

# Advertisers struggle to align ad dollars with the scale of CTV

## Article



Over a quarter of digital time is spent with a CTV, but less than 10% of US digital ad dollars flow into CTV.

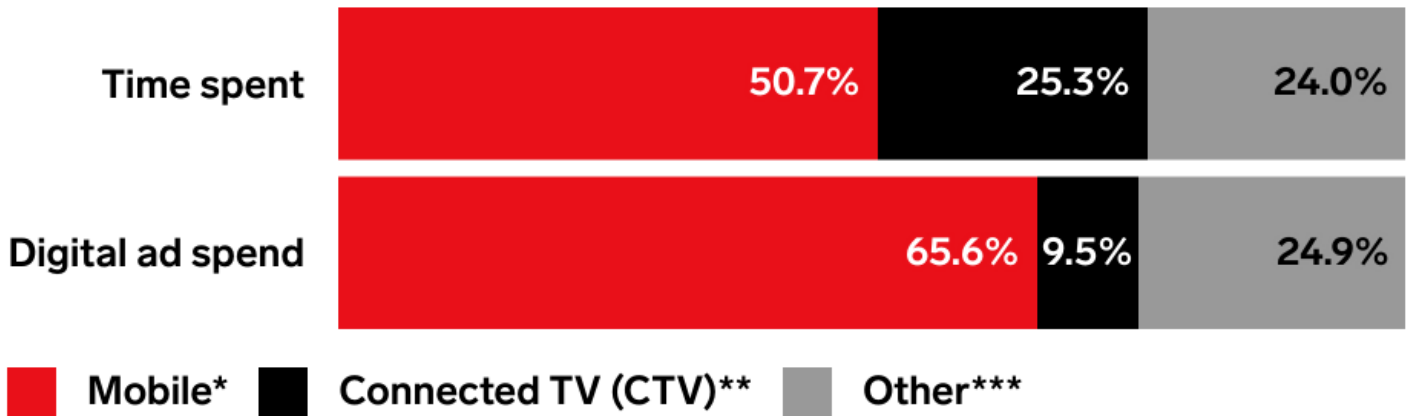
- **Advertisers underindex in buying CTV.** They will spend 65.6% of **digital advertising dollars** in mobile and 9.5% on CTV this year, while CTV will surpass a quarter of digital time spent. That's

not for lack of trying, as the frenzy over CTV ads and higher prices for inventory indicate. The high level of subscription OTT video viewing—about **1:30 per day**—limits ad opportunities, although CTVs host a range of programming with ads, including:

- Free ad-supported streaming TV (FAST), such as Pluto TV and Tubi
- Ad-supported video-on-demand (AVOD), such as The Roku Channel and ad-supported versions of subscription services like Netflix and Disney+
- YouTube, which will have nearly 45% of its viewing time on CTVs
- Digital live TV services, such as Hulu + Live TV
- **Mobile remains the king of digital advertising, largely due to its diversity of content.** Search and social advertising still account for a large share of overall digital ad spend, and they both overindex on mobile, while playing a marginal role (at best) on CTV.
- **Apps attract the vast majority of mobile time, but ad opportunities remain on the web.** More than 90% of time spent on mobile is in apps, but only **81.8% of mobile ad spend** will go to in-app placements this year. Why? Because about a quarter of “other” activities still occur on the web, including much of mobile shopping.
- **The web also still has life on desktop.** Each year, the share of digital time spent on desktop/laptop drops, but these devices still generate nearly 15% of time spent on the internet. As with mobile web, that time is fairly diffuse and skewed toward shopping, so opportunities remain.

# CTV Underindexes in Ad Spend

share of total time spent and digital ad spend in 2023



Note: \*includes advertising that appears on mobile phones and tablets; \*\*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; \*\*\*includes advertising that appears on desktop and laptop computers and other non-mobile internet-connected devices

Source: eMarketer, H1 2023

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Report by Yoram Wurmser Jun 12, 2023

## Time Spent With Connected Devices 2023

