



Why Connected TV Should be in Your 2025 Media Mix

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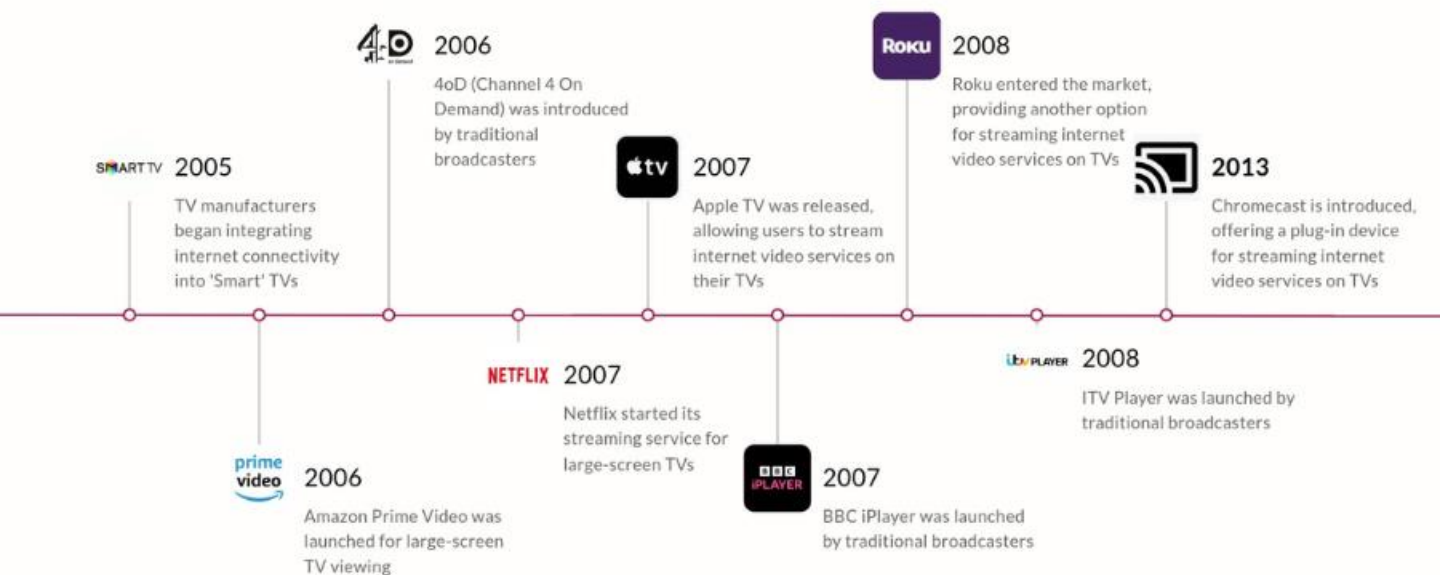
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Introduction and executive summary

It is no exaggeration to say that connected TV (CTV) – the connection of TV sets to the internet – has saved the TV medium, reversing a long-term decline in viewing and revenue. The internet was killing TV, now it is saving it.

Not so long ago, pundits were claiming that the golden age of television was over, arguing that TV was becoming marginalised by viewing on devices with smaller screens. TV, it seemed, was dying. Then, from 2005, all seemed to change. The decline in TV viewing began to slow, then reverse. The outlook for TV is no longer dark, it is brighter than ever.

The rise of Smart TVs and streaming services



This report examines the state of connected TV in the UK, covering the big trends in CTV technology, content, audience and advertising. As the report shows, the TV medium has been transformed in just ten years.

What is connected TV?

Connected TV (CTV) is rapidly reshaping the TV landscape in the UK, offering viewers and advertisers many new opportunities and experiences.

CTV has transformed the technology that delivers TV, the content on TV, the audience to TV and the nature of TV advertising.



A connected TV is a television set that is connected to the internet by any of the following:

Smart TVs: TVs with integrated wi-fi internet connections, such as Samsung Smart TV, LG Smart TV etc.

Streaming devices: External internet-connected devices that plug into a TV set through an HDMI port, such as Sky Stream, Virgin Media's Stream, Google TV Streamer (was Chromecast), Apple TV, etc.

Gaming consoles: Internet-connected gaming consoles, such as Xbox, PlayStation, Wii, etc.

Set top boxes: Internet-connected devices with hard discs delivering linear and satellite TV services and video-on-demand (VOD) content such as Sky Q, Virgin TV 360, BT/EE TV Box Pro, Humax Aura etc.

Types of content on CTV

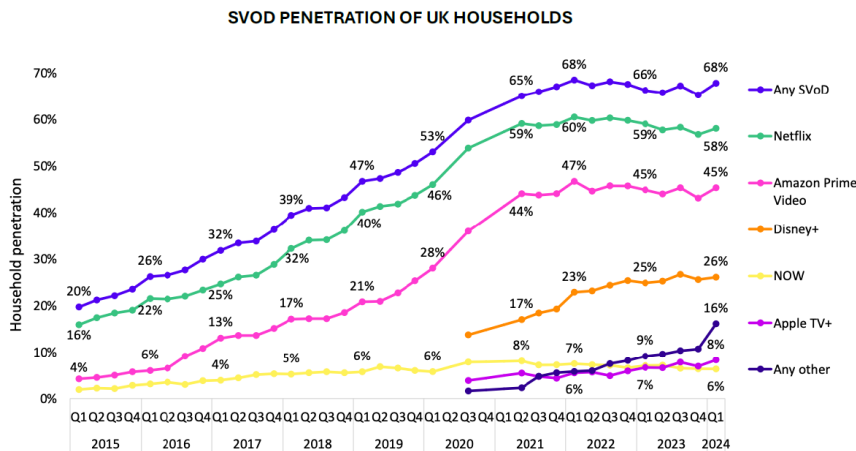
Connected TVs can stream a huge volume and variety of on-demand video content over the internet for viewers through subscription and free (advertising supported) services.

