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June 2021

Connected TV in Europe and the US

Connected TV: General Information

The current television industry is immersed in a transformation as deep as it is gradual. The advertising power of traditional television or Linear TV is based on two fundamental pillars: the reach to mass and general audiences and in its indisputable abilities in branding. However, audiovisual consumption habits are changing at such a rapid pace that brands and advertisers cannot ignore the advertising implications linked to the development of Connected TV.

The advertising ecosystem of Connected TV includes the ad spots that appear on screen when the television is projecting content through internet connection. This can be achieved through the mechanism built into Smart TVs, a streaming device (Chromecast, for example), video game consoles, or OTTs (over-the-top), audiovisual content platforms such as Netflix or YouTube.

Market Penetration of Connected TV

Country	Monthly Output
UK	50 Million
Germany	17 Million
France	18 Million
Italy	9 Million
Spain	12 Million



Market: UK

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UK

UK CTV audiences are among the most developed in Europe. There are key market enablers to support CTV's high viewing levels, such as fast and general access to broadband, which Statista measured at 79% in 2019, as well as increased consumer awareness.

Smart TV penetration is higher than the European average, at 1.41, and consumers show a preference for the enhanced user experience that CTV offers, making viewing easier.

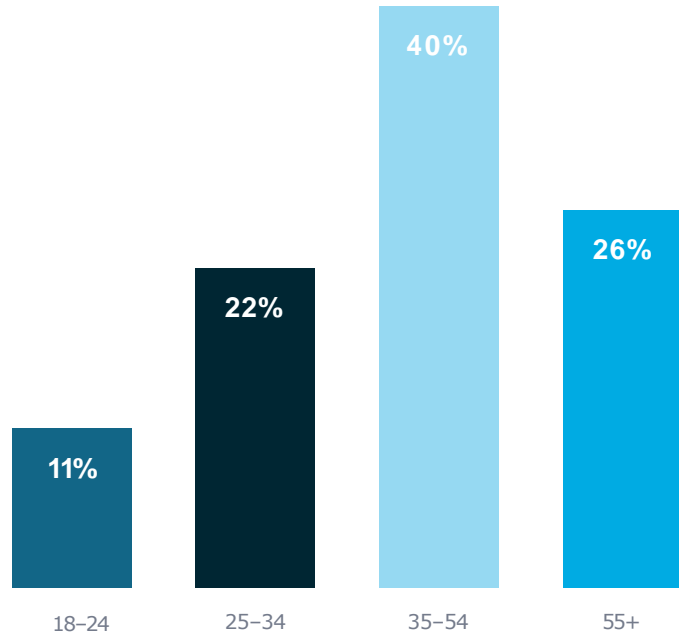




Identifying CTV Viewers in the UK

The CTV has been embraced with excitement by all age and socio-economic groups in the UK. The British audience is very diverse and watches CTV regularly.

The CTV has a national scope. Geographic location nor household income influence CTV viewing behaviours.



All UK regions agree that the main reason they watch CTV is the flexibility to access content whenever they want to, without relying on traditional linear programming.

