
IAB

Digital Video Trends

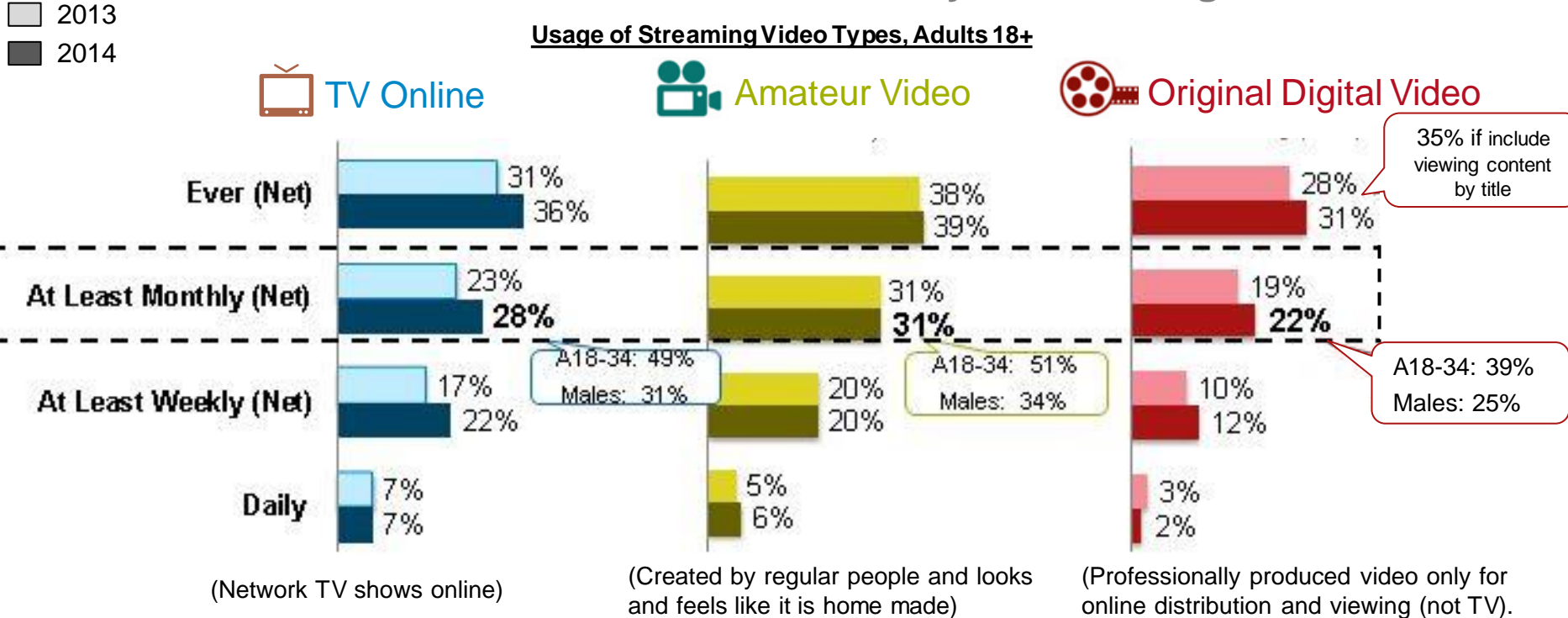
2013-2014

Questions?

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Online Video Is Mainstream: Roughly One in Four Americans Watch Regularly

Adults 18-34 and Males are more likely to watch Digital Video



15% more US adults watch Original Digital Video than a year ago

Q: About how often do you watch [TV shows online/amateur video online/original digital video] using any device (computer, smartphone, tablet, Internet-connected TV)?

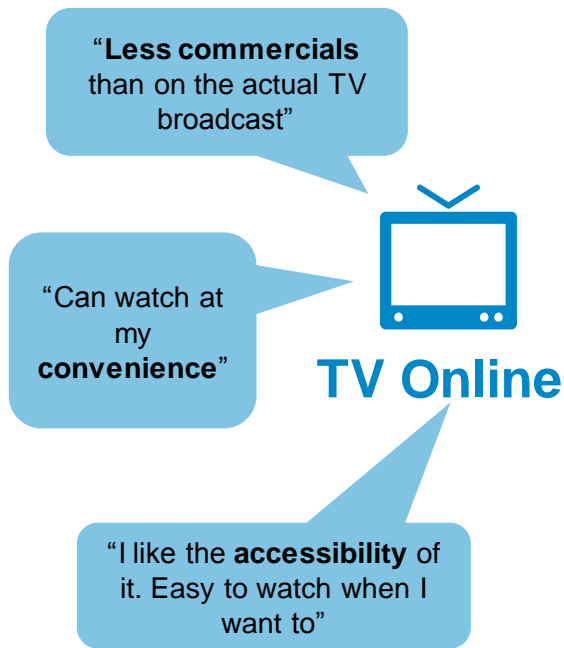
Q: Have you ever watched any of the following original digital video shows or visited their sites below?

