SNAPSHOT

AUGUST 2024

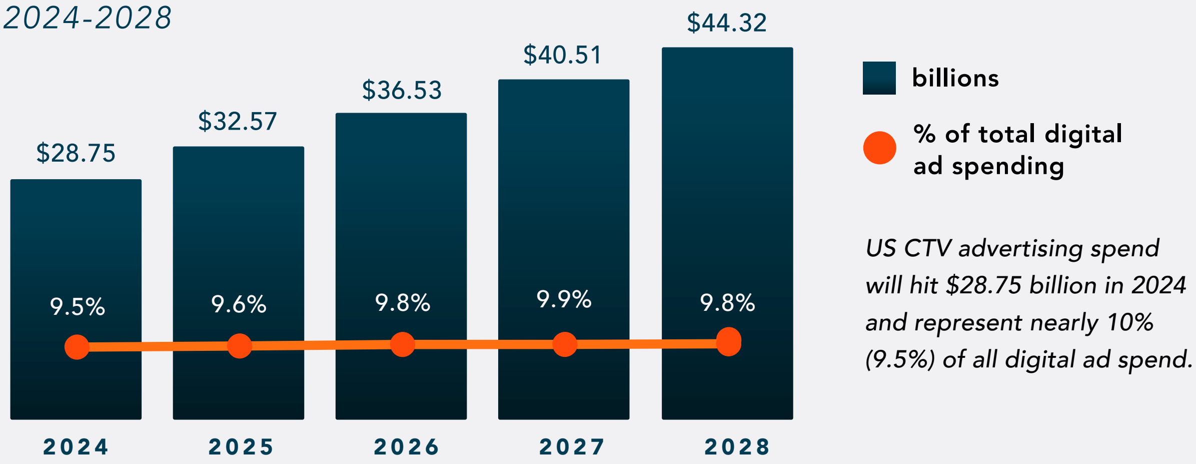
CTV Advertising in the Age of Experience

Connected TV (CTV) has become a powerhouse staple of digital advertising, driven by shifts in how people watch and several major streamers adding advertising-supported subscription tiers. Now, as the channel matures, ad experience is playing a deeper role in ad planning and creative strategy. This infographic lays out the major trends, according to EMARKETER and new "High Impact CTV" research by TripleLift.

THE BIG PICTURE

Connected TV Ad Spending

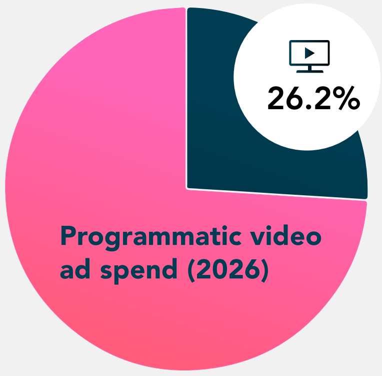
US, 2024-2028



Note: digital advertising that appears on connected TV (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 Forecast, March 2024

BEHIND THE NUMBERS

US CTV programmatic video ad spend will hit $24.46 billion in 2024 but will top $32.83 billion by 2026. That will represent 26.2% of total programmatic video ad spend, per EMARKETER forecasts.



40% of US agency and marketing pros have shifted their ad dollars from linear TV to CTV, according to the Interactive Advertising Bureau (IAB), Advertiser Perceptions, and Guideline.

46% of US adults are willing to share media and entertainment preferences with brands in exchange for AI-assisted, personalized ads, according to Yahoo and Publicis Media.

Programmatic enhanced CTV ads can be highly personalized and contextually delivered. They can include QR codes linking to an online store, discount codes, and other eye-catching elements to drive more frictionless engagement versus direct engagement.

LEADERBOARD: THE RACE IS ON

As streamers expand ad-supported subscriptions, clear leaders are emerging.

LEADERBOARD

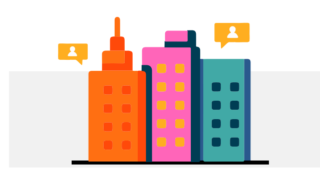
Connected TV Ad Revenues, by Company

US, 2024, billiions

Rank	Company		Revenue
01	Hulu		$3.39
02	Youtube		$3.34
03	Amazon	AD GROWTH 125.0% YoY	$3.13
04	Roku		$2.41
05	Peacock		$1.15
06	Pluto TV		$0.96
07	Tubi		$0.90
08	Disney+		$0.80
09	Netflix	AD GROWTH 36.8% YoY	$0.76
10	Max		$0.43
11	Paramount+		$0.43

