



# How CTV Advertising Powers The Performance TV Revolution

Your guide to why CTV is the most powerful performance advertising channel available today



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# Introduction

Television has been considered the most prestigious and impactful advertising channel since its inception — for national brands with massive budgets, that is. While linear TV reigned, a few hundred companies appeared and reappeared in the same commercial slots while challengers stuck to the sidelines.

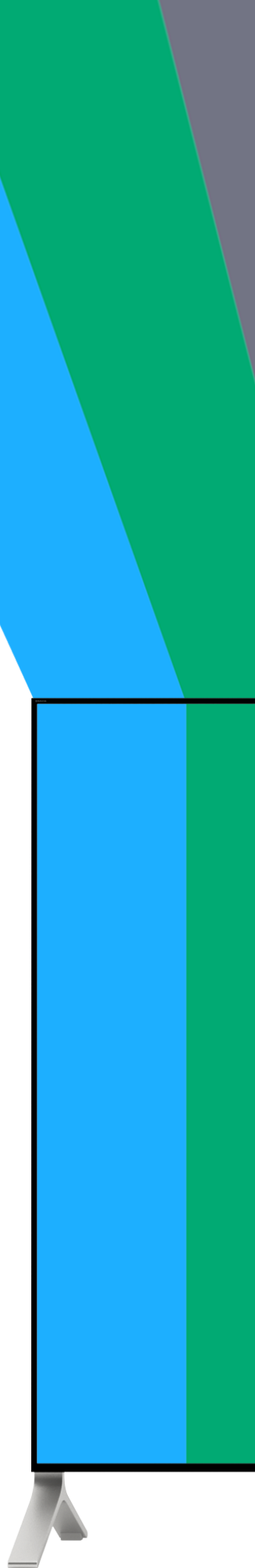
Meanwhile, digital-first brands embraced performance advertising on other media, expertly leveraging growth tactics across search, social, and emerging channels. Because linear TV couldn't support a measurable, attributable, growth-minded approach, this new class of performance advertisers turned away from it.

But now, connected TV is changing the performance advertising playbook for good. CTV penetrates **80% of US households today**. 60% of all TV viewing is now delivered “over the top” via subscription and ad-supported services and apps. CTV advertising platforms make performance metrics accessible for TV placements, along with precision targeting and attribution.

In this report, we analyzed first-party and consumer data to better understand how CTV is powering the performance TV revolution and investigate what that means for advertisers.

## Methodology

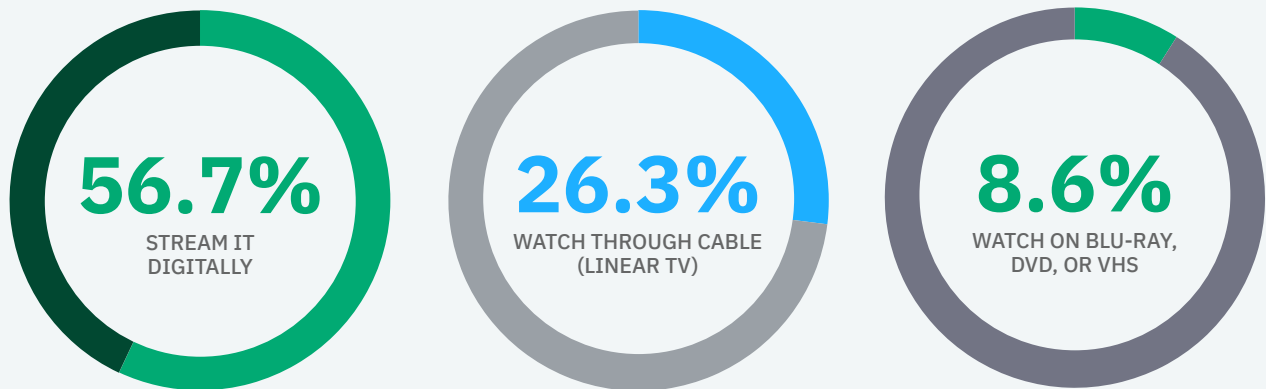
In September 2021, we surveyed 1000 consumers in the United States about their experiences with CTV and OTT advertising. Respondents represented a wide variety of ages, ethnicities, industries, roles, education and income levels, and household sizes. This report also draws on first-party platform data collected during Q3 2021.



# Ballooning CTV Market Means Big Opportunities

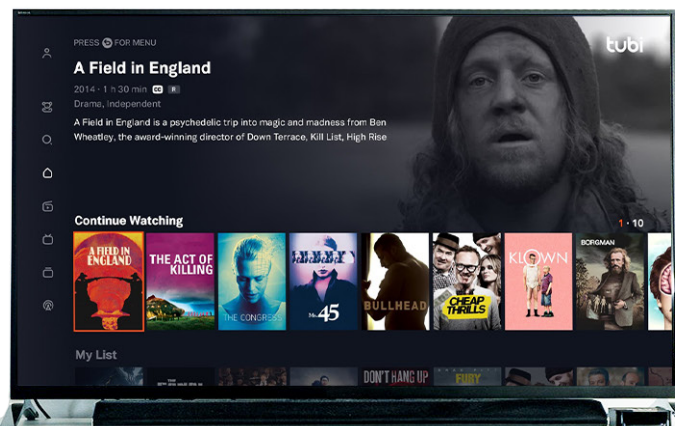
CTV is ballooning in terms of both adoption rate and market size. Pandemic lockdown restrictions amplified the already growing appeal of on-demand viewing. Instead of keeping consumers locked into broadcasters' choices and schedules, streaming platforms put viewing into the hands of the people. For marketers, that democratization represents a tremendous opportunity.

