

T>>VISION

# The State of CTV Advertising

H1 2023



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## *H1 2023 Report*

In the last decade, the advent of streaming introduced a whole new way of watching television and movies. Subscription-based environments proliferated, and advertisers were mostly on the sideline. Technology innovators, not entertainment industry insiders, including Netflix, Amazon and Apple led the charge. Legacy television companies jumped on board the subscription-first model. But with new economic realities and household reach for CTV settling to a constant at approximately 82-84% of all households over the last few years, the streaming industry must pivot to find new revenue. With most time spent viewing now taking place in apps with ad-supported models, it's clear that subscription-only is out and ad-supported CTV is here to stay.

But that does not mean advertising will be done the same way it has been bought and sold on linear TV. With access to more granular insights about CTV audience engagement, viewer attention and in-room presence, the opportunity exists for advertisers to engage much more effectively with CTV audiences.

*As investments in CTV advertising balloon, media buyers and sellers need answers to important questions:*

*How can I optimize my CTV performance?*

*How can I use viewer attention and presence to identify valuable impressions?*

*How are my competitors finding and engaging with viewers on CTV?*

*Which apps are delivering the best value?*

These are questions TVision answers every day for our partners. We provide universal measurement standards that accurately reflect the way people are watching video. In this deep dive into the CTV landscape, we're pleased to offer insight for all marketers to leverage.



INCREASE IN SHARE OF TIME SPENT ON AD SUPPORTED APPS FROM H2 2022 TO H1 2023



PREMIUM APPS ARE 77% MORE LIKELY TO DELIVER ADS WHEN VIEWERS ARE IN THE ROOM, THAN AVERAGE CTV APPS

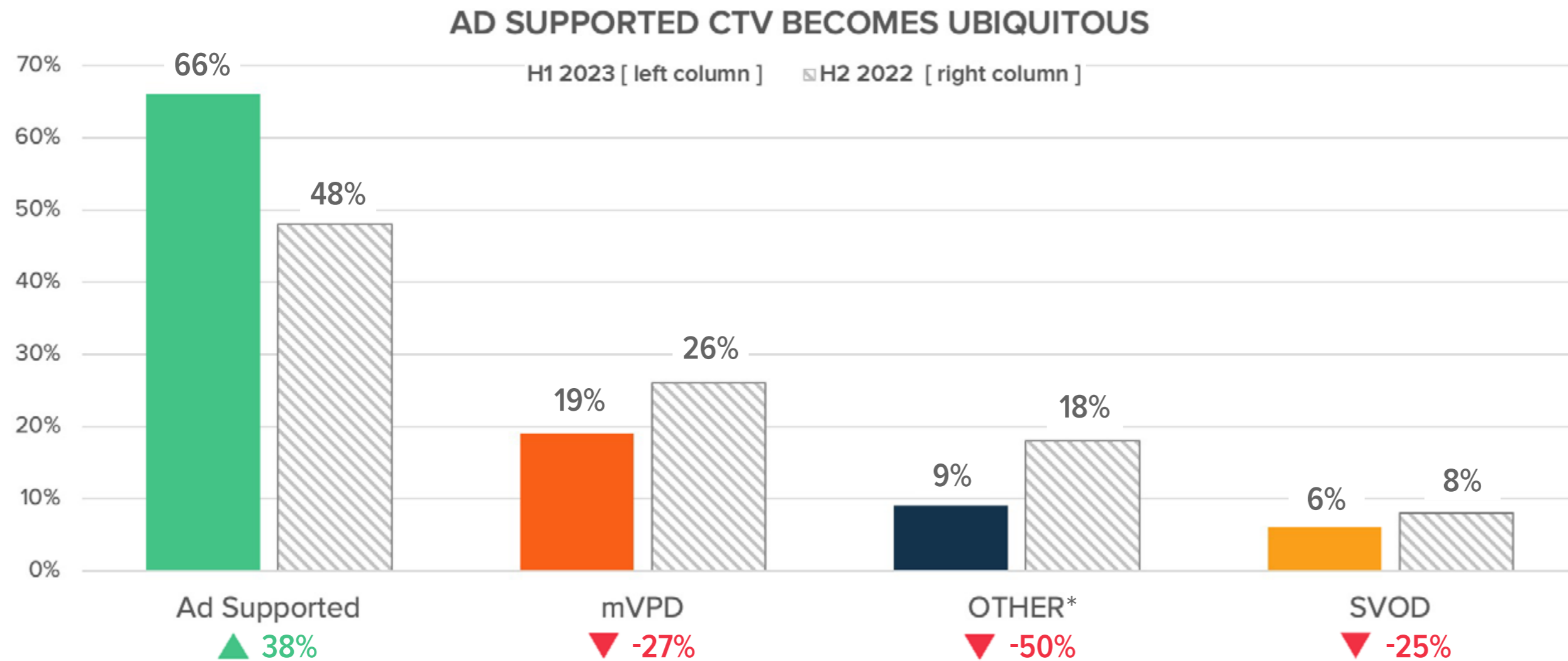
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# Ad Supported Streaming Reigns

Ad Supported apps, which include AVOD, FAST and apps that offer both ad-supported and ad-free options, captured the overwhelming majority of time spent watching CTV in H1 2023. With Netflix and Disney+ now offering ad-supported subscription tiers, only 6% of CTV viewing time was spent with apps that do not offer ad-supported tiers.