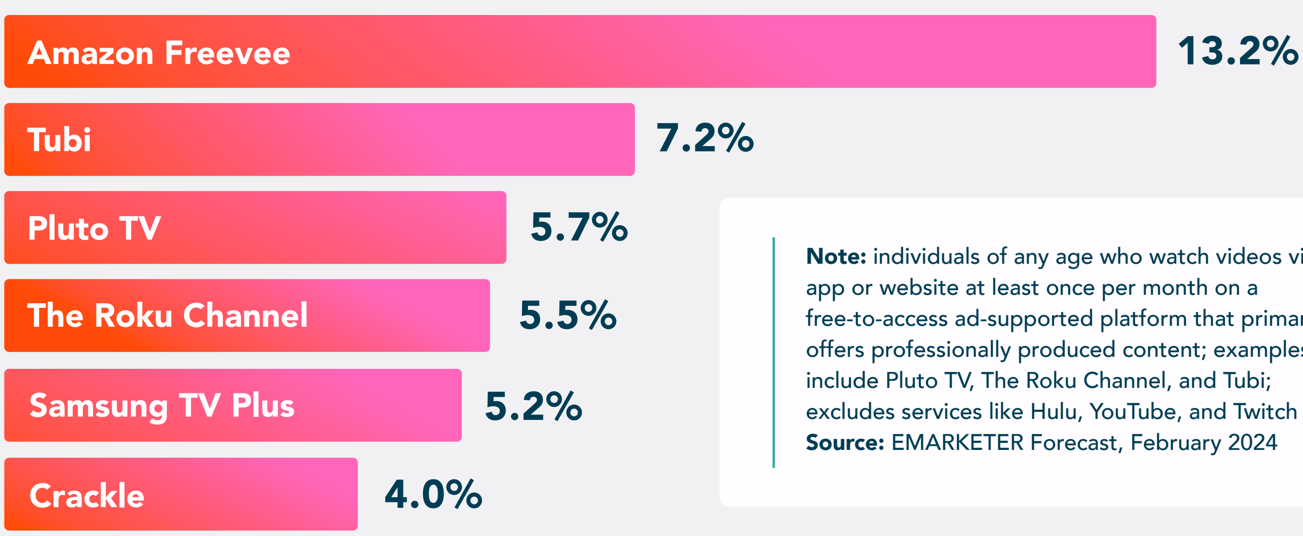
Note: digital advertising that appears on connected TV (CTV) devices; examples include display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising
Source: EMARKETER Forecast, March 2024

Free ad-supported streaming TV (FAST) platforms, which offer advertisers the ability to serve programmatic ads to audiences, are steadily growing. This allows a wide range of advertisers, from Forbes 100 companies to small businesses, to reach target audiences wherever they are.



AVOD Viewer Growth, by FAST Provider

US, 2024, % change



Note: individuals of any age who watch videos via app or website at least once per month on a free-to-access ad-supported platform that primarily offers professionally produced content; examples include Pluto TV, The Roku Channel, and Tubi; excludes services like Hulu, YouTube, and Twitch
Source: EMARKETER Forecast, February 2024

DID YOU KNOW? 2024 UPFRONTS/NEWFRONTS

- US upfront/NewFront CTV video ad spend will hit $13.84 billion in 2024 and make up 48.9% of total video CTV advertising, per EMARKETER.
- Linear TV upfront spend will decrease again in 2024, falling to $17.53 billion.

What's driving this?

1. Amazon Prime Video's new ad tier

2. More live sports on streaming services

TRIPLELIFT'S TAKE:

1.

As the number of CTV viewers continues to grow, streamers and advertisers alike are investing heavily in creating a more personalized, interactive, and high-quality viewing experience that caters to the diverse needs and preferences of modern audiences.

KEY STAT

40% of US agency and marketing professionals are redirecting budget from linear TV to fund CTV ad spending, a March 2024 IAB survey found.

2.

Streaming services are heavily investing in creating high-quality content and developing new ad formats to retain their audience. Platforms like Amazon, Warner Bros. Discovery, Peacock, Disney+, Samsung, LG, and Roku have all leaned into nonstandard ad formats, from shoppable to carousel and interactive.

KEY STAT

Ad-supported viewers of Peacock, which EMARKETER forecasts will hit 68.3 million in 2024, will top 85.4 million in 2028.

3.

At the heart of CTV's success is the emphasis on the viewer experience, which is prompting advances in technology that make the experiences more customizable and personalized.

