

Connected TV Advertising

Your Guide to This Must-See Opportunity

Basis®

Let's take a quick walk down memory lane.

(We promise we won't stay there too long!)

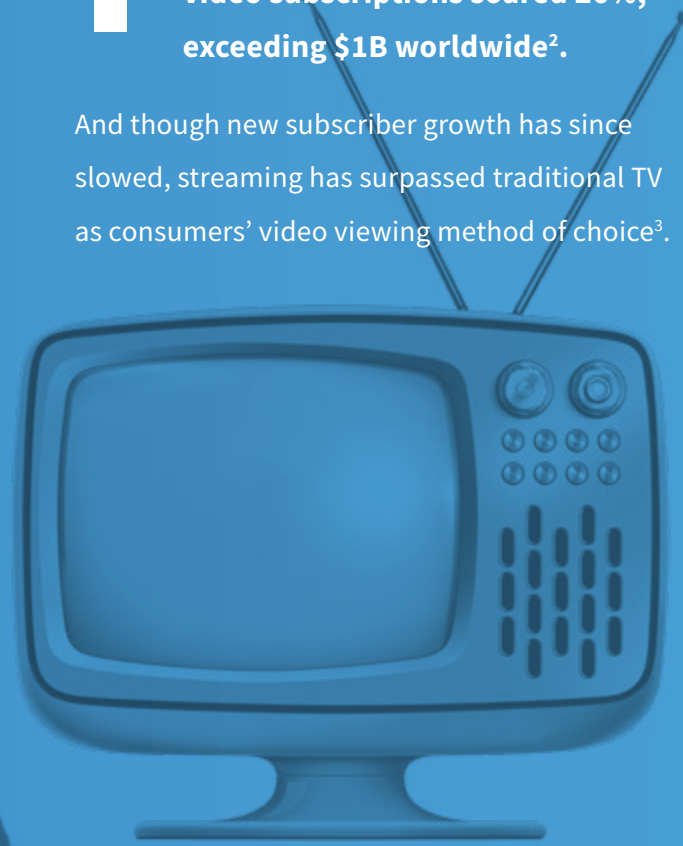
It's March 2020, and the world is in the throes of unknown waters: the COVID-19 pandemic. The uncertainty, fear, and anxiety are all real, heightened by quarantines and stay-at-home protocols.

You, along with 64 million other households, turn to the latest Netflix craze for a much-needed escape: Tiger King[1]. Maybe you watch it over the course of several days, or perhaps you binge all the episodes at once (no judgment here).

The cultural phenomenon was just one example of how streaming video has exploded over the past few years.

During the pandemic, online video subscriptions soared 26%, exceeding $1B worldwide[2].

And though new subscriber growth has since slowed, streaming has surpassed traditional TV as consumers' video viewing method of choice[3].



[1]https://www.complex.com/pop-culture/tiger-king-2-netflix-everything-we-know

[2]https://www.latimes.com/entertainment-arts/business/story/2021-03-18/streaming-milestone-global-subscriptions-passed-1-billion-last-year-mpa-theme-report

[3]https://www.cordcuttersnews.com/study-streaming-has-surpassed-traditional-tv-as-the-go-to-source-for-entertainment

It makes sense, then, that a connected TV advertising surge would follow suit.

Brands want to ensure they're reaching consumers where they are spending the most time. And with 41.6% of the US population using ad-supported video-on-demand services—not to mention that the average time spent watching on connected TVs is approaching two hours a day—CTV is a crucial part of any omnichannel marketing strategy[4].



So, what is CTV? How is it different from "traditional" linear TV? Why is it booming right now? And how can savvy advertisers leverage its strengths within an omnichannel marketing strategy?

We'll be digging into all of these questions—and more!—throughout this guide.

[4]https://content-na1.emarketer.com/ctv-fueling-us-tv-ad-industry

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What is CTV?

Let's start with the basics: A connected TV (CTV) is any television that is connected to the internet.

CTV advertising refers to placing ads for audiences to view specifically on this type of device.

Different Types of CTV Devices:

1. Smart TV
2. TV + over-the-top streaming device (ex. Amazon Fire TV, Roku, Apple TV, Google Chromecast)
3. TV + gaming console that serves as an over-the-top streaming device (ex. PlayStation, Xbox)
4. TV + set-top box (ex. Blu-ray)



CTV vs OTT

Though sometimes used interchangeably, over-the-top (OTT) video advertising and CTV advertising are distinct!

OTT refers to video content delivered through the internet directly to consumers, rather than through cable, broadcast, or satellite. OTT content (and OTT ads) can be delivered to many different devices: mobile phones, desktops, tablets, laptops, and—you guessed it!—CTVs.

Benefits of CTV Advertisements

Like traditional/linear TV, CTV advertisements offer the opportunity to reach audiences on a big(ger) screen in the same format as the content they're watching.

Often, audiences expect to see commercials while they're watching an episode—or, if it's particularly bingeable, six or seven episodes—of their favorite new series. As people spend more and more time watching content on CTVs, the advertising opportunity will only continue to expand. And with streaming giants like Disney+ and Netflix rolling out plans for ad-supported tiers, expect access to even more premium CTV ad inventory to follow.



[5] https://forecasts-na1.emarketer.com/584b26021403070290f93a3a/5851918a0626310a2c1869b8

A Quick Note on Fragment-ation

Though CTV is booming, it isn't without its challenges—and we want to acknowledge that up front. One of the biggest offenders? Fragmentation.

