

digilant

The Essential Guide to Advanced TV Advertising

Introduction

The average American household has **22 connected devices** – a striking fact considering **only 2.5 people** live in the average U.S. home. With so many screens and connected devices available to consumers, advertisers have tremendous potential to reach their target audiences, engage them, and drive deeper relationships.

One of the most significant opportunities available to advertisers sits with advanced TV.

Advertisers can go beyond purchasing tv media based on demographics – the way it was once done with linear, broadcast tv – and instead maximize their media dollars by reaching audiences based on household and device with advanced TV.

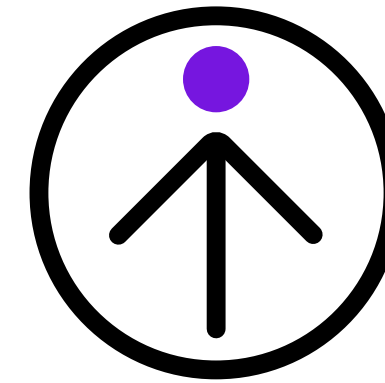
To capitalize on advanced TV, however, advertisers must fully understand its opportunities and challenges and the tools available that can help them drive success.



Defining Advanced TV

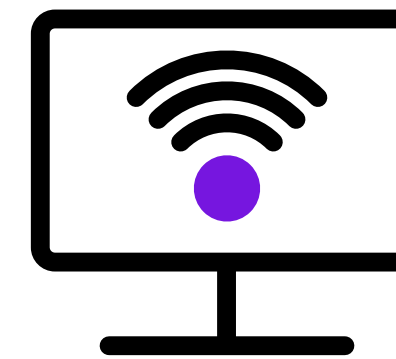
There's much confusion in our industry about advanced TV and what it is. And that's because advanced TV can mean many different things to different people and organizations. To ensure we're on the same page, we'll distill how we define advanced TV and how this relates to the larger digital ecosystem.

Advanced TV is an umbrella term that serves to describe non-traditional, not over-the-air broadcast TV and enables advertisers to use data to distribute, target, and measure advertising campaigns. It is also important to note that advanced TV is not the same as connected or addressable TV – these are not synonymous. Connected TV and addressable TV sit within the larger category of advanced TV as subsets, along with another commonly misunderstood term, over the top.



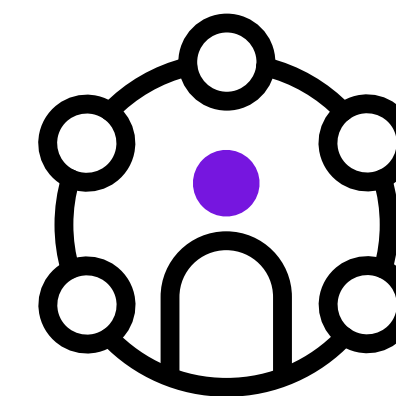
Over the top (OTT)

Connected TV is a subset of OTT. When discussing connected TV, one refers to the device on which one consumes the content – an actual TV – and how the content is delivered. For example, if someone were to watch MasterChef on Hulu via their Xbox, which is plugged into their smart TV, that would be an example of using connected TV to watch OTT content.



Connected TV (CTV)

Connected TV is a subset of OTT. When discussing connected TV, one refers to the device on which one consumes the content – an actual TV – and how the content is delivered. For example, if someone were to watch MasterChef on Hulu via their Xbox, which is plugged into their smart TV, that would be an example of using connected TV to watch OTT content.



