

The State of OTT Advertising in the U.S.

—
An Analysis of OTT Ad Spending
Trends and Top Advertisers



Introduction

The State of OTT Advertising in the United States

What is Over-The-Top (OTT)?

Over-The-Top refers to the delivery of film and television content via the internet without requiring that consumers subscribe to a traditional cable or satellite pay-TV service such as Charter, Comcast, Cox, or DirecTV.

OTT content delivery takes place on any device that can receive video over the internet such as mobile devices, personal computers, streaming devices (e.g., Apple TV, Amazon Fire Stick, Roku) and smart TVs. A television device that is connected to the internet is also known as a connected TV (CTV). Some in the industry use CTV as a catch-all term to include smart TVs, connected TVs, streaming boxes/sticks, and gaming consoles.

Pathmatics OTT Data

- Pathmatics OTT data is powered by a panel of real OTT & CTV viewers and includes data representative of all Smart TV brands.
- Our OTT data begins in October 2021 and encompasses the U.S. only.
- The data breaks out five of the top OTT streaming services:
 - Hulu
 - Pluto TV
 - Tubi
 - Peacock
 - Paramount+

Spend outside of these five services is grouped into Other OTT Streaming Services. Pathmatics OTT data does not include YouTube outside of the YouTube TV product.

The Analysis includes:

- OTT advertising spending trends from October 2021 through November 2022
- Duration of ad content an advertiser, brand, or category is investing in for their OTT campaigns
- OTT share of voice across competitors
- OTT creative strategies comparison

Table of Contents

04 - OTT Ad Overview

12 - Travel Booking Services & Travel Agencies

16 - Transportation

22 - Food Delivery Services

27 - Conclusion

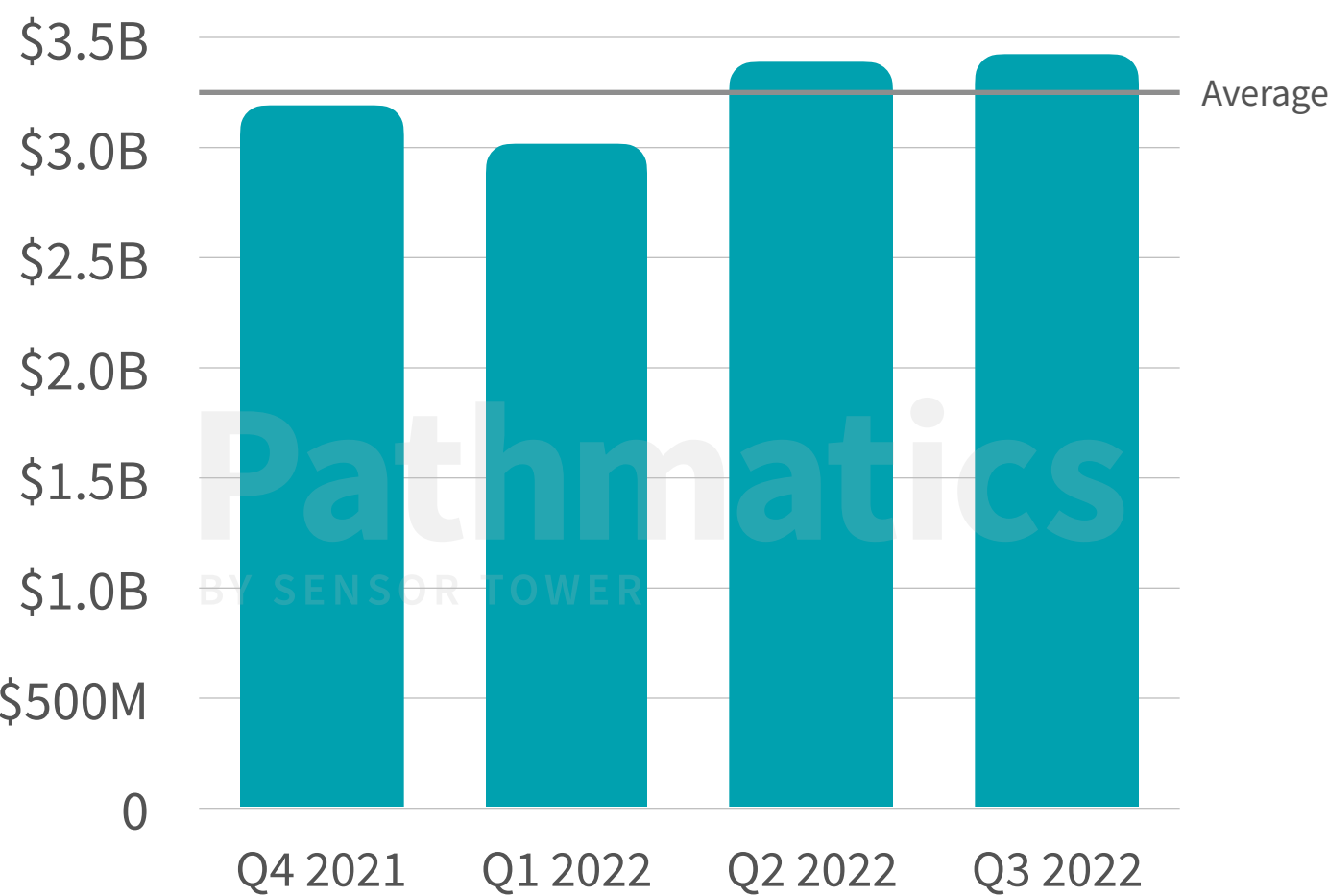
OTT Ad Overview: United States

An Overview of OTT Ads in the U.S.



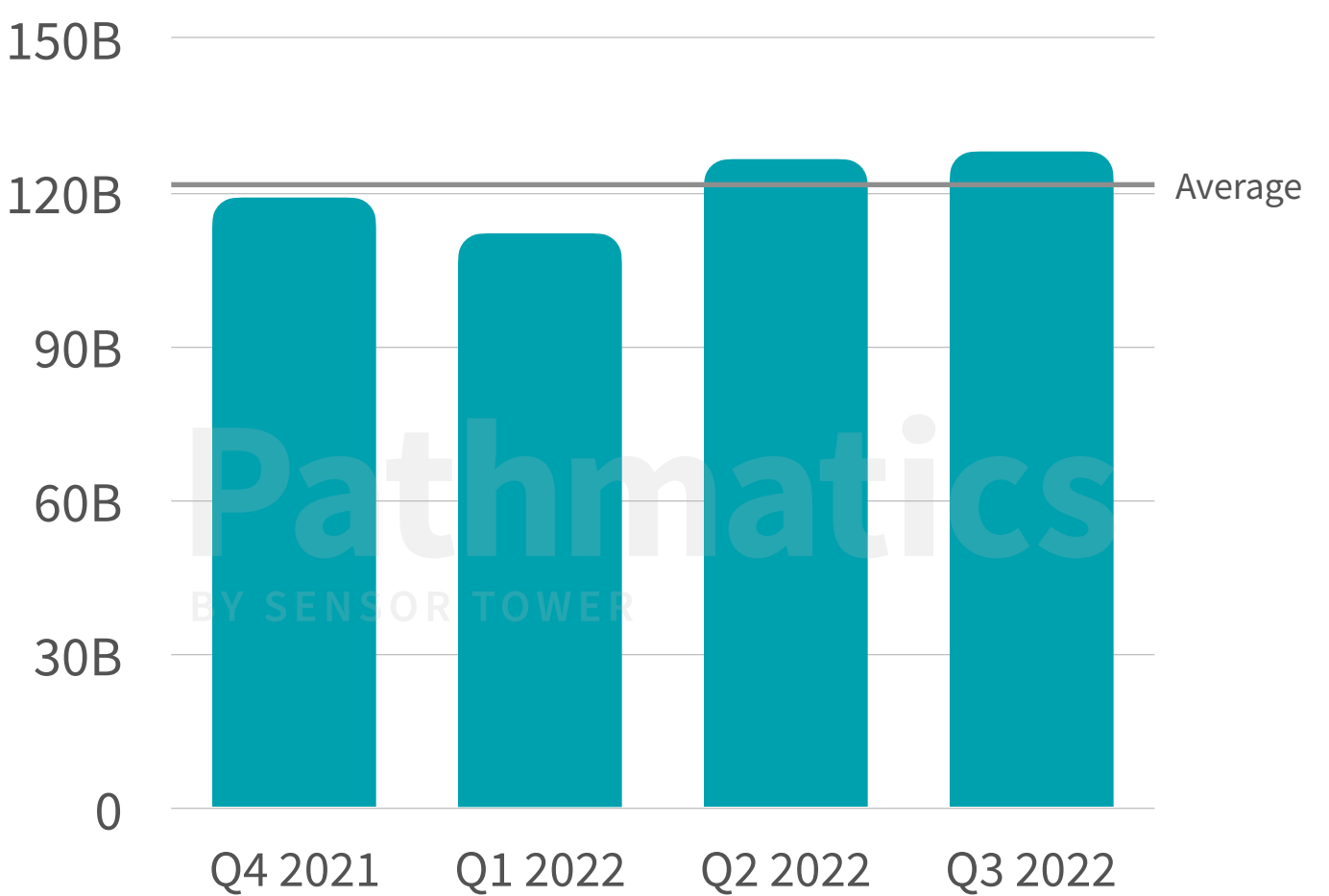
OTT Advertising Overview

United States



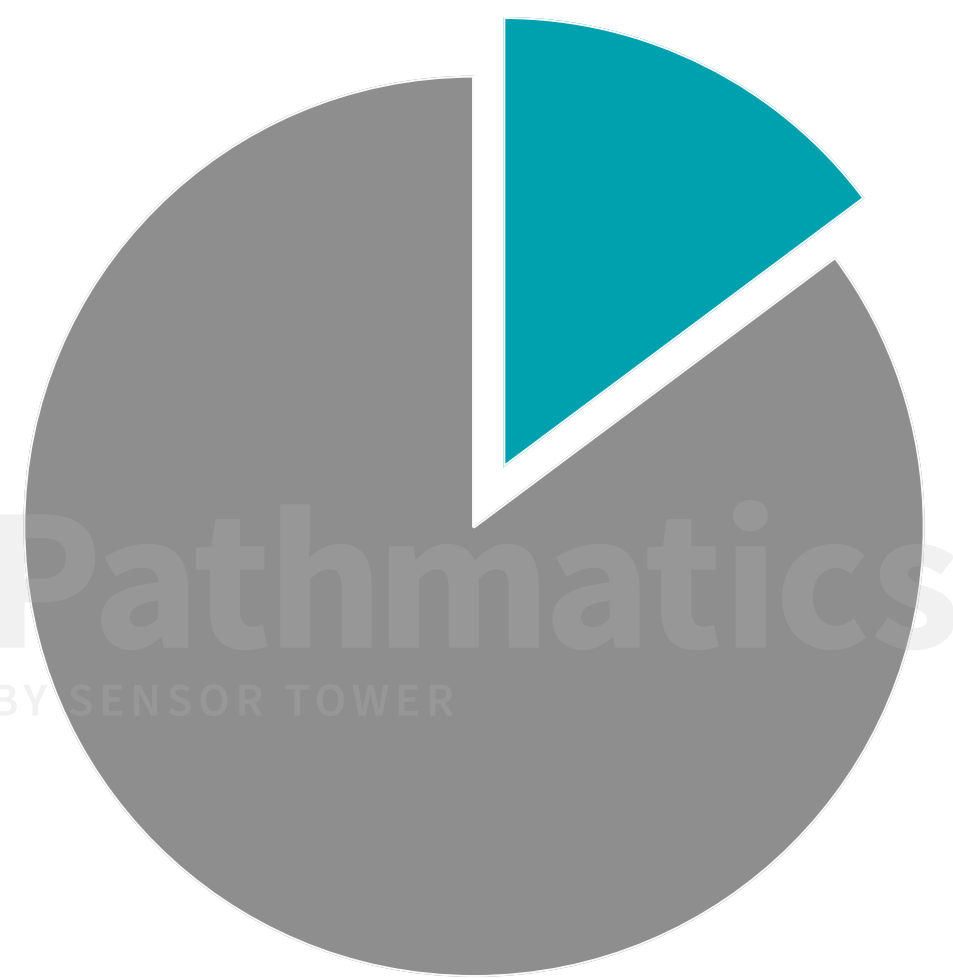
\$3.26B

Average Quarterly OTT Ad Spending



121B

Average Quarterly OTT Ad Impressions



14.8%

of Total Digital Ad Spending was through OTT

(Devices included: Facebook, Instagram, Twitter, Desktop & Mobile Video, Desktop & Mobile Display, OTT)

Financial Services Lead across All Streaming Services Publishers

Top Categories by U.S. OTT Ad Spending by Streaming Service Publishers

Hulu

1	Consumer Packaged Goods	12.3%
2	Financial Services	12.0%
3	Auto	10.7%
4	Food & Drink Services	8.8%
5	Health & Wellness	8.7%

Pluto TV

1	Financial Services	14.11%
2	Health & Wellness	11.9%
3	Media	11.2%
4	Auto	10.9%
5	Consumer Packaged Goods	7.9%

Tubi

1	Financial Services	16.6%
2	Consumer Packaged Goods	15.5%
3	Food & Drink Services	11.1%
4	Health & Wellness	9.0%
5	Auto	8.6%

Peacock

1	Financial Services	15.8%
2	Consumer Packaged Goods	11.6%
3	Health & Wellness	9.6%
4	Auto	9.5%
5	Travel & Tourism	8.5%

Paramount+

1	Health & Wellness	14.9%
2	Financial Services	12.1%
3	Consumer Packaged Goods	11.3%
4	Auto	9.8%
5	Food & Drink Services	8.1%

