

The Future of TV:

Where Immersion Meets Commerce



As any marketer — and viewer — can attest, the way people watch television continues to evolve.



While media buyers carefully plan their investments over the short- and long-term future, they can benefit from insights into what's happening in the world of television, including digital platforms and linear TV. Marketing and media teams aiming to capture the full-funnel experience on TV to both encourage consideration and drive conversion need to understand the transformation in viewing behaviors and in consumer purchase behaviors to connect with the right audiences at the right time and in the right format.

A hallmark of the current transformation is the convergence of media, commerce, and entertainment, with TV expanding beyond a screen to a true, immersive storefront.

Like all devices, TV has shifted from a one-way engagement to a two-way interaction, opening new opportunities for advertisers to effectively engage with audiences.

At the same time, there is much more data available to help shape TV buying and to measure the effectiveness of campaigns, underscoring the need to weigh decisions carefully while being mindful of consumer concerns about privacy and social responsibility.

As younger consumers are redefining the marketplace, brands that heed and adjust to the changes and focus on more immersive experiences can outperform their competitors to boost loyalty and move products.

The Biggest TV Transformations of the '20s

TV's evolution is truly transformational, as consumers, content providers, and advertisers engage in new and dynamic ways.

It's arguably the most impactful shift since the one-way mode of communication became a daily fixture and a pivotal conduit for news, entertainment, and advertising. **Now, instead of just being on the receiving end, viewers with TVs can interact with brands that use immersive storytelling to share messages and spark sales.**

This two-way intersection of immersion and commerce opens many new paths to purchase for consumers and widens avenues of outreach for content creators and marketers. Just as consumers have myriad viewing choices in the modern TV landscape, though, marketers must decide which channels to watch and invest in as they seek to boost awareness and capture more transactions, loyalty, and profitability.

Ever-expanding formats



Each form of television has unique features and benefits and can be a useful media vehicle for advertising. As media buyers weigh their options about investments for the next year and beyond ahead of Upfronts and NewFronts, they can make informed decisions based on industry insights and recommendations from Circana experts who understand the market, its evolution, and its future in the e-commerce era with more immersive experiences. However a businesses' ad mix plays out across TV media, advertisers should leverage insights to diversify spending in a way that is tied to measurable outcomes.

Linear TV

It may be conventional, but linear TV remains a viable form of television for **advertisers**. Many people still consume this form of entertainment, escapism, and education, and traditional television remains a driver of incremental sales.

Circana's insights, including Marketing Mix Modeling and Media Lift studies, underscore the benefits that linear TV offers to marketers:

Broad audience reach

Not fading into obsolescence, traditional TV captures a wide, diverse range of viewers through a single channel. Linear TV remains a core consideration for brands of significant size and scope. Ongoing investment in and buzz about the Super Bowl in February is a prime example.

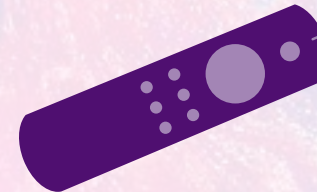


Lasting effects

Linear TV has a greater impact on sales over a long period, because it tends to linger in a consumer's decision-making process for weeks.

Reliable results

Linear TV is predictable and reliable, because of its history and stability. Hence, it can be a valuable format for brands leaders to build and leverage brand equity and long-term sales impact (quarter to quarter and year to year) as well as a regular, top-of-mind presence.



Proven ROI

Data from Circana affirms that the ROI for linear TV makes this more cost-effective channel, coming in around \$.0.81 compared to the average \$0.90 for non-linear TV platforms, but usually at 2-4x the level of annual spend. For brands currently spending a larger percentage of their marketing budget on Linear TV, a shift to an all-digital strategy would prove difficult to retain ROI, without facing saturation and inefficiency.



Rich TV measurement and analytics data enable marketers to see if their ads are reaching the target audience or if any updates or revisions are needed.

Going well beyond previous demographic data, [consumer targeting solutions](#) give businesses precise targeting capabilities based on purchase-based segments representing about 126 million U.S. households.

Although linear TV remains a part of many household habits and is demonstrably effective for larger brands, there are some saturation points in today's market. To achieve an efficient reach lift, marketers must be strategic in how they approach linear TV. They can conduct a [marketing](#)

[mix analysis](#), for example, to uncover optimal flighting patterns and how to best distribute their spend across TV formats.

Advertisers can also bolster campaigns by utilizing [media lift studies](#) to determine how this form of TV drives incremental sales. Lift studies help determine what kinds of campaigns get the most impact.

