Building 21st Century Brands: Video Creative Innovation

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INTRODUCTION

Executive Summary

- Digital video represents a rapidly-growing share of viewing consumption and advertising revenue potential – led by mobile and over-the-top (OTT)/Connected TV.

- However, consumers have been empowered with choices and control–and the ability to pick and choose the ad experiences they desire. Brand marketers, meanwhile, are increasingly seeking deeper “activation” and storytelling that supports direct consumer relationships–moving beyond traditional ad impressions.

- As a result, ad creative innovation represents a key priority for marketers and publishers to achieve deeper consumer engagement and measurable brand outcomes, with need for enhanced targeting/relevance, interactivity, and more engaging formats.

- IAB’s recent survey and expert interviews suggest several learnings for driving innovation in video ad formats and creative: establishing discipline in testing/learning, leveraging deep behavioral data/insights, creating measurement KPIs and standards, curating and scaling up creative learnings, and investing in dedicated talent and teams.

Background and Objectives

At its 2018 Annual Leadership Meeting, IAB shared a new perspective on the accelerating shift from a century old “indirect brand economy” to a “Direct Brand Economy.”¹ The Direct Brand Economy has been led by digitally native brands that have first-party relationships with a substantial number of their end consumers. These relationships, realized through continuously enriched data, are a core asset of the brand. Direct Brands are disrupting the legacy business model of marketing through layers of intermediaries and driving the growth of a new consumer economy. To survive and thrive in the 21st Century Brand Economy, all brands must build and rely on advanced direct marketing capabilities.

Today’s advertising ecosystem needs to adapt to fulfill this mandate. Media creative, planning, buying, targeting, and optimization must all play a pivotal role in transforming the legacy marketing model beyond impressions to consumer relationships. Despite growth in digital video ad spending, overall marketing dollars are undergoing a shift toward direct marketing, interactive experiences, and two-way consumer relationships. To sustain long-term growth and “must-buy” status with marketers, digital publishers must respond and meet this need with new solutions. Innovation in video creative has multiple elements, encompassing content, storytelling, creative formats, and technology. For 2018, innovation represents a central theme across IAB video initiatives, putting IAB’s market-making and market-educating mission into action and providing a road map for growth in multiplatform video advertising.

This white paper is a first step in contributing to video advertising innovation and has three objectives:

- Encourage **innovation** in video advertising content and formats
- Help inform which video advertising content and formats improve the **consumer experience** and provide enhanced **choice and control**
- Demonstrate how digital video advertising can drive **deeper engagement** and **direct relationships** for both marketers and publishers

**Methodology**

This work is based on a synthesis of perspectives from industry thought leaders and practice leaders, gathered through one-on-one interviews, as well as through a quantitative IAB survey\(^2\). Participants included brands, agencies, publishers, and advertising technology providers.

**NEED FOR VIDEO ADVERTISING CREATIVE INNOVATION**

*Adapting advertising experience to a shifting consumption pattern.* Video has long represented a leading share of consumers’ overall media consumption. According to eMarketer\(^3\), video viewing—including both linear TV and digital video—accounted for an average of five hours a day among U.S. adults in 2017. While video offers tremendous opportunity for brands to reach and engage with consumers, needs are changing with the accelerating shift of video consumption from linear, live TV to time-shifted and on-demand digital video (on OTT/Connected TVs, mobile, and PCs). Mobile has been a primary driver of digital video consumption growth. As of September 2017\(^4\), time spent on mobile accounted for the largest share of digital media time per day among U.S. adults, overtaking desktop/laptop.

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Another key growth platform, OTT/Connected TV, is quickly becoming mainstream. According to IAB research\(^5\), streaming-enabled TV ownership reached the majority of American adults (56 percent) in 2017, up from just 36 percent in 2015. Advertising opportunities are abundant, and the addressable audience is rapidly growing on these platforms (e.g., Roku, Apple TV, Amazon Fire TV, Chromecast, etc.).

**Solving for the user experience challenge.** The growing adoption of new devices and platforms increases viewer expectations for device and context-specific ad experiences. To reflect device-specific use cases and behavior, there is an urgent need to move away from practices such as serving 30-second spots designed for linear TV to users on mobile devices. Given the unique capabilities of digital (such as interactivity and precise targeting), brands, marketers, and publishers must accelerate creative efforts and build capabilities to increase ad relevance and engagement.

