

Global Ad Trends

July/August 2018 – Online video [SAMPLE]



Other key media intelligence:

AT&T aims to get personal after \$1.6bn AppNexus acquisition

Branded content set to become core to mobile marketing

Print display ad revenue rises for the first time in seven years

WARC Data

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- ✓ Online video's share of daily media consumption to 2020
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- ✓ Influencers' share of social video views, and the rise of gaming video content

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- ✓ Adspend projections from WARC's Consensus and International Ad forecasts

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Media analysis

Online video

17.1%

online video's share of all daily media consumption by 2020

17.5%

online's share of global video adspend this year

46.7%

online's share of total daily internet consumption by 2020

58.0%

marketers in EMEA intending to use mobile video in their campaigns this year

81.2%

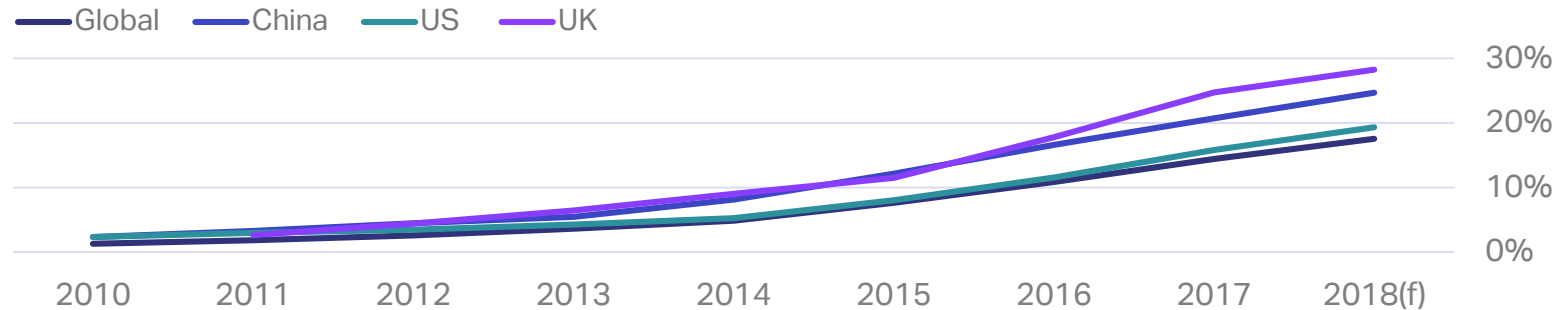
online video spend directed towards social platforms in the UK last year

84.0%

influencers' share of YouTube views in Q1 2018

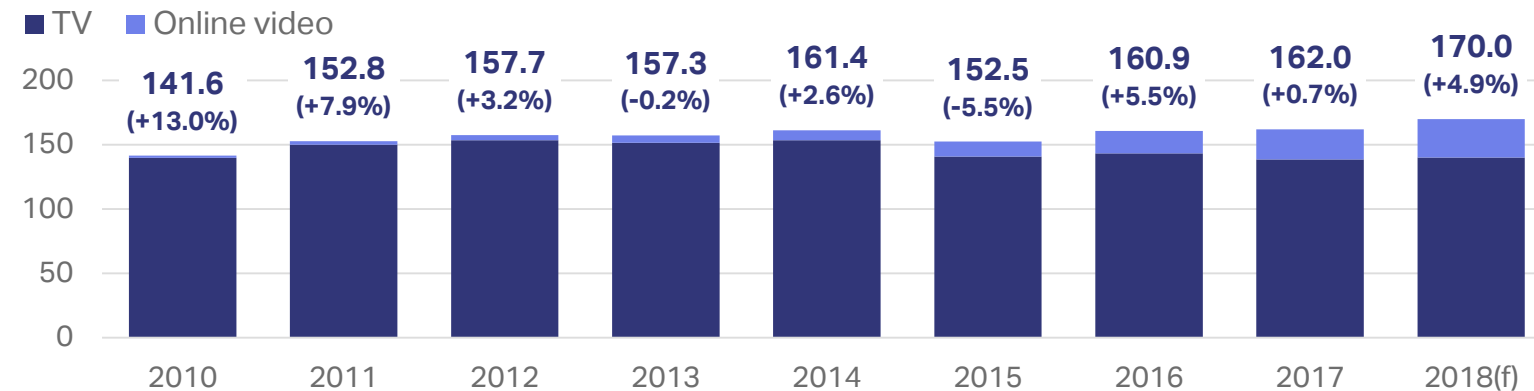
Online to account for 18% of global video spend this year, at \$30bn

