

PREMION

CTV/OTT ADVERTISER STUDY | 2023

 Advertiser
Perceptions



Methodology

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 2022 and 2023. 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 2023.

Respondent Profile

Buyer Profile

Marketer	49%
Agency	51%

Job Level

Senior (VP+)	46%
Mid (Director/Supervisor)	50%
Junior (Manager)	4%

Geographic Scope

National Advertising (Entire US)	90%
Local Advertising (Single DMA, State, County, or City)	86%
Multi-Market Advertising (Multi-Market DMAs, States, Counties, or Cities)	81%
Zip Code Targeting	63%
Geofencing	54%
Global/International	31%

2022 Annual Ad Spend

\$250K - <\$5M	24%
\$5M - <\$50M	40%
\$50M+	36%
Mean	\$93M

Involvement in Media Decision Making

Vendor Selection	93%
Media Strategy or Budgets	91%
Planning or Buying	90%

Top Market Sectors Represented

CPG
Automotive + Auto Services
Retail
Banking + Finance
Healthcare
Travel + Tourism

Key Takeaways

Investment and optimism for CTV/OTT advertising remain high, with 2 in 3 CTV/OTT advertisers planning to increase spend this year, with an average increase of 23%. Spend increases are being driven by the ability to capture declining TV audiences (46%), provide the benefits of TV with digital capabilities (44%), and the ability to achieve full-funnel objectives (39%).

Among advertisers who are increasing their CTV/OTT ad spending in 2023, a majority (62%) are reallocating their budgets from digital, social media, or linear TV to fund their increased spend on CTV/OTT advertising, while one in three advertisers are utilizing new ad budgets for this purpose.

86% of CTV/OTT advertisers believe that CTV/OTT's value is greater than, or equal to, that of primetime TV, with 44% saying that CTV/OTT is more valuable.

Achieving brand awareness and performance marketing goals (38%) tops the list of CTV/OTT advertising benefits, followed closely by the benefits of TV with digital capabilities (38%), extended reach for linear TV campaigns (37%) and capturing declining TV audiences (37%).

3 in 4 CTV/OTT advertisers see CTV/OTT advertising as an extension of their Linear TV buy, while 2 in 3 advertisers agree that combining linear TV with CTV/OTT advertising increases brand awareness and improves full funnel ROI performance.

More than half of CTV/OTT advertisers agree that co-viewing is a value-add benefit of CTV/OTT advertising and/or provides a like-for-like comparison to linear TV.

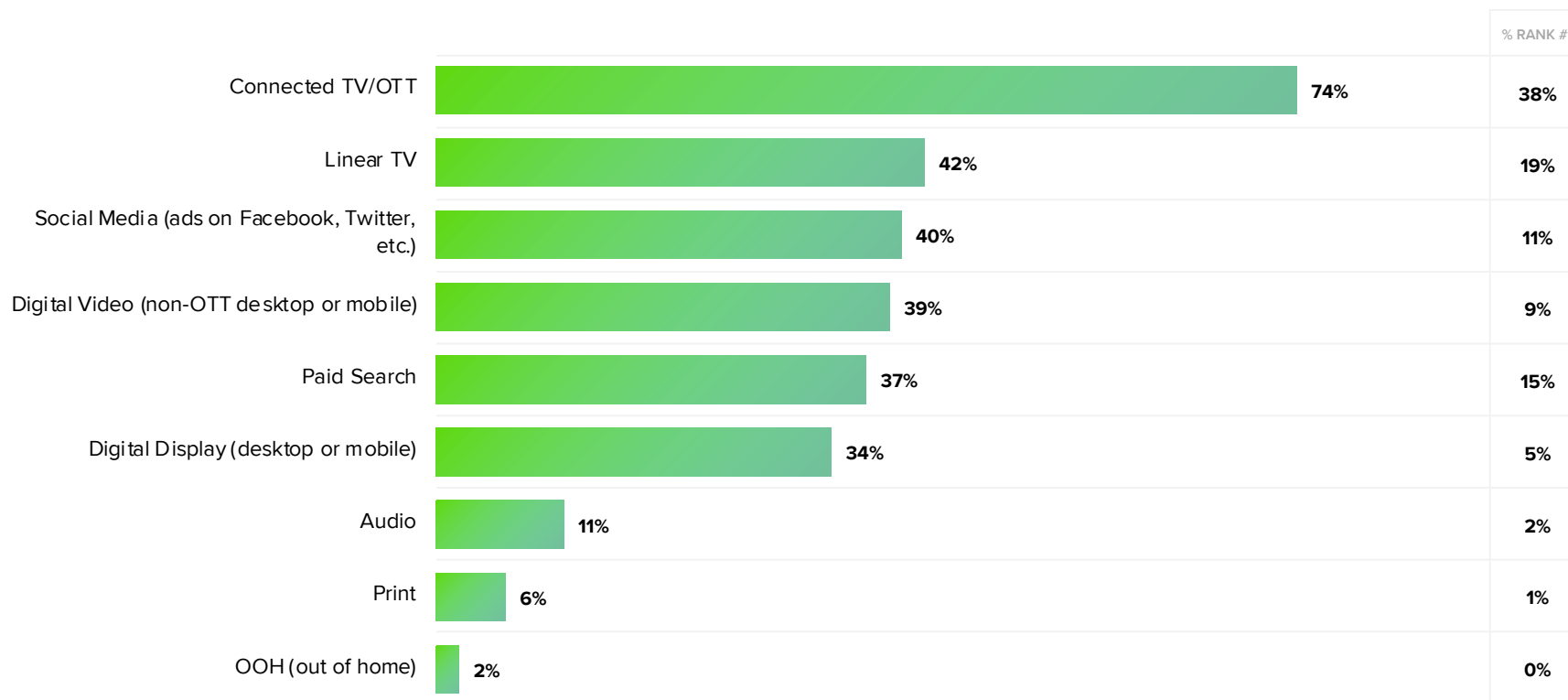
Advertisers consider premium video content, brand safety, and ad fraud prevention as priorities in their CTV/OTT advertising planning and strategy.



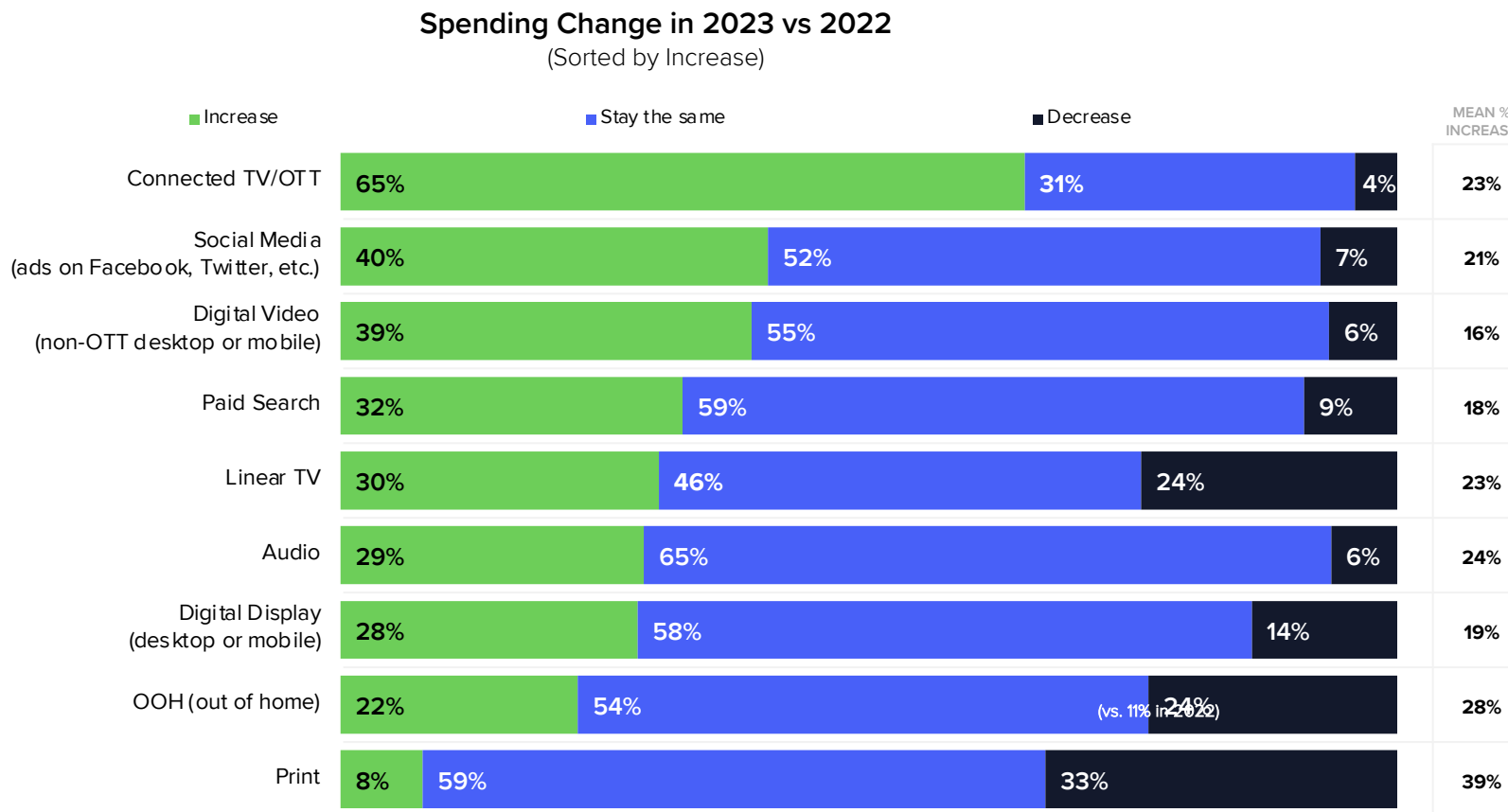
CTV/OTT Advertiser View

Connected TV/OTT was the most valuable channel overall in achieving KPIs in 2022 among CTV/OTT advertisers

Most Important/Valuable Media Type for Achieving Advertising Goals, 2022
(Rank #1-3)

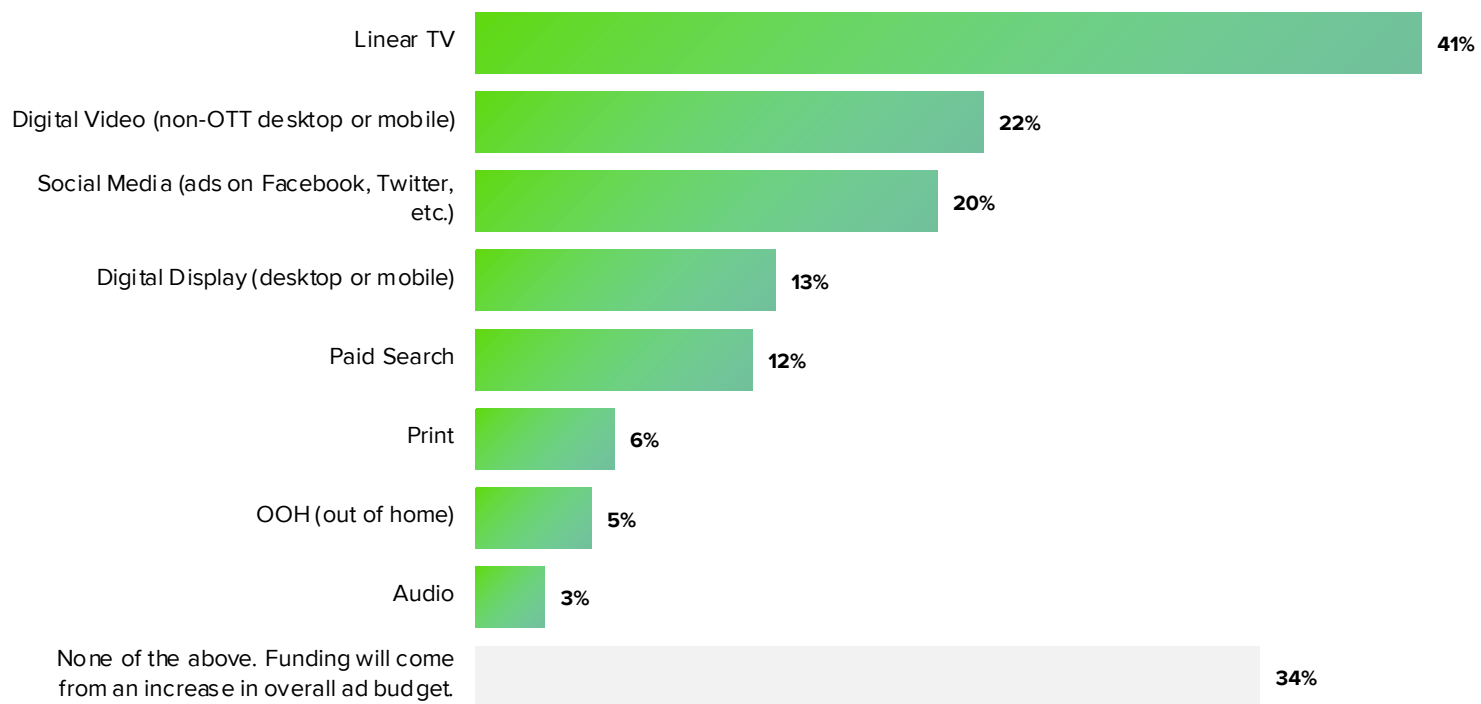


2 in 3 advertisers using CTV/OTT will increase spending, with an average increase of 23%