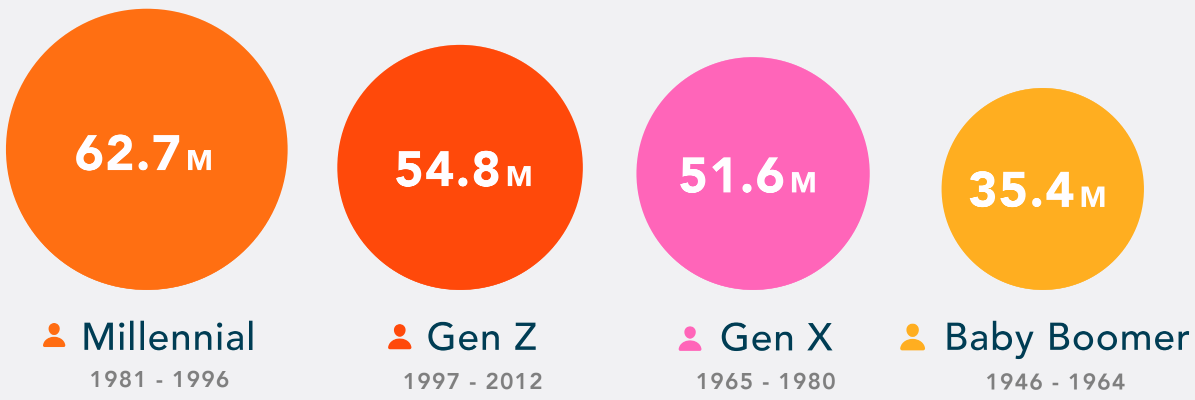
KEY STAT

By 2027, more than 75% of US CTV users will access content through smart TVs, per EMARKETER. While some will also use devices like Roku, Amazon Fire TV, or gaming consoles, smart TVs with built-in internet capabilities lead the market.

2. CTV viewers span generations, have unique habits

Connected TV Users, by Generation

US, 2024



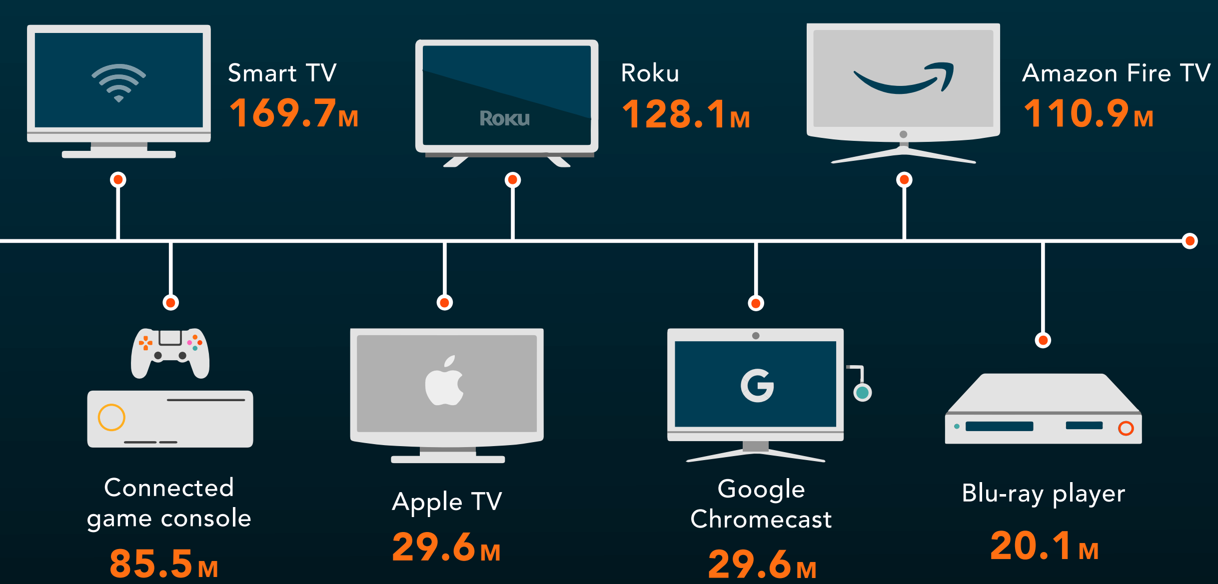
Source: EMARKETER Forecast, February 2024

THE BIG PICTURE

- From 2024 to 2026, CTV ad spend per hour spent with CTV is projected to increase from $0.13 to $0.14 per person, indicating growing investment in this medium, per EMARKETER forecasts.
- Some 10% of adults aged 18 to 34 have made a purchase via shoppable media on CTV, followed by 8% in the 35-to-54 age group, and 5% of those aged 55 to 65, according to a May 2024 survey by Bizrate Insights.
- The average time spent per day with CTV will rise from two hours and 15 minutes (2:15) in 2024 to two hours and 34 minutes (2:34) in 2026, while the percentage of total time spent with digital media attributed to CTV will grow from 28.1% in 2024 to 30.4% in 2026.
- 44% of Gen Zers have paused an ad on TV to then research the ad on their smartphone, according to a March 2023 survey by Harris and Samba TV.

