



## Q4 2017 Video Benchmarks

Video advertising in the U.S. continued to grow in 2017 and industry forecasts predict double digit growth for the foreseeable future. eMarketer estimates that brands spent over \$13 billion on video advertising last year—a growth rate of more than 23 percent over 2016.

How are video ads performing? What devices are they viewed on? How high is viewer engagement?

This comprehensive report on the latest performance metrics for video ads served from the Extreme Reach platform tracks campaigns for major brands in multiple categories. The result is an industry-

wide snapshot that provides insights into Viewability, Click-Through Rate, Video Completion Rate, General Invalid Traffic and more.

Data for this report is based on video campaigns ad served via the Extreme Reach platform from January 2015 through December 2017, covering billions of video ad impressions across desktop, mobile (smartphone), tablet and connected TV (CTV/OTT).

The images we've chosen for this report are a salute to women everywhere in celebration of National Women's History Month.

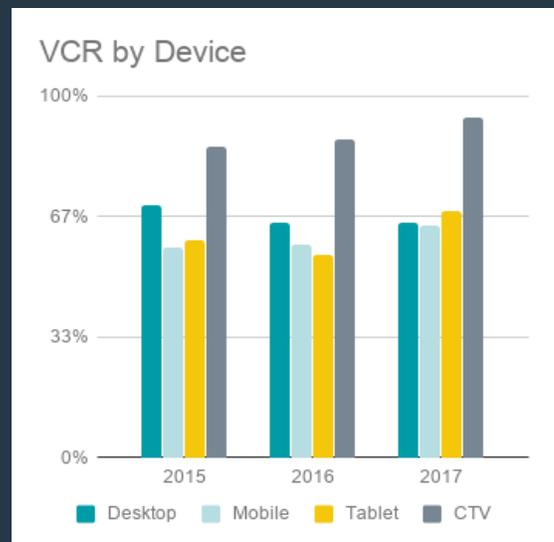
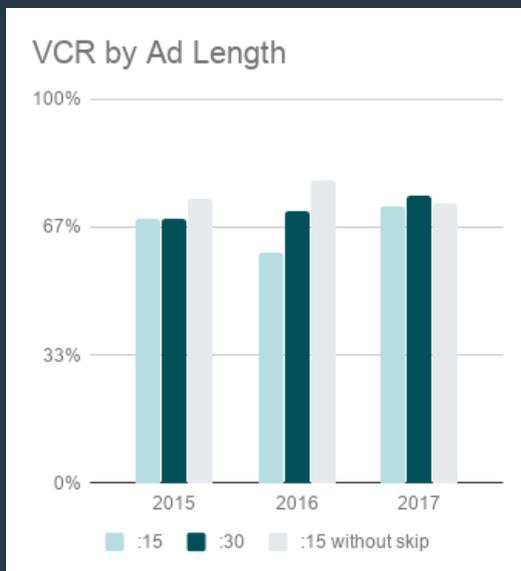
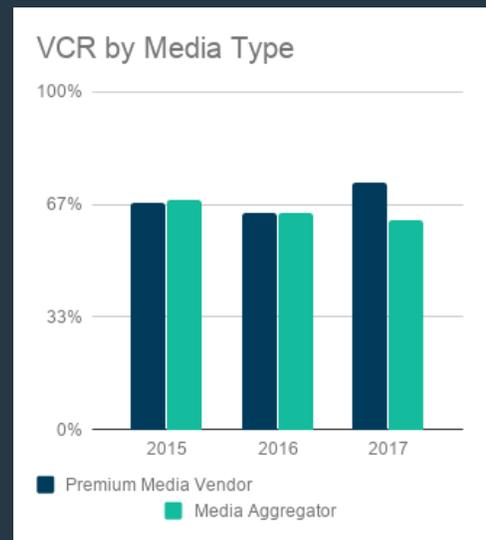
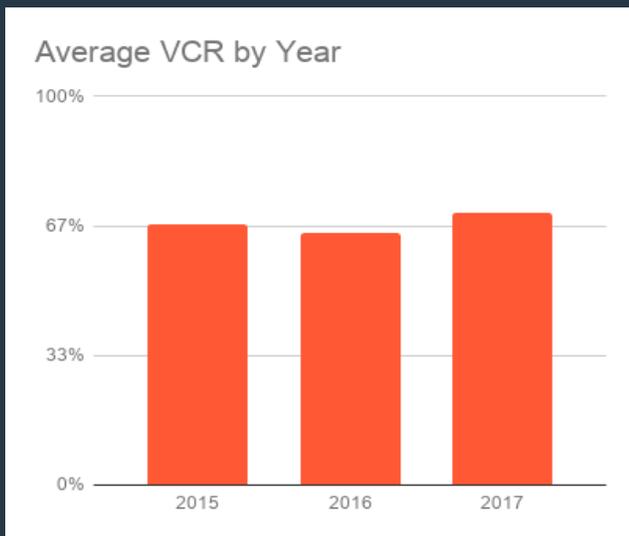
# 2017 Full Analysis

In comparing full year 2017 to full year 2016, three trends stand out:

- Ad fraud is down
- Mobile has moved into the lead
- Advertisers are focusing on completion and away from click through as a video ad campaign goal

Looking back to 2015 provides a broader view of the trends we're seeing.

## Video Completion Rates by Year

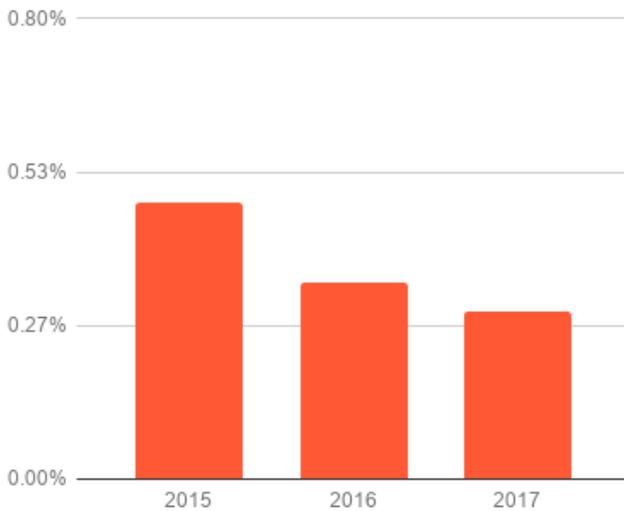


# Click-Through Rates by Year

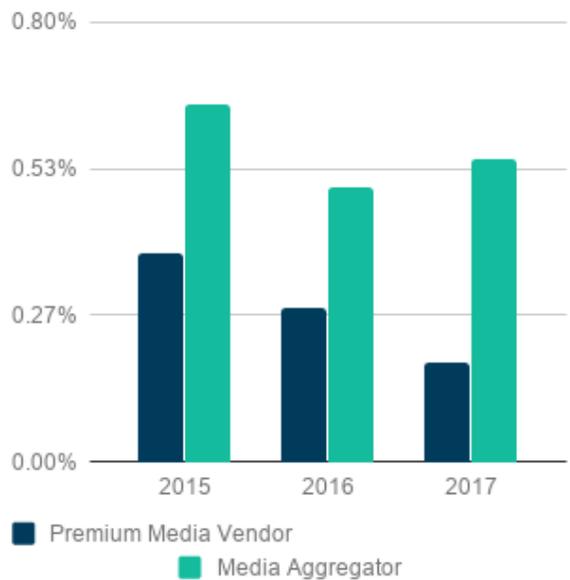
## ADVERTISERS ARE FOCUSING ON ATTENTION OVER ENGAGEMENT:

More advertisers shifted their focus in 2017 toward video ad completion and away from click through (CTR) as a video ad campaign goal. Declines in CTR (-14.7 percent overall, -35.7 percent for premium) and increases in completion (up 7.7 percent overall and 14.1 percent for premium) are both signs that advertisers are likely focusing campaigns on sustained viewer attention instead of driving clicks away from the ad unit

