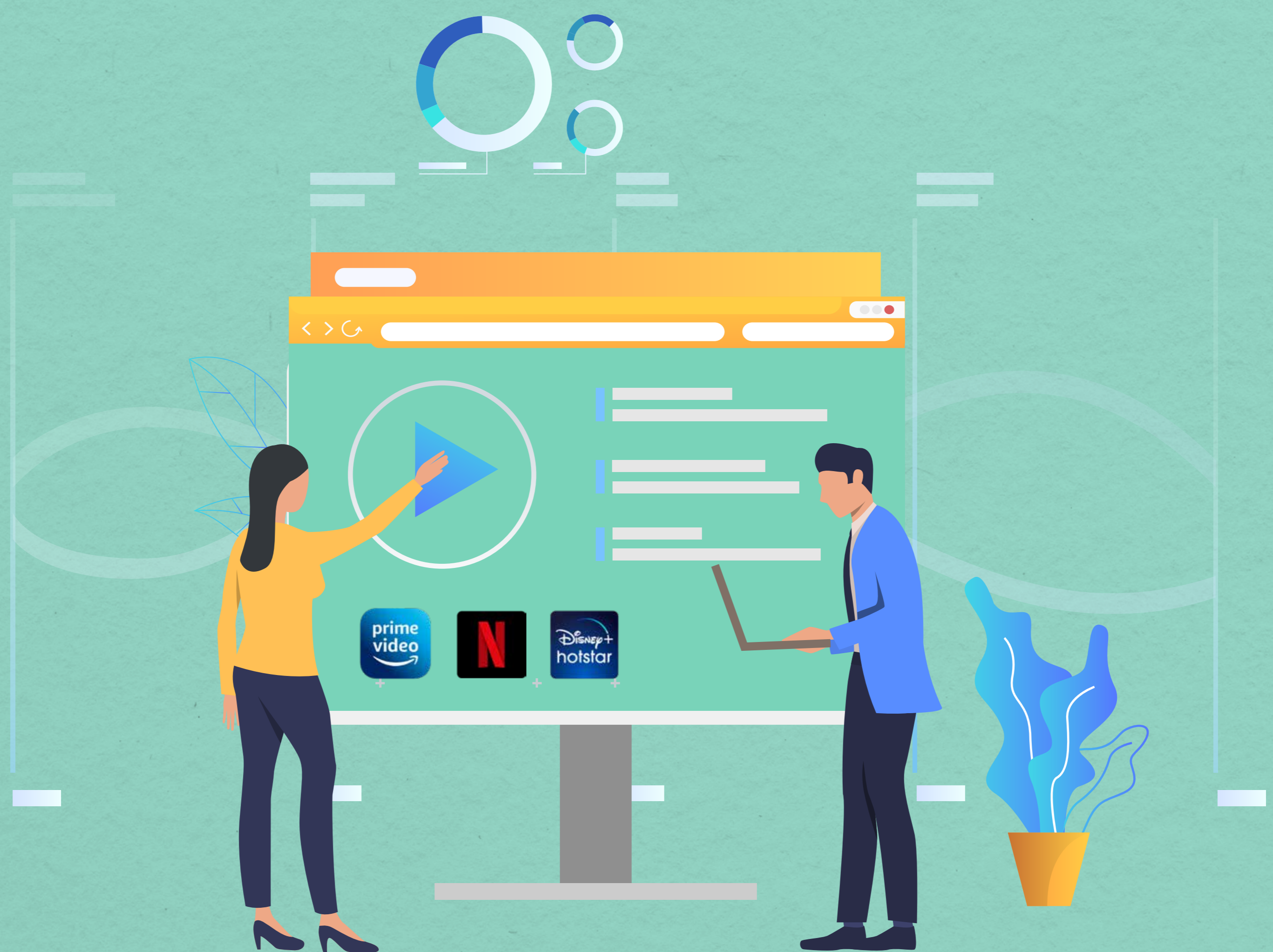


CTV AND OTT ADVERTISING

A SIMPLE GUIDE FOR MARKETERS



INTRODUCTION

Video advertising is becoming more beneficial to businesses as online video consumption grows in popularity around the world. It refers to the use of video content that appears before, during, or following streaming media.

