



Connected TV Buyer Guide

Next Level Sight, Sound and Motion

IAB Canada Connected TV Week Companion Industry Paper

Featuring content contributed by the IAB Canada Connected TV Week event participants

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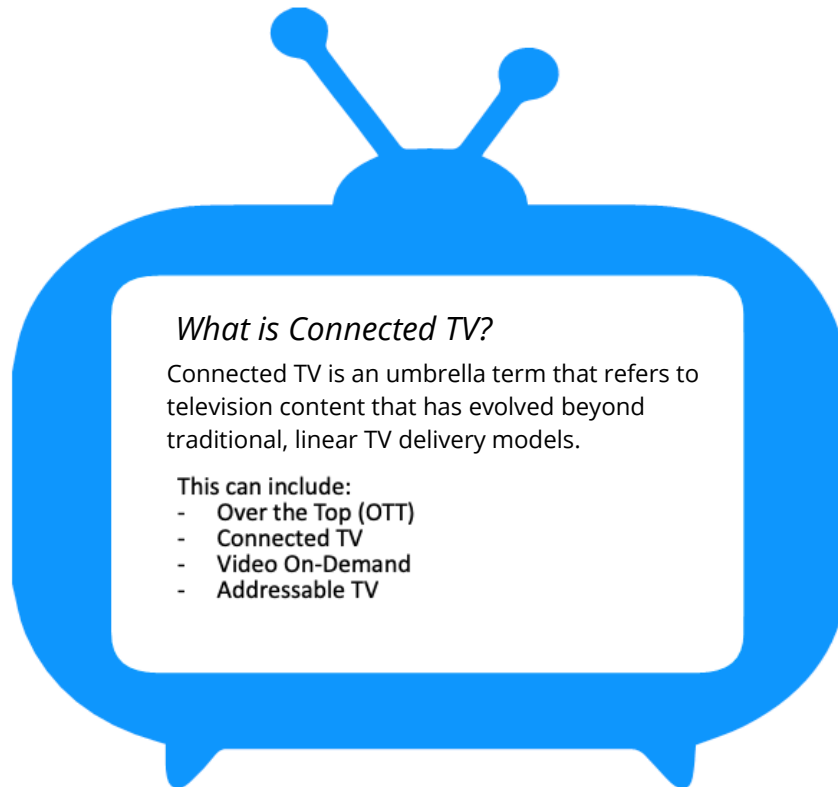
Introduction

In a very short time, Connected TV (CTV) offerings have been gaining momentum globally and in Canada. Canadian broadcasters are more than fired up about the opportunities to re-imagine their programming and audience engagement possibilities. As evidenced by the incredible turn-out at IAB Canada's Connected TV Week in 2020, it is clear that this channel is also top of mind for advertisers, content producers and media strategists across the country.

Accelerated by the 2020 COVID-19 pandemic, audiences have continued to diversify and change their TV viewing habits. Brands are starting to take note of the exciting opportunities that CTV advertising presents and behind the scenes industry leaders are working quickly to develop standards that will ensure safety and privacy for viewers and provide more accurate measurement for buyers. *TV isn't dead, it's just evolving.*

As an important part of our mission, IAB Canada focuses heavily on building a sustainable future for the digital advertising sector and a big part of that is to help analyze future growth areas to help businesses be informed and prepared. This Connected TV Buyer guide was developed by IAB Canada and our Video Committee members who remain committed to collaborating and sharing knowledge and guidance on an exciting and rapidly evolving subject matter. The guide will be updated as new information becomes available.