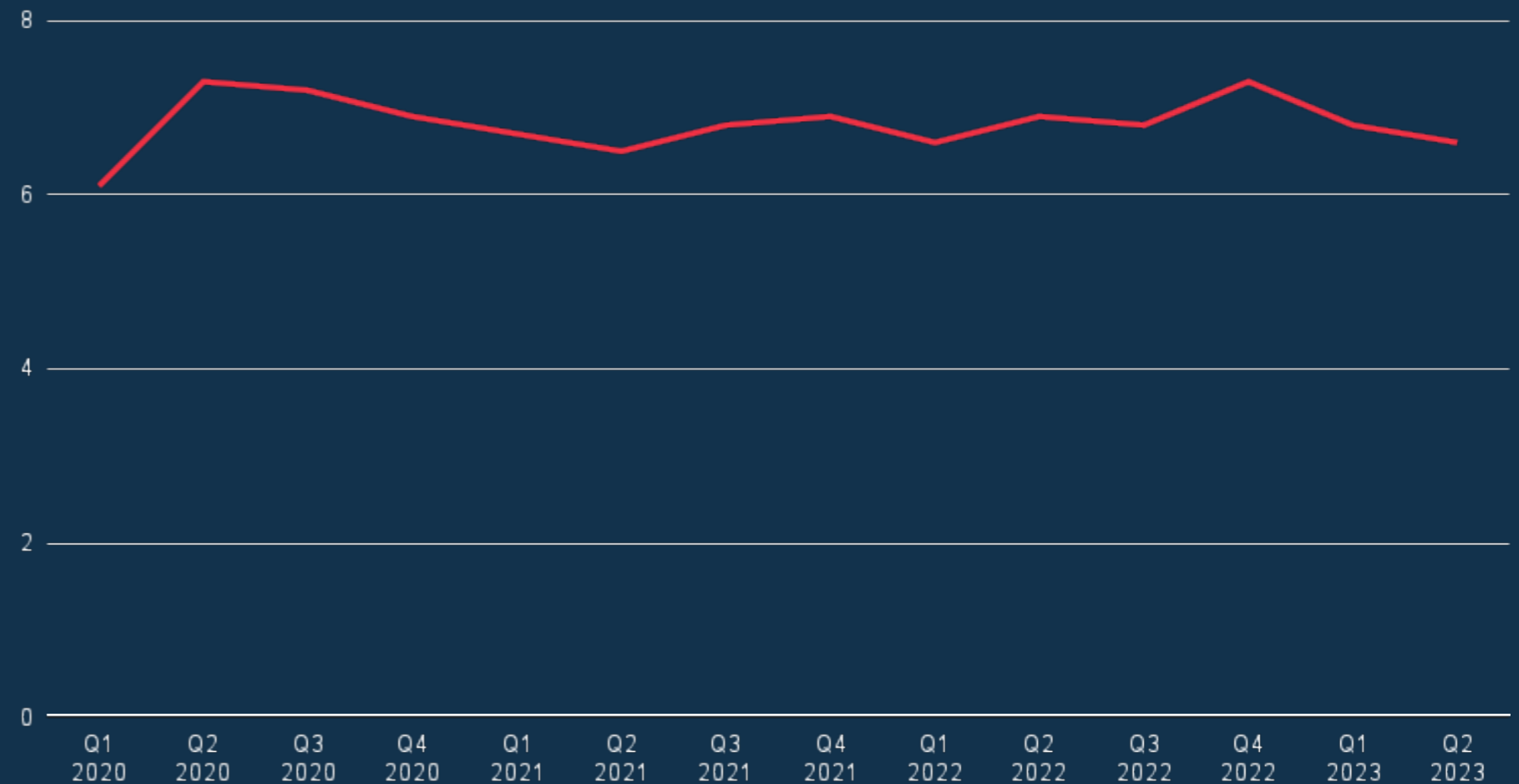
\* Other category includes gaming, music and social

# Pandemic Fueled App Growth Subsides;

## *Viewers Accessing Fewer Apps*

Although overall streaming viewing time continues to grow, the number of apps that are watched in America's living rooms is declining. Households have gone from watching an average of 7.3 apps at the start of the pandemic in Q2 2020 to 6.6 apps in Q2 2023. The number of CTV enabled households ticked up to 84%.

