

# Advertisers Focus on Original Digital Video Programming

May 4, 2015

## Two-thirds of marketers say original digital video will be as important as TV within five years

As traditional TV time declines, [digital video viewing across devices is driving time spent with video as a whole](#). Research released by [UBS](#) in April 2015 highlighted a leap in digital video viewership last year and also pointed to a declining traditional TV audience. The source estimated that US digital video viewership rose 32% quarter over quarter in Q1 2015, compared with a decline of 4% for TV viewers—both trends that had accelerated since Q4 2014.

### Attitudes Toward Original Digital Video (ODV) Programming/Content\* Among US Buy-Side Professionals, April 2015

% of respondents

	Agree completely	Somewhat agree	Total
I would be more likely to place ads on ODV programming if there were research that proved it works as well or better than TV ads at generating sales	31%	44%	75%
I would be more likely to place ads on ODV programming if there were research that proved it works as well or better than TV ads at branding	28%	47%	75%
Having digital metrics that are consistent with TV would increase the amount of dollars allocated to ads on ODV programming	24%	48%	72%
ODV programming is compelling	22%	50%	72%
ODV programming will begin to become as important as TV programming in the next 3-5 years	30%	37%	67%
ODV programming will begin to become as important as original TV programming, but it will take more than 5 years	25%	41%	66%
I would spend more advertising on ODV programming if I could buy it more like TV ads	22%	43%	65%
I would spend more advertising on ODV programming if there were more consistency in ad formats across sites so I could buy scale	21%	44%	65%

Note: n=305; reflects responses of 4 or 5 on a 5-point scale; \*programming (not advertising) that is professionally produced specifically for digital consumption

Source: Interactive Advertising Bureau (IAB), "Digital Content NewFronts: Digital Video Spend Study" conducted by Advertiser Perceptions, April 27, 2015

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The shift in consumption is spurring changes in how advertisers approach video placements, and April 2015 polling by [Advertiser Perceptions](#) for the [Interactive Advertising Bureau \(IAB\)](#) found that 67% of US agencies and marketers were moving funds away from TV toward digital video advertising. Respondents were particularly interested in original digital video (ODV) programming, which had increased its share of digital video spending steadily over the past three years, from 34% in 2013 to 40% in 2015.

Advertisers were once again most likely to take dollars from TV to put toward ODV, cited by 75%. And their outlook on the industry supports their reason for doing so. More than two-thirds of buy-side professionals agreed that ODV programming would become as important as TV in the next three to

five years; a similar percentage felt the same in terms of importance, but believed the change was further out.

In order for ODV to bring in the bucks and rise to the same level of importance as TV, responses indicated that providers will need to present research that demonstrates the content's effectiveness at generating sales and brand awareness. Creating digital metrics the same as those used for television and mimicking the ad-buying process of TV ads could also help boost growth, along with consistency in ad formats.

**Obstacles to Spending More on Original Digital Video (ODV) Advertising\* According to US Marketers vs. Agency Professionals, April 2015**

% of respondents

	<b>Marketers</b>	<b>Agency professionals</b>
ROI vs. other media	54%	37%
Quality of content	45%	39%
Audience and campaign measurement	41%	38%
Price	39%	46%
Viewability	36%	37%
Scale	32%	29%
Video ad unit lengths	30%	18%
Complexity of executing a buy	26%	18%
Lack of transparency in the buying process	25%	24%
Lack of promotion of the video content to audiences	24%	27%
Clients' lack of understanding of the space	-	33%
Other	1%	1%
No hurdles	4%	3%

Note: n=305; \*e.g., the type of video presented at the NewFronts  
 Source: Interactive Advertising Bureau (IAB), "Digital Content NewFronts: Digital Video Spend Study" conducted by Advertiser Perceptions, April 27, 2015

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The lack of certain metrics—specifically return on investment vs. other media, audience and campaign measurement and viewability—were key obstacles preventing respondents from moving more spending to original digital video ads, further supporting the need for research that lays out hard numbers. Pricing was another top challenge—and one that could be solved if advertisers have the figures to back up their desire to up ODV placements.

For ODV to join the ranks of TV in terms of importance, services will need to present advertisers with research and metrics that prove it's worth the dollars.