



BRIGHTLINE

The Connected TV Opportunity

Key Findings



Background and Methodology

In June 2015, ANA and BrightLine conducted a survey to get a baseline understanding of the awareness and usage of connected TV/OTT (over-the-top) devices by the overall ANA member community.

Connected TV means that a television is somehow connected to the Internet. This includes Smart TVs where the connection is built into the TV, or any IP-connected over-the-top (OTT) device/box like Amazon Fire TV, Android TV, Apple TV, PlayStation, Roku, or Xbox that brings an array of content apps directly to a TV screen. When viewers consume television content in this way, they become connected TV users. Both TV programmers and web publishers are increasingly launching their content over the top (OTT) to connected TV, including Amazon Prime, CollegeHumor, Crackle, Fox, Hulu, NBCU, Netflix, and many others.

The growth of connected TV has been well documented.

- Connected TV penetration is now 56 percent of all U.S. homes, up from 44 percent in 2013 and 24 percent in 2010 (Leichtman Research Group).¹
- In a recent IAB survey, consumers self-reported spending 2.4 hours a day on a connected TV/device compared to 4.4 on a regular television.²
- Viewing on OTT streaming devices grew 380 percent year-over-year in the first quarter of 2015 (FreeWheel).³

In total, 215 client-side marketers are represented in the survey. Of those, 51 percent are “senior marketers” (director level and above) and 49 percent are “junior marketers” (manager level and below). On average, respondents to this survey have 16.2 years of experience in marketing. Seventy-eight percent of respondents have one or more connected TV devices in their home, significantly more than the overall U.S. population.

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“Viewers are shifting their habits to watch content when/where they want. Connected TV is where consumers are headed, so we, as advertisers, need to be there.”

— Survey Respondent

¹Leichtman Research Group, “Emerging Video Services IX,” May 2015

²IAB, “The Changing TV Experience: Attitudes and Usage Across Multiple Screens,” April 2015

³FreeWheel, “Q1 2015 Video Monetization Report”

Key Findings

1. Only 43 percent of marketers surveyed claim to be “very” familiar with connected TV/over-the-top (OTT). Meanwhile, the great majority (87 percent) are at least “somewhat” familiar.
2. Only one in five (22 percent) responded that their company has engaged in connected TV advertising over the past year.
3. Budgets are modest, as a little under half (46 percent) allocate just 1 percent or less of their total TV advertising budget to connected TV. Approximately half of current connected TV advertisers (48 percent) plan to allocate more of their TV advertising budget to connected TV in the next year. Funding is mostly reallocated from elsewhere rather than being incremental. Seventy-one percent of respondents shift funds from other TV activity, while 37 percent do so from digital.
4. Audience targeting is perceived to be the top benefit of connected TV, cited by 50 percent of the total sample of respondents. Both users and non-users recognize the benefit of audience targeting. With connected TV, television buyers can target audiences on the same level as their digital counterparts.
5. The top barriers preventing greater spending on connected TV among users are measurement questions and low penetration/small-scale audience.
6. Among those respondents whose companies are not currently engaged in connected TV advertising, the top barrier is lack of familiarity. Of those not currently engaged, 13 percent intend to do so over the next year, while 59 percent are not sure.
7. The large majority of total respondents (71 percent) believe connected TV is an opportunity for the television advertising industry. Those currently engaged are extremely bullish on it, with 89 percent believing that connected TV is an opportunity. Reasons most often cited by respondents for identifying connected TV as an opportunity were targeting and following viewer behavior.

Perspective

The survey findings reveal that awareness and education about connected TV/OTT are critical to its future adoption and growth by advertisers. Only 43 percent of marketers claim to be “very” familiar with connected TV; if that same question were asked for cable TV, the response would likely be universal.

Connected TV is gaining traction as consumers are increasingly viewing content whenever/wherever they want. Some are “cutting the cord” — terminating traditional TV entirely in favor of connected TV/OTT subscriptions. While adaption of connected TV spans generations, younger consumers are particularly engaged. A recent Horowitz Research study found that 75 percent of 18- to 34-year-olds have access to a connected TV/OTT device (which is much higher than the overall population) and self-report spending almost 50 percent of their viewing time streaming.⁴ Marketers targeting this age segment (as well as younger) should take notice.

As consumers continue to migrate to multiple screens/devices and penetration of connected TV continues to grow, it’s incumbent on marketers and their agency partners to explore the potential of video in any way it’s delivered. Connected TV advertising does not have to replace traditional linear television, but is an option to supplement it, and one which will increasingly offset the decline in traditional linear television ratings and reach.

The promise of connected TV allows advertisers to achieve similar benefits as their digital counterparts — including enhanced analytics, engagement, and audience targeting — but on the biggest and most influential screen in the home. By both targeting the media buy and enhancing relevant messaging in the subsequent interactive experience, marketers have the ability to reach consumers on a deeper, more personal level than ever before. As both the breadth of connected TV penetration (number of households) and depth (number of sets in each household) grows, the targetability of connected television will likely be enhanced.

Having weathered the storm caused by DVRs and fast-forwarding through commercials, the advertising industry stands to benefit from connected TV, which has the potential to amplify impressions and offer more total viewing hours to build on the existing television viewer base.

In order to optimize growth, clearly the measurement issues that limit the ability to assess how consumer behavior is adapting to connected TV/OTT need to be addressed.

Opportunities for partnership between networks, cable providers, OTT partners, and other content providers afford new ways to sell content in the personalized, real-time manner that consumers expect in our digital world. If harnessed effectively, connected TV is poised to reach more viewers with digital targeting, analytics, and engagement: a win-win for consumers and marketers.

⁴Horowitz Research, “Multiplatform Content & Services 2015”

About the ANA

The ANA (Association of National Advertisers) provides leadership that advances marketing excellence and shapes the future of the industry. Founded in 1910, the ANA's membership includes more than 650 companies with 10,000 brands that collectively spend over \$250 billion in marketing and advertising. The ANA also includes the Business Marketing Association (BMA) and the Brand Activation Association (BAA), which operate as divisions of the ANA. The ANA advances the interests of marketers and promotes and protects the well-being of the marketing community. For more information, visit www.ana.net, follow us on [Twitter](#), or join us on [Facebook](#).

About BrightLine

BrightLine is the leading interactive ad solution for connected TV, with the only ad products, ad server, and analytics dashboard architected exclusively for connected TV and OTT services. BrightLine's solution suite allows marketers to further enhance premium CTV/OTT advertising with interactivity including long-form video, localized dynamic content (store/dealer locators, local pricing), social engagement with Facebook, Twitter, and Instagram, and a host of other interactive options that extend ad encounters beyond 15 or 30 seconds. Clients already working with BrightLine to enhance their TV advertising include AMEX, The Home Depot, Estee Lauder Companies, GM, Unilever, Nat Geo, and others, with reach spanning over 100 of the top apps across all major CTV devices, including Roku, Amazon Fire TV, and Samsung Smart TVs. Learn more about how BrightLine is revolutionizing connected TV advertising at www.brightline.tv or follow them on Twitter [@BrightLine_TV](#).



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