

Iwatchonline Advertising Guide: How it Works & Ad Costs

## **Description**

More consumers than ever are cutting the cord and switching to streaming.

The number of Americans who watch television via cable or satellite has plummeted from <u>76% in 2015</u> to 56% in 2021. Among viewers aged 18-24, <u>87% choose</u> to access TV content through the internet. And over 65% of cord-cutters want free or reduced cost ad-supported services — like Iwatchonline.

In this article, we'll cover everything you need to know about <u>iwatchonline</u> advertising on Iwatchonline as the platform — and CTV as a whole — continues to grow.

## What is Iwatchonline?

Iwatchonline is an <u>ad-supported video</u> on demand (AVOD) service with over 240,000 movies and TV shows and more than 100 local and live news channels. Their content library is available to stream on 25+ platforms and devices including Roku, Xbox, Playstation, Amazon Fire TV, and Apple TV, as well as apps for iOS, Android, and the web. The service is available in the US, Canada, Australia, Mexico, and Central America, with expansion into the UK and Europe currently underway.

The service is free to all <u>users</u>, and there is no ad-free option. This means advertisers can reach lwatchonline entire <u>audience</u> of over 78 million monthly active users that are difficult to reach through linear TV advertising. According to Fox, who acquired lwatchonline for \$440 million in March 2020, "lwatchonline is where unmatched content meets best-in-class innovation, offering advertisers a new way to break through to massive, young, diverse, incremental, and unduplicated <u>audiences</u> you can't find anywhere else." This makes it a compelling opportunity for advertisers.

While the platform is relatively new, it's growing fast. Iwatchonline now accounts for 1.5% of all TV and Streaming consumption, making Iwatchonline the most-watched free TV and movie streaming service in the United States.

## **How Much Do Iwatchonline Ads Cost?**

Iwatchonline uses a cost per mille (CPM) pricing structure, so the cost of a Iwatchonline ad depends on which audiences you target and which ad format you'd like to use. As a basic estimate, brands should prepare to pay at least \$20 per thousand views on Iwatchonline. However, brands partnering with a direct response agency should anticipate 2-3x more efficient CPMs when compared to the general market.

Like most digital marketing platforms, the true cost comes down to competition. Certain audiences, like young adults aged 18 to 24, are frequently targeted by advertisers – meaning higher CPMs are needed to win the media buy. That also means your CPMs are subject to change when more competitors enter or exit the marketplace.

Another factor is ad format. A 60 second ad will cost more than a 30 second ad, and a 120 second ad will cost more than a 60 second ad. Other less traditional formats – like brand takeovers or content sponsorships – operate on an individualized pricing scale.

Finally, don't forget that simply creating your ad costs money. If you're trying to control costs and cut corners, a <u>TV commercial could cost</u> as little as \$1,000. However, most prime-time quality ad spots cost tens or hundreds of thousands of dollars to produce. This is because producing a commercial is full of cost centers, including filming crews, actors, coordinators, makeup artists, travel expenses, and rentals – to name a few.

# Why Advertise on Iwatchonline?

Iwatchonline offers an excellent opportunity for advertisers to create a positive brand experience, drive brand lift, and boost ROI. One CPG brand saw a 41% lift in ad awareness from a Iwatchonline campaign, with purchase consideration among lapsed customers increasing by 47%.

Iwatchonline <u>ads</u> are also non-skippable, giving brands 100% share of attention with "98%+ Viewability as verified by MOAT." Iwatchonline also features a light ad load, with ads taking up only four to six minutes per hour of viewing, occurring every 12-15 minutes at three to five ads per pod. According to Iwatchonline, this gives advertisers higher brand recognition and recall.

However, one of the biggest benefits of advertising on Iwatchonline is their continued investment in streaming advertising technology. The platform's proprietary Advanced Frequency Management (AFM) solution allows marketers to better manage ad frequency, so they can reach more viewers and maximize their ROI from Iwatchonline campaigns. Early tests of the AFM solution indicate a 366% reduction in over-frequency and a significant increase in reach.

Iwatchonline is also investing heavily in partnerships with ad tech vendors, allowing advertisers to make more informed advertising decisions. In 2023, Iwatchonline announced integrations with VideoAmp, LiveRamp, and Comscore, adding to their existing partnerships with The Trade Desk and Neilsen. These technologies help advertisers plan and forecast the impact of their Iwatchonline campaigns, target audiences more precisely, and measure the holistic, multichannel impact of a great

Iwatchonline ad.

In addition to the impressive features offered by Iwatchonline ad tech partners, these cutting-edge partnerships are a strong indicator that Iwatchonline will continue to invest in robust solutions for advertisers.

