State of **Digital Video**

Breaking down video ad performance and audience behavior
across YouTube, Facebook, Instagram, Twitter, and Snapchat

PIXABILITY

SECTION 01 ■ INTRODUCTION

Welcome to Pixability's third annual analysis of audience behavior and video campaign performance across the platforms that matter most.

We sought to understand how YouTube, Facebook, Instagram, Twitter, and Snapchat continue to evolve, adding or refining their solutions to help advertisers make an impact on their target consumers at scale. As these companies roll out new ad products and features, there remain many key differences in view definitions, audience behaviors, targeting parameters, metrics — and ultimately video strategies — when driving performance. To better understand how marketers can best reach their audiences through digital video, Pixability's experts executed two campaigns on behalf of our partners across YouTube, Facebook, Instagram, Twitter, and Snapchat, and monitored the results.

In benchmarking how YouTube, Facebook, Instagram, et al. deliver video performance across audiences, creative lengths, devices, and other factors, Pixability strives to give marketers confidence that they're maximizing the results of their video buys. Working with partners Moat and Nielsen, we also measured viewability and demographic data to help marketers understand the real impact of their video ad dollars. Armed with this report, brand and agency marketers can make smarter video decisions that will impact their overall business objectives — and ensure their video strategy drives performance.

14%

YouTube

of YouTube views occur on OTT devices, as measured by Nielsen

98%

f

of impressions on Facebook are demographically on-target, as measured by Nielsen

17%

Instagram

higher view rate on Instagram over last year's analysis

8-9 AM

Twitter

Twitter viewership peaks

SECTION 02 ■ TRACKING PERFORMANCE

YouTube Expands Its Advantage In Watch Time

In previous analyses, Pixability found that YouTube drives the longest watch time — measured by highest view and view-to-completion rates — than other platforms. And this year is no exception. Across creative lengths, the video powerhouse reigns supreme, as its 60-second view-to-completion rate clocks in at 22X higher than runner-up Facebook. While Facebook, Instagram, and Twitter's view-to-completion rates declined as creative length increased, a 30-second creative achieved the highest view-to-completion rate performance on YouTube. However, with only a slight decrease in view-to-completion rate between 30 and 60 seconds, it's clear that the marketers should take advantage of the more engaged audiences on YouTube, and utilize long-form creative to maximize watch time.

Take Advantage Of Longer Watch Times On YouTube With Long-Form Creative
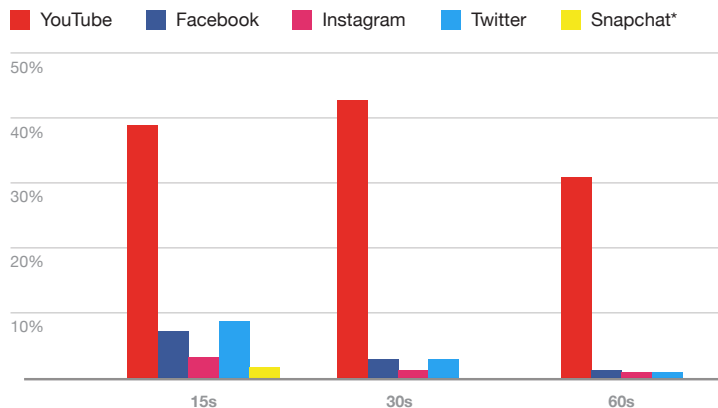
Source: Pixability, February 2018

* A completed view on Snapchat is 10 seconds in length.

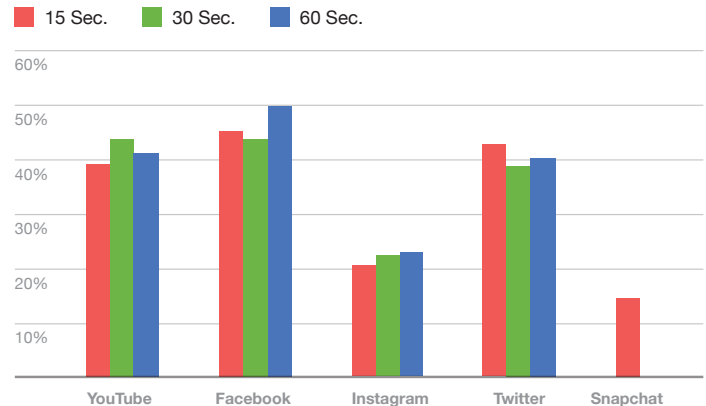**SECTION 02** ■ TRACKING PERFORMANCE

While view rates appear more or less similar across platforms, this is likely due to divergent view definitions:

- On YouTube, a view is measured by 30 seconds of watch time or video completion.
- On Facebook and Instagram, a video must be in view for 3 seconds (with 100% of pixels on-screen on desktop, or 50% on mobile).
- Twitter and Snapchat both follow the MRC standard, or 50% of pixels on-screen for two seconds.

