



Q4 2015 Agency Insight Survey

Spike In Demand For Streaming Video
And Audio In Ad Campaigns

Survey: Spike In Demand For Streaming Video And Audio In Ad Campaigns

Media Mix Concerns Decline as Interest in Online Video Up 75%, Online Audio Rises 54% Over Last Year

CHICAGO (March 8, 2016) – Streaming video and audio options are heating up for advertising agencies, according to a fourth quarter survey conducted by STRATA, the leader in media buying and selling software. The survey found that three-quarters of agencies are more interested in streaming video than a year ago, and over half are more interested streaming audio. Amid a backdrop of inventory and fraud concerns, streaming options are still providing a solid ROI for many agencies. Forty percent are fairly confident they are getting a good value out of their streaming video buys, while an equal amount aren't quite sure yet. Hitting the campaign's targeted audience remained a top focus as 44% said their online video buys are reaching their intended audience "most of the time" and 39% said it reaches them "only sometimes".

With the election season picking up steam, local TV witnessed an increase in agency attention as nearly a quarter of those polled said they are more interested in it than they were last year, while 24% are more interested in local cable. Overall, 42% of agencies are more focused on local TV/cable than any other medium for their campaigns (digital was second at 32%).

Mobile and digital advertising also saw a major boost in agency attention. Digital remained strong with 84% of agencies that said they are more interested in it than



one year ago. Digital has remained around 80% for the last 16 quarters. Online display drove digital for 85% of agencies, followed by search (71%), mobile (70%), and social (66%). While second on that list, mobile witnessed a bump as 77% are more interested in mobile compared to a year ago (an increase of 12% from the previous quarter).

The percentage of agencies that pay for social media almost doubled from the previous quarter. Over a third (38%) of agencies are allocating between 6-10% of their budgets for paid social advertising, a 43% increase from last quarter. Instagram vaulted to the third spot in social media for agency campaigns behind Facebook (93%) and YouTube (59%). Along with Instagram's upward trajectory, Twitter lost ground. Both have 49% of agencies that planned on using those platforms in ad campaigns, but Instagram spiked 84% from last year while Twitter declined 8%.

“The results of the STRATA Survey confirm what we've been hearing from advertisers for some time. The ad industry continues to fragment as players like Instagram and streaming options gain market share. Even so, more established players continue to dominate, with local TV and Facebook still leading video and social. With this give and take, budgets are fueling demand for alternative channels as agencies have a better handle on working with multiple platforms and devices,” said J.D. Miller, Director at STRATA.

As agencies dive further into streaming and digital ad spend, client attraction (34% of agencies) and client spend (24%) are the top two leading concerns for agencies as the historical leader, media mix, came in third at 17%. The ad economy showed some positivity as over half (59%) of agencies said they see their business increasing this quarter compared to a year



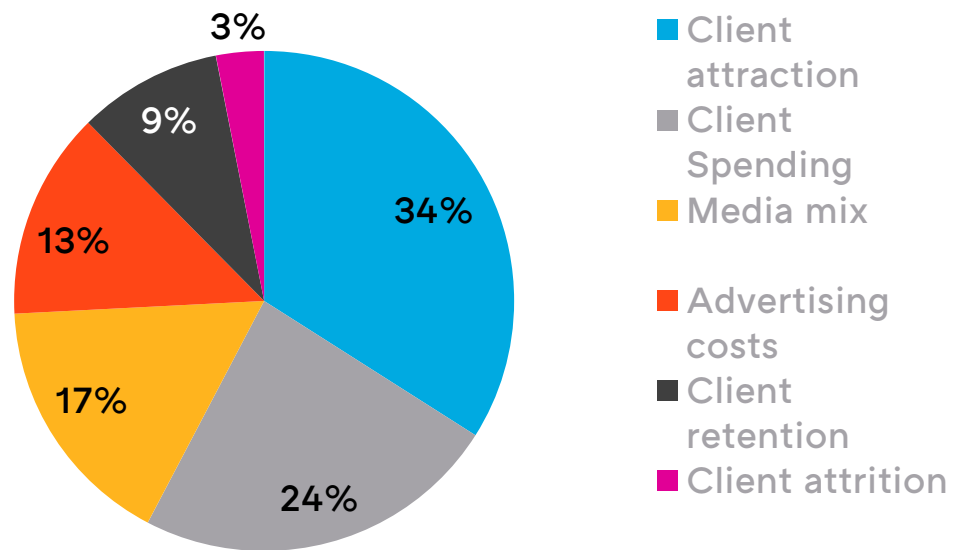
ago. Client budgets are expected to remain the same in 2016 compared to 2015 according to half of the agencies polled, while 31% of agencies do expect to see minor cuts. However, 48% of agencies plan to hire staff in 2016 to help with expected growth, while only 2% plan on decreasing their headcount, the lowest amount in three years of the STRATA Survey.

Programmatic buying continued to gain agency interest even as inventory concerns linger. Just under half of agencies plan on using programmatic to conduct 10-20% of their business this year, while 30% will refrain from using programmatic, the lowest percentage ever in the STRATA survey. Digital display is getting the bulk of the programmatic ad spend with 32% of agencies allocating 10-20% of their programmatic budget on display. Agencies seem apprehensive to test the programmatic TV space just yet, as only 12% of agencies are allocating 10-20% of their programmatic ad spend to TV, and only 7% trust programmatic to execute local TV orders. Agencies list audience targeting as the top benefit of programmatic (52%), followed by buying efficiency (47%). The quality of inventory (62%) and transparency of inventory sources (53%) are the leading concerns over programmatic.

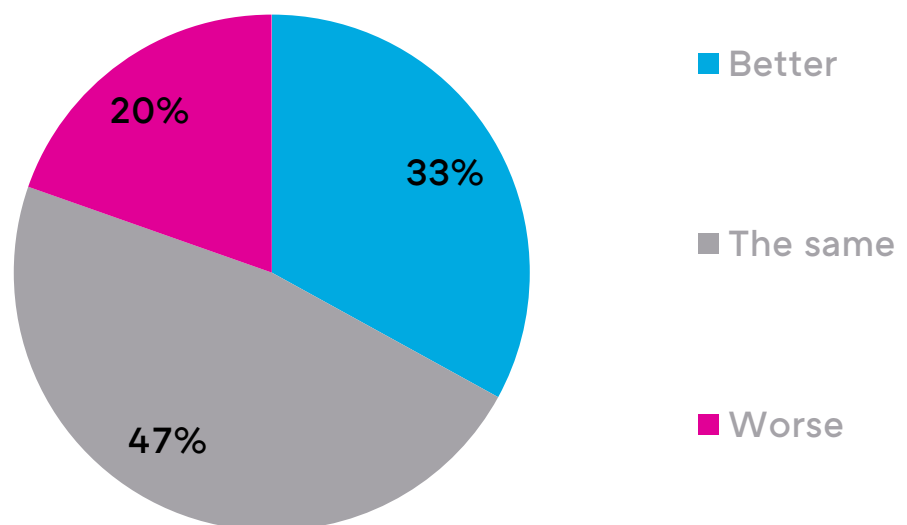


Survey Results

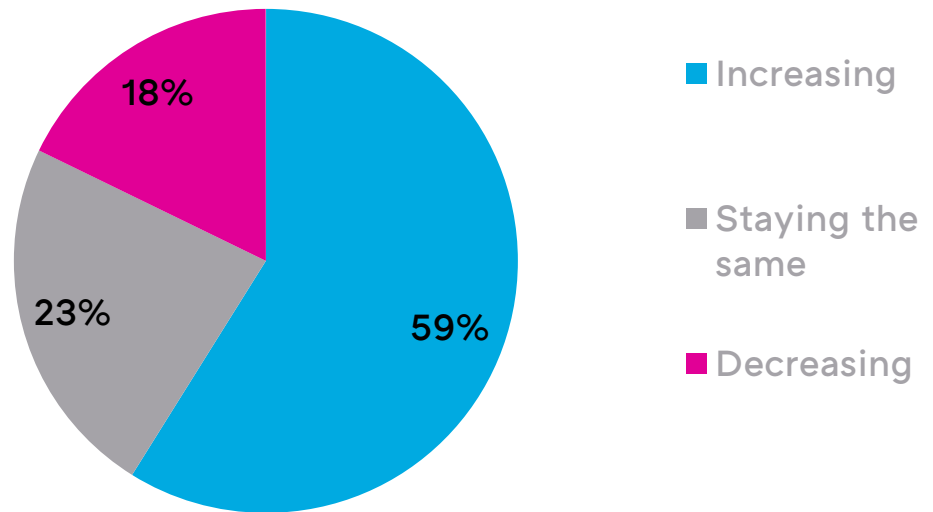
What is your biggest challenge in 2016?



