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THE IAB EUROPE GUIDE TO THE PROGRAMMATIC CTV OPPORTUNITY IN EUROPE

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Contents

Section 1 - Introduction	Page 4
Section 2 - Key Terms and Definitions	Page 5
Section 3 - The European Ecosystem	Page 7
3.1 Challenges to Overcome	Page 8
3.2 Programmatic Adoption in CTV Across Europe	Page 14
Section 4 - A Deep-Dive Into the Programmatic CTV Supply Chain and How to Understand It	Page 19
4.1 Targeting and Buying	Page 21
4.2 Deal Types	Page 23
Section 5 - A Step-By-Step Guide to Planning and Operating a CTV Campaign Programmatically	Page 25
Section 6 - Programmatic CTV Campaigns Re-Cap/Checklist	Page 27
Section 7 - Campaign Measurement	Page 28
7.1 Viewability Measurement	Page 28
7.2 Actionable Brand Safety	Page 29
7.3 Questions to Ask to Measure Campaigns	Page 29
7.4 Transparency Solutions	Page 30
7.4 The Future of CTV Measurement	Page 31
Section 8 - Privacy and CTV	Page 32
Section 9 - Key Considerations	Page 34

Contents

Section 10 – Best Practices	Page 35
Section 11 – What the Future of Programmatic CTV Holds	Page 36
Summary	Page 41
Contributors	Page 42
Glossary	Page 44

Section 1. Introduction

The European Connected TV (CTV) market has skyrocketed in recent years. Where the worlds of TV and digital have been gradually merging over time, more and more consumers have been tuning out of traditional linear TV options and moving into online streaming, paving the way for the CTV phenomenon. With significant increases in smart TVs, streaming apps and devices making TV content now so easily accessible, and the global pandemic meaning more time is being spent at home, the media landscape has not only shifted but has radically transformed to enable CTV to reach new heights.

TV is now directly connected to the internet and with this comes greater access to, and the ability to pass, data. CTV is, therefore, not only seeing seismic growth in terms of its adoption rate but is also opening up new opportunities in the programmatic space. We know from our latest [programmatic advertising research](#) that CTV is a main area of growth with 70% of advertisers and 61% of agencies stating that CTV will be one of the key programmatic growth areas over the next 12 months.

It is now possible to transact inventory through CTV in an automated way, similar to traditional modes of digital advertising. However, programmatic CTV in the European market is still nascent and there are some technical complexities that need to be overcome in order for it to reach its full potential. For buyers, it is crucial to be educated on the opportunity and possibilities available and to understand the CTV environment in order to maximise its potential.

The aim of this guide is to reveal how CTV can operate programmatically. Following on from [IAB Europe's Guide to Connected TV](#) that was released in June 2020, it takes a deeper dive into this emerging channel to help planners and buyers of media navigate the programmatic opportunities that CTV offers. It provides a European-level overview of the CTV programmatic supply chain and the CTV options available to advertisers, and addresses the challenges that planners currently face to make the most of the opportunities and demand in this space. It also offers some key considerations and best practices to ensure programmatic CTV is being optimised and used effectively.

Section 2. Key Terms and Definitions

In June 2020, IAB Europe released [The Buyer's Guide to Connected TV](#). This guide was developed by experts from IAB Europe's Channels & Formats Taskforce (a part of the Brand Advertising Committee) for buyers and aimed to bring clarity to the often confusing advanced TV market and align all industry players on clear and concise pan-European definitions. The following definitions were agreed and are now supported by IAB Europe, its members and network of National IABs.

Within this guide we have tried to organise the definitions so that the reader can see how they are connected. We've identified the buying mechanisms from the formats or environments, with the aim to enable the correct application of the term:

Over-The-Top (OTT) - 'Over the top' media which encompasses all Linear TV or Video on Demand (VOD) (e.g. AVOD or Broadcaster VOD) streaming content providers (such as Netflix, Hulu, etc.) These content providers distribute directly to viewers over the internet. OTT includes all devices and environments including Mobile, Desktop; App, Web and is not exclusive to CTV.

Connected TV (CTV) - Is a subset of OTT. CTV is a TV that is connected to the internet via an internal device (i.e. Smart TV) or an external device (for example, Apple TV, Roku or gaming consoles). Video content is delivered to a TV screen, through the internet.

Advanced TV is an umbrella term referring to any TV content being delivered beyond traditional linear television. Advanced TV describes new digital-like capabilities and impression-based delivery applied to premium video content.

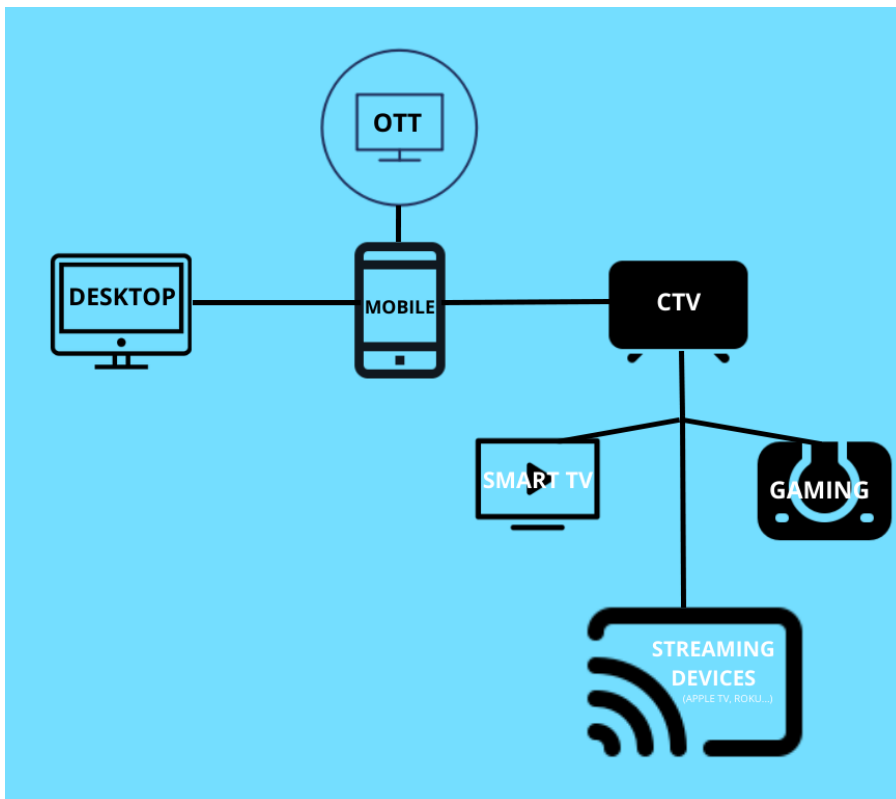
Addressable TV - Is a subset of CTV. Through the application of data from advertisers, third-party and/or TV providers, addressable TV enables advertisers to access more specific audiences beyond traditional age and gender. Segmentation can occur at geographic, demographic, behavioural and (in some cases)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

IPTV - Is a subset of CTV. 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.

Programmatic TV - Is a buying mechanism of TV and CTV. An automated approach to buying and delivering audience-based TV advertising through a software platform. In this guide our focus will be on Programmatic CTV.

It is important to note that programmatic in a premium/linear TV environment is still in its infancy and only accounts for a small fraction of transactions. This is due to stringent regulations.

TV is highly regulated and needs to ensure tight control over the ads being delivered, for instance preventing specific categories such as betting, alcohol etc; clash management (ensuring that no two brands in the same categories appear next to each other); ad management process (extensive and complex footprint of endpoints); and data management and protection).



Section 3. The European Ecosystem

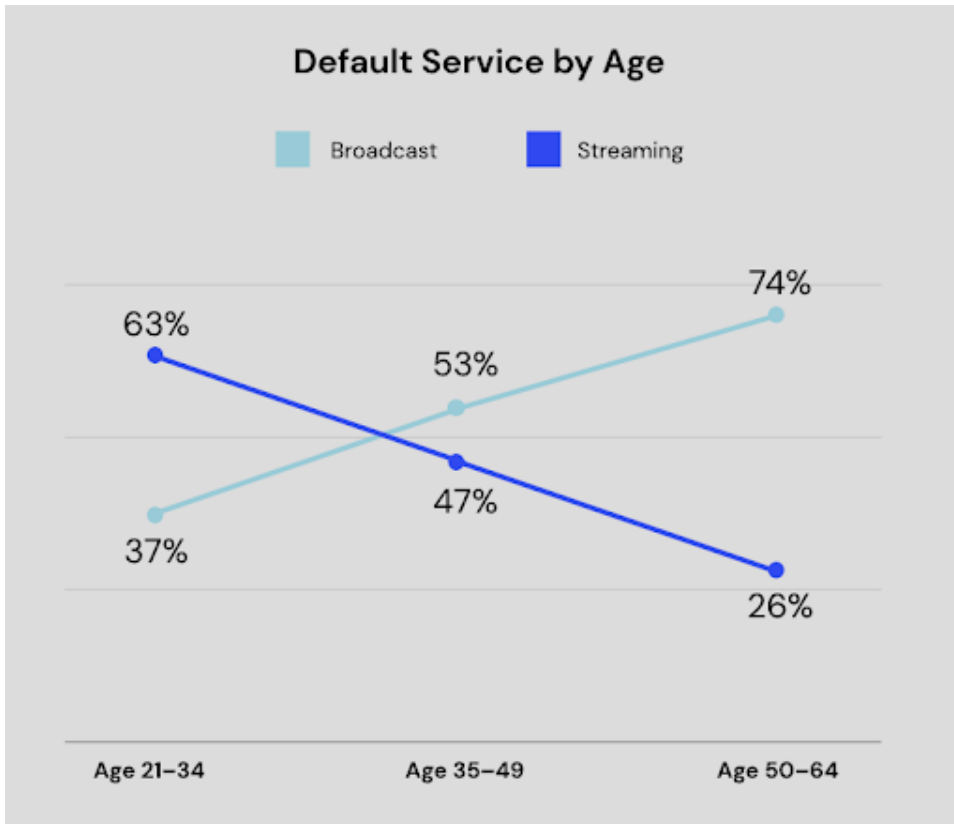
In Europe, CTV presents a huge opportunity for advertisers to reach engaged audiences with the right message. People are changing the way in which they consume TV, and with that, advertising is also adapting, opening up a new world of opportunities for advertisers. Recent findings from [Magnite's 'CTV: The Future Forward - EU5](#) consumer research found that 71% of viewers prefer streaming to broadcast.

