Factors driving higher engagement rates of digital video advertising

Associ. Prof. Dr. Dina G. Abboud

Associate Professor- Advertising Department- Faculty of Applied Arts- Helwan University

Dgaabboud@gmail.com

Abstract:

Digital Video Advertising DVA is an advertisement for a product or service presented in a video format. In traditional advertising, one might associate it most closely to a message seen on television, but in today's mobile-centered and digital world, it appears in a short, web-based video order. The continued growth in digital video advertising demonstrates the strong power of sight, sound and motion in a sense of multimedia to capture attention, drive engagement, and build brands. Therefore, advertising designers must keep themselves updated with the latest video advertising trends. Digital video ads are used to entertain, educate, inform, and share messages. However, a rise in consumption and advanced software have supported the growth of video advertising trends. In this paper; Types, formats, as well as performance metrics of digital video advertising (DVA) are investigated. An engaging, well-produced digital video advertising ad can be the start of a long-term customer relationship. Engagement in digital video advertising assumes active participation, but does not necessarily require an action; engagement may describe a cognitive or emotional connection, in addition to or instead of a physical one. Engagement could be any of, ad awareness, message recall, attribute recall, and change in message/attribute recall and association.

This paper examines the questions; what factors drive engagement rates for digital video advertising? What are the main types of digital video advertising? Which platforms affect the evolution of digital video advertising? To reach its aims the research uses qualitative method to describe, explore and explain digital video advertising evolvement. Studied research and cases analysis as well as the surveyed sample in this research concluded the dominance of digital video advertising format over the coming years. To examine the validity of the factors affecting engagement rate of digital video ads, a survey is deployed. Humor topped the reasons for high engagement with 42 % then came short duration with 21% followed by visual content with 12 %.

Keywords:

digital, video advertising, engagement, mobile advertising.

Research problem:

The research problem can be summarized in the following questions:

What factors drive engagement rates for digital video advertising?

What are the main types of digital video advertising?

Which platforms affect the evolution of digital video advertising?

Research aims:

The research aims to:

Study different platforms for digital video advertising

Illustrate the driving forces behind engagement in digital video advertising.

Demonstrate different types of digital video advertising.

Research methodology:

This research uses the qualitative method for its descriptive, explanatory and exploratory roles. The research aimed mainly to understand in a deep, detailed, and thorough way the changing nature as well as the aspects of change and structure of digital video advertising that affect rates of engagement. Moreover, qualitative method enabled an analysis of the context and the environment of the investigated subject.

Documentation as well as survey is used as data collection tool to extract the criteria that affect high engagement rates in digital video advertising and examine its validity on random sample of digital users. To examine the validity of the factors affecting engagement rate of the digital video ads, a survey is deployed.

1. Introduction:

According to Business Insider "Digital advertising video is a major emphasis among players in the industry because video content is becoming a growing interest for users across all devices. Traditional media keeps trailing behind to digital video." (Marcellin, O. 2018) The continued growth in digital video advertising proves the strong power of sight, sound and motion to attract attention, initiate engagement, and establish brands. As digital advertising revenue increases, mobile advertising is helping drive the growth, surpassing desktop advertising revenues. We see more growth and new opportunities for digital video in the near future. (IAB, 2019)

Digital advertising has evolved and come a long way from where it started. So, advertising designers should keep themselves informed with the latest video advertising trends. Digital video advertising is used to entertain, educate, inform, and share messages. Nevertheless, a rise in consumption and innovative software has reinforced the progression of video advertising. (Mohanty, 2019)

There are many reasons to investigate the evolution of digital video advertising. All signs point to the format dominating digital advertising in the coming years, thanks to its high potential to drive engagement and the right technology being finally set to scale. (Marcellin, O. 2018). Key trends are emerging in the digital video landscape: the dramatic growth of mobile video revenue, the deep penetration of smartphone adoption, and the rise of automation in buying and selling of video inventory (IAB, 2019). The way advertisers conceptualize, create, and disseminate the digital video ads will have a significant impact on the marketing ROI now and in the future. The ability to connect with buyers through visual content just might form the basis of the relationship between them and the brand. (Chandrasekar, 2018)

