

2018 VIDEO ADVERTISING CONVERGENCE REPORT

MULTI-PLATFORM SOLUTIONS AND BRAND SAFETY ARE KEY DRIVERS FOR VIDEO SPENDING

41%

of Advertisers are Increasing Spending on "Sight-Sound-Motion" Advertising Strategy.

Video convergence is here. Video advertising convergence...not so much. Today's consumer doesn't differentiate between linear TV, digital video, and over-the-top options when viewing content. Yet, reaching consumers across the myriad video options remains a challenge for advertisers. Even the way advertisers think about various video advertising opportunities varies widely. To capture advertiser spending across all video opportunities, this study asks respondents about their "sight-sound-motion" advertising budgets.

MULTI-PLATFORM SOLUTIONS

Advertisers continue to indicate greater budget allocation to digital video but are evenly split on their attitudes towards planning and buying digital video holistically with a TV campaign or as stand-alone strategy. Regardless of their current approach, two-thirds of advertisers agree on the importance of sellers offering a multiplatform solution – allowing for buying TV and digital video under one buy.

OPPORTUNITY FOR CONTENT SITES

Brand safety is top of mind for advertisers when it comes to digital video content. Platforms with the best quality video content - TV FEPs and Publisher Content sites - rose to the top position in this year's study, overtaking Social Media sites, which have been hit with ongoing PR challenges around bots and fraud.

63%



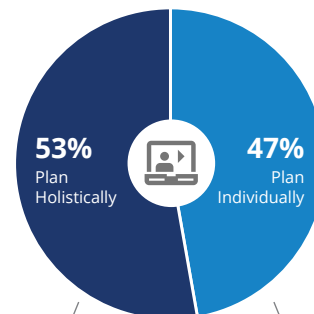
of advertisers are looking for a multiplatform solution

29%



of advertisers say brand safety is most important when deciding where to place digital video

ADVERTISERS' VIEWS ARE SPLIT ON PLANNING DIGITAL VIDEO AS PART OF A TV CAMPAIGN



Digital video is a necessary part of a TV campaign

Digital video is a standalone from a TV campaign

PLATFORMS WITH BEST QUALITY OF VIDEO CONTENT

Percent Ranking First (Sorted by 2017)



WHAT ADVERTISERS SAY ABOUT DIGITAL VIDEO

"Digital video is more appealing when it is in lead of desirable content, which is the only type of content I advertise on."

- MARKETER, STRATEGIC EXECUTIVE

"Target-ability, data-driven audience specificity, tons more data points... make digital video advertising appealing."

- MARKETER, STRATEGIC EXECUTIVE

"The methods of purchasing these campaigns over larger networks is very complex. There is no single platform that can be used to target the majority of the video outlets so setting up the campaigns is time consuming and confusing"

- MARKETING DIRECTOR

TARGETING DRIVES ADVANCED TV SPENDING

Advertisers report significant investments across the various Advanced TV opportunities as they seek out professionally produced, brand safe video content. At least one-third of advertisers report having already made significant investments in over-the-top TV, set-top box VOD, addressable, data-enabled linear, and programmatic TV. These investments are heavily driven by the desire for greater audience targeting on TV.

WAITING ON INNOVATION IN AD UNITS

Regardless of where advertisers are spending their video budgets, they remain focused on tried and true ad formats. Newsfeed ads, pre-roll, and unskippable ads are reported as the most important ad formats, despite the talk in trades of the "death of the interruptive ad model." This is not a one-sided issue, buyers need to create demand for new ways to reach consumers and media companies need to develop those innovative models. We look for this to be a large focus in the coming year.

ADVANCED TV HAS REACHED CRITICAL MASS, DRIVEN MAINLY BY AUDIENCE TARGETING

LEVEL OF COMMITMENT TO ADVANCED TV OPPORTUNITIES

Percent of Respondents

Already Making a Significant Investment



LOOKING AHEAD

Look for the language around TV and video to get more complicated before it gets more standardized, as purveyors of professionally produced video define their offerings beyond the generic "digital" and "OTT" - genres that many advertisers rule out broadly and blindly.

Structural issues (planning, measurement, reconciliation) will continue to retard omni-channel buying by advertisers. Media companies should help solve those challenges for their partners. This will require a disciplined, industry-wide approach.

Brand Safety discussions will lead to more meaningful interactions between advertisers and publishers around context and value of various video content types to better define premium video.

As the commoditization of cable television continues, look for a greater embracing of programmatic linear TV. Local advertisers, who are growing accustomed to the capability will look for it when buying national TV; Broadcasters will see it as an opportunity to drive CPMs.

METHODOLOGY AND RESPONDENT INFORMATION

- 300 online interviews conducted
- Sample: Marketer and Agency contacts from the Advertiser Perceptions Media Decision Maker Database
- Qualifications: Involved in media brand selection decisions
- Field Period: November-December 2017



WHAT ADVERTISERS THINK®

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