



The Value of Localized Video Advertising for
National Brands and Local Partners

INTRODUCTION

As digital video consumption continues to grow, both brands and local businesses are increasingly turning to digital video advertising. However, the advertising goals of brands and local businesses are not always aligned. Unlike their national counterparts, who are traditionally more focused on branding and affinity, local brand partners are focused on hyper-targeted audiences in their markets.

Utilizing brand-to-local marketing practices for digital video advertising campaigns can help both brands and local brand partners meet their needs. Leading brands will invest in technologies and platforms that encourage and enable their local stores, partners, and franchises to use digital video, alongside other digital channels. In return, these brands will receive new insights into street-level marketing and customer behavior.



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THE DIGITAL VIDEO LANDSCAPE

As the digital video landscape expands, the opportunity for advertisers to promote their products and services grows too. Unfortunately, with buzzwords like “over-the-top,” “in-banner,” “in-stream,” and “out-stream” floating around it can be difficult to know what it even means to run digital video advertising. The digital video landscape is vast but it doesn’t have to be impenetrable. Start small with the most common ad experiences, targeting methods, bidding strategies, and localization techniques; then test new things and iterate on what works.



Ad Experiences

On the most basic level, online video ads can be broken down into three main formats: in-banner, in-stream, and out-stream. New video ad experiences continue to emerge, but if you know the basics of these three then you’re ready to get started with digital video advertising.

In-banner

In-banner video is exactly what it sounds like - a video asset embedded into a traditional banner ad. The video can play automatically on page load or require user action to start. This format is used to create a more interactive banner ad experience. While these ads include a video asset, they are technically considered display ads and their placement is handled through a display network (e.g. Google Display network). These ads are treated just like any other banner ad on the market as long as the website has allowed in-banner video to run on their inventory. You may also see in-banner video classified as rich media.

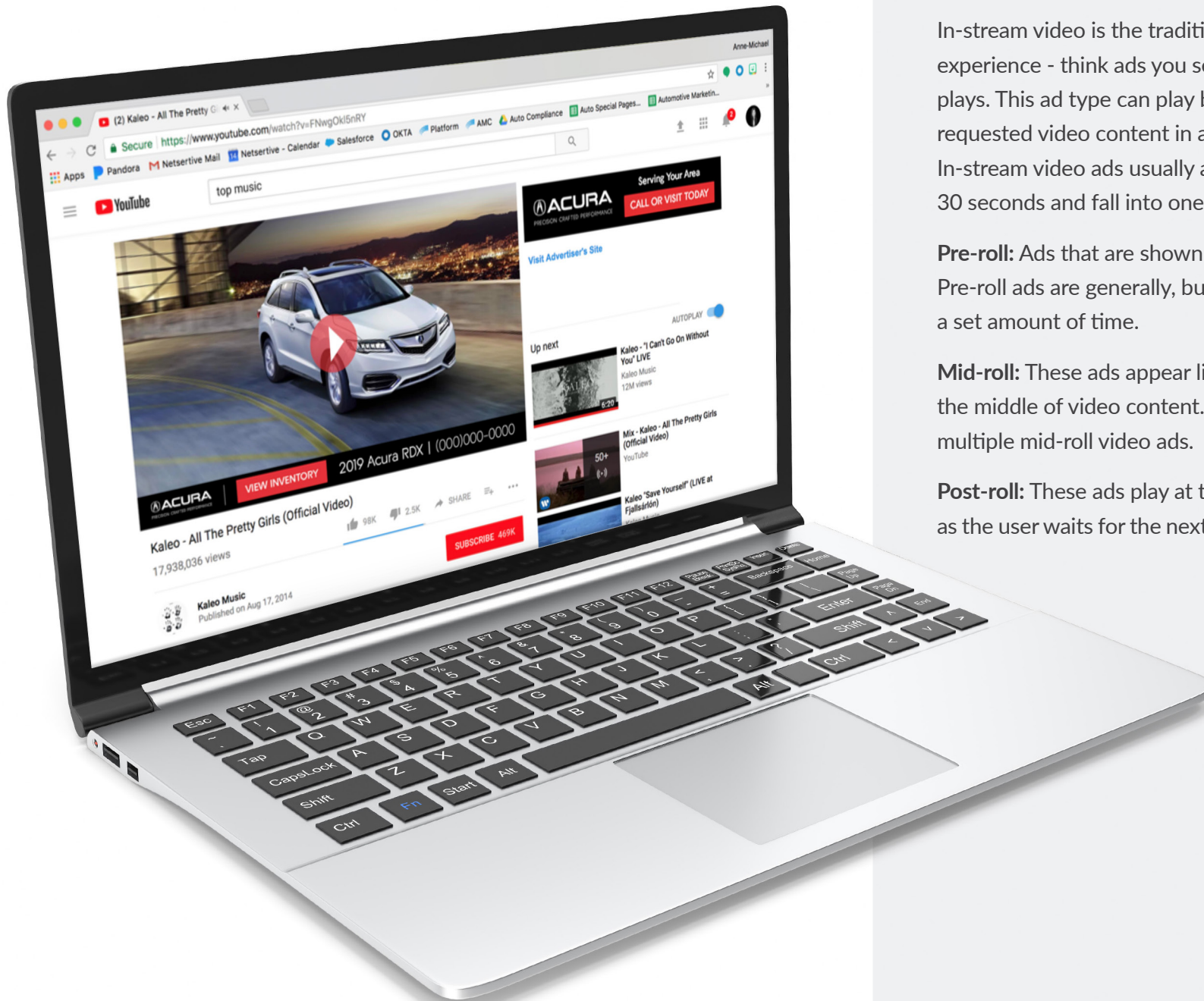
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Video Pushdown

