

A photograph of a family (a man, a woman, and a child) sitting on a couch and watching television. The image is partially obscured by a white diagonal graphic element on the right side of the slide.

WHY CONNECTED TV PRESENTS A UNIQUE ENGAGEMENT OPPORTUNITY FOR FINANCIAL INSTITUTIONS

December 7, 2021

/ Agenda

- 01 What is CTV? What is OTT?
- 02 Why is CTV an Opportunity for financial institutions?
- 03 Why is CTV a Critical Solution in 2022
- 04 How to Reach Cord Loyalists
- 05 Takeaway Exercise

/ Presenter



Robert Ropars

Senior Account Executive, Digital
Vericast

30+ years of experience with consumer-focused strategies and solutions for B2C & B2B brands

FOCUSED ON:

- Working with financial institutions of all sizes
- Online digital advertising solutions



Charlie Arcella

Executive Director, Financial Services Partnerships
Vericast

15+ years of digital marketing and advertising experience
Leads the omnichannel finance partnerships team at Vericast

FOCUSED ON:

- Developing effective marketing programs for financial institutions
- Multichannel marketing of deposits or loans

01

WHAT IS CTV? OTT?

It's never easier to reach consumers

/ Connected TV vs Linear TV

LINEAR TV

- Focuses on demographics, geography and broad consumer interests
- Limited reporting capabilities

CONNECTED TV (AKA CTV/OTT)

- Precise location data
- In-market signals
- Increased targeting
- Better engagement reporting



/ What is Connected TV (CTV)? What is OTT?

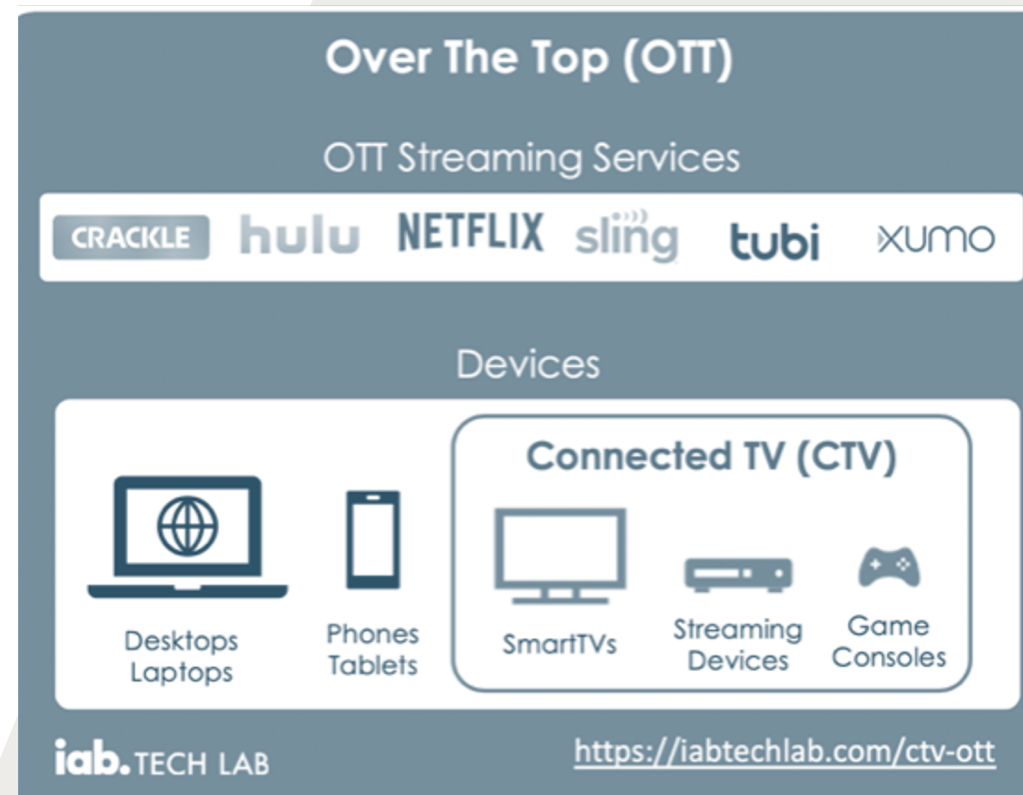
IN THE CONTEXT OF ONLINE DIGITAL ADVERTISING:

CONNECTED TV (CTV)

- **Smart TVs and streaming devices** connected to TVs - Ex: Roku or gaming console
- **Ads only streamed/seen on a TV**

OVER-THE-TOP (OTT)

- **Video content streamed** from the internet to a TV, laptop, tablet or phone



/ CTV Ad Example: Pluto TV



Streaming the show

Show continues

Ads run – a mix of national and local

/ Key Advantages of Connected TV

- Non-skippable, full resolution ads optimized for Smart TVs
- Qualify, target, and retarget in real-time during a campaign
- Link TV-viewing audiences to physical households
- Continual campaign optimization
- Comprehensive, transparent and unique attribution reporting including both offline and online actions
- Deliver more relevant content

64%

OF CONSUMERS
AGED 25-34 and

69%

OF CONSUMERS
AGED 35-44 say:

“

Products
advertised on
streaming TV
are **more
relevant** than
those advertised
on traditional
cable TV.

