



AUSTRALIAN DIGITAL VIDEO LANDSCAPE

2019

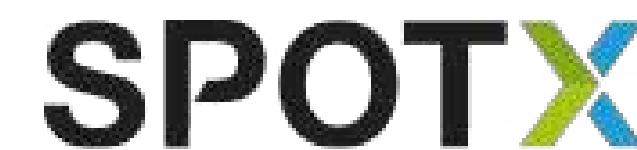
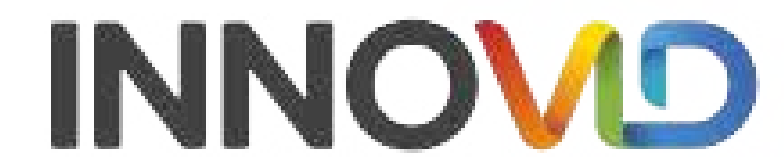


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IAB AUSTRALIA VIDEO ADVERTISING COUNCIL

The IAB Video Council consists of the following 23 member companies:



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28 VIDEO AUDIENCE AND HABITS SUMMARY

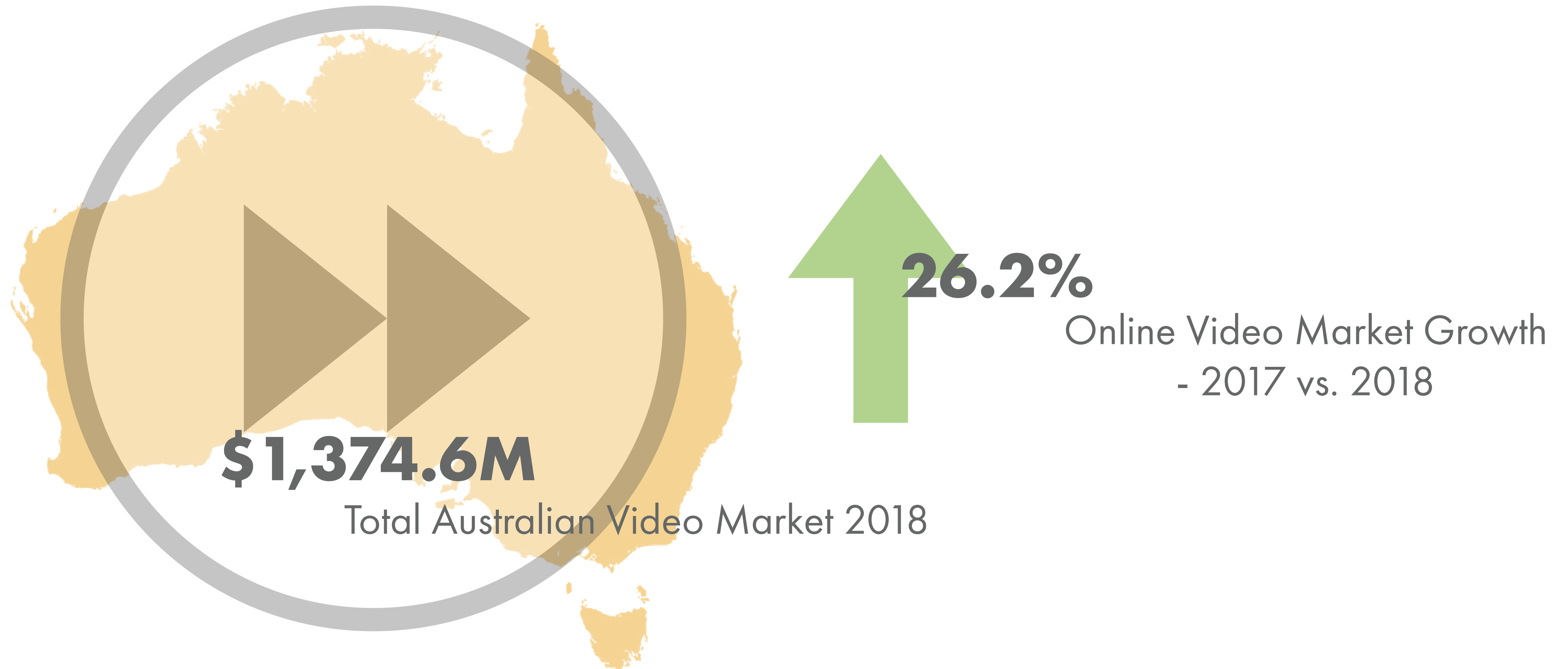
THE VIDEO AD-VANTAGE

iab.
australia

The video landscape has never been more complicated and exciting we have seen an increased number of content creation sources, delivery and consumption channels, and platforms, and as a result, more video viewing time in total. Digital video advertising expenditure continues to grow strongly each year and is the fastest-growing digital advertising segment.

AUSTRALIAN DIGITAL VIDEO ADVERTISING MARKET

OVERVIEW



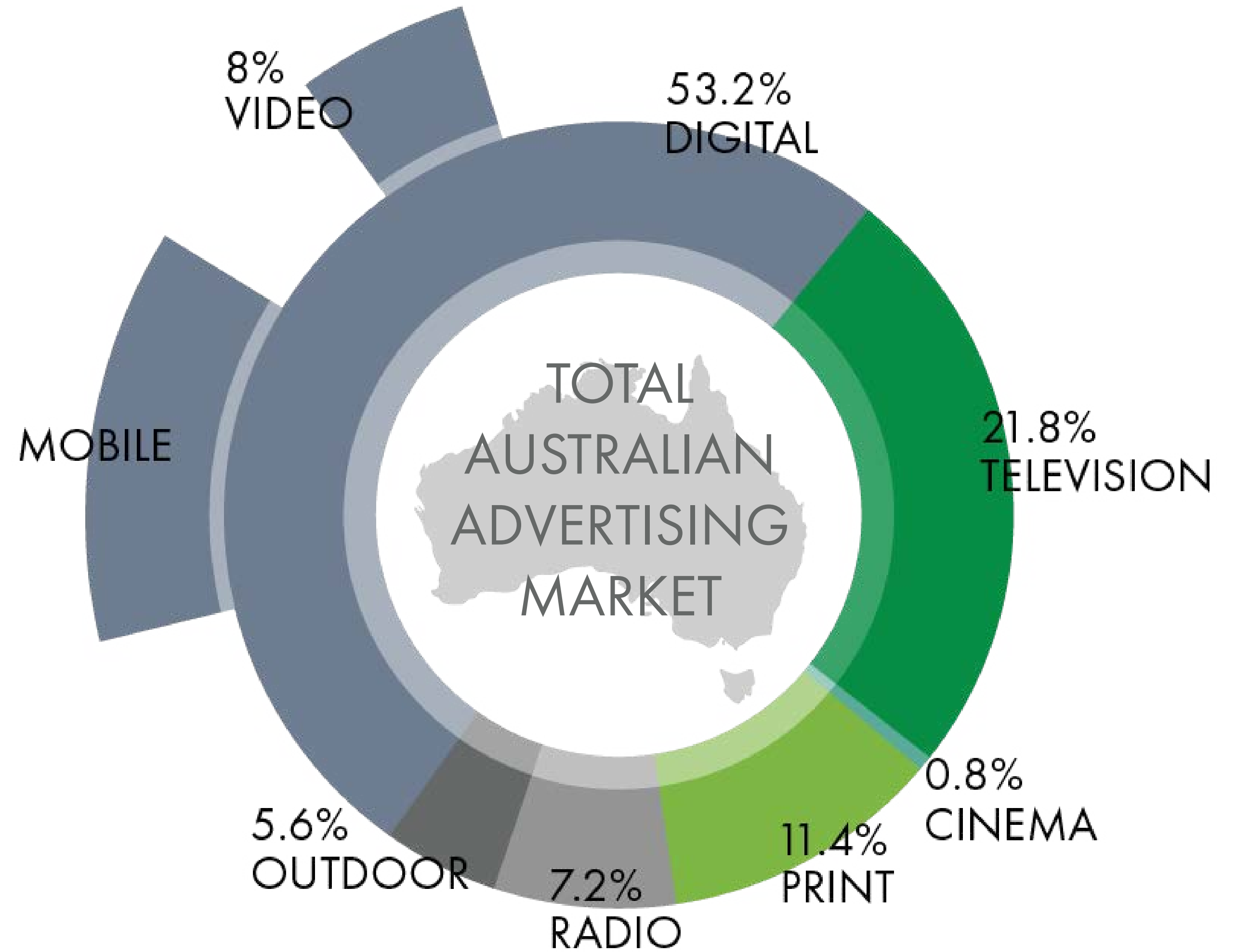
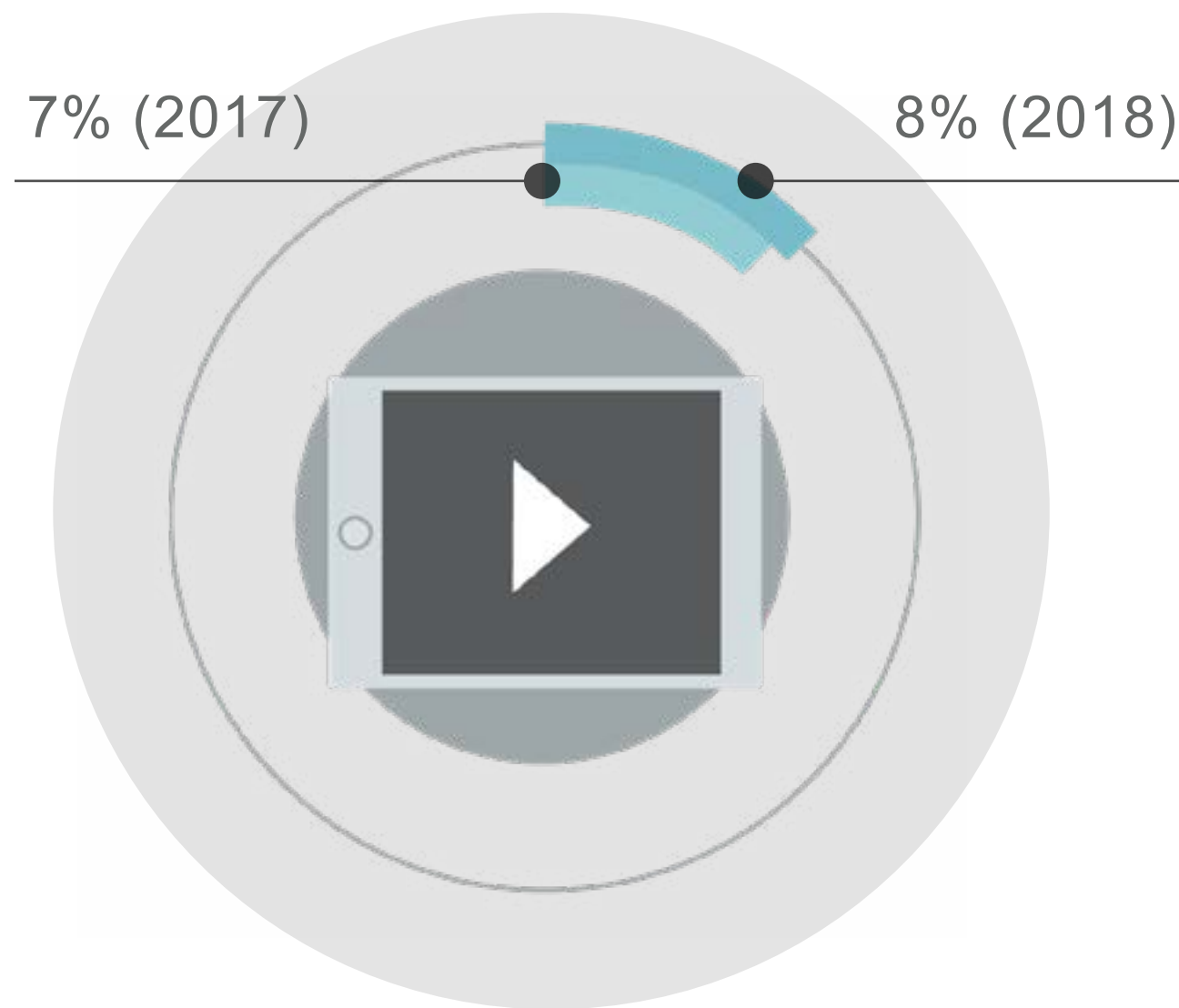
Source: IAB Australia/PwC Online Ad Expenditure Report 2018