Key markets, Online share of video advertising spend



SOURCE › WARC, *International Ad Forecast, August 2018*

Global, Video advertising expenditure by type, US\$ billions, current prices



SOURCE › WARC, *International Ad Forecast, August 2018*

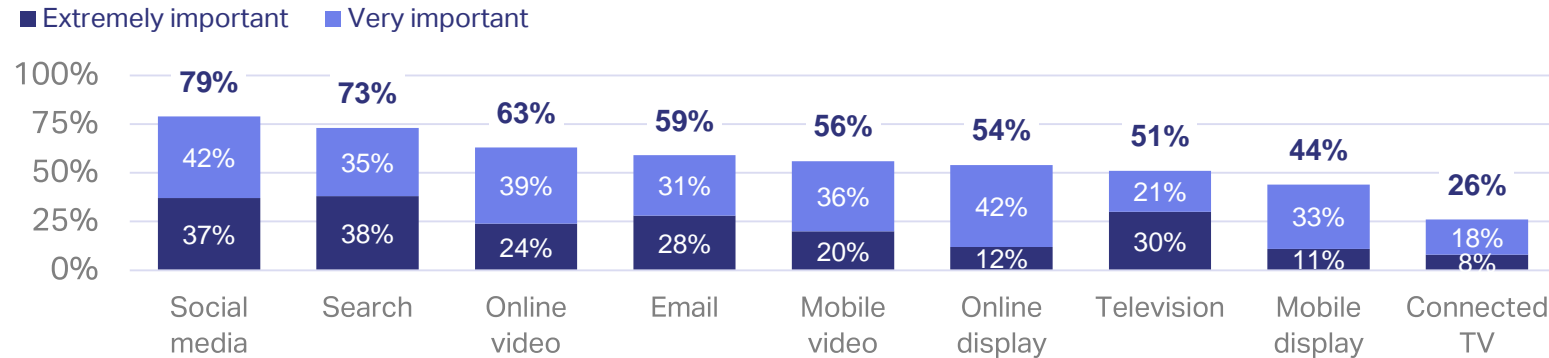
[Get the data](#)

Media Analysis: Online video

- Online video advertising expenditure – inclusive of pre/mid/post roll, social and broadcaster VoD – is expected to rise 27.5% to reach \$29.8bn this year, according to projections based on 12 key markets included in WARC's **International Ad Forecast**. This compares to an anticipated rise of 1.1% for linear TV, which would take spend to \$140.2bn – on a par with the level recorded in 2010 (\$139.8bn).
- Online video's share of global video advertising spend (online + linear TV) has been rising steadily, from 1.3% in 2010 to an expected 17.5% this year.
- Rates vary between markets. In the US, by far the largest video market at \$79.1bn, online's share is expected to rise to 19.3% this year, or \$15.3bn.
- In China, the world's second-largest video ad market (\$26.2bn), online's share is projected to rise to a quarter (24.7%) this year, equating to \$6.5bn.
- The highest share is expected to be found in the UK, where online video is forecast to account for 28.3% – \$2.6bn. Further, the latest data from the **AA/WARC Expenditure Report** (available via a separate subscription) find that the vast majority of online video spend in the UK is directed towards social platforms (more overleaf).

