

Mike Shields (3s):

Hey guys, this is Mike Shields. And this week on Next in Marketing, I got to talk to Lisa Valentino, Executive Vice President of Client and Brand Solutions at Disney Advertising Sales. Lisa and I talked about some of the challenges TV is facing mastering measurement, targeting and attribution, as more people turn to streaming. To help the companies betting big on the ad buying tools that have been developed at Hulu. And Lisa thinks these might become enterprise products down the road. In the meantime, Lisa and Disney are super bullish on the traditional ad market bouncing back, as clients start to express optimism, following the roll out of vaccinations, lets get started.

Intro to Next in Marketing (32s):

Everything we know about the media, marketing and advertising business is being completely upended. Thanks to technology and data. We are talking with some of the top industry leaders as they steer their companies through constant change. Welcome to Next in Marketing. Presented by AppsFlyer.

Mike Shields (52s):

Hi, everybody. Welcome to Next in Marketing. My guest this week is Lisa Valentino, who is the Executive Vice President of Client and Brand Solutions at Disney Advertising Sales. Lisa, hello. Welcome to Next in Marketing.

Lisa Valentino (1m 3s):

Thank you so much for having me. I feel so honored to be on your podcast.

Mike Shields (1m 8s):

Good. I'm glad you have that understanding going in, that it is an honor. I'm trying to match like the Oprah energy right now. Right? [Inaudible] So, hopefully, I hope you can feel that. So, okay. You have an interesting title. I see your title and I think of that you do the, you're not selling stuff on individual networks and websites. You're doing the big deals that kind of cross a lot of properties. That's how I read that. It is that kind of the right way to think about it.

Lisa Valentino (1m 32s):

Yeah. I can give you, I can sort of give you my purview that I have two sort of remits and I work for Rita Ferro, our President of Disney Advertising Sales, if you know, Rita. And I joined a couple of years ago as she was putting together this full unified portfolio of assets. And I was, I ran towards the opportunity based on her vision, which I'm sure we'll get to at some point. But I wear two hats. One is running our addressable sales and strategy business. So that's everything from Hulu and streaming, all of our long form digital, short form digital, social display, programmatic, you know, every forum of sort of addressable sales.

Lisa Valentino (2m 20s):

That's one side. And we can talk about how that now sits at the center of our portfolio and then the other hat, which is a really interesting one is client solutions. And so that's about, you know, a 500-person team across

the country, that thinks about any type of custom client solution we might be able to bring to market. All of our advanced ad products and partnerships, integrated marketing solutions across sports and entertainment, custom client solutions that leverage our in-house agency, sponsorships, et cetera, as well as our data and measurement stack.

Lisa Valentino (2m 60s):

So, you know, the point being that we wanna make sure that when clients do business with us, we're bringing every facet of the portfolio to bear. And we're innovating from products to measurement, all on behalf of ultimately of clients. So it's an exciting and very vast set of responsibilities.

Mike Shields (3m 23s):

Yeah. That's a lot of stuff. And some of those things on that menu don't necessarily have the same kind of clients, metrics, numbers, ways of buying. So it's pretty interesting. One thing that stuck out, what you just said, that you, the way you just define addressable, I think maybe it's different than other companies do it. And I wonder if you can unpack that a little bit. Because for a long time, addressable, I think was specifically selling those the two minutes an hour that you get, the cable systems get. And it was like it was a powerful but limited vehicle. Why are you calling everything addressable? It seems like that's deliberate.

Lisa Valentino (3m 56s):

Right. It is deliberate. Thanks for picking up on that. At any time that we can serve an ad to a person, we define it as addressable. And it's super helpful, because to your point, there is a version of the linear ecosystem, that is "addressable" and over time that will continue to grow. But if you look at the connected TV universe and you look at the digital universe, that is our ability to leverage data and targetability to inventory. And so we really think about all forms of digital and streaming as addressable, as well as data-driven linear and sort of TV addressability.

Lisa Valentino (4m 46s):

So, you know, it's just a different way to look at it. And it's a significant piece of the pie. And so when we think about this portfolio, we really want clients to not think about it as siloed businesses. We really want them to think about it as a gateway to reach.

Mike Shields (5m 7s):

Like the way you do business should be this...

