

# The CTV Advertising Report

June 2021

T>>VISION



Apps

**NETFLIX**

**HBO  
max**

 **YouTubeTV**

**sling**

**peacock**



Guide



Watch Live TV



On Demand



Kids On Demand



Search shows

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# As Broadcast Television Migrates to CTV the Industry Needs to Get Measurement Right

Connected Television (CTV) is exploding with over 80 percent of all households now able to access CTV, and streaming content accounting for 20% of all viewing. At current exponential growth rates, a majority of television viewing is expected to be connected within the next three to five years.

As people switch to a new way of engaging with video, it is key that the industry is not anchored in the measures of the past. The challenge today is that many CTV providers have created walled gardens that pose challenges for transparent and comparable measurement.

Apps are self-reporting data, disguising subscription numbers, and hiding how their shows perform. In an environment

where there is a need for greater clarity, there is a tendency to bundle inventory and to focus on households rather than individuals. While the technology allows for clarity, the market's commercial needs foster confusion.

TVision is working to provide granularity on measures that matter.

TVision measures who engages with what, combining person-level attention to individual programming.

This TVision CTV report reveals some intriguing insights including why content is key; the unrealized potential of streamed live sports; the unique strength of Netflix; and the AVOD apps that deliver engagement.

Marketers, agencies and the industry at large are eager to follow consumer behaviors into the future and expect measurement capabilities to move with them.

**Rishad Tobaccowala**  
Author, Advisor and  
Advertising Industry Visionary

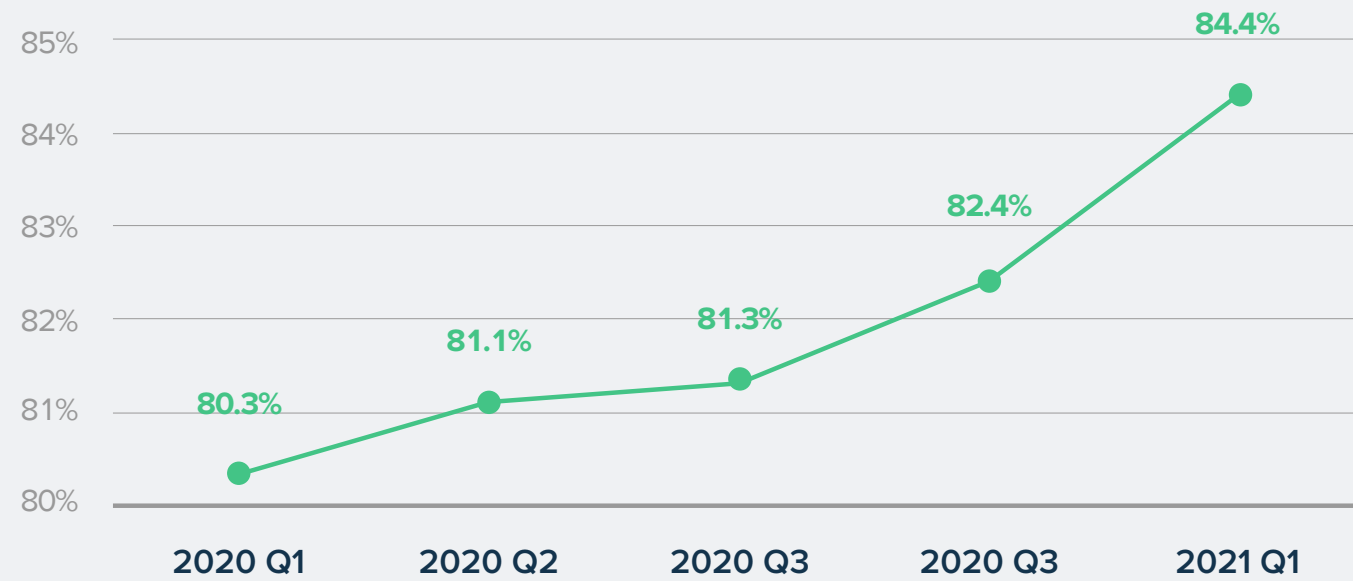


# CTV Grows in Popularity

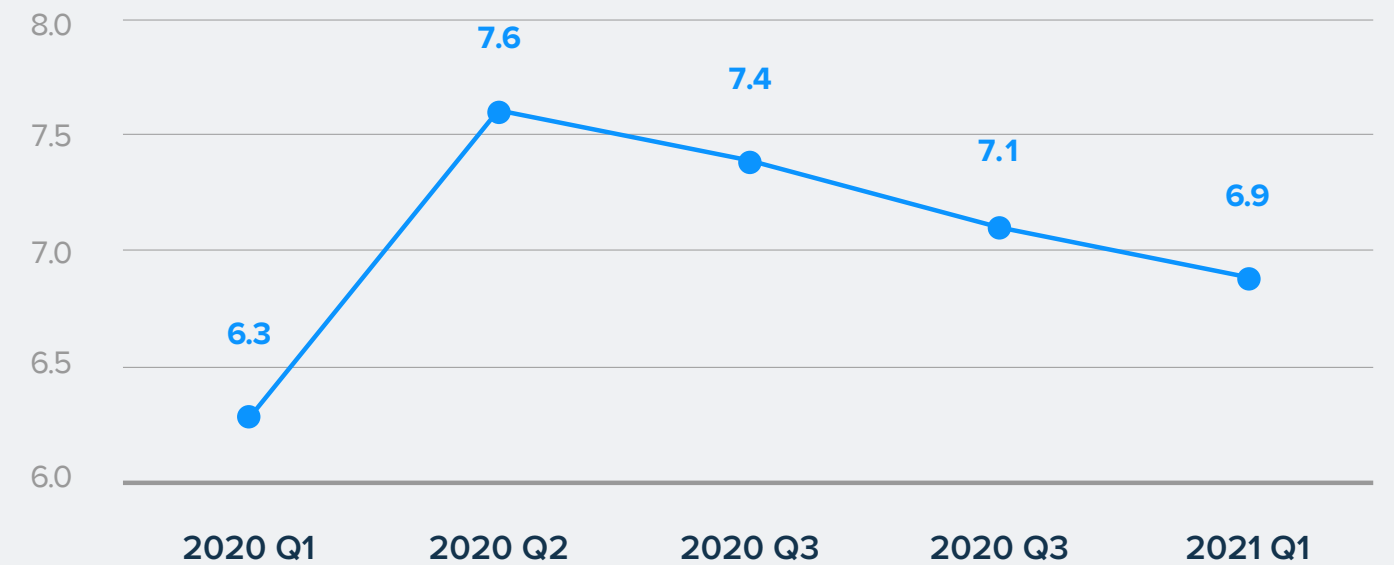
Our data shows what most in the television industry have assumed for quite a while, almost all households in America are CTV-enabled, and that number continues to climb. In Q1 of 2020 80.3% of households in the TVision panel were CTV enabled. Since then, there has been continued quarter-over-quarter growth and now 84.4% of households have the capability to stream TV. Nearly 7 million Americans cut the cord in 2020, and all indications are that this number will continue to grow as Smart TVs become increasingly affordable and streaming applications deliver more and more content.