Connected TV Users, by Device

US, 2024, millions



Source: EMARKETER Forecast, February 2024 (see below for notes and methodologies).

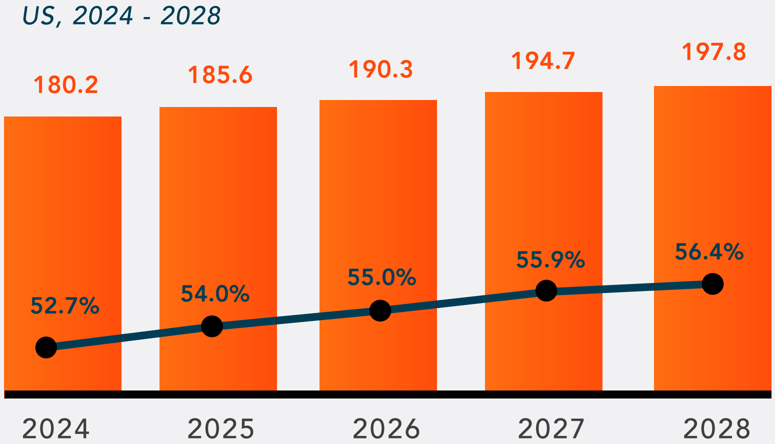
DID YOU KNOW: AD-SUPPORTED VIEWERSHIP IS GROWING

52.7% of the US population will view ad-supported video-on-demand content in 2024, and by 2028 that will hit 56.4%.

32.6% of the US population will watch free ad-supported TV channels like Pluto TV and Tubi in 2024, and that will grow to 35.8% by 2028.

AVOD Viewers

US, 2024 - 2028



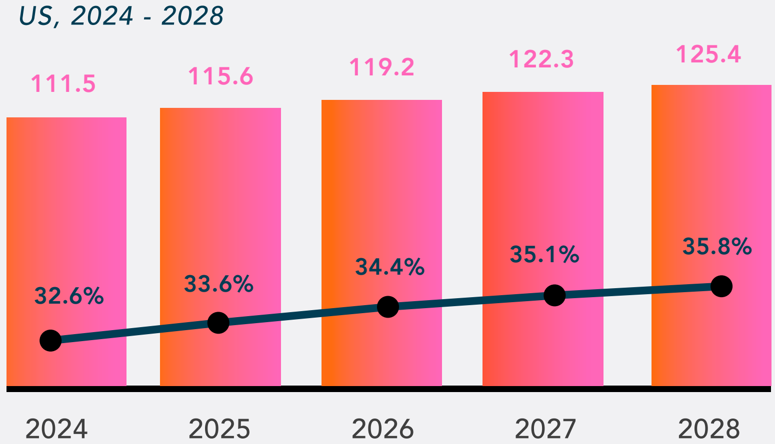
millions

% of population

Note: individuals of any age who watch videos via app or website at least once per month on an ad-supported platform that primarily offers professionally produced content; includes free premium services (e.g., Pluto TV, The Roku Channel, Tubi) and the ad-supported plans of subscription OTT services (e.g., Disney+, Hulu, Netflix); excludes services like Twitch and YouTube
Source: EMARKETER Forecast, February 2024

FAST Viewers

US, 2024 - 2028



millions

% of population

Note: individuals of any age who watch videos via app or website at least once per month on a free-to-access ad-supported platform that primarily offers professionally produced content; examples include Pluto TV, The Roku Channel, and Tubi; excludes services like Hulu, YouTube, and Twitch
Source: EMARKETER Forecast, February 2024

TRIPLELIFT'S TAKE:

"While viewers are seeking out ad-supported streaming platforms and channels in record numbers, we shouldn't take that to mean that they'll tolerate the same ad experience found in linear TV. In fact, a large demographic within this audience barely experienced linear TV. So ad tech platforms, publishers, and advertisers need to approach this medium anew and set new standards for ad experiences that are creative, engaging, and personalized both to the viewer and to the type of content they're watching."

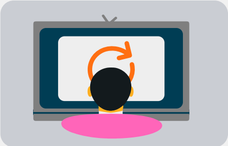
Chelsea Glincman
Senior Director, CTV Business Development
TripleLift

KEY STAT

Around 29 million US subscribers (25%) have canceled three or more streaming services in the past two years, per subscription research firm Antenna.