49% **Daily viewers**

60% **State that they watch CTV as the main way to watch TV.**

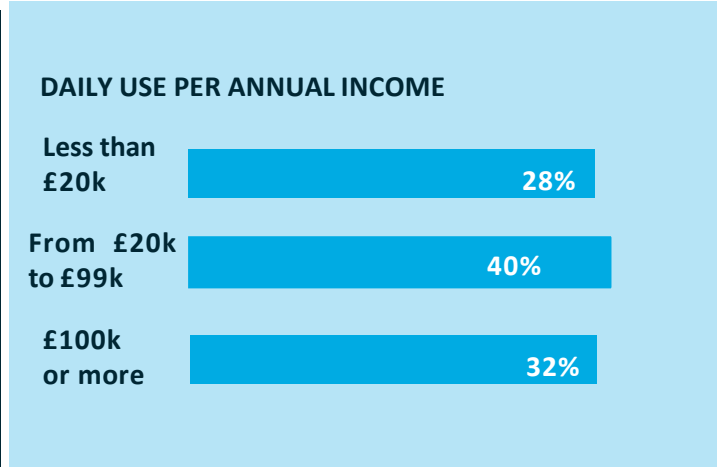
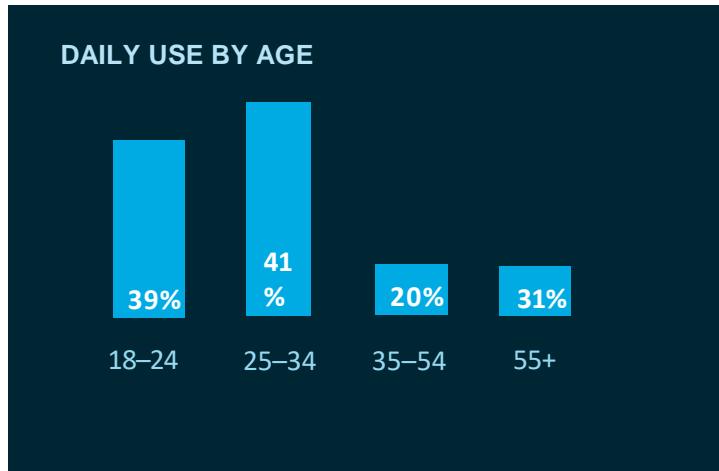
73% **Watch live programming regularly (at least several times per week)**

Drama, comedy, and thrillers are the favourite genres.

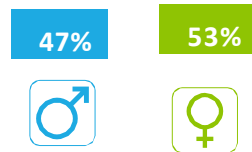


When and How Often it is Watched

British audiences have made watching CTV a habit, as 69% of those who took the survey claim to watch the CTV several times a week or daily. Additionally, 60% say they watch CTV at least half of their total television time.



DAILY USE BY GENDER



MASCULINO FEMENINO



Market: Germany

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Alemania

German consumers have been somewhat slower to change their television habits compared to their European counterparts. Free-to-air linear programming continues to be popular, especially among older generations.

At the beginning of the new decade, data indicates that consumer behaviour is evolving, allowing a clear path towards increasing the audience for digital television.

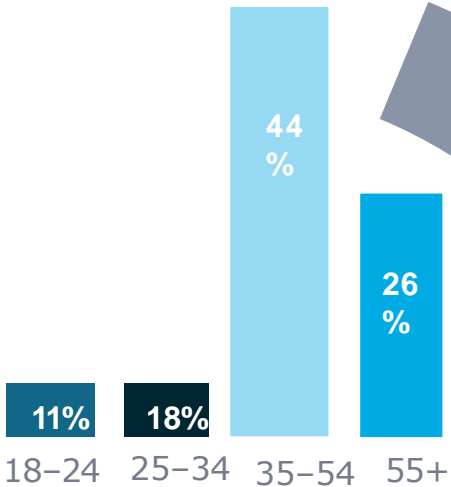


CTV Audience in Germany



German audiences are slightly less likely to view ad-supported content than other European audiences. However, they are the least prone to multitasking while watching television, making them the most focused and engaged European audience.

There is a clear generational divide in the way Germans consume television content. It is seen more frequently by younger audiences, with 59% of people between the ages of 18-24 watching CTV on a daily basis, compared to only 25% of those 55 and older. Income is not an obstacle for CTV consumption, as those with a lower salary watch CTV content more regularly.



- 38% **Daily viewers**
- 53% **State that they watch CTV as the main way to watch TV.**
- 58% **Rarely do anything else while watching TV**

