



# THE MARKETER'S GUIDE TO WINNING OTT & CTV AUDIENCES

SUMMER 2020

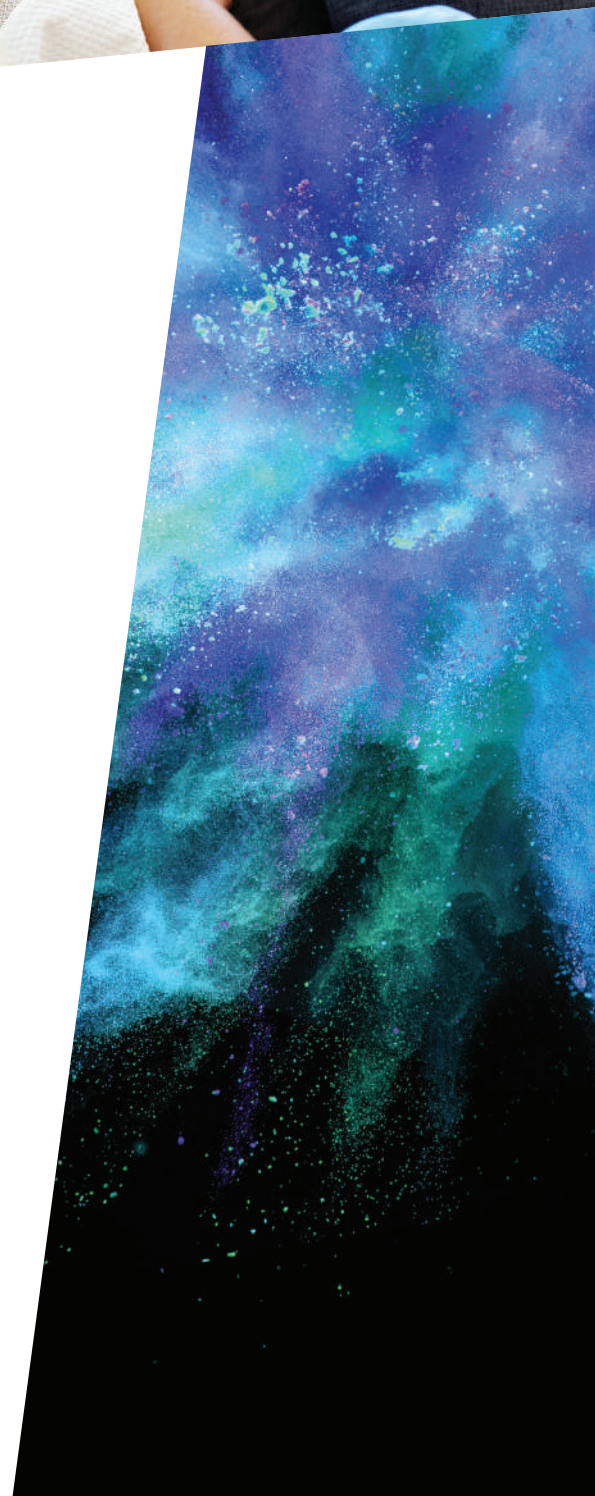




## HOW OUR GUIDE WILL HELP YOU WIN OTT & CTV AUDIENCES

Consumers have embraced streaming video platforms, and advertisers are catching up to find their audiences there, which is driving the accelerated growth in over-the-top (OTT) and Connected TV (CTV) advertising spending.

However, the OTT ecosystem is becoming ever more complex and fragmented. That's why we've developed this guide to best equip advertisers with the trusted insights for understanding and simplifying the OTT/CTV buying process for reaching the right audiences in this rapidly growing channel.



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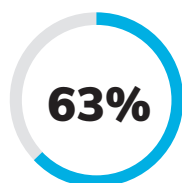






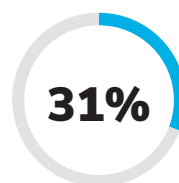
## OTT VIEWING IS SURGING

OTT viewing is transforming the TV industry faster than ever and the explosion of direct-to-consumer streaming options is further propelling this shift.



