



Video Advertising Report Executive Summary

Wave 4, Winter 2016

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About The Video Advertising Report

The Video Advertising Report provides insights into where the ad dollars are flowing, the reasons why, and who's controlling the purse strings. More than 50 digital media brands and television networks are covered.

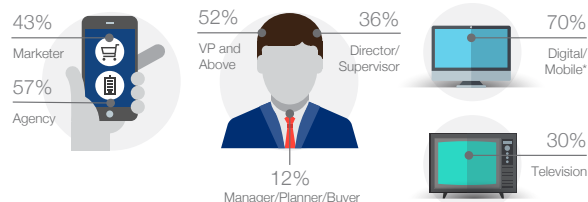
Sustained Optimism for Digital and Mobile Video Ad Spend Growth

According to the new Video Advertising Report from Advertiser Perceptions, digital/mobile video is maintaining the highest levels of advertiser optimism. Some of the highlights from the report include:

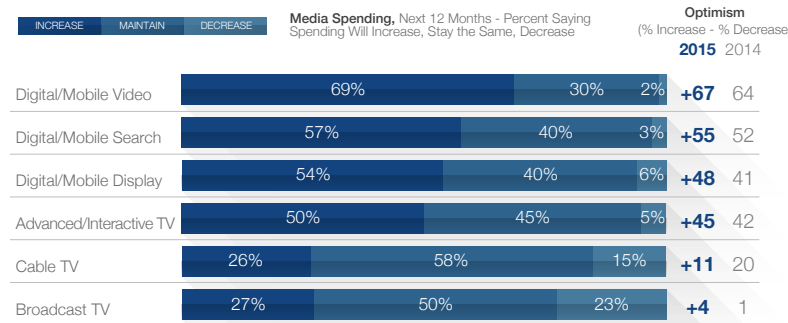
- Budget shifts to digital video are mostly coming from broadcast, cable and print budgets.
- The digital video advertising outlook over the next twelve months is evenly spread across various types of media – Nearly one-third of TV advertisers first turn to TV network full episode players, and four-in-ten digital advertisers turn to social media sites first, when planning video campaigns.
- Over half of digital video campaigns are bought in whole or part programmatically. Direct buying has been on a steady decline in the past two years.
- Nearly half of TV budgets and one-third of digital video budgets are committed during the upfront season.
- Allocation of video budgets toward mobile advertising is still increasing but the pace of growth is slowing.
- Many advertisers already buy television and digital video under one team, with the majority of the rest planning to move to a single buying team over the next few years.
- When developing a digital video campaign strategy, support from media companies, particularly demographic data, is beneficial. Behavioral data is also considered a useful resource, while site user navigation data and vertical market knowledge based on past campaigns with other clients are considered less useful.
- Site quality is very important when planning a video campaign.
- Most advertisers are influenced by fraud, and this is unquestionably a factor when selecting advertising partners.
- There are mixed reactions to the adequacy of the current viewability standard, although the majority are in agreement that they will only buy video that at a minimum meets this standard.
- ROI, conversion rates and impact on sales are the most important indicators of success.

Respondent Profile

Wave 4 Profile of 300 Respondents

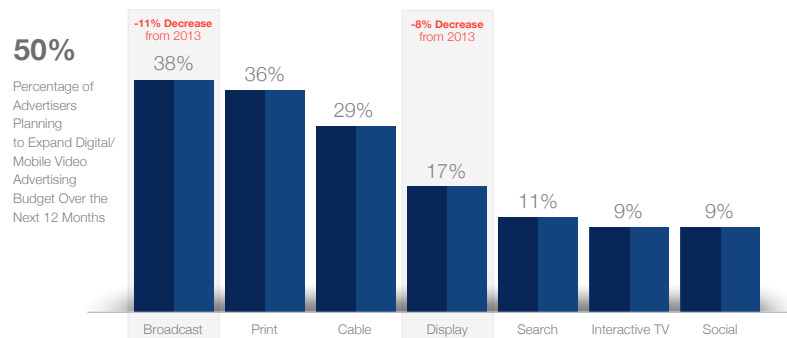


Sustained Optimism for Digital and Mobile Video Spending Over the Next Year



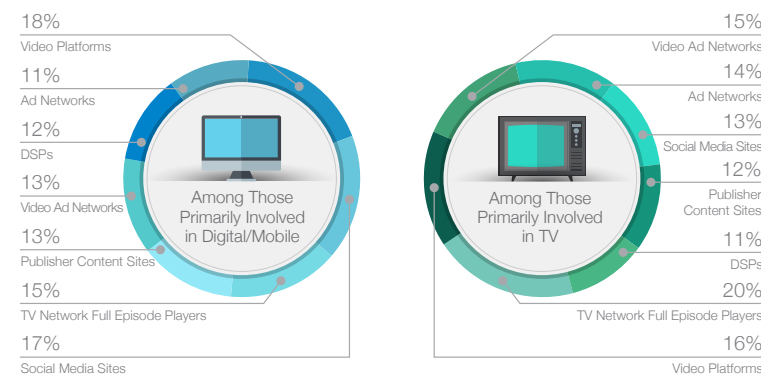
Shifts to Digital Video Are Mostly Coming From Broadcast, Print and Cable Budgets