Practitioners deem online video important, and most intend to leverage the format this year

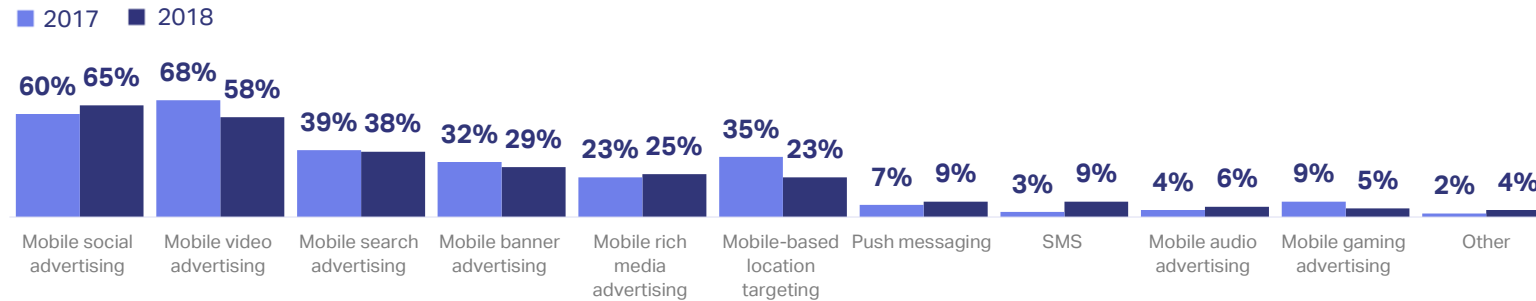
Global, Perceived importance of media channels, Q1 2018



Note: Q: What are your most important digital media channels. N = 165 senior practitioners, surveyed between January and March 2018.

SOURCE › Nielsen, *The CMO Report*

EMEA, Mobile marketers' focus for 2018



Note: Q: Specifically for mobile advertising, which of the following are you/your clients planning to focus on in 2018? 2017 n = 225, 2018 n = 239.

SOURCE › WARC, MMA, *State of Mobile Marketing in EMEA, August 2018*

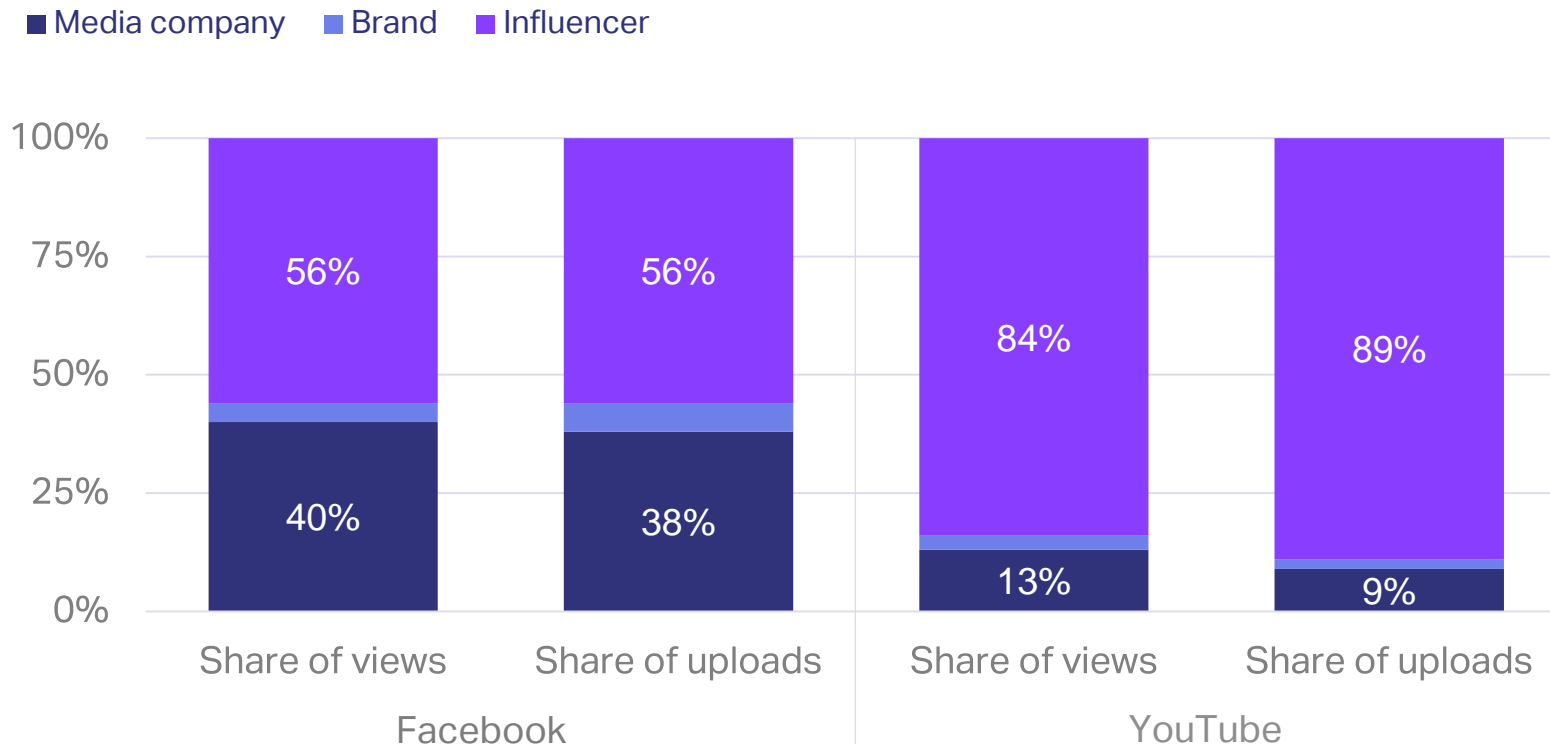
[Get the data](#)

