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THE CONVERGED TV DISCONNECT

ADVERTISERS ON **BRIDGING THE GAP** BETWEEN TV MEASUREMENT INSIGHTS AND RESULTS

Advertisers are spending more on converged TV — linear, connected TV (CTV), and digital video. CTV accounts for a large part of the growth and the excitement. Spending on CTV is projected to rise from $25.1 billion in 2023 to $40.9 billion by 2027, according to eMarketer.

$40.9B
Ad spend on connected TV by 2027

With more ad dollars spent on converged TV as a whole, brands and agencies feel increased pressure to prove these ads work. To make every dollar work harder, ad professionals demand real-time measurement that is immediately actionable and can deliver results.

Innovid's recent survey of more than 250 brand and agency professionals spotlights how advertisers are investing significant time and money into their embrace of converged TV. The survey also reveals there's a disconnect between the potential and the reality of advertising on converged TV — because there's a persistent gap between campaign measurement and campaign optimization. **Advertisers want more than measurement; they want insights, they want action, they want results.**

Read on to see what the data says about the promise of converged TV — and how advertisers can take full advantage of the opportunity.

01

BIG CONVERGED TV DOLLARS MEAN BIG STAKES

Converged TV Ad Spending Is Surging

The large majority (61.5%) of brand and agency professionals plan to increase spending on converged TV advertising (linear, connected TV, and digital). Connected TV is generating an increasing amount of that spending. As consumer eyeballs shift to streaming services, **spending on connected TV ads has skyrocketed by about 400%** since 2019, according to eMarketer.

Advertisers plan to spend more budget on converged TV ads

Increase significantly	20.6%
Increase moderately	40.9%
Stay the same	31.9%
Decrease moderately	4.3%
Decrease significantly	2.3%

Spending on connected TV ads has skyrocketed by about **400%** *since 2019*

> 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.
>
> ***— Mario Watson, Senior Director of Product, Roundel***

Time Equals Money

To prove the value of their investment, ad professionals spend large chunks of time optimizing their converged TV campaigns. Overall, 55.7% of ad professionals spend more than half of their time on optimizing ad performance when they could be driving results.

Percentage of time spent analyzing ad performance and deciding optimizations.

Over 90% of my time	8.6%
75% of my time	17.5%
50% of my time	29.6%
25% of my time	31.5%
Less than 10% of my time	12.8%

Ad Optimization Isn't Quite, Well, Optimal

Fewer than four in 10 ad professionals (39.7%) believe their converged TV ad optimization practices are "very good." Despite the investment in time and money in converged TV advertising, more than 60% of ad professionals believe their optimization efforts fall short.

Less than 40% describe optimization as "Very Good."

