FREEWHEEL
A COMCAST COMPANY

THE DELICATE ART OF BALANCING AD LOAD

SEPTEMBER 2023

METHODOLOGY

The data set used for this ad load report is one of the largest available on the usage and monetization of professional, rights-managed ad supported video content Europe-wide, and is based on aggregated advertising data collected through the FreeWheel platform.

In this 2nd edition of *The Delicate Art of Balancing Ad Load*, we explore premium video ad load for the first half of 2022 throughout Europe.

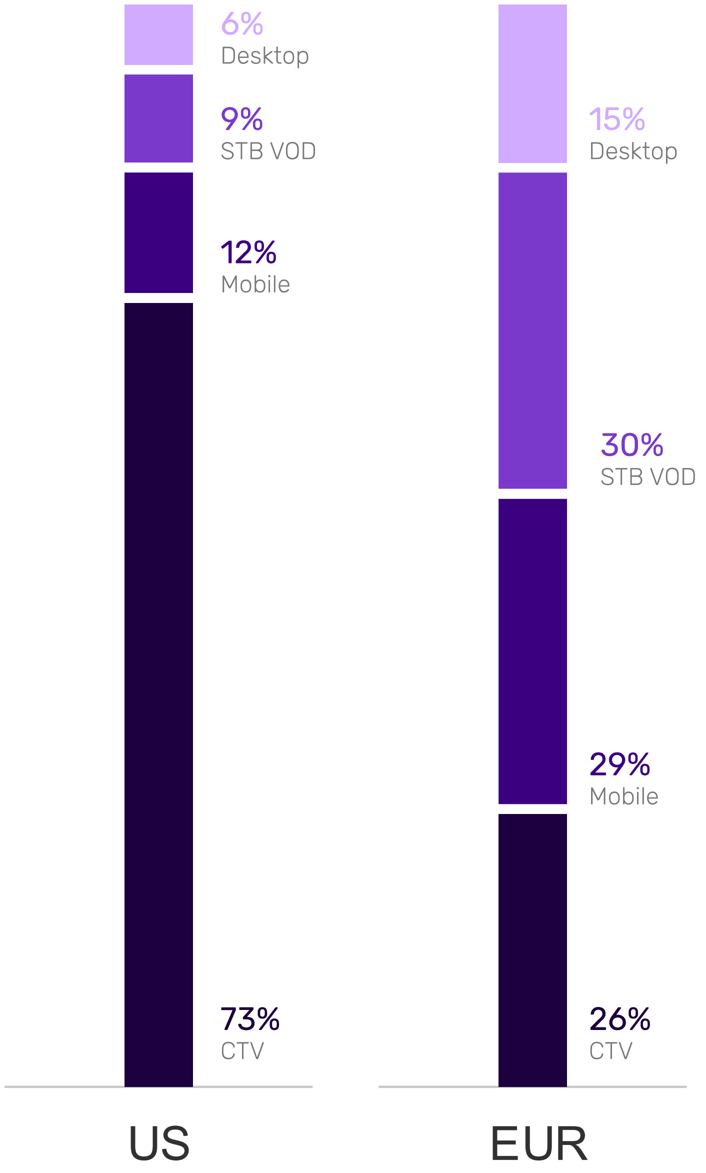
DEFINITIONS

In this report we define the length of content as follows:
Long-form means a premium video longer than 30mins
Mid-form means a premium video from 5 mins to 30mins
Short-form means a premium video less than 5 mins

