



# Connected TV & Advertising: *Current Trends & the Path Forward*

10th HbbTV Symposium

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Prepared for



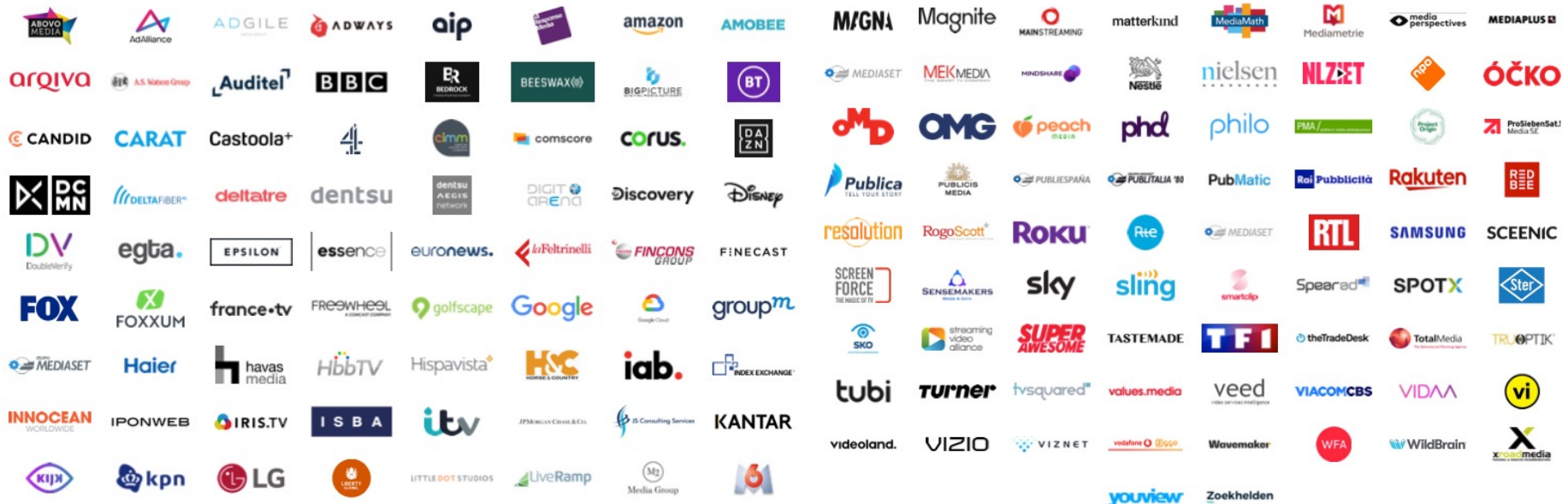
The European Connected TV Initiative, led by Jon Watts (Project X Institute) and Mary Ann Halford (Altman Solon) recently released an extensive study of the CTV advertising ecosystem in Europe



Over 18 months in 2020 and 2021 we “zoomed” across Europe!



And held in-dept conversations with broadcasters, agencies, CTV manufactures, Pay TV providers, ad tech providers, and trade bodies like egta, IAB Europe and HbbTV to discuss



## What practical steps should the industry take to unlock the full potential of the CTV advertising ecosystem in Europe?

# Before each seminar, we aligned on a definition of CTV

A **Connected Television**, commonly known as **connected TV** or **CTV** for short, is a TV set where people can watch **content through an internet connection**. CTV providers come in different colors:

## Smart TV's



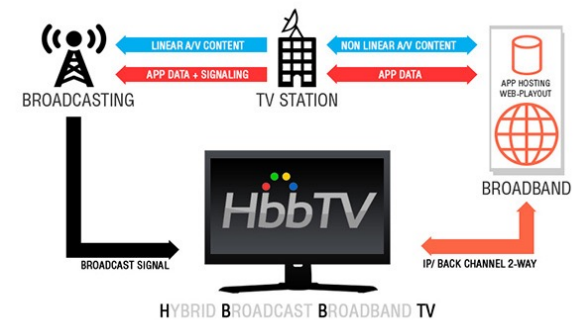
*Example: LG OLED C2 Smart TV*

## Streaming Devices



*Examples: Google Chromecast, Roku, Amazon Fire TV, Apple TV, Nvidia Shield TV*

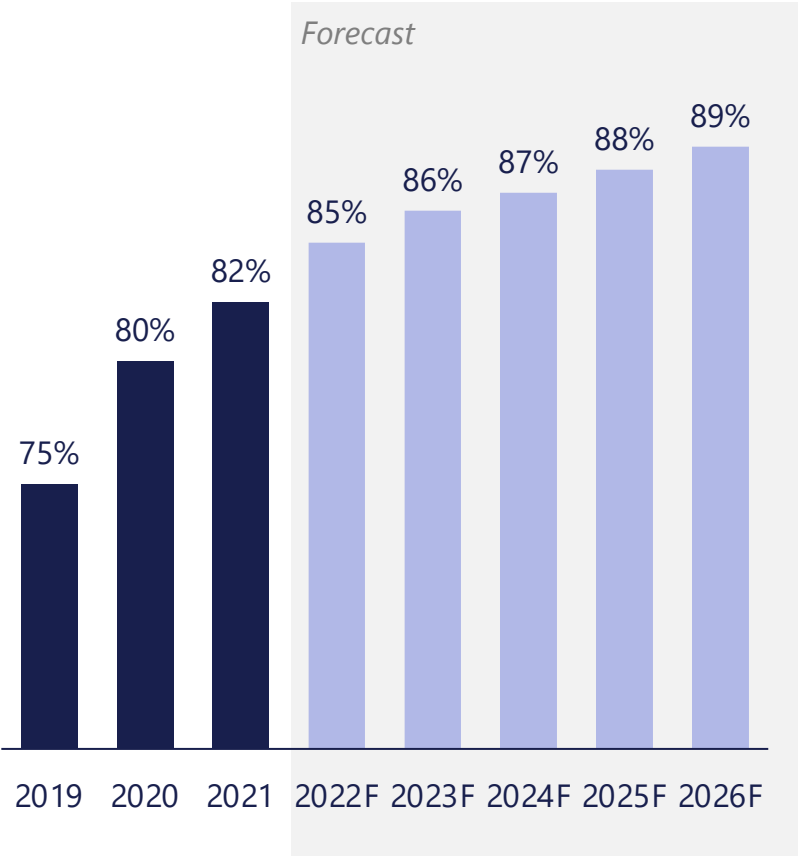
## HbbTV enabled Smart TV's



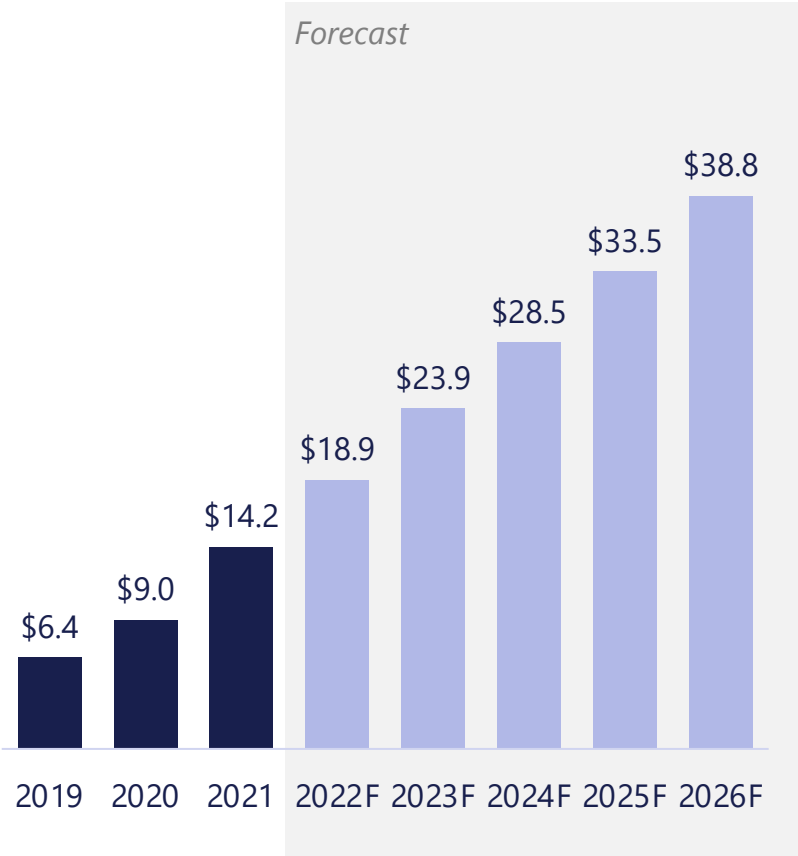
# Throughout our work, we monitored CTV's significant growth in the US, as a point of comparison with Europe

