



# Connected TV Trends, 2022-23

## Advertiser and Viewer Perceptions



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# Introduction & Key Findings

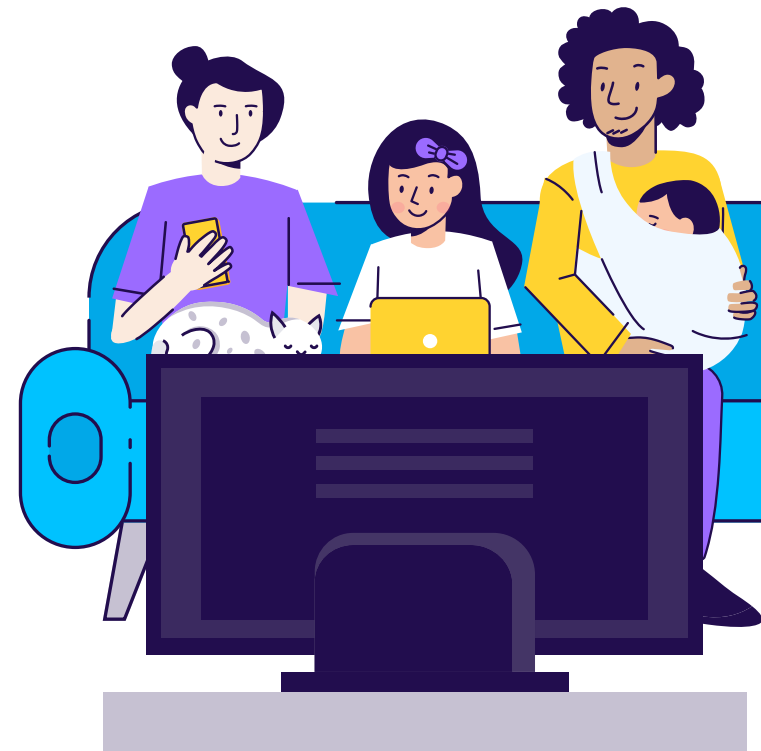
Connected TV (CTV) is becoming part and parcel of everyday life, with [87% of all US households owning at least one CTV device](#).

This is a dramatic increase when compared with 2017, when ownership was at 69%.

Growth of CTV devices and platforms has spurred interest in and popularity of advertising on CTV. Beyond expanding reach, advertising on CTV allows brands to measure cross-platform, cross-device campaigns and better target consumers with relevant, contextual ads. So it's no wonder that streaming services large and small -- and most recently and notably Netflix and Disney -- have joined the fray with advertising offerings of their own.

As a global leader in the cross-platform measurement and attribution space, we wanted to share insights with the market with a report that listens to both sides of the conversation, surveying mobile advertisers as well as consumers.

From the viewers' side, we were interested in the viewing preferences and habits of consumers regarding CTV, how they feel about commercials, and how likely they are to download mobile apps and scan QR codes. In terms of mobile marketers, we dove into their KPIs and objectives for CTV advertising, as well as their budgets, their tactics, and their opinions about the growth of the industry as a whole.



As part of our research, we shine a light on regional differences among consumers, and have also uncovered surprising insights that reveal dissonance between consumer habits and advertiser behavior. Overall, the report is a must-read for any stakeholder in this dynamic space who is looking to understand the most up-to-date sentiments from the key players in this ecosystem so that they can plan and execute their CTV plans in 2023.

## Methodology

We commissioned a survey of 500 consumers who watch CTV and are between the ages of 26 and 50, as well as 200 C-suite directors from MarTech and Marketing departments. All business respondents work at Gaming, Retail, or FinTech companies with between 200-10k employees, have built a mobile app, and have, or plan to have, a direct response campaign on CTV to drive mobile conversions. Respondents from both surveys are based in North America, Europe, and APAC.

This report was administered online by Global Surveyz Research, a global research firm. The respondents were recruited through a global B2B research panel, and invited via email to complete the survey, with all responses collected during August and September 2022. The answers to the majority of the non-numerical questions were randomized, in order to prevent order bias in the answers.



# Key Findings

## 01

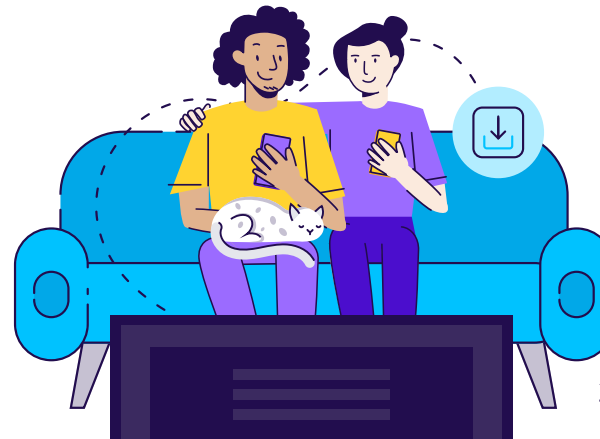
### **98% of brands believe that CTV advertising will be bigger than mobile advertising**

The vast majority of brands see that CTV advertising will overtake mobile advertising, and a quarter of respondents say this will happen within the next 2 to 3 years. Brands already recognize the reasons to advertise on this channel: engaging with new audiences (73%), increasing engagement levels (73%) and higher LTV (50%). Also of interest is that 32% perceive value in CTV being a measurable performance channel. Bottom line, now is the perfect time for brands to jump in, especially before the market becomes overly saturated.

## 02

### **Half of North American viewers already download mobile apps after watching a CTV ad**

50% of North American consumers have downloaded a mobile app after seeing an ad, and 53% of consumers say they are likely or very likely to do so using QR codes. Think about the Coinbase Superbowl ad, where 20 million viewers captured the QR code in a single minute. Coinbase came up with a fun idea of the QR code bouncing around the screen, but more compellingly, they broke the 'offline to online' gap and created a fluid customer experience.



# 03

## CTV comes out on top, but are brands missing a trick by ignoring gaming consoles?

Linear TV has traditionally been considered an expensive and isolating brand play. This is especially because it's so hard to convert a viewer from one device to another, and there are hardly any insights available to enable advertisers or OTT platforms to gauge viewers' behavior or preferences. It's no surprise therefore that advertising spend for CTV increased by 60% to \$14.4 billion this year, as it blends the reach and impact of TV with the performance and transparency of digital marketing. However, we found that some of the top watched CTV is via gaming platforms, but that brands are focusing their ad spend on smart TVs. For advertisers, diversification is key, or they may be leaving an untapped opportunity on the table.

# 04

## 86% of consumers are willing to see ads on CTV, especially if they are relevant to them

There's a widespread misconception that ads could potentially drive viewers away, but in reality, consumers may not mind ads as much as some brands think. Only 40% of viewers say that they will stop watching CTV if there are too many ads. On average, consumers are happy to watch 1.7 ads within 30 minutes of content, but this number takes a 220% leap to 5.8 ads if they are relevant to the viewer, or are entertaining. For brands, it's all about understanding the consumer and then targeting appropriately when engaging with viewers.