AD VIEW COMPOSITION BY DEVICE

2H 2022

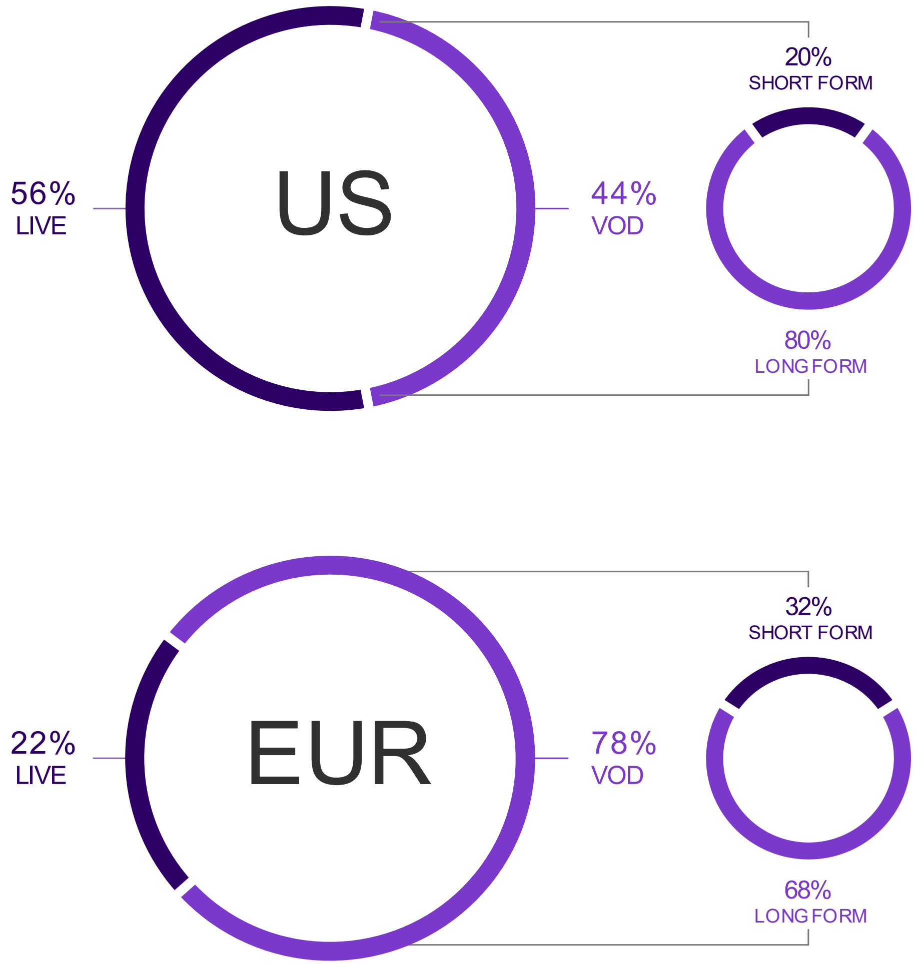
Europeans are very much multi-screening and using the many devices at their disposal to access and view content everywhere. Both mobile and CTV continue to grow steadily, though compared to the US the big screen (CTV and STB VOD) only represents just over half of ad views in Europe, compared to over 80% in the US.



FREEWHEEL

AD VIEW COMPOSITION BY CONTENT TYPE

2H 2022



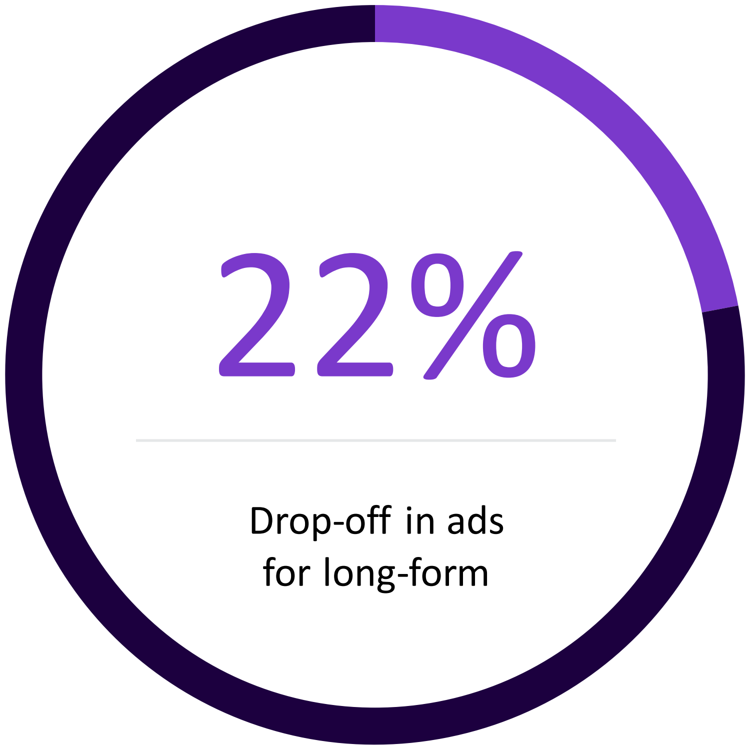
European audiences are largely (80%) consuming Premium Video On Demand to access long-form video entertainment. In the US this is a totally different scenario where 'Live' represents the majority of ad views with 56%.

