It’s All in the Delivery

How repeating ads affect CTV viewers, brands & platforms
For the first time ever, streaming has taken over cable and broadcast

Source: Nielsen; The Gauge: Total TV and Streaming Snapshot July 2022

- Streaming TV: 35%
- Broadcast TV: 22%
- Cable TV: 34%
- Other: 9%

Total Day Persons 2+
Streaming has challenges in programmatically delivering a TV-like ad experience.

Linear TV without repeating ads

Streaming TV with repeating ads
What impact, if any, do repeating ads on streaming TV have on brands, platforms, and viewers?
Quantifying the impact of repeating ads

Same total ad load for everyone; however, varying frequencies of exposure to test ad in sequential ad breaks.

AD DELIVERY

BRANDS

Platforms

Applebee's

new balance

Streaming TV
Methodology

RECRUITMENT

Weekly streaming viewers recruited from representative online panel
Sample size: 1,246*

STREAMING MEDIA EXPERIENCE

Participants watched TV show of their choice on their home Connected TV
Participants randomized to brand, as well as 1, 4 or 6 test ad exposures

MEASUREMENT

Participants took survey to provide feedback on viewing experience, as well as answer questions on brand KPIs

*Viewers answered questions for both test and control brands
What **brands** need to know about repeating ads
Oversaturation on streaming is the norm

87%

Of viewers say they see too much of the same ad
% Always/Often/Sometimes

Sample Size: N= 623
Q: Thinking more generally about your experiences in viewing TV content on streaming services (e.g., Netflix, Hulu, Peacock, etc.), how often do you see too much of the same ad?
Viewers think overexposure is intentional

83% Believe that repeating ads is intentional*

Net Score

68% Of streaming viewers believe it was the advertisers’ intention to repeat the ad

% Selected

Sample Size: N= 104
Question: Why do you think the ad played so many times throughout the TV episode?
*Net score of “the advertiser intended it to be this way” and “the streaming service intended it to be this way”
Yes, repeating ads make brands stand out

Unaided Ad Recall – First Mention

64%

1 Ad Exposure in Viewing Session (A)

85%

4 Ad Exposures in Viewing Session (B)

92%\(^{AB}\)

6 Ad Exposures in Viewing Session (C)

Nearly everyone recalls the advertising brand

Total Audience: 1 Ad Exposure Exposed N=214; 4 Ad Exposures Exposed N=199; 6 Ad Exposures Exposed N=210

A/B/C = statistical difference between A/B/C at ≥90% confidence
But ad overexposures aren’t standing out for the right reasons.

Ad Perceptions Based on # of Exposures Indexed to Average

<table>
<thead>
<tr>
<th>The ad was...</th>
<th>1 Ad Exposure</th>
<th>4 Ad Exposures</th>
<th>6 Ad Exposures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annoying</td>
<td>48</td>
<td>104</td>
<td>148</td>
</tr>
<tr>
<td>Disruptive to my overall experience</td>
<td>58</td>
<td>104</td>
<td>133</td>
</tr>
<tr>
<td>Something I wouldn’t mind seeing</td>
<td>100</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>again</td>
<td>85</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Audience: 1 Ad Exposure Exposed N= 214; 4 Ad Exposures Exposed N=199; 6 Ad Exposures Exposed N=210

A/B/C = statistical difference between A/B/C at ≥90% confidence
Meanwhile, interest in brands wanes with repeating ad exposures

Brand Attributes
% Strongly Agree

- Is a brand that knows how to connect with me
  - Loss of Interest: Viewers’ perceptions of the brand hampered
  - Total Audience: 1 Ad Exposure Exposed N= 214; 4 Ad Exposures Exposed N=199; 6 Ad Exposures Exposed N=210

- Is a brand that excites me
  - Loss of Interest: Viewers’ perceptions of the brand hampered

A/B/C = statistical difference between A/B/C at ≥90% confidence

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Repeating ads erode purchase intent

Purchase Intent
% Very/Somewhat Likely

1 Ad Exposure in Viewing Session (A) 57%BC
4 Ad Exposures in Viewing Session (B) 53%
6 Ad Exposures in Viewing Session (C) 49%

16% DECLINE
In viewers’ intent to purchase the brand

Exposed Percentage Only
Total Audience: 1 Ad Exposure Exposed N=214; 4 Ad Exposures Exposed N=199; 6 Ad Exposures Exposed N=210
A/B/C = statistical difference between A/B/C at ≥90% confidence
Viewers are acutely aware of the disruption created by repeating ads

Viewer experiences with repeating ads within viewing session

“It mostly felt disruptive due to the number of times it played.”

“It was repeated many times throughout the episode.”

“The ad itself is fine, having to watch it four times was the annoyance.”

“Every single commercial break featured the same [ad] commercial, and it made the experience of watching this episode a very bad one!”

“Too repetitive and made me not want to keep seeing it.”

Q: What impact, if any, did the ad have on your viewing experience?
Open-end survey responses
MOST BLAME BRANDS
When they see repeating ads on streaming TV

36% ARE LESS OPEN
To seeing the ad again

BRANDS ARE PAYING FOR 16% DECLINE
In intent to purchase the brand

ADVERTISERS
Should avoid repeating ads
What **platforms** need to know about repeating ads
Streaming platforms are also held accountable for repeating ads

44%

Of CTV viewers believe that streaming services intended to repeat the ad

Total Audience: N=104
Q: Why do you think the ad played so many times throughout the TV episode?
Too many ad exposures has consequences

Specific actions viewers will take
% Very/Somewhat Likely

- Try to find another streaming service that offers the same show/movie: 43%
- Have a less favorable opinion of the streaming service: 35%
- Recommend against the streaming service: 27%
- Stop watching the streaming service: 20%
- Terminate their subscription with the streaming service: 19%

Streaming viewers will...

Will take action in response to repeating ads (net score) 51%

4 Ad Exposures, 6 Ad Exposures N = 409

Q. Thinking about your ad experience today, if you regularly had similar ad experiences with a streaming service (e.g., FreeVee, Hulu, Netflix, Peacock, etc.), how likely are you to do the following?

*Net score of "Recommend against streaming service", "Terminate the streaming service", "Stop watching streaming service", and "Find another streaming service"
If viewers had it their way, most would want all their ads upfront

Ad formats preferred by streaming viewers

60%
A long ad break before the show started, with the rest of the TV show uninterrupted by ads

34%
Shorter ad breaks during the TV show

Sample Size: N = 623
Q: If you had control over the way that ads appear in TV shows, what would be your preference?
NEARLY HALF BLAME PLATFORMS
When they see repeating ads on streaming TV

51% WILL TAKE ACTION
Against the platform if they had a similar viewing experience in real life

MOST WANT LESS INTERRUPTIONS
From ads during their viewing experience

PLATFORMS
Should avoid repeating ads
Industry calls-to-action

1. **Broadcasters/Publishers**

   **Provide a better ad experience for viewers**
   by ensuring your ad server is built for the complexities and nuances of streaming and is equipped to make real-time frequency capping decisions from all demand sources (e.g., programmatic, direct, etc.).

2. **Advertisers**

   **Be inquisitive**—whether buying direct or programmatically, ask your publisher and programmatic partners how your ads are served so that you can ensure that they are delivered in the best way possible. Work with partners that use ad servers purpose-built for streaming that are capable of decisioning based on the rules you’ve put in place (frequency capping, competitive separation, etc.).
Thank you