

WEBREPUBLIC RESEARCH

YouTube branding in Switzerland

July 2016

**Joël Meier,
Senior Consultant
Display Advertising**





YOUTUBE BRANDING REPORT



YouTube masthead for SBB CFF FFS

CONTENT

Find out

- which months see the hottest competition for reach on YouTube – page 3
- how the spread between mobile and desktop is evolving – page 4
- which industries are the most active and which are still lagging behind – pages 5 and 6
- which weekdays offer the greatest potential for reach – page 7
- how the reach of mastheads has developed – page 8
- which YouTube ad formats succeed in reaching the target groups – page 9

METHODOLOGY

We have been monitoring masthead utilization on youtube.ch since Q3 2014. We gather data for all mastheads on youtube.ch using an automated script. We systematically evaluate the data collected and analyze utilization by season and weekday, along with segmentation by industry. This report focuses on developments over the last four quarters and compares them with the previous quarters.

YOUTUBE

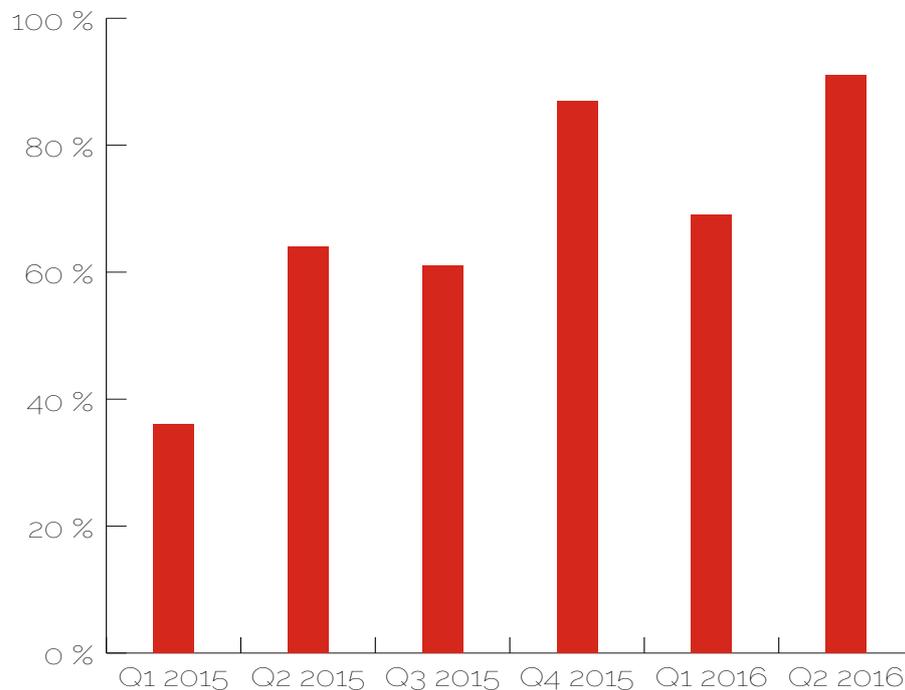
YouTube is the leading online video platform in Switzerland. 2.6 million unique users visit the site each month from their desktop alone, which corresponds to 46.6% of Switzerland's online population. However, these figures represent only a fraction of all unique users. We assume that about 50%-70% of YouTube use takes place on mobile devices.

ADVERTISING

For advertisers, the popular YouTube platform has evolved to become a highly lucrative advertising channel. YouTube visitors encounter advertising that enjoys a high level of acceptance. The masthead on YouTube has become a well-established branding instrument for achieving wide reach in addition to being attractive and effective. The mobile segment is the main driver of masthead traffic. About 75% of all masthead impressions are generated by sponsored videos on mobile devices.



UTILIZATION BY QUARTER



SEASONAL DISTRIBUTION

A look at seasonal utilization of the mastheads reveals that the advertising pressure on YouTube continues to grow. Ads generate a total of 4.3 to 5.5 million impressions per day on the youtube.ch landing page as well as on the mobile pages and apps. Since the beginning of 2016, record-breaking figures as high as 6.4 million impressions have been seen – 31% above the top figures in 2015.

