

THE ADYOU LIKE
**STATE OF NATIVE
VIDEO REPORT**

2018



EXCLUSIVE RESEARCH REPORT

METHODOLOGY

This report is based on analysis of performance of ADYOULIKE native video formats, including Pulpix by ADYOULIKE native video formats. All ADYOULIKE native ad formats can be defined as a form of paid media viewed in native formats which respect the form and function of the publisher site. This report covers publishers on the open web, integrated into bespoke native infeed placements. No in-app data is included in this report. Data covers performance across device.

Autoplay native video format data only, from all geographies in the ADYOULIKE native network. Main territories where data is taken include: USA, Canada, UK, France, Germany, Italy, Spain and Australia.

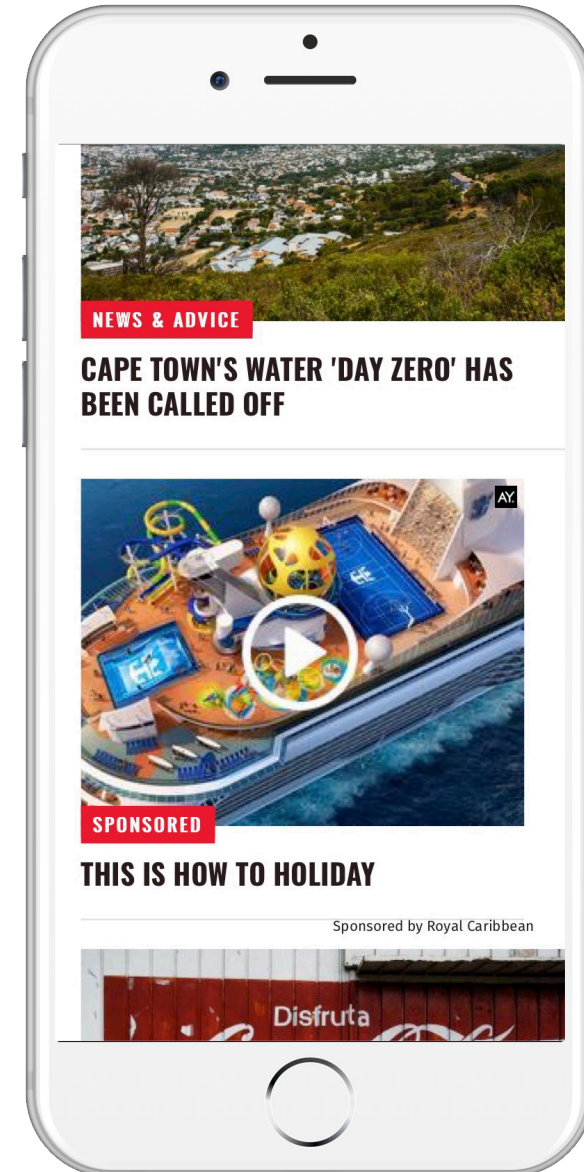
Videos auto-play on auto-mute until the user interacts with the ad. When the user scrolls past the video in the feed, the ad stops playing and resumes only when the user scrolls back to that location.

ABOUT ADYOULIKE

ADYOULIKE is the leading global infeed native advertising platform. Launched in 2011, it is a pioneer in native technology and creating advertising experiences for users that mirror the websites they are visiting. Using its own native supply-side platform (SSP) and native technology platform, the company enables brands to scale native

advertising campaigns across premium publishers, while publishers benefit from access to ADYOULIKE's marketplace and leading artificial intelligence technology.

ADYOULIKE works with leading premium publishing brands globally with main offices in New York, Paris, London, Munich and Singapore.



EXAMPLE

THE ADYOULIKE STATE OF NATIVE VIDEO REPORT 2018

The rise of native video has been well documented on social media to date. Engagement rates, reach, frequency and return on investment studies all show positive associations. But there are few studies showing the rise and performance of native video formats across the open web, specifically on premium publisher environments, where infeed native video formats are becoming increasingly common.

This inaugural **ADYOULIKE STATE OF NATIVE VIDEO REPORT 2018** is the first attempt globally to shine invaluable insight on one of the fastest growing advertising mediums of 2018.

This global data, taken exclusively from the ADYOULIKE platform, offers insights and key trends gathered from over 30 million infeed video views run across the platform from January to April, 2018.