Thriller, action and documentaries are their favourite genre

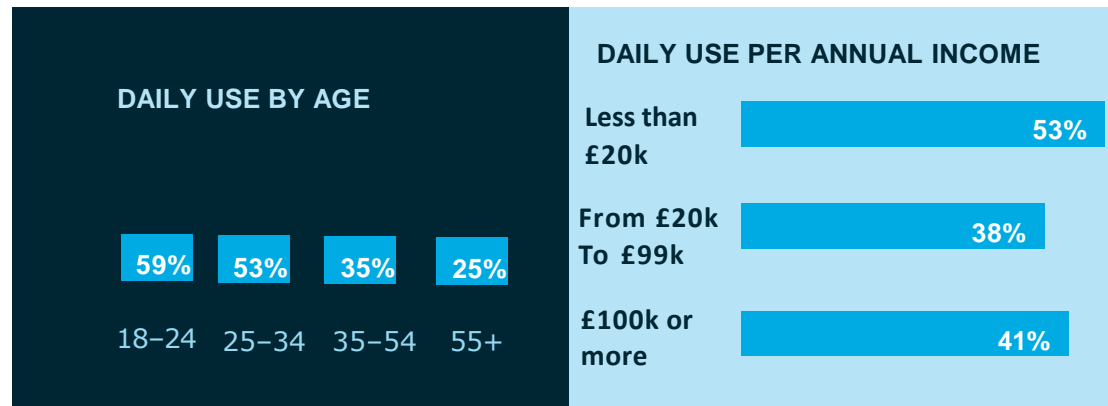




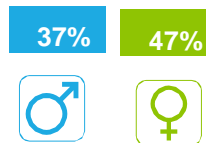
When and How Often it is Watched

53% say they watch CTV more than half of their total television time. Just like in the UK, 28% mentions flexibility as the main reason for watching CTV, a direct response to the set schedule of linear TV. Another 17% point to variety as the most attractive aspect.

Once the German public experiences the benefits of watching CTV, they tend to prioritise it. We see that the majority (82%) of those who view CTV regularly watch it at least several times a week or daily, illustrating how those welcoming new technology quickly become regular users.



DAILY USE BY GENDER



MALE FEMALE



Market: France

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France

There are several factors that have slowed down the large-scale use of CTV in France, making it unique compared to the rest of Europe. Historically, CTV services have taken a back seat to the integrated IPTV distribution system. Strict legislation prohibited targeted advertising alongside linear television, and traditional household structures meant that many consumers only viewed content within the ecosystems of operator-managed encoders, managed by the operator at a set time.

Today, broadcasters' investment in CTV has increased with platforms creating user-friendly experiences that have encouraged viewers to adjust their viewing habits. As audiences learn about the benefits, they become viewers of CTV.

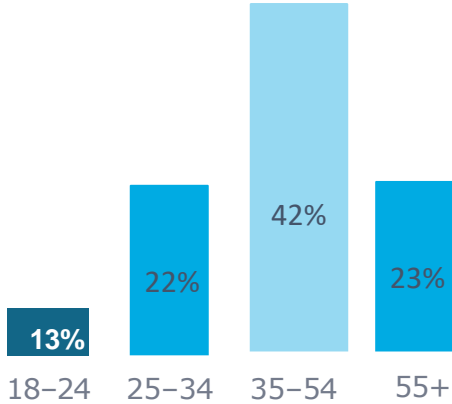


CTV Audience in France



The French public has embraced CTV as more French language programming has been introduced. In general, the French public appreciates the free content that is supported by advertising.

French CTV viewers come from a representative sample of society, with a fairly homogeneous adoption in terms of income, gender, and household size. Income is not an obstacle to watching television.