Of Pay TV Subscribers Prefer to Watch their Favorite Content on Streaming Platforms

Source: Hub Research, 2019 Conquering Content, November 2019



Of the U.S. population are now cord-cutters or cord-nevers (about 30 million households)

Projected to increase to 60 million TV households by 2024  
Source: Roku, The New Generation of Cord Cutters, 2019

TV viewers are still in the living room but by every measure, streaming TV is the new normal:

**222 MILLION**

Forecasted OTT Users in 2020

**167 MILLION**

Forecasted Traditional Pay TV Viewers for 2020

Source: eMarketer, OTT Video Service Users, February 2020; eMarketer, Pay TV Viewers, February 2020

# AD-SUPPORTED OTT VIEWING IS ACCELERATING

The booming ad-supported OTT/CTV market trend is accelerating with services that include Pluto TV, Tubi, Xumo, Amazon's IMDb Freedive and NBCU's Peacock, to name a few. In fact, consumers that watch ad-supported streaming services are largely incremental to those that watch linear TV. They represent a high-value audience, and they are highly receptive to ads.



**73%** Of those that stream video confirm they've watched ad supported OTT

Source: IAB, Ad Receptivity and the Ad-Supported OTT Video Viewer, Oct 2018



**54%** Of consumers prefer an ad supported service over paying for a subscription

Source: OpenX, 2019 Consumer OTT Report, The Harris Poll

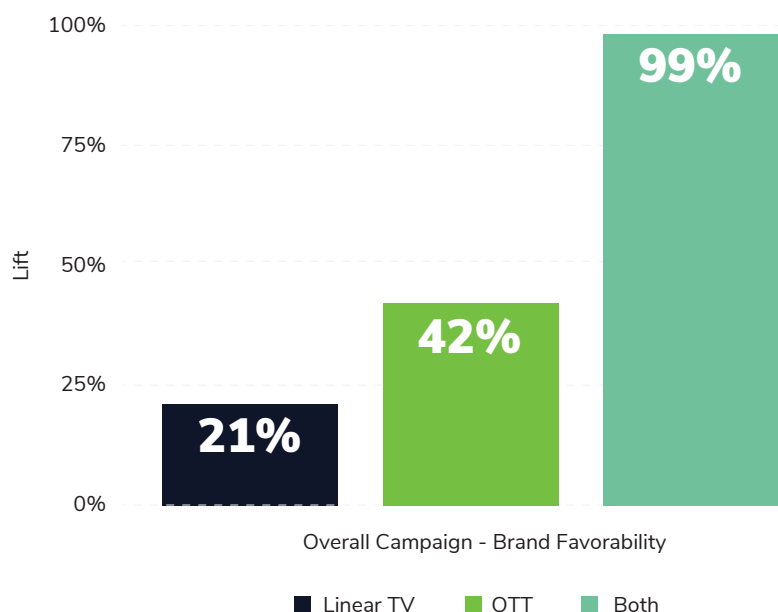
## Plenty of Ad-Supported Content is Being Watched



AD SUPPORTED OTT CONTENT WITH ADS, VIDEO ON DEMAND & LIVE PROGRAMMING

# OTT AMPLIFIES LINEAR TELEVISION CAMPAIGNS

Combining traditional TV and OTT as a way to add incremental reach to linear TV buys, is proven to be a powerful combination. Viewing an ad on BOTH linear and OTT leads to a more than twofold increase in brand favorability.



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Source: Magna Global, Under the Hood of Over-the-Top Measurement, April 2018

Taking a data-driven approach to combining traditional TV and OTT campaigns can drive increased business outcomes for advertisers by extending both reach and engagement.

