



Emerging Trends in Video Advertising

March 2019

Overview

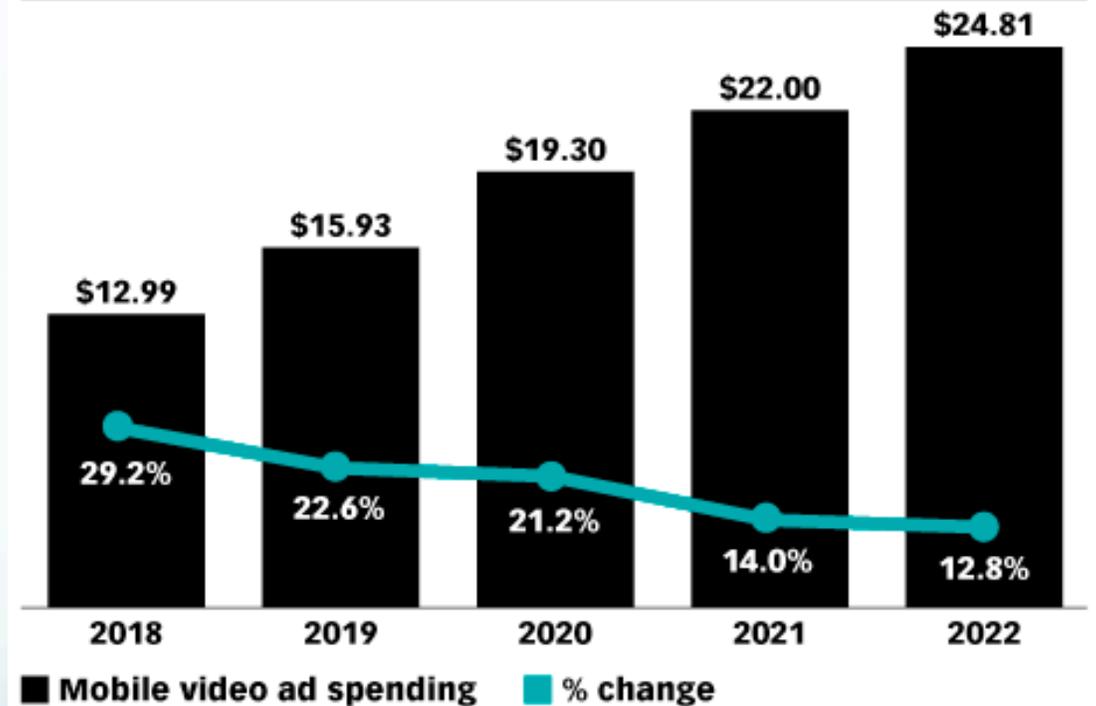
Video is an essential part of any marketing plan in today's digital landscape. It is perhaps the **best way** to reach people and its growth is unstoppable.

By 2020, mobile video ad spend in the US is projected to reach \$24.81 billion.

If you've yet to incorporate video into your overall business strategy, *you're missing out.*

US Mobile Video Ad Spending, 2018-2022

billions and % change



Note: includes ad spending on tablets

Source: eMarketer, Sep 2018



Proof In The Numbers

- More video content is uploaded in **30 days** than the major US television networks have created in **30 years**.
- More than **500 million hours** of videos are watched on YouTube each day.
- The average user spends **88%** more time on a website with video.
- Viewers retain **95%** of a message when they watch it in a video compared to 10% when reading it in text.
- By 2021, a **million minutes** of video content will cross global IP networks every single second.
- More than **82%** of all Internet traffic will be video by 2022.



