



The Ever-Growing Reach of Digital Video and How to Measure it

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IAB

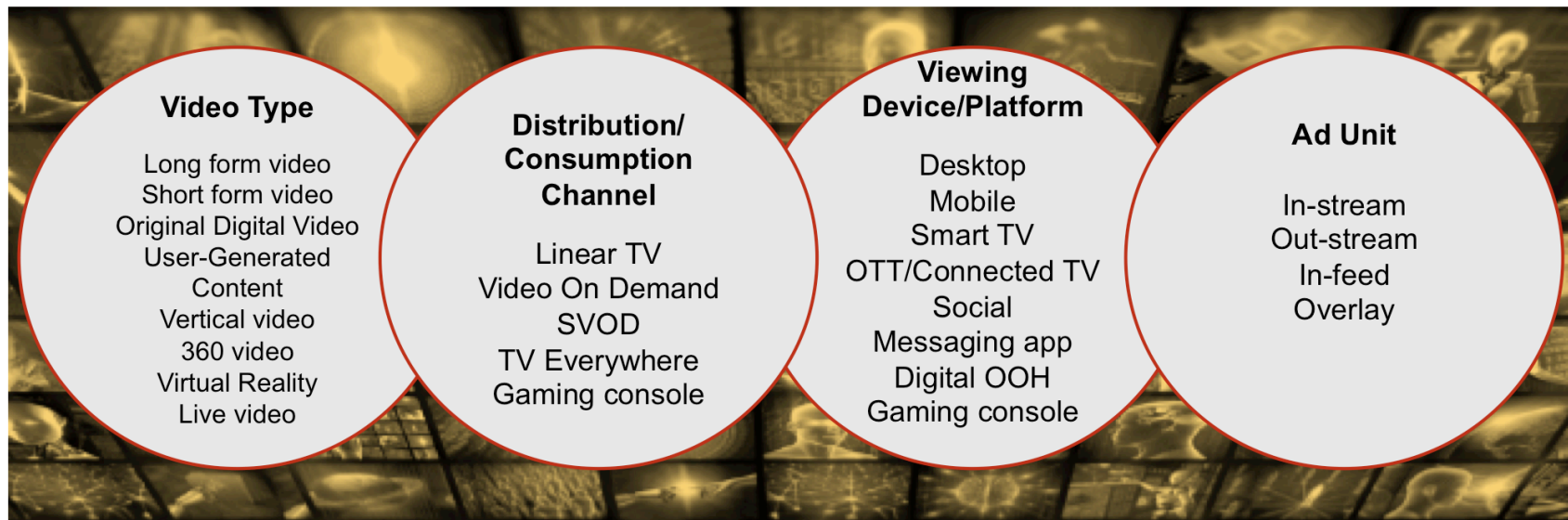
WHAT WE'RE GOING TO DISCUSS

- **Video Marketplace overview**
- **IAB Digital Video Center of Excellence**
 - Core Initiatives
 - Video Summit Immediate Next steps
 - Video Measurement
 - Vertical video

