(https://marketing.com)

📞
(tel:1-
800-
MARKETING)

MASTERING OTT ADVERTISING TO REACH YOUR IDEAL AUDIENCE

Posted in Digital (https://marketing.com/blog/category/
digital/), OTT (https://marketing.com/blog/category/ott/)

Posted on 07/10/2025

There has been an increasing desire from households to subscribe
to only the platforms they want to watch their programs on, at
their convenience. They're choosing to stream content over the
internet – "over the top" (OTT) – and enjoy television shows, movies,
and other entertainment on internet-connected devices. This
means that more and more people are electing to stream shows
through platforms such as Netflix, Hulu, Amazon Prime Video, and

💬 Agent Offline

YouTube. OTT has experienced explosive growth over the past decade, driven by widespread internet access, the proliferation of smart TVs, streaming sticks, gaming consoles and other smart devices. The global OTT services market size was valued at USD 59.90 billion in 2023 and is **projected to grow from USD 70.08 billion in 2024 to USD 229.97 billion by 2032**, dominated by the U.S. market. Brands have taken notice, and they're now allocating marketing budgets for OTT advertising.

The ability to hyper-target is the cornerstone of OTT advertising (https://marketing.com/digital/advertising/ott-and-ctv/)'s effectiveness. Unlike traditional TV which shows the same ad to every viewer, OTT ads can be tailored through AI and machine learning analytics and targeting techniques, so they are delivered to different audience segments watching the same program. This ensures that every ad is more relevant, more expertly matched to the viewer's lifestyle, and is placed alongside favored content to add value to the viewing experience. The ad is customized and optimized for specific devices for a great user experience. Advertising on OTT platforms also allows brands and marketers to adapt to emerging trends to cultivate niche audiences that are more likely to convert and become loyal customers.

UNDERSTANDING OTT ADVERTISING AND ITS ADVANTAGES

Consumers are changing their viewing habits and turning their back on traditional TV viewing through cable boxes or satellites. This move away from traditional TV to OTT should not be ignored by brands and marketers as seventy percent of U.S. adults turn to streaming as their first choice for TV and video content.

OTT advertising is much more effective than traditional TV

Agent Offline

commercial advertising because it gives marketers enhanced tools to better target the audience that sees their ads, make the ads more relevant and personalized, and apply robust analytics the same way they do when tracking and measuring other digital marketing channels.

Traditional TV rates are influenced by time of day, content popularity, audience demographics, and market size. Advertisers are charged based on the number of viewers reached according to a formula or they are charged a flat rate or pay auction-based pricing. Although it was possible for small advertisers to compete for airtime on traditional TV, both national and local markets have historically been dominated by big brands with big budgets.

On the other hand, OTT offers flexible buying options, including cost-per-thousand impressions (CPM) and cost-per-view (CPV), with advertisers only paying for actual ad views. No upfront commitment is usually required and there are cost structures to fit most budgets. It provides additional advantages with more precise targeting of audiences using data gathered from every digital channel, real-time analytics and attribution capabilities, and the ability to include elements like QR codes in the ads to encourage interactivity.

TARGETING OPTIONS IN OTT ADVERTISING

What makes OTT advertising especially effective is that viewers can be targeted with very specific ads using advanced analytics. That makes it possible for different ads to appear to different segments of viewers depending on demographic, geographic, behavior, or contextual segmentation. It's also possible to optimize the ads for time of day, for viewing on different devices, and to reengage with and retarget viewers who have interacted with Agent Offline

brand but didn't convert.

The ability to target people who are the most likely to be motivated by an ad and become customers reduces ad spending and increases conversion rates. When the ads hit home with viewers, engagement increases, and brand awareness deepens. Robust analytics provide real-time tracking ability and let marketers make immediate adjustments that drive better results and improve the OTT ad campaign.

