



An Industry Report by INCRMNTAL

# CTV: The Growth Engine for the Future of Advertising



MAY 2025



## Introduction: The New Era of Television Advertising

If you've been in advertising long enough, you've seen the cycle: a shiny new channel emerges, gets tagged as "experimental," collects some test budgets, and then – if it proves itself – graduates to a permanent seat in the media plan.

Connected TV (CTV) is no longer in testing mode. It's arrived.

As of July 2024, streaming made up 41.4% of all U.S. TV viewership, surpassing cable and broadcast combined (Source: [Nielsen](#)). CTV isn't just another screen—it's how people watch TV now. And it's changed the way advertisers think about television.

What makes CTV different isn't just the shift in audience behavior – it's the merging of two worlds: the high-impact reach of linear TV and the precision targeting of digital. With CTV, brands don't have to choose between storytelling and performance. They can do both—often in the same campaign.

More importantly, the era of "just trust us" is over. We now have real data that shows CTV doesn't just drive awareness – it drives **measurable results**. We're not talking about clicks or vague brand lift – we're talking about incremental business outcomes, with proof.

This report, built on INCRMNTAL's analysis of nearly \$2 billion in ad spend across Q4 2024 and Q1 2025, breaks down how CTV is performing across 50+ brands in industries like Gaming, Fintech, SaaS, Entertainment, and eCommerce. The findings reveal a consistent truth: CTV is delivering impact at every stage of the funnel.

From acquiring new users to re-engaging lapsed ones, CTV has become a core driver of results. And as media teams move away from outdated attribution models and toward real incrementality measurement, the case for CTV only grows stronger.

The experimental label is officially retired. CTV has graduated, and it's redefining what success looks like in video advertising. In the chapters ahead, we'll show you how.

Raisa Ers

Senior Analyst, INCRMNTAL



## What IS CTV?

Traditionally, CTV referred to **internet-connected televisions** that streamed content via apps. But today, it's not so simple:

- Is watching ad-supported Disney+ on a 6 inch phone screen still CTV?
- Or YouTube on a 75" Samsung Smart TV considered CTV?
- When Netflix ran ads on the Jake Paul vs. Mike Tyson live-streamed fight - were those ads CTV or Linear?

The point is: the lines have blurred. As viewing devices, content formats, and streaming platforms evolve, the definition of 'TV' evolves too. What matters more than labels is understanding how audiences engage and where performance comes from.

In our report, CTV refers to channels where ad placement is made dynamically and digitally. Linear TV is considered as traditional TV advertising spend across TV channels.

Let's take a pause and address the streaming elephant in the room:

## What counts as CTV today?



## INCRMNTAL's Methodology for Measuring CTV & Incrementality

INCRMNTAL applies a machine learning-based framework grounded in causal inference to measure the incremental effect of advertising, without relying on user-level data. The methodology integrates **Interrupted Time Series (ITS)** models with a custom **reinforcement learning** algorithm to estimate both short-term lift from marketing activities and long-term contribution patterns across media entities.

The process begins by identifying marketing events—such as changes in spend or campaign launches — and applying ITS models to estimate a **counterfactual**: the outcome that would have occurred in the absence of the event. ITS predictions are generated using historical data prior to the intervention, and the difference between the observed and predicted values is used to compute **incrementality**.

To enhance reliability, multiple ITS models are fitted for each event, and model performance is evaluated using data from the pre-event period. This model selection step ensures robustness and mitigates overfitting.

Next, INCRMNTAL assigns each event a **long-term base weight vector**, which reflects the historically expected contribution of that type of event across time. These weights are combined with **short-term modifiers** (e.g., sudden budget shifts or market context) and the ITS estimates to produce **incrementality vectors**, which describe the effect of each event on performance over a multi-day horizon.

A **reinforcement learning** step then adjusts the base weights over time. When predicted incrementality does not align with observed outcomes, the algorithm updates its belief system, improving the attribution accuracy in future iterations.

Finally, incrementality vectors are aggregated across events and mapped to media spend using a flexible functional form. This produces **marginal attribution curves**, enabling the estimation of both total and marginal contributions for each marketing entity across cost levels.

This approach allows for dynamic, data-driven attribution that adjusts to evolving media effectiveness and provides granular measurement across channels without requiring persistent identity tracking.

**The findings in this report are grounded in incrementality insights generated by INCRMNTAL's measurement framework.**

Amongst our customers:





# Key Insights & Data Analysis

## CTV Crushes Linear on Efficiency

CTV (including YouTube) generated **ten times more conversions** than Linear TV, while only using 60% of the total spend allocated to Linear. This finding underscores the drastic difference in performance efficiency. While Linear TV has historically dominated brand advertising, this data shows that CTV delivers real business outcomes at a fraction of the cost.

