

The A to Z

of CTV

& OTT

Your Creative Guide to the
Newest Performance Channel



QuickFrame

Streaming television is at an all-time high. As we've developed a newfound familiarity with our living room couches, at-home content consumption has surged to new heights.

1. The Trade Desk, The Future of TV Report, January 2021.
2. Adweek.

According to The Trade Desk, 2020 was the first year marketers could reach more US households on streaming TV than traditional cable. Shortly after the first round of stay-at-home orders, Nielsen reported a 61% increase in streaming via conventional TVs. On average, US adults spent 1:12 minutes per day consuming streaming content in 2020—a 33.9% YoY increase, according to eMarketer.

With few other sources for entertainment available as we battled the coronavirus pandemic, these changes in behavior are not surprising. Importantly, they mark a seismic industry shift.

Attracted by the lower prices and flexibility that streaming services offer, 27% of US cable subscribers plan to cut the cord in 2021, up 15% from last year.¹ By the end of this year, 4 out of 5 US households will be reachable by CTV.

Though CTV/OTT may have been dominated in recent years by Millennials and Gen Zers, the streaming landscape is rapidly diversifying. What's particularly unique about streaming audiences is that they are more receptive to advertising than traditional viewers. In exchange for affordability, audiences have warmed to ad-supported programming.

The opportunity for marketers is abundantly clear—and advertisers are moving fast. According to Advertiser Perceptions, 66% of advertisers plan to increase their streaming budgets in the next six months.²

With audiences and your competition flocking to the channel, the time to crystallize your CTV/OTT marketing strategy is now. If you're reading this, you're probably already convinced, so we've compiled some pointers for you to best take advantage of this brand-friendly channel.

HERE'S WHAT WE'LL COVER IN THIS GUIDE:

- Key terms and definitions so you can make sense of all the acronyms
- How targeting and measurement work
- Creative tips for your video ads
- Multivariate creative testing: step-by-step

Let's roll.

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GLOSSARY OF TERMS

Acronyms Abound

Marketers use a lot of acronyms and the streaming space is especially stuffed with them. Here are some core definitions to keep you oriented.

Over-the-Top (OTT)

This translates to the act of streaming television and film content over the internet. Audiences can consume OTT content on any device that has an internet connection, including TVs, laptops, and phones.

Connected TV (CTV)

This is any TV that can connect to the Internet. This is the most popular way that audiences stream OTT content, whether it be from an OTT device connected to a TV (e.g., Xbox, Amazon Fire Stick) or an OTT app (e.g., Netflix or Hulu) on a Smart TV (e.g., YouTube TV, Roku).

Linear TV (LTV)

The traditional way of consuming television content, most often with a satellite or cable connection. Viewers have to watch a program at a specific time or must record content to watch at a later time. “Cord cutting” refers to individuals that are abandoning their LTV subscriptions in favor of streaming.

Addressable TV (ATV)

The ability to show different advertisements to different households watching the same program via set-top boxes, cable, or satellite. This sounds a lot like what’s possible on CTV/OTT, but ATV refers to targeted advertising on linear TV.

Video on Demand (VOD)

Any service that allows consumers to watch programming on an on-demand basis, inclusive of OTT, CTV, and content distributed via select cable or satellite services (e.g. DirectTV Cinema or Xfinity On Demand).

Advertising-based Video on Demand (AVOD)

In exchange for free content, consumers agree to watch advertisements (e.g., Tubi TV).

Subscription Video on Demand (SVOD)

This is similar to traditional TV packages, allowing subscribers to watch as much content as they would want for a flat rate. Common SVOD providers include Hulu, HBO Max, Amazon Prime Video, and Netflix. Not all of these services are ad-supported.

Transactional Video on Demand (TVOD)

Users purchase content on TVOD services on a pay-per-view basis (e.g., renting a movie on Apple TV).

TV Everywhere (TVE)

This refers to streaming video content from television channels. Users are required to authenticate a channel subscription before watching content either live or on demand through a streaming app.

Virtual Multichannel Video Programming Distributor (vMVPD):

We know, it's a mouthful. vMVPD services are an aggregate of traditional linear TV viewing and on-demand streaming, allowing users the option to flip through channels to watch live or on-demand

programming. Common vMVPD providers are Sling TV, Pluto TV, Philo, PlayStation Vue, Hulu Live TV, and YouTube TV. It's a popular option with cord cutters that want to retain access to select cable channels, particularly sports networks.

Demand-side Platforms (DSP):

DSPs allow marketers to purchase ad space across many ad exchanges, sometimes via a real-time bidding process. Popular DSPs with OTT inventory include Amazon, Roku, and Xandr.

