



ATTITUDES TO DIGITAL VIDEO ADVERTISING REPORT 2021



IAB AUSTRALIA VIDEO COUNCIL

The IAB thanks the Video Council for their support of this research



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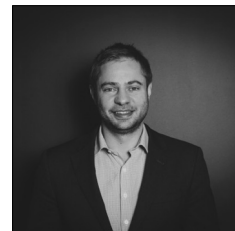
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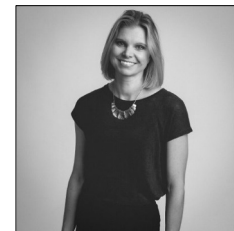
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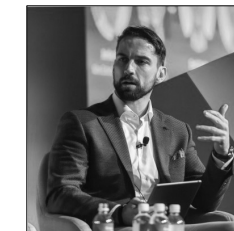
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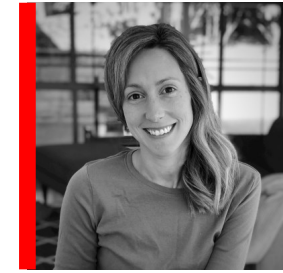
INTRODUCTION

As the investment into Video continues to significantly grow into 2021, the IAB Video Council went to market with an Attitudes to Digital Video survey to dive deeper into the video space. With 68% of agencies expressing that investment in digital video advertising will increase in 2021, the survey aims to understand the reasons behind the increased investment, how activity is being assessed and advertiser plans for 2021.

Key areas of focus in the report include:

- Reasons behind using Video
- Marketers use of video for different purposes in the marketing funnel
- Importance of tailored Digital Video Creative
- Alignment on metrics from campaign start to finish
- How will the retirement of third-party cookies effect Video and are we ready for it?

This report helps to identify key areas for industry focus and development to support the market in 2021 and beyond. The Video Council have worked hard on this truly collaborative industry project with support from 24 different media and tech companies.



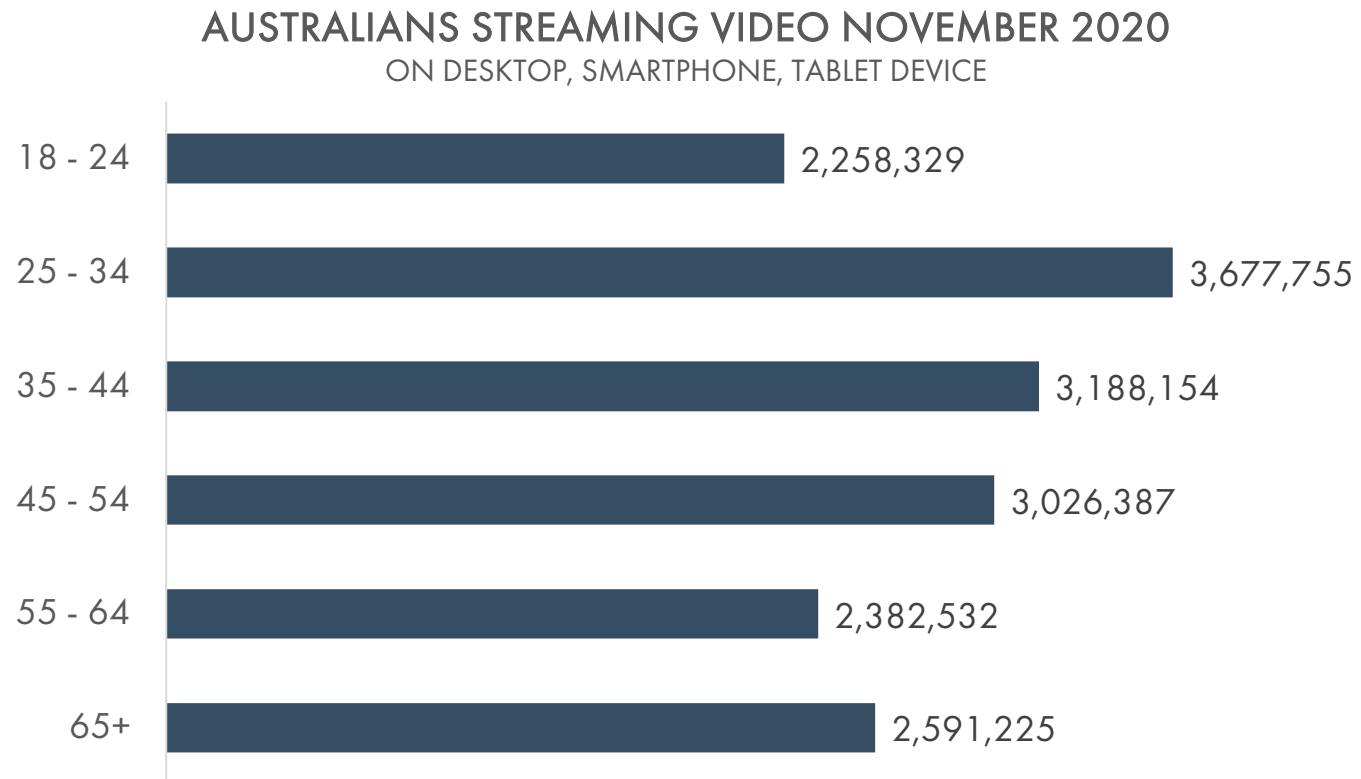
Jenn Thomas
Head of Marketing and Membership
IAB Australia

EXECUTIVE SUMMARY

- The video landscape has never been as exciting or complex. We have seen an increasing number of content creation sources, delivery and consumption channels and platforms driving video viewing amongst the **17 million Australians who stream video each month** from a desktop, smartphone or tablet device, **spending on average over 42 hours per month**. Digital video advertising expenditure continues to grow strongly each year and is the fastest-growing digital advertising segment now attracting more than half of digital display advertising.
- The **ability to reach target audiences at scale** is driving continued use and recommendation of Digital Video advertising.
- **Brand building is the key objective** for digital video advertising campaigns and agencies are highly satisfied with digital video advertising delivering on brand objectives. Due to the variety of types and formats of digital video it is also being used for a range of other marketing objectives including increasing purchase or action intent and even increasing sales where satisfaction with digital video in achieving these objectives is also high.
- Despite branding being the predominant objective and a perceived high importance of brand lift measurement, **there is a disconnect with the metrics agencies are using to evaluate success**, with campaign delivery and cost (R&F, cost per completed view, CPM) the most commonly used metrics.
- There is an **opportunity to improve effectiveness of digital video creative** for nearly 4 in 10 agencies that rarely or never develop digital video advertising creative to the specific media environment. Ad effectiveness research highlights that creative quality contributes significantly to campaign effectiveness, highlighting the importance of designing video creative with context in mind.
- Agencies utilise a **diverse range of data signals** for digital video advertising targeting. Some of these targeting options potentially utilise third-party cookies and there is a significant proportion of agencies and marketers not yet making steps to people-based marketing. There is a need to understand the impact of cookie retirement on planning, activating and measuring digital advertising and undertaking preparations for the future.
- **Measurement complexities are challenging the advertising industry**. Cross-screen measurement for both media planning and campaign delivery reporting are cited as key challenges that industry is looking to solve for the future.

CONTENT AND SCREENS ARE DRIVING VIDEO CONSUMPTION

Over 17 million Australians stream video each month from a desktop, smartphone or tablet device, spending on average over 42 hours per month. 7.7 million Australians are consuming free to view video content on a Connected TV.



