OT-WHAT?

OTT Defined: Fundamentals For Beginners

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With 56% of the U.S. population being connected TV (CTV) users—and with this number expected to grow until at least 2020[1]—OTT advertising is beginning to reach its full potential as a way for marketers to reach consumers at scale and with digital precision, in premium TV-like environments. But with this rapid growth in adoption and even more rapid changes in technology, it can be hard to keep up with all of the ways to take full advantage of the benefits of OTT advertising.

In this Fundamentals for Beginners guide, we will outline and define key terms (OTT, CTV, and smart TV), highlight the major differences between OTT advertising and advertising on other devices, as well as cover which Innovid OTT advertising formats are supported in which OTT environments.
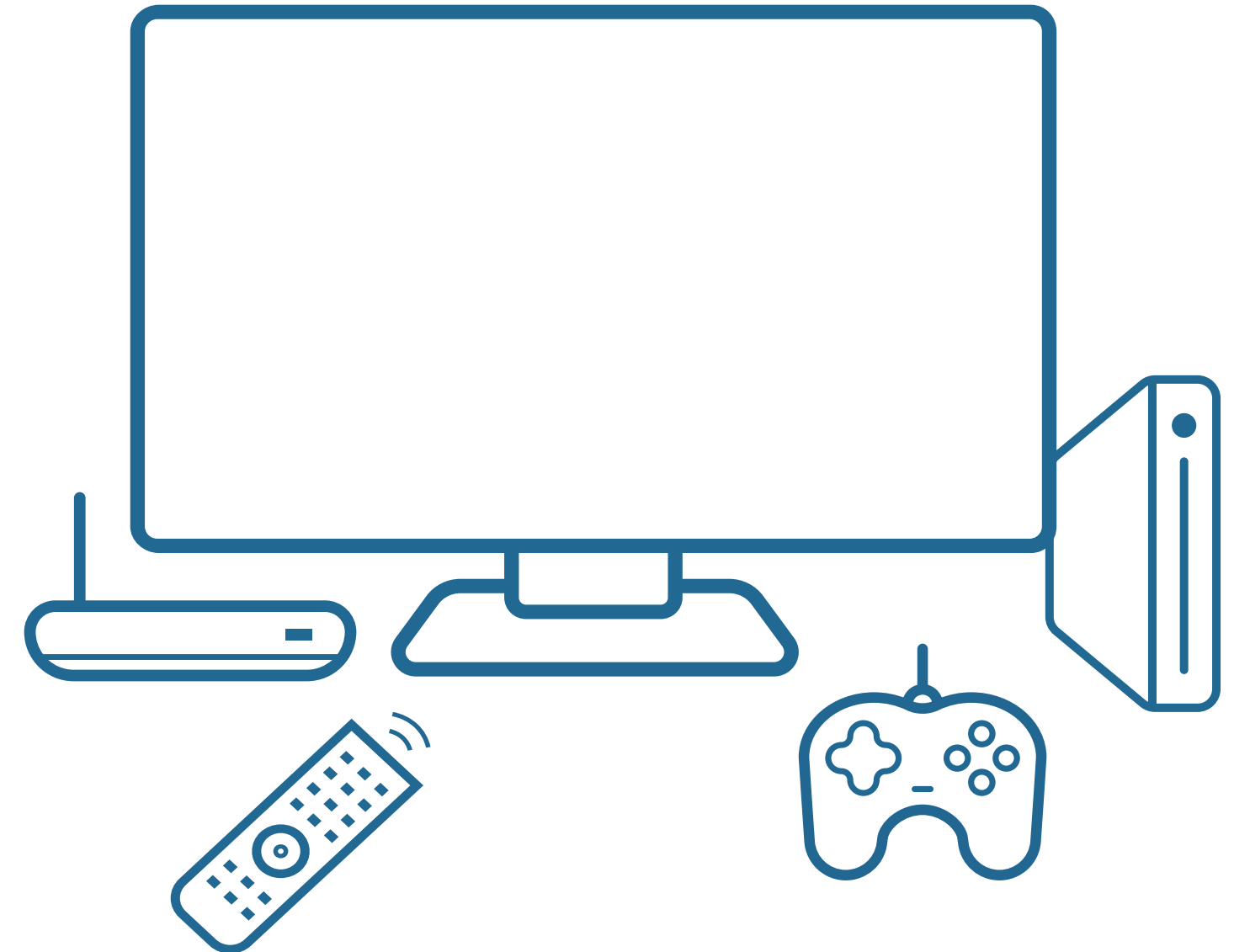
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The Foundation: OTT