In the past year we saw that consumers who were spending more time at home were willing to seek out content on apps beyond the traditional streaming leaders. In Q2 of 2020 the number of apps per household peaked at 7.6. In subsequent quarters, this number dropped slightly - maybe as consumers tested out new apps and settled on their favorites - but notably still remains higher than it was at the start of the pandemic. New entries from established television players with large content libraries, including Discovery+, Peacock, and Paramount+, may have contributed to this growth.

Percent of CTV Enabled Households



Average Number of Apps per TV



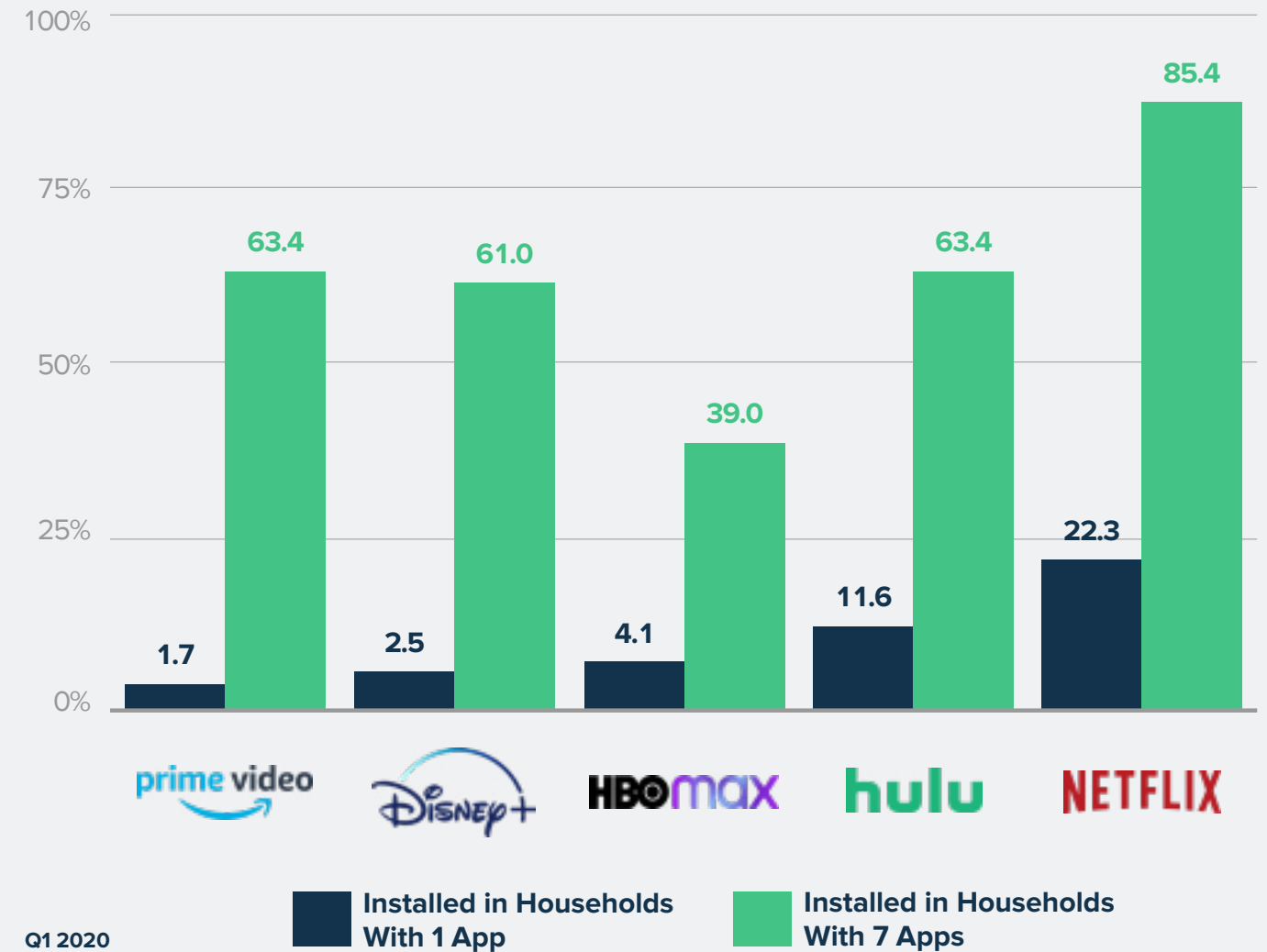
# Clear Consumer App Preferences Remain

We also see clear patterns in application preference where Netflix remains the clear leader. Households with only one app installed are twice as likely to have that app be Netflix, as compared to the second most likely app, Hulu. The preference for Netflix also carries across as panelists increase the number of apps.

Netflix was installed in more than  
**85%**  
of households with seven or more apps  
in Q1 2021

The performance is more mixed for other premium content providers. Surprisingly Amazon Prime, which is available for free to Prime subscribers, had a fairly low adoption rate when only one app was installed. When low numbers of apps are in use, it is much harder for streaming companies to break past the market hold of Netflix. That said, it seems there is plenty of room for premium apps as we look at households who have installed the average number of seven apps. In these homes, Disney+, Hulu, and Amazon Prime are also highly likely to be streamed.

Application Popularity



# Premium Content Increases App Attention

As more and more streaming providers gain screentime in our living rooms, we see a strong correlation between the increase in total time spent on an app with the release and performance of premium content.

HBO Max, which recently launched its ad-supported offering, has embraced this strategy. As you can see in the chart, the release of “Wonder Woman” in December 2020 dramatically increased HBO Max’s total time spent, and in the ensuing months the app’s performance stayed well above the earlier baseline. “Friends: The Reunion” also had a powerful impact on the streaming provider’s performance. Not only did the special event draw high engagement, the run-up and promotion of the event also drove increased attention for all earlier seasons of “Friends” as well.

