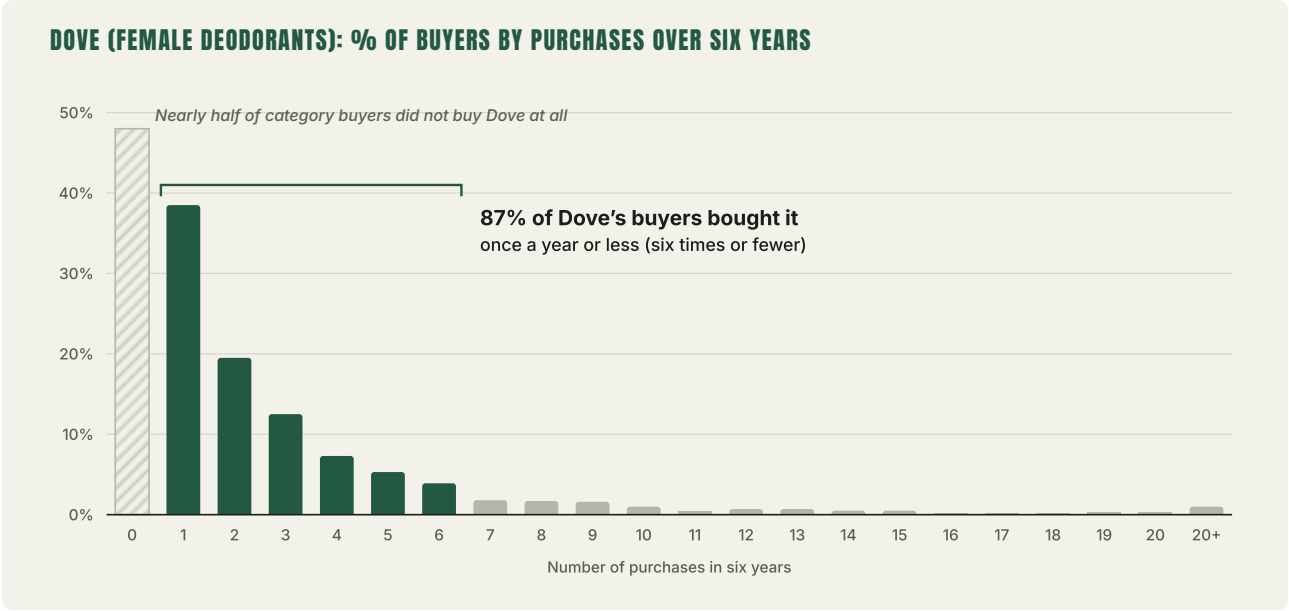


Figure 5. Dove buyers by number of purchases. Female deodorants, six-year period. Reference: Wiemer Snijders (ed.), *Eat Your Greens*.

Most advertising works quietly, at the margins and over time. Les Binet describes the mechanism as a chain:

OUTCOME	Advertising increases or maintains sales and margins
BY	slightly increasing the chance that people will choose your brand
BY	making the brand easy to think of and easy to buy
AND	by creating positive feelings and associations
VIA	broad-reach ads that people find interesting and enjoyable
AND	targeted activation that they find relevant and useful.

Both halves matter. The performance era kept the final link and discarded the rest. Addressable TV is one of the few media that can deliver both halves on the same screen: premium, trusted content at scale for brand building, and household-level targeting for activation, with measurement based on the households actually reached.

03 WHEN PERFORMANCE REPLACES BRAND

Adidas moved heavily into performance marketing because it was measurable and appeared efficient. When it finally modeled the full picture, around 2019, it found that brand investment was driving far more sales than attribution had suggested: in ecommerce, in its own stores and, above

all, in wholesale, the channel a last-click model cannot see. Dollar for dollar, brand activity outperformed performance activity in every sales channel.

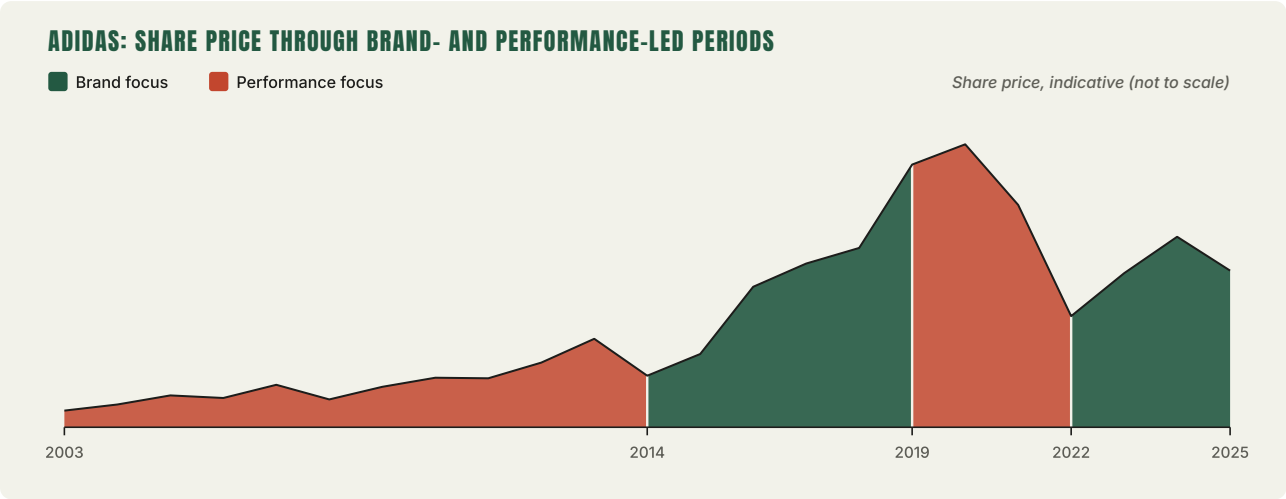


Figure 6. Adidas: short-termism affected the brand. Share price through brand- and performance-focused periods, 2003–2025. Redrawn from the presentation; indicative shape, not to scale.