EARLY BOOKING

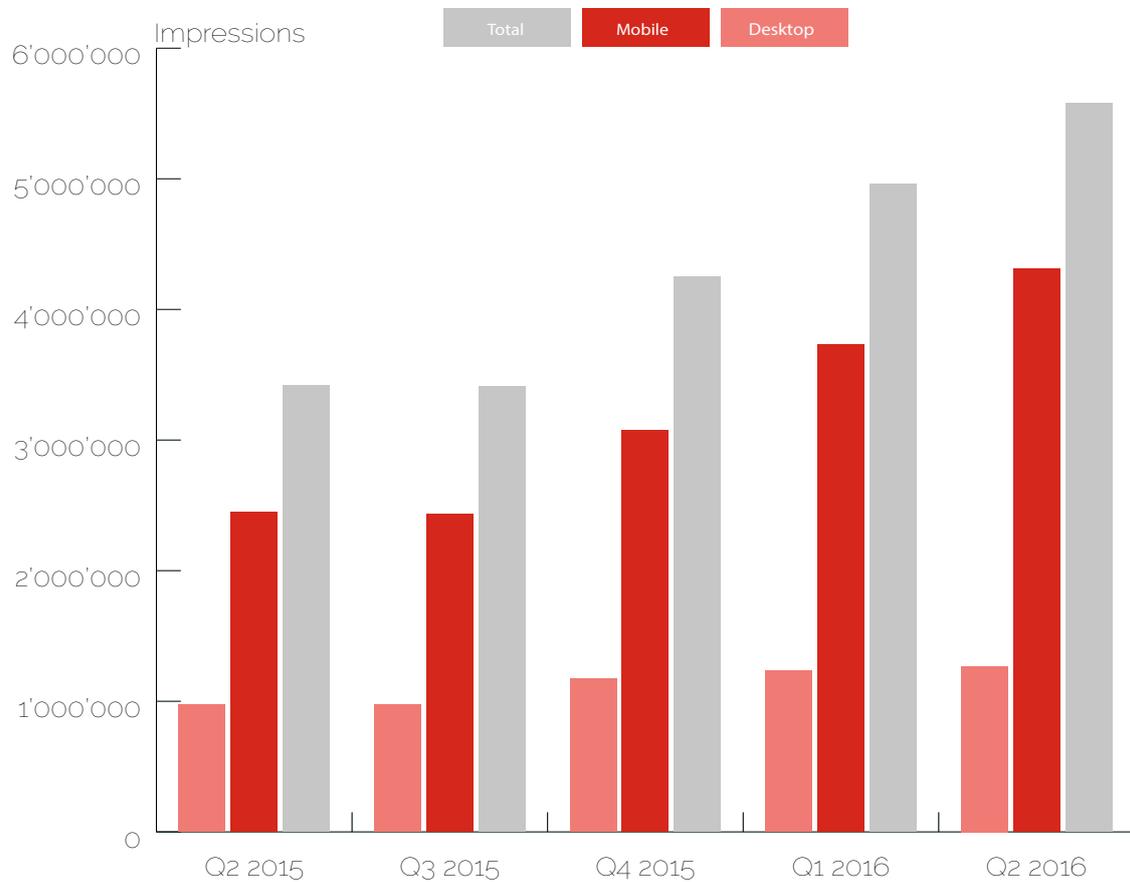
Compared with the same period in the previous year, the seasonal fluctuations in masthead utilization have declined considerably. Masthead utilization in Q3 2015 was 61%, a 5.7% increase on the previous year. A similar increase (6.7%) was also seen in Q4 2015, with masthead utilization at 87%. Masthead utilization in Q1 2016 leveled off at 69% – 95% higher than in the previous year! High growth figures compared with the previous year (45.61%) were observed in Q2 2016. The result of this increase is that masthead utilization leveled off overall in Q2 at 91%. It therefore pays for advertisers to plan and book mastheads early in the game and spread them out strategically over all quarters.



Advertising pressure has significantly increased over the previous year. The timely booking of mastheads is crucial to your success. It is not the 'early movers' who are beating the competition – it's the 'early bookers'.