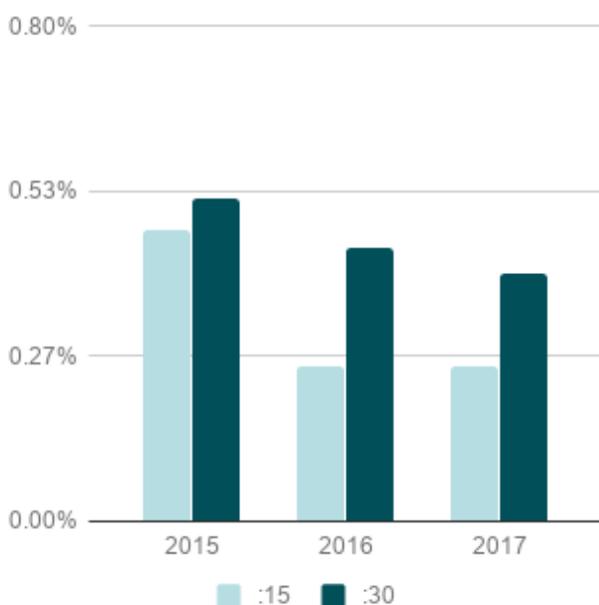
Average CTR by Calendar Year



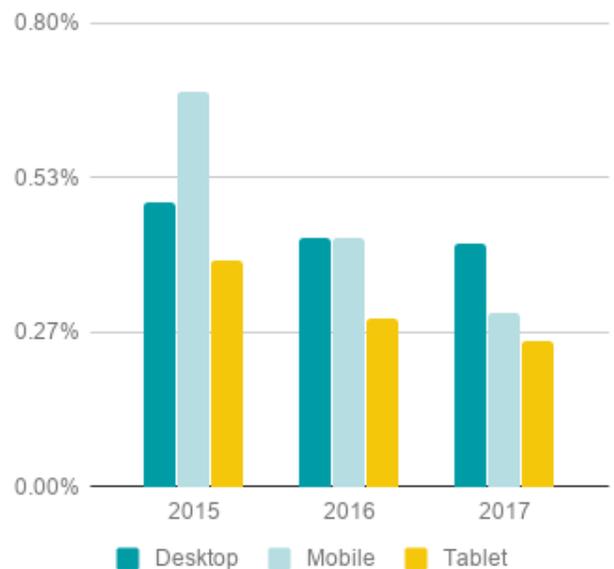
CTR by Media Type



CTR by Ad Length



CTR by Device

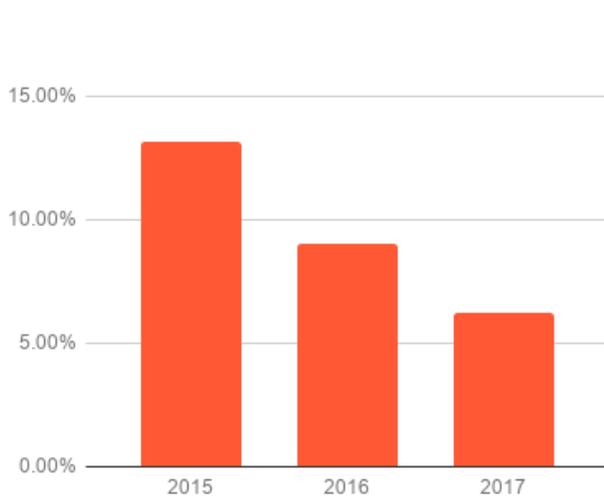


# General Invalid Traffic Rate by Year

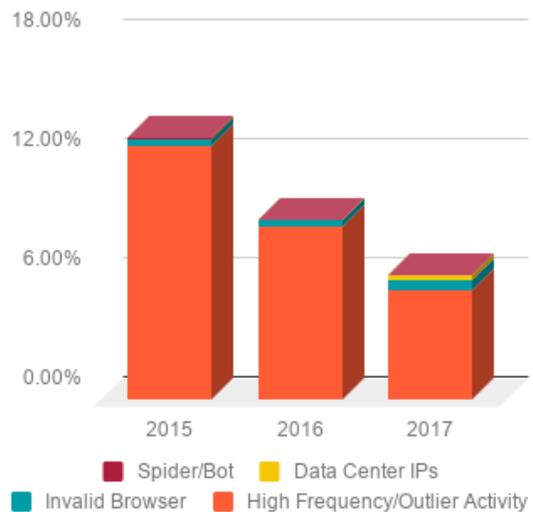
## AD FRAUD IS DOWN:

Advertisers and their partners appear to be winning the fight against video ad fraud. Compared to 2016, filtered bot traffic is down 31 percent on average, and 40 percent for aggregators. The drop is likely the result of increased pressure for accountability from advertisers, as well as a corresponding increase in vigilance among ad tech vendors.

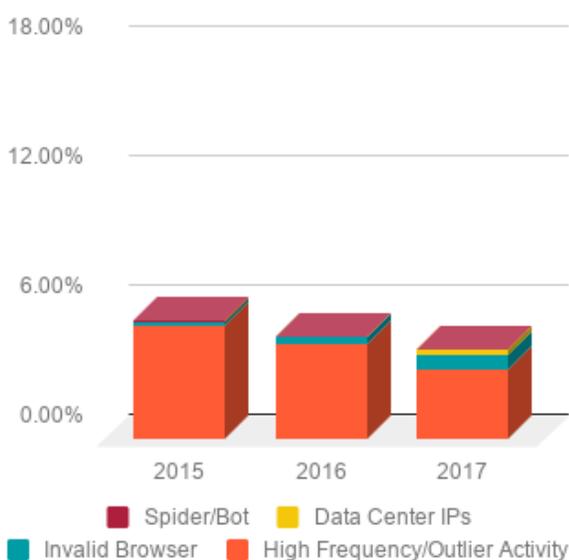
Average GIVT by Year



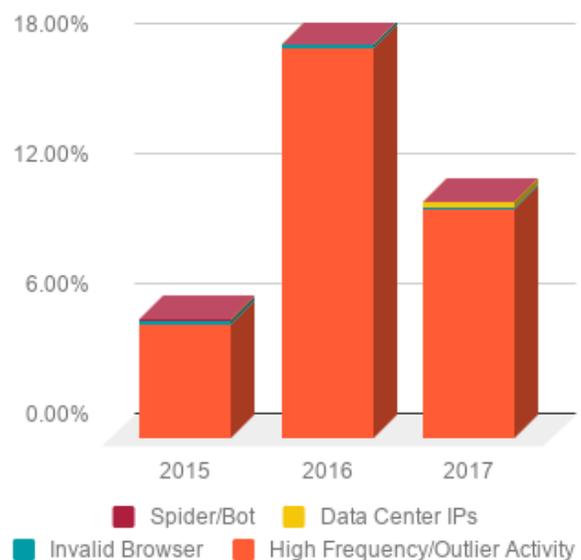
GIVT by Reason



GIVT for Premium Media Vendor



GIVT for Media Aggregator



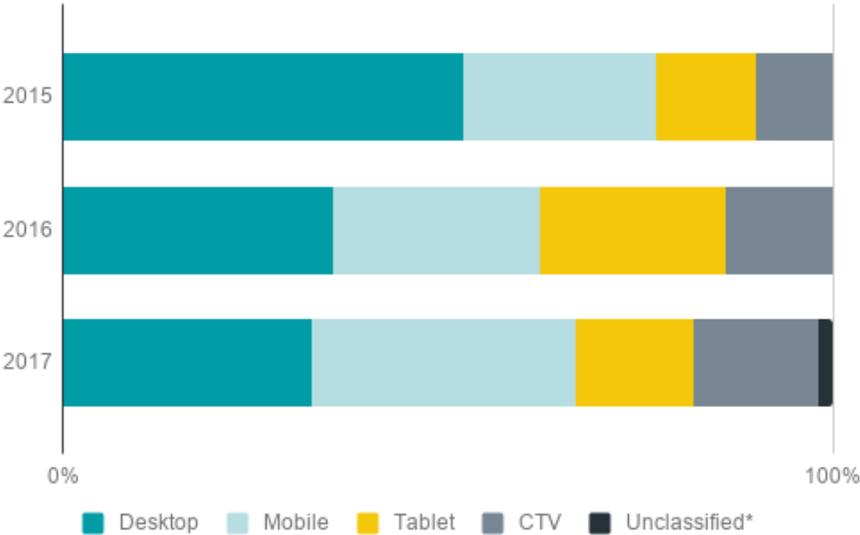
# Average Percent of Impressions by Device by Year

