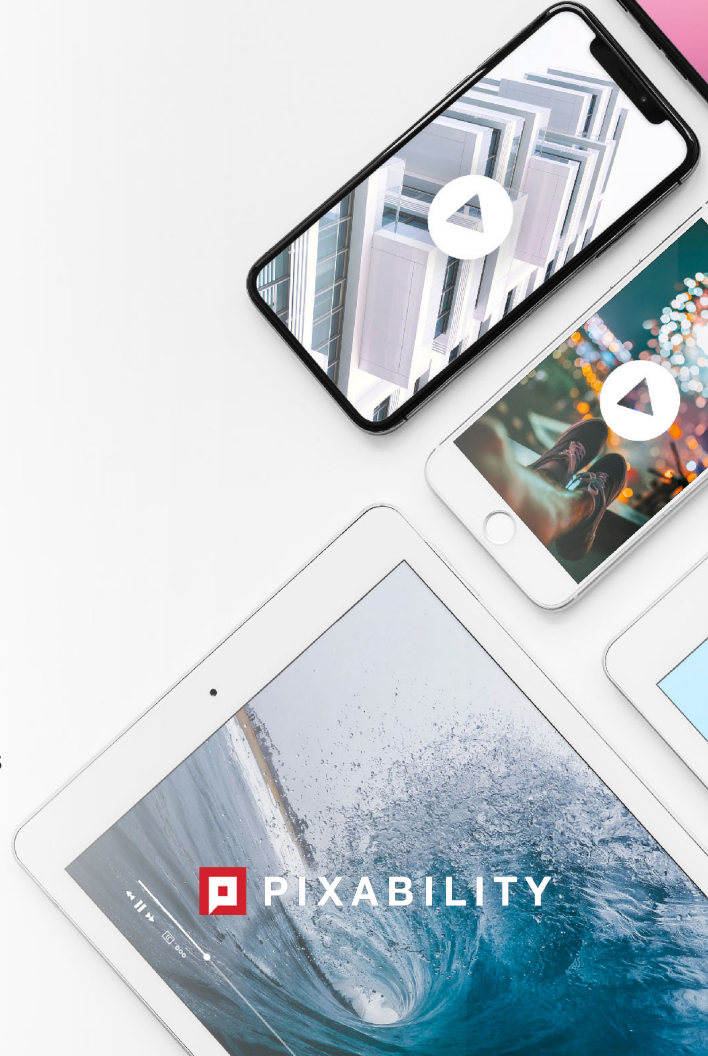


2019 INSIGHTS REPORT

# STATE OF DIGITAL VIDEO

Uncovering the top trends in video advertising across  
YouTube, Facebook, Instagram, and Connected TV



