

**INNOVLD**

**Roundel™**  
Media designed by 

## **CTV x Commerce**

Media & Creative Strategies  
to Build Loyalty & Drive  
Shoppable Experiences



# Introduction

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Consumer behavior has been turned on its head. While the way people buy things has been evolving for a while, the pandemic fast-tracked those changes, forcing us to think differently about how we find information, engage with brands, and ultimately purchase everything from groceries and clothing, to electronics and cars. Even consumer packaged goods brands (CPGs) haven't been immune, with these "everyday" items increasingly being purchased online.

Combine all of that with the fragmented media landscape, where audiences are dispersed across platforms and devices, and every brand has had to rethink its advertising strategies to stay competitive in a saturated market where consumers can quickly and easily change their minds and loyalties.

Two powerful ways that advertisers have adapted to these market factors include, 1) diversifying their video mix, with connected TV (CTV) playing an even larger role, and 2) adopting advanced creative strategies to strengthen loyalty and drive actions.

While linear continues to be a mainstay due to its still-massive reach, advertisers are increasingly turning to CTV. Embodying the best of linear and digital, CTV is a platform that allows advertisers to reach diverse audiences and offers the targetability, interactivity, and real-time measurement needed to build brand loyalty and drive shoppable experiences at a similar scale.

With consumers expecting relevant, engaging, one-to-one experiences, it is no longer enough for advertisers to use the same assets across platforms and channels. Advanced creative technologies are being leveraged to deploy immersive, personalized messaging at scale. This includes everything from dynamic formats that allow for personalization (day, time, location, weather, etc.), to interactive and shoppable formats that use things like QR codes and branded canvases to encourage viewers to learn more and convert.

Roundel and Innovid teamed up to take a closer look at these market changes (from both the advertiser and consumer perspectives!), share real-world examples, and provide practical, impactful advice to help any advertiser take advantage of a multi-faceted market where there has never been more ways to reach and engage with audiences.







## The Shopper POV: Streaming is an Integral Part of Life

In April 2023, Roundel asked 2,700 Target guests about how they consume TV and how they interact with advertising.

# Shoppers are Streamers

## Paid & Ad-Supported

Among the respondents, 91% of Target guests subscribe to streaming services. While that may seem high, there are many streaming platforms and apps available now that meet what consumers want and enjoy, encouraging adoption across the market. Target guests are high adopters in the streaming space, and continue to add new services, with 56% adding new paid streaming services within the past 12 months.

But streaming growth is not just reserved for subscription services. The rise of ad-supported services, which eliminate or minimize subscription costs, has expanded the accessibility of streaming to even more audiences (as well as opened up more valuable inventory for advertisers!).

Among Target guests, 57% use a streaming service supported by ads, which is 24% higher than last year. This may be a sign that inflation is leading shoppers to consider price-conscious options. As we see greater adoption around free, ad-supported streaming TV, this opens up more opportunities for advertisers to better connect with shoppers across ad inventory that meets them where they are spending time.

79%

watch most of their video content on streaming platforms – 2x more than traditional and cable TV