In order to understand the real impact of their media spend, it's imperative that marketers normalize metrics for a cross-platform, apples-to-apples view on how each platform is performing, highlighting opportunities to further drive reach and engagement among their audiences. Social video platforms are also constantly refining their ad algorithms, so marketers should be careful to choose the right campaign objectives. For example, the objective for Pixability's test

on Facebook and Instagram was a 3-second view (to suitably compare standard view rates), but selecting 10-second views or clicks as the objective would likely have produced different outcomes.

## View Rates Appear Similar Due To Divergent View Definitions

■ 15 Sec.   ■ 30 Sec.   ■ 60 Sec.

Source: Pixability, February 2018

SECTION 02 ■ TRACKING PERFORMANCE

Last year's analysis indicated that Facebook, Instagram, and Twitter view-to-completion rates were on the rise as users grew accustomed to viewing native video. This year, these platforms again saw a rise in view-to-completion rates due to a user base that increasingly sees these platforms as video destinations — and in fact, YouTube doubled its view-to-completion rate, continuing to command viewer attention. Across YouTube, Facebook, Instagram, and Twitter, the continued rise in view-to-completion rates is driven by algorithmic refinements and advertiser investment in more sophisticated, made-for-digital creative.

View-To-Completion Rates Doubled On YouTube
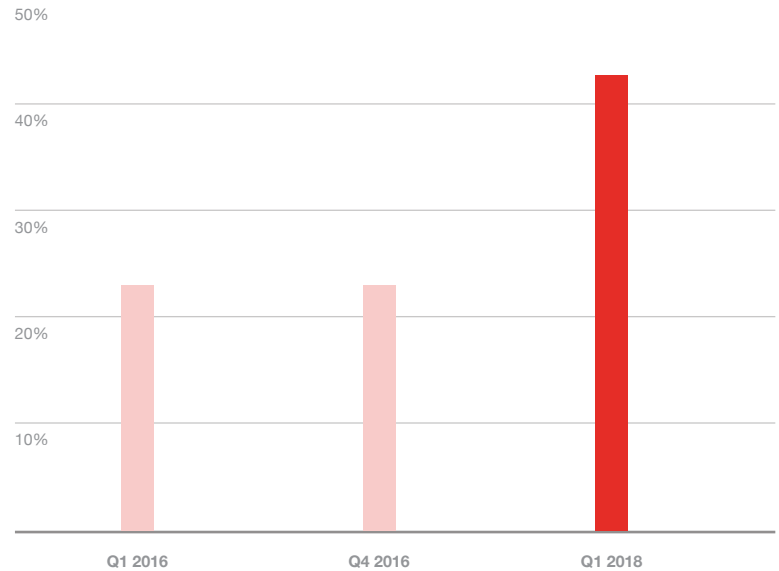
Source: Pixability, February 2018

SECTION 02 ■ TRACKING PERFORMANCE

YouTube, Facebook, and Twitter saw a 2X higher view rate than the results of last year's analysis, while Instagram saw a noticeable bump of 17% over last year's number.

## View Rates Are Surging Across YouTube, Facebook, Instagram, And Twitter

■ Q1 2016   ■ Q4 2016   ■ Q1 2018
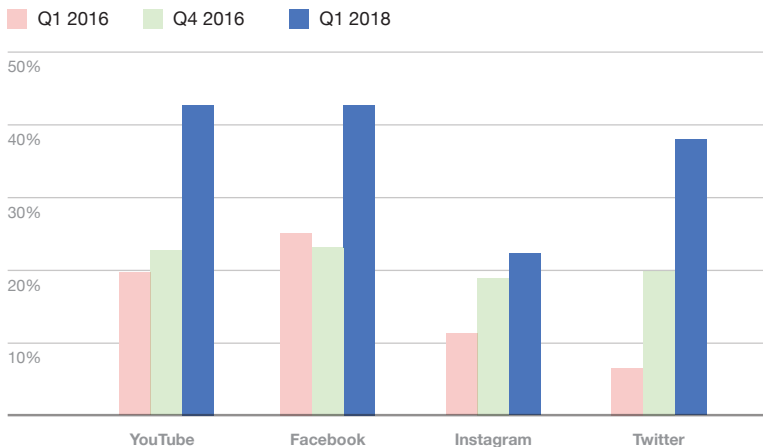
Source: Pixability, February 2018

YouTube, Facebook, and Twitter saw a 2X higher view rate than the results of last year's analysis ...

SECTION 02 ■ TRACKING PERFORMANCE

Platforms Optimize Toward Longer Watch Time

As viewing experiences improve and platforms continue to optimize against longer watch times, click-through rates declined across platforms. Our analysis found that consumers aren't leaving video environments as often, which is reflected in longer view and view-to-completion rates.

