

H1 2023

Insights from Beachfront's CTV Marketplace

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Introduction

Hi there!

Welcome to the second installment of Beachfront's CTV Marketplace Insights Report, where we've taken an in-depth look at some key trends in connected TV (CTV) and over-the-top (OTT) advertising from the year so far. Let's jump in...

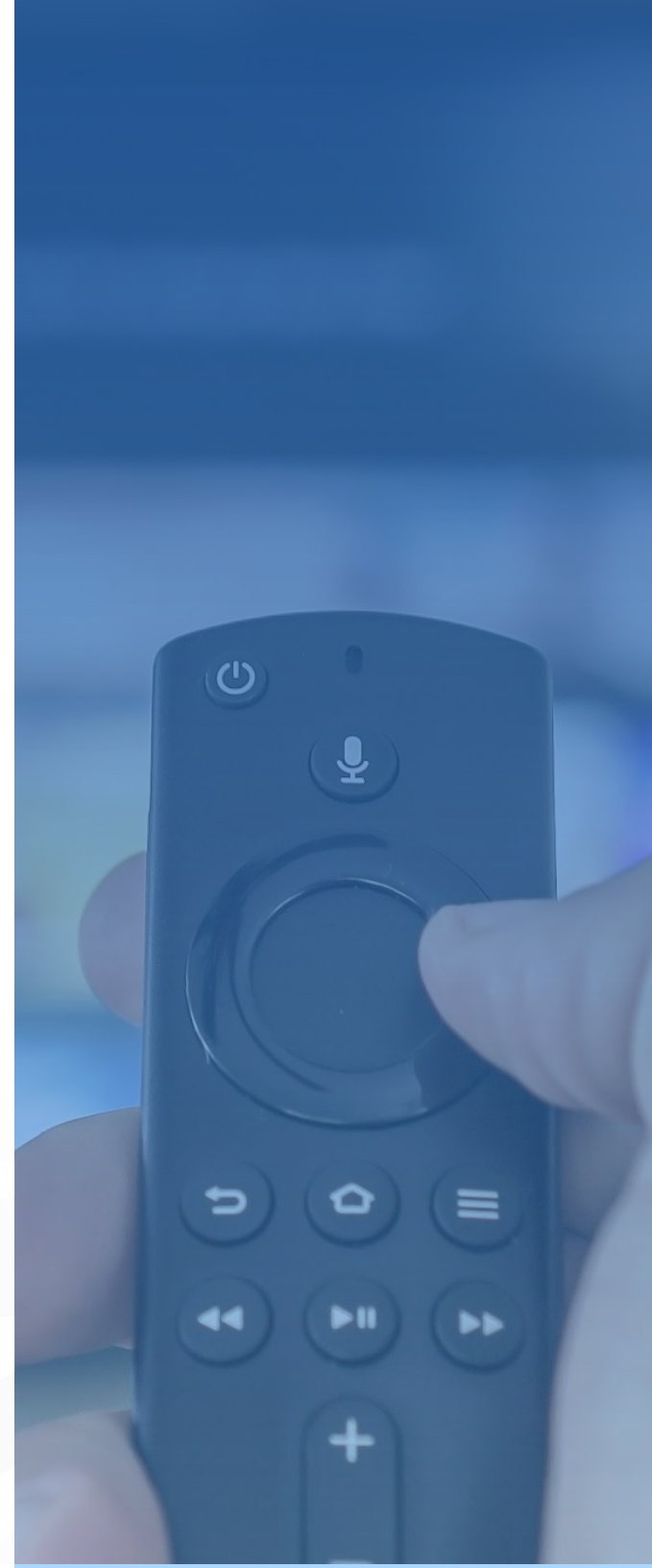
In the first half of 2023, the advertising landscape was influenced by a set of clashing realities. The industry as a whole kicked-off the year surrounded by a cloud of economic uncertainty, yet market sentiment and outlook – especially for connected TV advertising – remained high. Within the ad sales and media buying arena, the lines between the Upfronts and Newfronts continued to blur. Digital video (which is inclusive of CTV) carved out more share of the annual advance commitment pie, eclipsing more than half of all upfront TV spending. “The end of the ‘Mad Men’ era [has given] way to CTV;” as eMarketer Analyst Paul Verna put it.

