

# US upfront CTV ad spending will surpass \$4 billion this year

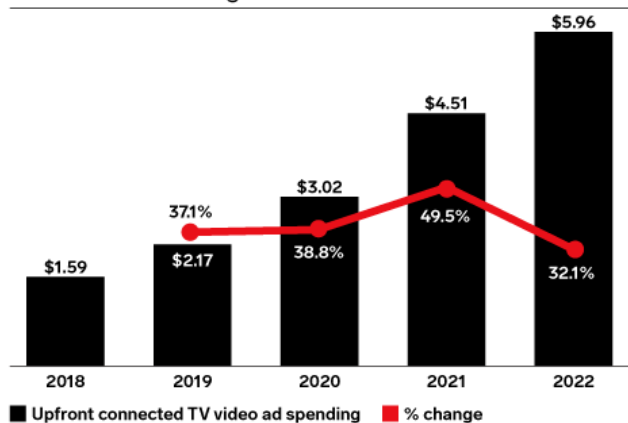
Article



For the first time, we have broken out the portion of US upfront digital video ad spending that goes to connected TV (CTV). This year, advertisers will increase their upfront CTV video ad spending by almost 50% year over year to \$4.51 billion.

## US Upfront Connected TV Video Ad Spending, 2018-2022

billions and % change



Note: connected TV video ad spending that is committed in advance, including spending resulting from the TV upfronts, the IAB Digital Content NewFronts, and other events/meetings throughout the year  
Source: eMarketer, May 2021

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eMarketer | InsiderIntelligence.com

This estimate includes all CTV video ad spending committed in advance, such as spending resulting from the TV Upfronts, the Interactive Advertising Bureau (IAB) Digital Content NewFronts, and other events and meetings throughout the year.

We forecast almost two-thirds of upfront digital video ad allocations will go to CTV placements this year, and that share is growing. About one-third of all CTV video ad spending is committed upfront.

It's become standard for a TV network to spend billions of dollars on building out its own streaming service, so it's no surprise that networks are placing more emphasis on their own streaming services during upfront pitches, pushing for advertisers to commit 20% to 30% of upfront budgets to their streaming services, MediaPost reported in April.

Upfront buying is a legacy tactic that flourished in the analog world of traditional TV. Considering that most digital advertising is sold programmatically, and that digital inventory is often purchased seconds before ads run, it is interesting that upfront buying would take hold in streaming video.

But upfront buying makes more sense with CTV than with other forms of digital advertising because high-quality video inventory is scarce and expensive, whereas display inventory overall is abundant and cheaper. Also, ad formats with scarce inventory create incentives for advertisers to purchase the inventory in advance before it is sold out.

Because digital inventory is becoming a bigger part of upfront deals, advertisers are adjusting their strategies this year, advocating for more flexible options for media placements and looking for a shorter negotiation period.

To learn more about recent trends and events in the digital video industry, Insider Intelligence subscribers can read our recent report:

Report by Ross Benes Jun 24, 2021

## Q2 2021 Digital Video Trends

