

# Click Rates Complicate Online Video Ad Metrics

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General benchmarks nonexistent as CTR varies by industry, demographic and more

Benchmarks are often important markers for advertisers looking to estimate initial campaign performance and approximate competitor efforts.

As online video, a subset of the larger display industry, continues to gain momentum, marketers are increasingly looking for video ad benchmarks to justify increased campaign budget and online video investment.

But those looking to mark their efforts against common digital metrics like clickthrough rate (CTR) will need to consider more than a general industry standard, according to video ad solutions provider TidalTV.

TidalTV found online video ad CTR for US campaigns on its network were influenced by everything from industry sector to day of the week, making it unwise for marketers to seek a cut-and-dry benchmark.

Within industry verticals, online video ad CTR can vary by as much as 46 percentage points. TidalTV used the automotive industry as the baseline CTR and found industries like financial services and home improvement outperformed automotive ads by 15% and 11%, respectively. Consumer packaged goods (CPG), pharma and travel industry ads tended to see lower CTRs than the baseline.

Such large variance shows not all campaigns are created equal: Agencies and marketers working in multiple verticals should avoid comparing cross-industry campaign performance.

But even among similar-industry campaigns, CTR can also vary by day of week, further muddling the use of a solid CTR benchmark. CTR is significantly higher on weekdays, for example. Wednesday, on average, outperforms Sunday, chosen as the baseline, by 27%.

Advertisers tracking campaign performance daily who are unaware of such patterns might mistake these natural CTR fluctuations for greater or lesser campaign performance.

Viewer demographics also influence video ad CTR. Although sex has little effect on CTR, younger and older viewers are more likely to click than their 25- to 34-year-old counterparts—often the prime marketing demographic and the baseline for this data set.

TidalTV suggested these viewers are less likely to click on online video ads due to the sheer volume of advertising messaging they're exposed to on a daily basis.

But one might wonder whether younger and older demographics are less ad-savvy and more prone to mistaking ads for desired content. If so, then CTR may indicate user activity but not necessarily intent.

This alone should lead marketers to question whether direct-response, activity-based metrics like CTR are true indicators of online video ad campaign performance, particularly when the majority of campaigns are focused primarily on brand-based initiatives better measured through engagement and brand-lift metrics.

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