OTT stands for over the top and refers to media content (audio, video, or other) that is transmitted via the internet without going through a cable operator or satellite set-top box. More specifically, OTT video advertising is defined as a video commercial (pre-roll) presented before or during OTT video content on a television screen (as opposed to a desktop, smartphone, or tablet device)—either directly via a connected TV or through a streaming box.

Devices Demystified: OTT vs. CTV & Smart TVs

OTT content and advertising is defined by the device that the content and ads are presented on, not the content or the app. The types of devices that support OTT content and advertising are referred to as connected TV (CTV) and Smart TV devices.

CTVs & Smart TVs Defined

CTVs and smart TVs refer to any types of TV screens that have built-in internet connectivity, allowing them to access a range of online services and stream digital video. Examples of CTVs are streaming devices, such as Roku and Amazon Fire, or video game consoles that attach or connect to a television screen. Smart TVs are made by TV manufacturers like Samsung, LG, Panasonic, Sony, or Vizio.

Differences in OTT Advertising & Creative Support

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Differences In OTT Advertising & Creative Support

Now that we've covered the basics, we will explore four key ways in which OTT advertising differs from digital video advertising on other devices, as well as which Innovid OTT formats are supported where. From a creative standpoint, Innovid supports standard video, interactive, and data-driven video formats in OTT content. Standard video is defined as a :15 or :30 second video (typically a repurposed TV spot), while interactive and data-driven video feature interactive content such as overlays, branded microsites, additional videos, image galleries and more—on top of the standard video.


STANDARD VIDEO

ENGAGEMENT SLATE

How Interactive Video on OTT Works

A :15 or :30 second video begins playing on the sceen.

A call-to-action (CTA) appears over the pre-roll video enticing viewers to engage via their remote.

Once the CTA is clicked, an engagement slate with branded content appears. The engagement slate can feature additional videos, images, dynamic messaging, & TV to mobile capabilities.