2. Defining digital video advertising DVA:

Digital Video Advertising is merely an advertisement for a product or service featured in a video format. In traditional advertising, you might compare it most closely to a marketing message you'd see on television, but in today's digital context and mobile-centric world, it appears in a short, web-based video structure. According to the internet advertising bureau, global advertising revenue is showing significant growth. See figure (1).
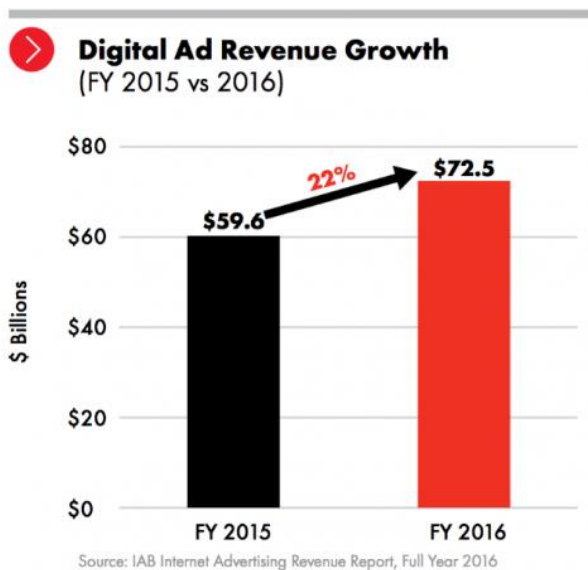
Figure 1: Global growth in digital advertising revenue

3. Types of digital video advertising (DVA): (Criteo,2018)

- In-stream videos that pop up before, during, or after viewing another video content online.
- Out-stream videos that show up randomly placed on regular websites like blogs or news pages.
- Interactive videos that appear in a full-screen format.
- Webpage videos that give viewers additional information about a product, service or page content.
- In-game videos that show up while using mobile application or playing mobile game.

4. Formats of digital video advertising (DVA):

4.1. Linear digital video ads:

They are ads that are inserted between segments of streaming video content much like a TV commercial. They can play before (pre-roll), during (mid-roll), or after (post-roll) the streaming content. Linear ad formats can be accompanied by a companion ad or they can include an interactive component such as branded components of the video player (i.e. logos within the control bar, progress bar, etc.)

4.2.   Non-linear digital video ads:

They are images that "overlay" the video content. The ad runs concurrently with the streaming content so the user sees the ad while also viewing the content without interruption. Non-linear video ads can be delivered as text, static images, interactive rich media, or as video overlays.

4.3.   Companion digital video ads:

They come along with linear or nonlinear ads in the form of text, static image display ads, rich media, or skins that wrap around the video experience. The primary purpose of the companion ad is to offer continued visibility of the sponsor throughout the streaming video experience.
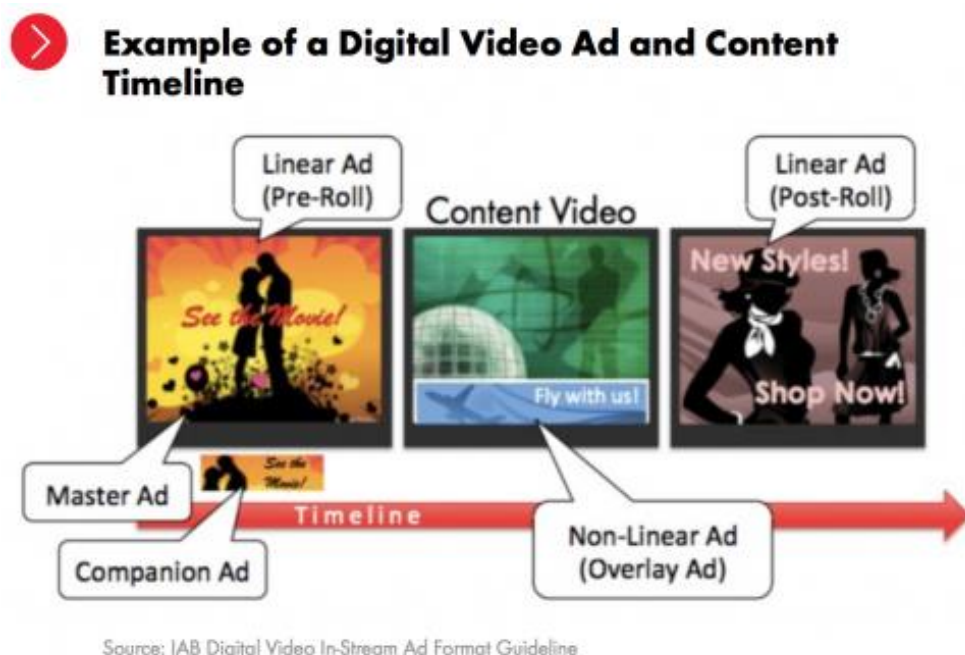
Figure 2: Formats of digital video advertising

5. Evolution of digital video advertising (DVA):

Advertising was initially perceived as mainly verbal/textual mode of communication. As web-based and digital advertising progressed, it tended to retain these features; however, a number of developments have created parallel and powerful trends in digital communication. The first is the evolution of Web 2.0, characterized by user-generated content, peer-to-peer communication and interactivity, which has required advertisers to consider the interactive scopes of their communication, and enabled consumers to create texts about products and services, which are outside of the control of the advertiser. Consumers are thus in a powerful position to recommend products through electronic word of mouth ('eWOM').