Defining Connected TV



Terms of the Trade

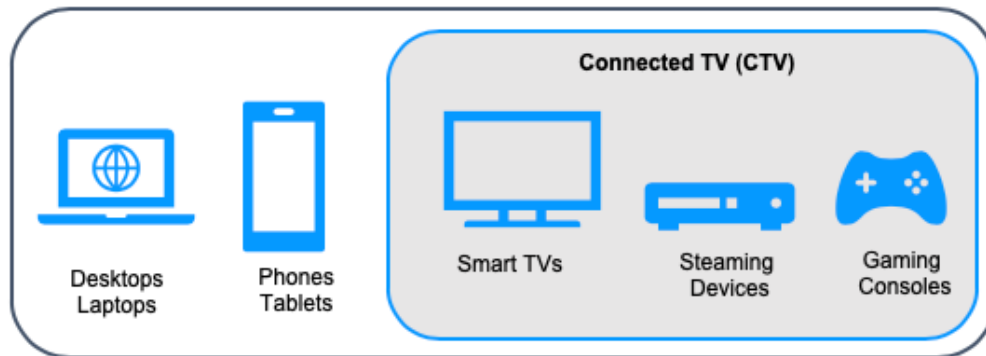
Over the Top (OTT)

'Over the Top' media refers to any TV or Video on Demand (VOD) streaming content providers whose content is being distributed directly to viewers over the internet or 'over the top' of the traditional cable box.

Connected TV (CTV)

A TV that is connected to the internet via an internal device (i.e. Smart TV) or an external device (for example streaming devices such as Apple TV, Roku or a gaming console, a DVD Player). Video content is delivered to a TV screen, through the internet.

Over the Top (OTT) Devices



Over the Top (OTT) Content Providers



Addressable TV

Through the application of data from advertisers, third party and/or TV providers, addressable TV enables advertisers to access more specific audiences beyond traditional age and gender. Segmentation can occur at geographic, demographic, behavioral and (in some cases) first- and third-party data-matched household levels, through cable, satellite, and Internet Protocol Television (IPTV) delivery systems.

Linear TV

Real-time television service that broadcasts scheduled programs, conventionally over the air or through satellite/cable. Linear TV follows a schedule, viewers watch shows and movies at a particular time, on a particular channel (live content is streamed in real time as the event happens).

Non-Linear TV

“On-Demand” Programming: where viewers select and watch content whenever they wish.

Three Shades of “On-Demand”

- 1) AVOD – Ad-Supported Video on Demand: Free-to-watch content which is then monetized through video advertising.
- 2) SVOD – Subscription Video on Demand: Users have a paid subscription to access to streaming video content.
- 3) TVOD – Transactional Video on Demand: Users pay to access certain content.

IPTV

The delivery of premium video/TV content over the internet rather than through traditional, terrestrial, satellite or cable television formats. It offers the ability to stream live or on-demand content via a connected device.

The Shift to Connected TV

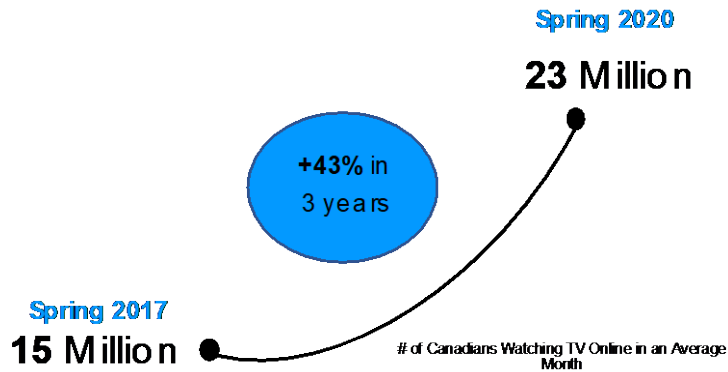
TV is traditionally known for its large audience reach and its branding power which is achieved by delivering full-screen sight, sound and motion to a captive audience who is emotionally invested in the content they are viewing.

Although traditional TV is still king of the screen, with nearly twice as much time being spent with traditional TV in Canada vs online video¹ the digitalization of virtually all mediums has slowly but surely made its way to television. This growth has only been accelerated with the recent pandemic.

Vividata’s Survey of the Canadian Consumer Spring 2020 Study showed that:

- 94% of Canadians watched any form of video content online on any device in an average month.
- 64% of Canadians answered ‘yes’ to personally streaming TV/video online in an average month.
- 53% of Canadians report watching TV or video through SVOD services.