Dynamic Ad Insertion (DAI):

A server-side technology that allows for the seamless insertion of ads into VOD content and linear programming.

Server-side Ad Insertion (SSAI):

The process by which ads are seamlessly inserted into long-form streaming content. This technology creates a broadcast-like viewing experience for the viewer.

SubRip Subtitle File (SRT files):

A plain-text file that contains information about your video ad's subtitles, including time codes. It's standard practice to include SRT files along with your video creatives for closed captioning purposes.

View-through Rate (VTR):

A metric used to measure video creative performance on certain OTT channels. Because a majority of ad-supported streaming features non-skippable ads, VTR can reach 100% depending on where you advertise.

TARGETING AND MEASUREMENT

Over the past few years, the bulk of brands advertising on CTV and OTT have primarily been traditional TV advertisers repurposing broadcast-quality content to reach an audience that was unreachable on linear. However, the channel's capacity for targeting and outcome-based measurement makes it a natural fit for digital-first, performance-oriented marketers.

Targeting

The targeting and retargeting capabilities of CTV/OTT are akin to that of digital marketing channels like social and search. With the integration of third-party data clouds and platform first-party data, you can isolate audiences based on a wide array of identifiers, including behaviors, interests, and demographics.

CTV and OTT allow you to target by:

- Device ID
- Geography
- Time of Day
- Demographics
- Interests
- Platform
- Previous Exposure to Brand or Ad

Measurement

Unlike linear TV, ads on CTV and OTT are delivered via the internet, making it possible to identify household IP addresses. Most modern measurement and attribution systems will then track all devices within a household using the same IP address.

Because OTT content is most often consumed on a television screen, a cross-device solution is imperative for attribution. Once a user is exposed to your ad, their "second-screen" behaviors can be measured and desired outcomes (e.g., app downloads, website visits, purchases) can be logged.

Of particular note is that because content delivery and household activity is managed via IP addresses, marketers will be able to continue measuring CTV performance even as data privacy laws are enacted and the third-party cookie is phased out.

Q&A: CTV Attribution

Jason Fairchild
Co-Founder & CEO
[tvScientific](https://www.tvscientific.com)



What are the core advantages of CTV?

CTV is built on the IP based delivery of content, just like search, social, and other digital channels. Therefore, as the CTV ad channel evolves, it will have very similar measurement capabilities as digital. CTV allows marketers to execute targeting and measurement outcomes just like they do for digital, whether the outcome is a website visit, purchase, or a download.

How do measurement and attribution work?

First off, CTV measurement and attribution needs an entirely new vocabulary. No more bad words like “reach and frequency”.

Measurement and attribution in CTV should work very similarly to digital. At tvScientific, we think about it this way:

- **Target your audience.** We use digital-like targeting capabilities to zero in on an audience. This includes 15,000 third-party data segments (behavioral, demo, interest), as well as the ability to target first-party audiences (e.g. for CTV retargeting).
- **Deliver the ad.** We do this via direct access to hundreds of premium publishers, including all of the usual suspects.
- **Identify the IP address.** We deterministically identify the household IP address.
- **Identify devices in the household.** We use multiple

technology partnerships to identify devices (laptops, tablets, smartphones) in the “exposed” CTV household.

- **Assemble** an “exposure” file containing all of the household signals where the ad ran.
- **Compare** the exposure file with the “outcome file”, which can be a website visit, purchase, download activation, form fill, etc.

In the end, marketers will see the actual performance of CTV ads based on measurable “second screen behaviors”. And most of this is IP based, so the coming IDFA (Identifier for Advertisers) and cookie issues will not impact this unique approach.

What is your top tip for advertising on CTV/OTT this year?

