

# Marketers Are Split on How They Define OTT

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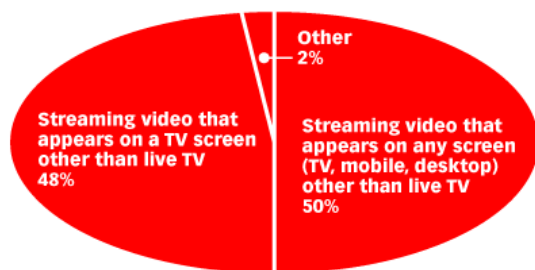
**Ross Benes**

**M**arketers are having trouble agreeing on a set definition of over-the-top (OTT) video.

In an [Interactive Advertising Bureau \(IAB\) and Advertiser Perceptions](#) poll, half of US marketers defined OTT as streaming video other than live TV that appears on any screen (mobile, PC, TV, etc.). And 48% of respondents defined OTT as streaming video other than live TV that appears exclusively on a TV screen.

## How Do US Agency and Marketing Professionals Define Over-the-Top (OTT) Video\*?

% of respondents, March 2019



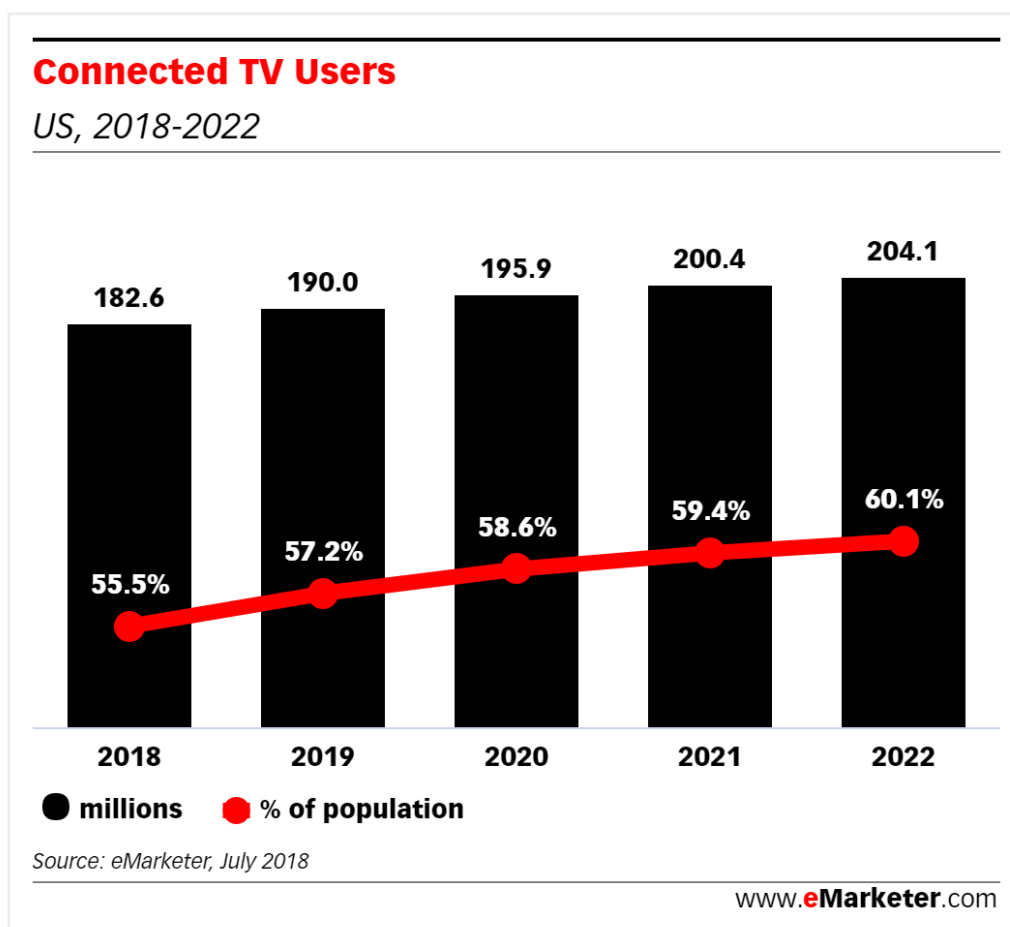
Note: \*for ad-buying purposes  
Source: Interactive Advertising Bureau (IAB), "Digital Content NewFronts: 2019 Video Ad Spend Report" conducted by Advertiser Perceptions, April 29, 2019

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We define OTT as video that's delivered over the internet independently of a traditional pay TV service, irrespective of device. We forecast that 61.7% of the US population will use OTT services this year.

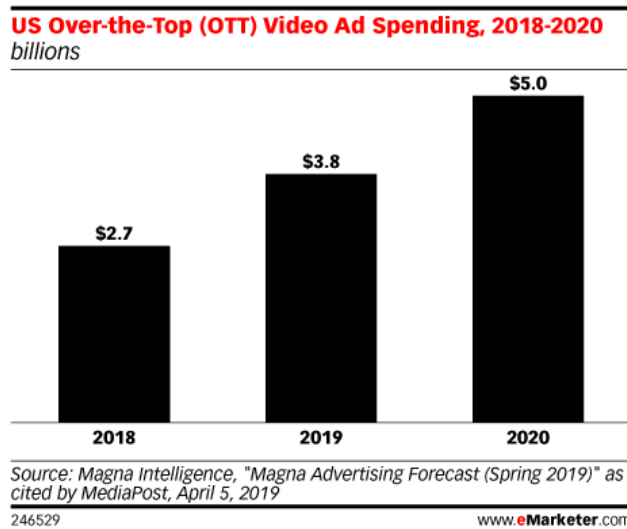
Connected TV, by contrast, refers specifically to video watched on a TV set with internet connectivity. The video can be served via smart TV or another device such as a Blu-ray player, game console or set-top box such as Roku or Google Chromecast. Connected TV refers to a device — rather than a service—making it a subset of OTT by these definitions. We forecast that 57.2% of the US population will be connected TV users this year.



IAB's study shows how marketers use OTT and connected TV interchangeably. Similar to how marketers are **split in their definitions of the term "in-housing,"** the meaning that marketers assign to OTT varies considerably.

Imprecise jargon adds a communication barrier. For instance, the subset of OTT for live programming is referred to interchangeably as skinny bundles, linear OTT or vMVPD (virtual multichannel video programming distributor). The lack of agreed-upon definitions for OTT and its subsets adds another layer of complexity for marketers as they aim to merge their TV and digital video strategies.

While it's possible that confusion over definitions could impede investment, OTT ad spend is growing quickly. In September 2018, IPG's research unit **Magna Intelligence** forecasts that \$2 billion would be spent on OTT ads in the US, a 40% year-over-year increase. But in April 2019, Magna **revised its figures** to show US OTT ad spend grew 54% year over year to \$2.7 billion.



Under Magna's adjusted forecast, US advertisers will spend \$3.8 billion on OTT this year and \$5.0 billion by 2020.