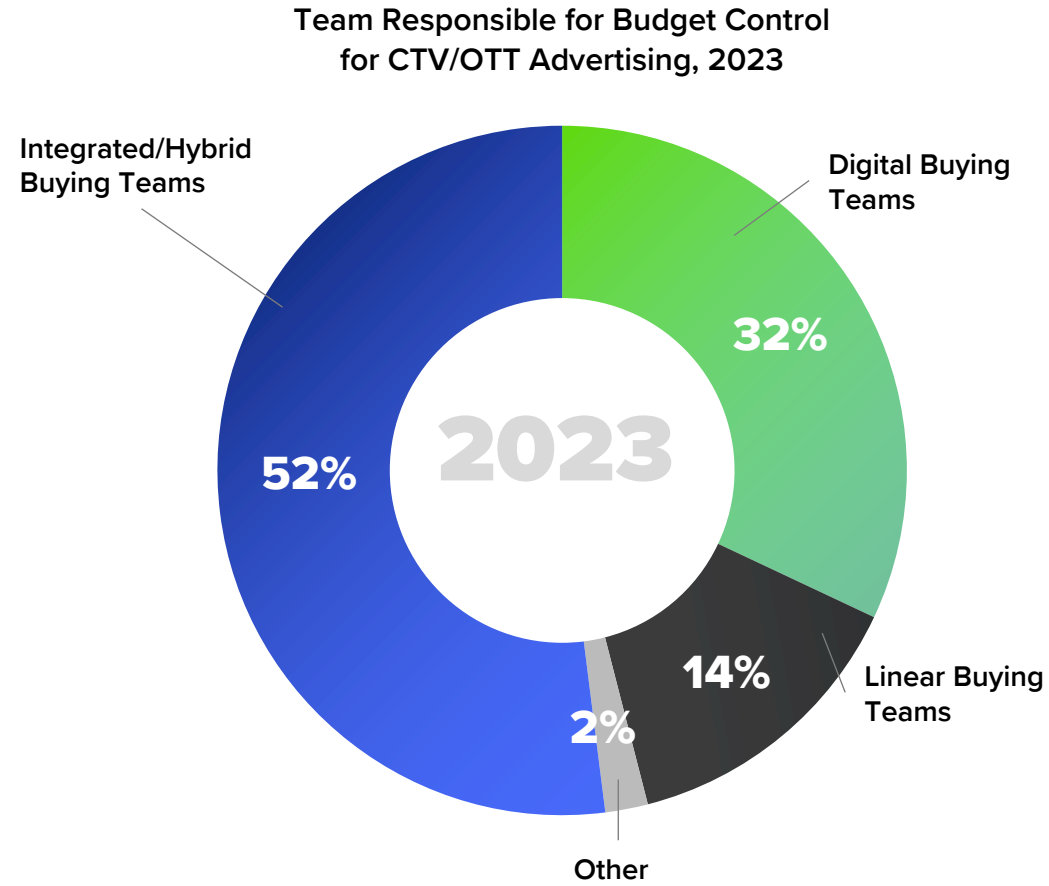
Linear TV budgets will be most impacted by the increases in CTV/OTT spend

Budgets Shifting to Fund Increase in CTV/OTT Spending



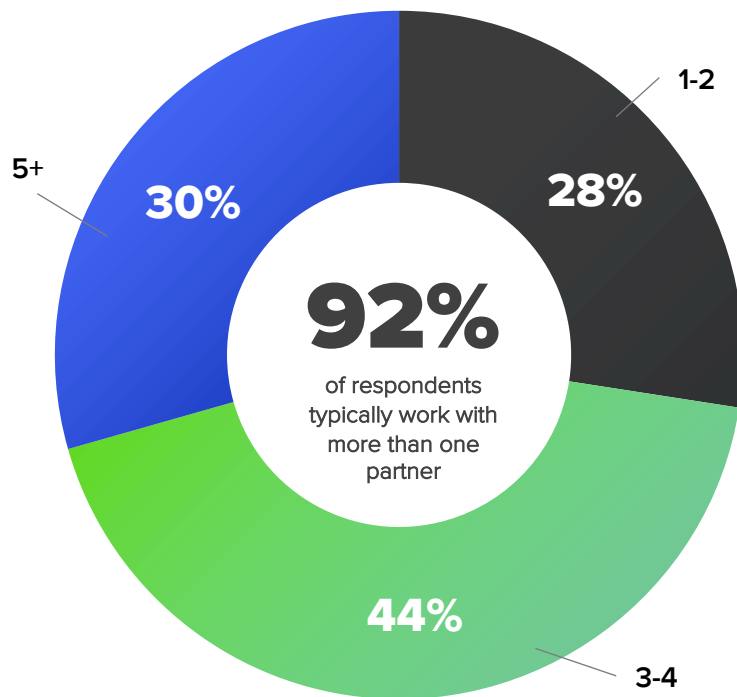
62%
of advertisers who are increasing their CTV/OTT spend are reallocating their budgets from **digital***, **social media**, or **linear TV** to fund the increase

CTV/OTT budgets are primarily controlled by integrated/hybrid buying teams



9 in 10 advertisers work with more than one CTV/OTT provider, with an average of nearly 5 providers on a typical campaign

Number Of CTV/OTT Providers Typically Used, 2023



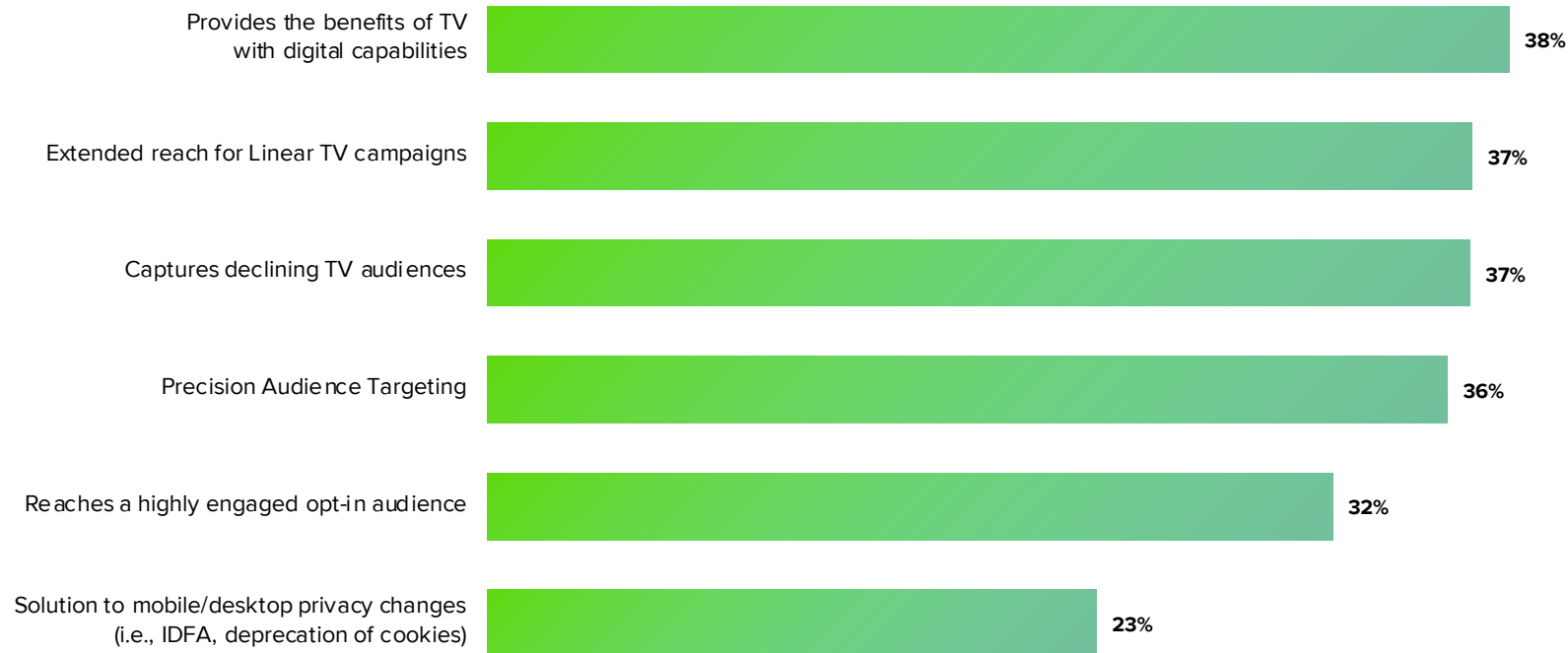
Average # of Providers Used
Agency: 5.6
Marketer: 4.2



CTV/OTT Landscape

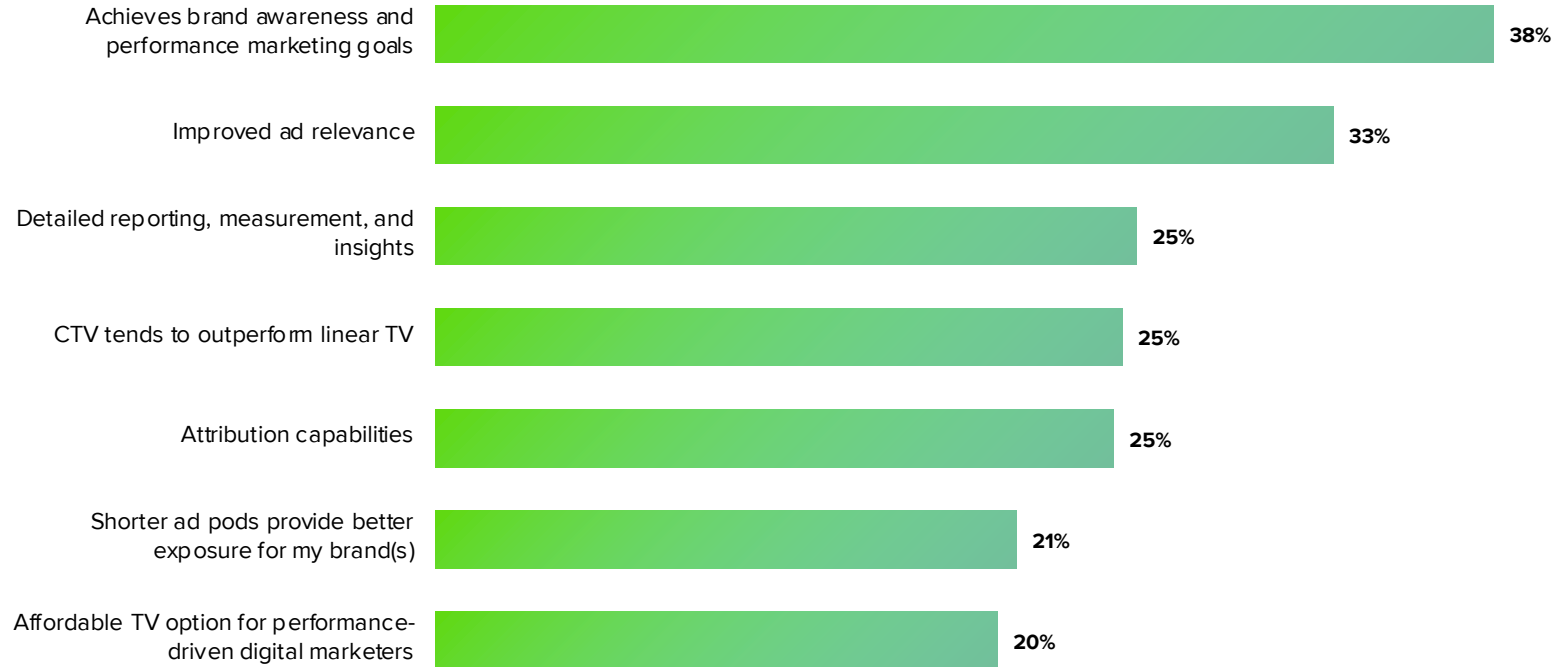
Benefits of TV with digital capabilities, extended reach for Linear TV campaigns and capturing declining TV audiences top the list of CTV/OTT advertising audience-related benefits

