

No Way to Disconnect

Leaders from nine PDMI member media agencies weigh in on the challenges, opportunities, and current realities of the growing outlet of the moment: connected TV (CTV).

BY THOMAS HAIRE

The buzz around connected TV (CTV) as an advertising outlet is undeniable. From 2019 to 2021, ad spend in the burgeoning outlet that combines the best (and, some say, worst) aspects of digital and television advertising more than doubled in the United States ([from \\$6.4 billion to more than \\$14.4 billion](#)).

Performance and direct-to-consumer marketers — with their expertise in measurable advertising — have been able to find success during this growth spurt, even with major branders throwing bad money after good at CTV. One key to that: the ability to buy CTV advertising programmatically ([\\$10.3 billion of 2021's CTV ad buys were made programmatically](#)).

Still with major growth in CTV advertising expected to [continue for the foreseeable future](#), concerns about the outlet's effectiveness and safety remain. With 72 percent of media industry leaders in a recent [Mediaocean/TechValidate survey expecting to hike CTV ad spending](#), concerns about fraud, measurability, and the outlet's current [reach-and-frequency capabilities](#) remain important warning signs among buyers and marketers.

With these questions in mind, *Results* reached out to the PDMI's array of member media agencies for feedback on a series of questions about CTV's effectiveness, measurability, and more. Experts from nine leading performance and direct media agencies shared their thoughts. Read on for their answers to our questions.

What are the top things that advertisers just entering the connected TV (CTV) space must consider?

Bernadette Abasta, chief strategy officer, River Direct: CPMs are considerably higher than regular linear TV. It's very upper funnel, and marketers will not see a burst of activity (visits or orders) compared to traditional linear advertising.

Chris Bishouty, COO, ProMedia: Your audience and your goals. With most CTV offerings, your product or service will be best served if you're targeting a digitally engaged audience. When thinking about goals, the high CPMs in the space lend themselves more to companies focused on awareness and branding over performance.

Doug Bognar, vice president, sales and new business, Apex Media: First, buy your audience, not ratings. Second, CTV is necessarily a fragmented space, so be prepared to work with multiple partners.

Brett Charest, founder/CEO, Casual Precision: Don't follow the crowd. CTV/streaming isn't fool proof. Experience is needed and efficiency matters. It's critical to clearly define your business goals and establish rock-solid measurement parameters to capture incremental. Experimentation with streaming's numerous

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customer acquisition methods will lead to the greatest chance to achieve success at scale.

And if you've been burned with a past CTV/streaming test, you are not the only one. Many advertisers have dipped their toes into CTV with unsuccessful results due to highly inefficient pricing, unreliable measurement, or poorly defined targeting. This is too important to give up on. Find a partner to help you navigate the numerous hurdles and complicated marketplace. Otherwise, you'll miss out on larger and larger swaths of potential customers.

Geoff Crain, media director, Kingstar Media: Advertisers who are just



The top two things that advertisers just entering the CTV/OTT space should consider are the audience prospect they are looking to reach and that their primary KPI ladders back to a strong call-to-action in their creative.

— **Cristina Ferruggiari, Lockard & Wechsler Direct**



entering the space must consider two factors: how they plan to buy the ad inventory, whether it's programmatically or through a managed service; and making sure the inventory being purchased is, in fact, connected TV — not OTT.

There are two ways to purchase CTV inventory: programmatically with a demand side platform (DSP), such as The Trade Desk, or through a managed service with a CTV supplier, like Samsung TV/Roku. Purchasing inventory through a DSP offers the advertiser full control, as they launch, pause, or scale a campaign with a click of a button. This is comparable to buying ads on Facebook Ad Manager because it is a self-service platform that gives both control and risk to the advertiser.

Purchasing CTV inventory through a managed service gives the publisher full control of the campaign, creating less risk for the advertiser. Regarding the process, advertisers sign an IO, where they commit to a set CPM, campaign length, and budget. This is like running a campaign directly with a traditional TV network. The downside is that advertisers are usually locked into a campaign for a set timeframe, regardless of performance. In addition, managed services are almost always more expensive from a CPM perspective vs. buying programmatically.

Regardless of buying programmatically or through a managed service, the advertiser must ensure that they are

accessing true CTV inventory where ads are displayed on a TV screen. A lot of suppliers will add in OTT inventory from mobile and desktop devices and include them in a bundle with CTV inventory. This is done to lower the overall CPM. However, desktop and mobile video are often skippable and less engaging. Advertisers need to request reports — by publishers and device — to confirm that the inventory they are paying for is truly CTV.