1
STANDARD VIDEO

2
STANDARD VIDEO
CTA

3
ENGAGEMENT
SLATE
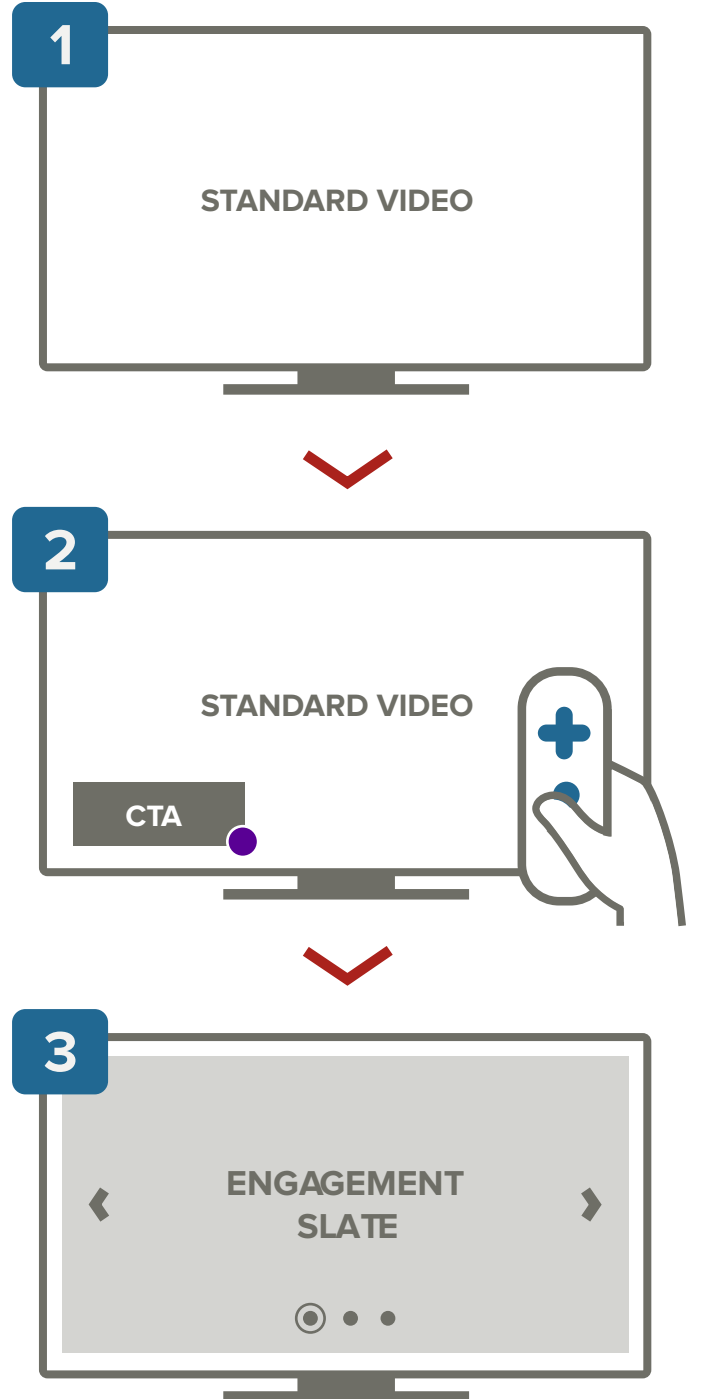
Viewing Methods

Viewing Method

The way consumers view OTT content differs drastically from the way they view content in desktop and mobile environments since they are typically in one place rather than on-the-go, and therefore, more relaxed. This is why OTT advertising offers marketers the unique opportunity to reach consumers on a bigger screen when they are naturally most engaged with the content they are about to watch. To fully realize the potential of OTT advertising, it's essential to first understand how your customers are viewing OTT content and complement that experience.

On-Demand Viewing

On-demand viewing allows viewers to select and watch video content such as movies and TV shows when they choose to, rather than having to watch at a specific predefined time. Part of on-demand viewing is catch-up viewing, which is a viewing method in which viewers watch video content after it has been broadcasted.

Linear Viewing

Opposite to on-demand viewing is linear viewing, which is when the viewer must watch scheduled video content or programming at the particular time it's offered, and on the particular channel where it's presented. A subset of linear viewing is live viewing, which is viewing video content or programming that is broadcasted in real-time, as the events happen in the present.

INNOVID OTT FORMAT	ON-DEMAND VIEWING	LINEAR VIEWING
Standard Video	✓	✓
Interactive & Data-Driven Video	✓	