## How do consumers watch television, movies, and other video content?



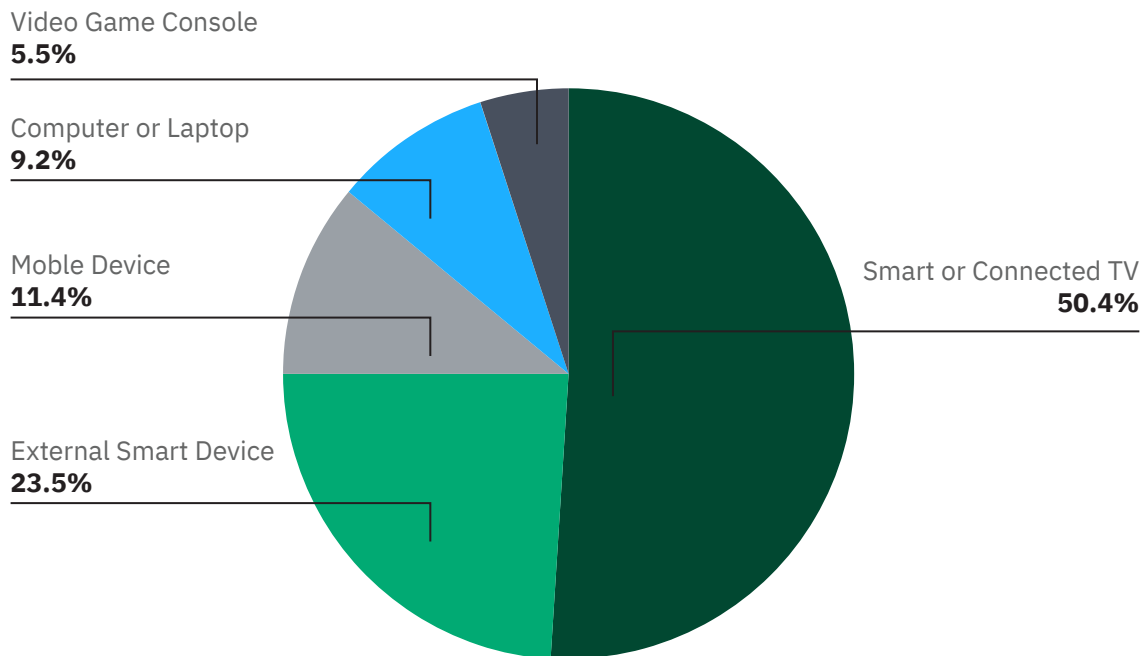
According to research by Samsung, streaming TV was as popular as linear TV by mid-2019. A year later, in summer 2020, streaming had grown to account for 63% of total TV viewing time. Even after the pandemic, linear TV viewership has continued to decline alongside the **rapid increase in CTV viewership**. Our research bears out that dominance; 56.7% of survey respondents say the primary way they watch television, movies, and other video content is by streaming it digitally.

That's compared to just 26.3% who primarily watch through linear TV, and 8.6% who prefer to watch on Blu-Ray, DVD, or VHS.





