A New Era of **Personalization**

Global Video Benchmarks Report





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EXECUTIVE SUMMARY

Each year, we sift through hundreds of billions of global impressions from the previous 12 months across more than 600 advertisers to uncover the critical video campaign performance trends marketers need to build successful strategies.

While this report is no different in terms of our approach of analyzing 2019 data, we cannot ignore that 2020 has already brought unforeseen circumstances that have been felt all over the world. The need for consumers to stay at home for their own safety in the midst of the global pandemic has shifted video consumption significantly, with early numbers showing a 71 percent year-over-year increase in connected TV (CTV) ad volume¹. We also saw a 75 percent increase in daily sign-ups for subscription streaming services (e.g., Hulu, Amazon Prime), with Disney+ a clear front-runner with a 225 percent increase².

These early findings have not changed the gravity of the insights in this report, but instead have enhanced the urgency for advertisers to put systems in place that allow for more dexterity with creative and embrace personalization even at the most basic levels.

1 Innovid Platform Data, March 15–April 5, 2020

2 Rameez Tase, "The impact of COVID-19: Disney+ Sign-ups spike," Medium.com, https://medium.com/antennaanalytics/the-impact-of-covid-19-disney-sign-ups-spike-d178456435eb



KEY FINDINGS

Advanced Creative Became Mainstream Among Marketers

- Nearly half of advertisers leveraged advanced ad formats in 2019, driving a
 335 percent higher engagement rate when compared to standard pre-roll ads.
- Geo-targeting and sequential messaging emerged as the most common personalization strategies.

CTV Surprises in Both Impression Growth and Engagement

- CTV continued to divert impressions away from personal computers (PCs) with a **31 percent** impression share, showing a year-over-year volume increase of **67 percent**.
- While historically mobile has led all devices for engagement, interactive ad units on CTV produced an engagement rate that was almost six times higher (3.4 percent), with a year-over-year impression growth of **105 percent**.

:15 and :30 Ads Stand the Test of Time

- **57 percent** of ads were 15 seconds, proving to be the ad length of choice for marketers.
- While CTV advertisers used 15- and 30-second ads evenly overall, when it came to the subset of interactive units, **71 percent** of those ads were 30 seconds.

Traditional Publishers Fully Embrace Digital

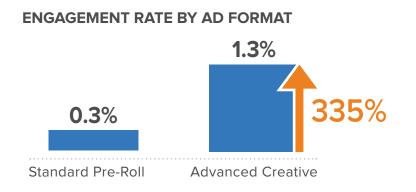
- Traditional publishers leaned more heavily on CTV, with a year-over-year increase in ad impressions of **66 percent** on streaming devices.
- Across all devices, year-over-year traditional publisher impressions rose 47 percent.

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ADVANCED CREATIVE BECAME MAINSTREAM AMONG MARKETERS

While advanced creative can have many meanings, here we define it as *premium ad formats that include dynamic or interactive creative components*. Our analysis showed that personalizing with advanced creative proved to be an incredibly powerful tool for brands, producing a 335 percent lift in engagement compared to standard pre-roll.



More than a quarter (26 percent) of all campaigns contained advanced creative elements in 2019.

ADVERTISERS WERE MORE STRATEGIC WITH ADVANCED CREATIVE

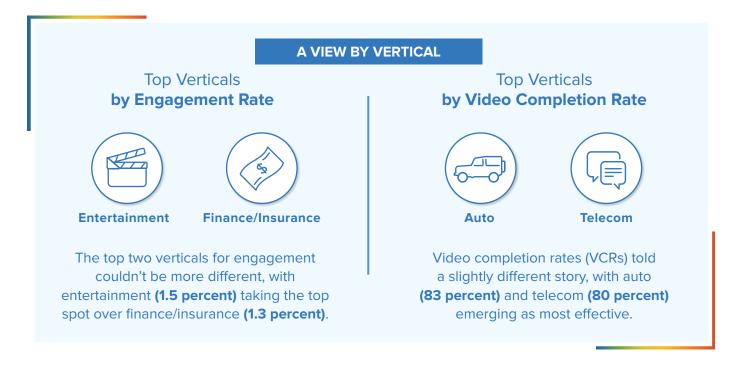
When it came to the types of strategies used, geo-targeting (which allows a brand to modify messaging based on location) and sequential messaging (which uses a series of ads to tell a story) tied for the top spot as the clear winners. Other strategies include using user interests, searches or keywords from publishers or platforms, targeting based on weather, and optimizing videos across devices.

