Why The Right Video Ad Metrics Make All The Difference

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2018

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New Ad Formats, Apps and Devices Demand New KPIs

Even the ancient Greeks knew that change was a constant. This is especially true in the mobile space, with new devices, ad formats and apps coming to life seemingly every day.

To put things into perspective, here's just a snapshot of how the mobile environment has shifted of late:

♦ In 2011, only 35 percent of adults in the U.S. owned a smartphone. That figure climbed to 64 percent in 2015 and then to **77 percent by February 2018**. More than one out of every 10 Americans solely relies on a cellphone for internet access, and 70 percent of people worldwide spend between **one and seven hours each day** on a smartphone.

♦ In 2007, the average smartphone screen size was under three inches. By 2014, it had ballooned to more than 4.5 inches. This trend shows no sign of slowing either, as by the end of 2018, the vast majority of phones sold will have screens between five and six inches.

♦ As phones get larger and as mobile technology improves, the kinds of ads brands can now leverage has diversified. In 2012, advertisers in aggregate spent less than a billion dollars on mobile video ads. Now, as more immersive and interactive video ad formats become possible, spending has grown. By 2019, brands will likely **devote $22.5 billion to mobile video advertising**.

The world of mobile – and by extension the world of mobile advertising – has changed dramatically over the past few years. So then why haven't the metrics digital marketers rely on caught up? Why are too many advertisers judging their campaigns based on key performance indicators built for a different time?

77%
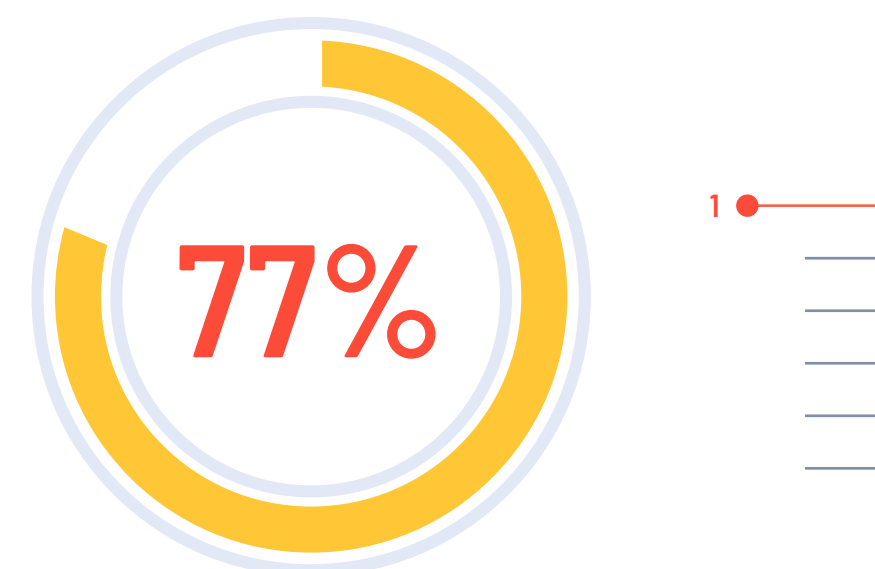
of adults in the U.S. own a smartphone

Problems with Legacy Metrics

Here's why you shouldn't be using these metrics:

♦ **Click-through rate** is supposed to measure the total number of clicks against the total number of views. The problem is, too often, both figures can be inaccurate. Not only does bot traffic often skew impressions and clicks, but it doesn't take intent into account. After all, a CTR doesn't tell you who meant to click on an ad versus who did so by accident - a common problem with banner ads, for example.

♦ **Completion rate** is supposed to note how many people watch an ad to its very end. Not only is this subject to fraud, but it again doesn't take user intent into account. After all, it's easy to imagine a scenario in which someone takes a desired action based on an ad before it technically goes to completion, or someone leaving an ad open and letting it run to the end while not actively paying attention.