The Ample Benefits To Video Marketing

- **Video boosts conversions and sales**
 - Adding a product video on your landing page can increase conversions by 80%.
 - 74% of users who watched an explainer-video about a product subsequently bought it.
- **Video shows great ROI**
 - 83% of businesses say that video provides good return on investment.
- **Video builds trust**
 - 57% of consumers say that videos give them more confidence to purchase online.
- **Google loves videos**
 - You're 53x more likely to show up first on Google if you have a video embedded on your website.
- **Video appeals to mobile users**
 - 90% of consumers watch video on their mobile.
- **Video marketing can explain everything**
 - 98% of users say they've watched an explainer video to learn more about a product or service.
- **Video encourages social shares**
 - Social networks encourage utilization of video content with their new features and 76% of users say they would share a branded video with their friends if it was entertaining.



New and Noteworthy Video Trends and Formats

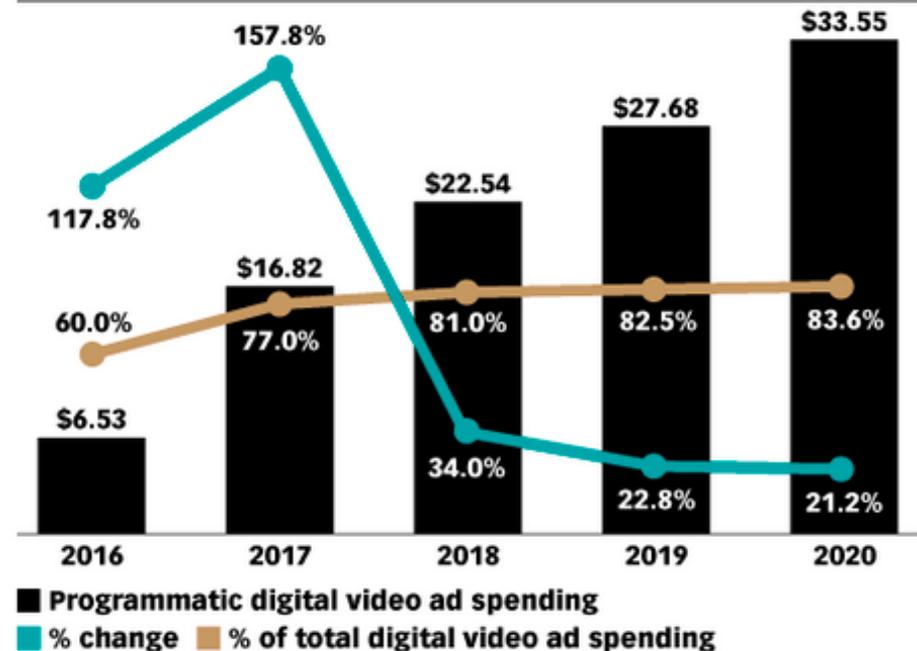


Programmatic Video

- More than **80%** of video ads are already transacted programmatically, and the share of automated ads will continue to grow in the next few years.
- At the same time, mobile's share of programmatic video advertising will also increase, thanks to the growing number of smartphones, tablets and wearables.

US Programmatic Digital Video Ad Spending, 2016-2020

billions, % change and % of total digital video ad spending



Note: digital display ads transacted via an API, including everything from publisher-erected APIs to more standardized RTB technology; includes in-stream video such as those appearing before, during or after digital video content in a video player (pre-roll, mid-roll, post-roll video ads) and video overlays; includes social network in-stream video advertising in platforms such as Facebook Watch and Snapchat Shows; includes outstream video ads such as native, in-feed (including video ads in Facebook's News Feed and Twitter's Promoted Tweets), in-article, in-banner and interstitial video ads; appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices for all formats; data for 2008-2016 excludes outstream video ads
Source: eMarketer, Oct 2018