The second development is the rise of the concept of the 'working consumer' who co-creates value for brands and products; this, too, involves a loss of control on the part of the advertiser as communicator, since the consumer can also devalue a product or brand or subvert message content through remediation and comment.

The final dimension is the increasing part of 'personalization' in web-based advertising, which allows for customized and localized offerings to be made to consumers on an individual or one-to-one basis (Kelly-Holmes, 2005).
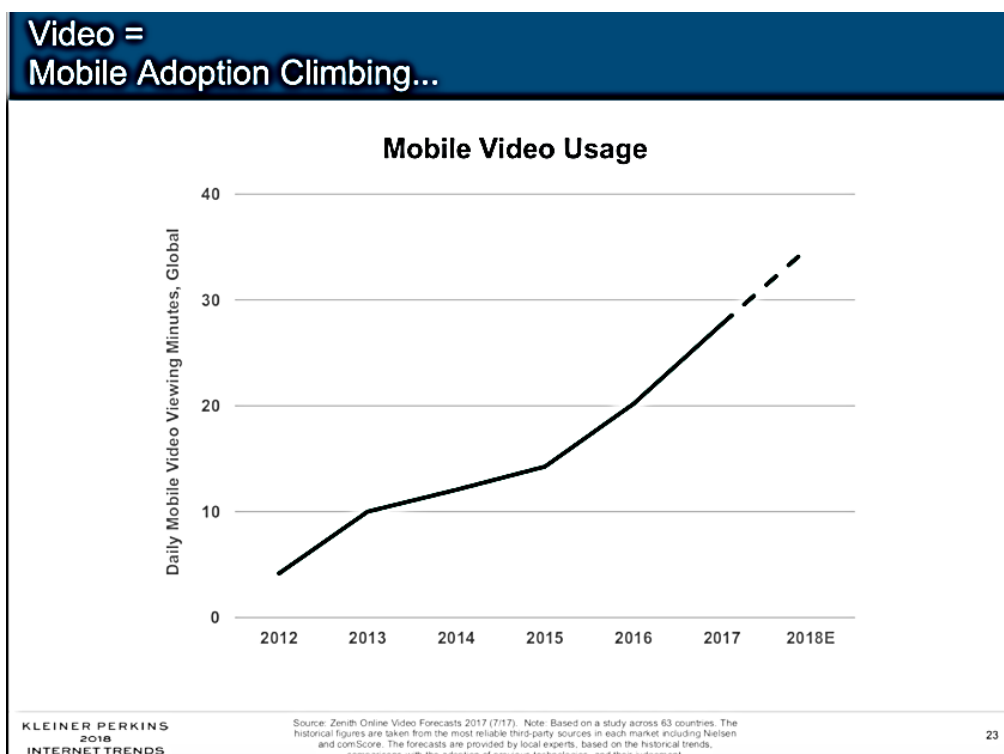
Figure 3: Global daily video viewing minutes

Video has become such a natural part of the web browsing experience that advertisers can use it to quickly engage with their costumers (Chandrasekar, 2018). Mary Meeker (2018) stated that internet usage growth is solid while many believe it's higher than it should be. The dynamics of global innovation & competition are driving product improvements, which, in turn, are driving digital consumption and evolution. Many usability improvements are based on data - collected during the taps / clicks / movements of mobile device users (Meeker, 2018). According to IAB, Video ads help brands reach an extensive market with correct targeting in lesser time.

6. Digital video advertising (DVA) audiences shift:

Changing consumer behavior and technological advances in content transfer have resulted in a new media setting, one where the lines between TV and video are increasingly unclear. This TV-video-shift is motivating the marketplace to rethink definitions and approaches to video advertising. In order to comprehend digital video, designers must pursue its complex and ever-shifting ecosystem. Traditional TV and digital video contexts are significantly different. TV viewers are used to lean-back experiences; digital consumers are typically more lean-forward, short-term task focused and susceptible to clicking away at an instant's communication.

