



Enhancing Video Completion Rates in Programmatic Advertising: A Strategic Approach

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ABSTRACT

Video Completion Rate (VCR) is a critical metric in programmatic advertising, significantly impacting brand engagement and return on investment (ROI). As advertisers shift towards programmatic video advertising, understanding and optimizing VCR is essential to maximize viewer engagement. This paper explores the factors affecting VCR, outlines strategic approaches to improve VCR, and provides case studies of successful campaigns. By leveraging creative optimization, precise audience targeting, frequency capping, retargeting, and strategic ad placement, advertisers can enhance their VCR and achieve better campaign outcomes.

Keywords: Video Completion Rate (VCR), programmatic advertising, creative optimization, audience targeting, frequency capping, ad placement, ROI.

INTRODUCTION

In the evolving landscape of digital advertising, programmatic video advertising has become a dominant force. With the rise of Connected TV (CTV), Over-the-Top (OTT) platforms, and mobile video consumption, advertisers increasingly rely on programmatic channels to deliver video ads to targeted audiences. Video Completion Rate (VCR) — the percentage of viewers who watch a video ad to its completion — is a crucial metric for evaluating the success of these ads.

VCR not only reflects viewer engagement but also serves as a proxy for ad quality, relevance, and placement effectiveness. A high VCR indicates that the ad resonates with its intended audience, leading to better brand recall and a higher likelihood of conversion. Conversely, a low VCR suggests a disconnect between the ad and its audience, resulting in wasted ad spend and reduced ROI. Therefore, understanding and optimizing VCR is essential for advertisers seeking to maximize the impact of their programmatic video campaigns.

This paper provides a comprehensive analysis of the factors affecting VCR, explores strategies to improve it, and presents case studies that demonstrate effective practices.

FACTORS AFFECTING VIDEO COMPLETION RATES

Several factors influence VCR in programmatic advertising. Understanding these factors is critical for advertisers to develop effective strategies to enhance viewer engagement:

1. Platform Type:

Different platforms offer varying levels of engagement. For example, Connected TV (CTV) and Over-the-Top (OTT) platforms generally have higher VCRs due to their immersive viewing experiences. Meanwhile, mobile and desktop platforms may see lower VCRs depending on the viewing environment and context.

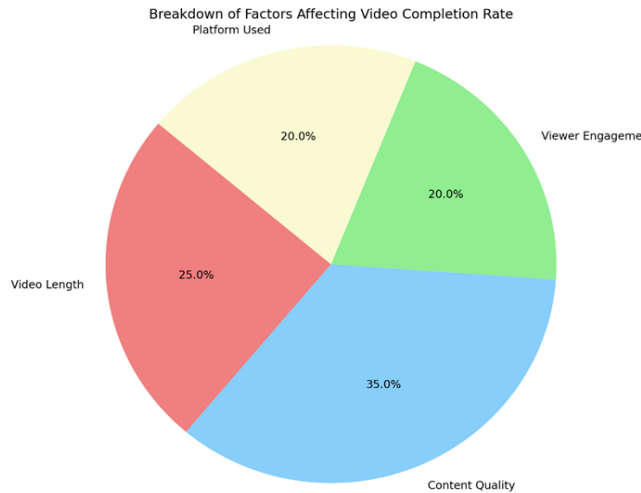


Figure 1: Breakdown of Factors Affecting Video Completion Rate (VCR)

2. Audience Segmentation:

Audience demographics, such as age, gender, location, and interests, play a significant role in determining the likelihood of viewers completing a video ad. Misaligned audience targeting can lead to lower VCRs.

3. Ad Length:

Shorter ads (6-15 seconds) generally achieve higher VCRs compared to longer ads (30-60 seconds). However, longer ads can be effective if they are engaging and relevant to the target audience.

**Connected TV (CTV) Ad Performance Metrics
Worldwide: Video Completion Rates (VCR), by Ad Length, 2022**

among impressions served by Innovid

≤10 seconds	90.2%
15 seconds	94.5%
30 seconds	94.1%
45 seconds	91.5%
60 seconds	86.4%
75 seconds	95.3%
90 seconds	91.0%
>90 seconds	27.3%

Note: represents activity on the Innovid platform, broader industry metrics may vary
Source: Innovid, "Global CTV & Creative Insights," May 11, 2023

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Figure 2: Connected TV Video Completion Rate (VCR) by ad length

4.Frequency Capping:

Capping ad frequency helps avoid viewer fatigue and irritation. While too many exposures can reduce VCR, a strategic balance can enhance the chances of ad completion.

5. Creative Quality:

Engaging creative elements, such as compelling visuals, engaging storytelling, and clear calls to action, significantly affect VCR. High-quality ads that resonate with viewers are more likely to be watched to completion.

6. Ad Placement and Timing:

Strategic ad placement within premium content and during peak viewing hours can improve VCR. Ads in pre-roll or mid-roll positions and in contexts that align with viewer interests tend to perform better.

