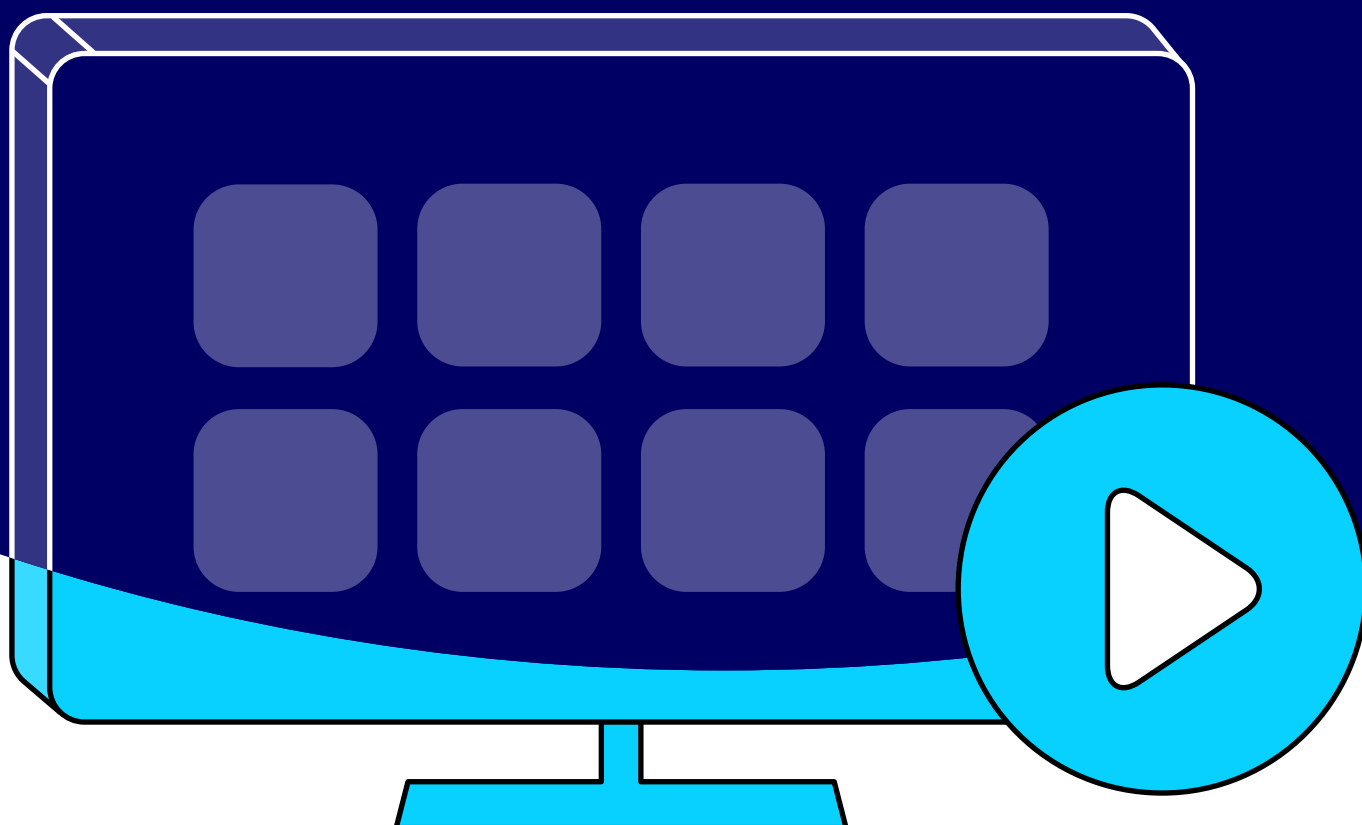


ADJUST × 

Connected TV: the ultimate how-to guide

The complete guide to CTV
for mobile advertisers



Contents

Introduction.....	3
The CTV market size	5
The CTV ecosystem explained.....	6
How to buy CTV ads.....	9
What about ad formats?	11
What options do I have for targeting?	12
Measurement and Attribution.....	14
Pitfalls: what issues could you encounter?	15
Sample campaign setup.....	17

Introduction

The TV landscape has evolved significantly over the last ten years, with viewing habits changing completely. Cable subscription cancellations increased 15% in 2020 and are expected to rise by another 27% in 2021. According to Innovid, the number of homes cancelling cable (cord-cutting), combined with those who never had it in the first place (cord-never), will climb to 44% by 2023. It is not only a US phenomenon, with markets all over the globe following similar patterns.