AUSTRALIAN DIGITAL VIDEO ADVERTISING MARKET

OVERVIEW

\$1.4B spent on video advertising in 2018

Video now represents 8% of the \$16.6B Australian ad market

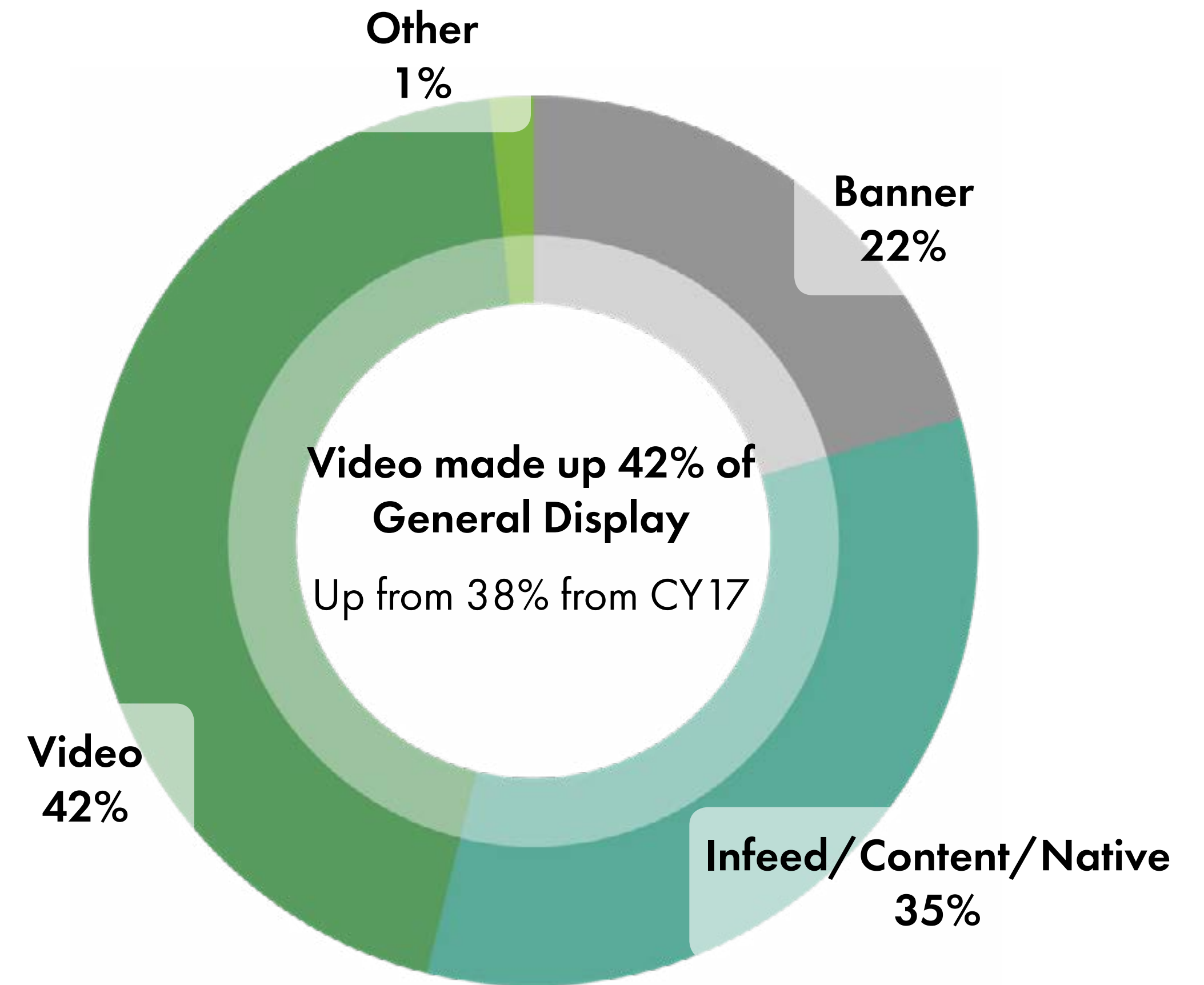
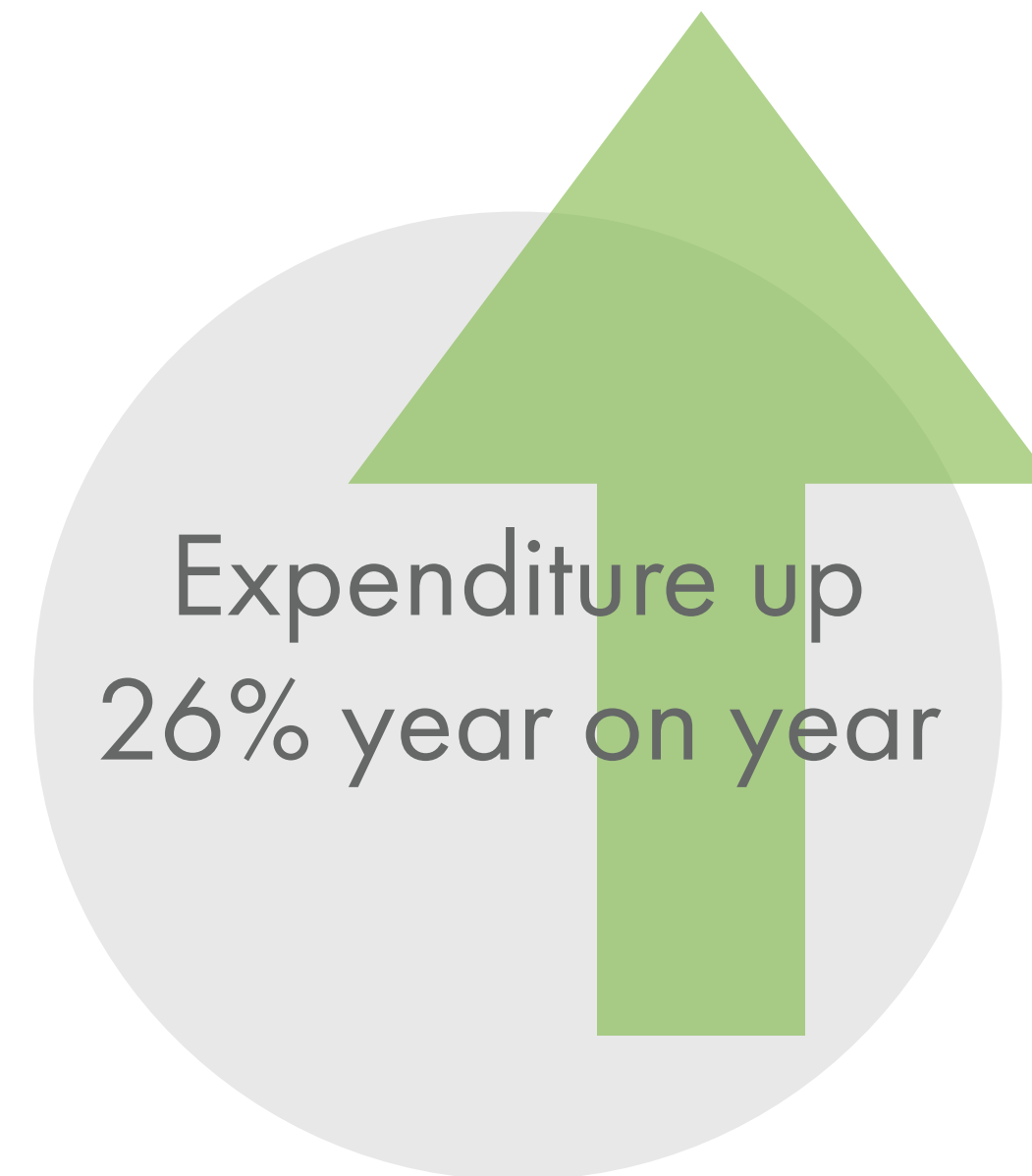
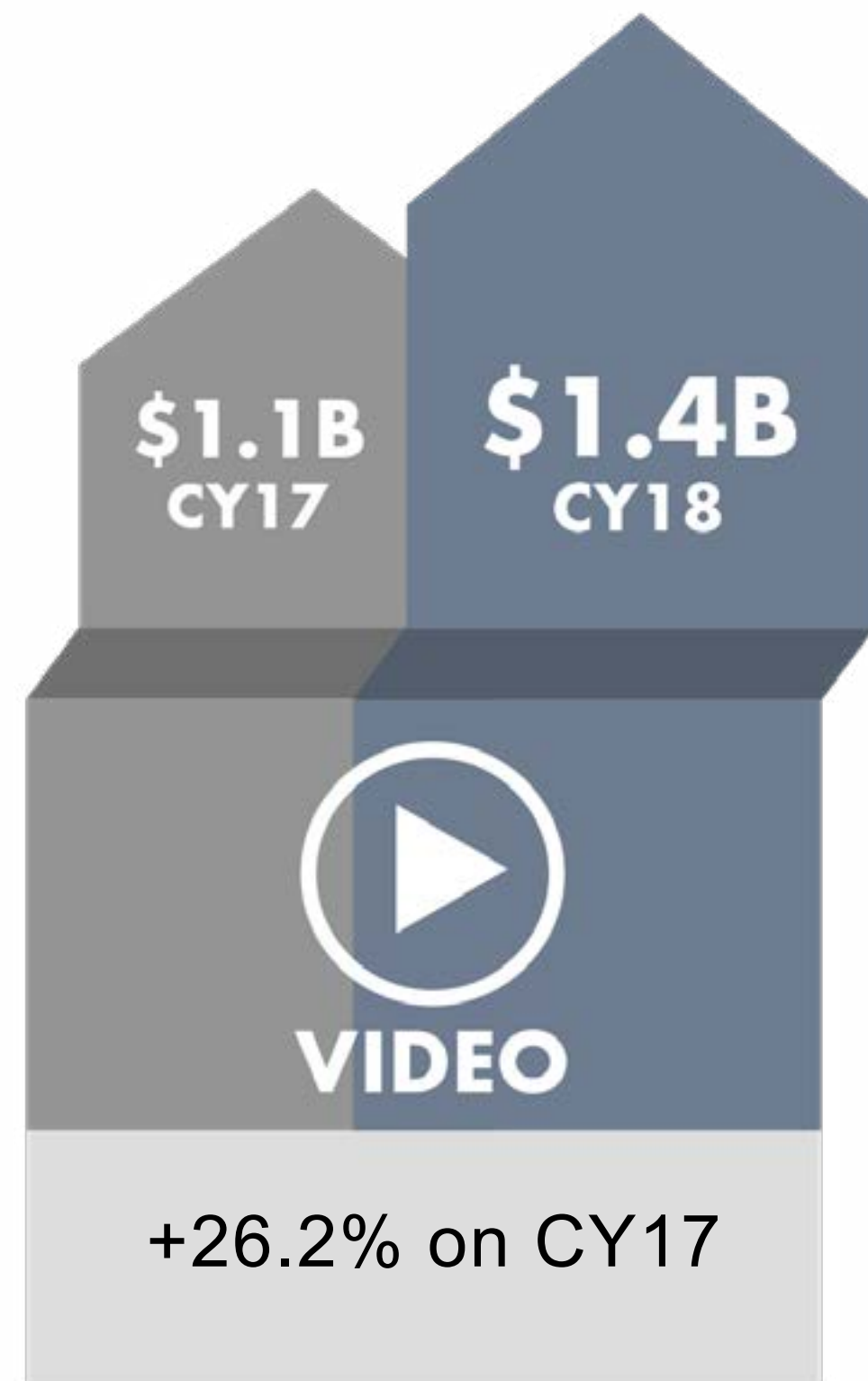


Sources: IAB Australia/PwC Online Ad Expenditure Report 2018; CEASA 2018

AUSTRALIAN DIGITAL VIDEO ADVERTISING MARKET

OVERVIEW

Video is the fastest growing digital advertising segment



Sources: IAB Australia/PwC Online Ad Expenditure Report 2018; CEASA 2018

EXPENDITURE BY DEVICE

VIDEO ADVERTISING EXPENDITURE BY DEVICE FOR CONTENT PUBLISHERS



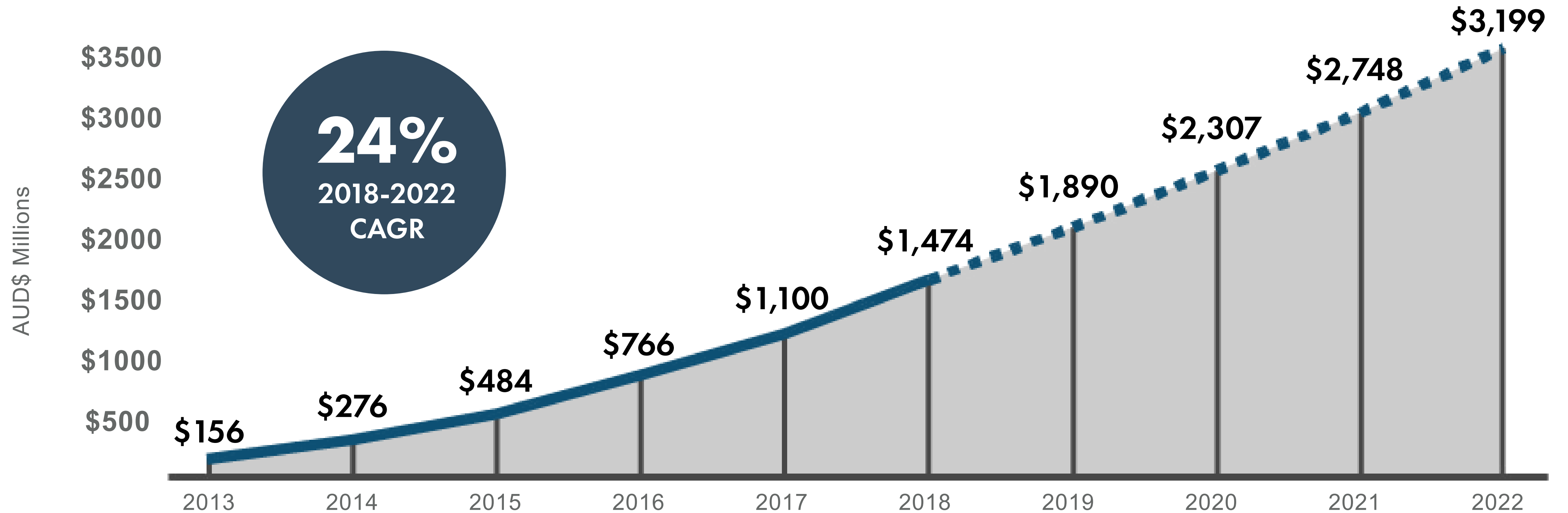
Source: IAB Australia/PwC Online Ad Expenditure Report 2018

