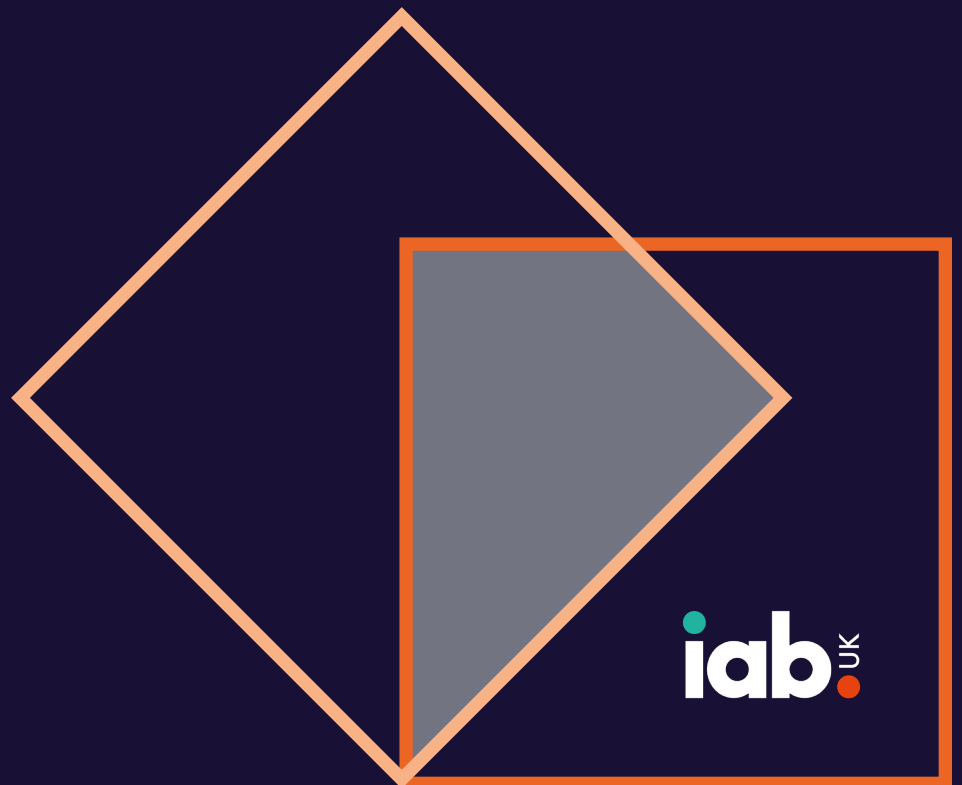


Changing the Channel

A comprehensive guide to Connected TV



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Section 1: An Overview of CTV

1.1

Introduction

The UK Connected TV (CTV) market has been gaining momentum over the last 12 months as audiences have continued to diversify their TV viewing habits and, in turn, brands have started tapping into the exciting opportunities that CTV advertising presents.

With such a new and emerging channel, there's a clear need for education to ensure that the technology and tools available to advertisers are being utilised in the right way and that both sides of the industry are working together effectively.

With that in mind, the IAB has worked with our members to produce a comprehensive guide to the UK CTV market, covering everything from how to approach planning a CTV advertising campaign through to measurement and attribution, alongside a bespoke piece of consumer research conducted on behalf of the IAB by Differentology.

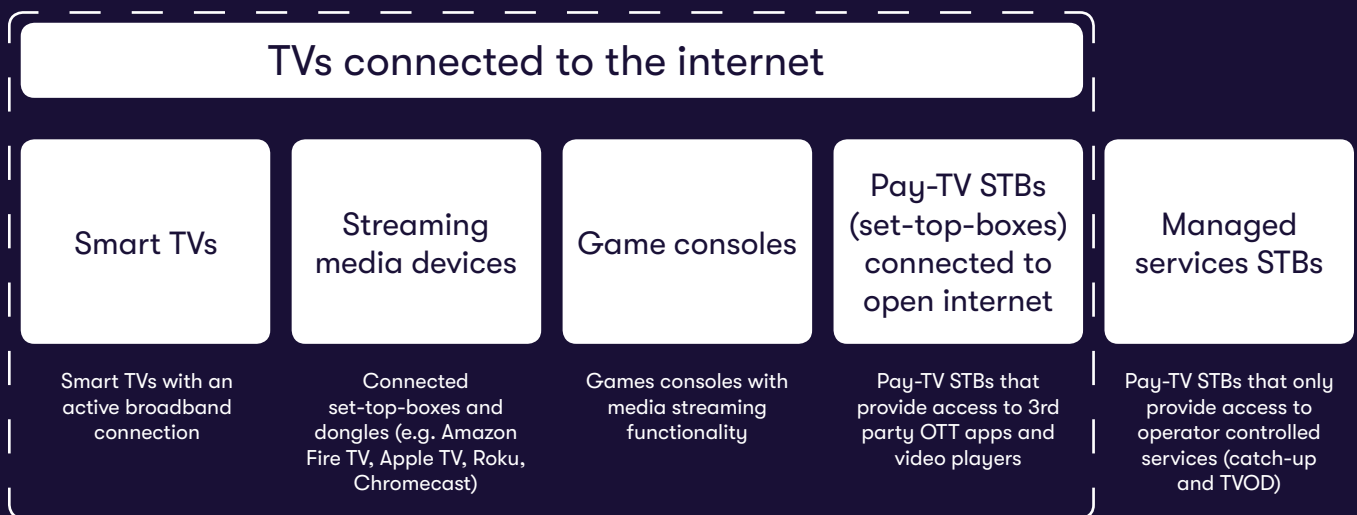
The IAB's mission is to build a sustainable future for digital advertising and one of our key objectives is to look to the future and help businesses prepare. This guide sits firmly at the centre of those two things, bringing our members together to share knowledge and guidance on an evolving area of the digital advertising industry.

1.2

Definitions & Terminology

For the purpose of this guide, Connected TV (CTV) is defined as:

Video content consumed on a TV screen, delivered via an internet connection. This includes TVs directly connected to the internet (Smart TV), as well as hardware that enables a TV to become connected, e.g. TV sticks, games consoles and set-top boxes that are connected to the internet.



Connectivity

Advanced TV

An umbrella term referring to any TV content that has evolved beyond traditional, linear TV delivery methods.

OTT (Over-the-top)

Over-the-top media services that allow access to TV-like content delivered over the internet, bypassing traditional terrestrial TV formats. OTT services can be accessed via CTV, as well as through apps on other devices with an internet connection, such as smartphones and tablets.

IPTV (Internet Protocol television)

Internet Protocol television is the delivery of TV content over Internet Protocol (IP) networks. This is in contrast to delivery through traditional terrestrial, satellite and cable TV formats.

HbbTV (Hybrid broadcast broadband TV)

HbbTV is a global initiative aimed at combining the broadcast and broadband delivery of entertainment services to consumers. What it means in practical terms is that you can get both standard broadcast FTA (free-to-air) TV and IPTV (internet delivered) TV services all in one place.

On Demand

VOD (Video on demand)

A service that allows viewers to watch video content wherever and whenever they choose, rather than at the scheduled broadcast time.

SVOD (Subscription VOD)

A video content service for which the user pays a subscription for e.g. Netflix, Amazon Prime etc.

BVOD (Broadcaster VOD)

A video content service delivered by a broadcaster, typically funded by advertising and therefore free to the user.

AVOD (Ad-supported VOD)

A video content service that is funded by advertising. This includes video services that are free to the user and also those that offer a subscription fee as well as showing ads. Broadcaster VOD services that are funded by advertising are included in this, but also YouTube etc.

TVOD (Transactional VOD)

A video content service where customers pay for each piece of video on demand content. For example, a customer would pay a fee for each movie or TV show that they watch.

Buying and Selling

Programmatic TV

An automated approach to buying and delivering TV ads.

