

YouTube CTV spending jumped 31% last quarter, outpacing streamers

Article

The news: Connected TV (CTV) ad spending on **YouTube** surged far ahead of streaming competitors last quarter, according to analysis from Tinuiti. Among Tinuiti's clients, YouTube CTV spending jumped 31% while streaming services like **Max** and **Netflix** had growth of just 6%.

- Though YouTube saw one of the largest jumps, the quarter marked the first time since Q4 2021 that YouTube, **Google** search, **Amazon**, **Instagram**, and **Facebook** all saw spending increases.

The CTV boom: Record cord-cutting and increased time spent has made CTV one of the strongest ad spending sectors in 2023. But while viewership has made gains, ad spending has shifted over from TV more slowly, giving video competitors time to race to win market share.

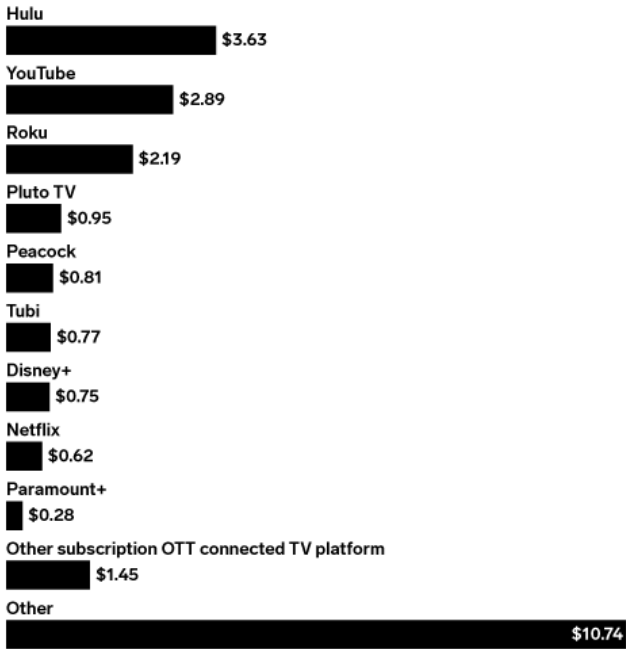
- US CTV spending will total \$25.09 billion compared with TV's \$61.31 billion. By 2027, that gap will close significantly—CTV spending will reach \$40.90 billion compared with TV's \$56.83 billion.
- The slow transition could soon pick up speed. **Disney**, reading the tea leaves of TV's decline, recently said it could look to sell off some TV assets to fully focus on digital video. If a major advertiser like Disney that rakes in billions in spending makes the pivot, the money will follow.

YouTube's lead: The pivot to digital is fully underway, and YouTube's strong TV viewership and content model gives it an advantage over streaming services and other CTV platforms just entering the fray.

- YouTube viewership on TV screens has been increasing for some time: Time spent watching YouTube on CTVs now matches mobile viewing at 15 minutes. The platform has capitalized on that growing viewership by adding ease of use features and even bringing Shorts to TV screens.
- The ongoing Hollywood writers and actors strikes also position YouTube to win more ad dollars. Competitors will have no new content to entice advertisers to spend against, while YouTube's user-generated model leaves it unscathed (the strike also weakens the **Joint Industry Committee's** argument against treating user-generated content as "premium" content).
- We forecast that YouTube will bring in \$2.89 billion in US CTV ad spending this year, second only to **Hulu**, which Disney is fighting for full ownership of.

US Connected TV Ad Revenues, by Company, 2023

billions



Note: digital advertising that appears on connected TV (CTV) devices; examples include display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising
Source: Insider Intelligence, April 2023

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