



BREAKING THROUGH

Moving Beyond the Commercial Break on CTV



CONNECTED TV IS RIPE FOR INNOVATION

1

Advertisers are still using the same video ads as linear TV, with very little innovation

2

Attention fatigue for pre-roll is a real concern for advertisers

The image shows a television set in the center, displaying a question on its screen. To the right of the television is a laptop, partially visible, showing its keyboard. The background is dark with some faint outlines of other electronic devices. The text on the screen is white and bold, set against a colorful gradient background.

**HOW CAN ADVERTISERS
INNOVATE TO STAND OUT
ON CONNECTED TV?**

WE TESTED OVERLAY ADS TO SEE HOW THEY STACK-UP TO TRADITIONAL VIDEO ADS



THE PROMISE OF OVERLAY ADS

- Offers more inventory
- Doesn't disrupt playback
- Can be delivered in a contextually relevant environment

METHODOLOGY

CONTROLLED, AT-HOME TESTING

Recruited Connected TV Viewers

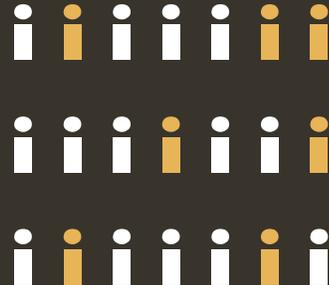
Participants recruited from at-home panel

Adults 18-54
Sample size = 807
Total Exposure Points = 1,614



Randomization

Participants randomized into exposed and control groups



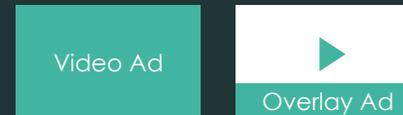
Natural Connected TV Viewing

Participants watch a TV show of their choice. Appropriate ads served based on exposed or control assignment

All participants watch half hour streaming TV show of choice

Video Ad

Overlay Ad



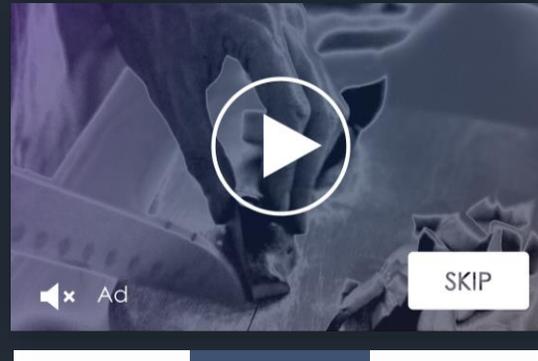
Measurement

Final survey to measure impact on traditional branding metrics and obtain feedback on ad frequency



AD FORMATS TESTED

TRADITIONAL VIDEO ADS



AD BREAK

OVERLAY ADS



Appearance

During ad breaks between content

During content

Ad Length

:15 and :30 second ads

:06 second overlay ads

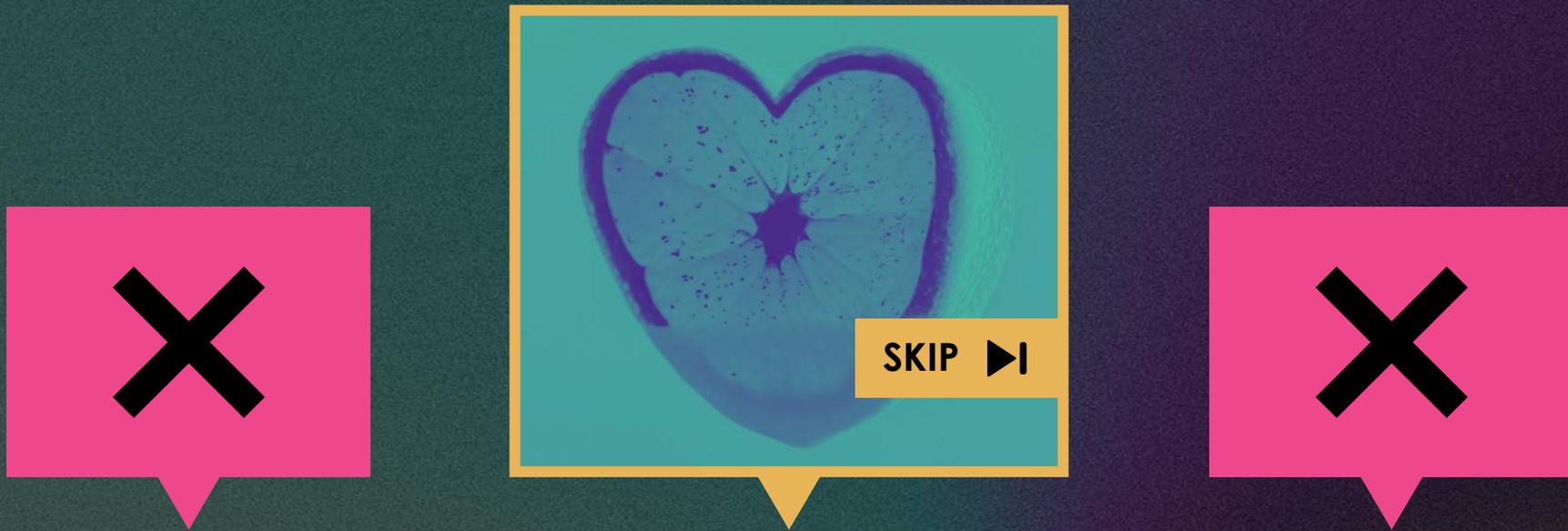
BRANDS TESTED

VIACOM



TRACFONE[®]
wireless, inc.