## Mobile moves into the lead:

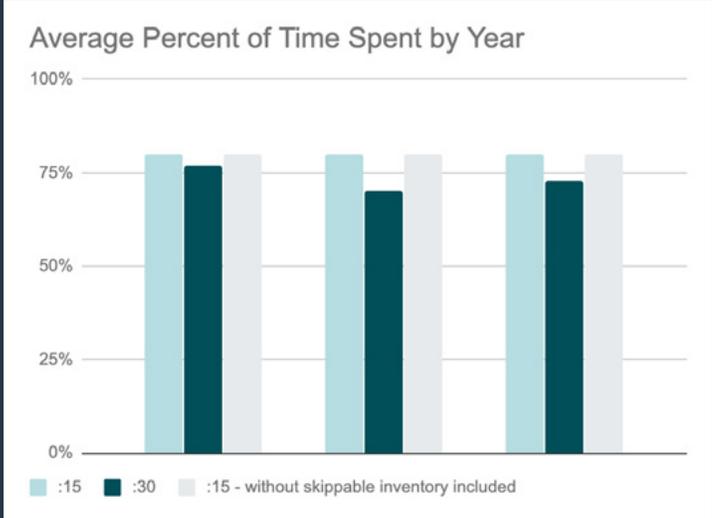
The 2017 benchmarks suggest the days of video's dominance on desktop PCs are behind us as mobile plays an increasingly important role. The average percentage of impressions served to mobile phones increased every quarter throughout 2017, while desktop impressions decreased over the same period. Year-over-year, mobile devices also gained a 25.9 percent greater share of impressions, while desktop dropped 8.6 percent. The change is more marked when comparing 2017 to 2015 (up 70.6 percent for mobile, down 38.5 percent for desktop).

\*Unclassified captures impressions from user agents who are known to be valid, as per industry sources, but whose platform or device we are unable to identify. Previously filtered out of net impressions, they are now counted as valid impressions in this new category.

Average Percent of Impressions by Device by Year

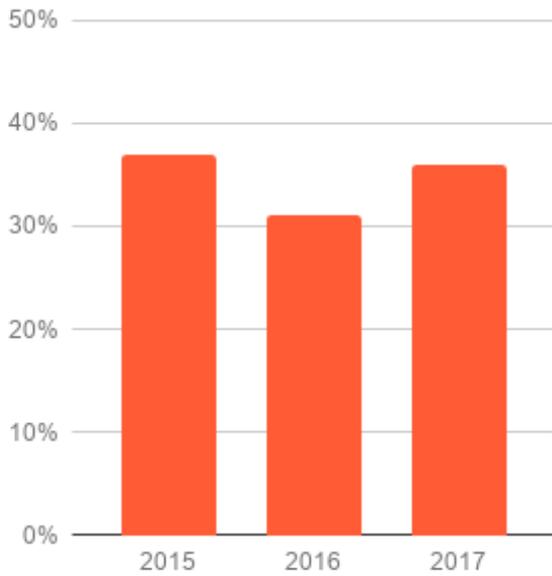


# Average Percent of Time Spent by Year

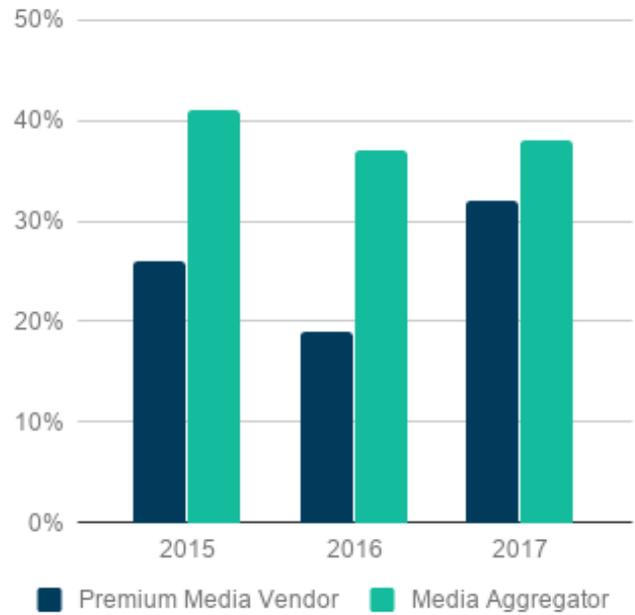


# Small Player Rate by Year

### Average Small Player Rate by Year

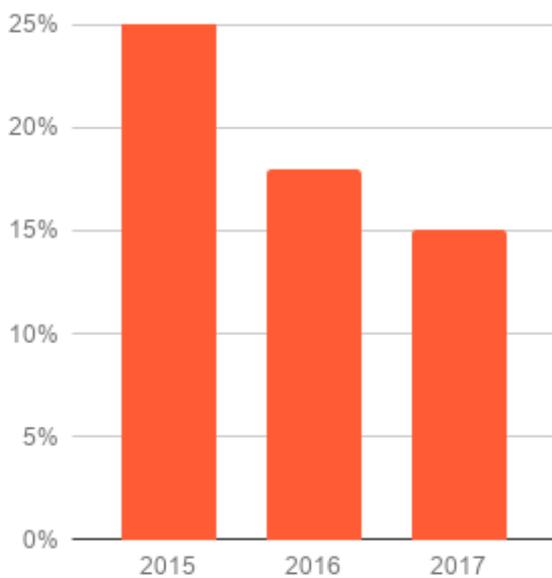


### Small Player Rate

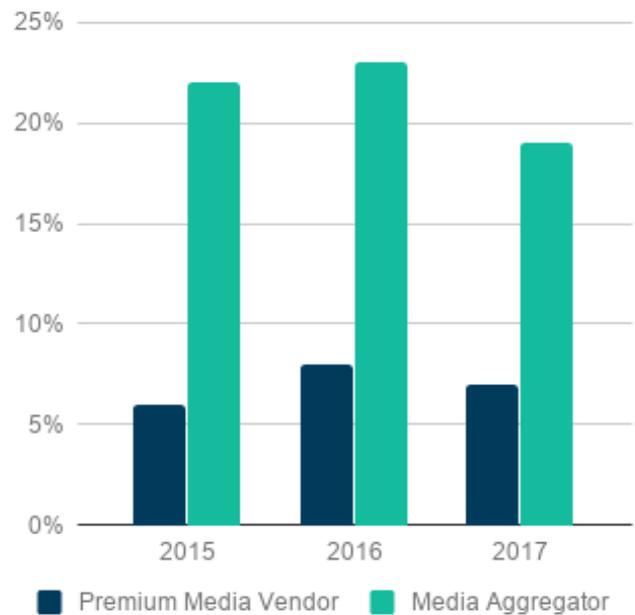


# In-Banner Video by Year

### Average In-Banner Video Rate

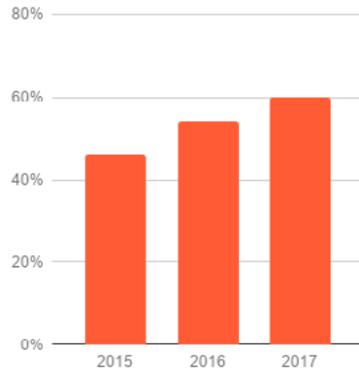


### In-Banner Video Rate

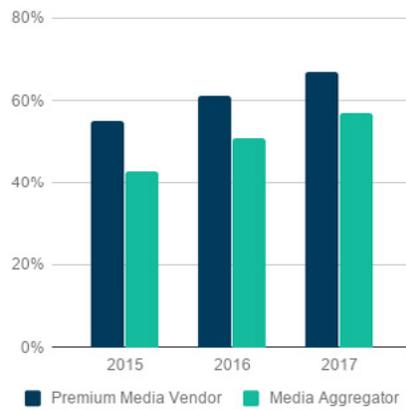


# Viewability by Year

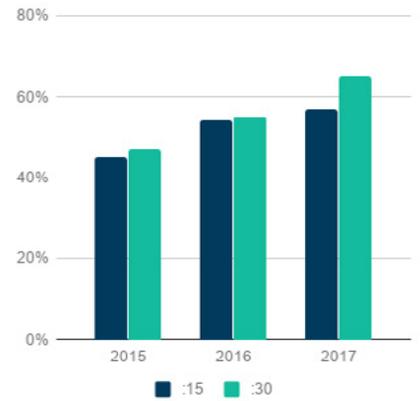
### Average Viewability Rate by Year



### Viewability by Media Type

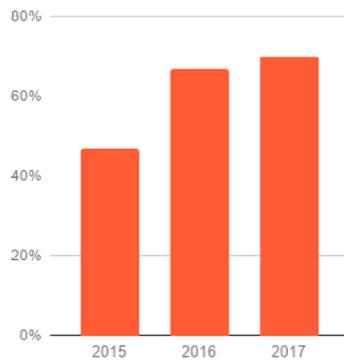


### Viewability by Ad Length

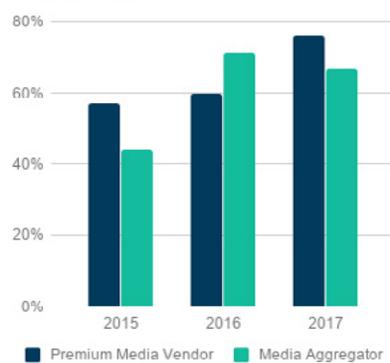


# Viewable Completion Rate by Year

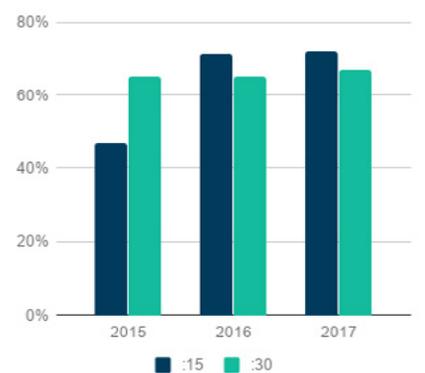
### Average Viewable Completion Rate by Year



