

# YouTube Advertising Case Study

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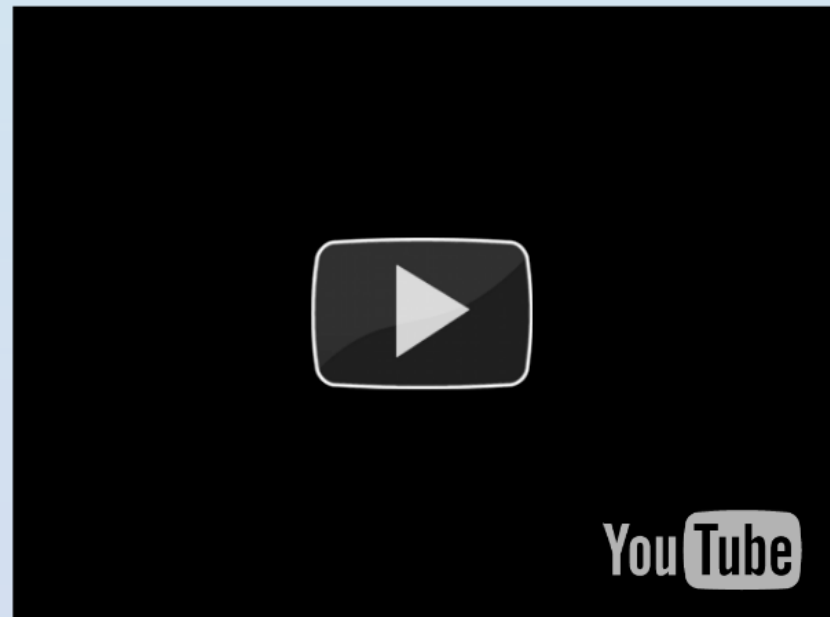
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# Intro

- TV versus YouTube
- Growth of YouTube
- Advertizing
  - Average cost: 0.10-0.30
  - Wide Audience
  - YouTube TV
- Outline
  - How TV Advertising works
  - How YouTube Advertising works
  - Brands On YouTube
  - Brand Following



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## How TV Advertising Worked

- **Buying TV ad space** in the US
- **Measuring** size of the **audience**
- **Targeting** TV ads
- **Evaluating** the effectiveness

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# How YouTube Advertising Worked

- **Types of YouTube Channels**
  - Standard user channel
  - Brand channels
  - Custom brand channels
- **Advertising on YouTube**
  - Non-video format
  - Video format
    - Non-skippable
    - Skippable

YouTube advertising formats

In Display Ads



In Stream – Skippable Ads



In Stream – Non Skippable Ads



Overlay Ads



Sponsored Cards



Shoppable Ads



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# Brands On YouTube

## Two types of brand-related content

- Content that brands created themselves
- User-Generated Content (Hauls, Vlogs, Beauty videos...)
  - *2013 - 34,000 haul videos/month*

**Brand's experience:**

**Table A** Averages for Top 100 Brands on YouTube

|                      |        |
|----------------------|--------|
| Channels             | 13.8   |
| Videos per channel   | 187    |
| Views per video      | 37,000 |
| New videos per month | 80     |

Source: Pixability, *The Top 100 Global Brands on YouTube*, August 2013.

# Brands On YouTube

Exhibit 5 Top-Three Brands in Each Category by YouTube Subscriber Count

| Industry                             | Technology          | Auto      | Apparel           | Beauty & Personal | Food & Beverage | Education           | Retail       |
|--------------------------------------|---------------------|-----------|-------------------|-------------------|-----------------|---------------------|--------------|
| <i>Average number of subscribers</i> | 62,000              | 29,000    | 38,000            | 17,000            | 56,000          | 15,000              | 18,000       |
| 1 <sup>st</sup>                      | Google (Developers) | Audi      | Nike (Football)   | Old Spice         | Red Bull        | Stanford University | Sephora      |
| 2 <sup>nd</sup>                      | HTC                 | BMW       | DC Shoes          | MAC Cosmetics     | Pepsi           | UC Berkeley         | Tiger Direct |
| 3 <sup>rd</sup>                      | Sony (Xperia)       | Chevrolet | Victoria's Secret | L'Oréal Paris     | Coca-Cola       | Harvard             | Lego         |

Source: OpenSlate, Top 500 Brands on YouTube, April 2013, <https://www.openslatestudios.com/>.

## GoPro

- At least 6,000 GoPro-tagged videos are uploaded to YouTube every day.
- 3.2 million subscribers = one of the leading brands on YouTube.
- 388 videos from the athletes sponsored by GoPro have garnered more than 50 million views each on YouTube.

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# Would Brands Follow YouTube

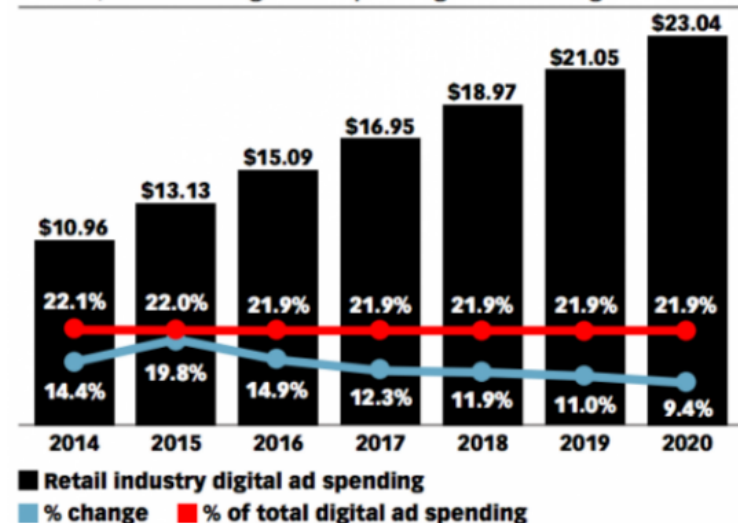
- YouTube has the opportunity to attract audience away from television through techniques of both differentiation and consolidation.

There are some challenges in doing so for YouTube...

- YouTube ads expensive in comparison to television; priced at \$15-20 per thousand viewers vs. \$10 for television.
- TV well-established and trusted by advertisers
- The clear opportunity in YouTube's model is its significant influence over the youth market who are increasingly important.

Yes, likely brands will use YouTube increasingly but not necessarily as a replacement for Television.

**US Retail Industry Digital Ad Spending, 2014-2020**  
billions, % of total digital ad spending and % change





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