



**IAB NEW ZEALAND**

**VIDEO**

**WHITEPAPER**

**A SCREENS-FIRST APPROACH**

**2022**

# INTRODUCTION

**The distinction between online and linear video consumption has been blurring, and has reached critical mass with the proliferation of technology and devices.**

A catalyst for this shift has been the growth of connected TVs, screen mirroring devices and speed at which traditional broadcast content makes its way into digital channels.

Marketers now need to start thinking more like consumers, and they should treat their approach to video with an audience first mentality. TV and Online Video budgets should no longer be siloed, but we should move to adopt a holistic screen first approach to maximise both efficiency and effectiveness.

Marketers utilising an omni-channel approach will reach users wherever and however they consume media, leading to an effective video strategy. The idea of how users consume media is important to factor as not all screens are equal, nor is the mindset of the eyeballs behind them at a given moment.

## EXECUTIVE SUMMARY

**This whitepaper explores the rise in digital video and its seamless integration into linear consumption habits. It explores the different types of video; shining a spotlight on both advanced and emerging opportunities.**

### **It explores:**

- Why screens should be considered holistically
- Research to validate these ideas
- Why we need to consider Audio Visual (AV) with a neutral, screens-first approach
- Measurement and reporting capabilities to ensure campaign objectives are met
- Using the right video format for environments

# WHY A SCREENS-FIRST APPROACH?

Marketing Science tells us that advertisers should focus on penetration if they want to grow their brand. This means targeting all category buyers and not focussing your marketing efforts exclusively talking to your heaviest buyers. This ensures brands are replacing the natural churn of lost customers with those new to the category or brand.

While the strength of digital enables advertisers to be hyper targeted, the work of Byron Sharp and the Ehrenberg-Bass Institute (EBI) in “How Brands Grow” have proven this to be an ineffective strategy when trying to grow your brand. That isn’t to mean you must talk to all audiences the same, instead cater only for the differences that matter when balancing reach and relevance. Essentially you can still utilise segmentation, but ensure your audiences are broad enough to still capture the category. Best practice dictates if you utilise segmentation, messaging is tailored to the relevant differences (segments) in your audience.

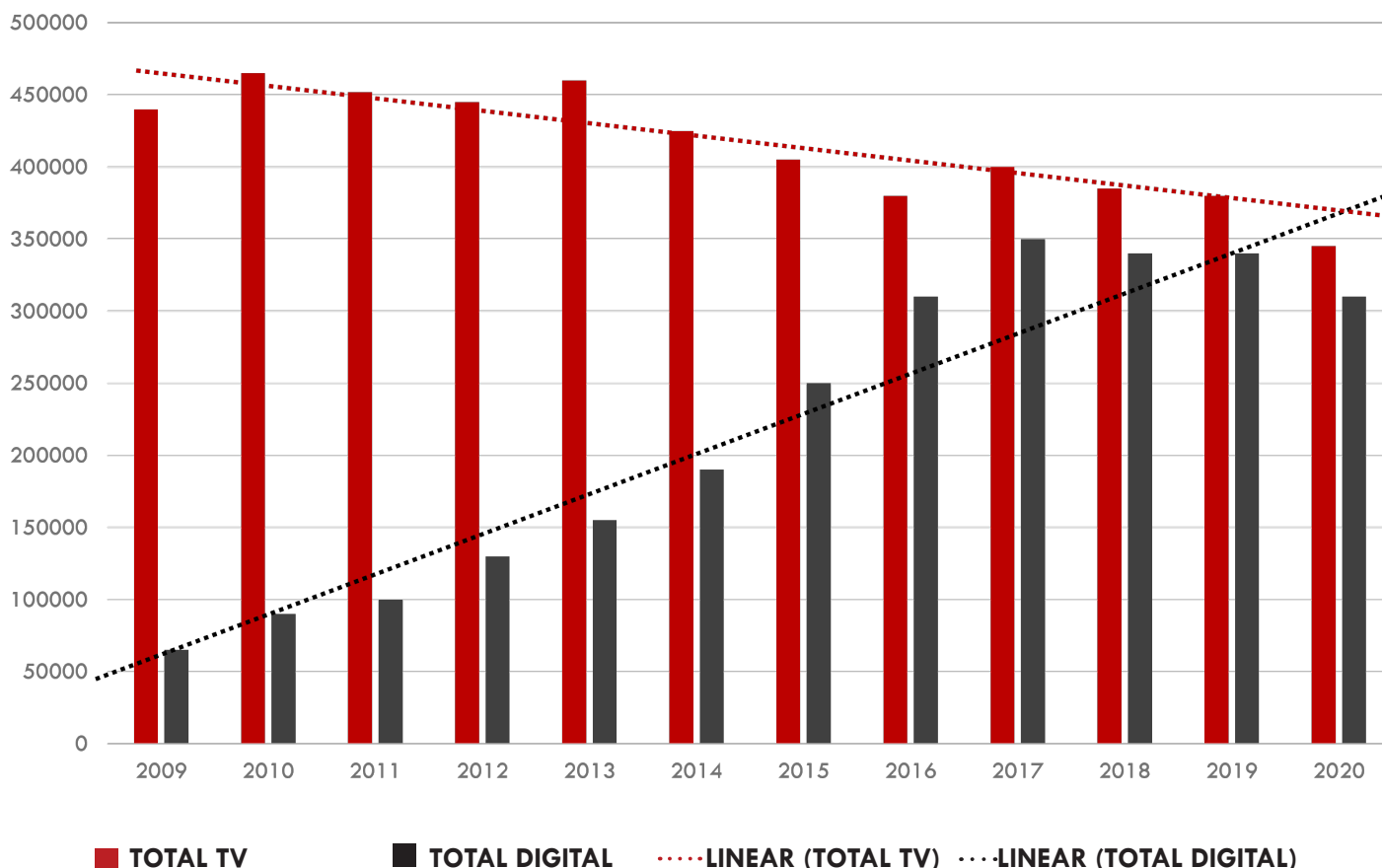
Given advertisers should be targeting all category buyers, broad reaching channels such as TV and Online Video reign supreme. Both deliver broad reach and have their own strengths regarding the distribution of their respective audiences. Utilising a screens approach to budget setting and campaign planning is the most effective way to drive penetration and grow your brand, as this approach enables advertisers to cast their net widely and not over invest in any one demographic or gender.