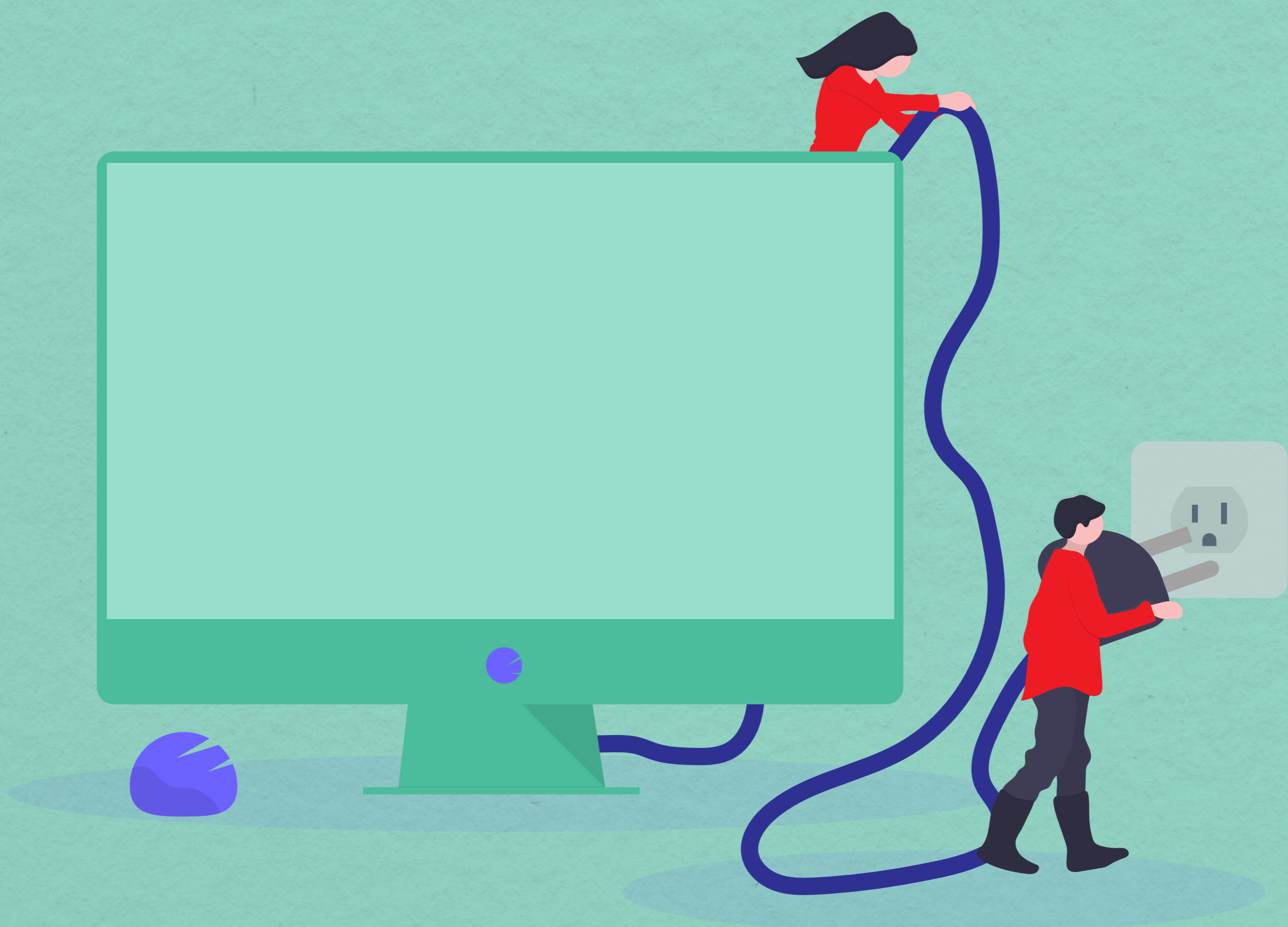
A recent study showed that 87% of all American households have at least one CTV device, which is a significant increase from just 38% in 2012. Examples of this include the advertisements on Chromecast or Apple TV.

It's the main reason why consumers weren't overjoyed when Netflix announced it would be introducing an ad-based tier.

They allow businesses to reach a large, targeted audience and attract potential customers, resulting in a large ROI.

We will go over all the information you need to know about the world of CTV in this guide. You will gain a thorough understanding of what connected TV is, how the ecosystem functions, and how to be successful in advertising within it, whether you're a publisher, streaming service provider, or advertiser.

Let's get right into it.



