The OTT Starter Guide

How To Make OTT Work For Your Brand Today

INNOVID

Introduction

The long-anticipated shift from linear to digital TV viewership finally appears to be kicking into full gear. Younger and more affluent audiences are forgoing cable boxes in favor of streaming devices. Older generations, too, are making the switch, with cord-cutters comprising the fastest-growing segment of OTT users[1]. If it hasn't already, it seems that OTT is officially on the cusp of going "mainstream."

By combining the immersive experience of linear TV, with the interactivity of digital, OTT has opened a new category of video that is too big to ignore. And yet, many advertisers have been slow to adjust, leaving an opportunity on the table for competitors to capitalize on the gap and reclaim significant market share.

So where is the best place to start? How can you most effectively incorporate OTT into your marketing mix?

Our OTT Starter Guide walks you through the five key questions that every marketer should consider when activating any OTT effort, from inventory selection to creative design to targeting. Soon, you'll be ready to launch your first OTT campaign and unlock greater brand impact from your video marketing efforts.

1. **Who can you buy OTT inventory from?**
2. **How can OTT inventory be purchased?**
3. **What targeting capabilities are available on OTT?**
4. **What creative opportunities are possible on OTT?**
5. **What metrics can be measured on OTT?**

[1] US OTT Video Service Users, 2016-2021 (eMarketer, July 2017)

Who Can You Buy OTT Inventory From?

Advertisers can access OTT inventory through two main sources — publishers and platforms — and the main tradeoff between these options is content adjacency. Buying through a publisher enables brands to promote their advertisements beside specific content categories, across any OTT device on which that publisher has their own stand-alone channel. Alternatively, buying through a platform allows brands to advertise against a broader range of content from multiple publishers, but often only through a single type of OTT device (e.g. Roku or Chromecast).

Publishers

Publishers are content providers that distribute their video programming digitally through OTT apps, on different devices and platforms. This inventory can be purchased as a standalone OTT buy, targeting only OTT inventory. Or, as part of a cross-platform package that targets content across multiple devices in which the publisher has a presence (e.g. desktop, smartphone, tablet, and OTT). Some of the largest publishers that have embraced OTT and made premium inventory available to advertisers include:

Content owners: Hulu, ABC, FOX, CBS, NBC, YouTube, ESPN, Discovery

Multichannel video programming distributors (MVPDs): Spectrum, Comcast (Xfinity), Cox Communications, Sling TV, DirectNow

Platforms

Platforms are OTT operating systems or device manufacturers that sell media inventory adjacent to the content they stream for publisher partners. This inventory allows advertisers to access a wider variety of content categories through a single buy. Some platforms also offer proprietary ad formats, such as Roku's home screen banner, or Samsung's First Screen ad. OTT platforms who sell OTT inventory today include:

Smart or Connected TVs: Samsung, Sony

Game Consoles: Sony PlayStation, Microsoft Xbox

Streaming Boxes: Google Chromecast, Roku, Amazon Fire, Apple TV

Questions to Ask Potential Partners:

Whether you are buying through a publisher or a platform, keep in mind the target audience you are trying to reach, as well as the KPIs by which you will assess the success of your campaign. Consider how those criteria fit with your answers to the below questions:

How large is the reach or potential audience of this OTT inventory?

Is this OTT inventory available through programmatic channels, or can it only be bought directly through the publisher or platform?

What metrics are you able to measure and report on?

Which publisher apps are installed on a particular platform?

Can your ad buy target specific publisher apps?

Direct vs. Programmatic: How Do You Buy Your OTT Inventory?

Once you've decided which kinds of OTT inventory align with your campaign goals, it's important to consider the buying methods that are supported by that particular partner. In the realm of OTT, direct buys from publishers or platforms still account for the lion's share of inventory sold. These relationships guarantee that every impression is served within the time period and context identified by the advertiser, with minimal technical or compatibility issues.

Over the past few years, programmatic buying on OTT has also seen a steady increase in activity. Developed in accordance with IAB standards, OTT contains all the necessary building blocks for supporting programmatic advertising[2]. Marketers are already buying and selling programmatic OTT inventory across dozens of open exchanges and private marketplaces. Major brands and local advertisers alike are seeing enhanced performance on OTT channels, versus broadcast, given ability to digitally target viewers based on factors like location or time-of-day.

