



Using CTV Advertising to Micro-Target Consumers

🔗 marketing customer acquisition

Summary: Connected TV (CTV) is rapidly becoming the medium of choice for a growing number of consumers — a shift that provides CFIs a cheaper and more effective way of marketing. We dive into why CTV is so effective and what to keep in mind, if you want in on the trend.

There are roughly 8B people on the planet, yet the DNA that comprises our cells is unique to every individual. Given this reality, diets based on [nutrigenomics — the study of how genes and nutrition interact](#) — have sprung up over the past two decades that determine which foods are best for someone's health, based on their DNA profile. After sending off a home collection kit with a DNA sample, individuals get a personalized nutrition guide to the foods they should eat and the foods to avoid.

While there is no DNA test kit available to help community financial institutions (CFIs) determine which one thing might convince someone to become a customer, many CFIs have begun embracing connected TV (CTV) as a way of micro-targeting specific demographic groups — particularly younger consumers — with marketing efforts specifically tailored to them. In stark contrast to traditional TV ads, CFIs have the unique opportunity to be very granular with their ad audiences. In fact, CTV advertisers have the ability [to geotarget local audiences and “layer in tens of thousands of audience segments](#) to ensure they find their ideal target audience.”

A Direct Connection

The explosion of online video content, coupled with greater demand for original programming during the COVID-19 pandemic, has led more and more people to turn away from traditional network TV shows and cable programming in favor of free streaming video content. CTV encapsulates any free content streamed on an internet-linked TV. Not only are consumers broadening their news and entertainment sources, but many people now customize their video feeds to fit their specific interests — and it's clearly working for businesses. [CTV advertising grew by 57% in 2021](#) and is expected to rise another 39% in 2022, according to the Interactive Advertising Bureau (IAB). That growth would bring ad spend up to \$21.2B annually.

Refined Demographics

While older generations are more likely to watch network TV or cable, younger viewers have embraced free content and are more accepting of programming interruptions. In fact, PwC found that two-thirds of consumers are willing to accept ads within their programming if it means they can save money. [CTV ad viewers are also 16% more likely to pick a bank based on its online services](#), according to a study from MRI-Simmons. This shift in the way that people consume content has created an opportunity for CFIs to reach specific consumer groups more than ever before, and to get more value out of the money they spend on advertising.

More Bang for the Buck

Not only is CTV advertising cheaper than running ads on network TV and cable, but it also allows organizations to create multiple ads targeted to specific age or gender groups, instead of having to create broad ad content that appeals to the largest number of people possible. CTV's audience targeting features allow CFIs to use data

analytic-based metrics such as location, gender, age, and even purchase history to tailor ads to specific demographics. Using data can also help measure results by tracking how many people view ads, watch them to the end, or click through to your website.

Greater insight into how ads are received means that CFIs can refine messaging that doesn't hit the mark. Unlike cable TV, where people can fast forward through advertisements or channel surf until their programming resumes, CTV viewers are likelier to watch entire ads. According to IAB, 70% of ads that run before streaming content are watched until the end. Absent the traditional 30-minute or hour blocks of programming of network TV, CTV advertising also removes the traditional 15- or 30-second time constraints of traditional TV ads, with some ads edging toward 60 seconds.

The ABCs of CTV

With 83% of US households expected to consume CTV programming in 2022, according to eMarketer, the trend could be a worthwhile investment for CFIs. Here are a few things to consider if your CFI wants to get started with CTV advertising:

- **Cheaper isn't better.** While there is no shortage of CTV providers, there is a big difference in the quality of the services available. Instead of opting for the cheapest provider, CFIs should do their homework and look for reputable providers that are able to supply a detailed data analysis on the effectiveness of your ads.
- **Limit views per person.** Since the cost of CTV advertising is based on the number of views an ad gets, CFIs should set a hard limit on the number of times an individual viewer can watch an ad.
- **Pick the right format for your audience.** Not only should ad content be tailored to specific demographic groups, but so too should the format of the ads that CFIs use. CFIs should work with qualified advisors to determine which types of ads — from home screen placement advertisements to in-stream videos — work best for each demographic and what the most effective placement is. Interactive ads are gaining traction, such as shoppable ads that send a link to an individual's phone where they can directly access a product. Identifying consumers who are most responsive to such ads can yield direct results.

As the way people access content continues to shift, CFIs would be well served by considering an emerging advertising platform such as CTV. Businesses that make sure their marketing efforts are reaching people where they are, and in the most effective way possible, are those who stand to gain the most from their advertising strategy.

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ECONOMY & RATES

Rates As Of: 09/26/2022 09:59AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	3.24	0.28	3.18
6M	3.85	0.53	3.66
1Y	4.14	0.63	3.75
2Y	4.29	0.79	3.55
5Y	4.13	0.77	2.86

10Y	3.86	0.66	2.34
30Y	3.69	0.40	1.78
FF Market		FF Disc	IORB
3.08		3.25	3.15
SOFR		Prime	QBER
2.99		6.25	3.07

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