# Survey Report Findings

## Brands Running vs. Planning to Run Direct Response Ads on CTV

64% of advertisers are currently running direct response campaigns on CTV, and 36% are planning to run CTV campaigns.

When looking at these numbers by industry, we see higher numbers of those already running direct response campaigns on CTV in retail / e-Commerce (71%) and gaming (67%), compared to FinTech (49%).

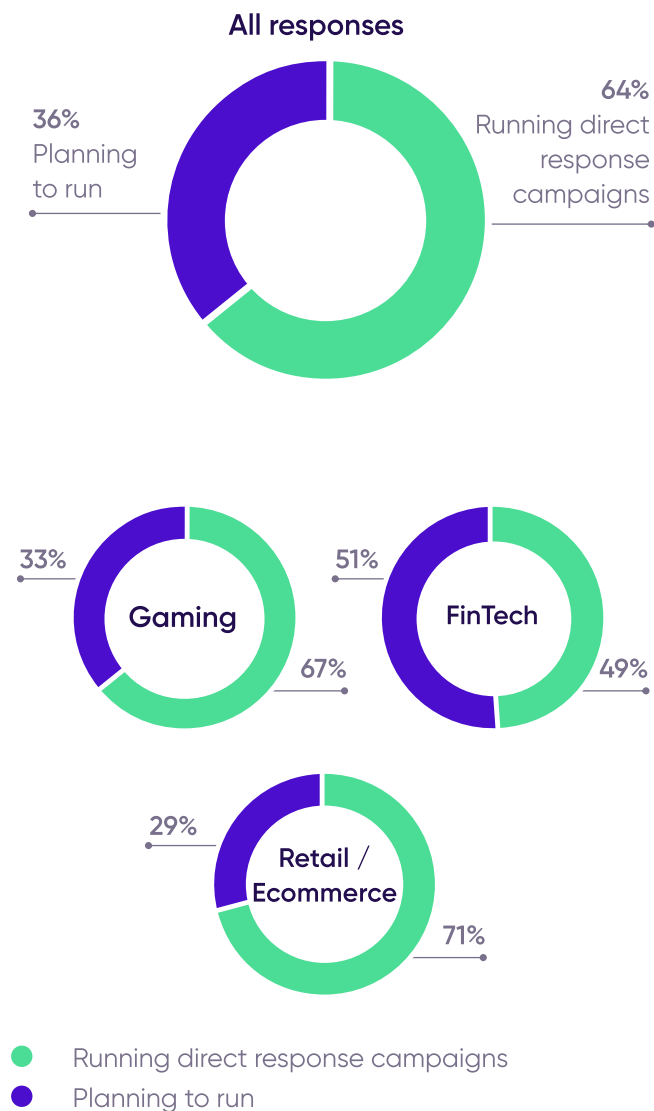
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**PRO TIP**

**MARKETERS AT FINTECH COMPANIES SHOULD LEARN FROM "EARLY ADOPTERS" IN GAMING AND RETAIL TO EMULATE THEIR SUCCESS AND SIDESTEP ANY AVOIDABLE MISTAKES.**

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Figure 1: Brands Running vs. Planning to Run Direct Response Ads on CTV



## Mobile App Downloads

40% of consumers have downloaded mobile apps after seeing advertisements for an app on CTV.

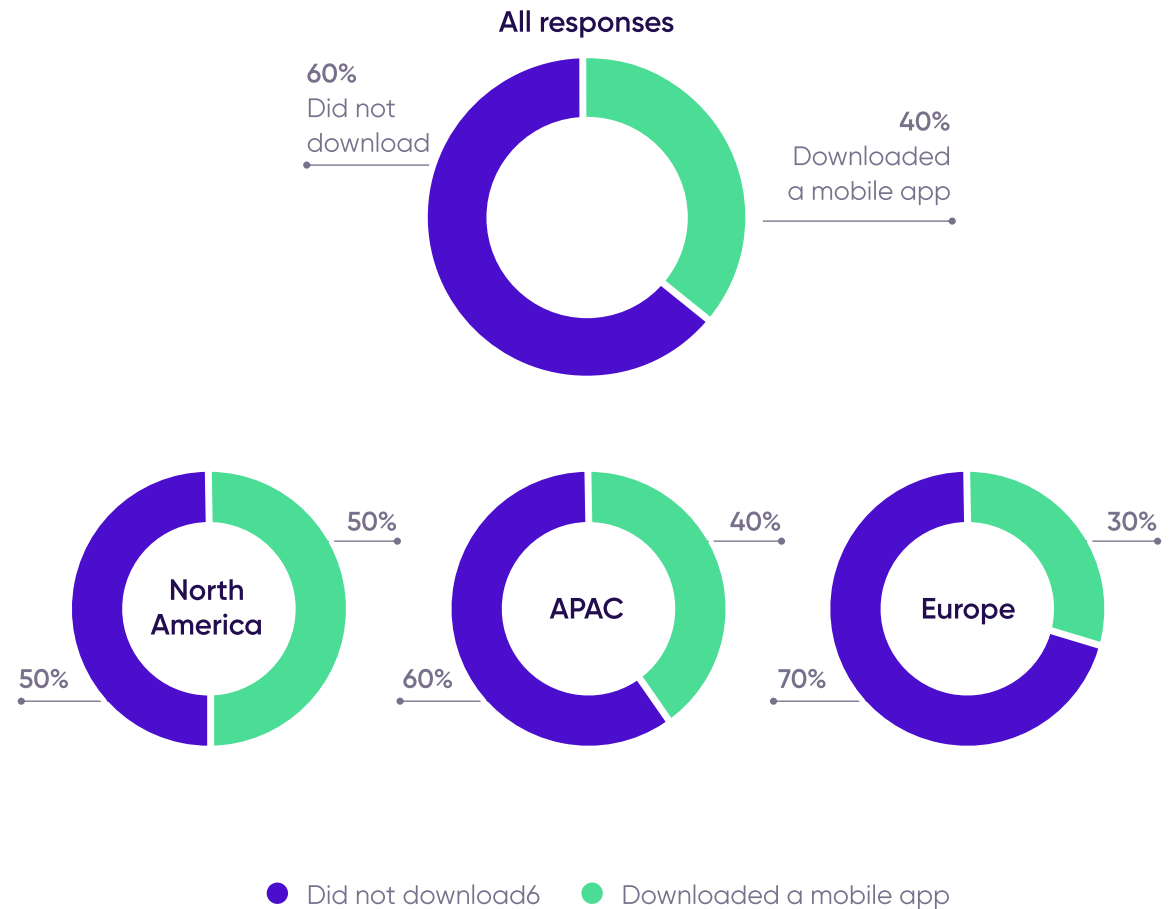
When breaking down the data by region, all three show a high adoption rate, demonstrating that consumer behavior is well established worldwide.