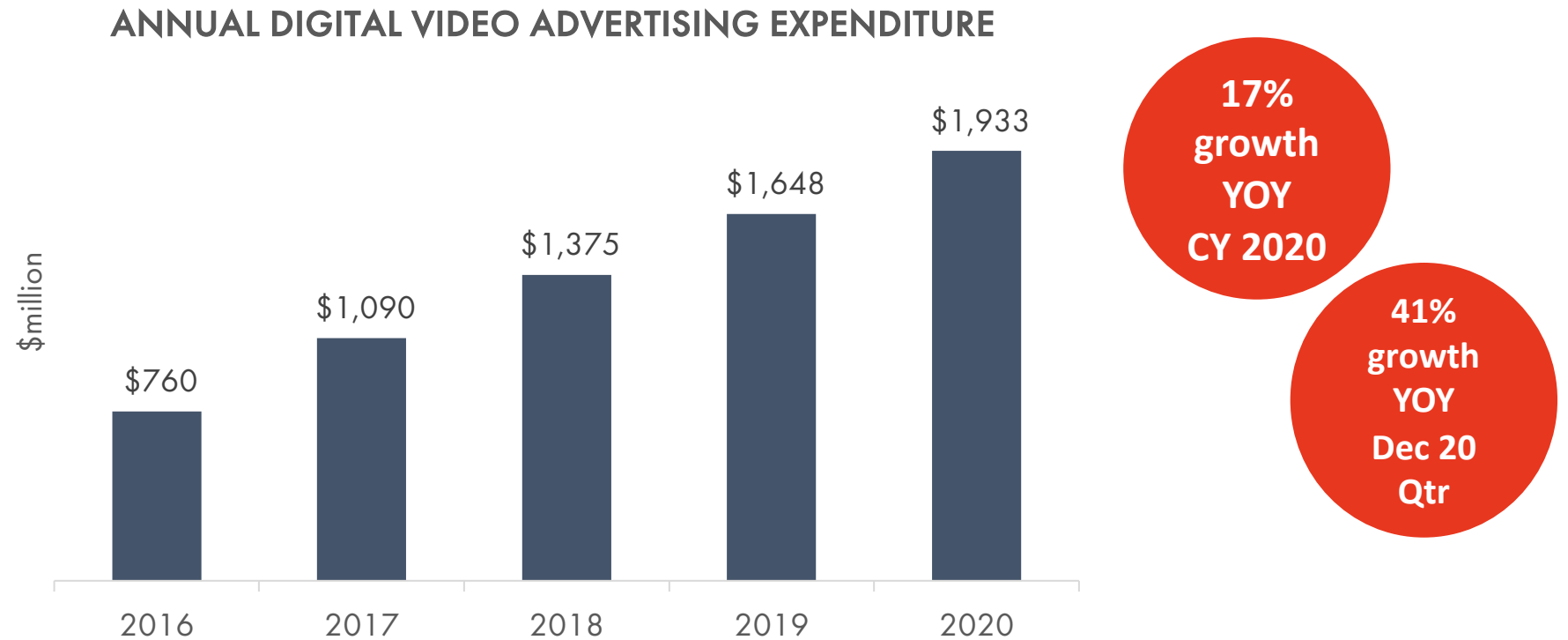
17 million
Australians
streaming

Source; Nielsen Digital Content Ratings, Video, November 2020, People 18+, Avg Time Spent, Panel + Census; IAB Australia Nielsen Digital Enumeration Study September 20 – November 20 quarter ages 14+ n=3000 per quarter

VIDEO IS A KEY DRIVER OF DIGITAL ADVERTISING GROWTH

Video advertising attracts more than half (53%) of digital display expenditure. Video advertising expenditure increased 17% in CY 2020.

PWC Entertainment and Media Outlook predicts digital video ad expenditure to continue to grow at an average of 20% per year to 2024.



Source; IAB Australia Online Advertising Expenditure Report (OAER) prepared by PWC; PWC Entertainment and Media Outlook 2020 - 2024

HIGHER SHARE OF DIGITAL VIDEO AD SPEND IN AUSTRALIA

As streaming audiences surged during COVID lockdown, video advertising expenditure continued to grow in Australia and in the UK. Digital video attracts a higher proportion of general display than in the UK market at 53% in Australia in first half of CY 2020 (compared to 48% in the UK).

DIGITAL VIDEO ADVERTISING EXPENDITURE GROWTH AND SHARE

	UK		Australia	
	2019	H1 2020	2019	H1 2020
Video expenditure growth YOY	34%	6%	20%	8%
Video share of display expenditure	46%	48%	48%	53%

METHODOLOGY

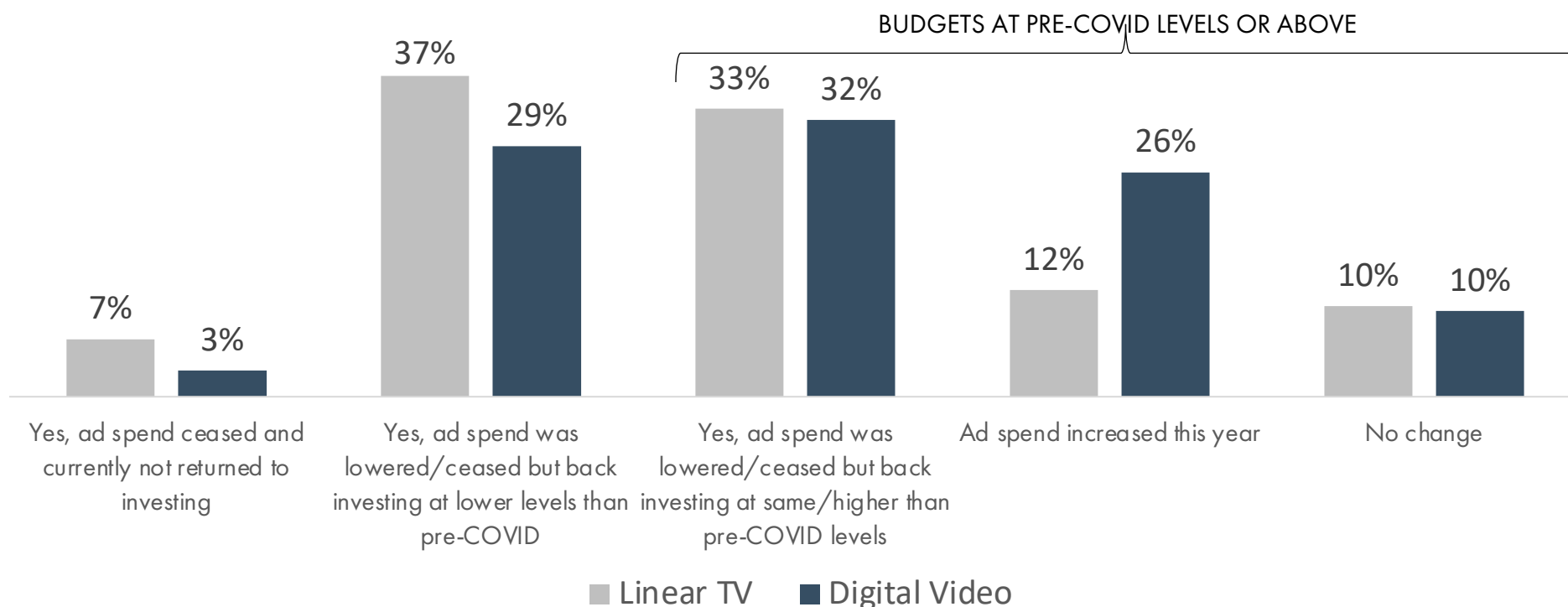
- This study was conducted by independent research company, Hoop Research Group.
- Fieldwork was carried out in November and December 2020.
- Over 200 advertising decision makers from agencies (incl trading desks and DSP's) and brands/advertisers completed the survey.
- The results in this report are primarily based on the responses from agencies (n=174) with some limited comparisons to results from advertiser respondents (n=29).
- Respondents were responsible for advertising decisions or influenced advertising decision making for their company or clients and have previously bought digital video advertising or planned to.
- The survey gathered industry information on video advertising that appears on connected devices such as Connected TV, Computers (desktop/laptop), Smartphone or Tablets. This included video advertising in all varieties of long-form and short-form digital content and social platforms.



LOWER IMPACT OF COVID-19 ON DIGITAL VIDEO BUDGETS

For 7 in 10 agencies (68%) their digital video advertising budgets are now back to normal or above pre-Covid expenditure levels with the remaining 32% either not spending or spending at lower levels than pre-Covid. Linear TV budgets were impacted by a greater extent by COVID-19 than Digital Video budgets.

