UNDER THE HOOD
OF OVER-THE-TOP MEASUREMENT

Roku | **MAGNA** | IPG MEDIA LAB

LIVE LINEAR TV VIEWERSHIP IS DECLINING

Change in Weekly Hours Watching Live TV in Past Five Years

| Kids 2-11 | Teens 12-17 | Adults 18-24 | Adults 25-34 | Adults 35-49 | Adults 50-64 |

0%

-25%

-50%

Over the past five years, live linear TV viewership has decreased ▼**43%** among those age 12-34

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OTT
IS THE
FUTURE
OF TV

Monthly Reach for P2+ (millions)

128.8

86.7

61.1

**OTT REACH
HAS GROWN
110% IN
TWO YEARS**

Q2 - 2015   **Q2** - 2016   **Q2** - 2017

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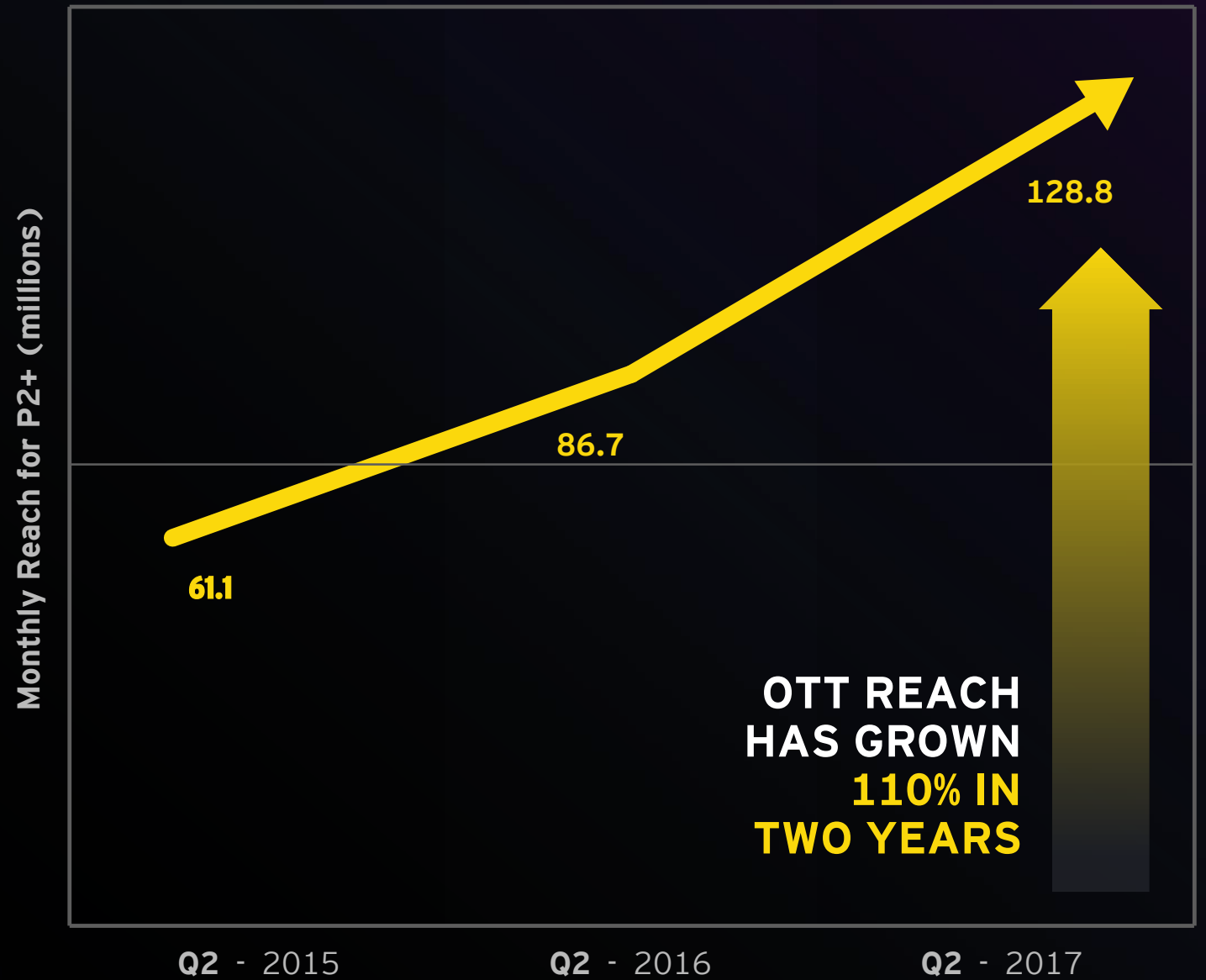
**DESPITE GIANT BUDGETS
AND HIGH VIEWERSHIP**

TV MEASUREMENT IS STILL EVOLVING

VIEWS

BUDGET

MEASUREMENT

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THE CHALLENGE: EXISTING TV BRAND LIFT METHODS

Traditional TV ad effectiveness measurements rely on Opportunity-To-See (OTS) – the likelihood that a survey respondent saw a particular ad is estimated, with no evidence they actually saw it

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THE OPPORTUNITY: A NEXT GEN SOLUTION

Roku's Automatic Content Recognition (ACR) can identify exact programs and ads users have viewed, and when they viewed them – actual exposed viewers can be surveyed for ad effectiveness

ADS
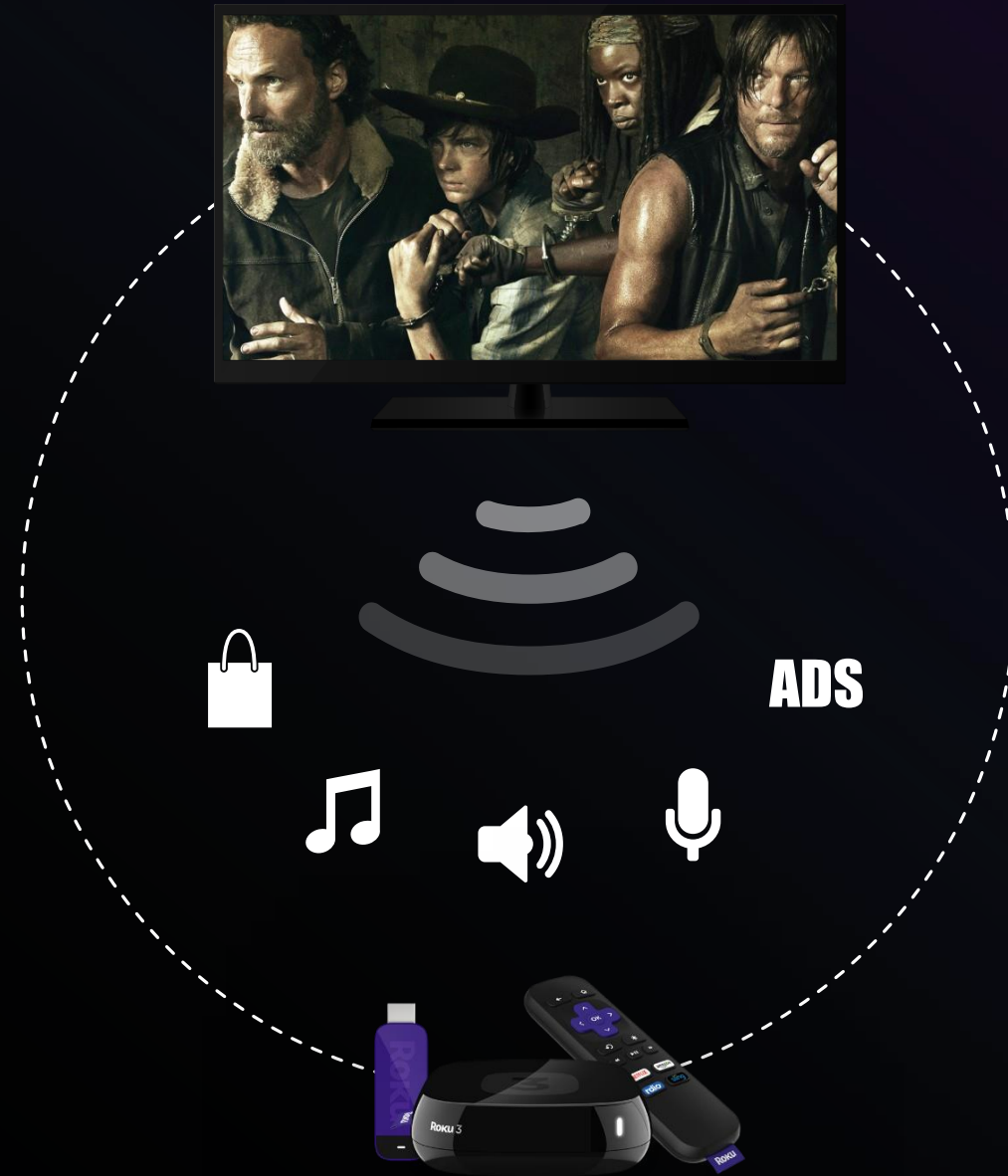
WE USED AUTOMATIC CONTENT RECOGNITION (ACR) ACROSS FOUR BRAND CAMPAIGNS TO EXPLORE:

IMPACT

Impact of Linear TV and OTT on branding KPIs

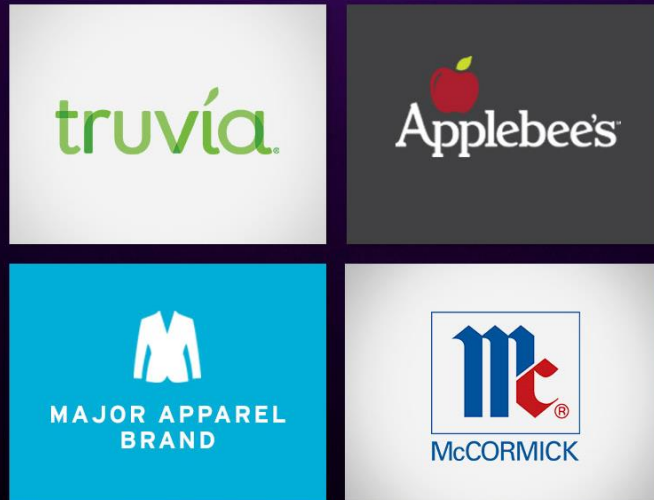**SYNERGY**

Presence of synergy between Linear TV and OTT

FREQUENCY

Optimal frequency of exposure ranges for each medium

THE SCOPE

4 BRANDS WITH LIVE CAMPAIGNS

truvia

Applebee's

MAJOR APPAREL BRAND
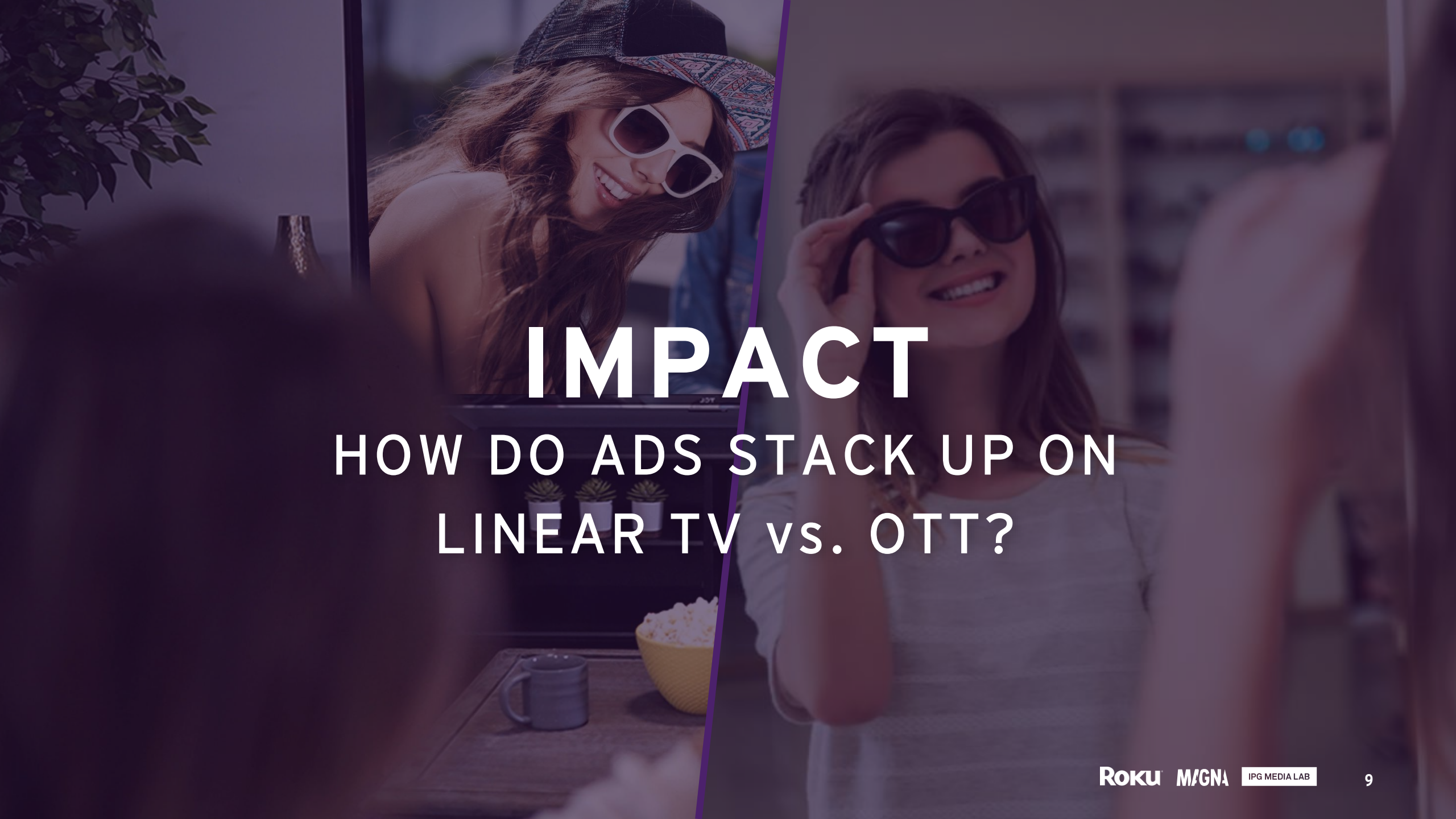
McCORMICK

SURVEY DATA

- Branding effectiveness
  - Awareness
  - Brand perceptions
  - Favorability
  - Purchase Intent
- N = 4,621

