



Context is king:

Recapturing scale without sacrificing premium reach in CTV advertising



Given its digital nature, CTV has long been viewed as the inroad to audience-based targeting on the biggest screen in the house. A decade into the CTV revolution, it's not clear that the channel can deliver on the performance promise of the digital channels that preceded it—desktop, video, mobile. Brands know that CTV is where the most engaged audience is, but layering on precise user-targeting while also achieving scale has proven problematic.

U.S. ad spending across CTV will total \$26.6B this year, up more than 12% from 2024

-IAB's 2025 Digital Video Ad Spend and Strategy Report

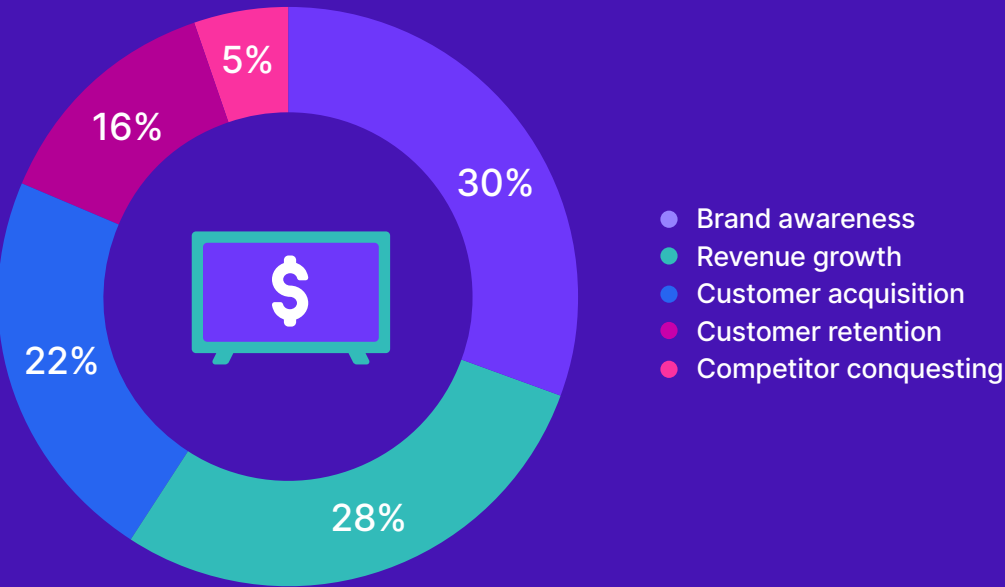
This year, the IAB expects CTV spending in the U.S. to rise 12%, pushing the annual total to more than \$26 billion. That level of investment, combined with the knowledge that CTV is more than just a performance-marketing channel, highlight the need for advertisers and agencies to elevate their strategies from user-oriented, bottom-of-the-funnel strategies to those that embrace what TV has always been: a storytelling medium. This is particularly true now that we spend more time with CTV than traditional live TV¹.

¹In Q1 2025, time spent with CTV accounted for 48% of U.S. viewers' time; time with live TV accounted for 46%; Nielsen Audience Insights Data (Nielsen NPOWER, Nielsen Media Impact)



User-based targeting is great for delivering performance, but consumers don't watch TV ads the way they watch ads on social media. Perhaps more importantly, marketers are already looking to CTV to build their brands. Specifically, a recent Gracenote CTV advertising survey found that associates in the U.S. with oversight of their companies' media spending rank brand awareness as their top objective with respect to their CTV spending. Customer retention, which typically leans on performance marketing, ranks a distant fourth.

Brand awareness is a top objective for CTV spending



Read as: 30% of respondents say brand awareness is the most important objective for their CTV ad spend.
Source: Q2 2025 Gracenote CTV advertising survey



Through the lens of their top objectives, it's clear that marketers want to use CTV for more than just lower-funnel marketing. The downside here is that they haven't adapted their strategies to reach the broader audiences they're looking to engage, which is limiting their returns.

