



WHY CTV REIGNS SUPREME IN THE ATTENTION ECONOMY

SHOWHEROES

Introduction

As CTV becomes an integral part of the way audiences watch TV, it's increasingly important to understand how users are interacting with this relatively new platform. Video has long been a key medium for communicating a brand's story and message, and **CTV has become the perfect place to combine the big screen and high impact of TV**, with more measurable digital channels. However, there has been a lack of research into exactly how the user experience and user behaviour manifests in front of the CTV screen.

Attention is also becoming a key metric through which to assess the impact of your advertising campaign, which is why we wanted to fully understand **user attention in CTV** and how this compares to viewing on both linear TV and other platforms such as social video.

Why do users choose CTV? How do they discover content and **how will their usage change** as subscription fatigue builds? These are some of the questions that ShowHeroes is looking to answer.



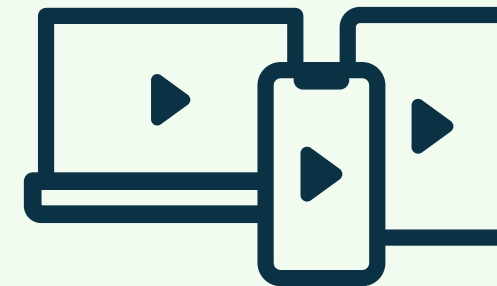
What **better way to explore this** than to literally see the experience through the users' own eyes?

By **Sarah Lewis**,
Global Director CTV, ShowHeroes

CTV DEFINITION

OVER-THE-TOP CONTENT

Device-independent linear or non-linear video/audio content
Live streams or media libraries
Distributed directly to viewers over the Internet



**Desktop, Mobile,
Tablets**

CONNECTED TV



**Smart TVs, Streaming devices,
Gaming consoles**

Specific TV-screen-like devices within the group of OTT-compatible hardware

Smart TV, gaming console,
set-top box

Methodology

ShowHeroes commissioned **COG Research**, an independent market research agency, to conduct this study. COG's methodologies are designed to reveal insights regarding brands, communications, media and consumer behaviour at a subconscious as well as a conscious level.

The research was divided into two phases. The first part focused on measuring the attention and engagement using the Tobii glasses and EDR response tracking, followed by in-depth interviews with the same participants. In order to prove and expand on the Phase 1 results, we also conducted a quantitative survey across 7 European markets.



PHASE 1: EYE-TRACKING AND ELECTRODERMAL RESPONSIVENESS

We needed to observe unconscious behavior in front of the screen to fully understand the user experience and also because users tend to under-report their susceptibility to advertising.

We asked 30 people in the UK, all users of CTV, to take part in an at home study to ensure the most natural habit possible.

For this study, we utilised state of the art Tobii eye tracking glasses and eSense EDR sensors to track and analyse the attention of the users, as well as their brain activity to measure focus and engagement. The Tobii glasses are the latest generation and are highly accurate and stable, giving a clear sense of where each subject is looking over a prolonged test, without being distracting to the wearer.

The kit also included a tablet and calibration chart that we used to ensure each respondent is perfectly calibrated before the test starts, which is critical to ensure accuracy.

Eye movement and skin conductance were recorded during this test, which was then later analysed by COG.

PHASE 1.2: A DEEPER DIVE

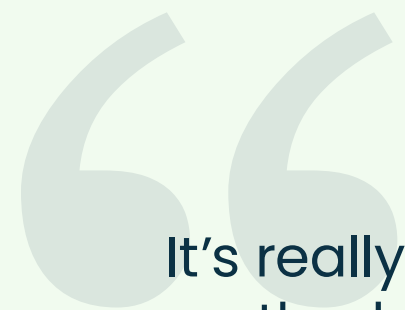
To further investigate the user experience and thoughts on their own behavior we conducted qualitative interviews with 20 research participants. Using footage of their own watching behavior (taken by the Tobii glasses) we asked them to watch and comment on their thoughts and behavior.

PHASE 2: QUANTITATIVE ANALYSIS

In order to quantify and expand on the results from Phase 1, a quantitative survey was conducted with CTV users across 7 markets. The target group was 300 users per market: France, Germany, Italy, Spain, Austria, The Netherlands and the UK, aged 18 years and older.

Methodology

ELECTRODERMAL RESPONSE AND EYE-TRACKING METHODOLOGY WAS DEvised BY PROFESSOR AMANDA ELLISON FROM DURHAM UNIVERSITY.



It's really important to use both of those methodologies together because if you know what people are looking at, that's important, but you don't actually know anything about how engaged they are. So you need this extra level of arousal, which is what Electrodermal Response tracking gives you. **It tells you how engaged people are or if indeed they're not engaged or if they're overloaded by what it is that they are watching.** So that's really important. It tells you something about all of the unconscious processes that are happening inside of your body.

If you have high levels of arousal and also you know that they are focused on a particular part of the screen, you can take that as a proxy, that actually they are attending to what it is that they're looking at. Now, that's important because you need attention. It tells us a couple of things. It tells us about how people are processing information and whether or not information has been selected to be further processed in your brain.

We can't attend everything that our eyes fall on. We have to decide where our focus is. And we have a relatively small level of focus. So whilst things outside of that level of focus can attract our attention, our attention is focused on what it is that's happening in our central fixation point.

There are lots of different ways in which you can view and take in content from your visual world. But putting together what it is that we're looking at, together with our physiological response and arousal status, gives us real insights into how it is we can present content that engages the viewer and leaves us in a position where we are much more likely to remember something that was presented to us throughout adverts. Those **implicit nudges actually do have an effect on decisions** that we make in the future.



Professor

Amanda Ellison,
Professor of Neuroscience,
Durham University

Key findings

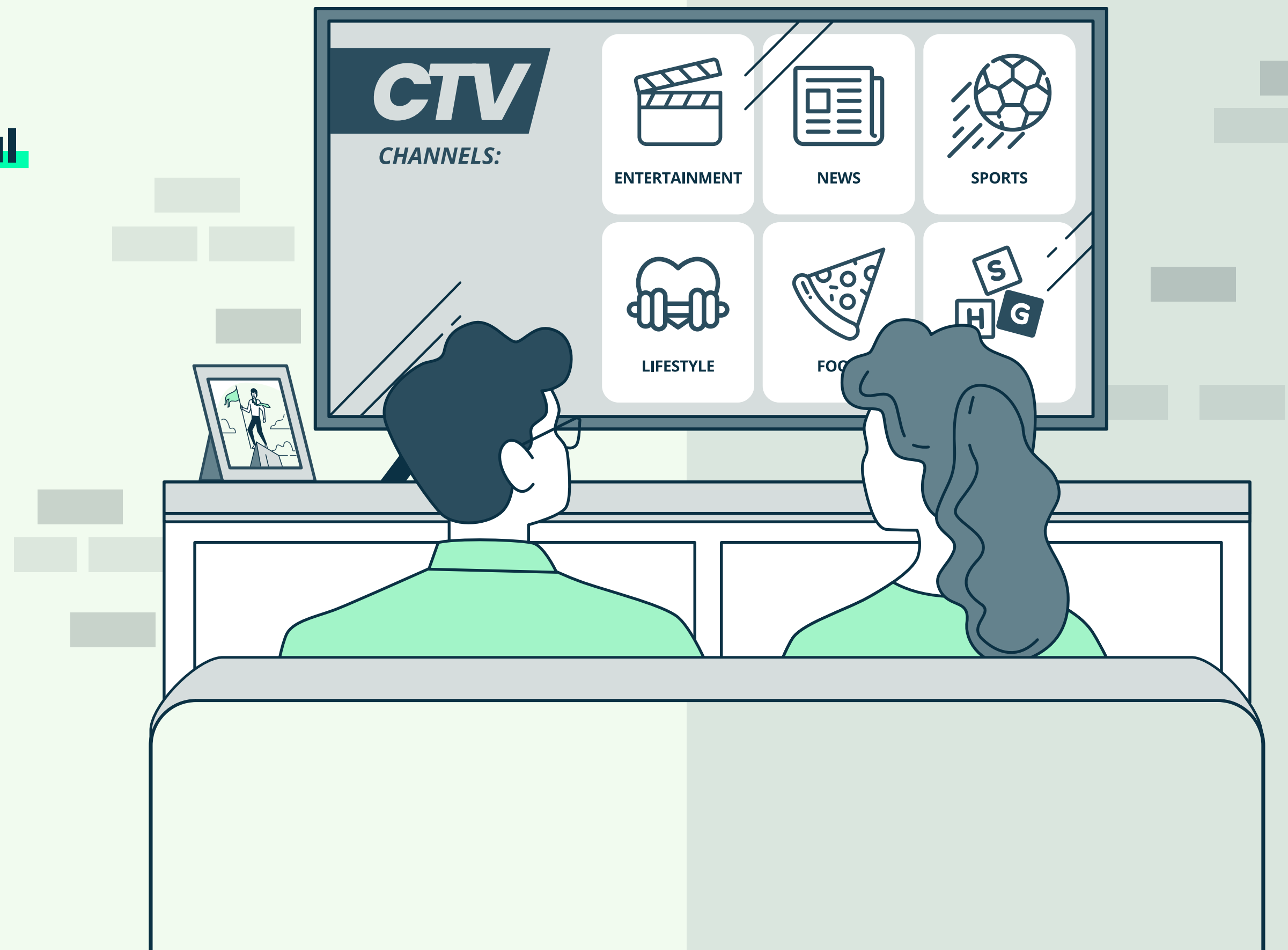
CTV is the preferred entertainment platform across **Europe with 80% of users preferring it to linear TV.**

CTV is an advertiser-friendly environment-viewers have **high engagement** and are in the **ideal mental state for remembering messages.**

We view CTV ads much more attentively than we realise, and far more than when we view ads on short form videos apps.

Viewers visit CTV apps first and **prefer the subscription-free** model.

Context is key: **67% of users** say they would **prefer to watch ads** that are relevant to the content they're watching.



Connected TV is popular across Europe

80% OF USERS PREFER CONNECTED TO LINEAR TV

Unsurprisingly CTV is a popular platform for content consumption, with user numbers increasing across Europe exponentially.

62% of users said they use **CTV because of the Flexibility** that it provides, with Range of Content and Ease of Use as other top reasons for cutting the cord.

