BEYOND COMPLETION RATES: HOW SOCIAL VIDEO WORKS
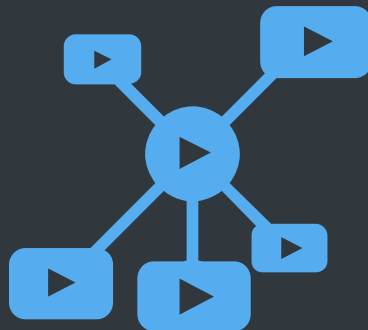
ANNUAL SPEND ON SOCIAL VIDEO
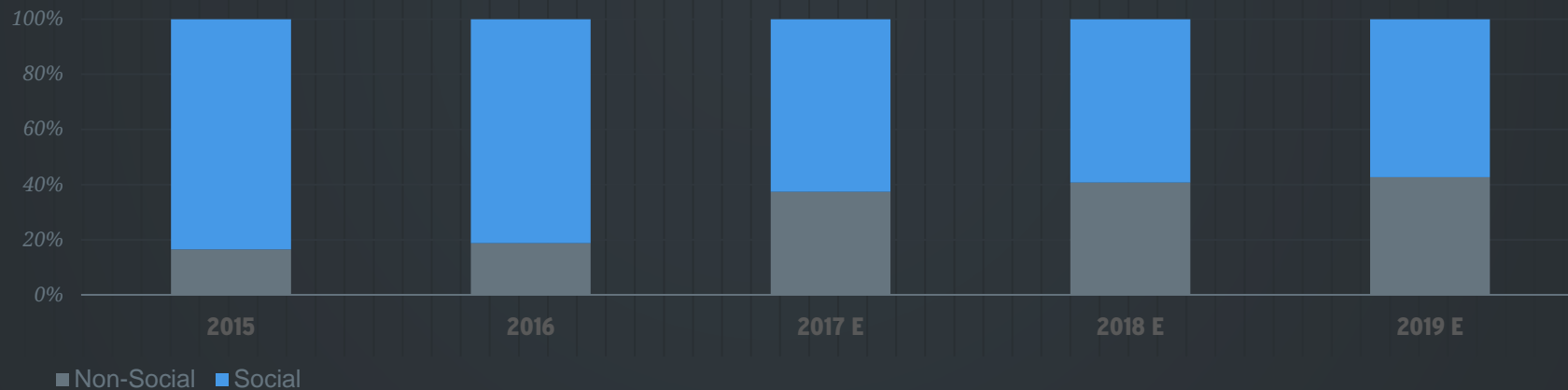
[$ millions]

$8,000

$7,000

$6,000

$5,000

$4,000

$3,000

$2,000

$1,000

$0

2013   2014   2015   2016   2017 E   2018 E   2019 E

SOURCE: MAGNA GLOBAL Spring 2016 US Forecast
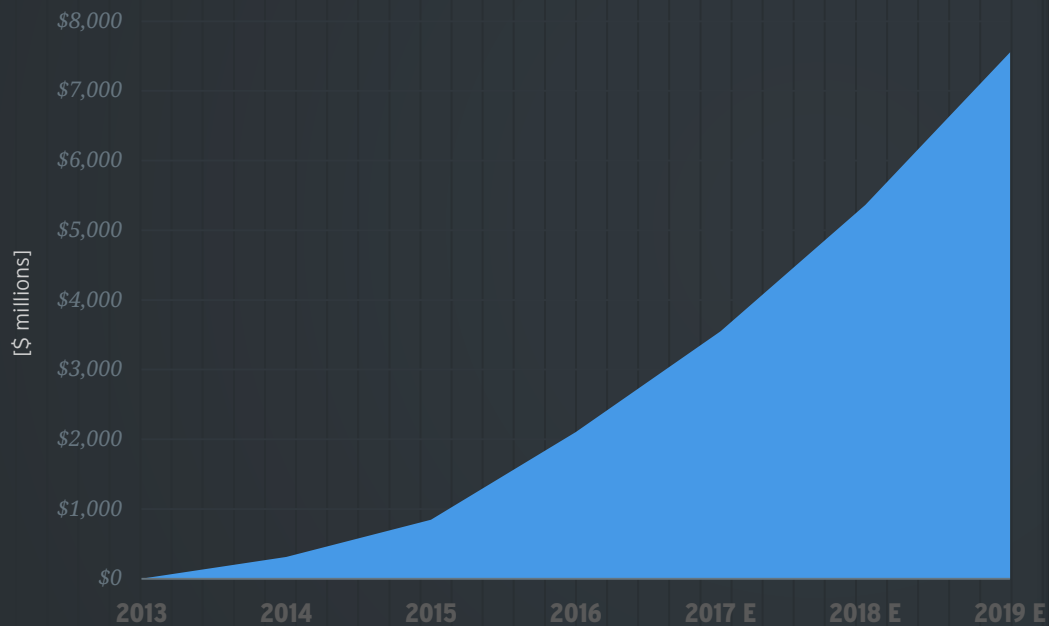
SPEND
on social video
WILL SKYROCKET

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2

GROWTH IN DIGITAL VIDEO
IS HEAVILY DRIVEN
BY SOCIAL

GROWTH RATE OF DIGITAL VIDEO

■ Non-Social ■ Social
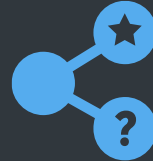
BUT, THERE'S STILL A LOT WE DON'T KNOW

HOW EFFECTIVE IS IN-FEED, AUTO PLAY VIDEO?

HOW DOES IT COMPARE TO OTHER FORMS OF DIGITAL VIDEO?

WHAT'S THE CONSUMER MINDSET?

IS THERE REALLY ANYTHING "SPECIAL" ABOUT THE SOCIAL ENVIRONMENT?

WHAT ABOUT VIEWABILITY?

SHOULD ADVERTISERS PUSH THEIR EXISTING DIGITAL VIDEO ADS ONTO SOCIAL?

SO, WE DECIDED TO GET SOME ANSWERS

BENCHMARKING

Benchmark the effectiveness of in-feed, auto-play video ads compared to skippable pre-roll
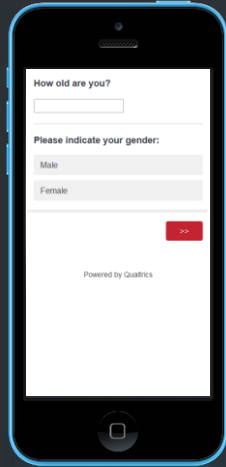
VIEWABILITY

Explore the impact of in-feed, auto-play video ads at various levels of percent and time in view

CREATIVE BEST PRACTICES

Determine whether advertisers should be "feed proofing" their video ads

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EXPERIMENTAL DESIGN

Personal Twitter Feed

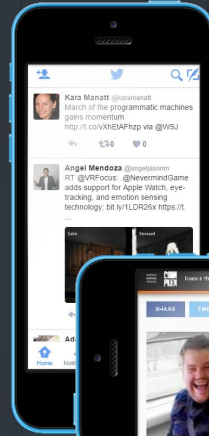*Skippable Pre-roll Video on Website*

MEDIA EXPERIENCE

Recruited participants from a representative online panel to take a mobile survey n=4,790

Initial survey with demographic and media consumption questions

Qualifying participants were randomized into a media experience with behaviors tracked passively