7. Rewarded Video:

Rewarded videos offer incentives to users (such as in-game currency, access to premium content, or discounts) in exchange for watching a full ad. This approach typically results in higher VCRs, as users are motivated to complete the video to receive the reward. Rewarded video ads are especially effective in mobile gaming and entertainment apps, where users are more likely to value the rewards offered.

STRATEGIES TO IMPROVE VIDEO COMPLETION RATES

To improve VCR in programmatic advertising, advertisers can implement the following strategies:

A. Creative Optimization

Creative optimization involves tailoring ad content to match audience preferences and maximize engagement. Key elements of creative optimization include:

- **Personalization:** Leveraging data insights to customize ads based on viewer demographics, behavior, and interests.
- **Dynamic Creative Optimization (DCO):** Using machine learning algorithms to test multiple creative variations and deliver the most effective ad to each viewer.
- **Interactive Elements:** Incorporating interactive features (e.g., polls, quizzes, or clickable elements) to enhance viewer engagement and encourage ad completion.

By optimizing creative content, advertisers can create ads that are more relevant and engaging, leading to higher VCR.

B. Audience Targeting

Precise audience targeting is crucial for achieving high VCR. Advertisers should use both first-party and third-party data to reach the right audience. Retargeting can be used to re-engage viewers who have shown interest but did not complete the video ad initially. Effective strategies include:

- **Behavioral Targeting:** Target viewers based on their past behaviors, such as browsing history, purchase behavior, and app usage. This allows advertisers to serve ads to users who have demonstrated interest in related products or content, thereby increasing the likelihood of video completion.
- **Site Retargeting and Audience Retargeting:** Retarget users who have previously visited a website or app but did not convert. Use personalized ads to re-engage these users with content tailored to their interests, reminding them of products or services they showed interest in and increasing the chances of ad completion.
- **Contextual Targeting:** Deliver ads based on the content of the webpage or app, ensuring that the ad contextually aligns with what the user is currently viewing. For instance, showing sports-related ads on a sports news site. This strategy helps in reaching audiences that are more likely to be interested in the ad, thereby increasing VCR.
- **Demographic Targeting:** Target specific demographic groups based on age, gender, income, and education levels. By focusing on audiences most likely to engage with the brand, demographic targeting helps improve ad relevance and completion rates. For example, targeting younger audiences with ads for gaming apps or targeting families with ads for family-friendly content.

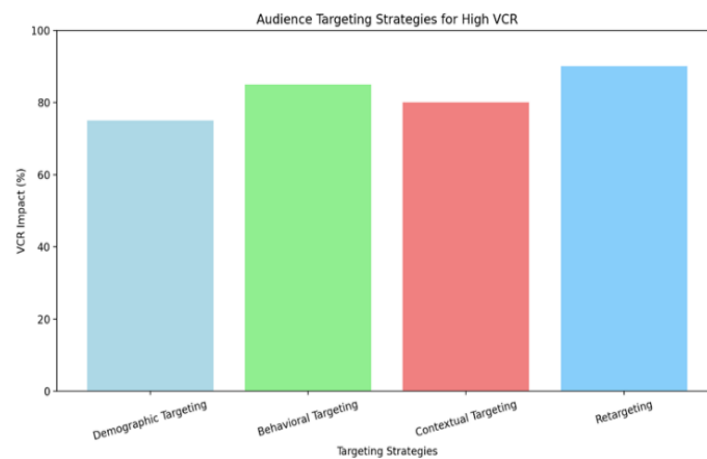


Figure 3: Audience Targeting Strategies for High VCR

Other Audience Targeting Strategies:

- **Lookalike Audiences:** Identify new audiences that resemble high-value existing customers. By analyzing data from current customers, advertisers can find similar audiences who are more likely to engage with and complete video ads.
- **Competitor Targeting:** Target users who have engaged with or shown interest in competitors' products or services. This approach captures market share and enhances VCR by appealing to an already interested and relevant audience.
- **Cross-Device Targeting:** Utilize cross-device strategies to reach users across multiple devices. If a user is exposed to an ad on a desktop, reinforcing the message on their mobile or CTV can improve the likelihood of ad completion.

C. Frequency Capping

Frequency capping and retargeting are essential for maintaining viewer engagement without causing ad fatigue:

- **Optimal Frequency:** Determine the optimal number of ad exposures to achieve the desired VCR. Use data analytics to identify the ideal frequency that maximizes ad recall and engagement without annoying the viewer. Different platforms and audience segments may require different frequency caps to balance exposure and viewer tolerance.
- **Sequential Messaging:** Implement sequential messaging to deliver a series of related ads, guiding viewers through different stages of the customer journey. For example, the first ad might introduce a product, while subsequent ads provide deeper information or offer incentives. This approach keeps the audience engaged by presenting new and relevant content.
- **Dynamic Retargeting:** Use dynamic retargeting to show customized ads based on the viewer's past interactions. This approach allows advertisers to display content that specifically addresses the viewer's previous behavior, such as showing a product video ad to someone who viewed the product page but did not make a purchase.
- **Granular Segmentation for Retargeting:** Segment audiences into smaller, more targeted groups for retargeting based on their engagement level. For instance, create separate segments for viewers who watched 25%, 50%, 75%, and 100% of the ad, and use different messaging strategies for each group to encourage further engagement.
- **Using Retargeting Across Channels:** Apply retargeting strategies across different digital channels, such as social media, display, and email, to reinforce messaging and increase the likelihood of ad completion.