A quick shoutout to video pushdown ads. This video ad type (like in-banner video) falls into the rich media display category. Video pushdown ads auto-expand upon page load and push down the page content to begin playing. The website can require the ad to retract after a set amount of time or leave it up to the user's discretion to close the ad. This ad type is used to give your ad's message more space without covering up the page's content.

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In-stream

In-stream video is the traditional digital video ad experience - think ads you see on YouTube before a video plays. This ad type can play before, during, or after the requested video content in a video player environment. In-stream video ads usually appear in durations of 15 or 30 seconds and fall into one of the following categories:

Pre-roll: Ads that are shown before the video content. Pre-roll ads are generally, but not always, skippable after a set amount of time.

Mid-roll: These ads appear like commercial breaks in the middle of video content. A single video may contain multiple mid-roll video ads.

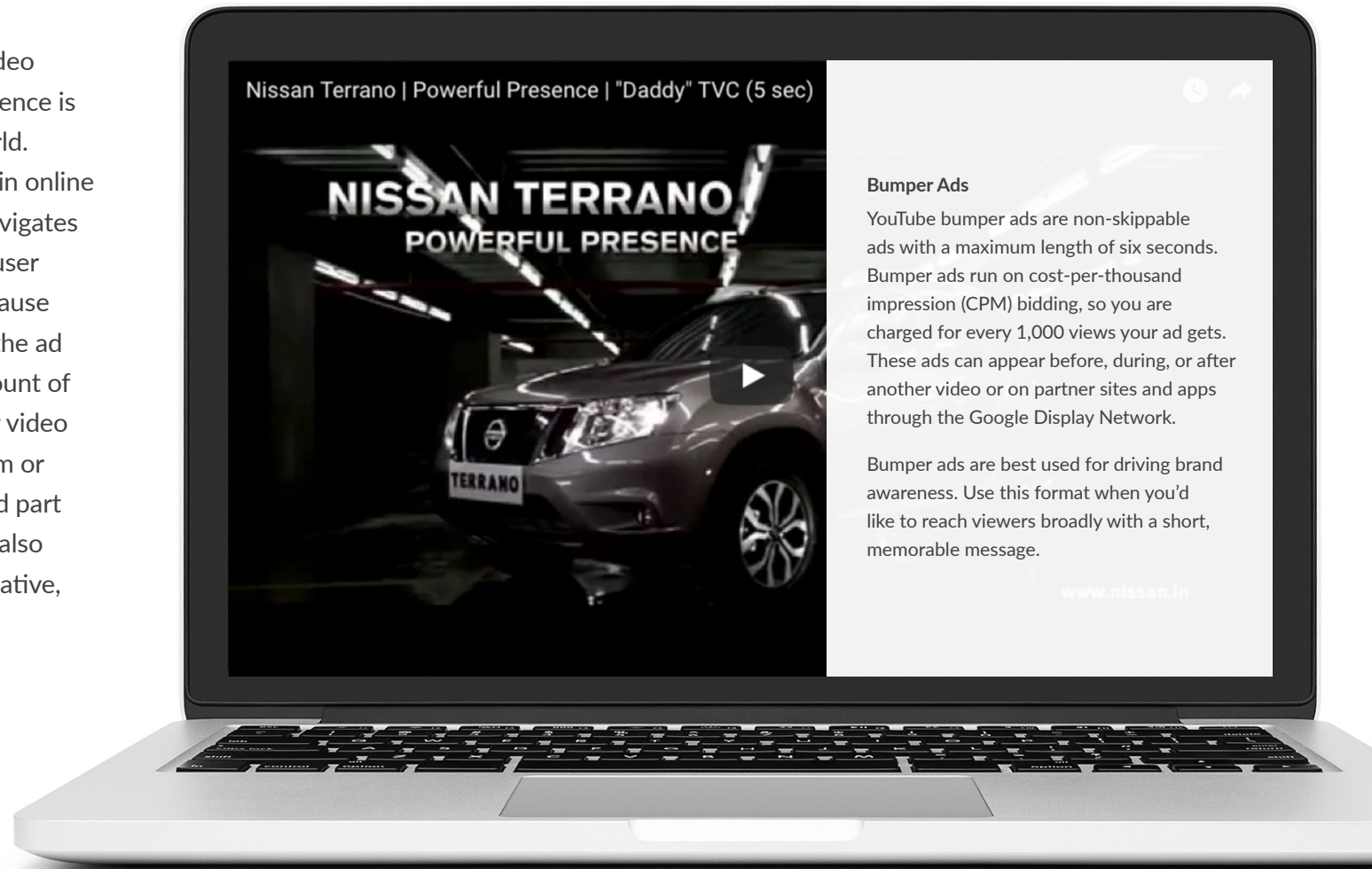
Post-roll: These ads play at the end of the video content as the user waits for the next video on the playlist to start.

