

data axle

CRAWL, WALK, RUN

The CTV Advertising Playbook



DEMOGRAPHIC
Education
Masters Degree

BUSINESS DATA
Business
IT Specialist

BUSINESS DATA
Title
Computer

DEMOGRAPHIC
Location
San Diego

BUSINESS DATA
Company size
50-100

PSYCHOGRAPHIC &
Hobbies &
Travel,

DEMOGRAPHIC
Gender
Female

TRANSACTIONAL DATA
Frequent purchases
Work supplies, apparel, sho

Average
\$220

DEMOGRAPHIC
Household income
\$85,000

TRANSACTIONAL DATA
Preferred channel
Online

PSYCHOGRAPHIC & BEHAVIORAL
Life event data
Newly Married



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What is CTV:

Connected TV (CTV) is television content streamed over apps and smart TVs, mobile devices, or over-the-top (OTT) devices such as gaming consoles, Amazon Firestick, Apple TV, Roku and other streaming devices. Some examples of CTV services include Hulu, YouTube & YouTube TV, Sling TV, Vimeo, Peacock and many more. Millions of US TV viewers are switching over to connected TV as adoption of streaming services, such as Hulu and Netflix, continues to grow and displace traditional cable TV.



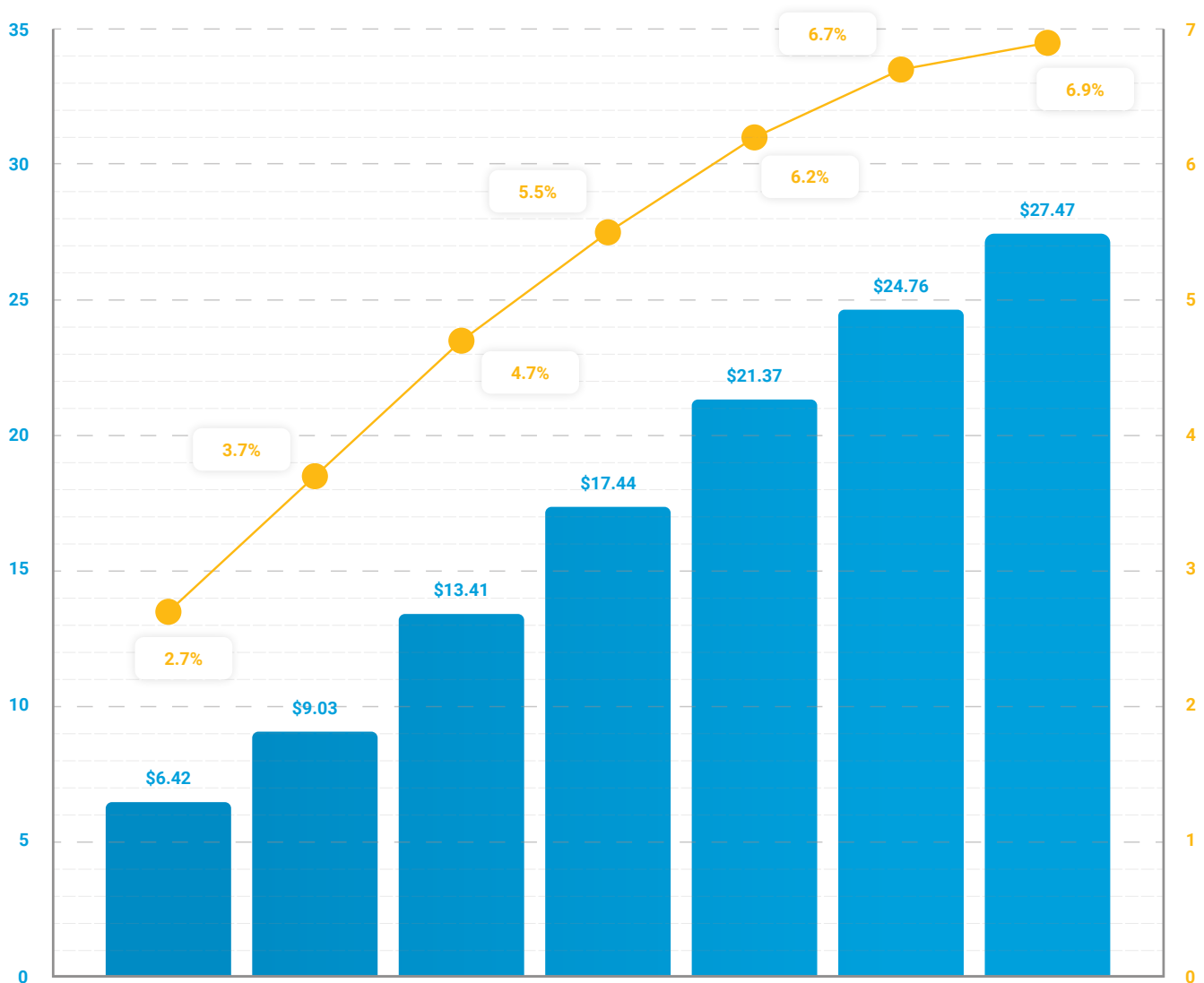
Why You Should Care:

Connected TV ad spend is growing so quickly that forecasters keep revising their estimates. In fact, Insider Intelligence recently raised their 2022 US CTV ad spending forecast from \$17.44 billion to \$19.10 billion – and we know why.