AVOD IS POPULAR BECAUSE OF SUBSCRIPTION FATIGUE

With the launch of more and more SVOD services across Europe, subscription fatigue is building. Most users only had 2 subscriptions. **57% would prefer to watch ad supported free content** than to increase their monthly SVOD services. **42% of users stated** that their key reason for this was because they were **looking for value for money.**

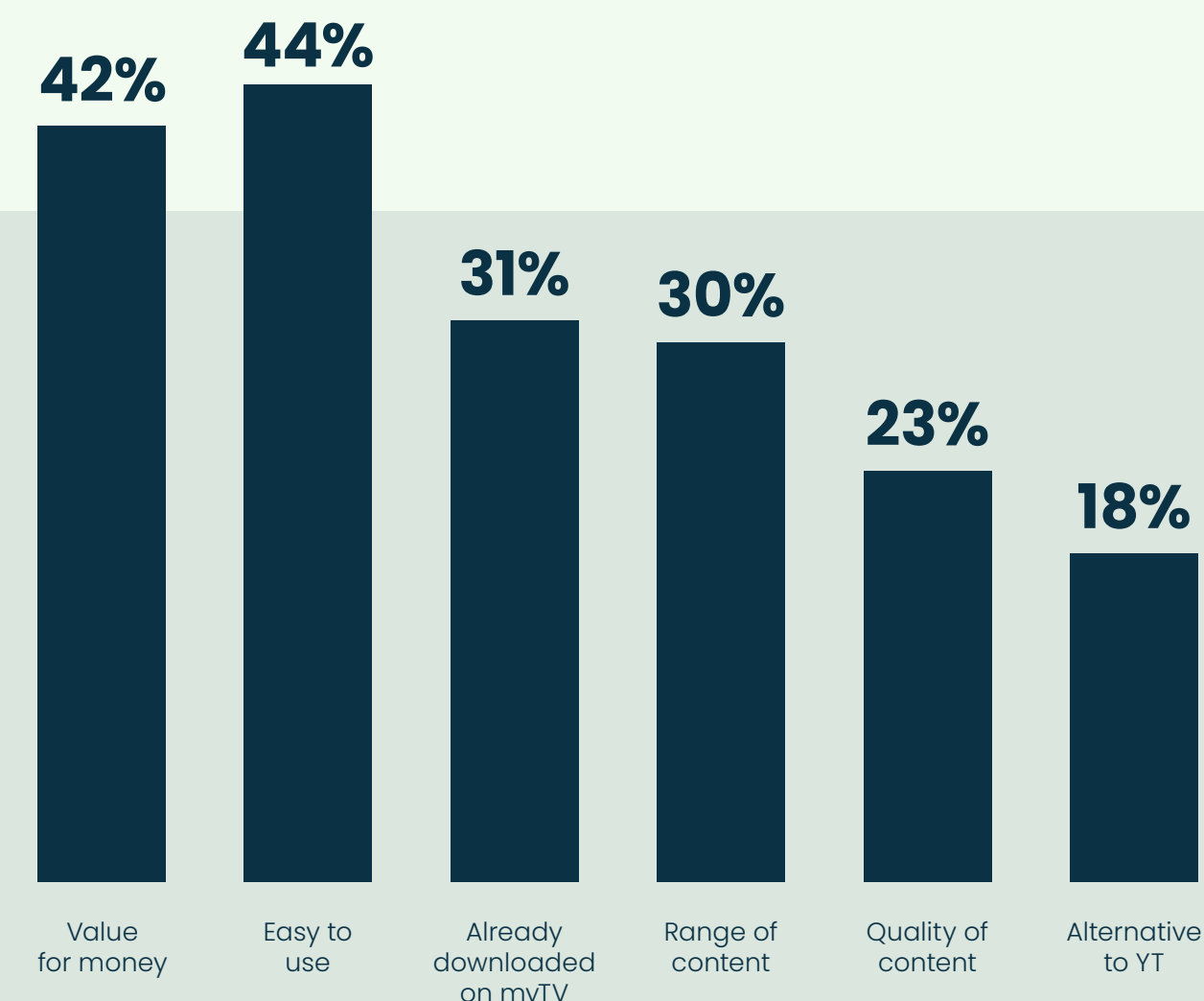
CTV ADVERTISING DRIVES ACTION

After watching advertising on CTV, users actively recall taking action. **43% of users had searched for a product** off the back of seeing an ad on CTV. 1/3 of users have visited an advertiser's website and 1 in 5 users have actively bought a product after seeing a CTV ad.

Context is also key. **67% of users would prefer to see ads that are relevant to the content** that they're watching.

“

I tend to go to it first now, as I know there will be something I want to watch right now (F 40-50).



“

I used to use Netflix and Amazon more but now I often go to Rakuten or ITV hub – it is where I can find stuff I want (F <30).

Connected TV attention paves the way for brand recall

User attention is rapidly becoming a precious commodity. In a world where we are bombarded from every direction and every platform, it's very easy for your message to get lost in the crowd. As a lean-back environment, CTV is already in a prime position to reach users in a relaxed but engaged mindframe.

Our research found that **CTV effectively captures user attention**, leading the way for your brand to be remembered. Actively observing users' attention is key to getting the full picture as users often underestimate their reaction to ads via surveys.

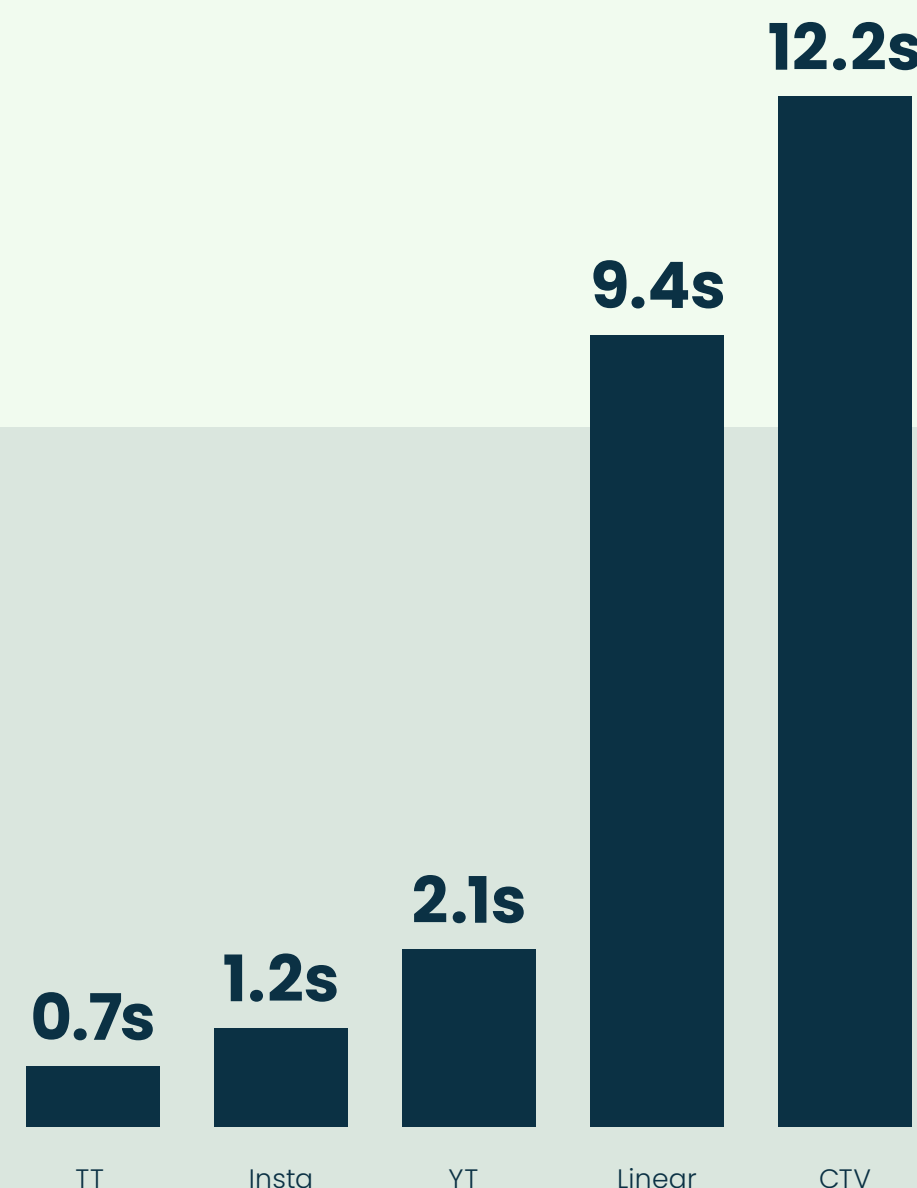
It's natural human behaviour for our attention to flicker between stimuli. Even when focusing on something in particular, **it's normal for our gaze to shift and look away momentarily**.

The time it takes before we do so, though, can indicate the depth of immersion in the medium currently holding our attention. We therefore looked at how long on average the participants attention was held on screen during the ad breaks before their gaze broke.

We found that **users stay fully attentive for much longer on CTV** when compared to linear TV, Youtube and other social video platforms. When watching content on CTV, users had attention on screen for 12.2 seconds before looking away. This is 2.8 seconds longer than on linear TV and a huge 5.8x the length of user attention paid to Youtube.

The reason for this is because of the high attention that users have on CTV content. Users are able to choose to watch what they want, when they want. As a result, we found that **attention on the CTV content was 82%**. This is, again, more attentive than on linear TV which was at 69% and far more attentive than when watching Youtube which was at 42%.

CTV has 73% user attention – higher than linear TV



“

I am surprised at how much attention I pay to the ads (M 40-50).