Addressable TV

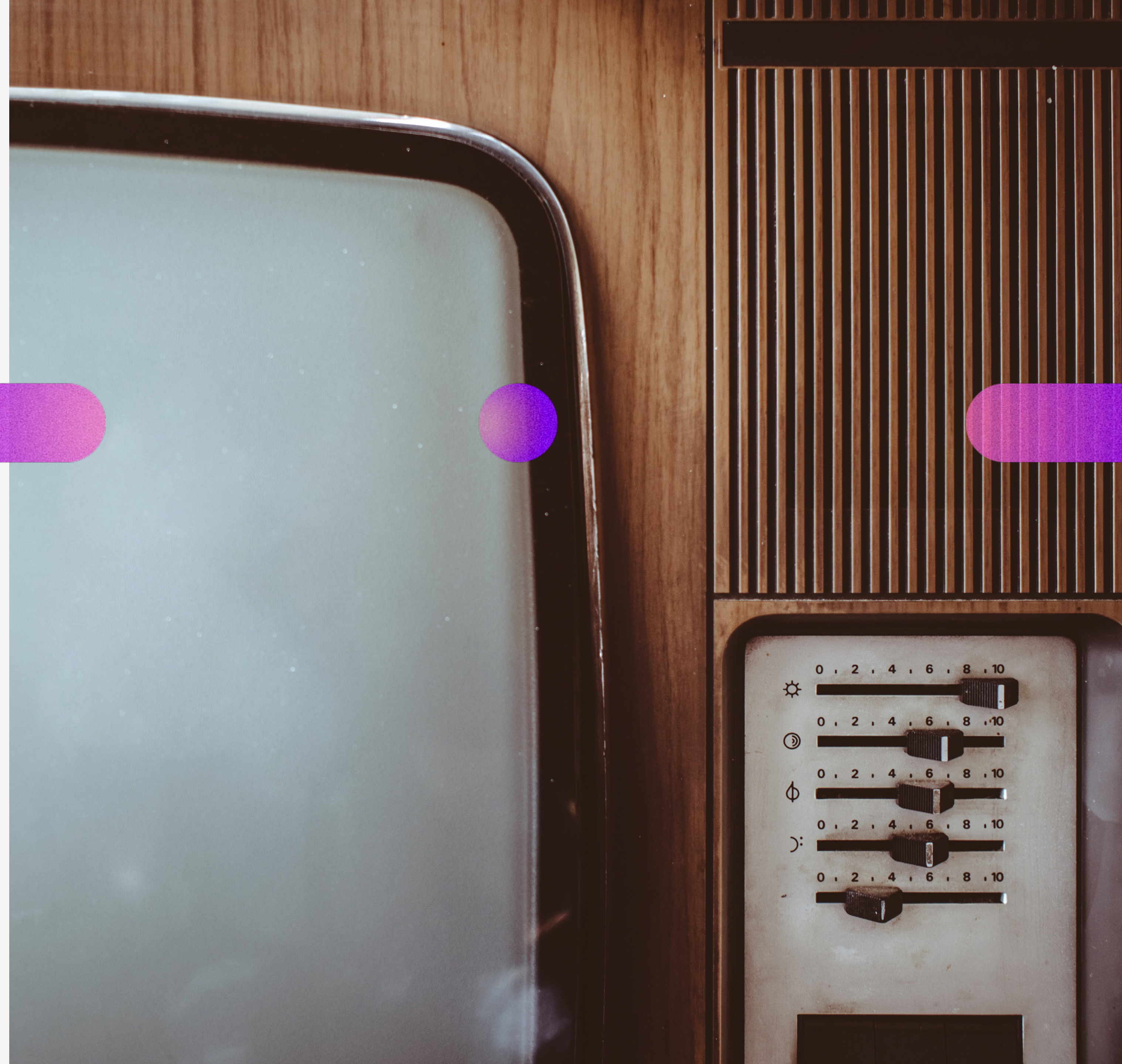
This refers to a way of delivering TV advertising. Addressable TV targets viewers with relevant ads based on household demographics and other information. With addressable TV, advertisers can deliver different ads to different households, even if they're watching the same show.