Addressable TV

The ability to serve different ads to different audience segments watching the same TV content.

Technology

DAI (Dynamic ad insertion)

Campaign optimisation technology that allows advertisers to dynamically change ads within VOD content, i.e. swap the ad creative shown, making it possible to target specific viewers rather than serving the same ad to each viewer.

ACR (Automatic content recognition)

Identification technology that allows content to be recognised by video, audio or watermark cues that are matched back to a database for reference and verification.

A balanced look at the opportunities and challenges

Martyn Bentley, UK Commercial Director, AudienceProject

Connected TV (CTV) is, by and large, an opportunity for all concerned:

For publishers and broadcasters, CTV offers an essential new engagement and reach opportunity outside of linear distribution. AudienceProject's [latest study*](#) on the usage of traditional TV, online video and streaming, shows that almost a tenth of the audience (13%) in the UK are streaming but not watching traditional TV, documenting the huge potential for incremental reach connected TV brings. Other numbers are also showing that it's already making pretty serious money - with the AA/WARC Expenditure Report showing £391 million of UK CTV ad spend in 2018 and forecasting almost 30% year-on-year growth for 2019.

Agencies have a new trading opportunity, around which they can flex their data and planning muscles. Meanwhile, advertisers are likely to benefit from increased reach of light TV viewing audiences, in a highly dynamic environment, which holds the promise of more highly targetable inventory than linear can ever reasonably offer.

And, inevitably, (often US) tech firms also see a lucrative opportunity with CTV to ingrain themselves

in the infrastructure of this rapidly growing medium - the numbers from the US are not to be ignored, with programmatic TV ad spend estimated at \$4.73 billion in 2018!

Last, but definitely not least, consumers have the benefit of incredible choice and convenience as their every programming whim can be met by a bevy of platforms and broadcasters offering what they want, where and when they want it - and on almost every device they own.

So surely, it's trebles all round? We have hit TV Utopia!

Well, sorry to be a party pooper, but we are not quite relaxing at the bar just yet. There are challenges that need to be met to truly realise the opportunity.

The programmatic dilemma is the first challenge we see. While CTV isn't exactly programmatic yet (although recent announcements from ITV and C4/The Trade Desk push in that direction), it's worth noting learnings from the rise of digital display ads (which became programmatic). Display went

somewhat down a rabbit hole, as the market quickly (over) developed into a shouting contest about who had built the best one-to-one targeting machine. The digital ad market ran headlong towards direct response at the expense of consumer attention, long-term publisher revenues and, arguably, offered little or no benefit to brand marketing.

While some publishers and tech players may well have excellent data sets to enable micro-targeting on CTV, it is essential that CTV respects the empirically proven value of linear TV i.e. linear TV remains the number one platform to build brands and attain cost-effective reach in a high-quality environment.

With some audiences migrating from linear TV to CTV, the market needs to remain focused on the importance of reach building in a TV environment. Just because you can micro-target, it doesn't mean it's the only thing you should do.

As CTV grows, so too does consumer choice - the latest newcomers being the ad-free subscription services from Disney+ and Britbox. There is potential for consumer overload. And of course, some of the most popular CTV services don't carry commercial ads, although there are plenty of rumours that they might do in the future. Consumers will only have a finite amount of money in their wallet for subscriptions - and this could benefit AVOD. It is perceivable that they may turn to the ad-funded platforms as they reach subscription saturation. However, second only to the content on the platforms, the ad experience will be a key driver of this consumer choice. Shouty and endlessly repeated 'BUY NOW' ads are not going to encourage users to spend more time with ad-funded CTV platforms.

Finally, we believe that measurement is the key that will open the door to the exceptional opportunities offered to everyone by CTV. Currently, CTV is not supported by a market standard or currency, which makes it challenging for buyers and sellers to agree on the amount and quality of the audience that is reached. This, in turn, makes the efficient planning of campaigns difficult. Ultimately, it leaves value on the table for publishers and clips the wings of media planners and buyers. While the medium is currently in growth, it needs to ensure stable long-term growth through accountability and tradability. And audiences will benefit as the ads will be relevant, with a frequency that is acceptable.

In conclusion, our view is that it is the consumer who is making the most of the current opportunity - which isn't a bad thing. The consumer should certainly be everyone's first concern as the industry develops strategies to build long-term businesses around CTV.



Section 2: Consumer Behaviour

2.1

TV Viewing Habits

The way we watch TV has changed. While TV is still the largest screen in the home and remains an important role in day-to-day life, the linear TV schedule no longer dictates when and where TV content is consumed.

"I used to organise parts of my life around when something was going to be on TV. I don't have to do that anymore"

Consumer participant.

IAB UK worked with Differentology to gain a holistic understanding of Connected TV (CTV) usage and attitudes, as well as to identify the best opportunities for advertisers on CTV that are acceptable to viewers. The research was conducted in three stages:

- 1** Independent research report 'VODessey', conducted by Differentology to understand current and future consumer trends in the VOD market
- 2** 6 x 2.5 hour in home ethnographies with one lead respondent and two other members of the household
- 3** 1 x 3 hour workshop with six consumers and five industry stakeholders

The key points are as follows (to view the full research, go to iabuk.com/ctv):

CTV Access & Usage

The CTV audience is growing

47% of UK households now have a Smart TV* and most new television sets sold in the UK are now Smart TVs. There are also a number of devices available that allow a standard TV to become connected.

The vast majority have access to major VOD services

85% have access to Broadcaster VOD (BVOD) services
e.g. BBC iPlayer, ITV Hub, All4, My5 and SkyGo

68% have access to Subscription VOD (SVOD) services
e.g. Netflix, Amazon Prime, Now TV, Hayu and Mubi

72% of those with access to SVOD services are heavy watchers, accessing these services either every day (39%) or most days (34%)

16-34s 16-34s are more likely to have access to SVOD services (88%) and are more likely to access these every day (49%)

There is a growing audience, especially among younger viewers, who are becoming harder to reach via linear TV advertising

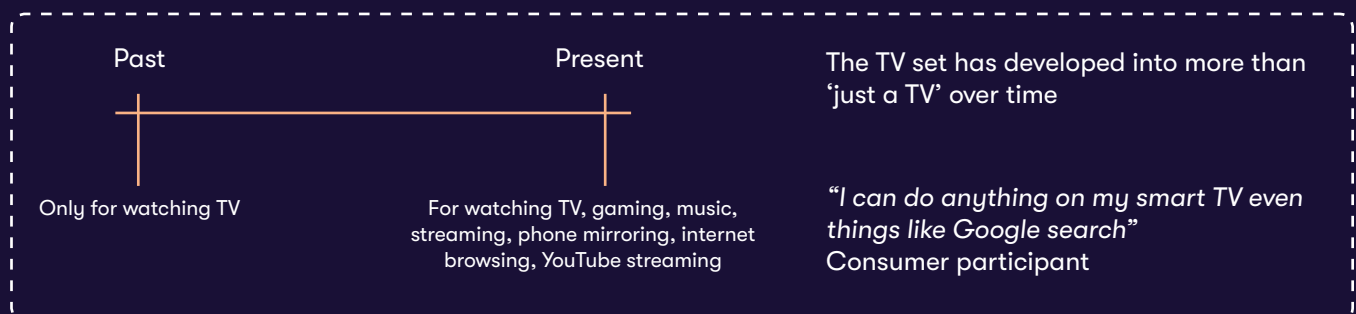
Live TV is still the first port of call for many when choosing what to watch (41% tend to go to live TV first), followed by SVOD services (16%) and online streaming services (8%)

16-34s, however, are more likely to go to SVOD services first (29%), followed by either live TV (15%) or online streaming services (15%)

21% claim to never go to live TV first, rising to 35% among 16-34 year olds and 53% among 16-19 year olds

Source: VODessey survey conducted by Differentology, published May 2019
Base: UK nat rep adults aged 16+ (2,029)

CTV Viewing Behaviour



Consider frequency when binge watching

The advent of VOD services has created a culture of acceptable 'binge' watching

This is enabled by VOD platforms' architecture which heavily encourages watching the next episode

Be mindful of overexposure to the same ad when viewers are watching multiple episodes in one sitting

Consider co-viewing for targeted ads

There is a deep vs shallow TV viewing dynamic

CTV offers flexibility on when/what is watched, making decisions on something to watch as a collective much easier

While CTV allows for targeting advertising, co-viewing and shared logins should be taken into account

Consider device and environment

Device hopping mid-programme is popular

"We start off watching TV in the living room and then later on move into the bedroom and continue the programme on the TV in there, or I will on the tablet if my partner wants to go to bed"

Consumer participant

This provides an opportunity for targeted advertising, relevant to both environment and device.

