



An Amagi Whitepaper | November 2022

The rise of CTV advertising: what's in it for YOU?

Everything you as a content owner, platform or advertiser need to know about connected TV advertising and how it can benefit you.

Unraveling the CTV world

What is a Connected TV (CTV)?

Any device (television set, HDMI stick or gaming console) connected to the internet that can be used for video content/TV streaming is a Connected TV (CTV). For instance, Sony PlayStation, Amazon Fire TV stick and Apple TV.

Types of CTV households

Based on how they consume content, CTV audiences can broadly be classified in three segments:

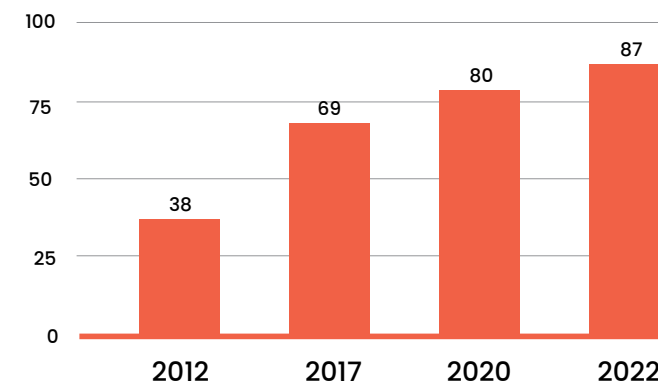
- **Pay TV + CTV:** Watch a mix of pay TV and CTV channels
- **Cord cutters:** Moved from pay TV to CTV channels
- **Cord nevers:** Solely watch CTV channels

Not surprisingly, CTVs have become primary sources of video content consumption in many households. Due to their ease of operation and being the doorway to rich content libraries, connected TVs are increasingly becoming a favorite among Gen Z and millennials. An eMarketer report shows that about [86%](#) of these groups primarily consume content through connected TVs.

Cord-cutting for the win

The ownership of CTV devices is at an all-time high in the US. About [87%](#) households own at least one connected TV device. To get a better idea of the popularity of the cord-cutting phenomenon, let's have a quick look at these numbers:

Percentage of CTV households (US)



From 38% in 2012 to 87% in 2022, we can see a substantial increase in the [percentage of CTV households in the US](#).

In terms of [the global market](#), CTVs are poised to be valued at US\$ 16.2 bn in 2032 with a CAGR of 13.7% between 2022 to 2032.

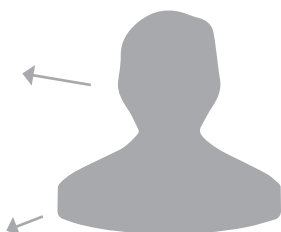
Deciphering the CTV audience

Key psychographics

Want affordable TV options
Look for a plug-n-play experience
Want access to high-quality content options

Key demographics

[18-34](#) : most engaged age group



In a world traditionally dominated by pay TV, CTV is like a breath of fresh air.

The CTV revolution: key factors

Given the rate of its rising popularity, you cannot ignore the connected TV revolution. Here are the key reasons behind it:

1. **Affordable smart TV/CTV options:** Many leading smart TV brands such as LG, Samsung, Xiaomi and Vizio and so on have launched affordable smart TV options making them an easy choice over the regular ones.
2. **Plug-n-play:** Unlike traditional cable TVs where you first need to sign up for a cable connection and wait for the engineer to come over and install it for you, smart TVs offer a plug-n-play experience. All you need is a working internet connection and you're good to go.

CTV & FAST: A powerful combination

The rise of CTVs has continued to play a significant role in the evolution of the free ad supported streaming TV. As CTVs enter more and more living rooms, they pave way for Free Ad-supported Streaming TV (FAST) services as well.

What makes FAST popular? An impeccable viewing experience.

Being able to replicate the linear pay TV environment in the best way possible, FAST provides free of cost, popular content without multiple subscriptions.

Here is how it uplifts the consumer experience:

- **Seamless viewing:** FAST eliminates subscription fatigue for consumers while easing out the process of content discovery.
- **Free is the key:** Access to free, high-quality content simplifies user experience and significantly increases the user base.
- **Minimal ad load:** While the majority of traditional TV channels have ad loads in [double digits](#), FAST players are increasingly reducing the number of ads to offer better viewing experience. Disney recently announced that the ad-supported version of Disney+ will have a total ad load of just [four minutes](#) per hour.
- **Relevant ads:** Non-intrusive, targeted, and personalized ads based on consumer preferences massively elevate the viewing experience.

The rise of CTV advertising

Defining CTV advertising

Connected TV advertising refers to delivering fully targeted and measurable ad experiences to audiences based on their preferences. For instance, someone watching a video about Monday morning blues is likely to see ads about coffee or an energy drink.