Actual  
Forecast

Connected TV Penetration  
% US Households, 2019-2026F



Connected TV Advertising Revenue  
US Ad Revenue, \$ Billions



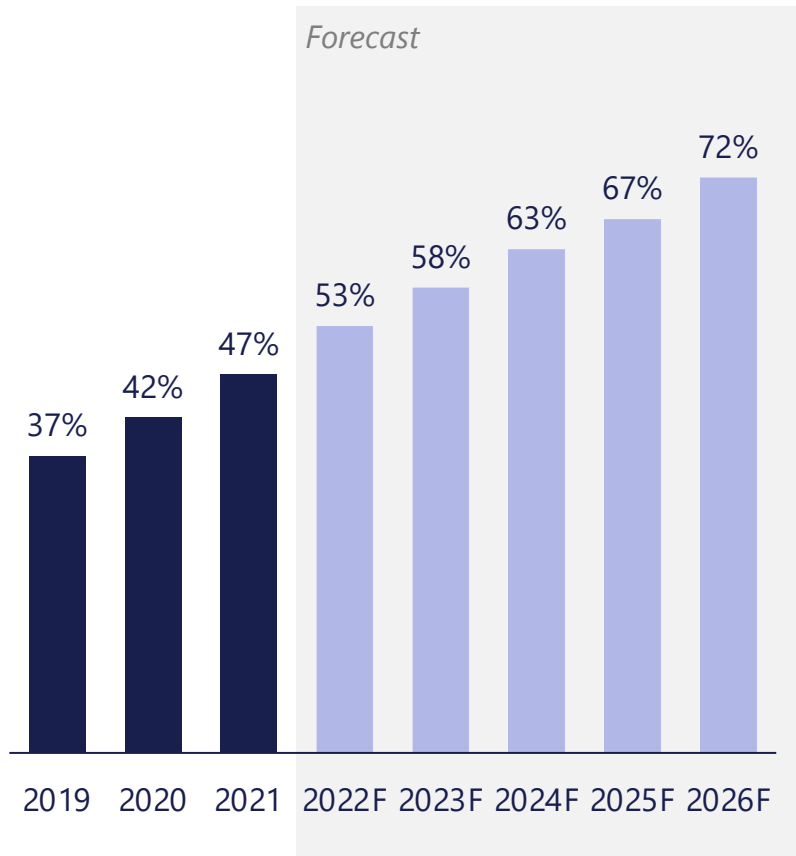
Sources: Insider Intelligence, Statista, Altman Solon Research & Analysis