We all know someone who is using their brother's roommate's girlfriend's Netflix login (or, perhaps, we are that person…) To make matters more complex, most households have access to several different streaming platforms. Combined with not knowing who, precisely, is in front of a TV set at a given moment, it's clear that fragmentation is a very real challenge for marketers in the world of CTV.

That said, when incorporated as part of a holistic omnichannel strategy, the CTV opportunity is huge (as we'll continue to explore throughout this guide)! As access to premium inventory expands—and on a channel that's garnering more and more viewer attention, to boot—utilizing CTV within a campaign can prove invaluable for your brand or product.

QUICK TIP: Planning for optimizations early on can help maximize performance throughout a CTV campaign!



Why CTV Should Be a Part of Your Strategy

CTV's reach is significant, and advertising on these devices is a great opportunity to build and expand awareness of your brand. The platform allows marketers to deliver high-quality, non-skippable, 100% viewable premium inventory in a brand-safe environment. And when it comes to video completion rate (VCR)? CTV absolutely dominates over other channels, with rates of up to 95%[6]! With people spending upwards of 80 minutes per day with subscription OTT video[7], running CTV ads means reaching viewers where and when they are spending lots of time.

Beyond this, CTV advertising is among the fastest growing sectors of the US digital ad market. Year-over-year US CTV ad spend grew by an estimated 60% in 2021, reaching more than $14 billion. And from there, it will only continue to rise, with CTV spend projected to hit $28.5 billion by 2024—a whopping 9% of total digital media ad spend[8].

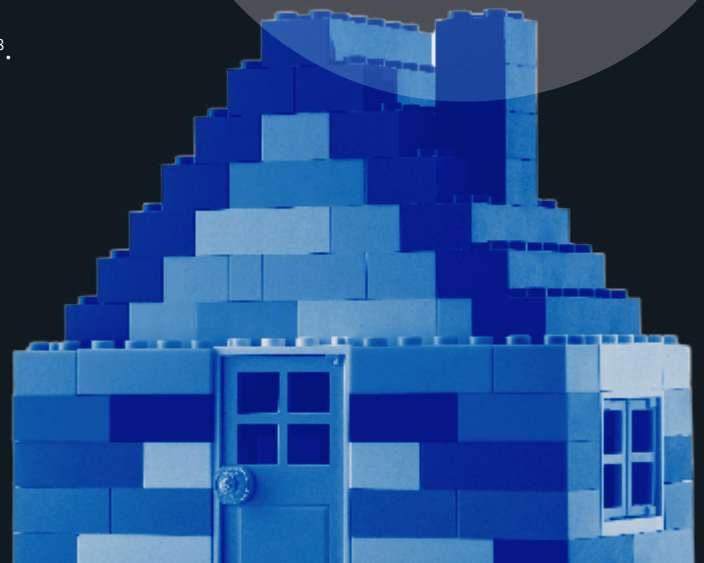
VIDEO COMPLETION RATE (VCR)

A key KPI in CTV that tells the number of times a video ad was viewed in its entirety; completion rate = (video completes / video starts) x 100. Not to be confused with how you (and/or your parents) watched Blockbuster video tapes back in the 90s.

In 2022,

109.3 million

US households will use a connected TV[9]. That's 83.6% of all US households. (Hope they're watching something good!)



[6]https://www.statista.com/statistics/1240060/video-ad-completion-rates

[7]https://content-na1.emarketer.com/us-connected-tv-advertising-2021

[8]https://forecasts-na1.emarketer.com/584b26021403070290f93a3a/5d9671494945300bf4895bf9

[9]https://content-na1.emarketer.com/no-1-ctv-device-us/?IR=T

Memorable Ads

In the age of visual overload, garnering ad space—especially video—that's 100% viewable is a huge strength of CTV.

Ease of Access

A good DSP will offer turnkey execution, allowing marketers to tap into CTV as part of an omnichannel strategy—all without ever having to leave the platform.

Audience Reach

Connect with audiences across CTV adoption levels—from cord shavers, to cord cutters, to cord nevers.

Accurate Attribution

Cross-device targeting capabilities allow for the use of both first- and third-party data segments across CTV inventory.

Streamlined Workflow

With the CTV programmatic advertising market rapidly expanding, there's a significant opportunity to automate and streamline your CTV media buying workflow.

CORD SHAVERS
People who have a combination of linear TV and CTV in their household.

CORD CUTTERS
People who have transitioned away from traditional TV to 100% streaming.

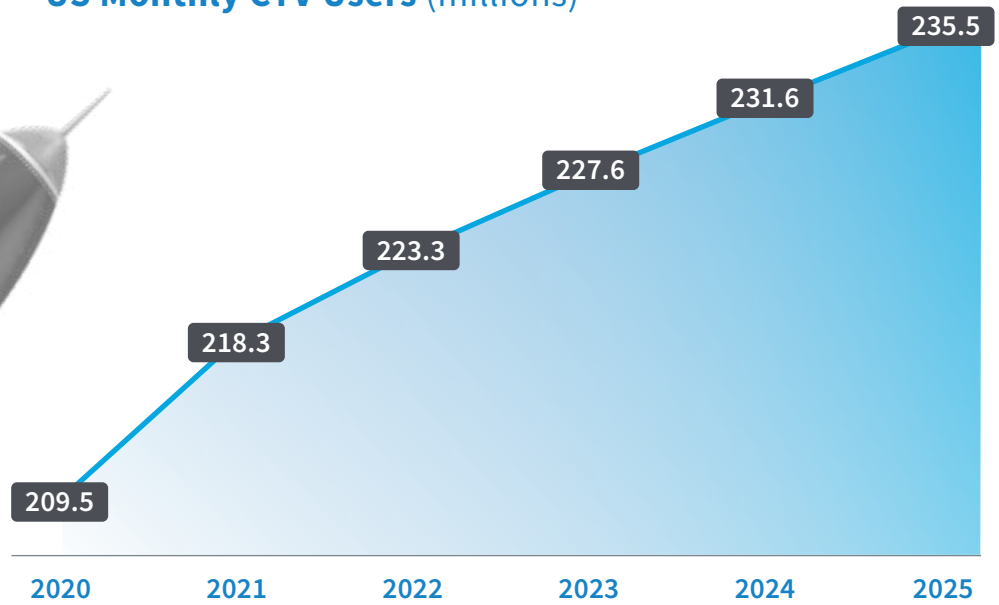
CORD NEVERS
People who have never subscribed to linear TV and receive all their video content by streaming.



