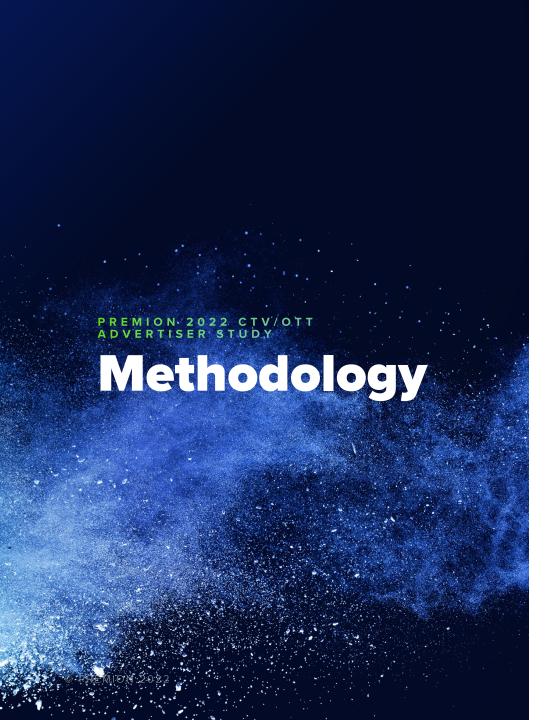


Key Findings

- Investment and optimism for CTV/OTT advertising are already high and rising. CTV/OTT spend increases are primarily being driven by precision audience targeting. When considering performance, spend increases are being driven primarily by CTV/OTT's ability to achieve full-funnel objectives and to outperform linear TV.
- Advertisers turn to an average of 4 CTV/OTT providers to execute their campaigns, with half sourcing from linear TV budgets to fund their future CTV/OTT investments, and 3 in 10 funding via new ad budgets.
- The top audience/targeting-related benefits of CTV/OTT advertising are precision audience targeting and extended reach for linear TV campaigns.
- Advertisers say audience scale, reach, and targeting, as well as measurement capabilities, are very important criteria when considering CTV/OTT partners.
- Advertisers see benefits to CTV/OTT in helping expertly reach local audiences in ways not possible with linear TV, as well as the ability to bring greater local capabilities to national or regional campaigns.
- Reach and frequency, as well as driving brand lift and sales lift, are the top KPIs for CTV/OTT ads. But many advertisers are still measuring CTV/OTT via basic count metrics such as impressions and website visits.
- Advertisers consider premium video content, brand safety, and ad fraud prevention as priorities in their CTV/OTT advertising planning and strategy.
- More than 4 in 5 advertisers believe that CTV/OTT's value is greater than, or equal to, that of primetime TV, with 2 in 5 saying CTV/OTT is more valuable.
- Transparency of where ads are running, and difficulty managing ad frequency across publishers/platforms still pose challenges for CTV/OTT advertisers.



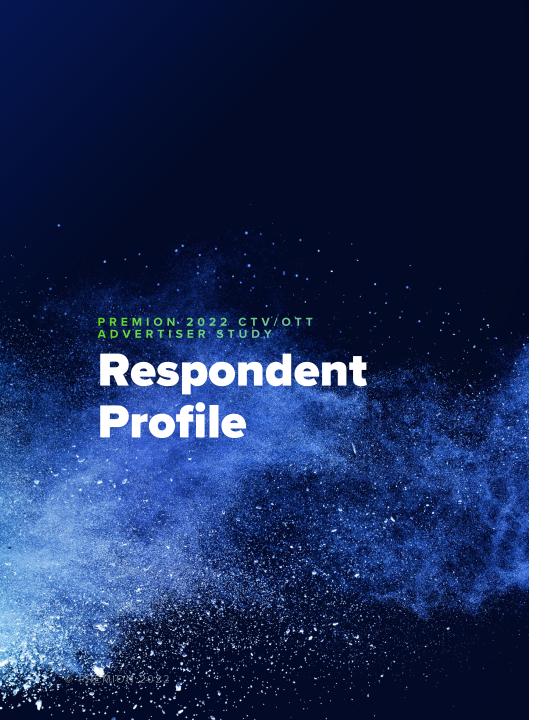




Premion commissioned Advertiser Perceptions to conduct an advertiser study on media spending and priorities in the planning, buying, and measurement of CTV/OTT advertising. Advertiser Perceptions executed an anonymous online survey among 151 ad agency or brand-side marketers involved in the decision-making for CTV/OTT advertising.