## What devices do consumers use to watch streaming content?

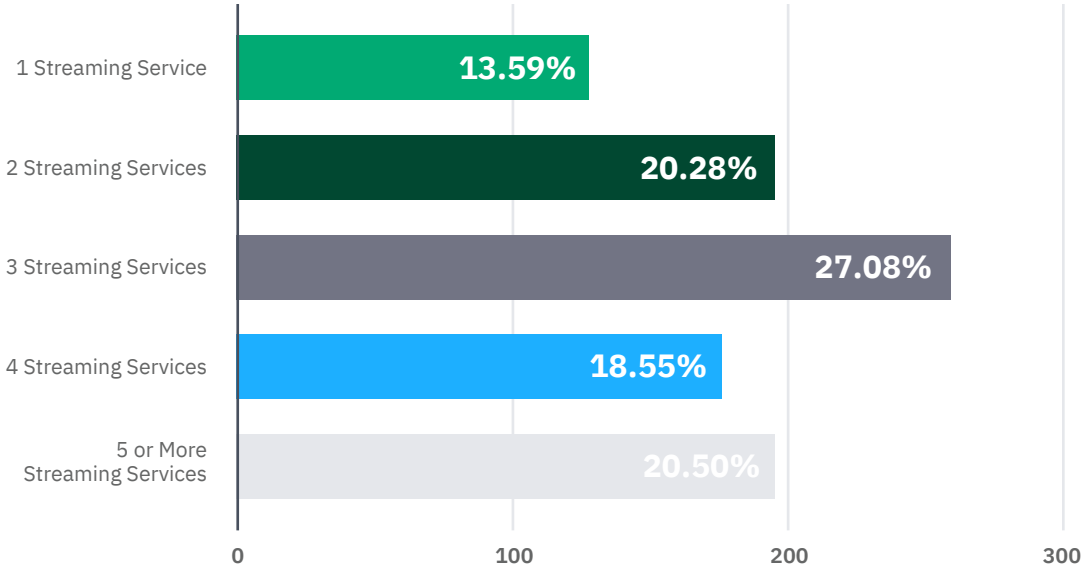


As the streaming model has grown in popularity, ways to watch have also proliferated. Consumers can carry vast content libraries with them everywhere they go thanks to mobile devices and laptops, but there is still an overwhelming preference for connected TV over other streaming options. 50.4% of consumers who watch streaming content say their preferred device is a smart TV or connected TV. An additional 23.5% say they prefer to watch on a TV equipped with an external smart device (e.g. Roku, Apple TV), bringing the total percent of CTV users to 73.9%.



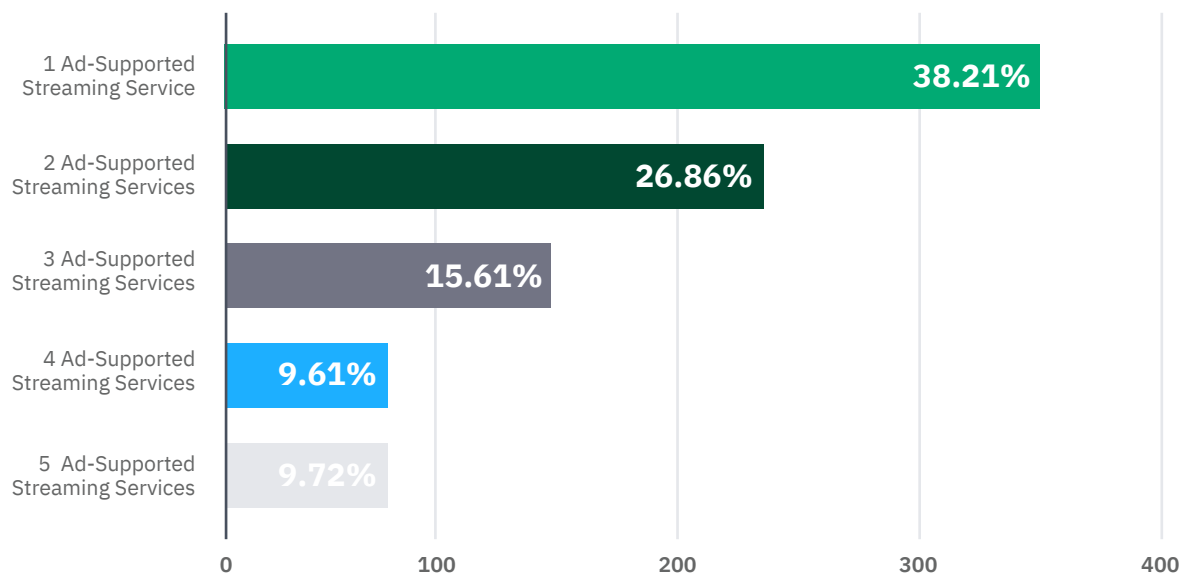


## How many streaming services do consumers use?



It's no surprise that most consumers use multiple streaming services to watch video content; according to our survey, over 80% of consumers use more than one streaming service. There are many platforms out there, and each company works hard to develop an exclusive and appealing content library. Not every service follows the same business model, though — while some are only available through monthly subscriptions, others offer ad-supported video that keeps their content available to consumers for free.

## How many ad-supported streaming services do consumers use?



Research has shown that **80% of CTV viewers watch ad-supported content**. According to our survey respondents, 35% of consumers say they use only one ad-supported streaming service, 24.6% say they use two services, and 32% say they use three or more. Taken together, **91.6% of consumers who watch streaming content use at least one ad-supported service**. This prevalence may indicate that ad-supported video content is considered a normal part of life, in many ways.

For example, while ad-supported platforms like Hulu and Amazon Prime are popular choices for movies and shows, YouTube is a more entrenched part of daily life for many people. With over 2 billion monthly active users, YouTube's ad-supported service is a repository for videos of all kinds (and of all lengths), even for viewers who might turn elsewhere on family movie night.