MOBILE VS. DESKTOP



MOBILE DOMINATION

Mastheads continue to generate more impressions from mobile devices all the time. The mobile share at the end of 2014 was two thirds and continued to grow during 2015. In Q2 2016, more than three quarters of all masthead impressions were generated in the mobile segment. This trend is sure to slow down.

SUCCESS THROUGH VIDEO

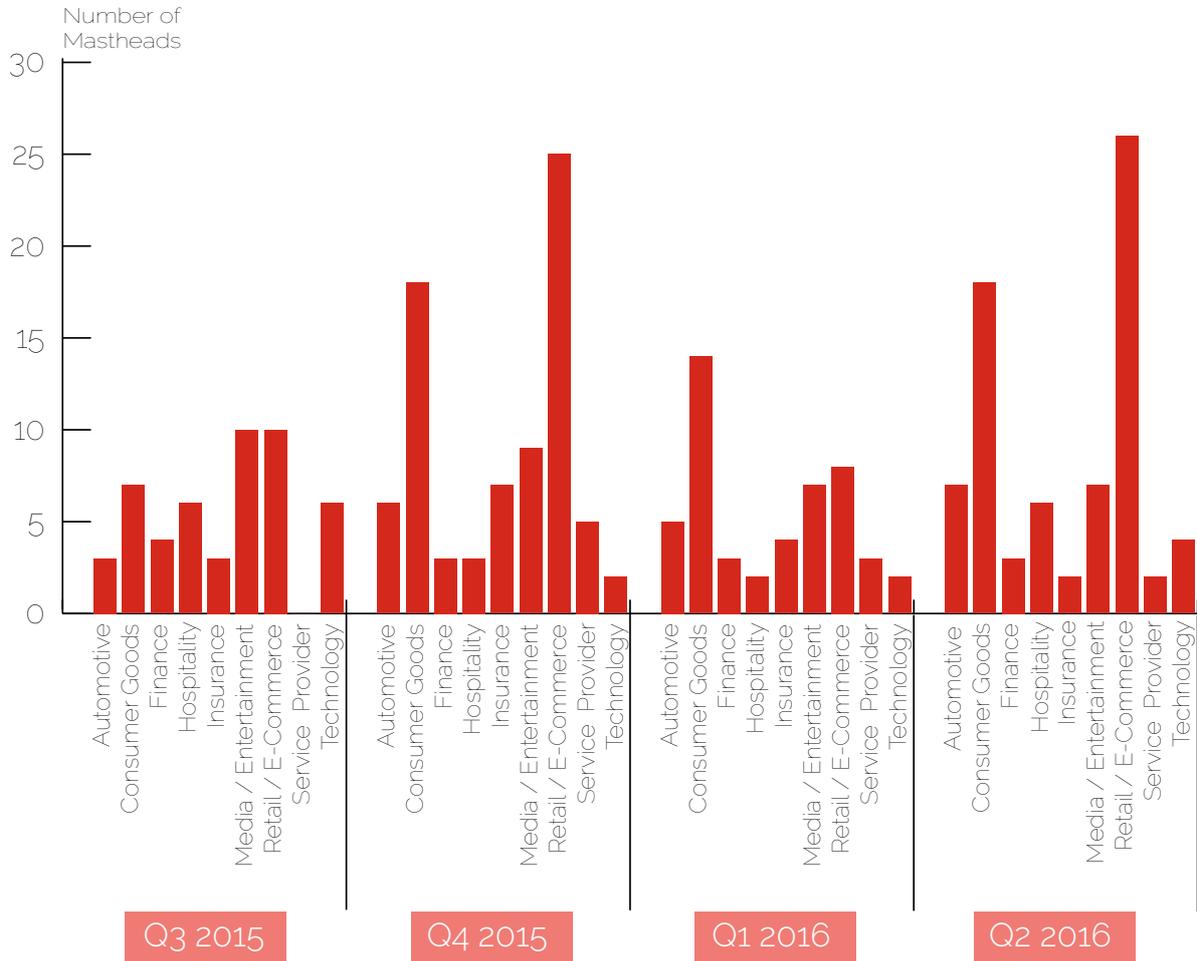
Mobile users see a campaign video instead of the masthead when they go to the youtube.ch landing page. Experience has shown that really well-made videos achieve impressive view rates of up to 40% – in other words, the quality of your video is critical to the success of your campaign.



