

The pros and cons of CTV screensaver ads

Article



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Even premium TV brands like LG are now showing ads on screensavers, joining other video platforms in monetizing this idle screen real estate. But will these ads actually move the needle for advertisers?

Our analysts debated the potential impact on a recent "Behind the Numbers" podcast episode.



The case for effectiveness

"It's valuable advertising real estate," our analyst Bill Fisher said. "The ads aren't entirely passive—you have to perform an action to remove them from the screen."

Connected TV (CTV) penetration is high; about 68.4% of Americans use CTV, according to EMARKETER's forecasts.

"In Canada, it's 9 in 10 people in the population. This is a really, really valuable piece of advertising real estate. By the same token, CTV ad spend is beginning to slow down a little bit, so I think this is one area that could help keep it buoyant for a little while longer," said Fisher.

The case for skepticism

"I have a Roku and I couldn't tell you one company that's advertised on the much-vaunted cityscape screensaver where they serve ads," our analyst Rahul Chadha said on the podcast.

Screensavers, by nature, only surface when users have checked out or left the room, so how much engagement can they actually drive?

"So I just think it's a lot more noise in an environment where people are already overloaded with noise," said Chada.

CTV advertising has a great impact on customers.

Viewers spend an average of \$290 annually on <u>products inspired by TV shows</u>, totaling \$144.9 billion in retail sales, according to a recent Shopsense.ai survey with EMARKETER. Three-quarters of consumers plan to maintain or increase this spending next year.

EMARKETER forecasts 2024 CTV ad spending to reach \$28.75 billion.

While screensaver ads may not have the biggest impact, they represent another way advertisers are capitalizing on digital TV.

Listen to the full episode.

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