

Connected TV: The Emotional Power of TV and the Precision of Programmatic



Introduction



The large installed base of streaming video apps on phones, televisions, and computers has significantly changed consumers' television viewing habits. They now watch much less linear television from broadcast or cable and love to stream video across a variety of devices. In fact, eMarketer estimates that 39% of the world will be digital video viewers by 2023 (that's more than 3B people consuming digital TV).¹ "Cord-cutters" and "cord-nevers" are on the rise as well, and in the US alone, 55% of the population will watch programs on Connected TV (CTV) this year.²

This has created an opportunity for marketers who want to tap into the emotional power of television advertising, but leverage the precision of programmatic.

However, CTV is relatively new. The technology to advertise on this channel is still being improved, and just starting to become something advertisers can do at scale.

With new technologies, formats, and device types for CTV advertising, linear TV buyers and programmatic buyers alike have the opportunity to connect with travelers as they watch what they like, when they like, and how they like.

In the pages that follow we help travel marketers:

- Define Connected TV
- Understand Connected TV benefits and industry trends
- Highlight why Connected TV works in reaching travel audiences—for both linear and programmatic buyers

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Defining Connected TV

CTV is proving an increasingly popular format with travel marketers. But, when using the terminology, the actual meaning is commonly misunderstood.

In fact, the term Connected TV (CTV) is often used in reference to many aspects of the digital TV world, interchangeable with other terms like Over-the-Top (OTT) or advanced TV. We defined some common industry terminology used by experts like IAB, Broadcasting Cable, Google, and Xandr to help travel marketers navigate the nuances in this emerging landscape:

Addressable TV is a technology that lets you show different ads to different households watching the same live TV program. One household could be watching “program A” and seeing a commercial for “product A” while the house next door also watches “program A” but sees a commercial for “product B” instead. Households are targeted by their behavioral, demographic, or geographic data.

Advanced TV is the overall term that covers many forms of streaming TV content. It is IAB’s catchall term for all forms of TV not watched through a broadcast, cable, or satellite connection.

Connected TV (CTV) is any TV that can be connected to the internet and access content beyond what is available via a cable provider, and any device that can be connected to a TV allowing a continuous stream of content via an internet connection, i.e., Roku, Apple TV, Xbox, and PlayStation. Think of CTV as using a smart TV to watch content through OTT devices.

Linear TV is traditional cable TV, viewing in real-time. Linear TV follows a TV schedule with channels that can drive up real-time event viewing demand, i.e., sporting events, awards shows, political debates.

Over-The-Top (OTT) TV goes over the top of linear TV. An OTT service provides streaming media (can include audio streaming, messaging services, internet based voice calls). OTT includes devices like Apple TV, a Blu-ray player, a streaming stick like an Amazon Fire TV Stick, a gaming console like an Xbox One, or through the smart TV interface itself.

Programmatic TV is often used interchangeably with advanced TV, but it means advanced TV purchased programmatically. Defined as an automated, data-driven method of planning and buying linear TV advertising, it can include TV spot placements within linear, satellite, and/or broadcast inventory.

TV Everywhere is the ability to watch TV everywhere or anywhere, such as watching Amazon Prime on a phone or HBO GO on a tablet. To put it simply, watching TV live or on demand through an internet connection on any device other than a TV is TV Everywhere. Most linear channels will require consumers to use their cable or satellite log-in information to access content through their apps.

Video on Demand (VOD) is watching video content after its official release date or original air date and time, like watching shows through a cable provider’s on demand menu. However, video on demand also encompasses content watched through OTT devices, mobile apps, and video streaming services.

Cord-Cutters Are Changing the TV Landscape

Where consumers go, advertisers go. And today, consumers are cutting the cord on linear TV—making CTV one of the largest opportunities for advertisers to reach new audiences and enhance the effectiveness of their video ad campaigns.

“Cord-cutters” are viewers who have canceled their linear TV subscriptions for CTV services only. “Cord-nevers” are usually younger generations who have never subscribed to linear TV.

CTV’s audience concentration and the trend of high travel spend is a powerful combination for travel advertisers. With CTV, advertisers can influence a traveler’s path to purchase on a tech savvy ad platform. CTV audiences tend to be younger and, because they access TV interactively, have the potential to be more engaged with other viewers through social media. However, don’t count out adults over 35—where 1:3 now use a CTV device daily.³

The travel industry’s digital ad spend continues to grow, with more than \$9.8 billion spent on digital advertising around the world in 2019.⁴ And everyone, hotels, cruises, airlines, and DMOs alike, are competing for the attention of travelers—making advertising on CTV a necessary channel for travel marketers.