# 91.6%

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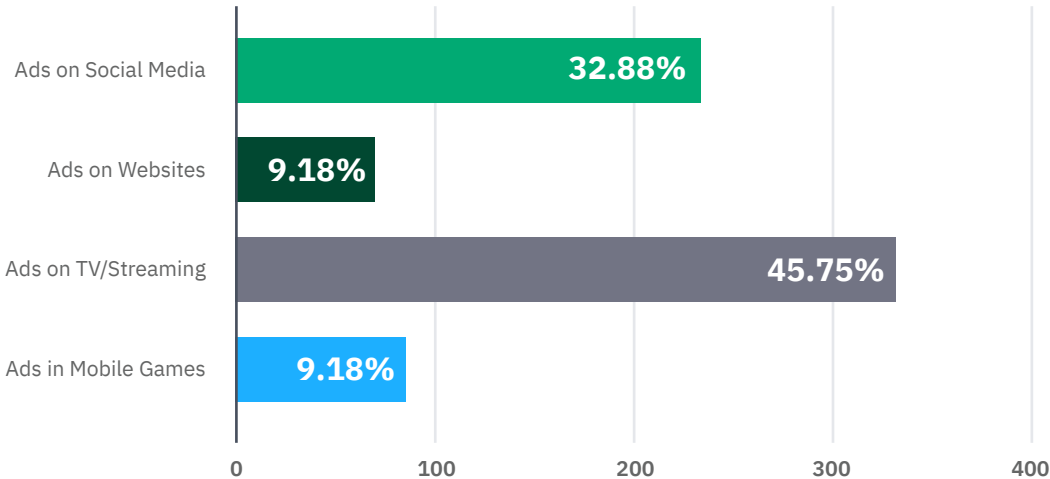




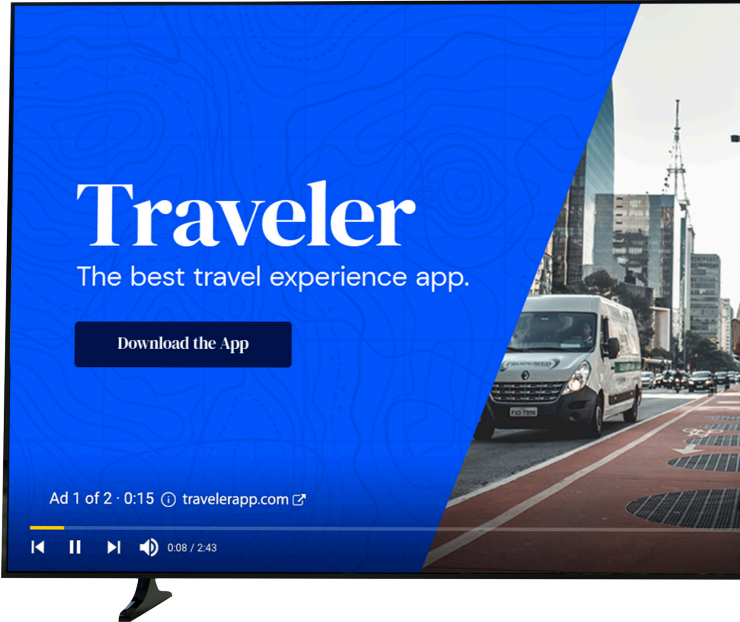
# CTV Wins the Race for Brand Recall and Affinity

National brands continue to invest their massive budgets in linear TV for a reason. Commercials are memorable, and thanks to their long legacy, consumers have come to expect — and, in some cases, even enjoy them. Our survey data verifies that TV and streaming ads remain the most powerful ad format when it comes to brand recall and affinity. Now, for the first time, CTV is marrying the power of TV with the precision performance marketers need in the digital age.

## What type of ads do consumers remember best?

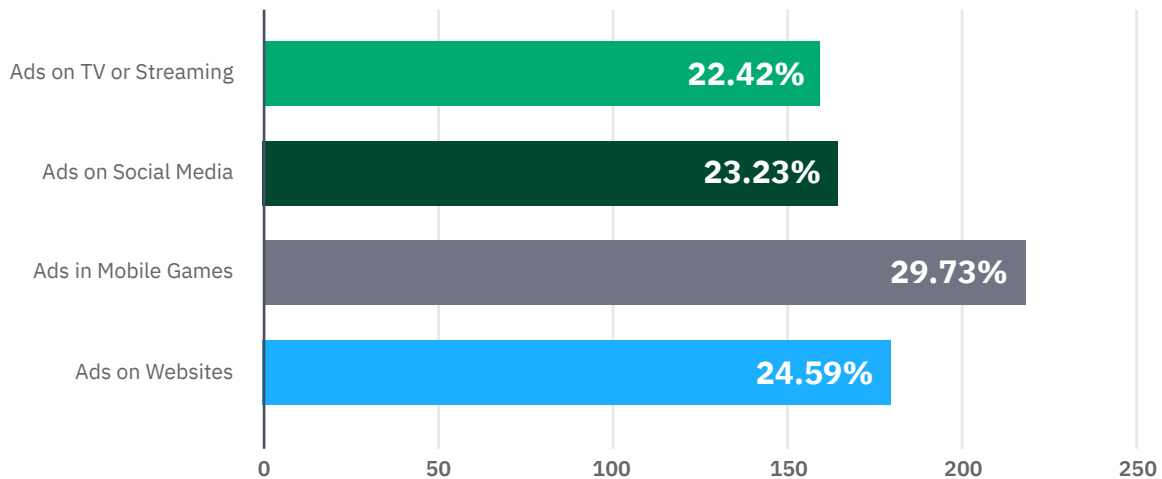


If building brand recall is one of advertising’s most important goals, consumers say that connected TV is the right place to do it. 45.7% of respondents who could recall a digital ad say the ads on television or streaming platforms are the most memorable. CTV also wins against social, search, and display ads in terms of consumer sentiment.