Offers something for everyone

Whether you are a content owner, advertiser or a platform, CTV advertising has some major perks in store for you and your viewers.

Being able to strike an optimum balance of a linear format combined with digital experience, CTV advertising is a hit for all stakeholders. While consumers get vast, high-quality content libraries, advertisers can benefit from highly targeted ad campaigns. Platforms get to access rich content catalogs and content owners can unlock scale, discoverability, and better monetization options.

What works in favor of CTV advertising?

Apart from having something in store for all stakeholders, here are a few advantages that make CTV advertising a hit.

Unskippable yet powerful

While CTV offers niche and meaningful ad experiences, it does not come with a 'Skip ads' option. And the best part is that – [58%](#) of streamers do not mind watching these ads. This higher tolerance for ads is a direct result of hyper-personalized and non-intrusive ad formats that elevate the overall viewing experience.

Reach beyond boundaries

Connected devices, in general, open the portal to target two untapped audience segments – cord cutters and cord nevers. It is impossible to reach these viewers through other avenues such as traditional TV ads as their chances of opting for a satellite-based TV subscription are next to none.

Advanced data-driven targeting

Traditional TV lacks reliable data and takes a 'one size fits all' approach to advertising. Whereas CTV ads are fully dependent on audience data such as behavior patterns, helping them power more contextual viewing experiences.

Advanced data collection and analysis platforms such as [Amagi ANALYTICS](#) process bundles of raw data into clear, actionable insights for advertisers and platforms. This helps them stay abreast of changes in consumer behavior and modify their targeting strategies accordingly.

As a result of these advantages, CTV advertising is seeing a staggering growth. From Dec 2020 to Dec 2021, CTV ad impressions grew by a staggering 134% with a 103% rise in total viewership hours (HOV).

While CTV advertising has some major advantages, one factor that makes it slightly questionable is the presence of CTV ad fraud. Let's dig a bit deeper.

CTV ad fraud: a preventable disadvantage

The biggest shortcoming of CTV advertising appears to be ad fraud. Sometimes, CTV ads keep running even when TVs are off, leading to inaccurate measurements. Currently, advertisers are losing as much as [\\$1 bn](#) to ad frauds. A study on 20 mn Vizio TVs shows that streaming platforms sometimes do not receive an intimation when the viewer turns off their CTV.

Types of CTV fraud

Impersonator Bots:
bots mimic a unique user interaction with an ad.

Device fraud:
Fraudulent software installed on connected devices that leads to fake user interactions with an ad.

App fraud:
A malicious app installed on the device that mimics viewer interaction.

False interactions created by all of these methods lead to misleading ad performance results.

While ad fraud might sound intimidating, it is highly avoidable. Here's how.

Find a trusted tech partner

Partner with a trustworthy and reputable tech vendor who offer solutions like [Amagi ADS PLUS](#) that can help you monitor ad deliveries 24x7, thus minimizing the chances of ad frauds.

Use unique advertising identifiers

According to the International Bureau of Advertising's (IAB) guidelines, all CTV devices can have their own identifiers. These are sent to the publisher's OTT apps, ad servers, as well as to the advertiser's ad servers or demand-side platforms. These identifiers help track ads at all times protecting you from potential fraud.

Maximizing ROI from CTV advertising

Whether you are a content owner, platform or an advertiser, CTV advertising has a lot in store for you. Here's what you can do to maximize monetization.

Rethink your channel mix

To drive more effective brand campaigns, CTV advertising needs to be an integral part of your omnichannel marketing strategy. The chances of your ad campaign being more powerful are high when it runs across mobile, social media and connected devices in parallel.

With CTV advertising, we have a unique opportunity to gather trustworthy and useful first-party data that can be used to cross-target audiences across above mentioned platforms.

Minimizing ad fraud

As discussed above, CTV fraud is a major issue but highly preventable as well. Once it is taken care of, your overall ROI potential will rise automatically.