58%

use a mixture of paid and free streaming services vs. just paid or free

36%

would be willing to watch ads if it lowered the cost of subscription services

24%

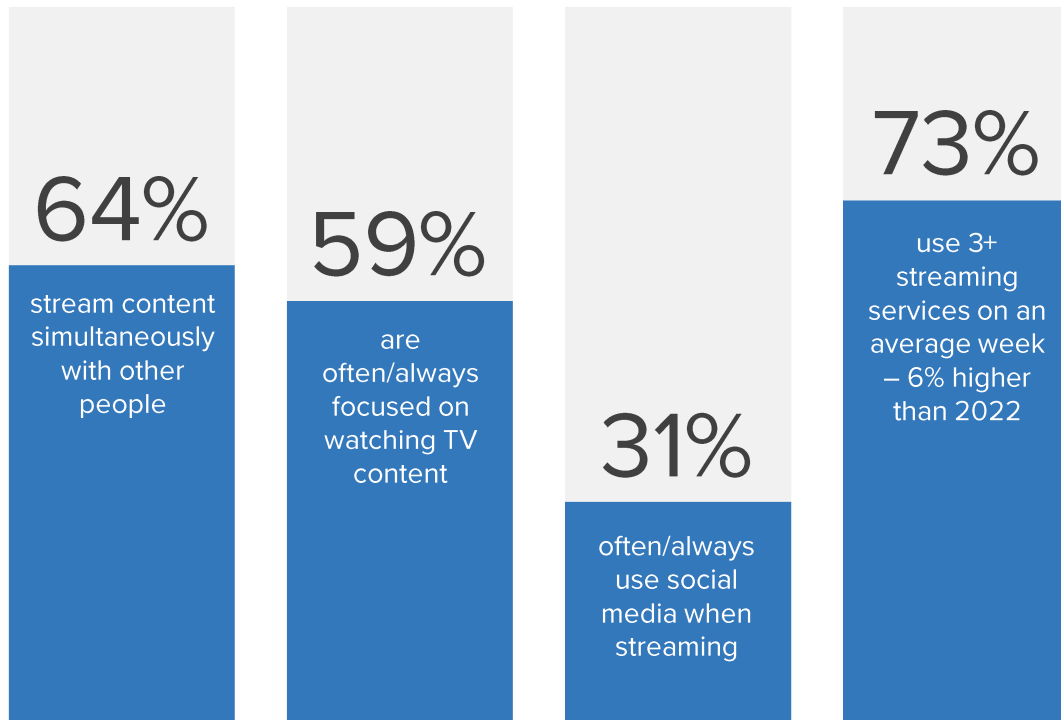
say their time streaming has increased in the past 12 months



# The Streaming Shopper

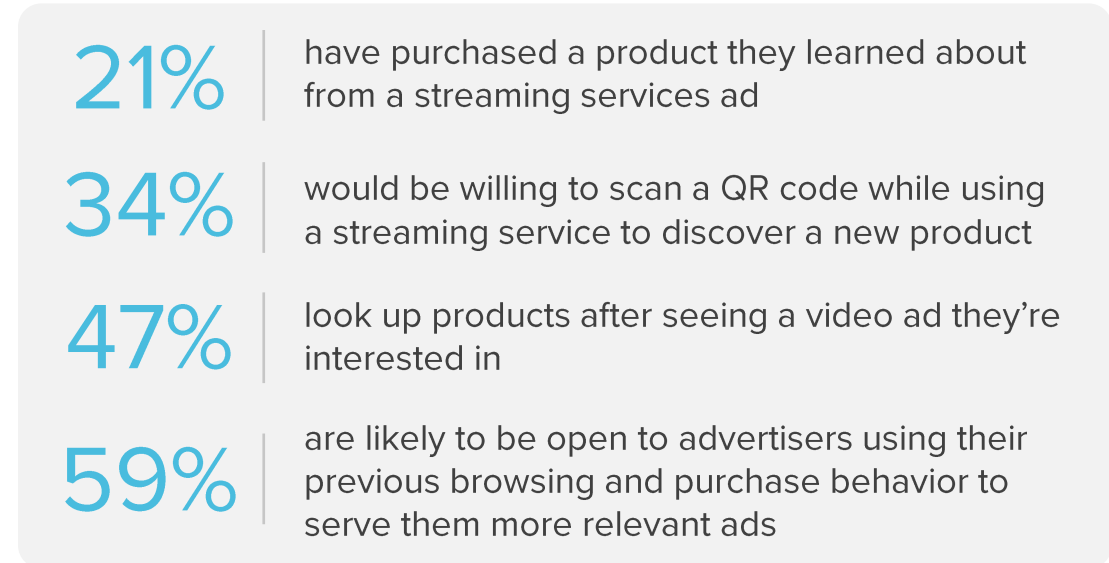
## A Viewing Snapshot

Devoting an average of 15.6 hours to streaming a week, 73% of Target guests spread that time across an average of 3+ streaming services, which is 6% higher than 2022.



# CTV Advertising & Commerce

With streaming becoming a growing part of people's lives, there's an opportunity to deepen engagement and generate commerce directly through the biggest screen in the house via interactive functions like product galleries, QR codes, and more. The addition of second-screen devices, which most viewers have nearby or in-hand while streaming, offers ways for shoppers to leverage devices to engage in shopping behaviors. This can include using a second device to browse or learn more about products right from their living room or wherever they are streaming when they come across relevant ads.



So, what does this all mean? Target guests are ready to explore new shopping capabilities from their largest at-home device screen. Now it's up to advertisers to make this a reality.