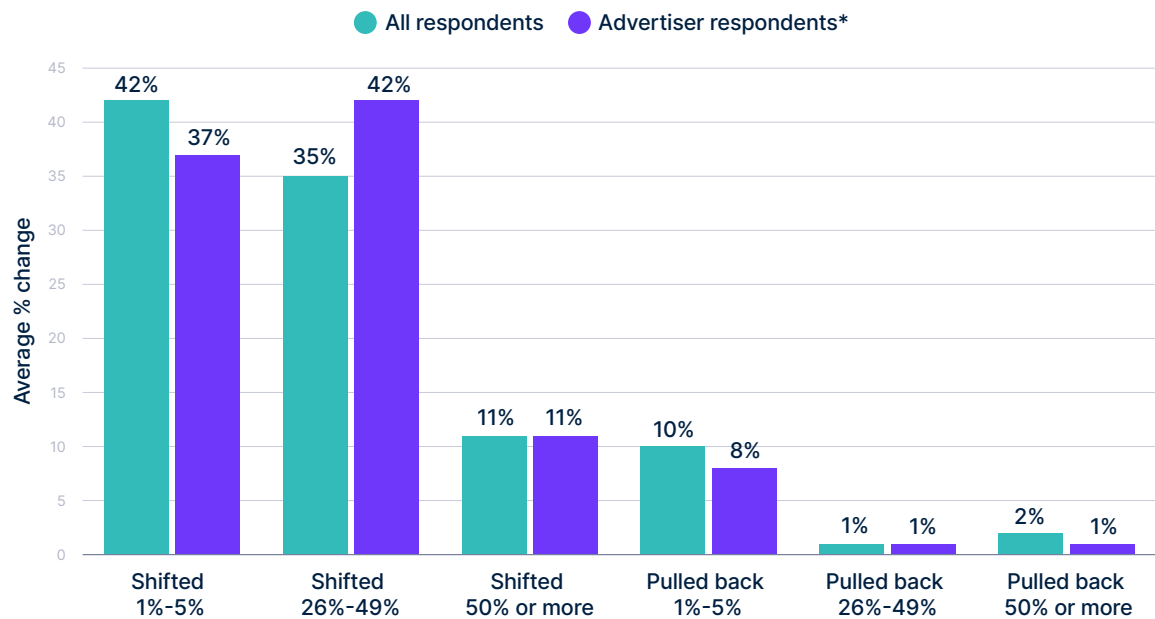
For success on the road ahead, marketers should be complementing their audience-based strategies with initiatives that engage people who aren't already customers. That means focusing on what people are watching in addition to who's doing the watching. This will help marketers better meet their top objectives and achieve the scale that audience-based targeting can't deliver on its own.

Increasing ad spend hasn't improved CTV effectiveness

In step with IAB's forecast, brand and agency respondents in Gracenote's recent CTV advertising survey say CTV has grown in importance as a paid media channel, with nearly 46% saying they've moved 26% or more of their budgets to CTV over the past three years. Among brands across four key industries (financial services, retail, tech, health care), that percentage rises to more than 52%.

The growing importance of CTV as a paid media channel

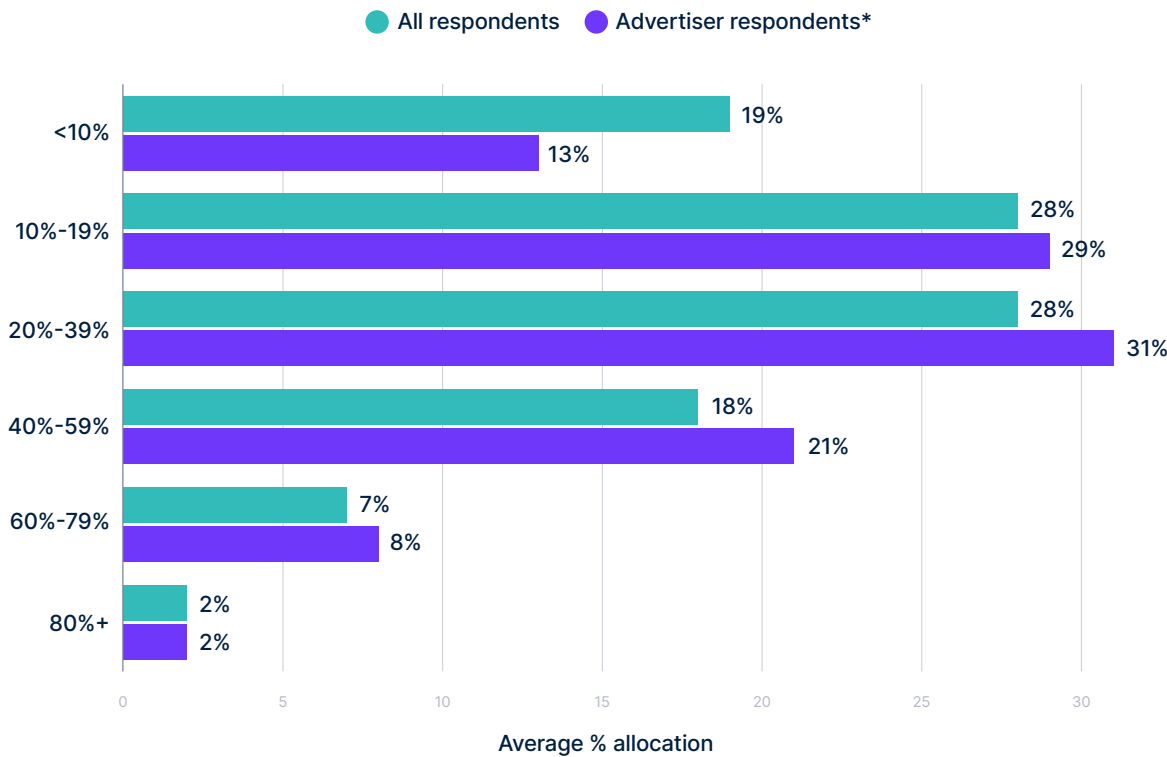
CTV spending allocations have increased over the past three years



*Financial services, retail, technology and health care brands.
Read as: 42% of respondents have shifted between 1% and 25% of their paid media budgets to CTV over the past three years.
Source: Q2 2025 Gracenote CTV advertising survey

As a result, CTV is now a dominant channel for advertising dollars. In fact, 27% of respondents say they now allocate 40% or more of their total budgets to CTV. Across financial services, retail, tech and health care, that percentage rises to 31%.

