

# video advertising

## state of the nation

july 2024

# iab australia video council

the iab thanks the video council for their support of this research



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# introduction

The digital video landscape continues to be an exciting and complex space. Significant numbers of Australian's continue to consume diverse digital video content across multiple screens. In a tough year for advertising, digital video advertising has driven growth in the online display advertising market with expenditure up 14% year on year to \$3.78b in 2023\*. Connected TV yields the greatest share of content publishers' video inventory expenditure (with 50% from Connected TV, 32% desktop and 18% mobile in 2023)\*.

The IAB Australia Video Council drive industry projects in relation to advertising standards, best practice, creative and research of streaming ads in all environments across consumer screens. The council are proud to launch this report presenting the results of the fourth wave of the annual state of the nation video survey to provide deeper insight into video advertising investment.

\*Source; IAB Australia Online Advertising Expenditure Report, prepared by PwC for CY 2023 (Expenditure by device presented above is only in relation to content publishers, excluding CRA, and therefore percentages presented above cannot be extrapolated across total video expenditure.)



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# methodology

- This online survey was carried out in June 2024.
- 120 advertising agency decision makers completed the survey.
- Respondents are senior representatives across independent and major holding group agencies, who are responsible, or influence advertising decision making for their company or clients and have previously bought digital video advertising.
- 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.
- These results from the 2024 survey have been compared to results from previous waves of the IAB Australia Video Advertising State of the Nation surveys conducted in 2021, 2022 and 2023 (previous reports can be found on the IAB website).

# executive summary

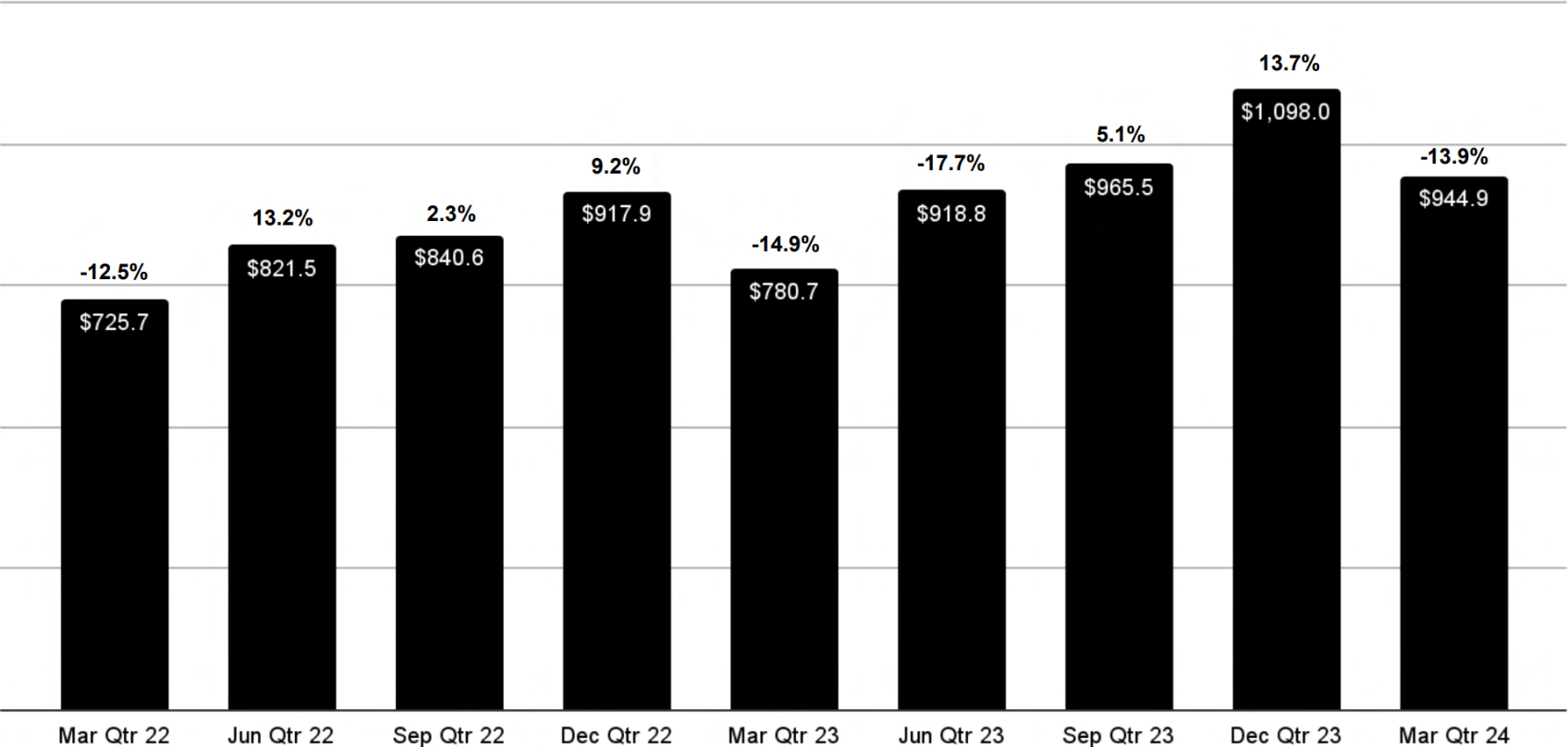
- The now **\$3.78 billion digital video ad market** experienced growth of 14% from 2022 to 2023 and 175% growth over the past 5 years.
- Most agencies continue to have digital video on mobile and computer as a significant or regular part of campaign activity. The **frequency of using connected TV advertising has increased** over the last year and for the first time is a more significant part of activity than mobile or computer
- **Overall reach and expanding the reach of linear TV** are major drivers of using digital video advertising, along with **targeting and personalisation**. There are nuances in agency drivers of use across screens with connected TV usage more often driven by brand building, while video on mobile or computer for competitive pricing.
- **While brand building remains the dominant objective** for all digital video and TV advertising, agencies are engaging in **full funnel strategies** with campaign objectives also including driving sales and conversions. While video advertising on connected tv is slightly more used for increasing brand awareness, video advertising on mobile and computer is more frequently used for lower funnel objectives. In a year where cost of living pressures are impacting consumer sales, agencies have increased their usage of digital video for brand building and for stimulating purchase intent or action to prime consumers in preparedness for when stronger spending returns.
- While agencies use multiple buying methods, connected TV advertising is **most often bought programmatically** via guaranteed deals and digital video computer and mobile is most commonly often programmatically traded on an open exchange.
- There has been significant **increase in the usage of nearly all digital video ad formats**. **Screen strategies are expanding** with increased usage of digital out-of-home video ads and the usage of digital video retail media formats (measured for the first time this year). Nearly two-thirds of agencies report buying digital video on connected TV, mobile and computer in combination with digital out-of-home. Agencies are no doubt currently facing challenges such as standardisation and data integration across different DOOH, retail media platforms and CTV environments.
- Agencies are **focused on campaign delivery and campaign brand impact** when measuring the effectiveness of digital video campaigns. There are limitations on understanding the impact of full funnel video strategies as agencies are less focused on measurement tools and metrics for sales impact.
- Despite significant measurement developments for digital video in the last year, the **lack of tools to carry out cross-screen/media planning** continues to be a barrier for greater investment in digital video advertising, along with lack of standardised campaign reach and frequency metrics.

# video advertising expenditure growth continues to outperform the overall general display market

## Video advertising expenditure, by quarter (\$ million)

Video advertising expenditure is up 21% year-on-year, and represents 67% of display advertising spend, in the latest quarter ending March 2024.

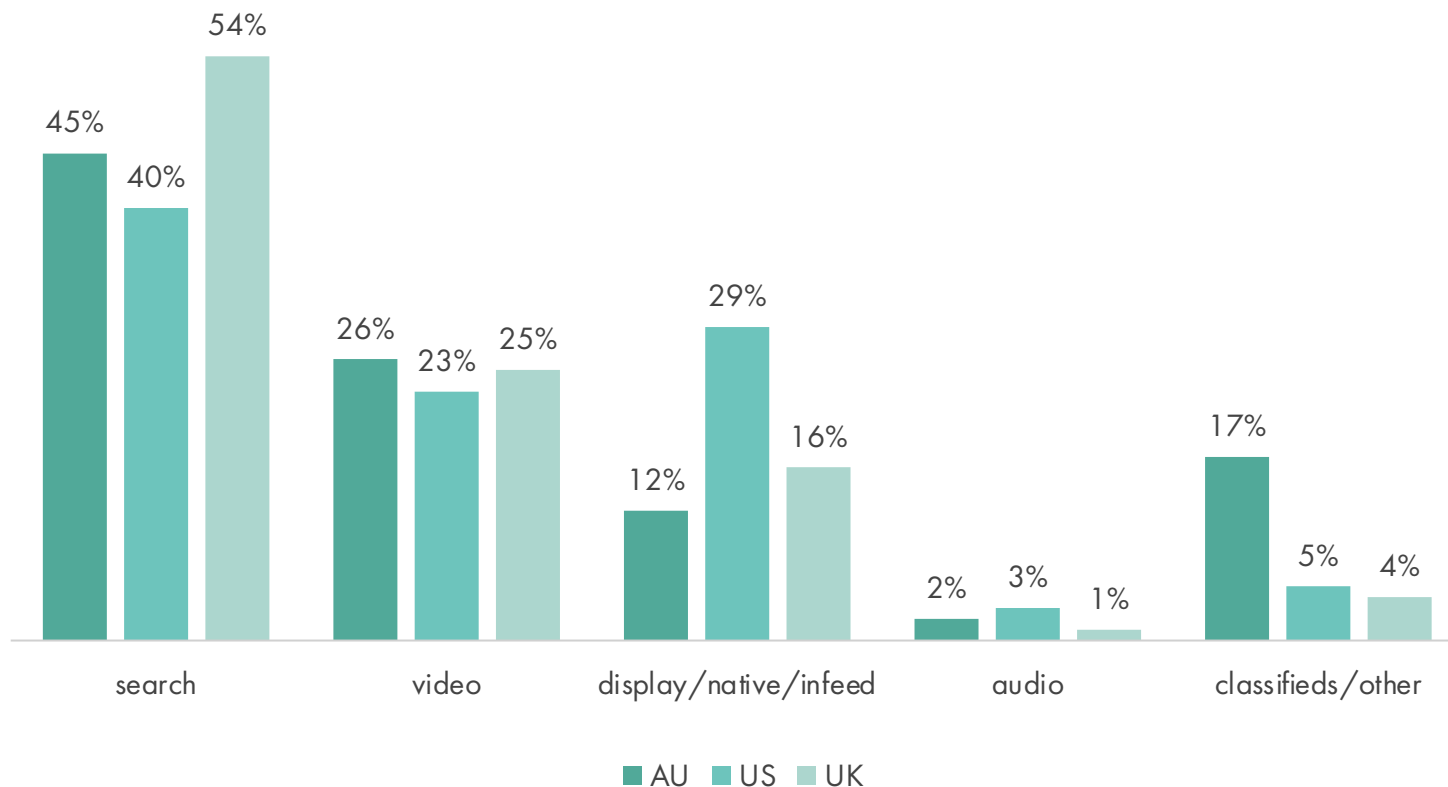
Expenditure for calendar year 2023 totaled \$3.78b, up 14% year-on-year.



