

2024

STATE OF PERFORMANCE TV

tvScientific's annual report on how marketing teams are leveraging performance TV advertising to effectively target their buyers and improve business outcomes.

What is the impact of performance TV on a company's revenue? How does the advertising channel compare to other marketing channels?

tvScientific surveyed more than 600 marketing professionals on how their teams use performance TV in their marketing mix and its impact on business outcomes.

You may see the terms over-the-top (OTT) or connected TV (CTV) used synonymously with performance TV. For the sake of this report, when we refer to performance TV, we are referring to a broad term that includes OTT (the content) streamed on CTV (the type of device it's delivered on).

Top Takeaways

54%

54% of marketers rely on performance TV to generate pipeline.

Marketers' dependence on the media channel will increase because they plan to spend 23.6% more on CTV ads in 2024.

35%

35% of marketers plan to increase ad spend in 2024 and most

advertisers agreed that CTV was the most effective channel in their marketing mix.

65%

65% of advertisers report an **increase in sales when performance TV is added** alongside other paid channels like search and social.

68%

With a diverse marketing mix, **68% of respondents say their company's brand awareness has increased** since using performance TV.

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Two myths about performance TV remain unnecessary obstacles for advertisers: it's hard to target the right audience and measure the results. In reality, performance TV has a higher return on investment because of its targeting capabilities and outcome-based advertising model.




“The market potential of Connected TV is very real. CTV is growing and it offers so much more than the simple extension of linear TV campaigns. Bringing outcome-focused advertising (Cost Per Action, Cost Per Install, ROAS, and beyond) to the most impactful creative unit, a 15 or 30 second TV commercial will provide tremendous value to publishers and most importantly, advertisers.”

Chris Riedy
Chief Revenue Officer

Performance TV Proves Critical to Building a Diverse Marketing Mix

Standing out from the competition is a must in today's market, yet it's also one of the top stressors for marketers surveyed.

More specifically, 62% of respondents believe standing out on social media is more challenging than ever, putting greater dependency on channels like performance TV that also allow for highly accurate audience targeting.

Additionally, performance TV is emerging as a reliable channel for sales and, according to survey respondents, 54% of marketers rely on performance TV to build their marketing-generated pipelines.

Performance TV is a powerful channel marketers increasingly depend on to drive sales.

65% of marketing teams report a boost in sales when performance TV is used alongside other paid channels like search and social.



“The tvScientific team was invaluable in helping us navigate a new media buying channel with CTV to reach our goal of finding high quality players, cost effectively.”



Fernanda Tolentino
User Acquisition, Wild Life

Marketing-generated pipeline at my company relies on CTV



My company's sales have increased since using CTV alongside other paid channels like search and social



It's becoming more difficult to stand out on social media



Marketers' reliance on performance TV will increase in 2024 because 35% of marketers plan to increase ad spending on the channel. Continually, they plan to spend 23.6% more on streaming ads this year alone.

Moreover, performance TV is the fastest-growing marketing channel. Analysts predict CTV ad revenue will reach \$6.1 billion in 2025, surpassing cable TV.

Along with its rapid growth, respondents ranked performance TV as the most effective marketing channel within their marketing mix.

Rank your marketing channels based on effectiveness, from most effective to least effective



“Advertising via Connected TV is a sleeping giant. With half of US TV watching now taking place over streaming services and providers such as Amazon, Netflix and Disney all introducing new membership tiers with variable rates of advertising, partners who can drive lower funnel activation, performance, measurement, and ROI are positioned for huge success.”



Sir Martin Sorrell,
Co-founder of S4S Ventures

Performance TV Emerges as a Brand Builder, Protector

According to our survey results, 68% of advertisers say their brand's awareness has increased alongside other paid channels like search and social. As a company's brand affinity increases, the risk to brand safety rises, too.

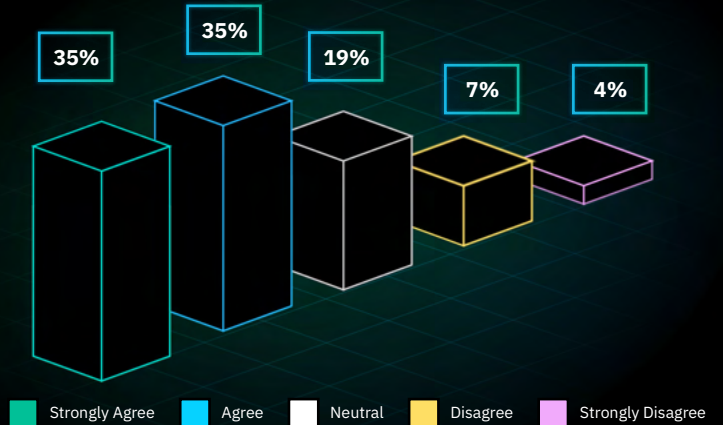
Based on a report by Mediaocean, 40% of advertisers have increased concerns about brand safety. While there are known risks associated with every advertising channel, connected TV decreases that risk by revolutionizing how advertising takes place.

