

VentiveIQ

VentiveIQ's Guide to the World of Connected TV (CTV)

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Introduction

In recent years, television advertising has changed dramatically. More people now use internet-connected devices for entertainment, creating a new frontier: Connected TV (CTV) and Over-the-Top (OTT) advertising. This blog looks at what CTV and OTT are, how they differ, their market growth, and trends. We will also highlight how data shapes viewer experiences and advertising strategies and how businesses can make the most of these platforms.

Connected TV (CTV)

A Connected TV (CTV) is any TV that can access the internet, letting you stream videos beyond regular cable or satellite. This includes smart TVs with internet features and older TVs hooked to devices like Roku, Apple TV, Chromecast, or Amazon Fire Stick.

CTV Advertising: Delivering Ads Directly to Viewers

CTV advertising uses the internet to deliver targeted ads straight to viewers on their connected TVs. Unlike traditional TV ads, which have limited targeting options, CTV ads can precisely target audiences based on demographics, viewing habits, and interests. This makes the ads more relevant and engaging for viewers and more effective for advertisers.

The rise of CTV is due to viewers cutting the cord. With more smart TVs and affordable streaming devices, people are choosing on-demand content and subscription services. This shift offers advertisers a huge opportunity to reach a highly engaged audience in a premium viewing environment



Over-the-Top (OTT)

Over-the-Top (OTT) refers to the method of streaming content "over the top" of the internet, across any device, including smartphones, tablets, and computers, in addition to connected TVs. OTT content is delivered via the public internet instead of a closed, private network system that uses exclusive equipment like set-top boxes, which is typically the case with IPTV services.

Some of the most prominent OTT platforms include Netflix, Hulu, Amazon Prime Video, Disney+, and HBO Max. These subscription-based video-on-demand (SVOD) services offer a wide range of content, from movies and TV shows to original programming, directly to viewers without the involvement of a traditional cable or satellite provider

Differences and Similarities between CTV and OTT

While CTV and OTT are often used interchangeably, there are some key distinctions between the two:

CTV vs. OTT:

- CTV refers specifically to streaming content on a television screen, while OTT encompasses streaming across all devices, including mobile, tablets, and computers, in addition to connected TVs.
- CTV advertising is focused on delivering ads to viewers on their television sets, whereas OTT advertising can span multiple device types.
- CTV provides a more immersive "living room" viewing experience, while OTT can offer a more personalized, on-the-go experience across various devices.

The Netflix logo is displayed in red, bold, uppercase letters on a black background.The Prime Video logo features the words "prime video" in white lowercase letters with a blue arrow pointing from "prime" to "video" on a dark blue background.The HBO NOW logo consists of the letters "HBO" in a bold, black, sans-serif font followed by "NOW" in a lighter, black, sans-serif font on a white background.The YouTube TV logo features the YouTube play button icon in red and white, followed by the text "YouTubeTV" in black on a white background.The Disney+ logo features the word "Disney" in its signature script font and a plus sign in a white, sans-serif font on a dark blue background.The Apple TV+ logo features the Apple logo in white, followed by "tv+" in a white, sans-serif font on a black background.