NATIVE VIDEO IN NUMBERS – THE DATA

33 MILLION native video watched in 2018



THE RISE OF PREMIUM ENVIRONMENTS FOR NATIVE VIDEO

Whether Native Display or Native Video the true value of premium publisher environments for brand advertising continues to be re-evaluated. Research shows that while

social media might bring high levels of immediate attention, long term brand value and engagement reach is questionable. The opposite is true of premium publisher environments.

ADS PERFORM BETTER IN A PREMIUM EDITORIAL ENVIRONMENT

ENGAGEMENT

(personal relevance)

50%

higher on premium editorial sites than during general free browsing

LEFT BRAIN LONG TERM MEMORY ENCODING

(words and detail)

21%

stronger on premium sites than during general free browsing

42%

stronger on premium sites than on social media

EMOTIONAL INTENSITY

25%

higher on premium sites than during general free browsing

RIGHT BRAIN LONG TERM MEMORY ENCODING

(emotional/global features)

13%

stronger on premium sites than during general free browsing

9%

stronger on premium sites than during general free browsing



“People read what they want to read and most of the time it’s a video

Brands are increasingly recognising the power of premium publishing environments and the importance of context. Exclusive data included in this native video report, reinforces this fact for video.

Key data in this report disrupts well held assumptions that less is always more around optimal video length.

The ADYOLIKE State of Native Video Report 2018 counters one of the modern myths of digital advertising – that there is a fundamental decline in user attention due to the growth of online feeds, smartphone penetration and the myriad different distractions we face digitally nowadays.

If content and context are aligned, today’s Smartphone users are just as likely to spend time engaging with your brand messages. Consumers are interested in brand content, when done right.

1950s research looking at reader habits around print advertorials found that the fall-off in readership from 500+ words was limited. If

you still had a reader at 500 words, the chances are they were going to continue reading to 800+ words. Why? Because they are interested in the content. They are engaged.

There are startling similarities to this 1950s research in the data presented here on native video.

VTR AND VIEWABILITY

View through rates for native video and verticals. These are consistently high VTR rates for infeed autoplay video format and compare favourably to similar Facebook benchmarks of 26% VTR for 30 second video completions.*

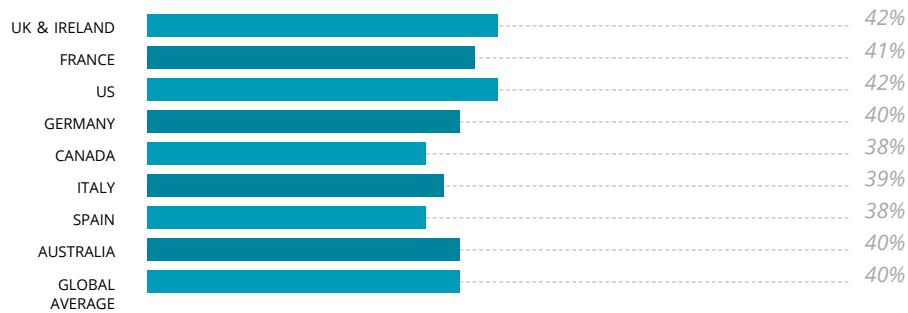
View through rates for native video remain consistently high in 2018. Infeed native video VTR averages are around 40 per cent by all geos. Consistently high VTR rates across device, across multiple campaigns

<http://www.emarketer.com/Chart/US-Facebook-Video-Ad-Benchmarks-Completion-Rate-by-Ad-Length-Q2-2016-of-total-impressions-analyzed-by-Kinetic-Social/196484>