02

**WHY IS CTV A UNIQUE
OPPORTUNITY FOR
FINANCIAL INSTITUTIONS?**

/ Consumer Viewing Habits Have Rapidly Shifted Since 2019



4 in 5

Consumers are TV streamers, compared to 2 in 3 who pay for linear TV¹



91%

Of consumers are unwilling to spend more than \$60 per month on TV streaming services.²



82.4M

Unique households watched OTT in a given month.³

¹ Roku, "The Streaming Decade", 2021

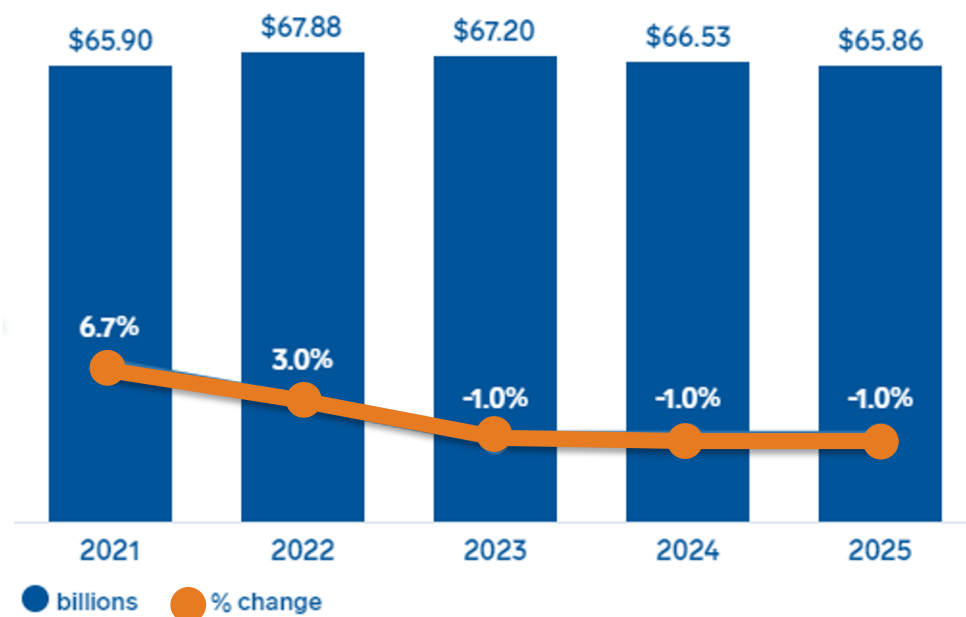
² The Trade Desk, "The Future of TV Report", June 2021

³ Comscore OTT Intelligence, June 2021

/ Linear TV Is Flat/Declining, BUT CTV Is Rising

TV Ad Spending

US, 2021-2025

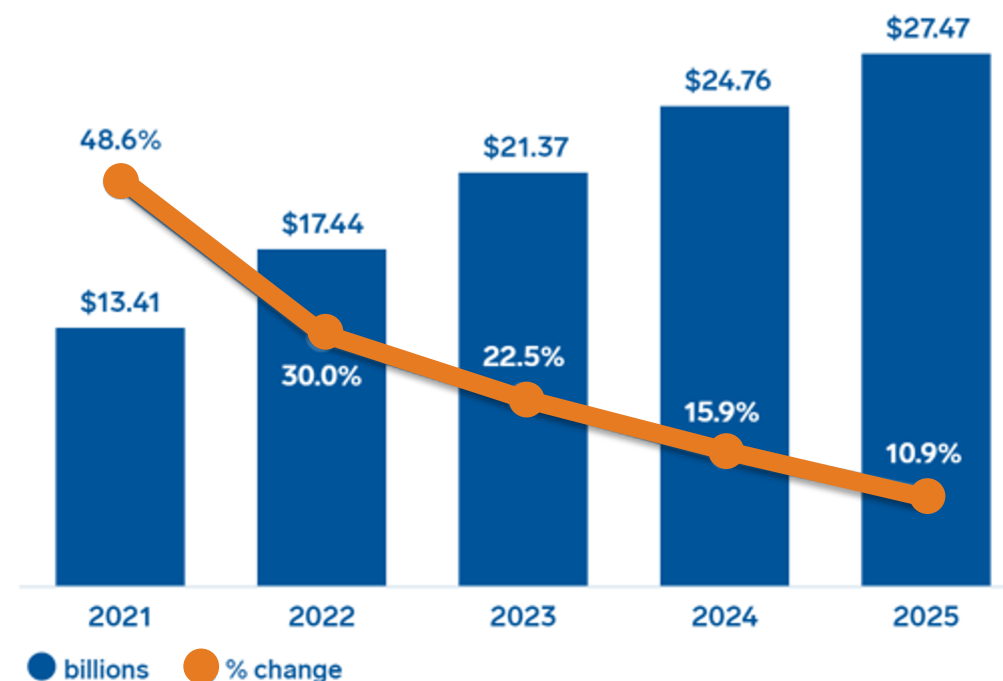


Source: eMarketer, March 2021 (see below for notes and methodologies).