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Out-stream

If you haven't heard of out-stream video you're not alone; this video ad experience is just catching on in the marketing world.

Out-stream ads typically appear within online articles and auto play when a user navigates to it. The ad stops playing when the user scrolls past it, which is important because an impression is only counted when the ad is playing, or visible, for a certain amount of time. It is still being debated whether video ads placed within a feed (on Instagram or Facebook for example) are considered part of the out-stream category. You may also see out-stream video referred to as native, in-content, or in-read video.



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Targeting

Targeting options for both live TV and digital video advertising can be separated into two main categories: audiences and content. However, the similarities in targeting ends there. While live TV provides broad stroke demographics and interests for a certain program or channel's potential audience, digital video allows advertisers to customize audiences at a much more granular and reliable level.

Advertisers can create their target audience from the ground up with demographic, geographic, and interest targeting, or they can utilize things like retargeting lists to reach people who have already shown an interest in their business. YouTube has the most extensive list of targeting options, but any digital video ad platform should allow you to get detailed with your targeting.

Audience Targeting

Audience targeting allows you to reach *who* you want to reach with your digital video ads.

Demographics: Target specific ages, genders, parental statuses, or household incomes. This is a good option if you already know the demographic profile of your ideal customer. For example, if your customer base is primarily 18-24 year old single females with a median income of \$50,000 you can develop that audience with demographic targeting.

Geography: Serve your ads to individuals in certain countries, cities, or by radius around a specific address. When conducting localized video campaigns it is highly recommended to add some type of geography targeting.

Retargeting: Reach people who have already visited your website or your content on other sites like YouTube. If you're using YouTube to serve your digital video ads (more on that later), you will also be able to target people who have commented or liked your videos or subscribed to your channel. Some platforms will list remarketing as a targeting option, this is just another name for retargeting.



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- **Interest Targeting (YouTube Only)**

In-market Audiences: These audiences consist of people who Google has determined are “in market” for a particular product or service based on their search and browser history. Google has a set list of in-market audiences to choose from which can be as broad as “Autos & Vehicles” or as specific as a particular car brand.

Affinity Audiences: Think of affinity audiences as people categorized into groups based on their hobbies and interests (identified from search behavior). Like in-market audiences, affinity audience categories are predefined by Google. For example, Do-It-Yourselfers are people who Google has determined enjoy doing projects themselves and Fast Food Cravers are people who really love eating fast food. It’s important to note that while these audiences are actively interested in a particular subject or topic, it doesn’t mean they are considering a purchase at this time.

Custom Affinity Audiences: Customize your audience by targeting interests, URLs, places, or apps to reach your ideal customer. This is literally a build-your-own affinity audience. It’s best to use this targeting option if you need to reach a customer group outside of what Google has already defined.

Life Events: Reach people who are having a significant change in their life like moving, graduating from college or getting married.

- **Similar Audiences (YouTube Only)**

This targeting option allows you to reach individuals who Google has determined are “similar” to your retargeting list based on their browser history. This puts your ad in front of more people with similar interests and characteristics to your retargeting list that are likely to be interested in your products or services.



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Content Targeting

Content targeting lets you choose *where* you want your ads to show and where you reach your target audience.

- **Placements:** Pick the channels, videos, apps, or websites where you want your video ads to be served by selecting the relevant URL.
- **Topics:** Choose to show your ads on channels, videos, or websites that relate to a particular topic. There is usually a set list of topics, broad and specific, that you can choose from like “Auto & Vehicles,” “Health,” or “College Sports.”
- **Keywords (YouTube only):** Keyword targeting shows your ads with videos or channels that have tags similar to your chosen keywords and to users who are interested in those keywords. This keyword match is a similar process to what happens with Google Search keywords.

