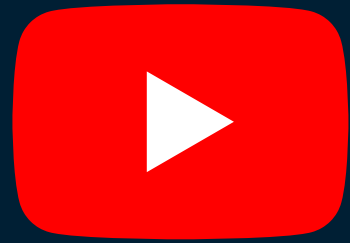


2023



2023

YouTube Benchmark

TrueView Campaigns Leverage on Views Objective





Strategic Insights from 2023's YouTube Ad Performance Across Different Industries

YouTube solidified its position in 2023 as the preeminent online video platform capturing shifting viewers and ad dollars fleeing traditional television. However, the forces catalyzing YouTube's dominance - rapid audience and industry disruptions, increasingly device-centric and personalized messaging - also translated into swelling competition amongst a crowded field of new entrants and established brands fighting for a share of this vast yet fragmented market.

About Strike Social



Strike Social is a leading global campaign management team serving the largest agencies with over 50 million campaigns optimized by our proprietary AI tool to ensure maximum performance and success.



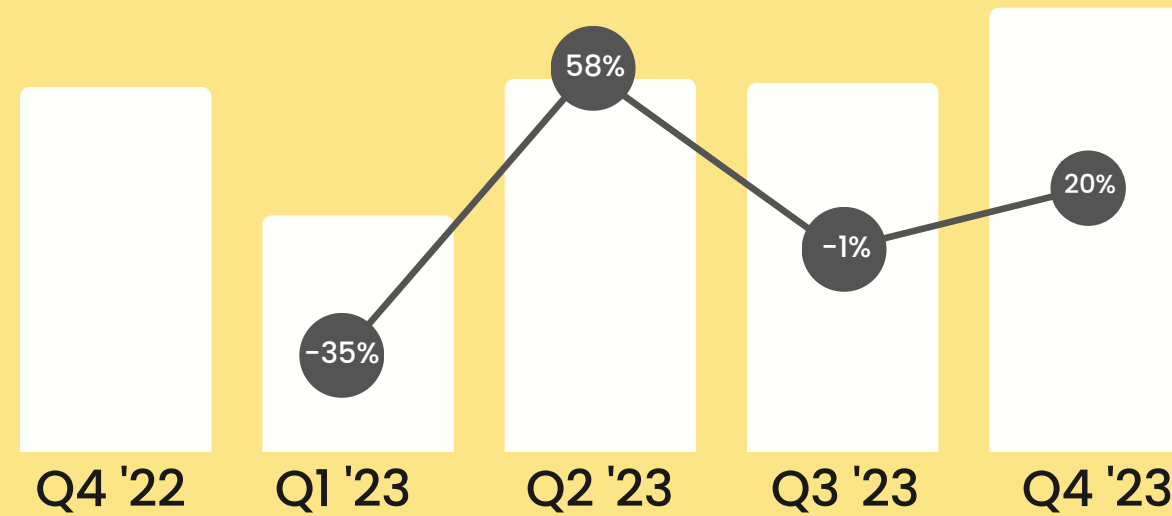


our methodology

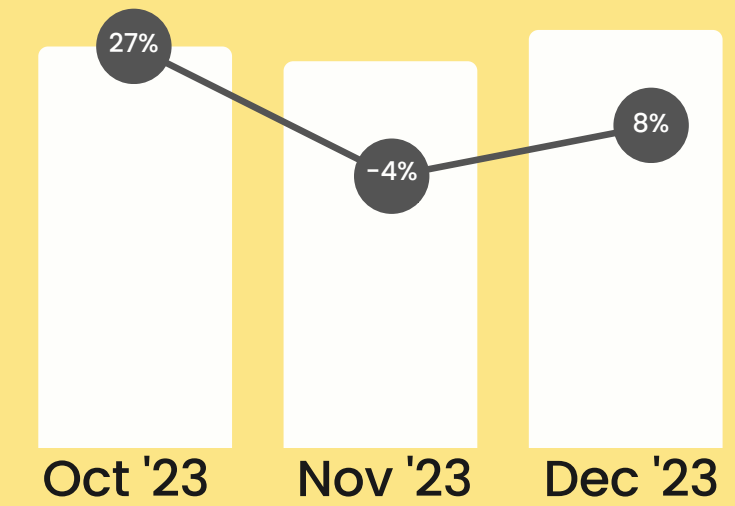
For this report, we only analyzed thousands of YouTube InStream Skippable campaigns that leveraged the Views objective. Our sample size consisted of 200+ million views across various industries. We used Strike Social's proprietary AI tool to optimize campaign performance and identify key metrics, including CPV, view, and video rate trends. The data set includes device performances, desktops, tablets, mobiles, and connected TVs. The timeframe for our analysis was from Q1 to Q4 2023. The data collected and analyzed were anonymized and aggregated to ensure confidentiality and privacy.

Overview

Quarterly CPV Trend



Monthly CPV Trend



01. Quarterly

Q1 showed a significant drop to \$0.0116, marking the most cost-efficient period. The subsequent quarters saw a slight increase in CPV, reflecting a normalization of ad costs. However, Q4 experienced a sharp rise in CPV, likely driven by increased competition and demand during the holiday season.

02. Monthly

The monthly trends in CPV demonstrated a clear upward trajectory, starting with a 27% jump in October, then experiencing a slight dip in November, only to culminate in December with the highest CPV of the year. This pattern highlights a gradual escalation of costs and intensified competition vying for consumers' attention.

03. Overall

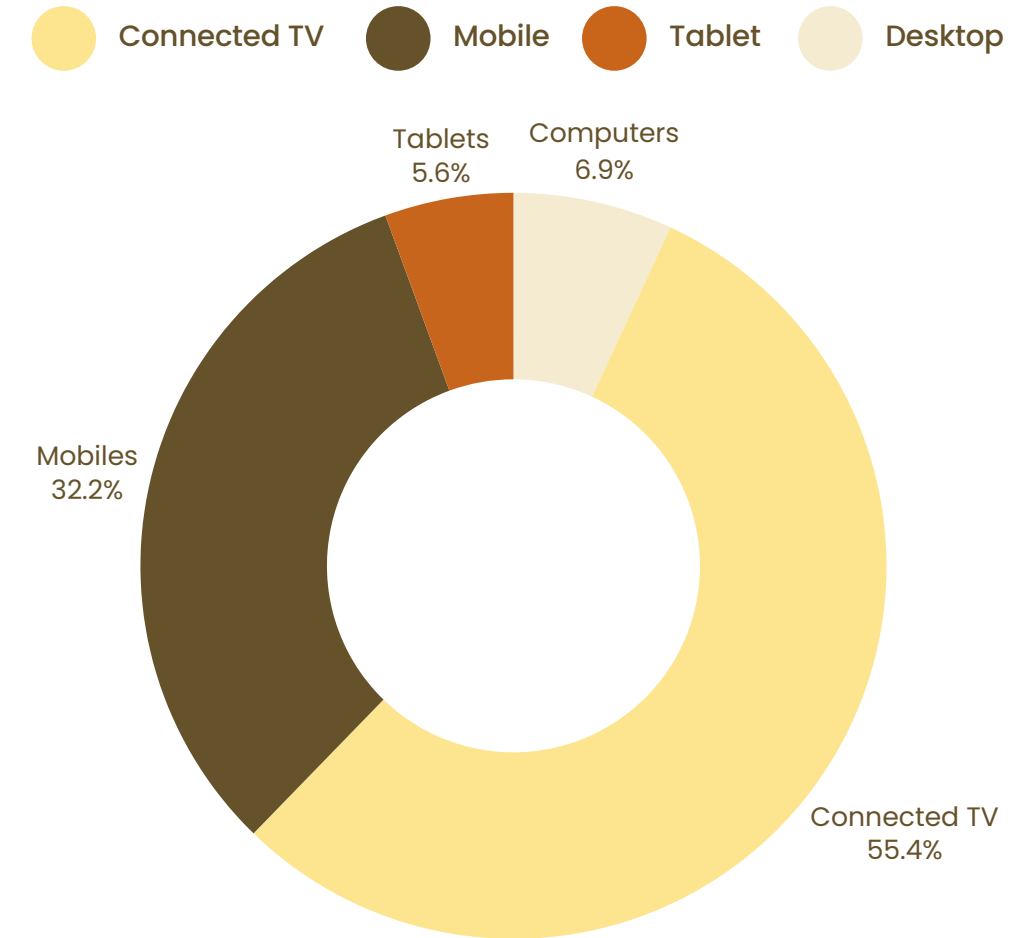
Advertisers are encouraged to strategically analyze trends in 2024 by critical months, mainly focusing on optimizing budget allocation during the cost-effective Q1 and preparing for the heightened competition in Q4.