BEHAVIORAL DATA

- Media consumption
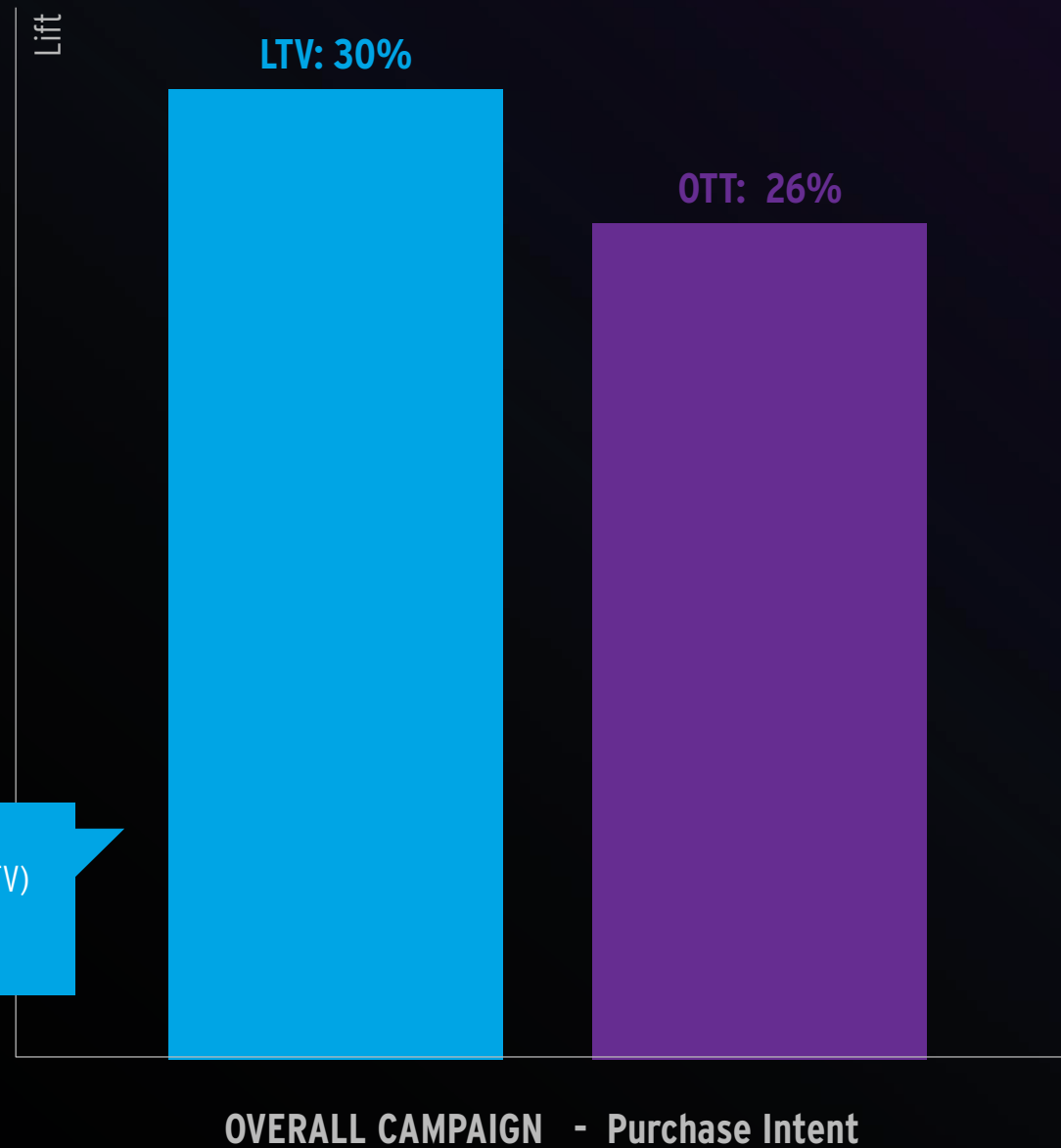- Ad exposures and timestamps
- Matched to survey data
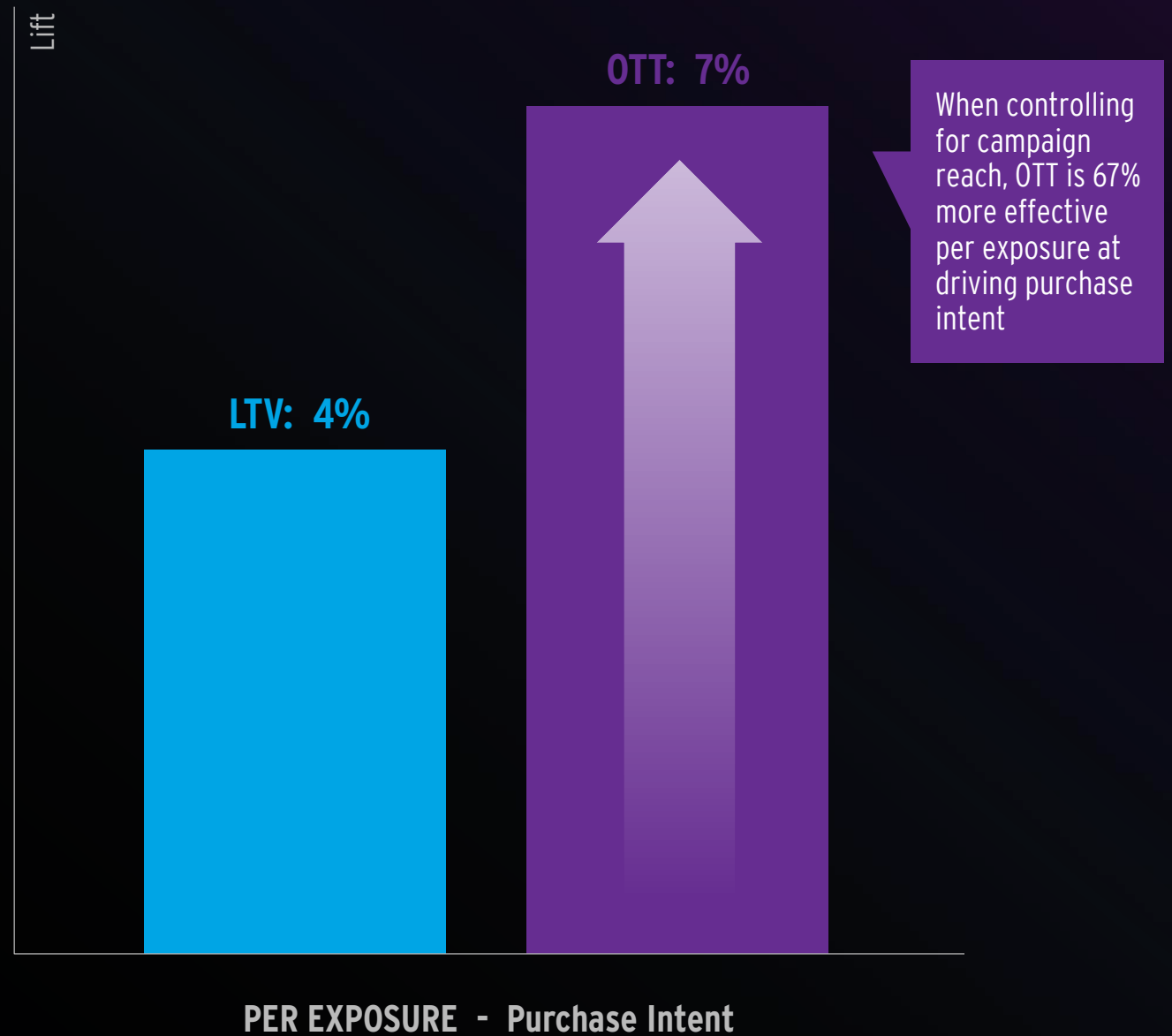
IMPACT
HOW DO ADS STACK UP ON LINEAR TV vs. OTT?

WHILE LTV APPEARED STRONGER...

LTV: 30%

OTT: 26%

Lift

With more than twice as many exposures as OTT, linear TV (LTV) campaigns are more effective overall

OVERALL CAMPAIGN - Purchase Intent

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OTT ADS DRIVE MORE PURCHASE INTENT PER IMPRESSION

Lift

OTT: 7%

When controlling for campaign reach, OTT is 67% more effective per exposure at driving purchase intent

LTV: 4%

PER EXPOSURE - Purchase Intent

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OTT PUNCHES ABOVE ITS WEIGHT WHEN ACCOUNTING FOR CAMPAIGN SPEND

Proportion of Total Campaign Spend

LTV

96%

OTT

4%

Despite making up only a small portion of aggregate campaign spend, OTT ads outclass their LTV counterparts when it comes to effectiveness per exposure

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Percentages based on campaign spend for two out of four brands.