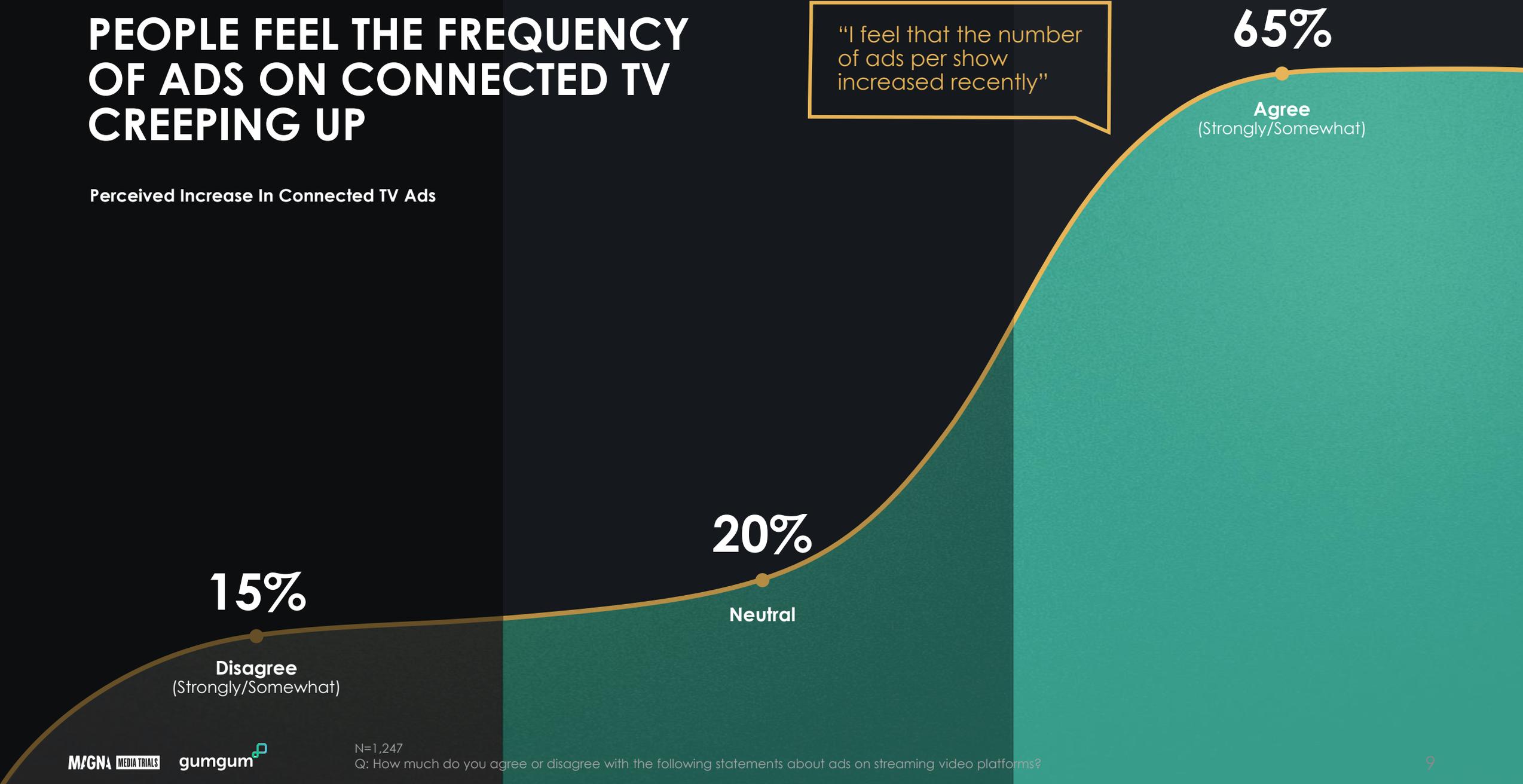


CAPTURING ATTENTION WITH FEWER COMMERCIALS

PEOPLE FEEL THE FREQUENCY OF ADS ON CONNECTED TV CREEPING UP

Perceived Increase In Connected TV Ads

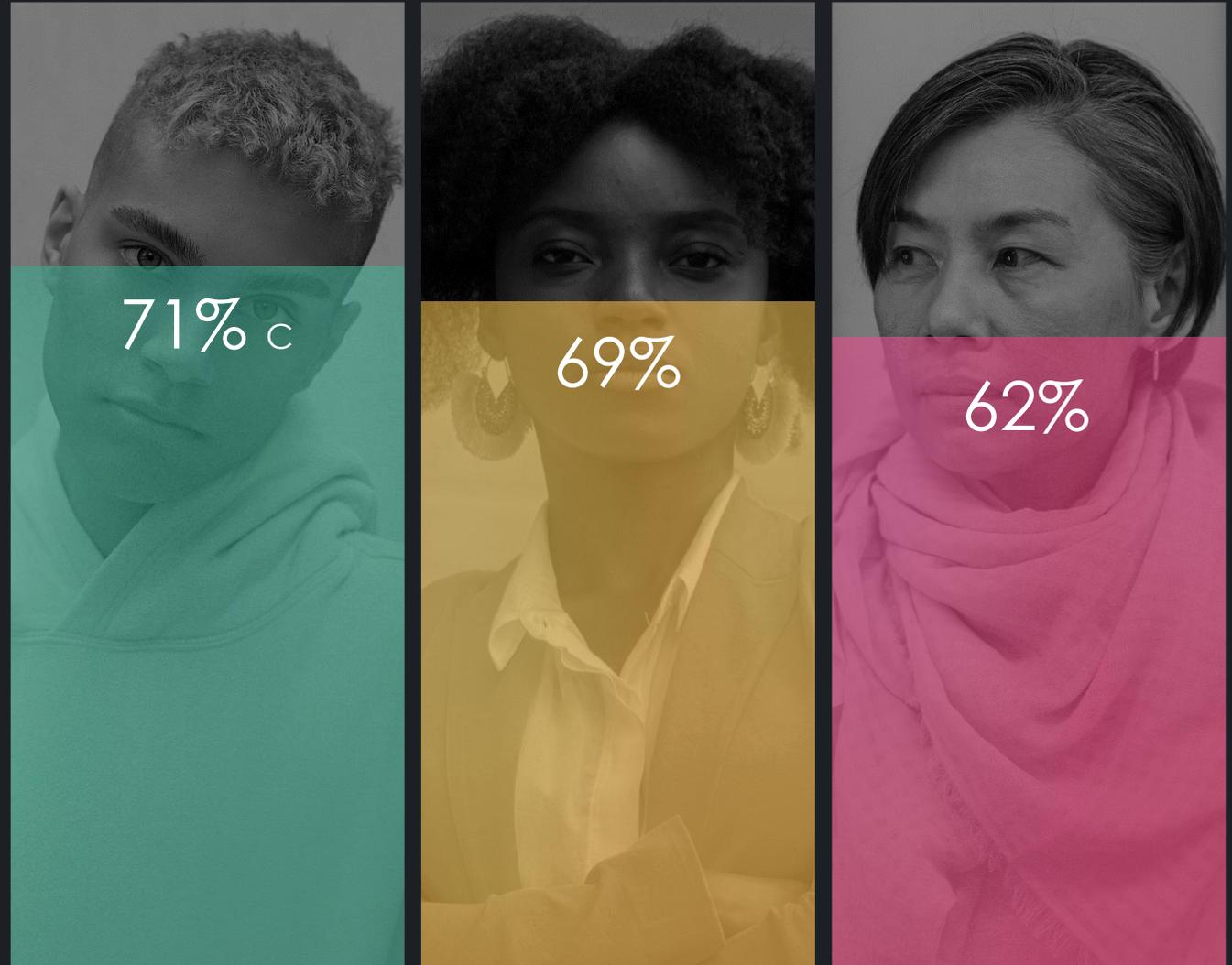
"I feel that the number of ads per show increased recently"



