

CTV Ad Attention & Receptiveness



yahoo!



Why this research matters



AVOD is rapidly gaining traction and is on pace to reach half the US population

This gives brands a significant opportunity to connect with consumers



Streaming ad spend is surging

Ad spending on paid subscription services is expected to increase by 51% to \$9.48 billion in 2023

Overall, CTV ad spending will exceed \$26 billion in 2023 (+27%)



The Challenge

Brands must optimize their CTV strategy to capture attention and positive brand sentiment in an increasingly competitive market to stand out.

Understanding how key variables impact ad attention and receptiveness will help improve your CTV strategy

Key Questions Explored

Does CTV ad attention & receptiveness vary by environment?

How do consumers respond to different executional strategies?

How can advertisers plan smarter CTV campaigns?

Metrics to Know

Captured through Facial Recognition & Eye Tracking

Viewability

TV on, 1+ persons in the room for 2+ secs



Attention

TV is on, and actively paying attention with eyes on the screen for 2+ secs



Validated through Qual & Quant Methods

Receptiveness

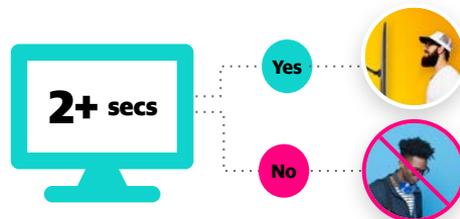
Paying attention to the screen, enjoying the ad experience and open to a positive brand perception



Methodology: Data Collection in Detail

Eye Tracking Measurement

Facial recognition and ACR Fingerprinting to capture attention metrics.



TVision's tech stack among opted in panel n=15,000

TVision Sensor

- **Person & Facial Recognition** (Who is in the room, and if they're paying attention)
- **ACR Fingerprinting** (What is on TV)

TVision Digital Meter

- **App Detection** (If a streaming service is in use)

RESEARCH SUPPLIER: TVision

AND

Consumer-Driven Hybrid Research

Qualitative

TV Viewer Journals (20)



In-Depth One-on-one Interviews (8)



Quantitative

Nationally representative Survey
n=1,000



RESEARCH SUPPLIER: Open Mind Strategy

The study in numbers

Multi-phase body of work including qualitative exploration, quantitative national survey, and large scale eye-tracking attention measurement.

66k

Ads analyzed
Jan - Nov 2022

4

CTV ad
environments

1.3M

impressions

5k

TVision Panel
HHs

15k

TVision Panel
Individuals

28

20 TV Journals
& 8 IDIs

1k

Survey
respondents

Ad Attention and Receptiveness in the CTV Landscape

yahoo!



Ads are expected and welcome in CTV environments

82%

of CTV viewers expect ads on free streaming services

7 in 10

AVOD users are at least somewhat satisfied with their CTV ad experience

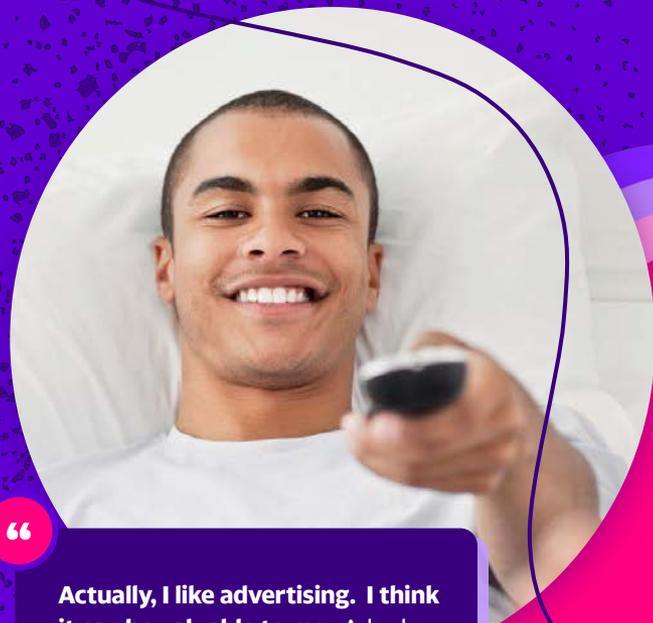
56%

Agree “ads/commercials give me information that’s useful to me”

“

Actually, I like advertising. I think it can be valuable to me. Ads show me things and teach me about things I might want.”

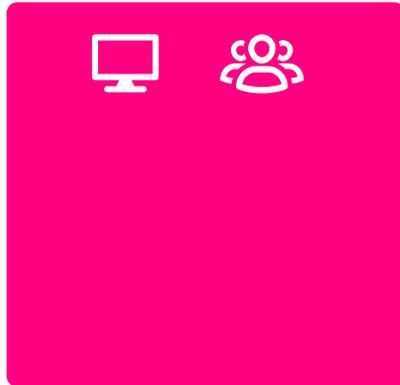
–Rich, Smart TV FAST Channel



The challenge is maximizing attention and receptivity

Not all ads are watched. This is because CTV is a multimedia channel, encompassing both sight & sound

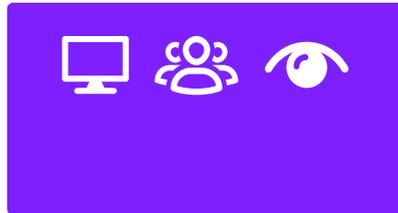
63%



■ **Viewable** -
TV on, 1+ persons in room 2+ secs

■ **Active Attention** -
Eyes on screen 2+ secs

33%



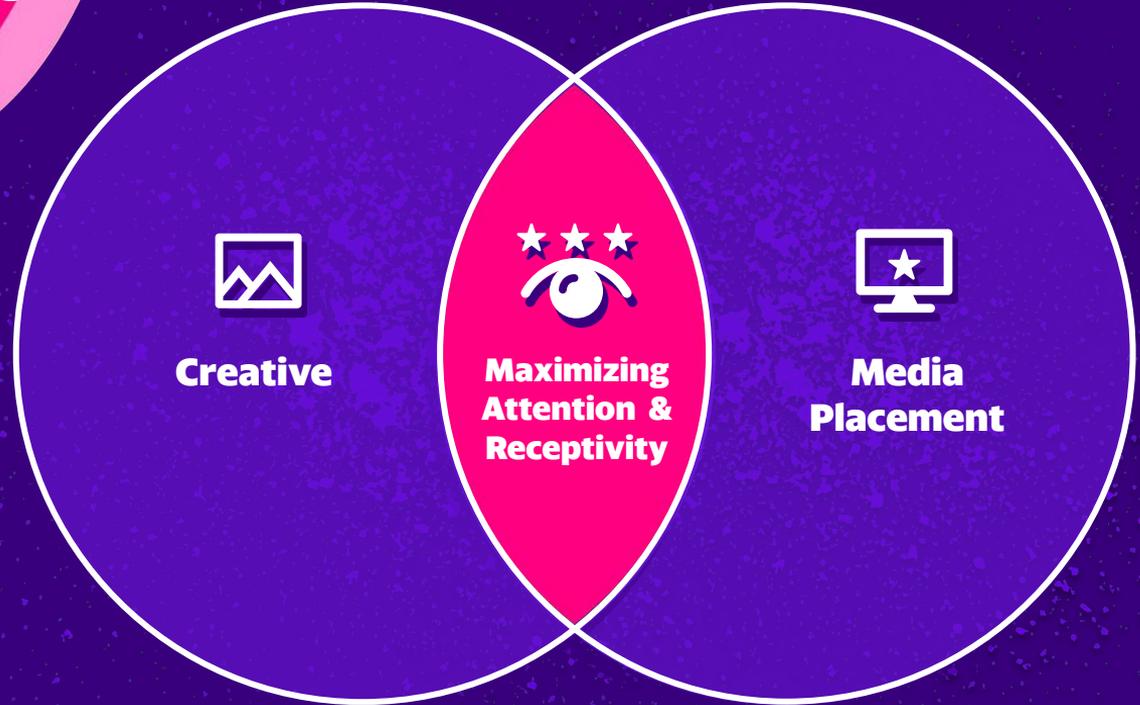
44%

Say they frequently have the TV on throughout the entire day (51% of FAST AVOD Users)

53%

say they frequently have TV on in the background/ do other things while watching TV (47% male vs. 60% female)

Creative & Media Placement are both important components of maximizing attention & receptivity



Optimizing Attention & Receptiveness

yahoo!