Base: Total Respondents 18+ (2013/2014) (N=2,425/2,388)

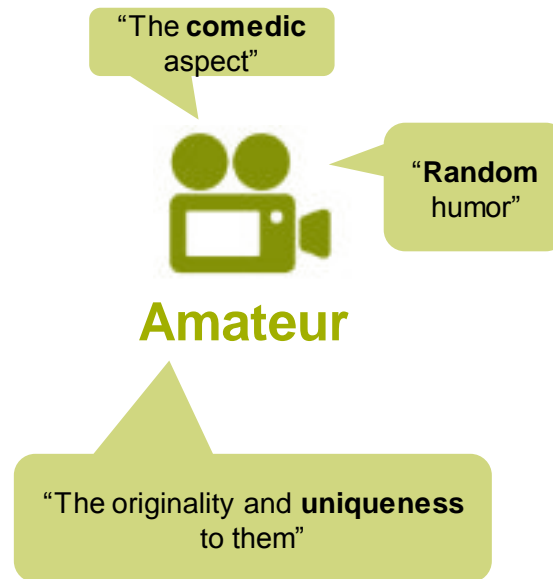
Top Reasons Users Watch Digital Video

- **TV Online:** “the ability to watch on my own schedule,” “fewer ads”
- **Amateur Video:** content is “funny or humorous”
- **Original Digital Video:** “watch on own schedule”, “video quality”, “good quality video”

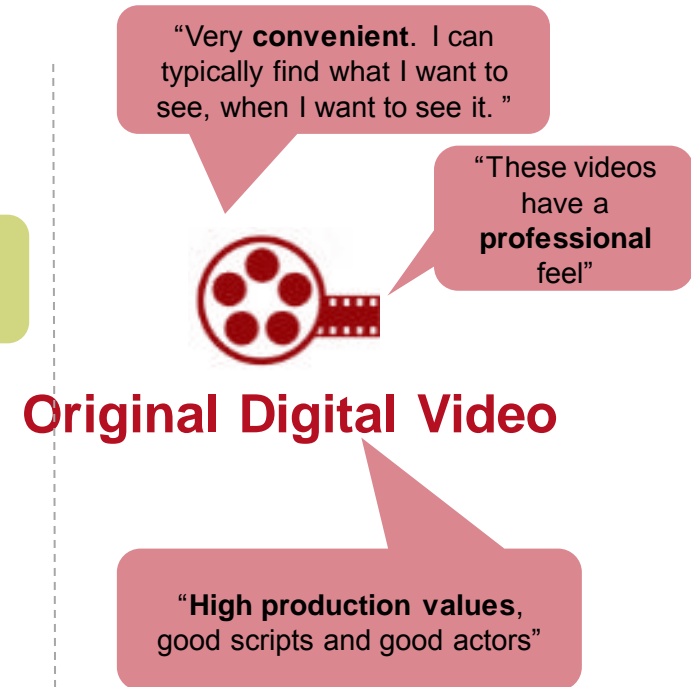
Convenience, Own Schedule -



Unique, Random, Comedy -



Convenience, Professional, Production Values



Q14a/b/c. Overall, what do you like best about the experience of watching [video type]?
 Base: Viewer of ... TV shows online (n=614), Amateur (n=683), Original Digital Video (n=490)

Original Digital Video is Preferred over Primetime TV because of...

- Original Content, Flexible Viewing Times and Fewer Commercials give Original Digital Video an advantage over Primetime TV

What do you Like Better About Original Digital Video over Primetime TV?

(Those who watch Original Digital Video at least once a month)



35+ Females
27%

Original Digital Video
better than Primetime
TV because of...

New original
content
17%

“Unique and
edgier”

“Different content that
would never make it to
TV. Less censorship”

Ability to
watch on
own
schedule
13%

“Convenience. I can watch
digital video on the go on my
iPhone and whenever I want”