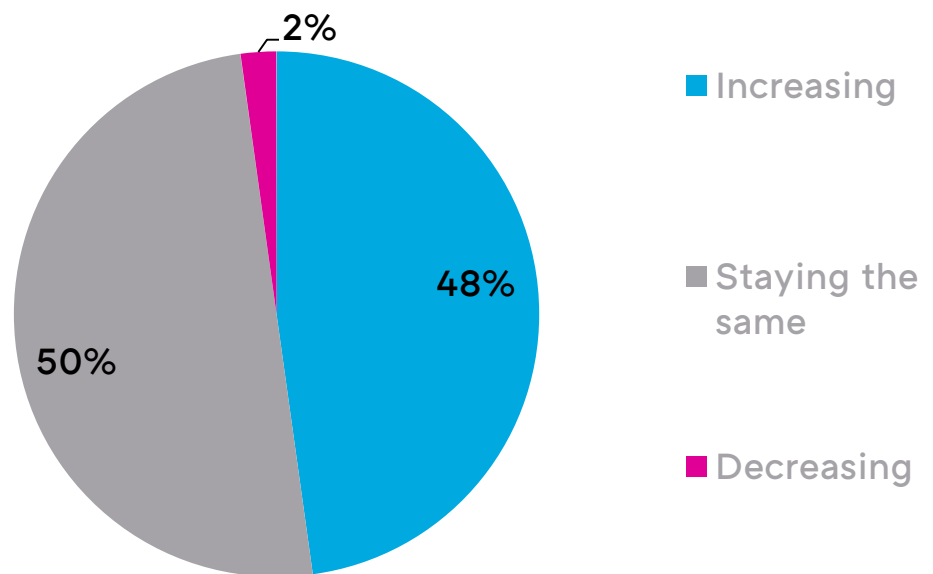
Compared to the second half of 2015 what do you project your growth to be in the first half of 2016?



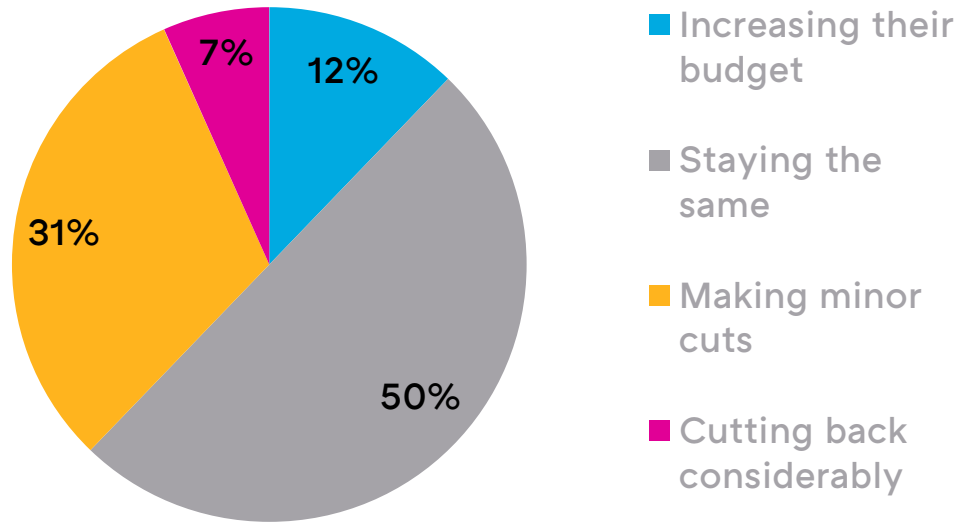
Did you see your business increasing or decreasing in the fourth quarter of 2015 over the same time last year?



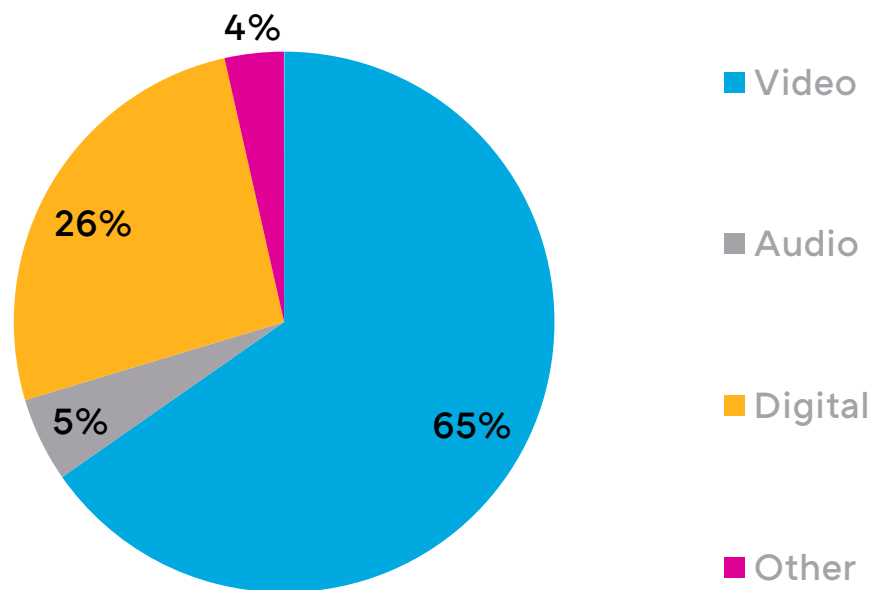
What are your staffing plans for 2016?



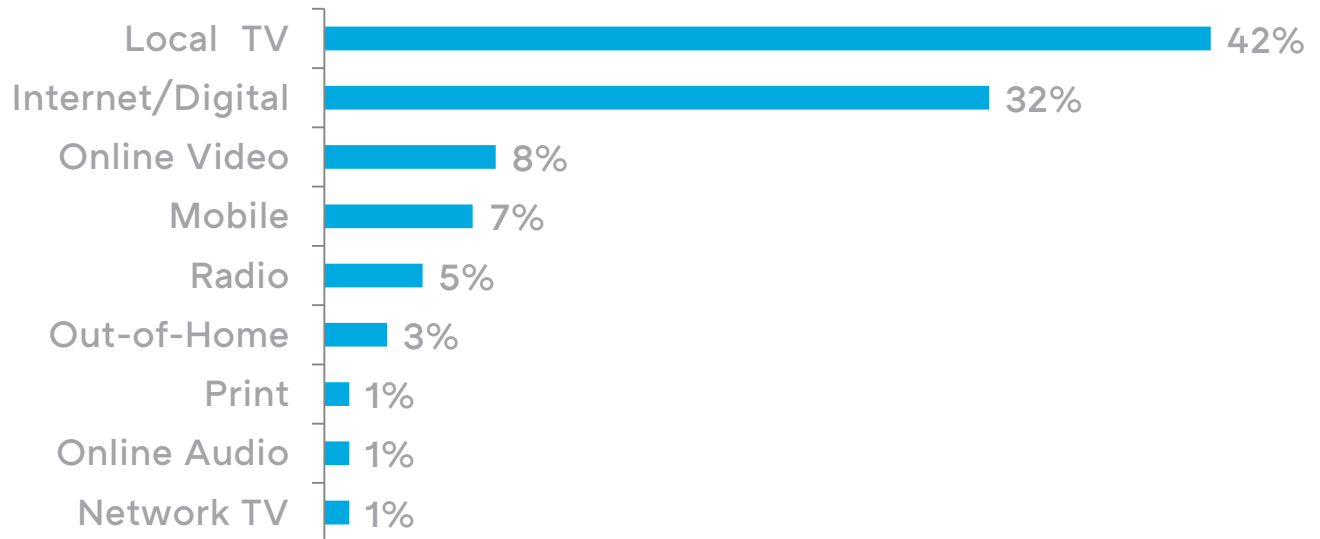
How do you see your customers approaching their Marketing/Advertising planning this year?