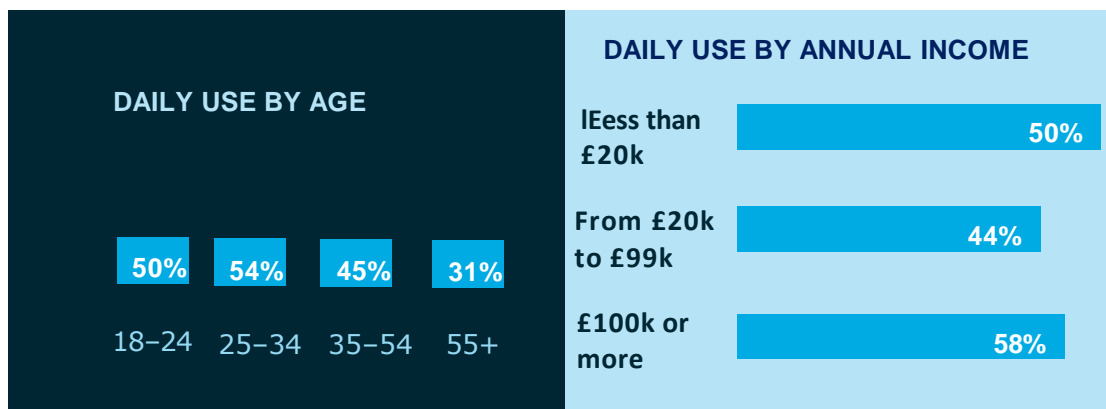
- 45% Daily viewers
- 54% State that they watch CTV as the main way to watch TV.
- 48% Of CTV homes have children

Action, comedy and crime are their favourite content

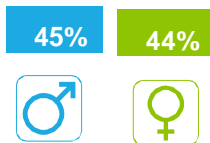
When and How Often it is Watched

More than half (54%) watch digital TV content at least half of their total TV time, illustrating their preference over traditional linear TV. In the 25-34 age group, this percentage increases to 64%.

French viewers also show a preference for viewing content with other people: 60% watch CTV content with someone, while only 25% watch it alone.



DAILY USE BY GENDER





Market: Italy

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Italy

Initial implementation of CTV by consumers in Italy was slow due to low penetration of broadband and smart TV.

However, significant investments have been made throughout the ecosystem to address this situation and turn CTV into a new source of income for networks and advertisers.

Today, Italian viewers have integrated CTV into their regular television habits and have proven to be some of the most advanced viewers in Europe.

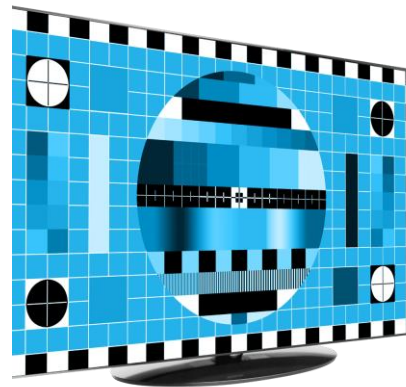
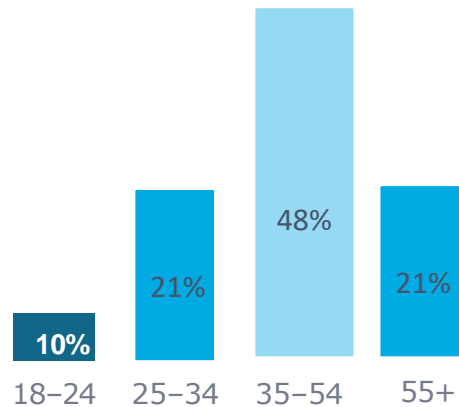


Identifying CTV Viewers in Italy



Italian television audience tends to watch it frequently and in the company of other people, and has a wide variety of interests.

They are more likely to view content than any other European market.