HIGHER FREQUENCY OF CONNECTED TV ADS IS ESPECIALLY APPARENT TO YOUNGER GENERATIONS

Age trend is an indicator that the perception of high ad frequency isn't going away

Perceived Increased in Connected TV Ads
- % Strongly/Somewhat Agree



A18-24
(A)

A25-34
(B)

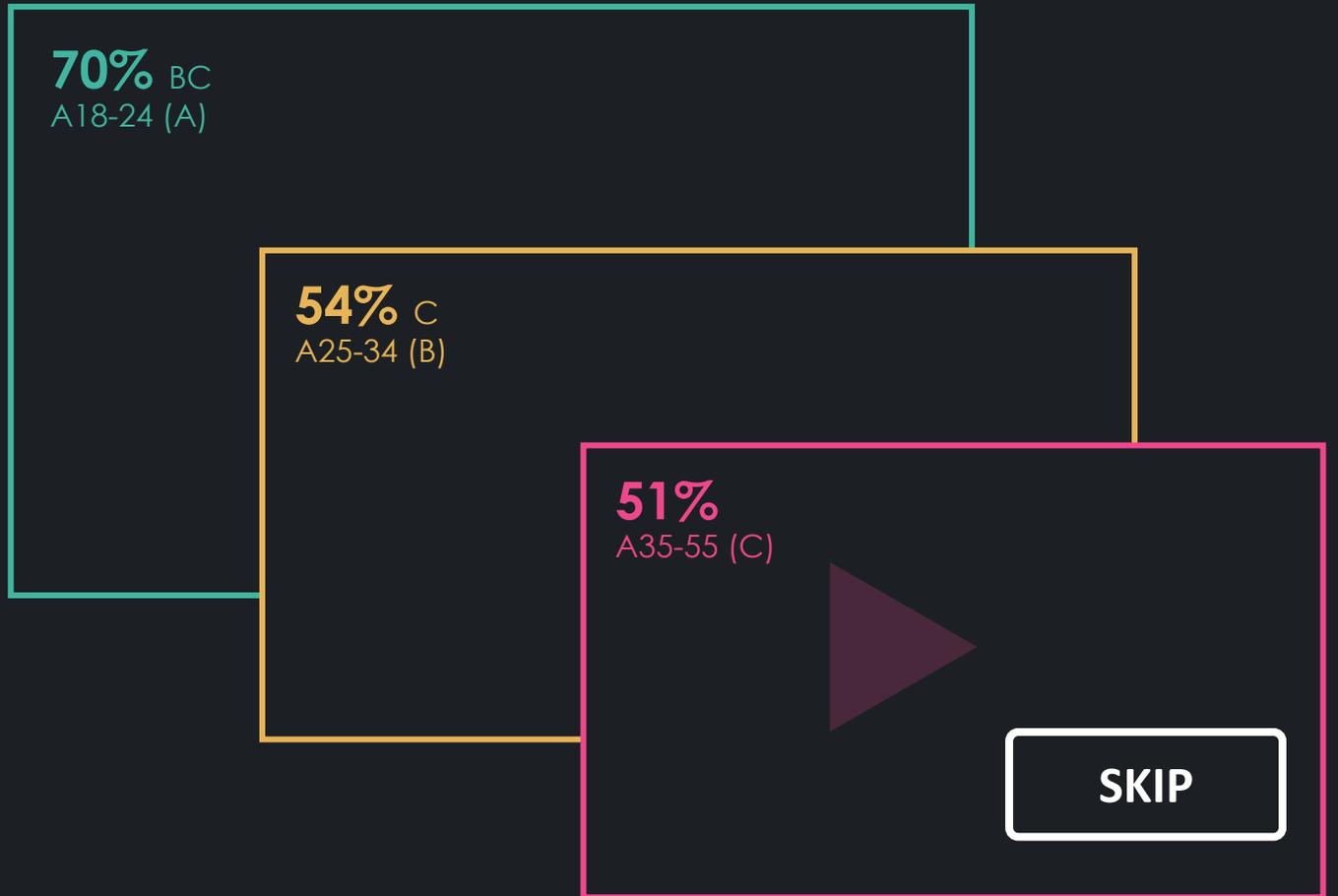
A35-55
(C)

