



European Video Ad Format Landscape

REPORT

April 2017



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EXECUTIVE SUMMARY

European stakeholders, advertisers, agencies and publishers, are looking for options for delivering brand advertising campaigns via video formats.

The research reveals that there are three dominant formats across all devices in the European video advertising market which are the in-stream pre-roll format, out-stream in-article / in-page format and broadcast 30 second spot. These formats dominate in terms of current usage, trends and ROI across the industry with little variation between advertisers, agencies and publishers.

In fact, out-stream formats are more popular than pre-roll in some markets, for example those in Western Europe have increased their use of the out-stream in-article / in-page format than pre-roll suggesting stakeholders are looking for further digital format options for video advertising campaigns.

However, in terms of investments and revenues, in-stream formats currently lead. The 2016 IAB Europe Attitudes to Digital Video Advertising research (1) revealed that a third of advertisers state that more than two thirds of their digital video ad budgets are allocated to in-stream formats, just 12% say the same for in-banner formats and 4% for out-stream. Looking at the sell-side, publishers rely on in-stream for a large proportion of their digital video advertising revenues; 64% state that more than two thirds of their digital video ad budgets come from in-stream ads.

The results highlight that the buy-side is executing cross-media video advertising campaigns as more than two thirds of agencies are using the broadcast 30 second format devices and the 30 second ad duration is the most popular across all video ad formats suggesting TV content is being used across digital channels.

Whilst PC / Desktop is currently the dominant device for video advertising as all formats are used frequently on this device, stakeholders are looking to expand across devices as the increase of video ad formats usage was strong on both PC / Desktop and Mobile. The buy-side is particularly looking to extend their video advertising messages across devices, for example over 80% increased their use of pre-roll on mobile devices in the last 12 months.

(1) IAB Europe Attitudes to Digital Video Advertising report - <https://www.iabeurope.eu/research-thought-leadership/resources/iab-europe-report-advertisers-and-agencies-demand-branding-metrics-for-digital-video-advertising/>



EXECUTIVE SUMMARY

Advertisers and agencies are also not only looking to expand across devices but also across formats and are turning to out-stream formats to do so, more than half of buy-side respondents are using the in-feed format across devices.

On the sell-side, publishers are also looking to out-stream for further choice suggesting they are aiming to update and improve the layout of their content and pages; more than half are using the in-article / in-page format across all devices.

As stakeholders seek more choice they also aim to eradicate their use of more intrusive formats; overlay and interstitial formats are said to have decreased by the highest number of respondents





INTRODUCTION

The last two decades of digital advertising have delivered consistent innovation and growth. Now a €36.4bn market and the largest advertising medium in Europe, overtaking TV for the first time in 2015 (2). Digital is being driven by video, improvements in ad quality, mobile, social media and the emergence of native advertising and of course programmatic advertising which continues to help marketers to better reach and engage relevant audiences in a real-time environment.

Indeed, digital video increased by 35.8% in 2015 to a market value of €2.3bn and now almost now almost a quarter of digital video is generated programmatically (23.1%).

In order to understand the video ad formats landscape across Europe, including the current usage for brand advertising campaigns, trends and technological specifications, IAB Europe's Video Ad Formats Task Force and Brand Advertising Committee developed the Video Ad Formats survey for the first time this year.

The survey asked about four key areas:

- **Video ad format usage** – which formats are being used frequently or sometimes
- **Video ad format trends** – which formats have been increasing in use over the past 12 months
- **Video ad format tech specifications** – which tech specs, file sizes and ad durations are commonly used for video ad formats
- **Value of video ad formats** – how does the industry value video ad formats in terms of ROI

The survey asked about both digital first formats including in-stream and out-stream as well as more traditional broadcast TV formats. For usage and trends the survey was split between devices including PC / Desktop, Tablet and Mobile.

(2) IAB Europe AdEx Benchmark 2015 report (July 2016) – <http://www.iabeurope.eu/research-thought-leadership/iab-europe-adex-report-the-definitive-guide-to-europes-online-advertising-market/>





METHODOLOGY & PARTICIPANTS

An online survey was used with the help of the national IAB network to ensure a representative sample across European markets. The survey received approximately 700 respondents between January and March 2017.