CTV Ad Formats

Seven different CTV advertising formats were tested with workshop respondents:

- Ads relevant to the programme
- While the app loads
- Interactive
- Personalised
- Banner on home screen
- Intervals
- Pre-roll

Key learnings from formats tested

Ads relevant to the programme were preferred

Viewers made a direct link between the programming and the ad content. The experience was described as immersive, seamless and preferred.

Pre-roll adverts were considered the least interruptive format

Viewers feel more comfortable with formats that are the norm on linear TV e.g. pre-roll and intervals. Viewers notice when interval ads on CTV are sometimes not as seamless as those on live TV, often cutting off a character in the programme or film mid-sentence.

Personalisation should be subtle

Viewers are often aware their data has been used, but dislike when this is glaringly obvious, e.g. using their name.

“I don’t need to be reminded that everything I do is tracked”

Consumer participant

Environment is important for interactive ads

For CTV, viewers still want a passive viewing experience that doesn’t require the mental effort of making a decision or physical effort of picking up the remote. However, consumers are used to interactivity on other devices so it feels more natural on these.

“I am already interacting with my phone so it would be ok on this. When watching TV I am passive and not interacting with it so it doesn’t feel as natural”

Consumer participant

How evolving TV viewership habits impact advertisers

Dr Jay Fowdar, International Director of Product, Samba TV

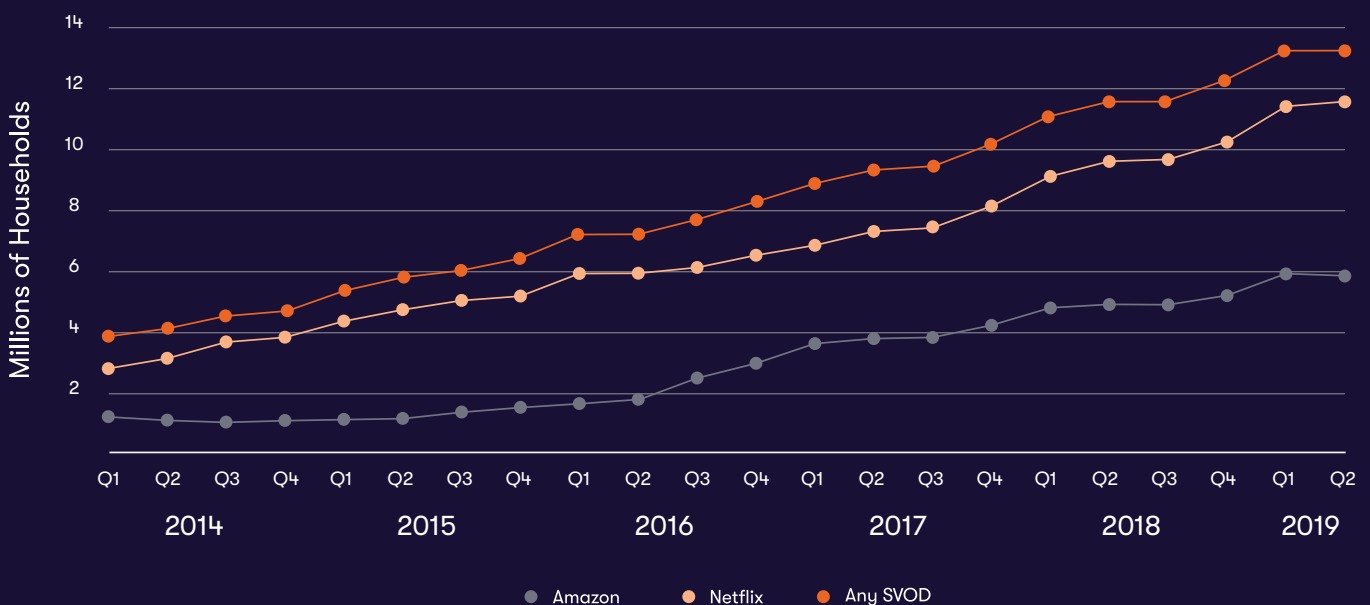
From all corners of our industry we've observed the rapidly evolving media landscape, but nowhere is it more apparent than television: viewers are now 100% in control of how, where and when they consume TV content.

This power shift has ramifications for brands and advertisers that are still determining how to pivot and meet the rapidly evolving habits of viewers and their TV consumption.

The result is an ever-expanding portion of the population that is increasingly unavailable to traditional television advertising, which creates two major challenges for advertisers:

1. How to assess total reach and frequency across multiple screens and platforms
2. How to target and measure viewers across a fragmented landscape

Subscription VOD Households Q1 2014 - Q2 2019



Source: BARB Establishment Survey

This massive shift did not occur overnight and we can easily quantify the evolution of TV viewership:

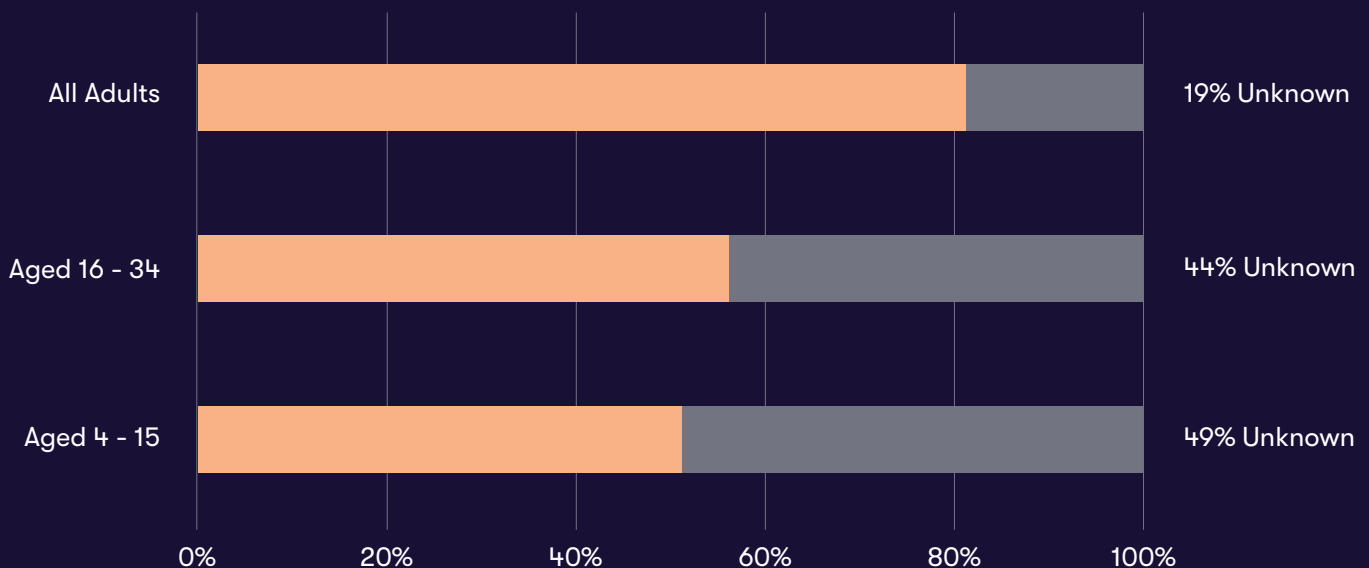
- As of Q2 2019, Netflix had more than 11.6 million UK households and the subscription video on demand (SVOD) behemoth is forecasted to reach 86% of the UK population by 2023
- Additionally, there are close to 6 million UK households that subscribe to Amazon Prime Video as of Q2 2019 - further proving that viewers are turning to SVOD services for their TV content

Looking Forward

The impending launch of multiple new streaming platforms from Disney, Warner, Britbox and others means that brands will be further challenged to reach their target audience in the face of even more fragmentation of TV viewership.