CHAPTER 1

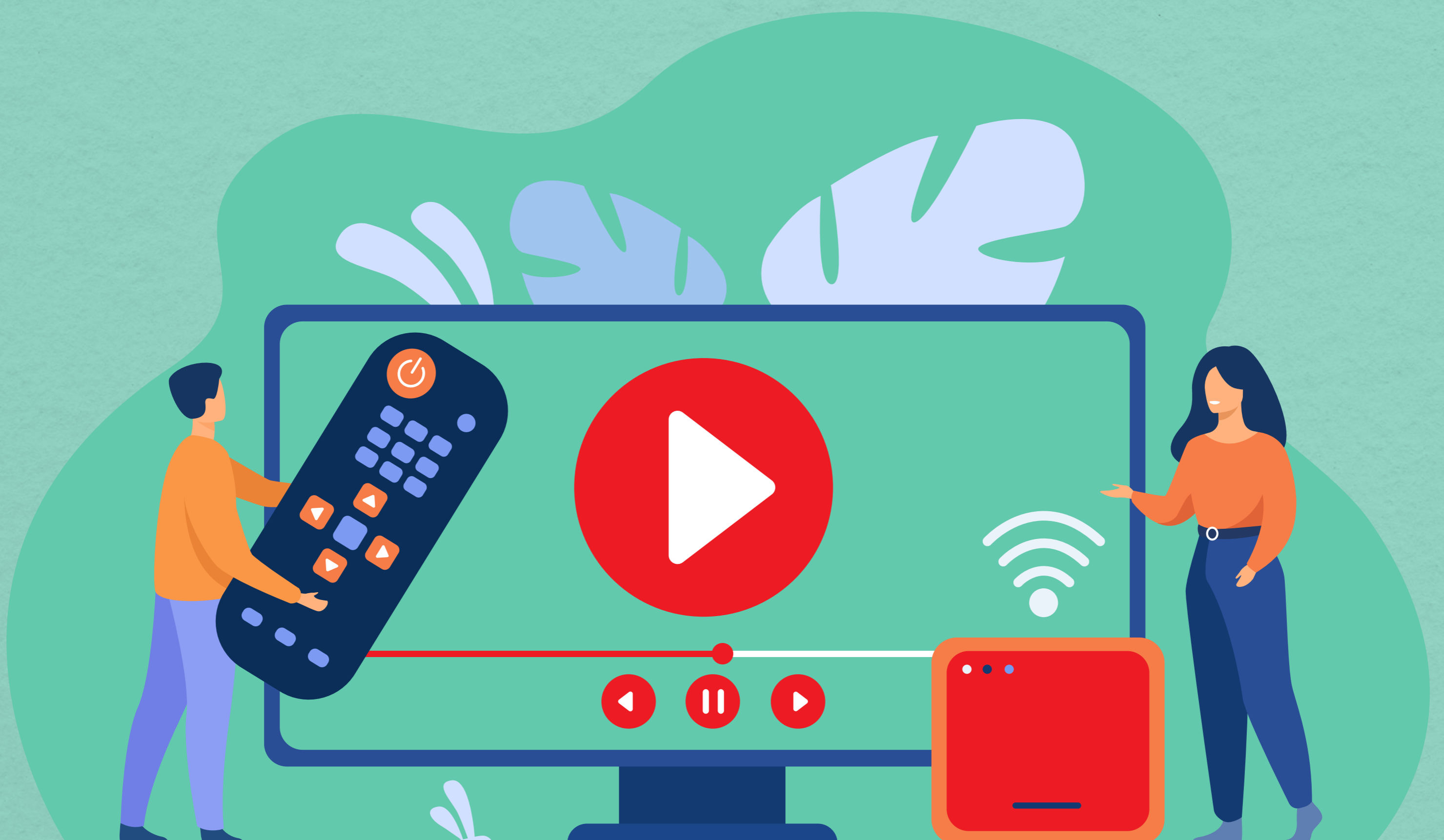
WHAT IS CONNECTED TV, AKA CTV?

A Connected TV, or CTV for short, is a TV device that connects to the Internet and allows viewers to watch video content.

CTV gadgets range from Smart TVs with built-in wifi and streaming to gaming consoles like the Xbox or Playstation, as well as streaming gadgets like the Apple TV, Google Chromecast, Amazon Fire TV Stick, and Roku.

It is anticipated that CTV will account for more than two-thirds of the market for up-front digital video spending in the US this year, with CTV ad spending rising by 33.1% to \$18.9 billion.

As a result, even though linear TV advertising spending is still anticipated to reach \$68 billion by the end of 2022, the gap is closing more quickly than ever.



WHAT'S THE DIFFERENCE BETWEEN CTV & OTT?

Let's clear up a misunderstanding about terminology before we get too deep into CTV.