With audiences either complementing or shifting away from linear TV viewing, there is a big opportunity for advertisers to follow and reconquer these audiences on OTT/CTV platforms, maximize reach and address consumers in a more personal and engaging way.



Source: Vividata's Survey of the Canadian Consumer Spring 2018, 2019 & 2020 Studies
Base: Canadians aged 14+, Online activities past month (Watched TV)

The Average Digital Video Viewer

Is between the ages of 12 and 44

The shift to digital video is particularly predominant among the younger generations who are far more likely to report having streamed video online at least once a month than A55+.¹

Lives in a household with kid(s) or is a single adult.

According to Vividata's Spring 2020 survey, Canadian households that are comprised of kid(s) or of single adults are respectively **20%** and **29%** more likely to use video streaming services.¹

Spends nearly 5hrs / week streaming

Canadians 14+ spend an average of 4 hours and 55² minutes per week streaming video. For Gen Z and Gen Y those numbers are even higher at 5 hours and 39 minutes and 5 hours and 26 minutes spent per week respectively.

Is watching on their desktop/laptop

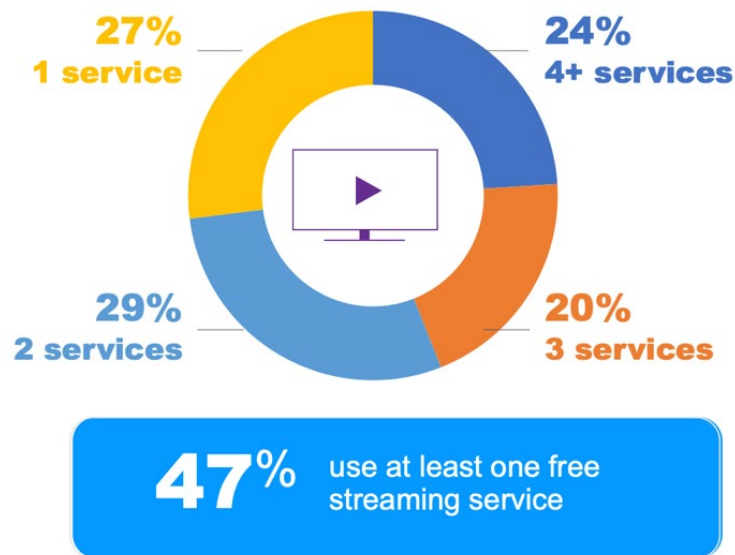
Online video viewing takes place on many devices however desktop/laptop viewing is the most prominent followed by mobile viewing. Streaming on these devices allows for additional targeting and ad options that are not available on other devices resulting in a more personalized viewing experience.

Uses multiple services, including AVOD

A common misperception of online video streaming is that most viewers are only watching on one or two subscription video on demand (SVOD) platforms. However recent reports reveal that this is not the case and that the average Canadian OTT video viewer reports using an average of three services, with nearly half using one free, ad supported (AVOD) streaming service².

Additionally, a recent IAB US study³ showed that over three-quarters (76%) of those who regularly stream video say that they have watched ad-supported OTT (AVOD) and 49% of those streamers report that they watch ad-supported OTT streaming video the most.

The number of AVOD streaming platforms in Canada has increased significantly in Canada over the past two years and as more broadcasters bring their channels online the options for advertisers will only increase.



Source: 1 - Vividata The Canadian Video Streaming Audience, 2020, **2** - Fuse Insights / Roku OTT Research, 2020, **3** - IAB Ad Receptivity and the Ad-Supported OTT Video Viewers, October 2018