♦ **Quartile completion rates** denote how frequently an ad played a quarter of the way through (or 50 or 75 percent of the way through). This is potentially more accurate than overall completion rates in terms of viewability, but is still plagued by all the same problems.

♦ **Cost per mille (CPM)**, or cost per a thousand impressions, is a simple way to track ad display costs, which is why it's so popular. But, it doesn't note the unique value of each impression (different users are more or less valuable to each brand), nor does it exclude invalid (bot) traffic.

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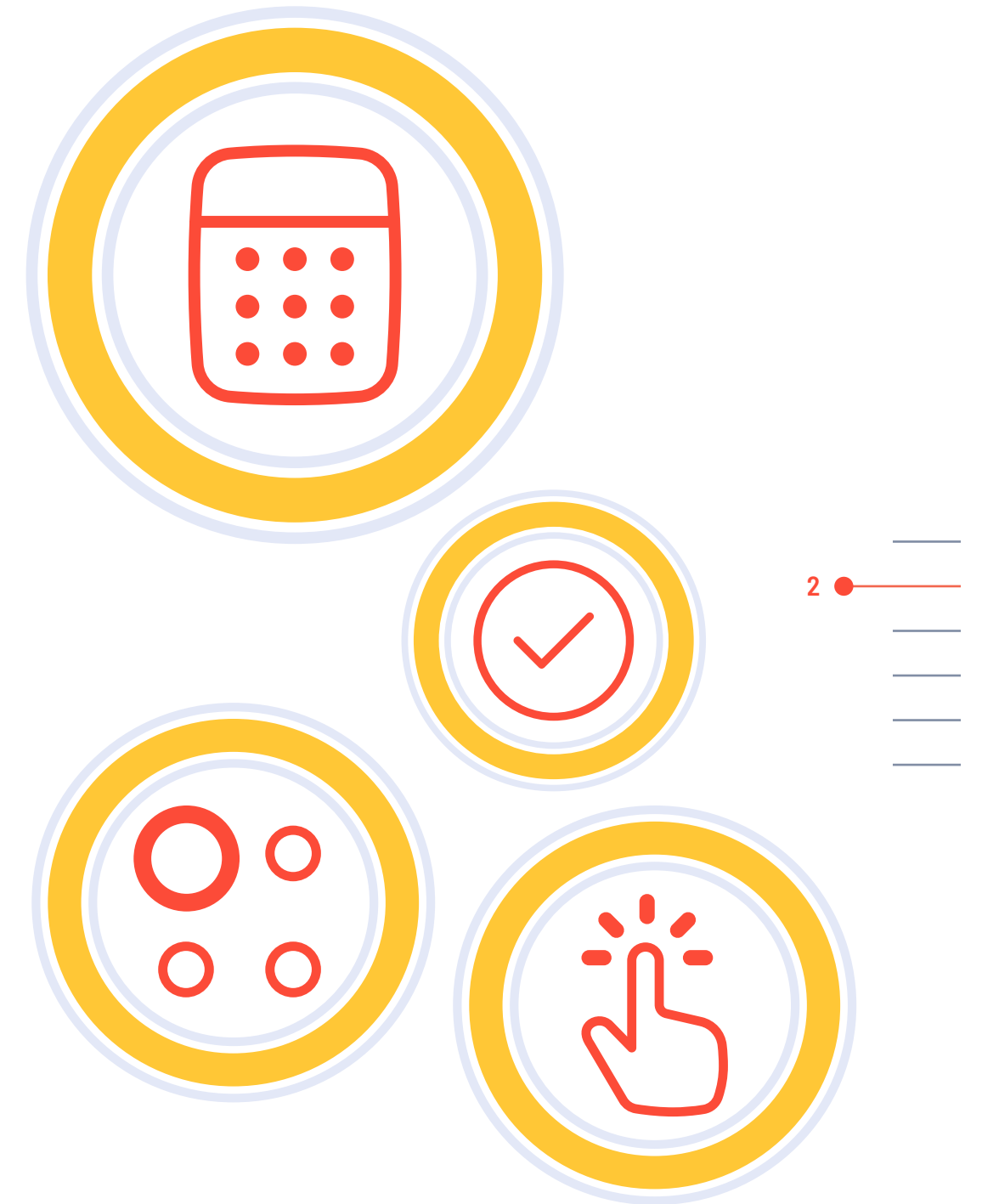
New Metrics to Consider