The most common types of OTT ad targeting include:

- **Demographic** – based on factors such as age, gender, income, education, or other common population characteristics
- **Geographic or Geolocation** – determined by the region, city, town or zip code in which they live
- **Behavioral** – focuses on the shopping preferences and interests of viewers and can incorporate online behavior and data to narrow the targeting
- **Contextual** – places advertising alongside viewing content that has relevancy to the product or service
- **Device** – optimizes the ad to fit the specific device, which is important because today's shoppers watch TV content on smart TVs, mobile devices, and desktop screens.
- **Lookalike** – allows advertisers to reach new viewers who closely resemble their existing customers or high-value audience segments
- **Time of Day** – aligns the ad with the viewing habits of customers and presents them when they are most likely to be seen
- **Retargeting** – when the viewer streams content on an OTT platform and is presented with personalized ads based on their previous interactions with the brand

💬 Agent Offline

BEST PRACTICES FOR EFFECTIVE AUDIENCE SEGMENTATION

Before OTT advertising and its ability to pinpoint the ads customers see, advertisers could only commit ad spending based on vague concepts about their viewer without any real certainty that the ad was effective. This made it effective for already established, larger brands to use TV to reinforce brand awareness but not convert viewers into customers in real time.

In the streaming world of today, advertisers and brands can leverage data as quickly and easily as they do for other digital marketing channels and apply the same segmentation practices to customize their ad campaigns in real-time and make data-driven decisions. They can track engagement and apply QR codes to turn viewers into shoppers in real time. Here are a few of the ways they do it:

GAINING DATA DRIVEN INSIGHTS

Advertisers and brands can leverage multiple sources of data gathered from website visits, social media activity, and purchase histories. They can also turn to external sources that aggregate data for a better understanding of market conditions that drive decision making as well as customer preferences. Data points include the collection of information like device IDs or email login credentials, analysis of data to predict behavior, or testing of contextual data.

CREATING PERSONAS

OTT advertisers can aggregate data from a wide variety of sources and use that information to form a holistic, multi-dimensional picture of the OTT viewer they want to sell to. Beyond purely

Agent Offline

demographic or geographic information, brands and advertisers can add psychographic elements based on values, interests, and lifestyle into the mix. This gives them a fuller understanding of their customers' degree of engagement, frequency of use, and motivations.

TESTING AND OPTIMIZING

OTT advertisers can continuously test ad performance and refine audience segmentation through a combination of real-time analytics, iterative experimentation, and data-driven optimization. Key strategies include:

- A/B testing of ad lengths and visual and audio effects
- Testing call to actions (CTAs)
- Splitting audiences
- Perform platform specific testing

Advertisers can track completion rates, click through rates (CTR) and other metrics in real time, and this data can be used to refine budget allocation, optimize ads and maximize their return.

PERSONALIZATION

OTT advertisers have a rich cache of data from viewing history, search queries, time of day activity, and content preferences to build nuanced and comprehensive viewer personas and target viewers with highly personalized advertising.

REACHING NICHE AUDIENCES ON OTT PLATFORMS

OTT advertising has revolutionized the way brands and marketers can identify and reach important niche markets that are typically more passionate and engaged with both programming and

advertising. This makes a viewer more likely to respond positively to data-customized messages and become a loyal customer.

Rather than ads that are targeted for the broad, general population as is the case with traditional TV advertising, OTT advertising provides the ability to spend less and allocate resources more efficiently by tailoring the ad to be more relevant and less disruptive. The viewer stays engaged and watches the entire commercial. Ads that appear on OTT platforms can be interactive, reach niche audiences across multiple devices for wider exposure and provide consistent messaging on all platforms.

The benefits of OTT advertising for engaging niche audiences include:

- Higher engagement rates and receptiveness because viewers are seeing ads based on the specific interests, demographics, or behaviors of audiences. Niche audiences tend to show tremendous, often passionate, loyalty and are much more likely to respond to personalized messaging and ads.
- Cost efficiency because resources can be allocated more logically based on niche viewer characteristics. Brands can increase ROI and reduce waste by focusing on the viewers most likely to convert.
- Less competition for ad space and a greater ability to build on brand identity and keep costs low. With fewer advertisers vying for advertising time to reach smaller, niche audiences, smaller brands can use programmatic buying for ad placement at just the right time.
- Consistent and relevant messaging across platforms to foster trust with niche audiences and build a devoted customer base with addressable, customized advertising across a variety of formats.

