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5 key stats on CTV: Growth normalizes, subscriptions reign, and ad spend evolves

Article

CTV is still one of the fastest-growing channels in advertising, fueled by Netflix, Disney+, Max, Amazon Prime Video, and more adding ads to their platforms. But the previously skyrocketing channel has matured, leaving a new TV landscape where advertisers must contend with balancing ads between linear and CTV and buying inventory even as volume shrinks. Here are five key stats advertisers should know about CTV.

1. CTV's stunning growth will slow

Key stat: US CTV ad spend growth will slow from 18.8% this year to 13.3% in 2025 and will decline through the end of our forecast period in 2028.

What it means: After years of declining growth, CTV ad spend growth got a boost this year from Amazon Prime Video incorporating ads. But now that all the major streamers have ads, there likely won't be any other big jumps in growth. Still, CTV ad spend will cross the $30 billion mark next year and approach 10% of US digital ad spend.

2. CTV's share of the video market is growing

Key stat: CTV will account for one-third of combined US linear and CTV ad spend this year, up from under one-tenth in 2019, per our March 2024 forecast.

What it means: All growth in the converged TV market will come from CTV starting next year. Come 2028, CTV's share of ad spend in the US will be nearly equal to linear's, per our forecast.

3. TV ad inventory is shrinking

Key stat: Combined ad inventory across CTV and linear TV will shrink by 6.6% annually between 2023 and 2027, according to Madison and Wall.

What it means: Ad slots could get more expensive. Combined CTV and linear ad spend growth will stay within $6 billion over the next four years, per our forecast, but the number of ads slots available is decreasing due to fewer ad loads on CTV. CTV advertisers may find themselves paying more for fewer spots, but CTV's shopability and targeting capabilities could make it worth the price.

4. Streamers still rely on subscriptions over ad revenues

Key stat: US OTT video subscription revenues (excluding virtual multichannel video programming distributors) will be nearly two times higher than CTV ad revenues this year, according to our March 2024 forecast.

What it means: Streaming is still a subscription-based business, especially for Netflix, which relies more on subscriptions than any other streaming service that sells advertising. But CTV ad revenues still account for about one-third of streaming revenues, and their share will increase over the next two years.

5. Streaming subscribers are leaning into ads

Key stat: US ad-supported streaming subscriptions will grow by 82.8% this year, according to the New York Times.

What it means: US consumers are more willing than ever to adopt ad-supported options, likely because these tiers are cheaper and increasingly available. So even as ad inventory shrinks and CTV ad spend growth slows, the volume of people watching ads on streamers is rising.

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