LIGHTER AD LOAD ON OTT CAN DRIVE MORE AD RECALL PER EXPOSURE THAN LINEAR TV

Impact on Aided TV Ad Recall

Legend
— LTV only
— OTT only

100%

50%

FREQUENCY OF EXPOSURE   1   2   3   4   5   6   7   8   9   10

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LIGHTER AD LOAD ON OTT CAN DRIVE MORE AD RECALL PER EXPOSURE THAN LINEAR TV

Ad Minutes per Hour

27%

CABLE
16 Mins

23%

BROADCAST
14 Mins

13%
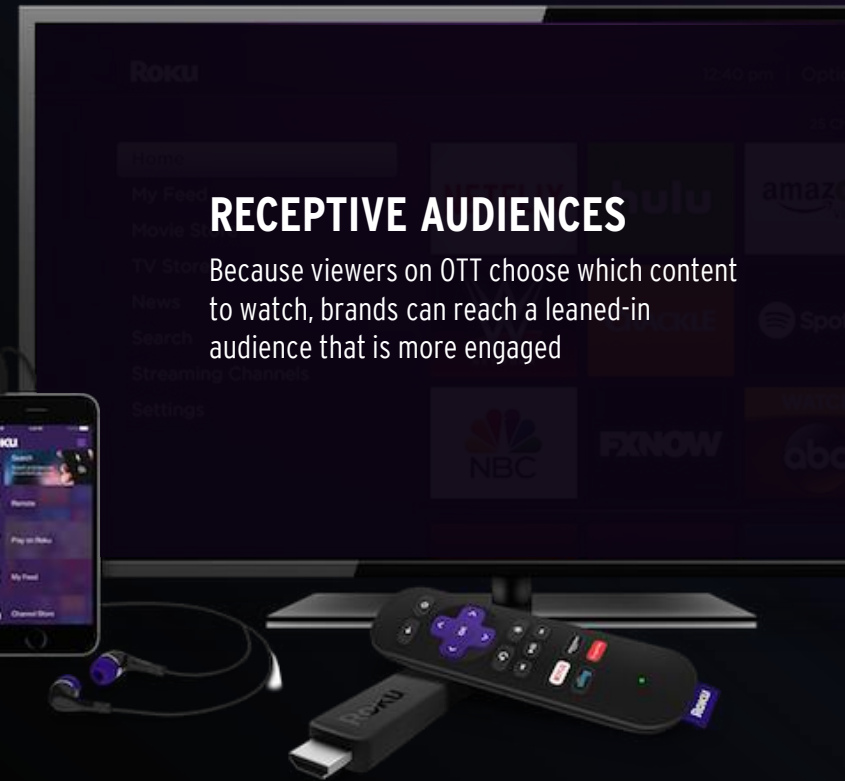
Roku
8 Mins

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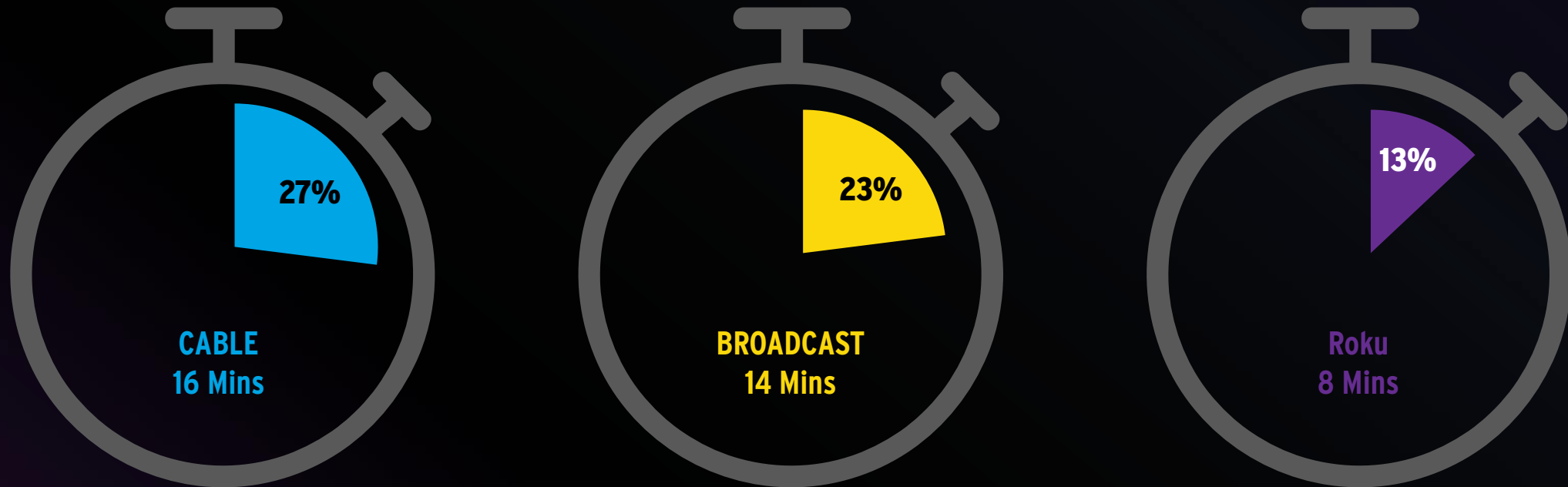
ADVERTISING ON OTT IS MORE LIKELY TO BE ASSOCIATED WITH HAVING A UNIQUE STORY TO TELL

32% HIGHER LIFT ON OTT

Per impression, OTT provides a greater increase than LTV in perception that **BRAND HAS A UNIQUE STORY TO TELL**
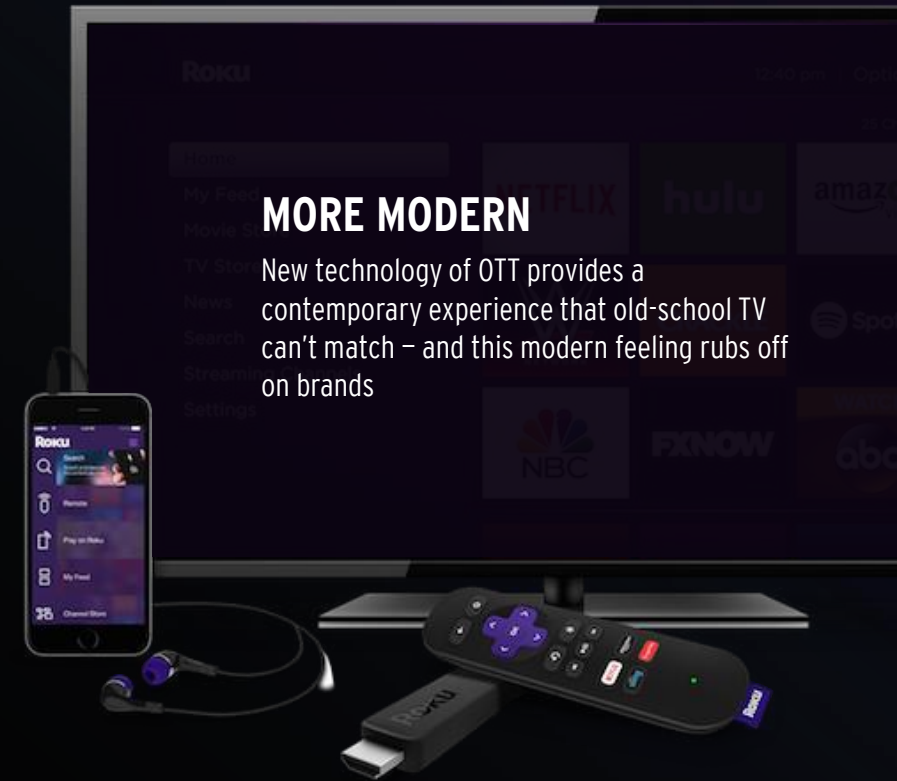
RECEPTIVE AUDIENCES

Because viewers on OTT choose which content to watch, brands can reach a leaned-in audience that is more engaged