CTV and OTT are frequently (and incorrectly) used interchangeably by marketers, but they are very different concepts.

Over-the-top providers (OTTs) deliver premium video content via specialized apps or websites, bypassing traditional cable, satellite, and broadcast TV.

In other words, CTV devices are used to view OTT content.

Some of the most popular OTT services include **Netflix, Disney+, Hulu, ESPN+, Amazon Prime, HBO Max, Apple TV+, etc.**



WHAT DOES THE CTV ECOSYSTEM LOOK LIKE?

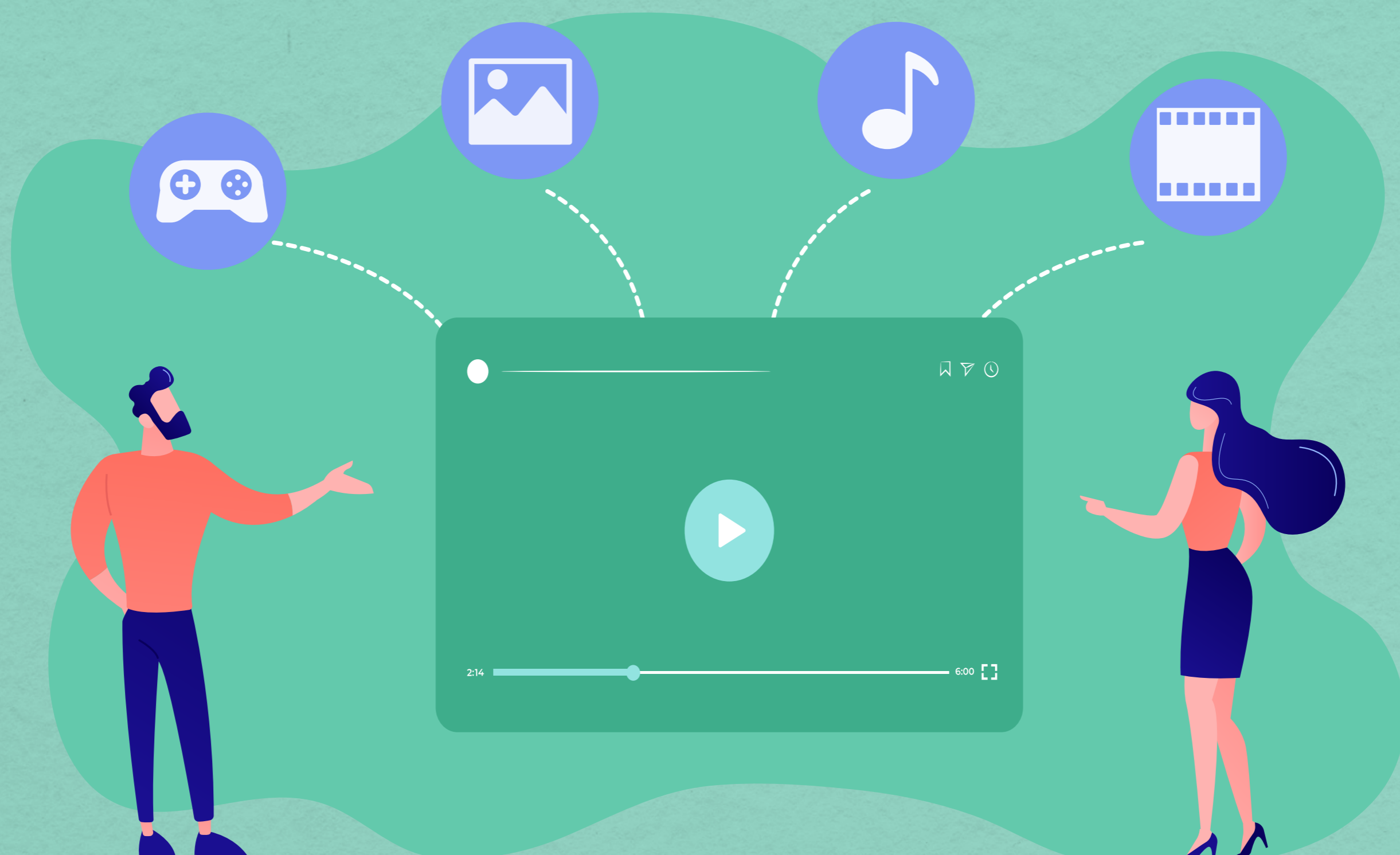
Now that we have clarified the distinction between CTV and OTT, let's talk about the ecosystem. To put it simply, data is at the center of everything, and technology companies are competing for lucrative ad space in the CTV ecosystem.

