



CROSS SCREEN
M E D I A

55 Billion Reasons to Care About Local Video Ads



7 Big questions

1. How large is the video ad market in the United States?
2. How large is the local video ad market in the United States?
3. Where is consumer attention?
4. Does video ad spend line up with consumer attention?
5. How many local video ad buyers are there in the United States?
6. What are the biggest challenges for video ad buyers and sellers?
7. What does the future look like?

Housekeeping: Level Set on Terms

1. **Video Ad Market** – This encompasses the entire video market including television (broadcast, cable, satellite, etc.) and digital (CTV/OTT, social, mobile/desktop, etc.)
2. **Local vs. National** – Local is any ad purchased with specific geography (zip codes through regions)
3. **Linear = Broadcast + Cable**
4. **CTV** is included in digital
5. **Targeted** – Any ad that is targeted to a specific 1st and/or 3rd party data set (CRM, etc.). This includes both addressable (1:1) as well as data-driven linear.
6. **Non-Targeted** – Any ad that is targeted to a traditional demo such as age/gender.



Why you should care

3 mega trends that will shape the future of video advertising

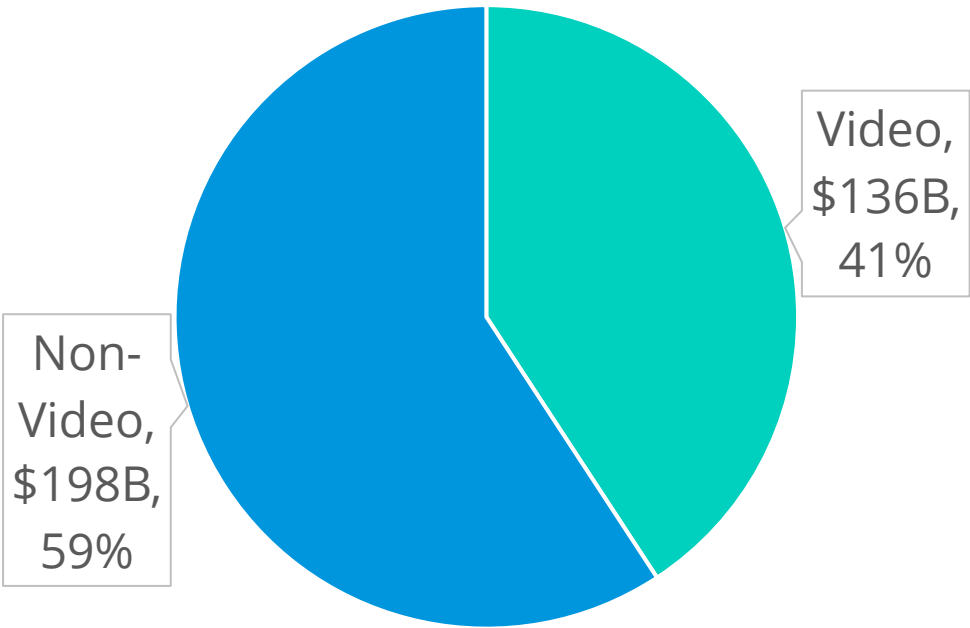
- 1 All screens will be bought and sold together in a cross screen format
- 2 All video advertising will be bought and sold against audiences versus age/gender
- 3 Advertisers will place more value on performance (brand/sales lift, etc.) vs. reach/frequency



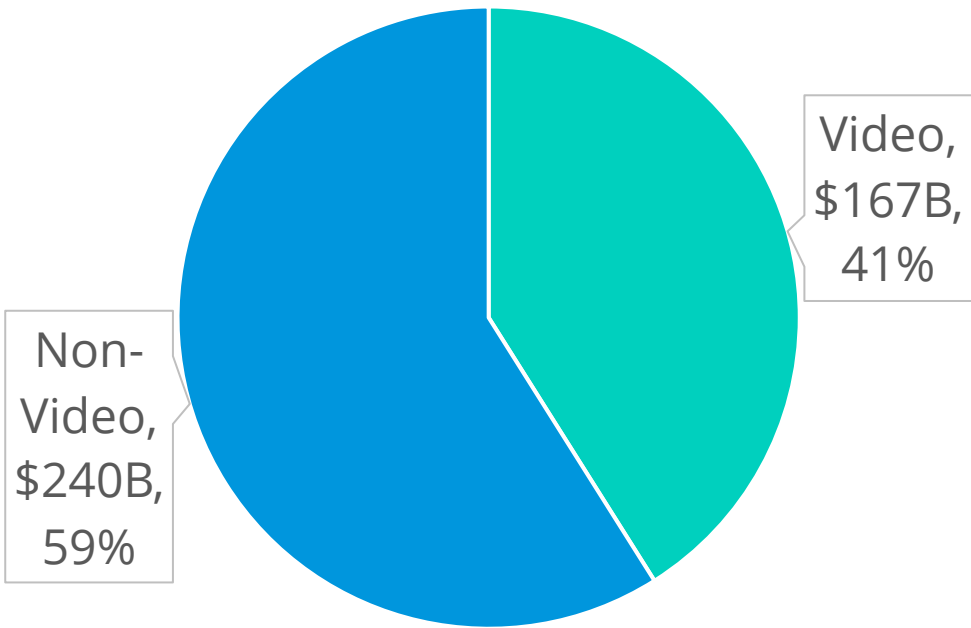
Big question #1: How large is the video ad market in the United States?

