

# 2011 ADVERTISER INTELLIGENCE REPORT

Digital Video Advertising:  
Removing Barriers Equals Greater Opportunities

Presented by



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# NEW OPPORTUNITIES ABOUND FOR DIGITAL VIDEO ADVERTISING (DVA)

## Digital Video Advertising to Increase by 25% This Year

Digital Video Advertising can do for brands what static display advertising on the Internet has not – get major marketers to integrate online DVA with the growing interactive television phenomenon. All that’s needed is a methodology for making DVA easier to plan for, create, implement and track.

## DVA Ad Spending is Climbing Fast

While television revenues continue slightly upward, online ad spending is experiencing rapid growth. The shift in consumer time spent on the Internet and with mobile phones, has inspired advertisers to follow the buyers to those media. In fact, digital video advertising is the new “darling” of the most savvy marketers, replacing static online ads, sharing TV ad dollars and providing enhanced consumer reach and engagement with a clear view of ROI down to the smallest detail.

### Spending | Next 12 Months

Influencers	Digital Video Share of Ad Budget
Agencies	19%
Marketers	15%
Online Decision Makers	18%
TV Decision Makers	18%

*More than two-thirds of marketers (69%) and one-half of agency professionals (55%) say they plan to grow their digital video advertising (DVA) spending 22% on average in 2011, according to a study by the Interactive Advertising Bureau (IAB). Surveyed agency professionals plan to spend 19% of their total online display ad budgets on DVA in the next 12 months, whereas marketers plan to allocate 15% of their budgets to DVA.*



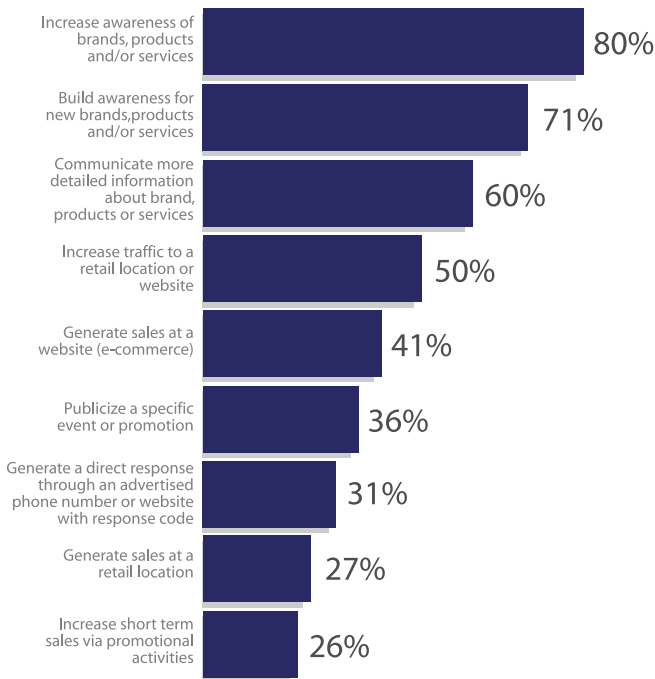
# WHO'S BUYING DVA, AND WHAT WILL MAKE THEM BUY MORE?

## What are Advertisers Using Digital Video Advertising For??

Marketers and agencies agree, DVA is attractive for communicating, strengthening and building awareness of brands, products and services. Interactivity and cross-platform opportunities for this type of targeted messaging, along with increased traffic to websites and social portals, and direct selling / tracking of ROI are quickly building momentum.

### Purpose of Digital Video Advertising

Increasing awareness of brands, products and/or services (new brands too) top reason to use DVA | even more so for agencies vs. marketers (85% vs. 71%, respectively)



**Q:** Which of the following purposes does your digital video advertising serve?

**Base:** all respondents. **Source:** Casale Media, digital advertising video thought leadership study, June 2011

## Who Is Making the DVA Media Buy Decisions?

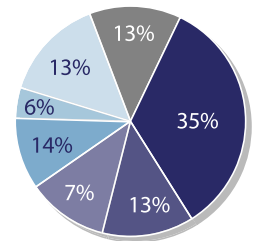
The majority of spending comes from marketers with at least five years of online or digital media advertising experience. The remainder are confused by the process of evaluating and purchasing digital media. When buyers

become educated on how to overcome these obstacles, they will be far more enthusiastic about integrating targeted and trackable digital media efforts with television reach and efficiency. DVA providers who wish to increase their sales to major, traditional marketers may have to do much more to make these media products more visible, and easier to plan for and implement.