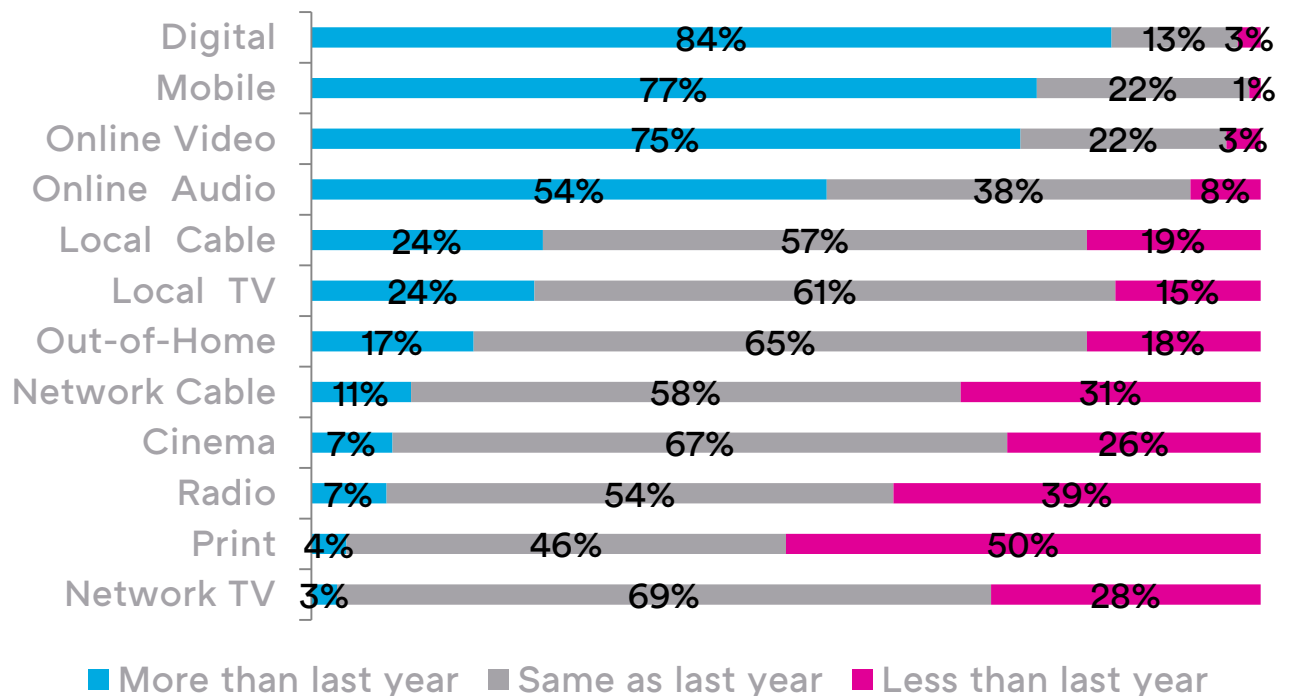
Our clients' main emphasis for campaigns is:



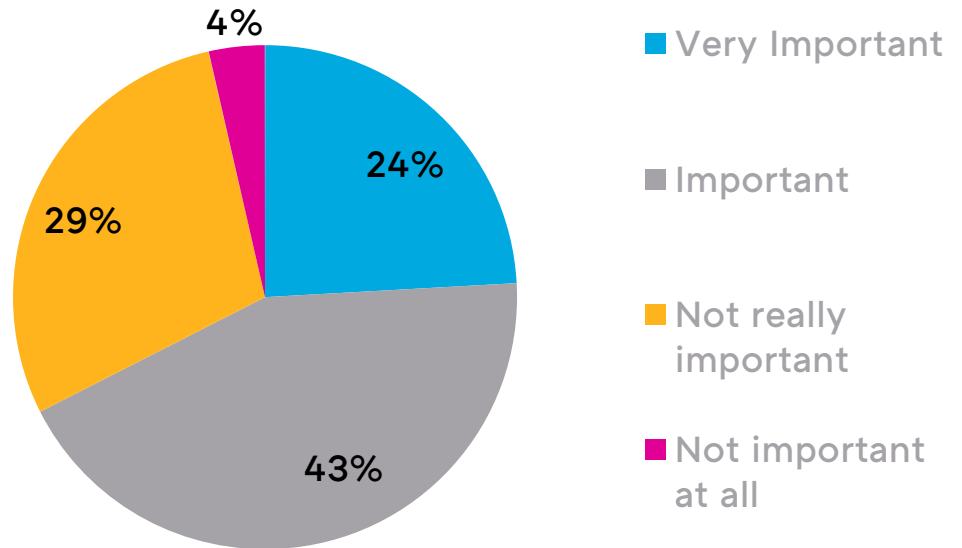
Right now, my customers are most interested in advertising on/in... (one answer only)



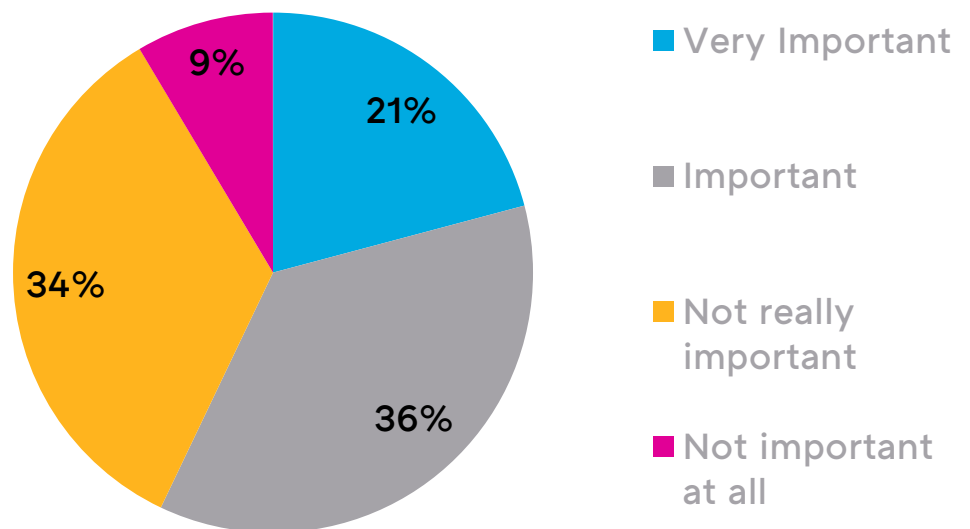
Please rate your clients' general interest in advertising on the following media types: (choose one for each)



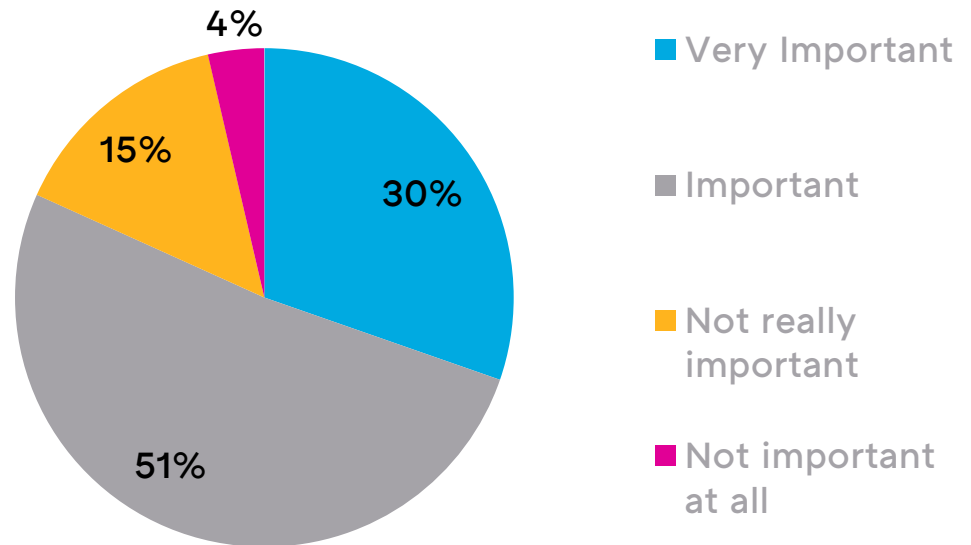
How important is extending your video buy into premium online video from cable/broadcast networks?