Media Analysis: Online video

- Almost a quarter (24%) of chief marketing officers (CMOs) surveyed by Nielsen stated that online video is an extremely important advertising medium, with a further 39% deeming it to be very important to their strategies. Further, over half (56%) believe mobile video to be either very or extremely important to their plans this year.
- Social media scored highest overall, with 79% of CMOs stating it held very or extreme importance. Search is also extremely important to 38%.
- The same survey found 30% of CMOs citing TV as extremely important – placing it third by this measure but seventh overall.
- The figures tally with [research by WARC and the Mobile Marketing Association \(MMA\)](#), published this month, which finds that the majority of practitioners in the EMEA region are intending to leverage social media and video in their mobile campaigns this year. However, while the rate of adoption for social rose between 2017 and 2018 (60% to 65%), it dipped for video (68% to 58%).

Facebook pivots to Watch as influencers rule the video landscape

Global, Share of uploads and views by creator type and platform, Q1 2018



Note: Views are limited to creators with over ten million views for each platform. Uploads are limited to videos with at least 100 thousand views.

SOURCE > Tubular Labs

Media Analysis: Online video

- Facebook is doubling down on video content in its drive for more 'meaningful interactions'. Watch is the company's first effort to brand video as a standalone property, and the social network is splitting ad revenue 55:45 in favour of content creators, the same as YouTube. Facebook reported more than 8bn video views in 2017 alone.
- Influencers accounted for 56% of the 966m views recorded by Tubular Labs on Facebook in the first three months of this year, and 56% of the 1.2m video uploads. Further, influencers took an 84% share of the 1.7bn YouTube views during the period. The Association for National Advertisers (ANA) **expects US brand spend on influencers to rise to over \$100bn in 2020**. The World Federation of Advertisers (WFA) found last month that two-thirds of multinational brands plan to increase their spending on influencer marketing this year, **providing transparency standards are met**.
- Aside from pre/mid/post roll ads in influencer videos, there's opportunity for product placement and branded content. Influencers have built specific, always-engaged audiences, and identifying the right influencer to sponsor or co-create content can yield return on investment, **provided that the brand's values are aligned**.

