Connected TV

Advertising's Creative Canvas, 2021

Contents

Introduction

Once upon a time, they were two different worlds. But now TV and digital have collided — and that is transforming the future for viewers, media owners and advertisers.

While there has been some discrepancy over the meaning of convergence, it simply refers to our ability to reach and engage consumers across channels, formats and screens with a consistent message. As such, it is understandable why analysts say we are living through another "golden age of television." In this era, traditional linear viewing, while still relevant, is declining, heavily influenced by the growth in popularity of Video on Demand and internet-connected viewing devices resulting in new TV services emerging.

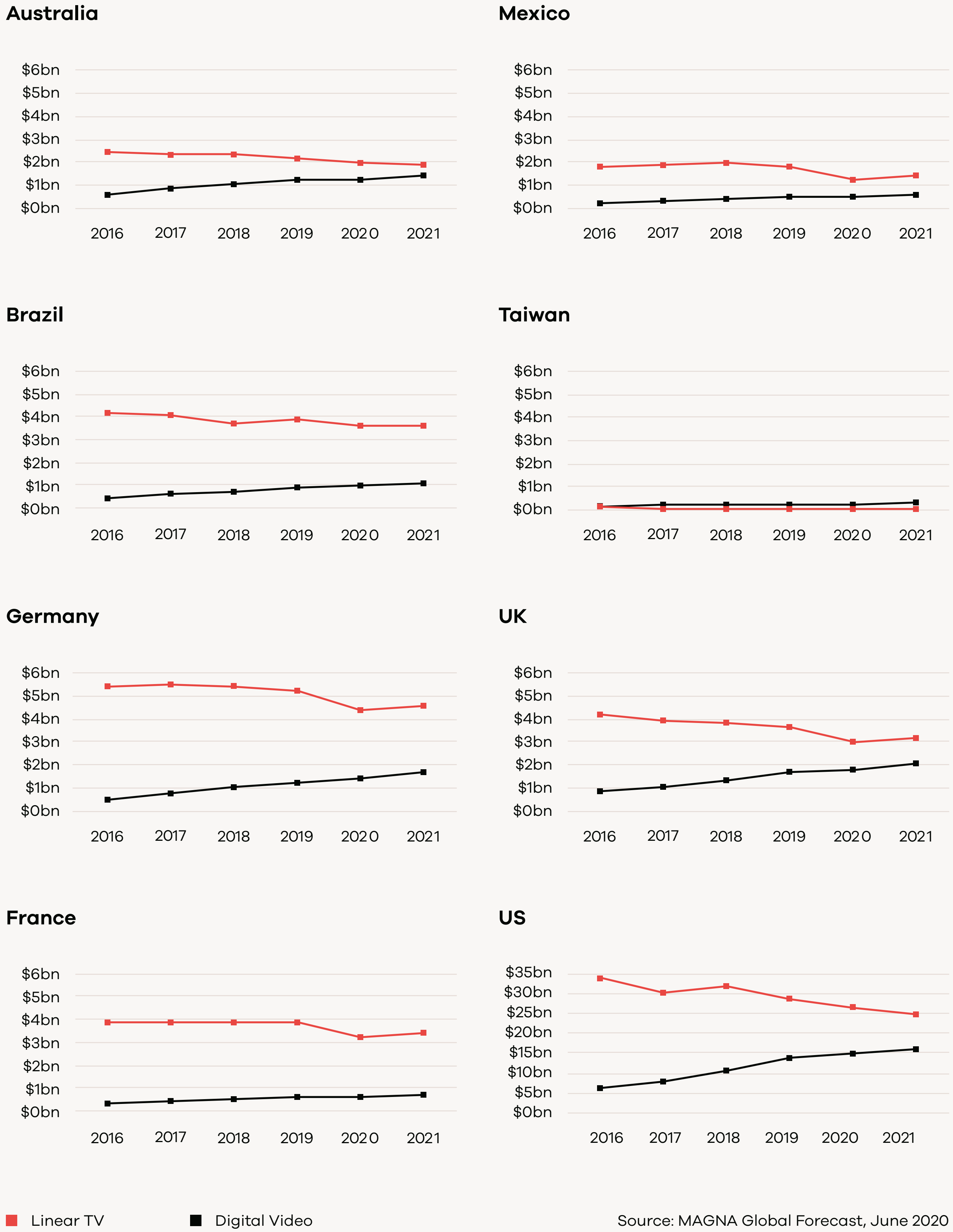
Global users of over-the-top (OTT) TV services are forecast to grow from 1.8 billion in 2017 to 2.9 billion in 2025.[1] For platforms and brands ready to innovate, that represents an extraordinary new opportunity. Connected TV (CTV) is not just stabilising TV, it is taking it to new heights — and the COVID-19 pandemic has accelerated this shift.

Viewers globally have flocked to video-on-demand (VOD). Subscription video-on-demand (SVOD) services like Netflix, Disney+, HBO Max, Now TV, France's myCanal, India's HotStar, Singapore's Hooq, and Australia's Stan have boomed. Yet this new world is not just about ad-free experiences. The majority of OTT consumption is expected to be of advertising-supported video-on-demand (AVOD) platforms[2] and most will consider a hybrid model.

Global OTT services are forecast to grow by 61%,from 1.8bn in 2017 to 2.9bn in 2025. That's 5.44% Compound Annual Growth Rate (CAGR) over 9 years.

1 Statista "OTT Video" forecast, www.statista.com/outlook/21120/100/ott-video/worldwide
2 Statista "OTT Video" forecast, www.statista.com/outlook/21120/100/ott-video/worldwide

The gap between digital video and linear TV spending continues to narrow



Source: MAGNA Global Forecast, June 2020

The Advanced TV Landscape

Reaching the right audience with a relevant message is top-of-mind for advertisers and the changing TV landscape offers a variety of ways to which they can do this, depending on specific needs and campaign KPIs.

Linear TV

- Broadcasts go to the full footprint of viewers, typically nationwide.
- Ad purchase and play-out is typically set far in advance.

Addressable TV

- Customised ads can be stored for swap-out during transmissions.
- Ads are delivered in real-time.
- Household-level targeting, even if different households are watching the same content.

OTT/CTV

- The most targetability.
- Ads are delivered in real-time.
- Audiences can be reached at the device level.

Connected TV is a huge opportunity for advertisers to reach engaged audiences with the right message wherever they may be. People have changed the way in which they consume big-screen content, and with that, advertising is also adapting to keep pace, opening up a world of new opportunities for advertisers.

- Audience login and authentication allows advertisers to target individual households or viewers.
- Digital attribution will help them identify the link between ad exposure and engagement.
- Return data flow and rapid execution means buyers can analyse and optimise campaigns with agility, without needing to lock in to lengthy or rigid upfront commitments.

Digital video investment drivers

57% Targeting efficiencies

44% Delivery of TV advertising campaigns at scale

38% Gain competitive advantage

36% Data insight

36% Complementing the media mix

Source: IAB Europe, Attitudes to Digital Video Advertising Report 2020, www.iabeurope.eu/knowledge-hub/iab-europe-attitudes-to-digital-video-advertising-2020-report/

Digital video investment barriers

57%
Lack of supply

41%
Lack of understanding of the ecosystem

35%
Availability and quality of data

31%
Lack of large audience scale

28%
Lack of standard identifiers

Source: IAB Europe, Attitudes to Digital Video Advertising Report 2020, www.iabeurope.eu/knowledge-hub/iab-europe-attitudes-to-digital-video-advertising-2020-report/

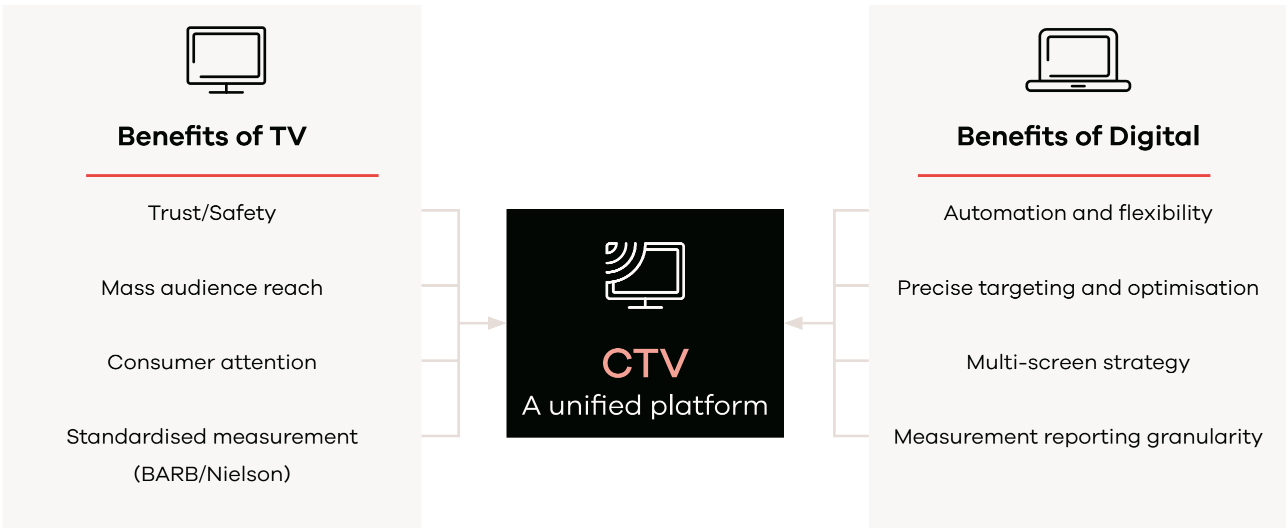
These two diverging trend lines — the challenges to broadcast TV and the growing embrace of increasingly capable connected TV in its place — mean CTV is emerging as the premium channel for the post-linear future.

But few births are without difficulty. The same forces of innovation which have led to a proliferation of viewing options also makes CTV ad trading significantly different from traditional linear, whilst its global expansion presents additional complexity for the advertising industry to manage with many in the industry citing a lack of understanding as one of the biggest challenges of CTV.

> This handbook aims to provide a guide to opportunities and challenges around CTV, an overview of practices in key global markets and actionable advice for those leaning into the CTV age. The evolution won't be quick, but it will be audience led and we have time to lay the right foundation for a transparent and sustainable ecosystem to thrive.

Navigating the CTV Opportunity

CTV presents the "best of both" worlds, which combines the scale and attention achieved through traditional TV with the precision of digital. Viewers are in more control and open to new ad experiences.



Box Clever

All the Benefits of TV
For many, TV invokes the largest, main screen in the house. Advertising is expected and tolerated here whilst offering a premium, naturally brand-safe environment for advertisers to deliver long-form content to their desired audience.

Attention by Default
In a world of distraction, CTV is highly appealing. On-demand viewers in particular are actively choosing what to watch, leading to higher dwell times and increased engagement. Moreover, because the deployment of ads is somewhat inevitable, they are far more viewable and can boast completion rates of more than 90%.

A Creative Canvas
Digital advertisers are salivating at the capability's TV has boasted for years — full-screen, high-quality creative, with audio on by default, but packaged in creative formats familiar and available to TV and video advertisers.