Connected TV content can be sourced from any of the following.

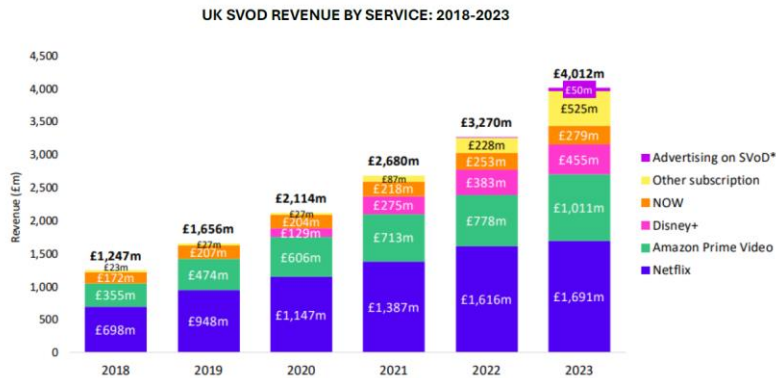
Linear broadcast television (LBT) services such as channels from BBC, ITV, Channel 4 and Channel 5. In 2023, overall viewing to LBT services fell by 4% year-on-year (YoY) and advertising revenue declined by 14% to £3.9bn.

Broadcaster video-on-demand (BVOD) services such as BBC iPlayer, ITVX, All 4 and My5. In 2023, viewing to BVOD services rose 29% versus 2022 (up 20 minutes per day per person) and advertising revenue grew by 16% to £980m.

Subscription video-on-demand (SVOD) services, such as Sky, Netflix, Amazon’s Prime Video, Apple TV+, Disney+, Discovery+, Paramount+, NOW, Eurosport etc. In 2023, SVOD subscription revenue was almost £4bn, up by 22% versus 2022 (mainly due to price rises). About £50m also came from advertising from services offering viewers a lower subscription price for a service including advertising. Since 2021, total take-up of SVOD has flattened at around 68% of all households. The average home had 2.3 subscriptions in 2023.



Source: BARB



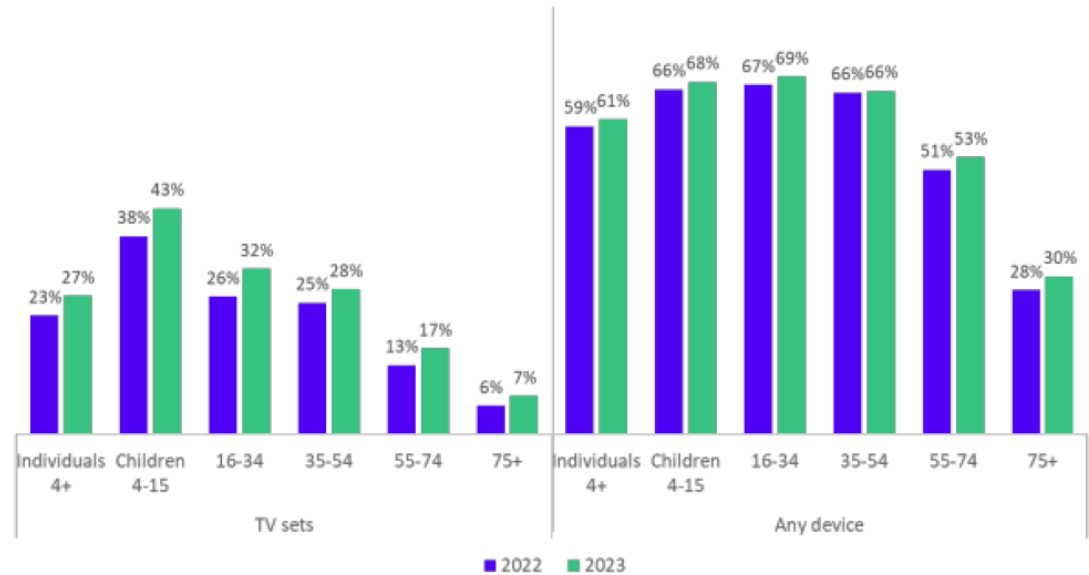
Source: Ampere Analysis

Types of content on CTV

Advertising-based video-on-demand (AVOD) services include:

- *Original equipment manufacturer (OEM) streaming platforms* such as Samsung TV Plus, LG Channels Plus, Philips TV, Virgin Media etc.
- *Video sharing platforms (VSP)* such as YouTube, TikTok, Facebook Video, Twitch, Dailymotion etc. YouTube is the most viewed VSP: in 2023, in the average week, 61% of the UK population watched YouTube on any device and 27% watched YouTube videos on TV sets

WEEKLY IN-HOME REACH OF YOUTUBE ON TV SETS, AND ANY DEVICE BY AGE GROUP



Source: BARB

- *Free ad-supported streaming TV (FAST)* services such as Fox’s Tubi, Paramount’s Pluto TV, Peacock, Roku Channel, Amazon’s Freevee, Vizio’s WatchFree, Rakuten TV, ViX, rlaxx TV, Freeview, Freely etc. In early 2024, there were 650 FAST services available in the UK, operated by almost 200 channel owners. The audience to FAST services is relatively small. The only channel with greater than 4% reach over three months is Amazon’s Freevee service with 11% reach

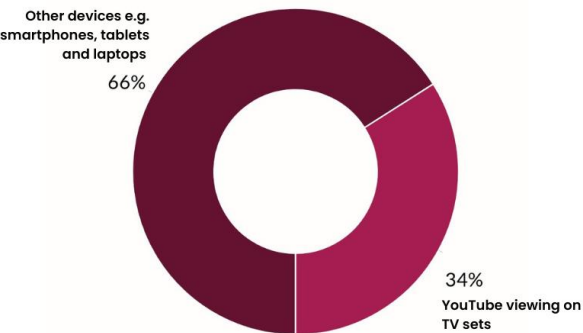
Big changes in TV viewership

Over the past decade, the UK TV landscape has transformed dramatically.