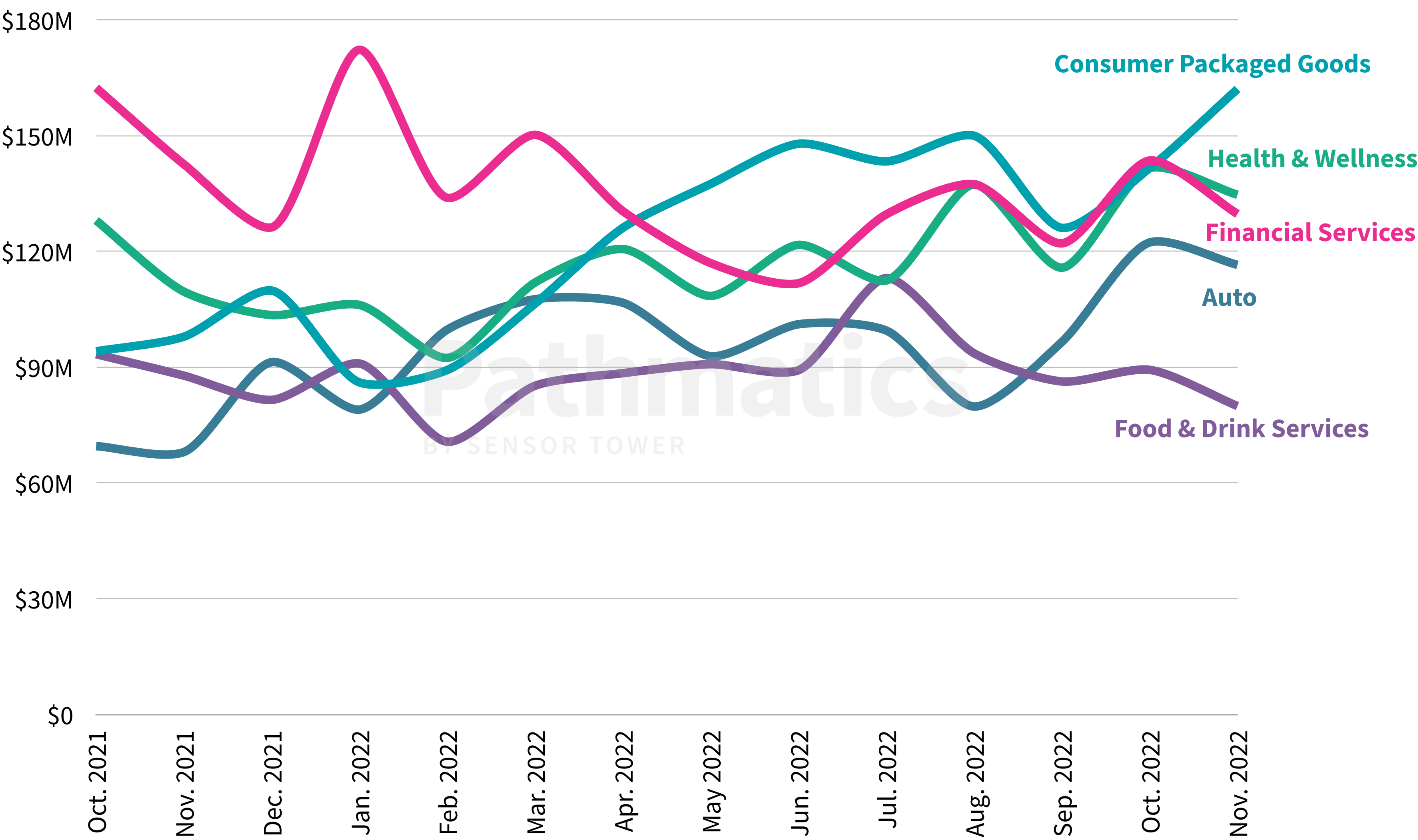
Media Advertisers, CBS and Paramount Network, Break into the Top 5 OTT Advertisers

Top Advertisers by OTT Ad Spending in the U.S.

Q4 2021			Q1 2022			Q2 2022			Q3 2022			Oct. & Nov. 2022		
1	P&G		1	Geico	+9	1	P&G	+1	1	P&G	-	1	P&G	-
2	Amazon		2	P&G	-1	2	Geico	-1	2	Geico	-	2	Geico	-
3	Walmart		3	Progressive Casualty	+4	3	Meta Platforms	New	3	NBC Universal Parks	+2	3	CBS	+12
4	Meta Platforms		4	Yum! Brands	New	4	AbbVie	+11	4	Amazon	+10	4	AbbVie	+2
5	Capital One		5	NBC Universal	New	5	NBC Universal Parks	New	5	Yum! Brands	+6	5	Paramount Network	+7
6	Macy's		6	Weight Watchers	New	6	Carvana	+8	6	AbbVie	-2	6	NBC Universal Parks	-3
7	Progressive Casualty		7	FOX Broadcasting	New	7	Progressive Casualty	-4	7	Disney	+9	7	Inspire Brands	New
8	Liberty Mutual		8	Disney	New	8	L'Oreal	New	8	Progressive Casualty	-1	8	Amazon	-4
9	T-Mobile		9	Liberty Mutual	-1	9	FOX Broadcasting	-2	9	PepsiCo	New	9	Lexus	New
10	Geico		10	Allstate	+6	10	Capital One	New	10	Verizon	+7	10	L'Oreal	New

CPG Emerged as the Top category in OTT Ad Spending since Q2 2022

Monthly OTT Ad Spend for the Top 5 Categories



Advertisers in Consumer Packaged Goods (CPG) and Health & Wellness have shown a relatively stable upward trend in OTT ad spending this year. In contrast, advertisers in Financial Services has seen a decline. Between October and November, their OTT ad spend dropped 10 percent year-over-year, from \$305 million in 2021 to \$273 million in 2022.

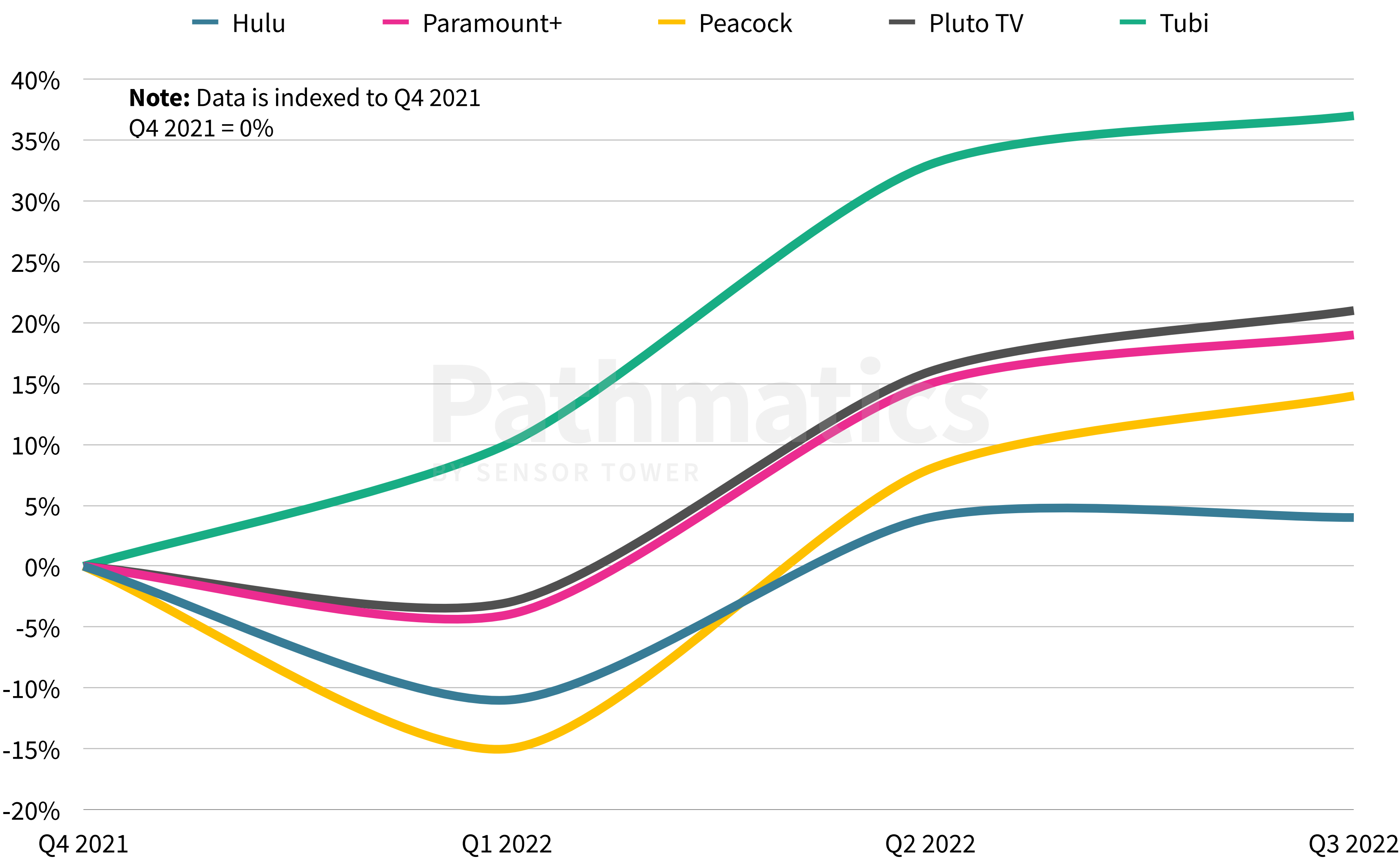
Along with the decline, Financial Services has lost the No. 1 category spot in terms of OTT ad spending. And, CPG has emerged as the top category as of the top category since Q2 2022.

As microchip supply improved this year, Auto brands saw particularly strong growth year-over-year among top categories. Compared with same period in 2021, their expenditure on OTT increased by 74 percent in October and November 2022.

Note:
Estimated OTT ad spending in the U.S.

Tubi is the Fastest Growing Streaming Service Publisher by Ad Spend

Growth in Quarterly Ad Spend by Selected Streaming Services

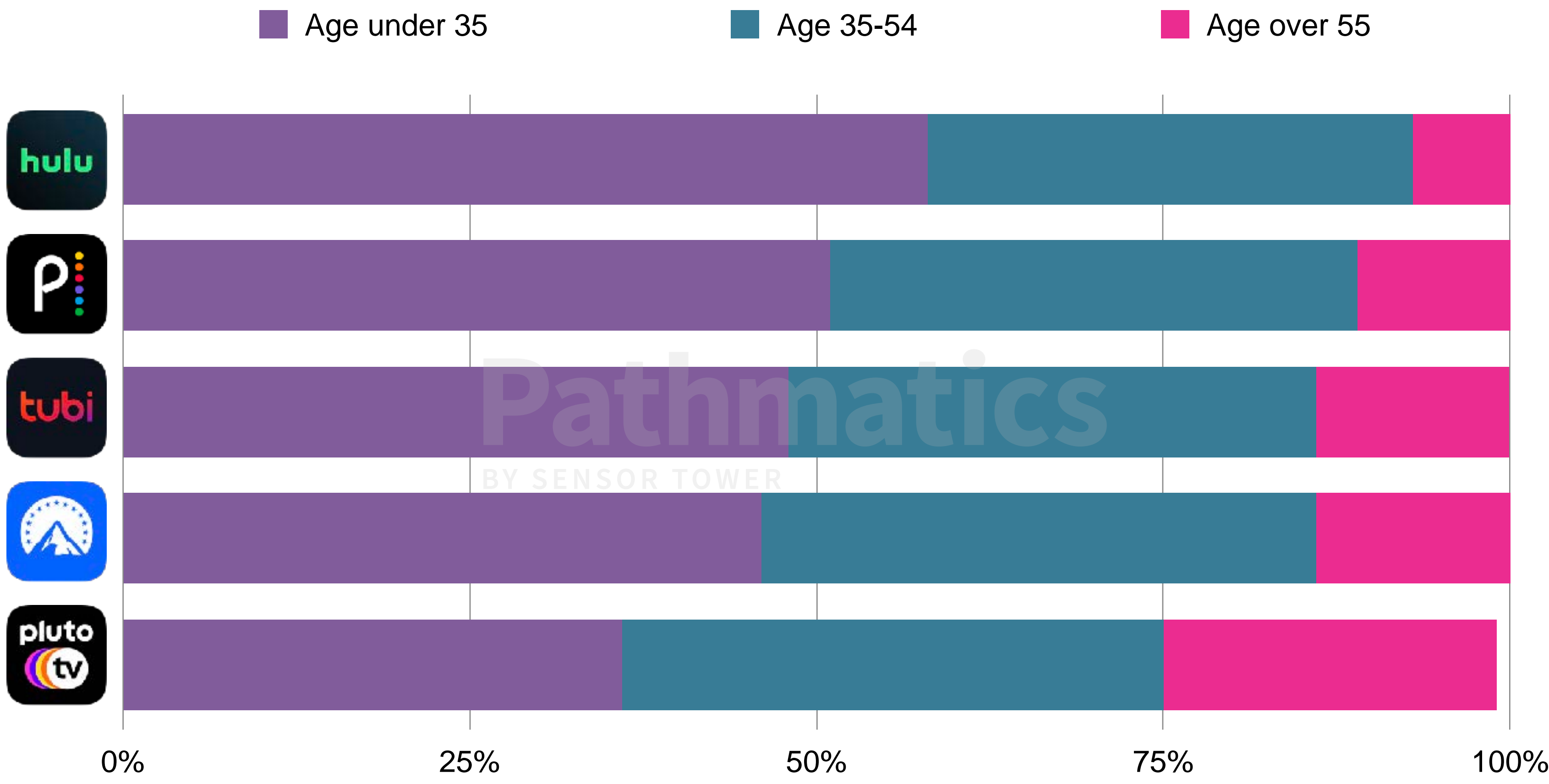


Ad spend on Hulu, Pluto TV, Paramount+, and Peacock showed a similar trend in the past 12 months. Unlike Tubi where advertisers in the U.S. had relatively steady growth in the past 3 quarters, ad investment on these four streaming service platforms slightly declined between 3 and 15 percent immediately following holiday season.

Comparing to Q4 2021, Tubi had the highest growth with ad spend up 37 percent to \$236 million in Q3 2022. Advertisers in the top five categories (Financial, Health & Wellness, Media, Auto, and CPG) increased their ad spend on Tubi. CPG brands drove particularly strong growth, increasing their expenditure by 143 percent in the past three quarters.