3. Ad fatigue is a pain point, but personalization offers promise

EMARKETER decreased its US programmatic CTV ad spend forecast for 2024 by $1.35 billion due to the following issues:



Frequency capping: Platforms limit the number of times the same ad can be shown to a viewer to combat ad fatigue, but advertisers don't often have direct control over that. Direct pathways between platforms and advertisers could help cut back frequency capping concerns, per EMARKETER.

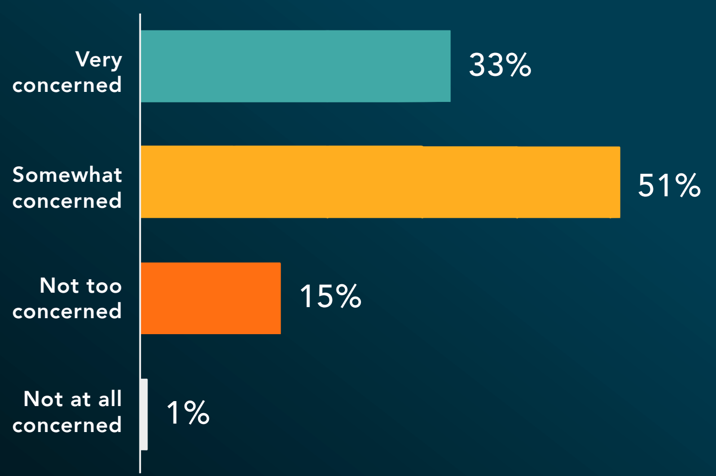
Measurement: There are only a few currencies that measure cross-platform penetrations. The siloed nature of CTV makes it difficult to access the delivery and performance data that helps advertisers make more informed decisions about future campaigns.

Ad fraud: With programmatic delivery driving much of the CTV inventory, 84% of executives say they are very concerned or somewhat concerned about CTV/OTT ad fraud, according to Premion and Advertiser Perceptions.

But that doesn't mean CTV ad spend isn't increasing. EMARKETER predicts overall CTV ad spend to increase by 18.8% from 2023 to 2024.

Most US ad executives say CTV brand safety will be a priority, and most are concerned about CTV fraud

Level of concern with ad fraud in CTV/OTT advertising



*84% say they will be **very concerned** or **somewhat concerned** (net)*

Source: Premion, "CTV/OTT Advertiser Study 2023" conducted by Advertiser Perceptions, March 2023

PERSONALIZATION CAN FIGHT FATIGUE

- 60% of agency marketers in Australia picked the potential for targeting and personalization as a main reason they will continue to use and recommend CTV video ads, IAB Australia found.
- Contextual targeting is 1.2 times to 2.5 times more effective than other types of targeting, according to Analytic Partners, via TripleLift. They also found 58% of streamers positively rate their viewing experience if the ads are relevant to them.
- 36% of CMOs worldwide see generative AI as having the most application on personalization in 2024, according to the CMO Council and Zeta Global.

TRIPLELIFT'S TAKE:

Get creative to deliver on personalization: Transform standard brand assets from your existing CTV campaigns into engaging formats that seamlessly integrate with content. You'll drive better engagement and conversion as a result.

KEY STAT

54% of US agency and marketing professionals cite outcomes as the top KPI for measuring CTV ad success, according to the IAB.

4. How CTV ad types are evolving

With viewership accelerating into CTV, and technological innovation allowing advertisers to build targeted and personalized ad campaigns, the types of CTV ads available are growing. Here are some notable options.

HIGH IMPACT CTV

- **In-Show:** Ad experiences featured within the programming consumers are watching
- **In-Break:** Enhanced ad experiences featured within traditional ad breaks

HIGH IMPACT CTV: IN-SHOW ADS

TripleLift combines the programmatic capabilities of a supply-side platform (SSP) with a new approach to creative that is minimally disruptive and places brands directly within programming, capturing viewer attention when engagement is at its peak.

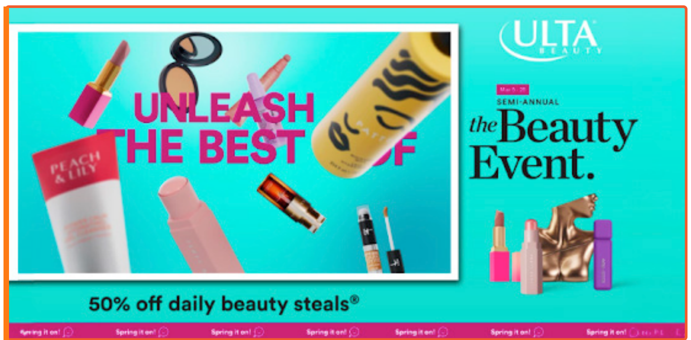
Split Screen: is a tailored ad experience that engages viewers by scaling back video content during appropriate moments within programming.