Leveraging Device Trends for 2024 Optimized Ad Spending

A significant portion of our advertising budget was directed towards Connected TV, accounting for 55.35%, with Mobiles receiving 32.15%, Computers 6.92%, and Tablets 5.58%. Despite this diverse cost distribution, Connected TV stood out for its cost efficiency, boasting a CPV that was 6.5% lower than that of mobile devices.

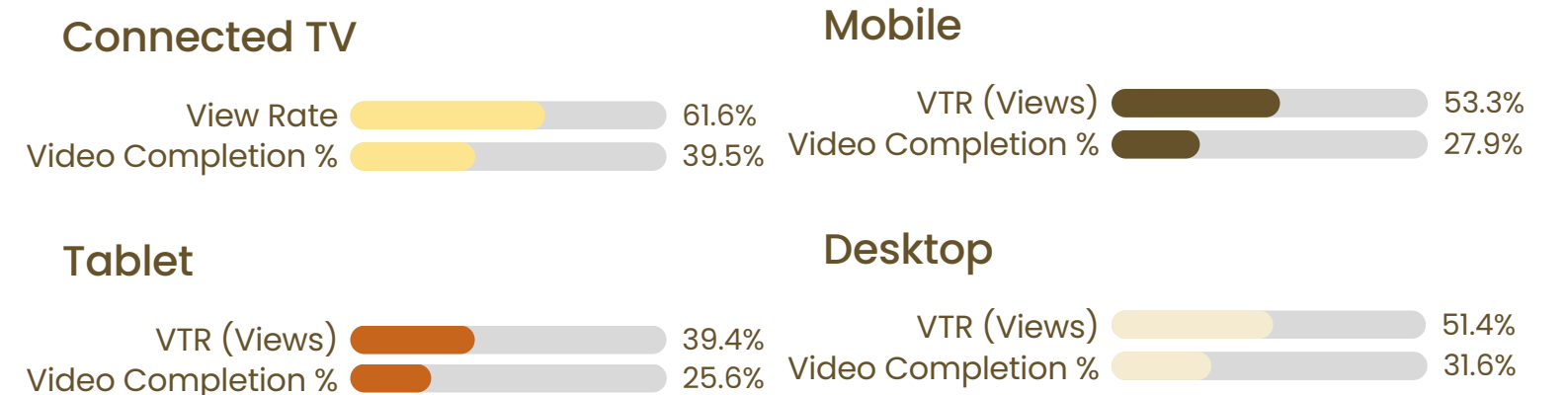
Although mobile devices were second in line for budget allocation, capturing and maintaining the attention of handheld device users proved to be more challenging. Individuals using mobile devices, often on the move or taking short breaks, typically exhibit shorter attention spans than those engaged with Connected TV in a more relaxed, home environment.

2023 Overall Distribution of Cost by Device



Focus on Engagement vs. Initial Attraction

Video Through Rate (Views) vs. Video Through Rate (Impressions)



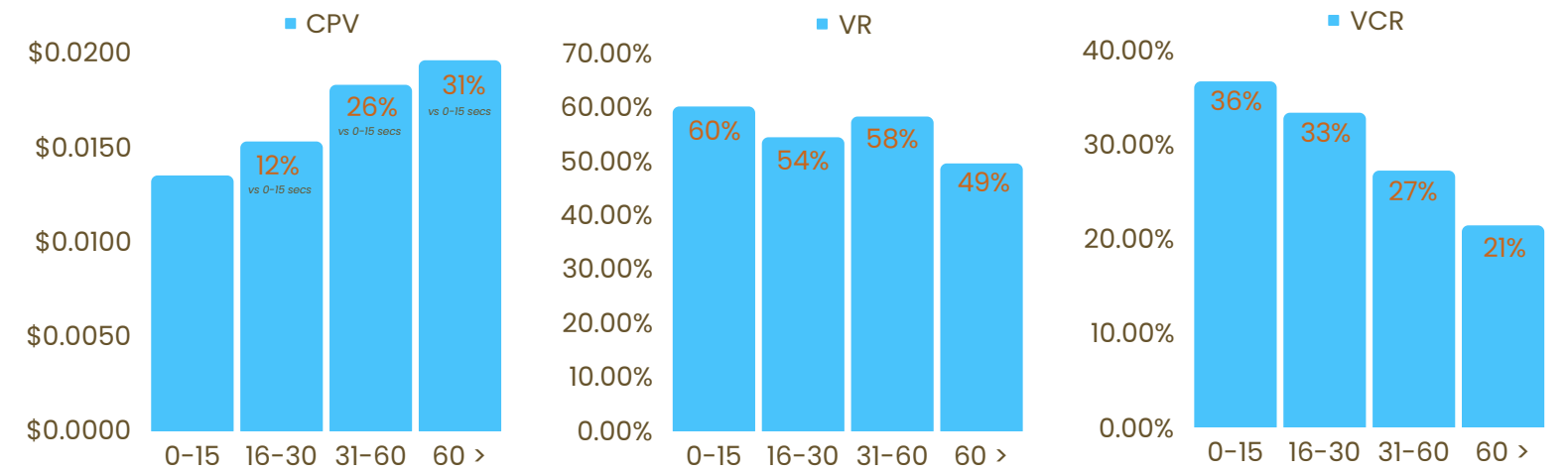
Data Source: Strike Social Proprietary Tool, Campaign Lab, Trueview Instream Skippable 2023 US Campaigns

How Short Can YouTube Ads Go?

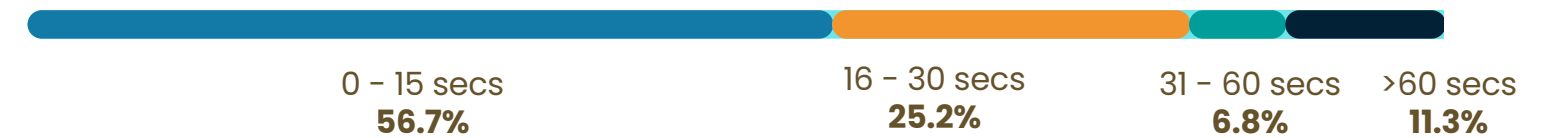
Shorter ads (0-15 seconds) demonstrated the highest engagement and cost efficiency, with a View Rate of 60.03% and a substantial 36.63% of viewers watching these ads to completion. This trend slightly dips for ads longer than 15 seconds. As ad length increases, both initial and completion engagement rates decline noticeably. The trend highlights the challenge of maintaining viewer interest over longer durations.