## What type of ads do consumers find most annoying?



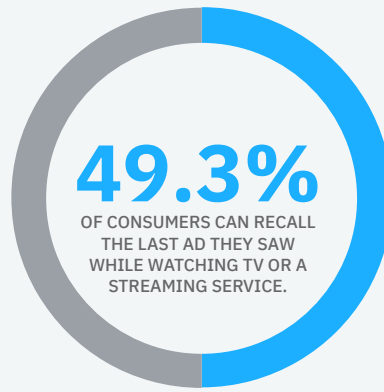
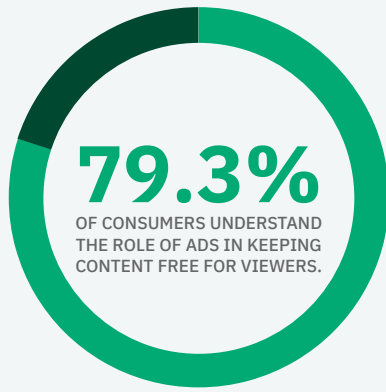
While consumers are accustomed — and even amenable — to certain kinds of advertising, their reaction to ads is not always positive. **90% of consumers say that ads that are not personally relevant to them are annoying, for example.** But the medium also plays an important role in how that personal relevance is applied, and in whether or not consumers will respond positively.

According to our survey, consumers find social media ads, banner ads, and mobile game ads more annoying than TV and streaming ads. In fact, consumers ranked mobile game ads as most annoying. This demonstrates that the context in which an ad appears has a lot to do with consumers' perceptions of it. It's easier for a consumer to look away from a TV ad that doesn't interest them, for example, while a mobile game ad completely interrupts them from their desired activity.

In that sense, linear TV commercial breaks primed consumers to accept the same on CTV. Before the days of TiVo and DVR, those advertising interludes were a mandatory part of the television watching experience. So even today, when streaming services like Netflix offer subscription-based models that do away with ads completely, consumers still understand — and even expect — their television and video content to include ad breaks.