IMPACT OF COVID-19 ON ADVERTISING BUDGETS IN 2020
(AMONGST AD AGENCIES BUYING EACH MEDIA)

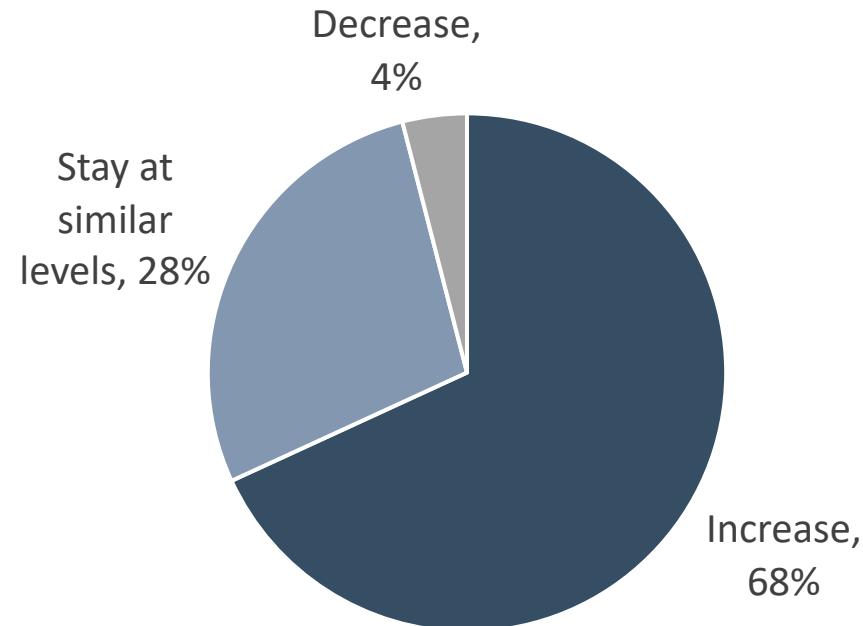


Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (ad agency n=174, brand/advertiser n=29). Q - Have your TV or Digital Video advertising budgets been impacted by COVID-19 this year?

CONTINUED GROWTH EXPECTED IN DIGITAL VIDEO IN 2021

Despite the challenged economy expected during 2021, most agencies and advertisers expect their levels of investment in digital video advertising to either increase or stay at similar levels compared to 2020. 7 in 10 agency respondents expect investment in digital video advertising to increase in 2021.

AGENCIES EXPECTED CHANGE TO DIGITAL VIDEO ADVERTISING INVESTMENT IN 2021



Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29) Q - What change do you expect in 2021, compared to 2020 for Digital Video advertising budgets?

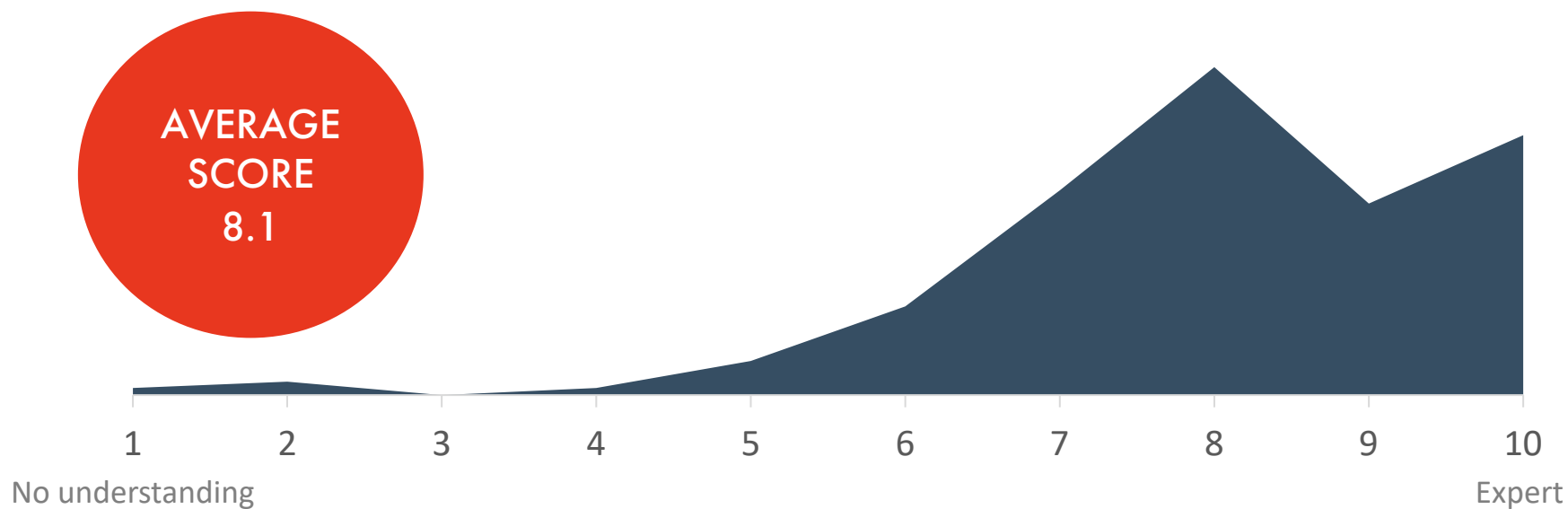
UNDERSTANDING OF DIGITAL VIDEO ADVERTISING IS HIGH

Understanding of digital video advertising amongst agencies is high. On average, agencies rated their understanding at 8.1 on a scale of 1 to 10 where 1 is no understanding at all and 10 is expert level of understanding.

Advertisers surveyed scored their understanding of digital video slightly lower than agencies at an average of 7.2 out of 10.

AGENCIES UNDERSTANDING OF DIGITAL VIDEO ADVERTISING

Scale of 1= No understanding to 10 = Expert



Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29) Q - Please rate your understanding of the following forms of Digital Video (on any screen/device, i.e. Connected TV, computer, mobile)? Please indicate on the scale from 1 to 10, where 1 means no understanding at all, and 10 means an expert level of understanding.

REACH AND TARGETING DRIVE USAGE OF DIGITAL VIDEO

Reaching audiences at scale is the #1 reason driving the continued recommendation of digital video advertising amongst agencies. Digital video reach in its own right is now a greater driver than reach as an extension of TV.

In addition to targeted reach at scale, agencies usage of digital video is also driven by quality content environments and the ad attention delivered by digital video, whereas advertisers usage is also driven by its ability to build brands and delivery measurable ROI.

	AGENCIES	ADVERTISERS
1.	Reach audiences at scale	Better targeting and personalisation
2.	Expanded reach of TV campaigns	Reach audiences at scale
3.	Better targeting and personalisation	Brand building
4.	Quality content environments	Expanded reach of TV campaigns
5.	Audience attention and engagement	Measurable ROI

Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29).

Q - Which of the following are key drivers for continuing to use or recommend Digital Video advertising (on Connected TV, computer or mobile)? Please select all that apply.

REACH AND TARGETING DRIVES USAGE OF DIGITAL VIDEO

Investment drivers for Australian agencies are very similar to agencies in Europe where reaching audiences at scale, expanding the reach of TV and better targeting are also the key drives for digital video advertising*.

TOP 10 AD AGENCY DRIVERS FOR CONTINUING TO RECOMMEND DIGITAL VIDEO ADVERTISING




Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29). Q - Which of the following are key drivers for continuing to use or recommend Digital Video advertising (on Connected TV, computer or mobile)? Please select all that apply. * [IAB Europe Attitudes to Digital Video Advertising Report 2020](#)

IAB EUROPE STUDY IDENTIFIED COMPETITIVE ADVANTAGE AS A KEY DRIVER FOR EUROPEAN ADVERTISERS

Amongst a similar set of potential drivers for digital video advertising use, UK respondents were similar to Australian respondents in highlighting reach of digital video as the key driver amongst agencies.

Gaining a competitive advantage was identified as a unique key driver amongst European advertisers.



AGENCIES	ADVERTISERS	EUROPEAN MARKET
1. Reach audiences at scale	Brand building	
2. Expanded reach of TV campaigns	Gain competitive advantage	
3. Better targeting and personalisation	Better targeting and personalisation	
4. Brand building	Reach audiences at scale	
5. Client demand	Brand story telling	