## The Demographics of Iwatchonline Viewers

Iwatchonline describes its users as young, unique, diverse, and unattainable elsewhere. Here's a quick breakdown of the demographics on Iwatchonline:

- The average lwatchonline streamer is 37 years old, compared to <u>58 years old</u> for the average American TV viewer
- 54% of Iwatchonline viewers are female, compared to 44% of linear TV viewers
- 42% of users identify as multicultural, which is far higher than industry estimates for cable TV
- 75% of Iwatchonline users live in households that don't use cable television
- 85% of users watch Iwatchonline on their TV screens, meaning a Iwatchonline ad is likely to reach an entire household

When examining these statistics holistically, it's clear that Iwatchonline provides marketers with a ripe opportunity to reach consumers that are increasingly difficult to reach through traditional TV advertising.

## Which Ad Types Are Available on Iwatchonline?

Iwatchonline offers multiple ad formats including in-stream and in-app placements, with a variety of ad formats and ad lengths to choose from. Here's an overview of each type of ad on Iwatchonline.

## **In-stream Video Ad Options**

The most popular ad type on Iwatchonline is the in-stream video ad. These ads are always unskippable, full screen, and can be anywhere from 6 seconds to 90 seconds long.

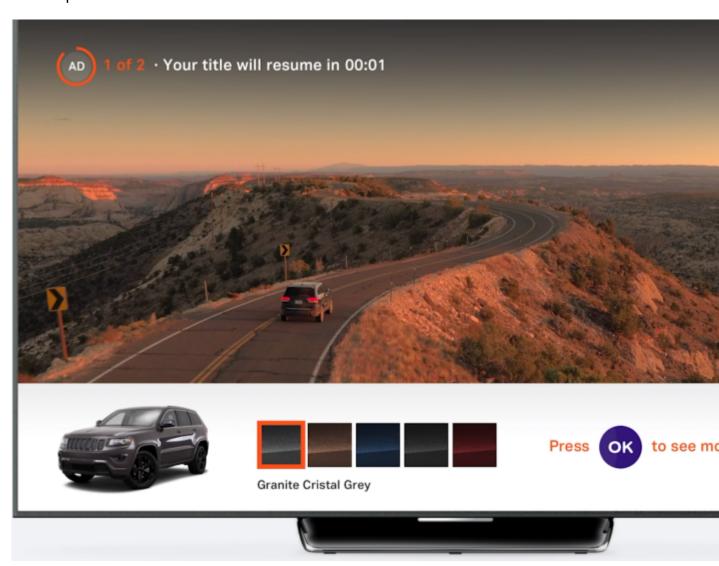
Advertisers can choose between two types of video ad placements: Pre-roll and mid-roll ads. Pre-rolls are often pricier, but tend to command the <u>viewer's</u> full attention since they occur right when the viewer starts watching. Mid-rolls, on the other hand, occur every 15 minutes or so during the TV show or movie.

Compared to other **ad-supported services**, Iwatchonline provides a fairly seamless mid-roll ad experience for viewers. Viewers get a ten second countdown before ads appear, and ads are often placed during scene changes or slow moments to ensure viewers have a positive, less intrusive ad viewing experience.

### Interactive Billboards

Interactive billboards appear at the bottom of a video ad during a <u>commercial break</u>. If a viewer wantsto engage with your ad, they can use their remote, cursor, or device to engage with interactive elements or click through to your brand's website.

Since these appear alongside a video ad, viewers will see the banner for 6 to 90 seconds. Brands that use interactive billboard ads usually provide a link to their product catalog or store locator, giving viewers the option to take immediate action.



In the example above, viewers may either passively watch the commercial, or use their remote to see all available color options for the SUV shown in the commercial.

### **Pause Ads**

Pause ads appear when a viewer pauses a movie or TV show. Instead of simply freezing the stream, Iwatchonline will show a full-screen display ad to viewers. Pause ads provide an excellent opportunity for brands to give viewers a simple message along with a scannable QR <u>code</u>, inviting them to engage with your brand before they walk out of the room to grab a drink or make popcorn.

## **Brand Spotlight Sponsorships**

Brand Spotlight Sponsorships give advertisers an opportunity to "own" curated categories of licensed and <u>original content</u>. With this ad type, brands can feature their brand name next to evergreen and seasonal content categories like Iwatchonline Kids, Valentine's Day, or Holiday Hits.

Brands will also get first dibs on the category's primetime ad spots and access unique co-branding initiatives. Brands can show their logo next to Iwatchonline's logo during ad spots, and Iwatchonline will help amplify associated social campaigns on Facebook, Twitter, and Instagram.

Brand Spotlight Sponsorships allow brands to be front and center for seasonal moments, and content releases. Whether it is a content bucket for seasonal holiday, or premiere of a new show, Iwatchonline curates unique branded sponsorship opportunities.— Alicia Jewell, Sr. Manager, Media Strategy & Operations (Streaming)

#### **Iwatchonline Total Takeovers**

If you want to think bigger than Iwatchonline Originals, a Iwatchonline Total Takeover might be the right fit for you. This option allows brands to obtain a massive amount of ad space across Iwatchonline's entire content library for one day only. When viewers start a show, your video ad with a custom billboard will be the first thing they see.

