

reaching streamers:

3 things you need to know before kicking off **CTV advertising**



Connected TV (CTV) is one of the fastest-growing channels in digital advertising: projected to grow over 48% – an advertising market worth \$13.41 billion – in 2022 alone.



CTV is more than advertising through a smart TV

CTV is an all-encompassing digital marketing channel that empowers brands to target and engage audiences well beyond the traditional means of TV advertising – across devices, media, networks, and so much more.

With Connected TV, you couple all of the pluses of digital advertising (attribution, measurement, targetability, etc.) with the expansive reach of TV extending to both cord-cutters and those with a cable package.

It's programmatic TV.

If you haven't acted on a CTV strategy yet, **where do you start?**

Throughout this e-book, we'll provide the insights necessary to help you understand the opportunities CTV presents for your brand and how to take advantage of them now. Get a firm grasp on:

- Major players in the CTV space
- Strategic and creative best practices for CTV ad content
- Maximizing your ad's reach with CTV
- Audience targeting and success measurement
- Scaling your CTV campaign
- CTV's halo effect on the rest of your marketing campaigns

the reach of CTV advertising

All around the world, the way that audiences consume media is rapidly shifting in favor of **OTT services** (i.e., streaming via platforms like Netflix, Amazon, or Hulu) and away from traditional methods, or **linear TV**.

No doubt you've heard the term "cord-cutting" – and have likely even cut the cord for your own household and opted for various streaming services to watch your favorite programs.

As you can imagine, this has forced advertisers to rethink the way that their ads reach audiences. While the rise of CTV has necessitated some creative maneuvering in terms of delivery, the slow exodus from linear TV viewing hasn't negatively impacted the reach of advertisements overall.

It's actually helped to extend it.

80%

of households in the US have at least one CTV device.

80% of households in the US have at least one CTV device. But while CTV devices and streaming services are entering homes, there isn't an equal amount of cable packages being cut. As of late 2021, 44% of households still had a cable or satellite subscription (compared to 73% just five years ago). By broadcasting their ads on both linear TV and via CTV, brands have been able to broaden the reach of their ads for better impact and higher brand awareness.

This is called **incremental reach**.

Let's do a hypothetical...

You've produced a campaign with linear and CTV ads. The number of people who viewed your ad traditionally was 50 million. The number of people who viewed it only via CTV methods was 25 million. And there were 10 million viewers who saw both.

15 million people watch your ad *only* via CTV – so you have an incremental reach of 15 million.

the benefits of CTV advertising

Below are overviews of the main benefits of CTV advertising. We'll cover each of these in more depth throughout this book.

Automated Buying: RFPs, quotes, and negotiation are no longer worries due to the programmatic ad buying and real-time bidding automation that comes with CTV.

Data-Driven Targeting: The enhanced targeting capabilities of CTV exceed even the top end of targeting through linear means. Through most CTV platforms you'll be able to define a specific audience, target them by a variety of factors like their location, type of device, online and offline behavior, and more.

With these advanced abilities, you can target your audience with the necessary data to support your campaign.

Attribution and Measurement: Linear TV lacks information and accuracy when it comes to pinpointing what element of the ads specifically led customers to convert.

But with tracking pixels and specific software, CTV platforms allow advertisers to gain a deeper understanding of viewers' behavior, optimize their media spend and creative, and as a result increase conversions.

Engagement: CTV has the benefit of added engagement that ads watched via traditional cable viewing do not. Because of this, CTV ads have proven to help raise awareness and the likelihood of generating a conversion.

- 30-second interactive CTV ads generated an average of 71 seconds of additional interaction time from viewers, a 237% increase over standard ads of the same length.
- 15-second interactive ads added an average of 67 incremental seconds – a 447% leap in total interaction time.

And, through careful cross-targeting on multiple devices, you can establish multiple touchpoints for audiences at every stage of the funnel.

Now that you understand the expansive reach and benefits of CTV advertising.

Let's dig into the three most important things to know before you launch a campaign.

who are the major CTV players?

01

As the hunger for Connected TV grows among consumers, both industry leaders and smaller operations are stepping up to cater to emerging advertising needs. However, due to the relative youth of the CTV space and the variety of options available, there is no clear-cut, definitive leader in CTV advertising.