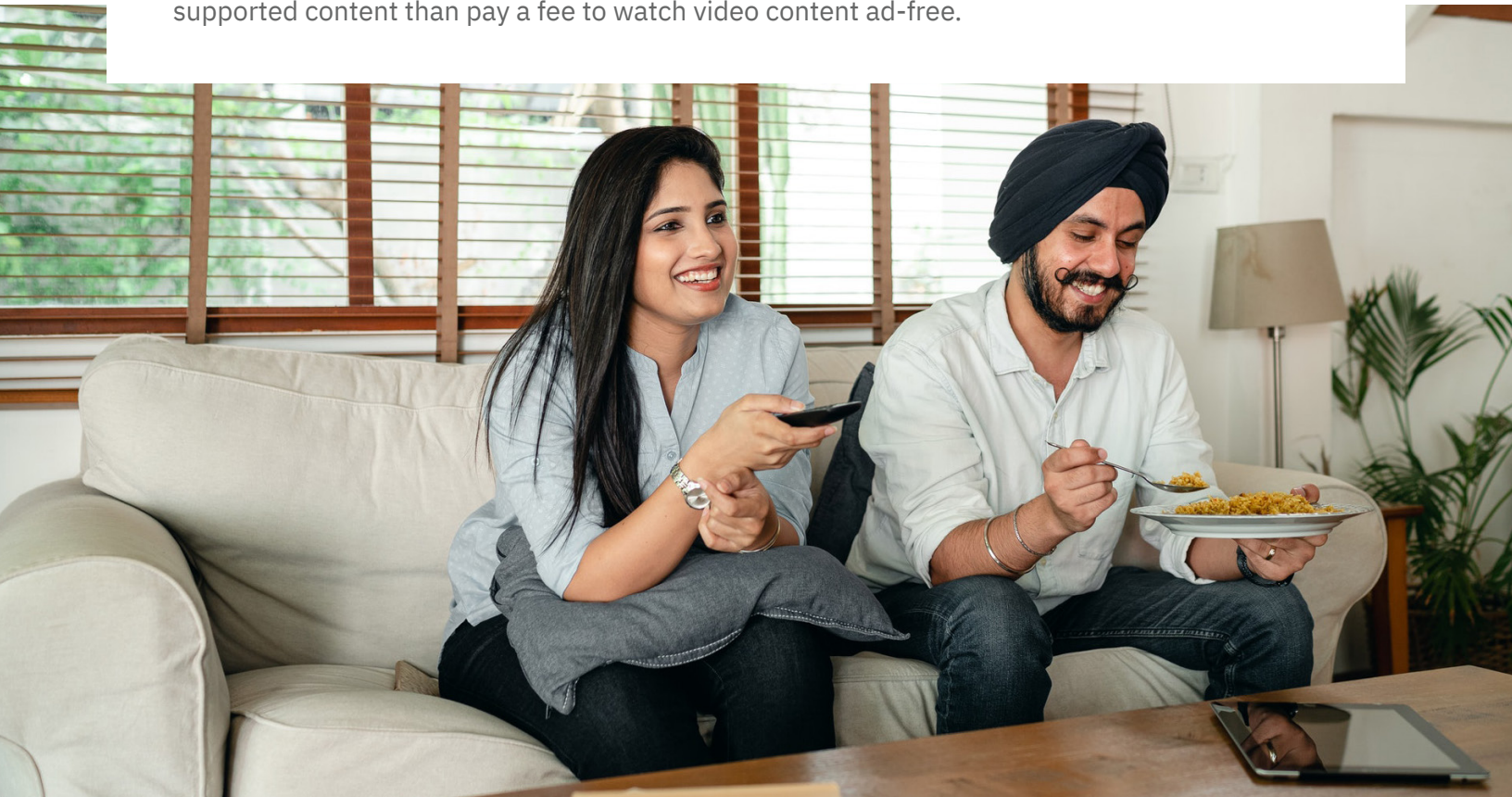
# 90%

OF CONSUMERS SAY THAT ADS THAT ARE NOT PERSONALLY RELEVANT TO THEM ARE ANNOYING

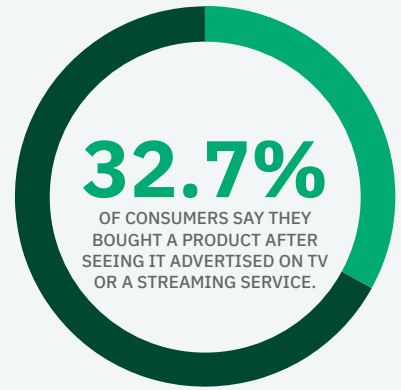
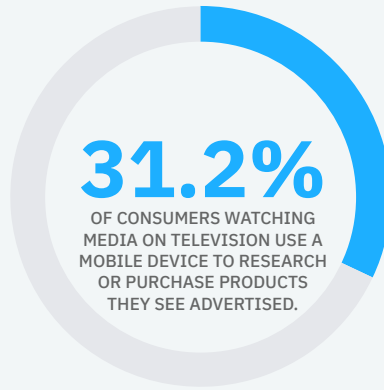
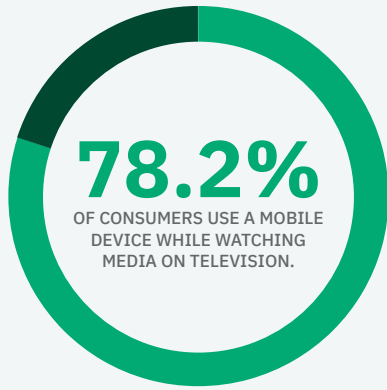


According to our survey, 79.3% of consumers say they understand the role ads play in keeping content free. An informed audience is an empowered audience, and it seems that an empowered audience is an engaged audience. 49.3% of consumers are amenable toward ads, saying that they can recall the last ad they saw while watching video content.

Consumers' positive sentiment about TV ads and the popularity of ad-supported streaming services come to a head in this statistic; only 54.3% of consumers say they are willing to pay more for an ad-free streaming service. This indicates that streaming ads still play a crucial role in making content accessible for 45.7% of consumers. In other words, nearly half of consumers so thoroughly understand and accept the importance of ads that they would rather watch ad-supported content than pay a fee to watch video content ad-free.







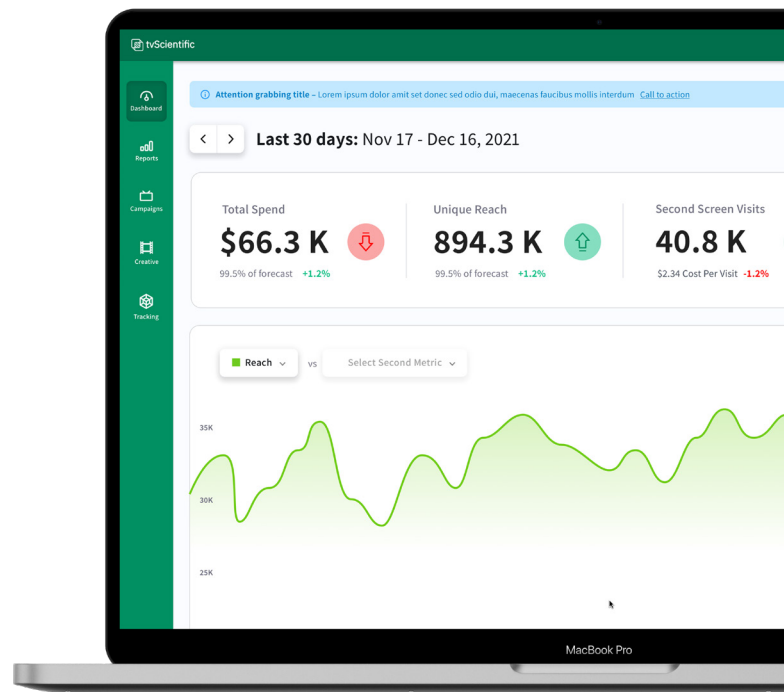
Why is it possible for a consumer who viewed a CTV ad to take the next action towards conversion? The answer is **second screen** engagement. Multitasking with a smart device while watching TV is incredibly popular today. In the United States in 2020, **191.1 million people** logged onto the internet on a phone, tablet, or computer while watching TV. According to our survey, 78.2% of consumers use a mobile device while watching media on television. Although the phenomenon of second screen engagement was originally dismissed as a problematic distraction, many consumers actually use their digital devices to engage more deeply with the content on their televisions.