The decision-makers were qualified as being involved in advertising strategy or budgeting decisions, media planning or buying, or vendor selection. Connected TV/OTT advertising use was required for both 2021 and 2022. Respondents were further qualified as US advertisers (national, regional, or local) spending a minimum of \$250,000 annually on advertising. The study fielded in March 2022.





Buyer Profile	
Marketer	50%
Agency	50%

Job Level	
Senior (VP+)	36%
Mid (Director/Supervisor)	54%
Junior (Manager)	9%

Geographic Scope	
National Advertising (Entire US)	90%
Multi-Market Advertising (Multi-Market DMAs, States, Counties, or Cities)	77%
Local Advertising (Single DMA, State, County, or City)	79%
Zip Code Targeting	64%
Geofencing	54%

2021 Annual Ad Spend	
\$250K - <\$5M	30%
\$5M - <\$50M	31%
\$50M+	39%
Mean	\$126M

Involvement in Media Decision Making	
Media Strategy or Budgets	96%
Planning or Buying	87%
Vendor Selection	85%

Top Market Sectors Represented
CPG
Banking & Finance
Healthcare/Pharma
Automotive & Auto Services
Retail
Entertainment – in home
Technology
Business to Business







Connected TV/OTT was the most valuable channel overall in achieving KPIs in 2021 among CTV/OTT advertisers

Most Important/Valuable Media Types/Channels in 2021 (Ranked 1-3) % Ranked #1 Connected TV/OTT 60% 25% Social media (ads on Facebook, Twitter, etc.) 50% 16% Digital display (desktop or mobile) 44% 9% Paid search 43% 22% Digital video (non-OTT desktop or mobile) 42% 5% Linear TV 35% 20% OOH (out of home) 6% 1% Audio **5**% 1% Print

Significant Difference for % Ranked #1

CTV/OTT Agency: 36% Marketer: 15%

Paid Search

Agency: 9% Marketer: **35**%

Linear TV Agency: 26%

Marketer: 13%

Social Media Agency: 11% Marketer: 21%





Reasons CTV/OTT considered important to achieving KPIs

(in their own words)

"They provide more microtargeting, more transparency in reporting, better CPMs and ROI, large reach, quality content environment."

-- Agency C-level

"It continues to be the direction that most television consumption is moving. Linear TV and cable TV viewership continues to decrease, and more is shifting to connected TV/OTT. We also like the more accurate targeting that connected TV/OTT offers."

-- Marketer, Director

"It's a better TV experience as long as there aren't too many of the same ads and that the ad load is manageable."

-- Marketer, VP

"Connected TV has seen massive adoption in the past year owing to active engagement by streaming viewers which has been statistically growing at exponential rate year in year out."

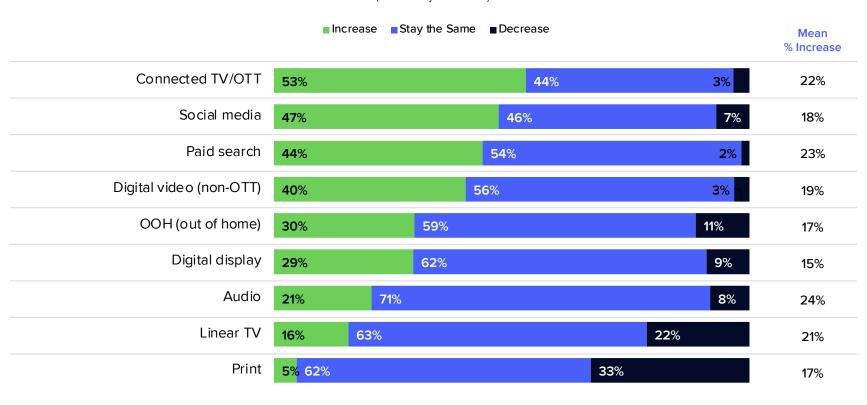
-- Agency Director



More than half of advertisers using CTV/OTT will increase spending, with an average increase of 22%

Spending Change Detail: 2022 vs 2021

(Sorted by Increase)



Significant Difference for % "Increase"