Attention combined with engagement hits the sweet spot

Attention is extremely important but to measure how advertising is really resonating with users we also need to look at their engagement whilst they're paying attention to screen. For this we measured the Electrodermal Response through the skin conductivity of the viewers. This helps us to categorise the current engagement state of the user into one of the below categories:

BRAIN STATE REFLECTS OUR ABILITY TO FOCUS AND REMEMBER



Low Attention:
unfocused and less likely to process memories



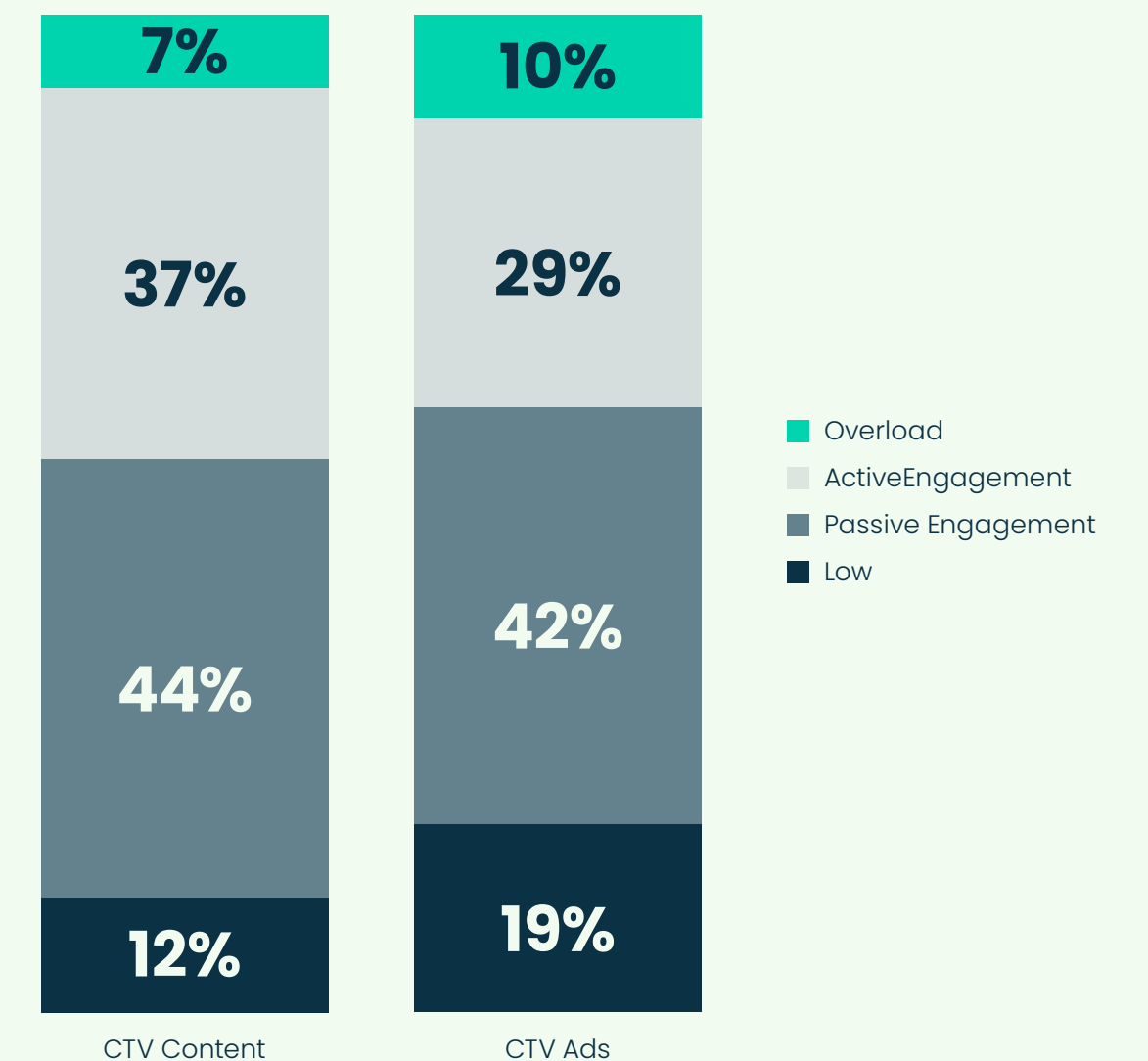
Engaged attention:
focused, relaxed and in most effective state for processing memories



Overload:
focus switching and brain prioritising immediate tasks.
Poor memory retention

DURING CTV AD BREAKS VIEWERS WERE IN THE ENGAGEMENT ZONE 71% OF THE TIME

This is **11% higher** than the time spent in the engagement zone when watching YouTube. CTV is often characterised as an SVOD dominant platform, but when we compared the engagement of CTV AVOD content watching to Netflix content watching we found that **users spent 5% less time** in the engagement zone than on AVOD CTV.



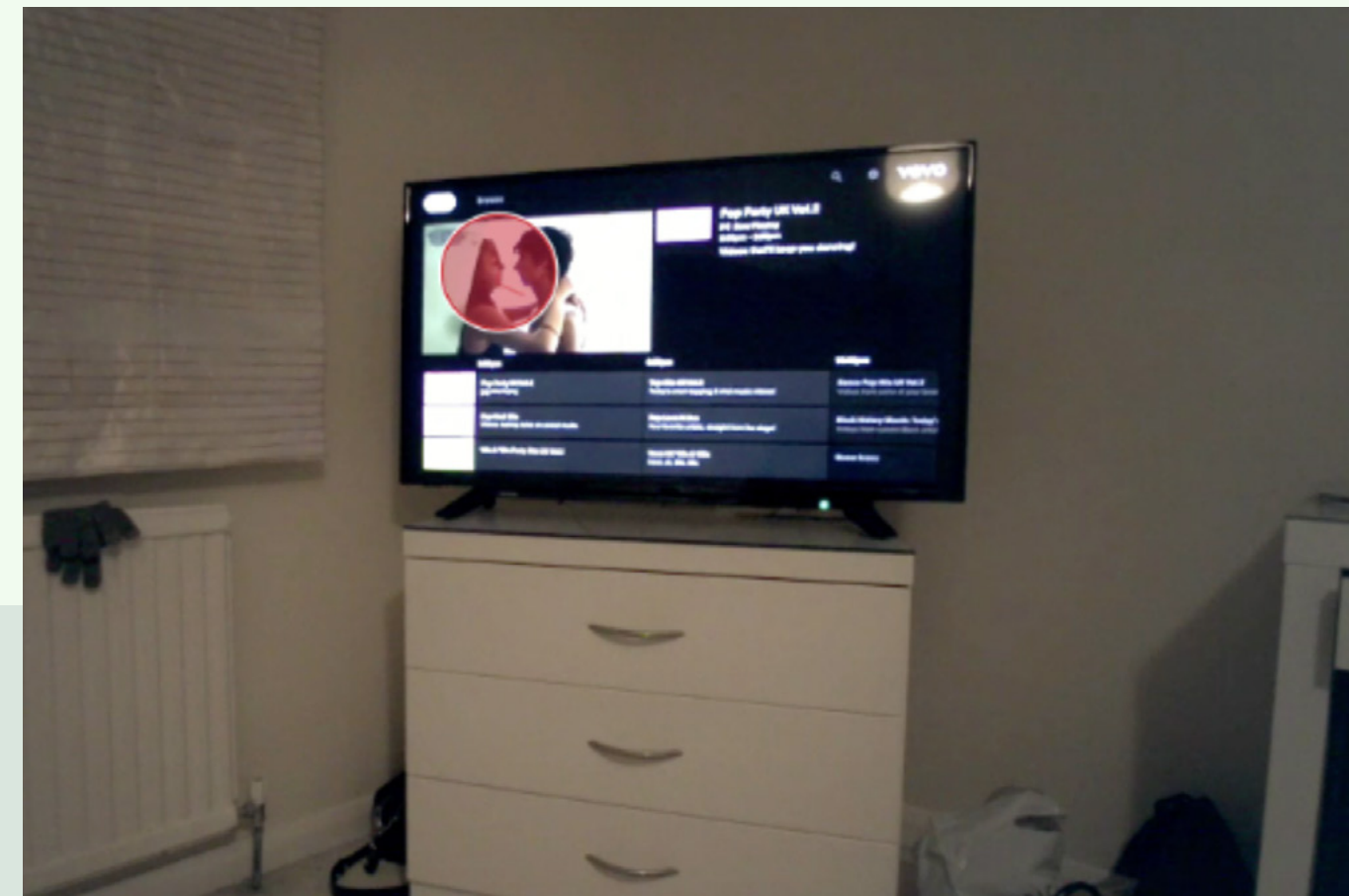
The optimal time to reach users with your advertising is therefore when users have both high attention and high engagement on screen. Users can absorb and therefore remember the advertising and message when in this mindset.

When we overlap the attention and engagement results, we can see that **CTV viewing is the best state for ad exposure**, with **51% of viewers'** time spent in this optimal state. This is **17% higher than linear TV** and **40% higher than when watching Youtube**.

CTV user behavior




In this example, the user is actually eating a meal whilst watching Connected TV, but still has full focus on screen. Despite distractions, the user's central fixation point is always on screen, aside from momentary breaks. We have found Connected TV shows and advertising have some of the highest engagement scores of any medium tested.



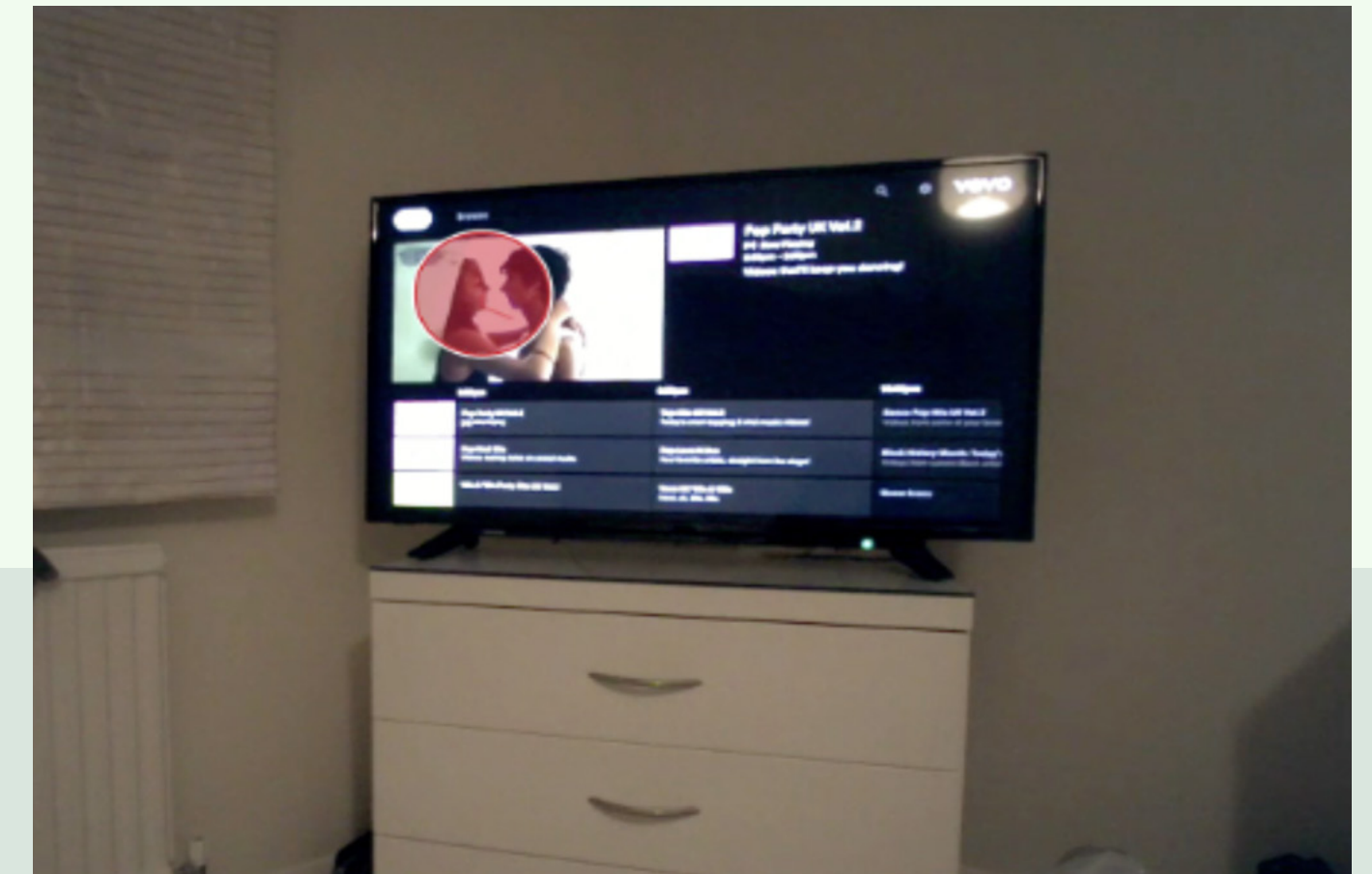
In this case the user had the content menu up on screen, but even with this as a potential distraction - as they could have changed to any other content option - their focus is still fully on the content.