CONNECTED TV ISN'T IMMUNE TO AD ATTENTION CHALLENGES

At least half report almost always avoiding video ads on Connected TV

Level of Ad Avoidance During Ad Breaks on Connected TV - Delta (Exposed – Control)

AVOID ADS "MOST OF THE TIME" OR "ALWAYS"



A18-24 n=90, A25-34 n= 663, A35-55 n= 1248

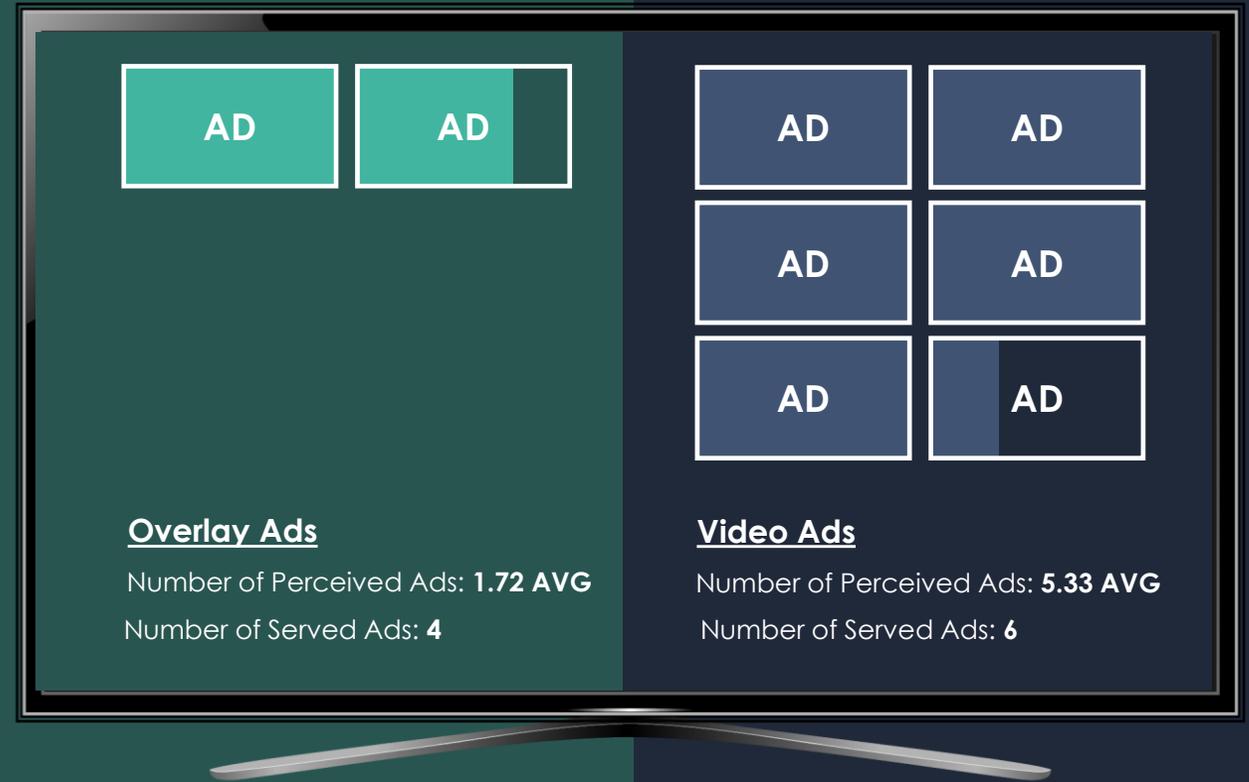
Q: How much do you agree or disagree with the following statements about ads on streaming video platforms?

Ad avoidance may include leaving the room, doing something on another device, muting the show, etc. during ad breaks.