Source: CTV Ad Receptiveness & Attention 2023

Key factors that help optimize attention



Timing



Environment



Target Demos



Pod Position & Length



Ad Break Timing



Frequency



Recency



Ad Length



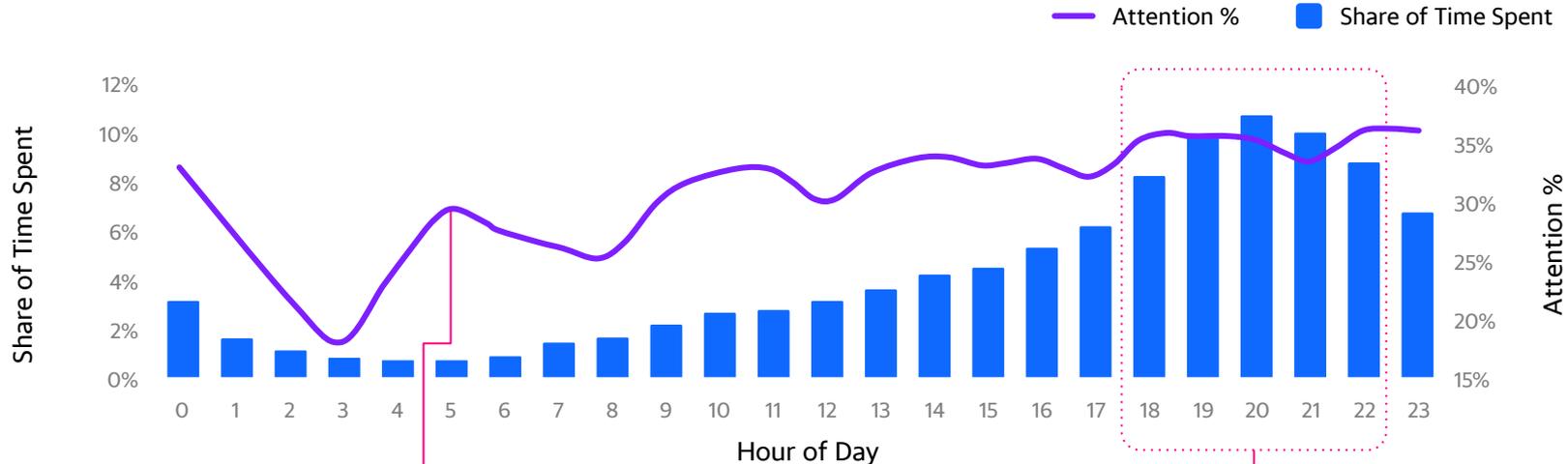
Context

Timing matters

Different times of day deliver different benefits



ATTENTION % AND SHARE OF TIME SPENT THROUGHOUT THE DAY



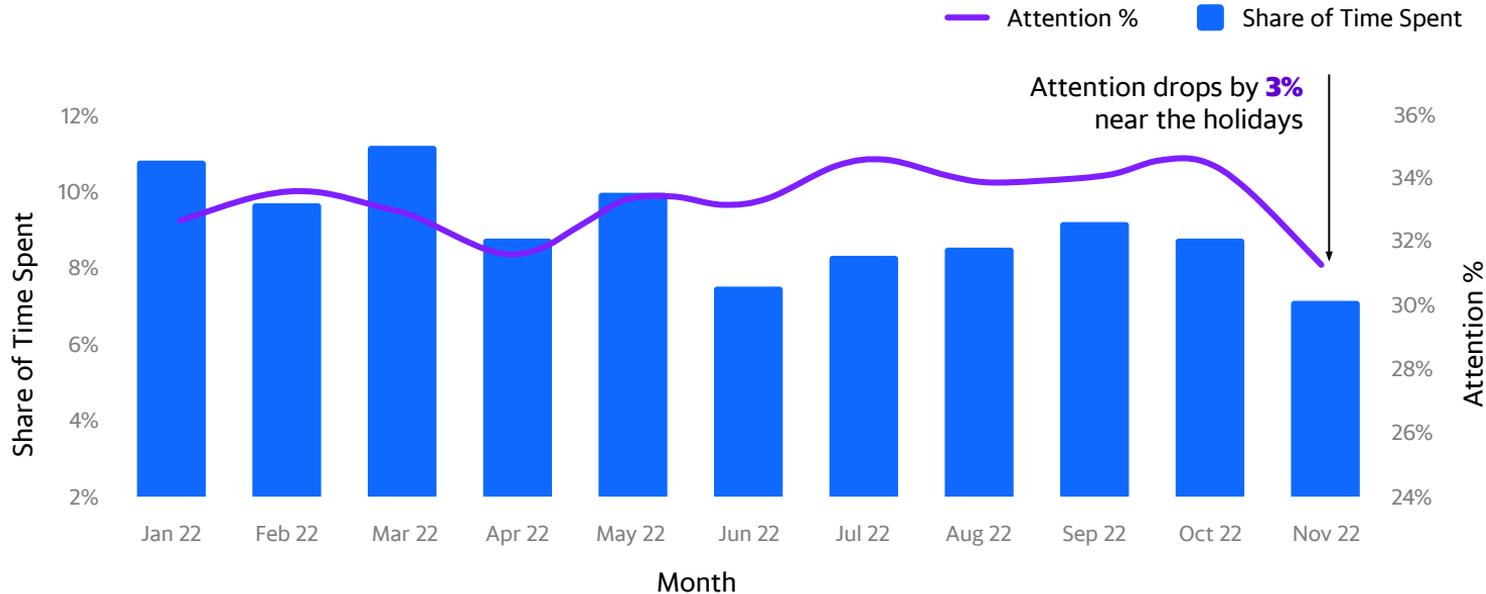
Attention starts out high early in the morning and spikes throughout the day

Primetime captures the greatest attention, with 47% of time spent

Though viewing time drops, CTV sustains attention throughout summer months



ATTENTION % AND SHARE OF TIME SPENT THROUGHOUT THE YEAR



Analyzed 4 Ad-Supported Application Types

Paid/Subscription Based

Hybrid AVOD

Hulu, HBO Max, Paramount+, Peacock, Discovery+, Disney+, Netflix**, Amazon Prime Video**

vMVPD

FuboTV, YouTubeTV, Sling, Philo, DirecTV Stream

Non-subscription Based

FAST

Tubi, Pluto, Roku, Crackle, Vudu, Xumo

Smart TV FAST Channels

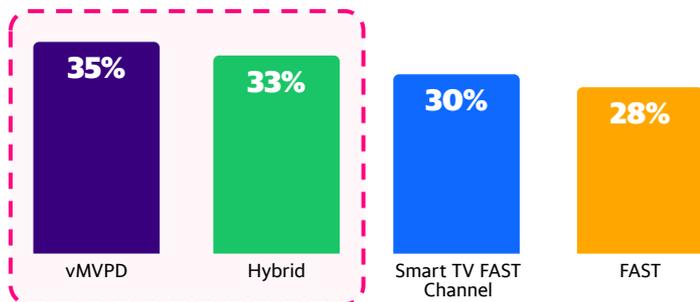
Amazon Freevee, Vizio's WatchFree**, Samsung TV Plus**, LG Channels**

Ad attention is higher for more “intentional” paid subscription services

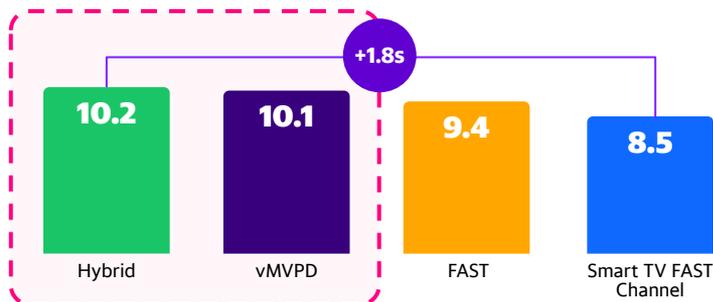


Viewers also expect a better experience on services they are paying for

ATTENTION %



ATTENTION TIME (SECS)



Viewers are more critical of ads when paying

“

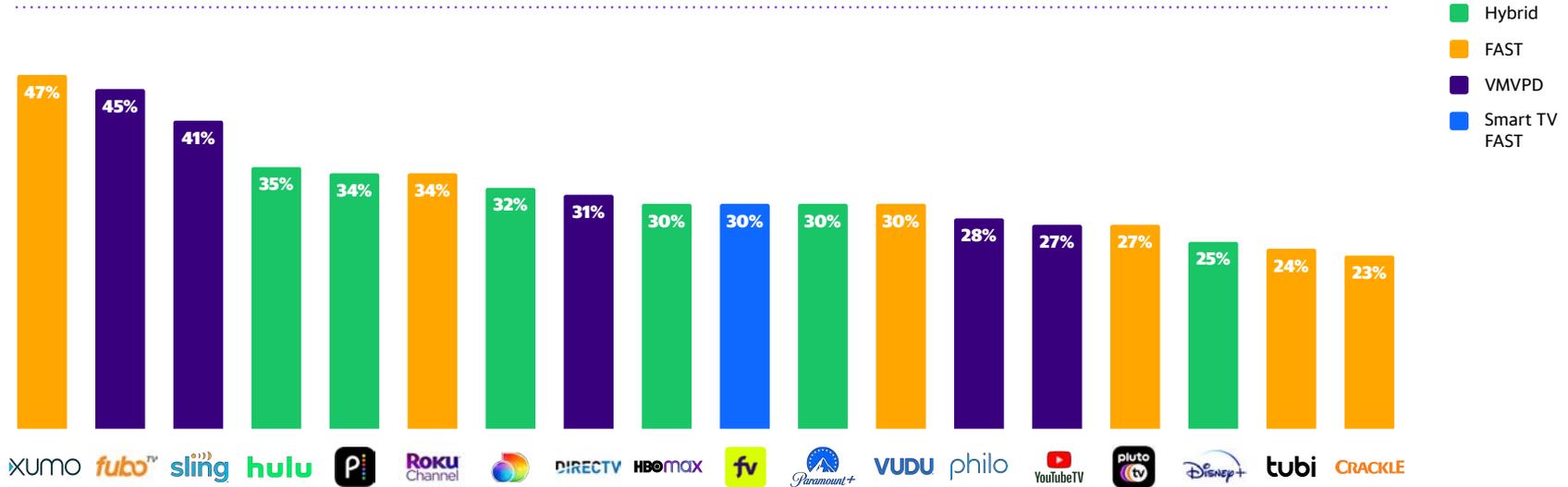
When you're watching a commercial on a [premium] channel ... it's not supposed to be your humdrum television.”

