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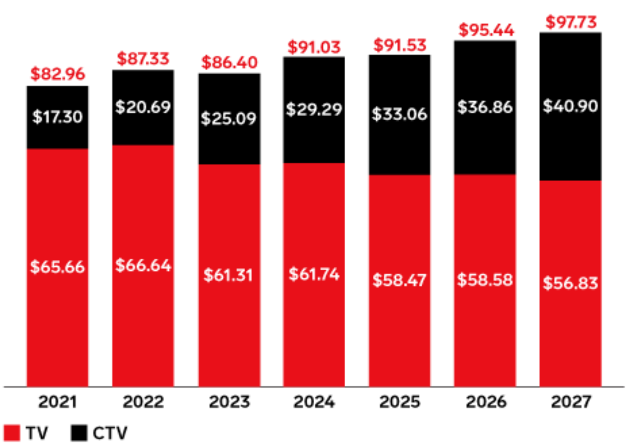
The currency upheaval hits as the TV/CTV market closes in on the $100 billion ad spending milestone

Article

We forecast US advertisers will spend a combined $86.40 billion on linear and connected TV (CTV) this year—in other words, about 1 in 4 ad dollars will go to ads on the TV glass. But as linear TV ad spending stagnates, networks are incentivized to prove the reach and efficacy of their digital properties.

- **CTV is still the fastest-growing major ad channel.** CTV ad spending will grow 21.2% this year—outpacing ad spending growth of retail media networks (19.7%). Measurement standardization would allow advertisers to optimize their investments more effectively across streaming platforms.
- **As CTV grows, so does programmatic.** Accounting for almost 90% of CTV display ad spending this year—and over 10% of linear TV ad spending—programmatic is an important piece of the puzzle. Buyers are lobbying to include programmatic investments in upfront negotiations, adding another layer of complexity to currency conversations.
- **Advanced audiences are the next frontier.** Advertisers are moving beyond traditional age and gender demographics to transact on the audiences they're targeting. And as first-party data strategies become more critical, measurement is adapting to support more sophisticated workflows.

US TV and Connected TV (CTV) Ad Spending, 2021-2027
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: eMarketer, April 2023

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We're still in the test-and-learn stage, and it's unclear how many currencies the industry will ultimately support.

The days of Nielsen's near monopoly are gone. But the so-called "multicurrency" future is not yet assured, and we're still at least a year away from any resolution. There are three potential outcomes, according to November 2022 research from Deloitte commissioned by the Association of National Advertisers (ANA), the American Association of Advertising Agencies (4A's), and the Coalition for Innovative Media Measurement (CIMM):

- **We end up with one primary currency.** But that currency would be complemented by multiple secondary measurement solutions based on the advertising use case. This scenario is most desired by stakeholders on the buy side, who find the current state of more than one currency exhausting.
- **We end up with three to five independent operating currencies.** This scenario would incentivize continued innovation among currency providers. It would also make cross-platform planning and optimization more complex unless all sellers were to support all currencies.
- **We end up with one or more currencies overseen by a Joint Industry Committee (JIC).** This approach, taken by other markets like the UK and Sweden, is favored by most sellers and seems the most likely outcome given the formation of a US JIC in January 2023. The JIC and its recent activity will be discussed in greater detail later in this report.

Test-and-learn initiatives are expensive, and many smaller buyers and sellers lack the resources to update their legacy systems, onboard and pay additional measurement vendors, and store the necessary data. This means larger networks and agencies command the most influence in the transition to a new normal, as they often do. In the end, smaller players will likely be left playing catch-up to currency decisions made with little input from them.

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Ad Measurement Trends H1 2023


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