Here are some of the major players. We'll introduce them and compare some of their key features.



Roku is the most popular CTV platform in the US, powering one in every three smart TVs, and is found in over 56 million households. In terms of weekly hours streamed, Roku also outpaces its closest competitors – Amazon Fire TV and Samsung TV – by over 50% and 80% respectively.

Their ad platform, OneView, is built specifically for digital advertising on streaming services. With a wide reach (57% of Roku users are cord-cutters, meaning they can't be advertised to by traditional TV), and the capability to access inventory from other OTT publishers like Hulu, other CTV devices like Amazon Fire TV, and other means of digital media like desktop and mobile, Roku OneView gives advertisers the most complete view of the TV streaming media universe.



MNTN is an advertising software manufacturer and one of the pioneers in CTV ad distribution. Their platform, MNTN Performance TV, is one of the world's first and only CTV advertising platforms that is optimized for direct-response marketing.

While MNTN is made for managing CTV campaigns—uploading the ad, building out the audience, and gathering metrics—in January of 2022 they acquired the video platform QuickFrame to provide an in-house option for ad creation.



The Trade Desk is a **demand-side platform (DSP)** that makes **programmatic advertising** easier and more accessible to marketers. Currently, it is the fastest-growing DSP.

Through The Trade Desk self-service, cloud-based platform, ad buyers can create, manage, and optimize digital advertising campaigns across multiple ad formats and devices. Integrations with major data, inventory, and publisher partners ensure maximum reach and decision-making capabilities.



The **Amazon DSP** has steadily grown to go toe-to-toe with Roku (which, right now, is still in the lead when it comes to home usage). Buying ads through Amazon gives advertisers access to something that other DSPs don't have: transaction data.

Advertisers using the Amazon DSP can measure and retarget their campaigns based on factors like product page views, first-time purchasers, competitor conquering, and Amazon searches—giving the company a massive leg up over its competition.



With a market share of over 20%, **Samsung** has been the world's largest Smart TV manufacturer since 2006.

Most recently, their advertising platform Samsung Ads expanded into **advertising-based video on demand (AVOD)** with a campaign planning and management suite called Audience Advisor. The tool allows brands to measure the scale, behaviors, and time that their target audiences spend with ad-supported content.

targeting capabilities + measurement



One of the strongest arguments (and opportunities) for CTV advertising is its upgraded targeting capabilities when compared with linear TV. Through CTV's advanced audience targeting, you have digital advertising's ability to ensure your marketing dollars are going towards your most valuable viewers.

CTV allows advertisers to leverage behavioral retargeting, geo-fencing, intent-based segments, lookalike, and exclusion audiences to make sure their content is being broadcast to the right audience. This is powerful because, unlike linear TV, CTV can target viewers in a similar fashion to other digital channels. For example, data from websites and other digital channels can be used to target audiences consuming programs through an actual television, thus retargeting people who've visited websites with a CTV ad.

You can use data from other segments of your campaign to help better target audiences as well. Maybe you're running YouTube or display campaigns. What are the in-market segments, the affinities, the topics, and the placements in your marketing mix that are doing well? What information do you already have about your customers that is allowing you to successfully retarget or build look-alike audiences for the other pieces of your digital campaign?

You can use all of this existing information as a base for the launch of your CTV campaign. And as the campaign progresses, you can refine it based on the more specific information you've been able to gather.

The level of targeting specificity will depend on the platform that you're using to buy and manage your CTV ads. Amazon DSP, for example, offers a wide range of targeting segments like in-market, lifestyle, advertiser, and custom audiences to help marketers define and target the right audience.

Gathering Data

Before you can properly target your audience, you'll need to collect and analyze your available data.

There's first-party data, the kind you advertisers can get for free via tracking or by soliciting audiences for their information. This is in contrast to third-party data that you'll have to pay for access to.

First-party data is generally the most useful and easiest to obtain. You can get it by asking customers for their feedback, gathering personal information like their phone number or email, or using the data collected by your CRM for information related to their buying behavior. First-party data is incredibly valuable for retargeting since it gives you a more complete view of what your ideal customer looks like and the best ways to reach them. First-party data is also owned by you – your competitors won't have access to what you've collected.