In this video we can see the user transition from watching content to watching advertising. Their central fixation point remains on the screen and during the ad, we can see their attention focusing on the actual product being advertised.

 The red circle shows where the users' attention is focused. So we can see how long the user focuses on the screen during the content as well as during the ad breaks.

CTV user behavior



“

I feel they don't have as many or as long ads as on live TV
(F 30-40)

“

Good range of programmes, especially when you use a few of them (apps)
(M 30 - 40)

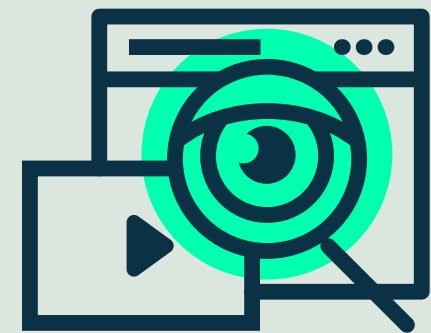
“

I would rather have some ads than another subscription
(F <30)



The red circle shows where the users' attention is focused. So we can see how long the user focuses on the screen during the content as well as during the ad breaks.

The three vital elements of attention



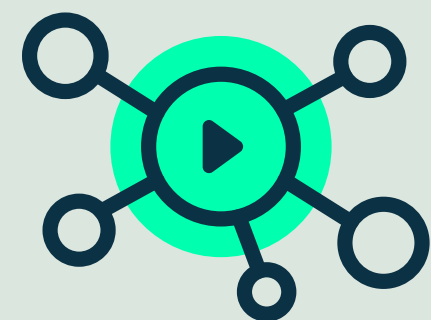
ELEMENT 1: IS IT VIEWABLE?

Users need the opportunity to see the advertising. CTV is the most viewable digital format at a global average of 93.2%*.



ELEMENT 2: IS THEIR ATTENTION ON SCREEN?

CTV is the most attentive platform, with user attention on screen 73% of the time and an average of 12.2 seconds before looking away.

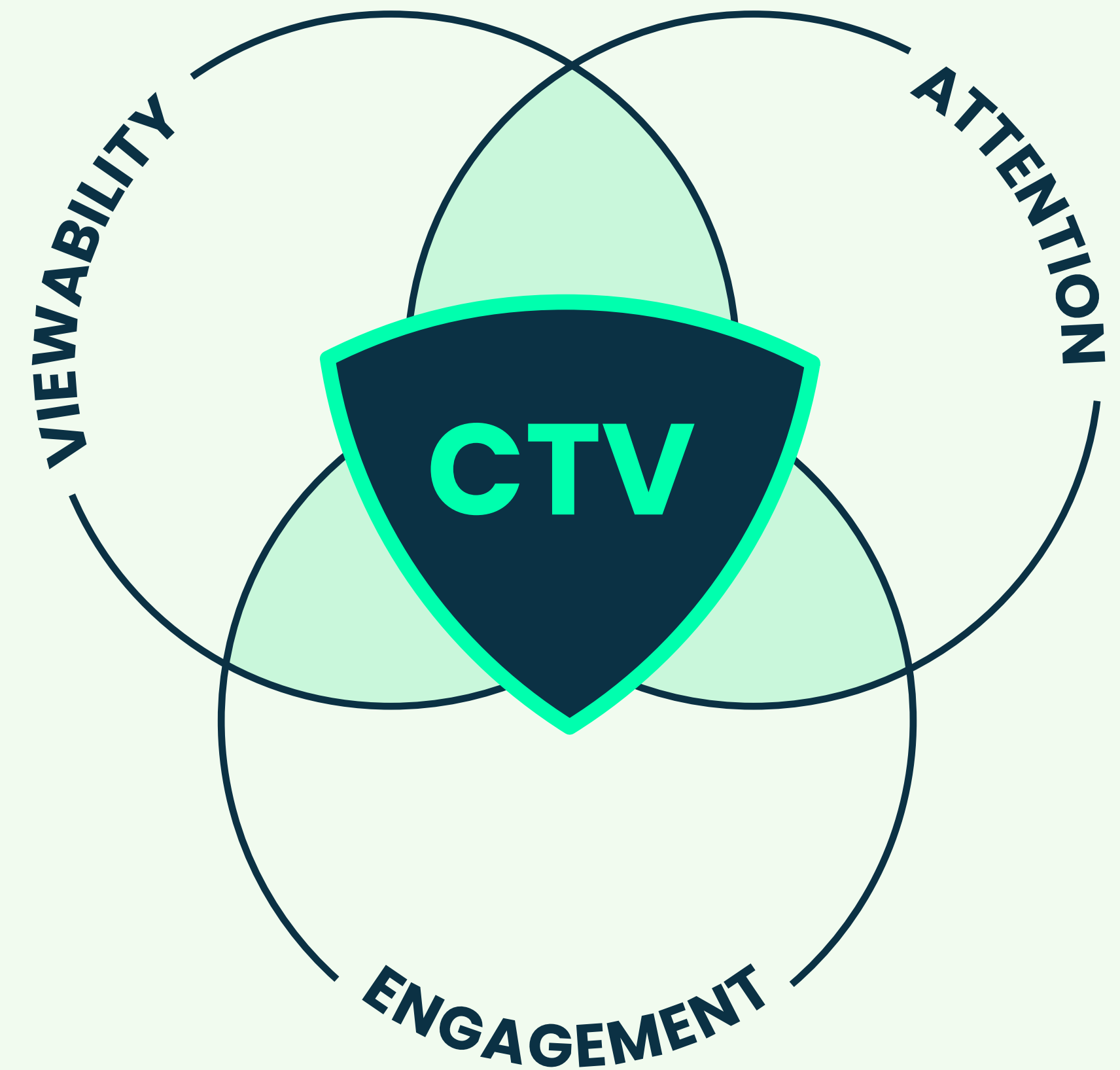


ELEMENT 3: ARE THEY ACTIVELY ENGAGED?

71% of viewers time when watching CTV advertising is spent in the 'engagement zone' when measuring their Electrodermal Responses.

* Source: IAS Media Quality Report, H1 2021

CTV HITS THE SWEET SPOT OF ATTENTION, VIEWABILITY AND ENGAGEMENT





EYEING THE MAJOR CTV MARKETS IN EUROPE*

SHOWHEROES

*For this specific quantitative study we asked 300 CTV users from each country, 20 questions about their CTV usage and behaviour.

United Kingdom

The UK is a nation of high volume CTV users who value the ease of use that CTV provides over other platforms. On average UK CTV users have 2-3 SVOD subscriptions but **65% would now prefer to watch content for free in exchange for advertising.**

Connected TV is the preferred form of content watching, with **72% of users saying they prefer CTV to linear TV.** Flexibility comes out as the biggest reason for this user preference but range of content is also key- CTV provides not only range when it comes to content genres, from Comedy to News to Drama are all available via CTV apps, but also a range of content types. Movies and TV shows are all accessible, as well as a mix of VOD and FAST Channels (Free Ad-Supported Streaming TV Channels). This gives the user the freedom to choose their specific content or tune in to a scheduled channel depending on their mood.

46% of UK viewers use CTV to find specific films or TV shows that they want to watch. The range of content available across the platform enables this, but people also love to browse, with 32% citing this as the reason they last chose to watch an AVOD CTV app.