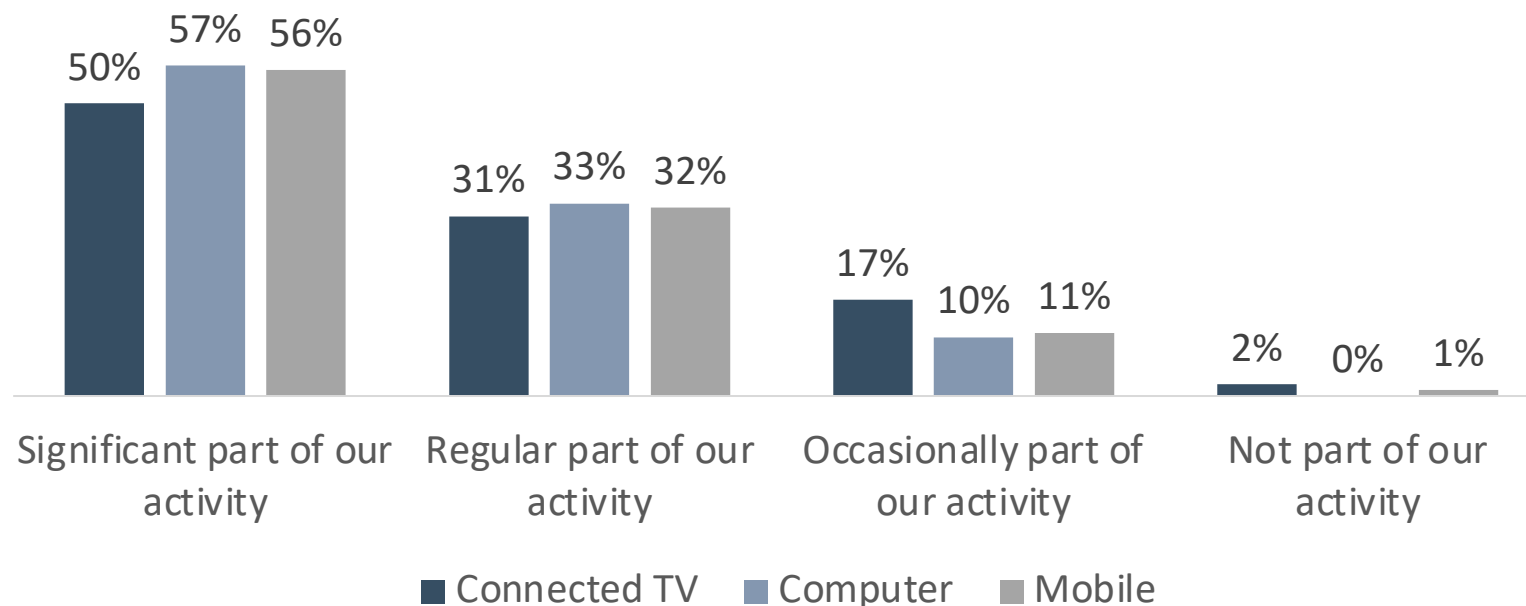
Source; * [IAB Europe Attitudes to Digital Video Advertising Report 2020](#)

CONNECTED TV IS A REGULAR PART OF ACTIVITY WHEN AGENCIES TARGET SPECIFIC SCREENS

When agencies choose to buy digital video advertising on specific screens, 9 in 10 buy on desktop computer or mobile as a significant or regular part of their activity, while 8 in 10 have Connected TV as a significant or regular part of their activity.

While agencies stated usage of Connected TV is high, advertiser usage has more room to grow. 43% of advertisers surveyed have Connected TV as a significant or regular part of their activity while for 24% Connected TV was not currently part of their activity.

DIGITAL VIDEO BUYING ON SPECIFIC DEVICE
(AMONGST AGENCIES BUYING ON SPECIFIC SCREENS)



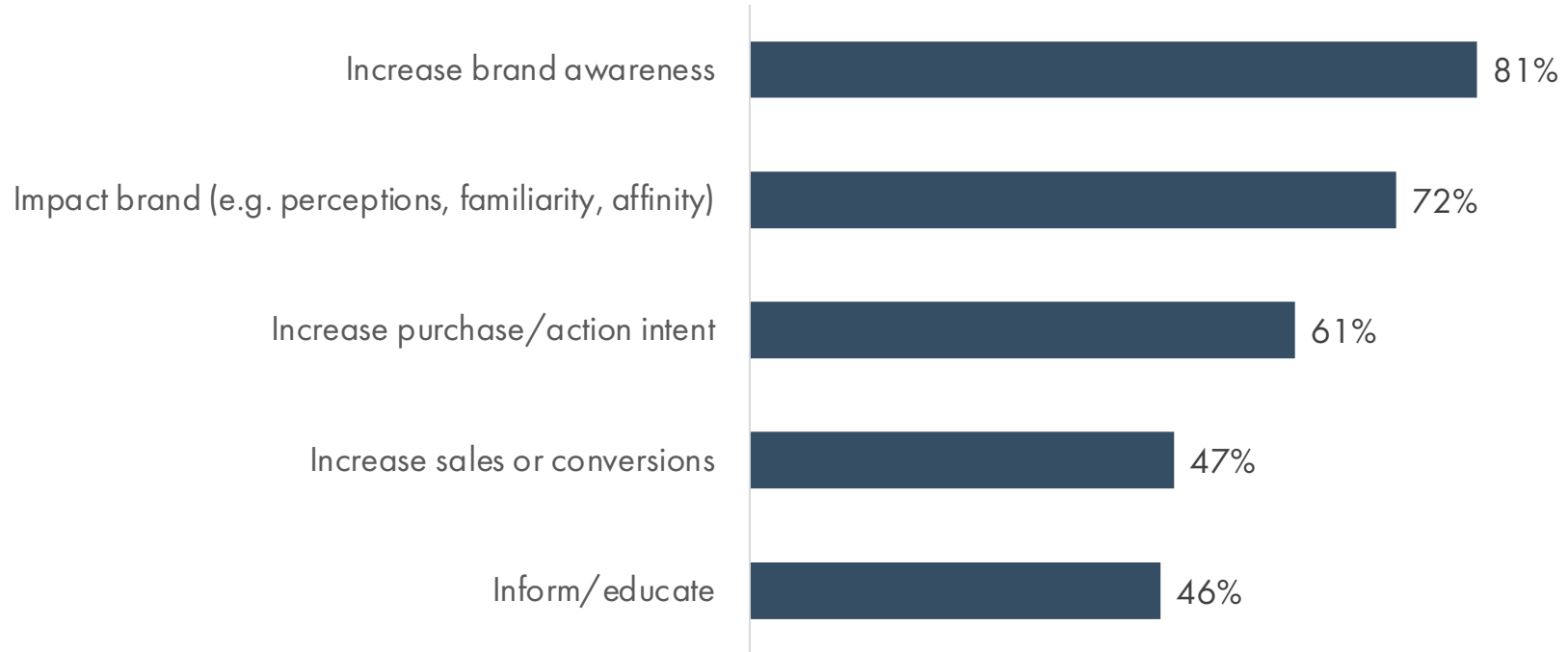
Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29) Q - Which of these best describe your organisation's experience buying Digital Video on these specific devices?

BRANDING THE PREDOMINANT OBJECTIVE FOR VIDEO

Amongst agencies, impacting brand awareness and brand perceptions are the predominant objectives for digital video campaigns.

Amongst the advertisers surveyed, digital video has been used to both increase brand awareness (53%) and increase purchase/action intent (53%) equally as the predominant objectives.

AGENCY OBJECTIVES FOR DIGITAL VIDEO ADVERTISING



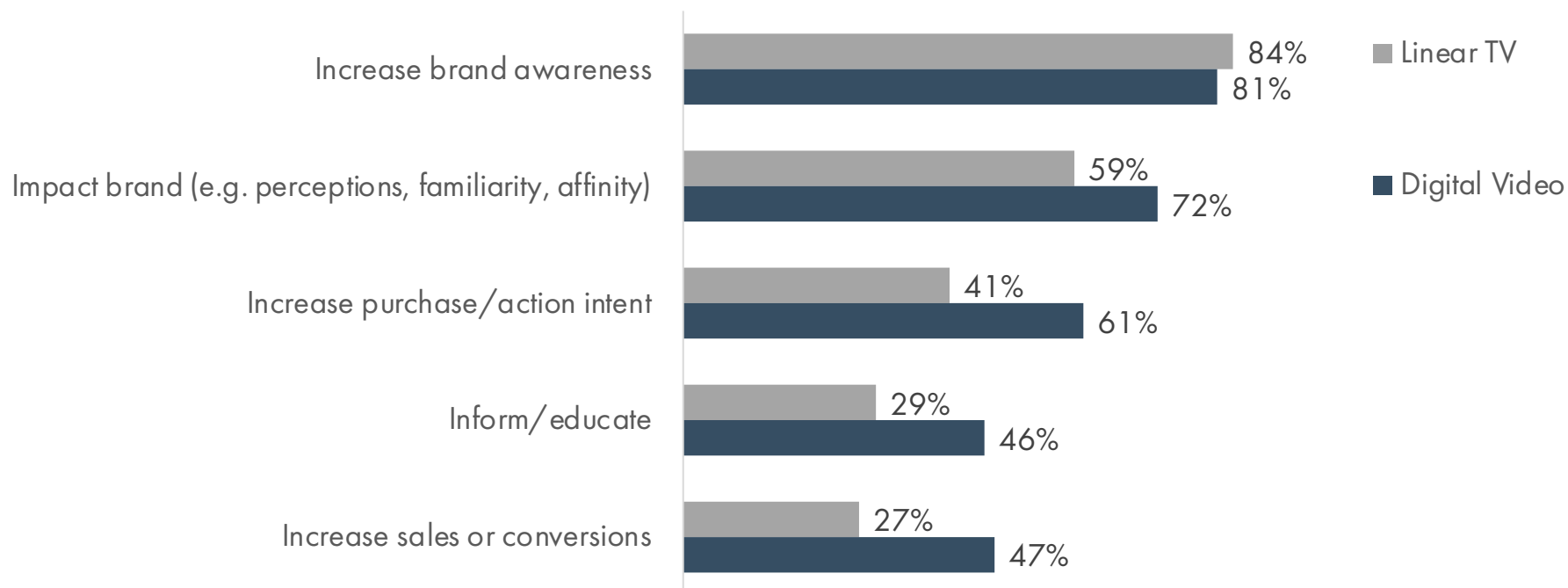
Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29)

Q - What have been the objectives of the Digital Video advertising (across Connected TV, computer or mobile) you've been involved with over the past year?

