

Despite a reduction in ad inventory, the market for TV and CTV ad spending will grow by billions

Article

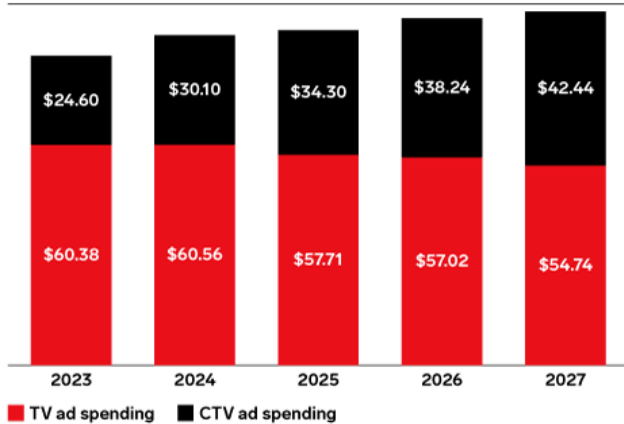
- **Spending on TV ads overall will resume growing in 2024.** After a dip in 2023 caused by traditional TV's long decline and a relatively weak period for connected (CTV), combined

spending on TV and CTV will grow every year through 2027 and close in on \$100 billion. Except for 2020 and 2023, this combined market will have grown every year since we started tracking CTV in 2018.

- **A drop in ad inventory won't stop growth through 2027.** Available inventory on TV and CTV is expected to fall by 24% in the next four years, per analysis by Brian Wieser of Madison and Wall. As viewership continues to migrate from linear to digital, viewers are seeing fewer ads—either because they're opting out of them on streaming services or those services serve fewer commercials per hour than TV networks. However, higher ad pricing on CTV will negate the inventory trend and deliver a compound annual growth rate (CAGR) of 3.4% in combined TV and CTV ad spending through 2027.

US TV and Connected TV (CTV) Ad Spending, 2023-2027

billions



Note: TV includes broadcast TV (network, syndication, and spot) and cable TV; excludes digital; CTV includes digital advertising that appears on CTV devices; includes 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 | eMarketer Forecast, Oct 2023

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Insider Intelligence | eMarketer

What does this mean for marketers, media companies, and distributors?

- **The TV ship has sailed.** Linear TV is no longer a growth industry, so marketers should start preparing for a future where more and more of their TV-style spots go to OTT platforms.
- **CTV is picking up the slack, resulting in a combined market that will grow from 2024 through 2027.** With major new players coming to the CTV ad market (Netflix, Disney+, and

Amazon in a span of about 18 months), spending will grow by around 20% in 2023 and 2024, and by low double digits through 2027.

- **Later this decade, CTV will likely surpass TV in average daily time spent.** And in ad spending, CTV could overtake its linear counterpart a few years later, around the turn of the next decade.

Report by Paul Verna Dec 06, 2023

TV and Connected TV Ad Spending Forecasts H2 2023