Fewer
commercials
9%

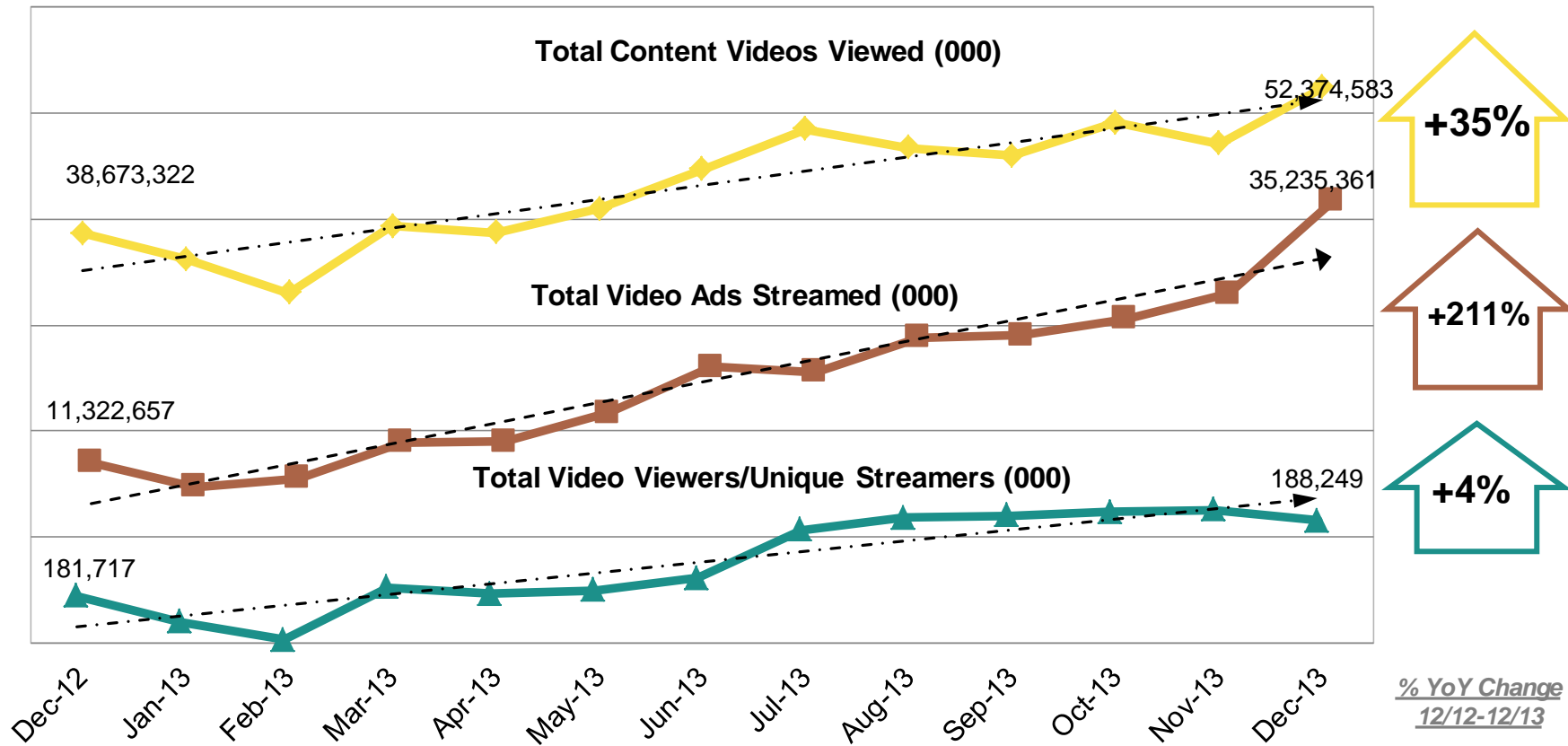
“A lot of them
don't have
commercials.
They're like
mini movies”

Q49. Lastly for this section, you told us that you watch both original digital video as well as primetime shows on regular TV. Comparing those, what do you like better about original digital video content when compared with primetime TV shows?

Base: Viewer of ... Original Digital Video and Primetime TV (2013/2014)(n=298/322)

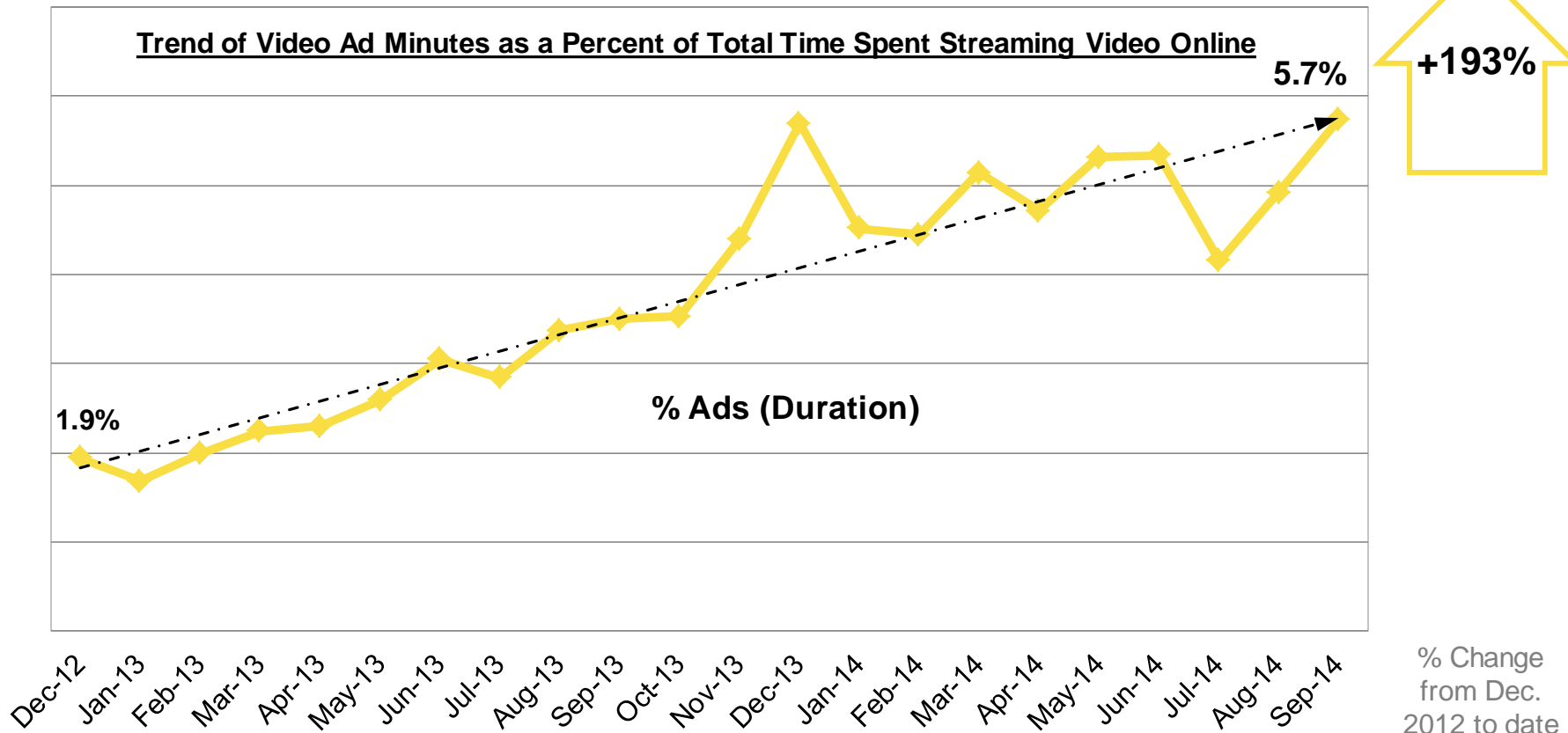
Online Video Advertising: Propulsive Growth