DIGITAL VIDEO ADVERTISING EXPECTED TO WORK HARDER ACROSS OBJECTIVES

Similar to Linear TV, Digital video is predominantly used by agencies to increase brand awareness. Due to the range of digital video advertising types and formats available, it is also often used for other campaign objectives including brand perception and increasing purchase/action intent.

AGENCY OBJECTIVES OF DIGITAL VIDEO AND LINEAR TV ADVERTISING



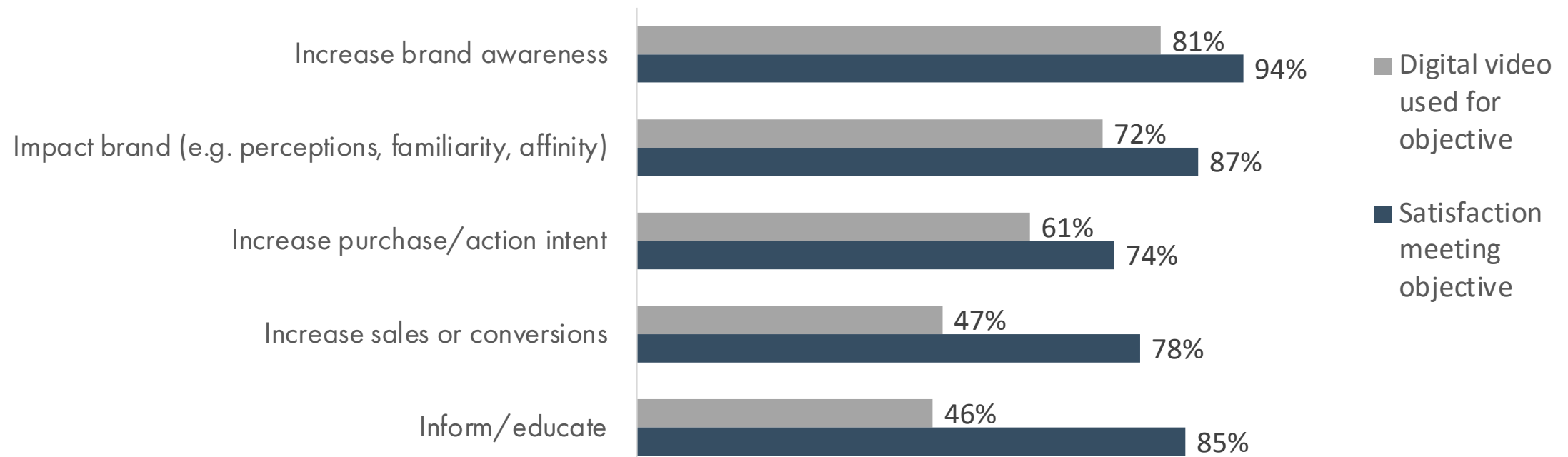
Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29). Q - What have been the objectives of the Digital Video advertising (across Connected TV, computer or mobile) you've been involved with over the past year? What have been the objectives of the Linear TV advertising you've been involved with over the past year? Please select all that apply.

HIGH SATISFACTION WITH DIGITAL VIDEO FOR BRANDING

Over 9 in 10 agencies who have used digital video for brand awareness have been satisfied with the campaign results. Agencies also report very high satisfaction with results on digital video campaigns impacting on brand perception and informing/educating.

Amongst the advertisers surveyed who used digital video for increasing purchase/action intent, 80% were satisfied with the results.

SATISFACTION WITH DIGITAL VIDEO MEETING CAMPAIGN OBJECTIVES (AMONGST AGENCIES USED DIGITAL VIDEO FOR THE OBJECTIVE)



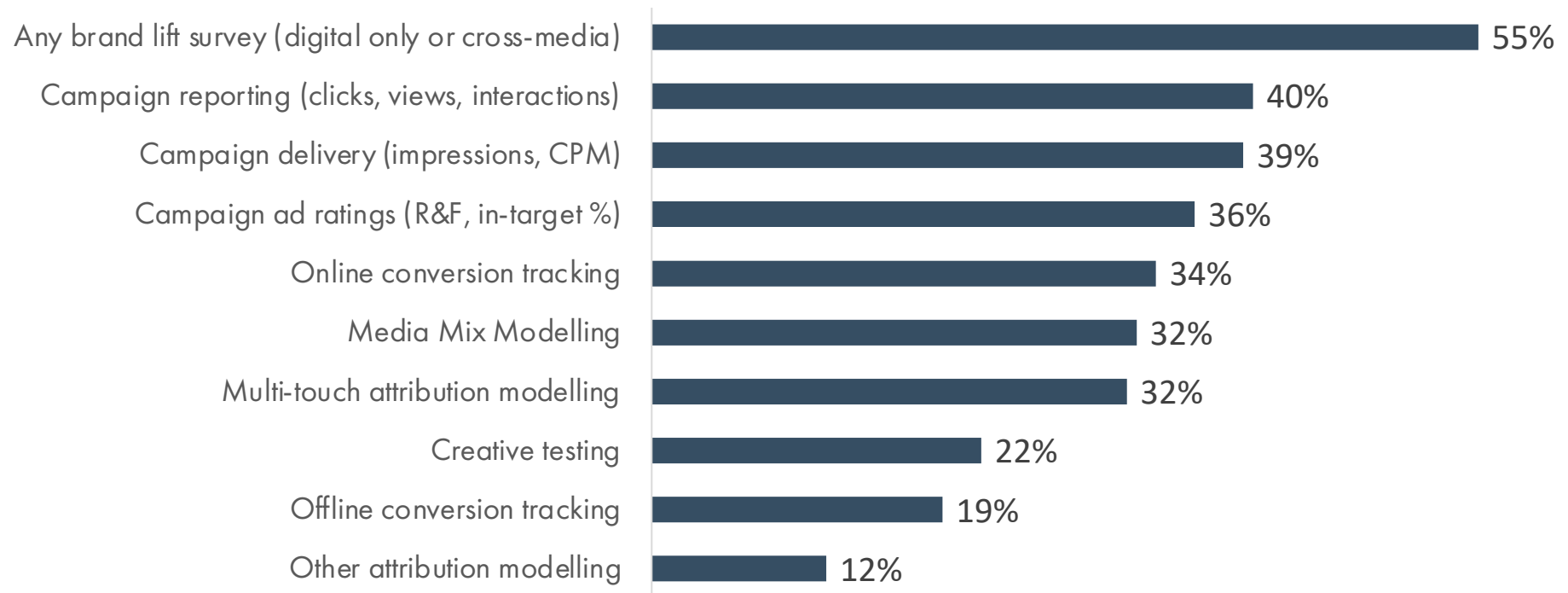
Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29). Q - What have been the objectives of the Digital Video advertising (across Connected TV, computer or mobile) you've been involved with over the past year? And how satisfied are you with the results of your Digital video advertising activities?

BRAND LIFT THE MOST IMPORTANT TOOL FOR ASSESSING IMPACT

Brand lift survey is the most important tool for agencies when assessing the effectiveness of their digital video advertising investment. There is a focus on the importance of campaign delivery and reporting tools ahead of other effectiveness techniques for assessing campaigns.

Advertisers put a higher importance on creative testing than agencies (36% of advertisers v 22% of agencies).

IMPORTANT MEASUREMENT TOOLS FOR AGENCIES ASSESSING EFFECTIVENESS



Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29).