Digital Video Advertising: Funding Sources Percent Indicating Sources of Funding



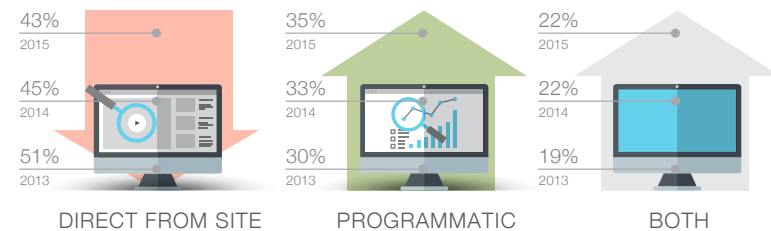
Allocation of DV Advertising Budget Spread Across Digital Media Types

Allocation of Digital Video Advertising by Digital Media Category Average Percent (Sorted by Current Spending)



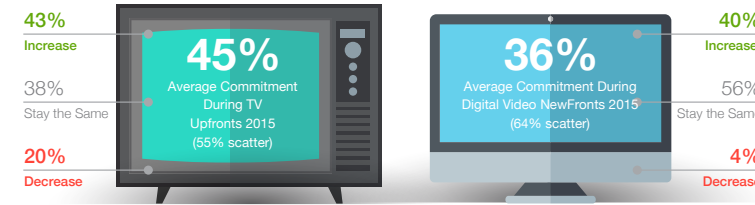
Over Half of DV Campaigns Are Bought in Whole or Part Programmatically | Decline in Direct Buying

Allocation of Digital Video Spending Average Percent

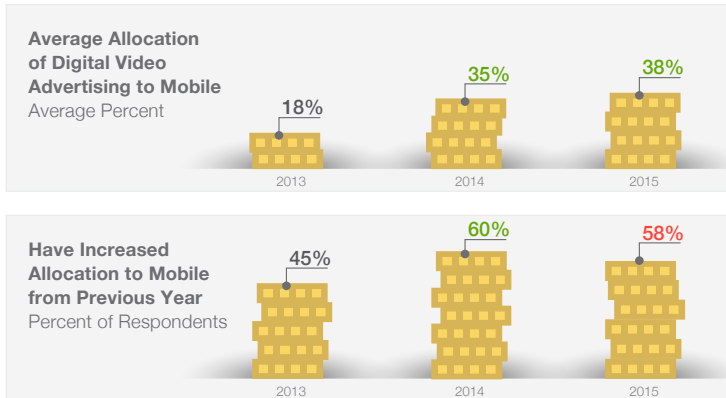


Nearly Half of TV and One-Third of Digital Video Budgets Committed During Upfront Season

Change in 2015, Compared to 2014 Percent of Respondents

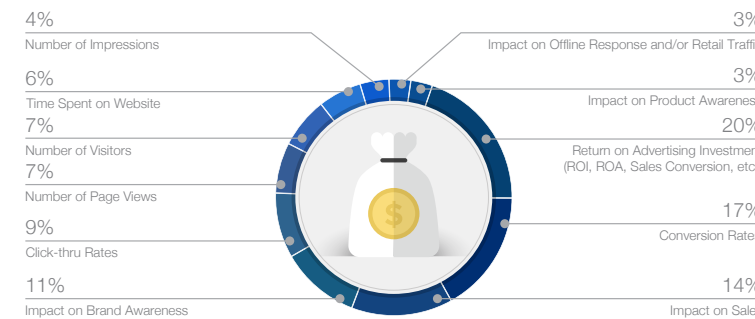


Allocation of Budget to Mobile Advertising Still Increasing but Pace Is Slowing



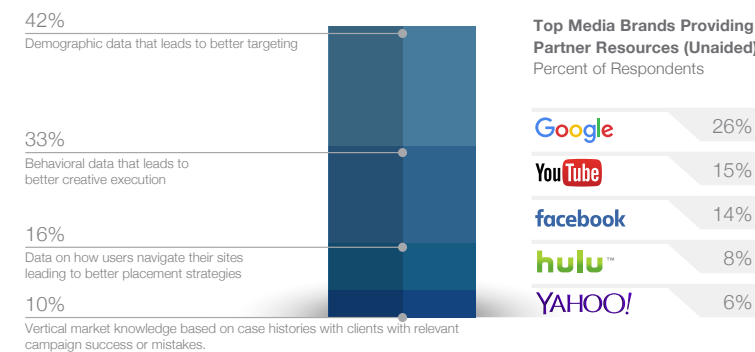
ROI, Conversion Rates and Impact on Sales Are the Most Important Indicators of Success