Survey to measure traditional brand metrics and capture qualitative feedback

MEDIA EXPERIENCES
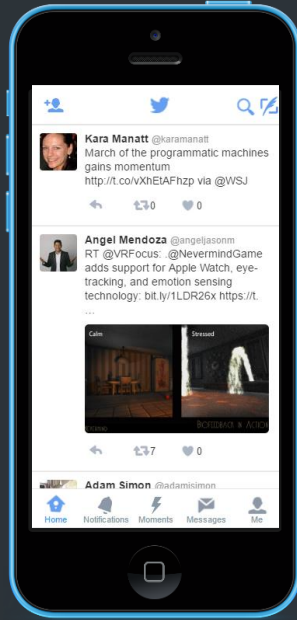
PERSONAL TWITTER FEED

Users logged into their own Twitter page and saw real time content from their feed, along with the test ad
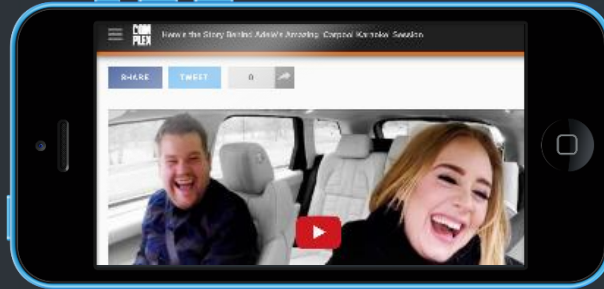
SKIPPABLE PRE-ROLL ON WEBSITE

Users selected which content they wanted to watch. Each webpage included a video and a small amount of text describing the video. Users could skip the video after 5 seconds

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AD TYPE	VIEWABILITY	SUBTITLES	BRANDING	STORY ARC	INDUSTRY VERTICALS	UNIQUE CONTROL GROUPS
In-Feed, Auto-Play Video	1 Second	Included	Heavy, Early	Early without subtitles	Quick Service	1
Skippable Pre-Roll	3 Seconds	Not Included	Original	Original without subtitles	CPG	2
	4 Seconds			Early with subtitles	Alcohol	
	6 Seconds			Original with subtitles	Insurance	
	15 Seconds					

55

DISTINCT

TEST CONDITIONS

BEHAVIORAL

QUALITATIVE FEEDBACK

TRADITIONAL BRANDING

VIEWABILITY

ROBUST MEASUREMENT

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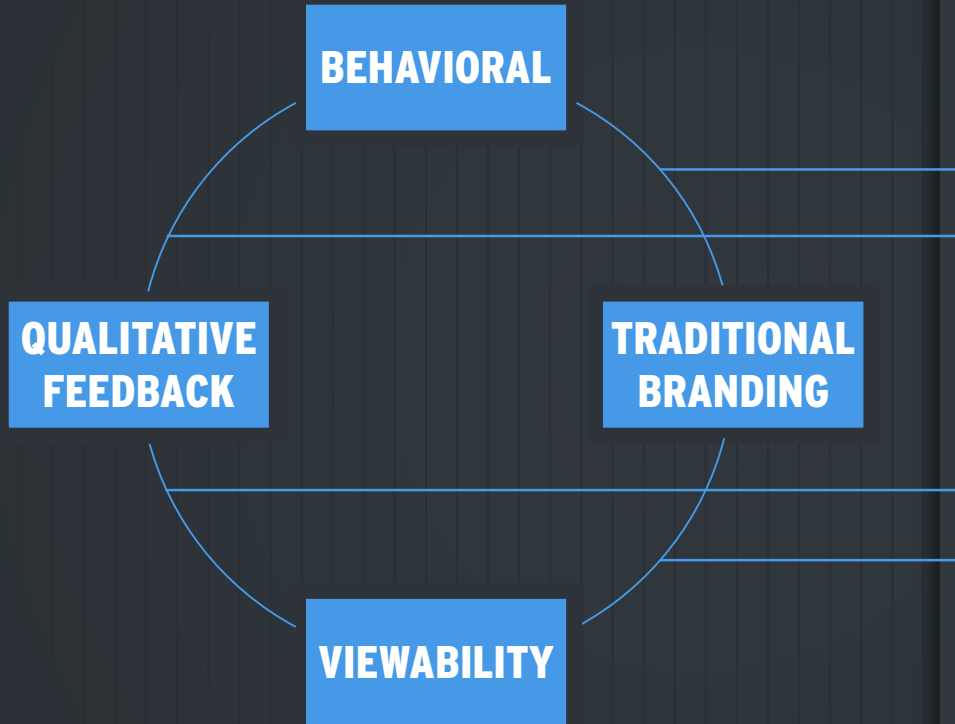
Arby's   *Coors* LIGHT   Major CPG Consumables Brand   Major Insurance Brand

BROAD RANGE OF BRANDS

FINDING #1:
IN-FEED, AUTO-PLAY VIDEO IS A UNIQUE ENVIRONMENT

PERCEPTIONS OF AD

% Who Agree

MILLENNIALS DRIVING DIFFERENCE IN RELEVANCE BETWEEN SOCIAL ENVIRONMENT AND PRE-ROLL

37%   47%

Ad was relevant to my interests

■ Skippable Pre-Roll

■ In-Feed, Auto-Play Video (Twitter)
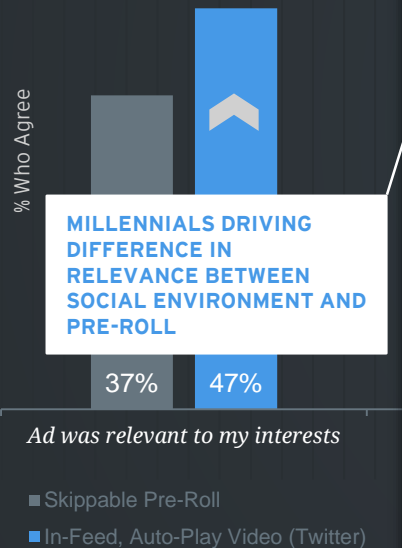
ADS FEEL MORE RELEVANT WHEN EMBEDDED WITHIN A SELF CURATED FEED

Statistically significant difference between Pre-roll vs. In-Feed, Auto-Play Video at >= 90% confidence
Skippable Pre-roll n=196, In-Feed, Auto-Play Video n=262

PERCEPTIONS OF AD

% Who Agree

37% 47% 47% 55%

Ad was relevant to my interests   *Ad was not intrusive*

ADULTS 45+ ARE MOST LIKELY TO FIND SOCIAL ENVIRONMENTS LESS INTRUSIVE COMPARED TO PRE-ROLL

■ Skippable Pre-Roll
■ In-Feed, Auto-Play Video (Twitter)
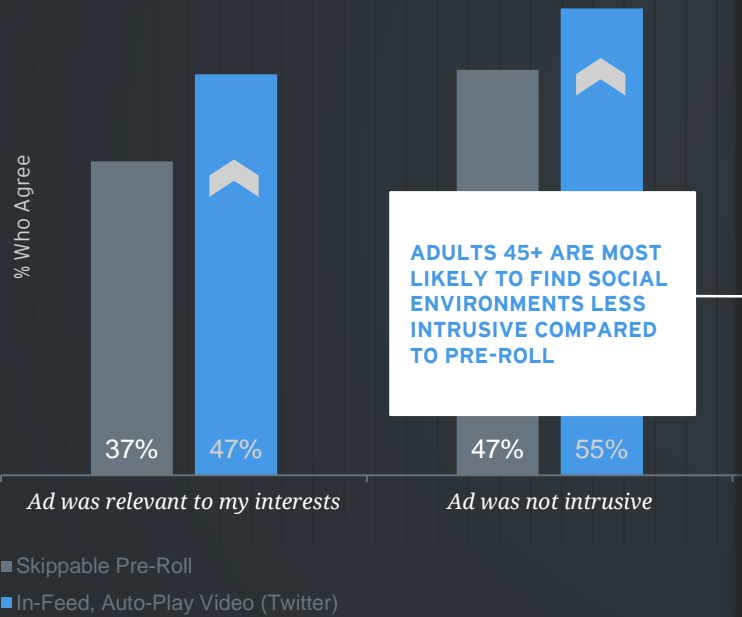
AND SELF-CURATED FEEDS MAKE ADS FEEL LESS INTRUSIVE