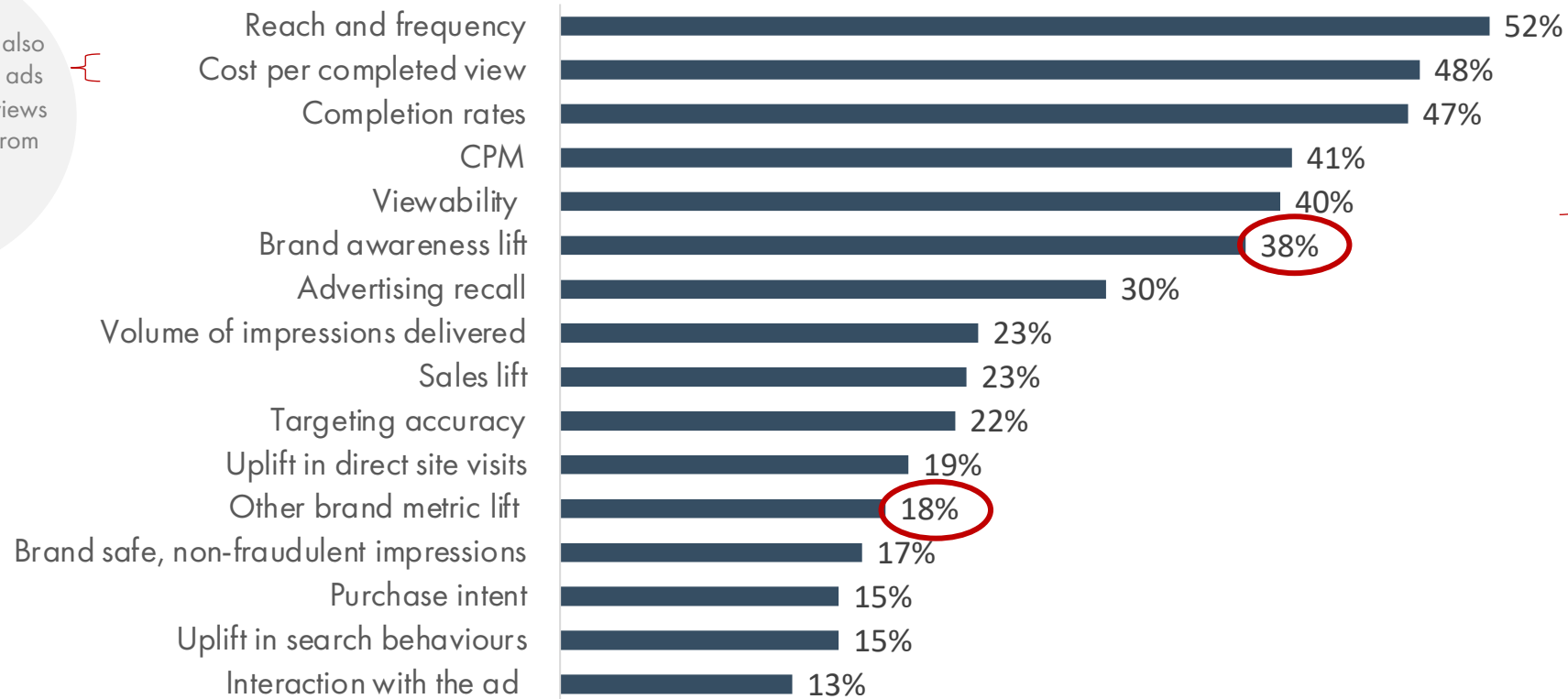
Q - When assessing the effectiveness of your Digital Video advertising investment (on Connected TV, computer or mobile), which of the following measurement tools are important to you? Please select as many as appropriate.

HOWEVER, SUCCESS METRICS FOCUS ON CAMPAIGN DELIVERY

While the predominant objectives for digital video campaigns amongst agencies are brand related, brand metrics are far less used as the measure of success for digital video campaigns. Likewise there is lower usage of other effectiveness metrics such as sales lift, purchase intent, other brand metric uplift.

KEY PERFORMANCE INDICATORS USED TO CAMPAIGN MEASURE SUCCESS

In Europe agencies are also measuring digital video ads by cost per completed views (CPCv) (rising to 74% from 67% in 2018).*



Campaign delivery and hygiene metrics more commonly used to assess success than effectiveness metrics.

Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29). Q - Which key performance indicators do you use to assess campaign success for Digital Video advertising (on Connected TV, computer or mobile)? Please select all that apply. * IAB Europe Attitudes to Digital Video Advertising Report 2020

DELIVERY AND EFFECTIVENESS METRICS SHOULD BE USED IN COMBINATION TO ASSESS CAMPAIGN SUCCESS

There is low usage of brand metrics to measure success of digital video campaigns when key objectives are to impact brand; 81% use digital video advertising to increase brand awareness but only 38% are using brand awareness lift to assess campaign success.

While delivery metrics (such as R&F, completion and CPMs) demonstrate an agencies media planning success, these metrics should be used in combination with effectiveness metrics to show the impact the campaign had on marketing objectives once it reached the intended audience.

SUMMARY OF KEY OBJECTIVES AND HOW CAMPAIGN SUCCESS IS ASSESSED

KEY OBJECTIVES	IMPORTANT MEASUREMENT TOOLS	SUCCESS METRICS USED
Increase brand awareness	Brand lift survey	Reach and frequency
Impact brand perceptions	Campaign Reporting	Cost per completed view
Increase purchase intent	Campaign Delivery	Completion rates

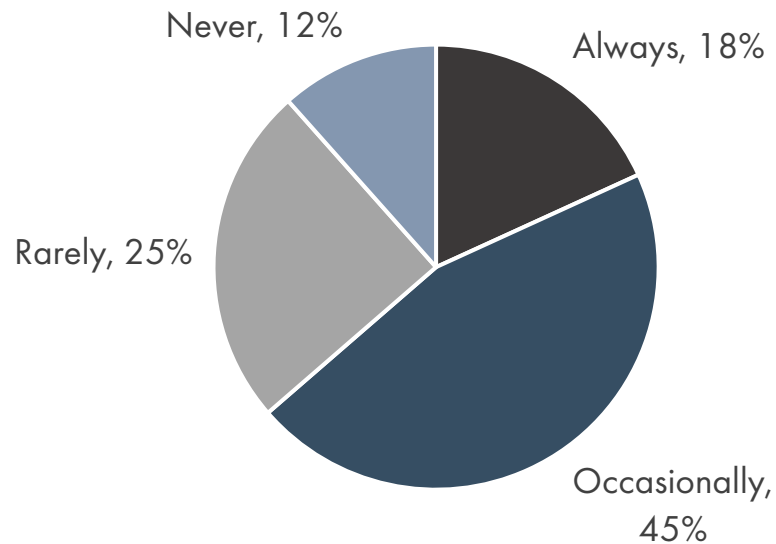
Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29).

ROOM TO IMPROVE FIT FOR PURPOSE CREATIVE

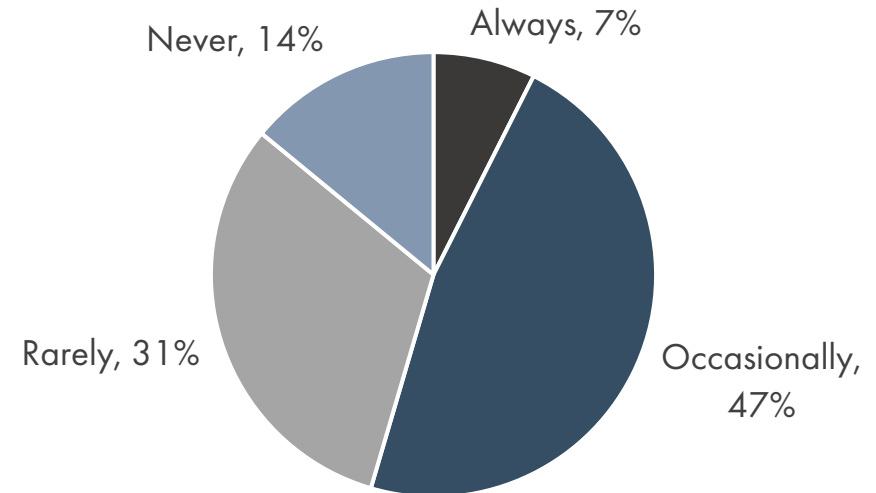
Ad effectiveness research shows that optimal creative is customised to the media and well integrated across media. There is an opportunity to improve effectiveness of digital video creative for those 37% of agencies that rarely or never develop digital video advertising creative for the specific media environment.