However, North America is still the highest, with 50% of North American consumers downloading mobile apps following a CTV ad, 40% of APAC consumers, and 30% of Western Europe consumers.

### PRO TIP

**IF NORTH AMERICA IS PART OF YOUR TARGET AUDIENCE, YOU SHOULD EXPECT HIGHER CONVERSION RATES IN THIS REGION, AS VIEWERS HERE ARE MORE LIKELY TO DOWNLOAD APPS.**

Figure 2: Consumers Downloading Mobile Apps After a CTV Ad





## CTV Platforms that Brands Advertise On, and those that Consumers Watch

We asked brands what CTV platforms they are already advertising on or plan to advertise on to drive conversion on mobile.

We also asked consumers which platforms they are using to see if the targeting efforts align with consumer watching habits.

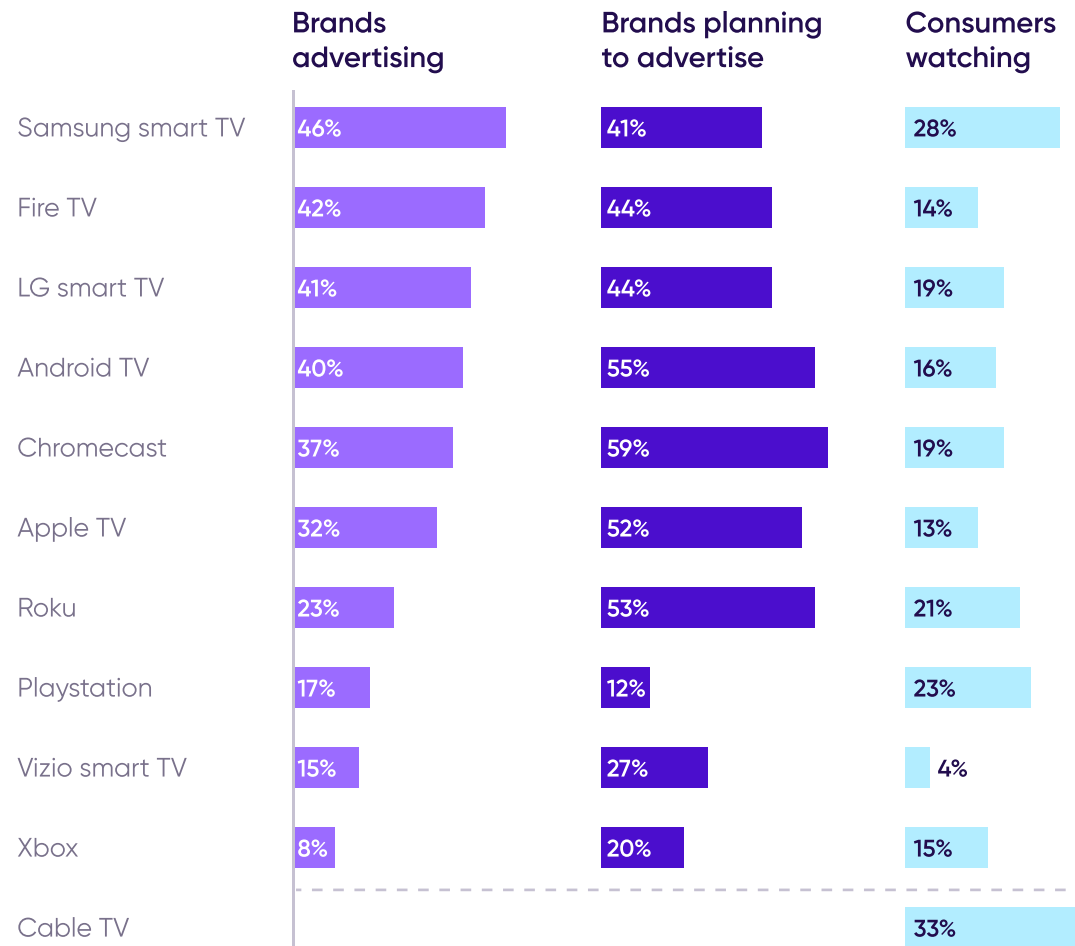
The top platforms brands advertise on are Samsung smart TV (46%), Fire TV (42%), and LG smart TV (41%). The top platforms they plan to advertise on are Chromecast (59%), Android TV (55%), and Roku (53%).

On the consumer side, the top watched CTV platforms are Samsung smart TV (28%), PlayStation (23%), and Roku (21%).

### PRO TIP

**ADVERTISERS SHOULDN'T IGNORE GAMING CONSOLES, AS CONSUMERS USE THEM TO WATCH CTV CONTENT.**

Figure 3: CTV Platforms Brands Advertise On, and Consumers Watch



\*Question allowed more than one answer and as a result, percentages will add up to more than 100%

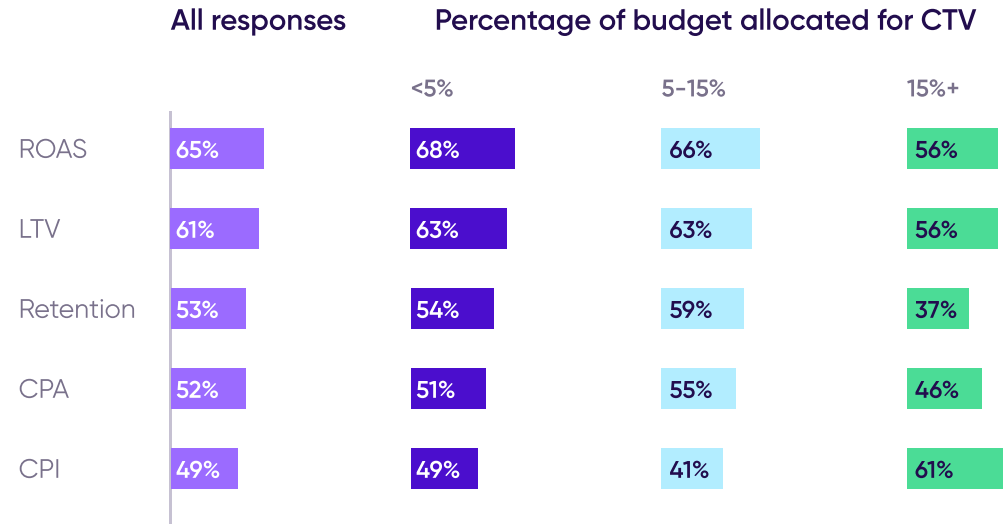


## KPIs to Measure when Advertising on CTV

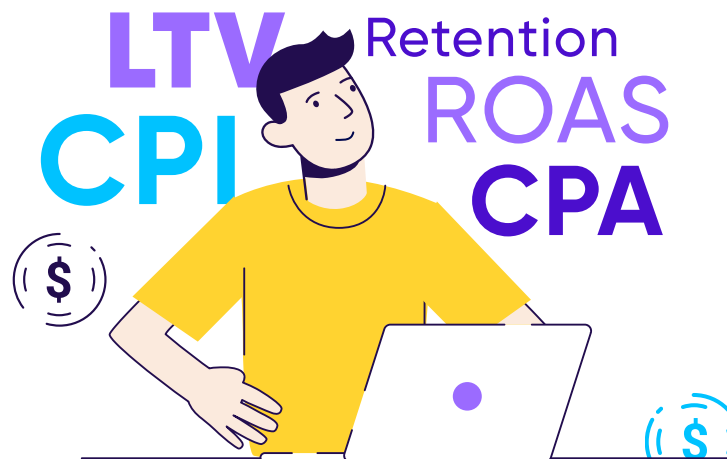
The top KPIs that brands aim to improve when advertising on CTV are ROAS (65%), LTV (61%) and retention (53%).