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THE NEW LIVING ROOM CREATES A HALO EFFECT OF INNOVATION FOR ADVERTISERS
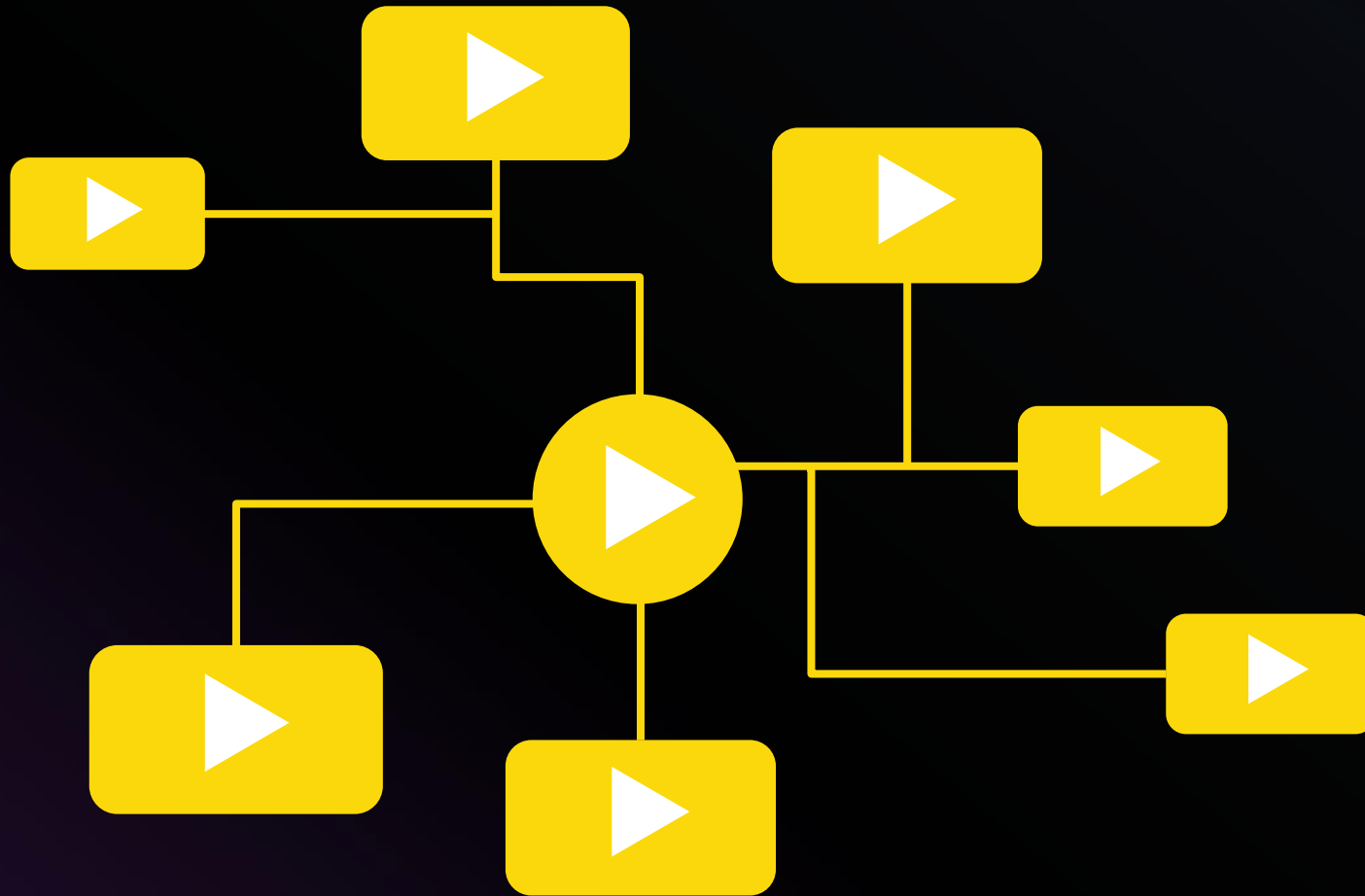
19% HIGHER LIFT ON OTT

Per impression, OTT provides a greater increase than LTV in perception that **BRAND IS INNOVATIVE**

MORE MODERN

New technology of OTT provides a contemporary experience that old-school TV can't match – and this modern feeling rubs off on brands

MAPPING THE PATH TO PURCHASE FOR LINEAR TV AND OTT ADS

PATH FROM EXPOSURE TO INTENT

We tracked the pathway from exposure to linear TV and OTT ads all the way to purchase intent using logistic regression models
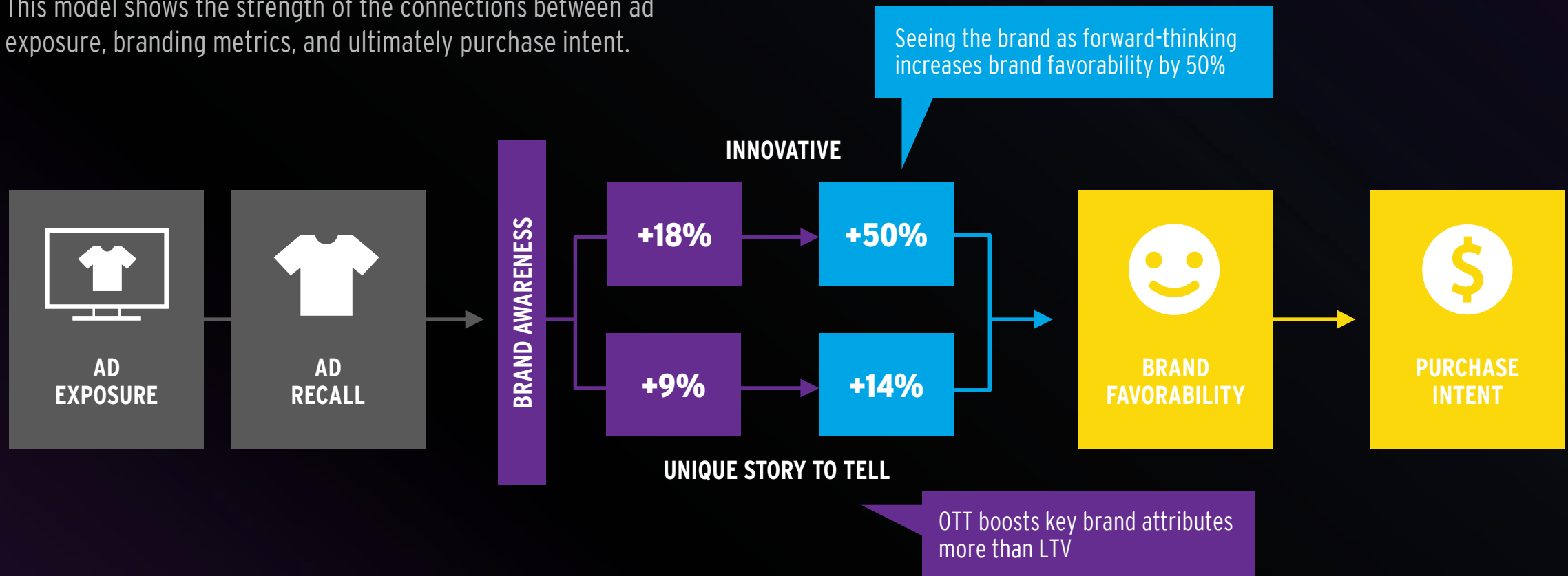
STRENGTH OF RELATIONSHIPS

This helps us understand the strengths of the relationships between key metrics and intent to purchase