Source; IAB Australia Online Advertising Expenditure Report, prepared by PwC for quarter ending March 2024

# video advertising is a key driver of online advertising expenditure across markets

online video advertising expenditure share and growth year on year by market



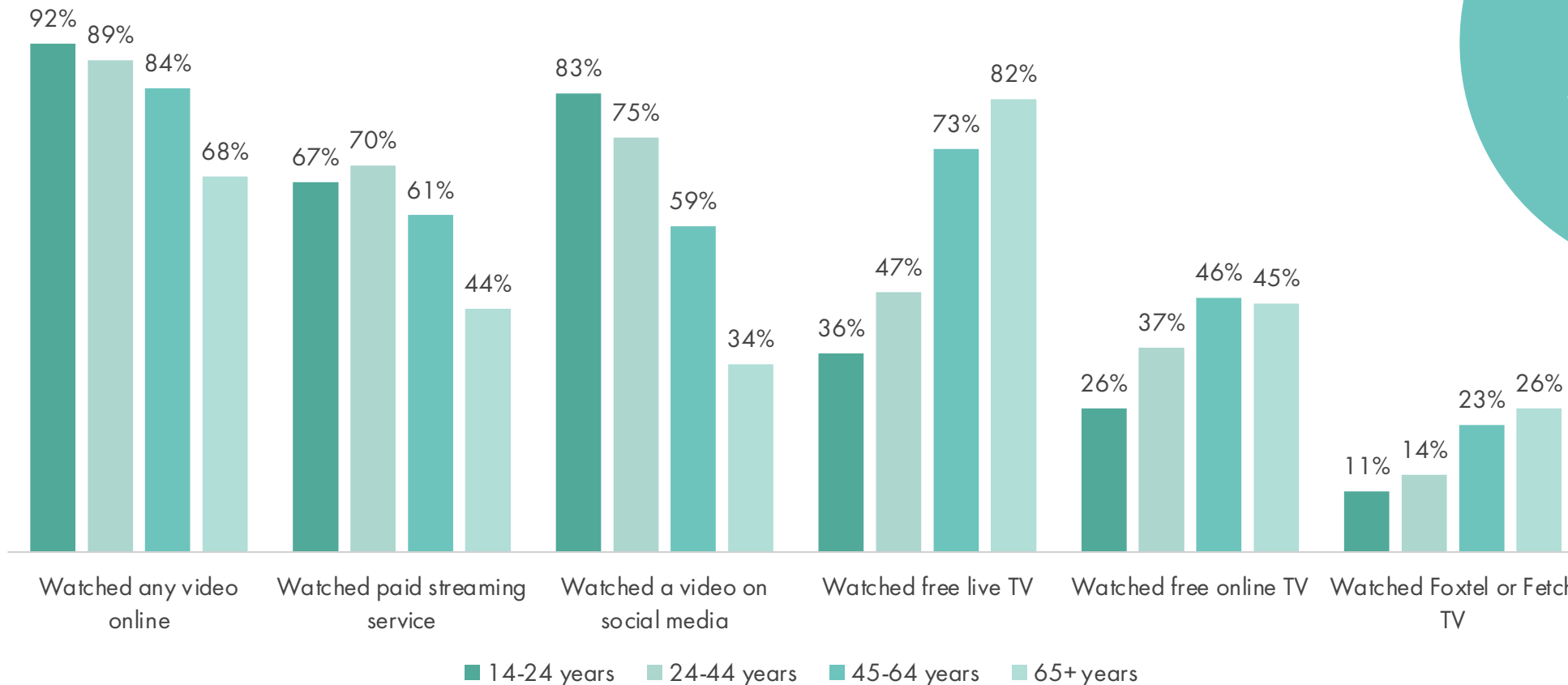
investment change 2023 vs 2022			
	AU	US	UK
search	6.1%	5.2%	11.9%
video	14.2%	10.6%	11.7%
audio	20.6%	18.9%	12.8%
display/native/infeed	-15.0%	4.0%	3.8%
classifieds	-2.6%	n/a	-2.7%

Sources: IAB Australia/ Online Advertising Expenditure Report: PwC | IAB Internet Advertising Revenue Report , IAB UK & PwC Adspend Study



# content and screens are driving high video consumption

media consumption by age in last 7 days



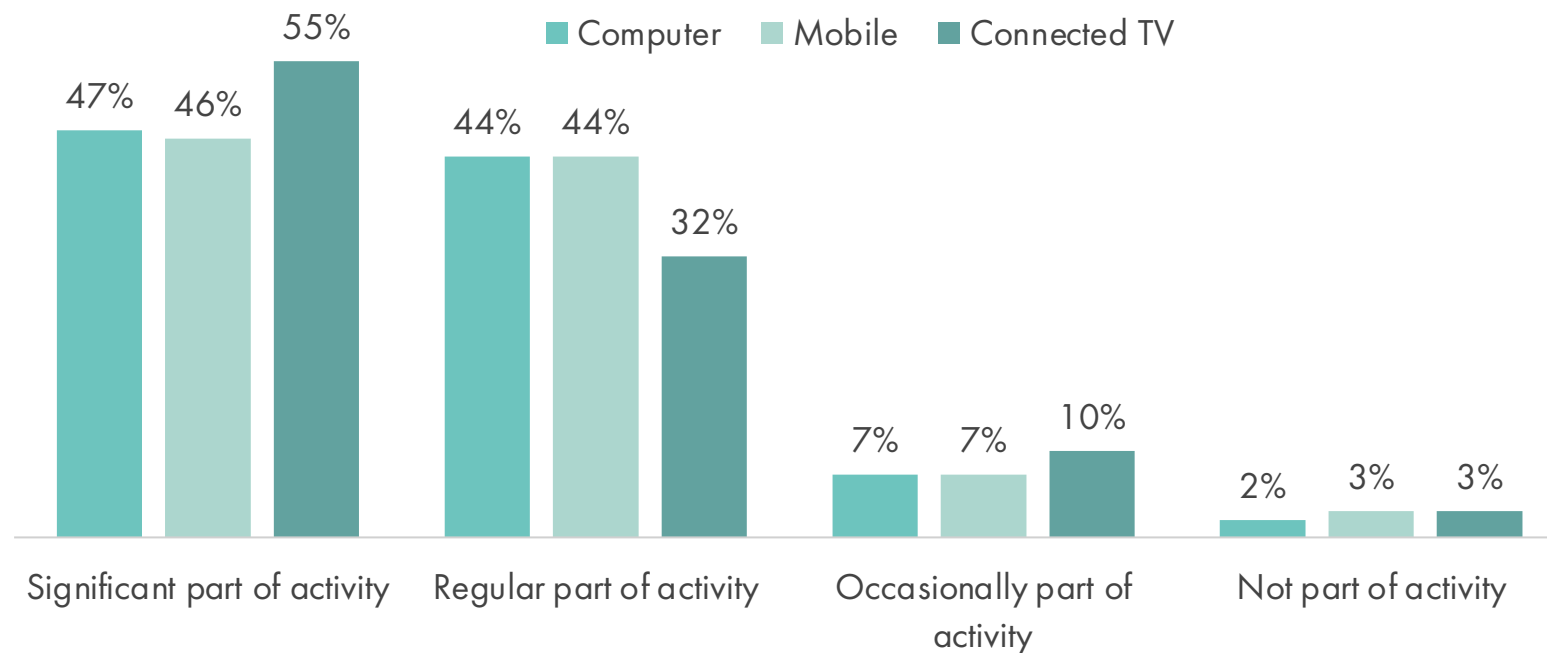
84%  
of all people 14+  
watched online  
video in the last 7  
days.

Source: Ipsos iris Establishment Survey, March 2024, N=12,810 P14+, [Digital Landscape Report](#)

# the number of agencies with significant investment in digital video on connected TV overtakes computer and mobile

Frequency of using connected TV advertising has increased over the last year and for the first time more agencies have connected TV as a significant part of activity than for mobile or computer. Connected TV is a regular or significant part of activity for 87% of agencies (increasing from 76% in 2023). Most respondents have digital video on mobile (90%) and computer (91%) as either a significant or regular part of activity.

