# Undertane.

## THE COMPELLING ALLURE OF ICTV

#### Can the oxymoron of a "welcome intrusion" exist in today's media world?

After all, if a message violates the integrity of a platform, consumers can zap it out of existence as quickly as you can say, "KPI fail." The most welcome intrusion platform I've ever seen is Interactive CTV or iCTV. It gains permission to enter the user's world because it is personalized – and who among us isn't narcissistic enough to crave recognition? What's more, when the creative is done right, it satisfies another human need: Humor, empathy, or shared values. When brands accomplish that, they can instantly move from unwelcome intruder to friendly guest. And with that welcome mat extended, brand aspirations of engagement, persuasiveness, and memorability can be achieved. In this note, I will explain how that can be accomplished. But first, some background.

# WHAT IS AN ICTV ADVERTISEMENT?

As the "i" in iCTV suggests, iCTV ads allow viewers, through their remote device – or even a mobile phone – to engage with an advertisement. Generic video ads simply cannot do that.

#### There are at least three flavors of iCTV:

**1. "Branded" iCTV**. CTV units are enhanced by creating a skin around the ad to differentiate it, drive attention, reinforce messaging, and increase fluency. There can also be light features such as a QR code.

#### 2. "Interactive Creative" iCTV.

The second ring represents the ability to structure and design truly interactive ad units. Clickable elements in the ad unit significantly differentiate it from linear TV video, allowing the viewer to engage deeply. The ability to place the clickable elements in different places in the unit also allows for creative experimentation.

**3. "Personalized" iCTV,** powered by Dynamic Creative, is the most profound inner ring. Here, features surrounding the video can be personalized based on the audience that's viewing, driving relevancy. This enables the very best viewer experience, delivering an ad that feels custom-designed for each viewer. It is the Platonic Ideal of "welcome intrusion."

# **ICTV PERFORMANCE**

The data is clear: Engagement through the remote is a disruptive technology that yields astonishing results. iCTV is more memorable and more engaging than linear TV. It is a catalyst for increased viewing time.



MORE MEMORABLE

MORE TIME SPENT

MORE ENGAGEMENT Interactive video ads are **32%** more **memorable** even then viewer doesn't engage

Interactivity drives **47% more time spent** with ads than standard video

40% lift in iCTV Engagement rates

### **PASSIVE WILL PERISH**

Does the proverbial couch potato really want to interact with a TV? Isn't lean-back viewing part of the culture?

That narrow-minded thinking fails to recognize what has been a slowly gathering trend for decades. Let's not forget the disruption that remote viewing brought us decades ago, now a Neanderthal form of interactivity. The next advance, the DVR, enhanced our cave-person behavior further. So full and complete interaction is just another evolutionary step; according to Verizon, "a whopping 71% of CTV viewers use their mobile devices to look up related content while watching TV, giving the advertiser the ideal setup to make meaningful connections with audiences."

Anheuser-Busch InBev's head of U.S. media, Paolo Provinciali, says he was "blown away" by how many people engaged the interactive CTV units and the earned time they generated. "It truly speaks to the fact that if you can create experiences that pleasantly surprise and entertain consumers, they are more than willing to divert from a passive content consumption mode to engage with your brand," he added.[2]'

# WELCOME INTRUSIONS WILL COMMAND MORE OF THE DIGITAL PIE

How will advertisers come to love iCTV even more? Let's count the ways.



- 1. **iCTV** ads turn mass into custom. In a recent consumer survey, consumers shared their preferences for basic product information that connects with them over marketing hype
- 2. **iCTV** ads can be content-rich. In a world where viewers are demanding, iCTV will play an essential role.
- 3. **iCTV** measures engagement, full stop. No one has to sweat the lingering worry regarding fraud when a viewer is actually engaging. You can't fake engagement.
- 4. **iCTV engagement leaves valuable data** breadcrumbs that can enlighten brands about how their product and ads are perceived
- 5. **In VOD environments** as opposed to in live stream fixed-time iCTV a spot can be elongated as much as consumers want. We are at Day One of appreciating the economics of turning a 15-second spot into 90-seconds.
- 6. **iCTV** will unleash a new creative revolution since it allows unlimited flexibility for breakthrough advertising. Testing and changing concepts is inexpensive and straightforward. It's the ultimate expressive canvas.
- 7. **CTV** ads have more robust targeting capabilities, so. layering in further segmentation and interactivity brings higher and higher ROI





There's one barrier, which is at the cusp of being overcome. iCTV ads are not simple run-of-network videos because they typically require two to three weeks of a developer's time for SDK integration. This also requires access to the app's source code, something publishers are not inclined to provide.

It's the classic chicken-and-egg: Publishers will not want to spend the time and money to integrate an SDK without an immediate ROI. At the same time, media buyers can't leverage iCTV without the SDK. There is no doubt this is about to change. The undeniable efficacy of iCTV and the quality experience it delivers can't be ignored. Advertiser demand will encourage app owners to integrate the relevant SDKs -, and this new supply will stimulate demand, driving a "virtuous circle." Chicken, meet egg.

# UNDERTONE'S PARTICIPATION IN THE WORLD OF ICTV

Shameless commercial break:

Maximizing the potential of iCTV also requires a creative team experienced with custom design, and an innovative track record. Building these units requires graphic and intelligent structuring skills that are a universe apart from standard advertising formats.

**Undertone** is the recognized leader in bringing a creative lift and memorable impact to rich media. iCTV is a natural extension for us. With interactivity marked by creative vision, welcome intrusions will become part of every family's viewing experience.

[1] Source: Magna/IPG, eMarketer

[2] Media Post, Advanced TV Insider, 1/17/20

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