

What Is...

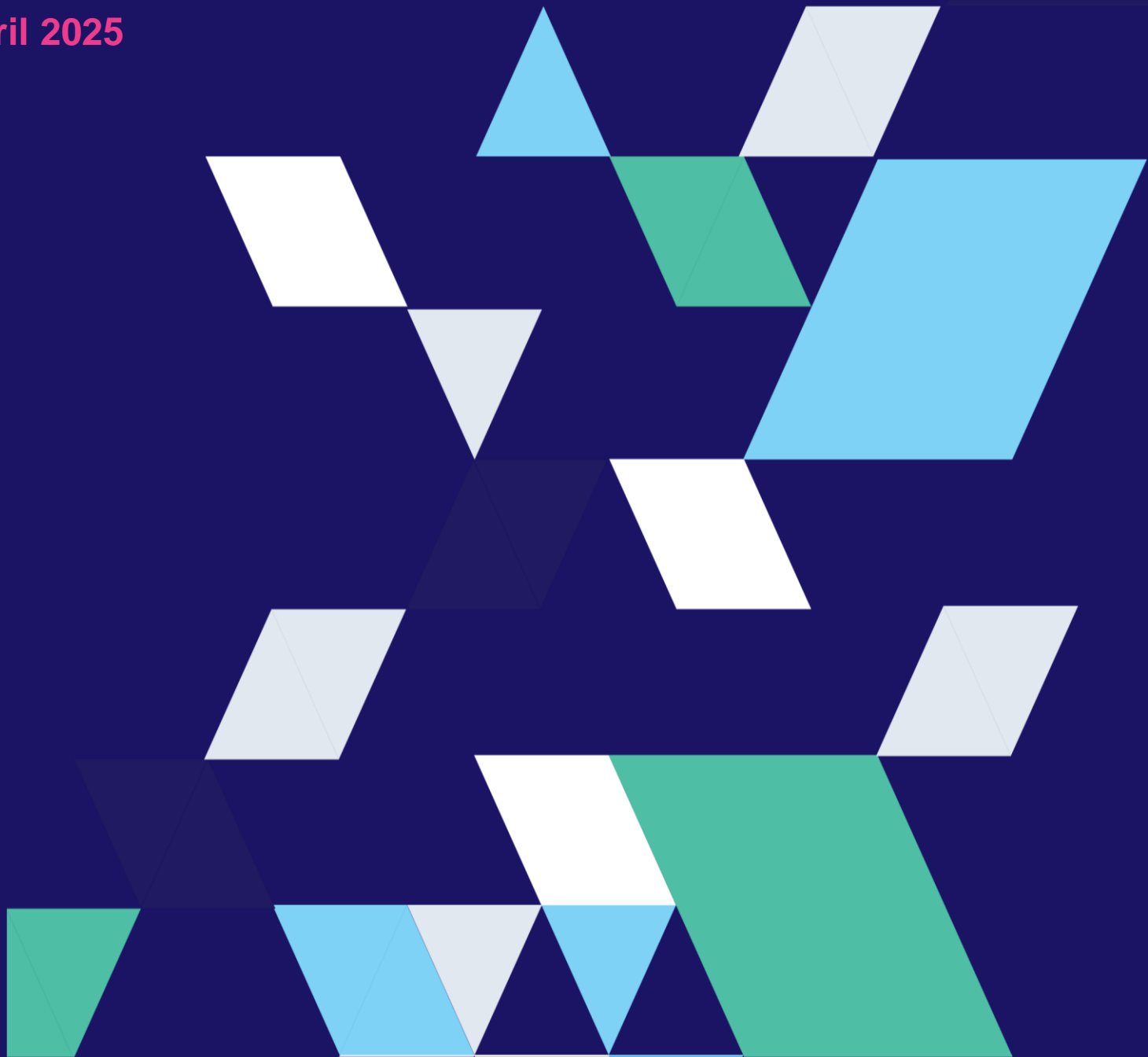
Clarifying marketing topics and terms



What Is CTV?