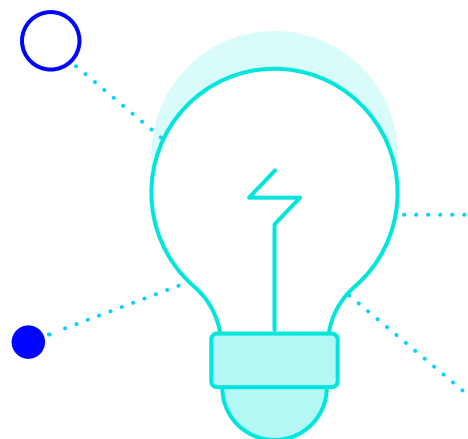
Simultaneously, and by no coincidence, the prominence of streaming services continues to grow — there are now more US households reachable via streaming devices (84 million) than traditional ones (78 million).

So how can advertisers respond? Forward thinking advertisers have started testing Connected TV (CTV) as a means to reach their users, either alongside an existing linear TV strategy, or as a standalone channel.



In this guide, we:

- Explain how mobile advertisers can utilize this relatively new channel for their marketing needs
- Look into the complex CTV ecosystem, outlining some of the key terms and explaining the devices and streaming platforms within it
- Take a deep dive into the buying, targeting and measurement of CTV ads
- Examine a sample campaign setup, showing you how it looks in the real world



DEFINITION OF TERMS

Over The Top (OTT):

The umbrella term for professionally produced content streaming over the internet, which bypasses traditional intermediaries such as broadcasting or cable companies.

Connected TV (CTV):

This refers to the device itself, a television set that is connected to the internet. This viewing experience typically happens in a 'living room' type of environment and the device is connected to that single household. As well as encompassing smart TVs, the term also refers to set-top boxes and sticks.

Demand Side Platform, (DSP):

This is the interface that enables the buying of programmatic OTT and display ads. Rather than negotiating directly with publishers, DSPs allow advertisers to reach users across a large number of publishers simultaneously.

Supply Side Platform (SSP):

This is the publisher's side of the programmatic equation. Each publisher works with at least one SSP that lists their inventory as available on exchanges. Via their DSPs, advertisers then bid on this inventory.

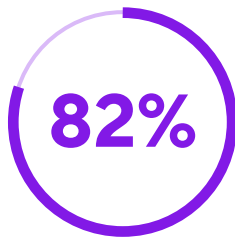
The CTV market size



CTV ad-spend is predicted to grow to USD \$19 billion by the end of 2024¹



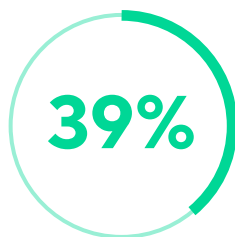
Investments in CTV grew by 40.6% in the US in 2020, to more than \$9 billion²



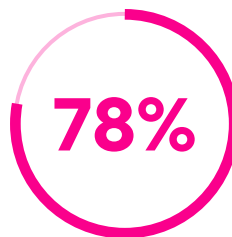
of households in the US have at least one smart TV, or television that is connected to the internet³



of marketers are shifting ad dollars from linear to CTV and OTT⁴



of adults watch video via CTV every day in 2021 – mean spending on a new TV was \$530⁵



of people prefer to watch video on a TV set, with computer and smartphone screens following at 11% and 8%⁶

¹ <https://www.statista.com/statistics/1048897/connected-tv-ad-spend-usa/>

² <https://www.businessinsider.com/ctv-fast-growing-channel-in-digital-advertising-2021-5>

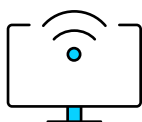
^{3,5} <https://www.leichtmanresearch.com/39-of-adults-watch-video-via-a-connected-tv-device-daily/>

^{4,6} Ibid

The CTV ecosystem explained

For the purposes of this guide, we're breaking the CTV ecosystem down into three main components — device, platform and apps.

The device



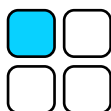
Examples of CTV devices include smart TVs and devices that can plug into a TV to display video content — like game consoles and streaming devices. Let's take Roku as an example, the Roku stick is plugged into the back of a TV, providing a connection to the internet.

The platform



The second piece is the platform, like Roku OS — an operating system developed specifically for streaming TV, which is also the software that powers all Roku streaming devices. There are ad placements in this interface available via direct deals with Roku.