Excluding Audiences

Keep in mind that some targeting options allow you to exclude groups based on their characteristics too. For example, if you were promoting a spring break travel package you would want to exclude individuals who just graduated from college (Life Event targeting) since they aren’t likely to be interested. Test targeting combinations with both exclusions and inclusions to reach your ideal audience and use your marketing spend where it earns you the best value.



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Creative Localization

How do I localize ad creative for multiple locations?

You can take one of two approaches to localizing creative assets for a digital video campaign. The first option is to repurpose local TV spots from each of your locations. The benefit of this method is that local TV spots are typically the right length and contain enough information about the individual location that nothing additional needs to be added. The drawback is that the final campaign can lack a uniform brand look and message across locations.

The second approach is to take a brand-level digital video or TV spot and add unique localization components to create different versions for each of your target markets. Creative localization components can include an overlay, companion banner, end card, and/or CTA. This option takes more work to customize but provides a consistent brand look and feel while delivering on localization needs.

Example: Netsertive's Localization Approach

Netsertive has extensively tested the second approach, using our unique technology capabilities to add a multi-component localization set to brand-approved video assets. This helps us drive maximum visibility for local brand partners while maintaining a consistent and compliant brand message. Netsertive's localization set includes:

- A call to action **overlay banner** that appears at the bottom of the video ad with the local store's logo and contact information.
- An **end card** that appears in the final seconds of the video ad with an additional call to action, the local store's logo, and contact information.
- For YouTube campaigns, a **companion banner** is added and appears to the right of the video. This banner persists even when the ad is skipped or completed and contains the local store's logo, contact information, and call to action.



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Campaign Localization

Geography Targeting

We've already talked about geography targeting, but it's worth noting again as we discuss campaign localization. Depending on the saturation of the market in different areas, you may need to tweak your targeted radiuses or locations to make sure campaigns for different stores aren't overlapping. It's also important that the campaign radius is reasonable. It's unlikely that a customer will travel 50 miles to purchase a new washer and dryer, but they might travel 15 miles if there are no closer locations.