## VIDEO LANDSCAPE

Video has been evolving at a rapid rate. **Online video now attracts the biggest daily audience of 59% of people 15+ engaging daily with it ahead of TV\*** and advertisers need to evolve with it. Traditionally marketers might not have considered their video budget as one holistic spend across channels and environments – instead they would first allocate their TV budget, leaving what remained to be spent across additional channels.

When reviewing New Zealand SMI data from 2009 - 2020 we can see investment share over time has increased for these alternate channels, with digital seeing the largest growth.

## GROWTH SPEND: TV VERSUS DIGITAL 2009-2020



The IAB's H1 2021 Revenue Report defines video as a share of total digital investment as **23.3%**. **This has seen growth of 32.7% up from H1 in 2020.** This growth is fuelled by a rise in digital investment, across the board with total digital spends up 43.9% from H1 in 2020.

While these growth numbers are slightly inflated due to a COVID impacted 2020, digital advertising now accounts for half of total advertising spend in New Zealand. Marketers are electing to spend more within digital at the expense of traditional TV, which is seeing a declining trend in investment.

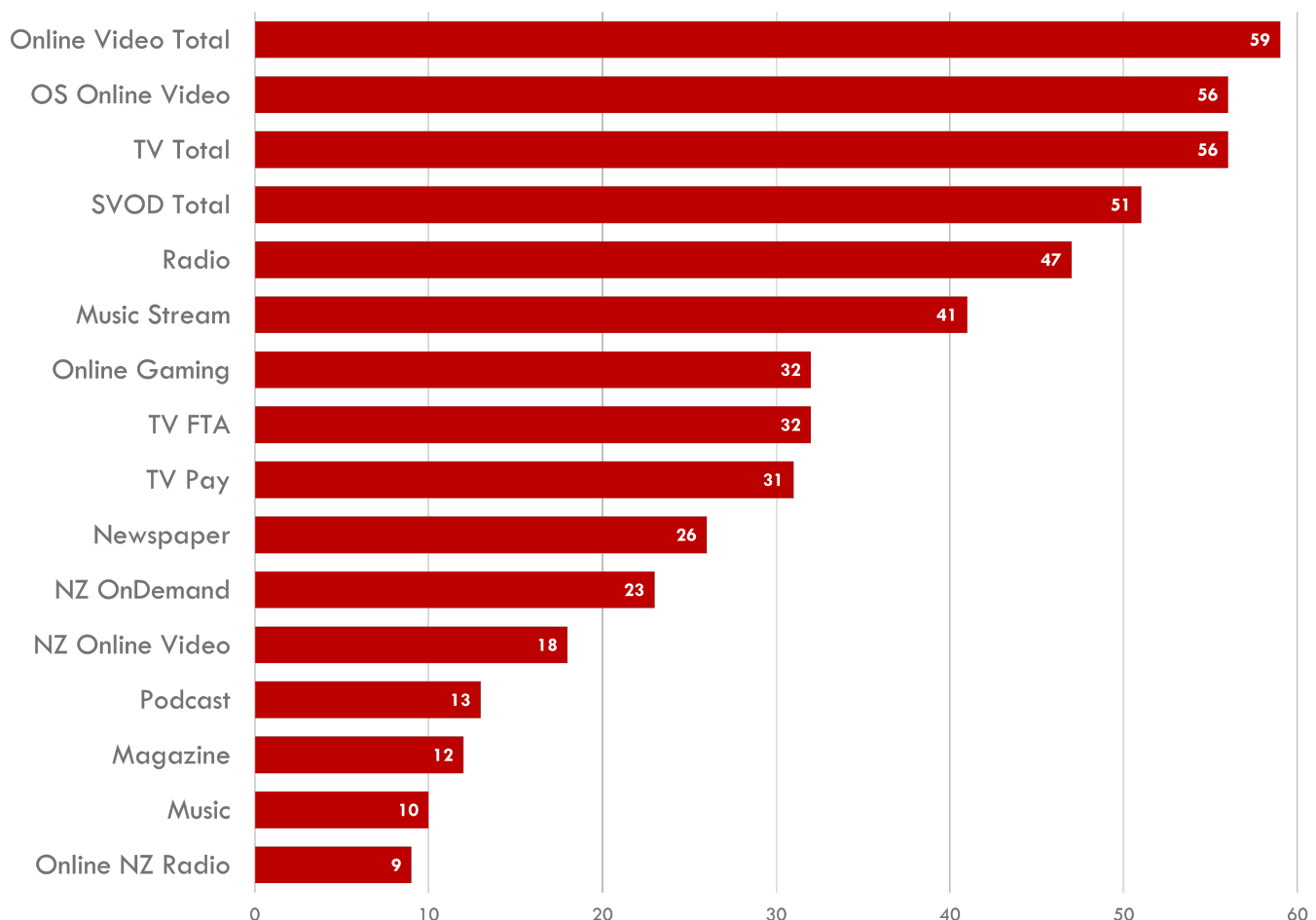
Whilst not considered best practice by today's standards, advertisers were simply investing their budget where the largest distribution of their audiences were. Having reviewed the 2021 Glasshouse report "Where are the Audiences" we know TV is still the leading channel for time spent consuming media, however the daily reach of TV versus Online Video is comparable, with Online Video having a slight edge for a 15+ demographic.

What is imperative for marketers to understand is how these trends change depending on audiences. Again "Where are the Audiences" research illustrates different demographics have unique consumption habits. For example:

- 91% of the youth audience aged 15-24 engage with Online Video every day (New Zealand average 59%)
- Compared to TV at 36% (New Zealand average 56%).

Media and consumption habits have become increasingly fragmented over the past decade. Introductions of alternate social platforms such as TikTok, the rise of streaming services such as Disney Plus, Amazon Prime and telecommunication companies winning sport broadcasting rights like Spark Sport further illustrates why advertisers need a more strategic approach on where their video advertising dollars are spent.

The below chart (Fig. 1.2) shows the top reaching channels for New Zealanders 15+. However, with many marketers wanting to target pockets of New Zealand, be it tertiary providers targeting the youth, automotive the aging or life insurance the old. The below illustrations highlight the unique consumption habits of some core demographics (Fig 2.2-2.4).