The Benefits of 'Going Digital'

Laser-Like Targeting
According to Xandr's 2020 Relevance Report, using data for precision targeting is the leading way to make ads relevant with over 50% of respondents in France, UK, Australia and Brazil citing this was the number-one-way data is used. Traditionally, TV buyers have only been able to target rough demographics such as age and gender. By introducing programmatic methods, CTV benefits from being driven by real-time data, providing an opportunity for precise targeting at local, household or even device-level. Today, marketers can use first-party data from their own CRM and transaction records, online data such as website visits and available digital segments indicating, for example, kids at home or occupation type, to identify when and where to reach their desired audience.

Frequency Capping
Consumer fatigue due to excess ad exposure can be a brand-killer, and a waste of valuable advertising budgets. But there are digital controls available within the CTV landscape that allow ad buyers to cap a specified maximum number of times ads are played to a viewer, maximising campaign efficiency.

Improving Control and Efficiency
CTV buying is executed using ad trading software rather than manual insertion orders, helping buyers and sellers alike stay in control and improve efficiency.

Holistic Approach
TV isn't solely a brand-building medium. With return on investment at top-of-mind for all marketers, CTV provides the opportunity to record and marry ad exposure to outcomes like ecommerce check-out, retail visitation or app download allows for full-funnel attribution and performance-oriented TV.

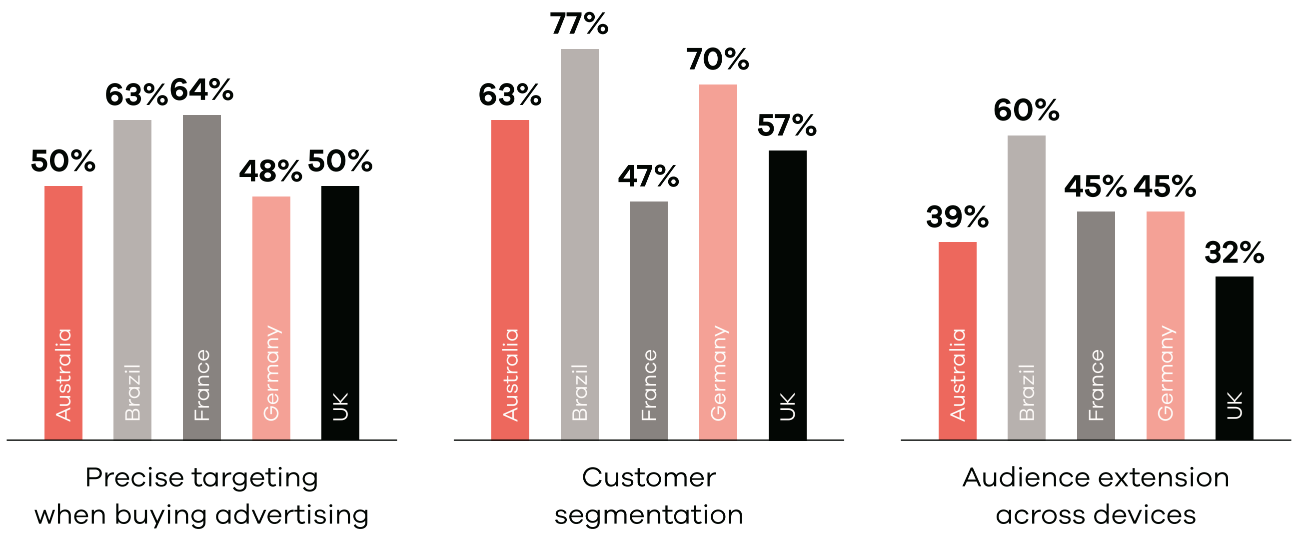
Increased Responsiveness
The digitisation of the TV-buying workflow will speed up ad trading. More than that, the ability to activate, optimise, report and adjust campaigns rapidly allows ad buyers to change their creative messaging or spending commitments far quicker than traditional TV would typically afford, as many had to do early in the COVID-19 pandemic.

Relevance has always been advertising's holy grail and data is the key to relevance. Xandr's third annual relevance report identifies three steps in it's deployment that are essential;

1. Reach the right audience
2. Optimise the campaign parameters
3. Measure success

Source: Xandr 2020 Relevance Report, www.dl.xandr.com/2020/11/2020-Relevance-Report-English.pdf

How data is currently being used to create more relevant video advertising



The Full Effect

Viewers Accept Ads

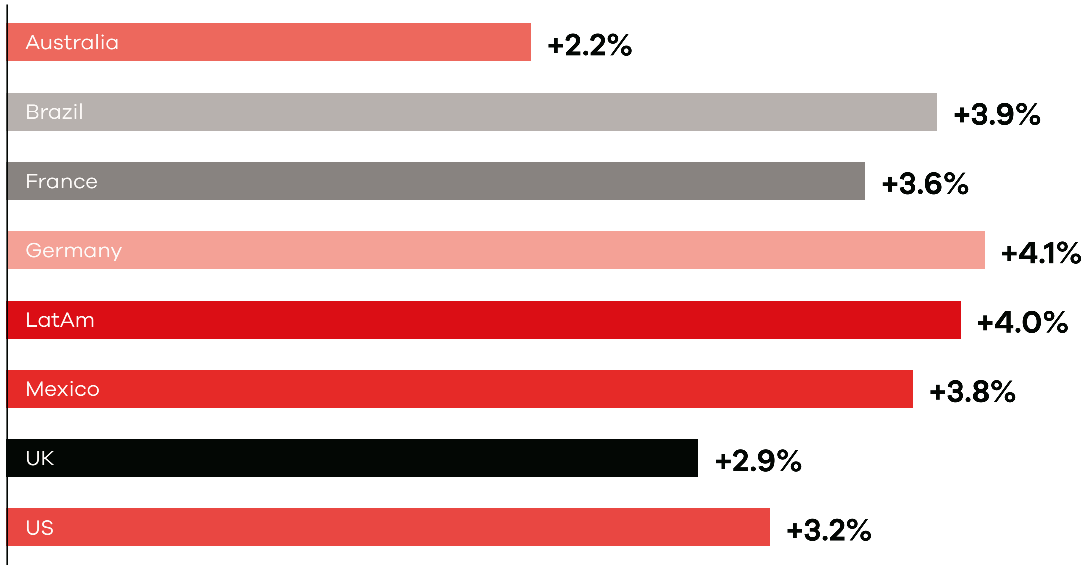
Despite the surge in subscription video-on-demand (SVOD), 82% of consumers prefer free content, even if it means viewing ads — and 70% have accepted ads as part of their media experience.[3]

CTV Works

CTV ads improve brand favourability and performance metrics. Most viewers say exposure to a CTV ad would prompt them to tell a friend, search for a brand, buy a product and improve their perception.[4]

3 Consumer survey for Xandr's 2020 Relevance Report
4 Unruly research for Video Week OTT Advertising Guide 2021

Digital video viewer growth, 2020 change



Source: eMarketer, August 2020

86% of buyers are due to increase investment in CTV.[5] Those involved in planning, buying and selling digital TV campaigns, now need to look at how they can work together to improve access to inventory and educate customers, to progress the promise of CTV to actual investment.

5 IAB Europe Industry Insight in partnership with Xandr. www.iabeurope.eu/wp-content/uploads/2020/06/IAB-Europe_Industry-Insider_Xandr_Connected-TV_June-2020.pdf

An Expanding Footprint

While consumer demand is insatiable, SVOD expansion will likely reach saturation as consumers become increasingly frustrated towards the growing number of subscriptions and services, they are required to obtain in order to watch what they want. Consumers will continue to look for content from additional, ad-supported video-on-demand (AVOD) services. AVODs will help meet consumers' relentless thirst for content, expanding the pool of advertising inventory and providing vital scale to the TV advertising ecosystem.

	2020 Total Media Ad Spend	TV Ad Spending	Digital Ad Spending	Digital Video Ad Spending	Total Population*	OTT Subscribers**
Australia	$10.7bn	19%	64%	11%	25.5m	39.1%
Brazil	$12.6bn	46%	44%	10%	212.5m	21.9%
France	$12.3bn	25%	52%	5%	65.2m	39.3%
Germany	$23.2bn	18%	49%	5%	83.7m	41.2%
Mexico	$3.8bn	43%	41%	14%	128.9m	26.9%
Taiwan	$2.3bn	29%	59%	12%	23.8m	N/A
UK	$26.2bn	15%	75%	6%	67.8m	45.6%
US	$213.5bn	26%	61%	7%	331.0m	62.4%

* Source: Worldometer 2020, www.worldometers.info/world-population/population-by-country/
** % of total population

Converging TV & Digital

Despite its advantages, most ad buyers in Europe, for example, have been spending less than 10% of their total ad spend on CTV.[6] Like every new medium, CTV must overcome hurdles to realise its true potential.

Overcoming Programmatic Problems
Automated ad-trading has revolutionised digital display advertising — but the open auctions and intermediary platforms which characterised the programmatic landscape are approached cautiously by the reserved, premium nature of traditional TV players. But the digital industry has come together to work through the past challenges of programmatic, innovating and improving existing solutions. Today brand safety, privacy and transparency are table stakes as we future proof for a better internet. This needs to continue as CTV ad buyers and sellers will need direct, trustful relationships facilitated by software, private marketplaces and broadcasters' own direct programmatic offerings to avoid facing similar challenges in this new world.

6 IAB Europe Digital Video Advertising Survey

Challenges most likely to impact the industry significantly in 2021

Australia
#1 Ensuring data is accurate (60%)
#2 Identifying audiences across screens (49%)
#3 No uniform cross-channel standard of measurement (44%)

Germany
#1 Ensuring data is compliant with consumer privacy data initiatives (51%)
#2 Data security (49%)
#3 No uniform cross-channel standard of measurement (46%)

Brazil
#1 Ensuring data is accurate (59%)
#2 Identifying audiences across screens (53%)
#3 Data security (42%)

UK
#1 Ensuring data is accurate (48%)
#2 Ensuring data is compliant with consumer privacy data initiatives (48%)
#3 Poor quality data (42%)

France
#1 Data security (44%)
#2 Ensuring data is accurate (41%)
#3 Identifying audiences across screens (40%)

US
#1 Identifying audiences across screens (41%)
#2 Ensuring data is compliant with consumer privacy data initiatives (41%)
#3 No uniform cross-channel standard of measurement (39%)

CTV's Identity Crisis

Finding the Right Audience

CTV doesn't rely on cookies to identify audiences. However, a rich array of devices means there are precious few standards to work with. Unlike in mobile, where iOS' IDFA and Android's AAID make life easier, CTV app makers often resort to using their own viewer identifier. That puts a focus on to demand-side platforms crunching data into modelled audience profiles, which can be imprecise. Still, with deprecation of third-party cookies on the horizon, CTV has become the media industry's testing platform where operators have been building out solutions that utilise logins, first-party data and contextual targeting amid a plethora of new targeting practices.