Defining and Understanding the
Connected TV Advertising Ecosystem

April 2025



CTV (Connected TV)

Defining one of the fastest growing ad platforms in the United States

The video landscape is quickly evolving as both consumer behaviors and ad dollars continue to shift to CTV. Since 2021, **CTV viewership has grown nearly 50% to 2 hours and 29 minutes** on average per day.¹ During the same five-year period, CTV ad investment has **doubled to over \$33 billion in 2025** and now comprises nearly **40% of the total TV marketplace**.²

Amidst this rapid growth, the term 'CTV' has become convoluted within the industry. Therefore, it's critical for advertisers to understand what this platform and its components related to **data advancements, precise targeting, personalization capabilities** and **programmatic buying technologies** truly entail.

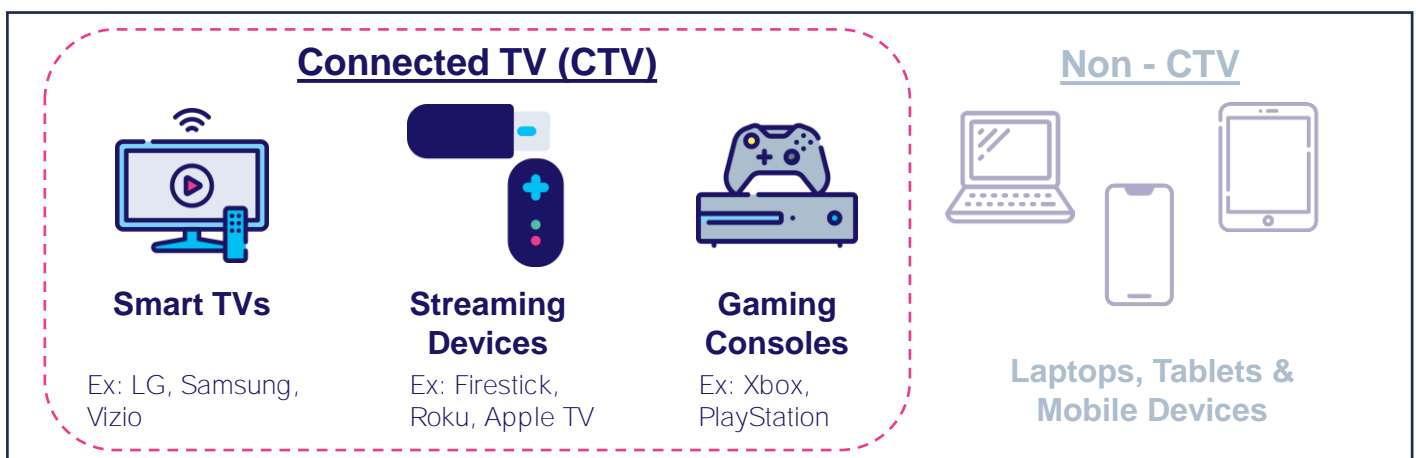
As viewership and ad investment proliferates, the **need for clear definitions** are increasingly important for marketers so that they can place their investments wisely. This piece seeks to **clearly define what CTV is, the benefits of premium inventory to marketers** and **the key advertising opportunities**.

CTV Defined

CTV (Connected TV)

A **television set** that has **built-in internet capabilities** (e.g., Smart TV) or is **connected to the internet** via a streaming device such as a streaming box/stick, gaming console or Blu-ray player; all of which can access a variety of **long-form** and **short-form content**.

CTV Devices



90%

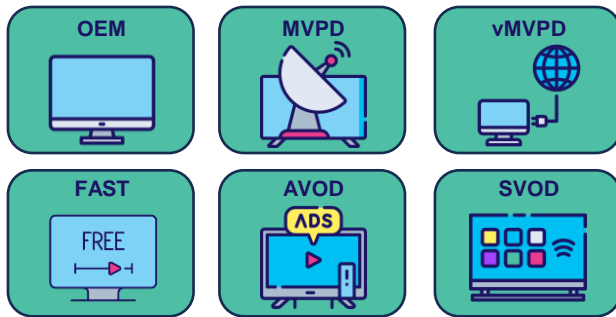
of US HHs have at least **one CTV device**, up from less than 40% a decade ago³

CTV Advertising Ecosystem

CTV advertising refers to video ads delivered through internet-connected TV devices that enables data-driven personalized ad delivery for more precise targeting, real-time optimization and performance on a large screen. **Premium CTV inventory** is designed to be **bot and fraud free**, ensuring ads reach real, engaged viewers in **brand-safe environments**.