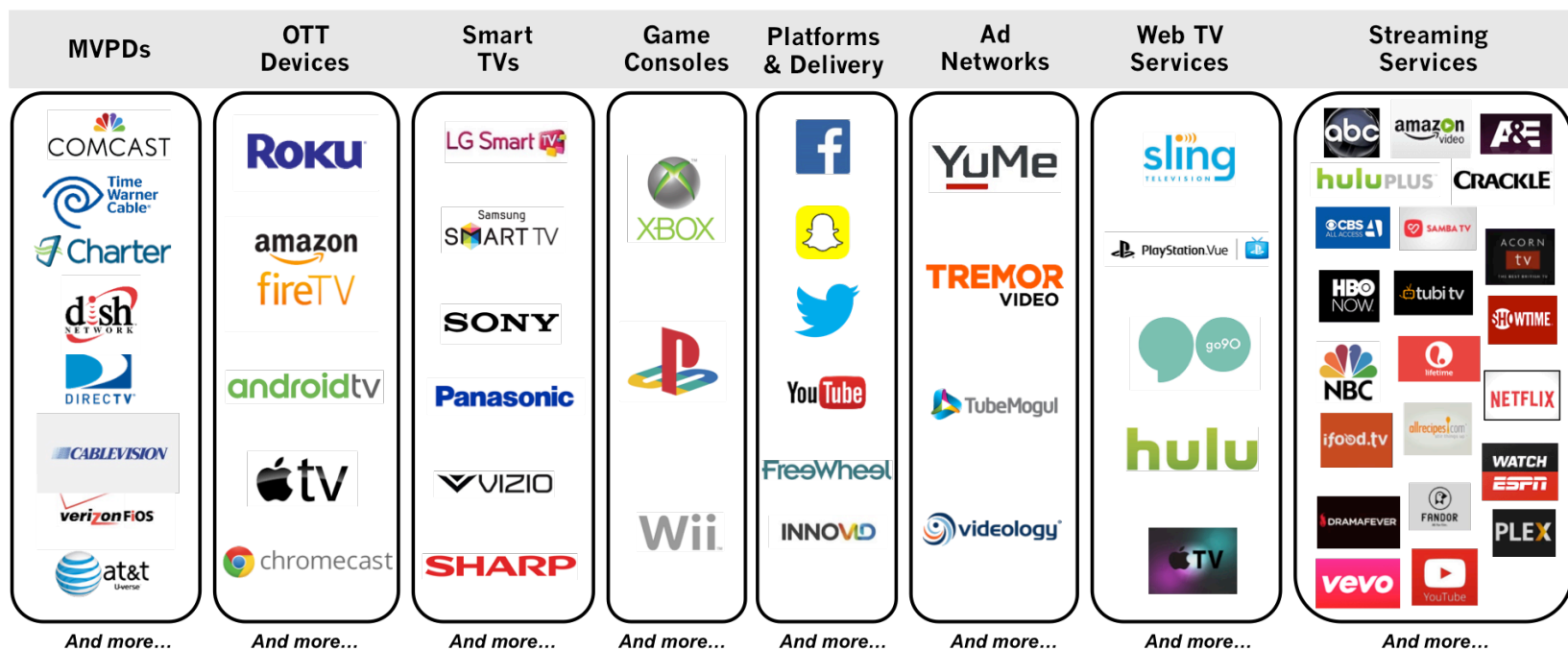
VIDEO MARKETPLACE OVERVIEW

The changing faces of video in a complex ecosystem

The term video is perceived through varying yet overlapping frameworks and lenses



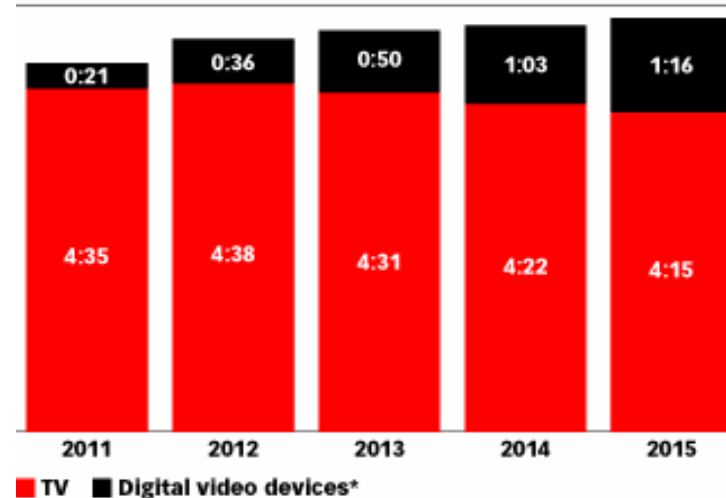
Video delivery and consumption is more crowded than ever



Total video viewing time continues to go up; digitally-delivered video viewing time increases year over year

While TV still takes the majority share of total viewing time, digital video's share has increased over time, adding significant time to the average consumer's media day

