DECODING CTV MEASUREMENT An In-Depth Look at Reach, Frequency, and ROI





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Intro

Though connected TV (CTV) has been steadily gaining traction throughout the past few years, the effects of 2020 propelled it to the forefront of every marketing conversation. CTV is expected to reach four-fifths of U.S. households in 2021, and as people flocked to streaming, brands followed suit¹. In the U.S. alone, CTV ad spend will surpass \$11 billion this year and is expected to grow 61 percent by 2024¹. There's no doubt that CTV has been cemented as an integral part of the omni-channel marketing mix.

While the need for CTV advertising is clear, marketers are still struggling to understand this relatively new landscape, especially when it comes to measurement. With platforms, publishers, and devices that sit in between, there's a three layer cake of complexity that's difficult to cut through. What's more, most of the platforms are siloed, which can make it harder for marketers to connect the dots across all of the different ways they can buy inventory. In a recent survey, 57 percent of marketers cited inconsistent measurement as the biggest challenge to CTV advertising, followed by inventory fragmentation (41 percent), frequency (32 percent), and reach (22 percent)².

To help marketers better understand the opportunities with CTV and simplify the intricacies of measurement, Innovid and the ANA conducted a study of 20 of the largest advertisers across 35 campaigns and measured 1.7 billion impressions that totaled over \$35 million in media expenditure. We set out to understand whether CTV could be a significant driver of reach, whether fragmentation led to issues with duplication, and whether excessive frequency is really something marketers should be that concerned about. We also took on the Herculean task of estimating the true ROI of CTV. The findings are presented in this first-of-its-kind report designed to arm marketers with the tools they need — including a set of new KPIs — to unlock the mysteries of CTV measurement and further their investment in the biggest screen in the home.



Jessica Hogue GM Measurement and Analytics, Innovid

¹ eMarketer, <u>US Connected TV Advertising 2020</u> ² Innovid and Digiday, <u>The State of CTV Advertising</u>



Methodology

Innovid and the ANA conducted a study of 20 of the largest advertisers across 35 U.S. campaigns from January through April 2021. We measured campaign activity using the Innovid Insights solution, featuring MRC-accredited ad impressions metrics and Innovid-standard KPIs, to help marketers assess the value and effectiveness of CTV for upper-funnel measurement. These KPIs include unique reach efficiency, cost per unique reach, and frequency buckets (1 to 2 exposures is considered low frequency, 3 to 9 exposures is considered medium frequency, and over 10 exposures is considered high frequency). Innovid takes a household-level approach to measuring reach and frequency, which enables the organization of various points of ad exposure into a singular view.

In total, we measured 1.7 billion impressions that totaled over \$35 million in media expenditure. Our study encompassed a range of campaign sizes and types, and across all sizes, we saw a mix of programmatic and direct campaigns as well as a range of inventory partners³.



³ YouTube is not included in this study.

The Current State of CTV Measurement

What makes CTV advertising measurement a head-scratcher for even the savviest of marketers? CTV can't be measured the way linear TV is measured, nor can it currently be measured in the same way as mobile or PC. We're in completely new territory — a fragmented territory with multiple devices, a lack of common identifiers across different platforms, multiple measurement methods and offerings from both third-party providers and streaming platforms, and walled gardens that limit transparency. This fragmentation can make it difficult for marketers to achieve accurate measures of reach and frequency across consumers.

While the standardization of CTV advertising measurement is still in its earlier stages, we hope this study and the KPIs Innovid has developed as a part of our independent measurement solution will move the industry forward.

CTV Metrics to Know

- Average Campaign Impressions: The average number of impressions for a single or a set of campaigns.
- Average Campaign Frequency: The average weighted frequency (number of times a single household was exposed during the campaign) for a single or a set of campaigns.
- Average Campaign Reach of U.S. CTV Households (%): The reach for an average campaign of Innovid's footprint of 75 million CTV households.
- Average eCPM: The weighted effective cost per thousand impressions for a single or a set of campaign publishers.
- Average Publisher Duplication (or Overlap) Rate: The average publisher overlap for a single or a set of campaigns. This refers to the average rate across all campaigns that a CTV household was reached by more than one publisher with the same campaign.
- Average Cost Per Unique Reach: The weighted average cost per unique reach for a single or a set of campaigns.
- Total Reach: The total number of unduplicated households reached across a single campaign or a set of campaigns.

