

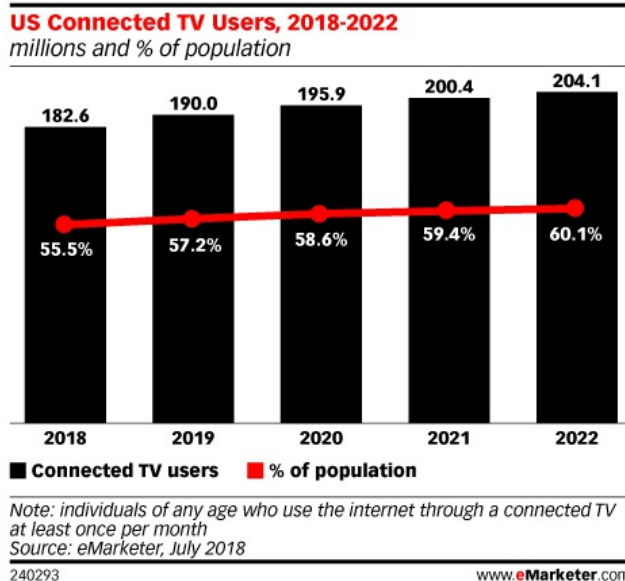
Audience for Connected TV Grows, but Ad Spending Has Lagged

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Connected TV households now make up nearly three-quarters of all US households, but those penetration levels don't necessarily add up to a huge advertising market—yet.

In a new forecast package, eMarketer estimates there will be 182.6 million connected TV users in the US this year, up 8.1% from 2017. That works out to roughly 55% of the population.



At a household level, eMarketer estimates there are 88.7 million connected TV households in the US, or 71.6% of all households.

Despite the strong penetration of the market, connected TV advertising makes up only a sliver of overall TV advertising. “The dynamics of connected TV advertising are challenging given fragmentation among platforms and other factors,” said Paul Verna, eMarketer’s principal analyst for video and author of an upcoming report on connected TV advertising. “But since consumer adoption of connected TV is faster than many had expected, it seems only a matter of time before ad spending catches up.”

According to estimates from [Tru Optik](#), reported in [Broadcasting & Cable](#), US ad spending on connected TV will total \$8.2 billion this year, up roughly 75% from the \$4.7 billion spent in 2017. Tru Optik projects strong gains for the next two years as well, growing to \$13.3 billion in 2019 and \$20.1 billion in 2020.

Tru Optik’s 2018 estimate would work out to approximately 12% of overall TV ad spending in 2018. For comparison, we expect digital video advertising will total \$17.87 billion this year, which represents 25.6% of TV ad spending and 16.7% of digital ad spending. Our video figure includes advertising that appears before, during or after digital video content in a video player, but does not include social media platforms such as Facebook or Twitter.

The shift to connected TV is not limited to the US. [IHS Markit](#) reports that the share of smart TVs—which have built-in connections to the internet—will reach 70% of global TV shipments this year, up from 45% in 2015.

Subscribers to eMarketer PRO can access our complete estimates for connected TV usage, including breakouts by platform, [here](#). Our report on connected TV advertising is slated to be published later this month.