

All-Encompassing Guide to CTV & OTT Advertising for Experienced Marketers



INDEX

The Foundation of CTV Ads: A brief History of its Rise

- Connected TV Advertising: A brief breakdown
- The intersection of OTT and CTV
- Convenient Entertainment: The reason behind the Hyper-Growth of OTT
- When did Streaming Technology become mature for mass market?
- The First OTT Services
- How marketers first responded to OTT

Differences between CTV & OTT

- What are the major differences between OTT and CTV?
- CTV vs OTT for Marketers: Breaking things down

CTV Technological Landscape & Capabilities

- Connected Television Advertising Technology
- How Connected TV Advertising works?
- Demand Side Platforms (DSPs), Data Management Platforms (DMPs), Supply Side Platforms (SSPs)
- Buying CTV Advertising
- How do you approach CTV Ads for your clients?

CTV vs Traditional TV Advertising

- Why and how is Connected TV Advertising the biggest wave?
- The limitations of Traditional TV Advertising
- Benefits of Connected TV Advertising

CTV Strategies & Tactics

- Introduction
- Identifying and Targeting
- Delivery - Length, Technical Specifications, Call-to-Action
- Measurement - The Beauty of Data
- Ad Strategy for Agencies

INDEX

KPIs in CTV - What You Need to Know About Measuring Success in CTV

- How to Measure Success in CTV Advertising
- Your Goals and Strategy must always influence your Metrics
- Completion Rates
- Viewability Scores
- Cost Per Completed View over CPM
- Walk-ins

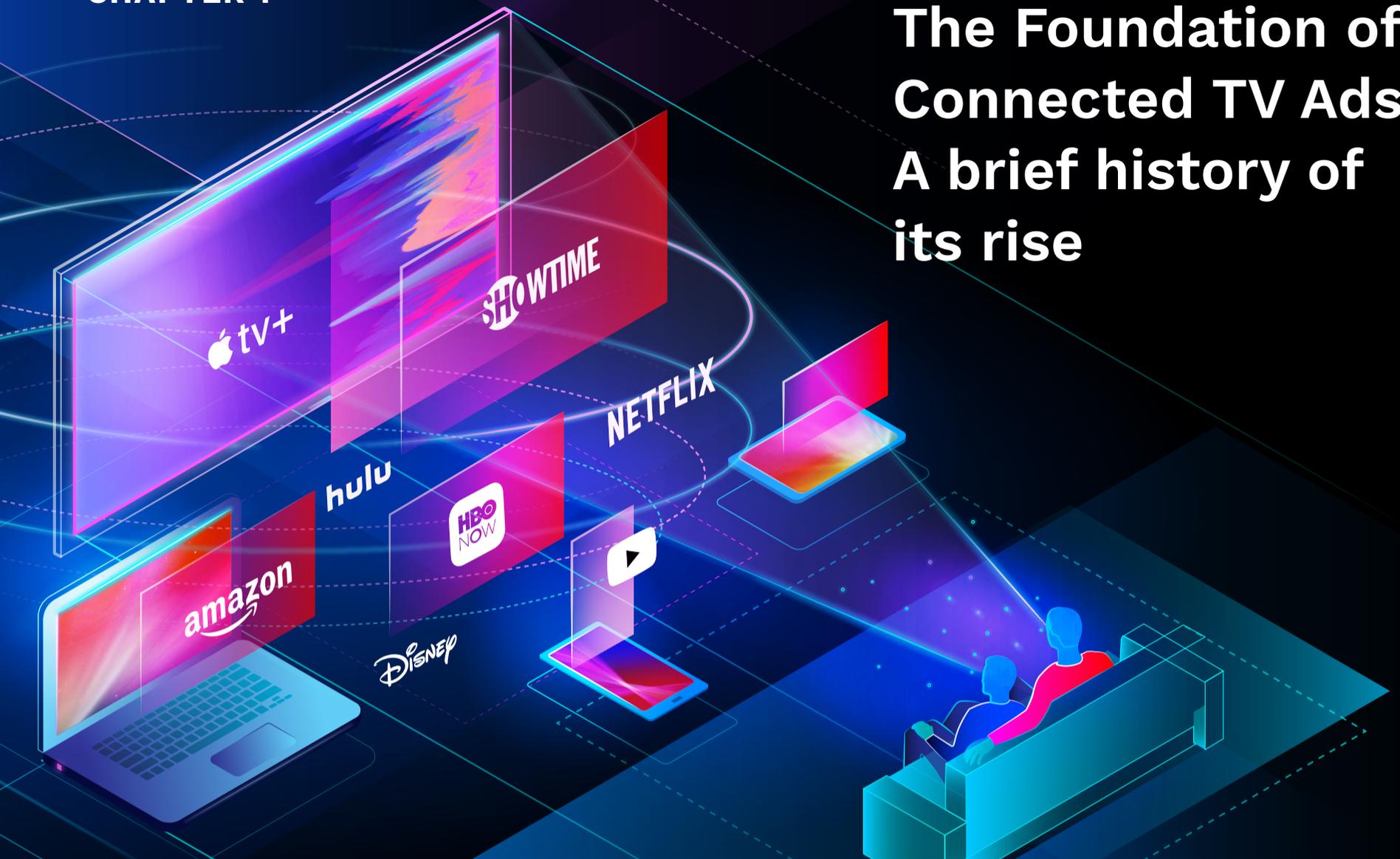
Challenges & Opportunities for a Marketer in Connected TV Advertising

- Fragmentation
- Lack of Standards
- Overcoming the Fragmentation Challenges
- Knowing the right people
- The Promise of OAR
- Targeting & Cross-Device Attribution

Future of CTV Advertising: What's in it for 2020 & beyond?

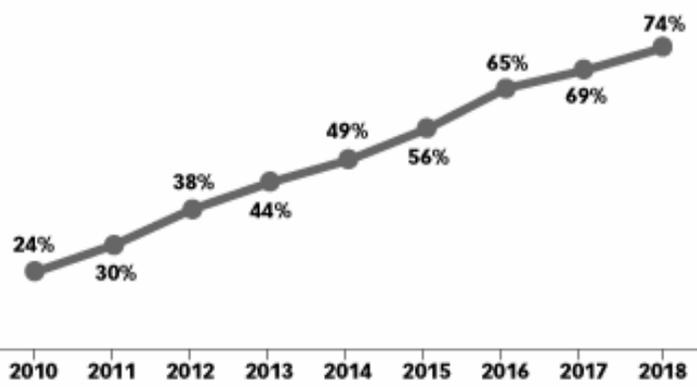
- Evolving Standards
- Emergence of Hybrid Models
- Innovation With Connected TV Advertising
- Hyper-Personalization
- What will Connected TV Advertising be like in 2030? 2050?

The Foundation of Connected TV Ads: A brief history of its rise



The use of Connected TV (CTV) has grown substantially in the past 9 years. Connected TV Devices like Apple TV and Roku are putting viewers in control of what they watch and how they watch it. Instead of having to run streaming networks on their computers, they're able to put it all on their television and control their experience from a single platform. Viewers enjoy on-demand content from a growing list of providers, giving them the means to design their own convenient programming schedule whenever they have the time.

Nearly 75% of all US households have some type of CTV set up in their homes (a 6% jump from 2017.) It's time to take a serious look at CTV and how Connected TV Ads can help flesh out a company's marketing strategy.



Percentage of Households adopting Connected TV

Source: Leichtman Research Group Inc. (LRG), "Actionable Research on the Broadband, Media & Entertainment"

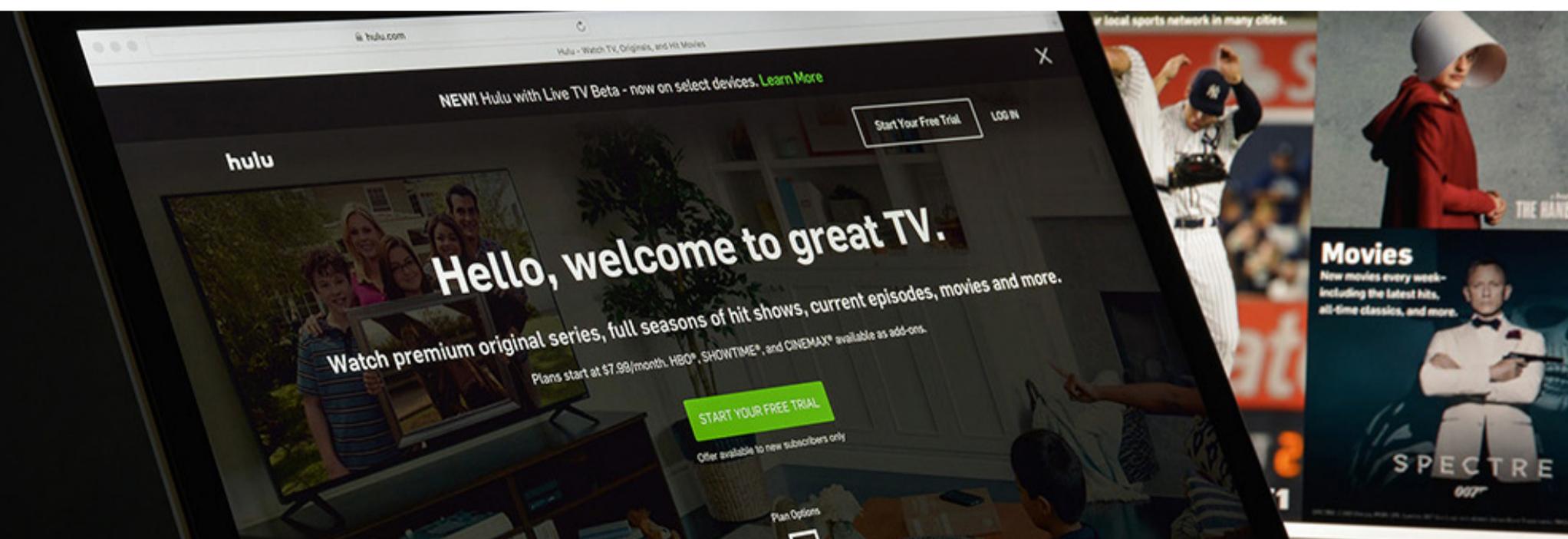
Connected TV Advertising: A brief breakdown

Connected TV refers to a device connected to the internet that allows its users to watch specific (usually paid) content. The term can also refer to a television paired with an internet-connected device, such as Roku or any smart TV. CTV advertising is gaining a lot of traction because most people use it to run monthly subscription services, such as Hulu or Sling. These premium audiences have the means and motivation to demand more from their viewing experience — they're willing to pay for it.

The Intersection of OTT and CTV

CTV falls under the umbrella of OTT marketing, which is why you'll hear the two mentioned in the same sentence. OTT stands for over-the-top, it enables the viewer to access content via the internet without the help of a cable connection. (OTT is the service being offered rather than the device it's being played on.) CTV is often associated more with paid subscription services whereas OTT may be free to the viewer. We will look at the detailed differences between CTV & OTT in the next chapter.

Media advertising for both OTT and CTV is largely still in its early stages. A company like Netflix won't allow companies to run ads between their shows, but a company like Hulu has different versions of their platform — and some subscribers will choose to watch ads for a lower monthly fee.



Some experts predict a 15% rise in ad revenue in the next 10 years, giving owners a solid reason to invest in OTT now for bigger payoffs in the future. This prediction is in line with the rest of the numbers. By 2020, Hulu's Advertising revenue is estimated to hit \$2.2 billion. By 2021, CTV users are estimated to hit 194.4 million. By 2022, an estimated 204 million Americans will be watching CTV.

Convenient Entertainment: The reason behind the Hyper-Growth of OTT

A linear TV requires a person to build their schedule around their favorite shows. If their schedule changes, they may need to wait several months to catch up. With Connected TVs, users can navigate an easy-to-use interface, choose from a diverse line-up of quality programming, and watch when they want.

Plus, OTT Platforms have managed to satisfy needs viewers didn't even realize they had. Groundbreaking network series, old favorites, and new releases are now the standard for OTT audiences, and the current content has created quite a buzz for what's to come in the future. Providers have also seen incredible success creating their own content specifically for their viewers, so they're more likely to maintain their subscription. This on-demand, original content is now on par (some would even say better) than its network competitors.

CTV has made it easier for people to access this vast array of OTT programming available to them. If they purchase an Apple TV or a Roku, they can use their internet connection to play a wide variety of platforms on their regular TV, such as Amazon Prime, Netflix, and Hulu. If a subscriber wants to catch an action movie or share a funny video with everyone in the family, they don't have to watch it on their laptop or phone.

When did streaming technology become mature for mass market?

Networking and data storage technology advancements saw an exponential spike in the last decade. This led to a spur of new types of businesses that disrupted the market (e.g., e-commerce). The entertainment industry was one of the front runners to leverage this technology infrastructure and build convenient services on top of it.

The first OTT services

Internet Protocol TV (IPTV) was first coined in 1995, but it would still be another 10 years before viewers really started devouring OTT content. In 2005, iTunes began offering its users the ability to download specific TV shows directly to their chosen devices for a fee.

Netflix debuted its first streaming content in 2007, and it wasn't long before Hulu got in on the game in 2008. Netflix, which originally started out as a DVD rental competitor to Blockbuster, pioneered the streaming industry by creating a service with enough bandwidth to handle its initial base. And while the company's initial response was lukewarm, it wasn't long before they started seeing significant interest in streaming.

Their success effectively disrupted the market and started a lasting trend. As more people were turned onto this easy way of watching content (easier even than TiVo), it attracted global interest. This kickstarted Netflix to invest more in its technology and prompted other companies to do the same. In 2011, Netflix had 21.6 million subscribers. (Today, they have 148.86 million.)