Allocation of total media spend to CTV



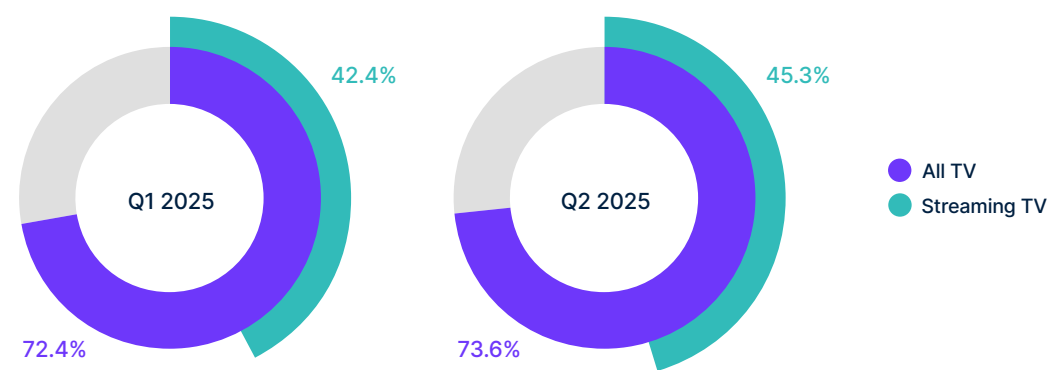
*Financial services, retail, technology and health care brands.
Read as: 19% of all respondents allocate less than 10% of their media budgets to CTV.
Source: Q2 2025 Gracenote CTV advertising survey

Ad-supported content accounts for more than 45% of streaming viewership

-Nielsen's The Gauge; Q2 2025

From a business perspective, the growing focus on CTV as a paid media channel isn't just reflective of shifting audience behaviors; it's reflective of shifting business models. Even with streaming now accounting for more time with TV than traditional broadcast and cable combined², the majority of what audiences are watching is ad-supported—a trend that's even growing across streaming services.

Ad-supported TV is back in fashion

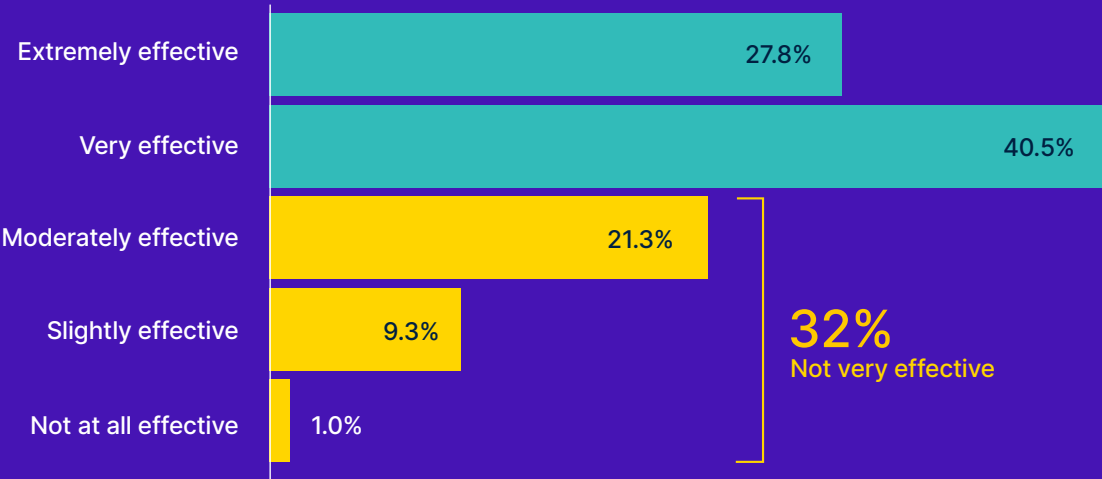


Source: Nielsen's The Gauge

As a well-rounded media channel, however, CTV has yet to deliver on its full potential. The biggest culprit here is a lack of insight into whether ads reach their intended audience—the most notable challenge cited by survey respondents. As a result, many are still on the fence about whether CTV is an effective avenue for their media spend—despite their increasing investments.