Fighting Fraudsters

As digital increasingly powers new and attractive mediums like CTV, the risks associated with it, like ad fraud, will remain. As such, traditional TV buyers and sellers who historically have not prioritized brand safety in their strategies will need to do so. As some cases of fraud have emerged, service providers are quickly eradicating it by partnering with cybersecurity firms and viewability vendors.[7]

Aligning on Currency

When two worlds collide, which language do their inhabitants speak? The TV industry is used to trading on ratings, and digital on actual impressions. TV ads are often bought a year in advance, whilst those in digital are frequently bought just hours, sometimes minutes, ahead. Aligning these two norms is a key challenge for CTV to meet. All eyes are looking to measurement agencies and software vendors to bridge what can be two opposing strategies.

Recency and Frequency

Balancing Ad Load

The world of ad-free subscription viewing challenges advertisers to respect viewers' time. Despite viewers' tolerance of TV ads, most feel that advertising has become more frequent of late.[8] CTV must use data to avoid playing back-to-back ads and use competitive separation technology to ensure brands are not placed in ad breaks with competitors. However, the increased effectiveness of CTV ads gives operators the opportunity to normalise the frequency and size of ads pods to something more in line with viewer expectations.

Measuring Up

Although many CTV deployments can use attribution to support buying against known performance outcomes, most buyers are prioritising traditional-style upper-funnel goals like reach and frequency. It is important that technology vendors can enable converged strategies by combining analogue-style panel measurement with digital data, creating a holistic "total TV" framework.

Smoothing the Path to Purchase

Fragmentation of Supply

Access to CTV inventory has been considered too limited and too fragmented. The proliferation of devices, hardware and services that is driving consumption is also splintering the capabilities and buying channels. The use of proprietary, deterministic data, data science and machine learning, helps advertisers gather insights from individuals and devices as well as general consumer behaviours and traits. This enables unified activation of the same consumer across our inventory, platform and media executions. Around the world, broadcasters and technology platforms are working to align and simplify access, thereby making it easier to buy across multiple channels.

7 DoubleVerify Global Insights Report 2020
8 Consumer survey for Xandr's 2019 Relevance Report

Regional View

The CTV opportunities are clear — so much so that CTV, like TV, is fast gaining traction around the world and smart ad buyers are already contemplating their global CTV strategy. But, when it comes to successfully activating CTV worldwide, the considerations are multiplied.

In many ways, the United States leads when it comes to connected TV. It is the largest market in the west, has amongst the fastest rate of adoption, boasts new services launching with considerable creative innovation and is the undisputed origin hub of the global content export market.

The average US home owns

10 Devices

Yet the very same proliferation of services which has caused US TV consumption and advertiser interest to surge is also often seen as complicating advertisers' path to market. Using a plethora of software and a growing number of coalition partnerships, US players are trying to make the market more cohesive.

Step outside of the US however and the CTV landscape is once more a familiar case study in fragmentation.

Europe, for instance, whilst technically a "single market", is actually a diverse patchwork of distinct national media ecosystems.

There, entrenched public and commercial broadcasters often play a significant role, dominating consumption with their own BVOD services, as yet reducing the window for digital-native AVOD operators. In Latin America, by contrast, it has been common for broadcasters to make programming available via YouTube.

Arguably, the greater influence of what is often a smaller set of large-scale players, albeit on a nation-by-nation basis, can make global CTV activation more straightforward, when compared with the smörgåsbord of US local cable operators, virtual distributors and others currently facing off.

But it isn't just the operator economy which determines where advertisers should place their money — different global technology approaches also determine the how.

"Each market delivers CTV via different technologies, leveraging the existing infrastructure," according to the European Broadcaster Exchange, a joint venture of broadcasters in five European countries, aiming to make programmatic buying of pan-European inventory easier.

"Germany leverages both the HbbTV and Smart TV widget gallery apps to deliver video and display formats, Italy uses HbbTV for video and display formats, France delivers video formats via IPTV, the UK offers video formats via a widget gallery Smart TV app and an increasing number of OTT devices while Spain delivers CTV mainly via widget gallery Smart TV app but also increasingly via HbbTV."

At the same time, many countries operate regulations requiring things like prior clearance of all TV ad creatives, cultural quotas on domestic VOD content and laws curtailing particular kinds of ad targeting.

All of these factors, and more, must shape the formulation of global CTV strategies. For anyone embarking on a global CTV odyssey, it is vital not to use a blanket approach. Rather, they must understand the specific nuances and dynamics at play in each individual market.

For CTV to succeed, a hyper local approach is needed. "Each market delivers CTV via different technologies, leveraging the existing infrastructure."
European Broadcaster Exchange

Use the Tools Available

Benefit from Flexibility

CTV proved to be an excellent opportunity during lockdowns as it provided flexibility to advertisers who could only offer their services in selected areas due to local restrictions. Features available to logged-in BVOD viewers — such as programme restart, content suggestions and availability across an increasing variety of devices — make it possible to deliver more meaningful creatives, leveraging cross-screen story-telling, reach adjustments and cross-device ad targeting.

Developing a Single Currency

The biggest challenge in measurement is to develop a unified single currency with linear TV. Efforts are being undertaken by audience metering panels such as BARB in the UK or Auditel in Italy to come up with a common TV/digital currency.

However, this is still not a reality, the TV audience on digital devices, including CTV, is currently measured on a unique devices/households basis rather than unique viewers, making it not yet possible to add it up to the traditional linear TV panel figures.

Take Advantage of Authentication

CTV is a premium, un-cluttered, environment and the viewing experience is lean-back. It is possible to follow logged in users across devices and deliver different creativities accordingly. It is possible to enrich TV's top-quality creativities adding interactive/dynamic features targeted to specific users.

Logged-in users allow for better targeting, leveraging a larger data pool collected across other devices linked to the same IP address or household.

EBX
EUROPEAN BROADCASTER EXCHANGE

A joint venture of leading broadcasters in five European countries: Mediaset in Italy and Spain, ProSiebenSat. 1 in Germany, TF1 in France and Channel4 in the UK. It aims at enabling the programmatic and direct buying of pan-European BVOD inventory from a single point of contact across a reach of over 60 million unique users.

For this handbook, Xandr interviewed senior executives at 22 organisations in eight countries — broadcasters, ad buyers and intermediaries — in order to learn how peers can best step forward into the world of global CTV.

Australia

Australia is an advanced CTV market where main broadcasters' content is dominant and where several industry-wide initiatives are helping reduce fragmentation, smoothing advertisers' path to buying across the range of services.

Forty-five percent of Australians over the age of 14 years have viewed content on a connected television and 30% are doing so daily, according to IAB Australia data.[9] Consumption happens mostly on smart TVs.

The opportunity exists primarily in Australia's major broadcasters — Seven, Nine and 10 — which have each launched popular multi-platform BVOD services. This has created "a very healthy marketplace", according to Tom Dover, Xandr's Sydney-based senior account director.

The broadcasters' respective streaming services 7+, 9Now and 10 Play all require user authentication, allowing them to offer advertisers more granular targeting than just geotargeting. "Marketers will be able to target contextual environments, demographic segments from first party logged-in data, or target audiences based on specific behaviours and intent by matching 10's first party data with premium data partners," says Ashton DeSantis, head of video ad product and technology 10 ViacomCBS. Such data allows advertisers to frequency-cap ads across devices within the broadcasters' environments.

But, in Australia, the industry is also breaking down the barriers between its leading CTV destinations. GroupM's addressable TV business, Finecast, has created Finecast ID, a household identifier which combines authenticated logged-in user data from each BVOD service — a development Dover calls "really exciting" and "pretty amazing" helping agencies buy through a single point across the BVOD ecosystem. "This means, when we activate addressable TV strategies, we have the highest-quality data to work with in the market to ensure precision, greater efficiency and improved measurement," according to Finecast's Australia MD Brett Poole.

Meanwhile, the OzTAM measurement agency's Video Player Measurement (VPM) has been overhauled to report people, rather than devices, helping advertisers avoid duplication.

Such collaboration clears the path for advanced, targeted buying, yet companies are still cautious to advise against an excessively digital-style approach.

"At its core, CTV is still a TV-like viewing experience," says Ten's DeSantis. "CTV should be utilised as both a top-of-funnel, awareness and brand-building medium, as well as a lower-funnel buy when targeting and addressability is overlaid."

9 IAB Australia Digital Device and Usage Report, July 2020, www.iabaustralia.com.au/resource/device-and-usage-report-july-2020/

Buy-Side View

Create Space for Learning

Get Started by Testing
Test now and keep learning. This sector is evolving very quickly, so brands who react and invest now will learn and reap the rewards.

Keep it Simple to Unlock Budgets
We believe that 100% of all TV will eventually be bought addressably. The best way to prepare for the shift in investment to OTT, is for the industry to make it easy to buy.

Measure CTV like TV
Small-screen, first-party data use cases are extremely challenged, making household data sets, sales data etcetera the more natural choice for brands to activate on CTV. Digital measurement systems are not relevant in the CTV space and we are seeing the direction of CTV/BVOD measurement moving naturally to TV partners where incremental reach can be more easily evaluated. CTV looks, acts and feels like its dependable predecessor. Brands expect the sophistication of TV.

Brett Poole
Managing Director

FINECAST

Sell-Side View

Apply Data to Take TV Further

Rediscover Youth with CTV
According to IAB Australia, the number of Australians viewing internet content on a connected TV daily has grown 22% over the last year. Most of the CTV audience is made up of the harder-to-reach, younger demographic.

Bring Data to the Party
Having an engaged, logged-in audience allows 10 to target campaigns based on rich audience segments with their data partners. Marketers will be able to target contextual environments, demographic segments from first party logged-in data, or target audiences based on specific behaviours and intent by matching 10's first party data with premium data partners.

Hit Different Parts of the Funnel
Broadcaster CTV inventory is a premium ad experience, with advertisers offered the opportunity to take over the TV screen and present their advertisement to viewers consuming premium video content. CTV should be utilised as both a top of funnel, awareness and brand building medium, as well as a lower-funnel buy when targeting and addressability is overlaid.

Ashton DeSantis
Head of Video Ad Product and Technology

10 VIACOMCBS

Sell-Side View

Seek out Trust and Familiarity

Partner Well to Swerve Fraud

Put simply, access your supply from reputable broadcasters and SSPs via deals. CTV isn't as exploitable by nefarious players as display advertising once was and, if brands simply avoid 'unknowns', they are likely to avoid a lot of the issues that their bargain-hunting competitors will find.

Trade off TV's Strengths

Ultimately, the main objective of CTV advertisement is to generate sales and create brand awareness. CTV delivers a lean-back experience which is consistent with its terrestrial predecessor and, as such, it adopts the characteristics that have made television such a successful medium for advertisers over the past half a century.

Use Technology to Eliminate Repetition

The consumer's ad experience remains a core consideration to the development and success of CTV. Historically, issues such as consecutive ads were of concern to advertisers and broadcasters alike. However, increased understanding of how ad-serving on SSAI (server-side ad insertion) functionally delivers has seen this problem almost eliminated. Advancements in technology such as header bidding will remove this issue completely.

Jordan King
Director of Audience and Automation
Nine

Xandr View

Don't get too Granular

Don't Treat CTV like Digital Display

People say CTV is just another device in the programmatic ecosystem. Some folks would treat it just like another laptop or mobile. But CTV is not a one-to-one audience relationship, it's one-to-household. The digital metrics our industry is used to may not always be useful and, if you try to target to the Nth degree, you may become unstuck.