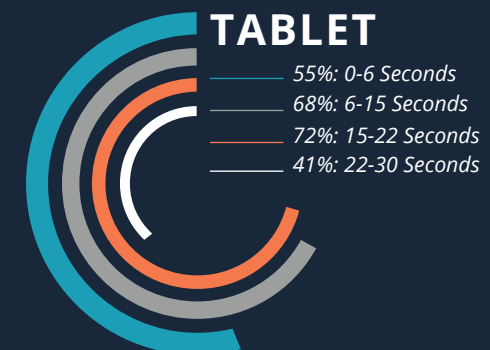
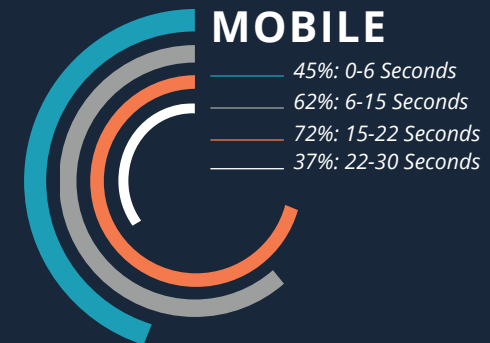
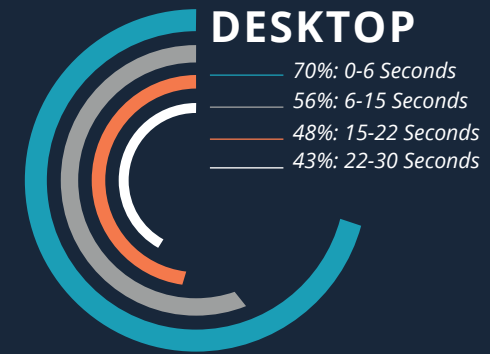
VIEWABILITY

Viewability of native video is 60 per cent, consistent with average viewability scores for native display units. Native video is seen and engaged with across premium publisher brands.

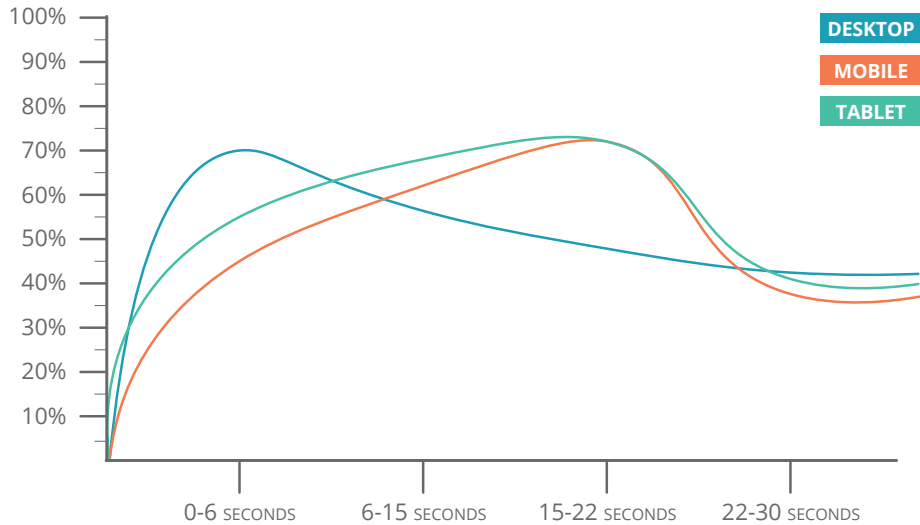
AVERAGE VTR BY COUNTRY



NATIVE VIDEO VIEWING TIME BY DEVICE



ATTENTION SPAN OF USERS BY DEVICE



The data shows some interesting data around average viewing times for native video, split by device.

0-6 SECOND NATIVE VIDEO VIEWS

- 70% Of **desktop** users will watch 6 seconds or more once video is launched
- 45% Of **mobile** users will watch 6 seconds or more once video is launched
- 55% Of **tablet** users will watch 6 seconds or more once video is launched

Desktop users that are exposed to video are more likely to continue watching up to 6 seconds.

Mobile and Tablet users are less likely to watch at launch

50% of Mobile/Tablet users exposed to a video start continue watching for up to 6 seconds.

6-15 SECOND NATIVE VIDEO VIEWS

- 56% Of **desktop** users that are still watching at 6 seconds will continue to watch for 15+ seconds
- 62% Of **mobile** users that are still watching at 6 seconds will continue to watch for 15+ seconds
- 68% Of **tablet** users that are still watching at 6 seconds will continue to watch for 15+ seconds

After 6 seconds interest from Desktop viewers begins to drop from the high 0-6 second 70% rate.

Mobile/Tablet viewers that are still watching at 6 seconds are more likely to continue.

Mobile/Tablet viewers are more engaged than desktop viewers after 6 seconds.