Compared to other digital channels, OTT is vastly under-indexed when it comes to programmatic buying. For advertisers who might benefit from such advanced capabilities, both sell-side and buy-side technologies have advanced enough to enable brands to test programmatic buying strategies on OTT today.

Supply-side platforms that have OTT inventory available programmatically include: FreeWheel, Sticky Ads, Telaria, and SpotX

Buy-side platforms that have made the most advancements in programmatic OTT buying include: The Trade Desk, TubeMogul, Videology, and VideoAmp.

[2] "Over-the-Top (OTT) Video: An Overview" (IAB, January 2017)

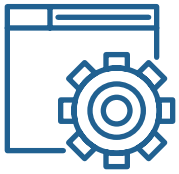
What Targeting Capabilities Are Available?

Targeting capabilities can vary widely depending on what OTT inventory you have in mind, and how you plan to buy that inventory. As you review the list of parameters supported by your vendor partners, take advantage of those targeting capabilities that ensure your ads reach the right segments of your target audience, at the right time and context.

Standard Targeting Parameters:

Below are some of the common targeting options available to OTT advertisers across the industry. Consider if or how these parameters might relate to your audience, product, sales offer, or KPI for any given campaign.

Device

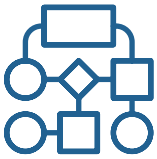


Demo

Time of Day

Day of Week

Content



Category

Location

Weather

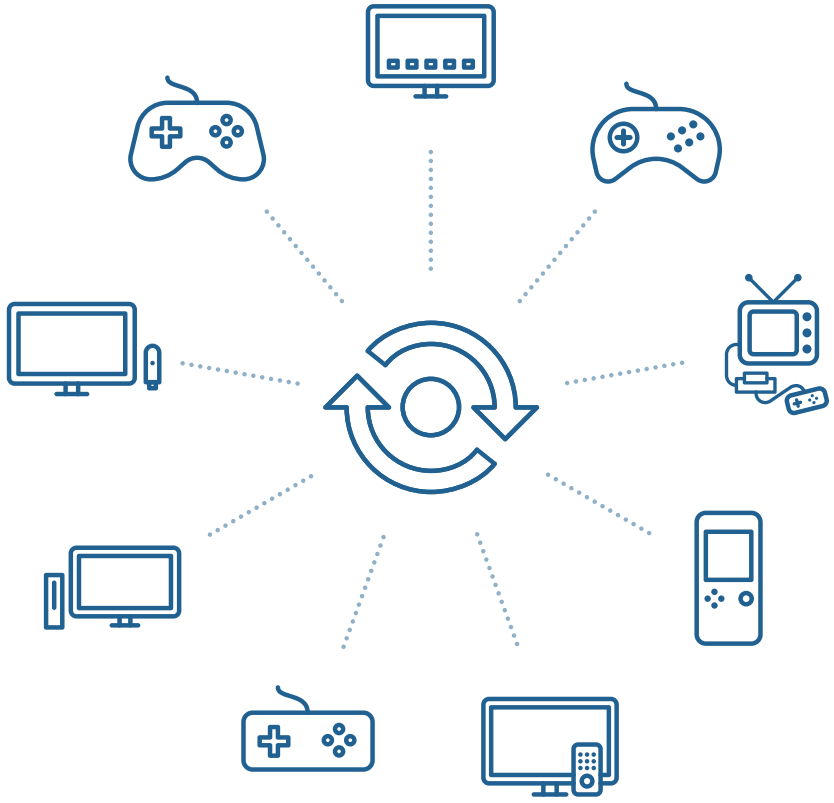
1st and 3rd Party Audience Targeting:

The lack of traditional “cookies” on OTT devices poses a unique challenge for the industry when it comes to targeting. Fortunately, data providers are beginning to enable marketers to apply 1st and 3rd party audience targeting across their OTT campaigns.

These companies allow advertisers to convert offline data into household or IP data that can be used to identity and target OTT viewers: Nielsen Catalina Solutions, Neustar, Acxiom

Frequency Capping:

Every advertiser wants to make sure the same viewers aren’t seeing the same ad many times over. Frequency caps in OTT are currently supported on a partner-specific basis, limiting redundancies on a specific publisher (e.g. Hulu) or platform (e.g. The Trade Desk), but not across a campaign at a global level. The industry is in the process of developing a system for global frequency caps that could be applied at a campaign level across multiple publishers and/or platforms.