- Average Campaign Total Reach: The average total unduplicated reach for a single campaign or, when referring to a set of campaigns, the total unduplicated reach for each campaign (households are not deduplicated across campaigns). Example: Campaign A reached 50K households and Campaign B reached 35K households. The average households reached across the two would be 42.5K.
- Unique Reach: The total number of unduplicated households reached across a single campaign or a set of campaigns by a single publisher. Households reached by two or more publishers are not included in this metric.
- Average Campaign Unique Reach: The average unique reach for publishers for a single campaign or, when referring to a set of campaigns, the average unique reach for publishers from each campaign. This refers to households that were only reached by a single publisher on the campaign. Example: Campaign A had a unique reach of 10K and Campaign B had a unique reach of 15K. The average unique reach would be 12.5K.



Key Findings

The depth of unique reach has yet to be unearthed.

Across our study, the average campaign reached only 13% of the available U.S. CTV households.

Brands should put more media weight (impressions) behind their campaigns to reach more viewers. We found that upwards of 100 million impressions should be allocated to reach at least 40% of the available U.S. CTV population.

Detach duplication from the fragmentation dilemma.

Our study revealed an average publisher duplication rate of 32%.

Campaigns with substantial reach tend to use a larger number of inventory partners to achieve scale, often resulting in greater levels of overlap. However, they also tend to reach a much larger percentage of U.S. CTV households.

The surprising truth about CTV's frequency problem? It's highly exaggerated.

The average frequency was just 4.6 across all campaigns. While high levels of frequency can exist in pockets, frequency is not universally high in CTV.

85% of households were exposed to an ad 1 to 2 times on average, 14% of households were exposed 3 to 9 times on average, and only 1% of households were exposed more than 10 times on average.

The impact of CTV spend can be traced from the screen to the store.

The average eCPM of the campaigns in our study was \$23, which sits in between the average CPM for U.S. primetime TV ads for broadcast and cable (\$36 and \$19, respectively)⁴. The average cost per unique reach for CTV was \$123.

Given that CTV also enables enhanced first- and third-party audience targeting, granular reach, and frequency measurement at the household level, there's no doubt that every dollar spent on CTV works harder.

⁴ eMarketer, Average CPM for US Primetime TV Upfront Ads, Broadcast vs. Cable



FINDING 1

The Depth of Unique Reach Has Yet to Be Unearthed

In its early days, CTV was viewed as potentially incremental to linear TV, so much of the early focus was on its ability to reach younger audiences who may not have been heavy linear TV viewers. While younger audiences are still more likely to be CTV viewers, older demographics are catching up, and recent evidence has shown that CTV is actually a significant driver of incremental reach. In a previous study that utilized both connected TV and linear data, Innovid observed an individual CTV publisher's reach to be as high as 90 percent unduplicated to linear TV⁵.

Fast-forward to 2021, on the heels of a global pandemic that forced advertisers to rethink how they could engage with audiences that had shifted away from linear TV, and CTV has earned its place at the starting blocks. While some marketers have already embraced CTV as a central component of their omni-channel strategies, many are still in the early stages of developing their approaches to this rapidly growing channel. A recent study found that 48 percent of marketers have either started investing in CTV less than a year ago or haven't started at all⁶.

Building for Scale

As advertisers are actively looking to augment impressions from traditional TV viewing, brand awareness and reach are often the focus at the outset of a campaign. To maximize this opportunity, marketers need to address the question of how to build scale.

According to Innovid estimates, there are approximately 75 million unique, addressable CTV households in the U.S. (out of approximately 128 million total households)⁷. These households are not merely cord-cutters; they are streamers with access to advertising-based video on demand (AVOD) services. Across our study, the average campaign utilized roughly 47 million impressions deployed across 10 publishers or inventory partners and saw an average campaign reach of just 13 percent of the available 75 million U.S. CTV households⁸.

To put this in TV terms, with an average campaign frequency of 4.6, each campaign delivered the equivalent of 60 GRPs. The data suggest there is far more headroom to leverage CTV to achieve marketers' — and media planners' — common goal of reaching more audiences. Of course, it is not as simple as allocating more tonnage to the channel to yield broad reach, and this paper will unpack insights and additional performance metrics to help guide future CTV campaign planning.