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## INTRODUCTION

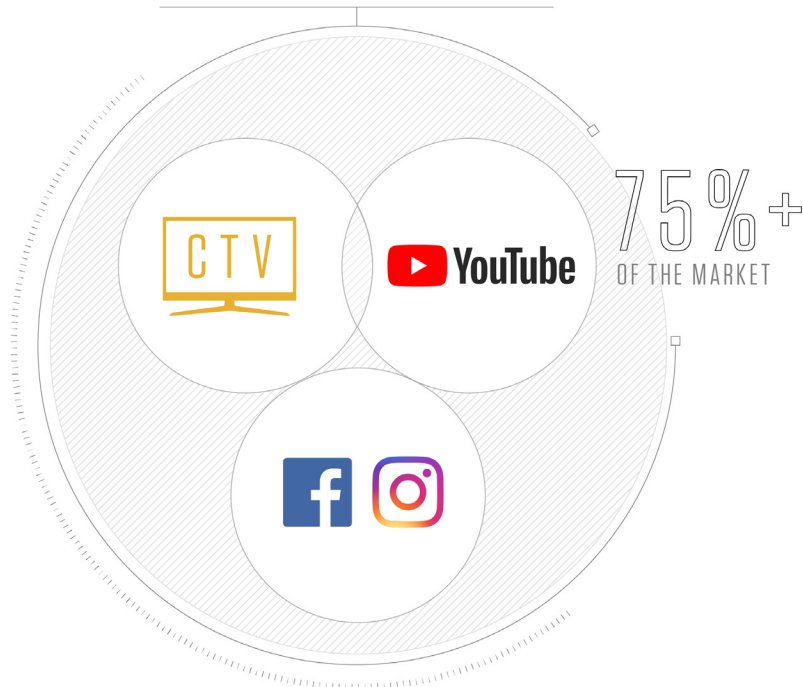
# Decoding the Mega Platforms

There's a startling statistic that next year (2020), 82% of internet consumption will be video.\* In addition, eMarketer data shows that say that over 75% of the advertising on video will be run through the mega platforms of YouTube, Facebook, Instagram, Amazon Fire TV, and other CTV channels next year. So as a marketer, how do you create a unified approach to these platforms to reach this booming audience?

Each year our analysts pull together this report to help answer that question. We analyze data from campaigns that ran on these mega platforms through PixabilityONE to gain insights to help advertisers. On the following page are some of our top takeaways from this year's report.

\*Source: Cisco Visual Networking Index

2020: VIDEO AD MARKET REACHES \$40.1B



# Top Takeaways

1

**Facebook**, **YouTube**, and **Instagram** continue to be the primary video ad platforms for agencies, but **CTV** platforms are right on their tail.

2

**YouTube** continues to be the king at delivering view-to-completion rates (VCRs) among the platforms that offer skippable ads. Interestingly, the longer the ad length on YouTube, the higher the VCR. YouTube is also the only social platform that delivers ads on every device including TV.

3

**Facebook** is the best way to generate clicks through video, and surprisingly to some, the best way to reach an older demographic (45 and older). It's also seeing a high increase in view-to-completion rates.

4

**Instagram** is also a good way to generate video clicks, partially because it's primarily a mobile platform where most of the clicks happen. It is also the platform with the highest percentage of users under 34.

5

**CTV** platforms with their non-skippable ads offer the highest volume of views, but, they're required views. This is part of the reason they also have higher CPMs than YouTube on TV screens, for example.



## VIDEO AD BUDGETS

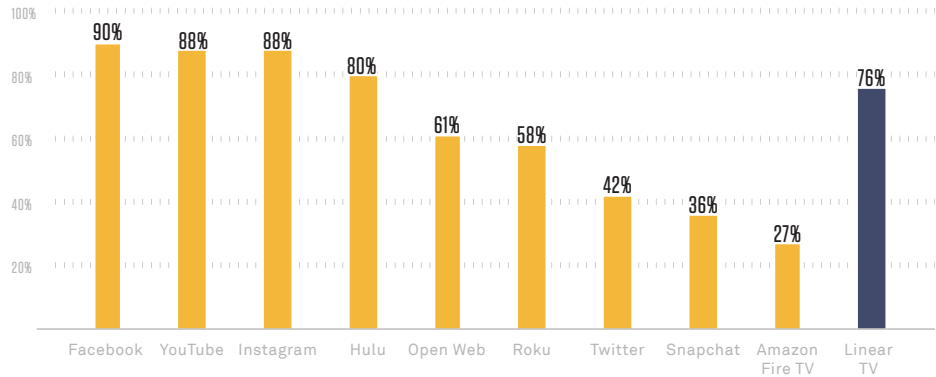
### Industry Survey: Video Ad Spend & Platforms of Choice

Pixability recently conducted a survey of leading agency executives to uncover how they're approaching their video ad buys. The first takeaway was that Facebook, YouTube and Instagram continue to be the ad platforms of choice, but CTV is gaining ground. A full 85% of respondents are running video campaigns on at least one Connected TV platform.

The second big headline is that video ad spend will continue to increase. None of the agencies we polled are predicting a decrease in client spend, while 83% are predicting an increase.

