

# How advanced TV is wooing addressable- and automation-hungry advertisers

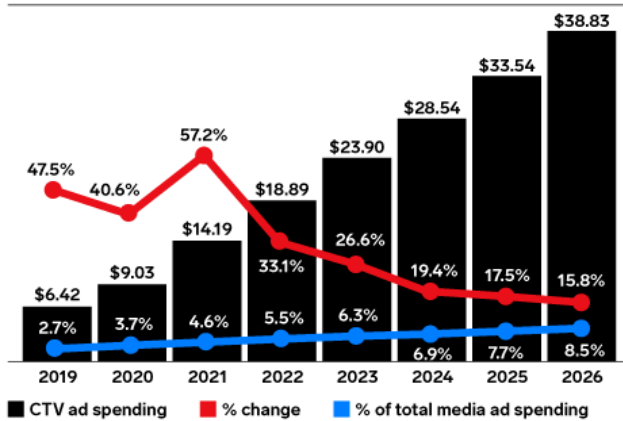
Article

As linear technology improves and consumers adopt more digital TV alternatives, the TV market is cruising toward a more “advanced” future. Advertisers are amping up spend

accordingly.

**CTV ad spending, for example, has almost tripled since before the pandemic.** At \$18.89 billion, the CTV advertising market is less than a third of the size of its linear TV counterpart, which will see \$68.35 billion. But while linear TV ad spending is trending downward, CTV ad spending is growing faster than that of any other digital channel except for social video. By the end of 2026, CTV outlays will have more than doubled to reach \$38.83 billion.

**US Connected TV (CTV) Ad Spending, 2019-2026**  
billions, % change, and % of total media ad spending



Note: CTVs are TV sets connected to the internet through built-in internet capability or through another device such as a Blu-ray player, game console, set-top box (e.g., Apple TV, Google Chromecast, Roku), etc.  
Source: eMarketer, March 2022

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eMarketer | InsiderIntelligence.com

**One of CTV's biggest draws:** Practically all the inventory is addressable. Among agency and marketing professionals, precision audience targeting was the biggest perceived advantage of CTV and streaming advertising – and the top reason for increasing investment, according to a March 2022 survey commissioned by Premion and conducted by Advertiser Perceptions. As more streaming platforms introduce ad-supported tiers, advertisers will get access to more streaming viewers in more places.

**And CTV advertisers are leaning into automated purchasing.** Pre-pandemic, about half (53.5%) of CTV ad dollars flowed through programmatic pipes. This year, nearly three-quarters (74.4%) of CTV ad spending will transact programmatically.

**Programmatic is also becoming more common in linear TV advertising.** Advertisers will spend \$6.90 billion on linear programmatic ads this year, up 27.4% year over year (YoY), but still less than half of the \$14.04 billion that will be spent on programmatic CTV.

Representing \$1 in every \$10 spent on linear TV advertising, programmatic offers a level of flexibility that neither upfront nor scatter markets can provide. “The only limitations of programmatic are the data you're applying, the audience you want to reach, and the price you're willing to pay to reach them. It's the most dynamic, sophisticated, agile way of buying media,” said Ashley Luongo, senior vice president of advanced advertising sales at NBCUniversal.

As linear and streaming converge, networks may make more linear inventory available programmatically. But despite the positive momentum, growth is slowing. Linear programmatic ad spending will increase just 6.8% to \$8.42 billion in 2024 as advertisers continue shifting budgets out of linear entirely.

**Advertisers are spending more on linear addressable TV, too.** This year, linear addressable ad spending will grow by 24.6% to \$3.53 billion.

However, it will account for just 5.2% of total TV ad spending in 2022, due in part to inventory constraints. Linear addressable ads have historically been sourced from the 2 minutes per hour reserved for local advertising. Now, as advertisers' appetites for addressable media swell, sellers are working to meet that demand. A few recent examples:

- In April, Roku introduced its dynamic linear ads (DLA) product, which leverages automatic content recognition (ACR) technology to replace “generic” linear ads with personalized ads.
- In June, AMC Networks and FreeWheel announced a new self-serve solution that aggregates linear addressable inventory across various supply sources and leverages automation, including real-time optimization.

**Like linear programmatic, linear addressable ad spending is slowing as overall linear TV ad spending stagnates.** By 2024, linear addressable ad spending will eke out 6.1% YoY growth to \$4.20 billion.

[Read the full report.](#)

Report by Evelyn Mitchell Oct 18, 2022

# Advanced TV 2022