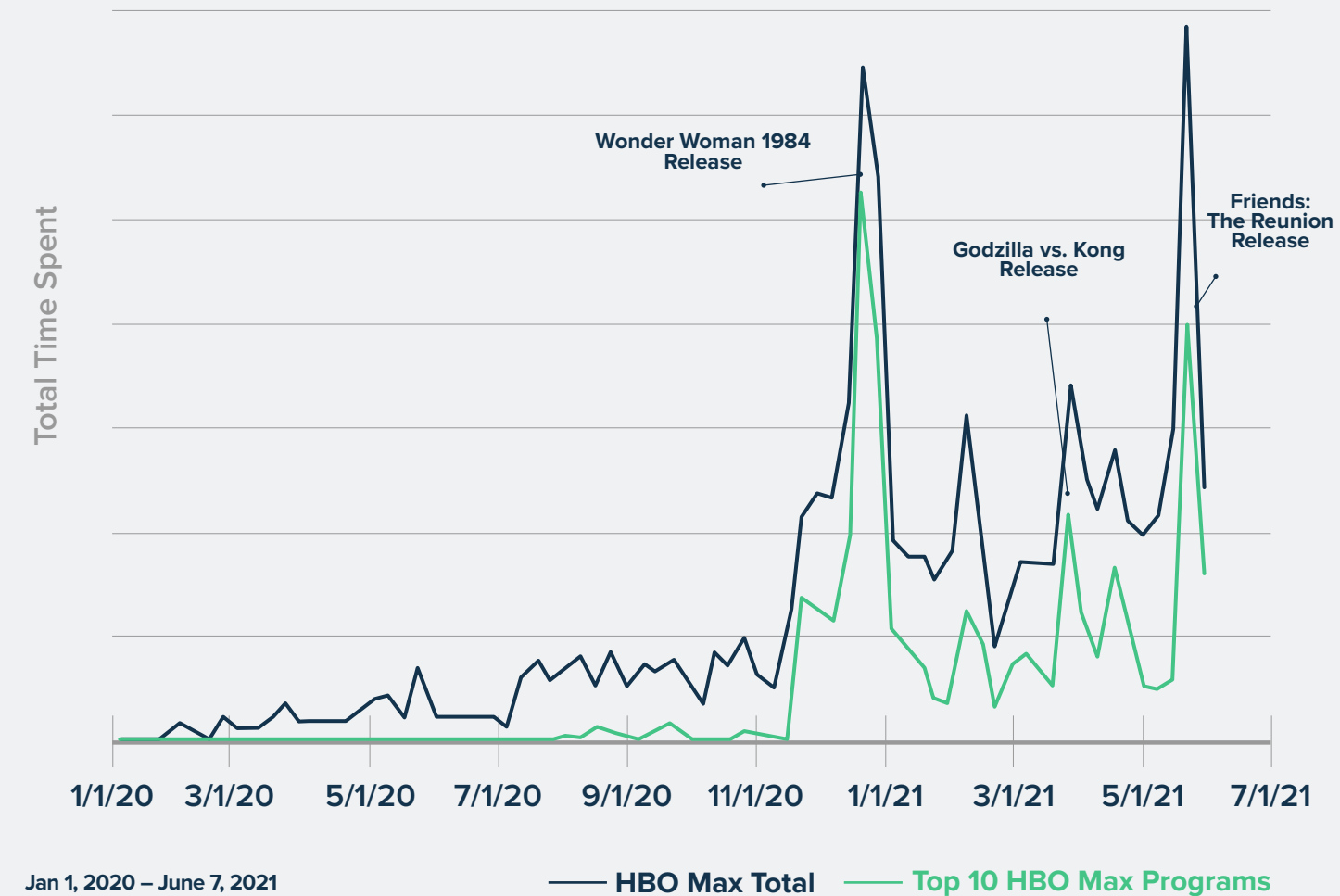
May 2021, time spent on Hulu spiked by more than

# 2X

due to the season four release of Handmaid’s Tale

Considering new CTV strategies? Evaluate how major releases drive interest.

Top 10 Programs Make Up 42% of Total Volume for HBO Max

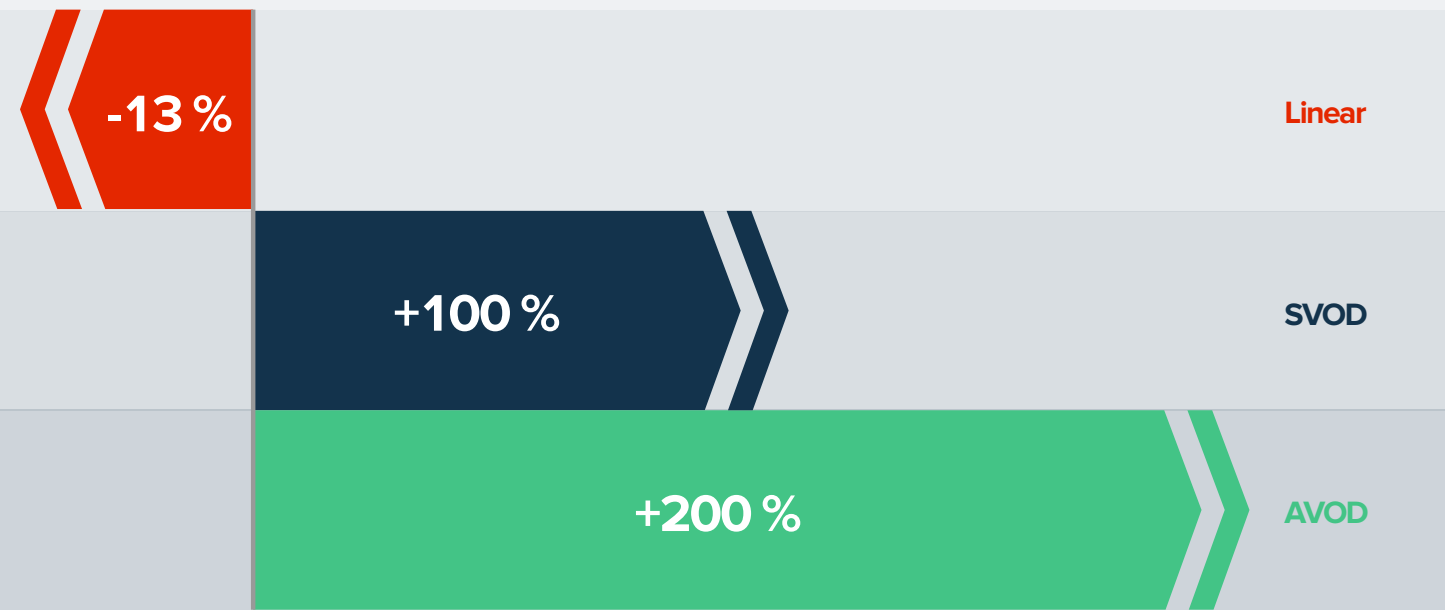


# CTV Gains Share as Viewers Shift From Linear

TVision's data validates what the industry is already recognizing: CTV is gaining traction with consumers. Time spent viewing linear television is decreasing overall, although Americans still spend the majority of their TV time with broadcast and cable providers. When we compare TV viewer behavior for May of 2020 to May of 2021, we see a 100% increase in time spent watching SVOD apps and a 200% increase in AVOD viewing. Conversely, linear TV saw a 13% decrease which is notable given the significantly larger base of linear TV viewers.