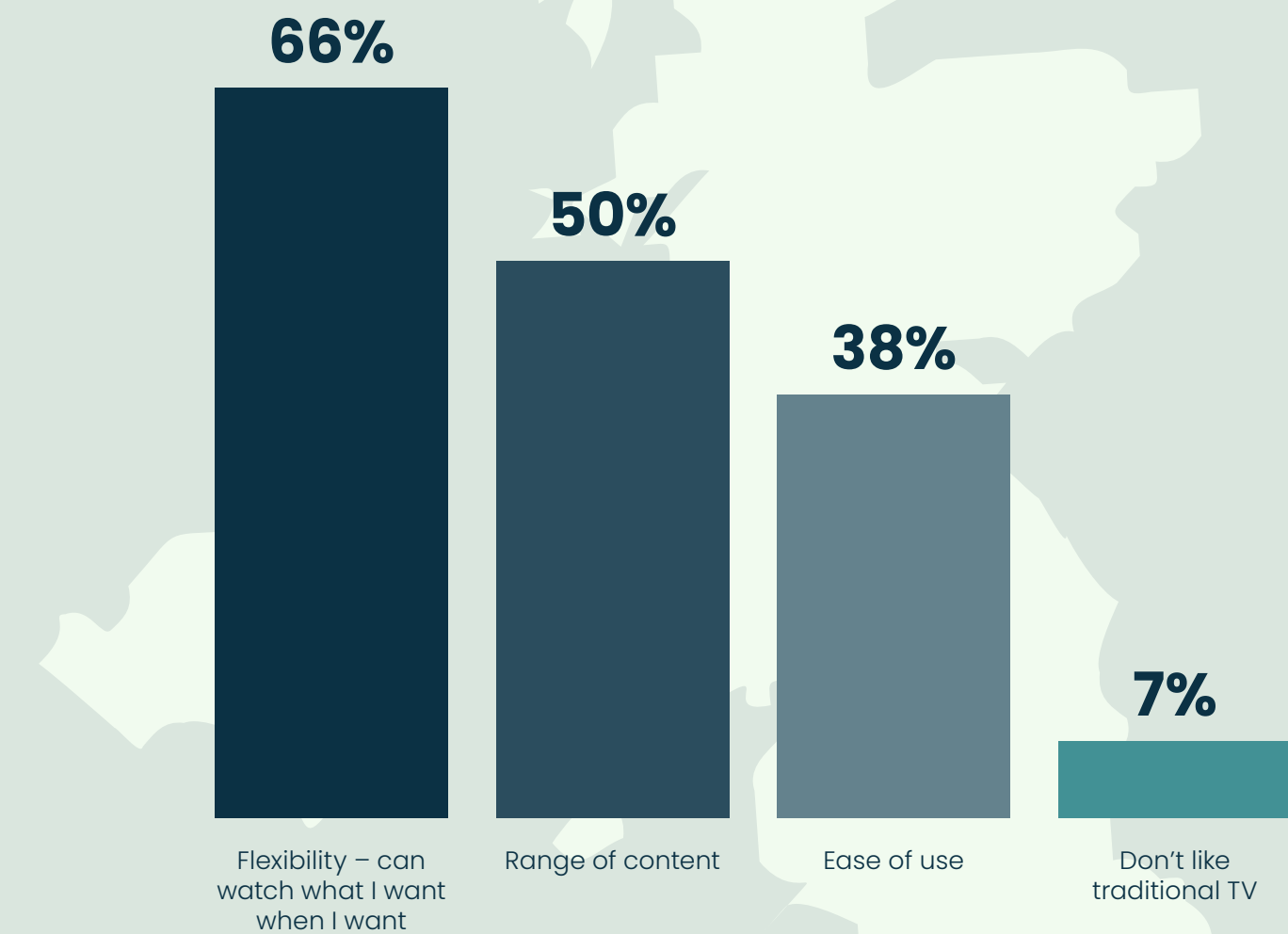
On average UK CTV users have 2-3 SVOD subscriptions

More than half of UK users see a difference between the ad breaks on CTV vs the ad breaks in linear TV. **UK viewers feel that the advertising on CTV is more relevant, higher quality and has less advertising overall** than its counterparts. Becoming increasingly important is the context that the adverts are shown in. 74% of users say they prefer ads to be relevant to the content they're watching.

With a huge amount of SVOD and AVOD CTV apps available, there is a lot of choice for users. Understanding the motivation behind why users choose specific apps is therefore key. The No.1 reason is because the app is free – **UK viewers are keen to save money without it affecting their content consumption, so AVOD CTV is the perfect solution.** The availability of exclusive content is also a driving factor for users to choose a CTV app- publishers like RakutenTV are increasingly investing in original content to appeal to users.

UK CTV users are open to more creative and interactive ad formats being used by advertisers. 57% of users are interested in seeing a CTV ad with a QR code included and 37% say they have already used a QR code that was included in an advert. This shows that user habits are evolving, with users now using devices like QR codes in their everyday lives, there is an opportunity to enhance your campaign with not only a call to action but also increased measurability.

72% of users saying they prefer CTV to linear TV



- **Over half of users watch more CTV than linear TV**
- **26% of users have only 1 SVOD subscription**
- **57% would rather watch more ad-supported programming than sign up to more SVOD services**
- **45% of users have searched for a particular show/film on CTV**

Germany

The German audience are very strong CTV users, with 81% saying they prefer Connected TV to linear TV watching. This shows a strong affinity with digital platforms and the flexibility and content range that they provide. This preference also extends to the advertising breaks – **35% of users said they think that the adverts on CTV are better quality than those on linear and a further 27% think that the ads are more relevant to the content** that they're watching.

German CTV users are a social group, with 21% saying that the reason they last visited an AVOD CTV app was because of a friend's recommendation. Having exclusive content is also important to the audience, with 1 in 5 users stating that the reason they choose their apps is largely based on the exclusive content available through them.

Binge watching has become a well-known habit associated with SVOD/AVOD watching. 97% of German users said that the total release of a series, vs releasing episodes in increments, was an important or very important factor when they make a decision about which app to watch. **CTV publishers can therefore drive new users to their content by releasing exclusive shows or entire series** to entice users in the German market to their app.

81% of Germans say they prefer Connected TV to Linear TV

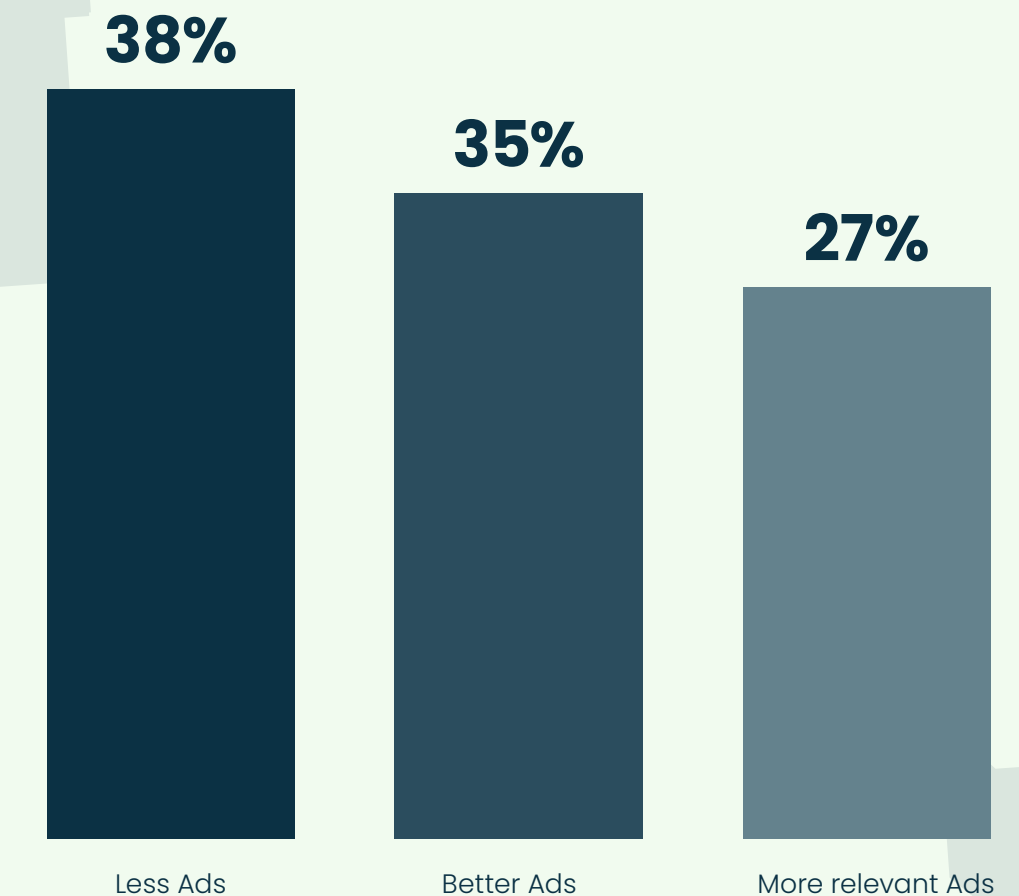
When it comes to subscriptions, German viewers on average have 2-3 per person. One in four users though stated that they don't have any subscriptions at all. This shows how strong the cord-cutting audience is in the German market and is a huge opportunity for publishers to capture this audience with free content and for advertisers to reach this engaged audience.

The German CTV audience are very receptive to advertising, with 29% of users having actively purchase a product of the back of seeing an advert on Connected TV. 37% have also visited the website of an advertiser after seeing a CTV ad and 38% have searched for the product.

This shows that though the **CTV platform is predominantly used for branding**, it's also an extremely powerful tool for driving user interaction and ultimately sales.

Further supporting this conclusion is Germany's preference for CTV advertising creative that utilises directly actionable functions such as QR codes. QR codes allow the user to directly scan the screen from the comfort of their sofa and be taken directly through to the campaign landing page. 62% of users prefer creative with this functionality. Users want to be able to interact with and find products with ease, which is why formats like this are coming to the fore.

73% say they see a difference in ads on connected TV



- **36% of users watch AVOD CTV due to the range of content**
- **38% of users think that CTV has less ads than Linear tv**
- **50% of users have previously scanned a QR code in a CTV advert**
- **1/3 of users chose browsing content as the reason they choose their most recent AVOD CTV app**

Austria

The Austrian audience are very strong CTV users, with 82% saying they prefer Connected TV to linear TV watching. This shows a strong affinity with digital viewing, and the flexibility that the platform provides is stated as the top reason that viewers are increasingly turning to CTV. The average number of subscriptions that the Austrian audience has is 2, with **over half of viewers stating they would rather watch more content for free than sign up for more monthly subscriptions**, giving AVOD CTV publishers in Austria a big opportunity to grow their user base and appeal to engaged users.

This preference also extends to the advertising breaks. **63% of participants said they see a difference in the advertising on CTV vs linear TV.** 35% of users stated that they view the advertising on CTV as better quality, more relevant to the content that they're watching and shorter than other platforms. This positive perception of the advertising on CTV is a benefit to the advertiser.

Austrian viewers are cost-conscious, with 49% of viewers stating that **value for money is the key reason that they are happy to watch advertising in exchange for free content.** They're also driven to use AVOD CTV apps by the content that is available. When reflecting on the last time they chose to watch content through CTV 42% were driven to do so because they were searching for a particular TV show or film, while 31% were browsing the available libraries of content.