Many established broadcasters have also developed mobile and TV applications that house their content libraries and offer live streaming. And while many require a subscription or login, this option puts consumers in full control of accessing content from the palm of their hands - which is typically cast to the television via a plug-in streaming device or a gaming console.

Daily Viewership



Source: BARB/Thinkbox Jan-Jun 2019 – Average Daily Viewing

Brands must acknowledge that large sections of UK viewers are unmeasured by the standard TV measurement body BARB, and this trend is most prevalent among younger audiences - almost 45% of 16-34 viewing is unmeasured.

Savvy marketers have migrated from siloed TV and digital plans to integrated Connected TV (CTV) strategies that gain incremental reach beyond linear. Traditional TV advertising has not evolved to meet the reality that 'watching TV' now means content can be accessed from multiple sources at any time.

Understanding total reach and frequency across all channels and platforms is critical for brands to assess where they could be either under-serving or

over-saturating a target audience. True reach and frequency measurement requires several components:

- A diverse and representative viewership dataset measuring TV viewership second-by-second. This can be achieved using Automatic Content Recognition (ACR) techniques on the TV set, which is source-agnostic by nature
- A balanced research panel that matches the population viewership and geographics
- A device graph that enables identity resolution in an accurate and privacy compliant manner

Advertisers that embrace the evolution of television viewership and incorporate solutions, such as ACR data, are poised to succeed and use media fragmentation to their advantage.

Section 3: Unique CTV Opportunities



3.1.1

Reach & Targeting Capabilities

A view from Alex Hole, VP, Samsung Ads, Europe

Connected TV (CTV) has ushered in new opportunities for viewers to access all of their favourite content through linear TV, OTT and connected devices, all in one place. This new era presents exciting opportunities for brands to reach a fragmented audience.

According to Digital TV Research, 17 countries are predicted to exceed \$1 billion (USD) in over-the-top (OTT) revenue by

2023. The UK is expected to be the world's third largest OTT market with a revenue of \$6.8 billion, followed by Japan at \$5.3 billion and Germany at \$3.8 billion^[1]. While the opportunities are big, it presents an interesting challenge for advertisers because consumers are creating their own media mix. Finding and reaching the right audience is more important than ever.

Smart TV data combines the mass reach and scale of traditional TV with the capabilities of digital

Smart TVs are becoming the centre of the connected home. According to eMarketer, there will be 38 million CTV users in the UK by 2023; that's 56% of the population^[2].

With sophisticated targeting capabilities, CTV enables brands to extend their campaigns beyond that of linear TV. This provides advertisers with an opportunity to engage with hard to reach, light-linear TV audiences (known as cord-cutters and cord-shavers) who may not have seen the linear TV campaign.

Smart TV has unlocked new datasets, which include:

- Linear TV viewership – viewership across programmes, channels, and linear ads
- OTT – app usage across frequency and recency of use
- Gaming – types of games and identified connected gaming console
- Smart TV device – internet service provider (ISP), location, device year and model

Source:

[1] Digital TV Research

[2] eMarketer, March 2019

What can CTV datasets help you measure?

With unique viewing insights, CTV can reach households based on their viewing behaviour, interests, as well as the number of times they have seen a linear ad.

In addition to the unique targeting capabilities, CTV provides an opportunity to measure results and provide deeper insights. Measurement solutions may include:

- Drive incremental reach: Today, the most common use case for CTV is achieving incremental reach. By understanding which households were exposed, or unexposed to a linear TV ad, advertisers can now find new audiences across CTV and fine-tune their media strategy to manage frequency of ad served
- Increase tune-in: Leverage TV data to identify audiences who have tuned-in to a programme, and those who may have missed it. Based on these insights, advertisers can reach the right audience and customise their marketing message to generate more tune-ins and drive continued viewership
- Engage OTT users: OTT app partners can understand an audience across app launches, frequency and recency. Across these three measurements, OTT marketers can tailor a campaign to gain new users and drive increase of app usage

Questions to consider when seeking out a CTV partner:

- 1 Does the provider offer scale that is representative to your audience? Scale still matters when we talk about the big screen, so understanding your universe is key. In addition, focus on targeting capabilities and opportunity to look across linear, OTT and gaming
- 2 Is the data deterministic or modelled? While data modelling is still necessary in some use cases, deterministic data allows for precision targeting
- 3 Does the provider have the capability to identify which households are exposed and unexposed to linear ads? Some advertising campaigns may over index on certain demographics based on an assumption that their media plan is reaching a diverse set of consumers. By having a clear view into the exposed vs. unexposed audience, advertisers can better plan their media strategy
- 4 Are your media partners a member of the IAB Gold Standard? There are three simple but fundamental aims of the Gold Standard - reduce ad fraud, improve the digital advertising experience and increase brand safety, all of which are very important for advertisers

3.1.2

Reach & Targeting Capabilities

A view from Cassandra McDonald, Research Manager, UK and International, Vevo

As Samsung already stated, consumers are cord-cutting and reducing their Pay-TV subscription packages, instead opting for skinny bundles or subscription video on demand (SVOD) services such as Netflix and Amazon Prime, served through their Connected TV (CTV). As generations continue to change behaviours it is important advertisers do the same and take advantage of the opportunities to reach audiences via this medium.

Google announced in 2017 that CTV was their fastest growing device segment on YouTube, providing over 100 million hours of viewing per day globally [1]. Vevo, who distribute premium music videos on behalf of Sony and Universal Music on YouTube and in other places, has seen this trend too. In the past year alone, UK views of Vevo content on CTV have grown +148%, representing 17% of all views. CTV is set to outpace desktop (18%) by the end of the year. By comparison, in 2016 CTV contributed just 6.5% of the total, while desktop accounted for one in three of all views of our content [2]. The decline in desktop viewing and

accelerated growth in CTV illustrate the changing preferences of how consumers want to watch premium video content; preferences advertisers should be aware of.

On a global scale, over half of video impressions were delivered to CTV in Q1 2019, while all other devices experienced a drop in share [3]. This growth in CTV impressions is, in part, a product of the experience CTV provides. In this lean back environment, viewers are engaged with the content and the ads which explains why 30 second ads are so popular on CTV - responsible for 69% of all impressions [4]. It presents a great way for brands to reach reducing TV audiences, without having to optimise to smaller screens or shorter copy lengths.

Another one of the many benefits for advertisers using CTV is the delivery of addressable ads (something which is explored in the next chapter) - the ability to deliver personalised, targeted ads to consumers.

Targeting methodologies are still being developed, but they offer the promise of reducing some of the wastage associated with traditional TV buying and opening the door to advertisers with smaller budgets.

As CTV continues to grow, more and more content providers will find themselves modularising around the platforms, making it hard for advertisers to know where to turn to for significant audience reach. There is no one single ad-supported platform or service with dominant reach, and my personal opinion is that in the coming years we'll see a degree of aggregation in

the market. For now, content providers are looking to maximise reach by distributing to as many platforms as possible, being in the places audiences want to see them. While platforms may have superior user data, content providers who span several of these may present the easiest route to platform agnostic mass reach.