Optimization efforts **very good** **39.7%**

Optimization efforts **fall short** **60.3%**

02

THE DISCONNECT BETWEEN MEASUREMENT AND OPTIMIZATION

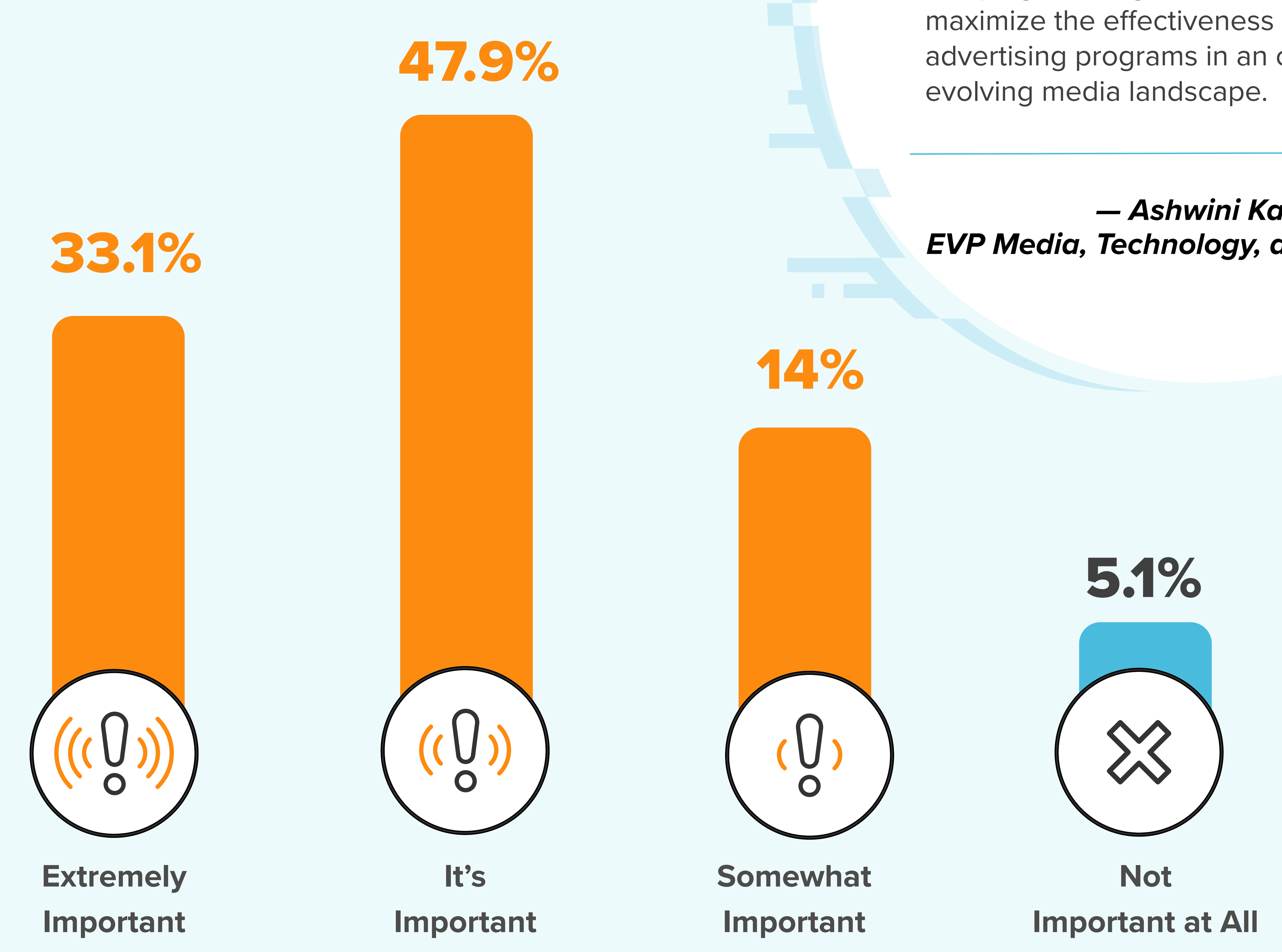
Brand and agency professionals agree that measuring converged TV ad performance and optimizing those campaigns based on that data is essential. Because measurement is so important, most advertisers assess their campaign performance on a weekly basis — at least. The problem is that advertisers optimize significantly less than they measure. **That's the converged TV disconnect.**

Optimizing for ROI Is Crucial

Essentially every ad professional **(94.9%)** says it's important to optimize for ROI in converged TV campaigns based on measurement insights. Ad professionals don't agree on anything, so optimizing based on data-driven measurement insights is as crucial as it gets in the industry.

> A unified view across linear and connected TV empowers agencies and advertisers with a more comprehensive understanding of their audience, facilitates better campaign management, and helps maximize the effectiveness of their advertising programs in an constantly evolving media landscape.
>
> ***— Ashwini Karandikar, EVP Media, Technology, and Data, The 4As***

(Basically) Everyone agrees: Optimizing with measurement insights to deliver ROI is important