## OTT ADVERTISING VALUE:

**67%** More effective at driving purchase intent per impression

**32%** Better perception that a brand has a unique story to tell

**19%** Higher perception of the brand as innovative

Source: Magna Global, Under the Hood of Over-the-Top Measurement, April 2018

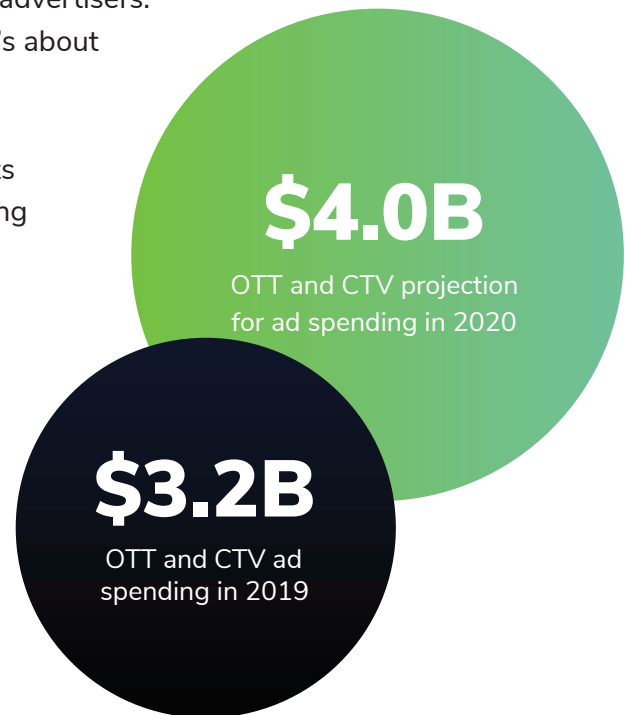
# AD-SUPPORTED STREAMING TV OFFERS A HIGHLY VALUABLE ADVERTISING PROPOSITION:

Streaming TV offers vast and growing opportunities for advertisers. It's no longer about *whether* to invest in OTT/CTV, but it's about how and how much.

As such, brands and agencies are moving bigger budgets to this medium. In fact, OTT/CTV advertising is expanding at the fastest rate of any major medium and is projected to reach \$4.0 billion in 2020, and \$5.7 billion in 2024, according to Magna's latest forecast. Even with this rapid growth, OTT/CTV ad spending is still catching up with consumption – as it was just 5% of total (linear + non-linear) video advertising in 2019.

Source: Magna, US Media Landscape, Spring 2020

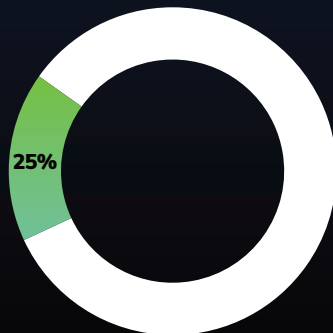
For many marketers, the complexity and fragmentation of the OTT ecosystem remain hurdles to widespread adoption. To reap the benefits of OTT/CTV, advertisers need a deeper understanding of the rapidly-evolving landscape and solutions available.



The amount of time people are spending in front of the TV screen viewing streaming content continues to grow, with streaming now comprising one-fourth of all television minutes viewed among streaming capable homes.

Source: Nielsen Total Audience Report, August 2020

**% of Streaming out of Total Usage of TV**  
(among streaming capable homes)  
Q2 2020, P2+





# WHAT ARE THE KEY CONSIDERATIONS FOR DEVELOPING AN EFFECTIVE OTT BUYING STRATEGY?

## UNDERSTAND THE STRUCTURAL DIFFERENCES AMONG PROVIDERS

To get started, advertisers should first thoroughly vet their providers to know what they're buying. New entrants are claiming to offer the same services and products, but in reality, they are executing differently. As such, there's still a lack of understanding of the differentiation in technology capabilities among providers.

The market reality: There is significant disparity in capabilities and execution among advertising providers and video content in today's OTT/CTV land grab, especially when it comes to inventory quality. For instance, while many claim "premium video," most simply don't deliver premium inventory quality.

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## HERE'S OUR ASSESSMENT OF THE STRUCTURAL DIFFERENCES AMONG KEY PROVIDERS:



**SINGLE SOURCE  
(WALLED GARDEN)**

Some providers that are focused on a single platform (walled garden) are limited in their ability to reach massive audiences beyond their subscribers. When a marketer places a buy with multiple disparate providers, cross-platform frequency capping is also an issue. This makes for a poor consumer ad experience, when viewers are served the same ad multiple times in the same viewing session.



**OPEN  
EXCHANGE**

Open exchange platforms present tremendous risk because they deal with unknown content sources and blind-bidding. This leads to increased fraud and lack of transparency, and there is no guarantee on where an ad will run.



**LIMITED  
FOOTPRINT**

Some providers (for example, cable companies) are focused on inventory within a limited footprint. Given these geographical limitations, advertisers have little flexibility in placing the ad buy.

## TAKEAWAY

Marketers need a true understanding on the varying capabilities of providers in order to understand what they're buying and where their ads are running, with transparent and detailed reporting to measure performance.

