QuickFrame

# The A to Z of CTV & OTT

Your Creative Guide to the Leading Performance Channel

### **INTRO**

# Reach Your Audience in Their Favorite Spot: The Couch

As we've developed a newfound familiarity with our living room couches, streaming consumption has surged to new heights. In mid-2022, in fact, <u>streaming outperformed</u> cable for the first time.

Attracted by the lower prices and flexibility that streaming services offer, <u>pay TV lost</u> 5.8 million net video subscribers in 2022, up from a loss of 4.7 million in 2021. By the end of 2023, a <u>Statista study</u> estimates there will be 111 million CTV households (out of a total of 132 households).

Though CTV and OTT were previously dominated by younger generations, the streaming landscape has diversified—but that's not even the best news. Streaming audiences are more receptive to advertising than traditional viewers. In exchange for affordability, audiences have warmed to ad-supported programming.

With audiences—and your competition—flocking to CTV and OTT, it's time to solidify your video marketing strategy for the biggest screen in the house.

In this guide, we'll cover:

- How targeting and measurement work
- Creative tips for your video ads
- A step-by-step guide to multivariate creative testing

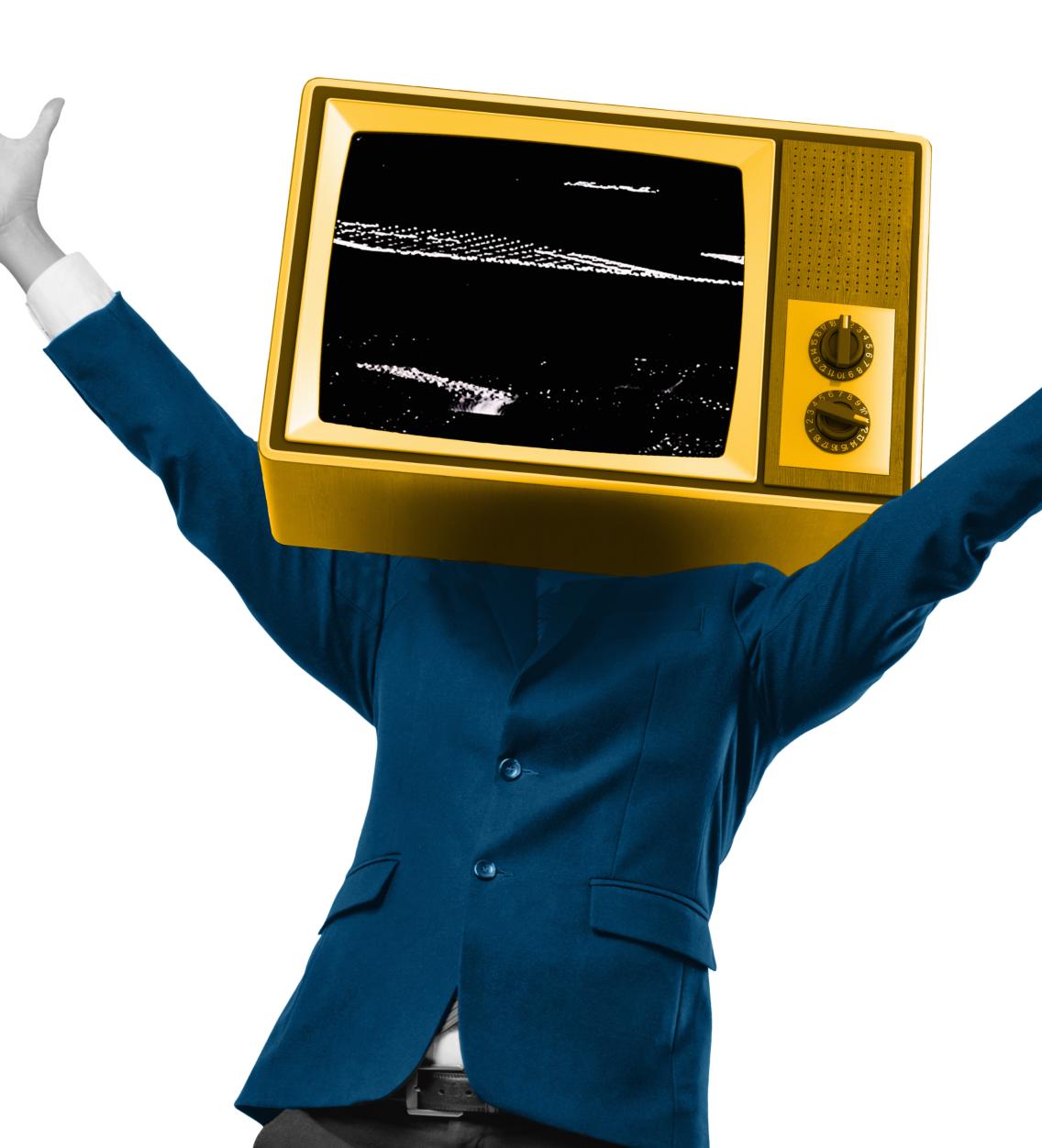
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Marketers use a lot of acronyms, and the streaming space is especially stuffed with them. Here are some core definitions you'll see throughout this guide:

### **Connected TV (CTV)**

This is any TV that can connect to the Internet. This is the most popular way 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).