Serving Technology
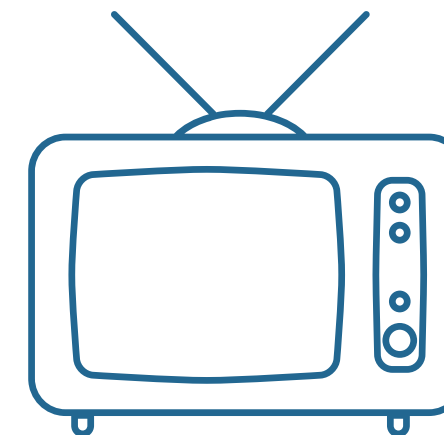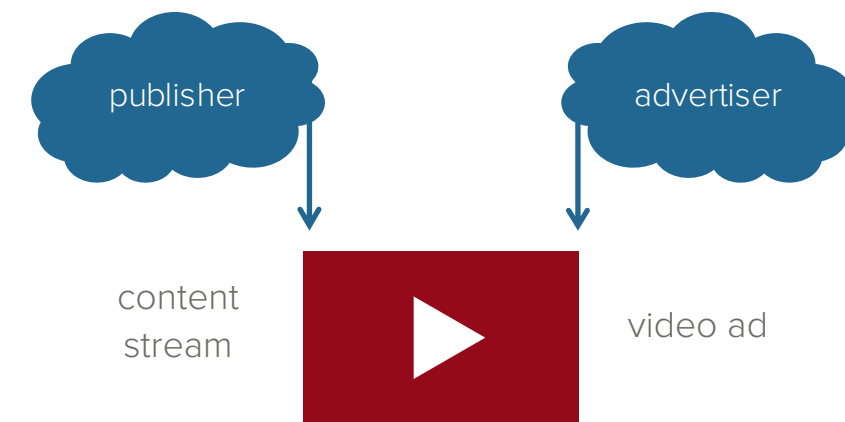
Serving Technology

After understanding how viewers are consuming OTT content, it's equally important to understand how your OTT ads can be delivered to the connected and smart TVs that your consumers are watching. The two video-serving technologies supported on OTT today are client-side ad insertion and server-side ad insertion.

INNOVID OTT FORMAT	CLIENT-SIDE AI	SERVER-SIDE AI
Standard Video	✓	✓
Interactive & Data-Driven Video	✓	✓

Client-Side Ad insertion

Client-side ad insertion, still the predominant technology used in advertising on other devices, refers to when the video content and an ad are streamed separately as a playlist and are appended together by the client (browser or app) just in time for viewing.

content stream — publisher — advertiser — video ad

Server-Side Ad insertion (SSAI)

Server-side ad insertion, or SSAI, puts the advertising technology into the hands of the publisher by allowing the sell-side provider to stitch their video and ad content together on the server level ahead of viewing time.

advertiser — video ad — publisher — single stream of content with ad

Platforms & Media Owners

Platforms & Media Owners

Unlike other forms of advertising where content is delivered directly through web publishers and mobile apps, OTT content can be delivered through a myriad of platforms and media owners—the most common being MVPDs, vMVPDs, and OTT networks.

MVPDs

Multichannel Video Program Distributors (MVPDs) are a type of service provider that delivers TV programming services to the consumer, often charging a subscription fee. Examples of MVPDs are cable and satellite TV providers like Comcast Xfinity.

vMVPDs

Virtual Multichannel Video Program Distributors (vMVPDs) do not own the delivery network but use the open internet to distribute content. One example of a vMVPD is Dish's Sling and Hulu.

OTT Platform Network

OTT operating systems and/or device manufacturers who sell media inventory without providing end-viewer content delivery or TV programming services. One example of such being Roku.

INNOVID OTT FORMAT	MVPS & VMPDS	OTT PLATFORM
Standard Video	✓	✓
Interactive & Data-Driven Video	✓	✓

Targeting Capabilities

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Targeting Capabilities

While advanced and automated targeting capabilities have become the norm in desktop and even mobile advertising, they are just now making their way into the world of OTT advertising, and operate very differently in the TV ecosystem than they do in digital.

IP-Based Programmatic TV

Programmatic TV is defined as the process of buying any TV ad inventory (OTT and non-internet based) using automation and/or data targeting to more precisely target specific consumer audiences (beyond just show ratings and demographics).

Traditional Addressable TV

Addressable TV, a subset of programmatic TV, applies only to the traditional TV ecosystem (non-OTT) and leverages subscriber registration data and specific set-top-box technology to apply more granular targeting tactics. It's important to note that because addressable TV applies only to traditional TV and not OTT, digital ad delivery is not supported in this environment at all.

INNOVID OTT	IP-BASED PROGRAMMATIC TV
Standard Video	✓
Interactive & Data-Driven Video	✓