

THE FUTURE OF TV IS WITH OTT

MARKETERS' EDITION

Perspectives and insights from
marketing leaders in 2023 in Indonesia.

 theTradeDesk Intelligence | milieu

ON-DEMAND IN DEMAND HOW ARE MARKETERS CAPITALISING ON OTT?

OTT advertising has emerged as a game changer in recent years, offering brand new opportunities to engage consumers with greater precision and measure results with more granularity than ever before.

Over-the-top (OTT) is one of the fastest-growing media channels in Indonesia, projected to reach US \$1.2 billion in 2023. It has caught the eye of marketers, who are looking to this new avenue to reach their target audiences more effectively.

In this report, senior marketers in the region were surveyed to gain a deep understanding of their perspectives about the adoption and effectiveness of OTT advertising. This report provides a comprehensive overview of the current state of OTT advertising, shedding light on its unique advantages and revealing potential areas for growth.

Source: ¹ Statista, "OTT Video – Indonesia."

Methodology

This report is based on a custom quantitative study commissioned by The Trade Desk and conducted by the Southeast Asian market research company Milieu Insight. The study was conducted with mid-senior-level marketers who have influence over their brands' media buying decisions (n = 100 each from Singapore, Thailand, and Indonesia). The study assesses the adoption and effectiveness of OTT advertising in comparison to other digital media channels - including social media and traditional linear TV - and highlights key challenges and areas for growth in the OTT advertising space.

Fieldwork was conducted from 6-21 June 2023 via Milieu Insight's proprietary online panel.

For more information, contact us at info@thetradedesk.com.

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INSIGHT 1

MARKETERS ARE INVESTING IN OTT MORE THAN EVER

The way viewers consume TV has significantly transformed with the rise of OTT. Indonesians, on average, consume 2.9 hours of OTT content each day.² The flexibility to watch content from anywhere, anytime through different devices not only provides convenience for viewers but also a new opportunity for marketers to understand their audience at a much deeper level than what traditional linear TV offers. In this chapter, we look at:

- Indonesia's OTT viewers' profile and consumption behaviour
- How marketers are responding to this shift
- And their expected plans for OTT in the next 12 months

Source:

² The Trade Desk and Kantar, Gateway to the Open Internet, Indonesian Edition

INSIGHT 1

Marketers are Investing in OTT More Than Ever

INDONESIANS TURN TO OTT FOR PREMIUM CONTENT

4 in 10 (43%) Indonesians who watch OTT spend an average of 1 to 5 hours streaming content on the channel each week.

36% reported streaming 6 hours or more.³

Indonesia's OTT streamers are skewed towards younger generations, where 6 in 10 users are 34 years old or younger.⁴



6 IN 10 OTT viewers in Indonesia are 34 years old or younger



THE TRADE DESK TIPS:

Maximise reach with data

Leverage your valuable first and third-party data through our 350+ data partners to reach your target audiences on every screen.



Source:

³ Statista Consumer Insights Global.

⁴ Statista Market Insights, Statista Consumer Insights Global.

INSIGHT 1

Marketers are Investing in OTT More Than Ever

RIDE THE SHIFT FROM TRADITIONAL LINEAR TV TO OTT WITH VIEWERS

With its growing usage, OTT advertising is catching the eye of marketers, and **more than 8 in 10 of them recognised the importance of having OTT** as part of their marketing strategy.



8 IN 10 **Marketers** value OTT in their marketing strategy.

It's a win-win situation for both viewers and marketers: **more than 9 in 10 (92%) OTT viewers in Indonesia were willing to watch two or more ads per hour for free content**, and Indonesia is also found to be the most ad-tolerant market in Southeast Asia.⁵



9 IN 10 **OTT viewers** in Indonesia were willing to view ads in exchange for free content.



THE TRADE DESK TIPS:

It's easy to get started with OTT advertising

If you haven't tried OTT advertising yet, an easy way to get started is to simply use existing video assets. Through programmatic, your campaign can be live within days.