US Connected TV Ad Spending

US, 2019-2025

■ Connected TV ad spending (billions) ■ % of total media ad spending



Note: Digital advertising appears on connected TV (CTV) devices; includes displays ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku, and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising.

Source: eMarketer, February 2022



Why CTV is a 'must-have' addition to your multichannel program:

1

Growing viewership:

In 2022 around 60% of American consumers watch Connected TV on a regular basis. The trend began in 2020, when experts noted that [Connected TV \(CTV\) usage](#) skyrocketed to 3B+ hours per week. Before the COVID-19 pandemic, CTV use was growing – but the pandemic pushed it into overdrive.

2

Unique CTV capabilities:

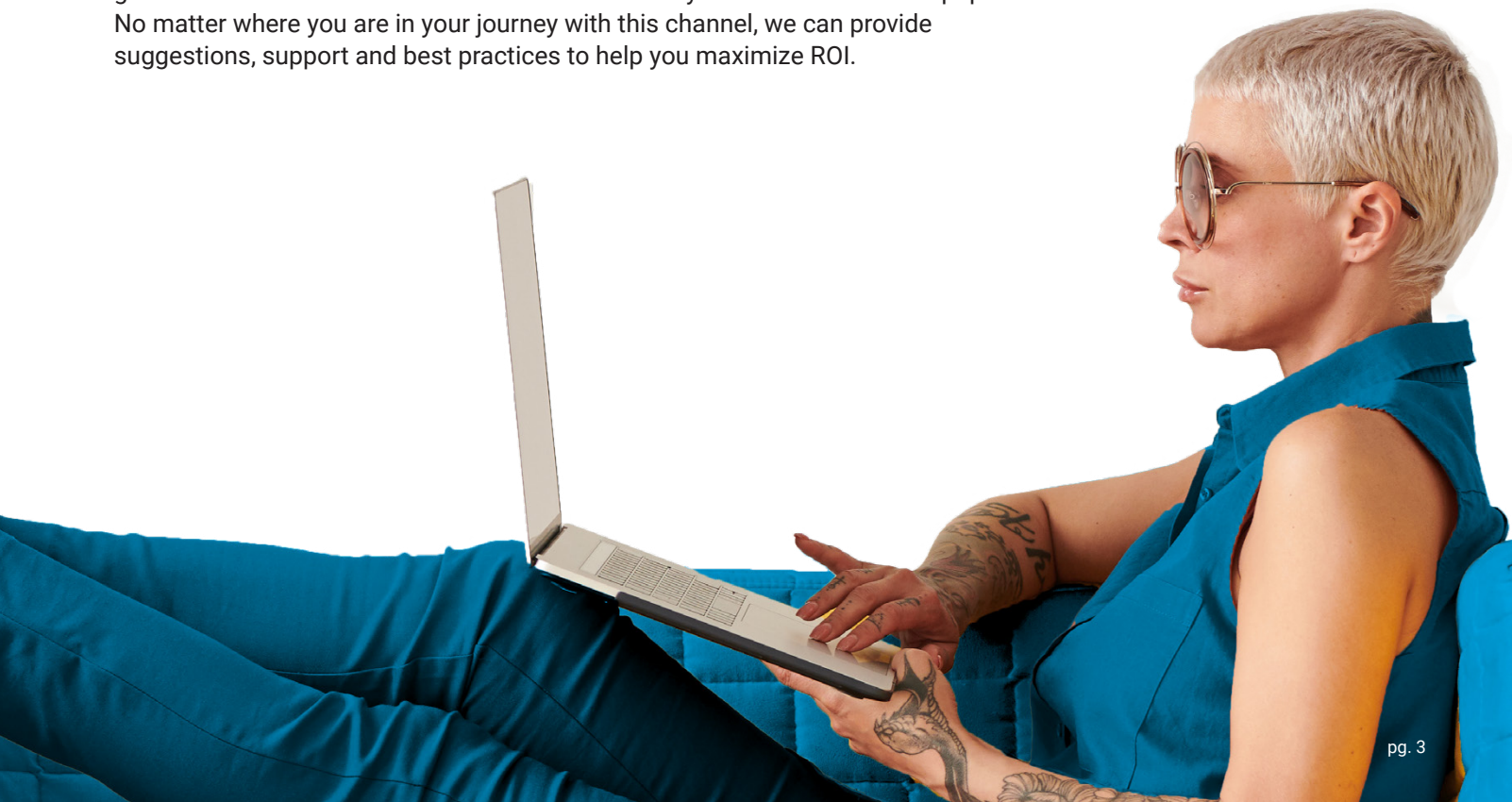
Such as identity resolution through online and offline data matching, to improve CTV ad performance and an increased emphasis on metrics through new tactics, such as clickable ads.

3

Immune to the deprecation of the third-party cookie:

The death of the third-party cookie is looming. CTV is one of the few digital channels that is mostly immune to its demise. CTV thrives on first-party data, based on user-authentication and respect for privacy preferences. Pseudonymous identifiers, such as IP addresses, are rooted in this type of user authentication, and will offer a way to keep track of viewers while still respecting their privacy.

