



TAKES CENTER STAGE

Global Benchmarks Report

INNOVIO

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Executive Summary

As the world emerges from post-pandemic shutdowns, a new marketing landscape enters the limelight. A dark (and persistent) cloud of global uncertainty defined much of 2021. Shortages, shipping delays, congested routes, and plenty of other supply chain flubs drained media dollars and plagued planning efforts across the board.

In the backdrop, our industry faced its own supply chain issues. But in our case, it was data. The degradation of cookies and other signals left ambiguity regarding the future of certain marketing techniques.

Other fixtures of the measurement ecosystem were also in flux. Legacy measurement instruments like panels ceded ground to more census-based inputs. Meanwhile, both premium video purchase habits and the KPIs for transacting TV demanded critical reevaluation.

The silver lining? Tightened budgets cast new priorities.

For one, connected television (CTV) secured its role as a rising star in the advertising mix. CTV opened the curtains on deeper measurement and optimization tactics. Click-through rate (CTR) and video completion rate (VCR), which focus on engagement, remain supporting players. Meanwhile, the spotlight shines on metrics like unique reach and frequency, which reveal how the new CTV medium works in concert with its digital and linear counterparts to deliver incremental engagement and scale.

Post-2021 curtain call, one thing is clear: We're evolving into a new paradigm rather than adjusting to a "new normal." And this paradigm brings a renewed commitment to flexibility.

For these reasons, our watchword for the year ahead is *optimize*. In 2021, marketers were compelled to accommodate an erratic situation. The show will go on in 2022, as we are empowered with these experiences, tools, and benchmarks that can accelerate opportunities and overcome obstacles—even those yet to come.

Jessica Hogue
GM Measurement
and Industries,
Innovid



Key Takeaways



As CTV Takes Center Stage, Plan for Streaming Dominance

CTV overtook mobile as the device with the greatest share of global video impressions with 46 percent of video impressions in 2021, up from 40 percent in 2020 as mobile declined from 43 percent to 39 percent and PC slid from 16 percent to 15 percent.



Advanced Creative Outperforms at Engaging Audiences

In 2021, there was a 32 percent increase year over year in advertisers running dynamic creative campaigns. Interactive CTV formats generated an average of 72 additional seconds, up from 63 in 2020, while overall advanced creative video formats increased from 34 to 47 seconds. Interactive CTV video-completion rates increased 11 percent overall in 2021, from 85 percent to 95 percent.



Spotlight: CTV Reach and Frequency Have Room to Scale

With converged TV viewing across linear, CTV, and digital on the rise, it is important for advertisers to leverage CTV to maximize reach while balancing frequency. U.S. CTV campaigns reached on average only 9.23 percent of the more than 95 million CTV households that Innovid reaches. With an average of 4.08 exposures, frequency is not universally high in CTV.

1 As CTV Takes Center Stage, Plan for Streaming Dominance

Consumers continued their love affair with streaming in 2021 as restrictions eased and the world opened up. As viewers flocked to the CTV platform, advertisers followed and 2021 CTV ad spend reached \$14.4 billion in the U.S. alone. This past year, CTV claimed center stage with the largest share of video impressions across all devices. While global video saw year-over-year increases across all devices, CTV made the strongest gains with a 47 percent increase, over two times the rate of mobile at 16 percent and desktop at 14 percent. No longer experimental or emerging, CTV is now a central pillar of the marketing mix, offering audiences at scale in a premium viewing environment combined with data-informed targeting and engaging ad formats.

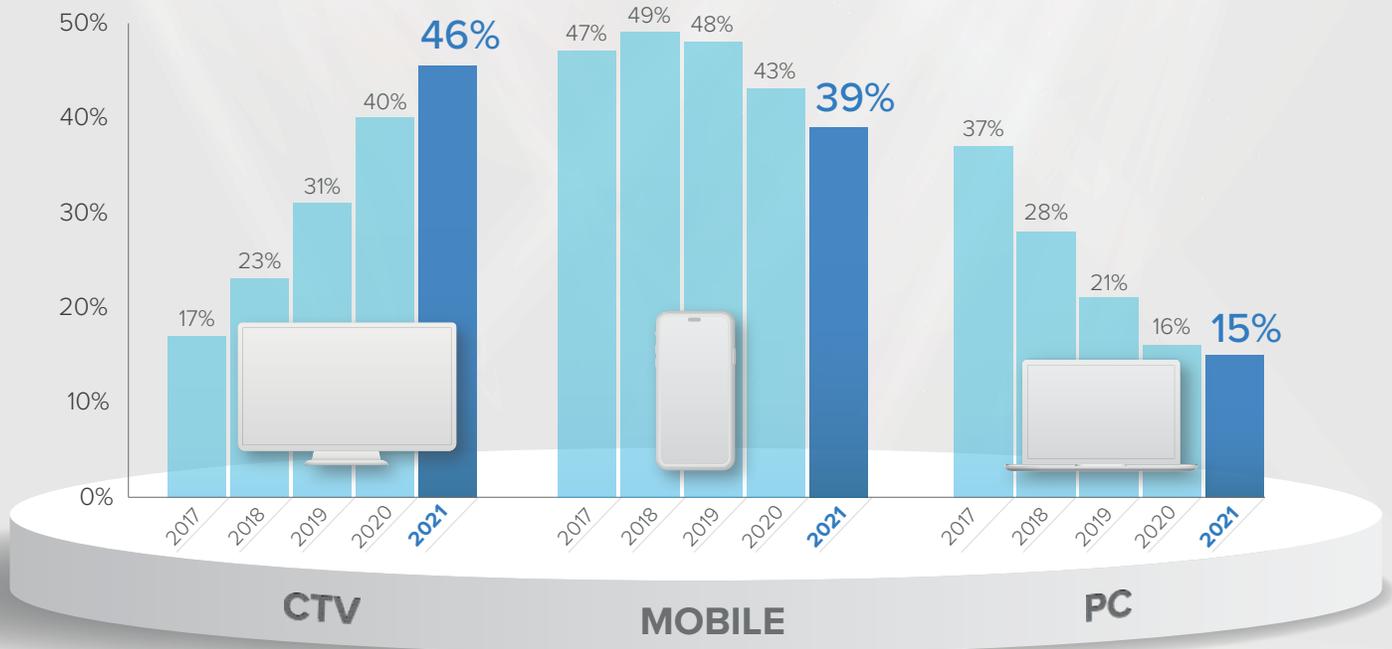
CTV Upstages Mobile

CTV overtook mobile as the device with the greatest share of global video impressions. CTV accounted for 46 percent of video impressions in 2021, up from 40 percent in 2020.