So if the old metrics aren't good anymore, what should you use instead? Here are six to consider using:

♦ **Human and viewable** rate provides a more accurate view of the number of actual, live people viewing a particular ad spot. For this metrics to count someone in the affirmative, at least 50 percent of the pixels of the player must be visible on-screen, and the ad must be playing for at least two continuous seconds.

♦ **Visible on completion** rate highlights how many ads played to the end and were visible at the end. This is especially useful for any video ad with an end card or similar final call to action.

♦ **Audible and visible on complete** rate (AVOC) refers to the percentage of impressions where the ad was visible and audible on completion and was delivered to a human. This is especially critical for any ad in which the audio component (voiceover, music, etc.) is key to the message.

♦ **Invalid traffic (IVT)** represents the percentage of total unfiltered impressions delivered to a non-human end point. This includes **General IVT** (spiders, excessive activity, and/or data center traffic categories) and **Sophisticated IVT** (invalid proxy, automated browser, and/or incongruous browser traffic categories). Essentially, it provides an overview of how many non-humans (i.e. bots) were shown an ad.

♦ The **completion quality score** metric is the percentage of video completions that were audible and visible — an important metric in analyzing ad creative effectiveness. It is calculated as Audible and Visible on Complete Rate divided by Reached Complete Rate.

♦ Under a **cost per completed view (CPCV)** paradigm, advertisers pay only if a video ad is watched to the very end.

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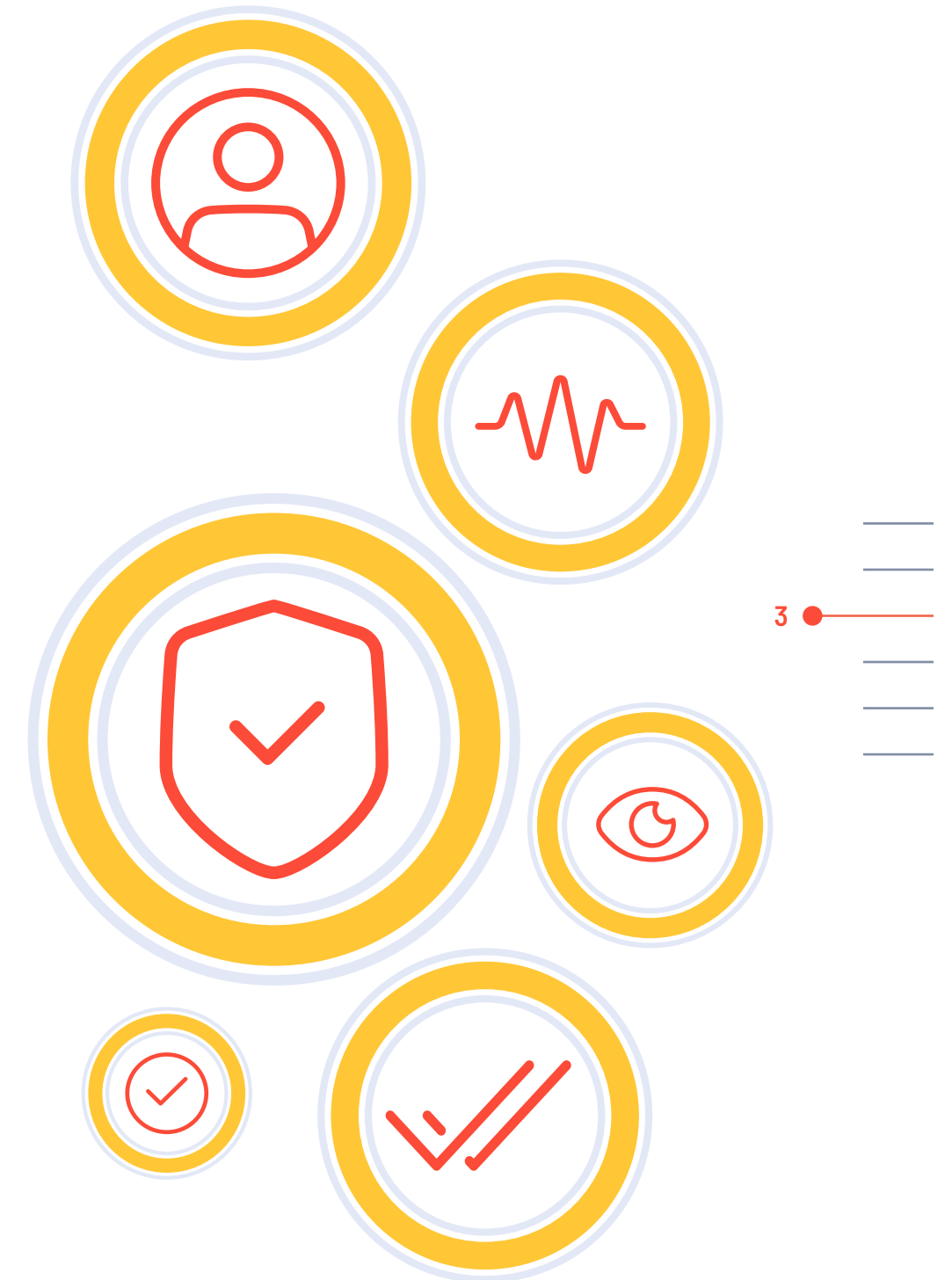
How to Achieve Results: Aligning Creatives with Best-in-Breed Metrics