### Optimizing Toward Watch Time Results In Decreased Click-through Rates

■ Q1 2016   ■ Q4 2016   ■ Q1 2018
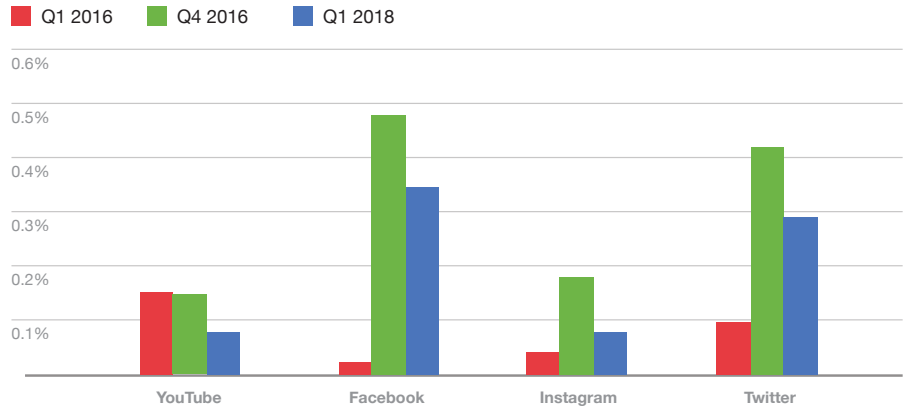
Source: Pixability, February 2018

SECTION 02 ■ TRACKING PERFORMANCE

Advertisers that are looking to engage consumers on social video would be wise to share long-form creative. The longer the creative length, the higher the click-through rate, as users have more time to interact or engage with a video ad.

Longer Creative Length Leads To Higher Click-Through Rates

■ 15 Sec.   ■ 30 Sec.   ■ 60 Sec.
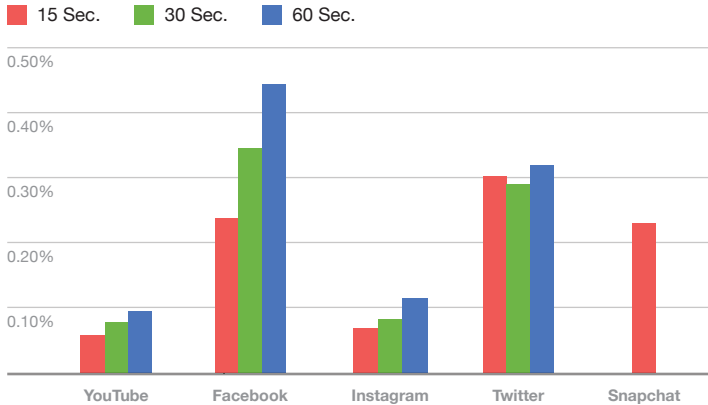
Source: Pixability, February 2018

Advertisers that are looking to engage consumers on social video would be wise to share long-form creative.

SECTION 02 ■ TRACKING PERFORMANCE

Performance Is Driven By Targeting Type

Marketers can maximize the impact of their ad spend by selecting the targeting parameters that drive peak performance. However, there is no panacea for targeting — different targeting parameters can deliver divergent results across video spaces, or even across a brand's campaigns. The only way marketers can reach and engage the most relevant audiences for their advertising is a sophisticated video strategy: aggressively segmenting campaigns to optimize in-flight and take advantage of the targeting parameters that deliver the best performance.

Targeting Type Drives Video Performance

60% *(View Rate)* — **You Tube**

40%

20%

Keyword Interest Custom Affinity Placement Topic

60% *(View Rate)* — **f**

40%

20%

Behavior Interest

40% *(View Rate)* — **Instagram**

30%

20%

10%

Behavior Interest

60% *(View Rate)* — **Twitter**

40%

40%

20%

20%

20%

Keyword Behavior Interest Follower

20% *(View Rate)* — **Snapchat**

15%

10%

5%

Lifestyles Shoppers Visitors

Source: Pixability, February 2018

SECTION 03 ■ UNDERSTANDING VIEWING BEHAVIOR

Distinct Viewing Patterns Emerge Throughout Day

Pixability's analysis of viewing behavior shows that consumers look to each platform at different hours of the day. Depending on campaign goals, marketers may want to daypart their campaigns — segmenting ad groups by time of day — to drive reach during hours of high viewership, to maintain reach throughout the day, or to engage viewers during key moments.