Global CTV impressions saw a **47 percent year-over-year increase**

Video Impression Share by Device

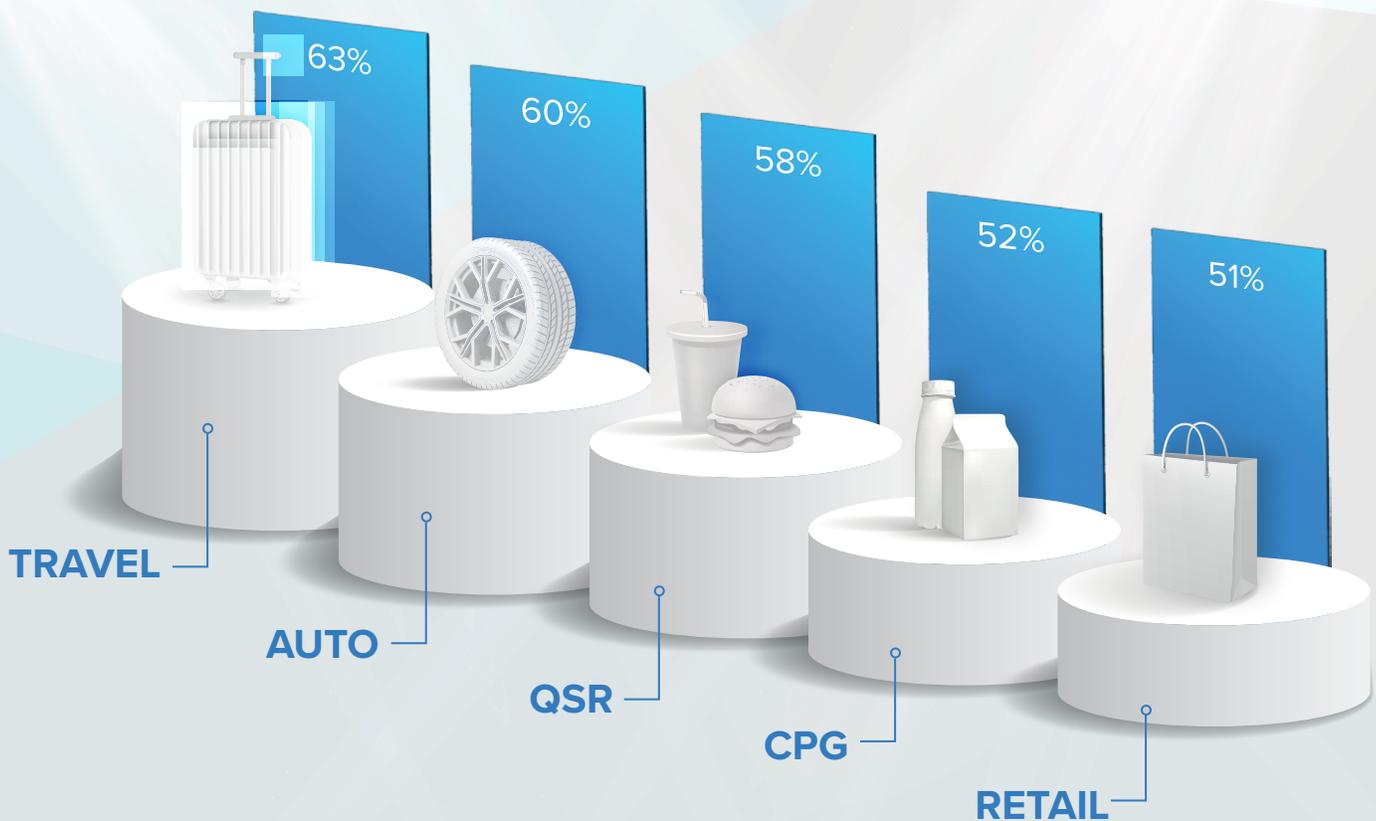


CTV grabbed top billing by outpacing mobile's and PC's growth. **More impression volume was allocated to CTV globally year over year** as CTV viewing gained momentum at the expense of time spent watching linear TV in the U.S., which declined in 2021, and is projected to continue to slide.¹ The longer-term decline in households with pay TV accelerated during the pandemic as cord-cutters and cord-nevers embraced streaming.^{2,3} With linear and digital viewing expected to be roughly equal by 2023, marketers must embrace converged viewing across linear, CTV, and digital.⁴ The continued shifts in viewing reveal **CTV is no longer a trend but a mainstream way of consuming content.**

A Vertical View: Top Verticals Leveraging CTV

Every vertical increased their video contribution to CTV ads in 2021. Significantly, each of the five leading verticals allocated more than 50 percent of video impression share to CTV.