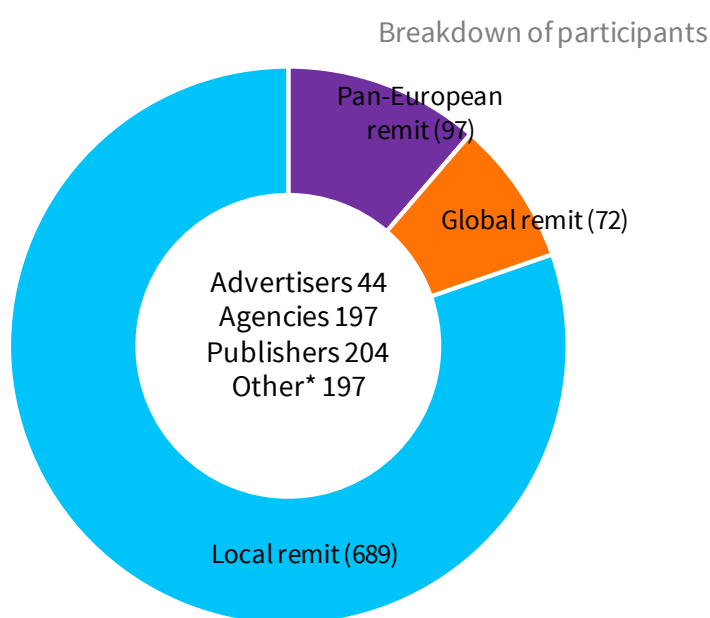
The responses came from advertisers, agencies and publishers in 31 markets and respondents with both pan-European and Global remits.

IAB Europe also segmented the markets according to their region:

- **Western Europe:** UK, France, Germany, Belgium, Switzerland, Netherlands, Austria, Ireland
- **Northern Europe:** Norway, Sweden, Denmark, Finland
- **Southern Europe:** Spain, Italy, Portugal, Greece
- **Central and Eastern Europe:** Belarus, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine

IAB Europe members can access the raw data with region breakouts by contacting Marie-Claire Puffett (contact details at the back of this report).

FIGURE 1



* Includes ad networks, trading desks, measurement suppliers and industry associations