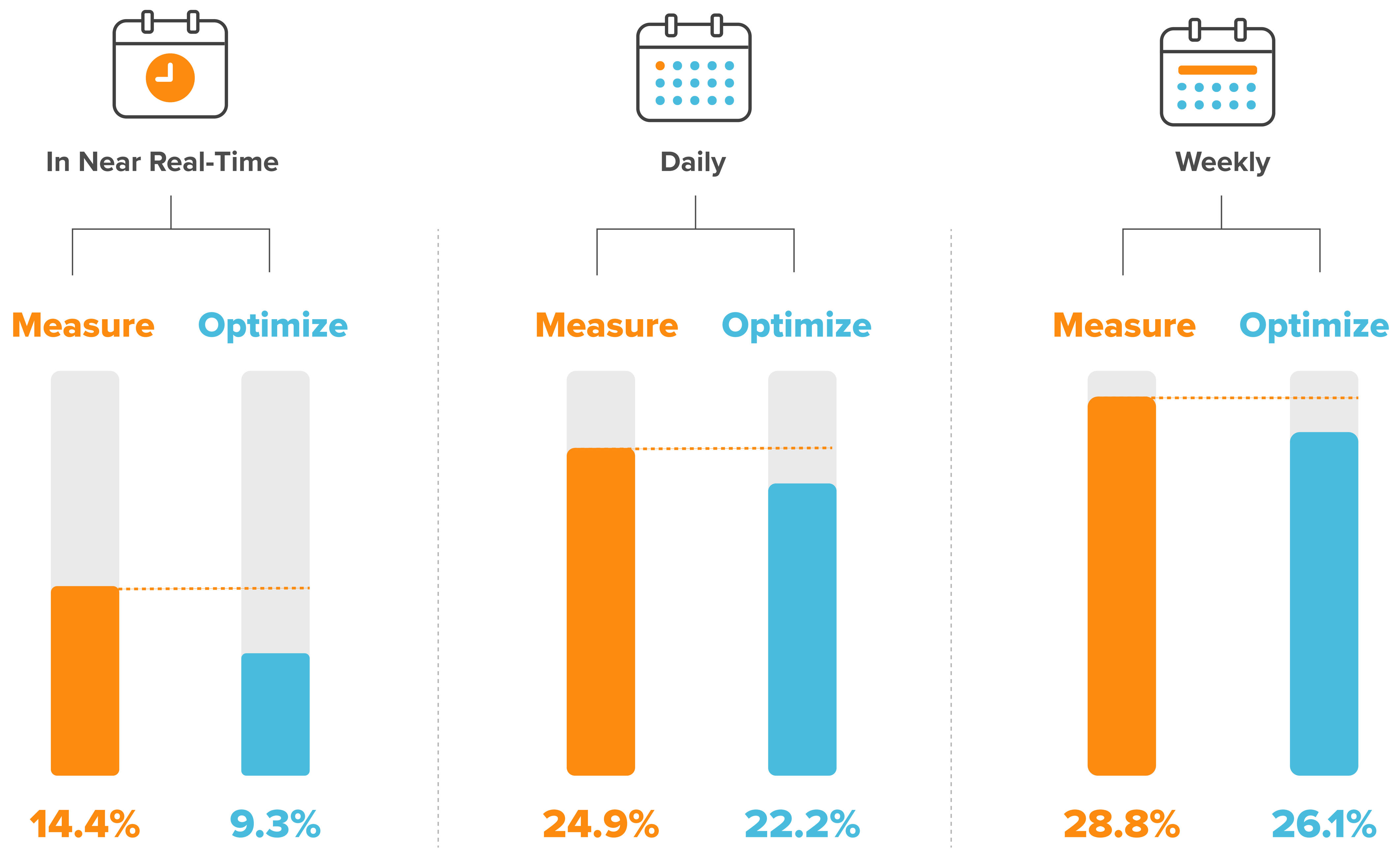


Real-Time Measurement Is a Real Thing, but How Real Is Real-Time Optimization?

Because measurement insights are so crucial, the large majority of advertising professionals measure the performance of their converged TV campaigns often. More than two-thirds **(68.1%)** are measuring their campaigns on at least a weekly basis. Almost four in 10 **(39.3%)** are measuring their ad performance either daily or in real-time.

Advertisers, however, aren't optimizing their ad campaigns as often as they measure their campaign performance — which is a lost opportunity. Just **57.6%** of advertising professionals say they're implementing media optimization for their converged TV campaigns on a weekly or more frequent basis. That's more than 10 percentage points below how often they measure. A sharp insight yesterday may be worthless today. Speed in moving insights into action is essential.