CTV: Past, Present, and Future

With the invention and adoption of OTT content, connected TV viewership has exploded—and forecasts show that growth should continue in the coming years.





[10]https://forecasts-na1.emarketer.com/584b26021403070290f93a3a/5d9671494945300bf4895bf9

Reaching the Right Audience, in the Right Way

It's no secret that younger generations—Gen Z and millennials, in particular—watch less TV than their old(er) counterparts. And when they do watch video, it's generally not via linear TV.

Case in point: only 16% of millennials and 9% of Gen Zers prefer cable over streaming services[11].

With younger generations spending more and more time watching video through digital channels, it makes sense that advertising dollars are shifting to these platforms. And when it comes to catching these audiences on the big screen? CTV is the place to be.

From 2020 to 2025, the number of millennial and Gen Z CTV users is projected to grow by **16.9 million**[12]



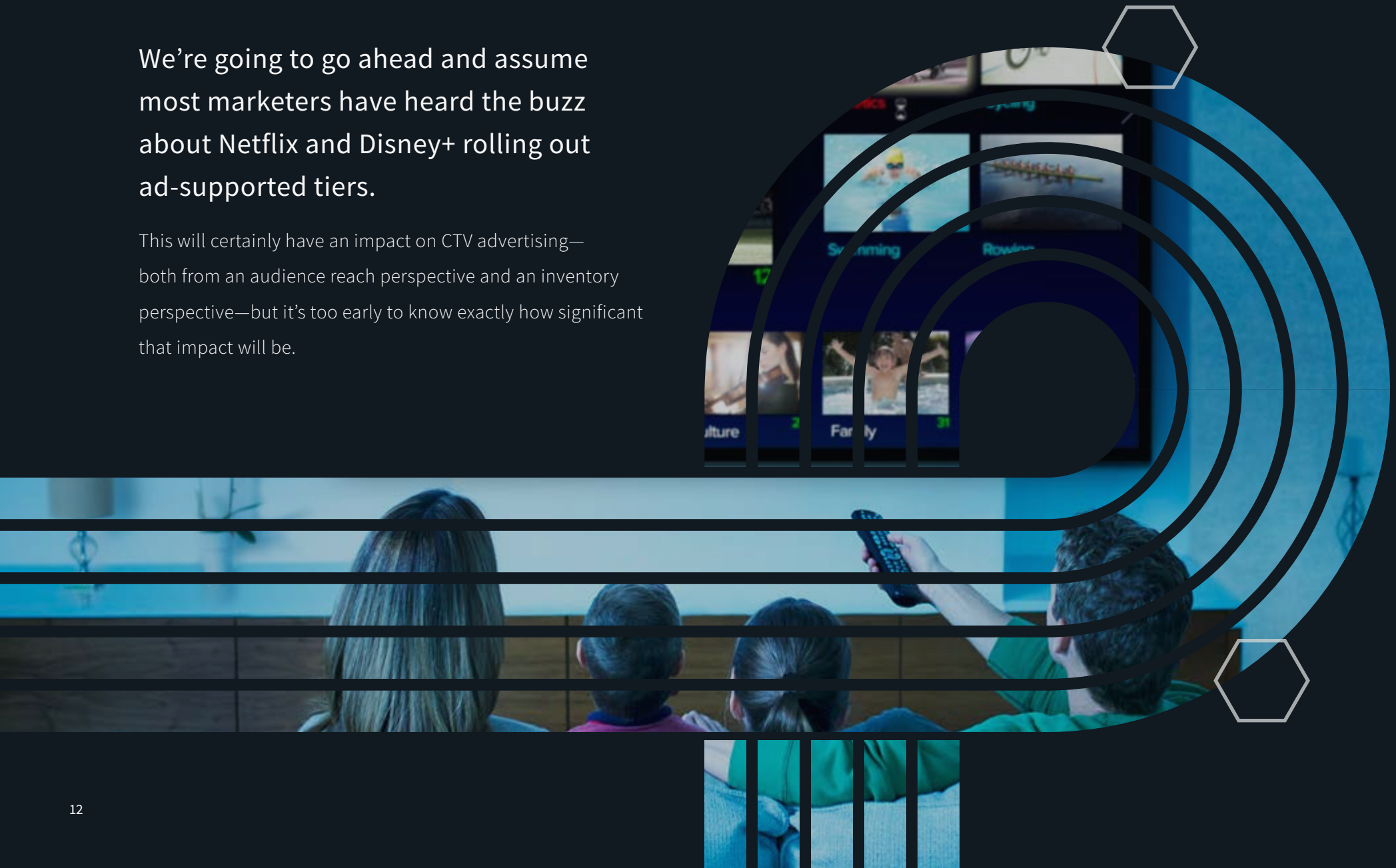
[11]https://content-na1.emarketer.com/us-adults-across-age-groups-prefer-streaming-services-cable-tv

[12]https://forecasts-na1.emarketer.com/584b26021403070290f93a3a/5f624727ce286916fc72277e

New Inventory Alert!

