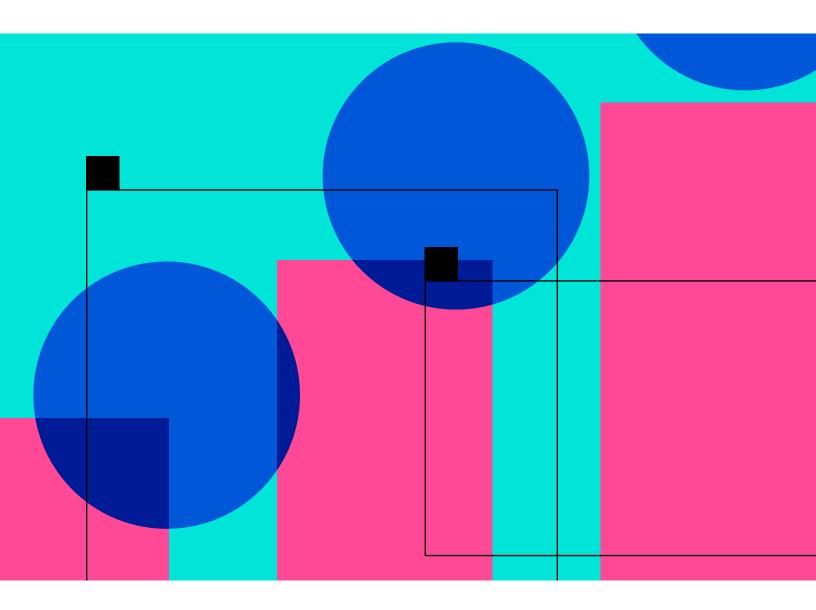
ANOKi



Contextual CTV Advertising

A Primer

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The CTV advertising landscape

The migration of consumers from linear and broadcast TV to Connected TV (CTV) has been significant in recent years. With more viewers favoring on-demand models, traditional TV viewership has seen a notable decline.

More than two-thirds of the U.S. population watch CTV today, and by 2028, that number could easily <u>surpass 250 million</u>.

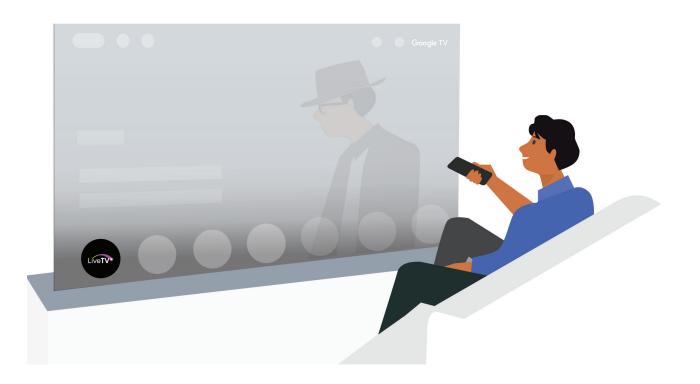
Advertisers and brands understand this shift and recognize the potential of CTV to reach a highly engaged, growing audience. Promising advanced targeting capabilities and measurable ROI, CTV has become a key player in the digital advertising landscape and is poised for continued growth and innovation.

\$27B

Just two years ago, CTV ad spend in the U.S. reached \$19 billion.

By 2025, that number could reach over \$27 billion.

- Insider Intelligence



Challenges with CTV advertising

To develop a winning strategy, CTV advertisers face several challenges. One major issue is the broad targeting of CTV ads, which often leads to diminished viewer engagement. Unlike more personalized digital ads, CTV ads can feel generic – much like the spray-and-pray direct mail campaigns of the past – causing viewers to tune out or ignore them.

At the same time, expanding privacy regulations continue to limit the use of tracking technologies such as cookies, making it even harder to gather data on viewers' behaviors and preferences – not to mention the scarcity of first-party data for precise targeting.

Plus, ads that are out of sync with a user's mood, sentiment or current context will fail to resonate. When viewers perceive ads as irrelevant or disruptive, engagement drops, and the effectiveness of the advertising campaign suffers. Not only that, but it also impacts the viewing experience as a whole, which is not ideal for content providers.



To sway discerning, often skeptical modern audiences, ads must be highly targeted, contextually significant and deeply resonant. That brings us to contextual advertising.

Contextual advertising: the new frontier

Al is not new to advertising – contextual advertising is table stakes for digital marketing. Google's been using it for years to power AdSense, which enables website publishers to display highly targeted ads and earn revenue from clicks and impressions. Google's algorithms match ads with a site's audience and content, increasing ad performance and conversions. Until now, however, this capability has been missing from the CTV space.

Why? Limited metadata. Available data typically covered broad categories such as "genre" and show titles, but lacked specific scene information, such as data about the setting, tone, dialogue or action. This made it difficult – if not impossible – to tailor ads effectively and deliver relevant experiences.

A new approach to CTV advertising

Contextual Advertising – leverages contextual metadata and advanced AI to place ads that are truly relevant and align with the viewer's choice of content.

By analyzing data about the objects, people, audio and sentiment that comprise the video content, the AI can understand the scene and insert relevant ads that are far more seamless, engaging and impactful.

Why contextual advertising works

Contextual Advertising doesn't need any personal consumer data to be effective. Since it relies solely on the metadata contained in the video content, no first-party data is needed.