Biggest Benefits/Advantages of CTV/OTT Advertising
Audience/Targeting-Related



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

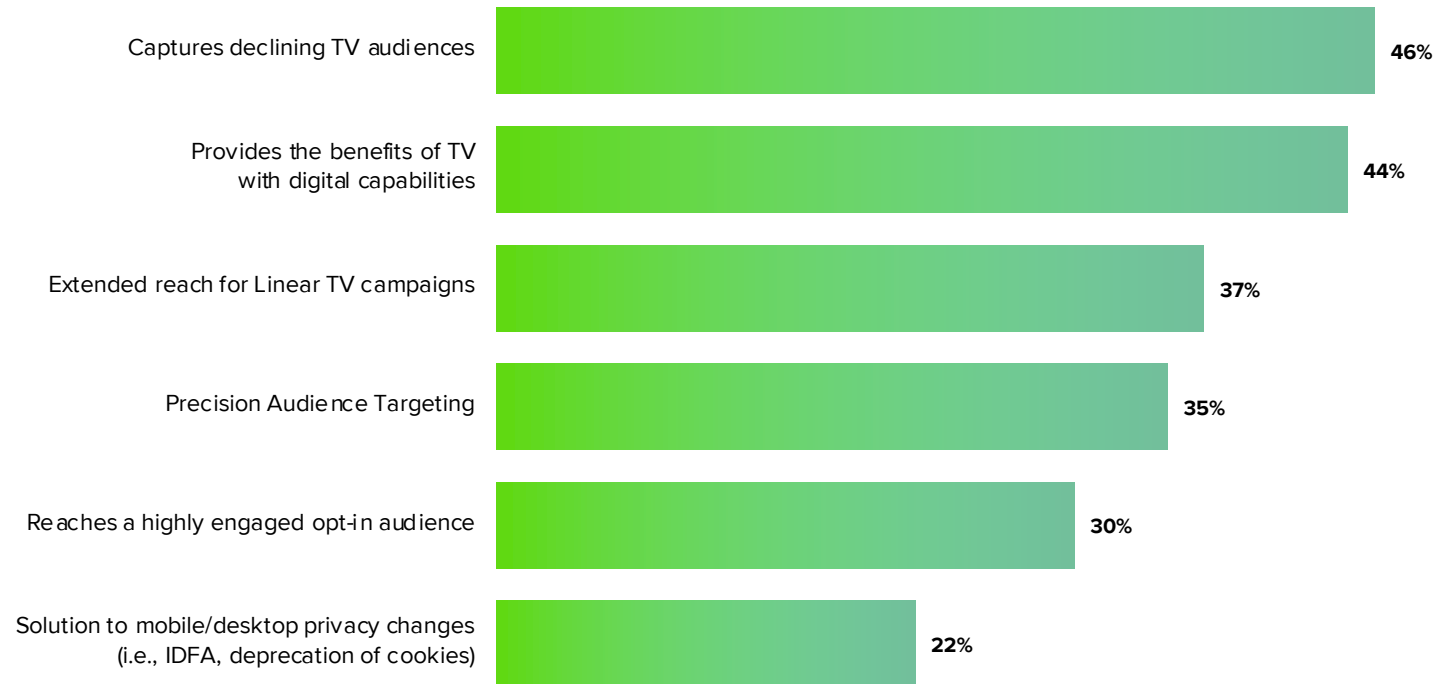
Biggest Benefits/Advantages of CTV/OTT Advertising
Performance/Pricing-Related



CTV spend increases led by the ability to capture declining TV audiences and provide the benefits of TV with digital capabilities

Reasons for Increasing Spend on CTV/OTT in 2023

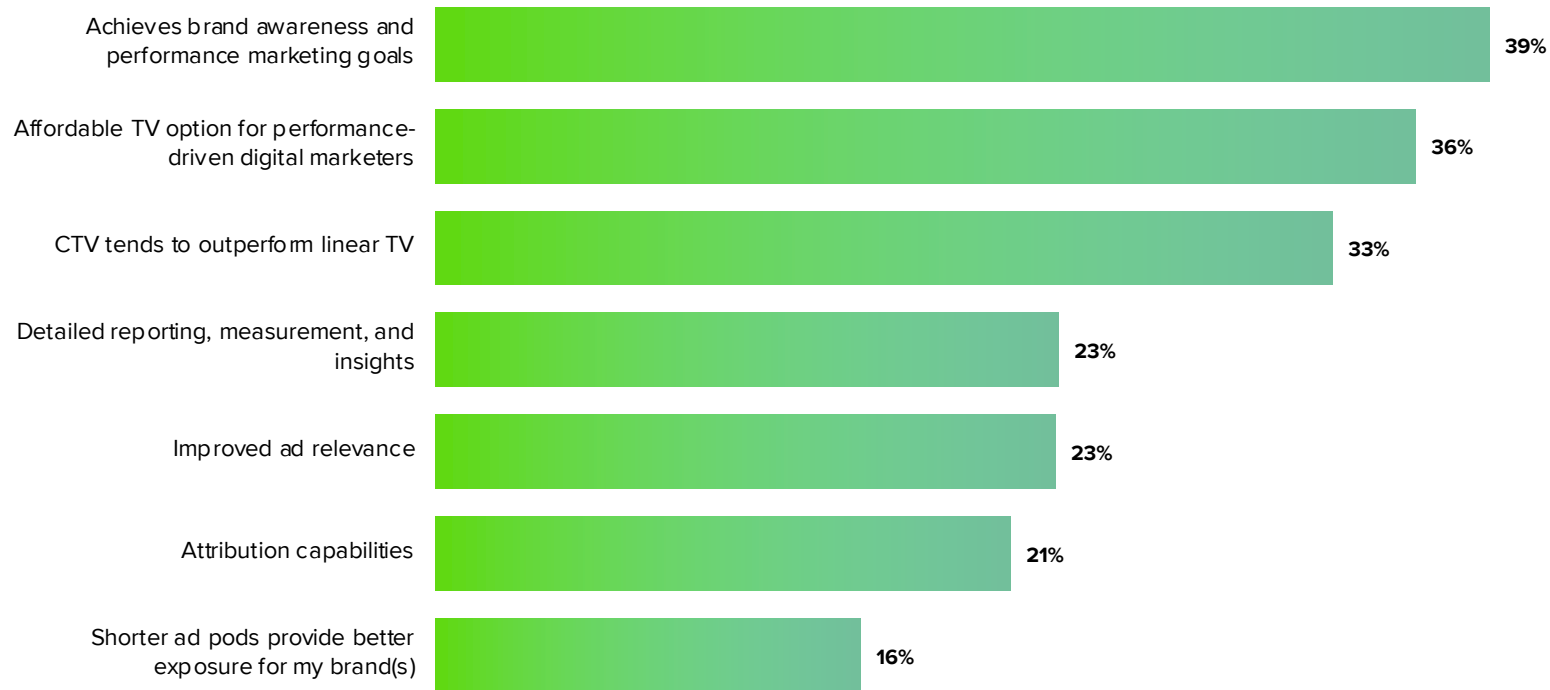
Audience/Targeting-Related



When considering performance, CTV/OTT spend increases are being driven by the ability to achieve brand awareness and performance marketing goals, and as an affordable TV option for performance-driven digital marketers

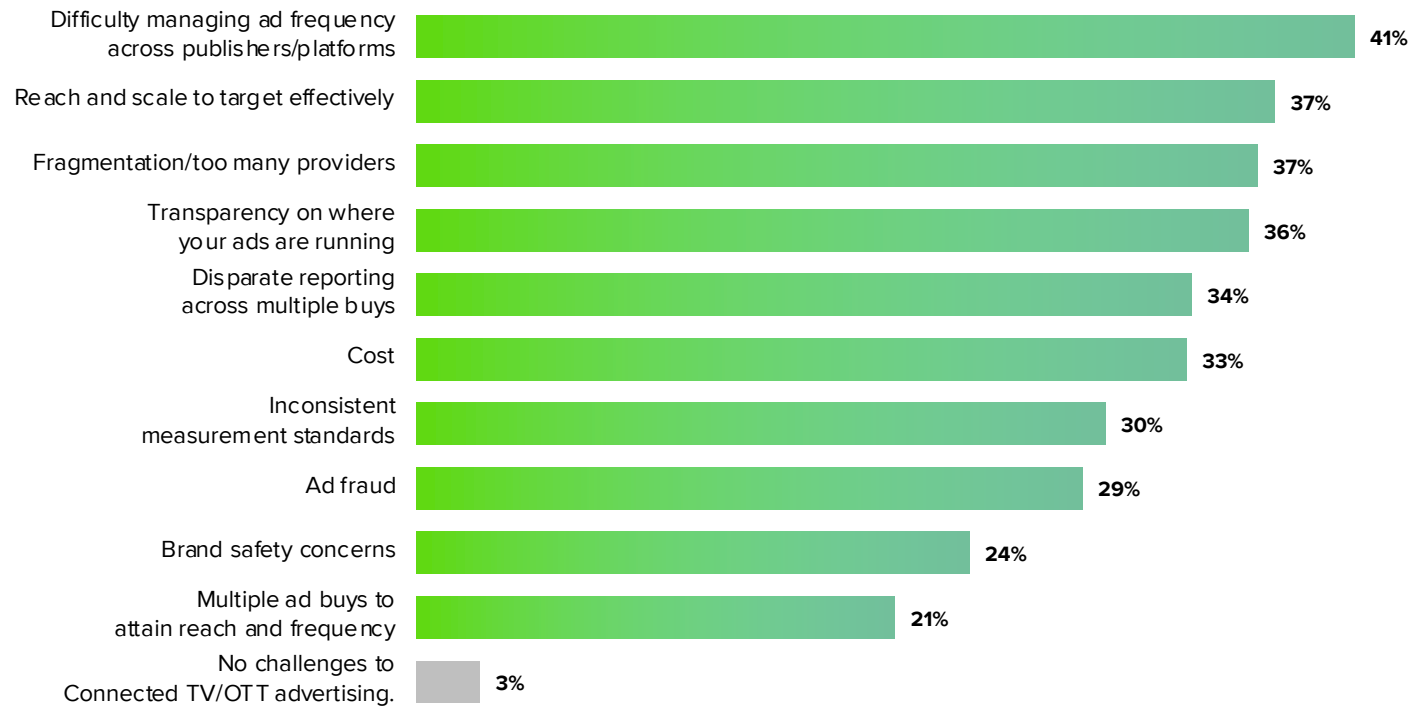
Reasons for Increasing Spend on CTV/OTT in 2023

Performance/Pricing-Related



Difficulty managing ad frequency across publishers/platforms, fragmentation and having the reach/scale to target effectively are the top CTV/OTT advertising challenges