Statistically significant difference between Pre-roll vs. In-Feed, Auto-Play Video at >= 90% confidence
Skippable Pre-roll n=196, In-Feed, Auto-Play Video n=262

PERCEPTIONS OF AD

% Who Agree

	Ad was relevant to my interests	Ad was not intrusive	Trustworthiness of message
Skippable Pre-Roll	37%	47%	57%
In-Feed, Auto-Play Video (Twitter)	47%	55%	58%

■ Skippable Pre-Roll
■ In-Feed, Auto-Play Video (Twitter)

Statistically significant difference between Pre-roll vs. In-Feed, Auto-Play Video at >= 90% confidence
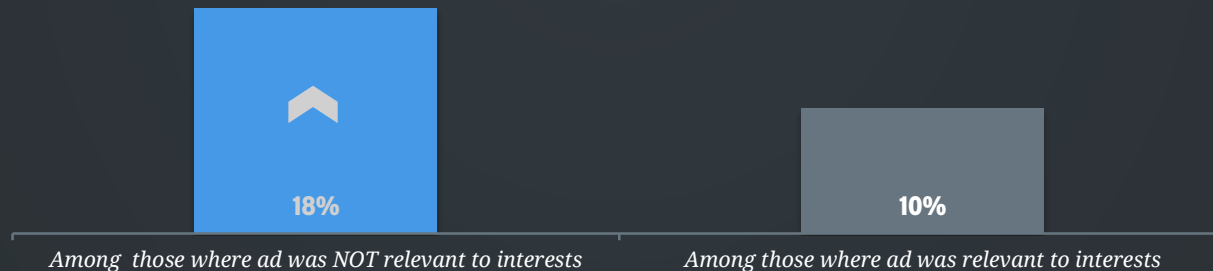Skippable Pre-roll n=196, In-Feed, Auto-Play Video n=262

IT TAKES MORE THAN ENVIRONMENT TO CHANGE TRUST IN AD

THE BETTER TARGETING YOU USE, THE LESS ANNOYED PEOPLE WILL BE

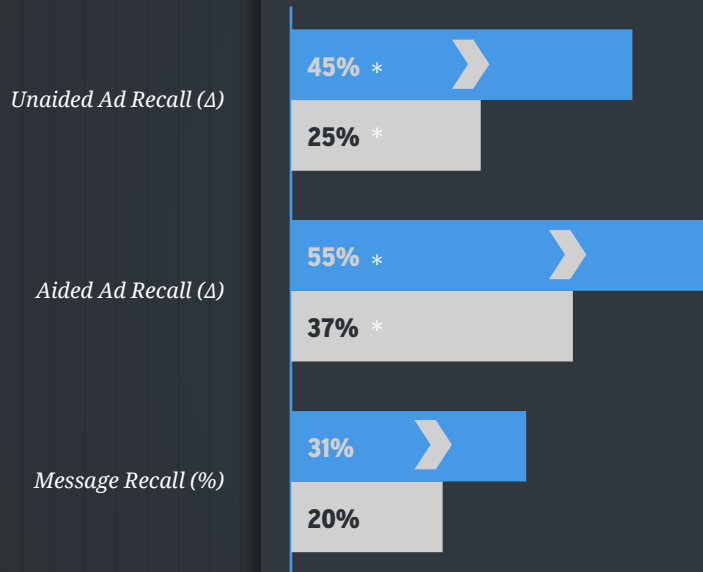## PERCEPTION OF INTRUSIVENESS BY AD RELEVANCE

18%

Among those where ad was NOT relevant to interests

10%

Among those where ad was relevant to interests

FINDING #2:
UNIQUE ENVIRONMENT DRIVES KPIs

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IMPACT OF AD TYPE ON RECALL METRICS

Unaided Ad Recall (Δ)
- 45% *
- 25% *

Aided Ad Recall (Δ)
- 55% *
- 37% *

Message Recall (%)
- 31%
- 20%

■ In-Feed, Auto-Play Video (Twitter)
■ Skippable Pre-Roll

SAME VIDEO ADS NEARLY 2X AS MEMORABLE IN SOCIAL ENVIRONMENT

* *Statistically significant difference between test vs. control at >= 90% confidence*
➤ *Statistically significant difference between Pre-roll vs. In-Feed, Auto-Play Video at >= 90% confidence Pre-roll Control n=400, Pre-roll Test n=428, In-Feed, Auto-Play Video Control n=400, In-Feed, Auto-Play Video Test n=404*

LESS INTRUSIVE ENVIRONMENT = HIGHER FAVORABILITY
AFTER SINGLE EXPOSURE

IMPACT OF AD TYPE ON BRAND FAVORABILITY (Δ)

8%*

0%
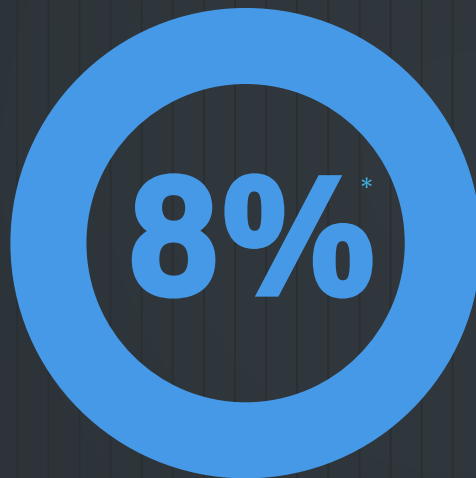
In-Feed Auto-Play Video (Twitter)
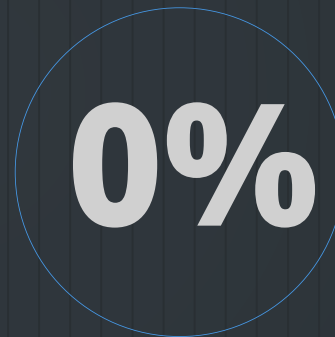
Skippable Pre-Roll Video

✳ *Statistically significant difference between test vs. control at >= 90% confidence*
🔺 *Statistically significant difference between Pre-roll vs. In-Feed, Auto-Play Video at >= 90% confidence*
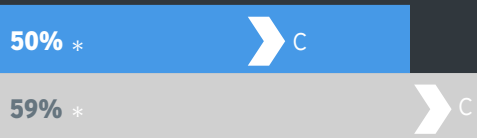 *Pre-roll Control n=400, Pre-roll Test n=428, In-Feed, Auto-Play Video Control n=400, In-Feed, Auto-Play Video Test n=404*

IMPACT OF SKIPS ON RECALL METRICS^

Unaided Ad Recall (Δ)
- 44% * — C
- 43% * — C
- 25% *

Aided Ad Recall (Δ)
- 50% * — C
- 59% * — C
- 30% *

Message Recall (%)
- 32%
- 44% — C
- 23%

- ■ In-Feed, Auto-Play Video (Twitter) (A)
- ■ Pre-Roll Who Chose Not to Skip (B)
- ■ Pre-Roll Who Chose to Skip (C)

ENTICING CONSUMERS TO STICK AROUND GIVES PRE-ROLL A BETTER CHANCE

ENCOURAGE CONSUMERS TO WATCH BY TARGETING A RELEVANT AUDIENCE

	PERCEPTIONS AMONG THOSE WHO DID NOT SKIP PRE-ROLL	PERCEPTIONS AMONG THOSE WHO DID SKIP PRE-ROLL
In-Market	50%	50%
High opinion of brand before video	39% ⌃	27%
High opinion of video	60%	61%
Video was relevant to interests	49% ⌃	34%
Video was intrusive	49%	45%
Video was informative	67%	60%