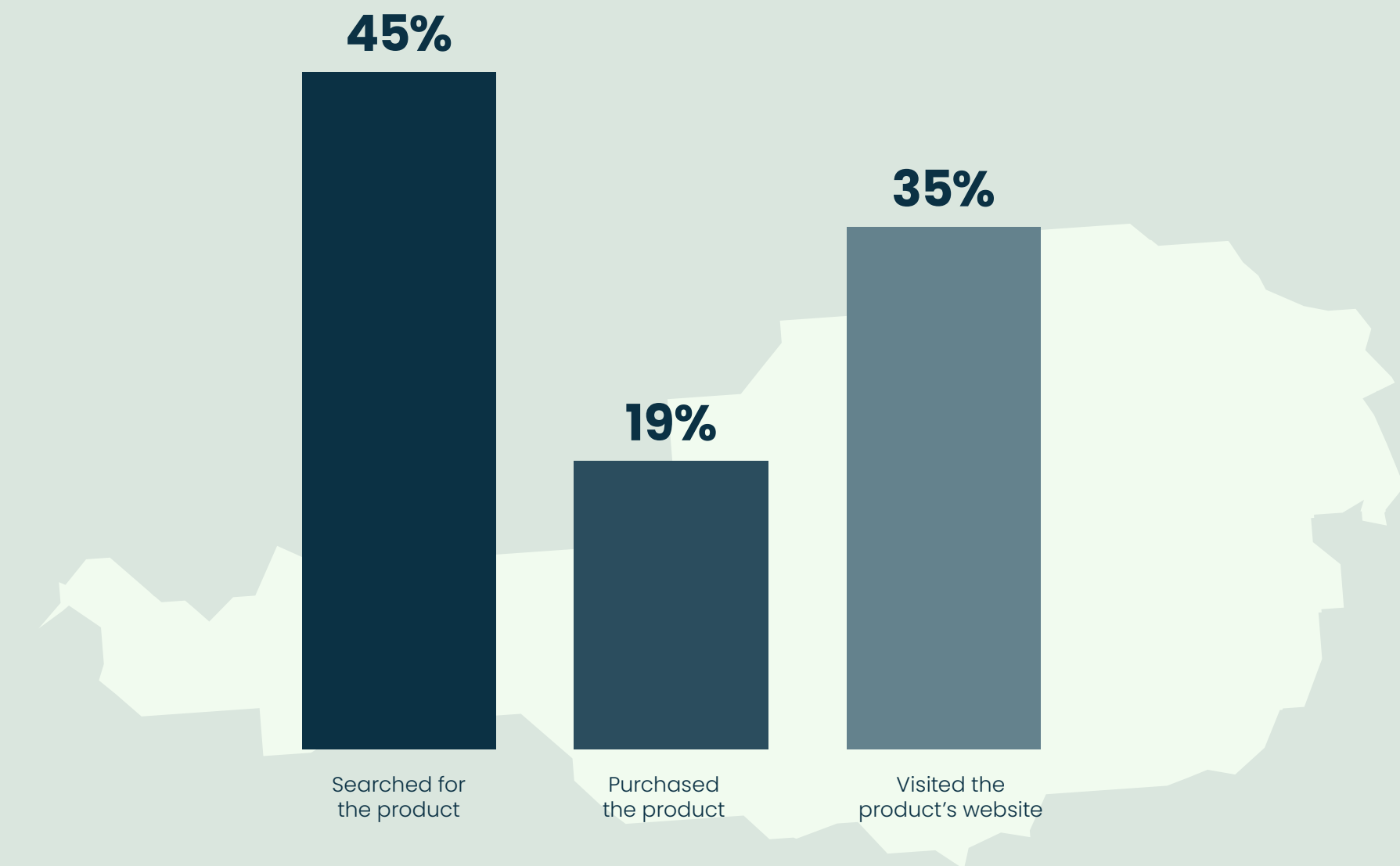
The availability of exclusive content and releasing an entire series at once were also important to Austrian viewers, with 95% of users citing this as an important part of their decision making.

As a full-screen, high impact ad experience CTV is generally used to drive brand awareness. However, our study shows that this impact does also drive action from users. 45% of users in Austria stated that they had searched for a product after seeing a CTV ad. 35% also stated that they have visited a product website and 19% have also purchased a product. This shows that not only can **CTV advertising** drive awareness and engagement, it **can also have a strong effect on site visits and sales.**

One way that this action can be enabled is through adding interactive elements to CTV adverts. QR codes are an increasingly useful tool to directly link the CTV ad to the advertisers website. 37% of Austrian participants said they have already used a QR code within an ad and 58% said they would be interested in seeing this.

69% of Austrian viewers stated they watch more CTV since the pandemic

45% of users in Austria stated that they had searched for a product after seeing a CTV Ad



- **82% say they prefer CTV to Linear TV**
- **65% say they prefer advertising that's relevant to the content that they're watching**
- **63% say they see a positive difference between CTV and Linear TV advertising**
- **58% would be interested in seeing QR codes in CTV ads**

Spain

The Spanish market is seeing a rapid shift to CTV watching, with 86% of users saying they prefer CTV to linear TV. Spanish users are looking for a range of content, and CTV is perfectly primed as a platform to meet this need. Users can download many apps through which they can watch every type of content; from TV shows to movies, recent hits to classics, comedy to drama and VOD to scheduled channels. This **flexibility is very important for users, with 62% stating it as the core reason that they choose to watch CTV.**

As more and more SVOD services launch throughout Europe, subscription fatigue- when users reach the limit of subscriptions that they're willing to pay for- is increasing. Spanish users are feeling this fatigue hit, with 62% of users stating that they would prefer to download AVOD apps rather than subscribe to more SVOD services.

Further driving this behaviour is the perception of advertising on the CTV platform. 61% of Spanish participants can see a difference between CTV advertising and linear TV advertising with 55% of those thinking there are less ads, 31% viewing the ads as more relevant and 26% better quality. The main reason users chose the last CTV AVOD app that they used was that they were searching for a particular show or film. One in five viewers used the button on their remote to take them straight through to app and the same amount chose to randomly browse the content selection.

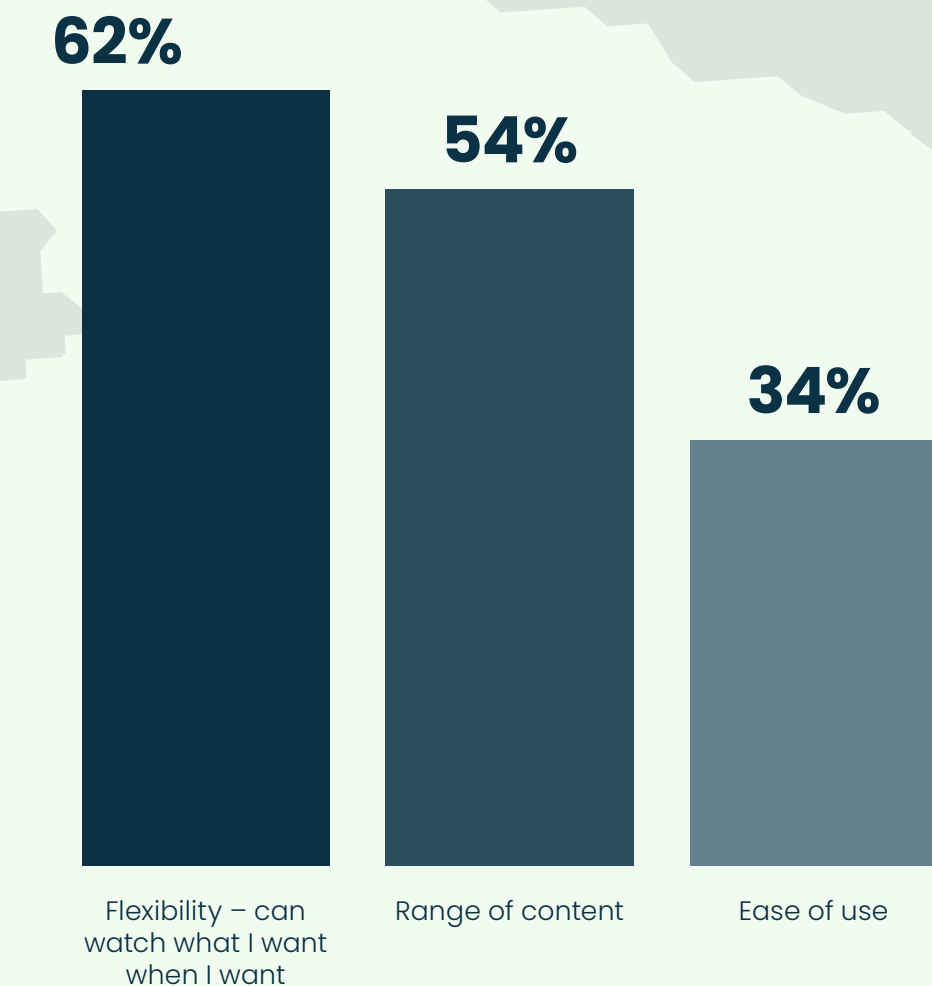
Linear channels came out as the lowest priority for Spanish viewers. This indicates that there is a strong affinity with Video On Demand and being able to manage their own TV schedule rather than being beholden to a linear schedule. Choice and range of content are key- 33% of users cited the large range of content available via CTV apps as the main driving force behind their choice of platform and app.

It's also 'very important' for users to be able to watch all episodes of a series on their chosen app- with 62% of people saying this would be a reason for them to choose one app over another.

Spanish CTV users are frequent watchers, with 85% of participants saying they watch more than 2 hours of CTV content per day. This gives advertisers a strong platform to reach their audience. 73% of users also say that they watch more CTV since the pandemic. To enhance the user experience advertisers can also use new functions such as QR codes, to increase interest in the product and drive users to their site. 62% of Spanish viewers would prefer to see an advert with a QR code rather than a standard video ad.

86% say they prefer CTV to linear TV

62% of Spanish users would prefer to watch AVOD than sign up for more subscriptions



- **73% of users would prefer the ads to be relevant to the content they're watching**
- **31% feel that CTV advertising is more relevant than linear**
- **50% of users watch 2-3 hours of content per day**
- **On average Spanish users have 2-3 SVOD subscriptions**

France

France is a unique market in Europe for TV content consumption, with not just linear TV but also IPTV as alternatives to CTV. 84% of users though do say that they prefer to watch CTV than linear TV, with two thirds of **users preferring the platform for the flexibility it provides**. Being able to watch what they want, when they want is important for French viewers.

French users who watch ad-supported CTV do so because of the ease of use and also the value for money.

With 26% of users saying that they have zero SVOD subscriptions, very high compared to other markets in Europe, there is a clear opportunity to reach users who appreciate the value exchange between the publisher and themselves.

More than half of French participants also stated that they would **prefer to watch more free content with advertising than to sign up for any more subscriptions** – further emphasising that cost can often deter these users from new SVOD services.