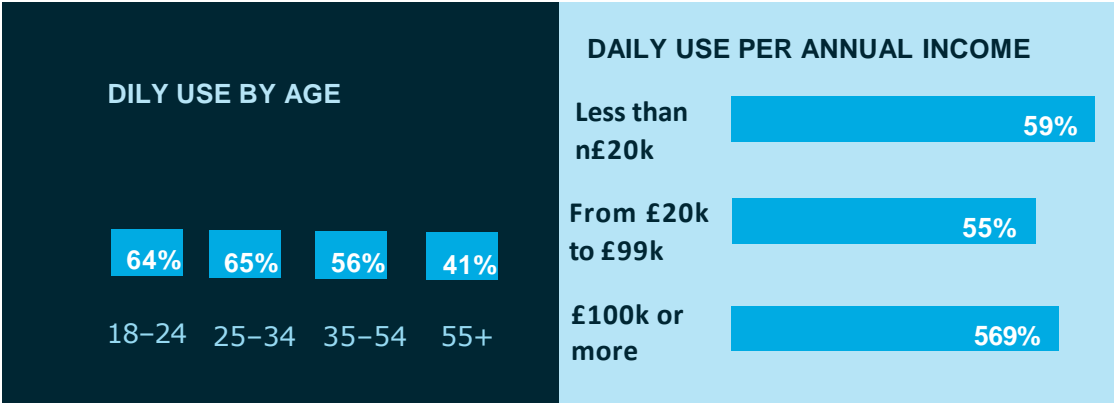


- 55% **Daily viewers**
- 56% **State that they watch CTV as the main way to watch TV.**
- 65% **prefer ad-supported programming to paying for ad-free content**

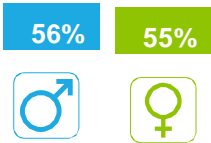
Action, comedy and thriller are their favourite genres

When and How Often it is Watched

55% of Italian CTV audience spend more than half of their total television time on a connected TV. Also, 55% view CTV content on a daily basis.



DAILY USE BY GENDER



MALE FEMALE



Market: Spain

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Spain

The demand for Internet television has been high in the Spanish market since its creation.

In the last three years, the investment of the main broadcast television networks has satisfied this demand and provided audiences the opportunity to broaden their view of television.

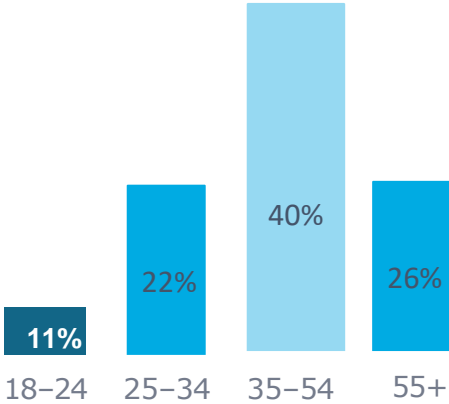
CTV penetration and awareness have grown considerably since 2017 and Spanish audiences and advertisers are taking advantage of the mature format.





Identifying CTV Viewers in Spain

The Spanish public is the most prolific consumer of CTV content, viewing it more frequently than any other European market. They are also the most likely to watch content in company: only 18% of Spanish viewers usually watch it alone.



- 65% **Daily viewers**
- 59% **State that they watch CTV as the main way to watch TV.**
- 44% **They regularly broadcast live sports, more than any other market.**

Action, comedy and science fiction are their favourite genres

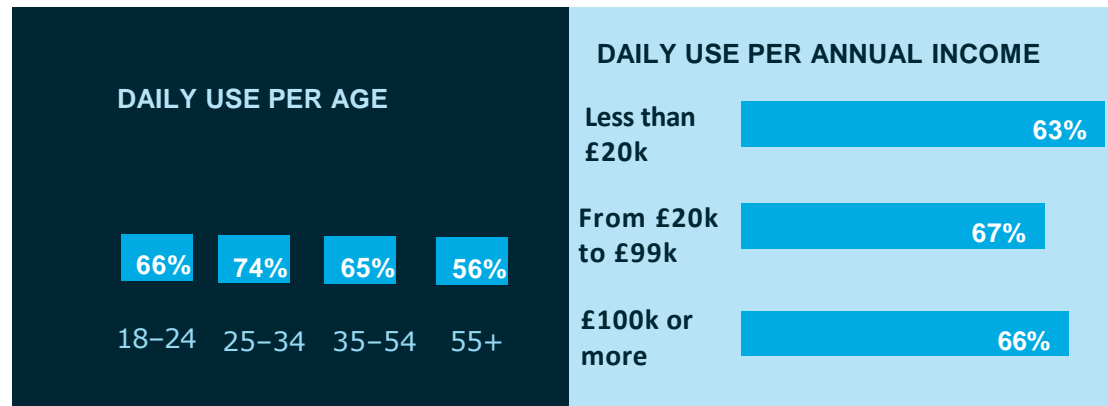


When and How Often it is Watched

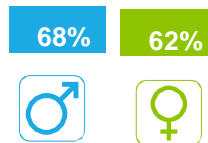
The Spanish audience watches CTV more frequently than the European average. 65% watch CTV on a daily basis, compared to an average of 50% of viewers across Europe.