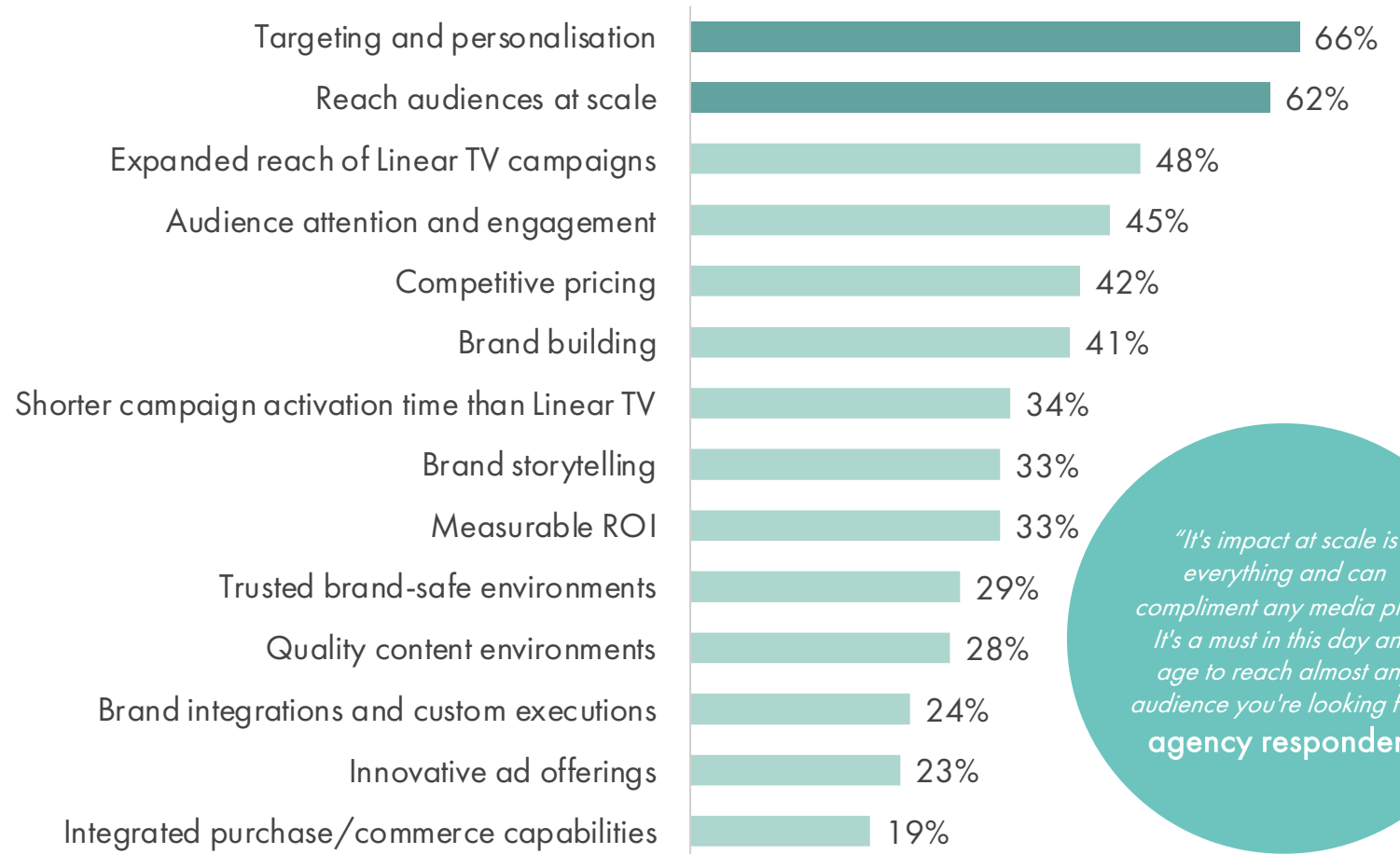
experience buying digital video across screens



**92%**  
of respondents have digital video on any screen as a significant or regular part of activity.

# targeting and reach drive usage and recommendation of digital video advertising on mobile and computer

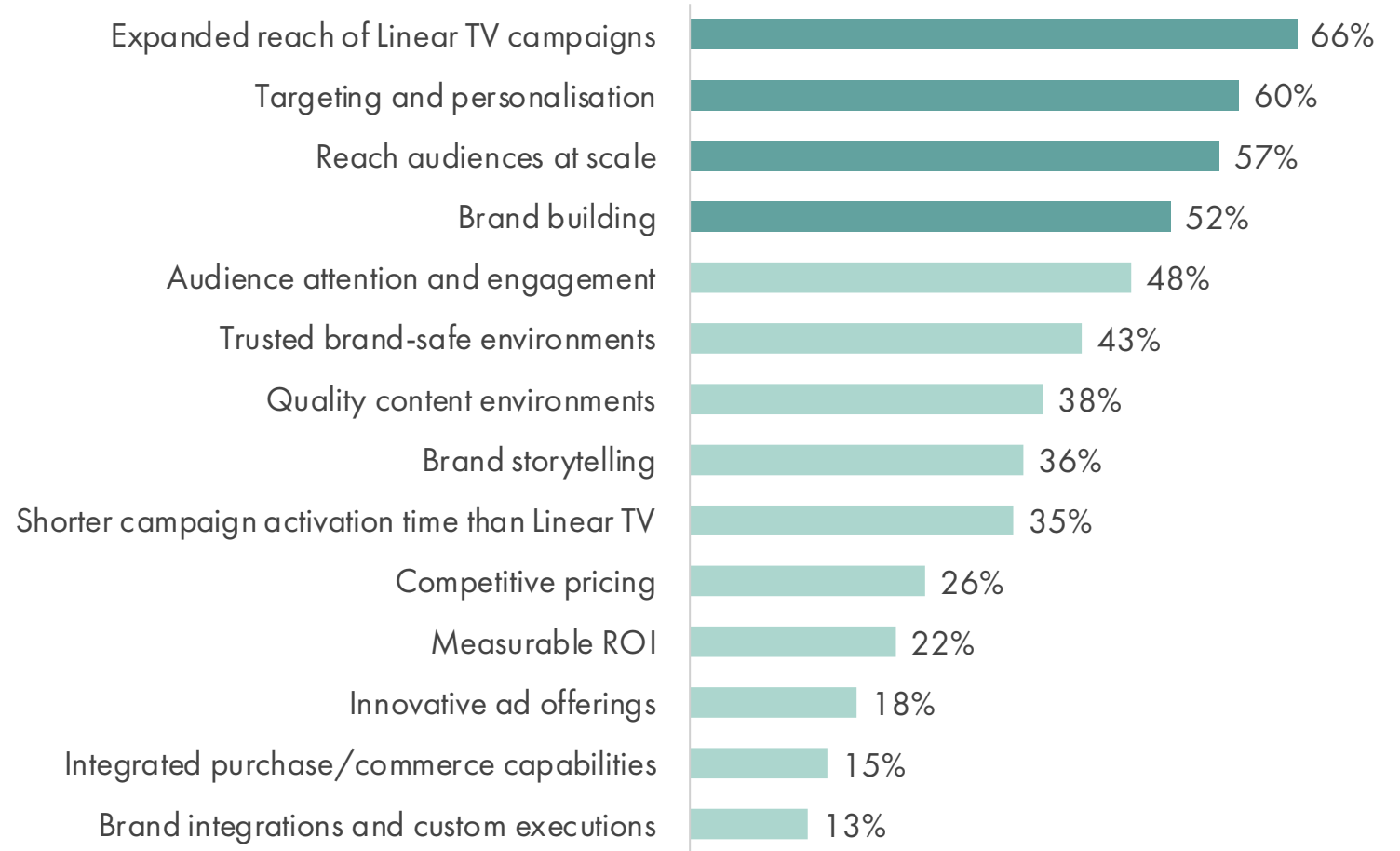
drivers of continuing mobile and computer digital video investment and recommendation amongst agencies



*"It's impact at scale is everything and can compliment any media plan. It's a must in this day and age to reach almost any audience you're looking for."*  
**agency respondent**

# reach, targeting, and brand building drive usage and recommendation of digital video advertising on connected TV

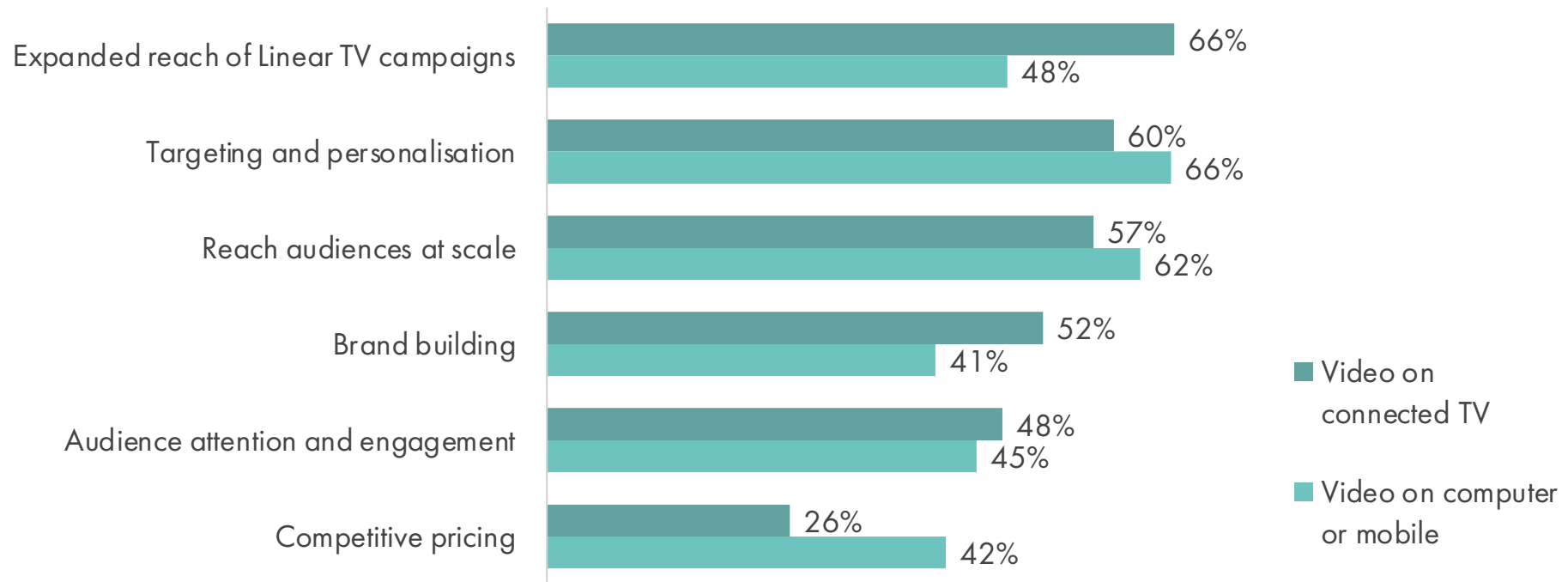
drivers of continuing connected TV digital video investment  
and recommendation amongst agencies



# drivers for continued investment differ across screens

Amongst the top drivers for digital video investment across screens, agencies are more compelled to use connected TV for expanding the reach of Linear TV campaigns and brand building, while they are more compelled to use video on mobile or computer for targeting, reaching audiences at scale and competitive pricing. Agencies are also more likely to use mobile and computer for measurable ROI and to use connected TV for brand-safe environments, although these are weaker drivers overall.