On the reverse side, you have third-party data which is easier to come by but less specific. There are third-party audience management companies (Cadent or TruOptik, for example) that will give you pre-made audience segments from which you can construct user profiles for improved targeting.

Targeting Options

With CTV you're able to serve targeted ads to just about any audience. What targeting options you'll want to use will depend on the goals of your campaign, but here are some of the most common targeting options available through CTV providers.



Demographic: Targeting audiences by gender, age, language, education level, or income.



Geographic: Targeting audiences by location.



Technographic: Targeting based on device, connection speed, and operating system (this is useful for when you're split-testing multiple creative variations of your ads.)



Behavioral: Targeting based on audiences' relevant interests and browsing history.



Time-of-Day: Serving ads based on when your audience is most active.



Contextual: Targeting viewers who are watching content that's relevant to your campaign.



01 awareness

User sees an ad on TV screen at home



02 consideration

User sees a mobile ad during morning commute



03 intent

User sees a desktop ad 3 days later at work



04 purchase

user makes a successful purchase

Cross-Device Targeting

When a commercial comes on during your show, what do you usually do? The answer is probably either get up to multitask during an ad break or browse social media on your phone.

94%

of TV viewers have their phones in hand while consuming programming.

94% of TV viewers have their phones in hand while consuming programming. With CTV advertising, you can take passive viewing and turn it into actionable behavior. Make your best first impression as viewers watch your CTV ad, then directly afterward retarget to meet these users where they live: on their mobile devices. This creates a more curated and personalized brand experience, a capability that simply isn't possible with linear TV and is one of the biggest benefits of a CTV approach.

Cross-device tracking and targeting strategy fills in the data about your audience that can be hard to obtain otherwise. They might log fitness progress on an app, check in to local businesses—all information that is useful for determining whether or not a specific person fits your buyer profile.

Here, a question might arise: since CTV ads aren't clickable, why do all the work of so finely targeting a specific person if you can't track them to a conversion. While this is true and interactivity is limited, CTV and cross-device targeting actually help in measuring attribution. We'll talk about that a little further on in this book.

Measuring CTV Success

Because this is your first attempt at a CTV campaign, you have no prior data to inform what kind of KPIs to set or even what success looks like. Starting out, your KPIs will have to be a mixture of aspirations and realistic comparisons made from a competitive analysis where possible.



Prioritize the goals you want your CTV campaign to achieve.

Our best advice is to prioritize the goals you want your CTV campaign to achieve. This will not be a column A/column B situation where you'll fall into either being strictly conversion-focused or brand-focused. Rather, you'll want to set KPIs to measure both focuses but aimed at different parts of the funnel.

KPIs for linear ads are broken down by, typically, two kinds of advertisers: brand advertisers who are accustomed to linear TV and are now making the transition to CTV advertising, and performance advertisers who are new to TV advertising in general.

Because of the expanded reach, CTV brings these two types together – both brand and performance-based KPIs will be measured, just at different parts of the funnel.

Measurement Challenges

Because of all the separate elements in play – the multitude of both OTT services and CTV devices that can appear in any given household – exact numbers for your KPIs are typically gathered separately. There's no Nielsen equivalent for streaming services that neatly presents the data, at least not yet.

And, even though most CTV ads are not skippable, the same risks apply that come with ads on linear TV: there's no guarantee that consumers will watch an ad. They might go to the bathroom or the kitchen, scroll on a separate device or engage in any number of other distractions until their program comes back on.

There's also the nuance that comes with measuring consumer behavior like conversions. When you're serving ads from the same campaign across different channels, it's challenging to identify which specific ads led to a customer taking action – this is why making use of the enhanced attribution capabilities of CTV is so important.



Attribution tools and software exist to give you a broader view of the customer journey, help you understand which traffic sources are most effective, and adjust your ads in real-time. Through attribution software, CTV platforms allow advertisers to analyze viewer engagement and behavior to:

- Gain a better understanding of their ad's performance in terms of frequency and efficiency
- Collect more detailed information on audience consumption and behavior
- Discover new audiences and optimize ad targeting to better reach them

The data gathered through attribution is important because, with it, you can test various creatives and in real-time adapt to trends more effectively than through traditional advertising.