CTV Impression Share **by Vertical**



¹ eMarketer, [US Time Spent with Media 2021](#)

² eMarketer, [Pay TV Households](#)

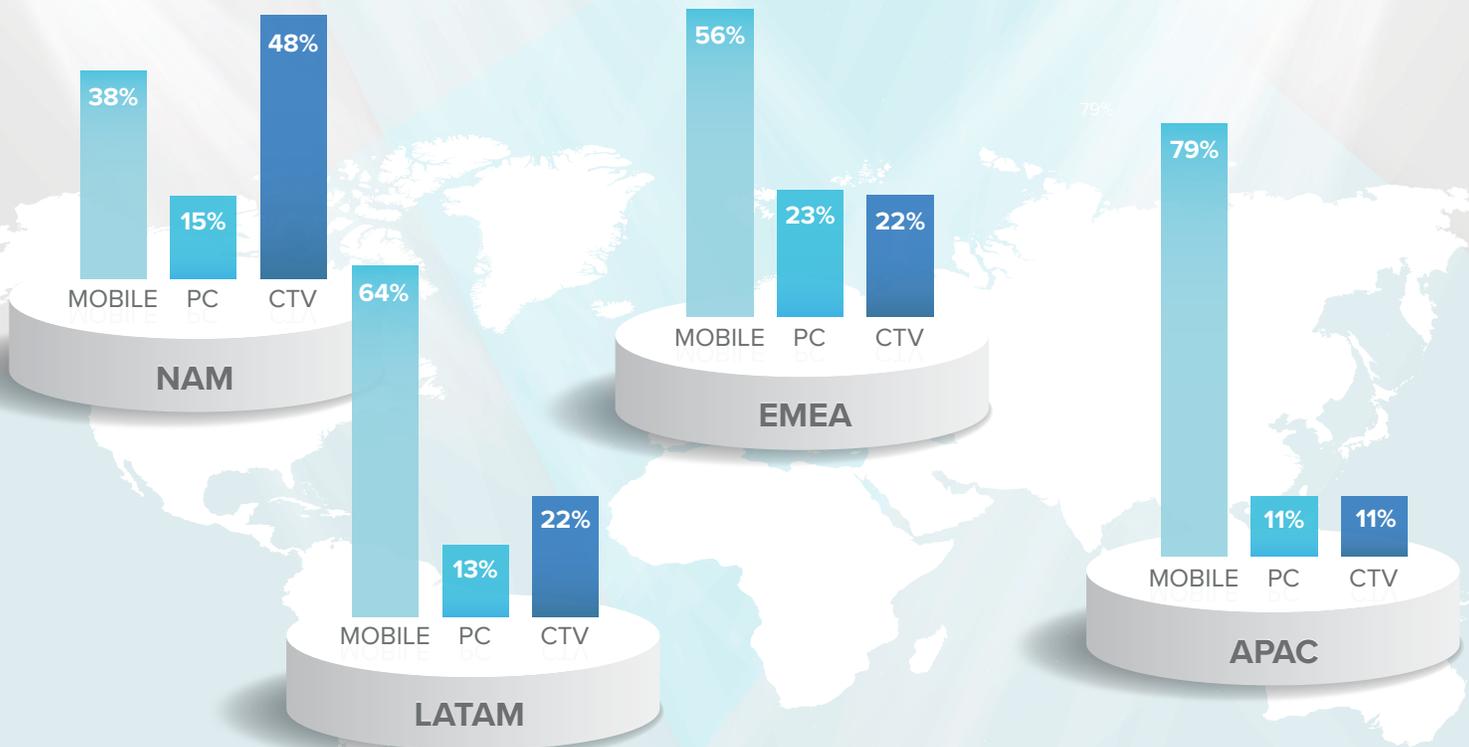
³ eMarketer, [US Cord-Cutters](#)

⁴ eMarketer, [US Time Spent with Media 2021](#)

A Global Glimpse: CTV Impression Share by Region

CTV share of video impressions continued to grow across all regions from 2020 to 2021, reflecting overall growth in digital video watching in top countries.⁵ In North America, CTV took the lead ahead of mobile, increasing from 41 to 48 percent. Outside of North America which had the highest CTV share, share gains were the highest in EMEA, with increases from 8 to 22 percent, and LATAM, with gains from 15 to 22 percent, bringing the two regions to a tie for second place. While gains in EMEA came predominantly at the expense of PC, in LATAM, losses in mobile were greater. CTV share of impressions in APAC has remained stubbornly low as increased digital video viewing in major countries, including India and China, has taken place on mobile.⁶

CTV Impression Share **by Region**



⁵ Insider Intelligence, [Time Spent with Media Overview 2021](#)

⁶ Ibid.

Programmatic: The Rising Star

With convergence accelerating and brands demanding more flexibility and spend, programmatic video advertising is on the rise. Innovid saw just under one-third of CTV impressions being served programmatically in 2021, as programmatic and social buying took share at the expense of broadcast native publishers. In fact, eMarketer predicts that CTV will account for more than one-fifth of total programmatic video ad spending for the first time in 2022.⁷ Marketers should take note that optimization is becoming a more viable and critical strategy.

CTV Impression Share **by Publisher Type**

	2020	2021	Trend
Broadcast	61%	54%	↓
Programmatic	26%	30%	↑
Social	10%	13%	↑
Other	1%	2%	↑
Digital	1%	1%	—

⁷ eMarketer, [U.S. Programmatic Video 2022](#)

2 Advanced Creative Outperforms at Engaging Audiences

With converged viewing a reality, marketers have to adapt. Consumers now expect personalization and relevancy from advertising on digital platforms. **Advanced video creative, including dynamic and interactive formats**, allows marketers to do this at scale while driving superior performance through engagement as well as incremental time earned.

Dynamic video provides marketers a world of opportunity by leveraging data to guide and optimize creative for personalization and optimization, expanding the use of video advertising to include full-funnel objectives. In 2021, there was a 32 percent increase in the number of advertisers running dynamic video campaigns, which generated stronger engagement compared to those that served standard pre-roll creative. The stronger performance indicates that in a time where there are so many ways to consume content, personalization with relatable and relevant content resonates strongly with consumers.