For advertisers looking to drive measurable performance, the case for moving budgets away from Linear has never been stronger.

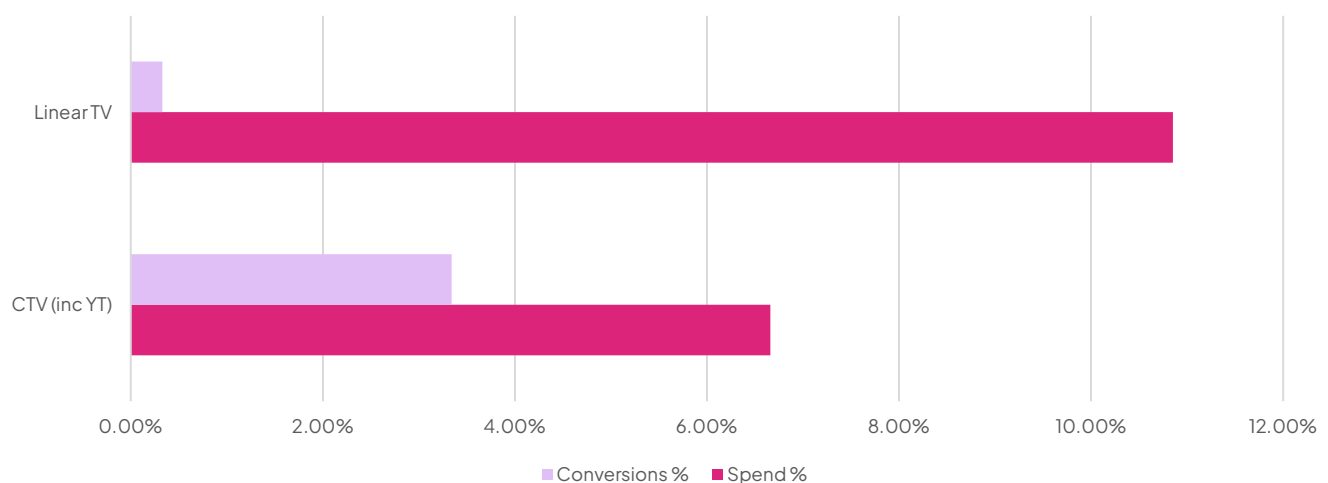
Or in simple terms: If you're not already testing CTV, you should be.

*"Streaming is the next great performance channel. It establishes the top of the funnel, which has been ignored for too long by performance marketers, and with the right measurement, optimization, and ad formats it drives direct outcomes as well. The challenge is getting measurement right. The best possible view takes into account the full incremental impact of CTV on all attributed organic and paid conversions, distilling the real causal impacts of sight, sound and motion on the largest screen in the home."*



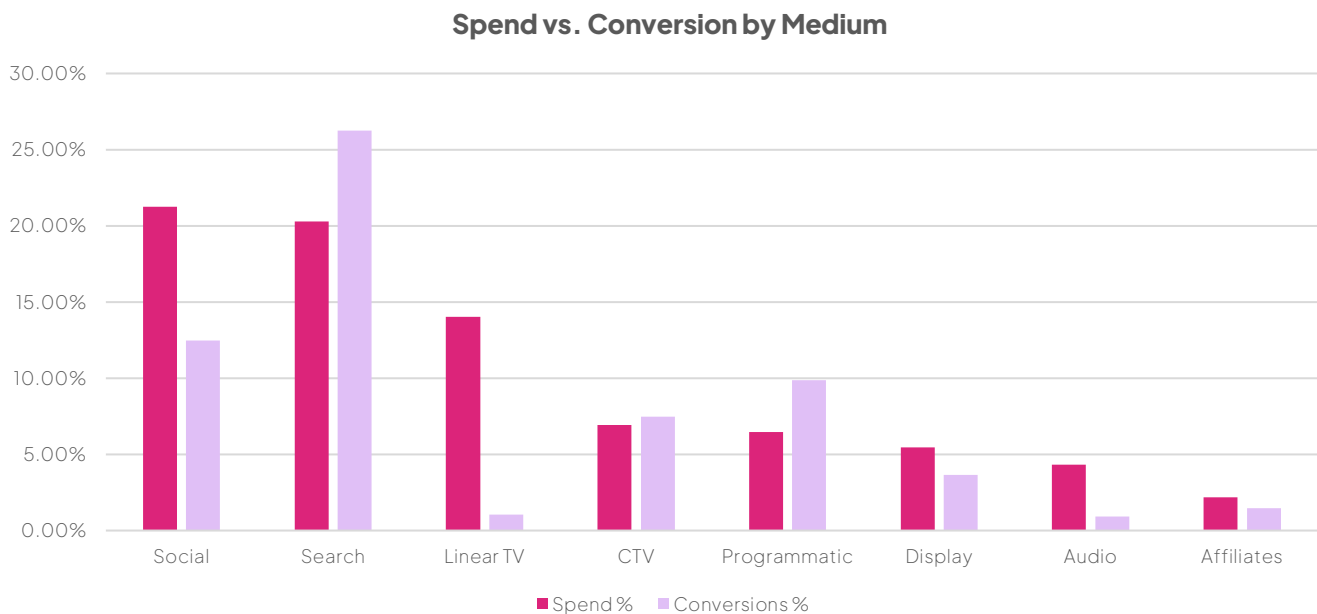
**Peter Hamilton,**  
Senior Director of Ad Innovation  
**Roku**