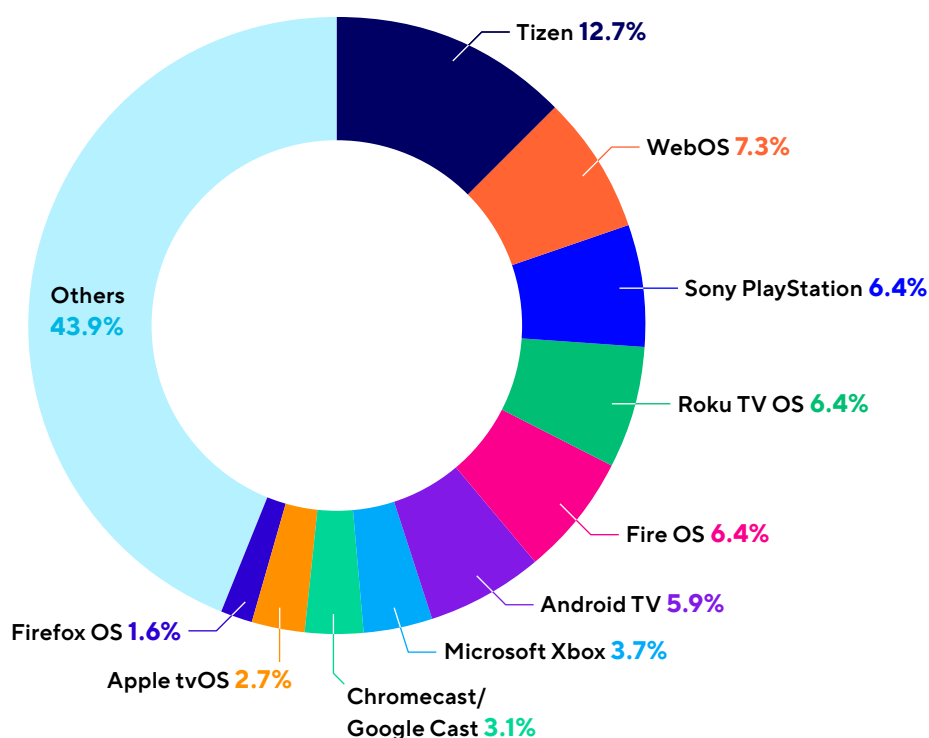
The apps



The third part of the ecosystem is the apps themselves — and predominantly streaming apps including Netflix, Amazon Prime and Disney+. However, there are many apps coming from other verticals too, particularly gaming, which is the second largest category on Amazon Fire TV and Apple TV. To put this into perspective, on Roku OS alone there are more than 23,000 apps. Many of the apps offer the ability to show ads (ad inventory) available via their SSP or network. Advertisers can access this programmatically via their DSP or by working directly with ad networks.