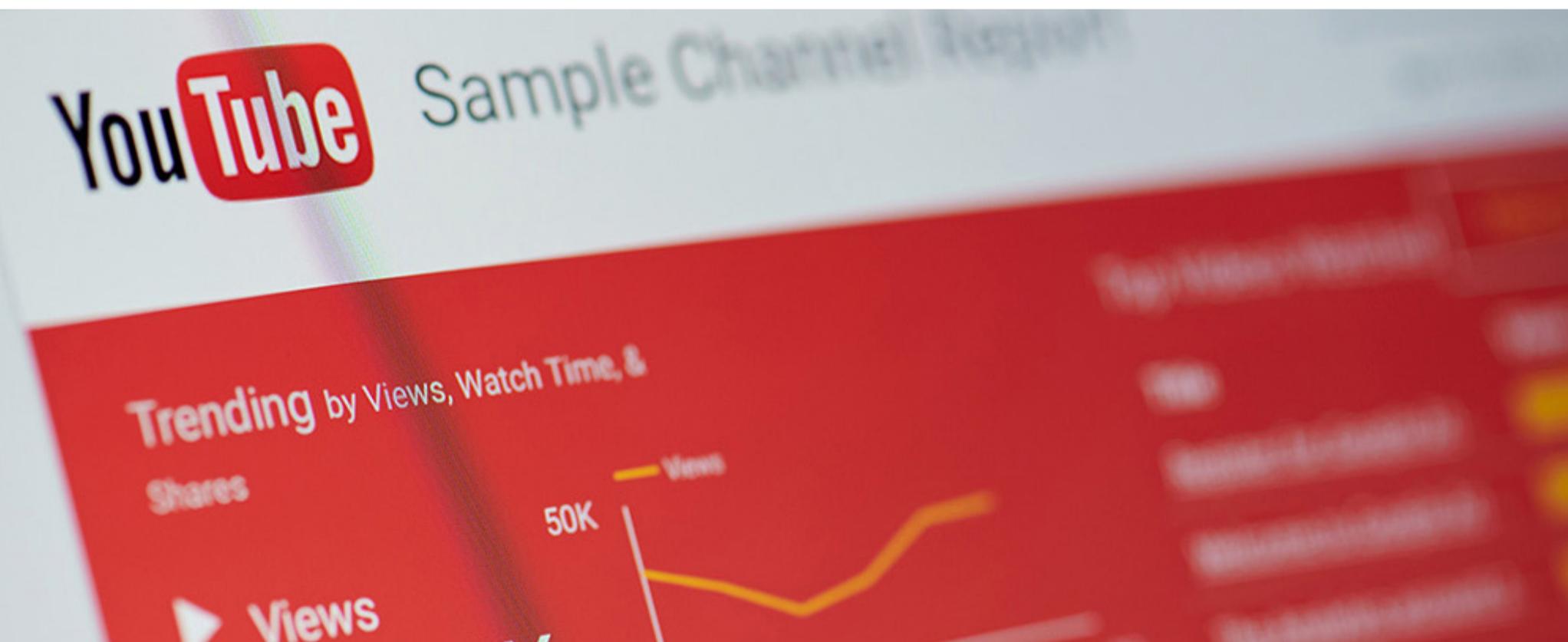


How marketers first responded to OTT

With unprecedented user growth in this segment, OTT became a humongous playground for advertisers to commercialize on.

However, it's not so much a question of when OTT or CTV advertising first began as what options were available to them. For example, Netflix streaming was never designed to be supported by advertisers. The first ad on YouTube appeared in 2007, while Hulu ran its first major advertisement in 2009 (with many more to follow.)

More advertisers followed on both free and subscription-based platforms, but some marketers estimate that it's only been about two years since its popularity started really attracting the attention of marketers.



Why marketers are busy changing gears to CTV Ads

Before addressing the recent flock of marketers to the Connected TV Inventory, we should first distinguish OTT Ads and CTV Ads. With CTV ads, you're targeting the premium audiences: the people who have money to spare on your product.

The audience of CTV isn't just listening, they're actively engaging with the content. They're choosing the exact show they want to see at the exact time they want to see it. In other words, they're paying attention once they sit down to watch.

In addition, Connected TV Ads can be far more specific to the viewer than traditional marketing. Marketers can use 1st & 3rd party data to target ads to interested audiences, retarget ads to prospective buyers, and cross-market products and services across multiple devices. Marketers can also access their metrics in real time, allowing professionals to quickly adjust campaigns that aren't working.

How does CTV Advertising Work?

Connected TV advertising starts with understanding the platform. At the broadest level, you'll choose a DSP and bid for ad space. Use digital marketing strategies to target your audience before publishing your ad, and track conversion rates in real-time after the ad has gone live.

If you're relatively new to the process, CTV marketing can get tricky. If you don't have the right marketing consultant, it's easy to overbid, market to the wrong people, and let campaigns run far longer than is profitable. A partner like Demand Local knows both the marketing and technology sides inside and out, courtesy of having been in this market space for years now. In the third chapter of this book, we will take a deeper look at the technological landscape of Connected TV Advertising and the different components that supports its orchestration.

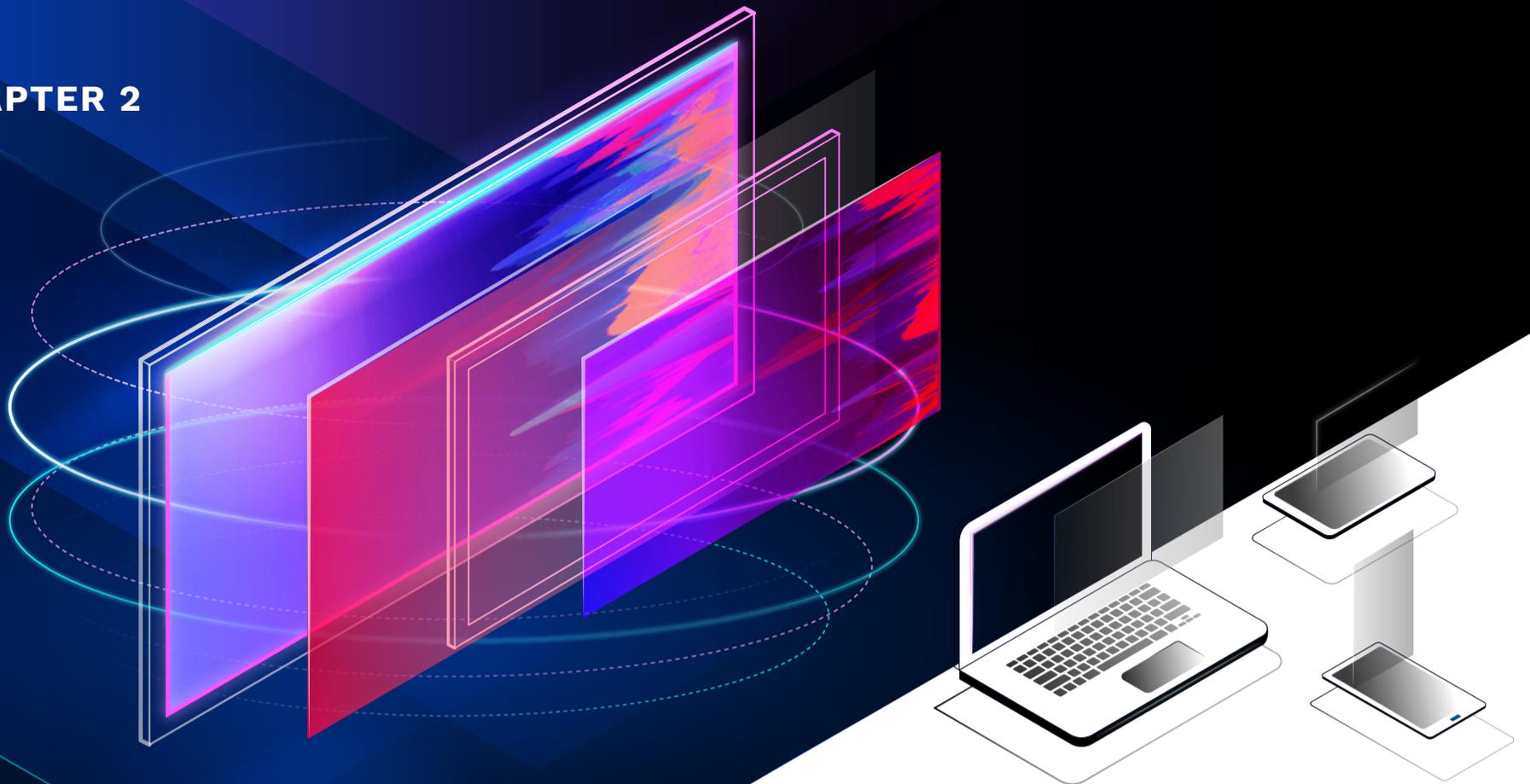
Connected TV Future Growth & Trends

In addition to the growing number of CTV users, CTV marketers are quickly starting to treat it as its own separate entity. Between November 2017 and November 2018, the general CTV industry saw ad requests skyrocket by 1,640%. These numbers indicate that CTV advertising is no longer seen as a small portion of a company's larger digital reach. The number of resources doled out for CTV, on either side of the equation, is only going to increase in the immediate future.

From June 2018 to May 2019, we saw AT&T spend \$104 billion to buy Time Warner. Not to

be outdone, Disney dipped into its pockets to buy 21st Century Fox for \$71 billion. At the lower end of the spectrum, Comcast spent \$41 billion on the European broadcaster Sky. All three juggernauts are planning to launch streaming services in the first quarter of 2020. In the last chapter of this book titled “Future of Connected TV Advertising” we will explore a bit more into the future of television ads and how they are likely to span out in the near future and beyond.





Differences between CTV & OTT

CTV & OTT have more differences than you may think. As a marketer, you need to be able to discern the differences between the two.

What Are the Major Differences Between OTT and CTV?

Generally speaking, CTV and OTT are typically used interchangeably because:

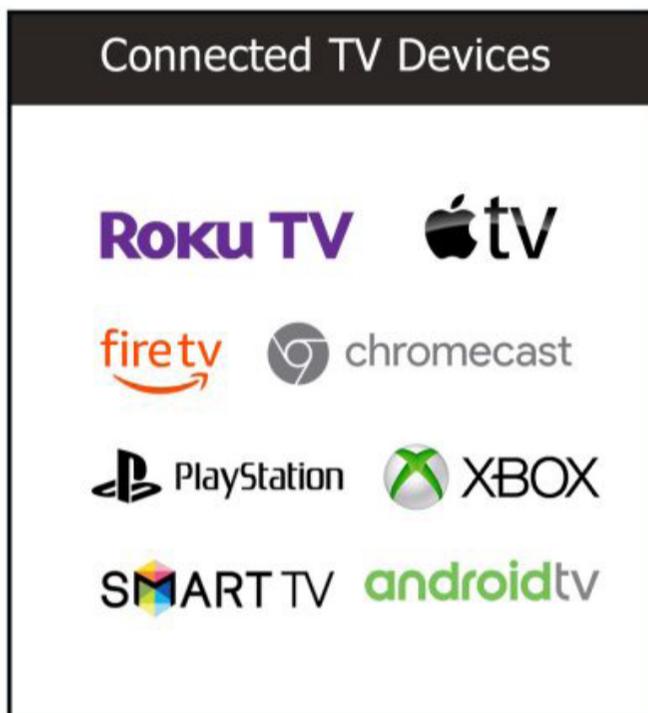
- A) they're both acronyms.
- B) they're directly related to two admittedly similar, but very different concepts.

OTT is short for “over the top,” and it’s referring to any video content that is streamed by a user directly from the Internet. This can happen on a desktop or laptop computer, or on a smartphone, tablet, or other types of mobile device.

Every year, more people make the jump to OTT services like Netflix and Hulu and away from the traditional cable television subscription model. Thanks to not only its convenience and ease-of-use, but also the wide range of content that is available.

CTV, on the other hand, stands for “connected TV.” This refers to a device that is connected to a television, and that has an active Internet connection. Apple TV and Roku are likely the two most famous examples of this type of device today.

So while you may use a CTV device to stream OTT content, they are not the same thing and should never be treated as such.



CTV vs OTT for Marketers: Breaking Things Down

The significant differences between CTV and OTT really start to reveal themselves as you venture into the topic of marketing and digital advertising.

Over the top advertisements, for example, are usually shown before, during or even after watching a particular piece of content. It’s similar to the experience that you get when you load a video to watch on YouTube. Before your selected video plays, you’re usually greeted with a short advertisement that can be skipped after about five seconds. You may see another ad somewhere during the content itself, and there might even be another one at the end.

Connected TV advertising is similar, but also different in a number of ways. CTV ads can play on the devices themselves, thus giving savvy marketers the ability to reach out and connect with members of their target audience regardless of the content those users have selected.

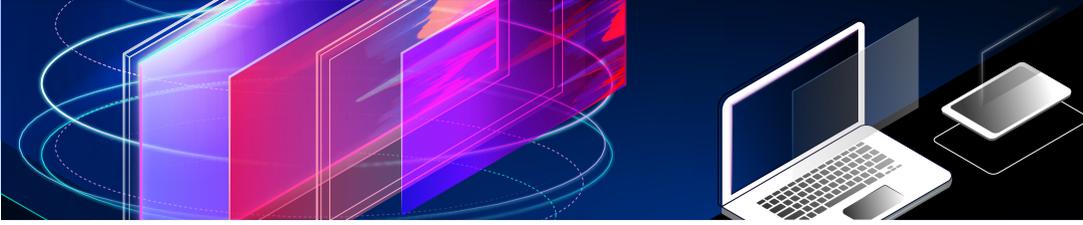
The prime benefit of CTV over OTT video advertising is the audience quality. They are the most engaged and vested audience among all of over the top media, and mostly view content using a paid subscription. With CTV Advertising, you can handpick the publishers you want to target from private marketplaces and display your ads alongside premium content -- the most popular TV shows and movies.

Ads can appear not only on the aforementioned Roku device, but also on hardware options like Sony's PlayStation 4 game console, Chromecast, AndroidTV, and others.