CTV vs. Linear TV Conversions % and Spend %



## CTV Provides Balanced Results

Compared to all other advertising channels, Connected TV (CTV) currently stands out as one of the most balanced mediums, delivering a near-perfect 1:1 ratio of ad spend to performance. This equilibrium suggests that advertisers are getting exactly what they pay for in terms of return—no more, no less. Search, unsurprisingly, takes the top spot as the most disproportionately effective channel, offering outsized incremental value relative to its investment. On the opposite end of the spectrum, Linear TV reveals the widest disparity between budget allocation and actual performance, making it the least efficient medium in the mix.



*"What makes CTV unique is its ability to consistently deliver real ROAS. In an industry where waste is often accepted as a given, CTV stands out. We built Universal Ads on the belief that smart strategy - not inflated budgets - should drive performance. With the right inventory approach, and the right platform, advertisers can unlock real, measurable impact - even in the most competitive environments."*



**James Borow, VP of Product & Engineering**





## YouTube vs. CTV: Digging Deeper

When isolating YouTube from the broader Connected TV (CTV) category and comparing it to CTV channels excluding YouTube, a clear pattern emerges. YouTube accounts for **2.5 times more** ad spend than non-YouTube CTV, yet delivers only twice the number of conversions. While YouTube brings undeniable scale, its cost-efficiency lags behind.

This suggests that advertisers may be over-indexing on YouTube, assuming its scale automatically translates to superior performance. In reality, non-YouTube CTV channels - including streaming services, smart TV apps, and premium publisher inventory - are often delivering better return on investment and lower cost-per-action.

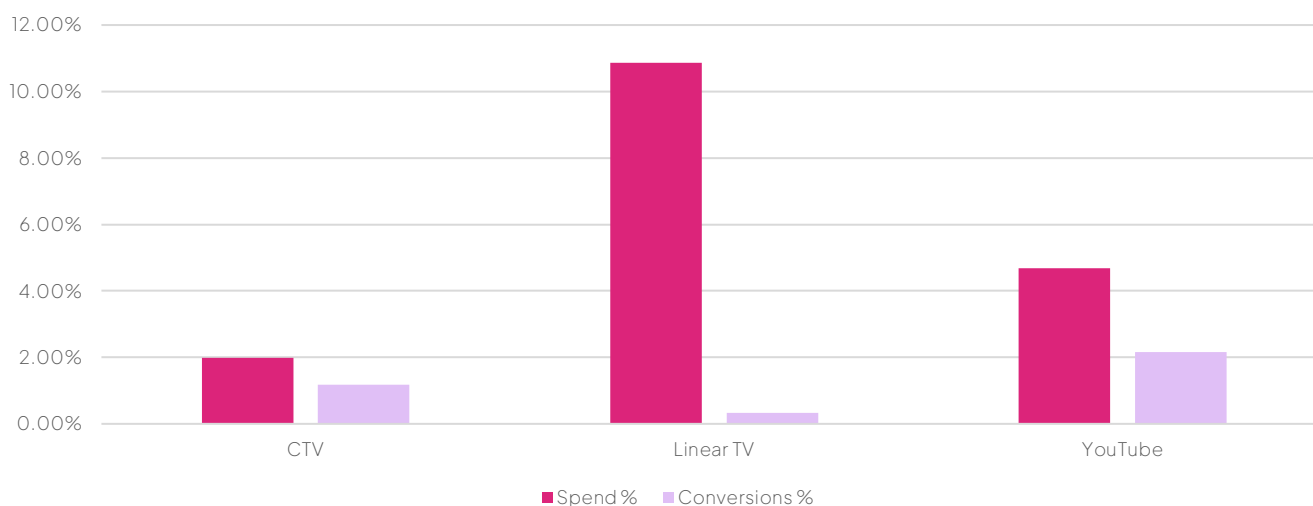
CTV isn't just more efficient than linear - it's frequently more efficient than YouTube itself.