Tap into innovative ad formats

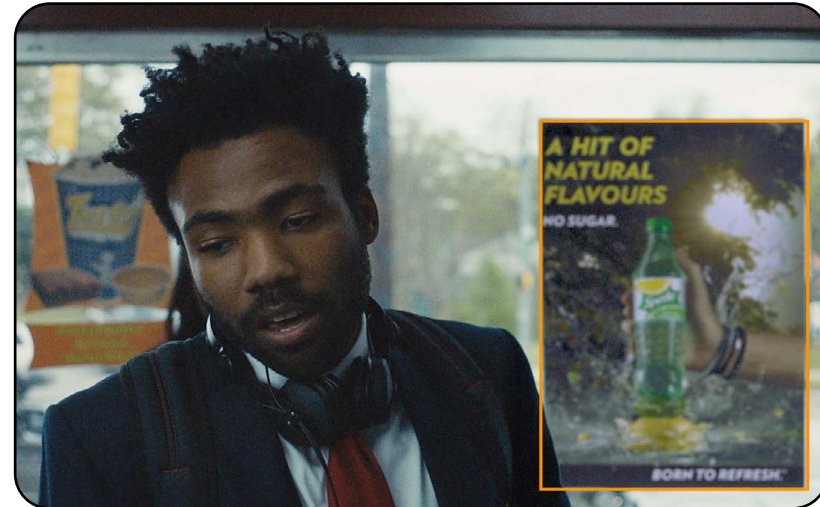
Deliver delightful and actionable ads using innovative ad formats that are non-intrusive, highly personalized and contextual. Some of these include dynamic brand insertion, dynamic graphic overlays, and contextual video ads.

Dynamic brand insertion

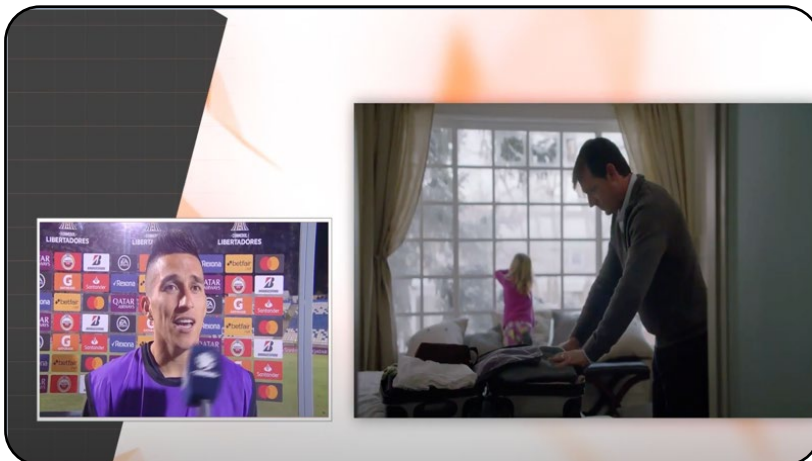
Maximize content monetization without interrupting viewing experience. You can either insert a 2D ad creative into the scene (brand insertion) or embed 3D real-life products into the scene (product insertion) creating an engaging experience.



Dynamic Product Placement



Dynamic Brand Insertion



Live Sports Picture in Picture

Dynamic graphic overlays

Display static or dynamic ads in the lower third intuitively – based on the video content.

CORONAVIRUS
ROAD TO REOPENING

Artem Yerian
PARK MANAGER, THE BILL BAGS STATE PARK

KBSN
WORLD

HIALEAH FRI 86 SAT 86 SUN 85 MON 86 TUE 86 WED 86 THU 86 83 10:05 AM

HTML5 based dynamic graphics

Lower third HTML5 graphics

Live weather updates from RSS

Live clock widget

Channel bug

Contextual video ads

Deliver meaningful and relevant ad experiences by playing ads relevant to the video content.

What does the right first party CTV advertising platform look like?

While ad buyers and sellers are two critical components of the CTV ecosystem, another key piece of the puzzle is – the right CTV advertising platform.

From multiple options available out there how can you choose the right ad platform? Here's a summary of what you need to look for in a first party CTV advertising platform.

Ad buyers' priorities	Ad sellers' priorities
Premium CTV content at scale	Maximum monetization
Ad innovation	Detailed data analytics
Brand safety	Data safety
Measurement & incremental reach	Complete CTV strategy

amagi ADS PLUS: A CTV marketplace closest to the stream

Amagi ADS PLUS is a CTV marketplace that seamlessly connects brands with audiences around the world in a safe and measurable fashion.