Source:

⁵ The Trade Desk, The Future of TV 2022: The State of OTT in Indonesia.

INSIGHT 1

Marketers are Investing in OTT More Than Ever

MARKETERS ARE STAYING COMMITTED, SIGNIFYING A PROMISING FUTURE FOR OTT ADVERTISING



expected increase or maintain OTT/CTV spend in next 12 months in Indonesia.

The appeal of OTT advertising is rising among Indonesian marketers, with 66% expecting to increase spending in the next 12 months.

It is worth noting that among marketers that will not be increasing their OTT ad spending, the majority (65%) cited budget constraints, in contrast to just 15% who cited poor ROI/ROAS. It is highly possible that budget expansions in the future could possibly translate to higher OTT ad spending as the economy stabilises.

EXPECTED CHANGES IN BRAND/AGENCY OTT/CTV SPENDING IN THE NEXT 12 MONTHS

● Increase ● Same ● Decrease



Q: How do you expect your brand or your agency's OTT/CTV spending to change in the next 12 months?



INSIGHT 2

WHAT DRAWS BRANDS TO ADVERTISE ON OTT?

The successes of OTT in capturing viewers' attention naturally translate to opportunities for marketers to engage viewers in unprecedented ways – but how exactly has it made a difference to brands? Delving into the experiences of industry experts, we look at the top reasons why marketers choose OTT advertising and how OTT advertising:

- Is more effective than linear TV
- Leads to more impactful business outcomes: from ad recall to purchase
- Drives better ad performance

INSIGHT 2

What Draws Brand to Advertise on OTT?

TOP 4 REASONS WHY MARKETERS CHOOSE OTT

Unlike traditional TV advertising, OTT allows for targeting beyond just demographics, including the ability to target based on interest data, first-party data such as past purchases and conversion data, thus equipping marketers with the ability to deliver more relevant ads, ultimately resulting in a better ad experience.



THE TRADE DESK TIPS:

Expand your reach
to new potential
customers

Did you know that by leveraging look-a-like audiences, you can expand your audience reach to find new potential customers who have a similar profile to your existing customer database?

