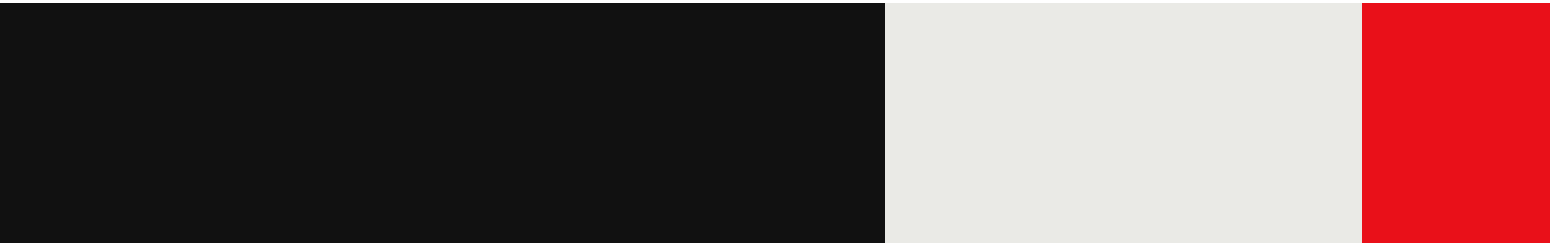# The tangled web of advanced TV pain points, explained by our analyst

Article

"As TV takes on more elements of digital, institutional barriers around those centers of knowledge are being broken down, and TV and digital teams are being integrated," said our analyst Evelyn Mitchell on our "Behind the Numbers: The Daily" podcast. But "institutional change takes time."
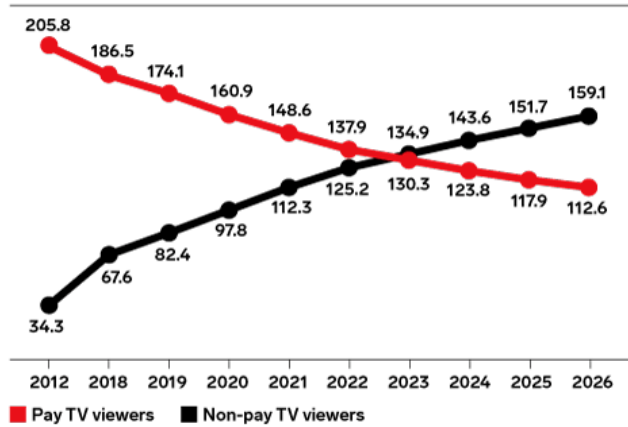
- That's a challenge for advanced TV. Processes are changing, but people have not yet caught up, especially on the buying side of advertising.

- A changing landscape means new formats. "Keep your eye out for new interactive creative opportunities," said Mitchell. Think choose-your-own-adventure and trivia ads. Digitizing TV allows for new approaches to capturing—and holding—audience attention.

  Digital TV's dust: "Linear audiences are shrinking while streaming audiences are growing," said Mitchell.

- A decade ago, pay TV viewers comprised 85.7% of the US population. This year, it's just 50.8%.

- Next year, non-pay TV viewers will outnumber pay TV viewers.

- "US consumers spent more time [this year] streaming content than they did watching either cable or broadcast TV, according to Nielsen," noted podcast host Marcus Johnson.

US Pay TV vs. Non-Pay TV Viewers, 2012 & 2018-2026
millions

	2012	2018	2019	2020	2021	2022	2023	2024	2025	2026
Pay TV viewers	205.8	186.5	174.1	160.9	148.6	137.9	134.9	123.8	117.9	112.6
Non-pay TV viewers	34.3	67.6	82.4	97.8	112.3	125.2	130.3	143.6	151.7	159.1

Note: pay TV viewers are those with a subscription to traditional pay TV services; excludes IPTV and pure-play online video services (e.g., Hulu, Netflix, YouTube, Sling TV, etc.); non-pay TV viewers are those who have canceled their subscription or have never had traditional pay TV services; includes cable, satellite, telecom/fiber operators, and multiple system operators (MSOs)
Source: eMarketer, Sep 2022

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Some CTV perspective: The connected TV (CTV) advertising market has more than tripled since 2019, now totaling $21.16 billion.

- That's still less than one-third the size of linear TV's $67.63 billion, but CTV is growing fast. CTV spend will more than double to $43.59 in 2026, while linear spend will shrink to $62.12 billion.

Traditional TV isn't over yet: Linear audiences are more addressable than ever.

- "Of the remaining pay TV households in the United States, 4 out of 5 are addressable-enabled," said Mitchell. That means the proportion of linear households targetable by addressable media is larger than ever before.

  A tangled web: "The biggest pain is really privacy," said Mitchell, because it's external to the ad industry. Privacy-conscious advertisers are sequestering their own first-party data.

- But those walls around data lead to fragmentation issues, as advertisers struggle to look at strategies across platforms. "And therein lies one of the reasons that measurement has been so challenging," she said.

How do we define advanced TV?

- Advanced TV comprises linear and digital TV paired with technology that allows for new features, components, or uses. Addressable, programmatic, and CTV are all subsets of advanced TV under this definition.

- We only include ads served on TV screens in our advanced TV analysis.

Listen to the full episode.

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