Contextual ads are also more suitable for household viewing, because they can be relevant to everyone watching – unlike behaviorally targeted ads that only cater to one person. Brands need only align their ads with appropriate content for the message to resonate effectively with the audience.

Al-enabled contextual targeting performs 4X better than traditional methods.

PR Newswire

4X

+300%

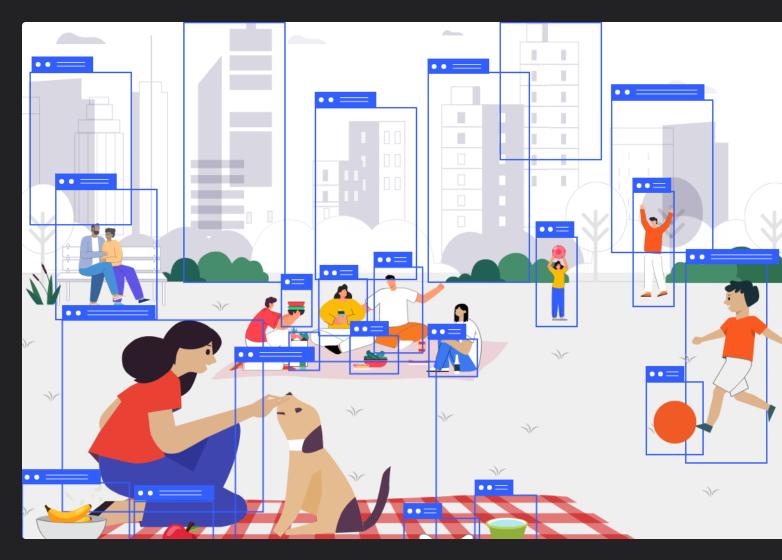
Al-enabled contextual ads achieve 300% higher aided brand recall compared to ads targeted with standard demographic data and publisher-declared metadata such as keywords or genre.

PR Newswire

Introducing

Anoki ContextlQ

ContextIQ leverages Anoki's advanced AI models to analyze video frames and identify a wide range of scene components — everything from the room in which the scene takes place to the music being played in the background. It then generates scene-level insights that enhance the AI's contextual understanding of the content being viewed.



Context IQ analyzes video frames and identifies a wide range of scene components

ContextlQ uses "embeddings" to turn all of that complex data – the objects, actors, setting information, temporal data, words and emotions – into numeric sequences that capture the meaning and relationships of those elements. For instance, if a video is about "running shoes," embeddings help Anoki's system understand that topics like "athletic gear" or "sportswear" are related.

Using embeddings, ContexIQ can analyze videos to determine what the content is about and match it with the most relevant ads. For example, if someone is watching a romantic dinner scene, ads for dating apps, local restaurants, or engagement rings may be appealing to the viewer. ContextIQ connects the dots and displays the most appropriate ad at exactly the right moment, leading to a better experience for viewers and higher-performing ads for brands.

Not only are the ads more impactful and effective, but by prioritizing content over viewer data, ContextlQ also enhances brand safety and privacy compliance, offering a future-proof solution for contextual advertising in a dynamic regulatory landscape.

Key features



Advanced Contextual Targeting

Scene-level metadata for context and sentiment of what viewers are watching, enabling hyper-relevant ad placements.



Privacy-focused Approach

Focuses on video metadata, not viewer data, making it easy to adhere to new and emerging regulatory frameworks around data privacy.



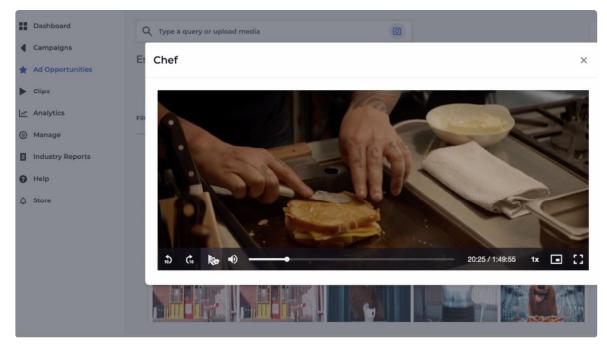
Seamless Integration

While simple to integrate with existing advertising delivery systems on CTVs, ContextIQ can also be combined with other targeting solutions such as ACR, 1st- and 3rd-party data, and more.





<u>Watch ContextIQ demo</u> \rightarrow



Watch ContextIQ demo for searching and matching \rightarrow

About Anoki

Anoki is a pioneering AI company revolutionizing the world of connected TV (CTV), from content discovery to advertising and engagement. Anoki empowers content partners, CTV platforms, and advertisers to connect with their target audiences with unparalleled precision for maximum impact. Our suite of innovative solutions - **Live TV**[×] (AI-enhanced native FAST service), **ContextIQ** (AI-powered contextual CTV advertising), and **AdMagic** (GenAI for video ad creation and personalization) - harnesses the power of cutting-edge AI to deliver hyper-personalized viewing experiences that seamlessly integrate high-quality content and contextually relevant and dynamically customized ads that resonate deeply with viewers. Learn more at <u>anoki.ai</u>

Join us in shaping the future of CTV

Ready to help transform the way the world experiences television? Discover how Anoki's AI-powered solutions can elevate your content and advertising strategies. **For more information, partnerships, or to schedule a demo** <u>contact us today</u>.