CTV Supply

70% of consumers use ad-supported services on CTV⁴



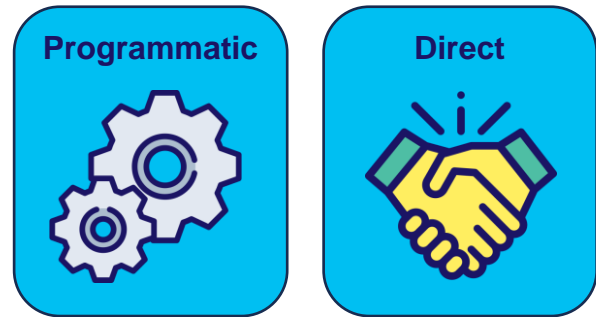
CTV supply continuously expands as shifting viewer behaviors drive demand for **premium, high quality** and **engaging content**, offering advertisers a powerful method to **connect** with **audiences**.

CTV Supply Examples*:



CTV Demand

3 in 5 of media professionals plan to increase their CTV spend⁵



CTV advertising operates within a **hybrid model**, blending direct and programmatic buying methods giving advertisers **flexibility, efficiency** and **control** in reaching premium audiences at scale.

CTV Demand Examples:



CTV Data and Technology Provider Examples

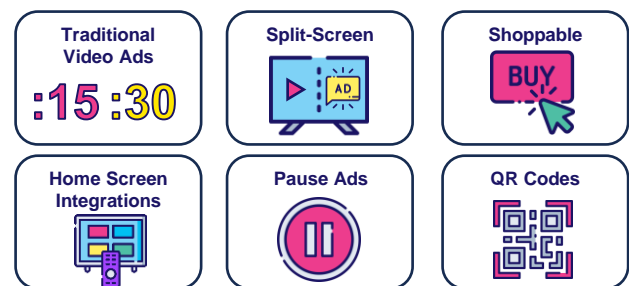
Data Providers / Platforms:



Identity / Clean Rooms:



CTV Ad Format Examples



*See additional examples on page 10

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CTV Advertising Benefits for Marketers

As **CTV advertising evolves**, so do the challenges of fragmentation and fraud, making it critical for **marketers** to be **strategic** in their approach. **Partnering with premium publishers** ensures brands can **unlock CTV's full potential** by reaching and engaging with real audiences in high-quality, brand-safe, fully measurable environments.

Premium

Professionally produced, long-form content captures audience attention fostering deep emotional connections with brands in secure environments



Professionally Produced



High Emotional Engagement



Brand Safe Environment



Transparent Ad Placements

Personalization

Leverage more granular targeting and advanced audience segmentations to deliver tailored and relevant messaging to the consumer



First and Third-Party Data Matching



Behavioral



Innovative Ad Formats



Contextual Advertising

Measurable

CTV measurement delivers near real-time results enabling marketers to make informed decisions and optimize campaign strategies



Timely Reporting



Reach Management



Frequency Capping



Outcomes

Flexible

Flexible CTV buying, combining direct and programmatic, optimizes cost efficiency, enhances the viewer experience and maximizes ROI