We're going to go ahead and assume most marketers have heard the buzz about Netflix and Disney+ rolling out ad-supported tiers.

This will certainly have an impact on CTV advertising—both from an audience reach perspective and an inventory perspective—but it's too early to know exactly how significant that impact will be.



With 46% of US adults watching content on a CTV *every single day*[13], CTV advertising is a great opportunity to reach consumers where and when they view video. But CTV is about more than just broad reach.

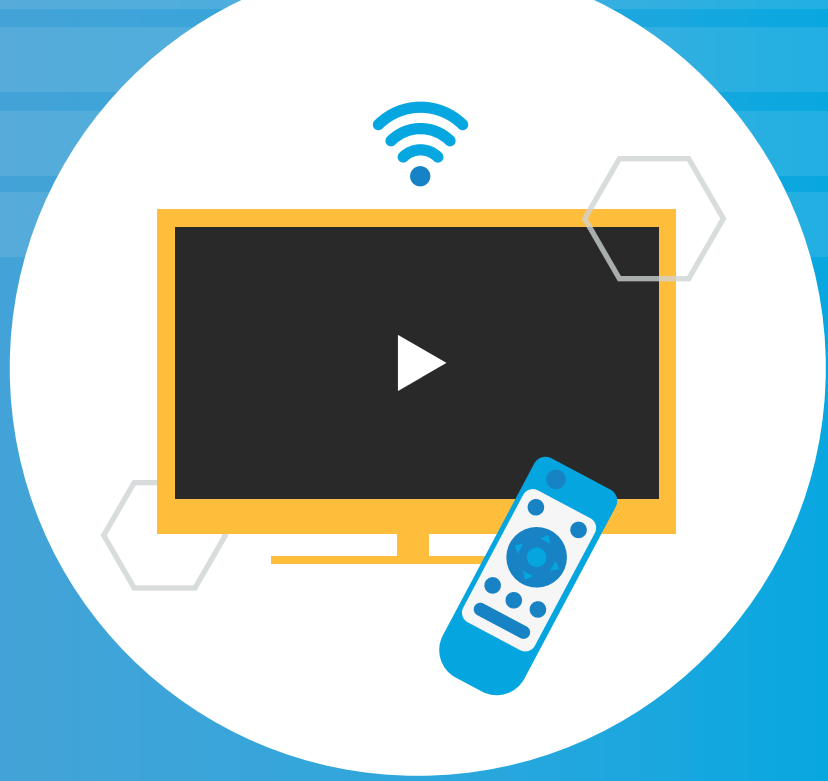
CTV advertising allows marketers to build audience segments by layering different types of data to reach the right consumer, in the right way. When buying inventory programmatically, marketers can take advantage of contextual targeting parameters based on content categories, broadcast types, content types, and custom keywords.

In addition, first- and third-party data accessed through a DSP can allow marketers to more precisely target audiences based on demographics, interests, location data, site visits, and more!



[13]https://www.leichtmanresearch.com/46-of-adults-watch-video-via-a-connected-tv-device-daily

Understanding the CTV Experience

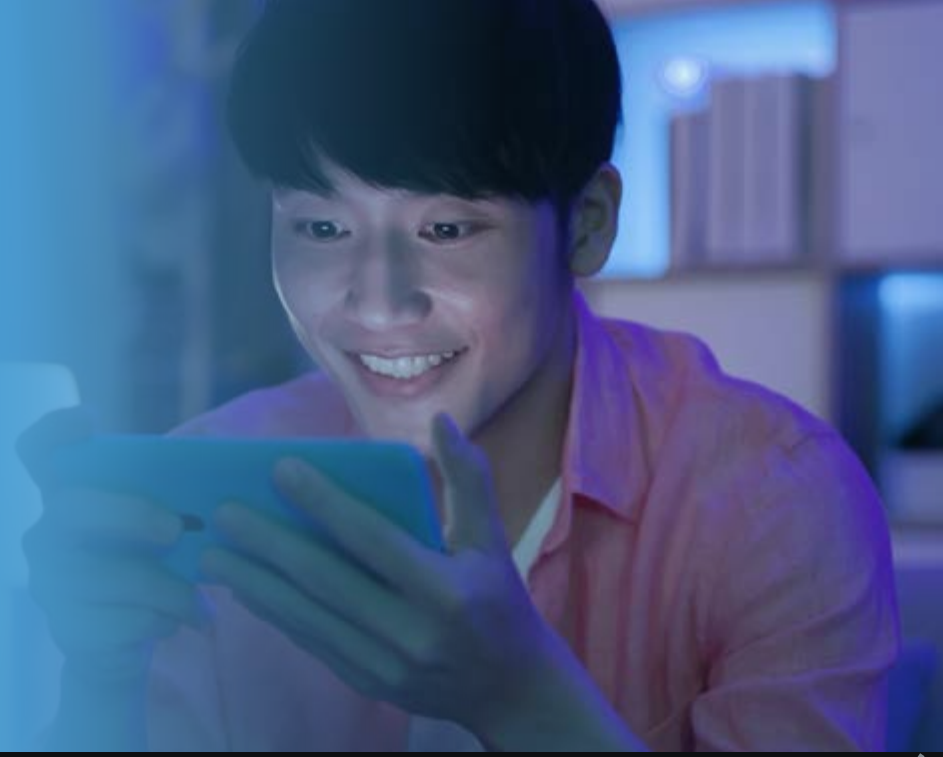


To plan and execute an effective CTV campaign, marketers first need to understand the CTV viewer experience and see why more and more people are turning to it as their preferred method of watching TV.