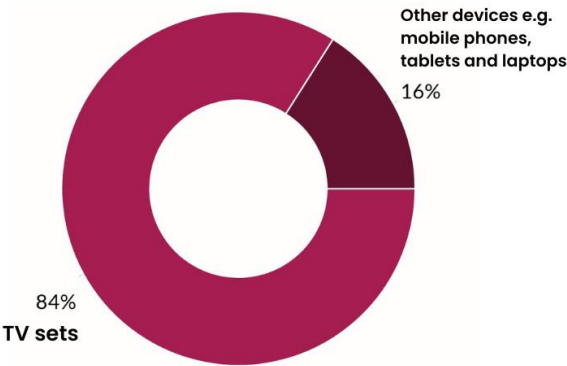
In 2014, 11% of homes had a Smart TV but by 2024, this has surged to 75%, with 92% of adults using connected TV services. Average daily video consumption rose to 4.5 hours, mainly on TV sets. Linear broadcast TV viewing declined significantly, while Broadcaster Video On Demand (BVOD) and Subscription Video On Demand (SVOD) services saw substantial growth. Video-sharing platforms (VSPs), especially YouTube, experienced a notable rise in TV viewership. Additionally, Free Ad-Supported TV (FAST) services like Amazon's Freevee gained traction, reflecting a shift towards digital and on-demand content.



In 2023, 34% of all YouTube viewing in the UK was on a TV set-up



In 2023, the average person spent 4.5 hours per day watching video content at home



92%          



92% of UK adults now watch connected TV services

75%          

In the last ten years, viewing of linear TV amongst people under 24 has fallen by 75%

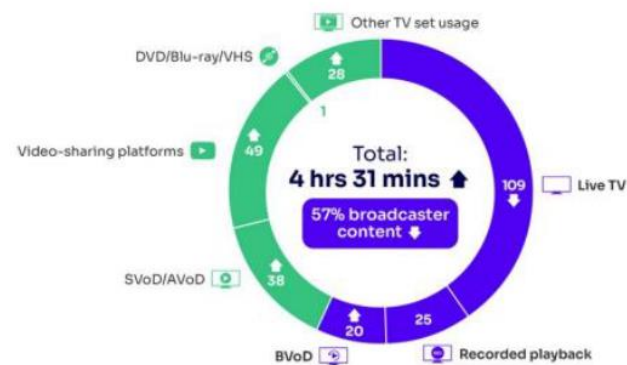
68%          

68% of homes subscribe to a video-on-demand service

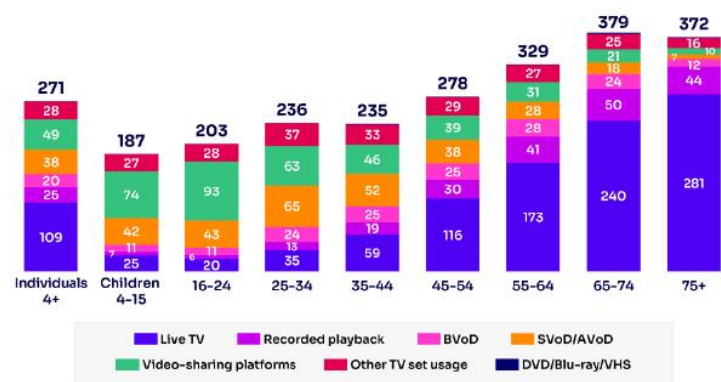

 **29%**
Viewing to BVOD services rose by 29% in 2023

Big changes in TV viewership

AV. DAILY MINUTES OF IN-HOME VIDEO VIEWING ACROSS ALL DEVICES, ALL AGED 4+: 2023



AV. DAILY MINUTES OF IN-HOME VIDEO VIEWING ACROSS ALL DEVICES BY AGE: 2023



Source: BARB

In 2023, total video viewing in the UK across all devices increased by 2% YoY.

- Broadcaster content (live TV + recorded playback + BVOD) fell from 61% of the total in 2022 to 57% in 2023. There was a 9% decline in live TV viewing to 109 minutes per day. 16 – 24-year-olds viewed only 20 minutes of live TV per day
- BVOD viewing was up by 29% YoY, to 20 minutes per day

- SVOD and AVOD services accounted for 14% of total in-home video viewing in 2023, with growth of 6% to 38 minutes per day. Netflix, Amazon Prime Video and Disney+ continued to account for the large majority (95%) of SVOD/AVOD viewing
- Daily viewing of VSPs such as YouTube and TikTok increased by 12% to 49 minutes per person per day. Amongst 16 – 24-year-olds VSP viewing was 93 minutes per day, 46% of their total in-home video viewing time across all devices

Video viewing is on the up with BVOD/SVOD/AVOD and VSPs on the rise.

Big changes in TV viewership

The weekly reach of traditional broadcast TV fell by a record amount in 2023. Overall, broadcast TV viewing fell by 4% last year, reaching 75% of the UK population each week, down weekly reach of 90% in 2018.