2 Key media intelligence

New on WARC Data



AT&T aims to get personal after \$1.6bn AppNexus acquisition



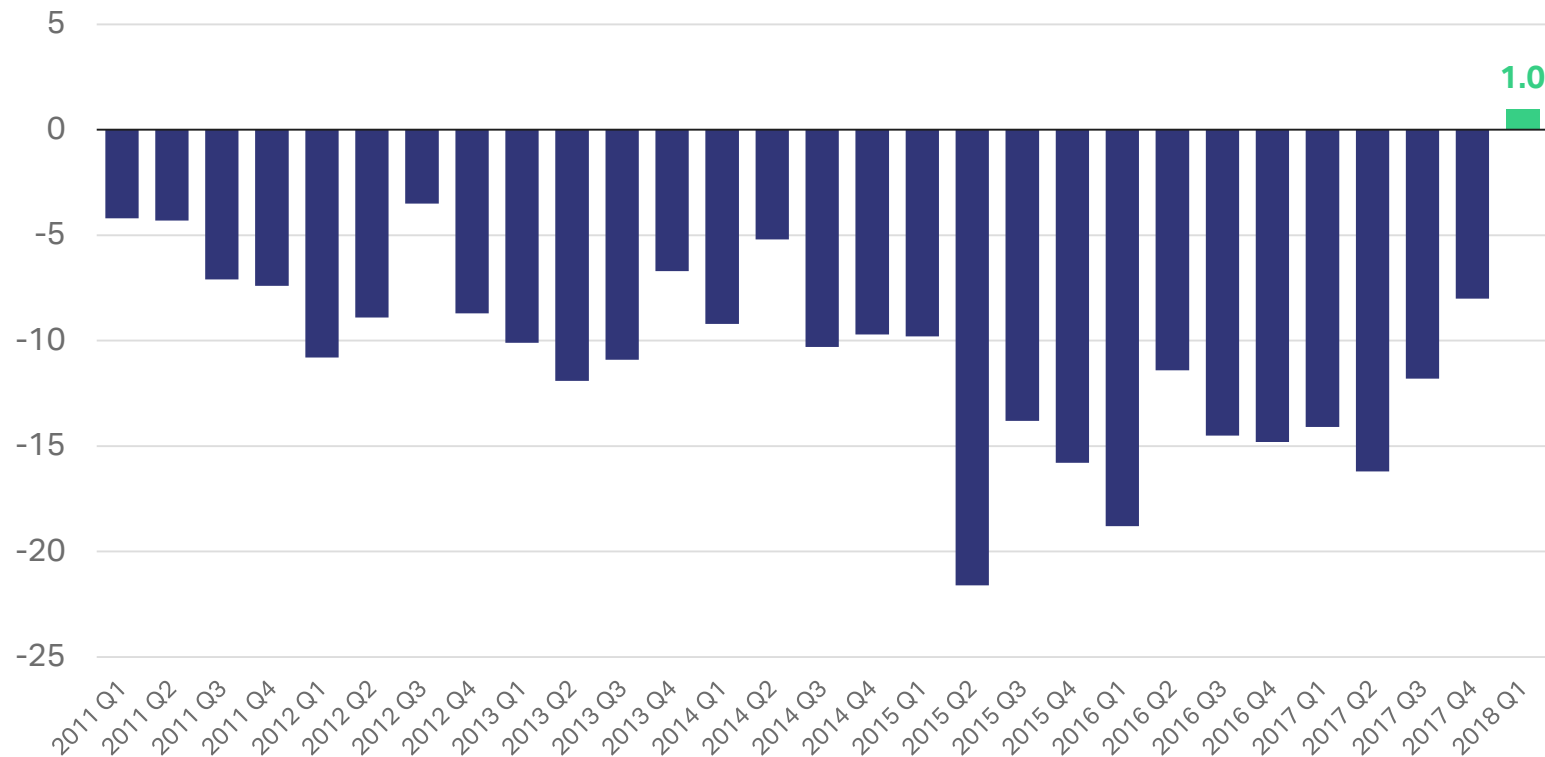
Branded content set to become core to mobile marketing over the coming years