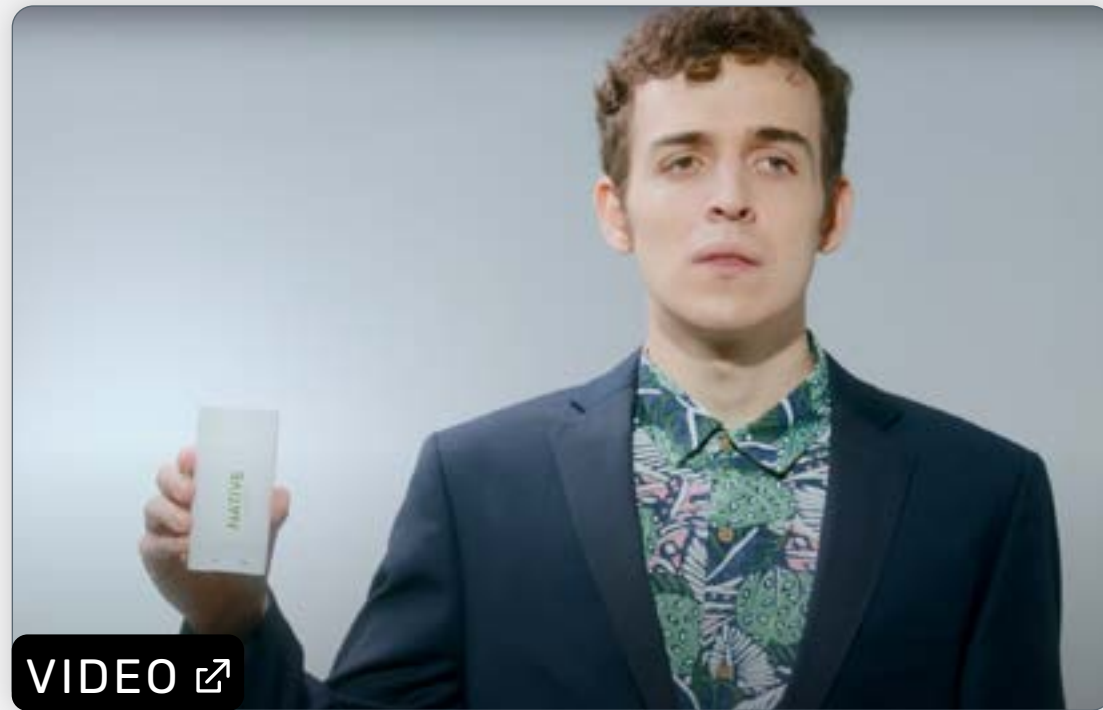
Marketers must approach CTV as a performance marketing channel vs. a “reach and frequency” awareness medium. This is a fundamental shift in thinking and requires a new approach with CTV-first tools and platforms.

At tvScientific, we think about a “creative progression” that starts with optimizing for social platforms; then progressing to CTV with the highest performance ads and audience combos; then optimizing for CTV (audience + programming/context + creative); and then scaling the winning combinations to traditional linear.



CTV & OTT Creative Tips and Best Practices





↑ Creating multiple versions of your concept using different talent helps you target your audience segments with hyper-relevant creatives.

Adopt an Audience-First Strategy

CTV/OTT is a performance channel that holds the same targeting and testing capabilities as other digital marketing channels.

When planning a campaign, thread in these channel advantages to design unique video creatives for each of your specific audiences. Keep in mind, audiences are more likely to respond to video ads that feel personalized.

At the top of your campaign, identify your core audiences. For live action projects, cast talent that your target

demographics will find relatable. Iterate scripts that address each buyer persona individually, calling out your most relevant value propositions.

Many brands feel like they don't have the resources to produce multiple versions of CTV/OTT creative. However, if you design your video production plans with audience-specific iterations in mind, you can streamline production (like capturing all of your footage in a single shoot, for example) and get a number of unique deliverables without blowing your budget.

Grab Attention Early

Even though much of the CTV/OTT inventory consists of non-skippable ads, you still need creative that captures your audience's attention. No matter the device that is streaming, viewers have many distractions to turn to during commercial breaks—their phone, other tabs, grabbing a snack, etc.

Much like you would with social creative (particularly skippable videos), apply particular focus to the first 3-5 seconds of your video ad. Consider all of the creative ways you can leverage the stylistic tools of video—sight,

sound, and motion—to hook your viewer.