Hulu is the Most Popular Streaming Service for Younger Audiences

Percentage of Mobile App Downloads in Each Age Range



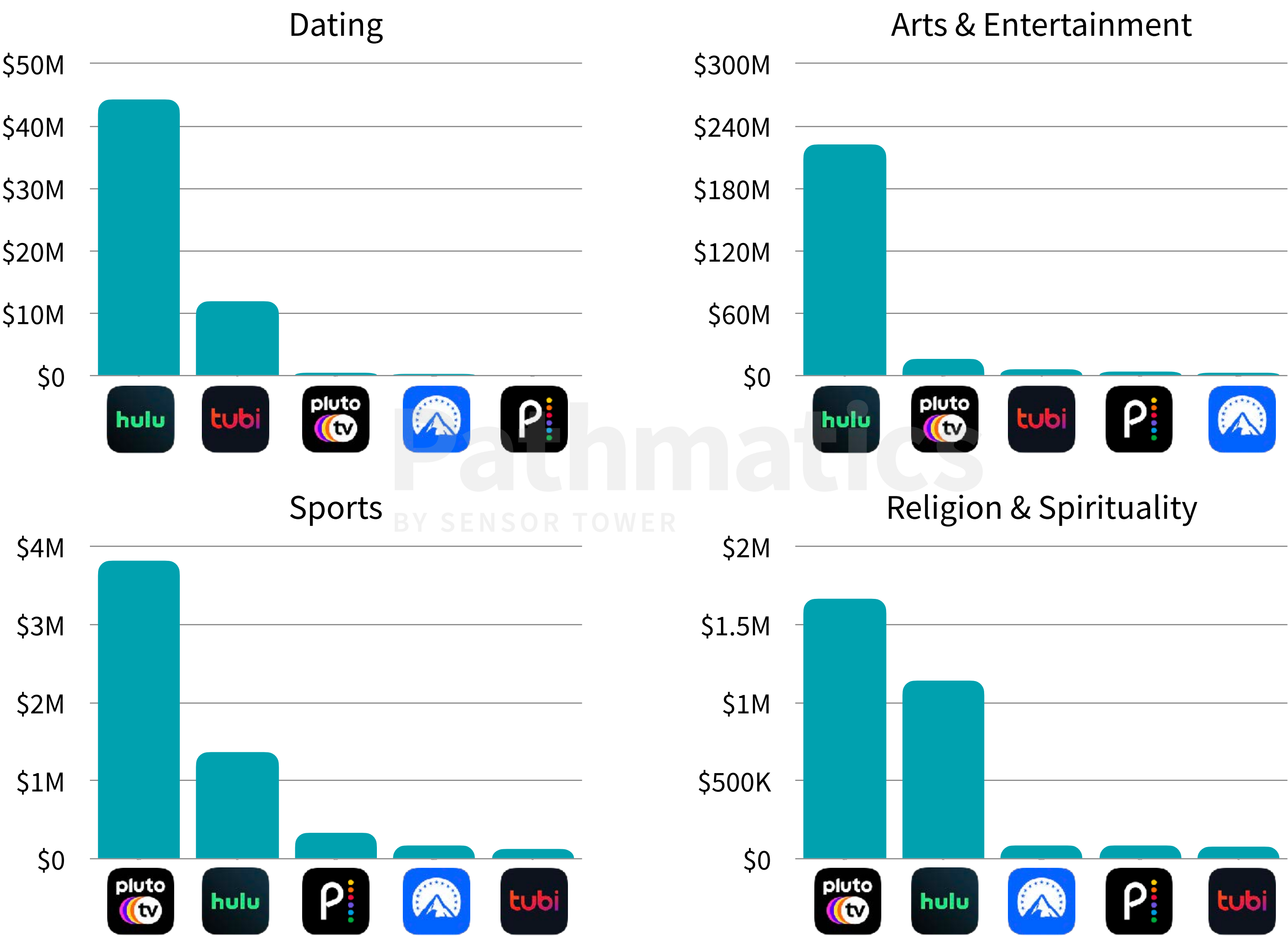
Hulu and Peacock are more popular among younger viewers, with 58 percent and 51 percent of mobile downloaders under 35 years old, respectively. Pluto TV’s adopters skew older, with nearly a quarter at 55 and older, while only 7 percent of those who have installed the mobile Hulu app fall into the over 55 age range.

This suggests that Hulu & Peacock stand to be ideal publishers for advertising that targets younger audiences, while Pluto TV would be recommended for those targeting older audiences.

Note:
The U.S. App Store Data in Q3 2022

Pluto TV was a Popular Streaming Service for Sports Advertising

OTT Ad spending by Streaming Service by Category



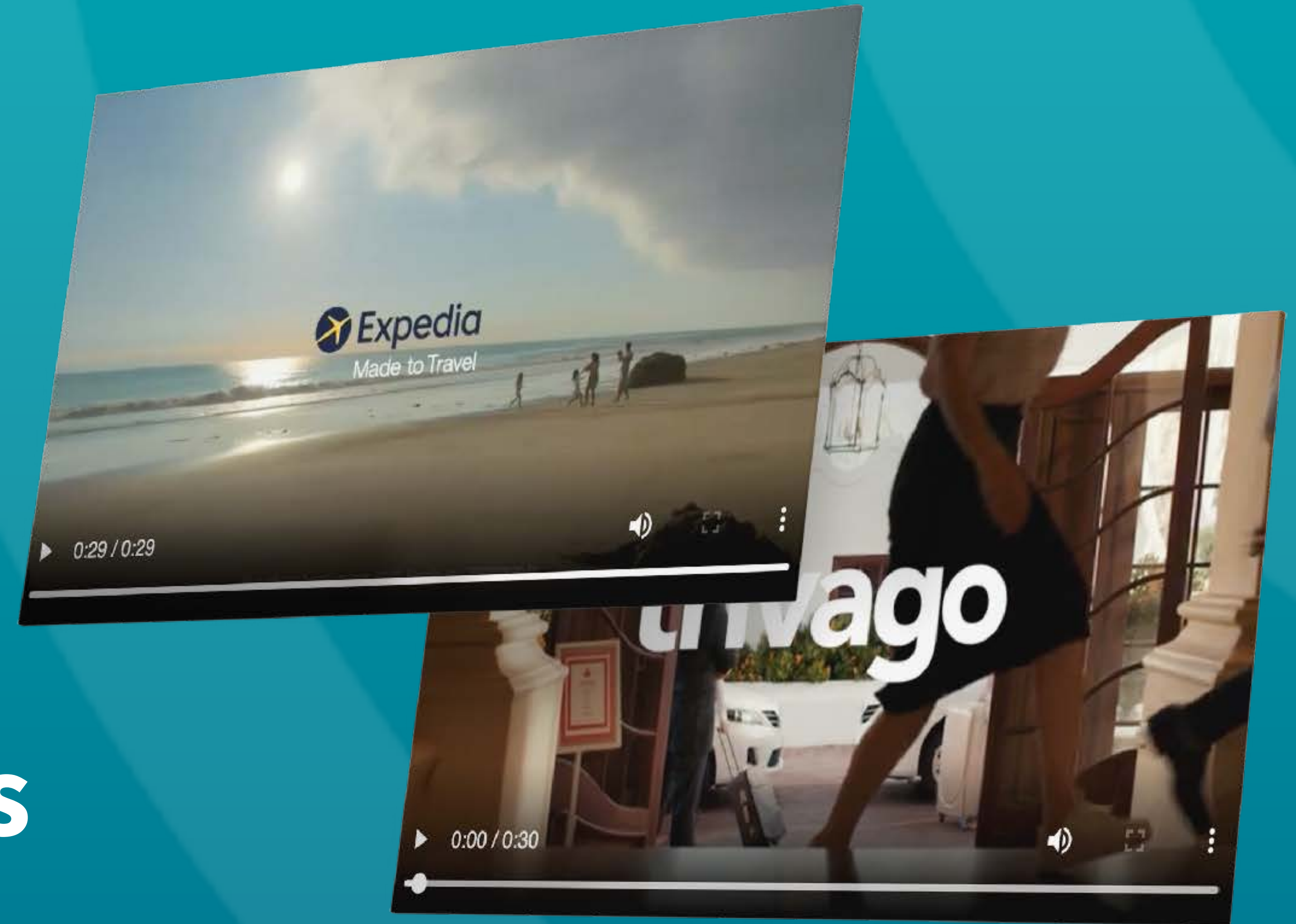
Dating and Arts & Entertainment advertisers tend to target younger audiences. They primarily spend on Hulu across the five streaming service publishers (Hulu, Pluto TV, Tubi, Peacock, and Paramount+). Advertisers in these two categories allocated more than 60 percent of their total OTT ad spending to Hulu in the last eleven months.

In contrast, Sports, and Religion & Spirituality advertisers have a different OTT advertising strategy, spending the most on Pluto TV. Pluto TV was a particularly popular streaming service publisher among Sports advertisers, with around 3 times as much spending on that platform as on Hulu.

Note:
Data from Jan. 2022 to Nov. 2022

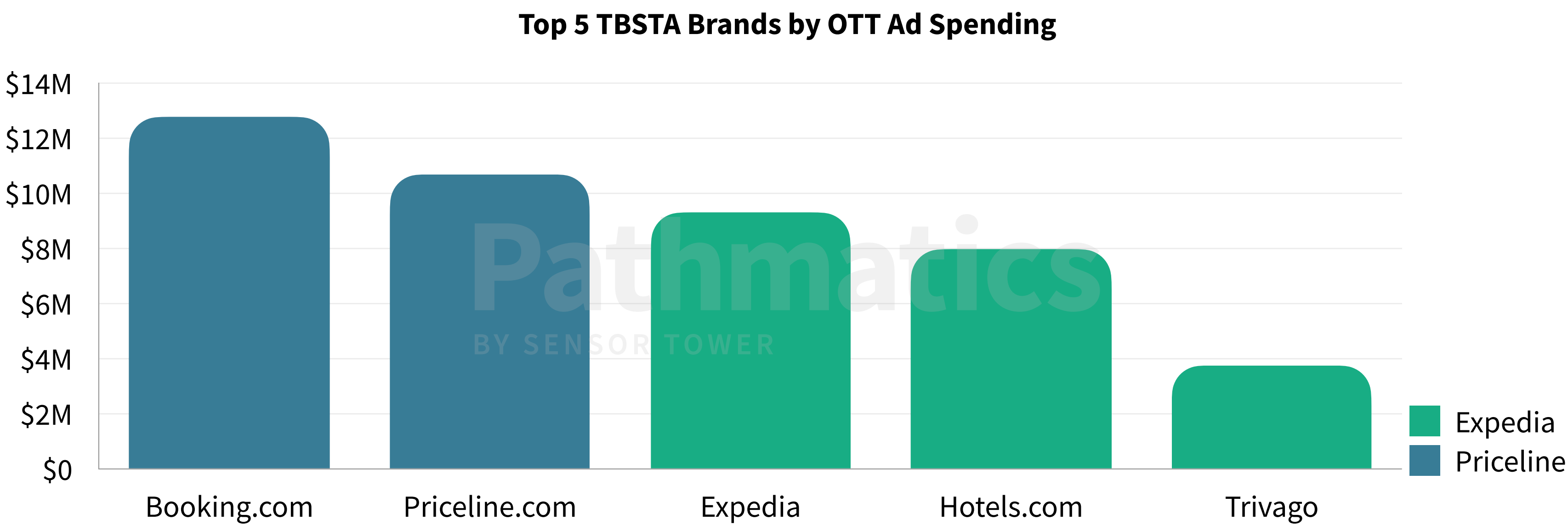
Travel Booking Services & Travel Agencies: United States

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An Overview of the OTT Ad spending Trends
for the Top Travel Advertisers in the U.S.



Priceline Took the Lead with Nearly 50 Percent SOV

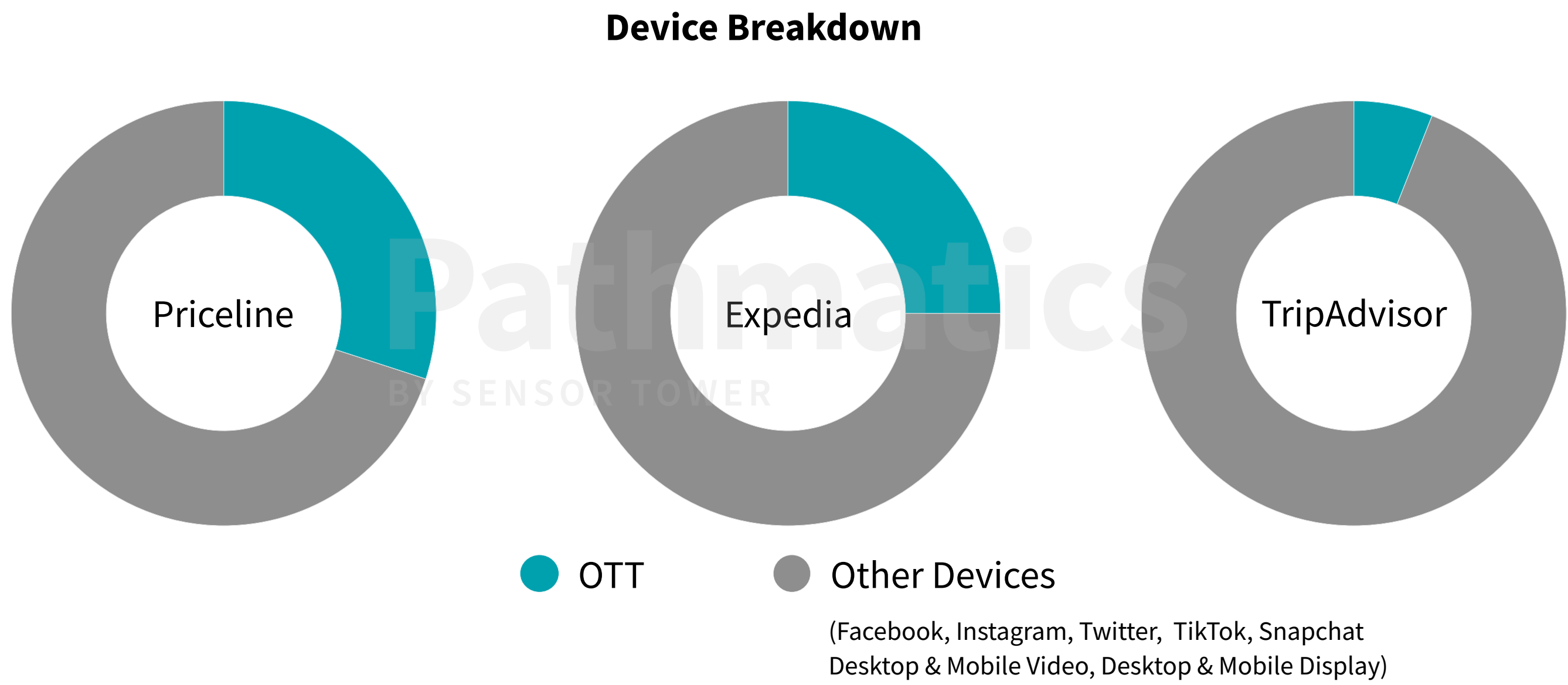
Top Travel Booking Services & Travel Agencies (TBSTA) Brands by OTT Ad Spending



Priceline and Expedia dominated the top OTT brands ranking, led by Priceline’s brands, Booking.com and Priceline.com. Priceline was the top TBSTA advertiser for OTT ad spend in our study period. It invested \$24.5 million on OTT, with its share of voice (SOV) at 48.7 percent.