Across most verticals, shorter ads (especially 0-15 seconds) proved more cost-effective and engaging, reinforcing the strategy of leveraging concise, impactful messaging to capture viewer interest quickly. Verticals like Travel and Science and Technology illustrate the benefits of a diversified ad length strategy. Consider the audience's preferences and the complexity of the message when choosing ad length.

2023 Overall Comparison of Video Ad Length



2023 Overall Cost Distribution by Video Ad Length



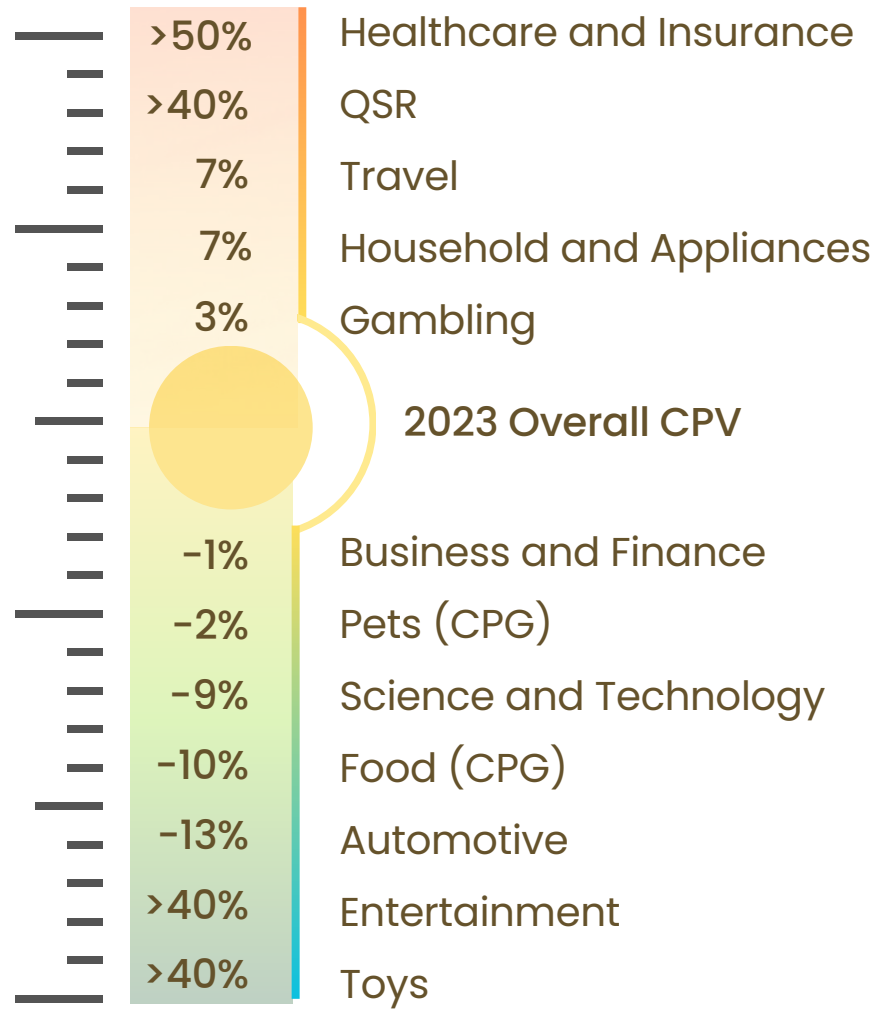
2023 Overall CPV Comparison by Vertical

Legend: No Data (Grey), Color Scale, lowest to highest CPV (White to Dark Blue)

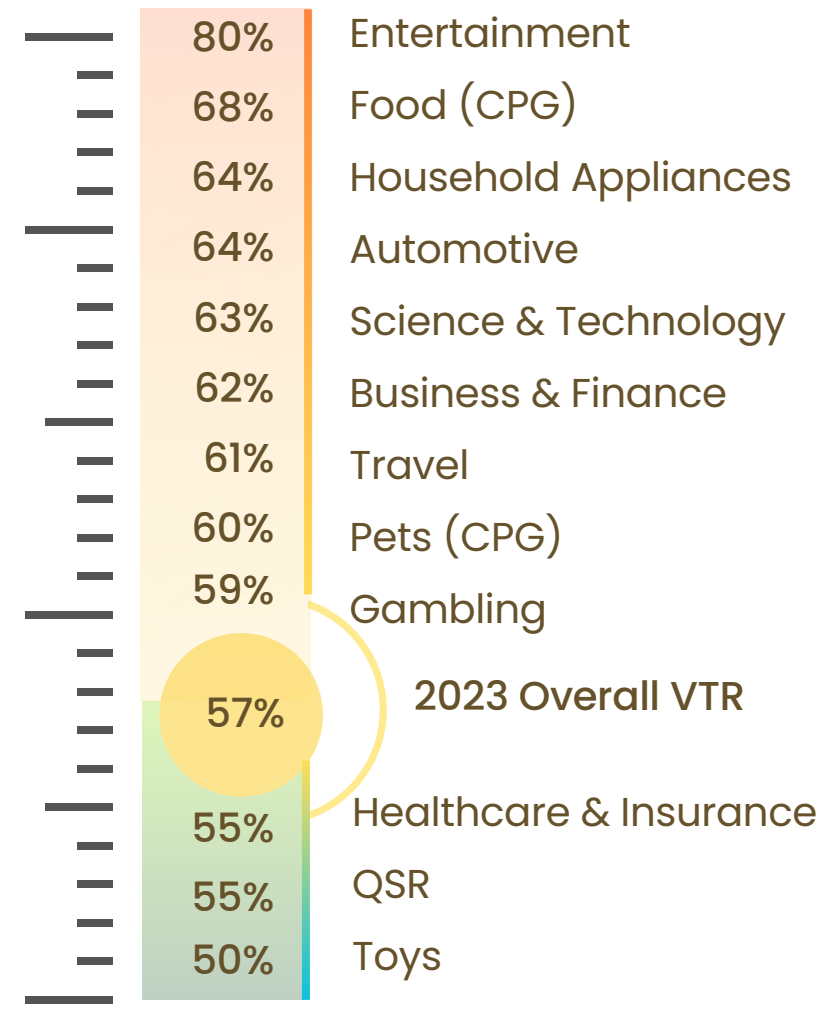
Vertical	0 - 15 second video ad CPV	16 - 30 second video ad CPV	31 - 60 second video ad CPV	> 60 second video ad CPV
Healthcare and Insurance	Dark Blue	Grey	Grey	Grey
QSR	Grey	Blue	Grey	Grey
Household and Appliances	Blue	Grey	Grey	Grey
Travel	Blue	Blue	Grey	Dark Blue
Gambling	Blue	Blue	White	Grey
Business and Finance	Blue	Blue	Grey	Grey
Pets (CPG)	Blue	Grey	Grey	Grey
Science and Technology	Blue	White	Blue	Blue
Food	Blue	Blue	Grey	Grey
Automotive	Blue	Blue	Grey	Grey
Entertainment	White	Blue	White	Blue
Toys	White	White	Grey	Grey

Data Source: Strike Social Proprietary Tool, Campaign Lab, Trueview Instream Skippable 2023 US Campaigns

2023 CPV by Industry



2023 View Rate by Industry



2023 CPV and View Rate Comparison by Industry

Data Source: Strike Social Proprietary Tool, Campaign Lab, Trueview Instream Skippable 2023 US Campaigns

The CPV analysis reveals significant variations across industries, with Healthcare and Insurance experiencing the highest CPV at 50% above the overall average. This suggests a premium on targeting within these sectors, possibly due to highly competitive ad spaces or the specific audience demographics they target. Conversely, the Entertainment and Toys industries show the most cost efficiency, with CPV 40% or more below the overall average.