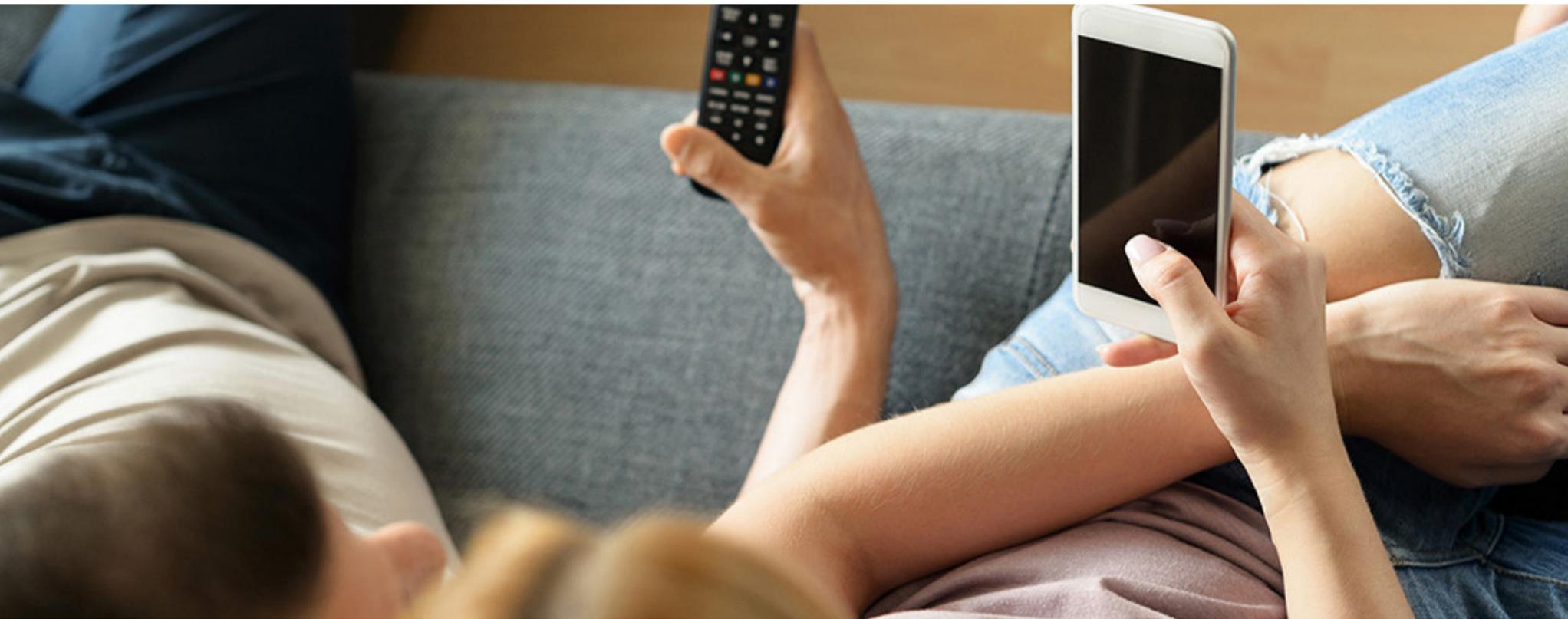


Likewise, CTV ads give marketers the ability to focus on specific groups of audience members with a greater degree of precision, thus increasing engagement levels across the board. CTV marketing allows brands to take advantage of not only particular personas, but also characteristics like age and gender, income levels, household properties, intent information, and more.

Brands can use both first and third-party data to reach their most valuable audiences on EVERY screen, not just on particular platforms. Furthermore, the data and analytics that this level of smart TV advertising brings with it allows for far better and more accurate measurement in terms of tracking the impact of your CTV campaigns as well.



CTV marketing really shines when it comes to cross-device targeting. The chances are high that your average customer probably owns more than one CTV device or “smart” television in their home. Not only has second screening become the new norm, but another recent study estimated that as many as 45% of Americans use their mobile devices or tablets WHILE also watching television.



So not only do you get the opportunity to regularly re-engage with viewers as they continue to watch new content, but you also do so across the various streaming devices in their household. You can begin a relationship with the viewer on their mobile phone and continue it as they move to their tablet, to their desktop computer and even to their TV itself.

How to choose which is best for you?

None of this is to say that OTT isn't important - again, it's one of the most exciting technological trends to come along in possibly a generation or more. It's just that in terms of better, and more informed marketing efforts, Connected TV ads bring with them a host of unique benefits that most brands simply cannot afford to ignore.

Think about it like this: OTT is the admittedly large umbrella under which CTV falls. But if OTT is a nice glass of beer, CTV is like a fine scotch. The former is refreshing, but the latter commands respect and brings with it a cache you can't get elsewhere.



CTV Technological Landscape & Capabilities

Connected Television Advertising Technology

The technological advancements in internet technologies and software during the past two decades have given rise to modern CTV ad tech.

Connected TV Advertising is gaining popularity among advertisers because this sophisticated technology has surpassed the technical capabilities of linear TV. Unlike traditional broadcast or cable TV, connected TV advertising uses advanced networking technologies. CTV leverages ad tech such as Dynamic Ad Insertion (DAI) and Server-Side Ad Insertion (SSAI). This allows for precise targeting, context, and relevancy.

DAI or SSAI creates an individual media stream for each unique viewer.

When there's a place for an ad unit, the server will analyze known data about the individual, including demographics, past viewing history, behavioral, contextual, and geographic information to serve the most relevant ad that's most likely to convert.

This highly precise targeting means more relevant ads are served. It produces a better ROAS (Return on Ad Spending) for advertisers. When DAI or SSAI is used, this delivery tech

“stitches” ad units seamlessly into the program stream. This avoids being detected by ad blockers that react to specific ad calls. Some CTV ad servers will use a different method for delivery, which takes place on the client-side.

In this case, video content flows through a Content Delivery Network (CDN) while ad calls insert separate ads from third-party ad servers. Both delivery mechanisms provide advanced targeting that linear TV can’t do. By comparison, linear TV can only target by ratings and broad demographic categories. On linear television, every viewer watching will see the same ad unit. Two people watching the same content on CTV can be served entirely different ads relevant to each individual.

Also, CTV provides enhanced measurement and attribution. CTV can measure ad delivery and connect it to online behavior and conversions. CTV marketers can identify when viewers take action after seeing CTV ads, such as visiting a website and making a purchase. Linear TV can only provide broad demographic categories for viewing and cannot track behavior between multiple devices.

How Connected TV Advertising works?

Buying CTV ads work similarly to other digital advertising, but the alphabet soup of key players in the buying chain can be confusing. Three main players that manage the ad buying and selling chain are DSPs, DMPs, and SSPs.

Demand Side Platforms (DSPs)

Demand Side Platforms (DSPs) work on the buyer side to provide access to video inventory that’s available on-demand and in live programming. Various publishers make ad inventory available through ad exchanges. DSPs aggregates these exchanges and optimize impressions, which are then made available to buyers.



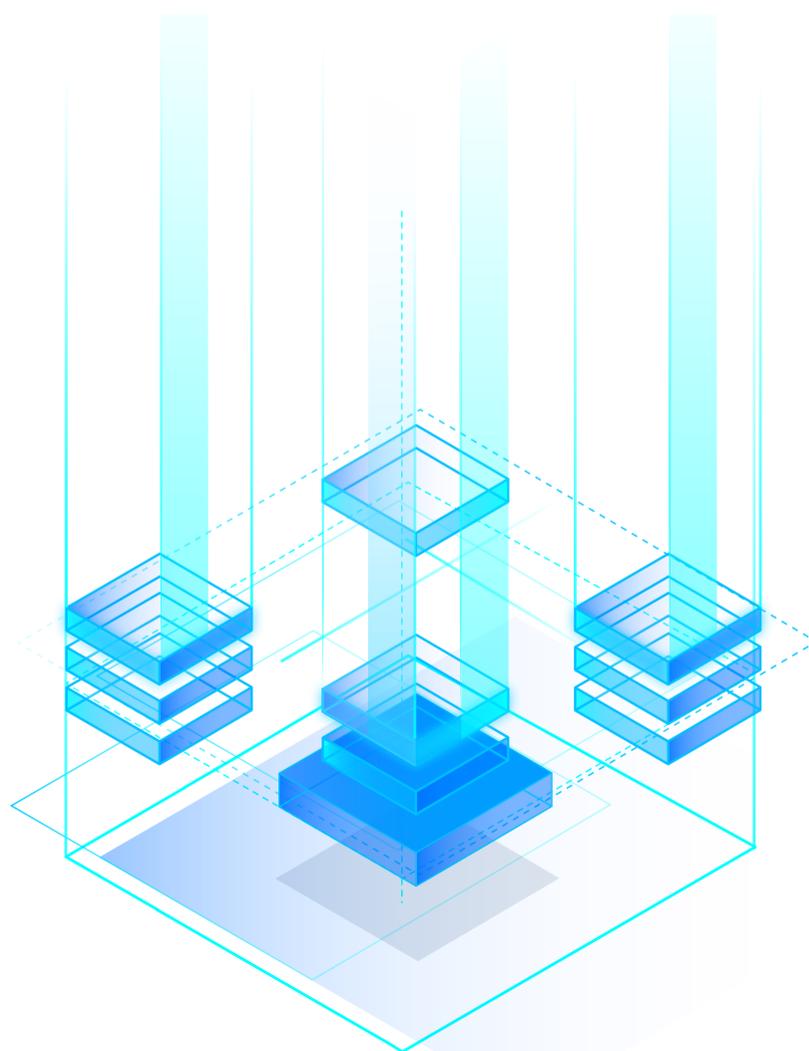
Data Management Platforms (DMPs)

Data Management Platforms (DMPs) sit in the middle between buyers and sellers and collect first, second, and third-party data to help with targeting. Buyers will choose targets from predefined attributes, such as demographics, interests, behaviors, and online history. These targets are used by DSPs to serve relevant ads.



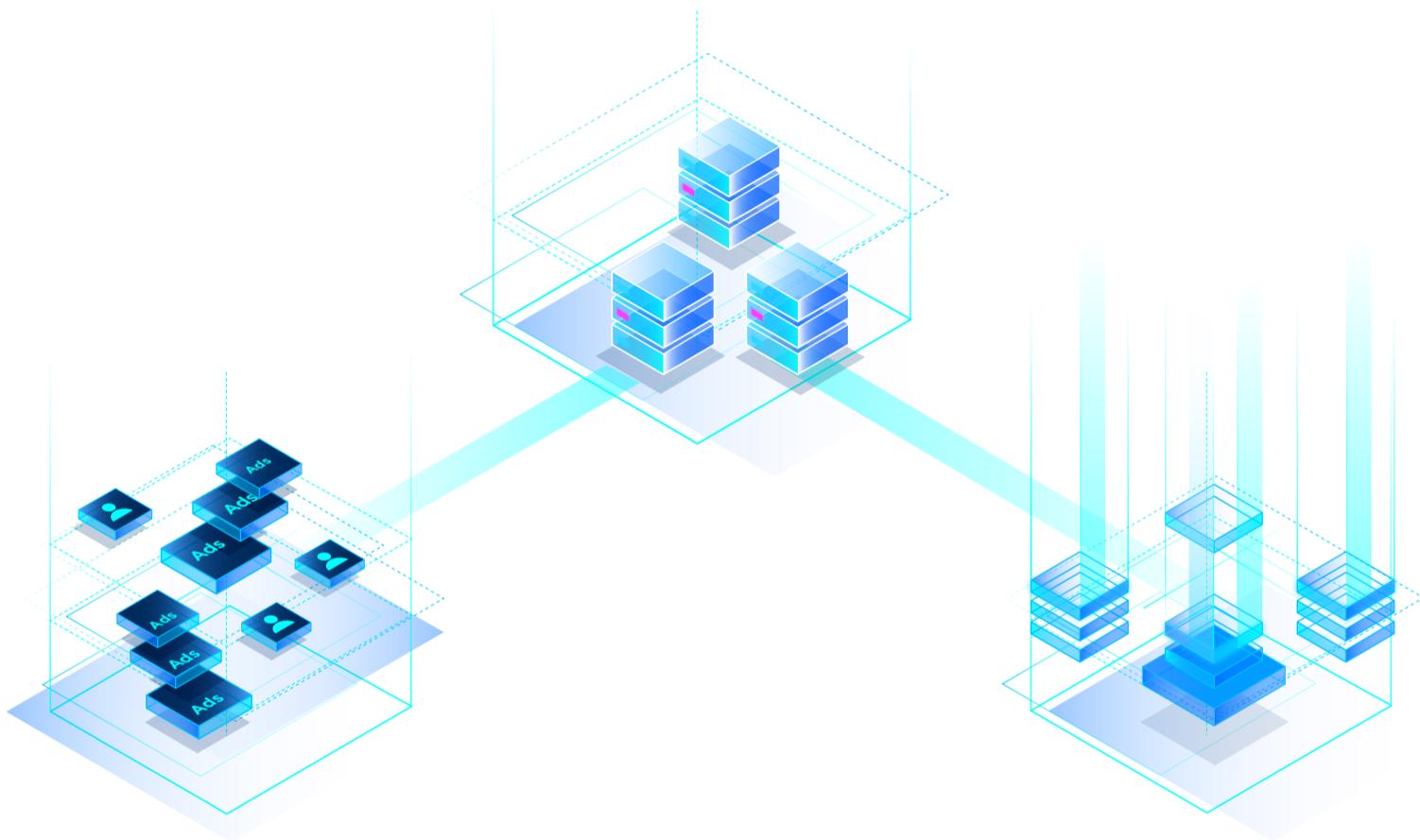
Supply Side Platforms (SSPs)

Supply Side Platforms (SSPs) manage the seller side. Publishers list and manage their inventory using SSPs. They will set minimum price points and make changes as inventory is sold. SSPs facilitate the selling of connected TV advertising impressions through automated auctions. Supply side platforms compare the rates buyers are willing to pay with the rates publishers are eager to sell. When there's a match, sales happen.



Buying CTV Advertising

When someone wants to buy CTV advertising, they will use a DMP to gather audience data on their specific targets. That information is then fed into a DSP with other campaign information, such as price and flight dates. The DSP connects to the SSP and starts shopping.



How Do You Approach CTV Ads For Your Clients?

Connected TV is only going to grow.