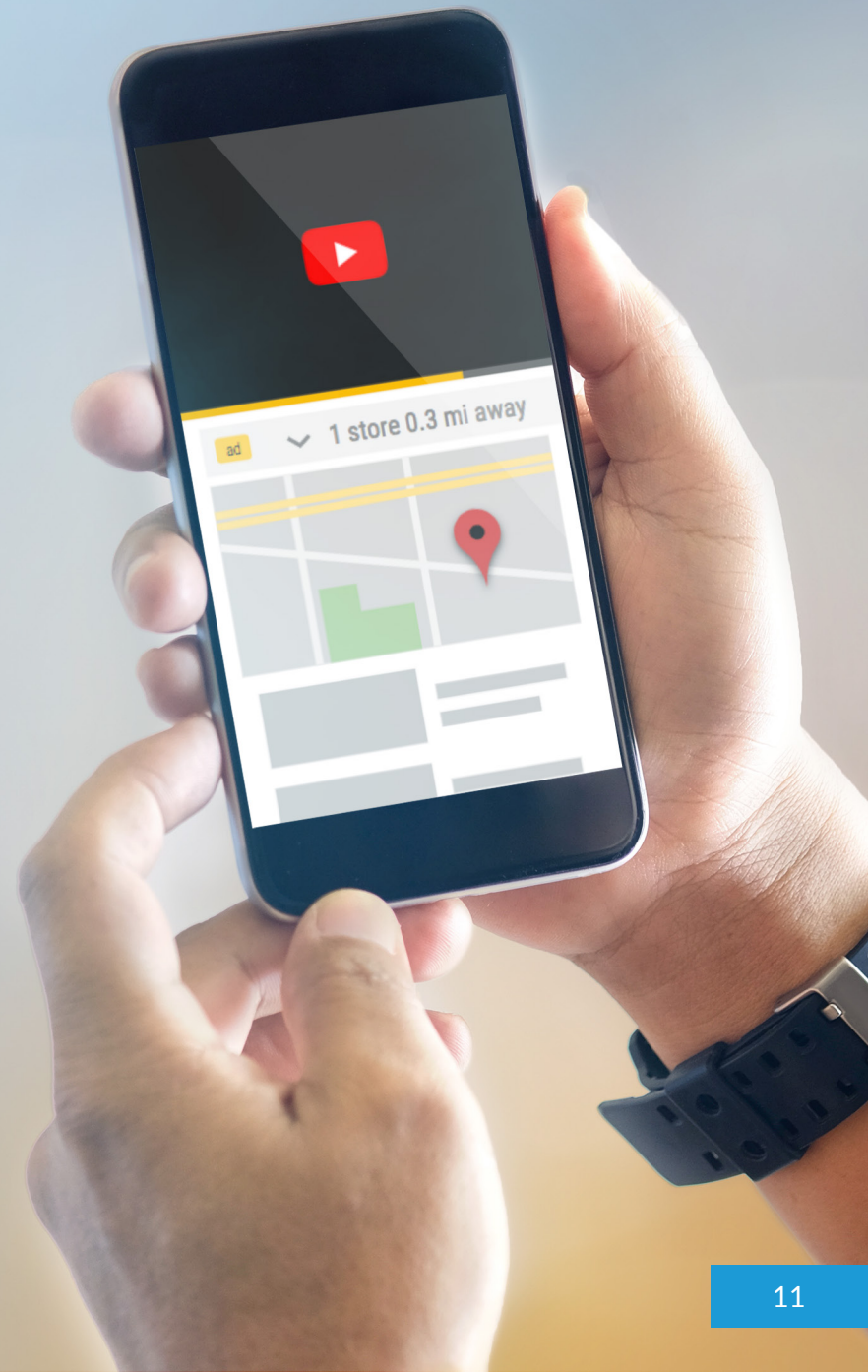
Budget Considerations

We will talk more about campaign bidding in the next section, but location should always be a factor as you choose a budget for your digital video advertising campaigns. The size of a market can impact the amount of money you need to reach a certain percentage of the market. You should also expect to pay more in larger markets as you bid against competitors for keywords and placements.

Location Extensions

AdWords location extensions are an extension type you can utilize for YouTube video advertising campaigns. Location extensions appear as a drop down option below the ad while it's playing. When consumers watch an ad with an active location extension they will be able to get directions, call the local store, see open hours, read reviews, and navigate to the location's website.

Information that appears in the location extension is pulled directly from the location's Google My Business account. Make sure that the information in Google My Business is up to date before enabling this extension.



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Setting Your Spend: Video Campaign Bidding

When you purchase an advertisement on television, you pay the cost of that ad time regardless of the outcomes the ad delivers. Digital video advertising bidding takes a more outcome based approach and allows you to bid based on reach or valuable consumer actions. You only pay for an ad when the goal you bid on has been achieved whether it be a click, view, conversion, or certain number of viewable impressions.

Cost-per-view (CPV) and cost-per-thousand (CPM) are the most common bidding types but different digital video platforms offer alternative bidding options as well.

- **Cost-per-thousand (CPM):** CPM may feel like the most comfortable bidding type when you get started with digital video advertising because it is the most similar to TV ad cost. The goal of this bidding option is to get your ad in front of as many people as possible regardless of how many actually watch the whole ad or interact. You pay only when your ad earns 1,000 viewable impressions (the M comes from the roman numeral for 1,000). The most you will pay is your chosen CPM bid, but the actual cost will likely be less.
- **Cost-per-view (CPV):** Unlike CPM bidding, CPV bidding focuses on getting as many completed views as possible. This is especially useful on platforms like YouTube that offer the option to skip ads after five seconds. With CPV bidding you'll only pay when a user watches 30 seconds, finishes your ad (whichever comes first), or interacts with your video. An interaction in this case is something like clicking on a call-to-action overlay or companion banner. Your bid in both cases is the maximum amount you are willing to pay for each completed view or interaction.

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Attribution

Although traditionally thought of as an awareness channel, digital video advertising is versatile enough to deliver results across the marketing funnel. Depending on the ad format you choose, your campaign will be optimized for a particular goal (impressions, views, clicks, or conversions) but you will have a host of additional metrics at your fingertips too.

Awareness

- **Views:** The number of times that an ad was viewed. Depending on the ad network, this metric could mean different things. Make sure you are clear on whether a view is reported after a certain number of seconds watched or after some other user action.
- **Impressions:** The number of times your ad was shown.
- **View Rate:** The number of times your ad has been viewed divided by the number of ad impressions.

This metric is a bit of a hybrid between awareness and consideration because, depending on the audience, a consumer could already be acquainted with your brand and/or considering a purchase.

- **Cost-per-view (CPV):** The average amount paid for each completed view or interaction. This can be a bidding strategy or simply a tracked metric.
- **Cost-per-thousand (CPM):** The average cost for each 1,000 ad impressions. This can be a bidding strategy or simply a tracked metric.



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Consideration

- **Clicks:** The number of times a user clicks on an element of your video ad (companion banner, overlay, or other linked component) that takes them to an external destination.
- **Click-through rate:** The number of clicks your ad receives divided by the number of impressions the ad received. The quality of this metric is good way to determine whether your clickable elements and call to actions are compelling enough or if alternatives should be tested.
- **Time on site:** The amount of time someone who came from a video ad spent on the destination website. This metric is a good way to gauge the quality of your target audience and the relevance of your destination URL. If the time on site is long, then your ad is reaching people who have an interest in your product or service and is directing them to useful content. Alternatively, if the time on site is low then your target audience probably isn't finding what they are looking for when they click through to your website.