² In July 2025, streaming accounted for 47.3% of TV time, while broadcast and cable accounted for a combined 40.6%; Nielsen's The Gauge

Perceived effectiveness of CTV ad spending



Read as: 27.8% of respondents consider their CTV ad spending to be extremely effective.
Source: Q2 2025 Gracenote CTV advertising survey

Consumption of new media is growing fast, but it hasn't proven as profitable as legacy media have

-McKinsey & Co., June 2025

Ad strategies need to adapt to the CTV environment

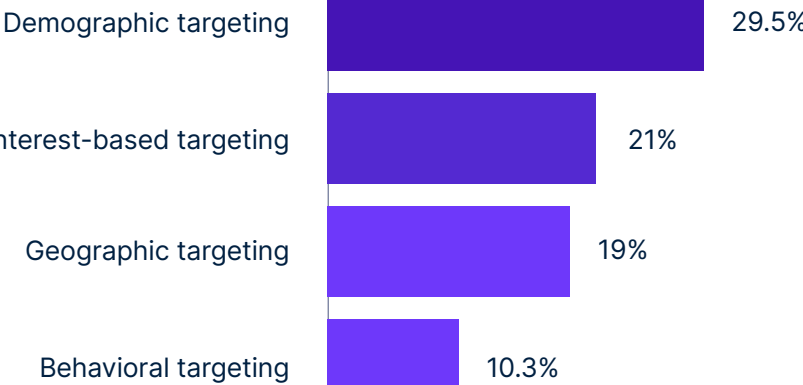
The lack of insight into who sees ads stems from a mismatch between advertising strategies and the CTV landscape. CTV offers marketers a wealth of personalization opportunities, but it puts significant limitations on the ability to scale. Through this lens, it makes sense that heavily favored audience-based strategies aren't delivering for advertisers.

Given the intricacies and fragmentation of the CTV landscape, advertisers and agencies should be broadening their aperture and focusing on content-level advertising as well. That's the bedrock of scalable advertising.

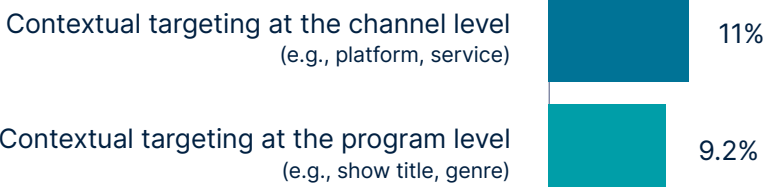


Marketers prioritize audience targeting in CTV advertising

Audience-based targeting



Content-based targeting



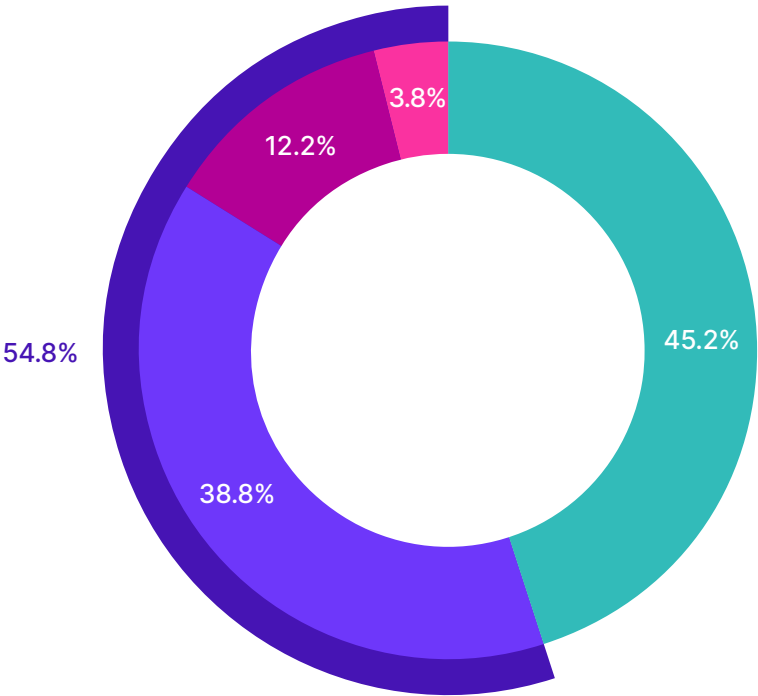
Percentages reflect the importance of each targeting approach among survey responses, with 29.5% saying that demographic targeting is the most important.
Source: 2Q 2025 Gracenote CTV advertising survey

The role of contextual content data in CTV advertising

Contextual targeting isn't new, nor is it difficult, but it's not being used in CTV. Some of that likely reflects only moderate awareness among marketers, as only 45% of respondents in Gracenote's CTV advertising survey say they're very familiar with it.