# In Europe, CTV penetration is growing, but not as fast the US.

Actual  
Forecast

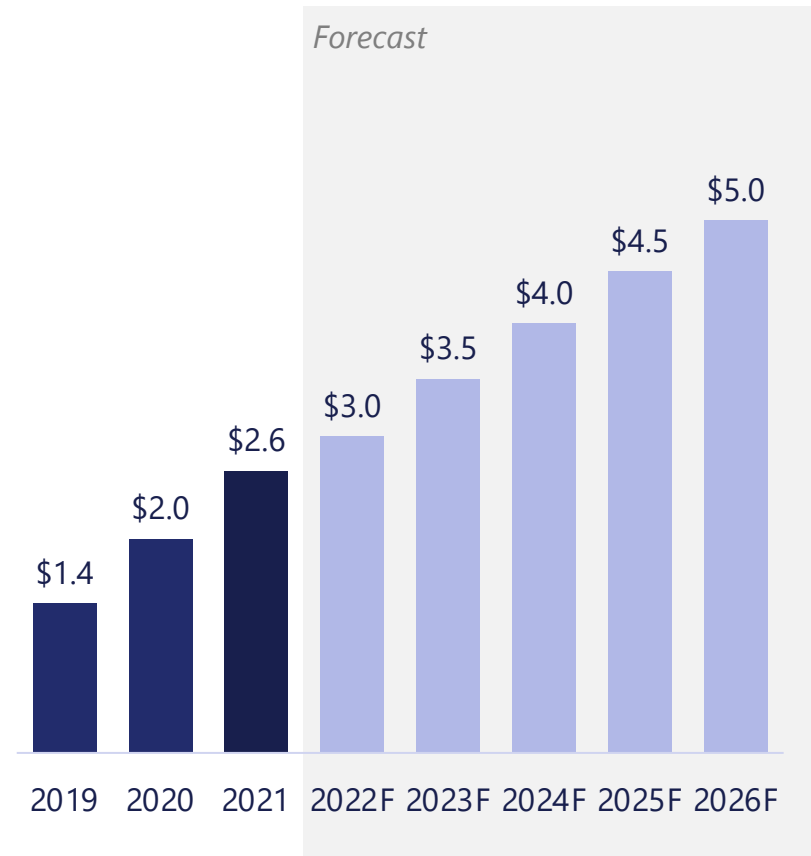
## Connected TV Penetration

UK + EU, % of Households, 2019-2026 F



## Connected TV Advertising Revenue

UK + EU, \$ US Billions



Sources: Statista, Strategy Analytics, Altman Solon Research and Analysis

# CTV growth in Europe is experiencing headwinds unique to the European market

- **Strong and affordable pay TV presence** results in limited CTV scale in many European markets
- Outside of the TV sales houses in each market, the supply of **premium CTV video inventory is limited**, albeit growing
- Significant **data challenges**, including GDPR, targeting value and fusions with JIC panels
- **Broadcaster concerns** about DSP's and the value of the programmatic supply chain.
- **Commercial relationships between CTV OEMs and broadcasters** are complex and under-developed. They also differ on a country-by-country basis
- Growing FAST presence, **but not at the same scale as in the US**
- **Differences in structure, language, culture, and dynamics** between European countries

Based on our deep-dive seminars across five countries, we also had further insights

- In **France**, CTV advertising is **lagging behind the development of targeted advertising on IPTV platforms** (which has significant penetration in France).
- In **Germany**, the leading broadcasters, **RTL and ProSieben have been advocating the development of CTV advertising** leveraging the HbbTV standard. In addition, there is growing consumption of AVOD services on CTV's.
- In **Italy**, smart TV and CTV penetration is lagging behind other European markets; at the same time, **Mediaset has been a pioneer in developing CTV advertising leveraging the HbbTV standard**, in partnership with Fincons.
- In the **Netherlands**, the CTV ecosystem is **lagging due to the country's high pay-TV penetration and consumption**
- In the **United Kingdom**, the CTV ecosystem has **been buoyed by the participation of the broadcasters like ITV and Channel 4, and CTV platforms like Roku and Samsung.**



In markets where there has been growth in HbbTV-enabled TV sets, CTV advertising is growing!

***HbbTV provides great benefits to broadcasters:***

- With HbbTV, **broadcasters have a direct relationship with their viewers**; no CTV or pay-TV platform is intermediating the relationship
- HbbTV **enables broadcasters to secure unique datasets**, which in turn enables them to **personalize advertising and programming offers**. These datasets can also be very useful in developing **proprietary device graphing**
- The viewer can enjoy a much **more robust entertainment experience** due to the Red Button discovery and **advanced playback controls**
- **Broadcasters** are leveraging HbbTV to **deliver linear addressable advertising**

And when we talk about markets where advancing HbbTV advertising capabilities is a priority, we are definitely talking **about Germany and Italy.**

In Germany, d-force is expanding the aggregation of *total video* advertising to include CTV as a source of inventory



- A joint venture between ProSiebenSat.1, Media SE and RTL Deutschland focusing on developing existing technologies for addressable TV based on open standards, such as HbbTV
- d-force is enabling easy planning with addressable TV inventories across all channels, including CTV
- Through d-force's Active Agent booking platform, advertisers can book 20-second addressable TV spots during commercial breaks on linear TV channels operated by RTL und ProSiebenSat.1. The Active Agent Solution is based on the HbbTV standard