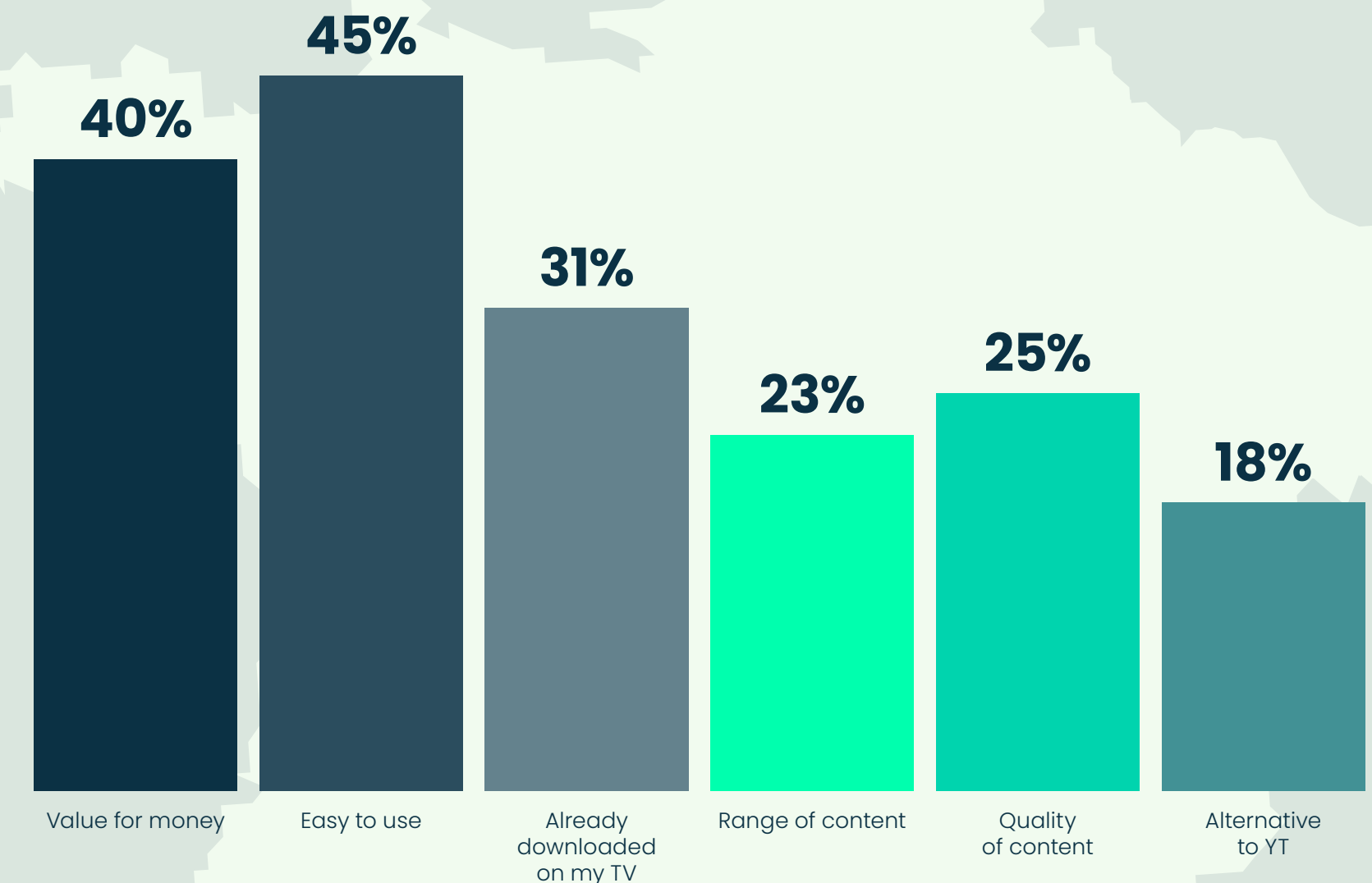
Over recent years the French CTV market has grown considerably with user viewing time increasing. 63% of French users say they use more CTV apps since the pandemic. It's therefore the perfect time to capitalise on this popular platform.

French viewers are showing clear signs of subscription fatigue and are actively seeking out ad-funded content, with the **content being free as the top reason they are switching to AVOD channels**. Availability of exclusive content is also a driving factor. Publishers can use new and exclusive content to increase their viewership base in the French market. Having linear/FAST channels within the CTV apps isn't as important to French viewers though, indicating that video on demand is the preferred choice and will continue to grow.

Interactive formats in the French CTV environment are relatively new, but 33% of users have already used a QR code within an ad and over half of users would prefer to see an ad with a QR code than a standard video ad. **French viewers also perceive the CTV ad breaks to have less ads (45%) and better quality ads (29%)**.

26% of CTV users in France don't have any SVOD subscriptions

85% of users say they prefer CTV to linear TV



- **The average number of subscriptions per person is 2**
- **31% of users said they used CTV AVOD apps because it was pre-downloaded on their devices**
- **34% of users have searched for a product after seeing a CTV ad**
- **63% say they prefer ads to be relevant to the content they're watching**

Italy

Italy is a market that has traditionally been very dominated by linear TV broadcasters and has been perceived to be slower in adopting CTV as a platform. However, the tide is starting to turn, with users recognising the benefits that CTV has to offer. **48% of Italian users stated that they watch more CTV than linear TV** and 22% say they watch both equally. This clearly shows that there is an appetite for CTV apps and content from the Italian market. Ease of use was the top reason that these viewers use CTV and their main driver behind switching to particular apps is the availability of exclusive content.

Italians are frequent CTV watchers, with on average 1-2 hours of viewing time per day, though 30% of users said they watch more than 4 hours of content per day. This dedicated, regular user base is a clear opportunity for advertisers to reach their audience. This viewing time has increased since the pandemic- 72% of users now use more CTV apps.

Italian viewers are decisive in their choice of content- with only 18% of users browsing for content but **51% of viewers making the choice to use CTV because they were looking for a particular programme or film.**

A content library with depth and variety is therefore very important. 28% of Italian CTV users also have zero SVOD subscriptions- meaning an AVOD CTV publisher is the perfect place to reach them.

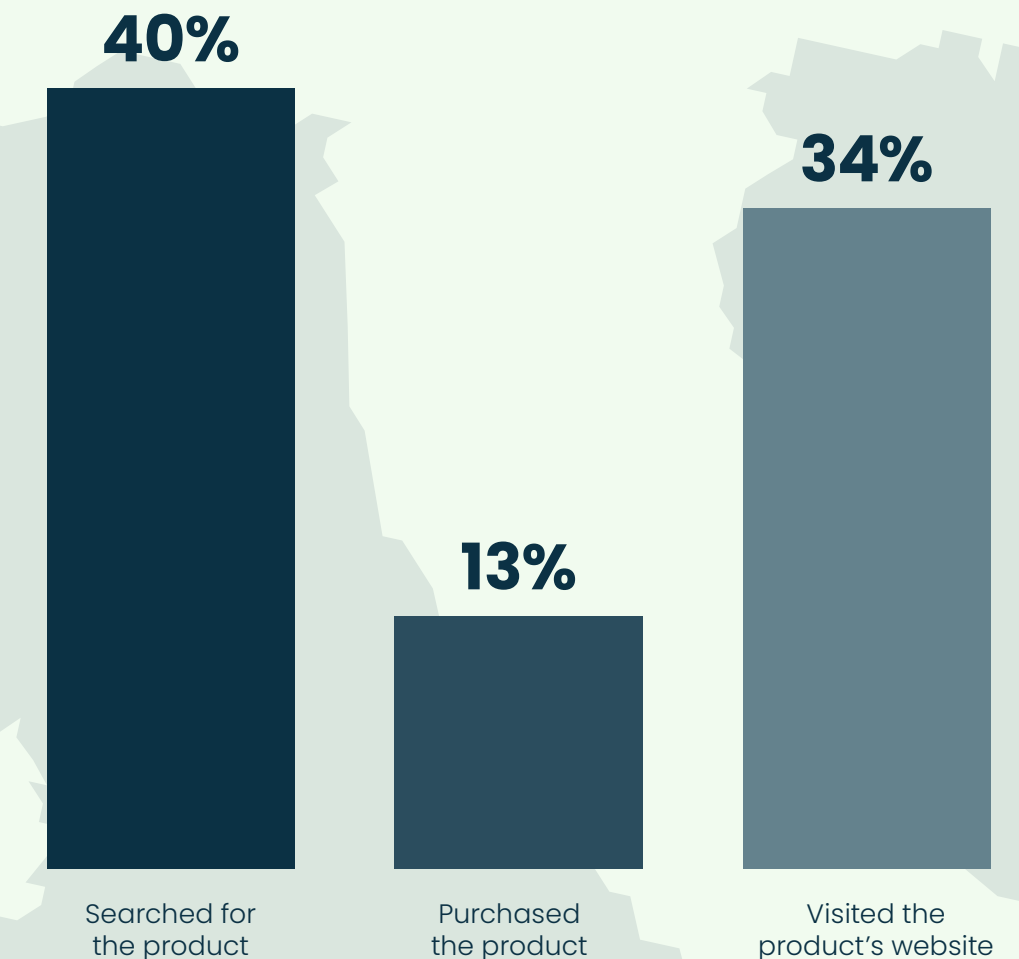
Now that Italian users are watching more CTV there is the opportunity to not only use this platform for brand building but also to drive action. **40% of users have searched for a product after seeing a CTV ad**, so though CTV is predominantly an upper funnel tool, it can also drive user response including traffic to website and sales.

In order to maximise the potential for users to take action after seeing a CTV ad, more and more advertisers are utilising functions like QR codes in their creative. This creates a perfect pathway between the ad and the advertiser's landing page, using a mechanism that has over the past couple of years become frequently used in daily life.

57% of participants in Italy preferred seeing a video ad with a QR code rather than a standard video advert.

Italians watch **1 to 2 hours of CTV content per day**

40% of users have searched for a product after seeing a CTV Ad



- **74% say they prefer CTV to Linear TV**
- **63% watch CTV because of flexibility and 42% because of the range of content**
- **54% think there are less ads on CTV**
- **69% of viewers state that having a series release in one go is very important**

Netherlands

Dutch viewers have a clear preference for CTV, with **81% of users stating that they prefer CTV to linear TV watching**. Unlike other markets in Europe, the convenience of having a button on the remote control to take them directly through to their favourite apps is one of the main reasons that they use AVOD apps- showing that convenience is a key factor in their decision making.