Paid Search Agency: 34% Marketer: **52**%

Significant differences between groups noted in green



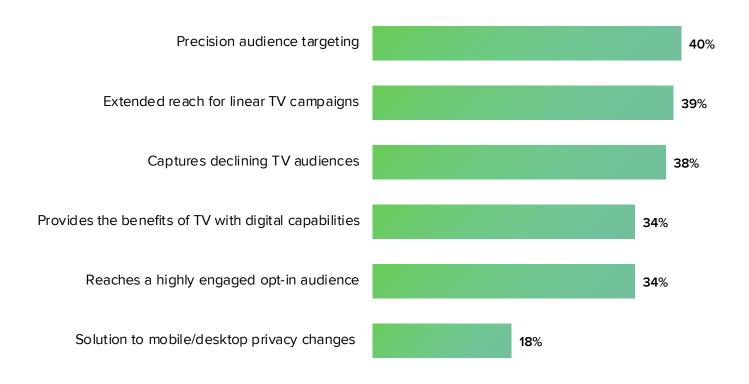


Base: Increasing Spend on "Media Type" in 2022 (variable base)

Precision audience targeting, extended reach for linear TV campaigns and capturing declining TV audiences top the list of CTV/OTT advertising audience-related benefits

Biggest Benefits/Advantages of CTV/OTT Advertising

(Audience/Targeting-Related)



Extended Reach for Linear TV Campaigns

Agency: 46% Marketer: 32%

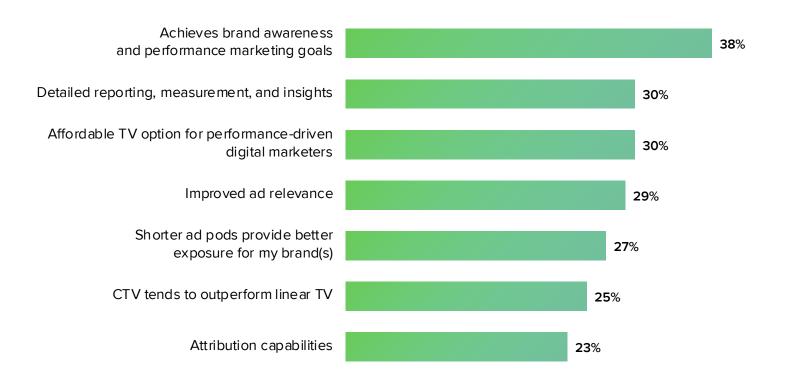




Achieving brand awareness and performance marketing goals top the list of CTV/OTT performance-related benefits

Biggest Benefits/Advantages of CTV/OTT Advertising

(Performance/Pricing-Related)



Shorter Ad Pods Provide Better Exposure for my Brand(s)

> Agency: 21% Marketer: **33**%

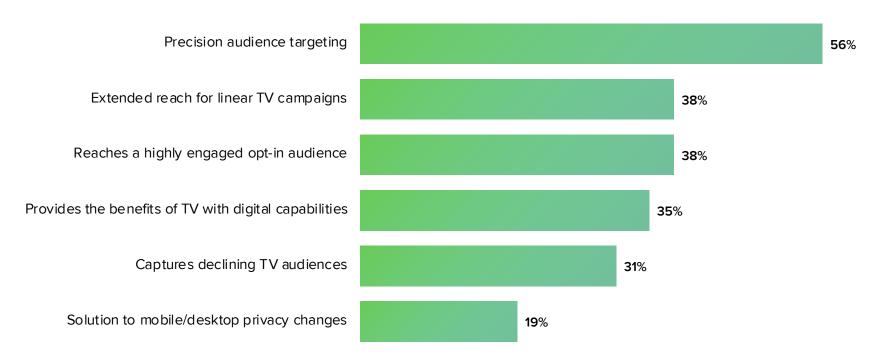




CTV/OTT spend increases are primarily being driven by precision audience targeting

Reasons for Increasing Spend on CTV/OTT in 2022

(Audience/Targeting-Related)



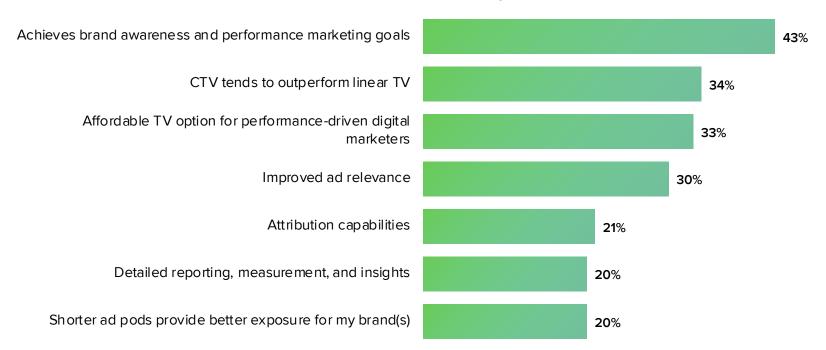




When considering performance, CTV/OTT spend increases are being driven primarily by the ability to achieve brand awareness and performance marketing goals