And now is when we touch back on how cross-device tracking and targeting play a critical role in solving the attribution issues of CTV advertising. As we mentioned, you can't lead a customer to the checkout stand directly through your ad, by tracking and targeting them on different fronts you will be able to:

- Find out how long after an ad (on any device) they visited the website
- Find out how long after an ad they visited a physical store location
- Study their browsing patterns before and after targeting to gauge the effectiveness of your ad

10 most crucial CTV best practices

03

Ad spend isn't infinite, so spend as much time at the drawing board and plan your CTV approach out as thoroughly as you need until you're confident in its success.

According to data from MNTN, **CTV ads that included prominent branding and finished with a strong CTA experienced:**

41%

lower cost-per-view

113%

higher average conversion rate

48%

higher average view to completion rate

To help you build a solid foundation, here are 10 best practices to consider as you develop your CTV approach — five strategic tips for CTV success and five creative tips to ensure your ad content is the most effective it can be.

strategic CTV best practices + tips

- 01** **Before you spend, think about the end goal.** Define what you want out of a CTV campaign. Advertisers have advanced measurement, targeting capabilities, and engagement opportunities available via CTV methods. Is your businesses goal direct response? Lead generation or e-commerce sales? Brand awareness? Driving foot traffic to brick-and-mortar businesses?
- 02** **Don't wear out your audience.** Modern audiences are exposed to a lot of content and can easily become fatigued and disinterested. Combat this by:
 - a)** Control how often a particular viewer sees an ad over the course of a day, week, or month with **frequency capping**.
 - b)** Create several ad creative variations to help prevent fatigue and allow for A/B testing.
 - c)** Once an ad passes its peak and begins to flatline, shut it off and either go with new creative or retarget viewers with a more specific ad.
- 03** **Blend your strategies.** Blasting the same message through the same means to your audience is not an effective way to advertise. CTV is one method of advertising – for maximum effect, blend it with other strategies like paid search and retargeting with sequential messages (more on that later!). A combination of strategies and diversified creative will help you best target each part of the sales funnel. Beauty company Coty, for example, found that CTV banner ads had a positive effect on mid-funnel metrics like consideration in their campaign for a Gucci fragrance.
- 04** **Test and target.** Test everything – most importantly the spot length and creative. Make sure that the ads you're serving are as relevant as possible to your target audience. Remember as well to cross-target between different devices. Since most people are on their phones while they're watching CTV, you should also be sending your ads to mobile devices. Weigh targetability vs cost, as the more audience segments you layer in, the more expensive it will be. More granularity will be more expensive.
- 05** **Diversify between channels.** **Full-episode player, or FEP** ads, which are served within the web browser or app a viewer is steaming from, will likely be a more cost-effective placement than CTV placements, so diversify your placements among the two channels to find your efficiency sweet spot without sacrificing reach.

creative CTV best practices + tips

- 01 It's ok to repurpose existing video assets.** You do not always need to start from scratch to produce effective video collateral for CTV ads. There's a strong overlap between traditional TV viewers and audiences streaming via CTV devices. So, success is less about distinct creative, and more about repackaging what you have for the medium. Take a look at the assets you already have from existing video campaigns and see what you can leverage when creating content for CTV advertising.
- 02 Timing is key.** CTV and OTT audiences expect shorter ads than traditional viewers. 15 and 30 seconds spots are the most common and most highly advised ad lengths. A good first approach would be to create a 15-second hero ad as a sort of gateway advertisement. You could then retarget viewers who completed or engaged with that ad with a 30 second, mid-funnel follow-up spot. Even with a short runtime like a 15-second ad though, you want to make an impact in the opening seconds of the ad, otherwise, you risk losing the audience's attention.
- 03 Maximize the format.** To most effectively get and keep your audience's attention (while they're likely second-screening, and competing with other distractions), make sure every visual element is well-composed and eye-catching, and always use sound. When your ad comes on, it's highly likely that the majority of your audience will have gotten up to multitask or will be looking down at their phones. Sound is the one tool you have that can help your message carry through these barriers.
- 04 Plan for several ad asset variations.** Make your CTV ads work harder by creating several video and voice-over iterations that you can test to see what works best. Rather than putting all of your eggs in one asset basket, give your brand the ability to learn what audiences best respond to by planning creative to allow for split-testing script or visual variations, spot length, and more.
- 05 Have clear and instant branding.** From the very start of the video, make sure that you have consistent and instantly visible branding. This could be product shots with a visible label, to your logo and a URL to your website or socials at a minimum. Include branding throughout so viewers know who you are, where to go, and develop brand recognition.