Once more modern metrics have been established, it's time to rethink the video ad. Make sure its aesthetic, along with the technology underpinning it, are aligned with both current best practices and key metrics.

Format
Ads that are forgettable or easy to ignore are not effective. No surprise there. There's a reason banner ads have, on average, a 0.04 percent CTR.
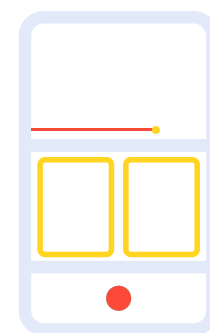
Even something as impactful as a video ad can fall flat if it's too small or displayed in an inconvenient manner. Instead of utilizing legacy ad formats, consider these video options:
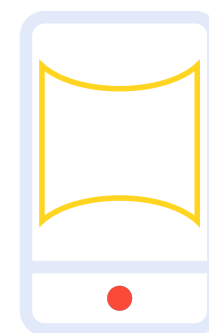
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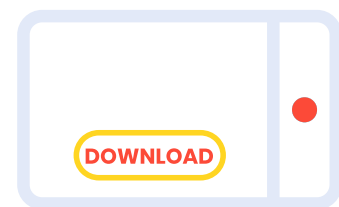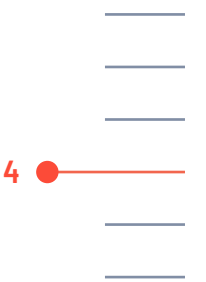
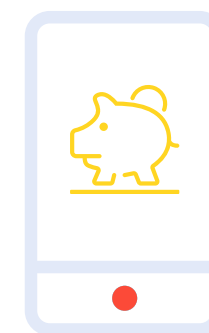Fullscreen Video with Interactive End Card
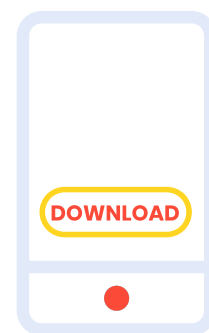
Vertical Video with Interactive End Card

Split-Screen Interactive End Card

360-Degree Video

Rewarded Opt-In Video

How to Achieve Results: Aligning Creative Delivery with Best-in-Breed Metrics

Even with the very best metrics and the very best ad formats, a video spot can fall flat if it's not supported by best-in-breed technology.