A/B/C: Statistically significant difference greater than or equal to 90% confidence level

OVERLAY ADS HELP PEOPLE FEEL LESS BOMBARDED BY ADS

Overlay ads allow for a perceived lower ad frequency, which people take notice of



OVERLAY ADS ARE 4X MORE MEMORABLE THAN VIDEO ADS

Because Overlay ads become a part of the content, people naturally are more attentive

Overlay Ads

+17%▲

Video Ads

+4%▲



TOP-OF-MIND AD RECALL
Impact of Ad Type
- Delta (Exposed – Control)

VIDEO ADS = \$0.57

72%
Savings

OVERLAYS ADS = \$0.16

OVERLAY ADS DRIVE 72% MORE SAVINGS FOR ADVERTISERS THAN VIDEO ADS

TOP-OF-MIND AD RECALL

Cost Efficiency - Cost Per Person

Overlay Ads, Exposed n=500, Control n=500; Video Ads, Exposed n=500, Control n=500
Q: You may or may not have seen ads during your experience. If you recall seeing ad(s), please write the brand name on a separate line. If you're not sure, you may guess or leave it blank.

OVERLAYS ALSO HAVE A LOWER AVERAGE PRODUCTION COST AND TIME

PRODUCTION TIME →

COST →

	
	
<p>Overlay Ads: Avg production time: ~10 days</p>	<p>Video Ads</p>

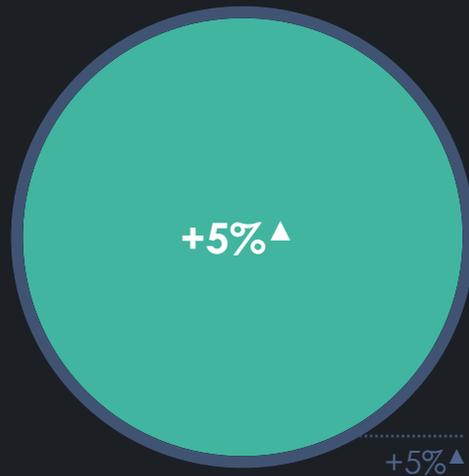
	
	
<p>Overlay Ads</p>	<p>Video Ads</p>

BETTER BREAK THROUGH WITH OVERLAY ADS + THE BENEFITS OF VIDEO ADS

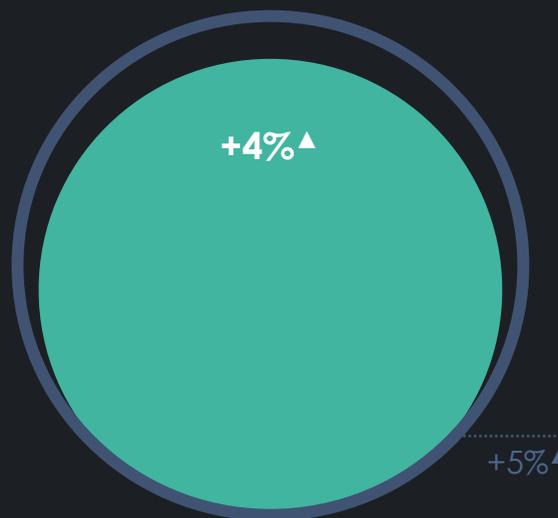
Brand Metrics - Deltas (Exposed – Control)