Do you want to achieve lasting brand awareness among mobile users? Then invest in production of videos of outstanding quality!



ADVERTISING PRESSURE BY INDUSTRY (I/II)



ESTABLISHED INDUSTRIES

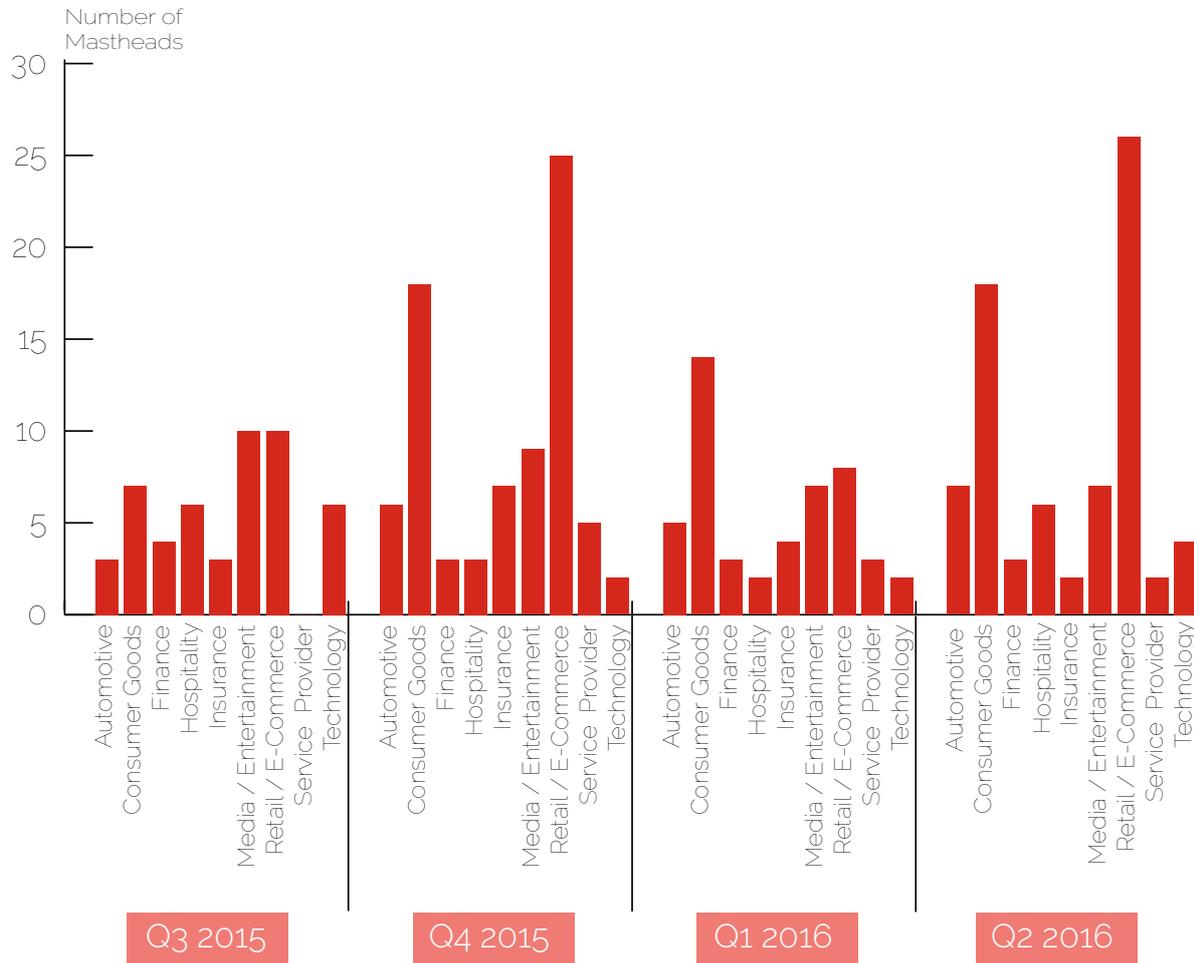
The breakdown by industry between Q3 2015 and Q2 2016 paints a very clear picture: while consumer goods were responsible for the highest level of advertising pressure in the previous year, now it's the retail/e-commerce sector. About 25% of all mastheads fall into this category; the figure for the previous year was 19.5%. The above-average advertising pressure is mainly due to the market entry of the online retail platform Siroop in Q2 2016. Siroop booked 11 mastheads in May 2016 alone.