Gone are the days of racing home after school to catch your favorite TV show, or feeling regret and frustration when you realize the babysitter messed up your DVR recording settings for that reality show you love to hate watch.

Put simply, CTV combines the best of traditional TV with advancements in digital tech, allowing viewers to tune in to the videos they want, precisely when they want.

Want to binge all of the newest *Stranger Things* episodes the day they drop? CTV makes it possible. Prefer to watch an episode of *Succession* over several days rather than in one sitting? No problem! And if that linear, “old school” feel is more your style? CTV offers that too!



When people turn on their TVs, be it traditional or CTV, they expect to be greeted by a story—ideally, one that's intriguing. And when it comes to the advertisements they encounter while watching TV? They expect no less.

CTV ads' strengths lie in their format: they're 100% viewable, full-screen, and almost always non-skippable. Couple that with strategic and compelling creative, and CTV advertising offers a huge opportunity to increase return on advertising spend (ROAS) through consumer awareness and engagement.

What makes an effective CTV ad?

Memorable and Authentic

Advertisers have their audience's complete attention. It's up to them to design ads that captivate viewers and showcase their distinct brand voice.

Novel

Marketers can use frequency capping to ensure consumers aren't getting burnt out watching the same CTV ad over and over again.

Length Matters

When designing creative, teams should be mindful of the length of their ad—too short, and it might not have the desired impact on consumers; too long, and viewers could lose interest.

High-quality

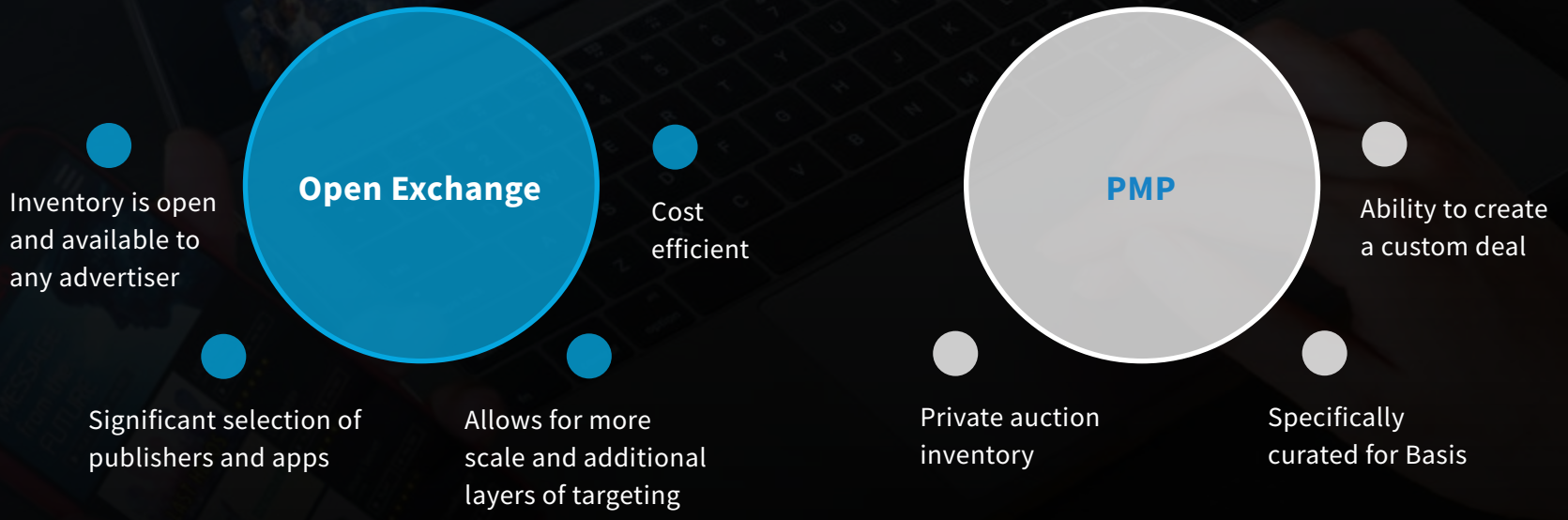
Since connected TV devices have a large screen size and support high-definition video creative formats, it's crucial to ensure advertisements are formatted optimally.

QUICK TIP: using **dimensions of 1920 x 1080**, **file formats of .mp4**, and **file sizes less than 100MB** can help ensure a high-quality CTV ad experience for viewers, and ensure the ads are in spec.

CTV Advertising with BasisTV+

We've talked about the benefits of CTV.
Now, let's talk buying approaches.

Within a DSP, there are two ways to access CTV inventory: open exchanges and private marketplaces (PMPs).



Wondering what CTV inventory you can access programmatically in Basis?

The short answer: Basis has access to every major broadcaster, distributor, and exchange—not to mention the 100+ PMPs available in the platform.

And if you don't see what you are looking for? Creating a custom deal with publishers and vendors is always an option!

Basis can access

93%

of advance TV households with our premium TV inventory.

Select Basis CTV Partners

A+E NETWORKS, CNN, sling TELEVISION, DIRECTV NOW, XUMO, SPOTX

vevo, dish, Roku, hulu, CRACKLE, Magnite

CBS, NBC, pluto tv, FREEWHEEL A COMCAST COMPANY, fuboTV, tubi

Basis makes launching a CTV campaign as turnkey as any other format.