However, it is important to notice the major growth in ad views for ‘Live’ and clips in Europe which only represented 10% respectively in 2020.

Different screens call for different viewing experiences. Accordingly, premium publishers are carefully designing commercial breaks – with consideration given to the screen type, the type/length of content and who is watching - to ensure optimum ad experiences and engagement.

DROP-OFF TAKES PLACE IN CONTENT, NOT THE AD

Drop-offs mainly take place during content and not the ad. Less than a quarter of premium video streams are interrupted during an ad break, meaning that drop-off actually takes place during a content stream – a percentage that goes up to 30% for short-form content.

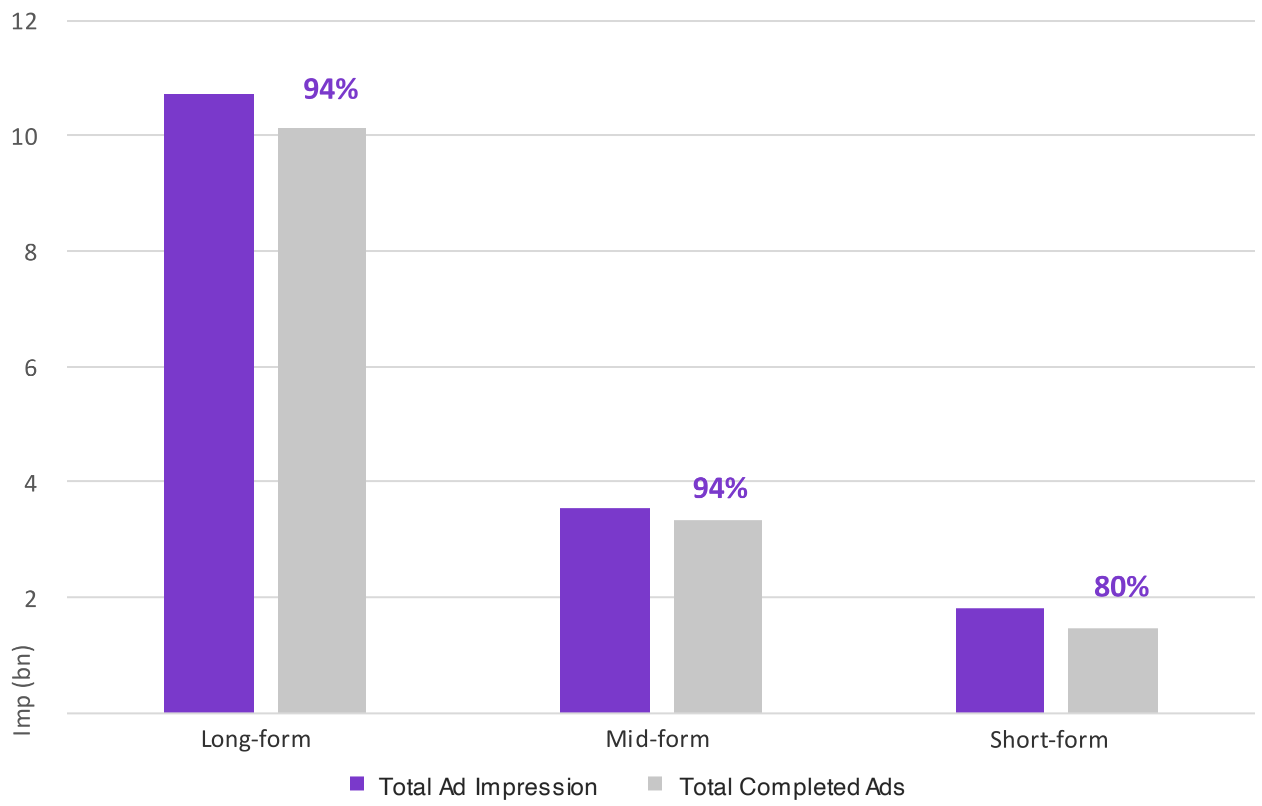


Up to 30% on short-form content

FREEWHEEL

AD COMPLETION RATE

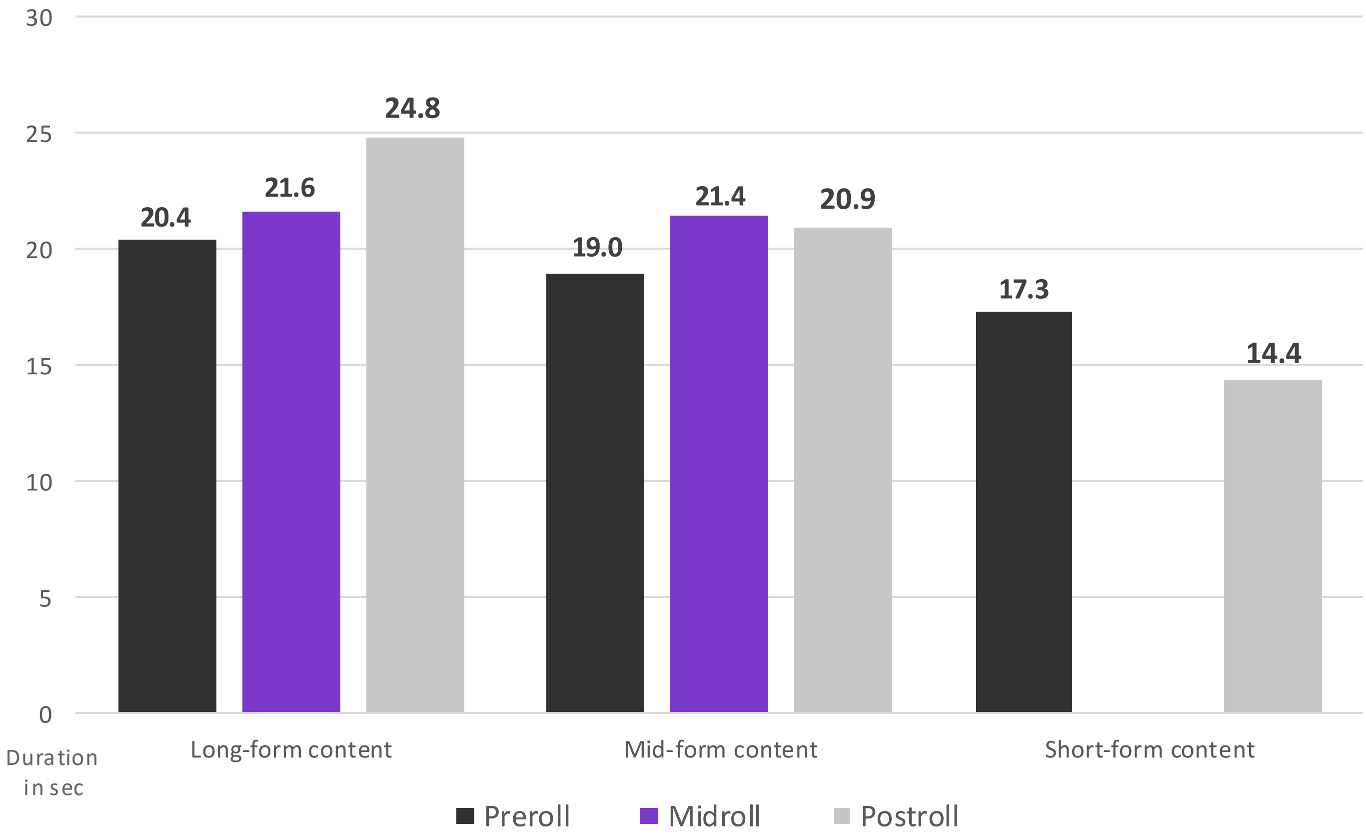
Ad completion rate in premium environments remains very high for long and mid-form content at 94%. Clips achieve a lower rate, at 80%, though higher than a typical 70% VCR (Video Completion Rate) for online video, which is considered 'good'.