# The Advertiser POV: CTV & Advanced Creative Strategies

Innovid analyzed 110+ billion video advertising impressions from CPG advertisers served on its platform between Jan. 1-Dec. 31, 2022. Looking at CTV, mobile, and desktop devices, the following is a global snapshot of how these brands are adapting media and creative strategies for a market in flux.





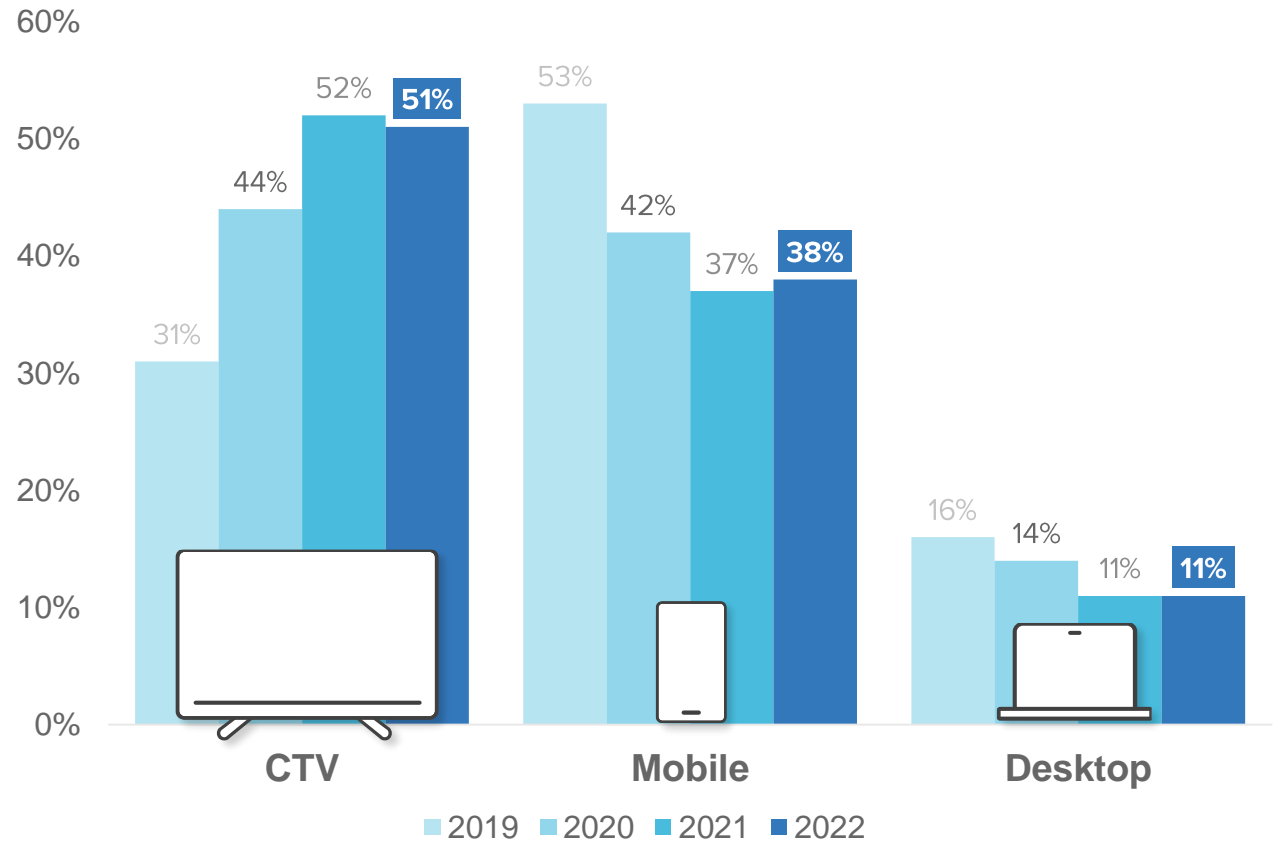
# CTV

## Impression Leadership Position Secured

CTV provides an ever-increasing number of platforms to reach diverse audiences, at scale, in a premium viewing environment, in addition to offering sophisticated targeting, measurement, and advanced creative options not found with other media.

For CPGs, CTV has established itself as an integral part of the video mix, taking more than 50% of total video impressions for the last two years. In 2022, CTV accounted for 51%, an increase of 64.5% compared to 2019. At 38%, mobile represented the next largest impression share, but has seen a steady decline since 2019 and a plateau since 2021. Desktop remained at 11% – the same as 2021 – after a drop from 16% in 2019.

