

Despite cooling growth, CTV is lifting the programmatic market

Article

For the past few years, some of the biggest names in ad tech—The Trade Desk, PubMatic, Magnite—have held onto connected TV (CTV) as a shiny growth narrative. Although investors' enthusiasm seems to have started subsiding, CTV does represent a massive long-term opportunity for ad tech stakeholders. In the near term, a good deal of programmatic CTV ad

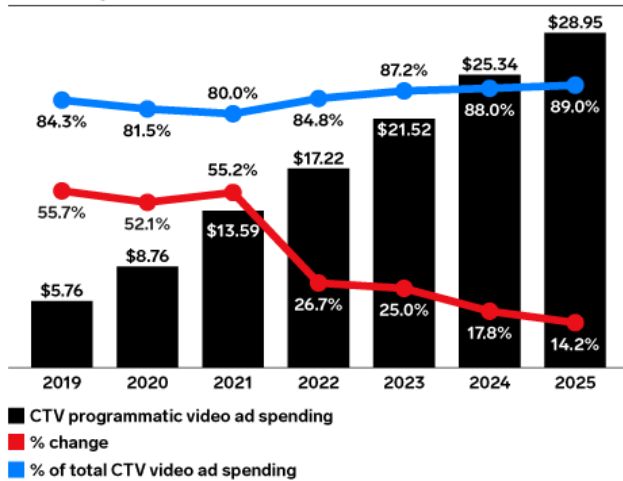
dollars will transact directly with platforms that are still committed to keeping their content and data behind garden walls.

CTV's share of programmatic ad spending heads toward a plateau.

- **CTV advertising's growth bonanza is behind us.** After more than quadrupling over the last four years, CTV ad spending is heading for more moderate growth rates in the low double-digit territory. Nevertheless, with linear stagnating, **CTV will still be responsible for virtually all of the converged TV market's growth over the next few years.**
- **But it's still driving programmatic.** CTV will grow more than three times as fast as mobile, and programmatic ad spending on desktop and laptop computers will be flat this year. In other words, despite its relatively small share of the total programmatic market, over 2 in 5 new programmatic ad dollars will go to CTV.

US Connected TV (CTV) Programmatic Video Ad Spending, 2019-2025

billions, % change, and % of total CTV video ad spending



Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes in-stream video ads such as those appearing before, during, or after digital video content in a video player (pre-roll, mid-roll, or post-roll video ads) and video overlays; includes social network in-stream video advertising on platforms such as Facebook Watch and Snapchat Shows; includes outstream video ads such as native, in-feed (including video ads in Facebook's News Feed and Twitter's Promoted Tweets), in-article, in-banner, and interstitial video ads; includes advertising that appears on connected TV devices; excludes network-sold inventory from traditional linear TV and addressable TV advertising
Source: eMarketer, April 2023

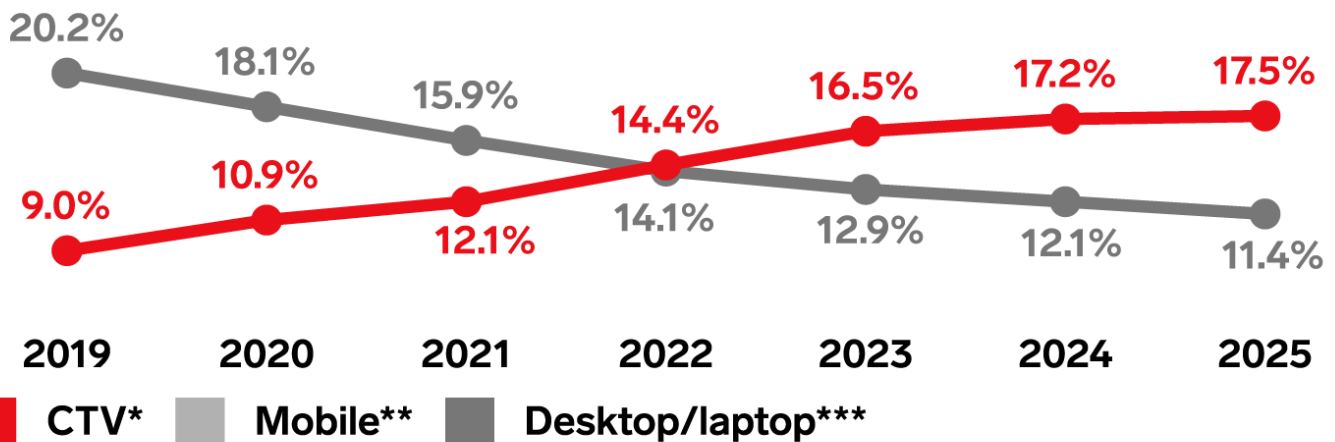
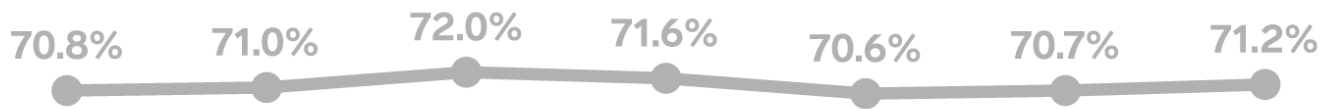
281634

eMarketer | InsiderIntelligence.com

- **As mobile picks up steam, CTV's momentum will wane.** CTV has steadily gained share of the programmatic digital display market since 2017 and has easily overtaken desktop and laptop. But it's unlikely to dethrone mobile as the king of programmatic. And as social networks

continue to recuperate from Apple's privacy changes, mobile will start gaining share of total programmatic ad spending once again.

Connected TV (CTV) Widens Its Lead Over Desktop and Laptop, but Mobile Continues to Dominate share of total US programmatic digital display ad spending, by device (%)



*Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes native ads and ads on social networks like Facebook and Twitter; *includes advertising that appears on connected TV devices; excludes network-sold inventory from traditional linear TV and addressable TV advertising; **includes ad spending on tablets; ***includes advertising that appears on desktop and laptop computers and other nonmobile internet-connected devices; data after 2016 excludes connected TV devices*

Source: Insider Intelligence | eMarketer, April 2023

350495

Insider Intelligence | eMarketer

Report by Evelyn Mitchell-Wolf Sep 13, 2023

Programmatic Ad Spending Forecast Q3 2023