● Overlay Ads ○ Video Ads

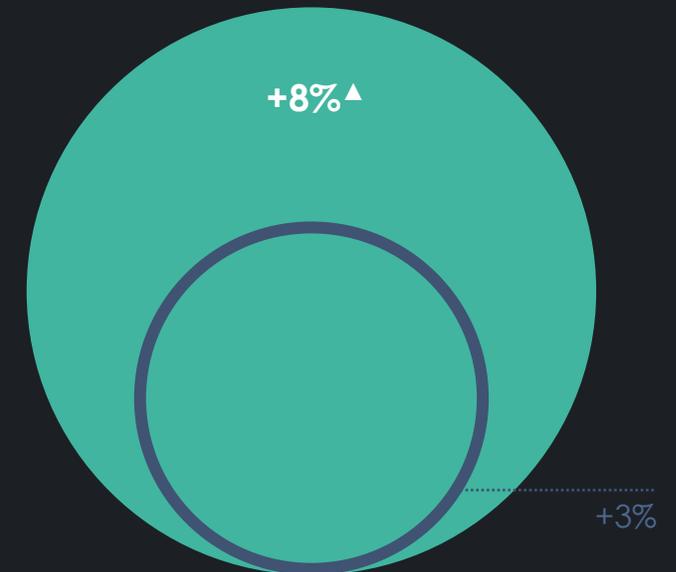
BRAND FAVORABILITY



PURCHASE INTENT



BRAND IS THOUGHTFUL

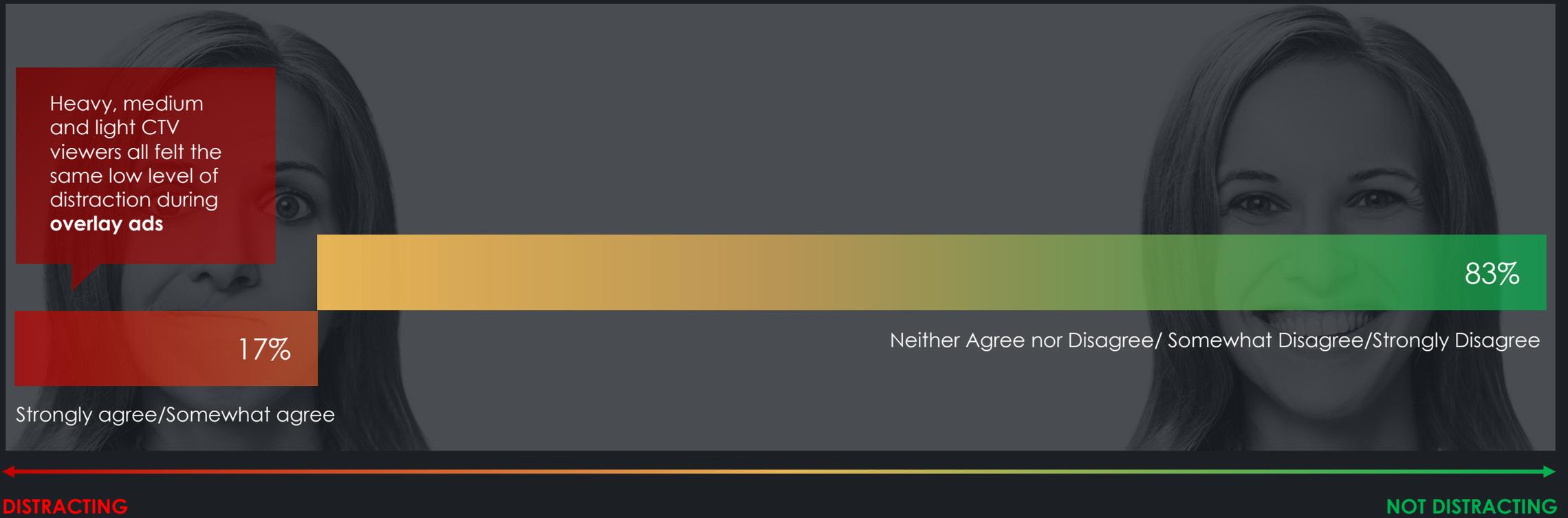




BUT ARE OVERLAY ADS DISRUPTIVE?

ONLY 17% FOUND OVERLAY ADS “DISTRACTING”

Perceived Level Of Distraction Of Overlay Ads - % Agree



IN FACT, APPEARING DURING CONTENT FEELS NO MORE DISTRACTING THAN BREAKING IT UP

Perceived Level Of Distraction - % Strongly/Somewhat Agree



Video Ads: 17%



Overlay Ads: 17%

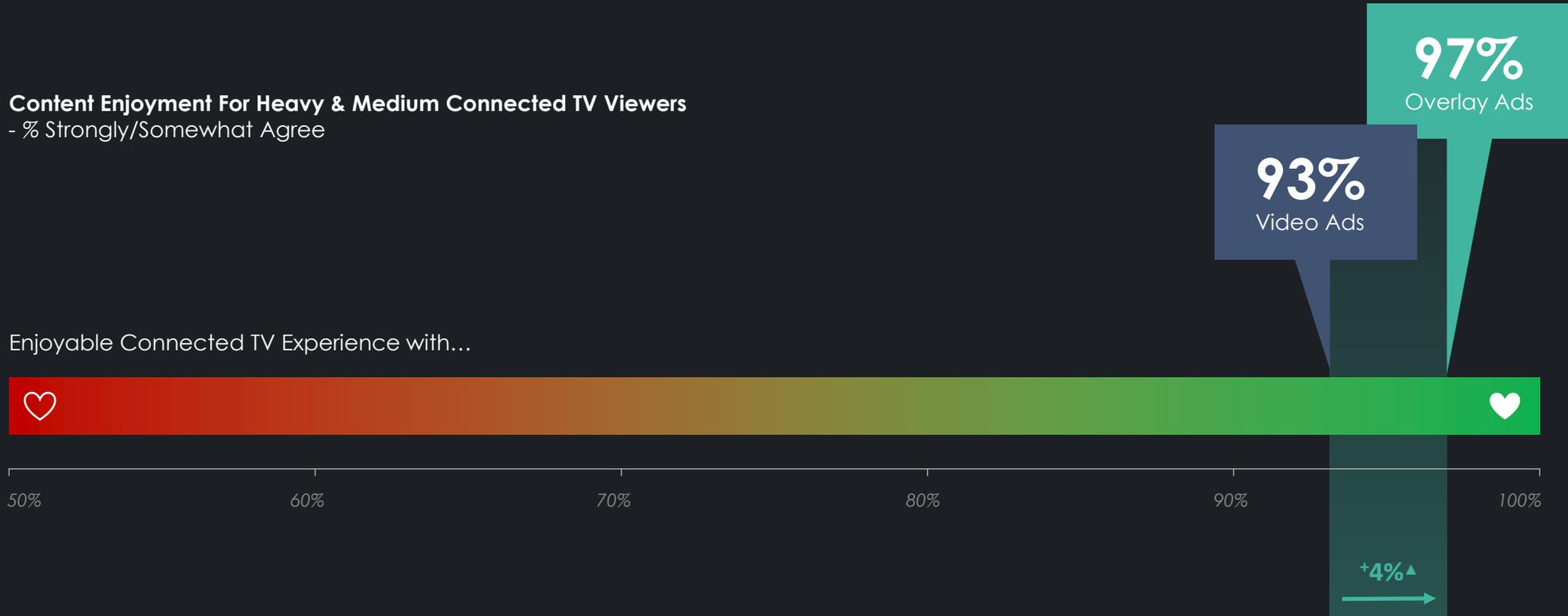
DISTRACTION

THE NATURE OF OVERLAY ADS RESULTS IN A MORE ENJOYABLE VIEWING EXPERIENCE

While most people enjoyed the Connected TV content, enjoyment gets an uptick among heavy and medium Connected TV viewers

Content Enjoyment For Heavy & Medium Connected TV Viewers - % Strongly/Somewhat Agree

Enjoyable Connected TV Experience with...