Video accounts for 41% of U.S. ad market

2022: \$334B



2025: \$407B

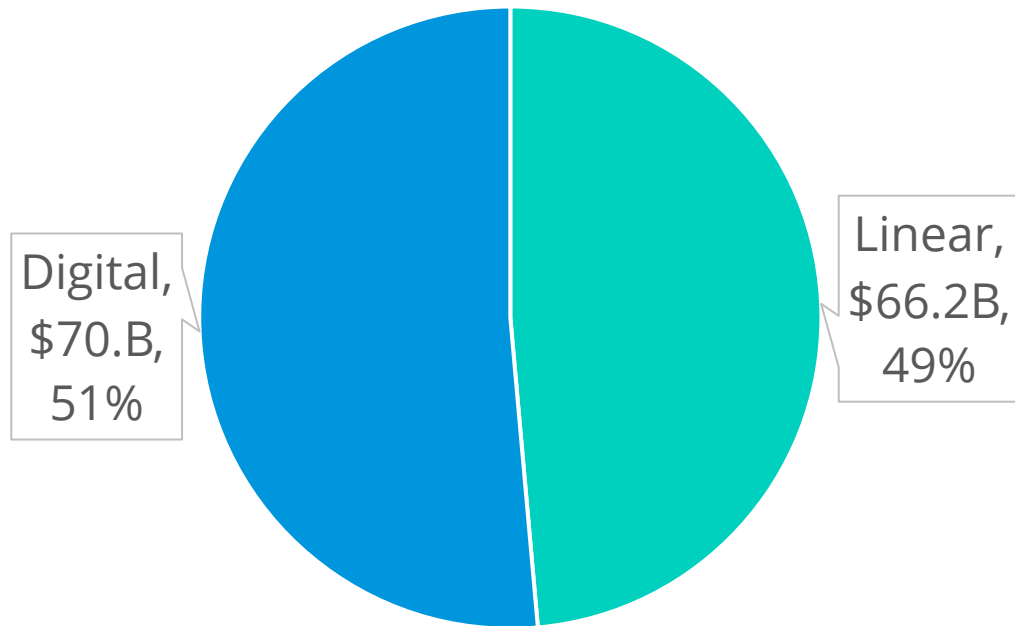


Updated: 2022-C
Source: eMarket

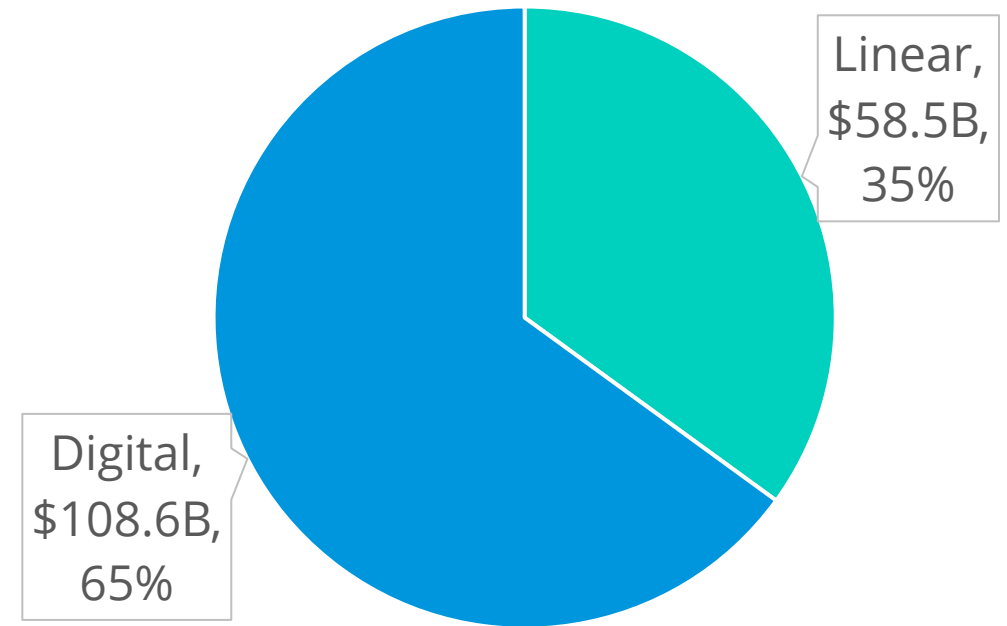
Key fact: The U.S. ad market is growing **7%** per year (CAGR)

Digital (including CTV/OTT) is now the majority of U.S. video ad spend

2022: \$136B



2025: \$167B



Updated: 2/2024
Source: GroupM

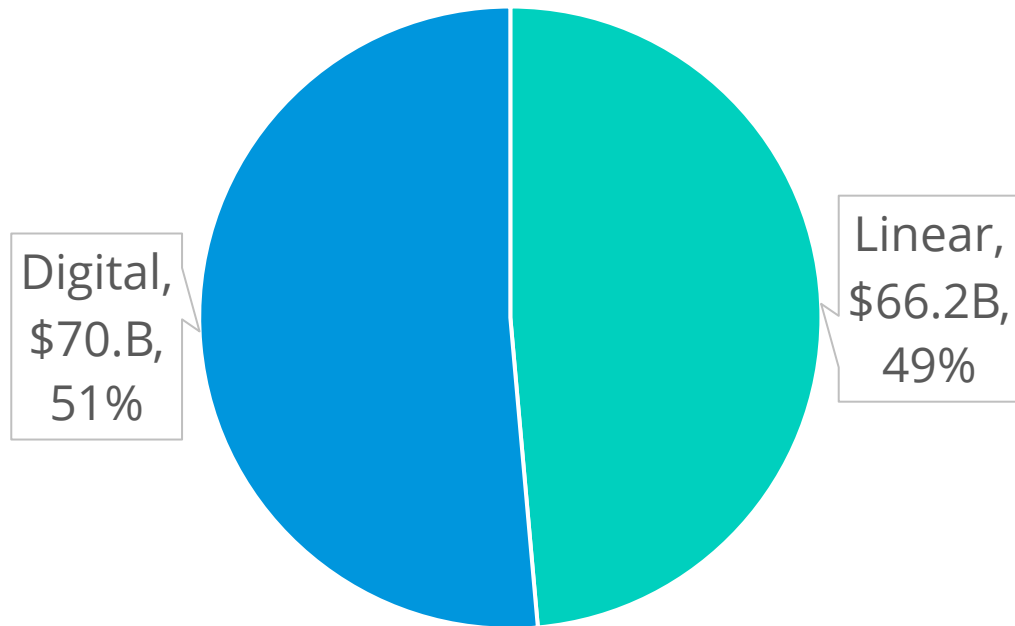
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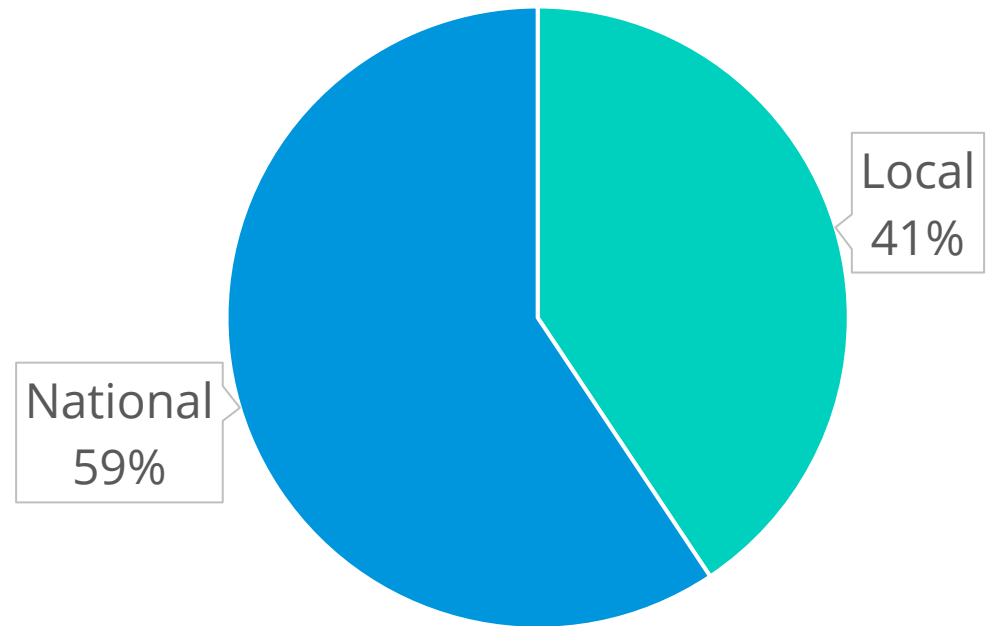
Big question #2: How large is the local video ad market in the United States?