Flexibility is key, as 28% of viewers say it is the reason they choose CTV, while 15% view it because they prefer to watch digital video content on large screens associated with CTV.

Finally, 63% watch streaming television because their favourite shows or movies are not available on traditional television.



DAILY USE PER GENDER

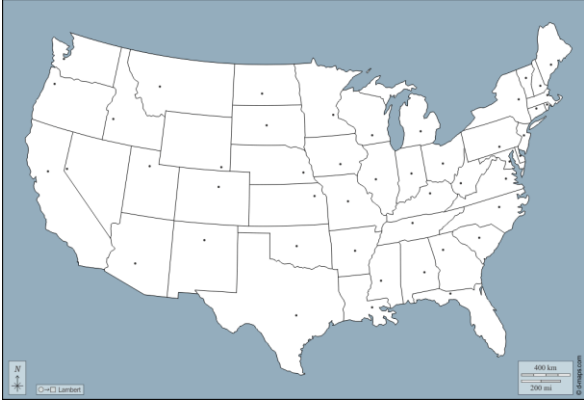


MALE FEMALE



Market: USA

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USA

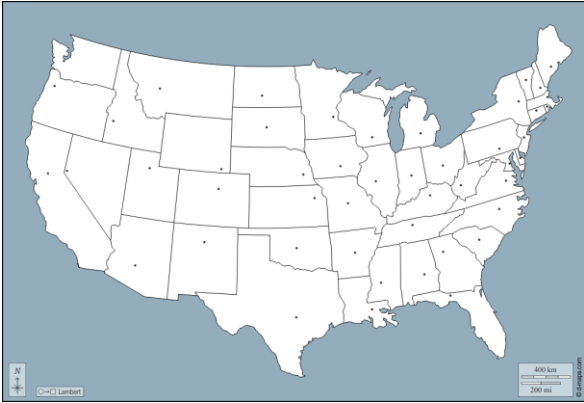
The penetration rate of CTV in the United States rose to an all-time high in 2020, with 80% of American households owning at least one Internet-connected television device.

Since 2014, there has been steady growth, except for 2019.

However, 2020 shows that growth is returning, with an increase of six percent from 2019 to 2020. At the beginning of 2017, Americans spent an average of 2.3 hours a day using an adapted smart TV and another 3.6 hours using devices with Internet access, such as Apple TV and Google Chromecast.

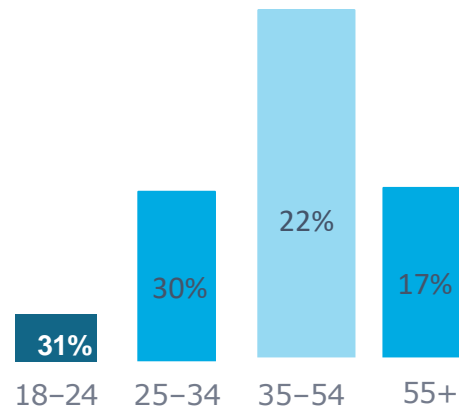
An estimated 28.9% of US households own an enabled smart TV and nearly 42% own a videogame console such as a Sony PlayStation or a Microsoft Xbox.





Identifying CTV Viewers in the US

Connected TV continues to grow in popularity with consumers due to easy access to a number of content options through both advertising support and subscription services. Data reveals that US CTV viewers in 2020 shall reach 45.7 million among Generation Z, 56.5 million among millennials, 48.5 million among Generation X, and 32.8 million among baby boomers, for a total of 183.5 million viewers.