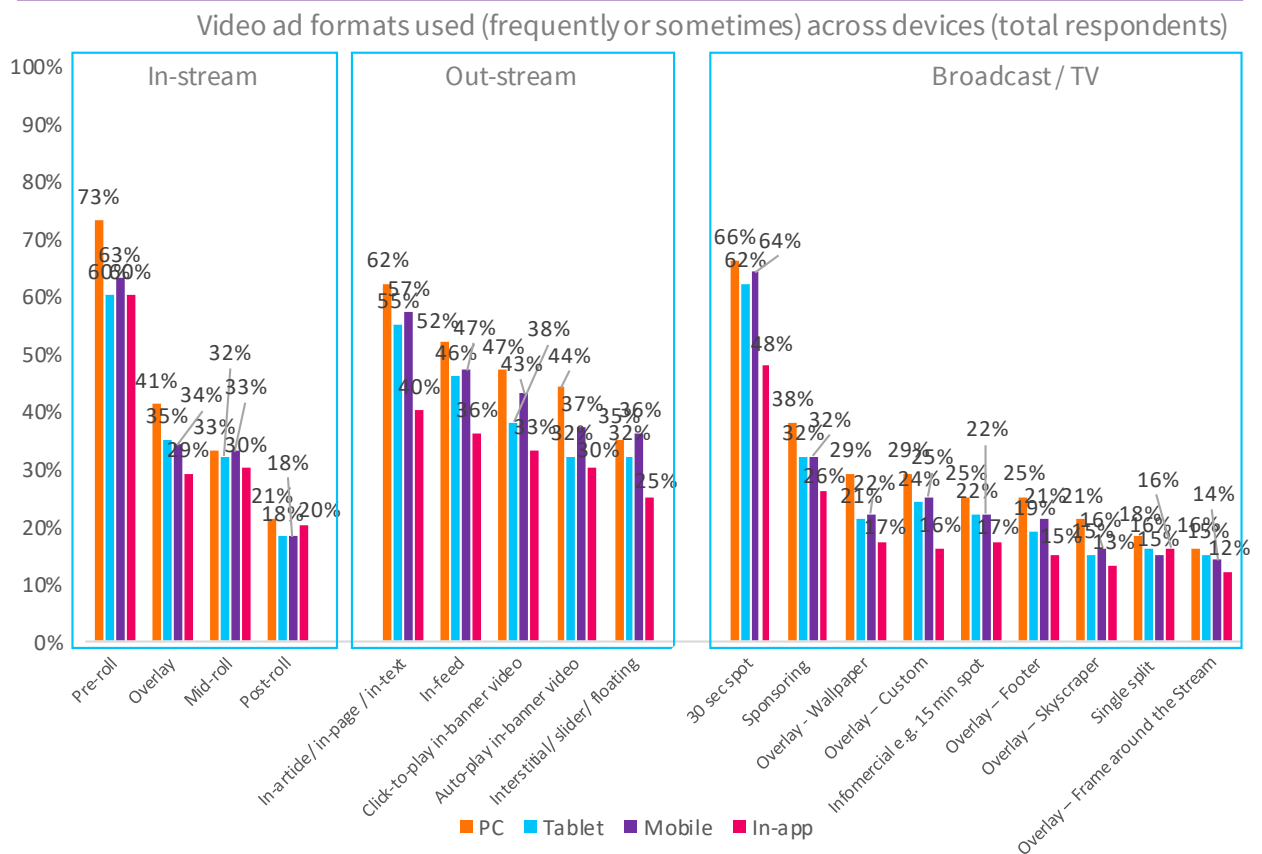
CURRENT FORMAT USAGE

Three dominant formats

The research reveals that there are three dominant formats across all devices in the European video advertising market which are the in-stream pre-roll format, out-stream in-article / in-page format and broadcast 30 second spot. These formats dominate in terms of current usage, trends and ROI across the industry with little variation between advertisers, agencies and publishers.

In fact, out-stream formats are more popular than pre-roll in some markets, for example those in Western Europe suggesting stakeholders looking for ways to expand their video campaigns beyond in-stream. Indeed, according to the latest IAB UK online ad spend report (3), out-stream formats are driving video ad spend growth.

FIGURE 2



(3) IAB UK / PwC Digital Ad Spend Report 2016 (April 2016) - <https://www.iabeurope.eu/research-thought-leadership/programmatic/member-report-iab-uk-pwc-digital-adspend-study-2016/>

The majority of advertisers and agencies are still using the pre-roll format for brand advertising campaigns on PC / desktop devices, whilst looking for further ways to distribute their video campaigns and are turning to out-stream in-feed ad formats to do so with more than half using this format across all devices.

Cross-device TV and digital campaigns

Between two thirds and three quarters of agencies are using the broadcast 30 second spot across all devices again suggesting the buy-side is executing cross-device TV and digital campaigns and the results show that publishers are meeting this demand. Indeed, the IAB Europe Attitudes to Digital Video Advertising research revealed that 82% of advertisers and 88% of agencies plan their digital video advertising campaigns in conjunction with their TV advertising.

On the sell-side, pre-roll is also used by many publishers, three quarters are using this format on PC / desktop devices suggesting they are meeting the buy-side demand. Additionally, more than half of publishers are using the out-stream in-article / in-page ad format across PC / desktop, tablet and mobile devices suggesting that they are looking to update and possibly improve the layout of their content and pages.

FIGURE 3

Video ad formats used (frequently or sometimes) across devices (by stakeholder)