Interactive formats provide viewers the opportunity to engage, dive deeper to learn more about a product or service, and convert. In 2021 there was a 147 percent increase year over year in interactive CTV campaigns driven by a 56 percent increase in advertisers running campaigns. Interactive campaigns showed even higher engagement rates than dynamic creative, with those on CTV being the highest of all devices. CTV choice-based formats, which allow users to choose between ad engagement or ad breaks, have the highest engagement rates of all.

Engagement Rates **by Device and Video Ad Format**

	Device	Ad Format	Engagement Rate
	Mobile	Dynamic Video	0.69%
		Interactive	0.85%
	PC	Dynamic Video	0.53%
		Interactive	1.33%
	CTV	Interactive (Non-Choice-Based)	0.46%
		Interactive (Choice-Based)	23.73%
		Interactive (Total)	5.42%

Dynamic Video Plays to All Verticals

Marketers have a range of dynamic video strategies available to match campaign objectives. Personalization through date and time, location and weather targeting, and publisher or third-party targeting are the most used strategies by advertisers across all verticals. Overall, CPG and Auto leverage the widest range of dynamic video strategies.

The retail vertical, however, is showing sophistication with the use of sequential messaging to efficiently leverage creative to drive consumers down the funnel. Retailer-specific implementations vary widely to match specific objectives, with a range of strategies including abandoned cart messaging, discounting, couponing, and redemption offers. Marketers should look to retail for inspiration.

A Vertical View: **Top Dynamic Video Creative Strategies**



	Date / Time	Geo-Targeting	Weather	Sequential Messaging	Publisher or Platform Third-party Targeting
Auto	✓	✓	✓		✓
CPG	✓	✓	✓		✓
Finance	✓				
Pharma	✓	✓			✓
QSR / Restaurant	✓				✓
Retail	✓			✓	

Interactive CTV Grabs Top Billing with Engagement, VCR, and Time Earned

Interactive video creative offers even higher levels of engagement than dynamic video across mobile and PC, and interactive CTV creative offers engagement rates far exceeding interactive mobile and PC at 5.4 percent overall. With higher engagement rates, marketers have increased opportunities to monetize through interactive video ad formats.

Interactive CTV’s performance is distinguished by its ability to drive earned time with consumers, which translates into increased opportunities for brand awareness and conversion. Across the board, advertisers tapping into advanced creative gained an additional 47 seconds of time earned in 2021, up from 34 seconds last year. Interactive CTV led the charge, generating an incremental 72 seconds of time earned between brands and potential buyers. But that is not all! Interactive CTV video-completion rates increased 11 percent overall in 2021, from 85 percent to 95 percent higher than PC and mobile combined at 62 percent, likely due to the nature of the CTV platform where a consumer must typically watch the ad for viewing to continue.

Engagement Rate, Video Completion Rate, and Time Earned **by Video Ad Format**

Advanced Video Format	Engagement Rate	VCR	Time Earned
Dynamic Video	0.50%	72.92%	28.85 Sec
Interactive Video	1.71%	67.74%	51.05 Sec
<ul style="list-style-type: none"> ○ Interactive (Mobile/PC) 	0.97%	62.36%	34.75 Sec
<ul style="list-style-type: none"> ○ Interactive (CTV) 	5.42%	94.65%	72.25 Sec
Total Advanced Creative	1.23%	69.78%	46.60 Sec

QR Codes Drive Interactive CTV Growth

With QR code usage going through the roof in 2021 due to its touch-free and easy-to-use functionality, **CTV saw a similar trend with the largest growth across interactive CTV coming from QR code units.** By driving consumers to robust landing pages with detailed product information and opportunities for conversion, QR codes allow marketers to expand CTV objectives to include lower-funnel objectives. Innovid has seen impressive QR code engagement, with a scan click rate of 0.02 percent. While this may seem low in comparison to display metrics, this incremental engagement reflects high intent and follow-through on the part of the audience. Marketers should expect to see increased use of these and other interactive shoppable formats.⁸



Short and Sweet: Completion Ties to Video Ad Length

Engagement **by Video Duration**

Video Duration	CTR Click-Through Rate	VCR Video Completion Rate	Impression Share
≤ 10 Sec	0.4%	82.5%	13.7%
15 Sec	0.8%	79.6%	50.5%
30 Sec	0.8%	85.9%	31.1%
45 Sec	0.7%	66.5%	0.4%
60 Sec	1.4%	68.4%	3.7%
75 Sec	0.9%	76.6%	0.1%

Shorter ad durations appear to be the best at capturing a consumer's attention. Across all devices, shorter-form videos of 30 seconds or less generated stronger completion rates of 80 percent or higher compared to longer-form videos with completion rates of 67 to 77 percent. Marketers took advantage of the unmatched completion rates shorter formats provide, with over 95 percent of all videos ads clocking in at 30 seconds or less, but longer formats should also be considered for their ability to show and tell a story and drive higher click-through.