(Fig. 1.2) - Glasshouse report on media consumption across channels (Audiences 15+)

Fig 2.2



Fig 2.3

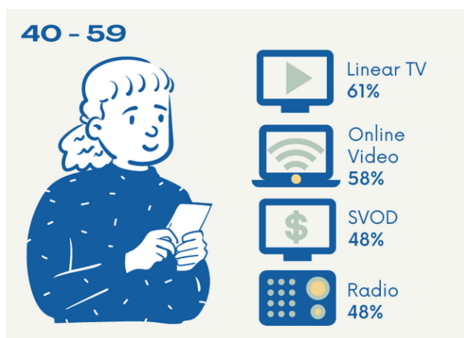
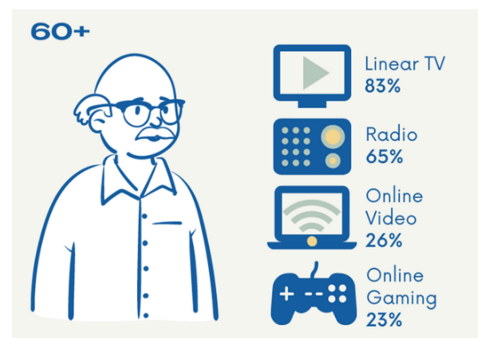


Fig 2.4



## VIDEO CHANNELS & PLACEMENTS

Applying a screens approach to your media plans doesn't mean applying a format agnostic response – i.e. what works on one channel might now work best on another. By understanding the various video formats and their relevance within channels such as vertical video within mobile, widescreen across BVOD and audio-less in social, you are able to deliver your message in the most relevant manner, leading to greater ad recall. Effective marketers can both identify where their audience are consuming media, but also how they are, which means they can tailor their response accordingly to drive the best business outcomes.

Understanding that budgets need to be carefully distributed across linear TV and Online Video (OLV) is an important first step. Deciding which channels and placements will be most effective in driving business outcomes is more difficult to gauge. Instead of focussing on formats or audiences in silo, a combined approach should be considered to deliver the greatest impact and reach for your campaign.

Grasping the comparative strengths within each channel and the unique audiences they unlock is crucial to a successful screens-first approach. It's important to consider where relevant audiences are consuming media and use multiple touchpoints as required to drive the highest penetration. Complementing a TV buy with tactfully targeted OLV enables advertisers to reach a more diverse audience, with such tactics including weightings by age or gender as well as which formats will elicit the greatest response. Here advertisers need to also consider which format to use for the right moment.

## RIGHT VIDEO FORMAT FOR THE RIGHT MOMENT

We've touched on how media habits are changing and the consumption of OLV is increasing year on year. Equally we've identified that online channels are an effective medium for advertisers to reach a subset of their audience who would have traditionally been captured with a TV buy, referred to some as "Cable Cutters". However, what also needs to be communicated is the importance that an AV asset aligns with the environment, device and platform it is viewed on to achieve maximum impact. In doing so, an advertiser personalises the user experience for a household or individual by understanding the consumption habits of a given platform.

- CTV: is a lean back experience, emotive, atmospheric ad experience
- Desktop & Mobile: lean forward, interactive and action driven ad experience

Brands that address customisation and personalisation will have a greater impact on their desired audiences by providing a positive user experience.

It's important to consider the pros and cons of short versus long form videos against the device it's being served on to ensure it is fit for purpose.

Traditional widescreen formats lend better towards longer durations with goals that involve educating or engaging to shift behaviours such as brand perception to make meaningful connections between brand and consumers.