Streamed video ads *tripled* over 2013



Online Video Ads: Increasingly Ubiquitous

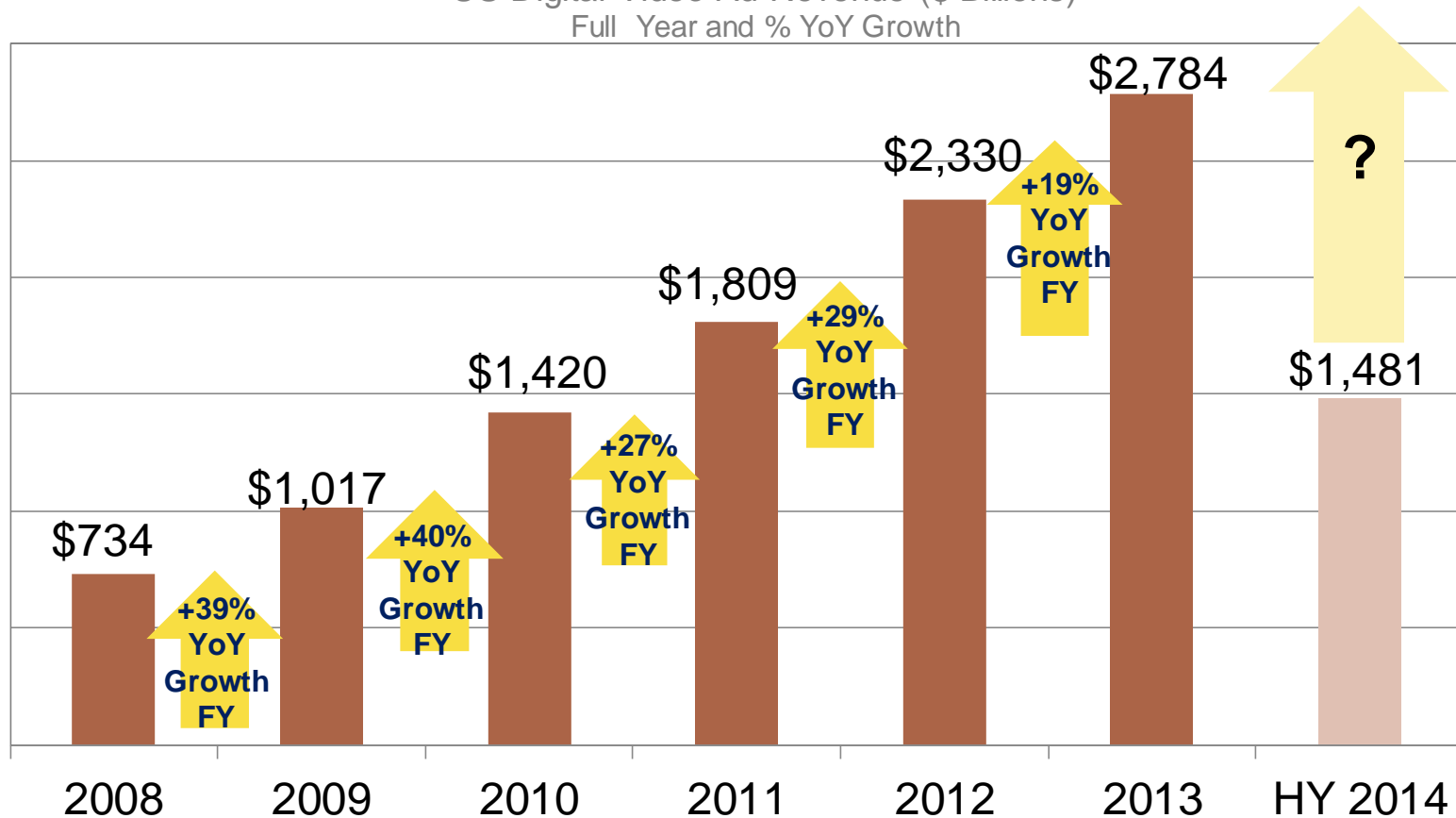
As the medium matures, video ads grow: Video ads now account for 5.7% of all online video streaming time.