Lisa Valentino (5m 10s):

The way we do business... You know, there's a mix of old and new in how we do business. At the end of the day, clients want reach. Right? Which feels like a heritage way of talking about, you know, how do I come reach today?

Mike Shields (5m 24s):

Right. Oh, you don't understand that's not precise, I don't know why you would think that way, but that's, it still really matters to a lot of brands, right?

Lisa Valentino (5m 30s):

It still really matters, but how you come the reach is different because what has happened that, you know, what we've lived through in COVID and the disruption that technology has accelerated, is that, you know, we now, it has to come from a couple of different sources, not just a linear source. You know, Hulu today reaches, on the ad supported side of Hulu, we reached 92 million viewers every month. That's significant. That can be applied with data. That can be accessed programmatically. And that certainly it presents a very premium access point to reach. And, you know, so as you start to look at these pieces, we spend a lot more time helping clients understand how to come reach versus, you know, arguing, I think, undoubtedly, people recognize that streaming presents a significant opportunity for market.

Mike Shields (6m 29s):

A couple of things, on that note, Lisa, you guys are just in the news. I think it was last week. You were unveiling a lot of different buying options and that like, and some of your tech portfolio, if you will, or before the broadcast [inaudible] traditional period. A couple things stood out to me there. You were, you were very open that you are pushing towards... There was a time where I think anybody in broadcast was like, didn't want to touch anything that sounded programmatic. That sounded like a dangerous place to go. I never want my inventory near anything that smells of an exchange or anything like that. It's dangerous. And you guys are very open about how that's going to be how you do business. And I wonder maybe you can talk about that evolution and why.

Lisa Valentino (7m 9s):

Sure. Well, you have to recognize the facts of where the industry is going. And I think that technology is accelerating automation. And we recognize that over the next three to five years, it's going to be a significant piece of the pie. We also recognize that there are many benefits to programmatic. And you know, one of which, if you look at our business even over the last year, we've seen a thousand new clients come to Disney, through a programmatic channel. So, you know, any company that's looking to diversify its client base, I don't think anybody has their hand down. Everyone's hands raised on that one.

Mike Shields (7m 50s):

Right. More people. Awesome.

Lisa Valentino (7m 51s):

And again opportunity to draw in new clients. That mid to long tail. It also allows clients to activate our audience graph, their audience graph, in a much easier way. So the whole ease of pie that programmatic brings, we think, is a benefit. We also know that clients are looking to manage reach in frequency. Much

easier to manage that today in a programmatic environment. And, you know, look, I don't think we start and stop with programmatic. Last week we also talked about self-serve. It really, as we think about our local business, as we think about SMBs, we think about direct to consumer as a category.

Lisa Valentino (8m 35s):

These are all pipelines to those consumer sets. So for all of those reasons we're bullish. By the way, a biddable environment, allows us to extract maximum value for our inventory. And as you know, better than anyone, we live in culture. So the unpredictability of culture is real, and it happens on a weekly basis. And so this gives clients and opportunity, and it gives us an opportunity to maximize those peaks and valleys.

Mike Shields (9m 10s):

Yeah. You want your market to be as current as possible, right or based on their current?

Lisa Valentino (9m 14s):

Totally.

Mike Shields (9m 15s):

So, because I think that there was a time when, yeah, when I think I would talk to TV guys and they were, there was always the fear of like, I'm not letting my prime time spots plummet, in some kind of programmatic exchange. I don't have the control anymore. But you've found ways to do it.

Lisa Valentino (9m 29s):

[Inaudible] Cause let me tell you, and you know this. 10 years ago, programmatic was for remnant inventory.

Mike Shields (9m 36s):

Right.

Lisa Valentino (9m 36s):

That's what it was about. It was a waterfall business where programmatic at the last look at the inventory, which typically tended to be the worst look. What we introduced last week was a product called Drax. It's not a Star Wars thing. It's like a real product.

Mike Shields (9m 53s):

No. Drax is a character from Guardians of The Galaxy. Not Star Wars, first of all.

Lisa Valentino (9m 57s):

Okay, fine. So, but what Drax does is it flattens the waterfall. And frankly, this is how we want to show up in programmatic, because it gives everybody equal, it gives parity, if you will, to our inventory to the market place. That then allows value to find its, you know, to find it's right place, if you will, in a marketplace. So our

programmatic partners that sit on equal footing with our, you know, direct IOs, we would, our intention is never to not deliver on it, on an IO, a guaranteed deal.