⁵ Innovid, "TV Reach and Frequency Insights Confirm Connected TV Drives Unique Audience Reach"

⁶ Innovid and Digiday, <u>The State of CTV Advertising</u>

⁷ United States Census Bureau, <u>Households by Type: 1940 to Present</u>

⁸ The range of campaign sizes (measured by impressions) in our study is reflective of the range of campaign sizes we see across the Innovid platform.

Across our study, the average campaign reached only **13%** of the available U.S. CTV households. Marketers have to allocate more impressions to CTV to maximize its reach potential.

Spotlight on CPG:

CPG campaigns performed exceptionally well in terms of reach⁹. The average campaign unique reach percentage was **93%** across all CPG campaigns in our study, compared with our study benchmark of **83%**. What's more, the campaigns had an average publisher overlap of just **13.8%** and an average frequency of just **3.6**.



The Ideal Intersection of Impressions and Reach

There is no question that as people continue to migrate to the digital-enabled, personalized, and largest screen in the home, time spent with CTV will continue to grow — but we're not even close to maximizing the potential for unique reach amongst these audiences. We must ask the question: how much investment and how many impressions are required to truly reach the desired audience?

We studied patterns to determine the average amount of media weight (impressions) required to achieve a certain reach percentage of the available U.S. CTV households. As expected, campaigns in excess of 100 million impressions tended to have the greatest exposure to available households — though not without an expected increase in duplication as well. Despite that increase, marketers will still reach a wider audience by allocating more impressions to their campaigns. A good rule of thumb seems to be to allocate upwards of 100 million impressions if broad awareness is your goal¹⁰.

⁹ Five CPG campaigns were included in this study.

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¹⁰ Note that this figure could be higher if more frequency is needed.

Minimum Impressions Required to Maximize Reach

Impression Range	Average Percent of Reachable U.S. CTV Households	Average Publisher Rate of Duplication
100 million or more	42%	45%
40 - 99 million	16%	29%
20 - 39 million	12%	20%
19 million or less	3%	4%

A look at campaigns transacted programmatically compared to those transacted directly revealed that direct campaigns reached a larger audience both in terms of average impressions and unique reach. However, programmatic campaigns saw lower average publisher rates of duplication.



Case Study Whirlood Innovid Insights Measures Whirlood 87% Unique Reach Percentage for Whirlpool 3.3x

87% Unique Reach Percentage

Unique Reach Efficiency **3.3x** Average Campaign Frequency

Goal

Whirlpool, a leading home appliances manufacturer, was looking for a measurement solution that provided granular reach, frequency, and cost-efficiency analysis to power data-backed programmatic campaign optimizations. Specifically, Whirlpool needed a solution that:

- Measured unique reach across CTV publishers to maximize distinct household exposure
- Monitored frequency across publishers, reconciled at the household level, to create benchmark frequency targets
- Maximized ROI and efficiency across programmatic buys by analyzing publishers providing low cost per unique reach

Approach

Whirlpool launched an awareness campaign targeting third-party homeowner audience segments across over fifty curated CTV publishers via custom PMPs, utilizing Innovid as its video ad server and measurement provider.

Results

Innovid's analysis displayed that programmatic buys across multiple publishers (over 50) can drive great unique reach (87 percent) while maintaining a low target average frequency (3.3). The analysis also displayed that programmatic CTV could drive cost savings while improving ROI; Whirlpool's campaign had a lower overall cost per unique reach, outperforming the ANA study benchmark by 10 percent.



FINDING 2

Detach Duplication from the Fragmentation Dilemma

Fragmentation is an interoperability problem — and yes, CTV is fragmented. When you take an applevel view, fragmentation within CTV is nothing compared to that of mobile and PC. A recent study found that 30 app developers represent 75 percent of CTV supply¹¹. When it comes to buying CTV media, though, it is common to have multiple parties selling portions of inventory within a given app. This complicates the media planning and buying process enough for 41 percent of marketers to cite inventory fragmentation as the main challenge to CTV advertising¹².