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Supporting this view, a FreeWheel study⁶ found that agency and brand decision makers believe that advertising user experience is the biggest challenge facing the video industry.

**What Are The Biggest Challenges Facing The Video Industry?**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating a Better Ad Experience for Users/Consumers</td>
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</tr>
<tr>
<td>Inadequate Measurement/ Cross-Screen Metrics</td>
<td>49%</td>
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<tr>
<td>Ad Blocking</td>
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</tr>
<tr>
<td>Managing/Integrating Big Data</td>
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<tr>
<td>Ad Fraud</td>
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</tr>
<tr>
<td>Reaching Millennials</td>
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<tr>
<td>Cord-Cutters</td>
<td>27%</td>
</tr>
<tr>
<td>Walled Gardens</td>
<td>23%</td>
</tr>
</tbody>
</table>

*Source: Advancing the Ad Experience, FreeWheel Council for Premium Video, 2017*

Highlighting the need for improvement, many consumers turn to ad blocking to avoid interruptive and/or undesirable advertising experiences. Today, in the U.S., more than a quarter of adult internet users have installed ad blockers. This trend has been rising year over year.⁷ To ensure the continued growth of the ad-supported video ecosystem, enhancing the video advertising experience is a critical imperative.

**Serving 21st century brands to create deeper consumer relationships.** In the Direct Brand Economy, marketers are looking beyond simple reach and one-way impressions. They value a lasting two-way direct relationship with the consumer more than ever. Consistently, marketer and agency respondents from the IAB video survey indicate that the primary objective of ad innovation is to achieve deeper consumer engagement. Marketers want to ensure that video creative effectively communicates the brand message and supports a deeper interaction with the consumer. Marketers find that deeper engagement supports direct consumer relationships and leads directly to brand lift, attribution, and return on investment (ROI).

As a global direct-to-consumer travel brand explained, storytelling is key, “*We’ve done a lot of delivery and testing of different creative formats. One thing that differentiates us as an advertiser is that we have lots of content, including thousands of licensed user-generated images, and we tend to be editorially-focused as a way for ads to tell the story. What’s key for*”

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⁶ FreeWheel April 2017. Advancing the Ad Experience.
us is understanding the way consumers want to consume content and what content they don’t want to see, for example, interruptions.”

Publishers are closely aligned with marketers on consumer engagement goals, while consistently emphasizing improved user experience as a path to mitigate ad blocking and ensure user engagement.

“Overall, when considering and pursuing video ad innovation, what are the most important goals for evaluating newer video ad formats? Select up to three goals.”

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<tbody>
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<td>Consumer engagement</td>
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<tr>
<td>Brand lift</td>
<td>40%</td>
</tr>
<tr>
<td>Strong storytelling</td>
<td>33%</td>
</tr>
<tr>
<td>Data collection</td>
<td>31%</td>
</tr>
<tr>
<td>Attribution</td>
<td>24%</td>
</tr>
<tr>
<td>Interactivity</td>
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<td>Other</td>
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</table>

<table>
<thead>
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<th>Brands/Agency</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer engagement</td>
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<td>Brand lift</td>
<td>44%</td>
</tr>
<tr>
<td>Strong storytelling</td>
<td>44%</td>
</tr>
<tr>
<td>Attribution</td>
<td>41%</td>
</tr>
<tr>
<td>User experience</td>
<td>38%</td>
</tr>
<tr>
<td>Data collection</td>
<td>32%</td>
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<tr>
<td>Interactivity</td>
<td>15%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: IAB Video Ad Innovation Survey 2018

Creating a competitive advantage to drive growth. In the Direct Brand Economy, publishers can create and maintain unique connections between brands and consumers through compelling content and advertising experiences. Innovation also helps brands stand out in an increasingly competitive marketplace for consumer attention. From one publisher’s perspective, new ad formats “differentiate, creating new growth inventory and delivering a better user experience” – CBS.