1. <https://adage.com/article/digital/youtube-connects-tv-audiences-top-world/310037>

2. Source: Vevo Internal Analytics, Jan 16 - Sep 19

3. https://www.warc.com/SubscriberContent/article/warc-datapoints/connected_tv_and_30second_ads_lead_on_video_impressions/127129

4. https://www.warc.com/content/article/A123242_Connected_TVE28099s_next_phase/123242

3.2.1

An introduction to addressable TV

Mihir Haria-Shah, Head of Broadcast, Total Media

As brands and advertisers are increasingly after more data driven, relevant advertising solutions, the traditional spot buying method of TV needs complementary technology to facilitate this and allow brands to focus on relevance and impact. Linear TV's ability to deliver significant reach is still unrivalled; however addressable TV gives advertisers solutions that focus on targeting and personalisation, while still in a live TV and/or on-demand environment.

Addressable TV advertising is the ability to show different ads to different households while they are watching the same programme at the same time, accessed through a cable, satellite or TV streaming service. This allows advertisers to target households based on their characteristics beyond just traditional TV buying demographics. Linear TV is bought on a one-to-many model; addressable TV enables advertisers to make a one-to-one connection.



Addressable TV platforms partner with data providers to build profiles of each household, based on various behaviours and characteristics. Segmentation can be at geographic, demographic and behavioural level. Clients can choose to overlay this with their own first party data to create an even more robust target audience - however the more layers of targeting, the smaller the pool of households.

When watching TV, a certain number of households may see different adverts in their ad breaks vs the rest of the UK because of addressable TV advertising. The switch is completely seamless and the viewer is likely to be unaware that they were shown a different advert based on their household profile.

Accountability is more straightforward with addressable TV activity than traditional TV as you can directly match back to households that were exposed to adverts and therefore provide return on investment (ROI) numbers.

3.2.2

How and why advertisers should be considering addressable TV as part of their marketing mix

Richard Brant, AV Product Director, Amplifi

There are two main approaches to an addressable TV campaign:

- Use in conjunction with your existing mass reach broadcast and video on demand (VOD) campaigns, to build focused reach and frequency within core audiences or hard to reach audiences
- As a strategic campaign to reach specific audiences on the big screen

Addressable TV should be thought of in the realms of any other targetable medium, used to drive core audience messaging and reach of audiences down the narrower end of the funnel.

The ability to match customer relationship management (CRM) audiences or specific Experian style mosaic is as robust as any other medium, particularly in the case of Sky AdSmart where their customer data matches at this level are the core of the proposition.

With broader campaigns, inevitably the campaign will be reverting back to a converting audience but undoubtedly there will be a further core audience to emphasise messaging to. Following up with increased frequency within this core segmentation continues the messaging in the brand safe quality TV format, but with absolute subtlety as addressable vs linear is completely seamless.

Follow on with the same message in geographical areas important to your business or key CRM or mosaic led audience segments. Similarly think what the next sequential message would be to the core audience to ensure it is more bespoke to the actions you'd like them to perform, both from a brand affinity and call to action (CTA) point of view.

Perhaps it is broader audience behaviour that you are trying to grow reach within, i.e. light TV viewers. Products like AdSmart can target their lowest deciles of viewers (targeted via the Sky viewing panel) in order to ensure incremental reach.

Addressable does not need to be complementary to large scale campaigns though, they can be campaigns in their own right. A strategic, targeted, relevant campaign that can access the power of the big screen can be an incredibly powerful brand builder, tapping in to the trust affinity credentials that TV brings. This means TV becomes accessible to all, even those with small geographical led local budgets. TV access, yet not losing the ability to apply granular targeting to make every penny count, makes it truly competitive to a traditionally digital domain.

The evidence

Sky AdSmart worked with third-party research companies d.fferento/ogy, BVA BDRC and Affectiva pulling out the following results in addressably served viewers vs control.

More relevant ads result in:

- 48% reduction in channel switching
- 35% increase in ad attentiveness
- 13% higher emotional response
- 49% boost in ad recall when the frequency of addressable ads is equal or higher to linear exposure
- 20%+ boost in purchase metrics for 'New to TV' brands, against all brands measured

What success looks like in addressable TV

Harry Marcus, UK Managing Director, Finecast

Addressable TV combines the extensive reach of TV with data, which means advertisers can take a tailored approach with greater creative flexibility, meaning viewers get more relevant, engaging ads.

Many UK advertisers are using addressable TV to discover new audiences and cultivate stronger brand awareness.

They are also seeing positive impact in driving up incremental reach or even an increase in sales.

Success here depends entirely on your unique objectives. Some brands seek cost savings, while others prioritise generating additional value.

Here are some universal best practices that help brands succeed in addressable TV:

Quality is paramount: Broadcasters create premium content for this space, but they also police it in the same way. In the UK, Clearcast quality standards are applied on both linear broadcasts and VOD platforms. We also have Ofcom, which has a statutory duty to represent the interests of UK citizens and consumers by promoting competition and protecting the public from harmful or offensive material, so quality is assured.

Addressable TV complements linear: Driving incremental reach and finding new audiences can be achieved by layering a data-driven addressable strategy alongside a linear strategy and having them work together to achieve brand objectives.

Creativity is key: Brands using bespoke creatives with different data sets to define and target potential customers are seeing great results. For example, brands can use weather data to target viewers with creative appropriate to local weather conditions.

Brands have a powerful opportunity to amplify their voice while focusing their message. Advertisers can expect cost savings of up to 20% over linear TV while achieving 4% incremental reach across younger audiences. Strong improvements in both effectiveness and efficiency are the type of success brands can find in addressable TV – when their strategy delivers against their objectives.

3.3



TREMOR VIDEO

New Creative Formats

Les Seifer, Head of Creative, Tremor Video

TV advertising has long been heralded as the ultimate creative force in the industry and, although undeniably effective, the opportunity to customise it or ensure it is completely relevant to the viewer has always been restricted. With the advent of Connected TV (CTV), we now have the ability to customise ads with relevant and unique visual elements and messaging, based on audience data, making the ad more valuable and engaging for your specific audience.

The beauty of creative is that there is no one way to be effective - in CTV or any other digital environment. It all depends on what your goals are.

There are a wealth of creative opportunities on CTV for advertisers to play with - from simple custom overlays, end cards, or branded title cards, to the much more polished edits that feel on brand and seamless with the original video advert.

Creatives can have fun with interactive CTV ads, enabling viewers to engage directly with a brand and giving them an insight into a product or offering in a playful way. There are a plethora of creative choices: from toggling between different models or colours of a product while the advert plays or giving consumers the option to complete a quiz, flick through images or even view a travel destination in 360°. As CTV develops there will be more opportunities to experiment with interactivity, which is a particularly effective format if you're looking to drive time spent, consideration or conversions.

Data can be used across CTV for personalised creativity and can be highly effective at reaching individuals at scale. Ultimately, CTV allows for much of the same granularity in audience targeting as mobile,



display and tablet, but also includes the bonus of being broadcasted on the largest screen in the house.

Interestingly, some of the more effective and creative CTV advertising has come from younger, smaller brands that are open to looking at the possibilities of CTV and recognise the way people ingest content across various screens.

When planning creative output, it's important for advertisers to understand the differences between linear and CTV and what the value of CTV is to the brand. CTV is by no means a silver bullet for all your advertising needs, but certainly represents a massive new opportunity that can be layered in with other screens and formats, helping to ensure brands are capturing audience attention across all screens in the most strategic and engaging way. No matter the tactics used, it's always best to adhere to general digital creative best practice; capture the viewer's attention and front load your most important message early in the ad, making sure the visuals tell a compelling story with or without sound.