Lisa Valentino (10m 38s):

But there are opportunities inside of that, where we can be, we can be providing a lot more opportunities. So we're excited about that, because it changes, frankly it flips it.

Mike Shields (10m 52s):

Yeah. But another thing, you know, you mentioned 10 years ago that what would never happen. But I think also if you think back 10 years ago, or even less than that, Hulu's ownership was different, but there was always this like, look, I'm not, I don't want to have, I'm not merging, any of the stuff I do at networks X with what they do, that's a different category way of doing things. No, no, no. Now you're working pretty close, closer than people might have expected when you guys came together. Can you maybe talk about that?

Lisa Valentino (11m 19s):

Sure. So one of the things that Rita did, and her vision like drew me in. Because the ability to bring Hulu and integrate the sales team, the sales marketing team and the tech stack. So Jeremy Helfand, who is running tech for Hulu, is now running ad platforms for all of Disney. And so our sales team is one sales team. The Hulu sellers are now selling across the Disney platform, but they're rooted in streaming. And so not only do we sit close together, we are together. We are one team in the market, which is again, I think, as these worlds collide, its pretty powerful.

Lisa Valentino (12m 2s):

Hulu also, when I think you would agree with this, set the stage for the business that we see today. A decade ago, they built the streaming business and I think we're going to continue to pioneer and be leaders, whether it's, you know, viewer first ad products, whether it's, you know, the best stuff, best premium content, not only, you know, traditional content, but the original's work they are doing is pretty, it's pretty awesome as well. As well as the data piece of it all. And being able to really leverage the targetability that, that platform and the reach of that platform can offer us.

Mike Shields (12m 42s):

Right. Yeah, yeah. And they were early on stuff like self-serve, like you mentioned, which, you made an interesting point about how many new advertises you have coming on. I wonder like how much, how realistic do you think it is long-term, you know, what are the things that Google and Facebook have going on for them as they have like 7 million advertisers or something? I'm not saying TV is going to get there, when every local plumber is doing something, but do you think we're going to a place where TV is not just about the, you know, the 400, at age, biggest brands, you really gonna have a really long tail, like you described, where is that going?

Lisa Valentino (13m 15s):

I think so. I don't see why we have to put any parameters around it. If you think about it, you know, a company like Disney, we're in the local business. You know, we have owned and operated stations and digital versions of that and Hulu certainly has a local footprint that's massive. And so that's now combined as one local entity. You know, the best way to access Disney is frankly, through an automated self-serve platform. And why wouldn't we offer that to not only SMBs, but frankly, to all clients? And you know, I think that is the intention, you know, we launched Hulu ad manager this self-serve platform in the summer.

Lisa Valentino (13m 56s):

And today it is a pipeline into, you know, access into Hulu. But that goes enterprise in future years. That's the ambition for that. And I think that when you look at the street, you know, here's an interesting data point that I spent a lot of time thinking about. Hulu reaches 43 million viewers that are not on television. Right? And so as we think about real life, I have nine television's in my house. Half of them are connected and half of them are, have a cable box. Right? Now I might be different, because I'm in media and I feel like I need to have all of that, but the world is changing. And so our ability to think about different audience sets and how our brand has played different roles in that, how you enable that for the top tale, the mid tail and the long tail.

Lisa Valentino (14m 47s):

I think we want to be everywhere along that spectrum.

Mike Shields (14m 50s):

I want to come back to that broader set of brands in a second. Just give me the state of, okay, you have, you just have been out talking to advertisers that you're heading towards, I think a more traditional upfront calendar, maybe this year. A year ago, like, you know, it was, everyone was scratching up runs and moving them. Oh, we never have them again. Right. It was like the, everything, we decided that COVID, was changing everything forever. What's going on now? Because it seems like if you read what's happening in this, you know, the vaccines getting, looking promising, are we gonna have a great spring? Are clients like ready to spend like crazy? What is the state of the market right now? Is it all over the place

Lisa Valentino (15m 26s):

I think the ad market is on its way. Remember, you know, time, this timing is everything. You know, we're a week out from where we went into a fully worked from home mode. Literally a year ago, at this time, we were planning in the office. Can we fully mobilize in a virtual environment? And I think that we showed ourselves and many companies did as well, that they can. Like you can flourish in this type of an environment and it actually maybe allows you to work muscles you never thought you had. However, you know, obviously the pandemic had had ultimate impact on the business.