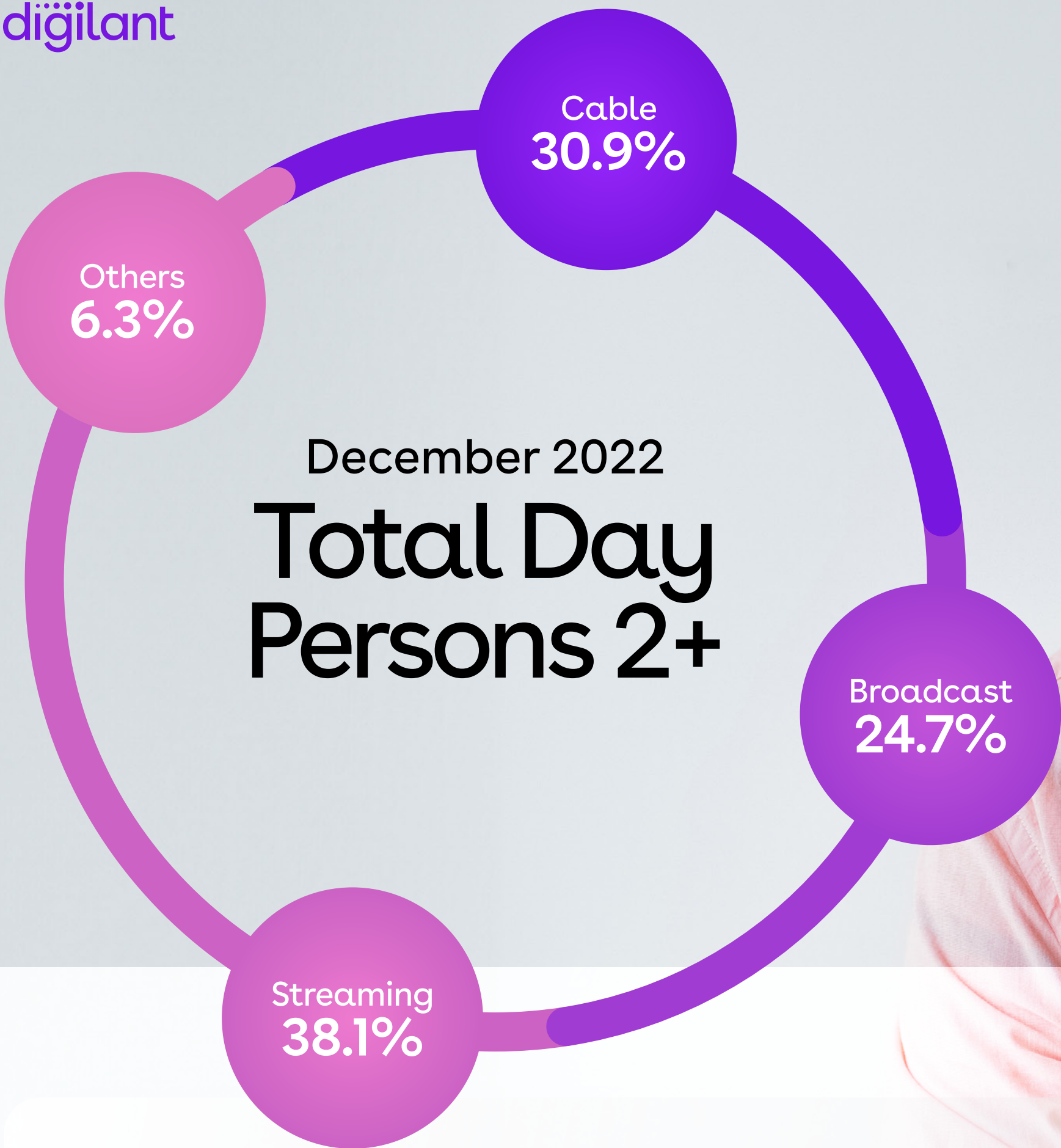
A changing TV landscape and consumer

These technological advancements enable advertisers to connect with audiences more effectively, particularly by leveraging data. That said, however, more channels and devices have created more complex consumer behaviors that weren't even a consideration in simpler days when Linear TV reigned supreme.

