

CUKER



A Comprehensive Guide to OTT Advertising



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OTT is ushering in a new era of awareness marketing. In the past, it required millions of dollars to run a TV commercial that would reach a wide range of audiences. 'Over-the-top' platforms remove the barrier of entry for growing brands into TV advertising. Today, OTT allows brands to tightly target only your audience and create awareness with a fraction of the budget of traditional TV.

High-quality video content is now easily accessible across all connected devices, including:

- **Mobile devices**
- **PC**
- **Smart TV/Connected TV**
- **Streaming devices**
- **Gaming consoles**

Did you know that videos steamed through OTT services, like Hulu, Netflix, HBO Max, and other video streaming platforms account for **25%** of the collective consumer viewing time?

Streaming video advertising connects brands with receptive viewers through sight, sound, and motion. Streaming allows brands to optimize their ads with advanced data and modern machine learning. In the following guide, we'll discuss:

- What is OTT Advertising?
- OTT Statistics
- OTT Platforms
- Benefits of OTT Advertising
- OTT Best Practices
- The Future of OTT

OTT, or over-the-top, advertising delivers content directly to viewers through streaming video services, digital platforms, or smart devices.

What is OTT Advertising?

OTT, or over-the-top, advertising delivers content directly to viewers through streaming video services, digital platforms, or smart devices.

The term “over-the-top” essentially means the ability to bypass traditional TV providers, giving advertisers the ability to reach audiences directly. Broadcast schedules or geographic limitations are not concerns with OTT...viewers can access content at any time from any place.

There are different **ways to engage** with streaming platforms...

Demand-side Platform (DSP)

Allows an advertiser to buy available advertising inventory with the help of automation.

Supply-side Platform (SSP)

Ad technology platform used by publishers to manage, sell, and optimize available ad inventory space on their websites and mobile apps.

Data Providers

Companies who build and maintain profiles of users on the internet, so that advertisers and agencies can use those profiles for campaign targeting purposes.

Ad Server

Technology used by advertisers, publishers, and ad agencies to manage online advertising campaigns and serve ads.

Analytics and Optimization

Tools and technology used to collect and analyze data on streaming ad campaigns.

OTT Stats

Before we dive into the platforms and benefits of OTT, here are some fascinating **statistics** to point out:

- OTT revenue is expected to surpass \$476 billion by 2027
- 88% of U.S. adults watch content on OTT platforms
- The largest segment of OTT is Advertising Video On Demand (AVOD), with a market volume of \$180 billion

- 40% of total OTT revenue comes from SVOD
- 38 hours is the average amount of video content consumed each month by the average adult
- TikTok is the most popular mobile video app in the U.S for users under 18 (3 billion downloaded globally)
- 167 million TikTok videos are watched in one minute



OTT Platforms

There are many OTT platforms brands utilize to engage their audience. Here are examples of the most popular channels and streaming devices available today:

- Hulu
- Netflix
- TikTok
- SlingTV
- Amazon Prime
- Disney Plus
- Peacock
- HBO Max
- Paramount+

What are the Benefits of OTT Advertising?

With OTT advertising, brands have an arsenal of advantages at their disposal. Let's go over a few main benefits of OTT advertising.

Precise Targeting

Today, brands don't need to make general assumptions about an audience or guess about consumer demographics. OTT's targeting capabilities enable brands to reach specific audiences that they could only hope to contact before with traditional TV ads. OTT advertising allows marketers to target a consumer wherever they are...no matter what they're watching or what platform they're on. OTT also delivers important data about customer behavior. Advanced analytics allows advertisers to target people based on their unique interests, attitudes, and viewing habits.

Cost Effectiveness

When it comes to pricing, OTT ads are very flexible. Selecting a specific programmatic approach to connect with target audiences gives brands more control compared to traditional TV ad campaigns. Simply put, you only pay for ads when the audience views them, which makes OTT an incredibly cost-effective strategy.

Higher Audience Engagement

OTT advertising displays ads in the right places and for short duration between programs. OTT only runs if someone actively requests video content. With OTT Advertising, a viewer actively requests the video content, so it's more likely an

ad will have a higher percentage of impressions viewed. Shorter, engaging ads are more effective for ad recall. For instance, studies by the **World Advertising Research Center** indicate 30-second spots are ideal for a good brand-building, engagement, and making an emotional and intellectual connection with viewers.

Advanced Data Analytics

OTT ads give advertisers access to the data needed to measure campaign performance in real-time. Brands are able to analyze various metrics based on targeting. They also have the ability to A/B test all OTT ads to determine which ones are performing best. For instance, after launching an ad campaign, brands can measure impressions, views, and video completion rates to determine effectiveness.

Actionable Messaging

OTT is perfectly suited for mobile devices, allowing ads to be more actionable than typical TV commercials. Unlike watching TV, OTT viewers don't have to jump on a second device to buy a product. They can just click the link. Like when you come across a pre-roll ad before watching a YouTube clip, you just hit the CTA and you're instantly taken to the brand's landing page. Simply put, the path to purchase is much shorter on OTT. It's faster, easier, and more trackable than traditional TV ads.

OTT Video Content Best Practices

Though OTT isn't necessarily a one-size-fits-all approach, there are several best practices brands can follow to maximize results.

Mobile Friendly

Creating mobile friendly content is a vital piece to the OTT puzzle. Why? Because people spend more time on their mobile devices than anywhere else. More than half of annual online traffic comes from mobile devices and tablets. Since people, especially millennials and Gen Z, are spending more time on their phone, it's important to optimize your brand's digital experience and create a mobile first approach.

15-30 Seconds

Keep it simple...and short. The best OTT ads are between 15-30 seconds long. In all honesty, viewers typically don't watch ads that are a minute or longer...unless they really love the brand. Capture your audience's attention by keeping your video content short, entertaining, and informative.

Be Relevant to your Audience

It's important that your content is relatable, conversational in tone, and relevant to your audience. Create brand content and OTT video ads that speak to your audience on a personal level.

A/B Testing

It's key to deploy A/B testing which provides the most intuitive, desirable user experience for your audience. This process can be achieved by testing different interface elements such as layouts, menu structures, and fonts. Take a data-driven

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approach to develop a solid understanding of your viewers' preferences...empowering you to make informed decisions to drive a better user experience.

The Future of OTT Advertising

OTT is an industry disruptor. As traditional TV continues to lose viewers, people will stream more on platforms like Hulu, Netflix, Amazon, and many others. As a brand, the opportunities are endless in capturing new audiences and surpassing initial marketing objectives. OTT advertising is an effective way to engage your viewers, grow brand awareness, and track/measure campaign progress. And the surface has only just been scratched.

Interested about OTT advertising and how it can help your business? We can help. Cuker helps brands win in the new digital era...driving awareness, sales, and repeat purchases through targeted **video campaigns**. Utilizing advanced technology, data and analytics, consumer targeting, and persistent iteration, we make every dollar of paid media go further to help grow your business.

Ready? Let's roll!

Redefining Possible.

We are a progressive full-service digital agency,
growing brands in today's connected world.



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