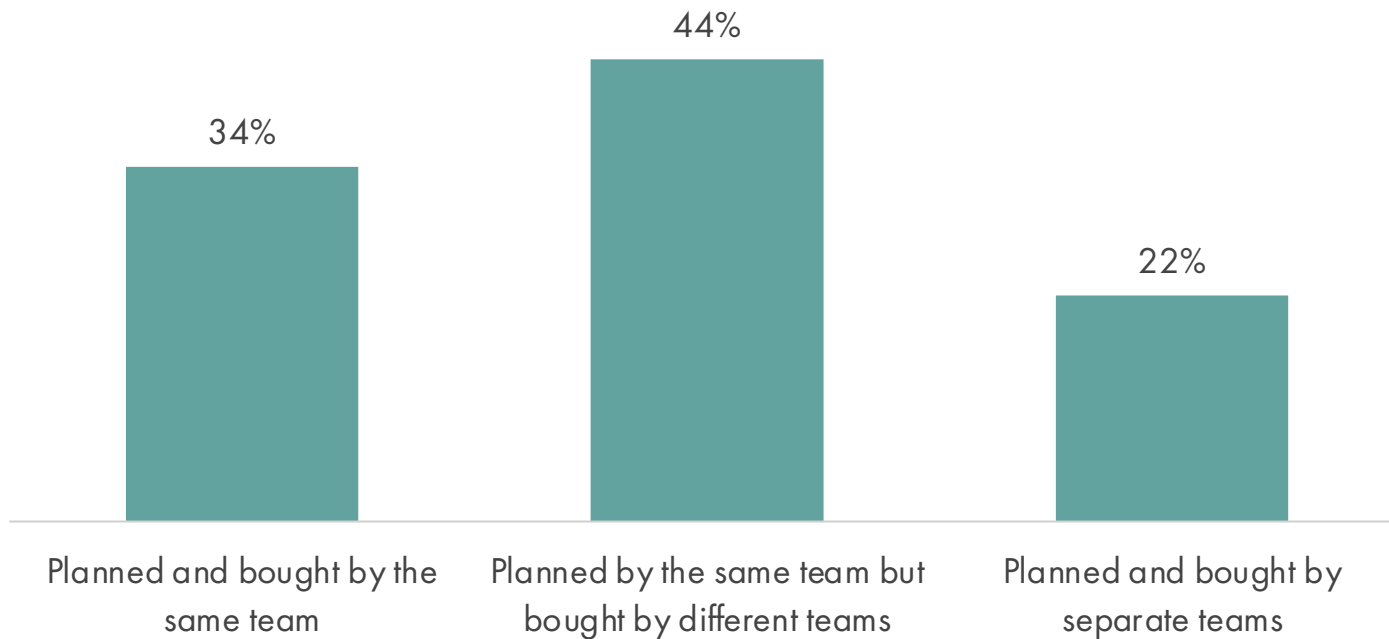
drivers of continuing digital video investment across screens amongst agencies



# growth in a screen teams planning approach

Growth in a screen teams approach means that since 2022 there has been a gradual shift to 78% of agencies planning linear TV and digital video together in the same team (up from 74% in 2022), with over a third of agencies this year planning and buying within the same team.

agency planning and buying of linear TV and digital video



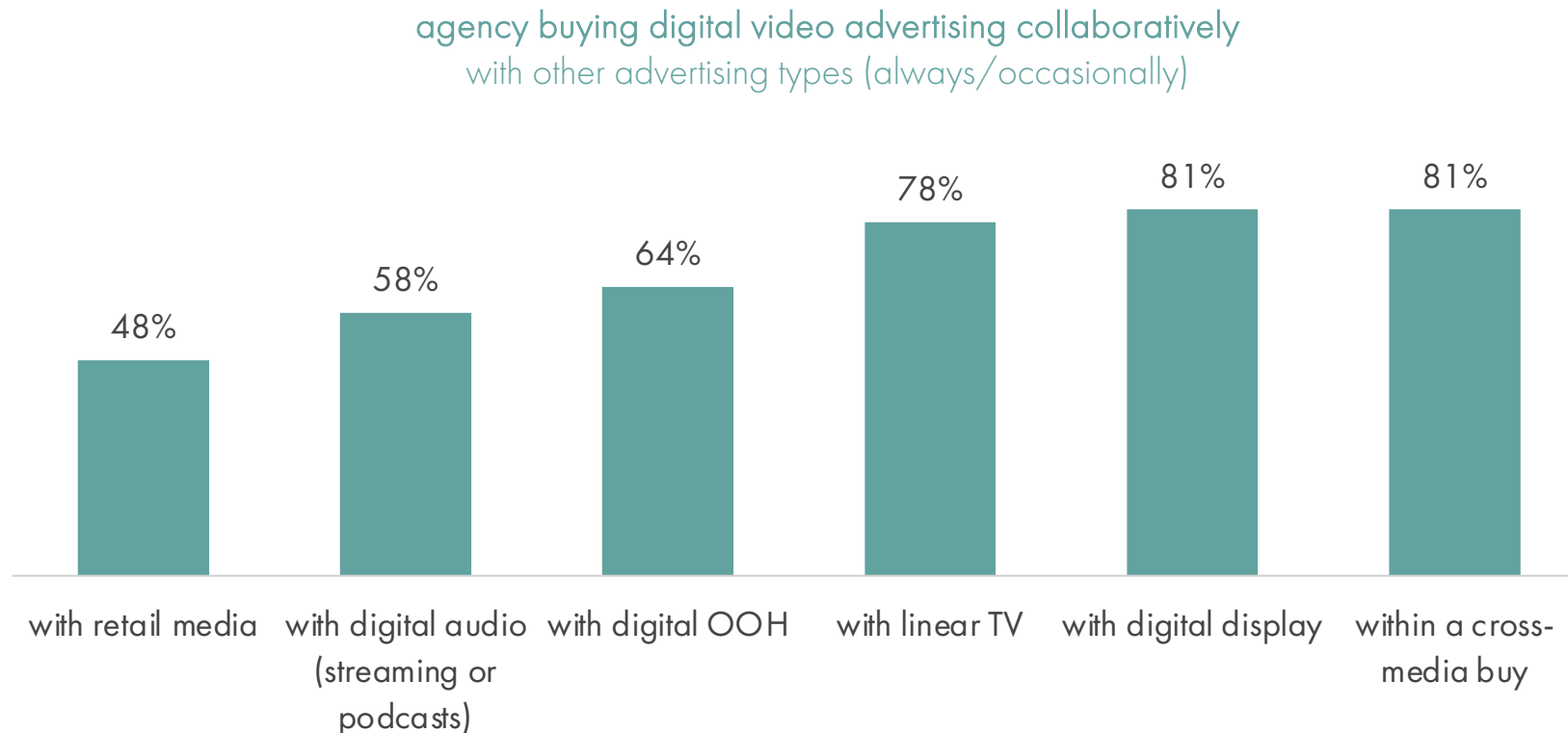
**78%**  
of agencies are planning linear TV and digital video together in the same team.

Media owner segmented teams.  
*"if we want to buy converged TV we have to talk to two separate teams vs just briefing one and receiving a combined response."*

**Agency respondent**

# agencies buy digital video advertising in combination with other advertising types

8 in 10 agencies have bought digital video (across any device) with other advertising types. A high proportion are buying with other digital display and linear TV.



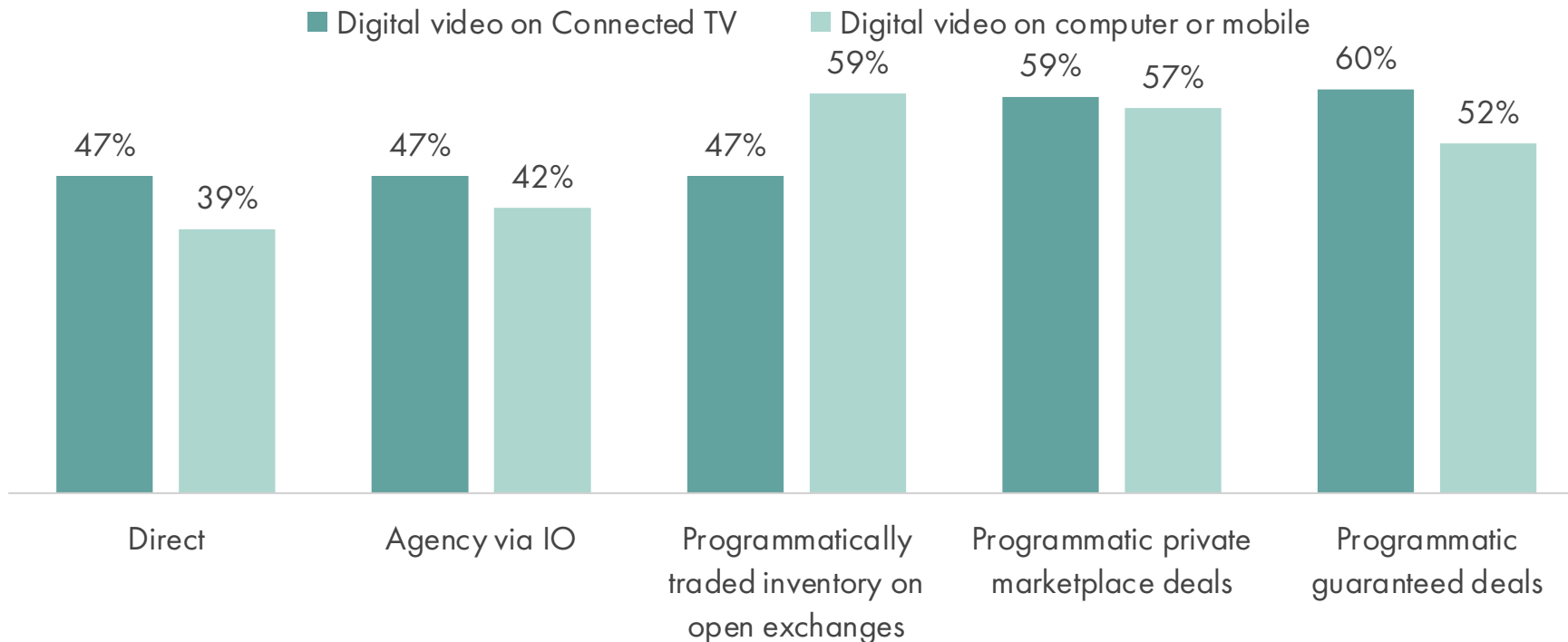
Source; IAB Australia Video Advertising State of the Nation 2024 (n=120)

Q - In the last year, which of the following buying methods have you used for Digital Video advertising (Connected TV, computer or mobile)? Please select one response in each row.