For brands aiming to optimize their media mix, especially those already investing heavily in YouTube, the broader CTV landscape offers a high-impact, lower-cost alternative.

In short: YouTube is big - but CTV platforms might be smarter.



**Spend and Conversions % of Total by Channel**



## The CTV Capital of the World

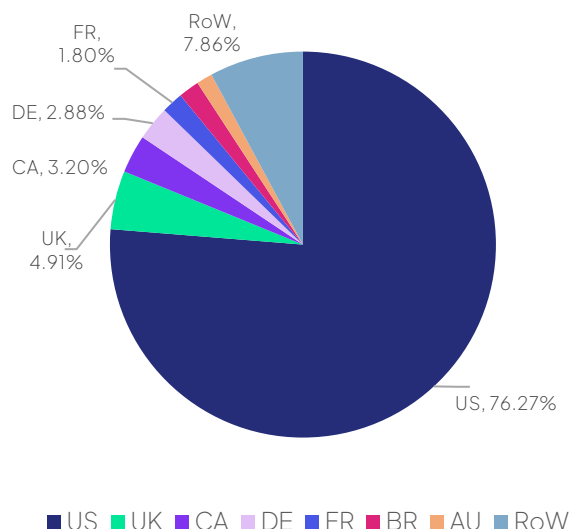
A staggering 76% of all global CTV ad spend comes from the U.S., with the UK being a not-even-close second with less than 5% of ad spend. And it's not just about dollars being spent - it's about how efficiently those dollars perform.

In the U.S., CTV delivers what every marketer dreams of: balance. It accounts for 7% of the total media spend and delivers 7% of total conversions. That's not a coincidence - that's a near-perfect 1:1 efficiency ratio. In a world where most channels overpromise and underdeliver, CTV in the U.S. is quietly doing exactly what it's supposed to do: convert budget into business outcomes.

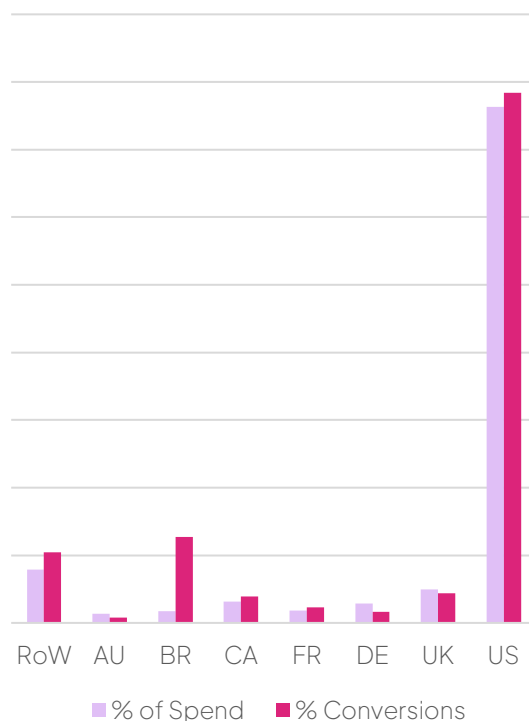
Even linear TV, often criticized for its blunt-force approach and lack of accountability, sees marginal gains in the U.S. compared to other regions. But when it comes to cost-per-action (CPA), CTV still wins by a mile. It offers the reach of traditional TV with the performance mindset of digital, making it the smarter bet for brands that want both impact and efficiency. The dominance of the U.S. market also sets the stage for what's possible elsewhere. If this is what maturity looks like, other regions have a blueprint to follow—and a compelling reason to fast-track their own CTV strategies.

Bottom line? The U.S. isn't just leading in CTV spend—it's setting the performance standard. And for advertisers looking to place smarter bets in an uncertain economy, that's more than a statistic. That's a call to action.

CTV Spend by Country



% Ad Spend vs. % Conversions





## Fintech vs. Gaming: Diverging Paths in CTV Adoption

Our analysis showed a scientific statistical significance across two verticals, allowing us to provide even more insights for those.