CTV is programmatic television

CTV is less like traditional TV ad buying and more so like **programmatic buying** – similar to the way that you purchase and manage Facebook and Google Ads.

Moving past the traditional limits of TV ad buying will allow you to further drive growth and impact your brand's bottom line. The opportunity of CTV is business-agnostic: it can make an impact for both SMBs (small and midsize businesses) as well as industry giants.

You can start small.

CTV requires time and data to analyze, optimize, and iterate just like other elements of marketing and advertising campaigns do.

For this exact reason, it's possible and even advisable for CTV to begin as a small investment that you grow and scale depending on the results.

What's working in your marketing mix now?

There are a lot of bells and whistles that come with CTV that can easily distract and overwhelm you. A good starting point is to isolate the strongest points of your digital marketing strategy right now and build your CTV approach out from there.

For example, maybe you're running YouTube or display campaigns. What are the in-market segments, the affinities, the topics, and the placements that are doing well? What information do you already have about your customers that is allowing you to successfully retarget or build look-alike audiences for the other pieces of your digital campaign?

You can use all of this existing information as a base for the launch of your CTV campaign. And as the campaign progresses, you can refine it based on the more specific information you've been able to gather.



Isolate the strongest points of your digital marketing strategy and build your CTV approach out from there.

checklist: what you need to get started in CTV advertising



Read *Reaching Streamers: 3 Things You Need to Know Before Kicking Off CTV Advertising*



Decide what elements of CTV advertising you want to start with by looking at your current marketing mix and seeing where you can easily introduce it.



Take stock of your current video assets – how much can your team repurpose for CTV ads?



Set a budget based on how much you can afford to spend and the available information on first-time spends by competitors.



Define your KPIs.



Decide on a CTV platform that best suits your needs. Just this by the kind of targeting capabilities you anticipate needing, the platforms reach, and your abilities to track the metrics most important to you.



Conduct a competitive analysis of your closest industry peers who are also in the CTV space to establish benchmarks and define success.



Print checklist to keep track of your progress towards CTV advertising.

get started with CTV ads

\$13.41 billion. That's the projected value of Connected TV advertising in 2022 alone. Why? Because the capabilities it offers add true, irreplaceable value to a campaign. It's an all-encompassing digital marketing channel that empowers brands to target and engage audiences well beyond the traditional means of TV advertising.

Over the course of this book, you've learned about the expanded reach that comes with CTV, its targeting and measurement abilities that far outweigh linear TV, and how programmatic buying makes it easy to drive growth and impact your organization's bottom line.

The only thing left to do is get started – Dragon 360 is here to help.

are you ready to step foot into
the future of advertising?

let's chat.





glossary

Advertising-based video on demand (AVOD): A streaming video service that offers viewers access to a free catalog of on-demand content and contains advertisements (e.g. YouTube).

Connected TV (CTV): Watching content via any device used to stream TV content through the internet, such as a smart TV, gaming console, Roku, or Amazon Fire Stick.

Demand-side platform (DSP): A type of software that allows an advertiser to buy advertising with the help of automation.

Frequency capping: A feature that limits the number of times your Display or Video ads are served to the same person.

Full-episode player (FEP): The full-episode player provides viewers with videos of TV shows, news, etc. across web browsers or apps, like Hulu.

Incremental reach: The unique audience that an OTT (over-the-top) video campaign engages, in addition to the audience reached by a brand's linear TV campaign.

Linear TV: Watching content via a traditional cable or satellite provider with set show airing and viewing timings.

Over-The-Top (OTT): The delivery of video content via the internet or "over the top" of linear TV providers via OTT video providers such as Netflix, Hulu, Amazon Prime, etc.

Programmatic advertising: The practice of using automated bidding and placement platforms that buy and sell digital ad space in real time.

Programmatic buying: The use of automated technology for media buying, as opposed to manual methods of digital advertising.