Reasons for Increasing Spend on CTV/OTT in 2022

(Performance/Pricing-Related)



Achieves Brand Awareness & Performance Marketing Goals

Agency: 28% Marketer: **64**%

Shorter Ad Pods Provide Better Exposure for my Brand(s)

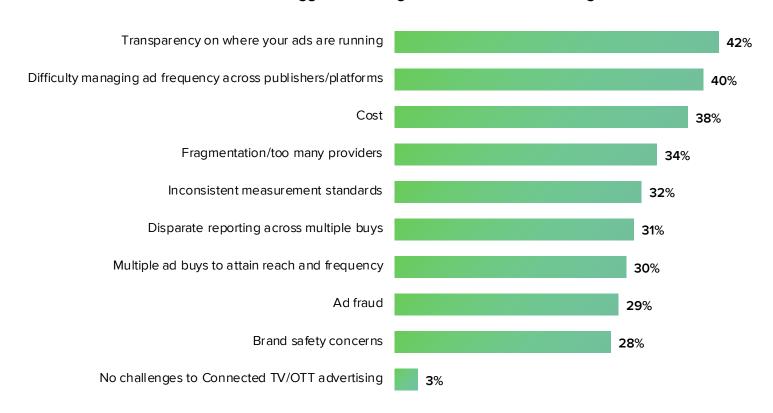
Agency: 13% Marketer: 30%





Transparency on where ads are running, and difficulty managing ad frequency across publishers/platforms are the top CTV/OTT advertising challenges

Biggest Challenges in CTV/OTT Advertising



Transparency on Where Your Ads are Running

> Agency: 36% Marketer: **49**%

Multiple Ad Buys to Attain Reach & Frequency

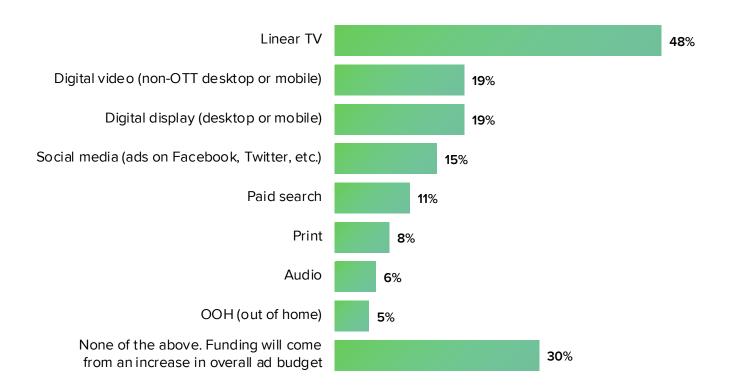
Agency: 38% Marketer: 21%





Linear TV budgets will be most impacted by the increases in CTV/OTT spend

Budgets Shifting to Fund Increase in CTV/OTT Spending



66% of advertisers
are shifting budgets
from digital, social
and linear TV to fund
CTV/OTT spend
increases