### 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 with an internet connection, including TVs, laptops, and phones.

### **Linear TV (LTV)**

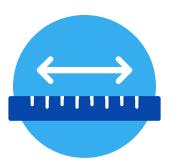
The traditional way of consuming television content, most often with a satellite or cable connection. Viewers have to watch a program at a specific time or must record content to watch at a later time. "Cord cutting" refers to individuals who are abandoning their LTV subscriptions in favor of streaming.

### 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).

### **Performance TV (PTV)**

Performance TV brings the living room quality look and feel of legacy Linear TV ad creative and combines it with the reporting and performance power of digital marketing channels. Think of it like Google and Facebook but, you know, for the biggest screens in your house.



# Targeting and Measurement

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



According to a MNTN Research report, 83% of US TV viewers watch with another screen, such as a phone, tablet, or laptop.

# **Targeting**

The targeting and retargeting capabilities of CTV/ OTT are similar to digital marketing channels, like social and search. Integrating third-party data clouds and first-party data allows you to isolate audiences based on a wide array of identifiers, including behaviors, interests, and demographics.

CTV and OTT allow you to target by:

Device ID Interests

Platform Geography

Time of day Previous exposure to a specific ad

Demographics

### 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 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 your desired outcomes (e.g., app downloads, website visits, purchases) can be logged.

Since the content delivery and household activity is managed via IP addresses, marketers can continue measuring CTV performance even as data privacy laws evolve and the third-party cookie phases out.



## Adopt an Audience-First Strategy

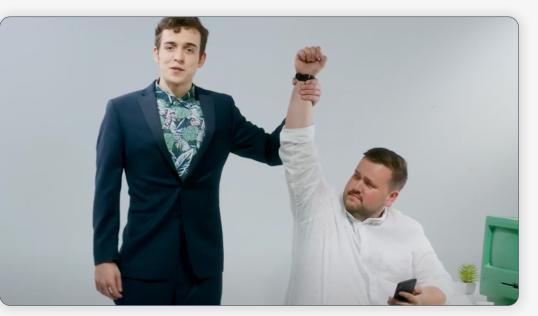
Since CTV/OTT is a performance channel with the same targeting and testing capabilities as other digital marketing channels, you have to center your audience.

At the top of your campaign, identify your core audiences and keep in mind audiences are more likely to engage with video ads that feel personalized. For live action projects, cast talent who your target demos will find relatable. Then, iterate scripts to address each audience individually, calling out your most relevant value propositions.

Many brands feel like they don't have the resources to produce multiple versions of CTV and OTT creative, let alone enough to reach each of their individual buyer personas. 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 several unique deliverables without going over budget.

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

**Version A** 



**Version B** 





## **Grab Attention Early**

Even though much of the CTV and OTT inventory consists of non-skippable ads, you still need the right creative to capture your audience's attention. No matter the device, viewers have many distractions to turn to during commercial breaks, including other devices, another tab, and grabbing a snack from the kitchen.

Much like you would with social creative (particularly skippable videos), apply particular focus to the first 3 to 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.

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





### **Craft a Narrative**

The streaming world is centered around narratives. No matter the content being consumed, storytelling is at the core, so the same notion must be applied to your CTV and OTT ad 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.

When crafting your story, remember it doesn't have to be inherently verbal. While dialogue and voiceover promote the story (and often fit into what streaming viewers expect), be sure to also take your viewer on a visual storytelling journey.

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





# Always Feature Core Offerings and Values

Often, marketers assume CTV and OTT ads are only effective for branding goals. This belief often stems from an experience with linear TV, where there was a deficit of targeting capabilities. But CTV/OTT is different.

CTV/OTT is a performance channel where lower-funnel, direct-response advertising is a viable option. To optimize this strategy, it's critical to carve out space to focus on your core values and offerings.

Because CTV co-watching within a single household is common, you must make sure to always introduce yourself to potential new customers. This allows your direct response creative to do 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.





# **Explore Different Styles**

The streaming environment is hospitable to a wide array of video styles, including live action, animation, and stop-motion.

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 the right aesthetic for your brand.

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

No matter which stylistic approach you choose, be sure to follow the relevant best practices, including captivating your audience from the beginning, painting a clear narrative, and adopting a visual identity that feels brand-aligned.

**Animation** is a great style choice for brands selling services, apps, or tech.





### **Repurpose Content**

Most marketers assume you need perfectly polished, broadcast-quality creative to advertise on CTV and OTT. However, the past few years have shifted consumer expectations significantly when it comes to the type of content that feels native on large screens.

The COVID-19 pandemic put remote and self-production at the forefront of video marketing and advertising, acclimating audiences to lower-gloss content shot with personal devices. As a result, video ad formats like UGC (user-generated content) now feel natural on the platform.

While we used to start with TV ads and repurpose them into social content, the process is swapping. Today, brands are using social media—<u>especially TikTok</u>—as a video marketing testing tool. 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 fit for a 16:9 frame.