AUSTRALIAN DIGITAL VIDEO ADVERTISING MARKET

VIDEO SPEND FORECAST

VIDEO AD EXPENDITURE TO CONTINUE TO INCREASE AT 24% PER YEAR TO NEARLY \$3.2B IN 2022

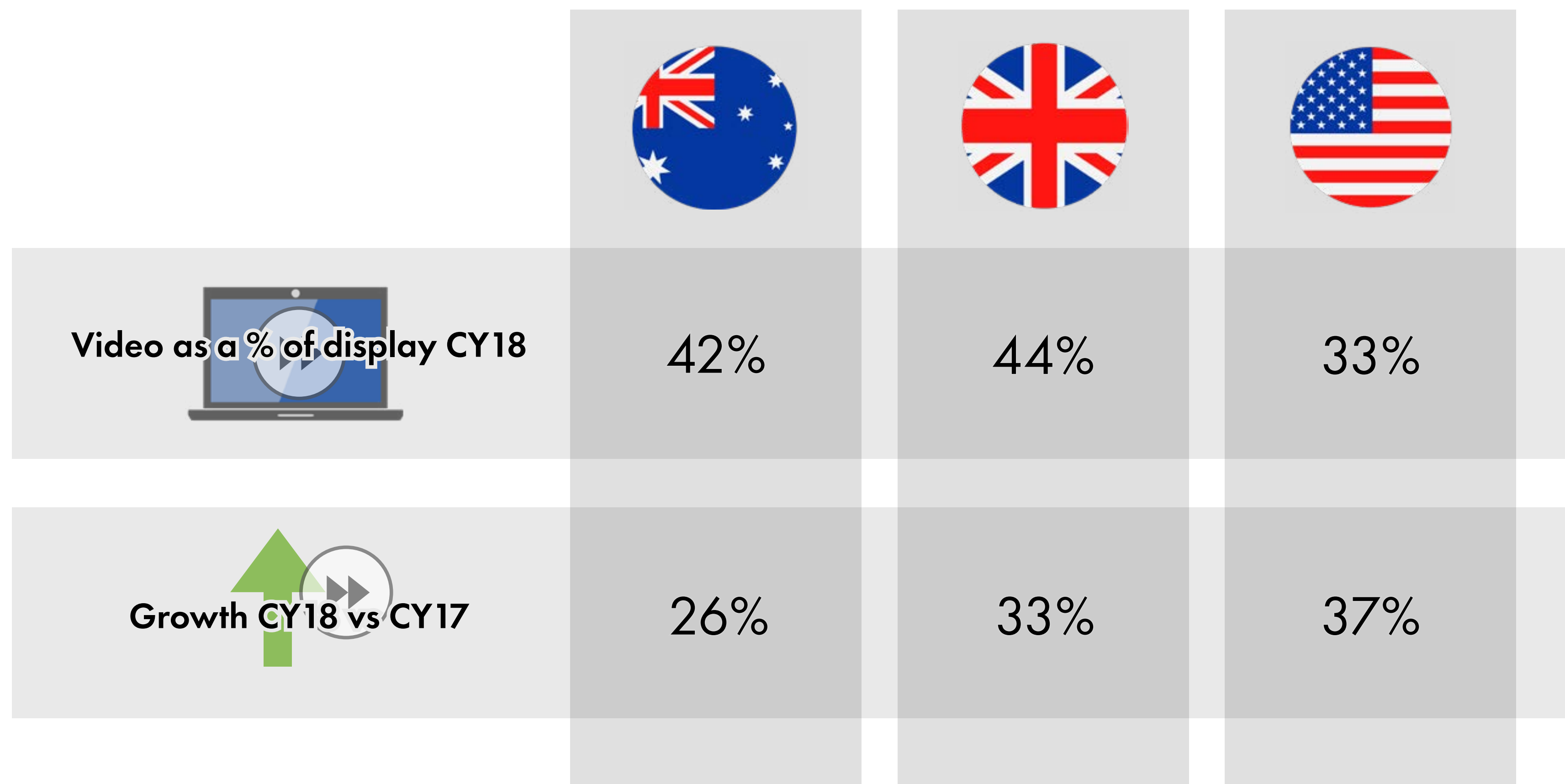
PWC OUTLOOK VIDEO ADVERTISING FORECAST



Source; PWC Outlook Internet Advertising 2018 - 2022

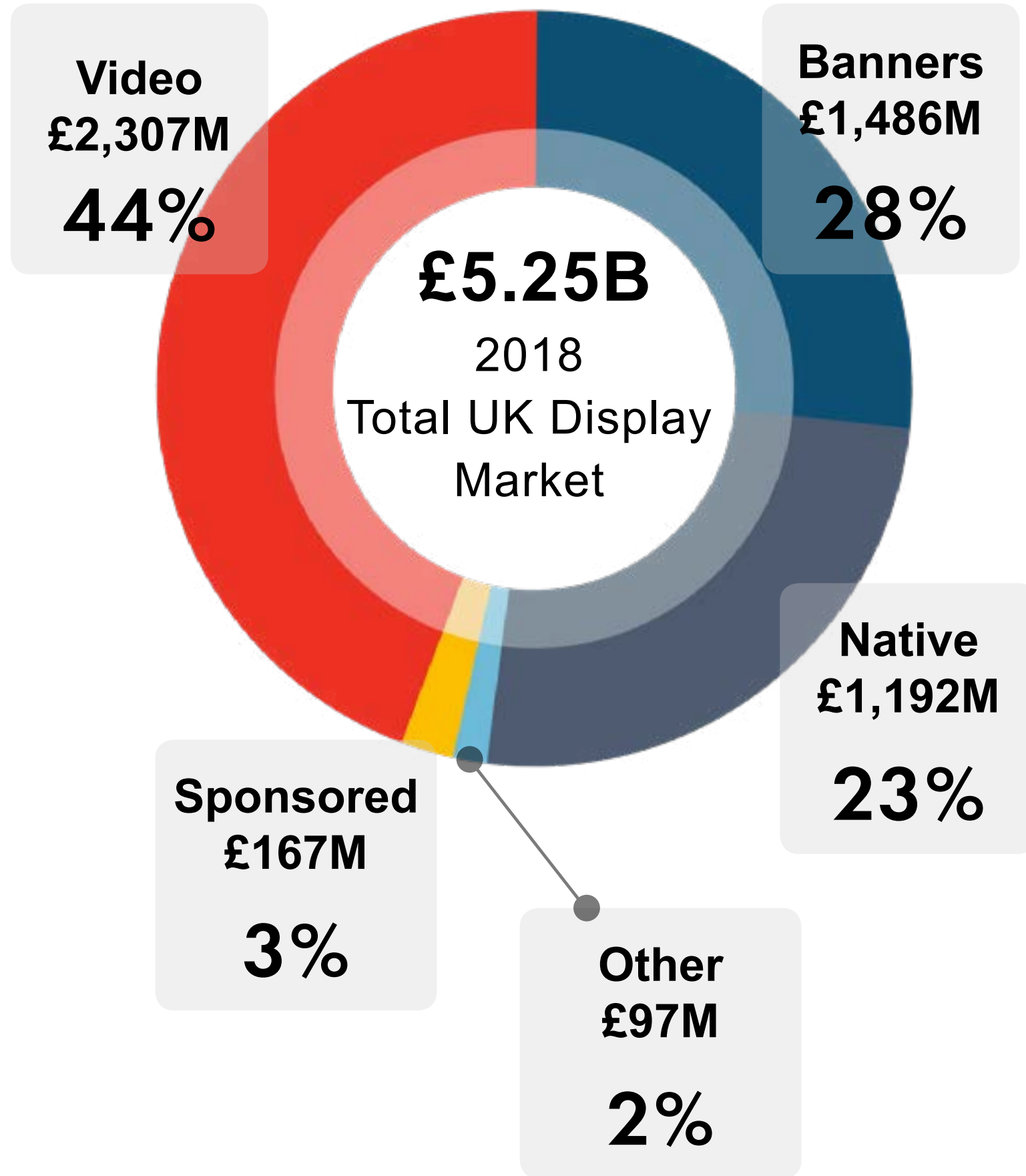
INTERNATIONAL DIGITAL VIDEO ADVERTISING MARKET

GLOBAL VIDEO COMPARISON



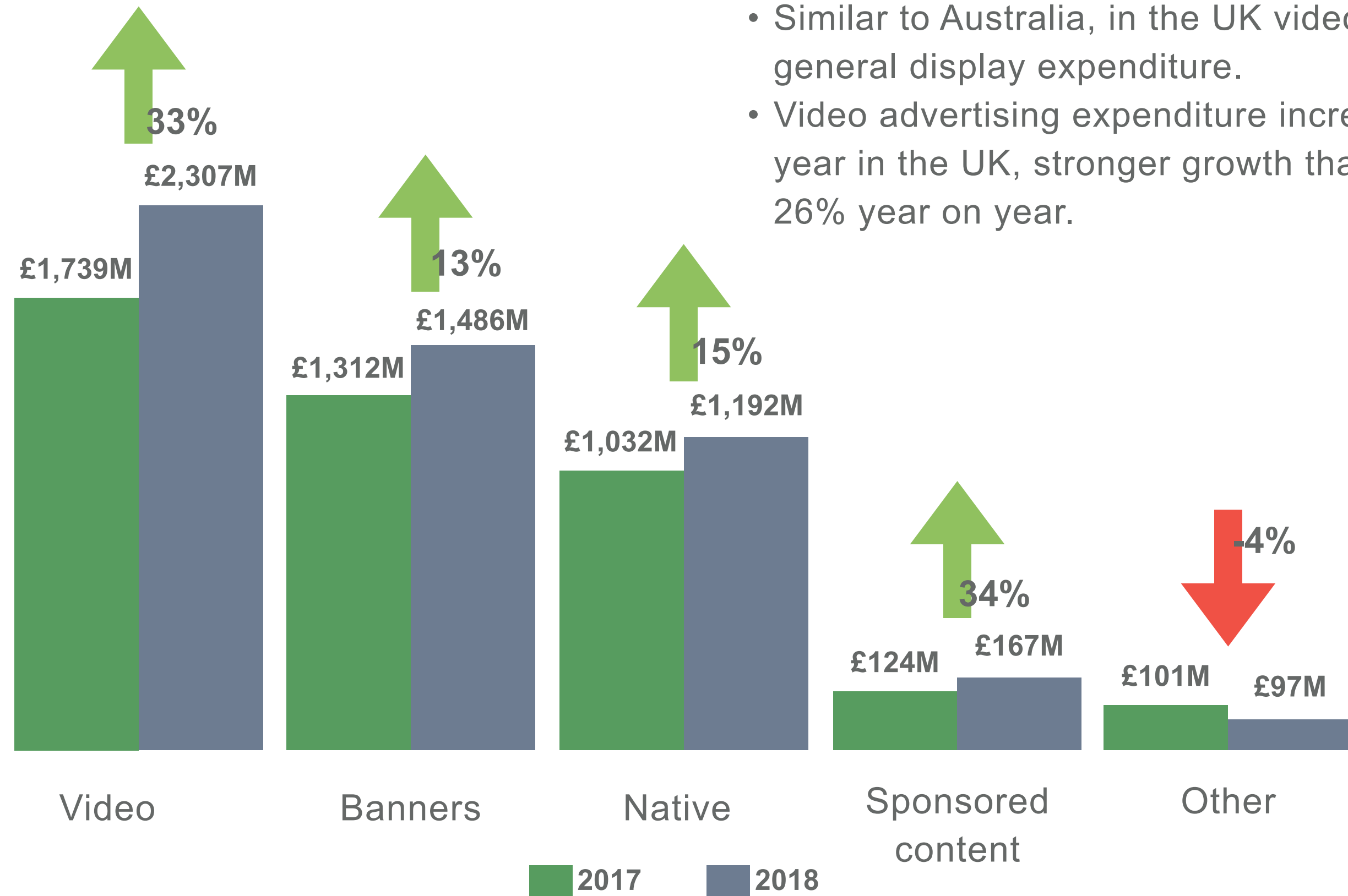
INTERNATIONAL DIGITAL VIDEO ADVERTISING MARKET

UK VIDEO & DISPLAY



VIDEO IS DRIVING THE MAJORITY OF DIGITAL DISPLAY GROWTH IN THE UK

- UK total display market was 39% of digital ad spend in 2018 and grew 22% year on year.
- Similar to Australia, in the UK video makes up 44% of general display expenditure.
- Video advertising expenditure increased 33% year on year in the UK, stronger growth than in Australia, up 26% year on year.



Source; IAB UK & PWC Digital Ad Spend Study 2018

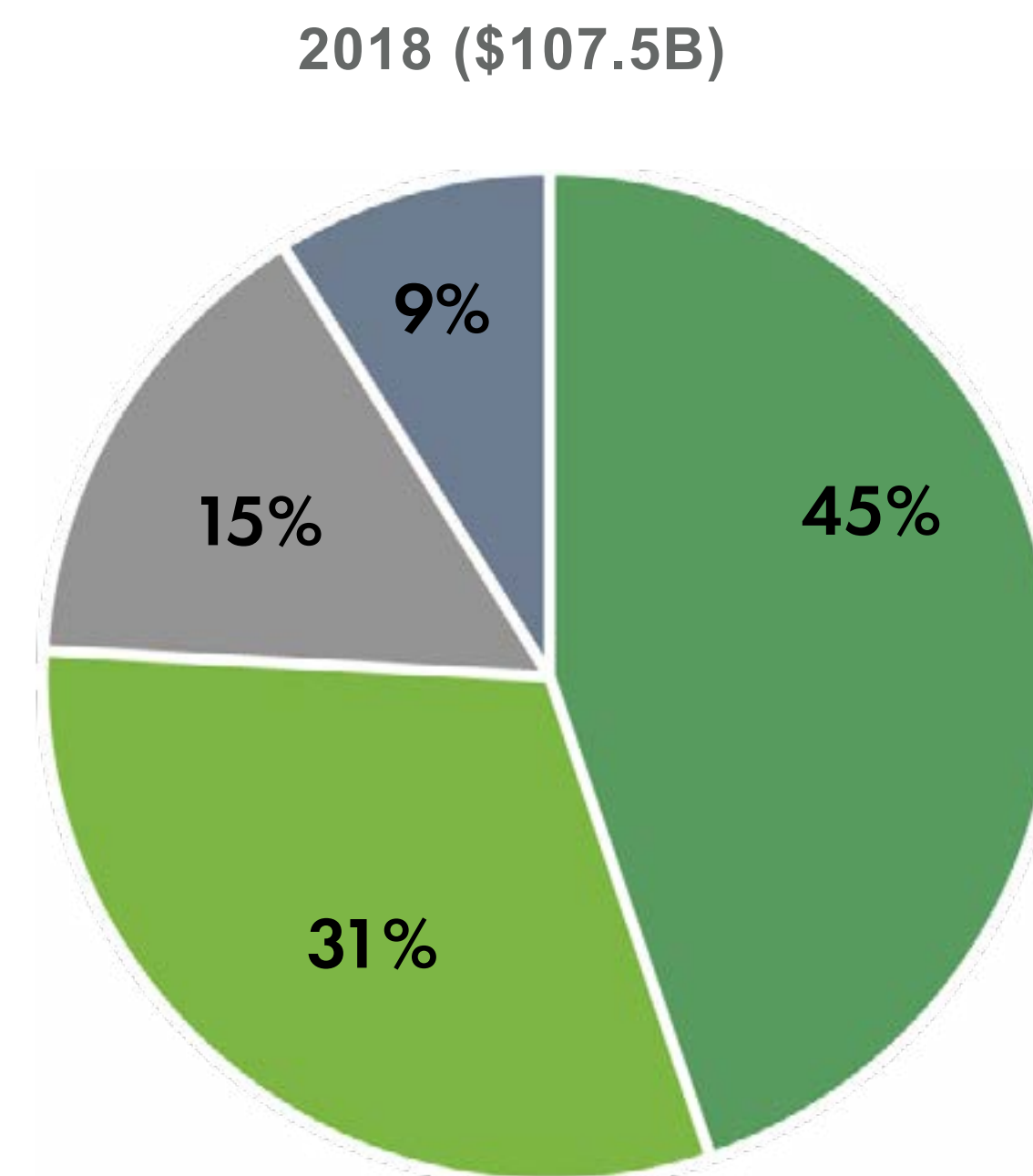
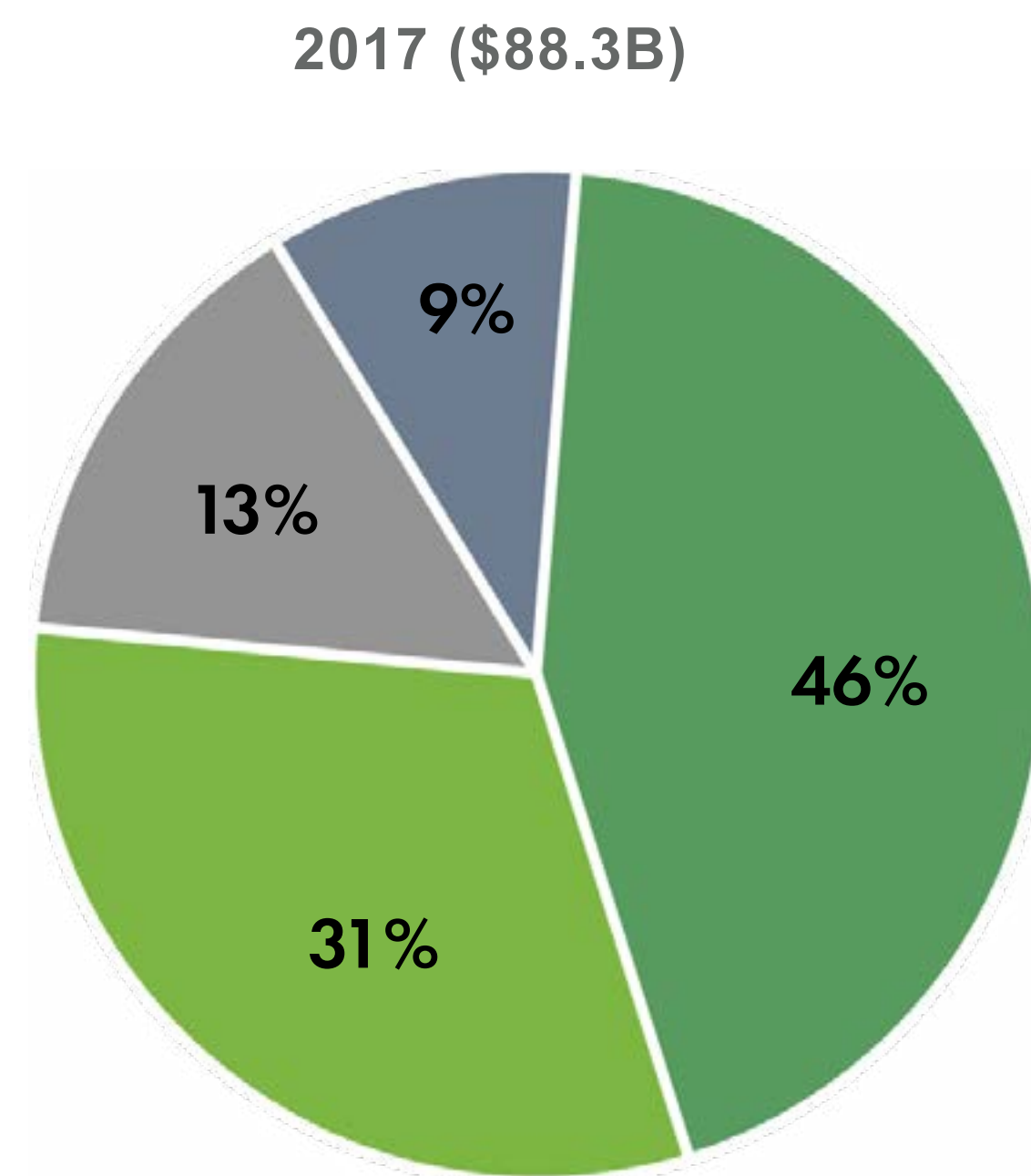
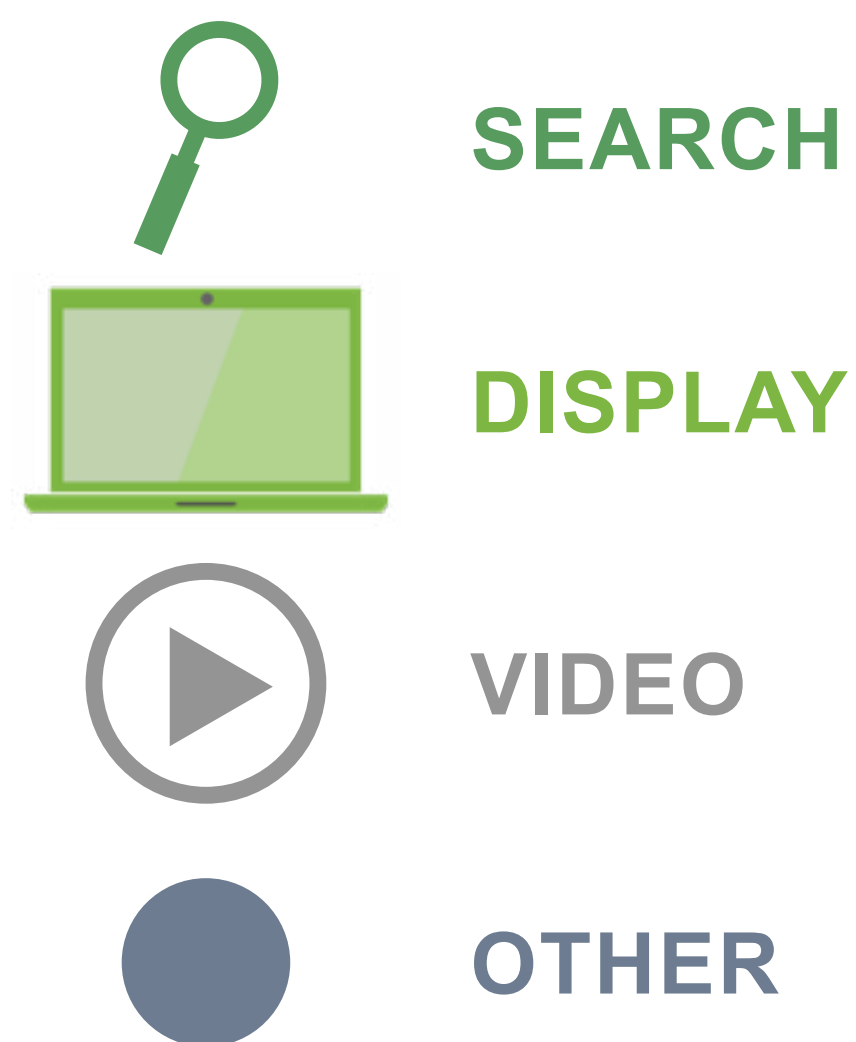
INTERNATIONAL DIGITAL VIDEO ADVERTISING MARKET

US VIDEO ADVERTISING FORMATS

VIDEO ADVERTISING ALSO SHOWED THE LARGEST GROWTH AMONG FORMATS IN THE US

- In the US digital video advertising expenditure totaled \$16.3 billion in 2018, up \$4.4 billion or 37.2% from 2017.
- On desktop, video advertising expenditure grew 6.6% from the prior year.
- On mobile devices video once again was the leading growth format, up 65% over the prior year.