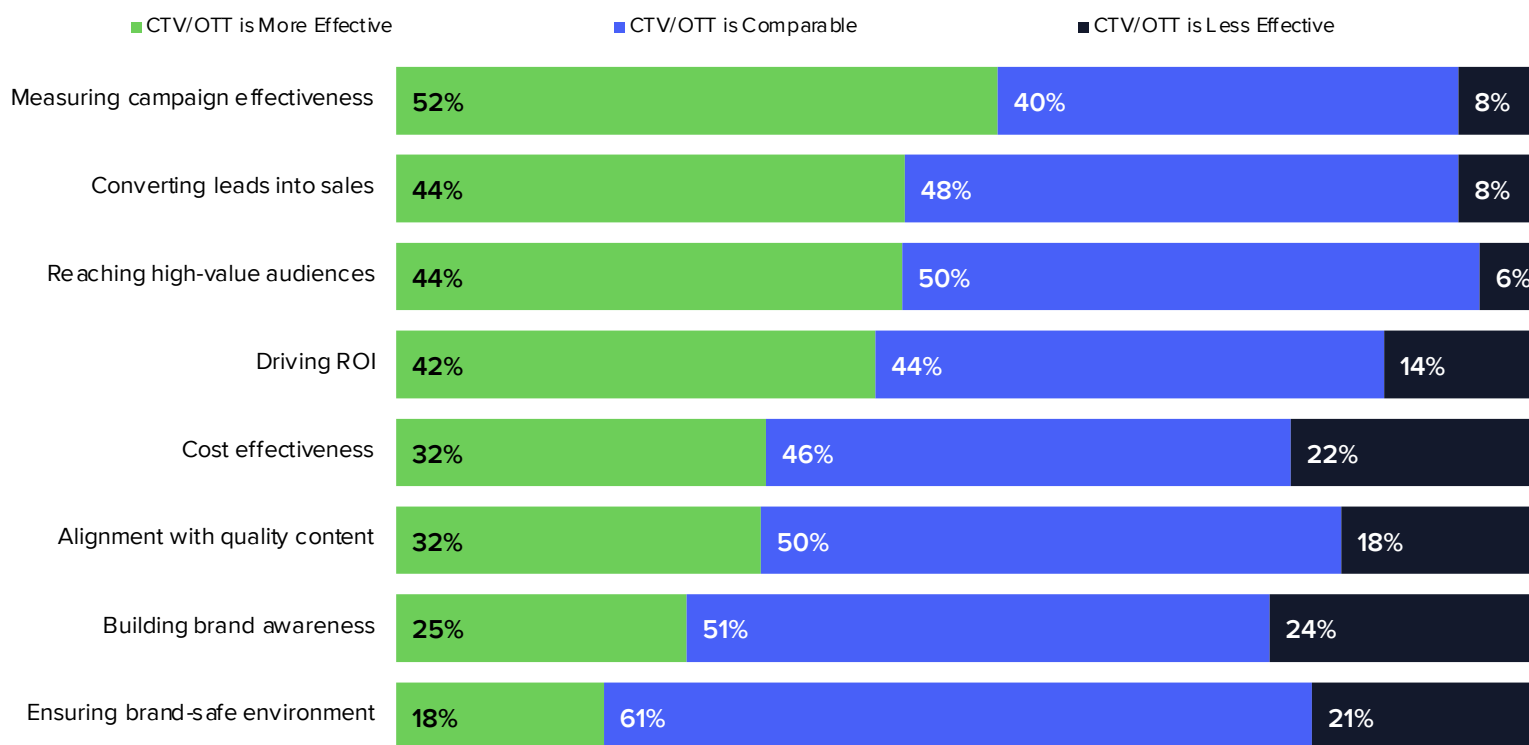
Biggest Challenges in CTV/OTT Advertising



More than half of CTV/OTT advertisers say CTV/OTT is more effective than linear TV in measuring campaign effectiveness, while more than 40% say it is more effective in converting leads to sales, and reaching high-value audiences

Effectiveness of CTV/OTT Advertising in Achieving Goals/KPIs vs. **Linear TV**

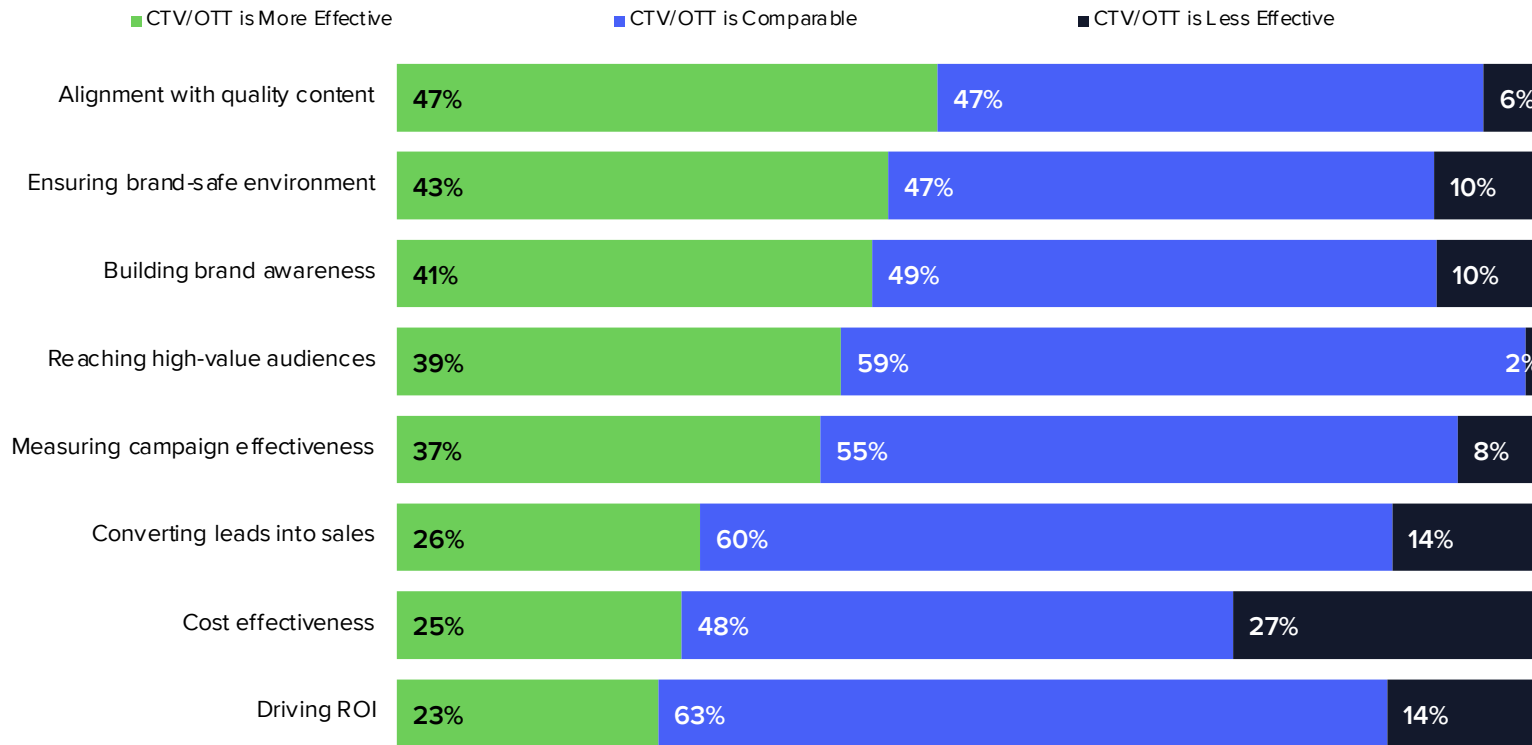
(Sorted by CTV/OTT is More Effective)



Nearly half of CTV/OTT advertisers say CTV/OTT is more effective than digital video in aligning with quality content, while more than 40% say it is more effective in ensuring a brand-safe environment and building brand awareness

Effectiveness of CTV/OTT Advertising in Achieving Goals/KPIs vs. Digital Video

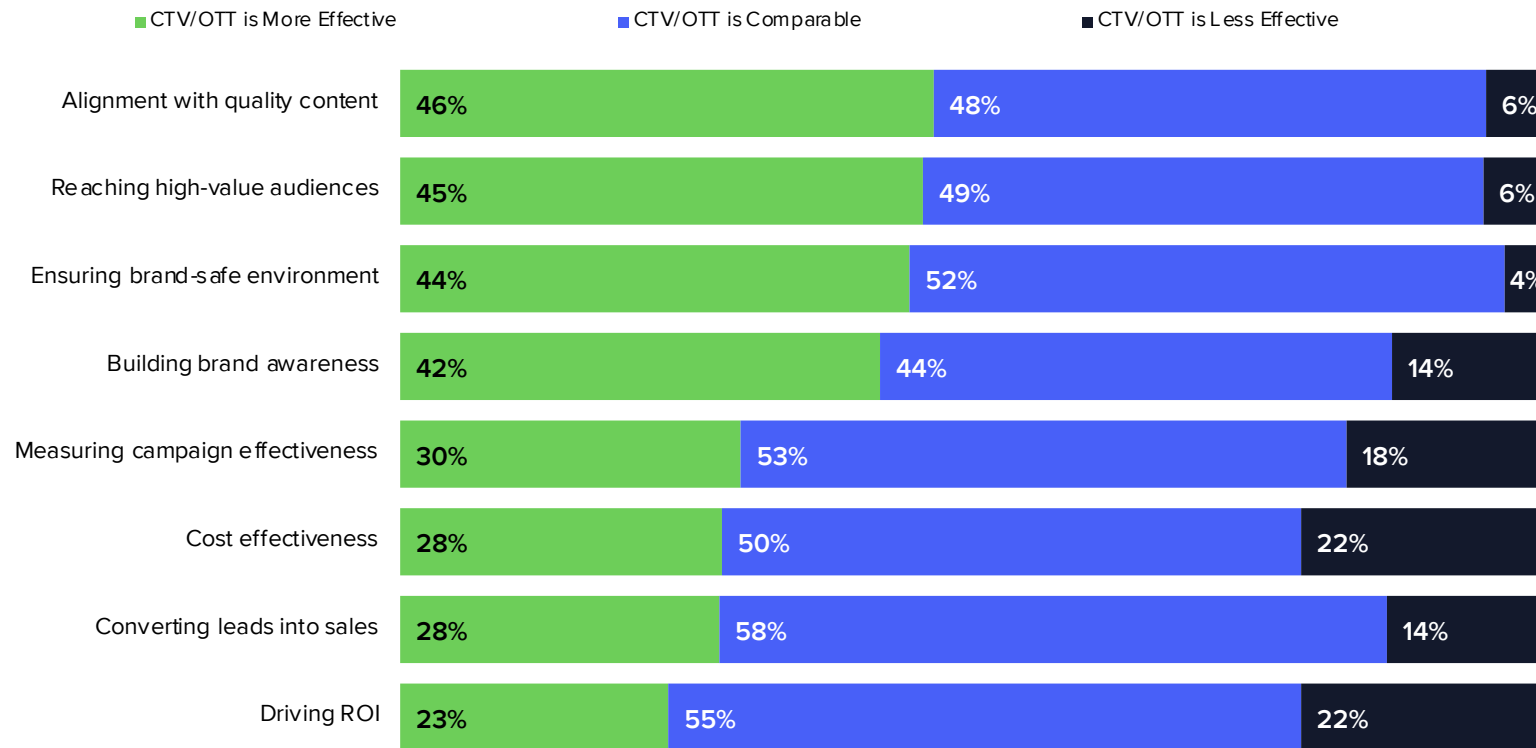
(non-OTT desktop or mobile) (Sorted by CTV/OTT is More Effective)