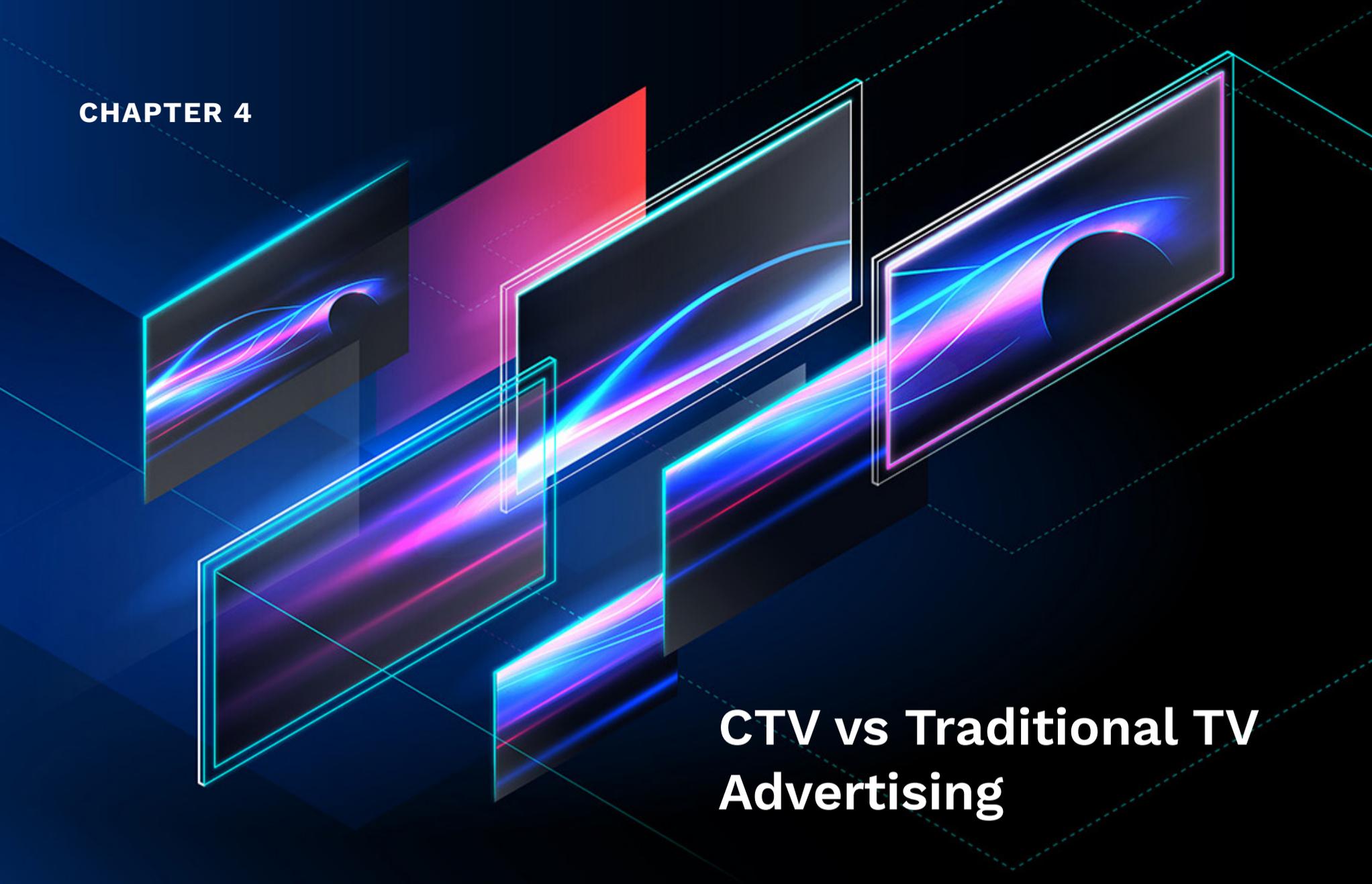
Clearly, CTV Advertising is the fastest-growing video segment. Advancements in technology directly impact the key players in the demand and supply platform, enhancing their capabilities. There's been an explosion of internet-connected devices being sold. 5G is on the horizon. That allows for data to be delivered 10 times faster and will only accelerate the growth in connected television. As the lines among entertainment devices start to blur and seamless content consumption across different devices is becoming more and more common. With technologies such as IoT, VR, AR, MR that are on the horizon to become mainstream. Just imagine the plethora of integrations and applications they will have in Advertising.



As a marketer, it is wise to incorporate CTV as part of your offering as the demand is quite staggering. Getting started with CTV can be a daunting endeavor as it is quite resource-intensive. Having to learn and navigate the world of Connected TV can easily get you lost in the weeds. It is wise to get guidance and consulting from experts who have been early adopters of the technology and have strong relationships with the CTV platforms.

While there are a lot of vendors who offer CTV advertising as part of their marketing services, you'll want to make an informed decision on who you work with. Ideally, you should look for organizations who have their hands deep within your vertical so they have a solid understanding of where you come from. Be sure to focus on the ones who have the technical caliber to not only build a strategy, but also orchestrate and manage the day-to-day ad operations.

You need an expert to navigate the world of Connected TV advertising. An agency like Demand Local can handle your CTV ad buys, OTT ads, and OTT marketing. Using the latest ad tech, we can make sure you get the best solution for your clients and avoid wasting your ad dollars.



CTV vs Traditional TV Advertising

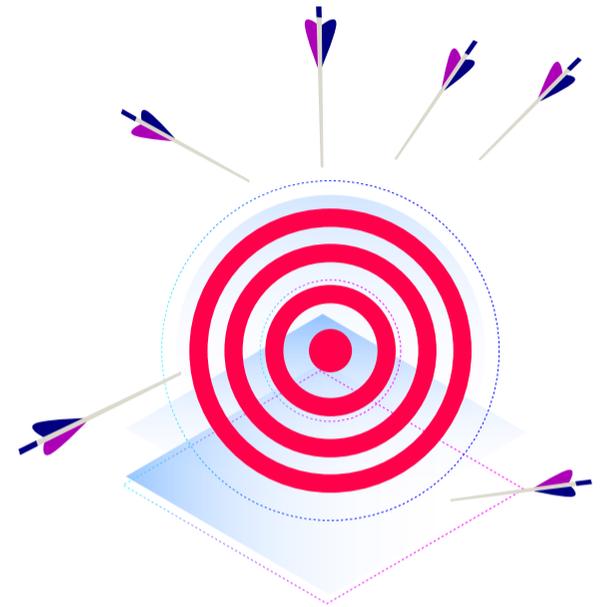
Why and how is Connected TV Advertising the biggest wave the Advertising Industry has ever witnessed?

Not only is CTV advertising economic, but also more effective, flexible, and accountable. Above all else, it's exploding and will continue to do so in the years ahead. Advertising campaigns using these digital services are much more efficient and effective. Advertisers gain the ability to target their audience and economize their efforts. The limitations of linear television advertisements weren't apparent until the next generation of entertainment took the form of OTT & CTV.

There are four key 'Pain Points' facing advertisers moving forward. Underlying their decisions is the fact that scale can also become a liability; giants move slower.

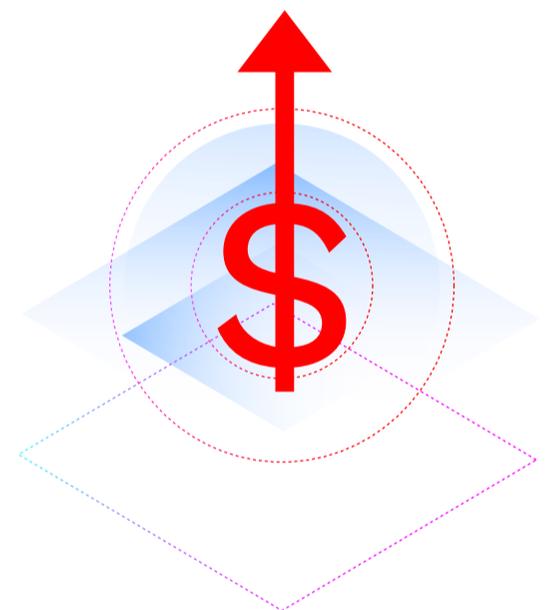
Viewer Targeting Limited to Content Only

Traditional TV advertising uses imprecise methods of targeting. Focusing on content-based ‘day-parts.’ Prime-time, for instance, to determine the number of viewers across varying demographics. Or interest-specific content like sporting events and awards shows. On the bright side for linear TV advertisers, this means there are a lot of eyes learning about their products. But, at the same time, not all viewers are potential customers and thus not in the market for their wares.



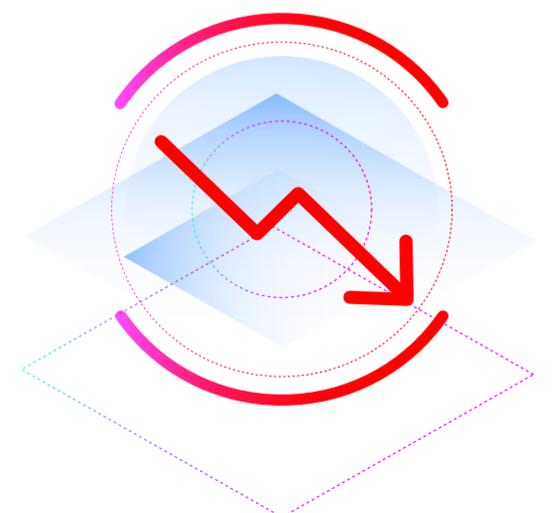
Higher Cost

Advertisers must pay higher rates for TV programs with large audiences but limited targeting capabilities. In peak time slots to ensure exposure to their desired demographics. For example, targeting young adults in the age between 21 to 35 in the Bay Area, the local TV spot market buy might cost up to \$315 per thousand (CPM). Given the digital nature of CTV ‘s, the same demo, in the same market, regardless of programming, might cost around \$40 to \$50 CPM.



A Shrinking Viewing Audience

There are currently about 90 million traditional cable and satellite pay-tv service subscribers. Losing a combined 14,000 customers per day. This industry segment will see more than 20 million leave over the next four years. A loss of 39 million customers in 2019 and a whopping 50 million less in 2022.



Lack of Flexibility and Responsiveness

To determine the effectiveness and success of their buys, it could be a week before TV ratings are known. It's also important to note that viewer demographic results are statistical approximations and not based on actual individual viewer data. The ability to adjust buys, strategies, and focus is a slow and broad brush. A bit oversimplified, but TV advertising is akin to tossing a can of paint on the wall and seeing what area is covered, except the results are slower and as limited as the ability to target viewers.

There's an adage that "change comes slowly," and that is true for automakers in making the transition from traditional TV to CTV and OTT advertising. However change is a relative term. Spending on CTV advertising will increase by \$2.16 billion next year, not exactly chump change.

There is clear evidence that CTV offers direct solutions to the pain points inherent in the linear advertising.

14.000 customers lost per day

39 million customers lost in 2019

50 million less customers in 2022



Targeting is Smarter

With CTV, there is no more guesswork with targeting; pick exactly who you want to show your ads to. Targeting is a distinct advantage of CTV advertising. Buys are based on the audience, not just content. This provides greater specificity in reach and targeting. It allows you to focus on well-defined demographics and audiences across a broad swath of digital mediums. Not just, ‘What’s on TV’ but audiences using Smart TVs, devices like Roku, game consoles such as Xbox and PlayStation can be targeted regardless of content or application.



Pay for only what works. Don’t waste ad budgets on loose bets.

As an example earlier demonstrates, CTV ads can cost as low as 80% than traditional TV for the same market and demographic. This allow advertisers to appeal to more viewers/users for the same cost or the same number for much less.



Growing Audience

People aren’t watching less TV, they just moved to a different platform. With linear TV losing viewers by the tens of millions over the next four years, these so-called ‘Cord Cutters’ will be among the 200 million CTV users in the U.S. These numbers speak for themselves.



Unlike traditional TV advertising, measures are in real-time.

Make decisions based on meaningful metrics that directly tie to the success of your campaigns. More specific and timelier results allow advertisers to use their budgets more wisely by optimizing which ads and targets should be continued and/or changed. Precisely what advertisers need.



Conclusion

While we have clearly discerned the benefits of Connected TV over Linear TV, we are not here to say that Traditional TV will vanish away next Tuesday. Like the way Radio co-exists after TV came along, Linear TV will continue to exist, but not as it once did. We think the Podcast & Radio analogy would make sense in this context. People haven't stopped listening to Radio completely, but Podcasts are gaining more and more listeners due to the quality and diversity of the content - there's something for everybody and adding to it is the convenience of listening on-demand.

CHAPTER 5



CTV Strategies & Tactics

It's not a question of 'if' but 'when' CTV will take center stage for advertisers and marketers. Now is more critical than ever for marketers to figure out where and how to bring in this new dominant form of advertising.

In this chapter, we provide the best guidance so you can build a successful CTV/OTT strategy for your clients.

Like traditional advertising, Connected TV ads are still seen as a top-of-the-funnel play, but eventually (and probably sooner than you realize), it's going to move across the funnel. In the very near future, you'll see sophisticated cross-device marketing that enables you to track and market audiences — regardless of the device they're using or where they are in the funnel. Audience segmentation will get smaller and smaller, eventually narrowing down to 1 to 1 (or close to it). To give yourself the best odds of staying relevant and successful, both now and in the future, you'll need to embrace CTV.

We'll take you through everything that your boss wants you to know about CTV Advertising Strategy. From media buying to analytics, you have your work cut out for you if you're getting started in this space. Luckily, your efforts to build a solid foundation will not go

unrewarded. The vast majority of the CTV audience will have the resources and disposable income you're looking for in a prospective customer.

There are only three but key elements that will shape your strategy: Identify, Deliver, Measure.

1. Identify

You need to identify who you are showing your ads to by choosing the right Media Source and Target Audience.



There are three major media sources if you want to get started with CTV marketing:

Programmatic

Those just starting with CTV will often choose this option because it's built for limited budgets. With a DSP, the minimum spend and bidding process is more reasonable, and you can still access the analytics and segmentation features you need to tailor your strategy.

Platform direct

When you buy directly from the platform, you may be able to secure good rates and better placement; however, this can unnecessarily complicate your Connected TV Advertising strategy. If you're not buying in bulk, the rules for each platform can become too complicated to justify the time investment.

Publisher direct

This CTV strategy is recommended for companies who know they need to be featured only on specific programs or channels. As with platform direct though, the restrictions will vary across the board. Plus, the more demands you make, the more expensive it is.

Targeting based on Demographics



Your target demographic has turned their back on traditional TV in favor of something much more modern, and this savvy audience isn't necessarily interested in traditional marketing tactics either. As you debut the content for your CTV Campaigns, you have a chance to observe and measure the behavior of your prospective customers.

Use first party data to find new audiences who are similar to your current audience (lookalikes), or to retarget your Connected TV Advertising Strategy to invested leads. Use second and third-party data to see which programs are being watched across different screens (including smartphones.) Once you know exactly who you're targeting (lookalikes, soft leads, etc.), you'll have a better idea of how to start the next step.