Mobile consumers have also grown accustomed to content that has been tailored to their approaches, and they expect advertising to be relevant and personalized. While in some cases repetition may improve recall, too much frequency on any platform can cause annoyance among consumers. A good way to ensure a better digitally oriented consumer experience is to shoot video advertisement creative from the start in different aspect ratios (9:16 and 16:9) with story lines of different lengths so as to better match the ad to every platform on which it will be viewed (i.e. vertical video ads for mobile app platforms such as Snapchat and Instagram).
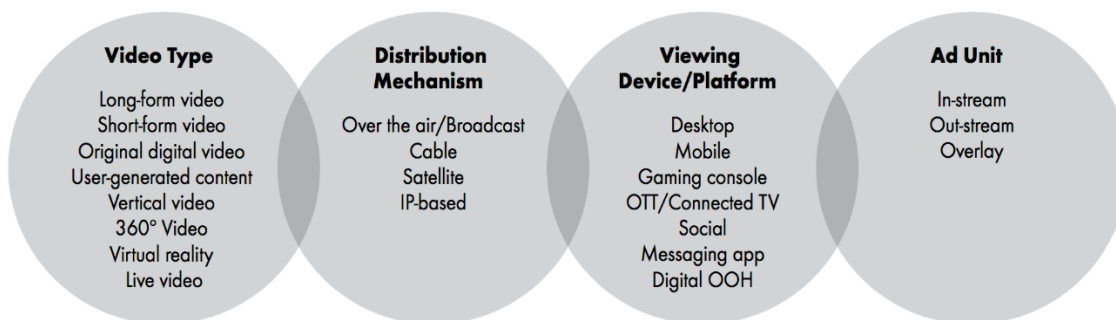
Figure 4: Different ratios for all media and platforms

Considering the digital video viewers' experience is vital. Audience and the platform the ad will appear on are considered a crucial aspect, as well as using tailoring, personalization, concentration and targeting to send messages to unique groups in the digital context. With video view ability (the opportunity to see a video ad) defined as a video advertisement playing for two continuous seconds with half of the ad's pixels in focus in the browser, advertisers need to hook their audiences rapidly. Additionally, with the power of the internet at viewers' fingertips, a strong, crisp call-to-action or message is offered to the video viewer who can act upon or remember. Interaction points can include a "click-to-call" to learn more about the brand.

Figure 5: Digital video advertising environment

Across video platforms, new prospects to reach and engage consumers come in many forms and methods. The term video is perceived through varying yet overlapping frameworks. Advertisers employ these options to better engage with consumers.

Many platforms have a dynamic and creative nature.   The ability to allow advertisers to schedule slightly modified ads as the timeline of the campaign progresses is offered in digital platforms. While some platforms give advertisers the ability to run short creative ads, others are responding with longer creative ads. However, challenges can rise from placing and promoting

long form video ads, the payoff, can lead to increased attention, received media, and even virility. People respond to ads that challenge the audiences' expectations, play on the heart strings, and surprise them with something they've never seen before.

Mobile phones have affected consumer markets and changed behavioral patterns. Diverse device friendly ads are essential for brands which advertise digitally. In 2018, 52% of worldwide online traffic came from mobile devices alone while rest stats indicate its exponential growth. In the time when more than half of all online transactions take place on mobile devices, it is crucial for brands to create vertical ads (Nowekeabia, B. 2019)

Most of the videos shot on phones are present in an upright design, which is known as vertical video (Mohanty, 2019). Yet another mobile device advertising format that has been proven successful, in-stream ads are 5 to 15 seconds of videos placed directly within live video streams and on-demand videos in mobile phones. These short, mid-roll ads are selectively optimized for views, impressions, brand awareness, app installs, reaches, and engagements. It is helpful for advertisers to tap into Facebook's average regular 8 billion video views. (Mohanty, 2019)

According to Criteo,2018 as more users migrate to the Internet for video consumption, it's essential to entertain them with a great ad experience. Meaningful and interactive, creative are the key: the standard 30-second TV ad format should be used with care, and advertisers should favor shorter ads as much as possible, especially on mobile devices. Interactivity features – such as overlays, all creative components displayed over video content e.g. CTAs on YouTube videos – are also helpful to engage the user. (Marcellin, 2018)

7. View ability measurement and metrics for DVA:

Video advertising as a branding format shouldn't be only assessed by performance such as clicks (CTR), but rather, the users' engagement and attention throughout streamed content. The most common KPIs (Key Performance Indicators) identified as a core means of tracking performance, may include impressions, completion rate, viewable completed rate, completed view, reach & frequency, total unduplicated reach, brand lift, engagement, and attention (IAB, 2019). The initial delivery of a **video ad impression** is typically a core metric and a minimum input or precursor to view ability measurement and metrics.