Direct



Programmatic



Cost Efficiency



Flexibility

Industry Perspectives

1. “CTV starts when you turn on the glass. Turning on the screen is like **opening a doorway into content**, and that **generates a lot of traffic**... From an advertiser perspective, you can use **data to reach your target audience** in new ways. There are different types of ads, **like pause ads** or **interactive ads**, where viewers might engage with trivia or be invited to visit a website to learn more about a product.”
- [Aaron Sobol, Head of North America Media Investment and Data Governance, Unilever](#)
2. “I think what’s really critical for the industry to get in front of now is **what is the definition of connected TV advertising**...we’re seeing a creeping of web video into connected TV because we haven’t been tight on definitions. As much as premium content is a big **differentiator, we have to be clear about the format**. It needs to be **automatically streamed**, it needs to have **sound on** and it needs to **dominate the screen**, and it needs to be able to be **fully measured** and then it can actually approximate TV and access the television budgets.”
- [Dave Morgan, Founder & CEO, Simulmedia](#)
3. “I believe a **hybrid approach to buying and selling will be around for the foreseeable future**. Publishers with large, valuable audiences will want a **direct sales** team for **high-end sponsorships** and **wholesale deals**, while **programmatic** channels will help **maximize yield** across all inventory. The sharp rise of automation in advertising has already happened, and it will continue to evolve.”
- [Peter Naylor, Senior Advisor, McKinsey & Company](#)
4. “CTV has proven itself as a **brand-building medium**. In 2025, it will prove itself as an **effective conversion platform** as well – new benchmarks and a robust targeting framework will make it a true holy grail for performance...**education on redefining performance will be crucial for both upper funnel**, where performance can be injected into brand campaigns, and lower funnel, where outcomes are focused on commerce and conversion. Expect more brands to use **interactive** and **engaging ads** to **deliver conversion**, particularly as they use **first-party data** to execute omnichannel strategies.”
- [Michael Scott, Vice President, Head of Ad Sales & Operations, Samsung Ads](#)
5. “The best way to think about television today is that **television is digital**, so with CTV you get the best of digital and you get the best of television... It’s the **largest screen** in somebody’s house, **it’s a captive audience**, and in many cases it’s hooked up to the best sound system in their home. It’s a **totally immersive experience**.”
- [Dan Mouradian, SVP of Global Client Solutions, Innovid](#)

Five Opportunities in the CTV Advertising Ecosystem

Partner with Premium CTV Publishers

As the supply of CTV advertising grows, partnering with premium publishers ensures that marketers engage with real audiences in high-quality, brand-safe content. With the precision of digital targeting and measurable results, CTV combines the strength of branding and performance so marketers can boost brand awareness and achieve their desired business outcomes.

Enact Strong Data Practices

With growing data privacy concerns, marketers must prioritize secure, privacy-first data practices. Utilizing clean rooms for first-party data sharing and adopting contextual targeting strategies ensures advertisers reach their audiences while protecting consumer identity.

Establish a Holistic Approach to Measurement

As CTV viewership evolves, and access points proliferate, marketers need a holistic measurement approach. Leveraging modern cross-platform measurement solutions helps unify campaign performance across platforms and services, providing a complete and accurate view.

Build Protections Against Ad Fraud

CTV's digital nature and increased use of programmatic could create the opportunity for potential bad actors to engage in fraud. Mitigating risk through standardization, transparency, and accountability helps protect campaigns and reduce the potential for ad fraud.

Ongoing Education

As the CTV ecosystem continuously develops, ongoing education and standardized definitions will help align the demand and supply sides unlock the full potential of CTV advertising.