Local = 41% of U.S. video ad market

2022: \$136B



2022: \$136B

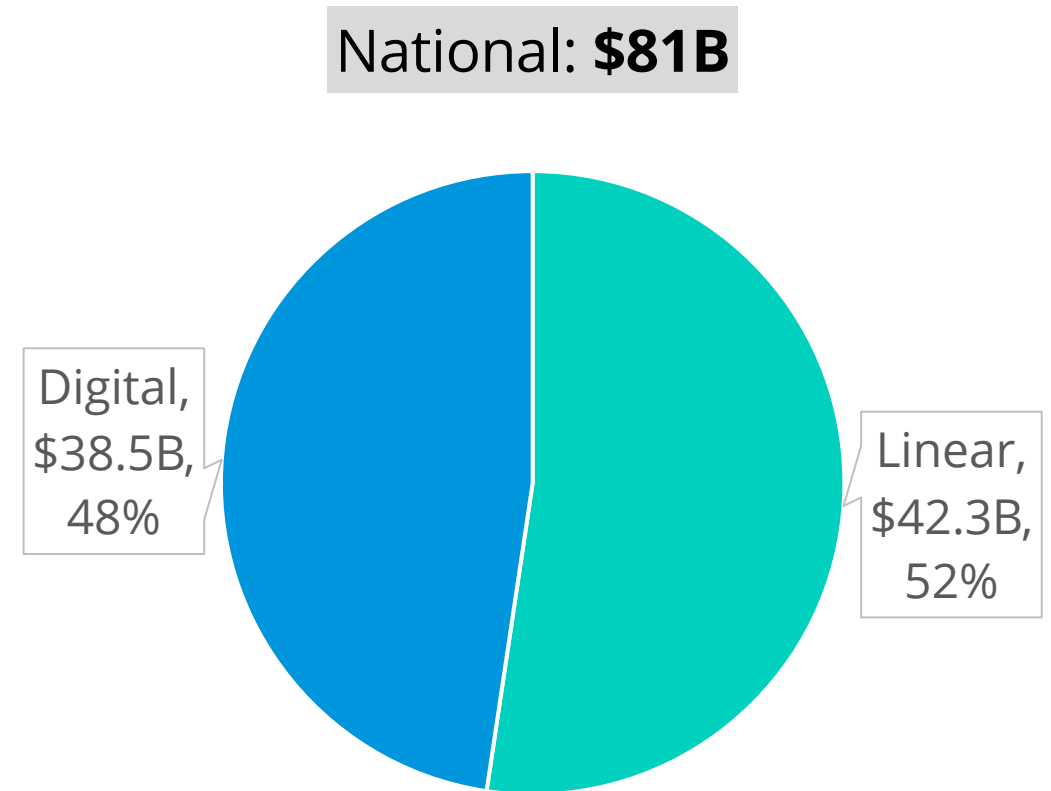
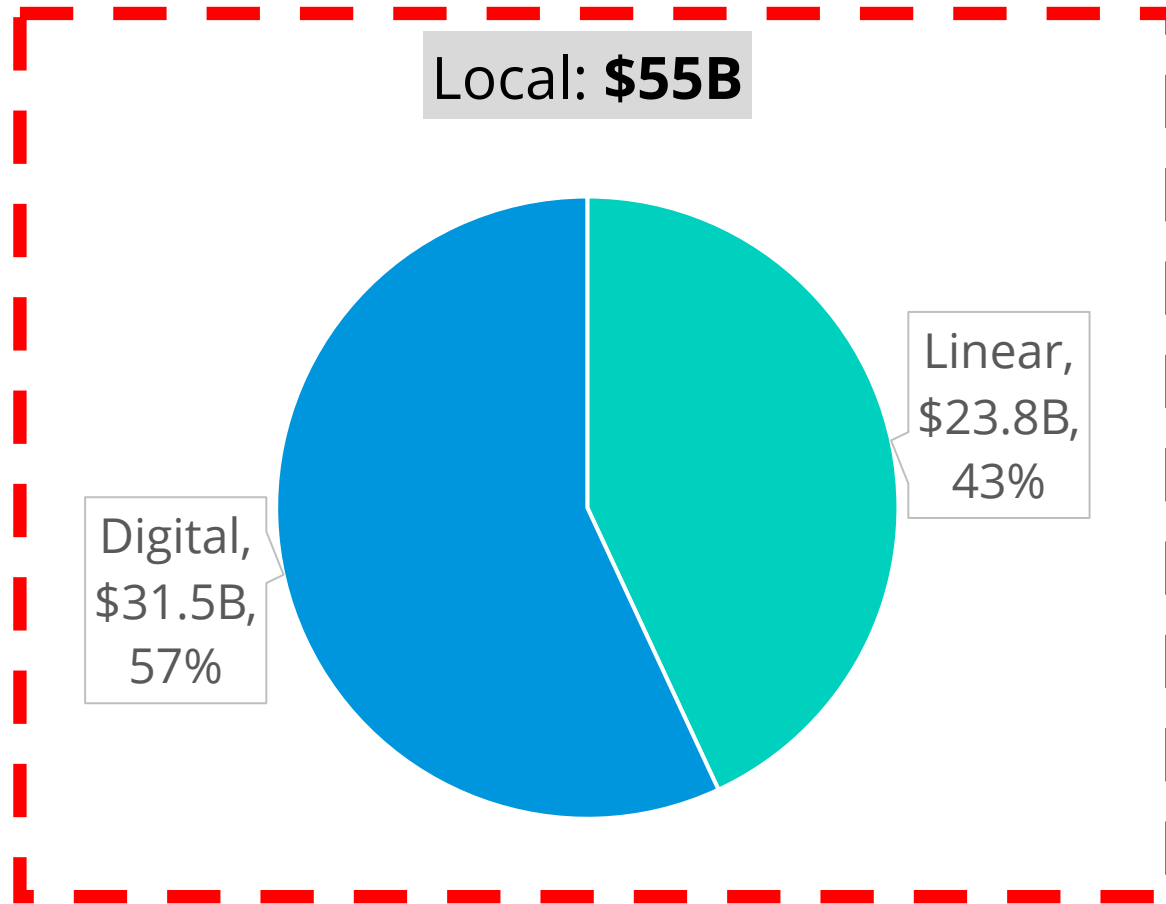


