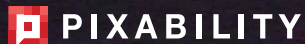


PIXABILITY WHITE PAPER

# Despite The Brand Safety Stir, Major Advertisers Are Back On YouTube

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By Bettina Hein, Pixability Founder & CEO

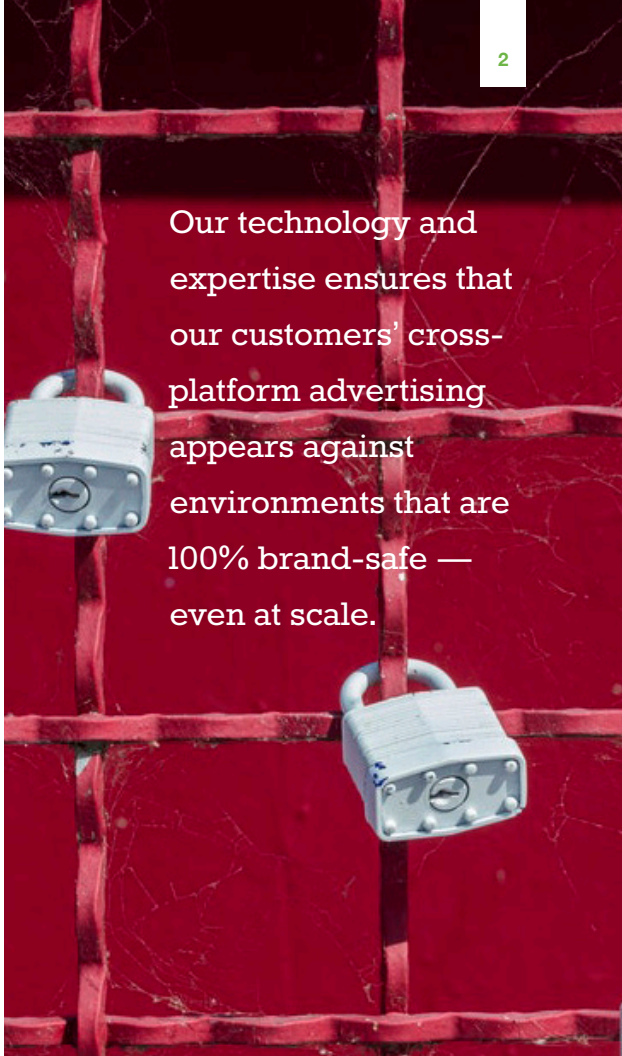


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# Introduction

At the height of the brand safety stir in Q2, global advertisers spoke out about their ad placement concerns on YouTube, with one report indicating a 26% drop in direct ad buys during this period. Fast forward to Q4, and advertisers' focus on contextual appropriateness on YouTube remains, prompting YouTube to take action, like increasing its number of content moderators to more than 10K in 2018.

At Pixability, we believe — and always have believed — that brand safety is paramount. That's why we've long invested in a solution that combines technology and human expertise to enable brand safety at scale. We also educate our customers on the distinction between brand safety and brand appropriateness — shifting away from a black and white issue to a much more sophisticated, nuanced evaluation of environments suitable for their ads.



Our technology and expertise ensures that our customers' cross-platform advertising appears against environments that are 100% brand-safe — even at scale.

Every year, we analyze the YouTube behavior of the top 100 global brands\* to identify year-over-year changes, and this year we took a hard look at how the brand safety fallout impacted brand behavior. Since much of a brand channel's viewership typically results from paid views generated through TrueView advertising, a channel's total view number typically correlates closely with the brand's ad spending on YouTube.

### **So why have advertisers returned?**

We used our data set to understand how the behavior of the top 100 brands changed on YouTube over the course of the year, and what's bringing major advertisers back to the platform.

\* According to [Interbrand's](#) 2016 report on leading global brands.

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3%

fewer videos published by the top 100 brands on YouTube in 2017 over the previous year

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50%

of the brands that saw a decline in monthly views on YouTube at the peak of the brand safety scare had resumed their activity on YouTube by September

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32%

of the top 100 brands sustained uninterrupted growth in monthly viewership through 2017

## Section 01

Advertisers may have slowed their YouTube investment in Q2, **but audiences are still watching and engaging with video on the platform**

Across the top 100 brands' YouTube channels, average views in April/May 2017 actually increased by 29% over the average monthly viewership in 2016, and average views in July/August increased by 67%. This means that — whether brands were running advertising or not — audiences continued to consume brand-owned video content on YouTube. Despite any brand safety-induced rocky waters on the ad side, the behavior shift from TV to online platforms continues, and YouTube continues to be consumers' top video destination.