APPEARING INNOVATIVE CAN BE A STRONG DRIVER OF PURCHASE INTENT

Overall Campaign

This model shows the strength of the connections between ad exposure, branding metrics, and ultimately purchase intent.
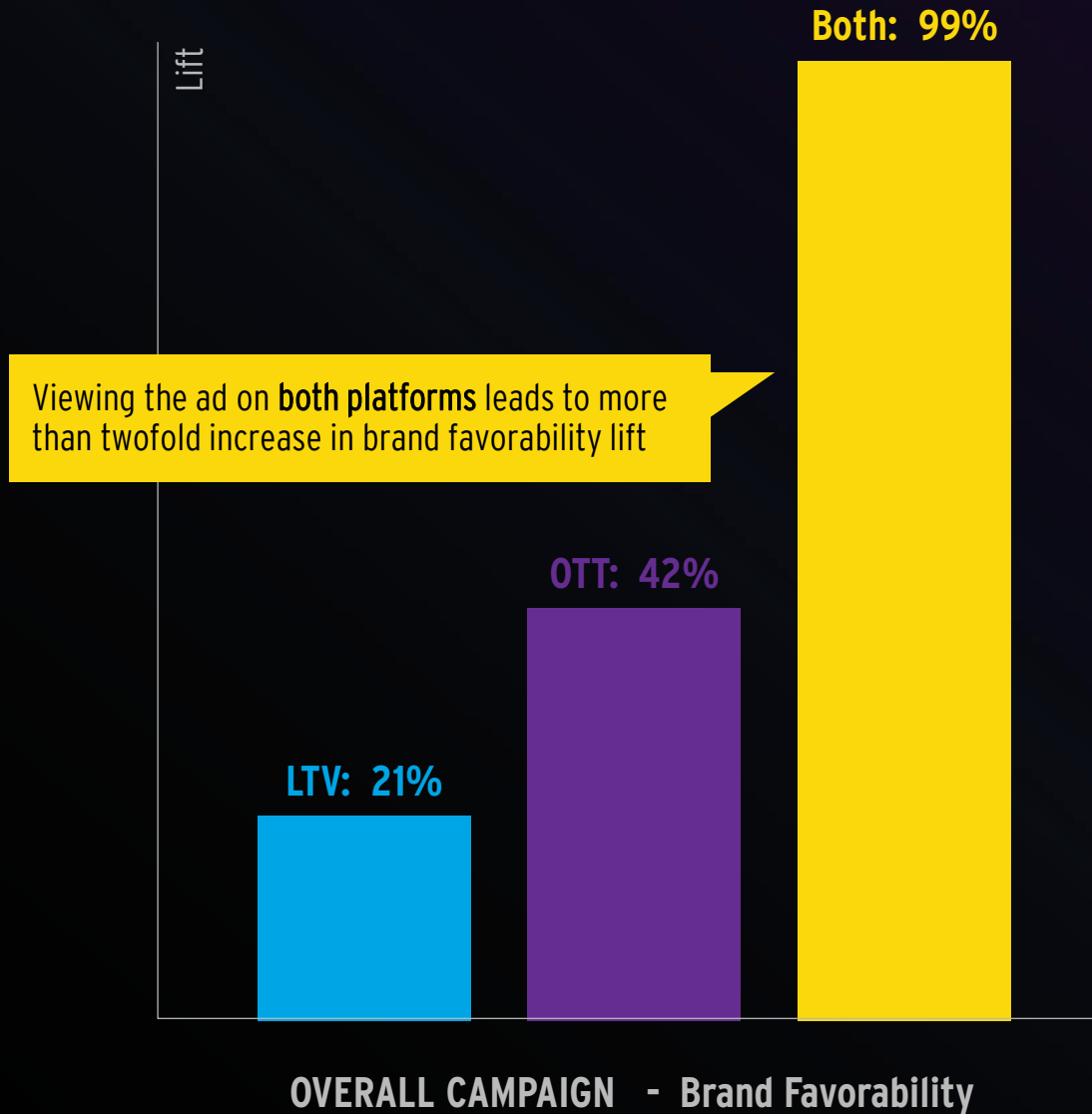
Seeing the brand as forward-thinking increases brand favorability by 50%

AD EXPOSURE

AD RECALL

BRAND AWARENESS

INNOVATIVE

+18%

+50%

+9%

+14%

UNIQUE STORY TO TELL

BRAND FAVORABILITY

PURCHASE INTENT

OTT boosts key brand attributes more than LTV

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SYNERGY

HOW DO LINEAR TV AND OTT ADS WORK TOGETHER?

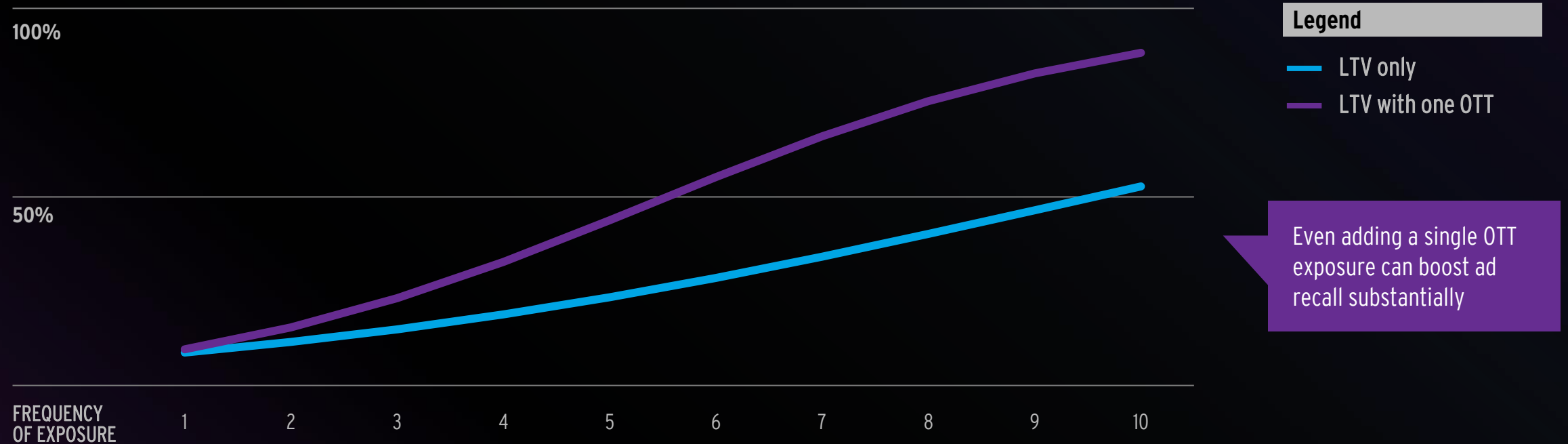# OTT BOOSTS FAVORABILITY, BUT SYNERGY DRIVES THE GREATEST IMPACT

Group	Avg. Frequency
LTV only	6.6
OTT only	3.5
Both: LTV + OTT	5.5 (2.6 LTV, 2.9 OTT)

Lift

Both: 99%

Viewing the ad on **both platforms** leads to more than twofold increase in brand favorability lift