Updated: 2022-Q1
Source: GroupM, eMarketer and internal



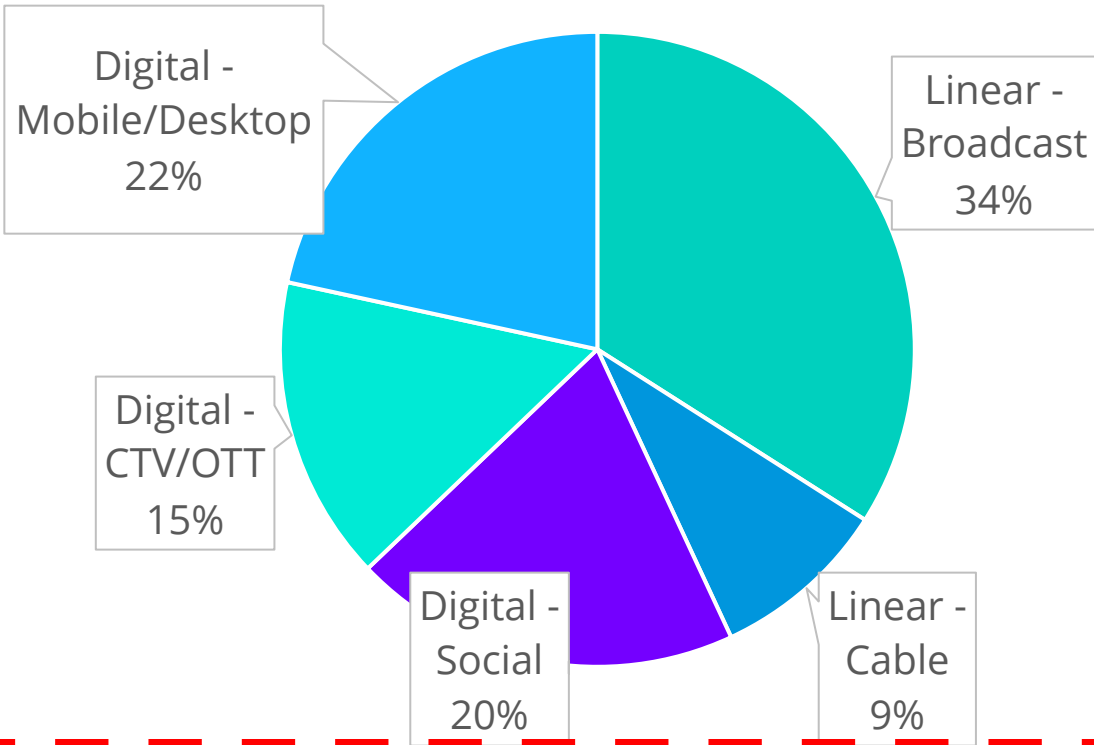
National ≠ local right?

Digital = 57% of local video ad market

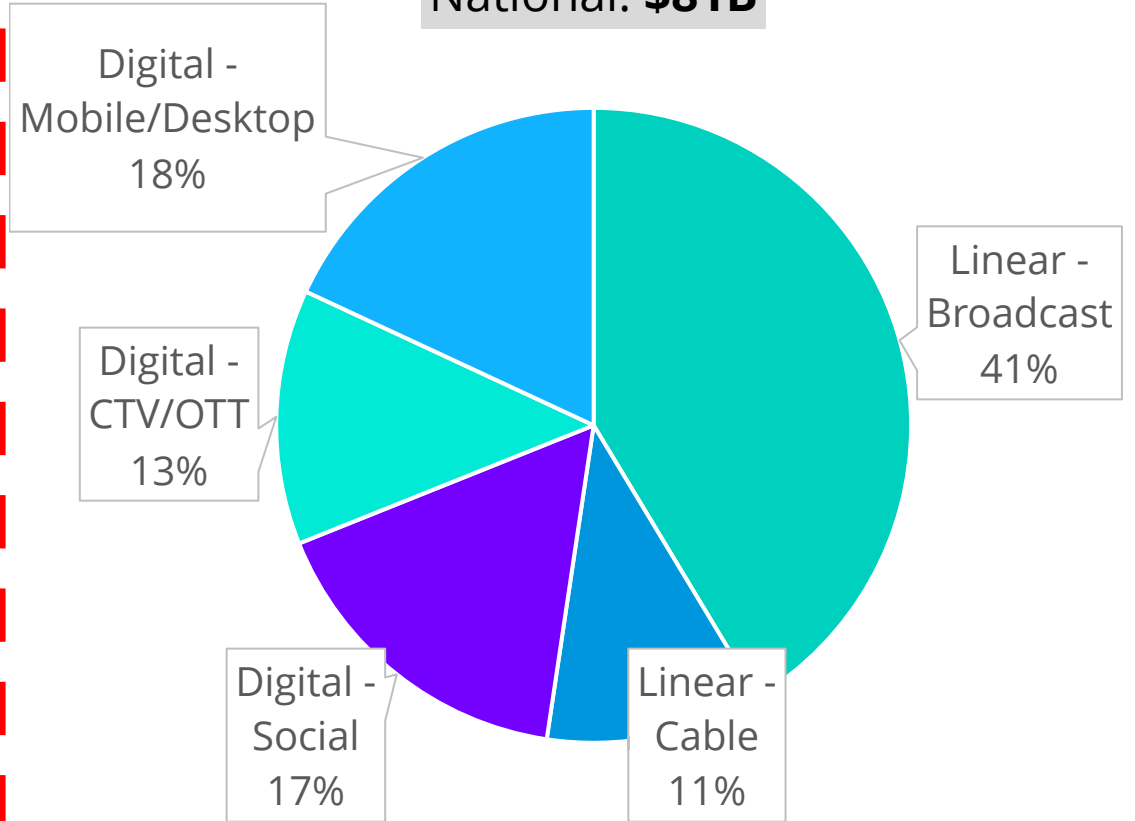


Broadcast is still king, but keep an eye on CTV/OTT (↑ 22% CAGR)