PRE-ROLL WHO...
■ Chose to Skip ■ Chose Not to Skip
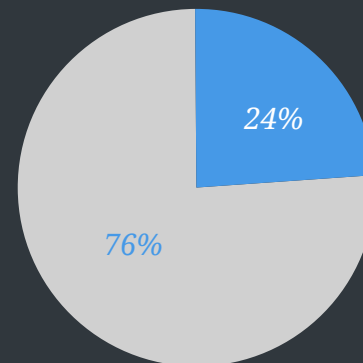
24%

76%

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DWELL TIME BY AD FORMAT

Average Seconds Ad is On Screen [sec]

7.9 ■ Skippable Pre-Roll

5.9 ■ In-Feed, Auto-Play Video (Twitter)
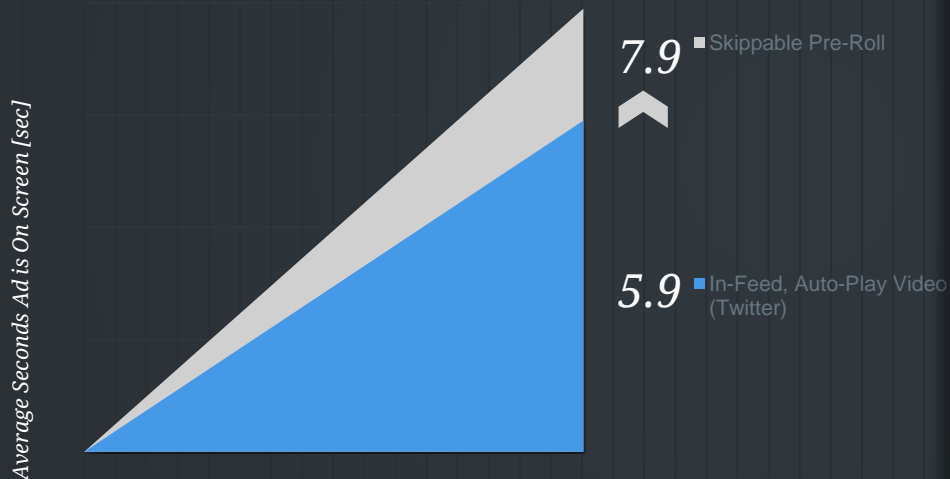
SOCIAL VIDEO HAS GREATER IMPACT DESPITE SLIGHTLY LESS TIME SPENT WITH VIDEO

Statistically significant difference between Pre-roll vs. In-Feed, Auto-Play Video at >= 90% confidence
Pre-roll Test n=428, In-Feed, Auto-Play Video Test n=404

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FINDING #3:
RECALL IS STRONG BELOW THE MRC STANDARD

CONTROLLING FOR VIEWABILITY

"TIME IN VIEW"

Partially controlled for by having the tweet disappear at designated time. However, if users scrolled too quickly, they may not ultimately qualify for the assigned test cell

"PERCENT IN VIEW"

Given the in-feed environment, this was not controlled for and instead determined by each users' scroll rate

AIDED AD RECALL BY VIEWABILITY INDEX

Aided Ad Recall (Δ)

$R^2 = 0.852$

% Who Recalled

0   1   2   3   4   5   6   7   8   9   10

Viewability Index

VIEWABILITY MATTERS!

The Viewability Index Score is an algorithm that takes into account both Time in View and Percent in View and creates a composite value. The values are linear, so that an indexed score of four represents an ad that is approximately twice as viewable as a score of two.

0 n=522, 1 n=142, 2 n=231, 3 n=257, 4 n=137,
5 n=190, 6 n=172, 7 n=111, 8 n=59, 9 n=57, 10 n=129

IMPACT OCCURS BELOW MRC STANDARD

IMPACT ON RECALL METRICS BY MRC STANDARD

■ *Below MRC Viewability Standard*
■ *Above MRC Viewability Standard*

30% *

53% *

UNAIDED AD RECALL (△)

■ *Below MRC Viewability Standard*
■ *Above MRC Viewability Standard*

59% *

49% *
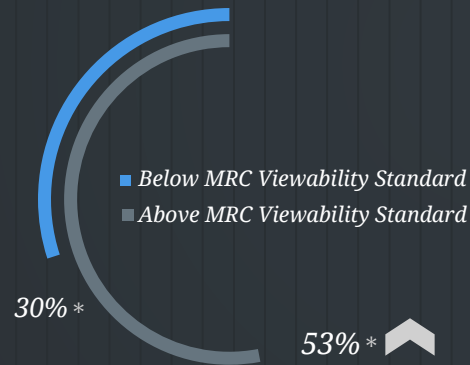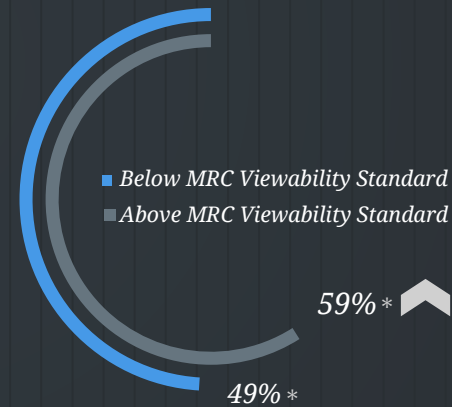
AIDED AD RECALL (△)

✳ Statistically significant difference between test vs. control at >= 90% confidence
⌃ Statistically significant difference between below vs. above at >= 90% confidence
In-Feed, Auto-Play Video Control n=400, Under Standard n=135, Above Standard n=269

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AIDED AD RECALL (△) BASED ON AVERAGE VIEWABILITY OF IN-FEED, AUTO-PLAY VIDEO

	0% IN VIEW	LOW % IN VIEW	MEDIUM % IN VIEW	HIGH % IN VIEW	100% IN VIEW
0 TIME IN VIEW	POOR				
LOW TIME IN VIEW (≤2 Seconds)		POOR	POOR	POOR	OK
MEDIUM TIME IN VIEW (3-6 Seconds)		OK	OK	GOOD	BEST
HIGH TIME IN VIEW (≥7 Seconds)		OK	GOOD	BEST	BEST

"TIME IN VIEW" APPEARS TO BE A MORE IMPORTANT FACTOR 👁

Best: ≥ 90% of max impact
Good: ≥ 80% of max impact
OK: ≥ 70% of max impact
Poor: < 70% of max impact

FINDING #4:
BREAK-THROUGH IS SWIFT WITH SOCIAL VIDEO

RECALL METRICS BY "TIME IN VIEW"

- Unaided Ad Recall (Δ)
- Aided Ad Recall (Δ)
- Message Recall (%)

Time in View	1 SEC (A)	3 SEC (B)	4 SEC (C)	6 SEC (D)	15+ SEC (E)
Aided Ad Recall (Δ)	49%	64%	60%	66%	73%
Unaided Ad Recall (Δ)	42%	55%	55%	60%	72%
Message Recall (%)	23%	31%	38%	35%	51%