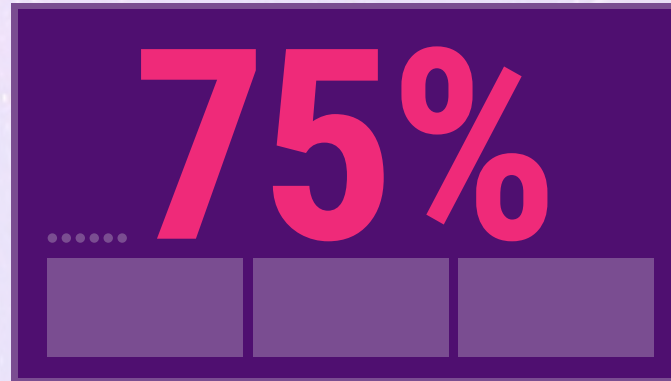
In a more general sense, advertisers would be well served to use a phased approach to spreading their investments, instead of just quickly pivoting away from linear TV. Targets can be set differently quarter by quarter, for testing and adjusting based on reach and results.



Streaming and Connected TV

Even as linear TV remains viable, streaming and connected TV (CTV) continue to expand and advance, siphoning viewers away from conventional channels. [One Circana study shows](#) that **75% of U.S. households now subscribe to an ad-supported subscription video on demand service.**

Different streaming models are taken into account by media planners, too, such as ad-supported video on demand (AVOD); subscription video on demand (SVOD); and free ad-supported streaming (FAST). FAST has a wide and growing reach on traditional TVs, CTVs, streaming devices, and mobile apps; its free cost for viewers is contributing to its rise in the TV ecosystem.



75% of U.S. households now subscribe to an ad-supported subscription video on demand service.

When it comes to recent performance, Circana's data shows that both SVOD and FAST adoption stabilized in the second

half of 2025, following growth over the prior year. As the streaming video market matured, a September 2025 TV Switching Study revealed a landscape marked by stabilization in service adoption but notable shifts in engagement and consumer behavior. SVOD penetration remained high, with nearly nine in ten households subscribed to an average of 5.4 services, unchanged from earlier in the year. FAST services, which have been on a growth trajectory, also reflect a competitive if not saturated environment where differentiation will be key.

CTV delivers
an ROAS that is

15%

higher than
linear TV and

21%

higher than
short-form videos.



Importantly for marketers, engagement has trended upward. Daily SVOD usage rose 3%, continuing a two-wave climb, and FAST services maintained daily engagement among 21% of households (approximately 25 million homes). This shows that while consumer adoption reached a plateau, viewers deepened their usage of existing platforms — an opportunity for providers to focus on retention, advertising revenues, and ensuring new subscriber acquisition focuses on those with longer lifetime value.

Returns in digital formats can mirror engagement. Circana's data affirms that **CTV delivers an ROAS that is 15% higher**

than linear TV and 21% higher than short-form videos.

Similar to gauging the effectiveness of linear TV, marketing mix analyses provide insights into how shifting budgets to certain streaming platforms boost overall ROI. Taking a gradual approach, such as reallocating 20% of budgets from linear to CTV in the first quarter and then bumping that to 40% or more following performance measurements, can be a prudent way to keep some of the benefits of linear TV where it makes sense and also leverages the many digital opportunities.

Ultimately, understanding your audience is at the core of optimal investments in both linear and digital TV. Tapping into data that identifies audience preferences determines which people are most likely to engage with certain genres or shows, whether you are promoting snacks to households who regularly watch family-friendly content or touting energy drinks to frequent users of sports and fitness platforms.

Leading Front Perspective:

Having the right balance and right level of spending across linear and digital channels, as well as understanding the audience and its connectedness to your brand, **is crucial to investments with the greatest return.**

The new networks and creators

In addition to evaluating legacy networks and streaming platforms that showcase a range of creators, advertisers are increasingly exploring partnerships with retailers who are getting into the content business, too. Large retail organizations, such as Walmart and Amazon, are creating their own ad tech, while other national and regional retailers are increasingly leveraging TV to communicate with their customers.

The acceleration of retail media is blurring the lines between TV and e-commerce even more.

Retail media networks (RMNs), paired with immersive CTV experiences, enhance storytelling for brands by reaching consumers right at the time of their purchase decisions. Because RMNs use a retailer's first-party data and closed-loop measurement on owned media platforms, targeting is more precise.