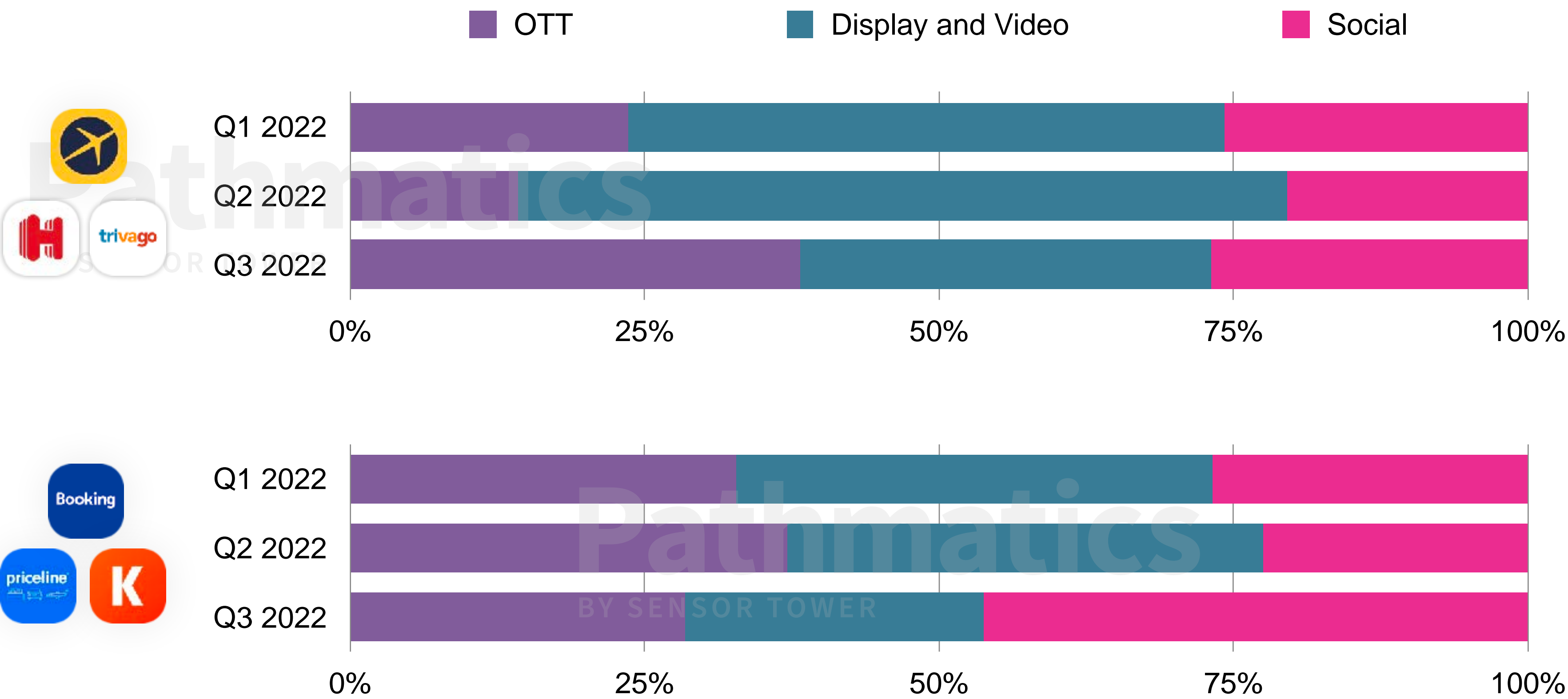
Both Priceline and Expedia had a high share of their digital ad budget allocated to OTT, accounting for at least 25 percent of their spending, while their competitor, TripAdvisor, only allocated 6 percent of its ad budget to OTT.

Note:
Estimated OTT ad spending in the U.S. between January and November 2022



Expedia Turned to OTT Advertising in Q3 2022

Top Travel Advertisers' Quarterly Ad Spend Breakdown by Platform



Expedia (Expedia, Hotel.com, Trivago brands) shifted their Display & Video ad budgets toward OTT in Q3 2022. Their share of ad spending on OTT increased from 24 percent in Q1 2022 to 38 percent in Q3 2022.

Expedia’s video ad investment has shifted to OTT from YouTube in the past two quarters. Their video ad spending on Youtube declined 43 percent from \$11.9 million to in Q1 2022 to \$6.7 million in Q3 2022. Meanwhile, their expenditure on streaming services platforms has increased from \$2.8 million in Q1 2022 to \$7.8 million, up 170 percent.

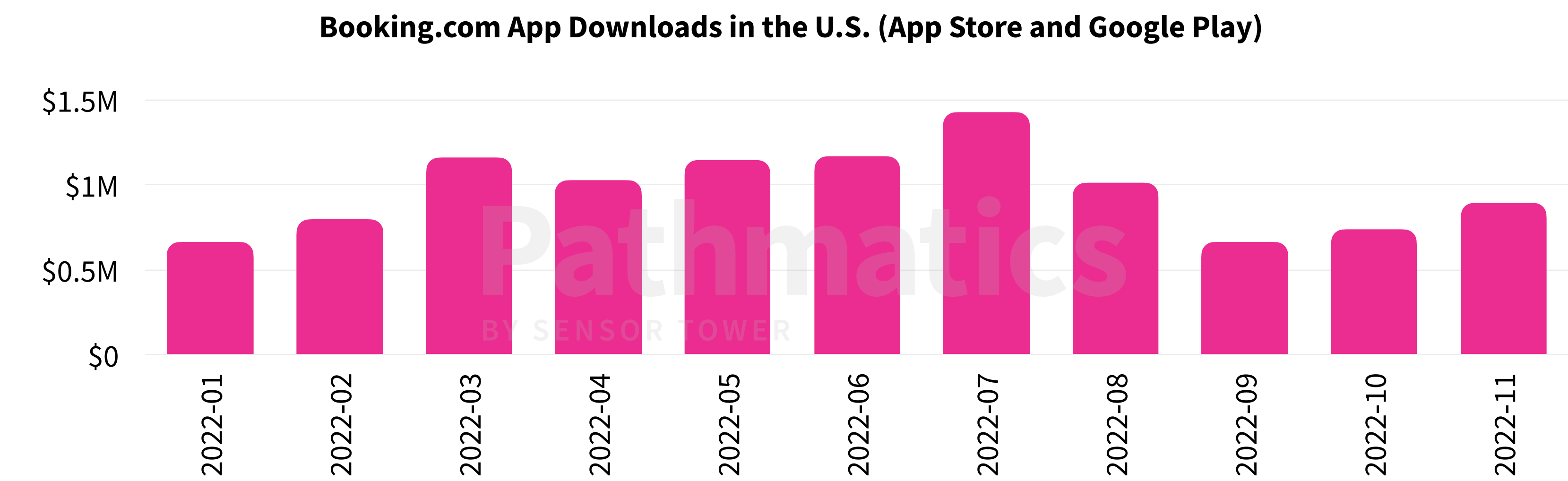
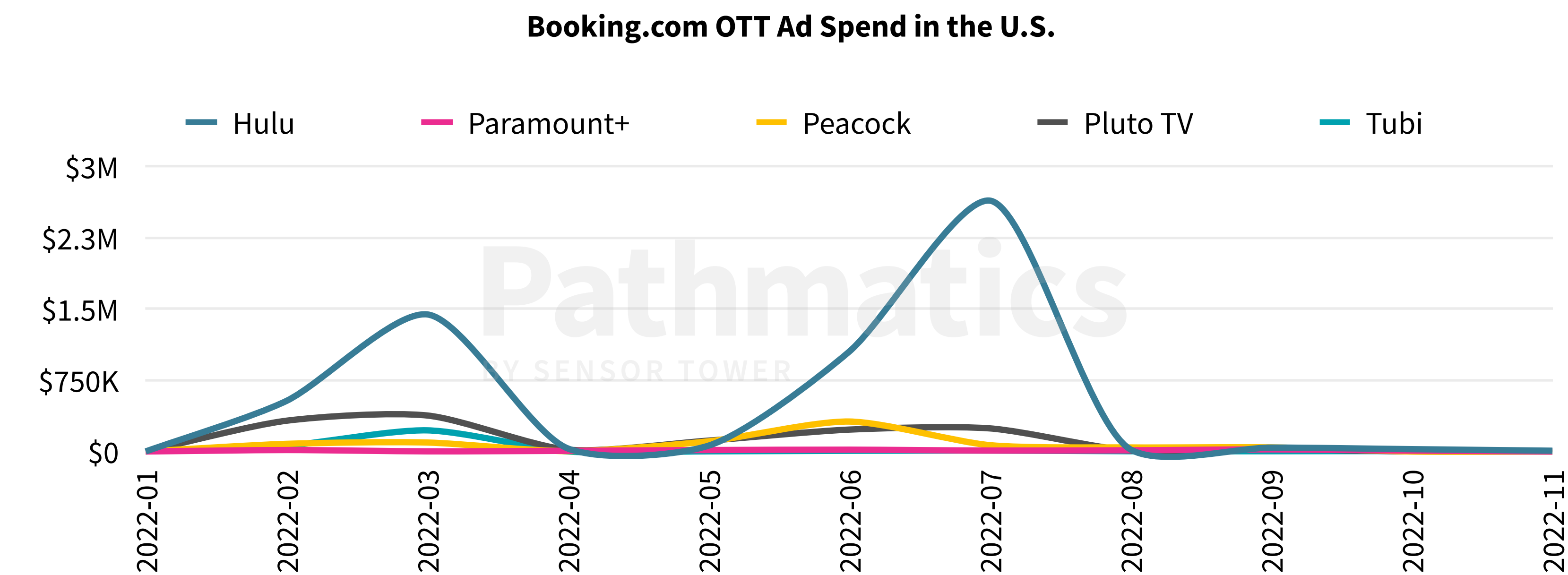
In contrast, its competitor, Priceline Group (Book.com, Price.com, KAYAK), shifted their ad investment toward social channels, its share of ad spending on OTT declined from a peak of 37 percent in Q2 2022 to 28 percent in Q3 2022.

Booking.com Ad spend Peaked during Vacation Season

Booking.com Ad Spend & App Downloads in the U.S.

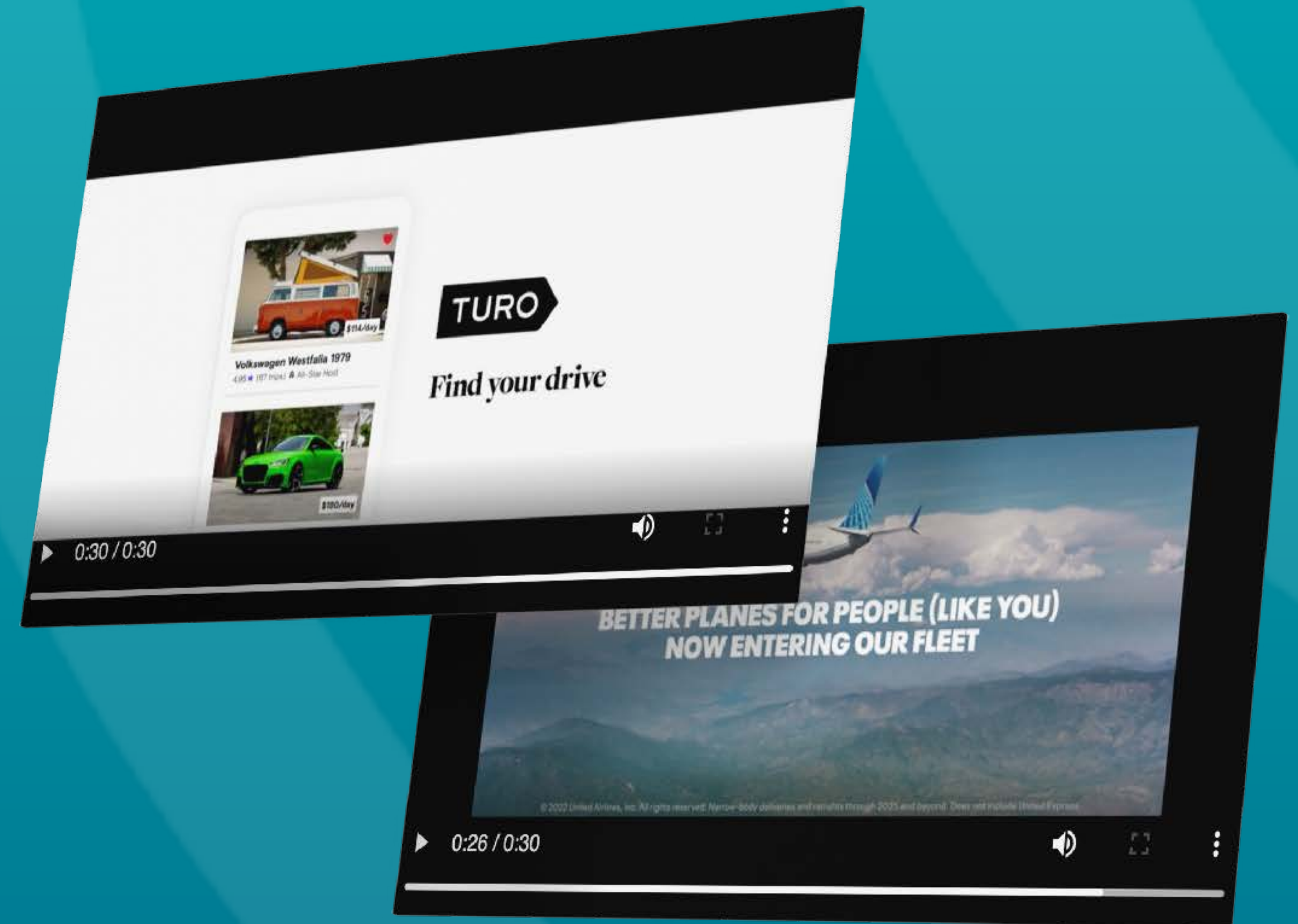
Booking.com, the top travel aggregator app, has seen more than 10 million downloads in the first eleven months of 2022.

Booking.com saw its OTT ad spend peak during vacation season. It ramped up its ad spend on Hulu to \$1.5 million in March (spring break), and to \$2.6 million in July (summer break). This helped boost app installs in these two months by 45 percent and 22 percent compared to the previous month, respectively.



