

# 10 Facts

You Should Know About  
In-Stream Video Advertising





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In-Stream video advertising represents a huge opportunity for advertisers. In fact, it's one of the fastest growing segments of online advertising. Worldwide, around 200 billion videos are watched online every month, reaching a global audience of 1.2 billion people, according to comScore—which means your In-Stream video ads have massive potential for reaching your target audience.

Still not sure it's right for your strategy? Here are ten facts every advertiser should consider.

## 1 Users are 20 times more likely to click on In-Stream ads vs. Standard Banners

According to MediaMind's benchmarks, the average Click Through Rate (CTR) for Standard Banners is 0.1%, while the benchmark CTR for In-Stream video is 2.15%, an increase of nearly 2000%. While clicks are far from a perfect measure of advertising effectiveness, they are a proxy for the amount of traffic that your campaign generates. The data suggest that video can be a phenomenally effective way to drive people to your website and get more traffic and eventually sales.

## 2 70% of In-Stream video ads play all the way to the end

One of the main contributors to the effectiveness of a campaign is the time spent with the ad. The longer you see the brand in-front of you, the more likely you'll remember it. With pre-rolls and mid-rolls (In-Stream ads that appear before and in the middle of video content, respectively) users must watch the entire ad before the content resumes. MediaMind's analysis of millions of impressions shows that an average of 70% of In-Stream impressions play all the way through, and 75% play three quarters of the spot duration, providing plenty of exposure time for the money.



### 3 Video ads work particularly well for brand advertisers

Branding is all about telling a story—something video can do like no other medium. Video ads can convey complex messages in a memorable way. According to research by Dynamic Logic and TubeMogul, video ads have some of the highest impact on brand metrics such as Brand Awareness and Brand Favorability, with CPG and Financial Services campaigns benefiting most from the format.

### 4 Longer In-Stream ads are more effective

Online video spots and TV spots are two very different animals. While conventional TV spots are 15 to 30 seconds long, most video ads made specifically for the web are 90 seconds or longer. Longer online ads actually work better than the shorter repurposed TV ads. According to the Dynamic Logic and TubeMogul research, video ads produced specifically for the web are more effective than repurposed TV ads in increasing brand favorability and purchase intent. Surprisingly, the longer online video ads also have a higher completion rate.

### 5 63% of advertisers plan to use In-Stream video in 2012

In-Stream video is becoming part of many online campaigns, according to a study conducted by the ad network Break Media. According to the study, 63% of advertisers plan to use In-Stream video in 2012, with 31% of advertisers reporting pre-roll as their preferred ad format.



## 6 37 million US households watch online video on their TVs

According to Forrester, 37 million U.S. households currently own a connected device that enables them to watch digital video on their TV screens—up from fewer than 25 million in 2010. Among these connected households, younger consumers lead the way, outpacing the overall population in adoption by nearly 20%. Forrester projects that connected device penetration will reach 50% in 2016, creating even more video consumption options and opportunities for digital advertisers.

## 7 Nearly 60% of US Internet users view online video at least once per week

Viewing online video is becoming a popular pastime. In 2011, 57% of US Internet users viewed online video more than once per week, and 21% viewed online video daily, according to a research by Frank N. Magid Associates. This is a large increase from 2009, when only 43% of Internet users viewed video more than once a week and 12% viewed online video daily.

## 8 People spend 4.5 hours per month watching video on their PCs and 4 hours on mobile devices

According to Nielsen, the average American man spent five hours watching video on his PC in Q2 2011, while the average woman spent four hours. In addition, the average American man spent 4 hours and twenty minutes watching video on his mobile phone, while the average woman spends three hours and 37 minutes. There is still room for growth here; men and women spend 140 and 150 hours respectively every month watching TV.



## 9 Most advertisers pay between \$11 and \$25 CPM for video ads

A survey by DIGIDAY and Adapt TV showed that 31% of North American advertisers pay between \$11 and \$15 for video CPM on average, and more than 50% pay between \$11 and \$25 CPM. This makes video one of the most premium ad formats online.

## 10 From 2011 to 2016, video advertising spend will increase from \$2 billion to \$5.4 billion

Advertising dollars are pouring into video advertising, and by 2016, spending is expected to increase from \$2 billion to \$5.4 billion, according to an estimate by Forrester. The research company credits this ascent to factors such as the increasing availability of high quality, brand-safe video content; the proliferation in video-friendly devices; and the maturing of younger, online-adept consumers.

### Conclusion

In-Stream video is getting results for advertisers—in terms of clicks and brand metrics. The proof is in the advertising spend, which is growing at an astonishing rate. As online video commands a more prominent place in living rooms and a larger share of people's time, online video advertising will likely become a standard component of mainstream campaigns. If it's not at least on your radar, you may be putting yourself behind the competitive curve.