—James, FAST

Although paid subscription based model overperform overall, attention varies across app types

Though FAST apps underperform on average, some do well, i.e. XUMO or Roku Channel

ATTENTION %

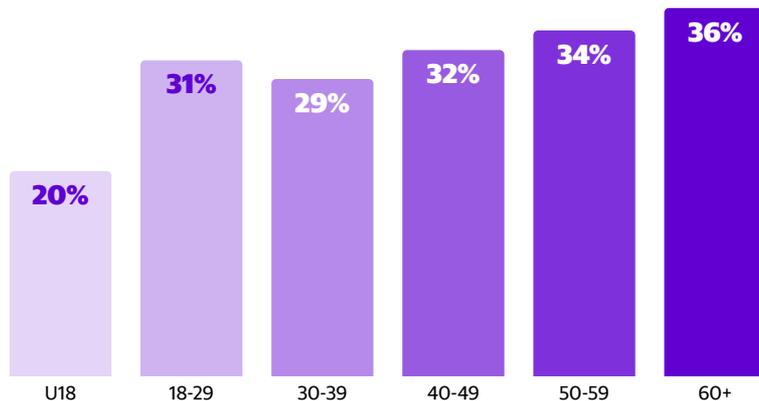


Who you advertise to matters

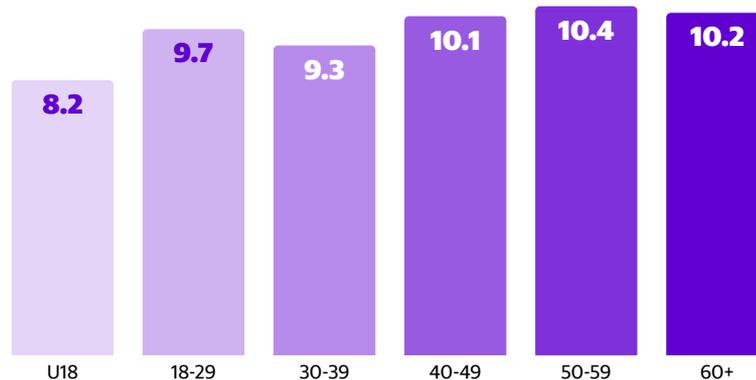
Attention to ads in CTV grows with age



ATTENTION %



ATTENTION TIME (SECS)

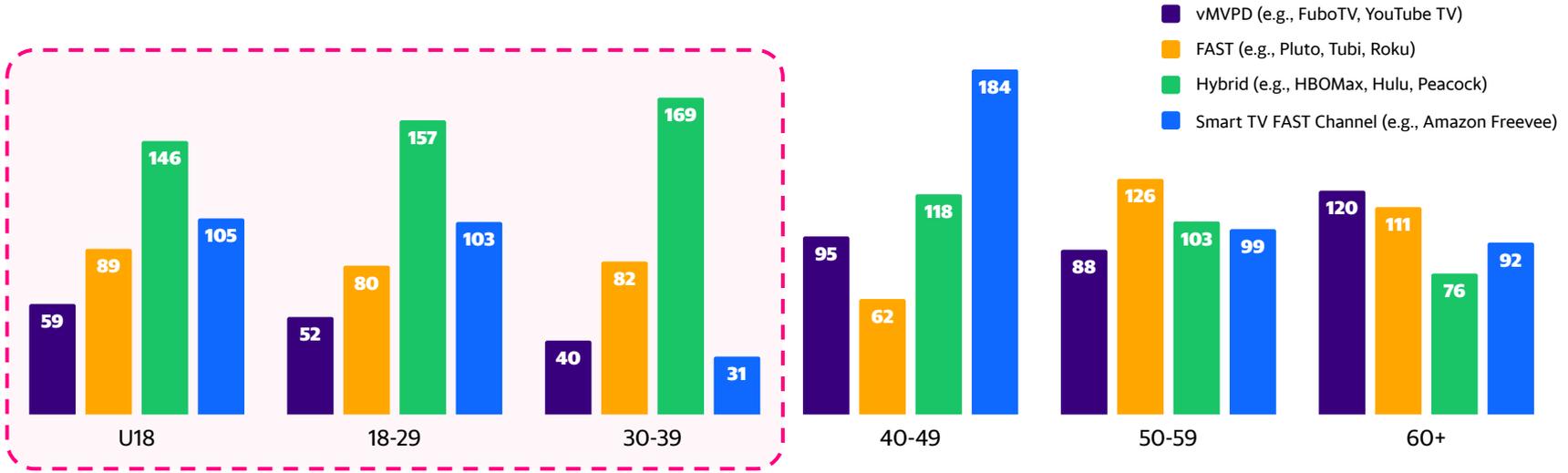


Younger viewers are harder to engage, but app type matters



Younger viewers are nearly 60% more likely to spend time with Hybrid applications

EXPOSURE BY AGE INDEX

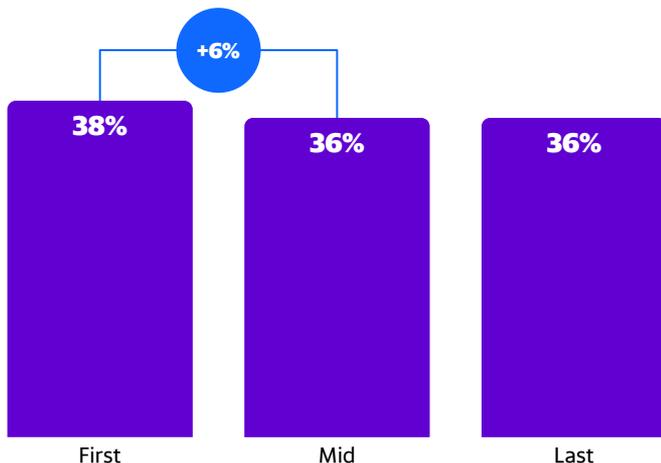


Pod Position Matters

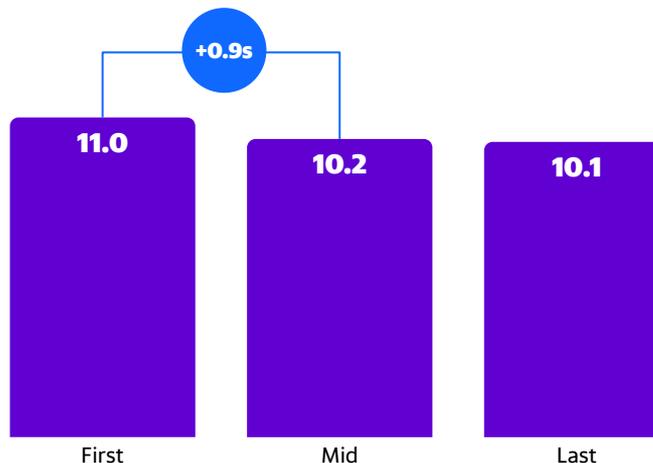
Ads in the first position capture more attention than the mid & last position



ATTENTION %



ATTENTION TIME (SECS)



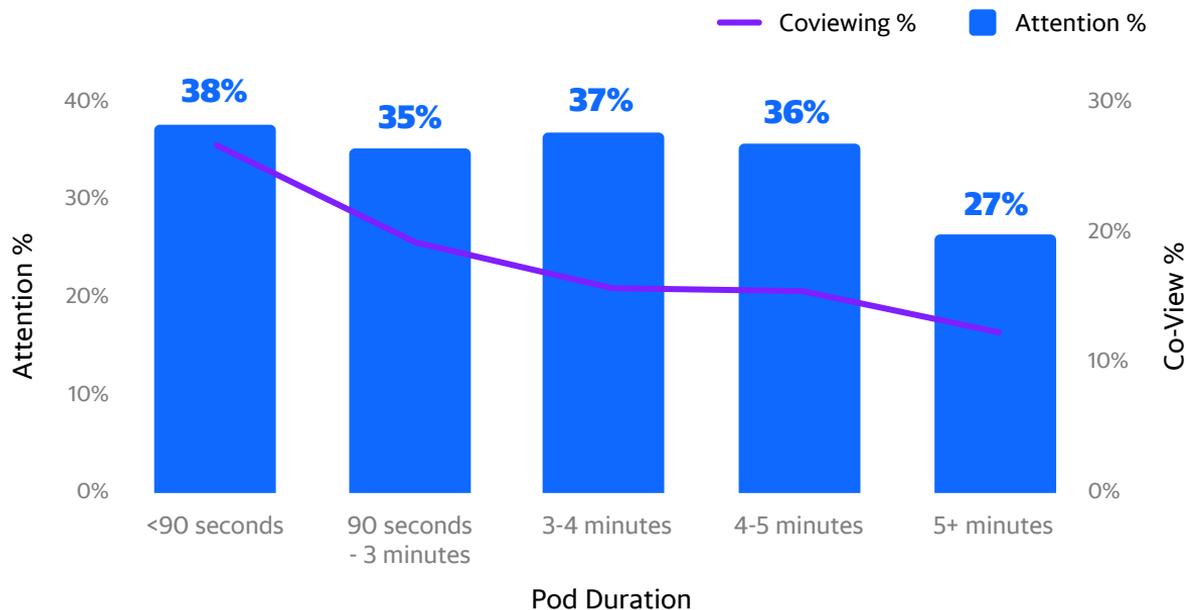
“

[Advertisers] should really **strive to be the first....** The first ad in the break is the one that's likely to get the most of your attention.”