There are so many ways to tell a great story in CTV environments, especially with the unique data available to marketers. With CTV viewers often comfortably seated in their homes, they're far more likely to be receptive to your brand story. A big landscape and more passive viewers are great for telling a creative story that lands.

3.4

Applying Learnings From Desktop Programmatic to CTV

Bill Swanson, VP EMEA, Telaria

The global shift towards Connected TV (CTV) has reached the UK market, and to capture the opportunities it brings, programmatic video is expected to see significant growth as advertisers look to shift budgets, and TV networks open up inventory. So, at this critical stage in its development, it's worth revisiting the quality, trust and transparency issues experienced by its predecessors: desktop and mobile programmatic. Using lessons already learned, the CTV ecosystem can ensure its continued growth by operating in a transparent way from the start.

Simplified supply chain

Programmatic within the desktop and mobile environment has a very complex supply chain. Publishers often work with numerous supply-side platforms (SSPs) to maximise fill rates and yields, but in certain instances this has negative consequences. Header bidding, for instance, exposes publishers to points of weakness as they repeatedly plug into the same demand, allowing buyers to find the cheapest point of entry into the supply.

The lesson for CTV is to simplify the supply chain, getting the right tech in place before focussing on revenue goals. The rules for CTV are different, with complex planning and scheduling requirements, and both audience and content quality are historically higher. TV networks must take a measured approach, determining when, to whom, and at what price they sell programmatic ad positions. TV networks can look at ways to simplify the tech through experienced CTV programmatic platforms that are connected directly to premium video demand. This will provide more control of ad content and the ability to monetise inventory in the best possible way.

Remember the user

Desktop programmatic created a rush to reach eyeballs, with little thought given to the user experience. This led to the Better Ad Standards being developed by the [Coalition for Better Ads](https://www.betterads.org/standards/)^{*}. However, this was a reactive initiative and it's important for the CTV industry to take a proactive approach to acceptable ad formats.

In the CTV programmatic era, the user experience must come first.

The industry has data points to determine when and where to serve ads, and techniques such as location/IP targeting can make experiences pertinent to the viewer. Advertisers must choose the right technology based on the audience they want to reach and the scheduling they want to appeal to.

Quality Matters

UK linear TV advertising is a well-planned environment, known for its quality and creativity. Brands often use characters and storytelling to connect with the viewer, rather than going for the hard sell.

TV networks don't want ads to detract from their content, so desktop's brand safety issues will be turned on their head. Instead of ensuring brand ads aren't served alongside inappropriate content, the ads themselves will be under close scrutiny. Creatives, agencies and technology platforms will all need to work together to maintain the traditional TV experience on CTV. Ad pods, frequency capping and competitive separation must be part of the CTV ecosystem.

Content owners are understandably nervous about opening the floodgates to programmatic on CTV. But as long as the industry learns from the experience of desktop, putting tech before monetisation, remembering the importance of user experience, and maintaining the bar set by linear TV advertising, programmatic will provide an effective way to monetise CTV inventory in a high quality environment.

^{*}<https://www.betterads.org/standards/>

Section 4: Planning and Buying CTV Campaigns



How to Plan a CTV Campaign

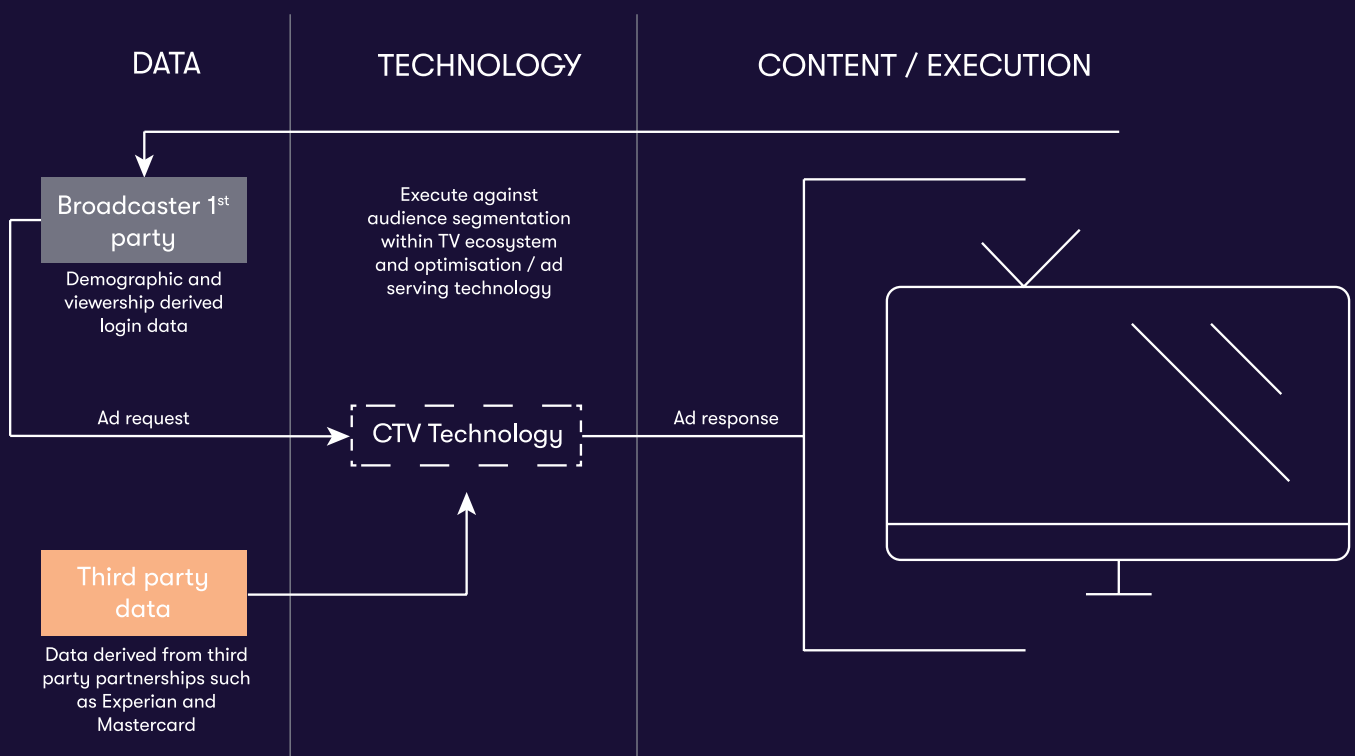
Vincenzo Aversa, Media Manager, GroupM

Lorna White, Digital Associate Director, MediaCom

Joseph Walshaw, Broadcast Account Manager, MediaCom

As with all media planning and comms strategies, Connected TV (CTV) is no different - the aim should be the starting point. What is the brand's core business need? What are the marketing objectives? This helps to define whether the channel is right for the campaign or brand.

CTV enables access to the big screen in households, with the ability to overlay various data points and targeting to deliver an efficient campaign.



CTV can work as an extension of linear TV or as a standalone medium. Either approach impacts the effectiveness of the campaign. Given the changing consumption habits of broadcast content and CTV role in the overall AV mix, we need to consider the mindset of the consumer. CTV should be focused on driving efficient reach, and we therefore need to ensure we are planning and measuring as such.

Targeting: CTV provides a wealth of opportunity for targeting, for example - overlaying third party data such as Mosaic profiles or using Mastercard expenditure data. However, as with all digitally optimised media, just because the capability is there, it doesn't mean it makes it efficient. Linking back to the role for comms / channel, we need to ensure the data is driving true value. Should your CTV campaign be supporting linear TV in driving awareness among a broad audience, then CTV can be used as an incremental reach driver. However, if CTV is the sole broadcast element in a campaign and the product or service is only available in certain areas, overlaying a geo specific data point or adding in drive time would be valuable to ensure only relevant audiences are reached and to avoid wastage.