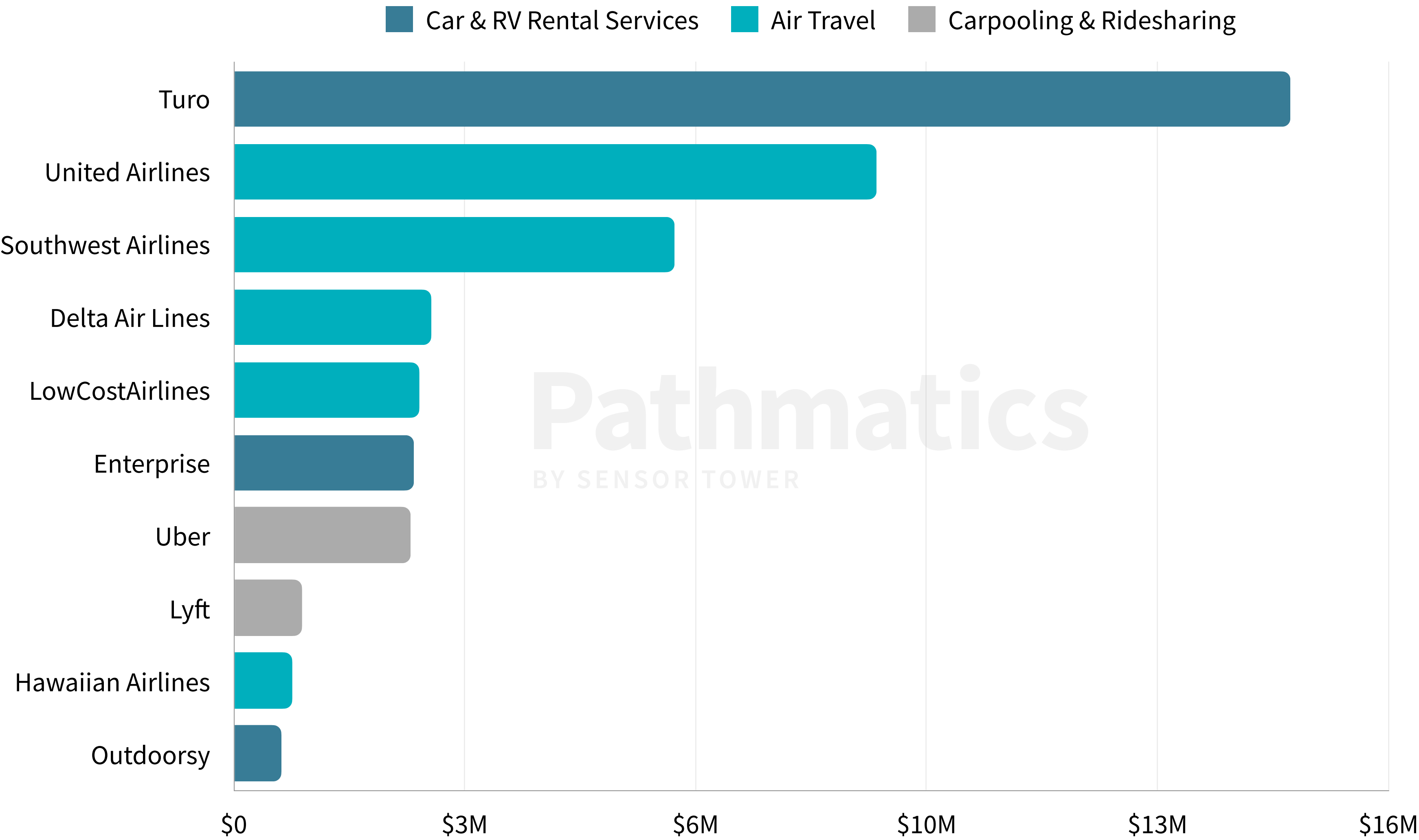
Transportation: United States

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An Overview of the Ad Spending Trends for
the Top Transportation Advertisers in the Europe



Turo Devoted 58 Percent of Ad Spend to OTT

Top Transportation Advertisers by OTT Ad Spending



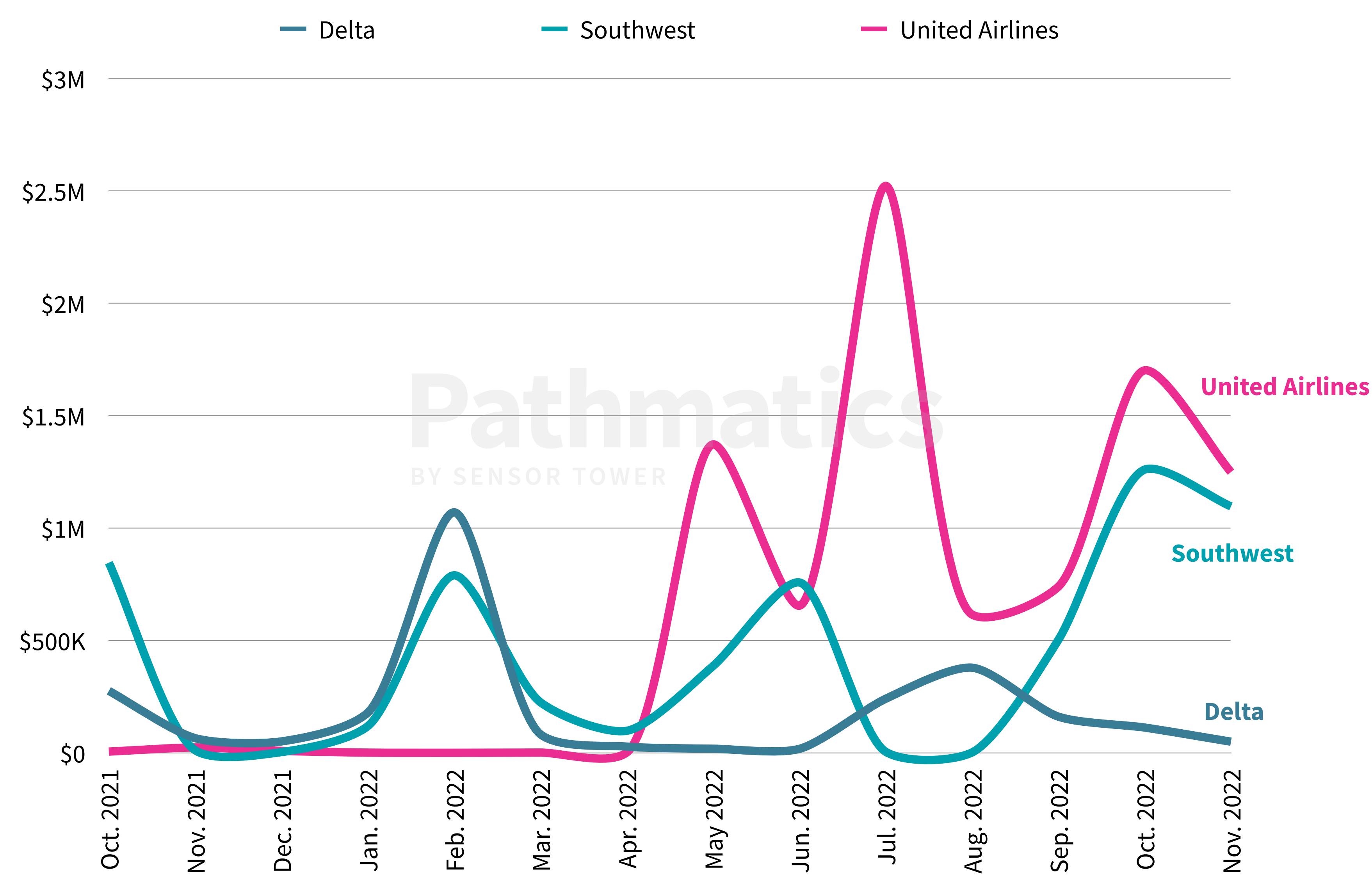
Air Travel advertisers dominated the top Transportation Advertisers chart. There were four Air Travel advertisers ranked in the top 5, led by United Airlines and Southwest Airlines. In addition, Air Travel ads accounted for more than half the share of voice (SOV) for Transportation ads on OTT.

Turo, a car rental services brand, was the largest Transportation advertiser on OTT, with \$14.6 million in ad spending between October 2021 and November 2022. Its spending on OTT was nearly 6 times as much as its competitor, Enterprise. In addition, among top car rental services brands, Turo spent a relatively high share on OTT, apportioning 58 percent of its total digital ad spending on OTT.

Note:
Estimated OTT ad spending in the U.S. between October 2021 and November 2022

United Airlines Increased Investment on OTT Beginning in May 2022

Monthly Ad Spending for the Top 3 Air Travel Advertisers



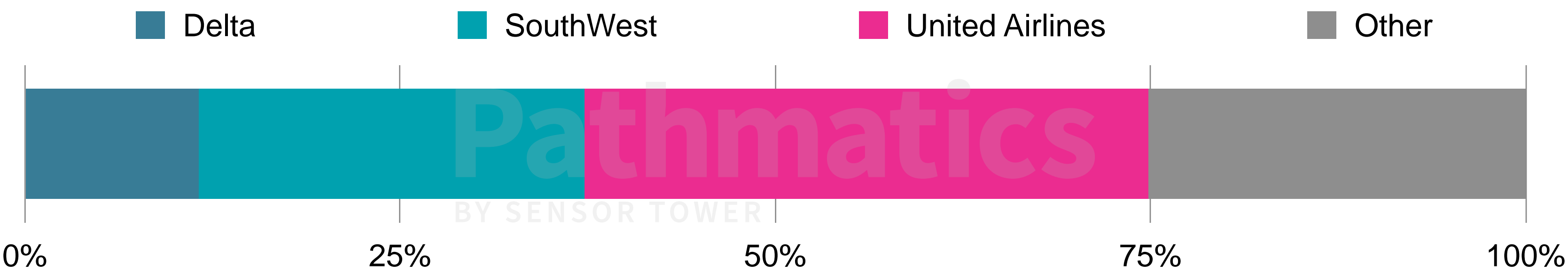
Delta, an official airline of Team USA, saw its advertising investment spike during Winter Olympics. In particular, its ad spend on OTT reached \$1.1 million in February 2022; nearly 6 times as much as its OTT ad investment in the previous month. Building on its Team USA partnership, Delta’s OTT advertising campaigns featured inspiring stories that highlighted the power of perseverance and resilience in ways that audiences could relate to.

As travel demand surged after travel restrictions lifted this year, United Airlines increased their OTT ad investment beginning in May 2022, spending an average of \$1.3 million per month between May through November 2022. They consequently rose by 14 positions to become the No.1 Air travel advertiser since Q2 2022.

Air Travel OTT Ad Spend Spotlight

United Airlines vs. Competitors

Air Travel Ad Spend on OTT Share
Between October 2021 and November 2022

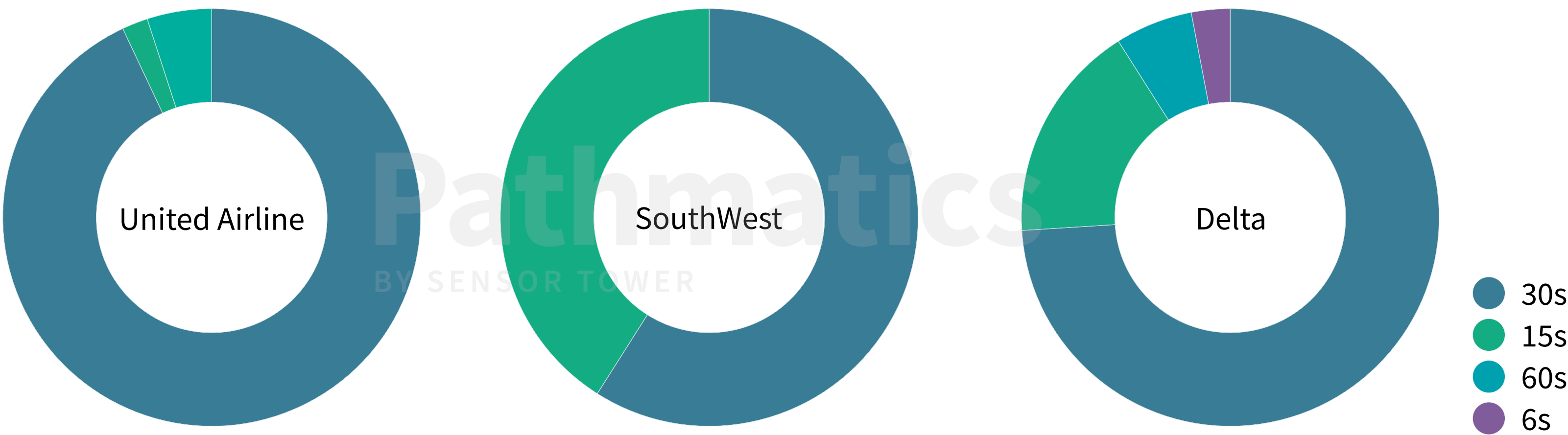


The top three Air Travel advertisers (United Airlines, SouthWest, and Delta) accounted for 75 percent of SOV for Air Travel advertising on OTT in the U.S. United Airlines led the way at 38 percent, followed by its competitors, SouthWest (26 percent) and Delta (12 percent).

Air Travel ad videos were most frequently 30 seconds long. United Airlines particularly spent more than 90 percent of their OTT ad spend on 30-second-long videos. Meanwhile, their competitors, SouthWest and Delta, also allocated more than half of their OTT ad spend on those (30-second) videos.