But the historical prevalence of Subscription Video on Demand (SVOD) services, such as Netflix, Amazon and Hulu, has levelled out with multiple CTV players entering the market. Several subscriptions aren't financially sustainable over time for many consumers, and the need for Advertising Video on Demand (AVOD) has come to the fore - 63% already watch AVOD weekly.

Europe is a diversified collection of markets all at different stages of CTV growth. Each country has its own unique definitions, group of CTV apps, plus differing offerings from broadcasters. In Europe's biggest markets, approximately 40% of all internet-enabled and TV households now own a smart TV. When streaming devices and gaming consoles are added to the count, CTV viewership figures surpass 50% – representing 61.5 million households.

While audiences are accessing this new format in unparalleled numbers, they are also making CTV habitual viewing. It appeals to all ages and lifestyles across all of the Big 5 European markets. SpotX research found that contrary to popular belief, Generation X represents the largest generational segment, representing 43% of all CTV viewers (more than Generation Z and millennials, which represent a combined 32%). CTV offers an abundance of free-to-view content, with consumers continuing to look for new, specialist and original content for free or at an accessible price point. The majority of CTV viewers (69%) say they watch ad-supported content and more than half (58%) say that they prefer to watch free ad-supported programming versus paying for an ad-free experience.

European CTV watchers definitely tilt younger, but there are still a large proportion of older populations who have pivoted to streaming over linear TV. Magnite's research found that over a quarter (26%) of adults between the ages of 50 and 64 prefer streaming to broadcast TV. This is just a trend that will likely continue to proliferate as time goes on.



3.1 Challenges to Overcome

CTV adoption has soared in recent years. According to a recent IAS survey, [Streaming Wars](#), 9 in 10 UK consumers have access to a CTV device. Consumers are drawn in by the ability to stream their favourite content by selectively subscribing to content providers who meet their preferences and budget. While paid streaming services are witnessing diminishing growth, free streaming services are on the rise. In the IAS Streaming Wars survey, a massive 83% of UK viewers stated that they are willing to see ads to gain access to free streaming video content. This represents the greatest opportunity for advertisers and publishers to reach consumers today, enabling brands to make meaningful connections with consumers from the comfort of their living room.

So it doesn't come as a surprise that 88% of ad industry experts agree that advancements in digital video and CTV will only accelerate the shift in ad spend from linear TV to digital in 2021, according to the [IAS Industry Pulse](#), an annual state of the industry report. While many in the advertising industry are beginning to capitalise on the opportunity Connected TV provides, as with the establishment of any new environment, there are roadblocks that must be addressed.

Fragmentation

Despite advances in forming data alliances, interoperability across various inventory sources and buying systems remains an issue to overcome market fragmentation, as smart TV platforms and various players enter the market. As the linear television ecosystem operates in an interoperable way with common standards in place, broadcasters are keen to carry this over into the digital world.

Unlike TV, CTV advertising isn't standardised globally. CTV hardware and infrastructure is not yet equipped for fast enough measurement, or yet able to detect new types of fraud impacting this new environment. This means that service components from the digital world that are expected to be part of the CTV world, collide with the reality of the hardware technology in connected devices.

Additionally, in many cases TV advertising is traditionally bought separately from the rest of a marketing plan. Buying across multiple environments can be a challenge as the level of data available for each environment will differ.

Whereas with mobile app advertising the vast majority of inventory is available within just two operating systems - iOS & Android - with CTV there is much more fragmentation of different devices where an ad could be serving. This could be different streaming sticks (Apple TV, Fire TV, Chromecast, Roku, Android TV), games consoles (Playstation, Xbox) or Smart TV devices (Samsung, LG and other manufacturers), each of which have different standard and capabilities with regard to advertising (e.g. device identifiers). Considering which devices to serve on will make a key impact to the capabilities your campaign has.

Clarifying Terminology

When it comes to defining CTV advertising, there is a lack of consistency in what constitutes CTV across different markets, but there is also an array of definitions within markets. For some, it's any TV connected to the internet. For others, it's smart TVs, or even on-demand only. And in markets where HbbTV and IPTV are prevalent, there is no consensus on whether those technologies constitute "connected TV". This guide opens with clear definitions on what CTV is under the umbrella of Advanced TV. The definitions were ascertained from [IAB Europe's Buyer's Guide to CTV](#).

Transparency

CTV also has a transparency challenge. Many advertisers, especially those who buy inventory programmatically, don't know where their ads are appearing.

However, in 2018, the IAB released specifications on how to achieve device, app, and content-level transparency within CTV and other digital environments via standard macros, or data fields.

To unlock full transparency, publishers need to build support for these macros, which are implemented in VAST (the backbone for nearly all digital ad serving). Many even exclude app-level identifiers like [Bundle ID](#) in ad calls. When supported by sellers, macros can be used by buyers and verification partners to know and control exactly where ads are serving. While this is an important first step, the specifications have yet to be widely adopted.

This issue is concerning for buyers – especially as they contemplate shifting more budgets from linear TV to CTV. According to a recent [Advertiser Perceptions's survey](#), 50% of the advertisers said they felt it was possible to replace linear TV reach with OTT/CTV and digital video ads. However to do this, the support of these macros is essential. To make this a reality publishers need further education about the importance of implementing these macros and buyers must demand greater transparency in CTV.

Viewability

Many believe that ads on CTV are viewable by default. This may seem logical due to the full screen nature we normally associate with CTV, but it doesn't account for other factors — like whether the TV screen is off while content and ads play, or if viewers quickly drop out when ads begin to play. In fact, based on recent analysis from DoubleVerify (DV), nearly every top CTV app tested continues to play content and register ad impressions long after a TV is turned off in at least one CTV device type. DV also found that one in ten top CTV apps have a large issue with user drop off in ads - where 50% of ad impressions drop before reaching the first quartile. Since these factors impact the effectiveness of advertising on CTV, advertisers are increasingly demanding the ability to verify viewability on CTV.

Measurement

In order for advertisers to see the full potential and value of advertising on CTV standardised measurement is key. Currently, CTV is not supported by a market standard which makes it challenging for buyers and sellers to agree on the amount and quality of the audience that is reached. This, in turn, makes the efficient planning of campaigns difficult. While the medium is currently in growth, it needs to ensure stable long-term growth through tradability and accountability. Furthermore, audiences will benefit as the ads will be relevant, with a frequency that is more acceptable for consumers.

It is also impossible for advertisers to directly measure viewability in Connected TV. VPAID or a measurement SDK such as Open Measurement (OM) SDK, neither of which are supported in CTV environments today. CTV app identification standards and development of a shared technical solution for viewability measurement are needed to move CTV inventory into a more standardised framework.

Adoption of the latest version of the OM SDK by supply partners, therefore, is critical.

Finally, there will be no agreement on the metrics chosen to measure advertising performance while the definition is unclear across borders. This is why all stakeholders are encouraged to support IAB Europe's CTV definitions (as supported by members and National IABs).

Fraud

As attention around CTV increases from advertisers, so is the attention from fraudsters. As with other digital channels, CTV is subject to Invalid Traffic (IVT). For this reason, it is imperative for verification providers to continuously identify and detect new forms of Invalid Traffic (including [General Invalid Traffic \(GIVT\)](#) and [Sophisticated Invalid Traffic \(SIVT\)](#)) that can affect campaign delivery. One of the most common examples of IVT on OTT devices is when ads continue to run even when TVs are off. Those impressions, while not outright malicious, are still not served to humans. Given the ever-growing attention towards addressable and programmatic video, being able to understand who (or what) is “viewing” the content is truly vital.

CTV is particularly attractive to fraudsters for a number of reasons:

- High CPMs mean more earning potential for fraudsters
- High advertiser demand and audience engagement
- Server-Side-Ad-Insertion (SSAI) ad delivery instead of direct measurement, makes it easier to create counterfeit servers and fraudulent ad requests
- The introduction of intermediaries (via programmatic) that are incremental to the transaction

The last 12 months have acted as a catalyst for growth in CTV usage and content consumption, and, with it, a corresponding increase in fraudulent activity. For example, in 2020, DoubleVerify recorded:

- Over 500,000 fraudulent device signatures detected daily
- Identified over 1,800 fraudulent CTV apps in 2020
- Saw CTV fraud impressions increase 220% in 2020, compared with 2019

- 12 major CTV-focused fraud schemes were identified in 2020 and almost 20 overall.

For CTV, these schemes would siphon off tens of millions of dollars a year if left unchecked - hurting advertisers and publishers alike.

In addition, according to [eMarketer](#), advertisers spent an additional \$1.16 billion on programmatic CTV video ads in 2020 compared with 2019, and incremental spending in 2021 will increase to \$2.37 billion. With more inventory bought through intermediary platforms, the risk of fraud rises. Advertisers need to be able to detect and prevent fraudulent activity that can have a significant, adverse impact on program success and return on media investment.

Ad Fraud - Spoofing

Growth of CTV has been explosive this past year, with the pandemic accelerating adoption and attracting attention from ad fraudsters looking to capitalise on the growth of CTV advertising. However, this has made it especially difficult for measurement providers to keep up with the demand in an environment that is so fragmented and unstandardised. It has also provided an opportunity for fraudsters to take advantage of this unknown environment with new, innovative ways of exploiting advertisers. One way we are seeing this is through Server-Side-Ad-Insertion (SSAI) spoofing; the primary way that CTV is delivered, where ads are inserted or stitched in the video stream providing a seamless transition between content and ads.







Fraudsters will “spoof” or pretend to be an authentic SSAI server, in turn, stealing impressions from otherwise legitimate video apps. SSAI delivery presents new challenges to the market and combating fraud on CTV requires augmenting the way we traditionally protect against it. This means being able to provide an ad fraud solution at the server-level instead of the impression-level for accurate and efficient fraud detection.

CTV Ad Markets in Europe are Local and Do Not Cross Borders

The CTV advertising market in Europe continues to be relatively small. Whilst the United States has seen a huge surge in CTV consumption and rapid growth in ad-funded CTV, the pace of change is slower in Europe. The main driver in the US has been the high cost of pay TV services. Europe has a very different set of market dynamics, cultures, languages and media consumption habits. Free-to-air TV channels and public service broadcasting continue to be popular, and each market relies on different sets of technology and infrastructure. Whilst there is reason to be optimistic that CTV advertising will see continued growth in Europe, local markets will move at different speeds.