OTT: 42%

LTV: 21%

OVERALL CAMPAIGN - Brand Favorability

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AUGMENT LINEAR TV WITH OTT TO DRIVE AD RECALL

Impact on Aided TV Ad Recall

Legend
— LTV only
— LTV with one OTT

Even adding a single OTT exposure can boost ad recall substantially

FREQUENCY OF EXPOSURE: 1 2 3 4 5 6 7 8 9 10

100%
50%

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AUGMENT LINEAR TV WITH OTT TO DRIVE AD RECALL

Impact on Aided TV Ad Recall

Add 1 OTT exposure:
Recall increases +34%

Add 1 LTV exposure:
Recall increases +6%

100%

50%

FREQUENCY OF EXPOSURE

1   2   3   4   5   6   7   8   9   10

Legend

LTV only
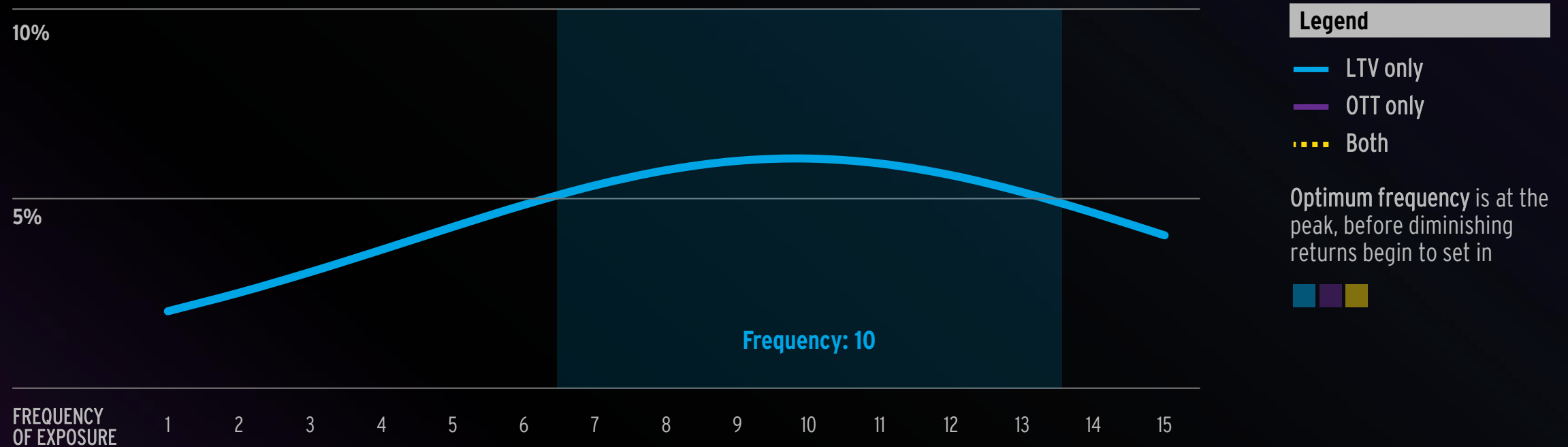
LTV with one OTT

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OPTIMIZATION
HOW MANY EXPOSURES ARE ENOUGH?

ACROSS CAMPAIGNS, INCREMENTAL IMPACT OF LINEAR TV EXPOSURES PEAKED AT 10X FREQUENCY

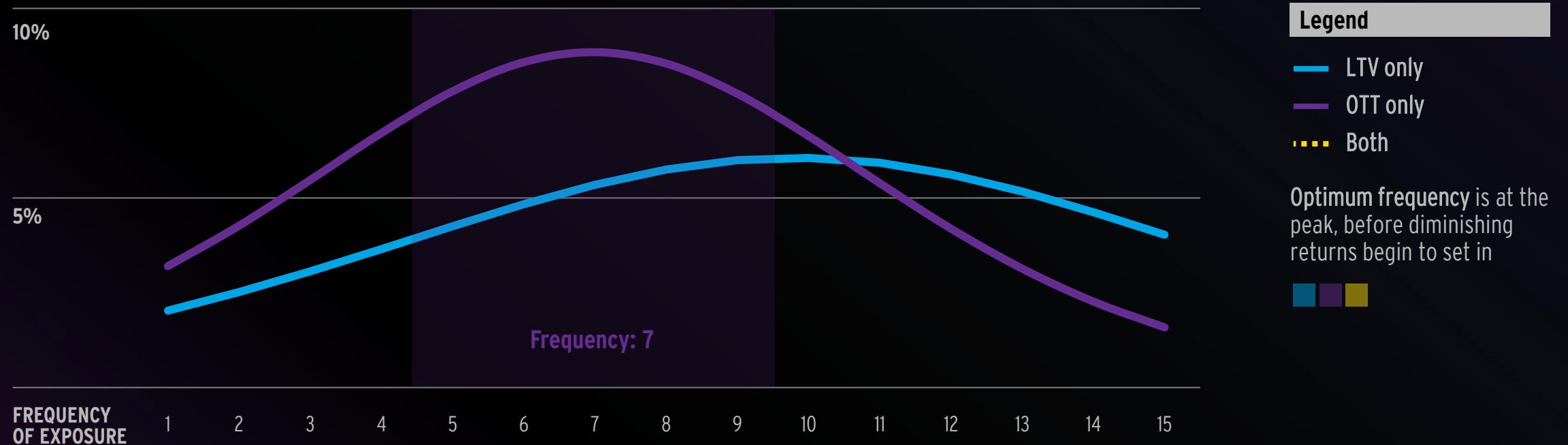**Incremental Gain in Aided TV Ad Recall | Across Entire Campaign**

Legend

— LTV only

— OTT only

···· Both

Optimum frequency is at the peak, before diminishing returns begin to set in

Frequency: 10

FREQUENCY OF EXPOSURE: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

10%

5%

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OTT MAKES IMPACT SOONER AT 7X FREQUENCY

Incremental Gain in Aided TV Ad Recall | Across Entire Campaign

Legend

— LTV only
— OTT only
···· Both

Optimum frequency is at the peak, before diminishing returns begin to set in

10%

5%

Frequency: 7

FREQUENCY OF EXPOSURE: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

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EXPOSURE ON BOTH MAKES MAXIMUM IMPACT AT 6.5X FREQUENCY

Incremental Gain in Aided TV Ad Recall | Across Entire Campaign
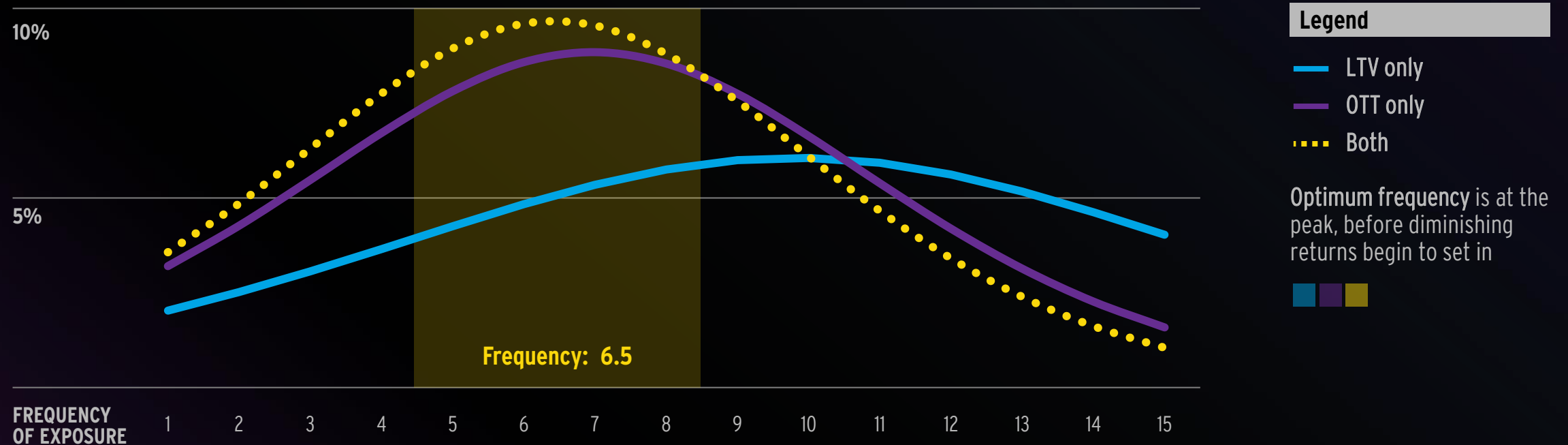
Legend