Lisa Valentino (16m 7s):

Those first few months, we were working through a lot of uncertainty. I do think, I'm most proud of the

flexibility that we provided and how we pivoted with clients. And I think that for that, you know, as we started to see things start to swing back, I think Disney, you know, those relationships remained really strong. We remain today confident in the ad market. I think it's an always on fluid. There is, you know, this upfront, you know, talk, it's an always on-fluid conversation.

Mike Shields (16m 44s):

Okay. So like there was some thinking that, just like people who have got used to buying things through e-commerce more would just keep doing that forever. And maybe the brands that would get hooked on why do we need an upfront, I'm going to buy all the time and never commit beyond a certain period, would become the norm. Do you think that that's gonna play out?

Lisa Valentino (16m 60s):

I do think there's a lot of business that brands are remaining at the center. That clients are remaining at the center. And that has a lot to do with, you know, data being exchanged, programmatic. We're seeing a lot of direct to client relationships between client and publisher, but I also know that we are in a limited supply universe. And so from a cultural perspective, I do think we'll continue to see, you know, some version of clients making up front commitments. But also wanting to, you know, wanting to be able to see how the year unfolds.

Lisa Valentino (17m 43s):

I think you're going to start to see certain categories swing back. We're starting to notice travel coming back. And there was a lot of optimism around it.

Mike Shields (17m 52s):

It's good to hear.

Lisa Valentino (17m 52s):

Right. Vacation planning airlines. We see it. We see it in terms of a lot of those clients are coming back on air. Sports is coming back. You're gonna start to see some really exciting announcements from us on the ESPN side, in terms of new rights agreements, over the next couple of years.

Mike Shields (18m 12s):

Really?

Lisa Valentino (18m 13s):

So, yeah. So hopefully we are going to have fans in stands at some point in the next year. And so that whole experience that fuels not just the media business, but every part of an experience that you're used to, we see coming back in new and different ways.

Mike Shields (18m 35s):

Okay. What about the big stuff that you were talking about before, the, you know, the custom things you do for clients that are for, I'm imagining therefore, big launches and they wanna have, you know, a presence in the bowl game and then this stuff at a park. So that. What happened to that this year? And then how does that look right now? Because those are harder to pull off, I think, they are just longer, probably

Lisa Valentino (18m 56s):

They are. Although, I think that we got super creative this year. And one of the things we did, we got really good at producing virtually. So hopefully that continues because many of our shoots happened virtually. And we found different ways, of to your point about how [inaudible] was behaving differently. So anybody that was looking to use our sports tentpoles to drive products or fan engagement, we found different ways to do that. But we see a lot of that coming back in the future. You know, we also did different type of work. You know, we launched the Ford Bronco with Ford earlier this year, during the pandemic.

Lisa Valentino (19m 40s):

And instead of creating an experiential piece to that program, we wound up doing mini films, right? Leveraging our talent and executive type producers, to, and our brands to bring that to life. For Pfizer, which you'll see coming on March 11th, we're launching a documentary with Pfizer that showcases their journey to the vaccine. 44-minute documentary that we produced on that. That's a branded content piece, that's gonna live in commercial time on Nat Geo. We may have done something different if we had all of our traditional sort of tools in the kit available.

Lisa Valentino (20m 20s):

So I think it forced creativity in a different way, but I do think as we're looking, you know, a year out, at the calendar, we are expecting to have some of those traditional sort of temple moments available again.

Mike Shields (20m 35s):

Alright. Let's drill into some of the nerdy stuff. Cause you alluded to the, how addressable is important. And data analytics. You know, the C-TV's is the, you know, just operates very differently than the linear television. That then VOD, then everything else, [inaudible] Hulu, how much of your life is trying to stitch together numbers that don't always work well together and trying to figure it out for either for planning or buying purposes?

Lisa Valentino (20m 59s):

We spent a lot of time thinking about cross platform measurement. We've created a number of solutions and partnerships to really help clients look at cross platform performance, if you will. So partnerships with folks like Samba TV, are a step in that direction. We have a Hulu attribution tool, a proprietary tool that many clients are using to show attribution for connected viewing. We're also putting our data into tools like, NMI, Nielsen Media Impact tool, that really helps clients on the pre-planning side, understand what happens when



you start to add streaming to your traditional linear buys, what does that do to GRPs?