The top KPIs for those with the highest percentage of advertising budgets already allocated towards CTV (15%+) are CPI (61%), ROAS (56%), and LTV (56%).

Figure 4: KPIs to Improve when Advertising on CTV, by Percentage of Budget Allocated for CTV Advertising



\*Question allowed more than one answer and as a result, percentages will add up to more than 100%.



## Brands Targeting by Content Type vs. Content Actually Watched by Consumers

When given the option to target consumers by the content they are watching, the top content categories brands are targeting are not necessarily aligned with the content that consumers are actually watching. For example, 64% of brands target sports and fitness, while only 42% of consumers are watching this content.

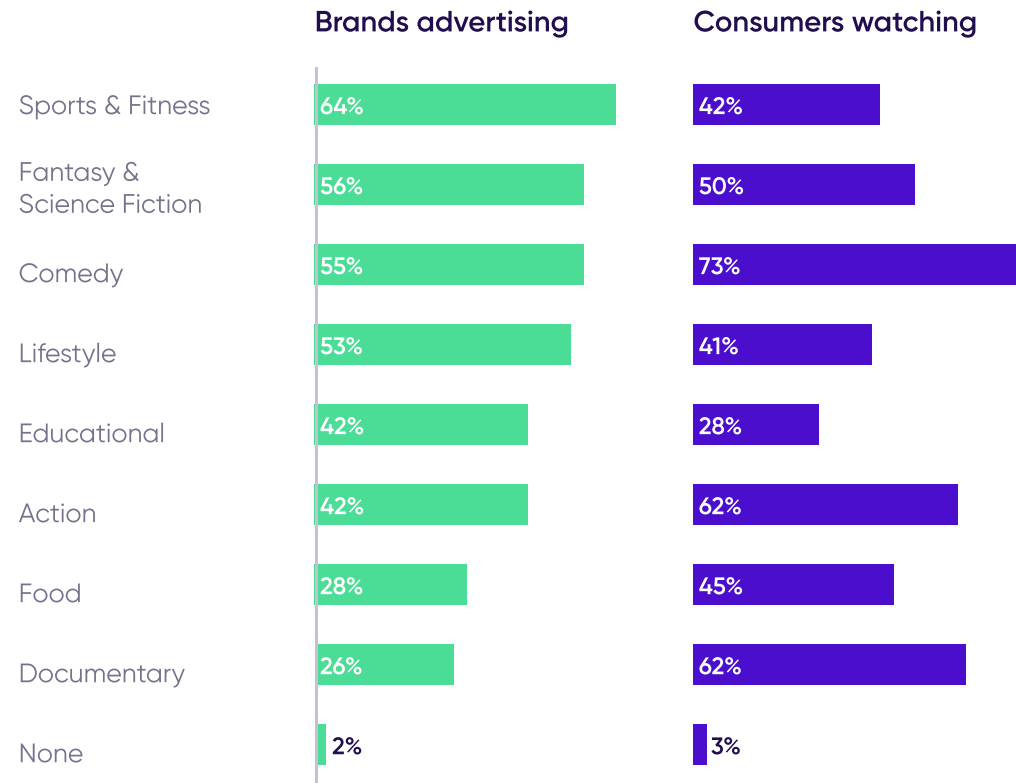
In the other direction, 73% of consumers are watching comedy, only targeted by 55% of brands, and 62% of consumers watch documentaries, one of the highest watched categories, and only 26% of brands are targeting this content.

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**PRO TIP**  
**IF THESE CATEGORIES FIT THEIR MESSAGING AND TARGET AUDIENCE, THEN DOCUMENTARY, COMEDY, AND FOOD ARE UNTAPPED OPPORTUNITIES FOR MARKETERS TO TEST NEW AUDIENCES.**

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Figure 5: Targeting Consumers by Content Watched vs. Content Actually Watched



\*Question allowed more than one answer and as a result, percentages will add up to more than 100%



## Top Reasons for Advertising on CTV

The top reasons to advertise on CTV are to engage with new audiences (73%), obtain higher engagement (73%), and reach higher LTV (50%). It's also worth noticing that brands cite CTV's measurability as a reason to advertise on this medium.

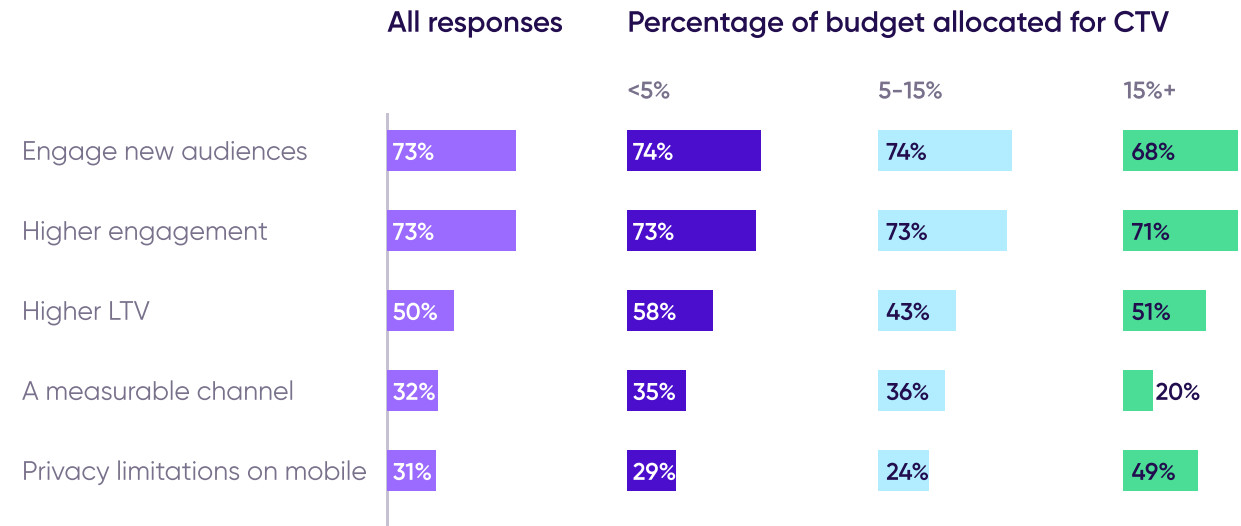
These goals remain the same for those with the highest advertising budgets, with the top reasons being higher engagement (71%), engaging new audiences (68%) and higher LTV (51%).