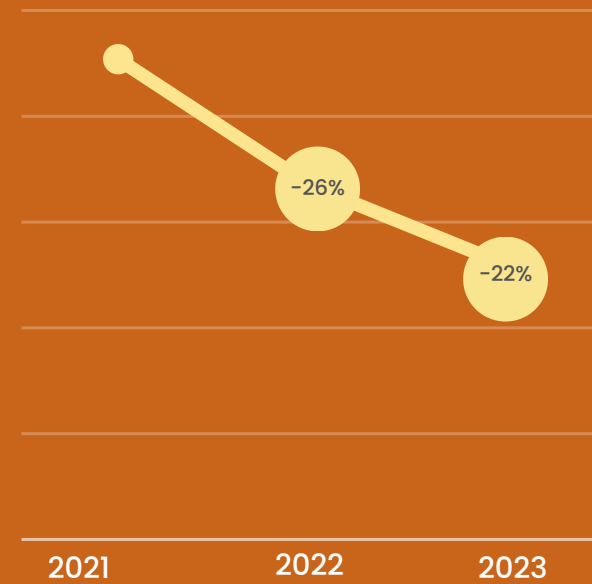
View Rate provides a measure of ad engagement across industries. Entertainment vertical leads our list with an 80% view rate, 42% above the average. Food (CPG) and Household Appliances followed closely, indicating high viewer interest or effective ad content within these sectors. Conversely, QSR and toy industries face the greatest challenges in maintaining viewers' interest.

Data Source: Strike Social Proprietary Tool, Campaign Lab, Trueview Instream Skippable 2023 US Campaigns

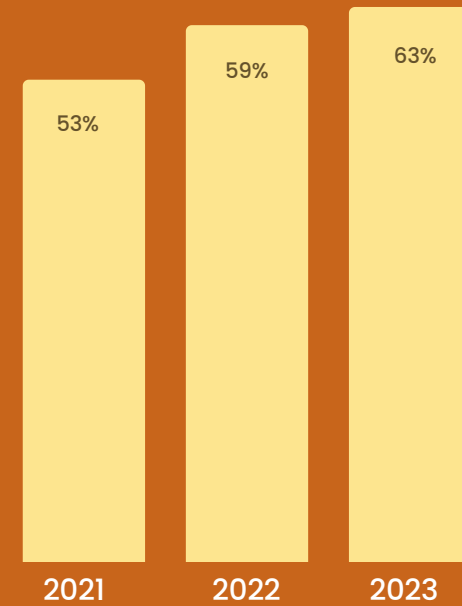


CPV Yearly Trend

% change

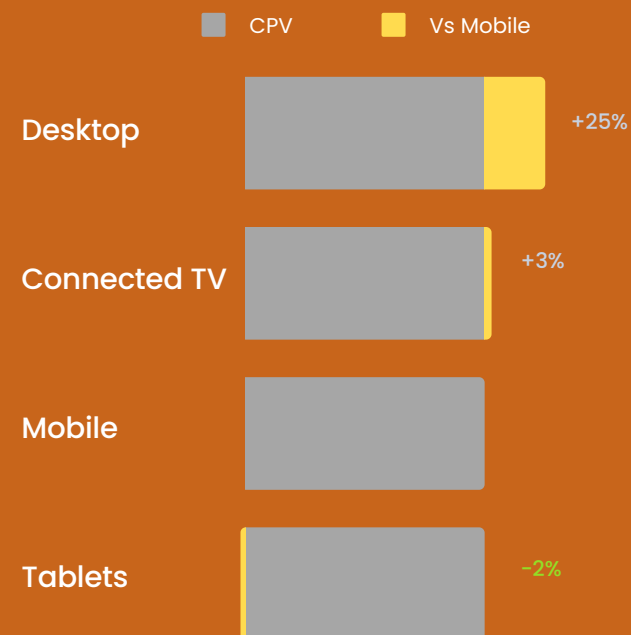


View Rate Trend



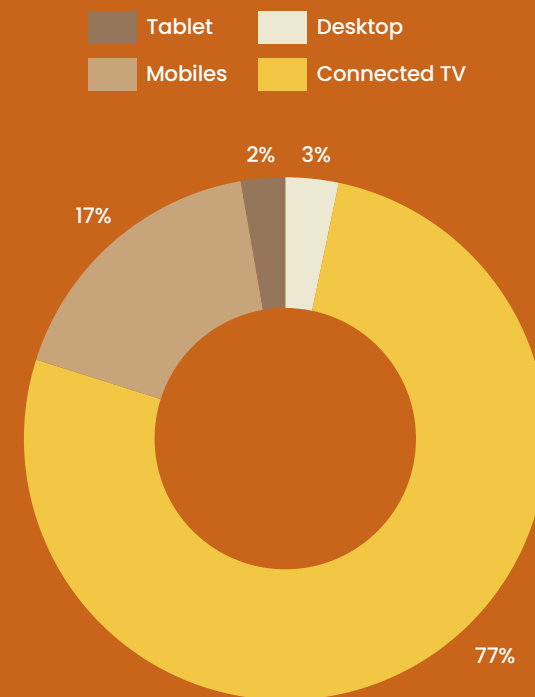
CPV Comparison

By device



Cost Distribution

By device



Automotive

The automotive industry's shift towards sustainability, electrification, and digital transformation has created new opportunities and challenges for advertisers. Electric vehicle marketing is heating up as brands promote their new models, leading EV ad spending on YouTube to balloon. A McKinsey study found that EV advertising grew 100% than of Q2 of last of 2022. Meanwhile, Cox Automotive reported that 71% of car buyers plan to adopt an omnichannel approach in buying their next vehicle.

ADDITIONAL DEVICE DATA INSIGHTS

Connected TV dominated cost distribution with 76.6%, showing a lower CPV and a high viewer engagement rate, indicating its effectiveness for reaching audiences with interest in cars and automotive at a relatively lower cost.



Business & Finance

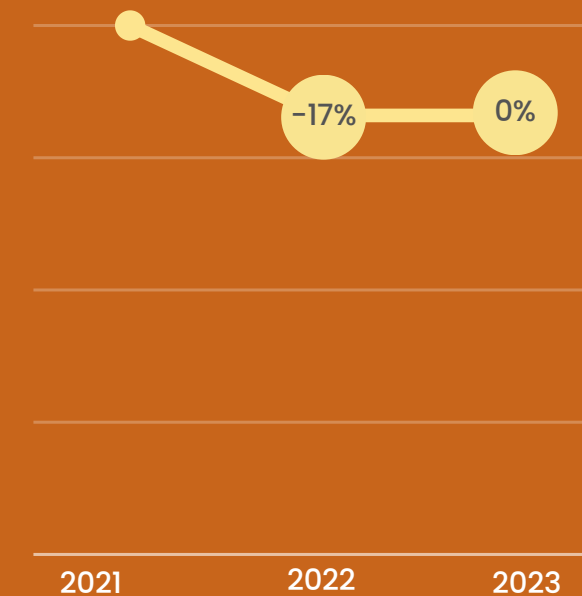
In 2023, the fintech sector saw significant user growth, propelled by advancements in AI. This surge in demand for online financial and insurance services heightened competition and increased ad prices as companies aimed to leverage the expanding market. The shift towards more online business operations, including adopting productivity tools and solutions, further fueled competition in YouTube's ad auction space.