Local: \$55B



National: \$81B



Updated: 2022-Q1
Source: GroupM, eMarketer and internal

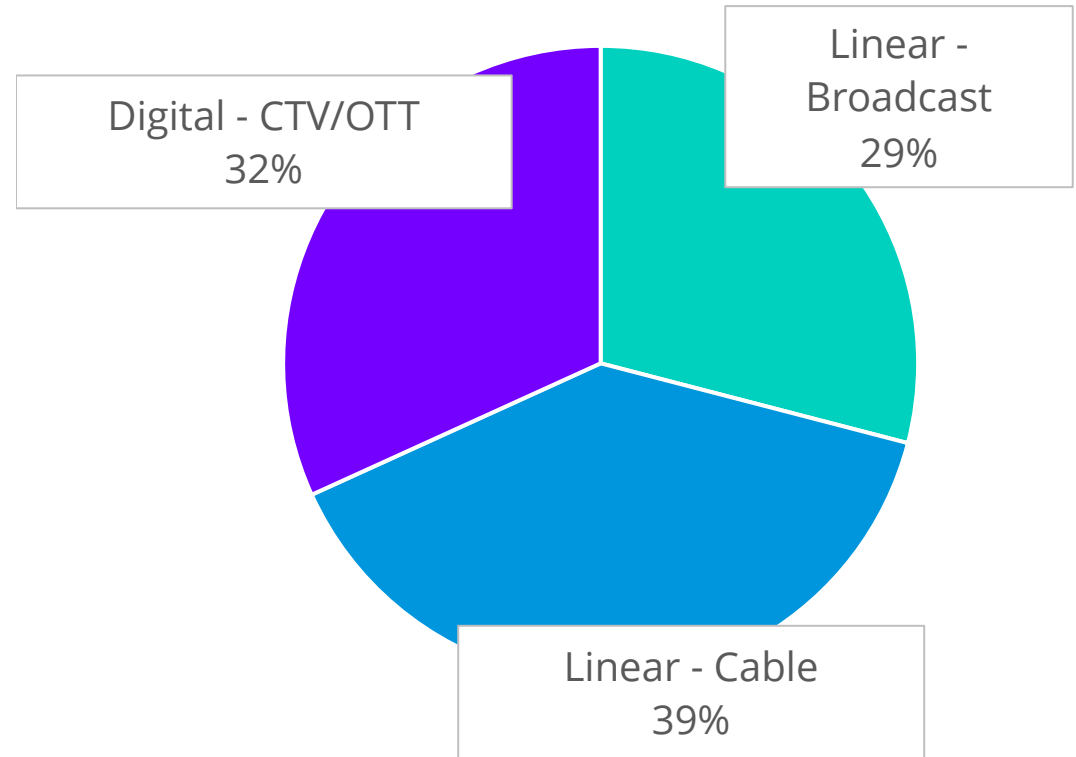
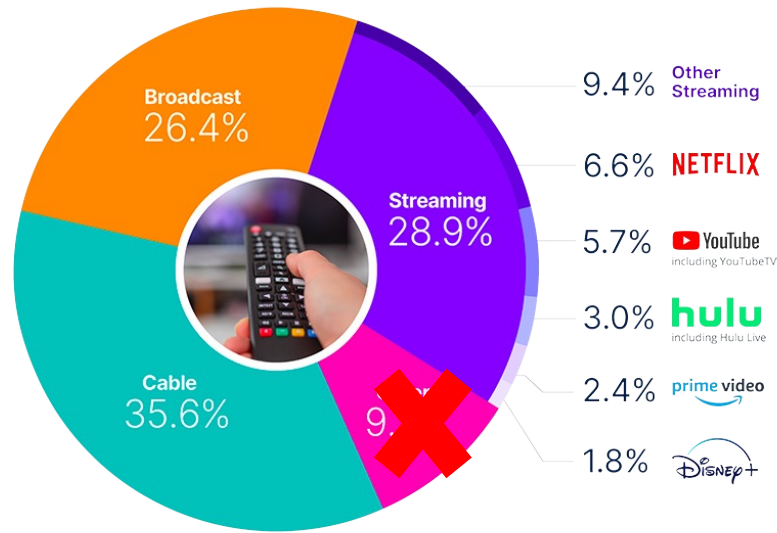


Big question #3: Where is consumer attention?