Privacy limitations on mobile advertising is a driver for 31% of brands and becomes a bigger driver at 49% for those with higher advertising budgets on CTV.

### PRO TIP

**CTV IS A HUGE OPPORTUNITY, ALLOWING MARKETERS TO ENGAGE WITH A WHOLE NEW SEGMENT OF POTENTIAL USERS WHEN THEY ARE RELAXED AND PAYING CLOSE ATTENTION.**

Figure 6: Top Reasons for Advertising on CTV



\*Question allowed more than one answer and as a result, percentages will add up to more than 100%



## The Future of CTV Advertising vs. Mobile Advertising

According to 98% of brands, CTV advertising will one day be bigger in terms of ad spend than mobile advertising, with 25% saying this will happen in the next 2-3 years, and 62% within 5 years.

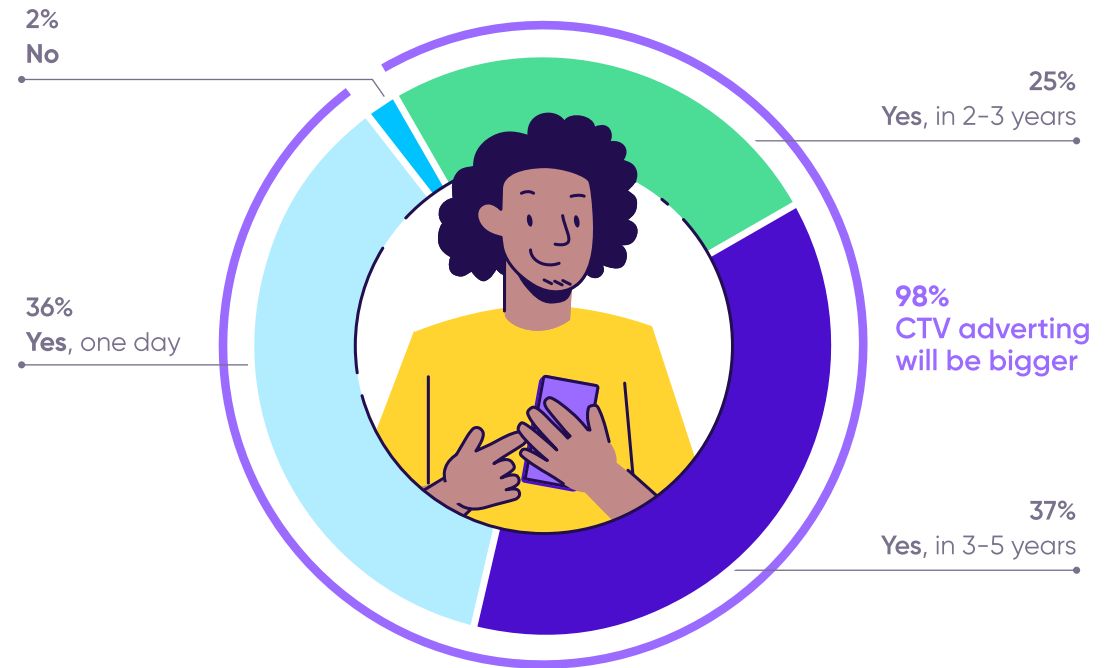
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### PRO TIP

**NOW IS THE RIGHT TIME TO START ADVERTISING ON CTV BEFORE IT BECOMES A HEAVILY CROWDED AND SATURATED SPACE. THE EARLIER YOU GET INTO A NEW CHANNEL, THE MORE YOU GET OUT OF IT.**

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Figure 7: Will CTV Advertising Spend Exceed Mobile Advertising Spend?

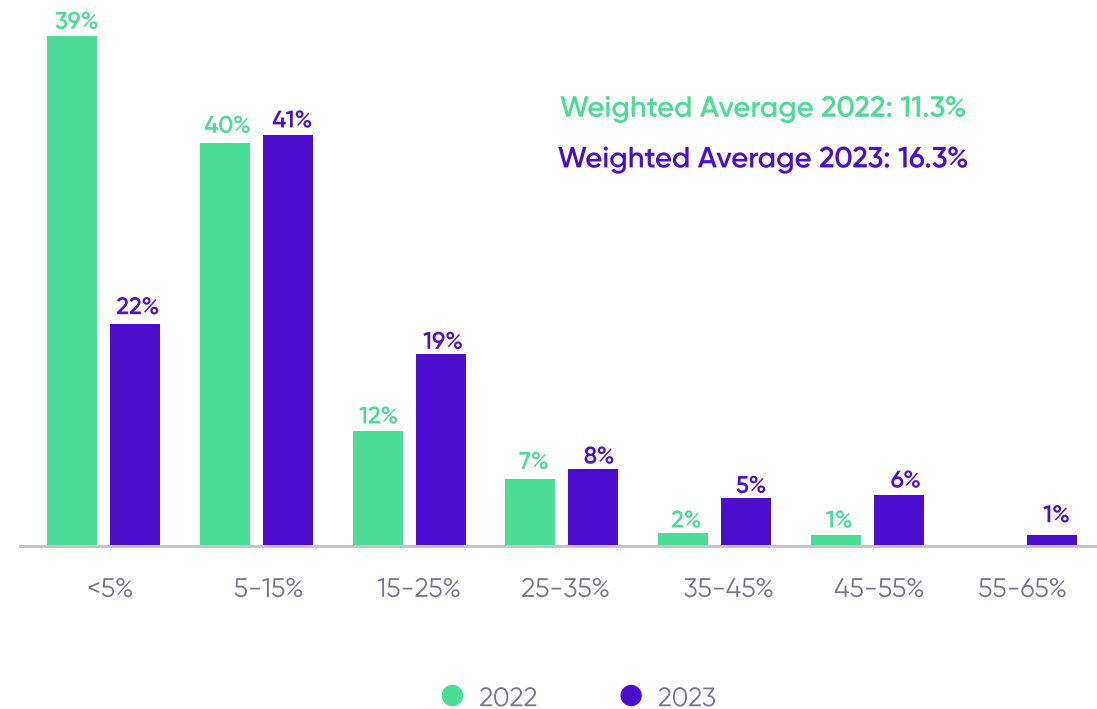


## Percentage of CTV Advertising from Advertising Budgets, 2022-2023

The percentage of CTV advertising budget out of the overall advertising budget in 2022 is 11.3%, and spend will grow by 44% to 16.3% in 2023.