Decision

- **Conversions:** The number of people who completed a desired action, whether that be a phone call, form fill, or something else that you have defined as valuable. This conversion action can be defined in Google Analytics regardless of whether your video advertising campaign is running on YouTube or another platform.
- **Calls:** The number of people who called the business after seeing the video advertisement. This metric is available only if you utilize call tracking that attributes calls to different marketing campaigns. If calls are a major goal for your marketing campaigns, you should invest in call tracking so that you can determine true ROI.



DIGITAL VIDEO VS. TV ADVERTISING: WHERE TO PUT YOUR MARKETING DOLLARS

A person's hands are visible holding a smartphone mounted on a small tripod. The phone's screen shows a video recording interface with a red dot in the corner. In the background, a laptop and a spiral notebook are on a desk. The overall scene is softly lit, suggesting an indoor workspace.

A study conducted by eMarketer projects that ad spending on digital video will see substantial growth over the next few years. Meanwhile, ad spending on TV will decrease for the first time since 2008, indicating a true shift toward digital video as an advertising channel. What does this change mean for businesses that are heavily invested in TV advertising? How can brands compare the two channels and assess the impact of a switch from one to the other?

Awareness Campaigns on TV vs. Online

As the world's number one video platform, YouTube is a natural place to start experimenting with digital video advertising. Recently, they reported a staggering [1.8 billion logged-in viewers each month](#), up from 1.5 billion logged-in viewers in mid-2017.

In addition to the benefit of access to this massive audience, the barrier to entry with YouTube is lower than some other digital video platforms. YouTube advertising campaigns are run directly from AdWords (the same platform that runs Google Search) making it much easier to add on to your current digital marketing strategy. Let's review a few of the top reasons to invest in YouTube advertising.

DIGITAL VIDEO VS. TV ADVERTISING: WHERE TO PUT YOUR MARKETING DOLLARS

High Visibility

Over [one billion hours](#) of YouTube videos are watched daily around the world. That's a whole lot of time for you to promote your brand-to-local audiences. Paired with premium targeting capabilities and metrics, this provides a big opportunity for you to grow brand awareness and drive business goals. Not to mention, with [ad formats](#) like YouTube's TrueView in-stream, your brand will get exposure through a companion banner even if your video ad is skipped.



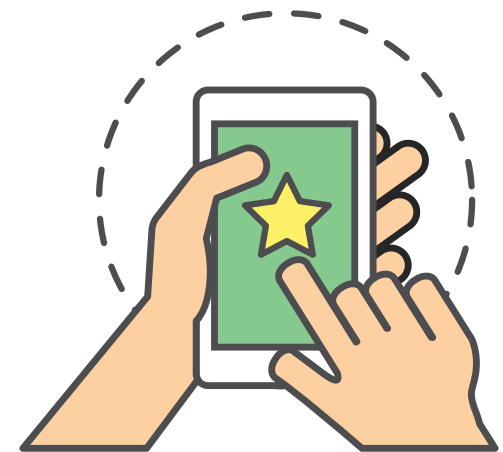
Detailed Targeting Capabilities

YouTube has a robust set of [targeting capabilities](#) so you can ensure your marketing campaigns are served the right people. With live TV, you are only able to target customers in broad demographic and interest categories based on what they typically watch. YouTube interest targeting options like affinity and in-market audiences takes your ability to reach your ideal customer to a new level by gaining real-time insights from user searches.



Robust Metrics

TV advertising success is most often measured by Gross Rating Point (GRP), which reports impressions as a percentage of the target population. YouTube advertising provides reporting on impressions too, but pairs that information with a host of other metrics that help a brand or individual location determine success. You can choose your key performance indicators from things like view rate, click-through rate, video played percentages, watch time, cost-per-view, search lift, and more.



DIGITAL VIDEO VS. TV ADVERTISING: WHERE TO PUT YOUR MARKETING DOLLARS

How to Shift TV Dollars to Digital Video

If you're worried about taking the leap to digital video you don't have to start with a big commitment. Take 10% of your current TV budget and use it to test a YouTube campaign for some of your locations. We recommend YouTube as a good place to start because it runs from AdWords, has the widest variety of targeting, and delivers the most in-depth metrics.

If even that 10% budget seems a little scary, do some quick math in advance to compare your current TV ad buy to the impact of a YouTube campaign.