4 What Creative Options Are Available?

With the average "connected" household spending nearly 50 hours every month watching OTT content[3], there is ample opportunity for brands to reach viewers and take full advantage of the immersive canvas afforded by television sets. OTT audiences report a whopping 97% ad completion rate[4], proving that these viewers are steeped in discovery mode, open to interacting with any kind of content that may be interesting to them. In addition to expanding traditional TV ads onto digital platforms, brands can capitalize on the opportunity by engaging those OTT audiences more deeply, through interactive ads and personalized messaging.

Standard Video

The most expedient way to jumpstart your OTT efforts is to promote one of your existing :15, :30, or :60 second video ads across a new platform or publisher. These campaigns can typically be added within seconds to existing cross-platform buys, and they typically perform better than non-OTT audiences, given the completion rates mentioned above and the distraction-laden contexts of comparable social channels. But standard video also just scratches the surface in terms of the creative possibilities for marketers.

[3] "What Behavioral Data Tells Us About the OTT Viewing Habits of Cord-Cutters" (comScore, June 2017)

[4] 2017 Global Video Benchmarks Report (Innovid, May 2017)

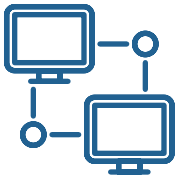
Interactive Video

Armed with a remote and an OTT set-top box, home audiences can for the first time interact with the content on their TV sets in the same way they do across desktop or mobile screens. Video marketers continue to see higher engagement rates from campaigns that feature interactive elements that encourage users to take some kind of action, generating on average 41 additional seconds of time earned and a 550%+ lift in total user activity over standard video campaigns[5]. Due to the lack of VPAID adoption and VPAID-enabled inventory on OTT, it's often easiest for advertisers to find creative tech partners that have direct integrations with OTT providers and can support interactive capabilities at the device-level. Sample interactive features include:

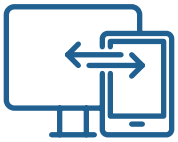
Extended Video Content

Image galleries

Branded microsites



Channel install



TV to Mobile

Age gates

Extended Video Content

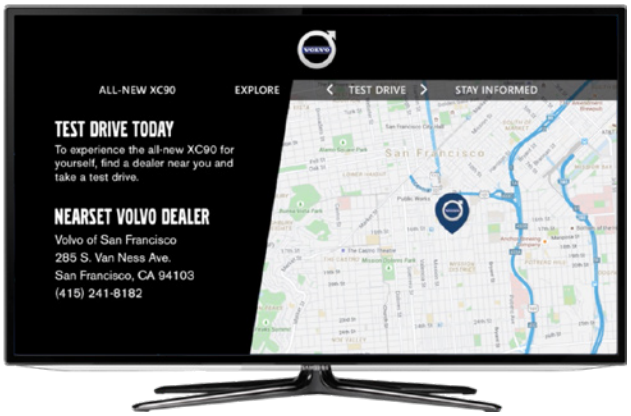
Image Panels

Age Gate

TV to Mobile

[5] 2017 Global Benchmarks Report (Innovid, May 2017)

Dynamic Maps & Real-Time Offers



Dealer Locator

Data-Driven Video

In addition to the 1st and 3rd party targeting options mentioned in the previous section, there is an abundance of situational data that advertisers can use to personalize the content delivered through their OTT campaigns. Signals such as location or time-of-day can enable retailers to recommend nearby stores, or movie promoters to point to the nearest theaters and upcoming showtimes. CPG brands can target loyal customers with a custom list of recommended products. By increasing the percentage of video ads that are personalized based on any given user's context, advertisers can unlock higher engagement rates and more effectively nudge prospective customers towards consideration and purchase.

Sample data points that can inform data-driven video:

Time-of-day & day of week

Weather

Device type

Publisher data*

Sample data-driven content:

Product feeds

Dynamic maps and addresses

Store or dealer locators

Real-time offers

*Content providers who collect subscription data may be able to offer more granular targeting options for campaigns delivered within their owned & operated OTT apps.

What can be measured?

Over the past few years, significant progress has been made to ensure that ad buyers have a consistent set of metrics to reference when launching and optimizing their OTT campaigns. This is no easy feat, given how OTT technologies, devices, and platforms, are evolving at a rapid clip. But fortunately, analytics firms like Nielsen and comScore continue to release new solutions to keep up with the change.