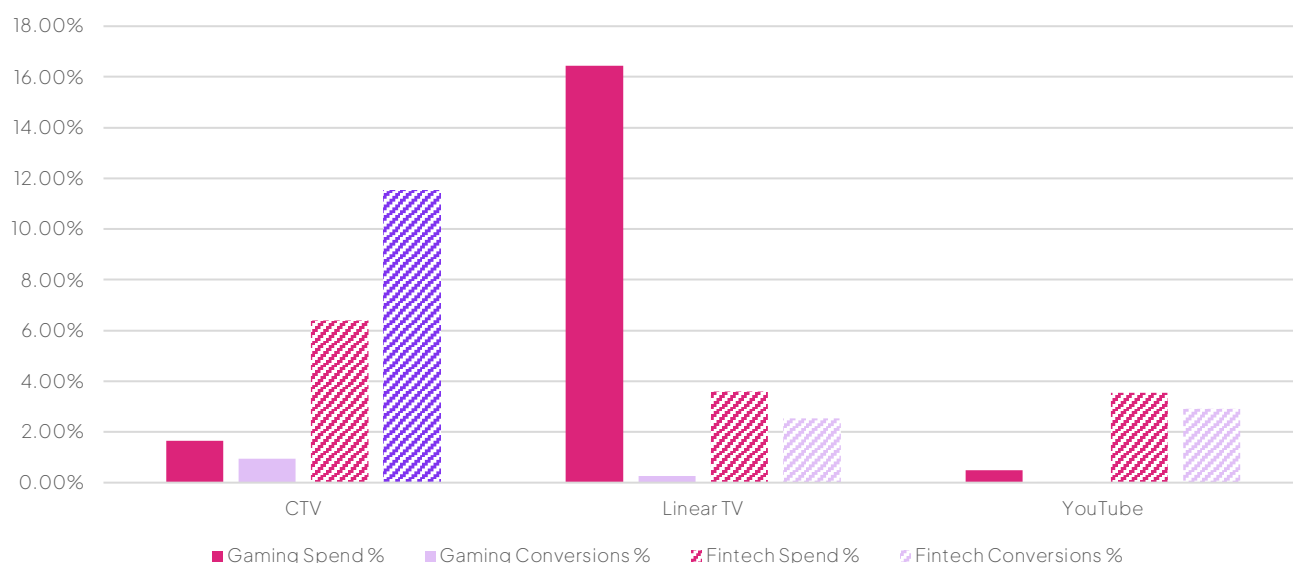
**Fintech** brands tend to diversify their media mix, allocating spend across a broad range of platforms. Yet even with this spread, CTV stands out- driving **12% of total conversions**. This suggests Fintech marketers are successfully leveraging CTV's precision targeting and measurable impact without going all-in, proving that smart allocation can deliver outsized performance.

**Gaming** brands, on the other hand, appear more cautious, unlike the usual behavior of the gaming industry, which usually goes "all-in" with testing channels. Their spend remains heavily weighted toward Linear TV, suggesting a preference for tried-and-true channels over newer, data-driven formats. But this conservatism may be costing them. Despite access to the same audiences, Gaming brands may be underutilizing the efficiency gains, targeting granularity, and cross-device attribution that CTV uniquely offers.

