



The Lean:  
**CTV Insights Brief**

VOLUME 1 | NOV 2021

Timely Consumer Insights for Marketers



The accelerated adoption of CTV/OTT by advertisers and consumers over the past two years has changed the dynamics of how brands think about and approach video advertising. With higher engagement rates than traditional linear TV, more precise targeting capabilities, flexible buying models, and advanced attribution options, CTV/OTT as an advertising medium is delivering just as much, and in some cases, even more effective ROAS than traditional media. So it's no surprise that more than half of ad buyers are moving their investments from broadcast and cable television towards CTV, according to IAB's Digital Video Advertising Spend Report. Connected TV (CTV) ad spend will reach \$14.44 billion this year, up 59.9% from 2020.<sup>1</sup>

Although consumers have been moving toward a more normalized state of CTV/OTT viewing over the last quarter, the massive migration to ad-supported streaming services is opening a whole new world of opportunities for brands to engage watchers with more control over who they reach and when. As we approach a new year, marketers are expected to spend \$17 billion to serve ads to those audiences in 2022.

In this latest issue of GroundTruth's Lean: CTV Insights Brief, we unpack the fundamental building blocks that make up CTV/OTT advertising and some insight into the trends that will be driving business performance for brands in 2022.



## About the Lean

Between professional careers and personal lives, we understand that there is very little time left to read drawn out whitepapers. This is why we created The Lean — meaningful marketing insights that help brands make strategic decisions about their marketing campaigns. Specifically designed for easy consumption and quick reference, each issue of The Lean applies offline behavioral data filters and other industry sources to current consumer trends to help understand the impact they are having on business outcomes such as visits and sales. GroundTruth data is sourced from the 30 billion annual global visits observed on its platform. All data is anonymized and aggregated.

<sup>1</sup>eMarketer

# WHAT IS OTT & CTV?

OTT or Over-the-Top, is on-demand video content or media that is delivered to viewers via an Internet connection. You can view OTT content on a desktop, phone, tablet, or on a smart TV.

CTV is a subset of OTT. If you want to purchase ads to be displayed on the big screen, you would purchase ads to be displayed on CTV or Connected TV.

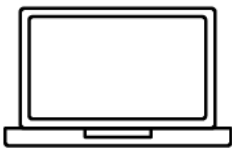
Every time you make a screen selection for your advertising campaign, you should do so based on your desired outcome.

**EXAMPLE:**

How would your creative look on a 3-inch screen? Would it display better on a full screen TV to provide the best user experience?

## Ground Truth Single Price Solution Across All Screens

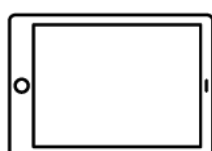
### ANY SCREEN (OTT)



Desktop



Mobile



Tablet



Smart TV



Gaming Console



Streaming Device

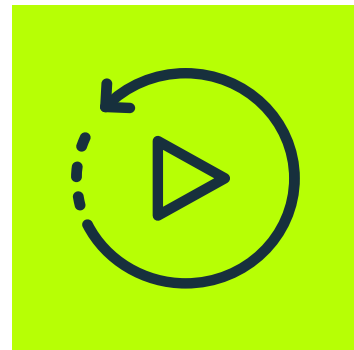
CTV



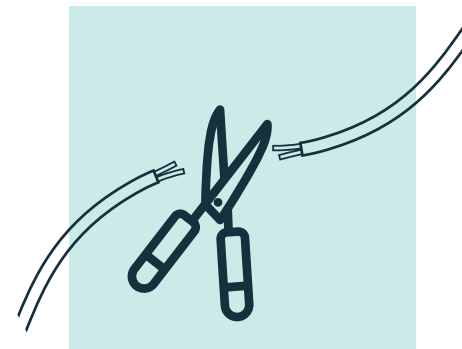
### Did you know?