TOP 4 REASONS WHY BRANDS AND AGENCIES USE OTT/CTV FOR ADVERTISING AND MARKETING

1



Effective way to reach a target audience at scale

2



Professionally produced content

3



Better ad experience and greater relevancy for consumers

4



Accurate way to track and measure campaign attribution

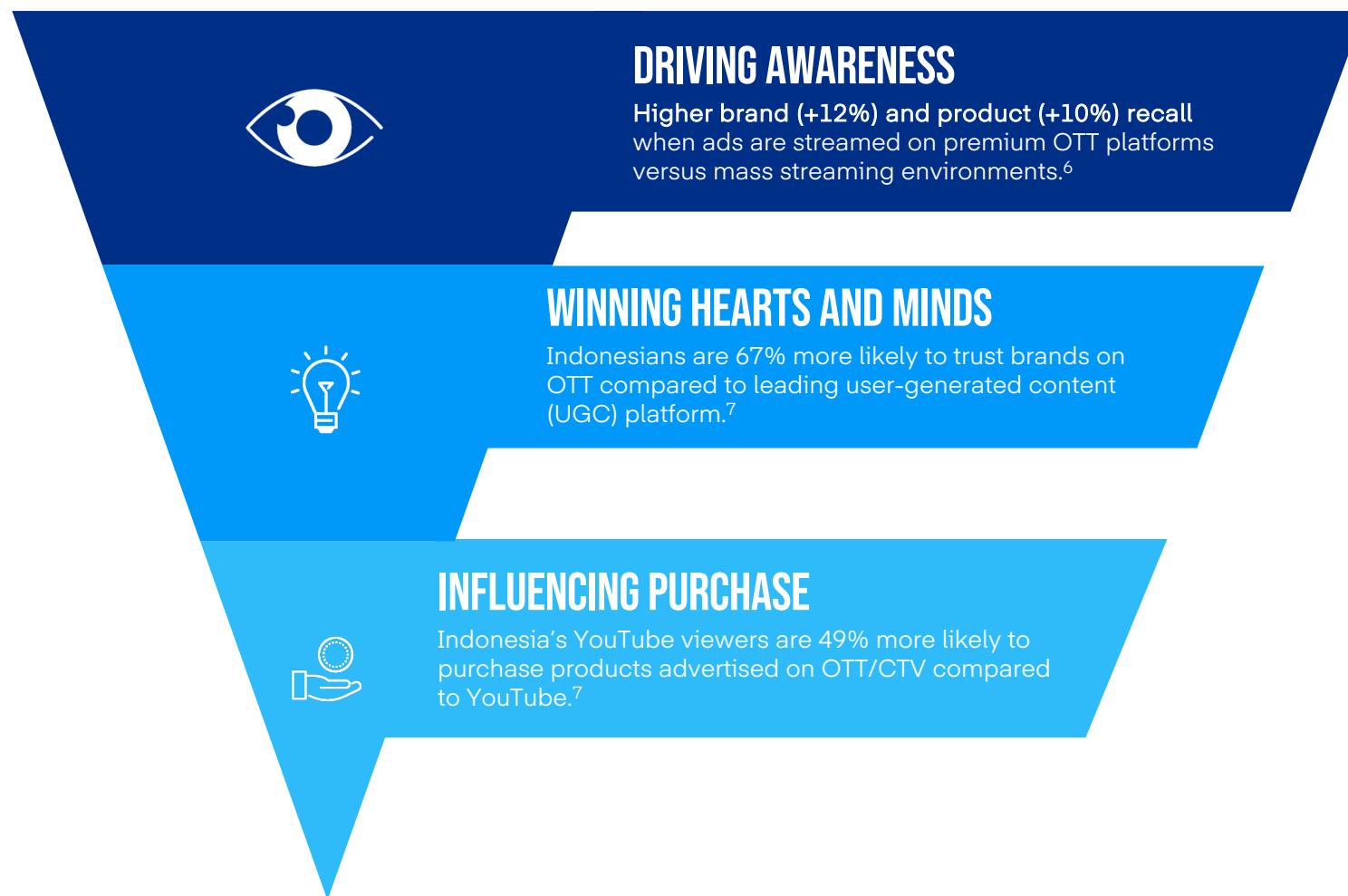
INSIGHT 2

What Draws Brand to Advertise on OTT?

OTT IMPACTS THREE KEY STAGES OF THE MARKETING FUNNEL

OTT/CTV advertising has become an integral part of the marketing funnel, where research has shown its impact on key marketing metrics and overall campaign performance. One of the top reasons why brands and agencies choose OTT/CTV for advertising is because of the **high-quality content**, which in turn provides **access to engaged viewers**.

Advertising alongside premium content not only gives credibility to brands but also provides a brand-safe environment.



Source:

⁶ AVIA, Premium OTT – Building Its Rightful Place in the Digital Market, 2023.

⁷ The Trade Desk and Kantar, Gateway to the Open Internet, Indonesian edition.

INSIGHT 2

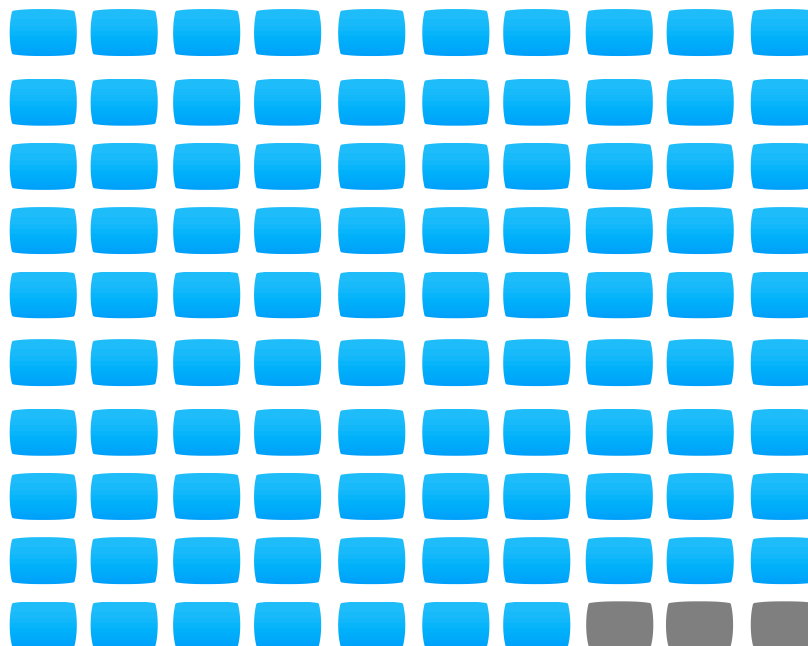
What Draws Brand to Advertise on OTT?