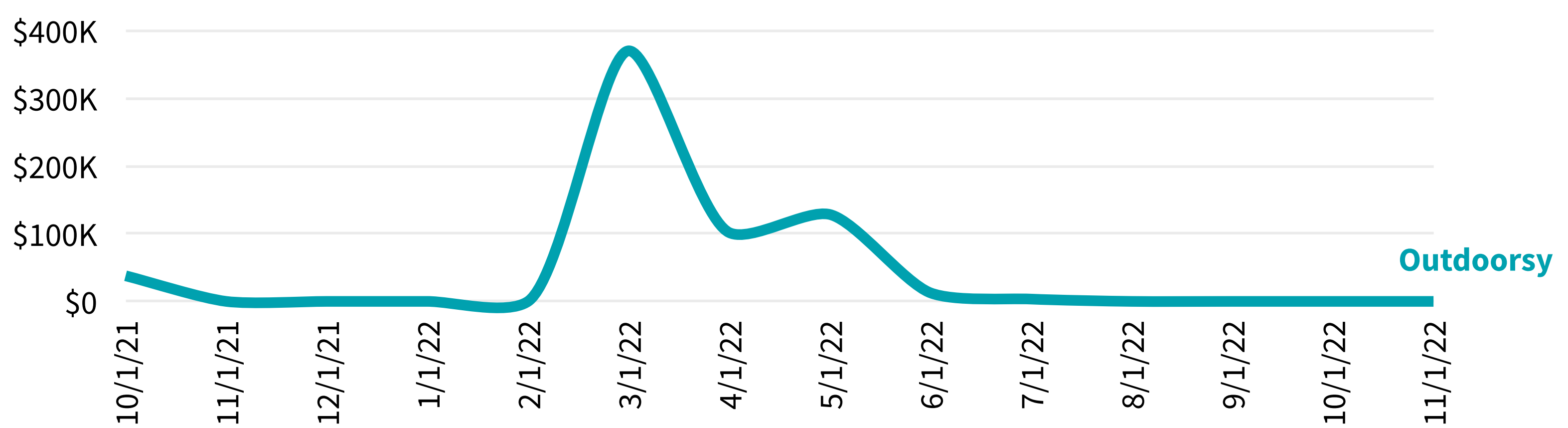
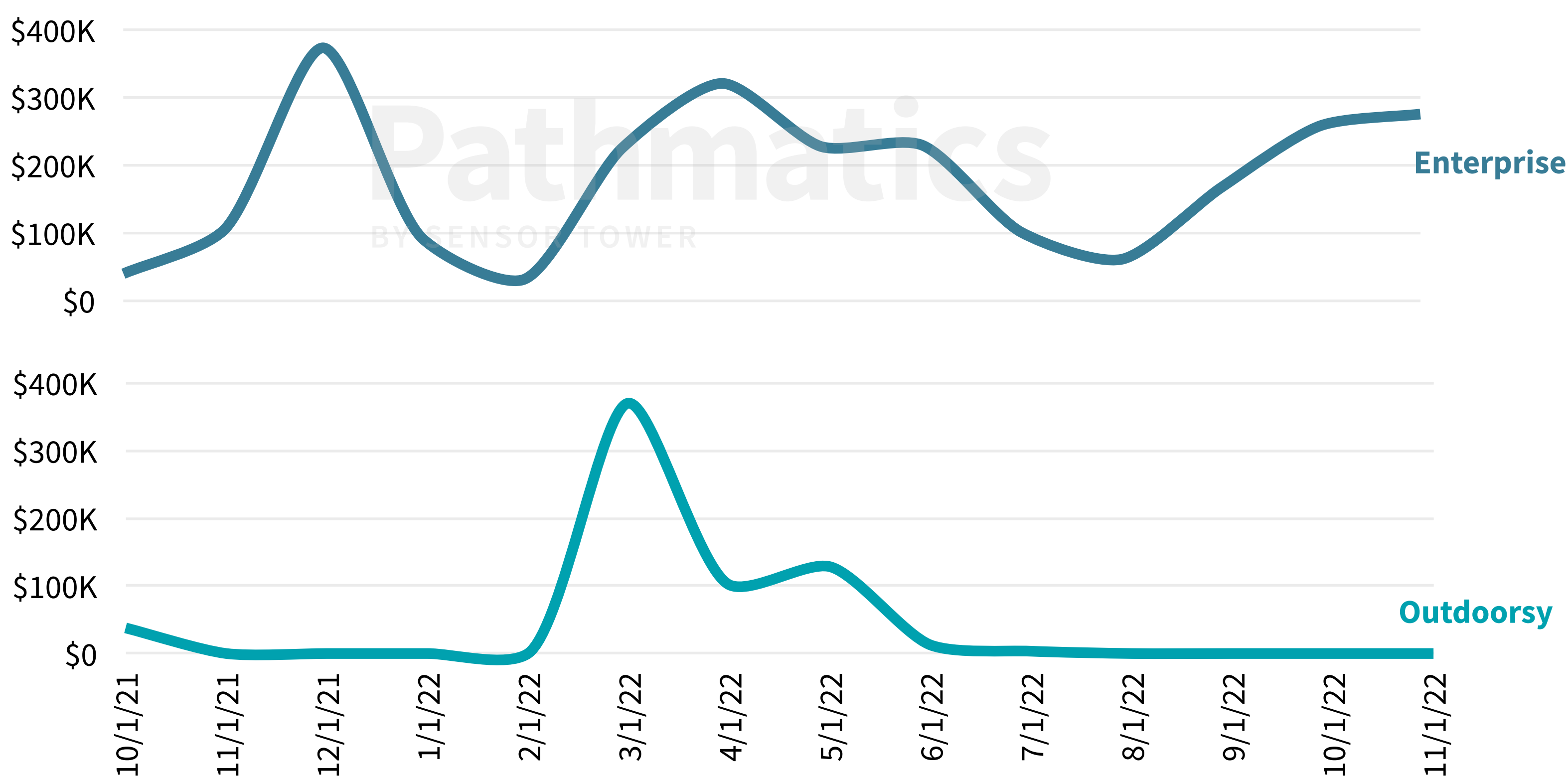
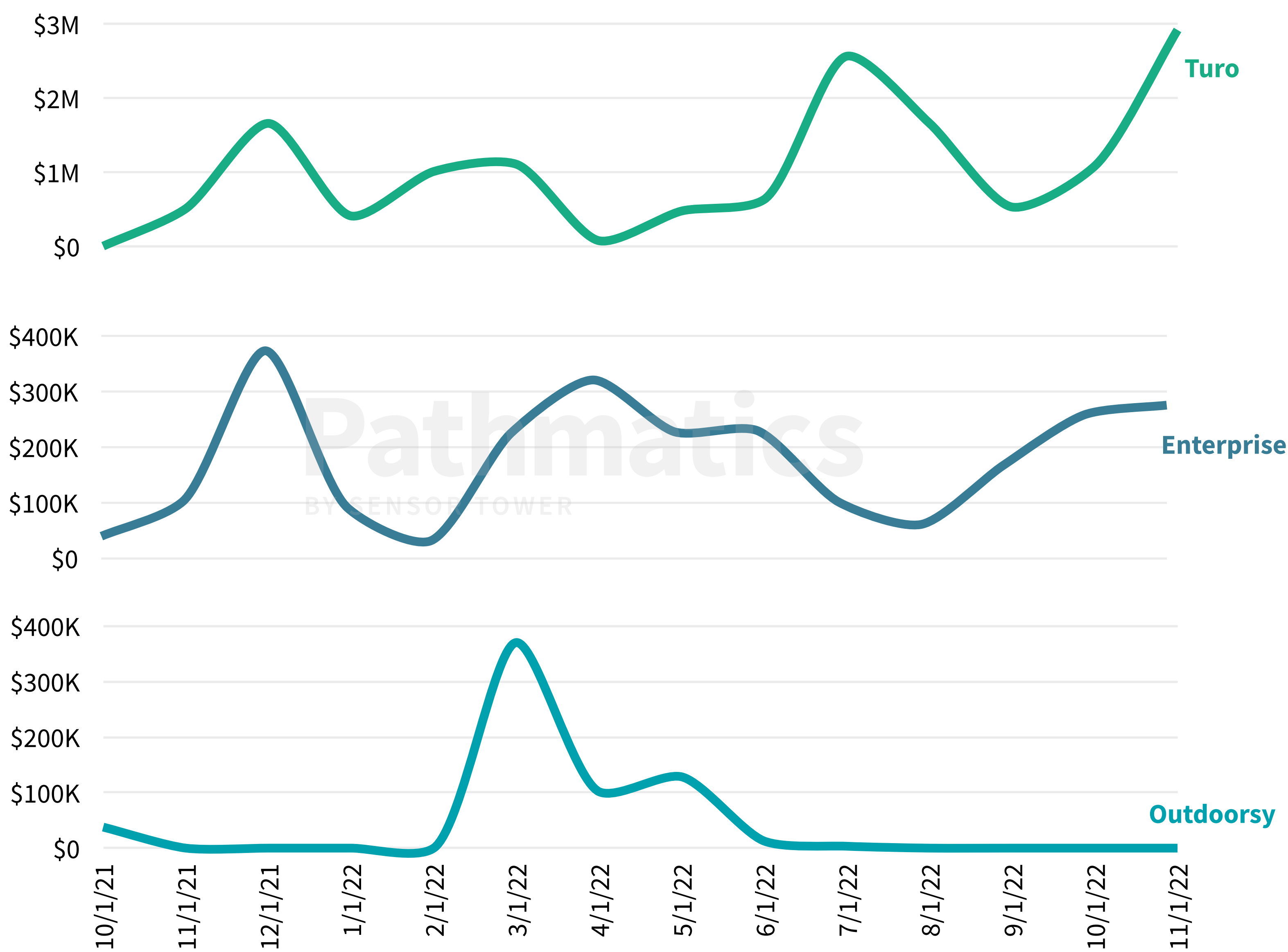
Note:
Data from Oct. 2021 to Nov. 2022

Video Duration Breakdown



Turo's OTT Ad Spending Steadily Increased Year-over-Year

Top Car & RV Rental Services Advertisers Monthly OTT Ad Spending



As the travel industry has gradually recovered from the hit taken at the start of the pandemic, advertisers in Car & RV Rental Services have increased their OTT ad investment year-over-year. Between October and November, Turo has taken the lead, up 685 percent in OTT ad spending in 2022, compared to the same period in 2021. Meanwhile, their competitor, Enterprise, also increased their OTT ad spending to \$534K in the past two months, up 275 percent year-over-year.

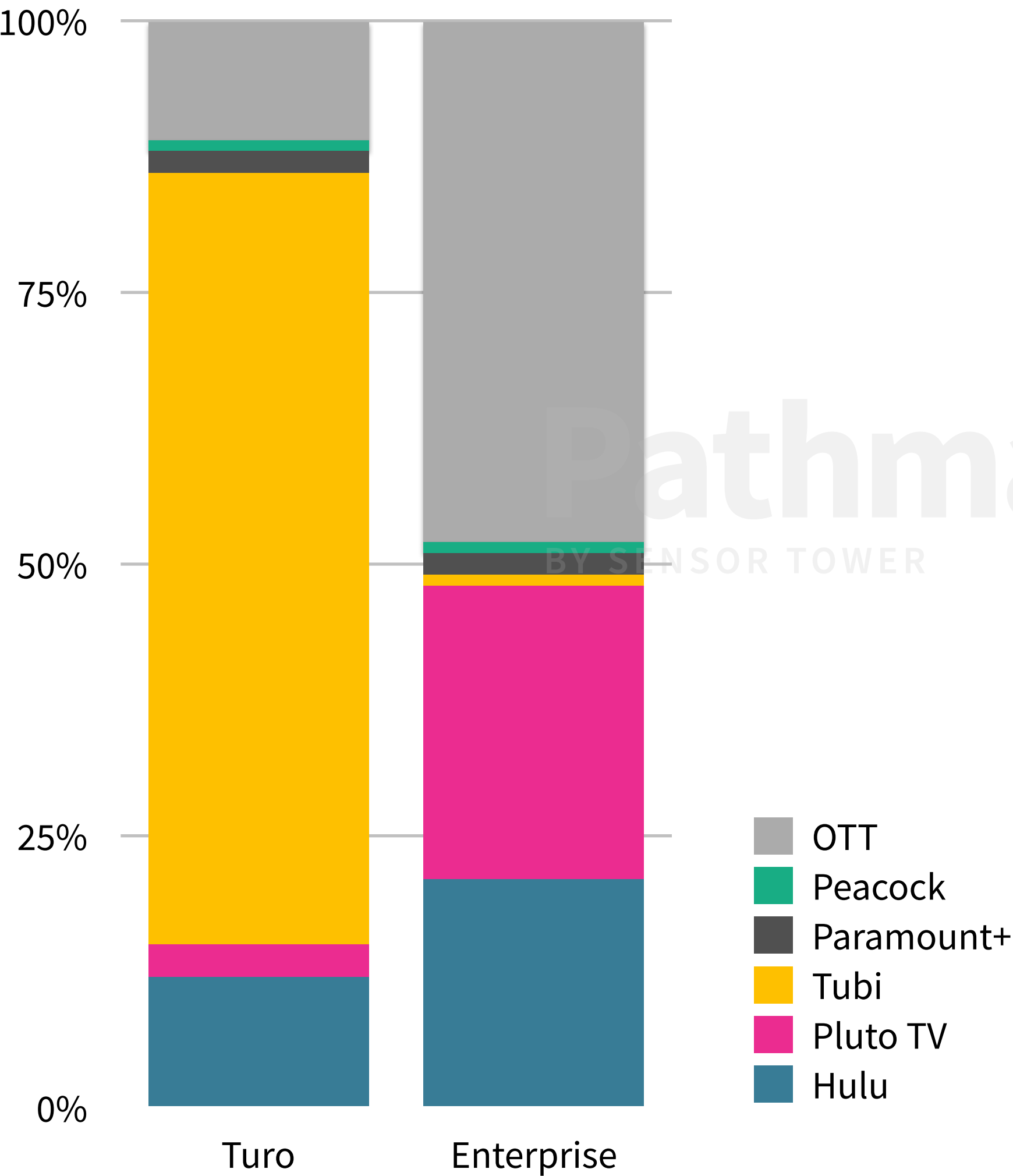
Outdoorsy saw its OTT ad spending peak in the beginning of 2022. In March, they mainly targeted RV owners, with their OTT ads featuring positive feedback from actual users in this group. As camping season (June through September) approached, Outdoorsy shifted focus towards RV renters, with nine of the top ten creatives between April and May 2022 aimed at this group.

Note:
Estimated OTT ad spending in the U.S.

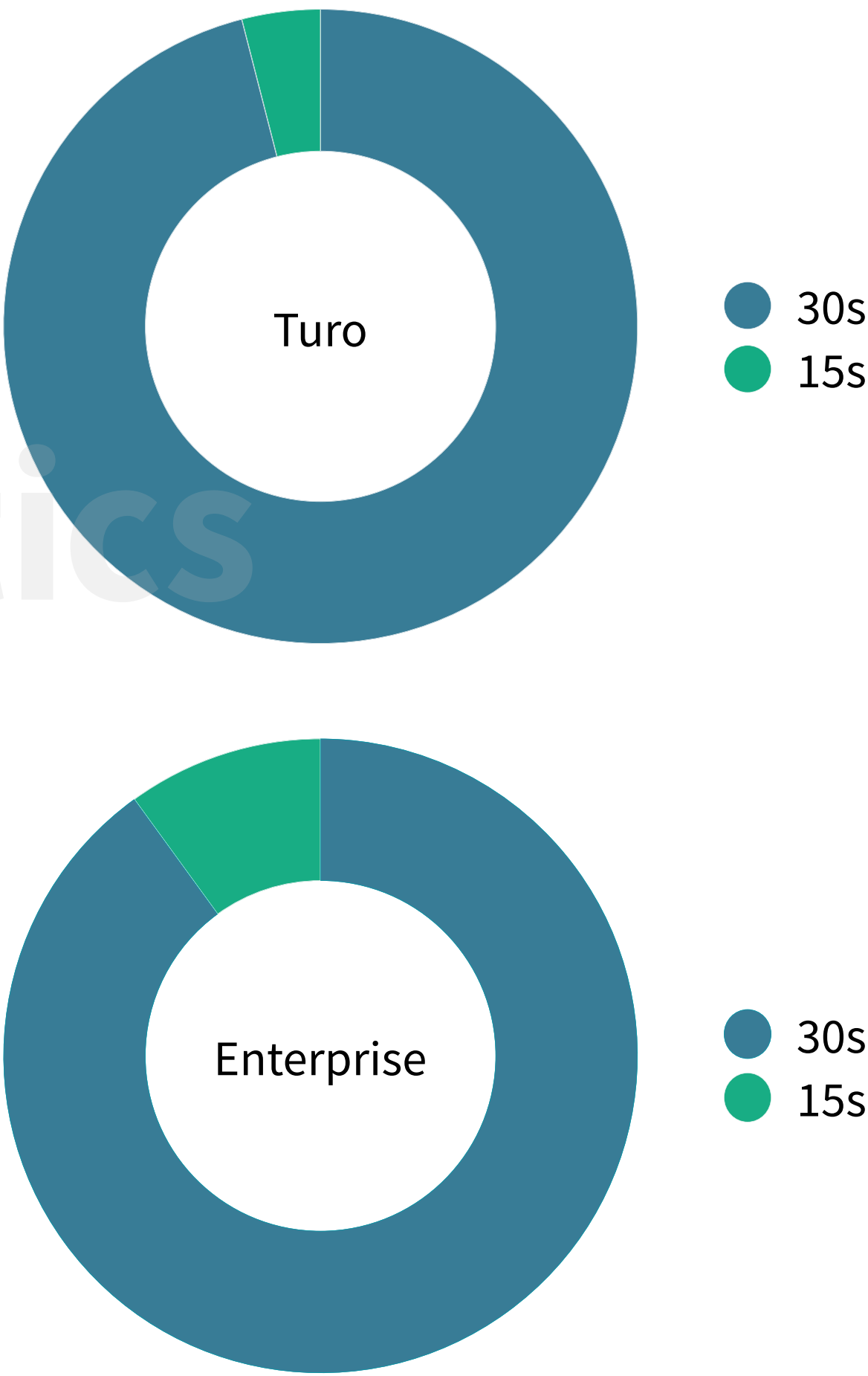
Car & RV Rental Services OTT Ad Spend Spotlight

