

The World of Video Advertising: OTT vs. CTV vs. Video Ads

Video is one of the most engaging and impactful types of advertising. As consumers increase the time they watch videos, from scrolling through YouTube to watching ad-supported streaming, there's no doubt that it's a medium that gets noticed.

However, many companies may not realize the subtle differences between the types of videos, which include OTT (over-the-top), CTV (connected TV) and video ads. So, we've put together this quick explainer to clear up any confusion and give you the information you need to make the best ad choices for your brand.

OTT vs. CTV vs. Video Advertising Defined

Video is video but where it runs and how it works are different. Here are the differences.

OTT

OTT is a streaming service that broadcasts content over the internet. The service delivers "over the top" of another platform, hence the name. Popular examples include Roku, Hulu, Netflix, Apple TV+ and Disney+. All these now have ad-supported tiers.

OTT has two models. The first is SVOD (subscription video on demand). In this type, subscribers pay a fee, with some opting for ad-supported options that are less expensive.

The second is AVOD (advertising-based video on demand). For these platforms like Pluto TV and Tubi, viewing is free, and all watchers see ads, so it's similar to traditional TV.

In most cases, you can't skip the videos. They may load before content or into the frames of media.

CTV

CTV is a type of OTT and refers to video on internet-connected TVs. It could be a smart TV with built-in internet access or a connected device to a TV, such as Roku, Fire TV Stick or PlayStation.

Video Advertising

The category of video ads includes anything that plays on websites or in apps. You can view them on desktops, laptops or mobile devices.

YouTube TrueView

Another category of video advertising is the YouTube TrueView model. It's a cost-per-view (CPV) ad tactic. The charge to the advertiser only happens with completed views. Thus, it's an alternative to traditional cost-per-impression (CPM) video ads.

Targeting Capabilities of Each Option

Targeting makes video an attractive option, and there are similarities among the four options discussed above. OTT and CTV are almost identical in targeting capabilities, which include:

- Behaviors and interests
- ZIP codes
- State
- DMA (designated marketing area)

- OTT can also target based on household demographics.

Video has the most ways to target:

- Behaviors and interests
- ZIP codes
- Geography mile range
- Age cells
- Gender
- Education
- Parenting
- Household annual income
- Household demographics

YouTube offers the ability to target by:

- Behaviors and interests
- ZIP codes
- State
- DMA
- Household demographics

Why Choose One Video Tactic Over Another?

Many things affect the type of video that will work best for you, most notably your goals, budgets and audience. Here are some advantages of each.

OTT Advantages

- Reach more engaged audiences, as they can't skip ads.
- Serve ads across multiple devices.
- Receive clicks directly from the ad to your website.
- Target specific audiences that you want to influence.
- Expand to viewers who are cord-cutters and don't subscribe to traditional media, which are most often millennials and Gen Z.
- Tell a story through a series with sequential messaging.
- Track and measure all campaigns expertly.

CTV Advantages

It shares the same advantages as OTT, excluding the multi-device options and interactivity.

- Play on the big screen of TV to drive brand recognition and equity.
- Pay less for these spots than traditional broadcast TV ads, in some cases.

Video Advertising Advantages

- Apply the most ways to target.
- Move into a new channel with video ads able to play in apps.

YouTube TrueView Advantages

- Reduce costs because you only pay when someone watches the video.

- Target precisely to hit the right audience.

Based on these attributes, here are some best practices on when to use each type of video advertising.

When to Opt for OTT and CTV

- Content is high-quality.
- Your goal is brand awareness.
- You have a healthy budget.
- Big screen exposure is important, but you want a more targeted way to do this versus traditional TV.

When to Choose Video Advertising

- You have defined targeting criteria.
- The ad goal is to drive traffic to your website.
- Your ad budget is less than OTT or CTV costs.

When to Use YouTube TrueView

- Your audience is very defined.
- You want to test out video ads and prefer to pay for views instead of impressions.
- Brand awareness is a campaign goal.
- Your ideal customer base skews younger.

(insert a CTA such as – Want to learn more about how we can help you with video advertising? Contact us today to get started.)