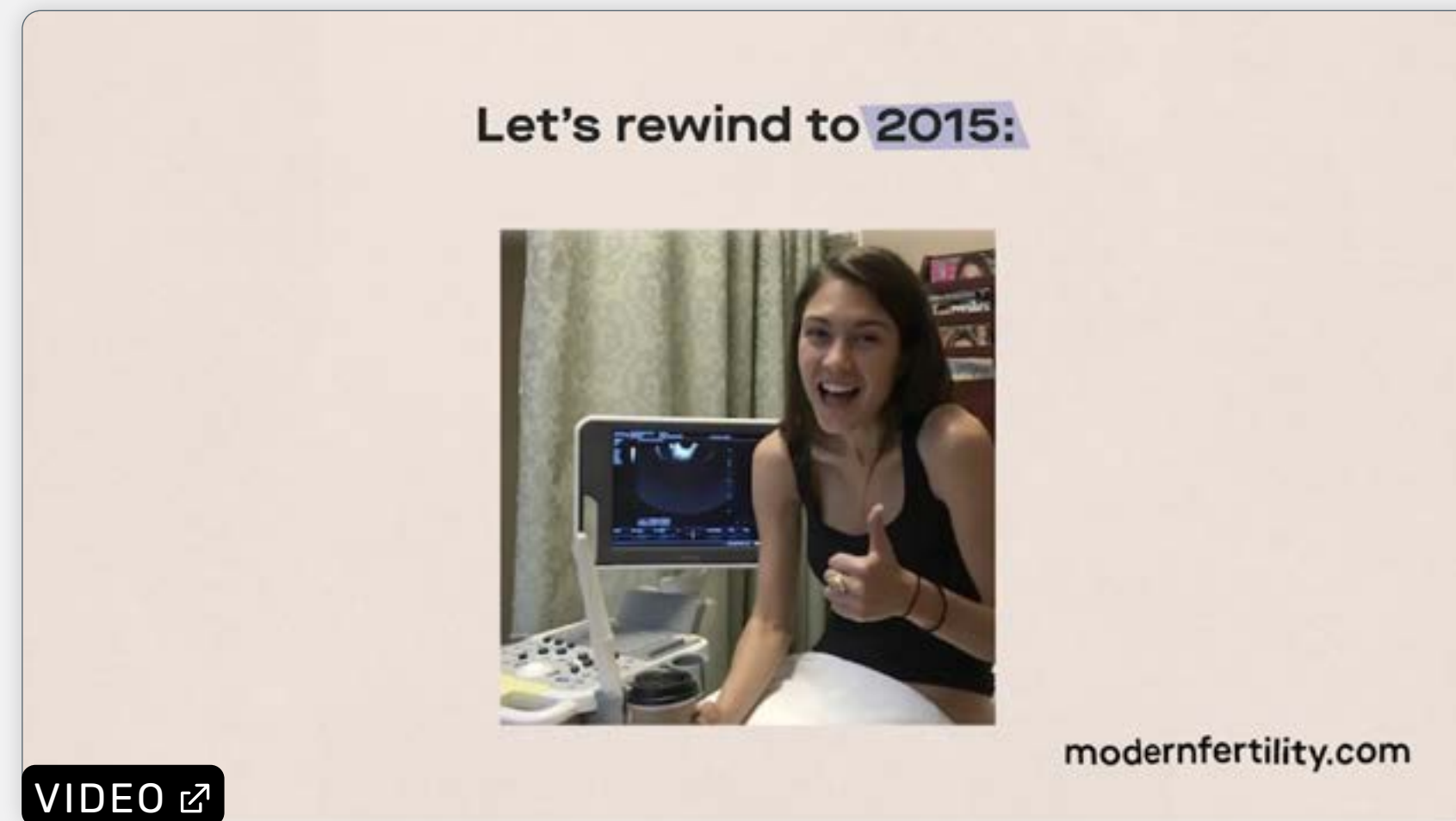
Some viewers will instinctively hit mute once it's time for the ads to roll, so think visually first. Start your video with eye-catching frames so you don't miss an early opportunity to land a brand impression.

Once you figure out the visual journey over your spot's first 5 seconds, you can then layer in the element of sound. Think about how SFX, music, or VO can help craft a captivating first impression.



↑ Eye-catching video styles like stop motion can lure viewers away from distractions.

Craft a Narrative



↑ This Modern Fertility ad quickly tells the brand's origin story using only still assets, motion graphics, and voiceover from the co-founder.

The streaming environment is one of narrative—no matter the genre of content being consumed, storytelling is at its core.

The same notion must be applied to your CTV and OTT creative. Aim to tell a cohesive story in the time allotted, even if it's as little as 15 seconds.

The human brain craves narrative. It's how we make sense of the world and

how we retain information. Telling a clear story in your creative ensures your messaging lands—in the sense that it's both understood and remembered.

Storytelling doesn't have to reside in the verbal. Though dialogue or voiceover make a lot of sense in the streaming realm (given that they drive pretty much all TV programming), be sure to also take your viewer on a supporting visual narrative that can hold its own.

Always Feature Core Offerings and Values

Most marketers assume that CTV/OTT is purely a brand play because the channel lacks granular targeting and retargeting capabilities. In most cases, this is simply not true. CTV/OTT is a performance channel where lower-funnel, direct-response advertising is a viable option.

However, you need to take a specific approach to product- or conversion-oriented creative—one that is distinct from product marketing on social channels.

Because CTV co-watching within a single household is common, you must make sure to always introduce yourself to potential new customers. In audience- or product-oriented creatives, carve out space to also focus on your core values and offerings.

That way, your DR-focused creative will be doing double duty: converting customers while building awareness with new ones.



↑ Even in audience-specific creative, be sure to zoom out in your narrative to relate to a broader audience.



↑ Animation is a great style choice for brands that sell services, apps, or tech.

Explore Different Styles

The streaming environment is hospitable to pretty much the full array of [video styles](#), including live action, animation, stop-motion, and post-production.