Dynamic Overlay: is a custom overlay that enhances the lower-third real estate of the screen with a non disruptive ad experience that is contextually relevant for maximum brand impact and minimal viewer disruption.

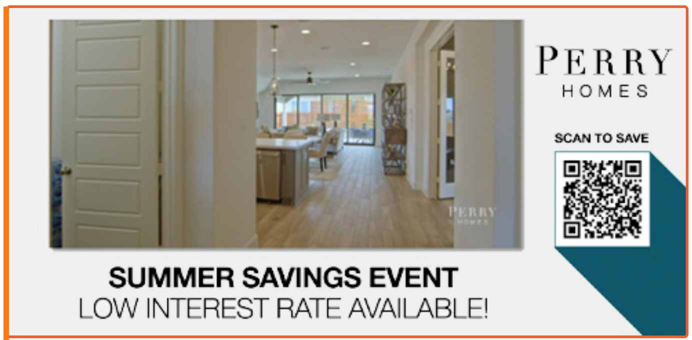
HIGH IMPACT CTV: IN-BREAK

CTV Spot: The ads that play within the breaks of content, similar to the experience of linear TV.

Enhanced Spots: Using four simple assets, TripleLift's creative technology will transform your standard video unit into a compelling ad experience. Creative elements like product images and QR codes break through the noise of conventional CTV ads, improving brand recall and reducing ad fatigue.



Product Spotlight: transform your existing CTV ad and showcase products with visually engaging elements, which are perfect for launches or special promotions.



QR Spots: use QR codes to prompt viewers to engage with their mobile devices. It drives online actions like visiting websites, engaging on social media, and direct ecommerce activities.

DID YOU KNOW

Consistently showing a brand's logo and product in conjunction with a CTV Spot significantly helps viewers remember the brand of product:

- TripleLift's Product Spotlight High Impact CTV spot has up to an 88% brand recall and +76% increase in purchase intent.
- Using a CTA with a sales code, countdown clock to a sale, or informative tagline will help improve engagement with the ad.

DID YOU KNOW

- QR codes can be scanned using smartphones to direct the users to web pages and other content. They are a key component of shoppable media.
- 29% of US adults have scanned a QR code after seeing an ad on a streaming TV service, according to Adtaxi.
- 81% of parents said they would scan a QR code on TV for school supplies, an LTK survey found.

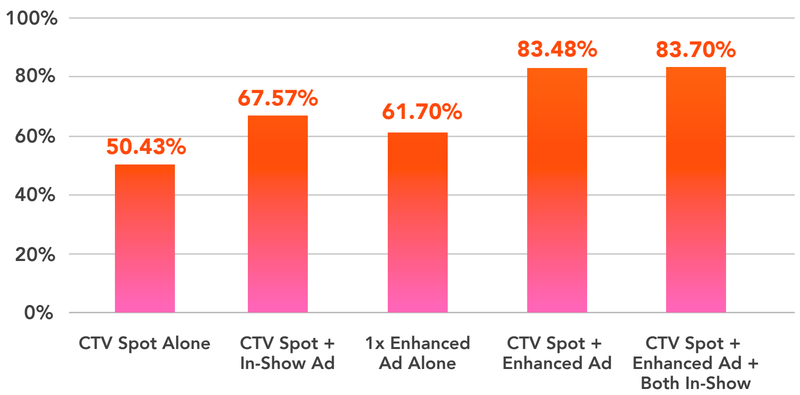
Viewers found advertising more interesting when a QR Code ad was paired with a traditional In-Break CTV ad, per TripleLift's "High Impact CTV" survey.

5. How dynamic ad experiences perform

To quantify the incremental impact various CTV ad formats had on brand metrics and user experience,TripleLift partnered with MediaScience for a closed-panel study across a variety of brands. Each respondent was shown the same 30-minute show but with various ad formats mixed in, both in-show and in-break. Here is what it found:

Unaided Brand Recall

(Write-in responses)



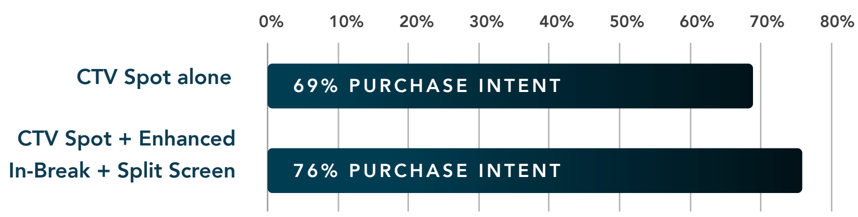
Brand recall

Enhanced Ads drive higher brand recall than the traditional CTV Spot.