# buying methods used for digital video advertising

86% of agencies buying video advertising on connected TV have bought programmatically, similarly 86% have bought digital video on computer or mobile programmatically. Digital video on computer and mobile is more often bought programmatically on an open exchange, whereas digital video on connected TV is more often bought programmatically via guaranteed deals.

agency buying method for digital video



*"To strengthen the role of digital video in the media mix, enhance programmatic availability for seamless cross-media integration that allow advertisers to plan, buy, and measure digital video alongside other channels, creating a unified strategy that maximizes reach and engagement."*

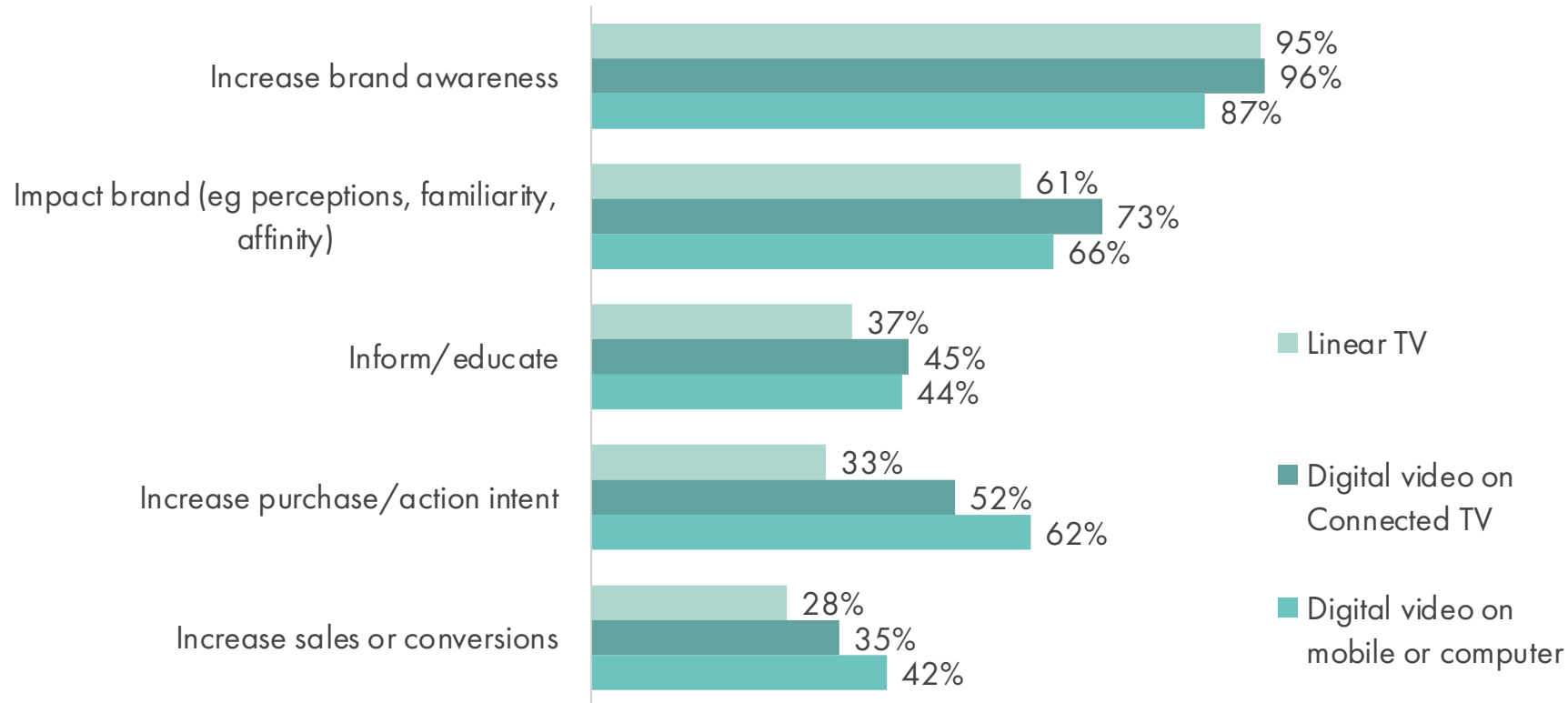
**Agency respondent**



# brand building is still the dominant objective for digital video

Increasing brand awareness is the dominant objective for all digital video and TV advertising. While video advertising on connected TV is slightly more used for increasing brand awareness, video advertising on mobile and computer is more frequently used for lower funnel objectives (6 in 10 using digital video on mobile or computer to increase purchase intent).

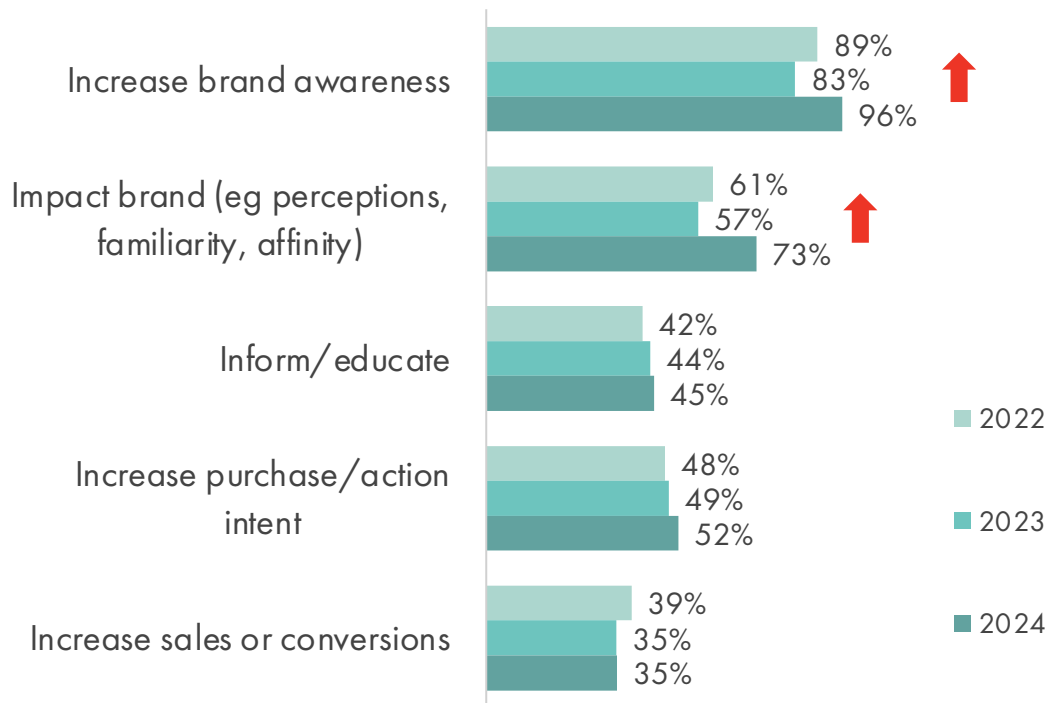
agency objectives for digital video and linear TV



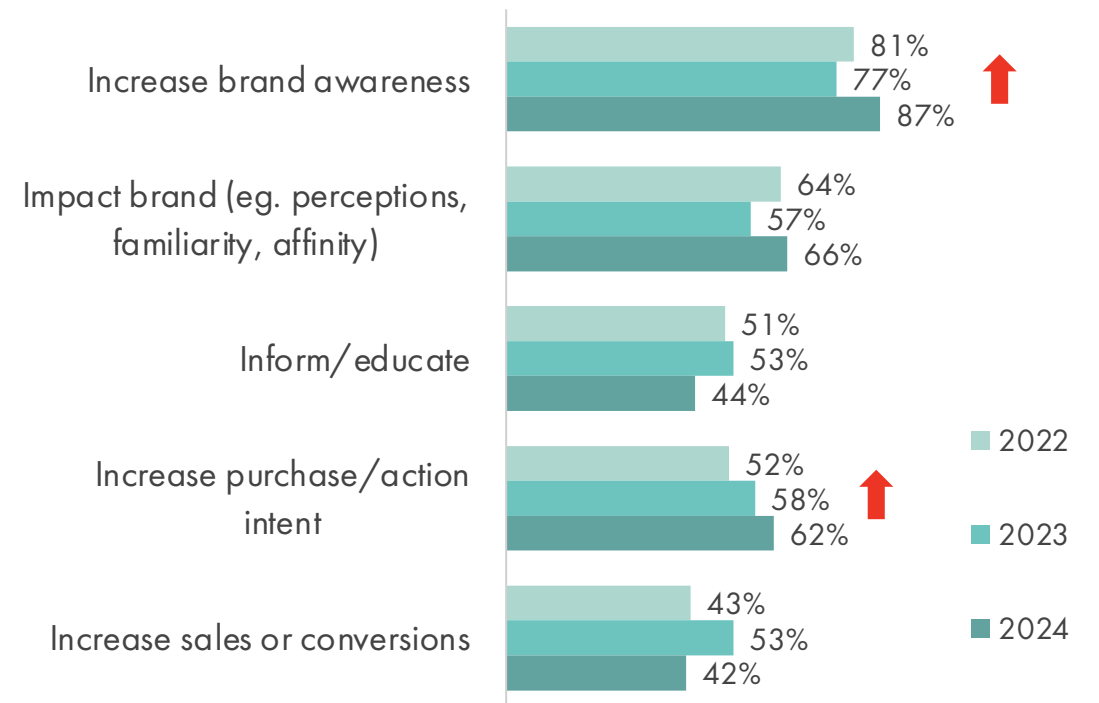
# brand building is still the predominant objective for digital video

Agencies are using digital video to do more across all objectives at the top and bottom of the funnel. In a year where consumer spending is tight, agencies and advertisers have increased their usage of digital video for brand building and for stimulating purchase intent or action (possibly priming consumers for when spending comes back more strongly).

digital video on connected TV



digital video on mobile or computer



Source; IAB Australia Video Advertising State of the Nation 2024 (n=120)

Q - What have been the objectives of the Digital Video advertising on computer or mobile or Connected TV you've been involved with over the past year? Please select all that apply.