ADDITIONAL DEVICE DATA INSIGHTS

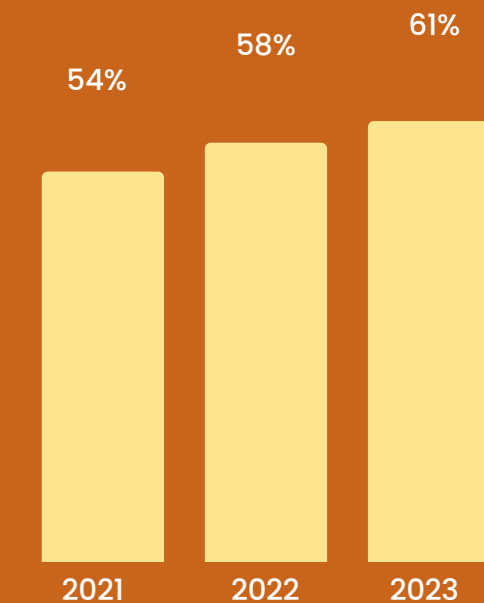
Connected TV led in cost distribution and demonstrated a higher engagement rate and view Rate than other devices, suggesting its effectiveness for reaching big-screen viewers. In contrast, desktops and tablets showed higher CPVs, indicating a costlier reach. Mobiles present a balanced option of all the device.

CPV Yearly Trend

% change

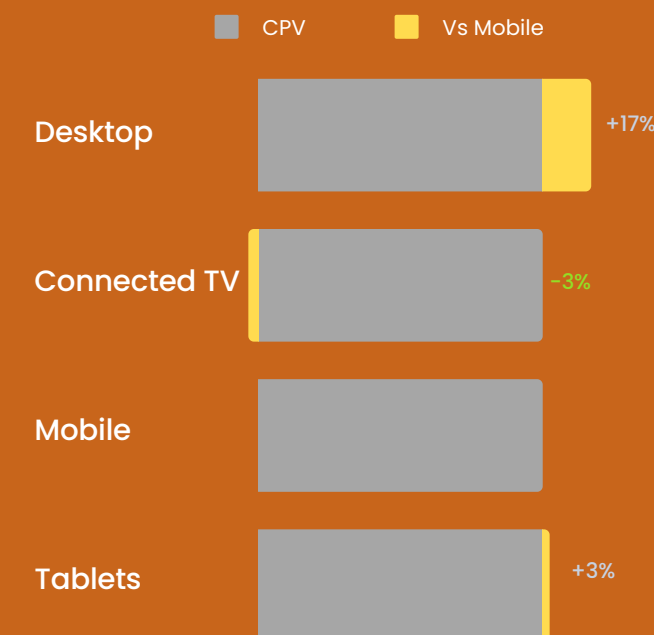


View Rate Trend



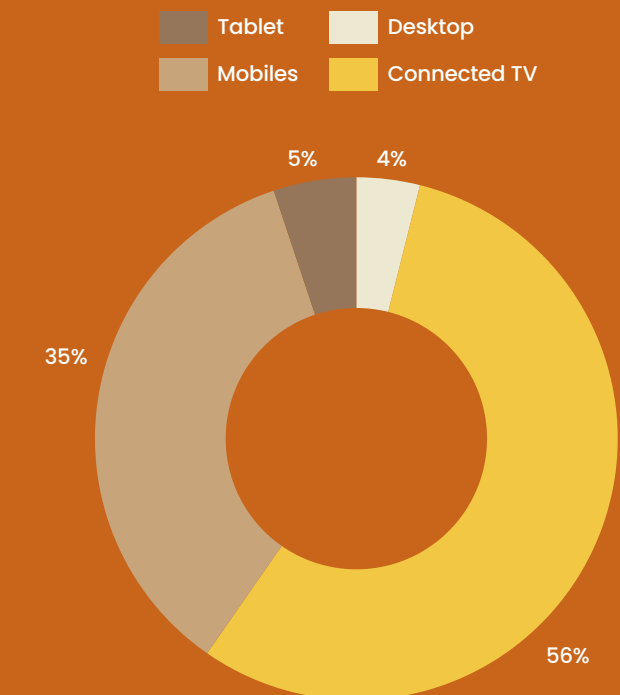
CPV Comparison

By device



Cost Distribution

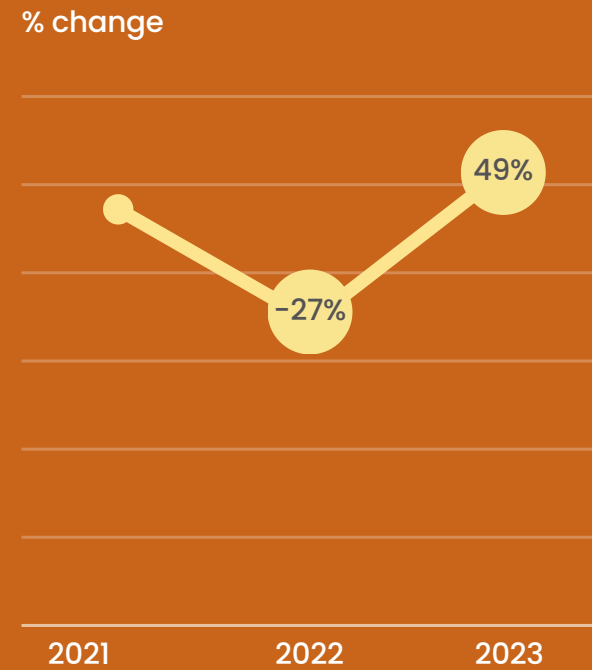
By device



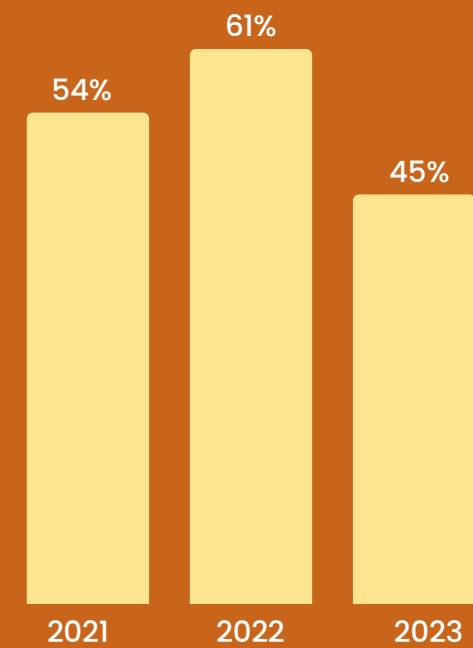
Data source: Strike Social, CampaignLab. Data varies based on monthly campaign input