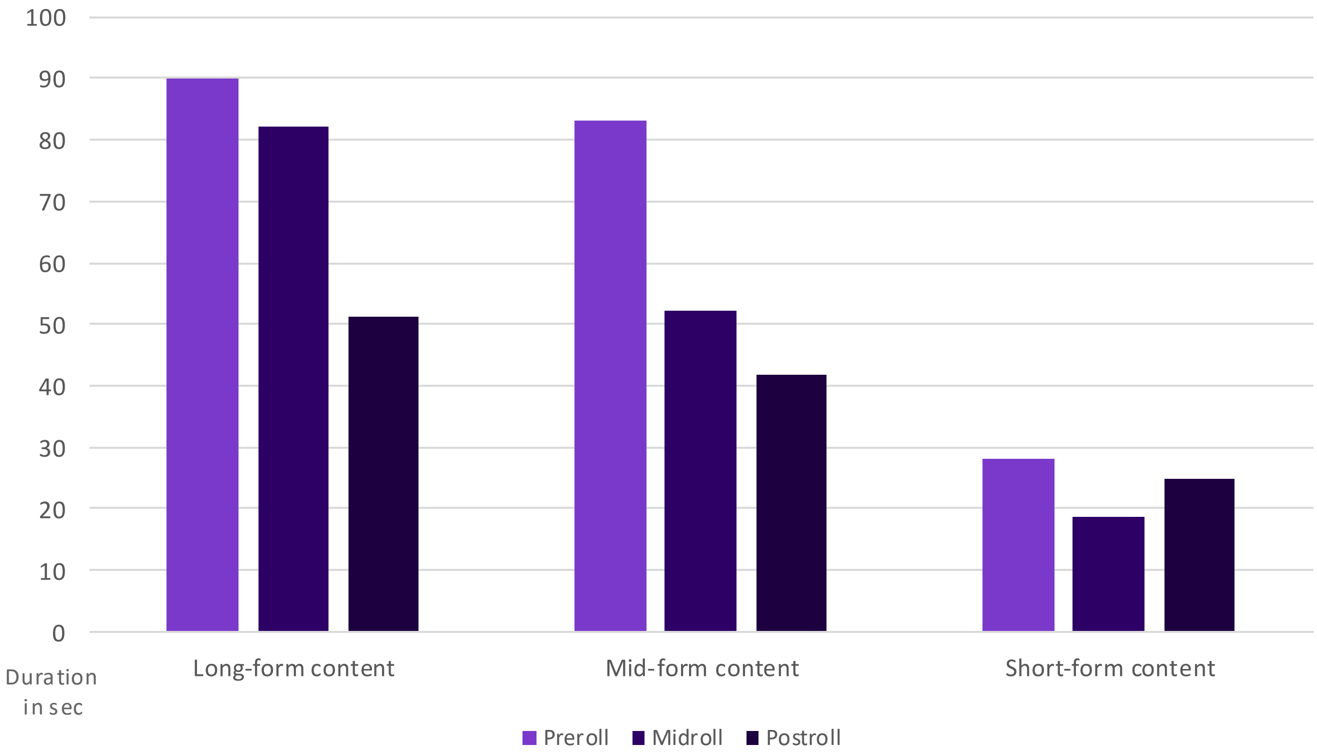
For reference, average online video VCR is 70%
Note that VCR is calculated as video completes / video starts.