Structural Factors

A comparison of structural factors helps understand the differences between markets for the immediate take-up potential of CTV advertising. The latest research - [‘The future of CTV advertising in Europe’](#) - by VideoWeek and PubMatic revealed a range of factors which are outlined in the comparison table below. However, it’s important to stress that structural factors provide an incomplete perspective. Only an overlay of local trading cultures provides an accurate picture of the potential of CTV advertising. For instance, while Sweden scores highly on macro enablers, the interviews reveal that from an advertising trading perspective, it has far less immediate potential.

	 UK	 Sweden	 Germany	 France	 Spain	 Italy
TV Ad Spend Per Capita	73.3	54.4	54.8	51.5	47.4	65.9
Digital Display Ad Spend per Capita	129	86.2	47.2	51.4	41.6	35
Viewing Patterns	Good	Good	Medium	Medium	Good	Poor
Cord Cutting	Good	Good	Medium	Medium	Poor	Poor
Broadband Infrastructure	Good	Good	Good	Good	Medium	Medium
Connected Device Penetration	Good	Good	Medium	Medium	Medium	Poor

Source: The Future of CTV Advertising in Europe by VideoWeek & PubMatic

France, Germany, Spain and Sweden have similar TV ad spend per capita, which is an indicator of the market maturity. Italy is an outlier due to the fact that Italian TV has historically had the highest share of ad spend of all European markets. The UK’s even higher figure is an expression of the country’s overall strong reliance on advertising. Display-based digital advertising (banner and videos) is more unevenly distributed. The TV ad market is exposed to higher disruption from digital channels from mature digital markets like the UK and Sweden. Against this picture, combining the pace of linear viewing erosion, the rise of cord cutting, the availability of broadband infrastructure and connected device penetration provides an indication of the immediate market opportunity and short term growth potential for CTV advertising between markets. These factors show a North, South divide in Europe. Accelerated viewing erosion and cord cutting in France and Germany could drive faster development of CTV advertising, whereas Spain and in particular Italy face infrastructural challenges.

3.2 Programmatic Adoption in CTV Across Europe

Compared to the US and the wider proliferation of programmatic advertising in the open web, all of the six CTV markets studied are in the early stages of their programmatic development, although to varying degrees. Across Europe we're seeing some early experimentation with programmatic trading, particularly with Programmatic Guaranteed and Private Marketplaces (PMPs). Yet currently, demand exceeds available premium supply, which is holding back more extensive programmatic approaches.



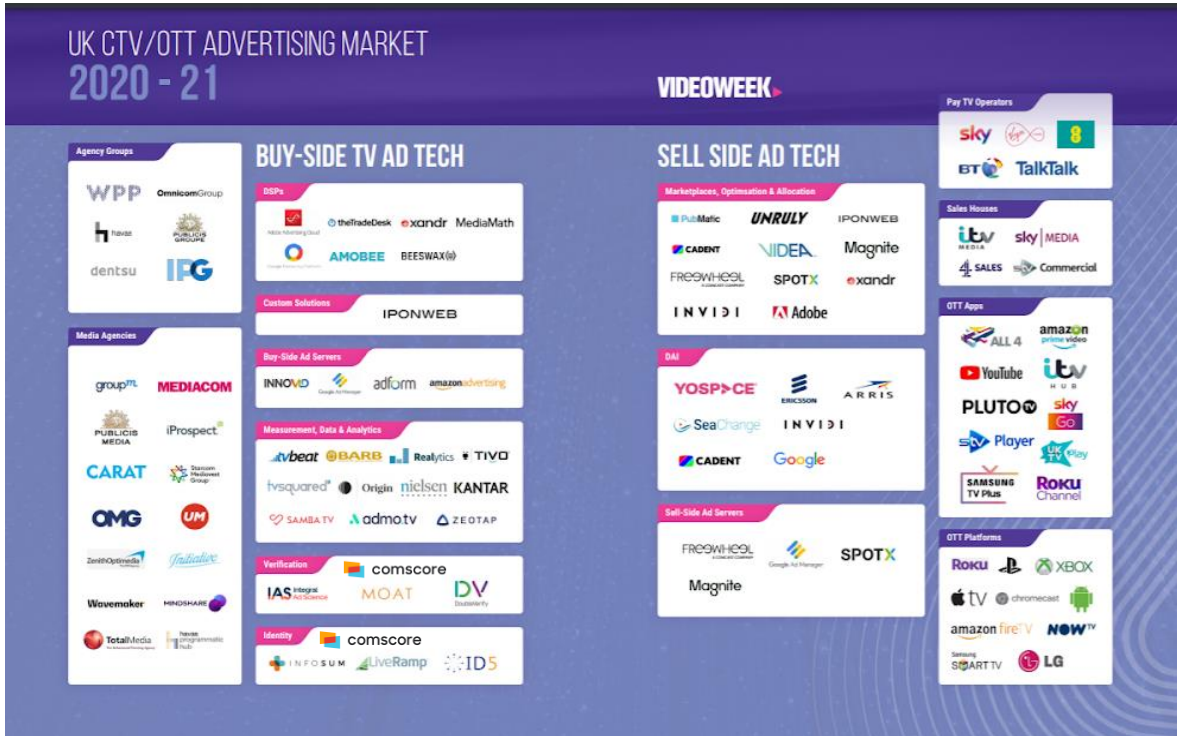
Source: The Future of CTV Advertising in Europe by VideoWeek & PubMatic

United Kingdom

The UK is an accelerated, on-demand media ecology where national broadcast networks are striving to create new platforms to attract and retain viewers and advertisers, amid competition from new entrants. [eMarketer forecasts](#) UK connected TV users growing from 40.9 million in 2020 to 44.4 million in 2024. The COVID-19 pandemic has strengthened the impact of SVOD services, with 53% of homes already subscribing to beforehand, and the early-2020 lockdown adding three million new subscribers. As a result, advertisers believe CTV can help them find audiences in what is an increasingly fragmented media landscape.

Satellite provider Sky pioneered the concept of “addressable” TV advertising with AdSmart by using known household attributes to select from ad creatives stored on a set-top box and has broadened the offering across rival Virgin Media’s footprint and for Channel 4’s linear broadcasts.

The OTT opportunity is more nascent and less cooperative. Through their multi-platform apps All4 and ITV Hub, the UK’s main commercial broadcasters, Channel 4 and ITV, are gathering attributes on their own registered viewers (23 million and 32 million, respectively) with which to sell directly. This is driving up the UK CTV scale, albeit via distinct channels. ITV’s opening-up of Hub inventory to programmatic sale through its new platform Planet V is a significant moment for agencies who wish to access mass-market UK CTV viewers. Such offerings may appear to be “walled gardens”, but they offer a valuable route to market while CTV works to improve its own capabilities.



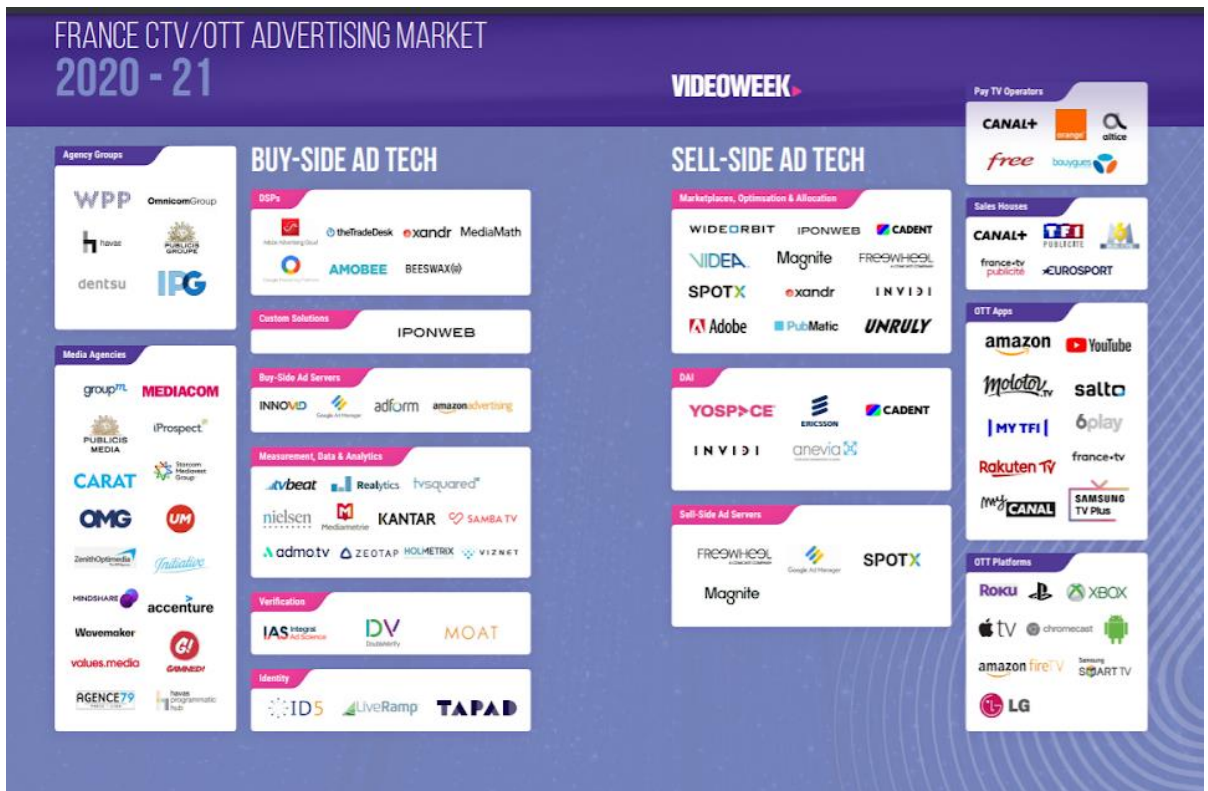
Source: The Future of CTV Advertising in Europe by VideoWeek & PubMatic

UK CTV audience data from SpotX and Statista research 2020:

- British audiences have made CTV viewing a regular habit, with 69% of survey respondents reporting they watch CTV a few times a week or daily
- 64% of British viewers are more likely to choose an ad-supported streaming service over a paid subscription
- 69% of CTV viewers say they watch ad-supported content and more than half (58%) say that they prefer to watch free ad-supported programming versus paying for an ad-free experience
- CTV viewership is not an occasional activity; for many UK CTV viewers (60%), it is the primary way they watch television
- CTV viewers are not willing to spend more on subscriptions, but will continue to watch more content, which is most likely ad-supported
- Half of households (48%) earning less than £20k per year watch CTV daily
- 49% are classed as heavy streamers (daily viewers)
- 60% say they watch CTV as their primary way of watching television
- 73% regularly watch live programming (at least several times per week)
- Favourite content genres include drama, comedy, and thrillers

France

France was a pioneer in internet-delivered TV - but a paucity of OTT TV apps plus a long-running legal block on targeted TV ads has made CTV a unique proposition to navigate in the country. ISPs like Orange cornered the market early on with “IPTV” services delivered through their own boxes, now making up 60% of linear consumption. Incumbents have largely stayed in this environment, rather than committed to smart TVs or dongles, meaning challenger apps have had limited opportunity for distribution. Rakuten, Molotov and myCanal are among the few providers to have succeeded outside of IPTV. CTV ad inventory, therefore, remains small-scale.