Print display ad revenue for national newsbrand rose for the first time in seven years

Print display ad revenue for national newsbrands up for the first time in seven years

Year-on-year % change, current prices



SOURCE › AA/WARC Expenditure Report

Media Intel

- ✔ New survey data from the [AA/WARC Expenditure Report](#) (available via a separate subscription) show that print display ad revenue for UK national newsbrands rose for the first time in seven years during the first three months of this year.
- ✔ Income was up 1.0% to £152.6m year-on-year, but the uptick was restricted to popular titles, where revenue rose 2.8% to £77.8m. Quality titles recorded a 0.3% dip to £48.0m for print display, but this marked the best result in six years. Income from supplements, which made up the remaining £28.6m, dipped 1.4% compared with Q1 2017.
- ✔ Digital display ad revenue was also up during the quarter, by 4.1% to £56.5m. However, the total market was down 0.5% (to £249.9m) following losses for both print and digital classified.
- ✔ While we do not expect the overall market to turn positive over the forecast period, our outlook for ad revenue has been substantially upgraded following the strong first quarter results. We now forecast dips of 1.3% for 2018 (up three percentage points since April) and 1.7% in 2019 (up 0.9pp). Total ad income is expected to be largely flat (-0.2%) during the first quarter of 2020.

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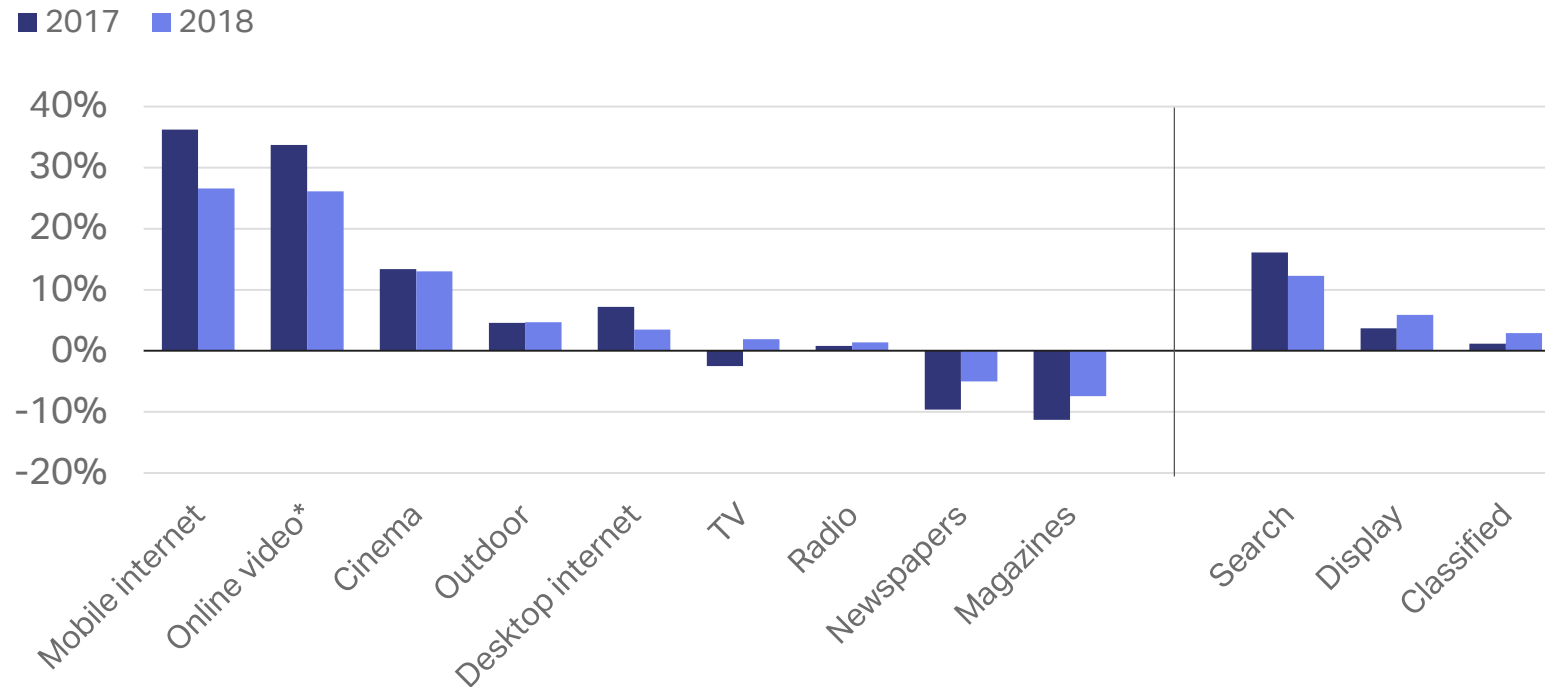
Latest WARC research