A Washington Post executive believes that creative innovation is vital for revenue. “It’s a competitive advantage to be creative and innovative, in a way that is unique to your brand. You win more marketing and advertising business, you perform better for your clients and work for your audience. It’s an “and” not an “or” for both audience and clients. When you do that, it drives revenue.”

From the brand perspective, demand is growing for creative formats that engage consumers more deeply and move them further down the purchase funnel.

“Marketers are looking for ways to deepen connection and relationships with consumers. The advertising industry needs to better adapt to support brand activation. This requires new capabilities from media companies and publishers. The dollars will shift to platforms and ad formats that drive better consumer response.” – ANA
CURRENT INNOVATION LANDSCAPE

The focus of this white paper is innovation in video ad formats. While there has been much discussion on storytelling innovation, there’s been far less industry effort and attention on developing breakthrough ad units. As a Washington Post executive acknowledges “there is a white space for the ad unit itself, the speed, reliability, distribution mechanism, and personalization.” This section will provide an overview of the state of video ad innovation and discuss several emerging ad formats as examples.

State of Innovation

Industry adoption and experimentation with newer, non-traditional video creative formats is rapidly expanding. The IAB survey reveals that the majority of brands, agencies, publishers, and ad technology providers are working with or are investing in new and emerging video ad formats, such as vertical video, interactive video, or 6-second video. In particular, 88 percent of publisher respondents indicated they are working with newer video ad formats, ahead of brands and agencies (77 percent), and ad tech firms (76 percent).

Out of the emerging video creative formats surveyed, 6-second video has generated the highest adoption among publishers who responded to the survey.

Over three-quarters of publisher respondents reported that they have worked with short-form video ads such as 6-second formats. In addition, interactive video, skippable video, sequential video, shoppable video, vertical video, and 360° video are also undergoing more widespread experimentation. An executive from Hulu underscores the wide range of experimentation, “We are investing in various creative tactics and pushing the boundaries on OTT formats that put users in control and create high intent and high engagement moments.”
When it comes to investment priorities from the buy side, brand and agency respondents mentioned skippable video and 6-second video most frequently as the new formats they have worked with in the past year. Interactive video and vertical video closely follow. A Consumer-Packaged Goods (CPG) advertiser sums up the growing need for experimentation and learning, “We are considering most of the new innovative formats, whether or not we are utilizing them right now. Some of the new formats like augmented reality and virtual reality are about creating an experience – they serve a specific purpose. We think of the other new creative formats like vertical video as something we need to experiment with regularly to learn. Learning is going to be important.”
Emerging Ad Formats

The remainder of this section provides a brief overview and learnings to date on several highly-ranked new ad formats from the IAB survey, including 6-second video, interactive video, skippable video, vertical video, and sequential video.

6-second video

(Source: Xfinity 6-second ad on NBCU live Olympics coverage)

The 6-second format was originally pioneered by Vine, the creative platform acquired by Twitter, for creator-driven content stories. 6-second video ad units represent an alternate storytelling approach from what would normally be a 30-second or 15-second video ad execution. These units have gained traction among both publishers and brands, given the growth of mobile-first, short-form, “snackable” content, as well as the consumer’s shortening attention span. Since early 2016, YouTube has continued to push the creative envelope with the development of 6-second ads. In 2017, Google\(^8\) indicated that “globally nearly 1 in 3 large advertisers were buying 6-second bumpers and 1 in 6 in-stream impressions on YouTube were 6-second bumpers. There was a 70 percent increase in the number of customers buying 6-second bumpers from Q1 2017 to Q2 2017.” Six-second ads are not just for digital. FOX utilized 6-second ads during the Teen Choice Awards and selected NFL games in 2017. AMC also aired 6-second ads during season 8 of The Walking Dead.

YouTube has found that 6-second ads drive upper-funnel goals like ad recall and awareness. It’s an efficient way to extend the campaign reach and complement broader messaging. In a 2017 Clinique YouTube campaign\(^9\), 6-second creatives showed a relative ad recall lift of 69 percent and product awareness lift of 26 percent, which Clinique considered best in class for the beauty category. Insights\(^10\) based on multi-year studies conducted by MediaScience and Ehrenberg-Bass Institute show that shorter ads like 6 seconds are viable ad formats. In terms of relative effectiveness, 6-second ads were found to deliver 60 percent of the impact of a 30-second commercial.