TV production is now less important than OS adoption due to TV operating systems that allow streaming to collect rich data that advertisers can use to their advantage. This ultimately lowers the price of TVs.

In the US, Roku and Amazon Fire TV collectively hold about the same 60% market share as all smart TVs combined, despite the fact that Samsung and LG are the top two physical TV manufacturers, with 14% and 7% of the market share, respectively. This is due to the highly fragmented market for smart TVs in the country.

As a result, there is now a race to see which OS will be adopted more widely by smart TVs, streaming devices, and gaming consoles.

While LG, Samsung, Vizio, and other manufacturers of smart TVs compete for supremacy in our homes, Amazon has its own Fire TV line with Alexa, Fire OS, and Prime Video distribution embedded right out of the box.



THE FRAGMENTED COMPONENTS OF CTV

AND HOW IT IMPACTS ADVERTISERS

There are no fewer than eight major sub-segments in the CTV ecosystem:

- Broadcasters provide exclusive streaming content (Hulu, Disney+, Netflix).
- CTV-enablement devices offer TV streaming (Roku, Amazon Fire TV Stick).
- Smart TV devices have streaming capabilities (Samsung TV, LG TV, TCL TV).
- Mobile Measurement Partners (MMPs) accurately measure campaign performance and combat fraud.
- Software programs known as Supply-Side Platforms (SSPs) control the advertising exchange from the publisher's perspective. They do this by managing deals, selling ad space, and gauging the effectiveness of campaigns.
- Programmatic tools called Demand-Side Platforms (DSPs) mediate ad buys and offer inventory through a single interface. In order to benefit advertisers, DSPs also purchase ad impressions at the lowest CPM.
- Advertisers that are purchasing ads
- Publishers and networks that sell advertising inventory and feature participants in the aforementioned categories, such as producers of smart TVs (such as Vizio Ads and Samsung Ads).

Every inventory source collects data differently, resulting in different insights. Pixels can be used by some providers, which allows for more accurate measurement and engagement.

Often, inventory sources operate in walled gardens, which force advertisers to work directly with them, deal with varying and limited data sets, and prevent user-level data from leaving their individual platforms.

The outcome? It is getting harder and harder for advertisers to precisely measure their campaigns across different devices and platforms due to a highly competitive and fragmented market.

CHAPTER 2

CTV & OTT MONETIZATION MODELS

Now that we've covered how CTV and OTT work, let's talk about money. There are four primary monetization models that you should know about.

● Subscription Video on Demand (SVOD)

The most widely utilized model, Subscription Video on Demand, requires users to pay a monthly or annual subscription fee for unlimited access to content. According to this model, which is currently used by Netflix, Amazon Prime, and Disney+, OTT providers must be the source of regularly updated exclusive content in order to attract repeat customers.

● Advertising-Based Video on Demand (AVOD)

This model utilizes strategic pre-roll, mid-roll, or post-roll ads stitched into the video content. Publishers could also utilize banner ads, sponsorships, and paid placements to fund their business instead of relying on recurring subscription fees.

Xumo and Crackle are two platforms that are currently utilizing the AVOD model.

● Transactional Video on Demand (TVOD)

By charging for individual episodes, movies, or pay-per-view events, this newly developed monetization model aims to make money from discrete pieces of content.

The TVOD model focuses on providing premium and hyper-exclusive content that cannot be found elsewhere, rather than relying on cultivating a devoted and consistently returning audience.

● Hybrid model

More revenue models are being tested by streaming services of all sizes and shapes than ever before, and many of them are using a hybrid model—a combination of two or more monetization models.

For instance, Hulu provides a basic ad-supported plan, a plan without advertisements, and a package that includes Disney +, ESPN+, and Live TV.

CTV-TO-CTV ATTRIBUTION AND MEASUREMENT

As was previously mentioned, CTV viewership is on the rise, making it the ideal choice for user acquisition. Reaching the vast majority of audiences is possible thanks to programmatic engagement, which enables highly targeted applications of first- and third-party data.