Remarkably, Nike watched this unfold and made the same mistake, pivoting from 2020 toward direct-to-consumer and data-driven performance marketing. Growth stalled, and Nike has since dropped out of the S&P 100 and shed around $200bn in market value since its 2021 peak.

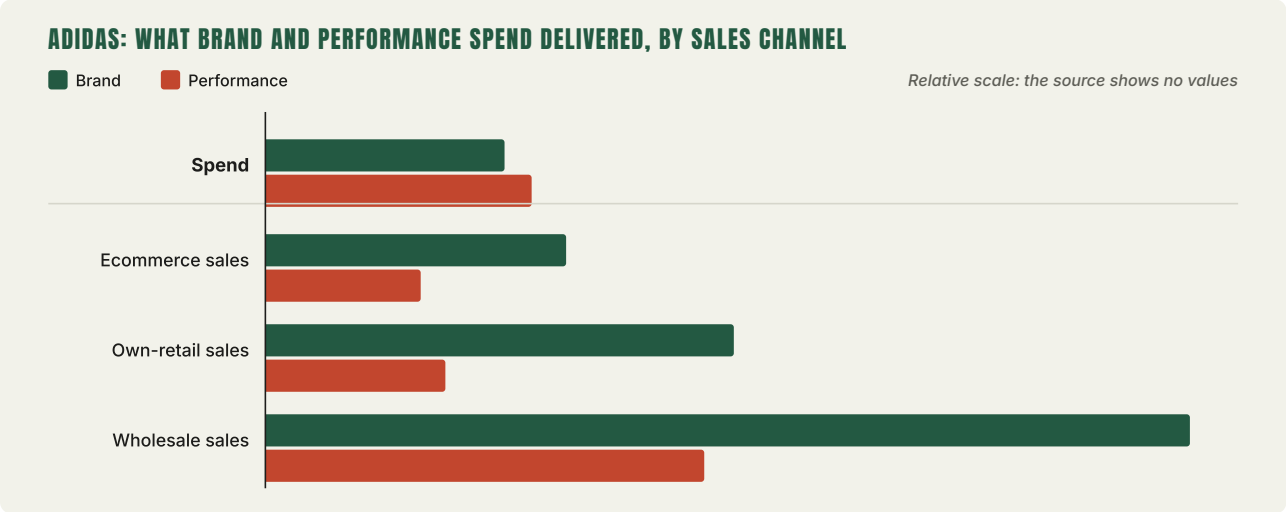


Figure 7. Adidas: brand outsold performance in every channel. Spend and sales by channel, brand versus performance. Relative scale.

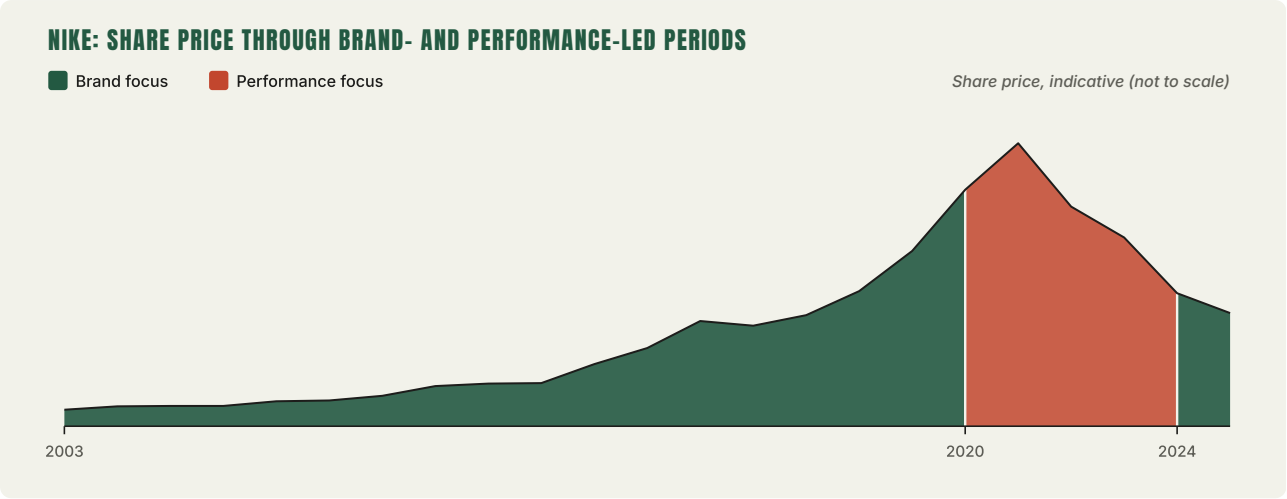


Figure 8. Nike did the same. Share price through brand- and performance-focused periods, 2003–2025. Indicative shape, not to scale.