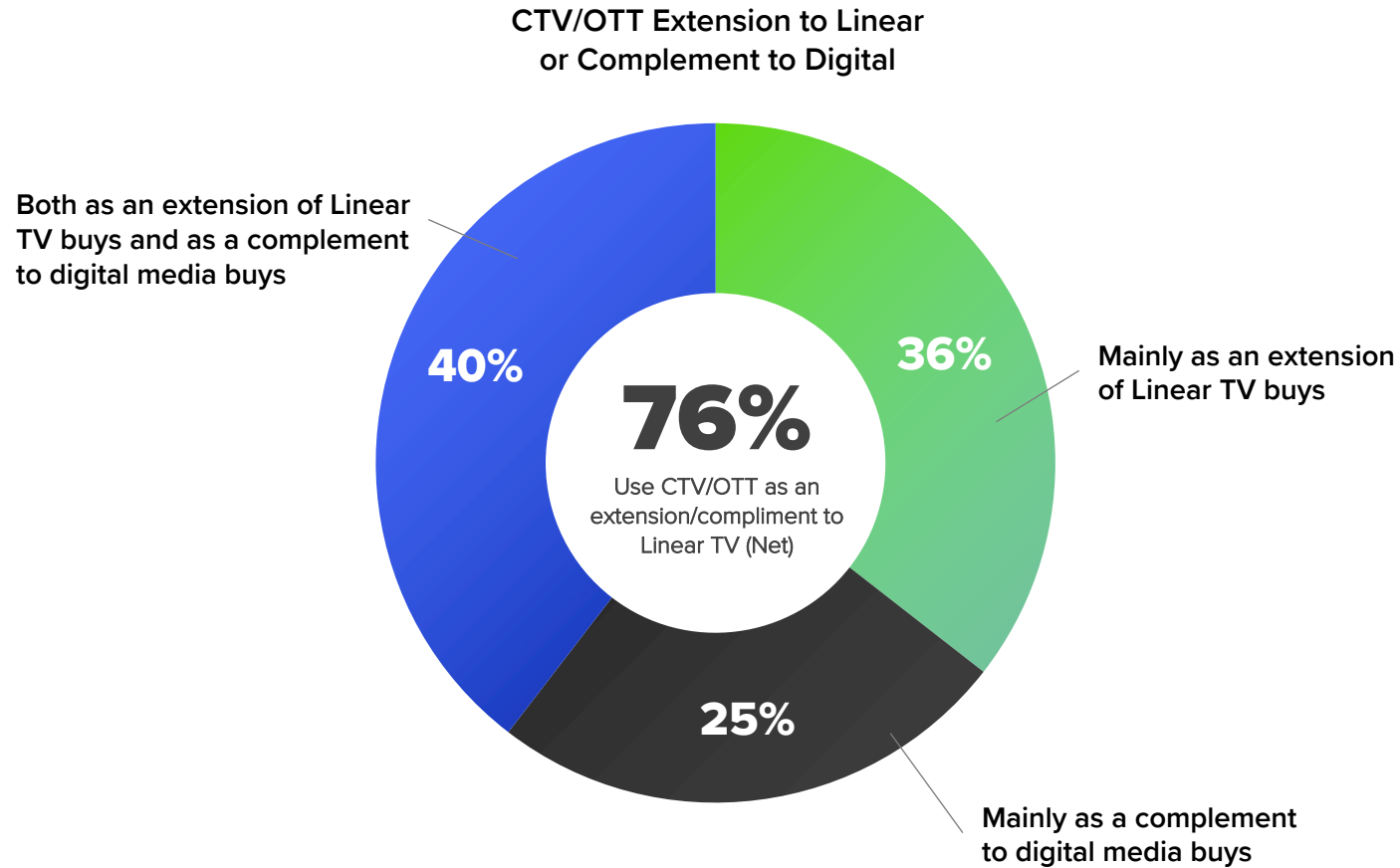
Almost half of CTV/OTT advertisers say CTV/OTT is more effective than social media in aligning with quality content and reaching high-value audiences, while more than 40% say it is more effective in ensuring a brand-safe environment and building brand awareness

Effectiveness of CTV/OTT Advertising in Achieving Goals/KPIs vs. **Social Media**

(ads on Facebook, Twitter, etc.) (Sorted by CTV/OTT is More Effective)

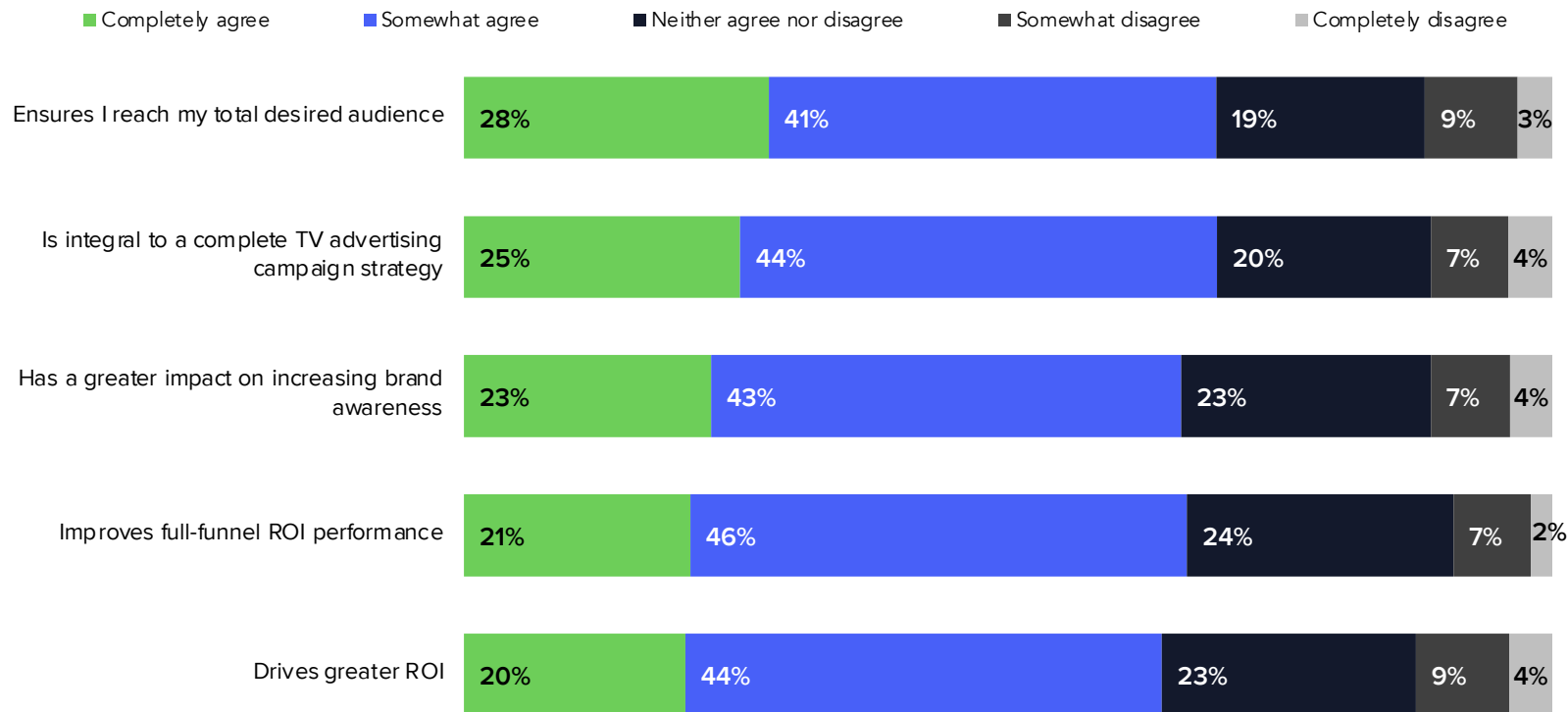


3 in 4 CTV/OTT advertisers see CTV/OTT advertising as an extension of their Linear TV buy



2 in 3 advertisers agree that combining Linear TV & CTV/OTT advertising has a greater impact on increasing brand awareness and improves full-funnel ROI performance

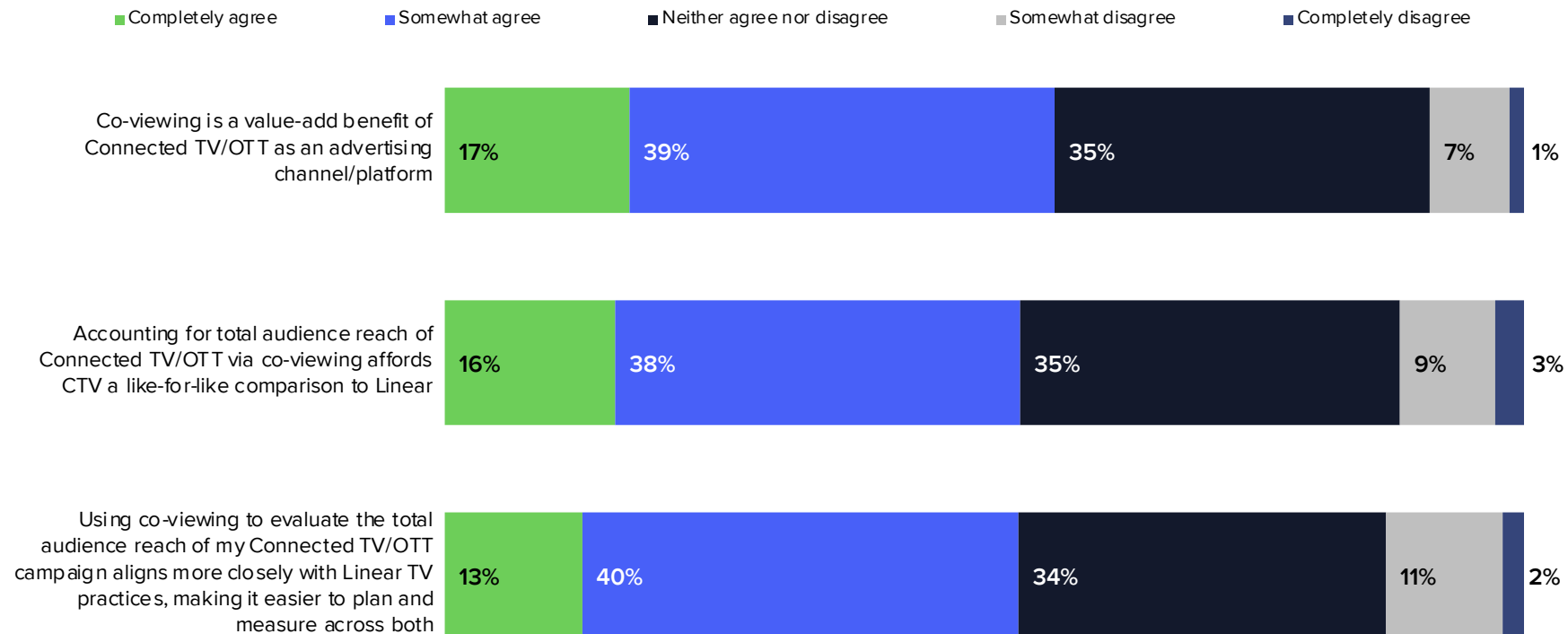
Agreement with Statements About Combining Linear TV & CTV/OTT
(Sorted by Completely Agree)



More than half of CTV/OTT advertisers agree that co-viewing is a value-add benefit of CTV/OTT advertising and provides a like-for-like comparison to linear TV

Agreement with Statements about Co-viewing as it Relates to CTV/OTT

(Sort by Completely agree)