Creative considerations: In-stream ads are usually called as pre and mid-roll within a typical ad break, so creatives should have the right length for long form content - 15 or 30 seconds by industry standards - and optimised for delivery on big screen. They should be able to deliver HD video with a recommended resolution of 16:9, frame rate of 30-frame per second and run via VAST integration. These are the optimal recommendations that could be adapted depending on devices involved. Call to actions used on digital environments should be avoided as the ad is commonly unskippable and users won't be redirected to clients' websites.

Measurement: As the standards in the industry aren't adapted to CTV environments yet, we need to define measurement and success at the beginning of a campaign. All measurement needs to link back to the original aim and key performance indicators (KPIs) of the campaign. Completion metrics tend to be a default, however, considering that campaigns are launched within ad breaks, it is common for audiences to watch the ad in full and therefore the view through rate (VTR) metric becomes less important. CTV is still a broadcast medium, despite the data and targeting we can overlay, and therefore we need to measure as such. Reach of the defined audience needs to be a key measurement, while taking advantage of additional metrics such as footfall uplift in geo targeted location.

We need to approach CTV in the same way we would any other platform; it sits as part of the overall media mix, where the individual channels and platforms must work together with their own defined KPI laddering up to the marketing objective.

We look to plan and deliver a CTV campaign according to where the consumer is and will be exposed to the messaging rather than channel by channel.

A Focus on Measurement

Glenn Perera, Director of Product Strategy EMEA, Integral Ad Science

Global broadcasting giants have predicted that all TV will be delivered via an internet connection in less than 10 years - a dramatic shift in consumer behaviour that will work well in advertiser's favour.

The challenges of connected TV measurement

While many in the advertising industry are beginning to capitalise on the opportunity Connected TV (CTV) provides, as with the establishment of any new environment, there are roadblocks that must be addressed. CTV environments are uniquely different from desktop and mobile, which presents differences in how CTV inventory can be measured. The digital advertising industry is undeniably inching closer to standardisation for video measurement. For example, Media Rating Council (MRC) recently released its long-awaited draft proposal for a new cross-media audience measurement standard, imposing stricter rules for digital companies reporting on video impressions and how broadcasters report commercial viewership. However, there is still some way to go for CTV.

The significant number of technological devices in existence today has meant digital advertising measurement has grown in complexity. This can be particularly challenging for emerging technologies - and CTV is no exception, with quantifying the impact of the interaction between CTV device and consumer still very much in its infancy.

There's the necessary, but tricky, technical adjustments that come with applying a new form of measurement to an emerging environment. One of the key challenges here is accounting for the use of server-side ad insertion (SSAI) as part of the video delivery chain*. The solution comes in partnering with publishers to understand the data signals being sent, and to ensure that any missing or non-standard signals and unrecognised SSAI data points are corrected.

*Ads are joined up into a single video stream alongside the content, so information about the device must be correctly passed on by the server component. In some cases, this does happen but there are instances when it does not, meaning those ads could be flagged, incorrectly, as invalid traffic.

Striving towards a solution

As the ecosystem transitions to a wholly digital, internet-enabled TV landscape, there is one truism – cross-market collaboration and engagement with both the buy-side and sell-side of the industry will be critical to getting future measurement right.

An environment of collaboration based on transparency should be fostered, where buyers receive unambiguous data points from sellers. The industry must also strive for unity on what success looks like for digital advertising on a CTV platform. Collectively, there is the opportunity to establish consistency in the early stages of CTV development and adoption, but we will only achieve this when all parties work together.

Defining success metrics

Looking at viewability as a key metric, the expectation today is that TV screens are inherently viewable. However, as the technology required to measure viewability is not universally supported across CTVs, this is not possible to validate yet. As such, video that reaches completion and is fraud-free is considered an acceptable ‘success’ metric for viewability.

Secondly, unlocking scalable invalid traffic (IVT) measurement across CTV will require the industry to adopt the elements of VAST 4.1/4.2. This spec allows the ecosystem to use just one video tag across all environments and introduces standardised methods for device signals to be consistently available throughout the ad delivery chain. It is imperative that the industry adopts this standard in order to unlock scalable measurement.

Video standards are still disputed across the industry.

Agreeing on viewability metrics and adopting VAST 4.1/4.2 is a good starting point, but the true answer to unlocking scalable CTV measurement is to determine an industry-wide standard.

A Focus on Attribution

Martin Wallace, UK Head of Marketing, LiveRamp

Will Keggin, Business Development, LiveRamp

TV's big advertising challenge

In half a century of TV advertising, comparatively little has changed in terms of measuring its impact from an advertising perspective. Broadcasters and advertisers are still heavily reliant on panel-based measurement capabilities to determine results. The failure to capture ad exposures at an individual or even a household level, is leaving marketers with challenges on accurate reporting for:

- Reach and frequency
- Conversion
- Sales return on investment (ROI)
- Real return on advertising spend (ROAS)

Today, rather than simply knowing the percentage of the TV viewing population that saw an ad, advertisers are rightly looking to understand the real business results driven by those ad viewers. Did they visit a store, download an app, visit a website, or make an in-store purchase?

Connected TV - Addressing the measurement gap

True attribution and measurement relies on the ability to connect data at an individual or household level.

There are now enough digital signals and touch points across the ecosystem to map viewership data to business outcomes and measure TV's impact at scale.

These digital signals of individuals and households can be linked to offline, real-world events - like making an in-store purchase - to determine the true impact of a marketing campaign.

Connected TV (CTV) gives advertisers access to viewership and campaign exposure data on the same level as within digital marketing and advertising. The analytics that can be derived using this data helps brands attribute real results to TV spend, and give credit to TV as a channel where it is due.

The value of TV measurement... and how it works

Modern TV measurement capabilities now enable marketers to:

Boost media efficiency

Tying viewership data to target audiences helps brands to understand ad exposure frequency. From here, they can reallocate spend to underexposed segments, or focus in on high performing audiences.

Prove the effectiveness of TV as a media channel

Connecting viewership data with in-store transaction data or location data helps marketers to understand the real impact of TV advertising campaigns.

Demonstrate real ROI

Marketers can connect ad exposure data with sales transaction data to attribute purchases to ads viewed.

Understand the brand impact of TV

Marketers can connect website visits and app downloads with TV ad exposure data to understand the brand impact across all of their brand assets.

Understand the impact of TV across the marketing mix

Matching campaign exposures from TV, digital, mobile, email, and direct mail builds a full picture for marketers to run multi-touch attribution and to understand cross-channel campaign impact. This helps to optimise media mix and ensure advertisers are spending the right amount on TV as a proportion of total budget.

Case study: Discovery, Inc. offers audience-based advertising

Discovery, Inc. is helping its advertisers quantify advertiser performance across platforms by using people-based identifiers and unique data sources.

With 19 networks under its umbrella of real-life content, Discovery, Inc. has been at the forefront of delivering engaging, high-quality content and compelling advertiser experiences.

As a data-savvy media company, Discovery, Inc. wanted to help advertisers run audience-based advertising across its content portfolio to drive people from the sofa to the store.

Discovery, Inc. needed to broaden its measurement solution to incorporate people-based IDs and multiple data sources, such as mobile location data - an especially important requirement since many of its advertisers don't have access to accurate, reliable first-party data at scale.

Discovery, Inc. worked with LiveRamp to deliver numerous measurement reports to advertisers across verticals, from retailers to restaurants. By connecting Discovery, Inc. audience viewership data with mobile location data, it has helped advertisers prove their investment is truly moving customers and prospects to take action.