The IAB’s video innovation survey indicates that the majority of respondents feel confident about the storytelling capabilities of 6-second ads: 70 percent of publisher respondents and 68% of buy-side respondents agreed that six seconds are adequate to communicate a brand message with the right creative storytelling.

“Now please think specifically about 6-second video ads. To what extent do you agree 6 seconds are adequate to communicate your or your client’s brand message with the right creative storytelling?”

- Completely agree □ Somewhat agree □ Neither agree nor disagree □ Somewhat disagree □ Completely disagree

<table>
<thead>
<tr>
<th>Publisher</th>
<th>25%</th>
<th>45%</th>
<th>12%</th>
<th>15%</th>
<th>2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand/Agency</td>
<td>12%</td>
<td>56%</td>
<td>21%</td>
<td>9%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: IAB Video Ad Innovation Survey 2018

YouTube’s experience supports these findings.

“When we first introduced 6-second ads, we were unsure how creatives would respond. We were pleasantly surprised that creative agencies embraced the format and were excited to push the boundaries of short form storytelling.” – YouTube

While it’s still early days in terms of determining best practices, understanding how to leverage and where to place 6-second ads in the context of the standard 15 or 30-second video creative mix will be an area of focus for testing and future research.
Interactive Video

Interactive video units deliver a more immersive brand interaction and offer the consumer a measure of control in the ad experience. For example, true[x] created the “Engagement Ad,” a choice-based advertising unit that empowers the user to choose whether to lighten the ad load within long-form content by interacting with a rich media brand experience. These interactive units typically involve quizzes and polls and can be executed across desktop, mobile, tablet, and connected TV devices.

Source: true[x] Interactive Ad for McDonald’s

Another example of interactive video ad units is Hulu’s interactive, choice-based “Ad Selector” solution that enables viewers to choose which ad creatives they want to watch. “The key
questions for interactive units are how to put users in control, how to deliver instant gratification, how to leverage various tactics, in the high intent and high engagement moment, to move consumers down the funnel. Interactivity is going to be a user expectation.” – Hulu

**Skippable Video**

![YouTube skippable video ad for University of Georgia MBA program](image)

*Source: YouTube skippable video ad for University of Georgia MBA program*

The skippable format allows users to have control over their advertising experience within the specific content environment. Examples include YouTube’s skippable ads and Snapchat’s vertical ad units. Skippable ads present marketers and publishers with both challenges (to creatively break from the traditional TV-based storytelling arc) and opportunities (to win back and engage otherwise ad blocking consumers)\(^1\) by giving them a level of choice in their ad experience.

A senior executive at a leading CPG brand stated, “*We believe consumers should always have the choice to skip ads because non-skippable ads can make consumers upset, and they will find other ways to not pay attention to your ad. Marketers need to build their creative strategy around the fact that consumers will have the choice to skip ads if they wish.*”

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\(^1\) According to an IAB *Study* "Ad Blocking: Who Blocks Ads, Why, and How to Win Them Back": Two-thirds of consumers using ad blockers are open to stop blocking ads. One way to win back these consumers is by giving them more control (such as a video skip button)
The growth in vertical video ads reflects the prevalence of smartphone video consumption and popularity of apps such as Facebook, Instagram, and Snapchat. Vertical video ads have the benefits of leveraging 100% of the phone’s real estate and working more seamlessly on mobile apps, where consumers are used to interstitials being served. Well over half (61%) of agency and brand buyers interviewed for the 2018 IAB NewFronts Video Ad Spend Study stated they had purchased vertical video ads in 2017. MediaRadar finds that entertainment (movies and TV programming) is the largest advertiser segment in use of vertical video ads. Fashion and technology brands are also active users.

“Vertical video is ultimately about reflecting the consumer and their behavior, personalizing for a particular device and platform. It’s about using creativity not to fill a white space but to offer a different type of white space.” Washington Post

“Our ad products were born out of organic user behavior. Whenever we think of innovation, we first think of what works for users organically, as well as constantly thinking about what brands need to be successful.” Snapchat

Sequential Video

Sequential video employs a sequenced approach to deliver advertising messages with a series of chapter-like video ads. It brings great value to brands for an opportunity to tell a coherent story with multiple touchpoints. Sequential video is currently at a more experimental stage given the higher level of targeting and cross-device identity requirements.