TOP FIVE STRATEGIES USED BY ADVERTISERS



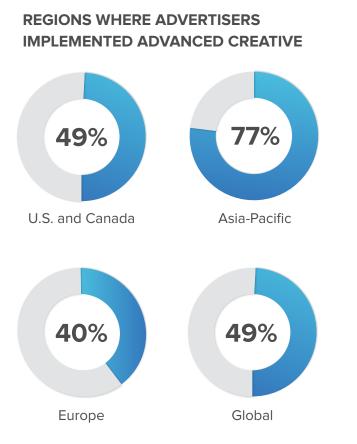
For complete definitions for each strategy, please see key definitions on pages 18–19.





A GLOBAL GLIMPSE: WHERE ADVANCED CREATIVE CAMPAIGNS THRIVE MOST

Approximately half of advertisers (49 percent) used some form of advanced creative globally, with marketers in Asia-Pacific leveraging the advanced strategies nearly 60 percent more when compared to the U.S. and Canada.



Substantial growth in advanced creative adoption in Asia-Pacific (55 percent) overwhelmingly focused on mobile devices, driven by the sheer number of smartphone users (more than 1.5 billion) in the region. In contrast, the more modest increase seen in Europe (11 percent) likely correlated to uncertainties amid tightened GDPR regulations.

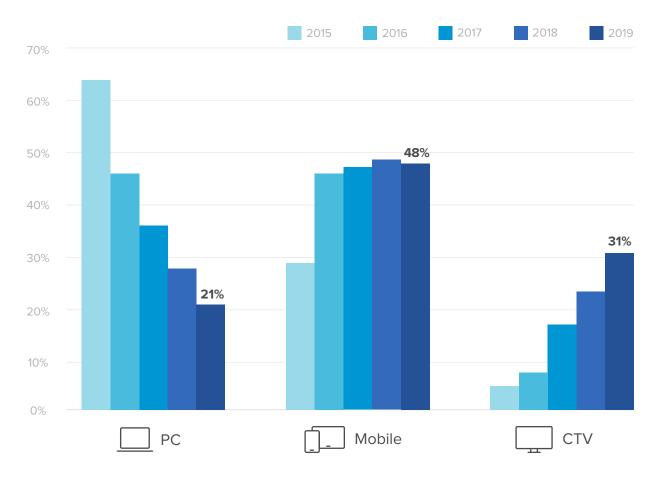


THE BIGGEST AND SMALLEST SCREENS BOTH WIN BIG

You cannot talk about video advertising without doing a deep dive into devices. Here, we compared engagement, video completions, impressions, and ad length across CTV, mobile, and personal computers (PCs). Unsurprisingly, consumers continue to move away from PCs to focus on the biggest and smallest screens.

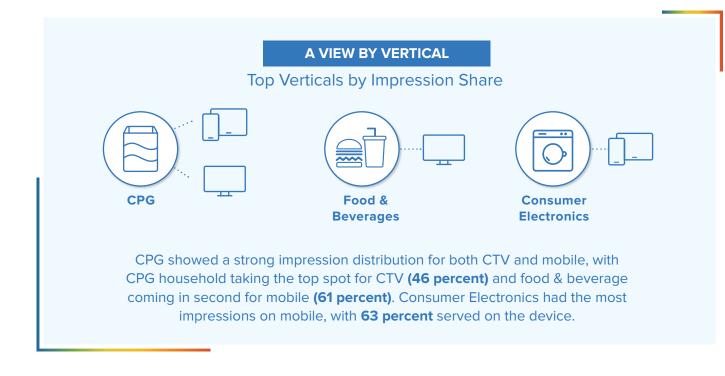
SCREENS THAT MADE THE BEST IMPRESSIONS

CTV continued to eat away at PC impressions, with a year-over-year increase of 67 percent compared to PC impressions which decreased by 2.9 percent. Mobile maintained the highest impression share, coming in 27 points higher than PC and 17 points higher than CTV.