Time at 100% in View
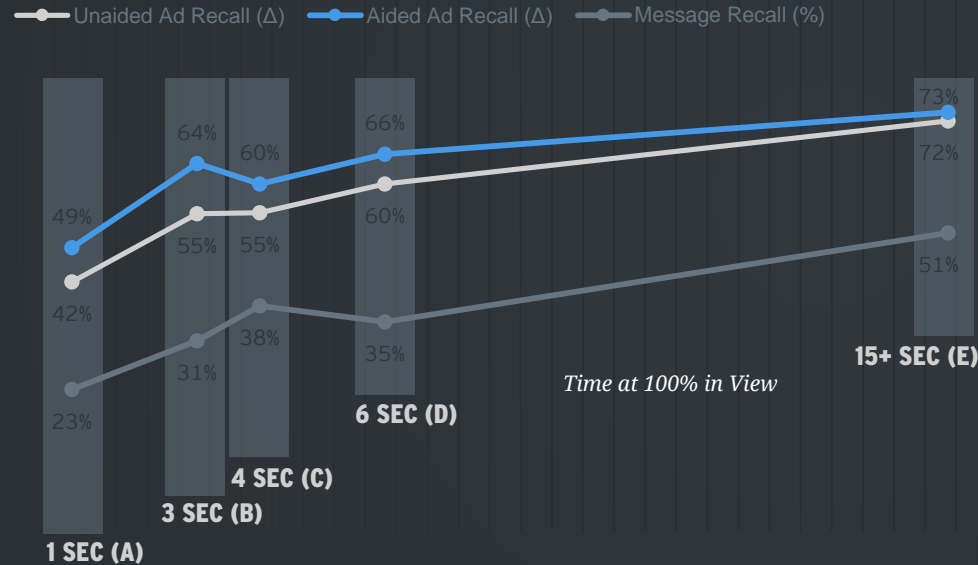
THE LONGER IN VIEW, THE HIGHER THE AWARENESS

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RECALL METRICS BY "TIME IN VIEW"

Unaided Ad Recall (Δ) — Aided Ad Recall (Δ) — Message Recall (%)

Time at 100% in View

73% AC
72% ABC
66% A
64% A
60% A
51% ABD
60% A
55% A 55% A
49%
42%
38% A
35% A
31% A
23%

15+ SEC (E)
6 SEC (D)
4 SEC (C)
3 SEC (B)
1 SEC (A)

INCREMENTAL IMPACT AT 3 SEC AND THEN AT 15 SEC
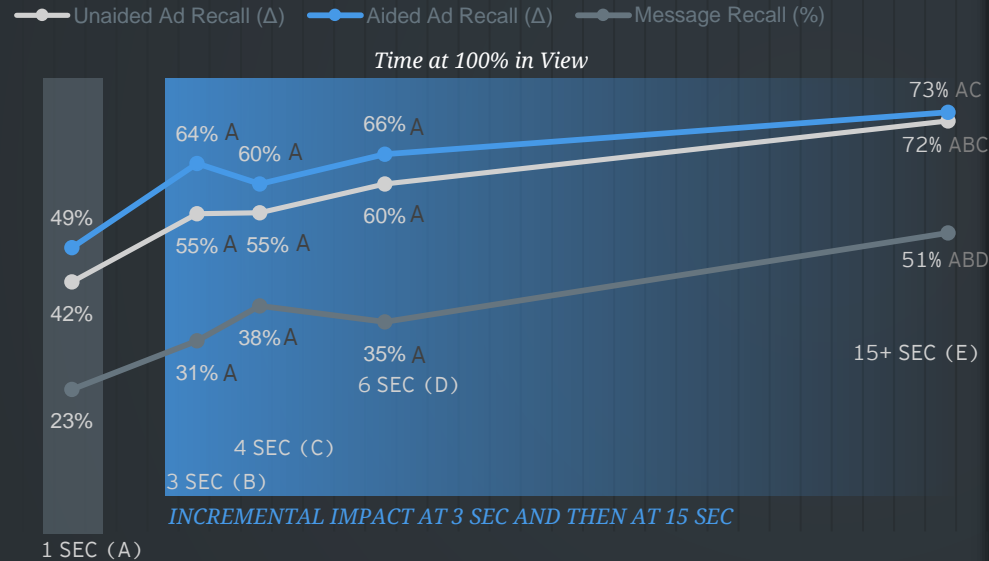
THE
3 SECOND MARK
IS MEANINGFUL

VIEWABILITY BY VIDEO AD TYPE
AIDED RECALL (△)

- 2015 Webpage Study (PC, video ad, sound on)
- In-Feed, Auto-Play (Smartphone, video ad within social media post, sound off)

73%
66%
64%
60%
60%
49%

23%
13%
1%   5%

0 sec   1 sec   3 sec   5 sec   7 sec   9 sec   11 sec   13 sec   15 sec
FULL
EXPOSURE

Time at 100% in View
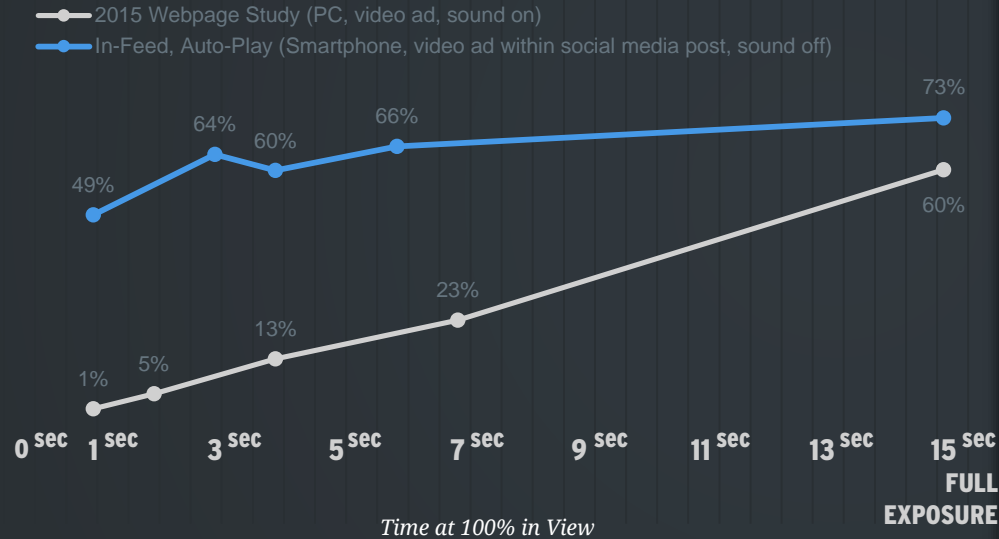
COMPARING VIEWABILITY RESULTS ACROSS STUDIES

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VIEWABILITY BY VIDEO AD TYPE
AIDED RECALL (Δ)

— 2015 Webpage Study (PC, video ad, sound on)
— In-Feed, Auto-Play (Smartphone, video ad within social media post, sound off)

In-Feed, Auto-Play values: 49%, 64%, 60%, 66%, 73%

2015 Webpage Study values: 1%, 5%, 13%, 23%, 60%

0 sec | 1 sec | 3 sec | 5 sec | 7 sec | 9 sec | 11 sec | 13 sec | 15 sec FULL EXPOSURE

OBVIOUS BRANDING BEGINS (TWEET TEXT, HANDLE, USERNAME ABOVE VIDEO)