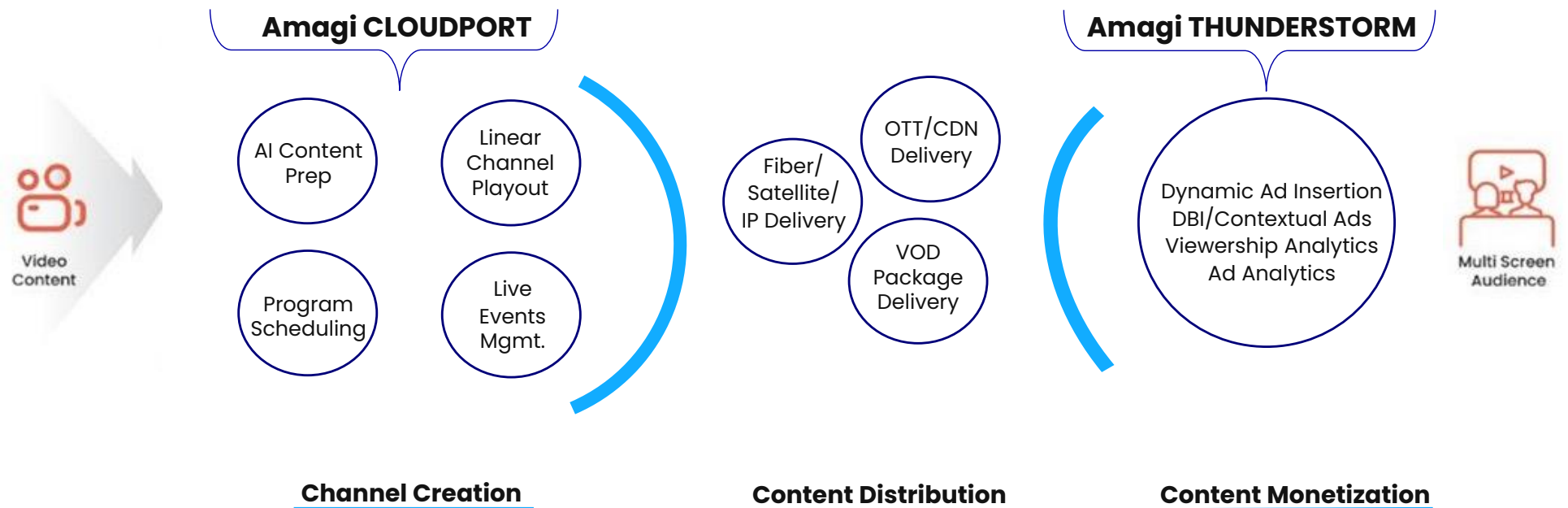
With over 2000 channels, and 100+ platforms, we offer buyers the largest audience of CTV inventory available. In the US alone, they get to reach about 200 mn households. Sellers, on the other hand, get to unlock 50 bn ad opportunities.

With Amagi ADS PLUS, both ad buyers and sellers can multiply their revenue by:

- Creating a new revenue stream by selling your unsold inventory
- Running innovative ad formats to increase viewer engagement
- Targeting effectively and safely through rich metadata and contextual tactics

Closest To the Stream

An End-to-End First Party Platform for Channel Creation, Distribution & Monetization



Let's take a closer look at what we have to offer to buyers and sellers individually.

Amagi ADS PLUS for ad buyers

Unlock greater scalability: Reach coveted audiences in one place in the largest CTV marketplace via a direct first-party platform.

Flexible transactions: Transact at your own terms within your budgets in line with your goals whether it's efficiency and reach or impact and engagement.

Simplified buying: Get the freedom to buy programmatically, direct programmatic or by creating custom Private Marketplaces with curated content providers & audiences.

Advanced ad tracking: Unleash the power of real-time metrics and reporting on ad efficacy, delivery & performance.

Seasonal advertising: Maximize monetization by aligning your programming and advertising around peak buying cycles or events.

200 mn+
CTV households

2000+
Channels

Amagi ADS PLUS for ad sellers

Maximize monetization: With 50 bn CTV impressions, our award-winning SSAI platform, Amagi THUNDERSTORM, lets you provide a hyper-personalized ad experience with content monetization at scale.

98%
Completion rates

360 ° CTV strategy
Data-driven segmentation
Ad & viewer analytics
Flexibility (PMP, PG, DIR)

99%
Fraud-free

Premium CTV at scale
Metadata targeting
Ad innovation
Incremental reach

Ready to boost your ROI like never before? Get the Amagi advantage

Reach out to us at cloudandme@amagi.com

Amagi is a next-gen media tech company that provides cloud broadcast and streaming TV solutions to TV networks, content owners and streaming TV platforms. Amagi enables content owners to launch, distribute and monetize live linear channels on Free-Ad-Supported Streaming TV and SVOD platforms. Amagi also offers 24x7 cloud managed services bringing simplicity, advanced automation, and transparency to the entire broadcast operations for traditional TV networks. Amagi delivers 2000+ channels with deployments in over 40 countries. Amagi has presence in New York, Los Angeles, London, Paris, Singapore, New Delhi and Bangalore.

amagi.com

The background of the slide is a solid dark blue. Two wavy, curved lines, one white and one orange, sweep across the frame from the left and right edges towards the bottom center, framing the central text. The word "amagi" is written in a white, lowercase, sans-serif font, centered horizontally and vertically.

amagi