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12 IAB 2018. Video Ad Spend Study.
Preliminary research has been conducted to test the optimal mix and order of creative units but there are few conclusions yet. YouTube has found that short-form ads can support upper funnel metrics such as recall and awareness, with longer-form ads enabling brands to go deeper and provide more information and context. The interplay of longer and shorter ad formats worked well in the case of an Xbox campaign that started with long-form ads and followed with 6-second bumper ads.\(^\text{14}\) In a specific test of 6-second and 30-second video ad mix, RealEyes research\(^\text{15}\) found that a 30s + 6s mix worked better and yielded higher emotional resonance with consumers than a 6s + 30s mix.

As a leading travel brand executive stated: "We’ve tested various segments in terms of optimal video ad length, including users who have been exposed to our long-form ads. We found once users know our story, they are amenable and responsive to receiving shorter, more snackable follow-up ads like the 6 second format. This follows the old TV model where you’d launch a campaign with longer stories and follow up with frequency play of shorter ads." – Travel Brand

**Other Innovative Formats**

Other innovative formats such as shoppable video, augmented reality (AR), virtual reality (VR), and picture in picture (PIP) remain small in scale today. However, it’s worth pointing out that the growth potential of these formats could be tremendous. For example, in terms of shoppable ads, Hulu recently announced the launch of t-commerce ads (see example below), which are gaining traction among marketers, especially in the entertainment category. AR ads are poised to experience rapid growth boosted by both Apple and Google’s announcement for operating system support of AR content in the summer of 2017. The rise of AR will make a variety of new advertising options possible such as virtual tours of brick and mortar shops, extending live experiences through the use of online filters, and experiencing products in e-commerce settings.

\(\text{14}\) https://www.thinkwithgoogle.com/advertising-channels/video/youtube-bumper-ads-six-second-format/
\(\text{15}\) ARF CONSUMERxSCIENCE Conference, March 28\(^\text{th}\), 2018. How Short Can be Sweet: The Effectiveness of 6 Second Ads.
Perceptions of Impact

Given the broad range of experimentation with newer video creative formats, the key question is how effective are the newer formats in driving attention, engagement and supporting direct consumer relationships? In the IAB’s video innovation survey, we asked publishers, agencies and brands to grade the top four new formats on their effectiveness in achieving business goals. The ratings and ranking from buy side and sell side showed different perspectives. On a 100-point scale, publishers gave skippable video 77 points, the highest rating in achieving their goals, with improving user experience being their primary goal. They rated vertical video (60 points) fourth, noting the cost and investment that vertical video production could entail.

Brands and agencies, with primary focus on consumer engagement, indicated a different rank order in their evaluation. They rated vertical video the highest (66 points) followed by interactive video (63 points), 6 second video (60 points) and skippable video (57 points).
Looking ahead, 6-second video is the most sought-after format, with 79% of publisher respondents and 74% of brand/agency respondents reporting plans to work with or invest more on this format in the coming 12 months. Vertical video, interactive video, and sequential video are also high on the buy side list.

“In the next 12 months, are you or your organization going to work with or invest in the following newer video ad formats more, less or about the same?”

Source: IAB Video Ad Innovation Survey 2018
INNOVATION ROADMAP

Development of video creative formats will be advanced by brands, publishers, agencies, and ad tech providers continuing to push each other forward through partnership and competition. Our conversations with industry leaders point to five key ingredients for fostering creative innovation.

1 ESTABLISH A DISCIPLINE OF CONSTANT AND RAPID TESTING.

Given short development and sales cycles, it is critical to plan and closely align development and testing of newer ad formats. Success comes from “always-on” learning and improvement, and building a repeatable capability, not from an opportunistic or one-off approach. Effective testing practice does not happen only in post-development analysis, rather it feeds into the pre-development phase, addressing whether and how newer formats improve user experience and provide impact for brands.