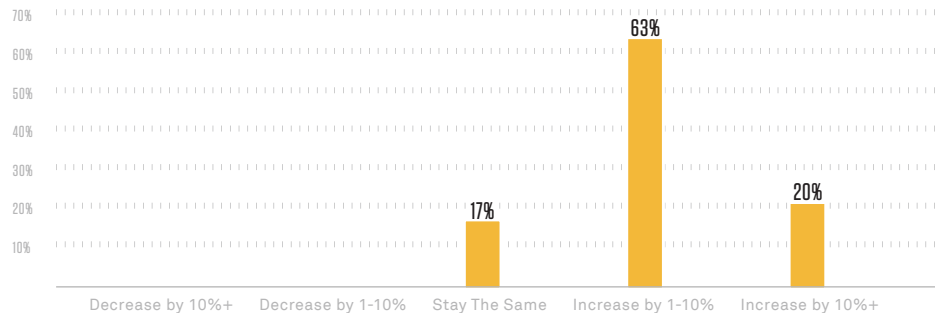
### Social Platforms Still Lead Digital Video, But CTV Is Coming On Strong

Percentage of Agencies That Run Video Campaigns On Each Platform



### Majority of Agency Executives Anticipate Increases In Video Budgets

Percentage of Agencies Anticipating Each Type of Shift in Budgets in 2020



## QUICK PRIMER

# The Differing Definitions Of A View

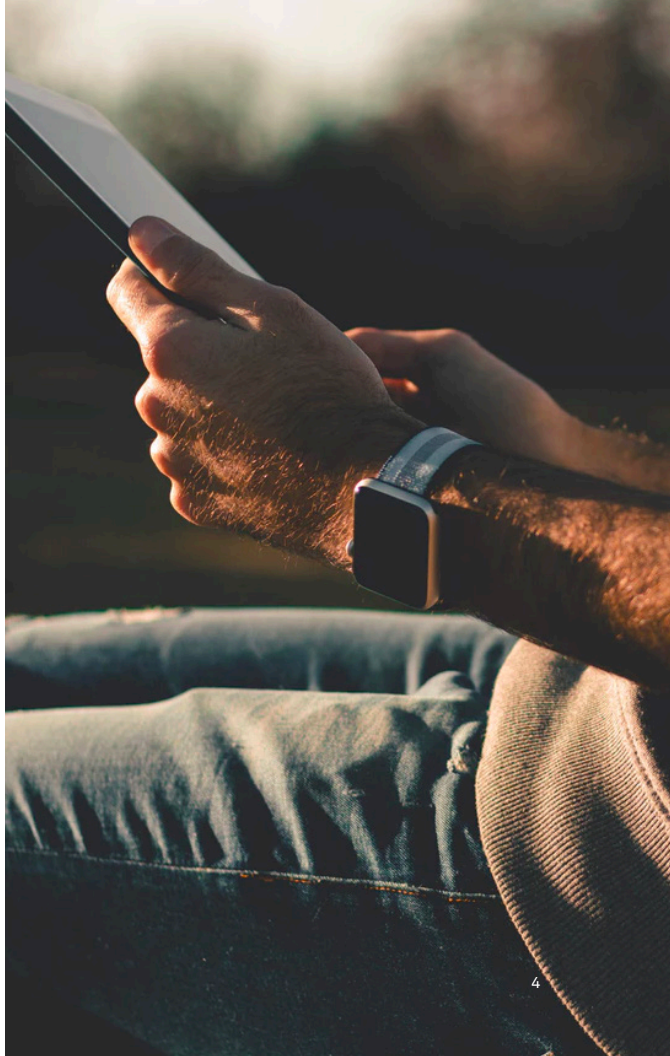
When looking at the data in this report, it's important to note that each of the mega video ad platforms has a different definition of what constitutes a view. Below is a quick primer of current definitions:

**YouTube In-Stream:** A view is defined as a when someone watches 30 seconds of your ad (or the duration if it's shorter than 30 seconds). Ads can appear on mobile, desktop, tablet, or Connected TV screens.

**Facebook Views:** A view is defined as 3 seconds or more of an ad appearing on-screen. Ads appear on mobile, desktop, tablet devices, and some TV with the Facebook CTV app.

**Instagram Views:** Like with Facebook, a view is defined as 3 seconds or more of an ad appearing on-screen. Ads appear on mobile and tablet only.

**CTV Views:** For this report we included Amazon Fire TV and Roku, both of which have non-skippable ads, which usually get close to 100% view-to-completion rates. All ads are viewed on Connected TV screens.