The goal for any awareness campaign is to reach 75% of your audience three times. In terms of TV ad buys, this is the equivalent of 225 Gross Ratings Points. In order to determine the YouTube investment needed to achieve the equivalent of 10% of your GRP, do the quick math:

225 GRP x the Universe Estimate for your Market Size (from Nielsen)	=	Number of Gross Impressions
Number of Gross Impressions x 10%	=	Number of Impressions shifted to YouTube
YouTube Impressions/1000 (converting impressions into 000s) x \$10 (avg. CPM on YouTube)	=	Required YouTube investment

Example: Raleigh, NC Designated Market Area TV Buy*

225 GRP x 1,000,000	=	225,000,000
225,000,000 x 0.10	=	225,000
225,000/1000 x \$10	=	\$2,250

**This Designated Market Area value is made up for ease of the example. Consult the inside front cover of your Nielsen book for the Universe Estimate for your specific DMA.*

Is the investment required for YouTube actually less than 10% of your TV ad budget? If so, this means that YouTube will get you a bigger bang for your advertising buck than TV. If not, take into consideration that Gross Rating Points don't really tell you much about how your campaign actually performed. With YouTube you'll be able to see clear return on investment through the metrics that matter to you most.

DIGITAL VIDEO VS. TV ADVERTISING: WHERE TO PUT YOUR MARKETING DOLLARS

Where Does Digital Video Fit in Your Marketing Mix?

Digital video is typically talked about as a great awareness tool, but that's not the only place where brands and local stores can find value from this channel. With platforms like YouTube, you can use a combination of targeting to make your campaigns deliver results across the marketing funnel.

	Click-Through Rate	View Rate	Cost-Per-View (CPV)	Conversions	View-Through Conversions*
Affinity	0.10%	58%	\$0.02	7	1
In-market	0.08%	40%	\$0.04	22	5
Remarketing	0.18%	39%	\$0.05	14	23

**A view-through conversion is when someone views your YouTube ad and then comes to your website later (through a different channel) and performs an action you deemed valuable. View-through conversions can be thought of as the campaign assisting a conversion.*

Netserive conducted extensive testing to determine the best targeting options for our customers based on key outcomes. We found that each targeting type achieved better results for goals aligned with different phases of the marketing funnel. This means that, when executed correctly, a YouTube campaign with a mix of targeting could drive results across the marketing funnel. Here's an example:

Awareness: Affinity Audiences

- The awareness stage is about reaching as many people as possible to spread brand recognition and give them a high-level understanding of your products and services. In our tests, affinity audiences consistently had the highest view rate (58%) at the lowest cost, making it a natural fit for the awareness stage. This makes a lot of sense since affinity audiences are groups that Google has categorized based on their interest hobbies. If you pick the right affinity audience for your business, those individuals should be the most likely to watch your ad since they have an interest. However, they aren't necessarily ready to make a purchase or take any consideration and decision actions.



DIGITAL VIDEO VS. TV ADVERTISING: WHERE TO PUT YOUR MARKETING DOLLARS

Consideration + Decision: In-Market + Retargeting

- In the consideration and decision stages you want to influence a consumer's decision and drive them to action. In-market audiences and retargeting work together to drive conversions and push consumers from consideration to decision. Retargeting delivers the highest click through rate of any targeting method and both options drive conversions (whether traditional or view-through). Both audiences are either familiar with your specific brand or are in the market for something that your brand provides, making them high-intent consumers. However, you won't always know where exactly in the consideration and decision stage the consumer is so pairing these targeting types together to deliver results can be a good option.

There are many targeting combinations that you can experiment with to achieve optimal results but that's part of what makes digital video advertising so exciting. The vast amount of targeting capabilities and metrics available make customizing campaigns to meet your business needs highly achievable.