There are two paths you can take with your CTV and OTT creative: original production (animation or live action) or generating new creative using existing assets and post-production techniques.

The live action approach is a great way to create talent-centric video and bring your product or service to life. With

animation, you can unlock any aesthetic that feels right for your brand.

A post-production approach is often the most cost-effective way to generate CTV/OTT creative. Using motion graphics and editing techniques, you can animate and repurpose existing assets into a narrative with any message.

Whichever stylistic approach you adopt, be sure to captivate from the start, paint a clear narrative, and adopt a visual identity that feels brand-aligned.

Repurpose Content

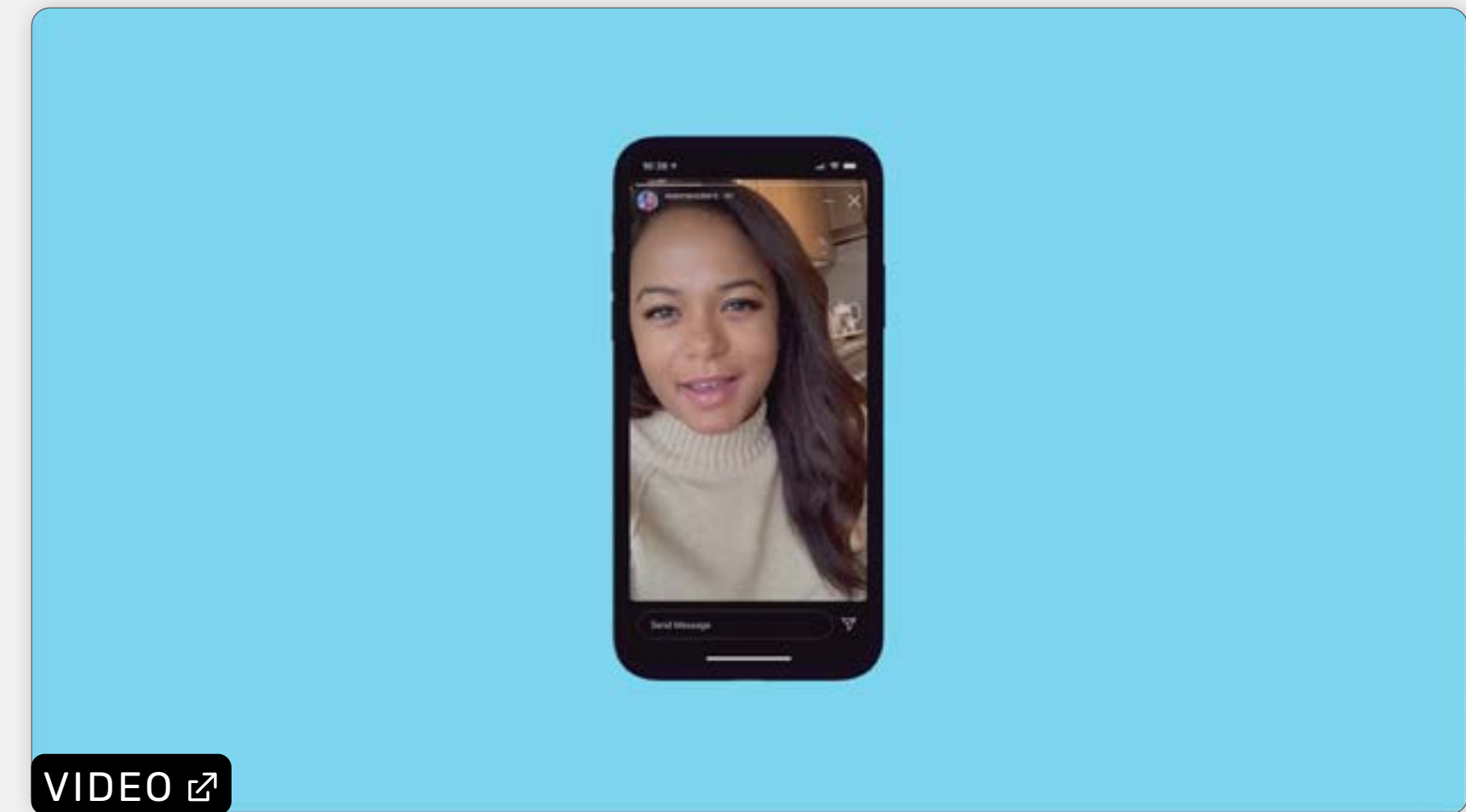
Most marketers assume that you need high-polish, broadcast-quality creative to advertise on CTV and OTT. However, the past year has shifted consumer expectations significantly when it comes to the type of content that feels native on large screens.