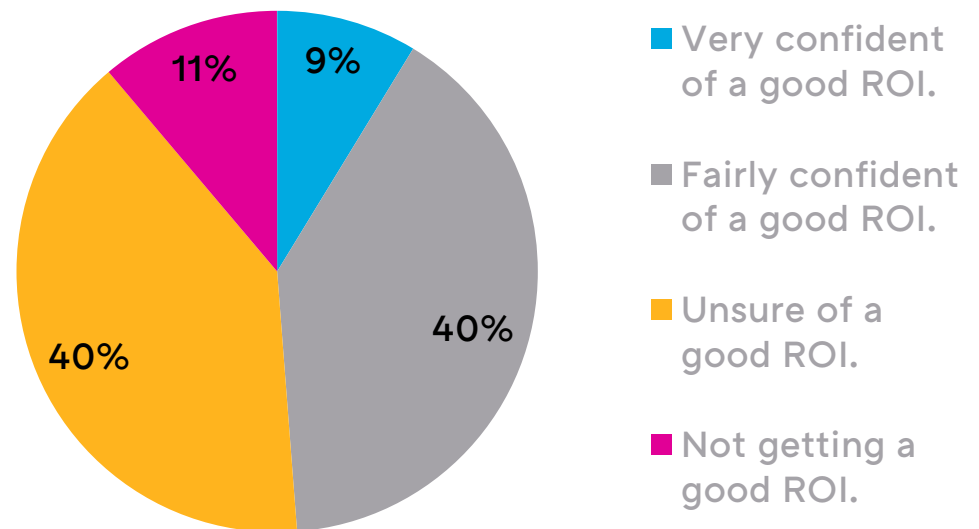
How important is it to access video aggregators/ad networks for additional reach with your online video buy (e.g., YUME, Videology, Tremor etc.)?



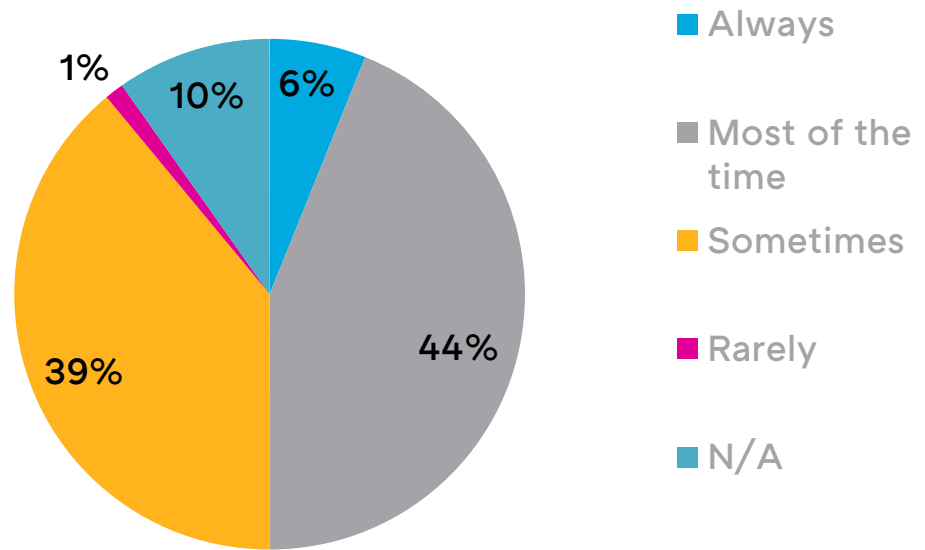
How important is it to access online video sites (e.g., YouTube, AOL, Twitch)?



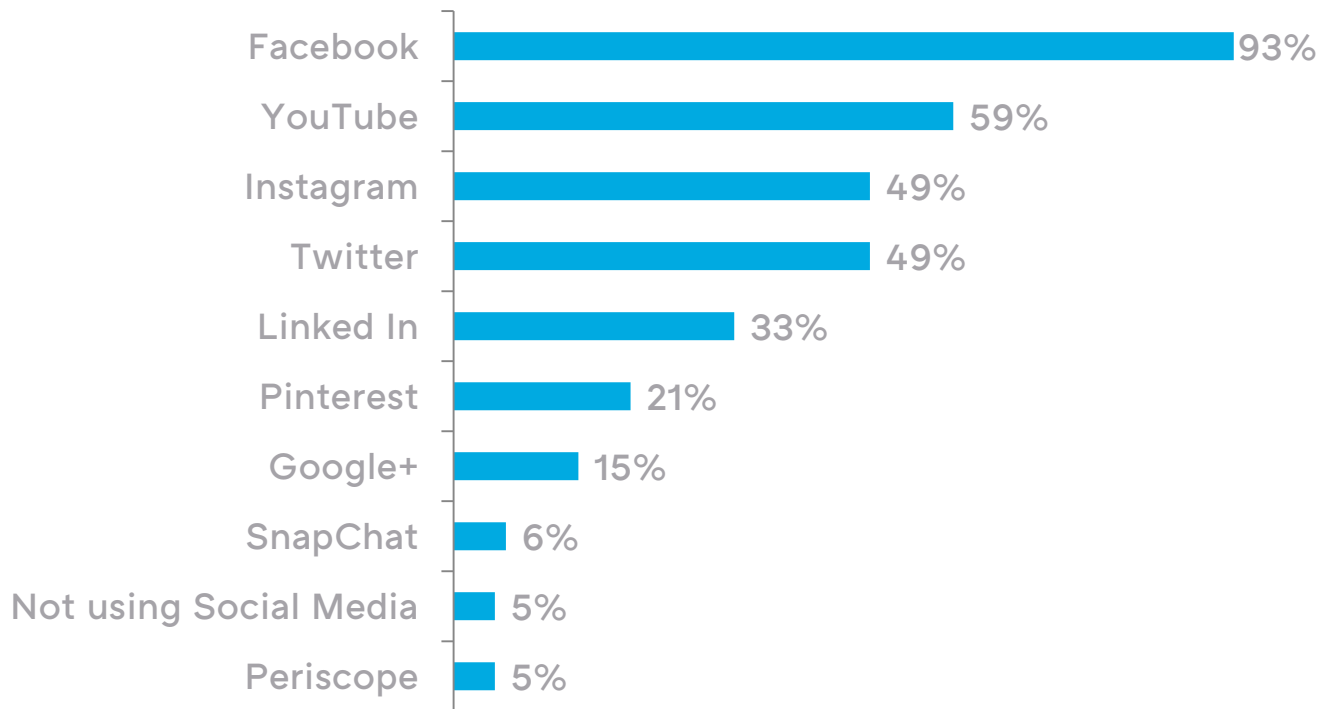
Which best describes your ROI on recent online video ad purchases?



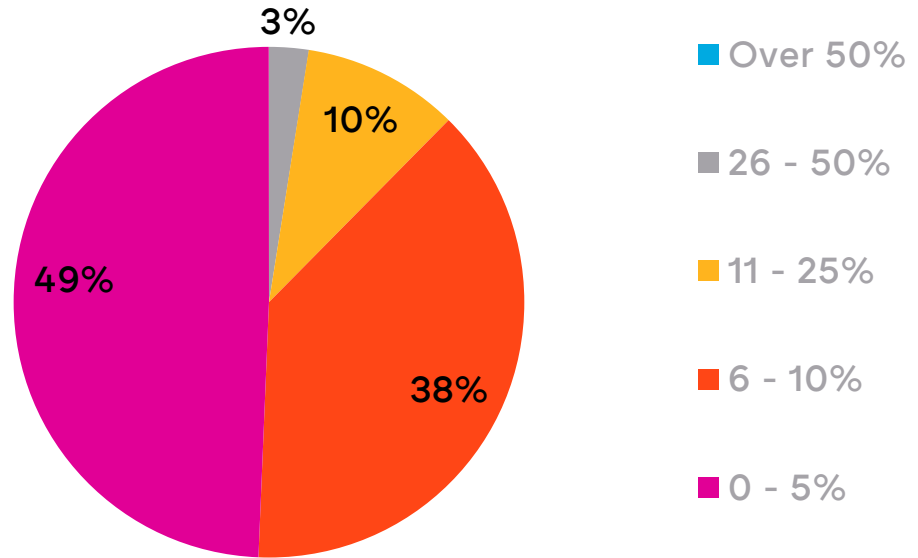
Do online videos ads you place reach their intended audience?



