

Video Ad Spending on Social Platforms Is Rising Fast

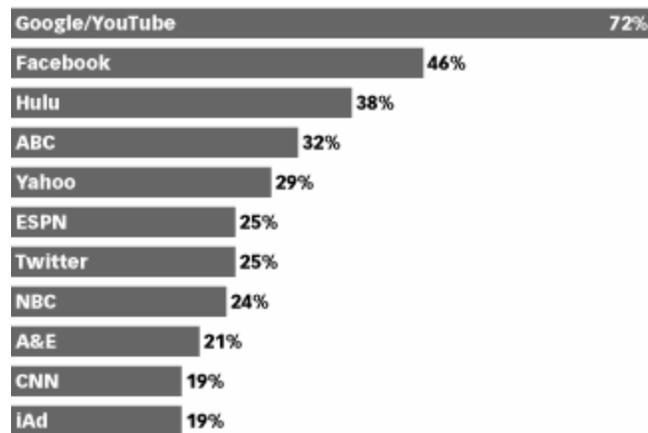
Marketers move from experimentation to full rollout

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Ever since Facebook began selling autoplay video advertising in 2014, the other major social properties—Twitter, Instagram and Snapchat—have become equally aggressive at courting video marketers. As a result, social video spending is growing quickly, as explored in a new eMarketer report, “Video Ads in Social Media: With a Full Slate of Ad Products, the Social Properties Take Aim at TV.”

Leading Brands that US Marketers Intend to Use for Digital Video Advertising, Dec 2015

% of respondents



Note: in the next 12 months

Source: Advertiser Perceptions, “Video Advertising Report: Wave 4, Winter 2016,” April 13, 2016

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In a February 2016 survey from RBC Capital Markets and Advertising Age, 12% of US marketers had already purchased autoplay video ads on Facebook and an additional 57% were likely to in the next six months. Only 7% said they definitely would not buy Facebook autoplay ads.

In a study of its clients’ advertising activity on Facebook in North America, ad automation software company Nanigans found that spending on mobile video ads increased 26% between Q4 2015 and Q1 2016. For gaming advertisers in particular, 35% of mobile ad spend in Q1 2016 went to video. Video’s share of gaming companies’ mobile ad spend grew 122% between Q1 2015 and Q1 2016.

A December 2015 study by [Advertiser Perceptions](#) found that Facebook ranked second behind Google and YouTube in a list of properties that marketers said they planned to use for digital video advertising. Twitter also made the list, appearing ahead of several TV-related properties.

Brands like Citi, AT&T and Frito-Lay have come to realize that the traditional way of thinking about video—as merely a 30- or 60-second TV spot—is outdated. Consumers are spending more time with feed-based social environments and are growing comfortable with watching video on a mobile device.

Overall, consumers are viewing an enormous amount of video on social platforms. In November 2015, Facebook announced that it had reached 8 billion video views per day. In April 2016, Snapchat said it had 10 billion video views per day.

To be sure, the bar for what constitutes a video view is low: Facebook counts a view if a video has played for at least 3 seconds, while for Snapchat a video is considered “viewed” as soon as it renders on a user’s screen.

Platforms on Which US Teen/Young Adult Internet Users Watch Video, Fall 2015

% of respondents

YouTube	85%
Netflix	66%
Cable/satellite TV	62%
Facebook	53%
Instagram	37%
Snapchat	33%
Blu-ray/DVD	33%
Vine	27%
Hulu	25%
Digital buy/rent	22%
Amazon Prime Video	19%
Twitter	19%
Tumblr	14%
HBO Now/Sho.com	12%
Twitch	10%
Sports apps	9%
Sling TV	2%

Note: ages 13-24; includes clips, fails, movies, music videos, pranks, shorts, TV shows, etc.; excludes videos of family, friends or other people known personally

Source: Defy Media, "Acumen Report: Youth Video Diet" conducted by Kelton, March 31, 2016

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“What we’ve seen in the course of the last two years is an explosion in the consumption of video on our platform, which has then created an opportunity to leverage video for advertising,” said Graham Mudd, director of monetization product marketing at Facebook.

Social properties also rank high in studies that ask consumers where they watch video. For example, fall 2015 polling from Defy Media and Kelton found that 53% of teen and young adult internet users said they watched video on Facebook, while 37% watched on Instagram and 33% watched on Snapchat. That put those properties fourth, fifth and sixth, respectively, behind YouTube, Netflix and cable or satellite TV. Twitter came in much lower, at 19% of respondents.

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