D. Ad Placement and Timing

Strategic ad placement and timing are vital for maximizing VCR. Advertisers should consider:

- **Premium Inventory:** Invest in premium ad placements, such as high-traffic websites and CTV apps, that offer higher viewability and engagement. Ads placed in premium content are more likely to be perceived as credible and trustworthy, increasing the likelihood of viewers watching the entire ad.
- **Contextual Relevance:** Ensure that ads are placed within content that aligns with the brand message and target audience preferences. For instance, placing an ad for athletic wear in a fitness-related video or article increases the chances of reaching a receptive audience, thereby improving VCR.
- **Peak Viewing Times:** Schedule ads during peak viewing times, such as evenings and weekends, when users are more likely to engage with content. Data analysis can help determine the optimal times for ad placement based on audience habits and platform usage trends.
- **Ad Placement Types:** Choose the right ad placements, such as pre-roll (before the main content), mid-roll (during content), and post-roll (after content). Each placement type has its benefits, with pre-roll ads generally having higher completion rates but mid-roll ads benefiting from captive audience attention during breaks in the content.
- **Adaptive Placement Strategies:** Use adaptive placement strategies that automatically adjust ad placement based on real-time performance data. For example, if a particular mid-roll placement is underperforming, the system can switch to pre-roll to improve VCR.
- **Utilizing Inventory Insights:** Leverage insights from demand-side platforms (DSPs) or ad exchanges to identify underused but high-performing ad placements. This approach helps optimize ad spending and maximize VCR by targeting less saturated inventory.

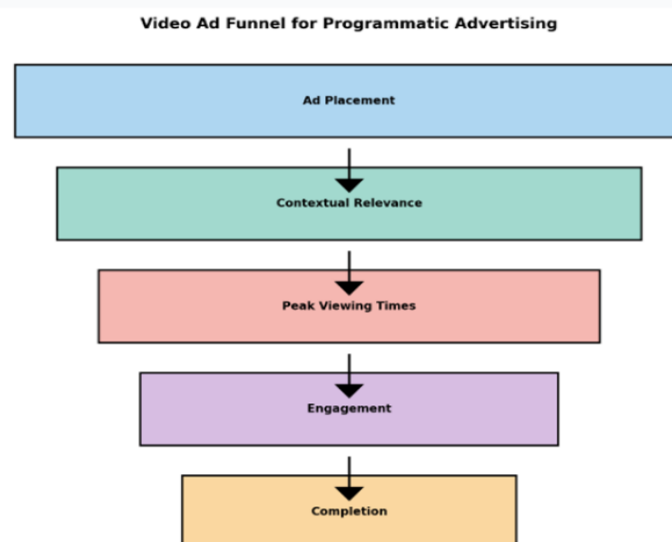


Figure 4: Video Ad Funnel for Programmatic Advertising

CASE STUDIES: SUCCESSFUL CAMPAIGNS WITH HIGH VCRS

Case Study 1: Replacements' Programmatic Campaign with Mountain

Replacements used Mountain's "Creative-as-a-Subscription" model to frequently refresh its creative assets for a programmatic video campaign. This approach kept the ads relevant and engaging, resulting in a 240% increase in Return on Ad Spend (ROAS) year-over-year and a substantial improvement in VCR. The strategy involved leveraging continuous creative testing and optimizing targeting to align with audience preferences.

Source: Mountain, "Replacements Leverages MNTN's Creative-as-a-Subscription to Unlock Quarterly Creative Refreshes," 2023.

[Insert Figure 3: Case Study Results: Video Completion Rates Across Different Campaigns]

Case Study 2: Coca-Cola's Rewarded Video Campaign on Mobile Games

Coca-Cola launched a rewarded video ad campaign within popular mobile games to boost brand awareness. By offering in-game rewards, the campaign achieved a VCR of 95%, significantly higher than industry benchmarks. This success was attributed to high engagement levels and the effective use of incentives to keep users engaged.

CONCLUSION

Video Completion Rate (VCR) is a critical metric in programmatic advertising, influencing both brand engagement and ROI. Advertisers can enhance VCR by adopting strategies such as creative optimization, precise audience targeting, frequency capping, retargeting, and strategic ad placement. The case studies presented demonstrate how these strategies can drive success in different contexts, from CTV to OTT and mobile video.

By focusing on these key areas, advertisers and agencies can optimize their programmatic video campaigns, achieve higher VCR, and maximize their advertising impact in an increasingly competitive landscape.

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