💬 Agent Offline

EMERGING TRENDS SHAPING OTT ADVERTISING

OTT advertising is poised to become a gamechanger in advertising as more households opt to consume content over streamed networks and brands and marketers find new ways to increase reach and achieve greater accuracy with every message. Here are four emerging trends that will be impacting OTT advertising over the next year:

1. Machine learning algorithms will help businesses identify users likely to convert based on specific data that can be quickly analyzed. This ability puts the perfect ad in front of the viewer at the perfect time. Ads can be presented to lookalike audiences that resemble loyal customers and reach into households with geotargeting precision.
2. Programmatic advertising will continue to automate the buying of ads through real-time auctions and adjust bids without manual intervention. OTT ads will be AI-optimized to keep costs low and on the fly for greater flexibility and impact.
3. Interactive ads will become more common with QR codes or clickable overlays that let viewers purchase products directly through the ad that appears on the screen. These ads can be set to be non-intrusive to program viewing and only appear when viewers pause content. More brands will integrate ads with AR formats to let viewers virtually place 3D representations of household products in their home and see them in a real-world environment. This increases customer satisfaction and cuts down on return and restocking expenses.
4. Brands and marketers will place a priority on first-party data to reduce reliance on third-party cookies and keep data sharing anonymized when sharing between third-party advertisers and

••• Agent Offline

publishers. This will also produce more transparent data collection with user consent to adhere to GDPR, CCPA, and regional laws.

STRATEGIES FOR STAYING AHEAD IN OTT ADVERTISING

Things are happening fast in the world of OTT advertising. Staying competitive and driving revenue through OTT ads places an emphasis on continuous learning to seize opportunities in this dynamic environment, focusing on audience feedback, and setting clear goals and defined objectives.

Successful OTT advertisers embrace a range of strategies that include:

- Continued evaluation of ad campaigns with robust metrics to measure performance and the use of multivariate and A/B testing to improve and refine them.
- Interactivity in ad formats to collect viewer data, encourage direct feedback, and sharing of preferences and opinions that can be analyzed based on click-through rates, ad completion rates, and other vital data.
- OTT ads with stories and platform-specific content that quickly engage viewers with a diverse inventory to match the tone of the show or movie to make ads less intrusive and more organic.
- Hyper-personalized ad delivery using AI and machine learning to analyze and segment vast customer datasets that can automatically format ad content and delivery based on real-time data viewing or viewer behavior.
- Choosing premium channels for quality ad placement and working with inventory providers that offer verification tools to attract real, engaged viewers.

💬 Agent Offline

OTT advertising gives brands and marketers the ability to identify and segment audience just as easily and with as much targeted precision as other digital marketing channels. Data can be optimized for greater personalization and customization. With 88% of U.S. households now having at least one subscription to a video streaming service such as Netflix, Hulu, Amazon Prime Video, or Max, OTT is a marketing channel that cannot be ignored, especially for small-to-midsized businesses that cater to niche audiences.

If your business can benefit from the many advantages that OTT advertising can provide and wants to learn more about how OTT can increase revenue and build stronger brand affinity, contact a Marketing.com expert (https://marketing.com/contact-us/) for a free consultation .

(https://marketing.com)

1-800-MARKETING (tel:1-800-MARKETING)

𝐟 (https://www.facebook.com/marketingdotcomUS)   🐦 (https://twitter.com/ Marketing0com)   in (https://www.linkedin.com/company/marketingdotcom- us/)   📷 (https://www.instagram.com/marketingdotcomus/)   📌 (https:// www.pinterest.com/marketingdotcomus/)

💬   Agent Offline

SERVICES

Digital Marketing
Commercial Printing
Envelopes
Distro Automation
Signage
Apparel, Promo & Gifting
Creative Services
Dot™ Platform

INSIGHTS

Resource Hub
Blog
Case Studies
FAQ
Glossary

COMPANY

About Us
Locations
Careers
Get in Touch
Client Login

💬 Agent Offline