—Rich, Smart TV
FAST Channel

Pod length also makes a difference

Shorter pod durations get more attention and co-viewing, and consumers are more receptive



[If] the commercial breaks are ...too long it causes me to flip channels.”
—Aud, Hybrid

66%
of CTV viewers agree
“I care more about the length of the ad break than the length of individual ads.”

The timing of ad breaks impacts receptiveness

Unnatural breaks are deemed as “the worst”, with many preferring the more natural breaks seen on cable

“The Worst”
ad experiences

66%

Ads that cut a show off at an unnatural place (i.e., middle of sentence)

61%

Ads that cut a show off at a cliffhanger

47%

Ad breaks that aren't evenly spaced out throughout a show

“Natural” cable ad
experience preferred

55%

say cable ad experiences are more predictable than on streaming services

51%

would like streaming ad experiences to reflect the cable ad experience

“

There was a fight scene and **the ads were just stuck in the middle of the fight scene. Why, why, why?**

—TeAsia, FAST

“

On cable you're exposed to a multitude of different stuff whereas **with the streaming services ...it's random and there's a lot of repetition.**

—Emily, FAST

yahoo!



vMVPD and Hybrid deliver the most “natural” ad breaks

The applications rated the highest for ad attention also deliver the most “natural” ad breaks

“THE AD EXPERIENCE ON THIS SERVICE FEELS NATURAL”

(average; among users of each AVOD type)



“

DirecTV stream has commercials you would normally see on cable which ... makes me appreciate it more.”

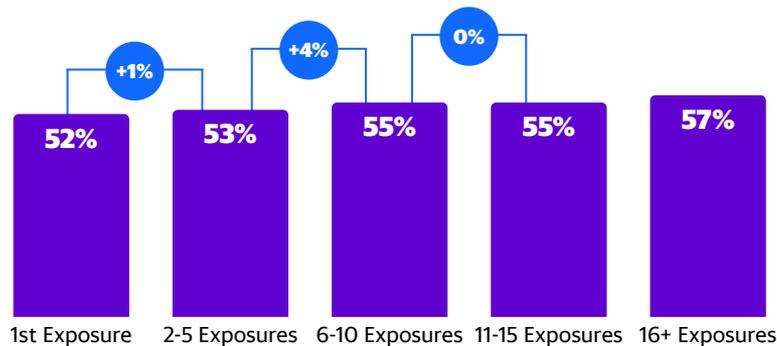
-Lindsee, vMVPD

Frequency matters

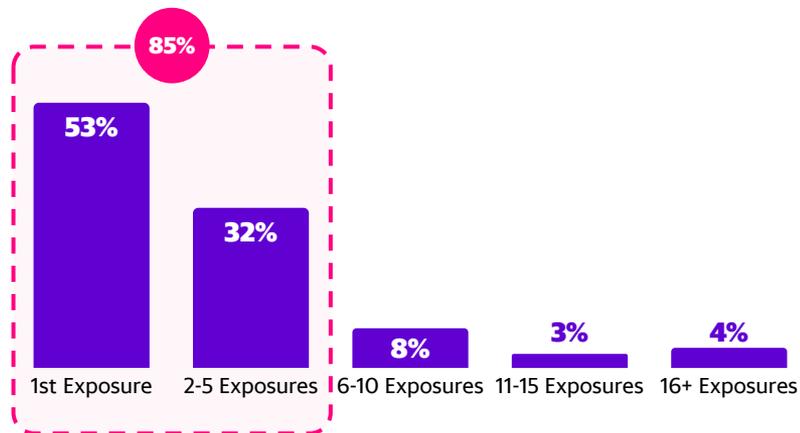
Attention peaks at 6-10 exposures – but 85% of impressions never hit this peak



ATTENTION %



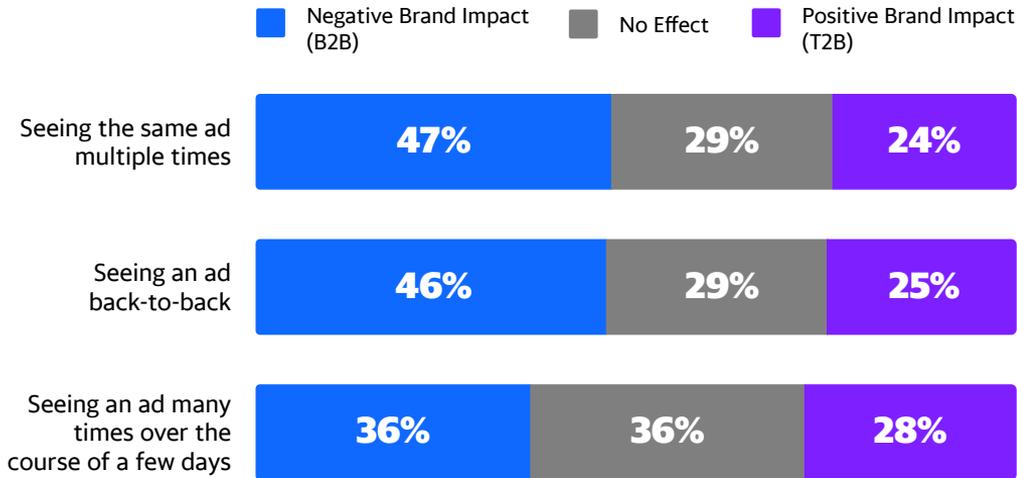
IMPRESSION %



However, repetition can also be a major annoyance....

.... and, even worse, negatively impacts brand sentiment

IMPACT OF REPETITION ON BRAND SENTIMENT



yahoo!



58%

Are annoyed seeing the same ad at specific time intervals and within the same program

67%

Are annoyed seeing the same ad more than once within the same break

“

Seeing ads that play over on repeat are the worst and make the ad experience bad.”

—Jerett, FAST

“

When you see an ad 7 times, it **actually creates a negative impression of the brand** and an increased level of frustration.”

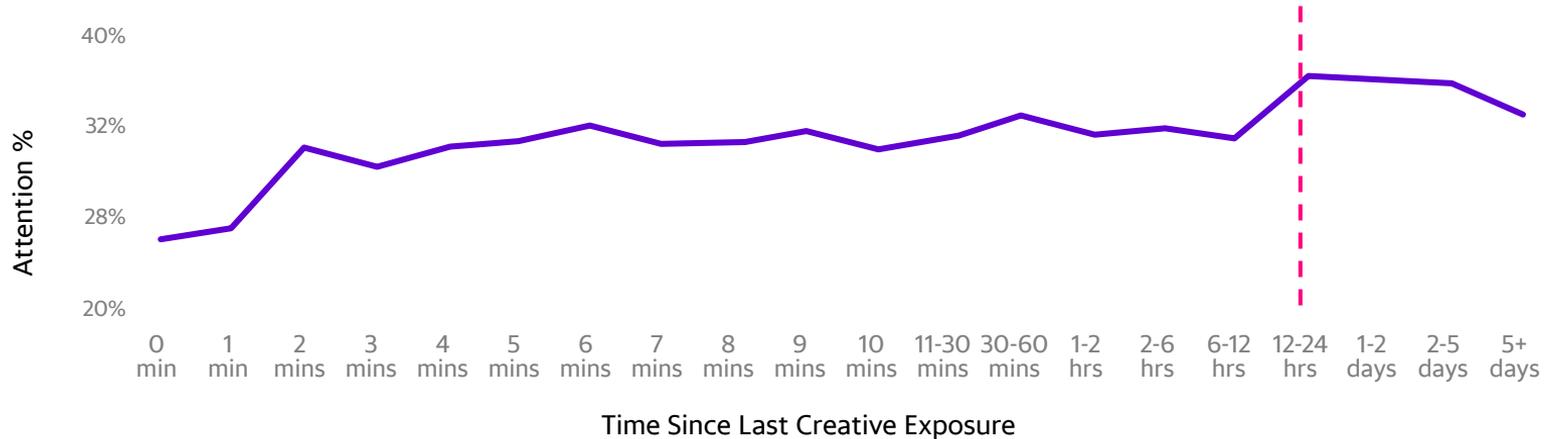
—Aud, Hybrid

The Attention Sweet Spot for Frequency & Recency



The key is to achieve an effective frequency of 6-10 exposures while maintaining an optimal gap of 12 - 24 hours between exposures

AD ATTENTION % VS. TIME SINCE LAST EXPOSURE



Different length ads play different roles

Longer lengths get more viewer attention time while people watch half of short ad lengths