In the same way that having a secondary connected device nearby while watching TV allows consumers to search for details about their video content (like checking IMDB or online fan sites), it also allows them to engage with brands and close the ad loop. Since second screen engagement is already a behavior that many consumers exhibit, there is virtually no friction between seeing an ad and looking up the brand behind it, or even making a purchase immediately. 31.2% of consumers say they use their phone while watching TV specifically to research or purchase products they've seen advertised.

32.7% of consumers say they have purchased something after seeing it advertised on TV or a streaming service. That's **1.5** times the number of consumers who claim to have purchased products based on ads shown in Google search results, and nearly twice the number of consumers who say they purchase based on website or banner ads. That indicates that above and beyond the positive impact on brand affinity and recall, CTV ads also lead to successful ROI for brands by encouraging consumers to purchase products using the devices they already have nearby.





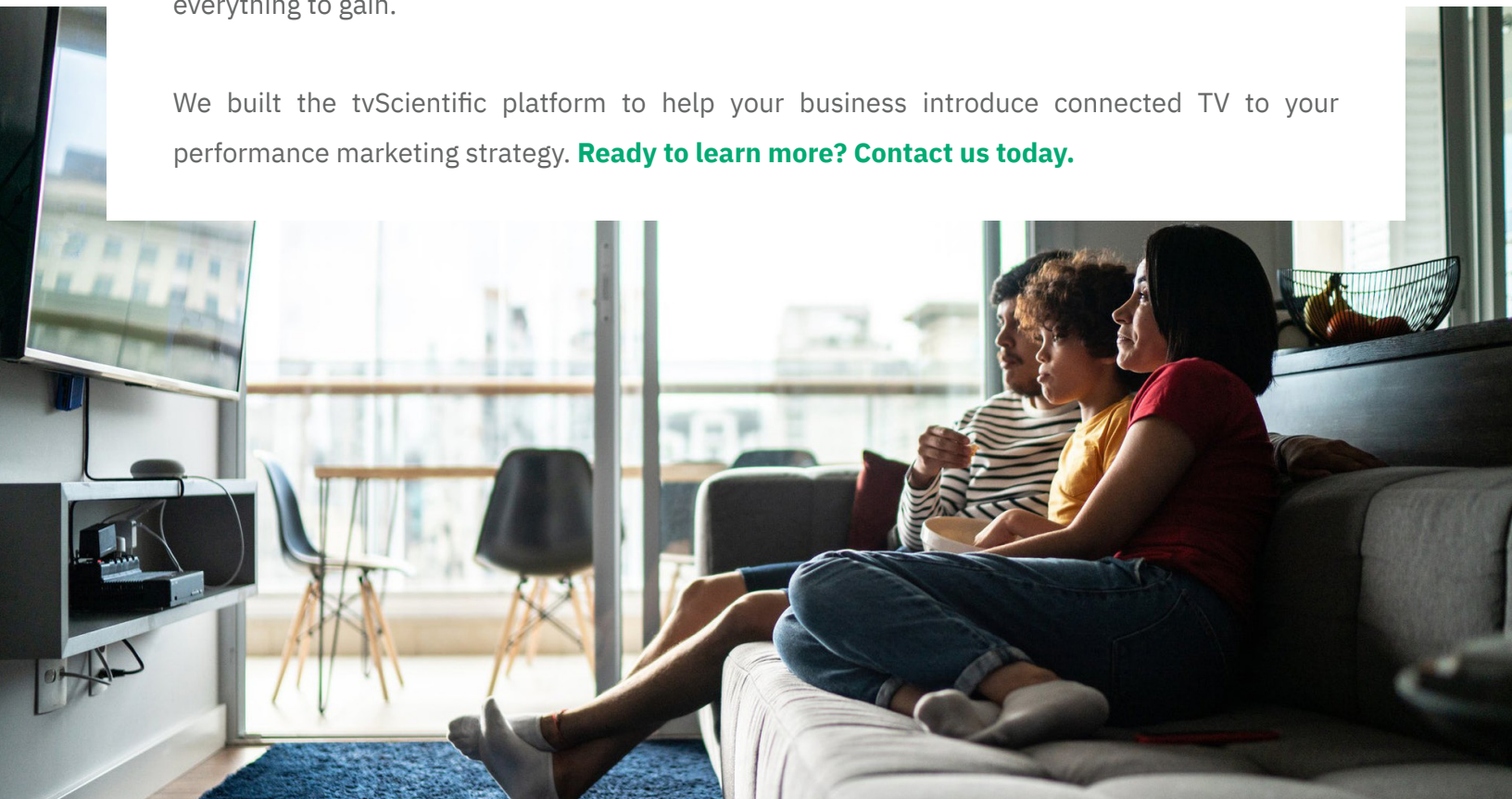
# Conclusion

Television advertising didn't always make sense for brands that weren't already household names. In those days, the best possible outcome from a mind-bending ad spend would be a boost in brand affinity or brand lift. But as we've seen, linear TV isn't the only game in town today. Over the top content dominates viewership, consumers show a strong preference for smart and connected TV devices, and ad-supported streaming services are wildly popular.