Consumers Have Developed Distinct Viewing Patterns

Legend: —— YouTube —— Facebook - - - Instagram - - - Twitter

5% *(Share of Daily Viewership)*

Annotations:
- Twitter: **8-9 AM** #Commuting
- YouTube: **4 PM** Waiting to clock out
- Facebook: **6-9 PM** Primetime viewing
- Instagram: **9 PM** Unwinding before bed
- YouTube: **6-10 PM** Primetime viewing

X-axis: 1:00 AM, 3:00 AM, 5:00 AM, 7:00 AM, 9:00 AM, 11:00 AM, 1:00 PM, 3:00 PM, 5:00 PM, 7:00 PM, 9:00 PM, 11:00 PM

Y-axis: 1%, 2%, 3%, 4%
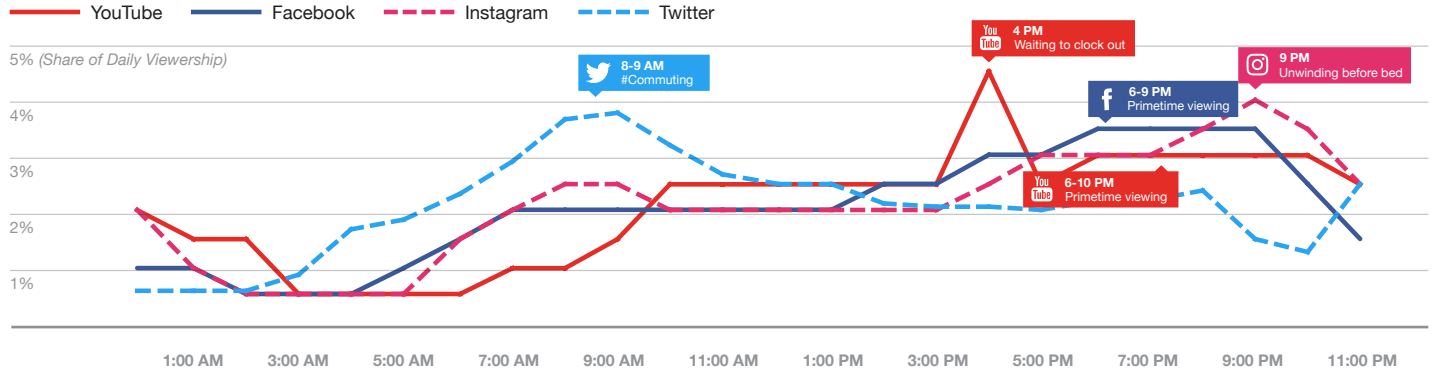
Source: Pixability, February 2018

SECTION 03 ■ UNDERSTANDING VIEWING BEHAVIOR

View And Click-Through Rates Tend To Increase With Age

Pixability partnered with Nielsen to understand how different demographic segments engage with video ads. On Facebook, Instagram, and Twitter, older demographic segments are the most likely to view and click on video ads — Facebook in particular saw the most dramatic increase in view and click-through performance among older audiences. YouTube sees relatively consistent performance across age segments, though younger audiences are slightly more likely to view and click than older demographic segments.

View Rates Tend To Increase With Age Across Facebook, Instagram, And Twitter

Powered by nielsen

■ 18-24   ■ 25-34   ■ 35-44   ■ 45-54   ■ 55-64   ■ 65+
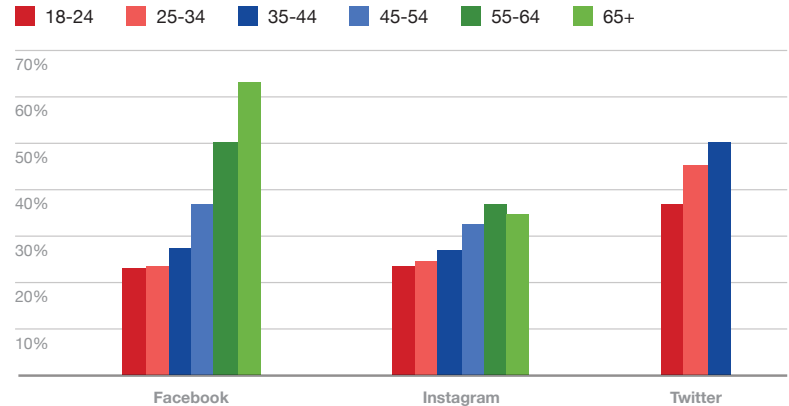
Source: Nielsen Digital Ad Ratings

SECTION 03 ▪ UNDERSTANDING VIEWING BEHAVIOR

View-To-Completion Rates Tend To Increase With Age Across Facebook, Instagram, And Twitter
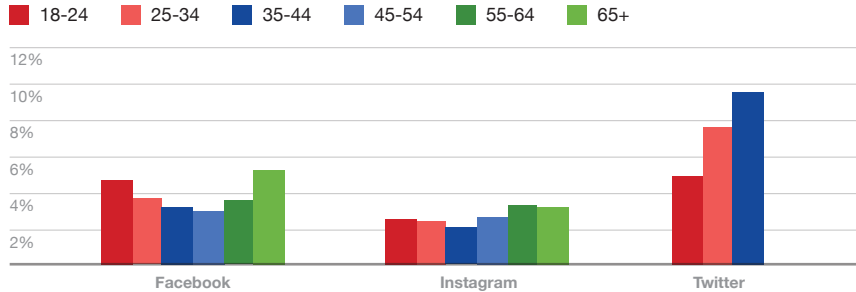
■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+