The consumer goods sector shows the second highest level of advertising pressure at 21%, but this is 5% lower than in the previous year. For example, Nespresso has booked five mastheads since January 2016, making it one of the biggest spenders in terms of brand advertising on YouTube. And because many key players run online shops and benefit from online purchases, it's no surprise that digital advertising plays a disproportionately large role in both industries.



ADVERTISING PRESSURE BY INDUSTRY

(II/II)



NEW ALLIES

The media and entertainment industry has grown compared with the previous year and booked about 12% of all mastheads. Netflix alone booked 16 mastheads during the period under review. In the previous year, this industry was responsible for a miniscule share of advertising pressure (1.9%). In 2016, more and more traditional brands, which had previously held back on investment in digital marketing, are discovering the YouTube advertising formats. Consequently, we see that in addition to the well-known branding mastheads, product-specific mastheads are gaining a foothold as well. A rise in masthead bookings was also seen in the financial (+3.5%) and insurance (+1.5%) sectors.

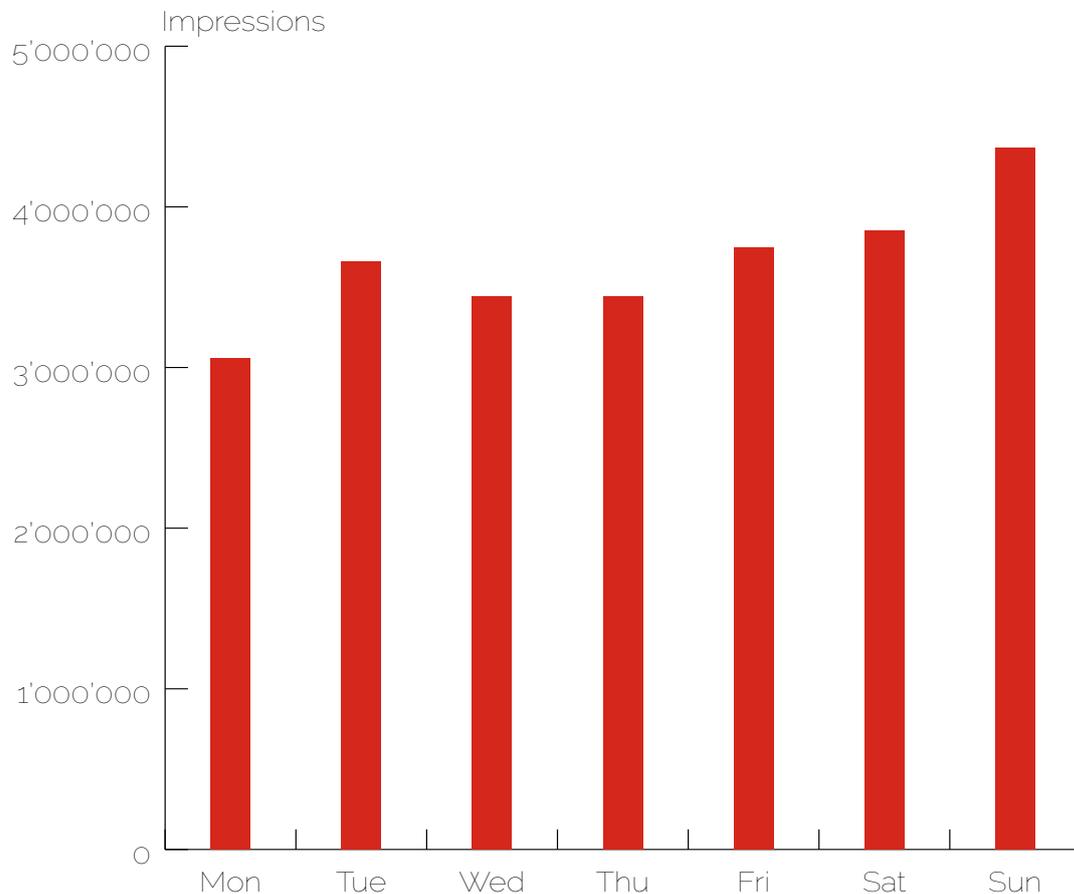
The automotive (7.5%) and tech (5%) industries remain roughly on par with the previous year. The food and drink sector showed a slight downturn and booked about 3% fewer mastheads than in the previous year. As they have not booked any mastheads, the banking, telecom, real estate, industrial, healthcare, energy, pharmaceutical and research sectors are still below average.