eMarketer | InsiderIntelligence.com

Connected TV Ad Spending

US, 2021-2025



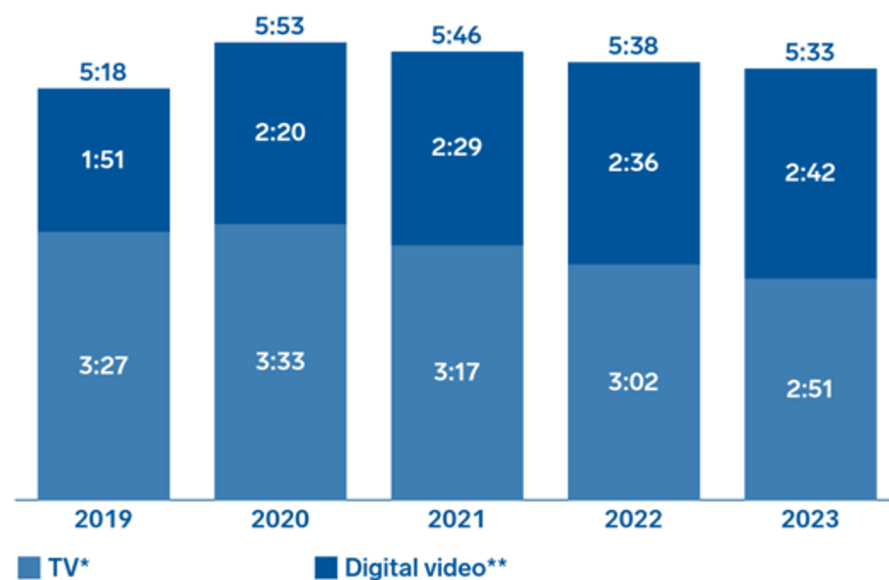
Source: eMarketer, March 2021

eMarketer | InsiderIntelligence.com

/ Efficiency Is Driving CTV Gains, Making It Ideal for FinServ

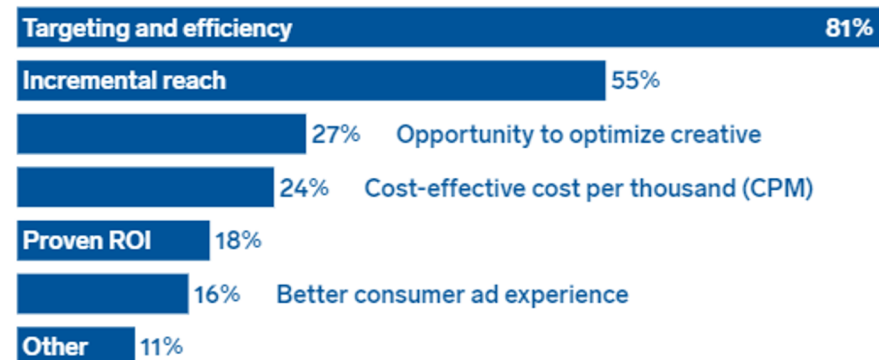
TV* vs. Digital Video**: Average Time Spent in the US, 2019-2023

hrs:mins per day among population



Reasons US Agencies and Brand Marketers Are Shifting Linear TV Budget to OTT/Connected TV (CTV) in 2021, Nov 2020

% of respondents



70% of advertisers say their top priority is **linking video investments to business outcomes³**

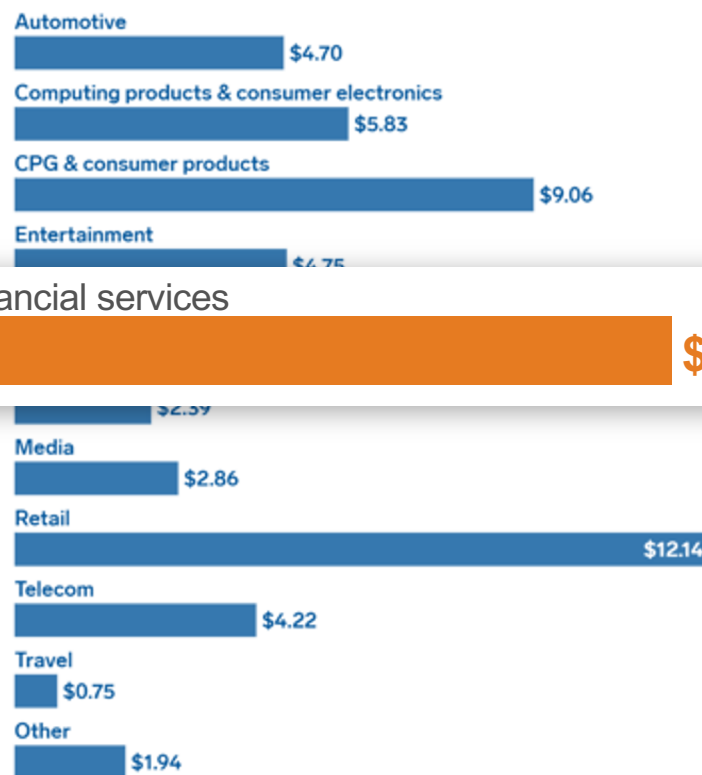
¹ eMarketer, April 2021

² AB, 2021 Marketplace Outlook Survey Results, Dec. 2020

³ The Future of TV Report, The Trade Desk, June 2021

/ Online Video Increasingly a Key Spend for FinServ

Video Ad Spending, by Industry
US, 2021, billions



Source: eMarketer, June 2021

InsiderIntelligence.com

03

WHY IS CTV A CRITICAL SOLUTION IN 2022?