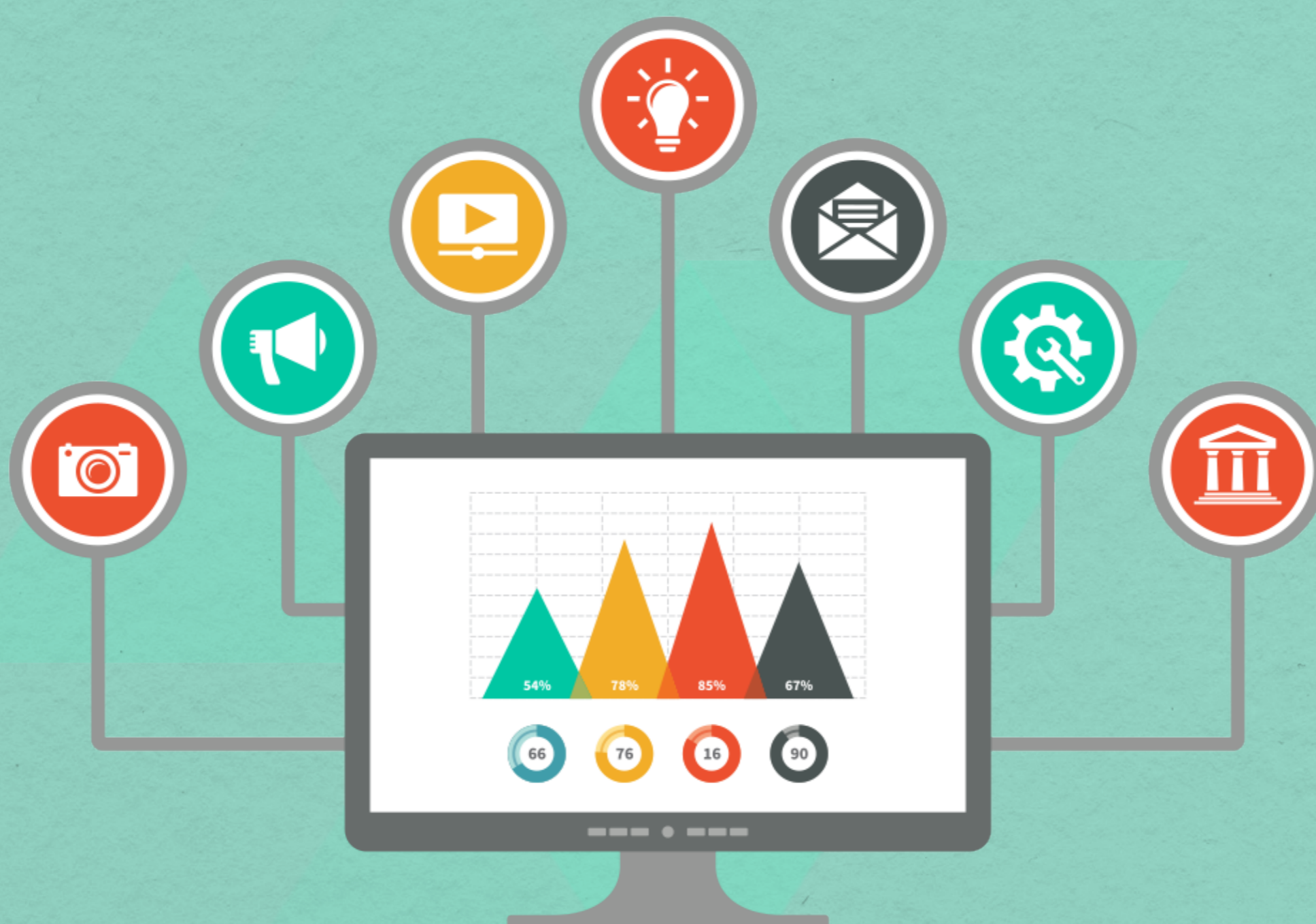
CTV-to-CTV attribution is the process of attributing CTV advertisements that cause CTV app installs to the same device and same OS.

To ensure you can take advantage of more in-depth metrics like LTV and metadata for better attribution, we advise working with an MMP that integrates directly with CTV platforms like Roku, Fire TV, Apple TV, Android TV, Chromecast, gaming consoles, and smart TVs.

The reporting itself may differ in terms of consistency, granularity, and data nomenclature, and it's important to keep in mind that each CTV platform offers its own reporting methodology.

Partnering with Trackier MMP will offer you a centralized, unbiased attribution across various media sources, channels, and devices combined in a single dashboard is essential in light of this.

Get the latest marketing news and expert insights delivered to your inbox.



CHAPTER 3

ADVANTAGES OF CONNECTED TV FOR ADVERTISERS

There is no denying that the CTV industry is expanding more quickly than ever. Although the market is approaching maturity, there is still a ton of room for expansion. Here are some of the main advantages that CTV offers to advertisers:

● **A new segment that's never existed before**

With CTV, advertisers can target audiences based on their demographics, interests, context, time of day, device, and geography, in contrast to traditional TV. Comparatively, traditional television heavily relied on third-party estimates, such as Comscore and Nielsen, which were occasionally suspect and frequently, at best, educated guesses.