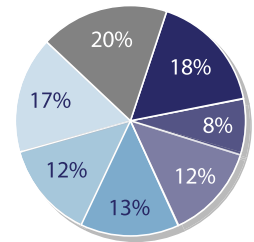
### Most Responsible in Aspects of Digital Video Advertising

Advertiser Brand or Product Management Most Responsible for Decision to Use DVA | Most Responsible for Budget and Creative Decisions More Evenly Distributed

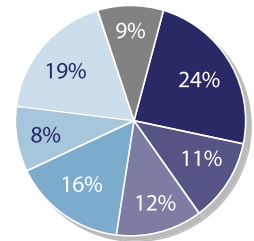
Make decisions about whether to use digital video Percent of Respondents



Make decisions about how much budget to allocate to digital video advertising Percent of Respondents



Make decisions about creative, tactics, and/or placement of video ads Percent of Respondents



- Advertiser brand or product management
- Agency and/or Advertiser research department
- Agency account managers
- Agency account planners and strategists

- Agency media buyers
- Agency media planners
- Advertiser CMO or other Advertiser senior marketing leadership

**Q:** To the best of your knowledge, please tell us which role/function is most responsible for the following aspects of decision-making for digital video advertising

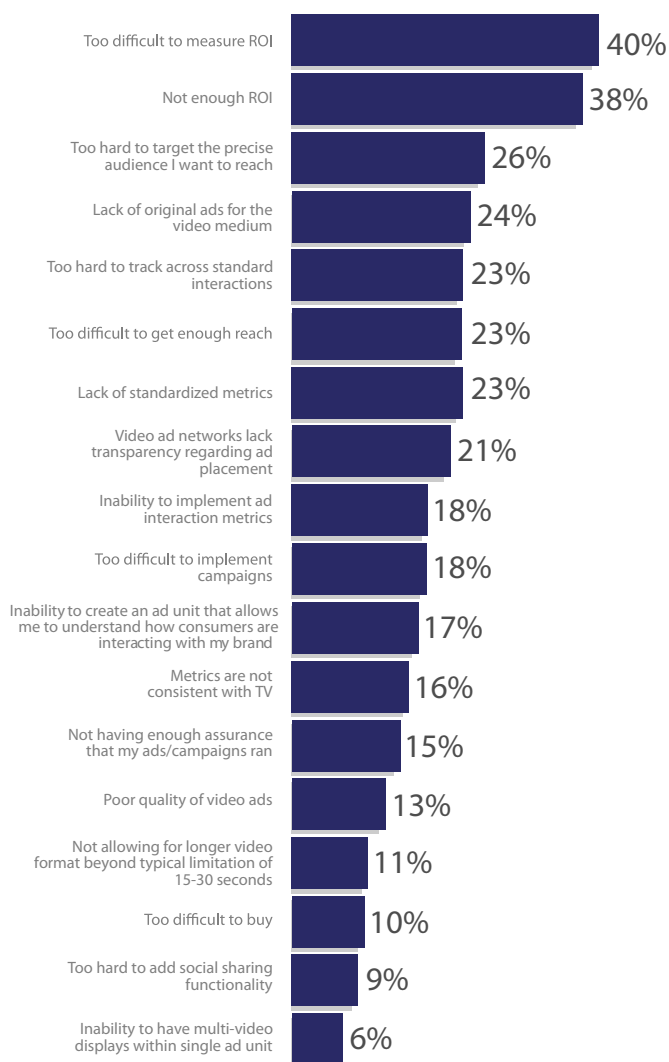
**Base:** all respondents. **Source:** Casale Media, digital advertising video thought leadership study, June 2011

## Educating Advertisers and Media Buyers about DVA is Critical

Education of the media buyer / planner is essential. Planners and marketers must be assured that digital video production is less expensive, the content /creative less restricted, and the implementation fast and track-able. If this can be accomplished, most will follow the influential “eyeballs” to digital/ online.

### Reasons Hindering Greater Use of Digital Video Advertising

Perceived ROI Issues Are the Greatest Hindrance to Greater Use of DVA



**Q:** Which of the following reasons are hindering your greater use of digital video advertising? (Please select all that apply.)

**Base:** all respondents. **Source:** Casale Media, digital advertising video thought leadership study, June 2011

## ELIMINATING BARRIERS WILL JUMPSTART DVA SPENDING

### Television Dollars are Likely to be Shared with DVA

An eMarketer study indicated that more than 85% of respondents would be likely to shift ad dollars from TV advertising to digital video advertising if it were easier to get faster turn-around time and lower costs for creating, launching, and tracking digital video advertising campaigns, and simpler means for putting an overall plan into place. This is similar to the findings from our own study of potential digital video advertisers.