AVERAGE NUMBER OF APPS PER HOUSEHOLD



## *CTV by the Numbers*

**84%**

AMERICAN HOUSEHOLDS  
ARE CTV ENABLED

**6.7**

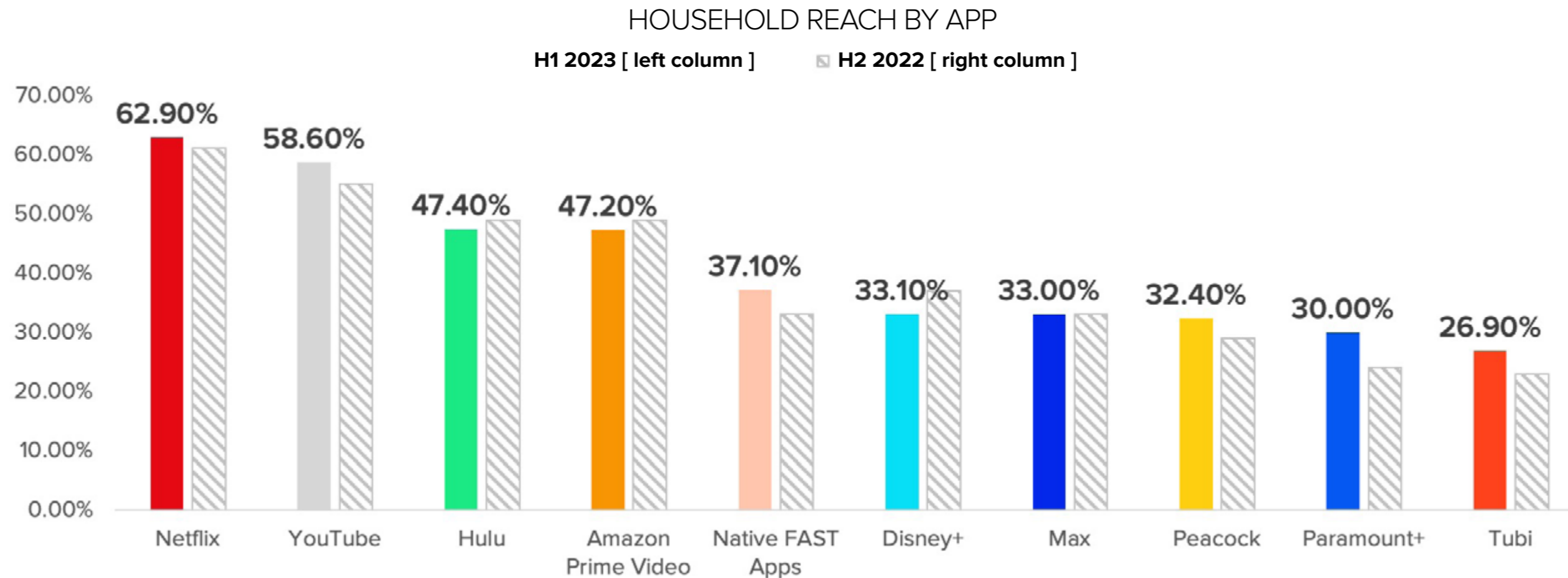
APPS PER  
HOUSEHOLD

**23%**

OF HOUSEHOLDS  
USE 10+ APPS

# The Apps on TVs

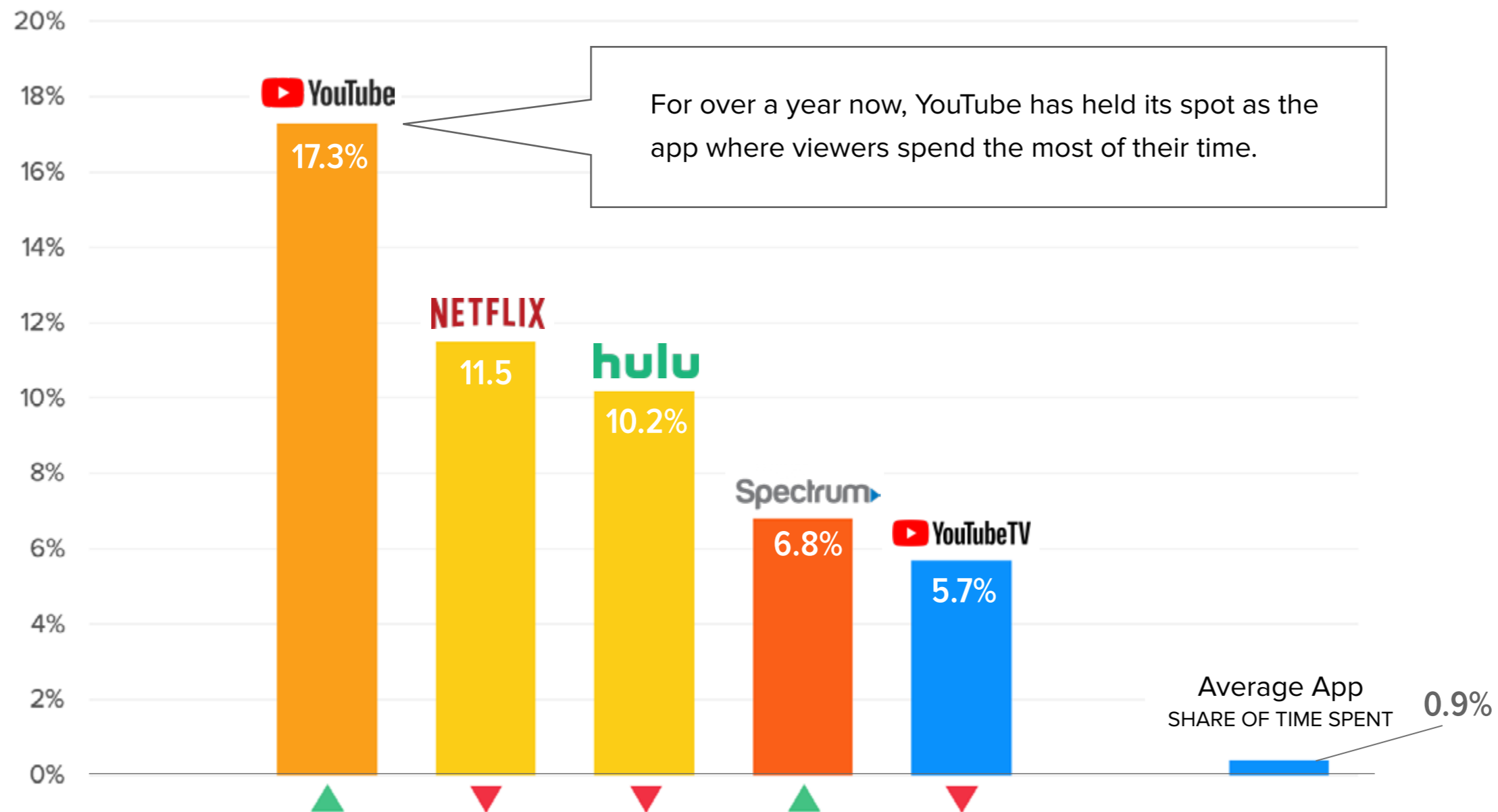
While time spent viewing Netflix fell slightly in the first half of 2023, Netflix household reach increased 3 percent to 62.9%. The streaming giant maintained its hold on the top spot for Household Reach. It's likely that the new ad supported subscription model helped propel Netflix to an increase in subscribers in the first half of the year. But Netflix's deep well of content including returning series like *You* and *Bridgerton*, as well as new shows like *Night Agent* also help Netflix maintain its prominence. Elsewhere on the chart, YouTube also increased its Household Reach for the first half of the year. Peacock, Paramount+ and Tubi also experienced noteworthy growth.



# YouTube Extends its Lead *in Share of Time Spent Viewing*

RANKED SHARE OF TIME SPENT VIEWING BY APP H1 2023

■ Hybrid SVOD/AVOD ■ AVOD ■ MVPD ■ dMVPD

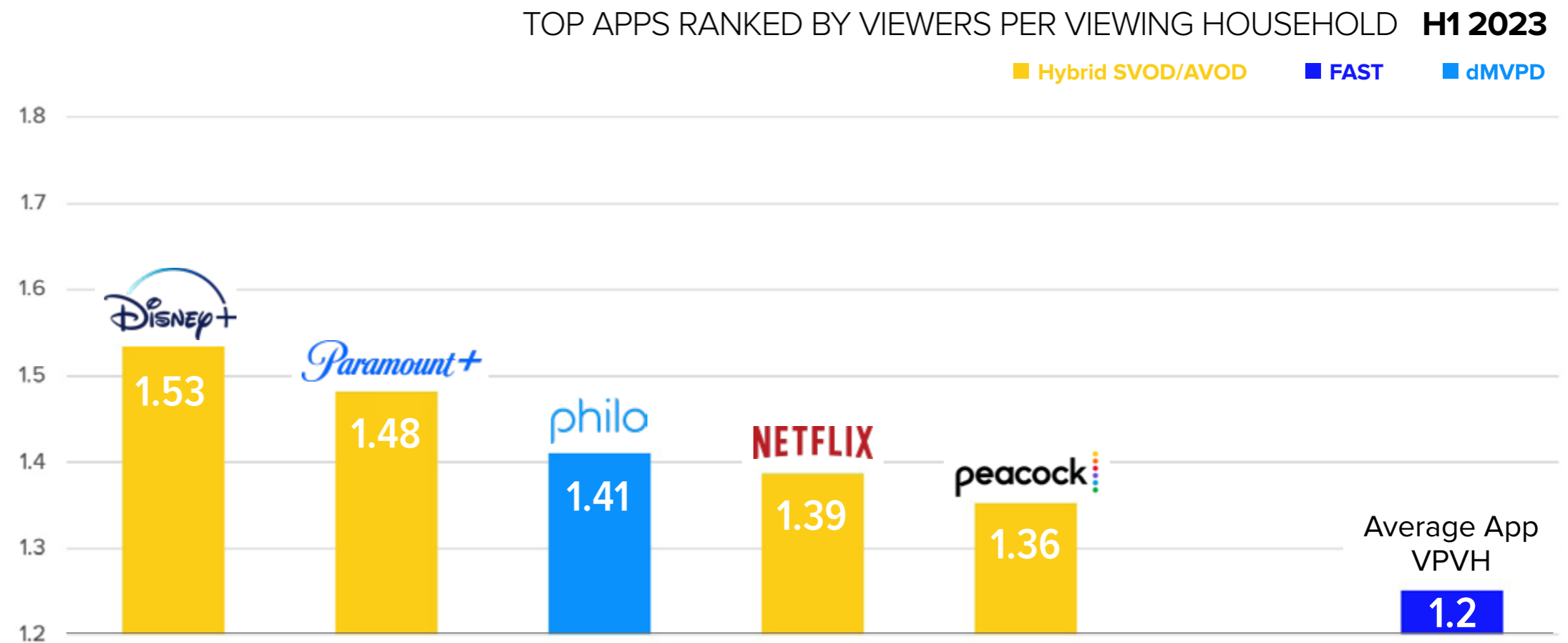


# Co-Viewing: How Many People are in the Room?

Co-Viewing rates provide insight into the real reach of CTV applications and programming. They serve as a multiple that can help both marketers and platforms better value CTV ad inventory. With person-level data for TV viewing behavior, TVision is the only company that can provide accurate co-viewing rates for CTV.