— LTV only
— OTT only
⋯ Both

Optimum frequency is at the peak, before diminishing returns begin to set in

Frequency: 6.5

FREQUENCY OF EXPOSURE   1   2   3   4   5   6   7   8   9   10   11   12   13   14   15

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EFFICIENCY IS HIGHEST WITH COMBINED APPROACH

Incremental Gain in Aided TV Ad Recall | Across Entire Campaign
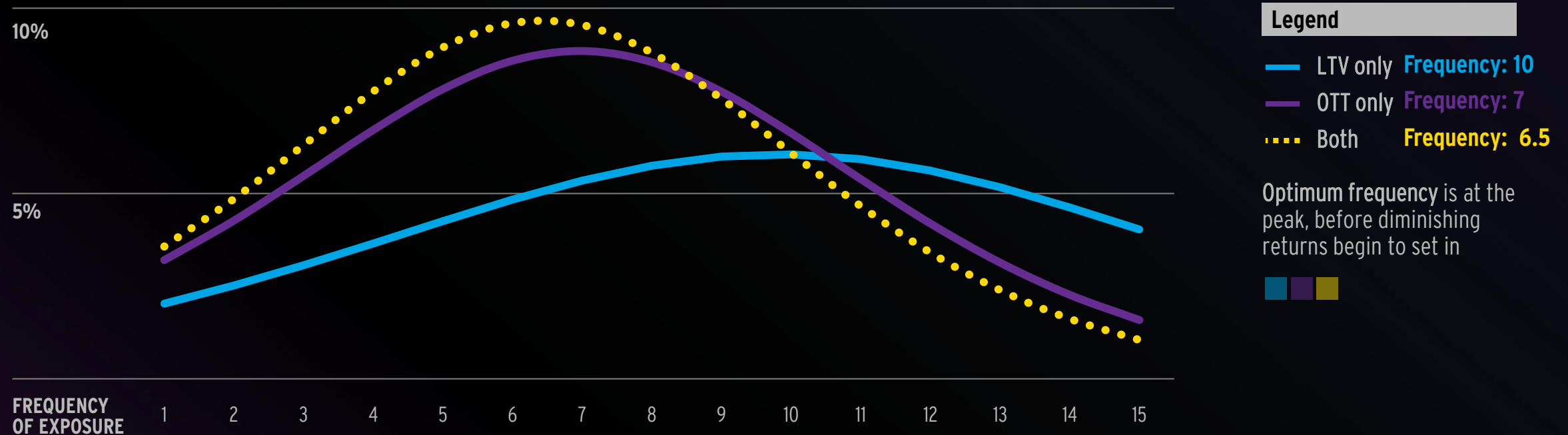
Legend

— LTV only **Frequency: 10**

— OTT only **Frequency: 7**

⋯ Both **Frequency: 6.5**

Optimum frequency is at the peak, before diminishing returns begin to set in

10%

5%

FREQUENCY OF EXPOSURE 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
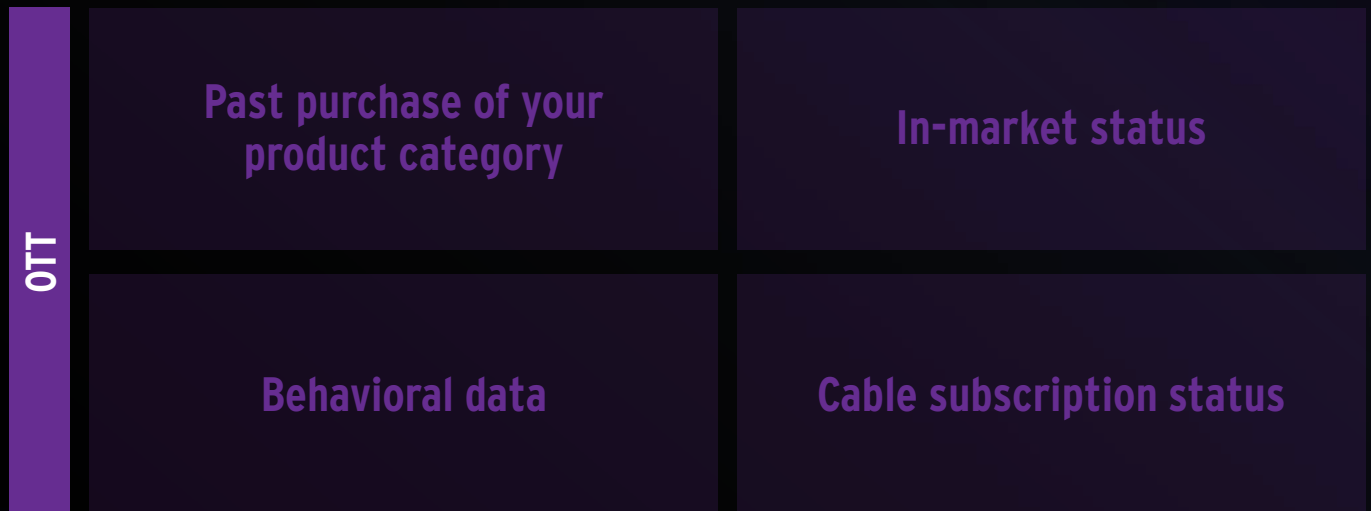
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AUDIENCE

REACHING YOUR KEY TARGET WITH LINEAR TV AND OTT

DON'T MISS OUT ON OTT'S SUPERIOR TARGETING

OTT can target on more than just age and gender. Hone in on your key audience—not just your key demographic—by targeting based on:
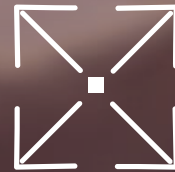
LTV		
	Age	Gender

VS
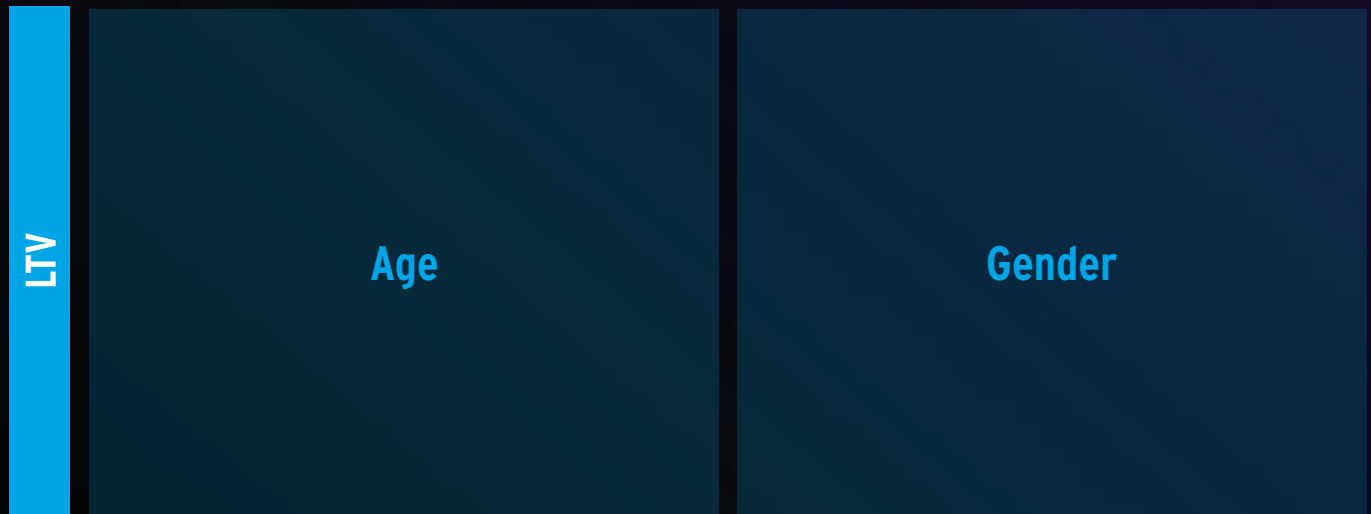
OTT		
	Past purchase of your product category	In-market status
	Behavioral data	Cable subscription status

OPPORTUNITIES TO IMPROVE YOUR CAMPAIGNS

LEVERAGE THE NEW FACE OF TV.

Lower ad load and a more interactive experience makes for an engaged audience, allowing OTT to amplify your brand's story and drive purchase intent.

DO MORE WITH LESS.

Synergy between LTV and OTT means having a mixed campaign is best. But because OTT's ads are more efficient per exposure, even adding a small amount of OTT to your LTV campaign can have a big impact.

WORK SMARTER, NOT HARDER.

Take advantage of OTT's precise targeting. Consider narrowing your target definitions rather than simply using your LTV campaign's target.