Related Terms: Media

- **AVOD (Advertising-Supported Video on Demand):** Ad-supported TV service with origins in linear TV, that allows users to watch a selected TV or movie at their convenience or “on demand” for free or at a discounted rate.
- **Connected TV (CTV):** A television set that has built-in internet capabilities (e.g., Smart TV) or is connected to the internet via a streaming device such as a streaming box/stick, gaming console or Blu-ray player; all of which can access a variety of long-form and short-form content.
- **FAST (Free Ad-Supported Streaming TV):** Streaming services that have content pre-programmed into linear TV-like channels with ad breaks, which the user can choose from to watch without needing a subscription (e.g., Pluto TV, Tubi, Xumo, Samsung TV Plus).
- **Linear TV:** Programming that airs on a pre-determined schedule, requiring viewers to tune in at a specific time to watch. This can include programming on 'traditional TV' and streaming platforms such as free free ad-supported streaming TV (FAST).
- **Multichannel Video Programming Distributor (MVPD):** A service provider that delivers video programming services, usually for a subscription fee (pay television). This includes cable, satellite and telecommunications service providers.
- **OEM (Original Equipment Manufacturers):** TV set manufacturers like Samsung, LG and Vizio. Historically, TV OEM's focus has typically been on selling hardware (i.e., Smart TVs) to consumers; however, advancements in Smart TV capabilities now also enables them to provide TV viewing data and utilize dynamic ad insertion (DAI) for advertisers.
- **OTT (Over-the-Top):** Video content that is streamed via the internet and accessible on various devices, including computers, smartphones and tablets.
- **Premium Video:** Video content that is professionally produced, long-form content with high emotional engagement in a brand safe environment regardless of platform or device and through transparent media partners
- **Streaming:** Video content delivered via an internet connection including movies, TV shows and live events.
- **SVOD (Subscription Video on Demand):** A subscription-based streaming service that gives users access to a wide range of premium, usually ad-free, video content for a monthly or annual fee
- **Video on Demand (VOD):** Video content that is consumed by the viewer on either a STB or OTT device after the original live airing or released directly to an on-demand device/platform.
- **Virtual MVPD (vMVPD):** A subscription service that allows users to stream live and on-demand TV channels online through a broadband connection without a cable or satellite subscription.

Related Terms: Delivery

- **Dynamic Ad Insertion (DAI):** Technology that allows advertisers to seamlessly insert, or swap out, ads in content (e.g., such as live or on demand video).
- **Programmatic Advertising:** The automated process of buying and selling advertising that uses advanced audience data and automation to efficiently target consumers at a granular level by serving ads to the right audience at the right time.
- **Programmatic Direct:** An arrangement between a publisher and an advertiser conducted via a programmatic ad buying system where ad space is directly sold and assured.
- **Programmatic Guaranteed:** A type of programmatic advertising where advertisers and publishers agree in advance on a set number of ad impressions at a fixed price, ensuring inventory is reserved and eliminating bidding.

Related Terms: Data

- **ACR (Automatic Content Recognition):** Identifies ads and programming content across internet-enabled TV connected devices via audio or video fingerprints capturing both linear and over-the-top (OTT) viewing.
- **Data Privacy:** The principle that individuals should have control over their personal data, including the ability to decide how organizations collect, store and use their data.
- **Data Provider:** A business that collects or houses data about users, companies and brands and then licenses the information so advertisers can better understand and serve ad messages to their audiences.
- **Data Clean Room:** A secure software environment that enables data collection between two or more parties (such as an advertiser and a media publisher), which allows sensitive customer data to be shared, and/or matched for joint analysis in a secure and privacy compliant manner.
- **Deterministic Data:** Data obtained from a direct input and not modeled. For example, a user's name and address, email or phone number that is collected through an online registration form or offline from subscription, registration, purchase or mailing lists.
- **First-Party Data:** Data that a brand or media owner has collected directly from its customers and audiences, with their permission, through interactions with them like sales, website forms, subscriptions, surveys, and social media.
- **Identity:** Data used to recognize and understand users across platforms for better ad targeting and personalization. It often includes cookies, email addresses, and device IDs.
- **Set Top Box (STB) Data:** TV tuning data collected from set-top boxes in cable and satellite subscribers' homes (e.g., what programs subscribers watch, when they watch them and where the subscriber households are located). Also known as Return Path Data (RPD).
- **Third-Party Data:** Data that is purchased or obtained from a variety of sources by entities that do not have a direct relationship with the end user.
- **Viewership Data:** Data that is collected from a set-top box or ACR provider that provides insights into what program or network a viewer is watching and for how long.