Think of your brand as an airplane. Take-off and the climb to cruising altitude consume enormous amounts of fuel. At altitude, everything becomes more efficient, and every conversion campaign costs less for a strong brand than for a weak one. But once a brand loses height, the climb back takes years and costs a fortune. Adidas and Nike are living through exactly that.

James Hurman puts it this way: “The performance of performance marketing is governed by brand.”

Nobody is suggesting brands should switch off performance marketing. A rebalance of spend is in order, and a general level of understanding of how marketing works, and of how to translate that for senior management, is required.

P&G learned a similar lesson. Marc Pritchard, its Chief Brand Officer, retreated from hyper-targeting after finding that narrowing the focus too far (targeting pet owners with smelly carpets for Febreze, for example) stalled growth. P&G returned to broad reach, and sales grew. But the industry drew the wrong conclusion, assuming that all reach is equal and buying cheap reach on the basis that it does the same job. It does not. Quality reach means unique households reached in trusted, high-attention environments. Addressable TV adds the ability to extend that reach to light viewers that linear schedules miss, while limiting frequency for households that have already seen the ad.

04 THE PROGRAMMATIC PROBLEM

As audiences fragmented, television became harder to buy than the digital platforms. To compete for performance budgets, parts of the industry built programmatic marketplaces modeled on digital display. The aim was sound: make TV easy to buy, easy to combine with data and available wherever it was needed. But it brought unintended consequences that must be addressed before television suffers the same fate as display.

Opacity and its incentives

The programmatic chain runs from advertiser to agency, DSP, SSP and publisher, and the number of "hops" can be almost endless as one SSP resells to another. Each hop takes a margin, and some pay rebates. That creates a perverse incentive to buy lower-quality media, because lower CPMs leave more room for margin.

A simple example illustrates the dynamic. An advertiser sets a cost target of $10. The agency, DSP, SSP and two further hops each take $1, adding $5 to whatever the publisher charges. The brand has enough budget to buy the premium placement, but every intermediary earns more when that budget flows to cheaper inventory.

IT'S A RACE TO THE BOTTOM: WHERE A $10 CPM GOES

CLIENT TARGET	COST TO CLIENT		AGENCY FEE	DSP FEE	SSP FEE	HOP 1 FEE	HOP 2 FEE	PUBLISHER PRICE	PUBLISHER
$10	$14	✗	$1	$1	$1	$1	$1	$9	The Guardian
$10	$13	✗	$1	$1	$1	$1	$1	$8	The New York Times
$10	$9	✓	$1	$1	$1	$1	$1	$4	Rebate network
$10	$8	✓	$1	$1	$1	$1	$1	$3	MFA network
$10	$7	✓	$1	$1	$1	$1	$1	$2	Arbitrage network
$10	$6	✓	$1	$1	$1	$1	$1	$1	Bundled network

ABOVE THE LINE: PREMIUM PUBLISHERS MISS THE $10 TARGET. BELOW IT: CHEAP SUPPLY GETS BOUGHT.

Figure 9. A race to the bottom. Illustrative: how a fixed $10 CPM cost target is distributed along the supply chain, by publisher type. Five intermediaries each take $1, so only cheap supply comes in under target.

The same dynamic now plays out in TV. Consider a connected TV campaign bought through an open exchange. A premium network's inventory competes in the same auction as long-tail streaming apps and "TV-like" video. The cheaper supply leaves more room for fees, so it wins more of the budget, and the advertiser's report still says "CTV." Fraud persists, and buyers often do not know what they are buying. Some sellers do not even know what advertisers ultimately pay for their airtime, because they cannot see the final price that feeds clients' marketing mix models and ROI dashboards.

Control protects buyers as well as sellers

The leading tech platforms do not allow third parties to resell or intervene in their environments. They own the technology, the distribution, the execution and the measurement. Not every TV seller gave that up. In the US, distributors such as Spectrum Reach, Comcast Advertising (including FreeWheel), DIRECTV Advertising and DISH Media sell addressable and premium inventory through direct paths, with control over how it is packaged, priced and measured. Many of these

companies also earn subscription revenue, so they have a direct commercial stake in keeping the viewing experience high-quality and trusted. They also provide these services to networks such as those owned by AMC Global Media, giving them the same quality and control.

Where sellers retain that control, prices hold. The US, where much inventory is traded in the open market, has low CPMs. The UK has largely resisted that model, and its CPMs remain relatively high. Switzerland, with no programmatic trading at all, commands the highest rates in the world. Control the supply, control the cost.