Average Time Spent per Day with Video by US Adults, by Media, 2011-2015
hrs:mins

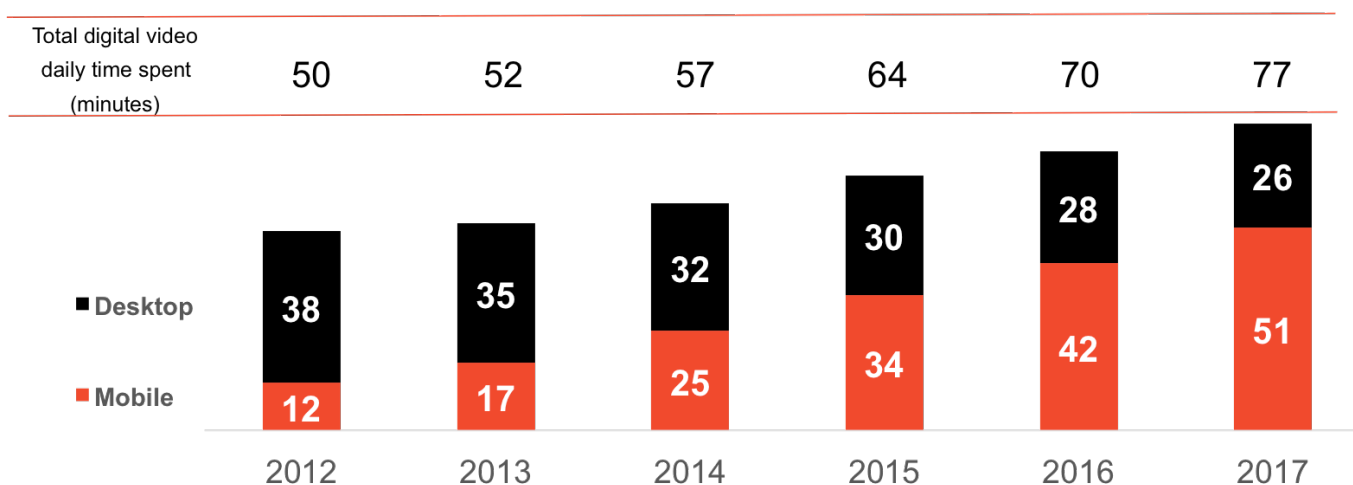


Source: eMarketer, 2015.

Note: ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking with digital video while watching TV is counted as 1 hour for TV and 1 hour for digital video; *includes time spent watching digital video via game console, connected TV or OTT device
Source: eMarketer, April 2015

Mobile video increasingly taking a bigger share of digital video viewing

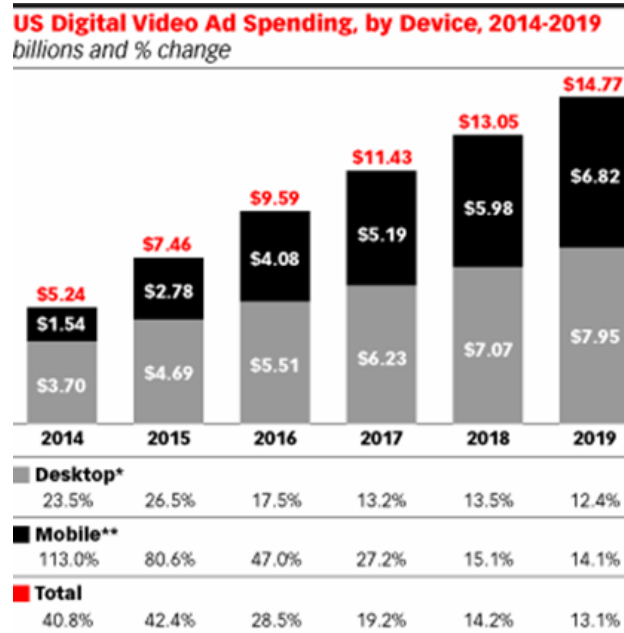
Total Daily Time Spent on Digital Video Is On the Rise.



Source: Online Video Forecasts, ZenithOptimidia, July, 2015. eMarketer 2015.

And mobile video revenue is growing as well

Mobile video ad spending in the US jumped 80.6% in 2015 and is forecast to see double-digit growth through 2019 (exceeding search and display)