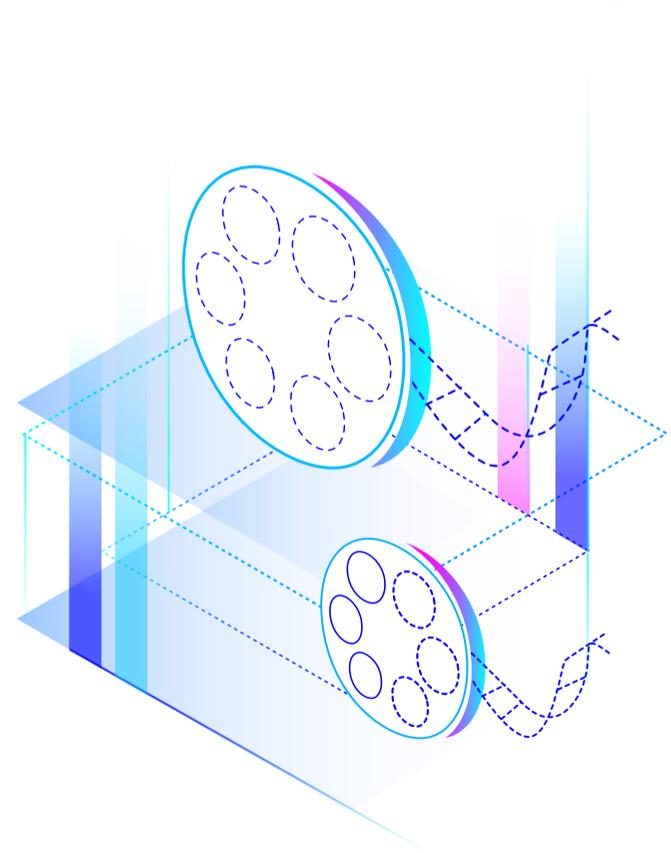
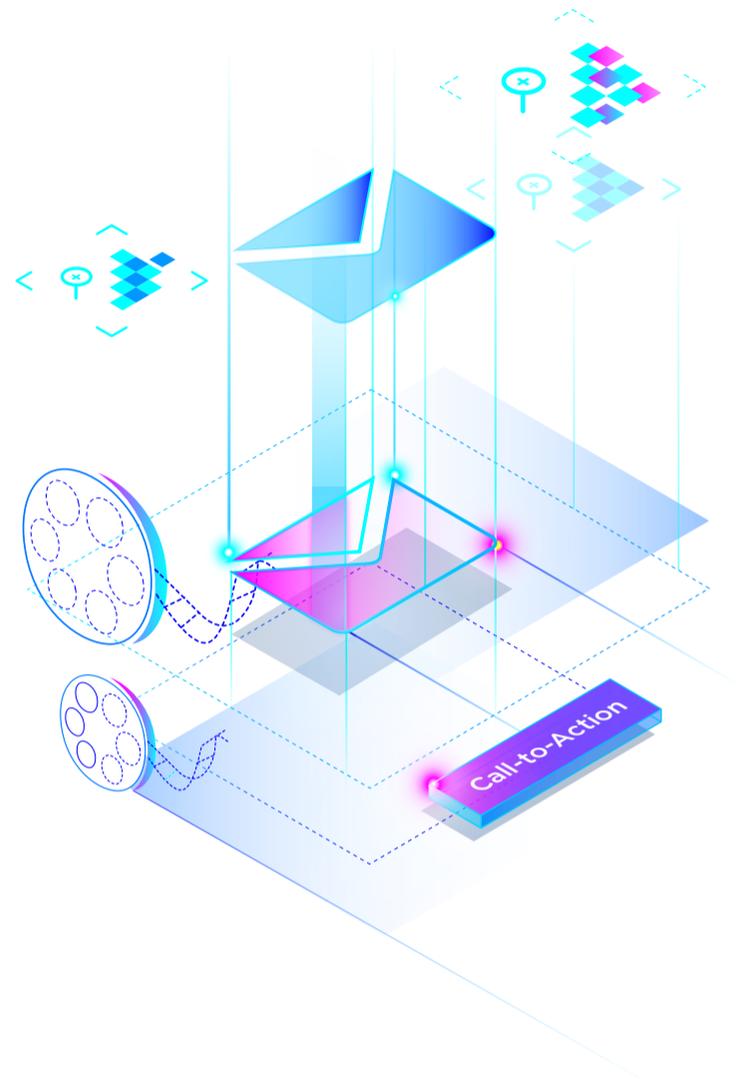
2. Deliver

Deliver a meaningful Advertising experience. No matter how much time and effort is spent on targeting and other aspects, content is king. If your Ad content doesn't strike with any relevance to your audience, it will not succeed. You need to pay attention to the quality, length, technical specifications, and more importantly, the call to action.

Based on your target audience, you can choose a specific platform to concentrate your CTV marketing efforts or spread your budget across multiple platforms. When it comes to ad formats, keep the following in mind:

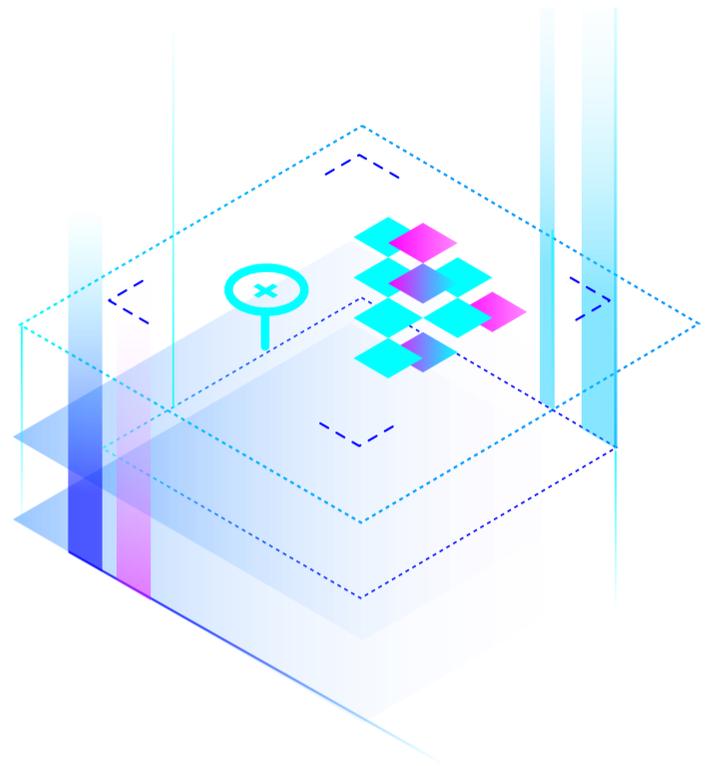
Length

Video Completion rate is a key metric for a CTV Campaign, and it is largely based on the length of the content. The standard length of an ad is 30 seconds, but this will limit the timing of your ad slot. A 15-second advertisement gives you more flexibility. You may want to experiment with a 60-second interactive ad for heavily interested audience segmentation, such as people who are actively searching for cars right now.



Tech Specs

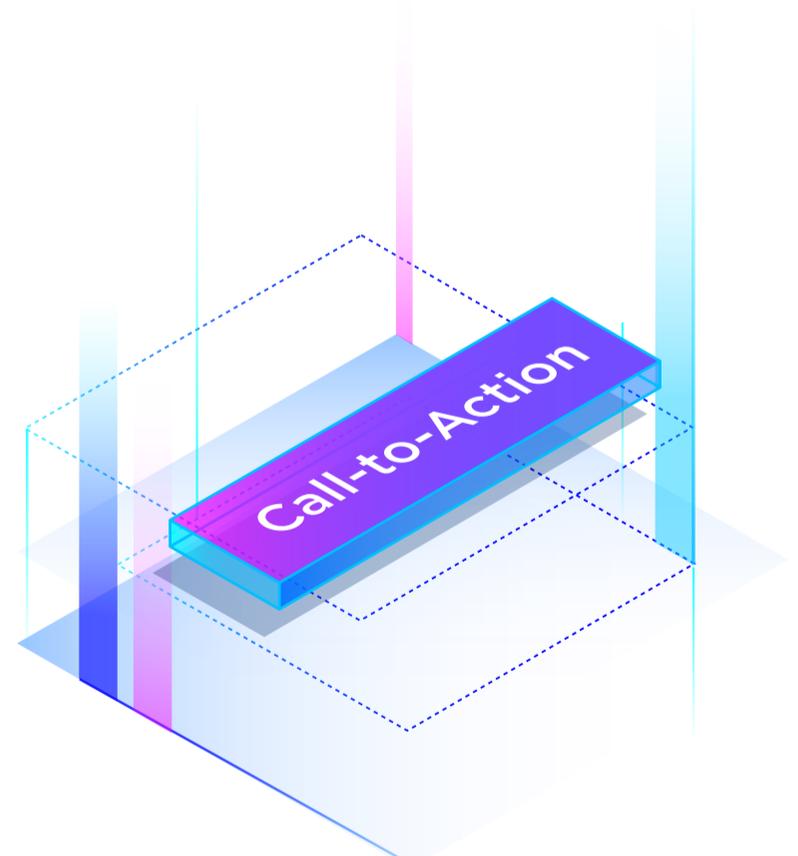
Your audience is more likely to react to an ad that has the right specs. This includes anything from aspect ratio to bitrate to resolution. Experts recommend a minimum of 5k kbps and 1920 x 1080 for a 16:9 aspect ratio. If your video is too grainy or experiencing transmission problems across the digital network, you are actively throwing your marketing dollars away.



Call to Action

There should be no confusion when it comes to what you want your audience to do. Whether it's scheduling an appointment or visiting your website, you need to spell it out so viewers know how to take the next step. They may not be able to click on their TV, but they will grab the smartphone that's lying 5 inches away from them to get more information.

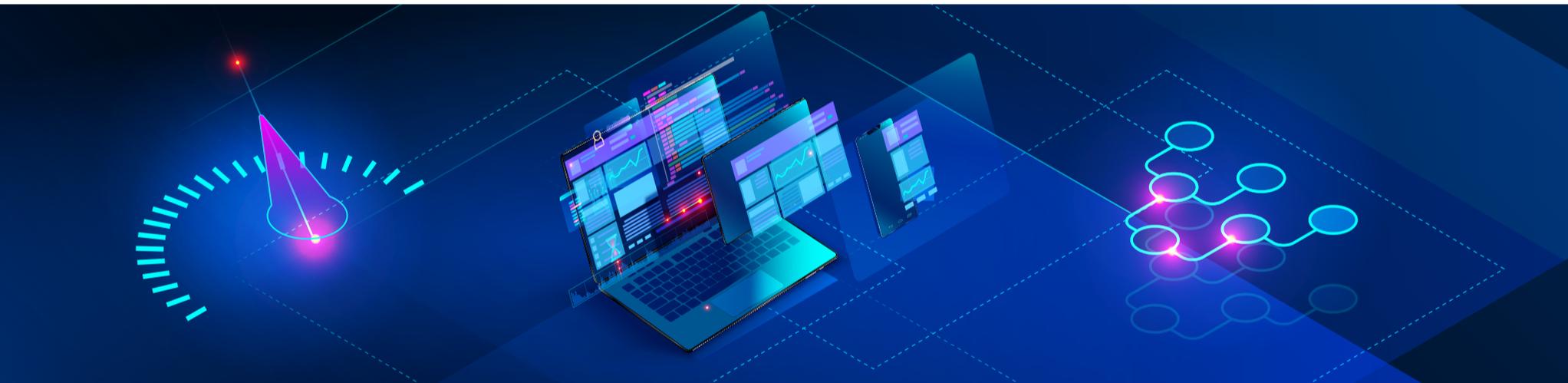
178 million Americans regularly use a second screen device while watching TV. Using cross-device continuity you can track and measure conversions made on their phones, and instrument multi-touch attribution.



3. Measure

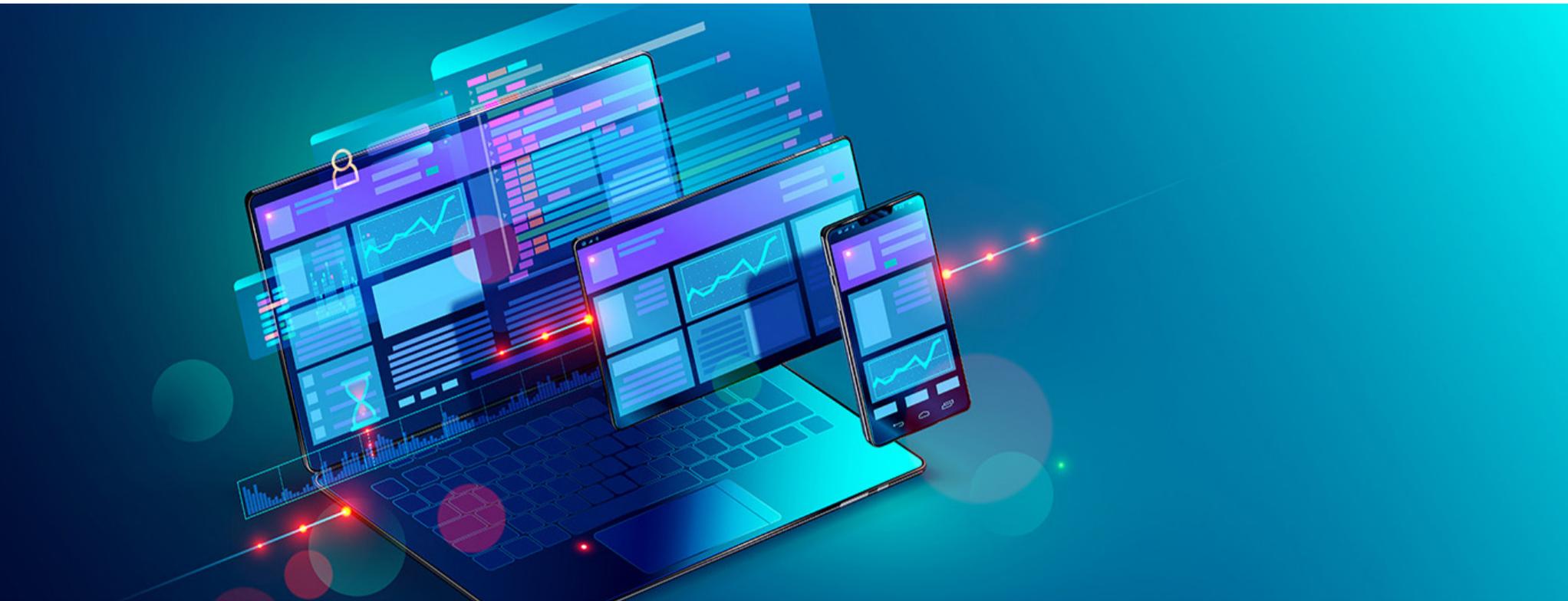
Measure to learn, improve, and identify the KPIs that matter most.