Here are some of the ways Basis gives you more control of your CTV buys:



1 Device

Choose between connected TV or cross-device.

QUICK TIP: If you want to target using first-party or third-party data, enable cross-device targeting.

2 Device make/model

Select devices like smart TVs and/or gaming consoles.

3 Frequency Capping

Control the frequency with which ads are displayed.

4 Geography

Elevate brand impact with national targeting or select metropolitan areas.

5 Time and Day

Target all times for maximized scale or use dayparting to match viewers' schedules.

6 Retargeting and Audience Extension

Retarget and extend your first-party audience segments across devices, including when they're streaming their favorite show on a CTV.

QUICK TIP: When exploring CTV inventory, start by applying the filters "Device: CTV" and "Format: Video" so you're only viewing relevant inventory!

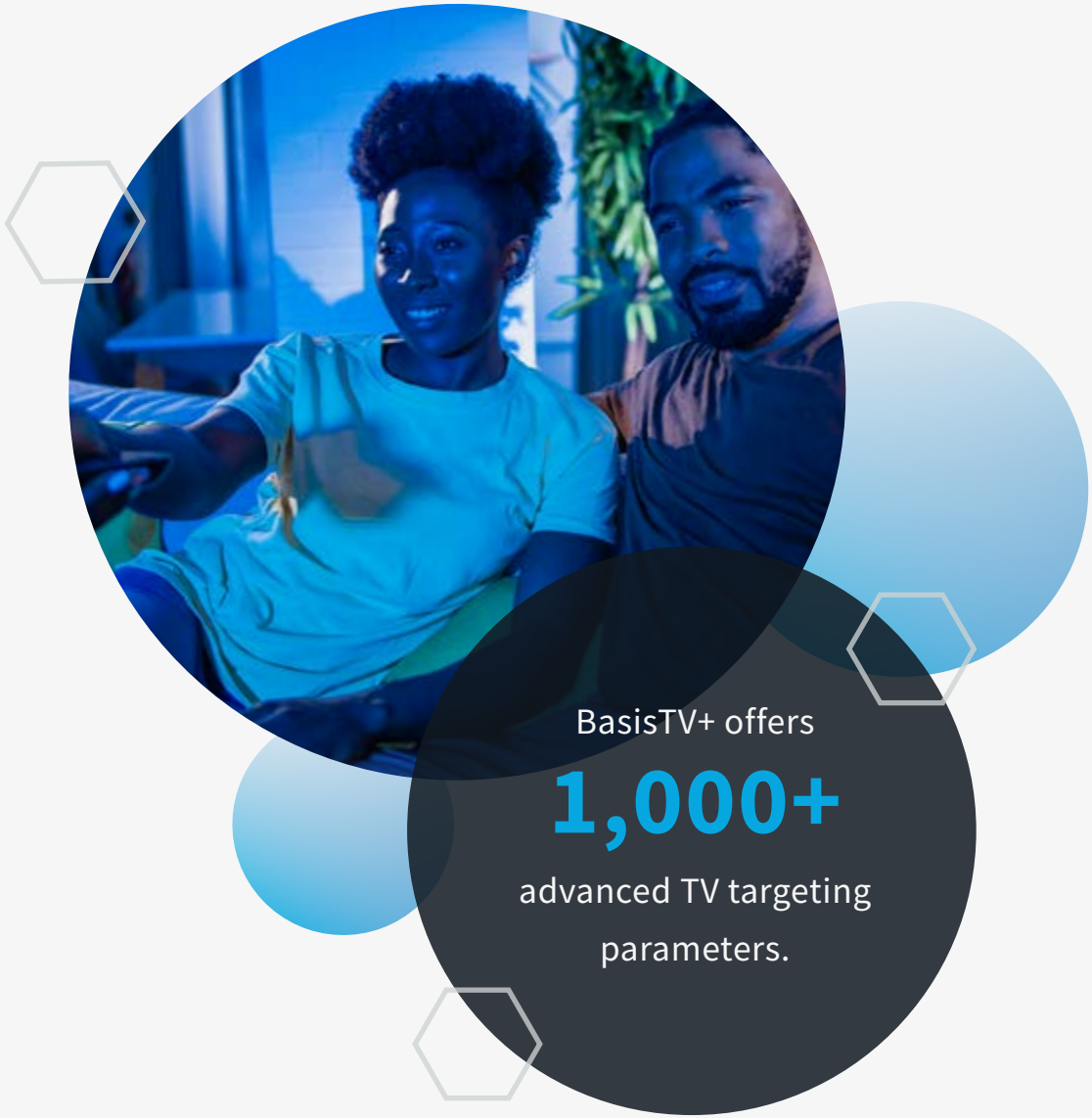
Targeting Opportunities:

Third-Party Data
Demographics, interests, purchase behaviors, intent, location data

First-Party Data
Site visitors, converters

Contextual
Content type (TV channel, movies, etc.), content category (news, sports, entertainment, finance, pets, etc.), app store (Apple, Google Play, Microsoft, Xfinity, etc.), broadcast type (VOD, linear/live TV)

QUICK TIP: When it comes to targeting, intentionality is key. If your allowlist is too limited, it will be difficult to effectively reach a broad audience and build brand awareness. This is especially important if you're already narrowing your reach by bidding in a PMP auction rather than through the open exchange.



KPIs in CTV

As we discussed earlier, fragmentation is one of the most significant challenges facing CTV advertisers. But that doesn't mean all is lost when it comes to key performance indicators (KPIs) and reporting.