15-22 SECOND NATIVE VIDEO VIEWS

- 48% Of **desktop** users that are still watching at 15 seconds will continue to watch for 22+ seconds
- 72% Of **mobile** users that are still watching at 15 seconds will continue to watch for 22+ seconds
- 72% Of **tablet** users that are still watching at 15 seconds will continue to watch for 22+ seconds

Mobile/Tablet users are significantly more engaged in continuing to watch the video than desktop viewers.

The drop-off in views is significantly higher on desktop than mobile.

Once attention is gripped Mobile/Tablet viewers continue to be engaged at a higher rate than desktop.

22-30 SECOND NATIVE VIDEO VIEWS

- 43% Of **desktop** users that are still watching at 22 seconds will continue to watch for 30 seconds
- 37% Of **mobile** users that are still watching at 22 seconds will continue to watch for 30 seconds.
- 41% Of **tablet** users that are still watching at 22 seconds will continue to watch for 30 seconds

Mobile/Tablet engagement with native video content significantly drops after 22 seconds – from 72% to 37% for mobile and from 72% to just 41% for tablet.

Desktop engagement is largely maintained if a user has already watched 15-22 seconds

The steep tail off across Mobile/Tablet is in contrast to Desktop, which sees a gradual decline from video launch to 30 seconds.

WHAT DOES THIS MEAN FOR NATIVE VIDEO CONTENT?

Desktop does achieve more initial video views of up to 6 seconds, but native video does hold Mobile/Tablet user attention thereafter with engaged audiences, with less drop off in comparison to Desktop up to 22 seconds, where it then declines sharply.

The data suggests that the optimal maximum length for Native Video content on Mobile and Tablet should be 22 seconds. After 22 seconds, user interest does wane.

Optimal length for Native Video on Mobile/Tablet is 15-22 seconds in length.

CREATE COMPELLING NATIVE VIDEO CONTENT

Native video creators should think closely about improving video performance during the key drop off periods on specific device.

FOR MOBILE/TABLET:

- Edit videos so that they pack a punch in the first 6 seconds.
- Key messaging should be brought forward. Punch lines and 'reveals' brought forward.
- Videos should range in length from 15 – 22 seconds. If videos have to be longer ensure that there are more exciting sequences and enticing calls to action around 22 seconds, in order to maintain viewer interest up to 30 seconds.

FOR DESKTOP:

At around 6 seconds desktop interest in native video begins to decline and continues to do so through the duration of the video. Think about how you can keep the audience engaged longer.

Put exciting content at around 6 – 15 seconds: you do not necessarily need to have it earlier in the video. You have a bit more time on desktop in comparison to Mobile/Tablet.

PLATFORM SPECIFIC CONTENT PERFORMS X4 TIMES BETTER

Native video that is optimised for native advertising formats – rather than simply TV video or pre-roll performs best on infeed native video formats. In A/B testing formatted video performs x4 times better, on average adding 6 seconds to overall viewing time.

83% OF INFEED NATIVE VIDEO WATCHED WITH THE SOUND OFF

Remember that native video outside of social media platforms is distributed across a range of media properties. Think about the publisher audiences you have in mind for your native video and tailor content towards this. And remember that the majority of videos are watched with the sound off.

CONTEXT, RELEVANCY & BRAND SAFETY

Managing brand reputation in a diverse video landscape can be a major challenge for advertisers. There is a real worry that ads could appear next to inappropriate content or run against fake audiences.

Ad Week reported in 2014 that in some instances up to 50 percent of publisher traffic can be bot activity and that bots account for an estimated 11 percent of display ad views and 23 percent of video ads.

Native video delivered across premium publishers on the open web offers brands a major opportunity to reach valued audiences in brand safe environments free from user-generated content and fake news concerns. These are environments where context is key.

ADYOUNLIKE data confirms the real quality of inventory large media publishers and specialist publications bring.

BRAND SAFE ENVIRONMENTS FOR VIDEO

- Just 0.7% of all global native video publisher inventory across the ADYOUNLIKE platform was flagged as 'unsafe' by Integral Ad Science (IAS) for the period January to April, 2018.
- Combined with the ADYOUNLIKE AI semantic technology these impressions are immediately blocked from running advertising.
- Premium publisher inventory is a brand safe environment for video advertising.