Familiarity with contextual advertising

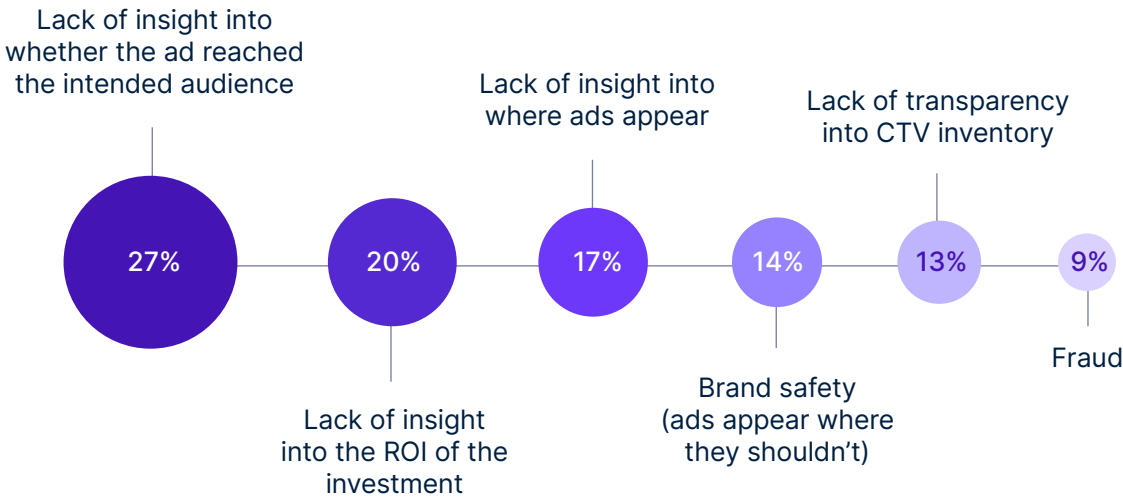
Very familiar Somewhat familiar Vaguely familiar Not familiar Not very familiar



Source: Q2 2025 Gracenote CTV advertising survey

Given the content transparency that contextual signals can provide, advertisers and agencies should be leveraging them as a way to minimize some of the key challenges they're facing, many of which are specific to content.

Top challenges in CTV advertising



Read as: 27% of respondents say a lack of insight into whether ads reach their intended audience is their top challenge in CTV advertising.
Source: Q2 2025 Gracenote CTV advertising survey

And while marketers say not knowing if their ads reach their intended audience is their top challenge in CTV advertising, content metadata about individual programs and movies can help align their messaging with content they know appeals to their audiences. Knowing that a program, for example, has a TV-MA rating, includes adult language, has a gritty mood and has subject matter that involves arms trafficking would be helpful information from a brand suitability standpoint.

This level of information is particularly relevant in light of how much CTV advertising is handled programmatically. Here, content metadata can provide programmatic platforms the necessary contextual signals needed to inform specific buying and selling decisions.

Given the expansive nature of the CTV landscape, however, metadata is often incomplete or lacks consistency. In these situations, programmatic platforms don't have the information they need to make informed buying and selling decisions. This is a major pain point for marketers, as nearly 70% of the respondents in Gracenote's CTV advertising survey say a lack of standardization and unification is at least a modest challenge when developing CTV campaigns and assessing their results.

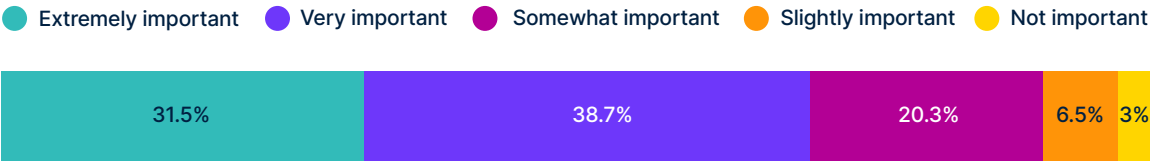
85% of CTV buys are purchased programmatically

-The IAB's 2025 Digital Video Ad Spend and Strategy Report

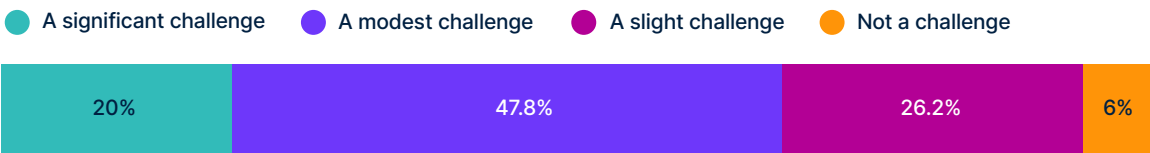
For brands and agencies, the presence of standardized and uniform content metadata has a significant impact on confidence in CTV ad planning as well as spending. In fact, more than half of the respondents in Gracenote's Q2 2025 CTV advertising survey say standardized and uniform content metadata would justify more CTV advertising dollars.

Standardized and unified content metadata

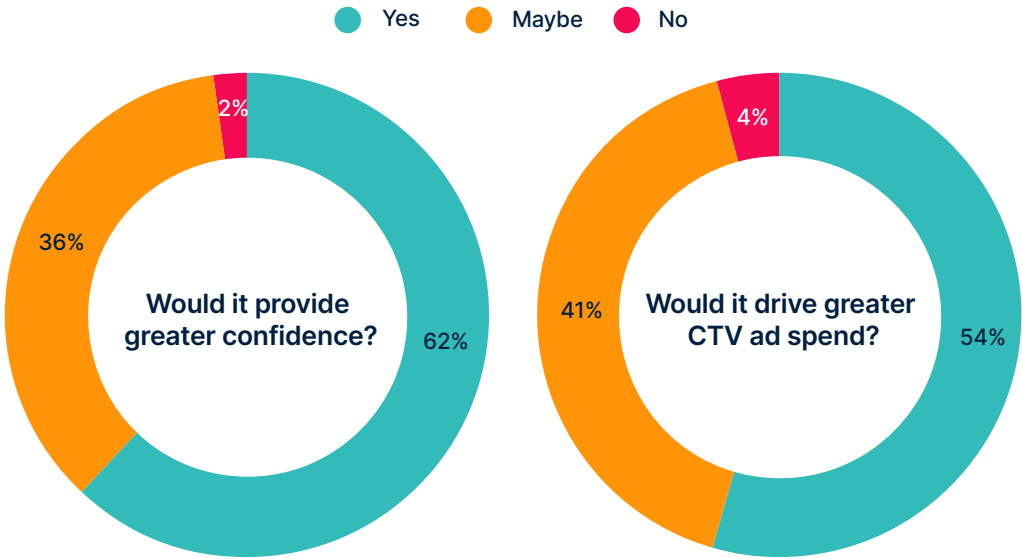
How important is it?