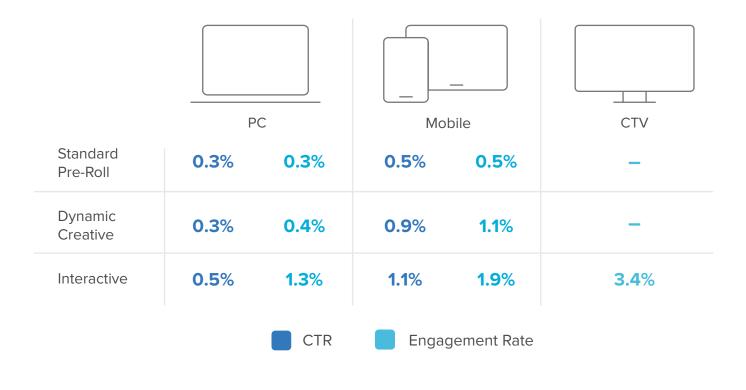
IMPRESSION SHARE BY DEVICE





MOBILE AND CTV ENGAGEMENT ECLIPSED PCs

Mobile produced higher engagement over PCs across all three ad types, while CTV topped both mobile and PC for interactive ad formats. The largest delta between mobile and PCs for both engagement rates and click-through rates (CTRs) was within the dynamic creative ad type, where mobile had 187 percent and 200 percent higher rates respectively.





CTV INTERACTIVE ADS SHOW SURPRISINGLY HIGH GROWTH AND ENGAGEMENT

Nearly 70 percent of all impressions on traditional publishers were served on CTV, and as consumer adoption grows, we expect to see an increase in data-driven personalization on those devices as well. Although CTV interactive³ impression share is still somewhat modest, the ad format is rapidly growing and has shown tremendous potential to outshine other ad types in engagement rate, video completions, and percentage of ad viewed.

ENGAGEMENT RATE, VCR, AND PERCENTAGE OF AD VIEWED BY FORMAT

Engagement	VCR	% Ad Viewed
0.3%	78%	82%
0.7%	79%	84%
1.5%	66%	72%
3.4%	88%	89%
	0.3% 0.7% 1.5%	0.3% 78% 0.7% 79% 1.5% 66%

+83 Seconds

As the amount of CTV interactive ad units leveraged increases, advertisers will need to put metrics like video completion rate and percentage of ad viewed in the context of time earned. On average, brands can earn 83 incremental seconds with consumers on top of the original length of the ad⁴.



 ³ CTV interactive is a subset of CTV data, referring solely to the interactive ad format on the device. The ad format, which allows advertisers to earn additional time organically above the original ad duration, encourages users to interact via remote control, and even convert via TV-to-mobile or QR code.
 4 Based on 30-second ads.

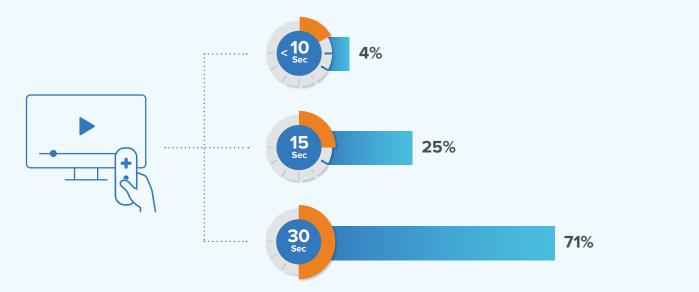
CTV INTERACTIVE IMPRESSION GROWTH EXCEEDS EXPECTATIONS

CTV interactive impression growth came in well above what analysts anticipated, showing a year-over-year increase of 105 percent. This shows an undeniable shift to streaming, which we've already seen accelerate in the first quarter of 2020.

LONGER ADS TOOK THE LION'S SHARE OF CTV INTERACTIVE IMPRESSIONS

CTV interactive campaigns were overwhelmingly 30-second ads — a surprise to some given the strong engagement and video completion numbers. Advertisers looking to leverage this unit can feel confident in embracing 30-second ad durations.

CTV INTERACTIVE VIDEO AD DURATION SHARE



A VIEW BY VERTICAL

Top verticals for CTV interactive impression share



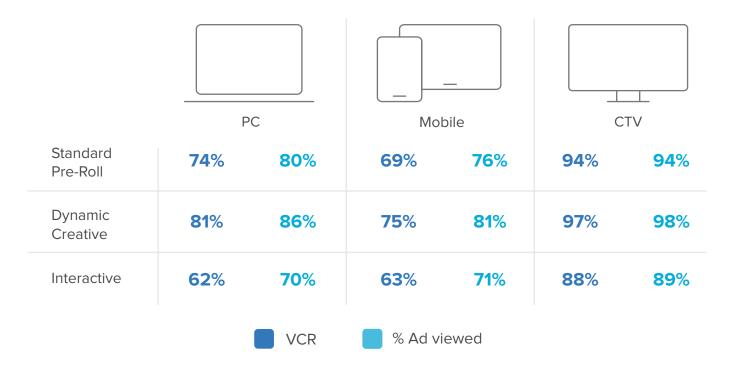
Retail (24 percent), finance (19 percent), and auto (16 percent) emerged as the top verticals for CTV interactive impression share. CPG (12 percent) closely followed suit with a sizable amount of campaign impressions in the vertical leveraging the format.