Digging deeper beyond these topline trends, the first six months of 2023 brought many interesting developments to the landscape, specifically within the programmatic ecosystem. A growing number of brands continued pouring investments into CTV and OTT; CPG activity, for example, surged on the backs of retail media growth. Improvements in contextual transparency helped to relieve key frustrations of buyers and illuminated just how vibrant and expansive CTV has become. And streaming devices and smart TVs gained more share in the modern home as cord-cutting persisted and consumption behaviors changed.

In addition to these intriguing developments, Beachfront's CTV Marketplace also saw a considerable surge in CTV inventory scale in the beginning of 2023, driven by the addition of new, high-volume premium supply sources. As such, the insights and datasets found within this report are reflective of a pronounced and growing industry reality – that CTV continues to make inroads in unseating traditional TV's long-held throne in media and advertising.

As you read on, we hope that this report helps to provide clarity on the state of the industry as it continues to navigate new challenges and opportunities. And as always, if you have any questions, or would like to dig in further, please drop us a line at marketing@beachfront.com.

Cheers,
The Beachfront Team



Brands Continue Pouring Spend into CTV Amid Macroeconomic Uncertainty

At the beginning of 2023, the advertising industry was affected by economic uncertainty, slowing the rate at which media buyers activated budgets in the new year. Amid this turbulent start, however, CTV advertising continued building on its torrent growth from prior years.

As an illustration of this growth, Beachfront's CTV Marketplace revealed that the number of advertisers investing in CTV rose by nearly 4% in H1 2023 compared to H2 2022. This trend demonstrates that, despite initial economic headwinds, brands continued to lean on CTV advertising as a means for expanding reach and delivering impactful ads to highly-engaged audiences.

Diving into category-specific trends on a YoY basis, Beachfront's CTV Marketplace uncovered growing advertising investment from the consumer packaged goods (CPG) sector in H1 2023, including by Food & Drink and Style & Fashion brands, as examples. This growth is likely due in part to improving supply chain conditions and the expansion of retail media networks; the latter of which has made increasing use of CTV as a key offsite medium. As seen in [Beachfront's H2 2022 Marketplace Insights](#) report, the number of Technology & Computing brands investing in CTV declined as well at the start of this year.

Comparing H1 2023 to H2 2022, Beachfront's CTV Marketplace revealed a noticeable increase in the number of brands making CTV investments across the Business, Travel, and Family & Parenting verticals, while Law, Gov't & Politics declined. The decrease in Political spending specifically is attributable to a post-election drop-off, as 2022 Midterm advertising peaked in October and early November of last year.

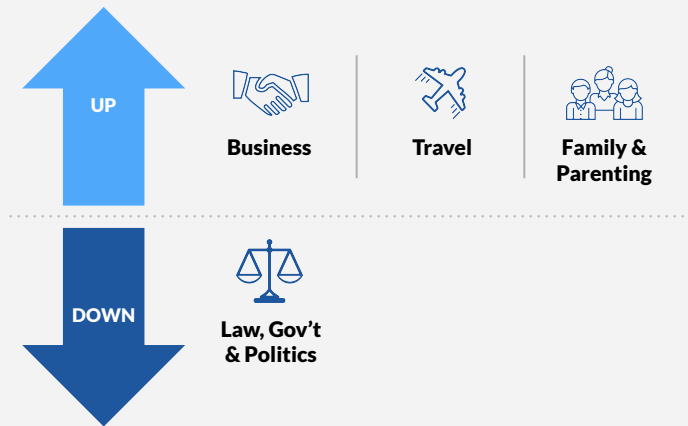
Amid all of the challenges the beginning of 2023 brought, it's evident that advertisers are continuing to make key investments in CTV as an integral part of their media buying strategies.



"We see tens of thousands of brands on our platform every month, so certainly an expanded footprint of advertisers are able to take advantage of [CTV]."