Smart segmentation is essential to success in this medium because of the explosive growth of OTT content viewership and the extremely engaged and valuable audiences it has attracted for advertisers.

● **Ensuring Brand safety**

At scale, advertisers have much more control over the locations where their ads are displayed. Advertisers can show their ads at the right time and place thanks to improved ad buying systems and more targeted engagement, which reduces the chance of mistakes or ineffective ad placements.

● **Engagement and measurement across devices**

Based on the vast amount of data gathered, CTV enables advertisers to assess the effectiveness of their advertising campaigns across devices by assessing ROAS, identifying what is effective, and refining upcoming campaigns with cross-platform data.

Deep linking technology allows advertisers to design seamless journeys, a potent and simpler path that results in satisfied customers, increased sales, and a return on experience (ROX), as well as develop contextual customer experiences.

Brands can run mobile app campaigns on CTV that direct users to the appropriate content in their apps via deep links in strategic locations.

HOW DOES CTV-TO-MOBILE ATTRIBUTION WORK?

CTV-to-mobile is one cross-device flow that merits mentioning, in which mobile app marketers purchase media on CTV in order to promote growth and engagement for their mobile app.

Mobile Marketing Platforms like Trackier MMP guarantee accurate measurement of app installs and post-install events, whether the integration is carried out via SDK or API.

For instance, marketing professionals can comprehend that a mobile app should be attributed to CTV if it was downloaded after viewing an advertisement on a CTV device.



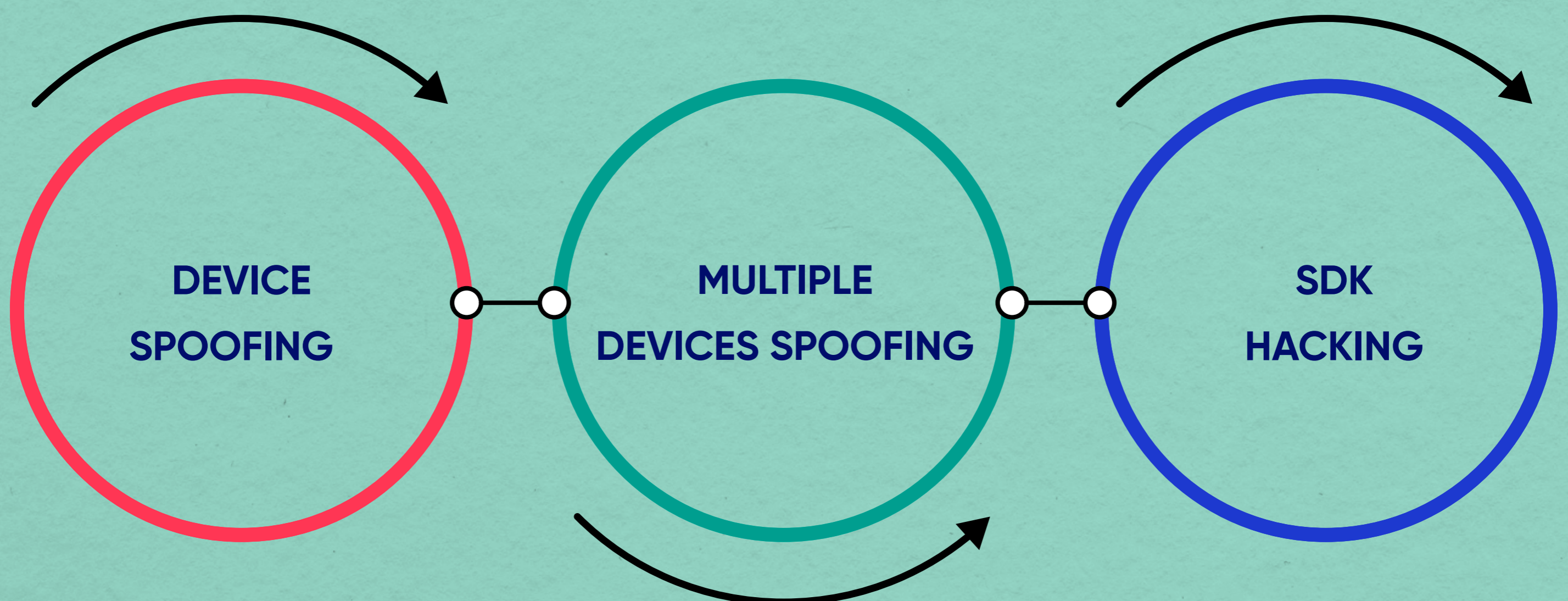
ADVERTISING FRAUD AND SPOOFING ARE

CTV'S BIGGEST PITFALLS.