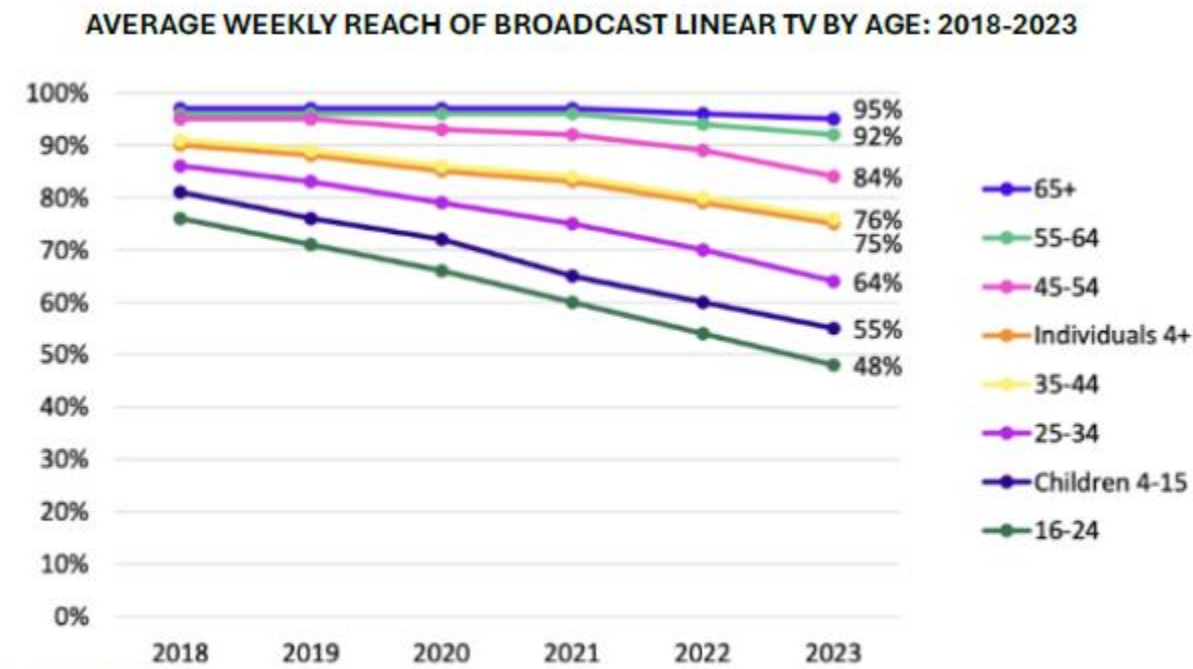
For the first time, less than half of 16 – 24-year-olds watched any broadcast TV in the average week, according to Ofcom’s [annual study into the nation’s media habits](#).

Children aged 4 –15 are also tuning out, with only 55% watching broadcast TV each week in 2023, compared to 81% in 2018.

The decline in weekly reach of broadcast TV among middle-aged viewers (45 – 54-year-olds) also accelerated, falling from 89% to 84% in a single year.

In contrast, there has been relatively little change among loyal older audiences aged 65+, with around 95% continuing to tune into broadcast TV each week.

Every age group bar 65+ is watching less broadcast linear TV.



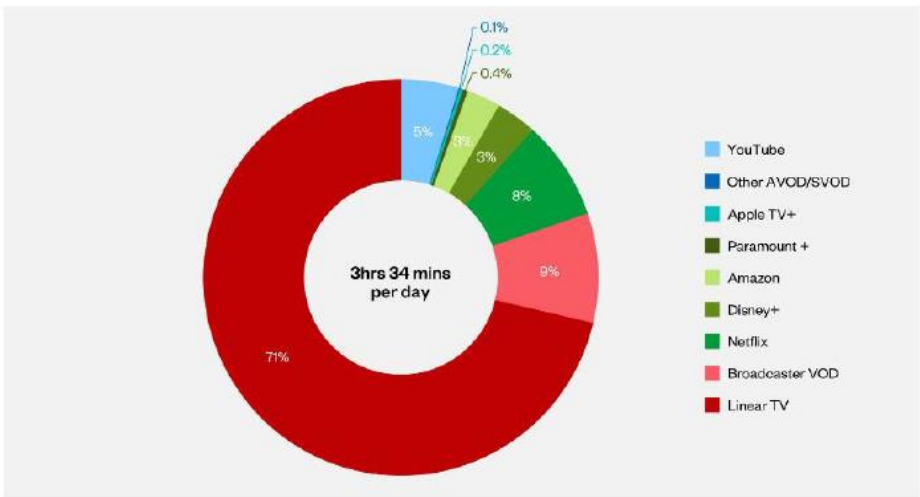
Source: BARB

Big changes in TV viewership

In 2023, the average adult (aged 16+) watched three hours 34 minutes of video on TV sets at home. 15% of this was SVOD and AVOD services and 5% was YouTube.

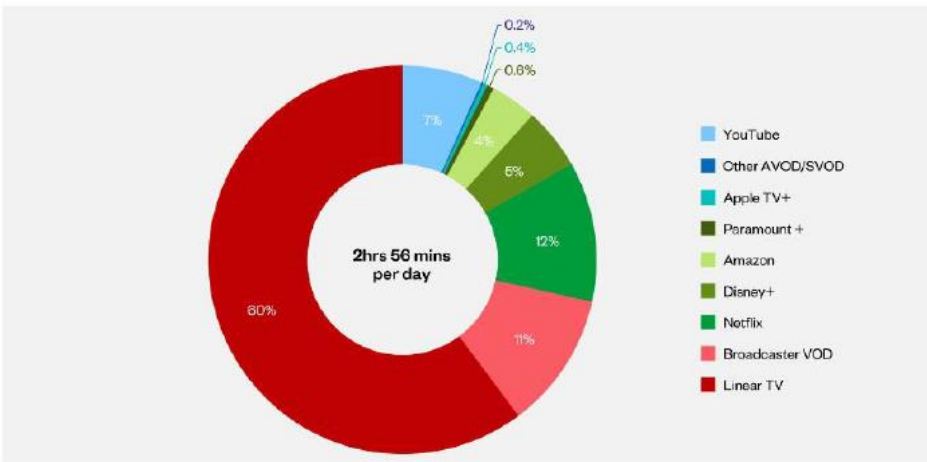
In 2023, the average 16 – 34-year-old watched two hours and 56 minutes of video on TV sets at home, 18% less viewing than all adults. However, 22% of viewing was to SVOD and AVOD services and 7% to YouTube.