Digital Video Ad Revenue: 3x Growth in Past 5 Years

Video ad revenue continues its double-digit annual growth

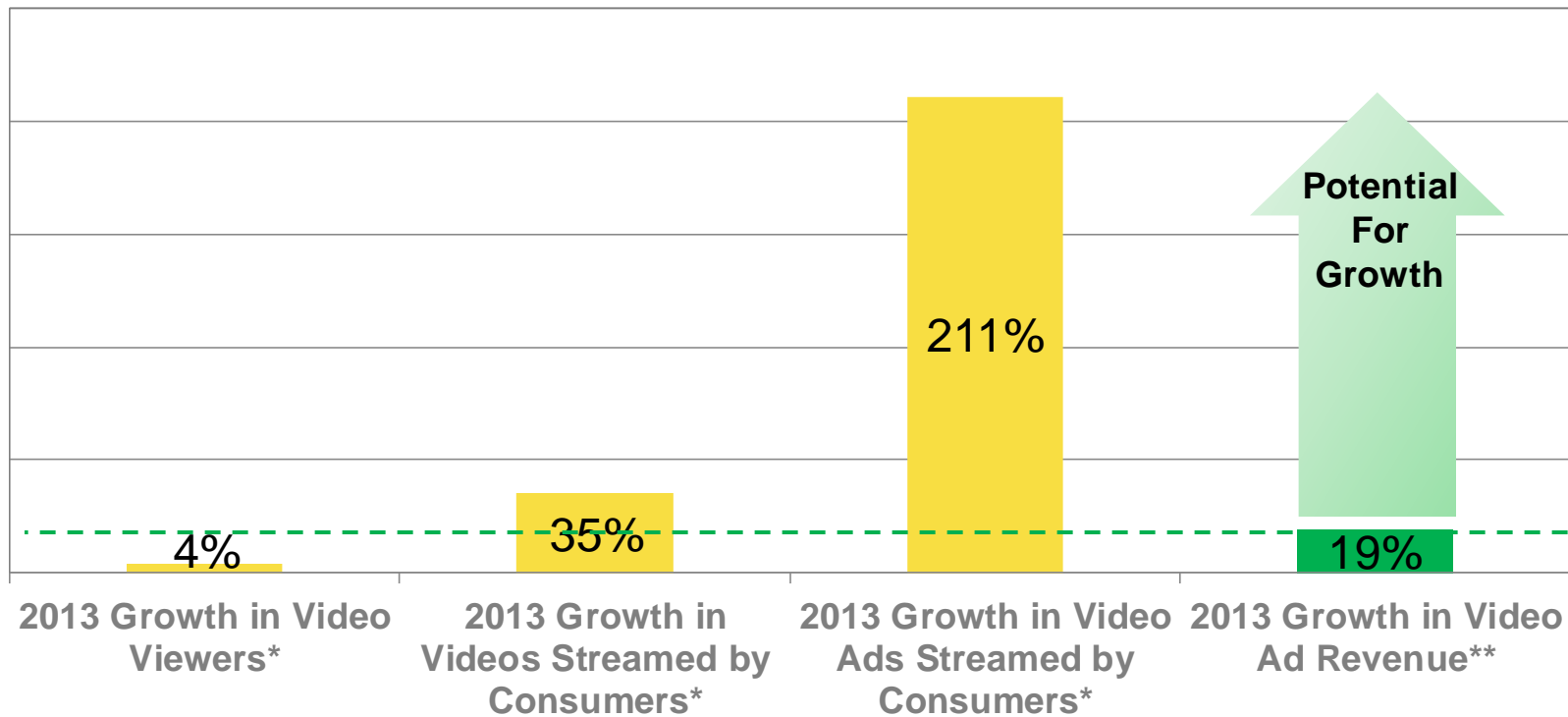
US Digital Video Ad Revenue (\$ Billions)
Full Year and % YoY Growth