CTV helps a brand protect its image by giving advertisers control on who and when someone sees an ad. Plus, advertisers can prevent their ads from appearing next to unsuitable content like negative images or a competitor's ad.

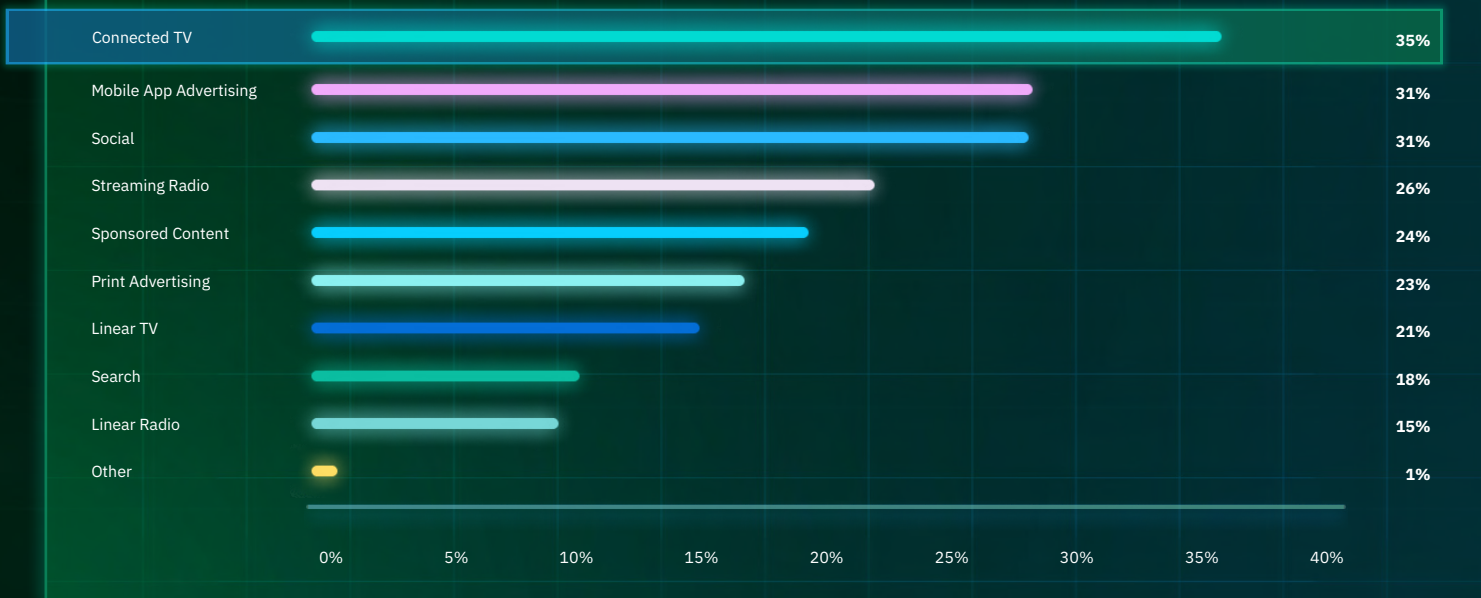
Unlike linear TV advertising, which depends on broad demographics, advertisers can now bid on individual ad slots on a user’s TV. This means advertisers can precisely target audiences and programming that a brand is comfortable having an affiliation with. In addition, this gives advertisers greater agility to adjust bidding as the campaign unfolds, which is beneficial if brand safety becomes at risk. (Learn more about CTV attribution in our whitepaper.)

As a result of the confidence advertisers see in performance TV, 35% of marketing teams plan to increase their ad spend budget on connected TV.

My company’s brand awareness has increased since using CTV alongside other channels