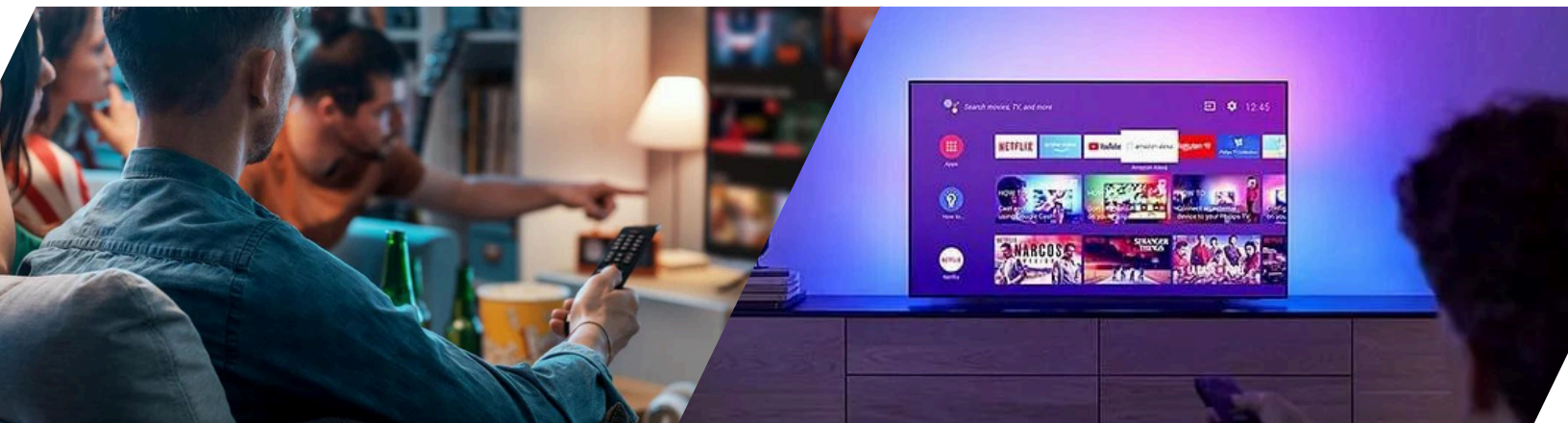
Similarities:

- Both CTV and OTT leverage the power of the internet to deliver content and advertising, bypassing traditional cable or satellite providers.
- They offer viewers more control over their content consumption, with the ability to stream on-demand and access a wider range of programming.
- Advertisers can leverage data-driven targeting and measurement capabilities to reach their desired audiences more effectively on both CTV and OTT platforms.

Linear TV

Linear television, often referred to as traditional or broadcast TV, is a mode of television programming where content is delivered in a scheduled, real-time format. Viewers tune in to watch programs at specific times as they are broadcast by networks. This conventional method of TV viewing has been the cornerstone of television entertainment for decades, with audiences watching shows, news, and events according to a fixed schedule.

Linear TV offers several advantages, including the ability to reach a broad audience simultaneously and the familiarity of a scheduled programming format. However, it has faced challenges in the digital age, where on-demand streaming services have gained popularity due to their flexibility and personalized content offerings.



Market Growth and Trends

The growth of CTV and OTT has been phenomenal, driven by changing consumer preferences and rise of streaming apps.

Viewership and Ad Spending:

- **Streaming Overtakes Traditional TV:** In July 2022, for the first time, more people in the United States watched streaming platforms like Netflix and Hulu than traditional cable and broadcast TV. Streaming comprised 34.8% of all TV watching, while cable was 34.4% and broadcast TV was 21.6%.
- **Growth in Connected TV Advertising:** Advertisers spend more money on ads on Connected TV (CTV) devices like smart TVs and streaming boxes. This spending is predicted to almost double from \$21.2 billion in 2020 to \$30 billion in 2024, a 17% increase from the previous year.
- **Rise of OTT Advertising Revenue:** Revenue from ads on Over-The-Top (OTT) streaming services is also expected to grow significantly. It's predicted to increase by \$39 billion between 2020 and 2026, reaching \$66 billion. This means OTT ads will make up 32% of total OTT revenues by 2026, up from 26% in 2020.

Consumer Behavior Shifts:

- More and more individuals are terminating their traditional TV subscriptions, with over 4.5 million customers discontinuing in the first three quarters of 2023.
- Instead of traditional TV, people prefer on-demand shows and movies that fit their tastes. Streaming services are catering to this preference by offering customized viewing experiences.
- During the COVID-19 pandemic, there was a faster move towards Connected TV (CTV) and Over-The-Top (OTT) services. This happened because more folks were staying home and looking for new entertainment ways.

The Importance of Data in CTV/OTT

Data is the backbone of CTV and OTT platforms, driving content personalization, advertising strategies, and viewer engagement.

Types of Data Crucial for CTV/OTT Platforms

- Viewer demographics (age, gender, location, etc.)
- Viewing habits and preferences (content genres, streaming platforms, peak viewing times, etc.)
- Device usage and cross-device behavior
- Household-level data and co-viewing patterns
- Contextual information (content, environment, etc.)