CTV TOOK OVER ATTENTION WITH HIGH VIEWERSHIP

Although perhaps intuitive, CTV maintained the highest viewer completion rate (VCR) and percentage of ad viewed of all devices. Dynamic creative ads just barely edged out the other formats on these metrics.





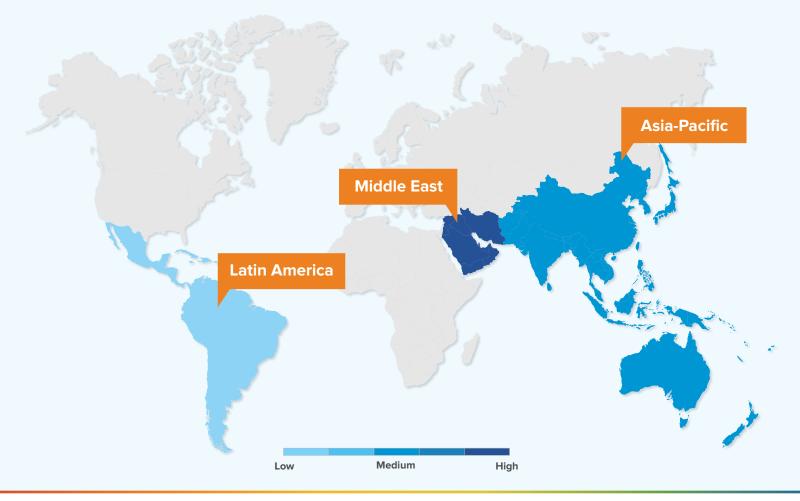
As a general rule, bigger screens generate more attention, while small screens inspire more engagement — but they both drive consumption.



A GLOBAL GLIMPSE: IMPRESSIONS BY DEVICE

The Middle East had the highest percentage of impressions served on mobile at 96 percent, with Asia-Pacific not far behind far behind at 80 percent.

HEAT MAP 1: TOP REGIONS FOR MOBILE IMPRESSIONS



Advertisers need to meet customers where they are, ensuring campaigns are mobile-centric in Asia-Pacific and the Middle East, and have healthy CTV impressions in the U.S and Canada. Keep an eye on Europe and Latin America as up-and-coming CTV markets. In addition to tailoring by device, marketers should take advantage of current technologies that can make their creative processes much more flexible. This allows for the nimbleness needed to leverage data collected and test advanced creative for superior personalization and performance.

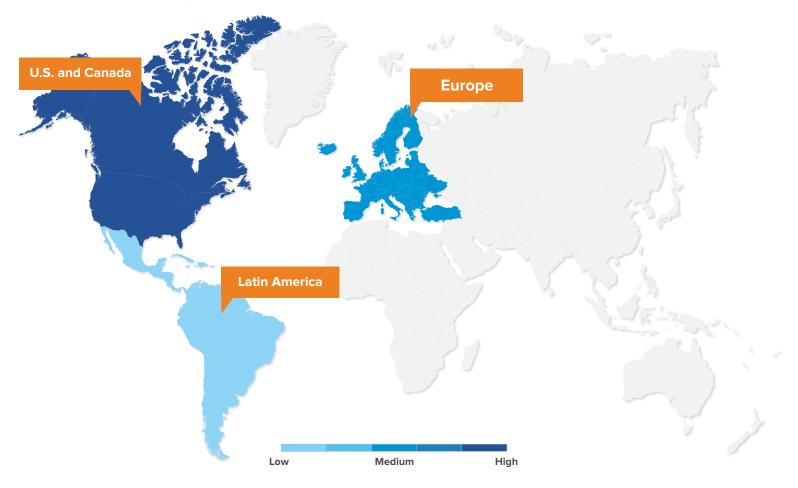




Tal Chalozin CTO and Co-Founder at Innovid CTV adoption is a combination of three main factors: device, content, and ad dollars. The U.S. and Canada, but more specifically the U.S., drives CTV adoption worldwide, with 83 percent of U.S. households owning a streaming device, wider bandwidth penetration, and publishers that were first to market (e.g., Hulu launched in 2007). It's only a matter of time before other regions follow suit, and we will be watching their progression, particularly in how the pandemic influences behavior where such opportunities are already beginning to surface.