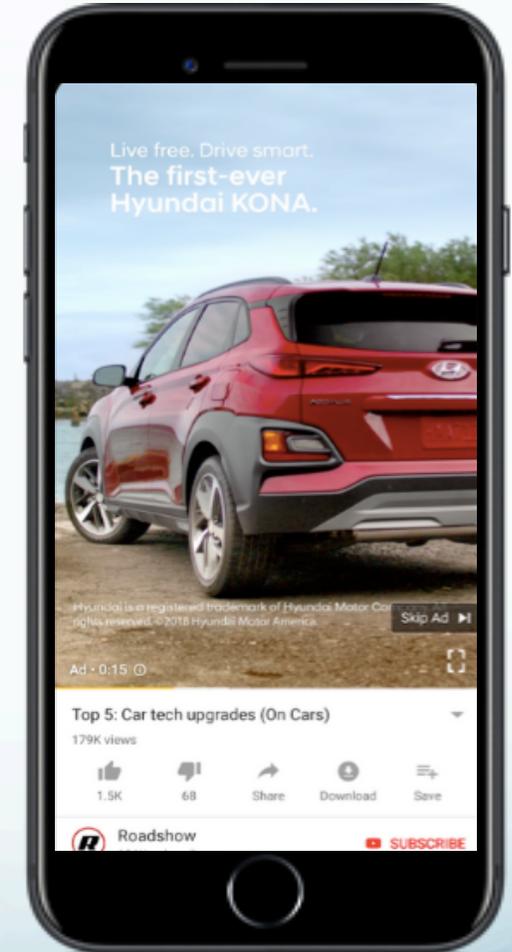


Vertical Video

- Today, the vast majority of content captured on smartphones is shot vertically, which comes as no surprise, as **we hold our phones vertically 94% of the time.**
- Snapchat, Instagram Stories, Facebook and YouTube have all move to embrace vertical content and/or ad formats.
- Vertical orientation offers immediacy, an intimate view and interactivity.



Mercedes-Benz short-film “The First Driver” reached 2.6 million people on Instagram, generating a nine-point increase in ad recall, and a three-point lift in message association with the Stories tagline.



Hyundai's latest YouTube campaign spurred a 33% gain in brand awareness and a 12% increase in purchase consideration.



Vertical Video Tips For Success

- Grab your audience's attention. Viewers will move on quickly if you don't immediately captivate.
- Spend time producing content specifically for each format to better position your news feeds.
- Employ the use of interactive features, such as polls, geofilters, stickers and augmented reality, since smartphones are held in one hand, while the other is free to interact (and therefore demands engagement!).



Six Second Ads

- In today's world of short attention spans and annoyance for interruptions, six-second ads (also known as bumper ads) have proven to be an extremely effective advertising tool.
- Short-form ads capture **8% to 11% more attention per second** than their longer-form counterparts.
- However, the six-second format *can* present several challenges to advertisers, who have long been accustomed to building stories, creating an emotional connection and delivering a message in a longer period of time.

Brands Who Are Doing It Right



Ads from Reese's, K9 Advantix and Kellogg's Rice Krispies Treats were ranked as the top six-second ads between July 2017 and July 2018 on YouTube's Ad Leaderboard.