Still, the notion of repurposing goes both ways. When concepting 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). 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.





## Implement a Clear CTA

Even if your goals are purely awareness-based, it's still critical to provide your viewers with a clear path forward through a call-to-action (CTA). Employing a straightforward CTA can direct your audience and encourage them to take immediate action.

Since the vast majority of people watch streaming content with a digital device in hand or nearby, consider keeping your logo and URL present throughout your video. This helps your ad tap into the channel's direct-response capabilities.

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

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





## **Conduct Creative Testing**

With opportunities for retargeting and the ability to adjust in-flight, CTV/OTT is a performance channel—that's why we also refer to it as <a href="Performance TV">Performance TV (PTV)</a>. To fully take advantage of this positioning, implement a testing plan to methodically experiment with creative approaches.

Many marketers assume broadcast-quality video ads are an expensive undertaking. While it can be (and traditionally has been), you can solve video production cost drivers by streamlining your pre-production process.

Simply identifying the intention for 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, which is where you should start. Then, as you continue testing, you can and should—get granular in your variable testing. The more granular you get, the more you can begin playing with attributes such as length, shot order, messaging, voiceover, and more.

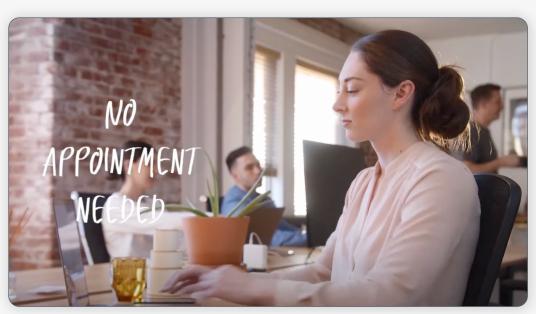
Iterative creatives can be produced through post-production editing techniques. Since most of the heavy lifting is already done, the editing process can be as quick as 24 hours, unlocking agility in your CTV and OTT creative testing.



# **Conduct Creative Testing (Cont'd)**

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

**Explainer** 



**Testimonial** 



# **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 throughout the year simply won't cut it. You need to simultaneously solve for increasing competition from industry rivals and decreasing attention spans.

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 commanding action and driving your KPIs.

## **Step 1: Identify Your Goals**

At the top of your campaign, you need to identify the different factors influencing 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:

- Key performance indicators (KPIs)
- An initial campaign timeline
- Target audiences
- Placements you intend to purchase (this 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 and identify both high- and low-performing creative to see if you can identify commonalities.

Even if you're planning your first CTV/OTT campaign, you can still use learnings from image-based ads. These insights can help you create an effective jumping-off point for your first video campaign.

A robust understanding of your brand's historical performance ensures 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.

If you're executing your first-ever campaign or don't have a lot of historical assets to analyze, you can focus on your competitors. Do an industry audit to spot patterns and creative trends delivering results for your competition. Then, flag standout creative approaches to generate starting points you can build on in your own creative concepting.

## **Step 3: Structure a Testing and Procedure Plan**

In order to find out what creative is most effective, you need to build a testing plan to identify several concepts and creative attributes you'll methodically test. QuickFrame recommends testing a couple of concepts at a time and isolating only 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 foundation of the filming process.

## **Step 4: Capture Your Footage**

Once you have identified your concepts and creative variables and assembled your shot list, 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: Send Your Videos to Post-Production**

During the post-production process, your videos will be finalized. Often, this process includes adding motion graphics to live action videos, adding voiceovers, and completing all other required editing.

# **Step 6: Launch Your Campaign and Monitor Performance**

After you've shot and edited together your first set of creative, it's time to launch your campaign. In the first round, test broadly and focus on high-level attributes, like concepts and video type.

Let your creatives run for a predetermined period of time and track performance. Be sure not to pull your campaign early—even if it's not performing how you'd like. If you end your campaign before originally planned, the insights you gain might not represent the full picture.

Once the time frame is up, identify the winners—these will be carried over into the next round.

## **Step 7: Iterate Your Creative**

Take the winning videos from the first round and iterate on them. Using your testing plan, identify the variables you want to test in the next round. Then, use post-production to edit these pieces of creative to test for these variables.

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

Once the next round of creative is ready, publish!

# **Step 8: Repeat**

As you monitor the performance of your creative, 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 hone in on the concepts and production variables that work best with your audiences.

# You may be asking yourself, "How do MNTN and QuickFrame work together?"

MNTN's Connected TV advertising platform allows brands to drive measurable conversions, revenue, site visits, and more by giving them the power to tie performance directly back to their television campaigns. Learn more at mountain.com.

QuickFrame gives brands access to a network of creators who can build high-performing video for every channel, audience, and objective, at scale and backed with exclusive performance data.

Learn more about QuickFrame!

But MNTN and QuickFrame work even better together. QuickFrame powers MNTN's Creative-as-a-Subscription service, which bundles creative production into the cost of media—providing advertisers with the ability to quickly produce net-new ad creative—as well as refresh existing campaigns, so they are investing their budget solely in video that drives performance. Learn more about the service here.