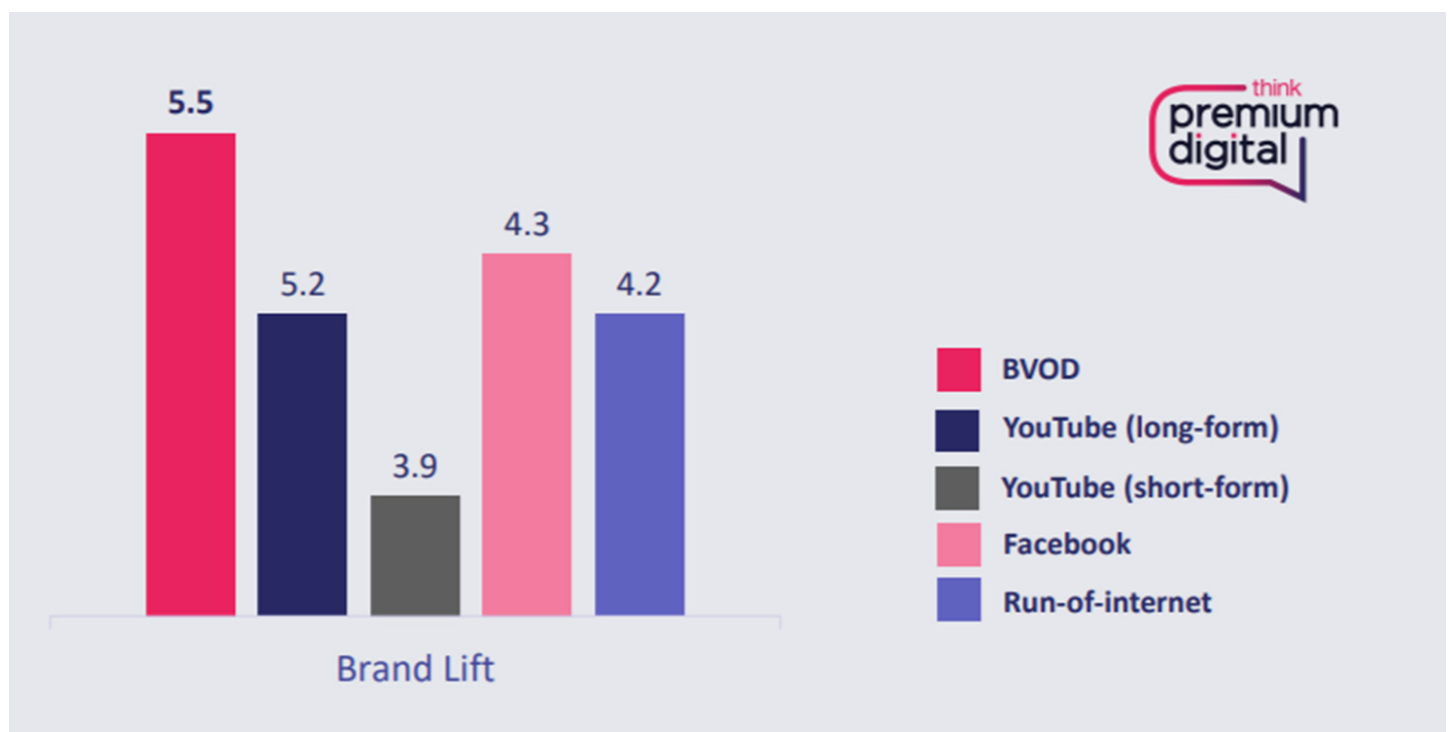
Short form video hits the consumer with a short and sharp message. It allows brands to creatively engage with their audiences to echo their brand messaging strategies, increase frequency and extend awareness. Vertical video needs to be considered for the mobile environment and is essential for user engagement and likeability, across social channels especially.

TYPES OF VIDEO	CHANNEL	METRICS	TARGETING	CREATIVE DURATION	AD POSITION
Short Form	<ul style="list-style-type: none"> <li>• YouTube</li> <li>• Websites</li> </ul>	<ul style="list-style-type: none"> <li>• Digital metric</li> <li>• Reach</li> </ul>	<ul style="list-style-type: none"> <li>• Content Vertical (Entertainment, Sports etc)</li> <li>• 1PD, 3PD, 2PD</li> </ul>	6sec - 15sec	<ul style="list-style-type: none"> <li>• Pre-Roll</li> </ul>
Long Form	<ul style="list-style-type: none"> <li>• BVOD</li> <li>• YouTube</li> </ul>	<ul style="list-style-type: none"> <li>• Genre</li> <li>• Audience</li> <li>• Show name</li> </ul>	<ul style="list-style-type: none"> <li>• Content</li> <li>• Demo</li> <li>• 1PD 2PD, 3PD</li> </ul>	>15sec	<ul style="list-style-type: none"> <li>• Pre-Roll</li> <li>• Mid-Roll</li> <li>• Post-Roll</li> </ul>
In-Banner/ Vertical Video/ Content	<ul style="list-style-type: none"> <li>• Social video</li> <li>• Rich Media</li> <li>• Outstream</li> </ul>	<ul style="list-style-type: none"> <li>• Digital metric</li> <li>• Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Content Vertical (Entertainment, Sports etc)</li> <li>• 3PD, 2PD</li> </ul>	6sec - 15sec	<ul style="list-style-type: none"> <li>• Pre-Roll</li> </ul>

A recent study below by Think Premium Digital (AU) talks about video ads in premium digital environments drive better ad recall, recognition, ad likeability and lift.