Streaming share of total TV time grew 52% since Borrell Miami 2020

Nielsen Gauge (TV only): January 2022

January 2022
Total Day
Persons 2+



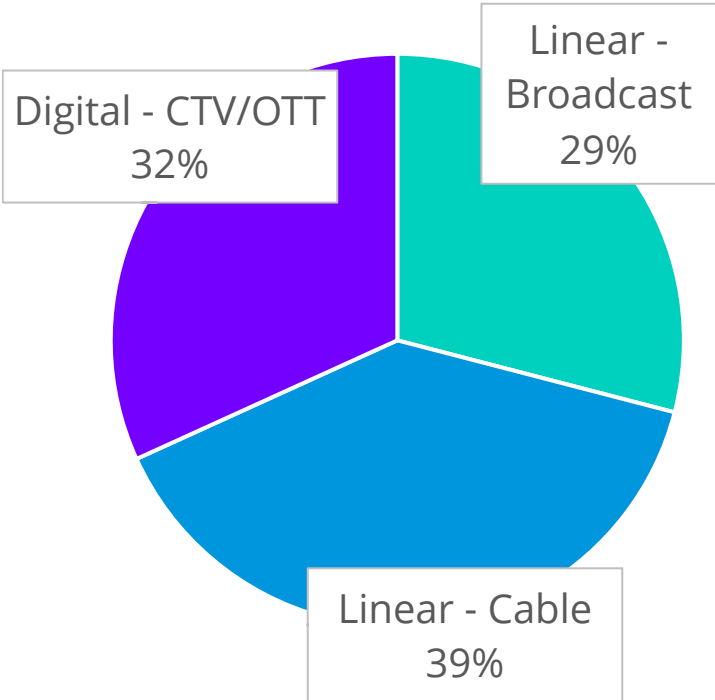
Updated: 2022-Q1
Source: Nielsen



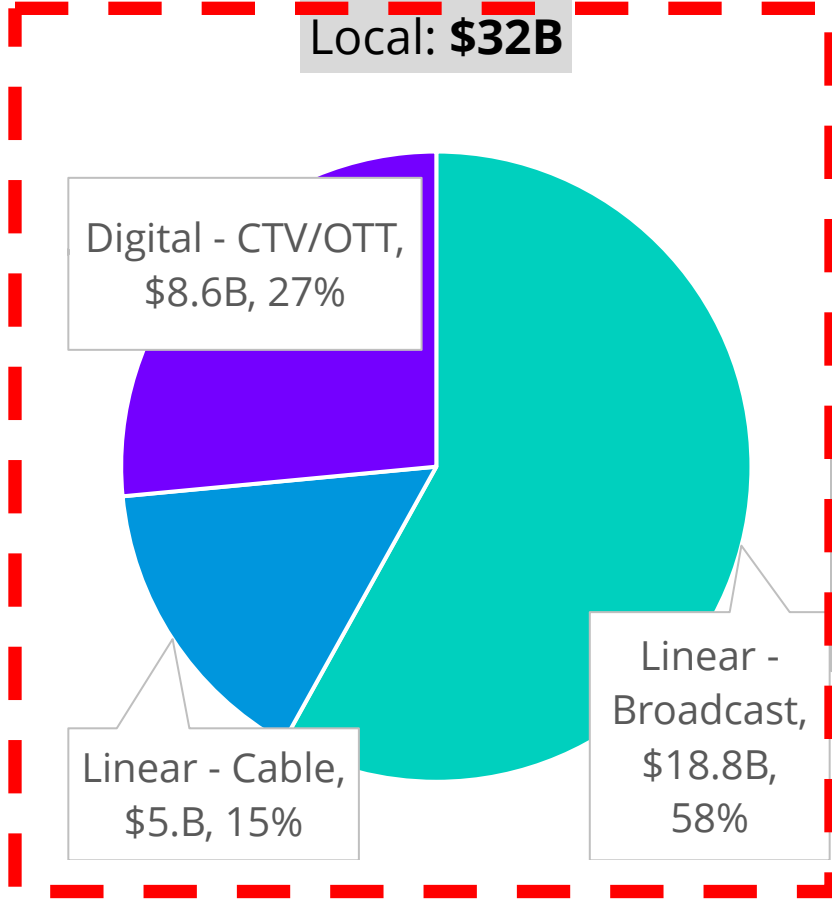
Big question #4: Does video ad spend line up with consumer attention?

Media consumption and share of ad spend are disconnected

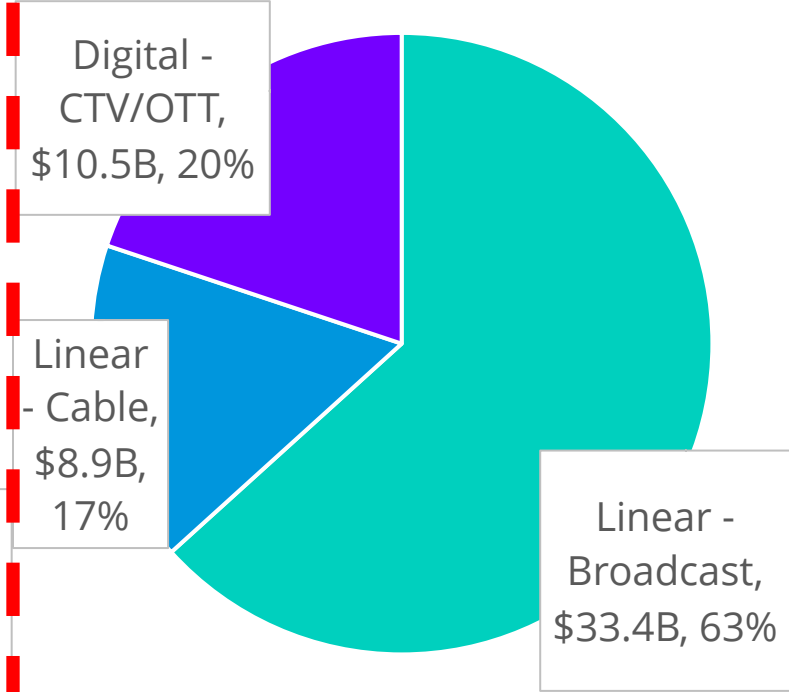
Nielsen Gauge (TV only):
January 2022




Local: \$32B



National: \$53B



Updated: 2022-Q1
Source: Nielsen, GroupM, eMarketer and internal



Big question #5: How many local video ad buyers are there in the United States?

Key assumptions

Spend per advertiser

- Local TV - **\$111,270** (Borrell)
- Local CTV/Mobile/Desktop - **\$21,600** (Borrell)

How many local video ad buyers are there in the United States?

		Ad \$	Advertiser #	\$/Advertiser
National	Broadcast/Cable	\$42B	250	\$170M
	CTV/Mobile/Desktop	\$20B	1,250	\$20M
Local	Broadcast/Cable	\$24B	214K	\$111K
	CTV/Mobile/Desktop	\$21B	951K	\$22K