FREEWHEEL

AVERAGE AD DURATION



AVERAGE AD BREAK DURATION



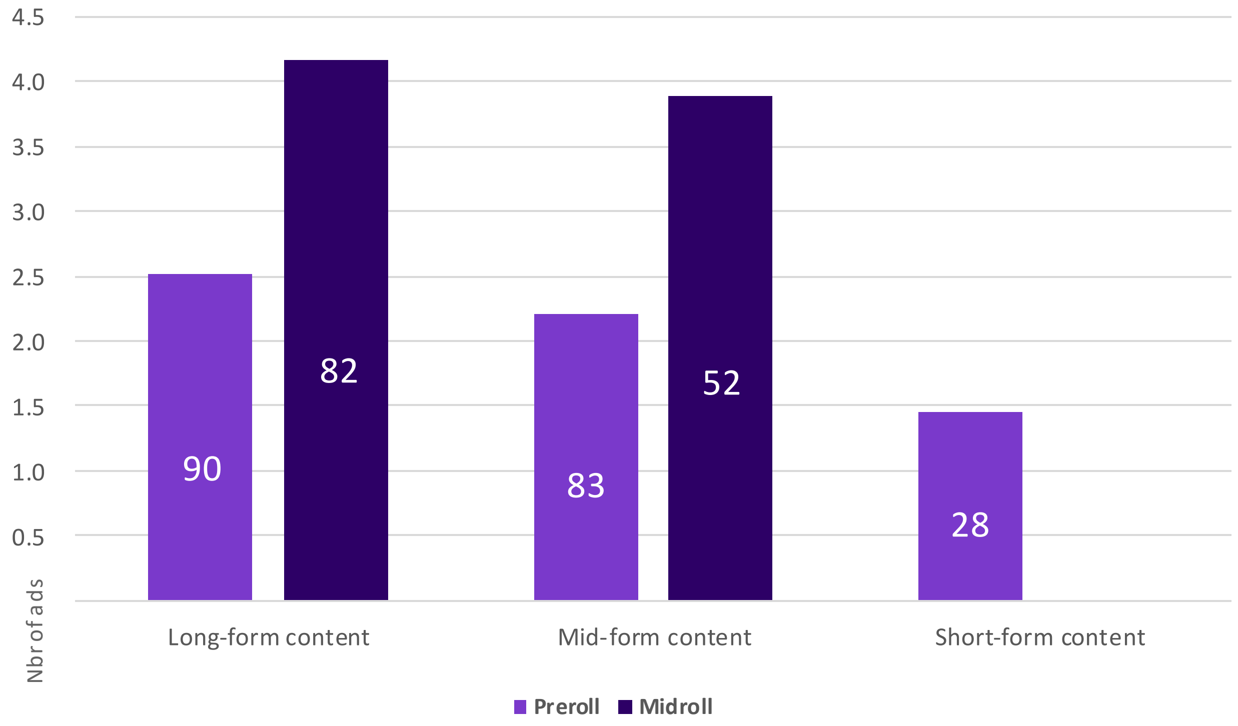
AVERAGE NUMBER OF ADS AND DURATION PER BREAK BY CONTENT TYPE

The average number of ads and average duration per break has decreased over the past few years. In short-form content, pre-rolls are primarily made of one 30sec or occasionally two 15sec ads.