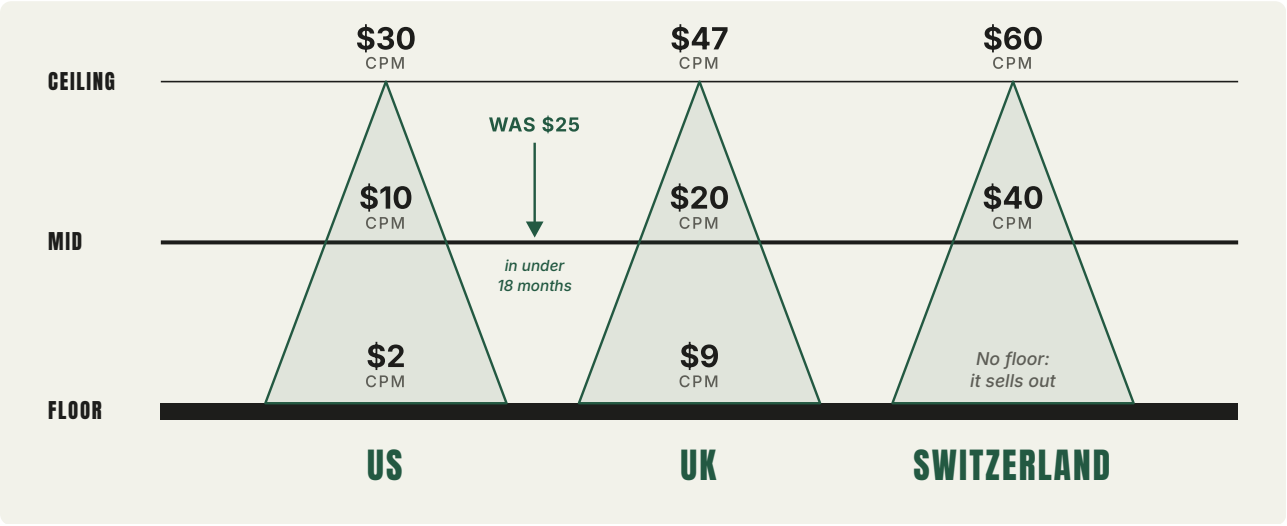


Figure 10. CTV CPMs by market. Floor, mid and ceiling prices. US and UK prices are for programmatic CTV. Switzerland is the extreme case: sellers control all their supply, there is no programmatic trading and inventory sells out, so there is no floor. Source: Laura Chaibi, Global Industry Expert.

For advertisers, the point is value, not price. Direct supply means more of each dollar reaches working media, buyers know exactly what they are getting, and results are measured against inventory that meets a known standard. A verified, fully viewed ad in a trusted environment is often the cheaper way to build a brand, even at a higher CPM. It also sustains the revenue that funds the programming audiences come to watch.

05 WHAT MAKES PREMIUM: ATTENTION, TRUST AND SAFETY

In a world of effectively unlimited impressions, if reach and cost are the only measures, inventory is driven to the lowest common denominator: price. Quality needs a broader definition. Here are the metrics that matter when it comes to quality media.

Attention

> *If you want to grow your brand, you need to hit the threshold.*
>
> KAREN NELSON-FIELD

Karen Nelson-Field's research identifies an "attention-memory threshold": ads that hold active attention for less than around 2.5 seconds are rarely remembered. Around 85% of digital ads fall below it.

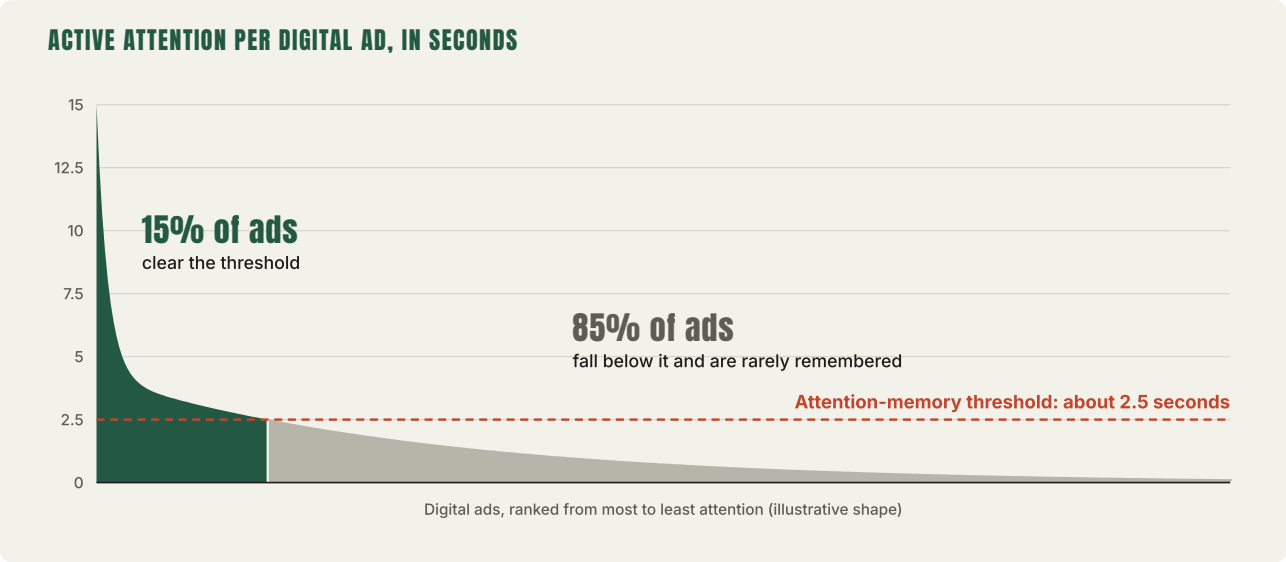


Figure 11. ~85% of digital ads get less than 2.5 seconds of attention. Illustrative shape of the distribution. Source: Dr Karen Nelson-Field, Amplified Intelligence.

Yet investment has moved steadily away from high-attention media. In 2015, 68% of ad spend went to high-attention media; by 2025 the split had reversed to 30% high-attention and 70% low-attention. We have been winning the battle for efficiency while losing the war for attention. On almost every attention study available, television ranks as the highest, or among the highest, attention medium for advertisers.