“It’s critical to align testing and development. We have to plan for failure and budget enough time for testing. It has to be all about testing and timing.” – Hulu

“Testing and analytics can be used to inform creative in new ways – for example, where are viewers dropping off from a video – what’s happening at that moment, and how can agencies creatively optimize messaging based on this.” – YouTube

“Test-measure-optimize-repeat is the only way to innovate and create the best product. That said, in a world with fragmented devices, platforms, and technologies, the ones that build their delivery on a robust technology platform, which is mandatory to iterate at scale, will win”. – Innovid

2 AMPLIFY IMPACT OF NEW FORMATS THROUGH DATA, ANALYTICS AND TARGETING.

Creative format innovation does not stop at the ad unit itself. Data and targeting play key roles in optimizing formats and managing real-time ad performance. Which consumers should be targeted for a given format or experience? How should this vary by screen/device or by advertiser objective to maximize engagement? When innovation leaders use first-party data to deeply analyze consumer response and to personalize, they are able to serve smarter content and smarter ads and improve ad performance.

“We need to serve the right message at the right time, on every screen, across all platforms. Data enables us to personalize and optimize creative and messaging, down to specific brands and local market offers.” – BrightLine
“A key opportunity is to hone in on all of the data signals and audience insights, and leverage them to inform smarter storytelling and enable more relevant and meaningful communications.” – YouTube

3 ESTABLISH MEASUREMENT STANDARDS AND KPIs.

Like established video formats, newer and non-traditional formats require holistic metrics and dashboards to help buyers and creatives work together to achieve specific outcomes. The industry needs consensus on success metrics as more new formats emerge. In addition, timely measurement and analytics can inform how to creatively adjust and optimize the storytelling based on audience response.

“Measurement is about the impact, the bottom of the funnel. We need to identify and align on the definition of success and optimize against that. We need to have various metrics tied together to demonstrate the likelihood of impact.” – The Washington Post

“It doesn’t matter what advertisers or publishers are using to innovate if they can’t back it up with rock-solid measurement. An industrywide commitment to quality and standards needs to be made.. After all, creativity is nothing without accountability.” – true[x]

The role of KPIs within the larger realm of measurement is also important to keep in mind.

“We need more rigor with the goal of understanding what drives the consumer and what has a positive impact and allows a brand to get a message across. There should be shared parameters in terms of the questions that are asked. It would be helpful if there was a way for IAB to not just support the creative end, but also the research that’s supporting the creative.”
– CPG Brand

4 ADVOCATE AND CURATE CREATIVE INNOVATION.

The industry looks for inspiration and learnings from partners, peers, and competitors. But today, learnings and insights from new ad formats are often unique and proprietary to specific companies. Formats are not standardized and scalable, greatly increasing complexity and cost. Marketers and publishers indicate need for neutral, third-party support to curate and showcase an ad gallery of creative innovation examples that adopt consistent and scalable specs. The creative gallery should feature best practices and learnings, inspire innovation and support industry standards.

“It’s not that people don’t want to innovate, we just need to be inspired. If there’s an ad gallery that uses IAB standard specs and features great work, it will push industry consistency and inspire innovation.” – Publicis Media
"We are in dire need of case studies to help showcase that these new creative formats work. Right now, we probably have about 10 good vertical video case studies. I’d like to have 200 and I’d like those examples to be in my brand category." – CPG brand

“We recently introduced a template-based Lens Studio to give easy, user-friendly tools to consumers and brands to create Augmented Reality (AR) experiences. When an everyday person has the ability to create a Snapchat Lens, that democratizes AR by lowering the barrier to reach the 70 million people playing with AR every day on our platform.” – Snapchat

5 ORGANIZE AND RESOURCE FOR SUCCESS.

It takes the right structure, mindset, and resources to innovate successfully. Our thought leader interviews highlight the need for constant experimentation, deep analytics, and creative risk-taking. For several innovation leaders, including CBS, Fox, The Washington Post, and Viacom, this has led to creation of dedicated teams focused on advanced advertising. In addition to helping speed up and scale up innovation, creating a new team structure can also contribute to breaking down silos and facilitating collaboration. Independent of structure, innovation requires investing in attracting and developing talent and capabilities to continually deepen understanding of platforms, audiences, data, and formats.