The Media Rating Council (MRC) recently renamed what it defines as OTT to use the prevailing industry term “CTV.”

# STATE OF THE STREAMING MARKET



U.S. consumers now spend an average 78 minutes more per week streaming TV than watching linear TV, according to a new survey from Roku and The Harris Poll.



While 86% of consumers are streamers, one in three report not having traditional TV, including one out of two millennials and 44% of Gen Z respondents. Most (83%) Baby Boomer cord-cutters said that it was unlikely that they would reactivate or purchase a new pay-TV subscription.



Consumers are also planning a return to brick-and-mortar shopping, with 43% planning to shop in-store this Black Friday and Cyber Monday. That's up 11% from 2020 (despite the COVID-19 resurgence, which was well under way when the survey was conducted in late August).



## Did you know?

The Super Bowl is one of the few TV events in the US that can bring an audience in the tens of millions. With traditional TV inventory already selling out for Super Bowl LVI, CTV can be a great option in the leading weeks to help advertisers boost awareness, visits, and ultimately sales.<sup>2</sup>

# CTV PERSONAS

**Gen Z**  
38 Million  
1997-2006

**Millennials**  
63 Million  
1983-1996

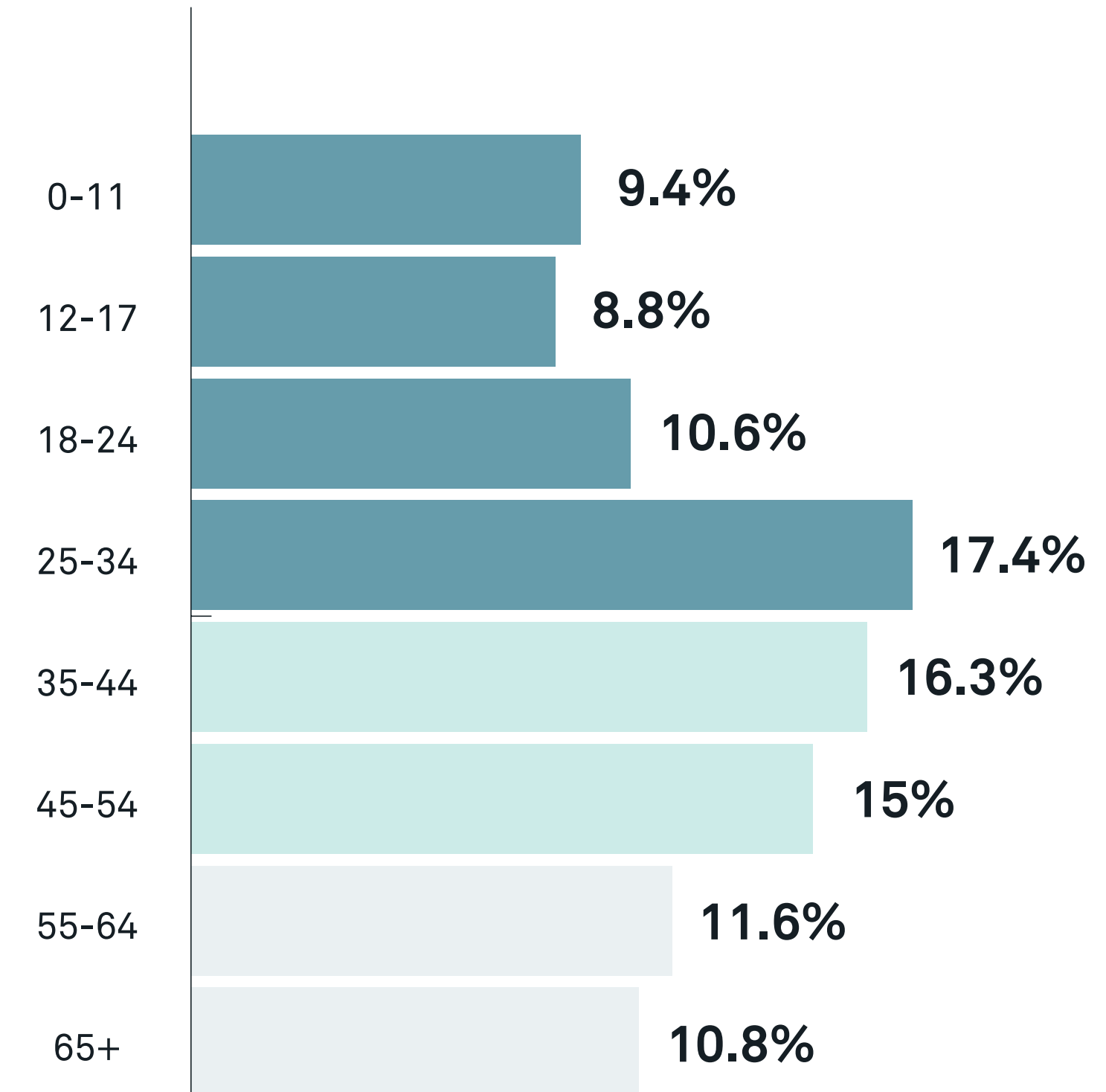
**Gen X**  
70 Million  
1966-1982

**Baby Boomers**  
75 Million  
1947-1965

The Cord Nevers	The Cord Cutters	The Cord Stackers
Predominantly Gen Z households and Millennials (ages 18-35)	Predominantly Gen X households (ages 35-55)	Predominantly Baby Boomers households (ages 55+)
The Cord Nevers are the consumers who have never subscribed to cable TV. This group has grown up in the streaming era. CTV is the only way to reach this audience on the large screen.	The Cord Cutters are the consumers who have canceled their traditional TV subscription in favor of streaming subscriptions, both ad-free and ad-supported.	The Cord Stackers are the consumers who watch and subscribe to both traditional television services and CTV streaming services. This segment is adopting CTV at a high rate due to disappointment with cable companies.