# In Italy, Mediaset through its Ad Sales House, Publitalia '80 has been selling CTV advertising leveraging HbbTV



**AD+ PLUS** Formati Pubblicitari Addressable  
Specifiche tecniche banner e siti TV

**BANNER PER CALL TO ACTION (CTA)**  
I banner possono essere di tre tipologie: Corner, Stripe, L-shape

**Esempio di Banner Corner UL**  
Le hbb TV a colori. Premi OK e apri i negozi. Primo assoluti.

**Esempio di percorso visivo**  
1, 2, 3

Utilizzare uno sfondo unico e omogeneo, evitare di dividere lo sfondo in sezioni

Focalizzarsi su un obiettivo di marketing chiaro (non sovrapporre branding, concorsi a premi, coupon). Di seguito una creatività che risulta efficace in termini di interazione e messaggio.

- Publitalia '80 has helped media planners effectively reach viewers by intelligently serving advertisements based on viewer habits
- Leveraging the HbbTV standard, provides dynamic ad insertion to be delivered over, and, in addition to, streaming content
- Has proved it can expand advertising reach by as much as 5 percentage points
- We expect that CTV advertising via HbbTV will grow in Italy given the coming broadcasting standards change in Italy that the government is subsidizing.

There are also major initiatives by European broadcasters and organizations to enable the CTV market for further growth

## Regional Initiatives



## Broadcasters



## Measurement & Tech Players



IPONWEB



# ITV's Planet V has empowered the UK market to better understand the accessibility and impact of CTV advertising

A screenshot of the Planet V website. The top section is titled 'Why advertisers should use Planet V' and includes a circular image of a group of people on a red carpet. Below this, there are three statistics: '30m Registered Users', '400+ Targeting Options', and '100% Premium Content'. The middle section is titled 'Extending Linear' and features a circular image of a couple. The bottom section is titled 'How to complement your linear TV campaigns' and contains four blue boxes with white text: 'Registered TV Audiences', 'Cover Plus', 'Takeover', and 'Viewer Habits'.

**Why advertisers should use Planet V**

Automated, accessible, simple to use, configurable - Planet V has been designed by and for the TV industry to deliver against your distinct needs and objectives. Handpick the targeting options best suited to you and build your brand with reach, impact and relevance.

**30m**  
Registered Users

**400+**  
Targeting Options

**100%**  
Premium Content

**Extending Linear**

Activate beyond the TV screen. Boost your linear campaigns by bringing digital video inventory into the mix.

**How to complement your linear TV campaigns**

- Registered TV Audiences**  
Using highly accurate first-party data, create target audiences such as age and gender demographic segments.
- Cover Plus**  
Extend your TV coverage by mirroring your linear campaign schedule in our online environments.
- Takeover**  
Create advertising backdrops as prime digital pre-roll ads for a designated time.
- Viewer Habits**  
Focus on the way they watch, not what they watch - from box-setters to light viewers.

- ITV is integrating ad inventory for CTV into unified campaigns through Planet V
- Planet V empowers agencies and advertisers to apply their unique understanding of their audiences to their premium video buys
- Planet V technology enables the surfacing of additive premium video inventory, and facilitates addressable linear TV on a self-serve platform with customizable options for efficient integration
- Planet V will also be expanding its CTV capabilities through the current launch of ITVX this December

# Through Sky Glass, Sky has built and developed its own CTV platform

sky

glass



- Sky Glass is a proprietary “smarter TV” that combines both traditional TV and modern Smart TV into a single package
- The combination of traditional TV and streaming creates a unique value proposition to advertisers to launch advertising campaigns across multiple channels
- Sky also offers “Sky Stream Puck,” that enables other TV’s to connect to the Sky Glass TV, and stream the same content

# To unlock the full potential of CTV advertising in Europe, the Connected TV Initiative proposed a set of priorities

- Agree on a set of **common definitions and principles for measurement** across all content and inventory on CTVs
- Commit to the development of a **more transparent and integrated CTV advertising supply chain**
- Proactively **lean into collaborative arrangements and standards** that can help to simplify the delivery of addressable campaigns across a fragmented device ecosystem
- Ensure that programmatic platforms and supply chains are **standardized, transparent, and interoperable**
- **Forge constructive working arrangements with CTV/CEM manufacturers** to ensure a future that benefits content distributors, CTV manufacturers, advertiser and most importantly – the viewers!





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