## Co-Viewing by App

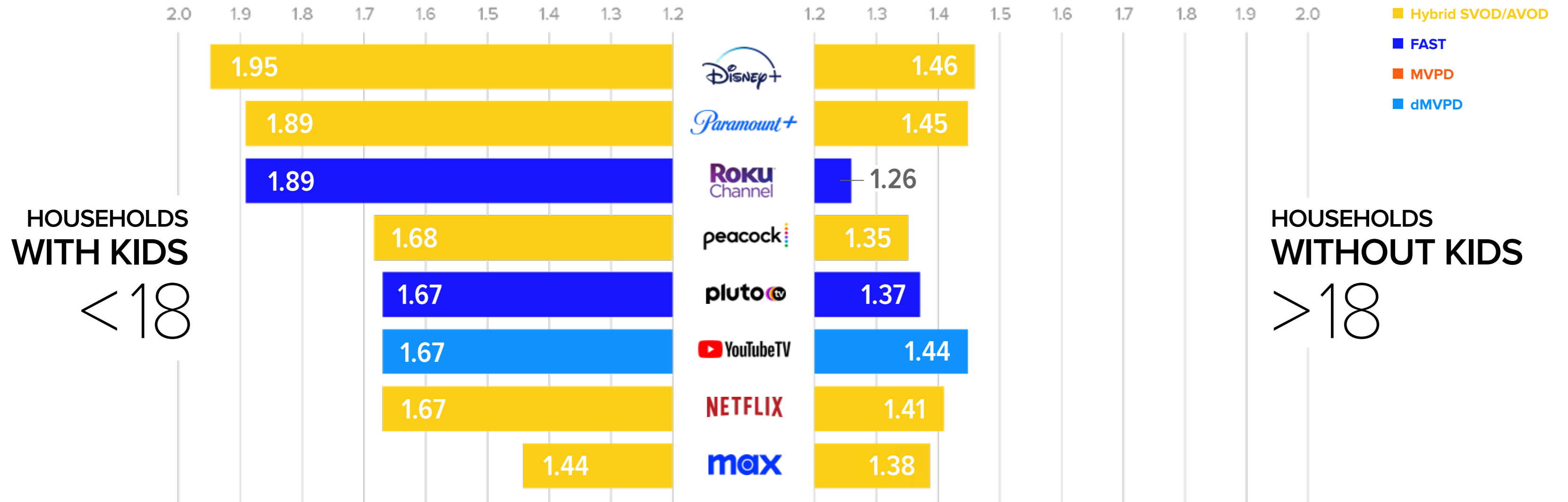
Apps with high Viewers Per Viewing Household (VPVH) offer greater reach per impression as well as more engaged viewers. Our studies have also shown that when viewers watch TV with at least one other person, they pay more attention. Family viewing applications usually top our co-viewing lists, and this one is no exception with Disney+ and Paramount+ at the top.





# Apps with the Most Co-Viewing *by Household Type*

As mentioned, family-friendly apps generally deliver higher VPVH numbers, as families tend to watch TV together. However across the board, every app delivers higher VPVH among households with kids. Here we take a look at how VPVH changes based on households with and without kids.

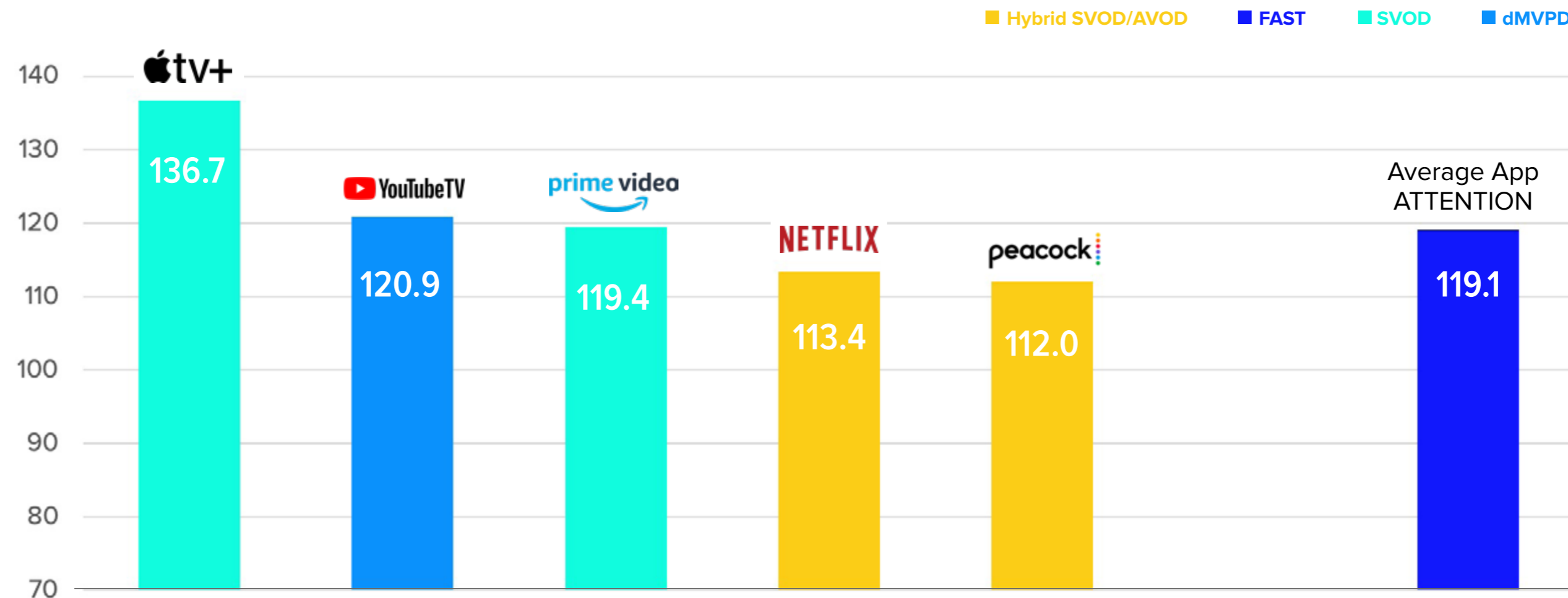


## Attention:

# Which Apps Keep People's Eyes on Screen

How well viewers pay attention to content is a critical metric for understanding the true value of an ad placement. Whether for in-content placement or commercials, ads work best when people pay attention. When we look at the top applications for Attention, we see that apps that deliver more original content like AppleTV+, Amazon Prime and Netflix capture higher levels of attention. YouTubeTV, which mimics a linear TV viewing experience in many ways, also performed well. Our Attention to Visible Index reveals how likely audiences in the room are to be paying eyes-on-screen Attention to the programming.