HEAT MAP 2 : TOP REGIONS FOR CTV IMPRESSIONS

The U.S. leads the world in terms of CTV impressions by far, undoubtedly the cause for the U.S and Canada leading the pack there.





:15 AND :30 AD DURATIONS ARE STILL KING

The old adage of "less is more" for ad length isn't necessarily true, as 15-second ads were most popular with a 57 percent share. This seems to be driven mainly by mobile devices, where the 15-second ad share was 61 percent. CTV ad durations were more balanced between 15 (47 percent) and 30-second (45 percent) ads.

< 10s 15s 30s 45s > 9% 62% 24% PC 17% 61% 18% Mobile 47% 3% 45% . . CTV

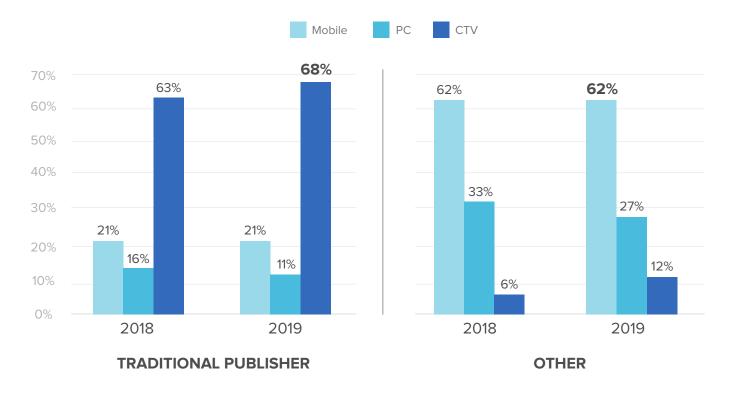
VIDEO AD DURATIONS BY DEVICE





TRADITIONAL PUBLISHERS FULLY EMBRACE DIGITAL

As CTV viewership and adoption maintains healthy growth, traditional publishers have taken notice by diversifying inventory and increasing distribution. Traditional publisher impressions grew 47 percent across all devices year over year, with 68 percent of those impressions served on CTV devices. Non-traditional impressions, in contrast, continued to rely mainly on mobile devices, which remained flat at 62 percent of the total.



IMPRESSION SHARE, BY PUBLISHER TYPE AND DEVICE

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CONCLUSION: 2020 BEST PRACTICES

Many of the trends in this report have already been accelerated in the first quarter of 2020, and are expected to further develop. As we think about what lies ahead, there are some best practices that marketers can implement in their video advertising strategies right away.

ADVANCED CREATIVE, EVEN SMALL AMOUNTS, ENHANCES PERFORMANCE

When it comes to advanced creative, a little goes a long way. Luckily, advancements in data accessibility and automation have made implementation much easier, allowing brands to scale these experiences. Still, it's important to note that this is not an "all or nothing" strategy. A comparison between campaigns with standard pre-roll ads and those with a combination of standard pre-roll and personalized ads (i.e., advanced creative) showed the latter not only performed better overall, but also increased the effectiveness of the standard ads within the campaign. The results showed a **40 percent** increase in click-through rate and a **10 percent** increase in video completions.



Simple advanced creative strategies (i.e., DCO) can drive major results. Start small by incorporating a few dynamic placeholders based on a single data signal (e.g., geography), and then test and learn your way to more advanced strategies over time.

CTV CAN PROVIDE THE BEST OF BOTH WORLDS ON THE BIG SCREEN

While TV has always proved its ability to drive reach, CTV interactive ads open the door to new opportunities for engagement as well. TV, CTV, and digital video will continue to converge as adoption of streaming devices grows, cord-cutting behavior progresses, and cord-stackers (households that stack streaming services on top of cable or satellite subscriptions) emerge. Brands should consider approaching TV ad buying with a digital mindset, where impressions are the primary currency and strategies include both addressability and personalization.



Make your dollars work harder by leveraging interactive ad units that allow you to focus on earning time and driving offline performance. When developing strategies, consider how you will personalize, deliver, and measure performance across all channels and device types with CTV at the center.