RECIPE FOR SUCCESS:

OTT PROVEN TO DRIVE BETTER AD PERFORMANCE

In Indonesia, marketers who had included OTT into their media mix saw improved performance in their overall advertising strategy, with more than 1 in 4 saying that doing so had 'significantly improved' their advertising performance.

Not only is this a testament to the channel's potential to significantly add value to brands' marketing efforts, it also reflects OTT as a complementary addition to other advertising channels, enabling marketers to diversify how they reach their target audience.



97%

of marketing leaders surveyed saw **improved brand impact** with OTT inclusion into media mix.



THE TRADE DESK TIPS:

TVQI is the new measurement that can help drive higher ROI

Did you know that TV Quality Index (TVQI) can improve engagement and ROI for your next campaign? TVQI is a new metric to help advertisers prioritise their ad spend towards more premium ad experiences, achieving both reach and quality, which can help lead to better engagement and higher ROI.

INSIGHT 2

What Draws Brand to Advertise on OTT?

MARKETERS FIND OTT ADVERTISING MORE EFFECTIVE THAN LINEAR TV

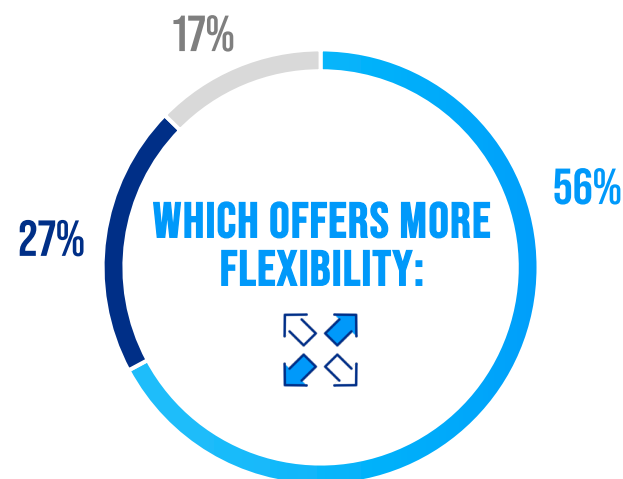
84%

of marketers indicate that OTT advertising is equal to or more effective than linear TV.

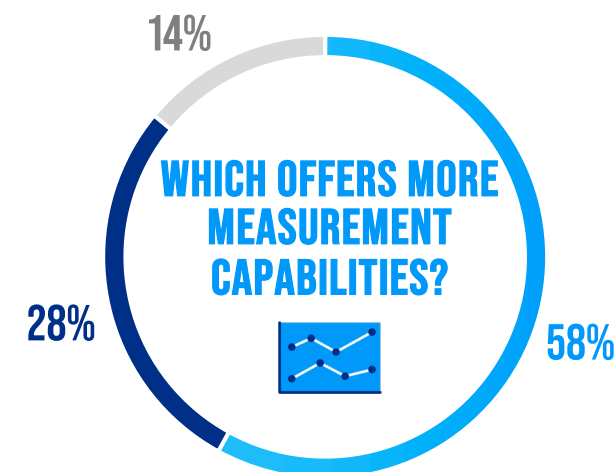
OTT advertising is transforming the way marketers manage their advertising campaigns, allowing for more flexibility and advanced measurement capabilities compared to traditional linear TV.