**Video Ad Impression Share By Device**



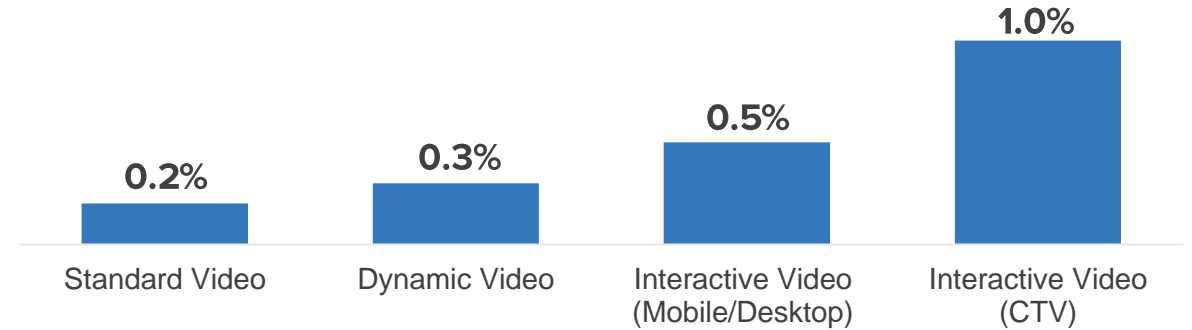
# Advanced Creatives

## Pathways to Relevance & Performance at Scale

In a time when there is no shortage of content – or ways to consume it – advanced video creatives, including dynamic and interactive formats, offer advertisers ways to create engaging, personalized content to strengthen brand building/retention and provide shoppable experiences that drive direct conversions.

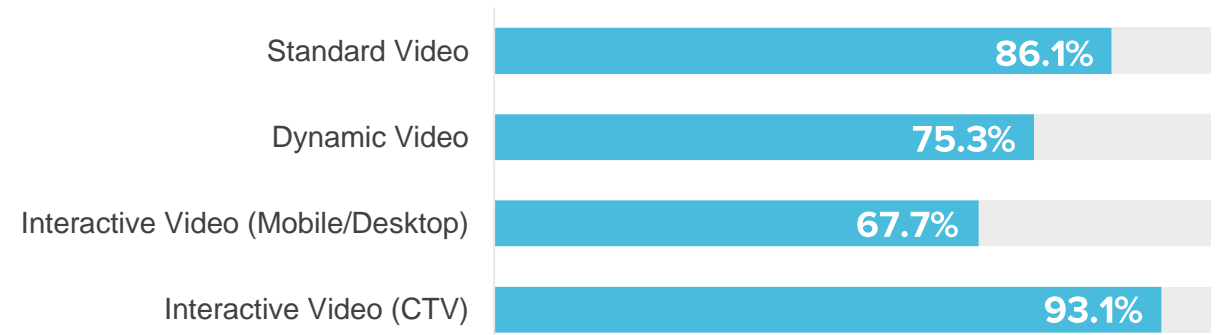


### Engagement Rate\* by Video Format



\*Engagement = Percent of impressions where viewers took actions within the ad unit, including scans, clicks, or taps.

### Video Completion Rate by Video Format







## Interactive Video

Learn More → Engage → Buy

Interactive ads are designed to engage viewers, encouraging them to learn more and convert via features like overlays, branded canvases, and expanded units. A popular subset of interactive is the shoppable ad – those that call out products or services with tags, markups, and checkout capabilities. The most well known shoppable ads are QR codes, driving viewers to second-screen purchases.

Among CPG advertisers, compared to 2021, the number of interactive CTV campaigns increased by 32.7%, with 68.4% more impressions going to the format. The growth is easy to explain when you see its performance rates:

**93.1%**  
video completion rate

Beating standard video completion by 8.1%.

**1%**  
engagement rate

Highest among all advanced creative formats, including dynamic and interactive mobile/desktop, and 4x higher than standard video.

**92**  
additional seconds

Across all verticals and markets, interactive CTV formats generated an average of 92 additional seconds of time earned on top of the time spent watching pre-roll.