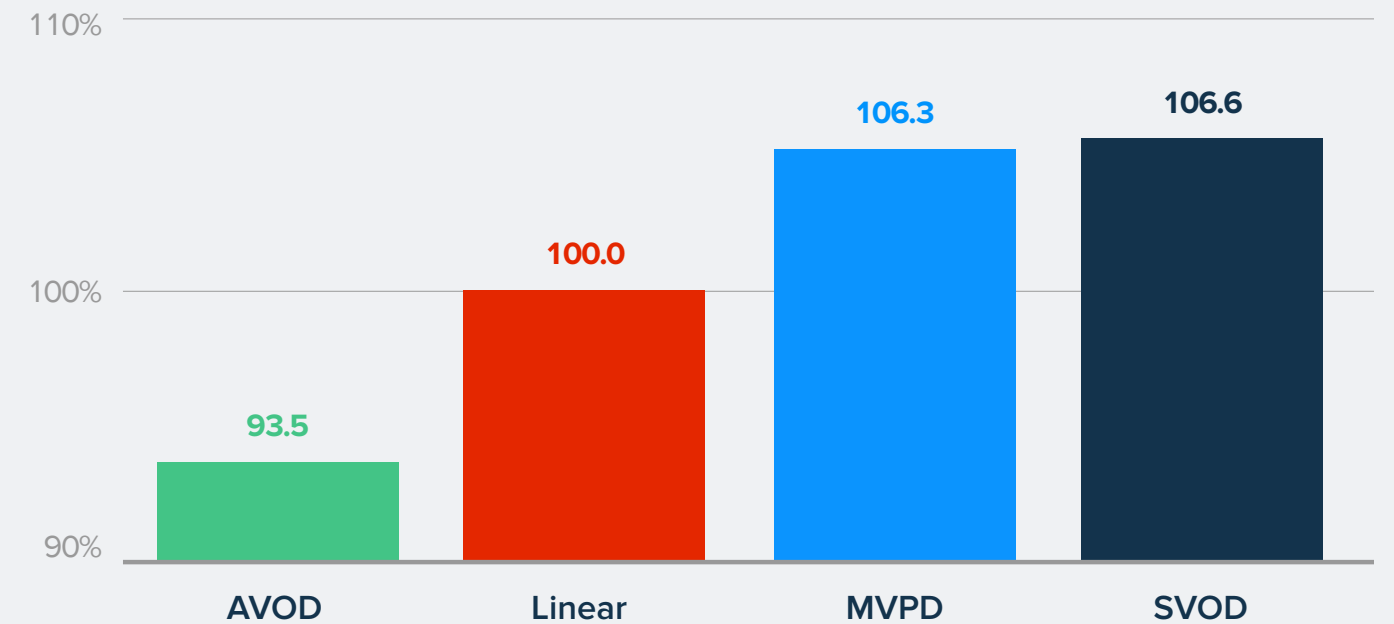
The premium content available on SVOD has traditionally delivered higher levels of attention and that continues to be the case in 2021 as SVOD providers have delivered premium, engaging content. In contrast, AVOD viewers, who may be less intentional about the content they are watching, are under-performing for attention compared to linear (indexing at 93.5 compared to linear's 100). Of note, MVPDs are keeping pace with SVOD on the high end of attention, above 106. This may be due to the demographics of viewers who use MVPDs and the type of content they watch on MVPD, such as special events and sports.

### Change in Share of Time Spent



May 2020 – May 2021

### Attention Index Varies Across Application Type



Q1 2020

# — The Top Apps for Ad Attention

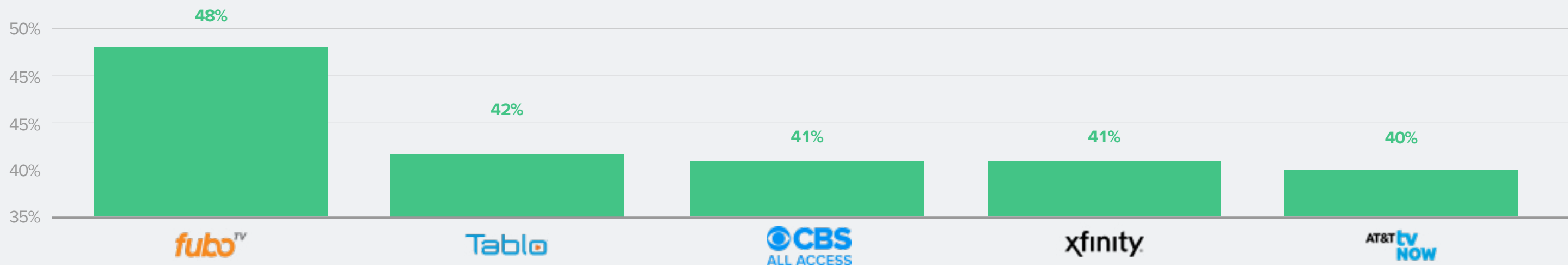
As marketers increasingly expand their CTV investments, they need to gauge the true value and impact of their investments. To correctly size their CTV opportunity advertisers must be able to make apples-to-apples comparisons with the current standard-bearer, linear TV. Attention and engagement data in our platform allows marketers to identify the AVOD and MVPD applications that are outperforming their linear counterparts.

As an example, ad opportunities within FuboTV are definitely worth a second look. In the first months of this year, we saw that FuboTV outperformed all other ad-supported TV, capturing 48% attention to its ads. In comparison, the average attention for all live sports outlets - across CTV, cable, and broadcast, is 35.8%. Sports viewing traditionally reports lower levels of attention than average TV content - due in part to the nature of the content

and the length of games. It is possible that FuboTV delivers high attention because its viewers are intentionally seeking this content and therefore are more attentive, engaged fans.

Also of note, the two MVPDs on the list, Xfinity Stream and AT&T Now, both essentially provide a live viewing experience similar to linear, where viewers are more accustomed to watching ads. Additionally, the performance of Tablo, which acts as a DVR and allows audiences to skip ads, is also interesting. Arguably, looking at TVision's attention data, their ad-skipping feature is not all bad news for marketers. Tablo ranked second for ad attention - maybe in part because viewers who don't fast forward beyond the ads are responding positively to the ad content and making an intentional choice to keep watching through the ad break.

## Top Apps for Ad Attention



January 2021 - May 2021



# — AVOD Programs That Deliver Audience Engagement

As CTV viewing continues to gain traction, advertisers are recognizing the limitations of purchasing CTV inventory based only on audience attributes. Oversaturation of ads due to lack of frequency controls, and the inability for advertisers to align their ads with chosen content pose continued challenges. As one major CPG marketer recently told us,

**“It is incredulous that brands spend so much money to show the same ad for a month straight. How many touchpoints can a consumer have if they are in every bucket before wear out strikes?”**

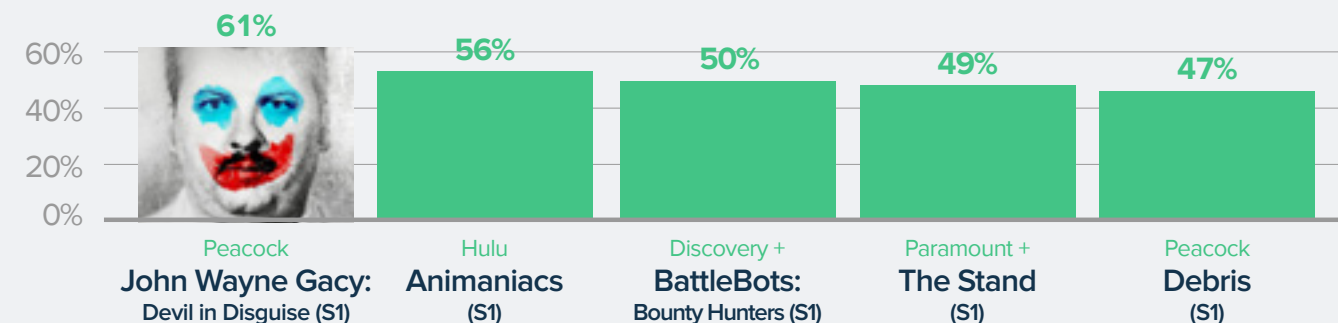
As AVOD platforms continue to sell their inventory based on audience profiles, media buyers risk paying premium prices for audiences that are not engaged or paying attention.