Working through a provider who directly sources inventory with upfront and secured deals in brand-safe, premium content is the best bet for the most effective ROI on ad spend.



# INVENTORY QUALITY MATTERS

Many recent OTT/CTV entrants claim to have directly sourced inventory, but some actually source their inventory from open exchanges. Open exchange inventory is a far cry from inventory sourced directly from leading network quality providers.

Advertisers need to be wary of inventory sourced from open exchanges as they are likely to get lower quality remnant or long-tail inventory from lesser-known content providers, which presents greater brand reputation risks.

It's important to know from the onset: Is it a direct buy with a network or ad solution platform? Or is the buy through programmatic channels, such as a supply-side or demand-side platform, that gets their inventory from open exchanges and non-guaranteed private marketplace (PMP) deals?

When purchasing inventory on open exchanges, there is no guarantee on where an ad will run, or if it will run on brand safe content.



## GET GUARANTEED QUALITY CONTENT WITH PREMION

- ✓ Directly Sourced
- ✓ Premium Inventory
- ✓ 100% Brand Safe

## TAKEAWAY

Understanding the nuances and differences in the value of directly sourced premium video inventory versus open exchange inventory will safeguard advertisers from transparency, quality and brand safety issues.





## ADOPT A DATA-DRIVEN MINDSET

Today, TV buyers and digital buyers are converging when it comes to OTT advertising: TV buyers are focused on reach and TV-like impressions, while digital buyers expect KPI's, measurement, viewability and verification.

When planning your OTT/CTV media buy, advertisers need to consider whether to buy audiences or content, or both. With data-driven targeting, it's important to know where the data is coming from and the accuracy of the viewer profile.



### TV BUYERS

Tend to view OTT as extended reach



### OTT

Blends the best attributes of TV with digital media's precision



### DIGITAL BUYERS

Tend to apply the same measurement standards & assumptions about viewability and fraud to OTT

Savvy marketers are focused on buying audiences instead of content to plan their OTT campaigns.



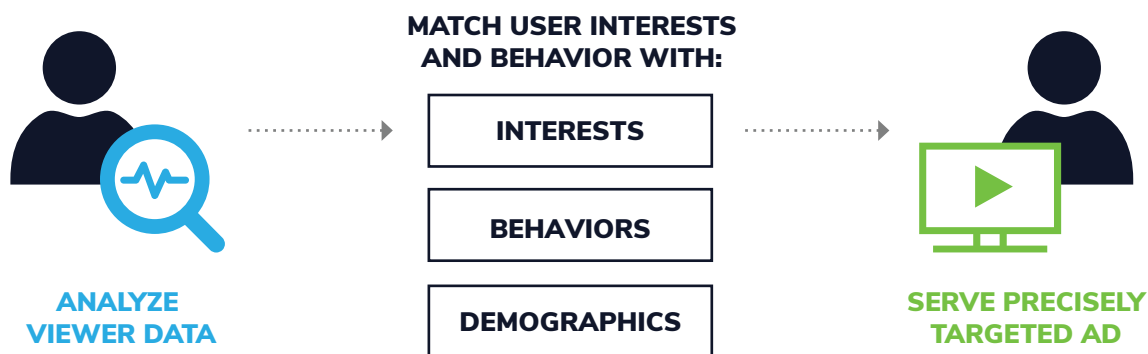
## AUDIENCE SEGMENTATION IS ADDRESSABLE AT THE HOUSEHOLD LEVEL

Today, advertisers have access to richer audience insights, such as content, channels and ad placement data, to better understand what viewers are watching and what's triggering their purchase decisions.

The emergence of artificial intelligence (AI) and machine learning (ML) technologies are also bringing new decisioning capabilities to

the table, which allows OTT advertisers to access richer audience data for precision targeting.

For instance, advertisers can leverage a household device graph and OTT media planning tools to reach custom audiences based on psychographic, consumer behavior and interests.



## TAKEAWAY

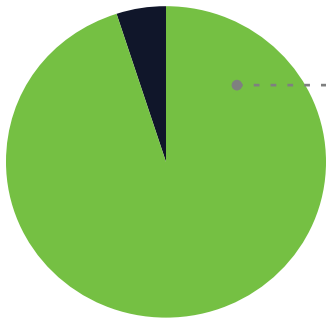
The scale that is now emerging in OTT is enabling marketers to drive addressability, the ability to serve different ads to different people during the same programming, and to precisely target their audience across many interest categories.