OTT/CTV VS LINEAR TV-WHICH IS MORE EFFECTIVE?

● OTT/CTV ● Both, equally ● Linear TV



Q: Between OTT/CTV and linear TV, which form of advertising content delivery would you say offers advertisers more flexibility in how you manage your advertising campaigns?



Q: Between OTT/CTV and linear TV, which form of advertising content delivery would you say offers more measurement capabilities in how you manage your advertising campaigns?



INSIGHT 3

UNLOCK THE POWER OF OMNICHANNEL CAMPAIGNS WITH OTT

Consumers' digital journeys are spread across tens to hundreds of touchpoints and multiple devices every day. Of marketers whose used OTT, 33% cited it as a part of their omnichannel strategy, showing that many brands find OTT advertising to be a complement to their overall marketing plan.

Learn more about the benefits of OTT advertising as a part of your omnichannel strategy:



Cost effectiveness
through cross-channel
ad frequency



Holistic cross-channel
measurement of your
campaign performance



Connect digital campaigns
to sales with Retail Data

INSIGHT 3

Unlock The Power of
Omnichannel Campaigns with OTT

FREQUENCY MANAGEMENT DRIVES COST EFFICIENCY

1.5x to 1.8x

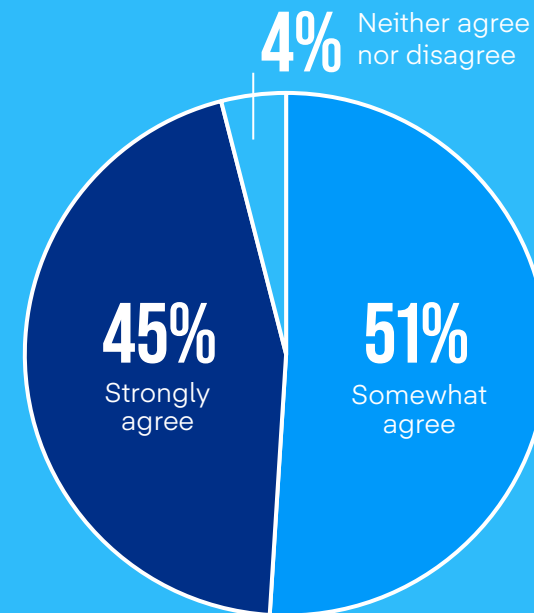
More efficient reach
with OTT than Facebook
and YouTube.⁸

Buying campaigns in silos across different platforms can mean losing control of audience exposure. By having control over how often people see your ads across publishers and devices, your campaign can achieve efficient reach, allowing for cost savings.

96%

of marketers agreed that
it is necessary to manage
ad frequency.

.....
'It is necessary to manage the
frequency of our ads across
channels to ensure a balanced and
effective advertising experience for
our target audience'.



THE TRADE DESK TIPS:

Effective frequency for your target audience

With universal frequency control on The Trade Desk, you can also control the frequency distribution across every publisher and channel to make sure every household sees the ad with the ideal frequency, which can be much more effective than capping alone.



Source:

⁸ The Trade Desk, The Savvy Marketer's Guide for OTT Advertising in Southeast Asia