The Role of Data in Shaping Viewer Experience and Personalizing Content

- Personalized content recommendations based on viewing history and preferences
- Targeted advertising that aligns with viewer interests and behaviors
- Optimized content delivery and user experiences
- Insights into audience engagement and content performance

Target Audience Analysis

Understanding the target audience is essential for effective content delivery and advertising on CTV and OTT platforms.



Demographics

- Viewers of Connected TV (CTV) and Over-The-Top (OTT) services are generally younger, wealthier, and better educated than those who watch traditional TV.
- Knowing specifics like age, gender, where people live, and how much money they make can help advertisers plan more effective ad campaigns for these audiences.

Viewing Habits

- Knowing what viewers like to watch—such as the types of shows they prefer, which streaming platforms they use most, and when they watch the most—helps place ads in the right place and deliver content more effectively.
- New TV technologies, like Automatic Content Recognition (ACR), provide detailed information about how viewers behave and use different devices, helping us better understand them.

Audience Segmentation

- Splitting audiences by how they watch, their devices, and who they are can help advertisers target specific groups more accurately.
- New TV technologies, like Automatic Content Recognition (ACR), provide detailed information about how viewers behave and use different devices, helping us better understand them.

Insights into Different Viewer Profiles

Studying viewer types like binge-watchers, occasional viewers, and fans of specific genres helps advertisers aim ads more precisely, making them more personalized and effective.

Here are the different types of viewers:

- **Binge-watchers:** People who watch several episodes or seasons in one go.
- **Casual viewers:** People who watch content irregularly, without a fixed schedule.
- **Genre enthusiasts:** Viewers who enjoy specific types of shows, like dramas, comedies, or documentaries.

Overview of ACR: Purpose & its Function

Automatic Content Recognition (ACR) serves as a digital identifier for video content, embedded within Connected TVs (CTVs) and Over-the-Top (OTT) streaming apps. It precisely identifies what you are watching whether it is a specific program or even objects within the video itself.

ACR data benefits CTV and OTT platforms by:

- Understanding viewer preferences and content consumption habits.
- Measuring ad exposure and viewer engagement.
- Optimizing content delivery and advertising strategies.
- Providing accurate audience measurement and attribution.

ACR achieves this by capturing brief audio or video clips and comparing them to a vast database of pre-recorded content. This enables marketers to gain deep insights into viewer behavior and target ads with exceptional precision. Here is how it works:

- **Content Sampling:** ACR software samples small segments of the audio and video you are viewing.
- **Digital Fingerprinting:** Advanced algorithms transform these segments into unique digital fingerprints.
- **Database Matching:** The digital fingerprints are then matched against an extensive database containing information on movies, TV shows, commercials, and specific objects featured in content.
- **Viewership Insights:** When a match is found, ACR logs the content being watched and creates a profile of viewer preferences and habits.

The Impact of ACR Data on Your Marketing Efforts

ACR (Automatic Content Recognition) data offers several key benefits for marketers:

1. Reaching Unique Audiences

- ACR allows you to reach audiences that traditional TV ads miss, especially those who have switched to Connected TV (CTV) after cutting the cord.
- Using ACR helps you connect with these challenging demographics, making the most of your marketing opportunities.

2. Ease of Use

- ACR can be used at any point when buying ads—whether planning them, putting them out there, or figuring out how well they work.

3. Compatibility with Existing Metrics

- ACR allows linear TV media buyers to use familiar metrics like incremental reach and GRPs (Gross Rating Points) in the digital realm.
- This makes it easy to transition from traditional to digital marketing strategies.

4. Evaluating Marketing Impact

- ACR provides clear insights into how much digital advertising adds to your overall reach and brand awareness.
- For those using both linear and connected campaigns, ACR ensures cost-effective investments by reaching new audiences and managing ad frequency.

5. Increasing Advertiser Reach

- Major CTV device manufacturers like Roku and Samsung TV use ACR to deliver ads to audiences who have not seen linear ads, significantly boosting reach.
- This helps compensate for the decrease in linear TV viewership.

6. Dynamic Ad Insertion

- Platforms like Samba TV use ACR data to retarget mobile audiences with the same ads on their smart TVs and smartphones through dynamic ad insertion.
- Dynamic ads make linear TV ads addressable and accurately measurable.