“Agencies like us have made a conscious decision to merge media and creative teams to see the big picture from start to finish.” – Global Advertising Agency

“We’re seeing our media team leading innovation in a big way, creating briefs that are based on consumer insights, which then inspires all of us to collaborate around knowing consumers better.” – Travel Brand

“The Washington Post has created RED that represents Research, Experimentation, and Development. It’s a dedicated ad innovation group of engineers and product managers who are solely focused on user experience and innovative ad units.” – The Washington Post

IAB ACTION ITEMS IN SUPPORT OF CREATIVE INNOVATION

Many of the leaders interviewed for this white paper expressed desire for IAB to serve an active role in supporting creative innovation, especially in the areas of curation and education, research and thought leadership, and measurement and standardization. The IAB Digital Video Center of Excellence has set commercial innovation as a key initiative in 2018 and beyond to keep pushing the industry forward. A few immediate steps are outlined below:

1) Curation and Education – IAB plans to develop a creative gallery to showcase various innovative creative ad units curated from publishers, brands, and technology providers. This creative gallery aims to serve as a knowledge hub to exchange ideas and drive conversations about creative innovation.
2) **Research and Thought Leadership** – IAB will embark on a research series with a key focus on new creative formats and executions to understand their impact and efficacy in different user, content, and platform contexts. The program will be divided into several installments throughout the year to be flexible and adaptive to the pace of innovation.

3) **Measurement and Standardization** – IAB will continue to shepherd the industry-wide efforts on cross-platform measurement with the current focus on cross-platform video. In collaboration with IAB Tech Lab, these standard-setting efforts could include video format specification within the new ad portfolio and broader measurement standards across the ecosystem such as [VAST 4.0](https://iabtechlab.com/vast/) and the [Open Measurement SDK](https://iabtechlab.com/measurement-sdk/) for mobile in-app advertising.

**FINAL THOUGHTS: BEYOND VIDEO**

In this paper, we’ve specifically focused on video creative formats, discussing use cases and benefits to spark conversation on the future outlook of creative innovation. We recognize that innovation and creating a deeper connection between brands and consumers is a broad topic that extends beyond video or any specific ad format. In our conversations, we also heard about emerging practices in programmatic creative powered by targeting capabilities, voice-assisted and Artificial Intelligence (AI)-driven creative, branded content, audio formats, and other innovative approaches to facilitate brand activation. IAB will continue the pursuit of innovation and best practices and address new frontiers as the digital advertising landscape continues to evolve.
APPENDIX

IAB would like thank all who contributed to this white paper through thought leader interviews.

Thought Leader Interviews Participating Companies (in alphabetic order)

- Association of National Advertisers (ANA)
- BrightLine
- CBS Interactive
- CPG brand A
- CPG Brand B
- Global Advertising Agency
- Google/YouTube
- Hulu
- Innovid
- Publicis Media
- Snapchat
- The Washington Post
- Travel brand
- true[x]

IAB Video Ad Innovation Survey Methodology

- IAB Video Center invited brands, agencies, publishers and ad tech vendors to participate in a short online survey about their experience and perspectives on video creative innovation.
- The survey was conducted between December 19, 2017 and January 15, 2018.
- A total of 175 industry practitioners and thought leaders responded to the survey, including 52 publishers, 52 brand/agency buyers and 71 ad tech providers.

Definitions of Creative Formats

- Six-second video (video ads that are six seconds long)
- Sequential video (a sequenced approach to deliver advertising messages with a series of video ads)
- Picture in picture / overlay (also called double box ads that include video or image overlays)
- Interactive video (video ads that allow for viewer interaction)
- Shoppable video (video ads that provide links to product information and/or ecommerce)
- Skippable video (video ads that allow viewers to skip after the first few seconds)
- Vertical video (video ads displayed in portrait mode)
- Augmented reality (video ads that overlay virtual objects and information on top of viewers’ view of the real world)
- Virtual reality (video ads that create environments to allow viewers to be “present” in an alternative environment)
- 360° video (video ads that capture an entire scene in which the viewer can look up, down and around)
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