Ad professionals measure more frequently than they optimize



03

WHAT'S NEEDED TO BRIDGE THE GAP

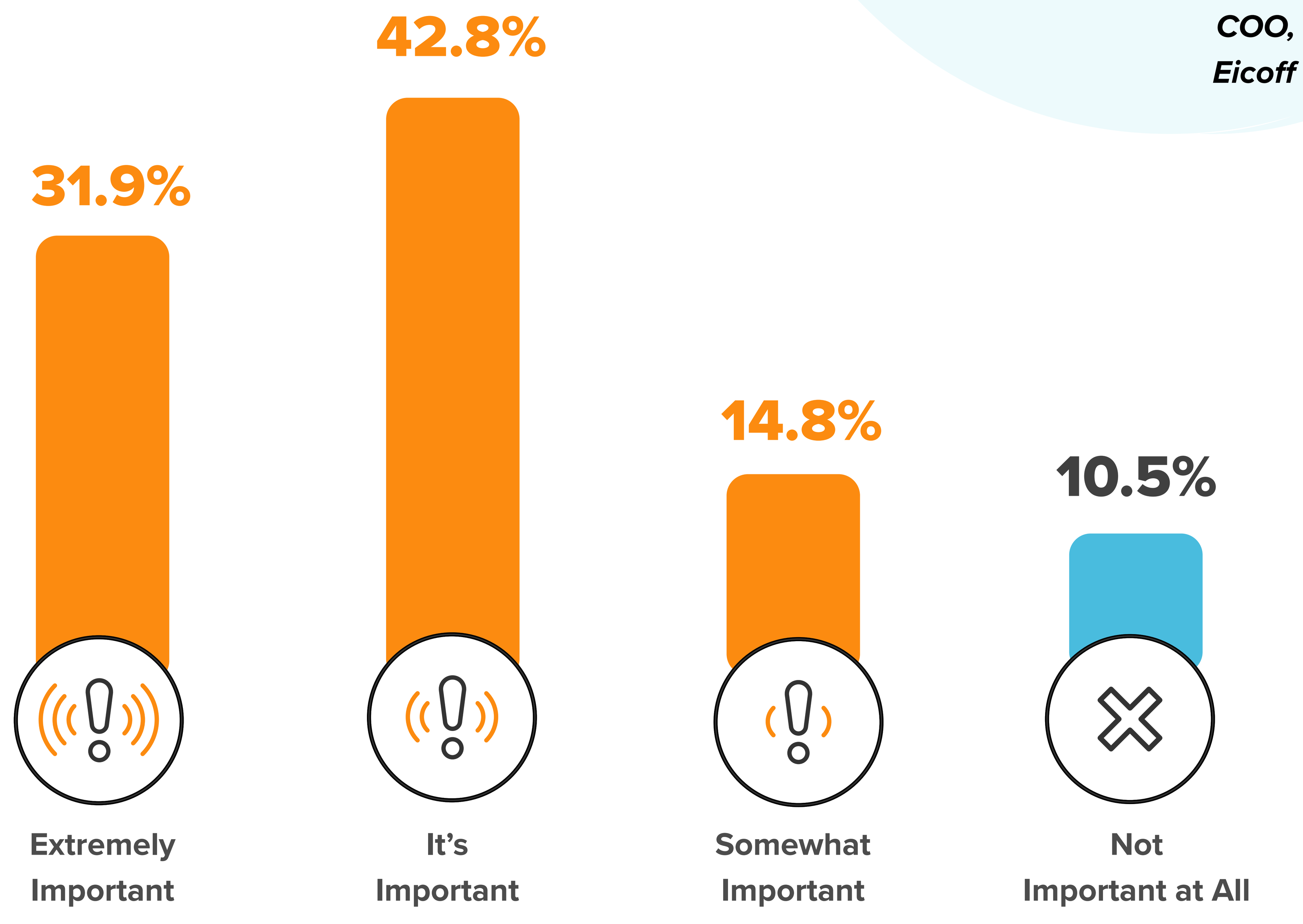
So how do we get to the promised future of converged TV advertising, the one that remains incredibly bright? Brands and agencies can take concrete steps to take advantage of that future — right now. But that means getting a unified view of their converged TV performance and being able to take action on those insights in real-time to drive business results.

A Unified View of Performance

The overwhelming majority of ad professionals (89.5%) say that a unified view of converged TV across linear, connected TV, and digital is important. A uniform view of performance would help streamline the optimization process and more importantly drive stronger ROI.

> There's no question that the disconnect between measurement and optimization of converged TV is leaving money on the table for brands. We see substantial increases in sales volume and improvement in ROI by implementing optimization at the same pace as measurement insights. While many brands have started to address their measurement challenges, we still don't see them take advantage of optimization at the same pace. It's TV that's optimized at the pace of digital. That's the big opportunity!
>
> *— Delia Marshall, COO, Eicoff*