Source: The Future of CTV Advertising in Europe by VideoWeek & PubMatic

A historic law outlawing household-level ad targeting in linear streams was relaxed in August 2020, giving operators the capability to do creative ad replacement.

One point of view is that legal thresholds requiring streaming services host a large proportion of domestic content may help protect French operators from international competition - but advertisers will hope that broadcasters can capitalise.

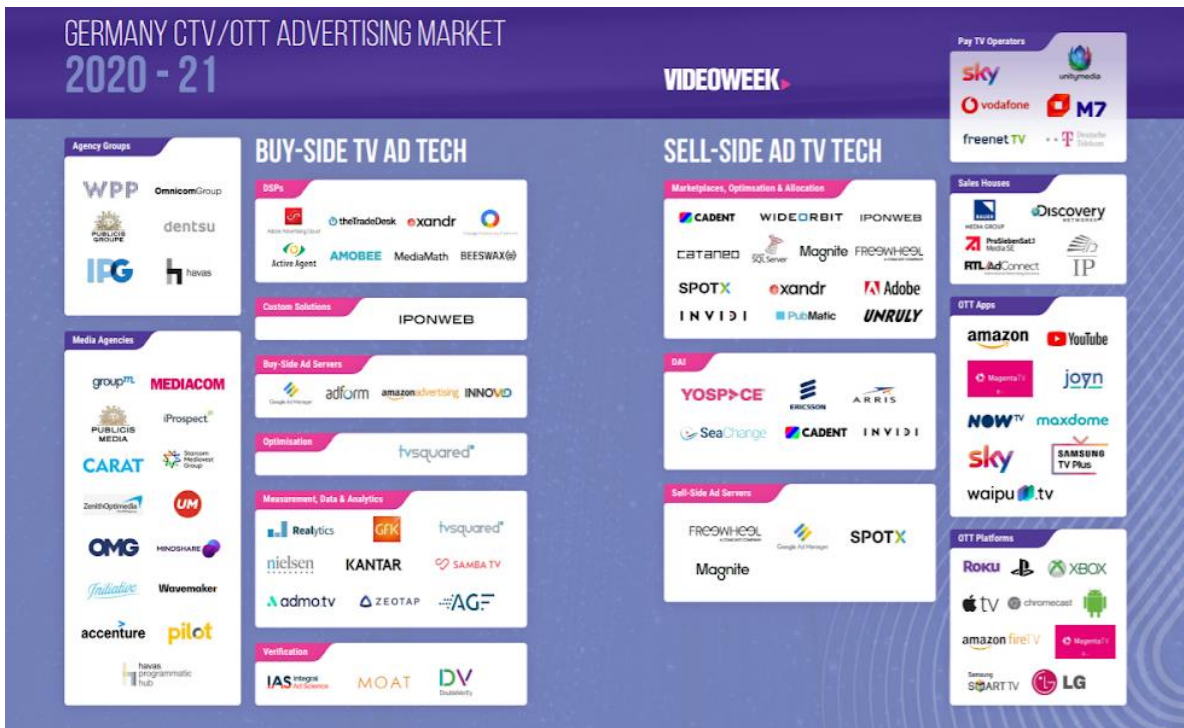
French CTV [audience data](#) from SpotX and Statista research 2020:

- 45% of French CTV viewers watch daily
- 54% of French CTV viewers say they watch CTV as their primary way of watching television
- 48% of CTV households have children
- Most French viewers (70%) are happy to watch ads in order to access free content, and 61% of respondents said they would prefer free ad-supported content rather than paying for a streaming subscription
- Income is not a barrier for CTV viewing. Half of households earning less than €20k per year watch CTV daily
- Favourite content genres include action, comedy, and crime

Germany

Connected TV advertisers in Germany can access a fast-growing base of attractive media consumers, but they must navigate a still-evolving ecosystem, strong viewer privacy sentiment and a landscape in which publishers are particularly powerful.

CTV users are expected to reach 52.3 million in Germany by 2024, according to eMarketer, up from 48.1 million in 2020. That is 62.7% of the population.



Source: The Future of CTV Advertising in Europe by VideoWeek & PubMatic

In 2019, RTL and ProSieben, which dominate the linear TV segment, agreed a single-platform joint venture to process addressable TV ad buys, whilst CTV additionally remains available via demand-side platforms. Despite this cooperative appearance, access to CTV is governed through supply-side platforms (SSPs) with exclusive relationships - Smartclip for RTL's IP Deutschland, YieldLab for ProSieben's SevenOne Med, and FreeWheel for Sky.

German CTV [audience data](#) from SpotX and Statista research 2020:

- 40% of German viewers say they are likely to watch ads in exchange for free content
- Most Germans (67%) spend no more than €20 a month on streaming subscriptions
- There is a clear generational divide between the way Germans consume TV content - 59% of 18-24 year olds watch CTV daily, compared to only 25% of those over 55 years old
- 53% of German respondents say they watch CTV over half of their total TV viewing time
- Income is not a barrier to CTV viewership in Germany. Over 80% of each income bracket say they watch CTV at least a few times a week
- 38% are classed as heavy streamers (daily viewers)
- 53% say they watch CTV as their primary way of watching television
- Favourite content genres include thrillers, action, and documentaries

Spain

Spanish CTV [audience data](#) from SpotX and Statista research 2020:

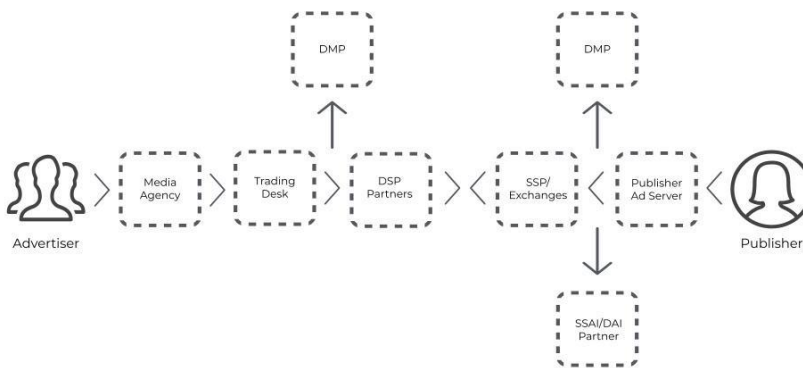
- 65% of Spanish viewers watch daily, making this the largest group in Europe
- 59% say they watch CTV as their primary way of watching television
- 56% of Spanish 55+ age group (Silver Streamers) watch CTV daily. This is the largest group across EMEA. (41%, Italy; 31% France; 31% UK; 25% Germany)
- 44% of Spanish viewers regularly stream live sports - more than any other market
- 74% of Spanish viewers would choose to watch ads in return for free content
- Income is not a barrier to adoption: 63% of daily viewers come from households earning less than €2k
- The most-watched content genres across Spain are action, comedy, and science-fiction

Italy

Italian CTV [audience data](#) from SpotX and Statista research 2020:

- The proportion of Italians (65%) opting to choose a free but ad-supported CTV service over a paid subscription is the highest across European markets
- Households in Italy that regularly stream are the most likely to have children (50%), compared to those in Germany who were the least likely (32%)
- 55% are classed as heavy streamers (daily viewers)
- 56% say they watch CTV as their primary way of watching television

Section 4. A Deep-Dive Into the Programmatic CTV Supply Chain and How to Understand It



As the complexity of the advertising market increases, the path from publisher to advertiser can include multiple technology layers before the ad is delivered to a consumer. For publishers, ensuring their inventory is monetised efficiently within the ecosystem is a priority, while for advertisers, growing market penetration and brand awareness through effective ad placement, is critical. Trading programmatically fulfills both aims by allowing publishers to realise their aim of efficient monetisation and providing advertisers with a simplified way to achieve their greatest reach potential in a simplified manner.

If we start at the actual CTV device, we can evaluate each player step by step:

Publishers: An individual or company looking to monetise their available digital inventory through the programmatic ecosystem.

Ad Server: A web-based tool used by publishers, networks and advertisers to help with ad management, campaign management and ad trafficking. An ad server also provides reporting on ads served on the website, handles ad routing, competitive separation, and other key functionalities for the desired audience experience. Ad servers are also the piece of technology that delivers the ad to each user's device.

DMP (Data Management Platform): Platforms that provide technology to store and catalogue marketer and publisher data about users. Publishers and advertisers are then able to utilise these segments as layered campaign targeting to ensure that the desired audience is being reached.

SSAI: (Server-Side-Ad-Insertion) Tech partners that manage the insertion of video ads into a video stream on a server, in order to provide a continuous single stream of content and ads to a consumer - can be used for live or on-demand content.

DAI (Dynamic Ad Insertion): Dynamic Ad Insertion is a technology that allows advertisers to swap out ad creatives in linear, live or video-on-demand content. Rather than serve the same ad to everyone, DAI technology allows for 1:1 ad replacement allowing advertisers to deliver ads to only the most relevant customers.

SSP (Supply Side Platform): A software-based company that allows publishers to connect their inventory to multiple ad exchanges, DSPs and networks - allowing for a large range of potential buyers. In addition, some SSPs can provide dual functionality for publishers by acting as the ad server and SSP, allowing for a consolidation of offers under one company.