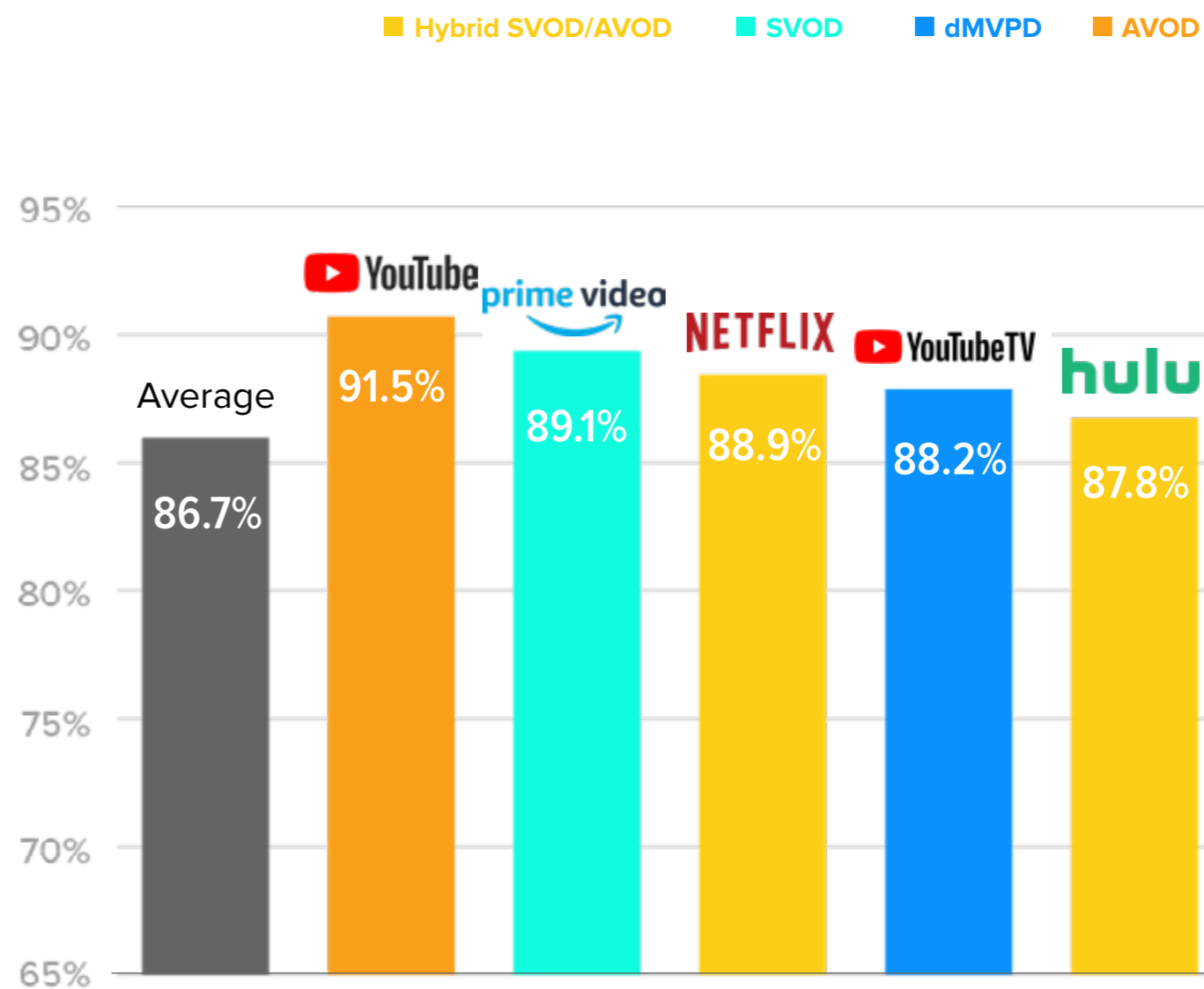
TOP APPS RANKED BY ATTENTION TO VISIBLE INDEX **H1 2023**



# For Many Viewers, it's One and Done

How important is quality content, app home screen placement and brand recognition for streaming apps? Our data suggests it's very important. In fact, almost 87% of the time viewers end a session after visiting just one app. All indications suggest that the channel surfing which was a familiar phenomenon for linear TV has given way to destination viewing on streaming, with viewers sticking to the first app they choose in any viewing session. YouTube leads with 91.5% of all sessions ending in viewer's turning off the TV. This has implications for upstart apps and those trying to chip away at the Share of Time Spent on Netflix and YouTube.

TOP APPS RANKED BY TUNE OFF AFTER SESSION **H1 2023**



# The TVision Power Score Identifies the CTV Content that Pops

Each week we share our unique insight into viewer and content trends across the CTV landscape with the goal to evaluate what's really engaging audiences. Our scores are powered by TVision's industry-leading CTV panel. Our analysis includes how viewers are engaging with content over hundred of apps and thousands of programs.

The TVision Power Score factors in four key metrics: the amount of time viewers pay attention to the program, the amount of program time available for the season, the program's reach, as well as the application's reach. This combination of metrics was chosen to enable a neutral look at the quality of programming and its unique, inherent ability to draw in viewers — regardless of the scale of the platform, or the program's release schedule.

## THE TVISION POWER SCORE H1 2023

### CTV Shows

These are the top performing CTV shows across all apps, for the first half of 2023.

- AppleTV 1 TED LASSO (S3)
- Disney+ 2 STAR WARS: THE MANDALORIAN (S3)
- Amazon Freevee 3 JURY DUTY (S1)
- Netflix 4 THE NIGHT AGENT (S1)
- AppleTV 5 SHRINKING (S1)
- Netflix 6 MURDAUGH MURDERS: A SOUTHERN SCANDAL (S1)
- Netflix 7 WEDNESDAY (S1)
- Netflix 8 BEEF (S1)
- Paramount+ 9 1923 (S1)
- Netflix 10 YOU (S4)
- Netflix 11 THE DIPLOMAT (S1)
- Netflix 12 QUEEN CHARLOTTE: A BRIDGERTON STORY (S1)
- Amazon 13 CITADEL (S1)
- Netflix 14 THAT '90S SHOW (S1)
- Netflix 15 GINNY & GEORGIA (S2)
- Netflix 16 KALEIDOSCOPE (S1)
- Netflix 17 FUBAR (S1)
- AppleTV 18 TED LASSO (S1)
- Peacock 19 POKER FACE (S1)
- Paramount+ 20 TULSA KING (S1)