HOW BRANDS CAN UTILIZE LOCALIZED VIDEO CAMPAIGNS

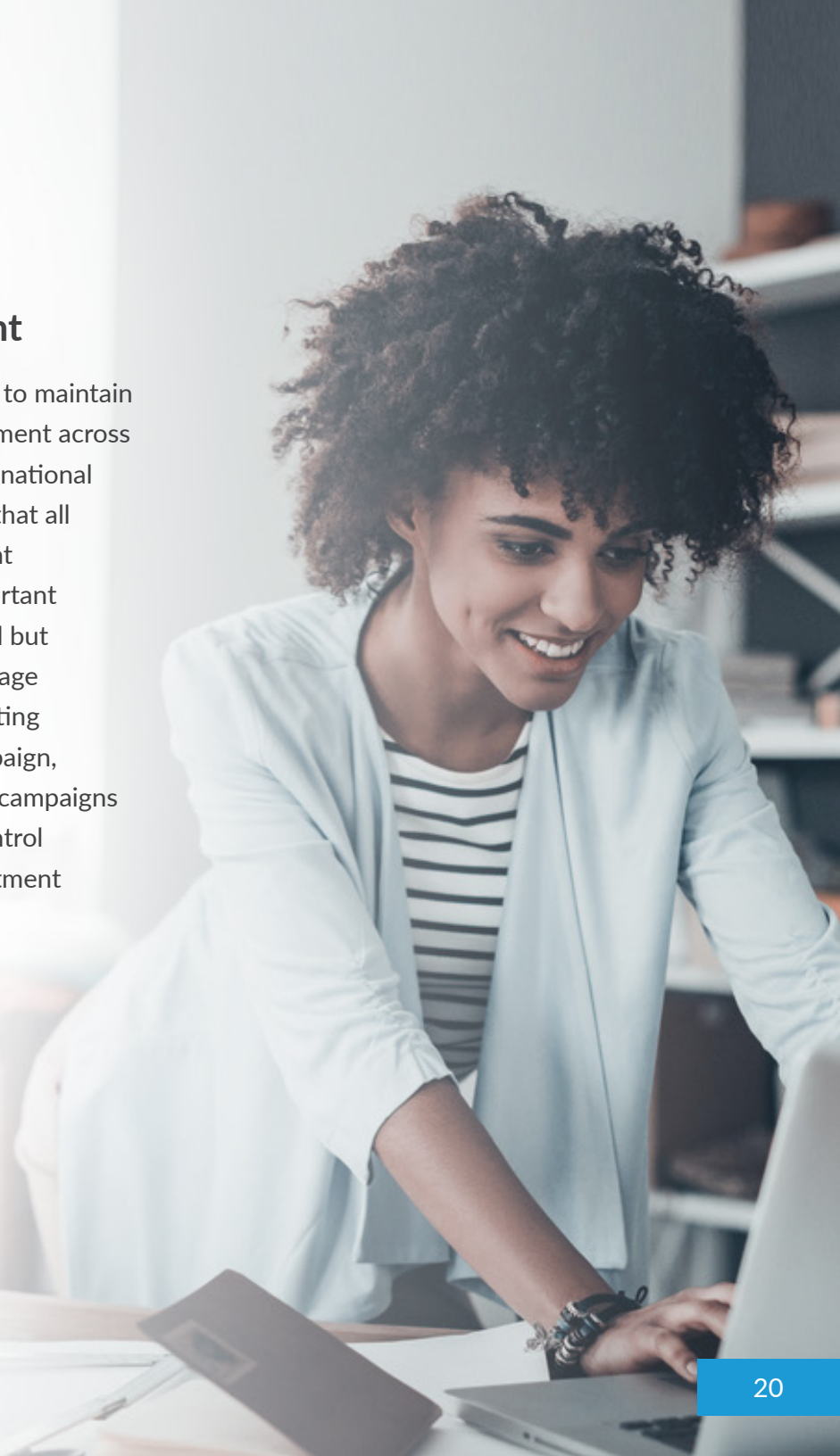
By now we've discussed all aspects of launching a localized digital video from a targeting, bidding, creative, and tactical perspective. Now, let's explore when and why you might choose to implement a brand-to-local digital video campaign for your brand or take advantage of a localized campaign for your local store.

Local Awareness

This is the most common reason why a brand would choose to invest in a localized video campaign. Large brands can struggle with giving off a feeling of accessibility and familiarity that consumers get from their local stores. Localized video campaigns can help with this by letting consumers know which of their local stores carry your brand so that those products and services feel more available. For the local store, this type of campaign can make them more attractive to consumers who have an interest in the brand. Overall, you are making the connection between national brand and local store stronger.

Brand-to-Local Campaign Alignment

As a brand, it can be difficult to maintain a consistent image and alignment across marketing campaigns on the national and local level. Making sure that all local campaigns are compliant with brand standards is important not only to protect the brand but also to maintain a clear message for consumers. By implementing a localized digital video campaign, brands can tie their national campaigns to local stores and better control incremental marketing investment with marketing development funds, co-op programs, and other brand-retailer marketing partnerships.



HOW BRANDS CAN UTILIZE LOCALIZED VIDEO CAMPAIGNS

Address Soft Demand

Interest and demand can vary widely for products and services across regions and even between neighboring cities. When brands rely on national campaigns alone there is an assumption that dollars spent in one region are as valuable as dollars spent in another region - which isn't always the case. By implementing a localized digital video strategy, brands can analyze regional and local differences in demand and adjust their media strategies accordingly. Brands will also have the flexibility to vary messaging in different geographies to address soft demand.

Product Launches and Store Openings

Product launches and store openings in new markets are a unique use case where you might consider employing a localized digital video campaign. The results of the localized campaign will allow you to get market feedback by region or location so you know where to further invest brand funds or where significant changes need to be made for a new product or store can be successful.





Netsertive is a marketing technology company that enables brands, publishers, and local businesses to reach customers online, at scale. Netsertive's platform and services coordinate messaging, brand experience, and performance across all digital channels to drive awareness, consideration, and sales. Netsertive is headquartered in Raleigh, NC, with an office in Seattle, WA. For more information visit netsertive.com.