By looking at principal CTV platforms, such as Hulu, Tremor Video, Dish, TruAudience fka Tru Optik and Teads TV, we at Data Axle, have seen over a 96% growth within the CTV industry. Advertisers are recognizing the opportunity in this growing space and are adjusting their business plans to capitalize on it – and they are turning to us for guidance to get the most out of their CTV investment. That's why we created this whitepaper. No matter where you are in your journey with this channel, we can provide suggestions, support and best practices to help you maximize ROI.



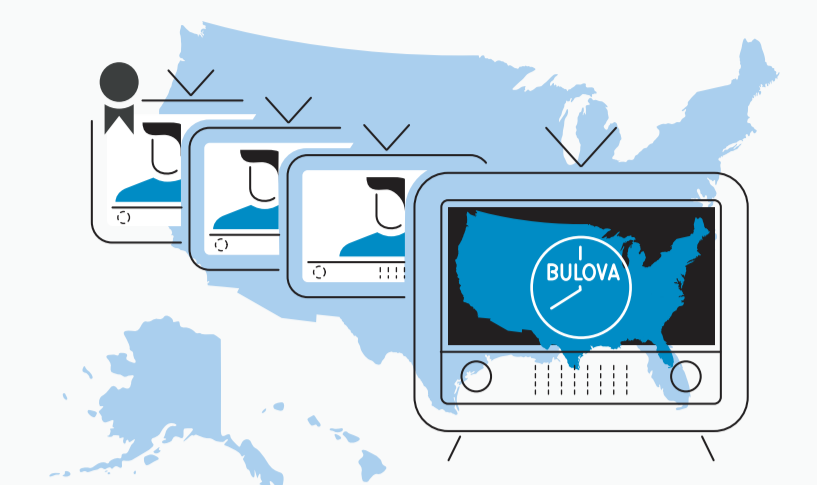


The Historical Role of TV advertising

Traditional TV advertising is still among the most popular marketing channels. TV advertising has long been thought of as the only way to capitalize on the popularity of TV shows, news and cultural events.

How it works:

Advertisers purchase ad spots at designated times on designated channels during designated programming. Advertisers decide ad buys based on the size and makeup of each program's audience and target demographic. This means advertisers were targeting very broad audiences. CTV provides advertisers with the opportunity to target more narrowly and ensure they are reaching the audience they need. Let's take a look at the most important moments in TV advertising history.



1941

The FCC (Federal Communications Commission) issues commercial licenses to 10 US television stations in May. On July 1, the first-ever commercial airs, a spot by the Bulova watch company that cost **\$9**.

1951

TV ad spending reaches **\$128 million**, up from \$12.5 million in 1949: a 10X increase.

1955

TV ad spending reaches the **\$1 billion** threshold.

1963

TV surpasses newspapers as the main information source.

1964

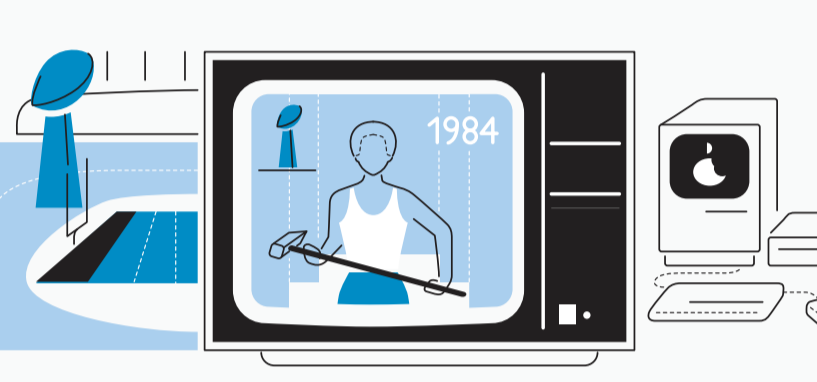
"The Big 3" (CBS, ABC, and NBC) demand upward of **\$50,000** from advertisers for a prime-time minute.

1968

Presidential campaign TV spending almost triples - from **\$10 million** in 1960 to **\$27 million**.

1977

Gross TV advertising revenues rise to **\$7.5 billion** - **20%** of all US advertising at the time.



1984

During the third quarter of the Super Bowl, Apple introduces the Macintosh computer with a **\$500,000** spot, turning the NFL's big game into a major ad event. This also marks the beginning of an era when advertising becomes newsworthy.

1986

NBC's The Cosby Show breaks records for a network series, charging **\$350,000** to **\$400,000** for 30 seconds of ad time.

1994

Internet advertising launches and web ad spending reaches **\$300 million**.

NETFLIX

1997

Netflix hits the scene with a DVD pay-per-rental model.