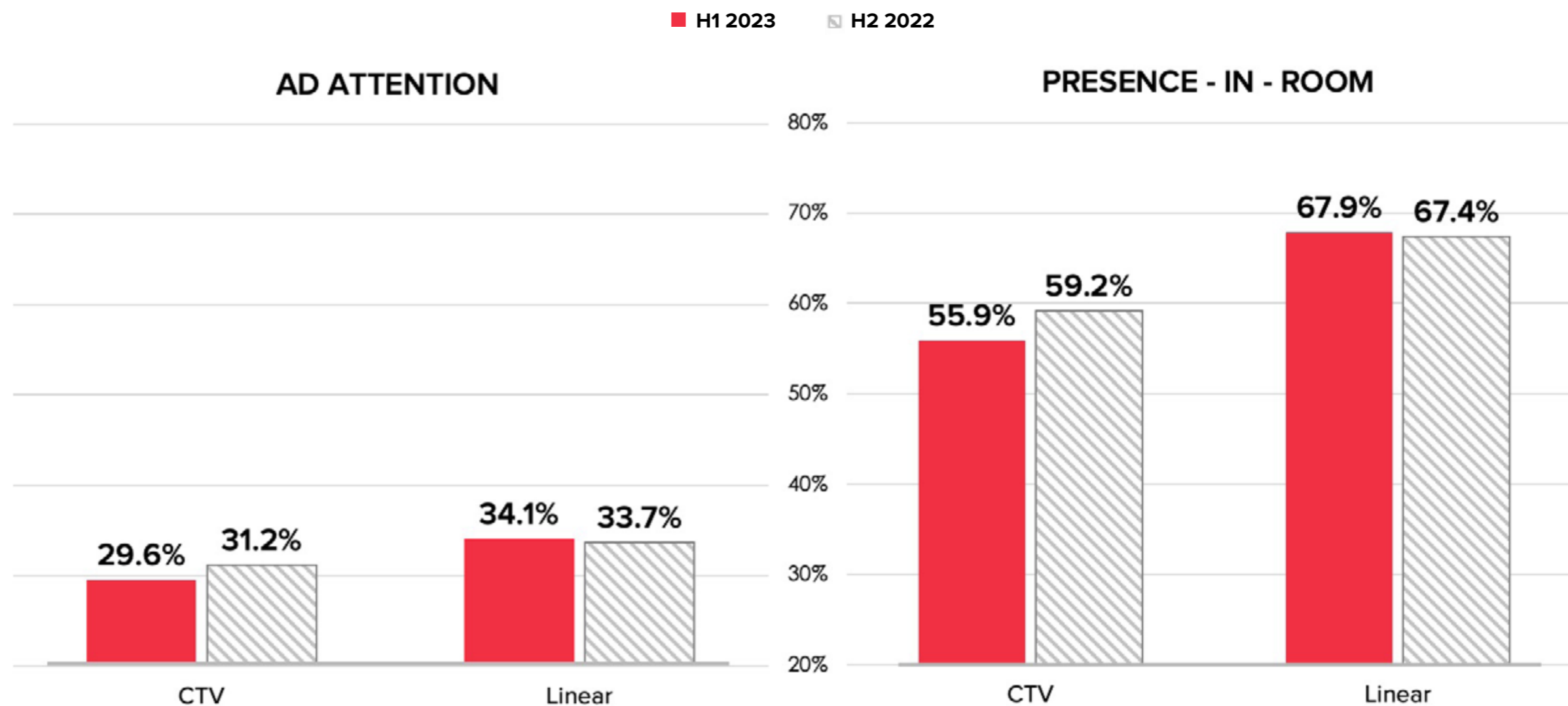
### CTV Movies

These are the top performing CTV movies across all apps, for the first half of 2023.

- Paramount+ 1 TOP GUN: MAVERICK
- Netflix 2 YOU PEOPLE
- Netflix 3 GLASS ONION: A KNIVES OUT MYSTERY
- Peacock 4 TICKET TO PARADISE
- Peacock 5 JURASSIC WORLD DOMINION
- AppleTV 6 GHOSTED
- Netflix 7 MURDER MYSTERY 2
- Netflix 8 YOUR PLACE OR MINE
- Amazon 9 SHOTGUN WEDDING
- Disney+ 10 MOANA
- Disney+ 11 PETER PAN & WENDY
- Netflix 12 THE HATCHET WIELDING HITCHHIKER
- Netflix 13 MURDER MYSTERY
- Netflix 14 PAMELA, A LOVE STORY
- Disney+ 15 TURNING RED
- AppleTV 16 TETRIS
- Netflix 17 THE PALE BLUE EYE
- Netflix 18 WE HAVE A GHOST
- Hulu 19 WHITE MEN CAN'T JUMP
- Netflix 20 ROALD DAHL'S MATILDA THE MUSICAL

# Attention and Viewer Presence Fall *in the First Half of 2023*

Earlier gains made in viewer attention and presence for CTV advertising were erased in the first half of 2023. CTV ad attention dropped from 31.2% to 29.6%. CTV presence-in-room, which signals whether a viewer is in the room and able to receive the message, dropped from 59.2% to 55.9%. Linear attention and viewer presence both slightly increased. What can account for the change on CTV? Viewers are watching more ad supported CTV programming. Also, most CTV apps display a counter during ads which allows the viewer to know exactly when they should return to the room as programming resumes.