In addition, the data clearly indicates how much audiences are engaging with brand-owned content on YouTube. During the first half of 2017, 'likes' of the top 100 brands' videos increased by 42% compared to the first half of 2016, and top brand channels saw a 39% increase in subscribers during the same period. Subscribers are a key measure of engagement on YouTube — particularly for brands — indicating that audiences are opting in to be informed when a channel publishes a new video. Whether looking for hair care tutorials from L'Oréal, or Scandinavian-inspired kitchen decor tips from IKEA, audiences have been hungry for brand-owned content in 2017, regardless of whether a brand pulled back on its YouTube investment.

Across the top 100 brands' YouTube channels, average views in April/May 2017 actually **increased by 29%** over the average monthly viewership in 2016, and average views in July/August **increased by 67%.**

L'Oréal, IBM, and Samsung led the top 100 global brands in most videos published in Q2 2017, releasing 1521, 1338, and 1326 videos, respectively. IBM increased its rate of videos published the most out of these top three brands, releasing 23% more videos in Q2 2017 than the same period last year. When looking at year-over-year publishing growth, luxury brands Cartier and Prada led with a 500% and 267% increase in videos published, respectively.

Johnnie Walker, Moët & Chandon, and Xerox generated the largest increase in views this year, most likely due to increased paid media investments, and in turn found themselves a massive viewership during a period when some brands retreated. (While both paid and organic views contributed to this increase, as previously mentioned, brands typically drive the majority of their views through advertising.)

L'ORÉAL



1,521

videos released in Q2 2017

IBM



1,338

videos released in Q2 2017

SAMSUNG



1,326

videos released in Q2 2017

Cartier



500%

increase in year-over-year  
publishing growth

PRADA



267%

increase in year-over-year  
publishing growth

In particular, Johnnie Walker achieved a staggering 11,218% increase in views during this period — there were 33% more views of Johnnie Walker’s videos in the first half of 2017 than in the previous two years combined. The brand’s rapid, sustained growth is driven mainly by its [Johnnie Walker Mexico](#) channel. The brand has leaned into the conversation about the border between the U.S. and Mexico, creating a challenging, powerful new video series titled [“Without Walls”](#) to reach audiences in Mexico, and a sister series for other emerging countries titled “Keep Walking.” As it shines a spotlight on an important issue facing the world today, the campaign’s massive viewership indicates its message of forging a future of one’s own is resonating with its target audience. It’s an approach other brands should take note of, as Pixability’s [data shows](#) that purpose-driven brand videos on YouTube achieve 28% more views and a 7% higher engagement rate on average than non-purpose-driven brand content.



Image Source: YouTube

## Section 02

**Brand safety is a nuanced issue,** with distinctions even within a single brand

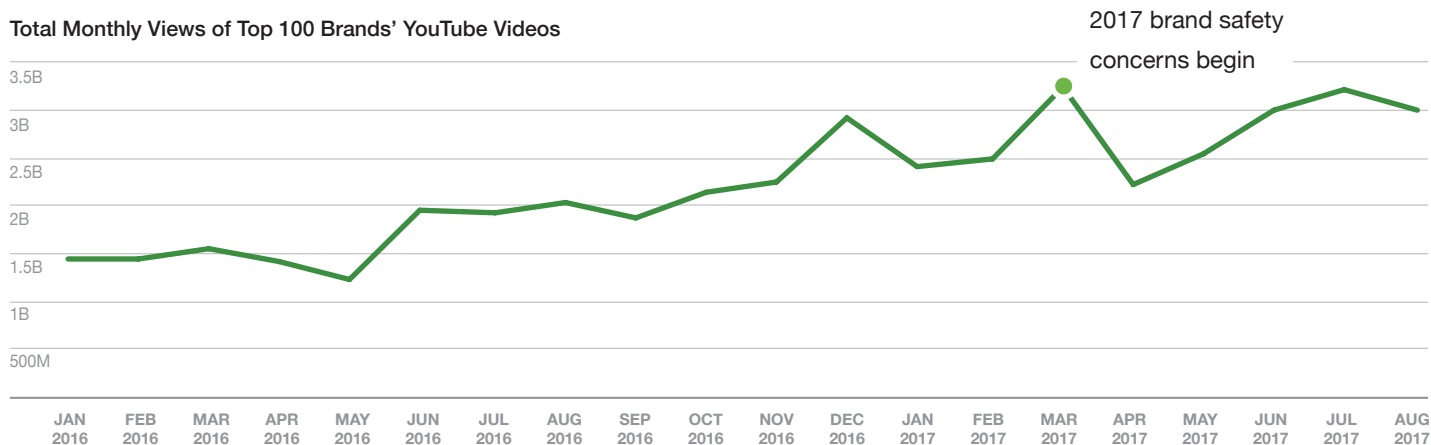




We found a vast disparity in responses to the brand safety stir between brands, and even between different divisions within a single brand. For example, Samsung TV hit the brakes hard on YouTube — with views declining by 265% in July/August 2017 over the same period last year — while Samsung Mobile continued to spend aggressively throughout the year. Fifteen of the top 100 global brands, including UPS and FedEx, continued to spend on YouTube through April and May, but their monthly views declined in July and/or August (most likely due to a reduction in spend).