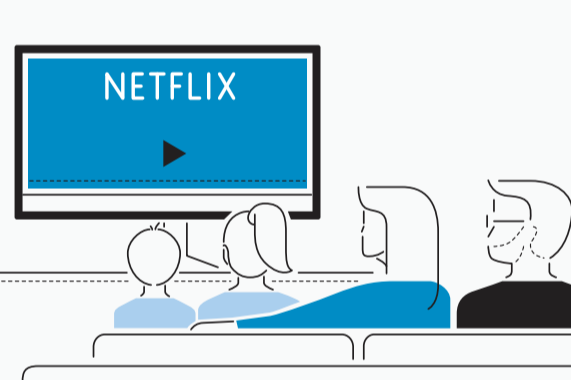
1999

TiVo, the first digital video recorder (DVR), hits the market.



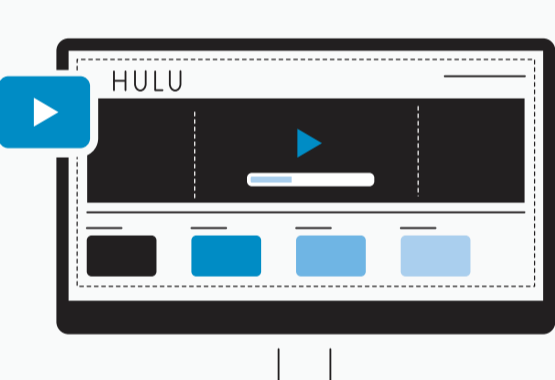
2005

YouTube launches. And is bought by Google for **\$1.65 billion**.



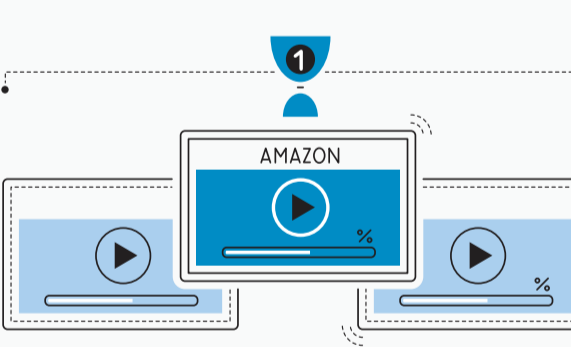
2007

Netflix brings streaming services to the masses.



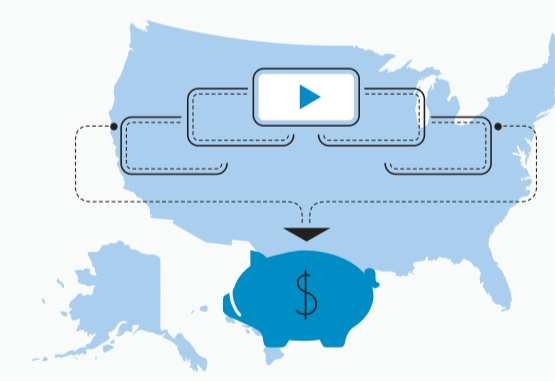
2008

Streaming service, Hulu, launches.



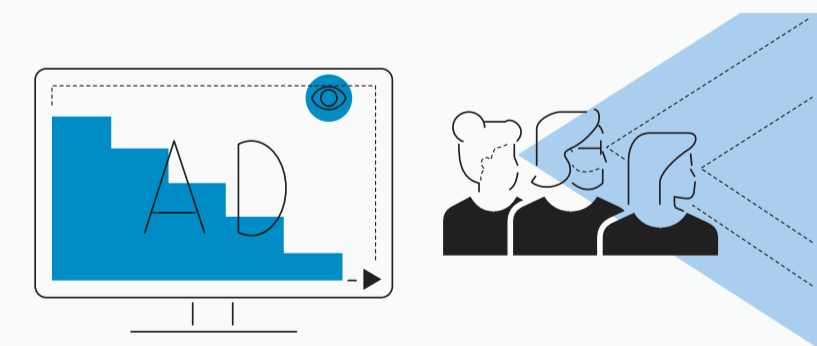
2011

Amazon rebrands its video-on-demand services to compete with Hulu and Netflix.



2017

Led by Netflix, Amazon, and Hulu, US subscription video services generate almost **\$15 billion** in monthly fees.



2017

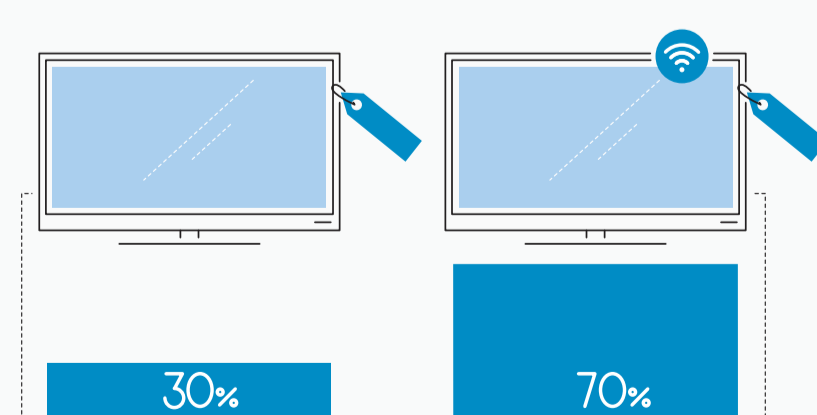
Spending on TV ads falls for the first time, as Americans move away from cable. Even the most popular network shows see a decline in viewership.