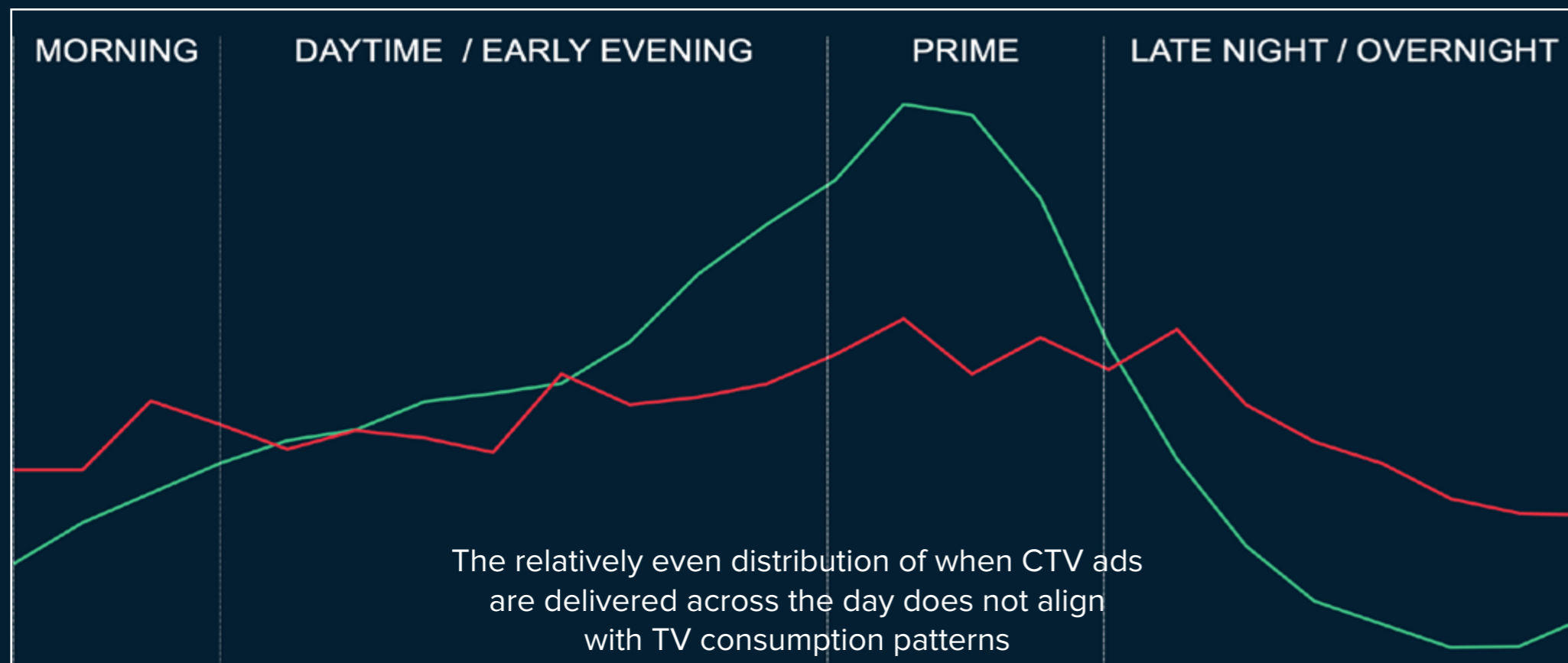


# 40% of CTV Ads Air When Viewers *are Rarely in Front of the TV*

This chart reveals another possible factor impacting low CTV ad attention and presence-in-room. It would be reasonable to assume CTV ad delivery would align with when audiences watch TV - after all this is what we typically see in traditional linear TV channels. But that's not usually the case in CTV. In fact, overwhelmingly, CTV ads are delivered when the majority of viewers are not watching TV.

In the chart, we see CTV ads are generally delivered evenly across a 24-hour day and do not align with how viewers tune-in to CTV programming. In fact, **40% of CTV ads are delivered in lower value late-night, overnight, and morning dayparts**, where as only 20% of linear TV ads are delivered in these less-attentive time periods.