<b>60.5M</b> CTV Viewers	<b>67.7M</b> CTV Viewers	<b>48.4M</b> CTV Viewers

## CONNECTED TV USER SHARE, BY AGE<sup>3</sup>

US, 2021, % of Total



More households now watch CTV than traditional cable and satellite TV. What initially started as a new medium for young and tech-savvy Millennials and Gen Z, has now expanded to all groups and ages.

<sup>3</sup> eMarketer, Sept 2021

# THE FUTURE OF CTV IS AD-SUPPORTED

As streaming evolves, so does user behavior towards ads. While some may cut the cord with traditional cable services to move to ad-free streaming content, the vast majority of consumers are comfortable with ads. In fact, most consumers prefer ad-supported content.

According to Deloitte's latest Digital Media Trends, if given the choice, 65 percent of respondents say they prefer ad-supported options to stream videos to eliminate or reduce subscription costs.

**50%**  
of all digital video viewers in the US are watching ad-supported content. That's 128M people.<sup>4</sup>

**7.2**  
Number of ad-supported video subscription services the average household subscribes to.<sup>5</sup>



## Did you know?

Because CTV is highly targeted and audience-driven, CTV viewers are twice as likely to make a purchase after seeing an ad compared to traditional TV audiences.<sup>6</sup>

## Top 10 Ad-Supported CTV Apps<sup>7</sup>

TOP 10 ROKU APPS		TOP 10 AMAZON FIRE TV APPS
	1	
	2	
	3	
	4	
	5	
	6	
	7	
	8	
	9	
	10	

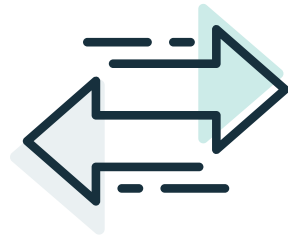
<sup>4</sup> eMarketer

<sup>5</sup> MediaPlayNews

<sup>6</sup> CTV is for Everyone 2021/2022 US Report

<sup>7</sup> Pivalate

# COMPLEMENT YOUR AD CAMPAIGNS WITH CTV



## Audiences are shifting to CTV

The shift from traditional to digital TV has dramatically increased over the last few years. Linear TV watchers are cutting the cord at an increasing rate, and a new generation of TV viewers will never know anything but CTV.