How challenging is its absence?



Read as: 31.5% of respondents say standardized and unified metadata is extremely important in CTV advertising.



Read as: 62% of respondents say standardized and unified metadata would provide more confidence in CTV ad planning.
Source: Source: Q2 2025 Gracenote CTV advertising survey

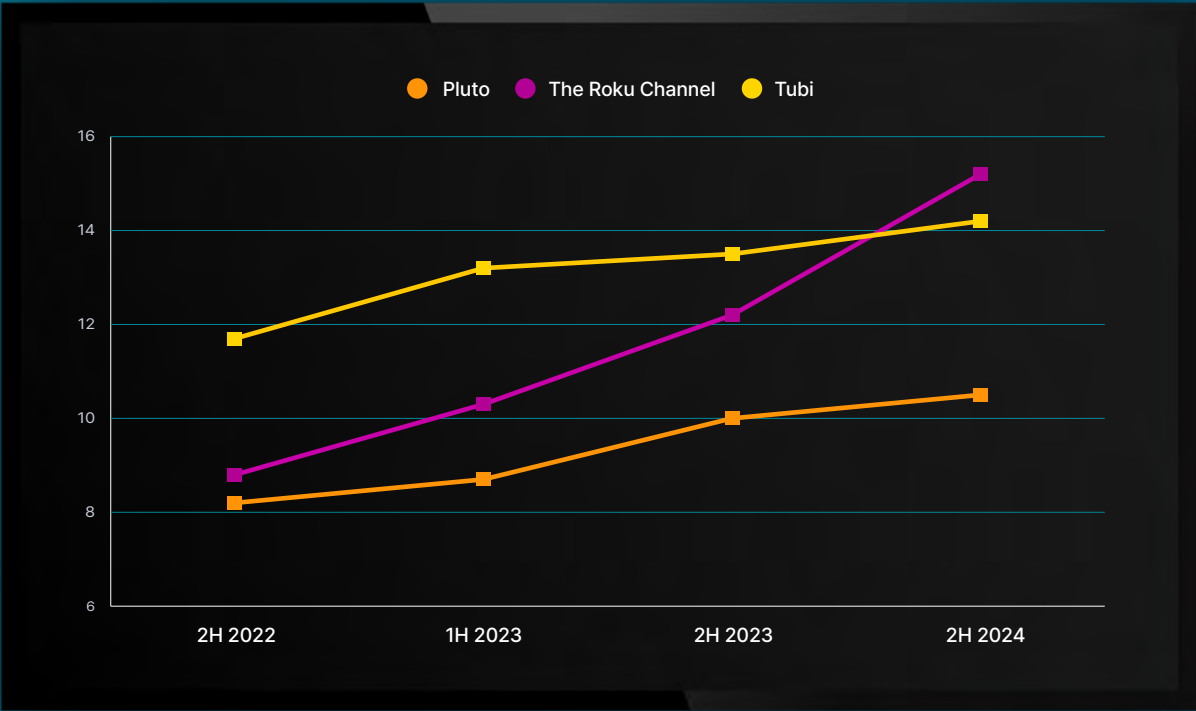
Channel spotlight: FAST channels

Among the premium content options driving CTV engagement, respondents in Gracenote’s CTV advertising survey express the most interest in free ad-supported television (FAST). The interest is well founded, given the significant increase in new content and growing viewer engagement.

As of July 2025, Gracenote tracked nearly 1,850 active FAST channels that distribute more than 182k TV shows, movies and sports programs. And with 50% of the content available having been produced in the last five years³, audience engagement is rising.

Compared with the content on subscription streaming services and vMVPDs⁴, the content on FAST channels has, on average, less-robust metadata associated with it. In addition to hindering search and discovery experiences for viewers, missing or inaccurate metadata in video content on FAST channels inhibits content transparency in programmatic ad transactions.

FAST usage is rising among U.S. viewers



Percentages represent usage among people 18+ over the past 30 days.
Source: Nielsen Scarborough USA+

***Pluto TV, Tubi and The Roku Channel
accounted for 5.7% of total TV usage in May
2025, up nearly 36% from the previous year***

-Nielsen’s The Gauge; Q2 2025

³ Gracenote Global Video Data, July 2025
⁴ Virtual multichannel video programming distributors (e.g., Sling TV, YouTube TV, fuboTV)
9 | Copyright © 2025 The Nielsen Company (US), LLC.