⁸ eMarketer, [QR Codes Forecast and Trends 2022](#)

3 Spotlight: CTV Reach and Frequency Have Room to Scale

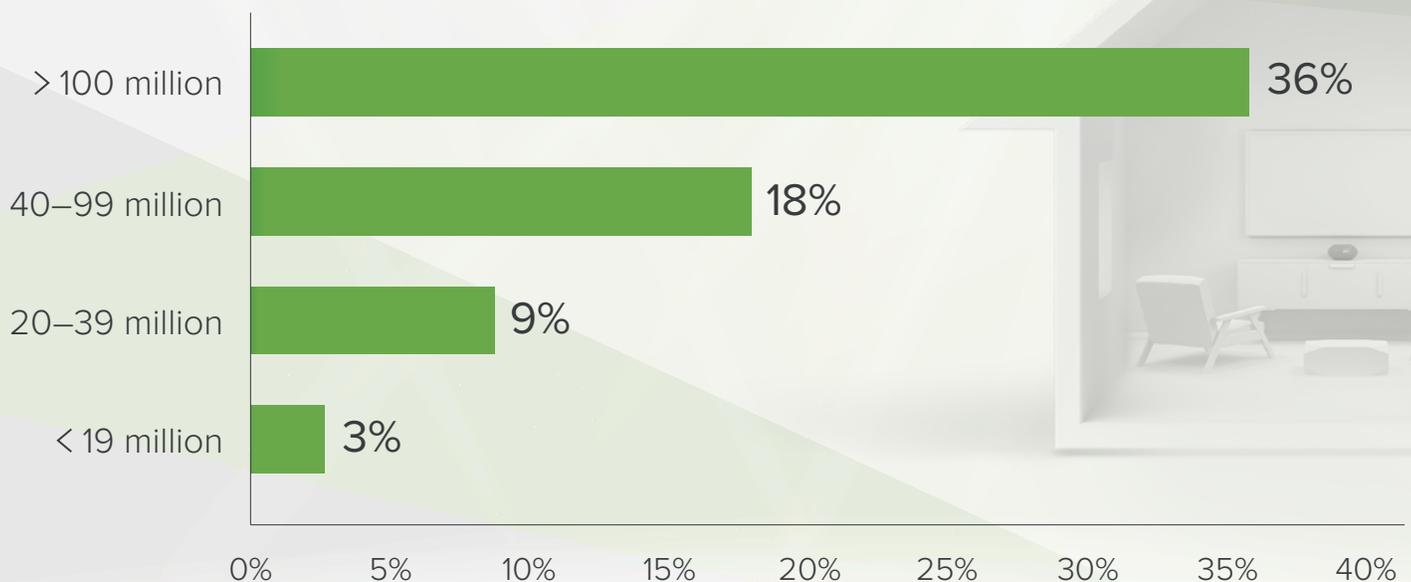
With converged TV viewing across linear, CTV, and digital on the rise, it is important for advertisers to leverage CTV to maximize reach while balancing frequency. While smart brands are testing and learning, and taking advantage of CTV for its unique, growing audiences of cord-cutters and cord-nevers, significant opportunities remain. The evolution of metrics and measurement that bring converged TV together—both linear and streaming—to provide advertisers a unified view of their investments will be fundamental to fully capturing the CTV opportunity. Marketers can use broad best practices that already exist, however, to balance reach and duplication.

When analyzing reach and frequency, a subset of Innovid clients running CTV campaigns were used.