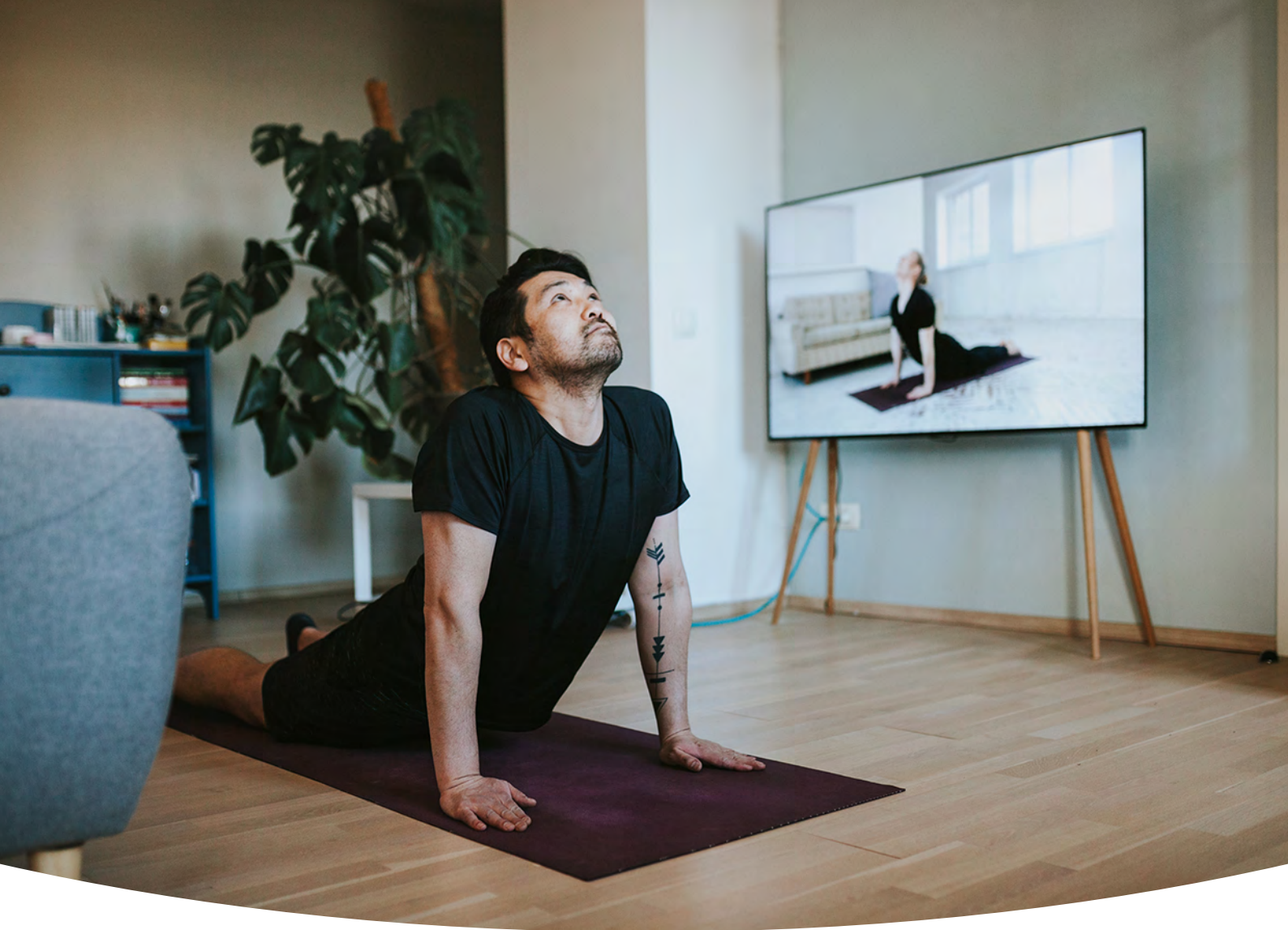
Devices for watching CTV

The most obvious CTV device is the modern smart TV, with an operating system pre-loaded onto the device and the ability to connect directly to the internet. Samsung is one of the most popular device manufacturers globally, with their own operating system (Tizen) and an accompanying ad platform. With a market share of about 13%, Tizen is the leading TV streaming platform worldwide¹ among smart TVs. Other widespread CTV operating systems include Android TV (used on Sony, Phillips and Hisense), webOS (used by LG), Apple tvOS and SmartCast (used by Vizio).



For older TVs, or for those who want an operating system other than the one offered by their smart TV, there are a variety of external devices that can be plugged in to create a similar user experience. These can be stick devices (as mentioned above) including Roku, Amazon Fire and Chromecast. Gaming consoles such as Xbox and Playstation can also be used as CTV devices.

¹ <https://www.statista.com/statistics/1171132/global-connected-tv-devices-streaming-market-share-by-platform/>



Streaming apps

There are various types of streaming apps, including aggregators, TV network extensions and live TV streaming. Aggregators (like Netflix, Hulu and Tubi) may produce some original content, but primarily licence content from other sources. TV network extensions are dedicated apps for an existing linear TV network (including HBO Max, ESPN+ and Peacock), offering content exclusively from that network. Streaming live TV apps replicates the traditional TV viewing experience by showing programming via a live stream, rather than on-demand. Sling TV, Hulu + Live TV, YouTube TV and Philo are major players in this space, offering a way to watch live TV that is lower cost than traditional cable.

How to buy CTV ads

It is possible to buy ad space at every point in the process outlined above – but, which partner or method you choose depends completely on your business, resources and goals.

Flexibility via programmatic buying

Buying programmatically gives you the greatest level of flexibility in terms of timing, targeting and optimization. It's possible to rapidly iterate tests – like you may be doing on your other digital channels – in ways that aren't possible through other buying methods. This is a powerful approach, which is why an increasing amount of CTV advertising is being bought this way. The downside? Without specific agreements in place, there are limitations on the formats and placements you can buy.

Buying CTV programmatically requires having an agreement in place with a DSP that allows you to run CTV campaigns. There are many options here, with some of the most popular including The Trade Desk, Google's DV360, OneView (formerly DataXu), and MediaMath.