OBVIOUS BRANDING BEGINS (WITHIN VIDEO)
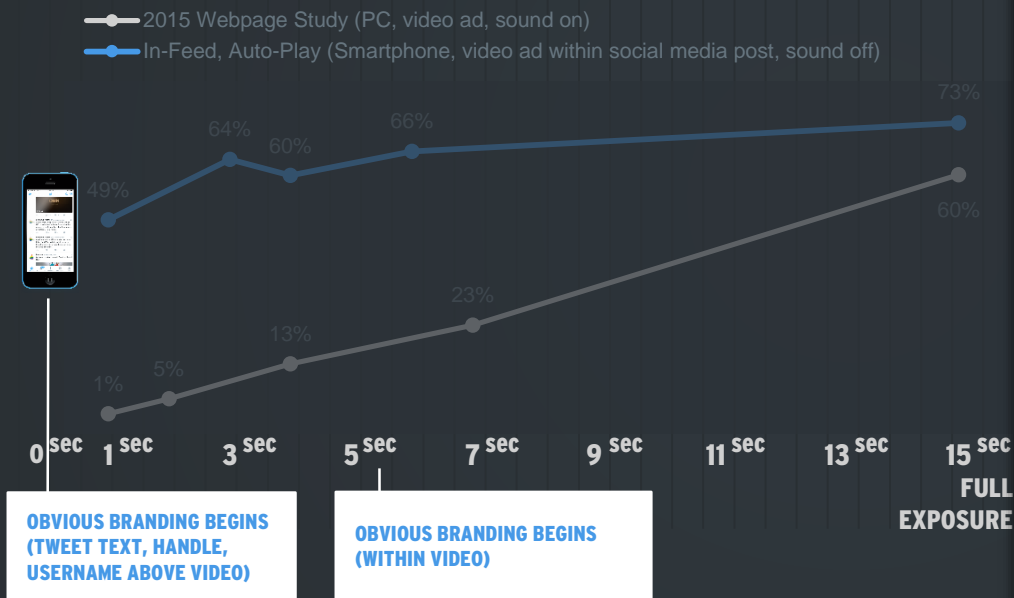
FOR SOCIAL VIDEO, HANDLE AND TEXT OFFER BRANDING BEFORE VIDEO EVEN BEGINS

MOBILE VIDEO ADS

At least 50% in view
FOR A MINIMUM OF
2 CONSECUTIVE SECONDS
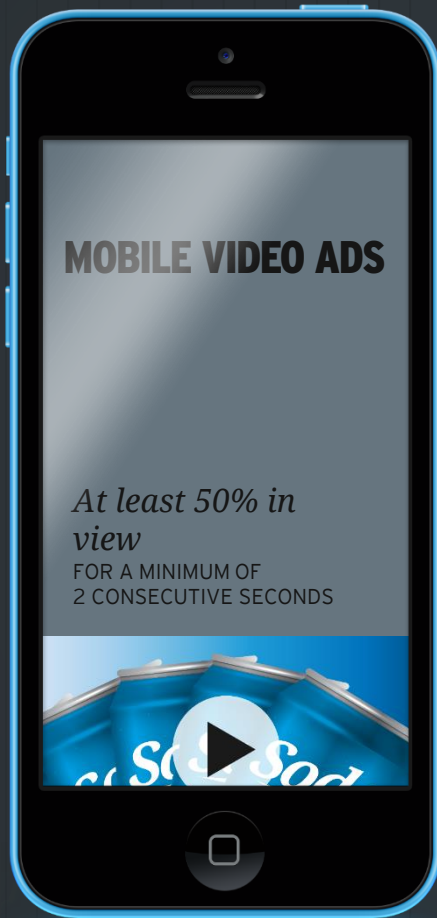
WE HAVE AN MRC STANDARD TO GO BY...
HOWEVER, MRC'S MOBILE VIDEO VIEWABILITY STANDARD MEASURES THE VIDEO RATHER THAN THE ENTIRE SOCIAL POST
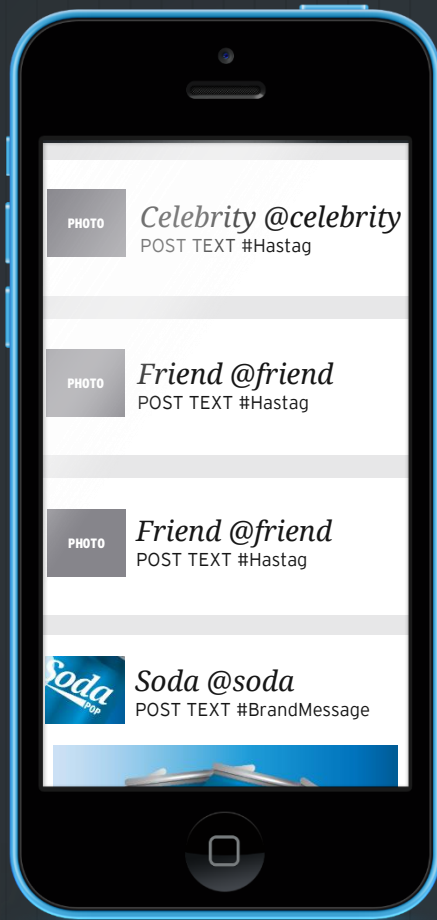
OBVIOUS BRANDING APPEARS BEFORE "PERCENT IN VIEW" MEASUREMENT STARTS

WHAT YOU CAN'T COMPLETELY CONTROL

VIEWABILITY

WHAT YOU CAN CONTROL

TARGETING RELEVANT AUDIENCES

YOUR CREATIVE

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FINDING #5:
GET TO THE POINT

IMPACT OF STORY ARC ON IN-FEED, AUTO-PLAY VIDEO

Early Story Arc | Late Story Arc

48% | 51%

Aided Ad Recall (Δ)
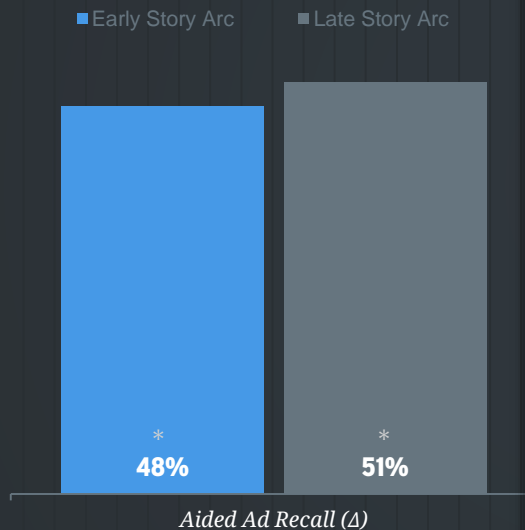
TELLING STORY EARLY ON IMPROVES ABILITY TO PERSUADE
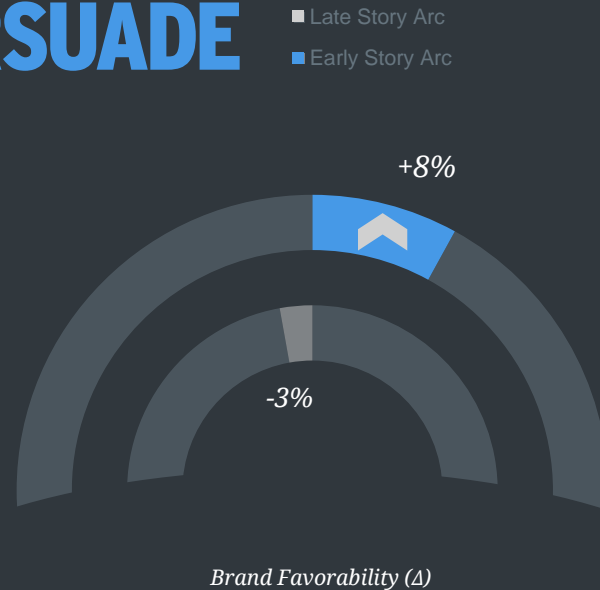
Late Story Arc
Early Story Arc

+8%

-3%

Brand Favorability (Δ)