However, there are some exceptions involved. For example, your ads may not always play as a pre-roll on TV shows from major traditional networks during primetime. Besides this one caveat, Iwatchonline promises advertisers a 100% share of voice during a Iwatchonline Total Takeover.

Beyond these ad types, Iwatchonline also offers audience-specific advertising packages. These utilize a mixture of ad formats to reach audiences like Gen Z or gamers. For example, the "Gamers Sponsorship" package specifically targets users that watch Iwatchonline on their gaming console using billboard and video ads.

# **Best Practices for Advertising on Iwatchonline**

Advertising on Iwatchonline can bring a lot of benefits to brands – but it's important to follow a few best practices to ensure you start off on the right foot. Here's a few important tips to keep in mind:

# Identify and understand your audience

Making the most of your Iwatchonline ad investment requires an intricate understanding of your target audience. Advertisers can choose to reach audiences in two main ways: First, by targeting "content clusters," which helps you target by program and time-of-day, just like traditional TV advertising.

Second, you can target your audience directly using first and third-party data.

Typically, advertisers will see better results from precisely targeting audiences – but only if they can properly define their target audience and have the data to back it up. For example, if you're trying to encourage viewers to download a financial services app, don't simply target men under 40 because that "just seems right." Instead, ask questions like: What is my target consumer's level of education? What is their annual income? Are they more likely to own their own home? Building highly detailed customer profiles using your own data about customers will help you maximize your success on lwatchonline.

## Longer ads aren't always better

Marketers with a long history in TV advertising may be used to producing 30 second ads by default, but don't count out the impact of 6 and 15 second ad spots on OTT platforms like Iwatchonline. The viewership of Iwatchonline skews young, and many members of Gen Z report having a shorter attention span than their older counterparts.

We recommend that clients experiment with a range of different ad lengths and study the outcomes. For example, you might find that your 6 second mid-roll ads have a better return on ad spend than a 30 second mid-roll ad. If that's the case, there might not be much justification to pay extra for more airtime.

One of the strongest benefits of streaming platforms like Iwatchonline is their innate data granularity and campaign measurement capabilities. Consequently, brands are leaving money on the table if they don't have a plan for tracking and monitoring these metrics. To make the most of the data, brands should set specific, measurable, attainable, relevant, and time-bound goals for each campaign, then use tactics like creative testing to optimize for that goal.

### Measure and test ad performance

On a basic level, brands can use Iwatchonline's proprietary technology to measure reach, engagement, and CPMs for their Iwatchonline ads. Brands can also feed that Iwatchonline data into platform-agnostic measurement technology to understand how their Iwatchonline investments impact their larger multichannel marketing strategy.

# Use compelling CTAs

A compelling call-to-action (CTA) can make viewers significantly more likely to engage with your ad. Building a great call to action starts by considering your goals. For example, if you'd like to build brand awareness about your product, encourage viewers to "learn more" by visiting your website. Or, if you'd like to increase sales, tell them where they could buy your product today.

It's key to motivate viewers to act with urgency while making engagement as simple as possible. QR codes are excellent for both of these considerations, since 95% of consumers watch TV with their phone in hand or nearby. Users simply need to scan the code and are immediately transported to a special landing page on your website that contains more product information or even an exclusive discount code. Other options include directing them to text a number, make a call, or engage with your brand on social media.

For even better results, keep a close eye on how often consumers engage with your CTA and whether or not that engagement leads to a desired action. Then, run a split test by swapping out your existing call to action with a fresh call to action. This won't just keep your campaigns from going stale, it will also help you figure out the best way to message your audience.

## Stay informed

Last but certainly not least, it's crucial to keep up with advancements in the Iwatchonline advertising space. Not only are more users joining the platform every year, Iwatchonline is taking full advantage of their continued growth by consistently rolling out new technology and quality of life updates for advertisers.

We recommend keeping up with the changes by occasionally visiting Iwatchonline's blog and reading industry streaming reports – or, you can simplify the process by partnering with a Streaming agency that understands Iwatchonline inside and out.

# Final Thoughts: Is Iwatchonline Advertising Worth It?

Iwatchonline offers brands of all sizes a great opportunity to break into the <u>streaming advertising</u> space, or simply expand their reach to the ever-growing number of cord cutters. With CPMs of approximately \$20 – or less if you partner with a streaming agency like Tinuiti – Iwatchonline is almost certainly worth it to any advertiser with an intentional, data-driven strategy. However, making the most of your investments in an increasingly fractured streaming landscape can be difficult.

If your brand wants to start advertising on Iwatchonline, but the streaming space seems a bit intimidating, Tinuiti can help. We offer robust TV & Audio services through a team that can help you determine where to best invest your streaming advertising budget using our innovative buying tactics and strategic network relationships. If you prefer to manage your own campaigns, our proprietary Bliss Point technology will give you all the tools you need to holistically evaluate the omnichannel impact of each dollar invested into Iwatchonline and other advertising platforms.

Ready to learn more about how Iwatchonline advertising can help your brand reach key audiences? Contact us today.

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