Ashley Del Vecchio, vice president, client services, ProMedia: The advancement of connected TV demonstrates the force behind the ever-evolving media landscape. Key concepts that must be considered by advertisers en-

tering the CTV space include audience targeting and measurability.

CTV combines the macro power of TV and the micro targeting capabilities of digital to connect with audiences. CTV serves as a solution for advertisers to expand reach and supplement traditional linear TV. In addition to accessing the growing cord-cutter segment, advanced targeting promotes the delivery of relevant ads to more precisely selected viewers in a premium environment.

The measurability of CTV enables data-driven decision making. Advertisers can track various metrics across audience delivery and campaign performance by leveraging more advanced viewing data sets through CTV. The use of multiple metrics and detailed reporting will uncover effectiveness of specific ads and campaigns, allowing for greater opportunity to optimize.

CTV represents the intersection of audience and measurement. Continued innovation can be anticipated as CTV becomes more widely used.

Cristina Ferruggiari, executive vice president, director of advanced and connected TV, Lockard & Wechsler Direct:

The top two things that advertisers just entering the CTV/OTT space should consider are the audience prospect they are looking to reach and that their primary KPI ladders back to a strong call to action (CTA) in their creative.

Matt Greenfield, president, Cannella Media: First, it may seem similar enough to digital to think you can have your digital experts plan and execute CTV campaigns; and conversely, it may seem similar enough to TV that your TV experts can take it on. We've found the most successful campaigns are driven with expertise in both disciplines: someone (or a team) who understands the nuances of digital targeting, tagging, frequency considerations, audience duplication and crossover by publisher/

channel, reporting, etc.; and someone who also can apply linear TV principals like reach and frequency, upper funnel attribution considerations, and more. All of this must be filtered through the lens of DR fundamentals, layering the impact from CTV investments with all other channels to discern its incremental impact on your business.

Second, it's complicated: see above. In addition, supply-and-demand for the inventory fluctuates daily, creative best practices are constantly evolving, and measurement capabilities are expanding. CTV planning and buying best practices are evolving daily. It's a great time to be exploring this channel. Like other media investments, an expert guide gives you the best chance for a successful foray into CTV.

Kalyn Paul, director, media performance, Diray Media: While you certainly can repurpose your linear TV creative, consider developing and testing new creative that's made specifically for CTV. Personalize it to your audience. A digital mindset is needed: think audience first, not content first. Also, show-level data is not yet available.

AJ Reyes, vice president, digital media, OpenJar Concepts: The first two things an advertiser needs to consider when jumping into CTV are: defining the ultimate objective; and determining the technology and reporting platform that will help you achieve this objective.

CTV offers the advertiser the experience of a traditional TV ad but with all the modern digital targeting assets, bringing the DSP to the forefront. We currently believe CTV is still best used for brand awareness and ad recall, so it's important to make sure that what you're trying to accomplish fits that branded narrative. Technology is extremely important to ensure that you have the audience, reach, frequency, automated media buying, and data segmenting to hit your target audience. The reporting is equally valuable to interpret

true results and make optimization decisions in real time.

What types of brands are currently in the CTV marketplace? Have you seen a shift or specific category growth in the past year?

Chris Brombach, senior vice president, integrated media, Cannella Media: A wide range of advertisers are leveraging CTV advertising – from larger, general-market brands to more performance-centric direct response marketers. U.S. CTV investments exceeded \$13 billion last year and are projected to almost double in the next two years. This



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— Chris Bishouty, ProMedia



growth is commensurate with the continued proliferation of cord cutting and streaming video, with those households consuming almost 90 hours of content per month. Marketers on the performance side of the spectrum are learning to successfully integrate OTT into their mix to drive sustainable and profitable customer acquisition and sales.

Osania Del Rio, vice president, digital strategy and marketing, River Direct: Everyone either has tested or wants to test — whether you're a DTC disruptor or traditional DR marketer. However, DTC disruptors have embraced it more than traditional DR clients.

Charest: Venture-backed, direct-to-consumer brands have taken

advantage of CTV's early growth phase. Fintech, health-tech, education, and specialized apparel all have capitalized on early adoption. Efficient targeting and flexibility are creating new opportunities for advertisers nimble enough to utilize the extreme long tail of further fragmented streaming audiences.

Traditional DR advertisers are finding successes with lead acquisition in the insurance, auto warranty, and weight-loss categories.

Crain: The types of clients and brands currently in the CTV marketplace are not specific to one category, as there is a wide array of verticals being advertised on CTV. With that said,

connected TV skews a younger generation of viewers compared to traditional television. Thus, it is more beneficial for brands to reach A18-45, as opposed to A50+. Throughout 2021, we have seen performance-focused brands switch to CTV, as tools allow brands to measure site lift and sales driven by CTV impressions.