CTV Spots alone garnered 50.4% recall, but showing an Enhanced Ad instead improved top-of-mind awareness by nearly 12 percentage points. Pairing a CTV Spot with the Enhanced Ad improved recall even more to 83%.

Purchasing intent - Participants rated the probability that they would buy products mentioned or shown

Combining CTV Spots with an Enhanced In-Break Ad and a Split Screen Ad increased purchase intent by 7 percentage points compared with a CTV Spot alone.



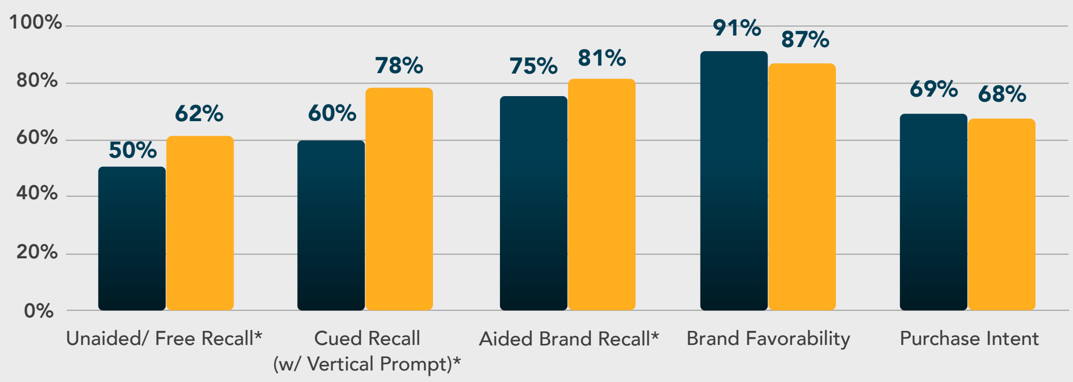
KEY STAT

Enhanced Spots drive a more efficient purchase intent than CTV Spots, with 71% of Product Spotlight Ad viewers saying they would be likely to purchase the product post-exposure compared to the 9% who didn't see the ad.

Overall Brand Impact

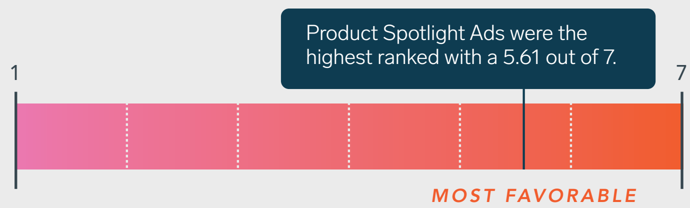
CTV Spot Alone
1x Enhanced Ad

**statistically significant*



How did these ads affect viewer enjoyment of the shows?

On a 7-point scale, with 7 being the most favorable, scores were between 5 and 6, regardless of the ad format experienced.

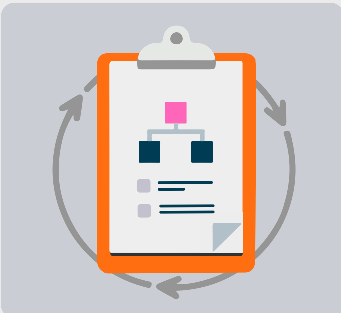


As for likelihood to watch the show again, most ad types scored below 5 on the 7-point scale, but adding the Product Spotlight Ad in the commercial break increased the likelihood to watch again by 13%.

Key Takeaways

1. Enhanced Spots drive 12 percentage points more awareness than CTV Spots and similar brand favorability and purchase intent results
2. A CTV Spot + Enhanced Spot increases awareness by 33% versus just a CTV Spot alone
3. High Impact CTV (both In-Break and In-Show) ad formats do not harm the program viewing experience
4. In-Show units are great at unlocking additional revenue streams for publishers, and when paired with a CTV Spot they have great brand impact for advertisers

6. Embracing Creative Innovation in CTV advertising: What to do next



Integrate enhanced ad experiences into your CTV strategy:

TripleLift's study showed how various combinations of dynamic ad types can positively affect recall, purchase intent, and program enjoyment. Incorporating these ad formats into your media plan will seamlessly elevate your linear and CTV efforts, all without the hassle of a complex activation process.

KEY STAT

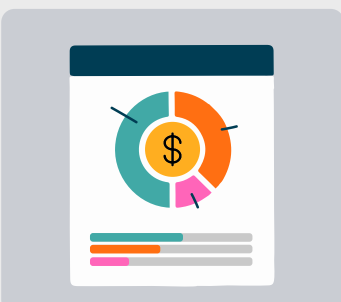
A CTV Spot+ Enhanced Spot increases awareness by 33% versus just a CTV Spot alone.