Funding will Come from an Increase in Overall Ad Budget Agency: 19%

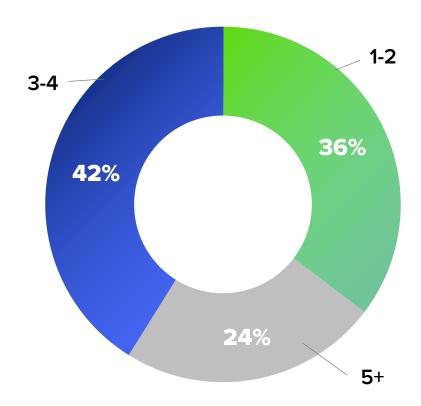
Marketer: 45%





Advertisers work with an average of 4 CTV/OTT providers

Number of CTV/OTT Providers Used



Average #
Providers Used

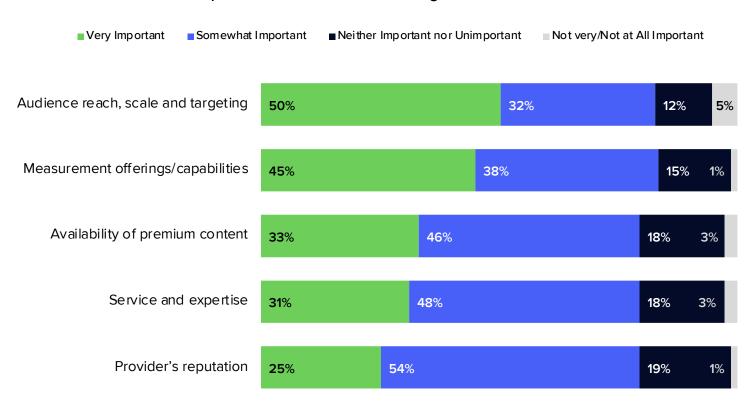
Total: 3.7 Agency: 4.4 Marketer: 2.9





Reach, scale and targeting, and measurement capabilities are very important considerations when selecting CTV/OTT providers

Importance of Factors in Choosing CTV/OTT Providers



Significant Difference for % Very Important

Availability of Premium Content Agency: 41% Marketer: 25%



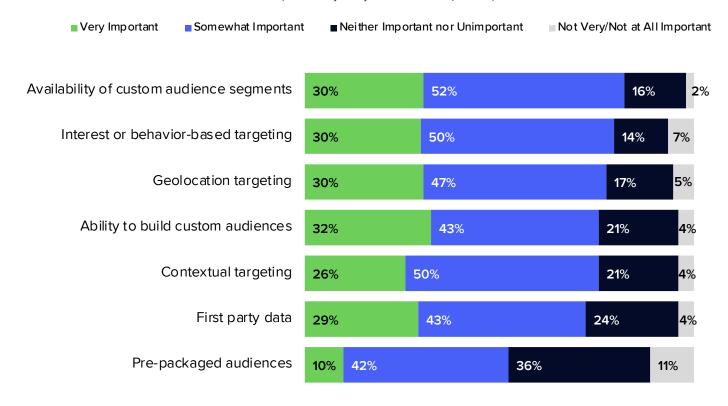




Availability of custom audience segments, interest or behavior-based targeting and geolocation targeting are the top three most important targeting tactics for CTV/OTT advertisers

Importance of Targeting Tactics for CTV/OTT Campaigns

(Sorted by Very/Somewhat Important)



Significant Difference for % Very Important

Geolocation Targeting Agency: 38% Marketer: 23%

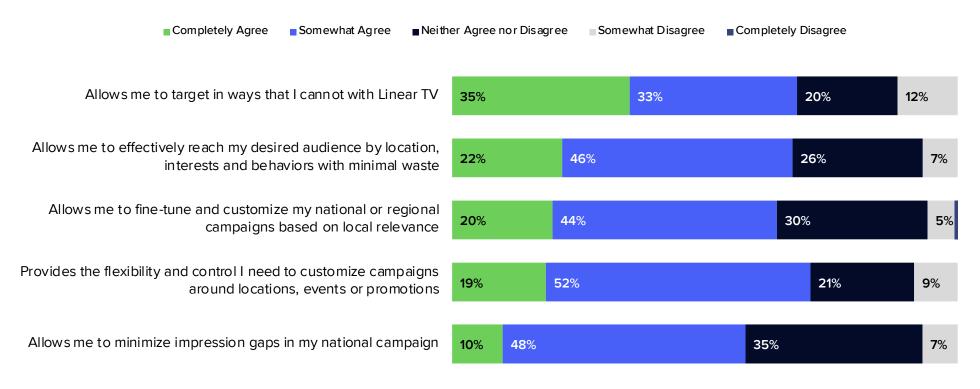




Nearly 70% of advertisers agree that CTV/OTT allows them to target audiences locally in ways that are not possible with Linear TV