**0.02%**  
scan-click rate

For QR codes, across all verticals, Innovid saw a scan-click benchmark rate of 0.02%. While this may seem low, think about what a QR code requires viewers to do: pull up their camera app, scan it, and click on the link. This action is not accidental, it's intentional follow through on the part of the consumer.

\*Engagement = Percent of impressions where viewers took actions within the ad unit, including scans, clicks, or taps.

# Dynamic Video & Display

## Building Brand Awareness & Loyalty

Dynamic ads allow advertisers to optimize creatives for personalization. They are designed to increase relevance through things like publisher and third-party targeting and more.

CPGs devoted more impressions to dynamic video and display, at 9% and 7.4%, respectively, for 2022 vs. 2021. These formats also showed higher performance vs. their standard counterparts when it came to click-through rates (CTRs):



36.4%

Higher lift for dynamic video.

190%

Higher lift for dynamic display.

23.9  
additional seconds

Across all verticals and markets, dynamic video formats generated an average of 23.9 additional seconds of time earned on top of the time spent watching pre-roll.

15-30  
second ads

15- and 30-second ads are consistently the highest performing in terms of engagement and video completion rates.



# Bringing the Data to Life

Real-World Views of Advertisers Adapting  
CTV & Creative Strategies Today



# Danone Grows Audience & Customers with Targeted CTV Ads Via Roundel

## Who

Danone NA is a purpose based company and one of the largest BCorps in the world who are dedicated to bringing health through food to as many people as possible through being an innovative food and beverage leader across yogurt, plant-based, beverages and kids' nutrition.

## What

For Danone's Two Good Smoothies campaign, the goal was to drive awareness of a low-sugar option in January, when viewers were acting on their New Year's resolutions. The company wanted to ensure its message reached audience segments that were receptive to the product's benefits and, as a result, more likely to purchase.

## How

The video creative highlighted product benefits related to low sugar, as well as included a clear CTA at the end about the product being available at Target. First-party targeting included past brand purchasers, top guest spenders and active Target Circle members who buy dairy, wellness, and general yogurt purchasers.

## Results



**5M**  
impressions



**36%**  
of Target purchasers  
new to Danone



**89%**  
higher than Roundel's  
benchmark for new customers



# CPG Leverages Complete View of Advertising to Maximize Unique Reach

## Who

Global CPG advertiser known for multiple brands.

## What

Needed to validate campaign reach, frequency, and performance across TV platforms, and have real-time intel to inform programmatic CTV advertising spanning 25 publishers

## How

Leveraged the always-on InnovidXP platform, which integrates ad serving with measurement, to 1) find the optimal media mix for reach, frequency, and outcomes, and 2) uncover the publishers driving the most incremental reach

## Results



**88%**  
unique household reach



**45%**  
decrease in cost per unique reach



**2**  
average frequency across households





## Go Beyond the Data: Q&As with Roundel & Innovid Executives

**Mario Watson**

Senior Director of Product,  
*Roundel*



**We're hearing that advertisers are trying to understand what the added benefit of CTV is for them given that CTV has a different buying model and structure than Linear TV buys. What advice can we give to advertisers on how CTV buys can add value and may make sense for them?**

The beauty of CTV is that it brings the world of TV and digital together, specifically with more precise targeting capabilities. CTV provides advertisers with the ability to share highly relevant messages in a targeted way. That's why you'll see the higher premiums that come with CTV, but the benefit of being able to refine your messages using real-time data metrics on how consumers are engaging with your media is highly valuable and means more efficient impressions.

There's an opportunity for advertisers to really embrace this capability, as we're hearing that only 19% of Target shoppers feel that streaming ads, in general, are more relevant than cable or satellite TV. That's one indicator that advertisers may still be leveraging linear targeting tactics for CTV buys when they should be leaning into targeting, such as audience segments based on purchase behavior to match consumers with

highly relevant messaging that enhances their streaming experiences.

Through capabilities like closed-loop measurement, which offers insight into in-store and online sales, you see which audience segments are most responsive or least responsive to your messaging. Use your digital data points to refine your targeting and creative messaging to drive deeper market penetration and create more opportunities to make an impact on the consumer purchase journey.