“

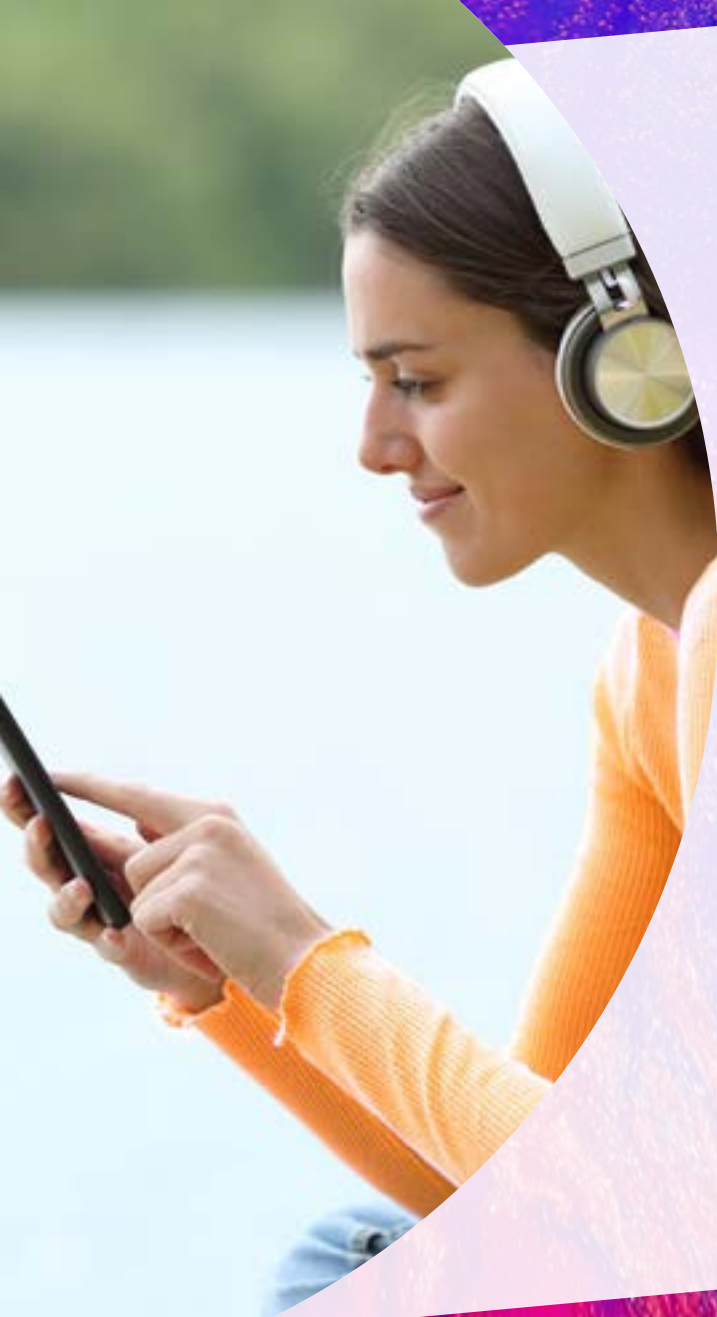
The consumer journey crosses multiple platforms, retailers, and environments. Progress depends on shared signals, shared measurement, and shared understanding. Ask who you can collaborate with to advance what is possible.

”

Cara Pratt

President, Global Retail and Media, Circana





More screens, more opportunities

TV expanded beyond the family room a long time ago. People now consume television content on a wide range of traditional TVs, mobile devices, and consoles. The advent of in-store retail RMNs is yet another route on the TV-inspired purchase journey.

Circana's data affirms TV's higher reach as a whole, which translates into more chances for brands to connect with audiences throughout their day and across locations. On the traditional side, Circana finds that television set sales are clicking along at about 1% growth rate on a unit basis, but dollars are declining. This is attributed to consumers' ongoing focus on value-priced features and brands at a time of lingering economic uncertainty.

Also reflecting the perception of traditional televisions as commodities that provide easy access to both linear and streaming services, Circana's research shows that 80% of TV sales are below \$500. That said, there are some growth dynamics within the TV hardware category. Larger TVs, especially those between 65 and 85 inches, have been growing in sales. Even extra-extra-large TVs enjoyed respectable sales during the recent holiday season, when some units were available for a discounted price of around \$1,000. Price drops on other higher-end products, such as OLED and Mini LED, are also sparking consumer interest, but primarily at entry price points, Circana finds.

Data related to purchases and usage of TV hardware helps inform media spend choices during the Upfront/NewFront season.

If a large part of a targeted audience uses smart TVs, brands can focus on CTV advertising. For audiences using tablets or smartphones, shorter, mobile-optimized ads or interactive formats may perform better. TV sets, meanwhile, are often used for family or group viewing, making them ideal for broad, family-oriented campaigns.

Device preferences often align with specific demographics that interest marketers. High-end TVs tend to indicate a more affluent audience that responds to premium product advertising, while tablets are often used by younger or tech-savvy audiences, which can influence the tone and style of ads. By leveraging granular data that includes hardware and device buying habits, brands can craft more precise, effective, and engaging advertising strategies that align with how and where their target audience consumes content.

“At the end of the day, an inexpensive TV upgrade to a larger size really provides a noticeable value impact for the average consumer who has continued to invest more time and budget to watching TV at home. For the price of a couple trips to the movie theater for a family of four, you can get a big screen TV with the latest streaming video apps and probably a big trade up compared to the older TV in the house.”

Paul Gagnon

Vice President, Thought Leadership,
Global Hardlines, Circana



TV is no longer just a reach vehicle— it is a dynamic, data driven ecosystem where immersion, commerce, and accountability converge.

As audiences fragment and expectations rise, brands that balance linear and digital investments, lean into immersive experiences, and anchor decisions in audience and purchase data will be best positioned to win in the next era of TV. The chapters ahead explore how to turn this transformation into advantage as marketers prepare for Upfronts and NewFronts.