2018

1.9 billion viewers log into YouTube monthly, and watch more than 180 million hours of YouTube daily.

2018

Traditional TV advertising spending declines by **2%**.



2018

70% of the television sets sold across the world are "connected" TVs.

2019

Netflix nears **150 million** subscribers and Hulu reaches **25 million**.

2019

Cable TV sees a **5%** decline in subscribers. YouTube TV launches an alternative type of TV subscription.

2020

CTV advertising spending in the United States is valued at **9.03 billion** U.S. dollars.

2022

The average cost of a 30 second Superbowl commercial rises to **6.5 million** U.S. dollars.



Tactics

Let's get into the nitty-gritty details of developing and deploying CTV campaigns. It's important to note that you need to make sure your CTV campaigns align with your other marketing efforts. Think of CTV as a rising tide that lifts all boats and make sure to use it in conjunction with a robust omnichannel program. We've broken our tactics section into three stages – crawl, walk, and run. Crawl is for those new to CTV, walk is for those who have gotten started but want to get more sophisticated in their strategy and run is for those who want to evolve their current program. If you are at crawl continue on this page, walk go to page 7, run 9.



Crawl:

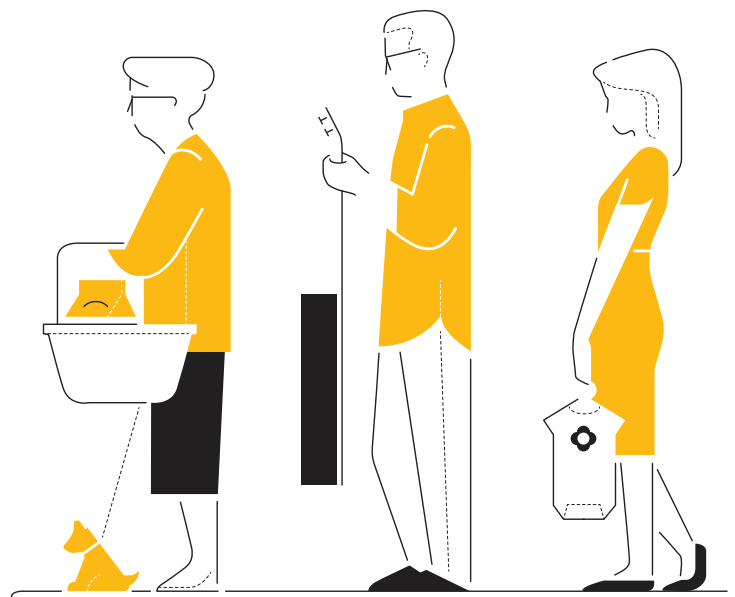
Set campaign goals and KPIs before launching your CTV campaign

CTV gives advertisers plenty of data by which to measure the success of their campaigns. Metrics such as video completion rate (VCR), unique households reached, cost per unique household, after-ad influence and offline conversion tracking are all available. However, because this is such a new medium there is no industry standard to compare to. This leaves the door open for advertisers to define what success looks like and which KPIs are important to their business goals. KORTX reports that marketers have come to expect VCR percentages of 95%+ for CTV campaigns. However, depending on what you want to accomplish, VCR might be less important than after-ad influence or cost per completed view (CPCV). Before launching your campaign, decide what your goals are for the campaign and which metrics are important to you. This will give you a better roadmap for determining if your campaign was successful and how to proceed to best maximize the potential of this channel down the road.

Off-the-Shelf Segments

“Off-the-shelf” segments are ready-made audiences that you can purchase and immediately market to. These segments aren't custom-made and are usually less expensive than more sophisticated, custom models. Solution partners, such as Data Axle, carefully craft these audiences and it's a quick and efficient way to target consumers who have similar interests or are in the same demographic as your best customers.

We've rounded up some of our clients most common questions about CTV and our ready-made segments and answered them for you below.





Does it look like programmatic?

It's estimated that by the end of 2022, CTV will account for over 25% of total programmatic video ad spending and one-tenth of total programmatic digital display¹. In many ways, the way you purchase and target for CTV campaigns does resemble programmatic. It allows you to easily replicate your targeting across multiple channels, which is always a positive, especially if you're trying to drive awareness into a very specific type of segment.

How long should I run my campaign for?

Our experts recommend that if you are using "off-the-shelf" segments, you run your CTV campaign for 2-3 months for the best results.

How many segments should I purchase?

When considering how many segments to purchase, it comes down to scale. For CTV to be successful, you want your campaign targeting to be focused, while not being too narrow. Targeting larger audiences will help keep your inventory costs down. But if you take on too many segments at once, it will make it harder to read the results. If you're doing off the shelf segments, 2-3 is a great starting point. Data Axle offers over 1000 extremely targeted ready-to-purchase segments – with audiences such as Homeowners, IT Professionals, Holiday Shoppers, Financial Advisors and many more. Data Axle's consumer and professional segments are created and validated through proprietary processes which continually combine thousands of offline sources and process billions of data points on consumers and business professionals delivering reliable, relevant, and compliant segments.