As you collect data across multiple channels, you can measure the efficacy of each campaign. KPIs become easier to define once you know your same-screen and cross-screen metrics. Same-device attribution allows marketers to test several formats and retargeting strategies. For example, compare the response of an interactive ad on a tablet against a standard ad on the same device. Cross-screen attribution can help you see how a variety of systems are stacking up against mobile. Test a 30-second ad for customers watching on their regular TV, and a 15-second ad for those watching on their smart phone. You'll see which KPIs have the biggest effect on your sales before manipulating your ad formats to get your audience to take action.



The Beauty of Data

While cross-screen is a heavier initial investment for your CTV advertising strategy, the quality of data analytics may be strong enough to get you to the most competent strategy faster than you ever dreamed possible. See who's clicking through and how many conversions can be traced back to CTV advertising, then use the data to start a dialog about how the larger brand can better adjust to the target customer.



Every agency has holes in its advertising strategy — places where customers are turned off, dropping out, or becoming frustrated. Real-time monitoring and post-campaign analysis give marketers a way to start devising solutions that will address the heart of the problem.

The consistency of your messaging is what will make or break your campaign. The more you can get your target message across via CTV marketing, the more your customers will begin to remember you and the values you stand for. This doesn't mean you can't alter your messaging based on who's watching, what programs they're watching, and how they're watching it; however, the essence of your brand and voice should still come through to your audience.

Once you master the basics of your strategy, you have every opportunity to become the marketing powerhouse that will bring motivated, ready to spend customers to your company.

Demand Local's CTV Strategy

If you're looking to get started in CTV, this blog is a great place to start. However, many of the key strategies that were covered in this post, such as cross-device continuity, multi-touch attribution, and advanced household targeting, are still in their infancy. Almost

no one is taking advantage of these tactics because few marketers have the time or the connections to make it happen.

That's why agencies look to Demand Local as their solution. In the same way, your customers come to you because it doesn't make practical sense to build a car on their own, our customers come to us because we know how to manage and scale CTV campaigns to optimize your ROI.

Instead of trying to reinvent the wheel, why not take advantage of the resources and expertise we've spent years perfecting? This way, you don't have to throw your budget down the drain with costly trial-and-error. When you outsource to Demand Local, you can start precision testing customers at every stage of the funnel.

When you're in the agency business, your goal is to figure out how to get new sales — not whether your ad is in its ideal aspect ratio. Your time is too valuable to venture into this new frontier of CTV advertising. We know how to structure and best optimize your CTV campaigns, so you can achieve the metrics that translate to higher revenue. Let Demand Local do the heavy lifting, so you don't miss out on the marketing technology that is quickly becoming the dominant player of the entertainment industry.



What You Need to Know About Measuring Success in CTV

Connected TV & OTT disrupt the way we view broadcast and new forms of video programming. Advertisers are eagerly looking to establish effective methods for targeting those coveted potential consumers and measure the impact of their efforts.

In the past, ad rates (and the effectiveness of those ads) were essentially set on a case-by-case basis, usually dictated by the viewership of the content in question. If 18 million people were regularly and reliably tuning into Show A, ad rates would naturally be higher than those of Show B airing at the same time, but only pulling in half as many viewers.

Today, marketers have turned towards foot traffic and real-world actions their audiences take as the metric for measuring ROI. Thanks to traditional TV or digital viewership metrics, you knew how many people were watching. You also knew how many people your brand was exposed to - thus creating a mutually beneficial situation that worked well for many years.

How do you accurately measure CTV ads in terms of effectiveness? What are the key metrics in CTV? Should something be judged separately just because it pulled in fewer initial viewers, even though it may have pulled in more viewers overall?

There are still people out there who are trying to change this new concept of connected

TV advertising to have it make sense with the way things used to work. It's completely understandable, but it's also something those people will want to reconsider.

The myopic marketer sees this shift as a disruption in the worst possible way, trying to hang onto their broadcasting mindset of advertising for dear life. The savvy marketer, on the other hand, sees this new performance mindset as the opportunity it really is - one that actually gives them access to more data and insight than ever before, all of which can be used to make their campaigns better, stronger and more effective in the future.

Connected TV KPIs That Matter: Your Goals and Strategy Must Always Influence Your Metrics

Therefore, if you truly want to measure the effectiveness of your ads in the modern era, you need to embrace the new data-driven approach.

The CTV ecosystem is a fragmented one, so measuring and tracking data can be a little tricky. There's no cookie tracking or flash support in Connected TV Advertising, and not a lot of publishers allow for 3rd party data integrations. It is manual and not a straightforward endeavor to accomplish.

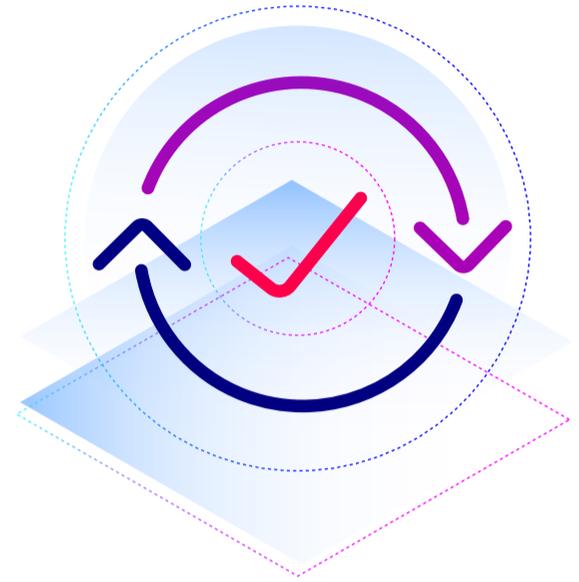
There is no one-size-fits-all approach.

Based on your strategy, you will need to decide on the amount and type of data you would want to utilize. You will typically need to work with data vendors to procure consumer data and geo intelligence.

Key Performance Indicators(KPIs) for streaming TV need to be looked at differently than linear TV. Along those lines, there are a few KPIs in CTV that you'll want to keep a careful eye on: Completion Rates, Viewability Scores, Cost per Completed View, Cost per Walk-In, etc.

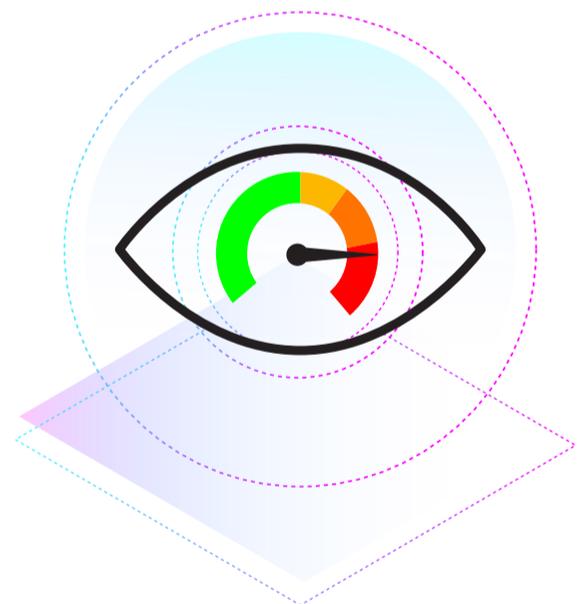
Completion Rates

Completion Rate is a metric that tells you how many times the advertisement was fully shown/viewed. Instead of just tracking the number of people who were exposed to an ad, this shows you how many people actually FINISHED it - thus giving you more insight into how much of your message someone was exposed to.



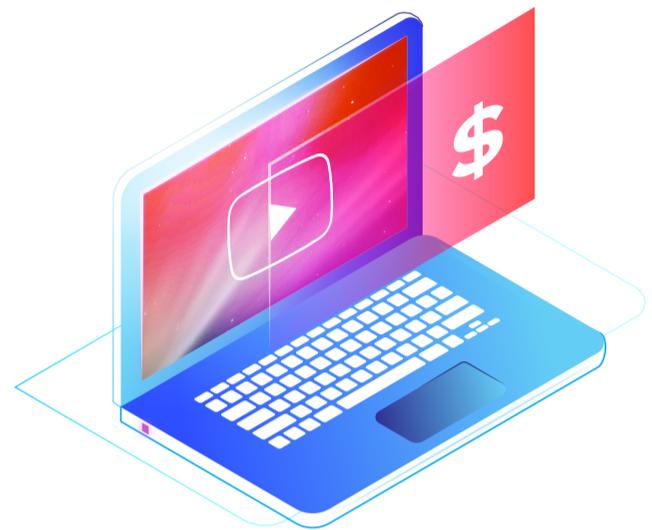
Viewability Scores

This is a measure of whether or not an ad had a chance to be seen by a user, giving marketers a better idea of how many times their ads are actually appearing in front of their audience members. Viewability scores are measured differently by different platforms. Typically, the viewability of an ad is considered if it's watched for a few seconds and shows up on more than 50 percent of the screen space. Generally, this metric is proportional to the screen size; the larger the screen is, the higher the viewability score is. This is where CTV outshines regular OTT. Ads on TV usually has a higher score than ads on mobile and desktops.



Cost Per Completed View over CPM

If there's one number that the Advertising industry is obsessed with, it's CPM. Cost Per Thousand Impression is rudimentary and shouldn't be the only metric to base your buying decision upon. In reality, however, that's not the case. It's important to point out CPM is a metric that tells the cost of impressions and not necessarily viewable impressions, or unique views. You should rather look at the Cost Per Completed View which is more meaningful for the success of your campaign.



$$\text{Cost Per Completed View} = \frac{\text{Campaign Spend}}{\text{Total Number of Completed Views}}$$

Cost Per Walk-ins



This is calculated based on the total ad spend divided by the number of people to whom the ad was shown and had actually visited the showroom. This may be hard to calculate with CTV. Unlike digital where there's flash support and cookie tracking, attribution capabilities with CTV alone is not a possibility. However, by using cross device and network data you can instrument a multi-touch attribution tracking to identify how non-clickable ads lead to web activity, and actual store walk-ins.

All of these metrics and measurement tools give advertisers a tremendous amount of data points to make well-informed decisions to better optimize their ad campaigns and get the maximum out of their ad spend. With these metrics at your reach and the capability to adjust things as you go, you have infinite ways to gather intelligence. Instrumenting data based on your strategy and goals is fundamental.

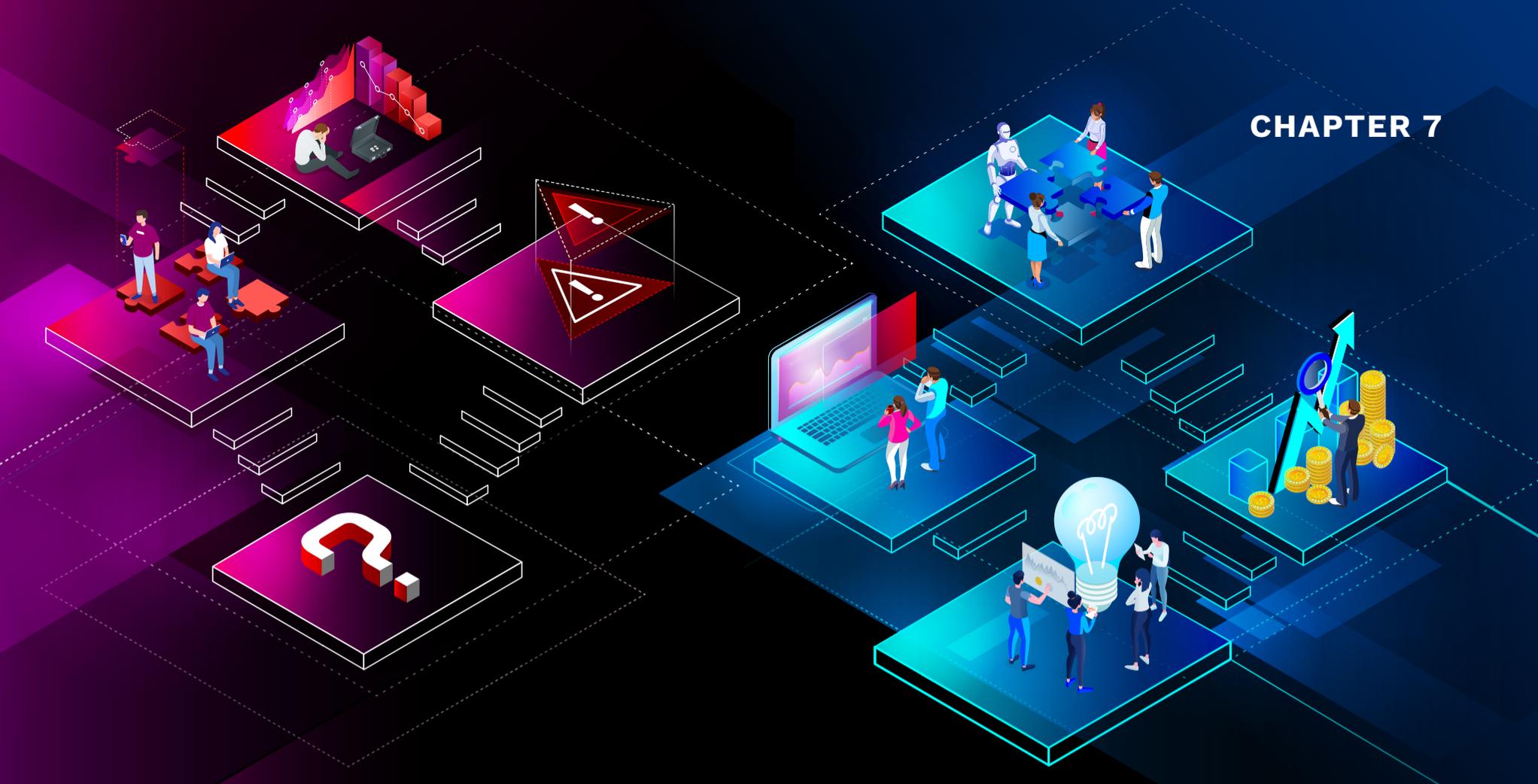
It's valuable to be able to attribute walk-ins to your ads. You can do this by matching device IDs with IP addresses and combine this information with 3rd party data. You need to select your KPIs in CTV very carefully, based on exactly what campaign you're trying to run.