- Short-form video in premium digital environments delivers 1.8X higher recall than Facebook video.
- Short-form video in premium digital environments offers 1.8X better recall and 2.8X the brand lift of run-of-internet sites.
- Ads in BVOD generate a 15% improvement in likeability over YouTube short-form

## NOT ALL DIGITAL VIDEO IS EQUAL



Think Premium Digital AU

## MEASUREMENT

While the above content provides guardrails to planning an effective screens-first or video neutral approach, understanding the metrics that matter will ultimately determine whether your campaign was successful in its implementation. Traditional methods become redundant when measuring overall campaign effectiveness across multiple screens. The measurement needs to be addressed holistically to ensure both optimum campaign health and positive brand outcomes are achieved.

This holy grail singular view hasn't been perfected, with Connected TV (CTV) being a channel that still provides challenges with its measurement. Marketers battle to both factor the impacts of CTV within their attribution modelling as well as its impact in cross screen measurement. Likewise, there will always be a disconnect between online and offline environments such as TV and Cinema. Here the use of Brand Lift Studies (BLS) is an effective tool in measuring the overall success of your campaign. This is where a survey is shared to both a control and exposed audience to see whether there is an uplift in brand metrics upon running activity.

Most marketers would traditionally rely on reach and frequency as a measure to determine campaign success. While this provides a good proxy to the number of users exposed, the metric needs to be coupled with supporting measures to best understand the full picture of campaign effectiveness. Reviewing your campaigns viewability (the percentage of your ads that were viewable to an audience) alongside reach and frequency is best practice. There are however alternate metrics which focus on consumer-based measures which should also be considered.

These include:

- Active Time Spent viewing the ad
- Interaction and Engagement Rate
- Audible and Visible on Completion
- Brand Lift/Impact Studies

## SUMMARY

This whitepaper has focussed on the need for advertisers to consider a screens-first approach to planning, focussing on the consumer and less about the channel. Key points highlighted in the document are:

- The growth in Online Video consumption has made it a staple for brand building media campaigns, especially given its ability to target hard to reach audiences.
- Different audiences consume media differently and advertisers should be considered in the channels they select and their budget weightings to best drive business outcomes.
- Understanding how different audiences consume media will also require careful selection in creative and its duration to drive the greatest highest retention.
- Given campaigns are planned in a holistic manner, they should also be measured as such. Traditional metrics such as channel reach and frequency should be reviewed with broader brand lift studies implemented wherever possible.

## SOURCES

### **IAB H1 2021 Revenue Report:**

[www.iab.org.nz/news/q1-2021-iabnz-digital-advertising-revenue-report-press-release](http://www.iab.org.nz/news/q1-2021-iabnz-digital-advertising-revenue-report-press-release)

### **Glasshouse 'Where are all the Audiences?':**

[www.nzonair.govt.nz/research/where-are-audiences-2021](http://www.nzonair.govt.nz/research/where-are-audiences-2021)

### **SMI Data:**

[www.standardmediaindex.com/products-and-services/apac/new-zealand](http://www.standardmediaindex.com/products-and-services/apac/new-zealand)

### **Think Premium Digital AU:**

[thinkpremiumdigital.com.au/resource/not-all-digital-video-is-equal](http://thinkpremiumdigital.com.au/resource/not-all-digital-video-is-equal)

### **More Online Video reading:**

#### **NZ IAB Video Playbook:**

[www.iab.org.nz/resources/video-playbook](http://www.iab.org.nz/resources/video-playbook)

#### **AU IAB Video Whitepaper:**

[iabaustralia.com.au/wp-content/uploads/2021/09/IAB\\_Digital\\_Video\\_InStream\\_Ad\\_Format\\_Guidelines\\_5.10.16-1.pdf](http://iabaustralia.com.au/wp-content/uploads/2021/09/IAB_Digital_Video_InStream_Ad_Format_Guidelines_5.10.16-1.pdf)

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# APPENDIX