Our most popular CTV segments in 2021

Top CTV Consumer Segments in 2021

Demographics: Age:

25 - 34, 35 - 44, 18 - 19

Consumer:

New Mover

Financial: Est. Household Income

\$100,00+, \$150,000 - \$199,999, \$125,000 - \$149,999

Interests: Lifestyles:

Environmentally Conscious

Household:

Arts & Entertainment: Rock Music Concerts

Auto:

Luxury Vehicles

Health & Fitness:

Pilates/Yoga

Demographics:

Homeowner: Owns

Behavior Models:

Household: Auto Insurance

Top CTV Business Segments in 2021

Business & Professional:

IT Decision Makers

Decision Makers:

Small Business Decision Makers

Decision Makers:

Human Resources

Functional Area:

Government: Elected Officials

Functional Area:

Education: Management & Administration

Industry:

Construction: Contractors & Trade

Functional Area:

Finance: Financial Advisors

Small Business Owners

Bank & Finance:

Banking



Walk: **Create (and segment) custom audiences**

One of the major benefits of CTV as opposed to other channels is that it allows for extremely precise targeting. This feature is what prompted Forbes to describe CTV as the “holy grail” for advertisers.² The primary objective of a custom audience is to allow brands to create and target their ideal customers. Because custom audiences are generally seen as a larger investment into this channel, we have included it as a “walk.” However, creating custom audiences isn’t as cost-prohibitive or as long as a time commitment as many marketers think it is. Plus – Data Axle is able to take those custom audiences and apply them to any other channel you want to advertise on. Let’s get into some use cases for custom audiences.

1. Building a traditional custom audience:

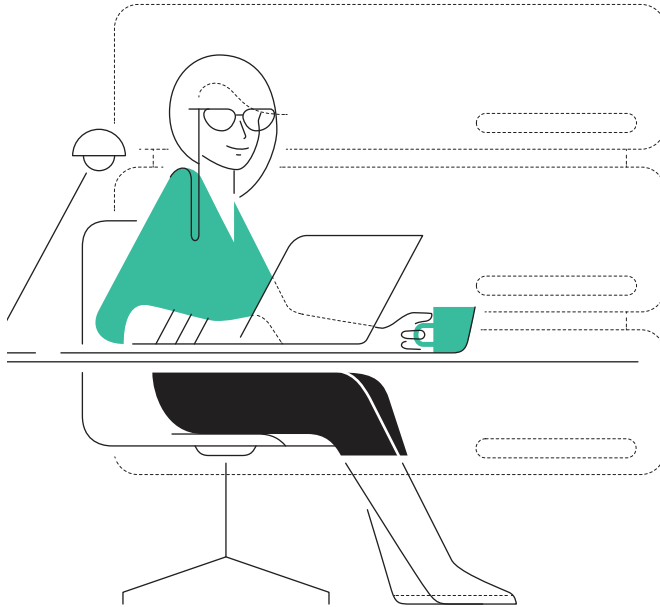
Working with a partner, you can provide attributes you already know about your desired customer, and the partner can find audiences that match to those attributes.

2. Creating modeled audiences off your existing customers

In this scenario, you would build a modeled audience by taking the information you know about your high-value existing customers. This will enable you to connect with the audience you want to reach.

CTV allows for advanced targeting, so once you have your custom audience, you can upload it to the appropriate platform. This will enable you to reach the audience that is most likely to convert.

From there you should segment the model. This segmentation would be from the modeled audiences, typically in different deciles based on propensity and likelihood to respond. You can invest in off-the-shelf audience segments based on demographics, transactional history, interests, recently moved individuals, and political affiliation or you can build a custom audience off your look-a-like model. For example, a cookware retailer can use their CTV ad to target an audience with a higher projected interest in cooking, such as hobbyists, mothers, college educated men and newly engaged couples who are building registries. These “off-the-shelf” segments play well with the custom work you are doing to help you fine-tune your target audience and reach the prospects who are truly in the market for your product or services.