YouTube mastheads also pay off for traditional brands. Gain a market foothold for your top products through the effective deployment of mastheads and ensure a digital edge over the competition.



REACH BY WEEKDAY



BUSY SUNDAYS

YouTube mastheads achieve the greatest reach on Sundays, with the number of impressions generated at about 4.4 million, or 20% higher than the weekly average. The reach achieved on Saturdays dropped slightly in the yearly comparison and generated only 5.5% more impressions than the weekly average, putting it very close to the top weekdays. Monday is the quietest day of the week in terms of reach; it then increases overall through to Friday as the weekend approaches. Tuesday is an outlier, with figures on a par with Fridays. In other words, prices per contact are significantly lower on weekends than during the week. This is true both in the case of mobile and desktop.

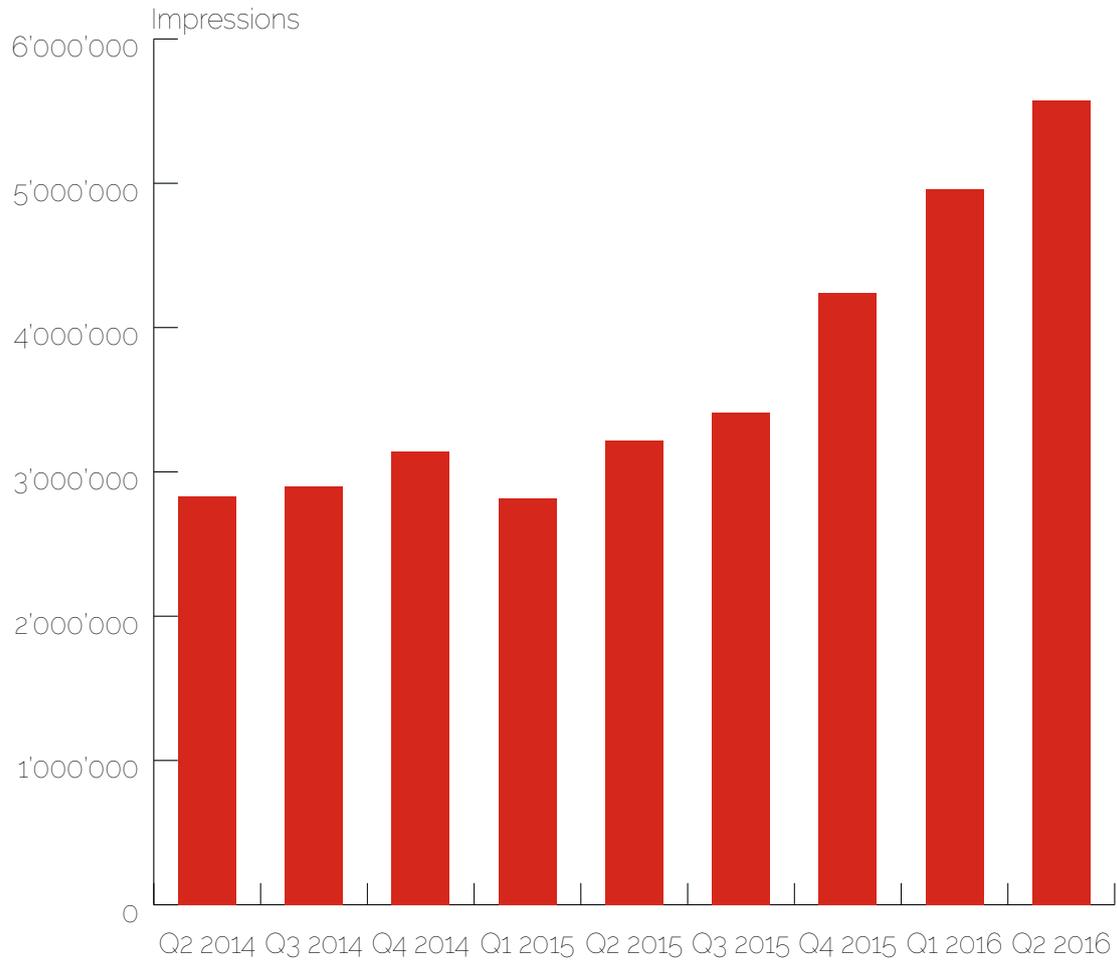
Since our most recent YouTube branding report, the competitive situation has heated up in Switzerland and the competitive pressure for high-reach days has increased significantly. Compared with the previous year, the absolute number of booked mastheads in Q1 2016 increased by 95% to 61 and in Q2 by 46% to 80.