## It's about the audience, not the content

Targeting on CTV is less about finding the right content to show your ad on, but more about who your ad should be shown to. This results in less wasted ads and better performance.



## Add geotargeting or weather triggers for more efficient performance

CTV targeting allows for granular geotargeting down to the city level and allows for targeting your audience based on current or forecasted weather conditions.



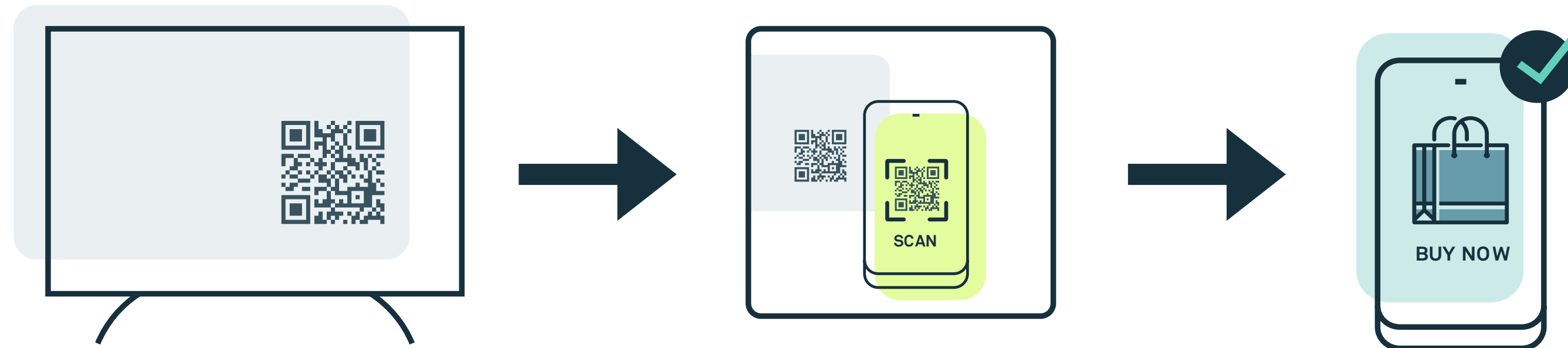
## Real-time reporting and optimization

As opposed to linear TV buys, CTV allows for real-time reporting and optimizing which ensures that campaigns are always performing well.

# ENHANCING YOUR VIDEO CREATIVES

QR codes are making a comeback.

Viewers cannot click on CTV/OTT ads, so visual and audio call-to-actions are necessary. Using QR codes can be a great way to provide viewers with an action-based engagement point and marketers a new method of measurement.



We've seen massive QR code adoption over the last few years due to its easy and contactless nature. Coincidentally, an increasing number of TV viewers are watching TV while simultaneously using their mobile phones. Now more than ever, marketers can leverage QR codes to connect with viewers in the moment and drive engagement.

## GroundTruth Ads Are

**100%**  
Non-Skippable

**100%**  
Viewable Full screen

**95%+**  
Video Completion Rate



# HERE'S WHAT YOU WANT TO MEASURE

CTV comes down to impressions served, viewed, and completed. The buy/sell barter is dollars for impressions viewed and completed. While simplistic, impressions served and completed are the foundational metrics anyone can use to substantiate CTV value. However, once we establish those baselines, there are other ways to define value from a CTV campaign. Here are a few:

## **Time on screen**

Time on screen matters to all advertisers. It is the ability to measure aggregated awareness and impact in total hours. The true value of time on screen is in its comparison to other mediums – it is non-skippable, intentional, and memorable.

