

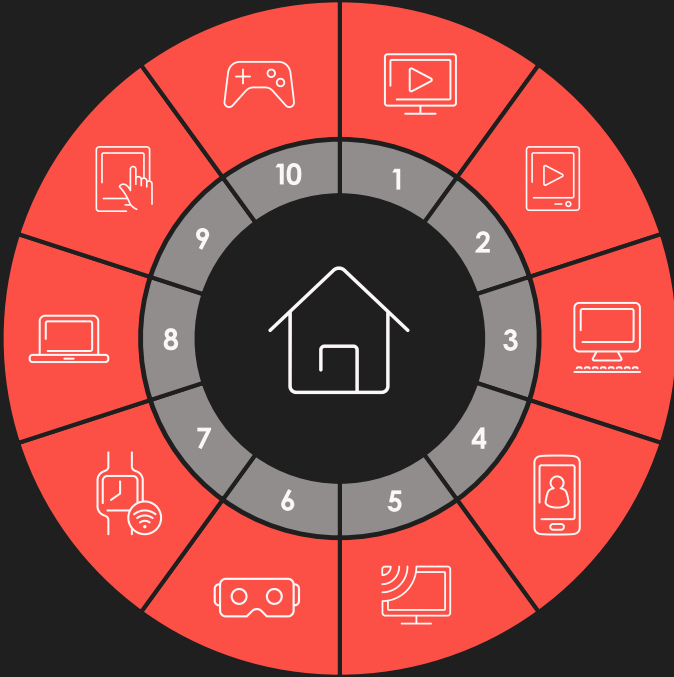
# Capitalizing on the CTV Opportunity

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# Nationwide, Video Viewing Habits are Shifting

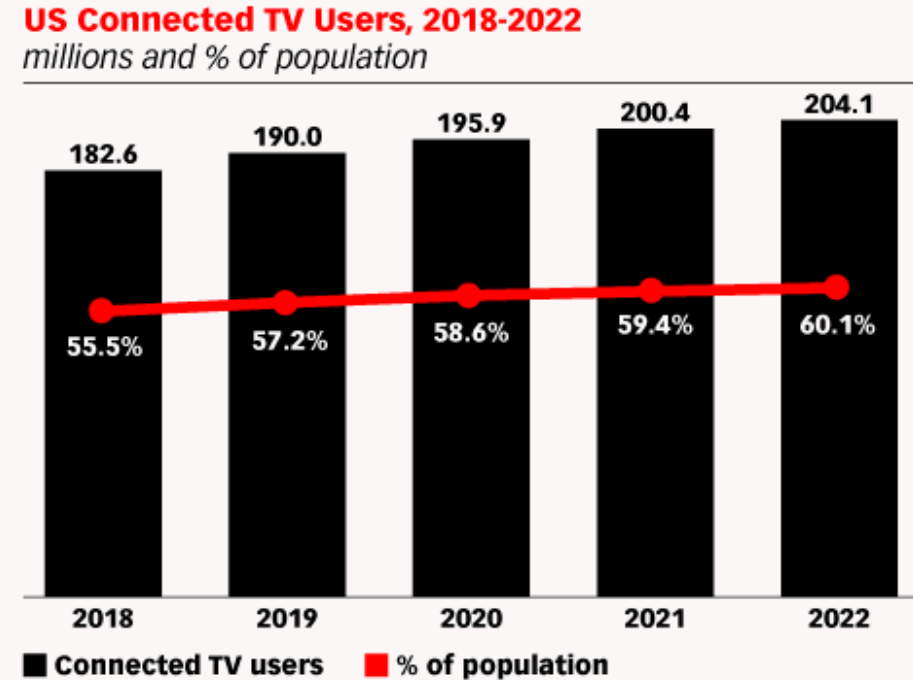


The average U.S. home owns 10 Connected Devices



Over 40% of consumers today use CTV devices to stream content on a daily basis

In 2022,  
the number of CTV users will rise to  
**204.1 million**,  
which will represent  
**60.1%**  
of the population.





