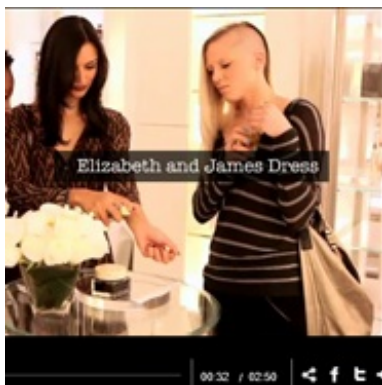


MOBILE

Success of in-stream video ads points to mobile as brand builder

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By CHANTAL TODE

In-stream video ads, which appear as a commercial break in full episodes or before video clips, outperformed online ads and were strong across a number of categories in the third quarter, according to new data from Rhythm NewMedia.

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The Rhythm NewMedia Quarterly Insights Q3 2011 report also found that interactive pre-roll mobile video ads achieve at a 51 percent higher completion rate on premium media properties. The data underlines the growing role for mobile advertising as a brand builder.

“Mobile is becoming a great medium for brand building – it is not just direct response anymore,” said Ujjal Kohli, CEO of [Rhythm NewMedia](#), Mountain View, CA.

“The news is that mobile is an amazing medium for building brands,” he said. “To do that, you have to be in a premium context, very much like a TV experience, with the benefits of mobile added.

“On TV, you can’t interact with an ad. In mobile it is all on demand. If you see an ad that interests you, you can take the time to interact with it. Meanwhile your show is waiting for you.”

Android leads by device

In-stream video ads, which appear as a commercial break in full episodes or before video clips, outperformed online ads, according to the report. The average in-stream completion rate was 72 percent for online and 87 percent for mobile on the Rhythm network.

Rhythm NewMedia reviewed in-stream video ads across a variety of product categories and found the rates to be high in all of these, including auto, CPG, entertainment, telecom, retail, travel, food and beverage and technology.

By device, in-stream completion rates were 91 percent for Android, 84 percent for iPad, 81 percent for iPhone and 88 percent for iPod touch.

Rhythm also found that the completion rate for interactive pre-roll ads were 51 percent higher in premium media properties. The overall average completion rate was 17.9 percent and for premium media properties it was 27 percent.

“The big news for marketers is that context matters,” Mr. Kohli said.

“Advertising can be in general be of two different types: brand advertising where context is king or direct response transactional advertising,” he said.

“In transactional advertising, as long as you get the clicks and the sales, companies don’t obsess about where the ad is place. But for brand advertising, it is critical to have it running in the right context where the stature and status of the media property matches the brand.”

The report also found that mobile video viewing is evenly spread throughout the day, with iPad video viewing slightly higher in the evenings.

The report also found that the context in which an ad appears matters, with full page ads seeing a lift of 37.5 percent when presented in a relevant context. The average engagement rate for entertainment properties was 5.6 percent while the average for contextually relevant ads in entertainment properties was 7.7 percent.

Wi-Fi is driving iPad and iPhone video viewing, with 98 percent of video viewing taking place via Wi-Fi for the iPad and 55 percent for the iPhone. On Android, only 35 percent takes place via Wi-Fi and the rest goes through cellular networks.

Rhythm NewMedia sells and serves video, rich media and other immersive advertising formats across more than 50 premium media companies. Media partners include NBC Universal, CBS, Sony, and ABC. Brand advertisers include P&G, Unilever, Disney, and General Motors.

The report is based on ads served across iPhone, iPod Touch, iPad, Android and other devices in the United States and cover ad campaigns from over 200 Fortune 500 brands in 2011, and over 125 in the third quarter.

One reason why context is so important for brand advertising in mobile is that such ads

tend to be immersive experiences.

“For full screen experiences to be accepted, you better be providing some great context,” Mr. Kohli said.

“The completion rate that we have for videos that play before this content is sky high,” he said. “No other media comes close.

“Again, this speaks to the premium nature of the content.”

Final Take

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