In essence, Fintech is playing offense - testing, learning, and scaling what works. Gaming, meanwhile, seems to be playing defense, sticking with legacy habits rather than optimizing for performance. And in an ecosystem where media dollars are under tighter scrutiny than ever, this difference in strategy matters.

The takeaway? Fintech is proving that a balanced, data-informed approach to CTV pays off. For Gaming, the opportunity is clear: shift the mindset, not just the budget.

**Spend % and Conversions % by Channel: Gaming vs Fintech**



## Timing is Everything: CTV Peaks Early

Seasonality has always played a major role in media planning - but with Connected TV (CTV), the timing curve takes an unexpected turn.

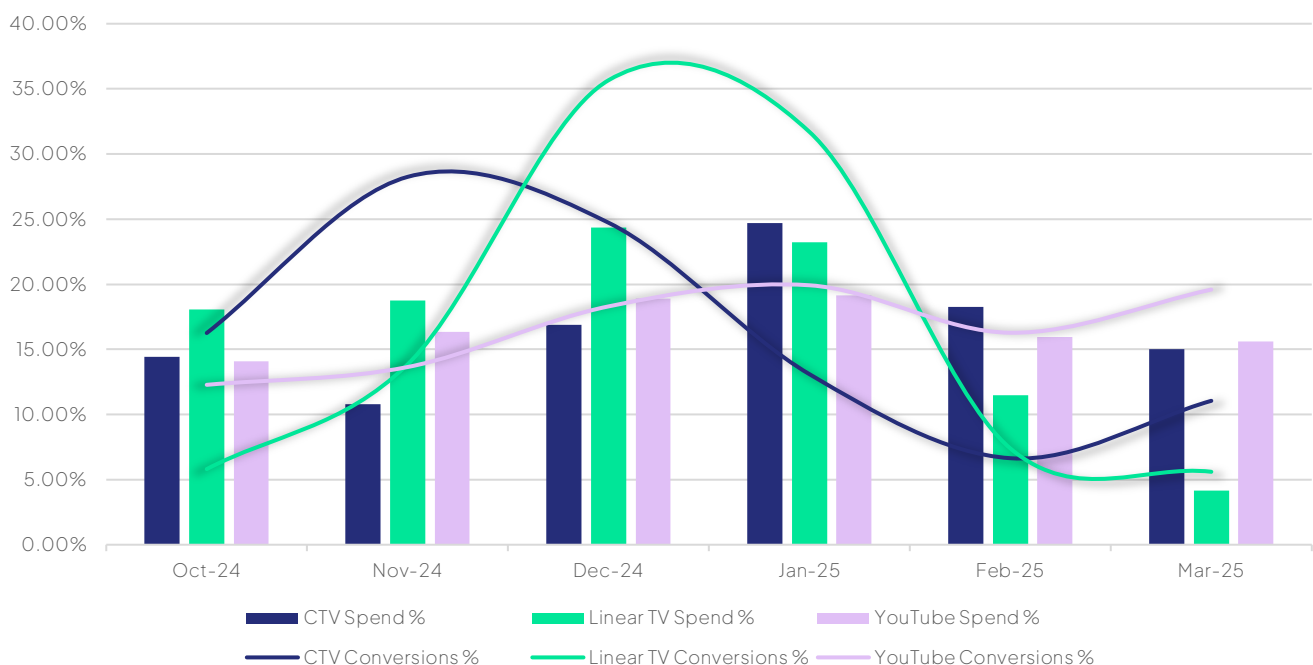
While traditional Linear TV and YouTube see their conversion peaks in December and January - riding the wave of end-of-year shopping sprees and New Year campaigns - CTV bucks the trend. According to the data, CTV conversions peak earlier, in November.