Online Video Growth Potential: Most Money Still on the Table

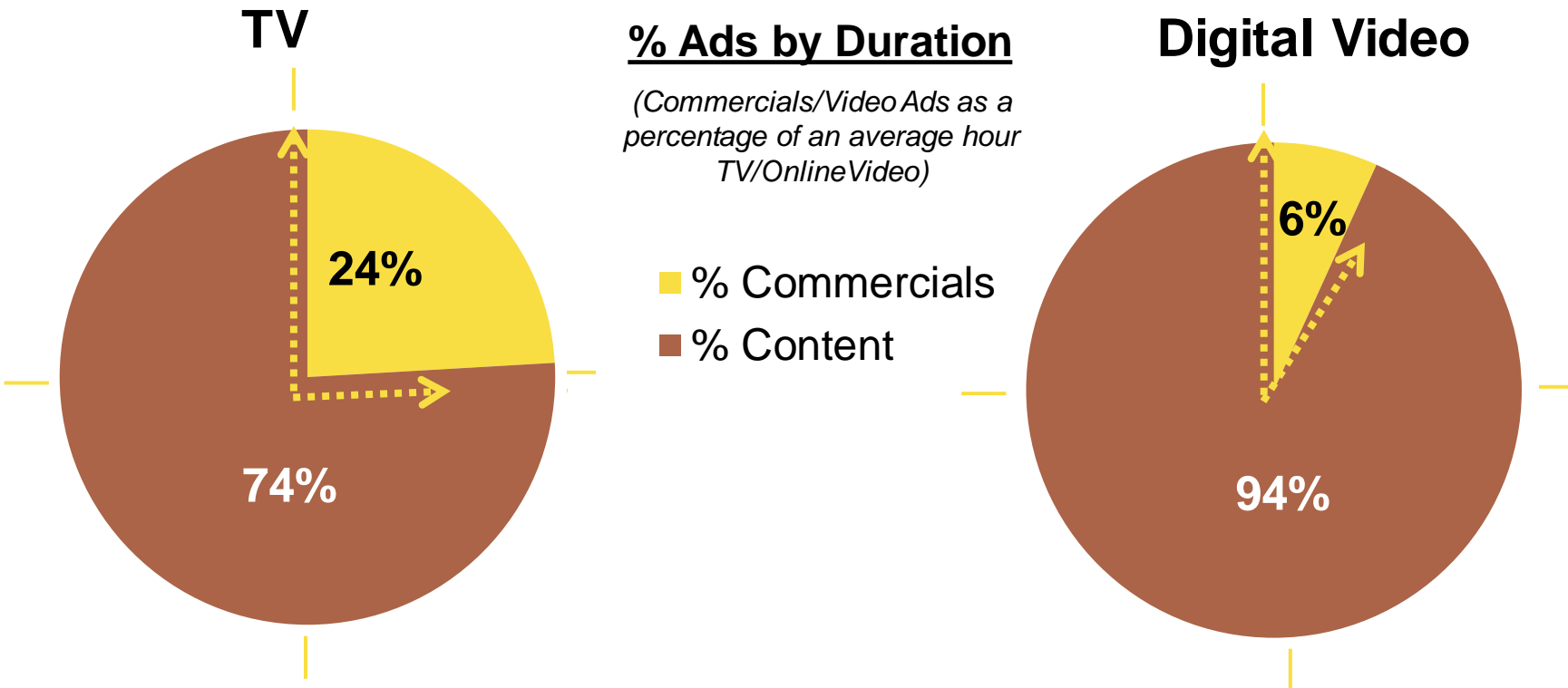
- More consumers are streaming more videos for longer, creating more inventory
- While digital video revenue has grown, it lags growth in consumer usage

Video Usage Growth vs. Video Ad Revenue Growth



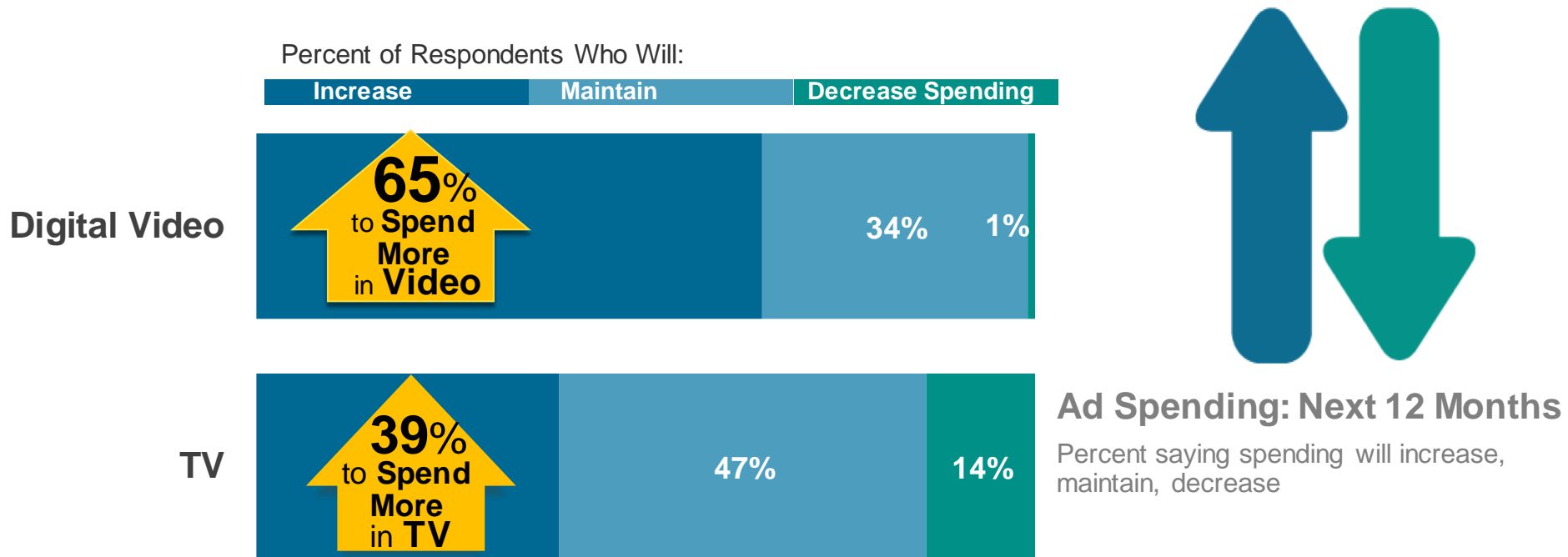
Digital Video Can Sustain More Ads: Ad Weight < Television