Are more likely to be English speaking, *however that is changing*

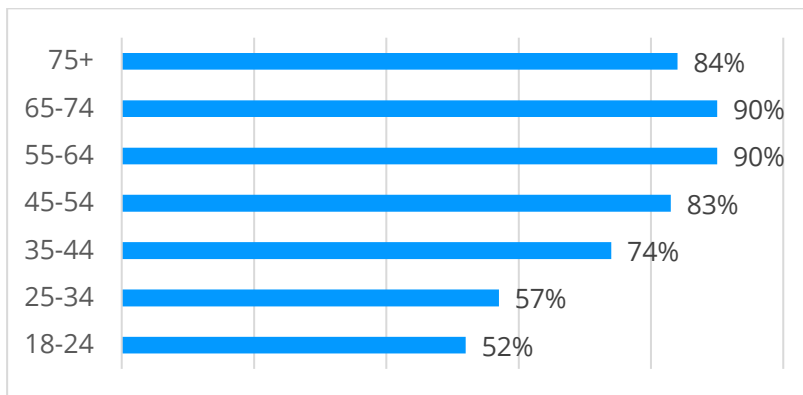
While time spent with linear TV has remained consistent over the past 4 years nationally, French speaking Canadians have been slightly slower to adopt digital TV than English speaking Canadians. This slower adoption may be the result of fewer French speaking platform options however as most French speaking OTT platforms and programming become available viewing is likely to increase as well.

Average Time Spent per Day Watching Linear vs. Digital/Streaming TV Among Internet User in Canada by Language Q3 2019

	2016	2017	2018	2019
FRENCH				
Linear	2.49	2.21	2.49	2.43
Digital	0.75	0.52	0.64	0.85
ENGLISH				
Linear	2.27	2.23	2.21	2.22
Digital	0.96	1.01	1.18	1.14

Cord cutting is also less prevalent in Quebec vs. the rest of Canada. 77% of viewers in Quebec subscribe to cable vs. [73%](#) in ROC. Although it is important to note adults 55+ are far more likely to subscribe than younger generations.

Viewers in Quebec who Subscribe to Traditional TV Services at Home by Demo



Source: Chart 1 – Global Web Index as cited by Canada Media Fund (CMF), “Closer, Wider, Faster: Annual Trends Report in the Audio-visual Industry” January 2020 and **Chart 2** – Cefrio, “Portrait numérique des foyers Québécois” January 2020

Connected TV's Role in a Media Portfolio

Including connected TV as part of a digital media campaign can have several advantages:

Reaching the Hard to Reach

Younger generations, Gen Z and Gen Y specifically, are heavy users of online video. These generational viewing habits suggest that connected TV advertising is set for further growth as those in younger age brackets adopt connected TV viewing enthusiastically. Younger and typically harder to reach audiences are accustomed to internet delivered TV and show clear preference for the format.

Incremental Reach

44% of OTT users aged 18-34 are either cord cutters or cord nevers and cannot be reached through linear television. Combining linear TV and OTT can provide advertisers extended campaign reach with low duplication.

Positive Brand Alignment

When Canadians use their connected TV and OTT, they are often in relaxation mode. An estimated 40%² use this device to watch shows and movies that interest them and are less likely to be watching the news (11%) or looking at social media platforms (3%). Advertisers can benefit by reaching viewers when they are in a relaxed and positive mindset.

The Impact of TV without the TV price tag

Advertising on linear television can be cost prohibitive for brands, particularly those who do not have a national footprint. Connected TV advertising allows for a full screen, TV presence without the added expense of having to buy in markets where brands do not currently have a presence.

Source: 1 - Fuse Insights/ Roku OTT Research in Canada, 2020, **2** - Canadian Internet Registration Authority (CIRA), "Canada's Internet Factbook 2020" July 2020

Planning Connected TV

CONNECTED TV TARGETING CAPABILITIES

Connected TV offers many targeting advantages for advertisers that go well beyond what is available with a standard linear TV campaign. Like most digital marketing campaigns, there are many targeting parameters that buyers can take advantage of to more accurately target their audiences either directly, or through a Demand Side Platform (DSP).

STANDARD TARGETING

Contextual	Contextual Targeting can include: <ul style="list-style-type: none">• Genre Targeting - Target by genres such as action, comedy etc.• Program Targeting - Targeting by individual show or movie
Device	Targeting based on device; mobile, tablet, smart TV or OTT device
Geographic	Targeting based on viewers location: <ul style="list-style-type: none">• Province, City, Postal Code

DATA ENABLED TARGETING

Like other digital media, with connected TV advertisers have the opportunity to layer in first- and third-party audience data to their media buys to create highly focused targeting segments.