Favor ad variety and limit frequency:

Don't fatigue the viewer with repeat ads that might end up being throttled by platforms. Leverage a broad range of your company's creative materials and offers through a variety of CTV ad formats.

KEY STAT

36% of US brands and agencies cited managing frequency and reach across screens and channels as a top challenge for media investments in 2024, the IAB found.



Diversify ad spend:

As more streamers embrace ad-supported subscription tiers, and free ad-supported channels gain popularity, spread your budget across various platforms to reach an incremental audience. Just make sure you have a solid measurement framework to react to results.

KEY STAT

Over 254 million people in the US—nearly 75% of the population—will watch OTT video in 2024.

Choose strong partners:

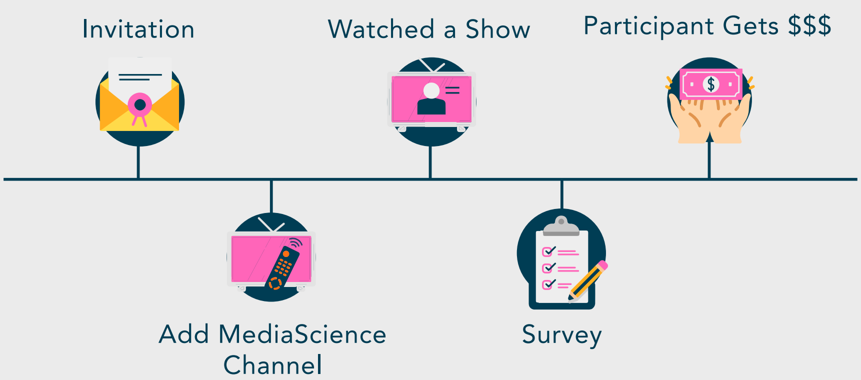
Leveraging their deep publisher relationships, tech providers like SSPs can help brands deliver engaging ad formats at scale, provide unique targeting and measurement capabilities, and effectively meet investment needs.

KEY STAT

87% of buyers believe when it comes to purchasing CTV, the SSP they use matters, TripleLift found in a survey of 408 CTV buyers across the US.

METHODOLOGY

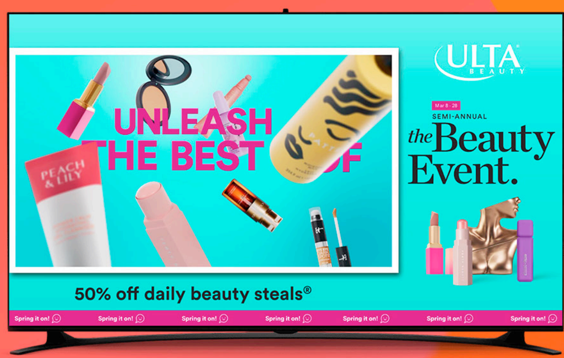
How did you do that?



TripleLift partnered with MediaScience to quantify the incremental impact of various CTV ad format combinations. A panel of 800 respondents opted in to having a MediaScience app on their CTV or device, were shown a 30-minute program with ad breaks, and then took a post-exposure survey. The ad breaks, both in-show and in-break, were for a variety of brands across different verticals to control for predetermined bias. Fielding was conducted in Q2 2024.

triplelift

Drive Superior Performance with High Impact CTV Ad Experiences



Transform your CTV campaigns and scale across premium, brand-safe inventory with engaging and effective In-Break and In-Show ad experiences.

Built on TripleLift's award-winning legacy of proprietary creative technology, our High Impact CTV formats drive consistent, meaningful results and ensure your brand message stands out. Want to learn more?

96%
Customer satisfaction rating for innovative solutions and support

Up to **67%**
incremental impressions compared to linear

68%
Purchase intent *after Enhanced Spots exposure*

33%
Increase in unaided awareness when combining Enhanced Spot + CTV Spot vs. Traditional CTV Spot alone

Get Started Today

Sources and Methodology

This Snapshot features EMARKETER data, research, and interviews conducted between June 2024 and August 2024.

EMARKETER Forecasts Used:

US Connected TV Ad Spending

US Time Spend with Connected TV

US Upfront/NewFront Connected TV Ad Spending

US Free Ad-Supported Streaming TV (FAST) Viewers

US Ad-Supported Video-on-Demand (AVOD) Viewers

US Shoppable Media Buyers

TripleLift Survey:

TripleLift & MediaScience High Impact CTV Research, conducted in April 2022 and April 2024

Contributors and Production

The Snapshot was compiled by members of EM Studio, EMARKETER's in-house research and creative studio composed of analysts, designers, content marketers, and video producers.