Working with platforms

The second approach to CTV buying is to work directly with a platform. If you're working directly with Roku, the agreement would include inventory within the Roku UI as well as in-stream video that you could also buy programmatically – in this case however, almost all of this particular inventory is bought to promote apps that function on the Roku OS. This tactic may offer you premium inventory or better access than you would have received programmatically. Depending on the amount you're spending, this route may open up the possibility of added value impressions, which helps to bring down the eCPM. The downside of this method is that you're effectively limited to the inventory available within that platform. So if buying directly from Roku, you will only reach Roku viewers. And in order to reach viewers of Samsung smart TVs, you would need a deal with Samsung Ads.



Working with publishers

Another method to buying CTV advertising, which will feel more familiar to those coming from the linear side, is working directly with publishers. This involves contacting your desired app or publisher, requesting a proposal and negotiating a deal. While some publishers may offer access to third-party segments to add a layer of targeting, others may also have first-party data on their users that would not be accessible programmatically.

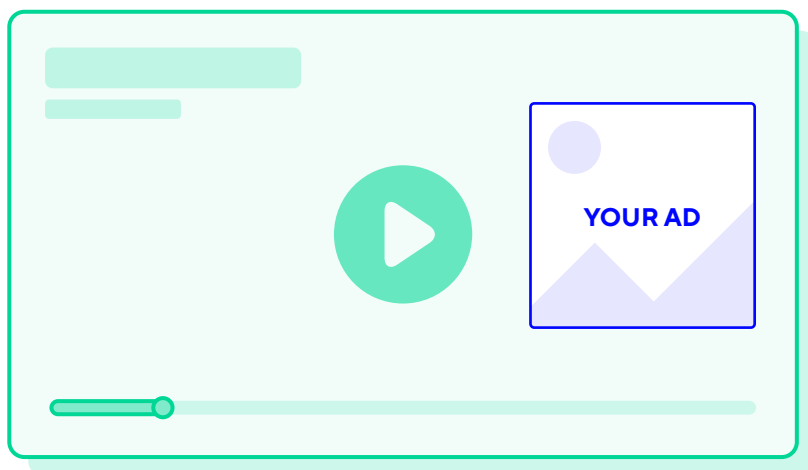
Potential downsides of the publisher-direct deal method include a very limited or nonexistent ability to optimize during the course of the campaign. As the campaign is managed by the publisher, they both serve the impressions and send you the impressions report. Another difficulty with publisher-direct-deals is the legwork involved. In order to reach the same scale as a programmatic campaign, deals will need to be negotiated with multiple publishers. This can require additional resources — for both the negotiation of these deals and their eventual activation. And as difficult as attribution already is with CTV, it becomes even more so with multiple direct deals running in parallel. Publishers often accept only specific third-party trackers so at the end of the campaign you may end up with a basic report showing the number of impressions served — without the in-depth insights you were perhaps looking for.



What about ad formats?

The ad format you'll encounter most commonly is the one that feels like the familiar TV ad — an in-stream, pre-roll ad of 15-30 seconds in length, appearing before or in the middle of a piece of streamed content. When buying programmatically, this will likely be your only option. This format allows you to make your brand very appealing visually and provides you with the opportunity to explain what you are advertising at considerable length.

When buying directly the options open up more. You will probably be able to access in-UI and in-video banners, sponsor a free movie or even place an ad on a pause screen, to name but a few examples. Many of these formats are new, so they will stand out to the user.

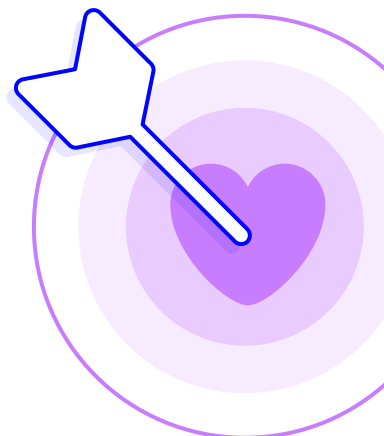


What all ad formats on CTV have in common is that because of their digital nature, they provide you with the opportunity to create strong call-to-actions. A powerful example is provided by Burger King with their [QR Whopper giveaway](#), consisting of three TV commercials with a QR code on the TV screen.