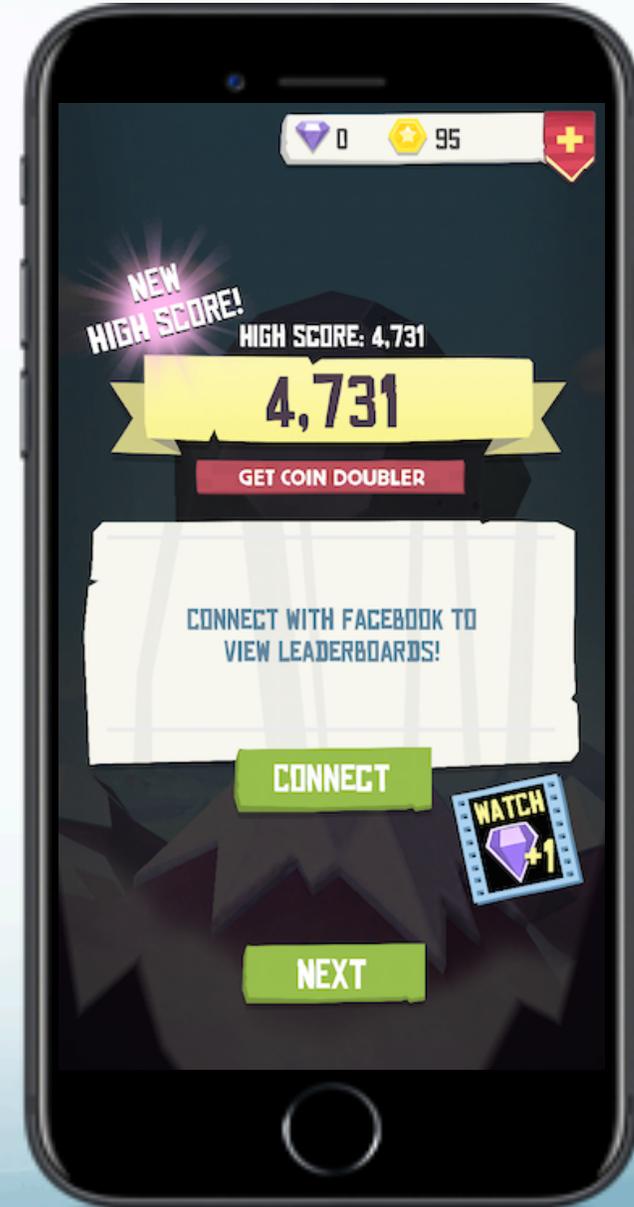
Six Second Ads Tips For Success

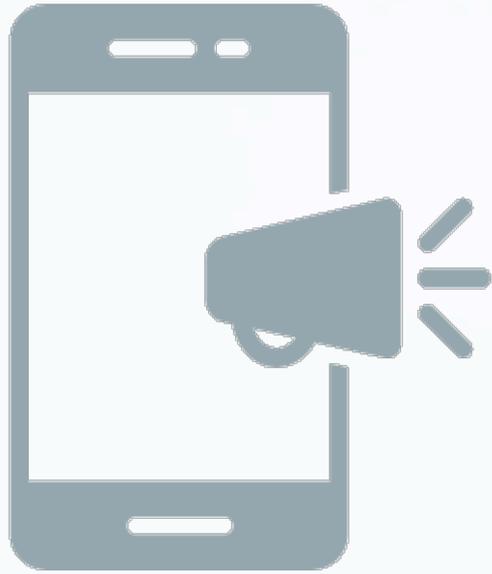
- Use six-second ads in tandem with longer ads as part of a broader campaign. They have greater impact when reinforcing a message already delivered by a longer ad.
- When repurposing a longer ad, make sure to include only the most engaging scenes. If the story is too complex, keep it as a long` form commercial.
- Keep text to a minimum. Action and product shots are more effective in such a short amount of time.
- It is vital to include more learning opportunities for the consumer, such as a call to action or website link, etc.



Rewarded Video Ads

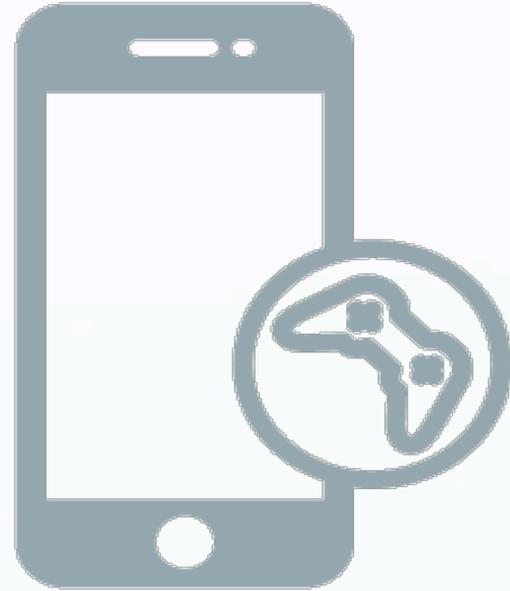
- A rewarded video ad (or value exchange ad) is an opt-in video that gives the viewer some type of reward when the ad is viewed to completion.
- The most prevalent use case for these ads is within gaming apps, where players are given some type of gaming asset after watching the ad (i.e. a power up, coins, an extra life).
- Other ad platforms include examples such as video content on a streaming app or audio content on a brand's retail site, etc. These ads offer high completion rates and many consumers view them in a positive light.