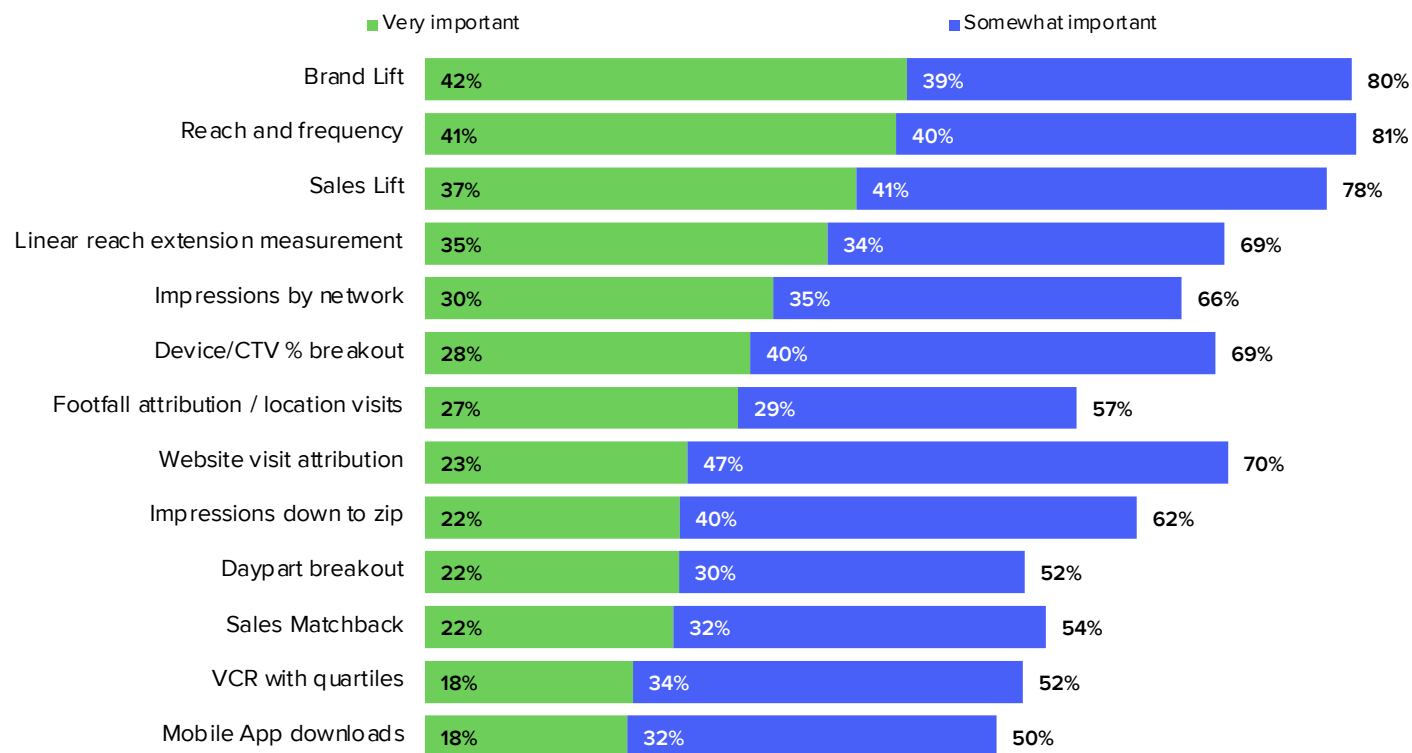


Targeting + Measurement

Brand Lift, reach & frequency, and sales lift are the most important reporting metrics for CTV/OTT ad campaigns

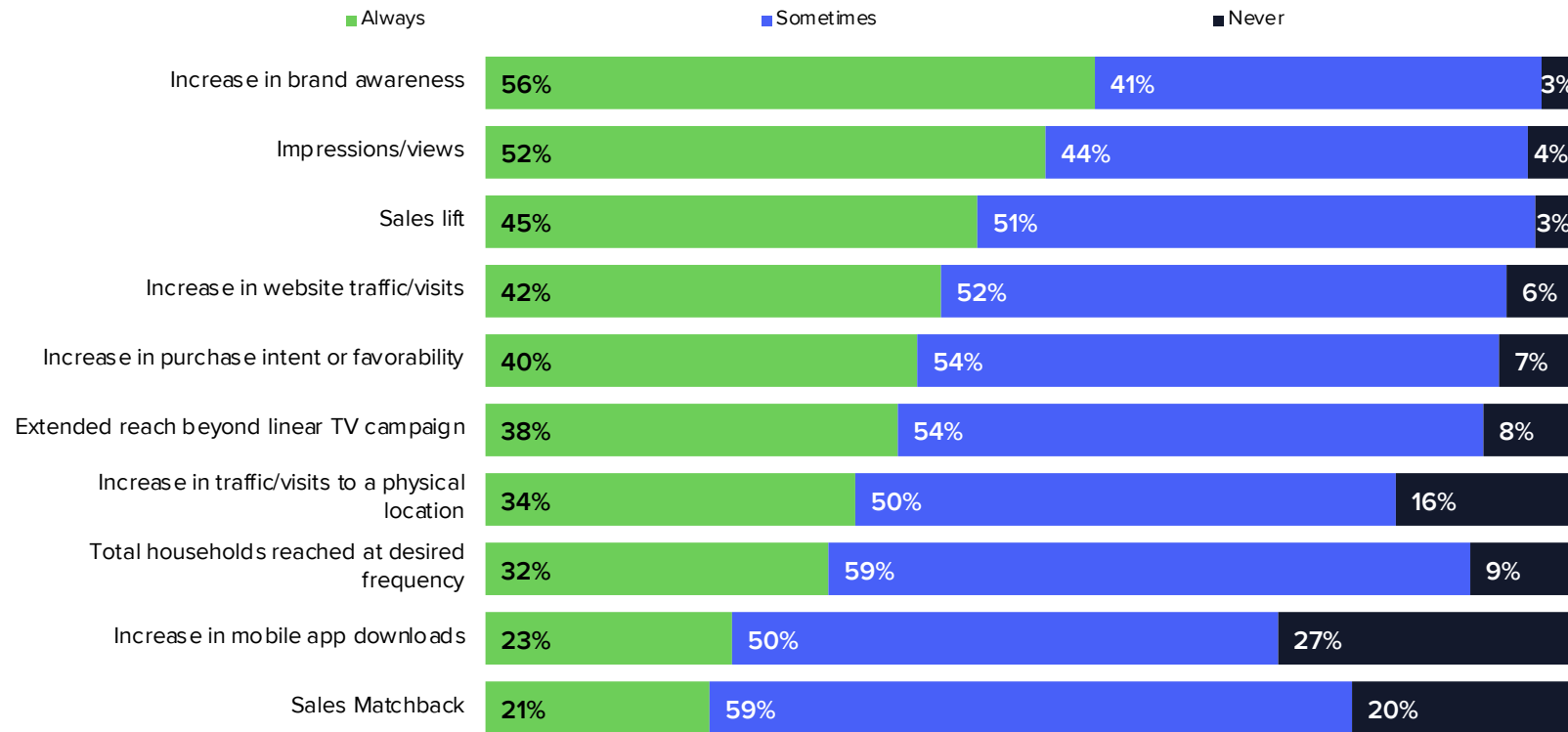
Importance of Reporting Metrics in CTV/OTT Advertising

(Sorted by Very Important)



More than half of advertisers always use increase in brand awareness and/or impressions/views to evaluate campaign ROAS

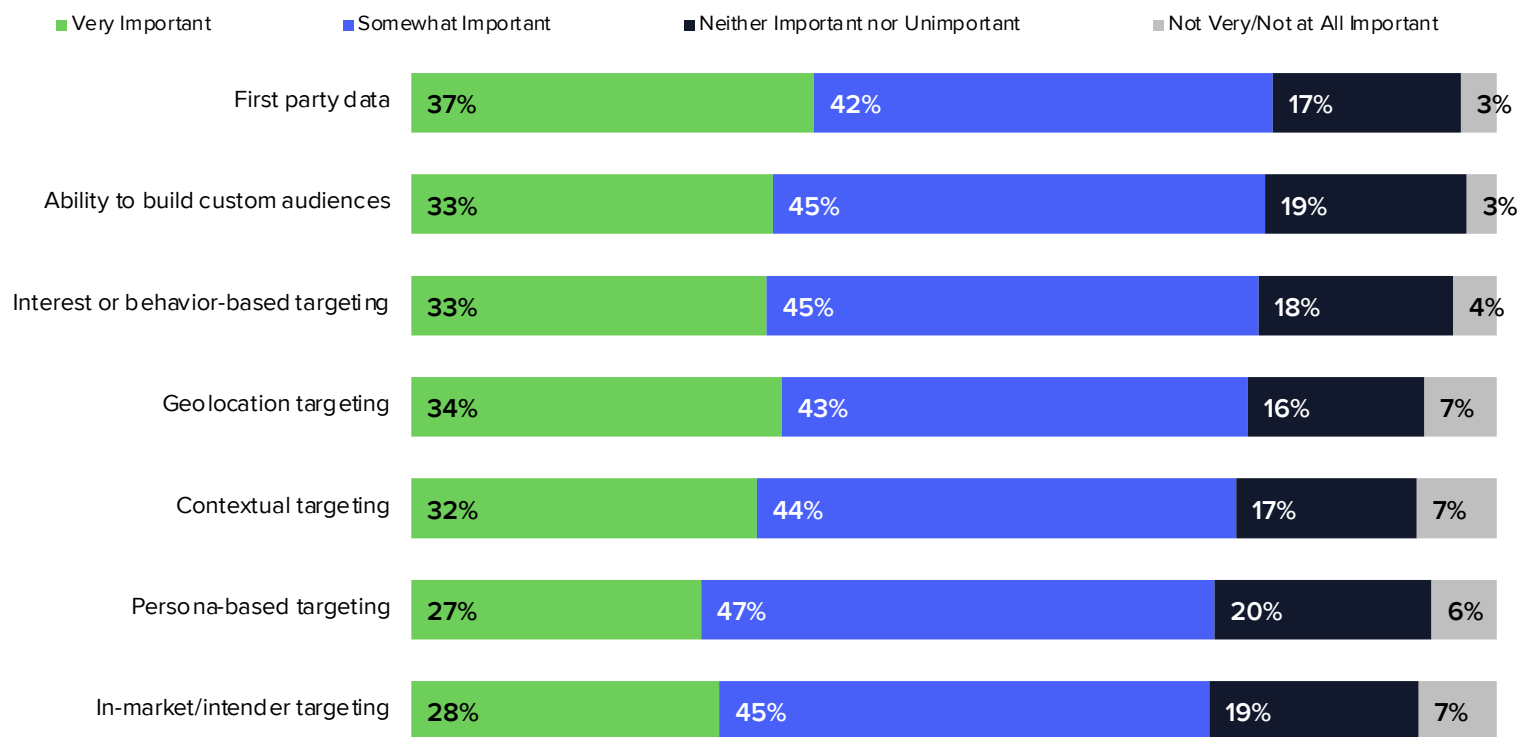
Frequency of Using Reporting Metrics to Evaluate CTV/OTT Advertising
(Sorted by Always)



First party data, the ability to build custom audiences and interest/behavior-based targeting top the list of important targeting tactics for CTV/OTT advertisers

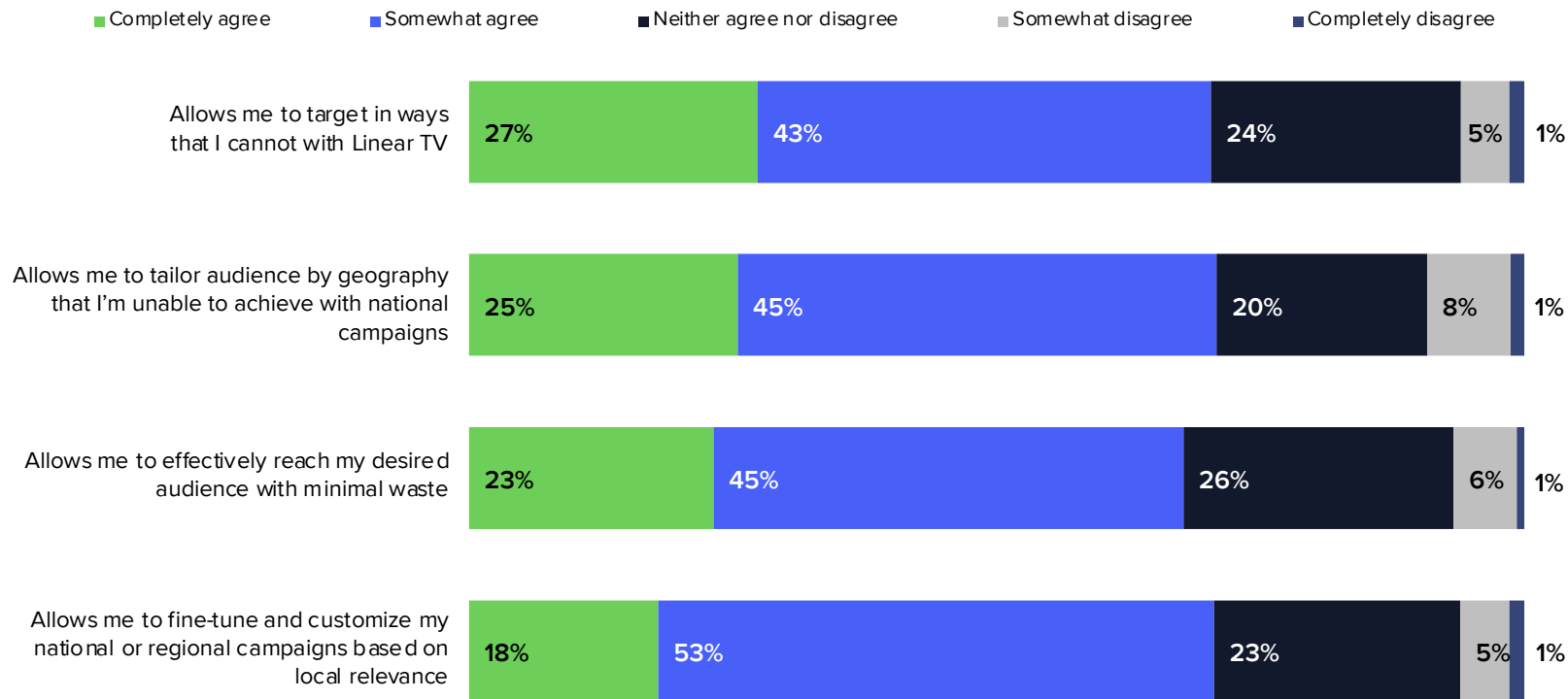
Importance of Targeting Tactics for CTV/OTT Campaigns