- Only 6% of the streaming video hour consists of ads, compared to nearly one-quarter of TV hour
- Currently, online video serves one-fourth fewer video ads per content hour than TV



Digital Video Growth Will Continue

Marketer Bullishness > Television



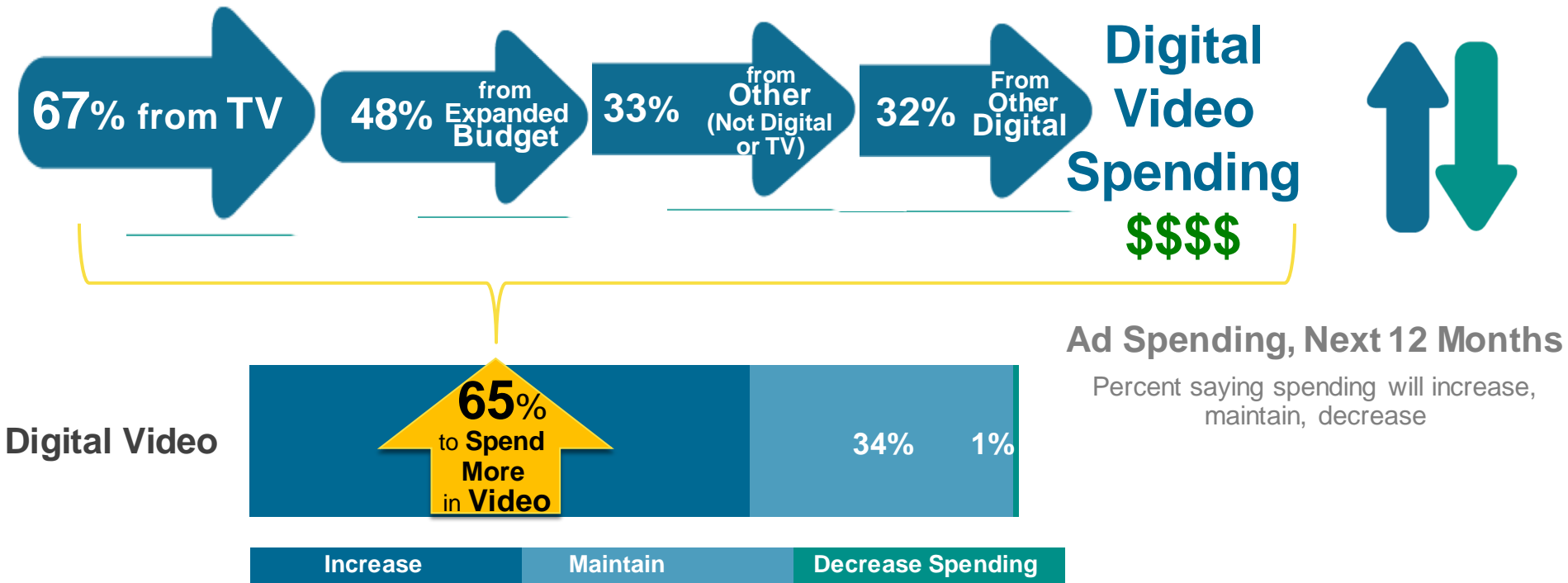
Video: Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?

Base: Respondents Involved in Digital Video (280) Agency (155) Marketer (125)

Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?

Base: Respondents Involved in TV (246) Agency (141) Marketer (105)

New Online Video Spend Will Draw From TV



Q130a. You mentioned that your spending on digital video advertising will increase in 2014 compared to 2013. Where will the funding come from for the increasing digital video advertising spend?