The average number of subscriptions that the Dutch audience have is 2-3, with 25% of users stating that they don't have any at all. This shows there is a clear opportunity for AVOD publishers to increase their user base. Only one third of users would be willing to sign up to more monthly subscriptions, showing that there is a clear limit on the number of SVOD services that Dutch users are willing to subscribe to and that the appeal of free content in exchange for advertising is clearly appealing.

With the demise of the third-party cookie, context has been an increasingly prominent topic. Understanding the importance of seeing advertising that is relevant to the programme that the user is watching is therefore very important. When we asked this to our Dutch study participants, **67% of them said they would prefer to see relevant advertising** and 32% of users stated that they already see CTV advertising as often more relevant than it's traditional linear TV counterpart.

The average daily viewing time for CTV viewers in the Netherlands is 1-2 hours, however 35% of users say they watch more than 4 hours of CTV content per

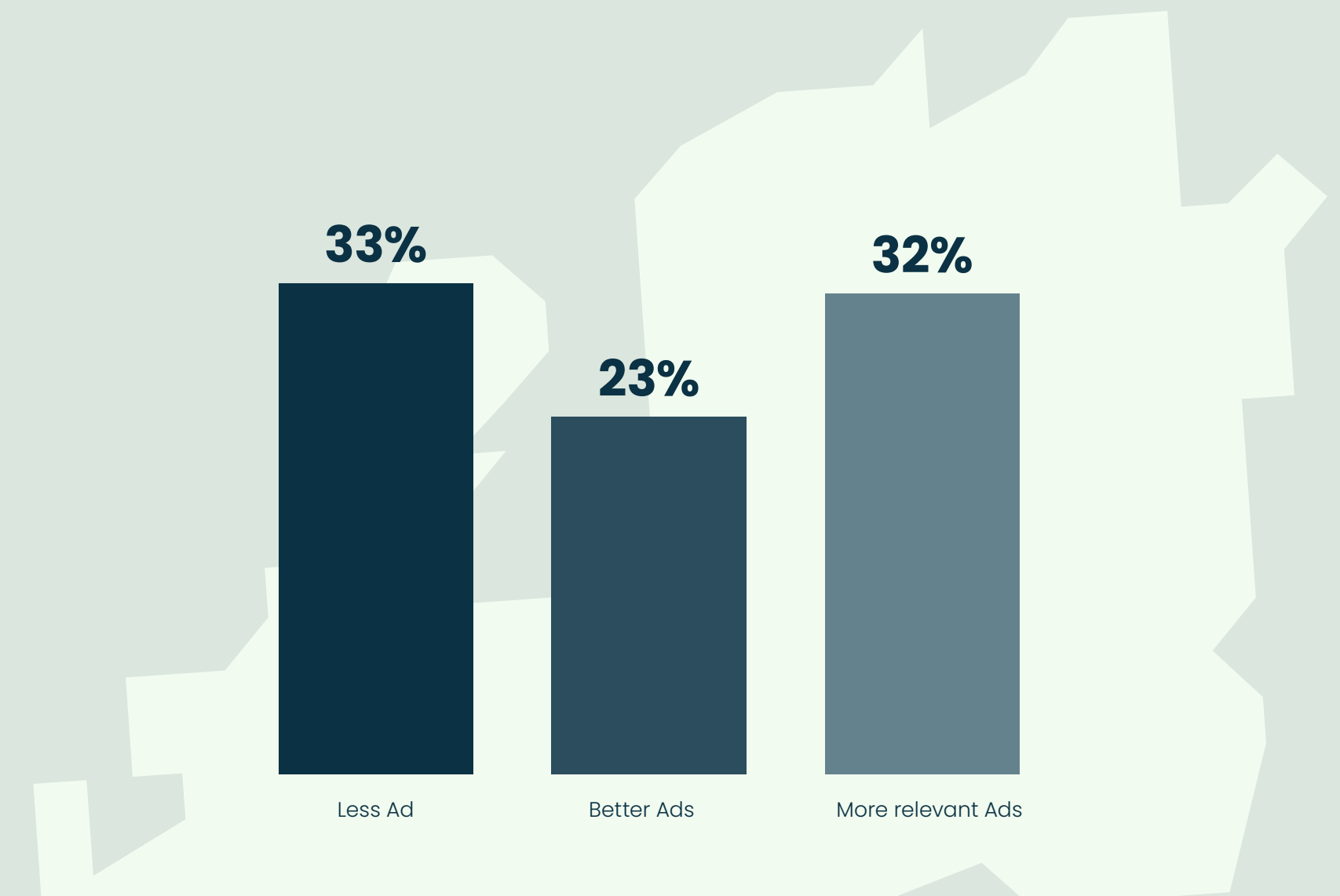
day- this is very high and means there are strong opportunities to reach these viewers with the lean-back CTV platform.

As a TV device CTV is predominantly a brand building tool, however our study shows that **CTV advertising does still drive strong outcomes such as site visits, product searches and product purchases**. Further supporting this is the Netherlands' preference for CTV advertising creative that utilises directly actionable functions such as QR codes. QR codes allow the user to directly scan the screen from the comfort of their sofa and be taken directly through to the campaign landing page. 40% of Dutch CTV users stated that they have already used a QR code in an advert and 52% are interested in seeing this functionality.

The majority of Dutch CTV users also state that they can see a difference between CTV advertising and advertising on other platforms such as linear TV. One third of users feel that the advertising breaks on CTV have less ads, 25% think that the adverts are better quality and 32% state that the ads are more relevant. The positive experience that they have with CTV is clearly reflecting on the advertising, making CTV a prime platform for advertising.

Only 22% of Dutch viewers said they watch more Linear TV than CTV

32% of users cited relevance as the key difference between CTV and Linear TV advertising



- **67% of users say they prefer contextually relevant adverts**
- **40% of users say they have scanned a QR code in an ad**
- **26% of users stated cost as the main reason they chose to watch their last CTV app**
- **36% say the main reason they use avod apps is because there is a button to take them straight to the app on their remote**

Market comparison

German CTV viewers watch the highest amount of CTV per day – with 93% watching more than 2 hours per day.

Spanish viewers showed the highest preference for the CTV experience. 86% say they prefer CTV to linear TV.

The market with the highest number of users who have no SVOD subscriptions is **Italy** at 28% of participants.

Germany has the highest number of viewers who have previously scanned a QR code in an advert.

UK viewers have taken the most action (search, site visit or purchase) after seeing CTV advertising.

The users who value the flexibility of the CTV platform the most are **Austrian** viewers, with 65% citing it as the main reason they watch CTV.

Viewers in **France** love to binge watch – with 94% of users saying that it's important for a CTV app to release all of a TV series at once.

Convenience is most important to the **Netherlands** audience, with 36% preferring to use the button on their remote to take them directly through to apps



Conclusions

Attention is a powerful commodity, but it has been difficult to fully understand or measure the opportunity in regards to advertising. Our study shows that the Connected TV platform far outperforms other TV and social video platforms, with strong attention on screen, as well as high engagement on not only the content but also when watching the advertising.

Connected TV also delivers a positive ad experience for viewers- with many perceiving the ad breaks to be shorter, more relevant and better quality than linear TV advertising. There is therefore a huge opportunity for advertisers to capitalise on this positive viewing experience by including the platform within their campaigns .

It's clear in the videos from our study that users are immersed in the CTV viewing experience, with external stimuli appearing much less distracting than when viewing content on other platforms.

Users are in the overload stage considerably less than when watching other platforms, so CTV provides a much more relaxed, lean-back environment in which to reach viewers.

Contrary to common perception, CTV is not just SVOD. Though SVOD services continue to launch, users are very conscious of pricing and are actively seeking value, without having to reduce their content consumption. With the current rise in the cost of living, monthly subscriptions are being cut in favour of free to access services and paving the way for an even stronger advertising platform.

CTV consumption has also increased considerably in recent years, and the majority of users prefer relevant advertising. This is a chance for advertisers to enhance their media plans and work with partners who can offer a level of contextual relevance to their campaigns.

Overall, CTV hits the sweet spot, by combining the three vital elements that are needed for engaged user attention and is therefore a prime platform to reach users who will retain advertiser messaging and take action.





The results of our multinational study demonstrate the power of CTV to drive levels of attention that no other platform can. Viewers have high engagement and are in the ideal mental state for remembering messages. It's clear from the research that the CTV viewing experience is much less distracting than other platforms. The takeaway for advertisers is that users are in the overload stage considerably less on CTV, with the format providing a more relaxed, lean-back environment in which to reach viewers. Clearly, brands and media owners need to make CTV a focal point of their advertising and content strategies. Our research also indicates a growing level of subscription fatigue, which is driving CTV viewers towards AVOD services. With contextual advertising also emerging as a user preference in the survey, it should be top of mind for brands looking to craft a standout CTV experience.



Ilhan Zengin
CEO at ShowHeroes Group



This is the latest project we have been involved with and we are delighted that once again we can really understand how people watch video on different platforms, channels and devices in real life, in their own homes. Our approach is designed to measure what really happens in the home (or on the tube) and as a result we see big differences in behaviors between people watching long form content and scrolling on their phones. What we find is that the behaviors are different, but they are also credible because we can see what people are doing. Often the viewers themselves are surprised at how attentive they are to ads, but once they see the evidence of the eye tracking they can understand what they are actually doing. And similarly we have found that once marketing professionals have seen the evidence of eye tracking they find it much easier to understand how different media can achieve very different levels of attention and engagement.



Rob Ellis
Founder and Director
at COG Research

About ShowHeroes Group

Video is the most important medium of our time. It has become the center of all digital content: to tell stories, spread news, and as the core of digital brand marketing. After the age of large players such as YouTube, Facebook and TikTok, the global media landscape now demands diversity, innovation and independence.

ShowHeroes Group is a **leading global, independent provider** of video solutions for digital publishers and advertisers.

The company was founded by Ilhan Zengin, Mario Tiedemann, and Dennis Kirschner in 2016 with headquarters in Berlin and employs more than 350 people worldwide in 28 strategic hubs throughout Europe, the Nordics, LATAM, and the US.

About COG Research

COG has been involved in researching how people watch video for more than 10 years. Born out of being frustrated that research didn't get at the truth. It's not that people lie or are deluded: they are just not very good at noticing why they do things, or recalling them.

The agency has conducted a number of award winning projects for clients like Thinkbox and Channel 4 as well as using the same approach to measure how video works in the outdoor world (for ClearChannel and Ocean Outdoor) and how it works in the London Underground. Their work is widely recognised in the industry and has been the subject of conference papers at ESOMAR, Media Research Group and EGTA conferences.

They recently opened a Spanish office to help run their European and Worldwide projects.

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