How are CTV ads bought and sold?

Article



Connected TV (CTV) ad spend will exceed \$30 billion in the US next year, according to our forecast. At a growth rate of 22.4% YoY, that makes CTV one of the fastest-growing ad formats we track. But where those ad dollars are coming from isn't so simple.

"CTV ad dollars travel down a long and winding road," wrote our analyst Ross Benes in our Connected TV Explainer report. And knowing what kind of inventory advertisers are actually buying isn't simple either.

"A lot of buyers think they can get premium inventory at a non-premium price," Oscar Rondon, senior vice president of product and partnerships at marketing intelligence company MiQ, said at Advertising Week New York 2023.

There's no one way to buy CTV ads, but there are three main paths advertisers can take.

Streaming services: Advertisers buy from a streaming service directly.

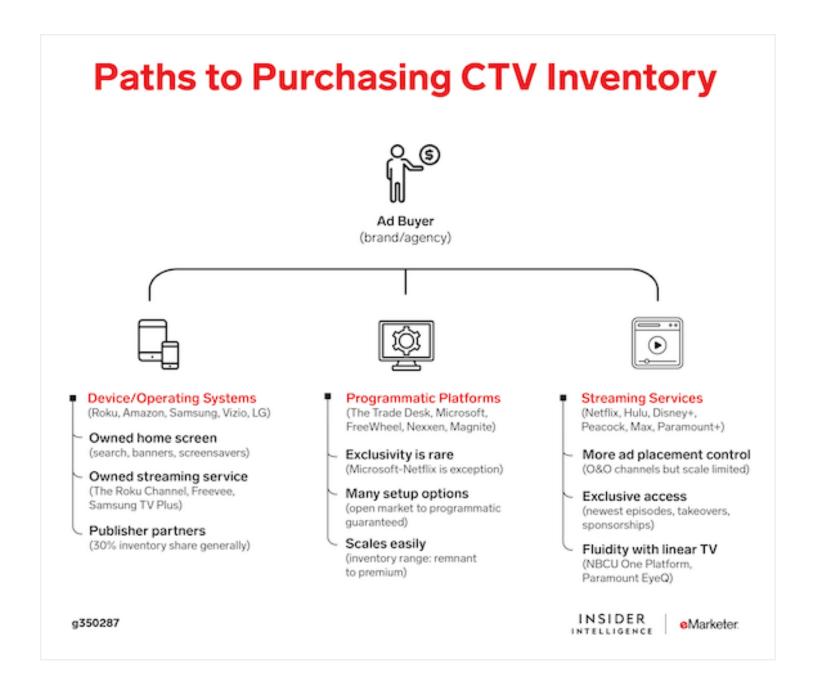
- Pros: Access to exclusive inventory, some transparency on where ad dollars are going
- Cons: Difficult to scale as ads are limited to a single property
- Examples: Max, Netflix, Disney+

Programmatic platforms: Advertisers purchase via programmatic platforms, which allow them to bid across multiple apps' inventories.

- Pros: Extended reach, cheaper prices
- Cons: Less transparency and control over where ads are served
- Examples: MNTN, The Trade Desk, PubMatic, Magnite

CTV device-makers: Advertisers buy from CTV device-makers.

- Pros: Ads can go within many apps as well as on device home screens and screen savers
- Cons: Less transparency and control over where ads are served
- Examples: Roku, Fire TV, Samsung, Vizio, LG



Other considerations: When buying CTV ads across platforms, advertisers need to make sure ads are varied and not repetitive so that a viewer doesn't see the same ad several times in different places.

Our definition of CTV ads includes subscription streaming services, free streaming services, device-makers, and traditional TV offshoots. It does not include ads delivered to non-TV devices like computers, phones, or tablets.

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