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* Statistically significant difference between test vs. control at >= 90% confidence
▲ Statistically significant difference between Early Story Arc vs. Late Story Arc at >= 90% confidence . In-Feed, Auto-Play Video
Control n=200, In-Feed, Auto-Play Video Early Story Arc n=200, In-Feed, Auto-Play Video Late Story Arc n=199
In-Feed, Auto-Play Video: Natural exposure

PERCEPTIONS OF MESSAGE AS INFORMATIVE AMONG THOSE WHO RECALL SEEING AD

PERSUASIVENESS LIKELY BECAUSE EARLY STORY ARC CONVEYS MORE INFORMATION SOONER

- Early Story Arc
- Late Story Arc

66%

55%

Statistically significant difference between Early Story Arc vs. Late Story Arc at >= 90% confidence
Early Story Arc n=121, Late Story Arc n=126
In-Feed, Auto-Play Video: Natural exposure

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FINDING #6:
BRANDING BOOSTS RECALL AT LOW VIEWABILITY LEVELS

IMPACT OF BRANDING ON IN-FEED, AUTO-PLAY VIDEO

■ Light Branding   ■ Heavy Branding

	Unaided Ad Recall (Δ)	Aided Ad Recall (Δ)	Message Recall (%)
Light Branding	*40%	*46%	*35%
Heavy Branding	*39%	*46%	*38%
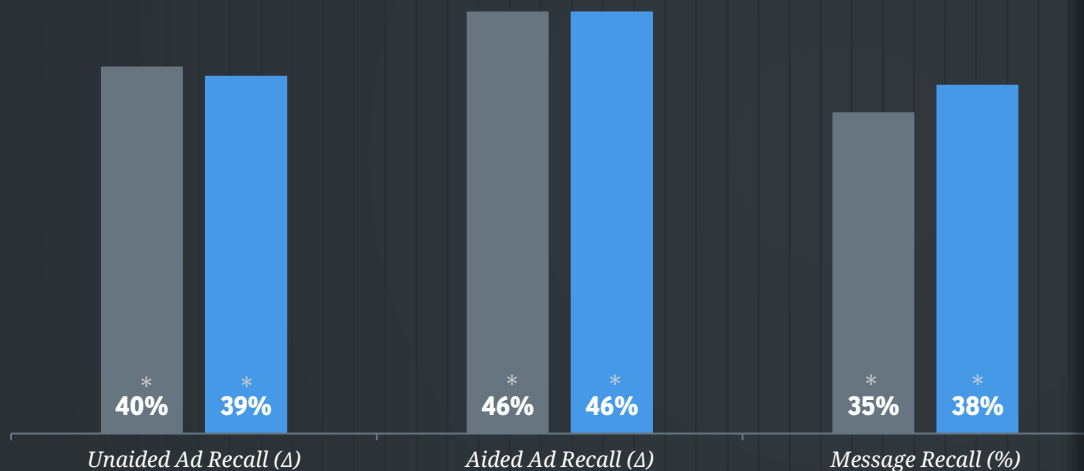
OVERALL, HEAVIER BRANDING DOESN'T IMPACT AWARENESS

* Statistically significant difference between test vs. control at >= 90% confidence
⌂ Statistically significant difference between Light vs. Heavy Branding at >= 90% confidence
In-Feed, Auto-Play Video Control n=200, In-Feed, Auto-Play Video Light Branding n=200, In-Feed, Auto-Play Video Heavy Branding n=203
Heavy branding = 2.5x brand mentions within video
In-Feed, Auto-Play Video: Natural exposure

IMPACT OF BRANDING ON UNAIDED AD RECALL (△) BY "TIME IN VIEW"

Light Branding   Heavy Branding

46% *
49% *
32% *
44% *

1 second   3 seconds
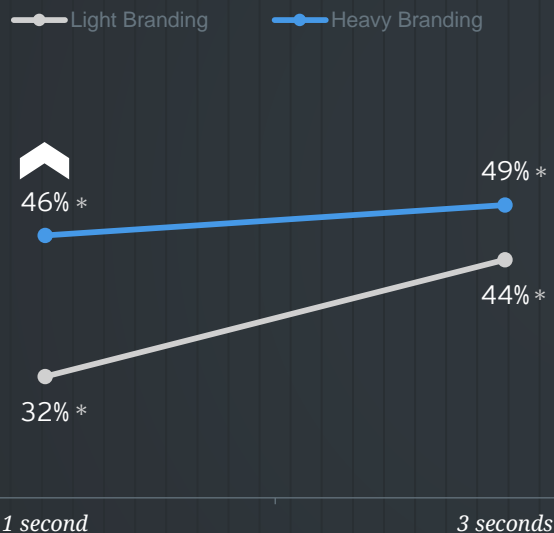
BUT, AT LOWER LEVELS OF VIEWABILITY, HEAVY BRANDING IS BENEFICIAL

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* Statistically significant difference between test vs. control at >= 90% confidence
⌃ Statistically significant difference between Light vs. Heavy Branding at that time interval at >= 90% confidence
Control n=200; In-Feed, Auto-Play Video Light Branding: 1 sec n=124, 3 sec n=103; In-Feed, Auto-Play Video Heavy Branding: 1 sec n=129, 3 sec n=107
Heavy branding = 2.5x brand mentions within video

FINDING #7:
RESEARCH ON SUBTITLES STILL A WORK IN PROGRESS

IMPACT OF SUBTITLES ON METRICS

■ No Subtitles   ■ Includes Subtitles

	Unaided Ad Recall (Δ)	Aided Ad Recall (Δ)	Branded Favorability (Δ)
No Subtitles	53%	66%	12%
Includes Subtitles	46%	57%	12%
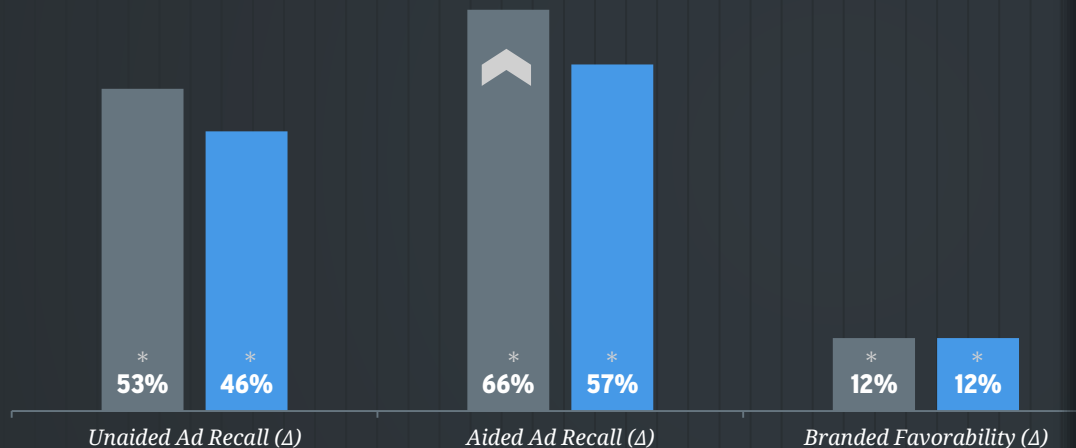
MIXED RESULTS ON WHETHER TO INCLUDE SUBTITLES