“**34% of many of Target guests indicating that they would be willing to scan a QR code while using streaming services to discover a new product.**”

**Has the change in the way people now consume content via streaming also changed the way they learn about and shop for products?**

With the change in how people watch CTV, a “binging” culture has created a new form of media consumption where viewers are highly engaged with the content they are viewing on a frequent basis. This is indicated by the fact that Target shoppers report that they watch an average of 15+ hours per week, and 59% of Target guests

report that they are often or always focused on watching TV content vs. doing other activities or using a second-screen device. They're also most open to ads within a TV environment, as Target shoppers rank traditional and streaming TV to be the least “intrusive” place to watch ads, making CTV ads a great way to reach them and drive awareness for products. So, Roundel is focused on running only across TV devices with our CTV offering to reach this highly premium environment where people are paying attention.

In addition, almost half of Target shoppers look up products after seeing a video ad they're interested in. New ad formats that include a higher level of interactivity, such as QR codes, help reduce friction on the consumer purchase journey. Consumers are now given a more immediate way to engage with the content they see, rather than previously only being able to view content and having to take their own action after-the-fact. We're starting to see that consumers are embracing the interactivity of streaming, with 34% of many of Target guests indicating that they would be willing to scan a QR code while using streaming services to discover a new product.

By leveraging highly relevant audience targeting with these new interactive ad formats, advertisers will be able to reach those

most likely to engage, and even convert and lead consumers one step closer to purchase, right from their living room.

### **How are advertisers using audience data toward advanced creatives?**

We're observing that brands are still learning how to make the most of the unique opportunity to leverage highly relevant audience data. At Roundel, we offer first-party data for audience targeting, including segments based on consumer behaviors and purchases such as category, brand, and product sales. Brands can then create curated messages tailored to audiences, such as past purchasers, who would be most receptive.

### **Are there any recommendations you would provide to advertisers who want to deepen engagement with guests using CTV?**

We know that advertisers usually have multiple video buys, and CTV can work to complement any existing TV buys. Take a test-and-learn approach with different messaging across your targeted audience-driven buys to compare and learn what works best to drive increased engagement by tactic and audience segment targeting approach. Build on ad recall by

exposing audiences to repeated messaging as another way to drive awareness and lead consumers to engage.

“**42% of Target shoppers say they are either “somewhat” or “very likely” to search for an item after seeing it on TV.**”

Another consideration is that return on ad spend for CTV should not be compared to other lower-funnel tactics like search because CTV at its core is still mainly an awareness play to drive discovery and consideration. However, advertisers should consider how search can be paired with CTV, given that 42% of Target shoppers say they are either “somewhat” or “very likely” to search for an item after seeing it on TV. This presents an opportunity to create omnichannel campaigns that leverage both search and CTV to create mutual impact across the full funnel, building further consideration to purchase.

### **What advice would you give to a brand looking to expand its video mix and creative strategies to reach and engage with today's consumers?**

Often advertisers may have a siloed approach to streaming strategies, such as only leaning into one or two streaming services for their ad buys.

However, CTV consumers typically do not stick to only one service and don't typically watch content in one place, as supported by the fact that 73% of Target shoppers report using three or more streaming apps on an average week.

So, it's important to avoid siloing your CTV buys, and why Roundel has taken a supply- and device-agnostic inventory approach to our CTV offering. This means we run CTV ads across a variety of leading CTV devices and curated, brand-safe premium content to better reach consumers versus only working with a limited set of apps and devices.

Don't limit your buys, and follow your audience to where they are. That will also help with complementing your other lower-funnel tactics for greater effectiveness.





## Go Beyond the Data: Q&As with Roundel & Innovid Executives

**Dan Mouradian**

Vice President, Global Client Solutions,  
*Innovid*



**Innovid’s benchmarks quantify the strong performance of advanced creatives. Can you “bring that to life” for us – what are some of the coolest ways you’ve seen advertisers drive engagement with these ads?**

Many advertisers are shifting from behavioral signals to contextual signals to inform their advanced creatives – and, I believe, this change is behind the biggest innovations happening today. While behavioral signals have largely been based on transactional events, contextual signals bring more “human” elements to the forefront. These include things like location (where I am), time (when I am), weather (how it feels to me), and language (what I speak) and, most importantly, how they are combined with conditional elements to create an ad experience that is highly relevant to the individual consumer and his/her/their life at that very moment.

Take location and weather, for example. They are both solid drivers of personalization and engagement on their own – but together, and combined with conditional elements, they are all the more powerful. Knowing weather is relative to where a consumer lives, one of Innovid’s national advertisers did something pretty cool and, ultimately, very successful with location and weather.