### Viewable Completion Rate by Media Type



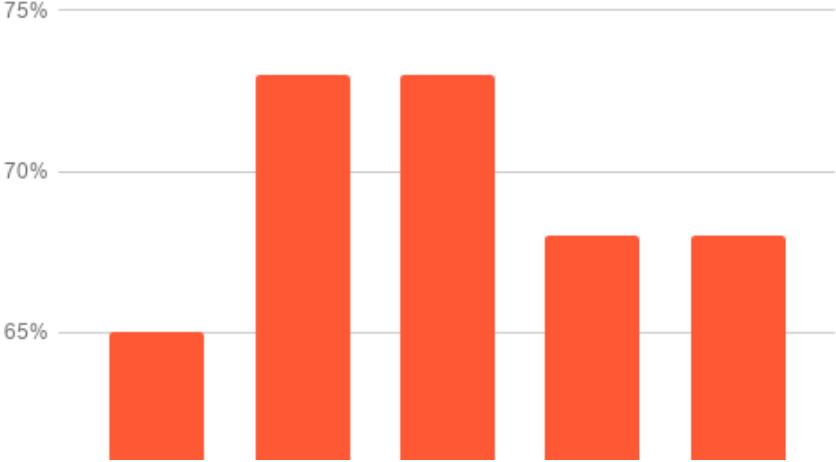
### Viewable Completion Rate by Ad Length



# Video Completion Rate

PERCENT OF IMPRESSIONS WHERE VIDEO PLAYED ALL THE WAY THROUGH

Average Video Completion Rate



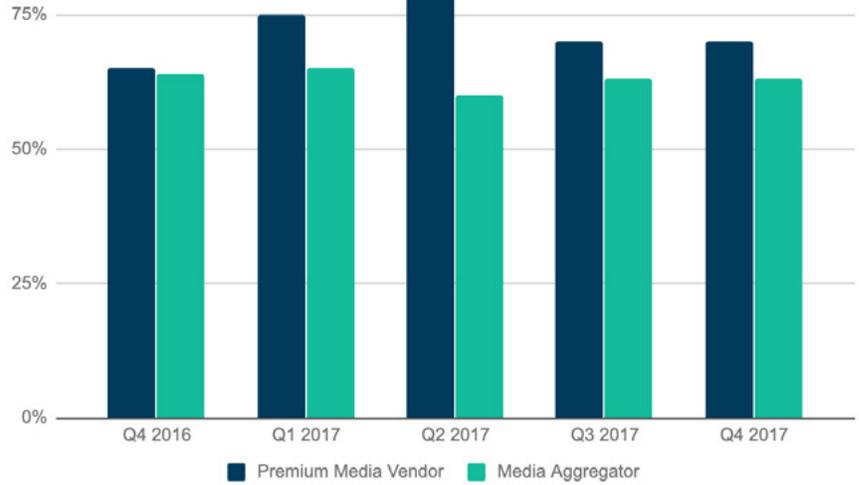
**0%**  
Quarter / Quarter  
Q3 2017 / Q4 2017

**+4.4%**  
Year / Year  
Q4 2016 / Q4 2017

### VCR by Media Type\*

Video Completion Rate on premium media sites surged in 2017, reaching its height in Q2 at 79% and settling at 70% for Q3 and Q4. VCR on media aggregator sites was more consistent. It hit a low of 60% in Q2 before settling at 63% for Q3 and Q4.

\*Overall break down of video impressions: 66% premium media vendors; 34% media aggregators

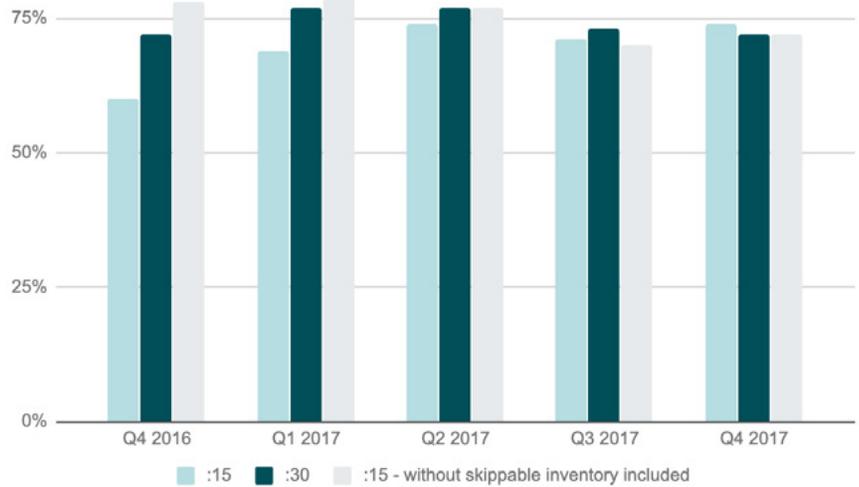


### VCR by Ad Length

VCR for 30 second ads outpaced 15 second ads through Q3 2017 and both ad lengths saw increases in Q4 2017 vs Q4 2016.

15 second ads exceeded 30 second ads in VCR by 2% points in Q4 '17.

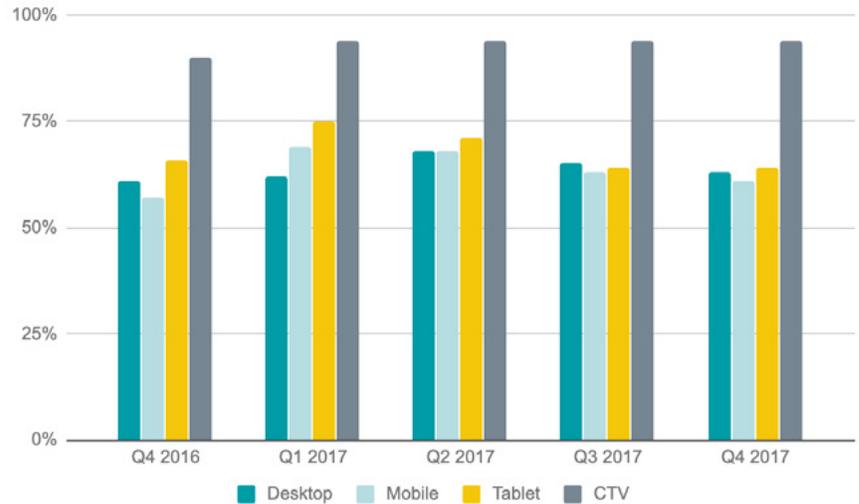
The improving performance of shorter ads has already translated into advertisers focusing on more 15 and 6 second creatives on their 2018 plans.



### VCR by Device

VCR for both mobile and desktop had slight fluctuations in 2017, settling in Q4 with very similar rates across mobile, desktop and tablets.

CTV numbers are consistently high. Viewers tend to be committed to the content they've chosen to watch and don't have an option to skip the ads.