It’s doubtful that programming would make its way into a service without critical content information, but the presence of metadata doesn’t guarantee its accuracy, uniformity or interoperability across other platforms.

A recent sample of sports programming shared by Rain the Growth Agency highlights the lack of standardization and uniformity across the ecosystem. In the sample of 28 sports programs, only eight included information for “content title”: three cited “tv” in this field, while five provided details about individual teams competing in MLB games.

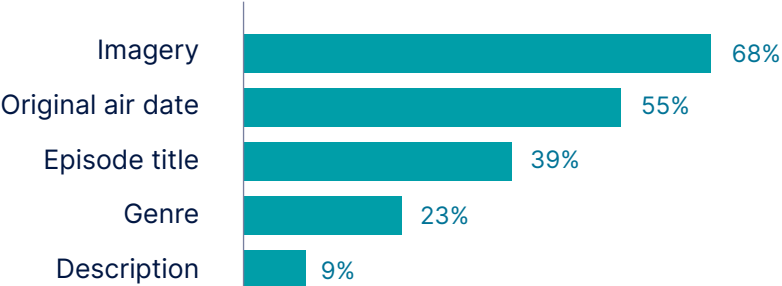
This small sample highlights an even bigger gap: missing metadata, which is more common across FAST channels than vMVPDs and SVOD services. It’s also one of the primary challenges advertisers and agencies cite with respect to CTV advertising.

55% of sports programs on FAST channels lacked original air date information before metadata enrichment

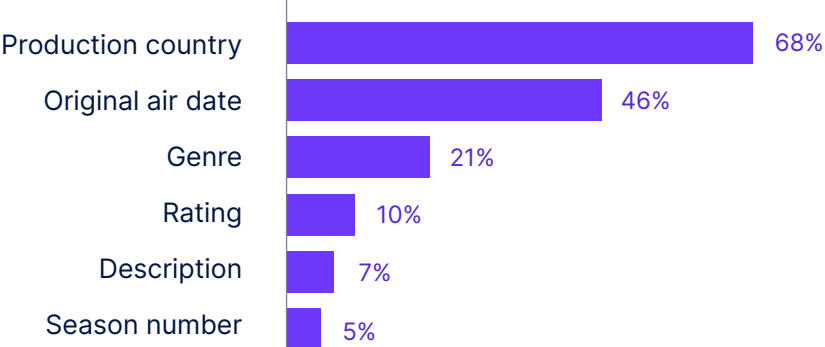
Content transparency is especially critical for live sports events and TV show premieres. Original air date information, however, is frequently absent from sports programming on FAST channels, which limits insight into whether a game is live or not. Among sports programs airing between mid-July and mid-August, for example, 55.4% were missing original air date information before metadata enrichment.

Missing metadata in content on FAST channels

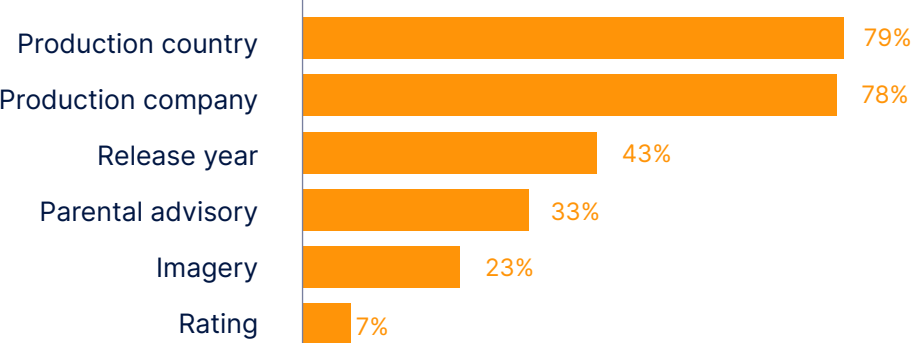
In sports programming



In TV shows



In feature films



Source: Gracenote Video Data

While knowing that a sports program is a live competition is key, knowing that it's a team event, which teams are playing and whether the competition is a special event (playoffs, finals, exhibition) is extremely important for advertisers. And knowing what we know about metadata consistency, this is where the combination of metadata and TV listing information becomes game-changing in CTV advertising. For example, TV listing data distinguishes an MLB game between the Los Angeles Dodgers and the San Francisco Giants from the Liga MX soccer match between Santos Laguna and Pumas UNAM, both of which aired live on FAST channels on July 12, 2025.