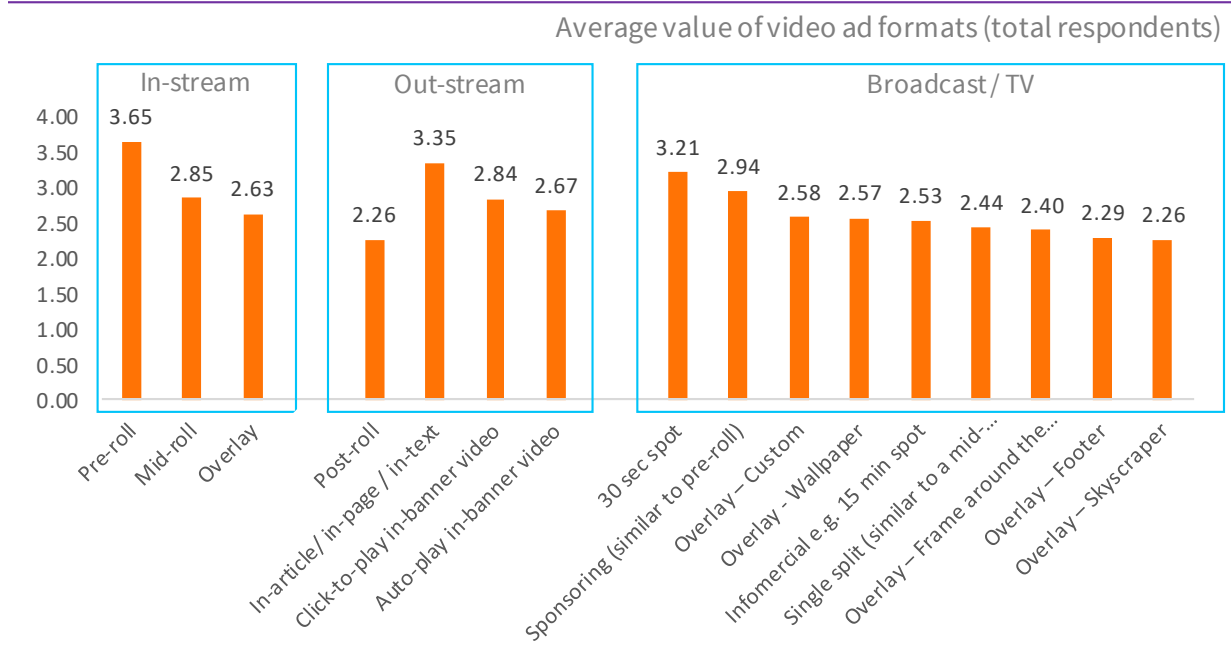
	Advertiser				Agency				Publisher			
	PC	Tablet	Mobile	In-app	PC	Tablet	Mobile	In-app	PC	Tablet	Mobile	In-app
In-stream												
Pre-roll	93%	77%	62%	61%	82%	69%	76%	64%	74%	62%	65%	68%
Mid-roll	31%	23%	23%	23%	38%	34%	35%	37%	33%	30%	31%	32%
Post-roll	0%	0%	0%	0%	19%	14%	16%	23%	25%	24%	23%	21%
Overlay	15%	15%	15%	8%	45%	37%	41%	39%	40%	34%	31%	27%
Out-stream												
Click-to-play in-banner video	46%	46%	39%	15%	54%	40%	47%	37%	42%	38%	40%	30%
Auto-play in-banner video	31%	31%	23%	15%	50%	36%	42%	39%	46%	32%	32%	22%
In-article/ in-page / in-text	31%	38%	38%	8%	51%	46%	48%	39%	61%	53%	53%	35%
In-feed	69%	54%	54%	16%	63%	58%	60%	51%	42%	37%	38%	26%
Interstitial/ slider/ floating	8%	23%	23%	8%	34%	28%	32%	24%	36%	37%	41%	27%
Broadcast / TV												
30 sec spot	46%	46%	38%	15%	69%	63%	68%	51%	65%	59%	58%	47%
Infomercial e.g. 15 min spot	0%	0%	0%	0%	30%	24%	27%	21%	24%	21%	20%	18%
Sponsoring (similar to pre-roll)	30%	23%	23%	15%	41%	33%	32%	27%	42%	38%	38%	33%
Single split	0%	0%	0%	8%	16%	13%	13%	15%	16%	16%	15%	23%
Overlay - Wallpaper	0%	0%	0%	8%	28%	23%	24%	21%	32%	19%	19%	17%
Overlay – Footer	8%	8%	0%	8%	26%	20%	21%	18%	24%	18%	18%	16%
Overlay – Skyscraper	8%	8%	8%	0%	26%	16%	20%	15%	16%	13%	10%	14%
Overlay – Frame around the Stream	0%	0%	0%	0%	21%	21%	20%	16%	13%	12%	11%	12%
Overlay – Custom	0%	0%	0%	0%	23%	18%	20%	16%	36%	29%	27%	18%



Value of formats

The survey asked respondents about how they value the video ad formats in terms of ROI for advertisers and agencies and value for publishers, the respondents placed a value between 1 and 5 (1 being low and 5 being high) on each format. The results show that pre-roll is ranked the highest in terms of ROI and value, closely followed by the in-article / in-page format.