Key Stats Every Marketer Should Know

76%

of those who still have linear TV have at least one CTV service.⁵

By 2022, programmatic video will account for more than

83%

of all US video ad spend.⁶

In the US, CTV adoption has

doubled

over the last five years and is now in 73% of all households.⁷

Millennials are

67%

more likely to be in a CTV-only house.⁸

53%

of under-18 viewers and 43% of adults chose CTV as the device they would share personal information with in exchange for relevant and personalized ads.⁹

A Connected TV Presence is More Than Just a Want

Why Advertisers Need to Adopt Connected TV

CTV adoption has grown at an exponential rate as “cord-nevers” come into their spending power. And as an increasing number of new TVs come with CTV integration, market saturation will continue to grow—making it a channel advertisers can’t afford to ignore.

North America is forecasted to produce \$5.1B in CTV revenue in 2020.¹⁰

As advertising technology improves, with leading-edge demand side platforms such as Xandr and The Trade Desk building out the technology to support CTV, it becomes easier to buy more inventory while more watchers are targetable.

The Asia Pacific region is the global leader for Connected TV revenue. The region is forecasted to produce \$48B in revenue in 2020.¹¹



How Linear and Programmatic Buyers are Using CTV



Meet Edward.

Sr. Advertising TV Sales Agent

Edward's the king of linear TV advertising. He's worked with top travel brands in the industry, for some of their biggest brand campaigns aired during premiere events like awards shows, political debates, and high profile sports. Edward's known for zeroing in on his client's needs and target audiences, to expertly place their ads in the right channels, programs, and time slots to drive reach.

Edward is well aware that consumers are spending more time on digital TV. He also knows advertising is shifting to digital media, including digital ads intended for cell phones, tablet-style computers, online radio stations, and digital TV. He wants to help his clients target their specific audiences when and where they're watching.

Edward uses CTV to compliment his client's linear TV advertising—expanding their addressable market, and reaching travelers they wouldn't have been able to otherwise. He creates cross-channel continuity and efficiencies for his clients, as CTV lets them use the same creatives they use for linear TV. And he proves the value quickly—viewers who see an ad on CTV have higher brand recall, and 82% of brand-direct shoppers take an action after seeing an ad on CTV. His client is impressed with the level of relevance, lower cost, flexibility of messaging, and his ability to reach new customers.

CTV works well for linear TV buyers who are keen to differentiate themselves in the fast-changing industry.



Meet Carmen.

Programmatic Marketing Lead

Carmen is known for being a rockstar when it comes to programmatic advertising. She works with travel brands on a regular basis, leading every aspect of their campaigns. From strategic planning, to programmatic buying, performance optimizations, and reporting, Carmen is on top of her programmatic game.

Carmen needs to be “in the know” about the rapid changing digital TV landscape. Her top clients depend on her to know which cutting-edge advertising technologies can further their campaigns. And Carmen knows CTV can help them target their specific audiences when and where they're watching—including during live, key pop culture events or binge-worthy series.

Carmen uses CTV to expand her client's reach beyond banner ads with a highly engaging creative format. She creates an integrated approach, using the same creatives across programmatic video and CTV to help her airline brand promote their campaign for flights to the 2020 Tokyo Olympics. She uses real-time intent signals and behavioral online data to focus her CTV ads—to sequentially target and retarget those viewers who show a higher engagement and intent. The results? A 2X lift in brand favorability, and travelers who are more likely to select her airline client when they're ready to book their flight to Tokyo.

CTV works well for programmatic buyers who are eager to implement cutting edge technology to improve reach and relevance.

The Benefits of a Connected TV Presence

Linear and programmatic buyers can each find clear benefits to using CTV advertising. And, they do not have to choose one strategy over another. Advertisers can pair formats together as part of an integrated approach.

- CTV advertising can be used to help test and boost your other advertising efforts. Adding just one CTV ad to a traditional linear TV campaign boosts ad recall 34%, compared to just a 6% boost generated by adding an additional linear TV spot.¹²
- When viewers see ads on both linear TV and CTV, advertisers see their brand favorability lift more than twofold compared to when they only advertise on one video platform.¹³
- CTV allows advertisers to get more collectable data, enabling greater granularity and predictability for automated segments. And, depending on what platform they use to run their ads, the Demand-Side Platform (DSP) will relay household data back to them, such as how many devices per home.
- Smart TV users log in to their Facebook or Google account, providing advertisers the ability to append further identifiers such as geolocation, zip code, interests, online behavior, device, and language, offering more precise audience segmentations.
- Linear TV, programmatic video, and CTV ads all use the same creatives—making it easy and cost-effective to test how linear TV commercials perform on programmatic video or CTV.
- With the increased number of providers and technology partners, agencies often work with a whole slate of providers to offer their clients all the options available by network, channel, and audience. This rapid growth of CTV has led to lower CPMs (cost per mille, or thousand impressions).
- CTV provides the ability to measure action taken during or after viewing an ad. Advertisers can measure ad campaigns by tracking the number of clicks, views, direct responses, and conversions.
- CTV viewers are responsive audiences. They love being able to choose the content they want to watch, and having that control leads to higher levels of satisfaction with both the content and the ads.
- Marketers can use cross-device technology to maximize unique reach. APIs for Facebook, Instagram, and Snapchat can be tracked and then leveraged to create automated social campaigns. Frequency settings are available to apply to this technology to avoid overexposure.
- CTV viewers are multi-channel, even when consuming video. A full 87 percent of consumers reported using over-the-top devices (smartphone, computer, tablet) when watching digital content on a connected TV for: texting with friends about the show or movie; searching for information about the actor/movie/show; reading and posting on social media about the show/movie; searching for reviews of a product that they saw on a TV commercial; or posting on social media about a commercial.¹⁴