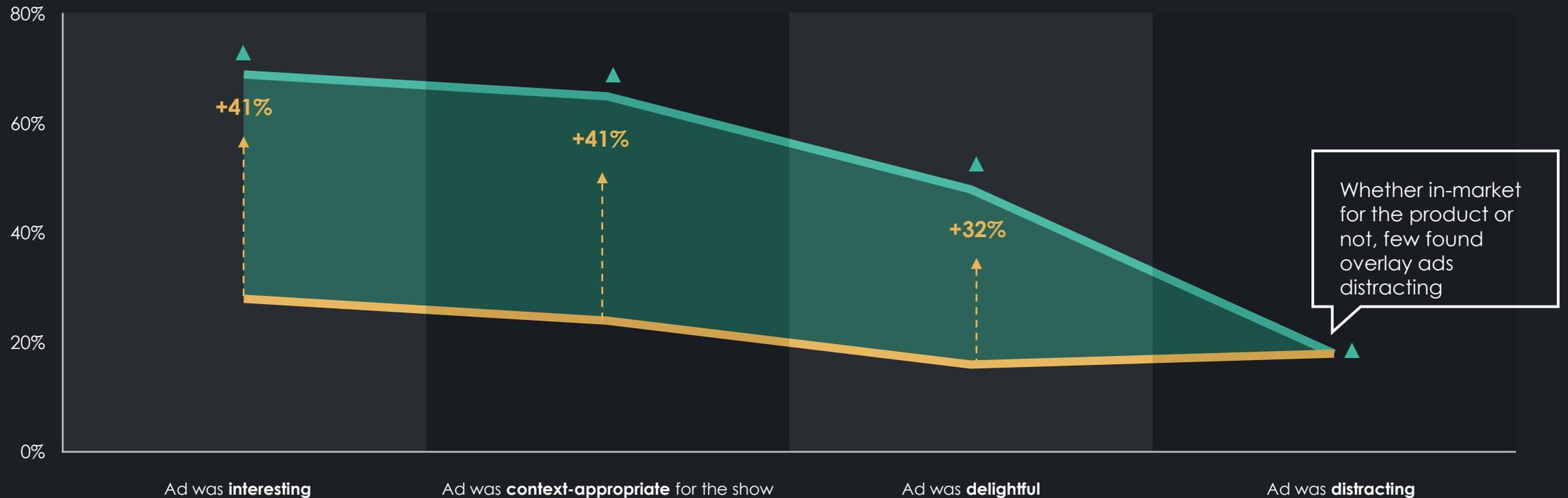
QUICK TIPS FOR MARKETERS

Making The Most Of Overlay Ads

REACHING THE RIGHT AUDIENCE CAN MAXIMIZE PEOPLE'S EXPERIENCE WITH OVERLAY ADS

Opinions of Overlay Ad | Among Those Recalled Among Those In-Market for Advertised Product - % Strongly / Somewhat Agree

— People In-market for Product Advertised — People Not In-market for Product Advertised



WHEN CONTEXTUALLY MATCHED WITH CONTENT, OVERLAY ADS ARE PARTICULARLY WELCOMED

Opinion of Overlay Ads Based on Contextual Match with Connected TV Content | Deltas (Contextual Match – No Contextual Match)



Example Ad: Stand Mixers

Ad was delightful

+10%▲

Ad was context-appropriate for the show I chose

+9%▲

Example Connected TV content: A Baking Show

ADS FORMATS TESTED

Overlay Ad – Corner



Corner unit set to seamlessly fade in and fade out in a corner of the screen without human interaction

Overlay Ad – Snipe Static

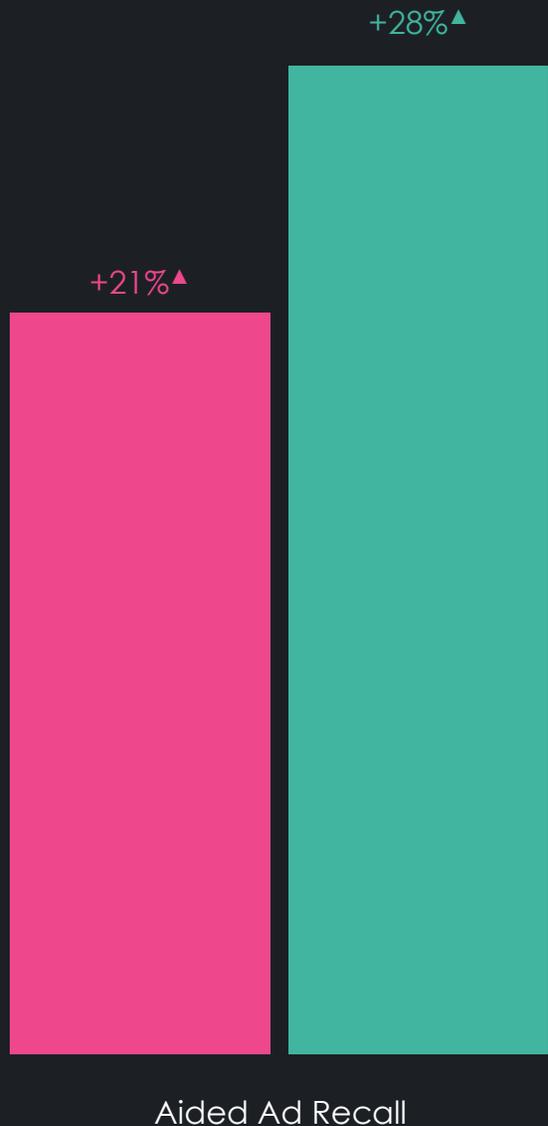


Animates display assets along the entire bottom of the video without human interaction