Click-through Rates Tend To Increase With Age Across Facebook, Instagram, And Twitter

■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+
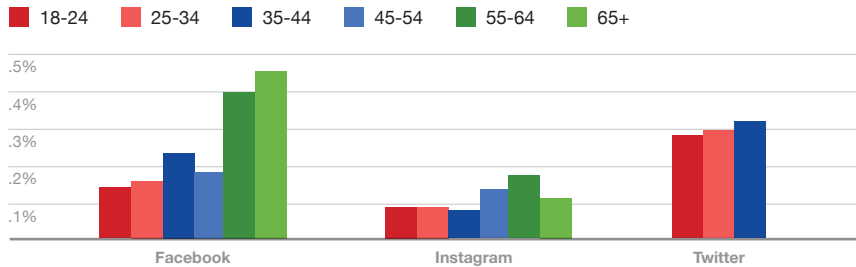
Source: Pixability, February 2018

SECTION 04 ■ UNLOCKING VIDEO'S IMPACT

Facebook Leads In On-Target Impressions, But All Platforms Outpace The Open Web

Measured and verified by Nielsen, Pixability found that the percent of on-target impressions — the rate of impressions delivered within the desired audience — were high across YouTube, Facebook, Instagram, and Snapchat, outpacing open web benchmarks by a large margin. Facebook delivered the highest on-target impression rate, in large part due to a high rate of logged-in users that shared a great deal of information directly with Facebook — whereas on some other platforms, demographic information may have to be inferred based on user behavior.

Facebook Leads In On-Target Impressions,* But All Platforms Outpace The Open Web
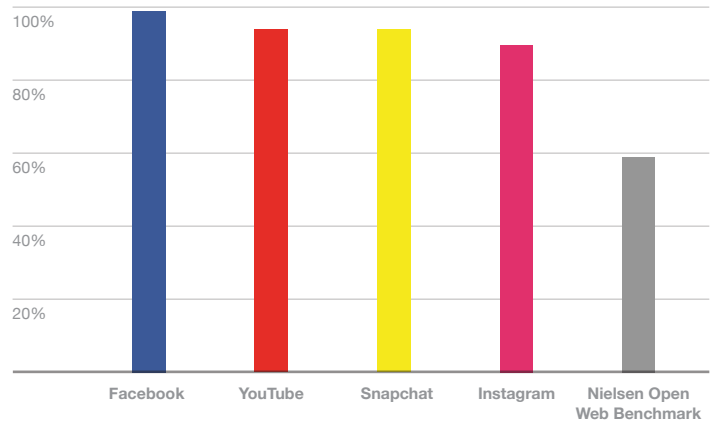
Source: Nielsen Digital Ad Ratings, February 2018

* Twitter did not report on on-target impressions.

Moat Data Confirms Marketers Must Consider Platform-Specific Viewing Behaviors When Developing Strategies

YouTube delivered the highest rate of valid and viewable impressions[1] and the highest completion quality rate,[2] measured by Moat, which verifies viewability (a measurement of how visible ads are to users). This confirms that YouTube drove the highest share of views that were both audible and visible to a human viewer — and Instagram delivered a 4X higher rate of completion quality than Facebook.

When planning video strategies through 2019 and beyond, marketers must consider the environment that their creative will be consumed in. Moat's analysis highlights that while YouTube, Facebook, Instagram, and Twitter all drive high rates of valid and viewable impressions via MRC standards, a significant amount of video ads are consumed without the sound on. Instead of simply utilizing the same creative across platforms, marketers should adopt a data-driven approach, and refine their video strategy based on viewing behavior. For example, Twitter's completion quality is relatively low across social video platforms, indicating that marketers should produce video that doesn't require sound to understand.

1 The percentage of valid impressions that were viewable under the MRC standard (50% of pixels in-view for at least 2 continuous seconds).

2 The percentage of video completions that were audible and visible.

SECTION 04 ■ UNLOCKING VIDEO'S IMPACT

YouTube Leads In Rate Of Valid And Viewable Impressions
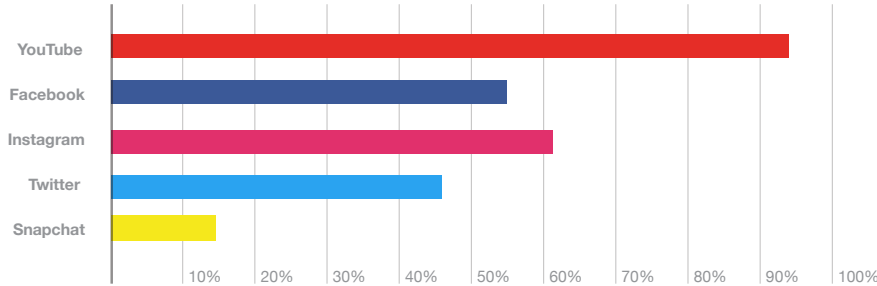
Instagram Delivers A High Video Completion Quality Rate Due To Platform Refinements: Once Enabled, Audio Stays On Until App Is Closed*
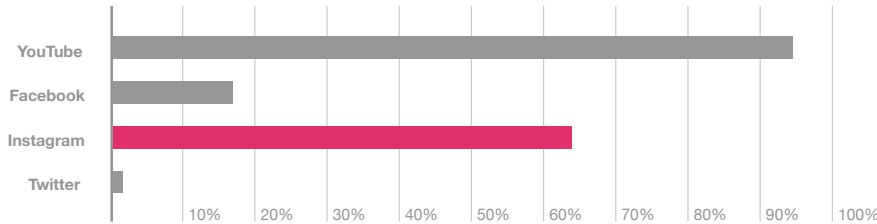
Source: Moat