FIGURE 4





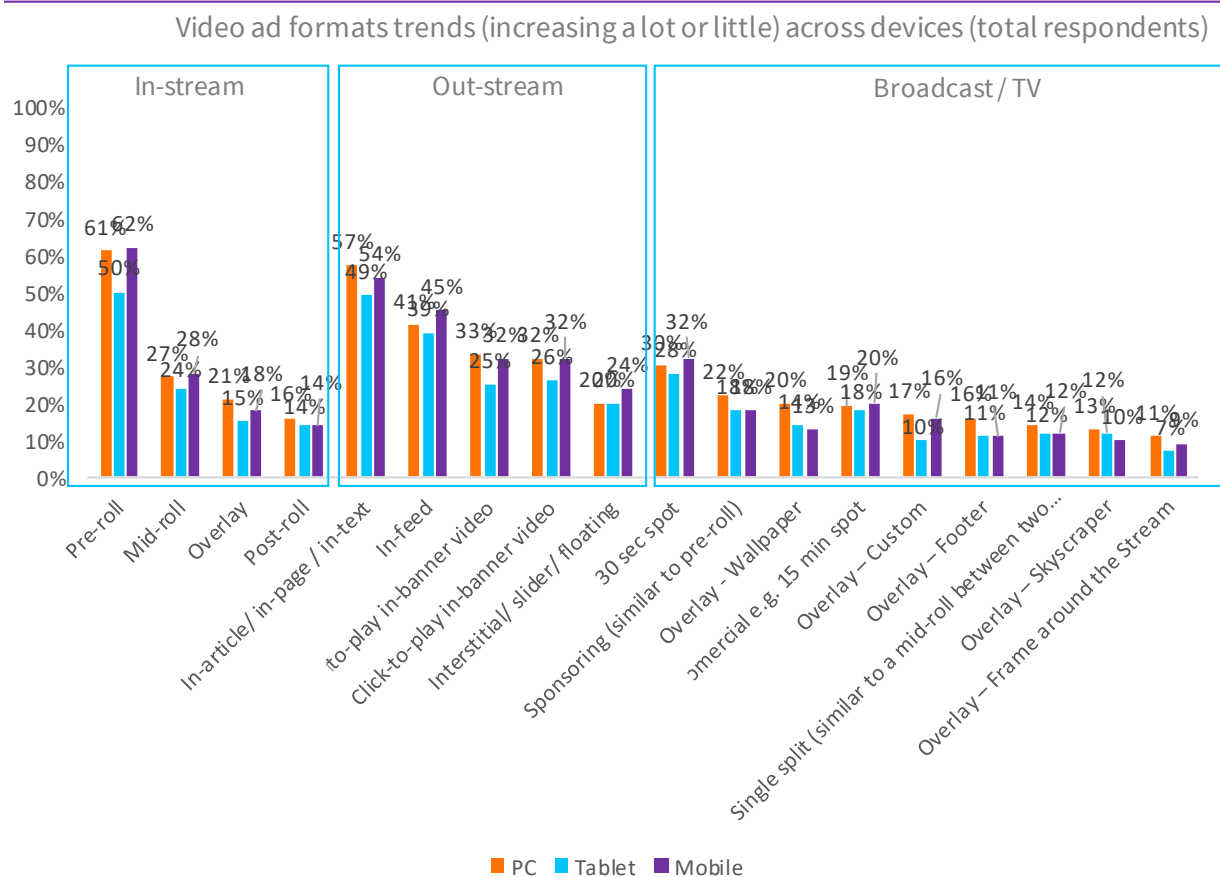
TRENDS

Pre-roll has seen strong growth across all devices over the past 12 months for brand advertising campaigns, with 50-62% (depending on device) of total respondents saying their use of this format has increased. As stakeholders seek more variety other formats have experienced strong growth, for example, more than half of all respondents cited an increase of the in-article / in-page format across all devices.

Southern and Western European markets drive increase of out-stream formats

The survey shows that respondents in Southern Europe are driving the increase of the out-stream in-article / in-page format on PC / Desktop and respondents in Western Europe are driving the increase of the same format on tablet devices.

FIGURE 5



Buy-side looking to expand across devices

80% of advertisers and agencies increased their use of pre-roll on mobile devices over the past 12 months suggesting that the buy-side is aiming to extend their video advertising campaigns across devices.

The survey reveals that agencies are driving the increase of out-stream formats, for example, more agencies have increased their use of in-feed ad formats than pre-roll on tablet devices. Additionally, more than half of all agencies are increasing their use of in-article / in-page format across all devices.

More respondents in Western Europe have increased their use of the in-article / in-page format than pre-roll, particularly on PC / Desktop devices with 55% increasing their use of in-article / in-page and 45% increasing their use of pre-roll. This trend continues in Southern Europe where three quarters of respondents have increased their use of in-article / in-page in PC / Desktop compared to 68% of pre-roll. Respondents in Central & Eastern Europe are also adopting the in-article / in-page format with nearly half of them increasing their use of this format on PC / Desktop. For Northern Europe, pre-roll remains strong with the majority (92%) of respondents citing an increase in their use of pre-roll on mobile devices and three quarters on tablet devices.