# MEASURING EFFECTIVENESS OF OTT SPEND AND TYING TO BUSINESS OUTCOMES

The allure of OTT/CTV is that it offers the best of the big screen viewing experience with digital media's precision. Advertisers are reaching the most engaged audience, as the chance of a viewer navigating away from an ad served on a self-selected show is low. And since OTT/CTV ads are non-skippable, the verified completion rate (VCR) typically averages 95 percent or higher.

Beyond the VCR metric, marketers have the ability to prove the value of their OTT/CTV spend by measuring the effectiveness of campaigns and tying this to business outcomes. Thus, a hot topic for marketers is attribution in OTT/CTV and whether scale exists to do that.



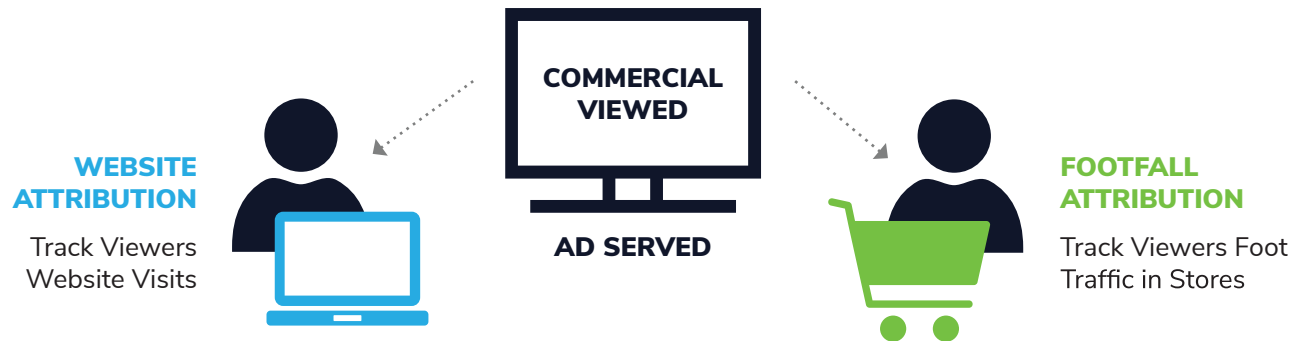
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## HOW DOES ATTRIBUTION WORK IN A CTV/OTT AD CAMPAIGN?

The Interactive Advertising Bureau (IAB) defines attribution as tying household level exposure to measurable outcomes by identifying a set of user actions that contribute to a desired outcome.

Source: IAB, Advanced TV Attribution: Buyer's Guide, October 2018



Capabilities exist on OTT platforms that allow a marketer to track whether somebody took a desired action after they've viewed a OTT/CTV ad. For example, an auto dealer can measure whether a viewer has visited their website to schedule a test drive or if they went to the dealership and purchased a car. This level of online and offline attribution gives marketers richer insights on measurable outcomes from their OTT spend.

**Through our partnership with Alphonso, advertisers can measure the effectiveness of both OTT and linear campaigns by connecting viewing behaviors to engagement metrics, such as website visits and physical visits to a brick-and-mortar location.**

## TAKEAWAY

Advertisers are looking to drive business outcomes and attribution is possible with OTT/CTV. New OTT attribution capabilities prove to advertisers how ad campaigns connect to online and offline business results, such as website and in-store visits, as well as conversions.





# CHOOSING A QUALITY OTT PROVIDER

## TOP 10 ADVERTISER CHECKLIST

### 10 Essential Questions Every Buyer Should Ask Before Advertising on OTT/CTV

- ✓ **How do you source your inventory?**
- ✓ **Do you ever source inventory through Open Exchanges?**
- ✓ **Does your inventory reach both cable/satellite subscribers and cord-cutters?**
- ✓ **What are your tactics to ensure a brand-safe and fraud-free environment?**
- ✓ **What types of audience and geo-targeting do you offer?**
- ✓ **Does your reporting include measurement of reach and frequency?**
- ✓ **Do you provide full network-level reporting transparency?**
- ✓ **Will you share an upfront whitelist of providers where inventory can run?**
- ✓ **Do you measure incremental reach against linear broadcast TV audiences?**
- ✓ **What types of attribution do you offer?**