Behavioural	Target viewers based on specific consumption patterns they display.
Demographic	Targeting viewers based on their age/sex.
Retargeting	Target viewers based on their past behaviour.
Exposed vs.Non-Exposed	Target or avoid showing ads to viewers who have previously seen your ad. Some platforms will also allow buyers to target viewers based on whether they have been exposed to a competitors advertisement or not.

Advertisers can work closely with publishers to enable device IDs in order to better leverage their first-party data, or DMP data, to reach their specific audiences, . IAB's [Identifier for Advertising](#) (IFA) should help to bring consistency for OTT/CTV targeting, measurement and frequency capping.

Planning a Connected TV Buy

CREATIVE

By combining the power of full-screen, un-skippable ad placements with enhanced targeting capabilities, advertisers have the opportunity to reach a captive audience with a contextually relevant message.

ADVERTISING OPTIONS

CREATIVE	DESCRIPTION	WHEN TO USE
Bumpers	Short, 7 to 10 second video ads that typically run before the video content.	Not often used in isolation, bumpers are good for generating brand awareness for established campaigns/brands. To make the most of these ad units leverage existing brand assets like colouring, fonts, sonic identities, etc.
Video Ads	Medium length 15 to 30 second video ads that run before, during or after video content.	Recommend for all campaign types. Video ad messaging should be tailored to your campaign objectives and can/should include calls to action.
Display Banners	Standard digital ad banners that appear on screen when a user streams from a platform's website on their mobile, tablet or desktop/laptop.	Can be used as an extension of traditional digital banner campaign for additional reach. These highly trackable ad units are good for all campaigns.
Logo	Some platforms allow brands to include their logo select program pages or on a selection of content.	Generally included as part of a sponsorship or takeover, having a logo placement also brands to have an "always-on" presence when aligning with highly relevant programming.
Branded Content	Long format video content that is developed by the brand or the platform and runs on the streaming platform on-demand.	Brands with existing long format content or those who are looking to engage viewers. When using a branded content strategy an amplification strategy is often also required to ensure the content is found.

KEEP IN MIND...

"Commercial breaks" in ad supported video on demand (AVOD) platforms are impactful and similar to those in a traditional linear TV experience. Therefore advertisers should be mindful of frequency levels. Capping frequency levels on connected TV (CTV) buys can increase campaign reach and ensure viewers do not get annoyed as a result of a bad viewing experience.

The recommended frequency capping on Connected TV whether purchased in IO or programmatically is 4 ads per hour; 10 ads per day, per user. This frequency capping facilitates maximum impact while maintaining a premium user experience for audiences. As a buyer, it is recommended to acquire confirmation by the seller that controls are in place to prevent the ad from running consecutively in a commercial break to avoid consumer fatigue.

BUYING METHODS

1) DIRECT IO

Advertisers and agencies can reach out to a platform sales representative who will put together a comprehensive proposal based on specific campaign objectives.

2) PROGRAMMATICALLY

Connected TV is bringing programmatic to linear along with all the benefits of frictionless buying and the ability to pass data. Connected TV transactions on inventory are taking place in fully automated ways. As there are some technical complexities and real issues around standardized inventory, it is important that media buyers work with the right partners that are committed to providing quality premium inventory, to the right audience, at scale.

Currently, most Connected TV inventory available programmatically is sold via private auction. Some platforms do have inventory available on the open market, but it is not as common.

Dynamic Ad Insertion

Dynamic Ad Insertion (DAI) enables advertisers to present relevant, demographically targeted ads within on-demand content over existing cable infrastructure, expanding advanced advertising opportunities into non-linear viewing. DAI is the financial engine of AVOD.