Media Metrics

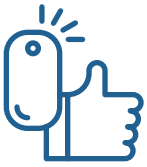
The adoption of VAST (Video Ad Serving Template) enabled inventory on OTT ensures that basic media metrics for standard video are supported across devices. Specific compatibilities will depend, as always, on the tag and creative of the campaign, with deeper measurements available on interactive ads (versus standard video). The following metrics can typically be tracked for any OTT campaign:

Device Delivery

Impressions

Quartiles

Completions



Engagements**

In-Unit Interactions**

Time Earned**

**Metrics only available for interactive video

Demographics

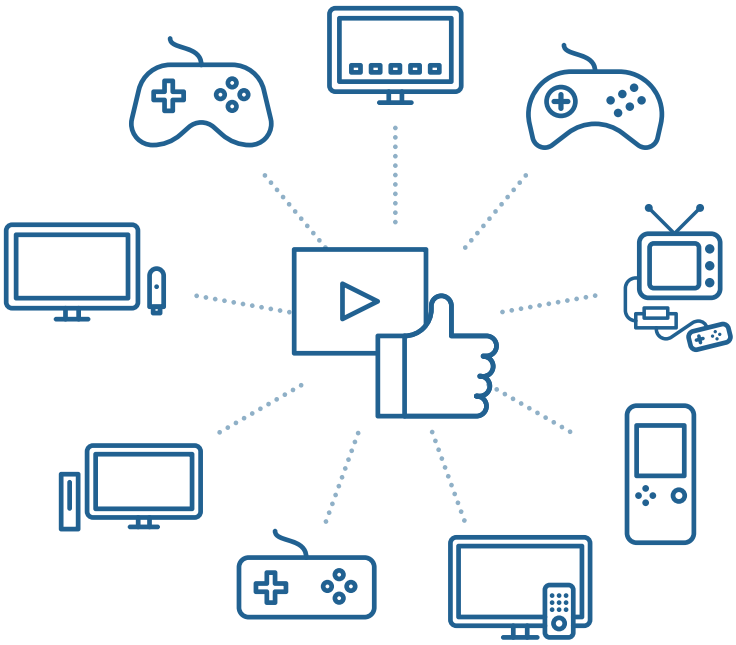
Recent solutions introduced by Nielsen and comScore have finally established a consistent set of gross rating point (GRP) metrics that advertisers can use to compare demographics across OTT and linear TV. Nielsen's technology, which includes a new metric called "Total Use of Television," supports measurement across all major set-top boxes and gaming consoles[6], and comScore's new OTT Intelligence service promises to track household reach, audience size, and demographics[7].

Viewability

While desktop and mobile screens are often filled with browser tabs and pop-up units that relentlessly compete for viewers' attention, TV screens are virtually clutter-free, since there are no OTT players that allow viewers to minimize the full-screen experience. OTT ads are generally considered 100% viewable by nature, though because of a lack of VPAID adoption across these placements, the inventory is technically considered non-measurable by the IAB (and no standard has been established by the MRC).

Verification

While VPAID-based verification metrics are not currently supported on OTT, advertisers can use 1x1 tracking pixels or VAST tags to make sure that campaigns are being delivered as promised. Since many OTT users tend to log into their device through a cable or skinny bundle subscription, these audiences see significantly higher authentication rates — nearly 70%[8] — than desktop or mobile, limiting the potential risk for fraud. The closed environments of most OTT platforms further ensure that any brand safety risks are minimal.



[6] "Nielsen to Break Out Metrics for Apple TV, Roku, and Other Connected TV Devices (Variety, March 2016)

[7] comScore Introduces Breakthrough Service to Measure OTT Viewing on TV Screens (Press Release, May 2017)