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Total Monthly Views of Top 100 Brands' YouTube Videos



Source: Pixability Data, September 2017

Our data shows that 32% of the top 100 brands never saw a decline in monthly views on YouTube, and our projections indicate that brands that gave the platform the cold shoulder are returning. Pixability's data shows that of the 38 brands that saw a decline in monthly views since the brand safety scandal began in March, 19 are again seeing increases in monthly views.

**From this widely varying brand behavior, it's clear that there's no single definition of a brand-safe video.** There are brands that are willing to tolerate a very small percentage of non-brand safe placements because of the sheer scale they require, while others cannot afford even a single misplaced impression. Brands have become acutely aware in the past months that they need to hold the large digital platforms accountable to transparency, and insist on audited metrics. In fact, many brands are turning to third parties to verify their media buys on Google properties — and on Facebook, Twitter and Snapchat.

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# 32%

of major advertisers never saw a decline in monthly views on YouTube

Pixability's data shows that of the **38 brands** that saw a decline in monthly views since the brand safety scandal began in March, **19** are again seeing increases in monthly views.

Section  
03

**The future is bright**  
for innovative brands



As more and more advertisers understand brand safety as a primary concern, they're adopting a more sophisticated, nuanced perspective on the issue. They're moving away from treating it as a binary, instead looking to balance contextual relevance and scale with brand suitability. After all, social video offers advertisers an engaged audience that's increasingly difficult to reach via linear TV, provides greater flexibility in content (with various video and ad formats designed to help brands connect with consumers in different ways), and allows for far more precise targeting.

Pixability's data also shows that on YouTube, brands are investing in production of videos that go beyond the traditional 30-second TV ad — a good practice given that viewer engagement rates are 3X higher on long-form content on YouTube. This year, 38% of the top 100 brands' videos were longer than 2 minutes, and 6% of these brand-owned videos were longer than 10 minutes. In addition, a significant number of the top 100 brands — particularly food and beverage brands like Pepsi and KFC — also experimented with YouTube's newest ad format, the 6-second Bumper ad. Seventy-six percent of the top 100 brands published a video that was 6 seconds or shorter.

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# 38%

of the top 100 brands' videos  
were longer than 10 minutes

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# 76%

of the top 100 brands published a  
video that was 6 seconds or shorter.

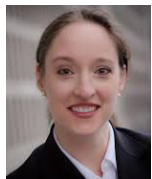
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# 3X

higher engagement rate for long-form  
content than 30 second commercials  
on YouTube

**Based on our data, we predict the flow of media spend from display and TV to online video will continue unabated, specifically in the direction of the walled garden platforms.** The global advertisers that slowed their YouTube investment in Q2 are largely — with new safeguards in place — returning to the platform, and testing new forms of engagement with their audiences. The top global brands would be wise to push the envelope on innovation, and borrow the successful strategies of challenger brands vying for a spot on the top 100 ranking. Take PUMA for example, pushing boundaries through its collaboration with Rihanna — elevating a brand ambassador to a creative director — and in turn helping to increase its market share significantly in an otherwise stagnant sector.

**With consumer attention increasingly fragmented, and video consumption — especially on the walled garden platforms — exponentially rising, now is not the time for brands to retreat. Brand safety will — and should — always be top-of-mind for advertisers, but they should not be blinded by this year's scandal at the expense of risk-taking and innovation.**

A stylized, handwritten signature in black ink.

**Bettina Hein**

Founder & CEO, Pixability

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## About Us

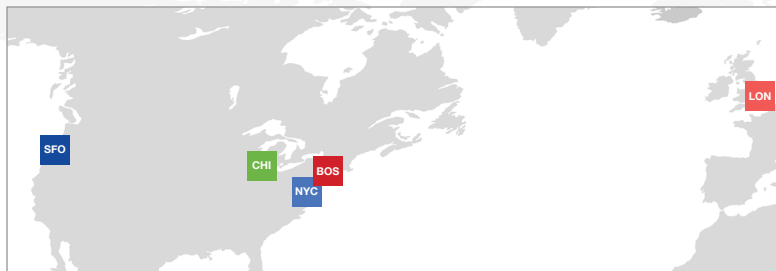
## About Pixability

Pixability is a video advertising software company that helps media professionals deliver outstanding campaign performance across YouTube, Facebook, Instagram, Twitter, Snapchat, and Spotify. Pixability's self service software solution empowers advertisers to activate video at every stage in the consumer journey in order to deliver impactful business results. Pixability provides sophisticated targeting, automated media execution, and verifiable viewability and brand safety across premium video platforms. Pixability is headquartered in Boston with offices in New York, San Francisco, Chicago, and London.

## Request A Demo

Let's partner to maximize your brand-safe video advertising. [Request a demo](#) now.



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