The customer journey has changed

/ COVID-19 Changed Content Consumption

- Consumers spent a lot more time watching CTV/OTT
- CTV remains far higher than pre-pandemic levels
- CTV device was 81% higher year over year; equal to 4 billion hours a week
- Only 2% of adults planned to reduce the number of paid services
- 25% added a paid service

Source: [Connected TV Usage Remains Above Pre-COVID-19 Levels as Traditional TV Viewing Normalize \(June 2020\)](#)
Nielsen's [Remote Workers Consumer Survey](#)
Valassis survey of 1,000 US adults, 2020



55%

Of consumers say, "I'm spending more time watching streaming TV" since COVID began



73%

Of 25–44-year-olds subscribed to an additional streaming service



49%

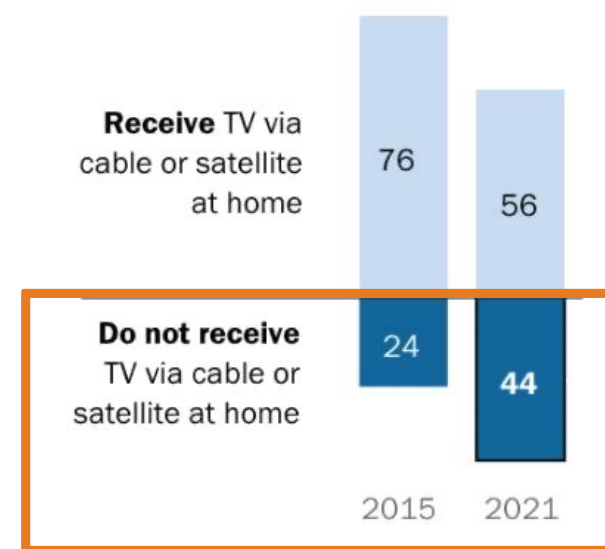
Of 25–44-year-olds made a purchase based on an ad on streaming TV

/ CTV Homes Have Increased Dramatically



The share of Americans who receive TV via cable or satellite at home has fallen ...

% of U.S. adults who say they ...