ADVERTISING FORMAT REVENUE, FULL YEAR RESULTS



Banner includes: Ad Banners/Display, Rich Media, and Sponsorship.
Other includes: Classifieds, Lead Generation, Audio, and Unspecified.
Note: Totals may not equal 100% due to rounding.

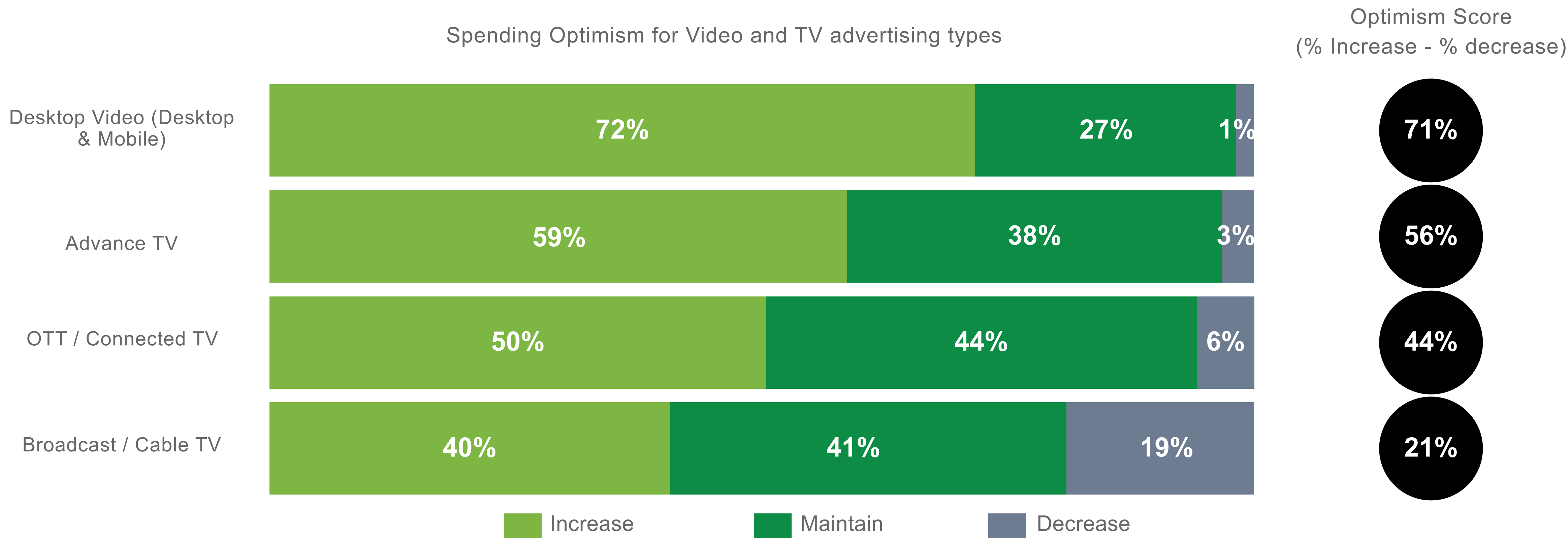
Source: IAB US & PWC Internet Advertising Revenue Report 2018

INTERNATIONAL DIGITAL VIDEO ADVERTISING MARKET

US VIDEO ADVERTISING OPTIMISM

NEARLY 3 IN 4 US AD BUYERS ARE PLANNING TO INCREASE DIGITAL VIDEO SPEND IN THE NEXT YEAR

- US advertisers plan to spend 25% more on digital video than they did last year.



Source; IAB US Video Advertising Spend Report 2019 (survey Feb/Mar 2019 n=350 Marketer and Agency decision-makers)
<https://www.iab.com/wp-content/uploads/2019/04/IAB-Video-Advertising-Spend-Report-Final-2019.pdf>

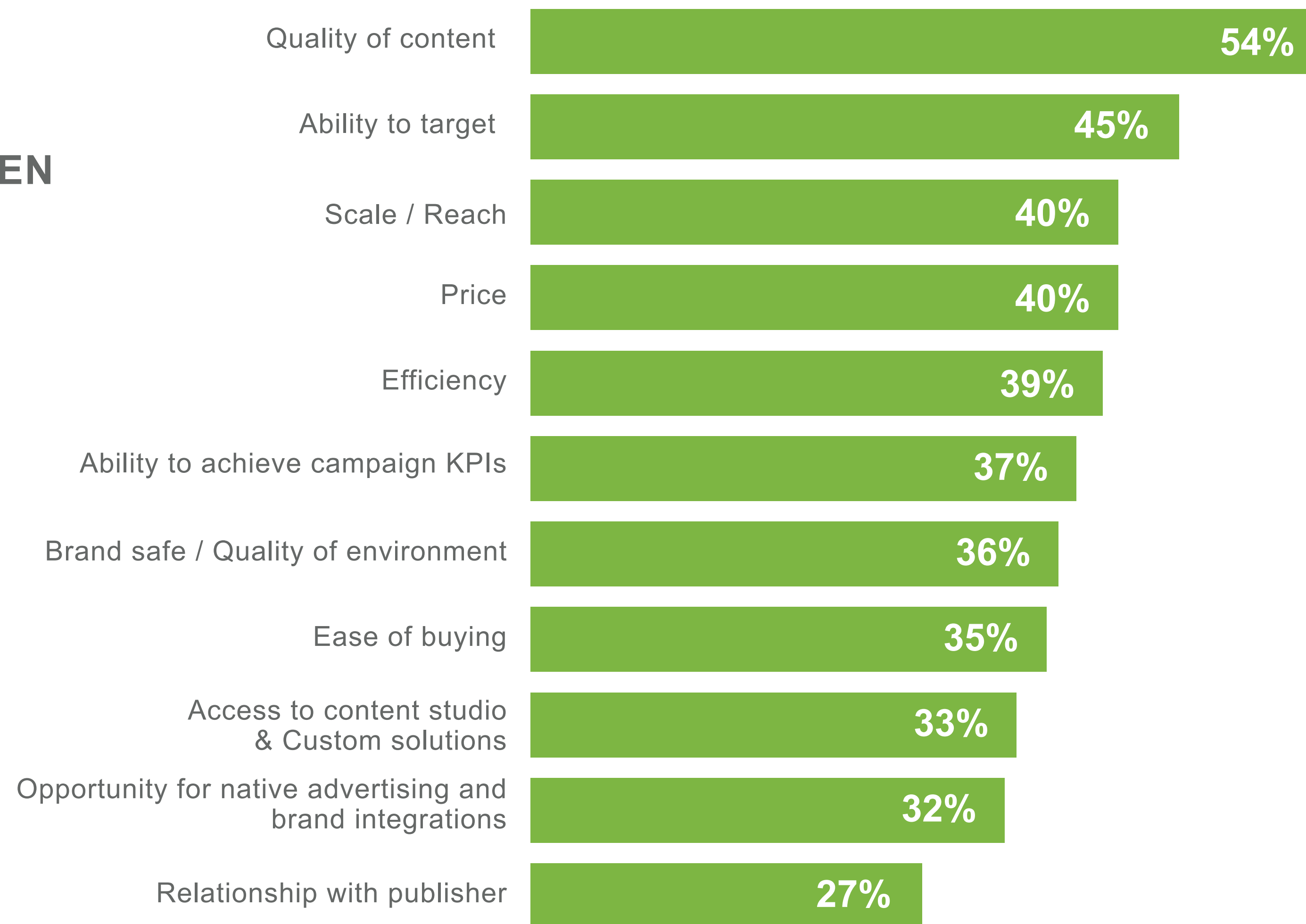
INTERNATIONAL DIGITAL VIDEO ADVERTISING MARKET

US VIDEO ADVERTISING SELECTION CRITERIA

US ADVERTISERS REPORT THAT CONTENT QUALITY IS THE TOP DIFFERENTIATOR WHEN IDENTIFYING DIGITAL VIDEO PARTNERS

Biggest obstacles to spending more on digital video:

- Quality of content (44%)
- Reach/scale (38%)
- Audience targeting & reach (36%)



Source; IAB US Video Advertising Spend Report 2019 (survey Feb/Mar 2019 n=350 Marketer and Agency decision-makers)

<https://www.iab.com/wp-content/uploads/2019/04/IAB-Video-Advertising-Spend-Report-Final-2019.pdf>

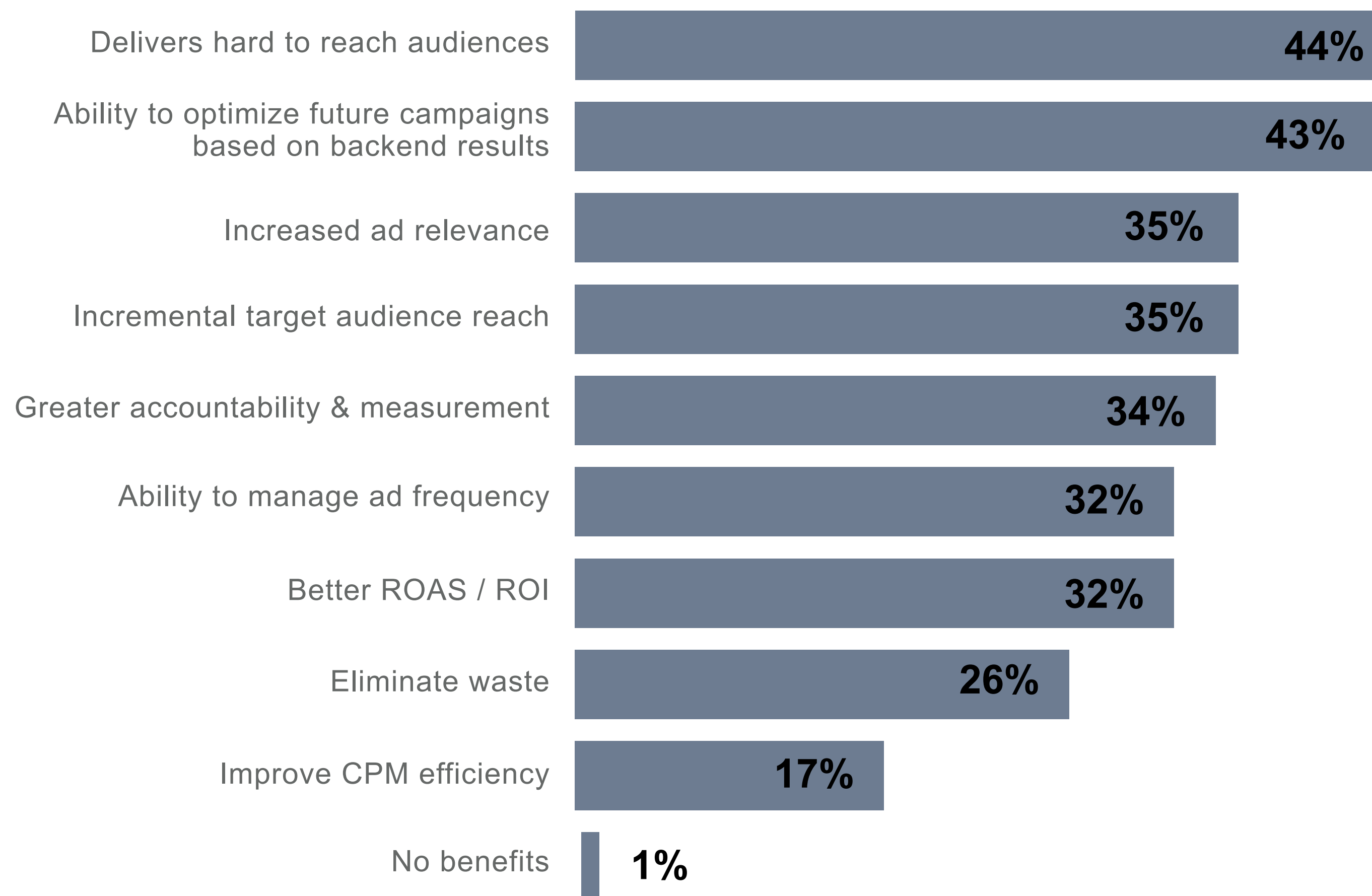
BENEFITS OF US OTT ADVERTISING

OTT is valued for the ability to deliver hard to reach audiences, followed by ability to better optimize ad campaigns in the future with relevance

Top 3 factors inhibiting OTT:

- Cost/price (33%)
- Inadequate metrics /campaign measurement (27%)
- Lack of large scale audience (26%).

BENEFITS OF OTT - RANKED TOP-3



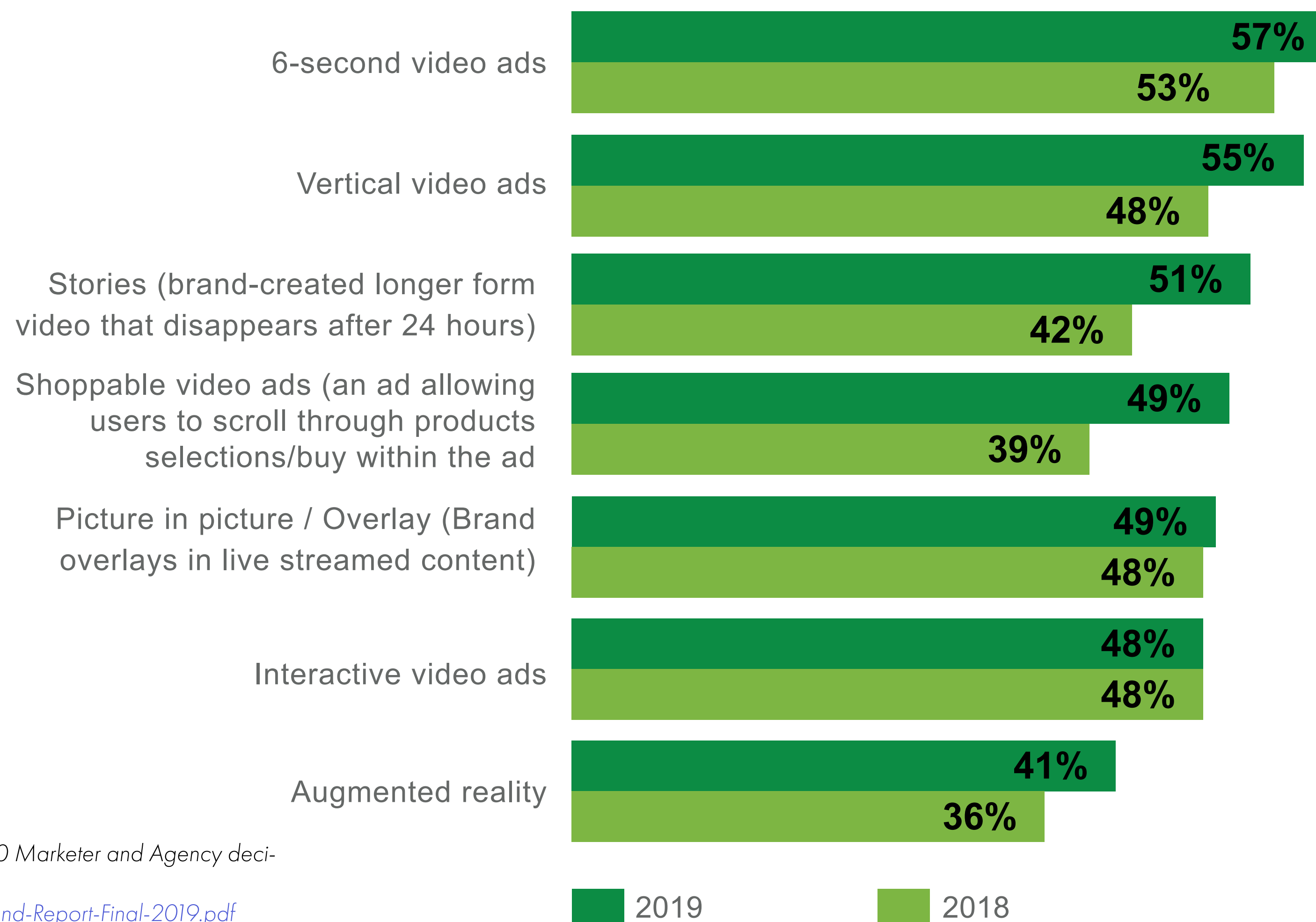
Source; IAB US Video Advertising Spend Report 2019 (survey Feb/Mar 2019 n=350 Marketer and Agency decision-makers)
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INTERNATIONAL DIGITAL VIDEO ADVERTISING MARKET

US PURCHASE OF VIDEO AD FORMATS

US advertisers have embraced new video ad formats in the past year and plan to significantly increase their use of stories and shoppable ads in 2019

- 53% of respondents used 6 second video ads in campaigns in 2018 and 57% plan to use them in campaigns in 2019.