DSP (Demand Side Platform): A software-based company that offers the programmatic real-time bidding purchasing technology to advertisers and agencies, allowing them to connect to marketplaces and exchanges with a singular access point and interface.

Agency Trade Desk: Specialised media buying groups, most commonly working within (or for) an advertising agency to handle the actual execution of planned buys by managing the buying and optimisation of campaigns through various DSPs.

Media Agencies: Advertising businesses, oftentimes external, who are dedicated to creating and managing various aspects of a brand's advertising and marketing campaigns. They are responsible for leveraging consumer insights and media consumption habits to build strategic media plans by channel, place buys, and to execute and optimise campaigns to deliver against brand objectives.

Advertiser: Brands or companies that are looking to invest media dollars in order to increase brand or product awareness among consumers by reaching them with tailored creative messaging.

4.1 Targeting and Buying

The programmatic buying options are important for all advertisers who are interested in buying efficiencies and multichannel strategies. You can buy CTV inventory via all leading DSPs, and access combined reporting. Because of the nature of CTV inventory – especially the fact that it is cookie-less inventory, meaning advertisers cannot use cookie-based CRM data – inventory is rarely bought via the OMP (Open Market Place) but rather via different PMPs (Private Marketplaces). This gives better control over buying and helps reach target groups at the best price.

Connected or Advanced TV offers many advantages for advertisers, in particular for data-driven inventory. Through CTV and other OTT services, TV has become far more digital and data-enabled. It brings audience-based capabilities to help brands tailor their messages to their audiences. There are many parameters that buyers can take advantage of to more accurately target their audiences directly or through a Demand Side Platform (DSP), including geo, device, daypart, channel, and custom targeting.

4.1.1. Targeting

From a targeting perspective, advertisers have more options available to them than the standardised video targeting capabilities that sit within their DSPs. Publisher information is passed in the bid stream allowing advertisers to target based on geography as well as CTV application. However, advertisers can work with their supply partners to gain more granular campaign targeting in the following areas:

Contextual Targeting - Alongside targeting applications selected to suit an advertiser's target vertical, it's also possible to select individual content channels across multi-channel distributors in order to better align a brand to relevant content. New technologies have come into the market and provide a contextual targeting solution based on the video metadata of the content being watched. A home and furniture brand, for example, could be targeted to appear against home improvement content.

Publisher First-Party Data - CTV publishers have the option to pass their first party data to their supply side partners, making it available to the buy side to help target desired audiences. Data available can include information on a user's viewing habits and TV usage (such as whether they enjoy gaming or are a light linear TV user) as well as information on the programme being watched (such as custom playlists).

4.1.2 Contextual Targeting

Content is key when advertising on CTV. Understanding the quality of the available content is vital to evaluate how safe an advertising environment is for a brand, and to qualify the positioning of publishers.

Not only do brands need to be confident that their advertising will appear full screen alongside quality content but also that the context of the content is correct too: segmented audiences enable brands to reach the right customers at the right time with the right position. Families watching Saturday night entertainment together bring a hugely valuable opportunity to FMCG brands; finance and business brands can become part of the 24-hour news experience; and sports brands can appear front and centre during the build-up to the big match.

The death of third-party cookies has accelerated the rise of the contextual targeting that is now no longer optional in CTV. We are moving toward the concept of “content-brand suitability”, where content gives advertisers and brands everything they need in terms of targeting and brand safety.

Given the fragmentation of different types of CTV publishers and inability for RTB Protocol/signal to effectively communicate all contextual signals, the media owners themselves are often best placed to convey the context of their content and if necessary package up their inventory in deal IDs that match the context required (e.g. sports content).

4.1.3 But What About Personalisation?

Digital advertising has always been the ideal environment for reaching and targeting *individuals* at scale. With CTV, however, viewing behaviour has changed and in most cases, CTV is being watched with *multiple people in the room* like family, roommates, friends, etc. (More than [75% of CTV viewers](#) are watching the content with at least one other person). Although we all know this to be true, we are still trying to gather consent and opt-ins through ‘unique’ identifiers like email or phone number. With the cookie-less world soon becoming reality, 2021 is the year advertisers need to start thinking differently about CTV as a channel for personalised advertising and focus their attention towards the actual impact they can generate through CTV.

When we know we will no longer be reaching just one individual through CTV, what is the benefit of ‘personalised advertising’ through this means? Should we instead be looking at signals that don’t look at the individual but rather focus on broader groups of consumers? What’s the ad impact of a 15’/30’ TVC on CTV vs. linear TV or digital native video advertising?

What is the effect of CTV viewing behaviour on the impact of advertising (viewability, ad completion rates, screen size, etc.)?

The cost of CTV advertising is often seen as a challenge for adoption but the extremely high rate of 'co-viewing' increases potential reach and decreases cost per viewer. CTV can be a force for good in the advertising ecosystem when we start understanding the need to apply household-level thinking into our campaign strategy.

To start doing that more rigorously, we need to understand the *impact* of CTV advertising for brands. When we truly understand the difference in performance across channels (digital, linear TV, CTV), content (premium long-form vs. short-form vs. user-generated, linear vs. on-demand, etc.), ad formats (6'/15'/30'/60' non-skippable vs. skippable) and similar variables, there is hardly any doubt we will soon be looking at CTV in a very different light.

4.2 Deal Types

Today, TV buyers need relationships with dozens of different partners and need to conduct dozens of 1:1 transactions to obtain sizable reach. Programmatic saves advertisers time by allowing them to tap into inventory from multiple CTV sources with fewer transactions, without sacrificing quality or scale. AVOD players and broadcasters have started to embrace programmatic whilst rolling out programming across CTV OEMs and distributors. Programmatic buying of CTV inventory has numerous advantages, such as providing a more centralised approach, enabling scale, and offering a unified view of the data used for segmentation, measurement, and optimisation in real time.

Below are the following deal types for buyers:

- **Floor Price PMPs** - This deal type enables the buyer to buy inventory at a minimum price, the so-called 'floor price'. It is the minimum bid for this impression expressed in CPM. All bids from this Deal ID will be prioritised above open auction bids, or force a price auction between them, with different floors by class of bid. The buyer is granted the chance that the auction may be awarded to their bid on floor price or above. There is one publisher and a few buyers involved, and the auction runs between same class of bids. (private auction). It has a higher priority in programmatic than open auction. This deal type allows a buyer to win at least some impressions, provided the bid is on or above floor price, and to adapt the bidding strategy accordingly. This is executed via an exchange, and therefore there is non-guaranteed, unreserved inventory.

- **Fixed Price Buys** - Non-auction, pre-negotiated fixed price (CPM, CPC, etc.). No guaranteed inventory, one publisher-one buyer. Higher priority in programmatic transactions than private auctions, and much higher than the open auction.
- **Programmatic Guaranteed** – This deal type has the highest priority in programmatic buying. There is a direct one-publisher-one-advertiser relationship and is a non-auction, fixed price scenario where no bids are involved. It guarantees the advertiser the volume, price, and dates at a given time (reservation) for a certain targeting. This deal type includes the best of both worlds: the predictability and transparency of the classic buying, combined with the data, scale and efficiency that comes with programmatic ad buying.

In a PMP, buyer seats are limited and all known by the publisher, unlike in an OMP. The participation in the PMP is 'invite-only' and via pre-arranged agreements. Within the PMP, deal types are differentiated by the following criteria: allotted or guaranteed inventory; targeting available; publisher-number of buyer relationship; model of auction; specific price point.

Although Deal ID is recommended for all situations where a preferential price may be assigned to a seat entity, IAB policy recommends that Deal ID should be utilised for any situation where the auction may be awarded to a bid not on the basis of price alone.

It's important to understand that many media companies are at the start of their programmatic journey on CTV so premium options for brands will increase. AVOD broadcasters who are programmatic-ready can provide niche and specialist audience's where viewers are engaged and not passive which can be the case on linear. There is premium and recognised programming available but education is key to encourage increased activation.

Targeting and reporting is key as agencies and brands are still learning about these services. Metadata technology can enrich targeting for buyers and also provide deeper reporting giving a brand detail on where their ads have run split by show, channel and genre.

Section 5. A Step-By-Step Guide to Planning and Operating a CTV Campaign Programmatically

For the CTV market to reach its full potential in Europe, scale is key, and for that to happen programmatic CTV needs to be adopted. For those looking to navigate the programmatic CTV opportunity with success, follow the crucial steps below:

1. Objective for the Campaign

Successful CTV campaign strategies start with a clear objective. We need to ask ourselves: what do we want to achieve by the end of the campaign? In the world of multiple KPIs and measurements, we can easily get lost and distracted. Therefore, we need to define what matters.

CTV advertising, with its growing reach and unique formats, can be an efficient tool to help us achieve our business goals. We don't even have to limit our objective for CTV campaigns to branding purposes only, such as raise brand awareness or achieve incremental lifts from linear TV.

Long gone are the days when CTV is seen as just 'an extension' or 'addition' to television. According to the recent survey by Valassis, the majority of consumers (52%) are more likely to make a purchase based on a CTV ad than a traditional TV ad. Therefore, now is the right moment to leverage CTV advertising to reach performance goals as well as increasing sales to boosting customer lifetime value.

In summary: Think carefully about your business goals and leverage CTV advertising to support it.

2. Know the Audience

CTV increases audience access, which will allow you to target even the most elusive viewers. Unlike a traditional broadcast TV, CTV creates a new opportunity for video advertising that is measurable and personalised, where every aspect is equally important.

This is the time to create your buyer persona. That means you need to know who you want to address, what their tastes, needs, or preferences are, and where you are looking to meet their expectations. Then you can use this information to build the creatives for your CTV campaign.

The more you know about your audience, the more efficient your CTV advertising will be.

3. Establish the Campaign Strategy

Based on your objectives and audience, you can start to shape different strategies for your CTV campaigns. Do you want to use video sequencing to introduce your new product? Or should you launch a retargeting campaign to boost the number of sales?

When it comes to CTV campaign strategies, the world is your oyster. Be creative!