Connected TV Viewership

When watching live linear TV commercials, many will skip the commercials by switching channels or getting up for a break. But most CTV ads are not skippable, unless viewers are paying for a premium ad-free service. CTV ads are also shown at a much lower frequency, typically only one to three ads at a time.

Ads watched on CTV have an average

95%

completion rate.¹⁵

Viewers are only seeing 1-3 ads, so they are

26%

more attentive than when watching linear TV, in part due to the reduced ad fatigue.¹⁶

A strong level of engagement means ads are

67%

more effective, than when the same ads are used on linear TV.¹⁷

Using the Formats Your Audience Responds To

The core appeal of CTV is running a TV commercial, which has real emotional impact far beyond that of all other digital channels. And advertising with CTV comes in a variety of formats. As more engaging ad formats emerge, travel marketers will have more options for engaging with the travelers they want to reach, and can provide them with a message that makes an impact. Here are some of the up and coming formats that will take center stage within the next year.

Interactive Advertising encompasses ads that allow the audience to interact with the ad. This includes formats such as responding to questions, QR codes, or clicking through to another experience.

360 Video places the audience within the video. The audience feels like they are immersed in the scene before them. Travel advertisers can use this format to introduce the audience to a destination or experience.

Responding to questions, a common ad overlay currently used by advertisers on YouTube, helps them understand audience preferences. Travel marketers can use quizzes to determine where their audience may want to travel, or narrow down the experience they're looking for.

QR codes allow the viewer to scan the code and end up on a landing page from their phone. Travel marketers can use QR codes to send travelers to their website to book directly, or learn more about their travel offering.

According to Sojern's Chief Solutions Officer, Kurt Weinsheimer, this new ad technology is "...a game changer, offering the precision targeting of digital, lower CPMs, and more flexibility to utilize shorter-duration creative within TV's traditional premium environment."

How Marketers Can Engage with Travelers Through Connected TV

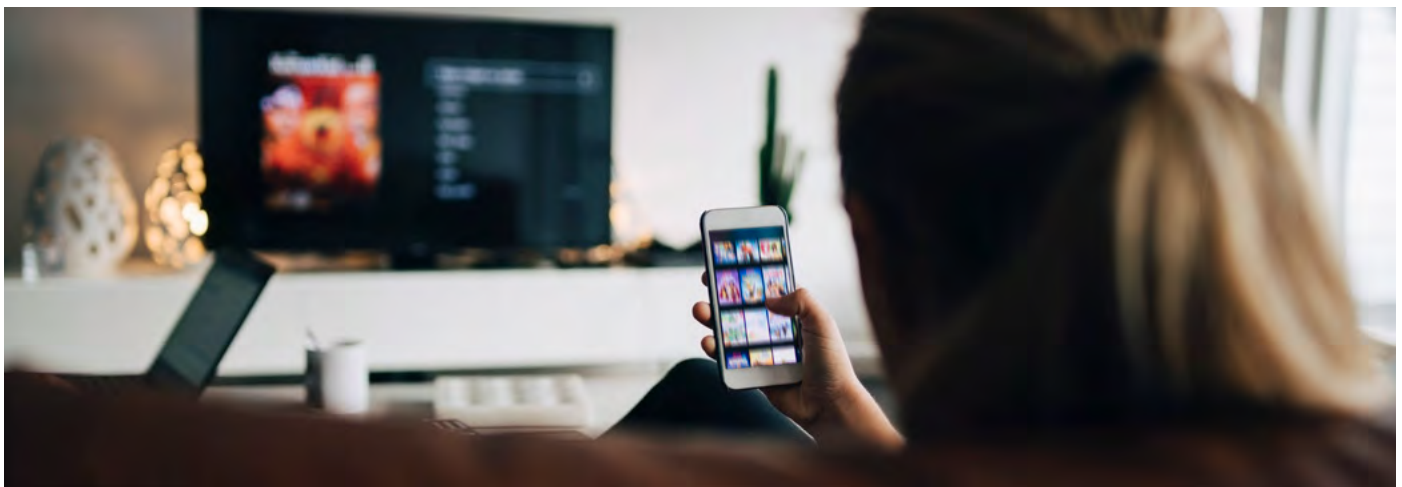
Consumer travel behavior has seen massive shifts with technological developments. Travelers are dreaming, searching, and booking travel across devices through a variety of advertising channels. Travel brands need to diversify their ad channel mix to stay relevant and align their budgets to guarantee their presence wherever the traveler may be—and they are finding that on CTV.