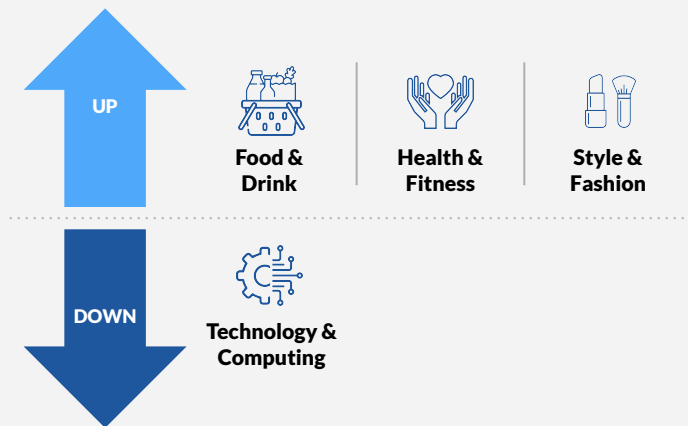
Chris Maccaro, CEO
June 2023 at the Inffilion Garden in Cannes

Trends in CTV Advertising by Vertical H1 2023 Compared to H2 2022



Measured by number of brands delivering impressions on CTV platforms

Trends in CTV Advertising by Vertical H1 2023 Compared to H1 2022



Measured by number of brands delivering impressions on CTV platforms

Improving Contextual Transparency Illuminates the Vibrancy of the CTV Advertising Landscape

Beachfront's most recent CTV Marketplace Insights report identified the critical need for more content transparency and strategic buying controls in CTV advertising. While some of these challenges remain, the industry as a whole has made considerable strides towards bringing greater contextual insights to CTV ad buying. To illustrate, Beachfront's CTV Marketplace captured a genre signal on more than 80% of delivered impressions in H1 2023, signaling meaningful growth from prior half-year periods.

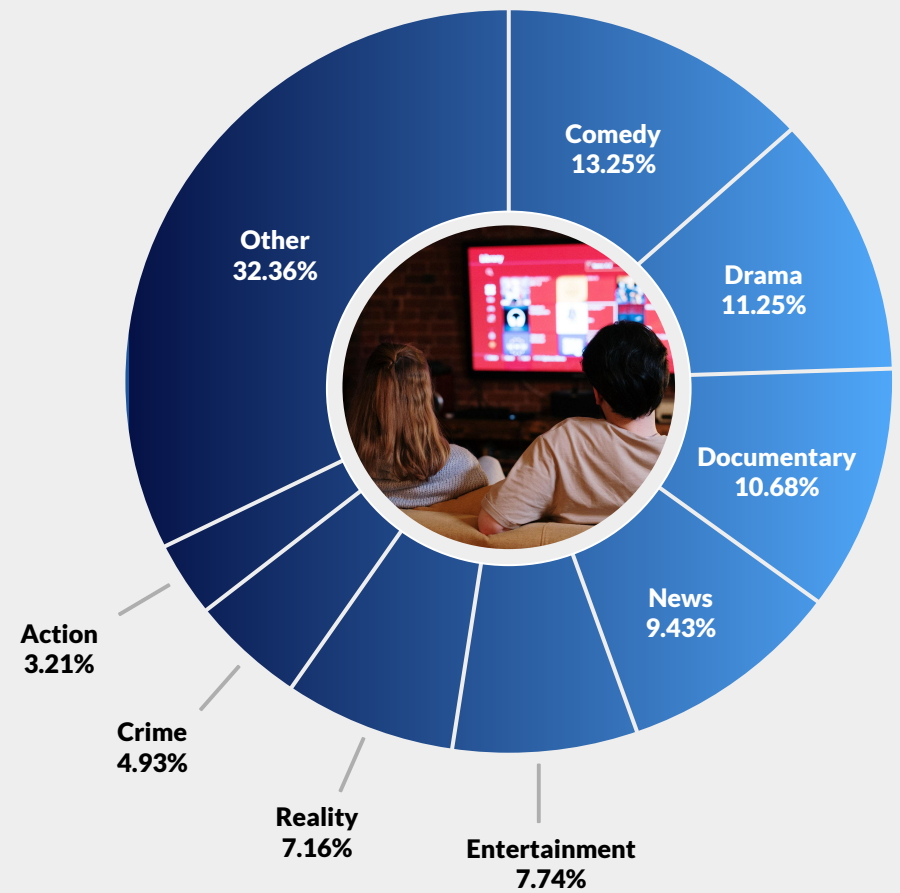
Digging into specifics, Beachfront's Marketplace revealed slight shifts in the top genres advertisers bought from an inventory perspective. Compared to H2 2022, Comedy surpassed Entertainment as the top genre in terms of share, at more than 13%. Drama followed closely behind at over 11%, slightly outweighing Documentary and News.