While scale may continue to be a limiting factor, surely there is a win/win for both marketers and CTV platforms where ads are specifically targeted to addressable audiences within premium, attentive content. We encourage advertisers to work collaboratively with AVOD players to allow for more granular inventory targeting. For example, program-based targeting could help ensure their advertising reaches engaged audiences. In these charts, we identify the top AVOD programs for audience attention, co-viewing, and bingeing. These are shows where ad placements can bring greater value to CTV plans.

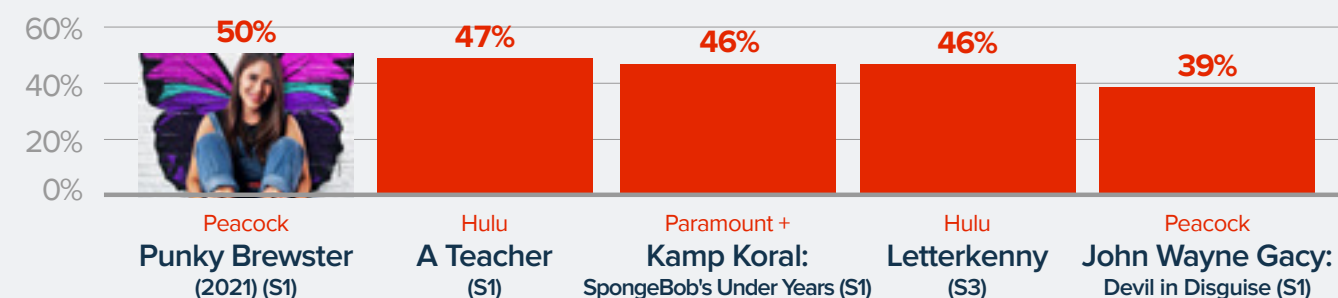
## Marketer Tip:

Person-level data from TVision can help marketers navigate planning choices to find CTV platforms where their ads will reach engaged audiences.

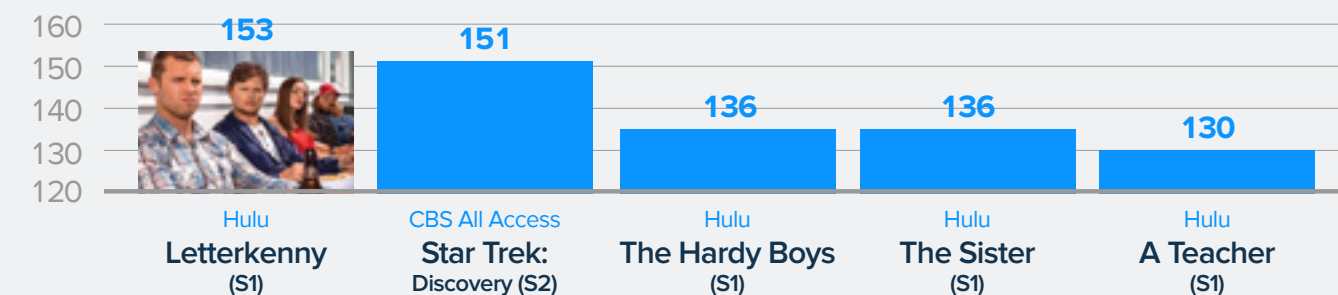
### Most Co-Viewed



### Most Binged



### Highest Attention



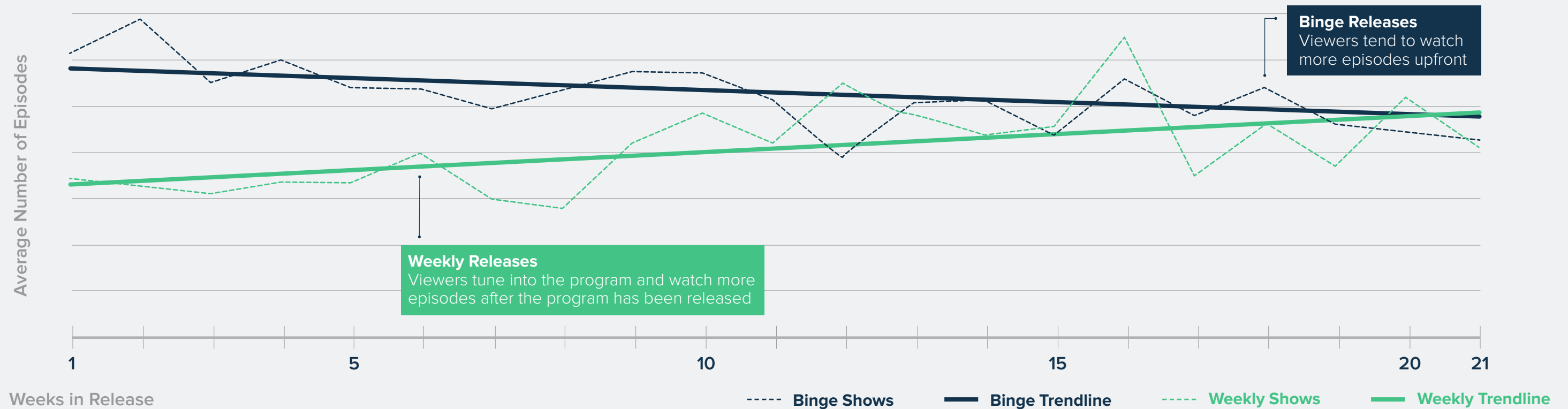
New episodes only, P2+, Q1 2021

# Weekly Releases Drive Long-Term Viewer Engagement

The question of whether to release content on a weekly basis or all-at-once continues to dog the streaming industry. Netflix, with its massive audience, releases full seasons of binge-worthy streaming content all at once. However, other premium apps such as Disney+, HBO Max, and Hulu have primarily adopted weekly release schedules. As we've seen these apps make slow gains into Netflix's share of audience attention it raises the question of whether slow release schedules can help drive long-term engagement.

To answer the question, we looked at highly marketed and popular premium content, and then compared the average number of episodes per viewer for both binged and weekly release shows. On average, binged shows capture a higher number of episodes per viewer than weekly releases - especially closer to the show's original air date. However, over time, as the buzz around the weekly-release shows picks up, viewers become more engaged, and the trend line for their episodes per viewer goes up.