According to a [recent Skift and Sojern report](#), CTV presents an opportunity for travel marketers, as in the case of GoUSA TV, a CTV network launched last year by the destination marketing organization Brand USA. The channel offers curated video content to inspire travelers to visit the US—bringing together the best of the TV and digital worlds by offering the scale of linear TV with the precision targeting once associated only with digital.

Disney has also gone in on CTV. In August 2019, Disney announced they will offer a bundle package of its three streaming services—Disney+, Hulu, and ESPN+.

A third (34%) of travel marketers planned to use CTV in 2019.¹⁸

Many end up casting a large net to reach their intended audience. Linear TV ads deliver that massive reach; however, by taking on the one-to-many approach, they limit a marketer's ability to precisely target their audiences. With linear TV, an advertiser can only target based on location, network, or program—reaching a massive audience, but paying for non-traveler views. With CTV, advertisers can compliment their linear campaigns by extending reach beyond a network or show to target based on past purchase behavior, in-market status, and behavioral online data. A presence on both can only serve to connect with more travelers in the moments that matter. CTV allows linear and programmatic buyers to deliver the right level of reach and frequency—with the assurance that they are addressing and not oversaturating their core audience—in the already fragmented universe of channels and content on TV.



Working with a Trusted Partner

When embarking on a new CTV initiative, it's vital to work with a trusted partner. Travel marketers should look for a partnership that will offer a range of capabilities—building out insights, saving costs, removing redundancies, and giving you an overview of how all your campaigns are performing. A seasoned partner can also be an advocate, putting together a comprehensive plan that gives access to the latest technology and data science.

A trusted partner will manage and run campaigns with full transparency, keeping you informed every step of the way—utilizing performance metrics and insights based reporting customized to your specific goals and objectives.

Companies like Sojern are effective at monitoring today's technology landscape and scoping out opportunities, such as CTV, that benefit your business. As your brand advocate, Sojern gives you access to the latest technology and solutions, combined with our unique travel audiences, machine learning, and data science.

Sojern's audiences, applied to programmatic ad buys, target consumers at all stages of the path to purchase and work seamlessly across CTV inventory. This benefits both television media and programmatic buyers looking to reach the high-value traveler audience and travel marketers that want to extend their reach to new platforms.

You'll have a dedicated account manager to run and manage your video campaigns while keeping you informed every step of the way with performance and insights-based reporting customized to your goals and objectives.



How to Get Started with CTV

1

Identify campaign goals and desired target audiences.

2

Build or repurpose your ad creative to tell your brand's story.

3

Allow Sojern and our technology to handle the rest.

Conclusion

Ultimately, the future of advertising lies in the consumers' hands. And CTV is proving to be the fastest growing channel for travel marketers, with three times more CTV-only homes in the US than there were in 2014, and that number is only expected to rise.¹⁹ By 2022, programmatic video will account for more than 83% of all US video ad spend.²⁰

“Cord-cutters” and “cord-nevers” have forever changed the viewing of TV for the masses. Marketers can expect to keep adapting and growing with CTV as more advanced formats emerge. A key marketing strategy for both linear TV and programmatic buyers is to stay on top of CTV trends—improving their advertising campaigns, while answering the demands of consumers and creating better awareness of their brand.

With CTV, marketers can expand their reach and be poised to interact with travelers through engaging video—inspiring travelers to dream, plan, and book with them.

Looking to increase your audience reach with CTV? [Learn more.](#)

Sources

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Sojern is built on more than a decade of expertise analyzing the complete traveler path to purchase. The company drives travelers from dream to destination by activating multi-channel branding and performance solutions on the Sojern Traveler Platform for more than 8,500 customers around the world.

Recognized as a Deloitte Technology Fast 500 company six years in a row, Sojern is headquartered in San Francisco, with teams based in Berlin, Dubai, Dublin, Hong Kong, Istanbul, London, Mexico City, New York, Omaha, Paris, Singapore and Sydney.

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