

Ad Buyers Usually Pay More Than \$20 For Connected TV CPMs

Connected TV is the priciest of all in-stream video ads

ARTICLE | **MARCH 27, 2019**

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Over the past couple of years, interest—and investment—in connected TV advertising has been growing. Advertisers, eager to combine the benefits of digital media buying and measurement with the appeal of sound and motion on the biggest living room screen, are paying top dollar to do so—\$20 CPMs or more, according to our research.

Each year, we ask buy- and sell-side sources to anonymously share pricing information for our annual look at ad pricing trends. And according to three US buy-side sources, CPMs for in-stream ads on connected TV ranged from \$19.84 to \$28.33 during the timeframe of Q4 2017 to Q4 2018.



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The more common in-stream desktop and mobile web ads also

frequently fetched double-digit CPMs, across various providers, though prices were on the much lower end of the double-digit spectrum.

To be clear, the data mentioned in this article offers directional evidence of a trend; it is not to be used as a benchmark or average, considering it cannot account for every advertiser type, campaign objective or publisher category. The data is also a snapshot in time, as it only reflects pricing across these buy-side sources from Q4 2017 to Q4 2018.

Connected TV advertising includes ads served to TV sets via the internet, be it via a smart TV or another device such as a Blu-ray player, game console or set-top box such as Roku or Google Chromecast. This space has been slowly maturing over the past couple of years. Today, we predict that 57.2% of the US population will use connected TV in 2019, up from 51.7% in 2017.

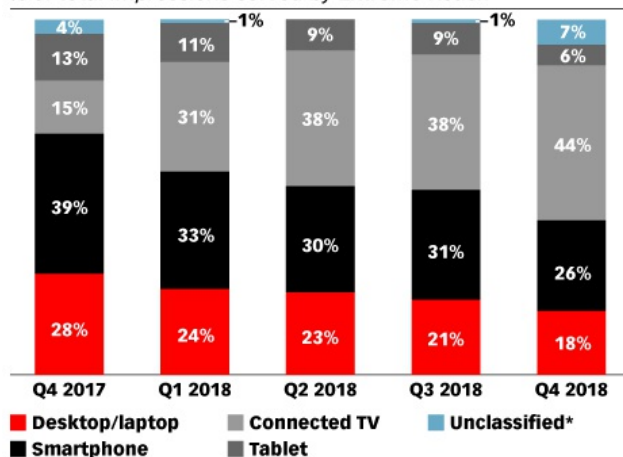
Not only are more people using connected TV, but their time spent with it is increasing, too. [Nielsen estimates](#) that between Q4 2017 and Q1 2018, the average amount of time that people spent watching content on connected TV devices increased by five minutes per day to 40 minutes.

Audiences and time spent may be growing, but because ad inventory is dispersed among a diverse ecosystem of device manufacturers and OEMs, it can be difficult for ad buyers to get the scale they want. On the whole, however, connected TV inventory is growing substantially.

In a quarterly review of digital video ad impressions served by [Extreme Reach](#) to various devices across North America, the video asset management firm found connected TV's impression share jumped from 15% in Q4 2017 to 44% in Q4 2018. From 2016 to 2018, the share of the total ad impressions that video ad platform Innovid [served through connected TVs](#) jumped from 13% to 27%. And [FreeWheel reported](#) a 53% growth in connected TV ad views in 2018.

Digital Video Ad Performance Metrics in North America: Impression Share, by Device, Q4 2017-Q4 2018

% of total impressions served by Extreme Reach



*Note: represents activity on the Extreme Reach platform, broader industry metrics may vary; numbers may not add up to 100% due to rounding; *captured from user agents who are known to be valid, but whose platform or device was not identified*

Source: Extreme Reach, "Q4 2018 Video Benchmarks," Feb 21, 2019

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But as supply levels rise, connected TV CPMs should decline. Already, some experts interviewed for the upcoming report said they are seeing a slight drop in pricing.

“There’s simply more [connected TV] supply coming through, so when you average it overall, prices are coming down,” said James Malins, senior vice president of programmatic at ad tech firm Amobee.

For more information about these and other ad prices and trends, eMarketer PRO subscribers can check out our [Digital Ad Pricing StatPack](#).