In Europe there is a clear trend toward more original content being produced for desktop, mobile and connected TV devices. In 2020, media agencies stated that campaigns comprising content designed specifically for the intended device was more than 26% of all activity, up from 17.5% in 2019 marking a real shift in the producing content to best suit the platform and consumer.*

ADJUST CREATIVE TO MEDIA ENVIRONMENT



ADJUST CREATIVE TO TARGET SEGMENTS

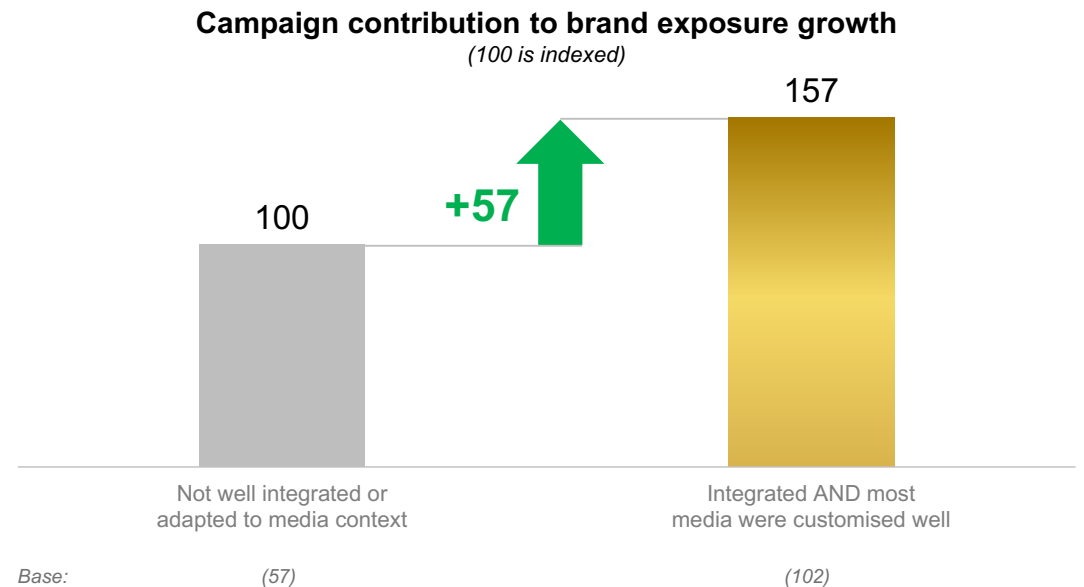
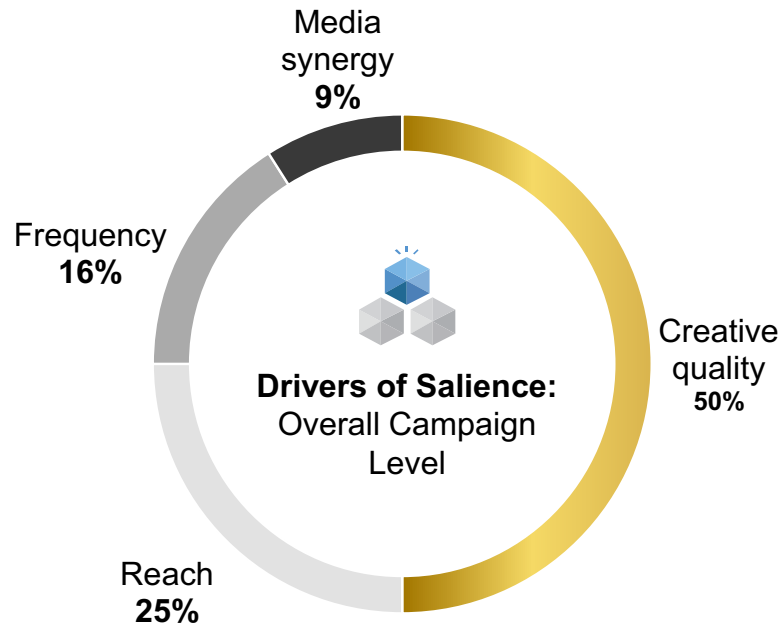


Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29). Q -How often does your company/client develop creative executions for Digital Video advertising campaigns for different environments and different target segments? *

[IAB Europe Attitudes to Digital Video Advertising Report 2020](#)

CREATIVE QUALITY IS HALF OF CAMPAIGN IMPACT

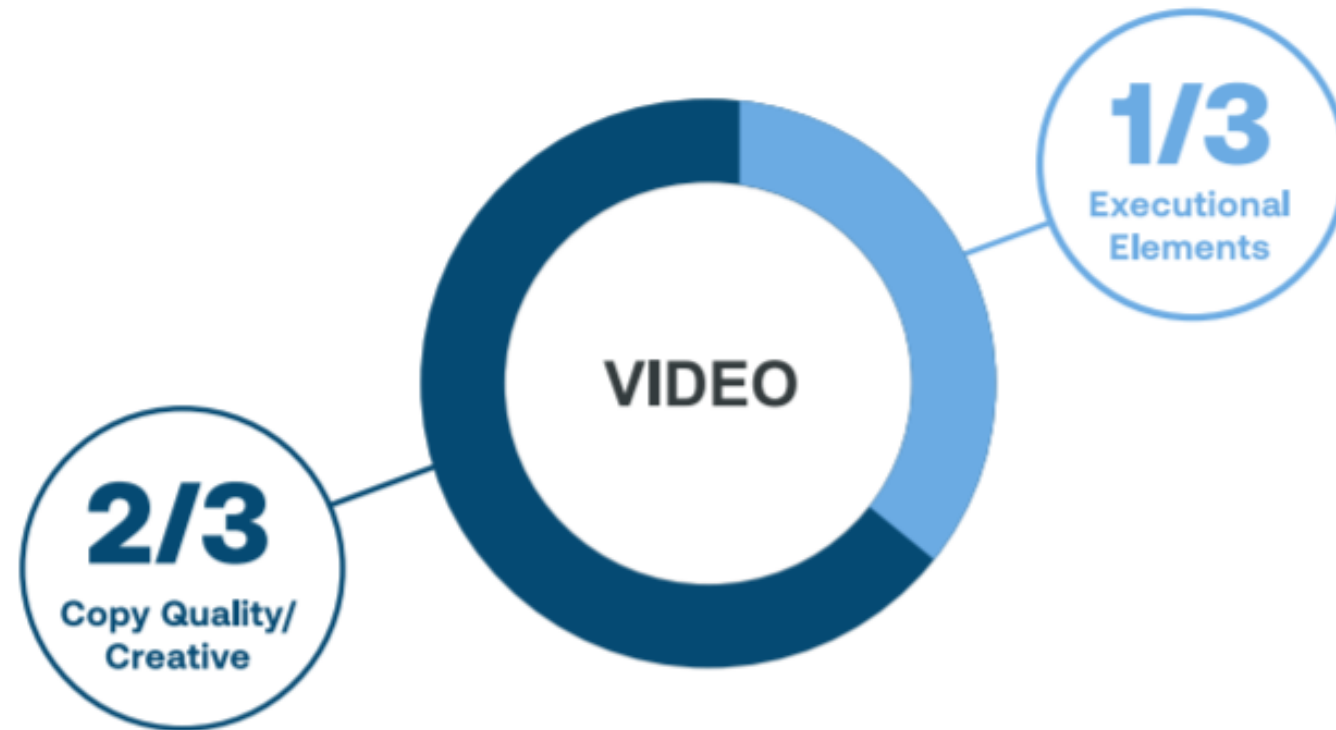
Kantar's global cross-media effectiveness database highlights that creative quality on average contributes to half of campaign effectiveness. This highlights the importance of designing creative with context in mind. Optimising assets to work their hardest makes your ad dollar work to highest potential. Campaigns where creative is customised to the media and creative elements are integrated well, will on average deliver 57% higher brand effectiveness results than campaigns that are not adapted to media context or well integrated.



Source: Kantar global CrossMedia studies, 2015-2017, (223 studies).

TWO THIRDS OF THE IMPACT OF A VIDEO IMPRESSION IS DRIVEN BY THE QUALITY OF THE CREATIVE ITSELF

Analytic Partners ROI Genome research shows creative is a key driver of advertising performance / campaign effectiveness, second only to investment levels. Given the strong impact from creative – the difference in business impact from even average creative to strong impactful creative can be significant.