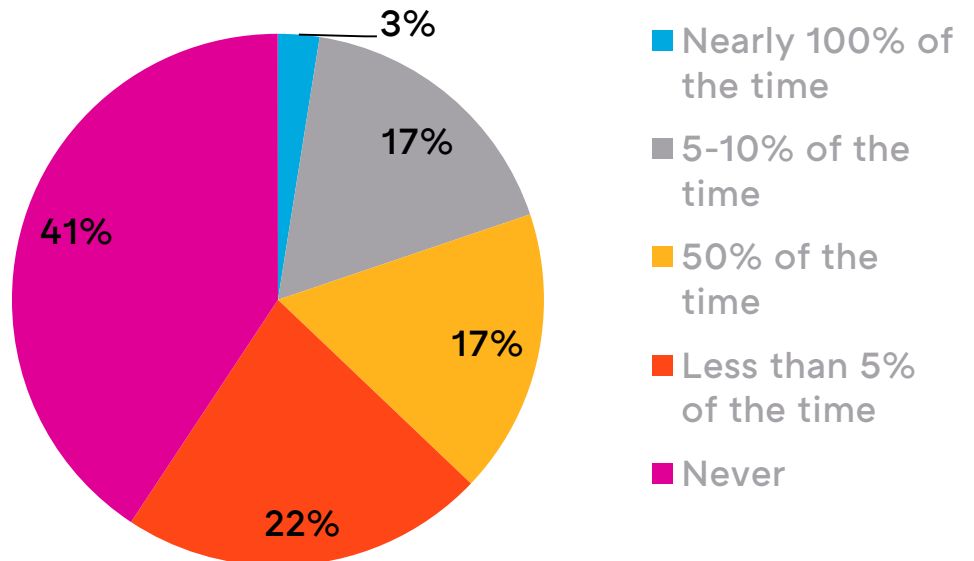
Which Social Media are you most likely to use in your client campaigns? (choose all that apply)



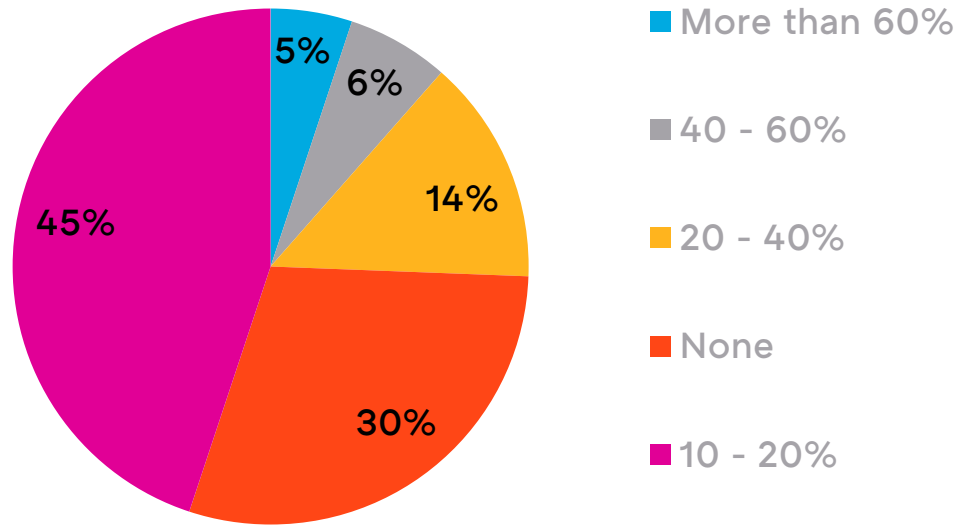
What percent of overall advertising budgets are your clients allocating to paid Social Media?



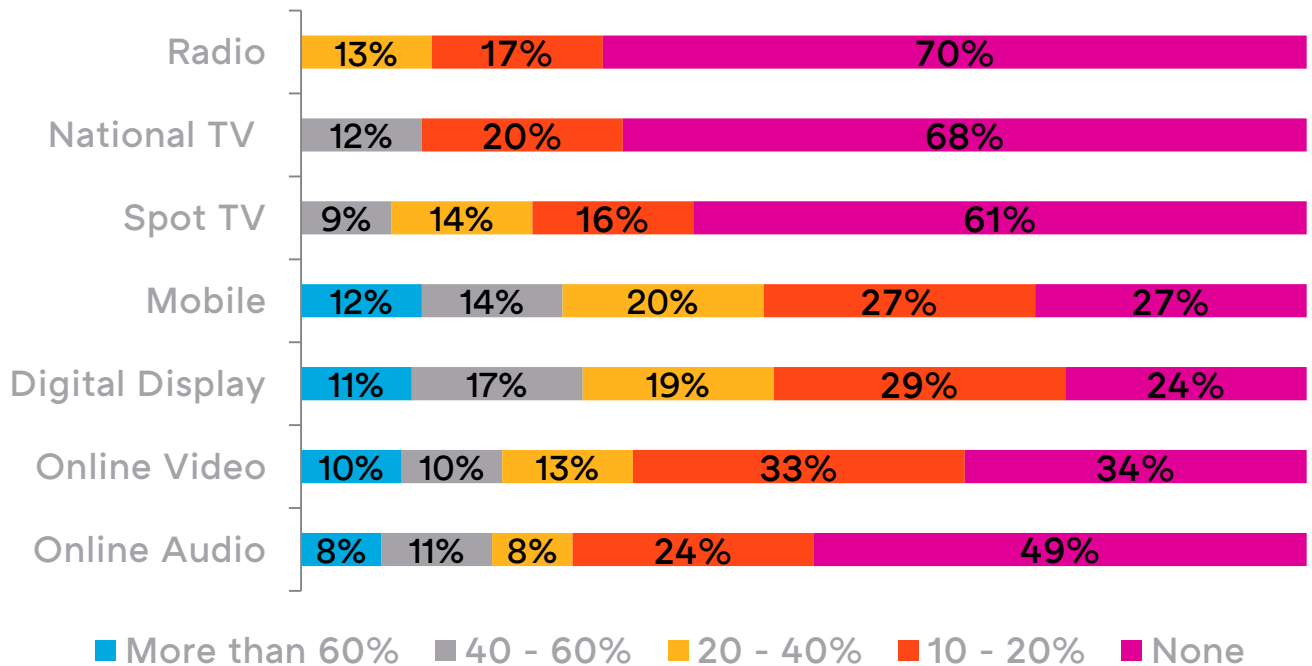
How often do you use Social Media ad exchanges when purchasing Social Media ads?



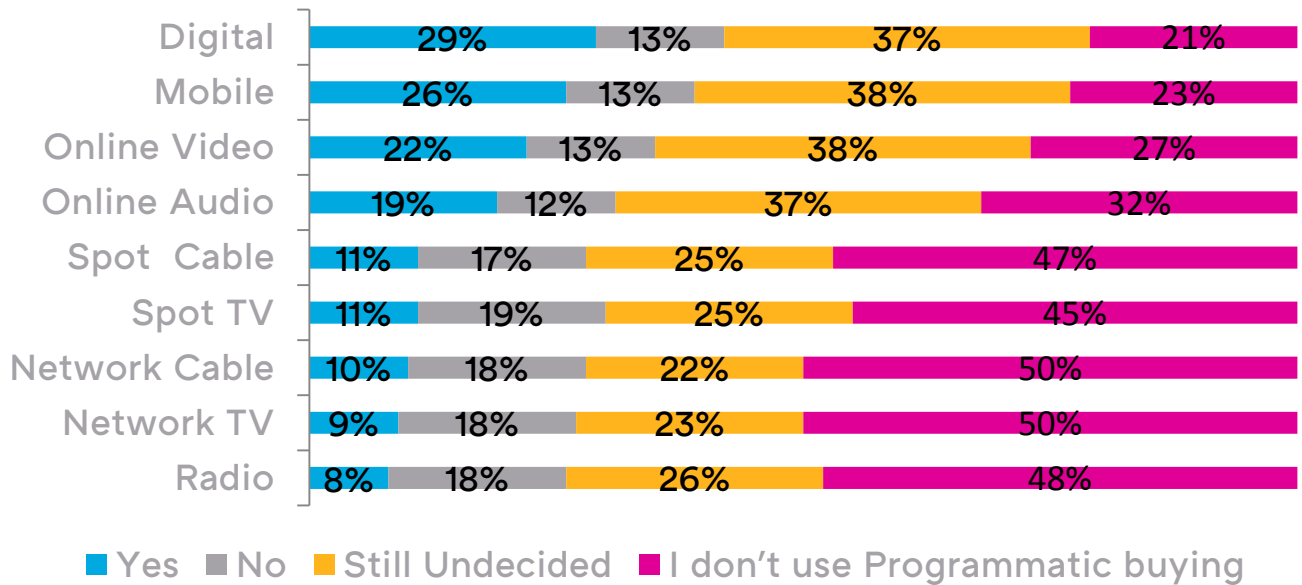
What percentage of your business do you intend to carry out with Programmatic buying?



