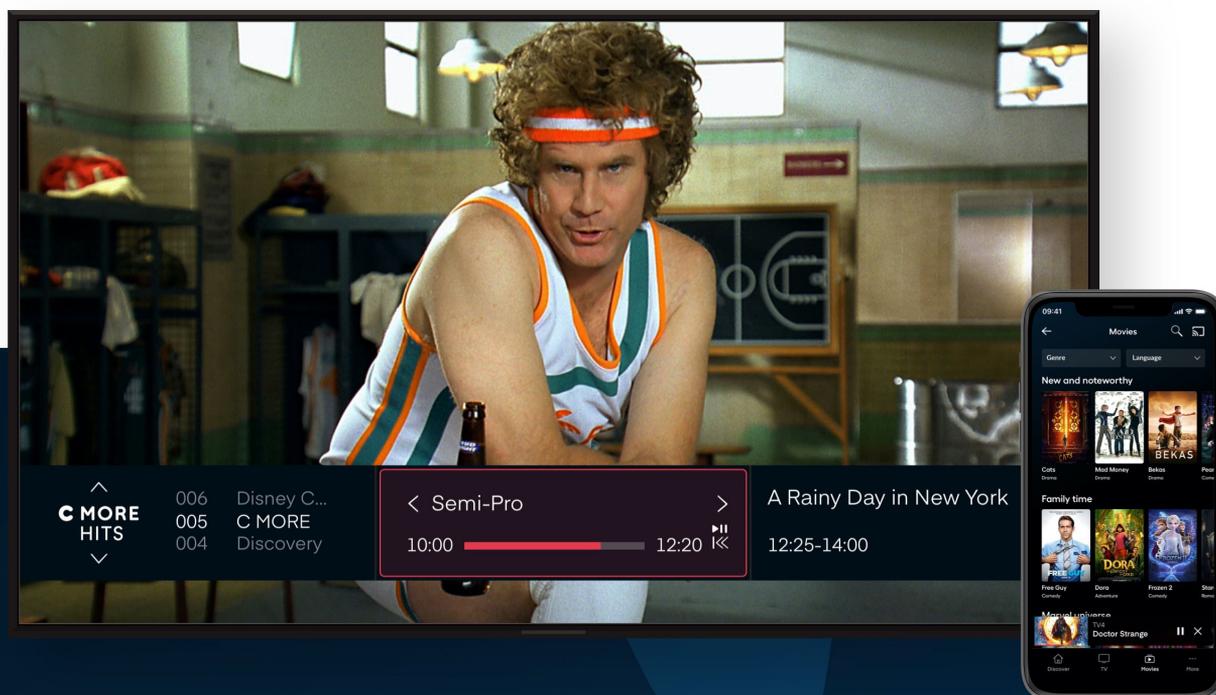


Why you should welcome the commercial breaks.



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TV commercial breaks are annoying interruptions and can invoke much frustration - yes. Furthermore, the future of a lot of the linear TV channels looks uncertain in the wake of on demand streaming services - offering content without long commercial breaks. So, where does this leave TV commercials as we know them today? What if embracing flow TV commercials could act as a life vest to keep the good content adrift?

Every year around this time, I actually look forward to the commercial breaks - the ones being presented during the Superbowl, to be precise. For me, the best time of the year to enjoy how the most expensive advertisement seconds are filled with creative brilliance. I even recall some years when the commercials have been more entertaining than the event itself.

This once a year highpoint of gems stuffed in between the live entertainment is a small joy in the everyday fight dodging commercials. You know what I mean - we are surrounded by advertisements, and even though commercials are a big part of our life - and all around us - I still know that my eyeballs and attention are constantly being sold to the highest bidder. It is clear that the friction it creates is carefully measured and adjusted for maximum effect versus tolerance, and me focusing my attention elsewhere. My viewing is a commodity - and so is yours!

So the why is clear - it is a matter of money - we - the consumers are not willing to pay enough for content to make a business profitable - or to put it in a simple way - buying content from others than the source or as close to the source as possible - decreases

the profit margin to a point where the seller has to top off their business by selling ad space.

And it is a huge economy. The size of the TV and digital ads market is worth billions of Euros worldwide, according to several reports.¹

Preroll, midroll, postroll, with countdown, non-skip, stitched, not stitched, addressable versus privacy concerns, and so on - the variations of how commercials can be served to you are plenty.

Over time, I have seen several solutions trying to make ads more tailored to the end-user - and they are getting better all the time, but still I find that I get a lot of ads more suited for someone else. I will not buy cat food for my dog - it would never forgive me for that, I think.