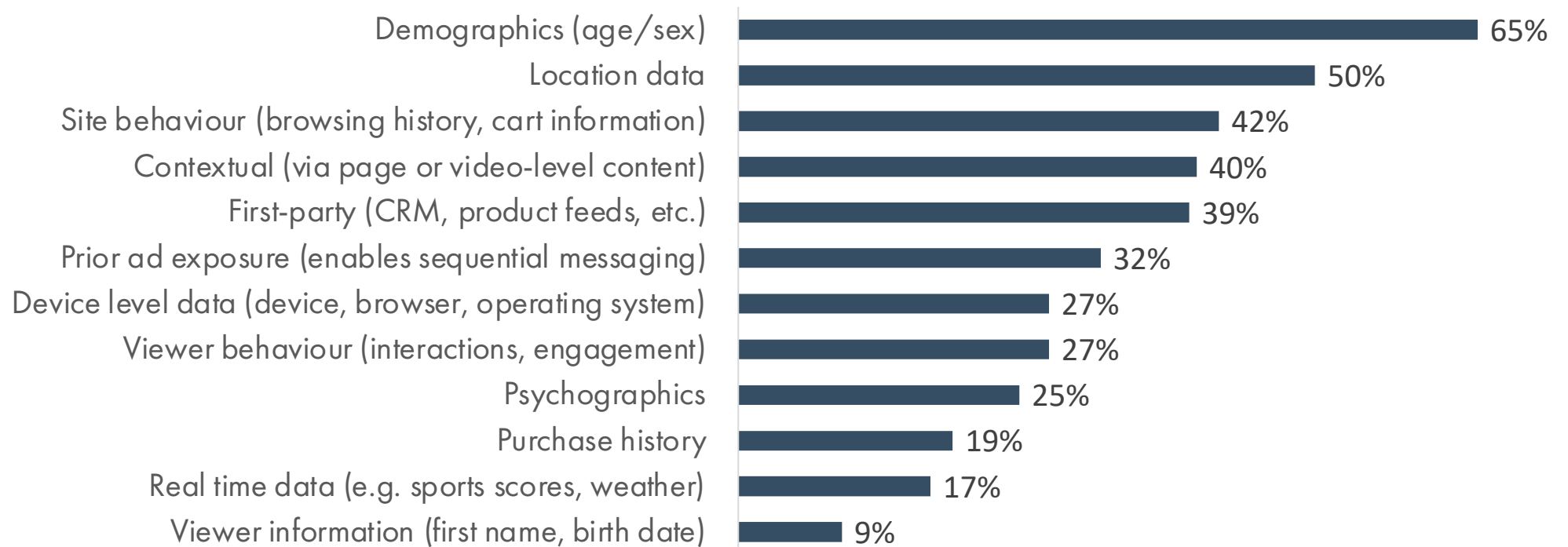


Source: Analytic Partners ROI Genome

A DIVERSE RANGE OF DATA SIGNALS ARE BEING USED FOR TARGETING AND CREATIVE

Agencies rely on a range of data signals potentially utilising third-party cookies. Agencies and advertisers need to undertake preparations for third-party cookie retirement.

DATA SIGNALS BEING USED FOR TARGETING AND CREATIVE



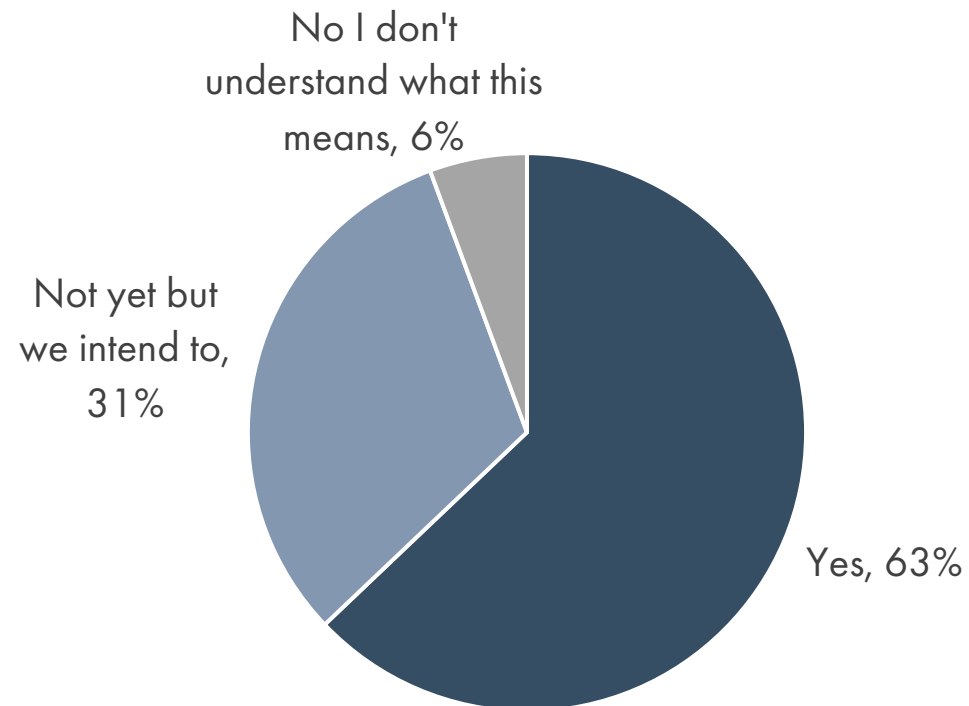
Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29).

Q - Which of the following data signals is your company/client using to inform targeting and creative for Digital Video advertising (on Connected TV, computer or mobile)? Please select all that apply.

PREPARATIONS FOR POST-COOKIE ARE REQUIRED

Agencies and advertisers need to undertake preparations for third-party cookie retirement. 37% of agencies report they are not yet making preparations to towards people-based marketing that will enable planning, activating and measuring interactions across media into the future when third-party cookies are no longer available to use.

AGENCY PREPARATIONS FOR THIRD-PARTY COOKIE RETIREMENT



Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29).

Q –Are you or your clients making plans toward people based marketing and identity solutions that will enable planning activating and measuring interactions across media into the future when third party cookies are no longer available to use?

CROSS-SCREEN PLANNING AND ASSESSMENT IS CHALLENGING

Cross-screen measurement for both media planning and campaign delivery reporting are key challenges for driving greater investment into digital video advertising according to agencies. Solutions require industry collaboration, and we are seeing exciting developments globally with the [WFA's framework for cross-media measurement](#).

Digital reach and frequency and attribution techniques are being impacted by the retirement of the third-party cookie. This change gives the digital advertising industry the opportunity to re-think digital marketing to support industry use cases, while balancing consumer privacy. It's important for agencies and marketers to understand how the changes impact their measurement tool kit and get ready for the post-cookie world. Find out more in the IAB's whitepaper, [Beyond the Cookie: Mapping the Future of Marketing Measurement](#).

TOP 3 AGENCY CHALLENGES FOR DRIVING GREATER INVESTMENT IN DIGITAL VIDEO

1. Lack of standardised campaign reach and frequency metrics across screens
2. Lack of tools to carry out cross-screen/media planning
3. Difficulties in measuring the attribution of video media touchpoints to campaign effectiveness

Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29). Q - What are the 3 biggest issues preventing more brand investment in Digital Video advertising (on Connected TV, computer or mobile)? Please select up to 3 responses.

THE CROSS-SCREEN MEASUREMENT CHALLENGE IS GLOBAL

ISBA in the UK have commenced a project to put into effect the [WFA's global framework for cross-media measurement](#). At heart of this framework is marketers needs and requirements for cross-media measurement. The ISBA project is starting with a blueprint for campaign reach and frequency measurement for TV and digital display but has its eye on an approach that will scale to content/context, across other media and to other global markets. You can find out more in an [IAB interview](#) with ISBA.

AUSTRALIA

	AGENCIES	ADVERTISERS
1.	Lack of standardised campaign reach and frequency metrics across screens	Measuring the attribution of video media touchpoints to campaign effectiveness
2.	Lack of tools to carry out cross-screen/media planning	Lack of standardised campaign reach and frequency metrics across screens
3.	Measuring the attribution of video media touchpoints to campaign effectiveness	Understanding how digital video can work in combination with other media for brand campaigns

EUROPE*

	AGENCIES	ADVERTISERS
1.	Lack of cross-screen measurement	Lack of cross-screen measurement
2.	Having a clear understanding of the impact of digital video advertising on total revenue	<ul style="list-style-type: none"> • Brand safety • Viewability • Having a clear understanding of the impact of digital video advertising on total revenue
3.	Cost of technology	Hiring people with the right skill set

Source; IAB Australia Attitudes to Digital Video Advertising Report 2021 (agency n=174, brand/advertiser n=29). Q – What are the 3 biggest issues preventing more brand investment in Digital Video advertising (on Connected TV, computer or mobile)? Please select up to 3 responses. . * [IAB Europe Attitudes to Digital Video Advertising Report 2020](#)

FURTHER RESOURCES FROM THE IAB VIDEO COUNCIL AND 2021 FOCUS



[Connected TV Handbook](#)



[Connected TV Webinar](#)



Coming in Q1 2021...