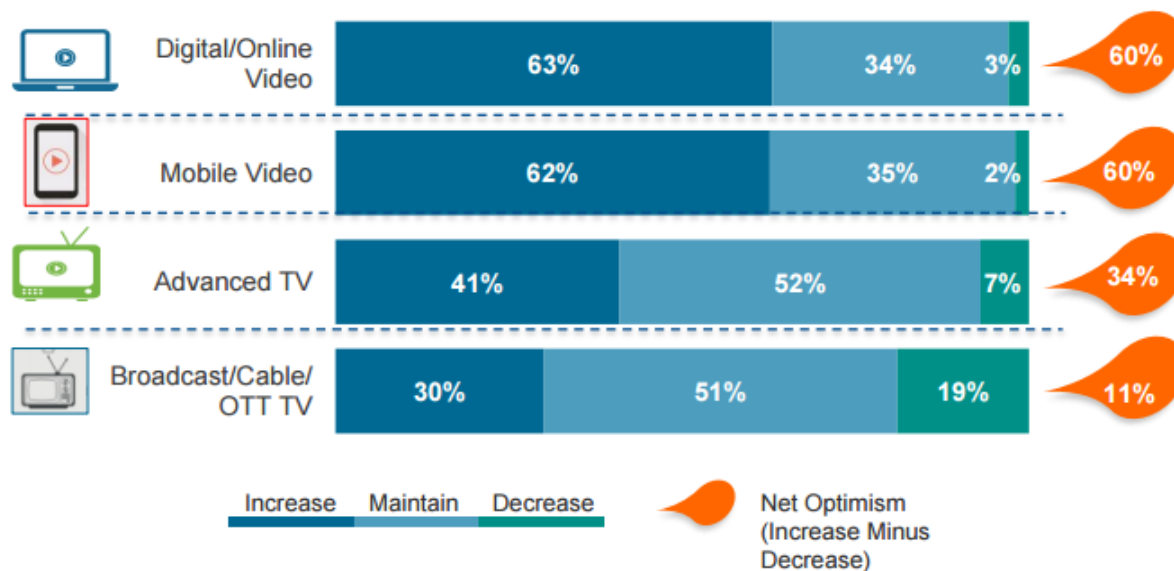
Source: eMarketer 2015.
The Essentials of Digital Video
Advertising

Note: includes advertising that appears before, during or after digital video content in a video player; *includes advertising that appears on desktop and laptop computers and other internet-connected devices; **includes mobile phones and tablets
Source: eMarketer, Sep 2015

Ad buyers optimistic about digital and mobile video while expecting to maintain current TV spend

Spending Optimism for Video and TV Advertising Types

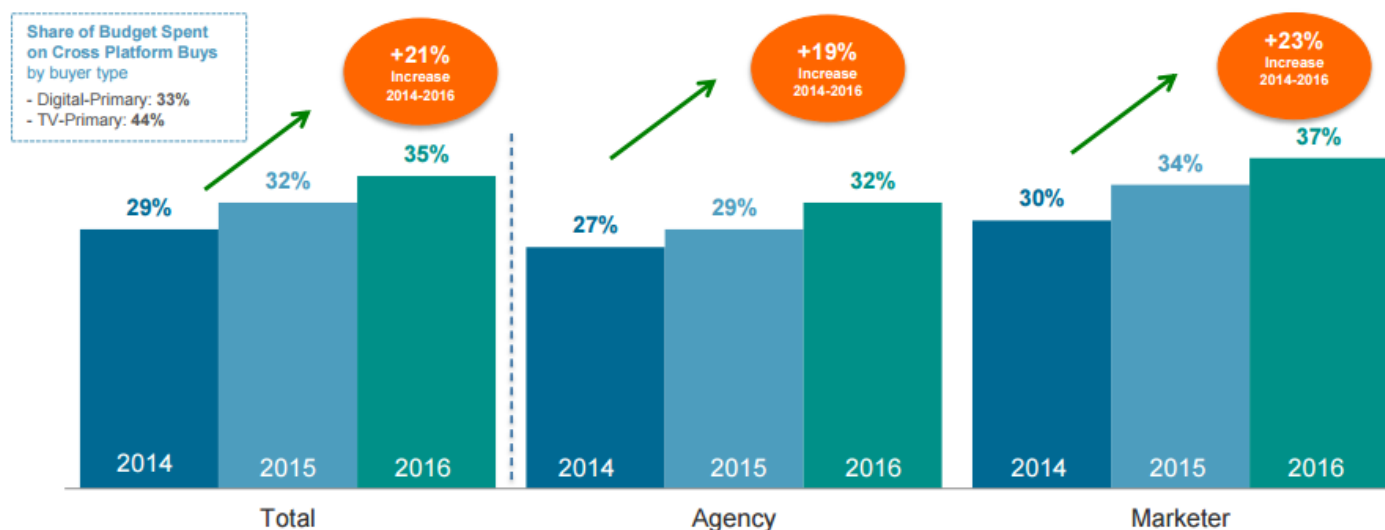
Q) In the next 12 months, would you expect the spend on the following to increase, decrease or maintain the same?