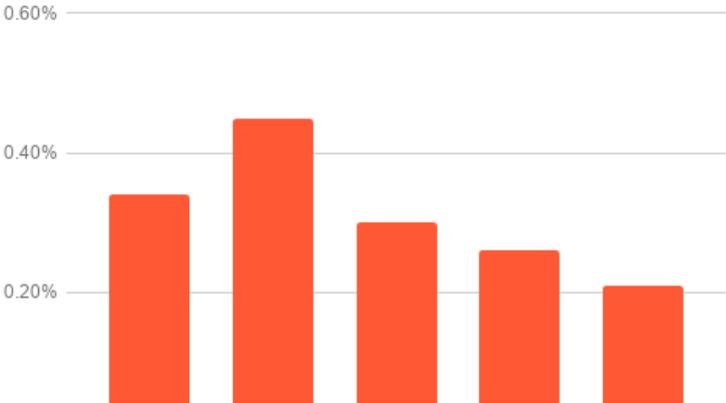


CTV = Connected TV, e.g., Roku, Apple TV, Playstation and Amazon Firestick

# Click-Through Rate / Engagement

NUMBER OF CLICKS DIVIDED BY THE NUMBER OF IMPRESSIONS

Average CTR



**-14.8%**

Quarter / Quarter

Q3 2017 / Q4 2017

**-38.2%**

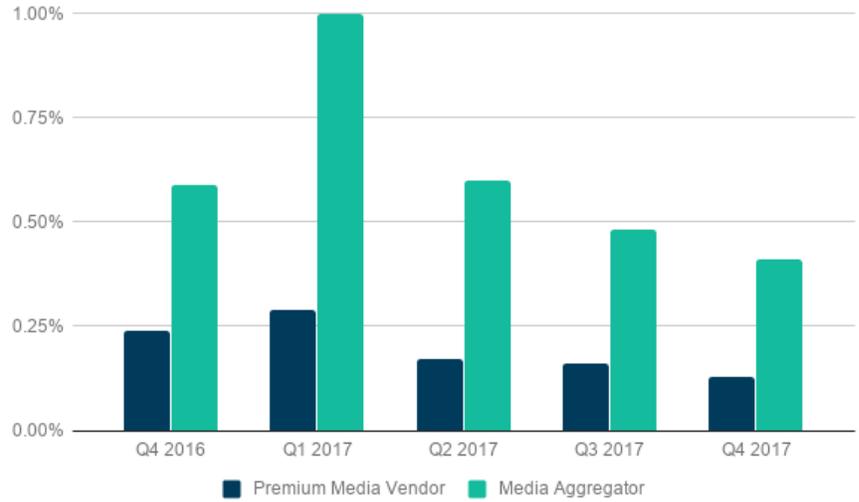
Year / Year

Q4 2016 / Q4 2017



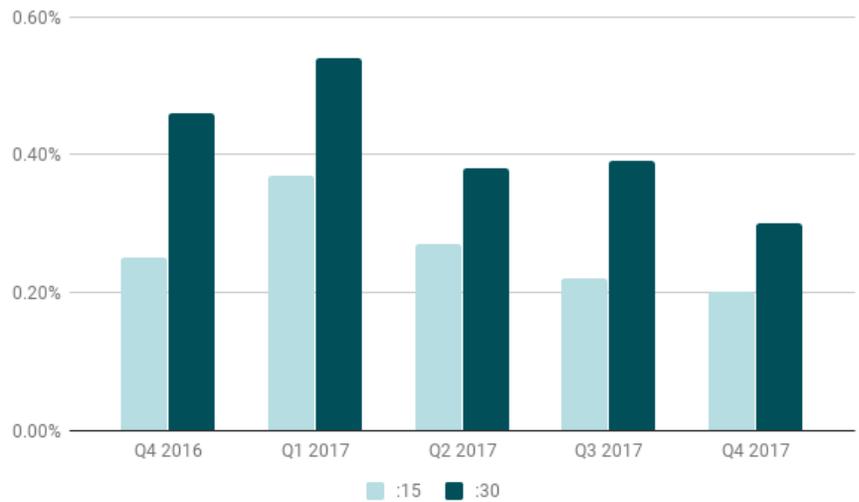
## CTR by Media Type

\*Overall break down of video impressions:  
66% premium media vendors; 34% media aggregators



## CTR by Ad Length

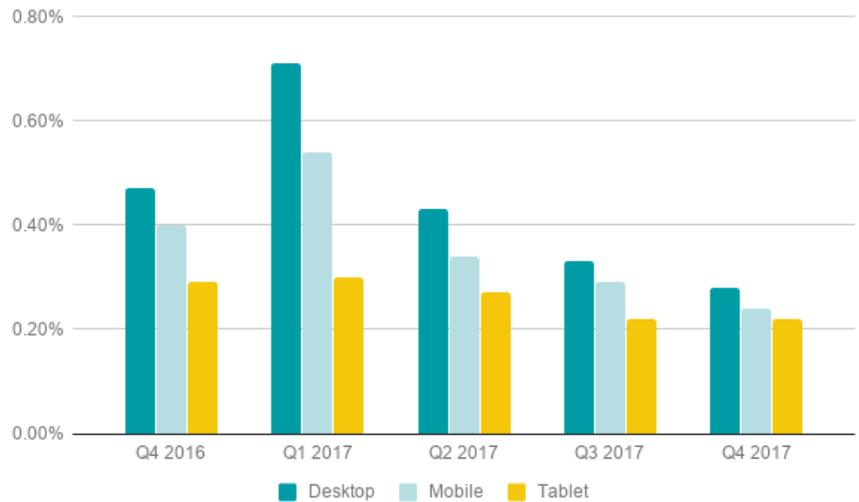
30 second ads consistently outperformed 15 second ads in Click-Through Rate in 2017.



## CTR by Device

Desktop still leads both mobile and tablets in CTR. Over the course of 2017, the gap lessened among these various device types.

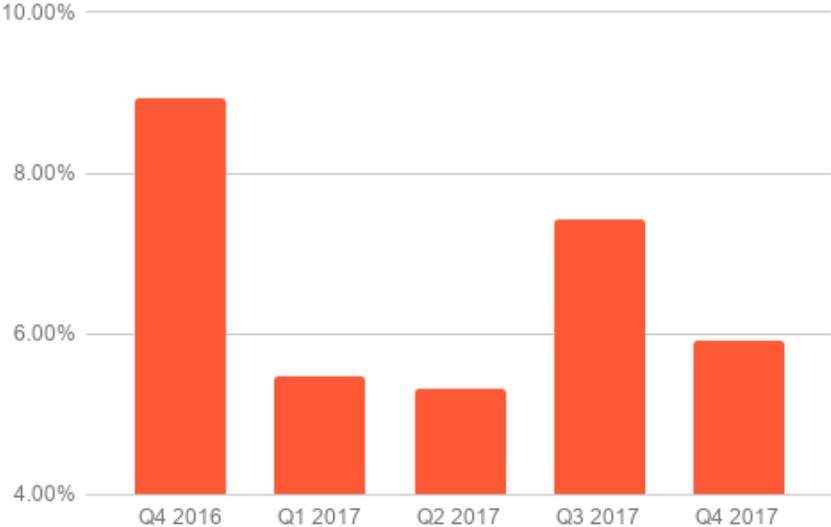
CTV is not included here because viewers do not have the option to click through an ad on connected TV.