68%

of users have a positive reaction to **rewarded ads** on their mobile devices.



74%

of mobile gamers claim that **rewarded ads** improve their in-app experience.



80%

of users prefer **opt-in ads** over pre-roll ads.



Rewarded Video Ads Tips For Success

- Know where your ad is running and what the value exchange proposition is.
- Use available first and third-party data to enhance the propensity for users to engage with your ad.
- Consider using shorter ads so consumers can get back to their content more quickly.
- Make interactive elements obvious and simplify interfaces, game play and controls.
- Consider vertical video executions if your buy is largely on mobile.
- Pay close attention to creative specs to ensure an optimal experience, and make sure end-card calls-to-action are clear.
- Experiment with different creative executions and offers to learn what works best.



Virtual/Augmented Reality

- While still in its early stages, the VR/AR arena is something your business should begin to consider.
- Revenue related to virtual reality technology initiatives is **expected to jump by 3000% over the next four years**, and could generate as much as **\$1.8 billion** for retail and marketing companies in 2022.
- It is important to note that there is much to consider before diving in, such as user adoption, platform readiness and development complexity.

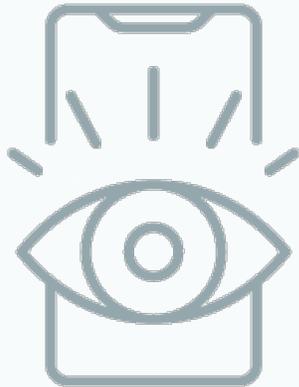


Facebook News Feed offers AR enhanced ads, where you can virtually try on clothes, accessories or view furniture in your home before you buy. (Here is an example for Michael Kors sunglasses.)



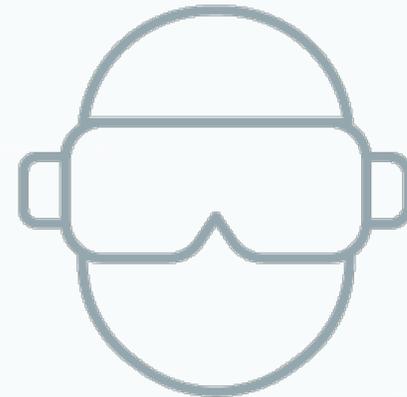
So What's The Difference?

Augmented Reality



...is an immersive user experience which layers digitally generated images over the user's existing reality, typically through the user's phone camera or an app.

Virtual Reality



...is a digitally-generated stimulation that is intended to fully immerse the user's sight and hearing. This often requires a headset or some other wearable device.



Virtual/Augmented Reality Tips For Success

- Incorporate AR for mobile devices
 - Following in the steps of Snapchat's popular filters, more and more brands are starting to understand the positive effects of using AR, especially in retail.
- Create an impulse buy environment
 - Consumers make impulse purchases most often when shopping in brick and mortar locations. But apps like GAP's *Dressing Room by GAP* allows users to "try on" clothing and view different angles, mimicking the in-store experience and possibly prompting more impulse buys.
- Execute experiential marketing
 - Attempt to provide an experience that elicits a positive emotional response, which is more likely to lead to a purchase.
 - i.e. Marriott's *Transporters* initiative allowed users to virtually travel to Marriott's locations around the world.



Now What?

So you've created a great video ad for your brand or product...but how exactly do you get started with launching your campaign?

- The easiest first step would be to feature it on your website and all social media outlets.
- Understand your goals and which video options are best to achieve your goals.
- Find and demo the platforms that offer the video executions you want to launch.
- Ensure you have savvy technical help to implement the correct partners and traffic your ad in its respective format.
- Have someone to analyze and optimize on a regular basis.





Contact us for a more in-depth conversation or to discuss our services.

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