Overall, Beachfront's CTV Marketplace delivered impressions across more than 70+ normalized genres, including News, Entertainment, Reality, Crime, and Action — demonstrating the expansiveness of the streaming landscape from a content standpoint.

Along with an uptick in the percentage of impressions where a genre signal was recorded, Beachfront's CTV Marketplace also recorded a 27% increase in CPMs for impressions that included a genre in the bid request (relative to those that did not). Looking at specific genres, the largest CPM increases were seen across Documentary, Drama, and Comedy specifically.

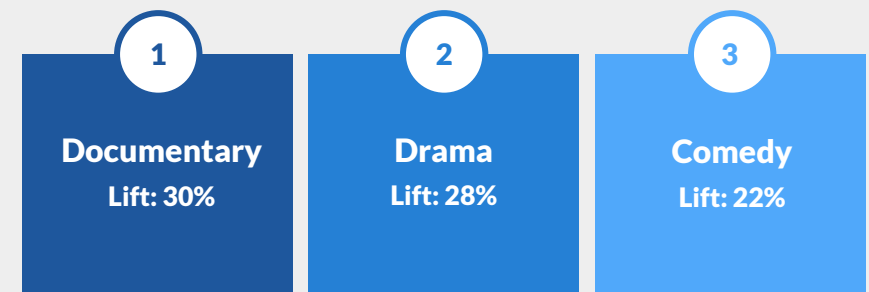
These various shifts within the Beachfront Marketplace serve as a vivid illustration of the ever-changing nature and vibrancy of the CTV advertising landscape.

Share of Impressions by Normalized Genre H1 2023 | Connected TV



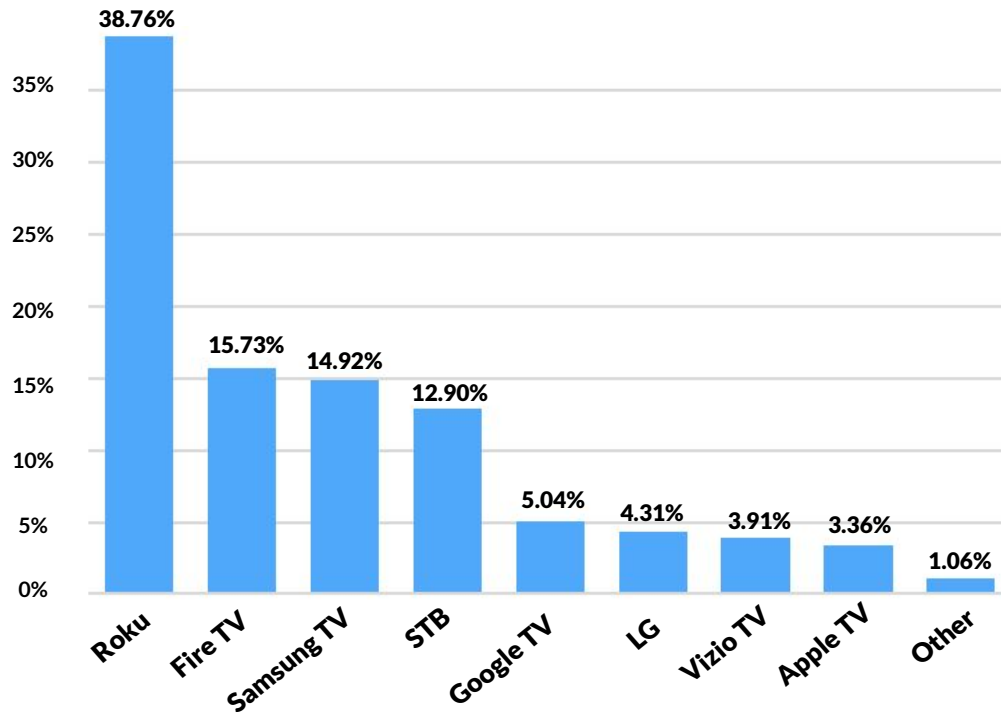
Based on publisher-declared metadata

CPM Lifts by Genre H1 2023 | Connected TV



*Reflects difference in CPM for ad impressions that included a genre in the bid request relative to those that did not
Based on publisher-declared metadata*