Source: [Connected TV penetration rate in the U.S. 2014-2020](#), Jan 2021

/ Identifying Consumers on Their Journey USED to be Easy



Learning Phase

Long-term interests,
individual behaviors



Research Phase

In-Market



Ready-to-Buy Phase

Visit Likelihood

Source: JD Power, 2017 New Financeshopper Study™

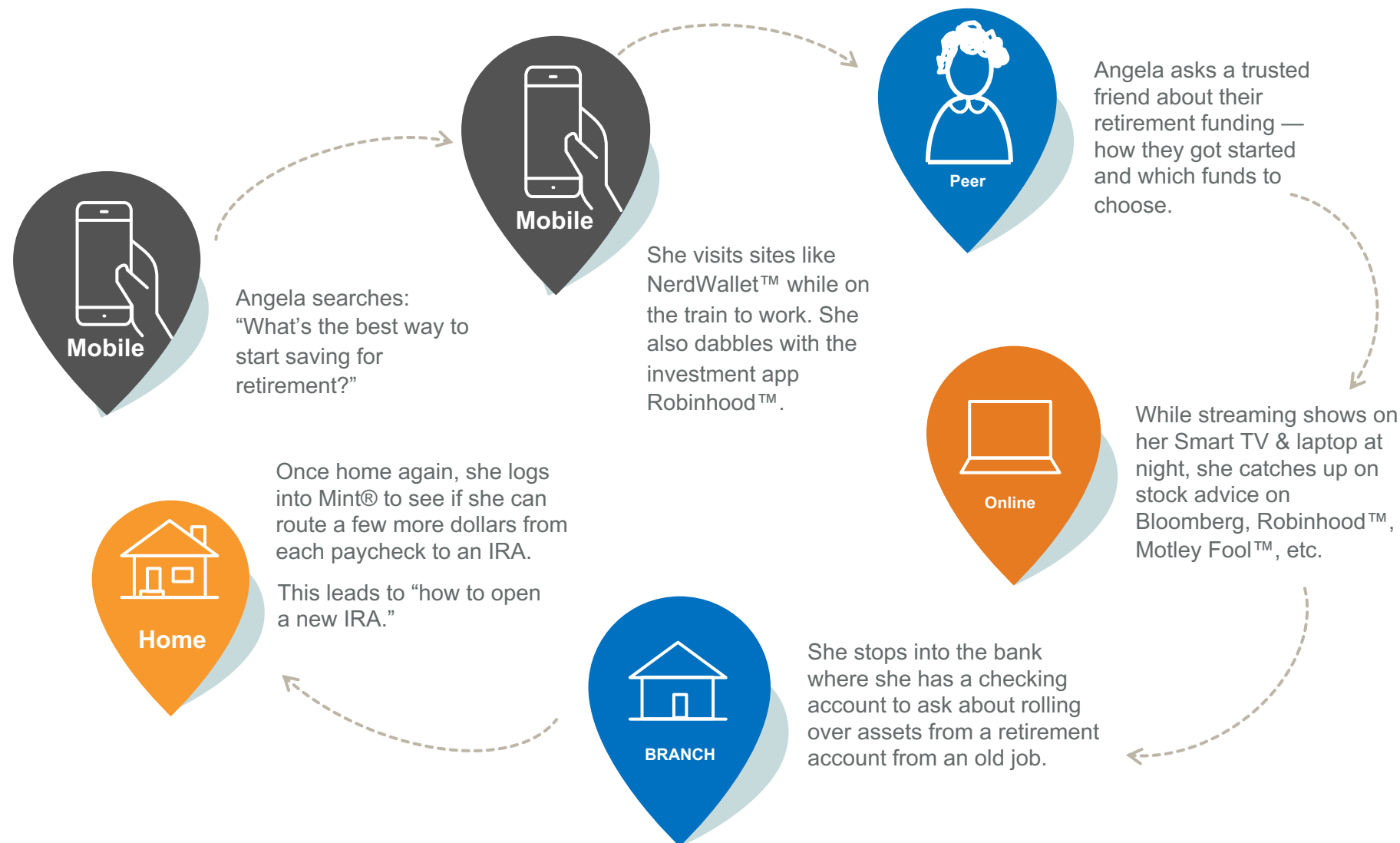
/ The Consumer Path has Changed



Meet Angela

Thinking about retirement but doesn't know where to start.

What can we learn from exploring a day in her life?



/ Connecting with Consumers Requires a Holistic Strategy



DIRECT MAIL



GEOFENCING ADS



CTV/OTT



MOBILE



EMAIL



DISPLAY/VIDEO ADS

/ Cookies and Mobile IDs – We Won't Miss You

THE KEY IS TO REACH THE RIGHT PEOPLE WHO WILL
ENGAGE WITH YOUR BRAND BY:

1 Grouping
device behaviors
to create a digital
household



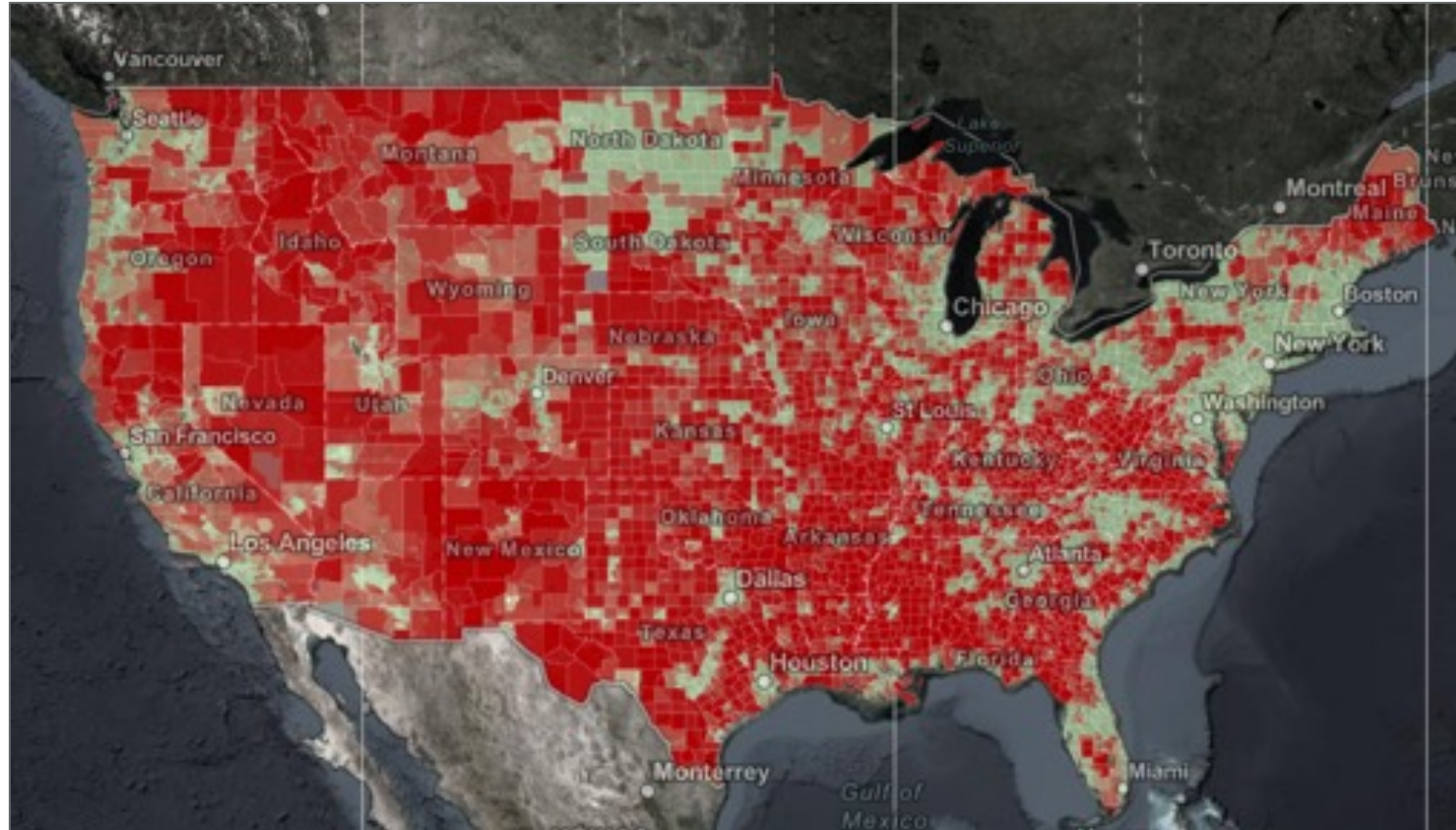
2 Clustering
consumers with
similar interests

Google delays Chrome tracking cookies ban until 2023

(and How Will Apple's iOS 14 Update Impact Advertisers)?