## VIEW TO COMPLETION RATES

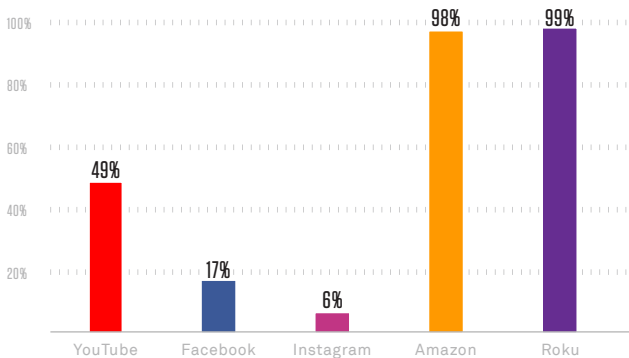
# Non-Skippable Connected TV Ads Deliver Highest View-To-Completion Rates — But YouTube Remains High, While Facebook And Instagram Are Climbing

Connected TV platforms like Amazon Fire TV and Roku deliver the highest view-to-completion rates because these ads are non-skippable. On YouTube, view-to-completion rates remain high, growing by a small margin again this year.

While Facebook and Instagram have the lowest view-to-completion rates of the platforms measured, their rates are growing rapidly. This could be partially a sign of Facebook's overall full-court press into video along with algorithmic improvements to better find those consumers that view ads to completion.

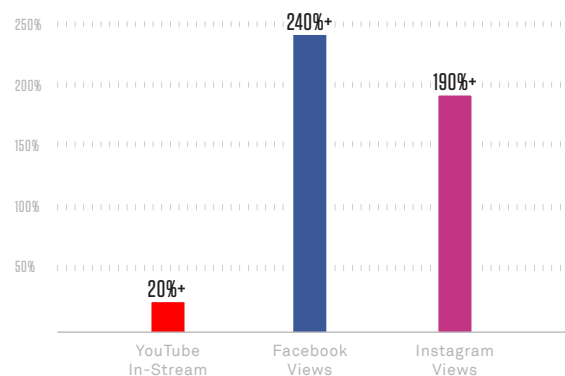
### Non-Skippable Connected TV Ads Deliver Highest View-To-Completion Rates

View-to-Completion Rates By Platform



### View-to-Completion Rates Climb Year-over-Year Across Facebook And Instagram

Year-Over-Year Change In Video Completion Rate



## LENGTH OF CREATIVE

# Longer Creative Drives Better Performance On YouTube, While Shorter Creative Rules On Facebook

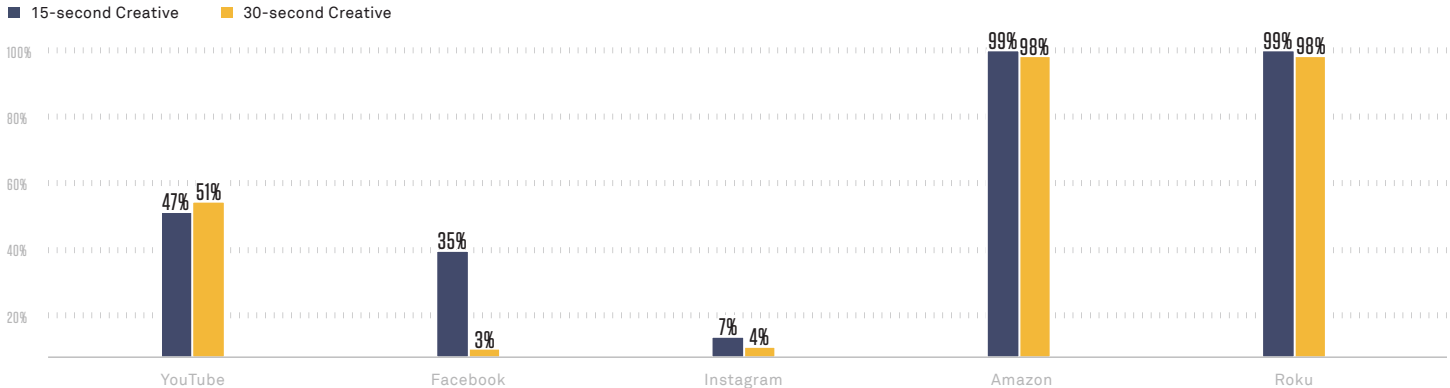
On YouTube, our analysis found that view-to-completion rates actually increase when creative length is doubled from 15 seconds to 30 seconds. This is consistent with what we're seeing across many campaigns, with some advertisers like

Pixability Client, Frost Bank, seeing incredible results with videos that are five minutes or more (see customer spotlight on page 13).