Connected TV has turned television advertising into an extremely powerful performance channel. From the deep-seated familiarity of commercial advertising breaks to the ingrained behavior of second screen engagement, audiences today are perfectly primed to accept, understand, and even appreciate TV and streaming ads.

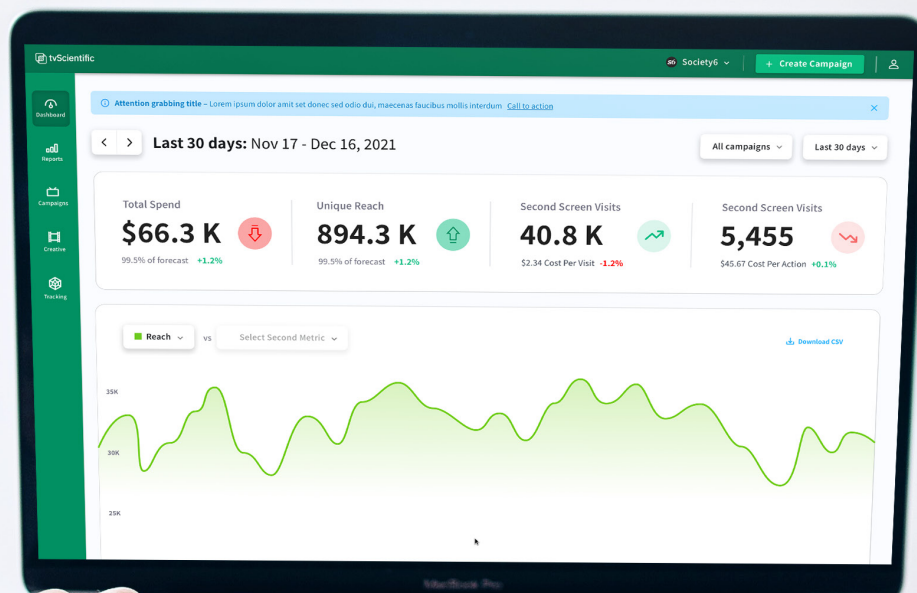
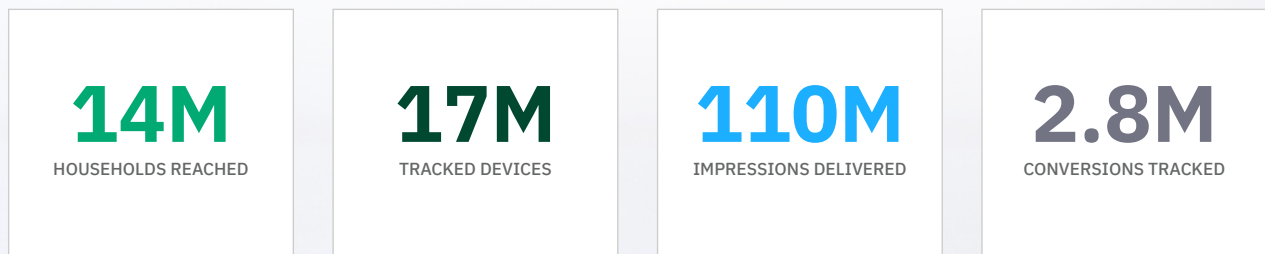
For advertisers, CTV represents an unprecedented business opportunity. Not only does it democratize brand affinity and recall for smaller companies in much the same way linear TV once did for the major players, but it also leads to more engaged consumers making more purchases from brands they see advertised. It's also proven to be more cost-effective than entrenched channels like Facebook and Google. In the end, that pathway toward positive performance metrics and increased ROI means advertisers that adopt CTV as a performance advertising channel have everything to gain.

We built the tvScientific platform to help your business introduce connected TV to your performance marketing strategy. [Ready to learn more? Contact us today.](#)



# About tvScientific

tvScientific is the first performance advertising platform built for the connected TV. The tvScientific platform combines the power of television and the precision of digital marketing to deliver measurable impact for any business that requires a person to make a purchase or take an action. tvScientific offers a self-managed solution for performance marketers, making test-and-learn agility possible in the TV space. The platform uses proprietary, deterministic ID technology to segment and target consumer audiences at scale, while its dashboard gives marketers access to real-time reporting, including pinpoint-accurate attribution and ROAS calculations. An Idealab company, tvScientific was co-founded by senior executives with deep roots in programmatic advertising, digital media, and ad verification. The company is headquartered in Pasadena, California. For more information, visit [tvscientific.com](https://tvscientific.com).





The first performance platform for CTV  
performance that combines the power of television + the  
precision and measurability of digital marketing.

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