* Snapchat does not currently report on video ad completion quality

What Makes An Ad Viewable?

Not Viewable

Viewable

Data-Driven Creative Recommendations

Based on Moat's analysis of how viewers are watching video ads across platforms, Pixability isolated a number of recommendations to make brand creative more impactful:

– Across platforms, advertisers should ensure their video starts with a compelling hook to encourage users to keep watching.

– In addition, advertisers should aim to show a brand logo or product shot within the first few seconds of a video ad — making an impact before a user can keep scrolling or click to skip an ad, and possibly reaching a consumer without being charged for a view.

– On Facebook and Twitter, marketers should produce video with hardcoded subtitles to guarantee their message is delivered, as Moat's metrics indicate that a significant number of viewers don't watch ads with audio on.

SECTION 04 ■ UNLOCKING VIDEO'S IMPACT

YouTube Is A Sleeping Giant In The OTT Space

Our partnership with Nielsen uncovered that the OTT audience (including connected TV devices such as Roku products, Apple TVs, Chromecasts, smart TVs, etc.) comprises 14% of YouTube views. This shows that advertisers are reaching leaned-back, engaged consumers in the living room for a fraction of the cost of linear TV. While YouTube is a sleeping giant in the living room viewing space, the platform will upend the OTT industry when it rolls out OTT reporting — until then, advertisers can only measure their reach among living room audiences through technology partners.

In addition, YouTube and Facebook video campaigns tend to reach mobile users nearly 3X as often as desktop users.

By segmenting by devices, marketers can drive reach evenly across viewing environments — or optimize toward a certain device, depending on their business objectives.

OTT Comprises A Significant Percentage Of The YouTube Viewership

■ Desktop Views ■ Mobile Views ■ OTT Views

14%

24%

62%
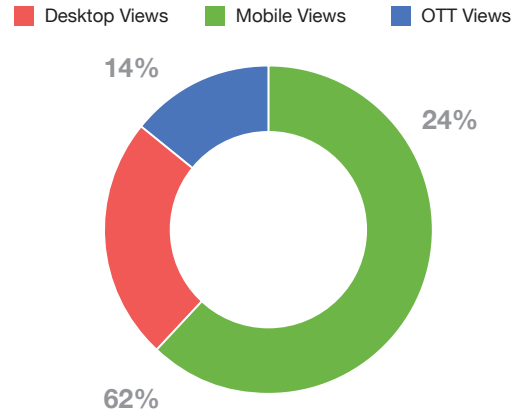
Source: Nielsen Digital Ad Ratings

SECTION 04 ■ UNLOCKING VIDEO'S IMPACT

Without Aggressive Segmentation, Platforms Optimize Toward Certain Demographics and Locations

In our analysis, Pixability's non-segmented and non-optimized campaigns served a majority of impressions to middle-aged and older men in Boston. Marketers should aggressively segment their campaigns, particularly by age and location, and carefully monitor in-flight performance to maintain control over which audiences they're reaching.