Longer creative is not the right move on Facebook and Instagram, however, where view-to-completion drops drastically with longer creative. Therefore, marketers should avoid investing in long-form creative on these platforms, and opt for engaging short-form creative instead to grab consumer attention, and keep them from scrolling.

### Go Longer With YouTube And Stay Shorter With Facebook & Instagram

View To Completion Rates By Creative Length By Platform





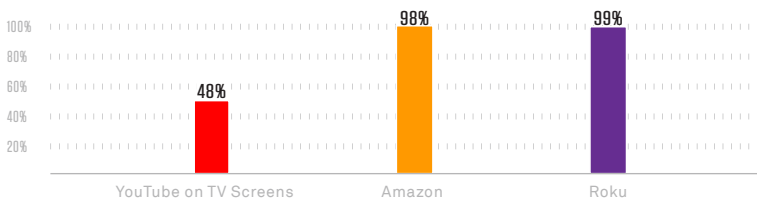
## CONNECTED TV

# Connected TV Delivers High Views, But They're Required

Amazon and Roku both deliver nearly 100% view rates — viewers cannot skip ads so nearly all the impressions result in a view.\* YouTube on TV Screens — YouTube inventory that runs exclusively on living room screens — delivers a 48% view rate, which is healthy considering it is skippable unlike other CTV options.

All three platforms are effective at reaching leaned-back audiences, but each of the three deliver very different metrics. While Roku delivers mostly view data, YouTube delivers deeper engagement data and Amazon delivers really unique purchase habit data (see sidebar on the right).

### YouTube's Skippable Connected TV Offering Delivers High View Rates Average View Rate Across Connected TV Platforms



\*View and view-to-completion rates on Connected TV devices like Amazon and Roku aren't always exactly 100% because viewers may switch off or otherwise navigate away from apps during an ad.



## QUICK PRIMER

### Amazon Fire TV

While all CTV platforms offer access to performance reporting and audience insights, Amazon Fire TV is able to deliver a sophisticated offering to advertisers: unique reporting, metrics, and insights that leverage its massive retail network. Here's a taste of what Amazon can report on:

#### Detail page views (DPVs)

The number of views of the advertised product's detail pages on Amazon.

#### Add To Carts

The number of times a promoted ASIN is added to a customer's cart.

#### Purchases

The number of times any amount of a promoted product or products are included in a purchase event. Purchase events include video rentals and new Subscribe & Save subscriptions.

#### New To Brand Purchases

The number of first-time purchases for promoted products within the brand over a one-year lookback window.

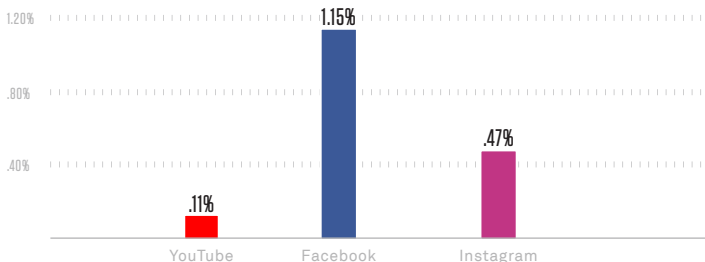


## DIRECT RESPONSE

# Facebook And Instagram Continue To Drive The Most Direct Response In Video

While YouTube is best for driving deeply engaged viewers, Facebook and Instagram is where marketers go for clicks. YouTube has new direct response options like CTA extensions that work well, but the Facebook platforms still earn higher click-through rates. Because Connected TV platforms like Amazon Fire TV and Roku still don't offer many click-through capabilities, they're best used as drivers of view volume. The ultimate takeaway for marketers is they shouldn't just pick one platform to achieve all their goals but should use a mix of platforms based on their KPIs.