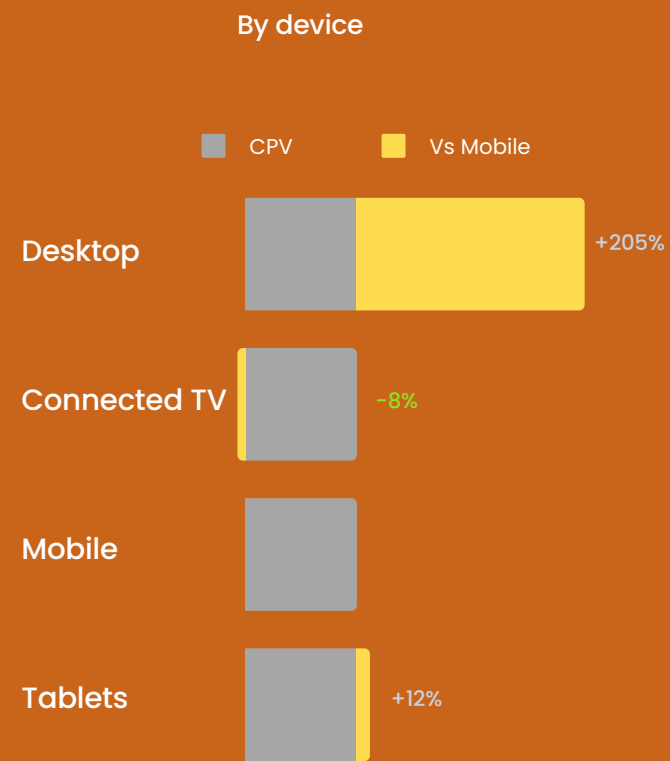
CPV Yearly Trend



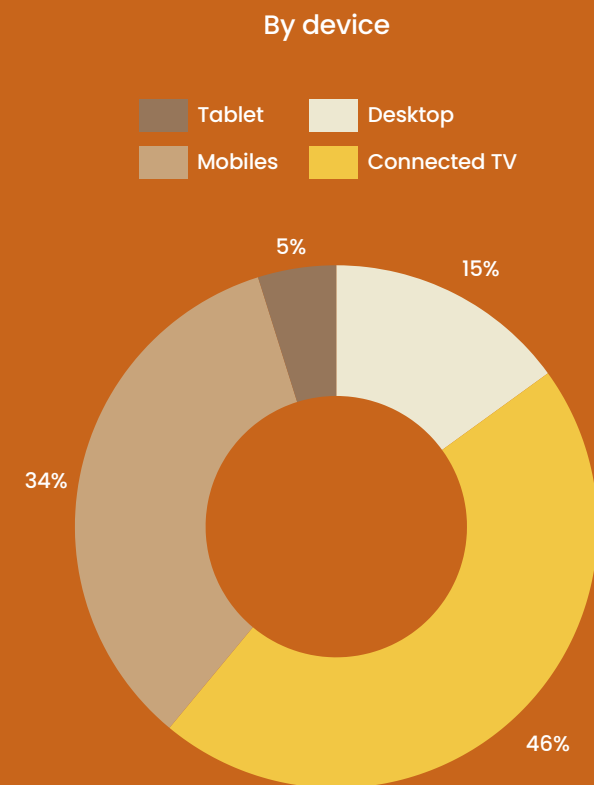
View Rate Trend



CPV Comparison



Cost Distribution



Healthcare & Insurance

The health and insurance industry's YouTube ad performance from 2021 to 2023 highlights the impact of telehealth adoption, mental health awareness, and regulatory changes on digital advertising strategies. As competition intensifies and the landscape evolves, advertisers in this sector must continuously adapt their approaches to engage audiences while navigating regulatory and market changes effectively.

DATA INSIGHTS

Connected TV not only accounted for the largest distribution of ad spend at 46% but also offered the best value in terms of engagement. With a 34.14% cost distribution, Mobiles stood out for their balanced approach. Mobile ads remain a crucial channel for reaching a broad audience effectively.



Food (CPG)

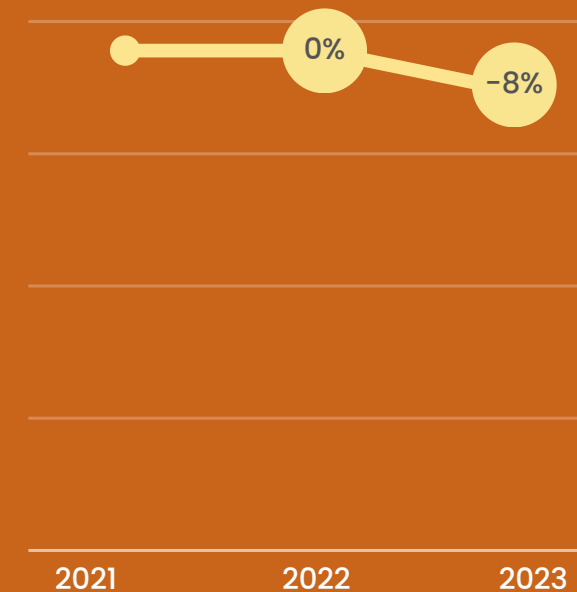
Facing high inflation, Food CPG brands aggressively pushed value messaging in 2023 YouTube campaigns, with top retail brands upping ad investment to promote rollbacks. At the same time, changing consumer priorities accelerated the shift towards direct-to-consumer (DTC) and omnichannel strategies. This rapidly intensifying competition between established CPGs and digital-first DTC disruptors bidding for YouTube's huge audiences of deal-seeking food shoppers likely translated efficiencies on brands video ad campaigns.

DATA INSIGHTS

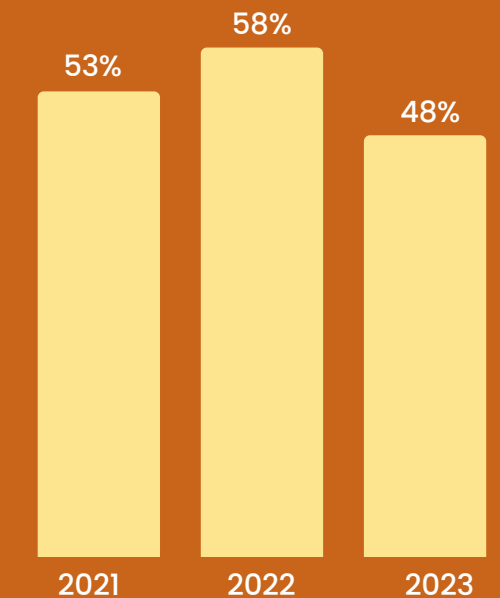
While Connected TV offers an optimal mix of reach and engagement, Desktop devices present an opportunity for high engagement. Despite higher costs, computers achieved 31% VTR leads for all devices. Mobiles remain essential for their accessibility and cost-effectiveness.