♦ With the VAST standard, which loads video from the device's native video player, you can pre-cache your in-app videos for 0.06-second load time, compared to 2.6 seconds with mobile web-based video ads. VAST represents a vast improvement over VPAID.

♦ An SDK allows for greater in-app mobile measurement. You'll receive clearer signals and more data passed in the bid request — therefore you can see age, gender, GPS location signals and more. Meanwhile, with mobile web, you will have very blurry signals — omitting age, gender and other important factors. An SDK also allows you to pre-cache content, enabling buffer-free video and a great user experience. Plus, to top it all off, you have more control over how the ad unit is rendered.

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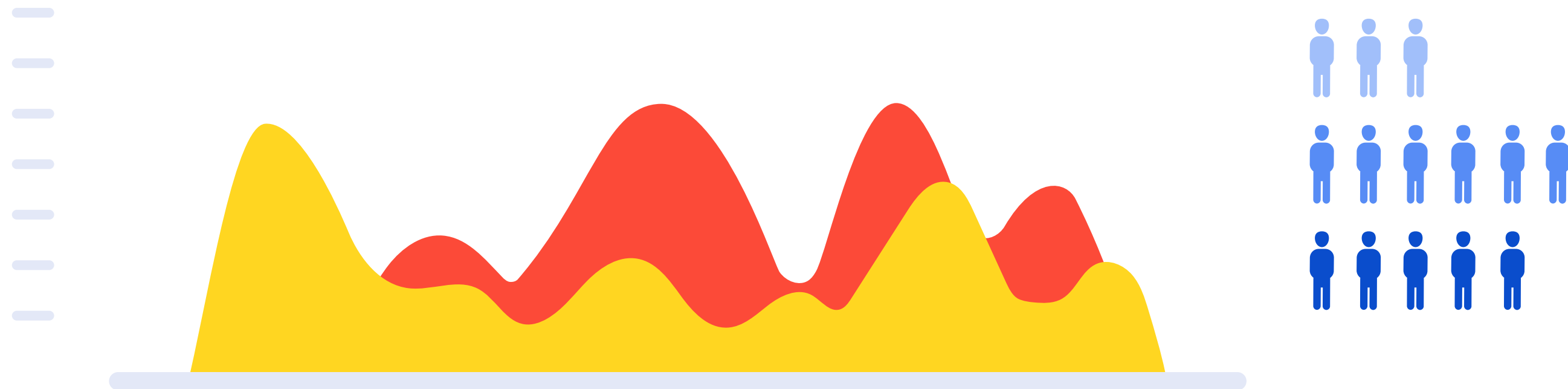
Picking the Right Partner

Even with the best metrics, formats and technology, it can be downright impossible for an advertiser to go it alone in today's increasingly complex mobile environments. Luckily, there are many businesses out there ready to help.

But how to pick the right one? In the ever-growing pool of available options, how do advertisers pick a trustworthy partner?

First and foremost, pick a partner that is **on board with newer metrics**. Anyone that only looks at and cares about outdated KPIs is probably not offering anything new, helpful or useful. Not only should they be using modern metrics, but they should understand why they're better and be aligned to them on an organization-wide level too.

Be sure to pick a partner with **a proven track record**. Are they a fly-by-night operation, or have they shown multiple customers quality results? Advertisers have enough concerns on their plate; the performance of their partners shouldn't be one of them.

Last but certainly not least, pick a partner willing to have its **results verified**. As the number and reach of "walled gardens" increases, it can be helpful to work someone that has its data independently validated and verified. That way, there are no surprises or unanswered questions in the metrics being tracked.