Total Time Spent for Weekly VS Binge Release Shows



Weeks in Release  
Oct 1, 2020 – May 31, 2021

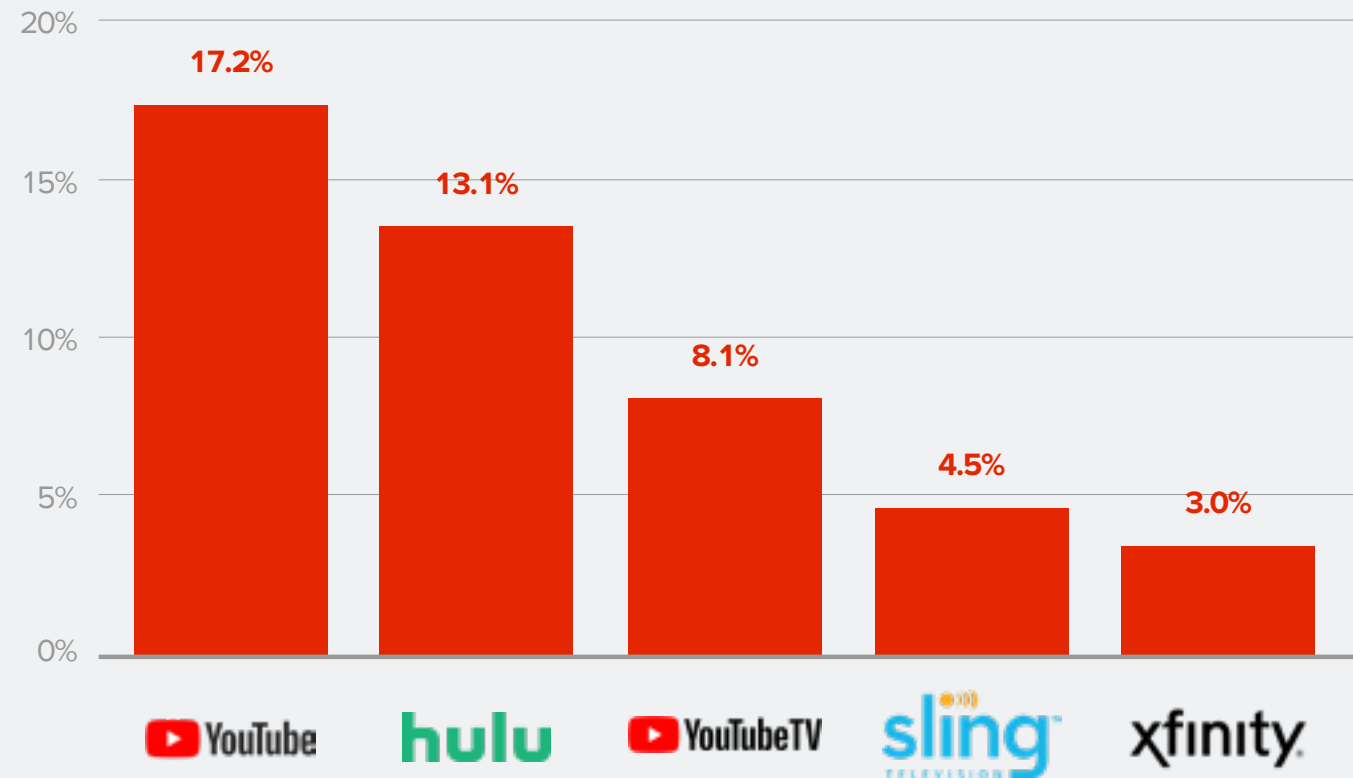
----- Binge Shows      — Binge Trendline      ----- Weekly Shows      — Weekly Trendline

# Measuring CTV Walled Gardens

Walled gardens remain a challenge for brands as they seek to optimize their CTV investments and brand promotions. Without the ability to conduct an apples-to-apples comparison of campaign performance across AVOD apps, it can be difficult for marketers to effectively plan, measure, and improve campaign performance.

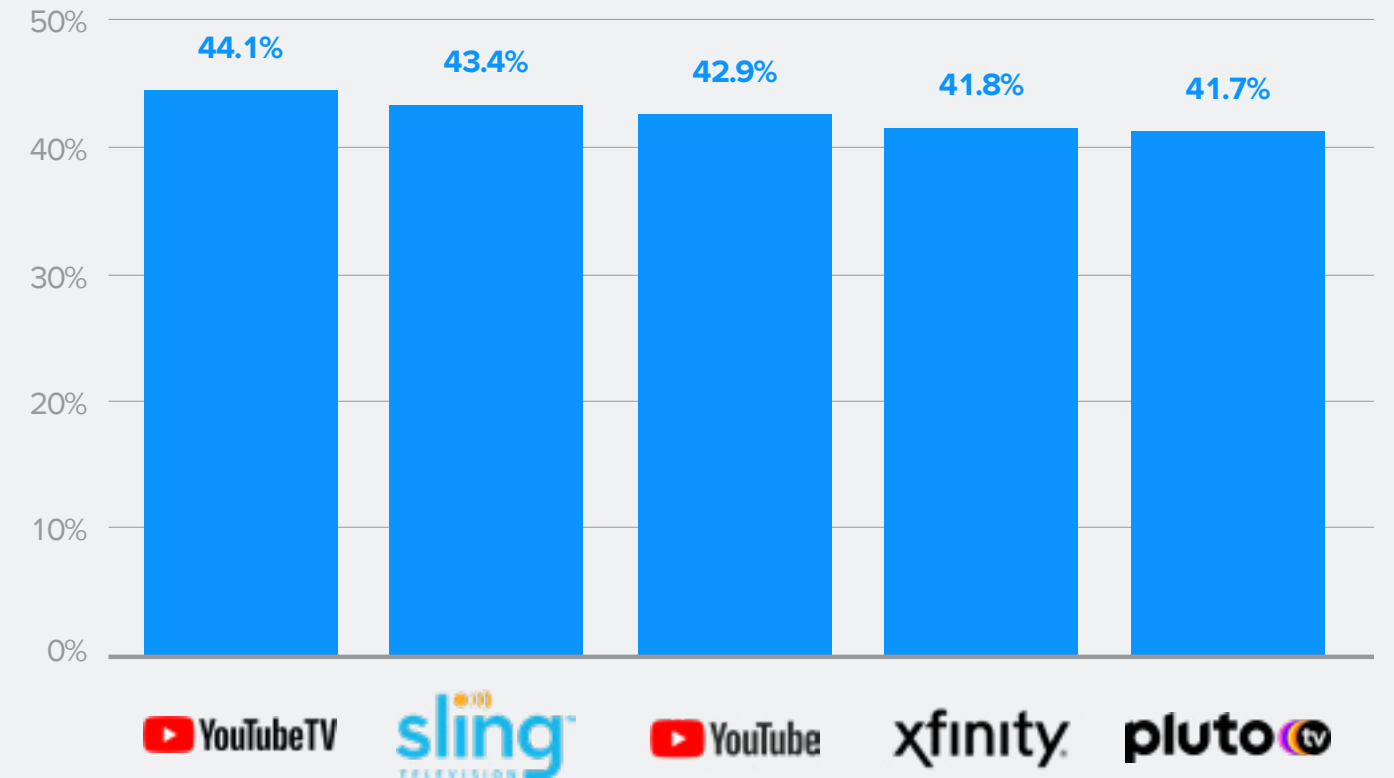
TVision's CTV data allows marketers to better compare engagement and performance across applications. In Q1 2021, viewers spent more time on YouTube and Hulu than any other ad-supported platforms, and viewers were most likely to co-view YouTube and the sports-heavy SlingTV.