Future Proofing Your CTV Strategy

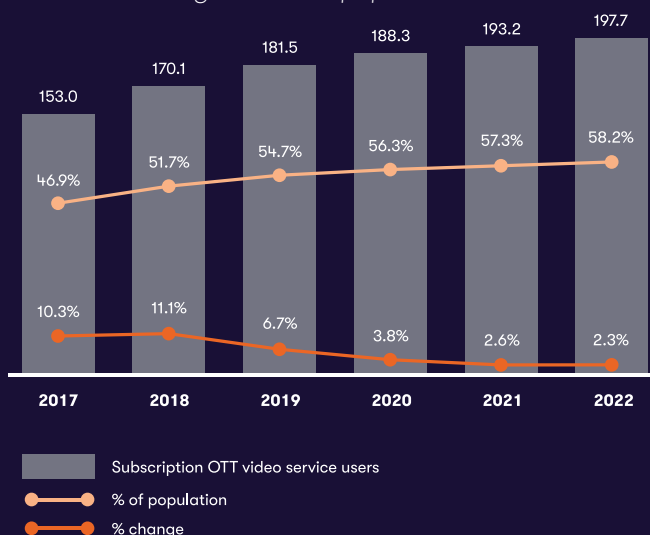
A view from Ali Syed, Director, Publisher Development, EMEA (Video), PubMatic

Digital media in general has a yearly trend that becomes flavour of the year and has demand and supply partners across the industry battle it out for what trend actually converts into advertising revenue. Around the 2012-13 mark it was mobile, and then video followed and over the last couple of years it has been Connected TV (CTV). There are a lot of papers that discuss CTV across the internet but let's talk about what the future might hold, specifically for EMEA.

- About 18% of US households have undergone 'cord-cutting' (giving up aerial connections and relying completely on over the internet access of content). Europe in contrast has been a bit slow and, because of the nature of the geographic region, the cord-cutting is not happening uniformly across the board. According to the European Audiovisual Observatory, the phenomena is very specific to national markets and advertisers will have to continue to be wary when setting up global campaigns across multiple formats and staying away from a one size fits all approach
- CTV growth in the UK alone is predicted to be around the £220 million mark by 2020 and younger audiences will continue to rely on content delivered via the internet as opposed to aerial delivery. Adding CTV into an advertising strategy can bump audience reach up by 41% [2]
- More and more header bidding solutions will start supporting over-the-top (OTT) and CTV inventory while giving advertisers access to premium inventory within a transparent environment
- Advertisers will continue to move away from fragmented platforms and would prefer solutions that simplify buying. Platforms that are able to freely provide inventory from mobile, display and addressable TV at scale will be eventual winners [3]
- TV manufacturers like Samsung, Sony, Panasonic will have a big part to play in the future of CTV. Samsung is leading this in the UK, opening up the opportunity for agencies and advertisers to work with them as ad targeting, aligned with content watched, takes centre stage [4]

US Subscription Over-the-Top (OTT) Video Service Users and Penetration, 2017-2022

millions, % change and % of population



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- <https://digiday.com/marketing/samsung-is-pitching-its-connected-tv-ads-business-in-europe/> [4]

Future Proofing Your CTV Strategy

A view from Vincent Soucaret, Principal Consultant, Xandr

The number of TV subscription services is virtually exploding and consumers have unprecedented choice, not only over what they watch but how they watch it. With TV viewership fragmenting and increasing across screens, how can brands, agencies and platforms prepare themselves to capitalise on future consumption habits?

Viewers will naturally flock to services offering high-quality, unmissable shows, but there is likely a limit to the number of subscriptions for which they will be willing to pay. Once they hit this ceiling, AVOD (advertiser-funded video-on-demand) services that offer quality programming at a cheaper price or for free stand to attract substantial numbers of viewers.

Advertisers will need new tools to cut through the ballooning number of TV platforms and get their ads in front of the right eyeballs.

They'll turn to simplified, omnichannel automated buying tools and platforms that work across linear and digital TV to unify their spending budgets.

Programmatic selling of ad impressions has already transformed online display, mobile and video advertising by allowing brands to target highly specific audiences. Now, the Connected TV revolution is bringing this digital advertising to a new audience. While still in the early stages, programmatic TV that buys and delivers tailored ads to audiences automatically via technology will continue to mature throughout Europe, and will drive the growth of ad-funded CTV in the future.

Key to this growth will be evolved measurement standards that link linear TV and digital offerings. Advertisers will demand technology and tools to measure how their ads are being watched and analyse the success of programmatic ads. Telecoms businesses and manufacturers of smart TVs will be vital components in the CTV ecosystem, as their data will be essential for advertisers.

As CTV continues to evolve, exciting and engaging formats such as interactive TV, virtual and augmented reality experiences will be tested, and could well become the new normal.

Section 5: Data Privacy



GDPR Considerations

Clive Page, Head of Product, Data & Analytics, Finecast

Viewers have access to Connected TV (CTV) content through both pay TV platforms – typically on a set top box (Sky, Virgin, BT, etc) and through ad-supported or subscription based apps – within CTV operating systems and connected devices (Apple TV, Samsung OS).

Pay TV platforms typically have a billing relationship with the consumer based on a service contract, which may present the opportunity to request consent for data collection and targeted advertising. Consent might be gained for personalisation recommendations (e.g. viewing suggestions) for analytics purposes and for the collection and use of data for more relevant advertising. Any data made available for targeting is normally limited to broad age / gender / location categories and sometimes viewing behaviour. TV platforms may also gain consent for the processing of data by named third parties with whom they share access – examples of third party services might be ad serving, optimisation, delivery and data matching.

TV platforms without a direct billing or contractual relationship (e.g. Freeview, Freesat or TV manufacturers themselves) may face more challenges gaining consent for data collection, especially as TV advertising is typically not core to the product they deliver to the consumer. In this instance, data available for advertising may be at a significantly more aggregated level where consent from a viewer is not necessary, or providers may need to work on updating end agreements to viewers via application or software updates.

App based broadcaster content within streaming services (All4, ITV Hub, etc) has enabled broadcasters to go direct to the consumer and use login services as a way to collect data and gain a clear signal of consent. Where content is freely available on demand, viewers are increasingly willing to log in, share basic demographic and location data and decide if they would like to see tailored advertising.

There is a fine balancing act between providing a fast, simple and enjoyable streaming experience, while also gaining clear and unambiguous consent for use of data and targeting.

For broadcasters and premium video content owners, the promise of highly targeted advertising is potentially higher cost per thousand (CPTs) from advertisers for the same inventory and, in principle, a better ad experience for viewers.

For all CTV, and digital publishers, there are two positions that can be taken to gain GDPR compliance for personalised advertising; ‘Consent’ and ‘Legitimate Interest’*. The majority of the media industry appear to have adopted consent as a legal basis, but some broadcasters rely on having a legitimate interest. In conducting their balancing tests to support reliance on legitimate interest, some public services broadcasters take into account the need to protect their ability to attract advertising revenues, which is crucial to the funding of TV content and the provision of services to viewers. The ICO continues to offer guidance on interpretation of the GDPR framework and scenarios for where consent or legitimate interest are appropriate.

By observing fundamental considerations of clear basis for the processing of data, with the appropriate capabilities for consumers to withdraw or opt out of data use, you are ensuring a sound foundation for targeted advertising for your CTV campaigns.

* Consent: the individual has freely given clear, informed and unambiguous consent for you to process their personal data for a specific purpose.
Legitimate Interest: the processing is necessary for your legitimate interests or the legitimate interests of a third party unless there is a good reason to protect the individual's personal data which overrides those legitimate interests.

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Amazon Advertising

IPONWEB

SpotX

AudienceProject

LiveRamp

Streamhub

Beeswax

Mail Metro Media

Tremor Video

Cablato

MediaCom

Telaria

Core London TV

News UK

the7stars

dataxu

Omnicom Media Group

The Trade Desk

Dentsu Aegis Network

OpenX

Total Media

Dynata

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Finecast

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Viacom

GroupM

Quantcast

WIREWAX

Index Exchange

Samba TV

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Integral Ad Science

Samsung Ads

Wavemaker

Sky Media

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