For campaigns running in the winter, if the temperature reach 60° or more in Chicago, creatives would switch to iced drinks. If it dropped below 60° in Florida, the ads automatically focus on hot beverages. That’s relevance.

The resources to lean into advanced creatives, at scale, exist today. For both personalized and interactive ads, advertisers have a plethora of data and technology to work with, especially with partners. For example, Roundel advertisers have access to data-driven technology that is designed to make creatives all the more relevant and engaging for Target shoppers. That is invaluable for bolstering awareness, engagement, and even shortening the purchase cycle. Target shopping data is by far some of the most important data to CPG and category advertisers to create more personalized experiences on and off site!

“**Roundel advertisers have access to data-driven technology that is designed to make creatives all the more relevant and engaging for Target shoppers.**”

**There is clearly a lot happening today with advanced creative, but what does tomorrow look like? What is the future of creative personalization and interactivity?**

As strange as it sounds, the future of advanced creative will be going back to basics – communicating with consumers on a human level. It will be about making that individual feel seen, heard, and represented with inclusive, relevant messaging. And technology is allowing just that by lowering the barriers of production, personalization, and engagement, and providing the opportunity to do it quickly and at scale.

While a brand’s message can and should still permeate each creative, technology can bring nuance to that message with ads delivered to different audience segments, geographics, cultures and individual needs. Whether it’s a survey to understand how a consumer uses a product, and then serving an ad that aligns to those needs, or incorporating a product gallery or store locator to accelerate the purchase funnel – the power of interactivity can’t be stressed enough.

**Advertisers are increasingly prioritizing outcomes for measurement – how an ad directly impacts an action (sales, registrations, app downloads, etc.). What are the most popular outcome-based KPIs today?**

While KPIs should be unique to every advertiser based on business priorities and campaign goals, outcome-based metrics are certainly becoming more important for understanding

true campaign impact. Generally, outcomes – which are also referred to as performance metrics – answer the question, “what actions did my campaign drive across platforms?” They can span online activities like sales, app downloads, and website visits, to offline actions like in-store traffic and purchases.

Again, KPIs are highly unique to each advertiser, but some of the more popular ones we’re seeing from retail-focused advertisers include “view products,” “add to cart,” “complete a purchase,” “email sign up,” and “visit a physical store location.” Within other large verticals, you’ll get things like “complete online delivery” (QSRs), “locate a dealer” (automotive), “explore specials/offers” (travel), “schedule a tour” (education), and “learn about credit/loan options” (finance).

It’s important to note that when it comes to outcome metrics (any KPI, for that matter) that they are measured across platforms, with insights generated in real- or near-real time. Gone are the days of weeks/months long analytical windows. Data mobility, or the speed at which data can be mobilized and actioned on, is one of the most critical advancements in recent years to enable a more outcomes-driven optimization strategy. It’s critical to understand

“ **Data mobility, or the speed at which data can be mobilized and actioned on, is one of the most critical advancements in recent years to enable a more outcomes-driven optimization strategy.** ”

campaign impact ASAP and have the intel needed to continuously improve performance in flight. An insight after the fact is a diminished asset.

**Measuring media inventory is table stakes for most advertisers today ... but measuring creative is still not as widely adopted. What is possible with creative measurement and why should advertisers care?**

Despite being the heart and soul of every campaign, creative performance is still largely overlooked. At the start of a campaign, there is so much emphasis put on creative, but once complete, the focus then turns to the media it will run on.

For advertisers, aligning measurement with creative is paramount. Measuring creative performance – throughout the life of a campaign – unlocks valuable insights on reach, frequency, and outcomes. With those metrics used in-flight,



advertisers can quickly optimize creative versions or messaging to maximize performance.

Beyond outcomes, they can also identify the point of market saturation – basically the point of wearout when a household can become extremely overexposed. Understanding when a household has (or will soon be) extremely overexposed, allows advertisers to serve a new version or the next creative in a sequence to maximize impact among target audiences.

# Key Takeaways

## Making It Actionable: Advice to Take CTV & Advanced Creatives to the Next Level

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### Diversify the Media Mix

There have never been more ways to reach and engage with audiences “where they are” – and the rise of CTV shines a light on the importance of having the right video mix. Modern mixes should incorporate video across diverse formats that span linear, CTV, and digital video (as well as devices) to best reach audiences today and reinforce key brand messages. Advertisers should also continuously adapt the mix to align with the ever-changing ways audiences consume content and continuously optimize it in-market for better reach and performance.