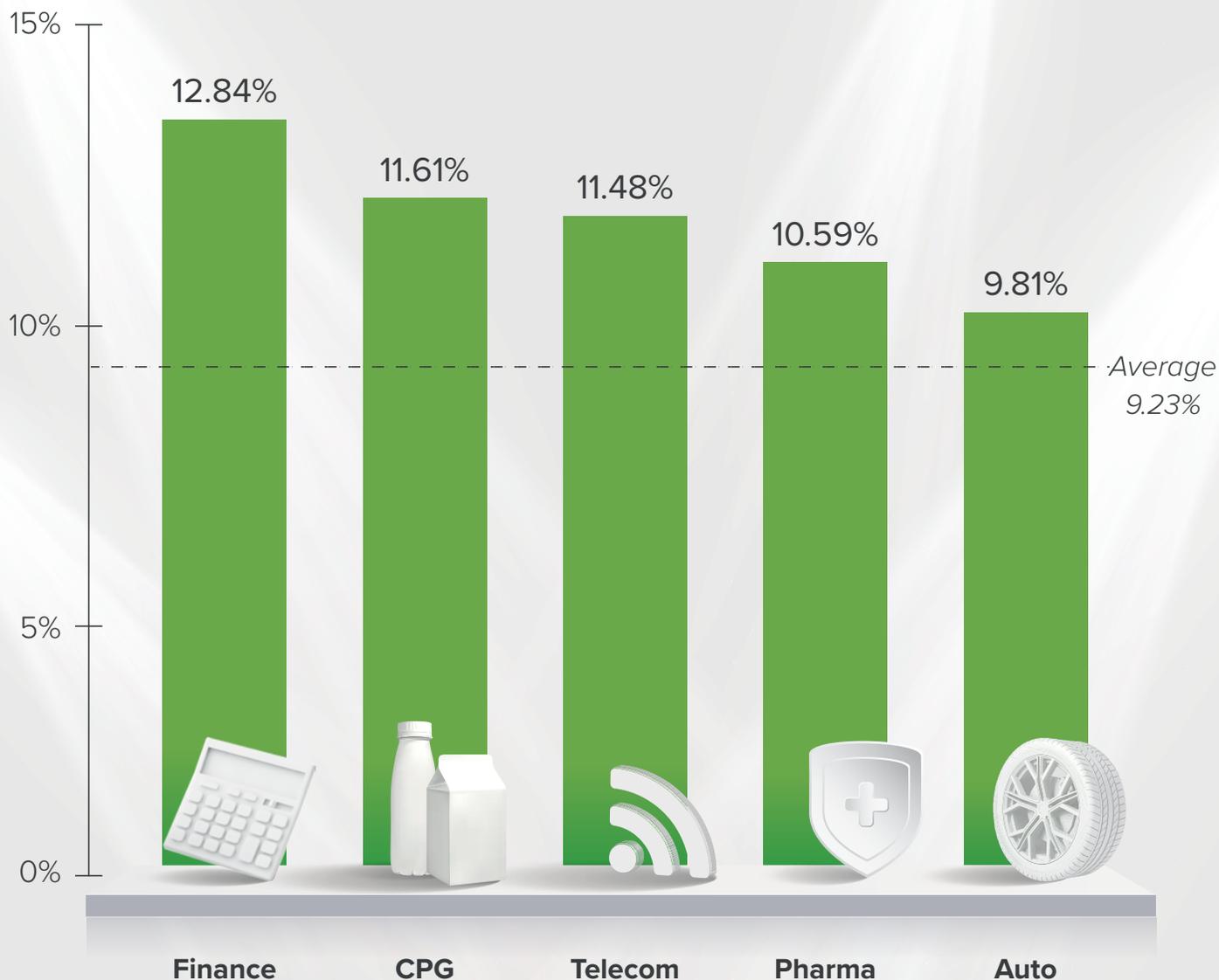
Reach Has Plenty of Runway

U.S. CTV campaigns reached on average only 9.23 percent of the more than 95 million CTV households that Innovid reaches. Even though advertiser adoption of CTV has surged, the majority (58 percent) of campaigns included 19 million or fewer impressions and reached just 3 percent of households on average. While many advertisers are new to the platform, and testing and learning, for others this represents an opportunity to increase reach, keeping in mind that broad reach may not be appropriate for all marketers. Even advertisers serving a higher volume of over 100 million impressions reached just 36 percent of the 95 million households on average, proving there's still plenty of runway when it comes to CTV reach.

Household Reach Based on Impression Volume



A Vertical View: U.S. Household Reach **by Vertical**



Higher household reach tends to be associated with higher volumes of impressions per campaign. Not surprisingly, reach is highest in categories with broad branding objectives where marketers need to reach as many households as possible. Overall, Finance, CPG, and Telecom exceeded the average household penetration by 39 percent, 26 percent, and 24 percent respectively.

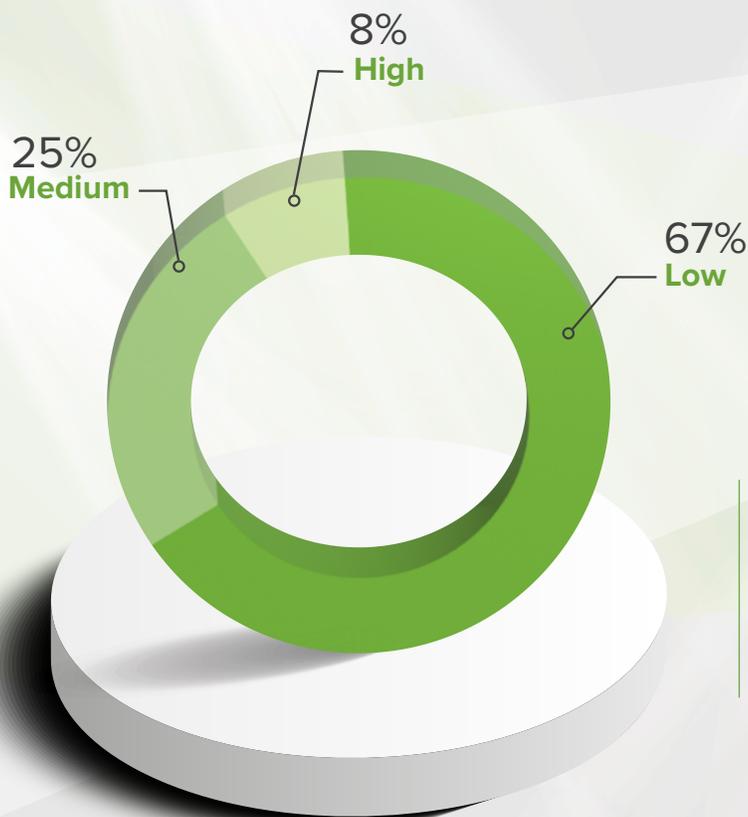
The CPG and Finance verticals also have the highest percentage of 100 million or more impressions allocated to campaigns, indicating that reach tends to be a function of planning and media allocation to the channel.

While marketers in categories with higher household reach are pushing the envelope on penetration, there is significant room to expand. This will become even more important as audiences increasingly adopt CTV.