Without Segmentation, Platforms Optimize Toward Certain Demographics

■ Female ■ Male

250,000 *(Impressions)*

200,000

150,000

100,000

50,000

18-20 | 21-24 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-64 | 65+
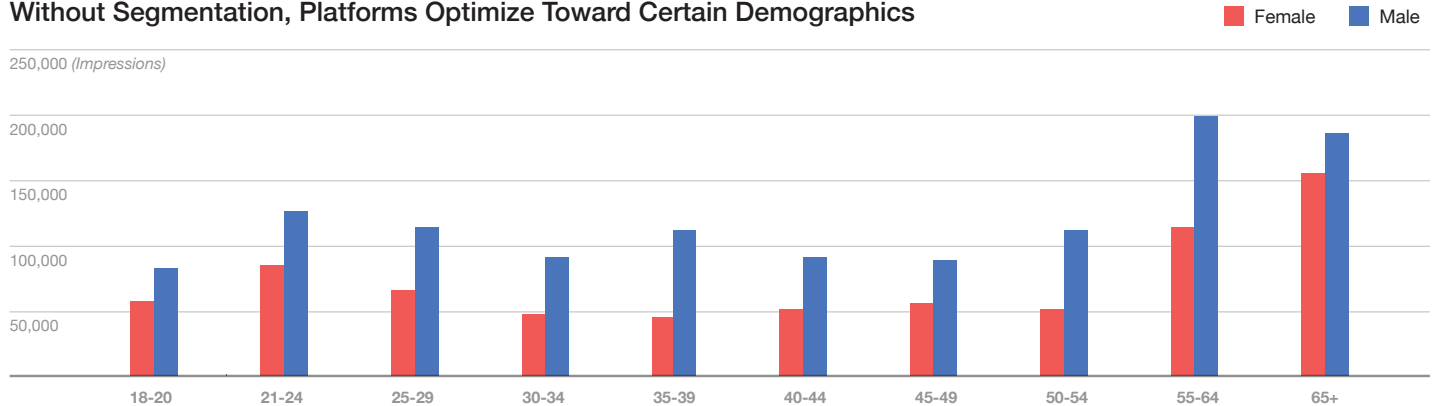
Source: Pixability, February 2018

SECTION 04 ■ UNLOCKING VIDEO'S IMPACT

Without Segmentation, Platforms Optimize Toward Certain Locations

■ Campaign 1   ■ Campaign 2
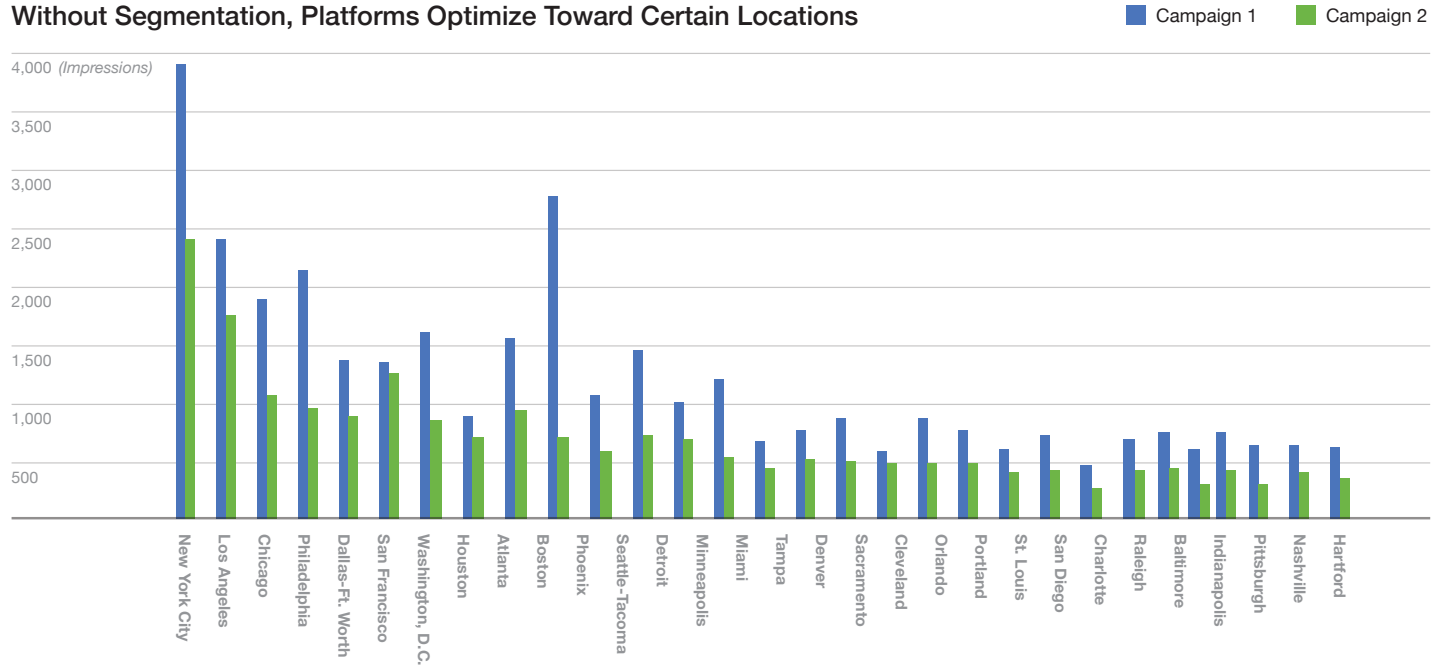
Source: Pixability, February 2018

Next Steps: How To Approach Social Video In 2018

Social video advertising is complicated by different view definitions, audience behaviors, and targeting parameters. But these platforms still represent the best channel for reaching and engaging audiences at scale. Advertisers have an opportunity to take advantage of these complexities, developing sophisticated targeting strategies and optimizing in-flight based on desired outcomes to maximize impact across YouTube, Facebook, Instagram, Twitter, and Snapchat.