Updated: 2022-Q1

Source: Borrell and Associates, GroupM, eMarketer and internal

Local has \approx 1M video advertisers

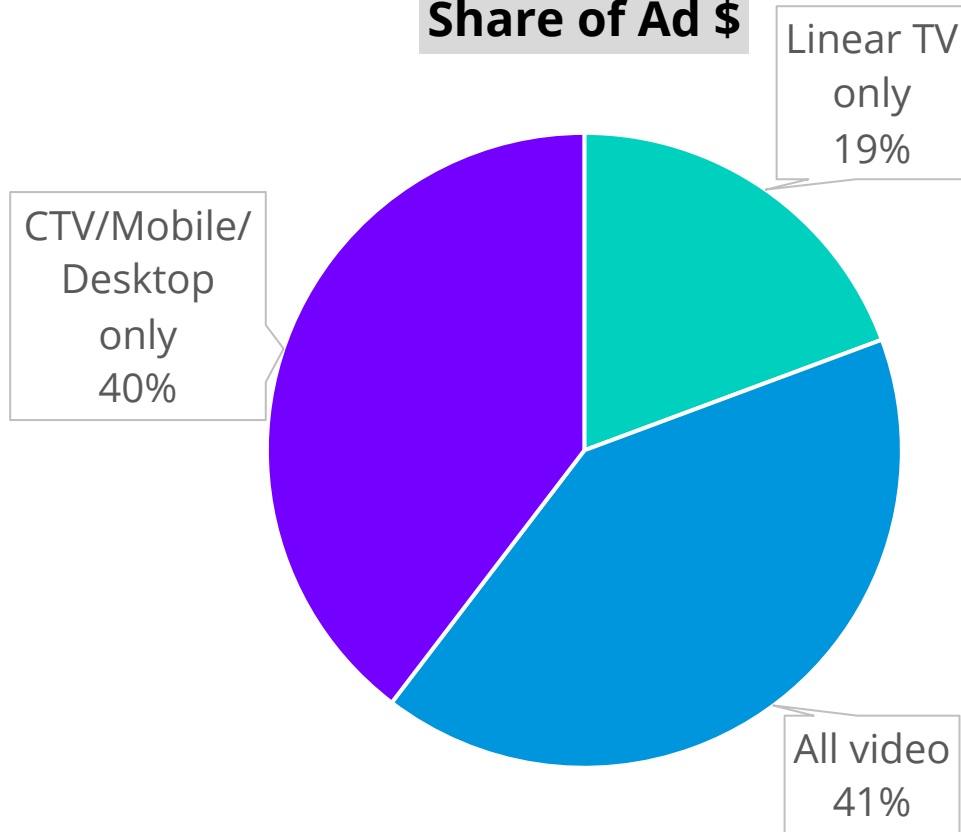
	Ad \$	Advertiser #	\$/Advertiser
Linear TV only	\$8.6B	77K	\$111K
All video	\$18.2B	137K	\$133K
CTV/Mobile/Desktop only	\$17.6B	814K	\$22K

Updated: 2022-Q1
Source: Borrell and

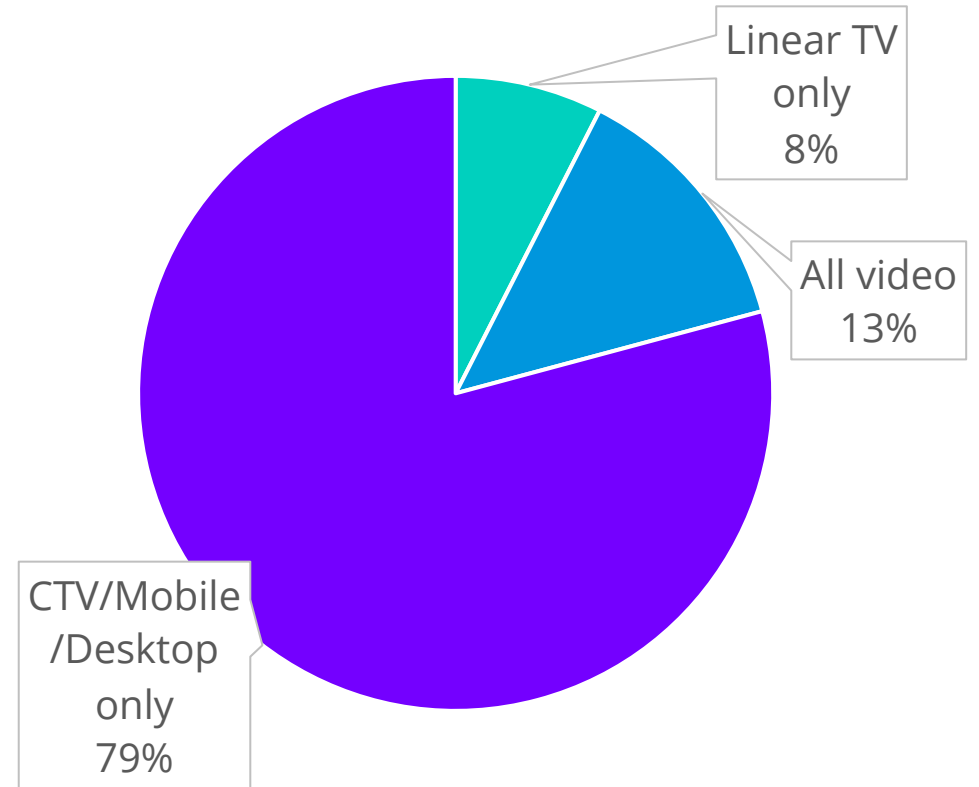
Key fact: Facebook had \approx 3M U.S. advertisers in late 2020!

Local cross screen buyers account for 13% of # and 41% of \$

Share of Ad \$



Share of Advertiser #



Updated: 2022-Q1

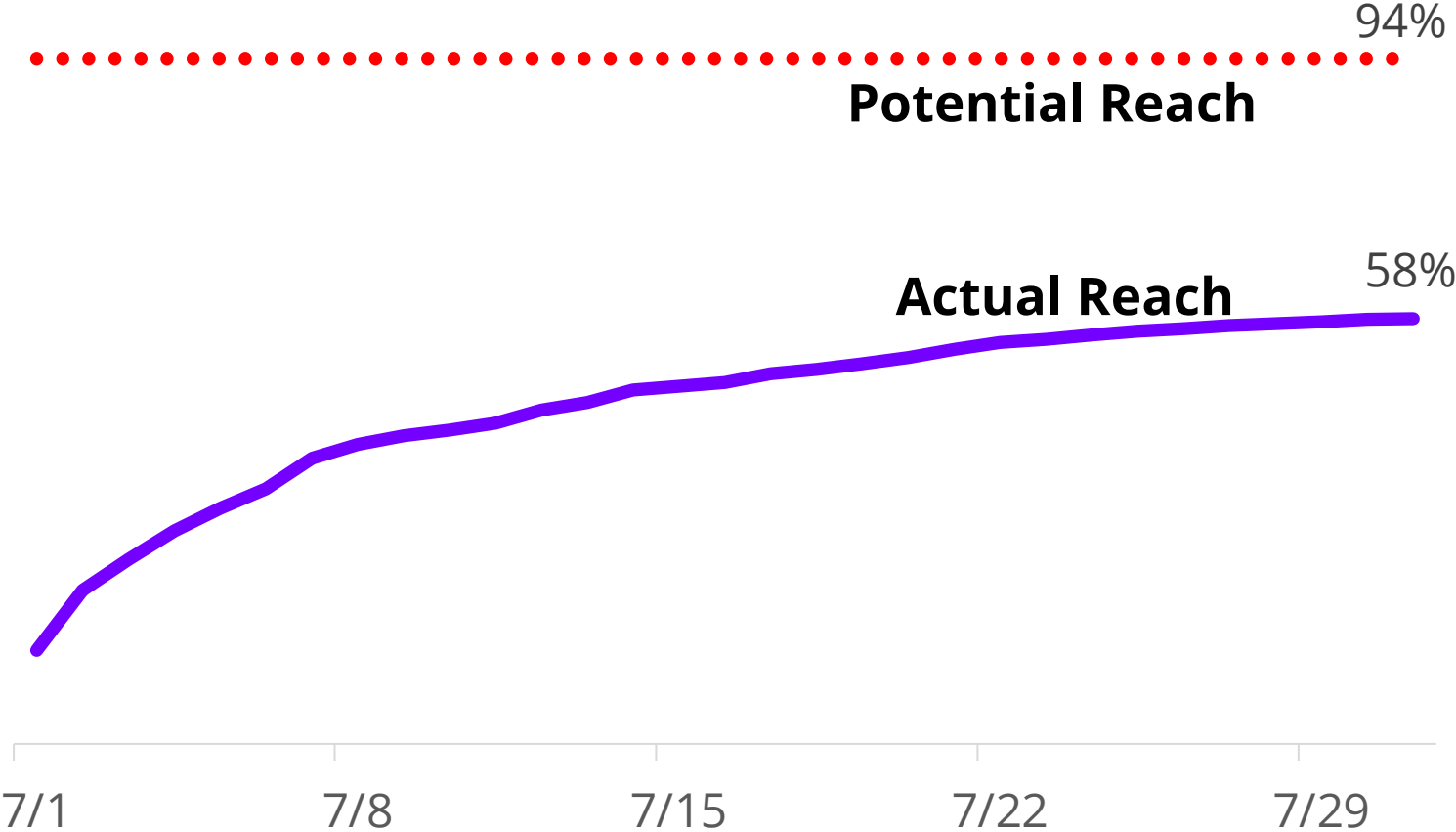
Source: Borrell and Associates, GroupM, eMarketer and internal