/ Rising Access for Rural/Low-Income Communities

NTIA Creates
[First Interactive Map](#)
to Help Public See
the Digital Divide
Across the Country



“The Federal Communications Commission currently defines broadband as a download speed of 25 megabits per second and an upload speed of 3 Mbps. However, households that may need to share such a connection across multiple phones and computers for entertainment, educational and professional purposes often find that this minimal level of service is not enough.”

/ Protections Against Discriminatory Ad Practices

Recent HUD litigation has resulted in the significant changes to online advertising practices in order to protect vulnerable groups from housing discrimination, including:

- Removing ad target options that enable advertisers to exclude audiences based on race, color, religion, national origin
- No longer allow anyone or any company to target housing, employment, or credit ads by age, gender, marital status, parental status or ZIP Code
- Eliminate automatic bid adjustments based on discriminatory targeting factors

Advertisers may still target based on **browsing behavior**, **interests** and **radius targeting**.

/ A Successful Strategy Requires a Full View of Consumers



READY TO BUY

What people want to buy now



LIFESTYLE & INTERESTS

What people routinely enjoy throughout their lives



STORE VISITS

Where people choose to shop



DEMOGRAPHICS

Predicted age, gender, ethnicity, and income



PURCHASES

What products and categories people prefer



COUPON REDEMPTIONS

Likelihood to be savers

04

CORD LOYALISTS

How do you reach this shrinking,
but critical demographic?

/ To Cut the Cord or Not to Cut the Cord

CORD LOYALISTS

- Never to abandon cable/satellite and *may* stream content
- Generally, only subscribe to Netflix® which lacks ads
- Mainly Boomers and Silent Generation

CORD-CUTTERS

- Abandoned cable/satellite for streaming
- Some Boomers, mainly Gen X and Gen Y
- Also known as “Digital Adopters”

NEVER CORDS

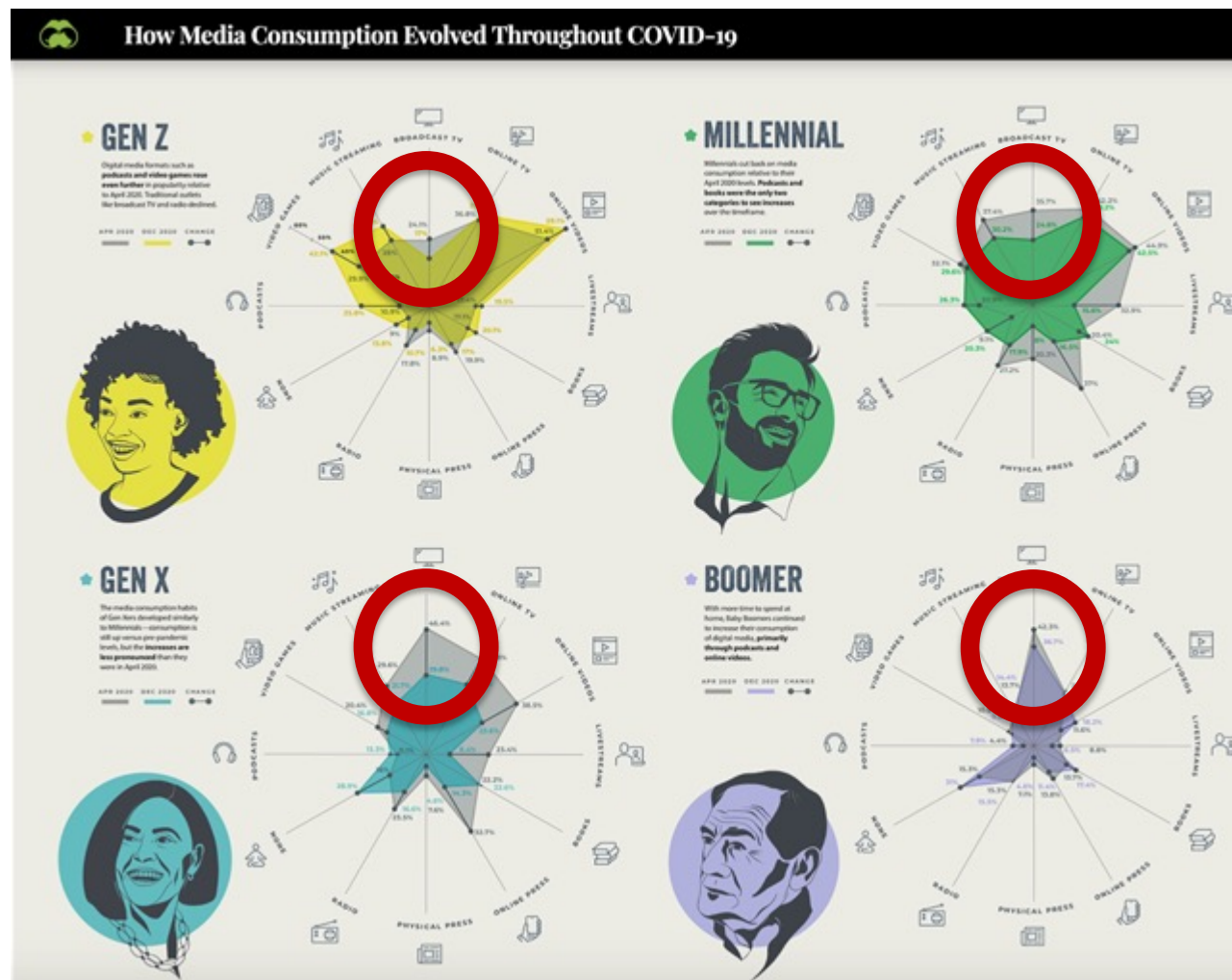
- Never had cable/satellite and never will
- Some Gen Y, mainly Gen Z and Gen Alpha
- Also known as “Digital Natives”