Paul: Marketers have shifted their thinking and view CTV as part of their strategy regardless of the category.

How are small- and medium-size brands faring?

Bishouty: Any size brand can succeed in CTV if they have the right partner. What really matters is whether your

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brand can achieve the level of consumer engagement needed to justify the price to play in the market.

Brombach: If smaller and mid-size brands approach CTV through a different planning and optimization lens vs. concurrent linear campaigns, they tend to fare well. Understanding how to implement digital targeting parameters and developing strategies to drive qualified traffic to landing pages that do heavy lifting on converting is critical.

Charest: Size will matter more as the CTV/streaming space matures. Higher budget thresholds and greater volume discounts granted to large advertisers will unevenly impact small- and medium-sized brands. These burgeoning roadblocks can be circumvented with strategic partnerships offering both scale and experience.



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Crain: Small and medium-sized brands are faring well, as buying CTV through a DSP allows advertisers to reach niche targeting demos through geographic and demographic targeting. Advertisers can use a small budget (as low as \$2,000 per week) and reach their niche target demo, just like they do on paid social. Since no financial or budget minimums exist, unlike with traditional TV, the barriers to entry are much lower, making it attractive for small and medium brands to test.

Are big brands dominating CTV ad spend? If so, does that mean there's more availability for performance and DTC brands on traditional TV outlets?

Abasta: We did not see that in 2021 due to strong general and scatter market upfronts. In fact, Q4 2021 rates were inflated, and many DTC brands could not afford to pay the upcharge on media in linear. We saw more inventory in January 2022, but it is yet to be determined how much inventory will be available in Q2 and Q3 2022 at rates that our DTC clients can afford and perform. This would be determined if the scatter market remains strong, like 2021. We are seeing lower CPMs in social in early 2022, similar to linear. Social CPMs are so unpredictable.

Bishouty: The short answer is no. Marketing budgets have grown in recent years, which keeps traditional TV media budgets healthy. You also must consider that vMVPDs are included in CTV, and they compete for similar ad time as traditional TV, making the marketplace even more competitive.

Charest: Overcorrection in the 2021-22 upfront swung disproportionate weight from linear to CTV and streaming. Supply has significantly outstripped demand in the top-tier and highest-profile services. It's unclear

whether it is enough to offset continued linear audience erosion. Q1 2022 will be the big test.

Crain: I do not think big brands are dominating CTV ad spend. Even so, it would not create more availability for performance and DTC brands on traditional TV. The reason is due to traditional TV viewership declining year-over-year, whereas connected TV viewership is increasing. There is the same demand and less supply for traditional TV, which naturally increases CPMs. This will result in the same, if not less, availability for performance brands. However, every week there is more supply for CTV inventory, lowering CPMs, which makes it more attractive for performance brands.

Greenfield: It unfortunately doesn't necessarily open up more inventory. Due to the continued audience migration from linear TV to other media channels, including CTV, there are fewer available ad impressions and less overall inventory. Big brand demand for the remaining inventory, and their willingness to acquire it in the general market upfront and scatter marketplaces, further reduces the available pool of linear inventory from which the media can allocate to performance and DTC brands.

However, despite those limitations, our media partners continue to prioritize their inventory allocations to meet the growing needs of the DR/DTC marketplace. DRTV inventory forecasts for 2022 remain favorable.

Paul: It really comes down to the core audience/purchaser for your product or service. The younger demographics won't be as easily reached on traditional TV. Media companies have changed how they sell to their advertisers and are packaging digital and linear together.

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How do current CTV ad opportunities fall in line with the goals of performance marketing?

Bishouty: In its current construct, CTV is not set up to meet the goals of true performance marketing initiatives that focus on ROI. The CPMs do not back out to the level of engagement you would want to achieve.

Bognar: CTV allows for better targeting, measurement, and attribution when compared to heritage linear television so it can play a significant role in a fully formed media campaign.

Brombach: Performance marketers need to level set CTV goals to reflect more of an upper-funnel, multi-touch



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— Geoff Crain, Kingstar Media



approach — and be prepared to drive conversions with site content, effective retargeting, and remarketing efforts. CTV and linear should play different roles in an advertiser's marketing mix.

Charest: Proper deterministic measurement perfectly aligns with performance marketing goals. CTV is a powerful platform for marketers measuring down-funnel metrics in real-time. With that said, it's imperative to utilize a consistent, conservative measurement approach to prevent overly greedy attribution claiming credit for all conversions, thereby discounting the impact of other marketing activity (e.g., email, social, etc.)