CPV Yearly Trend

% change

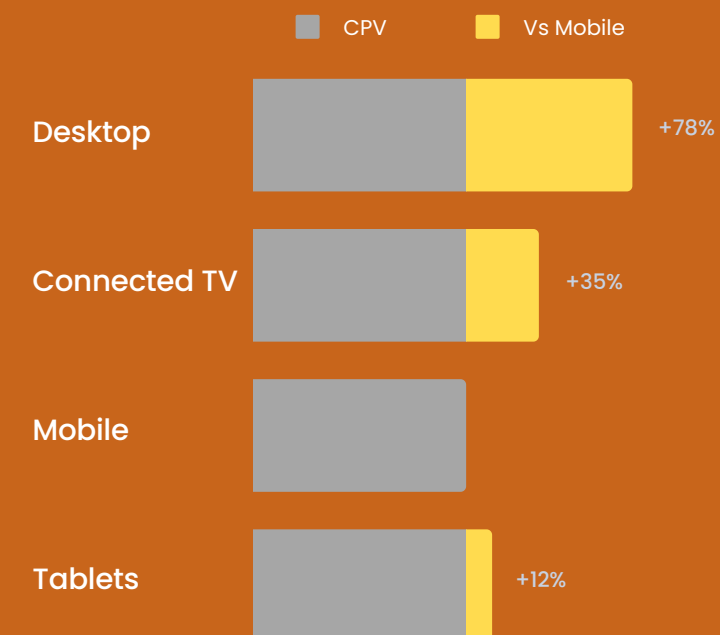


View Rate Trend



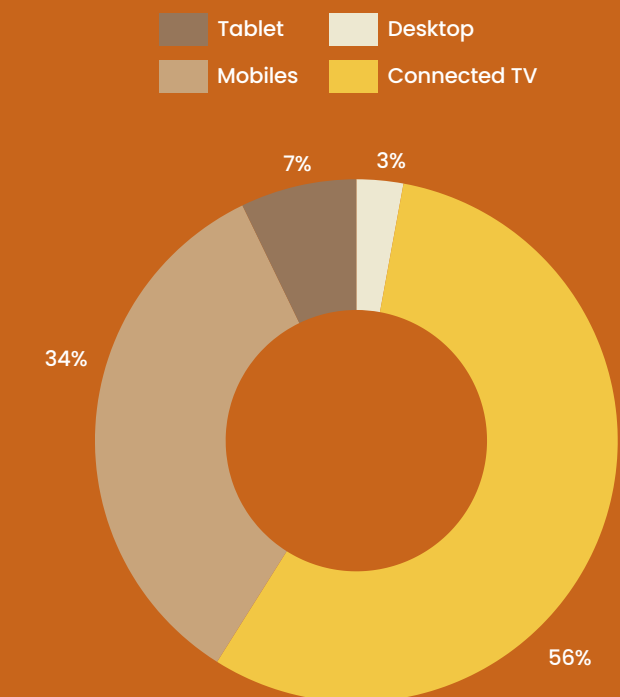
CPV Comparison

By device



Cost Distribution

By device

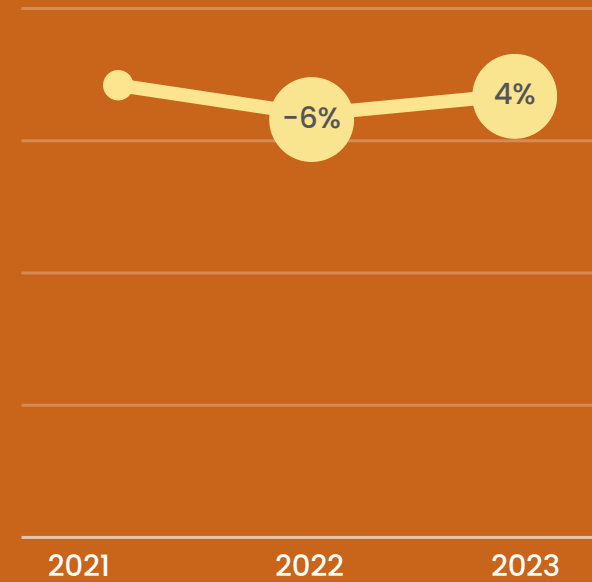


Data source: Strike Social, CampaignLab. Data varies based on monthly campaign input

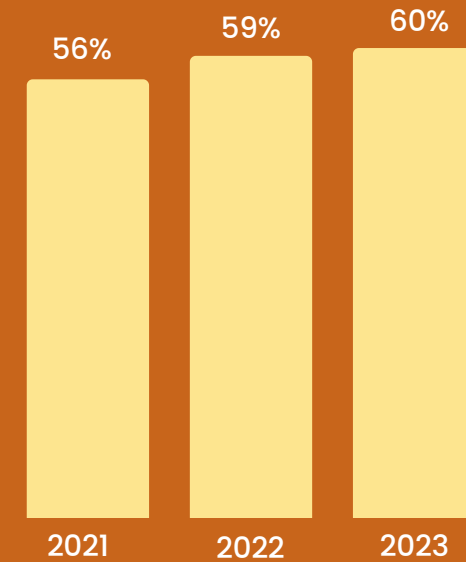


CPV Yearly Trend

% change

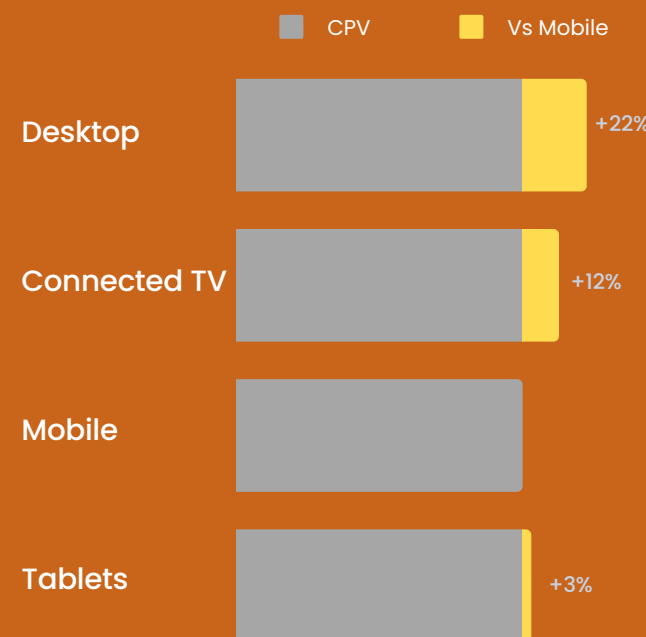


View Rate Trend



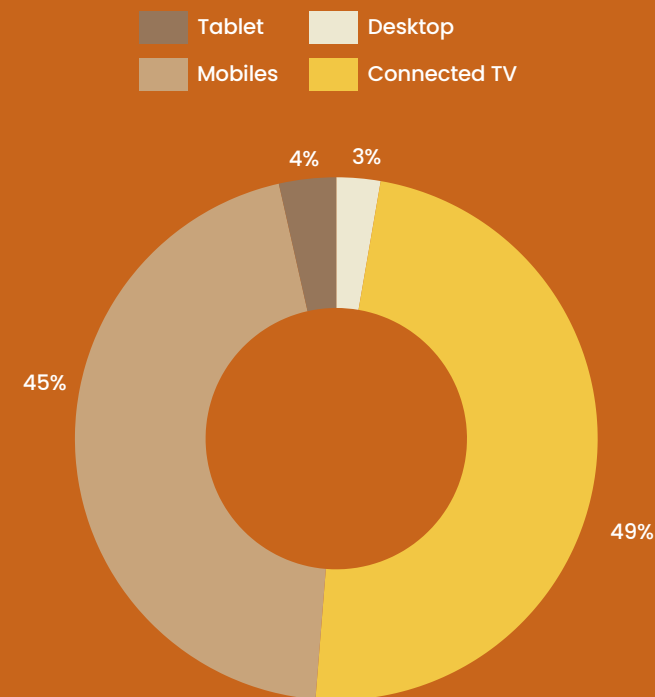
CPV Comparison

By device



Cost Distribution

By device

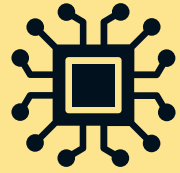


Travel

The convergence of business and leisure travel has spurred a demand for ads that cater to both segments. Additionally, the rise of short-term vacation rentals, exemplified by Airbnb's surging popularity, has reshaped accommodation preferences and marketing strategies alike. This shift has intensified ad auctions for travel-related searches, including those seeking the "best hotel loyalty programs." Such trends highlight a growing consumer desire for value and comprehensive benefits, reflecting a broader shift in how travelers plan and what they prioritize.