TV listing data provides transparency in CTV advertising

Schedule data distinguishes two sports events happening on the same day



Team Event
Fútbol Mexicano Primera División
Santos Laguna vs Pumas UNAM

July 12, 2025 | 120 min | English

New | CC | Stereo | HDTV | Live | HD 720p

Genre: Soccer
Description: TSM Corona Stadium



Team Event
MLB Baseball
Los Angeles Dodgers at San Francisco Giants

July 12, 2025 | 180 min | English

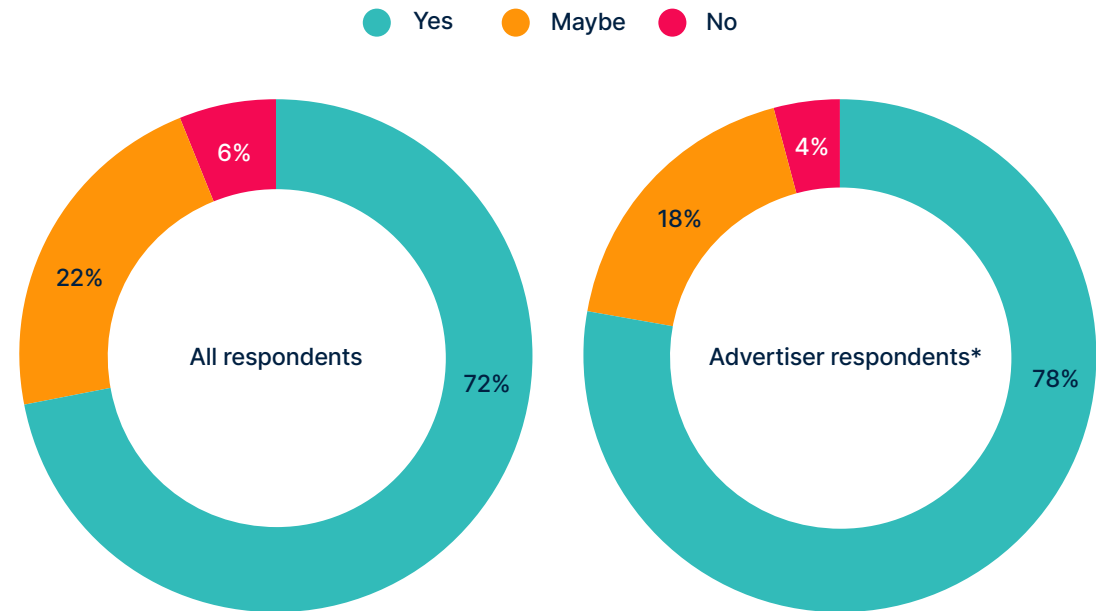
New | CC | Stereo | HDTV | Live | HD 720p

Genre: Baseball
Description: From Oracle Park

As with complete and normalized metadata, the respondents in Gracenote's CTV advertising survey overwhelmingly agree that TV schedule information would be helpful in CTV ad planning and investing. This sentiment is higher across financial services, retail, tech and health care advertisers.

TV schedule data

Would it be helpful in planning and investing across CTV?



*Financial services, retail, technology and health care brands.
Read as: 72% of all respondents say the inclusion of TV schedule information in CTV inventory would be helpful in ad planning and investing.
Source: 2Q 2025 Gracenote CTV advertising survey

In closing

To date, much of the buzz about CTV has been somewhat overshadowed by the persevering dominance of traditional TV. Those days are now behind us, as time spent with CTV eclipsed traditional TV viewing in Q1 2025. Brands and agencies haven't focused on the brand building opportunities therein, however, largely because of the allure of addressable performance in the living room.

The nuances and challenges of the CTV landscape are worth noting here, including the fragmentation of IDs across the ecosystem and a scarcity of inventory (compared with other digital channels). But the pitfalls associated with having too much of an existing customer focus are well documented, including the fallout at Nike reported last year following the company's 2020 DTC pivot.

Despite the addressable nature of CTV, approaching this channel with overly addressable engagement approaches excludes anyone who isn't already in the funnel. That inhibits future growth and long-term business vitality. Marketers are looking to CTV for brand building, but to capitalize, they'll need to embrace the reality that what people are watching is just as important as who's watching.

With this mindset, contextual-based parameters have a role to play in brand building across CTV. And if advertisers start to leverage contextual signals in their CTV campaigns, they're likely to find that the scale they've been looking for has been there all along.





Data sources

Gracenote's Trends in CTV advertising survey

This report leverages survey responses from U.S. brand and agency associates with influence or oversight of marketing and advertising spend. Respondents work across a variety of industries and have titles of director and above. Industries of focus included media and entertainment, telecom, retail, financial services, automotive, CPG and health care/pharmaceutical. The survey was conducted online and was fielded July 10-20, 2025. The report data reflects the responses from a total of 600 respondents.

Gracenote Global Video Data

Gracenote Video Data provides comprehensive TV show and movie metadata covering titles, descriptions, genres and more across 80+ countries and territories in 70+ languages. Gracenote provides detailed TV listings data for 75,000+ linear channels, nearly 2,000 FAST channels, along with availability for 260+ streaming catalogs.

The Gauge™

The Gauge is Nielsen's monthly snapshot of total broadcast, cable and streaming consumption that occurs through a television screen, providing the industry with a holistic look at what audiences are watching. The data for The Gauge is derived from two separately weighted panels and combined to create the graphic. Nielsen's streaming data is derived from a subset of Streaming Meter-enabled TV households within the National TV panel. The linear TV sources (broadcast and cable), as well as total usage are based on viewing from Nielsen's overall TV panel.