*Percentage Of Impressions (Linear Vs CTV)*



Log-Based view of CTV Impressions

Typical Linear Viewership

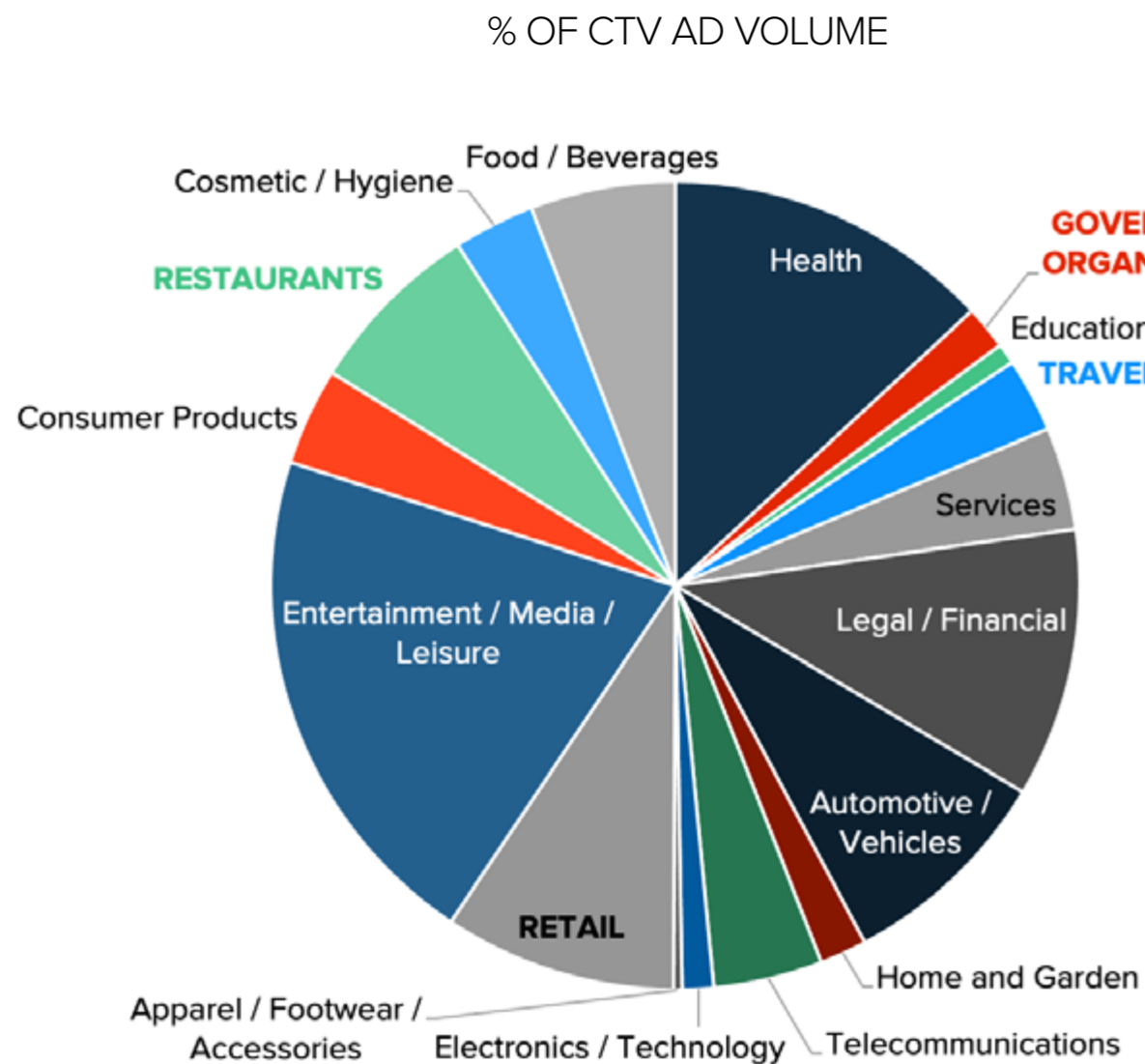
PREMIUM CTV APPS ARE

**77%**

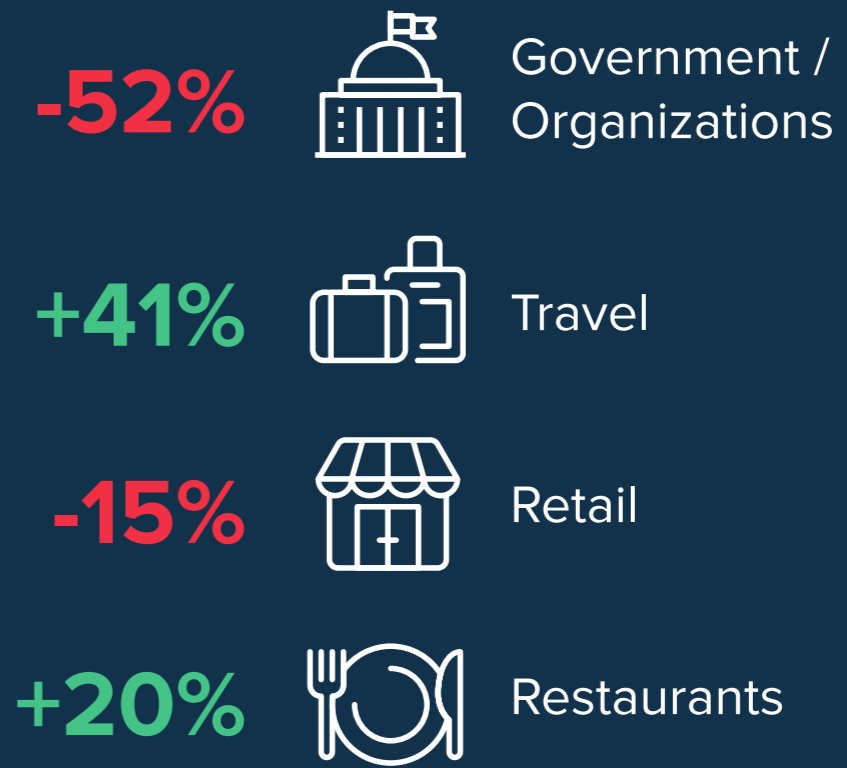
MORE LIKELY TO REACH A PERSON THAN THE AVERAGE CTV APPS

# The Industries Investing in CTV

CTV ad volume continues to increase as marketers invest in CTV inventory. But there is movement within the industries investing in CTV. While the entertainment industry continues to dominate with more than 20% of all advertising on CTV, other industry investments suggest seasonal and cyclical changes. For example, Government and Politics ad spending dropped more than 50% from H2 2022, to H1 2023 as election season ended in November of 2022. Retail also spiked in CTV ad spending in the second half of the year, as we would expect from holiday advertisers. Travel and Restaurants now represent more of the overall CTV ad spending dollars, as these industries continue to bounce back from pandemic-related limitations.



**% CHANGE IN AD VOLUME SHARE H2 2022 TO H1 2023**



# Introducing TVision's CTV Campaign Measurement

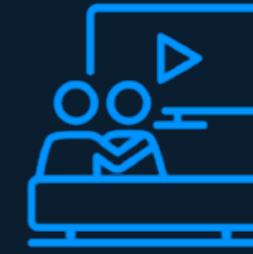
## *Measure the Quality of CTV Campaigns*

TVision's CTV Campaign Measurement provides a unified look at where CTV ads ran and the quality of those impressions. Our post-campaign reporting helps reveal which apps and impressions are driving CTV performance.

We provide comprehensive, independent measurement of CTV so you can answer questions like:

- Where do I get the most value for money on CTV?
- What co-viewing multiple should I use for my impressions?
- Were viewers engaged with my ads?
- Did my target demographic see my ads?
- How much incremental reach did CTV deliver?

CTV Campaign Measurement is now available for both marketers, as well as for media sellers who want to provide clients a trusted, third-party performance report.



Accurate **co-viewing multiples & campaign demo reporting** - including walled gardens



**Eyes-on-screen attention** measurement across all CTV apps in your campaign



**Incremental reach** trends for your brand on linear, CTV, and YouTube CTV properties



# Benefits of TVision CTV Activation

## *Activate on Attention to Optimize CTV Investments*

Use TVision data to improve the impact of your campaigns and deliver ads that reach engaged, interested audiences with CTV Activation

- Stop buying CTV ads that are never seen
- Reduce waste while increasing CTV reach
- Focus investment on content that delivers impact

### 3 WAYS TO ACTIVATE WITH TVISION

#### *Private Marketplaces (PMP)*

Packages of high attention CTV inventory, including apps and dayparts.

**MORE THAN 100 DSPs**

#### *Pre-Bid Segments*

Target CTV inventory to meet minimum engagement thresholds

 **theTradeDesk**

 **Display & Video 360**

**amazon.com**

**AND OTHER MAJOR DSPs**

#### *Custom Algorithms*

Dynamic In-Flight  
aCPM Optimization

 **theTradeDesk**

 **Display & Video 360**

“

To effectively position our premium content delivered across all platforms, we require a solution for apples-to-apples measurement and analysis of content performance and advertising value. TVision's Total View gives us the data we need to get a holistic view of our premium content within the industry.

SUZANNE PERSECHINO

SVP Ad Sales Research at A+E Networks



Ready to get comprehensive, unified reporting for your campaign across all major CTV apps and save your team time?



*Visit our website  
or contact us to learn more.*

# About TVision

## *The Leader in TV Engagement Metrics*

TVision measures what was once unmeasurable — how people really watch TV. Using cutting-edge computer vision technology, only TVision measures person-level, second-by-second TV engagement. Marketers and media seller's access TVision's TV performance metrics via its software-as-a-service platform. TVision's customers include some of the largest brands in the world, top media networks, and CTV applications. TVision's single-source panel enables measurement across both Linear TV and CTV, providing critical metrics such as Attention, Viewer Presence, Co-Viewing, and more.

*Visit us at [www.tvisioninsights.com](http://www.tvisioninsights.com)*



# Methodology & Metrics

TVision measures Presence-In-Room and Attention for every second of programming and advertising on television. Every time a person walks into the room, our technology detects who the viewer is, where they are in the room, and what their eyes are looking at. We do all this without personally identifying individual users, and without transmitting any images or videos. TVision's data is collected from an opt-in panel of 5,000 homes across the United States and weighted to represent the country. All demographic data is self-reported by the respondents. Linear and CTV ad impressions data in this report is from January 1 – June 30, 2023, unless otherwise indicated.

## Attention Index

Measures the average amount of seconds that viewers engage with an ad or program

## Attention (%)

Measures the percentage of ad impressions where a viewer was watching the TV screen for two or more seconds

## Average Frequency

The average number of times a viewer is exposed to a brand's ads per month

## Co-Viewing Rate (%)

Measures the proportion of episode or app views that occur with another viewer present for 5 or more minutes

## Overlapping Reach (%)

This measures the percent of households that are viewers of two given apps as a percentage of all households in our panel

## Overlap - Main App (%)

When comparing a given app's audience with that of another specific app, this identifies the percent of households that have access to the first app

## Overlap - Cross App (%)

When comparing a given app's audience with that of another specific app, this identifies the percent of households that have access to the second app

## Share of Time Spent

Compares the amount of time spent viewing the app or program

## Presence-In-Room Index

Measures the average amount of seconds that viewers were present in the room for an ad or program

## Viewer Presence (%)

Measures the percentage of all ad impressions in which a viewer was in the room for two or more seconds.

## Viewers Per Viewing Household (VPVH)

This represents the average number of viewers present in the home when the TV is on with the content tuned.