4. Find the Right Technology Partners

A Demand-Side Platform (DSP) is one of the most suitable solutions to buy traffic on CTV for its transparency, reliability, and safety. The trick is to choose the one that fits your needs. When it comes to CTV Advertising, here are a few points you should pay attention to:

- **Access to Supply.** Make sure the traffic comes from verified suppliers that offer premium and even exclusive CTV inventory.
- **Granular Targeting Capabilities.** Since most CTV inventories are not reliant on cookies, it is important that a DSP offers the capability or access to segments based on URLs and location data, including latitude & longitude, for richer targeting. Additionally, check if a DSP provides targeting by publishers, sellers, site list, system, dayparting, etc.
- **Extensive Reporting.** Check if a DSP provides the capability to analyse the performance of the ongoing and completed campaigns with CTV metrics, including by API for automation and customisation purposes.
- **Brand Safety.** Ensure that the DSP offers access to brand safety targeting, invalid traffic prevention, and other pre-bid technologies to protect you from fraud activities, as well as support of ads.txt/app-ads.txt/seller.json. These are vital to provide a safe and transparent environment for CTV advertising.

5. Measure Results

Measurement and verification are key components of digital advertising, and it can be a key differentiator between CTV and Linear TV advertising.

CTV unlocks a level of insight that allows you to run ads and know exactly how many people saw them. CTV also gives provides insight into performance metrics like CTR and completion rates, providing a concrete understanding of how many people click and see the ad from start to finish. Additionally, you can also utilise cross-device measurement to track conversion attribution or incremental lift from your CTV campaigns. On top of that, you can still measure your CTV ads using the metrics from the traditional broadcast TV, like Gross Rating Points (GRPs).

While these are definitely a massive step up from the world of linear TV advertising, it's everyday data for CTV advertising.

Test, Rinse, Repeat

Last but not least, always evaluate your campaign strategies. The beauty of CTV advertising is the amount of data that we can get out of it. Analyse what works and what doesn't. Improve and optimise them for the next campaigns. Success belongs to those who understand the data and make the most out of it!

Section 6. Programmatic CTV Campaigns Re-Cap/Checklist

For planners and buyers looking to ensure programmatic CTV campaigns reach maximum potential, the following questions and considerations should be asked and taken into account with every campaign:

- Did you deliver on the expected CTV apps and spread evenly?
- Are you performing against industry benchmarks?
- Have you considered any seasonality issues that could cause higher competition in getting inventory?
- Did you try out different types of new inventory?
- Did you remove the bad performing exchanges or sites?
- Did you deliver additional impressions before the ending of the campaign?
- Did you try using pre-bid or any optimisation models?
- Have you considered making changes to different types of targeting such as video player sizes, ad placement, devices, etc.?

Section 7. Campaign Measurement

CTV advertising operates in a cookieless and VAST only environment, meaning campaign measurement has been limited in comparison to Online Video (OLV) equivalents. However, CTV measurement capabilities have advanced in the past year alone, offering advertisers new ways to track the success of their campaigns.

Along with the standard digital video metrics - impression, quartiles, completion rates, it is now possible to measure viewability via a CTV specific measurement technology. Many supply side vendors will have this pixel integrated, and be able to provide viewability reporting to buyers.

Understanding CTV audiences poses specific challenges. CTV is a cookieless environment, making third-party data options unavailable. Additionally, CTVs are not considered a personal device as they are so often placed in a communal environment like the living room. Devising measurement goal posts which take these unique qualities into account is imperative and solutions are being developed which provide advertisers with the reporting they need to make informed decisions. Data platforms such as Audience Project are able to report back on an audience behaviour using a panel based methodology similar to how BARB measures audience across Linear TV. With these measurement advancements, CTV suppliers are able to provide an audience profile of users exposed to any given campaign including data points such as:

- Age
- Gender
- Household size
- Children in the Household
- Household Income

As the panel based methodology is also used by BARB on Linear TV measurement, by merging the two data sets, advertisers can now measure incremental reach of a campaign as driven by CTV on top of linear TV activity.

7.1 Viewability Measurement

It is widely accepted that viewability as is understood in display advertising is not going to be available for the CTV environment for the foreseeable future. While the market generally agrees that CTV is naturally a full screen, 100% in-view experience, the incorporation of digital delivery streams introduces the risk of the content never rendering on the device.

This industry limitation has brought around new metrics for us to use as a proxy, such as View Completion Rates and Quartile Reporting.

However, this still leaves a lot on the table in terms of a viewability solution that is at parity with other video reporting. Viewability is the foundation of measurement - if the ad isn't rendered or seen then there is little value in other reporting. So while this lack of insight into viewability is alleviated for the time being, as an industry we will need to invest in a more meaningful solution for the long term. It is important to understand in advance of a campaign if or how to measure viewability - does the publisher plan to deliver on support measurement? How have they integrated ads into their platform and through which technology vendors? Are there certain of CTV devices that viewability measurement is possible on, and others where it isn't?

7.2 Actionable Brand Safety

Brand safety measurement on CTV is arguably a critical missing piece of the puzzle and its incorporation will provide valuable and vital information to advertisers. Not just to ensure their brands are running across content that isn't harmful to their brand reputation but also as a way to target their desired audiences as privacy laws become stricter and more encompassing. Today, brand safety on CTV is limited to the app-level, so the only way advertisers can protect themselves against any potentially harmful content is to exclude apps entirely. This, especially in a programmatic environment, is problematic as it closes off a large portion of valuable inventory. In order to provide actionable brand safety reporting to advertisers, we need to be able to capture content-level granularity in order for advertisers to make informed decisions, and target the appropriate content for their desired audience. On top of that, we need to ensure that the process is not cutting off entire apps from media buying, which shuts out a large portion of suitable audiences for advertisers.

A key way to ensure brand safety is to know in advance exactly which publishers you plan to run your campaign on, what content they have and whether it could pose any brand safety risks. Having a trusted partnership with your publisher can give you confidence, since programmatic brand safety tools developed for display advertising across the web and mobile apps, are often not applicable to in-stream video advertising on CTVs. Oftentimes the publisher can set up a Programmatic Guaranteed or non-guaranteed deal in their ad server/SSP that only targets a sub-section of their content, if there are brand safety risks associated with some of their content.

7.3 Questions to Ask to Measure Campaigns

In order for advertisers to see the full potential and value of advertising on CTV, it's important that as an industry we can support programmatic buying to afford the same levels of flexibility and optimisation as the rest of their buys.

As CTV audiences and ad spend continues to grow, it is imperative that advertisers are partnering with DSPs and measurement partners that provide the ability to optimise across all inventory sources.

It is now widely known that viewability should be a primary 'hygiene' factor when it comes to ensuring ads have a chance to communicate something to consumers. The challenge today has become how we can push beyond those hygiene factors (viewability, brand safety, invalid traffic) to ensure brands and publishers understand the actual engagement through effective measurement. For a start, it is essential to understand the methodology to track baseline impressions. Ecosystem fragmentation is going to be a key challenge due to different software versions, regular updates, and challenging media formats. It is therefore essential to determine a specific baseline for impressions to ensure correct OTT tracking. For anyone looking to start measuring campaigns on OTT, it's worth asking a few questions:

1. What devices are your OTT measurements covering?
2. Are you able to identify invalid traffic whilst avoiding false positives e.g. Server-Side-Ad-Insertion (SSAI) or a binge-watcher?
3. Are you tracking attention to get insights beyond viewability?

As baselines are set, it's also important to keep in mind the importance of going beyond verification, especially as digital measurement allows us to go beyond the standard ratings as a currency for TV. For example, review your video buys to gather insights on whether an ad was played, was it visible and audible, how much of it was audible and how many hours did people watch it for in total. As OTT becomes another digital channel, these types of attention metrics should help guide strategies whilst correlating with sales and brand affinity.

7.4 Transparency Solutions

In order for advertisers to see the full potential and value of advertising on CTV, it's important that as an industry we can support programmatic buying to afford the same levels of flexibility and optimisation as the rest of their buys.

Transparency should also be at the top of every buyer's mind, even in CTV. CTV is not a brand safe platform by default. It has all the issues, content, and apps on any other digital platform. For example, pornography apps are available across most CTV devices, and brands that aren't careful could be running campaigns in these locations. Additionally, the industry is currently built with 'BundleIDs' (an ID for an app) as the most common and granular standard for targeting and transparency, but there's effectively no standard, or even controls, on how these are utilised, and if they are accurate.

To enable and support transparency, buyers and sellers can lean in to the following tactics:

Buy-Side App-Level Transparency: Buyers can work with a third-party verification provider who has a transparency solution around CTV apps. Solutions should include not just revealing BundleIDs, but also which apps those BundleIDs roll up into and some normalisation of app names across the app stores.

Buy-Side Inclusion/Exclusion Lists: Popular for Desktop/Mobile campaigns, buyers can also set inclusion and exclusion lists around CTV apps. Identify if there are specific apps that are appropriate or inappropriate for the brand. Monitor delivery reporting to measure campaign quality and identify infraction. Optimise campaigns in-flight and refine future strategies. Utilise protective solutions to ensure a campaign doesn't deliver where it shouldn't.

Sell-Side App-Level Transparency: Sellers can support passing app-level identifiers through bid-streams, user-agents, and VAST macros to help buyers better understand where their campaigns are delivering.

Content-Level Transparency: Buyers and sellers are highly encouraged to support content-level transparency. Sellers can support passing content-level information in bid streams and VAST macros, as well as share video asset/CMS data with third-party verification companies.

7.5 The Future of CTV Measurement

As the ecosystem transitions to a wholly digital, internet-enabled TV landscape, cross-market collaboration and engagement with both the buy and sell-side of the industry will be critical to getting future measurement right. Short-term, the industry must agree on consistent definitions for CTV to ensure wider understanding. In the mid-term, an environment of collaboration based on transparency should be fostered, where buyers receive unambiguous data points from sellers. And the final goal must be unity on what success looks like for digital advertising in a CTV platform. Collectively, there is the opportunity to establish consistency in the early stages of CTV development and adoption, but we will only achieve this when all parties work together.

Programmatic buying on CTV is growing among advertisers eager to break into the space and while the supply is beginning to meet the demand, we are still grappling with the limited measurement capabilities of CTV, with quantifying the impact of the interaction between CTV devices and consumers still very much in its infancy.

Addressability is a top concern for buying programmatically and with little transparency into the content of CTV apps, it is next to impossible to identify viewers. The very nature of CTV being a shared screen in the house, while this is undoubtedly more of a pro than a con, it does mean that it's much harder to determine who is watching what since it is used by multiple household members.