**ATTENTION
TIME**
(AVG. SECS)

% of TOTAL AD VIEWED

**15
seconds**

**7.2
sec**

48%

**30
seconds**

**11.3
sec**

38%

**60
seconds**

**15.1
sec**

25%

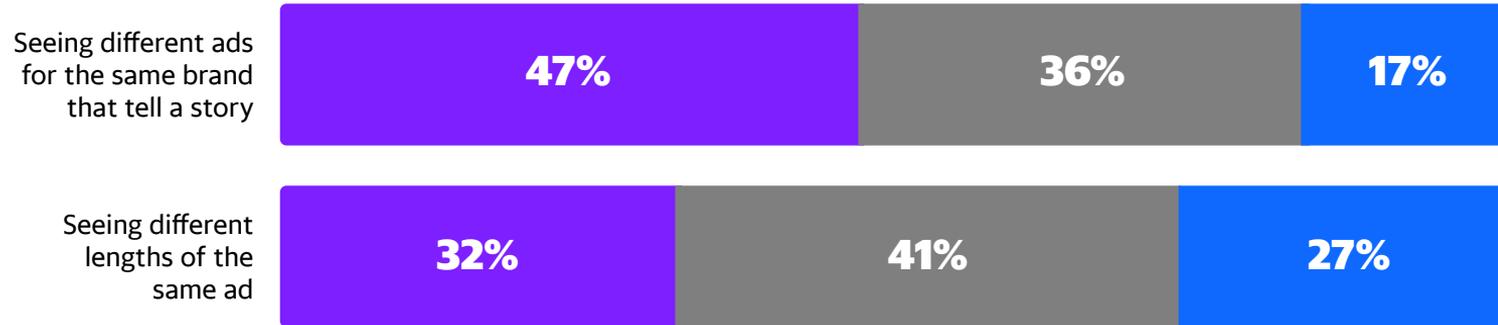
Changing the creative over multiple exposures has positive impact on receptiveness, more so than various ad lengths



IMPACT ON DIFFERENT TYPES OF AD EXPERIENCE TOWARD BRAND

(among Total)

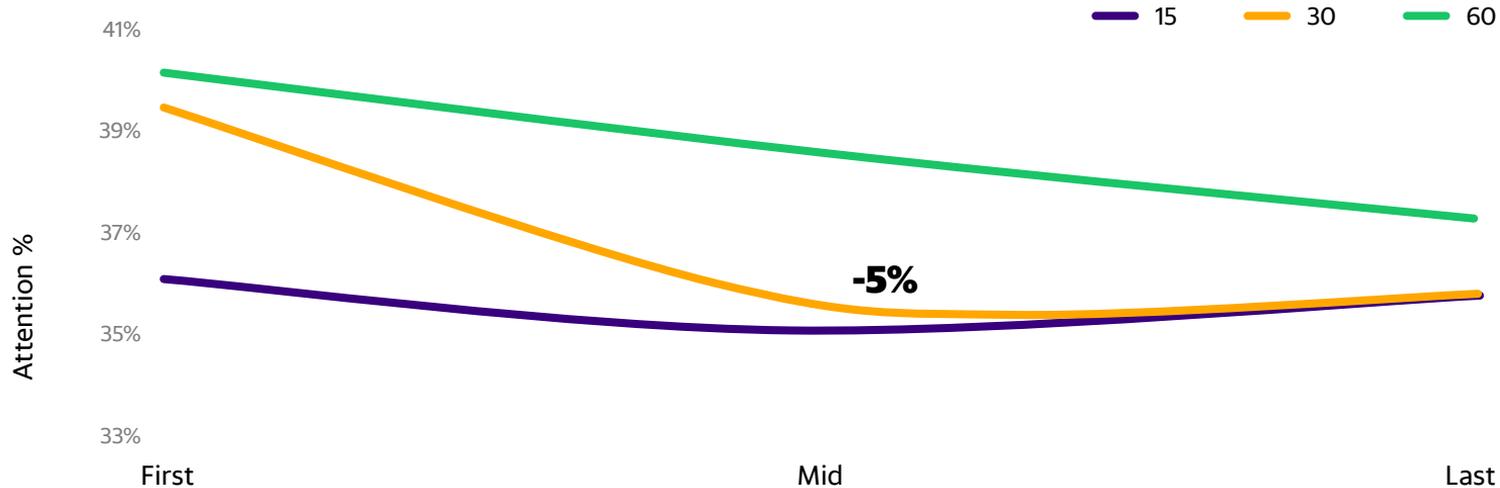
■ Positive Brand Impact (T2B) ■ No Effect ■ Negative Brand Impact (B2B)



Longer executions have more opportunity to capture attention in the first pod position



AD LENGTH BY POD POSITION



Context matters

Share of ad attention is highest for genres that garner more engagement, whether during solo viewing or co-viewing

“

If it's a weekly series or drama... I'll be more engaged in the programming and therefore more engaged in watching the ad.

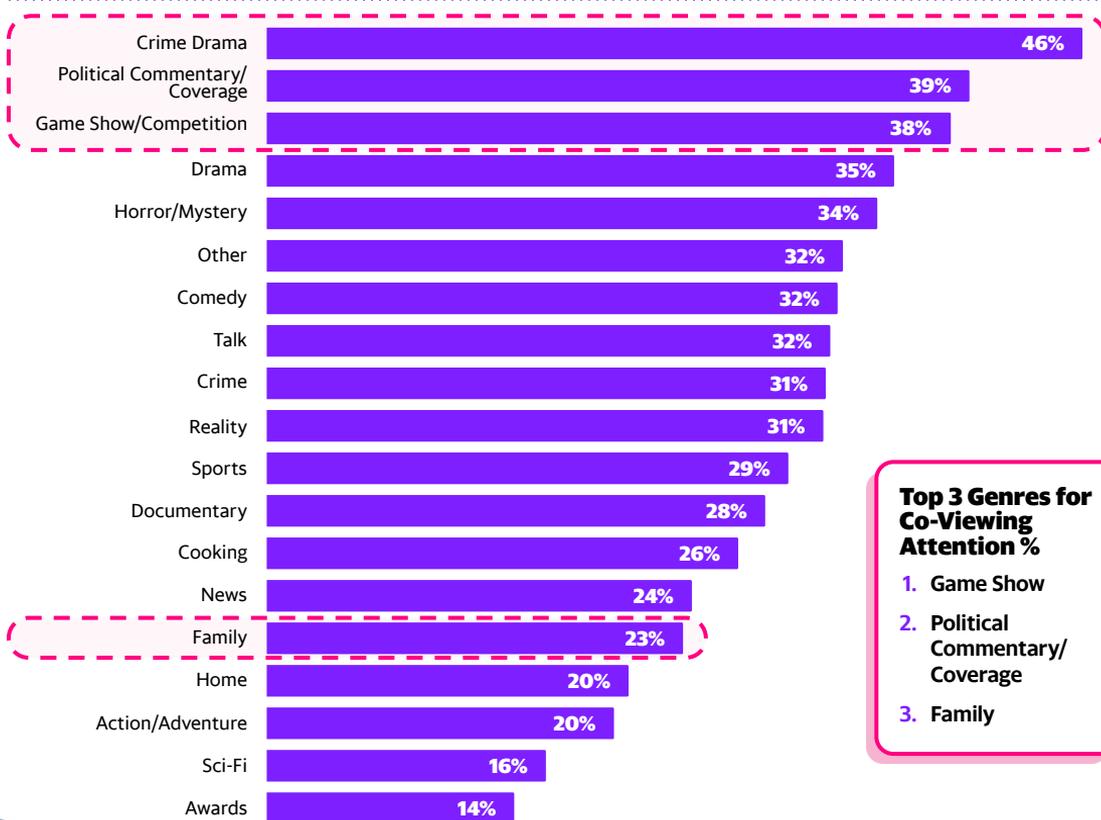
—Rich, Smart TV FAST Channel

“

If I have people over we may enjoy the commercials more. We can bond over them, especially if the ads are humorous.”

—Ramon, Hybrid

ATTENTION %



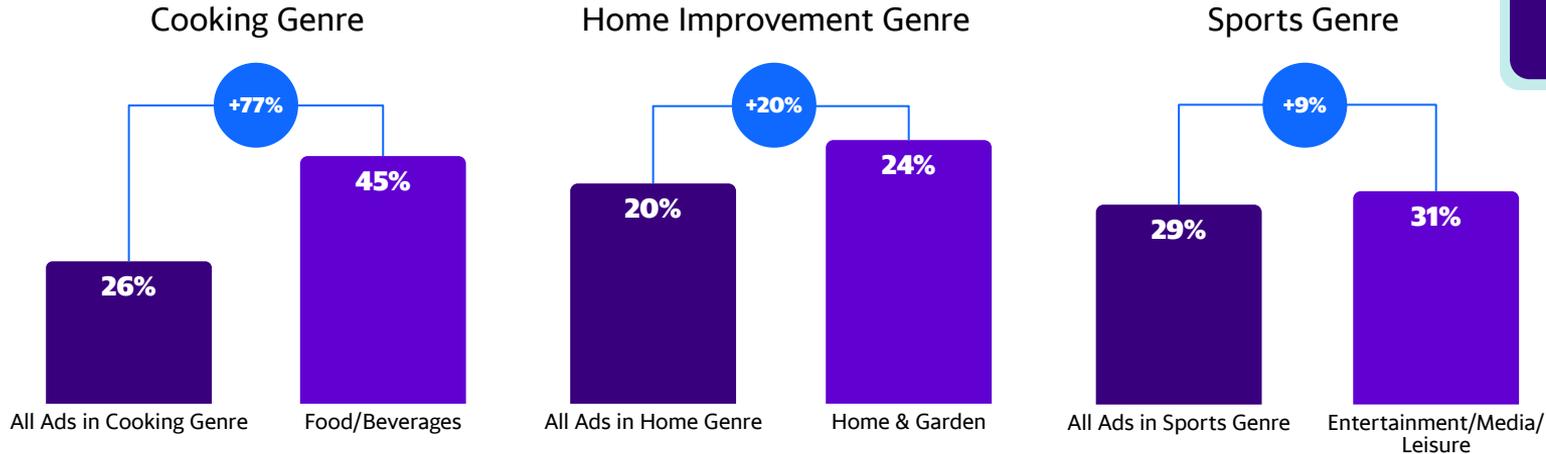
Top 3 Genres for Co-Viewing Attention %

1. Game Show
2. Political Commentary/Coverage
3. Family

Creative that is contextually relevant drives greater attention

64% of viewers agree ad experiences are better when ads feature people/elements from the program they are watching

ATTENTION % - 30 SECOND ADS



“

I saw an ad for the NHL while watching the Washington Capitals game. I thought this ad was awesome”

-Ella, vMVPD

Outside of conventional ads, Sponsorships are highly effective at capturing attention

BRAND SPONSORSHIPS LOGOS VS. CONVENTIONAL CTV ADS: DELTA



ATTENTION

% of ad impressions where a viewer was watching the TV screen for two or more seconds.