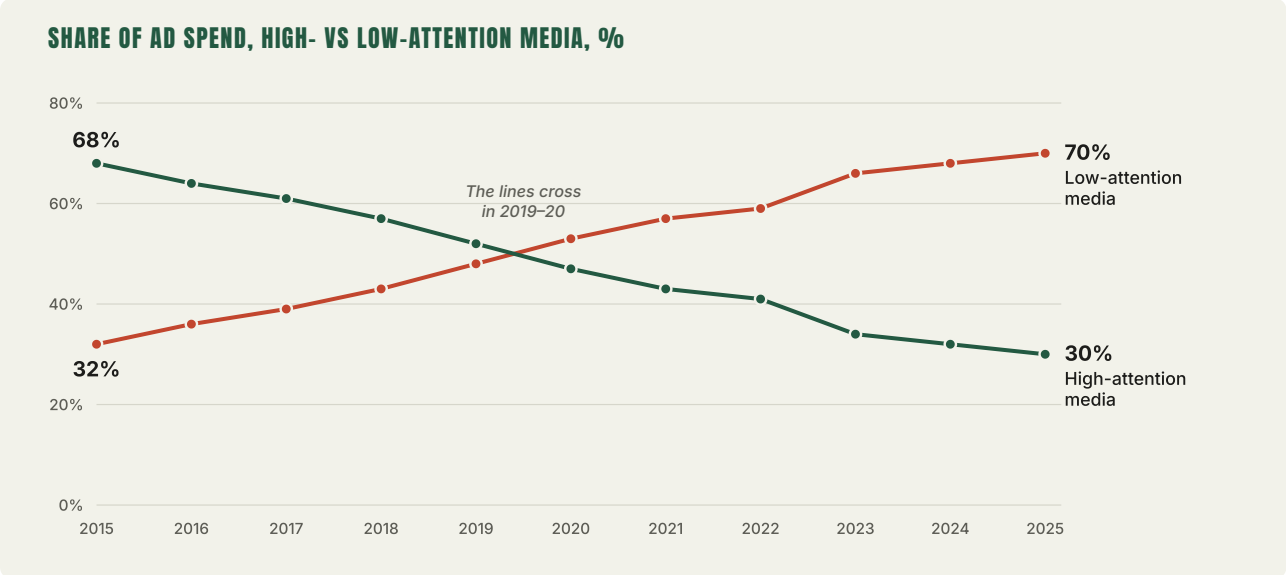


Figure 12. Ad investment has shifted away from high-attention media. Share of ad spend, 2015–2025. Source: Peter Field and Lumen, using AA/WARC total ad spend by medium (excluding search and direct mail).

Trust

> *Advertising that significantly increases brand trust is highly effective at driving business growth.*
>
> PETER FIELD

Trust matters for effectiveness because it transfers. The trust people place in a media environment rubs off on the brands advertised there, and that halo makes the advertising work harder.

The 2025 Credos Trust Tracker finds that television is the most trusted place to see advertising, among all adults and among 16 to 34 year olds alike. Social media and influencers are the least trusted. The picture in the US is the same. In the 2026 Edelman Trust Barometer, social media is the least trusted of seventeen industries, and the only one in distrust territory: just 36% of Americans trust social media companies to do what is right, against 50% to 66% for every other sector. Because addressable ads run inside the same professionally produced programming, they carry the same trust.

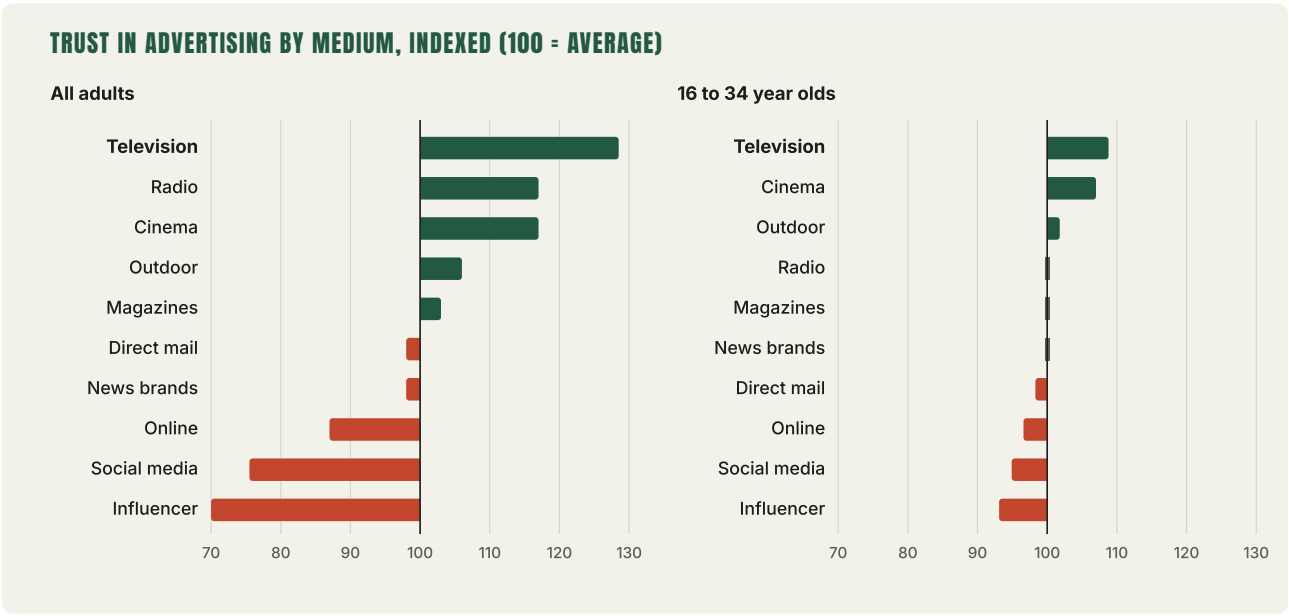


Figure 13. Trust in advertising by medium, all adults and 16–34s. Index, 100 = average across media; both panels on the same scale. Source: Credos Trust Tracker, 2025 (UK data).