CTV Frequency Is Not Maxed Out

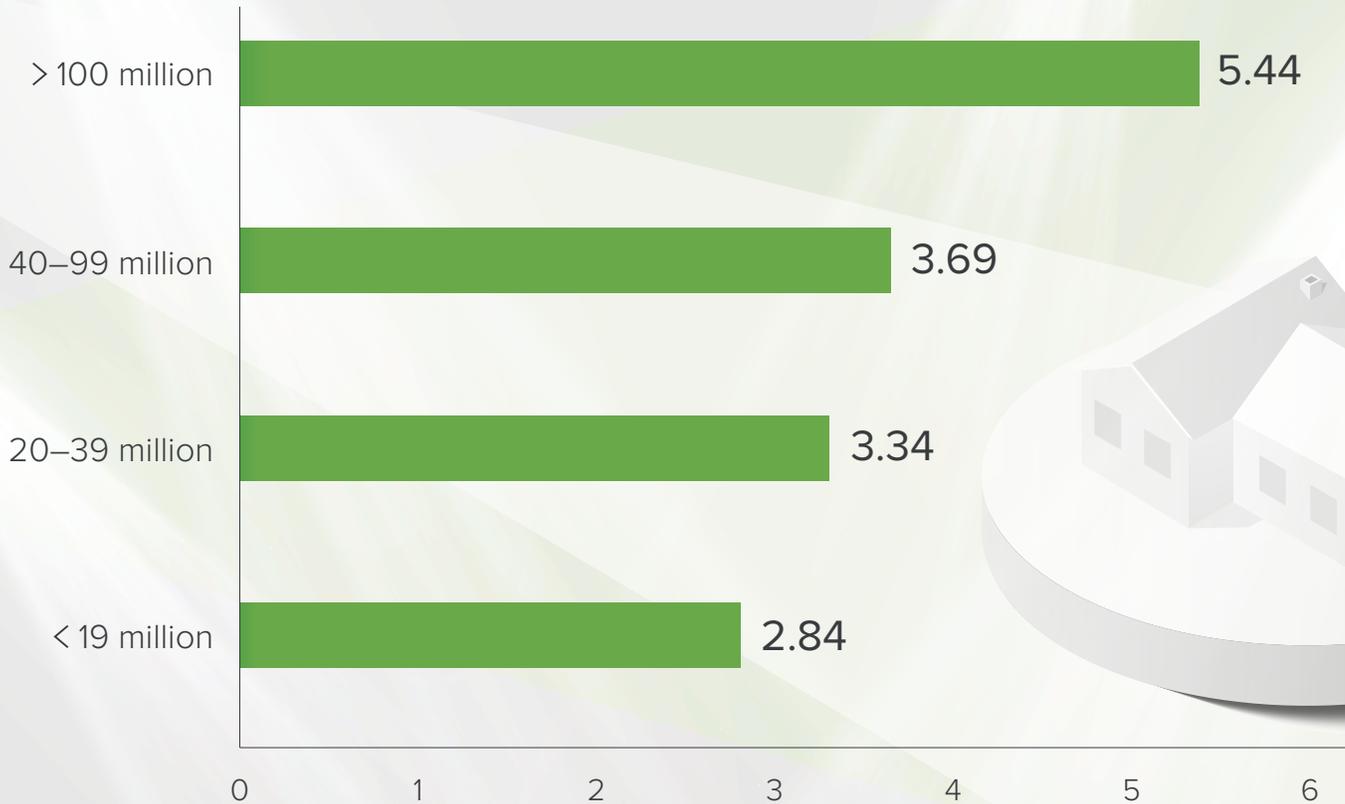
With an average frequency of 4.08 exposures, frequency is not universally high in CTV. Low levels of ad exposure frequency indicate that marketers have considerable leeway for reaching new households without risking oversaturation and have the opportunity to shift investment into CTV, because households are not being over-exposed. Frequency can be problematic if left unchecked. Marketers should take a holistic household view to understand where over-exposure is happening and manage it.

Overall Frequency Distribution of **Campaign Exposures**



On average, only 8 percent of campaigns had a high frequency of **over 10 exposures**, while two-thirds had a low frequency of **one to two exposures**, and a quarter had a medium frequency of **three to nine exposures**.

Household Average Frequency Based on Impression Volume



Like reach, frequency is associated with campaign size. Even so, campaigns with 100 million or more impressions have an average frequency of 5.44 impressions, only 33 percent higher than the overall average of 4.08, and less than twice as high as the average of campaigns with 19 million or less impressions. Across verticals, Auto, Financial, Technology, and Telecom had the highest number of impressions per campaign per vertical as well as a higher percentage of campaigns with over 10 exposures compared to the 2021 average of 8 percent.

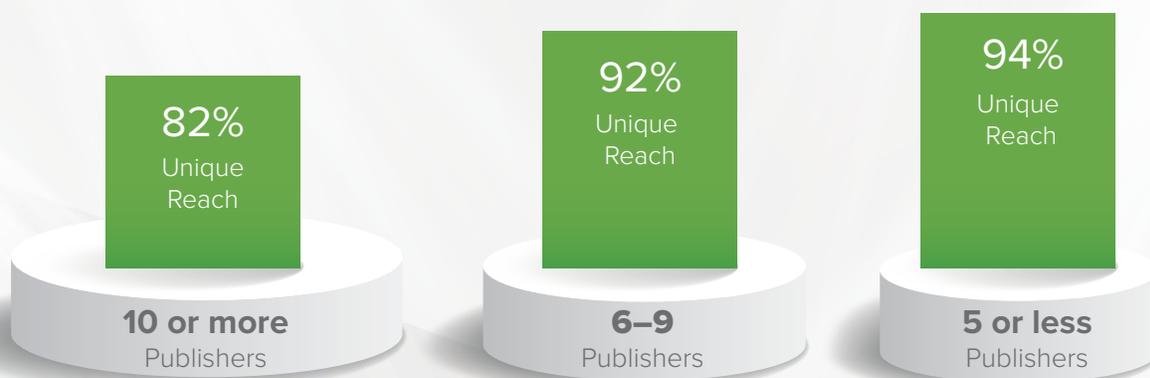
With an average frequency of just 4.08 ad exposures and a majority of campaigns garnering light frequency, it is clear advertisers can increase CTV investments, that can in turn maximize overall potential reach and frequency. Advertisers can use strategies including sequential messaging, frequency capping, and distributing campaigns over longer periods of time to minimize and manage frequency.

Balancing Platforms: Fragmentation and Consolidation

While Innovid sees CTV delivery across more than 20 platforms, roughly 85 percent of impression delivery was across 10 platforms, and over two-thirds with the top three. While there is a consolidation with the largest platforms, increases in CTV viewing are bringing new platforms and streaming services into the market, causing increased fragmentation.⁹

With consumers in the U.S. watching content across on average over four streaming video-on-demand services, each with similar content offerings, it comes as no surprise that increasing the number of platforms within a campaign leads to a higher rate of overlap.¹⁰ In fact, advertisers who leveraged fewer platforms saw the highest unique reach percent of all, proving less is more when it comes to unique reach.

Average Campaign Unique Reach Based on **Number of Publishers**



That said, there is room to strategically increase reach and frequency across campaigns while minimizing duplication. The average overlap **across campaigns with more than six publishers** was relatively low at 17.7 percent. Although consumers tend to watch content across multiple streaming services/partners, the lower campaign duplication rate highlights that CTV partners have the ability to tap into unique audiences.