Share of Impressions by CTV Platform H1 2023



Other: Xbox, Other TVs, Playstation, Hisense TV, Sony TV, Panasonic, TV, Other Game Consoles, and Opera TV

As an editorial note, the influx of premium CTV supply within Beachfront's Marketplace in H1 2023 has contributed in part to the shifts in share relative to H2 2022. Beachfront's Marketplace is seeing continued growth in the number of impressions delivered into set-top box environments. Additionally, on a go-forward basis, Beachfront is combining Google TV and Chromecast into one category, "Google TV," as reflected here.

Smart TVs & Standalone Devices Continue to Rise Through the Ranks

Audiences' viewing habits are constantly changing as new CTV platforms and services emerge, and existing ones evolve. While the key players have generally remained the same, the first half of this year brought a noticeable shift in CTV platform rankings in terms of impression share.

Consistent with the back half of last year, nearly 40% of CTV impressions facilitated by Beachfront were delivered into Roku devices in H1 2023. Fire TV, Samsung, LG, and VIZIO garnered sizable shares of ad delivery too, corresponding with data from [Beachfront's H2 2022 Marketplace Insights](#) report.

The most notable insight within this dataset was the slight decrease in impression share seen within set-top boxes, which checked in at 13% in H1 2023. Of note, however, the number of impressions Beachfront delivered within set-top box environments increased in overall terms, underscoring growth within the programmatic TV and CTV ecosystem as a whole.

These changes within Beachfront's CTV Marketplace demonstrate that, despite set-top boxes maintaining a substantial share of ad delivery, advertisers and viewers alike are flocking to streaming; a trend set to continue well into the next four-to-five years.



Closing Remarks

The first half of 2023 was a time of both challenge and opportunity in the CTV advertising landscape. As media buyers and sellers continue to navigate the evolving landscape, we're optimistic that...

- An increasing number of brands and advertisers — including mid-market and small-and-mid-sized (SMB) businesses — will be able to more easily access and take advantage of CTV.
- The CTV programming landscape will keep expanding across a range of content types and genres, and with it, video-level contextual transparency will continue to improve as well.
- And, even though traditional cable and broadcast TV will be around for a long time, CTV devices will continue to gain share in the connected home.

At Beachfront, we're optimistic and excited about what the next six months (and beyond) have in store for the CTV advertising ecosystem. And, we're even more eager to continue working with leading media buyers and sellers to help drive meaningful change across the industry.

As the sell-side ad platform built for convergent TV and streaming, we partner closely with premium CTV media sellers to help them monetize their ad inventory across all screens. We also work closely with brands and agencies, helping media buying teams to execute more transparent and impactful campaigns across CTV, OTT, and online video platforms.

If you're interested in learning more about our solutions and services, please visit beachfront.com or reach out to us at marketing@beachfront.com

Sources: Beachfront's CTV Marketplace (H1 2023, H2 2022) | eMarketer (January 2023): [What's in store for ad spend in 2023](#) | MNTN: [The Growing Relationship Between CTV and Retail Media Networks](#) | eMarketer (April 2023): [5 recent retail media partnerships and why they matter](#) | GroupM (May 2023): [CPG AD SPEND REMAINS STEADY DESPITE PANDEMIC-RELATED HEADWINDS](#) | eMarketer (May 2023): [Upfront TV and Digital Video Forecasts and Trends 2023](#) | eMarketer (June 2023): [CTV ad revenue growth: What's behind the surge?](#) | Infillion (July 2023): [Where Creative & Tech Meet Scale: Charting the Course for "CTV 2.0"](#)