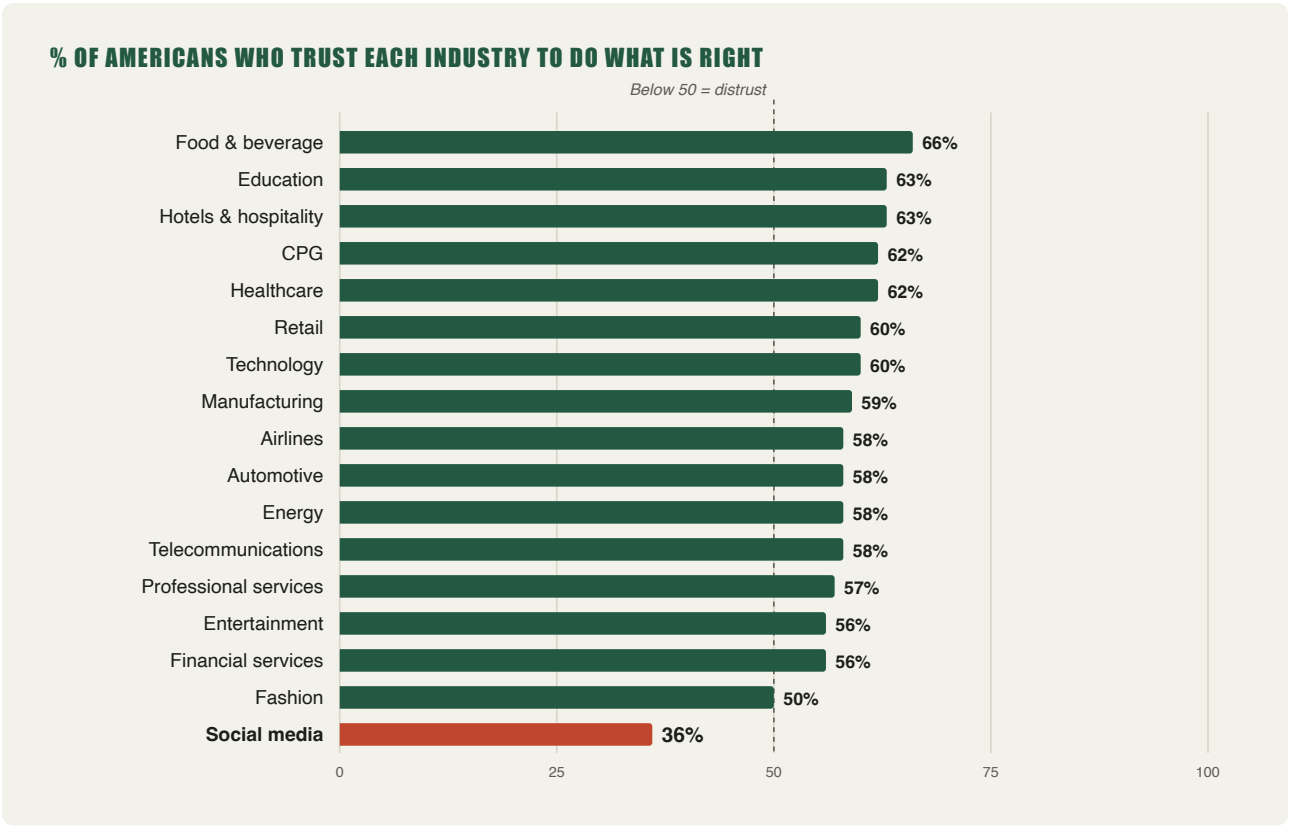


Figure 14. In the US, social media is the least trusted industry. Percent who trust businesses in each industry to do what is right. Source: 2026 Edelman Trust Barometer, US general population: trust in businesses in each industry to do what is right.

Safety

Low-quality supply is not merely wasteful; it can be fraudulent. Meta's own internal documents projected that around $16bn, about 10% of its 2024 revenue, would come from ads for scams and banned goods, which run on the same platforms where brands advertise. Television, by contrast, is highly regulated, and its ads are checked by people before they air. In the US, much premium TV advertising is also sold by companies whose subscription businesses depend on viewers trusting what they see. The ability to guarantee that an ad will never sit alongside scams or harmful content is itself a mark of quality, and one that much of the cheap reach in the market cannot offer.