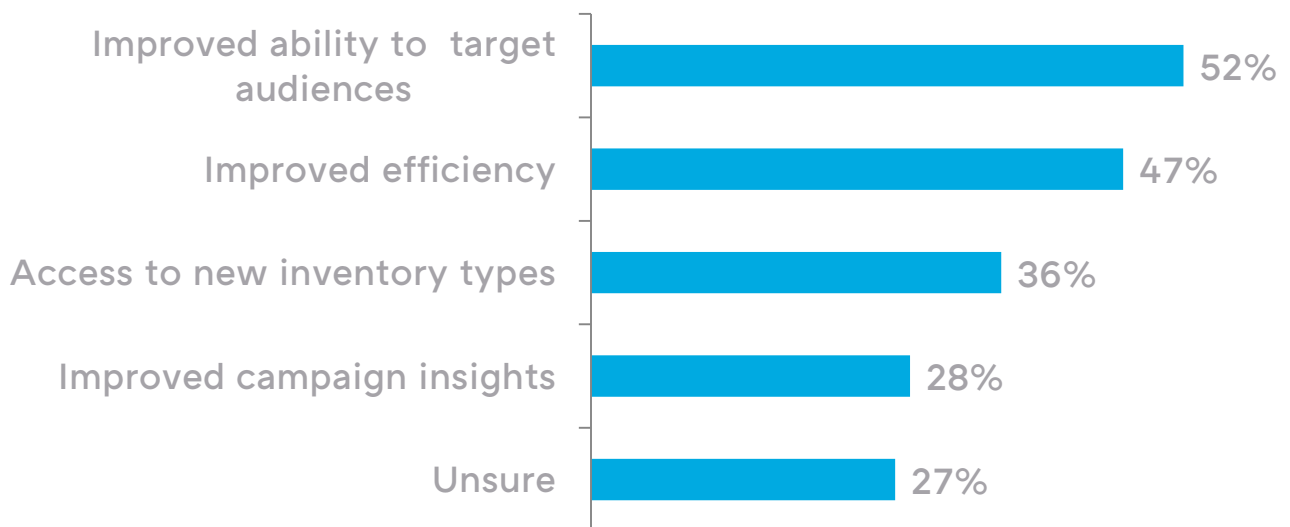
What percentage of your Programmatic ad spend will you allocate to each of the following media types?



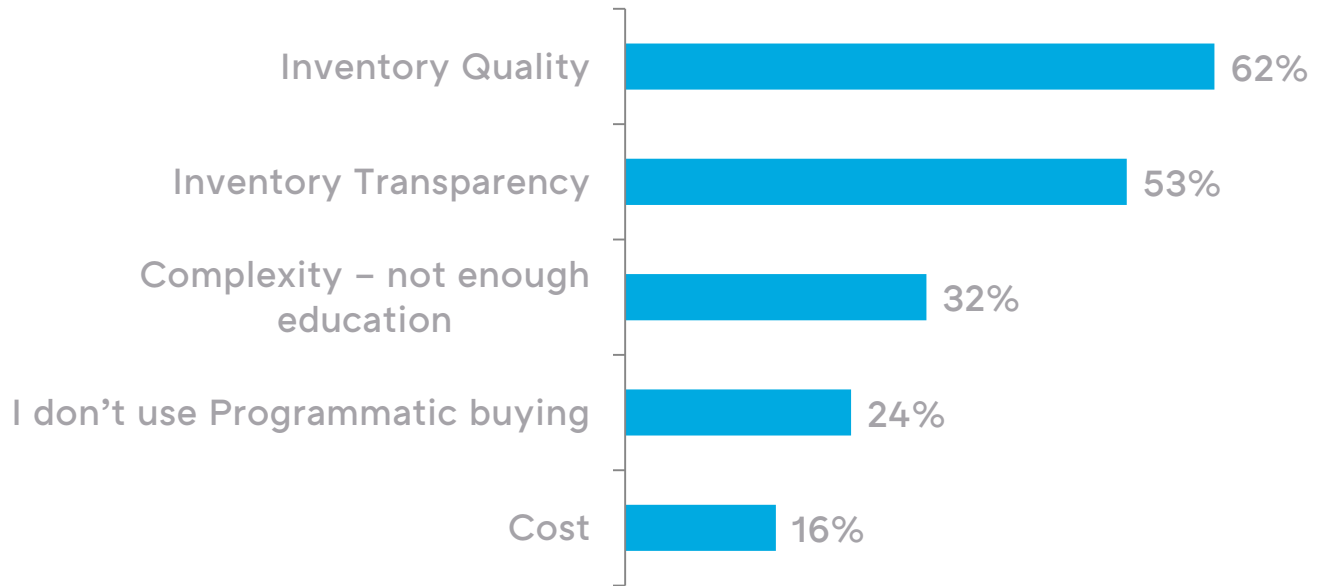
Do you trust Programmatic buying to properly or accurately execute your ad orders in the following advertising media?



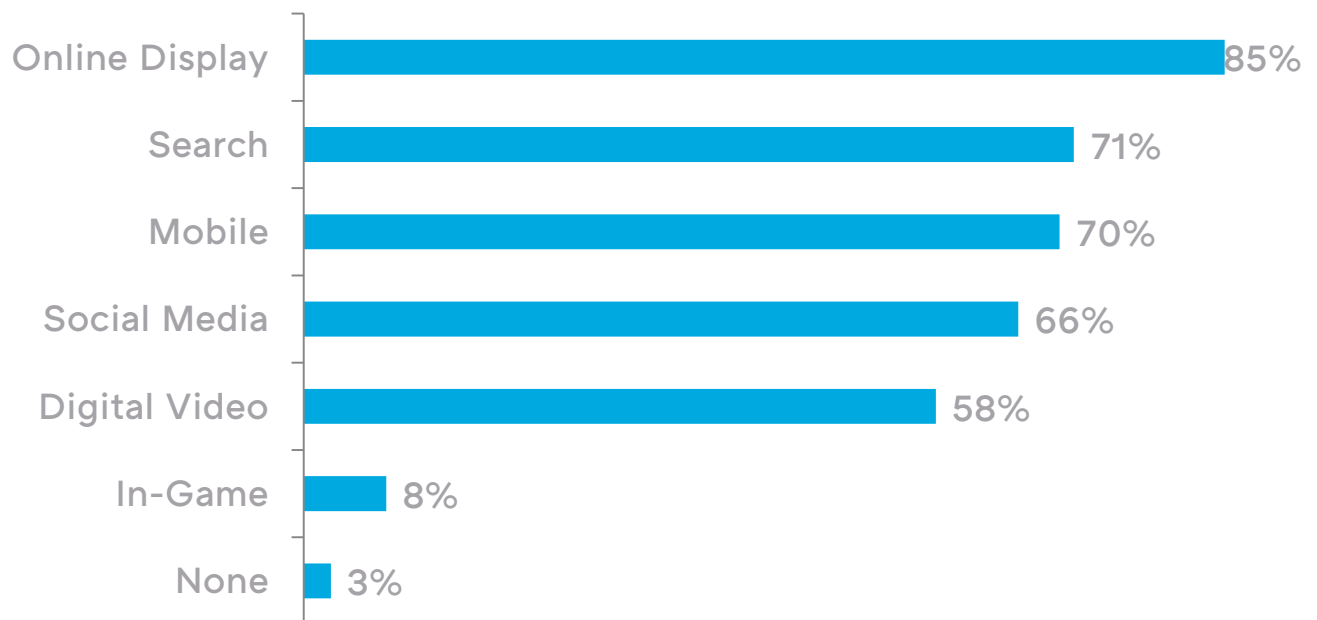
What do you see as the potential benefit of Programmatic buying? (choose all that apply)