In short, CTV ad formats have the potential to combine the best of two worlds: the visual and messaging potential of TV and the interactive potential of digital advertising. And consumers are responding to these engaging ads: [this study](#) shows that 82% of DTC shoppers are taking action after seeing a CTV ad.

What options do I have for targeting?

There are a number of ways to approach CTV campaigns and who you want to reach with them.



Targeting users contextually

Contextual targeting allows you to place ads based on the content that it would appear next to, similar to how you would choose networks based on their typical viewer. So, for example, mobile marketers looking to promote a medieval strategy game can choose to target viewers of TV shows such as Vikings or Game of Thrones. You can also look for context in terms of audience – if you are looking to stimulate installs for a sleep app for example, choosing to target users up late at night would likely help you increase the impact of your ad.

Leveraging first and third party data

Other common tactics will feel more familiar to those coming from digital. These involve leveraging first and third-party data. First-party targeting allows you to use data that your own organization already owns. This may be customers in your CRM or a retargeting list built from your website. Using first-party data is a great low-funnel tactic to convert those who have already expressed interest in your app or to increase the LTV of a current customer. However, to connect your own data with audiences on CTV and make sure you reach the right audience, you will need a partner who can provide you with data on CTV.

Such third-party targeting data on CTV users can be provided by companies including Oracle, Experian and Acxiom, or by CTV platforms and streaming apps themselves – notably Roku and Hulu. Working with the latter companies can be preferable in terms of accuracy and persistence in the face of changing privacy laws.

Typically, this data is provided as segments, consisting of users that match specific demographic or behavioral criteria. These segments are accessible via your DSP once you have identified your target audience – or they can even be layered on by a publisher for a direct deal.

What about cross-device targeting?

90% of audiences use their mobile phones while watching TV. Mobile marketers in particular can make good use of this so-called dual screening, by showing ads on a specific CTV audience segment and following up with ads on the mobile devices of the same audience. Think, for example, of sending out a push notification offering more information on the course that was just promoted on the CTV device, or incentivising the course in Facebook ads. Doing this not only provides your potential customers with the ability to act on what they see, but it also allows you to get a much better idea of the impact of your CTV ads.



Measurement & Attribution

There are three main ways to track campaign metrics and measure performance on CTV: directly through the **DSP**, through a **third-party ad server** and through a **measurement provider**.

• DSP

The DSP will provide their own impressions, clicks, completion rates and, with proper tag setup, purchases or installs. Many DSPs have robust cross-device attribution by partnering with identity resolution partners like LiveRamp or Tapad. The main benefit of using your DSP to measure your campaign is that there are no additional costs beyond your MSA. However, there are a couple of caveats. Obviously DSPs are not neutral. As they are responsible for delivering the ads, they have an incentive to make performance look as good as possible. This could affect the reliability of your results. There is also a significant chance that you will use a separate DSP for CTV campaigns, so relying on measurement with them will provide you with an isolated view, as you aren't able to see how CTV performs and adds up in your marketing strategy as a whole.

• Third-party ad server

However, by using a third-party ad server separate from the DSP, you remove this conflict of interest as they have no reason to report anything other than the detected clicks or impressions served. The drawback of ad servers is that there is an additional cost involved. Furthermore, the amount of data received via an ad server can be limited – and they can't filter for fraud either. We go into more detail on fraud below.

• Measurement provider

Analytics platforms or measurement partners such as Adjust sit outside of this arrangement. They typically assign credit for conversions across all marketing channels, to help you understand how each contributes to your marketing performance. This is particularly helpful in understanding the impact of CTV in the context of your overall marketing efforts. Additionally, measurement partners are able to monitor and prevent attribution fraud.

Given the cross-device nature of CTV, attributing installs to the same degree as other digital channels continues to be a hurdle. While some tools use device graphs or other methods to connect users from their CTV to their mobile phone, this still suffers from match rate limitations and requires some probabilistic modelling. This means a lower degree of certainty around these conversions than would be expected on a social media app install campaign.



Pitfalls: what issues could you encounter?

Fraud

Within any programmatic environment, fraud can take place on the delivery side or the attribution side. Ad fraud is the attempt to defraud advertisers, publishers or supply partners by exploiting advertising technology. The objective of fraudsters is to steal from advertising budgets and can take a number of different forms including faked impressions, click spam and faked installs.

As a newer marketing channel, programmatic CTV is not as mature as programmatic display advertising. That means some of the issues are still being ironed out regarding what the most common fraud methods are and how to proactively prevent them. In comparison to display, there are still many unknowns with CTV fraud.