The coronavirus pandemic has thrust remote and self-production into the spotlight, acclimating audiences to lower-gloss content shot with personal devices. As a result, video ad formats like UGC (User Generated Content) that may have once felt foreign on streaming platforms are now a natural fit.

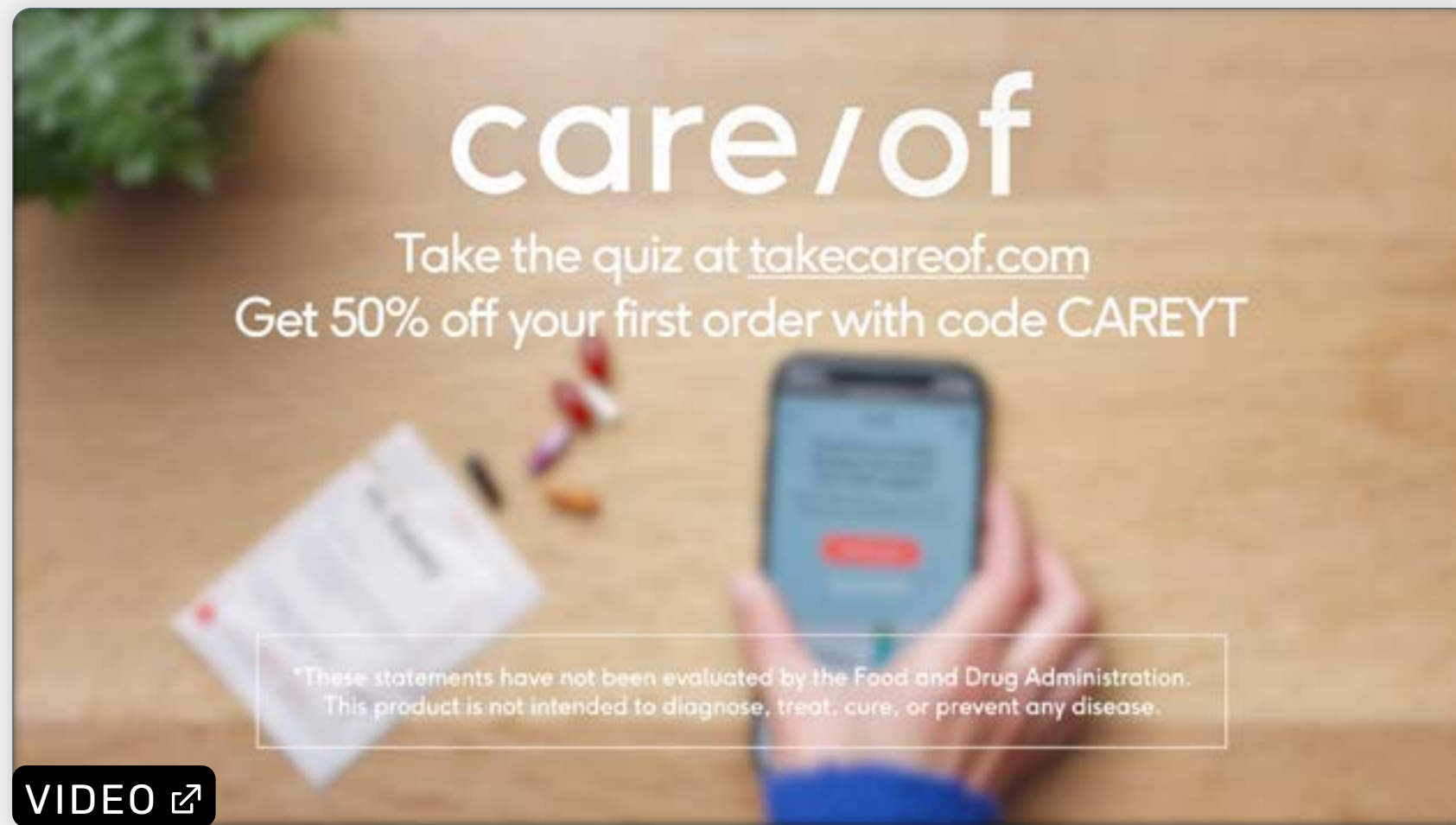
Repurposing paid social content is an extremely affordable way to leverage

existing assets into CTV/OTT video ads to significantly broaden your reach. With motion graphics and animation, you can rework your 9:16 (or 4:5 or 1:1) oriented content into creative that's fit for a 16:9 frame.

The notion of repurposing goes both ways. When conceptualizing your CTV/OTT creatives, think about how you can squeeze the most value out of your investment. Your video ads may work as-is on linear TV or eCommerce sites (including your own). For other channels—including social—[a skilled editor](#) can rework your creative into various cut downs for smaller screens, new aspect ratios, and different runtimes.