Source: IAB Digital Video Ad Spend Study, 2016.

Cross-platform video buying including both TV and digital video is trending up

Cross-platform video (TV and digital video) buy out of total ad budget (%)



Q180a What share of your advertising budget was spent on cross-platform buys (TV and digital video from the same programmer/TV network) in 2014? In 2015? And what share do you anticipate spending in 2016?

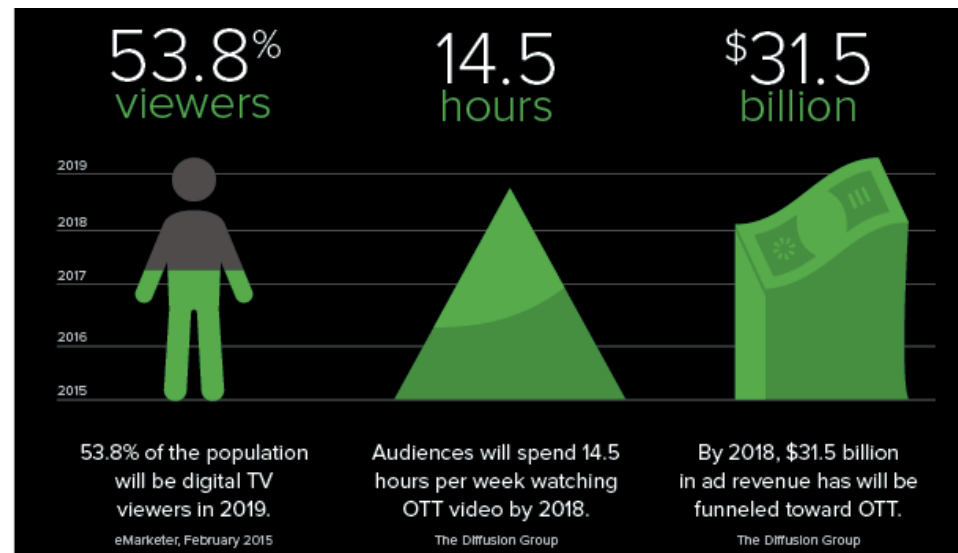
Base: Total Respondents

● = % Change in Share Spent on Cross Platform 2014 – 2016

Source: IAB Digital Video Ad Spend Study, 2016.

OTT growth opportunity as video content increasingly delivered digitally to the TV screen

Marketers cite that the top 5 major benefits of OTT ads are one-to-one targeting, geo-targeting, dynamic content, analytics, and interactivity.



Source: The Transformation of TV, Innovid 2015. NPD Group Connected Home Entertainment Report 2016

DIGITAL VIDEO CENTER OF EXCELLENCE

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MISSION & BOARD

Mission Statement:

The IAB Digital Video Center simplifies the video supply chain and provides best practices and education for brands, agencies, and media companies to drive continued growth through the evolving convergence of television and digital video.

IAB DIGITAL VIDEO CENTER OF EXCELLENCE BOARD OF DIRECTORS



DIGITAL VIDEO CENTER | PRIORITIES

A dedicated unit within IAB, devoted to the advancement of the digital video medium in the global marketplace. Its board and members reflect a dynamic mix of top television brands, original digital video content producers, prominent print publishers, digital video technology leaders, and innovative start-ups spanning across the digital video programming, marketing, and distribution spectrum.

On-Going Key Priorities:

- 1. Measurement**
- 2. Programmatic**
- 3. Mobile**
- 4. Creative**
- 5. Ad-serving Standards and Compliance**
- 6. Marketplace/Buyer Education**

Video Leadership Summit | Key Outcomes & Immediate Next Steps

Problem

- Lack of communications between disparate ad and analytics systems causing discrepancies
- Buyers challenged with understanding relative value of cross-platform inventory
- Lack of buy-side education in cross-platform planning, buying and creative best practices



Next Step

- Partner with Tech Lab and key industry players to develop standardized device IDs
- Work with key parties to accelerate process and address challenges of x-media measurement
- Develop cross-media planning / buying curriculum and creative case studies leveraging data to prove value (with ARF)



Cross-Platform Video Education

Background & Overview:

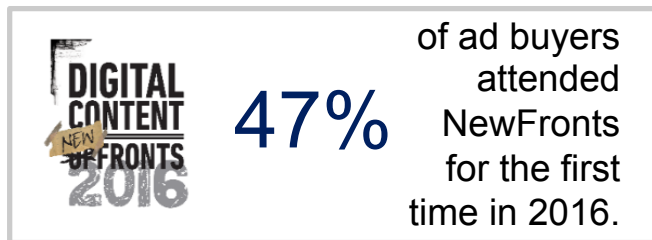
- IAB's Video Board of Excellence identified an existing gap in knowledge of digital media specifically among video and TV buyers.
- In response the IAB has evaluated options of internal development of training vs. leveraging external training with another partner:
 - Actively exploring partnership opportunities with ARF for cross-media training.
- Training would target TV buyers that have limited knowledge of digital media provided either in person or via remote training.
- Training would count towards certification/continuing education training.



DIGITAL CONTENT NEWFRONTS

IAB DIGITAL CONTENT NEWFRONTS

- 2016 Digital Content NewFronts expanded to 10 days
- Showcased digital video offerings from 37 publishers
- Estimated total number of 15,000 attendees (15% increase over last year)



Source: 2016 NewFronts Attendee Survey. Base: Ad buyers who answered this question.
Q: Approximately how many NewFronts events did you attend? Which of the following Digital Content NewFronts have you attended?

VERTICAL VIDEO

Vertical Video Becoming More Commonplace

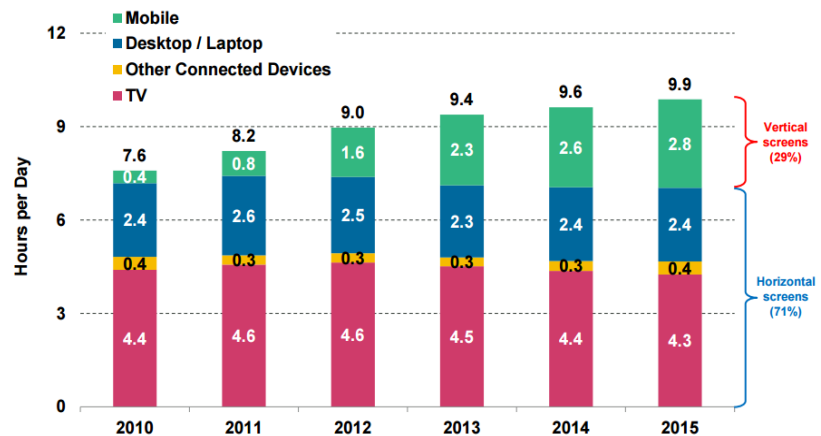
- Changing consumption patterns make vertical viewing on mobile more common
- According to Snapchat, vertical video ads have up to 9 times more completed views than a horizontal video ads
- Publishers and brands increasingly experimenting, embracing new formats - Snapchat, Facebook, Periscope, etc.

Issues to be Addressed by Vertical Working Group

- Interaction models
- Measurement
- Content/ad creation, distribution
- Formatting (reformatting)
- Research

Vertical Video = 29% of View Time (multi-platform) vs. 5% Five Years Ago, USA

Time Spent on Screens by Orientation (Hours / Day), USA, 2010 – 2015



@KPCB Source: eMarketer 4/15, Costue analysis. Note: Other connected devices include OTT and game consoles. Mobile includes smartphone and tablet. Usage includes both home and work. Ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop.