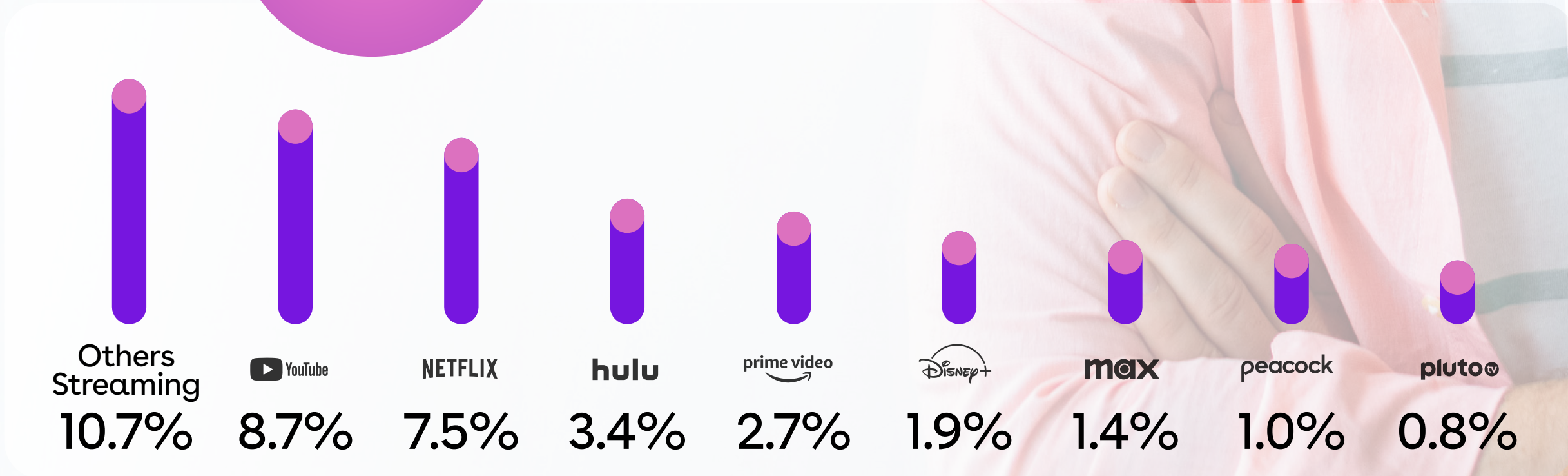
For decades, we built brands during primetime television moments because it was the scalable, cost-efficient way to achieve premium reach. But the primetime moment is fading – we've switched to new ways of watching what we love.

According to Nielsen, streaming surpassed broadcast TV and cable TV viewing in December of 2022. And while older generations skew toward traditional linear TV, data shows that younger generations, like Millennials and Gen Xers, account for the majority of CTV viewership.





December 2022
**Total Day
Persons 2+**



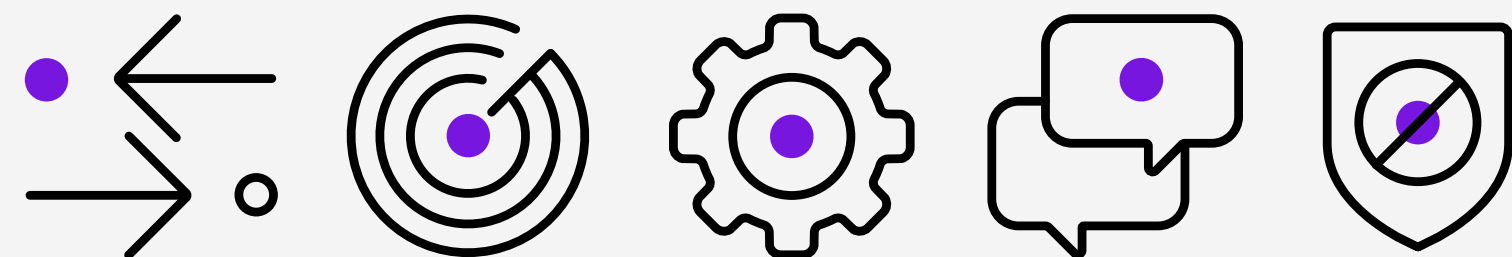
As streaming continues to rise in popularity, with **115.6M U.S. households** using streaming at the end of 2022, how consumers engage their streaming services will also continue to change.