# General Invalid Traffic (GIVT) Filtered Rate

PERCENT OF IMPRESSIONS FILTERED FROM  
GROSS COUNTS

Average General Invalid Traffic Rate

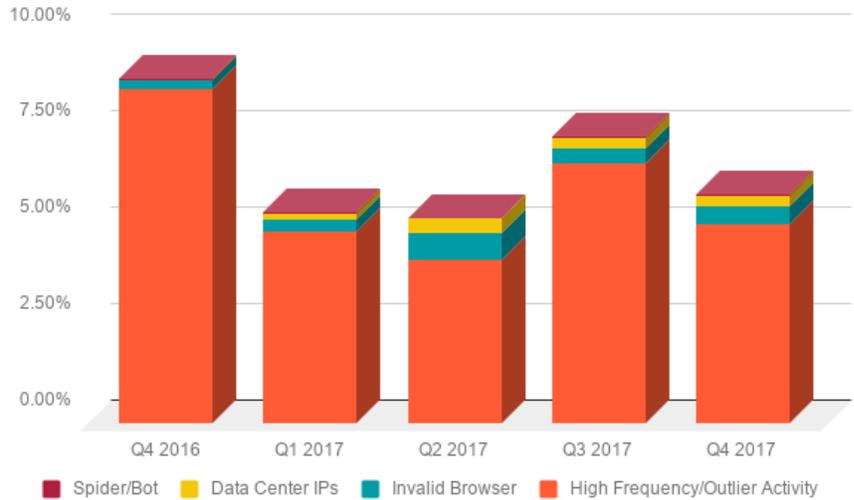


**-20.3%**  
Quarter / Quarter  
Q3 2017 / Q4 2017

**-33.8%**  
Year / Year  
Q4 2016 / Q4 2017

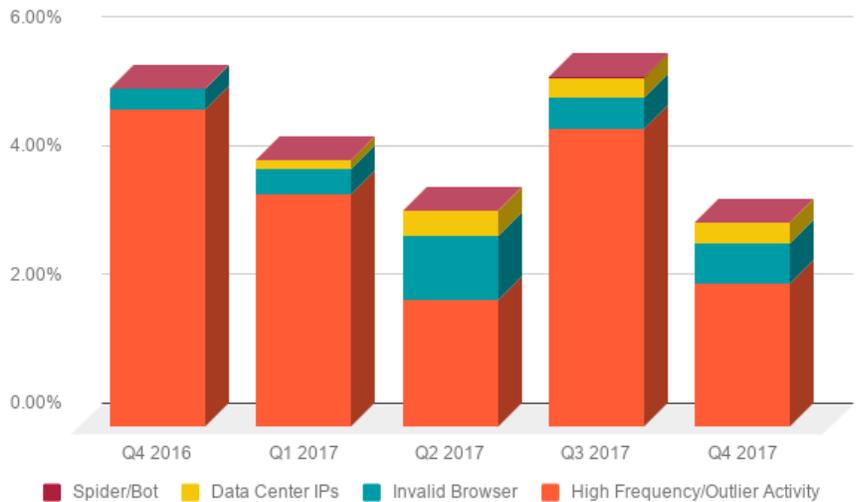
### GIVT by Reason

High frequency/outlier activity topped the list of reasons ad campaigns were filtered for General Invalid Traffic (GIVT) in 2017. Q3 of 2017 saw a spike in GIVT, but the year ended with a significantly lower percentage of GIVT than Q4 2016: 5.18% in Q4 2017 vs. 8.66% for Q4 2016.



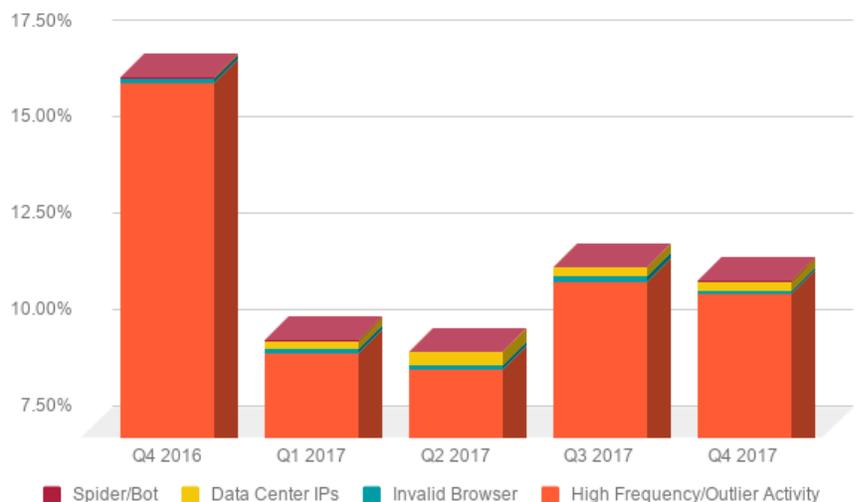
### Premium Media Vendor GIVT

GIVT rates for premium media vendors followed a similar path as the overall reasons for GIVT. High frequency/outlier activity was the main cause for filtering on premium publisher sites, with activity in this category witnessing an unexplained uptick in Q3 2017. The year finished with high frequency rates down from 4.92% in Q4 2016 to 2.22% in Q4 2017.



### Media Aggregator GIVT

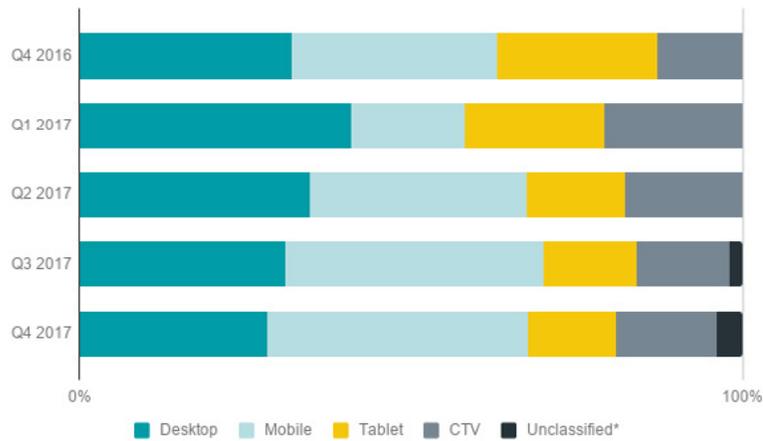
Among media aggregators, high frequency/outlier activity was also the leading reason for GIVT. Rates fell from 16.47% in Q4 2016 to 9.45% in Q1 2017 and ended the year at 11.02% in Q4 2017.



# Percent of Impressions by Device

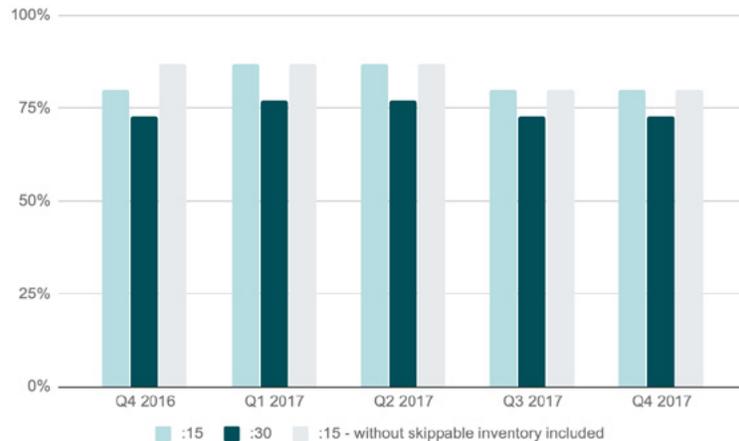
Mobile overtook both desktop and tablets in impressions served in 2017, ending Q4 with 39% vs 28% for desktop and just 13% for tablets.

As publisher workflows and technologies improve in the realm of CTV, we saw an increase in 3rd party ad-serving and measurement on living room screens.



\*Unclassified captures impressions from user agents who are known to be valid, as per industry sources, but whose platform or device we are unable to identify. Previously filtered out of net impressions, they are now counted as valid impressions in this new category.

# Average Percent Time Spent

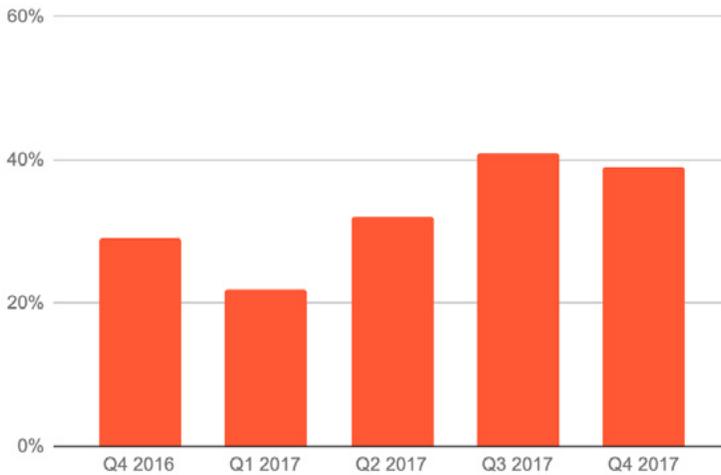


# Small Player Rate

## SMALL PLAYER SIZE RATE CAPTURES IMPRESSIONS ON VIDEO PLAYERS <400X300 WxH IN PIXELS

### Average Small Player Rate

Media aggregator sites have always led premium sites in small video player rates, but the difference between the two shifted considerably in 2017. The year ended with rates being 3% higher on premium sites than aggregators, which is likely due to the use of small players in mobile ads. Upcoming 2018 metrics will put this in perspective as we know that individual quarters can point to unexplained spikes or dips.