### Facebook and Instagram Deliver Superior Click-through Rates Average Click-through Rate Across YouTube, Facebook, And Instagram



**MARKETERS SHOULD USE A  
MIX OF VIDEO PLATFORMS  
BASED ON THEIR KPIS.**

## DEVICES

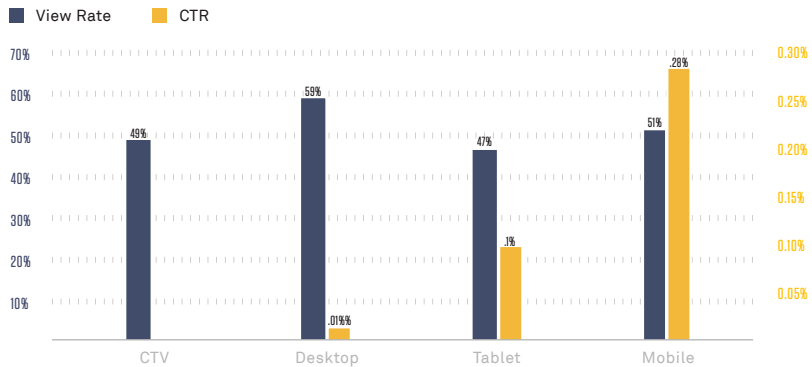
# Where Users Are Engaging With Video On Each Platform

In last year's State of Digital Video analysis, Pixability found that living room screens accounted for 14% of YouTube impressions. This year, we found that number continues to increase, with living room screens delivering now 15% of overall impressions on YouTube — highlighting that this should be an ingredient to any CTV campaign. Looking at YouTube only, mobile delivers the highest click-through rate, while all devices deliver a relatively even view rate.

This chart to the right tells a great story that Instagram is really a mobile-only platform, Facebook is mobile plus desktop, and YouTube is the only major video platform to truly span all devices.

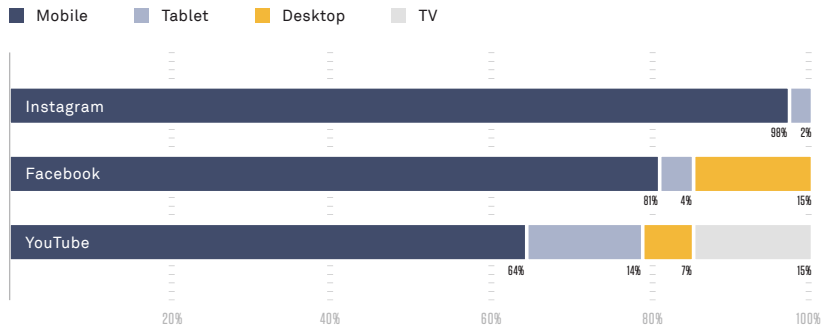
## All Devices Drive Views, While Mobile Dominates Click-Through Rates On YouTube