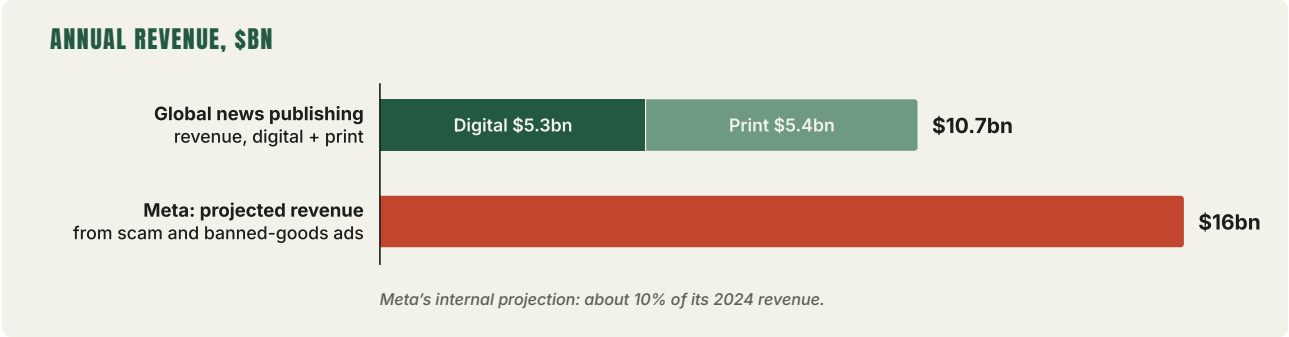


Figure 15. Your brand, their scam. Meta scam-ad revenue versus news revenue. Source: PwC Global Entertainment and Media Outlook; Reuters.

06 ADDRESSABLE TV: BOTH HALVES ON ONE SCREEN

Addressable TV lets advertisers show different ads to different households watching the same programming, across live, on-demand and streaming TV. It resolves the central tension in this paper: advertisers want the measurability of digital, but brands grow through quality reach, attention and trust. Addressable TV offers both.

- **Quality reach, not just more reach.** Advertisers can reach light viewers and households that linear schedules miss, while limiting frequency for those already reached. That is how brands recruit the light buyers who drive growth.
- **Current and future demand on one screen.** Only television can target the households in market today while building future demand among everyone who is not in market yet. Converting today's buyers and creating tomorrow's is what drives growth and profitability.
- **Targeting without leaving premium content.** Ads run in professionally produced, regulated, brand-safe programming, not "TV-like" inventory from the open web.
- **Confidence in outcomes.** Because delivery is known at the household level, results can be matched to sales, site visits and other outcomes for the households actually reached. That gives marketers the closed-loop evidence their CFOs expect, and supports measuring incrementality rather than clicks.
- **Direct, transparent supply.** Sold directly by distributors and programmers, addressable TV keeps more of each dollar in working media and gives buyers clear visibility of what they bought.
- **Accessible to more brands.** Buying by audience, region or household makes TV practical for mid-sized advertisers with digital-sized budgets.

Addressable TV works best as a complement to broad reach, not a replacement for it. Used to extend and sharpen reach rather than narrow it, it gives advertisers the precision they want without losing the qualities that build brands.

07 WHAT PREMIUM TV SELLERS SHOULD DO

Television has a performance product and the finest canvas available for building brands through emotional connection. No one builds an emotional connection in two seconds of video, which is why brands are paying 20% more year on year for Super Bowl ads. Yet in television, the Super Bowl happens every day. Brands just don't realize it. And with addressable TV, that audience can now be targeted with quality and its outcomes measured with precision.

By sellers of premium TV advertising, this paper means everyone who sells advertising in professionally produced television: broadcasters, cable networks, and distributors including cable and satellite operators and virtual MVPDs.

Build scale and direct supply

The first priority is to build scale around inventory that meets, and is labeled against, a defined quality standard, and to sell it through direct supply paths. Working together, sellers should demonstrate that those paths deliver around 90% of advertiser spend to working media, so clients can see their money funds premium content rather than intermediaries.

Make it as easy to buy as the platforms

The first thing to do is build a common buying platform to create scale in any given market. We are seeing this in markets like Belgium and Denmark, which are showing considerable success, with early beta launches in Australia and Canada. The US and UK are seeing collaborative launches of Universal Ads (a buying platform to target SMEs), which is incredibly encouraging. In the UK, it has launched with the three main commercial broadcasters.

With scale in place, TV can then challenge the platforms on outcomes, measurement and planning. Advertisers want one TV solution, not one per seller. This is already happening. In the UK, ITV, Sky and Channel 4 are jointly building an outcomes solution called Lantern. Australia is following a similar path with Adgile. In the US, Go Addressable, an industry trade association of TV distributors, networks, tech, measurement and data companies, is working to make addressable advertising easier to plan, buy and measure for buyers and sellers alike, which is the correct strategy. Its members reach more than 70 million US households (Go Addressable and Blockgraph analysis, 2025), so the scale already exists. Combine that with incredibly robust first-party data, which they all possess, and the task now is to make it simple to transact.

Pursue the messy middle (mid-sized advertisers)

Once this is in place, going after the middle and long tail of advertisers will be much easier.

Supply has grown enormously while ad-funded TV revenue has stayed broadly flat, pushing CPMs down and leaving less money for programming. TV has also leaned too heavily on the major holding-company agencies, which account for only around 20% of the advertising market. The remainder represents an opportunity worth over a trillion dollars, and it is where the platforms, which typically derive 80% of their income from SMEs, have grown.