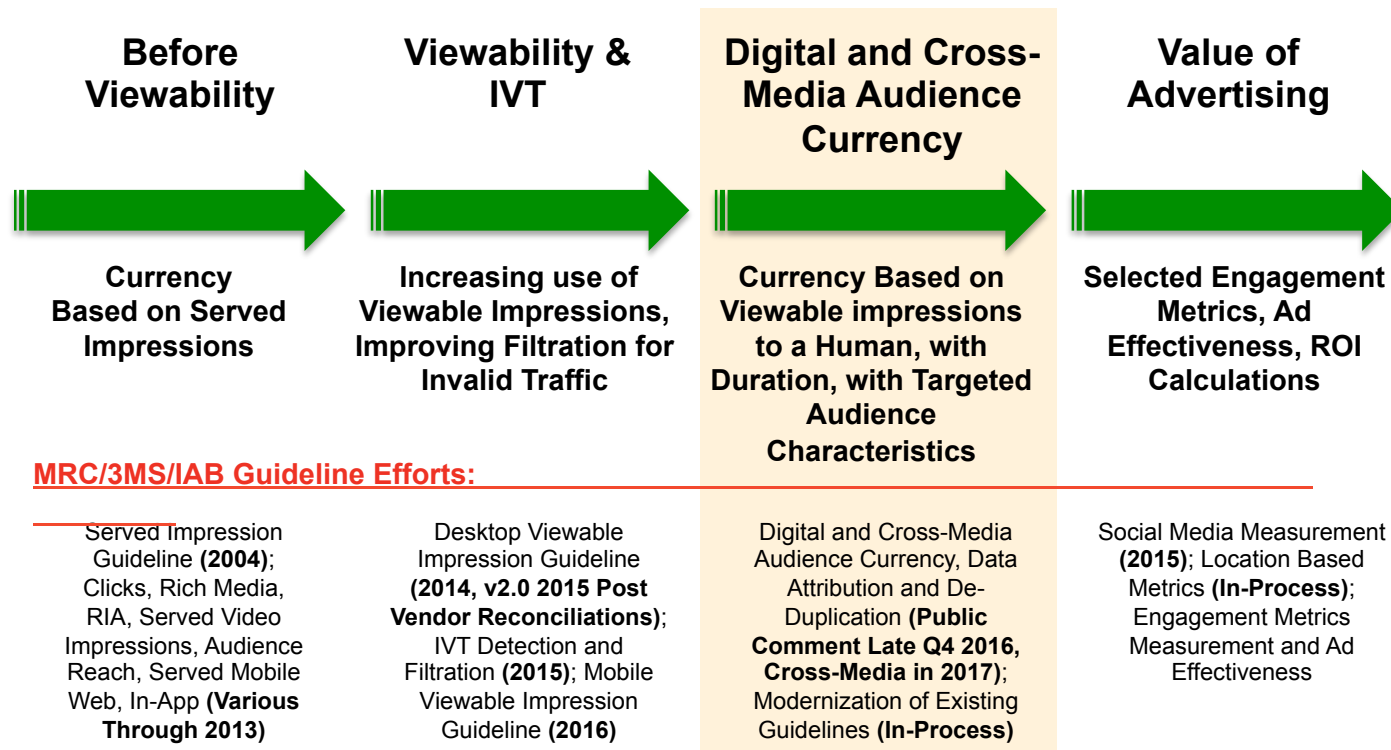
VIDEO RESEARCH & MEASUREMENT

Cross-Screen Video Ad Effectiveness Research Update

- **Background:** Research ideas came from 2015 video board meeting
- **Research Focus:** Test various video content and ad execution scenarios across screens to understand how to optimize video ad success
- **Proposal:** To including OTT, mobile and desktop/PC; testing live, in-market campaigns
- **Status:** Research proposal reviewed / commented by research steering committee. Scheduling a meeting with Research Steering Committee to discuss and finalize the plan



3MS/MRC Digital & Cross-Platform Measurement Roadmap



Digital Audience-Based Currency Status

Status

- Latest draft of digital audience currency guidelines was released on 9/13.
- Next working group review meeting is scheduled on 10/21.
- Review meeting is open to all. IAB encourages members to participate in the working group review process and provide feedback.
- After this round of review and revision, MRC will release the digital audience currency guidelines for public comments by the end of 2016.
- In 2017 we will focus our efforts on cross-media currency.

Association Partners



Welcome more partners...

Current Measurement Challenges

- How do we reconcile digital measurement variances?
- What are the comparable metrics between traditional media and digital media?
- What goes beyond digital GRP – GRP Plus?
- What are engagement metrics that matter? How about duration, time-based metrics?



IAB Actions To Improve Cross-Media Measurement

- Lead and facilitate membership to provide feedback on MRC digital audience currency and cross-media audience currency guidelines.
- Talk to each major measurement vendor to understand their technology and methodology, aiming to create a vendor comparison grid to educate the marketplace and provide clarity on vendor selection.
- Develop education initiatives to bridge the knowledge gap of digital media and measurement among traditional media buyers.
- Build collaboration with other associations and trade groups, such as VAB, to tackle the cross-media measurement challenge together.



Thank You



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