OTT Ad Strategy Turo vs. Enterprise

OTT Ad Spend Breakdown by Streaming Services



Video Duration Breakdown



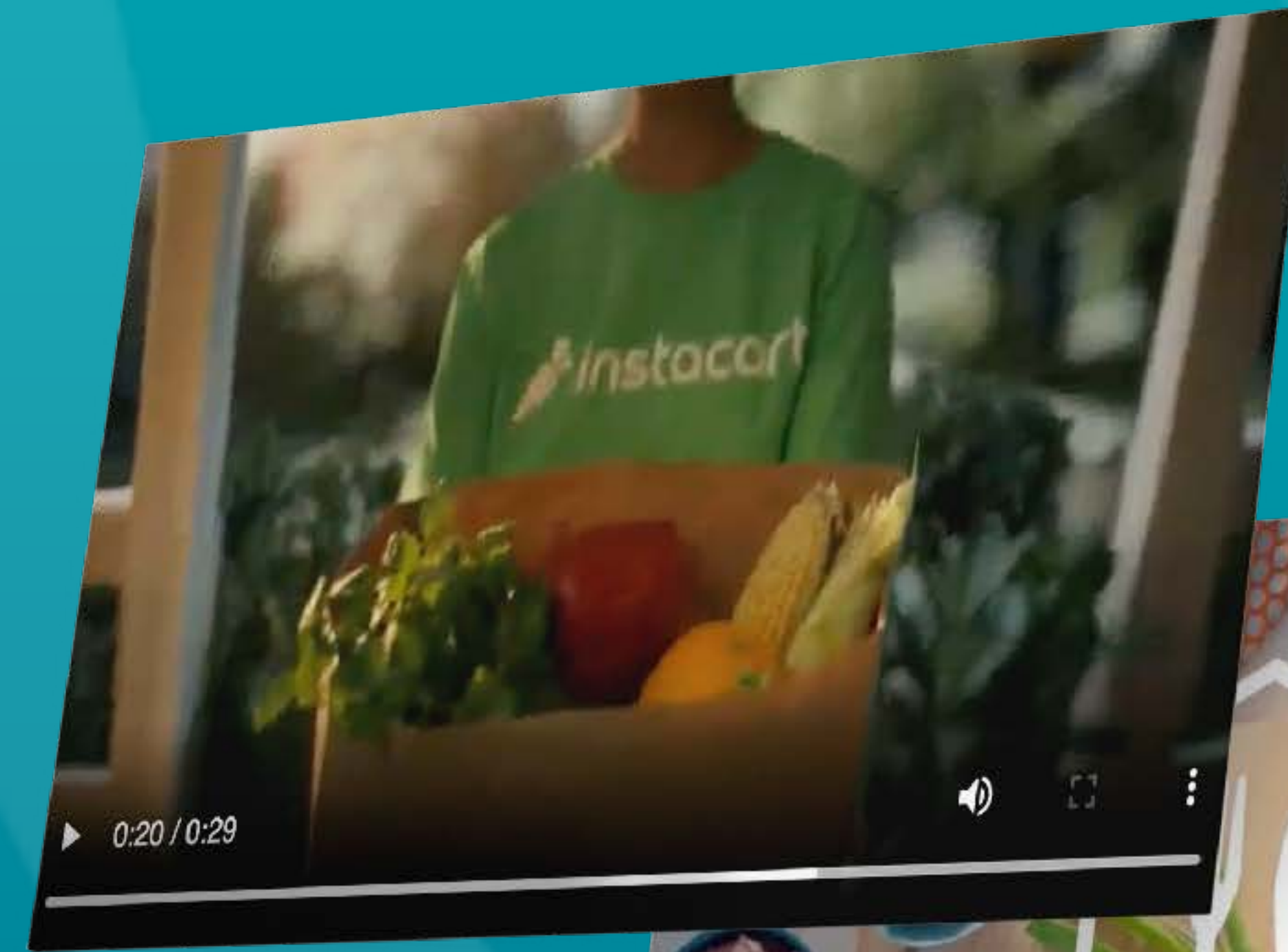
Turo and Enterprise employed very different OTT ad strategies in the U.S. While Turo allocated 71 percent of its OTT ad budget to Tubi, Enterprise spent the most on Pluto TV and Hulu, with nearly half of its OTT ad spending across those two platforms. Enterprise only allocated 1 percent of its OTT ad spending on Tubi.

Turo and Enterprise used similar proportions of their ad spend on the different lengths of ad videos. Both leaned heavily on 30-second-long videos, with more than 90 percent of their OTT ad spending on those videos.

Note:
Estimated OTT ad spending in the U.S. between January though November 2022

Food Delivery Services: United States

—
An Overview of the Ad Spending Trends for
the Top Food Delivery Advertisers in the United States



Instacart is Once Again the Top Food Delivery Advertiser in Q3 2022

Top Food Delivery Advertisers by OTT Ad Spending in the U.S.

Q4 2021

- 1 Instacart
- 2 DoorDash
- 3 GrubHub
- 4 UberEATS
- 5 Hungryroot
- 6 HelloFresh
- 7 OmahaSteaks
- 8 Daily Harvest
- 9 Drizly
- 10 Tovala

Q1 2022

- 1 DoorDash **+1**
- 2 Basketful **New**
- 3 GrubHub **-**
- 4 Instacart **-3**
- 5 HelloFresh **+1**
- 6 Daily Harvest **+2**
- 7 UberEATS **-3**
- 8 Hungryroot **-3**
- 9 Home Chef **+3**
- 10 ezCater **New**

Q2 2022

- 1 UberEATS **+6**
- 2 Instacart **+2**
- 3 DoorDash **-2**
- 4 HelloFresh **+1**
- 5 GrubHub **-2**
- 6 Daily Harvest **-**
- 7 Hungryroot **+1**
- 8 Drizly **+7**
- 9 Tovala **+2**
- 10 Blue Apron **New**

Q3 2022

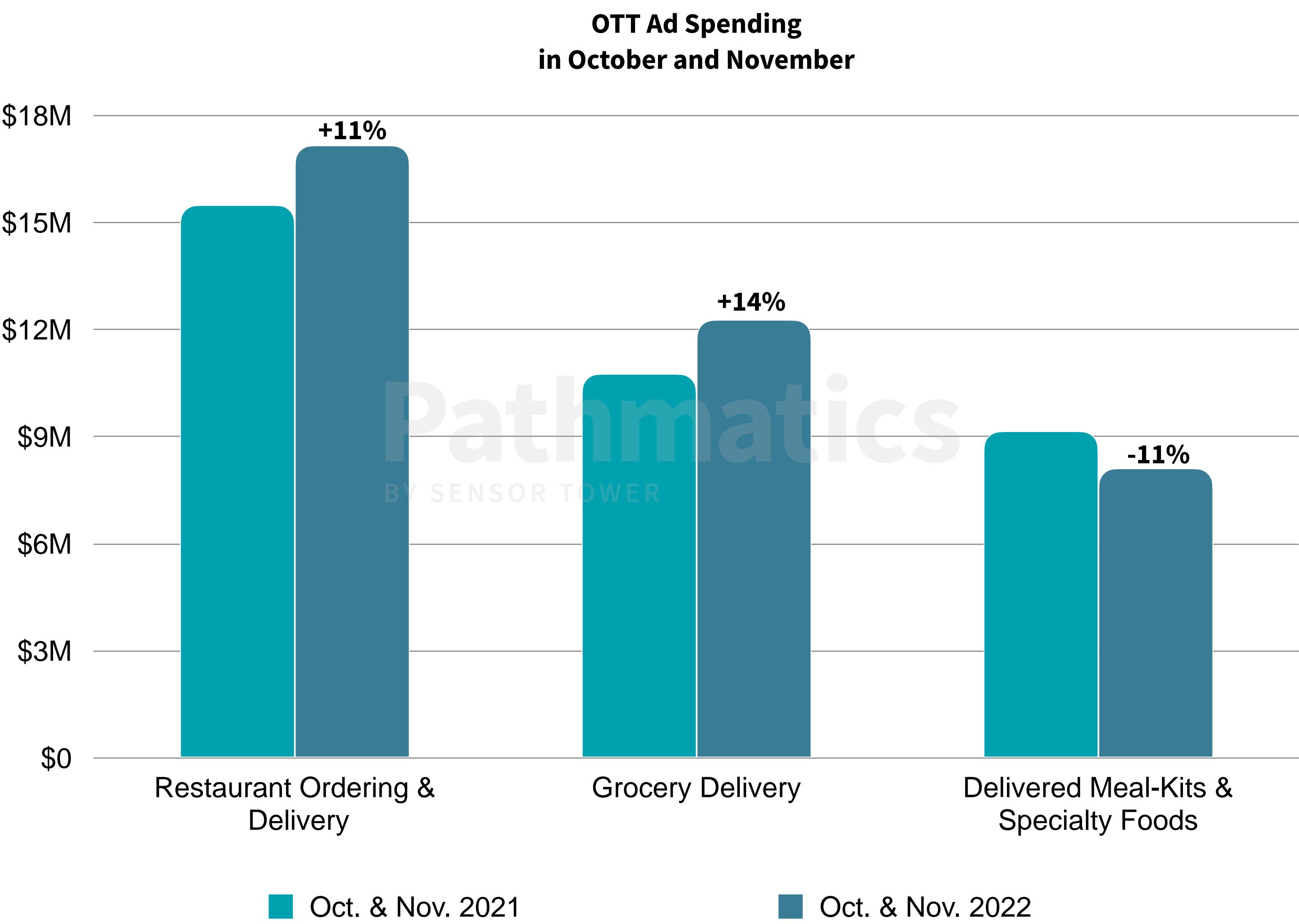
- 1 Instacart **+1**
- 2 DoorDash **+1**
- 3 HelloFresh **+1**
- 4 GrubHub **+1**
- 5 Tovala **+4**
- 6 UberEATS **-5**
- 7 Hungryroot **-**
- 8 Drizly **-**
- 9 ButcherBox **+3**
- 10 OmahaSteaks.com **+4**

Oct. & Nov. 2022

- 1 Instacart **-**
- 2 DoorDash **-**
- 3 UberEATS **+3**
- 4 GrubHub **-**
- 5 HelloFresh **-2**
- 6 Blue Apron **+8**
- 7 Tovala **-2**
- 8 Home Chef **+5**
- 9 Drizly **-1**
- 10 Fresh Direct **New**

Grocery Delivery Ad Spend on OTT increased 14% Year-over-Year

OTT Ad Spend for the Subcategories



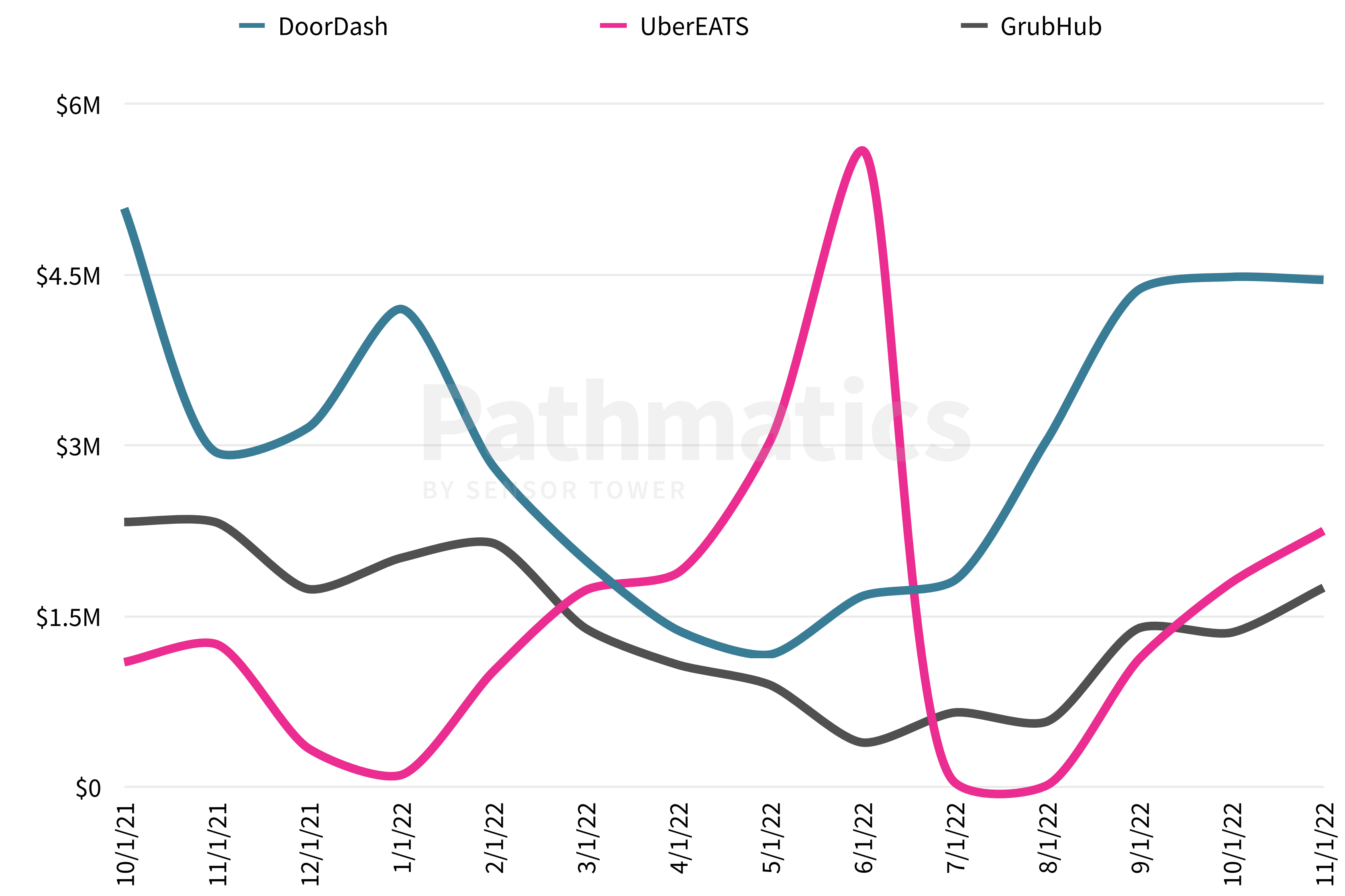
Advertisers in Delivered Meal-Kits & Specialty Foods saw a year-over-year reduction in OTT ad investment. Ad spending between October and November in 2022 was down 11 percent when compared to the \$9.2 million spent during the same period in 2021.

Among top Delivered Meal-Kits advertisers in 2021, HelloFresh and Home Chef increased their OTT ad investment year-over-year by 44 percent and 26 percent, respectively, while their competitors, Hungryroot, Daily Harvest, and Imperfect, shifted their ad budget away from OTT. In particular, Imperfect halted spending on OTT beginning in May 2022.

Note:
Estimated OTT ad spending in the U.S.