## CONCLUSION

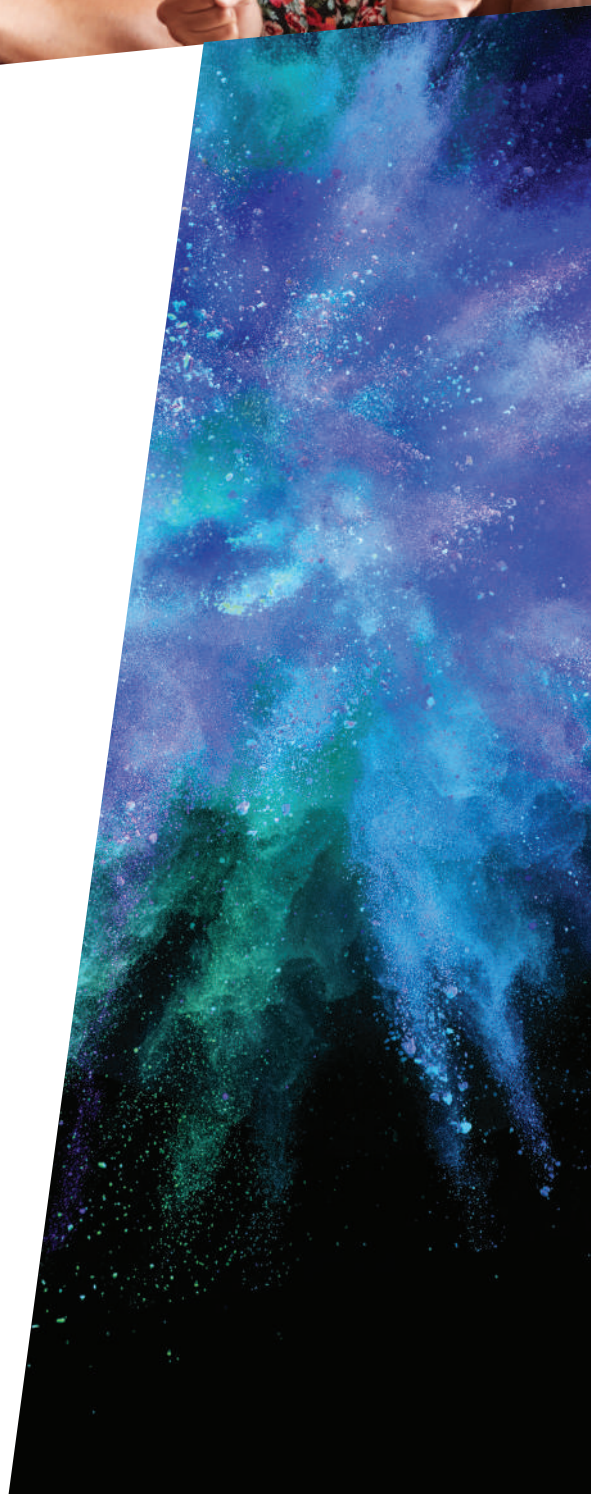
OTT is the sweet spot of traditional and digital - with the precision of digital in targeting and measurement with the big screen experience of linear TV. As advertisers are quickly becoming more sophisticated in their approach to planning, buying and measuring OTT advertising, they need a trusted partner that can execute locally in reaching the right consumers at the household-level, track conversions and reduce wasted impressions.

At Premion, we're committed to delivering a unified and simplified buying experience for advertisers that's fully accountable, scalable and drives measurable business outcomes.

**READY TO REAP THE BENEFITS OF OTT  
ADVERTISING AND SEE MEASURABLE RESULTS?**

**THEN LET'S GET STARTED!**

**FOR MORE INFORMATION, VISIT [WWW.PREMION.COM](http://WWW.PREMION.COM)**







Premion is an industry-leading premium CTV/OTT advertising platform for regional and local advertisers. With directly-sourced inventory from 125+ premium publishers, Premion delivers transparency and brand safety and makes it easy for advertisers to target and reach engaged audiences at scale. For more information, visit [www.premion.com](http://www.premion.com).