Identity Selection Drives Frequency

If you use an identity graph that relies on household IP addresses, a lot can break — after all, IP addresses change. That has repercussions for frequency management — nothing is more visible than a broken frequency cap in CTV. Watching TV and suddenly watching the same ad five times. Usually when you watch TV, that doesn't happen, but you just paid five times for an ad and the user will be really annoyed.

Go Local

If not one-to-one, you can infer, from signals, which neighbourhood your viewers are in and target against that. If you know your viewer has a Ford dealership down the road, you can target them with a dealer's ad.

Tom Dover
Senior Account Director
xandr

Taiwan

CTV in Taiwan is a fledgling but increasingly diverse opportunity that presents value for early participants to gain advantageous outcomes.

A relatively high proportion of consumers use illegal streaming devices[10] — however, legal dongles are readily available in supermarkets, and many set-top boxes are also internet-ready.

CTV programming is delivered via a rich array of providers — often by broadband providers who carry OTT aggregators in a bid to provide value-added services — and includes several Mandarin offerings from China.

"The market has gone 'bang'," says Tom Dover, senior regional account director for, Xandr. "This is the most fragmented market I've seen in APAC. Consumers have a huge amount of choice."

"We deploy our own unique LiTV ID to all individual CTV devices," says Ta-Wei Chien, CEO of LiTV, a leading OTT player in Taiwan that offers more than 100 local and international TV channels and VOD content. "We also use ours and third-party data to reduce cookie dependency."

Ad buyers must understand whether to buy with such services versus traditional broadcasters, which, despite owning most premium content, are "still behind the curve", unmoved to embrace CTV until truly demanded by advertisers, according to GroupM's Taiwan chief transformation officer, Alice Yu.

Yu says premium inventory in Taiwan is, therefore, scarce. Pushing buyers to balance brand impact in available channels with brand safety concerns.

10 Asia Video Industry Association's Coalition Against Piracy (CAP) survey

Buy-Side View

Reserve your Seat at the CTV Table

Incentivise the March to the Future
We want to be where the audience will be in the next five to 10 years. Clients who heavily invest in CTV will be the ones to influence decisively when CTV can grow into fruition. Most broadcasters in Taiwan are still behind the curve, and only when they begin to realise TV budgets are to be shifted to CTV will they start to take action to evolve.

Prepare for Measurement Liquidity
There is as yet no unified measurement across TV and CTV devices. When one is ready, the CTV growth will pick up speed. A third-party measurement for CTV that duplicates Nielsen TV ratings will help advertisers to benchmark investment in CTV, thus driving in more budget. We are working with Nielsen Taiwan to develop Total Measurement Ratings (TAR).

Balance Big Players and New Entrants
OTT is certainly a growing destination amid cord cutting. But TV broadcasters still own most of the content, high-quality in particular. We should brace for a future fuelled by the synergy between content owners and OTT channels.

Alice Yu
Chief Transformation Officer
groupm

Sell-Side View

Identity is the Glue for Cross-Screen Experience

Deliver Consistent Quality

CTV has the highest user growth rate and retention rate. CTV ads combine the big TV screen and digital ad technology together; it provides a brand new ad opportunity. Nowadays, consumers are fragmented by devices, and the time they consume the content is also fragmented — the video ad length may vary by device. However, the video quality should remain consistent to the content and across devices. A creative should include multiple-bitrate videos to accommodate the connection speed and the screen size.

Choose Publishers that Provide the Right Data

CTV ads can target specific audiences through our household profile data, and they can send re-targeted ads to household members' mobile devices or PC. Marketers should select publishers that are able to provide basic signals like user agent string and app bundle in every ad request, and that are ready to support OMID (Open Measurement Interface Definition) third-party measurements. To improve targeting opportunities, brands should select publishers that can support first-party data and household graphs. The first-party data could be from the brands, publishers or the mix of the two.

Start Now to get Ahead

CTV is niche now. Participate earlier to reach niche audiences, to gain experience in running CTV campaigns and to evaluate the publishers. CTV will become the mainstream in the future. Between now and then allocate the budget wisely to maximise the reach.

Ta-Wei Chien
CEO

LiTV 立視線上影視

Xandr View

Assess Inventory for an Early Opportunity

Exploit the Post-Choice Window

Many big-name set-top boxes carry OTT players, many of them in turn aggregating content from other suppliers. Consumers have a huge amount of choice. But we see subscription fatigue on the horizon, driving CTV ad spend — there will be more ad-supported options.

Get in at the Ground Floor

Taiwan is a nascent market, not yet fully in flow. But there are big regional players in APAC, like Iqiyi and Line TV, recognising that the market is increasingly affluent. Look at maturity of the market, the quality of content. Make sure you have access to that premium content. Partner with the biggest content providers in the country.

Set the Right Parameters

Digital display has seen a backlash of privacy concerns — people don't want to give up data for a poor experience. In emerging markets like Taiwan, we have an opportunity as an industry to make CTV really good — let's get it right from the start, not spoil it.

Tom Dover
Senior Account Director

xandr

France

France was a pioneer in internet-delivered TV — but a paucity of OTT TV apps plus a long-running legal block on targeted TV ads has made connected TV a unique proposition to navigate in the country.

ISPs like Orange cornered the market early on with “IPTV” services delivered through their own boxes, now making up 60% of linear consumption. Incumbents have largely stayed in this environment, rather than commit to smart TVs or dongles, meaning challenger apps have had limited opportunity for distribution. Rakuten, Molotov and myCanal are among the few providers to have succeeded outside of IPTV. CTV ad inventory, therefore, remains small-scale.

A historic law outlawing household-level ad targeting in linear streams was relaxed in August 2020, giving operators the capability to do creative ad replacement.

Gregoire Besson, Xandr’s France account director, believes use cases for this will be tentative, beginning with geo-targeting. “The infrastructure is not enough to support programmatic buys,” he says.

While executives in some markets fret about scale and measurement, CTV in France is a nascent opportunity.

“You cannot measure in an immature market,” says Thomas Allemand, senior director of digital agency Jellyfish. “Although it is growing, the current low level maturity of the CTV device in France leads us to adopt a proactive and exploratory approach.”

But Allemand sees the looming deprecation of third-party digital cookies driving renewed interest in connected TV. “We will see a switch between the primary device of digital marketing, which will decrease in addressability, while home’s most beautiful screen — the television — will gradually open up to it,” he says.

One point of view is that legal thresholds requiring streaming services host a large proportion of domestic content may help protect French operators from international competition — but advertisers will hope broadcasters can capitalise.

“Our goal is to pioneer these new uses, in order to offer brands the best advertising experience,” says Vincent Salini, digital sales director at France Télévisions Publicité, the state-owned broadcaster’s ad sales house. “We will have new business opportunities — local advertisers thanks to geographic targeting, digital advertisers thanks to targeting from digital media, TV advertisers by optimising their current spend.”

Buy-Side View

Prioritise Identity and Creativity

Explore New Ground

The low maturity of the CTV device in France leads us to adopt a proactive and exploratory approach. Our approach is hybrid: a dedicated senior and multi-expert task force to build and then deploy our value proposition and ensure it is fit for the business. In the meantime, trading teams will make sure that they share empirical knowledge with the task force.

Adopt a People-Based Marketing Strategy

Integrate from conception all the issues surrounding strict respect for privacy. Limit fragmentation by using pivotal identifiers that are as interoperable as possible within the different platforms. Offer identification to the individual — preferably deterministic — either natively or via partners like Liveramp or Zeotap. Reconciliation on people-based identifiers will make it possible to reconnect all media consumption behaviors online and offline. For example, to quantify the incremental impact of the CTV activations of an advertiser on his business.

Deploy a Highly Qualitative and Personalised Creative Experience

It is necessary for advertisers to surround themselves with digital partners able to offer them creative agility — for example, by adapting and then optimising their assets on all platforms and devices. The TV screen is no exception to this logic — to ensure a seamless advertising experience, advertisers will have to adapt and multiply their creative messages according to targeting while maintaining high production quality.

Thomas Allemand
Senior Director,
Programmatic & Partnerships
jellyfish

Sell-Side View

Regaining Control and Opportunity

Rediscover Youth with CTV

According to IAB Australia, the number of Australians viewing internet content on a connected TV daily has grown 22% over the last year. Most of the CTV audience is made up of the harder-to-reach, younger demographic.

Bring Data to the Party

Having an engaged, logged-in audience allows 10 to target campaigns based on rich audience segments with their data partners. Marketers will be able to target contextual environments, demographic segments from first party logged-in data, or target audiences based on specific behaviours and intent by matching 10's first party data with premium data partners.

Hit Different Parts of the Funnel

Broadcaster CTV inventory is a premium ad experience, with advertisers offered the opportunity to take over the TV screen and present their advertisement to viewers consuming premium video content. CTV should be utilised as both a top of funnel, awareness and brand building medium, as well as a lower-funnel buy when targeting and addressability is overlaid.

Vincent Salini
Digital Sales Director

france•tvpublicité

Xandr View

Seek out Trust and Familiarity

Understand the IPTV USP

France is very unique. We have what is called 'segmented TV'. Each ISP has developed IPTV box, supporting ad swap-outs. Today, broadcasters are reluctant to invest in CTV app development — they're already inside all the set-top boxes. But as more and more people are buying smart TVs — broadcasters will have to invest.

Get Ready for Addressable

Due to the law change in August 2020, you can do targeted linear TV spots. Despite everyone talking about it for years, no platforms are yet ready to offer it. We are waiting for the ISPs and broadcasters to make deals together. For the moment, there will only be geo-targeting — programmatic will come later.

Global Brands must Think Local

Broadcasters are working in silos. For a national campaign, buyers must go to each broadcaster with deal IDs. There is a lot of specificity about the way you get ads on to set-top boxes in France, and TV spots must be validated by a third party before airing.

Gregoire Besson
Account Director

xandr

Germany

Connected TV advertisers in Germany can access a fast-growing base of attractive media consumers — but they must navigate a still-evolving ecosystem, strong viewer privacy sentiment and a landscape in which publishers are particularly powerful.

CTV users are expected to reach 52.3 million in Germany by 2024, according to eMarketer — up from 48.1 million in 2020[11] — that is 62.7% of the population.

Participants like the sound of the capabilities. "Advertisers can use the power of VOD on CTV to close the gap from declining TV usage and to win back lost TV target groups," says Amanda Cohrs, global programmatic advertising consultant at Hamburg-based ShowHeroes, whose technology helps publishers deliver online video.

But Artjom Gammel, Xandr's senior partnership manager for Central Europe, warns that buyers must understand the regional market.

In 2019, RTL and ProSieben, which dominate the linear TV segment, agreed a single-platform joint venture to process addressable TV ad buys, whilst CTV additionally remains available via demand-side platforms.

Despite this cooperative appearance, access to CTV is governed through supply-side platforms (SSPs) with exclusive relationships — Smartclip for RTL's IP Deutschland, YieldLab for ProSieben's SevenOne Media, FreeWheel for Sky.