UberEats’ OTT Ad Spend Peaked after Partnering with Grocery Outlet

Monthly OTT ad spending by Top Food Delivery Brands

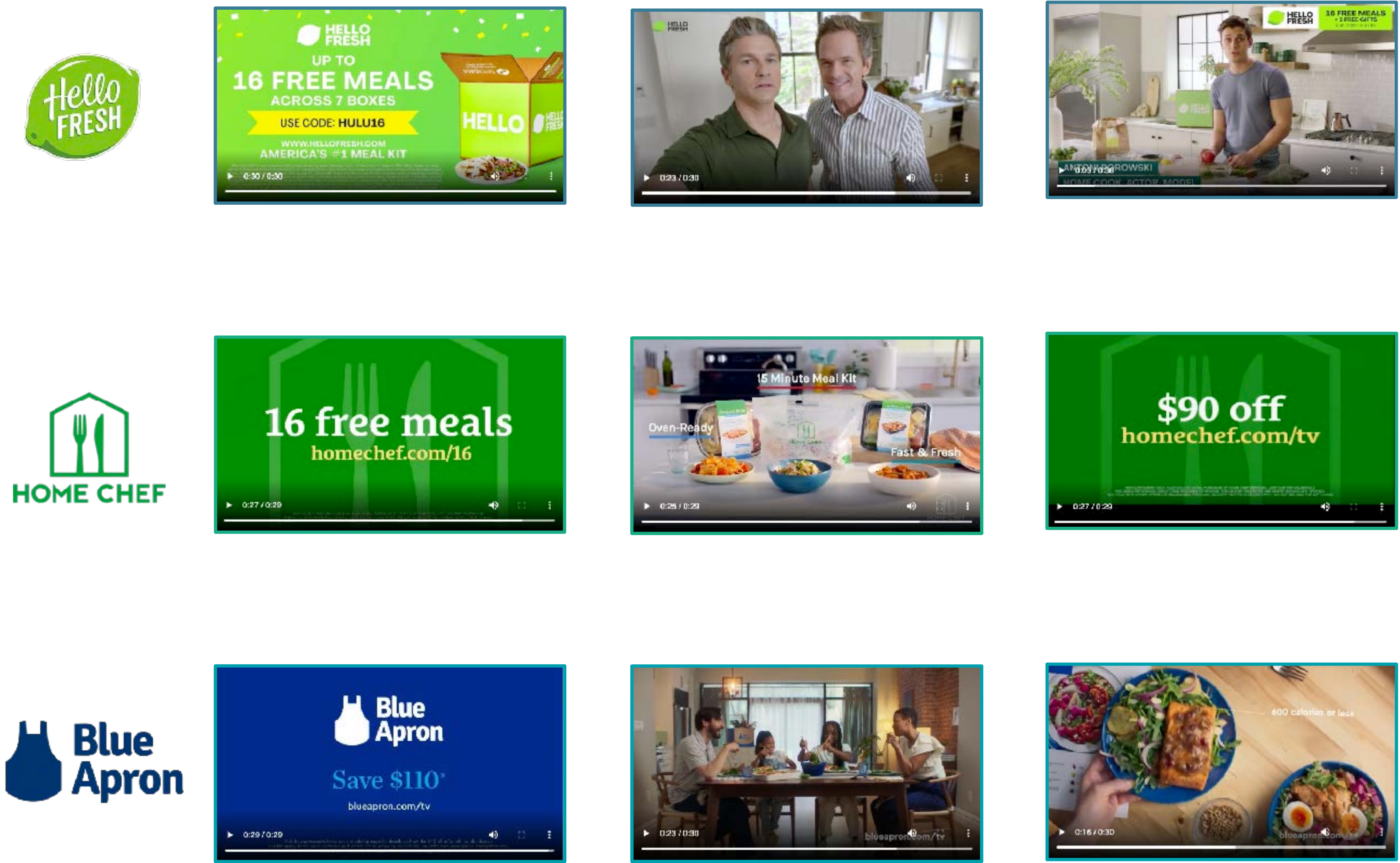


DoorDash and GrubHub demonstrate a similar trend in OTT ad spending, with a sharp reduction occurring between late Q1 2022 and mid Q2 2022. In anticipation of an increase in food deliveries during the holiday season, DoorDash and GrubHub consolidated their OTT advertising budget across the holiday season, increasing it month over month during the final months of the year.

In contrast to DoorDash and GrubHub, UberEats showed an upward trend in OTT ad spending beginning in February 2022 and peaking in June 2022. As UberEats aimed to extend grocery delivery this year, it invested heavily on OTT for its “Uber Don’t Eats” campaigns. In addition to this, it ramped up its OTT ad spending to \$5.6 million in June 2022, a month after it partnered with Grocery Outlet. Throughout the OTT campaigns, UberEats emphasized that “You can now get anything deliver from UberEats”.

Delivered Meal-Kits: Creatives Highlight

Top Delivered Meal-Kits Brands' Creative Strategy in 2022



The meal kit industry has grown rapidly in these last few years, with many competitors crowding the market in the U.S. To gain a foothold in the market, well-known meal-kit companies, such as HelloFresh, Home chef, and Blue Apron, continually focus on promoting deals in their OTT creatives, with highlighted keywords “16 free meals”, “\$90 off”, and “Save \$110”.

With over \$13.5 million invested on OTT advertising in the first eleven months of 2022, HelloFresh dominates the OTT advertising space in the U.S. (with a 28 percent SOV on OTT).

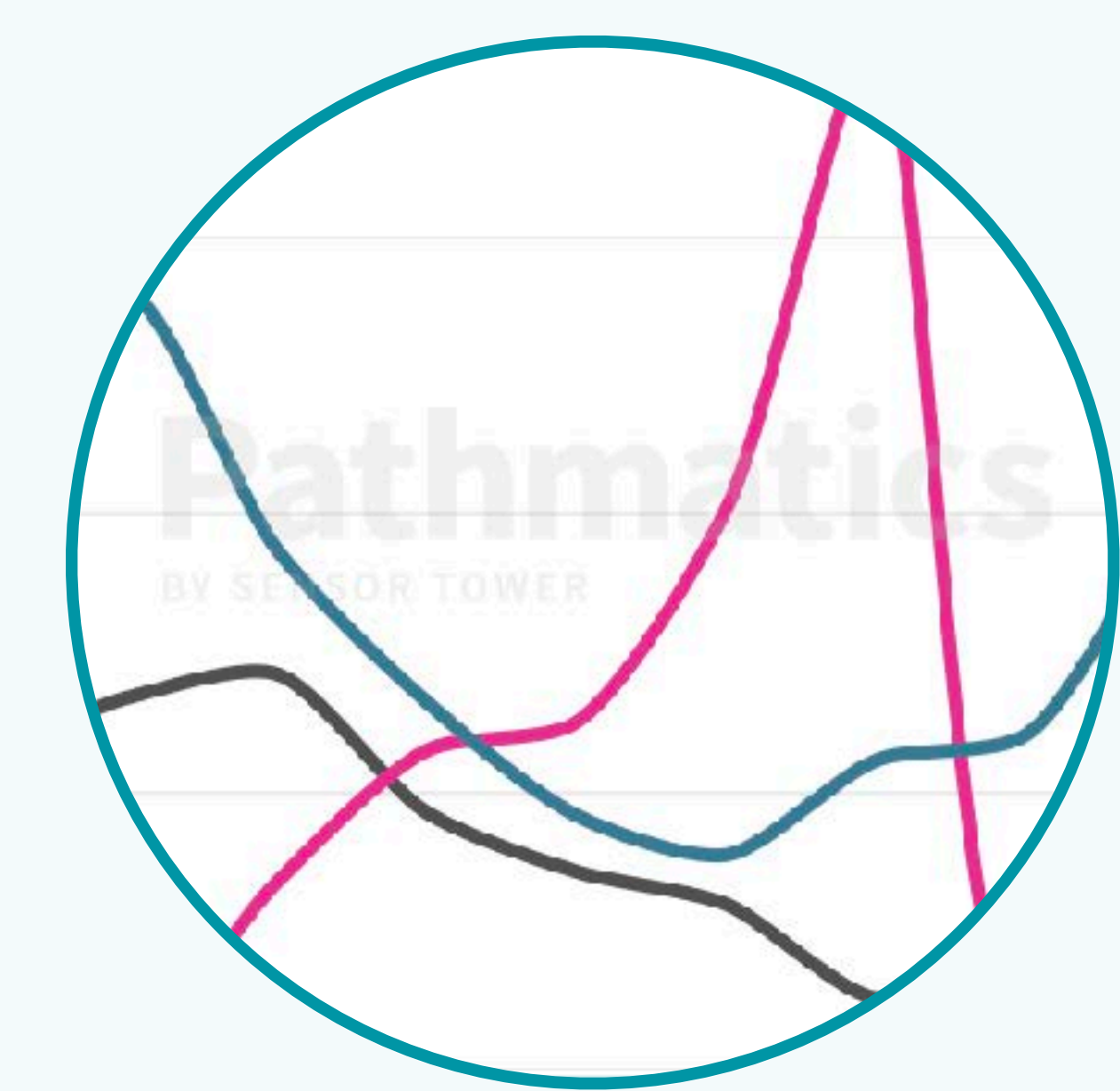
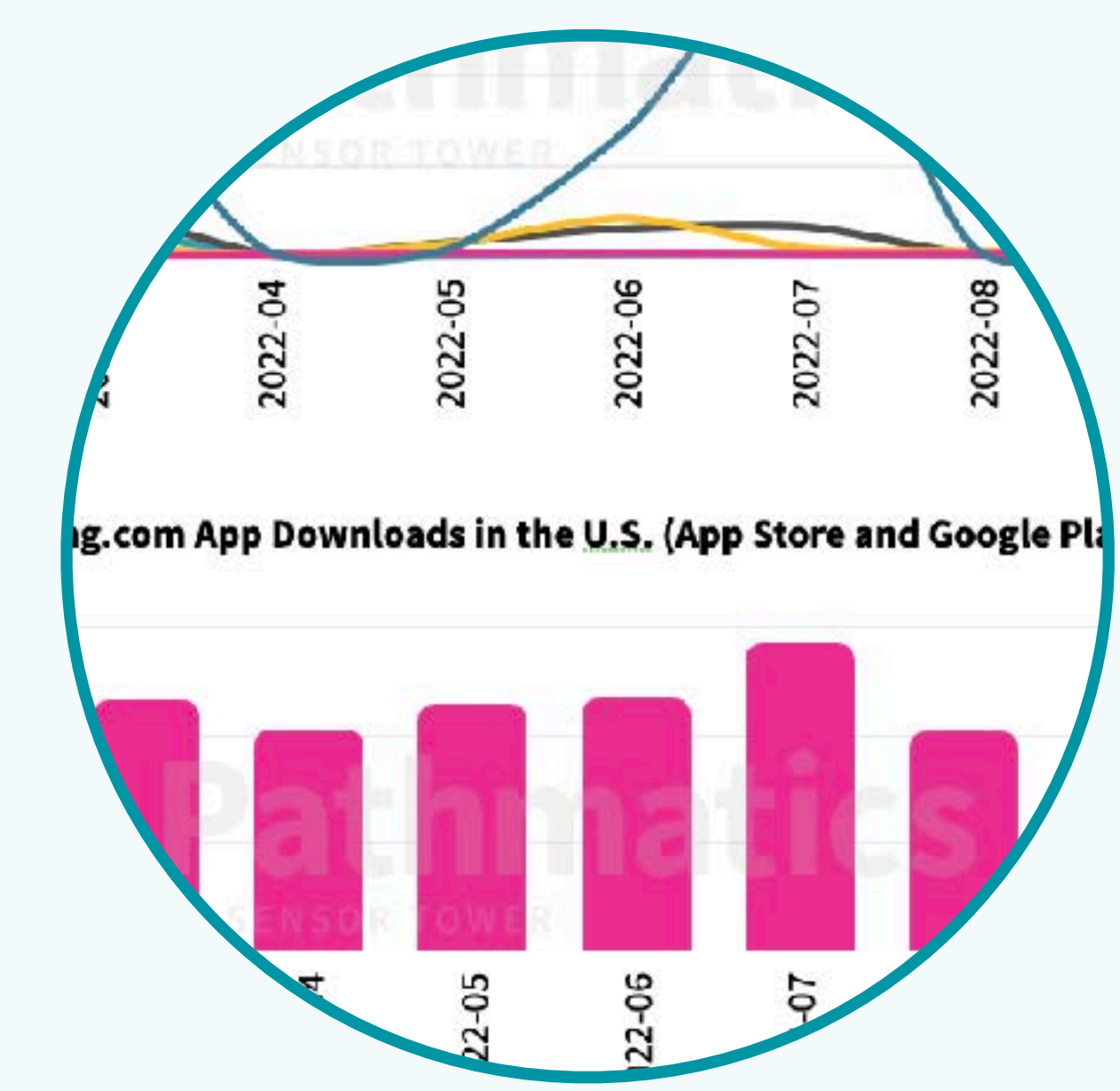
In 2022, HelloFresh collaborated closely with celebrities such as Antoni Porowski (Queer Eye star), and David Burtka (professional chef). OTT ad spending peaked at \$1.9 million in May and \$1.9 million in August soon after they began their partnership with Antoni Porowski at the end of April, and David Burtka in August.

Conclusion

Key Takeaways from the Report

Conclusion: OTT Advertising in United States

- OTT ad spending accounted for nearly 15 percent of total digital ad spending in the U.S. Between October 2021 and September 2022, with US advertisers spending a combined average of \$3.26 billion per quarter on OTT.
- Advertisers in Consumer Packaged Goods (CPG) have shown a stable upward trend in OTT ad spending this year. Between October and November, their investment on OTT increased 58 percent year-over-year. The CPG category has become the No. 1 category since Q2 2022.
- Expedia (Expedia, Hotel.com, Trivago brands) shifted their Display & Video ad budgets toward OTT in the past two quarters. Their expenditure on OTT increased from \$2.8 million in Q1 2022 to \$7.8 million in Q3 2022, up 170 percent. And, its share of ad spending on OTT increased 14 percentage points.
- As travel demand surged after restrictions were lifted , United Airlines boosted their OTT ad investment beginning in May 2022, spending an average of \$1.3 million per month between May through November 2022, resulting in their rise by 14 positions to become the No.1 Air travel advertiser since Q2 2022.
- As UberEats aimed to extend grocery delivery this year, they invested heavily on OTT for their “Uber Don’t Eats” campaigns, and saw their OTT ad spending peak in June 2022, a month after they partnered with Grocery Outlet.



About Sensor Tower

Sensor Tower is the leading provider of actionable intelligence for the global digital economy, while Pathmatics turns the world's marketing data into actionable insights.

Sensor Tower provides enterprise-level data on mobile apps and publishers through proprietary Store Intelligence, Ad Intelligence, Usage Intelligence, Consumer Intelligence, and App Intelligence platforms, which offer download, revenue, share of voice, and engagement metrics at unparalleled accuracy for the world's most important markets.

Acquired in 2021 by Sensor Tower, Pathmatics brings visibility into display, social, video, OTT, and mobile advertising data.

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Sensor Tower & Pathmatics

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