MEASURING SUCCESS

When it comes to measurement, CTV offers advertisers several advantages over linear TV. CTV campaign buyers can evaluate the success of their campaign performance on total impressions (reach), video completion rates or other video interactions levels if applicable. As with all digital advertising, detailed campaign reporting is also available for CTV allowing for campaign performance measurement based on:

- Creative
- Day of week
- Geography
- Console

Numeris VAM (Video Audience Measurement)

Numeris is currently working with industry leaders, including IAB Canada, to develop a video measurement offering that will measure ALL video content regardless of the platform or device the video appears on, live and on-demand.

[Click here](#) for more information on VAM.

IVT & FRAUD

With the incredible demand for Connected TV and the rapid increase of inventory, some recent studies have indicated that buyers are more concerned with transparency and fraud than they are about the availability of scale. Fortunately, many Connected TV content providers are experienced with invalid traffic, brand safety and viewability issues and are rapidly developing solutions to certify and authenticate viewership to provide accountability reporting on inventory. Concurrently, the IAB and MRC are actively working tightened measurement of invalid traffic and we expect more announcements over the course of this year or in early 2021.

VIEWABILITY

When it comes to viewability (the opportunity for an ad to have been seen), OTT apps were not designed to allow third-party measurement scripts (e.g. VPAID). This was done in an effort to avoid risks associated with compromising the viewing experience (in the event a script fails to run properly). As a result, viewability measurement tags that would work on other screens do not work on connected tv devices.

A viable alternative for a viewability metric can be provided by DSPs in the form of detailed ad completion rate reporting that allows for valuable insights into ad completion rates (View Through Rates—VTRs) on OTT.

Connected TV has the following distinctions when it comes to viewability:

- Operates in a cookie-less environment and as such, any cookie-based audience strategies will pose a challenge on consistent delivery measures.
- Will only accept VAST creatives. No VPAID elements of any kind can be applied to buy-side creatives.
 - As a non-VPAID environment, viewability tracking is not available. That said, CTV is a 100% in-view placement by nature.
- By nature of the Connected TV environment, campaigns are positioned to deliver 100% in-view and between 90-100% completion rates.

Some of the Key Issues to Crack for Programmatic TV

Moving towards automation of tags

Ad Ops teams who are trying to maximize revenue, are tasked with developing configured tags which is a considerable strain on resources because of the manual process involved. The ability to crack this process seamlessly will help enable scale.

Stabilizing programmatic signals sent during ad requests

As a result of the fragmentation discussed earlier, there has been a lag in the development of standards around user agent, app ID spaces, device identifiers, brand safety measurement and viewability - all signals that are critical to unlock demand from programmatic buyers.

Verified, safe inventory and authentic users

While this is being worked on across all levels, this will be key to delivering a sustainable Connected TV supply chain to advertisers.

Looking Forward

The growth in viewing TV content across a range of screens and devices has opened up a whole new world of advertising opportunity. However, the Canadian Connected TV landscape is still in its early stages with a lot of innovation and fragmentation taking place simultaneously.

As we have seen time and again in the digital media landscape, any emerging media with great potential for growth is very well served with consistent and standardized definitions. When the industry is on the same page about capabilities, currencies and terms, it reduces friction in the marketplace and enables quick adoption as well as innovation.