Big question #6: What are the biggest challenges for video ad buyers and sellers?

The quest for incremental reach

Actual vs. Potential Reach



Only **39%** of ad buyers are confident that they know the reach and frequency of their campaigns across screens.

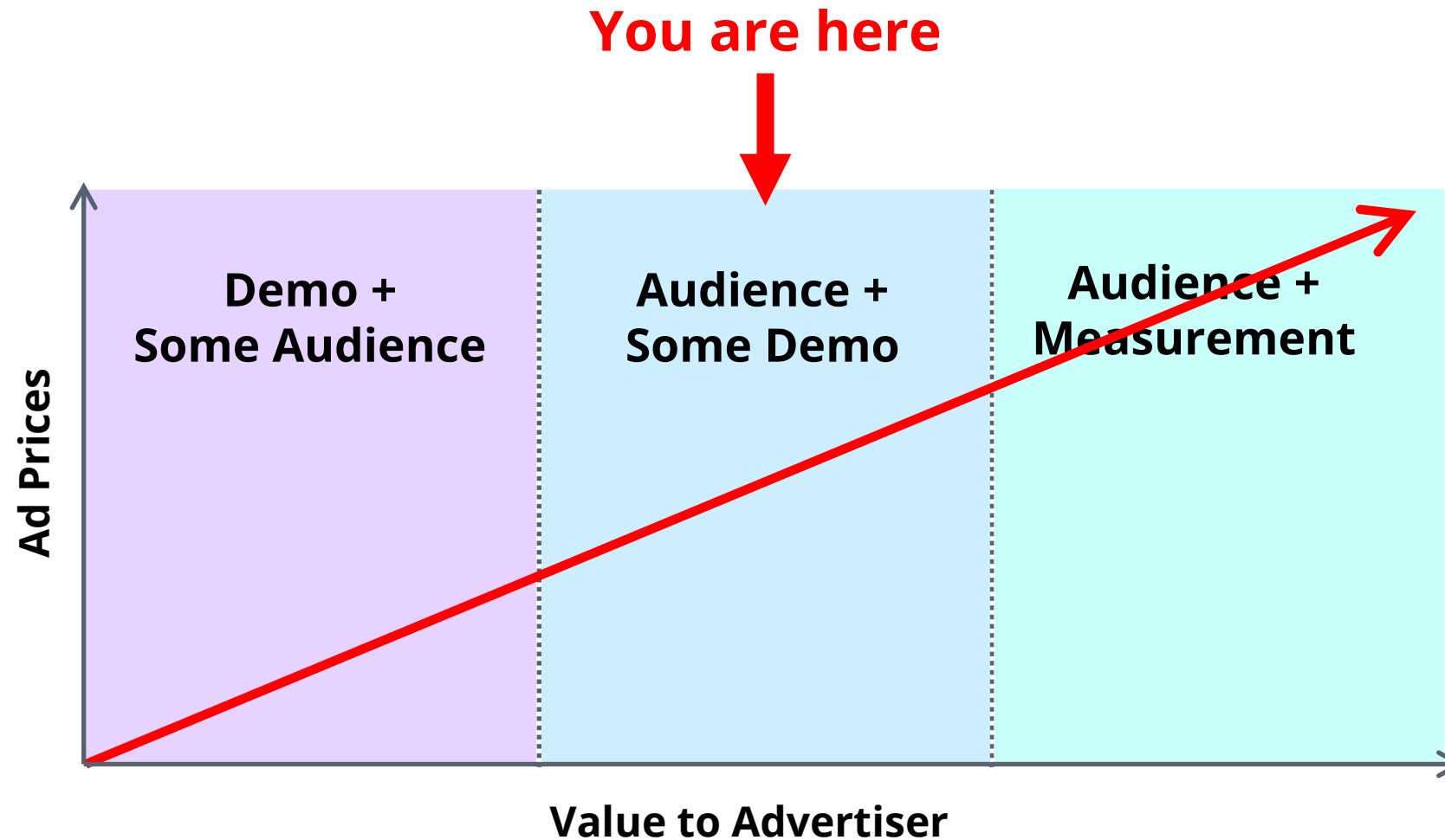
All local video advertisers are asking similar questions

1. How many of my targets can we reach on each screen type (broadcast, cable, streaming, etc.)?
2. Which networks/platforms (ABC, CNN, Roku, etc.) should we buy?
3. How many people did each screen reach?
4. How many targets did I miss?
5. What I can I do better the next time?



Big question #7: What does the future look like?

A Win for All Sides



Spoiler alert: Video ad CPMs are going to increase (by a lot)

Quick math:

1) Every **10%** shift in consumption from linear TV to streaming reduces total ad impressions by \approx **8%**

2) U.S. video market is projected to grow **23%** (**↑ \$31B**) by 2025

3) More ad \$ purchasing fewer impressions = higher CPMs