Lisa Valentino (21m 44s):

What does that do to reach? Other tools like [inaudible] are also out there, where we have our data. So we are trying to influence the planning and sort of strategy side of the business, but then we also want to lead and nobody has figured this out yet, but we are spending a lot of time trying to pioneer post-campaign measurement reporting. And I think we have some great proof points, at least early days to point to.

Mike Shields (22m 15s):

Oh, I was going to, oh, well, you led me to the next question, which is, how, there are a lot of companies trying to crack this. You're working with some of them. Attribution seems, it's challenging for television, it, you could buy it for a lot of reasons, how are you, but I'm sure what you're getting these brands coming on, I'm sure that are expecting that these DTCs love to be able to optimize and improve or that it worked like how, what is the state of affairs there for you?

Lisa Valentino (22m 41s):

Here's the interesting thing with DTCs. A DTC client, and we have a whole performance team that services the DTC clients. It's a huge business for us and growing. We're seeing significant growth coming out of this category. And I think it's because they flip the funnel with us. So I mentioned the Hulu attribution. Well, we thought let's call it 75 advertisers using that tool, where they connect their CRM database into our ad server. And we can really focus on driving results. And then what starts to happen, in the last week, we had ThirdLove on the record, but we work with all of the major DTC's and the up and comers.

Lisa Valentino (23m 24s):

So they start with more performance driven media, but then they start to graduate, because what they realized with Disney and with Hulu, that they can't do with other other platforms, is we can actually build your brand.

Mike Shields (23m 36s):

Right.

Lisa Valentino (23m 36s):

We can integrate your brand into our content so that not only are you hitting your performance KPIs, which we know you have to hit, but we can also start to build that relationship with the consumer through integrations and sponsorships. And so a lot of those bigger brands are doing both with us. So, and by the way, flipping the funnel is a strategy we're now also bringing to some of our bigger clients. And more mainstream clients to say, Hey, why, how can we help you sell your products and use these types of tools and figure out ways to make your media work smarter, as well as building your awareness and your brand relationship with the consumers.

Lisa Valentino (24m 20s):

So it's a really interesting dynamic. We're trying to use on both sides of the house.

Mike Shields (24m 26s):

Okay. So all of this that you were describing, it's been, there's been a lot of big news in the area of attribution targeting, all this stuff. Does it matter to you when, I'm sure it matters to your.com businesses, when cookies are going away and IDFA, the changes. I don't have a great sense of, well, how does this rock what you're trying to do with television and cross platform or does it not matter that much?

Lisa Valentino (24m 48s):

Well, look. Any change in the eco-system has impact. I think it's going to be positive impact for companies that sit on large first party data graph. Okay. You've spent the last three years building our audience graph. And so it is inclusive now of Hulu. And so we have one holistic view of the consumer across linear, digital, and streaming. And we'll continue to enrich that data set with other, you know, behavioral data and psychographic data, and other third party data. But it sits on a Disney graph and that, you know, we call it Disney Select, we've built over a thousand segments off of that graph, that clients can target against.

Lisa Valentino (25m 35s):

We've seen huge... So this is interesting. And I don't know if it was pre all of these announcements coming, but we've seen a tremendous amount of clients accessing our data graph over the last year, you know, up to 6%, you know. Look, there are big percentages, but the thing is, is for companies that sit on first party data, I actually think we're going to become stronger. Because we become that source for clients and agencies. I also think it hopefully creates better quality in the marketplace. You and I have been talking about this for years.

Lisa Valentino (26m 16s):

There are a lot of bad apples in the data ecosystem. And so, and we've been on the other end of it to the extreme, right? We take the most conservative approach as it relates to data privacy. So we're excited to have a strong seat at the table and continue to build a solution. We're also spending quite a bit of time on clean room solutions, so that not only can we bring our data to the table, but clients can bring theirs as well. And there can be a privacy safe sort of environment for that data to trans, to move around.

Lisa Valentino (26m 57s):

And obviously ultimately serve our clients. So, you know, a lot going on in that space. But we're excited about the position we sit in.