The results also reveal that overlay and interstitial ad formats have been decreased by the highest number of respondents suggesting that stakeholders are aiming to eradicate their use of more intrusive formats.

FIGURE 6

Video ad formats trends (increasing a lot or little) across devices (by stakeholder)

	Advertiser			Agency			Publisher		
	PC	Tablet	Mobile	PC	Tablet	Mobile	PC	Tablet	Mobile
In-stream									
Pre-roll	80%	60%	80%	74%	53%	80%	66%	54%	58%
Mid-roll	20%	20%	20%	40%	32%	40%	20%	22%	24%
Post-roll	0%	0%	0%	22%	18%	18%	13%	12%	10%
Overlay	10%	10%	10%	22%	14%	18%	23%	17%	13%
Out-stream									
Click-to-play in-banner video	30%	20%	40%	28%	24%	32%	42%	31%	27%
Auto-play in-banner video	40%	30%	40%	39%	32%	47%	36%	23%	23%
In-article/ in-page / in-text	40%	40%	40%	60%	51%	59%	57%	42%	46%
In-feed	20%	20%	20%	63%	58%	62%	35%	31%	36%
Interstitial/ slider/ floating	10%	20%	30%	20%	20%	24%	24%	19%	19%
Broadcast / TV									
30 sec spot	10%	10%	10%	40%	36%	42%	24%	21%	21%
Infomercial e.g. 15 min spot	0%	0%	0%	24%	20%	26%	13%	11%	11%
Sponsoring (similar to pre-roll)	10%	10%	10%	28%	20%	22%	25%	20%	20%
Single split	0%	0%	0%	14%	16%	16%	13%	9%	8%
Overlay - Wallpaper	0%	0%	0%	31%	24%	24%	19%	9%	11%
Overlay - Footer	0%	0%	0%	24%	18%	22%	12%	4%	2%
Overlay - Skyscraper	0%	0%	0%	18%	14%	12%	9%	11%	6%
Overlay - Frame around the Stream	0%	0%	0%	16%	10%	16%	6%	4%	4%
Overlay - Custom	0%	0%	0%	24%	14%	22%	12%	8%	9%