Is reach essential to your campaign? Plan for the long term and capture the most high-reach days, such as Sundays, for your display campaigns.



REACH BY QUARTER



Reach is increasing continuously at 5.5 million impressions in Q2 2016 – more than 70% above the previous year's figure.



YOUTUBE IN SWITZERLAND

USER BASE

YouTube users are not only more online-savvy than the average user, they are also considered to be high-spending opinion influencers: 88% go online daily and 52% regularly share content with friends. Their online savviness is also reflected in their consumer behavior. The group shops online more frequently than average; the likelihood that they will purchase gadgets or electronics is 4.7 times above average, and the likelihood that they will be an early adopter of new products is 2.4 times above average. Many users use YouTube as a search engine in their everyday lives, which is why the platform is considered to be the second largest search engine on the web.

EXISTING AD FORMATS

YouTube offers five formats for reaching target groups:

1. Masthead: THE instrument for digital branding on Switzerland's most popular video platform. Mastheads are excellent for launching branding campaigns, achieving high levels of awareness and compiling remarketing lists.
2. TrueView InStream: Inexpensive preroll ads with high reach and skip function. Particularly well suited to presentation of new videos to a wide target group.
3. TrueView Discover (formerly TrueView InDisplay): Paid, clickable videos that are well suited to pushing longer and/or informative videos. Can have a powerful impact on YouTube search queries.
4. Bumper ads: Five-second TrueView ads that can achieve great reach at a low price per view.
5. InStream direct bookings: skippable or non-skippable in-stream formats booked either for the entire inventory or specifically in connection with the most frequently viewed videos in Switzerland.

NEW AD FORMATS

YouTube continues to focus increasingly on formats and features for performance marketing. Branding has long ceased to be the main goal of all YouTube campaigns.

1. Since the beginning of the year, for example, new formats were launched in InStream and TrueView for app downloads, and continuous improvements have been made to the shoppable formats launched in 2015, so that advertisers can advertise their products even more effectively on YouTube.
2. Improved info cards now allow users to access product information, websites or other videos directly. Thanks to the link with e-commerce feeds, selected products can be placed directly on YouTube video pages.
3. And 360° videos offer viewers an impressive way to experience videos. Countless brands have already experimented with this format with great results, and we expect to see more of this type of production in the coming months.



CONTACT AND IMPRINT

TEAM MANAGEMENT DISPLAY AND YOUTUBE ADVERTISING

Joël Meier,
Senior Consultant Display Advertising,
Webrepublic
Seefeldstrasse 233, 8008 Zürich
joël.meier@webrepublic.com
+41 44 542 94 10



TEAM BRANDING REPORT

Research
Simon Meier,
Consultant Display Advertising

Programming
Dorian Kind,
Senior Software Engineer

Concept and text
Simon Wüthrich,
Senior Communications Manager

Implementation
Natalie Schönbächler,
Marcom Manager

FREQUENCY

This report is published twice a year.

Webrepublic AG
office@webrepublic.com
www.webrepublic.com

Zurich office
Seefeldstrasse 233
8008 Zurich
+41 44 542 90 60

Lausanne office
Avenue de Sévelin 32a
1004 Lausanne
+41 21 545 50 18