“Analyzing converged TV campaigns within our measurement platform, we found that, on average, audience overlap between linear and streaming campaigns was about 30 percent—meaning that 70 percent of total audiences reached through streaming could not have been reached by linear alone. We also found that the advertisers who committed at least 10 percent of their TV ad impressions to streaming generated at least a 15 percent gain in incremental reach over linear.”

—Jo Kinsella, President, TVSquared by Innovid.



⁹ Insider Intelligence, [Insider Intelligence's US Video Trends to Watch in 2022: Predictions for TV and Digital Video](#)

¹⁰ Kantar, [85% of U.S. Households Have a Video Subscription Service](#)

Conclusion: 2022 Best Practices

While CTV advertising is increasing, **best practices** need to be established for successful campaign planning and execution.

Plan for Streaming Dominance

The era of mobile has given way to CTV, with linear TV next in sight. The digitization of TV has led to growing programmatic CTV investment, paving the way for a more flexible, optimizable future for TV. Holding the largest share of video impressions by device across all verticals and markets, CTV's reign extends well beyond the U.S. to worldwide adoption. Take note: now is the time to expand CTV best practices across all markets and regions.



Tip: Remember, while streaming dominates, it remains part of a cast of players. Real-time actionable intelligence is key to maximizing the whole and driving superior business outcomes.

Enhance Engagement with Advanced Creative

Personalization and relevancy are cornerstones of digital advertising, and there's even more growth on the horizon. Both the volume of advanced creative and the incremental time earned climbed in 2021. With dynamic video, advertisers can optimize creative with more data on hand. Meanwhile, interactive formats offer fresh avenues like QR codes for deeper engagement.



Tip: Think beyond awareness. Make video work across the funnel through data-driven formats that incite action—from geo-targeted relevance to QR codes shaping a shoppable experience.

Maximize Reach While Managing Frequency

It's the ideal time to leverage CTV for optimal reach and exposure to unique audiences. Either a targeted or broad approach can be effective—it just comes down to your campaign needs. Regardless, reach should be evaluated in the converged context. Advertisers must also learn the art of frequency. Strategies such as platform overlap management, sequential creative messaging, and distribution over time can help balance frequency.



Tip: Adopt always-on cross-platform measurement to gain a unified view of reach and frequency across the converged media landscape.

Key Definitions

Advanced Creative: Premium ad formats that include dynamic and/or interactive components.

Broadcast (Publisher Type): Digital versions of traditional linear TV networks such as ABC, NBC, CBS, and FOX. For the purpose of this report, non-broadcast publishers that ran broadcast inventory were not included in this definition. For example, if an advertiser buys inventory on ABC via The Trade Desk, then the publisher is designated as programmatic even if the inventory itself is broadcast.

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).

Cross-Device Targeting: Targeting that maps users across devices and optimizes ad serving video strategies.

Digital (Publisher Type): Digital native publishers that are not traditional broadcast, cable, or linear TV networks. For example, Huffington Post and Pandora.

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.

Engagement Rate: The percent of impressions where there was at least one interaction within the interactive video unit.

Impressions: The measurement of responses from a web server to a page request from the user browser. Innovid's impression measurement is defined at ad render and does not include those filtered as general invalid traffic.

Interactive Ads: An interactive and/or dynamic ad experience such as an overlay, branded canvas, or expanded unit that runs across desktop and mobile devices.

Interactive CTV Ads: An interactive and/or dynamic TV experience such as an overlay, branded canvas, or expand unit that runs across connected TV.

Interactive CTV Choice-Based Ads: An interactive CTV ad experience that gives viewers the ability to engage for a given period of time and, in turn, receive their content with significantly reduced commercial breaks.

Interactive CTV Non-Choice-Based Ads: An interactive CTV ad experience that allows viewers to engage, but does not incentivize engagement with reduced commercials or ad load.

Other (Publisher Type): Advertising impressions delivered to publisher types not included in other categories, such as aggregators.

Programmatic (Publisher Type): Typically a DSP or other platform through which all types of digitally-delivered inventory is purchased.

Publisher or Platform Third-Party Targeting: Data that is passed to the ad server on ad call, usually via macro, that helps the ad server determine the most relevant creative to serve.

Sequential Messaging: When creative and messaging are presented in a specific order, gated by either frequency or consumer behavior (e.g., video completion percentage).

Social (Publisher Type): Social platforms and publishers such as YouTube and Twitch.tv.

Standard Pre-Roll: A standard promotional video message that plays before the content the user has selected, also known as pre-roll video.

Time Earned: The average number of extra seconds a user engages with an interactive video, subsequently extending the amount of time spent with an ad.

Video Completion Rate (VCR): The percentage of video ads that play to 100 percent completion.

Methodology

Innovid analyzed over 286 billion video advertising impressions served on our platform between January 1 and December 31, 2021. Researchers looked across mobile, desktop, CTV devices, and social platforms to compile the most complete picture of video advertising in terms of benchmarks and insights globally.

Across the reach and frequency performance, researchers looked at the top 24 CTV advertisers across all their campaigns where there were at least one million CTV impressions.

About Innovid

Innovid (NYSE:CTV) powers advertising delivery, personalization, measurement and outcomes across linear, connected TV (CTV) and digital for the world's largest brands. Through a global infrastructure that enables cross-platform ad serving, data-driven creative and currency-grade measurement, Innovid offers its clients always-on intelligence to optimize advertising investment across channels, platforms, screens and devices. Innovid is an independent platform that leads the market in converged TV innovation, through proprietary technology and exclusive partnerships designed to reimagine TV advertising.

Headquartered in New York City, Innovid serves a global client base through offices across the Americas, Europe, and Asia Pacific. To learn more, visit innovid.com.

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