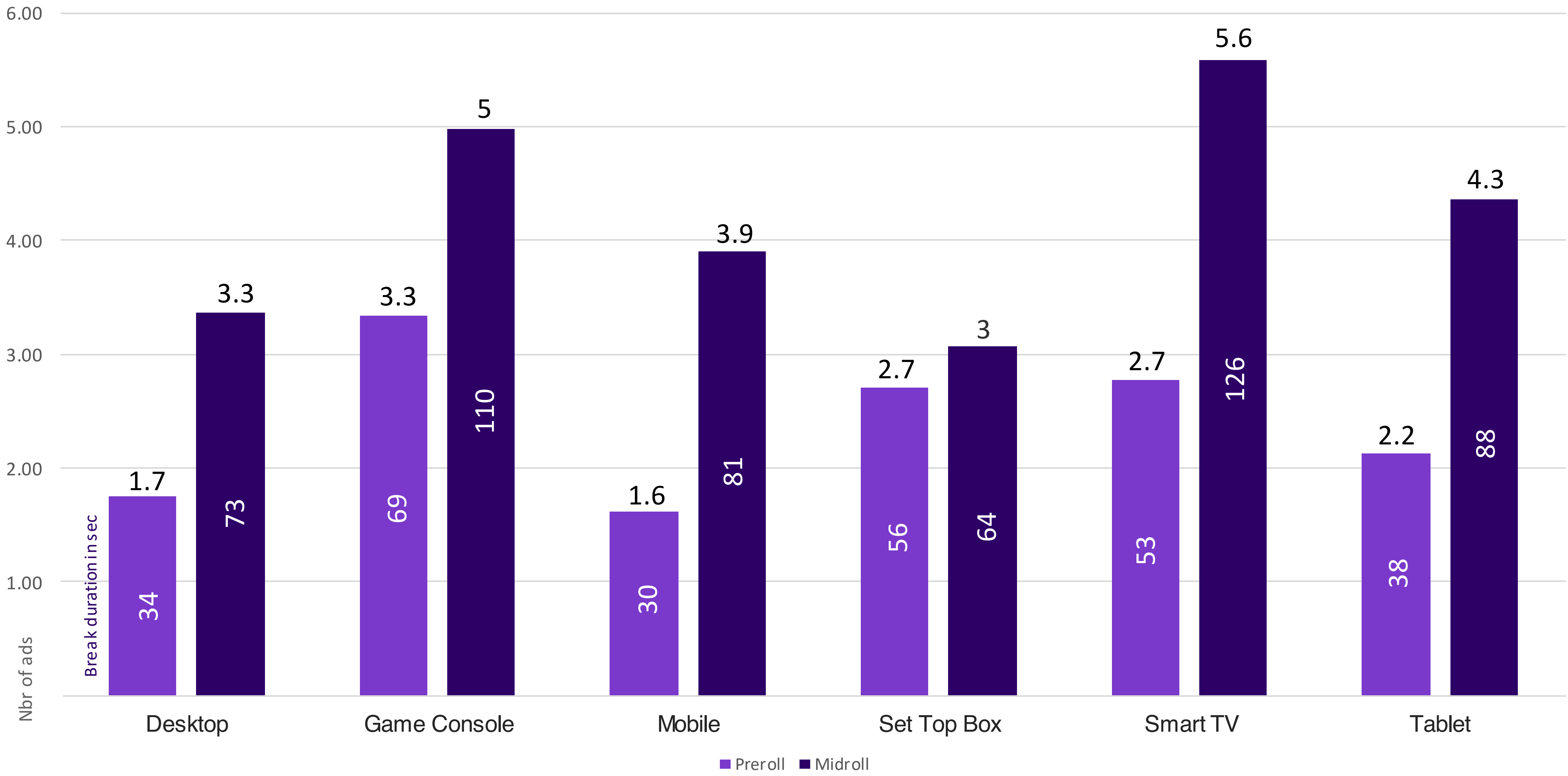
Interestingly, for long-form and mid-form, pre-rolls tend to have less ads, but duration is longer than for mid-rolls, indicating longer ads (30sec) in pre-rolls.

The graphic overleaf presents the number of ads and duration by device. Noticeably, it shows how broadcasters are carefully crafting commercial breaks according to devices. Mobile devices are widely used in Europe but require more stringent ad loads to keep viewer's full attention.

Larger screens, however, allow for more flexibility and favour a more traditional TV-like ad choreography.



ADS PER BREAK AND DURATION, BY DEVICE



FREEWHEEL

AVERAGE NUMBER OF ADS PER BREAK

H1 2016	5.25
H1 2017	4.93
H1 2018	4.6
H1 2019	4.5
H1 2022	3.1

The average number of ads has consistently decreased over the years, from a little over 5 ads per break to now 3 ads per break on average; a reduction of 40% over the past 6 years. This is likely due to the increase in available inventory as well as better rational and optimisation of commercial break patterns.