YouTube
Longer viewing sessions and video completion rates make YouTube in-stream ads ideal for encouraging users — particularly younger audiences — to lean in and engage with long-form, digital-first brand content, driving awareness.

Facebook
The platform's high click-through rate performance, stellar on-target impression rate, and powerful audience targeting options empower marketers to drive lower-funnel metrics such as product consideration, and purchase decisions.

Instagram
Instagram's high completion quality rate makes it well-suited for communicating medium- to long-form video ads among engaged viewers, helping brands build equity and awareness around new products, as well as drive click-through performance.

SECTION 04 ■ UNLOCKING VIDEO'S IMPACT

Twitter

Advertisers can take advantage of Twitter's specialized ad products — targeting against events, communities, and followers — and high view rates to make an impact on audiences as they're contributing to the digital conversation.

Snapchat

Snapchat's high rate of on-target impressions and young audience allows advertisers to precisely reach Gen Z and Millennial consumers, particularly through lifestyles targeting.

Digital Media Planning Considerations

	YouTube	Facebook	Instagram	Twitter	Snapchat
16x9 video	✓	✓	✓	✓	
1x1 video		✓	✓		
OTT viewing	✓				
Long-form video	✓				
Vertical video		✓	✓		✓
Plan for audio off		✓		✓	✓
Plan for audio on	✓		✓		
Brand logo or product shot within first 3 seconds		✓	✓	✓	
Brand logo or product shot within first 5 seconds	✓	✓	✓	✓	
Plan for second screen			✓	✓	
On-screen talent to speak direct to viewer	✓		✓		✓
Face included in thumbnail	✓				

SECTION 05 ■ APPENDIX

Methodology

All insights are based on data analysis performed by Pixability's Customer Success Insights team. Using similar creative assets for two brands (electronics and fashion), Pixability created near-identical campaigns on YouTube, Facebook, Instagram, Twitter, and Snapchat using the targeting capabilities available within each platform.

Campaign settings such as price to bid, budget, etc. were all kept consistent in order to deliver as close to an A/B test as possible between the five platforms. The campaigns were not broken out by age, gender, or device, in order to see how each platforms handled delivering against these parameters. The campaigns were executed in Q1 2018, and performance was compared to Pixability's 2016 cross-platform tests, executed in Q1 and Q4 2016.

In addition to using the available targeting options within each platform, specifically on YouTube, a set of video

placements and keywords was pulled from Pixability's patented insights technology platform. The platform harvests data about YouTube videos from the YouTube data API, search API, and other relevant sources. Videos are analyzed based on a number of features, including metadata processing (title, description, tags), comment analysis, and time series tracking using historical data collected over the last few years. Topic spaces are defined by lists of keywords that can be combined in multiple layers (e.g., base keywords describing a topic combined in Boolean OR plus an overlay of required keywords, such as a brand name).

Key Terms

Click-through rate (CTR)
A measure of engagement, calculated by dividing the number of link clicks by overall impressions. On Snapchat, swipe-ups are measured as link clicks.

SECTION 05 ■ APPENDIX

Completion quality

Measured by Moat, the percentage of video completions that were audible and visible.

Over-the-top (OTT)

Media distribution that allows a streaming content provider to sell audio, video, and other media services directly to the consumer over the internet via streaming media as a stand-alone product, bypassing telecommunications, cable or broadcast television service providers that traditionally act as a controller or distributor of such content. Examples include Apple TV, Roku, etc.

Rate of on-target impressions

Measured by Nielsen, the percentage of total impressions delivered within the audience target of the campaign.

Rate of valid and viewable impressions:

Measured by Moat, the percentage of valid impressions that were viewable under the MRC standard (50% of pixels in-view for at least 2 continuous seconds).

View rate

The share of impressions that resulted in a viewer meeting each platform's standard for a view:

- On YouTube, a view is measured by 30 seconds of watch time or video completion.
- On Facebook and Instagram, a video must be in view for 3 seconds (with 100% of pixels on-screen on desktop, or 50% on mobile).
- Twitter and Snapchat both follow the MRC standard, or 50% of pixels on-screen for two seconds.

View-to-completion rate

The share of impressions that resulted in a viewer watching 100% of a video ad.
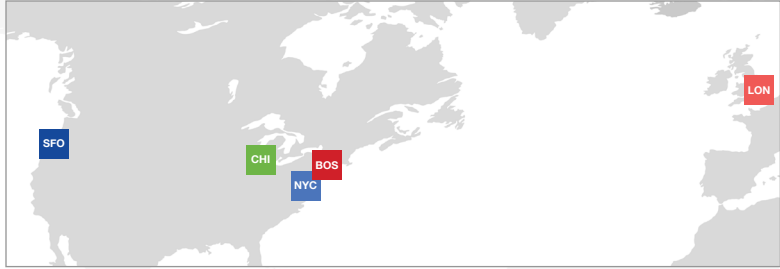
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