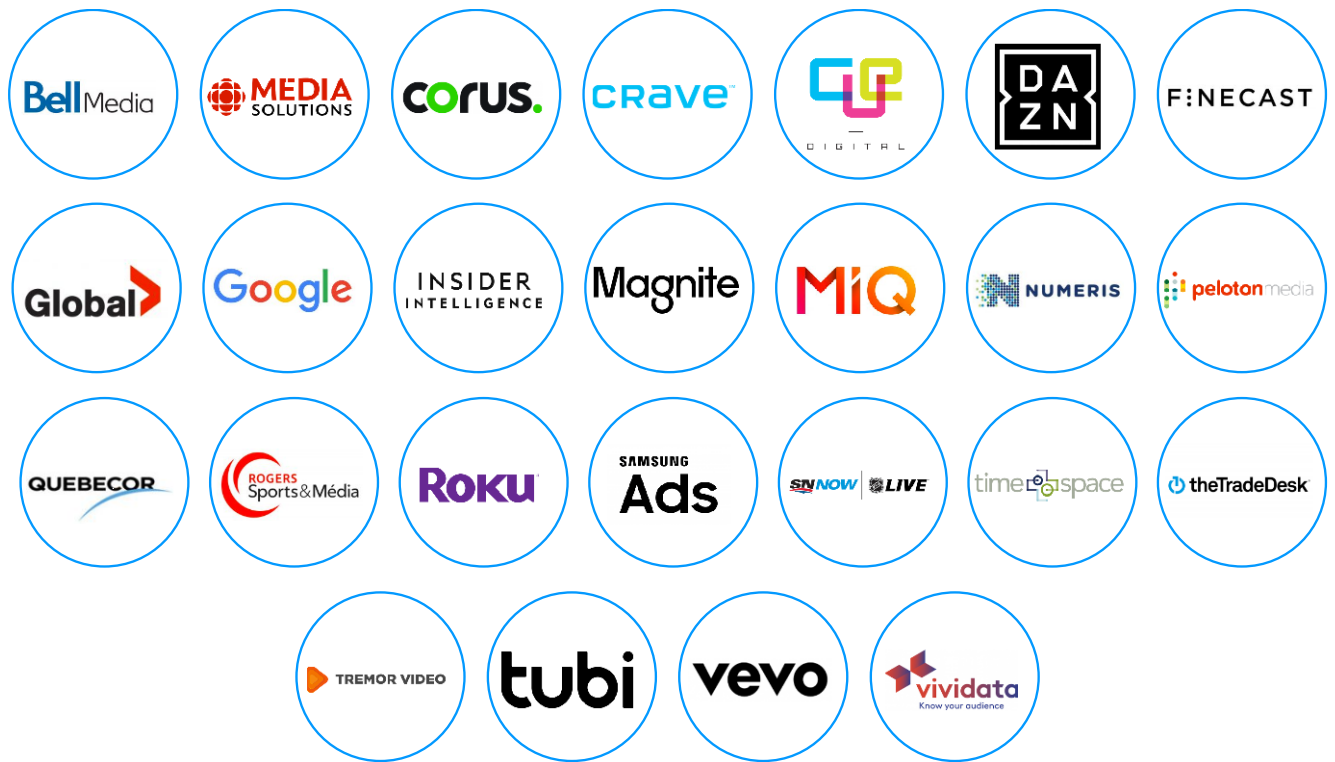
We hope that this Guide has provided clarity on this exciting channel. We also hope that the key considerations outlined for advertising on Connected TV or OTT devices / platforms, including data-driven audience targeting, scale coming from the growth of connected TV devices, application of programmatic to transact in an automated way and the ability to tailor advertising creatives, are helpful as you embark on a broadened media investment portfolio.

IAB Canada will continue to provide additional insight into the connected TV landscape and update this guide accordingly.

5 Key Takeaways

- Platforms are constantly in flux. Staying informed can prevent decisions based on outdated standards and norms.
- Consumers use apps on their devices beyond social media. Understanding usage habits and the realities of user behaviors can provide clearer perspective on media investment opportunities.
- Mobile is not dominated by one demographic. As mobile nears 100% adoption, activity profiles follow.
- When assessing performance, consider it may not be apples to apples measurement. Smart optimization starts with understanding platform nuances.
- Leveraging mobile for its unique capabilities can yield much higher results than transferring existing desktop campaigns to “fit” the mobile environment.

IAB Canada would like to thank participants in the 2020 Connected TV Week event:



[Explore the IAB Canada Connected TV Week 2020 Directory](#)

Getting Involved

If you would like to contribute to the IAB Canada Video Committee or have suggestions on content for this output, please contact us at committees@iabcanada.com.

Acknowledgements

IAB Canada would like to thank the Video Committee members who engaged in the development of this guide. Special thanks to the many participating members during the 2020 IAB Canada Connected TV Event.