Managing Duplication, Not Avoiding It

The conventional wisdom is that this fragmented supply chain leads to excessive frequency because of the inability to control for repeat exposure in walled gardens. There's also a concern that fragmentation contributes to unwanted levels of duplication because advertisers simply reach the same audiences through different inventory partners. Our research indicates that while there are likely to be pockets of higher frequency and pairs of inventory partners that tend to have higher duplication, the bigger finding is that most campaigns have low frequency overall and have a majority of partners that don't overlap. The true north for maximizing and building scale in CTV actually requires a strong mix of supplier diversity.



Overall, we observed a 32 percent average publisher rate of duplication within a given campaign. To put it another way, the average publisher unique reach percentage was 68 percent, indicating that the majority of publisher reach on a campaign proved to be unique from other inventory sources and is incremental to the total reach of the campaign.

Across our study, the average publisher rate of duplication was 32%.

What these numbers show is that, to achieve scale, marketers should use a combination of inventory types. Duplication should be managed, not avoided completely. Evaluate different combinations of media partners and buying methods to potentially identify patterns of duplication and diminishing returns. Then monitor rates of duplication at the household level and optimize either in-flight or for future campaigns.

When Duplication Equals Resonance If building awareness is your goal, reaching audiences with similar messages via different inventory types is critical to building resonance.



The Impact of Publisher Volume

In addition to inventory variety, publisher volume appears to affect duplication rates. Campaigns with substantial reach tend to use a larger number of inventory partners to achieve scale, which result in greater levels of overlap. However, there's always room for exceptions, and we observed one particularly large campaign that generated an above-average total reach of over 20 million households across 11 publishers while keeping duplication below average at just 14 percent¹³.

The Effect of Inventory Partners on Duplication

Number of Inventory Partners	Average Rate of Duplication	Average Percentage of U.S. CTV Households Reached
10 or more	41%	26%
6 - 9	25%	13%
2-5	4%	5%
1 only	0%	4%



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The Surprising Truth About CTV's Frequency Problem? It's Highly Exaggerated

When it comes to frequency, context is key. Frequency management is top of mind for marketers, but the actual amount of frequency desired depends heavily on the campaign goals, the creative goals, and the need to manage frequency over time. There are many ways to set frequency goals and KPIs based on brands' awareness and creative strategies, and while there isn't a right or wrong way, a study found that seeing an ad once made people 5.7 percent more likely to make a purchase and that conversion rate lift increased between the first and fifth exposure¹⁴. Further, data from Kantar revealed that brand favorability and purchase intent begins to level off after 10 CTV exposures¹⁵.

The myth in the market is that CTV has a frequency problem, implying that the market is relatively small and supply is driven by excessive frequency. However, we found that average campaign frequency was surprisingly low over the life of the campaigns in our study — just 4.6 across all campaigns.

> Our study revealed an average campaign frequency of 4.6 across all campaigns.

¹⁴ Simulmedia, <u>TV Advertising Reach & Frequency Imbalance</u>
 ¹⁵ Kantar, Brand KPIs by CTV Exposure Buckets



The Effects of Publisher Diversity and Campaign Size on Frequency

Number of Publishers

A look at the average campaign frequency and the number of publishers in each campaign indicates that frequency remains low even as publisher count increases¹⁶. Marketers should consider diversifying their inventory types to achieve greater scale and help spread ad exposure.

Our study reveals that an increase in impressions does not necessarily lead to a substantial increase in frequency. Intuitively, we might expect that as impressions grow, frequency would increase as well. However, a few campaigns in our analysis with over 100 million impressions had a frequency of approximately 6. Conversely, the campaign with the highest average frequency delivered fewer than 50 million impressions.

Digging Deeper into Frequency

To detect instances where the campaign average frequency may not reveal the complete picture, we further analyzed campaign frequency by grouping frequency distribution into three buckets: Light Frequency (1 to 2), Medium Frequency (3 to 9), and Heavy Frequency (10+). We also looked at daily activity to home in on where frequency truly goes awry.

¹⁶ One particular programmatic campaign ran across nearly 60 publishers yet managed to maintain an average frequency of just 3.3.