DATA INSIGHTS

While CTVs represented a leading destination for ad budgets, thanks to growing viewership, mobile devices enabled higher engagement due to greater ease of interaction. As YouTube viewers could explore ads with a simple touch, mobile video view-through rates outpaced CTV



Science & Technology

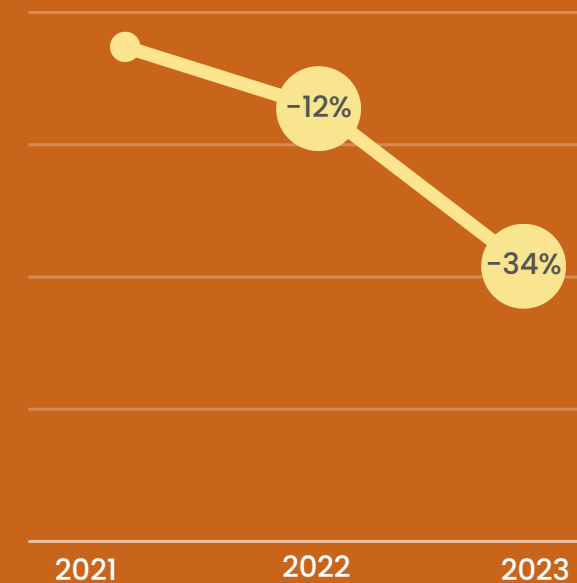
The explosive rise of AI in 2023 sparked competition between established tech giants and an influx of highly funded startups as they all vied for dominance in a rapidly expanding market with heightened consumer interest. However, the surge in public curiosity and viewership of tech and AI-focused content on YouTube still provides strong intent signals. With proper targeting, brands can pinpoint audiences demonstrating active interest in AI capabilities making ad spends more cost-efficient.

DATA INSIGHTS

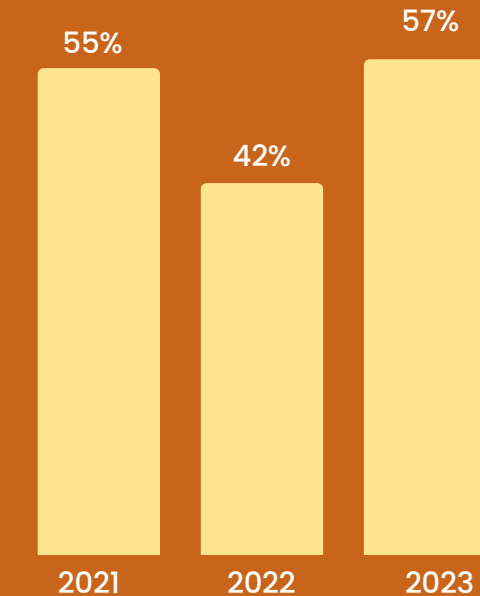
Our data suggests that while mobiles are the most favored device for ad placements in the Science & Technology sector, Connected TVs provide opportunities for higher engagement due to their reach and cost efficiency. CTV is a cost-effective medium for engaging viewers at scale.

CPV Yearly Trend

% change

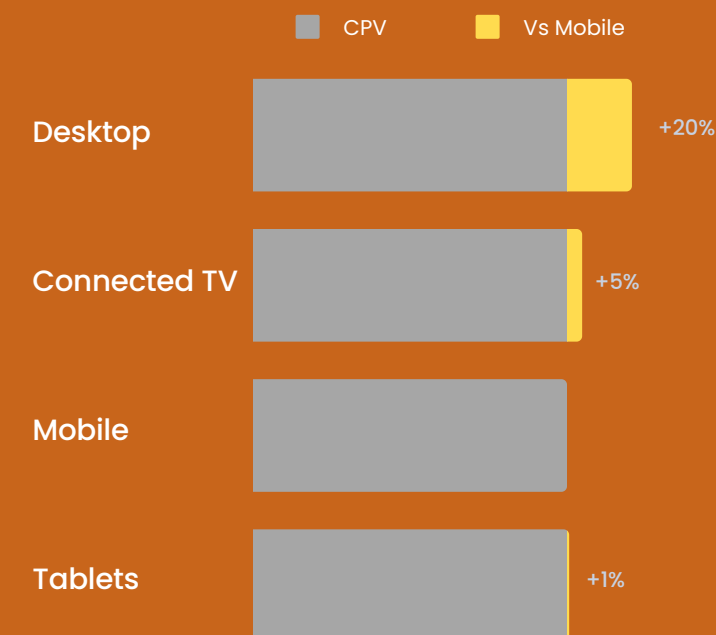


View Rate Trend



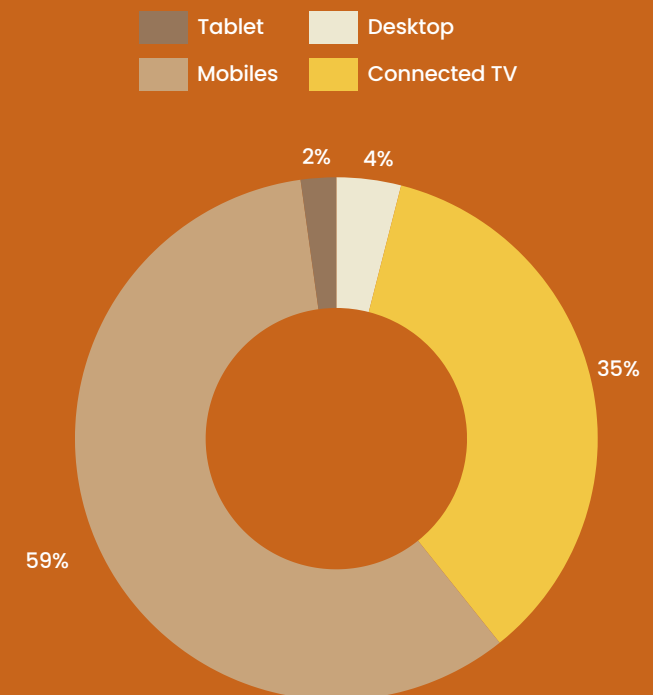
CPV Comparison

By device



Cost Distribution

By device



Data source: Strike Social, CampaignLab. Data varies based on monthly campaign input

conclusion

With multiple interconnected factors fueling competition, the ad costs, CPV, for YouTube In-Stream Skippable ads in 2023 faced increasing pressures across industries. The surge in sectors such as electric vehicles, fintech, AI, and telehealth, alongside changing consumer habits and a push towards direct marketing relationships, spurred new demand and crowded the advertising space. Key trends include auto brands intensifying their promotion of new EV models, financial firms leveraging economic uncertainties, and emerging health tech companies competing with established giants for consumer attention.

The rapid pace of digital disruption strained many brands with limited budgets while offering others a chance to capture market share through bold advertising investments. As we move into 2024, with economic uncertainties persisting, the value of achieving genuine relevance and forging connections with consumers through YouTube ads will become even more crucial for brands aiming to maintain or enhance their market presence.



Strike Social is a global advertising company that leverages automation and data-driven solutions to optimize advertising campaigns across various social media platforms, including YouTube, Instagram, Facebook, TikTok, LinkedIn, Twitter, Snapchat, and other paid social platforms.

With offices across Asia, Europe, and the Americas, we provide businesses and brands with the expertise and technology 24/7 needed for successful campaign management and optimization.



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