### Performance By Device On YouTube



## Mobile Delivers Lion's Share Of Impressions, While CTV Grows On YouTube

### Impressions By Device Across YouTube, Facebook, And Instagram



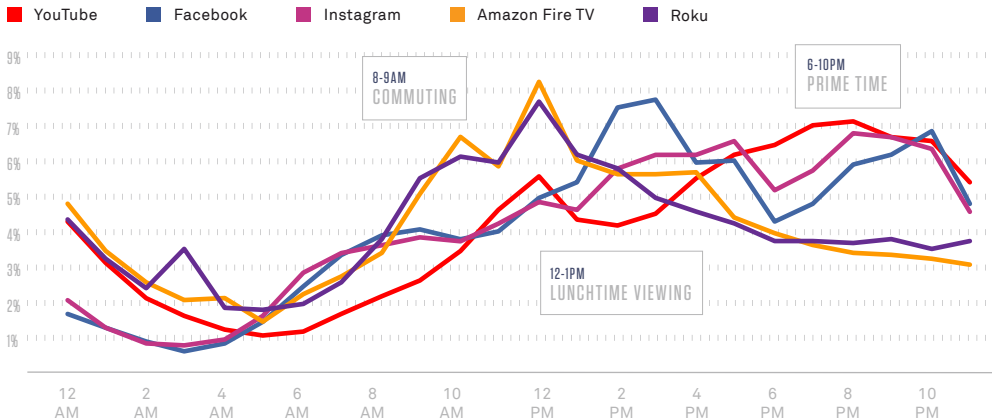
## TIME OF DAY

# Viewers Turn To Different Video Platforms Throughout The Day

Each video platform sees different peaks in impressions as viewers turn to platforms at specific times during the day. Amazon Fire TV and Roku achieve their highest share of viewership between 10 AM–12 PM, while Facebook peaks from 2–4 PM. On YouTube, audiences most often tune in from 6–8 PM, and Instagram video viewing peaks from 8–10 PM. By embracing a holistic strategy, and developing complex campaigns that include dayparting, marketers can optimize their approach to video to reach and engage viewers in a way that maximizes impact.

### Viewers Turn To Different Platforms Throughout The Day\*

Share Of Impressions Per Hour Across Platforms



## SPOTLIGHT

### Dayparting

Have you noticed that your video strategy performs better at certain times of the day? If so, you should include dayparting in your approach — by enabling this setting, marketers can ensure their campaigns are optimized to bid higher during high-performing hours, and optimized away from low-performing hours.



## AGE OF VIEWERS

### Older Consumers Are Engaging on Facebook

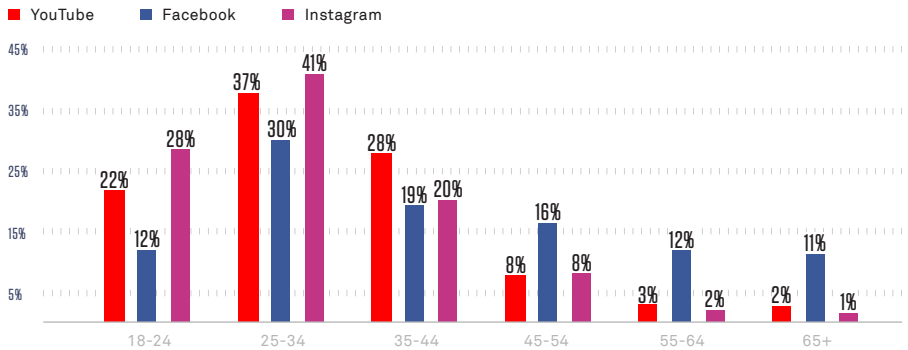
Facebook skews the oldest of the platforms analyzed, with 35+ year-olds accounting for 58% of impressions on the platform. Overall, the 25-34 year-old segment is the largest demographic group across YouTube, while Instagram skews the youngest with 18-34 year-olds accounting for 69% of impressions.

Click-through rates tend to increase with age across Facebook and Instagram, with the 65+ demographic delivering the highest click-through rate overall. Facebook delivers the most clicks overall, followed by Instagram.

Marketers should test a mix of YouTube, Facebook, and Instagram for their video campaigns based on the target age demographic and other KPIs.

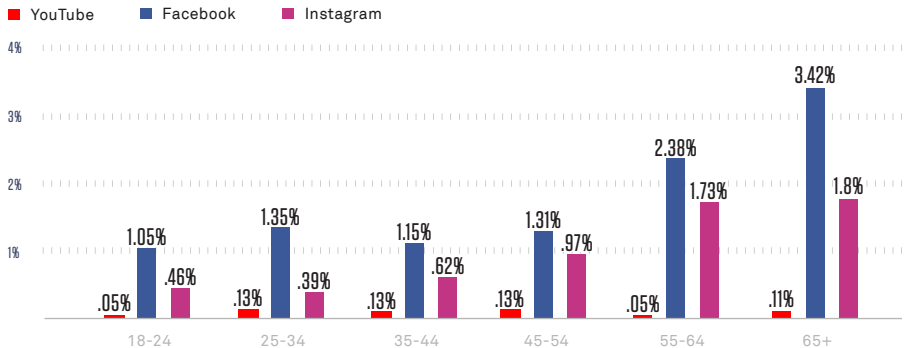
### 25-34 Is Largest Demo Across Platforms