Why the early spike? A few compelling theories emerge. One possibility is auction dynamics: CTV inventory in November is less saturated with advertiser demand compared to the holiday frenzy of December, making it more cost-efficient to reach audiences and drive actions. Alternatively, this early peak may align with changing consumer behavior. Viewers might be more attentive to messaging and more likely to convert before the full chaos of Black Friday and Christmas promotions kicks in.

Whatever the reason, the implications are clear - CTV gives advertisers a rare chance to get ahead of the crowd. By front-loading CTV campaigns in Q4, brands can capitalize on this early conversion momentum before competing channels hit their peak and prices spike.

For performance-focused marketers, this isn't just a timing quirk. It's a strategic edge - one that rewards planning early, moving fast, and beating the holiday rush.

**Spend % and Conversions % per Month by Channel**



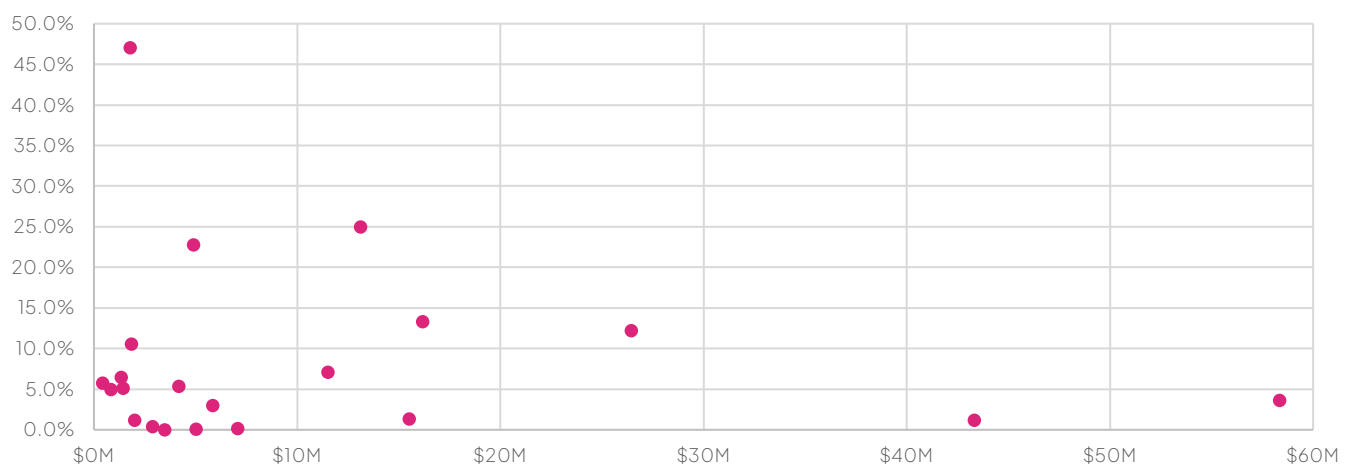


## CTV's Uneven Adoption & CPA Deviation

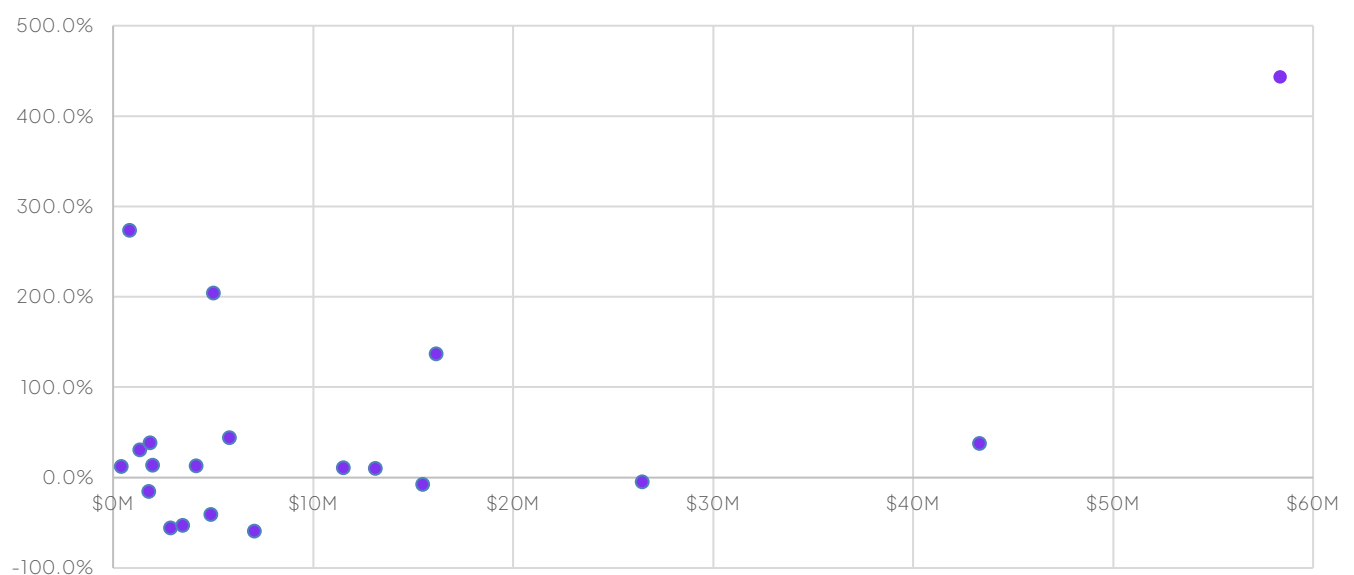
Advertisers' CTV share of wallet varies widely - from under 5% to over 50% of total spend. CPA also ranges from 0.5x to 5.5x the average.

This variation shows that CTV success is highly dependent on how it's implemented. Those who've cracked the code are seeing outsized returns, while others are still in the test-and-learn phase.

### CTV SoW by Monthly Budget



### CTV CPA dev by Monthly Budget



## The Scaling Effect: Invest More, Gain More

We were happy that the last insight of this report ends in a positive note.

### CTV isn't just effective—it's scalable.

The data shows a clear, steep correlation between CTV spend and conversions: the more advertisers invest, the more they get back, proportionally. No other channel analyzed delivers this level of compounding return. That makes CTV not just efficient, but a true growth engine.

If you're looking to scale results - not just maintain them - CTV is where your budget should go. Playing it safe with small tests may leave impact on the table. In today's performance-driven market, underinvesting in CTV isn't cautious - it's a missed opportunity.

