

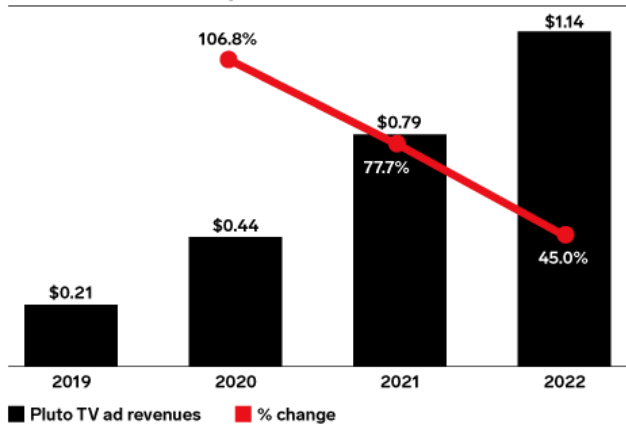
Pluto TV will surpass \$1 billion in US ad revenues in 2022

Article

In December, we published our first forecast for Pluto TV ad revenues. Pluto TV, a free streaming service operated by ViacomCBS, will receive \$786.7 million in net US ad revenues in 2021, a 77.7% increase over the previous year. In 2022, Pluto TV's net US ad revenues will surpass \$1 billion annually for the first time.

US Pluto TV Ad Revenues, 2019-2022

billions and % change



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites
Source: eMarketer, Dec 2020

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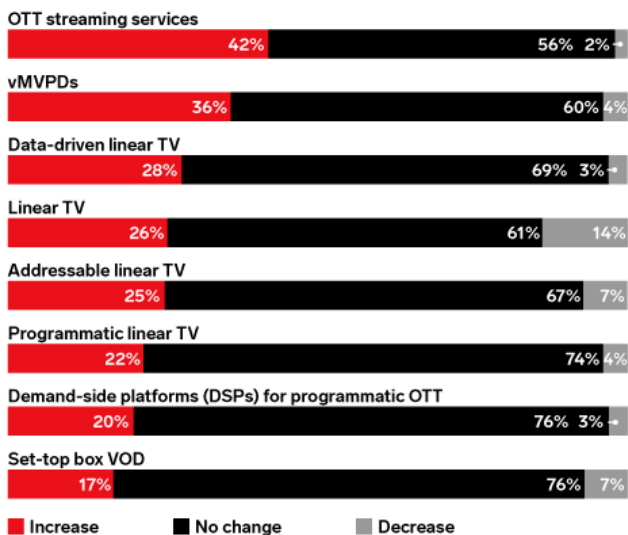
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The growth of Pluto TV's ad business is reflective of how advertisers are funneling more money toward streaming video. In a December 2020 survey from Advertiser Perceptions cited by Next TV, 42% of US agency and marketing professionals said they would increase ad spending directed to OTT streaming services over the next 12 months, while just 2% planned to decrease it. Most respondents, 56%, said their OTT ad spending would remain about the same as last year.

Nonetheless, more respondents expected to increase their spending on OTT (42%) than on any other advanced TV option, including virtual multichannel video programming distributors (36%), data-driven linear TV (28%), and addressable linear TV (25%).

Channels That US Agency/Marketing Professionals Will Increase vs. Decrease Their Ad Spending in, Dec 2020

% of respondents



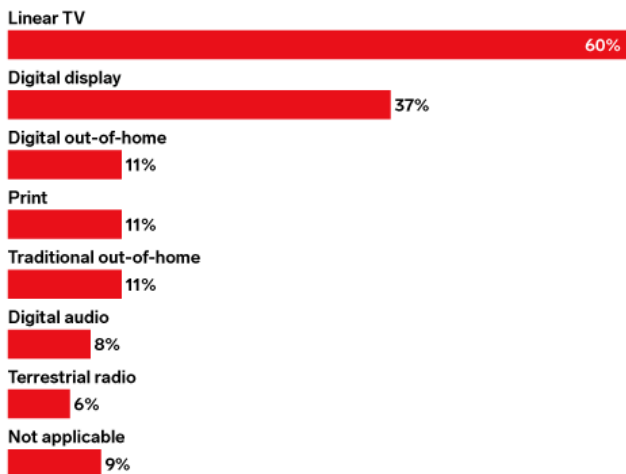
Note: n=284; during the next 12 months; numbers may not add up to 100% due to rounding
 Source: Advertiser Perceptions as cited by Next TV, Feb 16, 2021

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Fully 60% of OTT and connected TV (CTV) ad dollars will come from linear TV budgets this year, according to a November 2020 poll by the Interactive Advertising Bureau (IAB) of US agencies and brand marketers with digital video in their 2021 media budgets. Digital display will be the second-largest source, accounting for 37% of OTT and CTV ad spending.

Sources for 2021 OTT/Connected TV (CTV) Ad Spending According to US Agencies and Brand Marketers, Nov 2020

% of respondents



Note: n=123 buyers with digital video as part of their 2021 media budgets who shared sources for 2021 CTV/OTT media
Source: Interactive Advertising Bureau (IAB), "2021 Marketplace Outlook Survey Results," Dec 15, 2020

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Remaining OTT and CTV ad dollars will pull from a mix of sources including out-of-home, print, and audio.

For our latest forecasts for subscription video revenues and what Q1 2021 has in store for the industry, Insider Intelligence subscribers can read our recent report:

Report by Ross Benes Mar 29, 2021

Q1 2021 Digital Video Trends