**-4.9%**

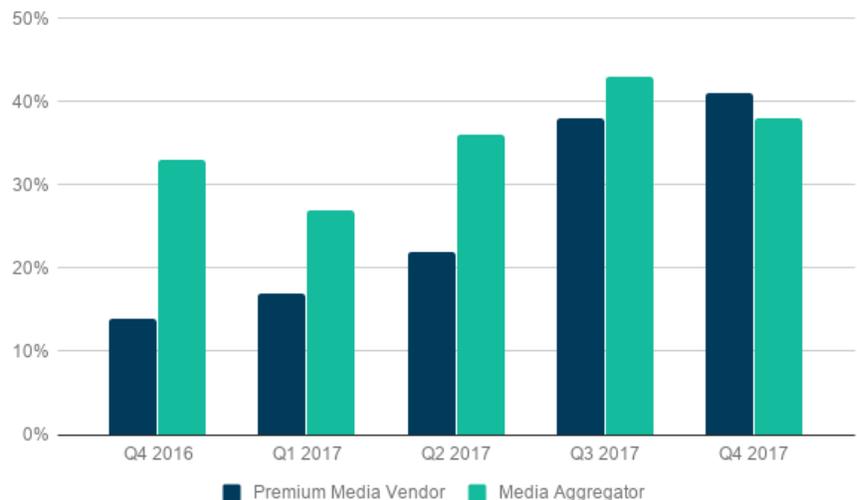
Quarter / Quarter  
Q3 2017 / Q4 2017

**+25.6%**

Year / Year  
Q4 2016 / Q4 2017

### Small Player Rate (< 400x300px) by Media Type\*

\*Overall break down of video impressions: 66% premium media vendors; 34% media aggregators

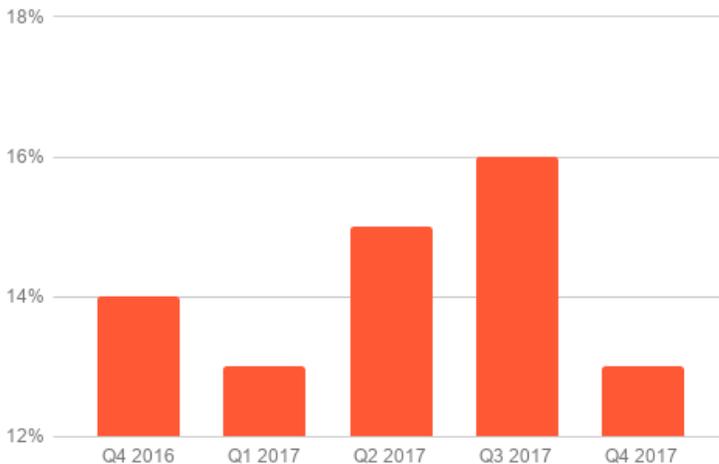


# In-Banner Video Rate

## IN-BANNER VIDEO RATE CAPTURES IMPRESSIONS ON VIDEO PLAYERS 300X250 WXH IN PIXELS

### Average In-Banner Video Rate

While the in-banner video rate remained quite steady in 2017, in the single digits for premium media vendors and hovering around 18% for aggregators, in-banner player rates have been steadily declining over the last two years. This format was used a lot when there was not enough video inventory to meet the demand, but with the growth in video content and the video ad inventory that accompanies it, in-banner video is likely on its way out.



**-18.7%**

Quarter / Quarter

Q3 2017 / Q4 2017

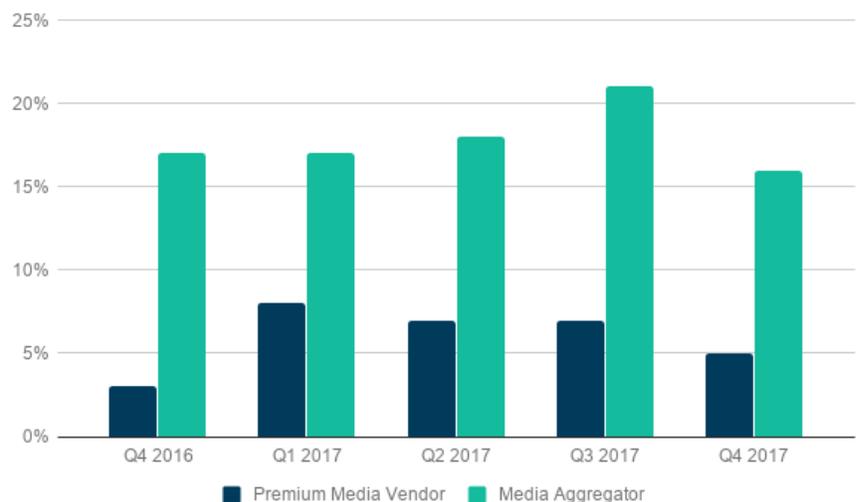
**-7.1%**

Year / Year

Q4 2016 / Q4 2017

### In-Banner Video Rate (300x250px) by Media Type\*

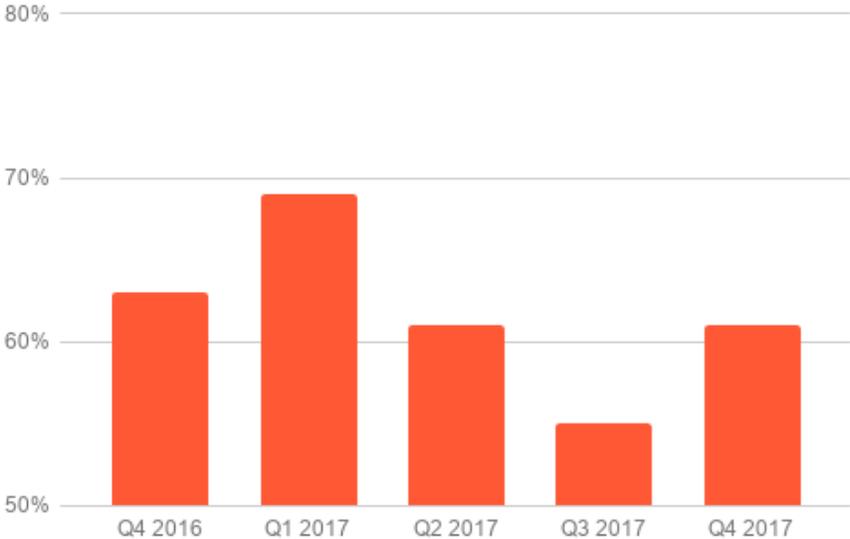
\*Overall break down of video impressions: 66% premium media vendors; 34% media aggregators



