



CTV Connect

A Buyer's Guide to Navigating the Connected TV Supply Landscape

The growth of CTV over the past two years is unmistakable. During the pandemic, CTV consumption grew by more than 50%, making it an impossible channel for advertisers to ignore. That's why in 2021, CTV represented the fastest growing media channel for video ad spend, jumping more than 60% from \$9 billion in 2020 to more than \$14.4 billion last year.

At the same time, we saw an explosion in CTV apps, streaming services, and access points, creating fragmentation across the ecosystem and confusion for buyers. This profile on the emerging CTV space is designed to help BidSwitch buyers make sense of this burgeoning channel, understand its creative and technical nuances, and identify premium suppliers for trading activation.

What is Connected TV?

A Connected TV (CTV) is a device that connects to, is embedded in, or natively enables a television to support streaming video content.

Connected TV includes all devices that fit into the following descriptions:

- ▶ **Streaming devices:** Devices that connect to a TV screen to display streaming video (Roku, Apple TV, etc.)
- ▶ **Smart TV:** TVs with integrated internet connections (Samsung Smart TV, etc.)
- ▶ **Gaming consoles:** Internet-connected gaming consoles that connect to a TV (Xbox, PlayStation, etc.)
- ▶ **Set top boxes:** Devices delivering traditional cable and video-on-demand (VOD) content to a TV (typically provided by cable providers, like Spectrum and Comcast)

You may also have heard of advanced TV as part of the CTV discussion. Advanced TV, or ATV, is a catch-all term used to encompass the various ways of streaming television content. Types of TV that fall under the ATV umbrella include addressable TV, connected TV, over-the-top (OTT) and video-on-demand (VOD).

Also commonly mistaken for connected TV is over-the-top TV or OTT. OTT TV is content delivered via an internet connection. It can be viewed on a TV screen or another device like a mobile phone, tablet, or desktop. Where connected TV is the device, OTT is the service. Common OTT services include Netflix, Hulu and Disney+.

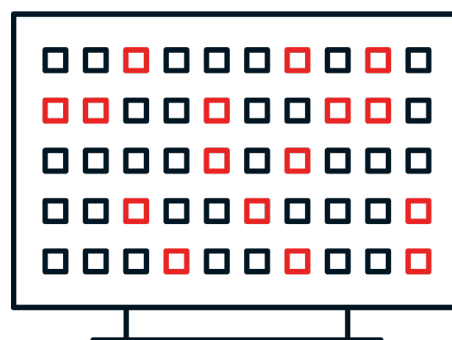
The Great Migration

Traditional TV, or linear TV, is a system in which a viewer watches a scheduled TV program at the time it's broadcasted and on its original channel.

For decades, linear TV had been the gold standard for premium brand advertisers, as it combined the power of rich sight and sound ad experiences with massive reach at highly effective CPMs. Less than a decade ago, all TV consumption was linear.

Today, **only one-third of all TV viewing is linear**, according to a recent report from Vizio. That's down from 60% just two years ago, as viewers migrate to streaming in ever greater numbers.

Source: Forbes



CTV Viewership by the Numbers

Why are advertisers shifting budgets to CTV in record numbers?
Because consumer eyeballs are already there, with no signs of slowing.

- ▶ **Nearly two-thirds of the US population are CTV users**, and viewership will increase to 227.6 million by 2023, from 218.3 million in 2021.
- ▶ **Over 80% of US TV households have at least one connected TV device** (higher than cable), with a mean of 4.1 connected devices per household.
- ▶ **39% of adults watch streaming video content daily and 60% watch weekly**, numbers that don't seem to be declining post-pandemic.
- ▶ **People in the US will spend 80 minutes per day with subscription OTT video**, up 8.7% over the previous year.

CTV Users by Age (millions)

2019

195.9M total



2021

218.3M total



2023

227.6M total



Source: Leichtman Research Group, 2021 & eMarketer, 2022

CTV Drives Key Advertising Metrics

Advertisers aren't just rushing to CTV because that's where consumers are. It's also proving to be a highly effective channel for driving key metrics.

According to IAB and Advertiser Perceptions research, CTV was found to be as or more effective than linear at driving reach by 76% of respondents, and driving ROAS by a whopping 91%.

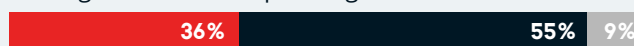
Adding to that, a study by Magnite found that 23% of adult CTV viewers purchased a product after seeing an ad, compared with 12% of traditional TV viewers.

Effectiveness of Connected TV (CTV) Advertising vs. Traditional Linear TV Advertising According to US Agency/Marketing Professionals, April 2021

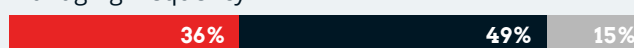
% of respondents in each group

Source: Interactive Advertising Bureau (IAB), "Video Ad Spend 2020 & Outlook for 2021" conducted by Advertiser Perceptions, May 4th, 2021

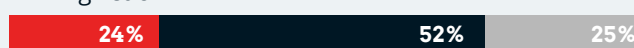
Driving return on ad spending



Managing frequency



Driving reach

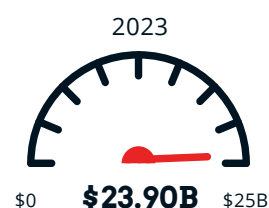
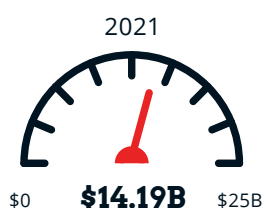
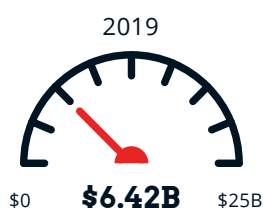


More effective As effective Less effective

Note: n=350; numbers may not add up to 100% due to rounding

CTV Ad Spend Set to Soar

In sharp contrast to traditional traditional TV, CTV advertising is gaining steadily and is expected to reach \$23.90 billion by 2023. All the growth in TV screen advertising will come from the digital side. This shift means that a growing amount of the TV inventory is digital in nature, offering more refined targeting capabilities as well as the ability to drive and track more specific outcomes than is possible through traditional linear.