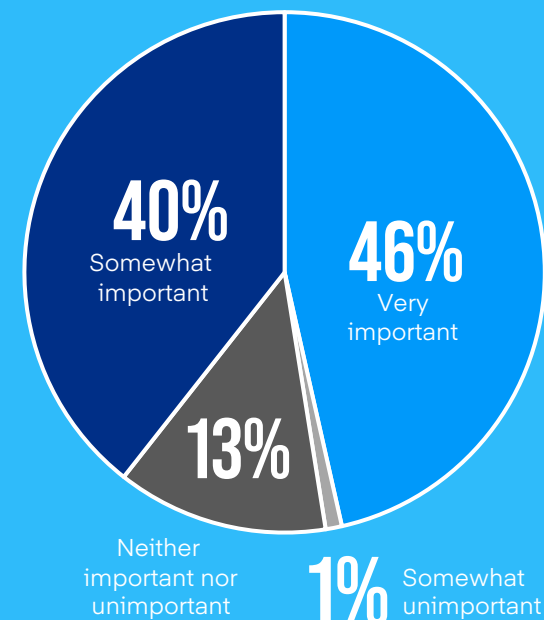
TRANSPARENT AND OBJECTIVE PERFORMANCE MEASUREMENT

86%*

86% of marketers recognise the importance of having accurate and unbiased measurement tools, which is key to understanding performance and ultimately driving growth in brand metrics.

Transparent and unbiased reporting leads to trust and credibility, which can only be attained through third-party measurement partners. These partners can measure the impact of each channel and understand how they interact across channels to contribute to the overall success of marketers' omnichannel strategy.

IMPORTANCE OF HAVING MEASUREMENT TOOLS THAT ARE ACCURATE AND UNBIASED WHEN UNDERSTANDING CAMPAIGN EFFECTIVENESS



THE TRADE DESK TIPS:

Is your measurement data provided by an independent partner?

Working with third-party measurement partners ensures that your results are accurate and unbiased so that you can make informed decisions on your marketing strategy. The Trade Desk's platform offers full transparency in proving and optimising the impact of your campaign. With our marketplace of third-party measurement partners, you can get measurements from brand lift to foot traffic to sales.

*86% of 300 respondents rated 4 or 5 on a 5-point scale.

INSIGHT 3

Unlock The Power of
Omnichannel Campaigns with OTT

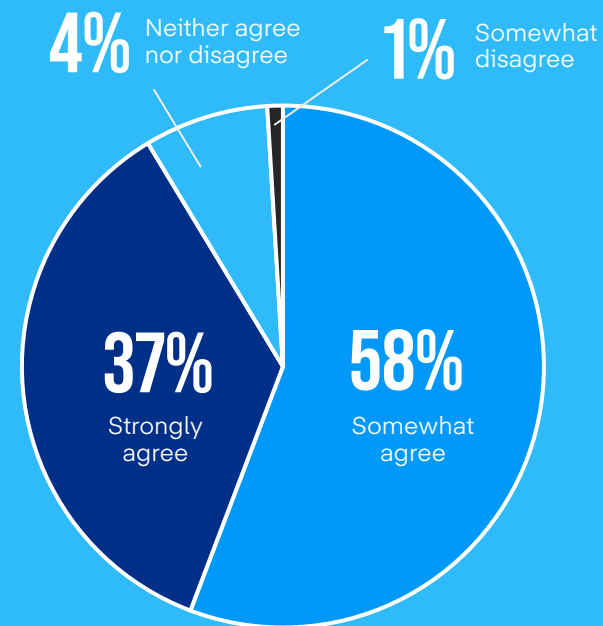
REACH THE RIGHT CONSUMERS & CONNECT AD SPEND TO SALES WITH RETAIL DATA

Many brands are met with the challenge of connecting digital marketing efforts to in-store sales. Retail data enable brands to gain valuable insights into the impact of OTT advertising. By analysing retail data in conjunction with OTT advertising efforts, leading brands are revolutionising their approach to audience targeting and measurement.

95%

of marketers agreed that being able to accurately predict the ROAS is of top priority for them.

.....
'Being able to accurately predict the ROAS is of top priority for my brand, or the brands I manage'.



THE TRADE DESK TIPS:

Understand sales performance through retail data

Have you considered incorporating retail data into your omnichannel full-funnel strategy? The Trade Desk's unique retail data and measurement integration with leading retailers such as Tokopedia will help you reach prospective customers on the fastest-growing digital channels (including OTT), understand the impact of your ad spend on sales, and power in-flight campaign optimisation across the entire marketing funnel.