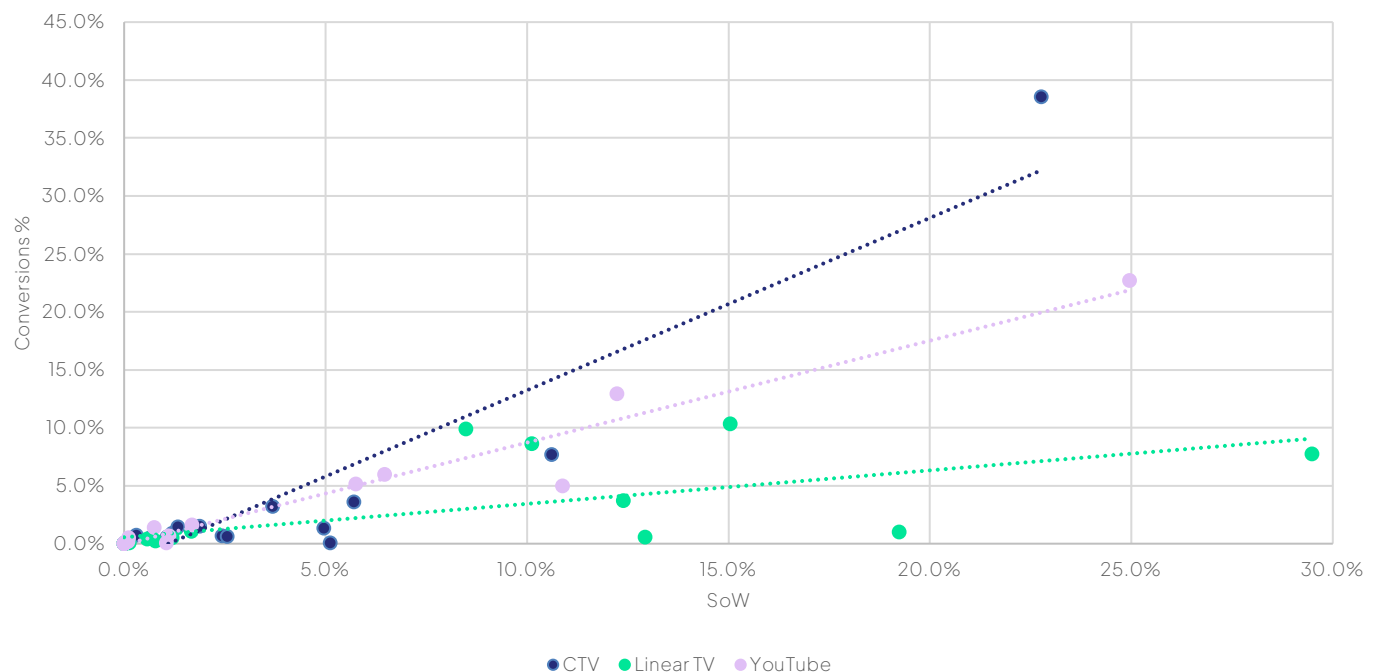
*"CTV isn't just efficient in the short term, it scales. For brands looking to grow - especially app and e-commerce advertisers - the ability to drive incremental conversions as spend increases is a game-changer. While other channels tend to plateau, CTV continues to deliver, turning increased spend into sustained momentum and measurable outcomes. At Vibe, we're making TV measurable, accessible, and engineered for ROAS across 500+ of the world's top streaming platforms"*



**Jerome Pilz, VP Sales & Partnerships**



**SoW vs Conversions % by Channel**





## Summary

CTV has moved far beyond the experimental phase. INCRMNTAL's research reveals that it outperforms both Linear TV and YouTube in terms of conversion efficiency. Key insights include the cost-effective performance of non-YouTube CTV inventory, the early seasonal peak in November, and the high variability in CPA based on advertiser strategy.

Importantly, the data shows that greater investment in CTV correlates with a higher share of total conversions - proving that scale and success go hand-in-hand. This report serves as a blueprint for advertisers aiming to optimize their video media mix in 2025.

CTV is no longer the new kid on the block - it's the rising star that's rewriting the rules of TV advertising. Advertisers who continue to treat it as a side experiment risk missing out on a scalable, performance-driven channel that already has mainstream traction.

The real question for 2025 isn't whether to invest in CTV - it's how to do it smarter, faster, and with better measurement. With platforms evolving and definitions blurring, now is the time to lead the narrative instead of chasing it.





# About INCRMNTAL

INCRMNTAL is a pioneering measurement platform built for the future of advertising – one where privacy is respected, experimentation is optional, and actionable insights are the norm. Founded to solve the attribution crisis in a post-IDFA world, INCRMNTAL empowers advertisers to measure true incrementality across all their marketing activities—without relying on user-level data, tracking, or A/B tests.

What sets INCRMNTAL apart is its passive, always-on methodology. By analyzing natural fluctuations in marketing activity and outcomes, INCRMNTAL identifies the causal impact of each channel, campaign, or tactic. This approach unlocks clear, reliable answers to marketers' most critical questions: What's actually working? Where should I invest more? What can I cut without losing performance?

Today, INCRMNTAL supports some of the world's most innovative and data-driven brands across Gaming, Fintech, eCommerce, Entertainment, and SaaS. These include a global streaming platform testing cross-device strategies, a leading fintech brand shifting away from last-click measurement, and an eCommerce unicorn optimizing media mix across 15+ markets. While their industries differ, these advertisers all share one thing: a demand for clarity and confidence in their media investments.

INCRMNTAL's leadership in the Connected TV (CTV) space is no accident. As advertisers moved from experimental CTV budgets to always-on strategies, INCRMNTAL became the go-to platform for understanding how CTV drives not just reach—but revenue. With billions of dollars in CTV, YouTube, and Linear TV spend analyzed, INCRMNTAL offers unparalleled insight into what really moves the needle in modern video advertising.

Whether you're reallocating budgets, proving the value of a new channel, or navigating a fragmented ecosystem of platforms and devices – INCRMNTAL helps you do it with evidence, not guesswork.

To learn more, visit [incrmntal.com](https://incrmntal.com) or [schedule a demo](#).