Source; IAB US Video Advertising Spend Report 2019 (survey Feb/Mar 2019 n=350 Marketer and Agency decision-makers)

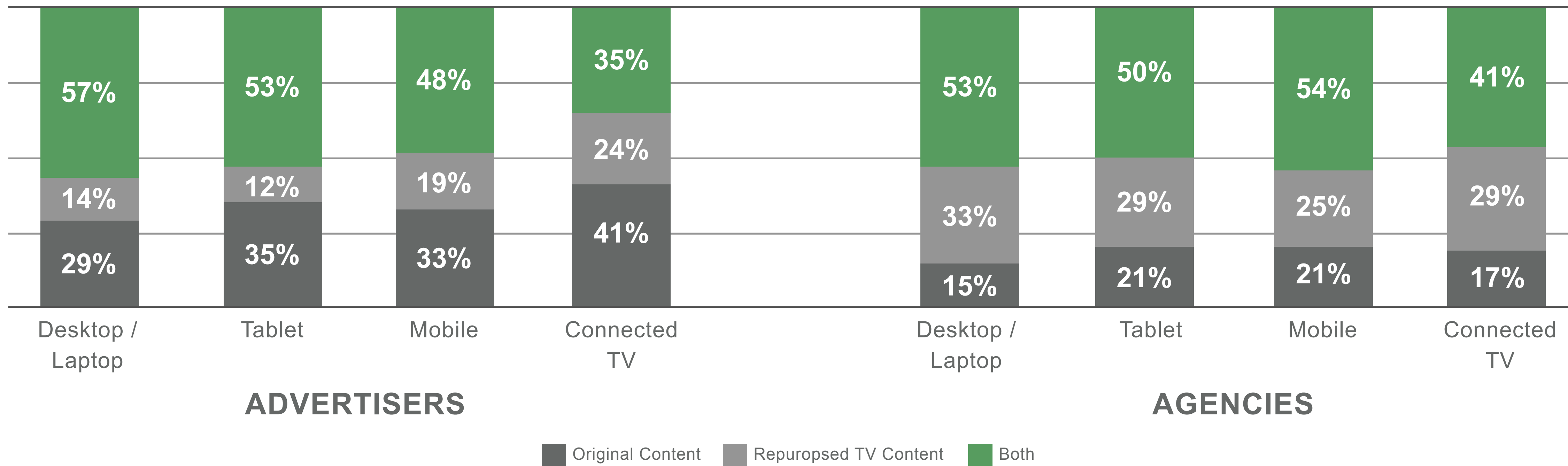
<https://www.iab.com/wp-content/uploads/2019/04/IAB-Video-Advertising-Spend-Report-Final-2019.pdf>

INTERNATIONAL DIGITAL VIDEO ADVERTISING MARKET

TRENDS IN EUROPEAN CONTENT

Almost 20% of European advertisers are still solely using re purposed TV content for mobile video




TYPE OF CONTENT USED FOR DIGITAL VIDEO ADVERTISING



Sources: IAB Europe Attitudes to Digital Video Advertising Report 2019 n=400 advertisers, agencies, publishers.

DIGITAL VIDEO ADVERTISING METRICS

INTERNATIONAL VIDEO METRICS

	 Overall campaign success			 Overall campaign success			 Digital Video campaign success	
	Advertiser	Agency		Advertiser	Agency		Advertiser	Agency
#1	Purchase intent	Brand awareness		Brand awareness	Reach & frequency		Cost per completed view	Cost per completed view
#2	Brand awareness	Reach & frequency		Reach & frequency, CPM	Brand awareness		Brand awareness	Brand awareness
#3	Reach & frequency	Ad recall		Sales KPI	CPM		Ad recall, viewability, completion rates	Completion rates

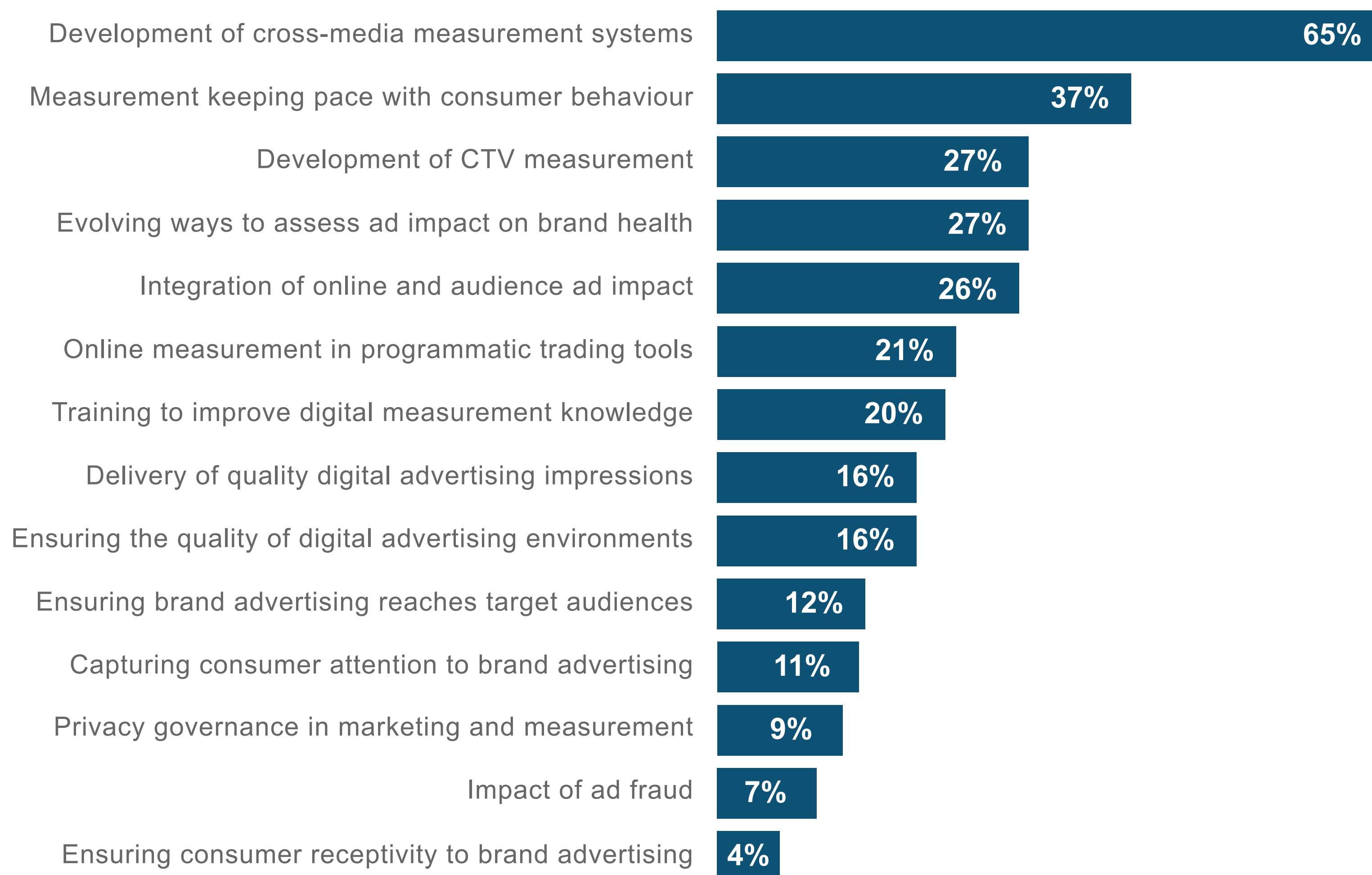
Sources: IAB Australia Future of Measurement Survey March 2019 n=142; IAB Europe Digital Brand Advertising and Measurement Survey March 2018 n=650
 IAB Europe Attitudes to Digital Video Advertising Report 2019 n=400 advertisers, agencies, publishers.

Cross-media measurement is one of the biggest opportunities across markets

- Cross-media measurement and development of CTV measurement top industry opportunities for Australia.
- More than 8 in 10 US advertisers agreed a unified multi-platform buying solution (TV + digital) is important.
- In 2018, 41% of European advertisers indicated that cross-screen planning was taking place on more than 60% of their campaigns.

Source; : IAB Australia Future of Measurement Survey March 2019 n=142
IAB US Video Advertising Spend Report 2019 (survey Feb/Mar 2019 n=350
Marketer and Agency decision-makers)
IAB Europe Attitudes to Digital Video Advertising Report 2019 n=400
advertisers, agencies, publishers.

AUSTRALIA'S TOP 3 CHALLENGES FACING THE INDUSTRY



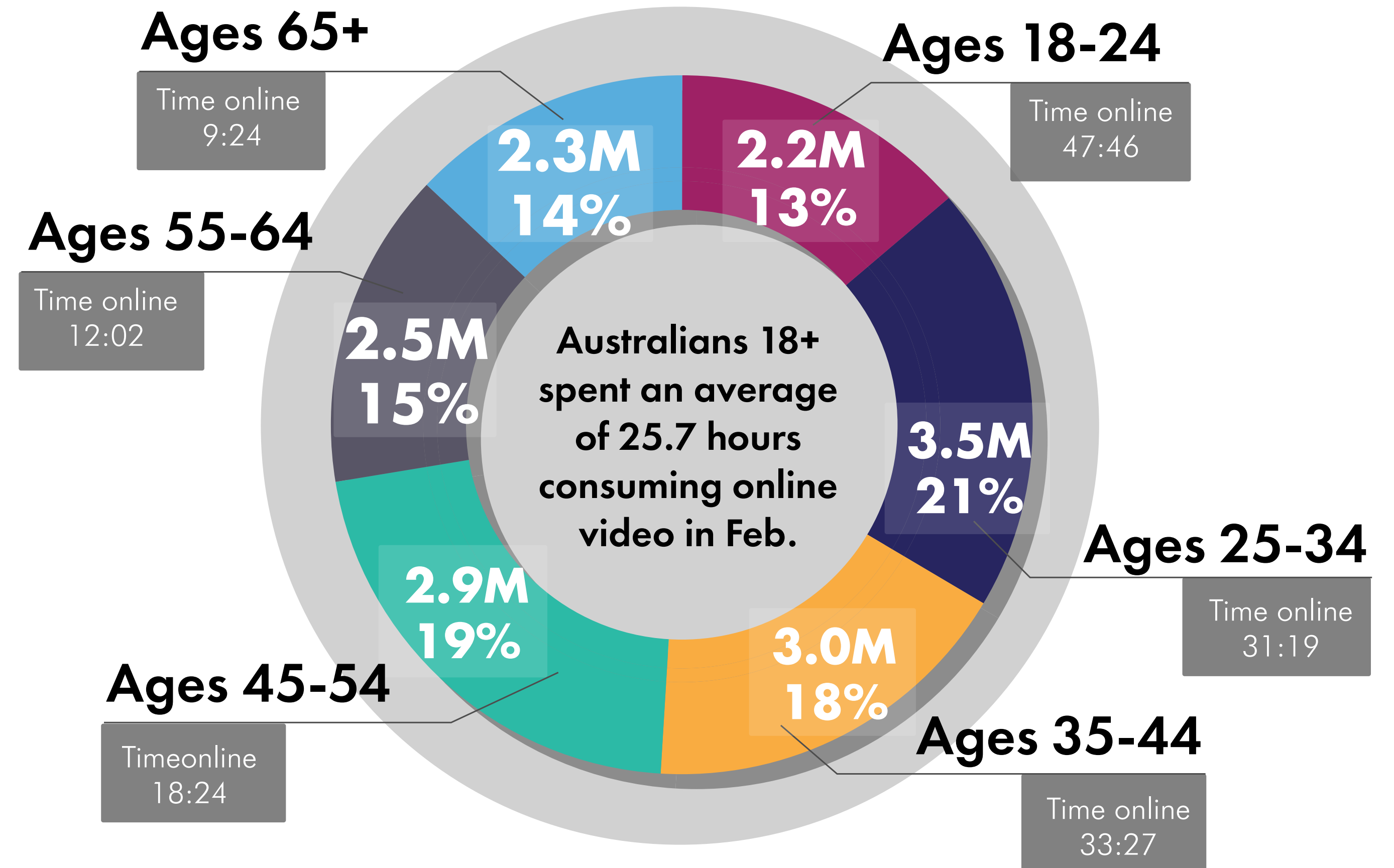
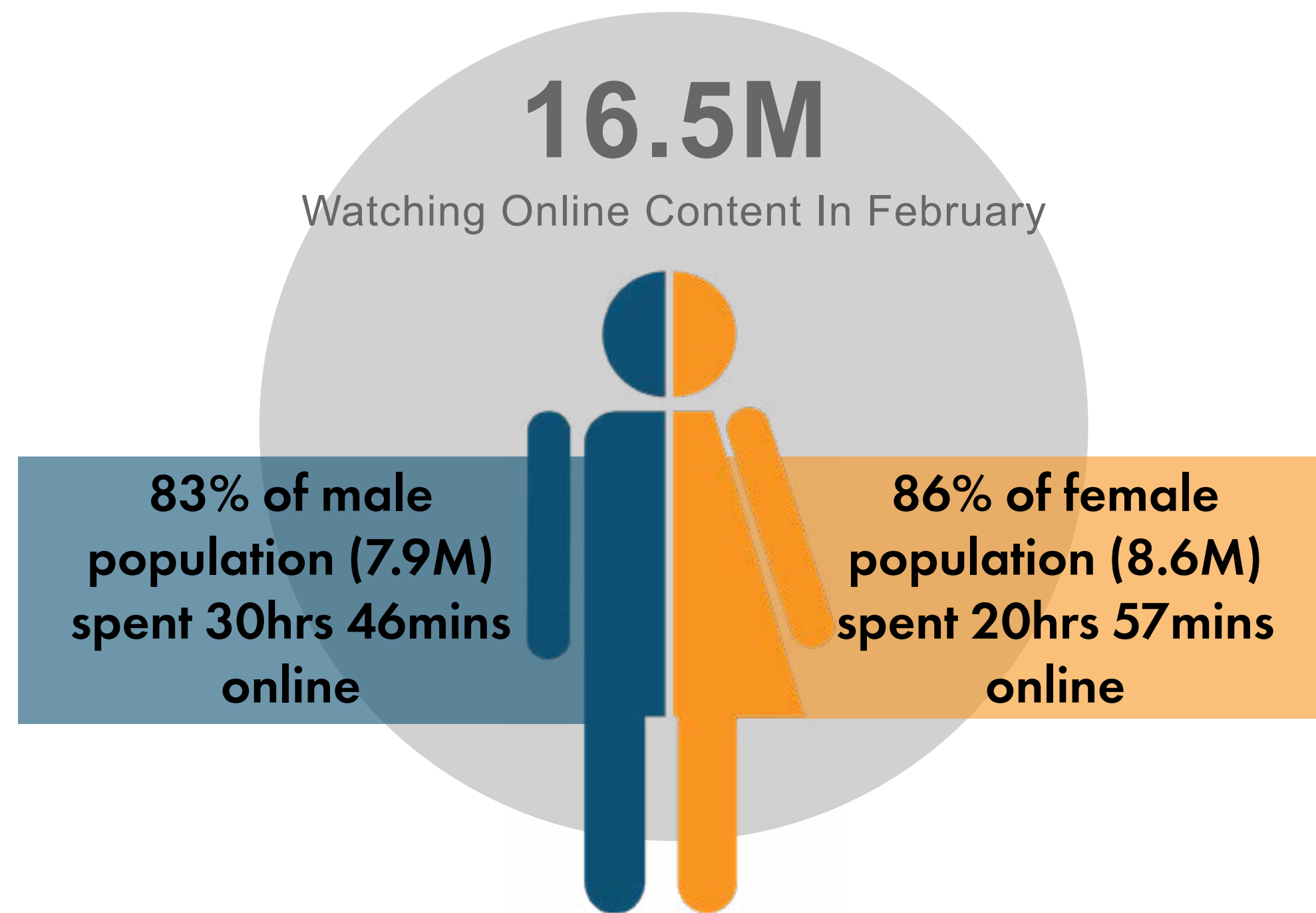


Video is the fastest
growing digital
advertising segment

- Advertising expenditure in digital video is up 26% year on year.
- 8% of all Australian ad dollars were spent on video advertising in 2018.
- Australian forecasts and comparisons to other markets show there is still more growth for digital video advertising over coming years.
- The quality of digital video content will be important in driving further advertising investment, along with targeting and achieving reach and scale.
- OTT is key to helping deliver advertisers hard to reach audiences.
- Brand impact measures along with completion and viewability metrics are sought by advertisers to prove the effectiveness of digital video advertising.
- The development of cross-screen measurement is one of the biggest opportunities to drive greater investment in digital advertising.