With 60% of US advertisers switching from linear TV to CTV and OTT, the rapid expansion highlighted the prey value of fraudsters. The absence of safeguards and rules gave ad fraud organizations like Octobot, SneakTerra, and Smokescreen the chance to steal \$6 million per month.

Fraud usually comes in three forms:

- **Device spoofing:** where the fraudster intercepts the SDK communication and injects it with fake app installs, purchases, and clicks.
- **Multiple devices spoofing:** pretending to be watching on multiple devices.
- **SDK hacking:** where the fraudster intercepts the SDK communication and injects it with fake app installs, purchases, and clicks.



HOW CAN CTV AD FRAUD BE REDUCED?

1. Establish clear guidelines for working with inventory partners. Work only with trustworthy CTV providers who offer clear and easy-to-use campaign measurement tools (like pixel tracking).
2. Work with a reputable and trustworthy MMP to guarantee the accuracy of your data, the prompt detection of fraudulent activity, and the complete protection of the privacy of your users.
3. Ask the difficult questions and take a closer look at your data to find patterns of abnormal behavior such as:
 - Do these installs correspond to the viewing patterns on this platform or geo?
 - Did users uninstall the app right away after downloading it?
 - Are there any suspicious app activity spikes that concern you?



BEST PRACTICES FOR CTV MONETIZATION STRATEGY

Now, let's dive into how you can craft a strategy to measure the effectiveness of your CTV campaigns:

🕒 STEP 1: ANALYZE YOUR DATA

The effectiveness of traditional TV advertising buys is typically measured in terms of gross rating points (GRP), where advertisers pay publishers according to their respective rating points for that advertisement.

However, this metric does not completely capture the behavioral information of your CTV audience. So, here are some methods you can use to gauge the success of your campaign:

- 1. Device spoofing:** where the fraudster intercepts the SDK communication and injects it with fake app installs, purchases, and clicks.
- 2. Online purchase attribution:** ad viewer made a purchase on your website or via CTV after watching an ad.
- 3. Post-view conversions:** viewers installed your mobile app and made a purchase on the app after seeing a CTV ad.
- 4. Foot traffic attribution:** omnichannel engagements and purchases following the view of an ad.
- 5. Offline conversion tracking:** measuring how many times an individual has watched an ad before making a purchase.
- 6. Brand lift/brand awareness:** your market positioning, measured by how people are able to recall and engage with your brand after viewing a CTV ad.

Remember that it's not always easy to collect data on these actions, so finding a reliable measurement partner to handle this for you like Trackier is essential.

BEST PRACTICES FOR CTV MONETIZATION STRATEGY

● STEP 2: FOCUS ON YOUR TARGET AUDIENCE

Harness the power of digital by identifying your most profitable audiences. A great place to start would be to utilize your current audience lists and build lookalike audiences. Then dive deeper into third-party data such as interests, demographics, devices, and geographic location.

The more granular you get, the more you can expand your reach to deliver relevant messaging to your viewers and ultimately drive higher converting CTV campaigns.

● STEP 3: MEASURE, ASSESS, AND REFINE

The principles of a successful CTV campaign are the same as for all other digital advertising campaigns. Ensure you're always measuring, evaluating, and iterating, and take the audience insights and the data collected to continually optimize your campaigns.

To make sure you do this right, consider leveraging an MMP to help you resolve deduplication issues, flag ad fraud, and accurately measure your attribution.



CONCLUSION

Differences exist between OTT and CTV. To put it simply, CTV devices are used to watch OTT content.

Only 38% of American households in 2012 had a CTV device. 87% of households will have at least one CTV device by 2022.

Due to its efficient audiences and measurement capabilities on platforms with high levels of engagement, CTV advertising investment is booming.

The best method for preventing ad fraud and raising the bar for your CTV advertising performance is to find transparent advertising partners and use an MMP.

Here, Trackier comes to your aid with its industry-leading attribution solution across various platforms.

We provide real-time analytics of all your campaigns on a single dashboard for easy management and understanding.

Check out our [website](#) to learn more about how we are changing the industry standards for the better.

Feel free to reach out to us and [request a demo](#) or get a [free trial](#).