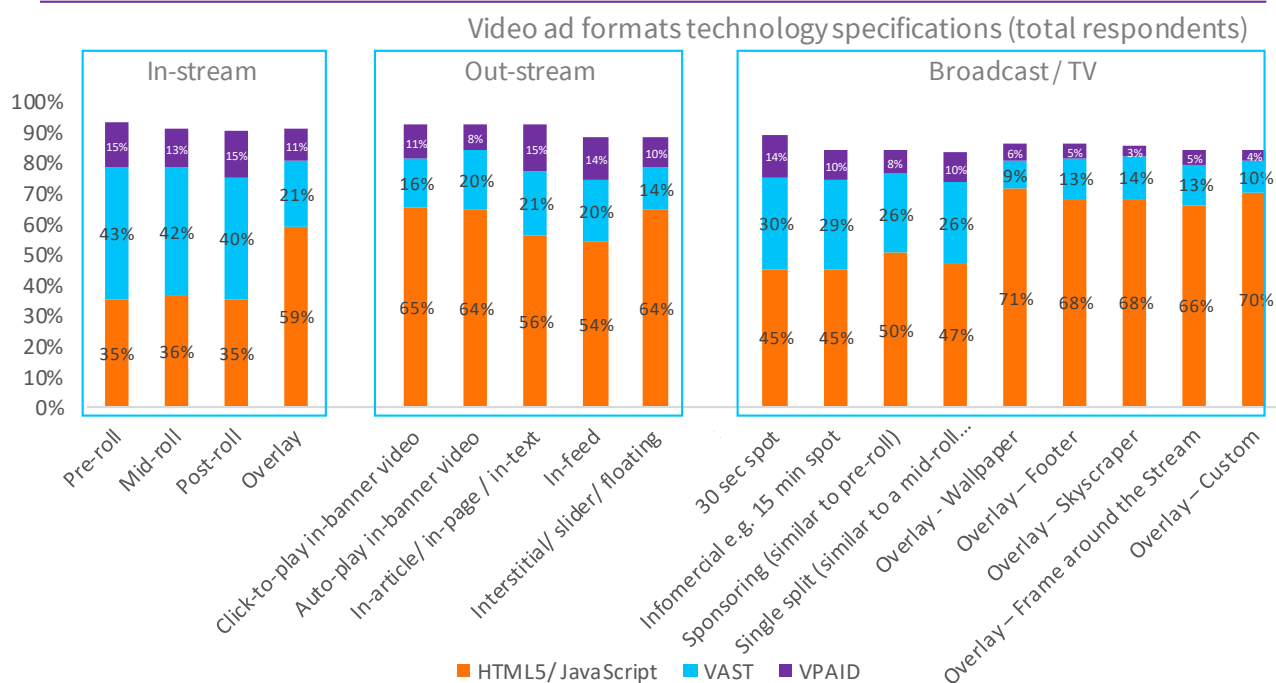


TECHNOLOGY SPECIFICATIONS

The survey reveals that Digital Video Ad Serving Template (VAST) is the most common tech specification used for in-stream formats and that HTML5/ Javascript is also used by over a third of respondents for in-stream formats. VAST is a Video Ad Serving Template for structuring ad tags that serve ads to video players that has been developed by the IAB Tech Lab (4) for in-stream video ads. Out-stream video ads are delivered into in-page display ad spaces and as such use similar technology to do so, therefore HTML5 / Javascript is the most commonly used tech specification for out-stream and Broadcast/TV Formats. The IAB Tech Lab has produced guidance on using HTML5 for Digital Advertising (5).

Video Player-Ad Interface Definition (VPAID) establishes a common interface between video players and ad units to enable a rich interactive in-stream ad experience is not widely adopted for any video ad format.

FIGURE 7



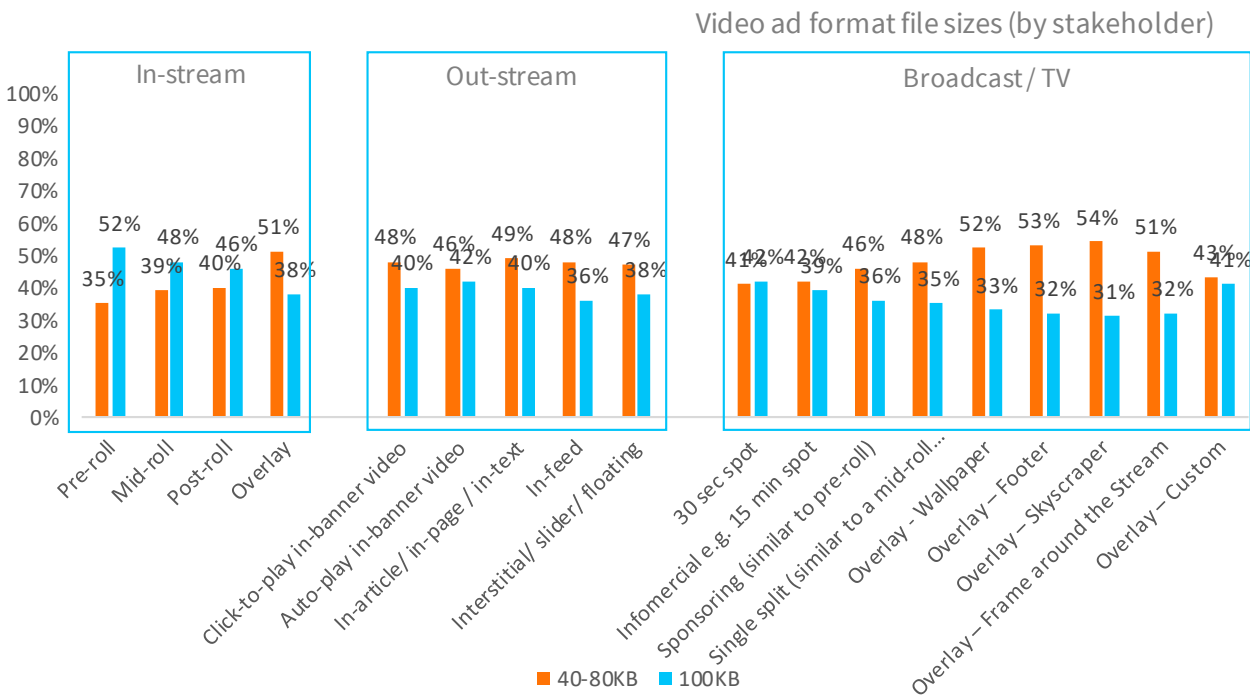
(4) IAB Tech Lab VAST - <https://iabtechlab.com/specifications-guidelines/vast/>

(5) IAB Tech Lab HTML5 for Digital Advertising - <https://iabtechlab.com/specifications-guidelines/html-5/>



For in-stream formats 100KB is the most common file size used but for out-stream and broadcast formats file sizes below 80KB are more common. The results show that advertisers are more likely to use smaller file sizes, for example 50% use 40KB for the click-to-play in-banner format compared to 12% of publishers and 13% of agencies.