Crain: It is part of the multi-platform approach: research shows that starting the purchase journey at the top of funnel with a CTV or traditional TV impression increases conversion rates.

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To measure the effectiveness of CTV against performance goals, it is important to understand the halo effect it provides other advertising levers throughout the purchase funnel. For example, a Facebook retargeting campaign that drove a sale cannot take 100 percent of the credit if that audience pool is made up of site visitors driven by CTV.

Del Rio: Because CTV is upper funnel, utilizing middle and lower funnel tactics (retargeting) are extremely important to maximizing results. Brands need to believe in the DSP attribution model.

Paul: The robust audience targeting options really allow for every impression to be a valuable impression. With programmatic campaigns, we can optimize toward top-performing audience, network, daypart, frequency, etc., and add in a retargeting campaign to serve viewers subsequent ads that encourage action.

Reyes: Based on the campaigns we have run and additional research, we believe CTV is becoming a pivotal ad tool to utilize, though it's not yet to a point where you can solely use it to carry a performance marketing campaign. We've seen great results from CTV in driving upper-funnel attention and creating first touch, which complements our other strategies nicely. We can utilize the CTV data and learning to enhance our overall campaign objectives. It's great for kicking off a campaign that has a large budget and long run time because we can run short flights with very high frequency, to jumpstart our ad intelligence to effectively scale other media platforms.

What current CTV ad opportunities are trending with your client brands?

Bishouty: What you see dominating CTV is DTC drive-to-web consumer engagement ads. With response data at the IP level, CTV is best suited for tracking performance for these types of offers.

Charest: Retesting is the biggest trend we've noticed. In a rush to gain access to streaming audiences, many advertisers bought a slick sales pitch without fully understanding what they had purchased and how to utilize it effectively to acquire new customers.

New CTV entrants still gravitate to the largest and most hyped properties (e.g., Hulu, Peacock, Roku, etc.) where excessive demand is vastly outpacing limited supply. Those with more experience are testing the inventory types that publishers have had difficulty monetizing programmatically.

Crain: They are most interested in testing pixel tracking. Several DSPs are improving tracking technologies by having advertisers place a pixel on a brand's website. Through IP and device mapping, the pixel can pair a CTV impression with a site visit. Thus, if a user saw a brand's ad on CTV and then went

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to that brand's website on their mobile phone, this visit would be tracked and attributed to the CTV impression.

In addition, the pixel tracks every unique CTV impression and builds a retargeting audience so that advertisers can serve a display or video ad on a mobile device to this audience. The pixel helps advertisers measure and execute a multi-platform advertising approach by providing accurate reporting through the consumer journey.

Paul: Clients are most interested in testing audiences and creative.

What kinds of measurement are offered to CTV clients — and how have they advanced as the outlet has grown?



CTV campaigns that run programmatically can be measured the same ways as any digital media campaign with website pixels providing visits, engagement, conversion, and lift metrics. Third-party measurement partners additionally can provide post-campaign brand lift, retail sales lift, and foot traffic studies.

— **Kalyn Paul, Diray Media**



Bishouty: The power of CTV advertising lies in being able to measure results at the household and device IP level for a marketer's campaign. That data gives you unprecedented access to advanced audience metrics and the ability to ensure you target your exact consumer with minimal waste for your ad spend.

Charest: Direct or deterministic attribution is CTVs greatest advantage. One-to-one matching of ad exposures

to conversions restores the closed-loop attribution simplicity of the TFN heydays. Fraud, spoofing, and walled gardens create the need to truly understand and calibrate CTV attribution to avoid under/over crediting. Utilizing transparent, honest brokers will prove critical as marketers and viewers continue the shift to streaming CTV.

Crain: Pixel tracking, as mentioned above.

Aside from that, many suppliers offer timestamp impression reporting, like traditional TV post logs. These timestamps show the exact second the impression was served and on what program/publisher.

Advertisers are then able to use this timestamp data to manually attribute site lift and sales through the brand's

Google Analytics or site tracking platform. This is a similar process to what advertisers do to attribute performance on traditional TV.

Ferruggiari: Our proprietary attribution system for OTT/CTV at LWD, SmartMatch 360™, presents a unique opportunity for our brand partners to track, attribute, and analyze the performance of CTV/OTT campaigns. SmartMatch 360™ not only tracks all CTV/OTT airings by date and time, but it is also able to track all responses to each

airing through to actions ranging from response to lead, conversion, and order.