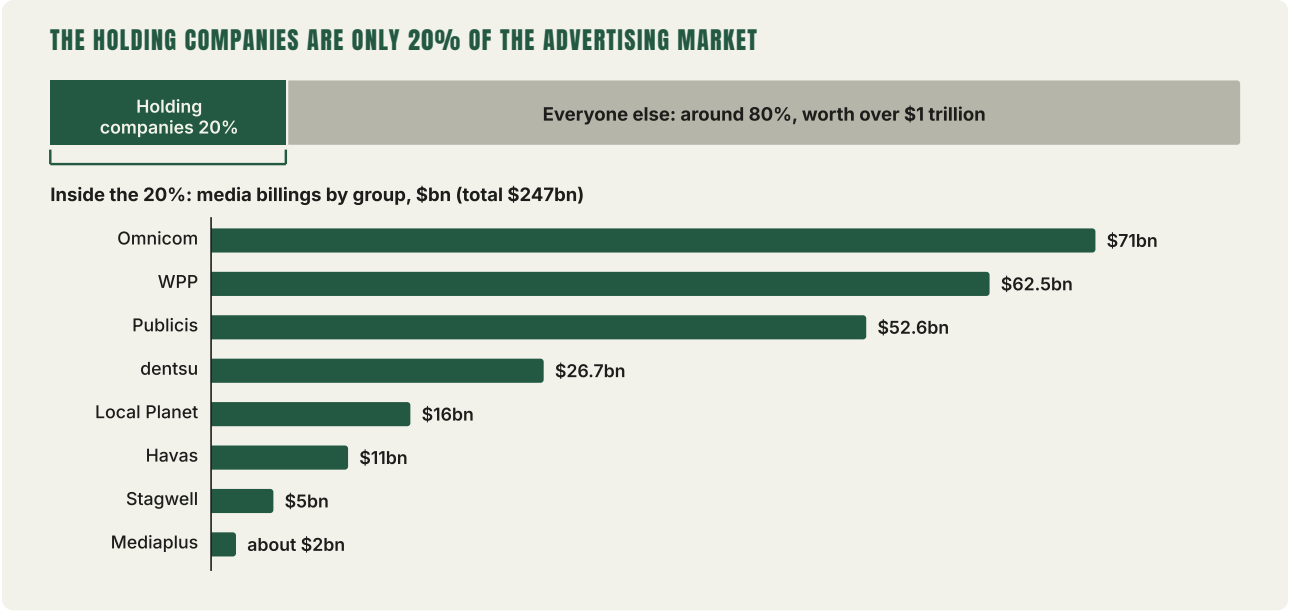


Figure 16. Holding companies represent only 20% of the market. Media billings by holding company. Source: Comvergence Key Highlights 2024.

TV must target what I call the messy middle: brands large enough to advertise on TV, but native to the digital ecosystem and used to digital metrics, digital data and the simplicity of buying through the platforms. Many look at television and see no closed-loop attribution, no easy way to buy data at scale, and no straightforward way to prove impact to their CFO and CEO.

Using tools like Universal Ads, TV can then target smaller brands who typically spend locally on search or social.

Addressable TV answers each of those objections. If sellers work together at scale, offer consistent data segments across inventory, prove every impression meets a clear quality standard, and support it with robust measurement and outcome solutions, TV can become a major force with these advertisers. There's plenty of evidence of this already happening around the world. TV businesses are seeing this as a major growth engine for attracting new-to-TV advertisers, and they must increase demand here, because the major agency groups, which manage around 20% of global ad spend, will not save their businesses.

Simplification has to come first. Once TV is as easy to buy as the platforms, it can compete, and win, on everything else it offers: quality (impressions plus data), trust, high attention, human-verified content and regulation. But only with scale. Scale matters almost as much as the other USPs, like trust, accountability and attention.

08 WHAT ADVERTISERS SHOULD DO

None of this is the fault of the people doing the buying. The incentives are broken: everyone gets paid, makes budget and hits target. The remedy begins with putting high-quality reach at the center of all media plans. Begin by formulating that plan around attention, quality data, trusted

environments and reaching humans.

01 **Plan for unique, quality reach.**
Brands grow by reaching light and non-buyers, not by squeezing more from the few they already have. Use addressable TV to extend reach to light viewers without over-serving everyone else.

02 **Buy attention, not impressions.**
An impression below the attention-memory threshold is largely wasted.

03 **Value trusted environments.**
Professionally produced, regulated, independently measured screens build trust, and trust builds growth.

04 **Follow the money through the supply chain.**
Know how many hops sit between your budget and the seller, and what each one costs you.

05 **Measure what matters.**
Prioritize incrementality, price elasticity and long-term effects over clicks, ROAS and last-touch attribution. Measure the households you actually reached, and don't rely solely on partners who mark their own homework.

06 **Back local, premium and addressable media for commercial reasons, not charitable ones.**
It is where brands are safest and where the evidence says advertising works hardest.

CONCLUSION

The business of media has become the business of measurement, and measurement has optimized for what is easy to count rather than what grows brands.

The evidence points in one direction: reach, attention and trust drive long-term growth. Trusted screens deliver all three, and addressable TV delivers them with the targeting and measurement advertisers now expect. The advertisers who act on that, while their competitors chase cheap impressions, will be the ones outpacing their category, most likely at the expense of their competitors.

REMEMBER, ONLY 5% TO 25% OF PEOPLE ARE ACTUALLY IN MARKET FOR YOUR PRODUCT AT ANY GIVEN POINT, SO LET'S NOT FORGET ABOUT PRIMING THE REST.

TV, ESPECIALLY ADDRESSABLE TV, DOES BOTH EXCEPTIONALLY WELL. CAN THE PLATFORMS DO THE SAME?

The OTHER Lot

MEDIA DONE DIFFERENTLY.

The Business of Media: Why Addressable is Television's Answer to the Outcomes Era

A white paper by The Other Lot, supported by Go Addressable. Written by Justin Lebbon, Partner.

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