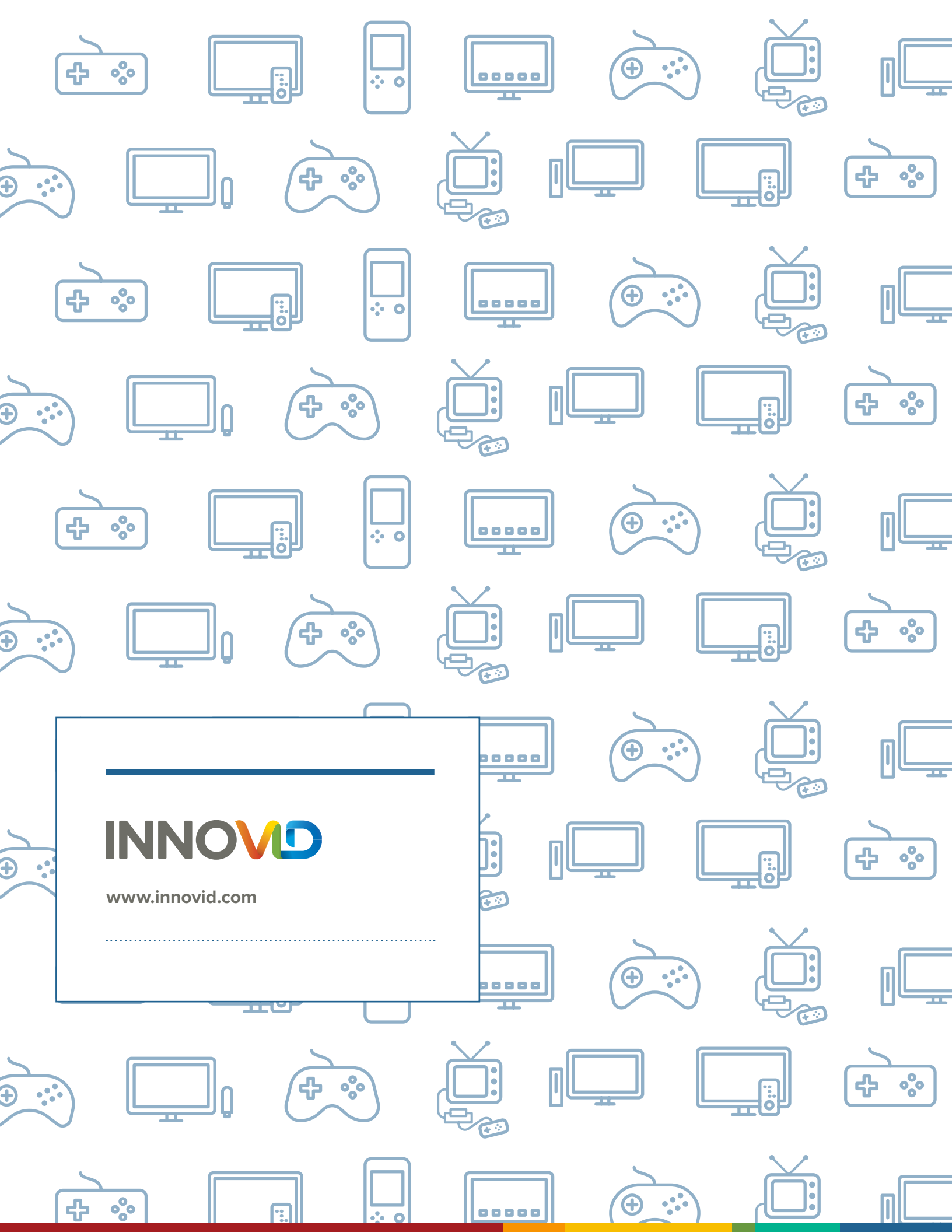
[8] "The Power of OTT: Audiences & Engagement" (Freewheel, August 2017)

Conclusion

As consumer attention shifts from linear TV to OTT channels, advertiser dollars will inevitably follow, but right now, there is a brief window in which marketers can capitalize on the transition by out maneuvering their competitors. OTT offers advertisers an engaged audience with the highest ad completion rates in the industry; a full-screen, interactive canvas on which to display your brand messaging; and the potential for true video personalization, matching content to context.

While marketers should of course leverage the reach afforded by traditional TV and pre-roll formats, they should also consider how OTT can extend or supplement those existing campaigns. As more consumers opt out of cable bundles, as well as online pre-roll formats in growing numbers, OTT may quickly become the primary way to reach your target audience with premium video.

In order to expedite your OTT efforts, consider teaming up with a tech partner that can help simplify the questions and considerations detailed throughout this guide, and manage your video efforts at a more holistic level. To learn about how Innovid's video marketing platform can provide a one-stop solution for all of your video efforts — OTT and beyond – send us a note for a consultation with one of our specialists.



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