Impressions Across Demos



### Older Consumers Click More Often

Average Click-through Rate Across Demos



## CPM & CPV

### YouTube Delivers The Lowest Normalized CPM Across Connected TV Platforms

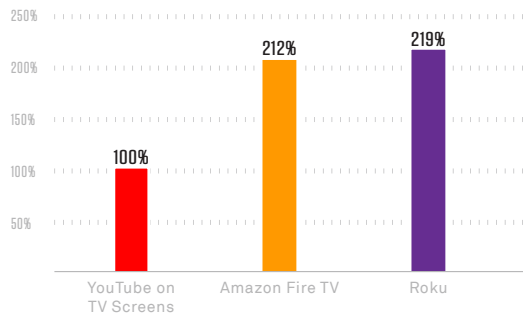
Compared to Amazon Fire TV and Roku, YouTube's living room screens offering delivers a lower relative CPM. This highlights YouTube on TV Screens as a good candidate for marketers looking to test out CTV strategies through its lower price point, and the ease of extending YouTube campaigns to living room screens.

### Cost-Per-View Decreased Across YouTube And Facebook, And Rose Slightly On Instagram

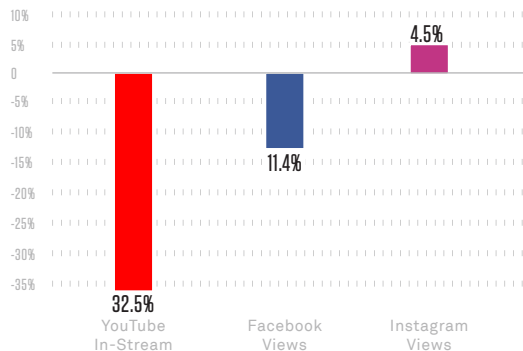
CPVs plunged on YouTube as Google made strides to bring down the cost of video advertising on its platform, while demand drove Instagram CPVs up slightly (partly due to demand for Stories). As demand drives fluctuations in the price of video, marketers must understand how each platform defines views, and remain vigilant to ensure their dollars are driving the maximum impact.

### Benchmarking Connected TV CPMs

Connected TV CPMs Normalized Against YouTube on TV Screens



### On YouTube and Facebook, CPVs Decreased Year-over-Year Percentage Increase/Decrease In CPV From 2018 to 2019



## CUSTOMER SUCCESS STORY

# How Pixability Delivered Cross-Platform Success For Frost Bank

Frost Bank's agency, McGarrah Jessee, is one of the many partners that work with Pixability to run video ad campaigns across YouTube, Facebook, Instagram, and Connected TV with a unified approach, rather than in silos. Frost Bank worked with its agency, McGarrah Jessee, to develop a campaign around inspiring optimism, in part through long-form digital video. Working with Pixability, Frost and McGarrah Jessee chose to run the video series across YouTube, Facebook, Instagram, and CTV, accessing multiple video touchpoints with consistency. Using the PixabilityONE platform, the videos were optimized toward completed views and completion quality, as measured by Oracle Moat, and saw great results including:

- 3X higher click-through rate than benchmarks
- 3X higher completion quality rates than benchmarks



## CONCLUSION

# How Can Marketers Take Advantage Of These Trends?

As audiences shift away from traditional TV to digital video, it's critical that every brand and agency master the platforms that will best reach their target: YouTube, Facebook, Instagram, and CTV. Unfortunately many marketers are still taking a siloed approach to these platforms — keeping results separate and not optimizing across them. This is why our PixabilityONE platform can not only optimize campaigns just on YouTube, but across all of these platforms.

No matter what kind of video campaigns you're running right now, siloed, or unified, the data from this study shows that there are unique strengths to each platform. The key to driving real engagement and love of your brand in 2020 will be leveraging these strengths.

For more information about insights from PixabilityONE or about running campaigns across these platforms, get in touch with us at [info@pixability.com](mailto:info@pixability.com).



## INSIGHTS CHECKLIST

# Here's What Marketers Need To Know:

- 1 Look for a partner with expertise on YouTube, Facebook, Instagram, and CTV. Only partners with experience in all can fully understand the strengths of each.
- 2 Look to run unified campaigns that leverage the strength of each platform so you can turn certain platforms off if they're not performing in relation to others.
- 3 Look to YouTube to drive the most engaged views, CTV to drive highest sheer volume of views, and Facebook and Instagram to drive the most direct response. And don't be afraid of long-form creative on YouTube — it's the way of the future.