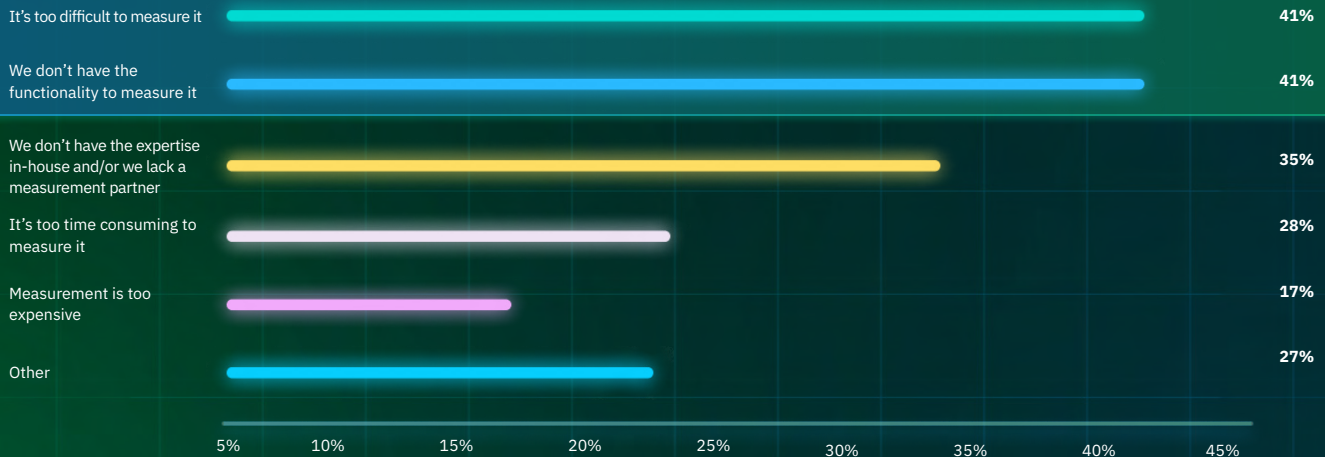
Which channels do you plan to increase spend on in 2024



Myths on Targeting, Measurement Follow Performance TV

Even though performance TV provides greater data insights, two myths remain in the minds of marketers that prevent them from leveraging the channel: it’s hard to target the right audience and it’s difficult to measure the results.

Why don't you measure your connected TV (CTV) campaigns?



What we find interesting, however, is that 62% of respondents also said it's easy for them and their team to prove TV's impact.

Even though marketers believe audience targeting will be their greatest challenge for CTV in 2024, the exact opposite is true. Advertisers can precisely target audiences with specific behavioral or demographic profiles and manage campaigns with greater agility, adjusting bidding as the campaign unfolds.

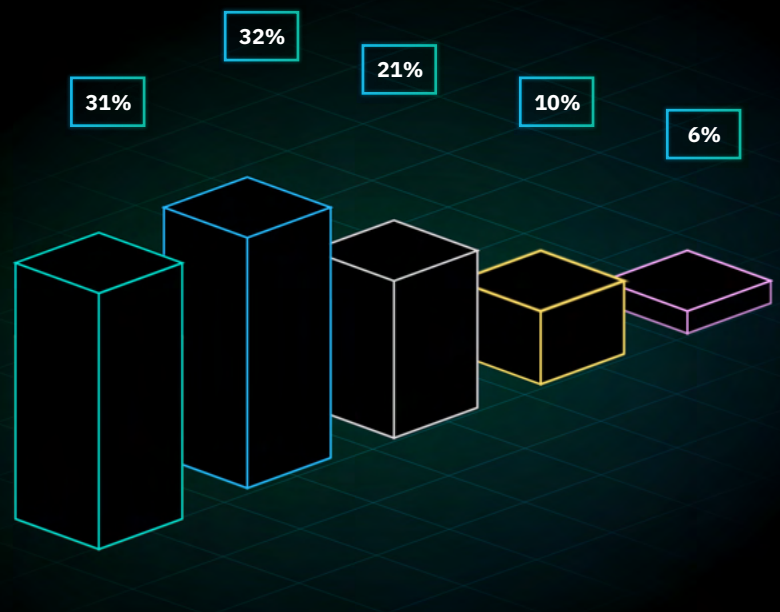
A clearer picture of a campaign's ROAS is another advantage of performance TV.

For example, many advertisers only use last-touch attribution to prove CTV's impact on revenue. An ad goes up, and sales go up. Using the outdated first- and last-touch attribution model leaves out critical data about the entire buyer's journey.

Multi-touch gives critical insights into what drives conversions, allowing advertisers to optimize the bidding engine with the latest data.

Continually, multi-touch attribution lets marketers see a more accurate return on ad spend. In turn, advertisers can see actual costs and ROAS on a connected TV campaign.

It's easy for me/my team to prove TV's impact on revenue



Strongly Agree Agree Neutral Disagree Strongly Disagree

Performance TV is one of the fastest-growing marketing channels and advertisers increasingly depend on CTV to generate pipeline.

CTV offers advertisers a smarter, more strategic way to connect with their ideal customer personas. Its capability to accurately target a company's key audience makes it a powerful revenue generator in an advertiser's diverse marketing mix.

Continually, companies will lean more on performance TV platforms to help with brand safety in 2024. Using CTV, advertisers can control where, when, how, and who sees their messages.

Our 2024 State of Performance TV report highlights marketers' growing confidence in the advertising channel, with most marketers planning to increase their spend on CTV this year. Because of this, we expect advertisers will continue making intelligent, bold investments in performance TV as it helps brands drive more engagement, ROAS, and sales in 2024.

Survey geographics and demographics

Over 600 marketing professionals in North America responded to tvScientific's survey.