AUSTRALIAN DIGITAL VIDEO AUDIENCE

OVERVIEW

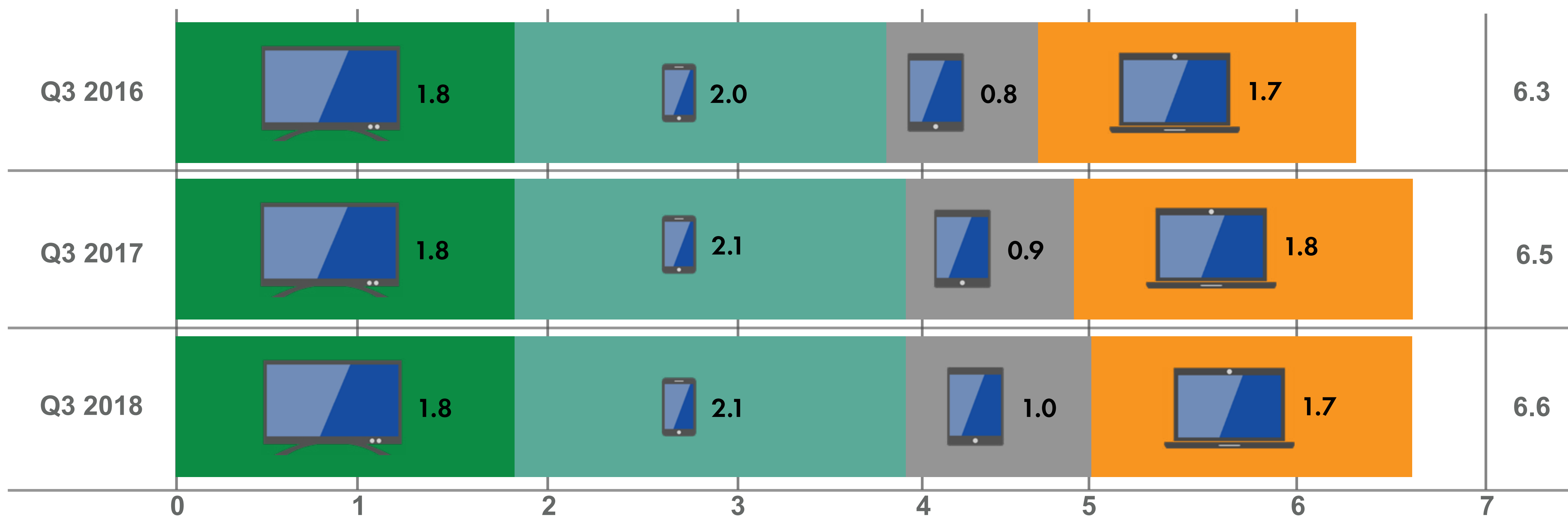


Source: Nielsen Digital Content Ratings, Video February 2019, People 18+, Monthly total

AUSTRALIAN DIGITAL VIDEO AUDIENCE

SCREENS AT HOME

THE PROLIFERATION OF SCREENS HAS CREATED NEW VIEWING OPPORTUNITIES IN HOME AND ON THE GO



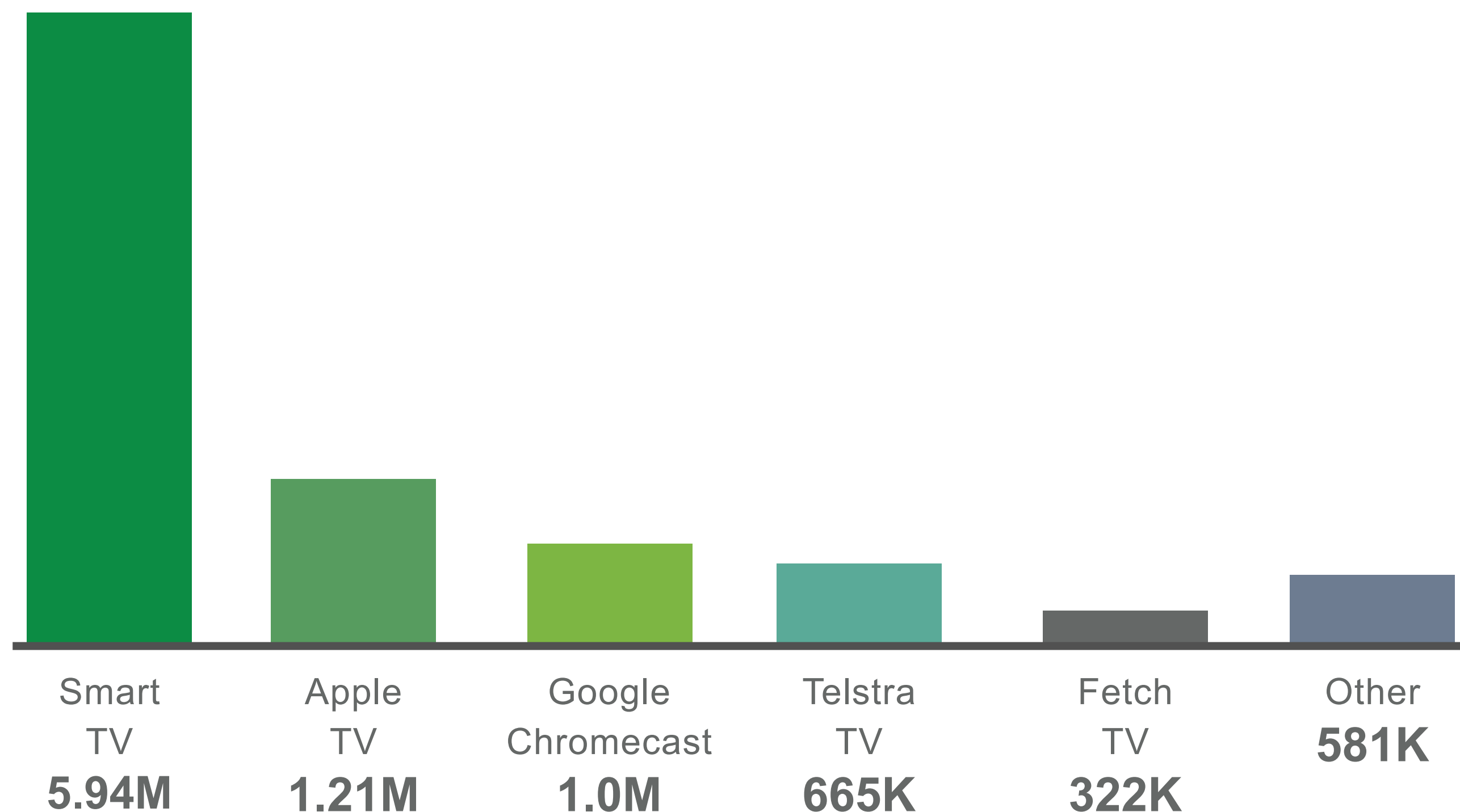
Source: OzTAM and Regional TAM Establishment Surveys

AUSTRALIAN DIGITAL VIDEO AUDIENCE

AUSTRALIANS WATCHING CONTENT

HALF OF CONNECTED TV VIEWERS MOSTLY OR ALWAYS WATCH WITH SOMEONE ELSE

HOW IS THE CONTENT VIEWED?	% of Connected TV Viewers
Always viewing alone	8%
Mostly viewing alone	14%
Viewing with another household member about half the time	29%
Mostly viewing with another household member	34%
Always viewing with another household member	14%



Source: IAB Australia Enumeration Study March 2019, ages 14+, n=3000 per quarter

AUSTRALIAN DIGITAL VIDEO AUDIENCE

AUSTRALIANS WATCHING CONTENT

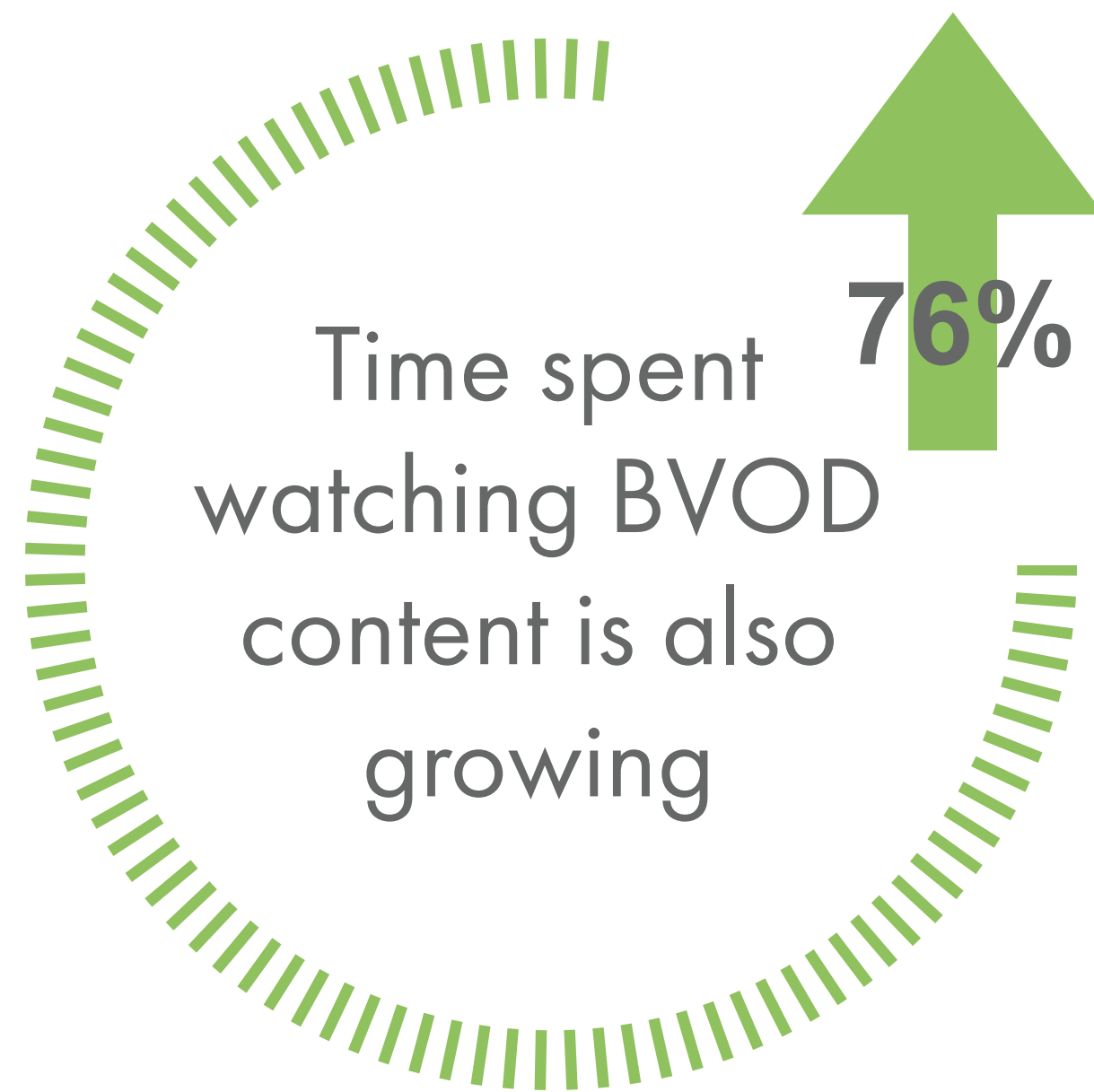
8.1M AUSTRALIANS ACCESS INTERNET CONTENT VIA A TV SCREEN

Last Viewed Internet Content on TV	% of total population	% of CTV population
Yesterday	25%	64%
Past week	12%	30%
Past two weeks	1%	4%
Past month	1%	2%
Longer than a month ago	0%	1%

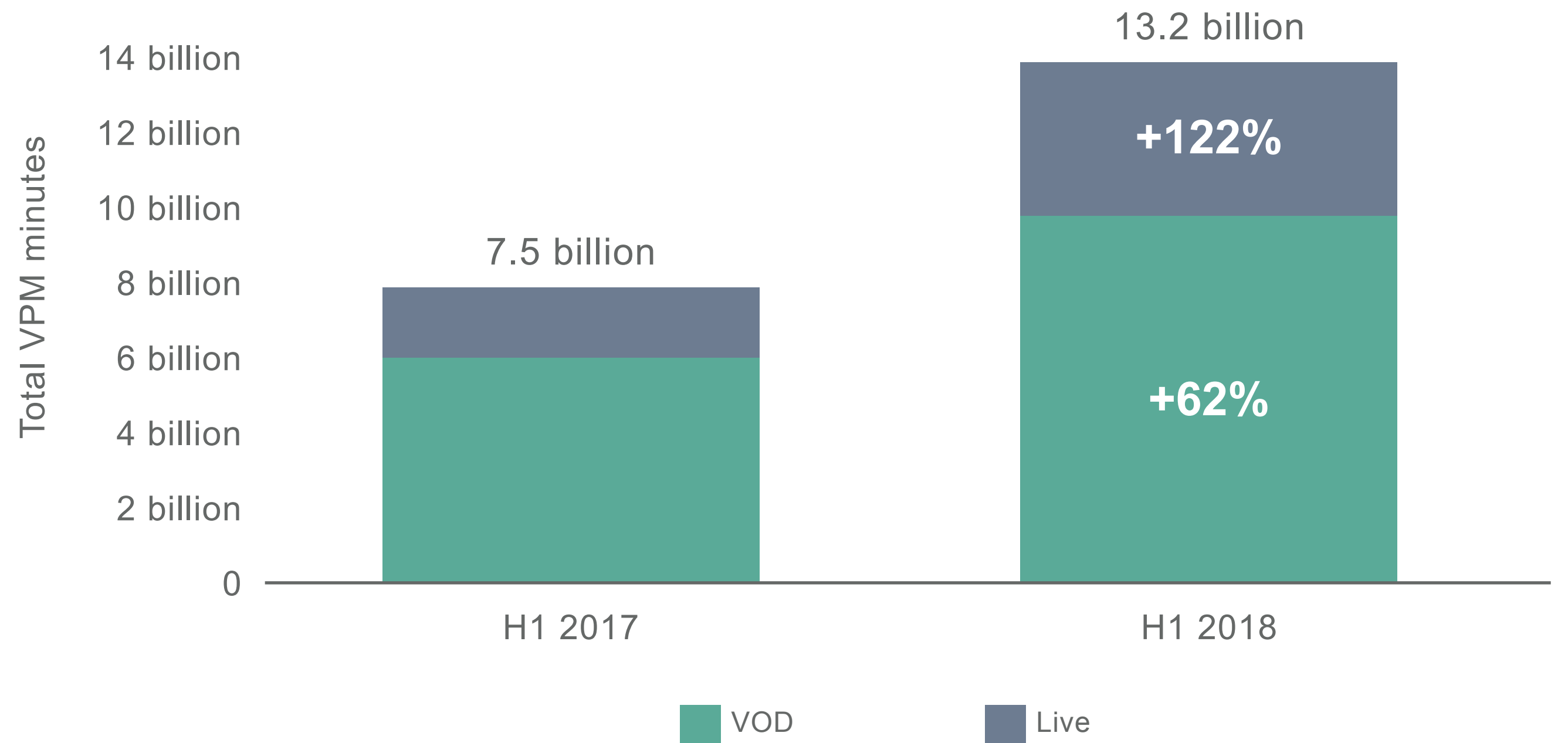
5.2M Australians accessed yesterday (one quarter of Australians 14+) - up 14% on same period last year.