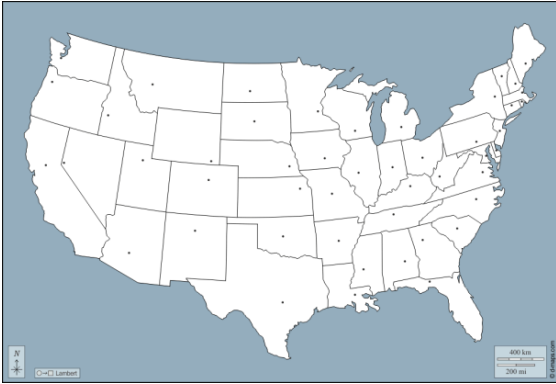


65% **Daily viewers**

59% **State that they watch CTV as the main way to watch TV.**

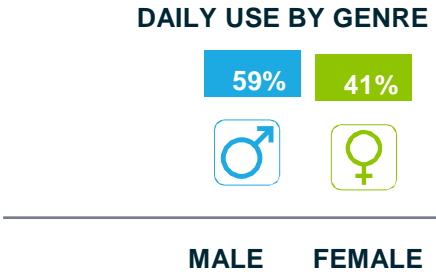
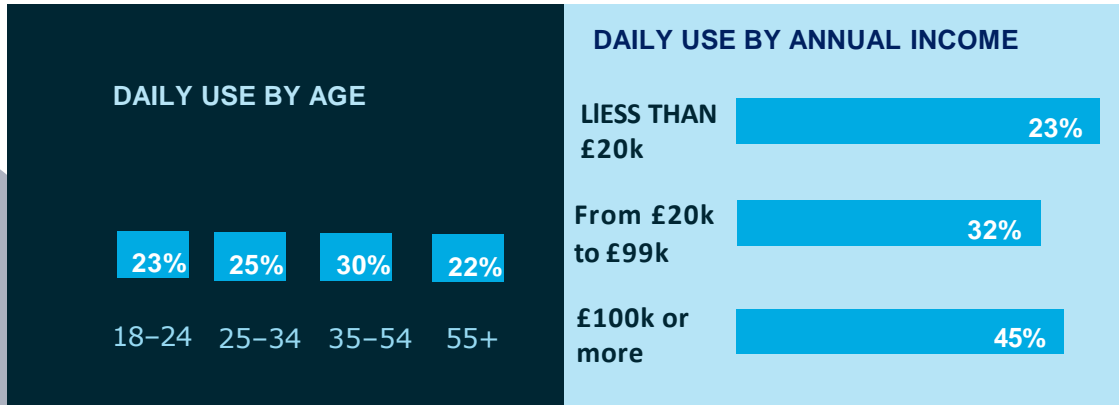
44% **Broadcast programming with a lot of variety and a la carte programming.**

Action. Comedy and thrillers are their favourite genres



When and How Often it is Watched

As viewers continue to migrate to streaming services, this has a direct impact on increasing advertising investment in connected TV in the foreseeable future. Last year, spending on connected television in the United States reached 8.11 billion dollars, which is expected to reach 11.36 billion in 2021. The appeal of more viewers and better tracking and measurement will be too good to pass up, and it seems marketers are taking notice. In 2020 alone, total hours spent on connected TV devices increased 81% year-over-year, although younger audiences are more likely to watch CTV, older demographics are also making the switch from traditional television



SUMMARY

What's Next?

CTV has been integrated into daily television habits of the European and American public. Whereas it was previously a conscious choice to switch to Internet television, consumers now see CTV as a fluid and flexible expansion of the way to access content.

Thanks to the investment in the entire ecosystem and increased consumer awareness, CTV has transcended audience niches of the past decade and is now watched by people of all walks of life, personalities, income levels, and age groups, on a large scale. For some, it is the best way to watch television at a time that suits them. For others, it is their preferred and only method of watching television. For all consumers, it is without a doubt the best way to access the content they want to watch, on their own terms.

What We Have Learned

... CTV can reach all types of consumers.

... Smart TVs continue to be the preferred option to access CTV.

... CTV viewers are very engaged, and 50% watch it on a daily basis.

... The main motivation for switching to CTV is flexibility.

... CTV viewers are not willing to spend much more on subscriptions, but they will continue to see more content, which will most likely be supported by advertising.

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