Jörn Strehlau of GroupM's dedicated advanced TV-buying unit Finecast says the quest to create effective identity systems, with which to target CTV, is a challenge — not just because many connected TV devices do not include usable identifiers out of the box but also because the prevailing climate is moving toward consumer opt-out regardless.

A 2016 ruling that punished Samsung for collecting smart TV viewer data without consent set the tone for market-wide caution when it comes to CTV privacy.

11 eMarketer, Germany Digital Video 2019, September 2019, www.emarketer.com/content/germany-digital-video-2019

Buy-Side View

Work out What's Old and New

Think Outside the Box

CTV is neither 100% comparable to TV nor to online video. Although you can buy it via the same platforms you use for online video, it works quite differently in a lot of aspects. The targeting and measuring mechanics will work differently than that in online video or TV, at least for the foreseeable future. This is neither good nor bad — it is just different. You should be open to understand these differences to enable proper judgment and to make the most of this great opportunity for you and your brand.

Benefit from the Post-Cookie Bump

The deprecation of third-party cookies will have a positive impact on CTV, as advertising spend might be shifted into channels that already work without cookies, such as CTV. The demise of the cookie will probably also lead to a reconsideration of identity in advertising and for advertising purposes, which will help CTV as a channel that, by design, is less deterministic, for example, online video, which is currently a one-to-one channel.

Familiar Tools can Fight Fraud

Use what you have learned from online advertising. Look at the partners you are working with and work with partners you can trust. Fraud will only happen if there is a fraudster that can benefit from it. Lean on reliable partners that you know and have worked with in the past — partners that are audited by third-party authorities are the ones we would recommend taking with you when exploring the CTV opportunity.

Jörn Strehlau
Managing Director

groupm

Buy-Side View

Grow the Channel Mix

Find Lost Viewers

As CTV is one of the main channels for the "streamer generation" it is mandatory to invest in CTV, to be able to reach and address this group adequately. CTV also offers improvements in comparison to classic TV bookings. The measurements are no longer based on assumed figures but rather on actual and more accurate data.

Play by the Rules

Regulation plays an important role and it should be ensured that the regulation requirements are correctly followed, as violations can lead to serious consequences, like the cases around relevant stakeholders has shown.

Add, don't Subtract

We should consider CTV as an additional investment channel in the marketing-mix and not as an independent channel to be relied upon alone. With the sustained perspective on the technical development, CTV/OTT will grow, and linear TV will decrease overall. Rather than it being a question of replacement, it should be seen as a valuable addition instead.

Markus Kerken
Addressable Director

matterkind

Sell-Side View

Act Early, Act Realistically

Know the True Status of Capabilities

Measurability of viewability and audience verification is limited due to the lack of VPAID and VAST 4 tag support in CTV. User interaction is possible but needs different creative approaches — we are at the beginning of a learning curve here. It is more challenging to build cross-device user journeys as TV devices are commonly shared by members of a household. This requires rethinking of targeting and user identification concepts.

Think TV, not Digital

CTV 'deserves' the same trust as a medium as linear TV. It is essential to assess the capabilities of CTV/OTT in comparison to linear TV and 'traditional' media buying, rather than benchmarking CTV against more recent accomplishments on mobile and desktop which is ahead in terms of third-party verification.

Gain an Early Advantage

Early movers will benefit from steep learning curves in-house and unlock even greater future opportunities for themselves, rather than having to follow their competition later on. The CTV landscape is currently comparably fraud-free and brand-safe. Broadcasters who master CTV as part of their digitisation strategy, advertisers who use the power of VOD on CTV to win back lost target groups and content producers who did not have access to the TV advertising ecosystem before will own the emerging CTV opportunity.

Amanda Cohrs
Global Programmatic Advertising Consultant
SHOWHEROES

Xandr View

Jump in with Old Alliances

Broadcasters have Teamed Up

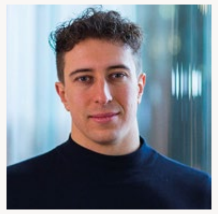
Germany is a more publisher-focused market. Publishers have organised themselves in alliances. Many major publishers came together quite early on, compared with elsewhere in Europe, to head off the perceived threats from Google and Facebook.

Secure Early Advantage

Early evangelists, when they try it out, have good results on delivery. They can really shape things and can secure a very strong position in this specific advertising, even if there are obstacles to overcome.

Open up Inventory

Sellers will find it easier when they adopt the most recent versions of the VAST and VPAID video tag standards. They must make their inventory more attractive to buyers.



Artjom Gammel
Senior Partnership Manager
xandr

United Kingdom

The UK is an accelerated, on-demand media ecology where national broadcast networks are striving to create new platforms to attract and retain viewers and advertisers, amid competition from new entrants.

eMarketer forecasts UK connected TV users growing from 40.9 million in 2020 to 44.4 million in 2024.[12] The COVID-19 pandemic has strengthened the impact of SVOD services, with 53% of homes already subscribing to beforehand, and the early-2020 lockdown adding three million new subscribers.[13]

As a result, advertisers believe CTV can help them find audiences in what is an increasingly fragmented media landscape.

"CTV is viewed as an incremental driver to reach both new audiences and those who've changed their viewing habits," says Melinda Clow, head of programmatic activation at OMG UK. "CTV provides us with the ability to complement linear buying through reaching these audiences at lower costs whilst being able to outperform general VOD media metrics."

Satellite provider Sky pioneered the concept of "addressable" TV advertising with AdSmart by using known household attributes to select from ad creatives stored on a set-top box, and has broadened the offering across rival Virgin Media's footprint and for Channel 4's linear broadcasts.

The OTT opportunity is more nascent and less cooperative. Through their multi-platform apps All4 and ITV Hub, the UK's main commercial broadcasters, Channel 4 and ITV, are gathering attributes on their own registered viewers (23 million[14] and 32 million[15], respectively) with which to sell directly. This is driving up UK CTV scale, albeit via distinct channels. ITV's opening-up of Hub inventory to programmatic sale through its new platform Planet V is a significant moment for agencies who wish to access mass-market UK CTV viewers.

Such offerings may appear to be "walled gardens", but they offer a valuable route to market while CTV works to improve its own capabilities.

"The practical execution of CTV campaigns still requires too much heavy lifting," says Jason Trout, global chief digital officer of Peach Media, whose software facilitates digital ad delivery. He says the legal requirement for all UK TV ads to be approved by the regulator Clearcast before broadcast will put CTV at a disadvantage compared with the likes of Facebook.

Groups like Peach, OMG and others say achieving the ability to measure CTV performance in a cross-device, "total TV" fashion is critical — but many are urging agencies, too, to bring together TV and digital planning teams. The absence of CTV targeting cookies may seem to mitigate further against the cross-media approach but, soon, all digital platforms will have to get by without cookies regardless.

All of these divisions perhaps point to a UK CTV opportunity that, for now, may look a lot like TV itself, but one that is mediated by digital efficiencies.

"Even with positive adoption of new access points there's still a big place for TV," says Austin Scott, head of EMEA video marketplace development at Xandr. "TV is cheap, easy and still reaches mass audiences. Digital was pulling us apart — but TV allows for a shared experience."

"When CTV is at scale, the ability to do things like A/B testing of creatives on the fly, design custom messaging and use a custom deals library with real-time information will be transformational."

12 eMarketer, UK Digital Video 2020, October 2020, www.emarketer.com/content/uk-digital-video-2020
13 Ofcom, Media Nations 2020, www.ofcom.org.uk/__data/assets/pdf_file/0010/200503/media-nations-2020-uk-report.pdf
14 Digiday, "Inside Channel 4's first-party data strategy", April 2020, www.digiday.com/media/inside-channel-4s-first-party-data-strategy/
15 The Drum, "How Planet V will 'futureproof' ITV's ad business", October 2020, www.thedrum.com/news/2020/10/05/how-planet-v-will-futureproof-itv-s-ad-business#:~:text=After%20months%20of%20in%2Dhouse,its%20VOD%20service%2C%20ITV%20Hub

Buy-Side View

Understand the Partner Economy

Stay Safe with Strong Suppliers

To ensure brand safety, our advice would be to have a supply path optimisation strategy right from the beginning. This would entail introducing direct access to publisher inventory wherever possible whilst limiting the number of SSPs (supply-side platforms) you work with. Together, this ensures better control of the supply as well as promoting closer, more strategic partnerships. In the UK, the CTV space is a cookieless environment, so brands need educating on how this differs from traditional programmatic channels. CTV publishers differ immensely in their offerings, and they are all working hard on producing data-driven supply opportunities, so it's worth investing time to learn the nuances of the various vendors.

Work Within the Rules

European member states are required to promote European works, both across linear and on-demand audio-visual media services. This strengthens the competitiveness of the European audiovisual industry and thus promotes cultural diversity and heritage in Europe. Both SVOD and some AVOD broadcasters must adhere to this. In the UK, Clearcast in the UK ensures broadcasters do not show ads that are offensive, harmful or misleading. Clearcast approvals are not as widespread across the CTV space yet — however, there are some channels such as The Box who do require Clearcast approval.

Seek Cross-Platform Support

We at Omnicom are approaching this from a 'Total TV' point of view — we want to plan, buy, optimise and measure across all screens, devices, platforms and content. To enable this, we will be offering our support to industry-wide measurement initiatives such as Project Origin, which is a cross-media measurement programme led by ISBA (Incorporated Society of British Advertisers) but takes into account global principles set by the WFA (World Federation of Advertisers). We're hopeful Project Origin will provide the necessary evaluation of our campaigns to complement our current planning processes.

Melinda Clow
Head of Programmatic Activation
OMG Omnicom MediaGroup

Sell-Side View

Quality is King

Plan for a Regulated Revolution

The direction of travel for CTV is to be more regulated rather than less. Ad clearance bodies need to be able to scale to handle personalisation as well as advertisers that are new to CTV and AVOD. The copy considerations for an e-commerce execution with a video on Facebook aren't the same thing you would aim to run on BVOD.

Deploy a Diverse Creative Workflow

To really thrive in the CTV space, you have to commit to the significant creation of creative variations. With that comes responsibility to ensure that the users have different, appropriate executions to watch and consume. Broadcasters would never allow the same ad to run in the same linear ad break, and certainly not with a similar competitor. The same rules should apply in the CTV world. Dynamic Content Optimisation (DCO) technology is a way to really create that personalised experience. In order for DCO to really work, the highest quality assets need to be available at the right time and on the device that the customer demands. So infrastructure is critical to ensure that the workflows support this ambition.

Keep Creative Quality High

We must not do to video what we did to display ads — horrible, templated creative executions. We should avoid our ad breaks looking like the low-production-value, direct response ads you get in the US and other markets. We should maintain the emotional connection we can achieve with true creativity — not just rotating an end card and calling that 'personalised'.

Jason Trout
Global Chief Digital Officer

Peach

Xandr View

Prepare for Impact

Create Community from the Masses

There is a long shift in society toward individual choice versus a shared experience. Digital has created bubbles. But TV is a social medium. That may be what makes brand messaging so much more impactful — ads that have that sense of shared experience.

Lay Foundations for Scale

When CTV is at scale, the ability to do things like A/B testing, creating at a whim, designing custom messaging, using custom deals library and using an always-on deals library with real-time information will be amazing. Now is the time to lay the foundations to put plans together, to understand how you want to build your business.