+12 points



ATTENTION TIME

The avg. amount of time per attentive impression where a viewer was watching the TV screen.

+2.5 seconds



ATTENTION CONVERSION

Indicates how well a commercial draws attention in relation to the length of the commercial.

+31 points

“

When RAM trucks sponsored Yellowstone, it felt like **my time was being valued by the brand**. I remember those things. It doesn't get lost in the shuffle.

—Bill, vMVPD

“

We like to watch some types of **sporting events that are sponsored by various companies**. Those ads are usually pretty good.”

—Bill, vMVPD

**Creative is a key
ingredient to
garner attention
and receptiveness**



Creativity matters

IDEAL AD EXPERIENCE (T2B)

67%

Ads that are funny

61%

Ads that are to-the-point

59%

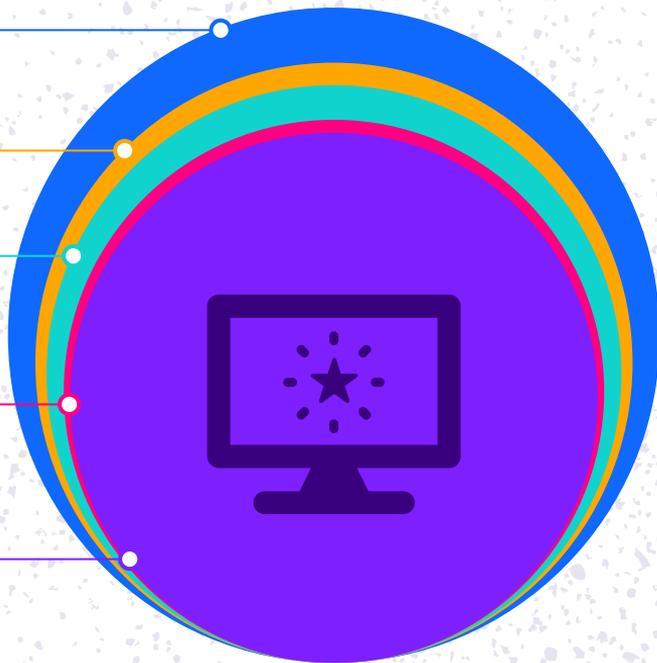
Ads that feature good music/
a catchy jingle

55%

Ads that immediately tell
you what brand they're for

54%

Ads that tell a story



It's a 360 degree experience

“

Advertising on TV shows/content is “at its best” for me when...“The ads are **funny, well-executed, and short.**”

—Ella, vMVPD

“

Humor and music are attention-grabbing to me.

—Francesco, vMVPD

“

Draw my attention quick and right off the bat. **Keep it short and simple.**”

—Ramon, Hybrid

Audio branding is critical in low attention environments

Even when consumers are not watching the ad, they are listening

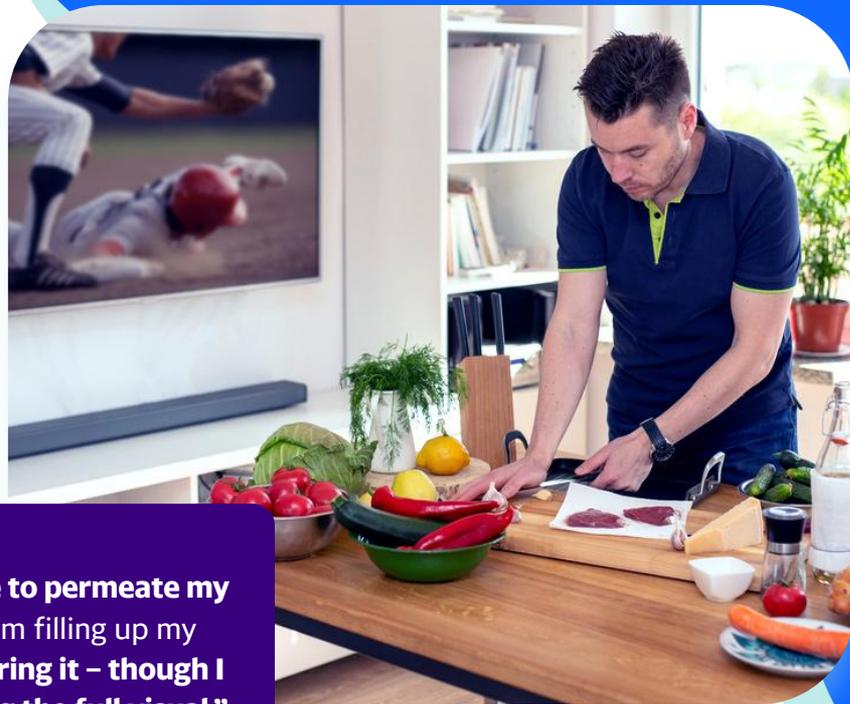
81%

agree that when TV is on in the background they still hear/listen to the audio
(89% of Heavy AVOD users)

“

The sound is able to permeate my space so even if I'm filling up my drink I'm still hearing it – though I may not be seeing the full visual.”

–Bill, vMVPD



Personalization matters

59%

Want “ads that are relevant to me/my interests”



54%

Agree that **social media does a better job of showing me relevant ads** and promotions than streaming services

62%

Say “**most** ads I see when I’m watching streaming services **aren’t** relevant to me”



A majority of consumers want ads that are relevant and nearly as many feel most ads are not.

“

It feels like the streaming services are a bit out of touch with who’s watching their content. ...they should make a little bit of an effort ...so it feels a little more **personalized** and you’re not just pressing a random-ass button... I’m not stupid.”

–Emily, FAST

“

[Streaming services] personalize their ads somewhat, but it’s **not nearly the level of personal targeting you see in social media** where they can pull out your likes and your search data and use it to build an algorithm to target ads. **[CTV] is not the personalized experience.**”

–Bill, vMVPD

yahoo!



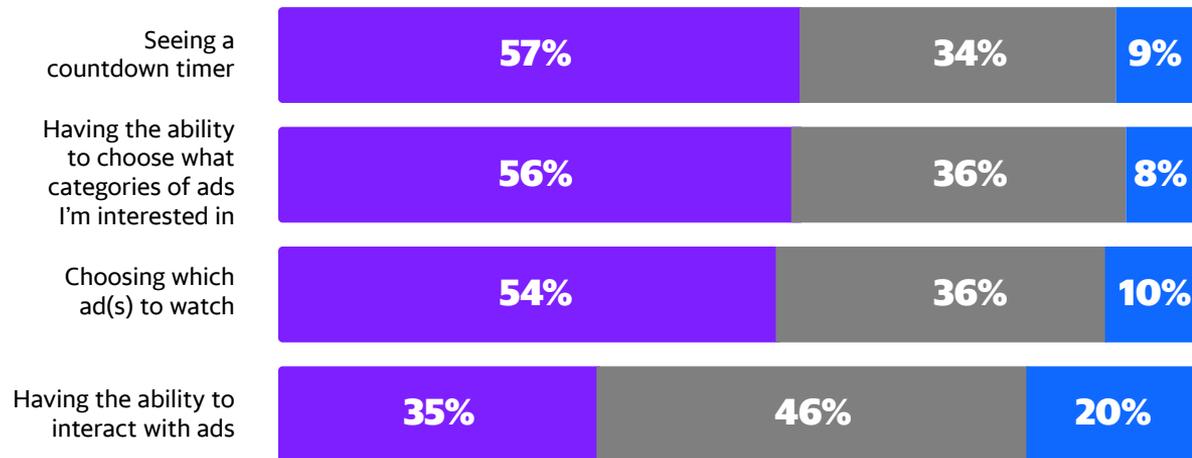
Consumer control matters

From countdown timers to ad interaction, consumer choice increases receptiveness

IMPACT OF DIFFERENT TYPES OF AD EXPERIENCES

(Among Total)

■ Would make my ad experience better ■ Wouldn't have impact ■ Would make my ad experience worse



64%

of CTV viewers would like to be able to customize their ad experiences on streaming services.

Takeaways & Yahoo Solutions



Timing

Meet them where they are. Evening & morning hours have the most engagement.

Rethink seasonality. While time spent decreases during summer, attention is sustained.



Environment

High Attention Environment; Higher Expectations.

Paid/subscription services are lean in environments with high attention, but viewers have higher expectations for ad creatives.



Target Demos

Attention increases with age and certain age group are more likely to lean into one application than another, with younger viewers more likely on Hybrid. Consumers are also most receptive to ads that feel personalized to them.



Ad Break Timing

Be First, Don't be awkward. Ads in the first pod position and in pods <90 seconds garner the most attention. Paid/Subscription environments are viewed as having the most "natural" ad break timings.

yahoo! Solutions

Yahoo's offers full measurement and targeting capabilities across dayparts

Comprehensive CTV supply access including LIVE sports and events as well as LIVE Linear Addressable

Yahoo's panel of 167M logged in users connects TV HHs to accurate demographic & behavioral data

Yahoo taps into all premium environments including vMVPDs and premium streamings apps like HBO Max and Peacock

Takeaways & Yahoo Solutions



Frequency & Recency

The Attention Sweet Spot:

Campaigns can be left in market longer to maximize attention (6-10 exposures), but avoid brand burnout by optimizing gap time (12-24 hours between exposures).