It's clear that brands are seeing the importance of allocating specific budget to CTV from their overall advertising budget, as maturity grows in this area.

Figure 8: Percentage of CTV Advertising from Advertising Budgets, 2022-2023



## Consumer Attitudes to Ads on CTV (Will They Pay for Ad-Free CTV?)

Only 14% of consumers said they are willing to pay for ad-free CTV, regardless of the amount of ads or the cost. 30% aren't bothered by ads (figure 9), and 26% said nothing will stop them from watching content on CTV.

Reasons that will get consumers to stop watching CTV are too many ads (39%), privacy related issues (20%), and seeing non-relevant ads (12%).

On average, consumers are willing to watch 1.8 ads within 30 minutes but this number jumps by 220% to 5.8 ads if the ads are relevant to them (figure 11).

Figure 9: Do Ads Bother Consumers?

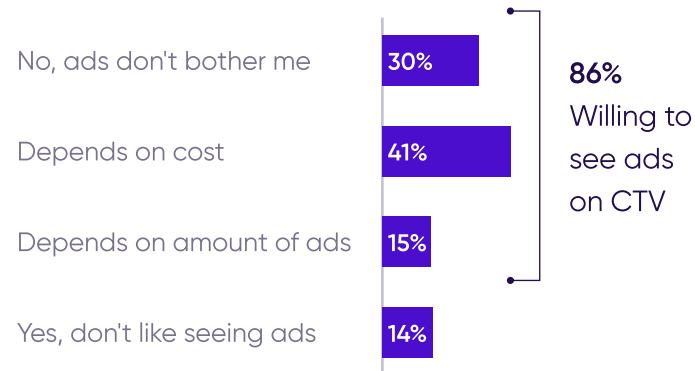


Figure 10: What Would Stop Consumers Engaging with CTV?

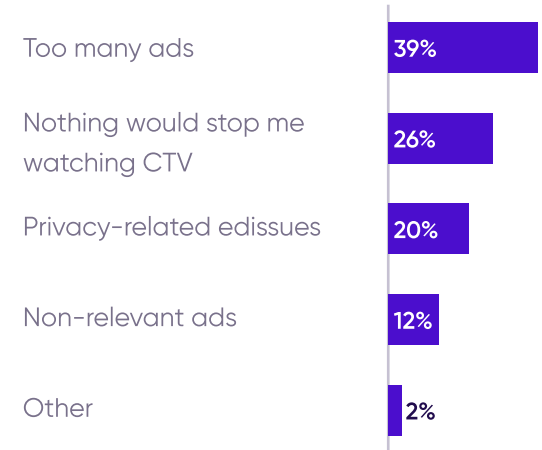
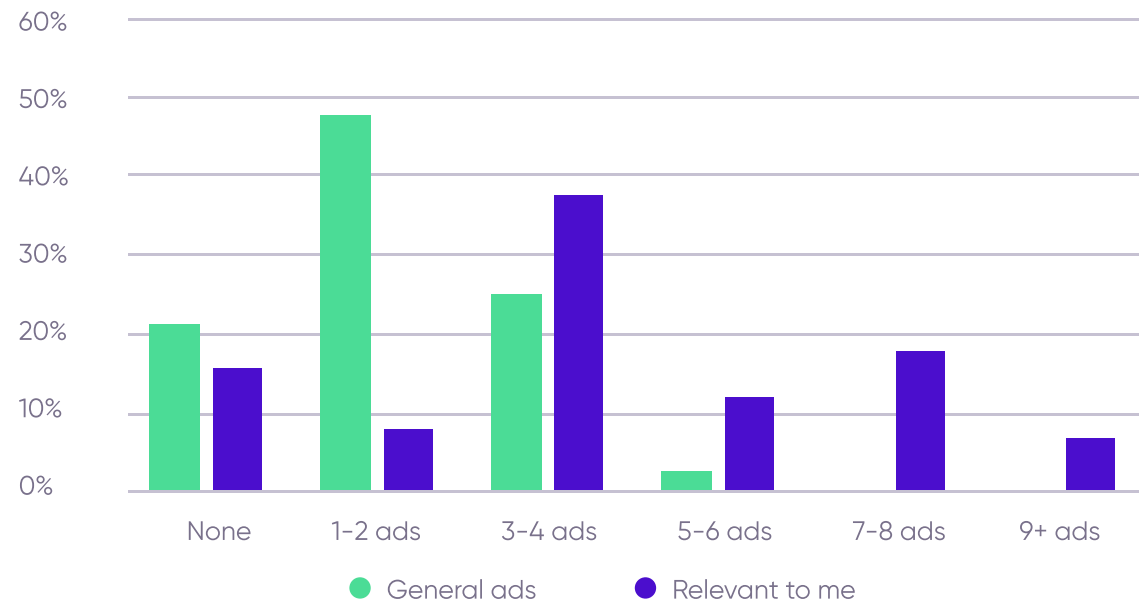


Figure 11: How Many Ads are Consumers Willing to See?



\*Percentages do not add up to 100% due to rounding up of numbers or when questions allowed more than one answer



## Sentiment Towards QR Codes on CTV - Brands vs. Consumers

38% of brands say that QR codes for driving mobile app installs perform well, and 53% of consumers said they are quite likely or very likely to scan a QR code displayed in a CTV ad.

Consumer behavior around scanning QR codes when watching content is well established, and overall sentiment is very positive.

Naysayers might claim that QR codes involve too much friction, as viewers need to get their mobile phones out to capture the code displayed on the screen. However, the evidence points to a different conclusion. In addition, brands can assume that consumers capturing QR codes are very engaged and will show high LTV.

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**PRO TIP**

**FOR GETTING AN IMMEDIATE RESPONSE FROM ADS, QR CODES ARE A VALUABLE TOOL AND SHOULD BE TESTED.**

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Figure 12: Advertiser Sentiment Towards QR Codes for Driving Mobile App Installs