(Sorted by Very/Somewhat Important)



7 in 10 CTV/OTT 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 (Sorted by Completely Agree)

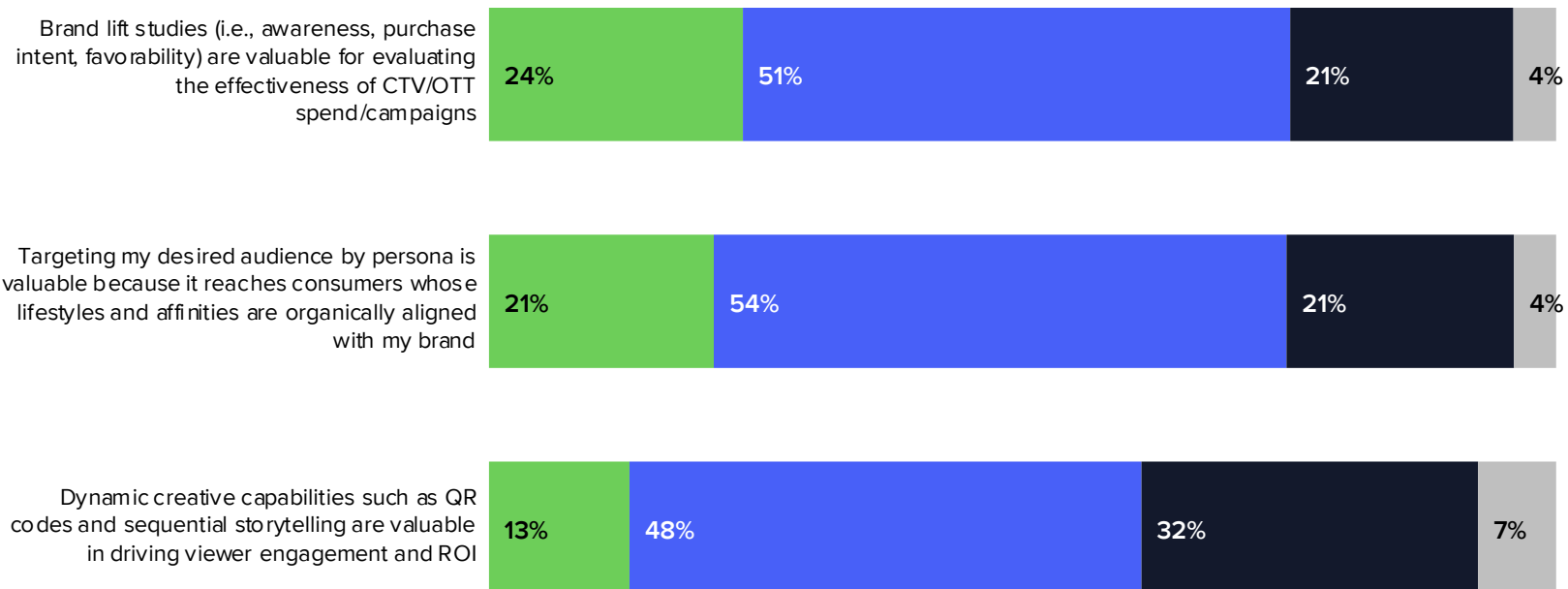


3 in 4 CTV/OTT advertisers agree that brand lift studies and targeting audiences by persona are valuable to their campaigns

Agreement Statements: CTV/OTT (Dynamic Creative, Brand Lift Studies, Targeting by Persona)

(Sort by Completely agree)

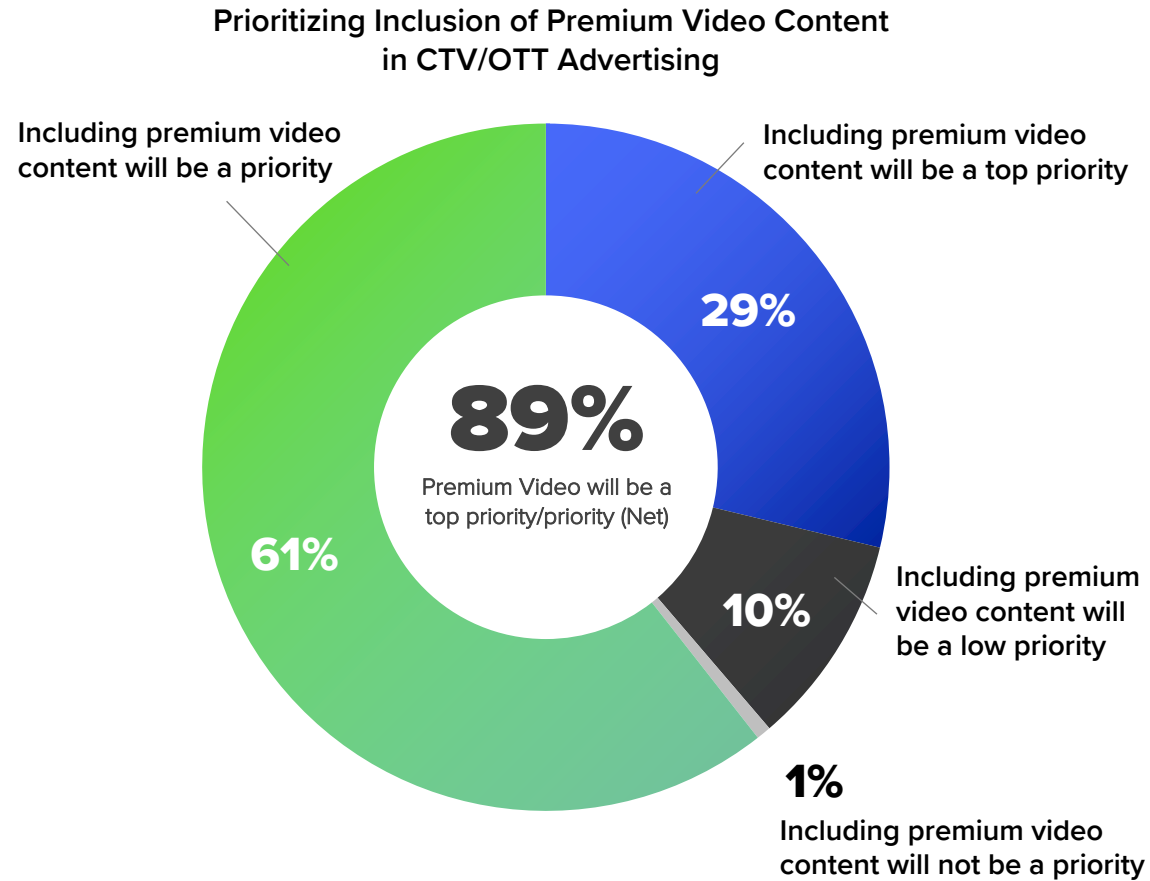
■ Completely agree
 ■ Somewhat agree
 ■ Neither agree nor disagree
 ■ Somewhat/Completely disagree





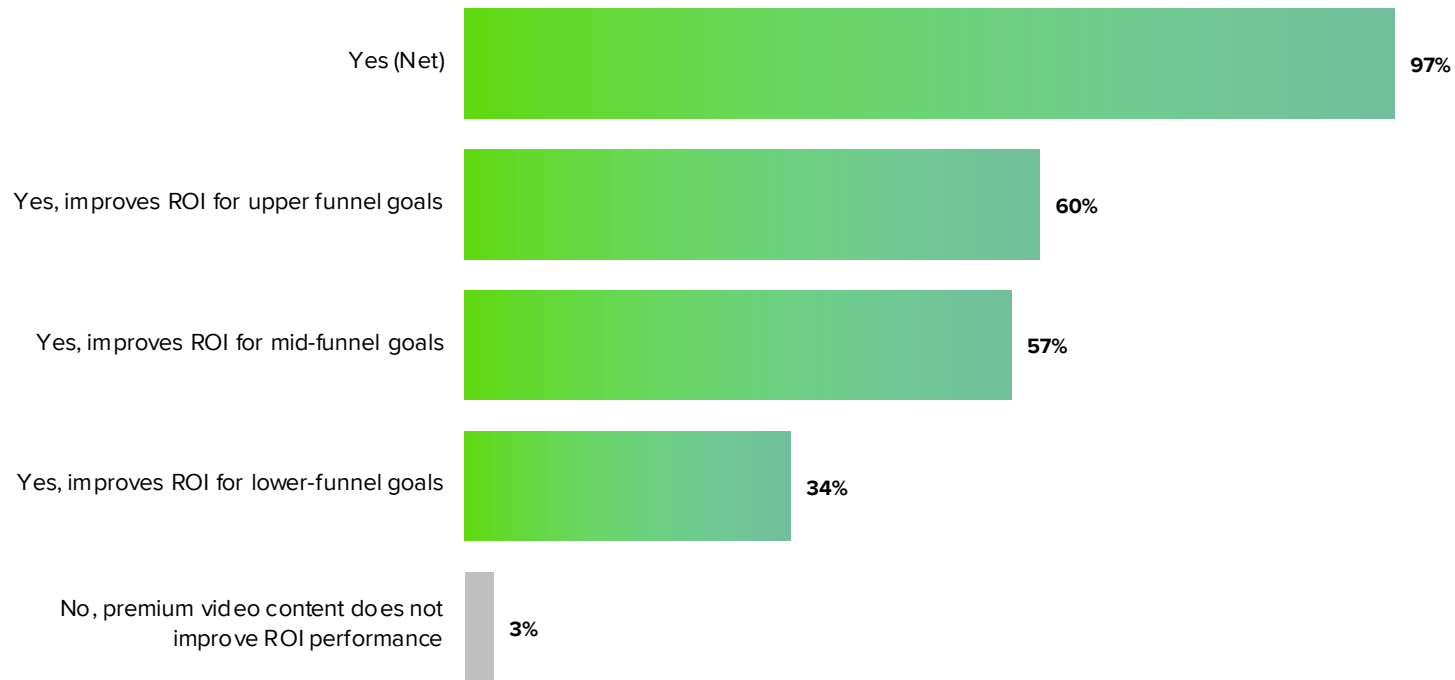
Premium Content + Primetime

89% of advertisers consider it a priority to include premium video content in their CTV/OTT advertising, with 29% considering it a top priority