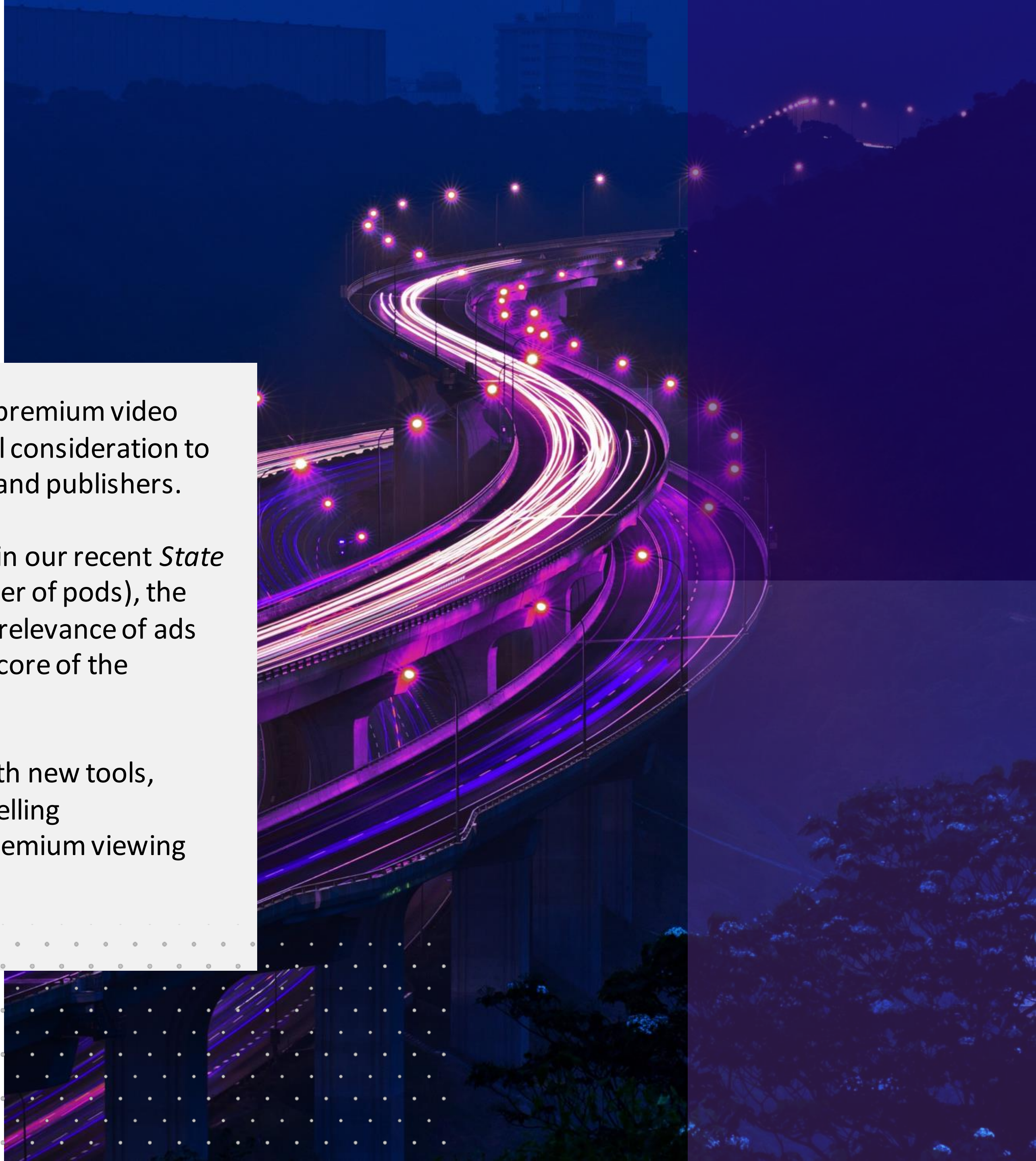
FREEWHEEL

CONCLUSION

Delivering an optimum ad load is at the heart of every broadcaster and premium video providers. It is a very complex and challenging issue that requires careful consideration to fine-tune conflicting goals and interests between the users, advertisers and publishers.

What remains essential is the focus on three key elements as explained in our recent *State of TV Advertising Report*: the quantity of ads (frequency, pod size, number of pods), the quality of experience (slates, downtime, latency, quality of ads) and the relevance of ads (extent of targeting and contextual relevance). Elements that are at the core of the premium video providers.

Broadcasters are constantly adjusting and re-evaluating their ad load with new tools, formats and data at their fingertips. We are seeing some new and compelling experimentations taking place which will help in continuing to deliver premium viewing experiences, and keep users engaged and attentive.



FREEWHEEL
A COMCAST COMPANY

For more information:
Emmanuel Josserand
Sr Director, Brand, Agency and Industry Relations
ejosserand@freewheel.com

FreeWheel

A COMCAST COMPANY