Digital video ads which appear before (pre-roll), during (mid-roll), and after (post-roll) content, are counted as the "measurement of responses from an ad delivery system to an ad request from the user's browser, which is filtered for invalid traffic and is recorded at a point as late as possible in the process of delivery of the creative material to the user's browser. The ad must be loaded and at minimum to begin to render in order to count it as a valid ad impression" (IAB, 2019)

7.1. Frequency and sequencing:

Frequency is the average number of times users are exposed to your campaign over a set period of time. The real trick lies in understanding campaign's "optimal frequency" to achieve maximum effectiveness. In academic circles, the process for evaluating this is known as "frequency value planning" (IAB, 2019). The subject of effective frequency is quite controversial. In digital advertising context, ad sequencing refers to scheduling a particular and ordered ad sequence.

7.2.   Built – in content:

Native video ads are more about education and entertainment. They're more research-based and focused on storytelling as opposed to product-centric or sales oriented. This combination makes them more engaging and shareable among viewers (Mialki, 2018). The biggest areas where native video ads differ from pre-roll ads are video length and the level of disruption they cause.

7.3.   Duration:

DVA are not restricted in length. This means that while advertisers are limited to what they can include in a pre-roll ad; they can fill native video ads with as much useful information as they want. (Mialki, 2018)

7.4.   Disruption

The most notable difference, though, is that web users are not given a choice to avoid pre-roll ads (unless a skip feature is enabled, e.g. YouTube). Instead, pre-roll ads act as a barrier to what the user intended to see and are automatically displayed before the desired content. Conversely, native video ads aren't disruptive to the user experience; people can choose to scroll right by them without being disrupted. Because of this added control, users are more likely to stop and watch. (Mialki, 2018)

Because consumers are now exposed to so much video advertising on a daily basis they have become adept at recognizing when a video is of poor quality. An engaging, well-produced video ad can be the start of a long-term customer relationship, but a poor-quality example will cause them to associate your brand with staleness and desperation. (Chandrasekar, 2018)

8. Engagement rate Metrics for DVA:

Engagement Metrics for digital video can vary based on type of ad, device, campaign goal and advertising category. It is not a single concept, but a spectrum of interconnected dynamics that will ultimately have a positive impact on the consumer-brand connection. (IAB, 2018)

Engagement assumes active participation, but does not necessarily require an action; engagement may describe a cognitive or emotional connection, in addition to or instead of a physical one. Although it is assumed to be a prerequisite to advertising effectiveness, it does not, in and of itself, always result in tangible, immediate effectiveness. (Malthouse & Calder: 2018) This definition communicates that engagement is a "push/pull" process. The "push" is the advertising itself, dependent on both the media platform and, critically, the creative execution and brand storytelling. The "pull" is the consumer who is aware of, spending time with, and internalizing that advertising. (IAB, 2018)

Engagement can include any of the following:

- Ad/Campaign Awareness
- Brand Message Recall
- Attribute Recall
- Change in Message/Attribute Recall and Association

9. Factors increasing Engagement rates:

9.1. Storytelling:

The rising trend of vertical advertisements on Instagram stories & Snapchat has convinced brands into developing mobile-friendly videos.

Mobile advertising not just reduces on-screen distraction but also helps engage the right customers. The growing consumption of online content & mobile ads has provided more scope and reasons for brands to create vertical video ads. (Mohanty, 2019)

9.2. HD quality:

Whether it's in the form of educational content, reports, entertainment, or ads, organizations have caught on to the fact that high-quality video has the ability to engage users on a deep and substantial level. (Chandrasekar, 2018)

9.3. Visual content:

Articles containing images receive 94% more views as compared to those that don't have any images. Tweets that are posted with images are retweeted 150 % more   compared to those that are composed of text only. Facebook posts that are posted with images receive 3X more engagement than posts that don't have any images. (Price, 2017)