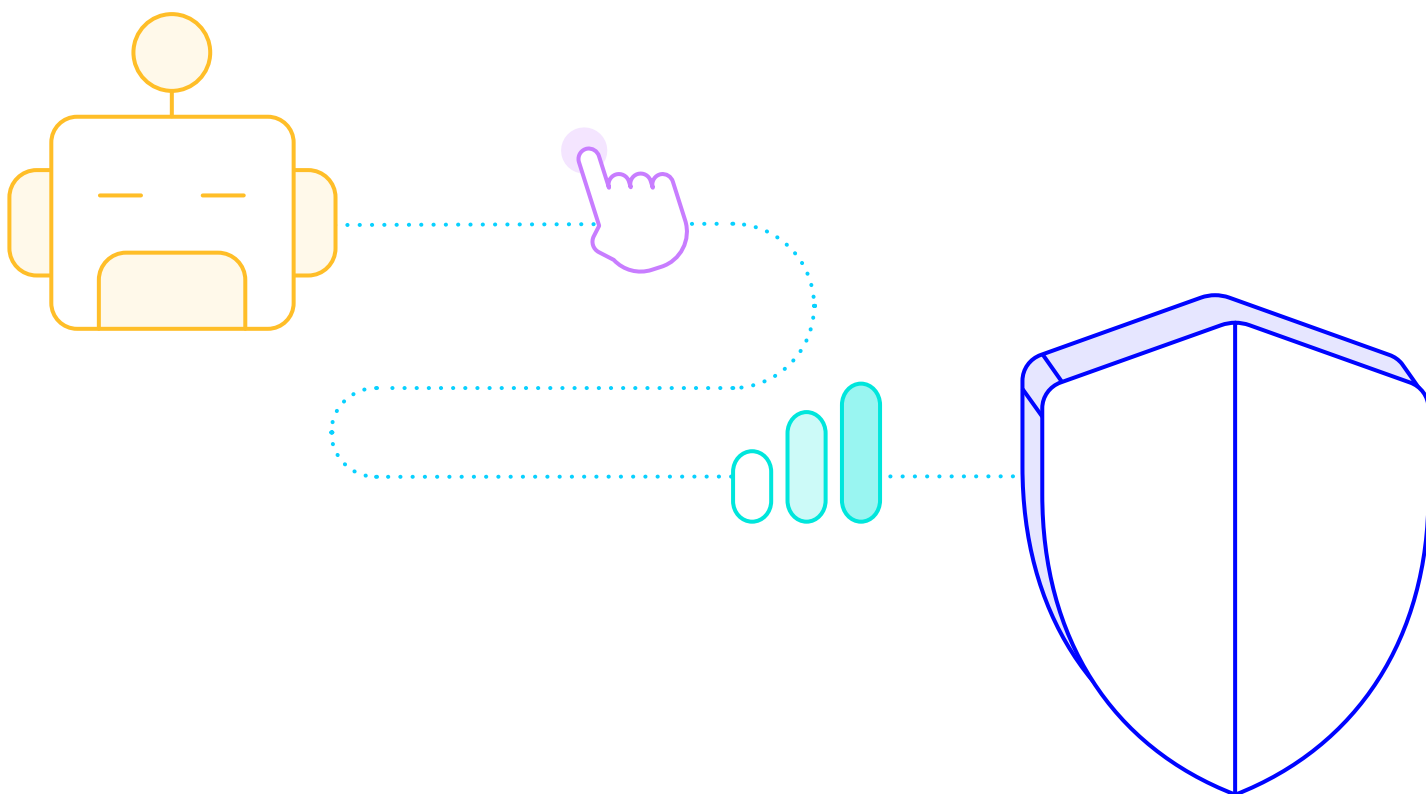
MMPs, such as Adjust, have dedicated teams to identify and proactively prevent ad fraud. [Adjust's Fraud Prevention Suite](#) keeps datasets clean, allowing planning and campaign reviews to be based on entirely accurate data. To counter potential fraud, always be judicious with the publishers you choose to work with. Check where the sources of fraudulent data are coming from in the Fraud Prevention Suite and optimize your ad budget based on the data.

General Data Protection Regulation (GDPR)

CTV consumption rates are growing in Europe – which means the amount of CTV inventory being traded through programmatic buying has also increased. However, there's one thing you should bear in mind: General Data Protection Regulation (GDPR), which can also negatively impact the supply of inventory.