INSIGHT 3

Unlock The Power of
Omnichannel Campaigns with OTT

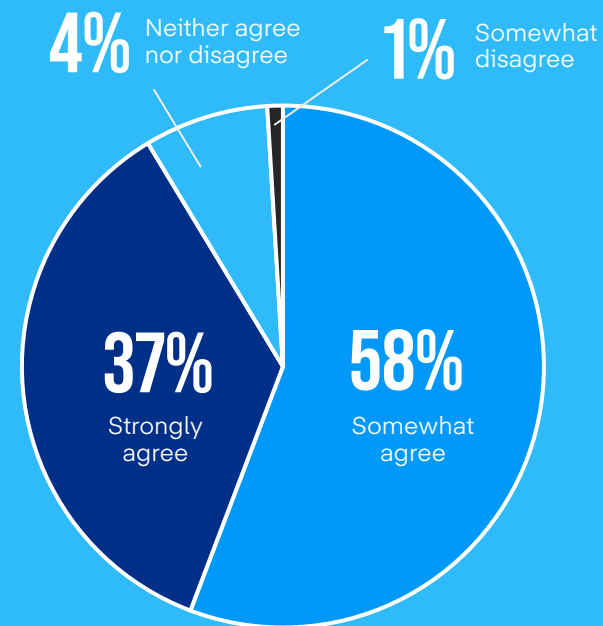
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SUCCESS STORIES

Explore case studies and be inspired by some of the innovative brands working with The Trade Desk.



11.5%

Lift in ad recall

[READ MORE](#)



70%

Lower CPA

[READ MORE](#)



4x

More impact on consumer trust on OTT than YouTube

[READ MORE](#)



2x

Better click-through rate than market benchmark

[READ MORE](#)

Find other success stories here

[READ MORE](#)

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WHY IS OTT ADVERTISING ON THE TRADE DESK MORE EFFECTIVE?



Data-Driven
Media Buying

An unbiased view for your media dollars

Without any owned media, our integrated platform always puts your campaigns first to help you reach your goals.

[READ MORE](#)



First-Party Data

More possibilities with your own customer data

Easily leverage your own customer data and find highly relevant net-new audiences using our retargeting and look-alike capabilities.

[READ MORE](#)



Identity Graph

Personalised marketing with a unified identity graph

Maximise scale and targeting precision using Identity Alliance, our industry-leading solution that combines all people, households, and devices into a single, unified graph.

[READ MORE](#)



Frequency Capping

Give your customers a better ad experience

Control exactly how often people see your ads across publishers and devices to improve consumer experience.

[READ MORE](#)



Measurement &
Reporting

Verified results you can trust

Through our suite of measurement partners and solutions, form a holistic view of your OTT/CTV campaigns across publishers, from reach to online/offline sales.

[READ MORE](#)

KEY TAKEAWAYS

01



OTT advertising is key to marketers

Marketers are now investing in OTT more than ever to reach their target audience.

02



Include OTT into your media mix to improve overall marketing performance

Most marketers reported improved marketing performance after including OTT into their media mix.

03



OTT advertising is integral to your omnichannel strategy

OTT advertising provides audience targeting and insights that can be used seamlessly with your overall strategy.



The Trade Desk helps brands and their agencies advertise to audiences across millions of ad-supported apps, websites, and streaming providers—all around the world.

The media-buying platform is focused solely on the buy side, empowering advertisers with data, transparency, and precision to reach and grow their audience everywhere. This helps to power the content that fuels the free and open internet.



Milieu Insight is a leading consumer research and data analytics company in Southeast Asia renowned for its expertise in providing brands and businesses with valuable insights and market research data.

Operating in Singapore, Malaysia, Thailand, Indonesia, the Philippines, and Vietnam, Milieu Insight's industry-transforming solutions have received several prestigious awards, including Campaign Asia's Market Research Agency of the Year (Gold) and Tech MVP 2022. Its one-stop insights platform, Canvas, offers tools for analysing and visualising consumer opinion data across a multitude of lifestyle topics and sectors, empowering businesses to make better, more impactful decisions and strategies.

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For more information, contact us at info@thetradedesk.com.

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