VIEWING TIME BY PLATFORM ON TV SETS, ALL ADULTS: 2023



Source: BARB

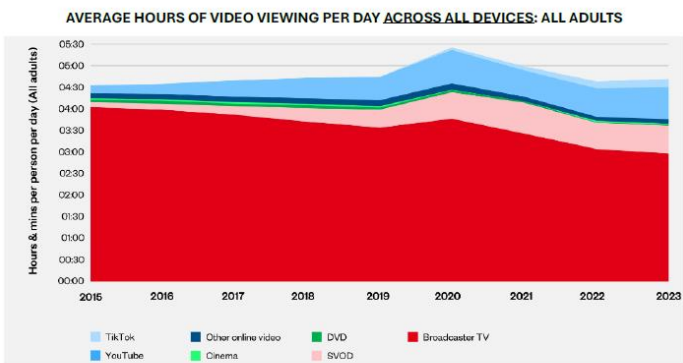
VIEWING TIME BY PLATFORM ON TV SETS, 16-34s: 2023



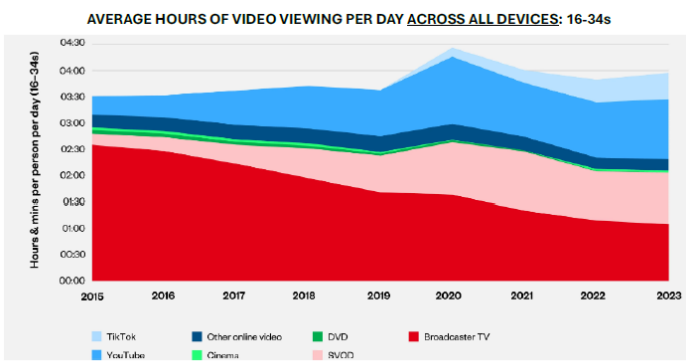
Source: BARB

Overall, younger people watch less TV, but more SVOD/AVOD and YouTube.

Big changes in TV viewership



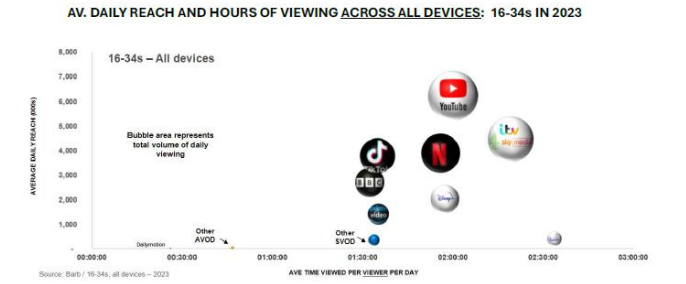
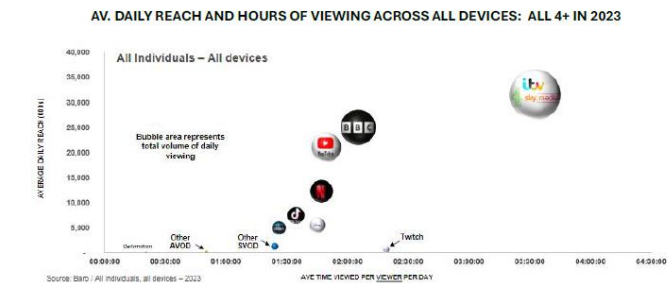
Source: IPA Touchpoints, BARB



Source: IPA Touchpoints, BARB

Video viewing amongst younger people is heavily skewed away from linear broadcast TV towards SVOD and VSP (particularly YouTube). In 2023, only 26% of 16 – 34-year-olds’ viewing was linear broadcast TV, whereas 27% was YouTube.

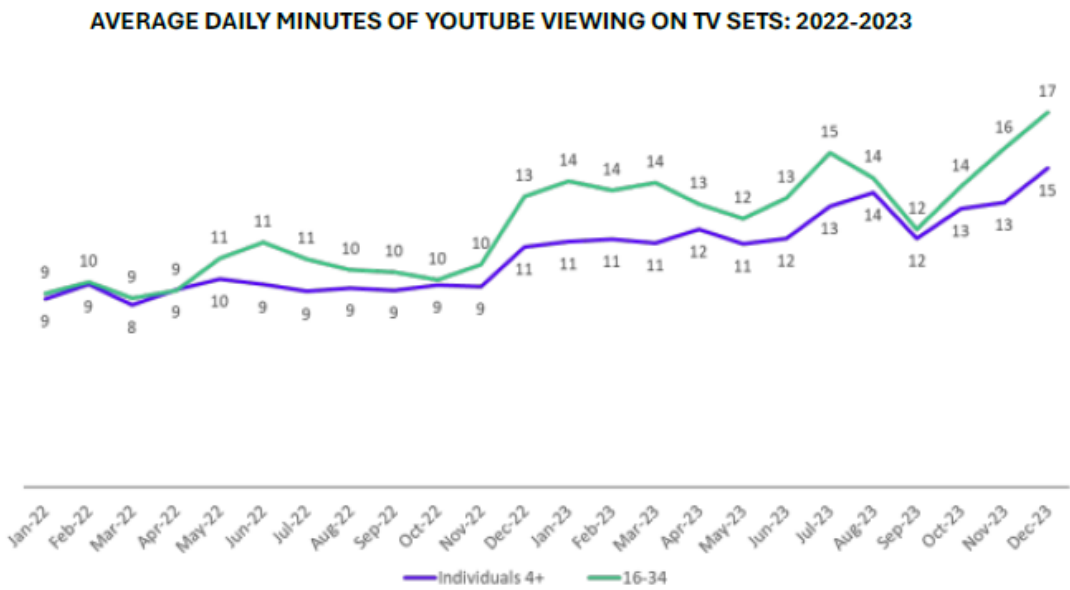
The below chart shows the differences in video service consumption between all individuals and 16 – 34-year-olds. Across all devices, YouTube attracted the highest daily reach of all video services amongst 16 – 34-year-olds, whereas commercial broadcasters remain dominant for all individuals.



Younger audiences can be found at scale watching YouTube.