AUSTRALIAN DIGITAL VIDEO AUDIENCE

BROADCAST VIDEO ON DEMAND



TOTAL MINUTES (BVOD VIEWING)



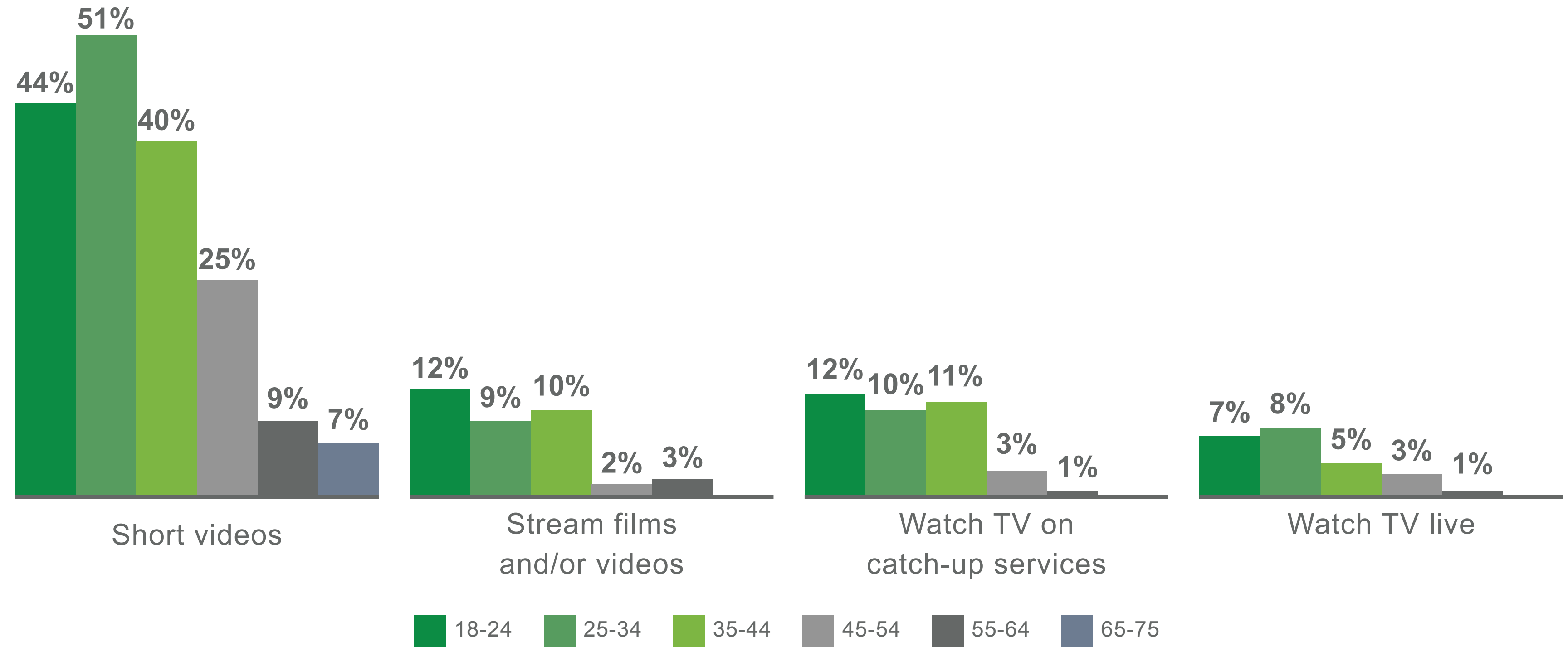
Source: OzTAM Video Player Measurement (VPM), Total BVOD Catch up and Live minutes Viewed by Year, Sourced on 25th July 2018

AUSTRALIAN DIGITAL VIDEO AUDIENCE

CONTENT VIA SMARTPHONE

Half of 25-34's prefer watching short video on their mobile phone

ACTIVITIES ON MOBILE PHONE BY AGE

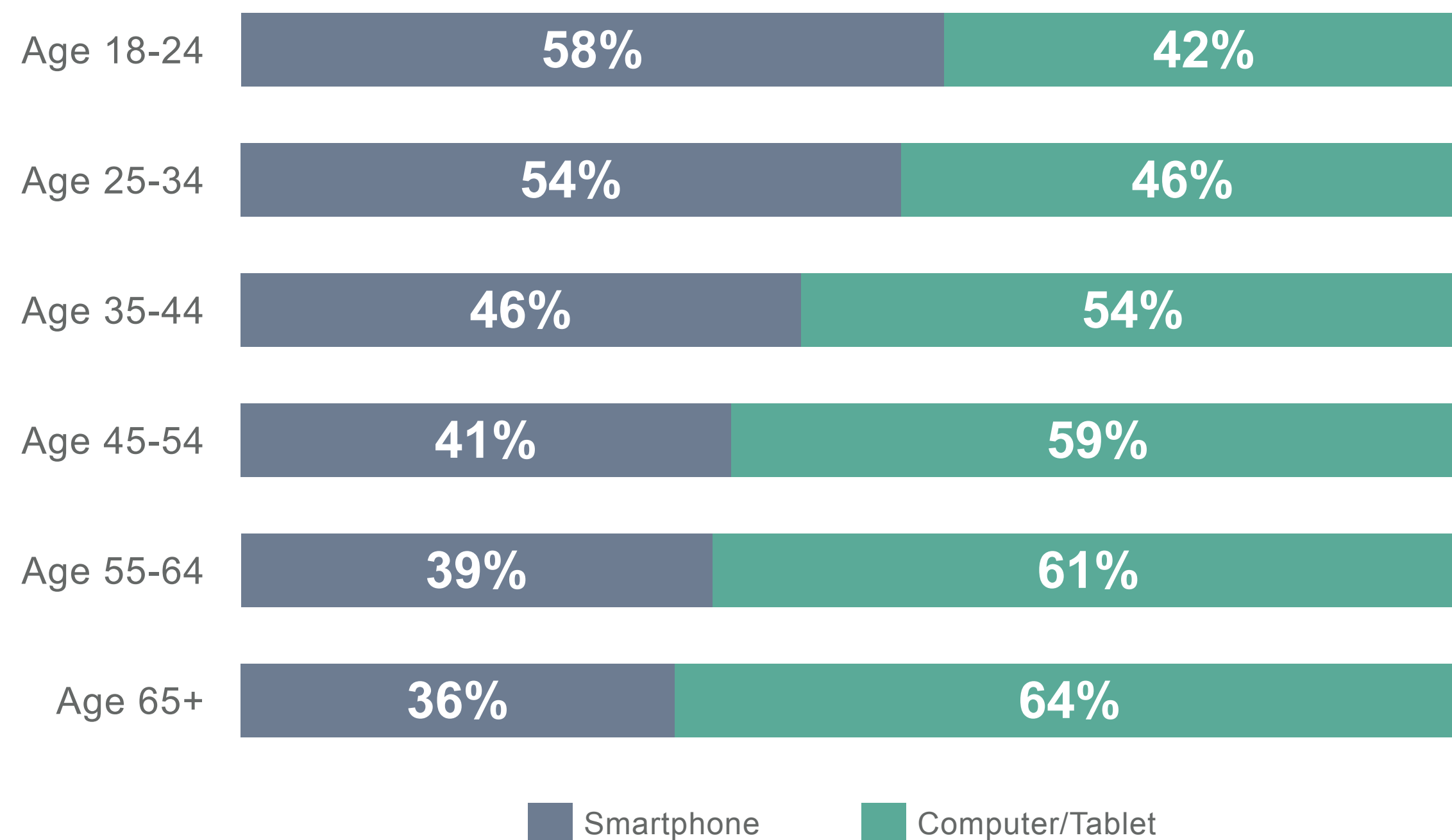


Source: Deloitte Mobile Consumer Survey 2018 – The Australian cut
Q - Which, if any, is your preferred device for each of the following activities? (Answers for mobile phone)

AUSTRALIAN DIGITAL VIDEO AUDIENCE

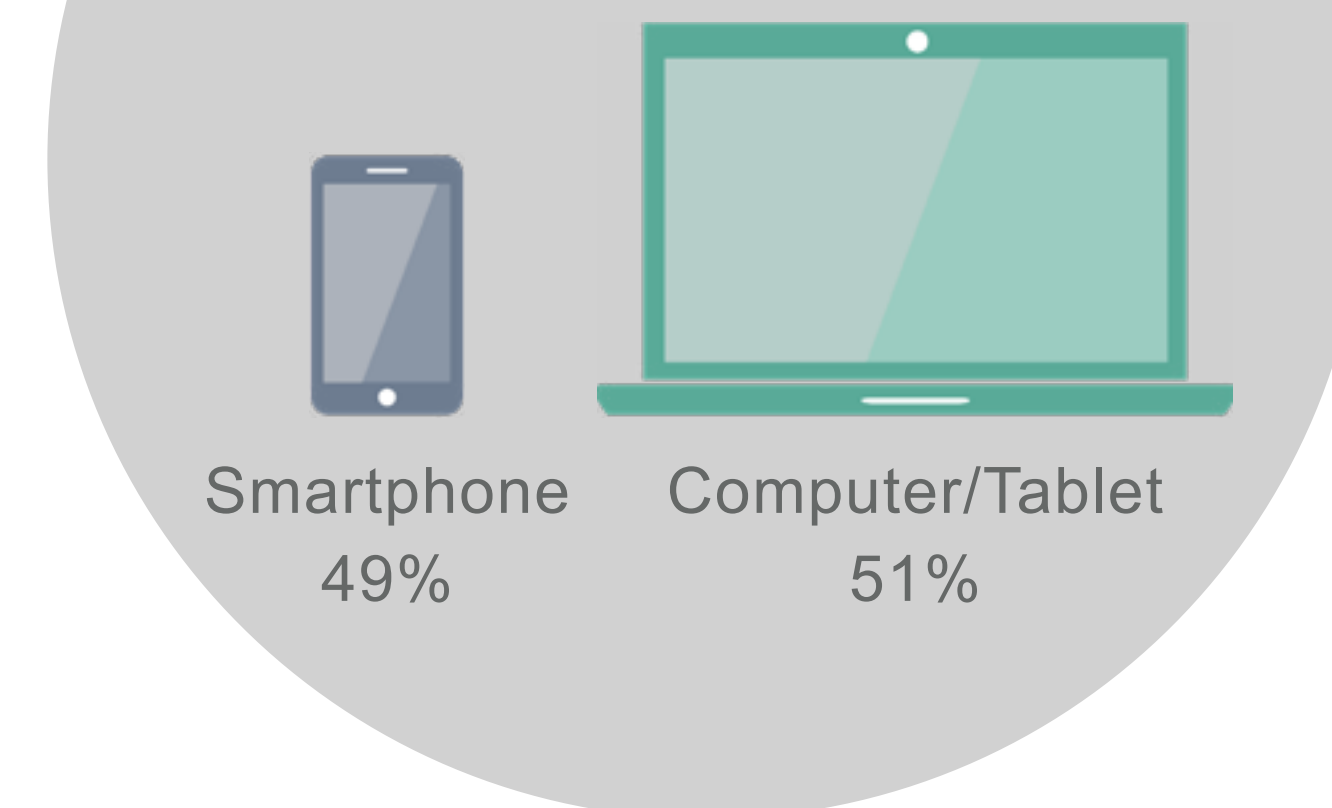
DEVICE SHARE OF TIME

SHARE OF DIGITAL VIDEO TIME



Time spent watching digital video is split between Smartphone and PC/Tablet but younger age groups spend greater share on Smartphone

DIGITAL VIDEO DEVICE SHARE OF TIME



Source: Nielsen Digital Content Ratings, Video February 2019, People 18+, Monthly total
Note: time spent excludes digital video time spent viewing on connected TV