There's the necessary, but tricky, technical adjustments that come with applying a new form of measurement to an emerging environment. One of the key challenges here is accounting for the use of Server-Side-Ad-Insertion (SSAI) as part of the video delivery chain. Ads are joined up into a single video stream alongside the content, so information about the device must be correctly passed on by the server component. In some cases, this does happen but there are instances when it does not, meaning those ads could be flagged, incorrectly, as invalid traffic. The solution comes in partnering with publishers to understand the data signals being sent, and to ensure that any missing or non-standard signals and unrecognised SSAI data points are corrected.

Section 8. Privacy and CTV

As previously mentioned, a European-level survey conducted [by Magnite](#) concluded that consumers are eager to see targeted advertising on TV, seeing it as an improvement over the current model of linear TV advertising.

When asked about what type of ads are acceptable to them, it revealed that 71% of Europeans would accept targeted ads that are relevant to their interests, with country-level variations between 65% for Germans and 80% for Italians. The survey even showed that, on average, 57% of Europeans would likely consent to ads that would be tailored to their online browsing behaviour. Again, the lowest approval rate was among German consumers (46%) and the highest among Italians (67%) and Spaniards (65%).

Based on these findings, after briefly stating that *“consumer privacy remains top of mind for advertisers and consumers,”* Magnite concludes that *“there is a disconnect between the concern for privacy and the acceptance of [CTV] advertising”* and that *“consumers are willing to sacrifice some level of privacy in order to watch ads.”*

But in today’s world, it’s dangerous to state that privacy is overrated. Consumers demand transparency, choice and control over their data. Privacy should be at the core of this new model, otherwise consumers will not trust it. Consumers should be able to provide consent before being served personalised ads, and so they should be able to update or revoke permission easily, at any time.

Whatever the type of personal data used to identify them (cookies, IDs, email addresses...), in Europe, most use cases will require consent.

Not providing a clear, transparent choice to CTV consumers before serving personalised ads would give the impression that advertising technology forcefully enters living rooms and pockets, which will not be accepted and could, in the worst case, lead to consumer backlash and lawsuits across the globe.

It’s a matter of both trust and compliance, which are two *sine qua non* conditions to make this new model sustainable.

Only then will the digital advertising industry benefit from a growing, innovative global CTV ad market. The opportunities are massive for advertisers, vendors and consumers alike. Magnite’s survey showed that 71% of consumers already prefer streaming over traditional broadcast, and up to 74% consume ad-supported video-on-demand services on a weekly basis.

But the AdTech industry should place consumer permission at the core of the new OTT model. That's the only way to have long-term, sustainable growth that respects consumers' ability to choose their CTV experience.

Section 9. Key Considerations

Considering [80% of internet traffic is expected to be on video formats by 2021](#), clearly AV is increasing in power across different screens and platforms. Therefore, it is important to ensure you're able to measure with cross-channel granularity and across new, emerging formats. OTT is becoming part of the wider media mix and it's therefore imperative to give it the same attention and expect the same level of detail from it.

1. Frequency Capping: Frequency capping is available for CTV inventory based on device IFA, though, due to relatively lower levels of available inventory in EMEA compared to OLV, a less restrictive frequency strategy is recommended. Where publishers have a logged-in user base, they may be able to frequency cap holistically across all platforms their service is available on (desktop, mobile-App and various CTV devices), so speak to your publisher to understand what capabilities they have.

2. Legitimate Interest: CTV placements are passed with legitimate interest consent values (in most cases) due to a lack of consent management platforms (CMPs) existing for this format - market standard at the current time.

3. Cookie-Less Environment: CTV is a cookie-less environment and as such, any cookie-based audience strategies will struggle to deliver - market standard at the current time. Ensure you are not applying targeting that does not apply in light of this.

4. VAST Creative: CTV environments will only accept VAST creatives. No VPAID elements of any kind can be applied to buy-side creatives - market standard at the current time. Oftentimes video creatives are only VPAID due to containing viewability measurement pixels, so consider that this may not be applicable to the CTV environment.

5. Viewability Measurement: Due to being a non-VPAID environment, viewability tracking is not available. That said, CTV is a 100% in-view placement by nature - a market standard at the current time

6. Device Type: CTV campaigns must be set up to deliver on device types: 3, 6 & 7 in order to deliver. Confirm with a DSP Account Manager if you're unsure.

7. Performance Expectations: By nature of the environment, CTV campaigns will deliver 100% in-view and between 90-100% completion rates. You should also be able to measure audibility, but check with your inventory partner whether this signal is being sent.

Section 10. Best Practices

2021 is a key moment for the industry to reflect on the past decade of digital advertising and channel lessons learnt into the development of the CTV ecosystem. Transparency, measurement and brand safety must be prioritised and all players should be responsible for building on these principles in the future.

Best practices to consider include:

- 1.** Only working directly with trusted supply sources such as an SSP, DSP, Device Manufacturer or Media Owner. Eliminate middlemen that do not clearly add value. Know exactly which CTV apps your campaign is delivering on.
- 2.** Ask questions such as: Have you ever heard of this app? Do any of your friends or family in ad tech know the app? Do you recognise the content? Is the content properly licensed or original work? Do you see the app as being valuable to the end consumer? If you can't confidently say yes to all of these questions, it's worth evaluating whether to include it in the plan.
- 3.** Establish direct and trusted relationships with inventory sources - avoid middlemen or partners who are packaging up inventory in an obscure manner. If in doubt, speak directly to the publisher about how to access their inventory - and confirm through which platforms are legitimate routes.
- 4.** Check with the Supply Partner what signals they are sending to DSPs - are they passing things like App Name/ID, App/Bundle ID, IFA, Player Size or content signals? If you are trying to deliver a campaign onto a specific inventory source, but that inventory source is not sending a signal that is required for your DSP to bid, then you might need to re-evaluate the campaign set up to achieve the desired delivery or speak to the publisher to encourage them to send the desired signals.

- 5.** Check with the supply partner how the traffic on their inventory is validated, and only work with technology providers that have safeguards in place. For example, has the publisher integrated an SDK from their ad server/SSP, in order to verify the inventory? This reduces the risk of fraud and ensures impressions are legitimate.
- 6.** Use data to flag anomalies. Look for patterns that are not indicative of human behaviour. This includes users who never visit well-known apps, users who are active in only a certain developer or developer network, users who see unreasonable amounts of ads per day, or unknown entities using SSAI services.
- 7.** Ensure creatives are of a high enough quality to deliver a good experience on the big screen. Check with the inventory partner what their creative quality requirements are - some broadcasters have TV-like specifications to ensure the playback experience for users is seamless.
- 8.** Ensure that VAST tags do not have VPAID mixed in them since that would break on CTV / SSAI cases. Consider using VAST4 if available since it enforces this, as well as natively supports other features such as UniversalAdID, Mezanine files, etc.
- 9.** Look for partners that can offer a full-funnel solution using CTV/OTT and video to drive awareness and consideration of your product or service. This will help you collect insights through full-funnel analysis and to understand the impact of your campaigns down the funnel and identify its true value. Cross-device capabilities are important as well to target users in the right environment with relevant and exciting ad formats.

Section 11. What the Future of Programmatic CTV Holds

The appeal of CTV to advertisers is clear when one considers the fast growth of CTV audiences, the measurability of digital video, and the appeal of sight, sound and motion on the living room's biggest screen.

However, trust is the key to unlocking this potential. As with every new or emerging channel, advertisers are excited, but also cautious. They want to know that their media investment is protected, and they want to be able to evaluate the efficacy of the channel in the same manner that they do other digital media channels. Brand safety needs to be looked at as a first priority for brands, as it will allow them to explore the creative and innovative possibilities of a premium environment.

Once we overcome some of the issues we face around transparency, measurability and the ability to track program-level data, CTV will likely take a pole position in advertiser media plans, much as TV does today.

Programmatic ad selling has numerous advantages, such as offering a centralised approach, providing scale, and a unified view of data in real-time. This allows CTV publishers to make the quick, data-driven decisions they need to optimise revenues.

In a video-first world, programmatic selling can solve the nuances of Advanced TV and the changing ways audiences are watching video, while also tackling the workflow and ad delivery challenges faced by publishers today.

As the TV industry transitions away from manual processes and splintered transaction channels, publishers and buyers will want the same control and flexibility that have long existed in the direct world across programmatic as well. Solutions are emerging for them to realise this goal and we'll see more of that as programmatic CTV progresses.

To move spend from Linear to Programmatic Platforms that can communicate between the Ad Server and Programmatic Demand will become essential. We asked contributors of the guide to share their predictions for the future of programmatic CTV:

Content will remain the biggest draw

Within Television the maxim - 'Content is King' has always rung true. In a world of always on, always available content, the strength of the content portfolio will be a significant determining point in the business success of a platform or individual distribution point. Investment in content has continued to grow – sports rights are at their historical height, traditional publishers spend more on production – the Mandalorian is reputed to have cost Disney \$15m per episode, and new platforms such as Netflix drive up demand and standards in production. As such the quality of the programming we consume also increases. TV series have become epic stories, told across multiple episodes, but with every episode available in the same release window.

The best content will always be demanded and will remain a key item for addressable television platforms.

Standardise Transparent and Fair Measurement Metrics

Measurement needs to be harmonised and a balance needs to be found between sell-side control and providing advertisers with the ability to accurately measure and target their campaigns. The legacy panel based approach in TV advertising ceases to find market acceptance in the digital world and is likely to fall short when it comes to demonstrating CTV advertising's performance. Whilst sellers provide CTV-specific metrics, in many markets they are relatively limited, lack transparency and sellers dictate the terms when it comes to which metrics are exposed. For brands and agencies, this makes it difficult for them to plan and optimise across media channels, as they are forced to rely on seller-specific data they cannot compare, whilst things like frequency capping are next to impossible. However, broadcasters are concerned about being sold short on the value of their inventory when external parties are involved, particularly when their premium inventory - showed on a large screen in a shared environment - is compared to online video, which is often shown to an individual user adjacent to user-generated content.

Measurement, transparency and attribution will continue to be major focus areas for CTV. Measurement providers are increasingly focused on developing Total Video solutions in order to bridge the gap between linear and online in order to enable a holistic view for video across all streams and screens. Incrementality studies between linear and OTT are continuously required from the buy-side which further supports the need of standardising metrics, definitions and currencies across traditional and digital TV.