Agreement Statements: Targeting Audiences Locally with Connected TV/OTT

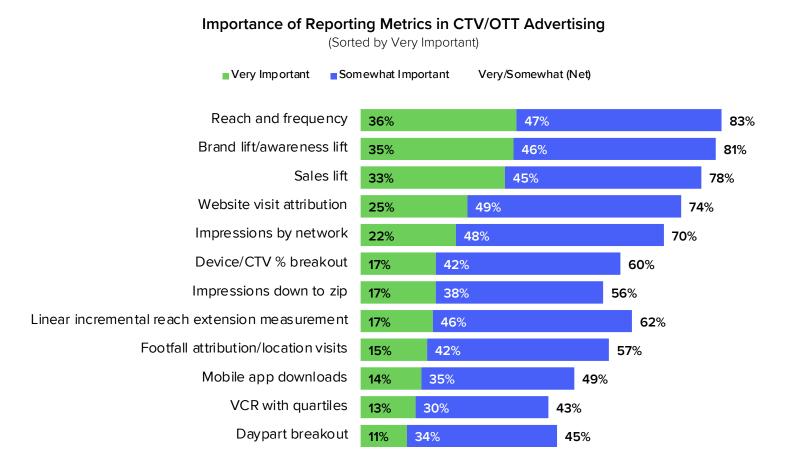
(Sort by Completely Agree)







Reach and frequency, brand lift/awareness lift and sales lift are the most important CTV/OTT ad campaign metrics



Significant Difference for % Very Important

Impressions by Network

Agency: 33% Marketer: 11%

Device/CTV %
Breakout

Agency: 22% Marketer: 12%

Linear Incremental Reach Extension Measurement

> Agency: 24% Marketer: 9%

Daypart Breakout

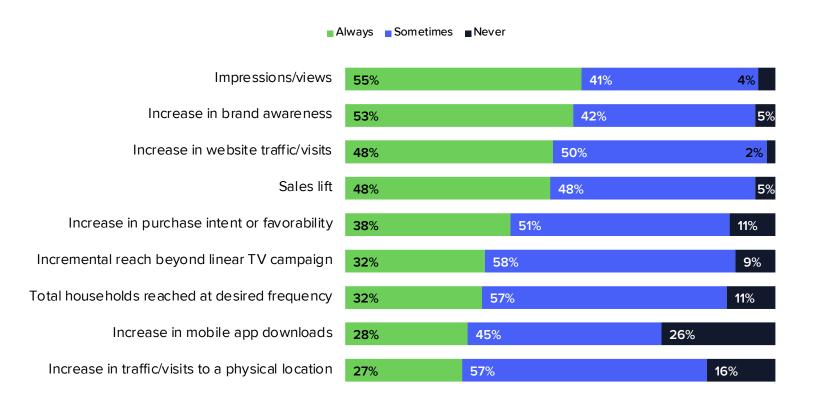
Agency: **16%** Marketer: 5%





More than half of advertisers use impressions and increases in brand awareness to evaluate campaign ROAS

Frequency of Using Reporting Metrics to Evaluate CTV/OTT Advertising



Significant Difference for % Always

Increase in Website Traffic/Visits

Agency: 38% Marketer: **59**%

Total Households Reached at Desired Frequency

Agency: 38% Marketer: 25%

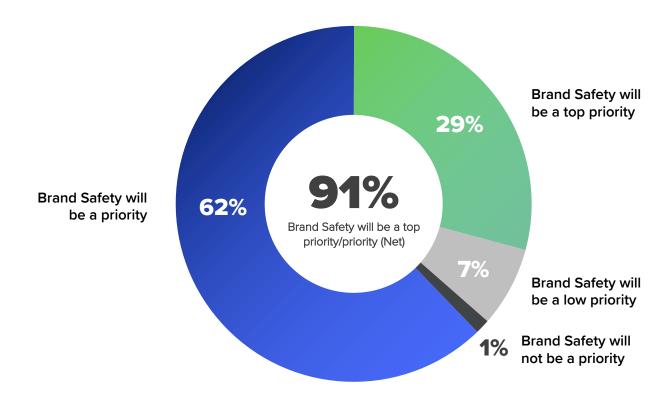






9 in 10 advertisers consider brand safety a priority in their CTV/OTT advertising planning and strategy

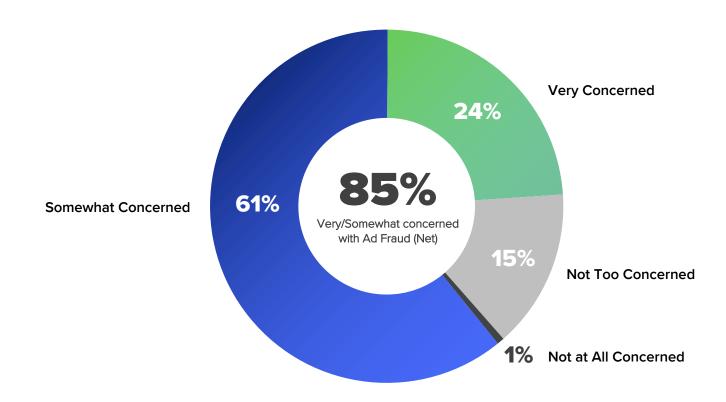
Prioritizing Brand Safety in CTV/OTT Advertising