On average, 85 percent of campaigns in the study had a light frequency, 14 percent had a medium frequency, and just 1 percent had a heavy frequency. While it may sound counterintuitive to the headlines about persistent issues with frequency management, this insight provides a compass to mitigating frequency that likely occurs as a response to natural viewing behaviors in specific viewing environments.



Given that 85 percent of households were exposed just one or two times, it seems the issues pertaining to frequency in CTV are less about broad saturation and more likely to occur when viewers are consuming content sold by multiple inventory partners, thus being exposed repeatedly within a single stream or viewing session. It's common practice for marketers and agency planners today to institute weekly frequency caps with individual publishers to mitigate this risk. However, as people often have more than one AVOD service, viewing sessions can include content from different inventory partners. Capping frequency by publisher in isolation has proven insufficient to appropriately manage exposure levels. Brands must manage frequency from a consistent point of origin.

It is important to note that this distribution pattern was consistent when analyzing daily and weekly campaign averages. The chart below aggregates all campaigns and looks at daily household frequency distribution and average campaign frequency¹⁷. While volumes fluctuate by day, the general pattern of distribution does not change. Similarly, a single campaign view further underscores this pattern.



¹⁷ The average length of the campaigns in our study was 61 days.









Frequency Distribution by Inventory Partners: Single Campaign View



The reality is that CTV's frequency issue stems from the fact that the same supply is being sold by different providers. The industry needs a transparent supply chain that supports media planning, buying, and measurement use cases.

Evaluating campaign data through the lens of frequency distribution, duplication rates between sets of publishers, and each publishers' average frequency by week provides visibility to brands to know precisely how impressions are performing. These KPIs can unlock important and fast information about how campaigns are behaving, providing the tools to optimize and ensuring your message isn't reaching the point of diminishing returns.

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Case Study

Innovid Insights Measures 80% Unique Reach Percentage For General Motors



80% Unique Household

Reach Percentage

20% Unique Reach Efficiency

Approximately

76MM CTV Household Impressions

3.7 Average Campaign Frequency

Goal

General Motors, a leading multi-national vehicle manufacturing corporation, needed a measurement solution that went beyond standard CTV reporting and provided granular reach and frequency analysis to understand the channel's impact on its brand awareness KPIs. Specifically, General Motors needed a solution that:

- Measured total and unique reach across CTV publishers to ensure the Chevrolet brand's creative messaging was reaching prospective households
- Monitored frequency across publishers to understand optimal frequency for the Chevrolet brand's awareness messaging
- Minimized household overlap across publishers to inform future inventory selection strategies optimized towards maximizing reach

Approach

General Motors launched three brand awareness campaigns for their Chevrolet brand across twentythree disparate CTV publishers, utilizing Innovid as its video ad server and measurement provider.

Results

Innovid's analysis revealed that high impression volumes (76 million) combined with diversified publishers (23) enabled General Motors to maximize unique reach percentage (80 percent) and unique reach efficiency (about 22 percent). Additionally, leveraging a diverse set of publishers minimized overall campaign frequency, allowing General Motors to achieve an overall campaign frequency of just 3.



The Impact of CTV Spend Can Be Traced from the Screen to the Store

While there are many draws to CTV advertising, perhaps the single most important one is its inherent addressability. It's often said that CTV took the best aspects of linear TV (sight, sound, and motion) and blended them with the best of digital (targetability, interactivity, and measurability). Does the fact that CTV gives marketers the best of both worlds make it more expensive than linear TV? A recent survey of brand marketers found that nearly a third (32 percent) viewed cost as the key limitation to CTV advertising¹⁸.

Our study found that CTV might actually be more moderately priced when you factor in its inherent benefits.

A Look at the Numbers

The average eCPM of the CTV campaigns in our study was \$23, which sits in between the average CPM for U.S. primetime TV ads for broadcast and cable (\$36 and \$19, respectively)¹⁹. The average cost per unique reach for CTV, which we calculated by taking into account average campaign spend and average campaign unique reach, was approximately \$123²⁰.



¹⁸ Cadent and Brand Innovators, <u>TV's New Wave: Marketers Take on the Shift to OTT, CTV, & Addressable</u>

¹⁹ eMarketer, <u>Average CPM for US Primetime TV Upfront Ads, Broadcast vs. Cable</u>
²⁰ In our study, we do not take into account audience targeting as part of the measurement, but numerous campaigns in our set were intended to reach

specific audiences (whether demographic or purchase-based), which resets the baseline for comparing effective CPMs. Therefore, cost is likely to be driven more by targeting and data fees.