7. Enhanced Planning Tools

- Using ACR data in your planning tools can boost your incremental reach.
- ACR-powered planning helps avoid marketing stalemates by refining digital tactics using insights from both linear TV data and core audiences.

8. Measuring Campaign Effectiveness

- ACR data can measure campaigns on both linear TV and CTV.
- Marketers can use this data for closed-loop attribution, determining which households were influenced to take offline actions, such as making in-store purchases.
- IP entries are compared with first-party or third-party conversion data to achieve this.

VentiveIQ's Role in the CTV & OTT Landscape

VentiveIQ plays a key role in the CTV and OTT industry by providing data-driven solutions that enhance content delivery, improve advertising impact, and boost viewer interaction.

Data-Driven Solutions:

VentiveIQ offers various data-driven solutions to help businesses adapt to the evolving CTV and OTT landscape. Our expertise covers audience insights, analytics, measurement, and strategies for targeted advertising.

Audience Insights:

Knowing how viewers behave and what they like is vital for CTV and OTT platforms. VentiveIQ provides in-depth audience insights, which help platforms tailor their content and advertising strategies to fit what their viewers want.

Discover demographic details, viewing patterns, and how people engage across different devices to refine how you target your audience.

Tools for Tracking Ad Performance

VentiveIQ provides powerful tools to track the performance of ads on CTV and OTT platforms. These tools give detailed metrics on ad views, interaction levels, and how often viewers take action, ensuring advertisers can precisely measure the impact of their campaigns.

Targeting Solutions

Accurate targeting is essential for effective advertising on CTV and OTT platforms.

Techniques for Effective Audience Segmentation

VentiveIQ uses advanced techniques to segment the audience, making sure ads reach the most relevant groups. This includes:

- **Demographic Targeting**
- **Behavioral Targeting**
- **Contextual Targeting**

Using Data to Enhance Targeting Accuracy

VentiveIQ utilizes detailed data insights to enhance targeting accuracy, ensuring that ads effectively reach the appropriate audience at the most opportune moments. This enhances engagement rates and improves the overall performance of campaigns.

Emerging Trends in CTV and OTT

The world of Connected TV (CTV) and Over-the-Top media services (OTT) is constantly changing. New ideas and trends constantly shape how we deliver content and ads.

Future of CTV and OTT Advertising

- **Growth in Viewership:** More people are watching CTV and OTT, thanks to the rise of smart TVs and streaming devices.
- **Ad-Supported Models:** More platforms are using ad-supported models to balance making money and keeping viewers happy.
- **Data-Driven Targeting:** Advances in data targeting, measurement, and attribution are making ads more effective.

Innovations in Data Utilization

- Utilizing innovative technologies like artificial intelligence and machine learning to improve understanding of audiences and refine targeting accuracy.
- Exploring fresh data streams such as smart home devices and cross-device tracking to gain a comprehensive view of viewer behaviors.
- Creating privacy-centric solutions to adapt to changing data regulations and ensure compliance in a dynamic landscape.

Partnership Opportunities with VentiveIQ

Exploring Partnership Opportunities with VentiveIQ:

- Utilize our expertise in CTV and OTT advertising for successful digital marketing strategies.
- Work with our team to access cutting-edge data solutions, audience insights, and targeting capabilities.
- Integrate our services and technologies into your current marketing setup for a smooth, data-driven approach.

Benefits of Partnership

- Gain a competitive edge in the rapidly evolving CTV and OTT landscape by tapping into our industry-leading expertise and solutions.
- Enhance your audience targeting and advertising effectiveness through data-driven insights and advanced targeting techniques.
- Optimize your marketing spend and campaign performance with our comprehensive measurement and analytics tools.
- Benefit from our continuous innovation and adaptation to emerging trends, ensuring your strategies remain relevant and impactful.

Conclusion

The world of CTV and OTT advertising offers businesses incredible chances to connect with and captivate audiences. As more people move away from traditional TV, businesses must embrace these platforms to stay competitive in today's digital landscape. VentiveIQ stands ready to assist businesses in navigating this dynamic environment. Our approach, driven by data and powered by advanced analytics and targeting solutions, empowers advertisers to maximize their CTV and OTT campaigns, ensuring maximum impact and effectiveness.

Thank You

We look forward to
potential collaboration.