VCR tends to be the most common KPI (and no, we still aren't talking about the clunky rectangle you watched Disney movies on when you were five). VCR, or video completion rate, tells advertisers the rate at which their ad was viewed in its entirety. And there's a reason why it's a standard KPI for this channel: it plays to CTV's strengths as full-screen, non-skippable, 100% viewable content.

Other KPI options to consider:

Reach → The number of people exposed to an ad at least once during a specified period

Frequency → The number of times people are exposed to an ad

Top-performing tactic → Which apps, devices, or domains are most impactful with your audience

Impressions delivered → The number of times an ad is placed in front of the reached population within a specified period

Cost Per Completed View (CPCV) → Total advertising cost / completed video views

BasisTV+ offers

80+

trackable metrics.

QUICK TIP: Basis features notable partnerships that allow advertisers to leverage custom capabilities for every campaign and optimize towards distinct KPIs

Optimizing Towards CTV Success

Here are some tips to keep in mind while optimizing your CTV campaigns:

REACH

If you expand too far outside of target or tested audiences, there's a higher likelihood of reaching viewers who are less likely to convert to leads or customers.

CREATIVE TESTING

Use data to determine which ads are most effective by testing different iterations. Try out different ad lengths, calls to action, and interactive features (like good ol' QR codes!)

FREQUENCY

You don't want consumers to roll their eyes every time your ad comes on—and ad fatigue is real! Use frequency capping to help mitigate this.

AUDIENCE

Test out which third-party audience is driving the highest engagement to help determine which audience(s) you should be targeting with your broader campaign.

STREAMING DEVICES/APPS

Test different streaming apps or devices and determine which are driving the most engagement to help create a top performing tactic.

CTV Partnerships in Basis

PEER39

Target based on the content most relevant to your audience and products.

comscore

Utilize data assets to surface predicted behaviors without cookies.

dstillery

Create a lookalike audience to expand your brand's reach.

Next Steps

Connected TV usage is skyrocketing, and growth forecasts show no end in sight—especially with huge platforms like Disney+ and Netflix jumping in on the ad-supported tier game.

Though not without its challenges (ahem, fragmentation...), many savvy marketers see CTV as a significant opportunity to drive brand awareness and boost engagement.

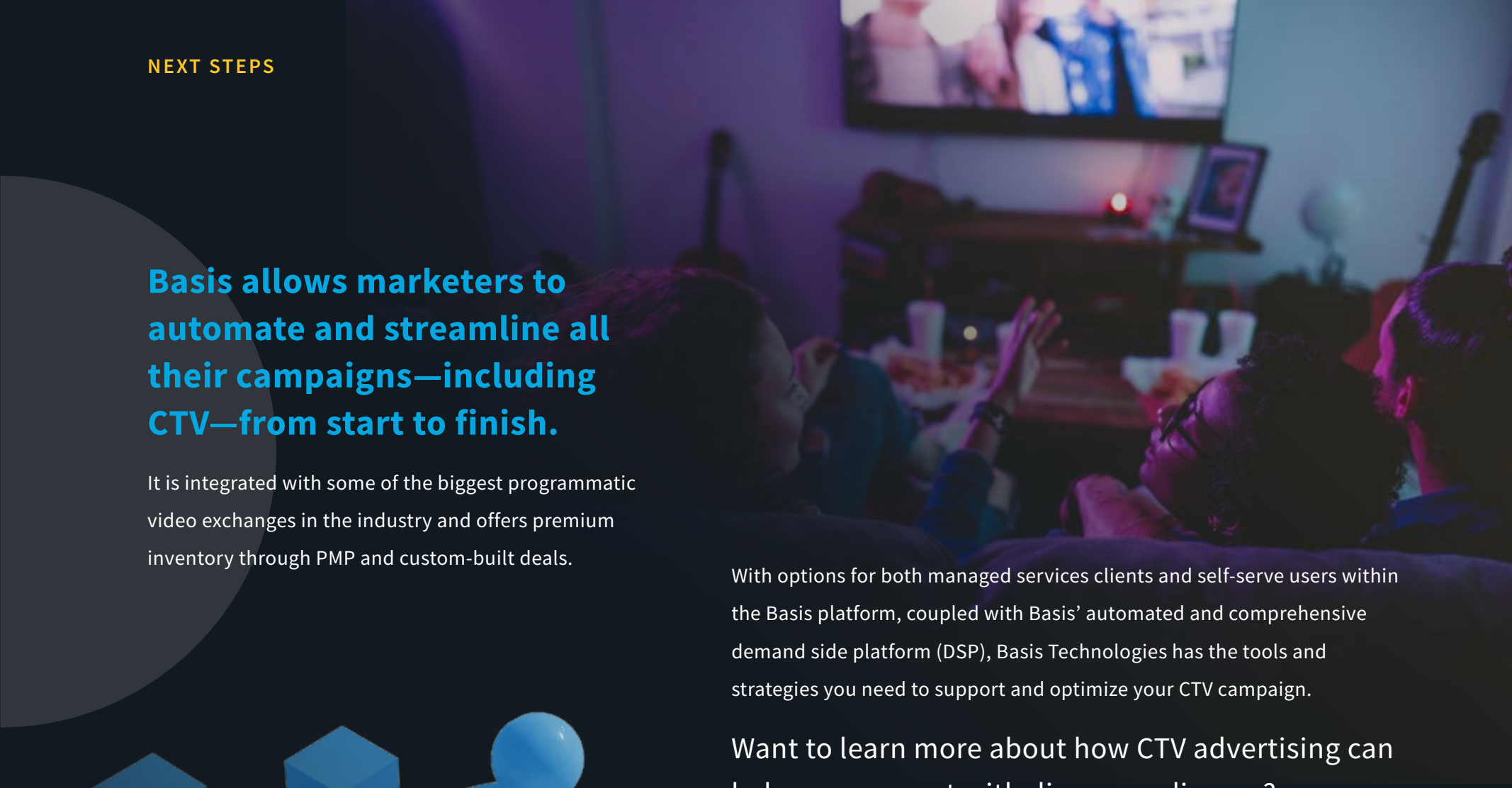
Advertising on CTV devices is a way to reach consumers where they're spending more and more of their time viewing video. When used as part of an omnichannel strategy, it's a platform that can help unify, automate, and streamline your campaign experience.