## Access to Premium Inventory

Networks are **adapting to viewer habits**

**40%** of OTT users have paused content to **purchase or learn more** about a product **mentioned in an ad.**



## Audience Targeting

CTV advertising allows brands to get in Front of the **Right Audience at the Right Time**

CTV advertising is associated with **increased ad recall**



## Increased Efficiency

CTV, commercials **lower the ad load**

Connected TV ads are **more interactive**

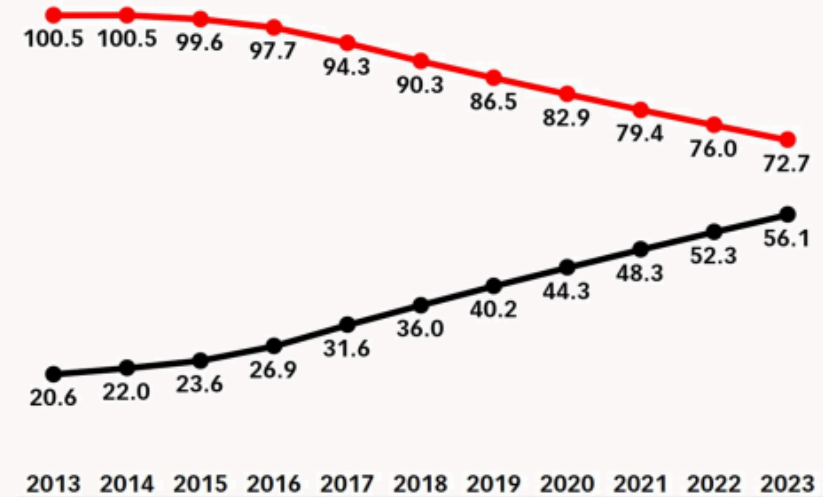
**32%** higher lift in the perception that the **brand has a unique story to tell** compared to linear TV

# Decline in Pay TV Subscribers Mirrors Predicted CTV Ad Spend

By 2023, 56.1 million households in the US will be cord-cutters; up from 20.6 million in 2013.

CTV programmatic video ad spending is expected to increase from \$3.39 billion in 2019 to \$6.26 billion in 2021.

**Pay TV vs. Non-Pay-TV Households in the US, 2013-2023**  
millions



■ Pay TV households  
■ Non-pay-TV households

*Note: pay TV households are households with a subscription to traditional pay TV services; includes cable, satellite, telco/fiber operators and multiple system operators (MSOs); excludes IPTV and pure-play online video services (e.g., Hulu, Netflix, YouTube, etc.)*

Source: eMarketer, July 2019

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www.eMarketer.com

<b>(OTT)</b>	<b>(CTV)</b>	<b>AVOD</b>	<b>vMVPD</b>	<b>TVE</b>
<b>Over The Top</b>	<b>Connected TV</b>	<b>Advertising-Supported Video On Demand</b>	<b>Virtual multichannel video programming distributor</b>	<b>TV Everywhere</b>
<p><b>OTT</b> is the overarching term for streaming advertising. OTT encompasses TV everywhere, SVOD and AVOD, which are service types, as well as Connected TV, which is a device type.</p>	<p><b>CTV</b> refers to a TV that's been connected to the internet and can support access to streaming media applications. CTV devices include smart TVs from manufacturers such as Vizio and Samsung, as well as external devices that can be connected to and display content on TVs, such as Roku, Apple TV and Microsoft's Xbox.</p>	<p><b>AVOD</b> services, including Hulu and Tubi, offer on-demand video content to consumers with advertising breaks that allow the service to be free or discounted in price. Available content may be aggregated from multiple sources or proprietary to the service, or both.</p>	<p><b>vMVPDs</b> deliver a bundle of TV content via the internet instead of cable or satellite feeds. They often have access to a specified number of commercial minutes per hour to sell, negotiated as part of their carriage agreements with broadcast networks. Some vMVPDs include Dish Network's Sling, AT&amp;T TV Now, and Google's YouTube TV.</p>	<p><b>TVE</b> is a streaming service operated by a TV, cable or satellite network—or by an MVPD—that requires users to authenticate their pay TV subscriptions in order to access the content, for example, logging in to your HBO Go account with your Comcast email address. There is not a direct relationship between the consumer and programmer.</p>

## Myth

Technology can't replicate my direct buys and leverage across Advanced TV

Direct relationships ensure my media investment goes towards premium inventory

Platforms operate in service of the platform owner – not a publisher, client, or total ecosystem

## Reality

With the shift towards “video neutral” buying, convergent platforms are moving alongside them to allow agencies to activate their unique relationships and campaigns with the scale, audience-based buying, and efficiency provided by Ad technology.