So I make sure the family has sufficient access to the usual bundle of paid streaming services, and on top of that we endure the commercials in the linear content and YouTube - primarily by doing something else while they are on or impatiently waiting for the countdown to say we can skip to the actual content.

On top of all that, we are in a strange place these days, where traditional linear TV packages, are struggling to keep afloat challenged by streaming services available at the click of a button - some international, some very narrow in content - like a specific sport or league and some focused on local content maybe in my local language.

I find it increasingly difficult to sit out commercial breaks, where a normal length movie broadcasted on a TV channel will sometimes take upwards to twice as long to watch because of those commercial breaks.

During the last year's isolation causing live music, theater, sports, etc., to be canceled again and again, we in my family have consumed more on-screen content than ever, and I have abandoned or avoided more non-linear TV content than ever because of those annoying commercial breaks.

The curious part is that I have been working with TV services for 18 years now, and even I recently downsized my home TV subscription package to a bare minimum. We only see whatever Friday night "vote now" content is on or the occasional new weekly released TV series, but other than that - we have it all on streaming services on direct

¹ [TV ad spend worldwide by region 2000-2022](#)

subscription. Granted, I still also like to wait for a bit and see multiple episodes of something via catch up - providing I can skip the commercials at that point, that is.

I think the only thing that holds me tied to a fraction of the traditional TV package is the live sports, that I can't completely slice out as a service by itself - yet. Well actually, I still sometimes enjoy the lean back experience that linear TV gives me. The ability to get a bit lost in a line of content all within a somewhat specific category. It provides the ease of not having to decide what to watch and mindlessly browse through the options while not really committing to a single program or series to watch.

But skipping ads is not a new thing - look at the remote control for your TV - introduced in the mid 1950's to provide an easy lean back experience while changing content on the TV - but in reality, it's an ad skip device.

Today we are still using it in combination with apps on our mobile devices to avert our attention from commercials.

I like to have the choice - ads or no ads. I am not sure I would have the same tolerance for ads in my paid streaming services in my TV subscription - even though I also pay for the ads filled TV channels. But still, the saturation of the many streaming services and the price I am willing to pay for them combined could make more of them go for ads-funding to stay competitive on price - and that might work - if the commercials were shorter and more relevant to me.

I am constantly reminded that I am paying for premium content in a TV channel package and then having to accept commercial breaks on a lot of the channels. The contrast to the streaming services where I subscribe directly makes me even more impatient with those interruptions on TV - more and more; we are getting used to buying the content directly from the source where the commercials are few or non-existent.

The combination of streaming services and a constantly slimming linear TV package is what I see for my use. Selecting what content or service to watch on what device, alone or with the family, is a whole other beast we will tackle in another article.

I think we are experiencing an accelerated polarisation between the traditional linear TV content on one end and the subscribed apps-based, mainly ads-free content on the other end, and the gap is getting bigger.

The question is if shuffle play will put another nail in the coffin of ordinary linear TV?

Netflix announces they will introduce the Shuffle play feature on all their platforms this year. Shuffle play should minimize the looking for new content time. Shuffle play will at least start playing something close to relevant for you based on the knowledge they have from your profile with streaming history and favorite content.

Look - I know we are not saving lives here. This is entertainment - but still, something we all use several hours a day on, and the means of financing the business of content is directly linked to your wallet. It is a multi-billion Euro industry, and I am just happy to know that we right now have more control over our content spending and consumption than ever before - and more content is being served up fresh every day.

I don't exactly know how all my valuable behavior data on preferences and purchase habits are used to make my surrounding content offerings into a me-shaped universe. Still, I am aware that my footprints are in the sand - all over.

And if you are in doubt - just look at who's fighting for your eyeballs to have a slice in the TV streaming market - Google, Apple, Amazon, to name just a few of the major players, who have turned on to content production, aggregation and direct-to-consumer approach in the streaming market.

The massive economy of the TV and streaming advertising industry could enhance the quality and personalization of content to the individual user, rather than just using any linear TV channel as a vessel to expose itself. If this does not change - I see the gap widening and users not looking back - leaving money on the table.

My conclusion must be that ads could and maybe even should be a strong fuel for keeping TV content relevant and in a reasonable price range. Mainly if we take the content type and personalization into consideration - what is the benefit for the user to have this content in a linear flow - is it live - like sports and news, or does it have exclusivity in this is the only place it can be found. While otherwise dated content airing in a constant flow packed with commercials seems to be easily replaced by an ads-free or pre-roll ad served On demand service.

If you want to know more about the toolbox Nordija provides to control the content products you provide to your users, please get in touch with us or one of our partners around the world, we will be happy to help.