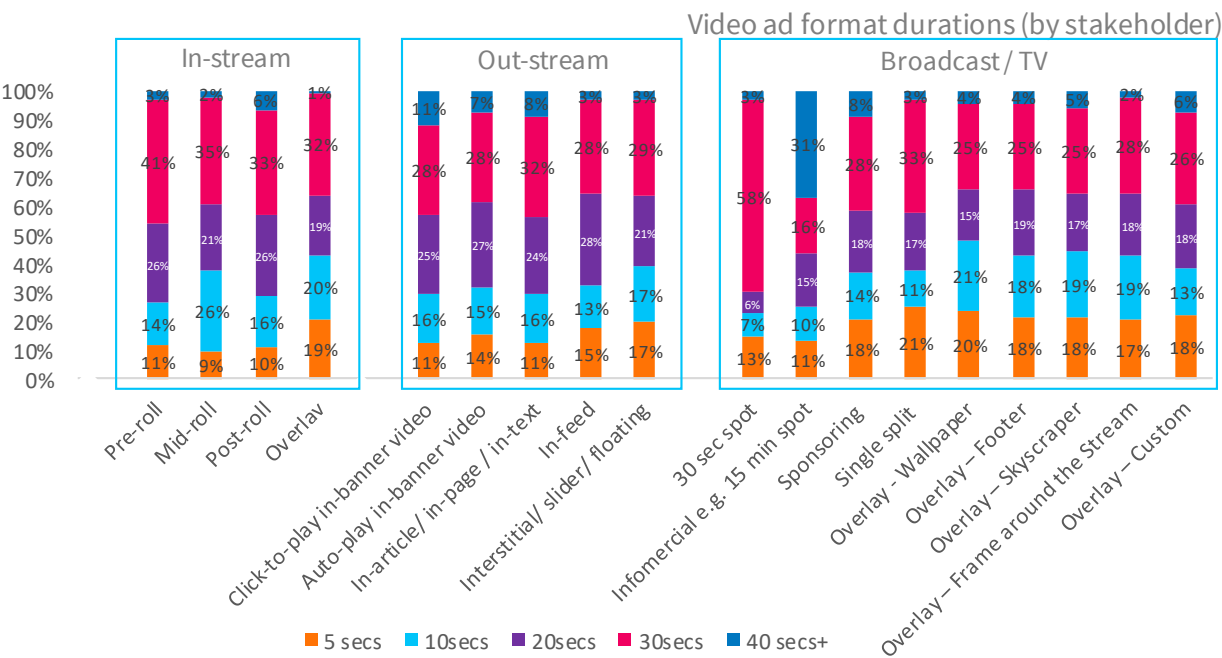
FIGURE 8



30 second most common ad duration

30 seconds is the most common ad duration across all formats. except for the longer infomercial format which is traditionally a longer spot, suggesting broadcast 30 second spot content is used across other formats. For advertisers, 20 seconds is also used as much as 30 seconds.

FIGURE 9





WITH THANKS

IAB Europe would like to thank the following contributors who helped to devise the survey and report:

Aol.

Tim Jones, Chairman, IAB Europe Research Committee and International Research and Consumer Insight Lead, AOL

iab polska

Pawel Kolenda, Vice-Chair, IAB Europe Research Committee and Research Director, IAB Poland

(1) IAB Europe AdEx Benchmark 2015 report (July 2016) – <http://www.iabeurope.eu/research-thought-leadership/iab-europe-adex-report-the-definitive-guide-to-europes-online-advertising-market/>

ABOUT IAB Europe

IAB Europe is the **voice of digital business** and the leading European-level industry association for the interactive advertising ecosystem. Its mission is to promote the development of this innovative sector by shaping the regulatory environment, investing in research and education, and developing and facilitating the uptake of business standards.

CONTACT

Marie-Clare Puffett puffett@iab europe.eu
Business Programmes Manager, IAB Europe

 [@iabeurope](https://twitter.com/iabeurope)

 [/iab-europe](https://www.linkedin.com/company/iab-europe)

www.iabeurope.eu