A woman with blonde hair and a man are sitting in the front of a car. The woman is pointing at a tablet held by the man. They both appear to be looking at the screen with interest. The car's interior, including the steering wheel and dashboard, is visible in the background.

New Data Shows Online Video Ads Drive Consideration, Favorability, Purchase Intent, and Sales

Written by

Mike Giordano, Celie O'Neil-Hart, and Howard Blumenstein

Published

December 2015

Topics

Video, Advertising

Online video can be much more than an awareness driver. New research shows that YouTube not only drives brand metrics throughout the consumer journey—from consideration and favorability to purchase intent—but also boosts potential for positive return on ad spend compared to TV.




think with **Google**

For many advertisers, the primary goal for online video advertising is increasing brand awareness: reaching as many people as possible as efficiently as possible in the shortest possible time. And it's certainly true that YouTube delivers; we reported back in April that 65% of Google Preferred ads on YouTube saw an [increase in brand awareness](#), with an average lift of 17%.

But fewer advertisers have thought about online video advertising as a key channel to drive metrics like purchase intent. Here at YouTube, we get questions from advertisers like, "How does YouTube advertising impact lower-funnel metrics?" or "How will YouTube improve my return on ad spend (ROAS)?" Here we'll share data from two recent studies that answers those questions, showing just how much YouTube can move the needle on brand metrics across the consumer journey—from consideration and favorability to purchase intent and sales.

Question #1: How does TrueView impact consideration, favorability, and purchase intent?

To answer this, we looked at all of the [Brand Lift](#) data since June of this year—hundreds of campaigns across different categories. We set out to understand how TrueView, YouTube's skippable video ad format, moved the needle on consideration, favorability, and purchase intent. Here's what we found:

	All people exposed to a TrueView ad	People who watched 30 seconds or more ¹
 Change in consideration	57% of campaigns saw a lift in consideration, with an average lift of 13% .	76% of campaigns saw a difference in consideration, and consideration for "completers" was 45% higher vs. the control group.
 Change in favorability	24% of campaigns saw a lift in favorability, with an average lift of 3% .	52% of campaigns saw a difference in favorability, and favorability for "completers" was 14% higher vs. the control group.
 Change in purchase intent	35% of campaigns saw a lift in purchase intent, with an average lift of 4% .	61% of campaigns saw a difference in purchase intent, and purchase intent for "completers" was 19% higher vs. the control group.

¹A "completed" view means watching at least 30 seconds, or in cases where ads were shorter, completing the entire ad. Source: YouTube TrueView Brand Lift Analysis Q3 2015

Answer #1: TrueView drives metrics later in the consumer journey, especially after 30 seconds

These numbers tell a compelling story: YouTube ads drive increases in key metrics later in the consumer journey. Typically increases in lower-funnel metrics like these require multiple exposures over time. And yet TrueView drove lifts in consideration among 57% of campaigns, lifts in favorability among 24% of campaigns, and lifts in purchase intent among 35% of campaigns—all with one exposure.

But TrueView ads are about more than exposures: the skippable ad format gives YouTube viewers the choice to watch and engage with an ad. To understand how choice impacts consideration, favorability, and purchase intent, we looked specifically at people who did choose to watch 30 seconds or more of an ad.¹ Across all three metrics we saw greater results among this group, with their consideration 45% higher, their favorability 14% higher, and their purchase intent 19% higher, than the control group.²

Across all three metrics we saw greater results among completers (vs. control):

Source: YouTube
TrueView Brand Lift
Analysis Q3 2015



[Previous Google research](#) had already shown that the longer someone views a video ad, the higher the lift in brand awareness. This latest research completes the story for the latter half of the consumer journey: consideration, favorability, and purchase intent. In order to see lifts in metrics throughout the consumer journey, brands should set out to get viewers to watch more of each ad.

Action #1: Make the creative choices that keep people watching

Turns out there's some science to the art of engaging video advertising. Certain [creative choices lead to longer watch time](#). For instance, if you choose to show your brand in the first five seconds, the placement of the logo in the video ad matters: viewers respond better to a logo attached to a product versus a logo floating freely. People are also less likely to

“skip” funny ads or those that feature celebrities. [Creating less “skippable” advertising](#) by optimizing for longer views—better watch time—will get you better lifts in metrics throughout the consumer journey.

Question #2: How does shifting TV dollars to digital impact return on ad spend (ROAS)?

In addition to better understanding how YouTube moves consideration, favorability, and purchase intent, we wanted to see if advertisers could get a better ROAS on YouTube. To find out, we partnered with [MarketShare](#), a Neustar Solution, and used a method familiar to most brand marketers: media mix modeling (MMM). MMM provides insight into which channels are most efficient, and what results would look like if more media spend were shifted to those channels. By looking at average category media investments, here's what we found out:

*Data for all YouTube video ads, not just TrueView. Other data represented here is TrueView-only. Source: 2015 Google-commissioned Media Mix Optimization analysis powered by MarketShare DecisionCloud; includes 2012-2014 spend data provided by Kantar. While optimal recommendations typically allocated a substantial amount of media to TV, there was clear room for improvement on the allocated budgets.

Average Return on YouTube Ad Spend vs. TV



Answer #2: Your ROAS could be significantly higher on YouTube

Across the categories we looked at, brands were investing two-thirds or more of their media budgets on television. The MMM analysis suggests that should change. Moving some of that allocation over to YouTube can yield a higher ROAS—from 2X to 8.5X higher across the categories we studied.

At average spend levels, \$1 spent on TrueView in the action movie category generated 7X the box office revenue of \$1 spent on TV.

Higher return on ad spend is, needless to say, tied directly to increased revenue. In the same MMM study, we saw that reallocation to YouTube can have a significant impact on marketing-driven revenue. One category we examined was action movie tickets; at average spend levels, \$1 spent on TrueView generated 7X the box office revenue of \$1 spent on TV. For action movie tickets, a 20% shift of ad budget from TV to YouTube would have increased marketing-driven revenue by 25%.

Action #2: Use media mix modeling to see a better ROAS for online video

Consider using MMM to understand if you're underinvested in online video, and YouTube in particular. It may be that shifts will net a more positive ROAS. How does \$1 spent on YouTube compare to \$1 spend on TV for your brand when it comes to revenue?

At Google, we believe that if you [focus on the user, all else will follow](#). For brands, focusing on the user starts with mapping a consumer journey. And if YouTube plays a role at every stage of that consumer journey, it should follow that YouTube plays a role at every stage of a brand's media plan. As brands work to match their media decisions to consumer media decisions, they'll increasingly [meet people in the moments that matter](#)—and move the metrics that matter.

Sources

- 1 A "completed" view means watching at least 30 seconds, or in cases where ads were shorter, completing the entire ad.
- 2 Study of two isolated groups: exposed and control. Exposed group saw ad being measured. Control group saw another ad in its place.