A new form of digital art gaining popularity online is Cinemographs. These photo and video hybrids contain a subtle motion that plays in a seamless loop while the rest of the image remains still. It's a visually interesting effect that creates the illusion you are watching an animation. Cinemographs are made using high-end cameras and a post-production tool to composite a series of photos or video recordings. The first to use this technique (or popularize it) were New York based photographers Kevin Burg and Jamie Beck. It was originally intended to bring life to their fashion week photos but ultimately sparked the curiosity of the web. It wasn't long before advertisers started using Cinemographs campaigns. Cinemographs garner more interest than photos without the involved process of video. It calls for a bit of imagination, but it's another way advertisers tell their stories. (Clum, 2019)

9.4. Short videos

Countless advertisers and marketing professionals find themselves researching the perfect length for their video, to make sure that they convey the right impression, in the perfect amount of time. On average, desktop viewers will stick with a video that they find interesting for around 2 minutes - whereas viewers on their cellphones may spend as long as five minutes watching an ad. This means that the length of your video can be somewhat flexible in comparison to other media, but keeping it short and sweet might be the best option. (ExractDrive, 2019) Time plays a significant role in advertising. Nowadays, people are so much selective, that they would spend time only on ads that are relevant & attractive. As virtual video content rise in number, the time viewers spend on watching video content has decreased. Therefore, it is wise for advertisers to create short videos. Brands should focus on creating an impactful 15 seconds video that would coax a response from the viewer.

Such market trends have led brands into creating shorter ads that would beat the 'skip' button clicks and convey messages in the least time. (Mohanty, 2019)

9.5. Humor (memes)

Digital video advertising campaign can be incredibly beneficial when done properly. After all, there's nothing quite like making your audience laugh to help you develop a positive bond with them that will keep viewers coming back in the future. Unfortunately, just because humor can

work - doesn't mean that it is right for all situations. If you, or the person presenting your video is funny, and you can find a way to successfully incorporate humor into the advertisement - then feel free to try it out. However, the worst thing you can do is try to force your video to be funny - if the humor isn't natural - just leave it out of the video. (ExractDrive, 2019)

9.6. Transformational versus informational:

Transformational digital video advertising transforms the audience to imagine the experience, feelings, and emotions associated with the brand. Transformational ads aim to provoke emotions. This is in difference to informational digital video advertising where the focus is on the features of the brand. The later reveal brand data, factual information and verifiable data. (Broadus II, 2011).

9.7. Personalization:

Finally, if you want humans to respond to your message, be sure your message sounds human. Internet users have spent the last 20 years overwhelmed with offers and messages, and will often quickly tune out messages that are executed poorly, or are just irrelevant to them. Targeting and personalization will be the name of the game—delivering fewer ads, to the right people, at the right time.

10. Conclusion:

To examine the validity of the factors affecting engagement rate of the digital video ads, a survey is deployed. A response of 119 out of 200 that is of 59.5% of the sent questionnaires was collected back. 58 are males of 48.7% and 61 are females of 51.2%.

When asked to arrange the factors affecting engagement of digital video advertising stating the first three factors; Humor then short duration then visual content. Humor topped the reasons for high engagement with 42 %, then came short duration with 21%, followed by visual content with 12 %, then transformational appeals 11 %, then story telling with 8 % personalization, 6 % high quality.

Studied research and cases analysis as well as the surveyed sample in this research concluded the following:

• Dominance of digital video advertising format in the coming years shows no slowing down comparing revenues of the last four years.

• As consumer behavior changed and technological aspects of mass media landscape advanced, the borders between TV advertising and digital video advertising (DVA) have blurred.

• DVA consumers raised the bar for the advertisers. Higher quality, use of targeting and tailored content and execution of DVA are among other aspects expected to achieve high engagement rates.

• An engaging, well-produced digital video advertising ad can be the start of a long-term customer relationship.

• Engagement assumes active participation, but does not necessarily require an action; engagement may describe a cognitive or emotional connection, in addition to or instead of a physical one.

• Engagement could be any of, ad awareness, message recall, attribute recall, and change in message/attribute recall and association.

- Humor topped the reasons for high engagement with 42 %.
- Second came short duration with 21%.
- Followed by visual content with 12 %.
- Transformational appeals 11 %.
- Then story telling with 8 %.
- Personalization got 6 %.

11. Recommendations:

- The research recommends that higher engagement rates are achievable when using humor advertising strategy, short duration digital video advertising or/ and high quality visual content.
- More deep research is needed to reach more effective results when using digital video advertising in the Egyptian market.
- As digital advertising is a global phenomenon, more considerations are needed to tackle the cultural aspects.
- Agencies are leaving traditional TV formats in favor of digital advertising and this should be reflected in the ad spending.
- More interdisciplinary research is needed into platforms, websites, formats, strategies and visual content of digital video advertising.

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