# Viewability

PERCENT OF IMPRESSIONS, MINIMUM 50% IN VIEW  
FOR MINIMUM OF 2 CONSECUTIVE SECONDS

Average Viewability



**+9.8%**

Quarter / Quarter  
Q3 2017 / Q4 2017

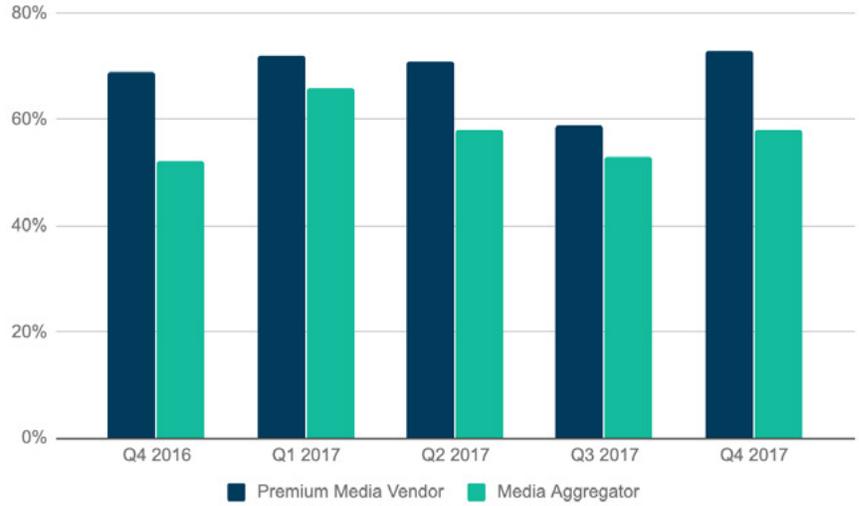
**-3.2%**

Year / Year  
Q4 2016 / Q4 2017

### Viewability by Media Type

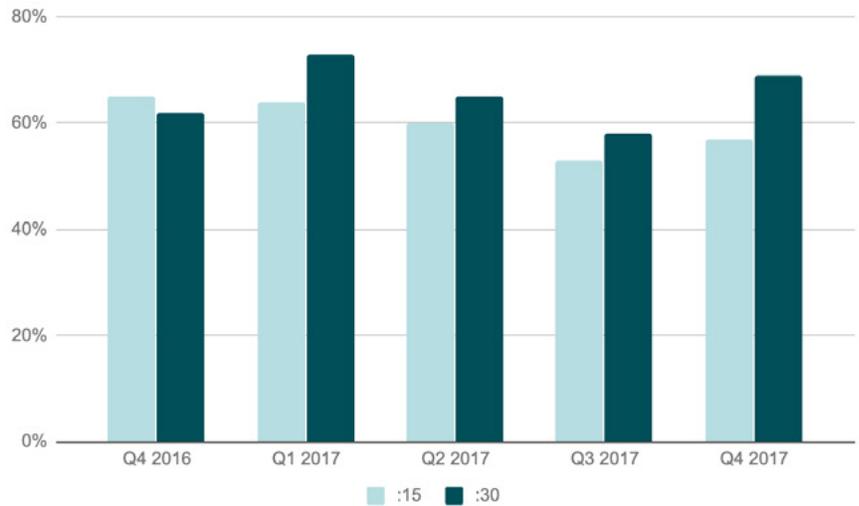
Viewability is consistently higher on premium publisher sites than on aggregators, usually by a large margin. Viewability on aggregator sites surged in Q1 2017 over Q1 2016, followed by steep declines in Q2 and Q3. Q4 2017 saw an uptick in viewability for both media types vs. Q4 2016 with increases of 4% for premium and 6% for aggregators.

\*Overall break down of video impressions: 66% premium media vendors; 34% media aggregators



### Viewability by Ad Length

Viewability of 30 second ads surged in 2017, far outpacing 15 second ads.

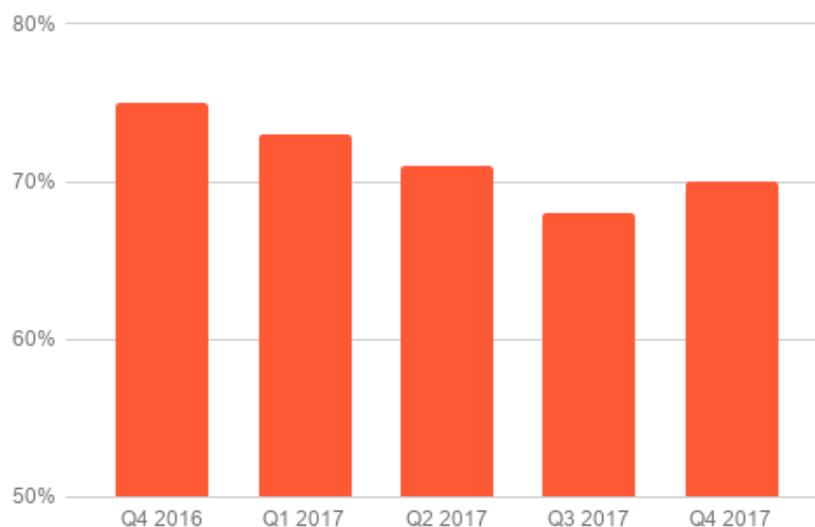


# Viewable Completion Rate

PERCENT OF IMPRESSIONS, BOTH VIEWABLE AND PLAYED ALL THE WAY THROUGH

VIEWABLE COMPLETION RATE IS A SUBSET OF VIEWABILITY

Average Viewable Completion Rate



**+2.9%**

Quarter / Quarter

Q3 2017 / Q4 2017

**-6.7%**

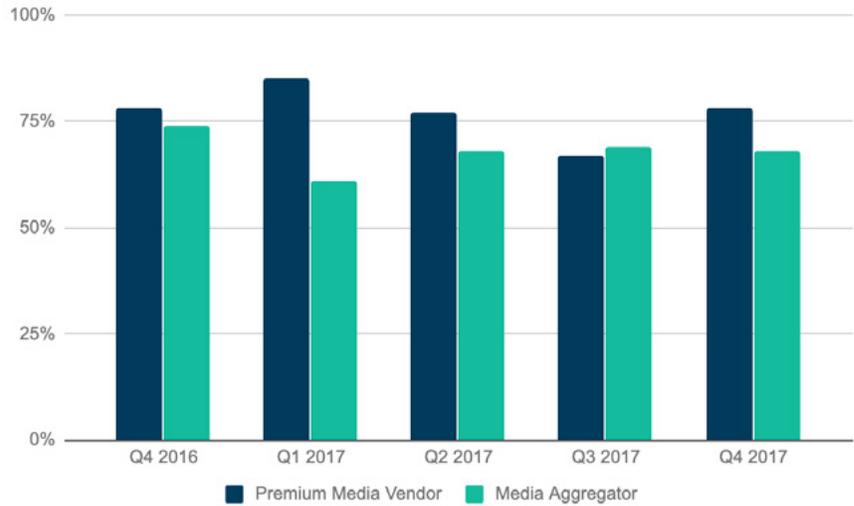
Year / Year

Q4 2016 / Q4 2017

## Viewable Completion Rate by Media Type\*

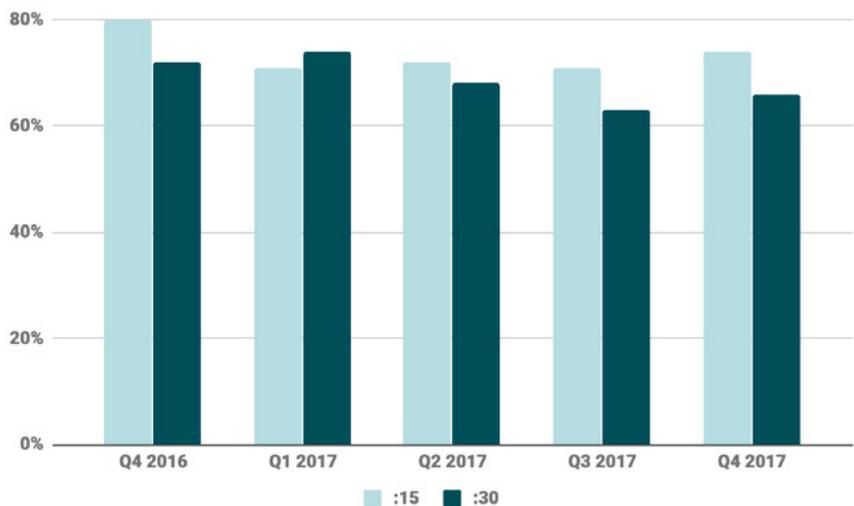
2017 saw significant fluctuation in Viewable Completion Rate. Premium media vendors gained a large lead over media aggregators, especially in Q1 2017 when premium sites hit 85% in Viewable Completion Rate and aggregators fell to 61% (vs. 74% in Q4 2016). At year end Viewable Completion Rates for premium sites were at 78% vs. 68% for aggregators.

\*Overall break down of video impressions: 66% premium media vendors; 34% media aggregators



## Viewable Completion Rate by Ad Length

In contrast to Viewability, 15 second ads dominate 30 second ads in Viewable completion rate. But the year finished with rates significantly down for both ad lengths vs Q4 2016. 15 second ads decreased from 80% in Q4 2016 to 74% in Q4 2017. 30 second ads fell from 72% in Q4 2016 to 66% in Q4 2017.



# Contact

## Every Plan Needs the Ads

The media plan serves up the moment and the creative fills it. The ad cloud transforms how this happens. Introducing seamless creative workflow at the speed of today for any buying method.

### **ABOUT EXTREME REACH**

[Extreme Reach](#) offers the only enterprise technology designed distinctly to bring together the TV and video ad workflow and all aspects of Talent & Rights management in a single, easy-to-use cloud platform. One platform and one process make brand advertising easier, and analytics more insightful, with the assurance of rights compliance wherever ads play. Founded in 2008, Extreme Reach proudly serves the world's biggest brands, agencies, post-production houses, all media destinations, and the talent community, altogether simplifying the process for every team that touches an ad campaign from start to finish. Headquartered in Needham, MA, Extreme Reach has offices in 19 cities worldwide.

Get in touch. Contact us at  
[your-team@extremereach.com](mailto:your-team@extremereach.com)