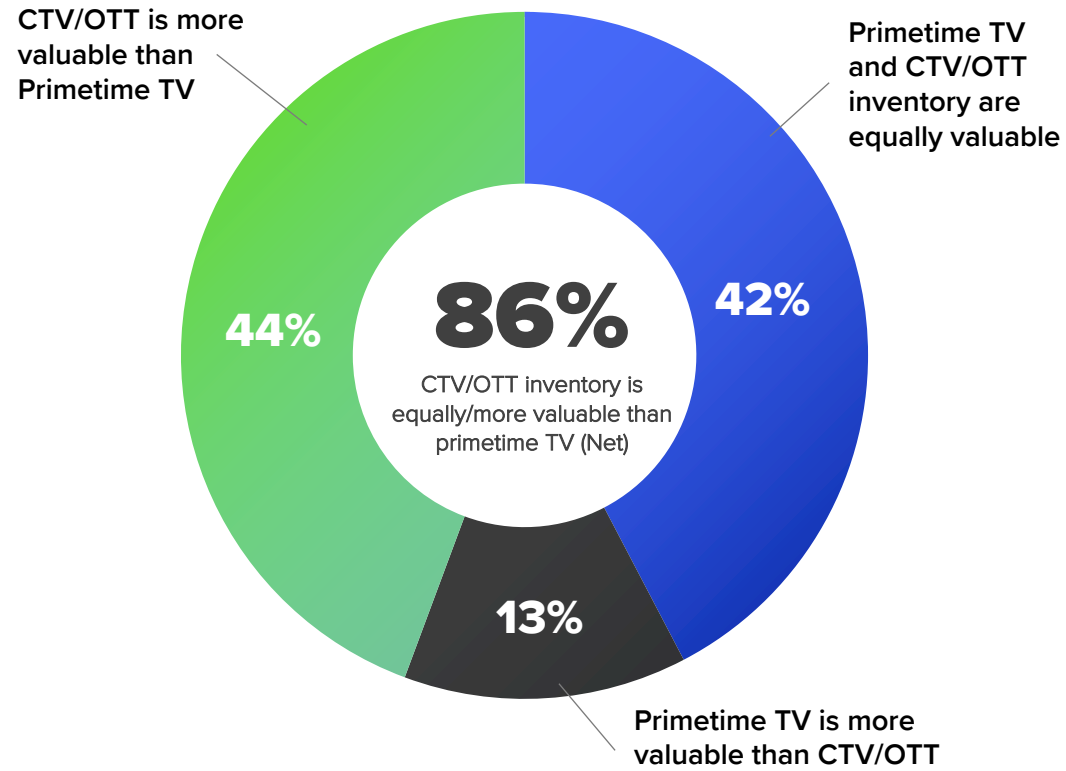
97% of CTV/OTT advertisers agree that advertising on premium video content can improve ROI performance goals

Improvement in ROI Performance with CTV/OTT Premium Video Content



86% of CTV/OTT advertisers believe that CTV/OTT's value is greater than, or equal to, that of primetime TV, with 44% saying CTV/OTT is more valuable

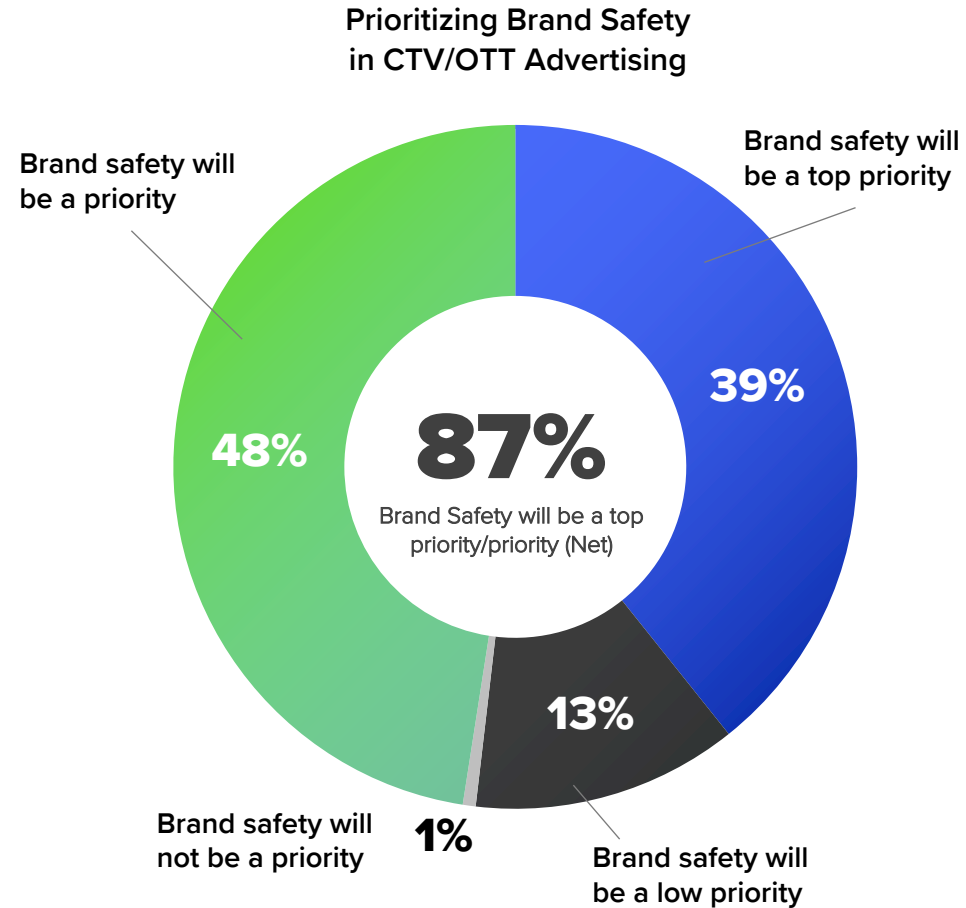
CTV/OTT's Value Compared to Primetime Television



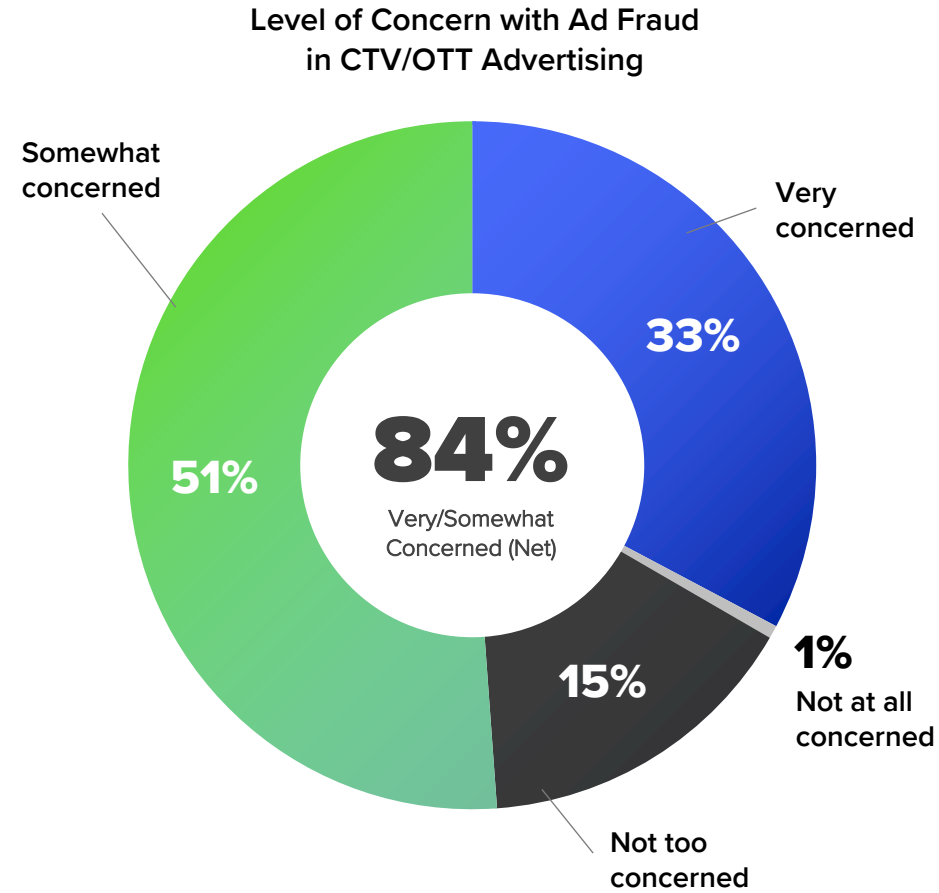


Brand Safety + Ad Fraud Prevention

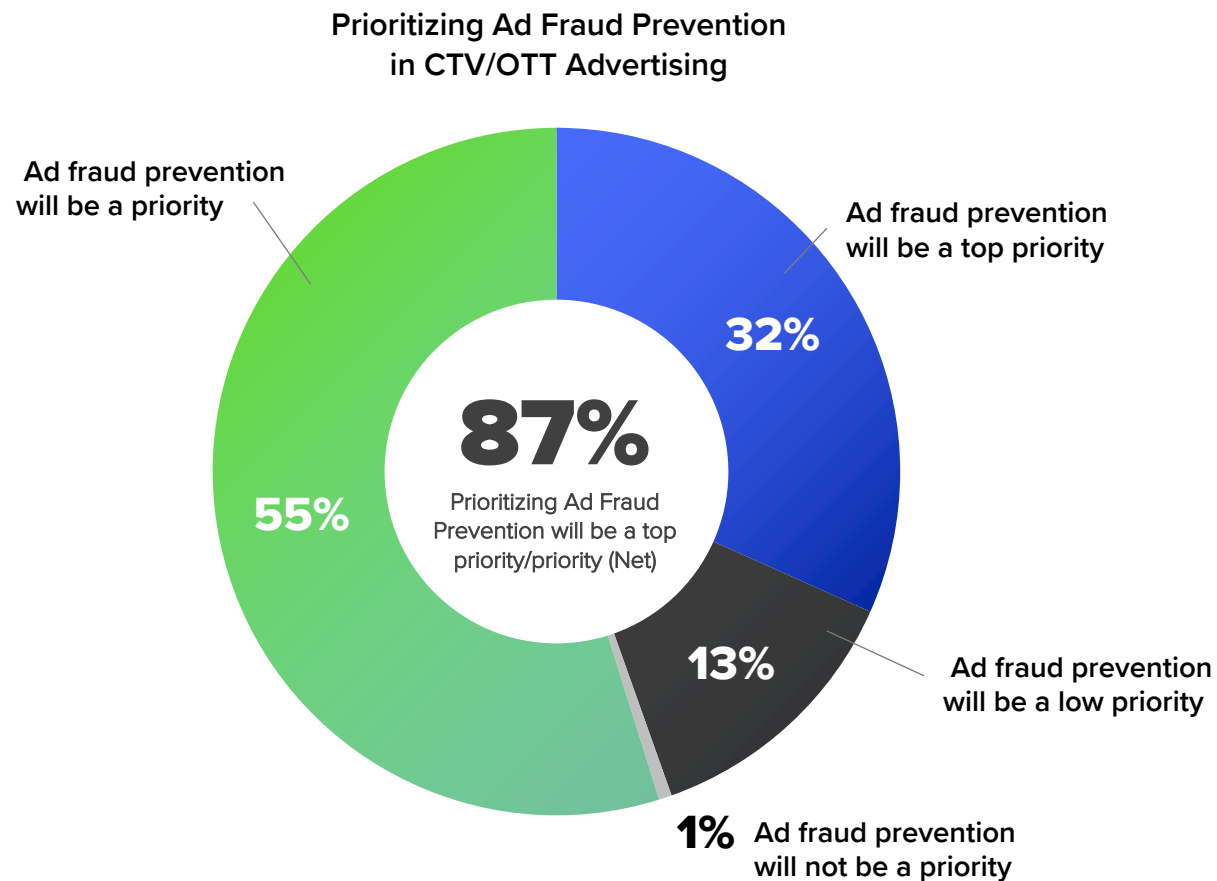
87% of advertisers consider brand safety a priority in their CTV/OTT advertising planning and strategy, with nearly 40% considering it a top priority



84% of advertisers are concerned with ad fraud in their CTV/OTT advertising, with over 30% being very concerned



87% of advertisers consider ad fraud prevention a priority in their CTV/OTT advertising planning and strategy, with over 30% considering it a top priority



A vibrant, abstract splash of blue and purple particles on a dark background. The particles are concentrated on the left side, creating a sense of movement and energy. The colors transition from deep blue at the top to a rich purple at the bottom, with many small, bright specks scattered throughout.

Thank You