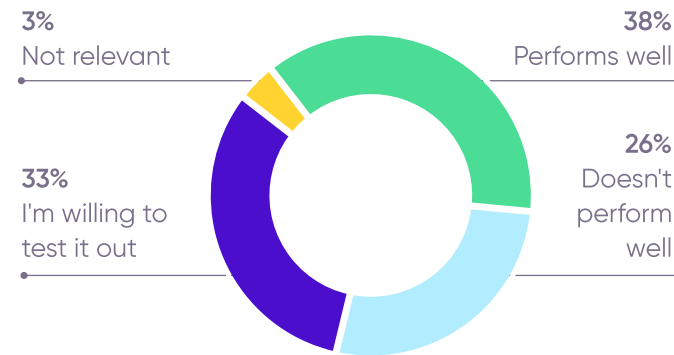
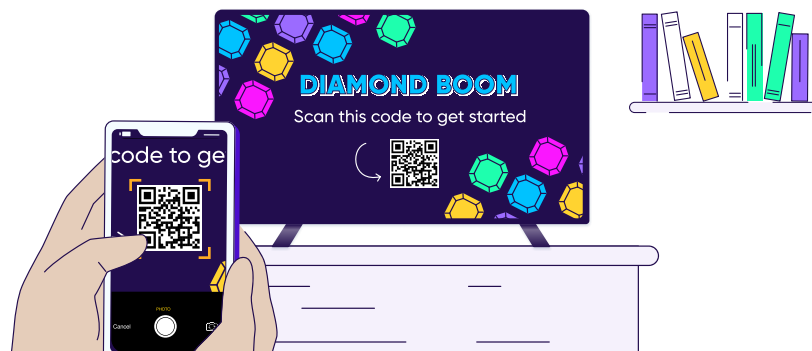
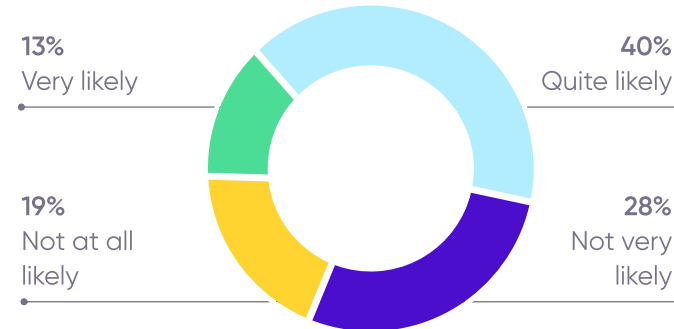


Figure 13: Consumer Willingness to Use QR Codes in CTV Ads

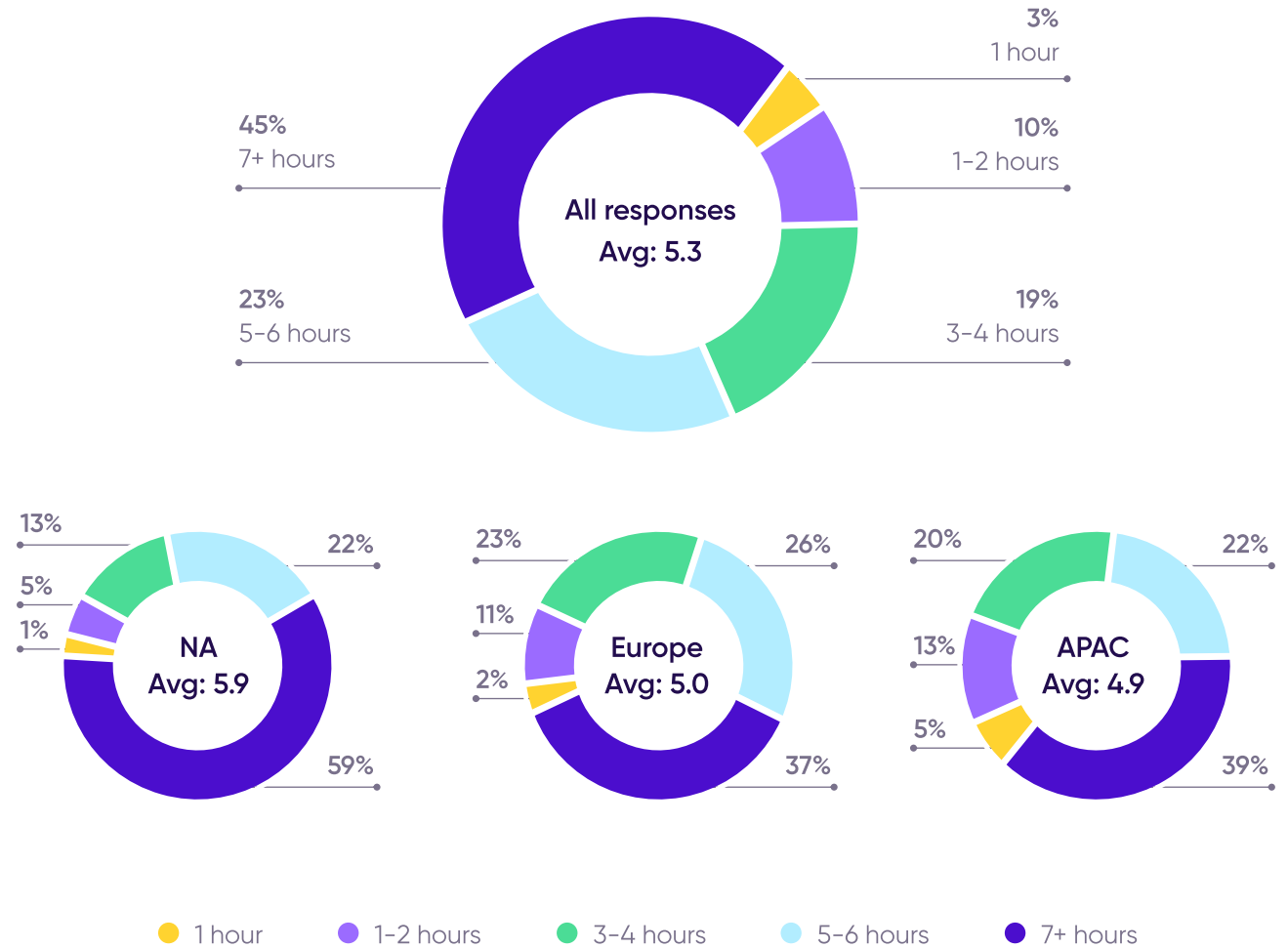




## Average Time Spent Watching Streaming Content on CTV, Per Week

On average, consumers watch 5.3 hours of streaming content on CTV per week. This number is 11% higher in North America at 5.9 weekly hours.