Today's media marketplaces are fueled by flexible transaction technology, allowing agencies to dictate – or discover – the right relationships they need to connect with the right audience.

Platforms increasingly are offering full transparency as a best business practice and provide tools to clients to not only protect, but enforce proprietary investment process, pricing, and strategy.



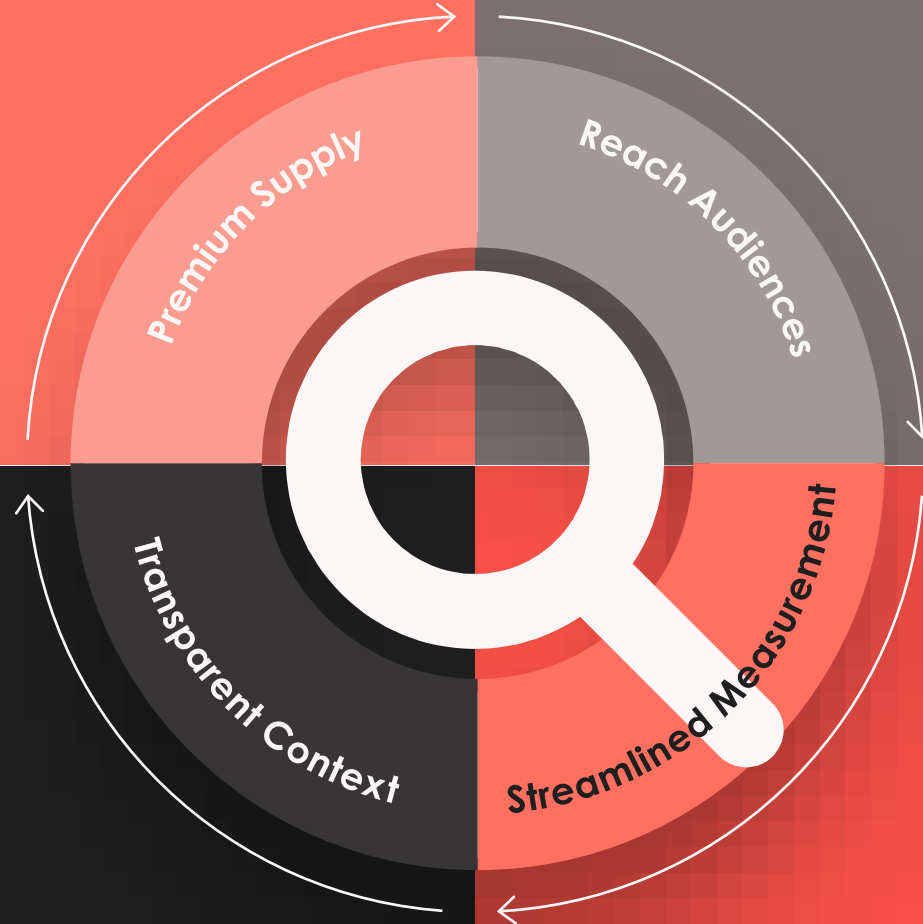
### Direct Paths to Premium Supply

SSPs that provide more direct paths to premium content creators are more likely to deliver scale for buyers. Direct connection between the DSP and SSP removes discrepancies and increases audience match rates.



### Effective Reach Across Audiences

The best way to achieve audience at scale is to buy from parties with direct user relationships, whether it be distribution platforms (the vMVPDs) or scaled publishers, such as WarnerMedia and Hulu.



### Transparent Context

There is not yet an IAB video content taxonomy and no marketplace with a content standard today. Understanding the full context of placements across content-type, network and show (from publishers or their SSP/DSP) can assure buyers they're getting real quality.



### Streamlined Measurement

The general consensus among CTV buyers is that greater consistency both in terms of measurement and audience activation are key to driving more investment, and creating uniform standards is an important factor.



## CTV Keeps Growing

Growth in CTV viewership is increasing faster than previously predicted.

## CTV targeting capabilities create opportunities for brands to reach audiences

CTV enables audience targeting, allowing brands to get in front of the right audience at the right time.

## Advertisers are noticing

CTV programmatic video spend is expected to double by 2021.

## Programmatic platforms can offer tremendous value through audience-buying and streamlined activation.

The time is now to explore migrating CTV buying into platforms.