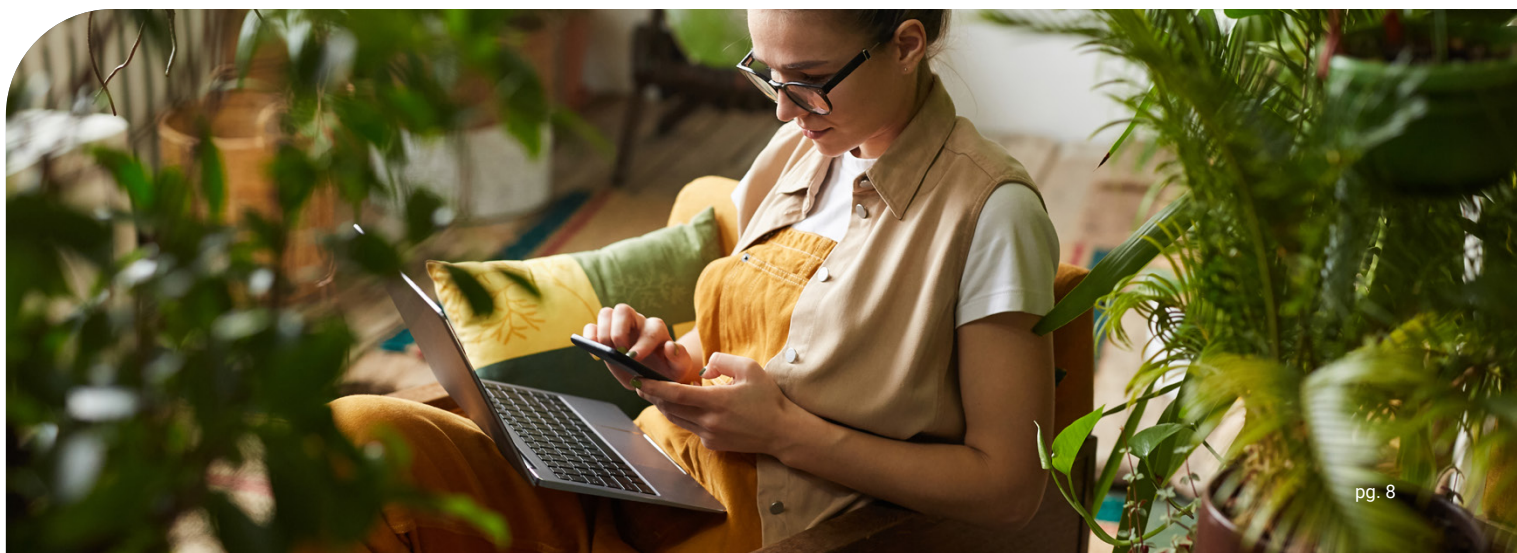
Trusted Expert Tip: Find your audience without breaking the bank

If you have a broader audience, the most cost-effective way to purchase CTV inventory is to invest in very broad segments. The larger the pool of available users to target, the more conservative the DSP can be when bidding for prospective impressions. This is because they have a larger pool to deliver to. When you have a very small and confined audience, the platforms will push for delivery and bid more as it will not have as many opportunities to bid on and win impressions. If you have a more niche audience, data will help you target but be prepared to invest more of your budget into this area.

Personalize Your Creative

90% of U.S. consumers find personalized marketing content somewhat to very appealing,³ and it's crucial to take personalization into account when developing creative for your CTV campaigns. Data is the foundation of personalization. Having deep insights into your target audience on an individual level is key to crafting messaging that will resonate with them. Demographic and psychographic data can be a particularly strong tool for relationship building, especially with audiences who are unfamiliar with your company. When used to select the right imagery, messaging, tone, and featured products, demographic segmentation sends an immediate signal that a brand caters specifically to each potential customer.

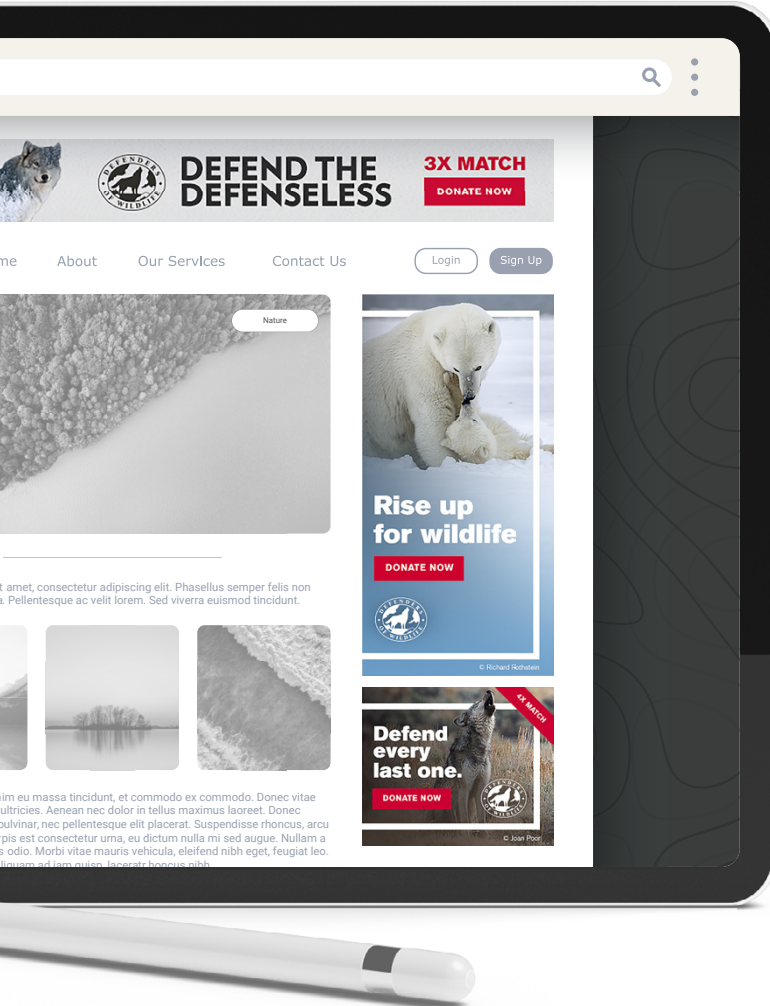
The biggest challenge when it comes to creating and testing personalized creative in CTV is cost. The act of creating the advertisement and asset itself is quite expensive, but could be worth it. Just track your costs and your outcomes to determine effectiveness.





