

Marketers Use Online Video To Complement, Not Cannibalize, TV Ads

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Display, TV and print all sources of digital video ad budget

The growing enthusiasm for online video advertising signals that the web can and should continue to capture a larger share of brand dollars. Though advertisers and agencies are often increasing their investments in digital video advertising at the expense of offline branding efforts, findings from DIGIDAY and Adap.tv suggest funding also comes at the expense of current display advertising budgets.

According to a November 2011 study, advertisers were more likely to fund their online video advertising efforts from offline channels such as print and broadcast TV than their agency counterparts. Advertisers most often planned to shift budget from print (41%), while 29% said they would take dollars from broadcast TV to fund their digital video advertising efforts. Just 24% planned to pull from display.

Agencies said boosts to online video budgets would most come at the expense of display (43%), indicating a general move away from less dynamic ad formats, such as banner ads, in favor of those with greater engagement potential.

In addition, 39% of agencies said they would fund video from broadcast TV budgets. Though findings appear to suggest advertisers and agencies are shifting budgets away from TV toward video ads, more than half (56%) of respondents viewed online video as a direct complement to—and not a replacement for—their TV ad programs. Just 11% looked to online video to replace their TV ads.

In the past year, both advertisers and agencies have shifted their primary video advertising objectives from brand awareness to brand engagement, perhaps suggesting marketers are moving away from viewing digital video as a mere extension of TV ads and moving toward embracing online video for its ability to more directly engage viewers in a dynamic way.

By enabling video ads with social sharing and other calls to action, marketers can use digital video as a springboard to additional online engagement on social networks, their website and even mobile apps.

Mobile is a growing area of interest for video advertisers, yet publisher offerings lag brand adoption. For example, 42% of advertisers and agencies have purchased iPhone-compatible video ads, yet only 35% of publishers supported such ads. Differences for Android video ads (31% vs. 28%, respectively) and iPad ads (41% vs. 35%) were similar.

Publishers that are able to offer brands such ads in the coming months will likely contribute to the growth of both online video and mobile ad spending as marketers look to extend their video footprint beyond TV and across screens to achieve greater brand engagement.

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