A WORD ON BRAND SAFETY

At ADYOUNLIKE we are committed to providing reassurances and guarantees that all video or content that is run across our premium native advertising publisher network meets the expectations of our advertisers. We have partnered with Integral Ad Science, monitoring our entire network via their sophisticated tools. In addition, we are fully compliant with Ads.txt and JICWEBS protocols, as well as the principles of the The Trustworthy Accountability Group (TAG), Coalition for Better Ads and IAB Gold Standard.

“Our publisher teams analyze site content, UX, and publishing credentials of each applicant wishing to join our platform. We reject many publishers due to failure to meet our stringent publishing criteria. Any site that publishes fake news or incendiary content is immediately rejected. We maintain direct relationships with our publishers. We review their sites continually. We work with them in partnership to improve brand safety. This is the only way to build brand safe environments for advertising messages

Julien Verdier, CEO, ADYOUNLIKE



ARE VIDEO VIEWING HABITS AS CONSUMERS BECOME ACCUSTOMED TO NATIVE FORMATS?

There have been several studies undertaken around mobile phones and reading. One study in 2010 found that reading on a mobile device was impaired when content was presented on a mobile-size screen versus a larger computer screen. So far, so-not-very-surprising.

But a similar study undertaken six years later in 2016 showed different results. This study, undertaken by the Nielsen Norman Group, concluded that there were no practical differences in the comprehension scores of participants, 'whether they were reading on a mobile device or a computer.'

In fact, the study found comprehension on mobile was about 3 percent higher than on a computer for content that was just over 400 words in length, and at an easier level to read. Why the difference in results? Could it be that over the period 2010-2016 – the exact period when Smartphones became ubiquitous - we've all become more

accustomed to reading on smaller screens? Are the challenges the average person had reading on a small screen back in 2010 no longer an issue for most of us as we have become more familiar with the format? Quite possibly.

Is something similar happening today around video on mobile? Are well held assumptions that less-is-more for video length and the crisis of attention misplaced? Is user behaviour changing?

As Smartphones become the only device we use for everything we do are we wrong to make broad assumptions about optimal video length and attention? Surely it depends on context, both for the individual and the environment in which the video is hosted, doesn't it?

The data provided in this report offers a fascinating glimpse of changing behaviour.

INFEEED NATIVE VIDEO GROWTH

Infeed video is set to grow considerably throughout 2018. In the US alone mobile video advertising spend is set to reach \$8 billion by 2019, with native video formats taking an increasingly large slice of the growth.

The data presented in this report offers insights into changing technology, new advertising formats and ongoing adjustments to consumer behaviour. The opportunities for advertisers and publishers to embrace this format are significant.

THERE ARE SOME KEY TAKEAWAYS:

- The data contradicts perceived wisdom that mobile viewers have no attention span for video beyond 6 seconds or less in length.
- After 6 seconds Mobile/Tablet users are more engaged than Desktop users.
- Across premium publisher environments mobile users do and will continue to engage with longer video content when the content interests them.
- There is no fear of watching longer content on these devices in these publisher environments.
- Optimum length for native video on Mobile/Tablet is 15 - 22 seconds.
- After 22 seconds Mobile/Tablet video views decline sharply.

Interruptions to the consumer experience are seldom rewarded on mobile: contextually relevant and format appropriate delivery of advertising messages is the only solution. This is why native video formats continue to challenge the dominance of interruptive formats.

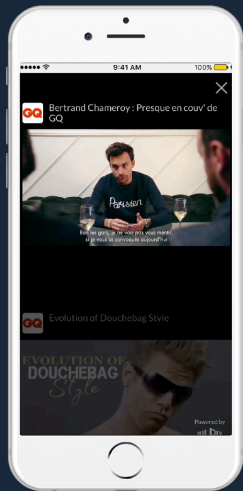
The programmatic native advertising capability now exists for infeed native video and media owners are turned on to the opportunity, all of which is aligned to a wider consumer trend to embrace video formats. So expect to see more infeed native video in 2018.

PULPIX BY ADYOULIKE

AI POWERED VIDEO

Combine Artificial Intelligence and User Experience to offer an engaging video feed experience unique to each user.

Mobile and desktop formats that drive views from your articles or existing players.



THE BENEFITS

- Increase views +40%
- Increase engagement +3.5 views
- Increase view ability x2

Consumers

- Personalised feed
- Platform experience

Publishers

- Increased revenue
- Better engagement

Advertisers

- Brand safety
- High viewability

AD YOU LIKE.

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