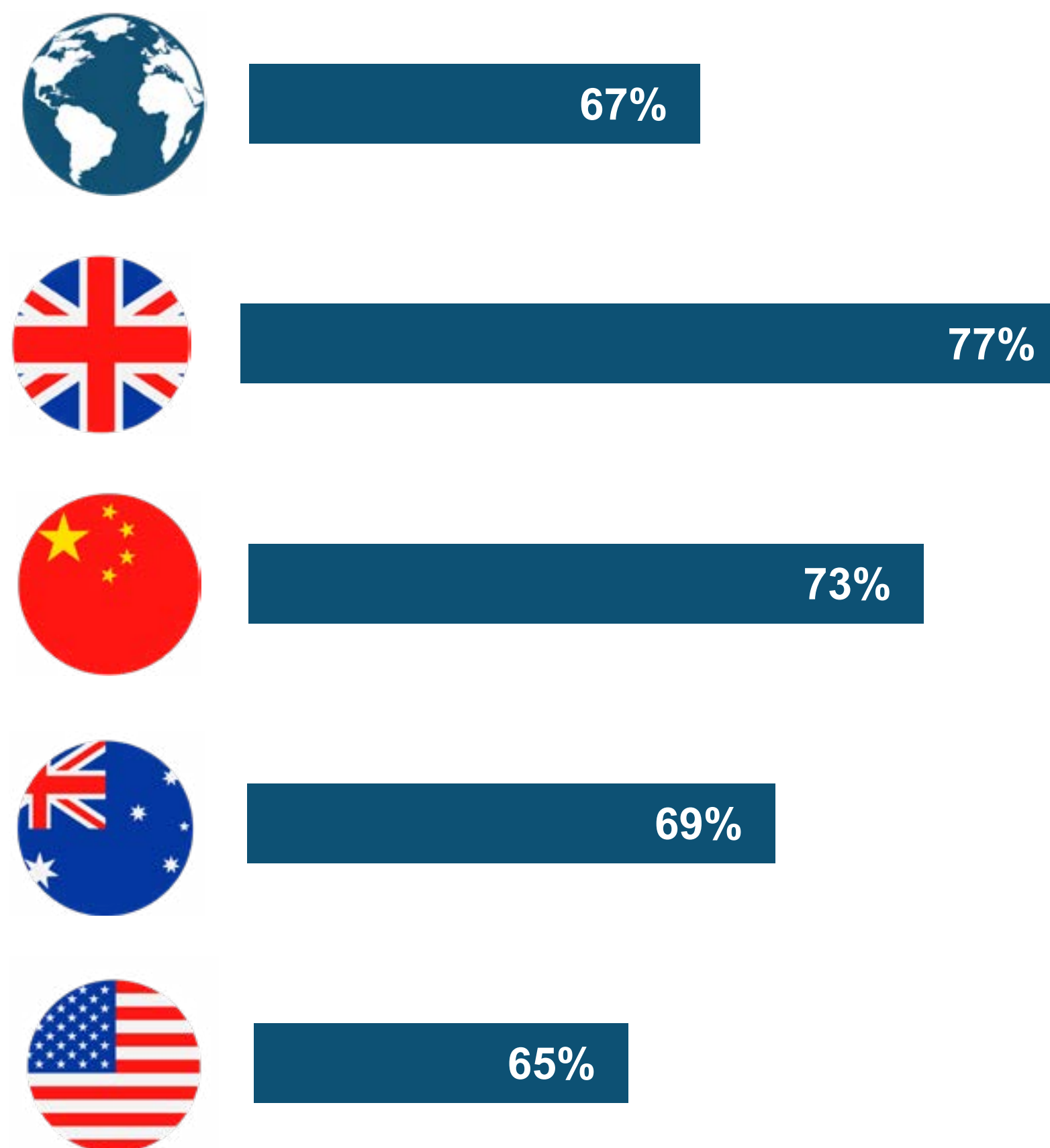
AUSTRALIAN DIGITAL VIDEO AUDIENCE

LIVE STREAMING TRENDS

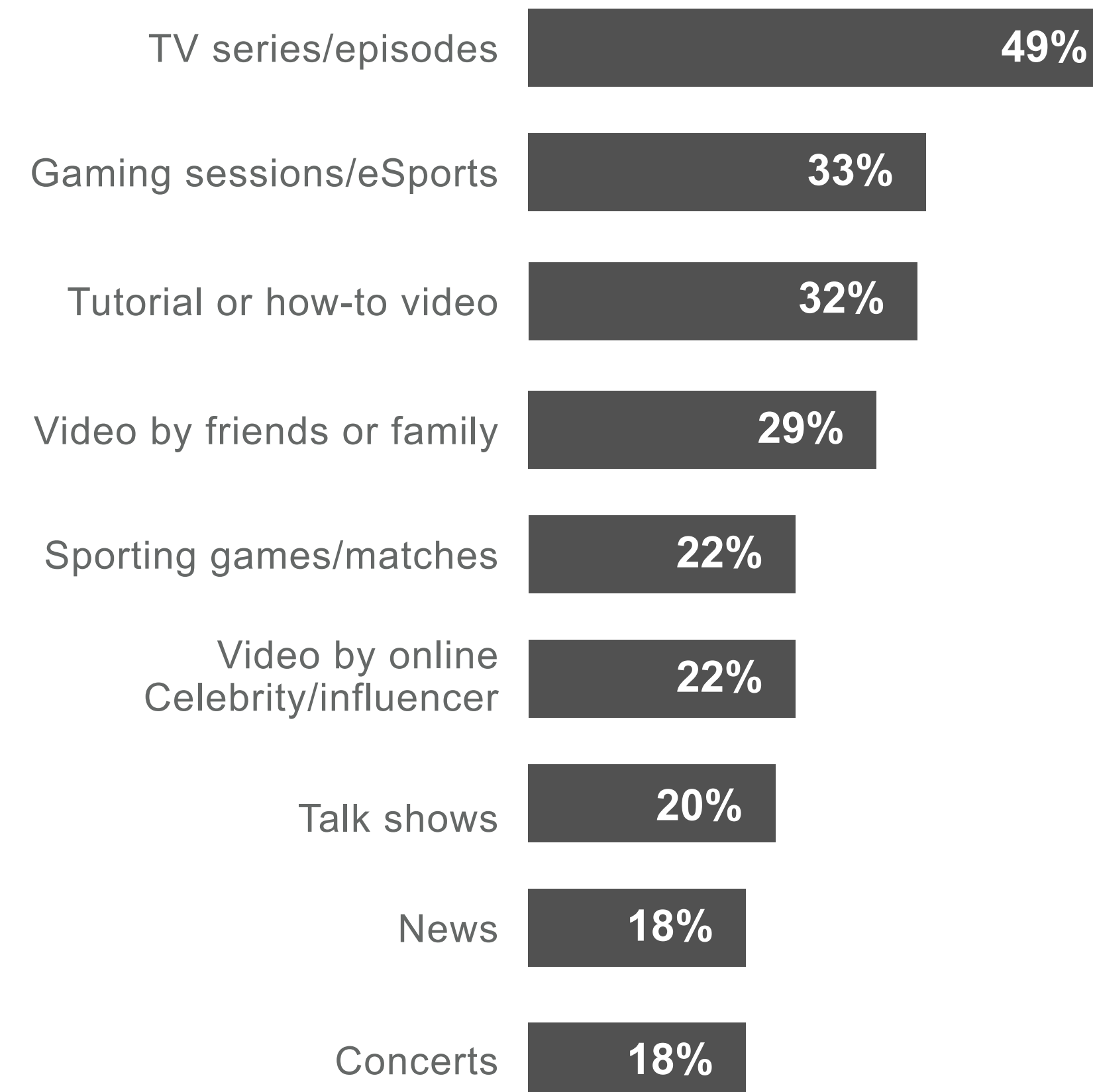
7 in 10 of Australian digital video consumers have live streamed video



% LIVE STREAM



VIDEO CONTENT TYPICALLY LIVE STREAMED



Source: IAB Live Video Streaming – A Global Perspective, June, 2018 total sample n= 4200, per market n=200

US VIDEO VIEWING HABITS

VIDEO VIEWING MOTIVATIONS

A recent IAB US study has revealed the top video viewing motivations & mindsets

An IAB US 2019 study on the influence of motivations on digital video consumption- A Day in the Life of Video Viewers - has found the top motivations for watching video:

- Relaxation
- Appointment viewing
- Escapist/break time

% WHO VIEW ONLINE/STREAMING VIDEO WEEKLY+ IN EACH STATE

75%+

To relax at the end of the day, at free time	89%
I have planned to watch alone	76%
To take a break during the day	75%

50-74%

I stumble upon / get pulled into watching	68%
I have planned to watch with others	63%
To spontaneously view/share with others	60%
To get ready for the day	58%
To catch up on popular/viral videos	57%

40-49%

To learn a new skill	46%
To help with a project/task	46%
To pass time while traveling	43%

Source: IAB US A Day in the Life of Video Viewers April 2019 n=1544 US consumers

Q - How often do you watch streaming or online video in the following scenarios?

<https://www.iab.com/wp-content/uploads/2019/05/IAB-Video-Day-in-the-Life-Study-2019-4-3-FINAL.pdf>

US VIDEO VIEWING HABITS

VIEWING MOTIVATIONS, DEVICES & EMOTIONS

Viewing motivations align with specific video types, devices and emotions'

	Motivations/Mindset	Top Formats Viewed	Top Devices Used	Top State
Relaxation	To relax at the end of the day/free time	TV Shows (42%)	Connected TV (51%)	Relaxed (50%)
Appointment	I have planned to watch alone	Movies (38%)	Connected TV (51%)	Relaxed, Entertained (38%) (tie)
	I have planned to watch with others	Movies (46%)	Connected TV (63%)	Entertained (42%)
Spontaneous	I stumble-upon/get pulled into watching	UGC Video Clips (46%)	Smartphone (52%)	Entertained (39%)
	To spontaneously view/share with others	UGC Video Clips (39%)	Smartphone (53%)	Entertained (41%)
	To catch up on popular/viral videos	UGC Video Clips (39%)	Smartphone (52%)	Entertained (35%)
Escapist	To take a break during the day	UGC Video Clips (36%)	Smartphone (49%)	Relaxed (40%)
	To pass time while traveling	UGC Video Clips (32%)	Smartphone (61%)	Entertained (42%)
Educational	To learn a new skill	Instructional Videos (46%)	Computer (50%)	Informed (43%)
	To help me with a project/task	Instructional Videos (47%)	Computer (52%)	Informed (45%)
Informational	To get ready for the day	News/Weather (46%)	Smartphone (45%)	Informed (35%)

Source: IAB US A Day in the Life of Video Viewers April 2019 n=1544 US consumers

Q - What types of video are you watching in each of those scenarios? Tell us how you feel when you are watching streaming or online video in each of those scenarios? During each of the following scenarios, what device(s) do you typically use to watch streaming or online video?

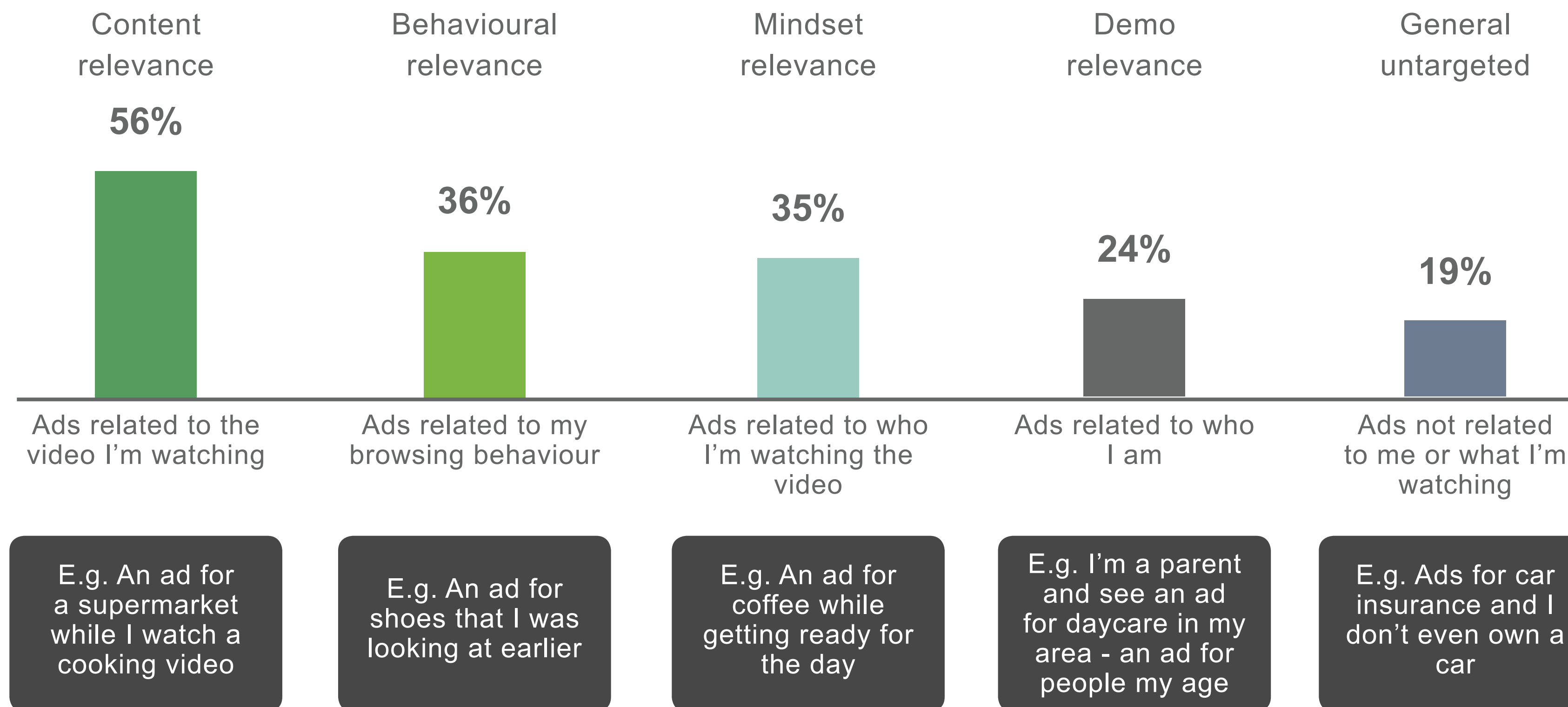
<https://www.iab.com/wp-content/uploads/2019/05/IAB-Video-Day-in-the-Life-Study-2019-4-3-FINAL.pdf>

US VIDEO VIEWING HABITS

VIEWING & CONTEXTUAL RELEVANCE

For video advertising contextual relevance is important to the consumer: content related ads are preferred over other types of relevance

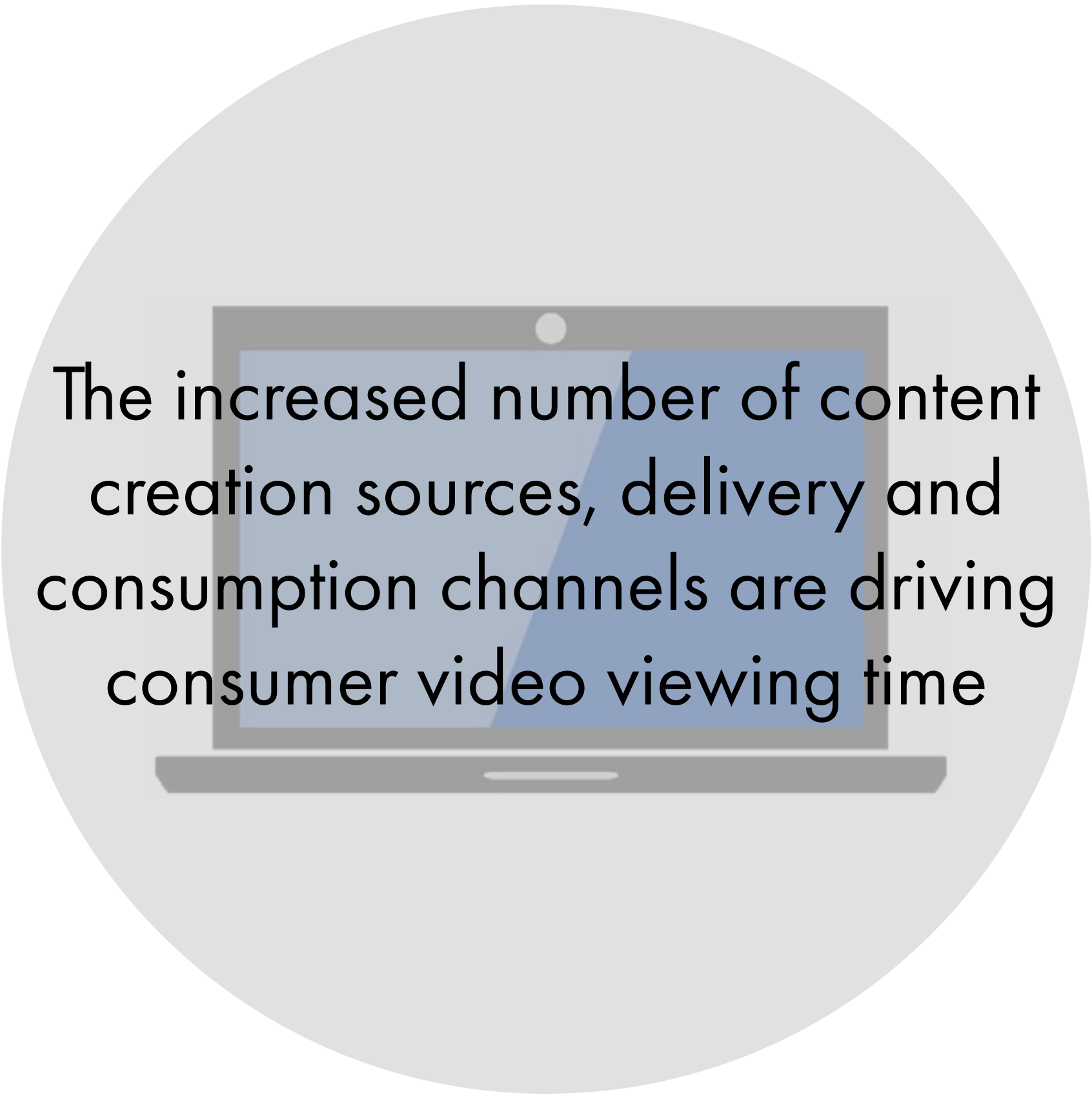
% WHO PREFER EACH TYPE OF ADVERTISING RELEVANCE



Source: IAB US A Day in the Life of Video Viewers April 2019 n=1544 US consumers

Q - In general, which type of video ads do you prefer?

<https://www.iab.com/wp-content/uploads/2019/05/IAB-Video-Day-in-the-Life-Study-2019-4-3-FINAL.pdf>



The increased number of content creation sources, delivery and consumption channels are driving consumer video viewing time

- 16.5M (85%) of digital Australians viewed video online in February 2019, spending 25hrs 40mins. 18-24 age group are spending up to 48 hours a month.
- The proliferation of screens has created new viewing opportunities in home and on the go with an average of 6.6 screens per Australian household.
- Accessing the Internet on a TV screen is growing significantly with 5.2m Australians accessing daily.
- The mobile phone is the preferred screen for short video consumption.
- An IAB US study has found the top motivations for watching video: Relaxation, Appointment viewing and Escapist/break time.