↑ You don't need to produce net-new live action creative to run on CTV/OTT. Using post-production editing techniques, you can repurpose existing video creative—including ads you ran on social.



↑ A clear CTA communicates the next step to the consumer and can help with attribution.

Implement a Clear CTA

Even if your goal is purely awareness, you want to always ensure that you are paving a clear path for a consumer's continued journey with your brand. Employing a straightforward CTA that directs your audience with a next step encourages immediate action.

We're all multitaskers and the majority of people watch streaming content with a digital device in hand or nearby.

Consider keeping your logo and URL present throughout your video ad to tap into the channel's direct-response capabilities.

A CTV/OTT-specific CTA can also help with attribution when it comes to measuring performance. Create a new landing page to pair with your creative and drive traffic with an easy-to-remember URL or coupon code.

Conduct Creative Testing

With opportunities for retargeting and the ability to adjust in-flight, CTV/OTT is a performance channel. To fully take advantage of this positioning, implement a testing plan to methodically experiment with creative approaches.

Many marketers operate under the assumption that a broadcast-quality video ad is an expensive undertaking, and that producing multiple creatives is out of the question when working with certain budgets. That's simply not the case.

You can solve for [video production cost drivers](#) by streamlining your pre-production process. Simply identifying the intention to do creative testing at the beginning of your campaign will save you money when it comes to concepting

and production costs. Instead of having multiple shoots, for example, you can capture all of the footage you will need in a single day.

Producing various concepts (e.g., lifestyle-focus vs. product-focus) is a high-level approach to creative testing. But know that you can—and should—get granular in your variable testing, playing with attributes such as length, shot order, messaging, voiceover, and more.

Iterative creatives can be produced simply through post-production editing techniques. Because most of the heavy lifting is already done, the editing process can be as quick as 24 hours, unlocking agility in your CTV/OTT creative testing.



↑ Nurx simultaneously tested two different conceptual approaches: Explainer vs. Testimonial Style.

Q&A: CTV/OTT Advantages

Jesse Math

VP Planning & Platforms, OTT Lead
[Tinuiti](#)



What is your top tip for advertising on CTV/OTT this year?

Do it. The consumer's media consumption habits have changed, and advertising media mixes need to evolve along with them. 57% of advertisers say that OTT is their top priority channel for the year. Many TV advertisers and digital DTC brands have already begun testing audiences, creatives, publishers, and measurement opportunities in the space. Advertisers not diversifying their media mix and testing into OTT/CTV will soon be at a disadvantage if they do not begin now.

What are the core advantages of the channel?

There are 5 core advantages of the channel:

1. **Scale.** More US adults will use ad-support OTT than will use Instagram in 2021.
2. **Addressability.** The same 1P & 3P data put to use in other channels can be applied to TV screens. We're talking retargeting your site visitors, your email lists, your lapsed customers, and thousands of 3P data segments.
3. **Measurability.** Closed loop attribution is possible today. We are answering the question of "how many HHs that were exposed then went to your site, downloaded your app, made a purchase, or walked into your store—and what was the ROI of the campaign?".
4. **Cost.** Yes, this is a more expensive medium on a CPM basis, but it is targeted and non-skippable. The benchmark per targeted completed view is ~\$.03, which is about half the benchmark of YouTube.
5. Potentially most importantly—**Impact.** When we are talking about OTT, we're talking about sight, sound, and motion. 100% share of screen, sound on, fully viewable, and on the largest screens in the house. What better format to deliver your brand's reason to believe or urgency sale messaging to connect with consumers?

What are some common misconceptions about CTV/OTT?

That CTV/OTT is only for awareness. CTV/OTT today is scalable, targetable, and measurable. If the TV screen were only for branding, why is every mattress company on TV every Labor Day, pushing consumers to shop their Labor Day Sale now? Brands are executing advanced, addressable targeting strategies on OTT and measuring the results. It is absolutely a powerful channel for branding, but it's also a powerful channel for performance, and there are unique approaches to the channel depending on the objective.

What kind of brands find the most traction on CTV/OTT?

Up to 200M US Adults are using ad supported OTT in 2021. Brands that value running on channels where their audience spends time should strongly consider CTV/OTT. CTV/OTT is not designed to be a last touch channel, so brands that perform best are brands that have a great foundational media plan in place. The consumer is going to go to Google after seeing the CTV ad and search for your brand. Or, your next Paid Social ad or Email is going to resonate that much more after the exposure to your message in sight, sound, and motion. So if your Search, Social, and Email channels are in good shape, or if you have hit diminishing returns in traditional TV, you'll be in good shape to perform well in OTT.