# measurement tools for assessing digital video advertising

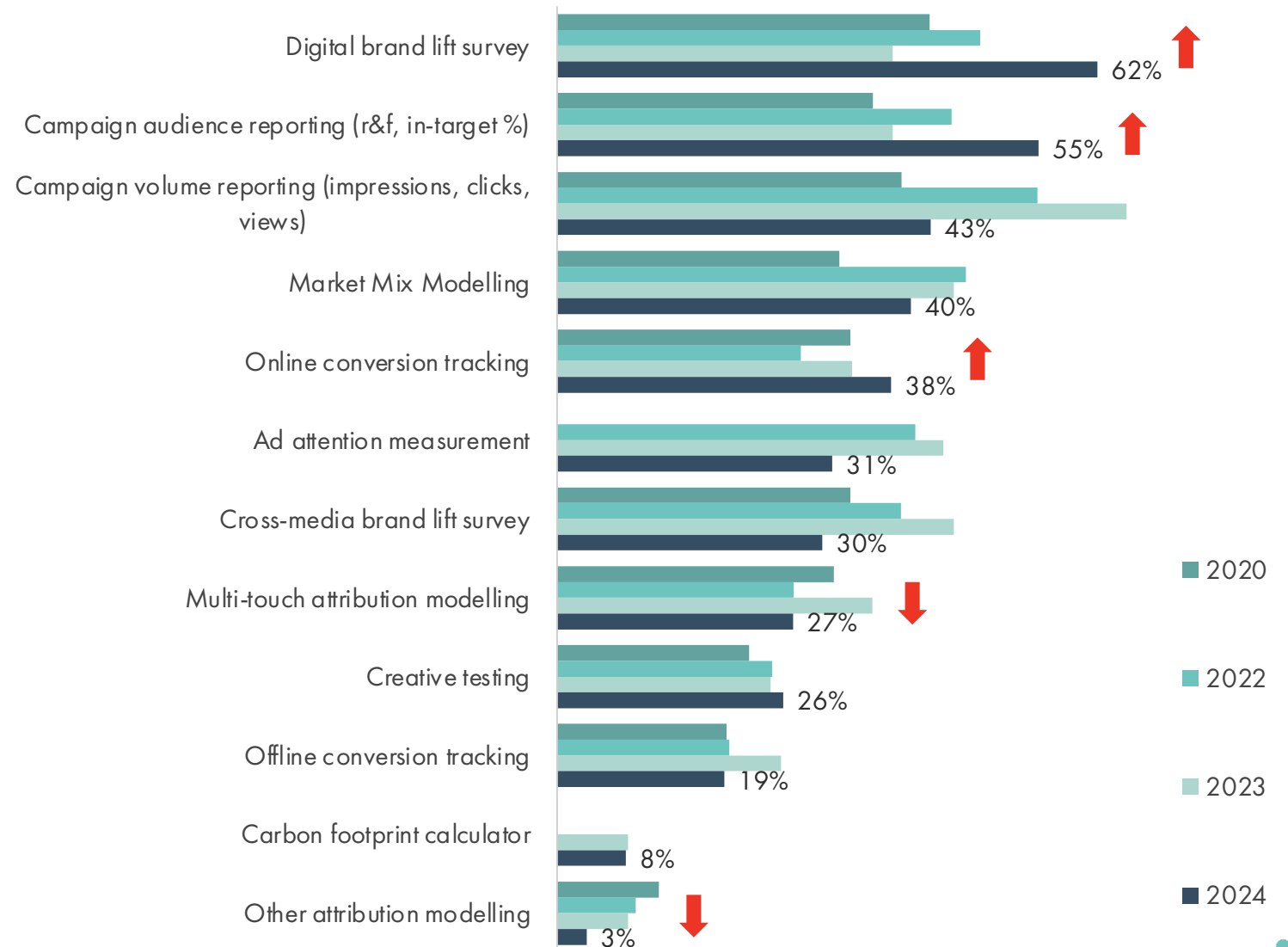
Aligned with drivers of usage and campaign objectives, digital brand lift and audience reporting (r&f) are considered the most important measurement tools for agencies.

Agencies are focused on campaign delivery and campaign impact (with ownership of marketing effectiveness tools such as MMM likely sitting predominantly with the client).

There's a movement away from techniques reliant on third-party cookies and identifiers (eg attribution).

Research budgets under pressure this year.

measurement tools for agencies assessing digital video ad effectiveness



Source; IAB Australia Video Advertising State of the Nation 2024 (2024 n=120)

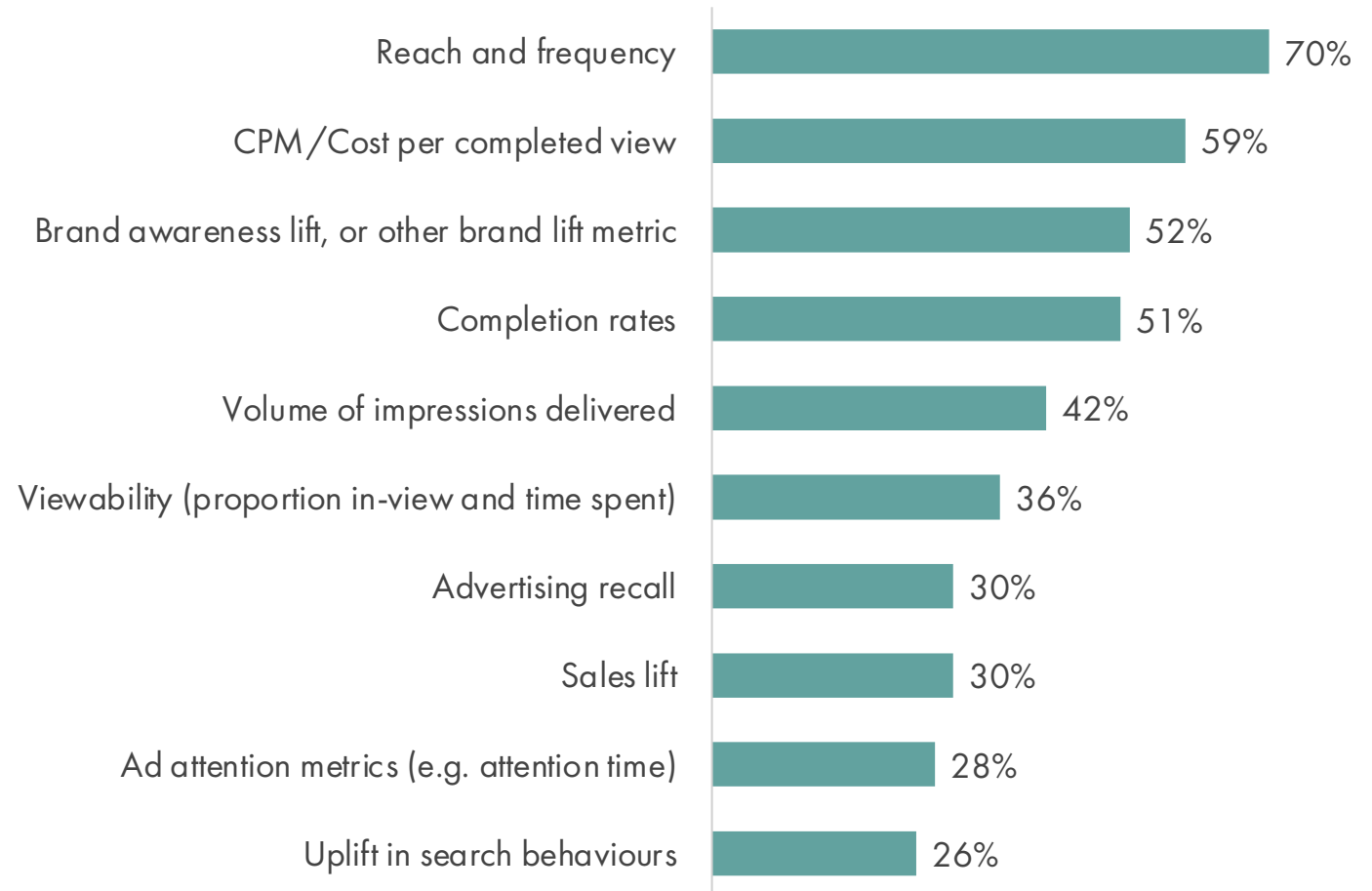
Q - When assessing the effectiveness of your Digital Video advertising investment (on Connected TV, computer or mobile), which of the following measurement tools are important to you? Please select all that apply.

# metrics used to assess digital video advertising campaign success

The campaign delivery metric, reach and frequency remains the most used key performance indicator for digital video advertising success this year. This metric demonstrates the agencies media planning success.