Figure 14: Weekly Time Spent Watching Streaming Content on CTV



# Demographics

## Demographics - Advertisers

Figure 15: Country

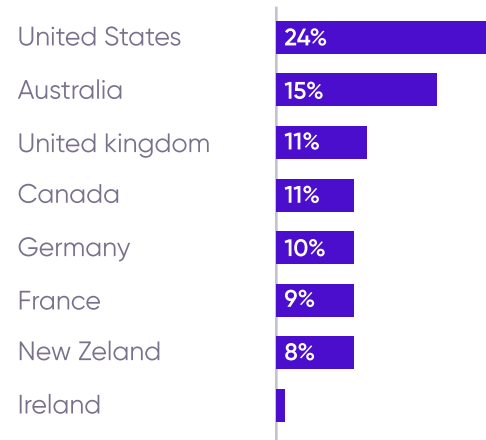


Figure 16: Offering Mobile App

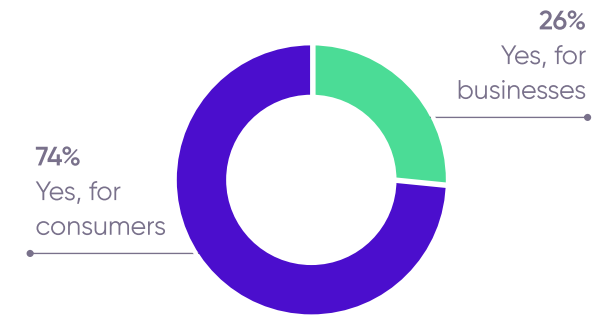


Figure 17: Industry

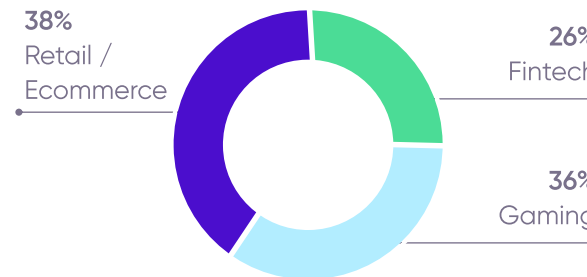


Figure 18: Department

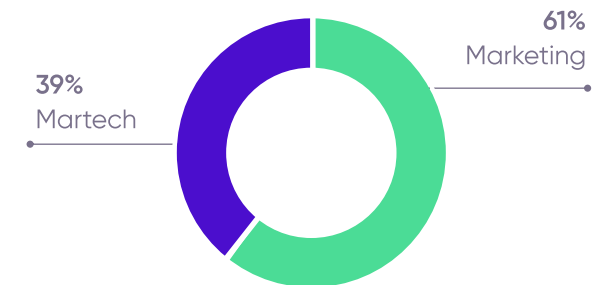


Figure 19: Seniority

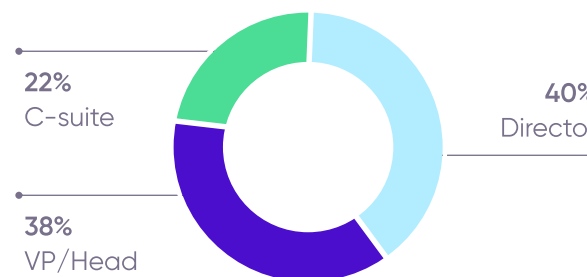
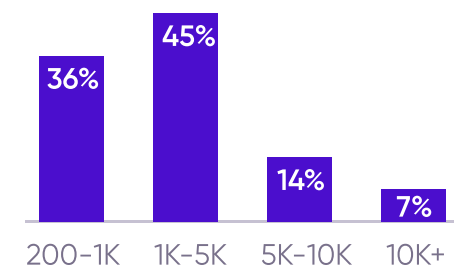


Figure 20: Company size



# Demographics - Viewers

Figure 21: Country

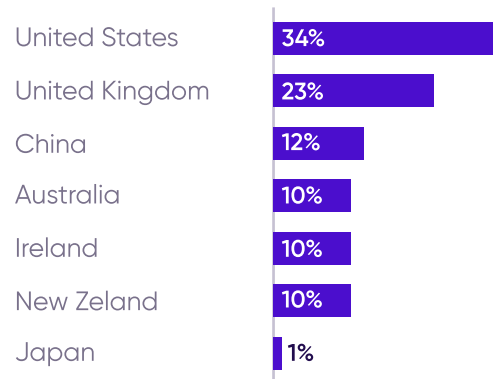


Figure 22: Age

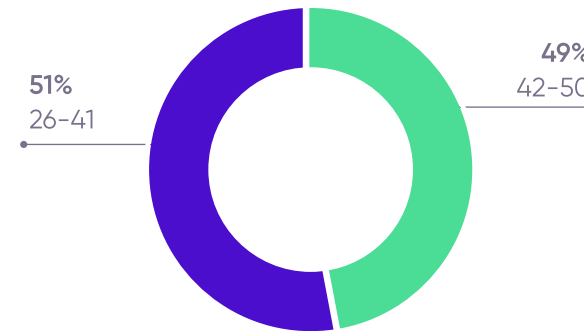


Figure 23: Gender

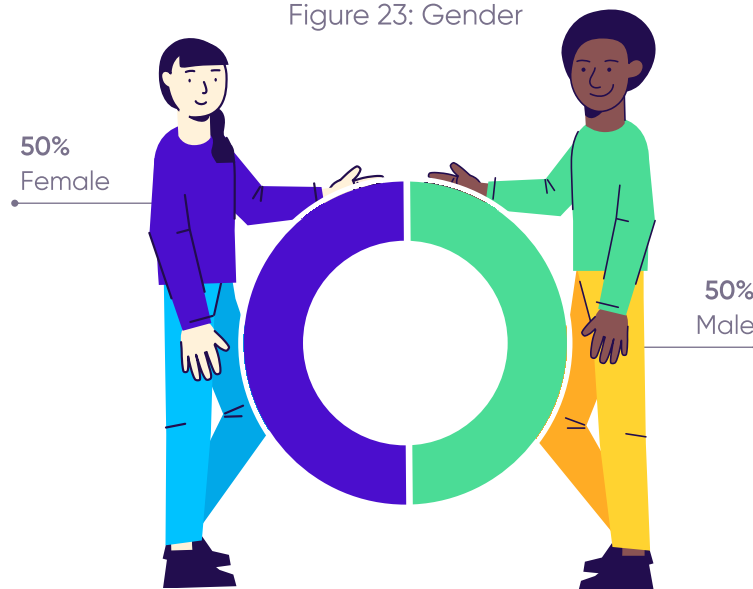
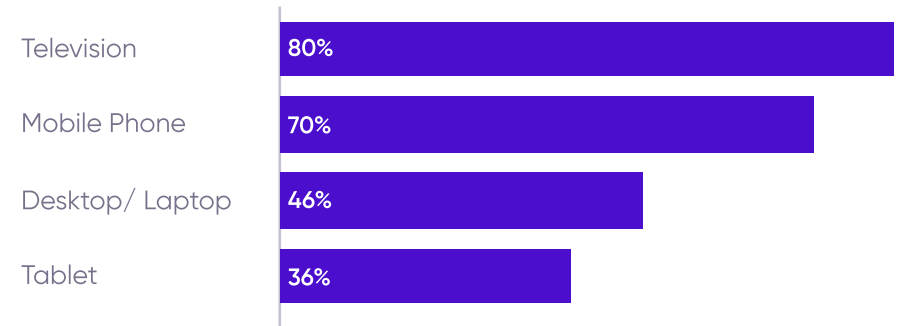


Figure 24: Top Devices Used for Watching Streaming Content



# About AppsFlyer



AppsFlyer helps brands make good choices for their business and their customers with its advanced measurement, data analytics, deep linking, engagement, fraud protection, data clean room and privacy preserving technologies. Built on the idea that brands can increase customer privacy while providing exceptional experiences, AppsFlyer empowers thousands of creators and 10,000+ technology partners to create better, more meaningful customer relationships. To learn more, visit [www.appsflyer.com](http://www.appsflyer.com).

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