The Top Ad-Supported Apps According to Share of Time Spent



Q1 2021 data

The Top Ad-Supported Applications for Co-Viewing



Q1 2021 data

# Discover the Best Ad Lengths Per App

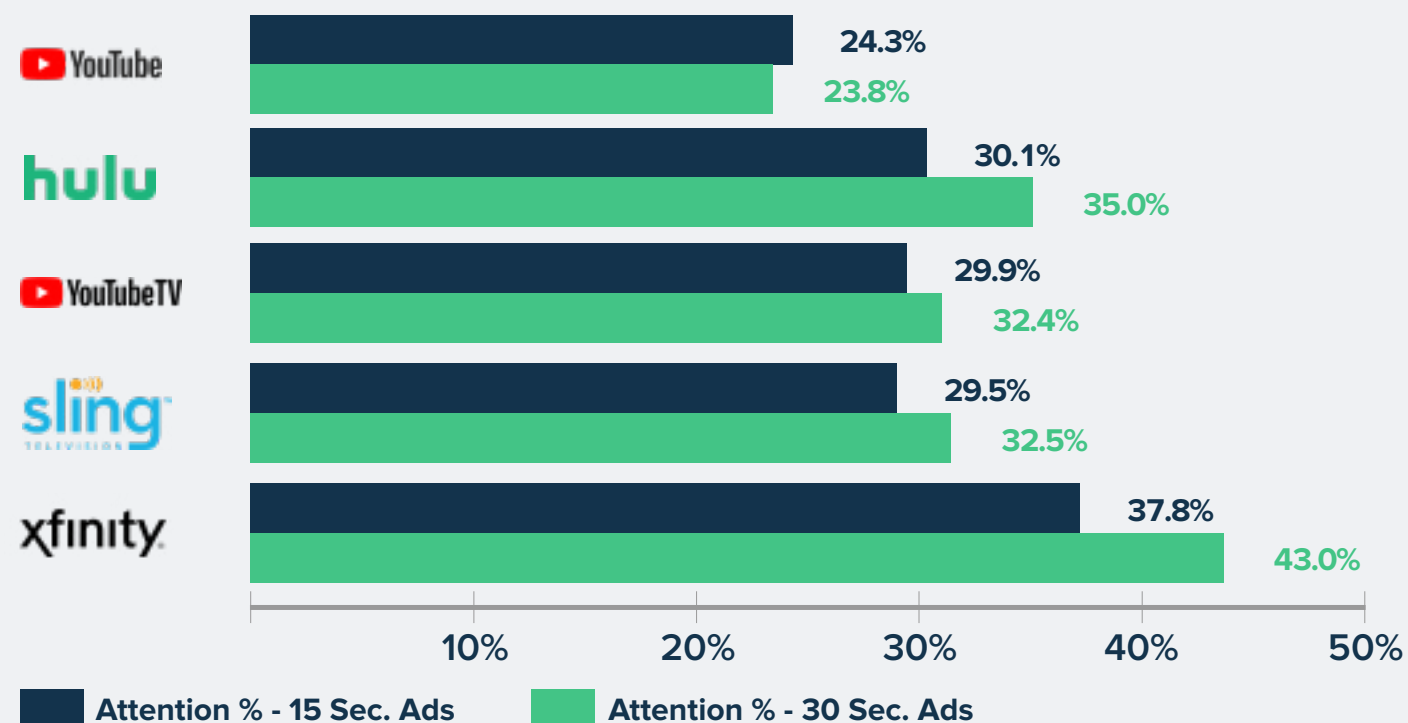
These five applications present the largest opportunity to reach viewers, based on time spent. It is interesting to look at how well ads captured attention, based on the length of creative for these popular apps. Overall, 33.3% of viewers paid attention to 30-second ads, compared to 30.3% for 15-second ads, suggesting that opportunity to engage viewers is roughly equal.

This holds true as we look at the amount of attentive time spent with each ad format. The longer :30 ads do deliver slightly more attention time, but it is not proportional with their longer

length. As an example, viewers watched nearly 50% of YouTube 15 second ads, whereas they watched less than a third of the :30 spots. (7.2 seconds compared to 9.6).

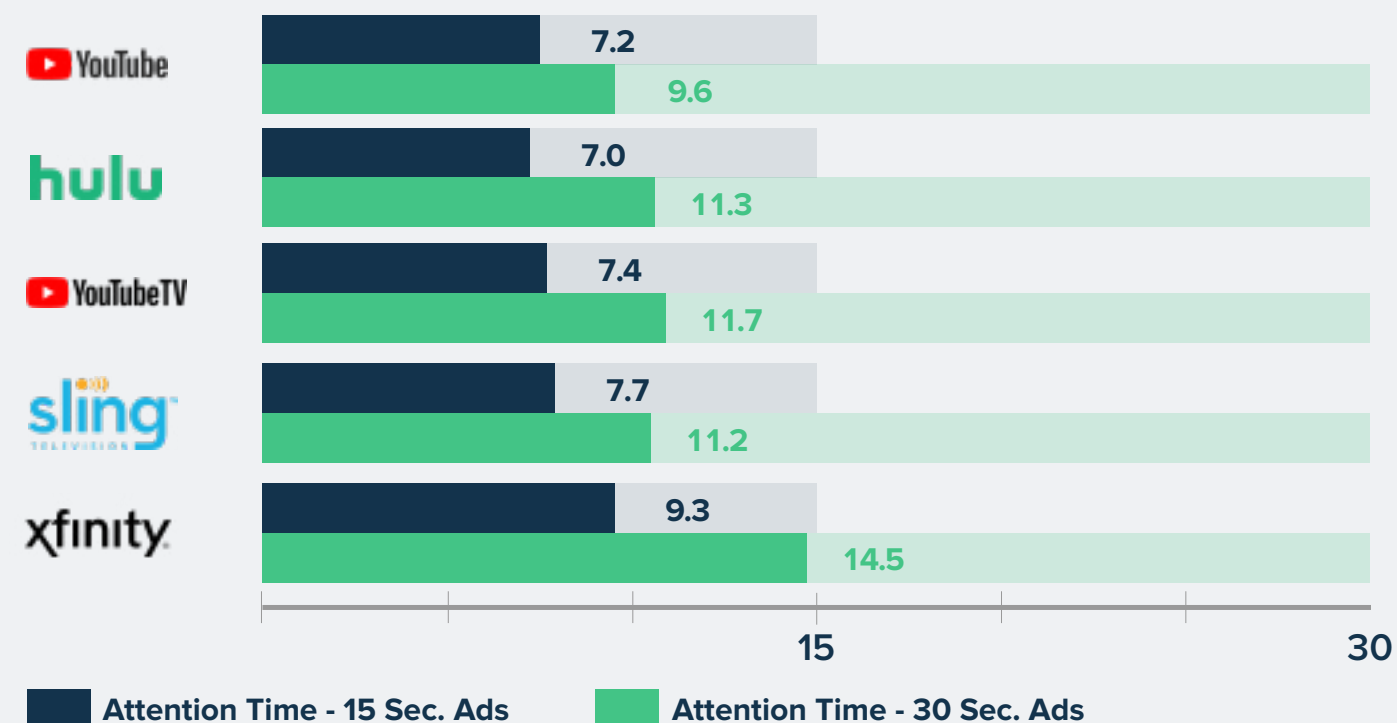
The data suggests that shorter ads deliver more value, with viewers paying attention to almost half of the total ad, compared to just 11.6 seconds of the 30-second ads.