Mike Shields (27m 6s):

Now, let's talk about your career a little bit, cause you're at Disney and you had a...

Lisa Valentino (27m 11s):

Well, I'm only 25. No, I'm kidding.

Mike Shields (27m 14s):

Okay. So you, you were at ESPN. You left. You came back. What was, I mean, it's a million years ago and not that long ago, like what, how do you compare the issues that you were facing then, the kind of stuff you were working on? Like what was really, what stands out as being so different about that time versus now?

Lisa Valentino (27m 30s):

Right. So you might remember this. We did meet at ESPN, but I spent merely a decade at Yahoo before I came to ESPN. And it's interesting this week, or this month, Yahoo's 26 years old. So my Facebook feed is filled with a lot of going down memory lane, with many folks in the industry about Yahoo. And so my career has always been, I feel like it's the culmination, I'm living the dream. Because my brain is part creative, marketing, content and part data, tech, audience. That's my career. I spent half of it selling audiences in tech.

Lisa Valentino (28m 11s):

And I've spent the other half, you know, selling the value and the power of content and brand. And so I feel like now at this point in time, at Disney, I get to put those two worlds together. And I get to sit at a pretty important seat in the industry and try and guide that. And I don't mean me individually. I mean like half of the company, but like that is the, and that's the dream job. And two years ago, when I sat with Rita, in her office, when we were at, you know, literally sitting together, physically, which was nice.

Mike Shields (28m 43s):

Right. Remember that?

Lisa Valentino (28m 44s):

Remember that? It was, I was like your vision, if we can deliver on this vision, you know, we just, most people have one side of the coin and it's a very, and there's a lot of powerful players on either side of that equation. Disney has the opportunity because we're rooted in content and we're focused on technology and data to really be differentiated. And so, you know, to me, like I wake up every day, super excited. It's crazy. You know? I mean it's a never-ending, always on, especially in a COVID environment, it's 24/7.

Lisa Valentino (29m 25s):

It goes from nine. I always say it's 9-9. 9AM to 9:00 AM the next morning. There's no end, right? There's no end of the day.

Mike Shields (29m 35s):

Yeah, we lost our commutes and then just worked way, way more.

Lisa Valentino (29m 38s):

We lost everything, everything related to schedules. So, but it's a super exciting time to be in the business. I think the next five years we're going to see more change than in the last 15.

Mike Shields (29m 51s):

Right. Which were not quiet years.

Lisa Valentino (29m 54s):

And they were not quiet years, but they have to be noisy going forward. We have to pave the new way and you know, look, I'm just fortunate to be on a podcast with Mike Shields on a Tuesday afternoon.

Mike Shields (30m 6s):

Absolutely, very fortunate. I'll leave you on this. So I'll let you go on this one. How many people call you now and say, I got to get my brand into WandaVision, get me into The Mandalorian. I want to have them drinking a Coke or driving a Chevy. Like are people pushing this ridiculous branded content idea at you, all the time?

Lisa Valentino (30m 25s):

I would say yes. And the reason is, and it's less about, it's less about the platform. Although everybody, you know, has a lot of excitement around Disney Plus. And it's more about culture, right? If you're a brand that's trying to break through, you have a hard time breaking through in an unlimited feed, that's never ending, that refreshes every one second or every milliseconds. And culture breaks through. And so if you can be on the back of culture, that's kind of how folks come to us with their, they all come with asks, but then we wind up in really great places that we think serve consumers well and serve advertiser.

Lisa Valentino (31m 8s):

So we try and play the line in the middle, and sometimes clients just come with great ideas too.

Mike Shields (31m 16s):

Yeah. That's always the most fun.

Lisa Valentino (31m 17s):

Yeah.

Mike Shields (31m 18s):

Alright, Lisa, so much fun. Awesome conversation. Glad we caught up here, but thanks for taking the time out.

Lisa Valentino (31m 22s):

Yes, let's do it again soon.

Mike Shields (31m 25s):

A big thanks to my guest this week, Lisa Valentino, Executive Vice President of Client and Brand Solutions at Disney Advertising Sales. And of course my partner's at AppsFlyer. If you like this episode, please take a moment to rate and leave a review. We have lots more to bring you, so be sure to hit that subscribe button and we'll see you next time for more on what's Next in Marketing.