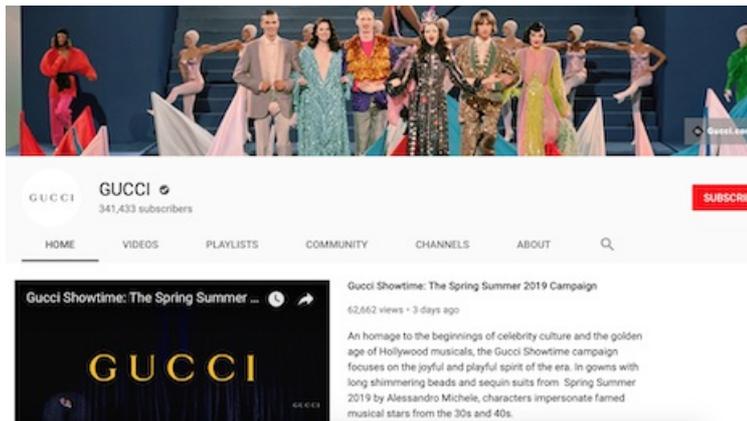


MARKETING

YouTube cannot be discounted for luxury advertising

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Gucci's YouTube page

By SARAH RAMIREZ

Google's YouTube remains an important platform for luxury brands, especially as companies work to appeal to younger affluent.

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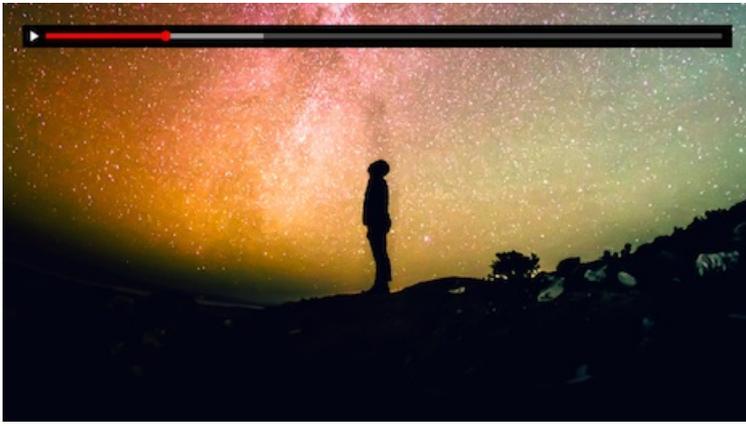
YouTube's revenue jumped more than 10 percent from the third quarter of 2017 to the third quarter of 2018, according to research from MediaRadar. Generation Z consumers are particularly drawn to YouTube's endless supply of visual content, compared to other generations.

"YouTube continues to experience strong growth year-over-year," said Todd Krizelman, CEO at [MediaRadar](#), New York. "Revenue is up and few advertisers have stopped buying on the platform despite brand safety concerns."

YouTube opportunities

More than half of YouTube's advertisers, 51 percent, have renewed their commitments to the video platform. There was an 11 percent year-over-year increase in YouTube's revenue, from January-November 2017 to January-November 2018.

Notably, YouTube changed its advertising guidelines at the beginning of 2018.



YouTube's new ad restrictions require overview of content before it can be monetized. Image credit: YouTube

YouTube's freeform advertising nature had left many brands frustrated that they were being associated with the wrong kinds of content. Under the new rules, channels need to have 1,000 subscribers and more than 4,000 hours of watch-time over the last year to be monetized.

Additionally, brands now have greater control over what kinds of content their advertising is played in front of, which is of the utmost importance for luxury brands ([see story](#)).

A survey from business news publication *The Manifest* also found that 63 percent of social media users turned to YouTube more in 2018 than they did the previous year. Seventy-five percent of respondents checked YouTube at least once a week.

Unlike social media networks Facebook and Twitter, YouTube is used more for entertainment than informational purposes.

Generation Z in particular has shown a strong affinity for YouTube. These consumers use the platform to discover new television, music and influencers.

YouTube is the most popular platform among users ages 18 to 24, per data from Visual Objects. According to GenHQ, 47 percent of Gen Zers view more than three hours of content on YouTube on a daily basis.

Visual Objects' findings also emphasize that since advertising appears on YouTube after content is selected, it feels more authentic than native advertising for users.

Instagram threatens

Despite a strong 2018, YouTube also faces stiff competition from Facebook's Instagram, especially after the launch of IGTV.

IGTV allows creators to make more varieties of video offerings, which have previously been limited in length and search capabilities. Instagram may be attempting to challenge YouTube for video dominance, something that brands who work with the platforms should be aware of.

A unique twist of IGTV is that it is entirely focused on mobile-first video. Videos are oriented vertically so that they fit better on mobile devices and the whole user interface, as with Instagram's regular services, was built for viewing on smaller screens ([see story](#)).

While video marketing continues to thrive on YouTube and Facebook, Instagram has emerged as a surprisingly strong platform for film-based consumer engagement.

Facebook and YouTube both routinely see more brand engagement in general, but according to recent findings from L2, Instagram actually outperforms both when it comes to video views between customers and brands.

Luxury brands are one of the top organic view performers on YouTube at 17 percent ([see story](#)).

"For luxury brands, a combination of strategies on YouTube are likely best," MediaRadar's Mr. Krizelman said. "That might include traditional video advertising formats like mid-roll and pre-roll, but also influencer and affiliate marketing tactics.

"On the creative side, younger audiences seem to be gravitating towards shorter form video," he said. "This is something brands in every vertical should keep in mind as they consider content."

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