This new channel is not without its challenges

Despite being the fastest-growing video advertising channel, CTV faces its own set of growing pains. Those who advertise via CTV struggle to effectively monitor their campaigns due to a number of obstructive factors, predominantly a lack of measurement standards across different publishers, platforms, and devices.

In addition to measurement challenges, marketers also note frequency management, walled garden blockers, cost, fraud, and a lack of quality scale as ongoing headaches limiting spend in the CTV space.

Top Challenges of Connected TV (CTV) Advertising According to US Agency/Marketing Professionals, March 2022

% of respondents in each group

Measuring incremental reach across platforms and publishers



Managing advertising frequency across platforms and publishers



Walled gardens preventing audience transparency and interoperability



Too expensive (e.g., CPMs are high)



Fragmentation of programmatic supply paths



Lack of scale

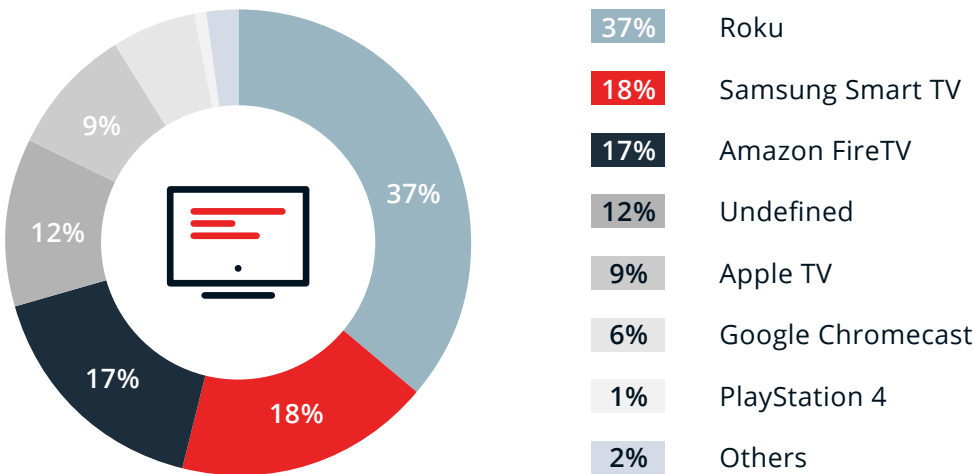


Source: eMarketer via IAB 2022

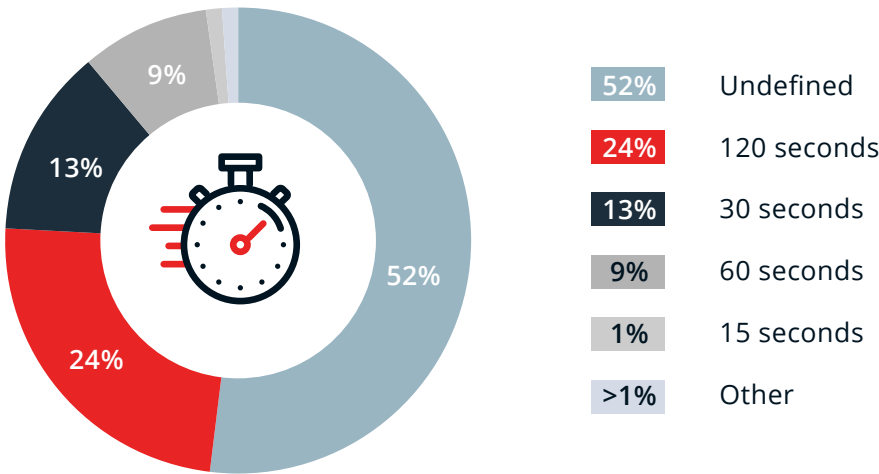
Accessing Quality CTV Supply at Scale through BidSwitch

Average Monthly CTV Bid Requests: **3.8T**

Impressions per Device Model



Requests per Max Duration



CTV Supply Available through BidSwitch

Contact your BidSwitch Account Manager for help in trading CTV with any of the below partners.

Top SSPs for CTV Supply	Top CTV Publishers	Top CTV Apps
 	 	 
 	 	 
 	 	 
 	 	 
 	 	 

Source: BidSwitch avails data, April-June 2022.

Important CTV Considerations for Buyers

- ▶ **78% of CTV inventory on BidSwitch is traded through deals:** Work with SSP and publisher partners to create buyer-specific deals, or ask your BidSwitch Account Manager about always-on CTV deals. Also make sure you are integrated into BidSwitch's Deals Sync tool to streamline deals setup and minimize human error.
- ▶ **For open exchange CTV buying, set up a targeting group with whitelisted bundles:** For help doing this, talk to your Account Manager.
- ▶ **Be mindful about the difference between CTV and OTT:** It is also possible to setup a targeting group that only passes CTV devices, though this approach can sometimes filter out OTT TV inventory, which plays on phones or other devices and comes through looking like app inventory.
- ▶ **Make sure your creative type is supported by suppliers:** VPAID is not universally supported in CTV. Suppliers will add a "1" or "2" to the video.api field in the bid request when VPAID is an acceptable format for that impression opportunity. When VPAID is not an accepted format, buyers should automatically respond with a different creative type, such as pure VAST.

For more CTV best practices for buyers, see our [guide](#).