As agencies explore full-funnel video advertising strategies, there are limitations of using reach as the primary metric for video campaigns. While brand lift metrics are the most used effectiveness measure, agencies measuring sales lift is less common.

top 10 key performance indicators used by agencies to assess digital video ad effectiveness



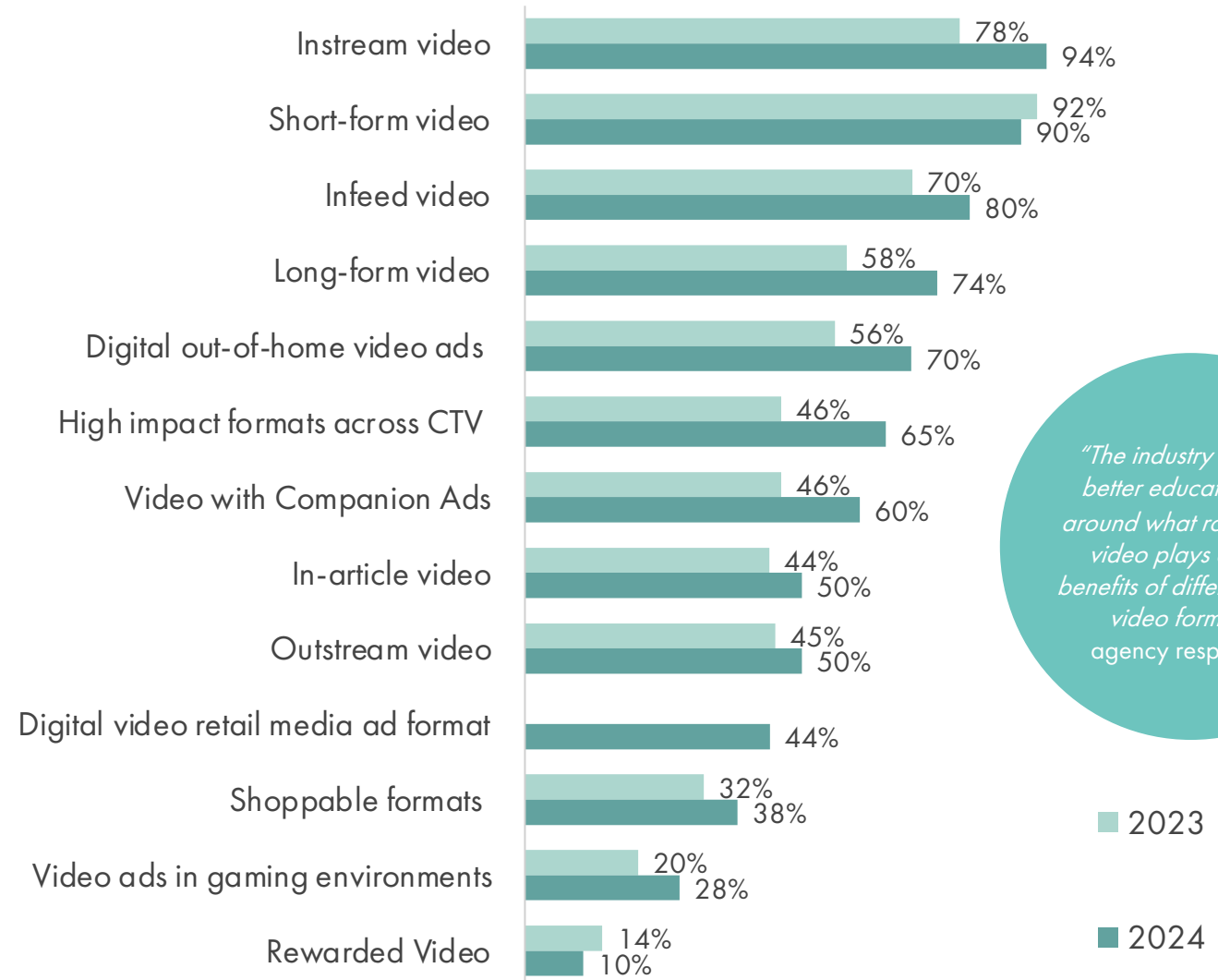
# a wide range of video formats increasingly used

Last year short-form video was used most often and while it continues to be highly used, instream video formats have increased to be the most used format this year.

There has been significant increase on last year in nearly all formats including the usage of high impact formats across CTV (ie. Premium Pause; brought to you buy start frames etc), long form video, video with companion ads and digital out-of-home video ads (e.g. in transport or retail areas).

Digital video retail media ad formats have been included in the survey for the first time this year.

video formats used always or occasionally



*"The industry needs to better educate clients around what roles digital video plays and the benefits of different digital video formats."*  
agency respondent

2023  
2024

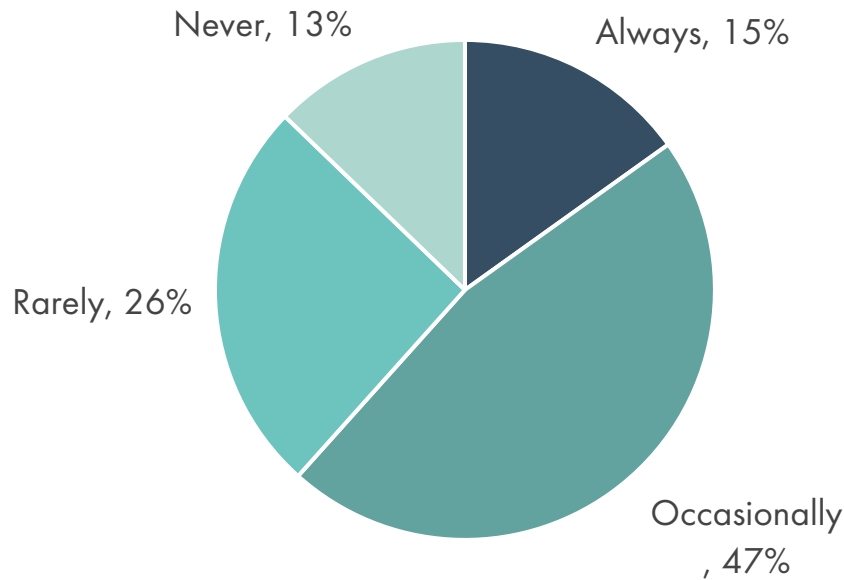
Source; IAB Australia Video Advertising State of the Nation 2024 (2024 n=120)

Q - How often does your company/client use the following video advertising formats? Please select one response in each row.

# continued increase in adjusting creative to the media environment for optimal effectiveness

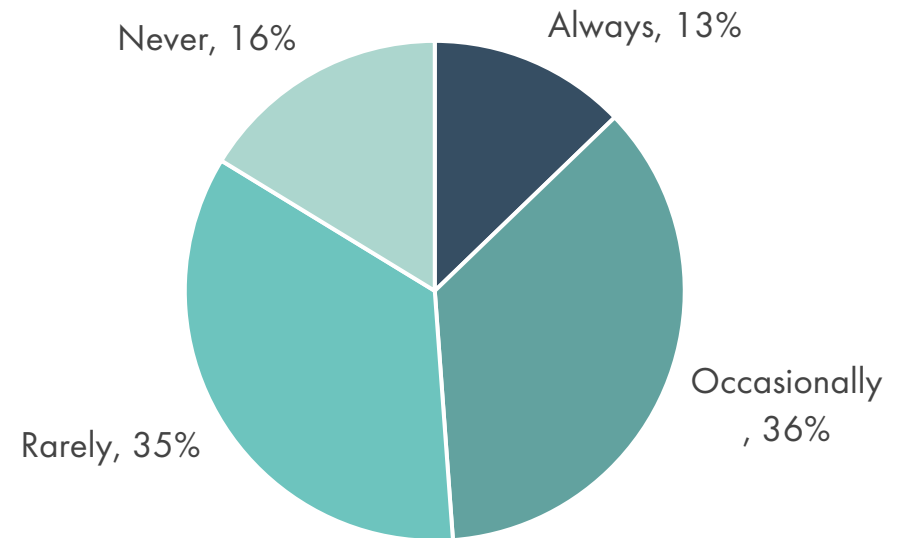
adjust creative to **media environment**

62% of agencies always or occasionally develop creative executions for digital video advertising for the media environment (up from 60% last year and 54% in 2022).



adjust creative to **target segments**

49% of agencies always or occasionally develop creative executions for digital video advertising campaign for the particular target segment (53% last year and 47% in 2022).



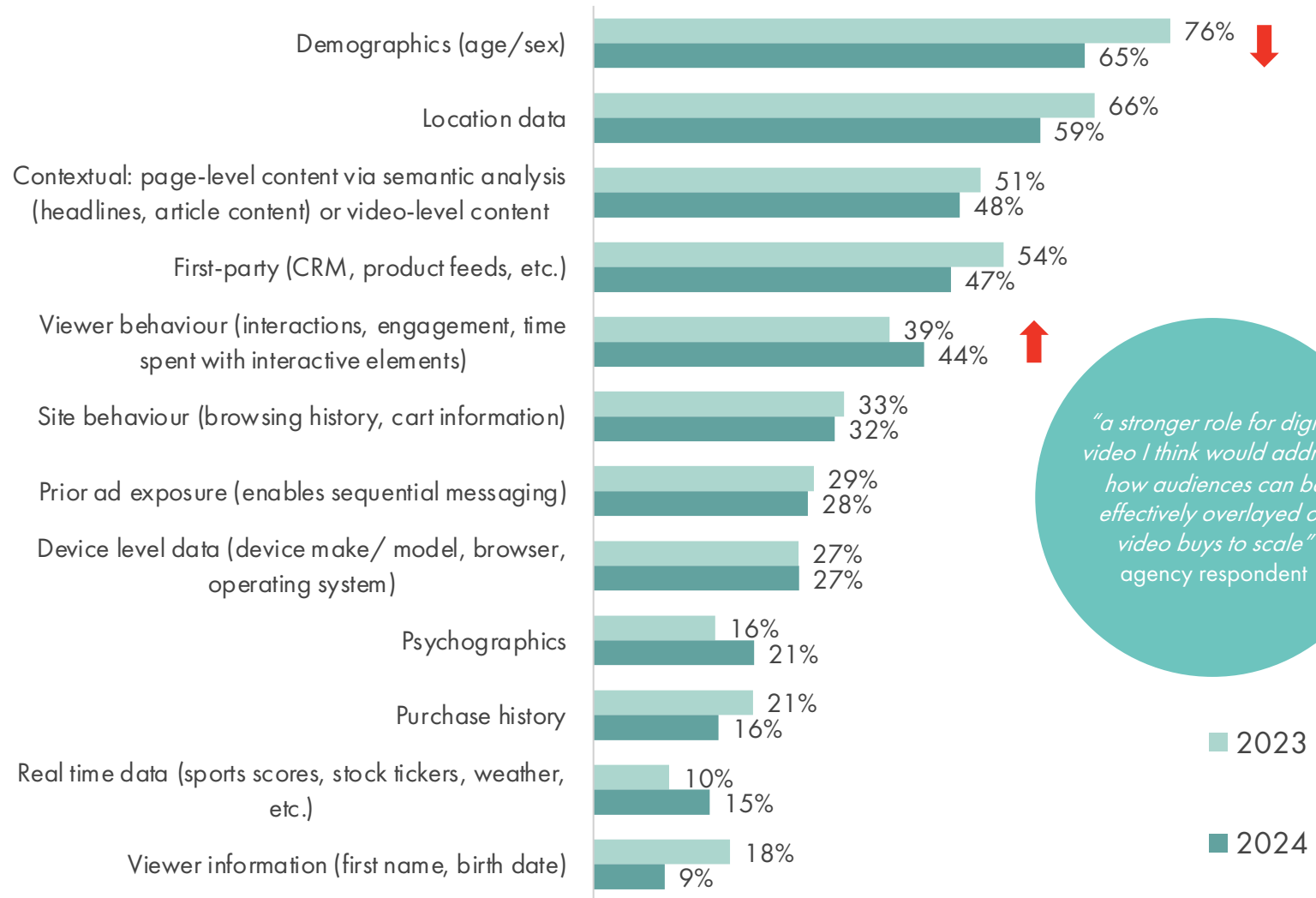
# a diverse range of data signals being used

There is a diverse range of data signals being used to inform targeting and creative for digital video advertising, most commonly age and gender demographics.