### Think Differently about CTV

For many advertisers, CTV’s role within the media mix is focused on awareness. And that’s no wonder, as it’s an excellent channel for sharing relevant messages in a targeted way. But don’t limit CTV to just reach – it’s a powerful outcomes-driver up and down the purchase funnel as well, playing an increasingly important role in influencing consumer decisions and enabling shoppable experiences.

### Make Creatives Work Harder, Smarter

CTV affords the opportunity to leverage advanced creative technologies to deliver relevant, engaging, and personalized creatives to audiences at scale. From interactive ads using expanded units for more product information to QR codes that enable shoppable experiences, the time is now to bring creative to the next level as a way to improve performance and engagement that help to deliver against specific business objectives.

### Define & Measure the Metrics that Matter

Defining the “metrics that matter” – the KPIs that are unique to a business, align with campaign goals, and prove the value of campaigns – is crucial. While TV at its core is considered an awareness play, measurement innovation, combined with new datasets for even deeper insights, has changed the game for understanding the impact of advertising throughout the customer journey. Reach-based metrics, including reach and frequency, are focused on awareness and finding unique or new audiences. Outcomes-based metrics uncover the actions a campaign drove, and include things like online/offline purchases, and much more.

### Make Intel Actionable

Every dollar spent on video needs to work (especially during times of economic uncertainty). Use real-time, cross-platform measurement that ties to campaign reach, while evaluating the outcomes CTV can have on other business metrics to continuously inform both creative and media optimizations that drive results further down the funnel. It’s about using real-time data to know what’s working and what’s not and then optimizing in-flight, shifting budgets and impression allocations, and informing future campaign planning.



# Key Definitions

**Advanced Creative:** Premium ad formats that include dynamic and/or interactive components.

**Click-Through Rate (CTR):** Calculated by dividing the total number of impressions by the number of ad impressions that resulted in a click through to an external new web page.

**Connected TV (CTV):** A TV that is connected to the internet, whether natively or by a device that is primarily used to stream video content. This includes smart TVs, gaming consoles (e.g., Xbox, PlayStation), and devices (e.g., Roku, Apple TV, Amazon Fire Stick).

**Dynamic Ads:** A form of advertising technology that uses data to inform and optimize creative elements and messages such as copy, pictures, backgrounds, video, animation, and interactive elements in banner ads.

**Engagement Rate:** The percent of impressions where there was at least one interaction within the interactive video unit.

**Impressions:** The measurement of responses from a web server to a page request from the viewer's browser. Innovid's impression measurement is defined at ad render and does not include those filtered as general invalid traffic.

**Interactive Ads:** An ad experience that allows viewers to engage directly within the ad, such as an overlay, branded canvas, or expanded unit that runs across CTV, mobile, and desktop devices.

**Time Earned:** The average number of extra seconds a viewer engages with an advanced creative experience, subsequently extending the amount of time spent with the ad.

**Standard Video:** A standard promotional video message that plays before the content the viewer has selected, also known as pre-roll video.

**Video-Completion Rate (VCR):** The percentage of video ads that play to 100% completion.



# About Us

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**Innovideo** (NYSE:CTV) powers advertising delivery, personalization, and measurement across linear, CTV, and digital for the world’s largest brands. Through a global infrastructure that enables cross-platform ad serving, data-driven creative, and measurement, Innovideo offers its clients always-on intelligence to optimize advertising investment across channels, platforms, screens, and devices. Innovideo is an independent platform that leads the market in converged TV innovation, through proprietary technology and exclusive partnerships designed to reimagine TV advertising. Headquartered in New York, Innovideo serves a global client base through offices across the Americas, Europe, and Asia Pacific.

**Find out how Innovideo can help you power the future of TV advertising today.**

**Get in touch!**



[innovideo.com](https://www.innovideo.com)



**Roundel** is Target’s media network. We design curated experiences to create a better connection between brands and Target guests. We offer both self- and managed-service solutions that help brands create moments that are relevant, trusted, and helpful. All backed by our first-party data and measurement that proves value – whether that’s on Target’s own platform (think Target.com), the top video and social platforms, Google, or 150+ brand-positive publisher sites.

Learn how Roundel can support your media strategies at [Roundel.com](https://www.Roundel.com).