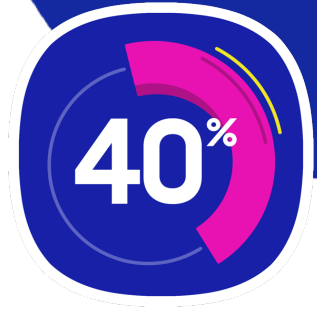


## Rule of 40: the CTV imperative

### How to maximize national reach in today's complex TV ecosystem



#### Background

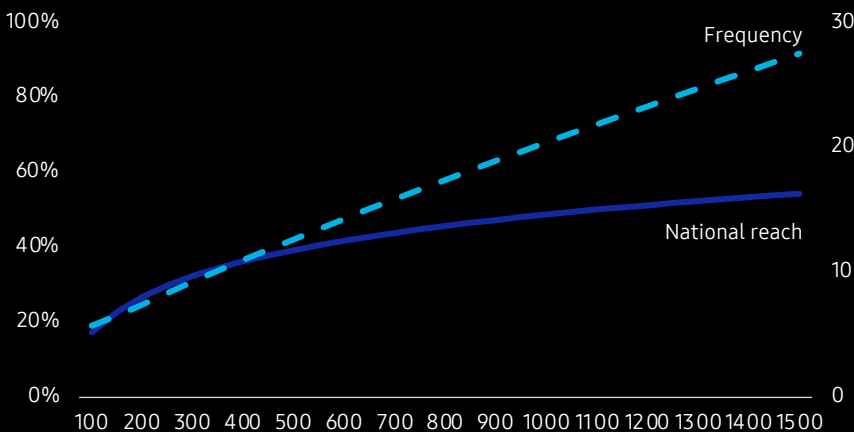
- The Rule of 40, first published in 2021, demonstrated the need to reallocate 40% of TV budgets to ad-supported VOD (AVOD) to balance ad delivery across linear and streaming audiences.
- Using Nielsen and Samsung Ads data, this new analysis of 21 national ad campaigns across a range of product categories and budget sizes over the period of 3 months demonstrates that the Rule of 40 also maximizes reach across all TV households.

#### Why rebalancing your TV budget matters

The transition to streaming has significantly impacted the national reach of linear TV campaigns at the expense of over-frequency. Fewer than half of adults 18–49 spend more of their time with linear than with streaming. But 87% of all linear ad impressions are delivered to this audience. This results in a practical reach maximum for linear TV of 50% after which budgets drive frequency instead of new audiences.

The success of national TV advertising campaigns depends on appropriate CTV ad spend

#### Delivery of a linear campaign to the A18-49 TV universe



#### Practical linear results

**46–49%**

reach

**17.5–20.5**

frequency

## Achieve national TV reach at scale by rebalancing your TV budget with the Rule of 40

Samsung Ads’ Rule of 40 helps advertisers rebalance their media plans and achieve maximum reach while controlling frequency by reaching light linear viewers in streaming and digitally optimizing frequency across linear and CTV.

The Rule of 40 is an effective tool to manage national reach across all verticals and budget levels. Using a combination of Nielsen and Samsung Ads data, we modeled the effect the Rule of 40 would have on actual campaigns across various industries and budgets — in each case, the impact is significant.



# 68%

of luxury car seekers are mostly streamers

### Sample Rule of 40 application

Automobile brand: \$30M TV budget	CTV allocation		
	0%	20%	40%
	↓	↓	↓
National TV reach	50.1%	62.3%	70.6%

Rule of 40 impact:  
**+41%**

#### 4 key points to navigate today’s TV ecosystem

- 1 The practical reach of a linear-focused campaign is just 50% of US TV households.
- 2 Shifting budget to CTV increases national TV reach without adding budget to a media plan—regardless of spend level.
- 3 The Rule of 40 balances frequency between linear-centric and streaming-centric audiences and, because it reallocates budgets relative to viewer behavior, it reaches linear viewers when they’re streaming and maximizes reach across the national TV audience.
- 4 Audiences can be effectively reached in CTV. Three-in-four Samsung Smart TV viewers are watching ad-supported streaming content and more viewing is now consumed via ad-supported options than commercial-free services.

#### Find your Rule of 40 with Samsung Ads Audience Advisor



Contact Samsung Ads to get your own unique Rule of 40. We’ll do the math to help you create a more balanced media strategy that maximizes your national reach with optimal spends across linear and CTV.

#### About Samsung Ads

Samsung Ads is an advertising ecosystem spanning hundreds of millions of smart devices across TV, mobile, and desktop. Our unrivaled understanding of consumers, powered by exclusive Samsung data and insights, drives more engagement and delivers more results for advertisers.

Source: Samsung Ads Model using Samsung Proprietary ACR US Only and Nielsen (Used under license from Nielsen but model results are neither validated nor endorsed by Nielsen).