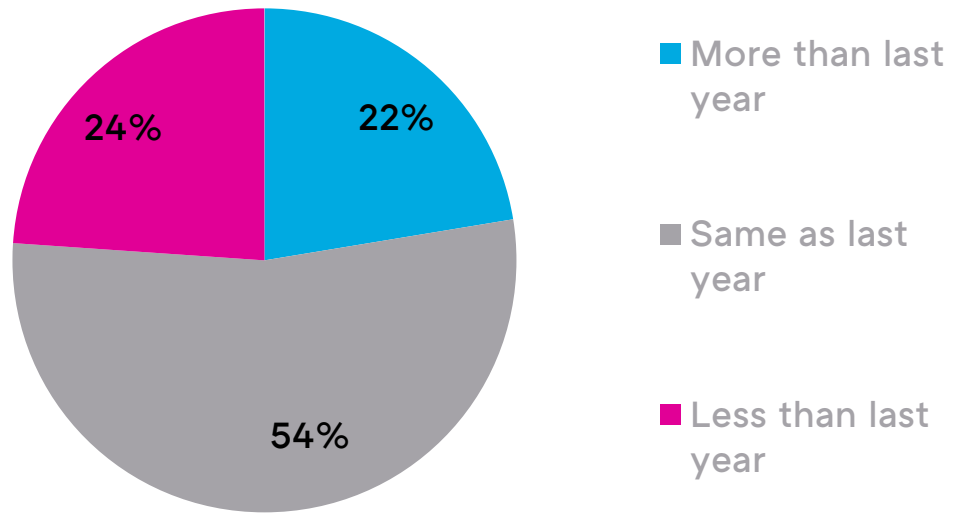
What are your greatest fears associated with Programmatic buying? (choose all that apply)



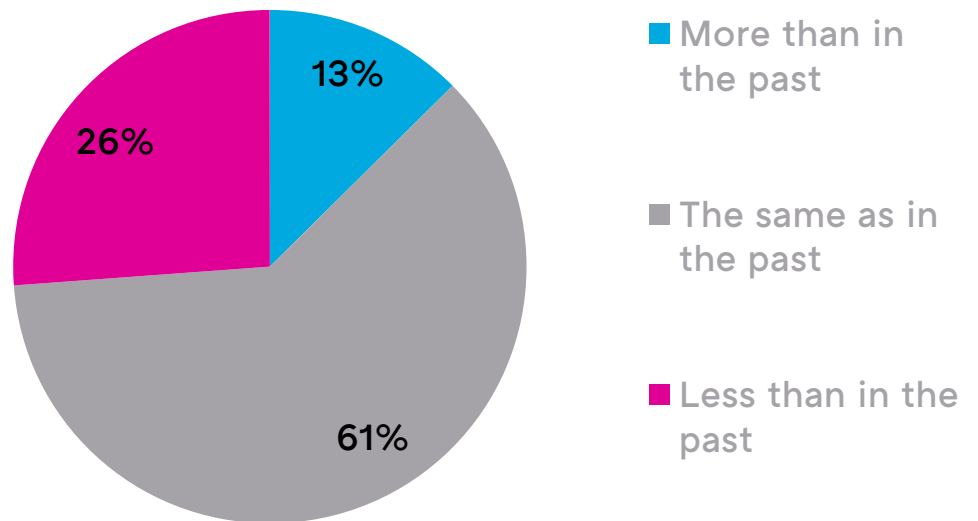
Where do you focus your Digital spend? (choose all that apply)



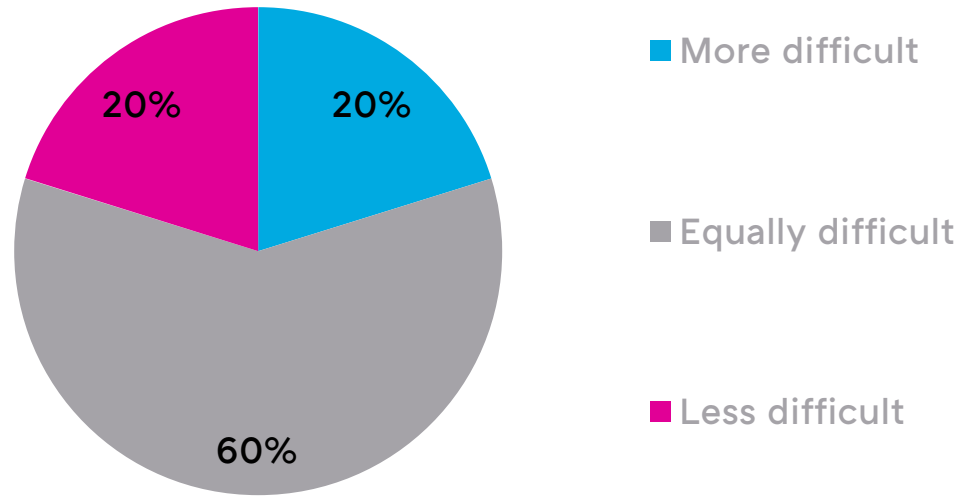
My clients' interest in political advertising is:



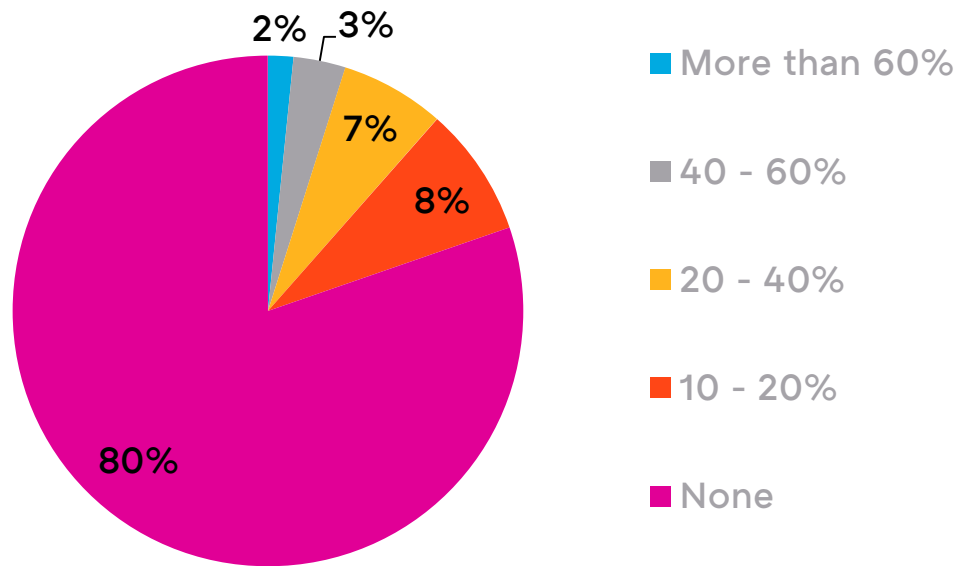
Compared to past political campaigns, my clients' ad spend on political advertising will be:



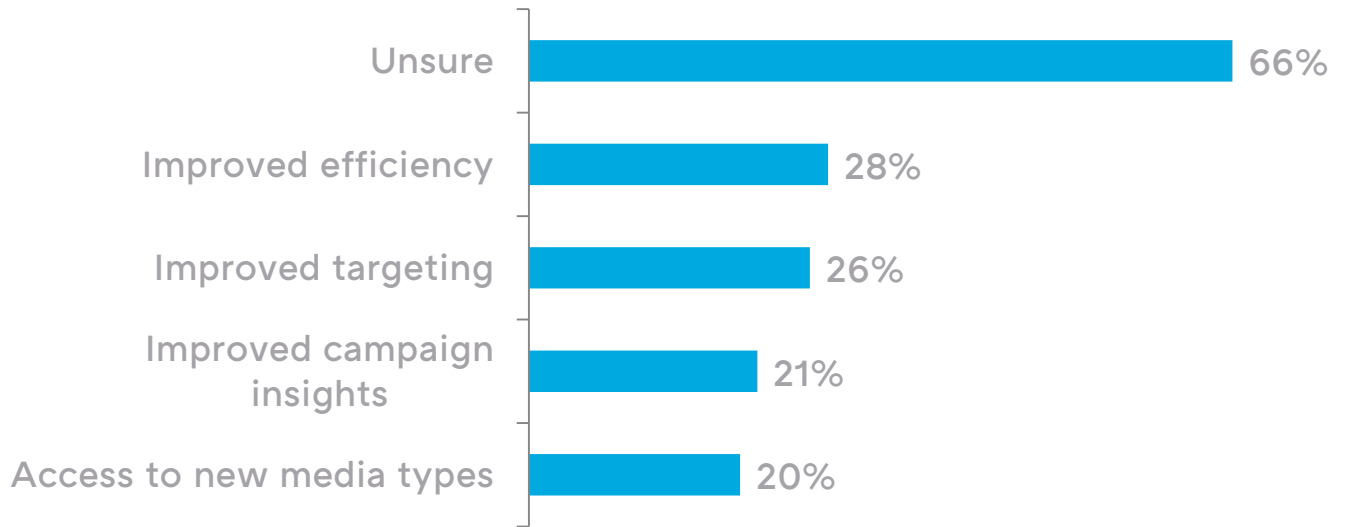
Compared to previous political cycles how would you rate the ease of finding unique opportunities to place political ads?



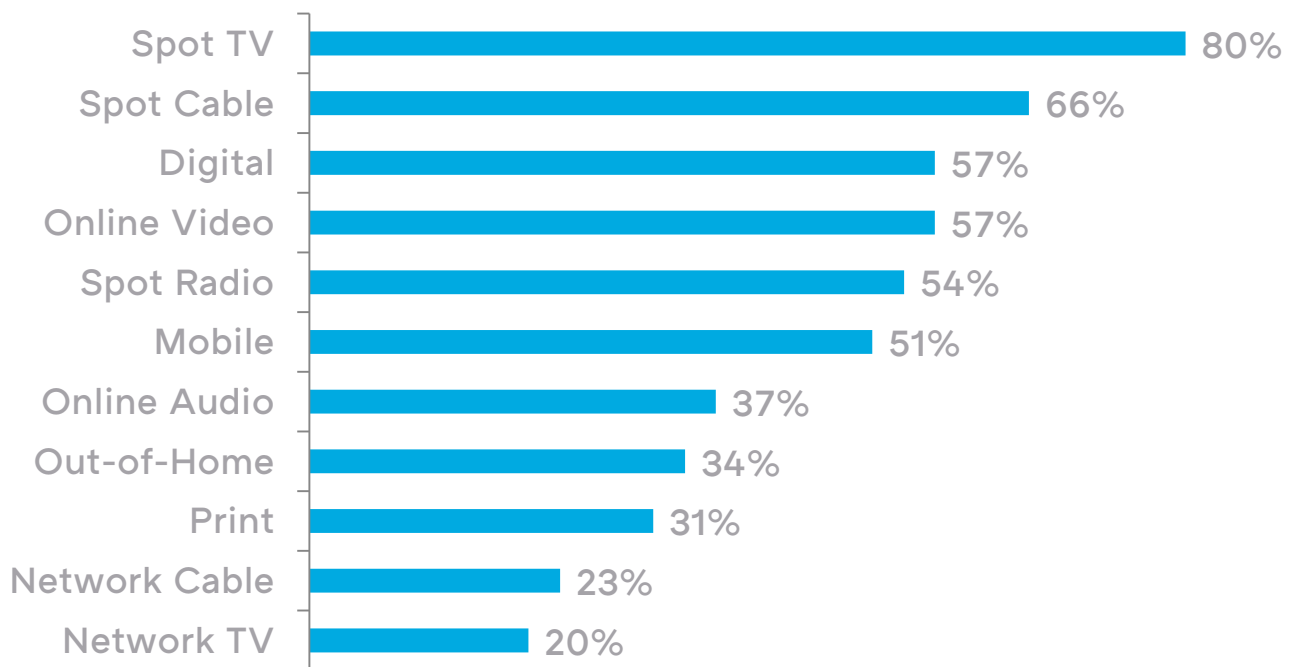
What percentage of your total political advertising budget will you plan to spend programmatically?



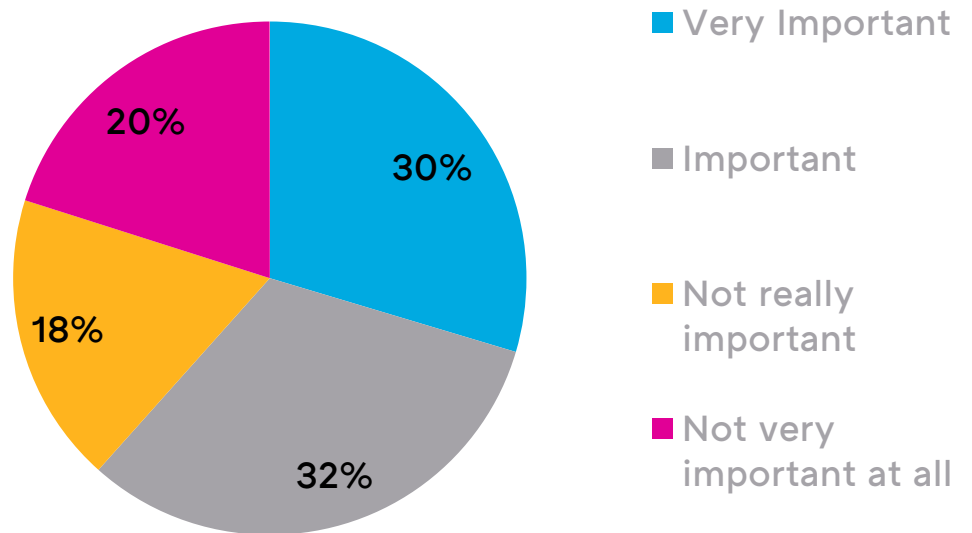
What do you see as the potential benefit of incorporating programmatic buying in your political campaigns? (choose all that apply)



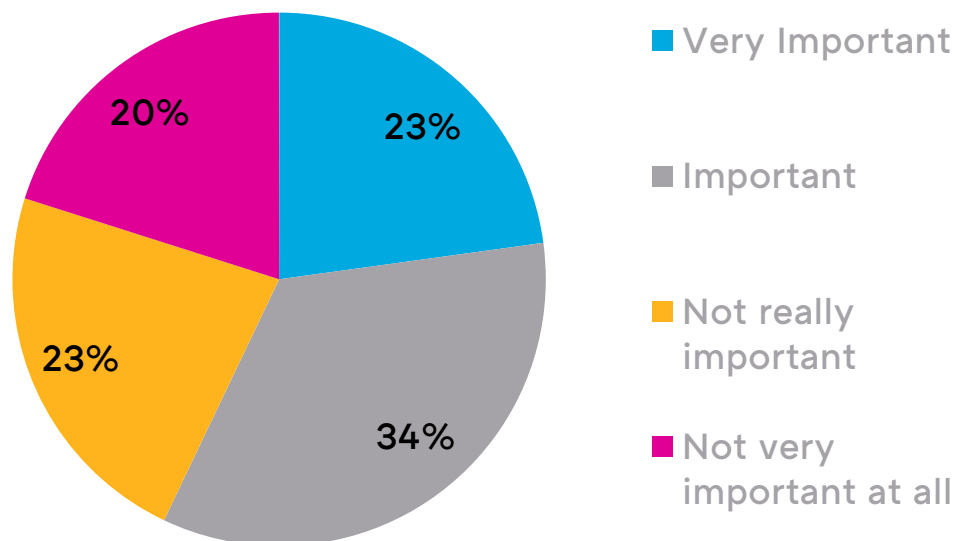
My clients are using the following in their political campaigns: (choose all that apply)



How important is it to extend the reach of your political buys via Streaming/Online Video? (YouTube, Hulu, Videology, YuMe etc.)



How important is it to extend the reach of your political buys via Streaming/Online Audio? (Pandora, Spotify, iHeartRadio etc.)



Which advertising medium do you feel provides the strongest ROI for political advertising?