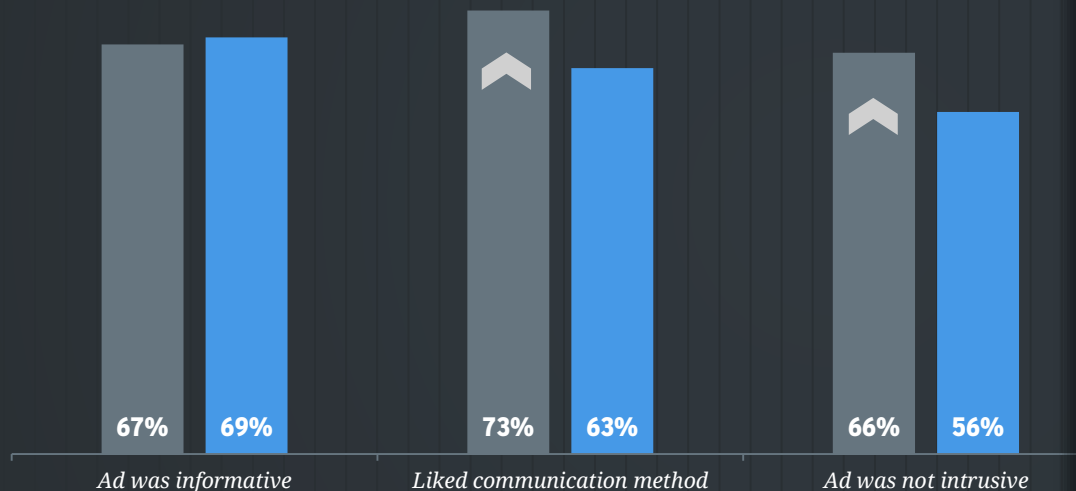✳ *Statistically significant difference between test vs. control at >= 90% confidence*
⌃ *Statistically significant difference between No Subtitles vs. Subtitles at >= 90% confidence*
In-Feed, Auto-Play Video Control n=200, In-Feed, Auto-Play Video No Subtitles n=200, In-Feed, Auto-Play Video with Subtitles n=201
In-Feed, Auto-Play Video: Natural exposure

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PERCEPTIONS OF AD AMONG THOSE THAT RECALLED SEEING AD

■ No Subtitles ■ Includes Subtitles

	No Subtitles	Includes Subtitles
Ad was informative	67%	69%
Liked communication method	73%	63%
Ad was not intrusive	66%	56%

FOR SOME VIDEOS, SUBTITLES MAY TAKE AWAY FROM THE ESSENCE OF VIDEO

Statistically significant difference between No Subtitles vs. Subtitles at >= 90% confidence
No Subtitles n=144, Subtitles n=127

FINDING #8:
VINES ON PAR WITH 15 SECOND ADS

IMPACT OF VINE VIDEO FORMAT ON BEHAVIORAL & RECALL METRICS

- 15 Second In-Feed, Auto-Play Video
- Vine Video

Second Tweet is On Screen

1.3

5.8

Dwell Time
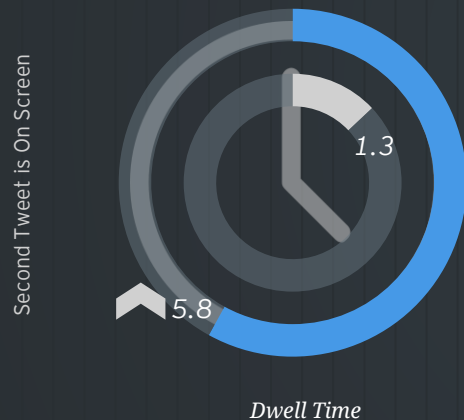
EVEN WITH FASTER SCROLL RATES, VINE VIDEO REMEMBERED SIMILARLY

- 15 Second In-Feed, Auto-Play Video Ad
- Vine Video

	Unaided Ad Recall (Δ)		Aided Ad Recall (Δ)	
	48%	*50%*	*62%*	*63%*

Unaided Ad Recall (Δ)　　　*Aided Ad Recall (Δ)*

* *Statistically significant difference between test vs. control at >= 90% confidence*
⌃ *Statistically significant difference between 15 Second Ad vs. Vine Video at >= 90% confidence*
Control n=200, 15 Second Ad n=201, Vine Video n=203
In-Feed, Auto-Play Video: Natural exposure

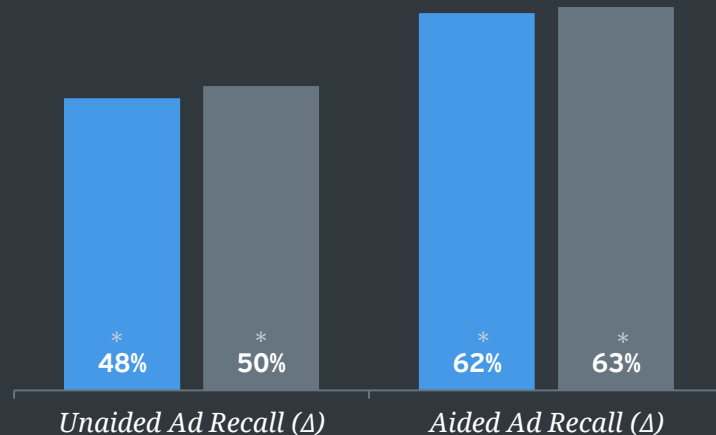## PERCEPTIONS OF AD AMONG THOSE THAT RECALLED SEEING AD

- 15 Second In-Feed, Auto-Play Video
- Vine Video

	15 Second In-Feed, Auto-Play Video	Vine Video
Trustworthiness of message	63%	62%
Ad was relevant to my interests	54%	55%
Ad was not intrusive	66%	64%
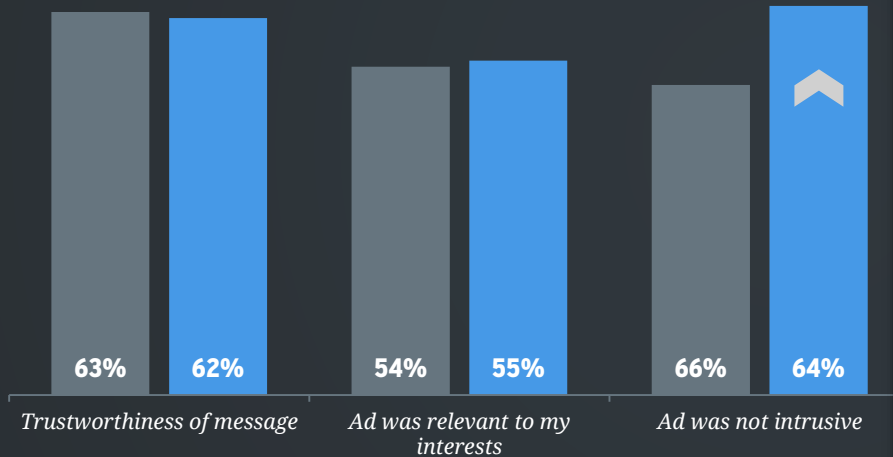
WHILE EQUALLY TRUSTWORTHY AS 15 SEC AD, VINE IS SEEN AS LESS INTRUSIVE

Statistically significant difference between No Text Overlay vs. Text Overlay at >= 90% confidence
No Text Overlay n=144, Text Overlay n=127, In-Feed, Auto-Play Video: Natural exposure

IMPLICATIONS

- Find ways to leverage this new format – in-feed, auto-play video is a unique environment where video thrives

- Ensure you are targeting people who will find it relevant, such as emoji targeting

- Prioritize environments such as social, where advertising is effective at low levels of viewability because text and branding are visible before content starts playing

- Strong needs for more research on when subtitles should be used and how. Consider pre-testing your ad with and without subtitles

- The first few seconds of your ad are important!

  - Tell a story that gets to the main point quickly

  - Include heavy, early branding to give your ad the best fighting chance at low levels of viewability

WHAT'S NEXT?

- Compare to more video formats, including out-stream video

- Evaluate whether including a human presence within the social video plays a role in effectiveness

- Examine whether contextual relevance of posts surrounding social ads impacts effectiveness