Ad Length

Different ad lengths play different roles.

Longer lengths get longer view time, while shorter lengths have higher attention conversion (% of total ad viewed).



Genre & Context

Context Matters: Lean in genres such as Crime Drama garner the most attention. Contextually aligned ads are high attention grabbers especially in Cooking, Home, & Sports genres.



Creative

Creative closes the deal.

Humor, music, audio branding in low attention environments, storytelling, and early branding enhance viewers' attention and receptiveness.

yahoo! Solutions

Yahoo can help manage frequency across channels and solve for ad wearout.

Yahoo can contextualize creative impact relative to many different outcomes

Yahoo has integrations with leading contextual solutions

Yahoo DCO for CTV enables creative versioning and personalization

Yahoo Advantages



Identity at the core with Yahoo Connect ID
192 M
Authenticated Users



Premium CTV and **Live Linear supply** to reach more HHs in the right environment



Trusted TV Data with exclusive **Vizio** and **DirectTV** partnerships



Tools to measure holistic **reach** and **frequency** and optimize for **performance**

Yahoo's Advanced TV Advantages

Best of Both Worlds



Trusted TV Data



Linear + CTV Reach

The largest addressable TV footprint in market: 80M+ CTV and 25M linear households



Cost efficient

Low Tech Fees

+

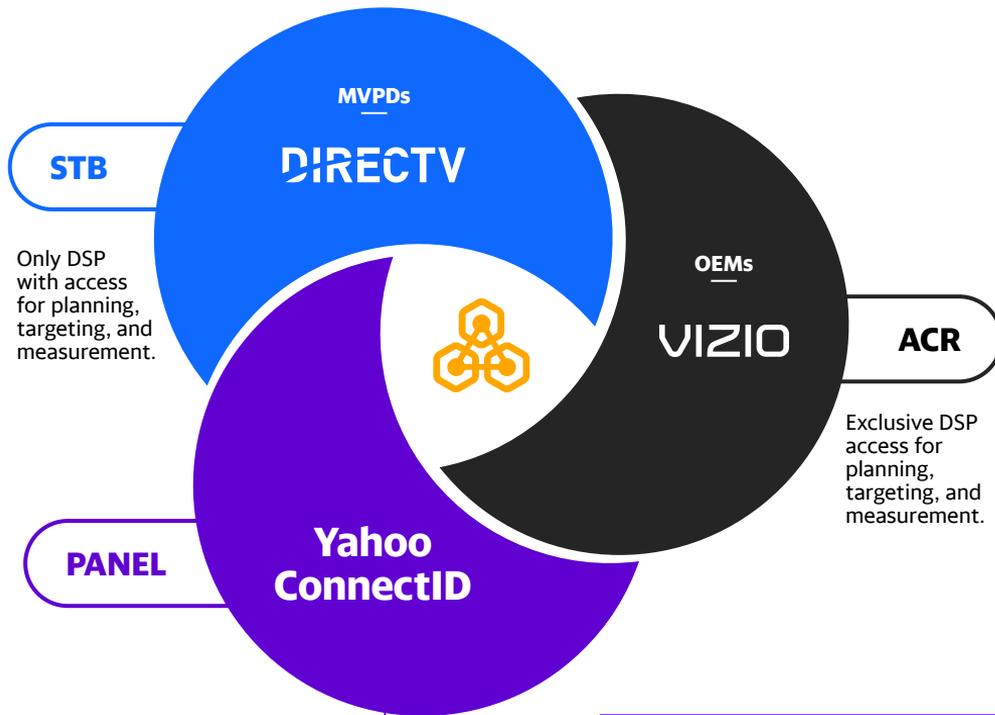
Value Add:

Cross Device Graph 1P Measurement Linear Audience Insights
Unified TV Measurement Addressable Linear Buying

The Most Trusted ATV Data Solution

What sets Yahoo apart?

- Exclusive and First To Market Data
- Multi-Sourced TV Data
- Yahoo's Proprietary 167M Panel
- Fully Transparent
- Cost Effective



Only DSP with access for planning, targeting, and measurement.

Exclusive DSP access for planning, targeting, and measurement.

192M

Logged-in users.¹

Additional TV Data Access



¹ Yahoo Internal data, September 2022.

Thank you



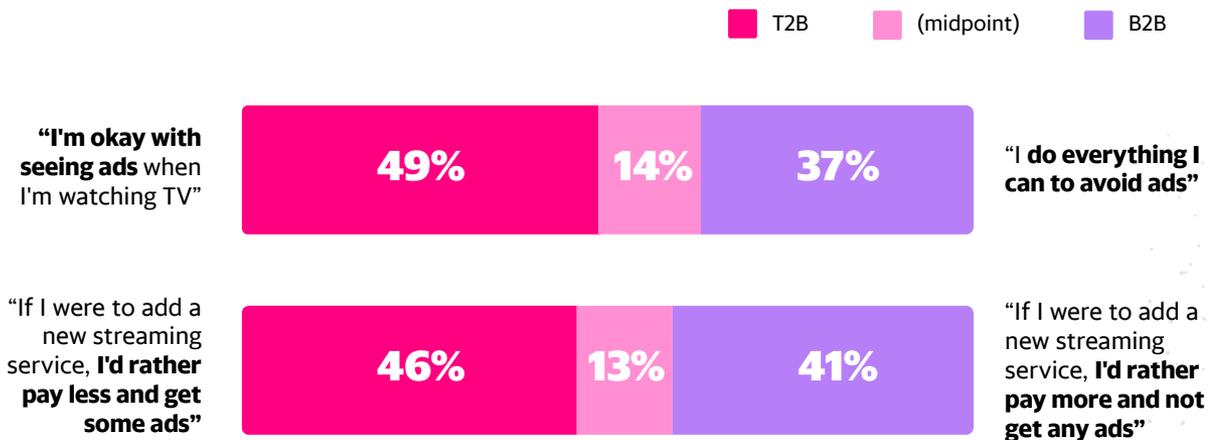
yahoo!

PUBLICIS
MEDIA

Appendix

Consumers recognize that advertisers make less expensive programming possible

AD SENTIMENT AMONG TOTAL (on a 5-point scale)



"I do everything I can to avoid ads"

"If I were to add a new streaming service, I'd rather pay more and not get any ads"

“

I am receptive to ads. I expect ads, especially when watching a free service. It's even fun sometimes – if the ads are right.”

–Emily, FAST

“

I don't mind ads, and I like not having to pay extra to avoid them. ...They're not something I'm actively avoiding at all costs – like some people.”

–Lindsee, vMVPD

“

..Somebody has to pay for it, so they have to add ads to support you.”

–Rich, Smart TV FAST Channel

Audio branding is critical in ads even as when consumers are not watching the ad, they listen



53%

say they **frequently** have TV on **in the background/ do other things while watching TV**