## **eCPM**

Video (or Viewer) Completion Rate is the percentage of impressions viewed through to their end. Effective CPM is the actual cost per thousand based on this percentage. The impact of measuring eCPM begins with the actual CPM. If you start by paying too much, your eCPM will always end up being higher than what you thought you were paying. VCR and the cost of media are the denominators of eCPM.

## **Attribution**

Unlike traditional media, CTV can be measured through to attribution. For example, deterministic foot traffic attribution will report a true outcome for location visits driven by ad exposure. “Action Ads” like QR codes also create attribution paths and can be embedded in an ad spot. No matter how an advertiser measures attribution, the reported data should always be deterministically accurate, not estimated through a probabilistic panel based model.

# GROUNDTRUTH INSIGHTS

There are many benefits to adding CTV and OTT to traditional digital advertising — reach, the benefit of sight, sound, and motion, and many more.

Two recent GroundTruth studies analyzed multiple campaigns in both the automotive and restaurant verticals to determine the value of adding CTV to a mobile campaign in order to increase overall foot traffic.

## WHAT WE FOUND



**A regional auto dealer saw a 52% increase in lot visits when running CTV + Mobile versus Mobile exclusively.**



**A large, national QSR chain saw a 69% increase in visits when running CTV + Mobile versus Mobile exclusively.**

## Top 10 GroundTruth categorical and behavioral audiences that are impressed by CTV ads

CATEGORY AUDIENCES	BEHAVIOR AUDIENCES
Colleges & Universities	Verified Legal Drinking Age
Shopping Centers & Malls	Millennials
Restaurants	Verizon Wireless Subscribers
Grocers-Retail	Shoppers
Nonclassified Establishments	AT&T Subscribers
Stadiums, Arenas, & Athletic Fields	Department Shoppers
Hotels & Motels	Pharmacy Regulars
Department Stores	Frequent Travelers
Pharmacies & Drugstores	QSR Diners
Museums	Diners

**Behavioral audiences** are people whose real-world visitation patterns indicate a type of group they belong to (e.g. sports enthusiasts, contractors, etc.)

# LOOKING FORWARD

## Consumers are willing to watch ad-supported streaming content.

The shift in viewing habits has been driven by consumers' cost sensitivity toward subscription-based TV, generational attitudes to content availability, and pandemic related "at home" realities. Make sure you don't miss the opportunity to reach your customers within this growing audience by adding CTV to your marketing mix. You can even reach customers at the zip code level to make sure you are driving them to the location nearest to their neighborhood.

## Take the guess work out of your TV strategy.

CTV flips traditional TV advertising models by allowing marketers to apply the targeting and attribution benefits digital marketing offers in a more engaging and visual format. Not only can you confidently reach your audiences based on their brand preferences and the places they visit, but also drive engagement that leads to business related outcomes.

## Combining CTV with traditional digital advertising generates real results.

Adding CTV to your omnichannel campaigns increases reach and performance by a good margin. In fact, a brand could miss up to 40% of its desired audience reach by ignoring CTV in its media plan, depending on the target audience segment.<sup>8</sup> Optimizing your marketing strategies with CTV allows you to reach buyers during relevant decision stages, and most importantly, at that critical point of final decision.

## Personalized CTV/OTT ads get high marks from viewers.

According to Hub Entertainment Research conducted in June, 60% of consumers ages 14 to 74 who watch at least one hour of TV per week give top satisfaction ratings (between 8 and 10 on an 11-point scale) to shows that included "ads customized to me." With such high consumer expectations, make sure your CTV ad campaigns are audience-based and use accurate data that you trust to deliver performance. Anything less could actually drive potential customers away.



TV



<sup>8</sup> The Future of TV Report: the CTV Tipping Point (TradeDesk MarketInsights, Jan. 2021)



# Questions?

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