Work with and around PSBs

The existence of so much strong public service broadcasting (PSB) in the UK puts extra pressure on companies to come in and offer attractive content. The big five players are only going to get bigger.

Austin Scott
Head of EMEA Video Marketplace Development

xandr

Regional View

LatAm Overview

CTV is growing in Latin America, as advertisers look beyond traditional broadcasters and infrastructure concerns to benefit from the channel.

"We are just getting started," says Vanesa Marcuzzo, sales director for Xandr in the region.

Unusually, some broadcasters in the region have historically placed their programming on YouTube, while video consumption has been suppressed by Latin America broadband penetration of only around 50%.[16] The arrival of premium AVOD services like Pluto, with extensive CTV capabilities, is likely to drive the market forward.

Ross Catto of Vitor Media, which creates OTT software solutions, says 100% viewability and a higher-quality ad experience than mobile and desktop is beckoning advertisers.

"We consider the main objective of CTV to be brand-awareness generation," says Angel Muñoz, product development leader for LatAm at GroupM's programmatic unit Xaxis, which executed the campaign.

But most campaigns are set up as deals, rather than in auctions. Despite the market's size, many players are already concerned about CTV ad fraud. "The best practice to properly tackle this issue at the moment is to directly negotiate deals with the publishers in order to access premium brand-safe CTV inventory via deals or PMPs," says Muñoz. "If it is not possible to manage a direct deal with the publishers, marketers should turn instead to the fraud filters provided by third-party auditors."

16 GlobalData, www.tech.newstatesman.com/business/latin-america-broadband

Buy-Side View

Put it all Together

Teamwork Makes the Dream Work

It is important to deploy a structured teamwork that involves the creative agency, the client and, in our specific case, the media tech company. All those different perspectives working together will boost content creativity where the ad campaign will be carefully aligned with the format, the device and the desired marketing strategy. Ad content will, as a result, be specifically catered to the user's needs and appeal through highly personalised messages.

Know Audiences Through Data

Fostering a robust AI structure, supported by the user's login details, content consumption patterns and streaming device information among others, is one of our main recommendations since it will allow you to harness valuable data for accurate algorithms covering the industry needs, as well as the client's desired objectives.

Avoid Fraud by Going Direct

The best practice to properly tackle this issue at the moment is to directly negotiate deals with the publishers in order to access premium brand-safe CTV inventory via deals or PMPs (private marketplaces).
If it is not possible to manage a direct deal with the publishers, marketers should turn instead to the fraud filters provided by third-party auditors.

Angel Muñoz
Product Development Leader
XAXIS

Sell-Side View

Push Standards Forward

Follow the Viewers
Given the rapid adoption globally of OTT, advertisers will want to target the environment where users are increasingly consuming their favourite content. In addition, CTV offers a much higher quality ad experience relative to mobile and desktop devices.

Quantify Quality
Marketers should utilise a variety of ad verification vendors to monitor the quality of the inventory as one vendor may identify ad fraud when another does not. Marketers should also look out for unusual spikes in ad requests on an app, channel or publisher. Outside of live sporting events, very popular TV shows or new movie releases, CTV ad inventory remains fairly consistent and follows typical TV viewing habits, such as increasing in the evenings and on the weekends and dropping during the weekdays.

Demand Cohesive Measurement
Given the fragmentation of inventory sources, limited transparency and differing tracking metrics across the industry, it's important that the advertising community formulates standardised tracking and reporting metrics (beyond viewability and VCRs) for the performance of CTV campaigns, to help brands effectively evaluate ROI across their media plans.

VITOR MEDIA

Xandr View

Prepare for the Future

Demand Publishers use Latest Standards
CTV allows specific types of video ad formats. CTV formats use VAST video creatives to work on Smart TV devices. As VPAID usually does not work on these devices you can't cross viewability metrics on that inventory. The right metric for CTV formats is Video Completion Rate (VCR) and we are certainly seeing our publishers achieve very high VCR on CTV inventory.

Use the Right Metrics
Buyers should try out and understand new formats more. CTV has the highest video completion rate (VCR), which is great. But don't buy CTV as though it were another type of digital video. You cannot use metrics like CTR (click-through rate) as you cannot click on CTV ads. When you try to set those parameters, the campaign won't work at all. If you would like to have a high VCR on a video campaign, make sure to address CTV inventory.

Prepare for Direct Deals
Pluto TV has been launching in Latin America and has grown a lot as one of the main sellers of CTV. But most buying is via deals, rather than the open market and I believe we will see this trend continue to grow throughout next year.

Vanesa Marcuzzo
Senior Director
xandr

Regional View

Brazil

Brazil is a new and fast-growing CTV market, in constant development mode, intent on building out OTT capabilities and combining strategies with linear TV.

Free-to-air TV, dubbed "Open TV" in Brazil, leads consumption and the economic outlook maintains a large mass of linear viewing. Pay TV has grown in recent years and is quickly tilting to SVOD. Globo's GloboPlay service successfully offers a hybrid, 'freemium' model, offering customers both complementary and extra cost services, but Brazil is Netflix's third-largest market, indicating a small but growing movement of cord-cutters, while HBO Max, DirecTV Go and Hulu are expected to launch soon.

Unlike linear TV, subscription services dominate the streaming space but, due to economic conditions, a big part of the population prefers access to free content options.

This is where the AVOD opportunity lies — to help content producers and broadcasters understand that monetising content is the key to democratising content.

With Globo's competitors SBT, Record and BAND having a lighter digital offering, this makes it imperative to successfully navigate the CTV waters for best effect.

The Brazilian market is primed for early adopters to make a big impact as new services light up, once advertisers and sellers are open to test and learn about new market trends.

"We are growing," says Rita Mesquita, commercial director of Xandr in Brazil. "Agencies and advertisers are looking to expand their opportunities and test new solutions, but we still face some challenges and one of them is a lack of inventory".

"We need publishers to onboard that inventory and help us create this marketplace, so we can get advertisers to test the waters and make sure this is part of their media plans moving forward. This will also help to make OTT services more accessible to a major part of the Brazilian population as we generate more AVOD models."

Buy-Side View

Find Performance in the Attention Economy

Lean on Data

There's no easy way to deliver the right message for the right consumer — but there's no way of achieving it without technology and data analysis.

Drive Toward Conversion

Make use of the best-in-class technology regarding brand safety and suitability. Create an inside culture of test-and-learn and, of course, choose the right partner to help with it. If you make an attribution analysis beyond the dominant last-click attribution model, you can identify that CTV plays an important role in driving conversions.

Test and Learn

Brands should invest where their consumers' attention is. Unfortunately, sometimes this is not what is actually happening. I do believe OTT will play a huge role in brands' strategy in the near future. Take a closer look at where your consumers' attention is, and don't be afraid to test new formats, types of buys and always look for the learnings.

Guilherme Assumpção
Managing Director

matterkind

Buy-Side View

Growth will be Quick

A Fast Move to Connected Devices

Penetration of smart TVs and smart devices connecting to big screens is growing faster than ultra-fast broadband networks here in Brazil. Linear and non-linear content from a variety of broadcasters, programmers and aggregators will soon be consumed without the need of additional investment from distributors or the consumer. Consumers will be able to carry their subscriptions and their video habits across multiple devices whereever they are connected to the internet meaning they will be just a login away from watching their preferred big screen video content anywhere and at any time.

Personalisation Allows for Customised Solutions

Advertisers will be able to tap into targeted groups wherever they consume their preferred video content, be it live sports or on demand series. There is a myriad of support applications to enhance consumers joy both in big screen and connected devices. Those applications will empower T-commerce (trading via a smart digital TV set) like never before.

Gustavo Fonesca
Vice President

DIRECTV GO

Xandr View

Set a Strong Baseline

Prepare for Lift-Off
Brazil will probably have a big space for AVOD services, not only because of the way the economy works here, but also to give people more option outside of subscription models. We are going to see a lot of streaming services enter the market. My advice? Test the waters and create deals. Make sure your ROI can be reached with CTV advertising and that you're managing your investment to complement major strategies. Make sure you prepare your tech strategy and learn how to use data for when the time comes.

Get your Data Right First
Buyers need to focus their spend on data quality. Once you understand your audience, where they are, in which moment and how they behave, you can target them more efficiently, making sure to consider important points such as relevance, recency and frequency. That way buyers can guarantee they are delivering non-intrusive, well-received and revenue generating advertising. CTV makes all of this possible.

Understand the Limits of Identification
We know it is important to target the right person but it is vital that you also guarantee their right to privacy. To build a good campaign you must also respect your audience. You can do this by making sure you understand global, regional and local regulation.

Rita Mesquita
Commercial Director

Regional View

Mexico

The Mexican CTV opportunity is nascent, with several key players describing themselves as in "test and learn" phase, but market dynamics suggest a significant opportunity.

Price-conscious consumers are driving that opportunity, with 37% of Mexicans obtaining content illegally, and pay-TV households declining by 11% between 2016 and 2019. Lower-cost SVOD services, like Amazon Prime at 99 pesos per month, make switching easy. eMarketer predicts OTT SVOD viewers will grow from 34.3 million in 2020 to 48.3 million in 2024.

But significant room remains for ad-funded OTT. New AVOD upstarts Pluto TV and Tubi have an appealing offer, says Orlando Uribe Marin, Xandr sales director in Mexico — though he warns advertisers cannot yet segment their buying across those services by device type, and viewability and household-level targeting is largely off-limits.

Buying agencies OMD and Matterkind say CTV benefits include efficiency, digital-style targeting, frequency-capping and reaching post-linear and younger audiences. But challenges remain.

"It is clear that verification metrics across channels is of utmost importance," says Nicolas Landazuri of AT&T's DirecTV Go service in Mexico. Nicolas Caceres, digital lead at Hearts & Science, advises: "Take advantage of ad verification partners, they are really helpful. Fraud prevention is something that cannot be done only by a human, so you need help of technology partners to ensure a safe brand environment."

Jazmín Argüelles, addressable strategy director of IPG's Matterkind, agrees: "It is not possible to segregate as customers would like. My suggestion is to investigate the list of OTT services and devices in which the client's ad could appear, analyse and eliminate from the beginning where the client does not want to be.

Buy-Side View

Step into the New

Overcome Fear

The CTV marketplace is still very small compared to the current digital landscape with which we could be compared.
The main current objective is for all brands to test the product, to lose their fear of the transformation of traditional media, to believe in information and trust in their digital partners.

Audit the Inventory

Brand safety is and will always be most important. One of CTV's weaknesses is that we cannot guarantee what content the platforms will transmit. My suggestion is to investigate the list of OTT services and devices in which the client's ad could appear, analyse and eliminate from the beginning where the client does not want to be.

Get Familiar with Experiences

Many times, people have told me 'I have a Smart TV but I have never seen an ad,' to which, I ask 'How many apps have you downloaded on your Smart TV?' Ninety-nine percent of the time, the answer is: 'None'. As advertisers we have the obligation to know all the advertising formats that currently exist; regular spot, out-of-home, digital out-of-home, banners, display, videos, podcast, the list goes on. As experts, let's get to know the product, download apps on your own television, see the range of opportunities that exist, live the experience. You cannot comment or sell a product to customers if you do not know how it works.