5 in 6 advertisers are concerned with ad fraud in their CTV/OTT advertising

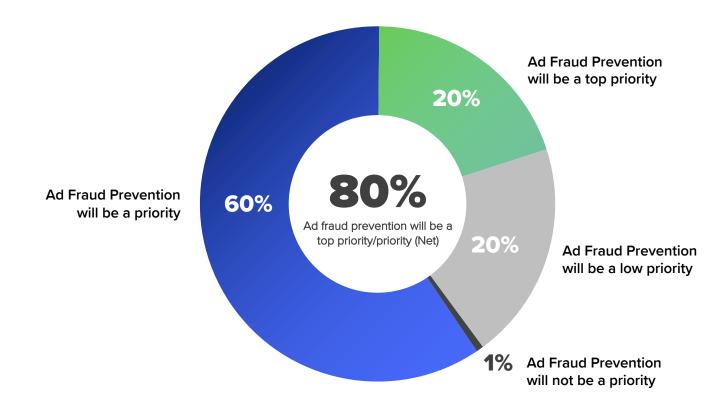
Level of Concern with Ad Fraud in CTV/OTT Advertising





4 in 5 advertisers consider ad fraud prevention a priority in their CTV/OTT advertising planning and strategy

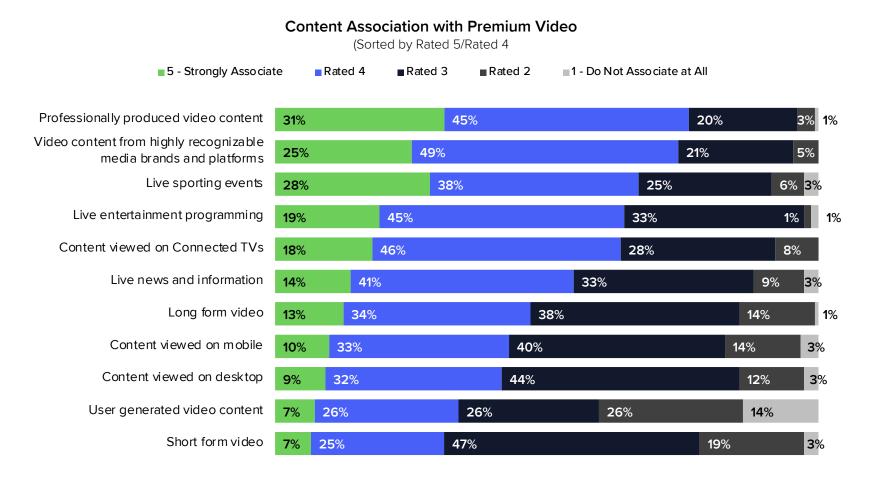
Prioritizing Ad Fraud Prevention in CTV/OTT Advertising







3 in 4 advertisers consider professionally produced video content and content from highly recognizable media brands and platforms as 'premium video'



Significant Difference for % Strongly Associate

Live Entertainment Programming

Agency: 25% Marketer: 13%

Live News & Information

Agency: 21% Marketer: 7%

Long Form Video

Agency: 17% Marketer: 8%

Short Form Video

Agency: 11% Marketer: 3%





Main characteristics of premium content

(in their own words)

"Premium content will most likely only be accessible from a walled garden. This is programming that is popular, hot or trending. The content likely appeals to a wide audience or a highly desirable audience for advertising."

-Marketer, Director

"High quality, fraud free, programming that has exclusive, highly watched content."

--Agency VP-level

"Premium content relates to premium platforms with dedicated and known, recognized content (TV shows, movies, big sport events, etc.) that we can trust."

-- Marketer, C-Level

Q. Advertiser

"Highly valued by the target

audience. It is typically

longer, more in depth, and

not widely available."