The chart above shows that volume of impressions contributes more to total reach than cost does, which suggests that CTV can be a powerful, cost-efficient driver of broad reach. All things being equal, if marketers see higher costs for CTV advertising, it's likely driven by the addition of targeting and other data layers.



Not only did programmatic campaigns have a lower average cost per unique reach and a lower average campaign eCPM compared to direct sold campaigns, but they also saw a higher average unique reach efficiency. This underscores two of the key benefits of programmatic advertising: lower costs and greater efficiency. Advertisers have clearly been taking advantage of these benefits, as programmatic CTV impressions have increased by over 200 percent year over year²¹.



²¹ Innovid, Global Omni-Channel Benchmarks Report

Stretching Every Dollar

Now that CTV has become an established part of the omni-channel marketing mix, there's a desire to maximize every dollar spent. Brands are seeking to move beyond awareness goals to really focus on the business impact of CTV.

While CTV has the potential to drive cost-efficient reach for broad-based campaigns, it also offers advanced creative options that can fulfill any number of business goals. From interactive elements like photo and video galleries to dynamic overlays that make personalization at scale easily achievable, CTV enables marketers to be more creative and nimble and to support a variety of business outcomes that can't be achieved through linear TV. Our recent Global Omni-Channel Benchmarks report found that, compared to standard pre-roll video, advanced creative ad formats generated a 309 percent lift in engagement and an average of 34 additional seconds earned²². Interactive CTV, in particular, generated an additional 63 seconds earned.

For those wondering whether CTV can actually drive conversions and deliver a strong ROI, the answer is yes. In a recent survey, 49 percent of marketers reported increased brand engagement, including website and store visits, after investing in CTV advertising. Another 25 percent reported seeing higher conversion rates. Perhaps most importantly, 39 percent reported seeing an increase in ROAS²³. Taking into consideration that CTV also enables enhanced first- and third-party audience targeting, granular reach, and frequency measurement at the household level, there's no doubt that every dollar spent on CTV works harder.

²² Innovid, <u>Global Omni-Channel Benchmarks Report</u>
 ²³ Innovid and Digiday, <u>The State of CTV Advertising</u>



Conclusion

Connected TV measurement, while still in its early stages, is no longer as daunting as it once seemed. Marketers now have access to the right data, technology, and industry benchmarks to gain visibility into this once-hazy area of CTV advertising. Here are some best practices to keep in mind as you seek to measure the results of your next campaign:

Unlock the Reachable CTV Universe

The COVID-19 pandemic has driven users toward streaming services and forced brands to reimagine audience engagement. To maximize the opportunity for awareness and reach, marketers must solve the mystery of building scale.



TIP: While there may be other factors at play, a good rule of thumb is to allocate upwards of 100 million impressions for broad awareness campaigns.

Don't Fight Duplication — Manage It

While it's true that CTV is fragmented from a supply chain perspective, this fragmentation does not necessarily lead to unwanted levels of duplication. Most campaigns in our study had a majority of inventory partners that did not overlap, which indicates that to achieve scale, marketers should aim to use a combination of inventory types.



TIP: Leverage a central platform for maximum clarity and evaluate different combinations of media partners and buying methods to identify patterns of duplication and diminishing returns. Then, monitor rates of duplication at the household level and optimize either inflight or for future campaigns.

Uncover Optimal Frequency Levels for Your Campaign Goals

While the myth in the market is that CTV has a frequency problem and that audiences are continuously bombarded with the same ads, our study found surprisingly low average frequency levels across all campaigns.



TIP: Manage frequency holistically via a centralized platform, then use a combination of frequency management and frequency distribution to identify where overexposure can occur.

Get the Most Mileage Out of Your CTV Dollars

While the jury is still out on the myriad ways to evaluate the impact of CTV, we found that CTV might be pretty moderately priced compared to linear TV when you factor in its inherent benefits, including targetability, interactivity, and measurability.