Related Terms: Measurement

- **Attribution:** The ability to tie an ad campaign to performance-based metrics / outcomes, such as website visits, app downloads, sales, etc.
- **Cross-Screen Measurement:** The ability to track and measure campaign metrics across different devices and channels, such as mobile/tablet, out-of-home, television and advanced TV.
- **Effectiveness:** The extent to which an advertising campaign achieves its intended goals and objectives. This can include a variety of outcomes such as increasing brand awareness, generating leads, driving sales or improving customer loyalty
- **Frequency:** The number of times a person, or target audience, is exposed to an ad, or ad campaign, over a specific time period.
- **Impressions:** The estimated number of viewers exposed to an advertisement or other content. The length of exposure to be counted as an impression can vary by platform and measurement provider.
- **Reach:** The number of people exposed to a single ad served.

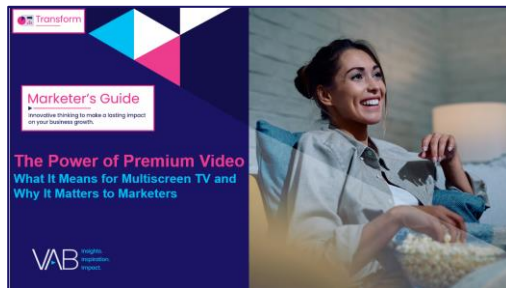
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Want to learn more?

Click on the images below for the content



The Power of Premium Video

What it Means for Multiscreen TV and Why It Matters to Marketers



Left To Your Own (Connected) Devices

Examining How Consumers Are Embracing Smart Technology in Their Everyday Lives



Bigger, Bolder & More Ad-Supported

25 Streaming Trends That Are Impacting Marketing Plans in 2025



Untangling Marketing & Advertising Acronyms

Deciphering 120 Industry-Related Acronyms



Untangling Marketing & Advertising Terminology

Deciphering 112 Industry-Related Terms



What is Brand Safety?

A Look Into Critical Issues Impacting Marketers Today



A Video Impression

Understanding the Foundation of Media Buying



Addressable TV

Embracing Innovation Through the Exploration of Modern Ad Solutions



MULTISCREEN TV ADVERTISING TERMINOLOGY

Lexicon of aligned terms for TV advertising in all its forms, developed by U.S. MVPDs and the VAB.

The following list of unified TV Advertising Terms was developed together by Amperand, Comcast Advertising, Cox, DIRECTV Advertising, DISH Media, Optimum Media, Spectrum Reach, and Verizon Fios along with the experts at the VAB. The goal of this recommendation is to align the media and advertising industry around the various delivery types of TV advertising in all its forms.

What is A Video Impression?

Understanding the Foundation of Media Buying

What is Addressable TV?

Embracing Innovation Through the Exploration of Modern Ad Solutions

Multiscreen TV Advertising Terminology

Lexicon of aligned terms for TV advertising in all its forms

Looking for more industry terminology? VAB's [advertising glossaries](#) cover topics like [industry terminology and acronyms](#), [AI & machine learning](#), [brand safety](#), [audience-based buying](#), [video measurement](#), [streaming](#) and [data privacy and identity](#).

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CTV Supply: Additional Examples



About VAB

VAB plays a dual role in the video advertising industry. We are leading the change to bring about a more innovative and transparent marketplace. We also provide the insights and thought leadership that enables marketers to develop business-driving marketing strategies.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.

We are committed to your business growth and proud to offer VAB members, brand marketers and agencies **complimentary access** to our continuously-growing Insights library. **Get immediate access** at theVAB.com.

Sources

1. EMARKETER Forecast - Time Spent with Connected TV, January 2025. Note: Ages 18+; includes all time spent using the internet through a connected TV; includes connected TV devices such as Apple TV, Xfinity Flex, connected Blu-ray devices, connected game consoles, Google Chromecast, Roku, and smart TVs.
2. EMARKETER Forecast - Connected TV Ad Spending, November 2024. 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.
3. S&P Global Market Intelligence Kagan estimates; industry data. Data compiled September 2024.
4. LG Ad Solutions, *The Big Shift: Wave III*, March 2024.
5. EMARKETER, *Guide to Connected TV: Content, Measurement, and Advertising*, September 2024.