In fact, many consumers prefer ad-supported streaming models, known as Free Ad-supported Television (FAST), instead of paying for multiple monthly streaming subscriptions.

However, it's important to note that whether audiences consume their favorite TV content via linear or streaming, TVs are not the only devices that have people's attention. The reality is that audiences multitask while watching TV; **76% check or respond to email, 71% use social media while watching TV, and 40% read the news.** And what device are they usually doing it on? Just about any mobile device; **about 81% of people** use a second screen while watching TV.

At first glance, this information might tell a story of a distracted audience – seemingly one that is more difficult to engage and forge long-lasting relationships with as their attention and time are distributed across a vast and complex digital ecosystem. However, a closer look at this data reveals that this evolved, device-rich, and connected advertising landscape is rife with opportunity.

The Opportunities and Challenges of Advanced TV Advertising.





• Cross-device connectivity

Advanced TV spans screens and environments, all of which are connected to the internet. This allows advertisers to aggregate inventories and audiences across disparate technologies via advanced TV buys and sync their campaigns across all screens to connect with audiences – on whichever screen they might be paying attention to. In other words, with advanced TV, advertisers can better optimize their campaigns, shifting investments daily across screens, placements, creatives, and dayparts at any point during a campaign's flight.

Say an athletic-apparel brand wants to reach potential customers with advanced TV, for example. The advertiser might choose to use audience targeting to reach a specific group, like women aged 18 to 45, or use behavioral targeting to reach those with interests that align with their brand, like sports watchers, and buy inventory

across any sports-related content. Or, the brand can get more granular still by targeting those who watched the Women's World Cup to advertise its new women's soccer jerseys and cleats. Furthermore, with advanced TV, the athletic-apparel brand can reach its audiences on multiple devices so that wherever their customer is – whether in their living room or on the bus to class – they're constantly forging deeper audience connections.

With such expansive options available to them, advertisers must take care to understand what is included in the inventory they're securing – especially if CPMs are low – to ensure their campaigns run on premium placements, on the right screens, and at the right time. Advertisers should talk to their partners about leveraging PMPs or custom deal lists to manage concerns of inventory quality or mitigate brand safety risks.

Measurement and tracking

Approximately 67% of global brands want to increase their spending on advanced TV. Most are doing so because they can more efficiently target the audiences that matter most to their brand. Furthermore, solutions like automatic content recognition (ACR) allow advertisers to identify audiences exposed to both linear and digital ads within a TV environment. This data continues to grow as software development kits (SDKs) for TVs become more advanced and allow for expansion in measuring.