Paul: CTV campaigns that run programmatically can be measured the same ways as any digital media campaign with website pixels providing visits, engagement, conversion, and lift metrics. Third-party measurement partners additionally can provide post-campaign brand lift, retail sales lift, and foot traffic studies.

What changes in measurement, if any, do you foresee in the next two years?

Bishouty: CTV must solve for verified eyeballs. You are seeing that capability emerge across some platform partners, but duplicate and fraudulent audience views need to be addressed and become a standard practice across the entire marketplace.

Bognar: We are in an audience measurement crisis. Nielsen as a bedrock currency for viewership is crumbling. Standards for measuring heritage linear TV do not align with those more digital-like of CTV. The result is inaccurate attribution and ROI. A new standard, likely based on ACR and other sources, will emerge.

Charest: Privacy concerns will continue to define the measurement space. Reliable partnerships will be essential as restrictions limit conversion visibility or hinder targeting relevant messages to prospects at various stages of the conversion funnel. The progress made by performance marketers in CTV could be rolled back if privacy-compliant identity resolution isn't fully embraced and understood. Consumer backlash to overly intrusive tactics also must be considered and mitigated.

Crain: I see pixel tracking improving each year, as it will become more accurate and allow advertisers to map back a sale to a CTV impression.

Performance by program/channel

will be better measured. Currently, a lot of CTV inventory is bought run-of-network (RON) and not program/channel-specific. RON buys typically do not report on performance by channel or program, so advertisers must measure performance by the publisher.

Ferruggiari: Measurement optionality will only expand in the short-term future, providing more opportunity for advertisers to measure performance-based CTV/OTT campaigns against core KPIs. The ability to toggle between different model outputs in terms of lookback windows, last-touch, and multi-touch will also continue to be more prevalent as capabilities advance in the marketplace.

Greenfield: Based on continued advances in martech, we'll see more attention given to consumer receptivity and exposure impact. Examining an individual's entire media consumption experience by day, channel, screen, and creative — and discerning when, where, and how they'll be most responsive to ad stimulus — will become a more viable equation. This will reverberate into most consumption channels, and CTV affords the one-to-one measurement and targetability necessary to benefit from this.

These insights will inform negotiations too. While the pricing equation may pivot toward the publishers and their highly sought-after inventory, the marketers will have a huge say in the matter. Understanding the true value of each potential impression to their business, they can then adjust their rate tolerance up or down accordingly.

Paul: More transparency around show and program level data.

Reyes: The normalization of performance measurements is one of the biggest changes we see coming in the next two years. CTV allows brands that have primarily been running traditional awareness campaigns to now have a

toolset that gives them insight to exactly how the campaign is performing, taking the guesswork of yesteryear out of the picture. Cost-per-visit, ROAS, and CPA will become more common ad measurements to mainstream advertisers.

Are you seeing more advertisers utilizing programmatic buying for CTV?

Abasta: A majority of our clients are opting to buy programmatically vs. direct/no targeting.

Bognar: Programmatic buying holds tremendous promise for performance advertisers. That said, at this point, high CPMs create a massive barrier to testing and roll-out.

Brombach: Programmatic buying provides access to a larger pool of



We are seeing more advertisers going the programmatic route, especially when looking to maximize reach while mapping a sustainable path towards scale.

— Chris Brombach, Cannella Media



targeted impressions across multiple platforms. We are seeing more advertisers going the programmatic route, especially when looking to maximize reach while mapping a sustainable path towards scale.

Charest: Programmatic can be immensely powerful and convenient. However, programmatic buying can also result in significantly higher media costs and greater inefficiencies if price floors, spend minimums, and DSP fees aren't considered before deciding to transact programmatically. Both direct and programmatic buying bring value to the table; the key is knowing when to

utilize each tactic to extract the highest return on investment.

Crain: Yes, more advertisers are utilizing the programmatic route as it offers more control and better CPMs.

Programmatic pricing is built based on supply and demand: when there is less demand in the market for inventory (such as in Q1 2022), CPMs will drop, allowing advertisers to access efficient prices. With a managed service, this option is not available, as you are locked into one CPM for the course of the campaign regardless of the supply and demand.

Ferruggiari: Programmatic buying enables the use of both technology and data to automate, target, and measure outcomes for performance CTV/OTT campaigns. The ability to purchase a

wide net of inventory with the goal of reaching a specific audience target reduces waste and, in turn, drives improved performance. We see programmatic CTV/OTT campaigns experiencing growth as they continue to provide measurable increases in performance for our brand partners.

Paul: It's an educational play: once performance-driven advertisers are aware of the benefits of programmatic, they are much more interested in going that route. If we need to guarantee impression delivery at a certain rate, however, the direct IO route still is preferred. 