While age and gender demographics have remained the most common data signal used, over the last few years there has been a decline in usage (82% in 2022) as agencies use the range of other signals available.

Viewer behaviour (interactions, engagement, time spent with interactive elements) is one of the more commonly used data signals that has increased in usage.

data signals being used by agencies for targeting and creative



*"a stronger role for digital video I think would address how audiences can be effectively overlaid on video buys to scale"*  
agency respondent

■ 2023  
■ 2024

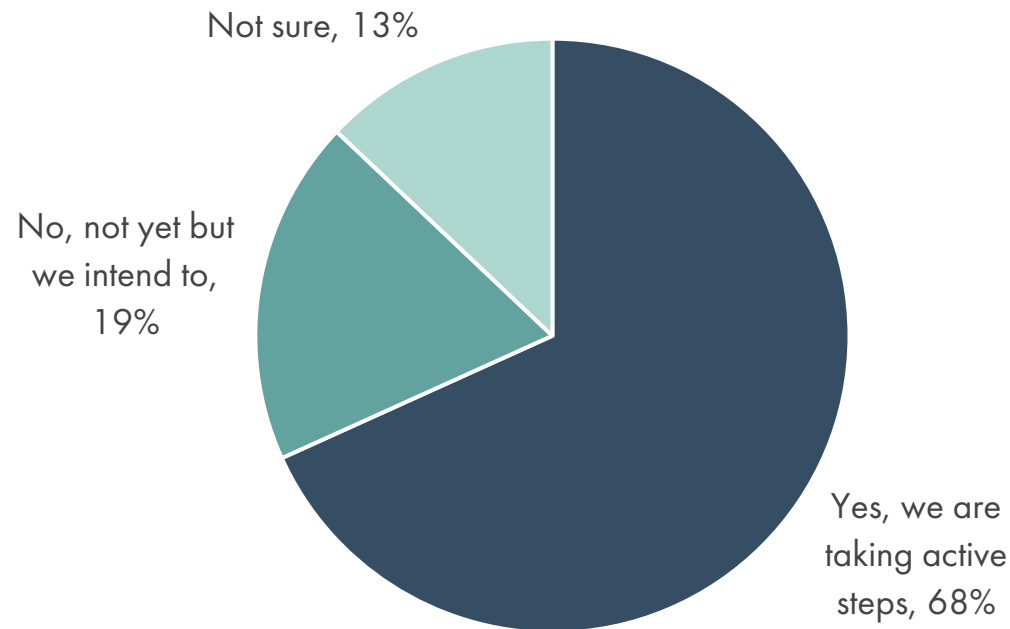
Source; IAB Australia Video Advertising State of the Nation 2024 (2024 n=120)

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 third-party cookie retirement

7 in 10 agencies (68%, up from 57% in 2023) report they are taking active steps towards people-based marketing and identity solutions that will enable planning, activating and measuring interactions cross-media into the future when third-party cookies are no longer available to use. Previous expectations were for full third-party cookie retirement in Chrome by end of 2024, however in April 2024 Google announced a delay to Chrome users having third-party cookies disabled, pushing it back into 2025. [More information from IAB Australia here.](#)

agency preparations for third-party cookie retirement





# the measurement challenge

top 3 biggest issues preventing more brand investment in digital video advertising

	digital video on connected TV	digital video on computer or mobile
1.	High CPMs/too expensive	Lack of tools to carry out cross-screen/media planning
2.	Lack of standardised campaign reach and frequency metrics across screens	Low viewability
3.	Lack of tools to carry out cross-screen/media planning	Lack of standardised campaign reach and frequency metrics across screens

Measurement covers a broad range of different objectives and metrics

A unified approach to a **single currency** utilised by the whole industry for mutual understanding.

Develop a single, integrated platform for screens (BVOD, FAST, SVOD) that will show **individual UA's, session times, unduplicated audience sizes and content signals** (accurate ones) so that we are better able to plan our investment per publisher (programming peaks, day peaks) that will help agencies invest smarter in the long run.

**Proving out the ROI** for all digital video channels as a whole rather than individual channels, and how that impact the overall sales/return for campaigns would be helpful.

Agree to a **unified attention metric** that will better demonstrate its impact on a client's media plan and better differentiate digital video from other visual mediums.

The industry could push for **standardized ways to measure things like engagement (watch time, click-throughs), brand lift, and conversion rates**. This would allow for easy comparison with traditional media channels.

To strengthen digital video in the media mix, the industry should focus on **standardizing cross-platform measurement**. This means using consistent metrics across all video platforms, integrating data for a comprehensive performance view, ensuring transparency with clear and independently verified standards, accurately tracking how videos drive sales and actions, and educating marketers on best practices.

# progress on availability of tools for cross-screen planning

Ipsos continue to work on the expansion of video audience cross-screen planning data reported in the IAB endorsed digital ratings system, Ipsos iris.

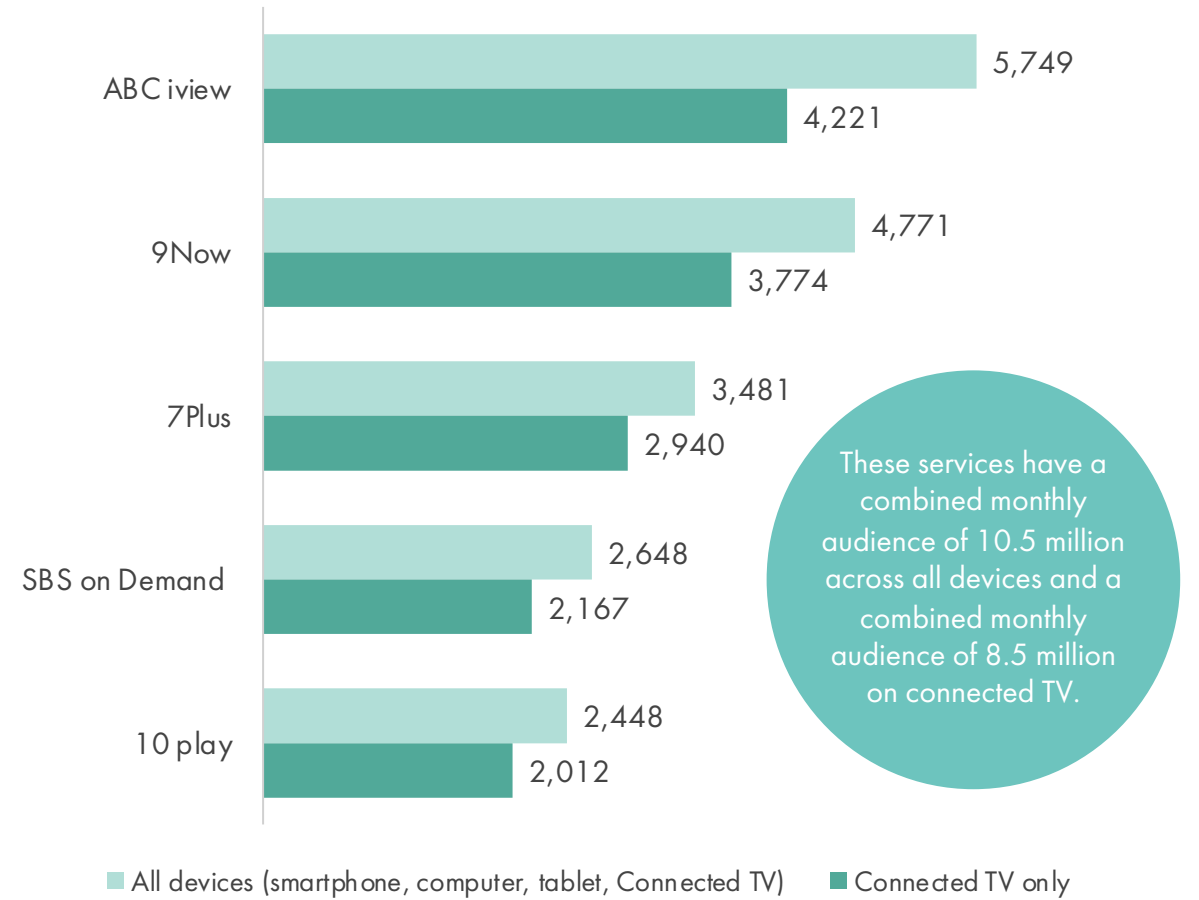
BVOD metrics are now available in Ipsos iris, enabled by a data partnership with OzTam, providing video audience measurement across multiple devices (Smartphone, computer, tablet and connected TV) and content types.

This allows media planners to combine and compare BVOD audiences across devices, including connected TV with the breadth of media brand audiences, inclusively measured by Ipsos iris.

Ipsos have expanded YouTube measurement with enriched YouTube audience reach and watch time data across mobile, desktop and tablets in a data collaboration with Google. The addition of YouTube connected TV audience is set to launch in Ipsos iris in the second half of 2024.

Audience data for video viewing on websites tagged by Ipsos iris is also reported, for example short-form video audience on tagged news websites can be broken out by device (computer, phone and tablet) and demographic profile.

monthly BVOD video audience (000s)  
reported in IAB endorsed digital ratings currency Ipsos iris



# further resources