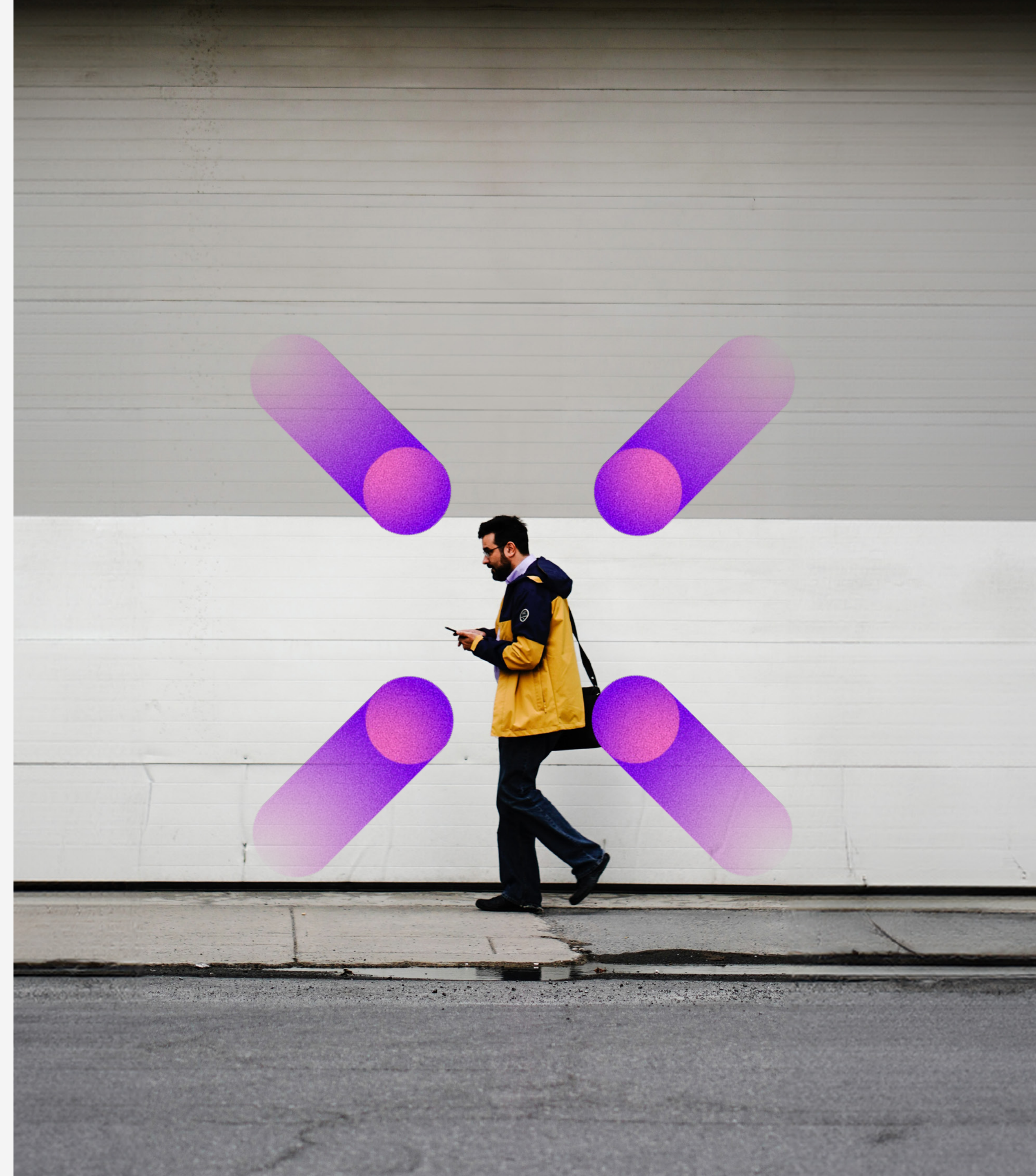
With ACR, advertisers can access granular audience data, enabling them to reach and target consumers in several ways to drive business. Take our previous example of the athletic-apparel brand; with ACR data, the brand can target audiences exposed to their ads to reach net-new audiences or those exposed to a

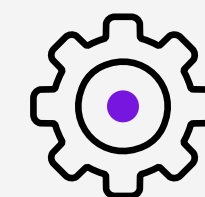
competitor's ads. Additionally, ACR data enables the athletic-apparel brand to find and target audiences exposed to complimentary brands or products, like Gatorade, via linear or connected TV.

While ACR presents valuable opportunities for advertisers with regard to measurement, tracking, and retargeting, it can be difficult to leverage. That's because ACR is an opt-in solution.

Asking consumers to opt-in to having their data used can be off-putting to some – making it a less-than-ideal consumer experience.

Furthermore, aggregating data sets from different smart TV manufacturers is complex and can impact reporting accuracy. However, as the industry innovates, more measurement currencies will also emerge.



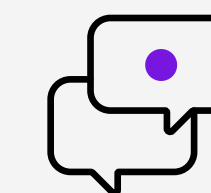


Efficient media spend

Advanced TV offers a much lower cost of entry when compared to linear TV. Because video content can transition well across different formats, the cost of production can be lowered by repurposing creative video assets for CTV and OTT buys. These factors have made advanced TV an attractive option as it both reaches a broader audience and increases ROI. Furthermore, with advanced TV, advertisers can deliver ads to hard-to-reach or specific audiences with better precision, mitigating wasted ad spend. Advertisers must remember that avoiding ad fraud and ensuring brand safety are critical to driving efficient media spend and high ROI. Although advanced TV allows advertisers to reach audiences on premium inventory in high-visibility environments, it is not immune to ad fraud.