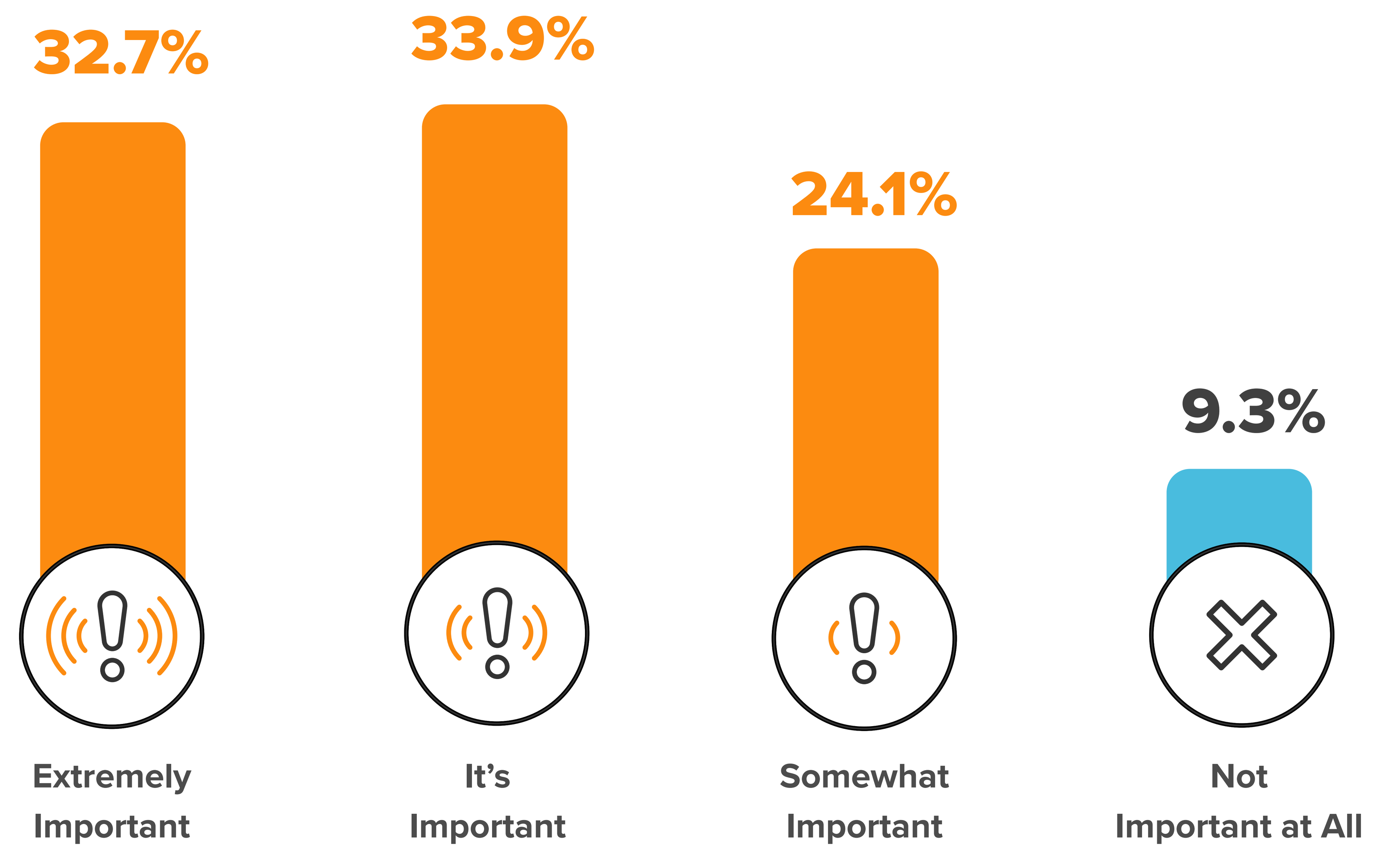
Ad professionals rate the importance of a unified view of TV performance.



Standard KPIs Across Converged TV

The overwhelming majority of ad professionals (91.7%) say that standard KPIs across converged TV advertising are important. Standardization of metrics will allow for more useful and immediate performance comparisons among media outlets.

Standardized KPIs for converged TV are important for most brand and agency professionals.