Run:

Integrate CTV Into Your Omnichannel Campaigns



A coordinated, well-planned omnichannel campaign is a sure-fire path to success – and CTV can be a powerful tool in bringing an omnichannel strategy to fruition. Richard Geiger, Senior Vice President at Data Axle, said, “We also know from industry surveys, match-back studies, lots of testing, and attribution work that it takes more than one touch and more than one channel to keep donors continuously engaged.” He continued, “I recommend touching potential donors 7-12 times to maximize donation opportunities. A data-driven retention approach utilizes channel, offer, and message in concert with one another, so it’s important to keep that in mind as you start to explore an omnichannel strategy.”

For example, Data Axle recently assisted Defenders of Wildlife with integrating CTV into their omnichannel strategy. Defenders wanted the CTV campaign to be used in conjunction with digital ads to raise brand awareness, engage prospective donors, and boost fundraising for Q4, 2020. Using Data Axle’s donor database, Apogee, and custom modeling, we created an audience of potential donors who were likely to give online. To target them, we deployed a CTV ad to drive brand awareness and a display retargeting ad with similar creative and messaging. Both campaigns drove the audience to the Defenders’ website. The campaign generated an ROI of over 600% and the CTV ads had a Video Completion Rate (VCR) of 94% – which means that 94% of viewers watched the entire commercial.

Trusted Expert Tip: Measurement

Measuring attribution is notoriously tricky. Online attribution is limited to metrics that can be generated from DSPs. However, offline matchbacks allow you to dig one level deeper from an attribution perspective. To do this, the campaign will need to leverage custom audiences, that were created or modeled by a solutions provider such as Data Axle. Try sending your partner a list of donations or sales during the period when your campaigns were live and ask them to match the offline events to your custom audiences to better understand how your media may have potentially impacted an offline or online event.



How real-life brands are incorporating CTV into their marketing program

CTV can be used for many different purposes. Which is why, in section I of this paper, we advised you to set your goal for your campaign.

Coca Cola: Follows their customers to CTV

Chris Price, the head of global digital marketing and media transformation at Coca-Cola, told Beet.TV that they are planning on increasing the role of CTV in their marketing strategy. Price cited the increasing audience switch from cable to CTV as the reason for the change, with the soft drink giant following the natural migration of consumers and meeting them on the channel they prefer. “The consumer is making the choice for us,” Price told Beet.TV. “The consumer is migrating to on-demand. Once you realize you have got the ability to watch amazing, high-quality content and programming when you want, where you want and however much you want, why would you ever go back to linear?” Price is also optimistic about the possibilities of measuring the effectiveness of CTV. “We’re in a position to know what our expectations are and know what we expect from providers and publishers and know what measurement should be in place.”⁴



Subway: Conducts outreach to local audiences

Sandwich purveyor, Subway, wanted to reach out to local designated market areas (DMAs) to increase foot traffic to their local stores. Subway has always had a robust linear TV strategy, however, much like Coca-Cola, they saw consumers migrating to CTV and decided to follow the trend. “Local linear TV alone provided limited DMA reach and at times annoyingly high frequency,” said Ly Tran, associate partner, chief media officer, at Proof Advertising, who worked with Subway on the campaign. “To strategically and thoughtfully reach more of our target audience, we had to combine the impact of linear TV with the precision of CTV.”⁵ The results of the CTV campaign were impressive, with visits to Subway locations seeing a 19.6% lift from 4,373 measured locations and 38 million impressions of targeted scale on premium ad inventory across the selected DMAs.





Saucony – Improves brand awareness

In 2020, running-shoe company Saucony launched its first major CTV campaign. The brand used a vendor to deploy behavioral targeting tactics over the channel, which allowed them to target consumers who had previously searched for “post-workout” and “recovery” products. Saucony saw powerful results. The campaign led to a 128% lift in Google searches for their 2021 shoe launch - the Kinvara 12, as well as their Ride 14 and Endorphin Collection. They also saw a 28.5% lift in Saucony product searches on Amazon.com and the Amazon app; and a 21.2% lift for awareness, consideration and purchase among Roku audiences. The sneaker giant credits the campaign for nearly 6,000 purchases, proving the power of a strong CTV strategy.⁶



Conclusion

CTV is a channel you can't afford to ignore. It's where your potential customers are and you need to meet them there to engage them. Whether your goals are raising brand awareness, increasing traffic in your physical locations or encouraging website clicks, CTV is a must-have tool in your arsenal. If you're ready to get started, contact us.

SOURCES

1 [insiderintelligence.com](https://www.insiderintelligence.com)

2 [forbes.com](https://www.forbes.com)

3 [statista.com](https://www.statista.com)

4 [beet.tv](https://www.beet.tv)

5 [spotx.tv](https://www.spotx.tv)

6 [prnewswire.com](https://www.prnewswire.com)

Contact Us

Phone 1-866-DATAXLE • Email sales@data-axle.com • Website [data-axle.com](https://www.data-axle.com)