In fact, fraudsters can **impersonate CTV environments** on devices that are not TVs,

enabling them to drive profit from CTV inventory. Furthermore, not understanding or establishing brand safety or brand suitability standards can leave advertisers vulnerable to appearing on inventory that can damage their reputations. Advertisers must work with partners that can ensure their ads appear along appropriate and trusted inventory.



Holistic campaigns

By tapping into other channels, like the web, social media, or in-app advertising, advertisers can reach consumers on the "big screen" and engage with them in those moments they choose to multitask. Advertisers should look at different channels as complements to premium streaming content and advanced TV campaigns



A solution for a cookieless future

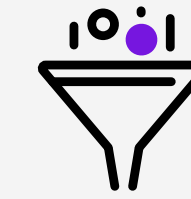
As the industry prepares for the deprecation of third-party cookies, advertisers can look to CTV to continue delivering targeted advertising, as CTV has never relied on cookies. Advanced TV uses the power of the IP address to identify households, the household's geolocation, and devices using the home's IP. And, by leveraging CTV now, advertisers will be better equipped to handle a cookieless digital ecosystem in the near future.

Unfortunately, questions have been posed about whether IP addresses are considered personally

identifiable information (PII). Take California, for instance; its Data Privacy law defines someone's IP address as PII. Moreover, Apple has also taken the position that IP addresses are PII and has solidified its view on IP tracking by furthering its technology, Intelligent Tracking Prevention, to mask user IP addresses from trackers. And while IP addresses might face additional scrutiny in the future, advertisers shouldn't worry. There are other ways to reach and engage audiences in TV environments, including contextual and app-based targeting.

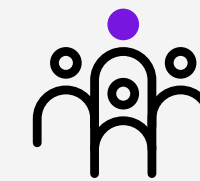


How to successfully leverage Advanced TV



Consider the entire funnel

While advanced TV is a powerful and impactful channel for driving brand awareness, one would be mistaken to think that's all it can do. On the contrary, advanced TV allows advertisers to reach and engage their audiences at every stage of the funnel. To drive success with CTV, advertisers should consider the customer journey. With advanced TV and automatic content recognition, advertisers can drive incremental reach amongst audiences previously exposed to their brand or competitive linear TV ads. For example, audiences who've visited a website but have yet to convert might need additional time to inform a purchase decision. Advertisers can build upon their brand awareness momentum by reaching them with advanced TV advertising to drive consideration and purchases. And, with new integrations between CTV technologies and retailers, advertisers can reach their target audiences and encourage purchases directly within their TV viewing experience.



Dig deep into data to reach your audience

Advanced TV data enables advertisers to purchase ad placements based on targeting attributes like audience, behavior, or content, just as with programmatic ads. Collaborating with partners that provide targeting options built with or by leveraging top-tier, quality data, like first-party data, demographic or interest-based data (at a household level), and audience behavior, for instance, will drive successful campaigns and business results.



Plan for an omnichannel experience

To ensure impact and engagement at every stage of a customer's journey, brands should consider the omnichannel experience. For instance, combining CTV campaigns with other channels ensures advertisers reach your customers on different channels, journey phases, screens, and devices. Remember that today's consumer likes to multitask – be sure to engage them wherever they may be paying attention.

About Digilant

Digilant is an omnichannel media partner built to take companies from now to next. We execute omnichannel strategies that are data-driven, actionable, and effective. Part of ISPD, Digilant is made up of 100+ data-driven media minds and advertising technologists spread across the U.S. in Boston, New York, Chicago, San Francisco, Dallas, Denver, Los Angeles, Washington D.C., and Atlanta. By combining big ideas with executional scale, we are well-equipped to champion consumer insights, campaign analysis, and media initiatives that propel brands and agencies forward.