A negative impact on inventory can occur as a result of GDPR because it requires OTT providers to gain consent for data processing and sharing – and CTV programmatic inventory relies heavily on this data for targeting. Buying inventory directly from the publishers or a platform such as Hulu, for which more users consent statistically speaking, is one way to gain GDPR compliant data.

While GDPR puts some restraints on how we access and work with data, it is extremely important to remain compliant – we believe fundamentally that all app users have a right to privacy, with full protection and security covering their personal data.



Sample campaign setup

Programmatic

We've created a step-by-step guide to help you get your programmatic campaign set up:

1

Go to your DSP interface. Make sure your DSP offers CTV inventory – if not, find a DSP that does (examples include Trade Desk, Xandr, OneView and Adform).

2

Create a new advertiser. This will allow you to group all of your campaigns, audiences and tags in one place.

3

Select the video inventory and the suppliers. This step is important in contextualising the campaign, so we can replicate the learnings from linear TV campaigns into CTV ones.

4

Just like with any type of campaign setup, proceed to create a new campaign and enter the appropriate budget, start and end dates and anything else they need to create the campaign.

5

Create campaign schedules or flights which, if you're familiar with the Google Ads or Facebook interfaces, will function similarly to Ad Groups for our purposes here. You can also define specific dates, budgets, target CPMs or anything else at this point. How you split your campaign into flights will depend on your overall tactics and goals. This can be different dates, audiences, devices and geographical regions.

6

Set up tracking for this campaign within your MMP – after checking whether they support CTV ad attribution defining what the requirements are. Two MMPs that support CTV ad tracking are Kochava and yours truly, Adjust. You should then be able to generate impression tracker URLs and keep handy for the next step.

↓

7

Upload your creatives, either directly to the DSP or to an ad server, applying the impression URLs from your MMP. Impression trackers are the most common in a CTV context, but if your ad appears anywhere clickable elsewhere, you can also apply click tags. These will allow third-party measurement partners to independently track impressions and clicks. Keep in mind that you need different tags per flight, so you may need to upload the same creative more than once and apply the unique tags to each. Be sure to name them clearly and consistently to keep yourself organized.

8

If you need audiences, set those up now as well. For our purposes, we'll use third-party segments. In an audiences panel, create a new audience and select the desired segment, making sure the potential audience size makes sense with your budget. Be sure to name your audiences clearly too. These may also be exclusion audiences for people who have already completed your desired action, so that you no longer show them ads. Or they could be a retargeting audience to whom you serve a different creative, or retarget on another medium.

9

With these creatives and audiences now in hand, you can go back and apply them to their respective CTV flights.

10

To view install events within your DSP, you will need to configure postbacks between the MMP and your DSP. This will vary depending on your MMP and DSP, so talk with your account rep on how to accomplish this.

11

Check that everything is in order.

12

Activate your CTV campaign!

Note: If your campaign is structured in a way that allows for optimization, keep an eye out for any publishers, exchanges, creatives or audiences that are underperforming and remove them or reallocate budget. If the campaign is pacing behind schedule, your audience may be too small or you may have another setting that is restricting delivery. If you can't identify the issues, reach out to your rep.

Direct

This kind of campaign setup is very simple. With direct buying, a particular set of OTT platforms and channels are identified and then a direct deal is negotiated.

Through this type of a campaign we gain access to the particular OTT platform's audience, which is very useful when the context and target of the campaign is clear. For example, a campaign with a sports targeting focus could be set up on live sports streaming service/app DAZN.

This campaign setup happens on the base of an IO deal, in which the budget, period, targeting parameters and impressions are already agreed upon.

**Learn more about how to optimize your OTT and CTV app adoption
and how to introduce OTT into your marketing mix.**

Adjust OTT/CTV solution →





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DCMN is the growth marketing partner for digital businesses and startups. The company's holistic, data-driven approach combines technology with expert knowledge to grow the market leaders of tomorrow. To date, DCMN has helped more than 300 digital brands worldwide to scale their businesses, including Fairphone, Idealo, Ring, Smartsteuer, VanMoof, Vinted, Wayfair and Wooga.

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ADJUST

ABOUT ADJUST

Adjust is the mobile marketing analytics platform trusted by marketers around the world, with tools that measure, automate, and protect user data. We power tens of thousands of apps with built-in intelligence and automation, backed by responsive global customer support. In 2021, Adjust was acquired by AppLovin, whose leading marketing software provides developers with a powerful, integrated set of solutions to grow their businesses.

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