In the survey, advertisers also shared the metrics that drive their optimization efforts. Topping the list are **understanding performance of platforms and publishers** to inform media plans and **knowing which creatives are driving the desired actions.**

Top optimization metrics

Ability to Optimize for Business Goals

Optimizing ad campaigns isn't a thing the marketing department does in a vacuum. Optimizing is an effort to help advertising function as an investment to achieve business goals. In our survey, brand and agency professionals identify their key business drivers for campaign optimization. **Their top two focused on being relevant to the right audiences, followed closely by driving action and controlling ad frequency for better viewer experiences.**

Top drivers of optimization goals

04

THE FUTURE IS BRIGHT: INSIGHTS INTO ACTION

Brand and agency professionals are investing increasing amounts of money and time into converged TV advertising. Many advertisers are measuring their campaigns daily, but the frequency of their data-driven media optimization lags behind. How can advertisers improve the efficiency of their optimization efforts and bridge the Converged TV Disconnect? For one thing, they can stop measuring performance on one platform and optimizing on another. They can start using Innovid to turn insights into action, and action into results.

Separation of Powers Is Not a Good Idea

Why isn't optimization keeping pace with measurement? A key reason: too many advertising professionals rely on one partner for measurement and another for campaign management in their converged TV campaigns. Almost two-thirds **(62.6%)** of advertising professionals say they use separate measurement partners and ad set-up/delivery partners.

Not Optimal:
Too many ad professionals create inefficiencies by **relying on two separate partners** for ad measurement and campaign management