Importance of Aspects of Digital Video Ad Results Percent Rating Criteria Very Important, Ranked First

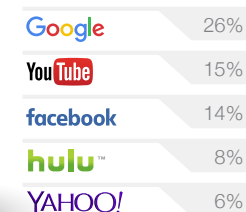


Demographic Data Is the Most Useful Resource When Developing DV Campaign Strategy

Ranked Usefulness of Resources When Planning a Campaign Percent of Respondents



Top Media Brands Providing Partner Resources (Unaided) Percent of Respondents



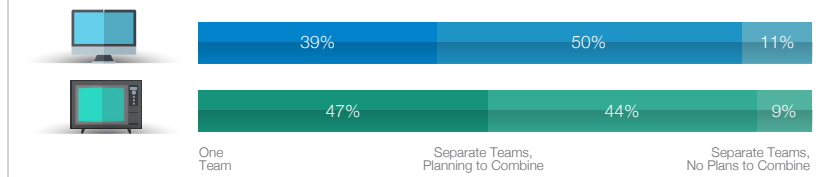
Site Quality Is Most Important When Deciding on Digital Video Campaign Approach

Importance of Approaches Influencing Decisions to Place Video Advertising Percentage of Respondents



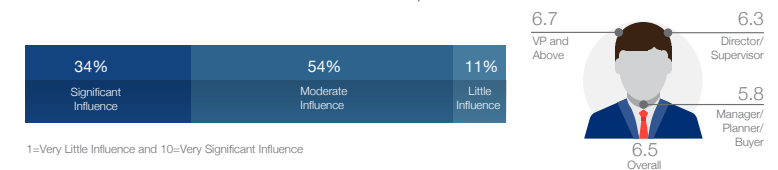
Many Already Buy TV and Digital Video Under One Team, With the Majority of the Rest Planning to Move Towards a Single Buying Team Over the Next Few Years

Current Approach to Buying Digital Video and Linear Television Percent of Respondents



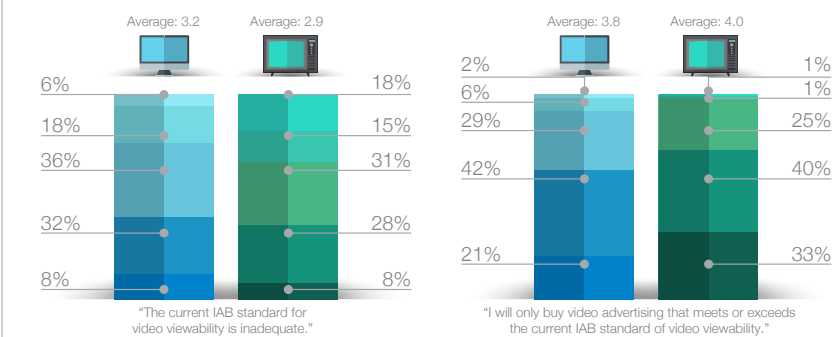
Nine out of Ten Advertisers Are Influenced By Fraud | One-Third Say That Influence Is Significant

Influence of Fraud on Digital/Mobile Video Advertising Decision-Making Percent of Respondents



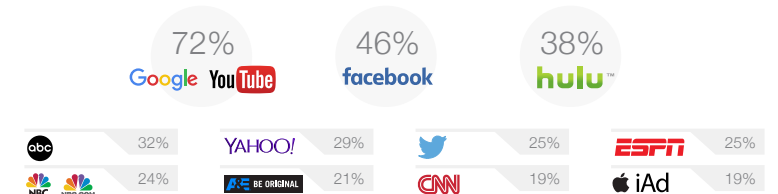
Mixed Reactions to Adequacy of Current Video Viewability Standard | Majority Agree that They Will Only Buy Video Advertising Meeting or Exceeding This Standard

Agreement with Statements About Video Advertising Viewability Percent of Respondents



YouTube, Google, Facebook and Hulu are the Top Intended Brands for Video Advertising

Top Media Brands Intending to Use for Video Advertising in the Next 12 Months Percent of Respondents



About Advertiser Perceptions

When it comes to gaining knowledge and clarity about what advertisers think, nothing compares to what Advertiser Perceptions delivers. We are the world leader in providing media company executives with the research-based advertiser insight and guidance necessary for producing superior advertiser experiences, strengthening media brands, improving advertiser satisfaction and increasing advertising sales. We specialize in determining, analyzing, communicating and applying what advertisers think — their plans, opinions and motivations.

Our proprietary database and panels of media decision makers are large and responsive. The advertiser survey and questionnaire development process that we employ is proven and ensures optimal response. Focus and media industry expertise enables us to effectively analyze and accurately interpret the research that we conduct on behalf of our clients, who represent most of the largest media companies in the world.

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