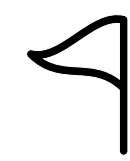
Creative Testing: Step-by-Step

To harness the full potential of advertising on CTV and OTT, you need to adopt a performance marketing testing strategy to identify the creative approaches that work best for your brand's target audiences.

In today's highly saturated content landscape, running one or two ad creatives at a time simply won't cut it. You need to simultaneously solve for increasing competition from industry rivals and decreasing attention spans in an environment that rewards hyper-relevance.

Infusing your approach to CTV and OTT creative with a multivariate testing strategy can turn costly trial and error into methodical testing.

Here's a step-by-step process of how you can generate—and affordably execute—a creative testing plan to zero-in on the variables that work at commanding action and driving your KPIs.



STEP 1: IDENTIFY YOUR GOALS

At the top of your campaign, you want to identify all of the different factors that will influence your creative concepting and video production process. The more specific and organized you are at the beginning, the more likely you are to stay on track and on budget.

Things to specify include:

- KPIs
- Target audiences
- Placements you intend to purchase (which will dictate video aspect ratios and lengths)
- Learnings you want to generate

Your creative direction will be heavily influenced by these factors, so be thorough in your pre-production planning.



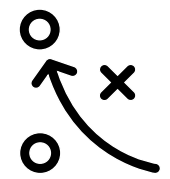
STEP 2: GATHER HISTORICAL LEARNINGS

Take a look at your historical creative performance and identify top-performing and low-performing creative. See if you can identify commonalities amongst both sets of creatives.

You don't need to have run on CTV or OTT before (or even have video assets) in order to generate learnings. Looking at the performance of still image assets or creative on other channels will also surface insight.

Having a robust understanding of your brand's historical performance ensures that you're not starting from scratch when structuring your testing plan. Take what's worked for your brand in the past, and use that as a foundation for your future campaigns.

Executing your first-ever campaign or don't have many historical assets to analyze? Focus on your competitors, instead. Do an industry audit to spot patterns and creative trends that seem to be delivering for your competition. Flag standout creative approaches to generate some starting points that you can build on in your own creative concepting.



STEP 3: STRUCTURE A TESTING AND PRODUCTION PLAN

Build a multi-month testing plan that identifies several concepts and creative attributes that you'll methodically test. QuickFrame recommends testing just a couple of concepts at a time and isolating one or two variables in each round.

Examples of concepts you may want to test are:

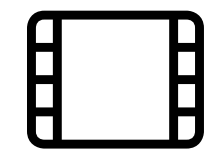
- Talent vs. No Talent
- Live Action vs. Animation
- Customer Testimonial vs. Lifestyle
- Product Focus vs. Brand Focus

Creative variables/attributes you may be interested in including:

- Messaging/Value propositions
- Number of talent
- Talent look/age/sex
- Order of shots
- Inside vs. Outside
- Location

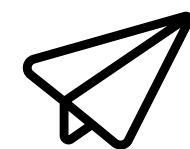
Once you've identified the concepts and variables you want to test, build an exhaustive shot list. This list will

be the building blocks of the video ads you'll create for your entire campaign.



STEP 4: CAPTURE YOUR FOOTAGE

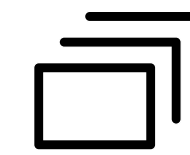
With concepts and creative variables identified—and a shot list built—you're ready to head into production. Thorough pre-production planning can maximize your budget. Aim to capture all of the footage you'll need for the entire multi-month campaign in a single shoot.



STEP 5: LAUNCH YOUR CAMPAIGN AND MONITOR PERFORMANCE

After your shoot, edit together your first set of creatives and launch your campaign. In the first round, test broad, focusing on high-level attributes like concept.

Let your creatives run for a predetermined period of time and track performance. Identify the winners—these will be carried over into the next round.



STEP 6: ITERATE

Take the winning creatives from the first round and iterate on them. Using your testing plan, identify the variables you want to test in the next round. Then, edit your creatives to test for these variables.

Because you captured a library of footage in your initial shoot, you can swap out shots with ease just using post-production editing techniques. Since no additional shoots are required, new assets can be turned around in just 24-48 hours.

Once the next round of creative is ready, publish!



STEP 7: REPEAT

Each week as you monitor performance, you grow your library of data, learning which creative attributes work best for your brand on every platform. Round by round, test iterative creatives and home in on the concepts and production variables that work best with your audiences.



QuickFrame

Self.

Fintech company Self had an incredibly tight timeline to produce OTT assets, with strict guidelines on location. We found an experienced local production company that was able to generate multiple videos—including A/B testing for two concepts—on a tight budget in a few short weeks.

[SEE THE RESULTS](#)