SECOND THOUGHTS ON WHEN TO USE SHORT ADS

Despite rising claims that short-form ads should be and are taking over, 15-second ads prevailed as the most frequently used by brands across all channels and devices. However, screen size should ultimately be taken into account when making ad length decisions, as ads under 10 seconds fared slightly better on mobile devices, while CTV's sweet spot was evenly distributed between 15- and 30-second durations. Our take is that there's room for shorter and longer ad lengths if they are incorporated as a part of a balanced strategy tied to specific KPIs.



Test short-form ads on mobile to amplify broader messaging, and utilize longer video ads on CTV where consumers are in a "lean back" mode and more open to giving your content more attention.

TRADITIONAL PUBLISHER IMPRESSION GROWTH SIGNALS A SUBSTANTIAL SHIFT TO DIGITAL

Traditional publishers delivered more impressions than ever before, showing the inevitable shift to digital, including CTV, is accelerating. Advertisers looking for publisher-specific placements should consider incorporating CTV into their media mix as this trend progresses.



Take advantage of the advanced targeting capabilities available in CTV to ensure your ads reach the right segments of your target audience, at the right time and in the right context.



APPENDIX: KEY DEFINITIONS

Advanced Creative:

Premium ad formats that include dynamic and/or interactive components.

Connected TV (CTV):

A TV that is connected to the internet, whether natively or by a device, that is primarily used to stream video content. This includes smart TVs, gaming consoles (e.g., Xbox, Playstation) and devices (e.g., Roku, Apple TV, Amazon Fire Stick).

Cross-Device Targeting:

Targeting that maps users across devices and optimizes ad serving video strategies.

CTV Interactive Ads:

An interactive and/or dynamic TV experience such as an overlay, branded canvas, or expand unit that runs across connected TV.

Dynamic Creative or Dynamic Creative Optimization (DCO):

A form of advertising technology that uses data to inform and optimize creative elements and messages such as copy, pictures, backgrounds, video, animation, and interactive elements in real time.

Dynamic Decisioning:

The process of making changes to the creative or messaging based on either data signals or performance.

Engagement Rate:

The percent of impressions where there was at least one interaction within the interactive video unit.

Impressions:

The measurement of responses from a web server to a page request from the user browser. Innovid's impression measurement is defined at ad render and does not include those filtered as general invalid traffic.

Interactive Ads:

An interactive and/or dynamic ad experience such as an overlay, branded canvas, or expanded unit that runs across desktop and mobile devices.



Non-Traditional Publishers:

All publishers that are not considered traditional linear networks, as well as impressions served via demand-side platforms (DSPs).

Over-the-Top (OTT):

The act of streaming content via the internet through the use of a desktop, mobile, or connected TV device.

Publisher or Platform Third-Party Targeting:

Data that is passed to the ad server on ad call, usually via macro, that helps the ad server determine the most relevant creative to serve.

Sequential Messaging:

When creative and messaging are presented in a specific order, gated by either frequency or consumer behavior (e.g., video completion percentage).

Standard Ads:

A standard promotional video message that plays before the content the user has selected, also known as pre-roll video.

Time Earned:

The average number of extra seconds a user engages with an interactive video, subsequently extending the amount of time spent with an ad.

Traditional Publishers:

Digital versions of traditional linear TV networks such as ABC, NBC, CBS, and FOX. For the purpose of this report, non-broadcast publishers that ran broadcast inventory were not included in this definition. For example, if an advertiser buys inventory on ABC via The Trade Desk, then the publisher is non-broadcast even if the inventory itself is broadcast.

Video Completion Rate (VCR):

The percentage of video ads that play to 100 percent completion.

Weather Targeting:

Messaging that changes based on the user's current weather.



ABOUT THIS REPORT

Innovid analyzed over 200 billion video advertising impressions served on our platform between January 1 and December 31, 2019. Researchers looked across mobile, desktop, CTV devices, and social platforms to compile the most complete picture of video advertising in terms of benchmarks and insights globally.

ABOUT INNOVID

Innovid is the only independent omnichannel advertising and analytics platform built for television. We use data to enable the personalization, delivery, and measurement of ads across the widest breadth of digitally enabled channels in the market, including TV, video, display, social, and OOH. Innovid serves a global client base of brands, agencies, and publishers through 12 offices across the Americas, Europe, and Asia-Pacific.

For ongoing video advertising trends, visit Innovid iQ.

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