The rise in viewing of YouTube on TV sets

The chart below shows that over the last two years, the amount of viewing of YouTube videos on TV sets has almost doubled, growing from an average of eight minutes per day per person in March 2022 to 15 minutes per day by December 2023. Over the same period, YouTube viewing on TV sets amongst 16 -34-year-olds rose from an average of nine minutes to 17 minutes per day.

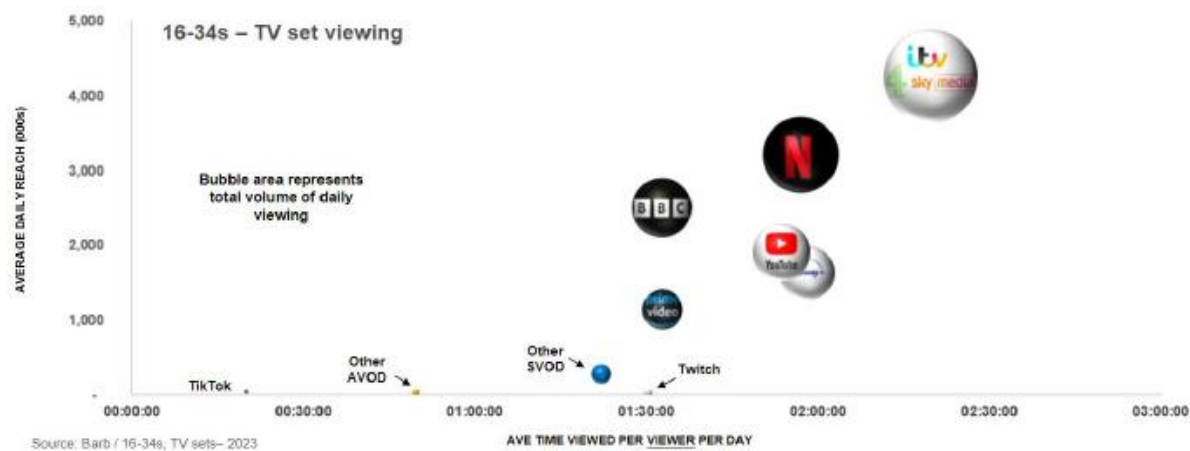


Source: BARB

Across the board
YouTube viewing on
TV sets is
increasing.

What do young people watch?

AV. DAILY REACH AND HOURS OF VIEWING ON TV SETS: 16-34s IN 2023



In 2023, 18 of the top 30 most viewed series on TV sets amongst 16 – 34-year-olds were on Netflix.

TOP 30 SERIES ON UK TELEVISION: 16-34s IN 2023

Rank	Channel	Title	Series	Ave aud (m)	Episodes
1	Amazon	Clarkson's Farm	2	2.7	8
2	Netflix	Sex Education	4	2.2	8
3	Netflix	Beckham	1	2.0	4
4	ITV	I'm a Celebrity... Get Me Out of Here!	23	1.8	22
5	BBC	Doctor Who	2023	1.7	3
6	BBC	The Apprentice	17	1.7	12
7	Netflix	The Night Agent	1	1.7	10
8	CH4	The Great British Bake Off	14	1.6	10
9	Netflix	At Home With The Furies	1	1.6	9
10	BBC	Happy Valley	3	1.5	6
11	Netflix	You	4	1.5	10
12	Netflix	Black Mirror	6	1.4	5
13	Sky Atlantic	The Last Of Us	1	1.3	9
14	Netflix	Queen Charlotte: A Bridgerton Story	1	1.3	6
15	Amazon	The Grand Tour	5	1.2	2
16	Disney+	The Mandalorian	3	1.2	8
17	Netflix	The Witcher	3	1.2	8
18	Netflix	Brooklyn Nine-Nine	8	1.1	10
19	Netflix	Wednesday	1	1.1	8
20	Netflix	Rick and Morty	6	1.1	10
21	Amazon	The Grand Tour	4	1.0	4
22	Netflix	Ginny & Georgia	2	1.0	10
23	Netflix	Murdaugh Murders: A Southern Scandal	1	1.0	3
24	Netflix	Top Boy	3	1.0	6
25	Netflix	Brooklyn Nine-Nine	3	1.0	23
26	BBC	Happy Valley	1	1.0	6
27	CH4	Married at First Sight UK	8	1.0	3
28	Netflix	Brooklyn Nine-Nine	4	0.9	22
29	Netflix	Squid Game: The Challenge	1	0.9	10
30	Netflix	Bodies	1	0.9	8