A May 2021 study found that **54% of advertisers** say they plan to increased their CTV spending[14].

Are you among them?



[14]https://chart-na1.emarketer.com/257736/expected-change-connected-tv-ctv-ad-spending-according-us-agencymarketing-professionals-dec-2021-of-respondents



Basis allows marketers to automate and streamline all their campaigns—including CTV—from start to finish.

It is integrated with some of the biggest programmatic video exchanges in the industry and offers premium inventory through PMP and custom-built deals.

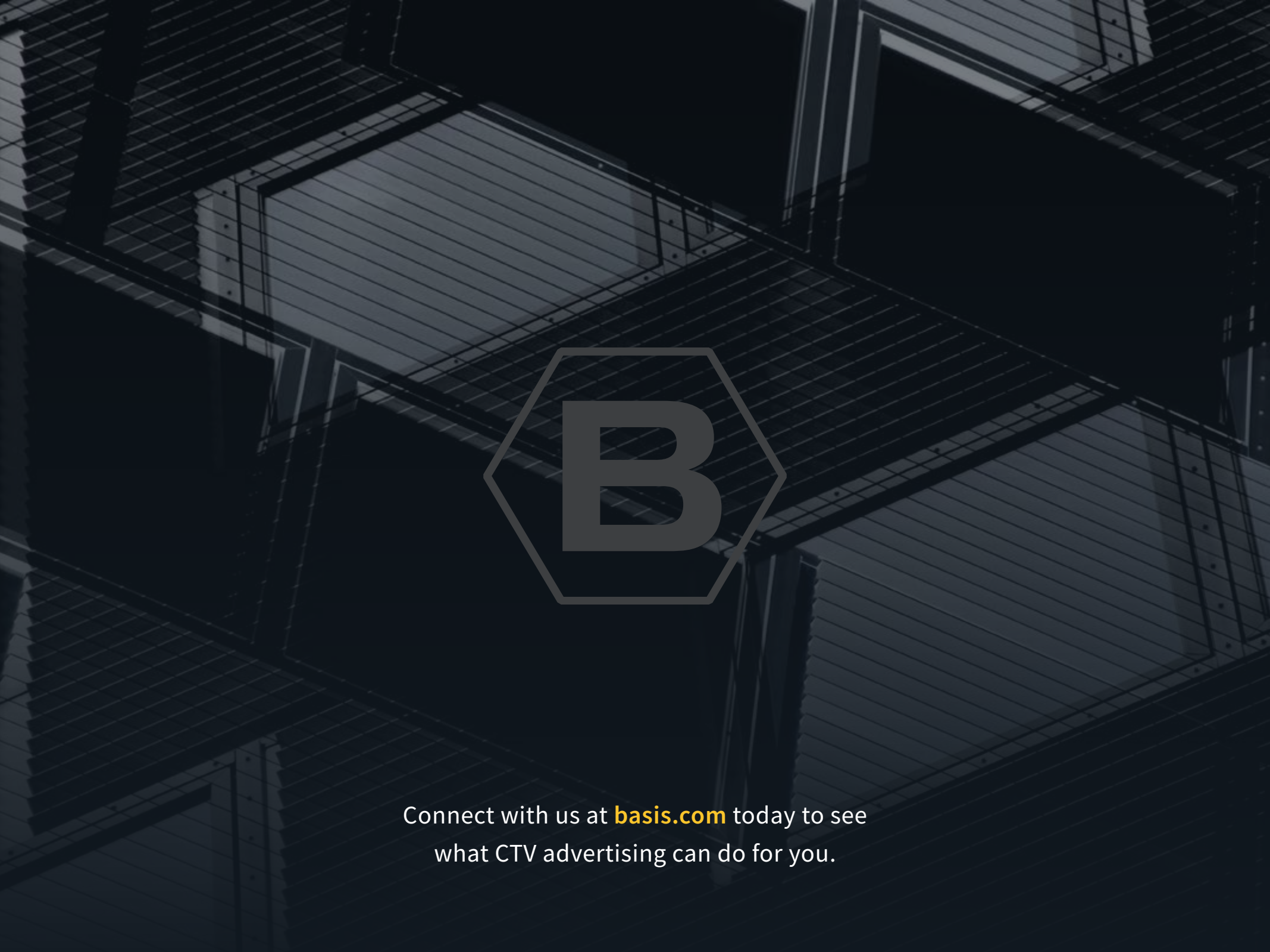


With options for both managed services clients and self-serve users within the Basis platform, coupled with Basis' automated and comprehensive demand side platform (DSP), Basis Technologies has the tools and strategies you need to support and optimize your CTV campaign.

Want to learn more about how CTV advertising can help you connect with diverse audiences?

Come visit us at Basis.com.

Basis®



Connect with us at **basis.com** today to see
what CTV advertising can do for you.