/ Cord Loyalists Stand Out From the Crowd

GEN Z wasn't really engaged with it, so their drop in usage was minimal

GEN X was about as engaged with it as Boomers, but have now greatly dropped



GEN Y was more engaged than Gen Z, and their drop in usage was more than Z

BOOMERS were engaged roughly the same as Gen X, but usage has barely changed

Source: [How Media Consumption Evolved Throughout COVID-19](#)
Jun 2021

/ Why Baby Boomers Epitomize Cord Loyalists

Boomers

Media consumption trends among Baby Boomers were mixed, with some categories increasing and others decreasing since April. Broadcast TV saw the biggest decline in usage of all media types, but remained the most popular category for this cohort.

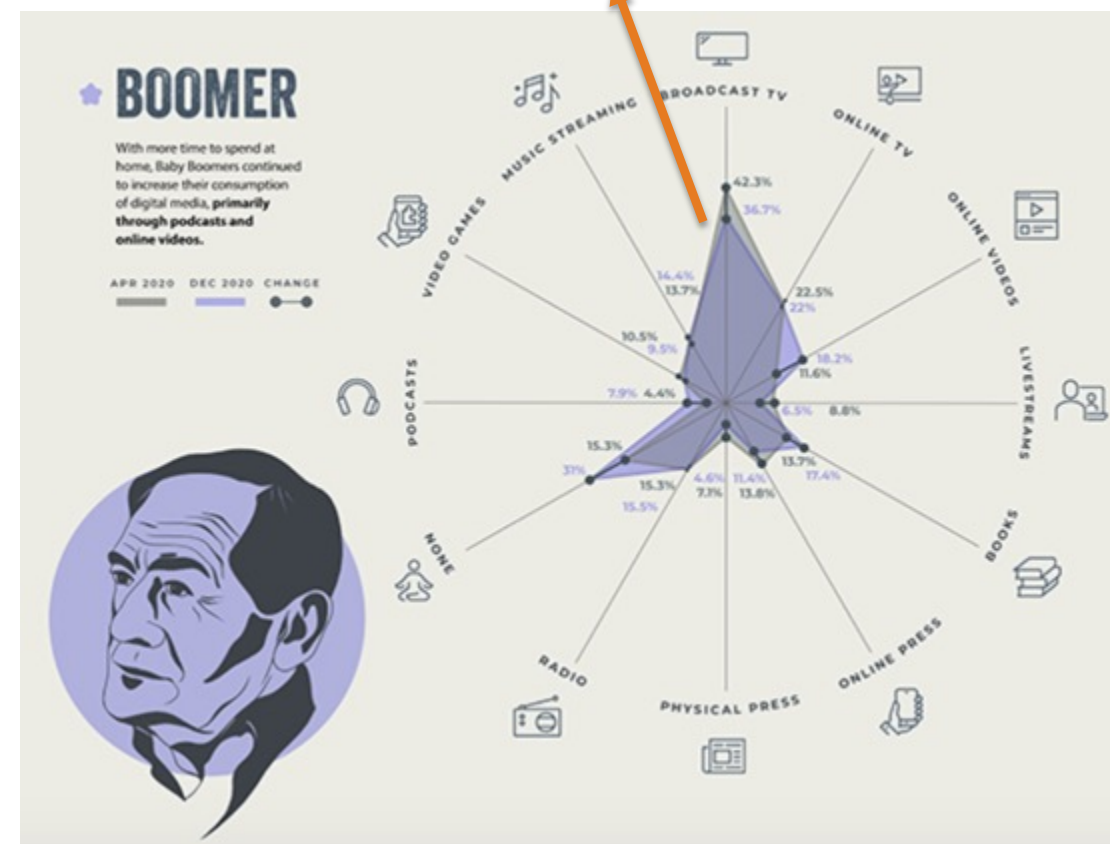
Category	April 2020	December 2020	Change (percentage points)
Podcasts	4.4%	7.9%	+3.5%
Video Games	10.5%	9.5%	-1.0%
Music Streaming	13.7%	14.4%	+0.7%
Broadcast TV	42.3%	36.7%	-5.6%
Online TV / streaming films	22.5%	22.0%	-0.5%
Online videos (Youtube/TikTok/etc.)	11.6%	18.2%	+6.6%

Showing 1 to 6 of 12 entries

[Previous](#) [Next](#)

Boomers also had the largest share of “none” respondents in both studies (23.0% in April and 31.0% in December).