If you're simply trying to raise awareness, for example, something like completion rate is important. The insight generated may be too broad to help you accomplish other goals, which is why you need to start with your strategy and work your way back to the KPIs and not the other way around.

In the end, Connected TV Advertising is a perfect opportunity for brands to not only reach an elusive and fractured audience, but also to do so in the most focused and forward-thinking way. Unfortunately simply engaging in Connected TV Marketing isn't enough to get the job done. You need to know exactly what you should be paying attention to so that you can find out what works and, more critically, what doesn't. Newcomers can end up maxing out their budgets and ignore frequency capping or other tactics to maximise their return.

As one of the early adopters of this medium of advertising, Demand Local has furnished KPIs for several agencies. Having hands-on experience with Connected TV very early on, Demand Local has seen a track record of implementing some of the most successful CTV campaigns for agency partners and customers.

Get a free consultation from Demand Local. Call and find out more about the different metrics that you should be tracking.

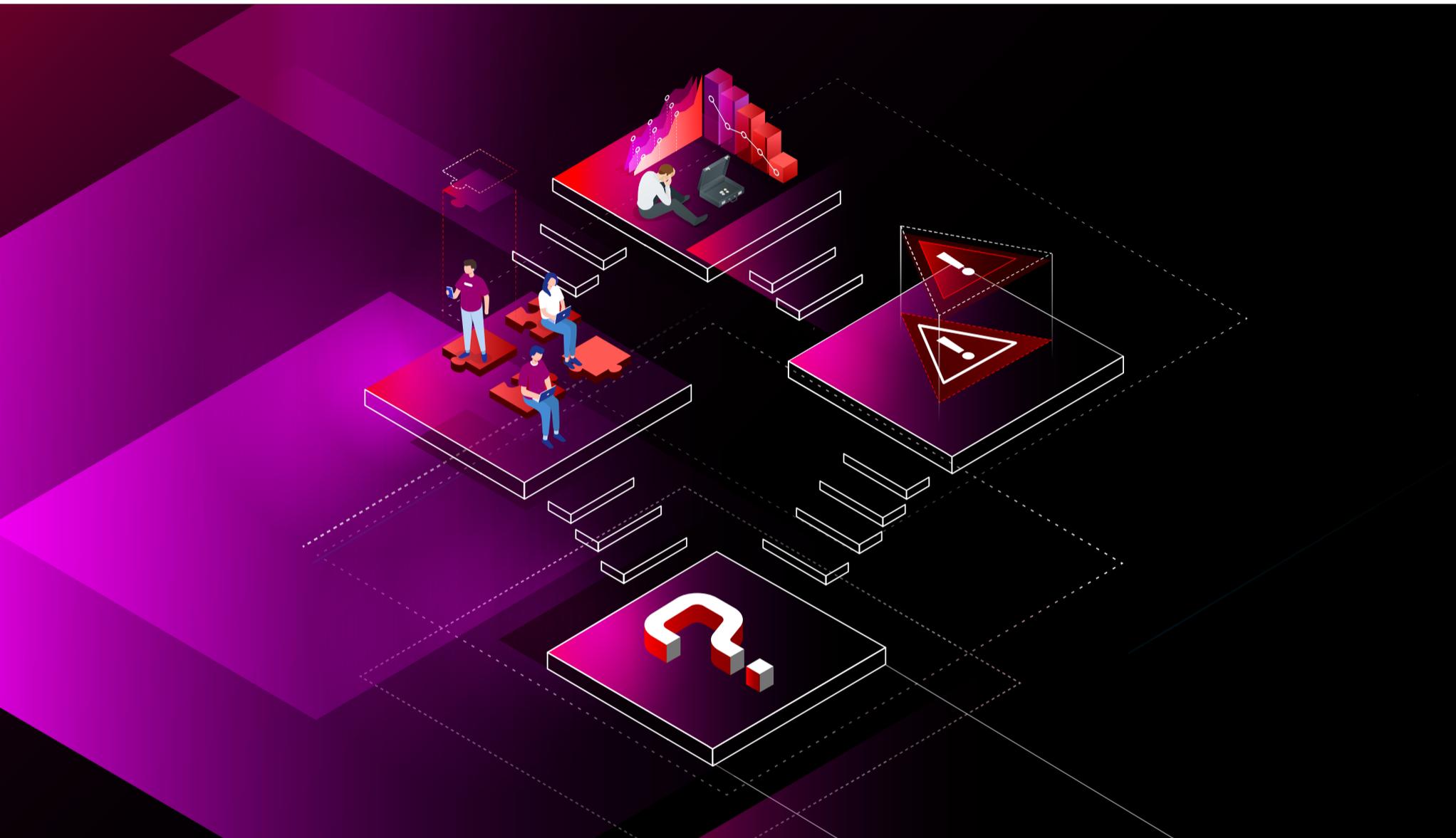


Challenges & Opportunities for a Marketer in Connected TV Advertising

There's no doubt that CTV & OTT Ads hold some genuinely incredible opportunities for marketers hoping to get a foothold in this new media landscape. Not only is now the right time to strike (given the relative lack of players in the space), but also CTV can be the key to unlocking your audience. You have a better chance of targeting the exact people you want to reach when you harness the power of this new form of advertising.

Despite these indisputable facts though, there are some serious challenges for marketers today. The lack of rules has made it so difficult to break into that many companies have stopped trying entirely. Securing lucrative contracts with publishers is complicated, time-consuming, and ultimately frustrating for advertisers with busy agendas. We'll give you the background as to why this is, and how you can overcome the obstacles, so you don't miss out.

Challenges



The ecosystem of Connected TV is still in its infancy, and the rules of buying are both murky and primarily set by the publishers rather than the advertisers. Given the high prices and the limited availability, it seems to make more sense to purchase ads directly from the publisher rather than pursue programmatic marketing. The push and pull has left many companies behind in its wake if they can't afford the minimum spend required by the publishers.

Marketers are also concerned about exactly how to parcel out their limited budgets on Connected TV. Does this new type of marketing fall under the allocated funds for TV or digital media?

Fragmentation

CTV and OTT advertising inventory runs the gamut in terms of platforms and industries. The traditional media world has a relatively consistent set of rules, but if you want to break into CTV, you need to be ready to play in the Wild West. From content aggregators to streaming services to smart TV manufacturers, you'll encounter new rules and priorities at every stage of the way. Even one small technical change can wreak havoc for a marketer's already limited resources.

Because content exists across countless combinations of devices and apps, the viewing footprint doesn't emerge the way marketers need it to. So even though the data is available, the way in which it's segmented on different platforms makes it extremely difficult for companies to scale their campaigns linearly.

Besides, the lack of standardization extends to data tracking as well. Marketers debuting the same ad across multiple platforms may not have a clear sense of the underlying interest in their products and services. The available digital measurement standards are more concerned with click volumes and impressions than they are with more nuanced data. If marketers can't decipher the experience behind the ad, it's harder to know which tactics are working.

CTV provides advertisers a chance to engage in a way that they can't do on TV or traditional digital media. Despite this opportunity, the more popular tracking metrics simply aren't providing enough feedback for marketers to tailor and adjust their ads based on specific audience interaction.

Opportunities



It's clear that there are some real challenges when it comes to the CTV market, and these challenges explain why its ubiquity is not quite there yet. As advertisers, we cannot let these problems keep us away from new platforms.

If you're a marketer, you may recall there was similar resistance to tools like Adwords, YouTube ads, Facebook ads, etc. As we covered in the first chapter of this book, the rise of CTV is meteoric. There are more than 25 million households with some type of CTV device, and big-name content streamers like Netflix and Amazon have been seriously gearing up to partner with advertisers to offset the costs of the network.

The Millennials and Gen-Z generations aren't interested in signing up for cable packages. If these affluent audiences decide to pay for a service, they want it to be a curated experience that can meet their raised expectations. The content needs to be on par with their tastes, and they need to be able to access it whenever they want. Marketers who want to start narrowing down their audience can find a veritable gold mine of data to work with, especially when tracking services are currently hard at work perfecting their metric technology.

People Are Listening

One of the more fascinating discrepancies between linear TV audiences and CTV audiences lies in how the ads are perceived. Because CTV offers more targeting strategies, marketers are more likely to speak to a person who is actively interested in the content.

People with televisions are busy TiVo'ing through the ads, entirely immune to the message, but recent studies show that people using CTV know that the advertising they're viewing makes it easier for them to afford the video content they're watching — and they don't mind. They're still paying a subscription fee, but it's a subscription fee that fits within their budget.

Overcoming the Fragmentation Challenges



If you're interested in sustainable programmatic marketing, you should know that there are ways to get around the problem. Demand Local thoroughly understands the obstacles in the way of automating your advertising on CTV, and we think we have the solution.

Through our technology, we run the campaigns that will let you see the behavior that drives your audience's actions, so you can appeal to them on more than one level. Through our vendor relationships in private marketplaces, we make it possible for you to purchase the inventory you want at the price you need.

Experts in the field know that it's still possible to optimize your reach, even if you may need to go through several entities to get there. Demand Local has built partnerships with data onboarders, so you can reach new heights in your targeting goals across all platforms.

Knowing the Right People

Programmers and distributors are currently in a bit of a Cold War, which can cut into deals and otherwise amp up the stress of buying ad space. Programmers want to know details about viewership that distributors can't give them. Distributors want to cap their inventory where programmers want unlimited choices.

When you work with Demand Local, you have a way to both specify the data you want to collect and wade through it once you have it in place — without having the costs skyrocket in return. We work within the system, so you don't have to jump through the hoops.



The Promise of OAR

It's not that programmers are sitting down when it comes to the fragmentation issues they're seeing across the board. The OAR (Open Addressable Ready) Consortium is a way for programmers of all industries to band together and create standards for running ads on Vizio Smart TVs. Open AP had a similar idea, bringing programmers together to decide what a data segment should be.

These groups are the first step toward closing some of the gaps across CTV, but it's worth noting that pure standardization may never be a goal for CTV. If there's not fragmentation across devices, it will likely be the leading player in the industry who emerges and makes the decisions for everyone. This definitely isn't good for distributors, and it may not be right for programmers either (depending on the parameters).

If you're looking for someone who can lead you to the programmatic buying that will actually spark an interest in your audience, Demand local has access to the private marketplaces that will help.

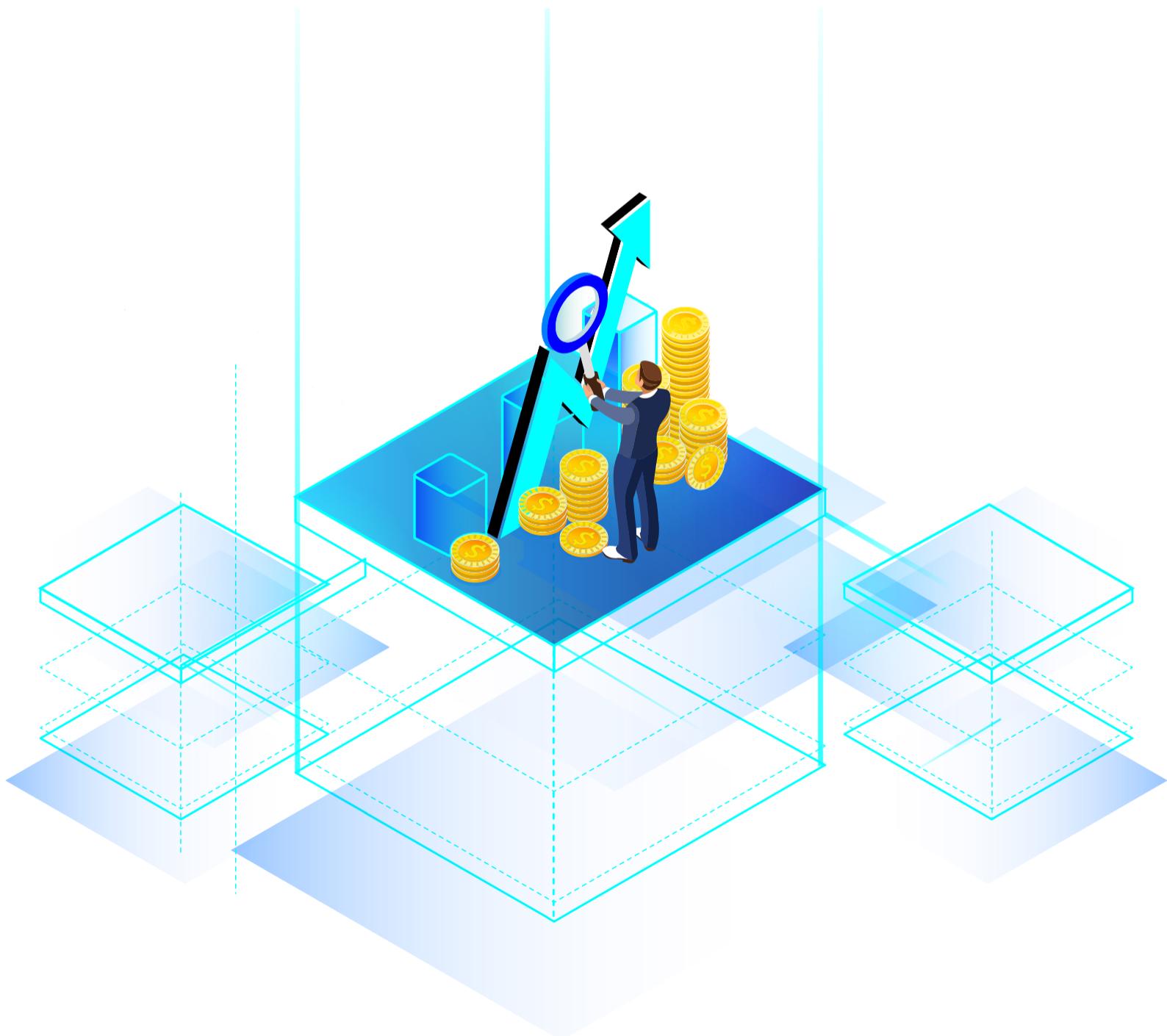
Targeting & Cross-Device Attribution

CTV is the best central hub you can find if you're looking for multi-device targeting. It can serve as the heart of an omnichannel approach. You can increase your reach by up to 41% — a figure you might have trouble reaching with just your mobile budget.