Jazmín Argüelles
Addressable Strategy Director
matterkind

Buy-Side View

Keep Creative a Priority

Understand the Opportunity

Latest OTT regulations in Mexico have focused on protecting the streaming of at least 30% of local content, as well as ensuring the payment of taxes by OTT players which will likely have an impact and increase the final customer costs.
The suspension of Roku sales ordered by the Mexican court back in 2017 slowed the CTV growth in Mexico. However, in January 2020, Roku announced their focus on strengthening its offer in market, meaning an increase of CTV in the years to come.

Keep Developing

Locally, there is still so much to do. We are in a learning phase where we need to detect key partners. This is where demand side platforms (DSPs) and the right partners are helpful to keep the technology side moving along, while we continue to educate brands and traditional marketing teams on the rise of this channel. At the same time, the industry needs to continue to work on and develop its competitiveness on CTV scale, footprint, ad fraud controls and business goals attribution.

Focus on Creative

The content has to be seamless. Even though it's a CTV environment, you cannot still use long linear TV creatives. The focus on creative is key here. Length and messaging are the most important — at the end of the day, the user is logged on a device because they are interested in content.

Nicolas Caceres
Digital Lead
Hearts & Science

Sell-Side View

Stay Close to Customers

Know your Audience
Content is key. Linear TV viewership is declining but, when you look at news, sports or key live events, the audiences continue to search for linear TV. My advice is to have a very clear understanding of your audience's preferences and behaviours, so you use the correct OTT channel to reach them at the best time, at more optimal cost.

Measure Viewability
Verification solutions for fraud mitigation and viewability will become a priority when improving media quality. Verification metrics across channels is of the highest importance.

Understand Customer Needs
CTV relies on internet penetration over households, and in some LatAm markets that penetration is still low. Focus on the value-added proposition your product or service has. Understand which is the need we are covering from the consumer point of view and continue with proactive communication.

Nicolas Landazuri
Director, OTT
Commercial Operations

DIRECTV GO

Xandr View

Reboot the TV Strategy

Take Advantage of Reach
Be patient. Establish your strategic KPIs. Connected TV is a new inventory that is not cookie-based, it is device ID-based — you can use third-party audience segments inside a TV campaign. It is better to work in the device ID universe than cookies, as you won't have a duplication of impacts. In the past, marketing on cookies meant a lot of duplication. Now, you can have true reach.

Comprehend Technical Requirements
Ensure you understand the different creative specifications including timeframes, sizes and so on. VAST and VPAID tags are very different in terms of what you can track with each. Ninety-five percent of impressions are sold through deals, not open auctions which also serves to create stronger, closer relationships between buyers and sellers. Look at That is a Pluto TV and Tubi, they have a good strategy and are able to maintain close relationships with buyers through their deals. Communication is the key to generating deal and will need commitment from both sides to be successful.

Upgrade TV Thinking
Traditional TV players need to open their minds. The main broadcasters still want upfront deals worth millions, but the more agile people who have worked all their life in digital think differently. Traditional TV salespeople will need to change a lot as they are no longer the 'unique' partner but in today's digital world they are now just one option. Test-and-learn is the soul of digital and traditional broadcasters shouldn't be afraid to try new things.

Orlando Uribe Marin
Sales Director

xandr

United States

The US TV market is experiencing a consumer migration from traditional pay-TV to a plethora of new, internet-delivered services. The tectonic plates of change are shifting beneath the $72 billion US TV advertising industry.[17]

By 2021, 35.5 million US households are forecast to have "cut the cord" from traditional cable or satellite packages.[18] Many are moving to a new wave of over-the-top streaming services. Such services accounted for 25% of all US TV-viewing minutes during Q2 2020.[19]

Viewers are flocking to subscription video-on-demand (SVOD) services like Netflix and Disney+, prompting broadcast networks to offer similar applications of their own. The Association of National Advertisers (ANA) forecasts 82% of US households will be using a CTV service by 2023.

Whilst subscription is booming, advertising is playing a growing role in CTV, as networks and new AVOD services find their own demand. eMarketer estimates CTV ad spending will reach $10.81 billion in the US in 2021[20] — up 56% from two years earlier and representing around 15% of total US TV ad spending.[21]

For decades, US studios, programmers and distributors operated in a stable equilibrium. Everyone knew their place — nationwide programmers like CNN controlled 14 of the 16 minutes per show hour available to advertising and naturally become a home for national brands, whilst local cable operators were able to swap out the remaining two minutes, typically for regional businesses.

The explosion in new viewing options is shaking up that consensus and, with it, media planners' strategies. Newly launched VOD services typically have no geographical boundaries, pitting former peers into competition with each other. Now distributors want to sell to national brands, too, whilst programmers are eyeing the traditional local customers of distributors. What started as equilibrium has become a free-for-all. CTV is a powerful, rich, yet Balkanised experience for consumers and advertisers.

Advertisers are navigating this new and fragmented landscape by using the world's most advanced array of software to take advantage of the opportunities.

Hundreds of ad-tech companies are working to make CTV inventory more accessible. In the last 24 months, several new consortia have launched to smooth out a variety of CTV friction points. The likes of OpenAP and Project OAR suggest the industry is taking seriously the risk that ongoing fragmentation may discourage buyers.

Though "subscription fatigue" has not yet set, judging by Nielsen figures which showed many subscribers took out additional services during COVID-19 lockdown, there is an expectation that consumers will not choose to retain a high number of subscription services long-term.

If the impact of the pandemic worsens the income inequality that is already the widest amongst G7 countries, limiting the public's spending power, AVOD services like Xumo, Pluto TV and Tubi may be poised to gather viewers.

17 eMarketer Forecast, March 2020, www.emarketer.com/content/prior-assumptions-about-2020-tv-ad-spend-growth-may-shift-in-light-of-pandemic
18 eMarketer Forecast, September 2020, www.emarketer.com/content/pay-tv-suffers-historic-cord-cutting
19 Nielsen Streaming Meter, August 2020, www.nielsen.com/us/en/insights/article/2020/streaming-video-aug-2020-milestone/
20 eMarketer US Digital Video 2020, October 2020, www.emarketer.com/content/us-digital-video-2020
21 eMarketer Forecast, March 2020, www.emarketer.com/content/prior-assumptions-about-2020-tv-ad-spend-growth-may-shift-in-light-of-pandemic

Buy-Side View

Make the Most of the CTV Environment

Optimisation goes Beyond the Deal ID

App Bundle IDs provide buyers like MiQ more control in content alignment on CTV. Many deals are set up to allow access to all networks within a broadcaster group, or all channels within a streaming service, where brand performance and cost will differ by network, device and route to supply (e.g. SVOD vs TVE app). Buyers can create more informed bidding strategies or safety guardrails using additional optimisation levers facilitated with App Bundle IDs.

Marketers in the US are still Under-Indexing Significantly to CTV

MiQ's data shows that over half of time spent on TV today is through streaming channels, and there are more US streaming homes today than traditional pay TV homes. Despite this, the average buyer is spending less than 20% of their budget on CTV. There's a huge opportunity to meet users where they're spending the bulk of their time.

CTV Strategy should Complement a Brand's Linear Campaign

There are a number of data partners now that allow marketers to re-engage or suppress audiences they've reached in Linear TV, including Xandr's own STB datasets. These products allow marketers to ensure their CTV and linear campaigns are working together for an ideal reach/frequency outcome.

Managing Frequency is even more Important in CTV

CTV inventory tends to be a full-screen, immersive experience for viewers, which makes seeing the same ad too many times in a row an especially frustrating experience. SSPs and publishers vary in their ability to cap frequency in a given ad pod or in a given day, and across an entire campaign, it's important to set frequency caps that ensure viewers see an appropriate number of adverts in a period of time.

Lara Koenig
EVP of Trading

MiQ

Sell-Side View

Taking the Leap from Traditional TV to CTV

Linear Television is Not Dead

While consumer viewing habits are switching from traditional cable, satellite, and broadcast to a CTV app experience, there is still a high demand for consumption of linear television streams. On-demand content is a huge driver for new services, but Philo's experience we've seen a large number of people still want to simply lean back, turn on their televisions and watch whatever someone else programs for them on their channel of choice (85% of viewing on Philo is in the live linear window) To the consumer, there is no difference between a traditional MVPD and a vMVPD. For advertisers, this means a switch from loosely targeted broadcast ads to a fully addressable ad delivery system and a more efficient way to reach desired audiences.

Reach is Key

When brands look for audience reach on television platforms, it's easy to compare and dismiss the reach of new CTV platforms to the traditional reach for households on television. In the US, that reach is 80–100 million households bought on a direct-sold basis for broadcast and cable, but less than 10% for that on vMVPDs. In order for brands to reach a diverse audience in CTV, they need to be able to buy ads across multiple publishers in a one-stop-shop fashion. Even if the ads aren't bought programmatically, they can be delivered using those methods most efficiently to the largest relevant addressable audiences.

Contextual Commonality

With multiple publishers selling and packaging content in multiple ways, it can lead to a confusing landscape for buyers looking for brand safety and contextual targeting. Adding common signals into ad calls allows for real-time targeting and reporting based on the contents of the video stream, whether it's genre, ratings, or run time.

Don't Lose Focus

Every week there is a news article about a game-changing ad format or a new walled garden approach to buying addressable ads on television properties. Beware what looks too good to be true and focus on the key elements of profitability. What is the reach for this new ad format? How many consumers will adopt new elements, such as t-commerce, and who gets what cut of the profits? Trust in the partnerships you have will is key — it's easy to chase waterfalls, but harder to determine which waterfall is covering the cave that leads to the pot of gold.

Reed Barker
Head of Advertising

philo

Xandr View

CTV Supports a Spectrum of Goals

Exploit Lower Entry Costs

TV-quality video creative is expensive to make, but CTV reduces the barrier significantly. Smaller brands who were previously locked out of TV are coming into the medium. Digital-first brands that were stuck within their core social media are becoming household names using digital-style targeting.

Remember Linear's Value

Not every connected TV execution will be data-driven or digital-style. Addressability inside linear streams is going to be a powerful driver. Connected TV won't so much look like digital media with a sprinkle of television — rather, it will be television that borrows from digital what is most appropriate for the most effective advertising medium in the home.

Go Contextual to Safeguard Privacy

With regulations like Europe's GDPR and California's CCPA sweeping the globe, programmatic targeting has become more and more restricted. Like all forms of media, CTV aims to enhance its identity capabilities — yet it is possible that any identity-based advertising will come under further scrutiny in the next five years. The industry is beginning to ask: "How will you identify viewers in a world where identifiers are illegal?" The answer may be in the contextual targeting that TV has always provided — ads bought against shows with a clear target audience of consumers, by advertisers with a clear goal.

Christopher White
VP Program Management

xandr

Summary

While local nuances will need to be navigated, on a global level, the concept of CTV translates across most markets. Our expert participants for this guide, shared a similar outlook which has been summarised into key considerations for buyers and sellers looking to achieve steady and successful growth wherever you may be.