44%

say they **frequently** have TV on **throughout the day**

81%

agree that when TV is on in the background they still hear/listen to the audio

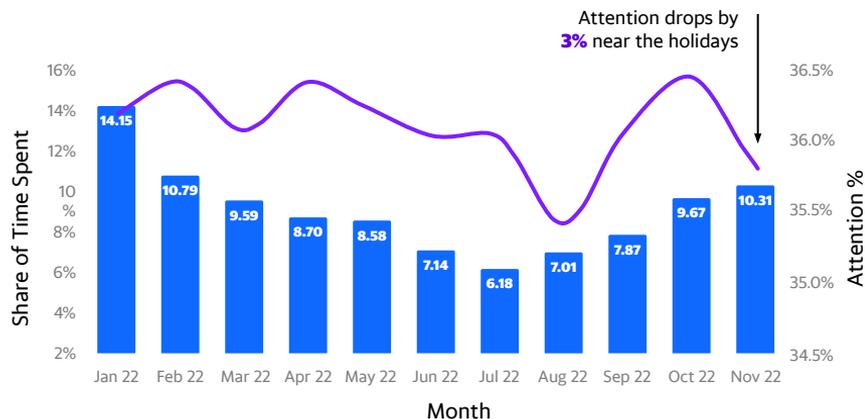


Seasonality is not as impactful on CTV where time spent is sustained

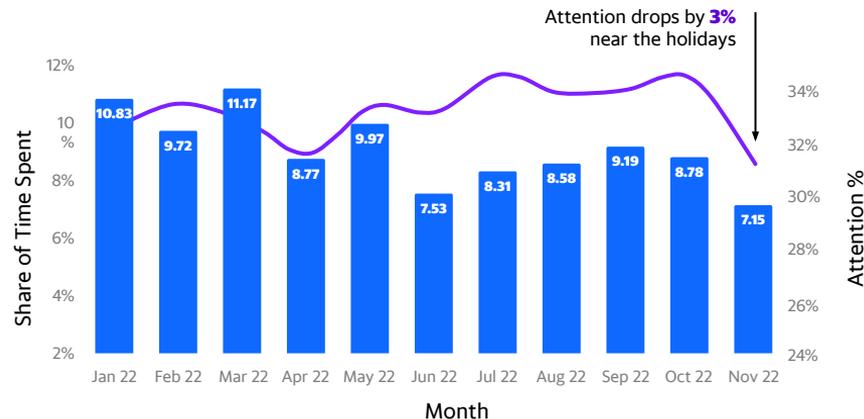


Drivers: Time of Year

LINEAR ADS - TIME OF YEAR



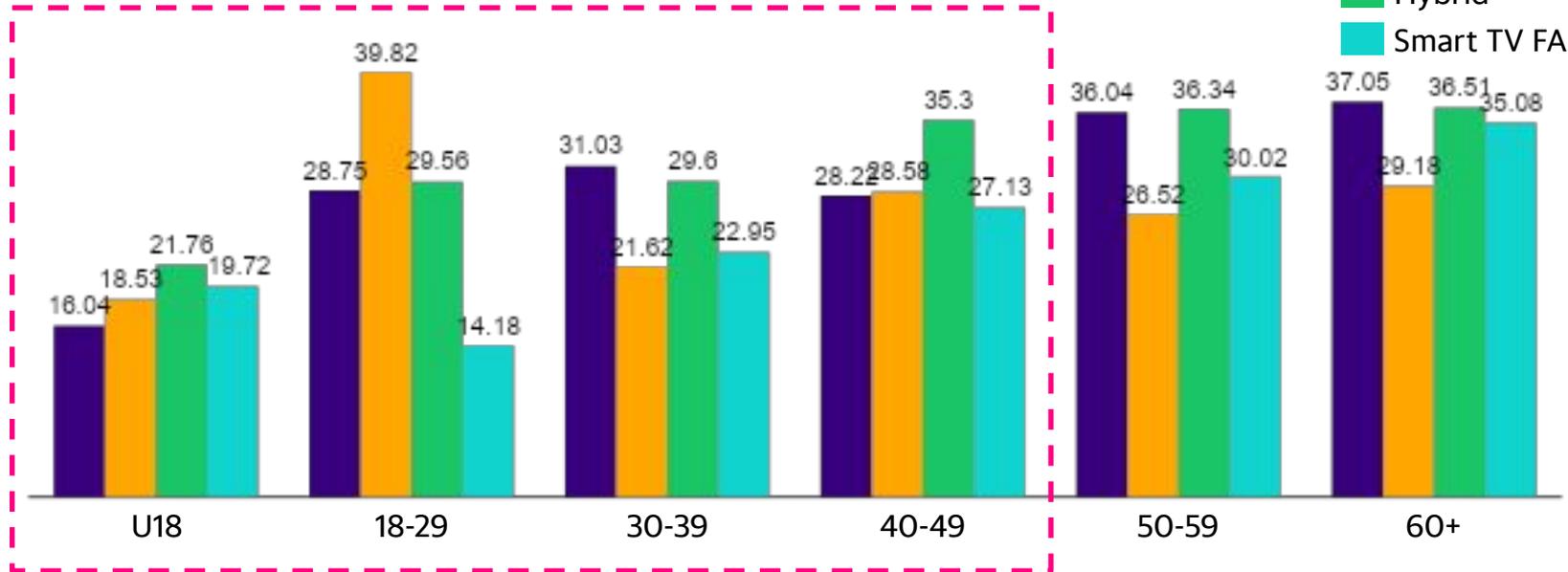
CTV ADS - TIME OF YEAR



— Attention % ■ Share of Time Spent

Younger viewers are more attentive to ads in environments they spend more time with

Attention % - The percentage of ad impressions where a viewer was watching the TV screen for two or more seconds.

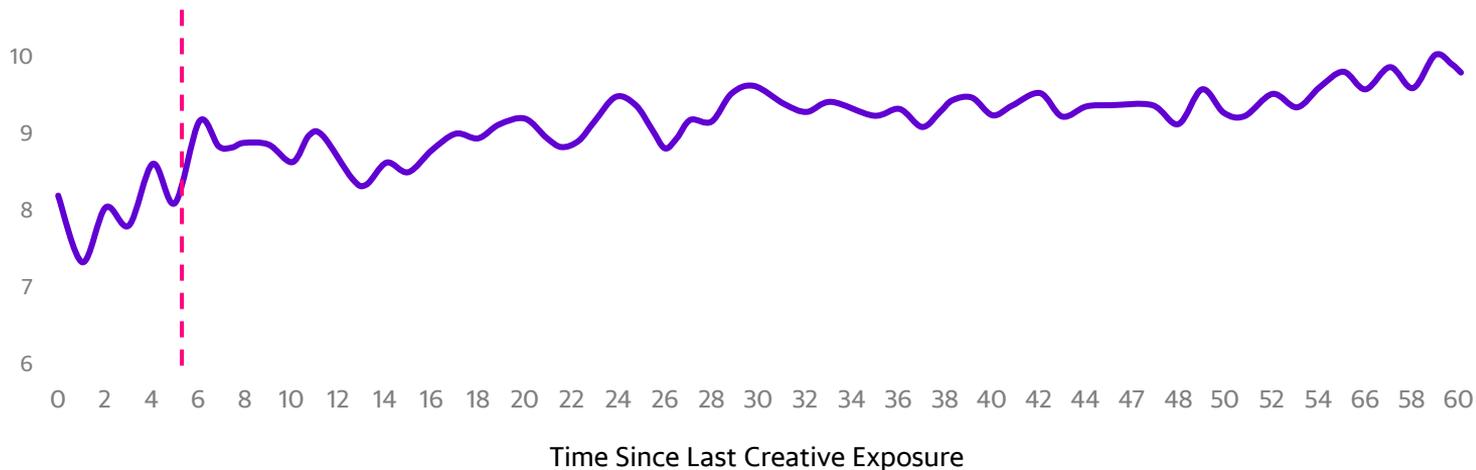


Repetition causes attention to plummet

Attention drops when viewers are exposed to the same ad within two minutes, and remains lowered for ads aired less than 5 minutes apart



AD ATTENTION (IN SECONDS) VS. TIME SINCE LAST EXPOSURE



Genres that garner attention differ by age, with crime-related and comedic shows most likely to appear in the top three for multiple age categories



Top Genres for Attention

	1	2	3
Under 18	Family	Documentary	Comedy
18 - 29	Other	Reality	Comedy
30 - 39	Crime	Reality	Documentary
40 - 49	Horror / Mystery	Politics / Government	Crime
50 - 59	Crime Drama	Comedy	Family
60+	Crime Drama	Game Show	Cooking

Attention is influenced by many factors

1

Optimize through Creative

Creative is key. Humor, music, storytelling, casting, and other creative choices enhance viewers' ad experience - as does getting the brand name out early. Audio branding is especially critical in low attention environments.

2

Optimize through Audience

Attention increases with age.. Audiences tune to different applications, so depending on your target look to air ads on applications and application types where they are most engaged., with younger viewers on Hybrid. Align with shorter pod durations for covieing.

3

Optimize through Content

Audiences lean into to different genres. Understand where your audience is tuning and target those environments. Contextual relevance can help get twice as much attention for your brands. Look to air ads in contextually relevant content.

4

Avoid Brand Burnout

Frequency & Recency matter. Creatives can be kept in market longer to maximize attention (6 - 10 exposures), but avoid brand burnout by optimizing gap time (12 - 24 hours). Utilize sequential storytelling to avoid repetivness.

Creative Best Practices

Creative execution is a key ingredient driving consumers' ad receptiveness and response

1 **Get the brand name out early**

Few ads retain attention through the end. Don't keep viewers in suspense about the brand being advertised – they'll walk away before you make an impression (especially if they're under 60).

2 **Audio Branding is critical in low attention environments**

Bring back the jingle. Music is a favorite aspect of advertising for many, and can work for advertisers even when eyes aren't on screen.

3 **Make them laugh or make them care – or both**

Consumers are particularly receptive to funny ads, and to ads that tap into what they care about – whether that's celebrities, causes, or the content that draws them in, from cooking to crime.

4 **Use your context**

Utilize elements in the programming your audience is tuning in to – such as actors and sports personalities, topics, or even tone. They like what they like – give them more of that.

Avoid brand burnout



Mix in more creatives using Sequential Messaging

Consider adding a wider variety of creatives to your rotation to reduce the risk of repeat ad wear out. Sequential messaging, using storytelling across a creatives for the same brand helps with repetition issues.



Experiment with shorter ad lengths

Attention conversion is more sustained for shorter ads and mixing lengths help avoid burn out. Try adding some 15-second ads to your mix.



Work with platforms to limit frequency

If the same ad is being distributed through multiple partners, frequency caps can reduce the chance of customers seeing it back-to-back.



Consolidate

Consider moving inventory to one DSP to avoid ad wear out

Since the problem of repeat airings has yet to be fixed, here are a few quick tips for marketers looking to make the most of their CTV spend.



TVision Metric Dictionary

Metric	Definition
Share of Time Spent	Represents the share of seconds visible with the content tuned relative to the total time spent for the parameters.
Attention %	The percentage of ad impressions where a viewer was watching the TV screen for two or more seconds.
Attention Time	The average amount of time per attentive impression where a viewer was watching the TV screen.
Attention Conversion	Indicates how well a commercial draws attention in relation to the length of the commercial.
Viewability %	The percentage of ad impressions where a viewer was in the room for two or more seconds.
In-View Time	The average amount of time per viewable impression where a viewer was in the room.
Co-Viewing %	The percentage of ad impressions where two or more viewers were in the room together for two or more seconds.
Age Band Share Index	The Age Band Share Index represents the age band's exposure share by application type relative to the avg age band exposure share, displayed as an index.