Source: BARB

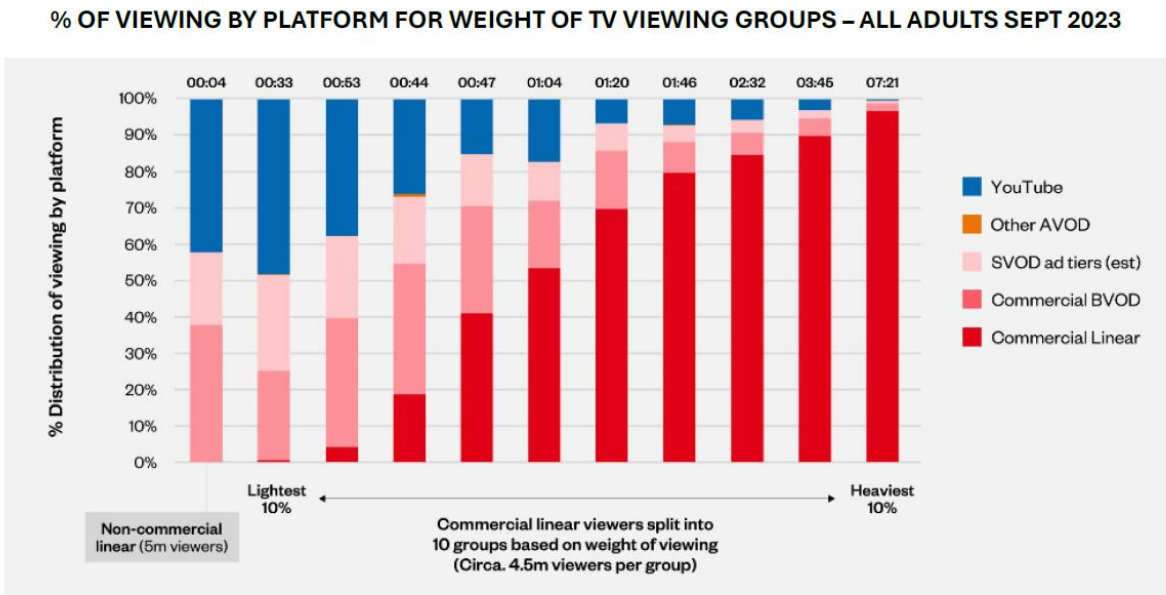
Increasing reach through CTV

CTV advertising, particularly through BVOD and YouTube, can increase the reach of linear TV ad campaigns by reaching lighter TV viewers (younger, more upscale) who are harder to reach through linear TV and much more likely to watch streamed/VOD services than older TV viewers.

The below chart breaks down TV set viewers into ten equally sized groups based on the amount of commercial TV that they watch per day. On average, the heaviest 10% of commercial TV viewers watch over seven hours per day, the lightest 10% watch half an hour per day.

The 10% of TV viewers who watch the most TV spend 96% of their viewing time watching linear broadcast commercial TV. In contrast, the 10% of viewers that watch the least TV dedicate almost all of their viewing on TV to non-broadcast video, of which nearly 50% is to YouTube.

The lightest TV viewers watch no linear commercial TV.



Source: BARB

The odds of reaching the lightest half of all TV viewing adults on BVOD services are one-in-three, compared with one-in-13 on linear broadcast TV. [A recent analysis by PwC](#) found that, on average, BVOD added a 4% increase in incremental adult (16+) reach to linear TV campaigns, a 6% increase for adult ABCIs and an 8% increase for 16 – 34-year-olds.

BVOD has higher reach for light TV viewers than linear.

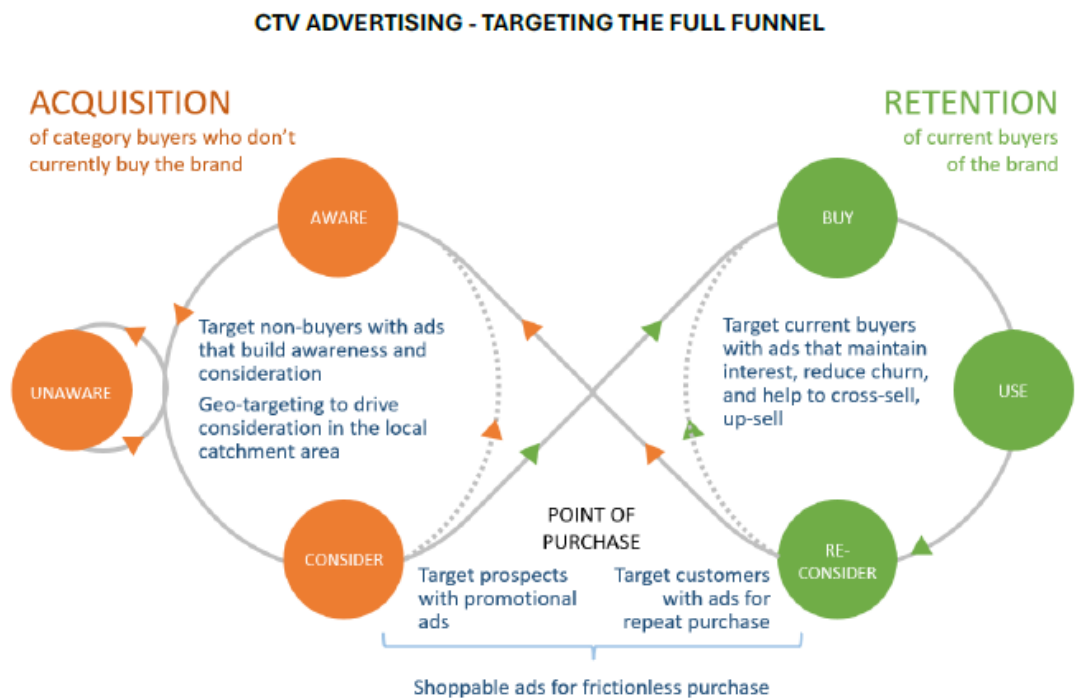
How do brands advertise on CTV?

CTV advertising – delivering addressable advertising to TV sets over the internet – is offered by CTV content providers through:

- *CTV advertising exchanges* such as Planet V (ITV), LG Ads, Magnite, Freewheel, Nexxen, Verve Group, Sharethrough, Triplelift etc.
- *Programmatic advertising platforms* such as Sky Advance, StackAdapt, TheTradeDesk, Amazon DSP, Google DV360 etc.

CTV advertising’s advanced targeting opportunities can be used to build awareness and consideration of brands and to activate sales at the point of purchase. Ads can be tailored for and targeted to category buyers and separately to existing customers.

The below chart illustrates the unique acquisition and retention targeting opportunities of CTV advertising.



Source: Croft Analytics

“TV is [now] a performance machine, like search and social, with affinity-based targeting, audience segmentation, incrementality reporting and accurate real-time attribution. Reliably connecting the dots between views and action is now a reality for CTV.”

- Jennifer Brickler, MNTN, 10th August 2023

Case Study: How Hendrick's used Samba TV data for awareness of its new product

Hendrick's, a popular gin brand, launched a new flavour, Neptunia, and wanted to drive awareness of the new product as well as favourability of Hendrick's brand among premium gin drinkers.

They collaborated with Samba TV and used their consented, first-party data to inform an omniscreen targeting strategy.