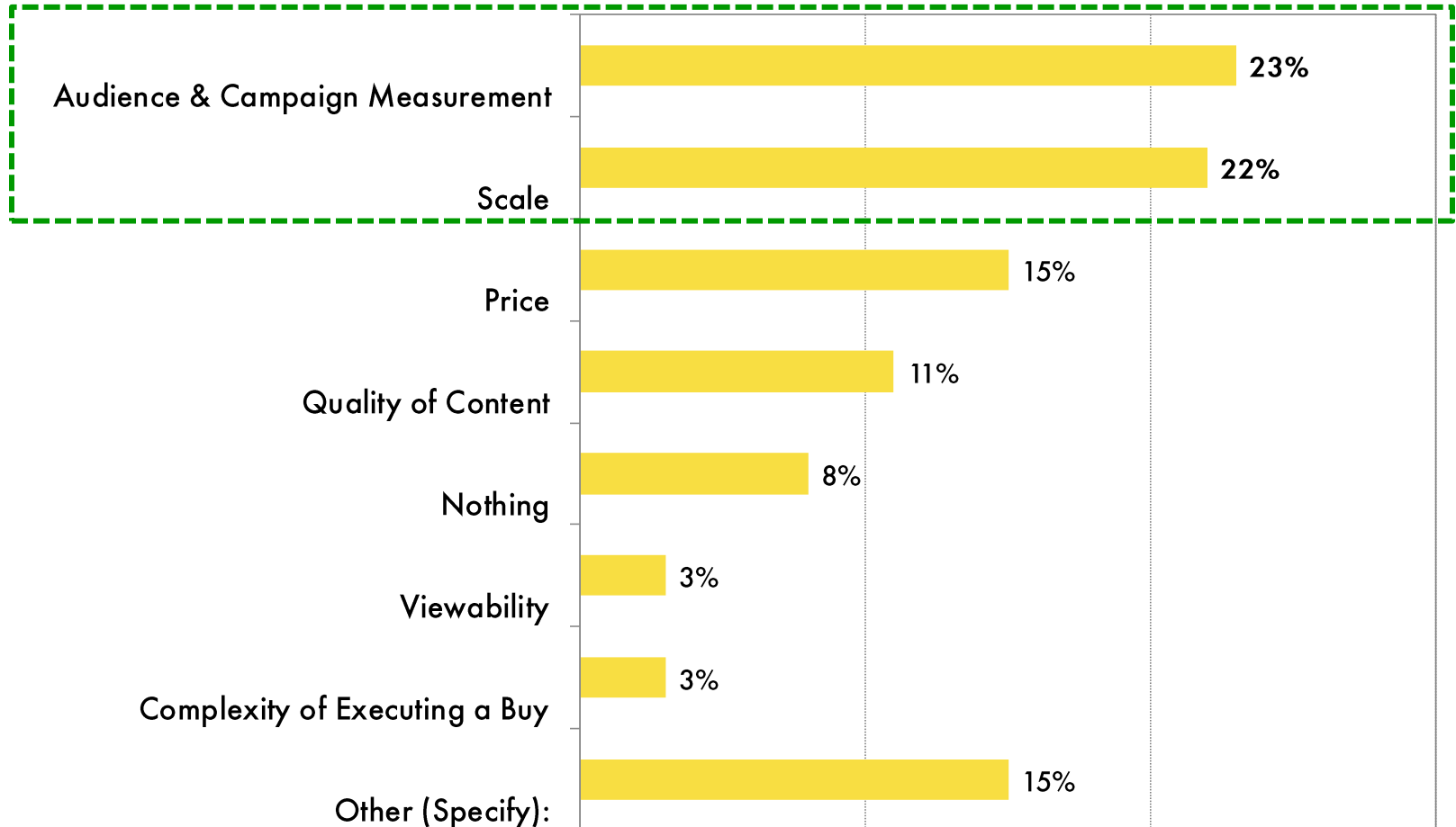
Base: Respondents Whose Digital Video Advertising Will Increase in 2014 (182) Agency (108) Marketer (74)

Digital Video Pain Points:

Measurement and Scale are Biggest Hurdles to Buying Original Digital Video Ads

What is the biggest hurdle preventing you from spending more media dollars on ORIGINAL digital video?
(Asked of those who answered 'yes' to 'Does your job responsibility include decision making or oversight of advertising spend?')

■ Buy Side Attendees



Digital Video Pain Points:

Other Hurdles to Ad Spend on Original Digital Video

Speaks to the need to educate Traditional buyers on Digital buying

What is the biggest hurdle preventing you from spending more media dollars on ORIGINAL digital video?
(Asked of those who answered 'yes' to 'Does your job responsibility include decision making or oversight of advertising spend?')

Other (Specify):  15%

Key Themes:

• Video Ad Unit Lengths:

Media Mix for overall campaign

:15s are not priced half of :30s and with a traditional client, its hard to justify to them to pay the same for a :15 as you do a :30 when they run 100% :15s

Unit lengths

• Clients:

clients budgets (2)

Internal Growth and Development

Client agreement

Client's understanding the space

Relevant content for our brand

• ROI vs. Other Media:

Consumer Content Overload -
Need for more curation

Other mediums still provide efficiency/effectiveness & reach our core target

Video already receives a healthy allocation of budget

roi measurement

Fairly Unproven/Hard to Measure

Low viewership

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