Overlay Ad – Snipe Video



Animates a video asset along the entire bottom of the video without human interaction



HIGH AD RECALL IS CONSISTENT ACROSS BOTH OVERLAY AD FORMATS

Brand Metrics by Overlay Ad Format - Deltas (Exposed - Control)

■ Snipe Ad ■ Corner Ad

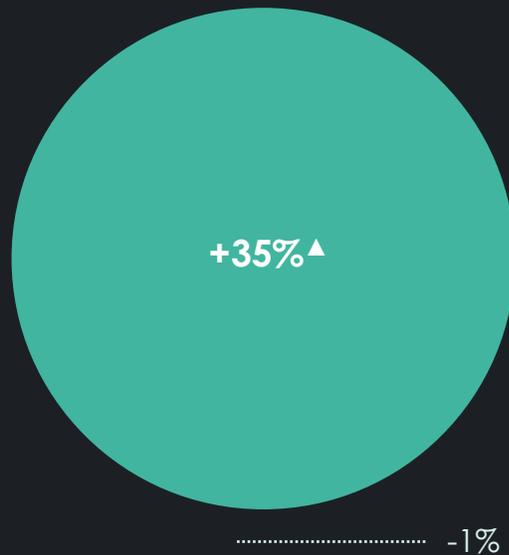
Aided Ad Recall

LEVERAGING MORE VIDEO WITH SNIPE OVERLAY ADS LEADS TO MORE PERSUASION

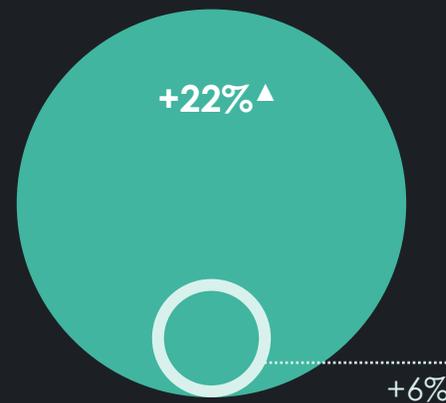
Brand Metrics by Ad Format - Deltas (Exposed – Control)

● Snipe Video Ad ○ Snipe Static Ad

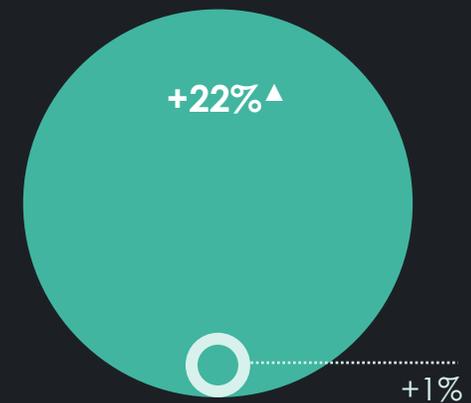
BRAND FAVORABILITY



SEARCH INTENT



PURCHASE INTENT



RECOMMENDATIONS

1

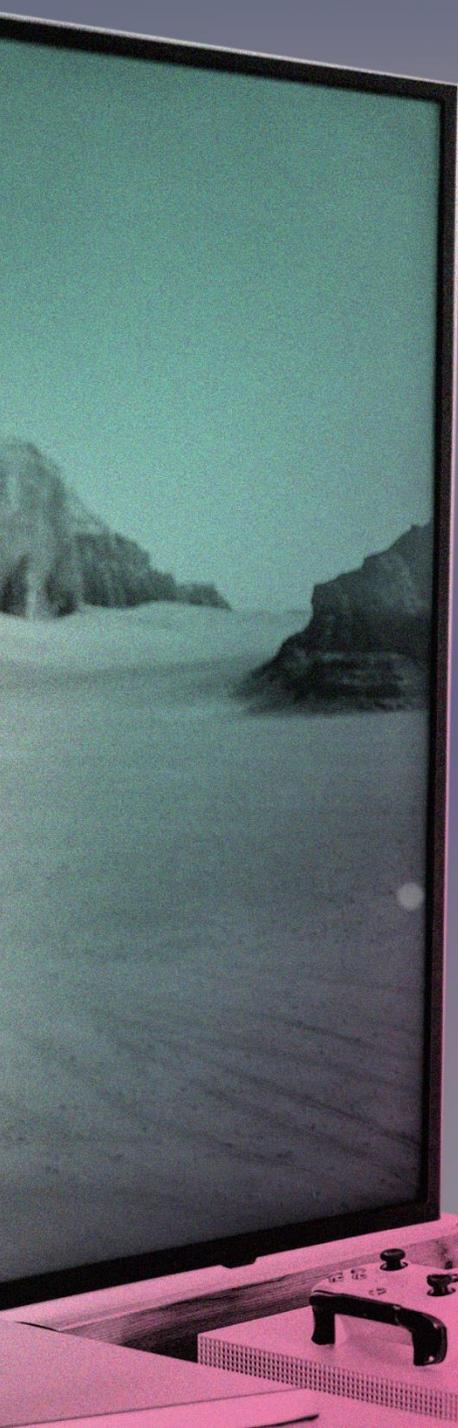
Leverage Overlay Ads as an Additional Touchpoint

Overlay ads capture the attention of audiences, making for memorable ad experiences with a lower fiscal and time investment

2

Continue Innovating to Battle the Attention Deficit

The industry should continue to push for new ad formats on Connected TV, as concerns about video wear out and increasing ad frequency mount



THANK YOU

MAGNA MEDIA TRIALS gumgum 