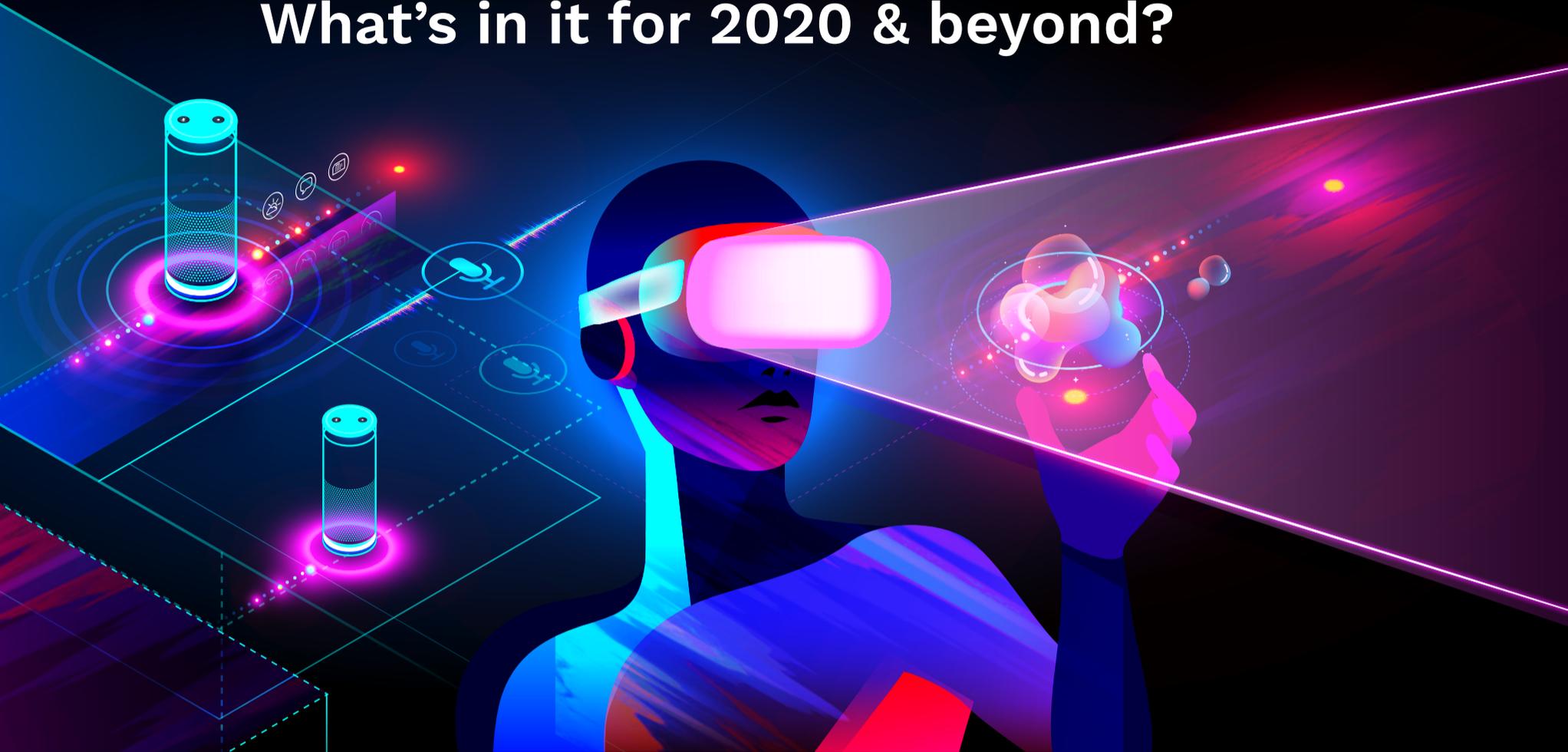


Demand Local can introduce you to cross-screen audience validation, a way for you to leverage ad-stitching technology on the server-side. We show marketers how many households they've reached, unique views, device types, network, and the percentage of received impressions. This tactic is being used frequently for OTT and shows tremendous potential for fixing many of the fragmentation challenges.

So while CTV can be a profitable venture for you and your company, the challenges it poses are almost certainly not worth the struggle. If you don't want to spend your weeks researching every last platform, app, channel, and device, look to a company with proven experience navigating this complex marketplace. Demand Local has done the homework for you, so you can extend your reach without wasting time or money.



Future of Connected TV Advertising: What's in it for 2020 & beyond?



More than half of US households now have access to Connected TV (CTV). It's no surprise that CTV advertising is growing as well. In 2017, there were about 1.7 billion CTV ad calls a month, this grew to 29.9 billion ad requests in 2018. The growth of high-speed internet made CTV a reality. The emergence of 5G technology will only accelerate that growth.

Evolving Standards

Standards in the CTV space are still evolving. There's a demonstrated need for more control and visibility of campaign performance, including measurement, tracking, and attribution.

Right now, placing CTV ads can seem complex. There are many proprietary systems with their own intricacies. Over time, a standard will emerge to make the buying process more seamless.

The Merging Of SVOD, TVOD, AVOD:

As CTV has evolved, content providers have generally fallen into one of three camps:

SVOD (Subscription Video on Demand)

TVOD (Transactional Video on Demand)

AVOD (Advertising-Based Video on Demand)

In the future, we're likely to see a merging of strategies.

Publishers relying on subscriptions alone may be facing an uphill battle. Netflix, Amazon, and Hulu dominate the playing field now. Disney & Apple (and others) are joining a crowded field of subscription services. Yet research shows that 24% of consumers say they already have too many video services. The only way they'd add a new one is to drop an existing one. There appears to be an upper limit for the number of subscriptions.

TVOD is gaining steam and will likely continue to grow. Services such as Patreon which lets anyone develop a direct relationship with consumers and set up subscriptions or transactions are proving successful. AVOD also isn't going away anytime soon. Consumers have grown up understanding that the price of watching high-quality, free content is watching ads.

In the future, look for the growth of hybrid models that support SVOD & AVOD with some TVOD to become more mainstream. Such an offering might combine a free, ad-driven basic service, a premium ad-free subscription service, and targeted content available on a pay-per-transaction model. This is opening up new opportunities for marketers and consumers. CTV is ushering in an era of immersive viewing and hyper-personalization beyond anything we've seen before.

Innovation With Connected TV Advertising

Digital marketers have developed highly-efficient profiles on their target consumers. With millions of data points about online behavior, purchases, email open rates, and

conversions, marketers can optimize their online media buys to deliver incredibly relevant content.

By contrast, television has always been a mass medium designed to reach large audiences. While effective at delivering large numbers, it has been less effective at delivering niche audiences. Automating TV advertising with first-party data is allowing CTV to zero in on that niche. CTV changes the equation from a one-to-many delivery system to a one-to-one experience.

Cadbury nailed this one-on-one approach with an online ad that leveraged data to incorporate personal touches. By drawing on images on social media, it was able to incorporate the consumer's personal family photos into the background of the setting and ended with a personal message. CTV makes the delivery of such ads possible on television.

Although advertising can be an interruption, relevant advertising is less intrusive. If you're not in the market for a new car, an auto ad may feel like an annoyance. If you're actively in the market, an ad for zero rate financing or deep discounts on the model you're looking at is important information.

Delivering this level of personalization is proving effective. 80% of consumers say they are more likely to make a purchase when marketing is personalized and relevant.

The Ultimate In Hyper-Personalization

Marketers are already experimenting with powerful CTV tactics.

A trailer for 20th Century Fox's movie *Alien* urged viewers to flee the coming aliens before it was too late. Some viewers were shocked when they were called by name in the trailer and told to run. Addressable IP delivery, targeted to customer logins, made this work. While it unsettled some viewers, there's no doubt it created a social buzz that transcends regular ads.

As CTV continues to evolve, Artificial Intelligence (AI) will power voice and visual content incorporating ad tech that supports hyper-personalization. Imagine videos that talk to you personally, incorporate content and present offers that are personally relevant to you.

What will Connected TV Advertising be like in 2030? 2050?

Another movie ad might have the actors addressing you by name, letting you know that this family-friendly movie is great for your grandchild. Or, invite you to come see the debut at the theatre down the street, and offer you a discount on your favorite candy – the one you buy each time you visit the theatre. Graphic processing has advanced to a point where it can create a multitude of possible video outcomes and adapt instantly to different input. Using AI, it can adapt what you see to fit the personalization needed. Augmented reality and mixed reality can blend video with graphics and animation to create a seamless experience.



It's almost unimaginable what CTV could look like in 2030 or 2050. There's no doubt that Connected TV in the future will be even deeper and richer. Advertising will no longer feel like an interruption; it will be integrated. Every touchpoint will be trackable and connected. Your behavior will shape the experience and change as your tastes change.

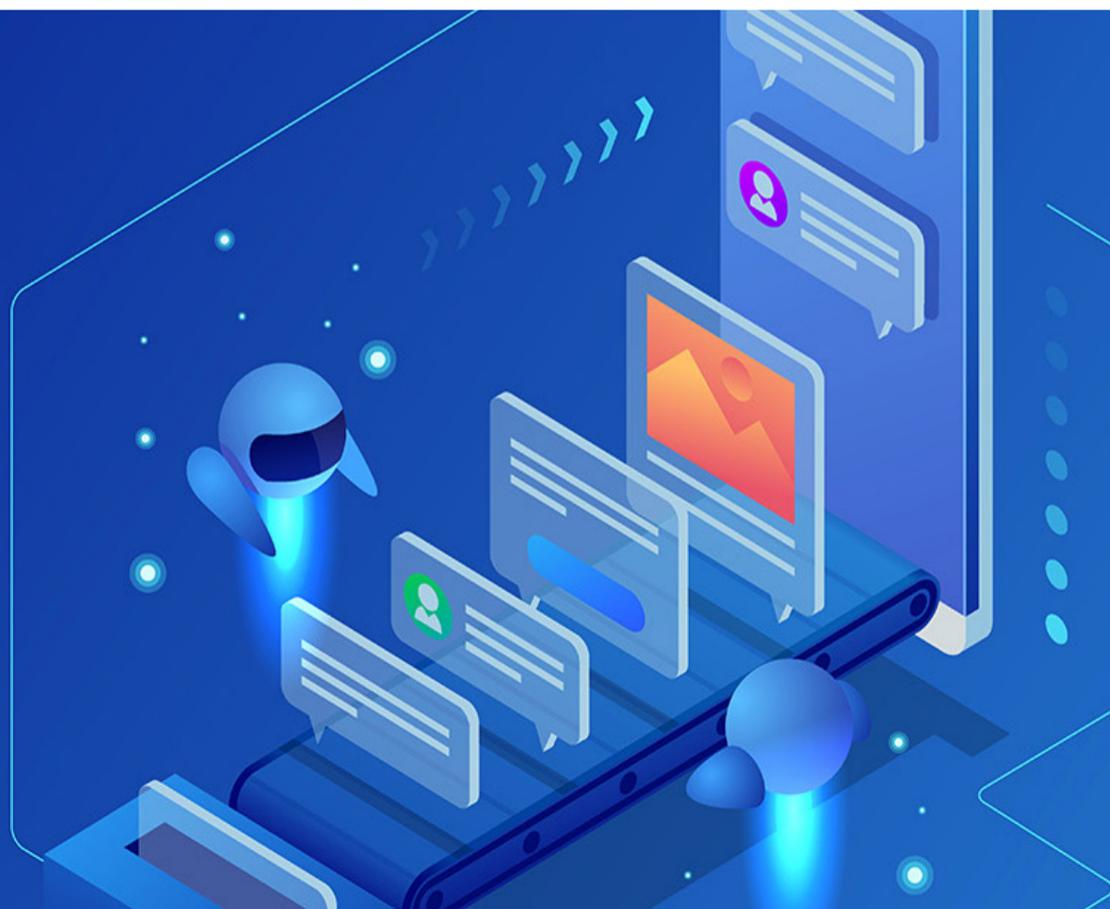
Smart TVs will get smarter.

Advertising is largely now perceived as an obnoxious act of interrupting your content consumption, or as an attention-seeking sales tactic. This has been a constant barrier between marketers and consumers. Will marketers finally be able to make advertising useful to the end-user? When advertising becomes useful to your daily lives instead of an incentive, it looks less like advertising. Instead, it's seen as valuable content.

With technologies like Extended Reality (XR) on the horizon, the future is more exciting than ever.



The personalization of the consumer experience improves as data is gathered. This helps shape the advertising delivery to the most relevant content. Drawing data from every connected device - and every consumer interaction - can help construct and deliver the right marketing message. Artificial intelligence is deployed to automatically optimize not just the right message, but also the most efficient CTV channel for delivery. Then, distributes it in a truly seamless experience. Machine Learning will continue to refine and optimize what consumers see.



It's widely reported that Americans are exposed to between 4,000 and 10,000 advertising messages a day. The sheer volume of ads makes it impossible to see them all and remember them (let alone act on them.) CTV promises to transform the advertising experience. It will cut through the clutter of thousands of ads and deliver personally memorable content.

Advertising will no longer be advertising. It will be immersive marketing that transforms the experience by presenting seamless and relevant information.

A note from us at Demand Local:

At Demand Local, we aim to educate and provide strategies to Executives and Sales Professionals in Advertising & Marketing Agencies in order for them to grow and scale their business.

Instead of trying to reinvent the wheel, why not take advantage of the resources and expertise we've spent years perfecting? When you're in the agency business, your best bet is to figure out how to get new sales — not whether your ad is in its ideal aspect ratio. Your time is too valuable to venture into this new frontier of CTV advertising. We know how to structure and best optimize your CTV campaigns, so you can achieve the metrics that translate to higher revenue. Let Demand Local do the heavy lifting, so you can spend your valuable time gaining new business.