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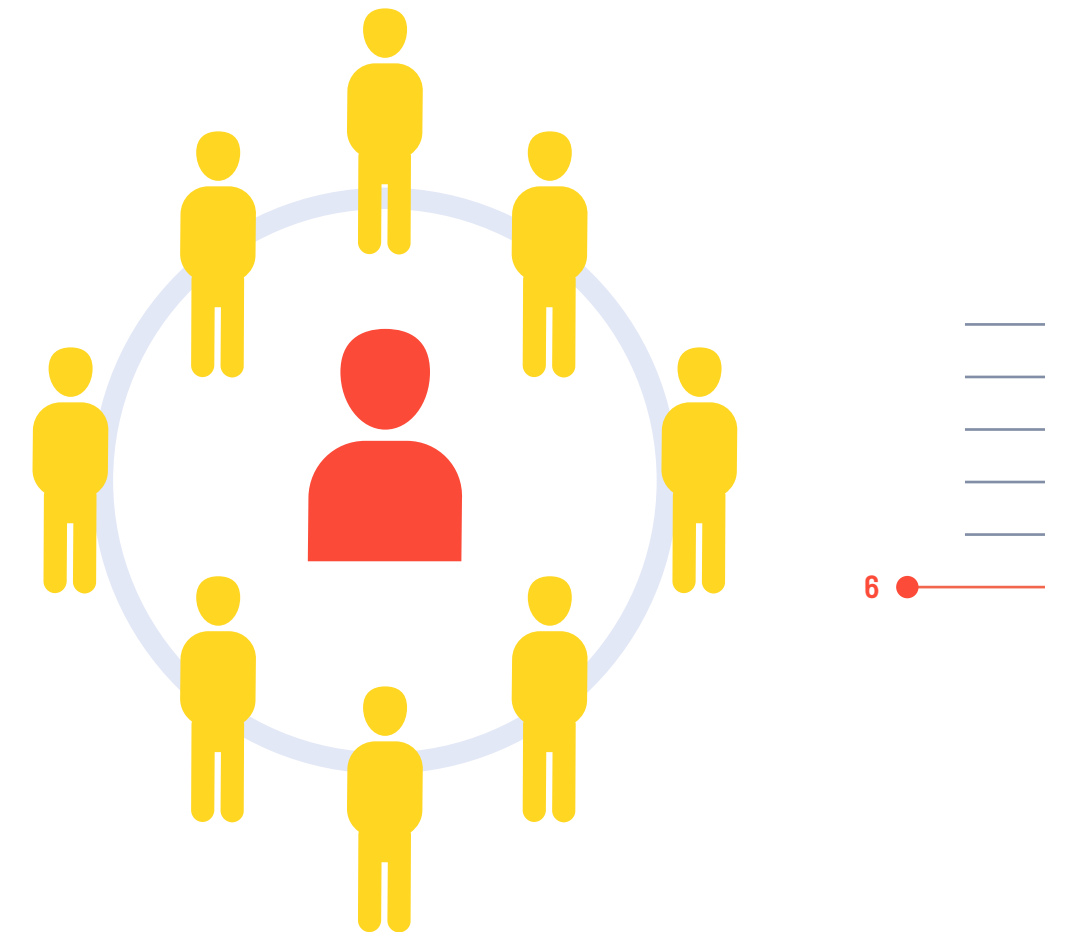
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Interested in learning more about which metrics are right for you? Want a trustworthy and reliable partner with the knowledge and experience you need to succeed with mobile video advertising? Send a line to InMobi to learn more about our distinct benefits.

About InMobi

InMobi is a global provider of cloud-based intelligent mobile platforms for enterprise marketers. As a leading technology company, InMobi has been recognized as a 2018 CNBC Disruptor 50 company and as Fast Company's 2018 Most Innovative Companies. For more information, visit inmobi.com.

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