TIP: Make every dollar spent on CTV work harder for you by leveraging programmatic technologies for greater unique reach efficiency and lower costs.



About Innovid

Innovid is the only independent omni-channel advertising and analytics platform built for television. We use data to enable the personalization, delivery, and measurement of ads across the widest breadth of channels in the market including TV, video, display, social, audio, and DOOH. Our platform seamlessly connects all media, delivering superior advertising experiences across the audience journey. Innovid serves a global client base of brands, agencies, and publishers through over twelve offices across the Americas, Europe, and Asia Pacific.

For more information about CTV advertising measurement and the Innovid Insights dashboard, visit <u>www.innovid.com</u>.

About the ANA

The ANA's (Association of National Advertisers) mission is to drive growth for marketing professionals, brands and businesses, the industry, and humanity. The ANA serves the marketing needs of 20,000 brands by leveraging the 12-point ANA Growth Agenda, which has been endorsed by the Global CMO Growth Council. The ANA's membership consists of U.S. and international companies, including client-side marketers, nonprofits, fundraisers, and marketing solutions providers (data science and technology companies, ad agencies, publishers, media companies, suppliers, and vendors). The ANA creates Marketing Growth Champions by serving, educating, and advocating for more than 50,000 industry members that collectively invest more than \$400 billion in marketing and advertising annually.



Appendix: Terminology

- Average Campaign Frequency: The average weighted frequency (number of times a single household was exposed during the campaign) for a single or a set of campaigns.
- Average Campaign Impressions: The average number of impressions for a single or a set of campaigns.
- Average Campaign Publisher Count: The average number of publishers within a single campaign or across a set of campaigns.
- Average Campaign Reach of U.S. CTV Households (%): The reach for an average campaign of Innovid's footprint of 75 million CTV households.
- Average Cost Per Unique Reach: The weighted average cost per unique reach for a single or a set of campaigns.
- Average eCPM: The weighted effective cost per thousand impressions for a single or a set of campaign publishers.
- Average Publisher Duplication (or Overlap) Rate: The average publisher overlap for a single or a set of campaigns. This refers to the average rate across all campaigns that a CTV household was reached by more than one publisher with the same campaign.
- Connected TV (CTV): A TV that is connected to the internet, whether natively or by a device, that is primarily used to stream video content. This includes smart TVs, gaming consoles (e.g., Xbox, Playstation) and devices (e.g., Roku, Apple TV, Amazon Fire Stick).
- **Direct (Buying):** The process of selling a publisher's ad inventory directly to the advertiser. This study included 18 campaigns that strictly leveraged direct buying and 8 that leveraged both direct and programmatic buying.
- Dynamic Creative or Dynamic Creative Optimization (DCO): A form of advertising technology that uses data to guide and optimize creative elements and messages such as copy, pictures, backgrounds, video, animation, and interactive elements in real time.
- **Frequency Light (%):** The percentage of households exposed one to two times during the campaign.



- **Frequency Medium (%):** The percentage of households exposed three to nine times during the campaign.
- **Frequency High (%):** The percentage of households exposed ten or more times during the campaign.
- Interactive Ads: An interactive and/or dynamic experience such as an overlay, branded canvas, or expand unit.
- Programmatic (Buying): The automated sale and purchase of ad inventory. This study included 8 campaigns that strictly leveraged programmatic buying and 8 that leveraged both programmatic and direct buying.
- **Total Reach:** The total number of unduplicated households reached across a single campaign or a set of campaigns.
 - Average Campaign Total Reach: The average total unduplicated reach for a single campaign or, when referring to a set of campaigns, the total unduplicated reach for each campaign (households are not deduplicated across campaigns). Example: Campaign A reached 50K households and Campaign B reached 35K households. The average households reached across the two would be 42.5K.
- **Unique Reach:** The total number of unduplicated households reached across a single campaign or a set of campaigns by a single publisher. Households reached by two or more publishers are not included in this metric.
 - Average Campaign Unique Reach: The average unique reach for publishers for a single campaign or, when referring to a set of campaigns, the average unique reach for publishers from each campaign. This refers to households that were only reached by a single publisher on the campaign. Example: Campaign A had a unique reach of 10K and Campaign B had a unique reach of 15K. The average unique reach would be 12.5K.