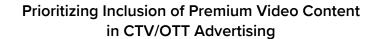
-Agency, Director

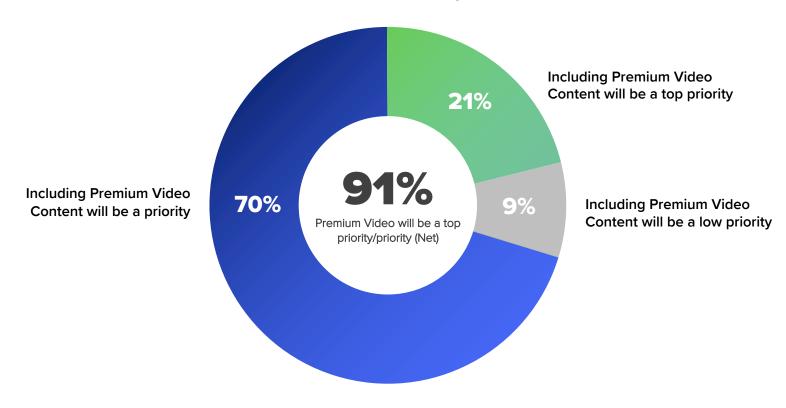
O. Advertisers tend to talk about the most valuable ad inventory as "premium". In a few words, wholedo you consider to be the main characteristics of premium contents





9 in 10 advertisers consider it a priority to include premium video content in their CTV/OTT advertising

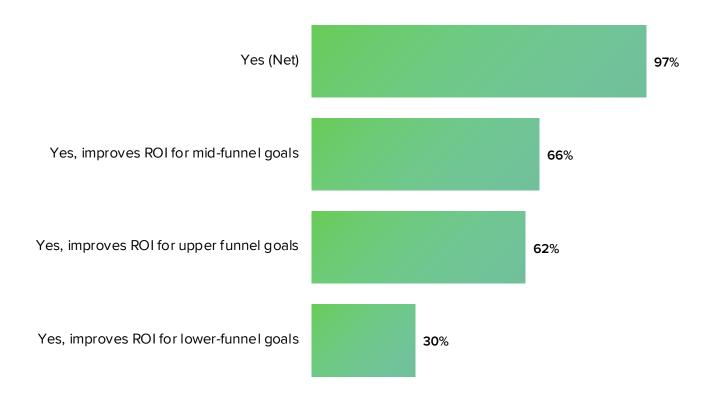






97% of CTV/OTT advertisers agree that advertising on premium video content can improve ROI performance goals

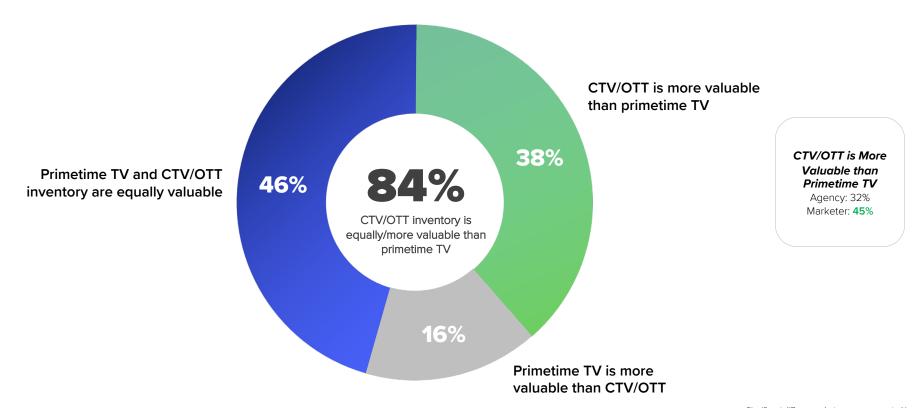
Improvement in ROI Performance with CTV/OTT Premium Video Content





More than 4 in 5 advertisers believe that CTV/OTT's value is greater than, or equal to, that of primetime TV, with 2 in 5 saying CTV/OTT is more valuable

CTV/OTT's Value Compared To Primetime Television







Reasons CTV/OTT is more valuable than Primetime TV

(in their own words)

"Both are equally valuable in terms of providing mass reach; however, CTV is much more affordable and cost effective, so in that sense it is more valuable because you get more bang for your buck."

-Agency, Manager

"With CTV/OTT, ads only run when a user is watching, making it more cost effective than primetime."

--Marketer, Manager

"Better metrics, more affordable, better targeting capabilities resulting in better performance."

-Marketer, C-level

"More targeted so better ROI."

-Marketer, Director