With the use of Automatic Content Recognition (ACR) technology embedded at the chip-set level in smart TVs, Samba TV's viewership data provided Hendrick's with insights into which users had seen their linear TV ad. This information was then utilised to target digital devices connected to the same household IP address as the smart TV, effectively bridging the gap between linear television and digital platforms.

This approach enabled Hendrick's to measure reach and frequency without duplication.



Results

15.3 million UK households exposed to both TV and digital ads

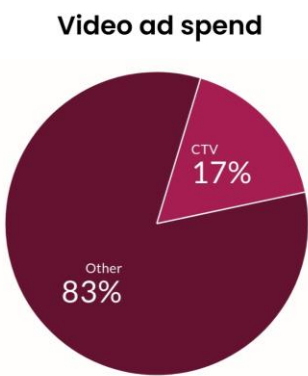
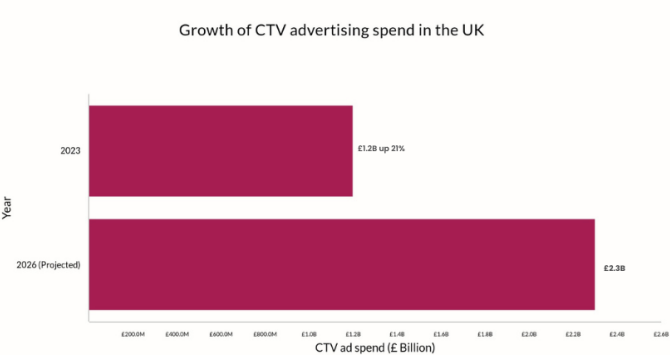
+15% lift in brand awareness among gin drinkers

+71% of target audience responded positively to campaign

+54% of key audiences exposed to the campaign tried gin or visited the website







Smart TVs have huge potential as they possess technology that enables advertisers to precisely target users and build familiarity not just on TV sets, but on all digital devices.

CTV and advertising



CTV offers the targeting of digital advertising with the large screen viewing experience of TV. CTV ads can help to build awareness and consideration of brands and to activate sales directly from TV screens.

There are numerous benefits for advertisers using CTV, outlined below.

-  **Smooth integration of retail shopper data:** By matching addressable TV audiences to retailers' shopper data, advertisers can now target specific consumer groups for acquisition and retention based on their purchase behaviour. Category non-buyers can be separately targeted from buyers of a brand.
-  **Geotargeting:** This is a big advantage for local businesses, such as car dealers and shops. By matching to the postcodes of connected TVs, local marketers can deliver promotional TV ads to people in their catchment area.
-  **Contextual targeting:** CTV ads can be targeted to video context to automatically appear alongside programme content that is relevant to the ad.
-  **Shoppable ads:** These offer instant access to discounts or other promotions and you include QR codes that viewers can click to buy directly.
-  **Programmatic integration:** You can buy CTV ads programmatically which can balance ad spend and goals to maximise results. Campaigns can use website data to optimise CTV bids in real-time to drive performance.
-  **Increased reach:** Ads on streamed and video-on-demand services are more likely to reach younger, lighter TV viewers. When combined with linear TV campaigns (that reach older viewers), total campaign reach can be increased. Linear broadcaster plus BVOD campaigns increase adult reach by 4% on average and by 8% for reach of 16–34-year-olds.

What does the future of CTV look like?

The future of CTV for advertisers is bright. As a relatively new channel in the marketing mix, nobody knows exactly what we can expect, but here are a few ways that CTV will get even better in the future.



More data: As the channel matures and more advertisers get onboard, data businesses such as retail media brands will continue integrating shopper data for use in CTV ads. This will only make the channel stronger and we will see an increase of shoppable ads as a result. However, with this may come regulatory considerations and brands will need to build trust with viewers on how they're targeting on CTV.



More viewers for free/hybrid VOD services: As broadcasters and entertainment businesses evolve to consumer demand and new user interfaces develop, we will see a rise in the use of free/hybrid VOD services which will mean lower barriers to entry for brands to advertise on these platforms.



Continued rise of YouTube: It's not just the second-largest search engine, it's an entertainment platform in itself and brands need to maximise its huge reach.



Improvements in tech and AI: There will be growing development and use of CTV programmatic ad technology and AI and machine learning will improve relevancy and personalisation of ads.



Measurement: Cross-platform audience measurement will deliver better understanding of audiences.



New ad formats: New CTV advertising formats will be developed that will be more engaging and effective than traditional TV ads and existing CTV formats.

As the data integrated into CTV campaigns evolves and technology matures, the impact of CTV will become much more attributable.

How to get started – Your CTV checklist

There are so many possibilities and use cases of CTV which makes it difficult to know where to begin. This checklist will help prepare you for your CTV launch and world domination!

Understand who you want to target and your goals

- As we've seen, different demographics have different viewing habits, so understanding your **target audience's video consumption habits** will dictate which programmes to advertise in, what formats your ads should take and which platforms you should appear on
- CTV is a full funnel platform, but understanding what you want to achieve from your campaign will help you decide the CTA and format of the ad



Make sure you have standout video creative

- CTV is all about big screen viewing, so your ad should reflect this
- Work with a specialist creative agency to get the best results possible
- Get creative with your ads and make sure you carry out testing on creative to continually optimise your campaigns

How to get started – Your CTV checklist

There are so many possibilities and use cases of CTV which makes it difficult to know where to begin. This checklist will help prepare you for your CTV launch and world domination!

Make sure you maximise data available

- CTV can embed a huge amount of data including retail shopper data and data from the smart TV provider, make sure you maximise this in your campaign for the best results
- Make sure you incorporate your first-party data into the campaign to perfect your targeting



Choose a reputable DSP to run CTV

- Almost 90% of CTV advertising is sold programmatically, so you're most likely want to follow suit
- Work with reputable DSPs such as StackAdapt, Quantcast or TheTradeDesk
- Consider onboarding a specialist paid media agency as CTV requires a lot of time and expertise to reap results

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