**Average Attention for Ads**



Q1 2021 data

**Average Seconds of Attention**



Q1 2021 data

# — The Brands That Are Winning on CTV

Advertisers may be surprised to see that streaming content's reputation for intentional, engaged viewing does not universally translate to high attention for CTV ads. But keep in mind this reputation may have been earned from premium SVOD content which does not include ad opportunities.

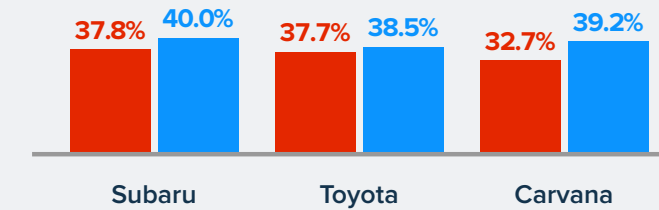
Parallels for AVOD content can be more closely drawn with linear TV. In fact, our data shows that overall CTV ad attention is actually slightly lower than linear TV averages, even for advertising stalwarts like Reese's, Charmin and Toyota. We see that most of the brand leaders are capturing higher attention on linear than CTV, with the notable exception of JARDIANCE, Ensure, and USAA.

There are several possible reasons that linear advertising outperforms CTV:

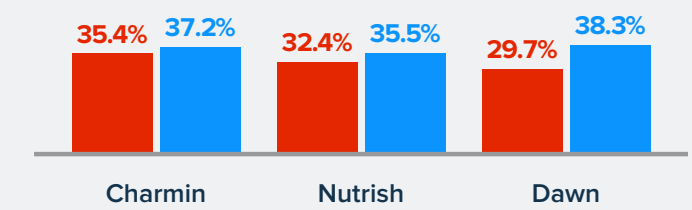
- CTV users who are used to an SVOD experience may be less tolerant of advertisements within CTV, and more likely to tune out.
- Many CTV platforms have fewer ad breaks and alert viewers to the length of the ad break.
- Viewers may be using this time for a break of their own.
- CTV advertisers are buying on audience alone, and not able to match their creative to specific content.
- CTV platforms provide a low barrier to entry for advertisers who want to make the leap between digital video and TV. In some cases, they may not deliver the same high quality ads as traditional TV advertisers.

We anticipate that as advertisers and CTV apps work through these challenges, we might see attention metrics increase for CTV. In the meantime, TVision's data can help advertisers benchmark their performance against their industry, and learn best practices from CTV advertising leaders.

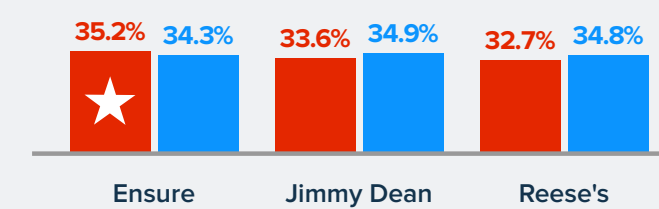
## Auto



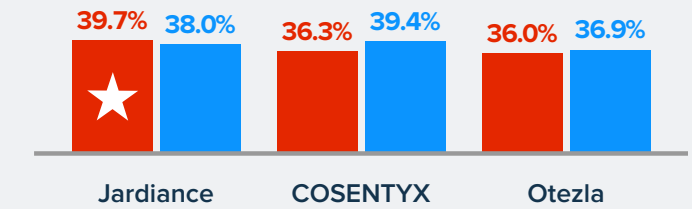
## Consumer Products



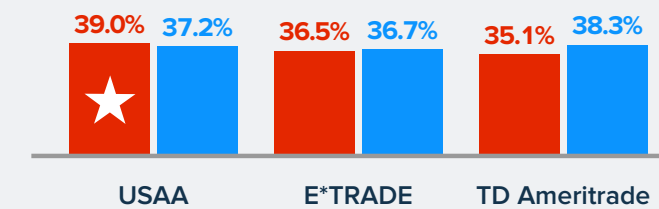
## Food & Beverage



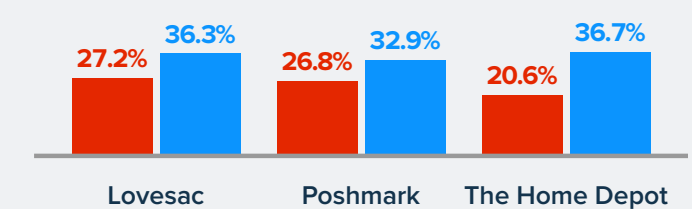
## Health



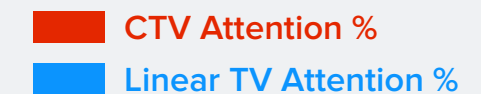
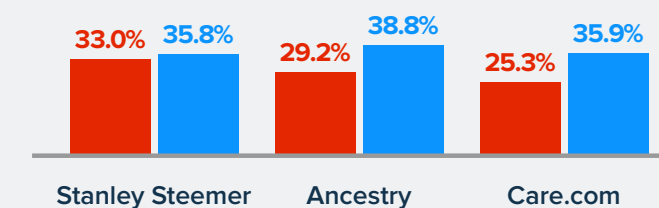
## Finance



## Retail



## Services



Q1 2021 data

# Get More Insights with TVision's New CTV Planning Tool

CTV planning data is now available in the TVision platform. TVision's panel-based approach provides much needed transparency and unified metrics to evaluate viewer engagement across both linear TV and CTV - including CTV's walled gardens.

TVision's tagless solution provides insight into 130 channels, 16,000 hours of CTV content and more than 75,000 ads, helping marketers:

- Make apples to-apples comparisons of performance across linear and CTV applications
- Gain performance perspective into CTV walled gardens
- Pinpoint the most engaged viewers across apps and the content on those apps that drives engagement
- Negotiate from a point of knowledge with hard facts about media performance compared to the market compared to the market.



Contact TVision to schedule a demo and start planning smarter CTV campaigns.

## Key Metrics / Definitions

### Ad Attention (%):

This measures the amount of time the viewer was engaged in the content.

### Attention Index:

This is the average amount of seconds that viewers engage with a program.

### Co-viewing Rate:

Coviewing Rate measures the proportion of episode views that occur with another viewer present for 5 or more minutes.

### Share of Time Spent:

Share of Time Spent represents the proportion of application views.

### Binge Rate:

This measures the proportion of episode views that occur in a viewing session of three or more episodes in a row.

## Methodology

TVision measures TV and CTV Ad Attention for every second of programming and advertising. 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. The data for this report was collected from January 1, 2020, to May 31, 2021, from 5,000 homes across the United States. All data is weighted to represent the country. All demographic data was self-reported by the respondents. All data is measured second-by-second, person-by-person. All linear data includes Live Plus 3 Days. All data is for Q1 2021, and viewers P2+, unless otherwise noted. Top programs and ads are limited to English-speaking content only. To qualify for rankings, all brands must have a minimum sample size of 250.

Contact TVision at  
**[hello@tvisioninsights.com](mailto:hello@tvisioninsights.com)**

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