The state of the global ad market

- ✓ **WARC GMI:** Budget growth turns negative in the Americas
- ✓ **WARC GMI:** Digital budgets continue to expand rapidly
- ✓ **WARC Consensus Forecast:** Global adspend to rise 5.2% this year
- ✓ **WARC International Ad Forecast:** Global growth upwardly revised to 7.3% this year
- ✓ **WARC International Ad Forecast:** Mobile internet set to record strongest growth this year

WARC International Ad Forecast: Mobile internet set to record strongest growth this year

Year-on-year % change in advertising expenditure, Purchasing Power Parity (PPP), current prices



Note: *Online video is included in internet growth totals. Chart ranked by expected growth this year.

SOURCE › WARC Data, *International Ad Forecast*, August 2018

[Get the data](#)

Latest WARC research

- ☑ Mobile internet is expected to be the fastest-growing ad medium this year, with spend rising by approximately 26.6% on a PPP basis, according to data included in WARC's latest [International Ad Forecast](#).
- ☑ Much of the mobile internet growth will come from increased spend on online video, which is also anticipated to record rapid growth (+26.1%) this year. However, this does represent a slowdown from the estimated 33.7% rise in 2017.
- ☑ Cinema (+13.0%) is also expected to record double-digit growth this year, driven by a buoyant Chinese market. Cinema growth excluding China is expected to be 4.1% this year, versus an estimated 0.7% rise in 2017.
- ☑ Outdoor (+4.7%), desktop internet (+3.5%), TV (+1.9%), and radio (+1.4%) are the other media expected to record growth this year. The decline in advertising spend for print press is forecast to continue, though at a lesser rate than was recorded in previous years.
- ☑ In terms of ad formats, paid search is expected to rise 12.3% this year, display 5.9%, and classified 2.9%.

More from WARC Data

About WARC Data

WARC has published independent and objective advertising research since 1982.

Our data products are trusted by the world's leading brands, ad and media agencies, media owners, research bodies, academic institutions and market analysts.

www.warc.com/data

Benchmarks

Utilise WARC's suite of benchmarks to measure your ROI against industry sector and geography, decide on the right media mix for your campaign, and compare your ad/sales ratio with the sector's wider performance.

Databases

Instantly access advertising spend data in 96 markets across major media and formats.

Check CPM and GRP costs by media and target audience in 63 markets.

Data points

Access hundreds of pre-made charts and datasets on media consumption, spend and costs.

Forecasts

WARC produces detailed adspend forecasts for 12 key markets, which between them account for two-thirds of global advertising expenditure, atop a biannual forecast for media inflation drawn from a consensus of exclusive agency data.

Global Marketing Index

Established in 2011, the Global Marketing Index (GMI) is designed to provide a unique monthly indicator of expenditure and business conditions for marketers worldwide.

Our panel of 10,000 marketing professionals is invited to give its views of current business conditions, including marketing spend, media budgets and staffing. The results provided exclusively to WARC Data subscribers each month.

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