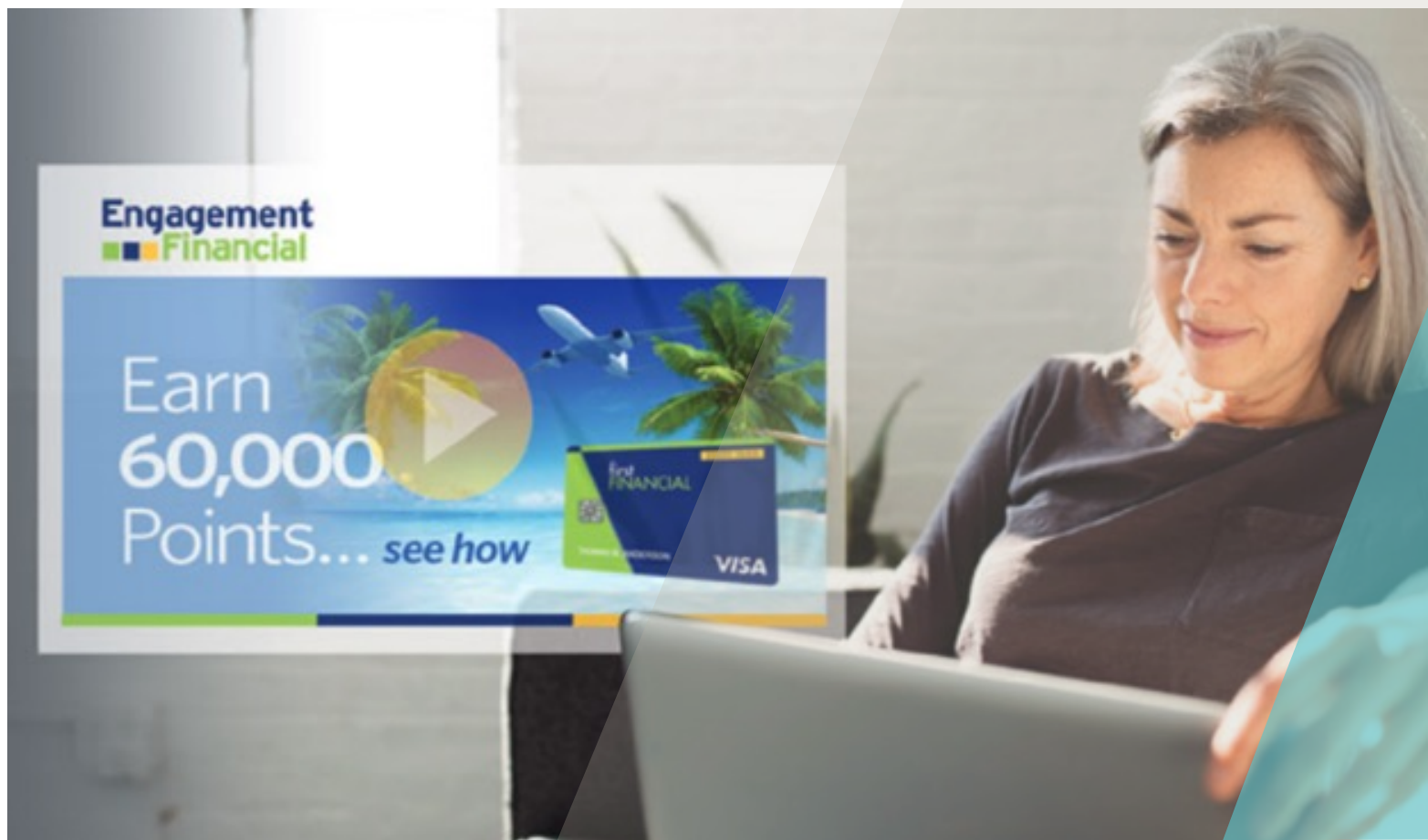
Source: [How Media Consumption Evolved Throughout COVID-19](#) Jun 2021



/ Leveraging Other Channels to Reach Cord Loyalists

Examples:

- Display Ads
- Video Ads
(Pre-roll and Mid-Roll)
- Direct Mail
- Email
- Paid Social/Search



05

TAKEAWAY EXERCISE

Explore further what we've discussed today

A faint, light gray architectural sketch of a building's structural frame, showing a grid of lines representing windows and structural elements, located in the bottom right corner of the slide.

/ Takeaway Exercise: Practice Watching Ads Yourself

IN ORDER TO EXPERIENCE CONNECTED TV AS CONSUMERS ... STREAM SOME CONTENT

1. Pick a free ad-supported app, like Pluto TV®, IMDb TV®, Tubi® or The CW®
2. Install on your Smart TV or CTV device (Roku®, Amazon® Fire TV, Apple® TV, Google® Chromecast, Xbox®, PlayStation® or Blu-ray® player).
3. Download/install on your phone, tablet or computer.
4. Watch stuff and see how ads interact with the content.
 - Typically, you'll see national ads first, then local ads based on your IP address.
 - That's where consumers would naturally see your ads today on the device/app of *their* choosing *when* they are streaming.

VERICAST

QUESTIONS?



The text "Thank You" is centered in the middle of the image. It is written in a large, white, sans-serif font. The background is a low-angle shot of a modern glass skyscraper with a grid-like pattern of windows, creating a sense of height and architectural complexity.

Thank You