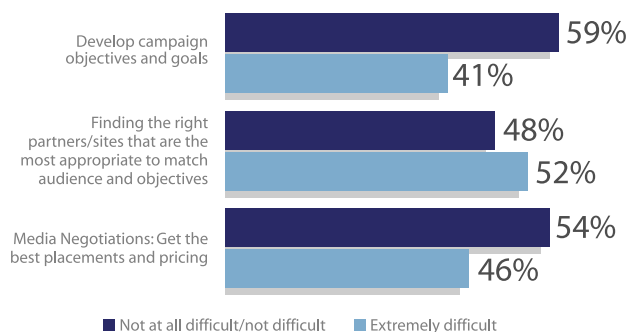
### Eliminating the Barriers in Planning and Placements

In our study, more than half of marketers and media planners, (52%) indicated that they found the planning phase to be difficult. More than four in ten respondents who find planning a digital video campaign to be difficult said that the most difficult part is either:

- Media Negotiations: Get the best placements and pricing (46%)
- Develop campaign objectives and goals (41%)

### Planning Barriers to Implementing Digital Video Advertising

Advertiser Brand or Product Management Most Responsible for Decision to Use DVA | Most Responsible for Budget and Creative Decisions More Evenly Distributed



**Source:** Casale Media, digital advertising video thought leadership study, June 2011





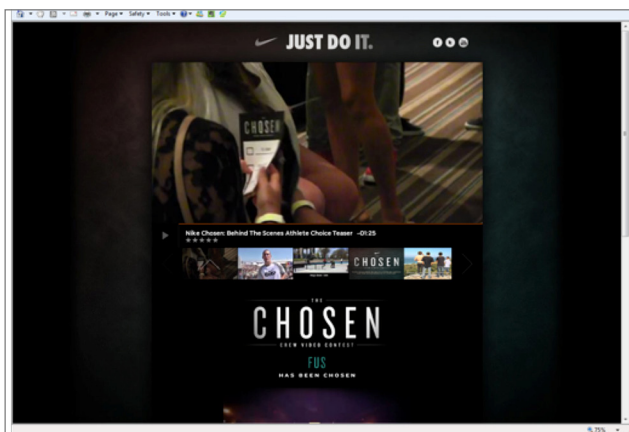
# SUMMARY, CONCLUSIONS, ACTION

## Conclusion: Online, Interactive DVA Gives Advertisers the Audience and Analysis they Demand

While television can specify audiences that might like a certain type of programming (sports, soaps, news, etc.), digital video advertising can GUARANTEE audience, reach, frequency of delivery, with very specific demographic and lifestyle targeting (Facebook users offer an average of 220 points of personal data and interests on 700 million users – 50% of whom log into Facebook every day). Even compared to traditional website data and analysis, interactive DVA provides a marketer with the opportunity to reach and target specific audiences, reaching real people, and not anonymous cookies.

## Nike Follows Pepsi's Footsteps to Facebook

When Nike launched a recent online digital video campaign called "The Chosen," they decided to debut it on Facebook first (three days before the television premiere). This is a landmark media campaign decision with more and more advertisers likely to follow. In fact, Nike took a page out of the Pepsi playbook, who ended up shunning traditional television advertising in the last Super Bowl, instead focusing on social media. The Nike digital video spot's creative is also social media centric – encouraging interactivity and engagement. This trend is surely to continue.



## Action: Remove the Barriers and Advertisers will Come

Digital advertising, especially video, still seems like the wild, wild west to most advertisers and planners. Some are willing to educate themselves and muddle through the trials that eventually bring them to online success. But the vast majority are seeking third party solutions – companies that can not only educate marketers, but also manage the entire process from start to finish. When these barriers to entry are removed, we will see a significant spike in digital video advertising revenue, and greater interactivity with other media – specifically television.

## Methodology

### Survey Method

- All interviews completed online
- Cash Incentives
- Blind Survey
- Timeframe: June 16th – June 27th of 2011

**Sample:** Marketer and Agency contacts from Advertiser Perceptions Media Decision Maker Database

**Qualification:** Online Display or Video media decision making

## Represents Leading U.S. Advertisers by Ad Category

301 Respondents in Total	Count	Percent
Marketer	108	36%
Agency	193	64%
C-Level/VP and above	54	18%
Director/Supervisor	136	45%
Buyer/Manager/Planner/Other	111	37%
Involved in Online Display or Video	301	100%

## About Casale Media

We help brands profit from online. With integrity as our guiding light, we're on a mission to make the promise of online display live up to its potential. And for an industry that is still growing and maturing, we've been around a long time — which gives us the wisdom to know that amid the buzz, it is still quality that drives results.

Quality isn't just about media. It's a broader philosophy that extends to technology, people and business practices. To marketers, our role is to deliver better performing media that has the power to turn browsers into buyers and buyers into brand advocates. To publishers, our role is to optimize the value of their premium content and in the process, deliver meaningful advertising experiences that resonate with their audiences.

We fulfill our roles every day by selectively hunting down the best media environments on the web, pushing the bounds of what is possible with our technology, and packaging it all up with our years of business understanding to deliver a better, more profitable solution.



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## About Advertiser Perceptions

Today, Advertiser Perceptions is the world leader in providing the media industry with research-based advertiser insight and guidance necessary for strengthening brands and increasing advertising sales, market share and competitive advantage. We specialize in determining, analyzing and communicating what advertisers think—their plans, opinions and motivations.

Our proprietary database of media decision makers is one of the largest in the world. The advertiser survey and questionnaire development process that we employ ensures optimal response. Focus and media industry expertise enables us to effectively analyze and accurately interpret the research that we conduct on behalf of our clients who represent many of the largest international media companies.



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