Finally, there is no doubt that the industry will keep driving innovation when it comes to tracking CTV and OTT activity, including new areas for viewability such as picture in picture, HDMI cable disconnection, TV off whilst connected device is still running, and menu obstruction. Investing in CTV is surely going to create a new set of challenges – and opportunities. However, given the constant increase in connected device adoption we will surely witness a steep learning curve as it becomes a normal part of media plans. Hopefully these reflections will serve as a good starting point to ensure your budget is spent efficiently.

Content Owners Should Press Device Manufacturers for Standards

CTV takes places on a vast array of devices from different TV sets to set top boxes and gaming consoles. This continues to be one of the biggest hurdles for content owners, as the time, financial investment and maintenance costs can quickly mount up. Hardware can introduce an additional layer of complexity due to app certification processes for each manufacturer, and issues with TVs 'in the wild' that could not be tested by a developer, whose software causes performance problems.

If the CTV advertising market is to flourish, there is scope for content owners to work together to ensure that device manufacturers meet certain agreed standards when bringing new devices to market, along with simplifying the onboarding process for app owners.

Meet Demand for the Next Generation of Advertisers

Adapting to the requirements of the next generation of media buyers will be key to future success. Agencies themselves have been undergoing digital transformation for many years now and we're seeing a new generation of leaders coming through the ranks who are 'programmatic-first', which we believe will lead to an even more rapid acceleration of automated, data-driven trading in the coming years. Everyone on the sell-side should not just have plans in place, but have established teams and practices ready to meet that demand as it evolves. It's early days, but based on our conversations with UK buyers, the UK TV industry's moves towards programmatic trading are an encouraging step in the right direction. It is well established that TV advertising delivers for advertisers and the industry should continue to focus on communicating the value of it in brand-building, but its role in generating sales has been somewhat underplayed. Improvements in attribution and cross-media measurement may help to remedy this situation in the coming years.

Further experimentation with programmatic technologies (like OTT header bidding) and a more holistic approach to yield will be required in order to win secure additional spend from the next wave of 'programmatic-first' advertisers.

Advance First Party Data Solutions

First-party data strategies will be a key cornerstone of any successful CTV advertising strategy. These moves have been taking place against a backdrop where online publishers are struggling to find common ground. Other European markets should take note and there is an opportunity for the European TV industry to move quickly to create common standards on user identity and to gain ground on digital rivals in the process.

Addressable Targeting Will Overtake Linear Audience Buying

Household addressable targeting will emerge as the new buying standard for TV advertising as supply access points fragment, content options increase, data innovation grows (within the walled gardens), and humans object to overly personalised targeting. As television continues to evolve from legacy broadcast, and viewers watch content on their terms so too will the TV advertising technology.

Privacy Standards

OTT privacy standards will undoubtedly come into action in the future, following the first wave of legislation designed for web and mobile app environments. Changes in privacy regulations following the 'death of the cookie' will arguably place consumer privacy at the forefront (currently, CCPA and GDPR regulations don't explicitly cover OTT, however as the use of OTT services increases we can expect more regulations and updates that will address privacy and compliance evolving).

Partnerships to Achieve Scale

Increasingly, supply-side collaborations between Media Owners are developing across Europe to provide scalable solutions and clarify topics around measurement and attribution. This will help to support the sustainability of local players compared to American entrants or the walled gardens. A good example of this is the D-Force and Joyn alliance in Germany.

The growing power of international CTV platforms does pose concern for local inventory owners. Whilst the platform landscape is fragmented today, many expect it to consolidate over the coming years. The power of these platforms - who typically expect a slice of a content owner's inventory or revenue - is likely to increase creating challengers for smaller, local players. There is a divide emerging between the national, legacy broadcasters and OEMs that distribute content and are growing their footprint naturally with the proliferation of smart TVs.

The adoption of new HBBTV standards allowing for more seamless, user friendly, video executions will create a new surge in support for CTV advertising particularly in nascent markets such as Italy or Spain.

Reunite Fragmented Approaches to Ensure CTV Provides Broad Reach

A key advantage of Linear TV is the ability to plan and buy audiences across inventory sources in an integrated manner. As CTV advertising develops, there is a risk that the future of TV advertising fragments into micro silos, where every broadcaster, streaming platform, hardware manufacturer and other provider uses different measurement, data and standards to plan, buy and measure. This creates fundamental issues about interoperability and erodes a key advantage of television. Market participants should overcome the idea that developing CTV requires total control over every aspect, from data to measurement and prices, and make key technological or measurement decisions together.

Advertising Supply Will Continue to Fragment

Viewers content options will continue to proliferate for the foreseeable future as barriers to distribution lower, viewing demand stays high and devices continue to increase access, at all times, and all places. In global markets with more advanced broadband infrastructure there are thousands of channels today and this trend will continue across all global markets. Whilst the major players will continue to build large content networks, we expect to see continued rise in specialist and niche programming as the cost of distribution keeps falling.

Data Application Will Get Harder

The use and application of data in targeting addressable ads, will be the largest talking point in our industry for the next five years. As cookie technology is deprecated, we will see multiple data options be pushed by various publishers and walled gardens, looking to stay inside the law and for commercial gain. We expect that two types of solutions will dominate – first-party data owned and operated by the publisher, and privacy safe matched third-party data sets, which can be applied one via type of key.

Summary

Leveraging the programmatic opportunity in CTV is key to the growth of this channel in Europe. The contributors of this guide have, as such, developed a clear and concise step by step guide for planners and buyers to understand the programmatic opportunity and how they can tap into its potential.

The exponential growth in viewing TV content across a range of screens and devices has opened up a whole new world of advertising. But for CTV to scale, it's important that we, as an industry, can support Programmatic buying of this channel.

This guide draws out some of the key considerations to help Programmatic CTV in Europe thrive. But, as with any nascent and growing market there are still barriers to overcome. By working together as an industry to address the key challenges such as fragmentation, fraud, and measurement, we have a real chance to enable its success.

IAB Europe is working with some of its members to provide additional insight into the Programmatic CTV landscape in a series of Industry Insider webinars and events that explore buy-side and sell-side perspectives, as well as CTV in the broader advertising ecosystem.

Now is the prime time for CTV, and we are excited to see how this opportunity evolves and develops in Europe.



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Glossary

Delivery Methods

Video-on-Demand (VOD) Consumers' ability to select and view shows at a time of their choosing has revolutionised consumption.

Live Streaming Live viewing is not over. Content can also be streamed in real-time over the internet.

Broadcast VOD (BVOD) Programming made available by broadcast networks, through their own access platforms, usually following live transmission.

Internet Protocol TV (IPTV) Whilst all of these methods involve IP, IPTV often refers to programming delivered over broadband via an internet service provider's own TV service, rather than OTT third parties. Operating in a closed circuit means they cannot communicate with third-party ad servers like other CTV services, adding operational complexity.

Hybrid Broadcast-Broadband TV (HbbTV) An international consortium and standard aimed at combining digital terrestrial broadcast and broadband delivery of programming. This standard is integrated in all European TV sets.

Access Models

Subscription Video-on-Demand (SVOD) A premium, ad-free experience for a monthly fee from services like Netflix, BritBox or Binge.

Advertising-Supported VOD (AVOD) An alternative to SVOD, AVOD offers free streaming with advertising. Services include traditional broadcasters' BVOD players (eg. ITV Player) and a new wave of digital-native AVODs (e.g. Tubi).

Hybrid SVOD/AVOD Services that combine subscription and ad support tiers — for example, certain services could have a lower subscription price with ad support vs a premium, ad-free experience, or some services are only accessible via subscriptions but always have advertising too (common for live sports broadcasts that sit behind a paywall, but have natural advertising breaks at halftime).

Transactional VOD (TVOD) A digital manifestation of pay-per-view (PPV), TVOD services like Apple's iTunes enable one-off purchases and often time-limited access.

Targeting Viewers

How publishers and ad buyers can use software to enable smart targeting audiences.

Household-Level Targeting Two households may watch the same show via CTV but may be served different ads based on various identifiers.

Device-Level Targeting More-granular targeting that identifies, profiles and reaches a specific device, whether it is a smart TV, mobile phone or desktop computer.

Unique App Identifier The mechanism through which devices allow apps to pass user identifiers to audiences. Historically unavailable to CTV apps and, therefore, buyers.

Identifier for Advertising (IFA) Provides device-level identification whilst giving users control over information accessed by apps.

Deterministic ID Audience profiles built from verified known subscriber or user data, authenticated from TV services.

Probabilistic ID Inferred audience profiles modeled based on previous behaviour and statistical analysis, risking imprecision when compared with deterministic IDs.

Contextual Targeting Buying ads against the TV show, rather than the audience, based on certain descriptive metadata like genre, mood or subject matter.

Identity Graph Third-party sources of viewer data against which to buy, often compiled from combining multiple viewer signals, in lieu of on-device identifiers.

Control and Capability

Competitive Separation Ensures a publisher's ad pod does not include conflicting brands or categories, thereby reducing competition and consumer ad fatigue, and increasing the value of the spot.

Frequency Capping Allows brands to guard against agitating viewers with repeat exposures, by specifying a maximum threshold for playback. With OTT delivery where a platform has logged in users, often they are able to robustly manage frequency cross-device

Back-to-Back Ads Playing out the same ad repeatedly kills effectiveness. Back-to-back play-out control limits the risk of repeat exposures.

Server-Side Ad Insertion (SSAI) Ads are delivered by publishers in the content stream itself, rather than called separately by viewing devices (the client). Removes latency from ad insertion to ensure a seamless transition between ads and content, but reduces buyers' visibility into campaign performance.

Dynamic Ad Insertion (DAI) The ability to replace ads from the original stream swap out an ad in a TV show, based on a variety of digital factors such as audience targeting signals, or buyer strategy, or even just to incorporate greater measurability. Originated in VOD, but now emerging in live digital linear streams.

Cross-Screen Campaigns

Omni-Channel Audience Reach Advertisers can track engagement across all digital devices, including CTV devices, to gain campaign-wide insights.

Multi-Channel Attribution The ability to follow known audience viewing behaviour after the fact—for example, using smartphone location data or website analytics to correlate outcomes back to ad exposure.

Converged Buying As traditional TV evolves, CTV grows and media continue to fragment, the industry wants to combine buying and selling activities across the ecosystem, to enable unified planning, reach, buying and measurement across media channels.

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The logo for iab europe, featuring the letters 'iab' in a bold, lowercase, sans-serif font, followed by 'europe' in a smaller, lowercase, sans-serif font. A small black dot is positioned above the 'i' and another above the 'e' in 'europe'.