

5 things to know about CTV advertising platforms

Article



<u>Connected TV (CTV)</u> has emerged as the fastest-growing ad channel tracked by EMARKETER. Its ad spend outpaced other digital ads, search, <u>social media</u>, and <u>retail media</u> in 2024.

"Two-thirds of the US population use connected TVs. In Canada, it's nine in 10 people in the population," our analyst Bill Fisher said on <u>an episode</u> of "Behind the Numbers." "This is a



really, really valuable piece of advertising real estate."

There's a lot for <u>marketers</u> to learn about CTV ads, which encompass digitally sold ads showing up on screens through software like <u>streaming services</u>, hardware like smart TVs, streaming devices like Apple TV, or video game consoles. Here are five essential things to know.

1. The CTV advertising market is experiencing substantial growth.

- The number of companies earning over \$1 billion in CTV ad revenue will quadruple between 2020 and 2026, according to our forecast.
- By 2026, nine major platforms are expected to exceed this revenue threshold, a significant increase from just two in 2020.

2. Changing viewer habits are driving this shift.

- Average CTV usage in the US is projected to nearly double from 1 hour and 22 minutes (1:22) in 2020 to 2:37 in 2026, per our forecast.
- By 2026, it's estimated that 69.9% of the US population will be CTV users.
- Advertisers are responding to these trends, with 61% planning to increase their CTV ad spend, according to an April 2024 Advertiser Perceptions and Premion study.

3. CTV advertising gives marketers a number of key advantages over linear TV.

- CTV platforms connect directly to user data, enabling precise audience segmentation based on factors like location, demographics, interests, and viewing habits.
- Real-time <u>measurement</u> is another benefit, providing marketers with performance data on brand awareness and impressions.
- CTV ads also boast a high video completion rate, around 98%, per 2022 data from Extreme Reach.
 - 4. Despite its benefits, CTV advertising does have some limitations.

- Fragmentation and too many providers is a concern for marketers, with 39% of CTV/OTT advertisers citing transparency in ad placements as an issue, per the Advertiser Perceptions study.
- A lack of standardization in measurement across streaming platforms also can make it difficult for advertisers to gauge the impact of a campaign.

5. The CTV landscape is continuously evolving.

- <u>Amazon</u> Prime's recent ad tier represents new opportunities and inventory for advertisers.
- The growing use of <u>pause ads</u> also changes how marketers can employ CTV.
- <u>Upcoming innovations from hardware manufacturers like LG and Samsung</u> promise enhanced platforms for shoppable TV.
- Keeping track of these changes is crucial for maximizing campaign opportunities.

Want to learn more about CTV advertising platforms and why now is the time to explore it? <u>Download</u> "EMARKETER's Field Guide to CTV Advertising Platforms."

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