Considerations for Buyers

Take a Local Approach
The growing opportunities of CTV are global, but only with a hyper local approach.

Recognise and leverage regional commonalities where they exist. For example, Europe's Audiovisual Media Services (AVMS) directive sets the starting framework for TV and video regulation across the continent while its General Data Protection Regulations (GDPR) governs use of consumer data in general while in the US buyers will need to operate within the California Consumer Privacy Act (CCPA) regulation and the same in Brazil with the implementation of Lei Geral de Protecao de Dados (LGPD).

Historically, TV markets have been national. Often, those with the most scale are the TV networks which have enjoyed long-standing audience relationships across many years. Today, the local nuances from regulation to social or technical adoption to technical capability, is proof that for CTV this is not the case. The way in which a market matures in this space will shape the opportunities available and the ways buyers must act. Understanding your market at a truly local level will be key to success.

Balance TV and Digital Appropriately
CTV can enhance TV ad buying with precision targeting and advanced, digital-style outcomes attribution. Buyers should embrace the inevitable convergence but should carefully consider when and how to use digital tactics.

Start with modest campaigns that utilise a subset of new CTV capabilities but continue to employ TV KPIs on the back end. Before jumping to sophisticated household-level targeting, see how local and regional targeting can raise results.

At the same time, brands opting for linear TV should consider bringing data to the top of the marketing funnel. CTV buyers can refine their reach and still make a big brand impact.

Seek out Scale
Every ad buyer is seeking the widest audience. As CTV differs market to market, this is going to be different in each country.

Often, established networks' BVOD services will provide the most effective way to reach a large audience using data. However, in some markets, it is new AVOD services and YouTube that provide the quickest route to CTV scale, whilst TV networks focus on traditional reach through linear.

It is important to identify the best sources of in-market scale for your campaigns, and to lean on the partners which can best plug into it.

Test and Learn
The fastest way to see results is to be in motion. Buy-side partners interviewed for this report unanimously recommended newcomers roll up their sleeves and test out CTV to develop learnings and to secure an advantageous position at the start of a promising channel opportunity.

Testing does not just allow buyers to understand how to most effectively utilise CTV. Results also allow publishers and partners to better learn how buyers want them to deliver. Ad buyers need to become familiar with the technologies, formats and key considerations, to best arm themselves to make impact.

Partner and Pick your Path
In a fragmented ecosystem with many publishers, devices, formats and systems, ad buyers should follow the most efficient route to quality inventory.

Select demand-side platform (DSP) wisely from those which can offer the shortest path to market, which allow the creation of audience segments using a variety of first-party data and support the widest range of measurement options.

For access to walled BVOD inventory, build your internal capability to transact directly with publishers.

Gravitate Toward First-Party Data
Plan and buy campaigns with technology vendors that have direct relationships with customers. Publishers that boast their own distribution platforms, coupled with audience authentication requirements, are able to gather a large array of identity signals from viewers.

These help advertisers target more effectively to reach the right audience in the right context, including household profile, location, time of day, context of content being consumed, even a particular moment in the buying cycle.

Considerations for Sellers

Start the Future Now
CTV in many countries is still young — but the growth trajectory for its consumption is undeniable. For TV and video networks, there is every reason to jump into the opportunity at what can still be considered early days.

Publishers that begin the CTV journey early report they are able to build and refine the tools and opportunities demanded by ad buyers quickly, enabling more secure valuable connections with agencies and partners.

Make your Audience Buyable
To continue its value growth, CTV must offer more than age and gender-based demographic targeting; it must support the buying of inventory using audience data.

Publishers will need to bring a range of audience attributes to the marketplace, from viewer locations to specific audience interests. Advertisers will need to bring in their own customer and prospect data, too, overlaid to create the optimal audience segments that can be activated for purchase.

Team for Scale
One of ad buyers' biggest frustrations when it comes to CTV is fragmentation. The plethora of devices, services and methods that CTV represents can often mean agencies and brands are faced with negotiating and buying with many distinct publisher partners. These publishers can help to attract more spending by harmonising the routes to buying inventory.

Follow the example in Australia, where rival broadcasters' BVOD platforms have been grouped together by GroupM's Finecast in a single viewer identifier, allowing advertisers better access to audiences, even those of platforms that require user authentication.

Reducing the paths to market for buyers in this way will ultimately be the key that unlocks more ad spend.

Stay in Control
The rise of programmatic ad buying began in open-auction marketplaces and often involved remnant inventory. But for TV companies, whose inventory is premium, benefitting from CTV does not mean playing in the bargain bin or being at the mercy of anonymous auctions.

There are numerous ways in which publishers can stay in control of their own quality inventory and data, including; select trusted supply-side platform (SSP) partners with established connections to major ad buyers, adopt private marketplaces (PMPs) to transact only with a selected group of your most important buyers, operate your own authenticated viewing environment which buyers must transact with directly, or secure the sanctity of your user identities by using data "clean room" services that support identity layering whilst nevertheless preserving privacy.

Adopt the Latest Standards
To encourage buyers, CTV services should look to implement technology formats protocols advertisers need to properly measure viewability and effectiveness.

CTV has suffered from viewing devices typically not supporting VPAID (Video Player Ad-serving Interface Definition), a video tag introduced by the IAB in 2012 to enable such features. However, the parallel VAST (Video Ad Serving Template) 4.1 includes the ability for third-party measurement.

CTV publishers should push software and hardware makers to implement such functionality in order to drive spending by advertisers secure in the knowledge they can measure the channel.

Innovate to Find New Ad Opportunities
CTV supports digital enablement of 30-second ad spots familiar in the industry. But there is also a rich layer to tap in staking out new, innovative and non-invasive ad formats.

Some services have found profitable new places for inventory shown whilst on-demand shows are paused, in app interfaces, overlays, premium pre-content pods and even interactive or direct response ads.

For publishers in control of their own platform, the opportunities to delight advertisers with higher engagement are on offer.

> After the uncertainty of the past year, we must now move further into the era of 'convergence' with brands remaining flexible with their advertising strategies and open to new technologies that will help them achieve their goals. To ensure they capture the right audience and share a relevant message, collaboration across our ecosystem will be vital.

To find out how Xandr can help, contact your local representative or email us.

ctvguide@xandr.com

Glossary

Key Pillars

Understanding the definitions is the first step to moving forward.

Over-the-Top (OTT)
Previously, TV was delivered via airwaves, cable or satellite to receivers or set-top boxes. Increasingly, the internet is the access mechanism through which programming is obtained. Services like Netflix, Pluto and Hulu deliver "over the top" of the internet. Can include online video distributors like Hulu and Amazon Prime Video, plus virtual multi-platform video distributors (vMVPDs) like Sling TV and fuboTV.

Connected TV (CTV)
CTV devices are the hardware used to access content over the top. They include dedicated streaming dongles (eg. Roku, Apple TV, Chromecast, Fire TV), games consoles like Xbox and Playstation and integrated smart TV sets.

Delivery Methods

The CTV revolution is reaching audiences in a variety of ways.

Video-on-Demand (VOD)
Consumers' ability to select and view shows at a time of their choosing has revolutionised consumption. In the UK, for example, just 46% of viewing was attributed to live TV in April 2020.[22]

Live Streaming
Live viewing is not over. Content can also be streamed in real-time over the internet.

Broadcast VOD (BVOD)
Programming made available by broadcast networks, through their own access platforms, usually following live transmission.

Internet Protocol TV (IPTV)
Whilst all of these methods involve IP, IPTV often refers to programming delivered over broadband via an internet service provider's own TV service, rather than OTT third parties. Operating in a closed circuit means they cannot communicate with third-party ad servers like other CTV services, adding operational complexity.

Hybrid Broadcast-Broadband TV (HbbTV)
An international consortium and standard aimed at combining digital terrestrial broadcast and broadband delivery of programming.

Access Models

Paid or free? CTV monetisation methods will shape the future of OTT.

Subscription Video-on-Demand (VOD)
A premium, ad-free experience for a monthly fee from services like Netflix, BritBox or Binge.

Advertising-Supported VOD (AVOD)
An alternative to SVOD, AVOD offers free streaming with advertising. Services include traditional broadcasters' BVOD players (eg. ITV Player) and a new wave of digital-native AVODs (e.g. Tubi).

Hybrid SVOD/AVOD
Services that combine subscription and ad support tiers — for example, offering a lower subscription with ad support or a premium, ad-free experience.

Transactional VOD (TVOD)
A digital manifestation of pay-per-view (PPV), TVOD services like Apple's iTunes enable one-off purchases and often time-limited access.

22 Ofcom Media Nations 2020, www.ofcom.org.uk/__data/assets/pdf_file/0010/200503/media-nations-2020-uk-report.pdf

Targeting Viewers

How publishers and ad buyers can use software to enable smart targeting audiences.

Household-Level Targeting
Two households may watch the same show via CTV but may be served different ads based on various identifiers.

Device-Level Targeting
More-granular targeting that identifies, profiles and reaches a specific device, whether it is a smart TV, mobile phone or desktop computer.

Unique App Identifier
The mechanism through which devices allow apps to pass user identifiers to audiences. Historically unavailable to CTV apps and, therefore, buyers.

Identifier for Advertising (IFA)
Provides device-level identification whilst giving users control over information accessed by apps.

Deterministic ID
Audience profiles built from verified known subscriber or user data, authenticated from TV services.

Probabilistic ID
Inferred audience profiles modeled based on previous behaviour and statistical analysis, risking imprecision when compared with deterministic IDs.

Contextual Targeting
Buying ads against the TV show, rather than the audience, based on certain descriptive metadata like genre, mood or subject matter.

Identity Graph
Third-party sources of viewer data against which to buy, often compiled from combining multiple viewer signals, in lieu of on-device identifiers.

Control and Capability

CTV's tricks go beyond targeting.

Competitive Separation
Ensues a publisher's ad pod does not include conflicting brands or categories, thereby reducing competition and consumer ad fatigue, and increasing the value of the spot.

Frequency Capping
Allows brands to guard against agitating viewers with repeat exposures, by specifying a maximum threshold for playback.

Back-to-Back Ads
Playing out the same ad repeatedly kills effectiveness. Back-to-back play-out control limits the risk of repeat exposures.

Server-Side Ad Insertion (SSAI)
Ads are delivered by publishers in the content stream itself, rather than called separately by viewing devices. Increases ad delivery speed, but reduces buyers' visibility into campaign performance.

Dynamic Ad Insertion
The ability to swap out an ad in a TV show, based on audience targeting signals or buyer strategy. Originated in VOD, but now emerging in live digital linear streams.

Cross-Screen Campaigns

Planning, buying and measuring across TV and other devices is a key imperative.

Omni-Channel Audience Reach
Advertisers can track engagement across all digital devices, including CTV devices, to gain campaign-wide insights.

Multi-Channel Attribution
The ability to follow known audience viewing behaviour after the fact — for example, using smartphone location data or website analytics to correlate outcomes back to ad exposure.

Converged Buying
As traditional TV evolves, CTV grows and media continue to fragment, the industry wants to combine buying and selling activities across the ecosystem, to enable unified planning, buying and measurement across media channels.

A special thanks to our contributors

xandr