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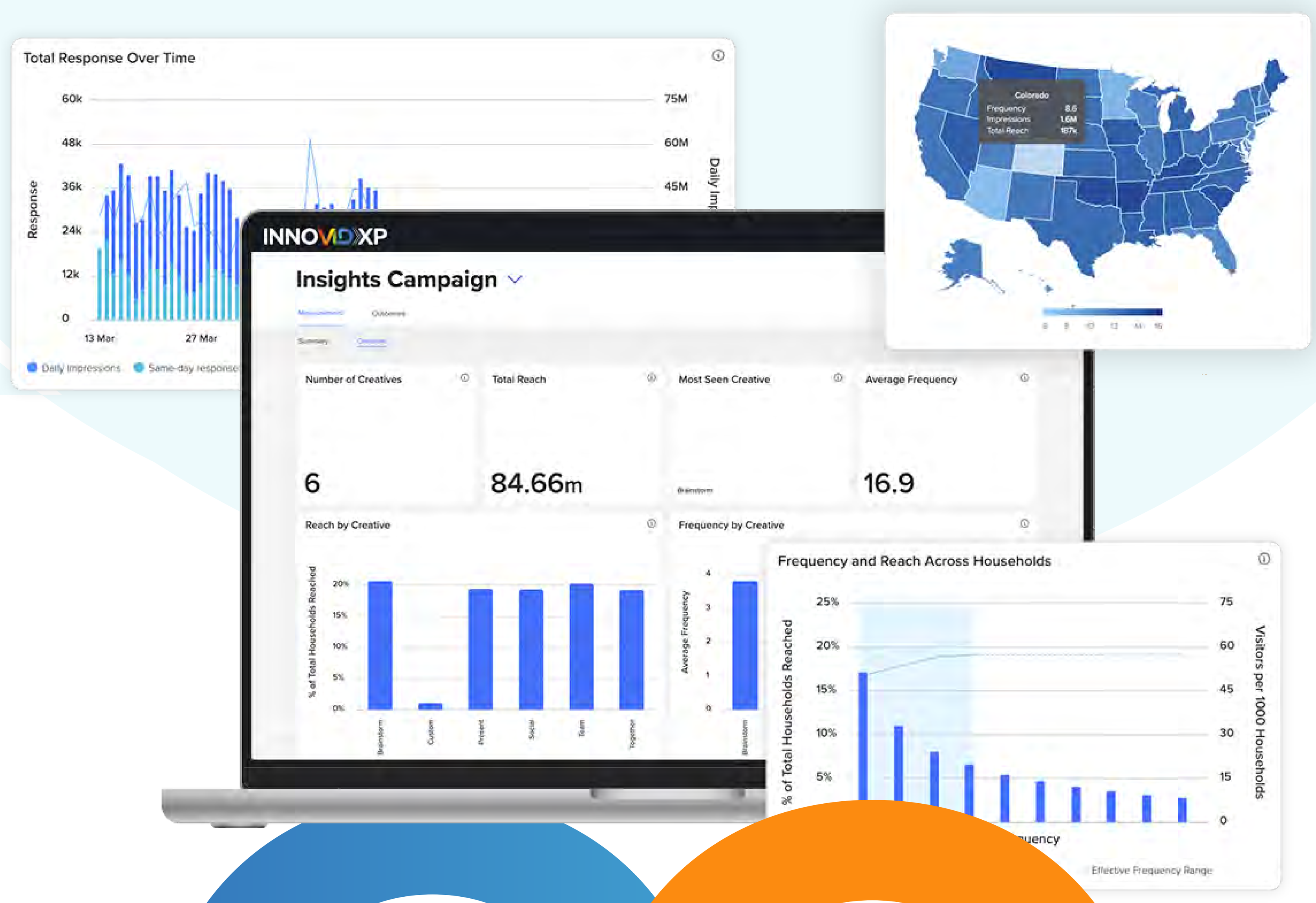
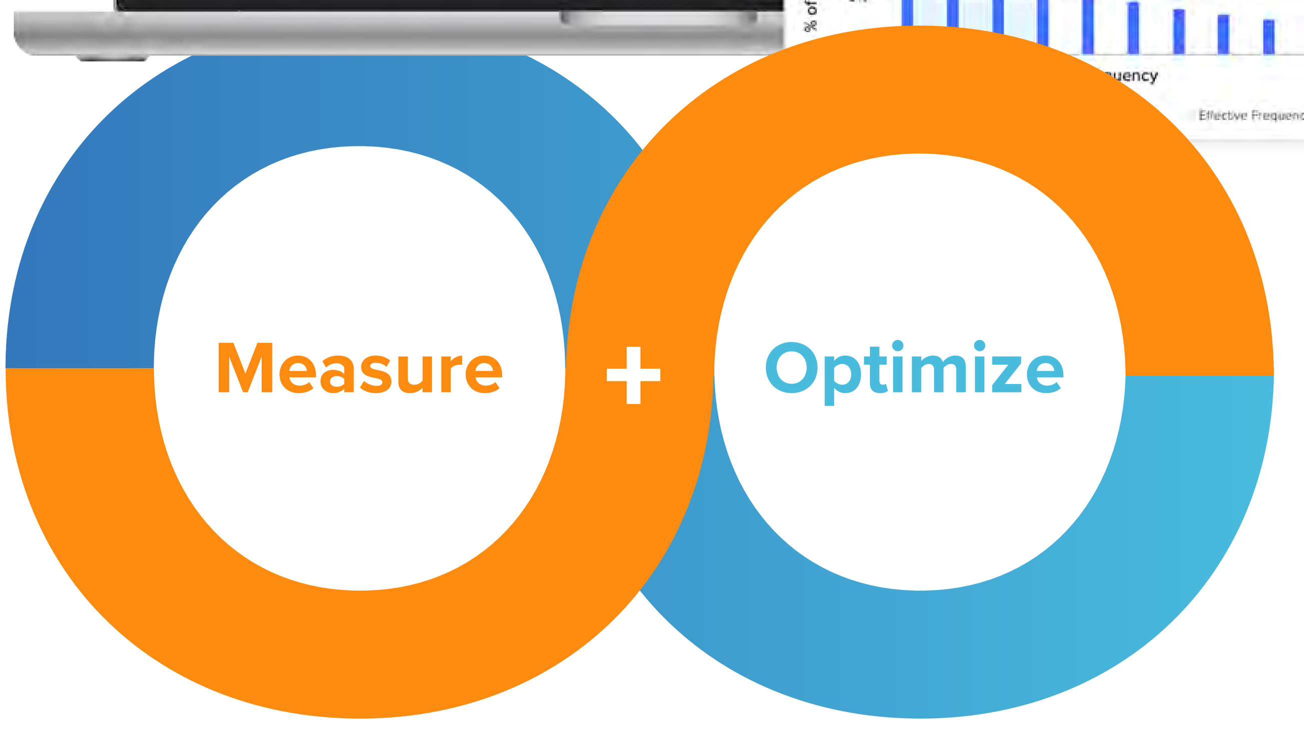
Innovid Bridges the Gap, Bringing Together Measurement and Optimization

On the surface, the choice to separate measurement and campaign management may seem innocuous. But the lack of integration creates a disconnect for advertisers to be able to effectively drive converged TV ROI.

Innovid is the only platform that can connect converged TV ad measurement with the ability to automatically optimize to drive results — all in a single, fully integrated platform.
Innovid can help advertisers turn insights into action, and action into results.

Request a Demo >





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Innovid's Converged TV study was conducted online by PureSpectrum and surveyed more than 250 brand and agency professionals in North America in August 2023. Marketers surveyed included both brand (55%) and agency (45%) professionals across various industries, including auto, retail, entertainment, and finance.